

Seeking harmonization between abundant and healthy lives  
for all humankind and the environment



Zippering around  
the globe

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## Editorial Policy for This Financial Year

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Since we wish to have as many people as possible read this report and learn about the YKK Group, we are publishing both a printed brochure edition with our fundamental ideas and a web edition that presents more detailed information.

The URL for the web edition is:  
<http://www.ykk.com/english/corporate/eco/report/2010/index.html>

We have also adopted a color universal design approach from the readers' perspective in consideration of the various ways different people see color in order to ensure to the greatest possible extent that the information is clearly presented to everyone.

This brochure was produced exclusively with materials that can be used to make recycled paper. When finished with it, please give it to a used paper recycler.

## Extent of Coverage

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YKK Group  
(YKK Corporation, YKK AP Inc., main overseas production sites, etc.)

## Period Covered

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Fiscal 2009 (April 1, 2009 to March 31, 2010)

The next report will be published in July 2011.



## At the roots of YKK Group business activities

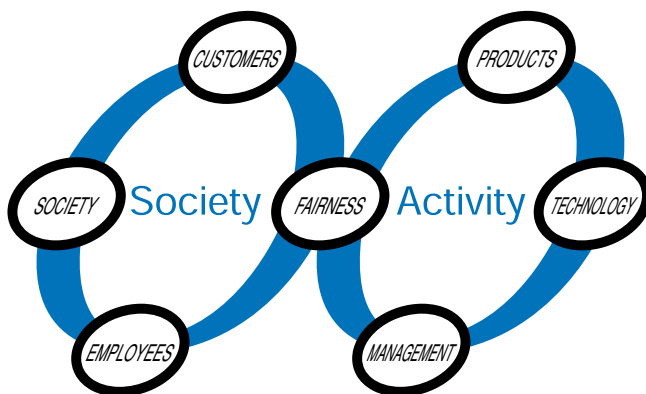
The YKK Philosophy “Cycle of Goodness”

**No one prospers unless he renders benefit to others.**

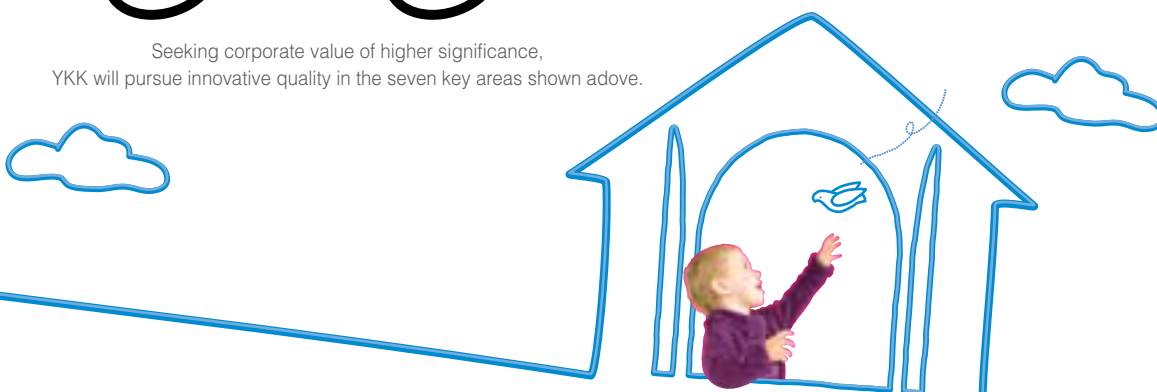
An enterprise is an important member of society, and as such, it must coexist with the other elements of society. Its value will be recognized by the benefits it shares with society. Tadao Yoshida, YKK’s founder, carefully considered this need for mutual prosperity as he planned his business endeavors. He determined that contributions to society could best be achieved by the continual creation of value through innovative ideas and inventions. The resulting business expansion would bring prosperity to consumers and trading partners, thus benefiting all society. Tadao Yoshida called this the “Cycle of Goodness,” and he made this idea his fundamental philosophy of business. We retain this concept as the ongoing business philosophy of YKK.

YKK Group management principle

“YKK seeks corporate value of higher significance”



Seeking corporate value of higher significance,  
YKK will pursue innovative quality in the seven key areas shown above.



## The Aim of the YKK Group

As the YKK Group, we conduct business activities in about 70 countries and territories around the world, including Japan, with fastening and architectural products as our two core business fields.

We make fairness the fundamental standard for all YKK Group business activities, and our companies seek to delight our customers, earn the high regard of society and make our employees happy and proud.

Accordingly, the YKK Group is engaged in efforts to establish business and brand value in order to bring about further growth and expansion.

The YKK Group seeks to be a corporation that is recognized as “a company that can be trusted,” “a truly international company” and “a company with technology for the creation of new value.” We will continue to pursue our business activities with these goals. For this reason, as we strengthen our corporate governance systems, we intend to enhance our legal compliance efforts and work to fulfill the responsibilities of a good corporate citizen.



**Tadahiro Yoshida**  
President  
YKK Corporation  
August 2010



## Contributing to the Creation of a Sustainable Society as a Manufacturing Company

The YKK Group understands that our impact on the environment in all the countries and territories where we conduct business activities is anything but small and, therefore, considers environmental problems one of our most important management tasks. Since establishing the YKK Group Environmental Charter in 1994, the entire group has been making every effort to protect the environment.

### Step 1 (1994–1999)

Promoting the acquisition and utilization of ISO 14001 certification, we have built a system for engaging in efforts aimed at legal compliance and environmental conservation. We have also been supporting environmental education all around the world and participating in local beautification/cleanup, tree planting and other volunteer activities as a corporate group rooted in the local community and coexisting with society.

### Step 2 (2000–2007)

Under the banner of contributing to the creation of a recycling-oriented society, we have been actively adopting highly efficient equipment to conserve energy and have poured efforts into achieving zero emissions through recycling of waste products and other such activities. In order to develop environmentally friendly products, we have conducted product assessments and LCAs and established our Eco Clover mark. Additionally, as part of our local tourism project, we launched “YKK Tours” on July 21, 2006 at our Kurobe office.

### Step 3 (2008–present)

Leveraging the technology we have cultivated since our founding, we aim to contribute to the creation of a low-carbon, recycling-oriented society and ensure sustainability. Development/provision of windows with excellent heat shielding, insulation and anti-condensation properties. We are actively rolling out window renovation activities and making home energy savings a reality. In 2010, we held a “stakeholder dialog” to gather third party opinions and offered a summary of our activities designed to reduce our environmental impact as well as the issues related to our CSR management strategy and how we are going to address them. These things will be tied in to our action plan. Moreover, we will also focus on the preservation of biodiversity through biotope monitoring and other such activities.

We will continue to actively promote social contribution, educational, tree planting and other activities rooted in each community where we have established a presence around the globe.

The YKK Group will contribute to the creation of a sustainable society by improving our technological capabilities as a manufacturing company, increasing productive efficiency and developing and providing energy-saving products.

**Yuusei Sasa**

YKK Group Environmental Policy Committee Chairman  
Vice President of YKK Corporation  
August 2010

# Highlights

Contributing to the Prevention of Global Warming Through Our Products

## Insulation of existing windows (window renovation)

### More comfortable and more energy efficient. Renovation starts with windows.

The smart way to go about renovation is to start with the easiest things first. Before thinking about major renovations like changing the overall layout, go through each part of the house — the living room, bedrooms and kitchen — and take care of the things you do not like one at a time. That is the idea to have going in to renovation. The key, more than anything else, is the windows. By simply changing the windows, the room becomes more comfortable when it is hot or cold outside. It also has a positive effect on the household budget by lowering the monthly utility bill. Window renovation is easy, affordable and produces fast results, so why not give it some consideration?



### Comfort also equals eco-friendliness.

Heat shielding and insulation through window renovation also helps control CO<sub>2</sub> emissions. These kinds of activities to improve the performance of windows are also essential if we are to achieve the goal of reducing greenhouse gases by 25% by 2020 (compared to 1990) as set forth by the national government. YKK AP is actively promoting home energy savings through window renovation.



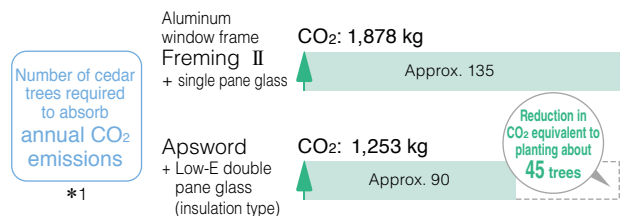
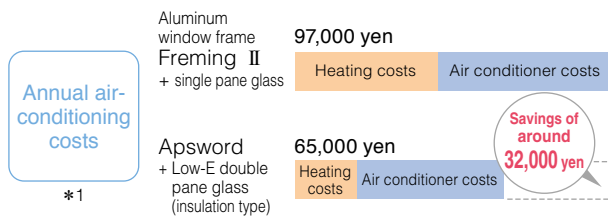
### Simply changing windows brings about great effects in the form of comfort and peace of mind.



Comfortable homes lead to energy savings.

Rooms that easily get hot in the summer and cold in the winter take a lot of energy (electricity and kerosene) to cool and heat.

Increasing **heat shielding**, **insulation** and **anti-condensation** properties through window renovation makes rooms comfortable with less energy. This, in turn, has a positive effect on the household budget by lowering the utility bill and also lowers CO<sub>2</sub> emissions leading to a more environmentally friendly lifestyle.



\*1 [Calculation conditions]  
 ●Model: "A proposal for the standard problems: the standards for housing," Mitsuhiro Udagawa, The 15th Heat Symposium, September 1985 ●Software: SMASH (Simplified Analysis System for Housing Air-Conditioning Energy) by IBEC ●Weather data: Expanded AMeDAS Standard Weather Data 2000 by Architectural Institute of Japan ●Air conditioning settings (according to next-generation energy saving standards): 24-hour heating and cooling; heating temperature setting: 18°C; cooling temperature setting: 27°C; cooling humidity setting: 60% ●Ventilation frequency (according to next-generation energy saving standards): 0.5 times/hour ●Consumption rate: ◇COP: 2.97, Energy charges: 22 yen/kWh (using air conditioner to heat) ◇COP: 2.67, Energy charges: 22 yen/kWh (using air conditioner to cool) ●CO<sub>2</sub> emission factor: 2007 CO<sub>2</sub> emission factor by electric power supplier ●Amount of CO<sub>2</sub> absorbed annually per cedar tree: 13.9 kg (The carbon content of a 50-year old cedar is about 190 kg, so 190 kg ÷ 50 = 3.8 kg per year. The mass ratio of carbon to carbon dioxide is 3:11, so the amount of carbon dioxide absorbed by a cedar to get 3.8 kg of carbon is 3.8 kg x 11/3 = 13.9 kg.) Source: "Natural Sink Measures for the Prevention of Global Warming" by the Ministry of the Environment and the Forestry Agency



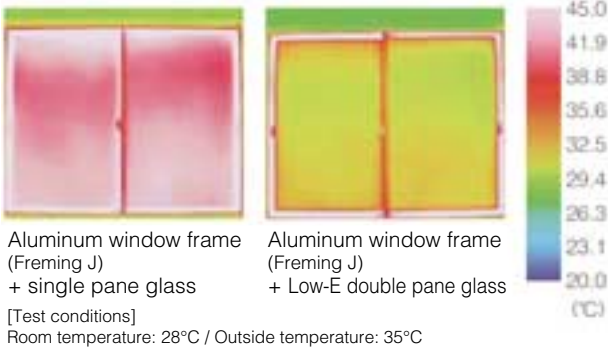


Keep hot sun rays out of the room!

### Heat shielding in the summer

Heat from the sun gets in through the windows whether directly or reflecting off of the ground. Heat shielding prevents that heat from getting inside the room. As much as 70% of the heat in the summer gets in through the windows, so keeping that heat out dramatically increases comfort and also helps save on cooling expenses. The inside of the house can be made more comfortable by switching to heat shielding Low-E double pane glass, double pane glass with blinds or using ventilating shutters that allow breezes in while closed.

● Comparison of window surface temperatures in the summer (thermography)

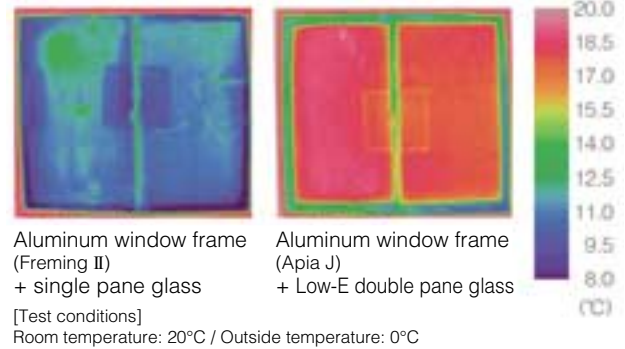


Keep the warmth inside the room!

### Insulation in the winter

Insulation keeps the heat inside from escaping. If you heat a room in the winter but have single pane glass windows, about 51% of the heat escapes through the windows. Window insulation is important if you want to save on utilities. By switching to high-insulation windows sashes and Low-E double pane glass or adding an inner window, you can effectively keep the heat inside the room. Windows with better insulation also prevent condensation.

● Comparison of window surface temperatures in the winter (thermography)



Keep condensation from forming!

### Anti-condensation

Condensation is the phenomenon where water droplets fog up glass in the dead of winter or during the rainy season. It happens when glass cooled by outside temperatures comes in contact with warm air inside the room. It also causes stains, provides a breeding ground for mold and dust mites, and has a negative effect on the life of your house. The way to prevent it is to increase the insulating properties of the windows and reduce the difference between the temperature of the windows and the room itself. By simply switching to Low-E double pane glass or plastic sashes or adding an inner window, you can prevent condensation from forming.

● Comparison of anti-condensation performance



Aluminum window frame (Freming II) + single pane glass	Aluminum and resin window frame (Apsword) + Low-E double pane glass
Condensation on glass and sash with water droplets running down window	No condensation on glass or sash

[Test conditions]  
Room temperature: 20°C / Outside temperature: 0°C / Relative humidity: 50%

## Highlights

Contributing to the Prevention of Global Warming Through Our Products

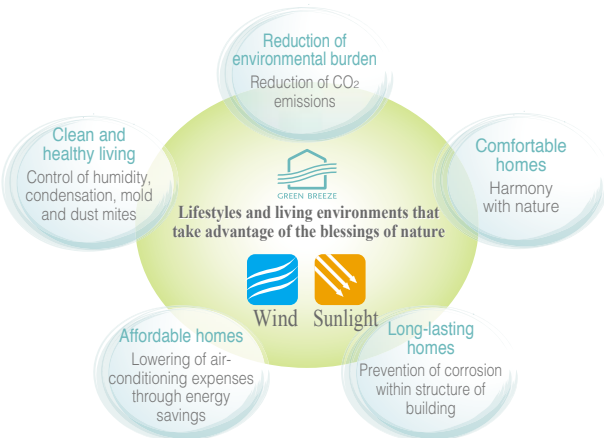
## Harnessing wind and sunlight: "GREEN BREEZE"

During the hot and humid days of summer, cool breezes pass through the house, and green trees provide shade.

In the winter, sunlight fills the house and provides warmth. "Green Breeze" incorporates natural energy to provide a healthy and comfortable living environment and reduce the environmental burden at the same time.



In 2008, we launched our "Green Breeze" concept for creating comfortable and environmentally friendly homes and have since been rolling out products for actively utilizing natural energy like wind, sunlight and heat.



### Advantages of "Green Breeze"

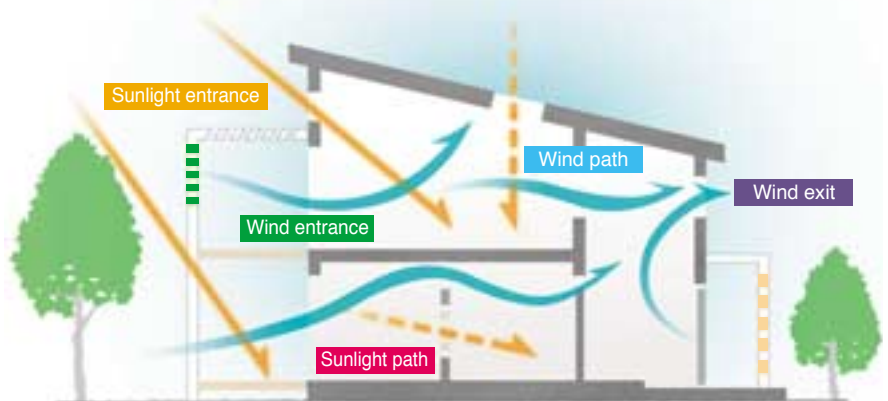
Homes that passively incorporate the blessings of nature provide the people that live in them with comfort while at the same time reducing CO<sub>2</sub> emissions, thereby helping to prevent global warming.

"Green Breeze" products actively utilize natural energy like wind and sunlight, supporting the creation of healthy and comfortable living environments that are friendly to both the household budget and nature.

### Harnessing wind and sunlight

The basic things required for a house to offer pleasant breezes and gentle sunlight are that it has an entrance, path and exit for wind and an entrance and path for sunlight.

Incorporate the blessings of nature by taking into consideration the direction and speed of wind and the movement of the sun.





## Harnessing wind

### Wind entrance



Incorporate plenty of upwind.



### Wide, fully-opening sliding windows

All sliding panels go into the wall, creating a large opening in a simple design. Refreshing wind and transparent sunlight come in through the windows in an open space where the boundary between indoors and outdoors disappears.

### Wind path



Gentle breezes flow through the room.



### Screen partitions Single swinging door T design (door itself equipped with ventilation functionality)

Interior door equipped with ventilation functionality in the form of slits in the transom window and the door itself. The slits on the door can be switched between lighting and ventilation mode, allowing people to enjoy breezes and sunlight while maintaining privacy.

### Wind exit



Let wind out from high places.



### Vertical projected window for high positions

Projected windows for high positions like in atriums. Windows allow for efficient ventilation in high spaces that tend to get stuffy and are also effective for allowing in gentle light.

## Harnessing sunlight

### Sunlight entrance



Bring in gentle light by adjusting how the sun comes in.



### Sliding windows with shutters Remote control power slit type

With the slits open, the shutters let just the right amount of wind through and provide a feeling of openness while keeping out the hot summer sun and blocking the view of the room from the outside. Creates a sentimental feeling of coolness like bamboo and reed screens.

### Sunlight path



Partitions the space while allowing light in.



### Screen partitions Acrylic block FIX lighting unit

These acrylic blocks have a clear texture. Placed between rooms, the partitions provide a path for gentle light. Placed at the vestibule, they allow bright light into the house.

**In Harmony with Regional Communities**

# The YKK Group believes in contributing to regional communities



At the root of all YKK Group business activities is the Cycle of Goodness, which is our understanding that “no one prospers unless he renders benefit to others.” Based on this philosophy, we are proactively involved in not only contributions to society through the use of our business expertise, but also a wide variety of activities that are unrelated to our businesses, including education, regional vitalization and the support of international exchange. In order for the YKK Group to continue to be an enterprise that is loved through the ages and across regions and cultures, we intend to continue our regular support of activities that help develop new and greater cultural richness.

## ● Contributing to local communities

### Philippines

Free health exams for local residents provided by our industrial physicians



### Brazil

Plant's meeting hall made available free of charge for charity concerts and other events



### Sri Lanka

YKK dance team participation in local women's event held on International Women's Day



### Turkey

Donation of electronic blackboard to nearby school



### Bangladesh

Donation of books to school in poor community



### Thailand

Donation of sports equipment and computers to elementary school in poor community

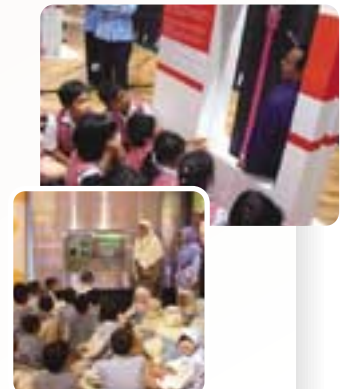


## YKK “Fastening Experience” manufacturing seminar

YKK Indonesia holds “Fastening Experience,” a YKK manufacturing seminar, for students.

In fiscal 2009, the seminar was held 294 times, and 7,312 students visited the plant. Full-time staff members show the children how fasteners work and teach them about their strength and durability and various uses enabling them to learn about YKK manufacturing as though it were a game. Additionally, at plant tours we talk about the importance of environmental problems while showing off our environmentally friendly production equipment.

We hope to continue to contribute to the local community by enhancing our exhibits and helping many students learn about the real world.



## ● Tree planting—YKK Group Tree Planting Day

YKK Group companies and plants around the world plant trees all at once primarily on the 5th of June, which is known as World Environment Day, as part of “YKK Group Tree Planting Day.”

In fiscal 2009, a total of 7,065 trees were planted at 52 locations in 30 countries and territories.



### YKK Center Park opened to the public

YKK Center Park at the YKK Group Kurobe office (in Kurobe City, Toyama) is open to the public as of April 18, 2009.

The YKK Group celebrated its 75th anniversary on January 1, 2009. In commemoration of this milestone, YKK Center Park, consisting of water, greenery, a forest and exhibition hall, was built on the grounds at the Kurobe office, and preparations were soon underway to open it to the public as an industrial tourism facility.

Inside the park are the YKK 50 Building, which serves as the administrative building for the office, the Maruyane Exhibition Hall, which introduces the YKK Group's technological progress and Furusato no Mori (“Hometown Forest”), which aims to recreate the forest that was growing in the Kurobe River alluvial fan.

The park is open on Saturdays, Sundays and holidays as well, and visitors can tour the facilities freely and stroll through the park.

We hope that many people will visit and enjoy a relaxing outing while experiencing the richness of Kurobe's natural environment.



Dates: Every day from April to October  
Weekdays from November to March  
Hours: 9:00-16:00 (admission ends at 15:30)  
Admission: Free  
Location: YKK Group Kurobe Office  
200 Yoshida, Kurobe City, Toyama  
Inquiries: Kurobe Tourism Co., Ltd.  
Tel: +81-765-54-8181  
Reception hours: 9:00-12:00, 12:45-16:00  
(only on days when park is open)  
Website: <http://www.ykkcenterpark.jp>



In Harmony with  
Our Customers



## The YKK Group believes in providing quality and communicating with customers

Since our founding, we at the YKK Group have manufactured products with a commitment to quality, placing ourselves in the customer's shoes. At all our bases of operations all around the world and in every aspect of our business, from products and sales to after-sales service, the YKK Group places great importance on developing relationships of trust with our customers. We are committed to quality and place ourselves in our customers' shoes to provide products and services that will fully satisfy both our customers and society.

- A window renovator hoping to improve windows in Japan is born  
—Launched in partnership with building material distributor—



<http://www.madoshop.jp/>

How to reduce greenhouse gases is a major issue facing Japan today. Home insulation helps reduce CO<sub>2</sub> emissions, so renovation involving the installation of high-insulation windows is garnering much attention.

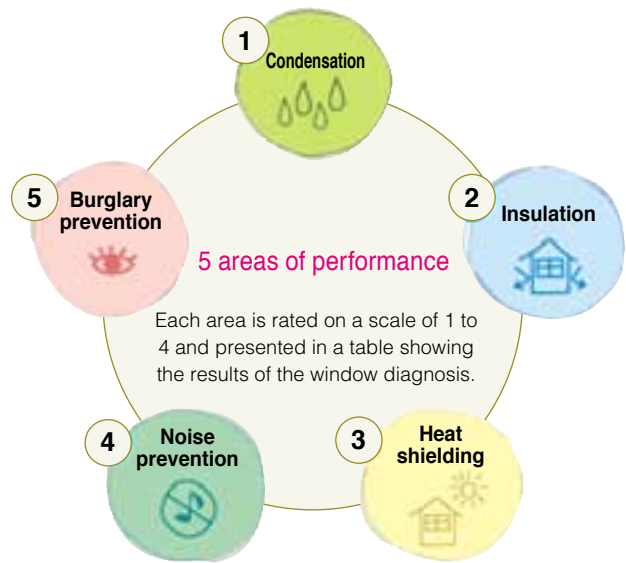
The material distributor that partnered with YKK AP out of a desire to improve windows in Japan started "MADO Shop" in order to promote window renovation throughout Japan. Window renovation has traditionally been an area unfamiliar to the general public, making it hard to tell who to consult and which renovators could be entrusted with the work with peace of mind. At MADO Shop, staff specializing in windows

provide detailed explanations to customers so that they fully understand how window renovation works and what the benefits are.

By helping more and more customers to take an interest in window renovation and improving the windows in Japan, not only will homes become more comfortable but we will also be able to create quality housing stock and contribute to the reduction of CO<sub>2</sub> at the same time. It was that desire that led YKK AP to partner with a material distributor and set out to open MADO Shops throughout Japan.

## ● Window renovation services from the customer's perspective

At MADO Shop, customers can come in for casual consultations and be fully informed about the benefits of window renovation. The biggest thing that sets MADO Shop apart is its "Window Diagnosis" service. It involves a specialist staff member visiting the customer's house and performing a diagnosis using measuring instruments to assess the house in terms of condensation measures, insulation measures, insolation (heat shielding) measures, noise prevention measures and burglary prevention measures. A "Window Diagnosis Report" is then issued based on that data in which the performance of the windows is rated on a scale of 1 to 4 to show what effect renovation would have. We then propose the optimal window renovation menu for improving the quality of the customer's living environment. We also offer a solid warranty on the work and are committed to providing the customer with years of after sales support.



**16**  
suppliers  
participated

● Turkey

### Overseas Activities

#### YKK METAL VE PLASTİK URUNLERI SANAYI VE TICARET A.S. Environmental education for suppliers

On October 21, 2009, YKK Turkey held an environmental seminar to support the environmental activities of its trading partners. The trading partners were provided with general information on ISO 14001 with a focus on explaining Turkey's environmental laws and regulations (emissions standards/regulations related to air, water, noise, industrial waste, hazardous chemical substances, energy savings, etc. and the necessary permits/licenses, certificates related to regulations, etc.) along with case studies on YKK Turkey's environmental activities.

In Harmony with  
Our Employees

## The YKK Group approach to employment



Following the human resources philosophy of “autonomy and symbiosis,” the YKK Group companies and our employees are united in seeking to raise corporate value. Every employee sets their own goals according to their individual roles and acts with responsibility. We have also established various support programs and are working to create pleasant workplaces.

### ● A fair and straight-forward personnel system

There are many different roles within the companies of the YKK Group, and we believe that the corporate value is improved when each employee becomes a “pro” at his or her job.

In order to fairly evaluate and deal with our employees, we divide the various roles that they play into four job categories within the personnel system according to the characteristics of their responsibilities.

As a manufacturing company, by appropriately evaluating the expertise of our engineers and technicians who perform specialist work and the proficiency and skills of those in manufacturing and sales, we are able to increase the fairness and straight-forwardness of the system and raise the motivation of our employees.

#### [Job Categories]

##### Management

Produce results through management of the organization.

##### Experts

Produce results through the exercise of specialized knowledge and expertise and a high level of skills.

##### Specialists

Execute work with greater accuracy, speed and effectiveness to contribute to the achievement of organizational goals.

##### Managers

Create higher added value and contribute to the achievement of organizational goals.

### ● A personnel training program that brings out the individual strengths of employees

At the YKK Group, we make an active effort to entrust our employees with important responsibilities from early on to cultivate a sense of challenge and encourage them to set high goals for themselves.

We also place an emphasis on off-the-job training (OFF-JT) to bring out the individual strengths of our employees. Our “Value Creation School” is a one-year program designed to bring up the leaders who will take charge of the business in the future. Participants learn about the YKK approach to management and acquire the necessary knowledge and outlook. At the end of the program, they offer management proposals to the directors.



Value Creation School

### ● Informal meeting and chat with company president

The YKK Group is engaged in activities to promote management principles in order to develop human resources and create a corporate culture that raises corporate value.

The informal meeting and chat with the company president is a part of these activities and is intended to familiarize employees with and foster understanding of the starting point of the management principles by providing them with the opportunity to speak directly with the president and other directors.



## ● Rank-based training programs

The YKK Group puts on rank-based training programs focused on new promotes for the purpose of strengthening team management at each level.

In fiscal 2009, 200 employees throughout the group participated in the program.

## ● Re-Employment Program

We have implemented a Post-Retirement Re-Employment Program to take advantage of the knowledge and experience of retirees. The age limit is 65, and there are currently 563 people with us on this program.

## ● Appointment of female employees

The YKK Group works eagerly to promote activities of female employees as a management strategy. We reform workplace environment so that female employees can work actively, and we positively appoint female employees as manager. In fiscal 2009, 21 managers (0.8%) are female employees out of all 2,611 managers. Moreover, we will raise this rate to 2.5% by fiscal 2012.

## ● Efforts to support the balancing of work and child-raising

At the YKK Group, we support employees who are raising children so that they can exercise their potential and pursue long-term career development at the same time. We put on parenting workshops and have implemented a childcare leave and benefit program to help both women and men take leave for raising their children. In fiscal 2009, 9 male and 256 female employees took time off work for childcare.

Our efforts in this area were recognized by the Ministry of Health, Labour and Welfare, from which we obtained the "Kurumin" Next Generation Certification Mark.



### ASAO Region General Meeting

The ASAO\* Region General Meeting (ARGM) started in 2004 and is now in its sixth year. As usual, Mr. Yoshida attended the meeting in 2009, and there were 90 participants from 10 countries.

This meeting is like a training session, and the purpose is to share information and opinions concerning changes in the business environment and deepen mutual understanding regarding the business activities in each country. Through the presentations, discussions and feedback, participants are able not only to share information and opinions but also to gain many other benefits such as the opportunity for self-reflection and to think about what it is that they need to do as an individual.

Following the meeting, the participants all joined in a dinner party. The participants were from different cultures, and the dress code was for them to wear the traditional clothing from their countries. The many colors and different clothes were a picture of the diversity in the ASAO region.



90 participants  
from  
10 countries

\* ASAO: ASEAN, South Asia and Oceania

In Harmony with  
Our Employees

## The YKK Group approach to safety and health



At the YKK Group, we seek to create workplace environments that are easy to work in and meet the standards of the era by eliminating causes of danger and harm. We also strive to maintain and improve the physical and mental health of the people that work for us. All our employees are engaged in activities designed to bring that about.

### ● Safety and health

The technique of risk assessment is highly effective in preventing disasters. It involves uncovering potential dangers and hazards in the workplace and establishing measures in consideration of the estimated size of the risks to eliminate or mitigate them. By having as many people as possible learn the technique of risk assessment, dangers and hazards in the immediate surroundings can be eliminated or mitigated, thus protecting people from disasters.

The YKK Group provides various educational opportunities for human resource development.

#### YKK Corporation Kurobe

In fiscal 2009, about 1,000 employees participated in an intensive course on risk assessment designed especially for those that work with machines.



#### YKK PORTUGAL-ACESSORIOS PARA VESTUARIO, LDA.

As a part of our crisis management activities, we conduct disaster drills every year with a different theme. In fiscal 2009, we worked with the local fire department to conduct an exercise envisioning an earthquake in which acid leaked into caustic soda in the dyeing process.



## ● Health maintenance and improvement

The rate of positive findings in medical exams in Japan is more than 60%, and today, more than 50% of workers indicate that they experience some kind of stress on the job. That same trend can be seen in employees of YKK, so we are engaged in various support activities designed to improve lifestyle habits through management of chronic illnesses and specific health-related guidance.

It is important that each of us deepens our awareness of our own health and puts good habits into practice for checking, maintaining and improving our health. Accordingly, we provide various opportunities to learn about health-related issues and receive guidance from professionals.

### YKK Corporation Kurobe

At the request of employees, we provided aroma therapy and other alternative therapies.



### YKK Corporation Kurobe Fastening

We conducted an anti-smoking lecture for managers and made the whole fastening building a smoke-free environment.

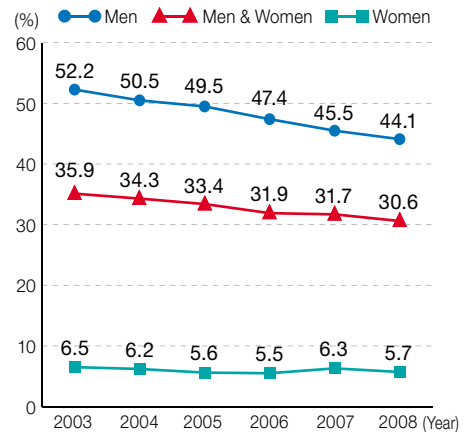


### YKK ZIPPER PHILIPPINES, INC.

We conducted medical checkups and dental exams for employees and local residents.



Changes in smoking rate (YKK Corporation Kurobe)



## ● Establishment of physical and mental health consultation service

As a part of our efforts to promote and maintain the physical and mental health of our employees, the YKK Group has established health consultation services both on and off the premises so that employees can consult with experts in person, by phone or via e-mail.

Industrial physicians at each office as well as doctors, public health nurses and registered nurses at the health management center are available for consultation.

Additionally, in aims of creating pleasant workplaces, we have established a “Pleasant Workplace Consultation Service” for employees to seek advice—anonously if so desired—about interpersonal issues in the workplace and other troubles related to the working environment.

## In Harmony with the Global Environment

# The YKK Group approach to environmental efforts



Since the establishment of the YKK Group Environmental Charter in September 1994, the entire group has been making every effort to protect the environment. The Environmental Charter expresses our quest to achieve harmony between the environment and the healthy and abundant lifestyles of humans by protecting and improving the environment in all of our business activities. Efforts are needed on a global scale to create a sustainable system for achieving a low-carbon/recycling-oriented society in order to address increasingly severe global environmental problems. The YKK Group is utilizing our technologies to promote ongoing environmental measures in every area of our business activities based on the YKK Philosophy as we seek to build a sustainable society by contributing to the achievement of a low-carbon/recycling-oriented society.

## ● Four environmental management promises

In order to reduce the impact of YKK Group business activities on the environment in countries around the world where we have set up operations, we have established these four items as our basic environmental policy for the medium-term and are pursuing our environmental action goals accordingly.

### Promise 1 We will develop and provide eco-products and eco-services

The YKK Group is contributing to the creation of a sustainable society through our products.



Proposal for reducing CO<sub>2</sub> with high insulation windows

### Promise 2 We will further enhance our efforts to reduce environmental impact

The YKK Group is working hard to reduce the impact of our business activities on the environment.



Boiler fuel conversion (heavy oil → natural gas)

### Promise 3 We will develop and implement a global environmental management system

The YKK Group is engaged in ongoing environmental management activities in every region of the world that place top priority on harmony with the environment.



Environmental video conferencing in Europe

### Promise 4 We will promote environmental communication

At the YKK Group we believe that communication with our customers is the most important aspect of environmental policy.



The YKK Booth at Eco-Products 2009



## ● Environmental impact reduction management

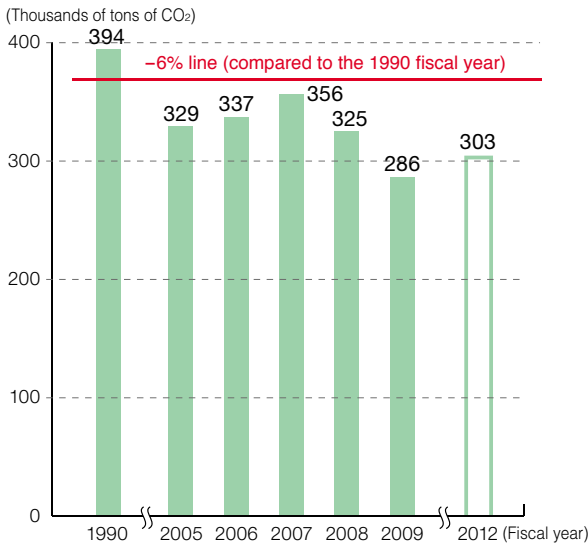
### Preventing global warming

We have long been actively investing in energy saving technologies and contributing to reduced CO<sub>2</sub> emissions. When building new plants or updating the equipment used, we install high-efficiency equipment and undertake to improve the processes and promote the use of natural energy. At the same time, we are actively promoting energy conservation activities centering on our environmental management system.

In addition, we are participating in Challenge 25, and our employees think about what they can do as individuals to save energy and put these ideas into practice.

### Changes in CO<sub>2</sub> emissions

(Main production sites in Japan)

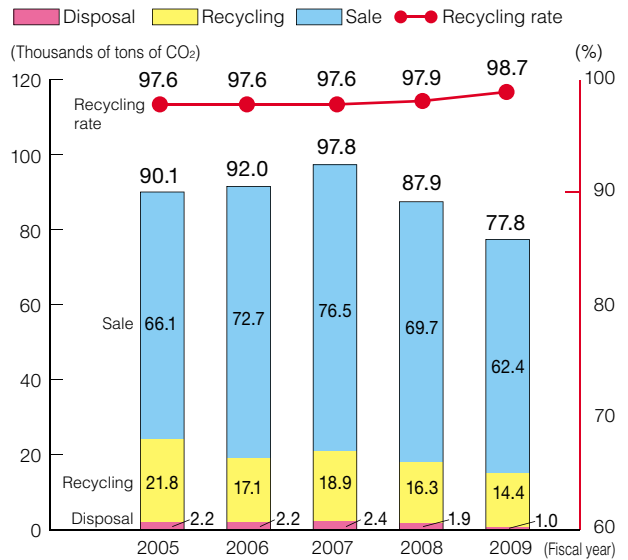


### Resource recycling

We consider waste products as resources and are engaged in efforts to achieve zero emissions at all our production sites throughout the world by recycling. In fiscal 2005, we achieved zero emissions at our production sites within Japan. We will continue striving to reduce total waste emissions and improve the quality of our recycling methods while promoting efforts to recycle industrial water and make effective use of rainwater in the aim of further minimizing the environmental burden created by our activities.

### Changes in waste emissions and resource recycling rates

(All sites in Japan)



### YKK METAL VE PLASTIK URUNLERI SANAYI VE TICARET A.S.

We reduced the amount of power we use for daytime lighting by installing a system that efficiently draws in natural light using mirrors that track and reflect the sun. (CO<sub>2</sub> reduction: 45 tons/year)



### PT. YKK AP INDONESIA

We reuse sludge from wastewater treatment to make bricks.



We use separate drains for sewage and rainwater and store rainwater for use in production.





## ● Operations launched at Lingang Plant in Shanghai

Shanghai YKK Zipper Co., Ltd. (Shanghai YKK) was established in the Minhang Economic and Technological Development Zone in 1992 as the YKK Group's first Chinese subsidiary. A new plant (called the "Lingang Plant" for short) was recently established in Lingang New City, Pudong New Area to further improve responsiveness to the Chinese market in terms of both volume and quality. It went live in January 2010.

The total investment in the Lingang Plant was US\$58 million. It has a site area of 113,274 m<sup>2</sup> and a floor area of 67,187 m<sup>2</sup>. Combined with the Minhang Plant, that makes a total site area of 217,080 m<sup>2</sup> and a total floor area of 164,629 m<sup>2</sup>, giving our fastening business the largest production capacity in the world.

The Lingang Plant handles the front-end process of fastener production, producing materials and parts. This has enhanced Shanghai YKK's integrated system of production by augmenting production at the Minhang Plant and will lead to the enhancement of production technology, development, quality control and other technical functions. We will strive to provide better service in terms of development, quality and delivery times and further strengthen our product and technological capabilities. We are also working to make our plants even more environmentally friendly. As part of those efforts, we have installed equipment for treating and recycling wastewater, separate drainage pits and exhaust ducts for each system, skylights, high efficiency once-through boilers and other such equipment inside the plant and air purifying tiles on the 14,000 m<sup>2</sup> exterior walls. The air purifying effect of the walls is equivalent to 980 poplar trees.



Wastewater treatment and recycling equipment



Separate exhaust ducts for each system



High efficiency once-through boilers



Exterior walls (air purifying tiles)



## ● Environmental obligations

### Asset retirement obligations

The YKK Group calculated its environmental obligations while preparing the financial report on asset retirement obligations as made necessary by the accounting standards revision. Included in the calculation were the expenses for disposing of equipment containing high-concentration PCBs, low-concentration PCBs, asbestos, soil and CFCs. Following the guidance of a certified public accountant, it was decided that the calculation results would be handled as asset retirement obligations.

### Measures for equipment that contains polychlorinated biphenyls (PCB)

Companies are obligated to properly dispose of equipment containing PCBs by fiscal 2016. As such, we have established warehouses all over the country and are properly storing and managing the equipment. (Storage system: 5 sites for equipment containing high-concentration PCBs and 10 sites for equipment containing low-concentration PCBs) The largest storage area is in the Kurobe area in Toyama. We began disposing of equipment containing high-concentration PCBs there in December 2008 and as of May 2010 have disposed of 365 pieces of equipment. We will continue to properly store and manage such equipment and work on disposing of it at the earliest possible date.

Cost of disposing of equipment up to present: Approx. 220 million yen  
 Estimated cost of disposing of remaining equipment: Approx. 150 million yen  
 \* Only includes equipment containing high-concentration PCBs



Moving equipment containing high-concentration PCBs

### Soil contamination

We place priority on soil conservation within our risk management efforts from the perspective of regional environmental conservation and maintaining the value of our land assets. As such, we conducted voluntary soil inspections at our properties in Japan (a total of 272 sites). The inspections were completed in February 2009 and allowed us to inventory the soil contamination risks at all our sites within Japan. The results confirmed that there is no immediate risk of environmental pollution at any of our properties. However, there was potential risk of pollution at 37 sites, so we are rechecking these sites as opportunities arise. We will continue soil inspection efforts at our overseas production sites making use of the risk management techniques developed in Japan.

Current total cost related to inspections and measures: 260 million yen

### Asbestos measures

We conducted inspections for three types of asbestos (crocidolite, amosite and chrysotile) at all production sites within Japan and discovered asbestos at several sites. We then took steps to prevent the asbestos from becoming airborne by removing it, sealing it in or encasing it to ensure the safety of our employees. We are also going through and conducting new inspections for three additional types of asbestos (actinolite, tremolite and anthophyllite). At this point, the inspections have not uncovered any new asbestos.

Estimated cost of disposing of asbestos: Approx. 280 million yen

## ● Handling of chemical substances

### New lead standards of CPSIA met: Declaration of safety

The American Consumer Product Safety Improvement Act of 2008 (CPSIA) was enacted in August 2008 following the lead-poisoning death of a four-year-old boy. It is a legally binding federal regulation restricting the content of lead and other hazardous substances in products designed for children 12 years old and younger.

The CPSIA sets forth restrictions on several substances. Lead is currently limited to 300 ppm, but by 2011, this will be reduced to 100 ppm. YKK currently has a presence in 71 countries and territories around the world. Starting with orders received in January 2010, the lead content of all fastening products manufactured by the YKK Group, excluding certain special ones, will be below the standard at 90 ppm. On top of our integrated control of materials, the YKK Group has installed new inspection machines and established an internal inspection system to support Japanese companies supplying sewn products to the American market and strengthen the services we provide to American buyers and other foreign companies.

## ● YKK Group Stakeholder Dialog

The YKK Group organized a dialog to solicit the candid opinions of stakeholders on what the YKK Group needs to do and the ideal to which it should strive in order to be a business that is needed by society both now and in the future.

Date: Tuesday, June 15, 2010 (10:00–16:00)

Location: YKK Corporation Kurobe Office

Theme: “What is Expected from the YKK Group in Terms of Creating a Sustainable Society”



<Facilitator>

Noriyasu Kunori

Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University



<Naturalist>

Kikuyo Matsuki

Executive Director, Kurobe Gorge Naturalist Society



<Consumer>

Rika Inagaki

Promoter of global warming prevention activities in Toyama



<Local authority representative>

Matsunori Nakaya

Assistant Manager in Charge of Environmental Affairs, Living Environment Section, Citizen Affairs Department



<Community representative>

Hisao Daijyogo

Vice-Chairman, Muratsubaki Promotion Society



<Trading partner>

Teruo Yamashita

President & CEO, Yamashita Home Inc.



<Student representative>

Shion Matsuoka

Environmental Systems Major, Toyama Prefectural University Junior College

## Opinions received and future response

Issues related to reducing environmental impact	Current situation at YKK Group and observations	Future action
Improvement of compliance including at overseas sites	We are implementing improvements with respect to things pointed out in environmental management audits.	Legal systems and details vary from country to country and region to region, so we will develop systems to cover each region.
Impact on surrounding area resulting from use of groundwater	We are reducing the amount of groundwater we use by cycling coolant water, combining wells, installing inverters on pumps and improving the rinsing efficiency of our equipment.	We will work on further reducing the amount of water we use and perform broad-reaching assessments on groundwater utilization in the Kurobe River alluvial fan.
Working towards a low-carbon society (Pushing the limits of energy savings in business activities)	We are promoting independent energy saving activities in order to achieve the planned reduction in CO <sub>2</sub> by 2020 (see page 18).	We will establish a vision for 2050 and beyond which includes a fundamental reform of our business activities. We will also study biodiversity.
CSR management strategy and issues	Current situation at YKK Group and observations	Future action
Raising of employee awareness and improving ethics	Based on the YKK philosophy of a “Cycle of Goodness,” we are engaged in ongoing social action programs rooted in local communities (see page 9).	We will prepare rules according to ethics that fit with the regional circumstances and implement them according to a PDCA cycle.
Meaning and ultimate objective of tree planting activities	The tree planting activities that were being carried out in each region have become a group-wide effort as of three years ago (see page 10). These activities are also designed to raise environmental awareness among employees.	We hope to make further proposals, including regional forest development, which will allow business activities in each region that utilize water and other natural resources.
Fulfilling social responsibility through products	We provide products such as high-insulation windows and single-material fasteners that contribute to reducing environmental impact (see pages 5–8).	We hope to create new value with social meaning based on new ideas and to provide products to consumers that contribute to society in a visible manner.

Plant tour



Stakeholder dialog

### Comment on this Stakeholder Dialog

A stakeholder dialog is a forum for parties that are either directly or indirectly affected by a company's business to engage in sincere dialog with the company and to think together about the future of society, including business activities. First and foremost, I would like to give the YKK Group credit for hosting such an event. A lively discussion was held with stakeholders on the themes of activities for reducing environmental impact and CSR management strategy. The results were presented as a strategy for the future response. It is now important to see how well that response can be incorporated into an action plan and to publish the results and assessments of the actions taken. I have high expectations for the YKK Group.

Noriyasu Kunori

Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University



## YKK Group Outline



With a presence in 71 countries and territories around the world, the YKK Group is engaged in global business operations centered around its core fastening and architectural product businesses as well as its machinery and engineering business that supports the integrated production of those products. The management structure breaks down the business areas around the world into six blocks, namely North and Central America, South America, EMEA (Europe, Middle East and Africa), East Asia, ASAO (ASEAN, South Asia and Oceania) and Japan. Leveraging the characteristics of each block, the group is engaged in global management under a six-region system.

### [YKK Corporation]

- Foundation January 1, 1934
- Capital 11,992,400,500 yen \*As of April 1, 2010
- President Tadahiro Yoshida
- Headquarters 1, Kanda Izumi-cho, Chiyoda-ku, Tokyo 101-8642, Japan  
TEL +81-3-3864-2000
- Kurobe Office 200, Yoshida, Kurobe City, Toyama 938-8601, Japan  
Tel +81-765-54-8000

### [YKK GROUP]

- Manufactured Products Fastening products, architectural products, precision machinery, equipment and molds
- Number of Affiliated Companies 71 countries/regions 114 companies  
Japan 22 companies  
Overseas 92 companies (263 overseas bases of operations)
- Number of Employees (Consolidated Basis) 39,000 (Japan 18,000 Overseas 21,000)  
\*As of December 31, 2009
- Sales (Consolidated Basis) 556,400 million yen (Fastening 249,300 million yen  
Building materials 301,900 million yen Others 5,200 million yen)  
\*Fiscal year 2009



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