



YKK

Social & Environmental Report 2012

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



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Cover Theme

The theme of YKK Group Social & Environmental Report is “a future society in which smiling children play in nature.” Wishing to ensure that children in generations to come will thrive in a rich natural environment, we are promoting a series of activities aimed at establishing a sustainable society that coexists harmoniously with nature.

Editorial Policy for the Fiscal Year under Review

As 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 presenting 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/2012/contents.html>

This brochure was produced exclusively using materials that can be used to make recycled paper. When you have finished with this report, please dispose of it as recycling-use paper.

Extent of Coverage

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

Period Covered

Fiscal 2011 (April 1, 2011 to March 31, 2012)

Published in August 2012

The next report will be published in August 2013.

Place of Distribution: Reception area of the YKK Kurobe Office’s YKK 50 Building and YKK AP showrooms. Requests for hard copies may also be submitted to our internet eco-hotline (<http://www.ecohotline.com/>).

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(the Group’s special-purpose printing business subsidiary: please see page 19 for details)



To mark the 75th anniversary of our foundation, the YKK Group improved a part of the Kurobe Office premises (Kurobe City, Toyama Prefecture). The renovated section has been open to the public since 2009 and is known as the “YKK Center Park.” (See also page 5 for information on the YKK Center Park.) The improvement project focusing on the YKK Center Park and surrounding area was awarded the “Civil Engineering Design Prize 2011” by the Landscape & Design Committee of the Japan Society of Civil Engineers.

Since 1934



The Kurobe River alluvial fan is one of the representative landscapes of this type in Japan and it gives rise to a variety of water resources, including springs and underground streams. The Kurobe Office, the YKK Group's core base of operations, consists of four plants situated on the Kurobe River alluvial fan.

Since its founding in 1934, the YKK Group has been striving to achieve universal quality in its manufacturing by establishing an integrated production system in which everything from materials and manufacturing machines to products are produced in-house. Based on the “Cycle of Goodness” corporate philosophy—no one prospers unless he renders benefit to others—we aim to contribute to a sustainable society through our manufacturing operations and to expand the extent of our harmonious coexistence with nature and communities.



YKK's Chain Machine Receives “Mechanical Engineering Heritage” Designation

The “Fastener Chain Machine (YKK-CM6)” developed by the YKK Group (then Yoshida Kogyo K.K.), has been designated as part of Japan's “Mechanical Engineering Heritage,” reflecting the historical importance of YKK's contribution to the development of Japan's technology and industry.



CM6 receives “Mechanical Engineering Heritage” designation

Development of the Highest Level Machinery in the World

In 1950, the Group introduced a U.S.-made chain machine to Japan and modified some of its components to improve its productivity and quality. The machine, which was put to practical use in 1953, featured the ability to alternately fix into place the interlocking parts (elements) of the chain thanks to the modified components, an epoch-making invention which won YKK its first patent. Later on, YKK began developing its own machinery from the ground up, in 1959 developing the CM3, which is equipped with punching and alternating fixing mechanisms.

Following the CM3, in 1964 the Group developed the CM6, which at the time was the world leader in terms of mass production quality.

YKK's Manufacturing Roots

Since the development of the CM6, YKK has been able to stably produce high-quality zippers at low cost. The machine is also the foundation of YKK's integrated production system—an approach to manufacturing that embraces not only the development of materials but of its own production machinery—and contributed to the expansion of zipper usage as well as overseas operations.

In 2011, the machine was designated part of Japan's “Mechanical Engineering Heritage”* by the Japan Society of Mechanical Engineers in recognition of its importance.



Zippers produced by the CM6

* Mechanical Engineering Heritage: a designation awarded by the Japan Society of Mechanical Engineers every year since 2007 to mechanical engineering technology of historical importance in Japan. The aim of the designation is to preserve such technological heritage as a part of Japan's cultural legacy to be handed down to future generations.

Based on Our “Cycle of Goodness” Corporate Philosophy, We Strive to Be Part of Local Society and to Move Forward in Step with Regional Development

Committed to being part of local society in line with its “Cycle of Goodness” corporate philosophy, the YKK Group is expanding its operations in 71 countries and regions around the world. Aiming for further growth, the Group also seeks to be an employer of choice in order to attract the best local human resources.

Under the slogan of “be a native,” the YKK Group has been putting down roots in local communities, seeking to expand its overseas operations by developing and manufacturing products that meet local market needs. The Group aims to develop its operations in step with local communities by sharing its successes as well as hiring, training, promoting, and entrusting day to day operations to local employees. In 2011, three Group companies marked significant anniversaries and celebrated long years of development alongside their local communities.



Since 1986 Indonesia

YKK AP Indonesia Marks 25th Anniversary

In 1986, PT. YKK AP INDONESIA started out as the Group's first overseas plant with an integrated production system for aluminum architectural products under the name of PT YKK ALUMICO INDONESIA (the company name changed to the current name in 2004). The Company has since been supplying such products to Indonesia, Singapore, Taiwan, and Malaysia and serves as the core plant for the YKK Group's architectural products business in Southeast Asia.

Since 1961 Malaysia

YKK Malaysia Marks 50th Anniversary

Celebrating its 50th anniversary in 2011, YKK (MALAYSIA) SDN. BHD. was the Group's first overseas base in Asia. Established for the local production and sale of fasteners, this company began in 1961 as the local subsidiary MALAYAN ZIPS SDN. BHD.



Since 1981 Argentina

YKK Argentina Marks 30th Anniversary

YKK ARGENTINA S.A. was established as a base of operations for the manufacture and sale of fastener products for jeans. Thanks to a solid financial policy, the Company has overcome difficulties amid the tough environment created by such factors as the Falkland Islands dispute in 1982 and the later Argentine economic crisis of the early 2000s, stably expanding its business to date.

From 2011

Production of Earth-Friendly Windows



Aiming to coexist harmoniously with nature, the YKK Group kicked off operations at its new eco-conscious “Saitama Mado Plant.”

Aiming to Be an Environment-Friendly Plant

YKK AP's newly established Saitama Mado Plant at the Shobu Nanbu Industrial Complex in Kuki-City, Saitama Prefecture, which began operations in July 2011, is the first plant in Japan specializing in windows. As installing improved windows is becoming an increasingly popular way of saving energy in Japan, the Saitama Mado Plant is focusing on the APW brand and will serve as a core production center for the Company's window business.

Placing priority on “caring for the environment through windows,” YKK AP introduced a series of innovations at the plant that aimed to ensure the efficient use of the site's natural environment and reduce the plant's environmental burden. Looking to fully utilize the plant's 86,716m² premises, these innovations included introducing green energy, thoroughly heat insulating all buildings and planting trees.

In the 2009 announcement of Saitama Prefecture's CASBEE* rankings, a system for evaluating environmental-friendliness, the plant received an A ranking (★★★★), a second-level ranking in terms of design built environment efficiency (BEE), and an 8.0, the highest possible score, with regard to the most important evaluation items (reduction of life-cycle CO₂,** protection and creation of green areas).

*CASBEE (Comprehensive Assessment System for Built Environment Efficiency): A system for evaluating the general environmental performance of structures. General environmental initiatives, such as ensuring the energy-efficiency of structures, resource savings, recycling, nurturing the wellbeing of the surrounding area, and working to plant trees, are evaluated using CASBEE, which is based on the “Saitama Prefecture Environmentally Friendly Building System.”

** Life-cycle CO₂: The amount of annual CO₂ emissions, specifically, total CO₂ emissions throughout the life cycle of a structure, from material production and construction to the structure's use, renovation, and dismantling, divided by the estimated number of years of useful life.

● Cool Tube* (Duct Utilizing Geothermal Heat)

Room temperature is kept 2°C below the outside ambient temperature through a natural ventilation system that uses a cool tube system.



*A cool tube is a ventilation system that increases the effectiveness of cooling by passing outside air through the ground in locations where the temperature remains within a certain range year-round.

● Building Heat Insulation

High-performance insulation materials are used in the roofs, walls and windows. While double-glazed windows have been installed in the plant building,

Low-E double glazed glass, which has excellent insulation properties, is used especially for the office building.



Skylights have been inserted into the roof to let natural sunlight into the building.



The office building boasts about 300 sets of “APW330” superior heat insulation windows.

YKK Tours: Introducing the YKK Group's Manufacturing Operations

At YKK Center Park, our exhibition facilities introduce the Group's history, technology and products along with its environmental initiatives. Open to the general public, our "Pack Tour" introduces visitors to the plant and a class enables them to get hands-on experience in the traditional way of handcrafting a zipper.



Getting a Closer Look at YKK's Manufacturing Operations

The Pack Tour is an approximately 90-minute tour of our facilities offered free of charge on weekdays (reservation needed). A tour guide conducts participants around facilities that are currently in use as well as an exhibition hall where they can get a clear picture of YKK's operations and visit a memorial room dedicated to our founder, Tadao Yoshida. Afterward, participants can visit the Maruyane (arched roof) Exhibition Hall, once the Group's oldest plant but now converted into a space where YKK's technological progress over the years is illustrated.

Also at the Maruyane Exhibition Hall, we offer a class wherein participants can get hands-on experience in the traditional way of handcrafting a zipper (takes about 40 minutes, a reservation and class fee of ¥500 are required).

In the park surrounding the site's buildings, the "Furusato-no-Mori" (Hometown Forest) development project, the Group's initiative to recreate the natural forest of the Kurobe River alluvial fan, is also open to the public.



Maruyane Exhibition Hall

The YKK Center Park



Location: 200, Yoshida, Kurobe-City, Toyama Prefecture (inside YKK Kurobe Office)

Opening dates:

From April through October: every day

From November through March: weekdays only

During opening hours, facilities in the YKK Center Park—the exhibition hall in the YKK 50 Building, the Tadao Yoshida memorial room, and the Maruyane Exhibition Hall—are open to the public (the park may occasionally be closed for certain reasons).

Opening hours: from 9:00 to 16:00 (no admission after 15:30)

Admission: free

Parking: available



Official Website

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

In addition to the YKK Center Park, the website introduces Maezawa Garden and a map of Kurobe displaying the surrounding area while providing a schedule indicating the opening hours of the park. For tour reservations, please visit our website or call the following number.

Reservation and inquiries: Kurobe Tourism K.K.

Tel: +81-765-54-8181

Reception hours: 9:00 to 16:00 (regular days of operation only)

Highlights—The YKK Group’s Manufacturing Operations

YKK MAP—YKK Products Are Found Everywhere



1 Spacesuits

YKK’s airtight zipper has been adopted for spacesuits.



2 Seikan Tunnel

Waterproof zippers on the trough covers are useful when cleaning the troughs for water drainage.



3 Curtainwalls

With a highly sophisticated façade 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 Fishing Nets

YKK zippers are used to secure such fishing equipment as fixed nets, aquaculture net cages and trawl nets, making fishing more efficient.



9 Emergency Units

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



10 Coffee

Coffee beans grown on YKK’s plantation are sold under the Café Bonfino brand.



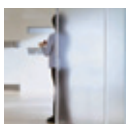
11 Diapers

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) avoid spillage and can be folded up compactly after use.



13 Interior

Interior doors, flooring, stairs 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 firefighting suits that use 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 enhance energy conservation, while contributing to a comfortable living environment.



19 Security in Living Spaces

Providing a variety of top-notch burglary prevention products, such as electric locks 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.



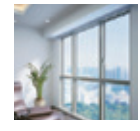
22 Guitars

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 and Doors)

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.

Meeting the Challenge of Technological Development

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



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 focusing 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 YKK Group business. We meet the challenge of creating products that lead to new value by transforming ourselves and constantly reinforcing our technological expertise.

We are also moving ahead with a comprehensive approach to reducing the impact of our products and business activities on the natural environment and all living things.

We believe that people and businesses live in a delicate balance with nature. Businesses must pay close attention to the natural environment in which they operate because their existence is ultimately premised on the blessings of nature. By maintaining an awareness of and endeavoring to live in harmony with the natural environment, we are aiming to make our products and business activities more eco-friendly. Concern for the environment is at the foundation of YKK Group management. We pledge to continue our efforts to foster a sustainable society.

June 2012

YKK Corporation Chairman & CEO
YKK AP Inc. Chairman & CEO
Tadahiro Yoshida

Contributing to the Creation of a Sustainable Society

When it comes to global management, we have always made "fairness" a cornerstone of our business operations and management activities in line with our "Cycle of Goodness" corporate philosophy and "YKK Seeks Corporate Value of Higher Significance" management principle.

Applying the above philosophy to our environmental activities, we have developed a communications network and a clearly defined responsibility structure covering 71 countries and regions worldwide. These are backed by a compliance system in place at each local unit to ensure adherence to environment-related laws, which can vary in content from country to country.

It is essential that we do not lose sight of the importance of ensuring that customers of all generations can use our fastening products with safety and comfort. Anticipating a tightening in the standard for lead content due to the passing in 2011 of amendments to the U.S. Consumer Product Safety Improvement Act (CPSIA), we have developed and introduced new fastening products.

With regard to production, we have been investing assiduously in energy-saving technologies from early on and have succeeded in reducing the volume of CO₂ generated by our operations. Moreover, we recycle our waste products and repurpose them as resources in line with our aim to achieve zero-emissions.

Moving forward, the YKK Group will strive to continuously contribute to society in each of the countries in which we operate, redoubling our efforts and taking a community-based approach.

In addition, focusing on execution and speed, the Group will work to further augment production efficiency through the improvement of its technological capabilities. Striving to reduce the environmental burden, we will also promote new approaches to resource utilization that help ensure the continuation of diversified ecosystems.

We are determined to maintain our position as a manufacturer. Through the combination of core technologies, new approaches and innovative ideas, we are going to stride forward to a new phase in our evolution. The YKK Group will contribute to the realization of a sustainable society by providing and presenting customers and business partners with eco-friendly products.

June 2012

YKK Corporation Environmental Policy Board Committee Chairman
President of YKK Corporation
Masayuki Sarumaru



Moving toward a Prosperous Future

YKK AP Inc. is aiming to create business value suited to the times and to become a company that provides advanced amenities to benefit not only the lives of individuals but urban spaces. Our operations center on the development of product series that help ensure comfortable dwelling spaces, such as windows and doors, building facades that help beautify the urban landscape, and other architectural products.

As a company that applies technology for the creation of new value, our primary concern is always the quality and safety of our products. This commitment begins with product development, where the prevailing theme is the creation of products that offer customers satisfaction, reliability, and eco-conscious solutions.

Lately, Japan's industries have been facing such unprecedented hardships as restrictions on power consumption and the nationwide implementation of electricity saving measures. Given the circumstances, YKK AP is aggressively developing products that offer higher energy savings, for example, heat shielding, heat insulation, and ventilation products, aiming to help reduce energy consumption at the home and in the office. At the same time, we would like consumers to know that our products, while offering relief from extreme temperatures, help them realize eco-friendly lifestyles. In other words, replacing the windows brings you a more comfortable home, all you have to do is change the windows. Driven by a passion for creating comfortable dwelling places and earth-friendly spaces,

YKK AP strives to communicate and present the public with products that reflect this approach.

We are also promoting energy saving in our manufacturing systems, utilizing more efficient facilities, streamlining our product transportation system, and stepping up zero-emissions activities aimed at cutting waste to zero. Through these and other efforts, YKK AP will continue to work toward the realization of a low-carbon, recycling-oriented society.

As stated above, our commitment to addressing environmental issues is being carried out at all stages of our products' life cycles, from procurement, production, and use to disposal. YKK AP is taking on the challenge of creating new value, not only for Japan but the world. We believe that these efforts will lead us into a new era.

Pledging our intention to work with you in the construction of a bright and prosperous future society, we ask for the continued understanding and cooperation of our stakeholders.

June 2012

YKK AP Inc. Environmental Policy Board Committee Chairman
President of YKK AP Inc.
Hidemitsu Hori



Stakeholders’ Expectations Regarding the YKK Group Operations: Aiming to Achieve a Sustainable Society



From left: Student: Shion Matsuoka (Environmental Systems Major, Toyama Prefectural University Junior College); Consumer: Rika Inagaki (Promoter of global warming prevention activities in Toyama); Resident: Hisao Daijogo (Vice Chairman, Muratsubaki Promotion Society)/Nature conservation group representative: Kenji Yamamoto (Vice Chairman, Kurobe Meisui Kai); Facilitator: Noriyasu Kunori, Ph.D., (Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University); Local spokesman: 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.)

In 2010, the YKK Group began holding annual stakeholder dialogues with stakeholders, the third of which was held at the Kurobe Office on March 21, 2012. At this year’s dialogue, Group representatives and stakeholders exchanged opinions from the medium- and long-term perspectives on the themes listed at right. The Group also reported on activities undertaken in response to opinions voiced by stakeholders at the dialogue held in 2011.

Comments and Opinions on Issues Addressed in 2011 Stakeholder Dialogue	
Coexistence with Nature	<ul style="list-style-type: none"> ·Development of biotopes in local ecosystem (utilization of Education for Sustainable Development (ESD)) ·Survey of groundwater usage across the entire Kurobe River alluvial fan (in collaboration with local governments and universities)
“Cycle of Goodness” and Global Expansion	<ul style="list-style-type: none"> ·Without ethics, there can be no compliance ·Manufacturing = Personnel development
Universal Quality	<ul style="list-style-type: none"> ·Human factor technologies, ideas of universal design ·Approach to new energy without relying on fossil fuels
In Harmony with Regional Communities	<ul style="list-style-type: none"> ·Offering best practice for cooperation ·Providing personal skills to society

Development of Biotopes in the Local Ecosystem (Utilization of ESD)

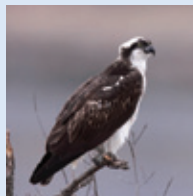
In fiscal 2011, surveys were conducted on four occasions, from March through October, of the birds, insects, fish, and benthic species living in two biotopes on the Kurobe Office premises that we have named Furusato no Mizube. The next survey is scheduled to take place in five years in 2016. In fiscal 2012, the



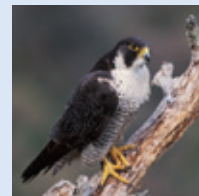
Conducting a survey of the creatures in the biotopes

Group plans to host a biotope observation session for Toyama Prefecture elementary school students in upper grades and their parents during the summer vacation season.

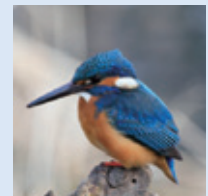
Principal Rare and Vulnerable Species Found on the Kurobe Office Premises



Osprey



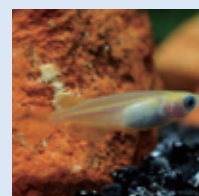
Falcon



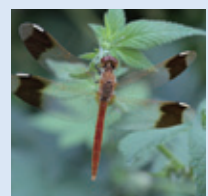
Kingfisher



Amur sticklebacks



Killifish



Dragonfly (Miyama-akane)

Discussion of the Fiscal 2011 Activities Report: “Coexistence with Nature”

• Biotopes in the Local Ecosystem (Utilization of ESD)

Professor Kunori (Professor): “On the Kurobe office premises, the YKK Group is nurturing biotopes inhabited by a number of rare and vulnerable species. Do you have any questions or opinions about this?”

Nakaya (Local spokesman): YKK’s biotope is an open place, how do you address the problems of alien species?”

YKK: We implemented an action policy aimed at safeguarding the genetic legacy of Kurobe and installed an underwater camera to conduct periodic underwater observations.

Nakaya (Local spokesman): Can you ensure that no given species exerts a negative impact on the ecosystem through excessive breeding?”

Matsuoka (Student): The biotopes are connected to the adjacent irrigation channels as well as to the surrounding land. Biological surveys of the surrounding areas should be conducted.

YKK: Water flows from the biotopes into the Yoshida river, and treated water from the YKK plant flows into the river through its drainage port. For the last 10 years, we have been closely observing the various species inhabiting the river in order to assess the impact of the plant.

Professor: One way to conduct a broad and detailed survey like a census or wider-ranging survey is to request the assistance of local NPOs and universities.

• Survey of Groundwater Usage across the Kurobe River Alluvial Fan (in collaboration with local governments and universities)

Daijogo (Resident): Some residents say that the groundwater level is higher on Saturday and Sunday, and lower on weekdays. I would like YKK to look into this.

YKK: Since December 2011, we have been observing the water level of an artesian well on the premises of Koshino Junior High School using an automatic system. We will immediately report if we find a causal relationship between our groundwater usage and groundwater level.

Hirano (Trading partner): Concrete irrigation channels and paved roads prevent rainwater from penetrating the ground. This may cause a groundwater shortage. Research into these factors may help us better assess the whole situation.

Daijogo (Resident): I would like YKK to measure the water level of an artesian well in Muratsubaki area, too.

YKK: Upon the approval and cooperation of artesian well owners, we would like to start making observations soon.

Professor: We ask for the cooperation of residents in conducting observations.

Yamamoto (Nature conservation group): It is predicted that there will be an increasing water resource shortage. I hope that YKK will work to tackle these problems in line with the times.

Inagaki (Consumer): Since the first dialogue, I have been making inquiries about groundwater and appreciate YKK’s survey results, which get more detailed with each meeting. Nevertheless, it is important to assess overall groundwater situation. I would like YKK to broaden the scope of its surveys so that we can see how much influence on groundwater levels YKK’s groundwater usage has.

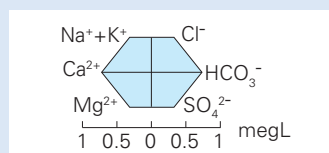
Yamamoto (Nature conservation group): I suppose that more effective data will be obtained if YKK conducts separate assessments of employee and industrial water usage.

Professor: I hope that through its actions—for example, the assessment of the current groundwater level in the Kurobe River alluvial fan—YKK will be able to demonstrate its consideration for the environment. If they are successful, YKK’s initiatives can be introduced a best practice. Although the use of groundwater has been significantly reduced, we would like YKK to make further efforts.

Survey of Groundwater Usage across the Entire Kurobe River Alluvial Fan (in Collaboration with Local Governments and Universities)

The Group is seeking further sustainable usage of groundwater in the Kurobe River alluvial fan. Aiming to analyze the current situation and make reliable forecasts, the Group is consigning the survey of and research on all aspects of groundwater to Mr. Taichi Tebakari a lecturer in the Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University. Survey results will be disclosed to the public in accordance with Kurobe City’s water resource policies. Surveys of water quality as well as groundwater levels were conducted in fiscal 2011. The Group will continue surveys in fiscal 2012 and thereafter.

Hexagonal graph clearly illustrating water quality



Scope and results of water quality survey

Groundwater in Oshima (red circle) is significantly different from water in other areas (dotted-line) in terms of quality. The Cl⁻ value in the diagram at left is notably high, indicating that the water salinization level is increasing.

Report on Activities Based on Opinions from the 2011 Dialogue and Principal Countermeasures against Earthquake and Tsunami Damage

In the following section, YKK reports on activities undertaken in response to opinions voiced on topics other than "Coexistence with Nature" and introduces the countermeasures it has currently implemented against earthquake and tsunami damage based on stakeholders' requests.

●"Cycle of Goodness" and Global Expansion

Without ethics, there can be no compliance: To ensure the adoption of management ethics, meetings of top management and local employees were held around the world. (Please see page 18 for details.)

Manufacturing = Personnel development: YKK's Technical traditions are passed on to younger employees through the Gino Dojo (manufacturing skills training center) and technology training classes. (Please see page 19 for details.)

●Universal Quality

Human factor technologies, ideas of universal design: YKK has released such innovative products as the Plate Type Push-Pull Lock System, a door that requires half the usual amount of force to open and close, and the Smart Control Key, which can be easily used by a child. (Please see page 17 for details.)

Approach to fossil fuel-free new energy: A small hydraulic power generator utilizing the kinetic energy of coolant water was installed experimentally. Also, plans call for a heat-pump air conditioning system that exploits the thermal differential between outside air and groundwater. (Please see page 24 for details.)

●In Harmony with Regional Communities

Offering best practice for cooperation: YKK developed "Mission: Cleanup," a voluntary program that operated the "Jimmy Carter Kurobe Meisui Road Race" marathon in addition to other volunteer activities.

Providing personal skills to society: YKK employees provided environmental education at a childcare facility (please see page 15 for details), cooperated with Kurobe Mizu-no Shonen-dan (a youth volunteer group) in an aquatic survey and seconded personnel to local volunteer associations.

●Countermeasures against Earthquake and Tsunami Damage Supportive measures provided to the community: Based on the results of a tsunami simulation conducted by Toyama Prefectural authorities, YKK intends to offer the Furumido Plant grounds as a heliport and temporary storage area for relief supplies in tandem with Kurobe City.

Countermeasures: YKK and Kurobe City are lobbying the government for the installation of a detached breakwater and dam. At the Kurobe Ekko Plant, a one meter high bank capable of holding back water is under construction as a countermeasure against Yorimawari giant swell waves, which are a characteristic danger of Toyama bay.



Stakeholders' Expectations Regarding YKK Group Operations: Aiming to Achieve a Sustainable Society

①Development of New Products in Line with Social Change

●Working toward a Low-Carbon, Recycling-Oriented Society

Hirano (Trading partner): In the housing industry, Smart Houses that utilize such clean energy as solar power are being designed by major housing firms. I am well aware of the energy-saving effects of products like "APW" heat insulation windows but I would like YKK to develop bigger housing products. I also hope that YKK can advance the fireproof qualities of windows.

Daijogo (Resident): I have been troubled by the poor durability of wire screen doors. I would like YKK to develop a long-lasting screen made with fully tested materials.

●In Line with Social Change

Yamamoto (Nature conservation group): I would like YKK to consider housing policies in tandem with the Japanese government and develop such products as housing in which the room arrangements can be changed flexibly. Also, there will be need for products that are easier for the elderly to handle, for example, clip-on ties and dress shirts with easy to use fasteners.

YKK: These are interesting ideas, thank you.

Professor: The key issue is how to address changing needs.

Providing the Opportunity to Learn How YKK Group Products Are Made: Traditional Fastener Handcrafting Class

During the 2011 Stakeholder Dialogue, the attendees were able to participate in a traditional fastener handcrafting class, one of the experiences YKK offers on its tours.

Some attendees said that they found the class an "enjoyable and effective learning experience that allowed us to understand YKK's traditional manufacturing technique, which could produce up to 100 fasteners a day."



Clipping the tape into a jig and embedding the elements, setting them all in the same direction



Clamping the elements in place using a pressing machine. The resulting fastener (insert)



●Cultivation of Craftsmen

Hirano (Trading partner): The membership of the construction Worker’s Union has been decreasing, falling to 370,000 members in 2010, from 940,000 in the 1970s. Due to the decrease, YKK will have to install such housing products as APW itself as well as provide maintenance and servicing.

②Making Our Accomplishments in Manufacturing Visible

Professor: How much effort is YKK putting into clearly communicating to users the energy-savings possible with APW?

YKK: Such data is presented in brochures. In addition, our Japan-wide sales staff network provides customers with data obtained from simulations.

Inagaki (Consumer): I think YKK should set up more places to display the effectiveness of its products.

Nakaya (Local spokesman): I think it is good to consider drawing public attention to such prize-winning activities like the YKK Center Park development, which received an award from the Japan Society of Civil Engineers for its landscape design.

YKK: In addition to brochures and publicizing activities at show-rooms, we plan to engage in such popular activities as offering prizes to the public.

③Educational Activities

Matsuoka (Student): I think that the content of YKK Tours can be incorporated into on-demand school events with lectures by YKK staff.

YKK: In fiscal 2011 alone, some 16,000 people participated in YKK Tours, with a total of 50,000 people attending various events. We plan to assign about 10 more employees and may add more.

Professor: If YKK introduces its technologies and products to students attending local industrial high schools and the engineering departments of universities, it will help facilitate a feeling of attachment among them with regard to local companies. I would be grateful if YKK would consider such an initiative.

■ Further Growth in Kurobe

Nakaya (Local spokesman): It is only a dream, but I would like to see a house made entirely out of YKK products.

Hirano (Trading partner): To foster a prosperous community, I would like to further cooperate with YKK.

Professor: I believe that Kurobe, a region blessed with an abundant natural environment, is suitable place to experience Japan’s unique richness. Weaving the cultural and social background of the Hokuriku region, Toyama prefecture and Kurobe City into its corporate policies, YKK should start by communicating its philosophy to Japan and to the world. In addition, our expectation for YKK is that it will create products that are eco-friendly and socially beneficial, such as barrier-free and universal design products reflecting the value added that YKK brings. At the same time, the impact of production processes on the environment and society must be considered at all stages, including manufacturing, distribution and recycling.

YKK: The ideas you have shared with us are greatly appreciated and we promise to apply them to our future activities, thank you.



Comments and Opinions Offered at the Stakeholder Dialogue

Product development	Contribute to a low-carbon and recycling-oriented society in line with changes in the social structure
Improve public perception	Make our accomplishments in manufacturing more visible
Educational activities	Offer on-demand lectures for students utilizing the content of YKK Tours

The Group will continue to pursue activities based on opinions voiced in the 2011 dialogue.



Facilitator
Noriyasu Kunori, Ph.D.

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

Through Stakeholder Dialogue

This was YKK’s third stakeholder dialogue held to encourage honest dialogue between the Company and related parties who are impacted, directly or indirectly, by YKK’s corporate activities. The aim of this dialogue was to promote mutual benefit with society through cooperation. I am appreciative that the YKK Group is offering such an opportunity for dialogue on an ongoing basis. In relation to the theme of “Coexistence with nature,” the YKK Group reported on the current status of initiatives involving such issues as the protection of local ecosystems as well as the results of surveys of groundwater usage, which were discussed last year. Based on the report, discussion was brisk and the Group’s continued efforts to coexist with nature became clear. On the theme of “Stakeholders’ Expectations Regarding YKK Group Operations: Aiming to Achieve a Sustainable Society,” we heard that stakeholders hope YKK will develop eco-conscious products and housing systems that reflect changes in society. In addition, I hope that the YKK Group will cooperate with stakeholders, not only in Japan but in the Group’s overseas facilities.



The final game of the 35th All Japan Junior Soccer Tournament cosponsored by YKK, held in Toki-no-Sumika Sports Center in Susono City, Shizuoka Prefecture (August 6, 2011)

Section

Our Social Activities

9

Toward Sustainable Development with Local Society

Mindful of its relationship with people in local communities, the YKK Group engages in ongoing social contribution activities, including manpower contributions.

Continuous Support in Disaster Stricken Areas

YKK Receives an Award from the Japanese Red Cross Society

The YKK Group has been conducting a series of support activities in areas that were struck by the Great East Japan Earthquake, including giving ¥100 million through the Japanese Red Cross and providing such products as Emergency Unit [Quick Air Dome Compo] air tents and the Quick Space 72h (QS72) temporary shelter system. Also, a large number of YKK AP employees have been dispatched as volunteers, mainly from the Tohoku Office.

On September 1, 2011, the Group received a letter of appreciation from the Japanese Red Cross in recognition of its activities toward reconstruction.



YKK AP Employees erecting a QS72 unit for use as a medical treatment room on the grounds of Ishinomaki Red Cross Hospital

The Futsal Tournament for Reconstruction of Tohoku Region

On May 8, 2011, the Group joined the Futsal Clinic & Futsal Tournament in Tomiya-machi, Miyagi Prefecture, to provide a chance for local children to enjoy themselves and support reconstruction. Along with YKK AP Tohoku office employees, a former member of the YKK AP Tohoku “Flappers” women’s soccer club and a trainer from Nadeshiko Japan, the women’s national soccer team, participated in the event.



A large number of children participated



Kurobe Office: Environmental Education Activities

Kurobe Office employees have been visiting local children to help them learn about the environment. On July 14, 2011, as a part of this initiative, a picture-book reading and Japanese card games on environmental issues were held at Taie nursery center in Kurobe City. The children also learned about separating garbage. The Group is teaching the importance of environmental conservation through play and hands-on experience.



A large number of children and parents participated



Learning about environmental conservation the fun way, playing "Karuta," a Japanese card game



Thailand: Supporting the Reconstruction of Flood Devastated Areas in Thailand

In 2011, Thailand suffered considerable damage from the flooding caused by its heaviest rainfall in 50 years. After the damage had been stabilized, employees spurred YKK (THAILAND) CO., LTD. to conduct cleanup activities at temples and schools in Ayutthaya, a province in central Thailand that suffered extensive flood damage. On December 4, 2011, 189 employees joined neighborhood volunteers in clearing out debris and cleaning up buildings.

In addition, YKK HOLDING ASIA PTE. LTD., which supervises the Group's subsidiaries in the ASEAN and other South Asian, and Oceanian countries,

has donated US\$30,000 through the Singapore Red Cross Society. Also, afflicted employees of YKK Thailand were granted 10,000 baht per household and five days of paid leave to support reconstruction.



Cleaning submerged facilities



YKK employees participated in reconstruction support activities on December 4, 2011



Spain: Received AECE Award for the First Time

YKK Spain (YKK ESPAÑA, S.A.) received an award in the Social Responsibility category at the fourth AECE* awards. This was the company's first time to receive this award, which was given in recognition of a number of social contribution activities it had participated in, for example, the restoration of the cathedral of Tortosa City, where YKK Spain is located, and the donation of a clock to the city office. The ceremony was held on April 29, 2011, and the governor of Catalonia Province presented the award.

*AECE (EBRE Counties Business Association)

An Organization established in 1977 that targets local revitalization. Its membership comprises approximately 200 business enterprises in the Tarragona region of Catalonia.



A representative of YKK Spain receiving the award



The 11th YKK Fastening Award, a fashion contest for students with a focus on fastening products

Section 10

With Customers

Realizing “Universal Quality” with Customers

Under action guidelines for all business operations, which hinge on the concept of “fairness,” the Group is working to enhance quality in cooperation with customers.

Bangladesh: Forum for Customers

The sixth Global Marketing Forum was held by YKK BANGLADESH PTE. LTD. in Dhaka and Chittagong and attended by 600 customers. In addition to marketing information, the YKK Group’s policies regarding management, quality assurance, workplace safety, environmental issues and information security were discussed.



Global Marketing Forum (Dhaka, September 25, 2011)

Vietnam and Pakistan: Strengthening the Fastening Business

In Vietnam and Pakistan, the sewing industry is growing fast, driving the expansion of the export market for fastening products. By augmenting and expanding its facilities, the Group is strengthening both its production capacities and development capabilities as it works to meet diversifying customer needs.



YKK Vietnam: Artist’s rendition of the completed additional facility (scheduled to begin operations in December 2012)



YKK Pakistan: Artist’s rendition of the scheduled expansion of the existing plant (scheduled to begin operations in December 2012)



YKK AP: Chosen for the Desirable Architectural Products Brand Award (windows category) by the China Real Estate Association, Once Again Receives First Prize

The China Real Estate Association, an organization dedicated to developing China's real estate industry, has more than 2,000 member companies that YKK AP has been providing with high-quality window products, including resin window frames and aluminum thermal insulation windows. The Company was awarded the prize in recognition of the outstanding contributions it has made to China's architectural products industry over the last 10 years.

YKK AP will endeavor to continue delivering products and services that uniquely meet the needs of customers.



YKK AP Showrooms

YKK AP showrooms across Japan help visitors realize the capabilities of its products. Among the displays are YKK AP's latest products, such as APW330, a resin window frame with excellent insulation properties, and a front



YKK AP showroom in Osaka

Inquiries:

● Showrooms

Shinagawa Tel: +81-3-3472-1380
Osaka Tel: +81-6-6363-4334
Hiroshima Tel: +81-82-505-2020

● P-STAGE

Niigata Tel: +81-25-283-4634
Kanazawa Tel: +81-76-266-4170
Nagoya Tel: +81-52-212-4180



YKK AP: Exhibiting Products alongside TOTO, DAIKEN and NORITZ at Showrooms in Ishinomaki and Iwaki

In the Tohoku region, which suffered considerable damage due to the Great East Japan Earthquake, renovation- and new construction-related demand is growing. In response, YKK AP has opened architectural product showrooms in Ishinomaki City, Miyagi Prefecture, and Iwaki City, Fukushima Prefecture, with three other companies. TOTO plumbing products, DAIKEN wood products and NORITZ appliances are on display alongside YKK AP windows and front doors. The showrooms are intended to contribute to the earlier reconstruction of disaster stricken areas by promoting the recovery of homes, local revitalization and generation of employment.



Ishinomaki Collaboration Showroom (above picture)

Location: 3-11-1, Nakazato-Cho, Ishinomaki City, Miyagi Prefecture, 986-0814

Tel: +81-22-771-1024 (TOTO)

Iwaki Collaboration Showroom

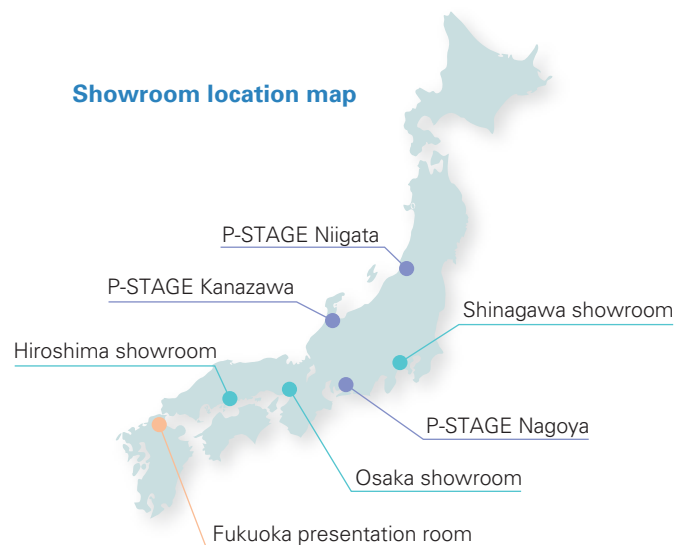
Location: 7-8, Suwagasaki, Joban Mizunoya-Cho, Iwaki City, Fukushima Prefecture, 972-8311

Tel: 0120-43-1010* (TOTO)

*Call from Tohoku region only

door fitted with Smart Control Key, an advanced lock system. Also, specialists are on hand to provide advice on building comfortable living environments.

Showroom location map



● Presentation room

Fukuoka Tel: +81-92-583-7311

Website <http://www.ykkap.co.jp/sr/index.asp> (Japanese only)



At the ASAO* region Group members' general meeting entitled "Let's Talk with Tad" local employees engaged in discussion with Chairman Tadahiro Yoshida (November 6, 2011)

*ASAO: ASEAN and other South Asian and Oceanian countries

Section

11

With Employees

Becoming a "Shinrin Group"—Each Person Acting with Initiative

Through the development of personnel system based on fairness, the YKK Group works to motivate its employees to think and act with initiative, ultimately aiming to be a "Shinrin Group." *

*The YKK Group's ideal form of an organization. Just as each tree strives independently, yet together with other trees constitutes the greater entity that is the forest, each person in the Group is encouraged to think about their work and expectations as if they themselves were top management, even as they work together to grow the Company.

Sharing the YKK Philosophy and Management Principle with Employees

The YKK Group held informal meetings, bringing together top management and local employees on 11 occasions during fiscal 2011, with the aim of ensuring the adoption of the YKK Philosophy and Management Principle with employees. These lively discussions in a casual atmosphere

allowed the open discussion of issues of concern and airing of points of view with regard to day-to-day management.



Meeting with the chairman



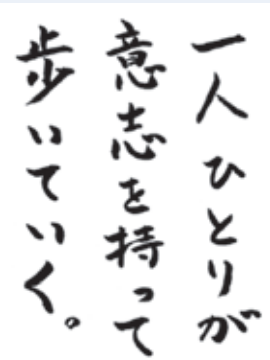
Meeting with YKK's president



Meeting with YKK AP's president

Challenge for Working Style Transformation

Under the project "Challenge for Working Style Transformation" launched in March 2012, the Group is striving to transform its personnel systems, with the aim of abolishing the mandatory retirement system as soon as possible. The Group has begun with incrementally raising the mandatory retirement age for its 17,000 employees in domestic business corporations, which is currently set at 60 years of age, to 65 by 2025. Moreover, the Group is eliminating all practice of age-based personnel administration as awareness of this issue rises among employees and the Group moves forward with the transformation.





Manufacturing = Personnel Development

● Initiatives of Technology Training Class (Fastening Group)

With rapid expansion in its overseas production, the Group is facing an urgent need to secure global human resources and has launched technology training classes to provide systems know-how as well as on-the-job manufacturing training. On top of a basic understanding of the rules and principles of fastener production, participants are acquiring specialized knowledge and manufacturing skills. Moreover, the Group is nurturing the skills needed in times of emergency.



Learning how to mix inks for dyeing

● "Gino Dojo" Initiatives (Machinery Group)

At its manufacturing skills training center "Gino Dojo," the Group's technical traditions are passed on to younger employees. Senior employees who are over 60 years old and experts, including a certified "Contemporary Master Craftsman,"* impart valuable skills and knowledge that is the culmination of the Group's long history.

*A designation from the Minister of Health, Labour and Welfare acknowledging the possession of valuable skills



Hands-on training at Gino Dojo



Efforts to Support the Balancing of Work and Child-Raising

The YKK Group supports employees who are raising children while pursuing long-term career development. For example, eligible employees, including men, can apply for childcare leave until the child's second birthday. Also, eligible employees can work shorter hours or on flextime and take leave to nurse pre-school-age sick children. 277 employees made use of these systems in fiscal 2011. Moreover, the Group has expanded the availability of shortened working hours and flextime for parents whose children are in the lower grades.



Re-Employment Program

We have implemented a Post-Retirement Re-Employment Program to take advantage of the knowledge and experience of retirees. The upper age limit for such employees is 65, and there are currently 756 people who participate in the program.

A Participant Speaks Up



Koji Sakane (62 years old)

Safety and Health Group, Kurobe Office

To Maintain and Improve Safety and Health Standards

Since joining YKK, I have been engaged in the manufacture of fastening products and management of safety and health in manufacturing processes and even served at an overseas plant. Taking advantage of my experience, I have been nurturing human resources in the group since 2010 as a safety and health trainer.



Thanks to this program, I was given the opportunity to teach and train young people.



Employment of People with Disabilities and Social Contribution

In fiscal 2011, the number of employees with disabilities in the YKK Group accounted for 1.94% of the total. The subsidiary YKK ROKKO CORPORATION, the Group's special-purpose printing business, has created a barrier-free office, promoting the employment of people with severe disabilities. In addition, YKK ROKKO engages in social contribution initiatives that benefit local society.



Cleaning up the area around facilities, one of the company's social contribution activities



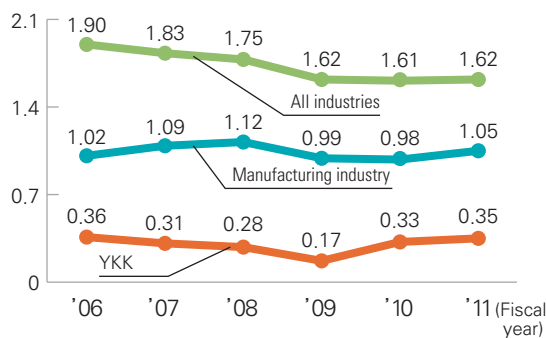
Printing system



Security and Accident Prevention in the Workplace: Ensuring Safety and Promoting Health

To ensure a safe working environment, the YKK Group provides training courses for employees. The Group also maintains various programs that promote employees' health.

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

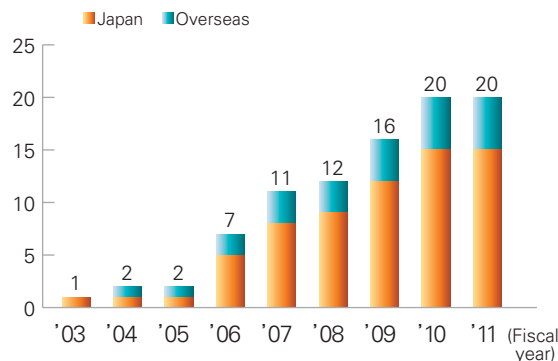


Frequency of lost work time:
Index to represent frequency of occupational accidents

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

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

■ Number of the YKK Group's OSHMS Certificates (Cumulative)



Movements regarding OSHMS

- 1972 Robens Report (UK)
- 1982 Voluntary Protection Program (USA)
- 1991 Successful Health and Safety Management (UK)
- 1999 Announcement of the OSHMS Guidelines by the (then) Ministry of Labor (Revised in 2006)
- 1999 Japan Industrial Safety & Health Association (JISHA) commences OSHMS seminars
- 2003 JISHA commences its OSHMS Standards Certificate

OSHMS: Occupational Safety and Health Management System
JISHA: Japan Industrial Safety & Health Association

Future Actions Based on the Impact of the Great East Japan Earthquake

Improvement of Business Continuity Plan (BCP)

In line with the fundamental policies of the BCP it formulated in 2007, the YKK Group is focusing on "lifesaving," "the continuity of business operations, including asset protection," and "contributing to the community." After the Great East Japan Earthquake, an assessment of YKK Group-owned buildings found that of the 287 buildings constructed under older standards, 120 were in need of reinforcement as of November 2011. The Group initiated countermeasures, in fiscal 2012 incorporating building reinforcement into the BCP. The reinforcement plan is based on a three-level risk assessment aimed at defining priorities in light of the potential impact of an earthquake.



Reinforcement construction for earthquake resistance at the YKK AP Shikoku Plant Building

Disaster Drills

In November 2011, a comprehensive disaster drill was held at YKK AP Kurobe Plant. Assuming an earthquake with an intensity of six, the training focused on initial response to an earthquake and the minimization of damage, with 200 people participating.



Rescue and water discharge training using a fire ladder truck



Life-saving training (participation included local community members)



Pakistan: Fire Fighting Initiatives Awarded

In 2011, YKK PAKISTAN (PVT) LTD. received a Safety Award in Pakistan. The company had organized an Emergency Response Team for responding to accidents and other emergencies. The team continuously trains in fire fighting techniques and the handling of chemical substance leakages while receiving other training and education. The aforementioned prize was given to YKK Pakistan due to the company's assiduous efforts.



Awards ceremony



Bangladesh: Staff Undergoes Special Health Exams

At YKK BANGLADESH PTE. LTD., the employees are undergoing special health exams in addition to regular medical exams. The special health exams are aimed at assessing the condition of those who handle chemical substances and dangerous materials as well as the health of the worksite cafeteria's kitchen staff. In fiscal 2011, 59 employees, including 17 cooks, underwent a series of eight tests, including chest x-rays and blood exams. The exams revealed that all the employees are in good health, with results well within the norms for all examination items.



Staff in charge of handling of chemical substances and dangerous materials



Worksite cafeteria kitchen staff



Initiatives for Health Promotion

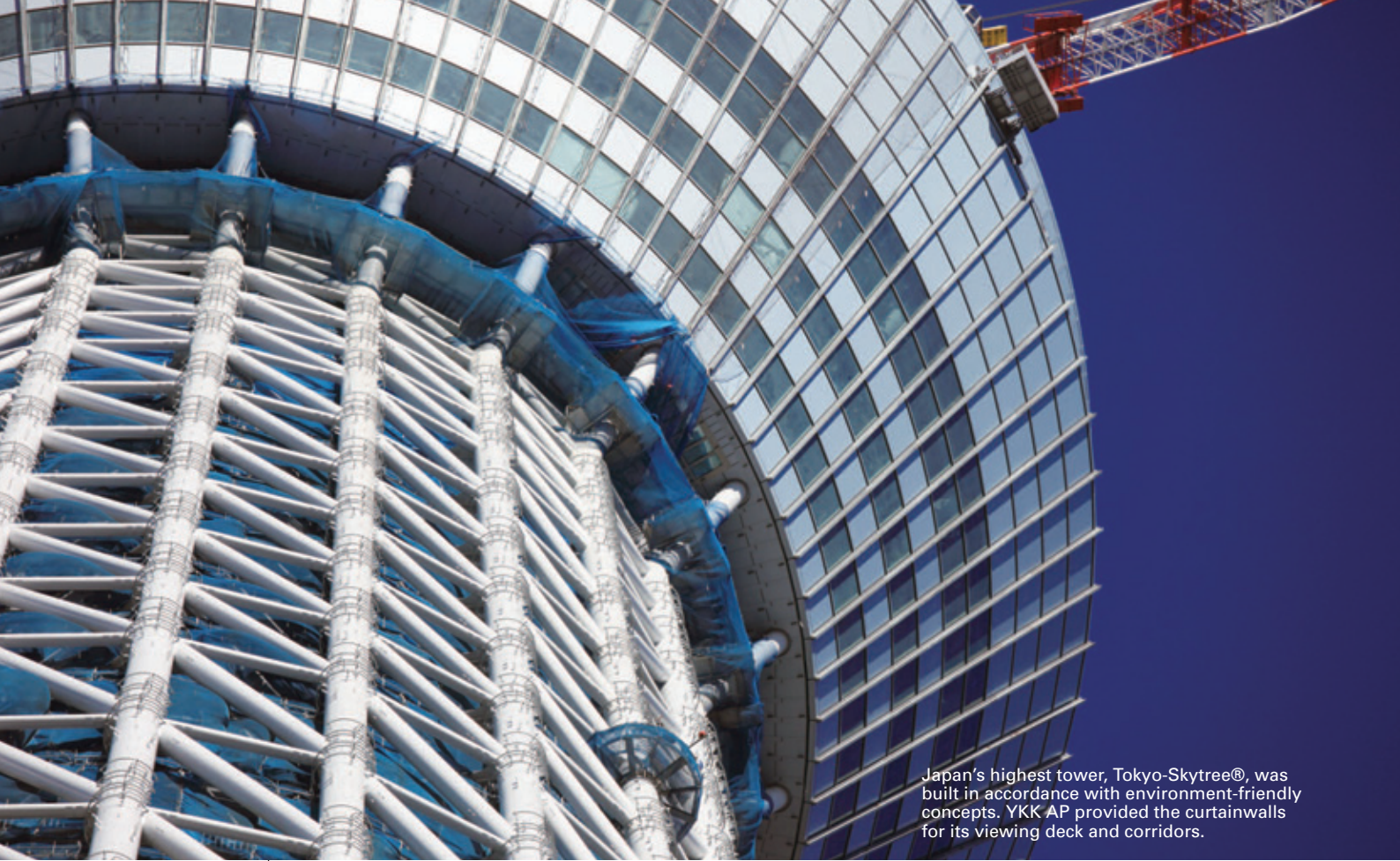
To encourage employee participation in sports, the YKK Group encourages such activities as company ballgames, both in Japan and overseas. Group members also participate in and co-sponsor some marathons.



Regular sports events are held by in-house sports clubs. (South Korea)



The staff of the Cerkezkoy plant and Istanbul branch held a football match to promote health and friendship among employees. (Turkey)



Japan's highest tower, Tokyo-Skytree®, was built in accordance with environment-friendly concepts. YKK AP provided the curtainwalls for its viewing deck and corridors.

Section
12

Our Environmental Activities

Toward a Low-Carbon, Resource-Recycling Society That Coexists in Harmony with Nature

In accordance with the YKK Group Environmental Pledge, the YKK Group engages in environmental management activities across all business units.

YKK Group
Environmental Pledge

It is recognized today as being a most important duty for all humankind that we preserve the abundantly endowed global environment and that we transfer it to the next generation in a sound condition. Striving to be an earth-friendly company, the YKK Group proclaims that it will address and promote “harmony with the environment” as the highest priority of its business activities.

September 20, 1994

Tadahiro Yoshida, YKK Group

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.

Please visit the following site for the full text of the Environmental Charter, which sets forth the YKK Group's basic principles and action guidelines related to the environment:
<http://www.ykk.co.jp/english/corporate/eco/charter.html>



Environment-Friendly Products

Saving Energy with Windows

When it comes to housing, windows are the largest pathway for heat entering the structure. Taking, for example, a single family house in the summer, calculations* reveal that 71% of the heat penetrating the building from the outside is coming through openings, i.e., windows. On top of this, the cool air created by an air conditioner must be kept inside to maintain consistent room temperature and save energy. When temperatures are milder, outside air can be taken into the structure instead of running the air conditioners. Our window products will work for you in either situation.

* Calculated by the Energy Saving Construction Material Utilization Promoting Center of the Japan Construction Material & Housing Equipment Industries Federation

●Snap Shade

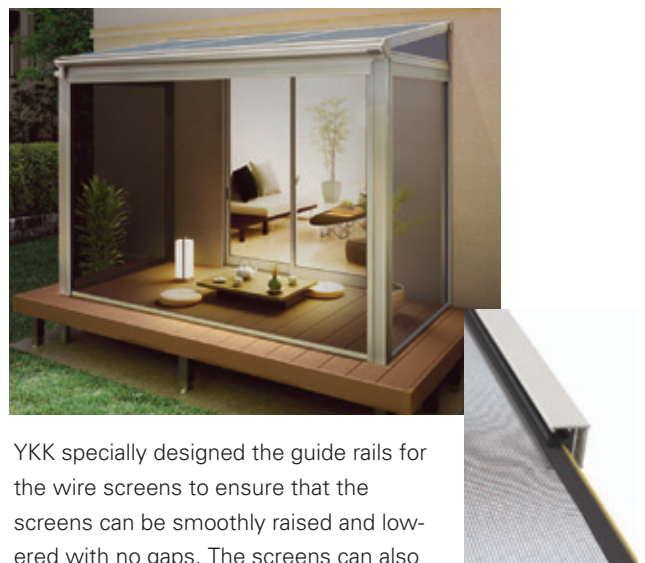
This product, easily attached using snap fasteners, provides shade and heat insulation, cutting solar energy penetration 60% or more. It thus suppresses the rise of room temperature and reduces air conditioner power consumption.



Using "SNAD™" snap fasteners produced by YKK, Snap Shade is easily installed. It can also be fixed into place on apartment buildings with exterior walls that cannot be drilled into or otherwise damaged.

●Amido Terrace Lets You Enjoy the Cool Evening Breeze

For installation on a terrace or balcony and with an integral roof, the "Amido" terrace creates a wire screen enclosed space that lets air circulate on three sides. Seated inside, users can enjoy a cool evening breeze, turning off the room air conditioner, and thus save energy.



YKK specially designed the guide rails for the wire screens to ensure that the screens can be smoothly raised and lowered with no gaps. The screens can also be fixed in any position, for example half way down.



Indonesia: Recognized for Environmental Activities

The Ministry of Environment of Indonesia introduced the Performance Level Evaluation Program (PROPER) in 1995. The rating system evaluates an enterprise on a five-color scale based on environmental information provided by the enterprise. The results of evaluations are announced in public.

In 2011, PT. YKK ZIPPER INDONESIA and PT. YKK AP INDONESIA were both awarded a green ranking under PROPER. The ranking was given especially in acknowledgment of the companies' initiatives to maintain the environmental protection systems and promote the "four Rs":

Reduction of CO₂ emissions, Reuse of resources, Recycling of resources and Recovery of the environment.



The certificate and trophy marking the achievement of green ranking

Preventing Global Warming: Initiatives to Utilize Renewable Energy

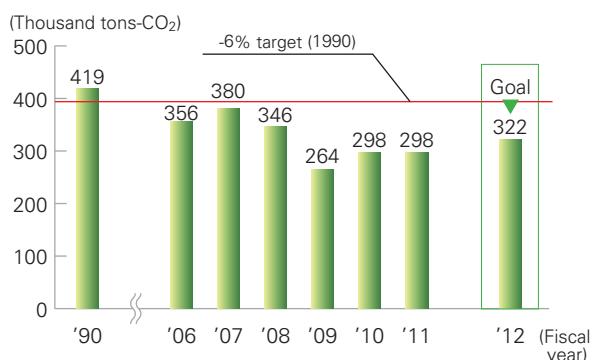
The YKK Group is promoting the reduction of CO₂ emissions through the use of renewable energy sources that are not dependent on fossil fuels, such as small-scale hydroelectric and groundwater thermal heat pump power generation.



Reducing CO₂ Emissions

The YKK Group set the goal of reducing its CO₂ emissions volume 23% by fiscal 2012 compared with the fiscal 1990 level. In fiscal 2011, we successfully reduced emissions 29%, exceeding our target. This was partly attributable to our ongoing investment in energy-saving facilities, but initiatives to control electricity consumption, focusing particularly on summertime demand, were also a major factor. Using the results of a third-party audit that determined the CO₂ emissions volume of domestic facilities in 2011 as a springboard, the Group is planning to expand the scope of auditing to include its facilities overseas.

Actual CO₂ Emissions (All YKK Group Sites in Japan)



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

** The latest values were used for carbon conversion factors in fiscal 2011.

For details of the YKK Group's Greenhouse Gas Calculation Rules, please visit: <http://www.ykk.co.jp/english/corporate/eco/report/2012/ecology/ecology03.html>



Thailand: Roof Insulation of Plant

YKK THAILAND CO., LTD. has insulated the roof of its plant against heat to increase the energy efficiency of the air conditioning system.

Roof coated with heat insulating paint



Small-Scale Hydroelectric and Groundwater Thermal Heat Pump Power Generation

Our Kurobe office has a cistern on its premises that supplies water for cooling machinery. In 2011, a screw-type small generator, which utilizes the energy of the current of coolant water circulating through the premises to produce electricity, was installed experimentally. With a flow rate of 80m³/h, the generator has a rated capacity of 192 watts per hour. The electricity generated is used for production through a connection to a power line operated by Hokuriku Electric Power Company.

In addition, utilizing the temperature of the groundwater of the Kurobe River alluvial fan, the Group is planning to install a heat-pump air conditioning system.



Small-scale hydroelectric generator

The YKK Group's Actual Reduction of Summer Peak Electricity Demand

Aiming to reduce electricity demand in summer 2011, the Group set the goal of cutting its peak power consumption 20% in areas served by the Tohoku Electric Power Company and TEPCO and 15% in areas served by other power companies. By implementing a shift system and other energy-saving measures, we successfully reduced usage 30.8% and 16.4%, respectively, in these two regions.

In addition, YKK AP reduced total power consumption in its offices, achieving a 41% cut in areas served by the Tohoku

Electric Power Company and TEPCO and a 31% cut in areas served by other power companies. One factor contributing to this success was the installation of eco-friendly PLAMADO U, an "inner window" that effectively makes windows double glazed at YKK AP's 109 offices all over Japan. In addition to daily energy-saving efforts, we will fully utilize our advantage as a manufacturing company to go further, for example, to develop high-efficiency production systems, energy-saving techniques and new facilities.

The YKK Group's Goals and Results of Cuts in Power Consumption in Summer 2011

Areas served by power companies	Reduction goals	Peak power consumption		
		Rate of reduction	Number of establishments with large demand	Number of establishments with small demand
Tohoku/Tokyo	20%	30.8%	6	105
Others: Hokkaido/Hokuriku/Chubu/Kansai/Chugoku/Shikoku/Kyushu/Okinawa	15%	16.4%	14	152

Large demand: contract demand is 500kW and up
Small demand: contract demand is below 500kW

Biodiversity: Promoting Global Understanding of Biodiversity

As part of our efforts to protect biodiversity, we hold annual YKK Group Tree Planting Days around the world while working in Japan to regenerate and protect the fragile ecosystem of the Kurobe River alluvial fan.



Evaluation on Impact over Biodiversity

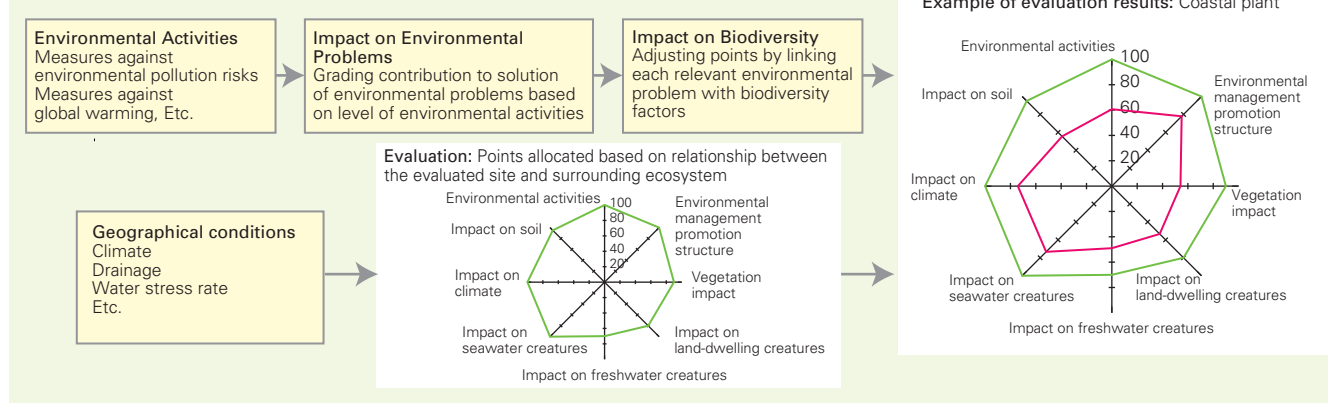
As a first step in its biodiversity protection activities—which it one day aims to pursue worldwide—the YKK Group prepared the *Biodiversity Impact Evaluation Manual*. This manual is intended to raise employees' awareness about the relationship between business activities and biodiversity, especially in countries and regions where the concept of biodiversity is not well known.

The manual provides methods for evaluating the following

items: the relationship between the site being evaluated and surrounding ecosystem; geographical conditions; the level of impact on the local ecosystem; and general environmental activities.

To facilitate a greater understanding of biodiversity, the Group is planning to issue the *Biodiversity Guide Book* in fiscal 2012. We will strive to protect biodiversity at business facilities around the world.

Outline of the *Biodiversity Impact Evaluation Manual*



Ecosystems on the Kurobe Office Premises

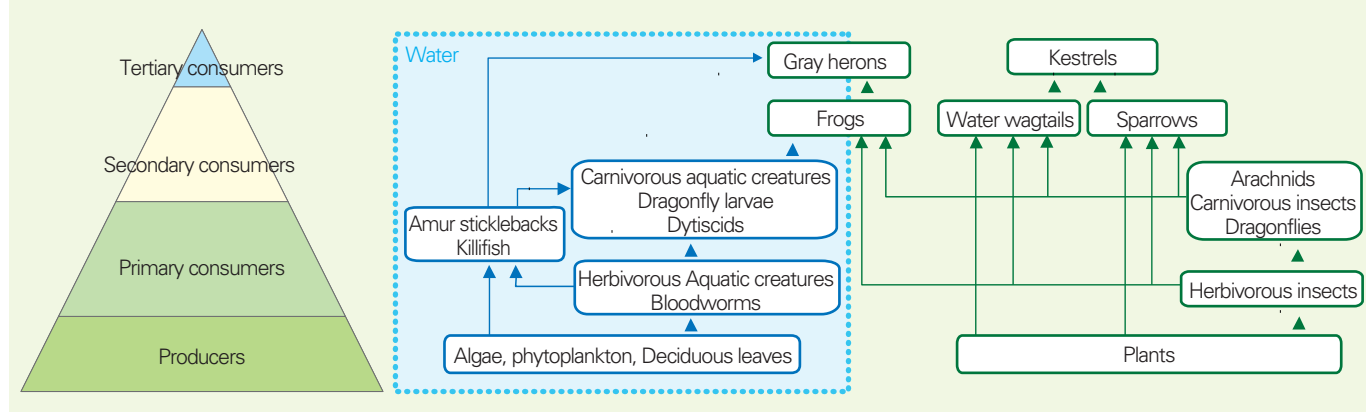
To protect the ecosystems that comprise the Kurobe River alluvial fan, the Group has developed forested areas and spring-fed ponds on the premises of its Kurobe Office, which is situated close to the Kurobe river, well-known for its clarity. In 2011, the Group conducted a survey that identified 237 species of 107 kinds of creatures, including 9 rare and vulnerable species. In the terrestrial ecosystem, such raptors as kestrels are at the top. The apex predators of the waterfront ecosystem, however, are the grey herons. The Group continues to conduct surveys and monitor forest growth.

Principal Rare and Vulnerable Species Found on the Kurobe Office Premises

Species Name	Categories Red Listed by the Ministry of the Environment	Toyama Prefecture RDB*
Osprey	Near threatened species	Rare species
Falcon	Endangered species II	Vulnerable species
Kingfisher	—	Rare species
Dragonfly (Miyama-akane)	—	Rare species
Killifish	Endangered species II	Vulnerable species
Weatherfish	—	Rare species
Amur stickleback	—	Vulnerable species
Water snail (Monoaraigai)	Near threatened species	Vulnerable species
Water snail (Marutanishi)	Near threatened species	Endangered species

*Red Data Book

A Reconstruction of the Food Chain Based on Survey Results



Asset Retirement Obligations: Promoting Proper Management and Disposal

We properly store, manage and dispose of such substances as chlorofluorocarbons, asbestos and polychlorinated biphenyls (PCBs) in addition to dealing with soil contamination, in line with our environmental obligations.



Measures for Chlorofluorocarbons (CFCs)

The Group attaches stickers to equipment containing CFCs that indicate the laws that should be complied with in disposal as well as the name of the relevant administrator. In addition, it has set up a ledger system to control such equipment.

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



Asbestos Measures

Whenever asbestos is detected, we endeavor to remove it; however, at eight sites, conditions are less than ideal for removal operations. In order to avoid endangering the health of any workers, we are taking steps to seal or encase the asbestos at these sites as well as periodically surveying airborne concentrations.

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



Soil Contamination

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 periodically.

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

Environmental Liabilities of Overseas Facilities

The YKK Group's initiatives to manage and dispose of environmental liabilities are applied equally at overseas facilities. Complying with the relevant laws, which vary by country, the Group has already completed measures for dealing with asbestos at four of the 25 sites where asbestos is found. Measures for countering soil contamination have also been completed at three of the 10 sites where measures were found to be necessary. Measures for disposing of PCBs were implemented at three of the 14 sites where it was required. Naturally, we are working to address issues at facilities where environmental liabilities remain untreated with due consideration given to circumstances in each country.



Polychlorinated Biphenyls (PCBs)

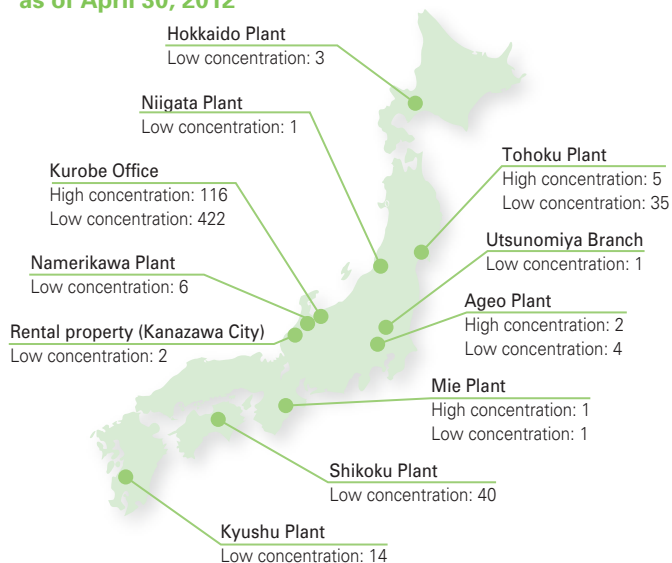
In fiscal 2011, the Group completed the disposal of all equipment containing high concentrations of PCBs that had been stored at YKK AP's Shikoku Plant. As a result, the number of such units remaining, which are stored at four sites across Japan, was 124 as of April 30, 2012. As for equipment containing low concentrations of PCBs, the Group still retains 529 units, including equipment currently in use, at sites across Japan. We are considering the sequential disposal of this equipment while ensuring its proper storage and management.

Cost of disposing of equipment up to the present:
Approx. 220 million yen

Estimated cost of disposing of remaining equipment:
Approx. 150 million yen

*Only includes cost of disposing of equipment containing high concentrations of PCBs

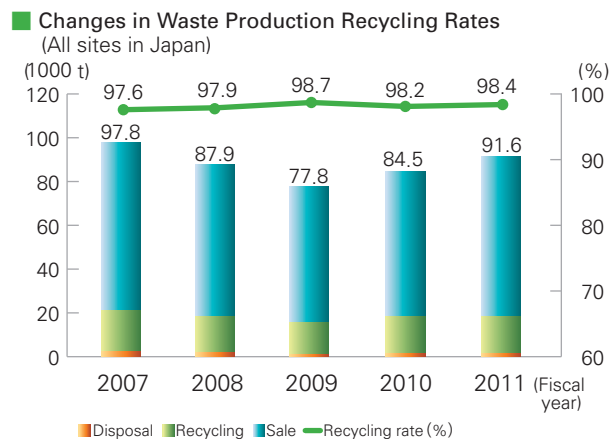
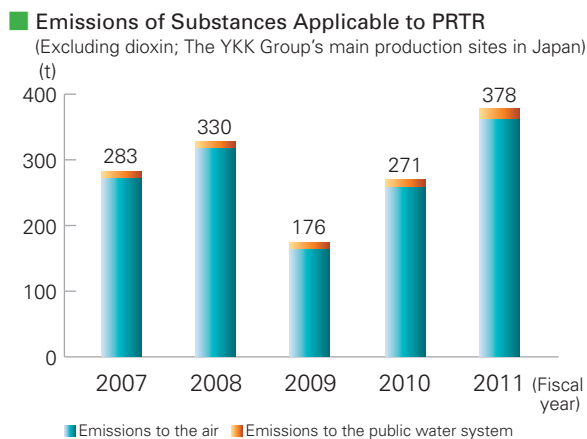
Equipment Containing PCBs Held by the YKK Group as of April 30, 2012



Storage for equipment containing low concentrations of PCBs, Kurobe office

Chemical Substance Management and Resource Recycling: Considering Safety and the Environment

The Group properly manages and monitors the chemical substances it uses to ensure the safety of its manufacturing process and products. We also aim to reduce total waste emissions to minimize the environmental burden.



*Cause of emissions volume increase
Fiscal 2010: rise in production of and increase in the number of monitored substances from 354 to 462
Fiscal 2011: rise in production of zippers with special water-repellent finishing

Chemical Substance Management: Initiatives of the Machinery and Engineering Group

The Machinery and Engineering Group has introduced database systems to manage the use of Substances of Very High Concern (SVHC) and substances that may have grave impact on organisms designated by the EU's REACH* Regulation. Through systems now in place, the annual use volumes of chemical substances containing SHVCs is being calculated and reported to subsidiaries of the Fastening Products Group located in EU regions.

In September 2011, the Analysis Office of the Analysis Technology Center of the Machinery and Engineering Group was accredited by the U.S. Consumer Product Safety Commission (CPSC) as a privately-established, firewalled third-party laboratory for the analysis of lead content in children's products as regulated by the Consumer Product Safety Improvement Act (CPSIA), of the United States.

In March 2011, the Analysis Office was also accredited by the Japan Accreditation Board (JAB), a public benefit corporation, as a third-party testing laboratory for the analysis of lead content in copper alloys, zinc alloys and such materials as resins and thin films, including microanalysis for extremely small lead content. The certifications of CPSC and JAB reflect the high credibility of the Analysis Office now publically holds.

*The Registration, Evaluation, Authorisation and Restriction of Chemicals

Portugal: Waste Reduction

YKK PORTUGAL-ACESSORIOS PARA VESTUARIO, LDA. is reducing the use of printer paper in the office under the Stop Printing Project. By installing paper management software, YKK Portugal was able to better control the use of such items as order acceptance forms. As a result, paper usage was cut by 328 kg (71,200 sheets) during a five-month period from July 2011.

Indonesia: Measures Against Sludge

PT. YKK AP INDONESIA introduced a sludge dryer that utilizes waste heat generated by the melting furnace used for casting. The sludge dryer reduces moisture content by 90% or more, contributing to industrial waste reduction.



Sludge dryer

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 the “Cycle of Goodness”—no one prospers unless he renders benefit to others. Based on this philosophy, the Group established 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

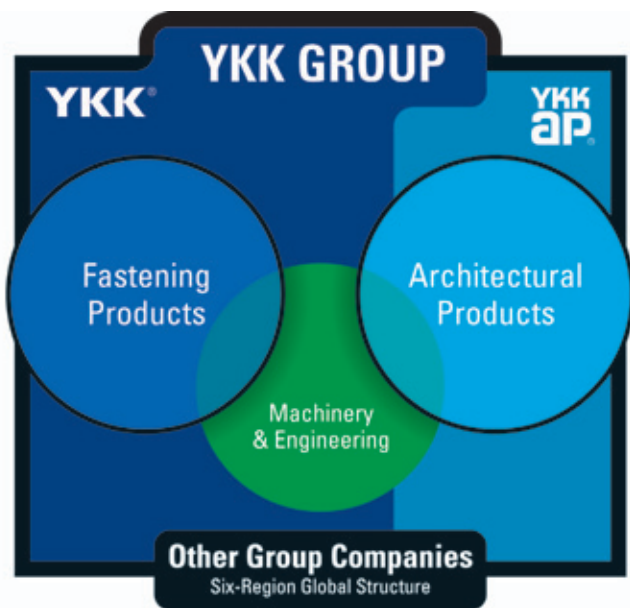
The YKK Group has consistently pursued fairness in its business activities in all the countries and regions around the world where it operates. In order to become a truly global company, the YKK Group established the YKK Group Code of Business Conduct in March 2009. As a result, all global Group

employees now hold the Code of Business Conduct in common.

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 to observe specific compliance requirements in their business execution activities.

For initiatives to promote compliance activities, the Company established the Compliance Promotion Group under the leadership of the executive officer responsible for compliance. The Compliance Promotion Group is now engaging 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.

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



The YKK Group management structure is global. Manufacturing is done by the Fastening Products and Architectural Products Business Groups, with support provided by the Machinery and Engineering Group. Worldwide sales, marketing, and customer services are handled by our six geographical block organizations.

YKK CORPORATION

Foundation January 1, 1934
Capital 11,992,400,500 yen (as of March 31, 2012)
Chairman & CEO Tadahiro Yoshida
President Masayuki Sarumaru

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

Temporary Headquarters (From Sept. 2011 due to reconstruction)
 Akihabara Daibiru Building, 1-18-13, Sotokanda, Chiyoda-ku, Tokyo, 101-8642, Japan

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

YKK GROUP

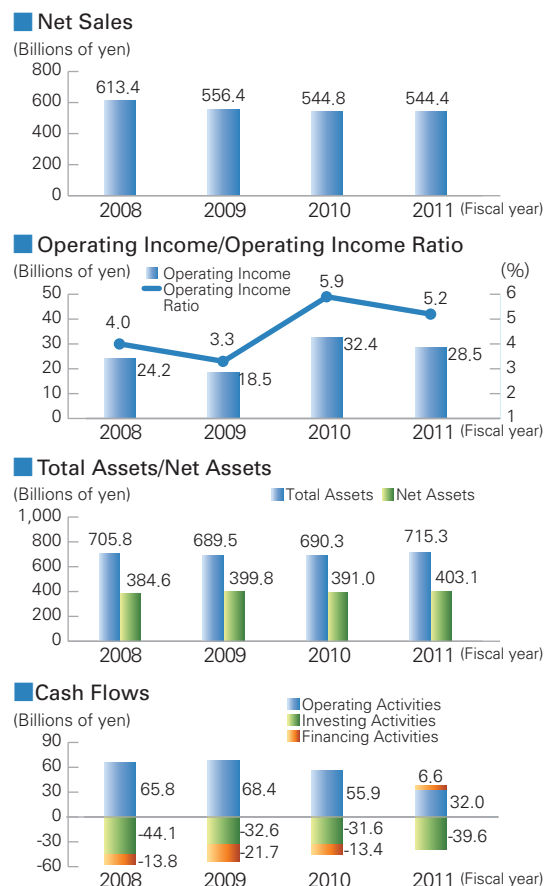
Principal businesses
 Manufacturing and sales of fastening products, architectural products, precision machinery, equipment and molds

Number of affiliated companies
 71 countries/regions 109 companies
 Japan 21 companies
 Overseas 88 companies

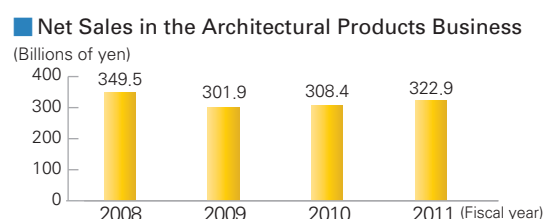
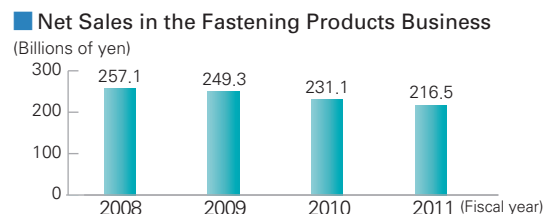
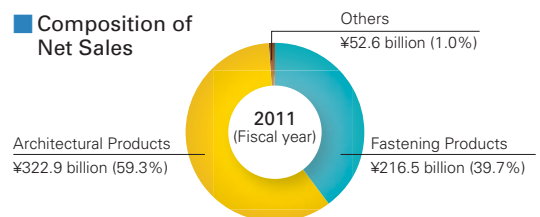
Major subsidiaries
 YKK AP Inc., YKK FASTENING PRODUCTS SALES INC., YKK FUDOSAN CO., LTD., YKK (U.S.A.) INC., YKK ALUMINIUM (AUSTRALIA) PTY. LTD., YKK CORPORATION OF AMERICA

Number of employees (Consolidated basis)
 39,000 (Japan 17,000; Overseas 22,000)
 (As of December 31, 2011)

Consolidated Financial Highlights



Segment Information (By Business)



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