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**Editorial Policy for This Fiscal Year**

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.co.jp/english/corporate/eco/report/2011/contents.html>

This brochure was produced exclusively with materials that can be used to make recycled paper. When you have finished with this report, please recycle it.

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**Extent of Coverage**

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

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**Period Covered**

Fiscal 2010 (April 1, 2010 to March 31, 2011)

The next report will be published in July 2012.

## Meeting the Challenge of Technological Development

— Pressing on to Further Increase Our Corporate Value and  
Contributing to Social Development

First of all, we would like to express our heartfelt sympathy and deepest condolences to those who suffered from the Great East Japan Earthquake. We truly wish for a speedy recovery from this terrible disaster.

The YKK Group established the management principle, "YKK Seeks Corporate Value of Higher Significance," under the corporate philosophy "Cycle of Goodness." Accordingly, we have always made "fairness" a cornerstone of our business operations and management activities. All of our employees share this philosophy and principle as a spiritual pillar as they work to develop our core businesses—fastening products and architectural products—in 71 countries/regions worldwide, including Japan.

The YKK Group is pressing ahead with global management, with a focus on developing business by creating new value. Market requirements change every year, so the Fastening Products Group must meet individual, diversified needs, and the Architectural Products Group faces demands for more advanced technologies in fields such as windows and high-rise building facades. Our technological capabilities are the core of the YKK Group business. We meet the challenge of creating

products that lead to new value by transforming ourselves and constantly reinforcing our technological expertise.

After the earthquake and subsequent accidents at the nuclear power plant of The Tokyo Electric Power Company, Incorporated (TEPCO), saving energy even outside of TEPCO's service areas has become a requisite. Under such circumstances, the lifestyle of the Japanese people is definitely changing. Living with restricted use of electricity could be an option, but we also have to address issues of how to maintain and develop comfortable lifestyles by leveraging innovative knowledge and know-how. In addition, we are moving ahead with a comprehensive approach to reduce the impact of our products and business activities on the natural environment and all living things. Concern for the environment is at the foundation of YKK Group management. We pledge to continue our efforts to foster a sustainable society.

July 2011



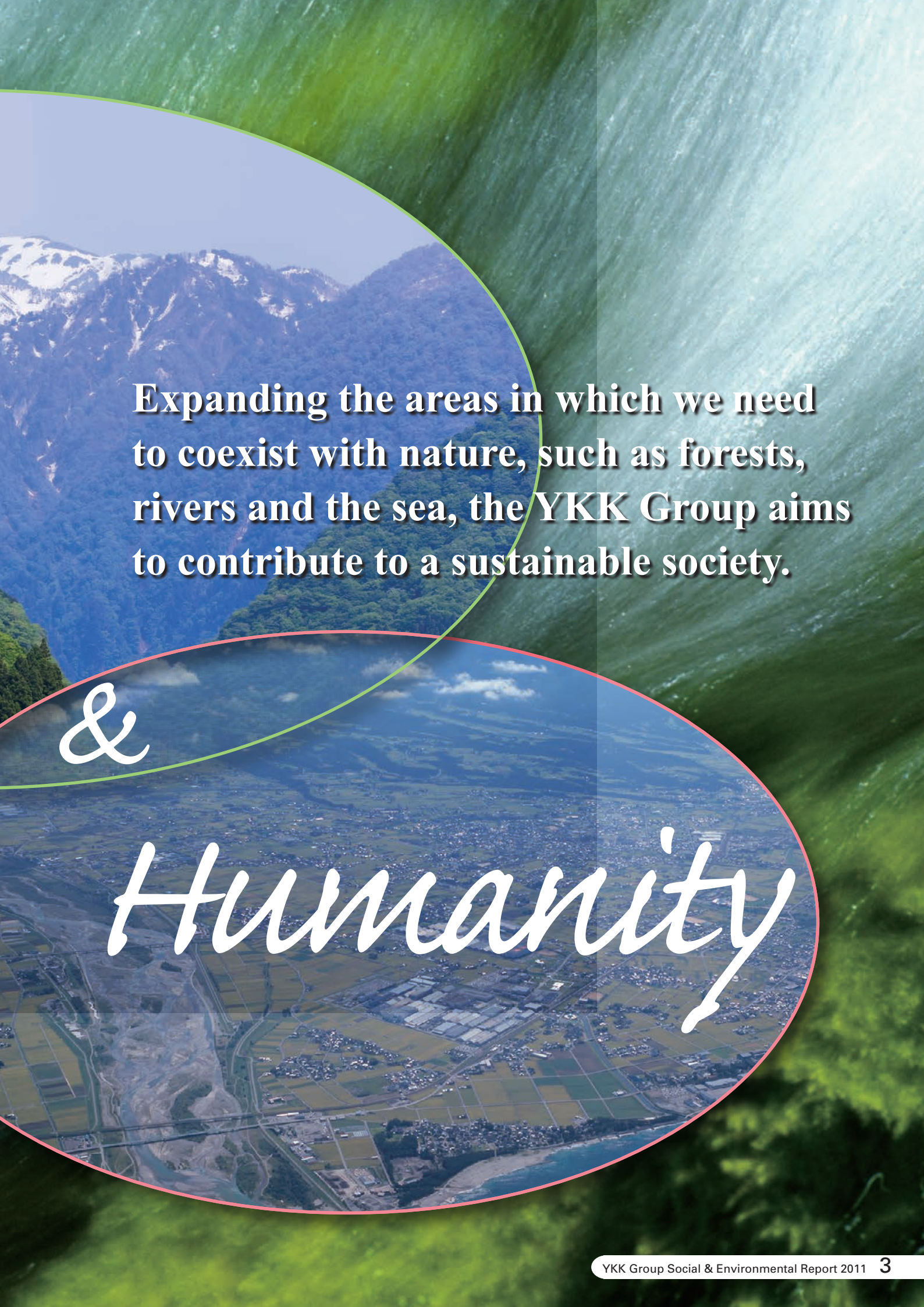
Tadahiro Yoshida  
Chairman & CEO

A handwritten signature in black ink, which appears to read "Tadahiro Yoshida". The signature is written in a cursive, flowing style.

# Special Feature: Development of a Sustainable Society



*Nature*



**Expanding the areas in which we need to coexist with nature, such as forests, rivers and the sea, the YKK Group aims to contribute to a sustainable society.**

*&*



*Humanity*

# Expansion of “Cycle of Goodness” on a Global Scale

The YKK Group conducts businesses worldwide in 71 countries and regions under a global management system that includes a six-block system.

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 point as he planned his business endeavors, and he made the idea of “Cycle of Goodness” his fundamental philosophy of business. We retain this concept as the ongoing business philosophy of the YKK “Cycle of Goodness”—No one prospers unless he renders benefit to others.

Underpinned by this “Cycle of Goodness,” the YKK Group is expanding its business foundations with the aim of becoming a truly international company. Currently, the Group has business bases in 71 countries and regions worldwide and has divided them into the six blocks of North and Central

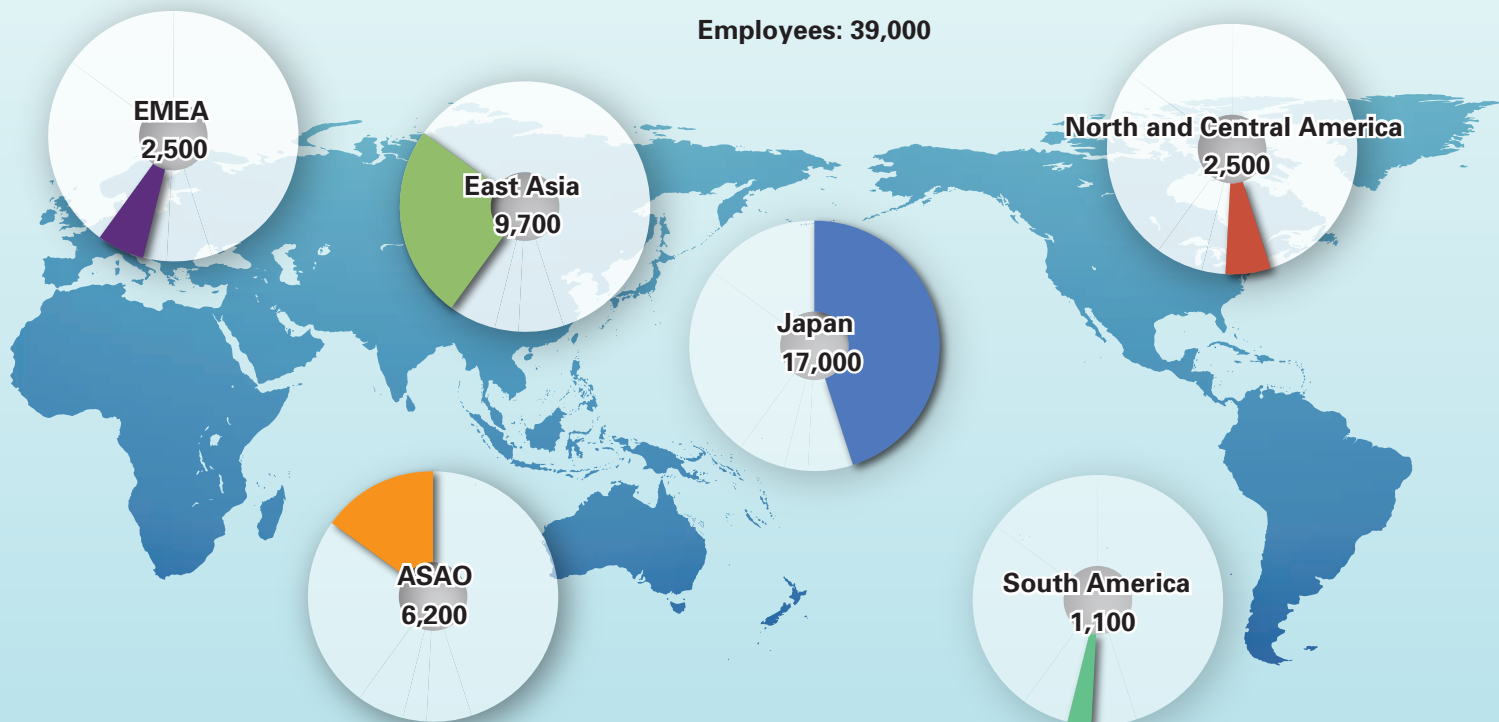
America, South America, EMEA (Europe, Middle East and Africa), East Asia, ASAO (ASEAN, South Asia and Oceania) and Japan. Under this “Global Management under a Six-Block System,” which leverages various regional characteristics, the YKK Group engages in business operations on a global scale.

- ① Statues of five people (Tadao Yoshida, Hisamasa Yoshida, Hisamatsu Yoshida, Kiichi Yoshikawa and Toshio Takahashi), involved in the founding of YKK, stand in the atrium of the YKK 50 Building and symbolize the passing of their achievements down to future generations
- ② YKK’s founder Tadao Yoshida’s handwritten “Cycle of Goodness”
- ③ The YKK Group established its first overseas subsidiary, YKK New Zealand Ltd. (1959)
- ④ YKK do Brasil Ltda (Brazil), harvesting coffee beans



## Global Management under a Six-block System

Employees: 39,000



# Manufacturing to Achieve Universal Quality

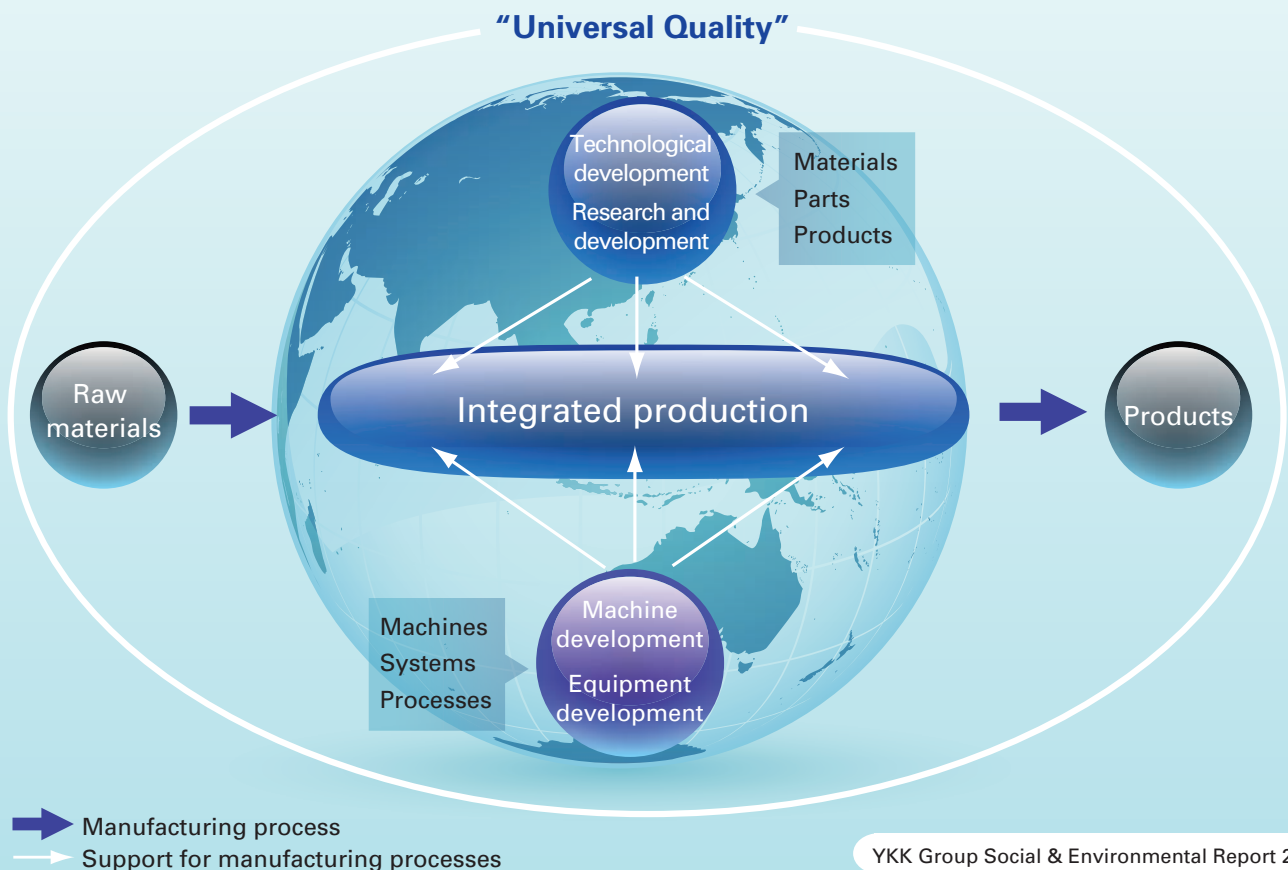
To realize a low-carbon, recycling-oriented society, the YKK Group strictly follows a unique manufacturing style based on integrated production systems.

Since 1934, when its former entity, San-es Shokai, was founded in Nihonbashi, Tokyo, the YKK Group has made steady efforts to improve quality. As part of such endeavors, the Group rapidly commenced the manufacture of high-quality zippers, while establishing an integrated production system, in which everything from spinning, aluminum alloys and manufacturing machines are procured for use in house. Since its founding, The YKK Group's manufacturing is underpinned by its devotion to quality.

Leveraging proprietary technological capabilities developed through its integrated production systems, the YKK Group is promoting environmental policy in all of its business categories. Specifically, the Group established a vision to develop and provide environment-friendly products and ser-

vices; created elemental technologies for metals, fibers and plastics; adopted environment-responsive recycling technology; and set up distribution, sales and manufacturing systems. By doing so, the Group will establish "Universal Quality" to steadily offer environment-friendly, high-quality products anywhere in the world.

- ① A spinning factory with 10,000 spinners (Fastening Products)
- ② Aluminum casting process (Architectural Products)
- ③ Tadashi Koyama, who was accredited as the "Master Craftsman of Toyama" in the Mechanical Maintenance category
- ④ The "Emergency Unit" air tents for disasters using waterproof fasteners
- ⑤ YKK AP's APW 330 and APW 310 window brand series that contribute to energy conservation



# In Timeless Harmony with Regional Communities

Underpinned by the philosophy of “Cycle of Goodness,” the YKK Group proactively engages in various social contribution activities.

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. The YKK Group’s business activities are underpinned by its philosophy of “Cycle of Goodness”—No one prospers unless he renders benefit to others. The YKK Group engages in various activities. For example, in India, the Group conducts social contribution activities based on its business expertise and supports women’s participation in society through the provision of opportunities to acquire sewing and computer skills. The Group is also involved in educational activities, regional vitalization and support for international exchange, all of which are conducted regardless of the scope of business. Aiming to remain a

company that is respected by local communities and trusted as a good corporate citizen, the YKK Group will make steady efforts to contribute to the development of new and greater cultural richness.

## The YKK Group’s Main Social Contribution Activities

- 1 Beautification activities in local mountains and forests (South Korea)
- 2 Sweet potato harvesting with 227 nursery school children at the Company-owned farm (Japan)
- 3 Scholarship support for orphans (Indonesia)
- 4 Free medical consultation (Bangladesh)
- 5 Social and occupational training center for women (India, opened in 2008)



Environmental class for children of local kindergarten (Brazil)

# A Sustainable Society through Coexistence with Nature

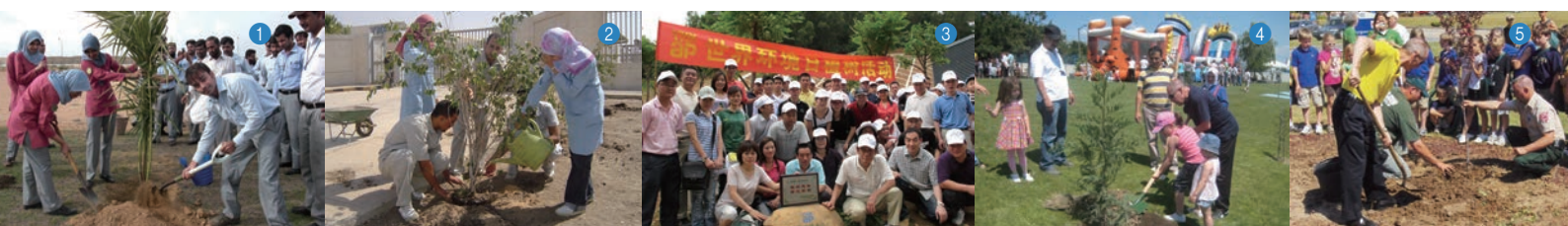
The YKK Group aims to help establish a sustainable society by concentrating on biodiversity in its business activities.

Since its inauguration in 1955, the Kurobe office has played a significant role as the YKK Group's core base of operations. The Kurobe office is located at a site downstream of the Kurobe River, which is the largest alluvial fan in Japan and is fed by a number of large and small rivers, including the Kurobe River. The alluvial fan generates various types of water sources, such as spring water and underflow water, and the YKK Group has been blessed with such water in developing its businesses. Amid rapid globalization, coexistence with nature has become an important social issue in various regional communities around the world. In pursuit of a sustainable society, the YKK Group believes that expanding the areas in which business activities can coexist harmoniously with nature is a must. To that end, the Group holds the

"YKK Group Tree Planting Day" at the time of the World Environment Day on June 5 every year to plant trees around the Group's business facilities in Japan and overseas, while striving to develop "Furusato no Mori" (Hometown Forest) on the premise of the YKK Center Park. Underpinned by the "Cycle of Goodness," the YKK Group will continue to seriously implement the theory of biodiversity in its business activities with the aim of helping to establish a sustainable society.

The YKK Group held the YKK Group Tree Planting Day around the world

- 1 Pakistan
- 2 Egypt
- 3 Shenzhen (China)
- 4 Turkey
- 5 U.S.A.



YKK Center Park open to the public (Kurobe City)





The YKK Group will reflect stakeholders' comments and opinions in its future business activities.

In 2010, the YKK Group held the first annual stakeholder dialogue. Receiving comments and opinions from stakeholders from various fields, the Group reflects them in its social and environmental activities. The second stakeholder dialogue was held at the Kurobe Office on April 13, 2011. With Toyama Prefectural University Professor Noriyasu Kunori, Ph.D. as the facilitator, the Group reported on its activities based on stakeholder opinions given in 2010 and received feedback on four initiatives to achieve a sustainable society.

### Report on Activities based on Opinions from the 2010 Dialogue

#### Issues Addressed in 2010

Issues related to reducing environmental impact	CSR management strategy and issues
Improvement of compliance including at overseas sites	Raising employee awareness and improving ethics
Impact on surrounding area resulting from use of groundwater	Meaning and ultimate objective of tree-planting activities
Working towards a low-carbon society	Fulfilling social responsibility through products

To strengthen compliance, the YKK Group established its own guidelines after reviewing the political systems and regulations in each country and region where it operates. The Group clarified the responsibilities of each business base, and set up a structure to confirm legal compliance in each region. In addition, the Group continues to conduct overseas audits. During 2010, the Group checked legal compliance matters in Turkey, China, Indonesia, and North and Central America.

The Group reduced the use of groundwater by recycling wastewater, and conducted water salination level surveys of wells in the Kurobe River alluvial fan to verify the impact from the use of groundwater. These surveys detected no salination of groundwater used by YKK.

From left:

Local authority: **Matsunori Nakaya** (Assistant Manager in charge of Environmental Affairs, Living Environment Section, Citizen Affairs Department, Kurobe City)

Trading partner: **Akira Hirano** (President & CEO, Hirano Komuten K.K.)

Consumer: **Rika Inagaki** (Promoter of global warming prevention activities in Toyama)

Naturalist: **Kikuyo Matsuki** (Executive Director, Kurobe Gorge Naturalist Society)

Resident: **Hisao Daijogo** (Vice Chairman, Muratsubaki Promotion Society)

Student: **Shion Matsuoka** (Second-year student, Environmental Systems Major, Toyama Prefectural University Junior College)

Facilitator: **Noriyasu Kunori, Ph.D.**, (Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University)



Working toward a low-carbon society, the Group improved the efficiency of production machinery, air conditioners and lighting. The Group cut CO<sub>2</sub> emissions equivalent to the volume absorbed annually by 145,000 cedar trees. The Group introduced a third-party verification system in 2010 to calculate the CO<sub>2</sub> emissions of all of its 300 bases in Japan, including business offices, based on international regulations. Third-party verification can provide data by emission source or by fuel type, which will be useful in planning future CO<sub>2</sub> emission reductions.

In order to raise employee awareness and improve ethics, the YKK Group launched "Mission: Cleanup" to carry out cleaning activities at its plants and neighboring public facilities to improve the beauty and morale of local communities. To reduce traffic jams around plants, the Group instructs employees to walk on the right when commuting on foot and initiated a flex-time system organized by business division. In response to the Great East Japan Earthquake, the labor union collected donations from many employees.

The YKK Group Tree Planting Day has become a Groupwide event since 2008. In fiscal 2011, the Group began selecting several types of trees suitable for each country and region, in respect of regional ecosystems. At the YKK Center Park, the Group conducts surveys of the ecosystem in the Kurobe River water system and constantly monitors the underwater environment in order to reproduce and preserve the ecosystem in the Kurobe River alluvial fan. The Group is planning to publish underwater imagery from these studies.

Finally, in order to fulfill social responsibility through its products, the Architectural Products business combined glass and sash technologies to develop the "APW" series of windows for enhanced performance and quality. The APW series also offers a 10-year guarantee. In the Fastening Products business, the Group built up a product development partnership with Patagonia Inc., a famous outdoor clothing and goods company. YKK began providing Patagonia with NATULON® zippers, made from recycled materials that include plastic bottles. In 2010, all of Patagonia's major products adopted NATULON® zippers.

## Four Initiatives to Achieve a Sustainable Society (1) "Cycle of Goodness" and Global Expansion

**Professor Kunori (Professor):** The YKK Group conducts global business activities based on its "Cycle of Goodness" philosophy. Please give us your frank opinions and expectations for the future activities of the YKK Group.

**Inagaki (Consumer):** When commencing businesses overseas, I would like the YKK Group to hire more local employees to realize mutual benefit. In addition, I would like the Group to disseminate examples of its environmental preservation activities and quality assurance efforts in Japan.

**YKK:** An increasing number of local hires are manager-class or above, and a growing number of female employees hold management positions.

**Professor:** Child labor issues must be avoided. In 1997, a famous company experienced a worldwide consumer boycott of their products. Does YKK have a management inspection function with respect to this issue?

**YKK:** In order to avoid child labor issues, we have adopted a strict system requiring a copy of each person's résumé and diploma upon employment.

**Hirano (Trading partner):** The YKK Group's "REWOOD" wood deck series of decks are beautiful in texture and provide excellent durability. They have potential to become the world standard. I expect the Group's R&D activities to excel, such as in the pursuit of new, safe and secure products utilizing aluminum's fire-resistance.

**Matsuoka (Student):** How do companies recycle products such as aluminum sashes?

**Professor:** By using a serial number to collect their own products, like APW, companies could secure recycled materials of the same quality. Does YKK have such a plan?

**YKK:** We are aiming for that. Also, we are increasing the use of recycled aluminum purchased from outside sources. Compared with raw materials, recycled aluminum requires only 3% of the electricity required for processing and refining.

**Professor:** The recycling of one's own products is closely related to coexisting with local communities and the global ecosystem. Therefore, we expect YKK to address this issue and make increasing efforts in technological innovation.

Sharing information among business bases is also essential so that each base can utilize eco-friendly approaches adopted in operations elsewhere. Compliance does not only mean complying with laws—it must be underpinned by corporate ethics. YKK's "Cycle of Goodness" provides a firm ethical foundation and YKK is working to steadily strengthen this foundation throughout all of its business bases worldwide. Nevertheless, cultural differences and distance can weaken resolve. Therefore, YKK needs to set up an evaluation system.

## Four Initiatives to Achieve a Sustainable Society (2) Universal Quality

**Professor:** YKK has traditionally utilized an integrated production system to procure all necessary materials in house. Moreover, YKK promotes environmental policy in all business categories, while realizing the slogan of "Universal Quality" to offer eco-friendly, high-quality products.

**Daijogo (Resident):** Approximately five years ago, I visited YKK's fastener plant in Shanghai. Where were those manufacturing machines made?

**YKK:** Our manufacturing machines for fasteners and architectural products are completely done in house, from development to assembly. We also manufacture the machine parts and consumable supplies. In order to offer products of universal quality, we believe it is necessary to have a manufacturing system with identical machines and materials.

**Hirano (Trading partner):** I think human resource development facilitates better manufacturing. How does YKK pass on this devotion to manufacturing given the language barrier?

**YKK:** No matter how high the performance of a machine is, it is human beings who make use of them. Therefore, we spend much time on training whenever we introduce a new machine.

**Matsuoka (Student):** I heard that YKK adopted a personnel education system based on the "Cycle of Goodness" in order to achieve universal quality. I think that is wonderful.

## Stakeholder Dialogue

**Matsuki (Naturalist):** For an aging society, it will be increasingly necessary to provide products based on universal design so that anyone can use them safely. The issue regarding electricity supply triggered by the Great East Japan Earthquake has given us an opportunity to think about switching to other sources such as solar power generation.

**Professor:** Going back to the basics of universal design, we would like YKK to strive for standardized quality worldwide.

### Four Initiatives to Achieve Sustainable Society (3) In Harmony with Regional Communities

**Professor:** Strongly adhering to “fairness,” as stipulated in its management principles, the YKK Group engages in various activities encompassing social contribution by leveraging its business expertise, educational programs, revitalization of regional communities and support of international exchange. The development of a comfortable workplace for locally hired employees and female employees is particularly notable.

**YKK:** We set up a day-care center inside our offices in South Korea and India. In addition, we are striving to enhance the work skills of female community members at our occupational training center in India. Furthermore, we have full-time doctors and nurses at our offices, and we dispatch those doctors to regional communities to offer medical examinations and treatment. Such activities are also an important part of our social contribution activities.

**Nakaya (Local authority):** YKK has become an indispensable company for Kurobe City. With the aim of revitalizing local communities, are there any examples of social contribution activities at overseas offices that could be applied to Kurobe City.

**YKK:** In consideration of the differences in national characteristics, we will let you know later about overseas social contribution activities that could be applied to Kurobe City.

**Daijogo (Resident):** We appreciate YKK’s efforts to strictly enforce commuting rules. Also, the introduction of flex-time systems has drastically reduced morning traffic jams in local communities. It has secured the safety of school zones, which is great.

**Professor:** Reducing traffic jams is a serious issue to ensure safety in regional communities. It also contributes to the realiza-



tion of a low-carbon society, so I think it is time to review individuals who commute by motor vehicles.

**Inagaki (Consumer):** It is wonderful that a number of employees participate in the cleanup campaigns of regional communities and personally join environment-related committees. However, it would be better if the Company had an in-house system to encourage such initiatives. YKK has in-house specialists for safety and health as well as environmental preservation, so I hope such specialists can make efficient use of their knowledge and skills for the betterment of regional communities.

**Matsuki (Naturalist):** As I joined an environmental class for children during summer holidays, I realized that an increasing number of children did not know what YKK does. Given this situation, I think YKK should invite local children for a plant tour and offer an educational program using its biotope.

**Professor:** It is important for companies to know how to communicate with regional communities so that they can be recognized as an “open company” and get involved with such communities. I believe it is a company’s mission to invigorate regional communities and local residents with a spirit of mutual cooperation and support. I would like YKK to continue its efforts in these areas.

### Four Initiatives to Achieve a Sustainable Society (4) Coexistence with Nature

**Professor:** Coexistence with nature is a very important mission, and it includes the creation of a low-carbon emission, recycling society. The YKK Group engages in the regeneration of nature with its biotope, and tree-planting campaigns around the world. What questions and opinions do you have?

## Plants Growing in Hometown Forest

With approximately 20,000 trees of 20 species (indigenous vegetation), we plant trees in Hometown Forest with the cooperation of employees and local residents.



Artist’s rendition of the YKK Center Park when it commemorates the 100th anniversary in 2034



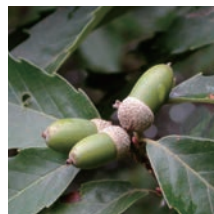
Japanese chinquapin



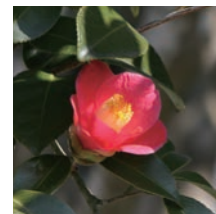
Machilus



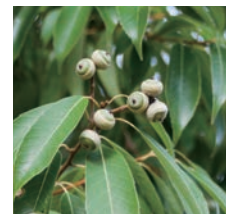
Fragrant snowbell



Common oak



Camellia



Bamboo-leaf oak

**Matsuoka (Student):** I would like YKK to design its biotope by including a total river ecosystem from upstream to downstream.

**Professor:** There is an educational approach called “Education for Sustainable Development” (ESD) dealing with the coexistence of humans and nature. YKK’s Center Park is an ideal place to realize such an approach. I would like YKK to develop and provide places where children can experience hands-on educational programs.

**Inagaki (Consumer):** I am from Kurobe, but I did not know that anyone could visit this Center Park. I think YKK should get the word out so more people can make effective use of this facility.

**Daijogo (Resident):** In March, we clean barrages and scoop sludge. In early July, we cut weeds. As a resident along this river, I would like YKK to participate in these activities.

**Professor:** I hope that YKK will consider the most appropriate ways of cooperating with people in regional communities.

**Matsuki (Naturalist):** I heard that the groundwater source in the alluvial fan has been decreasing in recent years. Could YKK conduct a survey on the amount of groundwater in tandem with the local government and universities?

**Hirano (Trading partner):** It seems to be approximately 30–40% lower than at the time when groundwater was pumped the most for industrial use. Given this fact, I would like YKK to make further efforts to reduce the use of groundwater.

**Professor:** I believe YKK’s biotope will play an important role as we aim for coexistence with nature. YKK’s future challenge will be the development of the natural environment by considering local ecosystems and then reflecting this approach in regional communities and in education for children. I expect YKK will expand its cooperation with regional communities.

**Hirano (Trading partner):** The negative impact from the Great East Japan Earthquake is tremendous, but I hope YKK will make across-the-board efforts to recover in tandem with regional communities.

**Professor:** We want YKK to make its utmost efforts in the reconstruction of the affected areas and proactively provide the details of its reconstruction activities to the public by means of various media, including press releases. Finally, I would like to express my appreciation to all of the participants for their cooperation.

### Comments and Opinions Given at the Stakeholder Dialogue

	Comments and Opinions
(1) “Cycle of Goodness” and Global Expansion	<ul style="list-style-type: none"> <li>• Without ethics, there can be no compliance</li> <li>• Manufacturing = Personnel development</li> </ul>
(2) Universal Quality	<ul style="list-style-type: none"> <li>• Human factor technologies, ideas of universal design</li> <li>• Approach to new energy without relying on fossil fuels</li> </ul>
(3) In Harmony with Regional Communities	<ul style="list-style-type: none"> <li>• Offering best practice for cooperation</li> <li>• Providing personal skills to society</li> </ul>
(4) Coexistence with Nature	<ul style="list-style-type: none"> <li>• Development of biotope in local ecosystem (utilization of ESD)</li> <li>• Survey of groundwater usage for the entire Kurobe River alluvial fan (in collaboration with local governments and universities)</li> </ul>

### Through Stakeholder Dialogue

This was YKK’s second stakeholder dialogue, held to encourage a faithful dialogue between the Company and related parties who receive, directly or indirectly, any impact from YKK’s corporate activities. The aim of this dialogue is to achieve mutual benefit with society through cooperation. I appreciate how the YKK Group again offered such an opportunity for dialogue. In terms of issues related to reducing the environmental impact of YKK’s activities, improving CSR management strategies and addressing issues pointed out last year, the YKK Group reported on the current status of such efforts, and there have clearly been definite improvements through the Group’s activities during the last year. This year, participants pointed out new issues, such as global business development, manufacturing activities in a low-carbon emissions society, cooperation with regional communities and biodiversity. Based on these comments and opinions, I hope the YKK Group will further reinforce its cooperation with stakeholders with the aim of helping to achieve a sustainable society.

Noriyasu Kunori, Ph.D.

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

## Biotope Observation Session

Located in the Furumido area, two biotopes called Furusato no Mizube are spring-fed ponds of the Kurobe River alluvial fan. Since fiscal 2008, we have raised aquatic plants and animals, and we now conduct regular observations with local specialists of their development. On April 13, 2011, before the stakeholder dialogue, we had a biotope observation session with the dialogue participants. In the aquatic creature study, we observed the inhabitation of *Oryzias latipes* and Amur sticklebacks. Amur sticklebacks are freshwater fish that prefer clean, cold water, and are easily affected by changes in water quality and insufficiency. In addition, we confirmed that sweetfish ascend nearby streams to the biotopes in the summer.



Amur sticklebacks (*Gasterosteidae*)



Surveying aquatic creatures in biotopes (April 13, 2011)



### 1 Spacesuits

YKK's airtight zipper has been adopted for spacesuits.



### 2 Seikan Tunnel

Troughs for water drainage with a water-proof zipper are useful when cleaning the troughs.



### 3 Curtain Walls

With a highly sophisticated facade design required for building construction, they also function as light shielding and heat insulation.



### 4 Restaurant

Al Settimo Cielo, an Italian restaurant, welcomes customers with beautiful night scenery and delicious dishes.



### 5 Oil Fence

Connected with zippers, oil fences can prevent spilled crude oil from spreading further.



### 6 Diving Suits

YKK's waterproof zipper is used in dry suits for scuba diving.



### 7 Akashi-Kaikyo Bridge

Zipper attached to drainage ditches make it easier to collect dirt from the ditches, helping to preserve the environment.



### 8 Giant Patchwork Quilt

In the World Quilt Carnival Nagoya Japan 2005, zippers connected quilts to make a gigantic piece.



### 9 Emergency Units

YKK AP Emergency Units can create larger spaces by connecting tents with zippers.



### 10 Coffee

Coffee beans grown in YKK's plantation are sold under the Café Bonfino brand.



### 11 Diapers

With successive injection technology using the inflow of plastic, YKK developed hook-and-loop fastening materials for baby diapers that do not hurt sensitive baby skin.



### 12 Soft Tanks

YKK's zippered soft tanks for liquids (such as milk) do not spill the content, and can be folded up compactly after use.



### 13 Interior

Interior doors, flooring and partitions adopt YKK AP's advanced technologies and sophisticated designs.



YKK products are found in diverse lifestyle situations, from residential windows to zippers for spacesuits.



#### 14 Cold Weather Gear

YKK's waterproof zippers that prevent the entry of cold air and water droplets are adopted for garments and accessories for mountain climbing and skiing.



#### 15 Firefighting Suits

Firefighters, who must work very near fires, wear a firefighting suit that uses zippers made from special materials.



#### 16 Bagpipes

Airtight zippers used in bagpipes realize both easier maintenance and beautiful sound.



#### 17 H-IIB Rocket

The H-IIB rocket's thermal curtains are attached by YKK's special, flameproof zippers.



#### 18 Heat Insulation Windows

Windows with high insulation capability and sophisticated design can contribute to energy conservation, while contributing to a comfortable living environment.



#### 19 Security in Living Spaces

Providing a variety of items, including push-button locks and electric lock systems and window shutters, YKK AP supports the development of safe, secure housing.



#### 20 Awnings

Awnings to adjust sunlight help to create a comfortable space for café terraces and for windowsills at home.



#### 21 Exterior

YKK AP offers building exterior materials using REWOOD, YKK AP's new proprietary, recyclable material made mainly from wood powder and plastic.



#### 22 Guitars

Made from high-quality materials, YKK's wire technology is adopted by renowned-brand makers worldwide as guitar frets.



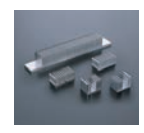
#### 23 Fire-Resistant Screens

Flame-retardant zippers for fire-resistant screens use stainless steel wires, which withstand heat of over 1,000°C, for their zipper tapes.



#### 24 Condominiums (Windows)

YKK AP designs its products for condominiums, considering all necessary factors, including usability, safety and burglary prevention.



#### 25 Aluminum Parts

YKK AP's aluminum technologies are used in various automobile parts materials, such as bumpers, radiators and air conditioners.



#### 26 Landscape Products

YKK AP's technologies and designs are adopted in sidewalks, park benches, street lamps and fences.



#### 27 Crow-Guard Net for Garbage Collecting Points

Flexible and easy to open/close with a big zipper, this product plays a key role in maintaining the clean appearance of cities.

Under its philosophy of “Cycle of Goodness,” the YKK Group proactively engages in various social contribution activities with the aim of remaining a company that is trusted by regional communities and admired by society over the long-term.

### Support for Education and Sports

Since 1977, the All Japan Junior Soccer Tournament has been held with the aim of having young boys who will forge the future of Japan strengthen themselves and develop a spirit of fair play through soccer, hoping that they will become adults with a strong will, a fair mind and an active imagination. YKK has been the sponsor of the All Japan Junior Soccer Tournament since 1980.



The final game held at the Nishigaoka Soccer Stadium in Tokyo (August 7, 2010)



Monetary sponsorship of 60,000 pesos to the Ecological Park of Irapuato, and the T-shirts given to children who participated in the environmental class (Mexico)



For women from families living in poverty, we offer educational support, encompassing various professional courses such as sewing, language and IT; the programs are free of charge for six months. (India)



We held an Environmental Recycling Contest among students of 28 local elementary schools. Students submitted artwork made from waste materials generated at school, and excellent pieces received a prize at the venue of the YKK Family Day event. (Philippines)



JUST FOR KICKS YKK Kids Football Clinic 2010 was held. (Bangladesh; May 6–8, 2010)

### Regional Contribution Activities in Suzhou, China

YKK AP (SUZHOU) CO., LTD. extends educational support to local schools and schools for handicapped people.

In our environmental education support program at Weiting School (Suzhou), which has been offered since 2006, we conduct various activities encompassing tree-planting, environmental classes, sports events, and environmental facility tours, along with requesting submissions for essays with environment-related themes. We have also participated in a local bazaar nine times since 2006, at which the cumulative number of items donated by employees totaled 1,733.

In 2010, we made several voluntary visits and held a Christmas party at Suzhou Industrial Park Boai School. We also donated electric water heaters, while providing our products (windows) to the facility's hydrotherapy room together with a partial contribution to refurbishment expenditures.



Planting fragrant olives



Environmental class for elementary school students



Donation of electric water heaters



Providing YKK AP (SUZHOU)'s windows to a hydrotherapy room

## Cleanup Activity



One-hundred employees participated in the riverside cleanup campaign held in October 2010. (Macon, U.S.A.)



Thirty employees, including the Plant Manager, participated in the riverside cleanup campaign. (South Korea)

## Medical Support



We participated in the 17th Annual Entertainment Industry Foundation Revlon Run/Walk for Women, a charity walking event to contribute to the fight against breast cancer. (Anaheim, U.S.A.; May 8, 2010)



We offer medical exams to local residents. (Indonesia)



We participated in a blood donation campaign at the Seethawaka Export Processing Zone (SEPZ) together with employees of neighboring plants as well as the managers and employees of SEPZ. (Sri Lanka)

## Disaster Aid

With the aim of offering aid to help the survivors of a flood in Pakistan and to provide reconstruction aid to disaster areas, the YKK Group donated US\$30,000 to the International Red Cross through YKK HOLDING ASIA PTE. LTD.

### Supportive Activities for Disaster Areas of the Great East Japan Earthquake

After the Great East Japan Earthquake struck on March 11, 2011, the YKK Group provided monetary donations of ¥100 million through the Japan Red Cross for the purpose of supporting survivors and reconstruction activities in disaster areas. In addition, the Group donated relief supplies to disaster areas and evacuation centers where people were experiencing a shortage of such items as water, food and hygiene products. The Group will continue to offer support by strengthening its coordination with local disaster headquarters.



Sending relief supplies to Osaka City (March 15, 2011)

### Relief Supplies



Emergency units for disaster QS72 (made by Daiichi Kensetsu): A total of 100 units were offered to Ishinomaki Red Cross Hospital, Ishinomaki City, Miyagi Prefecture on March 23 and 29, 2011.

### Wall Paint Workshop

The YKK Group held a workshop for children in disaster areas to paint the QS72 emergency units in tandem with artists in the Artists' Action for JAPAN, a volunteer activity by artists to support disaster survivors with their artwork. Two of the painted QS72 were set up in front of the pediatrics department of the Ishinomaki Red Cross Hospital to use as a library and art room with the aim of offering psychological assistance to children in disaster areas.



QS72 painted by children in disaster areas at the workshop (June 15, 2011)



The YKK Group emphasizes creating relationships of trust with customers and manufactures products of “universal quality,” putting itself “in the customer’s shoes.” The Group enhances quality in cooperation with customers.

### Communication with Customers

The YKK Group provides products that meet customer needs by communicating with customers around the world.

In the Fastening Products business, we hold plant tours and seminars for a client that is a sewing company. Through various activities, we aim to deepen customers’ understanding of our ini-

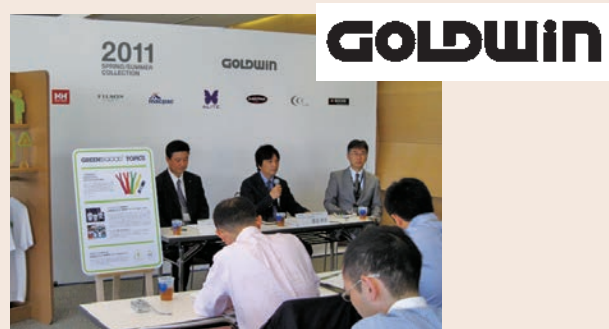
tiatives in quality assurance and environmental preservation. In the United States, YKK (U.S.A.) INC. (Macon) implements plant tours and customer satisfaction surveys. In China, we are promoting exchange with customers in order to deepen their understanding of the YKK Group’s business. YKK ZIPPER (SHENZHEN) CO., LTD. invited people from five client companies from July 2010 to September 2010.

### ●GOLDWIN INC. Adopts YKK’s NATULON® Eco-Friendly Zipper

One of the Japanese major sport apparel makers, GOLDWIN INC., decided to adopt YKK’s NATULON® in its GREENCYCLE system.

YKK has been proactively developing eco-friendly products. On this occasion, GOLDWIN and YKK agreed to the common goal of “expressing environmental concern through products and aiming for sustainable manufacturing,” and GOLDWIN began to switch to NATULON® for use in its products from the spring–summer of 2011. Adopting eco-friendly materials not only for fabrics, but also for zippers, GOLDWIN completed a recycling-oriented system that collects used products and recycles them as materials for fabrics and NATULON® based on chemical recycling technology. In August 2010, GOLDWIN and YKK held a joint press conference to promote the two companies’ environmental-concern activities to industries and consumers. Currently, 10% of GOLDWIN’s four brands, THE NORTH FACE, HELLY HANSEN, ellesse and canterbury, have adopted NATULON®, and GOLDWIN aims to expand its use to 50% of all its brands.

YKK will continue to proactively help develop a recycle-oriented society as a parts manufacturer with the aim of increasing its brand value, while contributing to global environmental preservation through its products.



Joint press interview with GOLDWIN (August 2010)



A product using NATULON® has the NATULON® logo on its label

### NATULON®

NATULON® is a resource-saving, recycling-oriented product made by recycling technology.

YKK uses NATULON® in various fastening products.



## Product Development from the Consumers' Viewpoint

YKK AP Inc. conducts product development based on consumer monitoring for the purpose of developing products that are safe and easy to use for everyone. First, we ask consumer monitors to use our products in situations typical to their daily life, and then we receive feedback after use. Such feedback and monitoring results are stored in a database. Discovering potential needs from this database, we will enhance the usability of products and offer better items to further improve customer safety and comfortable lifestyles. Consumer monitoring is conducted at the Value Assessment Center.

## YKK AP Receives the Economy, Trade and Industry Minister's Prize for Best Contributor to Product Safety

Sponsored by the Ministry of Economy, Trade and Industry, the Commendation for Best Contributors to Product Safety grants awards every year to manufacturers, importers and retailers that proactively engage in product safety assurance. The purpose is not to evaluate the safety of products manufactured/imported/sold by each company, but to commend each company's product safety assurance activities.

### ■ Activities at the Value Assessment Center



Monitoring the daily use of products by consumers of all ages



Realizing actual environmental parameters, YKK AP conducts product development and risk assessment to evaluate the potential durability of products.



Implementation of training for builders to prevent accidents

On this occasion, YKK AP received the Economy, Trade and Industry Minister's Prize in the Major Manufacturer/Importer category. The reasons behind this award-winning are as follows.

### ● Product development based on research about users' lifestyle activities

YKK AP monitors the daily use of products by a wide variety of consumers, from children to elderly people, at a facility specialized in monitoring such activities, and reflects the acquired data, including improper use and manipulation, in the development of products that meet diverse living situations.

### ● Risk assessment through products' actual environment testing

Using dedicated monitoring devices, YKK AP realizes actual environmental situations for products (severe rainstorm, coldness and heat, impact from transportation and installation), which helps the company conduct product development and risk assessment to evaluate the potential durability of products.

### ● Accident prevention by raising awareness of builders

YKK AP established 11 facilities nationwide for the purpose of setting up an environment to simulate actual construction sites and offered builders training in the appropriate methods of assembling, installation, construction and adjustment.

## Activities of Overseas Subsidiaries

### ● India: Holds Plant Tours and Visits Customers' Plants

Through plant tours and seminars, YKK INDIA PRIVATE LIMITED is striving to deepen its understanding of customers and related organizations with regard to the Company's social and environmental activities as well as its quality and service improvement efforts, based on the YKK philosophy and management principles.



Plant tour for customers



Introducing YKK's business activities

### ● Vietnam: Holds Quality Control Seminar at Customer's Plants

YKK VIET NAM Co., Ltd. visits customers' plants to hold a quality control seminar. During fiscal 2010, we held such seminars five times.



Seminar held in Hanoi

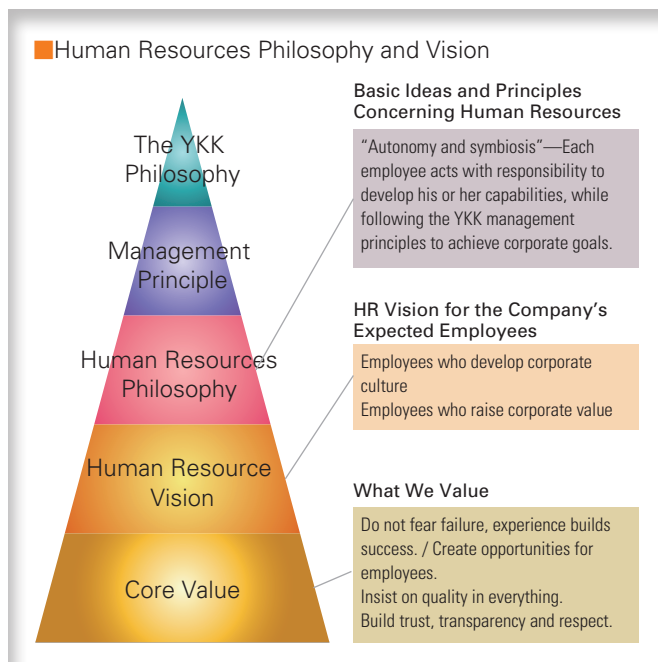


Seminar held in Thai Binh

Based on its human resources philosophy of “autonomy and symbiosis,” the YKK Group is developing an environment where each employee can fully exercise individual capabilities according to his or her responsibility, skill or motivation regardless of age, gender or educational background.

### The YKK Group's Personnel System

Underpinned by the human resources philosophy of “autonomy and symbiosis,” the YKK Group's personnel system is designed on a performance-based system depending on the employee's role. Four job categories are set up according to the characteristics and expectations for each position in order to fairly evaluate and deal with employees. Considering employees medium- to long-term career development, the Group carries out evaluation in accordance with the three items of “achievements,” “role behavior” to fulfill one's role, and “valuable actions” based on the YKK Philosophy. In addition, the Group is improving its “self-reporting system for career development” to offer employees career support.



### Re-Employment Program

We have implemented a Post-Retirement Re-Employment Program to take advantage of the knowledge and experience of retirees. The employee age limit is 65, and there are currently 789 people who participate in this program.

### Employment of People with Disabilities

The YKK Group proactively hires people with disabilities. In fiscal 2010, the number of employees with disabilities accounted for 1.95% of the total employees, meeting the legal requirements. YKK ROKKO CORPORATION, the Group's special-purpose printing business subsidiary, established a barrier-free office with ample space, while setting up alarms for the hearing impaired and emergency buttons in toilets and shower rooms, promoting job assistance for people with severe disabilities.



YKK ROKKO CORPORATION



### 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.

The eligible employee can acquire childcare leave until the child's second birthday. The introduction of the childcare leave and benefit program encourages male employees to apply for participation in this system.

After returning from childcare leave, an eligible employee can acquire shortened working hours, flextime and leave to nurse sick children until the employee's child enters elementary school. Approximately 270 employees make use of these systems every year. The YKK Group is making continuous efforts to develop better systems and environments by meeting employee needs, and as part of such efforts, the Group expanded the use of shortened working hours and flextime during the long holidays of children in the lower grades of elementary school.

# Safety and Health Based on Risk Management

Strongly aware of potential dangers and hazards at the workplace, the YKK Group conducts risk assessment to remove and reduce risks. Through safety education that includes training and seminars, as well as the improvement of the workplace environment, the Group is striving to raise the risk awareness of employees in Japan and overseas.

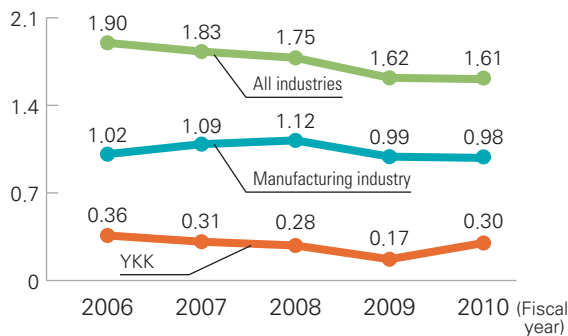
## Kurobe Office: Comprehensive Disaster Drills

The Kurobe office conducts a comprehensive annual disaster drill open to the local community. In cooperation with the Kurobe City Fire Department, the Kurobe office carried out the fiscal 2010 disaster drill with the participation of local the government and residents. The drill included safety verification and the rescue of victims, notification and announcement procedures for an emergency, and response measures to deal with an oil leakage by simulating an earthquake in the upper 6 level on the Japanese intensity scale.



Comprehensive disaster drill held on October 20, 2010

**The YKK Group Occupational Accidents Statistics (Lost Work Time Ratio)**



\* Frequency ratio of all industries (excluding the general contractors) and the manufacturing industry: Quoted from the Statistics on Occupational Accidents (the Ministry of Health, Labour and Welfare)

Frequency of lost work time:  
Index to represent frequency of occupational accidents

$$\frac{\text{Number of workers suffering lost-work-time injuries}}{\text{Total number of actual working hours}} \times 1,000,000$$

## Activities of Overseas Subsidiaries

### ● Vietnam: Safety and Health Training

With the aim of raising employees' awareness of the environment and safety, YKK VIET NAM CO., LTD. holds seminars on a regular basis. In August 2010, 435 employees, which accounts for 85% of all employees, participated in the seminar and learned the appropriate use of protective masks.



Seminar for new employees



Training for how to use protective masks



In-house award ceremony for the promotion of Kiken Yochi Training (KYT: training for predicting risks), Quality Control Circle (QCC) by small group, and Near-miss Accidents Activities (Wuxi, China)



First-aid training for employees (Turkey)



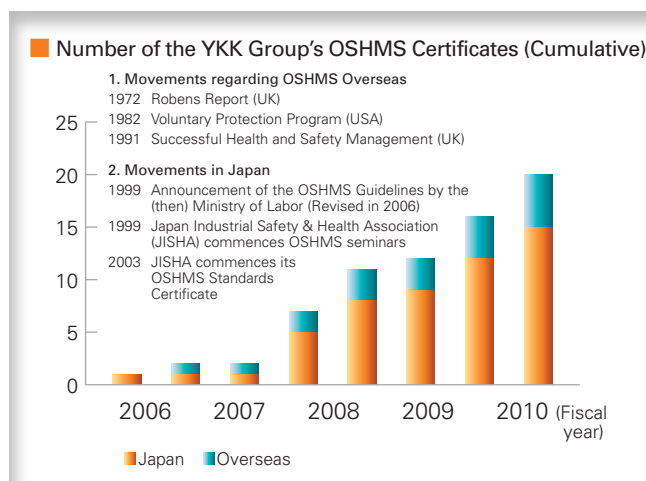
Firefighting training (Indonesia)

The YKK Group aims to develop a workplace environment at all business bases in Japan and overseas that enables employees to work comfortably. With a variety of compulsory programs, the Group pursues safety, while striving to maintain and improve employees' health.

### Introduction of OSHMS

The number of occupational accidents across the YKK Group has declined over the long term, but it now remains at this same level, and there is still the potential risk of occupational accidents, despite the fact that the Group maintains its status as a zero-accident workplace. Given the necessity of making continuous efforts in reducing potential risks, the Group introduced OSHMS\* in 2003 and has been expanding the acquisition of this certification.

\* OSHMS: Occupational Safety and Health Management System



### Safety Environment Development around the World

The U.S. Tape Craft Corporation introduced a comprehensive occupational safety and health management system based on the OHSAS 18001.

In the training for the safe control of heavy machines, the YKK Group implements training on a regular basis to improve the skills of employees in handling logistics machines, with the aim of securing operators' safe handling of machines, while raising the safety awareness of employees. For example, the Group offers training worldwide, covering such areas as forklift truck counterbalance refresher training (YKK (U.K.) LTD.), bearing technology (YKK PAKISTAN PTE. LTD.) and the operations of cranes, forklifts and pressure vessels (DALIAN YKK ZIPPER CO., LTD.).



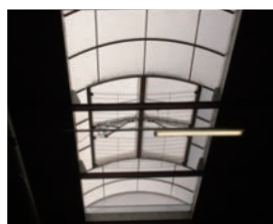
Improvement of bobbin transfer vehicles at the Dyeing Department (Portugal)



Distribution of scissors holders (Malaysia)

### FRANCE: Improvement Activities

YKK FRANCE SARL conducts safety checks on machinery and equipment in accordance with its detailed check sheet. In addition to an annual checkup of automated machinery and a biannual checkup for hand-powered machines, YKK FRANCE also conducts safety checks of machines rented to customers' plants. Furthermore, YKK FRANCE implemented monitoring of the 5S (*seiri, seiton, seiso, seiketsu* and *shitsuke*, which means sorting, straightening, systematic cleaning, standardizing, and sustaining, respectively) status and set up fire and smoke control systems as part of its disaster-related risk-reduction activities based on risk assessment.



Fire and smoke control system

## Health Management

The YKK Group conducts healthcare activities tailored to the situation in each country. In tropical areas, for example, such activities include a public relations campaign for preventive measures against infectious diseases and the provision of medical exams. In emerging countries, the Group introduces health-promotion programs such as sports activities and gymnastic exercises.

### ● YKK Kurobe Health Management Center: Promotion of the Primary Prevention of Health Problems

Health management at the office does not just constitute the treatment of health problems, but also the prevention of such health problems.

To that end, the YKK Kurobe Health Management Center promotes primary prevention (reducing risks of health problems through health education and guidance to prevent such problems), secondary prevention (offering medical exams for early detection and response to health problems), and tertiary prevention (supporting social rehabilitation after the treatment of health problems). The YKK Kurobe Health Management Center focuses particularly on primary prevention.

	Primary Prevention	Secondary Prevention	Tertiary Prevention
Physical	<ul style="list-style-type: none"> <li>Health development (quitting smoking/workout/nutrition, metabolic syndrome, stiff shoulders, backache/automated external defibrillator (AED))</li> <li>Specific health-related guidance</li> </ul>	<ul style="list-style-type: none"> <li>Regular medical exams (stomach/colon/gynecology)</li> <li>Secondary medical exams</li> </ul>	<ul style="list-style-type: none"> <li>Management of chronic illnesses</li> </ul>
Mental	<ul style="list-style-type: none"> <li>Mental health education (for both managers and their staff)</li> </ul>	<ul style="list-style-type: none"> <li>Interpersonal issues in the workplace and stress</li> </ul>	<ul style="list-style-type: none"> <li>Long-term leaves</li> <li>Support for return to the workplace</li> </ul>

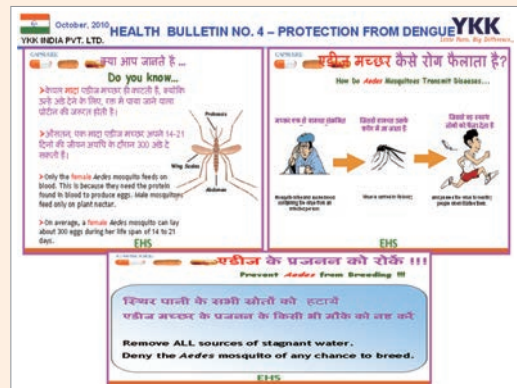


YKK Kurobe Health Management Center

## Activities of Overseas Subsidiaries

### ● India: Monthly Healthcare News

Since August 2010, YKK INDIA PRICATE LIMITED has issued the Monthly Health Bulletin to release healthcare-related information and schedules for first-aid training. In addition to posting it on bulletin boards in company cafeterias, in-house clinics and shops, it is also distributed as an e-mail magazine.



Promoting awareness of mosquitoes that transfer dengue fever

### ● Shanghai: Participation in the Shanghai International Marathon

YKK co-sponsored the Shanghai International Marathon on December 5, 2010. Approximately 23,000 runners in total participated in this event, and 139 employees of the YKK Group participated.



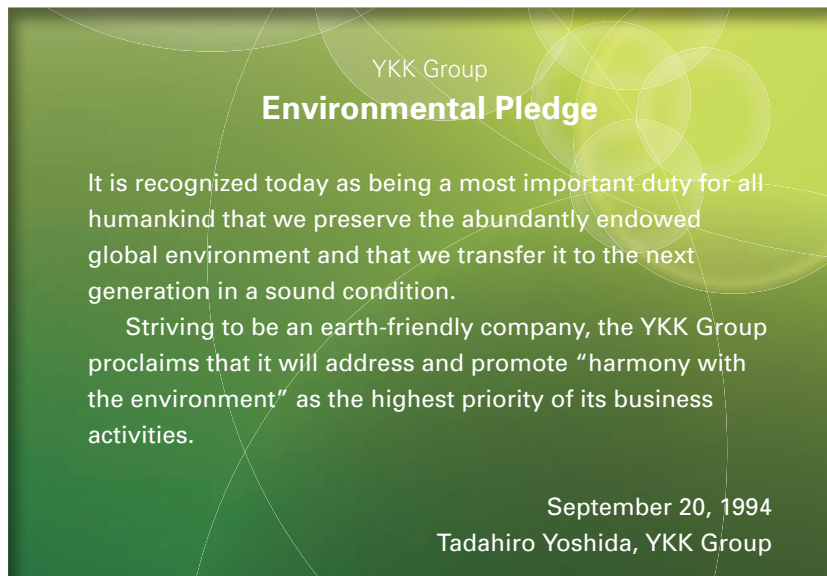
YKK runners in the team T-shirt participated in the marathon.

### ● Thailand: Gymnastic Exercise at Plant



Gymnastic exercise before the workday begins in TTK (THAILAND) CO., LTD.

In accordance with the YKK Group Environmental Charter established in September 1994, the YKK Group engages in environmental management activities that consistently contribute to the realization of a low-carbon, resource-recycling society that can coexist with nature.



Please visit the following site for the full text of the Environmental Charter.  
<http://www.ykk.co.jp/english/corporate/eco/charter.html>

### ● Four environmental management promises

**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 its products.

**Promise 2** We will further enhance our efforts to reduce environmental impact  
The YKK Group is working hard to reduce the impact of its business activities on the environment.

**Promise 3** We will develop and implement a global environmental management system  
The YKK Group is engaged in ongoing environmental management activities that place top priority on harmony with the environment in every region of the world.

**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 Group Environmental Policy Promotion Structure

The YKK Group positions its Environmental Policy Committee as an important policy committee of Group management. In tandem with each special committee and business department, the YKK Group Environmental Policy Promotion Committee implements and promotes Group policies and guidelines set up by the Environmental Policy Committee.

### Environmental Communication, Commendation and Approval

During fiscal 2010, SHANGHAI YKK ZIPPER CO., LTD. issued an environmental bulletin. YKK AP AMERICA INC.'s ThermaShade™ sunshade system was selected as the best environmental product in the Architectural Products magazine of the United States.

YKK ZIPPER (SHENZHEN) CO., LTD. was certified by Shenzhen City as a water-saving company, while SHANGHAI YKK ZIPPER CO., LTD. received certifications as a water-saving company and environment-friendly company.

# YKK Delivers User- and Environment-Friendly Products

The YKK Group contributes to the development of a sustainable society through its products. YKK products promote energy efficiency and recycling while improving comfort and lifestyles for end users.

## Fastening Products

The Fastening Products business manufactures products in consideration of ecosystems, safety and security, resources, 3R (reduce, reuse and recycle), long-term use, diverse lifestyles and proactive information disclosure. We define such items as eco-products and promote their development.



### Oeko-Tex® Standard 100:

A globally uniform testing and certification system to screen harmful substances for textile raw materials, intermediate and end products at all stages of production.

Oeko-Tex® Standard 100 covers chemical substances which are known to be harmful to health and prohibited or regulated by laws, such as the lead content limit stipulated in the Consumer Products Safety Improvement Act (CPSIA) of the United States and nickel and azo dyestuff content limits stipulated in the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) of Europe.

YKK's major fastening products acquired Class I, the most strict level in the Oeko-Tex® Standard 100 at its major manufacturing bases.

Please see page 16 for more on NATULON®.

### ● Partnership with Patagonia, Inc.

Since November 2006, YKK has been developing eco-friendly products under a partnership with the U.S. outdoor clothing and goods company Patagonia Inc. In April 2007, YKK (U.S.A.) INC. established the R&D Anaheim Laboratory and commenced product development. In March 2008, Patagonia staff visited the Kurobe office, and in October of the same year, YKK was introduced in the Footprint Chronicle of the Patagonia official website. The replacement of old materials by NATULON® in all of the parts we provide to Patagonia will be completed in 2011.

## Architectural Products

As an important producer of the YKK Group's architectural products, YKK AP INC. aims to become a company that delivers advanced comfort to people's lifestyles and urban spaces through various architectural products, including windows and doors that create comfortable living spaces, as well as building facades, to develop beautiful urban structures.

In recent years, it has become necessary for YKK AP to create energy-saving products for households in order to fulfill its social commitments such as greenhouse gas reduction and power conservation. In dwellings, temperature is affected the most by windows. Therefore, window insulation and heat shielding will significantly contribute to the enhancement of housing energy efficiency.

### ● Contributing to the Quality Improvement of Windows and the Realization of Comfortable Lifestyles in Japan

With its unique new technologies, YKK AP introduced the APW 330 plastic window series and the APW 310 aluminum/plastic window series, both of which feature a sophisticated design and excellent energy-saving effects. In the APW series, YKK AP introduced windows that provide uniquely pre-assembled glass and sashes, offered as finished units and ensuring top performance and quality. In addition, YKK AP offers various services, including displays of window performance, pricing and construction systems, the industry's first 10-year guarantee and after-sales service through the use of serial numbers. In doing so, YKK AP will contribute to the enhancement of window performance and the realization of comfortable lifestyles.





To reduce CO<sub>2</sub> emissions, the YKK Group promotes such energy conservation activities as high-efficiency equipment use domestically and overseas, process improvements, and use of renewable energy.

### Third-Party Audit for CO<sub>2</sub> Emissions Volume

With the aim of more accurately measuring our CO<sub>2</sub> emissions, we conducted third-party audits at 300 sites in fiscal 2009 and 293 sites in fiscal 2010. Then we calculated CO<sub>2</sub> emissions volume based on the standardized rules for all sites in Japan and produced a written report. We received a certificate of assurance for environmental information from JQA,\* which screened the report and sites. This third-party audit provided us not only with the screening of our total CO<sub>2</sub> emissions volume but also the volume by emission source, type of fuel and business so we can use these results for the establishment of future CO<sub>2</sub> emissions reduction plans.



The certificate of assurance for environmental information

\* JQA: The Japan Quality Assurance Organization

### The YKK Group's Greenhouse Gas (GHG) Calculation Rules

Coverage: All of YKK Corporation and YKK AP Inc. sites in Japan, including affiliated companies' plants, sales offices and welfare facilities

Power source: Electricity, Bunker A, kerosene, light oil, gasoline, LPG, city gas, cold water/hot water, industrial process, others (waste oil)

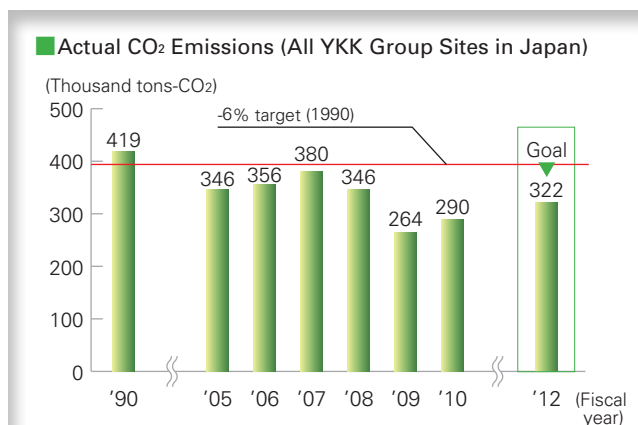
Emissions volume: By fuel type at monitoring points

However, YKK AP sales offices cannot measure actual usage, so volumes were calculated based on accounting data.

\* For details of the Rules, please visit: <http://www.ykk.co.jp/english/corporate/eco/report/2011/ecology/ecology03.html>

### Actual CO<sub>2</sub> Emissions Reduction Volume

The YKK Group set a goal of reducing its CO<sub>2</sub> emissions volume by 23% by fiscal 2012 compared with the fiscal 1990 level. In fiscal 2010, we successfully reduced 30% of emissions, significantly exceeding our target. This was partly owing to our investment in energy-saving facilities, but also to the aftermath of Lehman Brothers' bankruptcy. With third-party audits for CO<sub>2</sub> emissions, we can now analyze CO<sub>2</sub> emissions by source and type of fuel. With this information, we will conduct efficient investment in energy-saving technologies to achieve the goal for fiscal 2012.



\* Unknown past volumes were estimated based on fiscal 2010 data.

### Examples of Energy Conservation Activities

Switching to High-efficiency Lights



Regular lights (2-tube)



Inverter-type lights (1-tube)

Approx. 40% cut



Regular evacuation light



LED evacuation light

Approx. 70% reduction

In fiscal 2010, the Group cut 530 tons of CO<sub>2</sub> emissions by upgrading to high-efficiency lights at domestic facilities.

Heat Efficiency Enhancement



Burner's refractory replacement



Combustion chamber's heat retention improvement

Maintenance of furnace to improve heat efficiency resulted in a 453 ton reduction in annual CO<sub>2</sub> emissions

Fuel Conversion



Biomass boiler (India)

Using solid fuel made from agricultural waste in local communities, YKK INDIA reduced 1,397 tons of annual CO<sub>2</sub> emissions.

### Employees' Activities

Employees carry out eco-friendly activities in everyday life.

#### YKK ITALIA S.P.A.

YKK ITALIA is striving to reduce CO<sub>2</sub> through bicycling or car-pooling.



Bicycle commute



Before carpooling



After carpooling

## Biodiversity Activities to Protect Regional Ecosystem

The YKK Group is striving to protect biodiversity in consideration of regional ecosystems. As part of such efforts, we hold the YKK Group Tree Planting Day at business facilities around the world, while regenerating and protecting the ecosystem in the Kurobe River alluvial fan.

### YKK Group Tree Planting Day



Anaheim (U.S.A.)



Argentina



Shenzhen (China)



Vietnam



France

### Biodiversity Protection Activities in Japan

#### ● Environmental Preservation in the Yoshida River

With the aim of further cleaning the Yoshida River, which runs through the premises of the Kurobe office, we have been pursuing low BOD since 1990. Today, the Yoshida River has become an oasis for local residents with a Waterfront Fun School provided for children to play in and learn about nature. YKK commenced an annual survey of aquatic creatures in the Yoshida River in 2001 to evaluate the cleanness of the river. In the 2010 survey, we confirmed the inhabitation of *Cottus hangiongensis*, an endangered species in the Hokuriku and Tohoku regions, for the first time.



Survey on aquatic creatures



Tyuman river sculpin

#### ● Water Salination Survey around the Kurobe Office

As part of its study about the impact on water wells in neighboring areas from our groundwater pumping, we conduct water salination\* surveys around the Kurobe office. In the fiscal 2010 survey, we found no salinated wells.



\* Water salination: Sea water enters the ground water, increasing the chloride ion concentration to over 200mg/L.

#### ● YKK AP Kyushu Plant Receives a METI Minister Award for Factories Making Outstanding Contributions to the Environment

In September 2010, YKK AP's Kyushu Plant received a METI Minister Award for factories that make outstanding contributions to the environment. This award was granted for its efforts in proactively greening its site, while significantly contributing to the development of the environment both inside and outside the plant.

With the concept of "a plant in a park," the Kyushu Plant conducted various environmental activities, including greening activities on the premises of the plant, as well as offering environmental education in local communities. Such efforts were highly evaluated and resulted in this award.



YKK AP Inc. Kyushu Plant

Since fiscal 2009, the YKK Group has estimated its environmental liability, which include expenses for the disposal of equipment containing CFCs, high concentrations of PCBs, low concentrations of PCBs, asbestos and soil.

### Measures for Chlorofluorocarbons (CFC)

The Group currently uses approximately 4,000 pieces of equipment containing CFCs. Attaching stickers to relevant equipment to indicate that they should comply with Japan's Law Concerning the Recovery and Destruction of Fluorocarbons, the Group set up a system to control such equipment on the ledger and properly dispose of them in accordance with the law.

**Estimated cost of disposing of equipment containing CFCs: Approximately 100 million yen**

### Measures for Equipment That Contains Polychlorinated Biphenyls (PCB)

Companies are obliged to properly dispose of equipment containing PCBs by fiscal 2016. As such, the YKK Group commenced disposal of equipment containing high-concentration PCBs in December 2008 and has disposed of 440 pieces of equipment as of March 31, 2011. For equipment containing low-concentration PCBs, the Group established 10 sites across Japan for appropriate storage and tight management. At the Kurobe area in Toyama Prefecture, where the largest storage area is located, 262 pieces of equipment were stored as of March 31, 2011. We will continue to properly store and manage such equipment and work on disposing it at the earliest possible date.

**Cost of disposing of equipment up to the present: Approx. 250 million yen**

**Estimated cost of disposing of remaining equipment: Approx. 170 million yen**

\* Only includes equipment containing high-concentration PCBs

### 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 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**

### 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 results confirmed that there is no immediate risk of environmental pollution at any of our properties. However, there was a 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: Approx. 260 million yen**

### ● Reclaiming the Aramata Final Landfill Site for a Vacant Lot

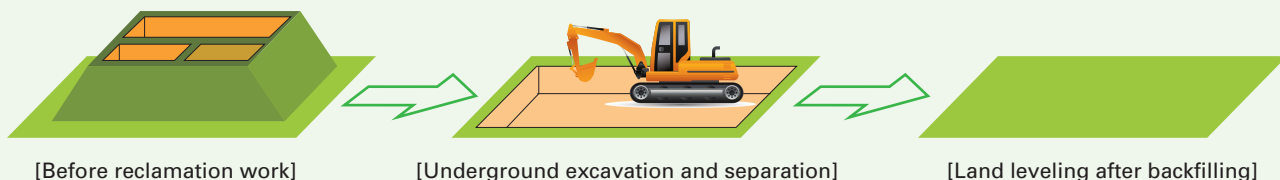
For the purpose of securing a place for final disposal of architectural waste generated inside its plant, YKK Corporation established the Aramata Final Landfill Site, a landfill site for stable industrial wastes, in the Aramata area of Kurobe City, Toyama Prefecture in 1988. This site ceased being a landfill disposal site in 1992 when architectural wastes became recyclable, but YKK continued managing the site. However, landfill wastes also became recyclable, and therefore we decided to reclaim the site to make it a vacant lot. We commenced the dismantling work in January 2007, and conducted soil inspection after creating the

vacant lot in October 2010. We completed the work when we confirmed that there was no contamination at the site. The dirt generated from the work was provided to the coastline reinforcement and national road bypass construction projects by the Ministry of Land, Infrastructure, Transport and Tourism.

**Reclamation cost: 590 million yen**

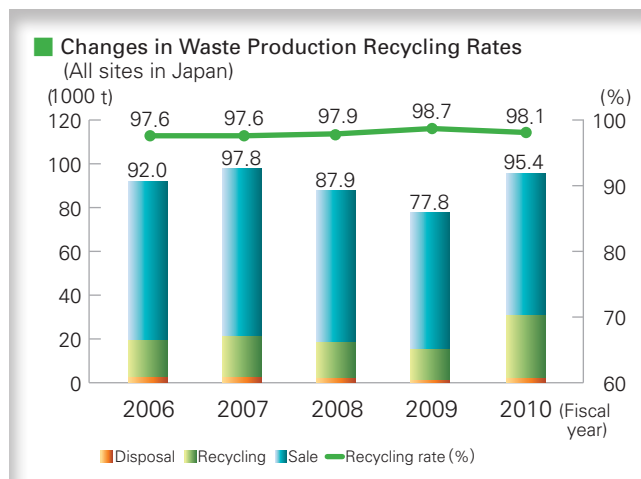
**Total amount of wastes: 111,232 tons**

**Reclamation rate: 97.88%**



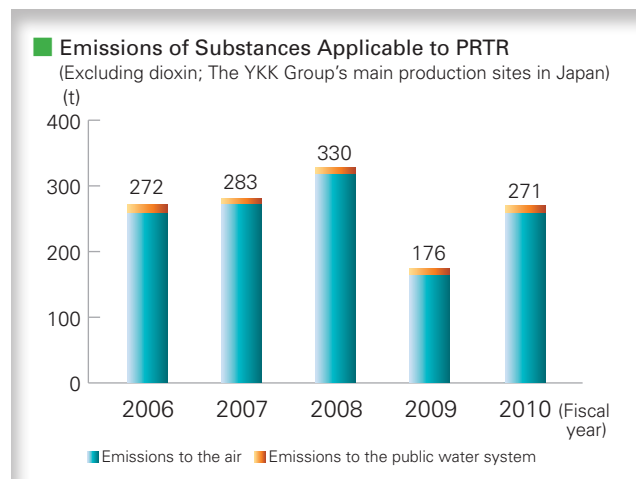
## Resource Recycling

To minimize environmental burdens, we aim to reduce total waste emissions, improve the quality of recycling methods and promote the recycling of industrial water and efficient use of rainwater.



## Chemical Substances Management

With integrated control of materials and strict shipment inspections, we effectively manage chemical substances, thus enhancing manufacturing process and product safety.



\* During fiscal 2010, the total emissions volume grew due to an increase in the number of substances applicable to PRTR, from 354 types to 462, as well as to the increase in production at YKK sites.

### Activities of Overseas Subsidiaries



Reduction of water usage through the recycling of wastewater from dyeing and plating (India)



Reduction of paper usage through the recycling of special paper for painting processes (Thailand)



Certificate for CO<sub>2</sub> emissions reduction through the outsourcing of the appropriate processing of industrial wastes (Germany)

#### CO<sub>2</sub> ZERTIFIKAT:

A CO<sub>2</sub>-Scan certificate system commenced by SITA Deutschland GmbH, one of Germany's largest industrial waste management companies. It calculates the reduced amount of CO<sub>2</sub> emissions from the amount of recycled wastes and certifies the result.

## Group Environmental Management Audits

Confirming the requirements of environmental compliance and governance, we will strive to enhance the quality of environmental management

An environmental management audit is implemented by the Environmental Policy Committee, the highest authority of the Group's environmental management. Results of this audit are reported to the Board of Directors.

The environmental management audits are implemented for the purpose of evaluating the status of the environmental management system at each business and improving inadequacies in the system, while enhancing the environmental management of each business by providing advice and support. Through these initiatives, we secure the execution of the YKK Group Environmental Policy and enhance environmental governance and compliance systems across the Group.

During fiscal 2010, we implemented environmental management audits in three domestic facilities and five overseas bases. The management of chemical substances resulted in inconsistencies due to the difference in laws and regulations in each country.



However, there was no significant indication of violation of environment-related laws and regulations or of any failure in our environmental management and compliance.

Conducting environmental management audit (PT. YKK ZIPPER INDONESIA)

### 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 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**

### Basic Approach to Corporate Governance

The YKK Group’s business activities are underpinned by the YKK Philosophy of “Cycle of Goodness”—No one prospers unless he renders benefit to others. Based on this philosophy, the Group set up the management principle, “YKK seeks corporate value of higher significance,” which represents its management mission, orientation and affirmation of achieving thorough fairness in its management activities. With the aim of achieving corporate value of higher significance, the Group is striving to enhance the corporate governance system. The YKK Group’s corporate governance is basically comprised of the Board of Directors, which serves as the decision-making body for important matters, including management policies, and the Board of Auditors, which acts as an auditing authority. In addition to these functions, the Group has an executive officer system to promote business execution.

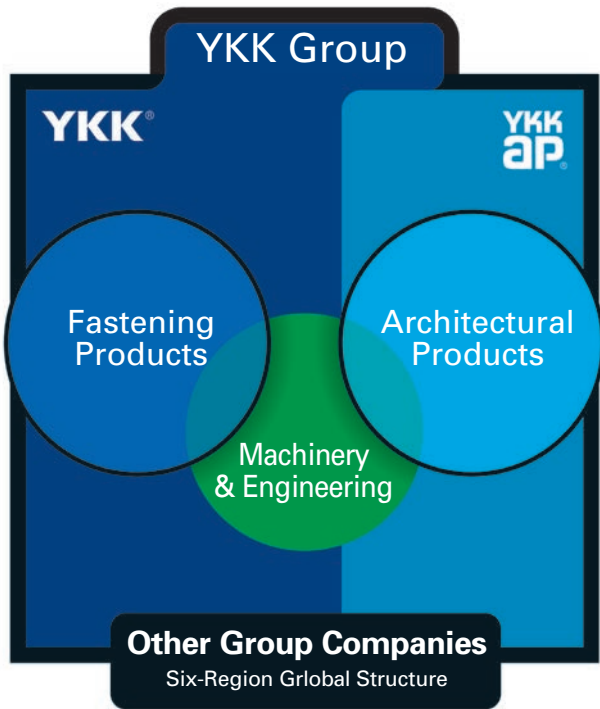
### Compliance

The YKK Group has consistently pursued fairness in its business activities in all countries and regions around the world where it operates. In order to become a truly global company, the YKK Group established the YKK Group Code of Business Conduct in March 2009. The YKK Group Code of Business Conduct stipulates: (1) Actions that companies/employees must take as members of the YKK Group; and (2) Activities in which all YKK Group employees can share a common approach.

For the compliance system, the Group first appoints a director responsible for compliance to develop a Groupwide compliance system. The director responsible for compliance will report the progress of the compliance system development and the status of the Company’s legal compliance to other directors and auditors. Directors attend compliance seminars carried out by lawyers on a regular basis and submit to the Company an agreement in writing agreeing to observe specific compliance requirements in their business execution activities.

Under the leadership of the executive officer responsible for compliance, the Company established the Compliance Promotion Group to develop the YKK Group Compliance System in tandem with an external compliance adviser. Specifically, the Compliance Promotion Group engages in raising employee awareness through the implementation of regular seminars, development of reporting and consultation services, establishment and management of a disciplinary committee and a monitoring function. In March 2010, the Group distributed the YKK Group Compliance Book to all employees in Japan. This booklet contains specific examples of actions to comply with the YKK Group Code of Business Conduct.

Furthermore, the Group set up the YKK Group Internal Reporting System in January 2006 for the purpose of preventing the violation of laws, regulations and in-house rules, as well as of protecting whistleblowers.



The YKK Group's management structure is comprised of the main-stay Fastening Products and Architectural Products business groups, the Machinery & Engineering group to support the integrated manufacturing of both businesses, and global management under a six-bloc system.

#### YKK CORPORATION

**Foundation** January 1, 1934  
**Capital** 11,992,400,500 yen (as of March 31, 2011)  
**Chairman & CEO** Tadahiro Yoshida  
**President** Masayuki Sarumaru

**Headquarters**  
 1, Kanda Izumi-cho, Chiyoda-ku, Tokyo, 101-8642, Japan  
 TEL +81-3-3864-2000

**New Headquarters Address**  
 Akihabara Daibiru, 1-18-3, Sotokanda, Chiyoda-ku, Tokyo, 101-8642, Japan (from September 2011)

**Kurobe office**  
 200, Yoshida, Kurobe City, Toyama, 938-8601, Japan  
 TEL +81-765-54-8000

#### YKK GROUP

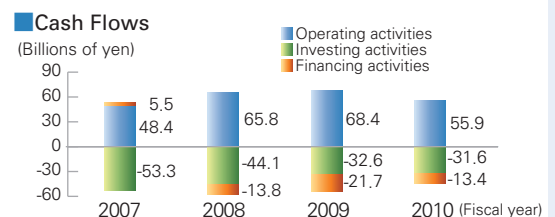
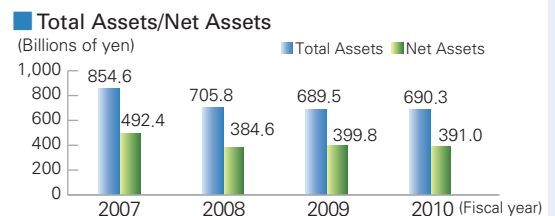
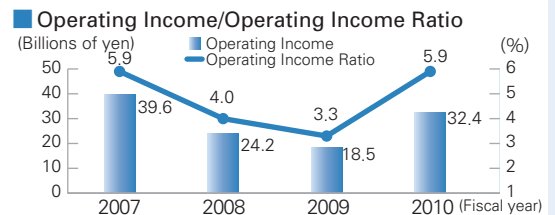
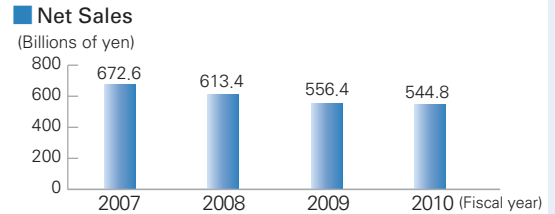
**Principal businesses**  
 Manufacturing and sales of fastening products, architectural products, precision machinery, equipment and molds

**Number of affiliated companies**  
 71 countries/regions 111 companies  
 Japan 21 companies  
 Overseas 90 companies

**Major subsidiaries**  
 YKK AP Inc., YKK FASTENING PRODUCTS SALES INC., YKK FUDOSAN CO., LTD., YKK (U.S.A.) INC., YKK ALUMINIUM (AUSTRALIA) PTY. LTD., YKK CORPORATION OF AMERICA

**Number of employees (Consolidated basis)**  
 39,000 (Japan 17,000; Overseas 22,000)  
 (As of December 31, 2010)

### Consolidated Financial Highlights



### Segment Information (By Business)

