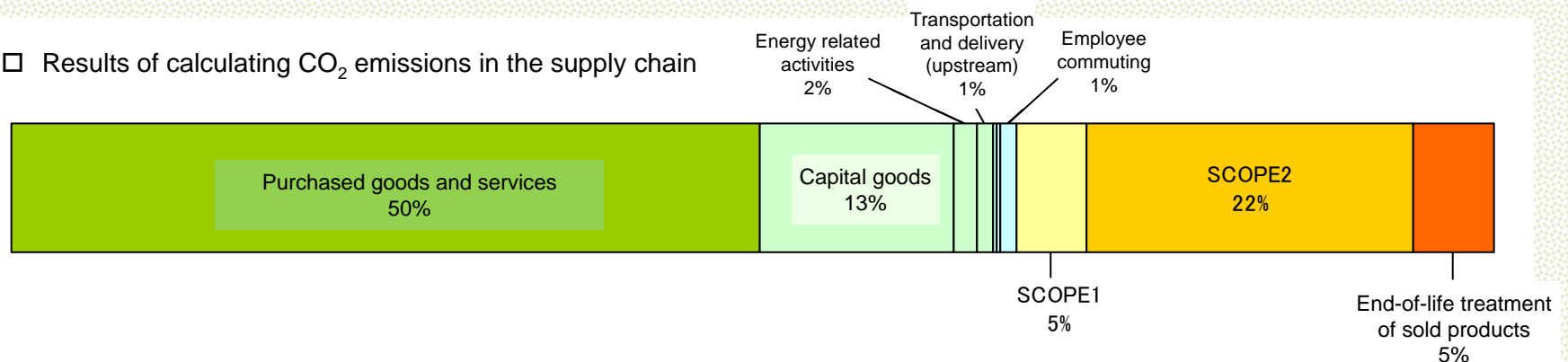


## Company thinking

<input type="checkbox"/> <b>Background and purpose for accounting</b>	<ul style="list-style-type: none"> <li>Understanding CO<sub>2</sub> emissions from all corporate activities is important in reducing the load on the global environment.</li> <li>The social demand for disclosing environmental load information is increasing yearly. Therefore, it is necessary to aggressively disclose environmental load information.</li> </ul>
<input type="checkbox"/> <b>Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>To become involved in reducing the environmental load by taking advantage of reduction opportunities in larger categories.</li> <li>To gain the understanding and trust of customers by clarifying our involvement with environmental matters.</li> <li>To improve the transparency of our emissions by establishing internal calculation methods and calculation mechanisms.</li> </ul>
<input type="checkbox"/> <b>Advantages of accounting</b>	<ul style="list-style-type: none"> <li>The emissions from the entire supply chain can be clarified and effective countermeasures can be taken.</li> <li>The transparency of our emissions will be improved, so that we will be able to respond to demands for information disclosure by our customers.</li> </ul>
<input type="checkbox"/> <b>Internal accounting organization</b>	<ul style="list-style-type: none"> <li>Data is collected from the Procurement, Logistics and Accounting departments, and then calculated by the Environmental department.</li> <li>The internal database is utilized to improve work efficiency.</li> </ul>

 Results of calculating CO<sub>2</sub> emissions in the supply chain


Company thinking	
<p>❑ <b>To reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• Because raw materials account for about 50 percent of all CO<sub>2</sub> emissions in the overall supply chain, we are aggressively promoting a transition from raw materials with high CO<sub>2</sub> emissions to raw materials with lower CO<sub>2</sub> emissions.</li> <li>• With respect to logistics, we dispatching vehicles in a more efficient way, improving loading rates and attempting a modal shift.</li> <li>• We are starting "green" procurement and recycling of waste.</li> <li>• With respect to fastening products, we are developing more environment-friendly products and attempting to reduce emissions when disposing of sold products.</li> </ul>
<p>❑ <b>Tasks to account for supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• When calculated on a monetary basis, fluctuations in procurement amounts affect emissions.</li> <li>• Improved accuracy for emission factor and activity data are necessary.</li> <li>• Activity data and emission factor for overseas facilities must be implemented.</li> </ul>
<p>❑ <b>For those starting to account for supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• First, secondary data should be used to comprehend the approximate CO<sub>2</sub> emissions, so that an overview can be gained. It is then more efficient to improve accuracy for categories with high volumes of CO<sub>2</sub> emissions.</li> <li>• CO<sub>2</sub> emissions become clearer by category, so that effective reduction countermeasures can be taken.</li> <li>• Coordination between related departments is indispensable and internal consensus must be achieved to that end, so that it is necessary make the purpose of the calculations manifest.</li> </ul>

❑ YKK Corporation life-cycle CO<sub>2</sub> emissions



\* CO<sub>2</sub> emission calculations: Domestic emissions for YKK Corporation in FY2012 (excluding YKK AP).

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Procured weight and procured monetary value of raw materials and other materials</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Capital investment amount for capital goods</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Electricity and fuel energy usage</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*1 *2)</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Cargo owner transport ton-km for procured goods</li> </ul>	<ul style="list-style-type: none"> <li>Accounting, reporting, and public disclosure system emission coefficient</li> <li>Emission factor database (*1)</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Treatment volume of waste by type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Amount paid by means of transportation</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Amount paid by means of transportation</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>Transport ton-km</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*1)</li> </ul>
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Production volume</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor during processing</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Production volume</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database (*2)</li> </ul>
Category 15: Investments	<ul style="list-style-type: none"> <li>Scope 1 and 2 emissions calculated by percentage of shares owned of invested companies</li> </ul>	

\*1 "Carbon Footprint Communications Program Basic Database, Ver. 1.01 (Domestic Data)"

\*2 "Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Ver. 2.0"