

The YKK Group: Fifth Mid-Term Management Plan

Overall Policy

Under the management vision of "Technology Oriented Value Creation" in the Fifth Mid-term Management Plan (FY2017–FY2020), the YKK Group has positioned "product appeal and proposal capabilities," "technology and manufacturing capability" and "human

resource development" as primary points. The Group is promoting the initiatives presented in the mid-term management plan with the aim of achieving a target of 8.0% or more in terms of an operating income margin and an ROA of 5.0% or more.

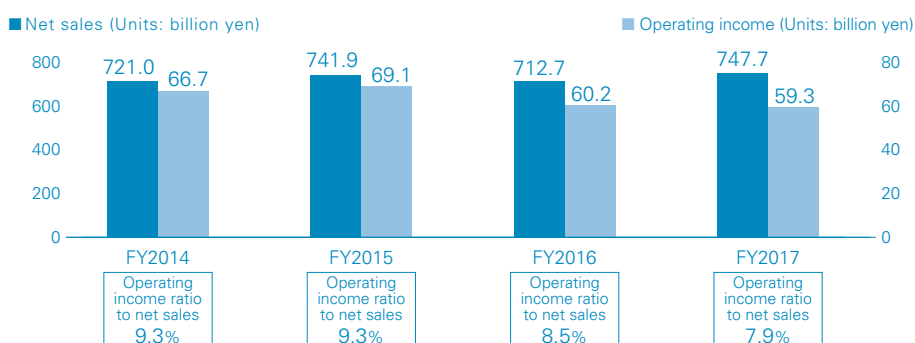
YKK Group: Fifth Mid-Term Management Plan (FY2017–2020)		
The Fifth Mid-Term Management Vision		
Technology Oriented Value Creation		
Primary Management Focus	-Product appeal & proposal capability -Technology & manufacturing capability -Human resource development	
Goals of the Mid-Term Plan	-Operating income ratio of 8.0% or above -ROA of 5.0% or above	
Mid-Term Business Policy	YKK Corporation	Development and innovation in <i>monozukuri</i> An endeavor for YKK's <i>monozukuri</i> in the "Standard" category
	YKK AP Inc.	Sustainable growth of the AP business through added-value and demand creation

Summary of YKK Corporation's Consolidated Financial Results FY2017


As for the YKK Group's consolidated results for FY2017, net sales were 747.7 billion yen (up 4.9% year on year). Operating income was 59.3 billion yen (down 1.6% year on year), ordinary

income was 59.9 billion yen (down 2.6% year on year), and net income attributable to owners of parent was 38.7 billion yen (down 14.3% year on year).

▼ YKK Group Net Sales and Operating Income



See the following website for details regarding YKK Group FY2017 business results.
<http://www.ykk.com/english/corporate/financial/index.html>

 The following were announced on March 1, 2018. See the following website for details.
http://www.ykk.co.jp/japanese/corporate/g_news/2018.html (Information in Japanese)

New Management Structure

We have launched a new management structure in order to achieve the ambitious goals of the Fifth Mid-Term Management Plan. One of the slogans in the YKK Group is "You take the front, I'll take the back." This represents the president and the chairman each practicing leadership

and powerfully propelling the Group's business in the same direction. The new management structure will remain based on the YKK philosophy of the "Cycle of Goodness," and will steadily implement the Mid-term Management Plan.



From left to right: YKK Corporation Chairman Masayuki Sarumaru, YKK Corporation President Hiroaki Otani, YKK AP Inc. President Hidemitsu Hori, and YKK AP Inc. Chairman Hideo Yoshizaki (appointed at June 2018 general meeting of shareholders and the Board of Directors meeting that followed)

Merger between YKK and YKK Fastening Products Sales

The Japanese textile industry continues to shift overseas, and Japan's population is shrinking, but customers are demanding greater diversity and shorter lead times. It is becoming more important than ever to enhance and link manufacturing, development, and sales functions. YKK Corporation (manufacturing and development) has merged with and absorbed its wholly-owned domestic sales subsidiary, YKK Fastening Products Sales (sales),* unifying its Japanese

manufacturing, development, and sales functions and further strengthening its customer support and service structure. In advance of this merger, on April 1, 2018, "JAPAN Company" was established in YKK Corporation's Fastening Products Group.

This goal of "JAPAN Company" will be the unification of manufacturing, development, and sales in Japan.

* Effective as of July 1, 2018