

V. Environmental management system

Environmental action targets

- Acquisition of ISO14001 certification at all business bases the world over completed by end of FY 2003

Acquiring and utilizing ISO14001 certification

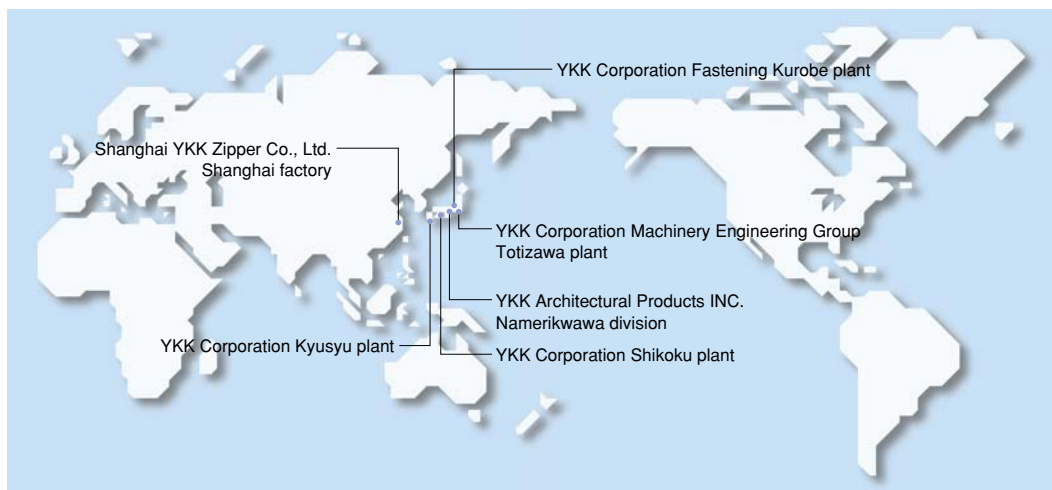
International standard of environmental management ISO1400 is an indispensable element for carrying out business activities. The YKK Group never fails to include environment improvement activities in their projects, and promotes acquisition of ISO14001 certification in order to achieve sustainable improvement. By the end of FY 1999, we acquired certification for six production bases, including one overseas plant.

Starting in FY 2000, we have been pursuing the acquisition of certification for our offices and development bases, one after another. Within the group, we have created a database of expertise based on matters pointed out during inspections leading all the way to certification. Making this

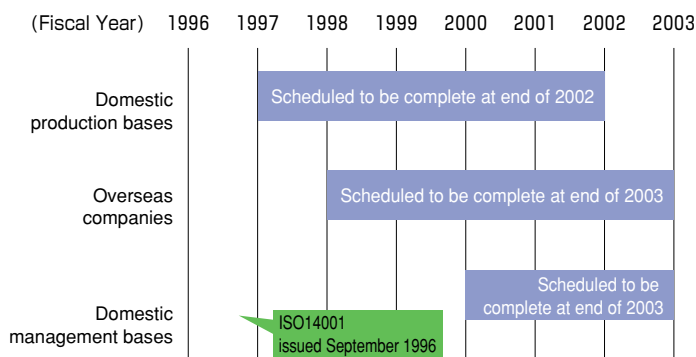
information available to all via our company LAN eases the acquisition process.

At sites which have acquired ISO14001, workers awareness of the environment has been enhanced and reduction of toxic substances, rational use of energy, and reduction of industrial waste for zero emission are pursued vigorously through participation of the entire staff in environment improvement activities. This has also improved rapport with government offices as well as with our customers.

We will continue to promote acquisition of certification for our sales and service operations, and plan to acquire ISO14001 certification for all our business bases by the end of FY 2003.



YKK Group annual ISO14001 certification acquisition program



Environmental action targets

● **Internal environmental inspection at all business bases the world over**

Group internal environmental inspection

At the YKK Group, voluntary internal environmental inspection and group internal environmental inspection by experts are carried out at each factory and place of business. Group internal environmental inspection began in 1994, and is now entering its sixth year. With group internal environmental inspection, the consistency of group environmental direction, targets and policy are checked against the activities of the factory or business. Obedience of environmental laws and regulations are also checked, as well as whether or not environmental performance is being achieved. We also provide support, counsel and advice for strengthening the law observation system and improving environmental performance for the group as a whole. The results are reported to the Environmental Policy Committee, and the information is used for reexamining group environmental activities.

Since 1997, internal environmental inspections have been carried out at our overseas factories as well. The department in charge of environment in Japan carries out the same type of group internal environmental inspection for the overseas factories in order to improve the environmental performance of

the group as a whole. Internal environmental inspections have been carried out at eight factories in the four countries of Indonesia, Germany, the United States and China.

Items concerning environmental risk have been added since FY 2000 in order to prevent accidents involving the environment from happening, so we can interact with each other safely.



Inspection at overseas factory

◆ **Group internal environmental inspection items**

Activities concerning group environmental course, environmental action targets, and environmental	● Environmental course ● Items based on YKK Group environmental action targets (Efforts for FY 1999 and FY 2000)			
	Ozone layer protection Energy conservation Reduction of industrial waste and recycling of resources Reduction of common waste and recycling of resources Reduction of packaging Transportation measures	Social activities Environmental conservation Disaster prevention Environmental ISO Environmental business Green procurement		
Observation of Environmental laws and regulations	Complaints Pollution Makeup Law Water pollution laws/regulations Air pollution laws/regulations Noise regulations	Vibration regulations Foul odor prevention laws/regulations Waste disposal laws Law Concerning the Rational Use of Energy Factory Grounds Law	Septic Tank Law High Pressure Gas Safety Law Fire prevention laws / regulations (dangerous substances) Fire prevention laws / regulations (fire-fighting equipment) Poisonous and Deleterious Substances Control Law	
Environmental risk management	Recognition and coping with environmental risk			

Environmental action targets

● Introduction of environmental accounting

Environmental accounting

YKK philosophy concerning environmental accounting

YKK plans to adopt environmental accounting in steps in accordance with the Environment Agency Guideline for an Environmental Accounting System.

◆ Significance of adopting an environmental accounting system.

1. By clarifying the amount of money invested in environmental activities and assessing environmental efficiency, environmental accounting can be used as management data for more effective environmental investment.

2. Reveals environmental accounting data to interested parties and shows corporate attitude.

◆ Environmental accounting adoption schedule

FY 2000 : Environmental equipment investment and separate effective sum to be calculated.

: Environmental accounting system that automatically sums up environmental equipment investment and environmental expenses to be constructed.

FY 2001 : Environmental equipment investment, environmental expenses and separate effective sum to be calculated.

FY 2003 : Become able to calculate reexamination effect and accidental effect.

◆ YKK Corporation's environmental equipment investment for FY 1999

Sales (unit: ¥100 million)	Total equipment investment (unit: ¥100 million)	Environmental equipment investment			Environmental expenses	
		(Unit: ¥100 million)	Sales ratio (%)	Equipment investment ratio (%)	(Unit: ¥100 million)	Sales ratio (%)
2,093	143.7	12.2	0.6	8.5	14.4	0.7

◆ Investment in and effect of main environmental conservation activities

Among our environmental investments for FY 1999, the following table gives investment figures items given in this report.

Environmental investment items	Environmental investment (unit: ¥1 million)	Effective amount (unit: ¥1 million/year)	Page
Energy conservation (main energy-saving effect)	85.8	36.4	12P
Used paper collection (reduction of incineration cost, profit from disposal by sale)	10.1	149.8	13P
Measures for coping with waste (reduction of treatment cost, profit from disposal by sale)	146.9	34.5	13P
Transportation measures (joint transportation effect)	0	446.0	16P
Reduction of packaging (no packaging / returnable box effect)	25.0	16.0	16P
ISO14001 construction (acquisition expense reduced by creating database)	2.0	4.4	8P