



YKK GROUP

Social and Environmental Report 2006

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

Zippering
around
the
globe



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Editorial policy for this financial year

Since we wish to have as many people as possible read this report and learn about the YKK Group, we have published both this printed brochure edition with our fundamental ideas and a web edition that presents more detailed information.
<http://www.ykk.co.jp>

Extent of coverage

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

Period covered

2005 financial year (April 1, 2005 – March 31, 2006)



At the roots of YKK Group business activities

**“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 Group management

In 2005, there were a lot of hostile takeover bids in the Markets. As a result, I believe that in this year, we turned back to the beginning and considered a fundamental management question faced by many enterprises. “Who do companies belong to?”

The YKK Group has pursued growth and development in keeping with the management philosophy of our founder, Tadao Yoshida. He believed that, “A company belongs to the employees who work at it, cooperating enterprises and others involved with it. The united cooperation of employees and stakeholders advances the company.”

In order to implement this type of management philosophy, we implemented an employee stock ownership plan soon after our establishment. As a result, company employees are not limited to just engaging in their work, they also contribute to the motivating force behind corporate development by participating in management planning.

The Cycle of Goodness, the management philosophy of our founder Tadao Yoshida, remains unchanged as the core of the YKK Philosophy and expresses the fundamental stance of YKK Group management activities. As an extension of this, in 1994, we set the YKK Group management principle as “YKK seeks corporate value of higher significance” to express our overall mission, direction and intention.

Since the hostile takeover attempt, the expression “corporate value” has been heard frequently in our public discourse. Every time we consider this situation, we are reminded that the management mission that we set more than 10 years ago –to further raise corporate value– was a good decision. This occurrence also caused us to recognize anew the need to work more to raise corporate value further.

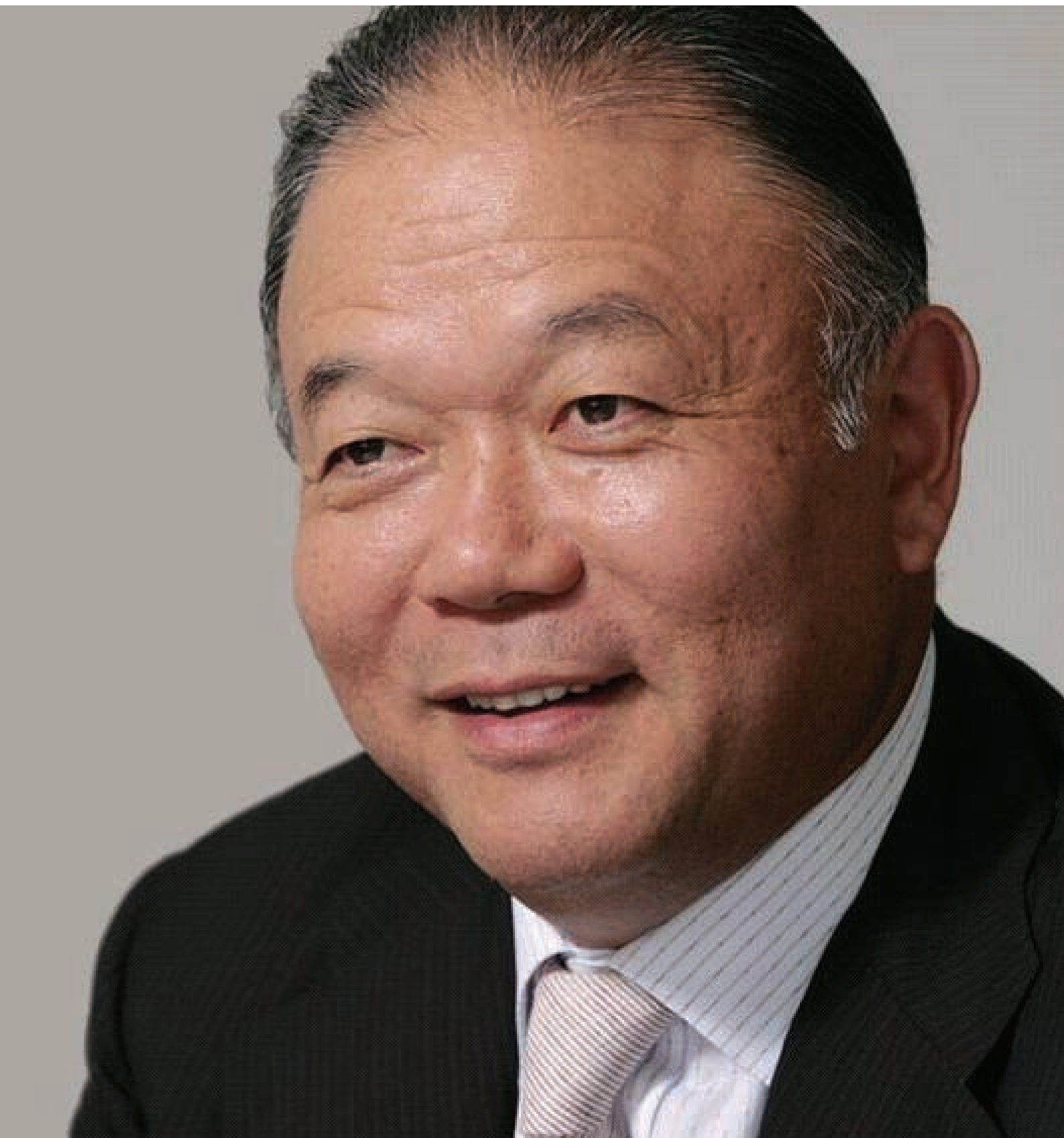
Stated specifically, the essence of YKK Group management is “fairness,” the value standard by which we judge all our management activities. With this standard, management and employees are united in efforts to increase corporate value further. Over the long term, we seek to continue to be an attractive company that earns the confidence of all our stakeholders.

We will constantly strive to increase corporate value in order to earn even more of your confidence in the future. We would be delighted to receive your unreserved feedback and advice to help us achieve this goal.

July 2006

President
YKK Corporation

Tadahiro Yoshida





Principles of Corporate Social Responsibility are rooted deeply at the YKK Group

I believe that Corporate Social Responsibility (CSR) is a major enterprise management issue in the modern age. For every enterprise, the practice of CSR is indispensable, and their efforts should be in line with their management principles.

We recognize that the responsibility of an enterprise is not only the beneficial economic effects of earnings. A large part of CSR is comprised of social fairness, ethics, and environmental considerations during the process of economic activities. At YKK, we have a deep awareness of the worsening global environment and the limitations of global resources. People have even said that “the earth is the largest stakeholder” in supporting the lifestyles of ordinary society. For these reasons, enterprises ultimately receive higher evaluations if they make proactive efforts for the environment, and this leads to greater corporate value. As long as business is conducted on this planet, environmental management is a critical form of CSR.

At present, 122 YKK Group companies in 70 countries and regions around the world, including Japan, undertake business activities in our two core fields of fastening products and architectural products. For more than half a century, we have overcome the barriers of language and culture and advanced our expansion as an enterprise globally. We have taken our Cycle of Goodness corporate philosophy and our corporate principle of further increasing corporate value everywhere we have created new business.

Given this, the first principle that we consider in CSR is “localism.”

When we expand our business overseas, we do not do so just to reduce labor costs. Rather, we accept demands from local markets and regional industries as we expand in order to “become a

local” in each country where we operate. Planting roots and increasing our knowledge of businesses suited to the local markets are the keys to making our operations succeed. We also prioritize reinvestment of earnings in local communities, as well as employ, train and promote local staff, and entrust business administration to them. Our second principle is “quality first” on a global level.

We transplant every part of our total vertically integrated manufacturing system to every new plant. In order to handle every part of the development and production process in our manufacturing system, from raw materials to finished goods, at YKK we are even involved in the development of our own production equipment. As a result, the concept of YKK manufacturing is to use the same technology and the same machinery in every country to provide the same quality worldwide. We believe that this is the foundation for world class quality. We have already received high evaluations from numerous global customers who feel that they can trust the YKK brand, no matter which of our businesses around the world supplies their products.

Our third principle is “solve environmental problems from a global perspective.”

In order to respond to the environmental problems of the modern borderless society, identical policies and identical practices in every part of our group are indispensable. While making efforts to identify and solve the issues facing each region, we share feedback within the group about the measures, processes and results and promote progress in each region in parallel. Through this, we are able to enhance the entire group’s capability to respond to environmental problems.

As a matter of course, we are promoting the

acquisition of ISO14001 certification at our bases around the globe. Already, 57 sites, including 7 in Japan and 50 overseas, have completed certification.

The work of global business expansion takes time because the people of every country have different customs and perceptions of value. At present, we are seeking to raise the level of the group as a whole based on the environmental CSR activities undertaken by each of our companies. Among these efforts, in particular, we are promoting the development of environmental products and proactively investing management resources in these endeavors.

Seeking to realize greater corporate value, we pursue seven categories of new quality based on the YKK Group’s corporate philosophy, as embodied in the Cycle of Goodness. We also continue to strive to be increasingly recognized as a truly international business that creates new value through technology and expertise and is trusted for being reliable in all its interactions with individuals and society. We believe that fulfillment of these goals proceeds from undertaking sustainable business activities based on CSR principles. Through them, we can fulfill the duties expected of us as a good corporate citizen.

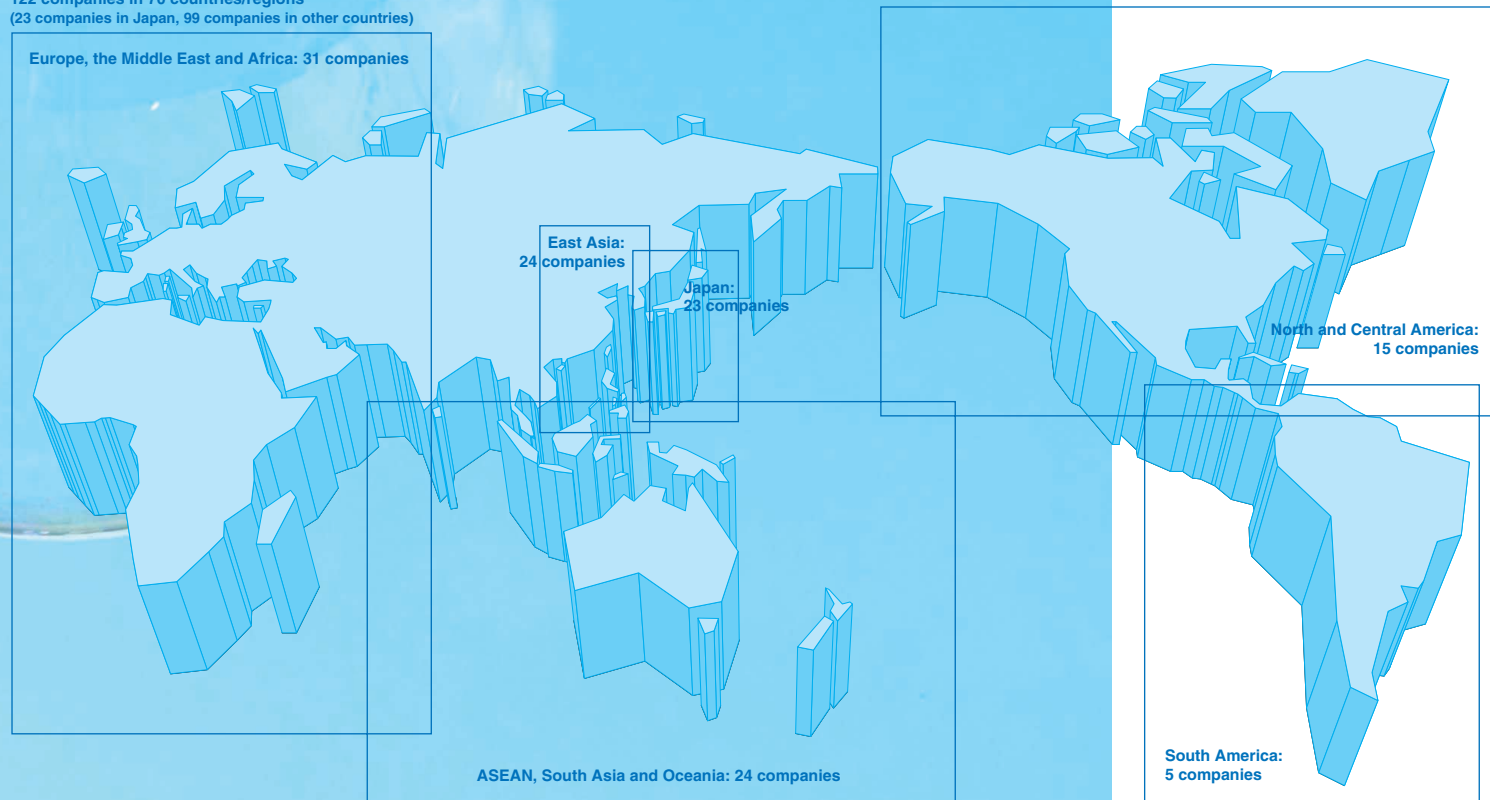




YKK Group
Environmental Policy Committee Chairman
YKK Corporation Representative Director
and Vice Chairman

Kiyoshi Taie

122 companies in 70 countries/regions
(23 companies in Japan, 99 companies in other countries)



The enterprise value of the YKK Group is recognized in China

In China, "YKK" became one of the first authorized "Well-known Trademarks in China" held by a Japanese business. The YKK AP window series was also commended as a superior technology brand.

Detailed information (in Japanese)

http://www.ykk.co.jp/japanese/corporate/g_news/2005/20050629-2.html

<http://www.ykkap.co.jp/news/2005/20051227.asp>



In harmony with regional communities

The YKK Group believes in contributing to regional communities

At the root of all YKK Group business activities is the Cycle of Goodness, which is our understanding that “no one prospers unless he renders benefit to others.” Based on this philosophy, we are proactively involved in not only contributions to society through the use of our business expertise, but also a wide variety of activities that are unrelated to our businesses, including education, regional vitalization and the support of international exchange. In order for the YKK Group to continue to be an enterprise that is loved through the ages and across regions and cultures, we intend to continue our regular support of activities that help develop new and greater cultural richness.



The YKK Group encourages the younger generations that will lead society in the future.



YKK Fastening Awards

The YKK Fastening Awards is a unique student fashion design contest that focuses on hook and loop fasteners, buckles, snaps, buttons and other fastening products. With the goal of discovering and supporting new talent, we provide the winner with prize money and runners-up with support materials for their creative efforts until they graduate.

<http://www.ykk.co.jp/fa/>



Japan U-12 Football Championship

This tournament has been held every year since 1977 with the goals of deepening youth interest and excitement about soccer, improving their skills at the sport, and cultivating and developing healthy minds and bodies. The YKK Group has supported this tournament since 1980. Our employees throughout Japan contribute to community interaction and building the excitement of the Championships by participating in administration meetings, gatherings and award ceremonies.

<http://www.u12-football.com/>



JSEC

The High School Science and Technology Challenge of the Japan Science & Engineering Challenge is a contest in which high school students exercise their originality and creativity. In the 2005 financial year, we established the YKK Special Prize to encourage the contestants to become even more active on the global level. (JSEC is sponsored by the Asahi Shimbun and supported by the Ministry of Education, Culture, Sports, Science and Technology.)

<http://www.jsec.net/>

Supporting international exchange

The Kuroshio Monogatari Cheerful Children Association (Genkina Kono Kai) works to increase exchange and friendship between the children of the world through the release of messages in bottles from various parts of Japan onto the Kuroshio (the Japan current) in the North Pacific Ocean. (Representative: Ippei Kobayashi, Head office: Fujisawa-shi, Kanagawa Prefecture)

YKK has been supporting the Kuroshio Monogatari Association's activities by providing message bottles with water-resistant fasteners since 1998. These 70-cm long, 20-cm diameter message bottles keep water out and air in so that they will not sink on their long journeys on the Kuroshio.



Message bottles with watertight and airtight fasteners

YKK global workshops

The university students who participate in this program experience hands-on work at overseas YKK Group workplaces and production sites. They also help with regional contribution projects and efforts to alleviate environmental problems at the points of implementation, as well as visit universities and public agencies and take part in other diverse activities. We planned this program with the hope that this experience will not only help cultivate ways of seeing and thinking about things that are helpful in future business, but will also prepare them in many ways to become members of global society.

In 2006, we sent three students to Atlanta from February 12 to 17 and three other students to Shanghai from February 19 to 24.

<http://youth-ykk.jp/asahi/>



Our emergency units helped victims of the Pakistan earthquake disaster

In response to requests from the Pakistani government after the massive earthquake in northern Pakistan on October 8, 2005, the Japanese government dispatched a Japanese International Cooperation Agency (JICA) emergency assistance team. 70 members went to support rescue efforts and provide medical treatment in the local community.

This team used YKK AP emergency units as comfortable temporary structures, once again confirming this equipment's performance and functionality in international emergency assistance situations.



Emergency units

As the number of refugees who are the victims of earthquakes and other natural disasters, wars and other conflicts has increased, the need to provide aid rapidly has also grown. For this reason, YKK AP has fused the technologies cultivated by our fastening and architectural products businesses to develop comfortable temporary structures.

With easy to use fasteners as joints, each unit can be connected freely, from small rooms to extended spaces that are partitioned into rooms. Since it is light and folds down small, transportation, assembly and disassembly are easy. Furthermore, the special fasteners used are very airtight, allowing windows and doors to be closed tightly, keeping cold air, sand and other matter from entering the tent.



Completed in about 15 minutes

Disassembly



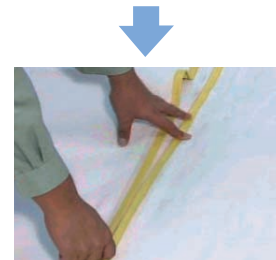
Use the blower to add air through the inlet/outlet until the unit is inflated



Remove the cap from the air inlet/outlet and remove the air with the blower



Join the unit fasteners



Detach the coupling fasteners and remove the remaining air



Remove unit from the storage cover and spread out (18 m² for basic unit)



Fold the unit and put it into the storage cover

Assembly



Rooted in local communities, in harmony with society

With our deep commitment to local communities, the YKK Group pursues business activities as one member of each regional society and is actively involved in regional vitalization, education, international exchange and other activities.

Educational support



Receiving junior and senior high school students for environmental education (YKK India Pvt. Ltd.)



Sending staff to elementary schools to provide environmental education (YKK Philippines Inc.)



Scholarship support (YKK Lanka (Private) Ltd.)



Donations of personal computers to schools (PT. YKK Zipco Indonesia)



Donations of personal computers to schools (PT. YKK Zipper Indonesia)



Technology tours for high school students (YKK Singapore Pte. Ltd.)

Natural environment conservation activities



Donation of saplings to Irapuato City, contributing to revegetation (YKK Mexicana S.A. de C.V.)



Tree-planting activities in Lianhua Mountain Park (YKK Zipper Shenzhen Co., Ltd.)



Cooperation in desert revegetation project (YKK Egypt S.A.E. Private Free Zone)

Regional support activities



Making kimchee at a child care facility (YKK Korea Co., Ltd.)



5 houses donated to victims of the Sumatra Earthquake (YKK Lanka (Private) Ltd.)



Provision of company facility for city-sponsored charity theater troupe (YKK Do Brasil Ltda.)

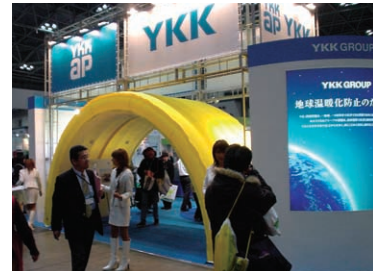


In harmony with our customers

The YKK Group believes in communication with customers and providing quality

At the YKK Group, we seek to be a business that listens to our customers and provides ever-higher levels of comfort for individual lifestyles and for society as a whole. We use our original creative powers and proven technological capabilities to continue to provide high-quality products. By pursuing thorough communication with customers, we are working to increase mutual understanding and enhance future business activities. Furthermore, in response to the need to meet the needs of our global accounts, we are seeking to realize global standards and to develop unique production lines according to the concept of “identical technology, identical machinery, and identical quality around the world.”





Total vertically integrated manufacturing system

In order to provide and guarantee products of the best quality to our customers, we undertake every stage of manufacturing ourselves, from raw materials to final production. We even develop our own production equipment, unlike most manufacturers, which procure them from outside sources.

Green procurement

By making cooperative efforts with our suppliers, we are working steadily to reduce environmental impacts and avoid environmental risks. We are also establishing Green Procurement Guidelines to be used as indicators for the development of eco-products.

We survey our suppliers with questionnaires and use the information received to make a database that we use to reduce the amounts of harmful chemical substances contained in products, and to help the selection of materials and parts with low environmental impacts at the product development and design stages.

Eco-products

Eco-products are defined as products that have been made in consideration of the environment in order to have high environmental performance and meet the eco-product standards of society. They make users safe and allow them to have peace of mind, supporting the creation of comfortable lifestyles that suit the traits of individual customers. By using these ideas in the development of products and providing products that meet these requirements, we contribute to the creation of a sustainable society. Furthermore, in order to have as many customers experience eco-products as possible, we had a display at Eco-Products Exhibition 2005 (organized by the Japan Environmental Management Association for Industry and the Nihon Keizai Shimbun, Inc.).



International Builders' Show

The International Builders' Show was held from January 11–14, 2006, in Orlando, Florida. In addition to a normal display, YKK AP America Inc. also had a seminar area and gave presentations on windows for hurricane regions.



In harmony with our employees

The YKK Group approach to employment, safety and health

At the YKK Group, we seek to be a company where individuals can work independently while sharing mutual respect as part of a strong cooperative organization. We also constantly strive to provide new value and contribute to customers and society. Furthermore, we are making efforts at every workplace to eliminate harmful substances and other sources of danger. By creating modern workplace environments where people can perform their jobs comfortably, we contribute to maintaining and promoting the mental and physical health of our employees.





Leadership training in North and Central America



Management candidate leader training



Promotion of disabled employment at YKK (U.S.A.) Inc.

Employee education

Since our foundation, we have respected the personal motivation of each employee and spurred employee maturation by actively entrusting important work to younger employees. Furthermore, we provide education to enhance a wide range of knowledge and skills, and to support and facilitate the growth of employees. We offer diverse and thorough education opportunities, including group training, e-learning and correspondence education, to all types of staff, from new company employees to management.

At our overseas companies, we are making efforts to educate overseas local staff further as we advance the localization of management.

Diversity and equal opportunity

At the YKK Group, we provide work opportunities and fair evaluations according to individual drive and ability, regardless of nationality, age or sex.

< Promotion of the roles of women >

We are making proactive efforts to achieve improvements to the working environment through organizational enhancements and by supporting the promotion of management candidates through leadership training and other measures. We have also increased the numbers of women promoted to positions of responsibility in the workplace, assigned to overseas postings, and given other lead roles. Furthermore, many company employees are using effective systems to support the balance of work and family that we have created.

< Reemployment policy for retirees >

In the 2005 fiscal year, we instituted a Post-Retirement Reemployment System. Through this system, we have increased the employment opportunities for former employees who have retired at the mandatory retirement age. In the 2005 fiscal year, we rehired 36 more such employees, bringing the total number to 51. These employees are continuing to use their knowledge and experience and to demonstrate their skills and abilities.

< Employment of the disabled >

In 1999, we established YKK Rokko Corporation, a special case subsidiary company. This printing business symbolizes the promotion of disabled employment throughout the entire group.

Creating an environment where it is easy to work

We have established a Secretariat for Comfortable Work Promotion that monitors the labor environment and provides counsel to employees, and otherwise works to improve the workplace environment. We also have counseling services handled by outside specialists to deal with issues such as health, personal concerns and sexual harassment.

Moreover, as a part of our legal compliance system, we have implemented the YKK Group Internal Reporting System. This system allows people to report group violations of laws and in-house rules anonymously. In addition, we have also established contacts outside the group where employees can report violations.

Comments from an employee who is using our parenting work system

I am working reduced hours using the parenting work system.

By reducing my working day by 2 hours, I have enough time for parenting, and am able to spend my days fully.

I have the understanding and support of my workplace, so I can work with peace of mind.



Group Management Center
Mariko Maeda



In harmony with our employees

With the goal of eliminating danger at the YKK Group, we are promoting the implementation of labor safety and health management systems and energy risk assessments to determine potential dangers and harms.

Safety and health education

Seeking to cultivate safe behavior by individual employees, we provide 19 educational courses on topics ranging from danger anticipation training, supervisor skills, energy risk assessment, and other ordinary training subjects to video display terminal operation, industrial robot operation and other specialized courses.

In the 2005 fiscal year, approximately 1,300 employees at our Kurobe workplace received training.

Furthermore, the YKK Group Safety and Health Council sponsored a safety lecture with the subject, "Assurance of safety is a condition for increasing productivity." From managers and workplace overseers to development and design staff, about 250 employees participated in this lecture.

Safety and health management system

We are implementing the best group labor safety and health management system that we can in order to improve employee safety and health and eliminate labor accidents.

By the end of 2007, we intend to implement it in every company of the YKK Group (all Japanese workplaces and related companies). The YKK Corporation Fastening Products Group at our Kurobe workplace received renewal inspections after the completion of three years since original acquisition of a Japan Industrial Safety and Health Association (JISHA) Occupational Safety and Health Management System (OSHMS) certification in May 2003.

On December 7, 2005, Taiwan's Executive Yuan Labor Affairs Council (equivalent to a ministry of labor) sponsored a National Safety and Health Management System course. YKK Taiwan Co., Ltd. gave a report about our experience promoting labor welfare with the title, "Implementation of an OSHMS (JISHA-certified system)."



Safety course



JISHA-compliant OSHMS certification ceremony



National Safety and Health Management System training meeting (Taiwan)

We recognize that employee health is an indispensable element for people to live fulfilling social and work lives, and we are providing health education with the goal of preventing lifestyle-related diseases, mental illnesses and other ailments, along with seeking a 100% rate of medical health checkups.

YKK Group measures against smoking

Smoking has a great impact on human health, with non-smokers endangered by passive smoking and smokers at risk of addiction to nicotine. Considering these facts, smoking is not simply a personal habit, it is a health risk. We consider measures to reduce smoking to be an important way to prevent lifestyle diseases. In order to spread knowledge of the dangers of smoking and passive smoking and the benefits of not smoking, on World No Tobacco Day, May 31, we display anti-smoking posters and have occupational health physicians and public health nurses hold courses on quitting smoking at YKK Group workplaces. In addition, we have established a 6-month "Challenge to Quit Smoking" program to further support employees who want to give up tobacco.



Course to quit smoking

Comments from employees who succeeded in the Challenge to Quit Smoking

I think that my senses of smell and taste have become more acute since I have gotten nicotine and tar out of my body. I have also stopped having migraine headaches, and I have become healthier in general. I think that the key to my success was that I was aware when I experienced symptoms from quitting smoking. At the most difficult times, I understood how much longer the symptoms would last, as well as what types of symptoms would follow, so I was able to endure it without feeling unsettled. Keeping a nonsmoking diary was difficult, but it allowed me to sustain my motivation and feel that the occupational health physicians and public health nurses were supporting my efforts, making me much more confident.

34 year-old male

I had been thinking that I needed to quit smoking eventually for my health, but I am really happy that I was able to do it so easily. I think that anyone can easily quit smoking by using nicotine patches. The key is to have confidence and do it!

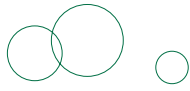
56 year-old male

I have less phlegm than before. My family no longer complains about the smell of cigarettes during meals and in the bathroom. Even if I drink a little too much, I do not get hangovers as easily. I also don't get irritated when I run out of cigarettes. My car has become cleaner as I no longer burn seats with cigarettes and ashes do not blow around if I open the window when driving. I also catch fewer colds.

48 year-old male

One week after I quit smoking, I stopped coughing and having phlegm when I brushed my teeth. I felt my physical condition improve steadily. Before, I had hesitated to fly to Shanghai, China, but now I can travel anywhere.

55 year-old male



Together with the global environment

The YKK Group approach to environmental efforts

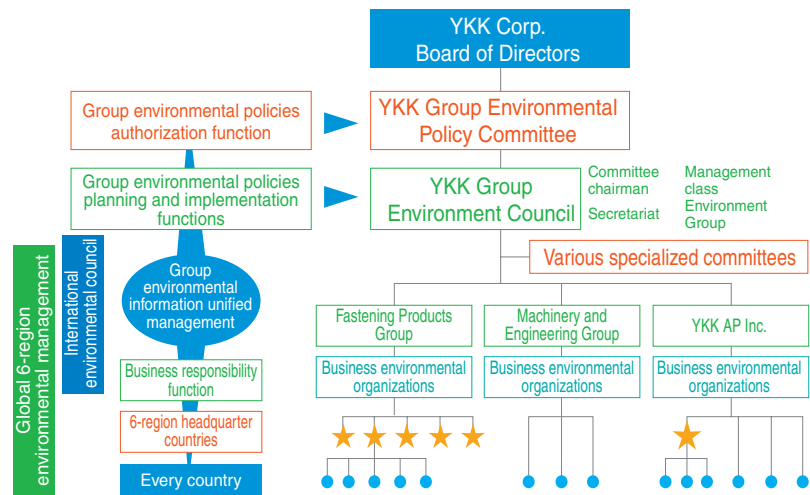
Since the YKK Group established the YKK Group Environmental Charter in September 1994, the entire group has been working to protect the environment. The Environmental Charter expresses our quest to achieve harmony between the environment and the healthy and abundant lifestyles of humanity by protecting and improving the environment in all of our business activities. As global environmental problems deepen, the realization of a worldwide sustainable society with a stable material cycle is a crucial issue.

By promoting environmental policies in every YKK Group business activity in an organized and strategic manner, we are establishing environmental management systems, and contributing to the creation of a sustainable society.



YKK Group Environmental Management System

In order to clarify our commitment to society to protect the global environment as an enterprise, in 1994, we made "promotion of business activity that is in harmony with the environment" our top priority and established a unified group environmental policy based on the YKK Philosophy. Believing that it is essential to approach environmental problems with a global perspective, we are implementing a 6-region environmental management system that makes simultaneous progress possible in every part of the world.



Four environmental management promises

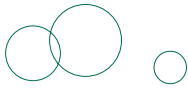
To reduce the environmental impacts caused by our main business of architectural materials and fastening products, the YKK Group has set four medium term fundamental environmental management policies. We are pursuing environmental goals in keeping with these policies.

Policy 1
Develop and provide eco-products and eco-services
 The YKK Group is contributing to the creation of a sustainable society through our products

Policy 3
Create and use a global environmental management system
 The YKK Group is continuing environmental management activities that put harmony with the environment first in every region of the world

Policy 2
Further enhance our efforts to reduce environmental impacts
 The YKK Group is working to reduce the environmental impacts from our business activities even more

Policy 4
Promote environmental communication
 The YKK Group is communicating with our customers because we believe that it is the most important aspect of environment policy

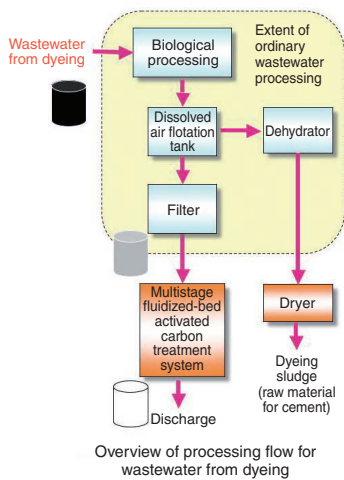


The YKK Group protects precious freshwater resources

97.4% of the water on the planet is seawater. Freshwater makes up only 2.6% of the water, a large amount of which is ice in the north and south poles. According to the United Nations, the pure freshwater near the surface that is relatively easy for us to access for drinking and other uses is a mere 0.007%. With the desire to continuously protect our precious water resources, the YKK Group works to achieve global water environmental protection with wastewater processing technology and equipment that can be used in every country and region in the world.

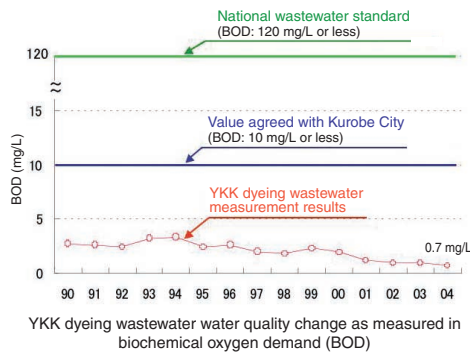


The YKK Kurobe Plant, the YKK AP Kurobe Manufacturing Plant and the Kurobe Ekko Manufacturing Plant are in Kurobe, a region known for its water. Located in the Kurobe River alluvial delta, the area is blessed with abundant high quality underground water.



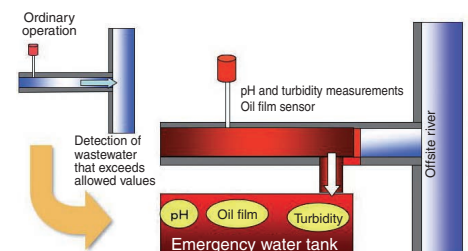
Advanced processing and recycling

After ordinary wastewater processing at our processing facility for wastewater from fastener dyeing, we also conduct a type of advanced processing called "activated carbon adsorption." As a result, BOD pollutant values from dyeing wastewater have been even lower than the value that we have agreed on with Kurobe City, which itself is much stricter than the national standard.



Emergency wastewater tank (risk management)

Wastewater from the plant is processed in the processing facility and then discharged from the site. A sensor in front of the wastewater outlet, however, closes the gate in front of the outlet and redirects the wastewater to the emergency water tank if it detects anything unusual. This emergency water tank can hold up to half a day of wastewater, allowing 12 hours to repair the problem and restore usual discharge.



By allowing recovered cooling water and rainwater to permeate underground, the groundwater in shallow layers of the watershed is recharged



Cooling water collection pond with permeable stonework boundaries



Rainwater permeable grid



Rainwater permeable gutter



Rainwater permeable asphalt (parking lot)

We conduct surveys of aquatic organisms in order to conduct comprehensive evaluation of the river environment that receives the plant wastewater discharge



Collection of aquatic organisms



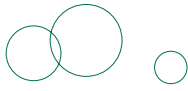
Clear stream trout



Classification of aquatic organisms collected at each point



Storage as specimens



Environmental impact reduction management

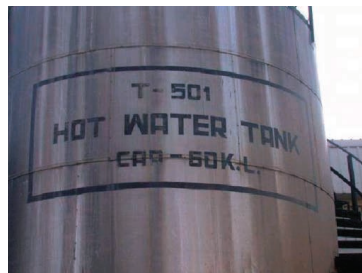
Preventing global warming

When we establish new plants and renew equipment, we make proactive efforts to promote the conservation of energy, including incorporating high-efficiency equipment, implementing manufacturing process improvements and setting higher equipment management standards.

We are also participating in Team -6% and considering and initiating actions that individuals can take in their immediate environments.



Use of natural light to reduce energy used for illumination (The New Zipper Company Ltd.)



Effective use of hot wastewater (YKK India Pvt. Ltd.)



Installation of a high-efficiency boiler (YKK Hellas A.E.B.E)

Resource recycling

We look at waste products as resources and recycle them with the goal of achieving zero emissions of waste disposal to landfill. In the 2005 fiscal year, our Japanese production sites achieved zero emissions. We will seek to reduce our total amount of waste products and raise the quality of our recycling methods in the future to further minimize environmental impacts.



Composting of organic waste and grass (YKK Portugal-Acessorios Para Vestuario Lda.)



Making cement materials from wastewater processing sludge (YKK Mediterraneo SPA)

Environmental risk management

Strict compliance with laws and agreements underlies our efforts, but we are also striving to reduce environmental risks through such efforts as appropriate management of chemical substances, regional environmental preservation of soil, groundwater, the air and entire watersheds as well as by preventing environmental accidents.

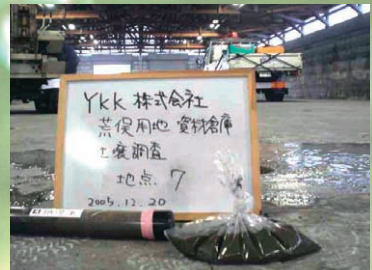
< Soil inspections >

At the YKK Group, we consider soil protection to be an important administrative risk management issue from the perspectives of both regional environmental protection and land asset value preservation. We are conducting soil inspections at YKK Group facilities in Japan and have completed 172 of 322 locations to date. None of the inspected sites have required soil purification. We plan to complete inspections of all sites by the end of the 2008 fiscal year.

< PCB countermeasures >

In 2001, the Law Concerning Special Measures Against PCB Waste came into effect, requiring suitable processing of polychlorinated biphenyls by the 2016 fiscal year. We are managing and storing transformers, condensers, and other equipment containing PCBs in accordance with legal requirements. We will cooperate in processing plans created by local governments and conduct suitable disposal according to these.

Furthermore, we established directives for the handling of equipment containing small amounts of PCBs at the YKK Group in fiscal year 2003. We are also forming a block storage system for group businesses in Japan.



Soil collection



Transformers stored using measures to keep them upright

Handling the asbestos problems of YKK Group businesses in Japan

Status of asbestos use in products

We have never used asbestos in any of our fastening products.

None of our current architectural products use asbestos, but we did make products that contained asbestos in the past. However, all of these products used asbestos in airtight conditions or in architectural products that are not dispersible, so we believe that the chance of asbestos scattering is extremely low. We still ask that appropriate disposal is conducted to prevent dispersal during disassembly. For more information about the use of asbestos in past architectural products and potential health risks, please see the following YKK AP website (in Japanese).

<http://www.ykkap.co.jp/cominfo/asbestos/index.asp>



A third party perspective on YKK efforts for the environment and society



About efforts in business activities

This time I heard about the YKK Group's well-established CSR principles, particularly how the principle of "localism" applies to expansion in China. Many enterprises are entering China with the main goal of low cost production, but YKK has been undertaking activities that are rooted in the region from the beginning in keeping with the idea of localism.

In 2005, YKK Fasteners received "Well-known Trademark in China" certification from the Chinese government. This and other evidence suggests that the group's continuous efforts for the Chinese people have been successful so far. In China, rapid economic development has been accompanied by the developing need for consideration of CSR efforts to respond to issues that include environmental problems, labor and human rights. I believe that in the future, the YKK management focus on sustained efforts to cultivate regional economies and human resources will receive positive evaluations even more frequently.

As you focus on expansion in different regions, please continue your global expansion with your head company as the center that guides the group as a whole.



Regarding the Social and Environmental Report 2006

The report this year shows effort to make the contents easy for anyone to understand. This time, global expansion, a feature and strength of the YKK Group, has been emphasized, and it is clear that you are conducting activities on a daily basis in cooperation with stakeholders around the world. I reviewed progress and results this year regarding my comments last year.

• The YKK Group's unique relations with employees

While YKK is expanding human resources globally, discussion related to personnel is limited to Japan in most cases. I think that if you could include a little more from the perspective of human resources cultivation globally, the reality of "localism" would be easier to understand.

• Regional activities

I understand that company employees and regional corporations take the lead in participating in their local regional activities. Here, I think that through the introduction and description of many company employees, the awareness and desire of company employees to give back to their regions will increase. I expect that this report can be used as an opportunity to expand communication with people in each region.

• Explanation of environmental and social activities in the two main business areas

YKK AP activities are reported on elsewhere, but this report is supposed to include all YKK Group businesses, so I think that the social and environmental activities of both YKK and YKK AP should both be presented distinctly a little more so we can understand their unique features.

• Digest brochure and detailed web edition

Putting a detailed information edition on the web allows the presentation of detailed data regardless of limitations to paper, making it a very clever approach for sharing information. Please consider that in the printed edition, it is possible to present only main indicator data and cover important items in digest format.

I expect that in the future YKK will continue local expansion around the world based on the Cycle of Goodness and YKK Group principles.

海野みづえ

So-Tech Consulting, Inc.
Chief Executive Officer Mizue Unno

Profile of Mizue Unno

After graduating from Chiba University Graduate School, she worked at a management consulting company until she founded So-Tech Consulting, Inc. in 1996.

University of Tokyo Graduate School of Frontier Sciences Guest Lecturer
Hosei University Graduate School of Environmental Management Guest Lecturer
Japan Management Association CSR Registered Chief Lecturer
Environmental Planning Society of Japan Director

YKK Group outline

[YKK Corporation]

■ Established	January 1, 1934
■ Capital	11,922,710,000 yen
■ Employees	3,373 as of the end of December 2005
■ Manufactured Products	Fastening products, precision machinery, equipment and molds
■ Head Office	1, Kandaizumi-cho, Chiyoda-ku, Tokyo, 101-8642, Japan Tel +81 (3) 3864 2000
■ Plants	Kurobe Plant, Kurobe Makino Plant



Fastening products

In addition to buttons, tapes and other fasteners used in clothes and bags, we provide a wide variety of fastening products that are used not only in clothing, but also for a wide range of applications, from shoes and bedding to medical goods and industrial materials.

Machinery and engineering

Fulfilling the needs of elemental technology and research and development, we concentrate the technology and expertise that we have cultivated over decades to provide the YKK Group's unique production machinery, systems, dies and other equipment to our plants around the world.

[YKK AP Inc.]

■ Established	July 22, 1957
■ Capital	10,000,000,000 yen
■ Employees	12,416 as of the end of December 2005
■ Manufactured Products	Architectural products
■ Head Office	1, Kandaizumi-cho, Chiyoda-ku, Tokyo, 101-8642, Japan Tel +81 (3) 3864 2200
■ Plants	Tohoku workplace, Kurobe Manufacturing Plant, Kurobe Ekko Manufacturing Plant, Kurobe Ogyu Manufacturing Plant, Namerikawa Manufacturing Plant, Shikoku workplace, Kyushu workplace



Residential architectural

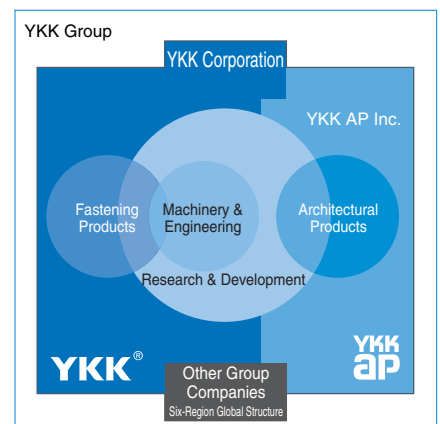
We seek to provide people with greater comfort and new amenities for their lifestyles by providing a variety of products, from door sashes to exterior and outer building materials, made from aluminum, wood, resin and other basic elements, while pursuing the enhancement of fundamental features, and a rich variety of color, design options and functionality. Furthermore, we endeavor to provide appropriate responses to needs for barrier free architecture, insulated environments, recyclability and other new demands.

Building architectural

Using our unique total vertically integrated manufacturing system, global reach and the deep expertise that we have cultivated through numerous big projects, we provide thorough architectural service, from the development of components to manufacturing, construction and after-service for structures ranging from small and medium buildings to skyscrapers.

[YKK Group]

■ Group Companies	122 companies in 70 countries/regions In Japan 23 Overseas 99 (270 facilities including 88 plants)
■ Employees	39,300 (17,700 in Japan, 21,600 abroad) * as of the end of December 2005





Let's stop global warming together

Team -6%

The YKK Group is the member of the Team -6%



YKK Group

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