

Messages from the Outside Audit & Supervisory Board Members

Towards the strengthening of corporate governance

— The YKK Management Principles and governance from the viewpoint of outside Audit & Supervisory Board members —



Evaluating internal controls as a global company

Saeko Arai

Outside Audit & Supervisory Board Member

After working in accounting audit and taxation at several accounting firms, Ms. Arai launched an IT venture company with her co-founder 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. Has served as CFO, director, and advisor in the hotel wedding and environmental energy industries. Currently serves as Representative for Acuray, Inc., 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, Professor at Hakuoh University, and Independent Director at KONICA MINOLTA, INC.



Establishing a high-level system despite being a non-listed company

Hikaru Minami

Outside Audit & Supervisory Board Member

Was involved with finance and accounting at Marubeni Corporation, and has served as Director at Daiei, Inc., in addition to the roles of Vice President, Managing Executive Officer, Representative Director and Managing Executive Officer, Audit & Supervisory Board Member at Marubeni Corporation. Currently an outside director at Frontier Management Inc.



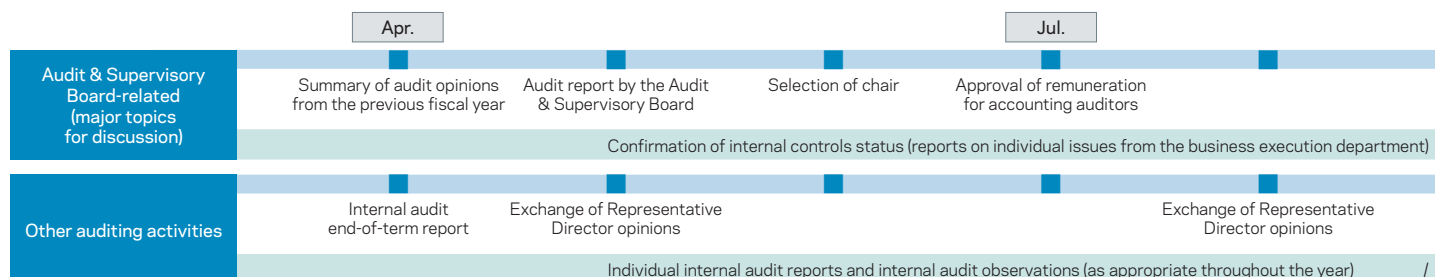
Understanding the essence of the CYCLE OF GOODNESS® and putting it into practice is the key to the future

Kouhei Morita

Outside Audit & Supervisory Board Member

Has been involved in corporate legal affairs such as M&A, corporate governance, and crisis management as a lawyer at Mori Hamada & Matsumoto for many years. Currently a partner lawyer at Mori Hamada & Matsumoto and a part-time lecturer at the Kyoto University Law School.

Activity Status of Outside Audit & Supervisory Board members (FY2024)



In addition to Ms. Arai, who was appointed as an outside Audit & Supervisory Board member in FY2023, Mr. Minami and Mr. Morita were newly appointed to the Audit & Supervisory Board in FY2024. We also received opinions from outside Audit & Supervisory Board members regarding principle-driven management based on the YKK Philosophy of the CYCLE OF GOODNESS® towards the improvement of corporate governance.

It has been two years since I was appointed to the Audit & Supervisory Board, and I feel that YKK's governance has continued to steadily evolve. The composition of the executive officers ensures diversity in terms of skills and knowledge, and both the Board of Directors and the Audit & Supervisory Board have fostered an atmosphere in which everyone can freely share their insights. I believe that overall, the company is being managed appropriately. The YKK Global Improvement Activity (YGIA), which we launched in FY2023, could be considered best practice in terms of establishing internal control systems and ensuring their effectiveness. As a global company with a worldwide network, I would like

management to aspire to even greater heights when it comes to the effectiveness of internal controls.

At present, with global market expansion and new operational deployment becoming increasingly important, lean startup-type human assets who are not afraid to take on challenges, learn from their experiences, and use that knowledge to inform their next actions, are especially sought after. I expect that we will continue to take on even greater challenges under the YKK Philosophy of the CYCLE OF GOODNESS®, which has been passed down from the past to the present and into the future.

I was appointed to the Audit & Supervisory Board in June 2024. I intend to contribute to strengthening governance by appropriately auditing the execution of the directors, based on my experience and knowledge of company management.

I was impressed by YKK's attitude of listening carefully to different opinions and making use of them when making management decisions, and felt that the company had established an extremely high-level system for governance, despite being non-listed. In addition, as we take on new challenges in our business activities, there are situations where the intuition and instincts

of each individual are important. I think that effectively integrating them into the organization's decision-making process is key. As a non-listed company, YKK is able to maintain a dignified stance without having to pander to anyone. I believe it is one of the few Japanese companies that has the potential to be respected worldwide, beyond being simply a "good company." Each employee has a strong awareness that the products they make are contributing to society, and this is deeply connected to the philosophy of the CYCLE OF GOODNESS®; you could say this profound corporate culture is exactly what makes YKK strong.

Since becoming an Audit & Supervisory Board member, I have been impressed by how often the management team and employees talk about the CYCLE OF GOODNESS®. Through the repetition of this phrase, I can clearly see how it has influenced everyone's actions and awareness. I was impressed by the fact that, despite being a for-profit company, it also has another axis of "goodness," and that putting this philosophy into practice is deeply ingrained.

With regard to governance, the discussions at board meetings are very lively, with all directors actively debating each agenda item. The management

team will listen sincerely to questions and opinions from outside directors, and without fail, feedback will be provided at the next meeting. We are currently facing a period of great change, including a shift in the international landscape, and the true value of each company is being questioned. The key to YKK's continued status as an excellent company will be employees deeply understanding the essence of the CYCLE OF GOODNESS® and implementing it themselves. Each individual is expected to act with a clear awareness that "this is my company."

