

Unfortunately, our group company, the YKK AP Tohoku Plant, was in violation of a waste disposal law.

We offer our deepest apologies for the great trouble that we have caused to many people.

The YKK Group takes this incident very seriously, and we are strengthening our corporate governance system and promoting thorough improvement of attitudes toward legal compliance.

## About the summary order for violation of a waste disposal law by the YKK AP Tohoku Plant

### Causes

The Tohoku Plant of YKK AP Inc. hired an industrial waste business that had not received a waste disposal permit to act as an intermediary in the processing of industrial waste. As a result, on December 25, 2006, YKK AP Inc. and two of its employees were served with a summary indictment by the Sendai regional prosecutor's office for violation of the Waste Management and Public Cleansing Law ("waste disposal law"), and they received a summary order from the Sendai Summary Court on the same date.

### Details

In addition to cooperating fully in the investigations related to this matter by the authorities, we established a countermeasure headquarters headed by our Executive Officer for Environmental Policy, and sought to clarify and respond to the situation. We stopped the emission of the waste plastic that had been contracted out for disposal, and collected the unprocessed amounts still remaining at contractor locations. Furthermore, at the YKK AP Tohoku Plant with confirmation from the Osaki Public Health Center, we pulverized the collected waste plastic and waste plastic generated in manufacturing processes and sold it as a recycled material rather than disposing of it as industrial waste. Moreover, we confirmed that the waste in this case did not cause any harm to local residents or secondary pollution.

### Response

We confirmed that the causes of this incident were insufficient awareness regarding legal compliance, inadequate knowledge of laws and regulations, and lack of internal checking systems.

At the YKK Group, we are responding to this series of problems. To prevent recurrence, starting in the 2006 fiscal year, we have appointed legal compliance executive officers, established committees, conducted education and implemented other measures that establish legal compliance systems and improve awareness about legal compliance among group employees at YKK Corporation and YKK AP Inc.

#### <Arrangement of implementation systems>

- We established a division that is responsible for legal compliance
- We established legal compliance implementation teams (lateral organization in each business)
- We implemented a legal compliance line (internal reporting system)

#### <Improving awareness>

- We issued the Legal Compliance Book and distributed it to every employee
- We are holding executive trainings conducted by lawyers every three months

#### <Implementation of auditing>

- We reconfirmed our contracts with all industrial waste disposal contractors
- We confirmed all intermediary disposal business involved in industrial waste disposal contracting locally

The YKK Group takes this incident very seriously. We are endeavoring to further augment our legal compliance systems and improve awareness about legal compliance throughout our group companies.