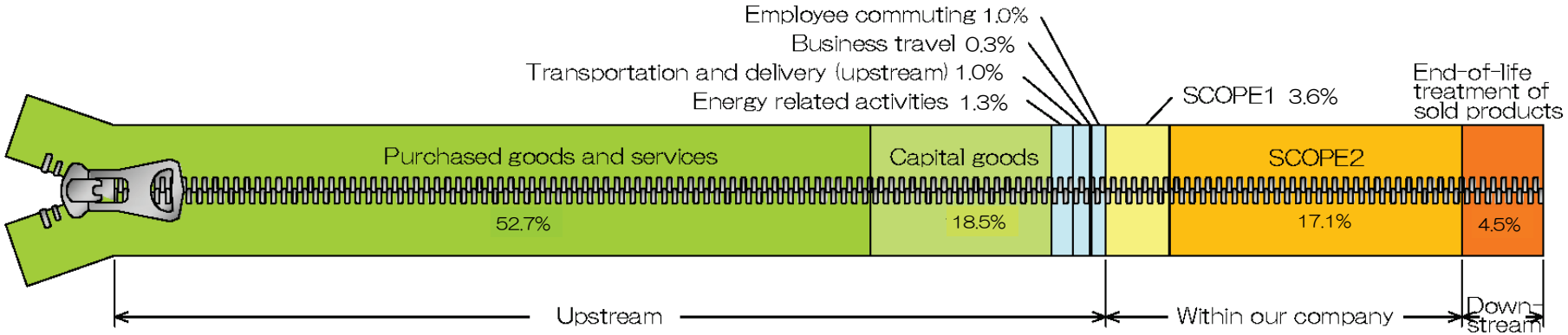
1 YKK CORPORATION

	Companies' approach
☐ **Background and purpose of accounting**	• Understanding our CO_2 emissions across the entire supply chain is important in reducing the environmental load, and it allows us to implement effective measures to take advantage of larger potential opportunities for emissions reduction. • The social demand for disclosing environmental load information is increasing, and therefore we need to aggressively disclose environmental load information.
☐ **Utilization of accounting results**	• To become involved in reducing the environmental load by taking advantage of reduction opportunities in larger categories. • To gain the understanding and trust of customers by clarifying our involvement with environmental matters. • To improve the transparency of our emissions by establishing internal calculation methods and calculation mechanisms.
☐ **Benefits of accounting**	• The emissions from the entire supply chain can be clarified and then effective measures can be taken. • The transparency of our emissions will be improved, so that we will be able to respond to demands for information disclosure by our customers.
☐ **Internal system for accounting**	• Data is collected from the Procurement, Logistics and Accounting departments, and then calculated by the Environmental department.
☐ **Efforts to reduce supply chain emissions**	• Because Category 1 emissions account for about 50 percent of our overall CO2 emissions across the entire supply chain, we are aggressively promoting a transition to raw materials with lower CO2 emissions. • With respect to logistics, we dispatching vehicles in a more efficient way, improving loading rates and attempting a modal shift. • We are starting "green" procurement and recycling of waste. • With respect to fastening products, we are developing more environment-friendly products and attempting to reduce emissions when disposing of sold products.

YKK CORPORATION

	Companies' approach
☐ **Issues in supply chain emissions accounting**	• When calculated on a monetary basis, fluctuations in procurement amounts affect emissions. • Improved accuracy for emission factor and activity data are necessary. • Activity data and emission factor for overseas facilities must be implemented. • More specific reduction measures should be developed and implemented. • Emissions accounting should be conducted more efficiently.

☐ Results of calculating CO_2 emissions in the supply chain



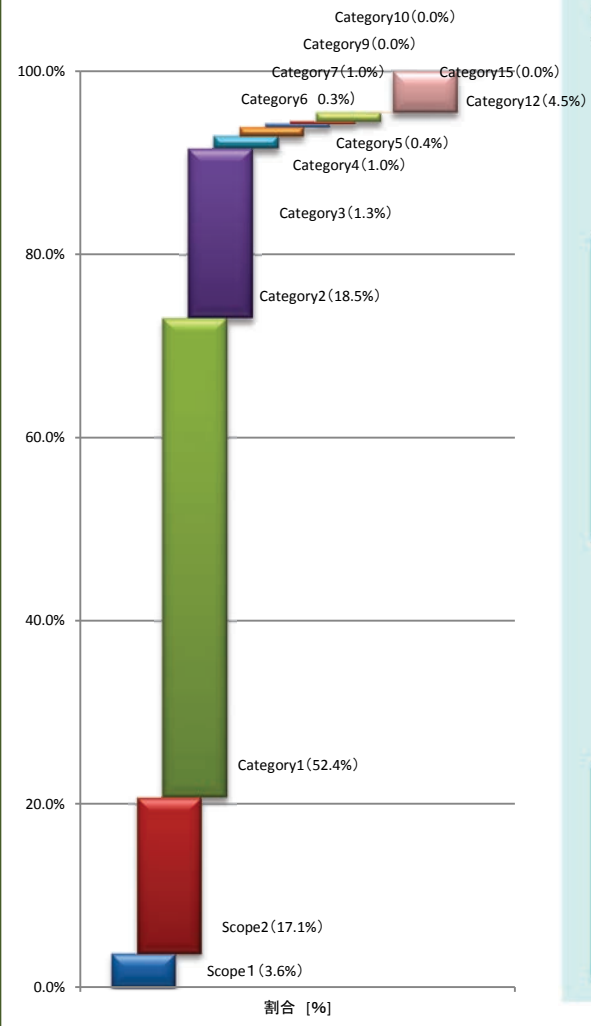
* CO_2 emission calculations: Domestic emissions for YKK Corporation in FY2014

3 YKK CORPORATION

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	• Weight, and monetary value, of raw materials and other materials procured	• Emission factor database (*2)
Category 2: Capital goods	• Capital investment amount for capital goods	• Emission factor database (*2)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electricity and fuel energy usage	• Emission factor database (*1 *2)
Category 4: Transportation and delivery (upstream)	• Cargo owner transport in ton-kilometers for procured goods	• Accounting, reporting, and public disclosure system emission coefficient • Emission factor database (*1)
Category 5: Waste generated in operations	• Volume of waste disposed of, by type	• Emission factor database (*2)
Category 6: Business travel	• Transportation expenses paid, by mode of transportation	• Emission factor database (*2)
Category 7: Employee commuting	• Transportation expenses paid, by mode of transportation	• Emission factor database (*2)
Category 8: Leased assets (upstream)	• Not included in the scope of calculations, because emissions from operations of lease assets are included in Scope 1 and 2	
Category 9: Transportation and delivery (downstream)	• Production volume	• Emission factor during processing
Category 10: Processing of sold products	• Production volume	• Emission factor database (*2)
Category 11: Use of sold products	• Not included in the scope of calculations, because there were no emissions from the use stage of sold products	
Category 12: End-of-life treatment of sold products	• Production volume	• Emission factor database (*2)
Category 13: Leased assets (downstream)	• Not included in the scope of calculations, because it was not rented to a third party.	
Category 14: Franchises	• Not included in the scope of calculations、because we are not the franchiser	
Category 15: Investments	• Scope 1 and 2 emissions calculated by percentage of shares owned of invested companies	
Other	• Not included in the scope of calculations, because it is an option category.	

*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"

Accounting results



Supply chain CO2 emissions in fiscal year 2014 (YKK).

Raw material procurement
Capital goods
Transportation
and distribution (upstream)
351,945 t-CO2
(73.2%)

Scope2
Indirect emissions
from purchased electricity
and the use of heat
82,190 t-CO2
(17.1%)

Scope1
Direct emissions
from fuels
burned on-site, etc.
17,356 t-CO2
(3.6%)

YKK

Waste generated
By operations
1,813 t-CO2
(0.4%)

Employees' commuting
and trips
5,928 t-CO2
(1.2%)

Scope3

Transportation of
intermediate products
0 t-CO2
(0%)

Processing of
intermediate products
20 t-CO2
(0%)

Transportation of
Finished products
0 t-CO2
(0%)

Use of products
–

Disposal of products
21,683 t-CO2
(4.5%)

* CO_2 emission calculations: Domestic emissions for YKK Corporation in FY2014