

Stakeholders' Expectations for the YKK Group as a Member of the Community



In 2010, the YKK Group began holding annual stakeholder dialogues to provide a forum for sharing opinions. The fifth such dialogue was held on April 9, 2014. Following up on the previous session, Toyama Prefectural University Professor Noriyasu Kunori, Ph.D., acted as facilitator. To ensure a good cross section of views, we invited representatives from diverse stakeholder groups, including suppliers, trading partners, consumers, local associations and nature conservation groups to participate.

Attendees

- Naturalist:**
Shuji Yagi
(Vice Chairman, Kurobe Gorge Naturalist Society)
- Consumer:**
Rika Inagaki
(Promoter of global warming prevention activities in Toyama)
- Local spokesperson:**
Michiko Takamoto
(Assistant Manager in charge of Environmental Affairs, Living Environment Section, Citizen Affairs Department, Kurobe City)
- Nature conservation group representative:**
Kazue Man-o
(Manager of Interaction & Cooperation Promotion Department, Toyama Environment Foundation)
- Resident:**
Toshiyuki Nakamura
(Vice Chairman, Muratsubaki Promotion Society)
- Supplier representative:**
Nobuyuki Sakamoto
(Toyama Branch, Kansai Paint Sales Co., Ltd.)

- Trading partner in fastening business:**
Yoshiki Nagasawa
(Manager, Internal Auditing Department, GOLDWIN INC.)
- Trading partner in AP business:**
Akira Hirano
(President & CEO, Hirano Komuten K.K.)
- Student:**
Naoto Oishi
(fourth-year student, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University)
- International student:**
Jun Jin
(from Fujian Province, China; second-year student, Department of Environmental Engineering, Graduate School of Engineering, Toyama Prefectural University)
- Facilitator:**
Noriyasu Kunori, Ph.D.
(Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University)

The day began with a tour of the Furusato-no-Mori forest on the premises of the Kurobe Manufacturing Center. The stakeholder participants were then divided into three groups for separate workshop-format discussions involving YKK Group employees.

Opinions on How to Utilize the Furusato-no-Mori

During the first half of the workshop, participants shared their observations on the site tour, discussing items that impressed them as well as areas where they saw a need for improvement.



The YKK Center Park, where we developed the Furusato-no-Mori forest, is part of the premises of the Kurobe Manufacturing Center and is open to public as an industrial tourism site. Participants shared their impressions after a tour of the park.

A common sentiment among the participants was "Although the YKK Center Park is open to public, the entrance looks unwelcoming. It needs to be improved" and "It would be a waste not to publicize the park and make it more known to community residents."



Others noted that "The forest seems to have grown substantially," "It would be nicer if greenery covered the whole premises, including the parking areas and factory rooftops" and "Why not let visitors up to the roof of the office building to view the forest from above?"



While many thought the forest looked impressive, some suggested that local residents be invited to join in forest development activities.



"The entrance seems unwelcoming. Why not make it friendlier-looking?"



"Why not let visitors up to the roof of the office building to view the forest from above?"

YKK as an Advocate of a Sustainable Society

In the second half of the workshop, participants exchanged opinions on how to better utilize the Furusato-no-Mori forest, with particular emphasis on its usefulness for Education for Sustainable Development (ESD) initiatives. The workshop ended with participants summarizing and presenting their ideas.



Inspire Both YKK Employees and External Visitors

Better Publicity Would Elicit Interest from the General Public

Such events as landscape photo competitions would help attract more widespread attention. In addition to Toyama Eco-Kids Tanken-tai and other educational programs mainly for external participants, holding events for employees and their families could be good idea. It would be even more effective if Group employees themselves learned about YKK's initiatives and spread the word among their acquaintances. Just as an



Furusato-no-Mori incorporates a number of native tree species

ecosystem consists of connections between diverse creatures, a society is supported by the bonds between people. The forest can be a place where visitors are reminded of the significance of such bonding. Also, it is expected that the site will provide a perfect place for school children to enjoy field trips.



Utilize the Forest to Raise Environmental Awareness

Creating Stronger Bonds with Communities through Communication

We wondered if it would be possible to create a scheme that would allow all kinds of stakeholders to participate in the forest development activities. One such activity could be planting a commemorative tree as part of the annual initiation ceremonies for new recruits. This would help plant environmental awareness in every new employee right from the start. Also, having local elementary and junior high school students come plant trees could benefit them educationally. Moreover, it would be nice if local residents could voluntarily participate in forest development. To pass on the forest to future generations as a natural heritage, we all need to nurture within ourselves the desire to grow the forest together. We want YKK to inspire society through this initiative, thereby facilitating environmental protection on a global scale.



Suggestions envisaging environmental protection on a global scale



A Model for Industrial-Eco-Tourism Site

Publicizing Unique YKK Initiatives, Such as Air Conditioning Utilizing Heat from Groundwater

The Kurobe Manufacturing Center could be a place to learn all about environmental issues and disaster prevention, in addition to being a place for factory tours. Moreover, we learned about YKK's heat-pump air conditioning system that utilizes abundant groundwater



A heat exchange system at the Maruyane Exhibition Hall

and other initiatives that take advantage of the Kurobe area's unique geological characteristics. It would be more inspiring if models of heat exchange systems and other innovations were exhibited at the neighboring Kurobe Yoshida Science Museum, for example. The Furusato-no-Mori forest could also be a good sightseeing spot, as it offers habitat for fireflies as well as cherry trees. If the opening hours were extended during the firefly season, more people would feel like visiting. We think that such steps would lead to the place being more widely used as a public space.



Comments and Opinions on Issues Addressed in Stakeholder Dialogues (fiscal 2010-2013)

Comments and Opinions	YKK Group's Response
Legal Compliance	
1. Enhancing compliance globally	• Enhance compliance in all six regions of operations; conduct environmental cross audit
2. Raising employee awareness	• Hold dialogues to spread understanding of the YKK Group's management ethics
3. Without ethics, there can be no compliance	• Formulate and enforce rules tailored to conditions in each region
4. Manufacturing = Human development	• Pass on manufacturing expertise to younger employees through training
Environmentally Friendly Products and Manufacturing	
1. Contribute to society through our products	• Develop products addressing social needs related to safety and disaster prevention
2. User-oriented, universal product design	• Release high-performance multi-glazed windows; introduce labor-saving Non-Welding Installation Method for window sashes
3. Reduce defective or waste products to zero	• Develop gardening sack incorporating the NATULON recyclable zipper
Environmental Load Reduction	
1. Work towards a low-carbon society	• Introduce a heat-pump air conditioning system that harnesses heat from the groundwater • Assess Scope 3 CO ₂ emissions (from fiscal 2013)
2. Expand the use of non-fossil energy sources	• Launch the Passive Town Kurobe Model Development project
3. Streamline production facilities	• Restructure the Furumido Plant and aging machinery parts production facility
Initiatives with the Local Community	
1. Offer best practices for cooperation (ESD, etc.)	• Promote ongoing volunteer activities such as cleanup activities and initiatives aimed at supporting the communities affected by the Great East Japan Earthquake • Cooperate in the Toyama Prefecture education program for schoolchildren (from 2012) • Conduct groundwater surveys in cooperation with local governments and universities
2. Share personal skills with society	• Provide on-demand lectures; help youth volunteer groups conduct aquatic biota surveys
Communicating Our Environmental Activities	
1. Highlight our manufacturing accomplishments	• Enhance public relations through such means as external award and certification programs
2. Disclose environmental information	• Participate in environmental exhibits and publicize our initiatives
Coexistence with Nature	
1. Review the context and ultimate objective of tree planting activities	• Promote the Furusato-no-Mori development project (began planting trees in fiscal 2008)
2. Develop and utilize biotopes in harmony with local ecosystems	• Conduct surveys of the forest fauna once every five years; formulate a future vision for the forest and biotopes and draw up development plans for the next five years
3. Assess the impact of our groundwater usage	• Consign the study on groundwater usage to Toyama Prefectural University (since fiscal 2010); results are disclosed to the public in accordance with Kurobe City's policy

YKK Philosophy "Cycle of Goodness"
No one prospers without rendering benefit to others.

An enterprise is an important member of society, and as such, it must coexist with 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.

Building on Stakeholder Dialogue



Noriyasu Kunori, Ph.D.
Professor, Department of Environmental Engineering, Faculty of Engineering, Toyama Prefectural University

This stakeholder dialogue was the fifth since the YKK Group began this series in 2010. Over the last five years, the Group has sincerely addressed stakeholders' concerns, holding similar dialogues at the Tohoku Office and tackling new themes while inviting a greater variety of stakeholder groups to participate. I offer high praise to the YKK Group for these accomplishments built on continuous dialogue with its stakeholders.

The social environment has changed over the last five years. Businesses are now expected to practice CSR in supply chain management from the upstream stage. With the approach of the UNESCO World Conference on Education for Sustainable Development 2014, corporate and other business leaders capable of addressing sustainability from the global perspective are in great demand.

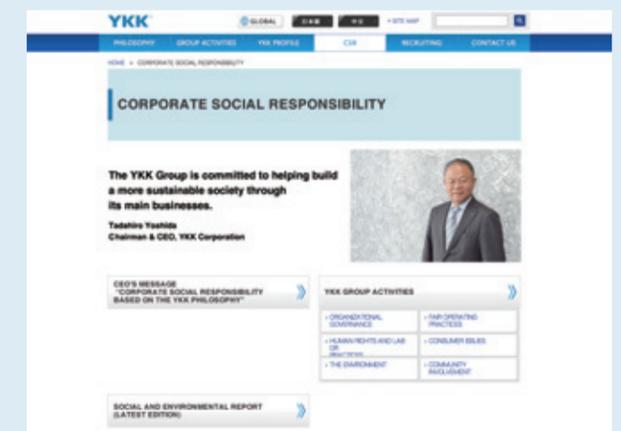
The YKK Group adopted the workshop style last year and this year's dialogue involved both YKK employees and representatives of various stakeholder groups from outside the company engaging in serious discussions on how businesses can contribute to ESD. I'm confident that their suggestions will contribute to new value creation from which YKK and its stakeholders will benefit. I hope that the YKK Group will persist with this dialogue over the next ten years, thereby further advancing its environmental activities.

Corporate Social Responsibility Website Launched

The YKK Group Corporate Social Responsibility website launched in March 2014 is now available in English, explaining our commitment to helping build a more sustainable society through our main businesses. Please refer to this website for details on our corporate governance structure and compliance status.

Website Contents:

- CEO's Message "Corporate Social Responsibility Based on the YKK Philosophy"
- YKK Group Activities
 - Organizational Governance
 - Human Rights and Labor Practices
 - The Environment
 - Fair Operating Practices
 - Consumer Issues
 - Community Involvement



<http://www.ykk.com/english/corporate/csr/index.html>

Note: Please see YKK Profile website for financial data.
<http://www.ykk.com/english/corporate/financial/index.html>