



Little Parts. Big Difference. >>>

This is YKK 2024

YKK CORPORATION Integrated Report



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

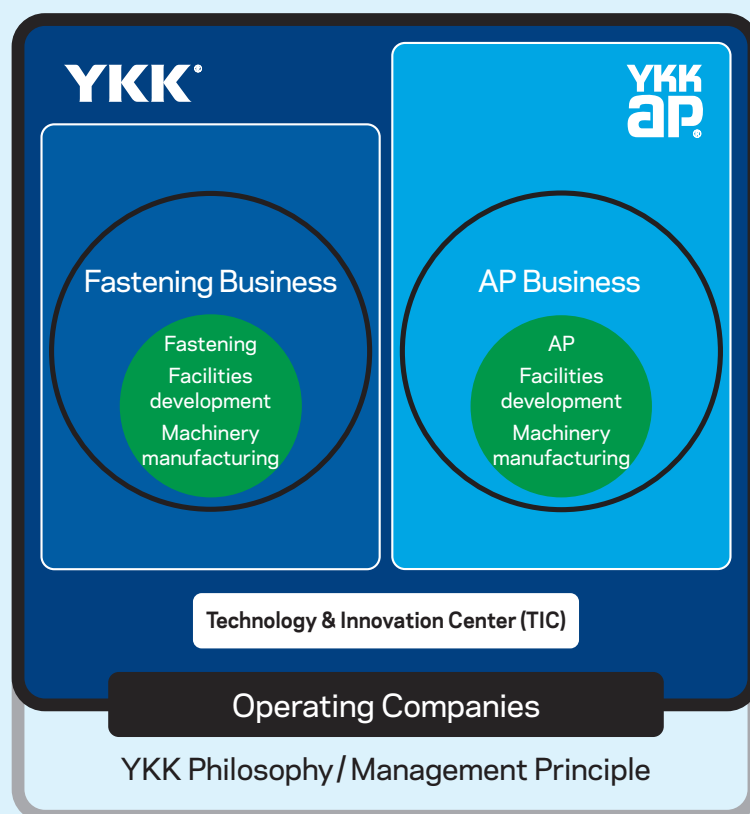
**Do not fear failure; experience builds success. /
Create opportunities for employees.**

Insist on quality in everything.

Build trust, transparency and respect.

YKK Group Management Structure

The YKK Group operates in 70 countries and regions around the world, with the Fastening Business and Architectural Products (AP) Business as core operations.



Supporting the Two Businesses Through the Development of Equipment and Manufacture of Machinery

In FY2021, the Machinery and Engineering Group was integrated to the Fastening Business and AP Business respectively to enable speedier development of machinery and equipment as well as the manufacture of machinery that are specialized to each business. The newly built Technology & Innovation Center provides technical support to each business to enhance their competitiveness.

YKK Group Consolidated

Number of Group Companies and Employees

112 companies **45,363** employees

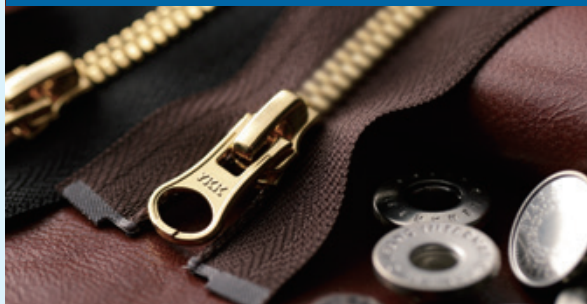
Net sales

920.2 billion yen

Operating income

55.2 billion yen

Fastening Business



The Fastening Products business has been producing and marketing fastening products, including zippers (slide fasteners), hook & loop (textile products), buckles (plastic products), and snap & buttons, for 90 years.

Fastening Products / Snaps & Buttons Businesses

Number of Group Companies and Employees

67 companies **26,696** employees

Net sales

379.3 billion yen

Operating income

33.3 billion yen

Architectural Products (AP) Business



Windows and doors are significant attributes to creating comfortable living spaces. Building facades create beautiful urban scenery. The YKK AP business aims to deliver good health, comfort, safety, and security through its architectural products.

Residential / Exterior / Commercial /
Global Curtain Wall / Aluminum Profile /
Overseas AP Businesses

Number of Group Companies and Employees

28 companies **17,834** employees

Net sales

538.1 billion yen

Operating income

25.6 billion yen

Other Businesses



AGRO PECUARIA YKK LTDA.

YKK Rokko Corporation

In addition to YKK Real Estate Co., Ltd., YKK Business Support, Inc., which supports business operations within the YKK Group, and YKK Rokko Corporation printing company (a special YKK Group subsidiary), we are developing businesses rooted in local regions, such as the agricultural and livestock business in Brazil (Agro Pecuaria YKK Ltda.).

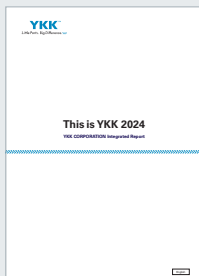
Number of Group Companies and Employees

18 companies **833** employees

(Note) Net sales and operating income are figures for the year ended March 31, 2024. Other figures are as of March 31, 2024.

Editorial Policy of the YKK CORPORATION Integrated Report “This is YKK 2024”

The YKK CORPORATION integrated report, “This is YKK 2024,” is an overview of management and business activities that are rooted in the CYCLE OF GOODNESS® YKK philosophy embraced by YKK from its founding to the present day. The report is focused around YKK’s Fastening Business.



Main Text of Report

We publish an integrated report on financial and non-financial information, such as an overview of long-term value creation, the medium-term management strategy toward sustainable growth, financial performance, and sustainability efforts.

Data Book

The Data Book is a collection of detailed data pertaining to the achievements of YKK’s sustainability-related activities and our ESG performance, as well as our financial affairs.

Environment

Environmental Management
Climate Change
Information Disclosure Based on TCFD Recommendations
Material Resources
Water Resources
Chemical Management
Biodiversity
Environmental Contribution Activities

Social

Human Resources and Hiring
Human Asset Development
Diversity & Inclusion
Industrial Health and Safety
Employee Health
Human Rights
Supply Chain Management
Quality

Governance

Corporate Governance
Risk Management
Compliance
Intellectual Property Management

Financial Information

Awards and Achievements

Report Scope

Financial Information

Disclosed for the YKK Corporation, its 109 subsidiaries, and two affiliated companies, accounted for using the equity method on a consolidated basis as the “Group,” and for each segment (Fastening Business, Architectural Products Business, Other Businesses)

Sustainability Vision / Environmental

- With the Fastening Business at the center, 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

Period Covered

FY2023 (April 1, 2023 to March 31, 2024)

* Includes some activities from outside this period

Reference Guidance

“Guidance for Collaborative Value Creation,”
Ministry of Economy, Trade and Industry (METI)
“International <IR> Framework,”
The International Integrated Reporting Council (IIRC)

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Other Disclosure Information (See Here for Details)

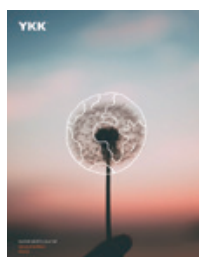
<Website>



This is the official YKK Corporation website. Visit for an introduction to our businesses, a corporate profile, financial and sustainability information, news releases, and more.



<Sustainability Journal>



This booklet shares stories illustrating our desire to achieve the YKK Sustainability Vision 2050. The Sustainability Journal is used globally as a customer communication tool.



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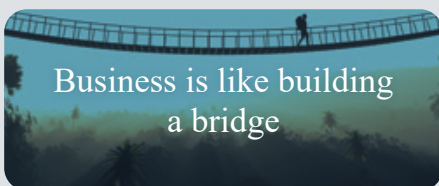
The Philosophy of YKK's Founder, Tadao Yoshida

From the CYCLE OF GOODNESS® to a Sustainable Future



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, "No one prospers without rendering benefit to others," 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.

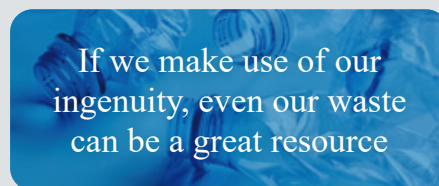
A philosophy that is highly compatible with sustainability has been at the core of YKK's management since the time of the founder. It continues to be inherited at the company even today, 90 years after it was founded.



Business is like building
a bridge

July 1965

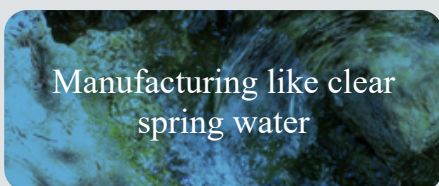
I don't think that a business will prosper unless it is both profitable and also contributes to the world and is useful to human society. Nothing brings more happiness than when we can contribute to the local industry and the local economy, thereby enriching the lives of local people. YKK's "bridges"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



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

January 1971

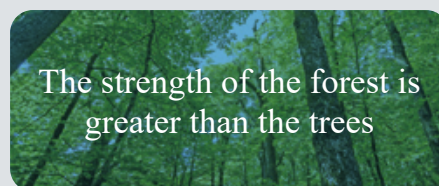
The first thing we should do is think about how to better deal with waste from our own neighborhoods and implement those ideas together. If we continue digging for underground resources, cutting down trees, catching fish, and increasing oceans where fish can't live as we are doing now, it will mean the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



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.



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.

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

YKK sustainability vision 2050

Achievement of Climate Neutrality and Co-existence with Nature



Climate change

Develop business activities that are adapted to climate change and curb its effects

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 below 1.5°C above pre-industrial levels – and we will work to reduce GHG emissions with the aim of becoming carbon neutral by 2050. Furthermore, we will adapt to climate change and develop stable business activities.



Material resources

Achieve *monozukuri* to boost sustainable use of material resources

By reducing the environmental impact of products manufactured by the Fastening Business and in the packaging materials used, and by shifting to sustainable materials, we aim to reduce waste generated through the life cycle of products, reduce the use of petroleum-derived materials, and contribute to the realization of a circular society, while protecting ecosystems and expanding activities to enrich them.



Water resources

Implement sustainable water use

For sustainable water use, we will work to reduce the burden on local communities and ecosystems by reducing water intake and strengthening wastewater management according to local conditions.



Chemical management

Manage and reduce chemical usage

In order to ensure a healthy environment for future generations, we will work to minimize the impact of chemical substances on the natural environment and people through appropriate management and by reducing the amount used.



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.

Message from the President

We aim to be an indispensable presence in society by implementing management based on the CYCLE OF GOODNESS®.

YKK's purpose as a company is to co-exist and co-prosper with our customers, the natural environment, and all other stakeholders, and to contribute to the creation of a sustainable society. As we celebrate the 90th year since our founding, we will continue to promote business activities with an eye toward the future.

Toward The "Right Time, Right Material, and Right Amount" Era

The past three years of the 6th Mid-term Management Plan, which began in FY2021, have been marked by the spread of COVID-19 and Russia's invasion of Ukraine, as well as by other major developments in disease and global affairs.

Amidst those circumstances, we thought that the traditional business model of mass-producing goods and disposing of those that did not sell would be eliminated, and I feel that this is exactly what is happening. The entire garment industry is in the midst of a business model transformation. There is an increasing demand to produce things that are necessary, when people need them, in exact quantities—in other words, the right time, the right material, and the right amount—not just in the garment industry, but for all consumer goods.

We will need various kinds of wisdom and effort to make that a reality. While I think we have been very successful at strengthening the cost competitiveness of YKK's core products, which we have been focusing on for many years, it is also important for us to be capable of responding to diverse customer requests in a timely manner, providing services related to delivery dates, and offering a wide range of product variations and proposals. We still have room to exert greater effort to make our customers happy, and I feel that our business can grow on a global scale if we focus firmly on this area.

The YKK philosophy, the CYCLE OF GOODNESS, is our ideology for co-existence and co-prosperity with our customers and all other stakeholders. We will make

the motto of "better products at a lower cost and greater speed, more sustainably" a reality, and we aim to remain a socially good company that will be needed in the future.

YKK's Strength as a Group of Small and Medium-Sized Companies

Due in part to sluggish market conditions, Fastening Business results for FY2023 showed a 0.3% year-on-year decrease in net sales to 379.3 billion yen and a 23.8% year-on-year decrease in operating income to 33.3 billion yen, resulting in decreased sales and income. However, I believe we need to look at performance not only in terms of current figures, but also over the medium-to long-term. Looking at the products in stores, I feel that in some countries and regions, more people are choosing YKK® products compared to before. I am convinced that the efforts we have been making so far are moving in the right direction and will surely bear fruit in the future.

In addition, under the current Mid-term Management Plan, we have implemented organizational restructuring since FY2021. Our shift from a system organized by business divisions to a flat structure, in which we arrange organizations by function, has helped raise internal awareness of the need to work under "One YKK." In addition, in FY2023, we relocated some functions of the Global Sales Headquarters to Vietnam. Today, most of YKK's sales are overseas. The move has allowed us to be closer to our customers, and to directly and swiftly identify changes in requirements and market trends. The number of visits to customers has increased significantly, and the



Hiroaki Otani

President,
YKK Corporation

information we gain from these visits can be immediately used to make management decisions, among other benefits. I feel that the move is having the desired effect.

This flexibility in changing organizational structures and strategies in response to changing times is also due to the fact that YKK is an aggregation of more than 60 operating companies that are small and medium-sized, with the management of each company entrusted to its respective top management personnel. Our founder Tadao Yoshida emphasized the importance of “having the spirit of a small to medium-sized company.” He left behind the message that “all employees are co-managers, workers, and colleagues in the same position.” The idea is that the president and employees should be equal, and that the president is not perched atop a pyramid, but a tree that stands shoulder to shoulder with the employees. This attitude remains firmly with us today. All of us share the unchanging YKK philosophy of the CYCLE OF GOODNESS®, and constantly use it as the basis for our decisions. For this reason, we can make changes in a flexible manner, which is what gives YKK its strength.

Toward Digital Promotion, Manufacturing Reform, and Engagement Improvement

We will develop various measures in anticipation of FY2024, the final year of the 6th Mid-term Management Plan, and the next Mid-term Management Plan.

First, we would like to focus on digital promotion. In order to provide better value to a wide range of customers and employees, we have expanded the existing Digital Operation Planning Department and established a new Digital Business Development Department in FY2024. We will also promote manufacturing innovations to strengthen our production system based on the philosophy of integrated production by consolidating

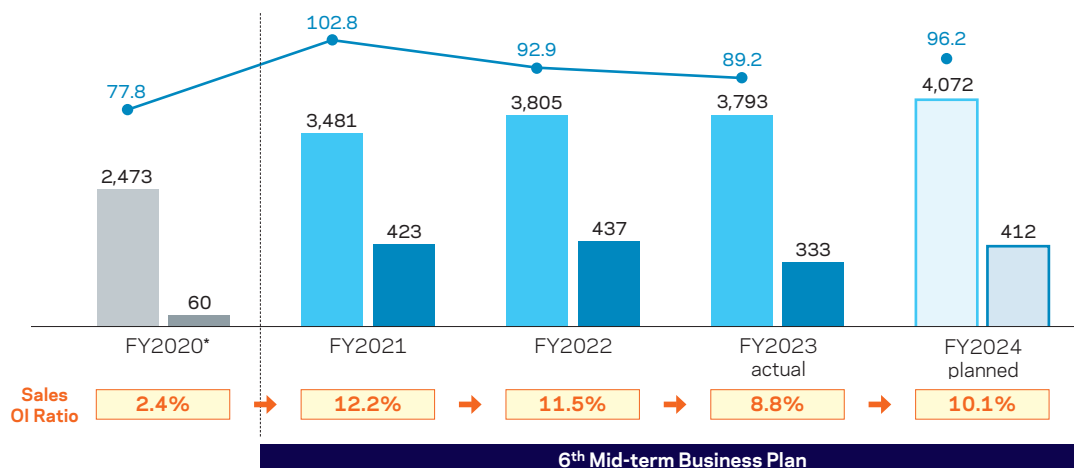
our product development and product strategy, as well as the projects for non-stop/unmanned lines and cost competitiveness initiatives that we have been pursuing, into the Machinery and Production Line Development Committee. By utilizing external general-purpose equipment and technology, in addition to our proprietary technology and equipment, we will increase our speed and cost competitiveness and take on the challenge of new technological innovations. We also intend to devote our efforts to brand strategy on a global scale. The Global Brand Strategy Department, newly established in FY2024, will play a central role in developing a variety of future projects.

I also believe that improving employee engagement is key to implementing these measures and enhancing their effectiveness. For a company, its “people” are everything. They are the greatest and most valuable assets that a company can have. They should not only be satisfied with their work, but also like the company and want to work with their colleagues, which motivates them to make customers happy and do their best for the sake of the company, thereby enhancing the quality of their work. I believe that this leads to improved performance of the entire company.

Although I am now in charge of YKK as a whole, I always want to treat employees in the field from the same perspective as when I was a manager of an overseas operating company. One such initiative is holding round-table meetings where I listen to the opinions of employees in a small-group setting. In the words of our founder Tadao Yoshida, “Employees, create benefits for others while developing yourselves,” and I hope to pass this attitude on to the next generation.

Fastening Business 6th Mid-term Business Plan (FY2021-24) Progress

■ Net sales (100 million yen) ■ Operating income (100 million yen) — Zipper units sold (100 million)



* After adjustment for reorganization

Key Points of Business Execution Under the New Normal

Promoting sustainability	● Launching initiatives toward climate neutrality, developing eco-friendly products
Strengthening cost competitiveness	● Strengthening exhaustive cost competitiveness of core products
Promoting digitalization	● Solving customers' problems and reforming employees' ways of working

Achieving Sustainability

We felt that the CYCLE OF GOODNESS®, the corporate philosophy of our founder Tadao Yoshida, which we have cherished up to this point, was highly compatible with the concept of sustainability. That is why we declared in 2020, in the midst of an uncertain future due to the COVID-19 pandemic, that we would “place sustainability at the center of management” as a sign of returning to our roots. We see sustainability as a universal mission which transcends commercial objectives and aims to pass on a better society to the next generation.

In order to achieve that mission, we must ensure that the natural elements of climate, soil, and water are in place, and we need to protect the abundant environment and pass it on. We have been developing various initiatives at YKK under the Sustainability Vision 2050. Among other initiatives, YKK was chosen for the “A List”—the highest rating—in the 2023 Climate Change survey conducted by the global environmental disclosure organization, the Carbon Disclosure Project (CDP). I believe that we must not only maintain these activities in the future, but also continually improve them. As a step in this direction, we have newly revised the Vision and enhanced its perspective on biodiversity. Last year, the YKK Center Park Furusato-no-Mori (Hometown Forest) located within the Kurobe Manufacturing Center was certified by the Ministry of the Environment as a “Nature Coexistence Site,” which is connected to the idea of “Factory in a Forest” that Tadao Yoshida envisioned decades ago as coexisting with the natural environment. I would like us to carry on this philosophy and conduct our corporate activities in such a way that wherever we go in the world, local residents will be glad to have invited YKK to their region.

Implementing the CYCLE OF GOODNESS® as we head toward our 100th anniversary

“A zipper might be just one part, but it still matters.” I would like to examine the meaning behind YKK’s new tagline, “Little Parts. Big Difference.”

A zipper is a very simple product, consisting of three main parts. However, to create a strong zipper that opens and closes smoothly, various high-quality metal, fiber, and

plastic materials must be combined in a well-balanced manner. I want our employees to be aware of their role in creating those “Big Differences,” even in little products, which can contribute to the quality improvement of secondary products and the business development of our customers, and to feel happy and proud to work for YKK.

Ten years from now, in 2034, our company will finally celebrate its 100th anniversary. Now is the time to pursue and practice our Management Principles, based on the CYCLE OF GOODNESS®, in all countries and regions where we do business. We will continue to work as one to become an indispensable presence for society, co-existing in harmony with customers, local communities, the natural environment, and all other stakeholders.



Reflecting on the 6th Mid-term Management Plan and Looking Ahead

We will present the achievements and results produced by the 6th Mid-term Management Plan to date and introduce messages from the Executive Vice Presidents at the top of each function with an eye toward FY2024, the final year of the plan, and the next Mid-Term Management Plan.

Toward Providing Value With “Soul”

Koichi Matsushima

Director
Executive Vice President, Business Strategy
and Business Strategy Division



The Business Strategy Division is responsible for organization-wide business planning. We have the important role of ensuring consistency through vertical and horizontal axes across the organization and its functions. I have been engaged in promotion with the desire to drive our key strategies across the entire Fastening Business. Notably, one of our results after our organizational restructuring in FY2021 has been that information sharing and decision-making have become much faster and more open, and a greater sense of global unity has been achieved.

Furthermore, in the organizational changes for

FY2024, we established the Global Brand Strategy Department to further focus on raising awareness of the YKK brand. Our employees around the world will unite to provide value to our stakeholders by putting their soul into each of our three “brand drivers” (sustainability, speed, and quality), which are the forces that will propel us into the future. To this end, as a member of the management team, I will work to maximize organizational strength by properly communicating our corporate strategy to employees and ensuring that they understand it deeply.

Getting Closer to Where Our Customers Are

Toru Shikita

Vice President, Global Sales Headquarters



Over the past few years, geopolitical risks in various regions have increased. We often hear the key phrase “going from centralization to diversification” from our customers, and the business environment has changed dramatically. Against this backdrop, in 2023 we transferred our Global Sales Headquarters’ functions to Vietnam, our main battleground, to put ourselves at the forefront of the market and establish a structure that enables us to come face-to-face with 100% of global market sites and customers. In addition, we have assembled a diverse team to ensure that we are

able to meet the needs of our customers in detail and have engaged in direct dialogue with more than 300 customers annually in countries around the world.

Through these activities in which “we seek answers where the customers are,” the Global Sales Headquarters will discover issues on the global stage that even the customers themselves are unaware of. We will link YKK’s powerful network to take on the challenge of creating new products and demand, and provide product value that will delight customers and make employees proud.

Using Ingenuity and Improvement to Empower “Monozukuri”

Yoshimine Kobayashi

Director
Executive Vice President, Manufacturing & Engineering Division



Over the past three years, the entire company has focused on “strengthening cost competitiveness,” “improving delivery times,” and “building non-stop/unmanned production lines.” In terms of strengthening cost competitiveness, even with the adversity from the COVID-19 pandemic during that period, we are beginning to see the results of technical aspects being introduced to manufacturing sites through company-wide projects, and we are attaining a growing degree of perfection. Our improvements to delivery time have also steadily evolved, from taking a traditional “internal perspective” to taking a “customer perspective.”

In the future, we will attempt to evolve “Monozukuri”

by enhancing core technologies in terms of our technology capabilities, and by utilizing digital and AI technology to make smart factories a reality. Furthermore, we will simultaneously work to solve current technological issues and explore new technologies from a long-term perspective, in collaboration with the Technology and Innovation Center (TIC). The key to our success will be how well we can demonstrate our ingenuity and improvements to date when market conditions have recovered in the future. We would like to achieve solid results in the final year of this Mid-term Management Plan.

Boosting Our Competitiveness as “One YKK”

Satoshi Honda

Director
In Charge of Pension Policies, CFO, Executive Vice President,
Business Administration, Administration Division



Three years have passed since the Administration Division was created as part of the organizational restructuring in FY2021, making it the “Administration Division of the Fastening Business,” both in name and in reality. During this Mid-term Management Plan, we have worked to strengthen governance, optimize costs, reform work styles, and create a succession plan in cooperation with operating companies overseas and with regional headquarters. I feel that employees in the Administration Division have also improved their level of awareness, going from “supporting the Business” to “transcending departmental boundaries to contribute to the Fastening Business together.” In terms of operational improvements, we have made

progress with Group-wide standardization, including shared reporting tools across countries and regions and the cloud, by spreading the habit of being aware of time and output and promoting digitalization.

On the other hand, in terms of human assets, we will continue to develop an environment in which everyone can play an active role, such as by abolishing the mandatory retirement age at operating companies in Japan, increasing the ratio of women in executive and managerial positions, and working to enrich career paths that are more flexible and diverse. Going forward, we will continue to boost our global competitiveness as “One YKK” which transcends national, regional, and organizational boundaries.

The History of YKK's Value Creation

"Better products at a lower cost and greater speed, more sustainably"

The history of YKK is also a history of technological innovation to provide customers with better products. YKK will continue its challenge to keep creating new value for our customers and for society.

1934-

Foundation to Establishment
of the Integrated Production System

1959-

Global Expansion

1934

Foundation

Founded in Nihonbashi Kakigara-cho, Tokyo (at center of photo); engaged in the processing and sale of metal zippers



1939

YKK utility model No.1

Metal slider for zippers

1946

YKK registered as a trademark



Zipper stamped "YKK"

1950

From a handicraft industry to mechanization

Four zipper chain machines imported from the U.S.



1952

Establishment of a fully integrated production system

Predecessor of the former Machinery & Engineering Group launched



1953

YKK patent No.1

Intermittent chain production machine developed

1959

Global expansion

Exported zipper manufacturing equipment to India
Opened first overseas base in New Zealand



1964

Achieved high-speed manufacturing

Commenced manufacturing using the YKK-CM6 (certified Mechanical Engineering Heritage*)



1974

Launched integrated production system overseas

First overseas integrated zipper production plant



YKK (U.S.A.) Inc. Macon Plant

1992

Expansion into growing markets

Full-scale base for expansion into China



Shanghai YKK Zipper Co., Ltd.

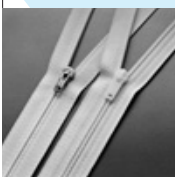
1994

Formulated the YKK Group Environmental Pledge

The Provision of Value Through Products and Technology

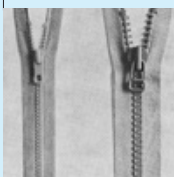
1952

Nylon zippers



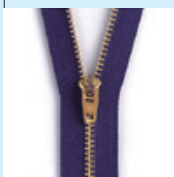
1961

Delrin zipper (current VISLON®)



1966

YZiP® Metal zipper



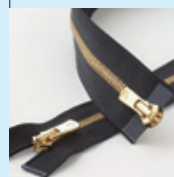
1983

Airtight and watertight zipper (current PROSEAL® zipper)



2000

EXCELLA® with fully polished elements



• 1958

CONCEAL® a zipper in which the element is not visible

• 1960s

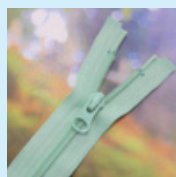
Recycling of plastics begun

• 1980s

The recycling of yarn from internal yarn waste begun

1994

NATULON® made from recycled PET plastic



2016

ECO-DYE® a dye technology that uses almost no water in the dyeing process



*Shows the fiscal year of the undertaking, development, commercial launch, trademark registration, or receipt of award

2001-

New Value Creation

2011

International-level quality assurance system

Registered Japan's first "fire walled" third party conformity assessment body*2



The former Machinery and Engineering Group, Analysis Technology Center

2014

Received the Porter Prize as a global leader in zippers

*1 Items that made contributions of historical significance to the development of technology and industry in Japan. They include machines, equipment, and related facilities and documents, which are considered cultural heritage for passing on to future generations. They are certified by the Japan Society of Mechanical Engineers (JSME).

*2 The first testing laboratory in Japan to be registered by the U.S. Consumer Product Safety Commission (CPSC) that can ensure the analytical value of lead content in products.

2017

New forms of collaboration

Launched inter-company joint development



Joint development with JUKI Corporation

2017

Aiming for full automation

Efforts made to achieve smart, digital facilities



Advanced factory robotic automation center opens

2021-

A New Organization for "One YKK"

2019

Established YKK Vietnam Co., Ltd. Ha Nam Plant

New plant using the latest systems

2020

Formulated YKK Sustainability Vision 2050

Aiming to achieve climate neutrality by 2050

2021

Restructuring of YKK organization and overseas regional management system

2023

Organization restructuring aimed at further boosting customer satisfaction

New Business Strategy Division; Global Sales Headquarters restructuring and moving of headquarters' functions to Vietnam

2023

Introduction of the new YKK corporate logo
YKK™

Little Parts. Big Difference. >>>

2024

Revised the YKK Sustainability Vision 2050

Aiming to achieve climate neutrality and coexistence with nature

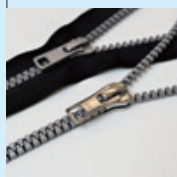
2018

QuickFree® a zipper which contributes to safety and security for children through enhanced operability



2019

AiryString® a tapeless zipper



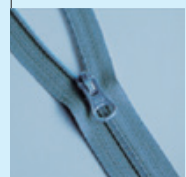
2020

NATULON® Ocean Sourced™ a zipper uses ocean bound plastic



2021

NATULON Plus® with increased ratio of recycled materials

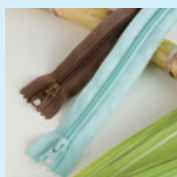


2019

AcroPlating® a new plating technology for brass that eliminates the use of conventional chemicals from the brass plating process

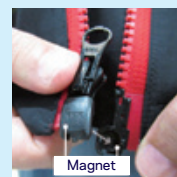
2019

GreenRise® a zipper which uses a plant-based polyester



2020

Can be closed by using magnetic force click-TRAK® Magnetic



Primary Points of the YKK Group 6th Mid-term Management Plan

Product Appeal & Proposal Capability

At the YKK Group, the most vital aspect of the 6th Mid-term Management Plan is “Creativity to Realize a Sustainable Society.” As capital-enhancing measures with regard to product appeal & proposal capability, which make up one of the pillars of that effort, we have been developing innovative products, improving cost competitiveness and delivery times, and integrating sales and development through organizational restructuring. YKK’s strengths continue to evolve with the aim of creating new value, in addition to fulfilling diverse customer demands.



Making It a Snap to Open/ Close with a Single Zipper

<Functions>

With the QuickFree® click-TRAK® Magnetic zipper, the slider snaps away when the chain is pulled to the left or right, and the zipper opens easily without lowering the puller. In addition, the magnets built in the left and right-side box pins pull toward each other, making it easy for the box pins to mesh without being manually aligned.

<Environment>

In addition, the tape portion of the zipper is made of recycled PET. YKK will cut CO₂ emissions and petroleum-derived resource usage by expanding sales of NATULON® zippers, an eco-friendly product with a higher ratio of recycled materials, as our core product.

Enhancing Our Product Development Capacity

Developing innovative products

Among YKK's innovative product development efforts, developing eco-friendly products is one of our strengths. We have been actively working to develop zippers and other products which utilize recycled materials and plant-based materials. At present, we are promoting the goal of changing the textile materials we use for fastening products to sustainable materials, and moving forward with the development of products that are easy to revive and recycle. Furthermore, we are enhancing our product planning and development capacity through the integration of sales and development in order to promptly fulfill customer demands.

Enhancing cost competitiveness and improving delivery time

We have touted the "thorough pursuit of cost competitiveness" as part of our 6th Mid-term Business Policy, and we are promoting thorough cost reduction of core products. We work together with sales, manufacturing, and engineering to plan and develop equipment with the aim of constructing optimal manufacturing lines for business environments in each region that fulfill customer demands for products and are appropriate for different specifications which vary by country/region. We will respond to changes in the market environment by meeting customer demands in terms of both cost and delivery time.

Toward enhancing capital

- Improved FY2024 development locations/personnel to 39 locations/1,025 personnel
- Established the Digital Business Development Department to provide high-quality, high-volume information to customers
- Introduced machinery and equipment at the local level, individually tailored for market characteristics in China/Asia

Annual zipper
production output

More than

3 million km

Proportion of
sustainable materials
(total meters)

38%

(FY2023 results)

YKK trademark
registration

in **117**
countries and
regions

An Organizational Structure to Meet Diverse Customer Demands

A structure to support customers as One YKK

YKK has a Global Marketing Group (GMG) with activities that span different countries and regions. The GMG is able to meticulously respond to customer needs—ranging from planning, development, and manufacturing to sales and services—from close by. It also plays a role in promoting the development of new products by linking customer requests to YKK operating companies in each country/region. In addition, the Glocal Supply Strategy Group (GSSG) was newly established in Vietnam in FY2023. This move made it possible to approach both buyers (garment manufacturers) and vendors (garment manufacturers). Our comprehensive capabilities as "One YKK" will lead to us fulfilling the demands of customers all over the world.

The Global Sales Headquarters goes international (relocation to Vietnam)

Due to organizational restructuring, in April 2023, some of the Global Sales Headquarters' functions were relocated from Japan to Vietnam. As the garment industry becomes more and more globalized, this move has led to the prompt understanding and sharing of changes in customer demands, as well as the improvement of on-site capabilities through the integration of sales and product development. In addition, the ability to form diverse teams with members of various experiences and cultural backgrounds, and to propose global and local solutions, is also a strength.

Toward enhancing capital

- "Business Strategy Division" was newly established as a function of GMG. Improved mechanisms to connect consumer nations with garment manufacturing nations
- Newly established the GSSG. Improved services for garment manufacturing vendors across countries
- Full-scale use of information sharing tools and other tools through promotion of digitalization

Marketing function
bases in

12 apparel-
consuming
countries/regions

Diversity of

employees at the
Global Sales
Headquarters
in Vietnam

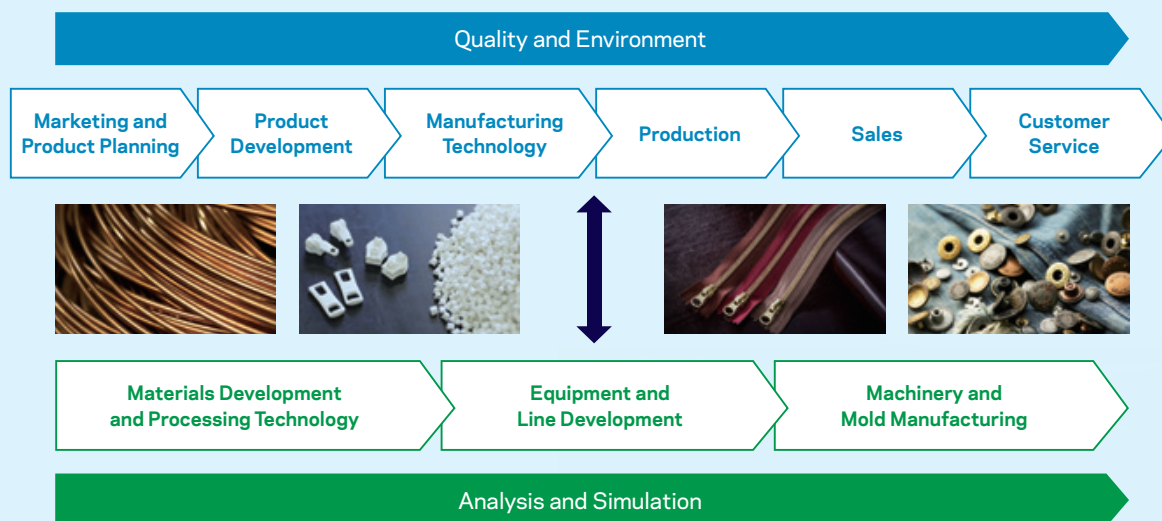
(employees from four
countries/regions, etc.)

Primary Points of the YKK Group 6th Mid-term Management Plan

Technology & Manufacturing Capability

At the YKK Group, the most vital aspect of the 6th Mid-Term Management Plan is “Creativity to Realize a Sustainable Society.” As part of our strategy to strengthen the capital of one of our pillars, “technological and manufacturing capabilities,” we are focusing on further evolving the “integrated production” concept, which is the foundation of YKK’s manufacturing, and on building smart factories. Furthermore, with the aim of enhancing the Technology and Innovation Center (TIC), our research and development division for the purpose of medium- to long-term value creation, we aspire to fulfill diverse customer demands and contribute to sustainability.

YKK Integrated Production



YKK has achieved an “integrated production system” that encompasses materials, manufacturing equipment, and products. From elemental technologies, such as those for developing metal, fiber, and plastic materials, and green recycling technology to the establishment of logistics, sales, and manufacturing systems, YKK has established a process that enables the stable provision of products of a quality sought by its customers, anywhere in the world.

The Technology and Innovation Center (TIC) is a new research and development hub established during the YKK organizational restructuring undertaken in FY2021. To actualize our 6th Mid-term Management Vision of “Technology Oriented Value Creation,” TIC is pursuing technological development from a medium- to long-term perspective directly linked to strengthening the competitiveness of both the Fastening and AP Businesses.



The Continuously Evolving Concept of Integrated Production

The strength of the “integrated production” concept

“Integrated production” at the YKK Group makes it possible for us to offer the highest-quality products worldwide, and it is the cornerstone of our company’s growth and development. We can respond to ever-changing customer needs and detailed requirements in a timely manner. In addition, in terms of cost competitiveness, we have created new materials and methods never seen before. In this way, our in-house integrated production system offers new value to our customers and society. Currently, in order to further evolve this “integrated production” concept, we are flexibly and meticulously responding to diverse customer needs by incorporating new technologies from outside the company, as well.

Building optimal manufacturing lines

With the aim of achieving thorough “cost competitiveness” and “enhanced customer service” for our core products, as stated in the 6th Mid-term Business Policy, we are promoting the introduction of production lines, machinery, and equipment at the local level that are suitable to the business environment and market characteristics of each region. The ability for sales, manufacturing, and engineering divisions to work together to plan and develop a wide variety of equipment with different specifications is one of the strengths of YKK’s “integrated production” concept. In addition, we are promoting smart factories in order to supply products according to the “right time, right material, and right amount.”

Toward enhancing capital

- Constructing optimal production lines for each business environment (refer to P.35)
- Strengthening global production and engineering functions and training local human assets
- Building the foundation to make smart factories a reality

Technology Cultivation at TIC

A sustainability perspective in R&D

YKK is developing sustainability technologies to achieve a circular economy. This includes the development of mono-materials, material and carbon recycling, and bioplastics. We will build development systems that integrate expertise across the board from organic, inorganic, and catalytic chemistry to supercritical and chemical engineering in order to research and develop technologies that can sort and recycle unused and recycled resources as well as synthesize functional materials with high efficiency.

Improving the environment for development by upgrading analysis facilities

Taking the establishment of the TIC as an opportunity, we promoted improvements to analysis bases so we would be able to engage in technological development based on smoother communication and organizational strength than ever before. We took each TIC group, which had been dispersed throughout the manufacturing center, and consolidated them all into a single building. In addition to temperature and humidity being controlled in the building, the indoor environment was designed to suppress floor vibration and noise, and analysis equipment was newly introduced to enable in-depth technical exploration based on fundamental principles. We have also developed an environment that enables detailed analysis from various perspectives, including material, form, composition, and condition, for different materials such as plastics, metals, and composite materials.

Toward enhancing capital

- Fostering human assets to develop core technologies in sustainability, materials, robotics, and digitalization
- Enhancing technical research from a global perspective
- Improving technological development of AI and digitalization in manufacturing

Total of the 6th Mid-term
(FY2021 to FY2024)
Investment Plan

124.5
billion yen

Investment in
digitalization (capital
investment) planned
for FY2024

4.3
billion yen

FY2024
Plans to install over

200 units of
machinery and
equipment on-site

Sustainability-related
investment
(capital investment)
2024 Plan

7.7
billion yen

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

5,859

(As of March 31, 2024)

Over **50** units
of analysis equipment
that are capable of
advanced analysis

Diverse Human Assets

At the YKK Group, the most vital aspect of the 6th Mid-term Management Plan is “Creativity to Realize a Sustainable Society.” In order to promote the activities of “diverse human assets,” one of the pillars of that effort, we are investing in diversity promotion and enhancement of human capital. For YKK, “people” are our most important and precious asset. We define “diverse human assets” as “employees who can contribute to the company by leveraging their individual experiences and knowledge,” and we are working to enhance corporate value by boosting employee engagement and creating an organization where employees can work autonomously and enthusiastically.

YKK Forest Management

**YKK is not a tree but rather a forest.
Everybody stands hand-in-hand and grows bigger together.
The benefits of the sun’s rays are felt throughout,
but the trees must also huddle together in order to withstand the rain and wind.
In a forest, there are, of course, large, experienced trees with many growth rings,
as well as young, thin trees. Some trees are tall and others are short.
Each person demonstrates their special abilities according to their
individuality.
They work well and move forward together without being controlled by anyone.
YKK employees are all workers, but at the same time, they are all managers.
No matter how large the company becomes,
my hope is that we will never lose the spirit of a forest filled with vitality,
and that we will remain a company where anyone can express his or her
opinions freely.**

- YKK Forest Management -Centennial Commemorative Publication
From Tadao Yoshida, Founder of YKK, and the CYCLE OF GOODNESS® Management Philosophy



YKK VIETNAM CO., LTD.



YKK BANGLADESH PTE. LTD.

YKK Forest Management

Diverse human assets who practice Forest Management and are active on a global stage

The concept of Forest Management, as described by founder Tadao Yoshida, aims to create a vibrant organization that grows autonomously by utilizing the individuality of each tree, just like trees in a forest. At YKK, which operates in countries and regions around the world, approximately 26,000 employees with diverse backgrounds, personalities, experiences, and knowledge are active on a global stage. These “diverse human assets” are YKK’s most important asset, and the source of the value we create.

An organizational climate and system where employee diversity is put to good use

The initiatives related to promoting the active participation of diverse human assets cover everything from in-house human asset development and skills training to the promotion of better health. In particular, we are focused on measures that contribute to management strategies, such as using human assets to explore new technologies and domains. To promote experts and secure human assets versed in specialized technical fields in light of a more competitive global human asset recruiting environment, YKK is looking into reforming its personnel and compensation systems in Japan. In FY2021, we launched the “Diverse Human Assets Promotion Committee” to set up a flexible and effective review structure to resolve issues related to human capital.

Toward enhancing capital

- Creating an environment in which everyone can play an active role, including flexible and diverse career paths
- Themes of priority activities by the Diverse Human Assets Promotion Committee
Shifting engineers toward multiple disciplines and systematizing their basic skills / Promotion of multi-skilled workers in manufacturing divisions / Review of course, grade, and salary systems that enable diverse human assets to work enthusiastically / Infrastructure development to improve engagement

26,696
diverse human assets
in **70**
countries and
regions

Initial global expansion
1959
(India, New Zealand)

Transferees who used
the internal hiring
system

107 people

(total as of the end of FY2023,
since the system began in Japan
in FY2021)

Increased Employee Engagement

Listening to individual employee feedback and applying it to management

The management team at YKK places great importance on listening to employee voices. Employees’ opinions and suggestions also serve as an opportunity to improve the workplace environment, an initiative which embodies the founder’s idea that “everyone is both a worker and a manager.” In addition, based on the belief that employee job satisfaction and dynamism will lead to earning customer satisfaction and trust, which in turn will enhance YKK’s corporate value, starting in 2023, we introduced a survey which focuses on employee engagement. We will link increased employee engagement to new value creation and increased corporate value.

Global Management Principles Promotion Activities

We believe that in order for employees with diverse ideas and values to advance toward the same goal, it is extremely important for them to have a shared understanding of a universal philosophy. The YKK Philosophy and Management Principles have taken root in many employees around the world through steady and ongoing activities such as “roundtable meetings” where employees engage in small-group dialogues with the president and chairman, “forums” for discussion with executive vice presidents, field-led activities, and a “Management Principles Study Group” by younger employees. (See ➡ P.43)

Dialogues with the
management team

646
employees
in Japan and
overseas

(FY2023)

Understanding and
empathy towards
the CYCLE OF
GOODNESS®

76%

(2024 employee engagement
survey)

Toward enhancing capital

- Continuing dialogue between the management team and employees and going more in-depth
- Multi-faceted Management Principles Promotion Activities, as well as employee participation
- Strengthening brand communication and employee engagement

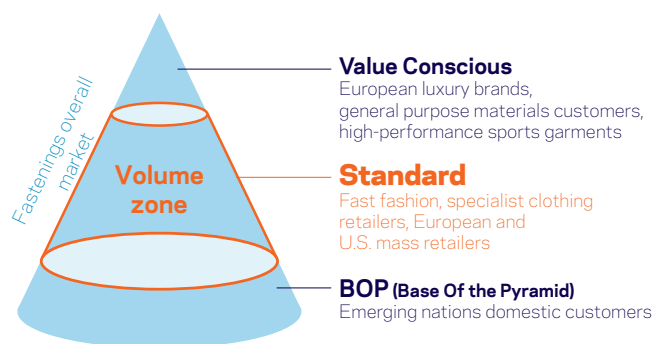
6th Mid-term Business Policy and Business Strategy

Sustainable Growth Under the New Normal - Responding to diverse customer needs and gaining customers -

Under the 6th Mid-term Management Plan (FY2021 to FY2024), we continue the vision of “Technology Oriented Value Creation.” YKK has formulated a 6th Mid-term Business Policy and Business Plan based on three primary points identified as necessary to achieve “Creativity to Realize a Sustainable Society,” which are “product appeal & proposal capability,” “technology & manufacturing capability” and “diverse human assets.”

We see the dramatic changes during the new normal after the COVID-19 pandemic as an opportunity to pursue sustainable growth, together with society, under the policy to provide “better products at a lower cost and greater speed, more sustainably.” As a milestone in the 6th Mid-term Management Plan, YKK has undergone organizational restructuring in FY2023 to adapt to the fiercely changing business environment. That is why we will promote initiatives that put sustainability at the core of management based on this new structure. In addition, YKK must respond to current world affairs that leave the future uncertain, as well as the continually changing business environment. That is why we have added “delivering turnaround times demanded by customers” and “thorough health and safety management” to our medium-term direction in an effort to improve customer satisfaction and ensure employee safety.

Fastening Business market categories



Business Environment

Social

- COVID-19 impact
→ Limits on economic activity
→ Logistics disruption, rise in transport costs
- Surging raw material costs (non-ferrous metals/crude oil)
- Increasingly tangible geopolitical risks

Market

- Expanding demand for sustainability in the garment industry
- A sluggish garment market due to global inflation and other factors, and garment inventories in the market remaining high

Technology Innovation

- Changes in the customer value chain due to advances in information technology

YKK Philosophy, CYCLE OF GOODNESS® / Management

YKK Group Code

<6th Mid-term Business Policy>

Sustainable Growth Under the New Normal - Responding

“Turn change into opportunity”

“Contribution to Society” - Continue

“Better products at a lower cost and

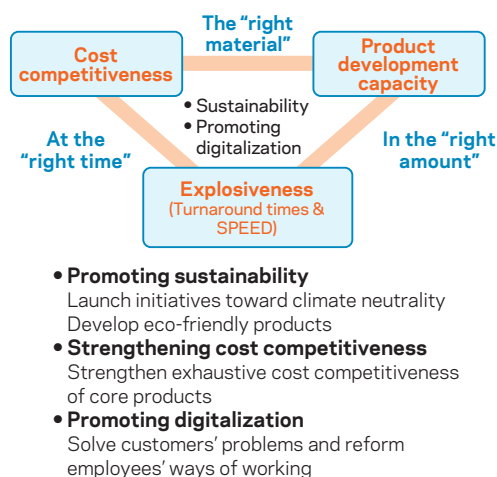
Medium-term Direction

- Flat organizational structure → P.25
 - Enhancing sustainability → P.27
 - Strengthening product planning and development → P.33
 - Thorough pursuit of cost competitiveness → P.35
 - Strengthening the use of digital technologies → P.36
- +
- Delivering turnaround times demanded by customers
 - Thorough health and safety management

Important Points and Targets of Business Execution in the New Normal

In the new normal after the COVID-19 pandemic, the “right time, right material, and right amount” will become an even greater requirement to supply customers with only the material they need in the right amount at the right time. The tasks to tackle in order to satisfy these requirements are to better position sustainability at the core of management, thoroughly reinforce the cost competitiveness of our core products, and further promote digitalization to support these efforts.

(Unit: 100 million units/yen)



	(Actual)			(Planned)
	FY2021	FY2022	FY2023	FY2024
Zipper unit sales	102.8	92.9 YoY: 90.2 %	89.2 YoY: 96.0 %	96.2 YoY: 107.8 %
Net sales	3,481	3,805 YoY: 109.3 %	3,793 YoY: 99.7 %	4,072 YoY: 107.4 %
Operating income	423	437 YoY: 103.2 %	333 YoY: 76.2 %	412 YoY: 123.7 %
Sales OI ratio	12.2 %	11.5 % YoY: -0.6 pt	8.8 % YoY: -2.7 pt	10.1 % YoY: 1.3 pt
Foreign exchange	USD	112.27 yen	135.34 yen	144.49 yen
	EUR	130.50 yen	140.87 yen	156.67 yen
	RMB	17.49 yen	19.75 yen	20.15 yen

Principle “YKK seeks corporate value of higher significance.”

of Conduct

to diverse customer needs and gaining customers -

to be a company for the social good -
greater speed, **more sustainably**”

YKK Sustainability Vision 2050



Vision for the Medium- to Long-term

Technology Oriented
Value Creation

Continuing to be
a “social good” company

Better products at
a lower cost and
greater speed,
more sustainably

Mid-term Direction Flat Organizational Structure

Organizational Restructuring for Immediate Response to the Drastically Changing Business Environment

In FY2021, the first year of the 6th Mid-term Management Plan, YKK reorganized and changed from a divisional structure to a flat structure consisting of functional organizations. The goal was to achieve sustainable growth even in the face of accelerating changes in the business environment over the period of the plan. In addition, we established the new Business Strategy Division in FY2023, and moved the functions of the Global Sales Headquarters to Vietnam to place the organization closer to both customers and markets.

Key Points Regarding the FY2024 Organizational Changes

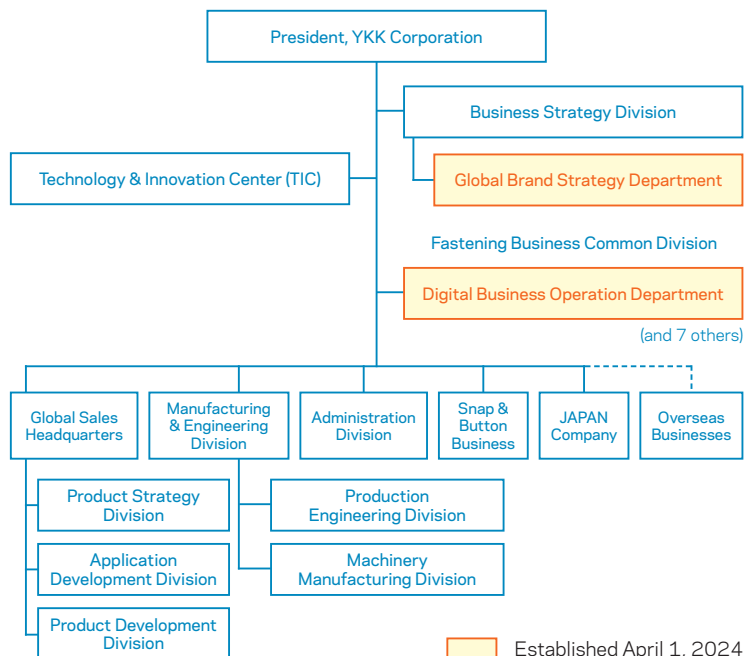
— Improving Brand Value Over the Medium- to Long-Term and Enhancing Our Global Business Infrastructure —

As global circumstances and the environment surrounding our business changed more rapidly than anticipated, we began implementing organizational restructuring in FY2024, the final year of the current Mid-term Management Plan, with an eye toward the 7th Mid-term Management Plan and beyond.

In order to enhance the brand value of YKK on a global scale over the medium- to long-term, we have established the Global Brand Strategy Department under the Business Strategy Division, which was established in FY2023 and is responsible for all processes from brand communication strategy planning to implementation of measures.

Also, in order to strengthen operations as “One YKK” and build a business foundation on a global scale, a Digital Business Operation Department has been established, incorporating the existing Digital Operation Planning Department. We will promote the use of digital technology across the entire organization, including overseas locations, to provide the best service to our customers and achieve a state of well-being for our employees, while developing the expert human assets responsible for those duties.

The Business Execution Structure of YKK Corporation (from April 1, 2024)



Established April 1, 2024

Taking Advantage of Organizational Restructuring to Rebuild Our Brand Strategy

We are enhancing our brand strategy in accordance with the organizational restructuring in the 6th Mid-term Management Plan, as well as changes to our customers and the market environment. In 2022, we conducted an employee brand survey among all YKK employees. We took approximately 10,000 employee responses, which covered the company's strengths, weaknesses, and reason for being, and used them as a basis to renew our corporate logo and redefine the story of our brand. Going forward, the newly established Global Brand Strategy Department will play a central role in the rollout of brand communication around the world.



Dedicated website for the new YKK Corporation Logo
<https://www.ykk.com/english/logo/>

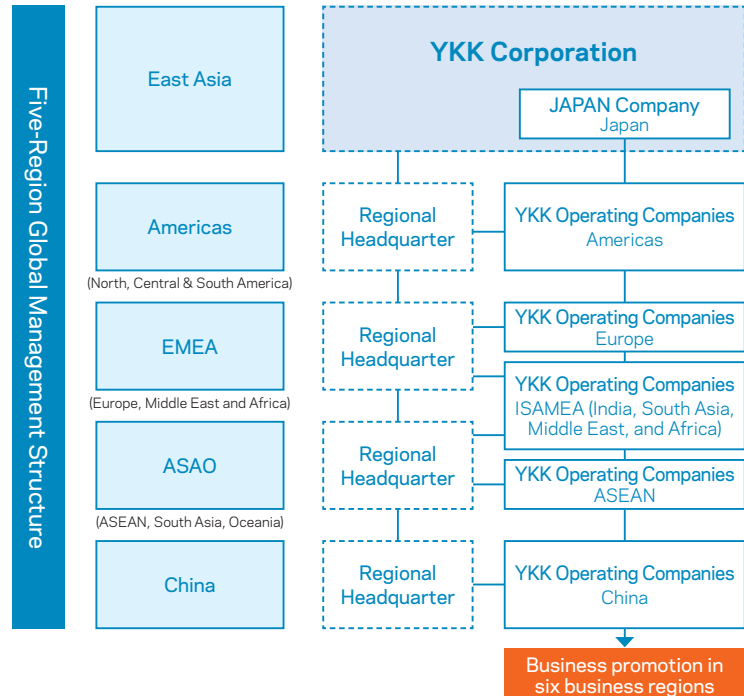
YKK™
 Little Parts. Big Difference. >>>>

The new corporate logo announced in March 2023 embodies the CYCLE OF GOODNESS® philosophy, the Management Principle, “YKK seeks corporate value of higher significance,” and the YKK Core Values. The logo expresses YKK employees’ desire to place sustainability at the center of the company’s management and to continue its long-standing work to act rapidly and provide trusted quality.

Global Management Structures

Regarding our overseas management structure, we shifted to a Five-Region Global Management Structure (East Asia, Americas, EMEA, ASAO, and China) in FY2021. At the same time, we split the governance and business promotion organizations, and established six business regions (Japan, Americas, Europe, ISAMEA, ASEAN, and China), which are classified according to trade area or commercial distribution. Each business region will promote business under a business promotion manager (business leader) assigned therein and strengthen both the appropriate marketing methods for the region and production engineering capability. Under this new system, regional headquarters provide managerial support to the six business regions, with a focus on capital management and strengthening corporate governance.

6th Mid-term Regional Management Structure



A Collective Commitment to Our Philosophy Creates Organizational Strength

Jessica Kennett Cork

Vice President of Digital Strategy
YKK CORPORATION OF AMERICA

Building a strong corporate culture is neither accidental nor instantaneous. It begins with a clear definition of the company's values and requires consistent, long-term communication of those values. At YKK Americas Group – spanning 11 nations, four languages, and 42 million km² – our true strength lies not merely in our diversity, but in our collective commitment to benefiting others, as expressed in the CYCLE OF GOODNESS® philosophy. Our employees recognize that this philosophy is more than just words; it is embodied in the daily actions of their colleagues, starting with top management. Through consistent reinforcement – including weekly messages about our Fundamental Behaviors, Core Values Awards, roundtable discussions, and global workshops – we have cultivated a resilient culture capable of weathering any challenge.

Investment Plans for Each Region

As an investment for making sustainability the basis of our management, further strengthening the cost competitiveness of our core products, and pursuing the digitalization that supports these efforts, we plan to invest ¥40.7 billion in FY2024. While major investments (such as plant construction) during the 6th Mid-term Management Plan period were largely

completed in FY2023, we will continue to plan aggressive investments in regions that will support future growth. We will invest in a balanced manner, in accordance with the characteristics of each region, and will also focus on implementing sustainability-related and digital-related investments for the future.

FY2024 investment plans

China/ASEAN/ISAMEA

¥20.3 billion

Japan/Americas/Europe

¥20.2 billion

Total **40.7 billion**

NOTE: Total also includes the amount from investment plans by regional headquarters.

Mid-term Direction Enhancing Sustainability






Management Centered on Sustainability: YKK Sustainability Vision 2050

In October 2020, YKK formulated the “YKK Sustainability Vision 2050,” aiming to achieve five themes and related SDGs. Constantly reviewing the Vision based on social demands and customer needs, YKK has added new KPIs to further accelerate efforts towards realizing a circular society, addressing climate change, biodiversity, and resource circulation.



Furusato-no-Mori (Hometown Forest) and waterside areas

YKK Sustainability Vision 2050 - Achievement of Climate Neutrality and Coexistence with Nature

Theme/Policy	Goal
<p> Climate change</p> <p>Develop business activities that are adapted to climate change and curb its effects</p> <p>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 below 1.5°C above pre-industrial levels – and we will work to reduce GHG emissions with the aim of becoming carbon neutral by 2050. Furthermore, we will adapt to climate change and develop stable business activities.</p>	<p>(By 2030)</p> <ul style="list-style-type: none"> • We will reduce emissions of CO₂ and other greenhouse gases in our company and supply chain. • Scope 1+2: 50% reduction (from FY2018 baseline) • Scope 3: 30% reduction (from FY2018 baseline) • 100% of electricity used is renewable energy <p>(By 2050)</p> <ul style="list-style-type: none"> • We aim to produce zero GHG emissions (carbon neutral). • We will reduce our energy consumption by improving manufacturing methods and equipment, in addition to pursuing greater efficiency in our operations and each process. • We will promote the installation of renewable energy generation facilities at Fastening Business locations. • To reduce Scope 2 emissions, we will promote the purchase of renewable energy. • To reduce Scope 3 emissions, we will promote the changeover of materials to sustainable materials. • We will eliminate all coal-using facilities by 2025. • We will reduce the risk of disasters associated with climate change (such as floods, heat waves, and small amounts of rainfall). • We will construct a supply chain that takes disaster risks caused by climate change into account.
<p> Material resources</p> <p>Achieve monozukuri to boost sustainable use of material resources</p> <p>By reducing the environmental impact of products manufactured by the Fastening Business and in the packaging materials used, and by shifting to sustainable materials, we aim to reduce waste generated through the life cycle of products, reduce the use of petroleum-derived materials, and contribute to the realization of a circular society, while protecting ecosystems and expanding activities to enrich them.</p>	<p>(By 2030)</p> <ul style="list-style-type: none"> • We will switch to 100% sustainable textile materials (recycled materials, naturally-derived materials, etc.) for fastening products. • We will replace all vinyl/plastic packaging materials used in the Fastening Business with sustainable packaging, including collectable/reusable forms. • We will maintain a waste recycling rate of 90% or higher. • We will reduce the amount of waste to be landfilled or incinerated at all manufacturing sites. • We will promote procurement that takes biodiversity (an environmental issue) into consideration. • We will contribute to resource recycling by promoting manufacturing and product design (improved durability, reparability, recyclability, etc.) that allows resources to be reused repeatedly and avoid generating waste. • We will develop resource recycling technology for fastening products. • We will carry out activities for ecosystem conservation.
<p> Water resources</p> <p>Implement sustainable water use</p> <p>For sustainable water use, we will work to reduce the burden on local communities and ecosystems by reducing water intake and strengthening wastewater management according to local conditions.</p>	<p>(By 2050)</p> <ul style="list-style-type: none"> • We will reduce water intake by 30% (compared to FY2018) • To reduce our water intake, we will work to use water more efficiently and reuse water, among other initiatives. • We will strictly manage wastewater at all manufacturing sites in accordance with Government regulations and YKK in-house standards established based on industry standards such as the Zero Discharge of Hazardous Chemicals (ZDHC). • We will reduce water risks at each manufacturing site.
<p> Chemical management</p> <p>Manage and reduce chemical usage</p> <p>In order to ensure a healthy environment for future generations, we will work to minimize the impact of chemical substances on the natural environment and people through appropriate management and by reducing the amount used.</p>	<p>(By 2030)</p> <ul style="list-style-type: none"> • We will promote the reduction of hazardous chemical substances. • Operation of our own standards (YKK Restricted Substance List): We will establish our own standards to control the use of chemical substances throughout our products and manufacturing processes and promote the reduction of hazardous chemical substances through ongoing risk communication with stakeholders. • Compliance with industry standards: With regard to standards for hazardous chemicals, we will promote compliance with industry standards at all of our sites worldwide in accordance with our own standards, which are based on the OEKO-TEX® STANDARD 100 and AFIRM RSL for product standards and the ZDHC Manufacturing Restricted Substance List (ZDHC MRSL) for manufacturing process control standards. • Development of new manufacturing methods: We will develop new manufacturing methods that reduce the use of hazardous chemical substances. Doing this will reduce environmental impact while ensuring product quality. • Prevention of air and soil pollution: We will take measures to prevent air and soil pollution due to the use of hazardous chemicals. Doing this will contribute to the protection of the global environment.
<p> Respect people</p> <p>Uphold human rights and ensure fair, safe work environments</p> <p>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.</p>	<ul style="list-style-type: none"> • By valuing diversity, being inclusive, respecting human rights, and improving the work environment, we will create safer workplaces throughout our supply chain. 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. • We will continuously conduct YGCC audits and make improvements in response to changes in societal demands, based on the YKK philosophy, CYCLE OF GOODNESS®, and the UN Guiding Principles on Business and Human Rights.

*1 OEKO-TEX is a registered trademark of ÖTI-Institut für Ökologie, Technik und Innovation GmbH.






*2 The Forest Stewardship Council® (License number: FSC®-C192280)

Activity Highlights

- Received the highest “A List” rating in the CDP Climate Change 2023 Questionnaire
- Received the highest rating in the CDP Supplier Engagement Rating for FY2022 and FY2023
- Revised the YKK Sustainability Vision 2050
- Sustainability-related investment (capital investment) 7.7 billion yen (planned for FY2024)



Details on the process for formulating the Vision, supply chain management, and other FY2023 initiatives are listed in the “This is YKK 2024 Data Book.”
<https://www.ykk.com/english/csr/eco/report/>

SDGs	FY2023 results	FY2024 plan
 	<ul style="list-style-type: none"> Scope 1+2 GHG emissions: 238,812t (56.2% reduction from FY2018 baseline) Scope 3 GHG emissions: 587,848t (32.7% reduction from FY2018 baseline) Renewable energy ratio of all power consumption: 56.5% Locations running on 100% renewable energy: 37 Solar power generation facilities in operation: 10 (28 sites in total) Plans formulated to update coal-fired boilers 	<ul style="list-style-type: none"> Continue carrying out initiatives that aim to achieve the FY2030 emission reduction targets based on the SBTi certification to limit the temperature rise due to climate change to less than 1.5°C, and to reduce emissions that exceed that threshold Scope 1+2 GHG emissions: 407,991t or less (25.2% or more reduction from FY2018 baseline) Scope 3 GHG emissions: 742,238t or less (15.0% or more reduction from FY2018 baseline) 10 solar power generation facilities planned Eliminate coal use
	<ul style="list-style-type: none"> Proportion of sustainable materials: 38% (up 12 points year-on-year) Switched to sustainable packaging materials: 31.0% The YKK JAPAN Company (Kurobe Manufacturing Center) replaced the main outer packaging cardboard for fastening products with packaging which uses paper certified by the Forest Stewardship Council® (FSC®)*2 Waste recycling rate: 91.9%*3 Conducted a survey of suppliers that already do business with YKK, or plan to do business with YKK, to determine whether or not they are certified with the Copper Mark*4 Launched the Revived Renewal Series of products that contributes to the longevity of garments life cycle. Established in-house recycling technology and operational flow for copper and zinc alloys used in YKK zippers YKK Center Park's Furusato-no-Mori (Hometown Forest) designated as a Nature Coexistence Site 	<ul style="list-style-type: none"> Proportion of sustainable materials FY2024: 51% More switchovers from plastic packaging materials to sustainable alternatives Solely target suppliers with “The Copper Mark” certification, and encourage non-certified suppliers to obtain certification Plan to begin sales of new “Revived Renewal Series” of products Develop products made of recyclable material that are designed for garment end-of-life recycling to help promote textile circularity Establish facilities and technologies for practical in-house recycling, and verification of practical implementation at overseas sites Implement community-based ecosystem conservation activities
	<ul style="list-style-type: none"> Water intake: 8.898 million t (22.1% reduction compared to FY2018) Water intensity: 13.1% reduction (compared to FY2022) Introduced manufacturing facilities that consume less water Introduce waste water recycling facilities for production reuse (13 sites in total) Conducted wastewater management studies based on ZDHC Wastewater Guidelines Analyzed water risks at each manufacturing site 	<ul style="list-style-type: none"> Water intensity: 2% reduction (compared to FY2023) Introduce manufacturing facilities that consume less water, as well as new water recycling facilities Conduct wastewater management based on ZDHC Wastewater Guidelines Implement water risk reduction measures in areas with high water risk (in-house standards)
 	<ul style="list-style-type: none"> Informed suppliers about the YKK RSL (2023 version) and conducted compliance surveys (1,663 companies) Conducted annual revisions of the YKK RSL (2024 version) based on social and customer needs Conducted tests to monitor status of compliance with the OEKO-TEX® STANDARD 100 certification and the AFIRM RSL Globally deployed the ZDHC MRSL compliance level assessment system Selected alternative materials for non-compliant materials in the YKK RSL (2023 version) and promoted the development of materials, manufacturing processes, etc. Conducted fluorine testing of all purchased materials and switched to materials that are alternatives to per-and polyfluoroalkyl substances (PFAS) wherever possible AcroPlating® technology unit sales volume as a percentage of brass sliders: 25% (up 7 points year-on-year) 	<ul style="list-style-type: none"> Inform suppliers about the YKK RSL (2024 version) and conduct compliance surveys Conduct annual revisions of the YKK RSL (2025 version) based on social and customer needs Conduct tests to monitor status of compliance with the OEKO-TEX® STANDARD 100 certification and the AFIRM RSL Continue to introduce and deploy InCheck reports, a third-party assessment, in the ZDHC MRSL compliance level assessment Select and switch to alternative materials from non-compliant materials in the YKK RSL (2024 version) Enhance inspections of sites that use chemical substances to prevent soil pollution
   	<ul style="list-style-type: none"> Implemented YGCC self-checks/audits at all applicable locations (ongoing) Based on the results of implementation, identified issues to be addressed and developed plans for implementation 	<ul style="list-style-type: none"> Conduct YGCC audits, and review inspection items and assessment criteria based on their results Establish a weekly management system for working hours at each company

*3 According to the definition of “recycling” under Japanese law, includes material recycling and thermal recovery.

*4 The Copper Mark certification: An international framework for responsible production and contributing to the UN SDGs in the copper industry.

Sustainability Promotion Structure

A YKK Sustainability Committee chaired by the president of YKK has been established. Expert subcommittees have been created for each theme that work to solve issues as we aim to achieve the targets of the YKK Sustainability Vision 2050. In order to further enhance and promote efforts related to chemical substances, we established a new expert subcommittee in FY2024. 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.



Accelerating efforts to implement a circular 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." In addition to climate change, we will place a strong focus on resolving issues related to resource recycling, such as biodiversity and promotion of the use of sustainable materials, while appropriately disclosing supporting data such as LCA evaluations. We will actively work to realize a circular society throughout our entire supply chain.

Realizing Our Vision through Partnerships

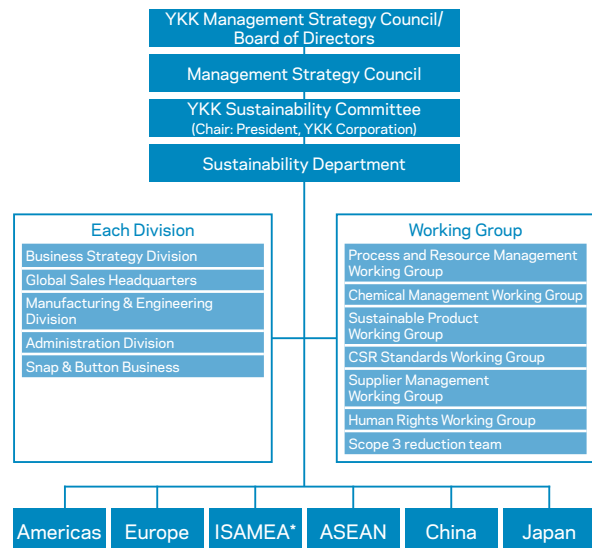
YKK serves as a member of international initiatives and external industry associations, strengthening partnerships through exchanges of views and collaboration with participating companies and organizations, and enhancing our efforts to realize circularity and a sustainable society.

In addition, we undertake self-assessments and external audits using the Higg Index, a suite of standards and module tools for assessing environmental and social impacts developed by Cascale (formerly known as the Sustainable Apparel Coalition). We post the results of Higg Index external audits for each of our locations on our website.



Higg Index external audit: Scores by location
<https://www.ykkfastening.com/sustainability/higg.html>

Sustainability Promotion Structure



* India/South Asia/Middle East/Africa

Sustainability Committee Meeting Results

Meeting No.	Month	Content
1st	July 2023	Reports about the progress of initiatives carried out by working groups (WG) and about efforts undertaken by Sustainability Committees in each region (such as climate change initiatives)
2nd	September 2023	Reports about the progress of initiatives carried out by each WG and about efforts undertaken by Sustainability Committees in each region
3rd	March 2024	Reports about the progress of initiatives and activity plans for the next fiscal year from each WG

Organization Memberships/Initiatives, etc.

(As of March 31, 2024)

- Joined Cascale (formerly known as the Sustainable Apparel Coalition) [September 2018](#)
- Signed the Fashion Industry Charter for Climate Action [March 2020](#)
- Signed the Net-Zero Recovery statement [May 2020](#)
- Joined the Textile Exchange [September 2020](#)
- Acquired 1.5°C target commitment certification under the Science Based Targets initiative (SBTi) [March 2021](#)
- Joined the Japan Sustainable Fashion Alliance [September 2021](#)
- Joined the Ellen MacArthur Foundation Network [April 2022](#)
- Joined the 30by30 Alliance for Biodiversity [August 2022](#)
- Signed the United Nations Convention on Biological Diversity (CBD) COP 15 Business Statement for Mandatory Assessment and Disclosure [October 2022](#)
- Joined Accelerating Circularity [January 2023](#)
- Joined METI's GX League [May 2023](#)
- Joined the Japan Climate Leaders' Partnership (JCLP) [May 2023](#)

See "This is YKK 2024 Data Book" for more detailed disclosure.

Information Disclosure based on TCFD Recommendations

Since the adoption of the Paris Agreement in December 2015, there has been more and more momentum to evaluate the impact climate change has on business activities worldwide. Within this business climate, the TCFD announced its recommendations in June 2017, which YKK signed onto as a supporter in 2019.

YKK evaluates and strives to incorporate the impact climate change may have on its business activities into its business strategies according to the TCFD recommendations.

1. Governance

The YKK corporate governance system essentially consists of the Board of Directors, which carries out decision-making and supervisory functions related to management policies and other important matters, and the Audit & Supervisory Board, which carries out auditing functions. We have also introduced an officer system to promote business execution. In addition to regular meetings held once a month, the Board of Directors holds extraordinary meetings as necessary to discuss and make decisions on business plans as well as organizational and other important management matters. It receives reports and supervises the progress of the business execution of each Group company as well.

The Sustainability Committee, launched as an advisory body for the Board of Directors, discusses and promotes management policies and strategy related to sustainability, such as climate change. The president serves as chair of the Committee.

2. Strategy

YKK identifies and evaluates major risks and opportunities for the Fastening Business related to climate change according to the TCFD recommendations.

Type		Financial impact on YKK
Transition risk	Current regulation	Risks of higher operation costs of YKK plants and the YKK buildings if the carbon tax rises in the future
Physical risk	Acute	Risks of manufacturing bases suffering damage due to more frequent and severe flooding due to the rising temperature
	Chronic	Risks of declining profits due to higher air-conditioning costs at YKK plants and skyrocketing raw material prices driven by the rising average temperature worldwide
Opportunity	Products/ Services	Opportunities to expand the number of products using recycled and other sustainable materials
	Energy source	Opportunities to expand product sales by proactively adopting renewable energy and meeting customer demands

3. Risk Management

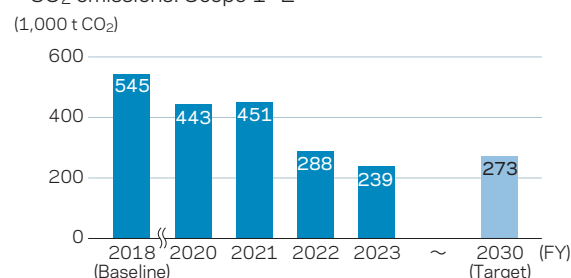
At YKK, risks are identified by each organization. After worst-case scenarios and the status of their responses are taken into account, we assess risks according to the scale of loss and damage and the frequency of occurrence. We evaluate the scale of damage by taking into account the financial impact, impact on human life and health, impact on credit and reputation, and impact on social order. We identify those risks with large potential impact as key risks that should be managed at the corporate management level. We also incorporate climate-related risks into the Group-wide risk assessment and management process to anticipate not only the short and medium-term but also the long-term impact (up to about 2030).

4. Metrics and Targets

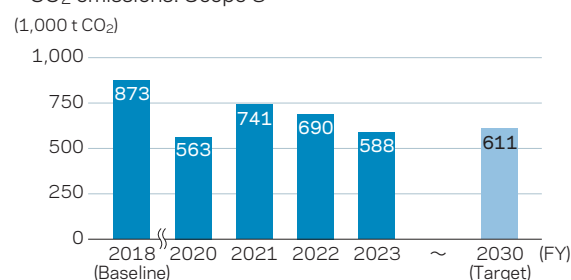
At YKK, we aim to become carbon neutral (net zero emissions) by 2050. Therefore, we have set targets to reduce CO₂ and other GHG emissions from our company and our supply chain. In addition, these targets have been certified by the Science Based Targets initiative (SBTi). We have disclosed our progress in the Integrated Report.

Metric		Target
Scope 1+2	Reduction of direct CO ₂ emissions	50% reduction by FY2030 (compared to FY2018)
Scope 3	Reduction of indirect CO ₂ emissions from the supply chain	30% reduction by FY2030 (compared to FY2018)

<CO₂ emissions: Scope 1+2> *1



<CO₂ emissions: Scope 3> *2



*1 and *2: GHG emissions in FY2021 and FY2022 (Scope 1+2 emissions, as well as Scope 3 emissions in categories 1, 2, and 3) were certified by a third party

Initiatives Toward Achievement of the YKK Sustainability Vision 2050

climate change



GHG emissions
Scope 1+2:

56.2%

reduction

Scope 3

32.7%

reduction

(from FY2018
baseline)

In FY2023, the YKK Group reduced its GHG emissions (Scope 1+2) by 56.2%, far surpassing its reduction target of 21.0% or more in comparison to FY2018, which was certified under the Science Based Targets initiative (SBTi) to limit global warming to 1.5°C. This is largely thanks to measures that include broader adoption of energy-saving production equipment and plant infrastructure, as well as the installation of solar power generation systems. As a result of pro-actively introducing renewable energy, we were able to increase the number of sites that have shifted purchased power to 100% renewable energy in FY2023 by six locations compared to FY2022. YKK now has 37 locations using only renewable energy worldwide. We are also working to reduce GHG emissions by purchasing renewable energy certificates. In FY2023, renewable energy-derived electricity accounted for 56.5% of total electricity use.

Additionally, by switching to and

increasing sales of the NATULON® series, we promoted the use of recycled polyester materials, resulting in a reduction of 14,544 metric tons of greenhouse gases compared to using virgin materials. In the future, we will also work to reduce Scope 3 emissions by moving forward with a shift to recycled materials for the main materials used in our fastening products.



Photo of solar power generation facilities
(YKK Vietnam Co., Ltd. Ha Nam Plant)

material resources



Total sales of
NATULON® zippers
equivalent to waste
recycling of
approximately

642 million
bottles

* As of March 31, 2024
Based on 29 g/bottle
(500 ml size)

38%

Proportion of
sustainable
materials
(Total meters)
(FY2023)

91.9%

Waste recycling
rate:
(FY2023)

Sustainable Materials for Fastening Products

In order to achieve 100% sustainable textile materials in fastening products by 2030, we have promoted the switch to the NATULON® zipper series made from recycled materials. The percentage of products made from sustainable materials was 38% in FY2023. We plan to expand the use of NATULON Plus® zippers—which uses recycled materials for tapes and elements—and promote the switch to NATULON Plus® zippers to further contribute to the realization of a circular society and increase the ratio of sustainable materials to 51% in FY2024.

Switching to sustainable packaging materials

In FY2023, in addition to initiatives such as promoting the replacement of plastic packaging materials with sustainable materials at each site, YKK JAPAN Company (Kurobe Manufacturing Center) replaced the main outer packaging cardboard for fastening products with the packaging which uses paper certified by the Forest Stewardship Council® (FSC®).

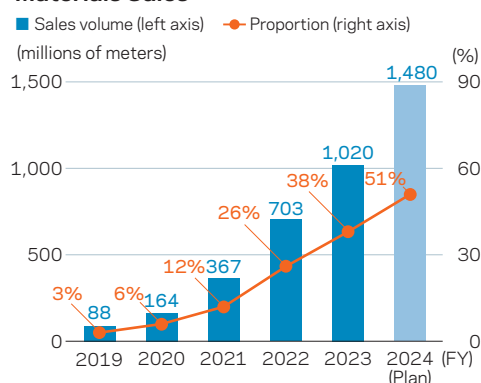
Contributing to resource recycling

We have launched the Revived Renewal Series of products that contributes to the longevity of garments life cycle. Additionally, in the development of resource recycling technology, we established in-house technology and operational flow for recycling copper alloys and zinc alloys used in zippers.

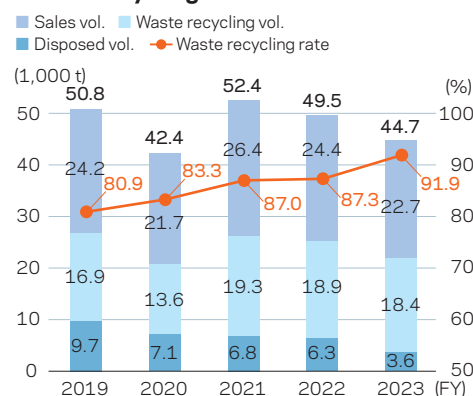
New “Revived Renewal Series” of products

- VISLON® with Revived Top Stop
- Revived Replacement Puller for Racquet Coil zipper
- Revived Replacement Slider

Volume and Proportion of Sustainable Materials Sales



Changes in Waste Emissions/ Waste Recycling Rates*



VISLON® with
Revived Top Stop



Revived
Replacement
Slider



Revived Renewal Products
(YKK DIGITAL SHOWROOM)

https://ykkdigitalshowroom.com/en/b1f/eco-friendly_products/renewal/

* According to the definition of “recycling” under Japanese law, includes material recycling and thermal recovery.



Details on the FY2023 initiatives are listed in the "This is YKK 2024 Data Book."
<https://www.ykk.com/english/csr/eco/report/>

water resources



22.1%

reduction

Reduction rate of
water intake
(from FY2018
baseline)

In FY2023, we made progress with the introduction of manufacturing facilities and water recycling facilities which consume water more efficiently, and our water intake was 8.898 million tons (a 22.1% reduction compared to FY2018). In addition, to ensure the responsible use of water, we conduct and review water risk assessments at each manufacturing site. At the six sites with relatively high water risk, we will promote activities to reduce those risks.

In our efforts to consistently upgrade our wastewater management, we reviewed wastewater treatment facilities and offered technical guidance at 12 overseas sites to enhance wastewater management and raise environmental compliance awareness among employees in charge. We have also decided to move forward with wastewater management in accordance with the standards of the ZDHC Wastewater Guidelines, which serve

as wastewater guidelines for the garment industry.



Wastewater processing and diagnosis setup at YKK
BANGLADESH PTE. LTD.

chemical management



1,663

companies

Number of suppliers
surveyed for the
YKK RSL
Compliance Survey
(FY2023)

In FY2023, we switched from per- and polyfluoroalkyl substances (PFAS) to alternative materials wherever possible in cooperation with the manufacturing and development divisions, and we conducted a survey of 1,663 suppliers regarding their compliance with the YKK Restricted Substance List (RSL), which takes into account chemical substance regulations, laws, and industry standards related to fastening products. We have revised the YKK RSL to create the 2024 version, based on social and customer needs, and we continue to inform suppliers and conduct compliance surveys.

In terms of new manufacturing technology to eliminate hazardous chemical substances, we have expanded our lineup of products made with the AcroPlating® technology, a new plating technology for brass that eliminates 100% of hazardous substances such as cyanide, chromium, and

selenium. The percentage of units sold in the brass sliders category that were produced using the AcroPlating® technology increased to 25% in FY2023 (an increase of seven points year-on-year).

We work closely with our suppliers to ensure compliance with the ZDHC Manufacturing Restricted Substance List to reduce the use of hazardous chemical substances that may be used in fastening products or production processes or accidentally be emitted into the environment. Through our activities we are promoting the switch to safer chemical substances and working to reduce their impact on the natural environment and people. To further strengthen and promote these efforts on a global basis, we established the Chemical Management Working Group as an expert subcommittee.

respect people



Building structures
for

**respecting
human rights**

based on
international
standards

In FY2023, we performed YGCC audits at all applicable locations and identified the level of CSR carried out by our suppliers and other business partners in an effort to continually reduce the risk of human rights violations. YKK responded to and amended any issues identified at companies in each country and region to reduce human rights risks. Among those issues, we formulated a stricter working hour management policy in response to increasing demands for working hour management. In FY2024, we will establish a policy-based system for weekly management of working hours at each company.

Going forward, we will also continue to identify and evaluate human rights risks through YGCC implementation and CSR procurement, continue to promote the building of relief systems, and work to

transition to structures that conform to UNGP and due diligence directives that will be enacted in the future in Europe.



YKK Group Human Rights Policy
<https://www.ykk.com/english/csr/responsibility/humanrights/>

Sustainability-related investment
(capital investment)

¥7.7 billion (FY2024 plan)

Mid-term Direction

Strengthening Product Planning and Development

Continuous Launches of Value-Added Products

YKK can provide a “one-to-one” response – that is, understanding the needs of customers and markets of various locations, applying them to product development, and delivering the products to customers on a timely basis. This is YKK’s strength as a company that conducts business globally. YKK is not only focused on strengthening its core products but will also place its focus on upgrading and expanding products that are appealing to customers who seek high functionality that is not found in core products. At the same time, we are also focused on uncovering the needs of customers and society and developing products that will provide new value.

For our major achievements in FY2023, we

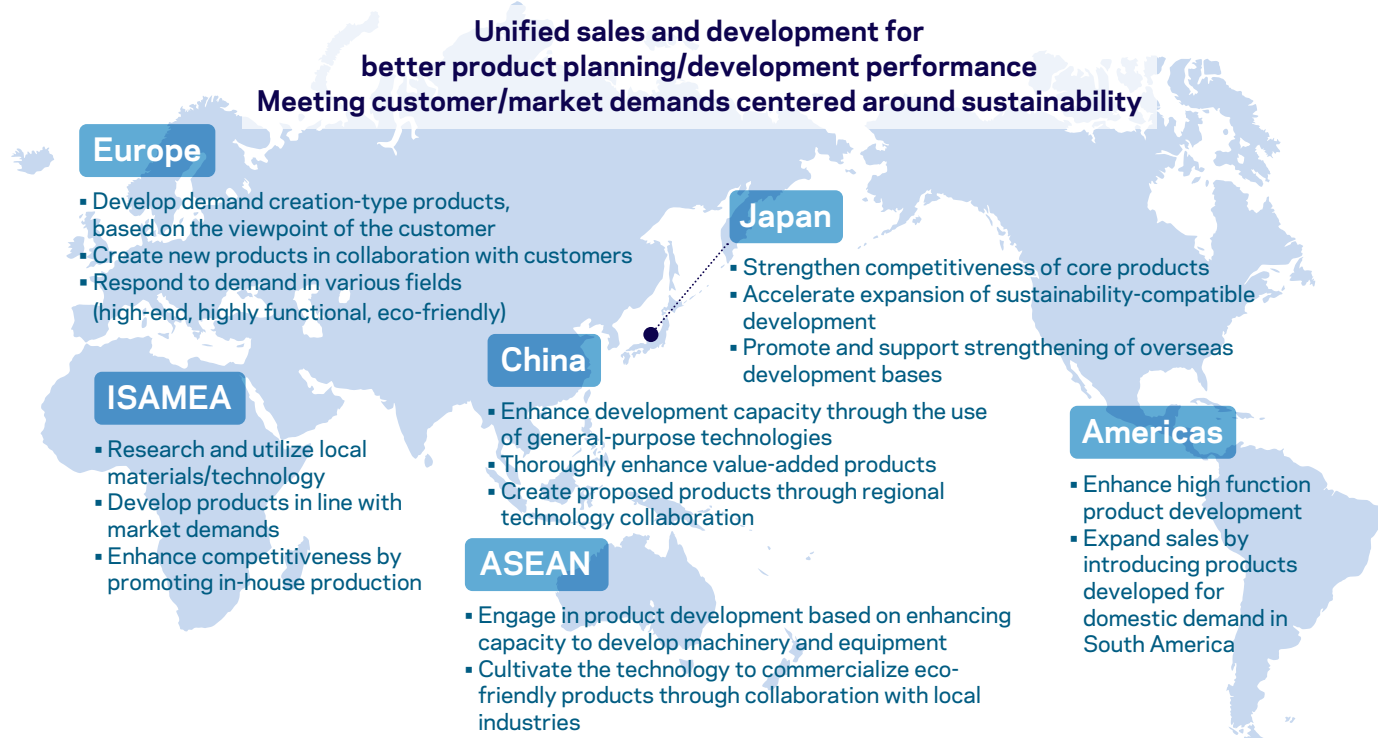
developed an injection-molded zipper made of plastic with a magnet incorporated into the open parts component for easier operation. We also developed a high-grade metal zipper for luggage with stretchable tapes for smoother opening and closing, in addition to making progress with the in-house production of plastic snaps for the baby products industry using multiple-cavity molds. We are also continuing to develop zippers with a higher ratio of recycled materials.

We will continue to enhance the development of eco-friendly products, while further speeding up the development process through the use of digital technology to augment development output.

Product Planning and Development Policy According to Market

Market	Main Type of Customer	Policy of the Initiative
Value Conscious	<ul style="list-style-type: none"> High-end brands High-function sports apparel Automobile interiors, etc. 	<ul style="list-style-type: none"> Strengthening the development of green products Continuous launches of added-value products
Standard	<ul style="list-style-type: none"> Casual apparel customers European and American mass retailers, and e-commerce 	<ul style="list-style-type: none"> Thorough pursuit of cost competitiveness

Product Development Policies Tailored for Business Regions



Development locations/personnel

FY2024 (plan) **39** locations/**1,025** employees (FY2023 results: 39 locations/971 employees)

Product and Technology Development Examples

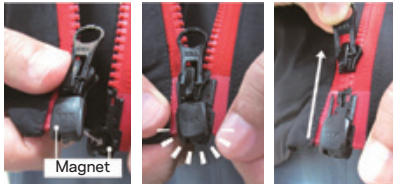
The YKK Digital Showroom introduces many examples of customer voices and product development stories. ▶

P.36



<https://ykkdigitalshowroom.com/en/>

click-TRAK® Magnetic



Magnets are embedded in the left and right open parts components, and the magnetic force of the magnets makes it possible to close the zipper simply by bringing

the open parts closer together. Since users can easily operate the zipper without looking at their hands, we envision it being used in a wide range of industries, such as quickly donning uniforms in sports situations, as well as for kids' wear and universal fashion.



Employee Voices

Tomoyuki Ekko

Slide Fastener Development
Department
Product Development Division

In response to persistent requests for an easy-to-operate product, we have developed an open part component which will automatically engage with a magnet. We hope that this product will be a catalyst for more people to use our zippers.

EXCELLA® with Horizontal Stretch Tape



This item combines the EXCELLA® zipper, a metal zipper which has had each element carefully polished, and elastic horizontal stretch tape. It is easy to open and close smoothly, even as other forces pull on the sides of the zipper. It can be used for a wide range of items, including stiff products and products with many curves, such as bags and wallets, which can be opened and closed with ease.



Employee Voices

Miyuki Kirita

Development Promotion
Department
Japan Company

The development of this product started when a customer told me that they had difficulty opening the zipper of their favorite bag. The stretch tape's elastic effect makes it possible to open and close the zipper more smoothly, while maintaining the luxurious feel of the EXCELLA® zipper. We would be delighted if our customers were happy with this product, which pursues a sensation not visible to the eye.

Creating new value from the experience of wearing your favorite clothes for a long time

In recent years, the mass production and disposal of garments has been reconsidered, and a way of thinking that is mindful of the earth and the future, in which people cherish their clothes and wear them for a long time, has been attracting attention. In this context, YKK has launched Revived Replacement Elements for VISLON® zippers (renewable elements for VISLON® zippers) as a new initiative.

These renewable elements for VISLON® zippers are products that enable the replacement of VISLON® zippers by attaching die-cast elements using a special jig when the teeth have come off the zipper tape. By deploying them together with a dedicated jig, zippers can be easily revived at each branded repair center worldwide. Consumers can wear their favorite garments longer, which gives them a sense of satisfaction, while simultaneously reducing clothing waste and helping to reduce environmental impact. In the future, we will take products with a similar concept and expand them into renewable series.



Mid-term Direction **Thorough Pursuit of Cost Competitiveness**

Strengthen Thorough Cost Competitiveness of Core Products

The market environment has changed to an unprecedented degree due to the COVID-19 pandemic. Regarding strengthening cost competitiveness, which is recognized as a priority issue in the 6th Mid-term Business Plan, and in preparation for competition that will become even more intense going forward, we are making a thorough review of both the core products that satisfy a wide range of customers and regions, and *monozukuri* itself, including the machinery and equipment for making the products. We are building production

lines of differing specifications that are adapted to the business environments in each region. Through organizational restructuring, engineers in zipper and machinery manufacturing have been brought together and resources concentrated on high-priority development themes. This makes it possible to significantly reduce development times for machinery and equipment. These machinery and equipment have been introduced at our overseas sites since FY2023, and we will further adopt and deploy them in FY2024 to strengthen our cost competitiveness.

What we aim for

- **Constructing optimal manufacturing lines** for business environments in each region
- **Accelerating development speeds and promotion of concurrent work on several development themes** by reorganizing and integrating YKK HQ functions
- Working to **further reduce machinery and equipment prices**

Progress on initiatives

- **Introduced machinery and equipment at the local level, individually tailored for market characteristics** in China/Asia (Plan to introduce more than 200 machinery units in FY2024)
- **Further reduced equipment prices with VA/VE***

* Value Analysis/Value Engineering

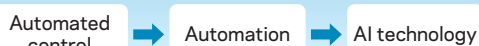
➡ Continued initiatives to further reduce processing costs, including appropriate unification of product specifications

Constructing Optimal Manufacturing Lines for Business Environments and Shifting to Smart Factories

As manufacturing becomes more automated, it will be important to build optimal manufacturing lines according to the business environment in each region. Under the 6th Mid-term Management Plan, we plan to develop facilities that meet the market characteristics of China and Asia, and introduce more than 200 machinery and equipment units at the local level in FY2024. We will strive to improve our on-site capabilities, in conjunction with developing the technicians and engineers who will be essential for efficiently operating this machinery and equipment in the future. Going forward, we will promote further enhancement of technology and skills, with the aim of making each factory a smart factory by making full use of technology that connects them together.



Dark factories*, shifting to smart factories



* Refers to factories that YKK founder Tadao Yoshida aimed to create, which do not need to be lit because they are fully automated and unmanned



Employee Voices

Yoshihiro Demura

ASEAN Business
Machinery Development Group
Manager
YKK Vietnam Co., Ltd.

Engineers from the Kurobe Plant and YKK Vietnam Co., Ltd. came together to work on the development of finishing machines tailored to the Asian market. When local employees' ideas were adopted and realized by Kurobe's technology capability, their eyes lit up with joy, and I realized that they had gained a lot of confidence and grown a great deal. I felt strongly that we could adapt to the drastically changing business environment with our technology capability and spirit to take on challenges. This machinery and equipment will be supplied to our Asian bases, and we will actively support them to help strengthen the competitiveness of our business.

Mid-term Direction Strengthening the Use of Digital Technologies

Pursuing Stress-Free Operations Through Digitalization

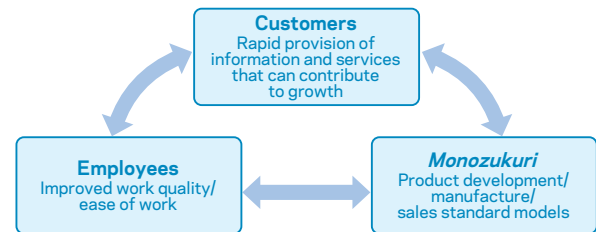
In the 6th Mid-term Business Policy, we have set three policies of strengthening *monozukuri*, solving customers' problems, and reforming employees' ways of working through digitalization, with the aim of building a foundation for growth and achieving sustainable growth by linking each growth measure with the use of digital technology.

In order to strengthen operations and build a business foundation on a global scale as "One YKK," we established the Digital Business Operation Department in FY2024. By offering services that utilize digital technology, in addition to solving customers' problems, we will accelerate internal decision-making and delivery times, and through our progress with such measures, we will promote more comfortable work for employees. Going forward, we will promote cross-organizational initiatives which also include overseas locations, and develop professional human assets to take on these initiatives. We plan to implement future-oriented investments with a focus on digital-related areas.

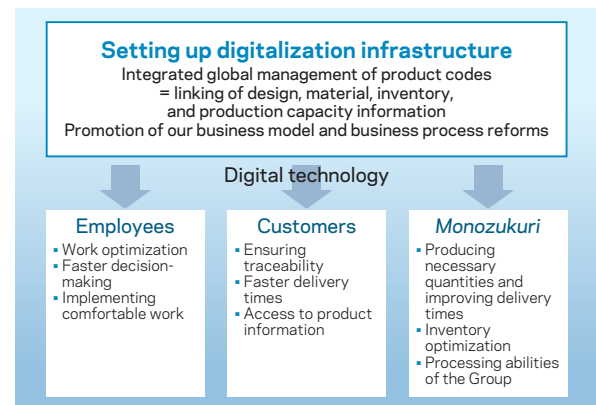
Digital-related investment (capital investment)

¥4.3 billion (FY2024 plan)

Fastening Business digital policy



Initiatives for digitalization



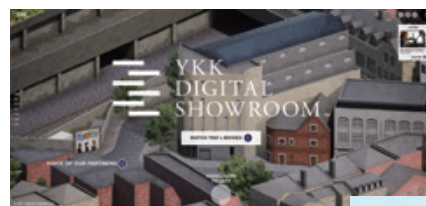
Helping Customers Solve Problems and Achieve Business Transformation

In response to the accelerating use of digital technology in the garment industry, we are promoting digitalization in all value chains, from marketing to product planning, development, manufacturing, and sales. We are working to link data by digitizing product information and respond to demand for the "right time, right material, and right amount." At the same time, we are making active use of the YKK Digital Showroom, a venue for showcasing products and communicating with customers.

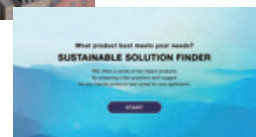
In March 2024, we unveiled the Sustainable Solution Finder, a new feature that assists customers in selecting the most suitable eco-friendly products for what they need. To help those who are unfamiliar with YKK's wide variety of available eco-friendly products to smoothly find products that meet their needs amid diversifying sustainability-related demands, customers answer three simple questions, and the Finder then searches for and suggests eco-friendly products that best meet their needs.

We will bring about a digital transformation to achieve business reforms and sustainability for both customers and YKK.

WEB YKK Digital Showroom (available in Japanese, Chinese, and English)
<https://ykkdigitalshowroom.com/en/>



WEB Sustainable Solution Finder
https://ykkdigitalshowroom.com/en/b1f/sustainable_solution_finder/



Employee Voices

Engin Ertuğrul

YKK EUROPE LTD.
Deputy General Manager,
Marketing & Communications,
Europe Business Strategy Group

We have added a game-like diagnostic tool that allows customers to choose the most suitable eco-friendly products for them. I am very pleased to see that the various ideas that we discussed and debated within the company are now available as a tool for everyone to use.

Community Activities: Be a Native

As a member of the community in which we operate, YKK provides a variety of value through its business. It includes giving consideration to society and the environment and contributing to the resolution of challenges faced by the community. The following is a sampling of our recent initiatives in various countries and regions.

ASAO

Supporting the Healthy Growth of Children Through Football

The “YKK ASAO Kid’s Football Clinic (AKFC)” has been sponsored by YKK in the ASAO region* since 2007. Run in cooperation with the Real Madrid Foundation and other organizations, the clinic promotes children’s healthy growth through football. More than 7,500 children have participated in the program. In 2023, 265 children, including 53 girls, and local coaches gathered at a venue in New Delhi, India, to receive instruction from professional coaches. We will continue to bring smiles to children’s faces by supporting their healthy growth in the future.

*ASAO: ASEAN/South Asia/Oceania



Children who participated in the clinic



Employee Voices

YKK India Pvt. Ltd.
Naresh Kaushik

It was a delightful experience to be able to see the children being so eager to learn in our program. I would like to continue to actively contribute to this initiative in the future.

Turkey

Reconstruction Support for Earthquake-Affected Communities

The major earthquake that struck southeastern Turkey in February 2023 caused extensive damage, mainly in urban areas, leaving many citizens homeless and forced to live as refugees. In response to this catastrophe, YKK Metal ve Plastik Ürünleri Sanayi ve Ticaret A.Ş. launched a project in cooperation with the Turkish Clothing Manufacturers’ Association (Türkiye Giyim Sanayicileri Derneği, or TGSD) to support the victims by donating clothing and other daily commodities, as well as 320 container-type basic housing units (for approximately 1,000 people). Since then, we have continued to listen to the needs of the affected people and are providing ongoing support. Going forward, we will continue to work with the local population with the goal of restoring the textile and garment industry, which supports the region.



Employees who participated in the project



Employee Voices

YKK Metal ve Plastik Ürünleri
Sanayi ve Ticaret A.Ş.
Gökçen Kaya

When we visited affected areas to help improve the living conditions of people who were living as refugees amidst the cold, they were delighted by our visit. Even now, we are continuing to support these regions.

Japan

“Furusato-no-Mori (Hometown Forest),” a Local Place for Relaxation, Obtains Certification as a Nature Coexistence Site

At YKK Center Park, located within the YKK Kurobe Manufacturing Center, we have been developing “Furusato-no-Mori (Hometown Forest)” since 2008, with the aim of recreating the original landscape of Kurobe. We have planted 20,000 saplings of 20 species of trees that are native to the area to restore the forest and waterfront. The forest, which now nurtures more than 370 species of diverse organisms, is used for environmental education for children and as a recreational area by the local community. Based on these activities, Furusato-no-Mori was certified for the first time in October 2023 as a “Nature Coexistence Site,” under a program by the Ministry of the Environment to certify areas where biodiversity conservation can be promoted through the efforts of the private sector and other parties.



YKK Center Park Furusato-no-Mori (Hometown Forest)



Employee Voices

Environment & Safety
Management Department
Tomomi Nakashima

I’m proud that Furusato-no-Mori received certification as a Nature Coexistence Site. We will continue our efforts to coexist with nature, and to preserve this forest for future generations.

Pakistan

Visit to a Plant by Children

In July 2023, 43 teenage children of company employees participated in an educational event held at a YKK Pakistan (Private) Limited plant. The children seemed to gain an interest in the work through practical hands-on learning experience at an actual job site. In a society that is developing rapidly due to technological progress, we believe that it is essential to cultivate young people's curiosity and offer them chances to expand their potential. We hope that the children's lessons and experiences at the plant will illuminate a path to a bright future for them.



Children who received participation certificates, together with employees

Mexico

Support for Improving the Environment at a Local Elementary School

Since its founding in 1994, YKK Mexicana S.A. De C.V. has met the needs of customers in a wide range of fields, including clothing and sportswear, and has contributed to business development in North America and regional job creation. In April 2023, the company made a donation to Francisco Villa Elementary School in Loma de Flores, where 40% of its employees live. The elementary school serves 815 students in the community, and YKK Mexicana donated materials for a construction project to improve the school's facilities. YKK Mexicana will continue to expand its business activities with roots in the local community.



The completed elementary school building

China

The CYCLE OF GOODNESS®-Based Social Contribution Programs

Shanghai YKK Zipper Co., Ltd., which was established in 1992 as YKK's first local corporation in China, has conducted various social contribution activities based on the YKK philosophy of the CYCLE OF GOODNESS. In September 2023, as part of a program to support local children, YKK staff visited elementary schools in impoverished areas which lack educational resources, donated computers and pencil cases, and interacted with the children. We will continue to work to help children in difficult living situations to grow up in a loving environment, and to open future opportunities for them.



Employee interacting with children

Italy

Supporting a Social Enterprise in the Fashion Industry

YKK Italia S.p.A., established 56 years ago in Italy—a nation which boasts world-class fashion—has been making social contributions in the fashion industry, with which the company is closely connected. In 2023, YKK Italia provided zippers in support of Quid, a Verona-based social enterprise that designs and produces garment products. Quid offers employment opportunities for the socially disadvantaged and creates sustainable products using surplus materials provided by the fashion industry. Going forward, YKK hopes to continue to expand its circle of collaboration with like-minded partners.



Quid product made using YKK zippers

Executive Dialogue

The CYCLE OF GOODNESS® is the starting point for principle-driven management at YKK

Sarumaru In recent years, purpose-driven management has been attracting a lot of attention in company management. However, since the days of YKK founder Tadao Yoshida, YKK has managed its affairs based on the corporate philosophy of the CYCLE OF GOODNESS: “No one prospers without rendering benefit to others.” This is the belief that as an important member of society, a company survives through coexistence, and when the benefits are shared, the value of the company’s existence will be recognized by society. I believe it is important that this CYCLE OF GOODNESS is not just a mantra on a plaque we hang on the wall, but that we put it into practice in our management and business activities.

Arai I heard about the CYCLE OF GOODNESS when I became an Outside Audit & Supervisory Board Member, and thought it was a wonderful mindset to have. The CYCLE OF GOODNESS is frequently mentioned at the various meetings I attend, and I feel that it has spread to both the management team and employees. YKK has survived from the past to the present because of the CYCLE OF GOODNESS at its core, and I believe that this idea will be the source for YKK’s continued development.

Sarumaru I get the sense that the CYCLE OF GOODNESS is highly compatible with a sustainability mindset. Long before the current emphasis on sustainability initiatives, founder Tadao Yoshida explained in 1965 that business activities must benefit human society and said that “business is like building a bridge.” He also had quotes linked to eco-friendliness, saying “manufacturing like clear spring water,” and “if we make use of our ingenuity, even our waste can be a great resource.” In the phrase “the strength of the forest is greater than the trees,” he explains that a company should not be a single tall tree, but rather an organization akin to a forest, in which individual personalities, such as solid trees with years of experience and young, slender trees, are put forth. This is precisely what we now refer to as “diversity.”

Arai Those words have been integrated into the CYCLE OF GOODNESS, which has become an action indicator for everyone at YKK. I believe that the CYCLE OF GOODNESS works to bring a sense of unity to the group as a whole.

Sarumaru I have shared the idea of the CYCLE OF GOODNESS with people of differing cultures and religions in different countries and regions, and I have never received any negative comments. It is probably because the CYCLE OF GOODNESS is a very fundamental attitude.

However, values have changed with the times, as well. As our employees have become more diverse

and increasingly from the younger generation, it is an important question as to how we can disseminate the founder’s philosophy within YKK. In addition to such dialogue opportunities as “roundtable meetings” between management and employees, and initiatives led by frontline employees to discuss YKK’s philosophy on a global basis, there is also the “Management Principles Study Group,” in which employees think for themselves about passing on the founder’s philosophy. I believe that these efforts will also lead to increased employee engagement with the company.

Arai As you say, activities to instill the philosophy in employees are vital. At YKK, I feel that management



Saeko Arai

Outside Audit & Supervisory Board Member,
YKK Corporation
Representative, Acuray Inc. Certified Public Accountant

After working in accounting audit and taxation at an accounting firm, Ms. Arai launched an IT startup with her co-founders and became the first female CFO of a Japanese company. Worked to build the company’s accounting, general affairs, and human resource systems from the ground up, and was involved in business planning, capital policy, and fundraising, among other endeavors. Three years after it was established, the company achieved the first listing on the Tokyo Stock Exchange Mothers market. Has served as CFO, director, and advisor in the hotel wedding and environmental energy industries, and holds a Master of Business Administration (MBA) from Duke University in the U.S. Currently serves as Representative for Acuray Inc., Member, Board of Directors (Outside) for Sumitomo Pharma Co., Ltd., Outside Audit & Supervisory Board Member for TeamS Inc., Outside Audit & Supervisory Board Member for Kao Corporation, Deputy Chairman of the Lifelong Health and Wellness Association, and Professor at Hakuoh University.

is putting considerable effort into spreading the philosophy to employees. This effort is conveyed to the employees and has led to the activities of the "Management Principles Study Group."

Sarumaru The decision to improve our efforts to spread the philosophy to each employee was triggered by a cartel-related scandal in Europe in 2007. Faced with this situation, I felt strongly that we needed to return to the basics and think about what the company should be. I think those efforts have led to the present state of affairs, where the CYCLE OF GOODNESS® has taken root even in the younger generation.

Nevertheless, it is also true that because the CYCLE OF GOODNESS is a universal concept, we tend to rely on it too much. We recognize that simply pursuing the CYCLE OF GOODNESS is not enough. We also need to constantly adjust to the common language and standards of society at any given time.

Although YKK is privately held company, we have been working to establish information disclosure and governance on a par with publicly listed companies. We are continuously making improvements by introducing external perspectives into management, strengthening internal audits, and ensuring transparency.

YKK Management Principles

- Aiming to Evolve Corporate Governance -

In 2034, YKK will celebrate the 100th anniversary of its founding. In the present day, what do we need to continue to evolve even further, with the YKK philosophy of the CYCLE OF GOODNESS at our core? We asked Ms. Saeko Arai, who has served as an Outside Audit & Supervisory Board Member since 2023, to share her views on improving governance and the YKK Management Principles.



Masayuki Sarumaru

Chairman, YKK Corporation
Director, YKK AP Inc.

Born in 1951. Graduated from Sophia University. Joined YKK Corporation in 1975. After several positions, including at YKK (U.S.A.) Inc. and as head of the Fastening Products Group Fastening Business Global Marketing Group, Mr. Sarumaru was named YKK Senior Vice President and Fastening Products Group Director in 2007. In 2008, became YKK Director and Executive Vice President, Fastening Products Group Director. In 2011, became YKK President and Representative Director. In 2017, named YKK Vice Chairman of the Board. Appointed Representative Director and Chairman (Chairman of the Board) in 2018 (current), and Director, YKK AP Inc. (current) in 2020.

Maximizing our corporate value by incorporating diverse perspectives

Arai While I began my career as an accountant, I was later involved with the management of an IT company as its co-founder. I have accumulated diverse career experiences, such as providing support for Japanese and American startup businesses and training students and other candidates for roles as corporate leaders and executives. I feel that I have been running at full speed, without being aware of being a woman. I hope to leverage such experience to provide diverse perspectives as an Audit & Supervisory Board Member.

Sarumaru As you say, we are very grateful to be able to receive your input from a variety of perspectives. We have also been reviewing the skills matrixes of Directors and Audit & Supervisory Board Members, as we strongly believe that different viewpoints and different criteria are needed in the future management of the company.

Arai I think having three perspectives—those of management/involved parties/third parties (shareholders, customers, and consumers)—is particularly important. With these three perspectives, I would like to explore the essence of issues while conducting interviews in a balanced manner to avoid bias as much as possible. Originally, the English word “audit,” comes from the Latin word for “listen,” so listening plays an important role. I recognize that my role is to provide advice through those efforts which encourages everyone to have insights toward our goal of maximizing corporate value, while simultaneously monitoring the company.

Sarumaru Since the majority of YKK’s business activities are overseas, we would be very interested

in having you examine the actual state of affairs at those overseas operations, and hearing your opinions on how we can enhance local audits by utilizing your knowledge and experience.

Arai I am grateful that when I was newly appointed, everyone at YKK, including the President and Chairman, told me that “a fresh perspective is important, so feel free to speak your mind,” even though I was in the process of understanding the company’s situation. The Board of Directors and Audit & Supervisory Board have created an environment where people are comfortable speaking up, and I feel that such leadership by the Chairpersons of each Board enhances the effectiveness of the meetings. In both cases, the discussions are so lively that there is never enough time to discuss everything.

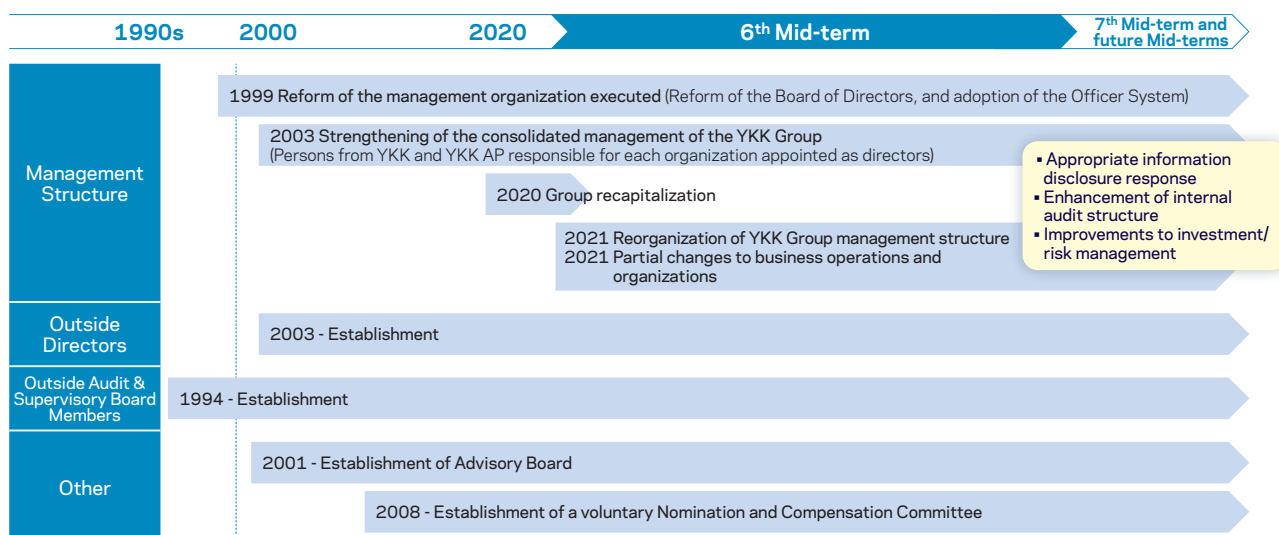
Questions and comments from outside directors are always taken seriously, and we invariably receive feedback in one form or another. We are given plenty of chances to interact directly with vice presidents. These are very valuable opportunities for learning in the field.

The challenge is “training human assets who can handle audits”

Arai I think the establishment of a Chief Risk Management Officer (CRO) position is also very significant in terms of governance. I find it to be wonderful that various committees, such as committees for quality and risk management, have been set up under the CRO, and that each of them is functioning well.

With regard to diversity on the Board of Directors and the Audit & Supervisory Board, which we touched on earlier, I feel that we have achieved a balance that

History of the strengthening of corporate governance



is sufficient to function at this stage. While there is no answer that is 100% correct, I think it is important for us to make changes toward becoming the kind of company we wish to be in the future.

Sarumaru Thank you. Earlier, you mentioned that the Board of Directors and the Audit & Supervisory Board hold lively discussions. I believe that communication is all about two-way dialogue, in which we properly respond to what people have to say.

Arai The fact that the Chairman himself is guided by such ideas about communication may help to set the tone for the entire company, and enhance the effectiveness of the Board of Directors and the Audit & Supervisory Board.

On the other hand, if I had to point out an issue, it would be the development of human assets capable of carrying out audits. In Japan, some companies have weak internal audit functions, but in Western countries, there are companies that position the internal audit department as a stepping stone to becoming the future president. Some have auditor academies, which assemble auditor candidates and newly appointed auditors from across the group for training.

My own experience has shown me that auditing duties and studying for that purpose are valuable for various jobs and management. These will be beneficial experiences even if the employee does not become an auditor, in the sense that they will greatly influence the employee's mindset and conduct.

Sarumaru Accounting audits are outsourced, but apart from that, I feel we need to further improve the system that enables internal audits from a compliance perspective, both in terms of quality and level. While we have established the YKK Global Criteria of Compliance (YGCC) at a global level, due to the fact that we are engaged in operational deployment in a variety of countries and regions, I also perceive the difficulty of conducting audits in each situation. As you say, I think developing human assets is a key issue.

Toward the 100th year of our founding

Arai YKK will celebrate its 100th anniversary in 2034, and I think it is astonishing that the company has grown so significantly with small parts like zippers and snaps and buttons, and has expanded its business worldwide. This is the result of the hard work that YKK employees all over the world have put in. I also believe that constant striving for the CYCLE OF GOODNESS® is also a force for continuity. Going forward, I hope YKK will continue to be an appealing company where its customers say, "We want to use YKK zippers." I am also looking forward to further development of new products, using various technologies that have been developed.

Sarumaru Sarumaru Thank you. Naturally, "people" are the most important element for a company's survival. A company is a collection of people and is also made up of individuals. I think it is important to have an organization that is exactly like "a forest" where each and every employee can demonstrate their abilities and is full of vitality. In the decade leading up to 2034, the pace of social change will be extremely fast, and the market is difficult to predict. However, I am looking forward to seeing how YKK employees will work together to expand the company and create products that will delight customers and society.

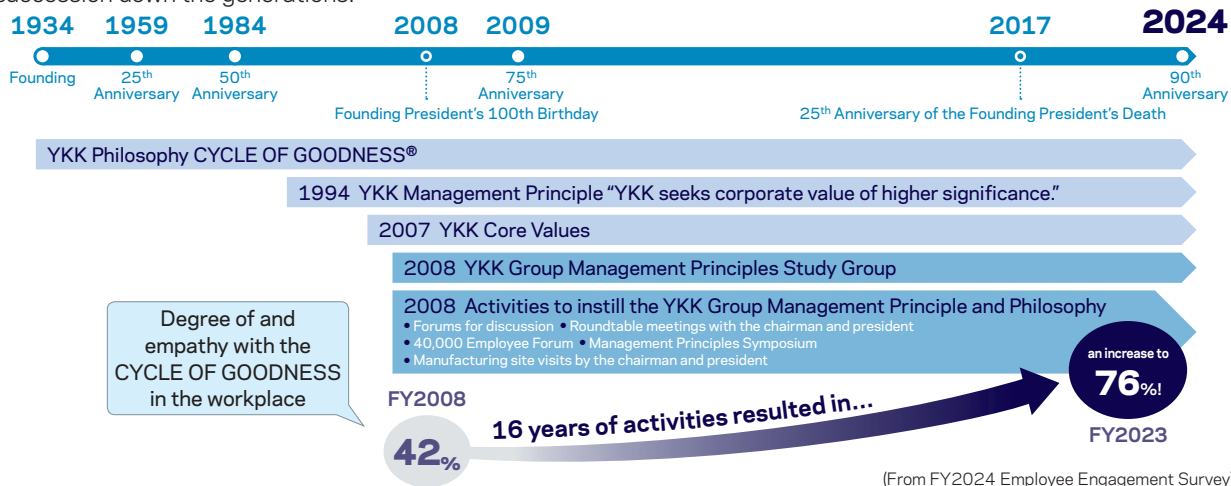
The important thing is if YKK will be able to continue being a company that is beneficial to the world, and a company that contributes to society; that is what implementing the CYCLE OF GOODNESS is all about. I am convinced that we can continue to be a company where everyone is always ready to take on new challenges because we are rooted in the spirit of the CYCLE OF GOODNESS, which has remained a constant throughout our history. Thank you very much for sharing your valuable insights with me today.



Aiming to Instill the YKK Management Principles

Each Employee Understands the Principles and Puts Them into Practice

YKK, whose business extends to countries and regions throughout the world, has employees from diverse cultural backgrounds who hold different values. Consequently, instilling the YKK Management Principles and Core Values is an important topic for management. As such, we have been promoting YKK's Management Principles and Philosophy through the entire YKK organization so that each employee understands and inherits them in order to ensure their succession down the generations.



Venue for Dialogue Between Top Management and Employees

We prioritize frank communication between the management team and employees and have established a variety of venues for dialogue. In "roundtable meetings" with the Chairman and President, employees meet face-to-face with the Chairman and President, and through active discussions, they learn about the origin of the Management Principles and share issues and ideas to put them into practice in their daily work. We hold in-person meetings, not only in Japan but also overseas, to actively engage in dialogue with local employees at our overseas locations. In addition, a wide variety of dialogues are held throughout the year, such as "forums for discussion" with executive vice presidents and roundtable talks at production sites.

In FY2023, we held these dialogues with 646 employees in Japan and overseas.



Roundtable meeting with the President (Shanghai YKK Zipper Co., Ltd.)



Roundtable meeting with the Chairman (Tokyo)

"Workplace-led" Activities to Instill the Principles Deployed at Each Location

The YKK Group does business in countries and regions around the world and has employees from diverse cultural backgrounds who hold different values. In order to ensure that the Principles and Philosophy are shared and inherited, we plan and proactively implement activities to instill the Management Principles in a manner unique and suitable to that region.

■ YKK KOREA CO., LTD.

Reusable bags inscribed with the CYCLE OF GOODNESS philosophy and the YKK logo were produced and distributed to all employees. In addition to fostering a sense of unity within the company, we also use the bags in our sales activities to attract interest from people outside the company.

■ YKK ARGENTINA S.A.

A "quiz contest" was held using a questionnaire application as part of our Management Principles Promotion Activities. A total of 23 teams, each composed of three employees, competed to demonstrate their knowledge about YKK products and their quality, and a grand prize and participation prizes were given out.



YKK KOREA CO., LTD. reusable bags



YKK ARGENTINA S.A. activities

YKK Group Management Principles Study Group

The YKK Group Management Principles Study Group is made up of members selected from each business every year. It carries out research on the nature of YKK's Principles and Philosophy to enable them to be passed on, and reports its findings to the management team every March. In FY2023, the Study Group developed and released an "assessment game" internally for the purpose of having each employee gain a deeper understanding of the YKK Management Principles by coming into contact with them anew and putting them into practice.



Members of the FY2023 Management Principles Study Group



Toward Even Greater Employee Engagement

Approach to employee engagement

YKK, which operates in countries and regions around the world, has a diverse range of human assets with diverse backgrounds and personalities. These people are the very source of the value YKK creates. We believe that job satisfaction and vitality of our employees will lead to satisfying customers and gaining their trust, which in turn will enhance YKK's corporate value.

Based on the philosophy of "Forest Management" as described by YKK's founder, we are focusing on improving employee engagement, in order to implement the promotion of activities by "diverse human assets" as one of the most important points of our Mid-Term Management Vision.

The goal of the new "employee engagement survey" - Connecting better engagement to improved corporate value -

Although we have conducted employee awareness surveys at YKK since 2003, there have been issues such as a gap between the purpose of the surveys and the questions asked, and delays before survey results can be linked to actions for improvement. The new engagement survey, which we launched in 2023, will improve the speed of feedback and quality of analysis, and lead to specific actions for improvement in each department. By measuring the effectiveness of these actions, we aim to improve engagement.

Survey overview

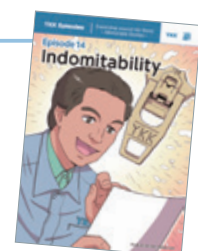
Time of survey	Conducted once a year
Subjects	YKK employees
Survey method	Internet
Survey items (examples)	<ul style="list-style-type: none"> Expectations and level of satisfaction with regard to the company, "management, and the workplace Overall level of satisfaction with the company, work, management, and the workplace Company-related opinions and requests

YKK Episodes

To help employees deepen their understanding of the Management Principles, we introduce YKK's history, based on the CYCLE OF GOODNESS® philosophy, and employee episodes in the form of short Manga stories. (Translated into Japanese, English, Chinese, and other languages as necessary)



Expanding around the World - Memorable Stories -
<https://www.ykk.com/english/ykk/manga/>



Management Foundation Based on the YKK Philosophy

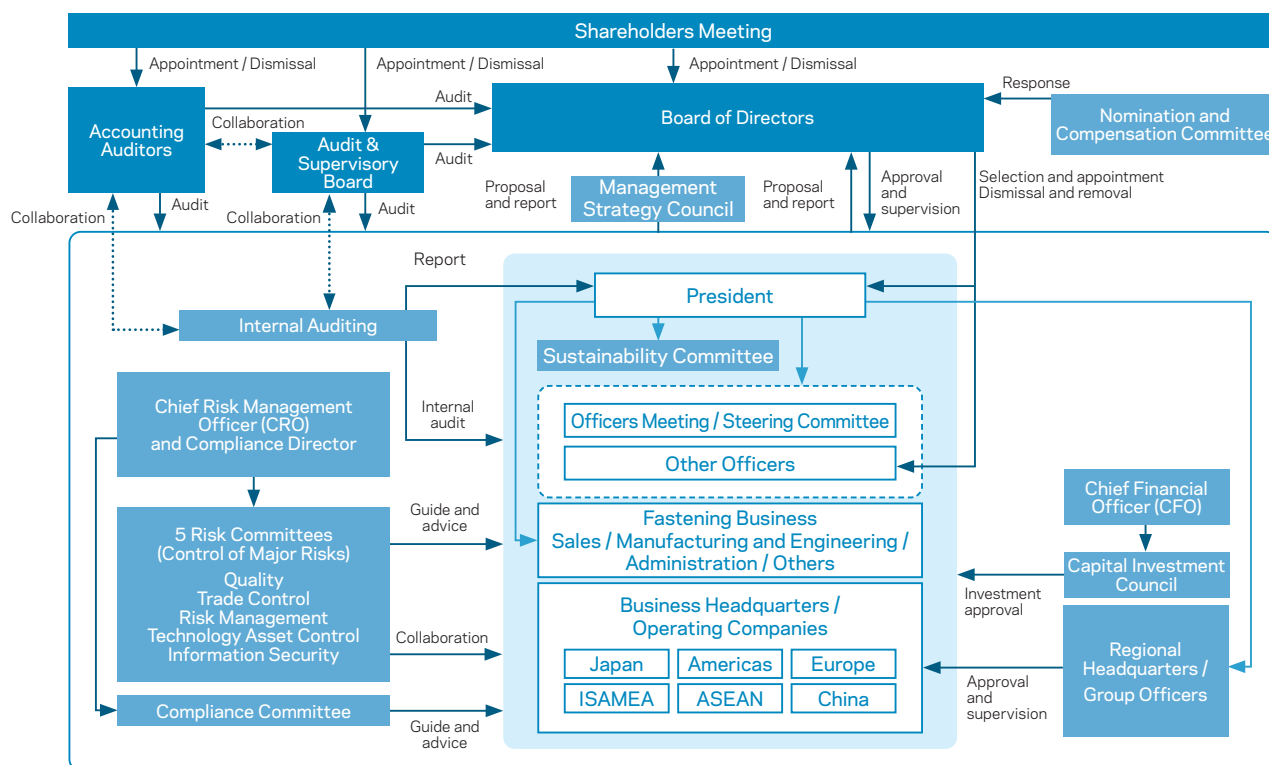
Corporate Governance

Fundamental Approach and System

The philosophy of the YKK Group in conducting our corporate activities is based on the CYCLE OF GOODNESS® philosophy. 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 accordance with this thinking, we work to implement comprehensive corporate governance systems with the goal of further enhancing our 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 ensures prompt decision-making and business execution—while appropriately supervising the status of business affairs—by separating management decision-making and supervision from business execution.
- The company established its Management Strategy Council 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 Council, 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 43 of the 89th annual securities report (in Japanese only).
<https://www.ykk.co.jp/japanese/corporate/financial/securities/index.html>

Status of Directors and Audit & Supervisory Board Members (as of June 27, 2024)

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.

(Numbers in brackets are board meeting attendance in FY2023) *1 Outside Directors *2 Outside Audit & Supervisory Board Members

Masayuki Sarumaru
Chairman



(Board meetings: **13/13**)

After working for many years in the Fastening Business, including being stationed in the United States, became a director of the company in June 2008. Served as president of the company from June 2011 to March 2017. Was appointed Chairman in June 2018.

Hiroaki Otani
President



(Board meetings: **13/13**)

After working for many years in the Fastening Business, including being stationed in China, became a director of the company in June 2014. Was appointed president of the company in April 2017.

Koichi Matsushima
Director



(Board meetings: **13/13**)

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 of the company in April 2017. In June 2018, became a director of the company.

Satoshi Honda
Director
Pension Policies CFO



(Board meetings: **13/13**)

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 director of the company assigned to pension policies and was appointed Chief Financial Officer (CFO) in June 2020.

Yoshimine Kobayashi
Director



(Board meetings: **10/10**)

After working for many years in the company's Machinery and Engineering Division, including being stationed in the United States and Asia, was appointed executive vice president over the Manufacturing & Engineering Division in April 2023. In June 2023, became a director of the company.

Katsuya Yumoto
Director
Compliance Director & CRO



(Board meetings: **13/13**)

After working in the United States, was appointed vice president over the Legal and IP Center in April 2010. In June 2022, became compliance director and Chief Risk Management Officer (CRO).

Fumio Ikeda
Director
Research & Development



(Board meetings: **13/13**)

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. In June 2018, became a director of the company.


Hidemitsu Hori
Director



(Board meetings: **10/10**)

After working in the United States, served as vice president of YKK AP Inc. from April 2007, then was appointed director of the same company in June 2009, president in June 2011, and Chairman Representative Director in April 2023. In June 2023, became a director of the company.


Keinosuke Ono
Director*¹



(Board meetings: **12/13**)

Has served as a professor at Keio University and Chubu University, has a deep understanding of management and experience as an outside director for other companies. In June 2007, was appointed as an outside director of the company.


Erica Okada
Director*¹



(Board meetings: **13/13**)

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. Also has experience as an outside director for other companies. In June 2022, was appointed as an outside director.

Saeko Arai
Audit & Supervisory Board Member*²
(Board meetings: **9/10**)
(Audit & Supervisory Board meetings: **9/12**)



Possesses specialized knowledge as a certified public accountant and has experience as an outside director for other companies. In June 2023, was appointed as an outside Audit & Supervisory Board member of the company.

Kiyotaka Nagata
Audit & Supervisory Board Member
(Full-time)
(Board meetings: **13/13**)
(Audit & Supervisory Board meetings: **15/15**)




After working for many years in the company's accounting and finance division, served as head of the Internal Auditing Department. In June 2013, was appointed as a full-time Audit & Supervisory Board member of the company.

Hikaru Minami
Audit & Supervisory Board Member*²



Possesses experience as a Representative Director, Audit & Supervisory Board member, and outside director at other companies. In June 2024, was appointed as an outside Audit & Supervisory Board Member of the company.

Kouhei Morita
Audit & Supervisory Board Member*²



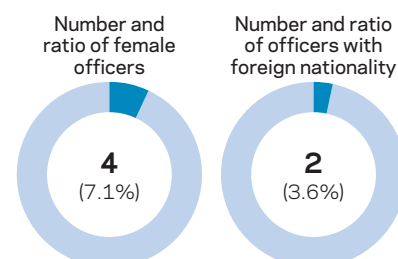
Has practiced law for many years as an attorney. In June 2024, was appointed as an outside Audit & Supervisory Board member of the company.

Skill Matrix

Category	Name	Company Management	Global	Specialist Fields				
				Sales/Marketing	Manufacturing & Engineering	Financial/Accounting	Organization/HR	Legal/Compliance
Director	Masayuki Sarumaru	●	●	●			●	
	Hiroaki Otani	●	●	●				
	Koichi Matsushima	●	●	●				
	Satoshi Honda		●			●	●	
	Yoshimine Kobayashi		●		●			
	Katsuya Yumoto		●					●
	Fumio Ikeda				●			
	Hidemitsu Hori	●	●	●		●	●	
	Keinosuke Ono (Outside)	●			●	●	●	
	Erica Okada (Outside)	●	●	●			●	
Audit & Supervisory Board Member	Saeko Arai (Outside)	●	●			●		
	Kiyotaka Nagata					●		
	Hikaru Minami (Outside)	●		●		●		●
	Kouhei Morita (Outside)						●	●

Status of Directors, Audit & Supervisory Board Members, Vice Presidents, Specialized Officers, and Group Officers

Total number 56



Note: The text on the left does not include all the specialized expertise, knowledge, and experience of the individuals concerned.

Overview of Individual Meetings and Committees, and the Status of Meetings Held

	Overview	Number of meetings in FY2023
Board of Directors	In addition to the roles stipulated in the Companies Act, the Board of Directors formulates management policy, allocates management resources, and supervises business execution by the vice presidents. In FY2023, the Board of Directors was composed of ten directors, two of whom are outside directors. In accordance with the Companies Act and the YKK Board of Directors regulations, it provided a wide range of oversight. This oversight included the YKK Group's basic management policies, mid-term management plans, and annual business plans, as well as important investments, basic policies on personnel systems, risk management, basic compliance policies, and all other matters related to decision-making and the progress of business execution by the directors and vice presidents of YKK and its subsidiary companies.	13 times
Audit & Supervisory Board	Composed of four Audit & Supervisory Board members, three of whom are outside auditors, generally convenes once a month to hold meetings of the Audit & Supervisory Board, or when necessary. Specific items reviewed in FY2023 include assessments of auditing policies and audit plans, the status of establishment and operation of internal control systems, accounting Audit & Supervisory Board members, etc.	15 times
Management Strategy Council	Has been established 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.	13 times
Nomination and Compensation Committee	By resolution of the Board of Directors, shall consist of at least three members, including at least one outside director, and no member who concurrently serves as a vice president, including the President, shall be included in the committee. Established as an advisory committee for the Board of Directors. Has been set up to deliberate 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., then report those results to the Board of Directors. Composed of five members, two of whom were outside directors, in FY2023. Specific items reviewed for this fiscal year include the nomination of candidates for director and corporate auditor, appointment of vice presidents and specialized officers, revisions to internal rules, reviews of performance evaluations, and other such matters.	10 times
Five Risk Committees	Five risk committees under the Chief Risk Management Officer (CRO) have been established according to the type of risk: the Quality Committee, the Trade Control Committee, the Risk Management Committee, the Technology Asset Management Committee, and the Information Security Committee. These committees are responsible for making policy decisions related to each risk and supervising executive departments.	3 times/ Each committee
Compliance Committee	Established under the Chief Risk Management Officer (CRO) to develop appropriate compliance promotion activities in each organization. In FY2023, committee activities focused on reporting and discussing compliance activities and priority measures in each business and region, as well as the results of the YKK Global Criteria of Compliance (YGCC) audit.	1 time
Investment Committee	The Investment Council, which was established in February 2006 and had been led by the Chief Financial Officer (CFO), was reorganized into the Investment Committee in April 2021 to expand the system to appropriately manage investment risks in the YKK Group.	12 times

Directors and Corporate Auditors' Remuneration

Regarding compensation for company directors, the basic policy is to have a compensation structure which takes consistent improvement of corporate value and stable provision of dividends to shareholders, as well as the company's accomplishments to increase awareness for improving performance, into account. Each director's compensation is set at an appropriate level in light of their responsibilities and duties. Specifically, the compensation of directors consists of basic compensation and director bonuses as short-term compensation and retirement bonuses as long-term compensation.

- Basic compensation is fixed on a monthly basis and depends on the position and responsibilities of the director. It is determined by comprehensively taking the level of other companies, their performance at the time compensation is determined, and the level of employee salaries into consideration.
- The basic policy is to determine performance-linked compensation (directors' bonuses) based on consolidated performance for a single fiscal year, in order to raise awareness of the need to improve the Group's overall performance in each fiscal year.
- The ratio of remuneration, etc. for each individual director is set higher than that of basic compensation, and the overall remuneration system as a whole is designed to improve corporate value over the medium- to long-term as a policy.



The composition of director compensation and the amount of compensation have been disclosed from page 47 of the 89th annual securities report (in Japanese only).
<https://www.ykk.com/corporate/financial/securities/>

Risk Management

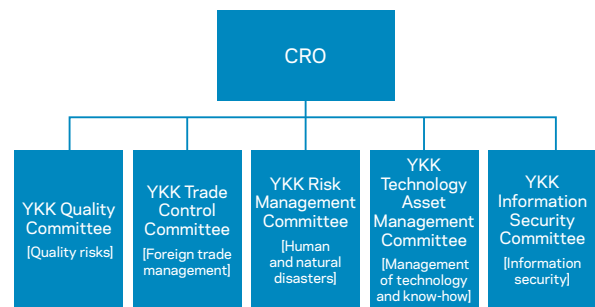
Fundamental Approach and System

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, Technology 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. In addition, YKK has established risk response guidelines to ensure that it responds appropriately and promptly to any risks that may arise.

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



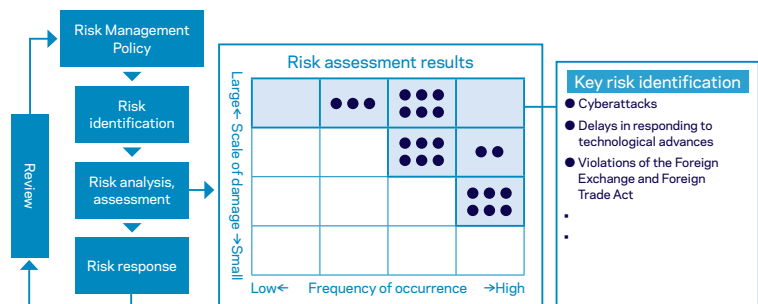
Risk Assessment Process and the Flow of Identifying Key Risks

We identify risks at each organization, based on the Risk Management Policy. After worst-case scenarios and the status of their responses are taken into account, we assess risks according to the scale of loss and damage and the frequency of occurrence. We evaluate the scale of damage by taking into account the financial impact, impact on human life and health, impact on credit and reputation, and impact on social order. We identify those risks with large potential impact as key risks that should be managed at the corporate management level, and conduct risk management while understanding those trends and making the progress of our responses visible.

Our CFO, CRO, and other responsible personnel take the lead in responding to financial risks identified through the process, as well as key risk items in the Fastening Business.

Details of risk analysis have been disclosed from page 25 of the 89th annual securities report (in Japanese only).

Risk assessment process and the flow of identifying key risks (conceptual diagram)



Risk Item Classification

Financial risks	The addition of projected benefit obligations, drops in the share prices of held stock, etc.
Risks in the Fastening Business	International conflicts/civil war, cyber-incidents, soaring prices for raw materials and fuel, tight supply situations, failed investments in machinery and equipment, delays in responding to technological advances, an economic downturn, sluggish demand, increased competition, currency exchange rate fluctuations, marketing failures/delayed entry, violations of antitrust and subcontracting laws, violations of foreign exchange laws, bribery, violations of laws and regulations related to personal information protection, major earthquakes (including tsunamis), major storms and floods, product defect incidents and recalls, transfer pricing tax violations

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 Department under the vice president in charge of compliance 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” 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” to “build trust, transparency and respect” with all our stakeholders, as stipulated in our Core Values.



YKK Group Code of Conduct (entire text)
<https://www.ykk.com/english/philosophy/guidelines.html>

Seven Principles of the YKK Group Code of Conduct

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

Establishment of Contact Point for Internal Whistleblowing

The YKK Group has established a whistleblowing system to detect and address illegal activity at an early stage. Notably, in FY2023, the YKK Group Supplier Reporting Contact Point Human Rights Grievance Hotline was established to receive consultations from suppliers regarding misconduct, legal violations, and human rights abuses committed by YKK Group officers and employees. We are working to establish a system to appropriately receive concerns and complaints from internal and external stakeholders and provide redress.



YKK Group Supplier Reporting Contact Point
https://ml.helpline.jp/ykkjapan-partner/index_en.html

YKK Global Criteria of Compliance (YGCC)

YKK 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. The standards are regularly revised based on the societal demands. In FY2024, we updated the YGCC to version 4.1, and audits are being conducted according to the new standards, which are in line with current trends.



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 has been laid out which can deal appropriately with requests and consultations from business and development departments in any country or region of the world. 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 enforcing rights against a patent infringer or company making counterfeit 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 authentic YKK products, etc. Moreover, with the Trademark Committee in Japan taking the lead, we manage and operate product 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 anti-counterfeit.



YKK brand protection activities
<https://www.ykkfastening.com/brand/>



Status of Trademarks/Patents

YKK Trademark Registration
 (International Class 26)

177 countries and regions

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

5,859

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

4,780

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

4,090 (2,317 organizations)

Intellectual Property Achievement Award METI Minister Award
Intellectual property-utilizing company (trademarks)

2021

(As of March 31, 2024)

Public-Private Partnerships for Intellectual Property Protection

YKK was selected as the first company to be visited as part of a training program by the Japan Patent Office (JPO) for developing countries, which aims to foster human assets in developing countries which are involved in industrial property rights. Twenty-three government officials from 14 countries participated into this company tour, which introduced YKK's anti-counterfeiting measures and facilitated exchanges of opinion. In addition, a visit to the Craft Lab by YKK (Akihabara, Tokyo) and workshops provided opportunities for the participants to learn about Japanese companies' commitment to *monozukuri*. The officials on the training program commented that they were able to learn a great deal about the fight against counterfeit products from the tour, and it had been a wonderful experience, while the JPO stated that the tour increased the training's effectiveness. For YKK, it was also a meaningful opportunity to learn about the actual state of counterfeit products in various countries.



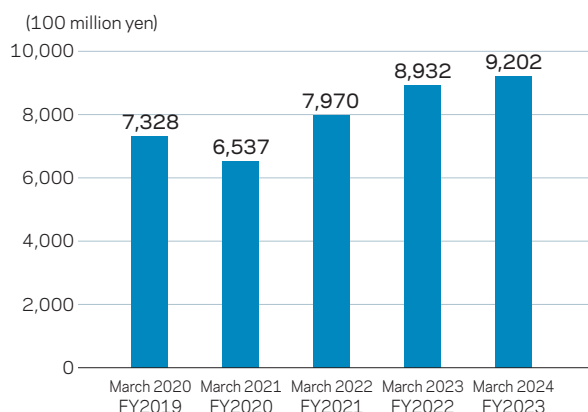
Together with training program participants
 (The Craft Lab by YKK)

Consolidated Consolidated Financial Data of the YKK Group for the Past 11 Years

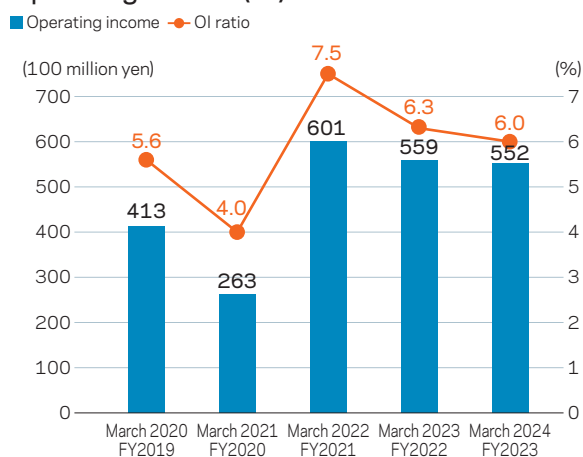
	Fiscal year Year ended	2013 March 2014	2014 March 2015	2015 March 2016
Net sales	(million yen)	696,929	721,037	741,935
Ordinary income	(million yen)	63,028	66,743	69,164
OI ratio	(%)	9.0	9.3	9.3
Net income attributable to owners of parent	(million yen)	66,022	69,720	70,988
Comprehensive income	(million yen)	44,908	46,978	44,646
Total net assets	(million yen)	70,447	81,416	(20,695)
Total assets	(million yen)	513,543	586,664	561,547
Net assets per share	(yen)	883,336	946,283	954,060
Net income per share	(yen)	417,986	477,438	456,991
Equity ratio	(%)	37,453	39,181	37,237
Return on equity	(%)	56.7	60.5	57.4
Net cash provided by (used in) operating activities	(million yen)	9.3	8.8	8.0
Net cash provided by (used in) investing activities	(million yen)	85,186	91,254	101,727
Net cash provided by (used in) financing activities	(million yen)	(60,708)	(65,976)	(95,252)
Cash and cash equivalents at the end of period	(million yen)	(3,784)	(4,379)	(4,359)
Employees		143,131	173,558	167,229
<div> <div>The number in square brackets represent the average number of part-time employees not included in the number of regular employees.</div> </div>	(number)	40,306 [6,828]	42,154 [5,738]	44,250 [5,390]

Notes: 1. Diluted net income per share is not shown because there are no dilutive shares.
2. Price earnings ratio is not presented because the stock is not listed.

Net sales

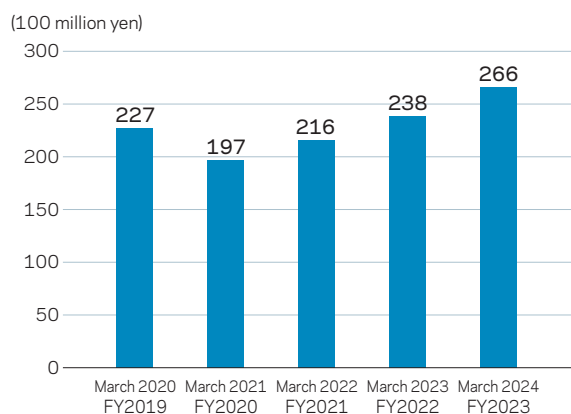


Operating Income (OI) and OI Ratio

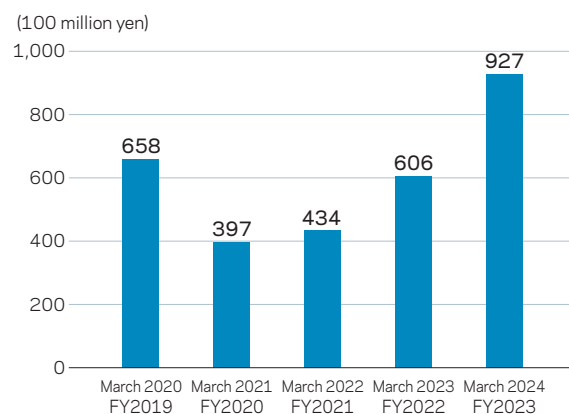


2016 March 2017	2017 March 2018	2018 March 2019	2019 March 2020	2020 March 2021	2021 March 2022	2022 March 2023	2023 March 2024
712,783	747,762	765,781	732,854	653,765	797,019	893,226	920,234
60,282	59,347	61,775	41,341	26,346	60,161	55,962	55,241
8.5	7.9	8.1	5.6	4.0	7.5	6.3	6.0
61,545	59,924	64,466	42,661	30,134	63,964	60,689	60,824
45,180	38,728	45,824	23,629	17,340	44,097	37,929	42,365
51,998	30,123	38,420	(5,032)	76,289	105,061	72,928	152,000
609,848	636,361	671,195	662,564	735,527	837,264	906,290	1,054,493
963,231	978,563	1,011,934	983,645	1,014,918	1,156,941	1,221,583	1,355,312
496,267	518,187	546,662	539,329	599,184	682,026	738,691	860,211
37,683	32,302	38,220	19,708	14,463	36,782	31,638	35,339
61.8	63.5	64.8	65.7	70.8	70.7	72.5	76.1
7.9	6.4	7.2	3.6	2.5	5.7	4.5	4.4
81,619	57,525	68,607	77,731	82,241	81,132	81,724	105,708
(59,345)	(67,661)	(53,888)	(68,123)	(40,176)	(40,414)	(55,864)	(99,612)
(14,569)	(4,470)	(3,255)	(5,446)	(5,284)	(5,776)	(7,000)	1,394
171,259	155,076	166,241	164,708	211,378	264,639	291,706	323,941
44,674 [4,801]	45,618 [4,538]	46,167 [4,430]	46,261 [3,701]	44,510 [2,564]	44,410 [3,161]	44,527 [3,183]	45,363 [2,585]

R&D Expenses



Capital Investment



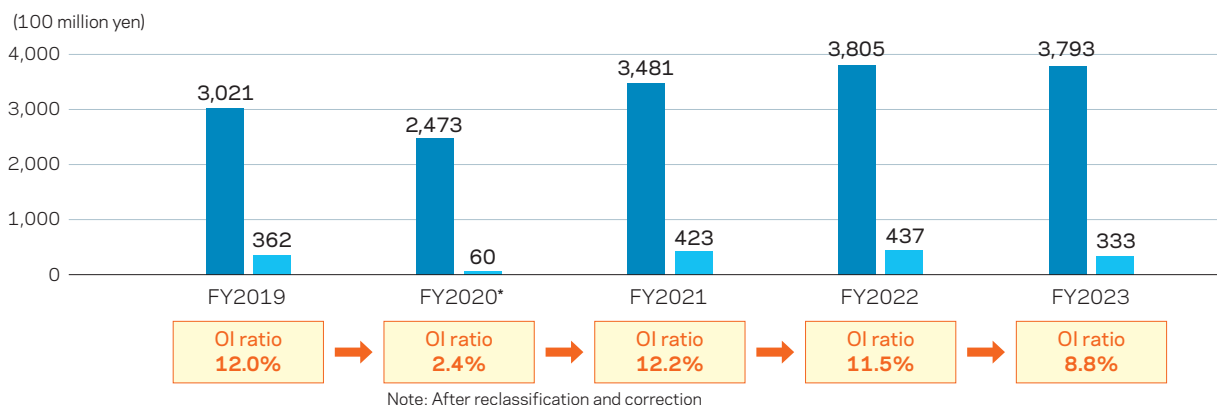
Non-consolidated

Financial and Non-Financial Highlights (Fastening Business)

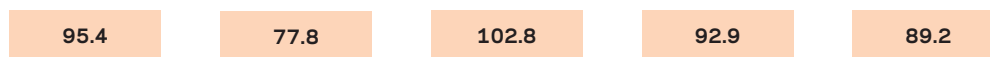
Fastening Business Financial Highlights

Net Sales, Operating Income, and OI Ratio

■ Net sales ■ Operating income

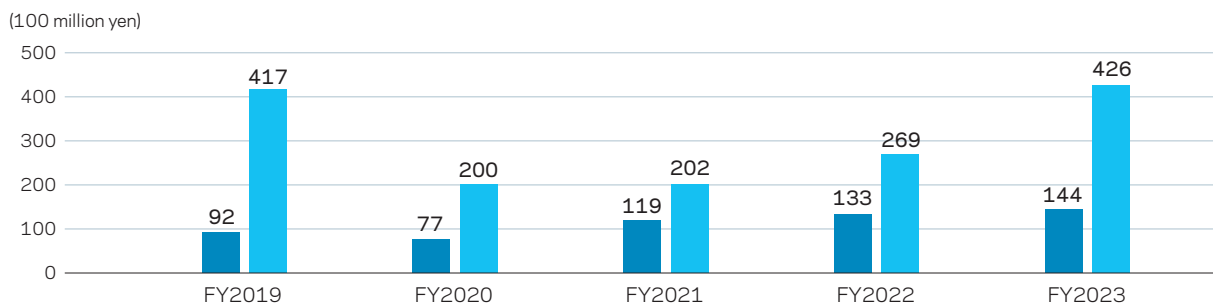


Zipper units sold (100 million)

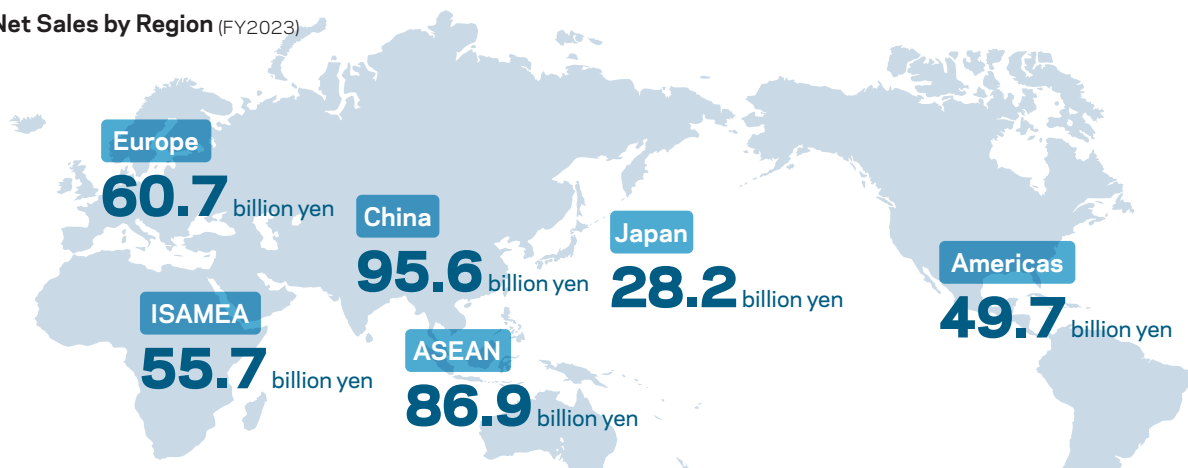


R&D Expenses and Capital Investment

■ R&D expenses ■ Capital investment



Net Sales by Region (FY2023)



Notes: 1. The totals for each business do not include accounting variance adjustments. Accordingly, they differ from the net sales in the graph at the top.
2. The Americas include North, Central, and South America. ISAMEA includes India, South Asia, the Middle East, and Africa.

Fastening Business Non-Financial Highlights



More detailed data can be found in the "This is YKK 2024" Data Book.
<https://www.ykk.com/english/csr/eco/report/>

Countries and regions where we do business

70 countries and regions
 (As of March 31, 2024)



Number of Group Companies and Employees

67 companies,
26,696 employees
 (As of March 31, 2024)



Year of First Overseas Expansion (India and New Zealand)

1959



Annual Zipper Production Output

More than **3** million km



GHG Emissions Reduction Rate (From a 2018 Baseline)

Scope1+2
-56.2 %
 (FY2023)



Proportion of Sustainable Materials (Total Meters)

38.0 %
 (FY2023)



Percentage of Harmful Substances Eliminated Through the AcroPlating® New Plating Technology

(Cyanide, chromium, selenium) **100** %



YKK Trademark Registration

In **177** countries and regions
 (As of March 31, 2024)



