



English

This is YKK 2022

Fastening Business

**YKK CORPORATION Integrated Report
Data Book**



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List of Companies (Fastening Business and Other Businesses Related to Business Operations)

YKK CORPORATION	YKK EUROPE LTD.	YKK INDIA PRIVATE LIMITED
YKK Snap Fasteners Japan Co., Ltd	YKK HOLDING EUROPE B.V.	YKK BANGLADESH PTE. LTD.
YKK KOREA CO., LTD.	YKK RUSSIA	YKK VIETNAM CO., LTD.
YKK TAIWAN CO., LTD.	YKK (U.K.) LTD.	YKK (THAILAND) CO., LTD.
YKK REAL ESTATE CO., LTD.	YKK DANMARK A/S	YKK PHILIPPINES, INC.
YKK Business Support Inc.	YKK DEUTSCHLAND GMBH	YKK LANKA PRIVATE LIMITED
CAFE BONFINO CORP.	DYNAT VERSCHLUSSTECHNIK GMBH	YKK (MALAYSIA) SDN. BHD.
YKK TOURIST CO., LTD.	YKK STOCKO FASTENERS GMBH	PT. YKK ZIPPER INDONESIA
ESSEN	YKK Poland Sp. zo. o.	PT. YKK ZIPCO INDONESIA
KUROBE M TECH	YKK Nederland B.V.	YKK OCEANIA LIMITED
KUROBE C G,	YKK FRANCE SARL	GOLDEN HILL TOWER LIMITED
KUROBE MOBILITY SERVICE	YKK CZECH SPOL S.R.O.	YKK DEVELOPMENT (S) LTD
YKK Rokko Corporation	YKK Austria GmbH	YKK ALUMINIUM (AUSTRALIA) PTY. LTD.
YKK CORPORATION OF AMERICA	YKK ROMANIA S.R.L.	YKK GPS (QUEENSLAND) PTY LTD.
YKK (U.S.A.) INC.	YKK ITALIA S.P.A.	YKK (CHINA) INVESTMENT CO.,LTD
TAPE CRAFT CORPORATION	YKK MEDITERRANEO S.P.A.	DALIAN YKK ZIPPER CO.,LTD
YKK CANADA INC.	YKK ESPAÑA S.A.	SHANGHAI YKK ZIPPER CO.,LTD
YKK MEXICANA S.A. DE C.V.	YKK PORTUGAL – ACESSORIOS PARA VESTUARIO, LDA.	SHANGHAI YKK TRADING CO., LTD.
YKK SNAP FASTENERS MANUFACTURA MEXICO, S.A.de C.V.	YKK HELLAS AEBE	YKK SNAP FASTENERS (WUXI) CO., LTD.
YKK HONDURAS, S.A.	YKK METAL VE PLASTIK URUNLERI SANAYI VE TICARET A.S.	SUZHOU YKK MACHINERY & DIE WORKS CO., LTD.
YKK EL SALVADOR, S.A. DE C.V.	YKK MIDDLE EAST SAL	YKK (XIAMEN) TRADING CO., LTD.
YKK COLOMBIA S.A.S.	YKK TUNISIA SARL	YKK ZIPPER (SHENZHEN) CO., LTD
YKK DO BRASIL LTDA.	YKK TRADING TUNISIA SARL	YKK (SHENZHEN) TRADING CO., LTD.
YOSHIDA NORDESTE S/A INDUSTRIA E COMERCIO	YKK MAROC S.A.R.L	YKK HONG KONG LIMITED.
INDUSTRIA YKK (CHILE) LTDA.	YKK EGYPT S.A.E. PRIVATE FREE ZONE	
YKK ARGENTINA S.A.	YKK KENYA EPZ LIMITED	
YKK INSURANCE COMPANY OF AMERICA	YKK SOUTHERN AFRICA (PTY) LTD	
AGRO PECUARIA YKK LTDA.	YKK HOLDING ASIA PTE. LTD.	
	YKK PAKISTAN (PRIVATE) LIMITED	

Report Scope

Period Covered

- FY2021 (April 1, 2021 to March 31, 2022)

Report Scope

YKK Sustainability Vision 2050

- With the Fastening Business at the center, includes other businesses involved in business operation

Environmental

- With the Fastening Business at the center, includes other businesses involved in business operation
- Explanatory notes and the like are included as needed when the extent of coverage differs

Social

- The extent of the data is shown individually

Governance

- The extent of the data is shown individually

Financial Information

- Disclosed for the YKK Corporation and its 105 subsidiaries on a consolidated basis as the “Group,” and for each segment (Fastening Business, Architectural Products Business, Other Businesses)

YKK PHILOSOPHY

CYCLE OF GOODNESS®

“No one prospers without rendering benefit to others.”



As an important member of society, a company survives through coexistence.

When the benefits are shared, the value of the company's existence will be recognized by society.

When pursuing his business, YKK's founder, Tadao Yoshida, was most concerned with that aspect, and would find a path leading to mutual prosperity.

He believed that using ingenuity and inventiveness in business activities and constantly creating new value would lead to the prosperity of clients and business partners and make it possible to contribute to society.

This type of thinking is referred to as the "CYCLE OF GOODNESS," and has always served as the foundation of our business activities.

We have inherited this way of thinking, and have established it as the YKK Philosophy.

YKK MANAGEMENT PRINCIPLE

“YKK seeks corporate value of higher significance.”



Seeking **corporate value** of higher significance,
YKK will pursue innovative **quality** in the seven key areas shown above.

YKK Group companies seek to delight our customers, earn the high regard of society and make our employees happy and proud.

We are improving the quality of our products, technology, and management as the means to achieve this.

We make fairness the fundamental standard for all YKK Group business operations, and this is the basis for our management decisions.

YKK CORE VALUES

**Do not fear failure; experience builds success. /
Create opportunities for employees.**

Insist on quality in everything.

Build trust, transparency and respect.



YKK's Founder, Tadao Yoshida

The Philosophy of YKK's Founder, Tadao Yoshida

YKK is constantly pursuing contributing to a sustainable society through its core business. The foundation of all such corporate activities is the Cycle of Goodness® corporate philosophy of YKK founder Tadao Yoshida. This philosophy clearly expresses YKK's spirit of continuing to prosper together with society, customers, related industries, and employees. It is a concept that is highly compatible with sustainability. The founder repeatedly conveyed the essence of this corporate philosophy to employees, speaking of it in various ways.

Tadao Yoshida's words, "business is like building a bridge," which are connected to the "Cycle of Goodness," can be understood in terms of sustainability, as he

believed that unless we benefit society as a whole, we will not be able to prosper ourselves.

The words "manufacturing like clear spring water" and "trash can be a great resource if it is utilized with ingenuity" are linked to environmental consideration, and the words "the strength of a forest is better than a big tree" are linked to respect for human rights and individuality.

A philosophy that is highly compatible with sustainability has been at the core of YKK's management since the time of the founder. It continues to be inherited at the company even today, more than 80 years later.

Business is like building a bridge



(July 1965)

I don't think that a business will prosper unless it is both profitable and also contributes to the world and is useful to human society. Nothing brings more happiness than when we can contribute to the local industry and the local economy, thereby enriching the lives of local people. YKK's "bridges" that bring abundant civilization to developing countries and new affluence to developed countries will continue in the future.

Manufacturing like clear spring water



(January 1984)

Like a wonderful fountain, it bubbles forth, rich and authentic. This is true abundance. The important thing is not to waste valuable resources. Then it will be a great product.

If we make use of our ingenuity, even our waste can be a great resource



(January 1971)

The first thing we should do is think about how to better deal with waste from our own neighborhoods and implement those ideas together. If we continue digging for underground resources, cutting down trees, catching fish, and increasing oceans where fish can't live as we are doing now, it will mean the destruction of humanity.

The strength of the forest is greater than the trees



(July 1970)

Some trees are thick with experience and age, others are young and thin. There are tall trees and short trees. We work well together, not under the control of anyone, using our strengths and abilities according to our individuality.

From the Cycle of Goodness® to a Sustainable Future

YKK sustainability vision 2050

YKK's action plan for a sustainable future



climate change

- Tackle GHG emissions
- Increase use of renewable energy

In order to combat global climate change, YKK commits to greenhouse gas emissions reduction targets that are required to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.



material resources

- Increase use of sustainable materials

YKK will reduce waste and the use of petroleum derived materials throughout the lifecycle of our Fastening products. We will contribute to the transition to a circular society by eliminating production and plastic waste and developing products designed for circularity.



water resources

- Reduce water use and manage wastewater

To combat serious water resource depletion and degradation, YKK will reduce its water intakes and strictly manage wastewater.



chemical management

- Manage and reduce chemical usage

To ensure a healthy environment for future generations, YKK will reduce the environmental impact caused by chemicals used in the manufacture of our products.



respect people

- Uphold human rights and ensure fair, safe work environments

YKK believes in the universal philosophy of respecting the dignity and rights of all human beings and is committed to contributing to a diverse and sustainable society.

Aiming for Climate Neutrality as a Company that Co-exists and Co-prospers with Society and the Natural Environment

SDGs



Medium-Term Direction

Enhancing Sustainability

Management Centered on Sustainability: The YKK Sustainability Vision 2050

In 2020, YKK formulated the YKK Sustainability Vision 2050. Targets were set for five themes – climate change, material resources, water resources, chemical management, and respect people – and we are working toward the achievement of the related SDGs and climate neutrality by 2050.

In FY2021, we rolled out sustainability promotion systems in each region and country around the world and redoubled our efforts to tackle issues such as climate change and resource recycling. We are also actively investing in such areas as low-energy production facilities and solar power generation. We plan to invest 6.7 billion yen in sustainability-related investments in FY2022.

Sustainability-related investment
(capital investment)

6.7 billion yen
(FY2022 business plan)

Working together as a member of society

Asako Yoshioka

Vice President,
Sustainability Department



We can say that sustainability is encoded in YKK's very DNA, in the form of our Cycle of Goodness® philosophy and its proposition that “no one prospers without rendering benefit to others.” As a company that is a member of society, we make maximum use of our own resources and cooperate with external industry organizations to work actively on solving global environmental and social issues.

► YKK Sustainability Vision 2050 - Achievement of Climate Neutrality by 2050 -

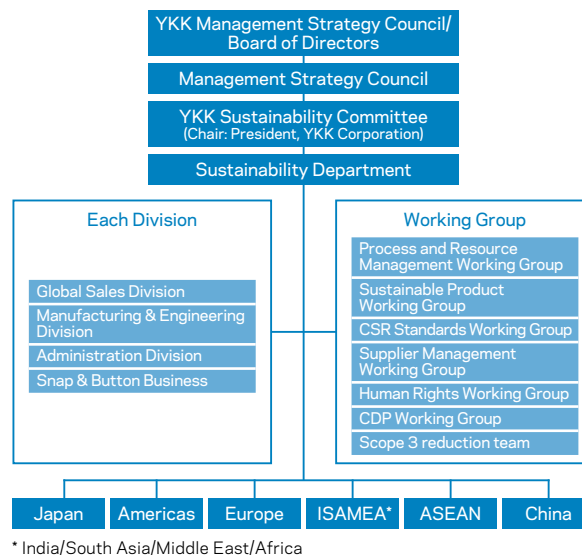
Theme	Goal	SDGs
 climate change Tackle GHG emissions Increase use of renewable energy	Reduce emissions of CO ₂ and other greenhouse gases in our company and supply chain. • Scope 1, 2 50% reduction by 2030 (from a 2018 baseline year) • Scope 3 30% reduction by 2030 (from a 2018 baseline year) Be carbon neutral by 2050.	 
 material resources Increase use of sustainable materials	By 2030, switch to 100% sustainable textile materials (recycled materials, naturally-derived materials, etc.) By 2030, replace all vinyl/plastic packaging materials with sustainable packaging, including recyclable/reusable forms. Reduce the amount of waste to be landfilled or incinerated at all production sites. By 2030, increase the waste recycling rate to 90%.	
 water resources Reduce water use and manage wastewater	We will reduce our water intake through efficient usage, the development of new water saving production methods, and the increased recycling of wastewater. Strictly manage wastewater at all manufacturing sites in accordance with Government regulations and YKK in-house standards established based on industry standards such as ZDHC (Zero Discharge of Hazardous Chemicals).	
 chemical management Manage and reduce chemical usage	Manage and further reduce the use of chemical substances in product manufacturing from input to output in accordance with our own standards (YKK Restricted Substance List), which was established based on industry standards such as ZDHC MRSL (Manufacturing Restricted Substances List) Our finished products meet industry standards such as Standard 100 by OEKO-TEX® ensuring they are free of harmful substances. Develop new production methods that reduce and eliminate the use of toxic chemicals.	 
 respect people Uphold human rights and ensure fair, safe work environments	By valuing diversity, being inclusive, respecting human rights, and improving the work environment, we will create better and safe workplaces throughout our supply chains. We will ensure that each individual can work with peace of mind, make the most of his or her individuality, and lead a healthy and happy life. Implement YGCC audit (YKK Global Criteria of Compliance), a comprehensive standard based upon YKK's "Cycle of Goodness" philosophy and the ISO26000 guidelines, at YKK Group facilities. Periodic evaluations by 3rd party auditors are conducted to assure transparency and improvement of sustainable practices.	   

Sustainability promotion structure

A YKK Sustainability Committee chaired by the president of YKK is established. Working groups are created for each theme that work to solve issues as we aim to achieve the targets of the YKK Sustainability Vision 2050. Overseas, Sustainability Committees for each region have been established since FY2021 in response to the committee structure at Headquarters, in order to disseminate and implement Headquarters' sustainability policies and measures, thereby establishing a global promotion system.

From FY2022, a CDP Working Group (WG) to strengthen information disclosure based on social demands and a Scope 3 reduction team to reduce greenhouse gas emissions under Scope 3 have been newly established in the Sustainability Committee's working groups. The entire company will continue to work together to achieve the vision.

Sustainability promotion structure



Progress (FY2021 Results)	Plans for FY2022 and Beyond
Scope 1, 2 GHG emissions: 471,672 t (18.2% reduction from 2018 baseline) Scope 3 GHG emissions: 737,783 t (15.1% reduction from 2018 baseline)	Scope 1, 2 GHG emissions FY2022: 480,000 t or less (16.8% or more reduction from 2018 baseline) Scope 3 GHG emissions FY2022: 782,000 t or less (10% or more reduction from 2018 baseline)
Proportion of sustainable materials: 13% (up 7 points year-on-year)	Proportion of sustainable materials FY2022: 24%
Switch to sustainable packaging materials: 3.3%, all companies • YKK Vietnam Co., Ltd. (Nhon Trach Plant): 19.2% • JAPAN Company (Kurobe Manufacturing Center): 38.9%* *Switched to full use for main inner packaging by July 2022.	
Landfill waste: 6,806 t (down 272 t year-on-year)	Convert landfill waste into resources and limit waste generation
Waste recycling rate: 87.0% (up 3.7 points year on year)	Ongoing review of waste disposal methods, consider introducing recycling methods with lower environmental impacts Move forward target year from 2030 to 2025 for Waste recycling rate of 90%
Water intake: 10.564 million t (down 859,000 t from 2018)	Water intake FY2022: 14% reduction (compared to FY2018)
To ensure thorough wastewater management, we manage wastewater using voluntary control standards stricter than government regulations Violations of wastewater management standards: 1 case	Introduction of industry standards such as Zero Discharge of Hazardous Chemicals (ZDHC) into wastewater management
Request to all suppliers to comply with our in-house standards (YKK RSL) Revision of YKK RSL and communication of same to operating companies in Japan and overseas	Annual revision of YKK RSL and communication of same to suppliers Based on this, thorough control of chemical substance use from entry to exit
Development of paints that reduce the use of toluene and xylene Periodic renewal of OEKO-TEX® certification	Enhanced management of restricted substances when developing new products or changing materials Periodic renewal of OEKO-TEX® certification
Expansion of lineup of products made with AcroPlating® technology, a new plating technology for brass Sales share of products made with this technology: 5% (snap & button products)	Expand range of products made with AcroPlating® technology
Implementation of YGCC self-checks at all applicable locations	Through YGCC implementation, continue to identify/assess human rights risks as required by UNGP

Organizations and Initiatives YKK Participates In

Science Based Targets initiative approved YKK's reduction targets of 1.5°C

YKK's target of greenhouse gas reduction for 2030 of 1.5°C has been approved by an international organization, the SBT initiative. This is an effort to limit the global average temperature rise due to climate change to less than 1.5°C compared to before the Industrial Revolution. (March 2021)



YKK joined the net-zero recovery efforts

YKK took part in a "net-zero recovery" statement announced on May 19, 2020 by the SBT initiative and UN Global Compact. The statement is based on the idea of aligning the climate control objective of achieving carbon neutrality (reaching net-zero CO₂ emissions) by 2050 with the economic recovery from COVID-19.

YKK signed the Fashion Industry Charter for Climate Action

YKK signed the Fashion Industry Charter for Climate Action in March 2020, which established the fashion industry's initiative under the auspices of United Nations Climate Change at COP24. Based on the long-term objectives of the Paris Agreement, this charter focuses on achieving a 30% reduction of total greenhouse gases (GHG) by 2030 and achieving carbon neutrality by 2050.



YKK joined the Sustainable Apparel Coalition

The SAC is an apparel organization, which YKK joined in 2018, that works to reduce the impact that products worldwide have on the environment and society. YKK, along with apparel brands, retailers, manufacturers, raw material manufacturers, research institutes, governmental organizations, etc. across the world, works on improving sustainability of supply chains in the apparel, footwear, and textile industries.



YKK joined the Japan Sustainable Fashion Alliance

YKK joined the Japan Sustainable Fashion Alliance in September 2021, which aims to promote the transition to a sustainable fashion industry, as a full member. The Alliance's goals are "zero fashion loss through appropriate production, purchase, and recycling" and "carbon neutrality by 2050."

YKK joined the Ellen MacArthur Foundation Network

For years, YKK has partnered with many fashion brands that are members of the Ellen MacArthur Foundation Network to conduct initiatives aimed at achieving a circular society in the fashion industry. In April 2022, YKK became a member of the Network in order to accelerate further our efforts to "contribute to the transition to a circular society" as stipulated in YKK Sustainability Vision 2050.

Awards and Achievements (FY2021)

Please see News Release and Updates on our website for more details.

https://www.ykk.com/english/corporate/csr/c_news/

Awarded month/year	Name of award and reason	Recipient	Awarding organization
April 2021	Intellectual Property Achievement Award "Minister of Economy, Trade and Industry Award" for trademark exploitation	YKK Corporation	Japan Patent Office, Ministry of Economy, Trade and Industry
April 2021	61st BCS Award (Passive Town Block 1)	YKK Real Estate	Japan Federation of Construction Contractors
August 2021	Placement on the Shenzhen City Bao'an District 3A Trustworthy Company List	YKK Zipper (Shenzhen) Co., Ltd.	People's Government of the Bao'an District, Shenzhen City
September 2021	Number of Employees Hired - Top 100 Companies	Shanghai YKK Zipper Co., Ltd.	Shanghai Municipal Commission of Commerce
September 2021	Economic Contribution Award	Shanghai YKK Zipper Co., Ltd.	People's Government of the Pudong New Area, Shanghai City
October 2021	12th EST Transportation Environment Awards, Minister of Land, Infrastructure, Transport and Tourism Award (Commuting reform initiatives at the Kurobe Manufacturing Center)	YKK Corporation	Foundation for Promoting Personal Mobility and Ecological Transportation
December 2021	"YKK Sustainability Journal" Outstanding Public Relations Award Phoenix Award (Brochures - Print Category)	YKK (U.S.A.) Inc.	Public Relations Society of America, Georgia Chapter
December 2021	GEAR Awards, State of Georgia, U.S.A.	YKK (U.S.A.) Inc.	Georgia Department of Economic Development

Environment

Environmental management

■ Environmental policy promotion system

Toward achievement of YKK Sustainability Vision 2050, we established the YKK Sustainability Committee under the Management Strategy Committee. With the company president as its chair, the Committee is addressing environmental issues, such as climate change. The Committee is doing so by determining policies and strategies as well as by building a global sustainability promotion structure.

■ Environmental management system

YKK builds an environmental management system in each company that follows the ISO 14001 international standard and promotes continuous environmental activities.

Furthermore, YKK has formulated the YKK Global Criteria of Compliance (YGCC), which is based on internal rules related to working conditions, health and safety, the environment, and fair business practices. Self-checks are carried out once a year in addition to periodic external audits.

■ Environmental objectives and targets

YKK has established a mid-term environmental management policy and measures are analyzed every four years to fit the mid-term management policy. In the 6th mid-term environmental management policy, starting from FY2021, we are carrying out activities to achieve a sustainable society focusing on the concept of "Technology-oriented value creation" and with the aim of becoming a company for the social good that is in harmony with the environment. Activities are being carried out after formulating environmental objectives each year toward achievement of the environmental management policy.

YKK 6th Mid-term Environmental Policy (FY2021-FY2024)

Under the 6th Mid-term Management Vision, "Technology Oriented Value Creation," YKK will promote sustainability through its business activities and products, harmonize with the environment, continue to be a company for the social good, and contribute to society.

Guidelines for Action

- In accordance with YKK Sustainability Vision, we will strengthen our environmental management system and carry out continuous improvement to ensure environmental compliance and reduce environmental impacts.
- In order to achieve climate neutrality by 2050, we will reduce CO₂ and other greenhouse gas emissions over the long-term.
- We will reduce environmental impacts throughout the product life cycle and promote the transition to sustainable energy and materials.
- We will reduce our impacts and loads on the environment by reducing the use of water and chemical substances for the preservation of ecosystems and enrichment of life.

April 1, 2021

Hiroaki Otani

President, YKK Corporation

FY2022 YKK Environmental Objectives

Contribute to the society in harmony with environment

1 Response to climate change

- Scope1 & 2 emissions 16.8% CO₂ emission reduction from 2018 (50% reduction by 2030)
- Scope 3 emissions 10.0% CO₂ emission reduction from 2018 (30% reduction by 2030)

2 Reduce environmental impact

- Waste
 - Target waste recycling rate of 87% or more (90% by 2030 → 90% by 2025)
 - Reduce the total amount of waste by 2% from 2018 (20% reduction by 2030)
 - Switch plastic packaging and packing materials to sustainable materials
- Target water consumption (water intake) amount of 14% from 2018 (20% reduction by 2030)
- Promote appropriate management and reduction of chemical substances

3 Provide and propose environmentally friendly products

- Ensure the implementation of environmentally friendly themes in the development of products and equipment

4 Ensure compliance

- Continue to achieve zero environmental compliance violations and zero environmental accidents
 - Foster environmental human resources through environmental education
 - Strengthen environmental management system

Climate Change

Basic Philosophy

In March 2020, YKK signed the Fashion Industry Charter for Climate Action aimed at achieving the objectives of the Paris Agreement, to enable the company to achieve “Climate Neutral” by 2050. Further, in March 2021, we set a CO₂ reduction target of limiting the average worldwide temperature increase to 1.5°C (objective approved by the SBT), and we are working to implement energy conservation and renewable energy, in an aim to reduce CO₂ emissions at each of our business sites around the world.

FY2021 Initiatives

Despite the impact of the worldwide COVID-19 pandemic, we increased production volume over the previous fiscal year in FY2021 while achieving our target of reducing GHG emissions by 12.6% for FY2021 compared to FY2018. (Actual: 18.2% reduction from FY2018)

The entire Group is moving forward with renewable energy procurement, and eleven of our plants around the world have achieved procurement of 100% of their used power as renewable energy.

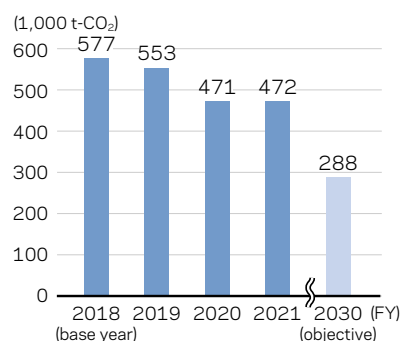
In addition, we are also creating renewable energy, including the operation of solar power generation equipment to newly generate 2,144 kW of power in China.

Changes in CO₂ emissions

YKK received an approval for its reduction target of 1.5°C from the Science Based Targets initiative in March 2021. We will aim for a 50% reduction (compared to FY2018) of greenhouse gases in Scope 1 and 2, and a 30% reduction (compared to FY2018) in Scope 3 by 2030.

Scope 1, 2

* Calculated using the YKK Group GHG calculation rules
(CO₂ conversion factor fluctuation of electricity)

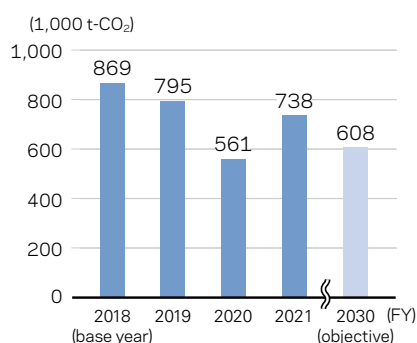


CO₂ emissions in FY2021 was reduced by 18.2% compared to FY2018

	2018	2019	2020	2021
Japan	79	71	58	67
Americas	41	43	33	33
Europe	28	28	25	21
ISAMEA	46	46	35	47
ASEAN	226	215	178	169
China	157	150	142	133

Scope 3

* Calculated using the Scope 3 calculation method noted later (P.14)



CO₂ emissions in FY2021 was reduced by 15.1% compared to FY2018

	2018	2019	2020	2021
Japan	230	197	116	147
Americas	106	91	62	88
Europe	41	41	32	43
ISAMEA	57	59	43	49
ASEAN	238	224	157	217
China	198	183	151	194

Breakdown of CO₂ emissions from the entire supply chain* (FY2021 results)(1,000 t-CO₂)

			Region Total	Japan	Americas	Europe	ISAMEA	ASEAN	China
Scope1	Direct emissions from fuels burned on-site, etc.		89	11	11	17	10	25	15
Scope2	Indirect emissions from purchased power and the use of heat		383	56	22	5	37	145	118
Scope3	Category 1	Purchased Goods and Services	474	100	52	16	15	151	139
	Category 2	Capital Goods	73	24	6	10	8	18	7
	Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	50	10	5	5	5	16	10
	Category 4	Upstream Transportation and Distribution	54	4	16	7	9	7	10
	Category 5	Waste Generated in Operations	1	0	0	0	0	0	0
	Category 6	Business Travel	1	0	0	0	0	0	0
	Category 7	Employee Commuting	9	5	1	1	0	2	0
	Category 8	Upstream Leased Assets	–	–	–	–	–	–	–
	Category 9	Downstream Transportation and Distribution	–	–	–	–	–	–	–
	Category 10	Processing of Sold Products	0	0	0	0	0	0	0
	Category 11	Use of Sold Products	–	–	–	–	–	–	–
	Category 12	End-of-Life Treatment of Sold Products	76	3	8	5	11	22	27
	Category 13	Downstream Leased Assets	–	–	–	–	–	–	–
	Category 14	Franchises	–	–	–	–	–	–	–
	Category 15	Investments	–	–	–	–	–	–	–
		Other	–	–	–	–	–	–	–
Scope 3 Total			738	147	88	43	49	217	194
Scope 1, 2, and 3 Total			1,209	214	122	64	96	387	327

* Calculated using the YKK Group GHG calculation rules (CO₂ conversion factor fluctuation of electricity) and the Scope 3 calculation method noted later

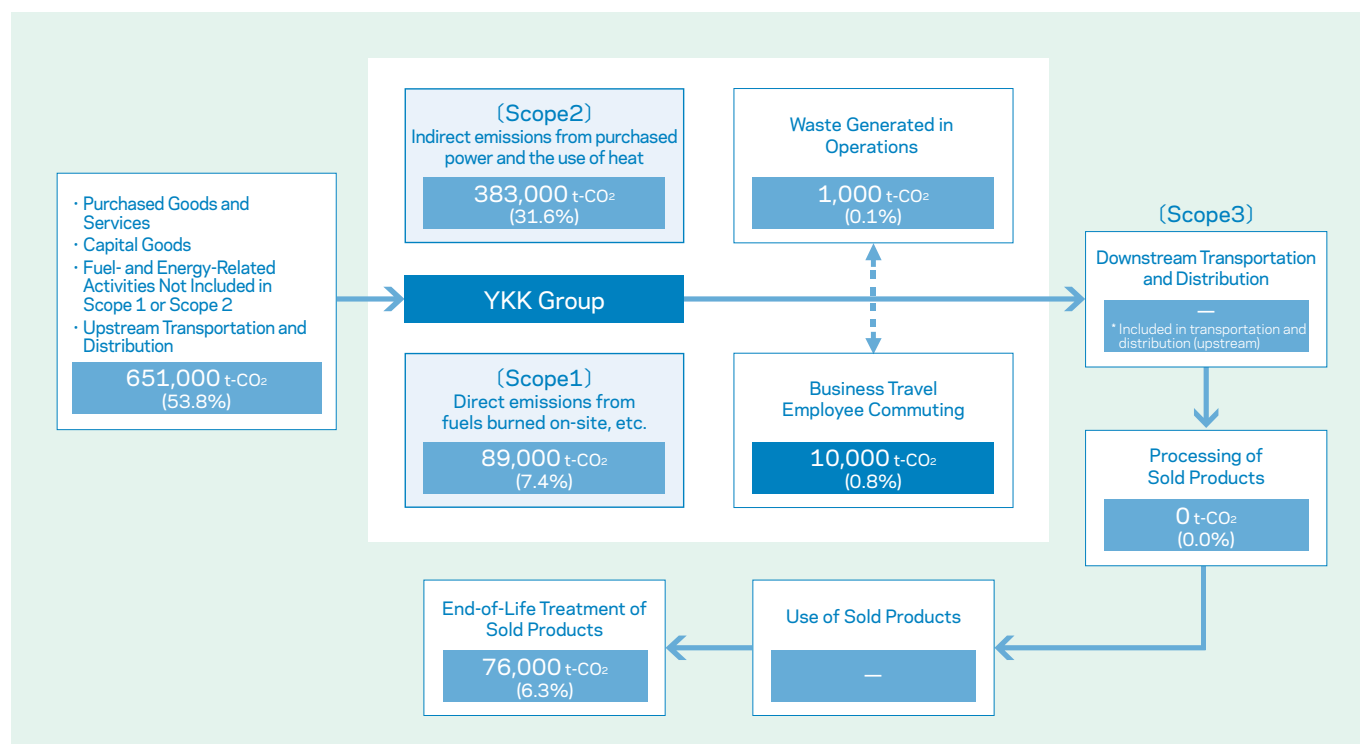
Scope 3 calculation method (amount of activity x emission intensity)

Categories		Calculation method	
		Amount of activity	Emission intensity
Category 1	Purchased Goods and Services	Weight of purchased raw materials	Intensity database ^(1, 3)
Category 2	Capital Goods	Equipment investment value of capital goods	Intensity database ⁽¹⁾
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Amount of energy (electricity and fuel) consumption	Intensity database ^(1, 2)
Category 4	Upstream Transportation and Distribution	Cargo owner's procurement ton-kilometers	Intensity database ^(1, 2)
Category 5	Waste Generated in Operations	Amount of processed waste materials per type	Intensity database ^(1, 2)
Category 6	Business Travel	Transportation allowance per transportation means	Intensity database ⁽¹⁾
Category 7	Employee Commuting	Transportation allowance per transportation means	Intensity database ^(1, 2)
Category 8	Upstream Leased Assets	We excluded emissions associated with the operation of the leased assets because they were included in Scope 1 and 2.	
Category 9	Downstream Transportation and Distribution	We excluded it because we included it in category 4 because the product is shipped directly to the customer.	
Category 10	Processing of Sold Products	Amount of production (duration and number of pieces)	Intensity per amount of production in YKK processing process
Category 11	Use of Sold Products	We excluded this because there are no use-stage emissions by the products we sold.	
Category 12	End-of-Life Treatment of Sold Products	Amount of production (weight)	Intensity database ^(1, 3)
Category 13	Downstream Leased Assets	We excluded this because we do not lease to others.	
Category 14	Franchises	We excluded this because we are not franchise presidents.	
Category 15	Investments	We excluded it because we are not an investment business and not a financial services provider.	
	Other	We excluded this category because it is optional.	

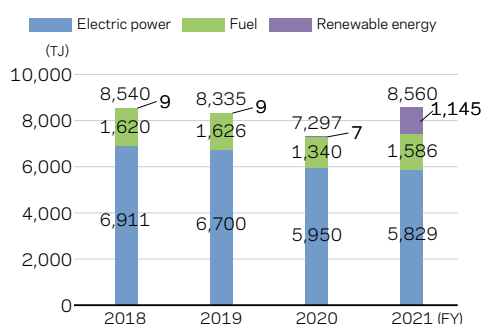
*1 "Emission Intensity Database for Calculating Greenhouse Gas Emissions for Organizations through Supply Chains (Ver. 3.1)"

*2 "LCI Database IDEAv2 (for Calculating Greenhouse Gas Emissions for Supply Chains)"

*3 "GaBi Database"

CO₂ emissions in supply chains (FY2021 results)

Changes in energy consumption



		2018	2019	2020	2021
Electric power	Japan	1,090	1,067	863	1,067
	Americas	759	815	648	515
	Europe	393	316	288	74
	ISAMEA	474	517	442	609
	ASEAN	2,599	2,463	2,285	2,230
	China	1,596	1,522	1,424	1,334
Fuel	Japan	182	182	145	171
	Americas	229	212	153	204
	Europe	250	303	277	305
	ISAMEA	227	206	115	166
	ASEAN	451	461	382	439
	China	281	263	268	302
Renewable energy	Japan	3	3	2	8
	Americas	0	0	0	80
	Europe	0	0	0	99
	ISAMEA	4	3	2	54
	ASEAN	1	2	2	491
	China	1	1	1	413

* The graphs and tables have been created based on the combination of electricity, fuel and renewable energy. Fuel is the sum of A heavy fuel, kerosene, LPG, LNG, town gas, natural gas, diesel oil, gasoline, C heavy fuel, coal, and steam.

COLUMN

Introduction of the Internal Carbon Pricing Scheme



Example of installation of solar power generation equipment
YKK (U.S.A.) Inc. Anaheim Plant

In the previous fiscal year, YKK introduced an Internal Carbon Pricing Scheme (hereinafter, "ICP")* for in-house capital investment.

By using ICP to convert GHG emissions from new facilities into costs, and using them as a factor in investment decisions, we can encourage low-carbon investment, such as introducing low-energy facilities and renewable energy, and thereby promote carbon emission reductions in our business activities. In addition to introducing solar power facilities in 19 of our locations, we are pursuing low-energy strategies in our infrastructure and production facilities.

* ICP scheme: A mechanism to promote corporate action on climate change. A proprietary carbon price is set internally, and converted into costs for CO₂ emissions. These costs can be used as an incentive to reduce CO₂ emissions, to identify profit opportunities and risks, and as a guideline for investment decision making.

Internal carbon price	¥9,000/t-CO ₂ (Common global price)
Target of the system	Capital investments that affect GHG emissions from business activities
Method of application	The internal carbon price is applied to GHG emissions from the relevant equipment investment plans and technology development plans, and the cost converted data is used as materials for assessing investments.

Material Resources

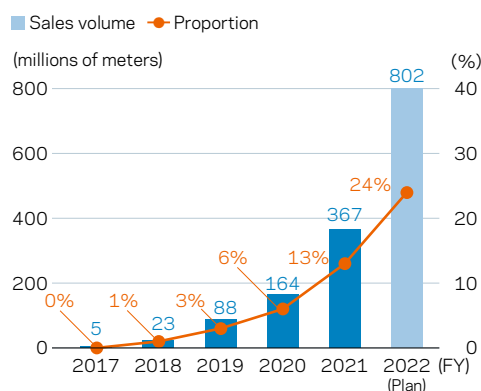
Basic Philosophy

Resources are crucial for monozukuri (manufacturing) companies, but the amount available is limited. In order to conduct sustainable business management, YKK is promoting efforts to achieve a circular economy. For example, we proactively research the use of recycled materials and plant-based materials and adopt and provide them in an aim to reduce waste throughout the lifecycle of our products. Meanwhile, we strive to recycle any generated waste materials as much as possible and to reduce the amount of waste that ends up in landfills.

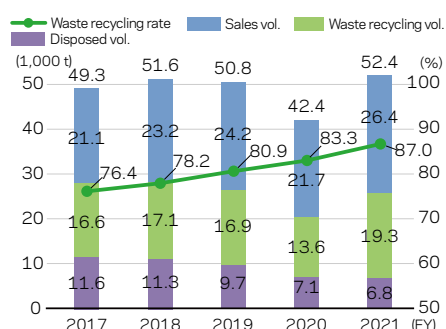
FY2021 Initiatives

In "YKK Sustainability Vision 2050," YKK has set the target of "increasing the waste recycling rate to 90% by 2030." In FY2021, we conducted activities aimed at achieving a waste recycling rate of 81% or more. Thoroughly separating waste materials and strengthening reuse at each of our operating companies and improved waste processing technology in the Asia Region, and other factors, combined to result in a recycling rate of 87.0%, far exceeding the target. Meanwhile, the amount of waste is 2% higher than in FY2018, and waste materials tend to increase as production increases. As the world shows increasing interest in a circular economy, YKK is moving forward with efforts to recycle and reuse resources and reduce waste.

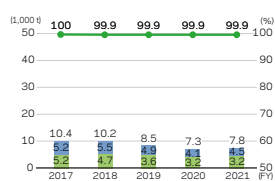
Volume and Proportion of Sustainable Materials Sales



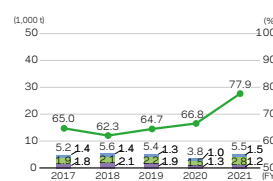
Changes in Waste Emissions, Waste Recycling Rates



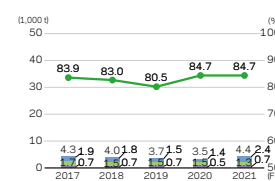
Japan



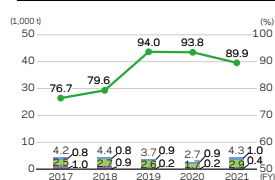
Americas



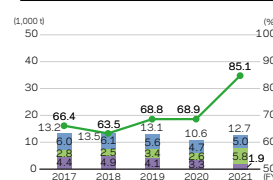
Europe



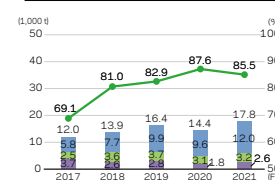
ISAMEA



ASEAN



China



COLUMN

Switching to Sustainable Packaging Materials



30% biomass polyethylene inner packaging materials



YKK Zipper (Shenzhen) Co., Ltd. completed the change of part of its outer packaging materials to biodegradable biomass plastic materials in FY2021.

One of the five themes of the “YKK Sustainability Vision 2050” is “material resources.” We are promoting efforts aimed at transitioning to a sustainable model by replacing all vinyl/plastic packaging materials used for our fastening products with sustainable packaging, including recyclable/reusable forms by 2030.

In FY2021, YKK Vietnam Co., Ltd. (Nhon Trach Plant) and YKK Japan Company (Kurobe Manufacturing Center) switched part of the plastic inner packaging of fastening products to sustainable materials.

We are promoting a switch to polyethylene containing 100% recycled materials at YKK Vietnam Co., Ltd. (Nhon Trach Plant) and 30% biomass material at the JAPAN Company (Kurobe Manufacturing Center). In FY2021 the switchover ratio was 19.2% and 38.9%, respectively.

In July 2022 at the JAPAN Company (Kurobe Manufacturing Center), the switch to biomass material for inner plastic packaging for fastening products, which was being gradually advanced since FY2021, was completed for main inner packaging.

Starting with the change to these inner packaging materials, YKK is moving forward with the transition from vinyl/plastic packing materials to sustainable materials at each of our fastening business sites around the world. The company will be unified in aiming to reach our targets by 2030.

Water Resources

Basic Philosophy

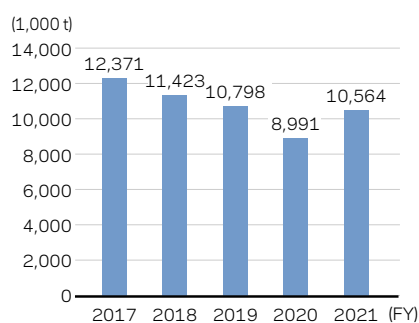
We believe that water is an important resource that is necessary for humans and other living organisms to continue living and a vital asset shared by the community. YKK strives to protect the community's water resources by implementing improvements to the manufacturing process and facilities for water recycling, thereby reducing water usage. In addition, we have implemented high-level processing of wastewater, and otherwise strive to reduce the environmental burden and prevent impact on the community's ecosystem.

FY2021 Initiatives

In FY2021, overall intake water globally was reduced by 7.5% (compared to FY2018), and the net sales intensity was reduced by 9.6% (compared to FY2020), which are significant decreases. Reasons include implementation of production facilities that can use water efficiently, development of technology for a process that enables manufacturing with less water, and promotion of implementation of water recycling technology.

In regard to efforts related to wastewater, globally, there was only one violation of the standard value for wastewater, which occurred at the Kurobe Manufacturing Center. In addition, we used online meetings to continue implementing wastewater processing diagnosis conducting engineer guidance for wastewater processing that was launched in 2014.

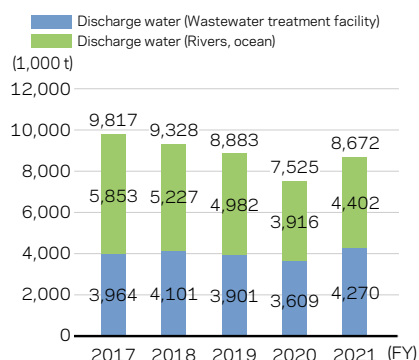
Changes in Intake Water (Total Amount)



Unit: 1,000 t

	2017	2018	2019	2020	2021
Japan	4,362	3,656	3,260	2,565	3,096
Americas	790	785	768	574	732
Europe	815	762	763	655	779
ISAMEA	808	778	856	638	927
ASEAN	3,511	3,399	3,325	2,957	3,126
China	2,085	2,043	1,826	1,602	1,904

Changes in Discharge Water (Total Amount)



Unit: 1,000 t

	2017	2018	2019	2020	2021
Japan	23	25	24	14	20
Americas	522	586	643	488	555
Europe	410	398	381	365	445
ISAMEA	281	308	316	221	490
ASEAN	971	996	992	1,097	1,184
China	1,757	1,788	1,545	1,424	1,576

Unit: 1,000 t

	2017	2018	2019	2020	2021
Japan	3,776	3,422	3,223	2,944	2,901
Americas	96	85	115	47	90
Europe	223	212	191	139	150
ISAMEA	59	59	59	47	205
ASEAN	1,699	1,449	1,394	739	1,056
China	0	0	0	0	0

COLUMN

Proactive Implementation of Water Recycling Technology



Water recycling at an overseas plant

YKK proactively strives to implement water recycling technology aimed at effective use of limited water resources. Currently, we recycle water at nine companies in Japan and overseas. At YKK Korea Co., Ltd., water used in metal zipper surface processing and water after wastewater processing is processed with an RO membrane and reused. Approximately 54,500 t of wastewater per year is recycled. In addition, at YKK do Brasil Ltda., factory wastewater that includes wastewater from multiple processes is processed using multiple membranes and reused. Approximately 37,000 t of wastewater per year is recycled. We will share cases in which it has already been implemented, laterally within the Group and proactively implement water recycling at sites where it has not yet been implemented, and design new water recycling technology, leading to reduction of intake water.

Water-related Initiatives at Kurobe



Investigation of aquatic organisms in a local river

YKK's technological headquarters Kurobe Manufacturing Center is located in a region with plentiful water resources, supported by the Northern Alps. Water used in the plant is cleaned in the company's wastewater processing facility, then released into a local river. We have set a voluntary management standard inside the company that is more stringent than the standard stipulated in governmental laws and regulations, and release water in strict compliance with that standard so that people's health and the living environment are not affected. In addition, YKK obtains the cooperation of specialists who work with our employees to investigate aquatic organisms in order to assess the amount of impact wastewater has on the ecosystem of the river where it is released. We have done this since 2001. In recent years, the results of the investigation have shown the presence of caddisflies and mayflies, which live in clean water. The presence of one of Toyama Prefecture's endangered species, the river sculpin, was also confirmed, indicating that there was little impact on the ecosystem where the water was released. We will continue to use water with consideration given to the local environment and ecosystem.

Chemical Management

Basic Philosophy

YKK works to maintain manufacturing and product safety through proper understanding and management of chemical substances and minimize environmental impacts by reducing the usage of chemical substances.

We comply with laws and agreements and also take action to mitigate environmental risks, such as by preserving the local environment including soil, ground water, air, and water, and are taking steps to prevent environmental accidents before they occur.

FY2021 Initiatives

In FY2021, we revised the YKK Restricted Substance List (YKK RSL) that was established based on laws, regulations, and industry standards for chemical substances related to fastening products to the FY2022 version and launched survey of suppliers for their compliance with the YKK RSL. Further, we standardized the process for confirming compliance of chemical substances at the time of new development and changes to materials and implemented it at each overseas company.

In addition, the development of paints that reduce the use of toluene and xylene for our main products was completed in July 2021, and we plan to switch one by one.

From the perspective of the environment, we compiled a record of the places where chemicals that can pollute the soil have been used, the method of use, and when they were used, etc.

In FY2022, we will take into consideration changes/additions to restrictions, laws, and regulations and industry standards related to chemical substances and make revisions annually in preparation to expand the scope of application of entry control based on the YKK RSL.

COLUMN

AcroPlating® New Plating Technology



Plating with AcroPlating®

AcroPlating® technology is a new surface finishing technology for brass materials with cyanogen, chromium, selenium, and other toxins removed 100%, and which does not use any chemicals used with conventional electroplating. YKK has acquired patents for the manufacturing method in multiple countries, including Japan. In addition to reducing the environmental burden by removing 100% of toxins, we reduced the GHG emitted in the manufacturing process by 96%, water usage by 66%, and electric power usage by 69%.* Further, cyanogen, chromium, and selenium are said to adversely affect the human body and health of biological organisms as well, so using AcroPlating® technology, which has 100% of those substances removed, will also lead to improvement of the manufacturing process work environment.

* Comparison of conventional plating and AcroPlating® technology on the 3Y GSBN8 NH3 product produced at the YKK Kurobe Manufacturing Center



Biodiversity

Basic Philosophy

YKK believes that our most precious stakeholder is nature and strives to become a company that can coexist and prosper together with nature. We thoroughly manage the chemicals and facilities, etc., that we use, and strive to prevent environmental accidents, in order to protect the ecosystem. In addition, we conduct tree-planting activities, etc., to protect the good local environment. Inside the Kurobe Manufacturing Center in particular, we are creating a forest and a waterside with the aim of achieving YKK founder Tadao Yoshida's ideal of a "factory in a forest."

FY2021 Initiatives

In FY2021, we continued to implement tree-planting activities and cleaning activities involving the community that we have been working on at each company around the world since before FY2020, as initiatives that take into consideration the ecosystem. We have conducted tree-planting activities at 16 business sites, for a total of approximately 5,160 trees planted. As for cleaning activities, a total of five sites cleaned beaches with members of the community in order to remove plastic waste and cleaned the neighboring areas.

Main Ecosystem Conservation Activities (FY2021)

Activity details	Activity location	Number of countries where implemented	Objective
Tree-planting activities	Around the factory	9	Absorption of GHGs by plants and maintenance of the ecosystem
	Community (kindergartens, parks, etc.)	4	
	Land affected by forest fires	1	Regrowth of forests on land that suffered damage from major forest fires in Turkey (5,000 trees planted)
Cleaning activities	Cleaning nearby beaches	1	Maintenance of the ocean's ecosystem through removal of plastic waste

COLUMN

YKK Center Park's "Furusato-no-Mori" (Hometown Forest) Earns the Highest Grade Certification from SEGES



YKK Center Park (Kurobe City, Toyama Prefecture)

Since 2008, the grounds of YKK's Kurobe Manufacturing Center have been home to a forest and waterside called "Furusato-no-Mori" (Hometown Forest) and "Furusato-no-Mizube" (Hometown Waterside), respectively. They are a revival of the natural scenery of Kurobe, and were created with the aim of achieving YKK founder Tadao Yoshida's ideal of a "factory in a forest" in 2034, the 100th anniversary of YKK's founding.

The Kurobe Manufacturing Center had been certified at the "Sodateru Midori" (Nurtured Greenery) Stage by the Social and Environmental Green Evaluation System (SEGES)* since 2016, but in March 2022, it was raised to the "Superlative Stage," which is the highest stage.

Materialization of the effects of green spaces through verification testing of the visualization of the amount of CO₂ absorption from green spaces that we have been working on in partnership with SoftBank Corporation since 2020 and the promotion of efforts for specialists to study dragonflies in Toyama Prefecture and other efforts to monitor the ecosystem garnered high praise. We will continue to utilize greenery for the next generation of environmental education and prepare to expand green spaces.

* Social and Environmental Green Evaluation System (SEGES): A system for evaluation of green spaces stipulated in the guidelines, etc., of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment

Environmental Contribution Activities

Basic Philosophy

Under founder Tadao Yoshida's philosophy of "becoming part of the local community," YKK keeps in mind achieving prosperity together with the community, and places value on the connection with the local community as a member of society. Each business site conducts cleaning activities and other environmental contribution activities based on that thinking. In addition, we believe that teaching the children who are the next generation is crucial to solving environmental issues, so we host environmental learning at many business sites.

FY2021 Initiatives

In order to build a sense of unity in environmental activities around the world, business sites in Japan and overseas participated in "Earth Hour," a worldwide event to turn off lights hosted by the World Wildlife Fund (WWF). The event consisted in turning off lights at the same time on the same day all around the world. YKK turned off logo signs, indoor lighting, and outdoor lights, etc., for an hour as the relay of turning off lights made its way around the world.

In addition, because we believe that it is important to consider the environment not only at work but also at home, we hosted an event to implement efforts to reduce CO₂ emissions at home in an aim to cultivate an awareness of the environment in each employee.

Main Environmental Contribution Activities (FY2021)

Activity details	Number of countries where implemented	Remarks
Activities to turn off lights	24 (32 sites)	Participation in "Earth Hour," a worldwide event hosted by the WWF
Cleaning activities	4	Cleaning areas around the premises, nearby bus stops, etc.
Environmental education for the next generation	3	Introduce environmental issues and YKK's environmental activities to children in the community and teach them the importance of environmental protection
Collaboration with the government	1	Participation in the CSR activities of the Department of Industrial Works of the Ministry of Industry of Thailand
Lecture activities *Japan only calculated	1 (6 times)	Lectures on YKK's environmental activities at community groups, universities, environmental events, etc.

COLUMN

Promotion of Environmental Education and Activities to Raise Awareness in India



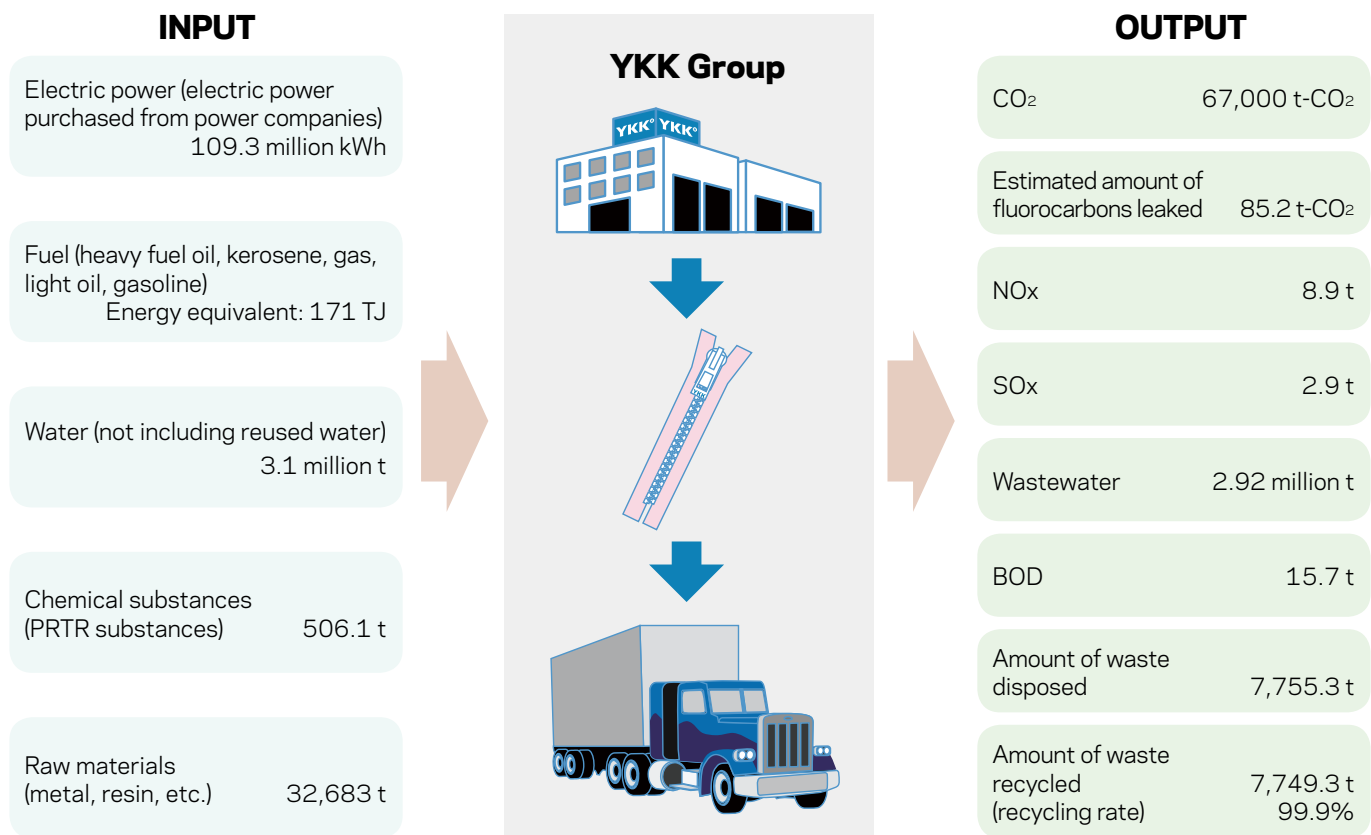
A scene of environmental education for children

YKK India Pvt. Ltd. is working proactively on activities to raise awareness of social and environmental issues.

Although activities were not possible for two years due to COVID-19, the company implemented initiatives to raise environmental awareness and hosted an art contest related to environmental issues for 160 students at three nearby village schools each year. Environmental issues are one of the main concerns in the world. We will continue providing education and awareness activities for children to enable them to think about environmental issues and protect the global environment.

[Reference] Fastening Business and Other Businesses Related to Business Operations (Japan)

Environmental impact mass-balance (FY2021 results)



■ Violations of environmental laws and regulations

We have not had any administrative actions or fines imposed related to environmental laws and regulations in the past five years.

Status of Compliance at YKK Corporation and YSF (results)

Air Pollution Control Act: Exhaust gas (Production sites in Japan, FY2021 results)

Equipment	Plant	Soot and dust (g/Nm ³)					Nitrogen oxide (ppm)				
		National emissions standard	Municipal agreed value	Highest value measured in FY2021	Assessment	(Reference) Voluntary emission standard	National emissions standard	Municipal agreed value	Highest value measured in FY2021	Assessment	(Reference) Voluntary emissions standard
Boilers	YKK Corporation	0.30	–	Below 0.01	Acceptable	0.05	180	–	83	Acceptable	80
	YSF	–	–	–		–		–	–		–

Water Pollution Prevention Act: Wastewater (Production sites in Japan, FY2021 results)

Unit: mg/l (except pH)

Item	Plant	National emissions standard	Prefectural water emissions standard	Municipal agreed value	Highest value measured in FY2021	Assessment	(Reference) Voluntary management standard
pH	YKK Corporation	5.8~8.6	5.8~8.6	5.8~8.6	Min.: 6.6 Max.: 7.5	Acceptable	6.0~8.4
	YSF	–	–	5.0~9.0	Min.: 6.6 Max.: 7.2	Acceptable	5.8~8.8
BOD	YKK Corporation	120	15	15	32.0	Not acceptable	5
	YSF	–	–	600	131.0	Acceptable	200
COD	YKK Corporation	–	–	–	8.3	Acceptable	12
	YSF	–	–	–	–	Acceptable	–
Suspended solids	YKK Corporation	150	90	50	5.0	Acceptable	10
	YSF	–	–	600	78.0	Acceptable	120
Oil	YKK Corporation	5	–	3	Less than 0.5	Acceptable	1
	YSF	–	–	35	27.0	Acceptable	18
Cyanide	YKK Corporation	1	–	0.1	Less than 0.01	Acceptable	0.02
Hexavalent chromium compound	YKK Corporation	2	–	0.1	Less than 0.02	Acceptable	0.03

* YKK Corporation discharged into a river, and YSF discharged into a wastewater treatment facility.

Water Pollution Prevention Act: Ground water (Production sites in Japan, FY2021 results)

	Substance	Unit	Environmental standard*	Measurement results for FY2021	Assessment
Volatile organic compounds	Dichloromethane	mg/l	0.02 or less	Less than 0.002	Acceptable
	Carbon tetrachloride	mg/l	0.002 or less	Less than 0.0002	Acceptable
	1,1-Dichloroethylene	mg/l	0.1 or less	Less than 0.002	Acceptable
	Cis-1,2-Dichloroethylene	mg/l	0.04 or less	Less than 0.004	Acceptable
	1,1,1-Trichloroethane	mg/l	1 or less	Less than 0.0005	Acceptable
	Trichloroethylene	mg/l	0.01 or less	Less than 0.002	Acceptable
	Tetrachloroethylene	mg/l	0.01 or less	Less than 0.0005	Acceptable
Heavy metals	Cadmium	mg/l	0.003 or less	Less than 0.001	Acceptable
	Cyanide	mg/l	Not detected	Less than 0.1	Acceptable
	Lead	mg/l	0.01 or less	Less than 0.005	Acceptable
	Hexavalent chromium	mg/l	0.05 or less	Less than 0.005	Acceptable
	Selenium	mg/l	0.01 or less	Less than 0.002	Acceptable
	Fluorine	mg/l	0.8 or less	0.1	Acceptable
	Boron	mg/l	1 or less	Less than 0.1	Acceptable

* Environmental standard: Keeping the amount below this standard is desirable for protection of human health and preservation of the living environment.

Noise Regulation Act: Noise (Production sites in Japan, FY2021 results)

Unit: db

Plant	Type	Prefectural standard	Municipal agreement on pollution control	Highest value measured in FY2021	Assessment	(Reference) Voluntary standards
YKK Corporation	Daytime (8:00 A.M. to 7:00 P.M.)	70	60	58	Acceptable	60
YKK Corporation	Morning (6:00 A.M. to 8:00 A.M.) Evening (7:00 P.M. to 10:00 P.M.)	65	55	51.6	Acceptable	55
YKK Corporation	Late night (10:00 P.M. to 6:00 A.M.)	63	50	50	Acceptable	50
YSF	Daytime (8:00 A.M. to 7:00 P.M.)	70	70	64	Acceptable	70
YSF	Morning (6:00 A.M. to 8:00 A.M.) Evening (7:00 P.M. to 10:00 P.M.)	65	65	57	Acceptable	65
YSF	Late night (10:00 P.M. to 6:00 A.M.)	60	60	54	Acceptable	60

PRTR method: PRTR calculations (Production sites in Japan, FY2021 results)

Unit: t

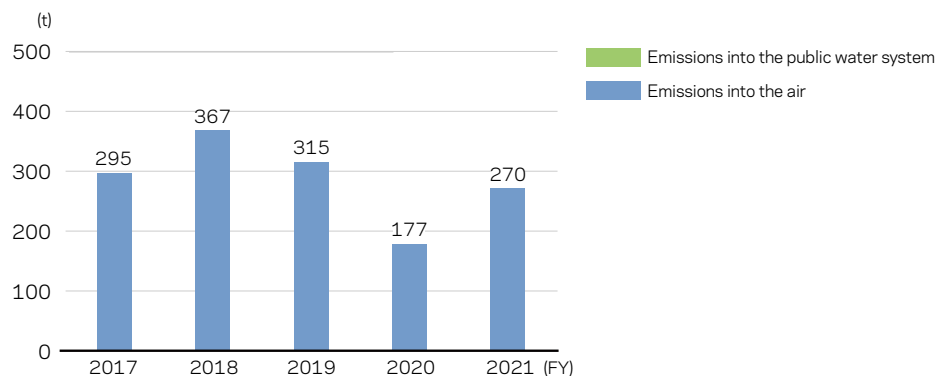
Substance number	Substance	Volume handled	Emissions				Transfer amount to sewer system	Transfer amount		Consumption
			Atmospheric emissions	Public water emissions	Soil emissions	Landfill volume		Waste materials	Sewage	
1	Zinc compounds (water-soluble)	2.58	Less than 0.01	0.00	–	–	0.02	0.08	–	2.48
53	Ethylbenzene	3.61	3.51	0.00	–	–	0.00	0.05	–	0.00
71	Ferric chloride	8.90	0.00	0.00	–	–	8.90	0.00	–	0.00
80	Xylene	34.34	6.51	0.00	–	–	3.24	0.33	–	4.84
144	Inorganic cyanide compounds	25.67	0.05	0.03	–	–	5.12	20.38	–	0.10
232	N,N-dimethylformamide	150.17	150.17	0.00	–	–	0.00	0.00	–	0.00
296	1,2,4-Trimethylbenzene	17.63	6.18	0.00	–	–	4.42	0.00	–	7.02
300	Toluene	115.98	103.65	0.00	–	–	7.60	1.92	–	0.00
308	Nickel	64.15	0.01	0.00	–	–	0.00	6.83	–	56.16
395	Water-soluble salts of peroxydisulfuric acid	3.68	0.00	0.00	–	–	3.68	0.00	–	0.00
412	Manganese and manganese compounds	55.64	0.06	0.00	–	–	0.00	0.00	–	51.46
438	Methylnaphthalene	23.73	0.00	0.00	–	–	0.00	0.00	–	23.73

* Aggregated substances of which we handle 1 t or more (0.5 t or more per year for Class1 Designated Chemical Substances) per year at our domestic production locations

* Consumption: The amount consumed as raw materials, the amount contained in products, or the amount recycled by being sold

* Transformed amount: The amount that has been transformed into other substances by incineration, reactive processing, etc.

Changes in Emissions of PRTR Substances (Production sites in Japan)



Environmental accounting

Actual environmental conservation costs (YKK alone, FY2021 results)

Unit: ¥1 million/year

Item		Description of main initiatives	Equipment investment	Cost	
Costs within business area	Prevention of pollution	Replacement of wastewater treatment facilities	92	271	
	Conservation of the global environment	Improvements in energy efficiency, replacement of air conditioning and compressors	33	95	
	Recycling of resources	Promotion of resource recycling and management of industrial waste	0	43	
Business area internal cost total			125	409	
Upstream/downstream costs		Sustainable procurement	11	9	
Management activities costs		Maintenance of ISO certifications, environmental information disclosure, environment-related analyses	6	479	
R&D costs		Product development	27	136	
Social activities costs			0	0	
Environmental damage repair costs		Soil contamination measures work, ground water measures work	18	266	
Other costs		Inspection/management of fire extinguishing equipment	0	15	
Total			187	1,314	
			FY2020	220	774
			FY2019	183	952
			FY2018	288	1,559
			FY2017	341	1,646

	Environmental equipment investment			Environmental costs		Sales (Unit: ¥100 million)	Total equipment investment (Unit: ¥100 million)
	Amount (Unit: ¥100 million)	Ratio to sales (%)	Equipment investment ratio (%)	Amount (Unit: ¥100 million)	Ratio to sales (%)		
FY2021	1.9	0.2	3.2	13.1	1.4	910	59
FY2020	2.2	0.3	4.0	7.7	1.2	641	55
FY2019	1.8	0.2	1.6	9.5	1.0	908	115
FY2018	2.9	0.3	2.4	15.6	1.6	988	121
FY2017	3.4	0.4	3.5	16.5	1.9	855	98

Social

Human resources and hiring

Related data/YKK alone

	Unit	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021
Number of employees (consolidated)	people	45,618	46,167	46,261	44,510	44,410
Number of employees (YKK Corporation)	people	4,149	4,733	4,823	4,849	4,454
Gender	Male	people	2,843	3,153	3,240	3,280
	Female	people	1,306	1,580	1,583	1,569
Gender %	Male	%	69	67	67	68
	Female	%	31	33	33	32
Age	10s - 20s	people	1,019	1,132	1,194	1,196
	30s	people	966	1,084	1,075	1,107
	40s	people	830	1,049	1,088	1,085
	50s	people	954	1,022	970	936
	60s or older	people	380	446	496	525
Average age	years old	41.8	41.8	41.7	41.7	42.0
Gender	Male	years old	42.1	42.2	42.4	42.5
	Female	years old	39.9	40.3	40.6	40.8
Average length of service	years	18.8	18.6	18.3	18.3	18.5
No. of new hires	people	234	220	224	181	93
Turnover	people	174	183	153	175	170

COLUMN

Abolition of the Mandatory Retirement Age



In April 2021, we abolished the mandatory retirement age at operating companies in Japan. This makes it possible for individuals to work regardless of their age as long as they are able to fulfill the role required by the company. Employees decide themselves when they will retire. Each individual determines the ideal nature of his or her own life and work, and puts achievement of those goals into action.

The company will achieve a truly “fair” personnel system based on roles that are not restricted by age, gender, or nationality. The pursuit of employee autonomy and the fairness sought by the company generates a synergetic effect, and is aimed at a higher level of revitalization.

Human Asset Development

Basic Philosophy

On the foundation of the Personnel Principle “Independence and Coexistence,” we want every employee to take the initiative to learn, work with others and improve through friendly rivalry, and proactively take on the challenge of achieving their individual goals, and grow through the experience. In addition to encouraging each employee to engage in self-improvement and giving them support in that effort, the company will create opportunities for employees to utilize their strengths and gain experience, and connect those efforts to the growth of both the employee and the company.

FY2021 Initiatives

We implement a hybrid type of tiered training, next-generation leader training, coaching and facilitation training, etc., that is a combination of self-study, online training, and group training geared toward the contents and aims of the training, and accelerate the utilization of online and self-study tools. In addition to having sufficient effect in classes taught by lecturers and in group work, online training has the advantage of not requiring travel time, and although it is necessary to take time differences into consideration, we were able to conduct training from Japan for employees on overseas assignment. On the other hand, there are issues related to deep exchange of opinions between participants and the personal connections it creates, and in the future, we will conduct the training in a way that is more effective based on the contents of the training.

Related data/YKK alone

	Unit	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021
Training cost per person	Yen	47,998	54,839	59,317	25,690	30,553
People who took OFF-JT training*	people	3,088	2,665	2,442	1,436	1,636
People who took distance learning	people	615	593	656	829	705
Percentage of employees undergoing periodic reviews related to work performance and career development	%	100	100	100	100	100

* Training hosted by the Human Resources Department

COLUMN

Aiming for the growth of the company and employees through support for employees' career formation



FY2020 Career Training

YKK hosts Career Training for all employees at each “milestone” age as support for employees to walk through their careers according to their own thinking. While reflecting on their own careers up to that point, employees gain a new awareness of changes in the environments inside and outside the company, and think about how they want to work while placing importance on their own strengths and values in the future, while taking into consideration the things that each generation faces.

<Contents of the training (Example)>

- Reflect on work, and take the initiative to think about its significance, your motivation, and your relationship with people around you
- Self-understanding, reexamining turning points
- Understanding past/future environments
- Money, life plan
- Clarify the ideal self and create an action plan

Our aim is to enable employees and the company to grow together by building a foundation for the formation of careers by each employee in preparation for the future and striving for self-fulfillment.

Diversity & Inclusion

Basic Philosophy

Diverse human assets work at YKK, which has been expanding globally, with each exhibiting their respective strengths regardless of their age, gender, or nationality. As the stage following the mobilization of highly diverse human assets, at YKK we are aiming to achieve diversity and inclusion in which our human assets function organically to strengthen business competitiveness.

FY2021 Initiatives

We are working on designing a fair system that is accepting of various working styles, to make it possible for diverse human assets to fully utilize their abilities and form their long-term careers. The COVID-19 pandemic brought significant changes and diversity to working styles, such as promotion of implementation of working at home, staggered work schedules, and flex time work. In light of this, we are working not only to establish a working environment in which employees can continue working while balancing childcare/nursing care and their jobs, but also to create a mechanism for YKK to be a company at which each employee can enjoy work and feel motivated.

Related data/YKK (in Japan)

	Unit	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021
Average working hours	hours	1,955	1,952	1,894	1,650	1,842
Paid vacation utilization rate	%	78.0	79.5	85.9	77.7	83.7
Childcare system users	people	125	153	188	175	187
Nursing care system users	people	6	5	11	6	8
Flex time system users	people	382	377	340	548	698
Female management	people	38	47	51	53	54
Female management rate	%	5.2	5.7	5.9	6.1	7.0
Employment rate of people with disabilities YKK Corporation	%	2.12	2.15	2.24	2.30	2.49
Employment rate of people with disabilities YKK Group	%	2.40	2.40	2.45	2.50	2.52

Points of focus

Promotion of the active participation of diverse human assets

In order to achieve “creativity to realize a sustainable society,” the most important point of the Sixth Mid-term Management Plan, we have added “diverse human assets” that transcend age, gender, and citizenship, etc., including abolition of the mandatory retirement age, to the four strengths of “product appeal & proposal capability” and “technology & manufacturing capability.”

We define “diverse human assets” as “employees who can contribute to the company using their individual experiences and knowledge.” YKK will find the optimal ways to hire, develop, and utilize such individuals, and will strive to establish an environment in which they can work without reserve. As a company-wide management strategy, YKK launched a Diverse Human Resources Promotion Committee, with the President serving as chair of the committee in FY2021, and has established a system for dynamic and effective examination of matters aimed at resolving issues, in order to evolve and accelerate active participation of diverse human assets.

COLUMN

Promotion of hiring of people with disabilities – Special-purpose subsidiary YKK Rokko Corporation –



Exterior of YKK Rokko Corporation

YKK Rokko Corporation is the YKK Group's special-purpose subsidiary that was founded in 1998. Beginning from printing business, the company subsequently expanded, with site business, zipper and window sample production, and other YKK Group business as its core. The company employs people with a variety of disabilities.

We strive to create a place in which individuals with severe disabilities can also work without worry, and to establish a thoroughly barrier-free environment, and otherwise aim to expand our range of business. In addition, we visit regional facilities for people with disabilities and conduct interviews, and share information on the facility via our website, etc., and are proactively interacting with the community.

Promotion of initiatives to support development of the next generation



Acquiring Platinum Kurumin Certification in 2018

The YKK Group supports the active participation of women, while at the same time supporting efforts to make it possible for people with restrictions to continue working as well, by enabling each employee to independently manage life and work and seek fulfillment in both. We are proactively establishing various types of system, including childcare leave, staggered work hours after returning to work after childcare leave, and short-time work and child nursing care leave, regardless of gender. Such efforts to support the development of the next generation were recognized and YKK acquired Platinum Kurumin Certification in 2018.



Tampopo Child Center: Providing an environment for children to grow in a healthy manner

In addition, YKK Real Estate, a Group company located in Toyama Prefecture's Kurobe City, YKK's technological headquarters, is building a Passive Town*, and in 2016, YKK Real Estate opened Tampopo Child Center, YKK's first in-house childcare facility. It has been operated to support the early return to the workplace of employees who have given birth and support working styles that do not view raising children as a handicap. Tampopo Child Center was relocated to Passive Town Block 4, and newly opened in March 2022, with the aim of ensuring safety when children are dropped off or picked up, further enhancing the environment suited to care in which children interact with nature, and responding to the trend toward increase of people wanting to be admitted, etc. In the future as well, we will strive to increase convenience further, and support employees' ease of work.

* Passive Town is an initiative to propose low-energy community-building and home-building that is suited to a sustainable society through passive design that utilizes Kurobe's natural energy sources to the fullest rather than relying excessively on energy consumption.

Industrial Health and Safety

Basic Philosophy

In 1994, the YKK Group formulated the YKK Group Health and Safety Declaration as the universal policy that indicates the direction each company should move in its efforts. We implement a variety of health and safety activities aimed at the formation of a workplace where people can work in safety and without worry, by getting each employee to align himself or herself with the stipulations of the Declaration, have strong self-awareness regarding health and safety, and take health and safety into consideration.

FY2021 Initiatives

Presidents and plant managers conducted top management inspection tours of each YKK Group company from the perspective of "making safety the top priority," in an effort to improve the awareness of each employee regarding safety. In addition, we visit each workplace and conduct safety workshops. We are also working to raise the overall level of health and safety knowledge by meeting face-to-face, engaging in dialogue, and communicating the importance of safety.

The YKK Group has started operation of an overseas version of the Workplace Injury Information Management System in addition to the domestic version, in order to gather information on all workplace injuries occurring in the YKK Group and reduce the risk that an industrial accident will occur.

Creation and operation of the occupational health and safety management system

YKK has created an occupational health and safety management system at all of its production sites in Japan and overseas, and is striving to adhere to the stipulations of the relevant laws, regulations, and restrictions, etc., related to occupational health and safety, and to prevent industrial accidents.

Fire/disaster prevention measures

YKK has thoroughly implemented fire/disaster prevention measures and is addressing the matter with human life as the top priority.

YKK 6th Mid-term Health and Safety Policy

Safety above all

YKK places the highest priority on safety to improve the health and safety of its employees. We will promote the creation of a safe and secure work environment and good health by ensuring that everyone has a strong awareness of health and safety and that all employees participate in health and safety activities.

Guidelines for Action

- Create a safe and secure work environment
We will identify potential risks and strengthen risk reduction measures.
- Raise awareness of safety
We will enhance each employee's awareness of safety and improve the capabilities of workplace managers.
- Maintain and improve safety management level
We will establish occupational health & safety management system and promote ISO45001.
- Promote corporate efforts for disaster prevention
We will strengthen fire prevention and disaster prevention system to eradicate fire breakouts.

April 1, 2021
Hiroaki Otani
President
YKK Corporation

2022 YKK Health and Safety Objectives

Safety above all else, Zero occupational accidents and fire breakouts

1 Create a safe and secure work environment

- Compliance with health and safety related laws and regulations, as well as YKK Health and Safety Standard and other regulations
- Eradicate accidents caused by production equipment
 - Implement risk assessment
 - Execute engineering measures such as interlocks, review and establish work standards
 - Establish a system for conducting safety inspections to external manufactured equipment

2 Raise awareness of safety

- Conduct safety patrols by TOP management (twice a year)
- Improve knowledge and management capabilities of safety personnel and workplace managers (Establishment of a hierarchical education system)
- Reinforce hazard experience education (25% implementation in Japan, spread in overseas)

3 Maintain and improve safety management level

- Strengthen the management of poisonous and deleterious substances
- Speed up prompt report of accidents and ensure to implement recurrence prevention measures
- Promote occupational health and safety management system

4 Promote corporate efforts for disaster prevention

- Ensure to spread the measures to prevent fire breakouts
- Enhance the system to respond quickly and smoothly

Industrial injury statistics * Fastening business and other businesses related to business operations

Industrial injury statistics		FY2017	FY2018	FY2019	FY2020	FY2021
Domestic	Frequency rate (1 day or more of absence from work)* (Permanent employees)	0.64	0.83	0.38	0.22	0.00
	* Frequency rate: Metric to show the frequency of industrial injuries	$\frac{\text{Number of employees on leave due to industrial injuries}}{\text{Total actual working hours}} \times 1,000,000$				
Overseas	Injuries and deaths per 1,000 (1 day or more of absence from work) * Permanent employees and dispatched workers	1.8	2.1	1.7	1.7	2.0
	* Injuries and deaths per 1,000: Percentage of industrial injuries and deaths per 1,000 workers per year	$\frac{\text{Number of employees on leave due to industrial injuries per year}}{\text{Average number of employees per year}} \times 1,000$				

COLUMN

Implementation of hazard experience training



Experience being caught in gears

Using the actual machines, etc., we provide this training to encourage employees to get an intuitive understanding through the basic human functions of seeing, hearing, and feeling, and to get an increased ability to recognize (sensitivity to hazards). At business sites in Japan and overseas, we have set up machines to experience being caught in gears, caught in a press, caught in rollers, etc., and are promoting education in which participants can experience directly a variety of hazards that lurk in the workplace.

Implementation of disaster-preparedness drills in collaboration with the community



Rescuing an injured person with a stretcher

Each year since 1991, the Kurobe Manufacturing Center has conducted general disaster-preparedness drills with the local community. The 31st time was in FY2021. The scenario was that there had been an earthquake, and training included guidance for evacuating the research building, confirmation of safety, prevention of wastewater that had leaked from spreading, rescuing people who had been injured in the fire, and other training conducted in partnership with the local fire department. The local government, fire department, and police participated in the drills as well, so in addition to confirming how to collaborate in the event of an actual disaster, we obtained input from various areas as we worked to improve our fire/disaster prevention skills.

In the future as well, we will strive to improve our fire/disaster prevention skills and control the occurrence of fires and disasters so that members of the community around the plant can have peace of mind.

Employee Health

Basic Philosophy

YKK believes that the health of its employees is one of the company's important assets, and supports all employees in being able to continue working with a healthy mind and body. We strive to unite with our employees to promote good health, such as reducing lifestyle-related diseases and mental health issues.

FY2021 Initiatives

In FY2021, we worked on five priority measures. (1) In regard to reduction of lifestyle-related diseases, we implemented initiatives to achieve a specific health checkup implementation rate of 90%, and a specific health guidance implementation rate of 50%. In addition, we conducted a smoking cessation campaign and internal no-smoking days, etc., aimed at reducing the smoking rate to 20%. (2) In regard to preventing psychological disorders, we conducted training meetings, interviews with individuals who were identified as having a high stress level in the stress check, and activities to improve the workplace environment. (3) The company collaborated with health management centers to promote support for balancing the treatment of illness and work. (4) In order to strengthen the health management system, we created a system that enables all employees to receive services from the healthcare staff. (5) We implemented measures to increase the participation rate in the Health Promotion Campaign in an aim to raise awareness of exercise habits. These initiatives resulted in being named a 2022 Certified Health & Productivity Management Outstanding Organization.

Related data YKK Corporation and affiliated companies in Japan

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Percentage of people taking the stress check	%	98.8	99.0	99.7	98.9	98.5
Percentage of people who exercise regularly (Exercise for 30 minutes or more a day for once or more a week)	%	41.6	41.4	42.6	47.1	46.9
Percentage of people with metabolic syndrome	%	13.4	13.9	14.9	16.2	—
Percentage of people targeted for special health guidance	%	18.3	17.8	18.5	19.4	—
Percentage of smokers	%	22.6	23.0	22.2	21.3	20.7
Long-term leave days (leave of absence)	days	8,347	9,308	9,008	8,397	9,821

* Numbers for FY2021 are still being aggregated.

COLUMN

Implementation of Health Promotion Campaign 2021



Campaign brochure

We conduct a "Health Promotion Campaign" aimed at making improvements to individual lifestyles. Individuals select courses related to diet, exercise, and daily living to implement and work on the challenge for two months.

We have declared the launch of the "New Health Promotion Campaign" beginning in FY2021, making it possible for employees to select even more health improvement courses to address problematic aspects of their increasingly diverse lifestyles.

Participation rate

FY2017	FY2018	FY2019	FY2020	FY2021
28.3%	41.3%	52.8%	68.0%	60.5%

Implementation of a smoking cessation campaign

YKK's target is for 20% or less of all employees to be smokers. The President has issued a message to encourage the entire company to unite in order to achieve the goal. In addition, as part of the initiative, the company will move forward with prohibiting smoking indoors by the end of FY2022, and on company grounds by the end of FY2024. Further, we worked on various measures, and conducted the smoking cessation campaign twice in FY2021, and the company-wide no-smoking day six times. We also provide support to individuals who take on the "Smoking Cessation Challenge" to quit smoking.

- FY2021 smoking cessation campaign period May 24 - June 30, 2021; December 20, 2021 - January 31, 2022
- FY2021 company-wide no-smoking day May 31, July 21, September 22, November 19, January 21, March 22

Human Rights

Basic Philosophy

The YKK Group adopted a Human Rights Policy Statement and conducts business activities that respect human rights.

YKK Group Human Rights Policy Statement

1 Equal opportunity and prohibition of discrimination

Based on the concept of “fairness,” the YKK Group respects the human rights, individuality and personal character of its stakeholders in all countries and regions of operation. YKK does not condone discrimination, harassment or other acts that disregard human rights. YKK promotes fair business activities by prohibiting the violation of human rights and by taking appropriate action should an infringement occur.

2 Respect for basic labor rights

The YKK Group respects basic labor rights in all countries and regions of operation, including freedom of association and the right to collective bargaining.

3 Respect for employment practices in countries and regions of operation

The YKK Group respects the laws, regulations and employment practices of all countries and regions of operation. It also prohibits the use of child labor and forced labor.

FY2021 Initiatives

In FY2021, we performed YGCC selfchecks at all applicable locations. To reduce the risk of human rights violations on an ongoing basis, for each audit item we anticipated and correlated possible violation risks regardless of severity. Although there have been no incidents of human rights violations, as a result of the audits, we are now working in some countries to amend working hours that comply with domestic laws but deviate from international standards. For suppliers, as well as confirming that suppliers comply with basic trading principles in accordance with OECD guidelines, we carry out regular status checks and evaluations via CSR questionnaire surveys.

Going forward, we will continue to identify and evaluate human rights risks through YGCC implementation, promote the building of relief systems, and work to transition to structures that conform to UNGP* and due diligence laws that will be enacted in the future in Europe.

* United Nations Guiding Principles on Business and Human Rights

Related data

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
YGCC third-party audits performed	cases	9	16	13	6* ¹	9* ¹
People receiving harassment training/compliance training (Total number of people)* ²	people	197	172	598	183	89
Whistleblowing cases reported* ³	cases	24	25	31	20	16

*¹ Only performed at the bare minimum required number of companies due to the impact of the COVID-19 pandemic in FY2020 and FY2021. From FY2022, third-party audits will resume as circumstances allow.

*² Target companies: YKK Corporation, YSF, BSI, domestic affiliated companies.

*³ Total cases for domestic YKK Corporation, affiliated companies, employees on overseas assignment (YKK Corporation). Excluding AP.

Supply Chain Management

Basic Philosophy

The YKK Group adopted the following Procurement Policy so that it can fulfill its social responsibilities throughout the supply chain.

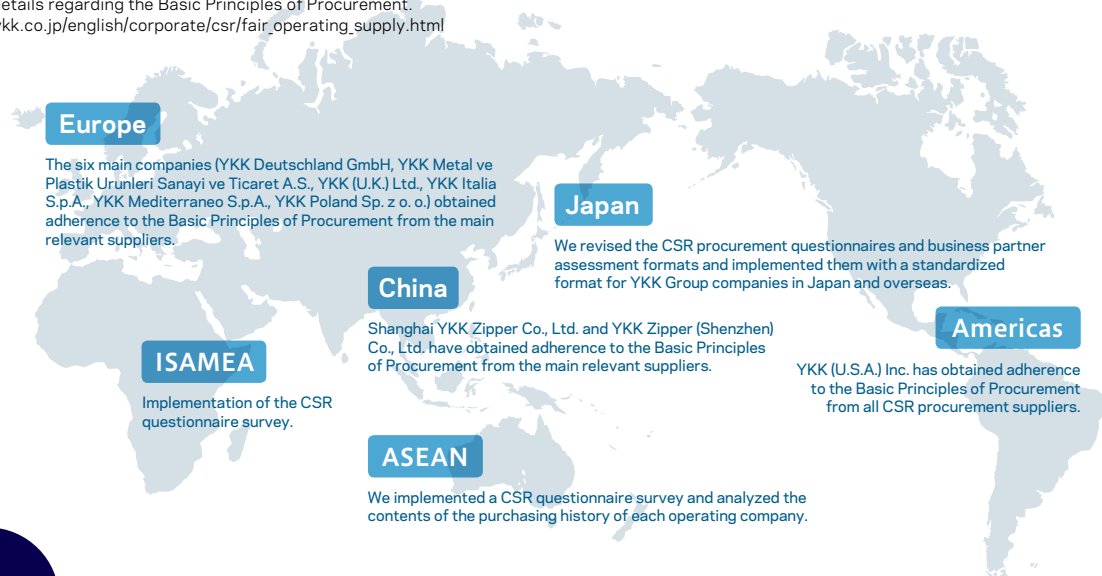
YKK Group Procurement Policy

Ever since YKK's founding, we have based our business activities on the conviction, under the Cycle of Goodness® YKK Philosophy, that an enterprise is an important member of society, that it must thereby coexist with other elements of society, and the value of its existence will be recognized by the benefits it shares with society. The belief behind this is that no one prospers without rendering benefit to others. We carry out business activities with the aim of bringing mutual prosperity, and our intent is that innovative ideas and inventions will result in business expansion for the YKK Group, which in turn would bring prosperity to customers and business partners, and thus benefit all society. This is none other than our execution of corporate social responsibility.

FY2021 Initiatives

We undertake CSR procurement in the Fastening Business so that we can fulfill our social responsibilities throughout the entire supply chain. In all processes, from raw materials to finished products, we take measures to procure materials that do not contain hazardous substances and to procure goods that were produced through appropriate manufacturing processes and labor environments. We continuously administer CSR procurement questionnaires to determine the CSR conditions of suppliers and provide feedback on the evaluation results. We also make visits and conduct interviews to encourage suppliers to make improvements. Further, recognizing that our partnerships with our trading partners are important, and so that we may promote mutual understanding with them, the YKK Group has specified our requests as "Basic Principles of Procurement". We ask for their understanding and assent, and we hope that they will join us in the fulfillment of our responsibilities to society.

* See here for details regarding the Basic Principles of Procurement.
https://www.ykk.co.jp/english/corporate/csr/fair_operating_supply.html



COLUMN

Initiatives related to conflict minerals

To accommodate the U.S. Dodd-Frank Act, we have confirmed each year since FY2013 that we do not purchase conflict minerals (tin, tantalum, tungsten, gold) from the Democratic Republic of the Congo and neighboring countries. Further, cobalt, regarding which there are concerns about child labor, etc., during mining, was newly added as a target of investigation in FY2021, and has been confirmed globally, and we have confirmed that the YKK Group does not purchase any of them.

Quality

Basic Philosophy

In order to provide new value for the needs of customers and society, we are fastidious about quality in the entire process, from development to manufacturing, sale, and after-service. In the fastening business, including overseas, we have acquired ISO 9001 certification, continued to improve our quality management system, and established global quality standards, and provide our customers with products that all meet the same standard of quality.

FY2021 Initiatives

In FY2021, under the 6th Mid-term Quality Policy, we focused on providing safe and worry-free services, contributing to a sustainable society by reducing the environmental impact/burden of chemical substances, and achieving the highest quality at the lowest cost through promotion of quality cost management. We have promoted activities to prevent the occurrence and recurrence of quality issues, revised the YKK Restricted Substance List (YKK RSL), and worked to utilize resources effectively by ensuring that the materials used in manufacturing are appropriate.

YKK 6th Mid-term Quality Policy

Under our 6th Mid-term Management Vision, "Technology-Oriented Value Creation," YKK will continue to focus on quality in order to meet diverse customer needs and acquiring customers, providing safe, reliable, better products and services at a lower cost and greater speed, more sustainably.

Guidelines for Action

- We will provide safe and reliable products and services that sincerely satisfy our customers in all processes from research and development to manufacturing, sales, and after-sales service, by being sensitive to the voices of our customers and the needs of society.
- We will contribute to the realization of a sustainable society by minimizing the impact and load on the environment in order to leave a rich life for future generations.
- We will promote quality cost management and make fundamental improvements and upgrades to address quality issues through technology to achieve "the highest quality at the lowest cost."

Apr 1st, 2021
Hiroaki Otani
 President, YKK Corporation

Status of acquisition of quality-related certification

Certifications	Overview
ISO9001 / ISO14001 / ISO45001 	YKK has acquired ISO 9001, ISO 14001, and ISO 45001 certification at many of its business sites.
OEKO-TEX® STANDARD 100 	OEKO-TEX® is a certification system that verifies that textiles are safe and do not contain substances that are harmful to the body, based on the results of analytical testing. Certification is the world's top level of "evidence that textile products are safe and can be used without worry." As of the end of March 2021, 38 YKK business sites had acquired STANDARD 100 by OEKO-TEX® Product Class I certification. In 2017, YKK received the Grand Prize, the highest award, at the JAPAN OEKO-TEX® AWARD 2017 ceremony. * OEKO-TEX is a registered trademark of ÖTI-Institut für Ökologie, Technik und Innovation GmbH.
bluesign® system 	The bluesign® system is certification of products that have gone through a sustainable supply chain in the textiles industry from the perspectives of the environment, labor, and consumers. As of the end of March 2022, six sites around the world have become bluesign® system partners. See the YKK Digital Showroom (https://ykkdigitalshowroom.com/jp/b1f/eco-friendly-products/bluesign_approved/) for details on products that have received bluesign® certification (zippers, vinyl parts). * bluesign is a registered trademark of bluesign technologies.

COLUMN

Revision of YKK RSL

Operating companies that manufacture fastening products strengthened management of changes to each of the development, purchasing, and manufacturing processes in accordance with the FY2020 version of the YKK Restricted Substance List (RSL), which is a list of in-house standards that were established based on industry standards related to chemical substance management. In addition, we have finished informing all suppliers and have gotten responses regarding the status of compliance from 1,204 companies. We are continuing to conduct the investigation.

Further, we revised the YKK RSL to the FY2022 edition, and updated it to include additions to REACH SVHC, CA Prop 65, and other laws and regulations, as well as revisions to laws, regulations, and restrictions. We always keep the YKK RSL updated with the latest information, and respond to changes to the needs of customers and society.

The first firewall test site in Japan by CPSC



Kurobe Manufacturing Center Quality Control/
Assurance Department

The Test Analysis Group of the Quality Control/Assurance Department was certified by the Japan Accreditation Board (JAB) as a test site for analysis of trace amounts of lead and phthalates contained in copper alloy, zinc alloy, resin, and coating film, in accordance with the international standard ISO/IEC 17025. After obtaining these certifications, in 2011, the U.S. Consumer Product Safety Commission (CPSC) certified registration as a firewall laboratory for analysis of lead and phthalates in products, the first in Japan. The YKK Group is working to strengthen its chemical substance management structure for fastening products as a test site that is trusted internationally, through its materials and products analysis work.

Quality inspections at overseas production sites



A scene of remote quality inspection
(An inspection at P.T. YKK Zipper Indonesia is
pictured here.)

The Head Office Quality Control Department conducts quality inspections at each site in order to monitor the quality control system at fastening business production sites deployed around the world. As the movement of people was restricted by the spread of COVID-19, we switched from face-to-face inspections to remote inspections, and created a monitoring system that continued it to each production site. In FY2021, we conducted inspections at YKK Taiwan Co., Ltd. and YKK Snap Fasteners (Wuxi) Co., Ltd., and are striving to maintain and manage appropriate production activities.

Governance

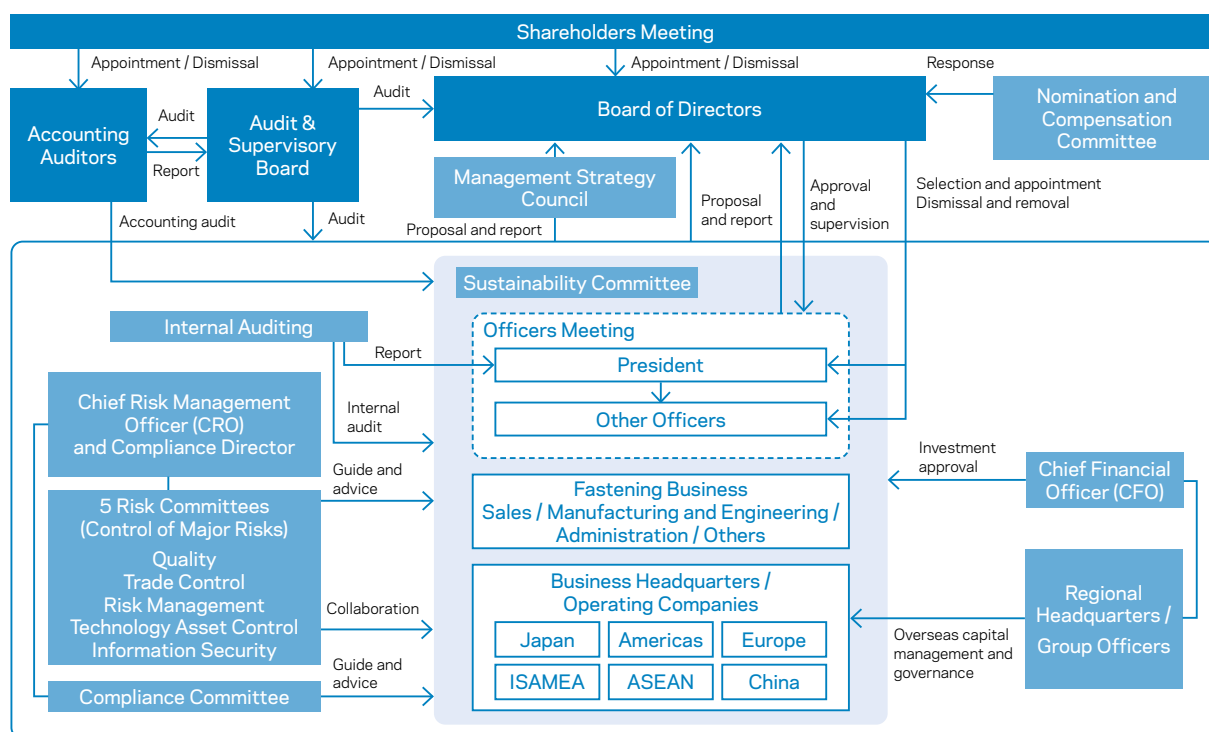
Corporate Governance

Fundamental Approach and System

The philosophy of the YKK Group in conducting our corporate activities is based on the philosophy of the Cycle of Goodness®. In other words, "No one prospers without rendering benefit to others." This principle of consistent fairness is the foundation of all our management activities. In line with these ideas, we are working to enhance our corporate governance system with the aim of further increasing corporate value.

The governance structure of the Fastening Business, which is the mainstay of YKK Corporation, is as follows.

Fastening Business Corporate Governance Structure



Internal Control Systems Related to the Execution of Operations

- The company's Directors establish the Board of Directors regulations and other necessary internal rules and otherwise conduct business appropriately in compliance with laws, regulations, and the articles of incorporation.
- The company established its Management Strategy Meeting to make careful decisions after thoroughly discussing, from multiple perspectives, the YKK Group Management Principles, management policies, management strategies, and important matters for resolution by the Board of Directors, etc.
- Important committees are established to appropriately deliberate, manage, and oversee important issues

related to management. Based on the basic policy of contribution to creating a sustainable society, the Sustainability Committee that was established in FY2021, reports to the Management Strategy Meeting, under which it was established, on the progress of relevant policies from the perspective of achieving the YKK Sustainability Vision 2050 targets.

- As for the management structure in the Fastening Business, there is a clear separation between role of governance by the regional business headquarters and the role of promoting business through supervision in each business region in light of the characteristics, etc., of products and commercial distribution.



The status of the internal control structure and operation has been disclosed on page 31 of the 87th annual securities report (in Japanese only).
<https://www.ykk.co.jp/japanese/corporate/financial/securities/index.html>

State of Directors and Audit & Supervisory Board Members (as of June 29, 2022)

The company selects inside directors from the perspective of global business management that is critical to the Group's consolidated management. We have selected two outside directors to obtain advice and oversight related to the company's management, based on a broad range of insight and abundant experience from the perspective of enhancing corporate governance. In addition, we have selected Audit & Supervisory Board Members who have the appropriate experiences and abilities and the necessary knowledge regarding finance, accounting, and legal affairs.

Director/Audit & Supervisory Board Member	Attendance	Reason for Selection
Chairman Masayuki Sarumaru 	Board of Directors meetings 13/13 times	After working for many years in the fastening business, including being stationed in the United States, became a director of the company in 2008. Served as Representative Director and Chairman (Chairman of the Board) of the company from June 2011 to March 2017. Appointed Representative Director and Chairman (Chairman of the Board) of the company in June 2018. He has a solid track record of growing and expanding the company's business, particularly the fastening business. He has also served as an outside officer for other companies. These and other factors have given him a significant amount of insight and abundant experience related to management.
President Hiroaki Otani 	Board of Directors meetings 13/13 times	After working for many years in the fastening business, including being stationed in China, became a director of the company in June 2014. Appointed President of the company in April 2017. In particular, he held up "Development and innovation in 'Monozukuri' - An Endeavor for YKK's Monozukuri in the 'Standard' category" as the company's business policy and built a solid track record that included proactively accelerating the deployment of business. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director Executive Vice President, Global Sales Division Koichi Matsushima 	Board of Directors meetings 13/13 times	After working for many years in the fastening business, including being stationed in Europe, China, and Asia, became Executive Vice President over the Fastening Products Group, and in June 2018 became a director of the company. In particular, he held up "Aiming for Further Quantitative Growth" as the business policy for fastening business and built a solid track record that included proactively accelerating the deployment of business. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director Executive Vice President Manufacturing & Engineering Division Fumio Ikeda 	Board of Directors meetings 13/13 times	After working for many years in the company's Machinery and Engineering Division, was appointed Executive Vice President over the Machinery & Engineering Group in April 2017 and became a director of the company in June 2018. In particular, he held up "reinforcement and evolution of foundational elemental technology" as the executive policy of the Machinery & Engineering Group and built a solid track record that included supporting the growth strategy of both the fastening and AP businesses. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director Pension Policies Chief Financial Officer Executive Vice President, Administration Division Satoshi Honda 	Board of Directors meetings 13/13 times	After working for many years in corporate planning, including being stationed in the United States, was appointed Executive Vice President over business administration in April 2019. Became a director of the company assigned to pension policies and was appointed Chief Financial Officer (CFO) in June 2020. In particular, he has built a solid track record that includes contributing to the creation of a structure to appropriately manage financial/investment risk in the YKK Group, which deploys business globally. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director Research & Development Jiichi Bamba 	Board of Directors meetings 13/13 times	After working in Europe and other overseas locations, served as head of the Fastening Products Group's Product Development Center, as head of the Manufacturing and Engineering Department in the same Group, and in other capacities. Became a director of the company in June 2016, and currently serves as a director assigned to Research & Development. In particular, he has built a solid track record that includes establishing the manufacturing infrastructure aimed at strengthening competitiveness in the fastening business and enhancing technological and developmental capabilities. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director Akira Yoshida 	Board of Directors meetings 13/13 times	After working in the United States became a director of the company assigned to pension policy and Chief Financial Officer (CFO) in June 2011, and was appointed director of the company, Vice Chairman over pension/financial policies, and CFO, beginning in April 2019. In addition, he was appointed Chairman Representative Director of YKK AP Inc., in June 2020. He has built a solid track record that includes contributing to the growth of business by working for many years in business administration in the YKK Group, which deploys business globally. These and other factors have given him a significant amount of insight and abundant experience related to management.

Director/Audit & Supervisory Board Member	Attendance	Reason for Selection
Director Katsuya Yumoto 	(New appointment)	After working in the United States was appointed Vice President over the Legal and IP Center in April 2010, and since then has served as head of the company's Legal & Intellectual Property Department. He has built a solid track record that includes strengthening operation of the compliance structure and the risk management structure and responding quickly and appropriately in the event of a risk occurring. These and other factors have given him a significant amount of insight and abundant experience related to management.
Director*1 Keinosuke Ono 	Board of Directors meetings 13/13 times	Worked as a professor at Keio University and Chubu University and has deep knowledge related to management. After becoming an outside director of the company in June 2007, he has provided the company's Board of Directors with opinions on improving the company's corporate value from the perspective of mission management. It is our judgment that he can be expected to utilize a broad range of insight and abundant experience to fulfill the role of providing advice and oversight related to the company's management.
Director*1 Erika Okada 	(New appointment)	Has experience in investment banking and finance work in companies in Japan and overseas and has conducted research related to consumer behavior for many years at universities and graduate schools in Japan and overseas, giving her a high level of expertise related to marketing. It is our judgment that she can be expected to utilize that global experience and high-level insight and fulfill the role of providing advice and oversight related to the company's management.
Audit & Supervisory Board Member*2 Satoshi Kawai 	Board of Directors meetings 13/13 times Audit & Supervisory Board meetings 14/14 times	In addition to having served as an attorney in legal work for many years, he has served as an outside officer at other companies and has abundant experience and knowledge. He was appointed Outside Audit & Supervisory Board Member in June 2004 and has appropriately audited the execution of duties by directors from a broad and high-level perspective.
Audit & Supervisory Board Member*2 Kiyotaka Nagata 	Board of Directors meetings 13/13 times Audit & Supervisory Board meetings 14/14 times	After working for many years in the company's accounting and finance division, served as head of the Internal Auditing Department, and has been a full-time member of the Audit and Supervisory Board since June 2013. In particular, he has a significant amount of insight related to finance and accounting, and since being appointed a full-time member of the company's Audit & Supervisory Board, has attended meetings of the Board of Directors and other important meetings, and has appropriately audited the execution of duties by directors by giving his opinion as needed.
Audit & Supervisory Board Member*2 Hiroshi Akiyama 	Board of Directors meetings 13/13 times Audit & Supervisory Board meetings 14/14 times	In addition to having served as an attorney in legal work for many years, he served as an outside officer at another company until June 2018 and has abundant experience and knowledge. He was appointed Outside Audit & Supervisory Board Member in June 2016 and has appropriately audited the execution of duties by directors from a broad and high-level perspective.
Audit & Supervisory Board Member*2 Naoki Yanagida 	Board of Directors meetings 13/13 times Audit & Supervisory Board meetings 14/14 times	In addition to having served as an attorney in legal work for many years, he has served as an outside officer at other companies and has abundant experience and knowledge. He was appointed Outside Audit & Supervisory Board Member in June 2016 and has appropriately audited the execution of duties by directors from a broad and high-level perspective.

State of Directors, Audit & Supervisory Board Members, Operating Officers, Specialized Officers, and Vice Presidents

Total number	51
Number and ratio of female officers	3 (5.9%)
Number and ratio of foreign national officers	2 (3.9%)

*1 Outside director *2 Outside Audit & Supervisory Board member

The History of the Strengthening of Corporate Governance

	- 1990s	2000 -	2010 -	2020 -
Management Structure		June 1999: Reform of the management organization executed (Reform of the Board of Directors, and adoption of the Officer System) 2003 - Strengthening of the consolidated management of the YKK Group (Persons from YKK and YKK AP responsible for each organization appointed as directors) 2004 - Appointment of Group officers 2004 - Appointment of the Pension Policies Director 2005 - Appointment of Chief Financial Officer (CFO) and Chief Risk Management Officer (CRO)		2020 - Execution of recapitalization of subsidiaries, etc., between YKK Corporation and YKK AP Inc.; commencement of the capital management of the Architectural Products Business by YKK AP Inc.
Outside Directors		2003 Introduction of outside directors (1 director)	2007 - Increase in the number of outside directors (2 directors)	
Outside Audit & Supervisory Board Members	1994 Outside Audit & Supervisory Board Members (2 members)	2001 - 2006 (1 - 3 members)	2007 - (3 members)	
Other		2001 - Advisory Boards established and meeting held (until 2019, since 2022)	2008 - Voluntary establishment of Nomination and Compensation Committee, which includes two outside directors as members	

Overview of the Board of Directors and Individual Committees and the Status of Holding Meetings

	Overview	Number of meetings in FY2021
Board of Directors	In addition to the roles stipulated in the Companies Act, the Board of Directors oversees the formulation of management policy, allocation of management resources, and execution of business by vice presidents. To enable the making of suitable decisions based on thorough and active discussion, the Articles of Incorporation stipulate that the Board of Directors has no more than 10 members, and that the term of office be one year.	13 times
Audit & Supervisory Board	Composed of four corporate auditors (three of whom are outside auditors). Evaluates auditing policies and audit plans, the status of establishment and operation of internal control systems, accounting auditors, etc.	14 times
Nomination and Compensation Committee	Established as an advisory committee for the Board of Directors. Deliberates on policy and systems related to the compensation of directors, vice presidents, etc., criteria and amounts of compensation, establishment, revision, and abolition of internal rules for compensation, and matters related to evaluation of performance, etc., and reports the results to the Board of Directors. Composed of at least three members, one of whom is an outside director.	10 times
Management Strategy Meeting	Thoroughly discusses the Management Principles, management policy, management strategy, and important matters that should be resolved by the Board of Directors. The Board of Directors then makes a decision after that review in order to make deliberation by the Board of Directors more efficient.	13 times

Directors and Corporate Auditors' Remuneration

The basic policy for the compensation of the company's directors is to have a compensation structure that takes into consideration consistency with continued improvement of corporate value and stable provision of dividends to shareholders, as well as the company's performance to increase the awareness of improving performance, and to set it at an appropriate level in light of the individual's responsibilities and duties, when determining the compensation for each director. Specifically, the compensation of directors consists of basic compensation and officer bonuses as short-term compensation and retirement bonuses as long-term compensation.

The composition of officer compensation and the amount of compensation have been disclosed in the 87th annual securities report (in Japanese only).



<https://www.ykk.co.jp/japanese/corporate/financial/securities/index.html>

Risk Management

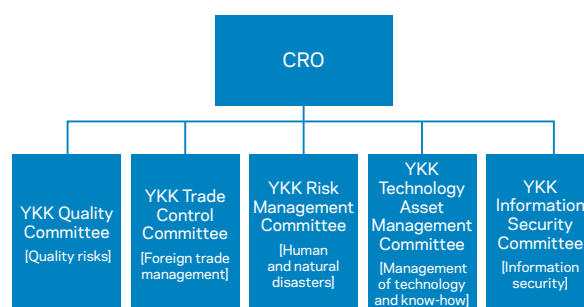
Fundamental Approach and System

YKK has established a Group Risk Management Policy and is engaged in risk management. A Chief Risk Management Officer (CRO) has been appointed to promote risk management. Various committees—Quality Committee, Foreign Trade Control Committee, Crisis Management Committee, Technical Asset Management Committee, and Information Security Committee—have been established, with regulations on risk management adopted and enforced. Furthermore, a Chief Financial Officer (CFO) has also been appointed, and a system established for appropriately managing financial and investment risks at YKK. Guidelines for Addressing Risks have also been created to deal with risks when they arise. The Guidelines call for swift, appropriate action.

YKK Group Risk Management Policy

By actively controlling risk levels and preventing various corporate risks, we will reduce or avoid the loss of human, material, and other management resources, and in the event of an emergency, we will promote risk management throughout the Group to minimize damage and losses, thereby leading to sustainable growth and increasing corporate value.

Risk Management Structure



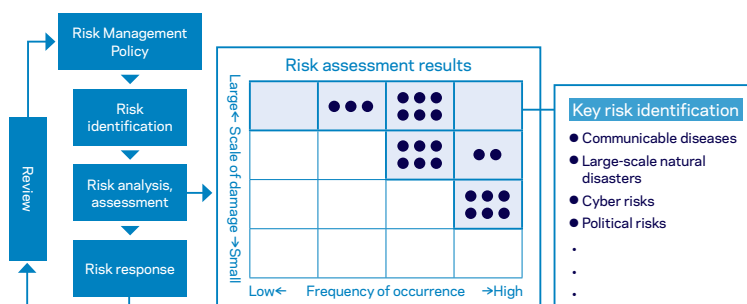
Risk Assessment Process and the Flow of Identifying Key Risks

In accordance with the Risk Management Policy, risks are identified once each year by each organization, worst-case scenarios and the status of response are confirmed, and the risks are assessed according to the scale of loss and damage (¥100 million or less to ¥5 billion or more) and the frequency of occurrence (5 years or less to 50 years or more). In addition, risks that are anticipated to have an impact of ¥100 million or more per year are deemed to be key risks that should be managed at the corporate management level, and the risks are managed while identifying their trends and making the status of progress of the response visible.

The Group categorizes the key risks identified through the process into four classifications: (1) financial risks, (2) risks in specialized fields, (3) risks addressed by the Committee, and (4) risks in the execution of business, and the CRO, CFO, and each of the responsible persons take the lead in addressing those risks.

Details of risk analysis have been disclosed in on page 14 of the 87th annual securities report.

Risk Assessment Process and the Flow of Identifying Key Risks (conceptual diagram)



Risk Item Classification

Financial risks (Responsibility of each assigned department)	Volatile exchange rates, projected benefit obligations, transfer pricing taxation, drop in the share prices of held stock, etc.
Risks in specialized departments (Responsibility of each assigned department)	Outbreak of disease, Anti-monopoly Act/Subcontract Act, infringing on patents/patents being infringed on, bribery, death from overwork/psychological disorders due to long working hours, workplace injuries, strengthening of environmental regulations, soil pollution, toxic substance leaks, etc.
Risks addressed by the committee (Responsibility of each Risk Committee)	International conflict/civil war, large-scale natural disasters, violations of laws and regulations related to personal information protection, terrorism/demonstrations, cyberattacks/infection by malware, product defect accidents/recalls, fires/explosions, data loss/malicious tampering, information/technology leaks, etc.
Business execution risks (Responsibility of the person responsible at each division)	Rising prices and tight supply of raw materials and fuels, declining demand/sluggish economy/intensifying competition, delays in research/development, failed capital investments, failed marketing/delayed entry, failed acquisition/merger/partnership, delayed development of human assets, rumors, damaged/malfunctioning machinery/equipment, infrastructure supply failure, client bankruptcy, etc.

Compliance

Fundamental Approach and System

YKK considers compliance as “responding to societal demands.” Which means, in addition to abiding by laws, regulations, and internal rules, the company must conform to social standards when conducting business activities. The company has appointed a Compliance Director and established a Corporate Legal and Compliance Group under the Officer in charge of compliance. They work with external advisors to maintain a compliance system for YKK. In addition, a Compliance Committee was established to undertake appropriate compliance promotion measures from the perspective of business management and to deliberate on the operational status of compliance and responses to issues, and the latest regulatory developments.

YKK Group Code of Conduct

The YKK Group Code of Conduct that was revised in June 2021 is composed of seven principles and 29 detailed rules. They use as reference and conform to the Ten Principles of the UN Global Compact and the eight fundamental conventions of the International Labour Organization (ILO). They are also linked to the SDGs. We will work to ensure that every one of our employees implements the YKK Group Code of Conduct and “build trust, transparency and respect” with all of our stakeholders, as stipulated in our Core Values.

 [YKK Group Code of Conduct \(entire text\)
https://www.ykk.com/english/philosophy/index.html](https://www.ykk.com/english/philosophy/index.html)

YKK Group Code of Conduct The Seven Principles

- Compliance
- Fair operating practices
- Respect for human rights
- Harmony with the environment
- Health and safety
- Product quality and safety
- Contribution to communities

Revision and Distribution of the Compliance Book

In light of revision of the “YKK Group Code of Conduct,” we updated the “YKK Group Compliance Book” and have been distributing it to all relevant officers and employees.* In addition to providing easy-to-understand explanations of the contents and behavior that should be followed in each stipulation of the Code of Conduct, we have included a column for past compliance-related cases, and sections on the main relevant internal rules and laws and regulations, and information on the whistleblowing system, etc.

*The pictured book is an example from the East Asia Region (Japan, YKK Korea Co., Ltd., and YKK Taiwan Co., Ltd.). Creation and distribution of the Compliance Book based on the laws and regulations of each country and area in other regions.



YKK Global Criteria of Compliance (YGCC)

YKK has established the YKK Global Criteria of Compliance (YGCC) to ensure that YKK deploys and carries out proper and effective compliance programs to conduct transparent business activities. Based on the YGCC, each YKK Group company in the world conducts internal and external audits of management systems, human rights, labor practices, the environment, health and safety, and fair business practices, working to strengthen and continuously improve YKK's compliance system.



Intellectual Property Management

Fundamental Approach and System

YKK conducts intellectual property activities on a global basis as part of its business activities. Intellectual Property Department sites are located at the Kurobe Manufacturing Center, as well as in China, Singapore, England, and the United States. A system that can deal appropriately with requests and consultations from business and development departments in any country or region of the world has been established. Under this system, in the event, for example, that an invention is created at a development site somewhere in the world, it is promptly reported to the Patent Review Committee in Japan and the optimal rights are secured in accordance with YKK Business Strategy. In addition, when exercising rights toward a patent infringer or company making similar products, etc., the Intellectual Property Department in each country/region collaborates with the business division to devise measures concurrently for the country where the violating items were manufactured and the country in which they were distributed. This is to ensure that customers purchase the authentic product, etc. Moreover, with the Trademark Committee in Japan taking the lead, we manage and operate trademarks including NATULON® and AcroPlating®, according to standardized Group rules so as to increase value from the perspective of the intellectual property under the YKK brand. In addition, to effectively promote measures against counterfeit products, we have established a Brand Counterfeit Product Countermeasures Committee in the company. We also partner with customers and many other companies and organizations outside the company to operate a Brand Protection Partnership (B.P.P.), an association for the exchange of opinions on measures against counterfeit products.

Status of Trademarks/Patents

YKK® registered trademarks
(Class 26)

177 countries/regions

Patents, utility models,
and designs
(including pending patents)

5,960

Registered trademarks for
zippers, etc.
(including pending patents)

3,864

Brand Protection Partnership (B.P.P.)
Number of participants in workshops for
measures against counterfeit products
(Number of organizations)

3,268 people (1,893 organizations)

Intellectual Property Achievement Award
Award for excellent corporations utilizing the
intellectual property rights system (trademark) given
by the Ministry of Economy, Trade and Industry

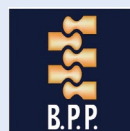
FY2021

(as of March 31, 2022)

YKK trademark activities given the Intellectual Property Achievement Award of the Minister of Economy, Trade and Industry Awards

YKK has worked to register and use the YKK® trademark and other commercial trademarks appropriately in 177 countries and regions, and to eliminate applications for similar products and unauthorized use, so that our client companies and general consumers in Japan and overseas can use our fastening products without worry. Further, we have worked proactively in collaboration with courts, government agencies, and client companies in each country or region, through B.P.P., to combat counterfeit YKK products and ensure that the products are authentic.

This set of trademark activities has garnered praise and was presented with the Award for excellent corporations utilizing the intellectual property rights system (trademark) of the 2021 Minister of Economy, Trade and Industry Awards Intellectual Property Achievement Award that is given by the Patent Office of the Ministry of Economy, Trade and Industry.



Brand protection promotion mark



At the presentation ceremony for the 2021 Intellectual Property Achievement Award

Financial Information

YKK Group Consolidated Financial Information (YKK and 105 Consolidated Subsidiary Companies)

Consolidated Balance Sheet

(Millions of yen)

	Prior Fiscal Year (Ended March 31, 2021)	Current Fiscal Year (Ended March 31, 2022)
Assets		
Current assets		
Cash and deposits	214,483	266,275
Notes and accounts receivable	171,453	–
Notes, accounts receivable, and contract assets	–	196,130
Securities	640	4,218
Inventories	131,394	165,982
Other	24,335	35,600
Allowance for doubtful accounts	(2,572)	(2,506)
Total current assets	539,734	665,701
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	446,491	467,459
Accumulated depreciation	(294,737)	(314,735)
Buildings and structures, net	151,754	152,724
Machinery, equipment and vehicles	638,643	681,971
Accumulated depreciation	(500,152)	(546,286)
Machinery, equipment and vehicles, net	138,490	135,685
Land	62,892	64,833
Construction in progress	14,725	14,765
Other	115,531	124,268
Accumulated depreciation	(86,389)	(95,035)
Other, net	29,142	29,232
Total property, plant and equipment	397,005	397,242
Intangible assets	25,379	26,453
Investments and other assets:		
Investment securities	29,739	35,933
Deferred tax assets	12,182	15,132
Other	11,883	17,452
Allowance for doubtful accounts	(1,007)	(974)
Total investments and other assets	52,798	67,544
Total noncurrent assets	475,183	491,239
Total assets	1,014,918	1,156,941

Consolidated Balance Sheet

(Millions of yen)

	Prior Fiscal Year (Ended March 31, 2021)	Current Fiscal Year (Ended March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,808	76,507
Short-term borrowings	4,314	4,677
Current portion of long-term loans payable	2,003	6
Income taxes payable	5,756	6,524
Provision for bonuses	15,567	18,973
Deposits received from employees	35,945	36,707
Other	55,373	69,210
Total current liabilities	180,770	212,606
Noncurrent liabilities		
Corporate bonds	10,000	10,000
Long-term borrowings	17	2,027
Deferred tax liabilities	3,591	7,318
Retirement benefit liabilities	70,762	73,003
Provision for directors' retirement benefits	449	509
Other	13,799	14,212
Total noncurrent liabilities	98,620	107,071
Total liabilities	279,390	319,677
Net assets		
Shareholders' equity		
Capital stock	11,992	11,992
Capital surplus	35,360	35,364
Retained earnings	719,828	761,048
Treasury stock	(18)	(20)
Total shareholders' equity	767,162	808,384
Accumulated other comprehensive income		
Valuation difference on other securities	6,607	13,619
Deferred gains/losses on hedges	959	2,872
Foreign currency translation adjustment	(23,768)	24,086
Remeasurements of defined benefit plans	(32,608)	(31,306)
Total accumulated other comprehensive income	(48,809)	9,270
Non-controlling interests	17,174	19,608
Total net assets	735,527	837,264
Total liabilities and net assets	1,014,918	1,156,941

Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2020 to March 31, 2021)	Current Fiscal Year (From April 1, 2021 to March 31, 2022)
Net sales	653,765	797,019
Cost of sales	429,243	518,713
Gross profit	224,522	278,305
Selling, general and administrative expenses	198,176	218,144
Operating income	26,346	60,161
Non-operating income		
Interest income	1,424	1,765
Dividends income	615	656
Subsidy income	3,894	322
Foreign exchange gains	–	1,072
Miscellaneous income	3,381	2,968
Total non-operating income	9,315	6,784
Non-operating expenses		
Interest expenses	824	837
Foreign exchange losses	1,234	–
Valuation loss on derivatives	1,151	565
Miscellaneous loss	2,316	1,578
Total non-operating expenses	5,527	2,981
Ordinary income	30,134	63,964
Extraordinary income		
Gain on sales of noncurrent assets	804	286
Other	1	4
Total extraordinary income	805	290
Extraordinary loss		
Loss on sale of noncurrent assets	157	21
Loss on retirement of noncurrent assets	1,804	2,425
Loss due to COVID-19	1,069	202
Loss on valuation of investment securities	1,037	533
Expenses for business structure reform	–	484
Loss due to disasters	360	590
Other	596	477
Total extraordinary loss	5,025	4,734
Income before income taxes and non-controlling interests	25,914	59,520
Income taxes-current	9,196	16,231
Income taxes-deferred	(1,117)	(1,882)
Total income taxes	8,079	14,348
Net income	17,834	45,172
Net income attributable to non-controlling interests	494	1,074
Net income attributable to owners of parent	17,340	44,097

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2020 to March 31, 2021)	Current Fiscal Year (From April 1, 2021 to March 31, 2022)
Net income	17,834	45,172
Other comprehensive income		
Valuation difference on other securities	4,063	7,012
Deferred gains/losses on hedges	771	1,912
Foreign currency translation adjustment	26,711	49,555
Adjustment for retirement benefits	26,907	1,409
Total other comprehensive income	58,454	59,889
Comprehensive income	76,289	105,061
Comprehensive income attributable to		
owners of the parent	74,625	102,178
Non-controlling interests	1,663	2,882

Consolidated statement of changes in shareholders' equity

Prior Fiscal Year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,360	705,365	(16)	752,701
Changes in items during the period					
Dividends from surplus			(2,877)		(2,877)
Net income attributable to owners of parent			17,340		17,340
Purchase of treasury stock				(1)	(1)
Net changes in items other than shareholders' equity					—
Total changes in items during the period	—	—	14,463	(1)	14,461
Balance at the end of current period	11,992	35,360	719,828	(18)	767,162

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income Total		
Balance at the beginning of current period	2,543	187	(49,450)	(59,377)	(106,096)	15,959	662,564
Changes in items during the period							
Dividends from surplus					—		(2,877)
Net income attributable to owners of parent					—		17,340
Purchase of treasury stock					—		(1)
Net changes in items other than shareholders' equity	4,063	771	25,681	26,769	57,286	1,215	58,501
Total changes in items during the period	4,063	771	25,681	26,769	57,286	1,215	72,963
Balance at the end of current period	6,607	959	(23,768)	(32,608)	(48,809)	17,174	735,527

Consolidated statement of changes in shareholders' equity

Current Fiscal Year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,360	719,828	(18)	767,162
Changes in items during the period					
Dividends from surplus			(2,877)		(2,877)
Net income attributable to owners of parent			44,097		44,097
Purchase of treasury stock				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					—
Total changes in items during the period	—	3	41,220	(2)	41,222
Balance at the end of current period	11,992	35,364	761,048	(20)	808,384

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income Total		
Balance at the beginning of current period	6,607	959	(23,768)	(32,608)	(48,809)	17,174	735,527
Changes in items during the period							
Dividends from surplus					—		(2,877)
Net income attributable to owners of parent					—		44,097
Purchase of treasury stock					—		(2)
Change in ownership interest of parent due to transactions with non-controlling interests					—		3
Net changes in items other than shareholders' equity	7,012	1,912	47,855	1,301	58,080	2,433	60,514
Total changes in items during the period	7,012	1,912	47,855	1,301	58,080	2,433	101,736
Balance at the end of current period	13,619	2,872	24,086	(31,306)	9,270	19,608	837,264

Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Fiscal Year (From April 1, 2020 to March 31, 2021)	Current Fiscal Year (From April 1, 2021 to March 31, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes and non-controlling interests	25,914	59,520
Depreciation expenses	56,354	57,292
Increase (decrease) in allowance for doubtful accounts	61	(245)
Increase (decrease) in net defined benefit liabilities	(11,733)	2,511
Interest and dividends income	(2,039)	(2,421)
Interest expenses	824	837
Subsidy income	(3,894)	(322)
Loss (gain) on valuation of investment securities	1,037	533
Loss on retirement of property, plant and equipment	816	742
Loss (gain) on sales of property, plant and equipment	(646)	(265)
Decrease (increase) in notes and accounts receivable - trade	8,493	(18,986)
Decrease (increase) in inventories	9,683	(24,846)
Increase (decrease) in notes and accounts payable - trade	(3,814)	12,929
Other	5,575	7,615
Subtotal	86,632	94,893
Interest and dividends income received	2,000	2,216
Interest expenses paid	(835)	(811)
Subsidies received	3,894	322
Income taxes paid	(9,450)	(15,488)
Net cash provided by (used in) operating activities	82,241	81,132
Net cash provided by (used in) investing activities		
Net decrease (increase) in short-term loans receivable	30	(69)
Payments into time deposits	(916)	(6,541)
Proceeds from withdrawal of time deposits	1,761	6,073
Purchase of property, plant and equipment	(38,471)	(33,685)
Proceeds from sales of property, plant and equipment	1,687	903
Purchase of intangible assets	(3,563)	(3,936)
Proceeds from sales of intangible assets	1	–
Purchase of investment securities	(401)	(306)
Proceeds from sales and redemption of investment securities	8	–
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	–	(1,520)
Other	(313)	(1,330)
Net cash provided by (used in) investing activities	(40,176)	(40,414)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(426)	162
Repayments of finance lease obligations	(1,437)	(2,447)
Proceeds from long-term loans payable	18	2,025
Repayments of long-term loans payable	(13)	(2,145)
Purchase of treasury stock	(1)	(2)
Cash dividends paid	(2,872)	(2,880)
Dividends paid to non-controlling interests	(551)	(490)
Net cash provided by (used in) financing activities	(5,284)	(5,776)
Effect of exchange rate change on cash and cash equivalents	9,888	18,319
Net increase (decrease) in cash and cash equivalents	46,669	53,261
Cash and cash equivalents at the beginning of period	164,708	211,378
Cash and cash equivalents at the end of period	211,378	264,639

Notes to the Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation

Main consolidated subsidiaries are listed in "4. Overview of Affiliated Companies" under "1. Corporate Overview."

(1) Number of consolidated subsidiaries 105

Number of consolidated subsidiaries increased due to acquisition 1

NITTO Co., Ltd.

Number of consolidated subsidiaries decreased due to liquidation 1

YKK AP (SHANGHAI) CO., LTD.

The 105 consolidated subsidiaries also include YKK Holding Europe B.V. and YKK Netherlands B.V.

(2) Number of unconsolidated subsidiaries 5

Name of major unconsolidated subsidiary:

Y2K HOLDINGS CORPORATION

The reason for exclusion from consolidation is as follows:

These companies have been excluded from consolidation because they are small, and their total assets, net sales, net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company) do not have a significant effect on the consolidated financial statements.

2. Application of equity method

(1) Number of companies accounted for using the equity method

Not applicable.

(2) Number of companies not accounted for using the equity method 8

Unconsolidated subsidiaries: 5

Y2K HOLDINGS CORPORATION and others

Affiliated companies: 3

NIIKAWA PORTAL CORPORATION and other

The reason for not applying the equity method is as follows:

These companies are not accounted for using the equity method because their impact is not significant on the consolidated financial statements in terms of their total net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company), and they are not significant as a whole.

3. Accounting period of consolidated subsidiaries

The fiscal year end of certain foreign consolidated subsidiaries, including SHANGHAI YKK ZIPPER CO., LTD., is December 31. These subsidiaries are consolidated using their financial statements as of the parent fiscal year end, which are prepared solely for consolidation purposes.

4. Matters regarding accounting policy

(1) Valuation standards and valuation methods for significant assets

a) Securities

1) Held-to-maturity debt securities

Held-to-maturity debt securities are carried at amortized cost (Straight-line).

2) Other securities

a. Securities other than stocks, etc., without market price

Marketable securities are carried at market price as of the consolidated fiscal year end, with changes in unrealized gains or losses included directly in net assets. Cost of securities sold is determined using the moving average method.

b. Stocks, etc., without market price

Non-marketable securities are carried at cost, which is determined using the moving average method.

Some of our consolidated subsidiaries use the discount cash flow method.

b) Derivatives

Derivative financial instruments are stated at fair value.

c) Inventories

Inventories are mainly stated at cost based on the gross average method (the balance sheet amounts are determined including any required write-downs based on any decrease in profitability).

(2) Depreciation of assets

a) Property, plant and equipment (excluding leased assets):

Amortization is calculated using the straight-line method.

The estimated useful lives are as follows:

Buildings and structures 2 - 50 years

Machinery, equipment and vehicles 2 - 15 years

b) Intangible assets (excluding leased assets):

Amortization is calculated using the straight-line method.

Software for internal use is amortized over a period of mainly 5 years using the straight-line method.

c) Leased assets:

Leased assets held under finance lease transactions, where ownership is not transferred

Depreciation of leased assets is calculated using the straight-line method over the lease terms with no residual value.

d) Right-of-use assets

Overseas subsidiaries apply the International Financial Reporting Standards 16 "Leases" (hereinafter, "IFRS 16"). In accordance with IFRS 16, in principle, borrowers in lease transactions record all lease transactions as right-of-use assets, and depreciation and amortization is calculated using the straight-line method.

(3) Basis for significant reserves

a) Allowances for doubtful accounts

Allowances for doubtful accounts are provided at an amount sufficient to cover probable losses on collection. The allowances consist of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the historical actual percentage of collection losses on normal receivables.

b) Provision for bonuses

Accrued bonuses of the Company and its consolidated subsidiaries have been provided based on the estimated amount of bonuses to be paid to employees that relates to the current consolidated fiscal year.

c) Provision for directors' retirement benefits

Provision for directors' retirement benefits of the Company and certain domestic consolidated subsidiaries has been made at an amount to be required at the current consolidated fiscal year end based on the Company's bylaws.

(4) Accounting for retirement benefits

a) Attribution to periods of expected retirement benefits

The Company and its domestic consolidated subsidiaries calculate retirement benefits obligations by using the straight-line attribution method to attribute expected benefits to the periods up to the current fiscal year.

b) Amortization of actuarial gains and losses and past service costs

The Company and its domestic consolidated subsidiaries amortize past service costs using the straight-line method over the average remaining years (8 to 22 years) of service of eligible employees.

Amortization of actuarial gains or losses begins in the consolidated fiscal year after the fiscal year in which the gain or loss is recognized, and is recorded using the straight-line method over a period within the average remaining years (8-22 years) of service of eligible employees at the time of occurrence in each consolidated fiscal year.

(5) Reporting of significant revenues and expenses

The following describes (1) the contents of the major performance of obligations in the main business related to the revenue generated from the contracts with customers of the Company and its consolidated subsidiaries and (2) the normal time points (normal time points for recognizing the revenue) to satisfy the performance of obligations.

a) Fastening Business

The Fastening Business conducts manufacturing and sales of fastening products, etc. In domestic sales, control of the product is transferred to the customer at the time of delivery and the performance of obligation is satisfied. However, since the period from the time of shipment to the time of delivery is short, we recognize the revenue on the shipping date. In export sales, we recognize revenue on the shipping date because important risks and economic values associated with possession of the product are transferred to the customer at the time of shipment and the performance of obligation is satisfied.

Revenue is measured by deducting returns, discounts, rebates, etc., from the consideration promised in the contract with the customer.

The consideration for the transaction is received within a short period of time after the performance of

obligation is satisfied, and does not include any significant financial components.

b) AP Business

i. Sales of goods

The AP Business conducts manufacturing and sales of construction material products. Control of the product is transferred to the customer at the time of delivery and the performance of obligation is satisfied. However, since the period from the time of shipment to the time of delivery is short, we recognize the revenue on the shipping date.

Revenue is measured by deducting returns, discounts, rebates, etc., from the consideration promised in the contract with the customer.

The consideration for the transaction is received within a short period of time after the performance of obligation is satisfied, and does not include any significant financial components.

ii. Construction contracts

The AP Business installs curtain walls, windows, sashes, etc. For construction contracts where it is possible to reasonably estimate the progress of fulfilling the performance of obligations, we use the input method to reasonably estimate the progress of construction. We recognize revenue over a certain period of time based on the progress. On the other hand, for construction contracts where it is not possible to reasonably estimate the progress of fulfilling the performance of obligations, we use the cost recovery method to recognize revenue over a certain period of time. However, if the period from the transaction start date in the construction contract to the time when the performance of obligation is expected to be fully satisfied is very short, we recognize revenue when the performance of obligation is completely satisfied.

For construction contracts where the total estimated construction cost exceeds the total amount of the construction contract, the excess amount is immediately recognized as an expense.

There is a short gap between the time that the perform of obligation is satisfied and the consideration for the transaction is received. It does not include any significant financial components.

(6) Translation of significant assets and liabilities denominated in foreign currencies into yen

Current and noncurrent receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect on the final day of the consolidated fiscal year, and differences arising from the translation are treated as loss or gain on exchange. All asset and liability accounts of foreign consolidated subsidiaries and affiliates are translated into yen at the rates of exchange in effect at the consolidated fiscal year end, and all income and expense accounts are translated into yen at the average exchange rate during the year. Differences arising from the translation are presented as foreign currency translation adjustments and non-controlling interests in net assets.

(7) Hedge accounting

a) Hedge accounting

Deferral hedge accounting is adopted, in principle. Forward foreign exchange contracts are subject to appropriation if they satisfy the requirements for appropriation treatment.

b) Hedging instruments and hedged items

Hedging instruments and hedged items for which hedge accounting is adopted in the current consolidated fiscal year are as follows:

Hedging instruments: Forward foreign exchange contracts

Hedged items: Payables denominated in foreign currencies, forecast transactions denominated in foreign currencies.

c) Hedging policy

Foreign exchange fluctuation risk is hedged in accordance with the Company's basic policy related to risk management.

d) Assessment of hedge effectiveness

Hedge effectiveness is assessed quarterly, based on the change in fair value of hedged items and the change in fair value of hedging instruments. Forward foreign exchange contracts, which are subject to appropriation treatment, are excluded from the assessment of hedge effectiveness.

(8) Goodwill amortization method and period

In principle, goodwill is amortized using the straight-line method over an estimated effective period from the date of occurrence. When the amount of goodwill is insignificant, goodwill is fully expensed in the period in which it arises. When the amount of goodwill is insignificant, goodwill is fully expensed in the period in which it arises.

(9) Cash and cash equivalents in the Consolidated Statements of Cash Flows

Cash and cash equivalents consist of cash on hand, cash at banks that can be withdrawn at any time, and

short-term investments with a maturity of 3 months or less when purchased that can easily be converted to cash and are subject to little risk of change in value.

(10) Other significant accounting policies of the Consolidated Financial Statements

Application of tax effect accounting to the transition from the Consolidated Taxation System to the Group Tax Sharing System

The Company and some of our domestic consolidated subsidiaries will transition from the Consolidated Taxation System to the Group Tax Sharing System from the next consolidated fiscal year. In conjunction with transitioning to the Group Tax Sharing System which was established by the Act on Partial Revision of the Income Tax Act (Act No. 8 of 2020), and in the case of items for which the non-consolidated tax system was reviewed in conjunction with transition to the Group Tax Sharing System, provisions in Article 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28; February 16, 2018) are not applied as per treatment defined in Item 3 of the PITF No. 39 Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (March 31, 2020). The amount of deferred tax assets and deferred tax liabilities are based on tax law rules prior to the amendment.

From the beginning of the next consolidated fiscal year, we plan to apply the PITF No. 42 Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (August 12, 2021), which stipulates the corporate tax and local corporate tax when applying the Group Tax Sharing System, as well as accounting treatment and disclosure for tax effect accounting.

(Changes to accounting policy)

(Application of the Accounting Standard for Revenue Recognition)

We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter, "Revenue Recognition Standard"), etc., from the beginning of the current fiscal year. At the point in time that control of the promised goods or services is transferred to the customer, we recognize the revenue in the amount expected to be received in exchange for those goods or services.

When applying the Revenue Recognition Standard, etc., we follow the transitional treatment stipulated in the proviso of Article 84 of the Revenue Recognition Standard. However, there is no cumulative effect on retained earnings in the case of retroactive application of new accounting policy before the beginning of the current fiscal year.

Also, the impact on consolidated financial statements due to the Revenue Recognition Standard is immaterial.

Due to the application of the Revenue Recognition Standard, etc., the item "Notes and accounts receivable" that was displayed in "Current assets" in the consolidated balance sheet of the previous fiscal year is now included in "Notes, accounts receivable, and contract assets" from the current fiscal year. However, in accordance with the transitional treatment prescribed in Article 89-2 of the Revenue Recognition Standard, we have not reclassified the previous fiscal year using the new display method.

Also, in accordance with the transitional treatment prescribed in Article 89-3 of the Revenue Recognition Standard, notes on "Related to revenue recognition" related to the previous fiscal year are not included.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter, "Fair Value Standard"), etc., from the beginning of the current fiscal year. In accordance with the transitional treatment prescribed in Article 19 of the Fair Value Standard and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), we are applying into the future the new accounting policy stipulated by the Fair Value Standard.

However, the application of the Fair Value Standard, etc., has no impact on the consolidated financial statements.

In the notes on "Financial Instruments," we now list items related to the breakdown by level of fair value of financial instruments, etc. Also, in accordance with the transitional treatment prescribed in Article 7-4 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019), we do not include items related to the previous fiscal year in the notes.

(Unapplied accounting standards, etc.)

· Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, issued by the ASBJ on June 17, 2021)

(1) Overview

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31)

was amended on June 17, 2021. At the time that the amendment was announced on July 4, 2019, it is assumed that a certain period of time is required for discussion, etc., with related parties during review related to the calculation of fair value of investment trusts. Furthermore, a certain amount of review is required for notes on the fair value for investment in unions, etc., that record the net amount of equity in the balance sheet. Therefore, the Implementation Guidance on Accounting Standard for Fair Value Measurement was amended and announced after about one year of deliberation after the announcement of the Accounting Standard for Fair Value Measurement.

(2) Scheduled application date

Standards will be applied from the beginning of the fiscal year ending March 31, 2023.

(3) Impact of applying the accounting standards, etc.

The application of the Implementation Guidance on Accounting Standard for Fair Value Measurement has no impact on the consolidated financial statements.

Segment information

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance. Each business unit of the Group formulates comprehensive domestic and overseas strategies for the products it handles and develops business activities.

Accordingly, the Group is composed of product segments based on business, with the two reportable segments of the "Fastening Products" business and the "AP" business. The "Fastening Products" business manufactures and sells zippers, zipper parts, zipper materials, snaps fasteners, buttons, etc. The "AP" business designs, manufactures, installs and sells residential windows and sashes, windows and sashes for commercial buildings, interior furnishings, exterior materials, shaped products, and, construction components.

From the current fiscal year, numbers for new segment information due to organizational restructuring are listed. Therefore, segment information for the previous fiscal year is disclosed based on the classification of the reportable segment information after the restructuring.

2. Calculation method for the amount of net sales, income or loss amounts, assets, liabilities, and other items by reportable segment

Reportable segment income is the value for operating income.

Intersegment net sales and transfers are mainly recorded at market prices and the cost of goods manufactured.

3. Information by reportable segment on net sales, income or loss amounts, assets, liabilities, and other items

Prior Fiscal Year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Amount listed on consolidated balance sheet *3
	Fastening Products	AP	Total			
Net sales						
Sales to third parties	247,018	402,769	649,788	3,977	—	653,765
Intersegment net sales and transfers	378	114	493	17,634	(18,128)	—
Total	247,397	402,884	650,281	21,612	(18,128)	653,765
Segment income	6,038	20,488	26,526	1,279	(1,459)	26,346
Segment assets	573,932	386,482	960,414	55,950	(1,447)	1,014,918
Other items						
Depreciation expenses	35,056	17,848	52,904	1,331	2,118	56,354
Increase in tangible and intangible assets	23,711	14,891	38,602	319	856	39,779

(Notes) 1. Other includes business activities such as real estate, aluminum smelting, etc.

2. (1) Adjustments for segment income of (1,459) million yen include a 3,420 million yen elimination of intersegment transactions and (4,968) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to company-wide shared departments of the Company.

(2) Adjustments for segment assets of (1,447) million yen include a (62,038) million yen elimination of receivables due from company-wide shared departments throughout the company, 281,845 million yen of company-wide assets not allocable to reportable segments, and a (63) million yen adjustment for inventory assets.

3. Segment income has been reconciled to operating income represented in the Consolidated Statements of Income.

Current Fiscal Year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Amount listed on consolidated balance sheet *3
	Fastening Products	AP	Total			
Net sales						
Sales to third parties	346,234	446,172	792,407	4,611	–	797,019
Intersegment net sales and transfers	1,962	188	2,150	21,923	(24,074)	–
Total	348,197	446,360	794,558	26,535	(24,074)	797,019
Segment income	42,367	17,375	59,742	1,695	(1,277)	60,161
Segment assets	632,989	426,844	1,059,834	71,115	25,991	1,156,941
Other items						
Depreciation expenses	36,399	18,112	54,512	1,268	1,511	57,292
Increase in tangible and intangible assets	20,251	20,606	40,858	773	1,812	43,444

(Notes) 1. Other includes business activities such as real estate, aluminum smelting, etc.

2. (1) Adjustments for segment income of (1,277) million yen include a 2,850 million yen elimination of intersegment transactions and (5,395) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to company-wide shared departments.

(2) Adjustments for segment assets of 25,991 million yen include a (64,698) million yen elimination of receivables due from head office administrative departments, 299,436 million yen of company-wide assets not allocable to reportable segments, and a (413) million yen adjustment for inventory assets.

3. Segment income has been reconciled to operating income represented in the Consolidated Statements of Income.

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