

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.

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.

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 its businesses with the Fastening Business, Architectural Products (AP) Business, and Housing Solutions (HS) Business as its core business segments.

* Through YKK Investment Inc., its intermediate holding company, YKK acquired 80% of the issued shares of Panasonic Housing Solutions Co., Ltd. on March 31, 2026, and incorporated the company into its business portfolio as the Housing Solutions (HS) Business. The sales and operating income of the HS Business are not included in the YKK Group's consolidated financial results for the fiscal year ended March 31, 2026.

Fastening Business



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

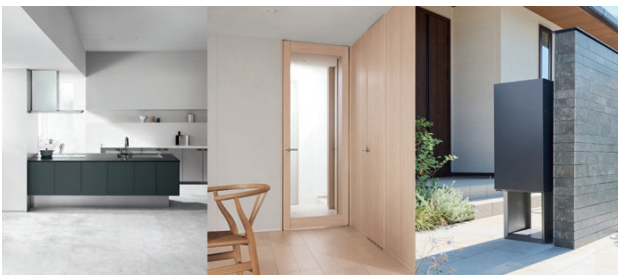
Architectural Products Business



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**

Housing Solutions (HS) Business



The Housing Solutions (HS) Business is committed to continuing to provide living spaces for a better life. Under its slogan, "For an Everlasting Tomorrow 'Green Housing'," the business manufactures, sells, and installs housing equipment, interior and exterior building materials, and provides comprehensive proposals covering the design, development, and handling of its products.

Other Businesses



Agro Pecuaría 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 Pecuaría YKK Ltda.).

YKK Group Consolidated

Number of Group Companies and Employees

142 companies **56,899** employees

Net Sales

992.5 billion yen

Operating Income

46.7 billion yen

YKK Group Consolidated Information



For further details, please refer to the YKK Group website and pages 57–58 of this report.
<https://www.ykk.com/english/>



Information on the Fastening Business

Number of Group Companies and Employees

68 companies **27,692** employees

Net Sales

431.4 billion yen

Operating Income

39.2 billion yen



Please refer to this report for details.
<https://www.ykk.com/english/csr/eco/report/>



Information on the AP Business

Number of Group Companies and Employees

38 companies **18,422** employees

Net Sales

557.6 billion yen

Operating Income

12.0 billion yen



Please refer to the YKK AP website.
<https://www.ykkapglobal.com/en/company/download/>



Information on the HS Business

Number of Group Companies and Employees

19 companies **9,905** employees



Please refer to the Panasonic Housing Solutions website.
<https://panasonic.net/phs/>



Number of Group Companies and Employees

18 companies **880** employees

*1 Net sales and operating income are figures for the year ended March 31, 2026.
Other figures are as of March 31, 2026.

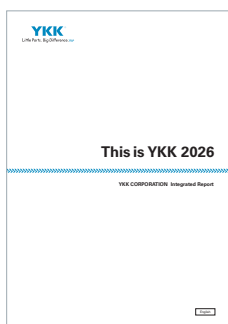
*2 Duplicate entries for companies (one company) that come under both the Fastening Business and other businesses have been excluded from the number of consolidated Group companies.

Positioning of the Management Plan and Business Plan

YKK has formulated the Mid-term Management Plan as a framework for the entire Group, including the Architectural Products Business and Housing Solutions Business. Within that framework, the "Mid-term Business Plan" clearly outlines specific initiatives and goals for the Fastening Business.

Editorial Policy of the YKK Corporation Integrated Report “This is YKK 2026”

The YKK Corporation integrated report, “This is YKK 2026,” 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.



Key Points to Note in “This is YKK 2026”

Progress on the Seven Priority Areas of the 7th Mid-term Business Plan:

In FY2025, the second year of the plan, initiatives aimed at creating value advanced across all priority areas, including the establishment of the Digital Transformation Headquarters.

➔ P21

Strengthening Human Capital: Based on its “Forest Management” concept, YKK positions human capital as the foundation of value creation and promotes various initiatives and strategies to develop and empower its people.

➔ P35

YKK Sustainability Vision 2050 progress: With sustainability positioned at the core of management, we introduce the progress and achievements of initiatives integrated with our business operations as we strive to realize climate neutrality and coexistence with nature.

➔ P39

Strengthening Governance: We introduce our efforts to strengthen governance in support of enhancing corporate value, including a dialogue with Outside Audit & Supervisory Board Members, and also report on initiatives to strengthen Group governance.

➔ P45

Report Scope

Financial Information

Disclosed for YKK Corporation, its 140 subsidiaries, and one affiliated company, accounted for using the equity method on a consolidated basis as the “Group,” and for each segment.

YKK Sustainability Vision 2050 / Environment

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

Society / Governance

The extent of the data is shown individually

Period Covered

FY2025 (April 1, 2025 to March 31, 2026)

* Includes some activities from outside this period

(Due to the recent incorporation of the Housing Solutions (HS) Business into the Group’s business portfolio, the term “the Group” as used in this report does not necessarily include the HS Business.)

Reference Guidance

“Guidance for Collaborative Value Creation,” Ministry of Economy, Trade and Industry (METI)
“International <IR> Framework,” The International Financial Reporting Standards Foundation (IFRS)

Date of Publication

Japanese: August 2026
English: October 2026

Publishing Department

YKK Corporation
Corporate Planning Department
Global Engagement Office
Corporate Communications Group

1, Kanda Izumi-cho, Chiyoda-ku, Tokyo
101-8642, Japan
Tel: +81-3-3864-2064
E-mail: k_ykk@ykk.com



About the Fastening Line (Cover Design)

The Fastening Line is one of the key visual identities of the YKK brand.

The “7 Elements” featured at the lower right as part of the YKK corporate logo symbolizes how every YKK employee is a link connecting us to the future and contributing to an even greater “Big Difference.”



This is YKK 2026

Contents

YKK Philosophy & Sustainability

From the CYCLE OF GOODNESS® to a Sustainable Future	7
History of Value Creation and Growth	9
Putting the YKK Management Principles into Practice	11

Business Strategy

Message from the President	13
Contribute to a Sustainable Society as ONE YKK	18
YKK's Value Creation Process —The Founder's Management Philosophy Explained Through the YKK Philosophy CYCLE OF GOODNESS® Chart—	19
7 th Mid-term Business Plan and Strategy	21
Message from Division Heads	23
Progress and Future Initiatives for the Seven Priority Measures	25
Seven Priority Measures: FY2025 Topics	27
Highlights	
• Strengthening Competitiveness Through Digitalization	29
• Toward a Circular Economy	31
• Propose Exciting Products	33
• Strengthening Human Capital	35

Platform

Management Foundation Based on the YKK Philosophy.....	38
Sustainability	39
Corporate Governance	45
Dialogue Between the Chairperson of the Board of Directors and the Outside Audit & Supervisory Board Member	
Strengthening Governance Globally —Seeking corporate value of higher significance, with the YKK Philosophy of the CYCLE OF GOODNESS® at our core—	51
Risk Management / Compliance	53
Fastening Business Key Financial and Non-Financial Highlights	55
[Reference] YKK Group Consolidated Financial Information	57

Data Section

Company List	60
Environment	61
Social	82
Governance	95
Organization Memberships/Initiatives, etc.....	100
Awards and Achievements	102
TCFD Comparison Table	104

From the CYCLE OF GOODNESS® to a Sustainable Future

The Philosophy of YKK's Founder, Tadao Yoshida, That Continues to Guide Us Today

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. This concept, which is highly compatible with sustainability, has been placed at the core of management, and it continues to be passed down at the company even today.



July 1965

Business is like building a bridge

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.



CYCLE OF GOODNESS®

"No one prospers without rendering benefit to others."

YKK sustainability vision 2050

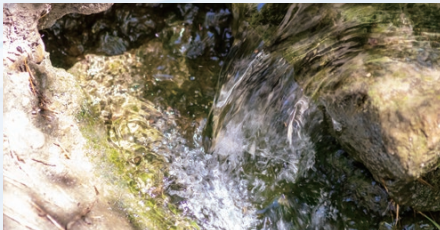
- achieve climate neutrality and coexistence with nature -



January 1971

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

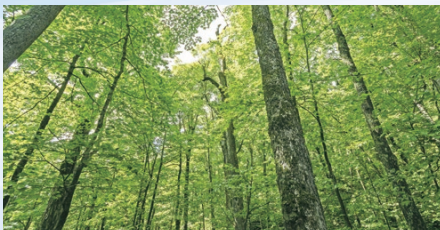
The first thing we should do is think about how to better deal with waste from our own neighborhoods and implement those ideas together. If we continue digging for underground resources, cutting down trees, catching fish, and increasing oceans where fish can't live as we are doing now, it will mean the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



January 1984

Manufacturing like clear spring water

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.



July 1970

The strength of the forest is greater than the trees

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.



Climate change

Develop business activities to combat and respond to climate change



Material resources

Achieve manufacturing that increases the sustainable use of resources



Water resources

Achieve sustainable use of water



Chemical management

Management and reduction of chemical substances



Respect people

Upholding human rights and ensuring fair, safe work environments

History of Value Creation and Growth

“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 taking on challenges to keep creating new value for our customers and for society.

1934- Foundation to Establishment of the Integrated Production System

1959- Continuing Global Expansion and Improving our Production Capability

Main Topics

1934 Founding

Founded in Nihonbashi Kakigara-cho, Tokyo
Engaged in the production and sale of zippers



1936 Zippers exported for the first time

Sent to the U.S., Mexico, Canada, India, various South American countries, and Australia

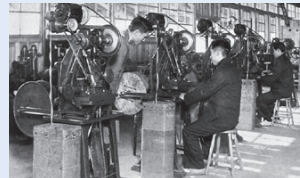
1939 YKK utility model No. 1

Metal slider for zippers

1946 YKK registered as a trademark

1950 From handcraft production to mechanization

Four zipper chain machines imported from the U.S.



1952 Establishment of a fully integrated production system

Establishment of the Die & Tool Department, predecessor of the former Machinery & Engineering Group



1953 YKK patent No.1

Intermittent chain production machine developed

1959 Global expansion

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



1964 Achieved high-speed manufacturing

Commenced manufacturing using the YKK-CM6 (a chain machine developed in-house)
Certified in 2011 as a Mechanical Engineering Heritage*1



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

1997 Global Marketing Group established

The Provision of Value Through Products and Technology



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

More than **3** million km (FY2025)
 Enough to encircle the earth 80 times

Annual zipper production trends

2001 - New Value Creation

2021 - Toward ONE YKK with a New Structure

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



2017

Established and enhanced R&D locations

Promoted product and technology development



YKK R&D Center

2017

The founder's technological vision: Toward fully automated manufacturing

Efforts made to achieve smart, digital facilities



Advanced factory robotic automation center opens

2018

Exceeded annual zipper unit sales of 10 billion for the first time

Sold 10.07 billion zippers in FY2018



2018

Japan Company established

Integrating manufacturing, development, and sales, and strengthening service systems in Japan

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

Revision of the YKK corporate logo



2024

Revision of the YKK Sustainability Vision 2050 which was formulated in 2020

Aiming to achieve climate neutrality and coexistence with nature

2025

Bringing even greater added value to the world

Welcomed Italian company Bluclad S.p.A. into the YKK Group to strengthen development capabilities in plating solutions, one of YKK's key technologies

*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.

AcroPlating® technology, YKK's proprietary plating technology that eliminates the use of conventional plating chemicals.



The GreenRise® zipper made from plant-derived polyester



The NATULON Plus® zipper featuring a higher ratio of recycled material compared to the NATULON® zipper



Low-profiled Lightweight Snap: A slim, lightweight snap fastener that enhances garment design with its flat, minimalist appearance.



2019

2020

2021

2024

2026



The AiryString® tapeless zipper



The click-TRAK® Magnetic zipper which can be closed by using magnetic force



Revived Renewal Series with replaceable parts, which allows for extended product life



The New CONCEAL® zipper with improved interlocking stability and smoother handling

Putting the Management Principles into Practice

Towards Our 100th Anniversary, Each Employee Understands the Principles and Puts Them into Practice

The YKK Philosophy and Management Principles are the foundation that connects Group employees around the world and are the starting point of our business activities. We believe that passing on these Principles and Philosophy—and enabling each employee to understand and put them into practice—will serve as the cornerstone of future value creation. With this conviction, we are advancing Management Principles Promotion Activities throughout the entire organization.

● Venues for Dialogue Between Top Management and Employees

We prioritize candid communication between the management team and employees and have established a variety of venues for dialogue. In roundtable discussions with the Chairman, President, and Senior Advisor, employees gain insight into the origins of the Management Principles through active discussions, then share challenges and ideas for putting them into practice in their daily work. We hold the roundtable discussions on a global scale and actively engage in dialogue with employees at our overseas Group companies. In addition, we organize a variety of dialogue sessions throughout the year, such as discussion forums with executive vice presidents, division heads, and other officers. In FY2025, we held these dialogues with 621 employees in Japan and overseas.



Roundtable discussion with the Senior Advisor (YKK Southern Africa (Pty) Ltd.)



Roundtable discussion with the Chairman (YKK India Pvt. Ltd.)



It was an honor to hear directly from Senior Advisor Sarumaru, who served as Chairman until 2025. It was a truly memorable experience. The valuable lessons I gained from this experience will continue to inspire and encourage me in the years ahead.

Andrew Semple, YKK Southern Africa (Pty) Ltd.



Through the dialogue, I was very impressed by the management team's commitment to valuing people, trust, and long-term relationships, which has further strengthened my sense of pride in being part of the YKK Group.

Nikhil Kaushik, YKK India Pvt. Ltd.



Members of the FY2025 YKK Group Management Principles Study Group

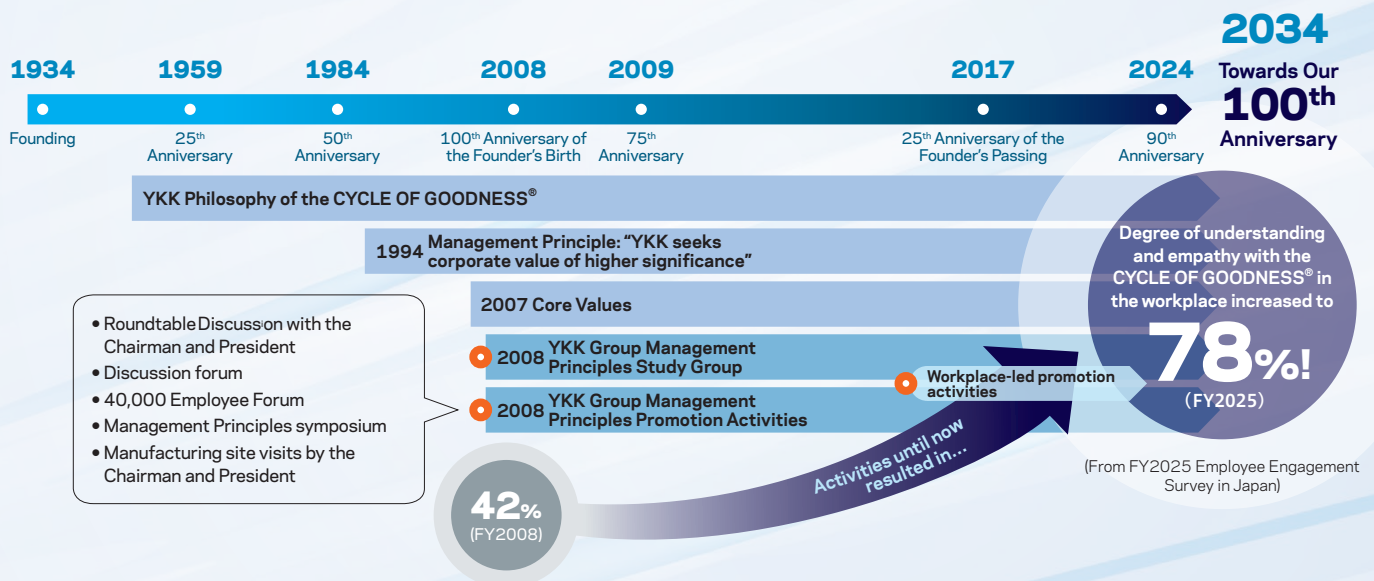
● YKK Group Management Principles Study Group

The YKK Group Management Principles Study Group is made up of young employees selected from each business every year. It carries out research on the nature of YKK's Management Principles and Philosophy to enable them to be passed on, and reports its findings to the management team every March. The FY2025 YKK Group Management Principles Study Group welcomed members from overseas Group companies, as well, and engaged in activities themed around "Exploring the Origins of the YKK Philosophy as We Approach Our 100th Anniversary." The study group traced the origins of the CYCLE OF GOODNESS® through Andrew Carnegie's writings. At the same time, members deepened their understanding of YKK by comparing its philosophy with those of other companies. They then organized a roundtable discussion for members as a forum for sharing the outcomes of this process. Participants shared the insights they gained from the activities in their own words.



We took care to create an environment where members from across different companies and departments felt comfortable speaking up. By repeatedly reflecting on the Management Principles, I have come to understand them more deeply, and I am even more conscious of them as guiding principles in my work.

Junji Yoneyama,
Philosophy Academy, Corporate Planning Department



Workplace-led Initiatives to Instill the Management Principles at Each Location

The YKK Group operates in countries and regions around the world and has employees from diverse cultural backgrounds who hold different values. In order to ensure that the Management Principles and Philosophy are shared and inherited, we proactively implement activities to instill the Management Principles in each region. Since 2018, these efforts have been led by members of the Management Philosophy Promotion Teams established within each site and organization. The teams make plans and promote unique activities suited to the characteristics of each region so that each employee can be aware that they are responsible for carrying on the Management Principles and can engage in their daily work with that in mind.



Discussion using the Management Principles promotion tools (Dalian YKK Zipper Co., Ltd.)



We developed deeper understanding through the use of Management Principles promotion tools. Going forward, we will continue to organize face-to-face activities, incorporating topics of great interest to our staff and gauging feedback from the field as we proceed.

Zhao Jiamian, YKK (China) Investment Co., Ltd.

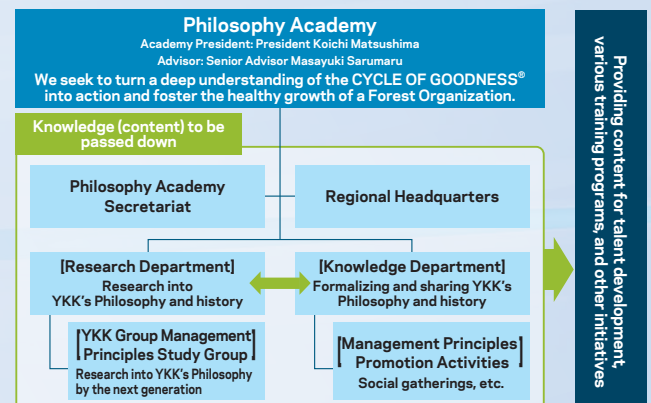


Through these activities, I have come to recognize once again the link between our day-to-day work and the Management Principles. We want to support these activities by emphasizing dialogue, collaboration, and a long-term perspective, so that the Principles will continue to spread as something effective.

Erin Scott, YKK Corporation of America

Establishing the Philosophy Academy

In response to today's rapidly evolving business environment, YKK recognizes the need for employees to deepen their understanding of the company's philosophy and to carry its practice forward as a key management priority. To this end, YKK established the Philosophy Academy within the Corporate Planning Office in April 2026. The Academy is an implementation-focused organization dedicated to building a stronger management foundation through the study of the YKK Group's philosophy and history, and through the systematic codification and accumulation of knowledge. Its activities are designed to promote the practice of YKK's philosophy, support the development of future talent, and cultivate a corporate culture aligned with the Group's values and Principles.



Message from the President



Carrying forward the Philosophy of the CYCLE OF GOODNESS® and aiming to be a company that employees can be proud of

It is precisely because we are in a digital age that we must return to the YKK Philosophy of the CYCLE OF GOODNESS® and put it into practice. Amidst an increasingly uncertain business environment, we will continue to take on new challenges with ONE YKK as our common language, while keeping firmly in sight the future we aspire to achieve as we approach our 100th anniversary.

Koichi Matsushima
President, YKK Corporation

April 1991		Joined YKK
1998 - 2017		Worked in Italy, Poland, China, Indonesia, and Bangladesh
April 2017		Executive Vice President, Fastening Products Group
June 2018		Director and Executive Vice President, Fastening Products Group
April 2021		Director and Executive Vice President, Global Sales Headquarters
April 2023		Director and Executive Vice President, Business Strategy Division
April 2025		Appointed President

Looking Back on the First Year of the 7th Mid-term Business Plan

In June 2026, YKK received a recommendation from the Japan Fair Trade Commission pursuant to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors in relation to its transactions in Japan. I would like to sincerely apologize for the considerable concern and inconvenience this has caused our business partners and all other stakeholders. We take this recommendation seriously, and by resolution of our Board of Directors, we have confirmed that similar issues will not arise in future transactions. Along with that, we will implement measures such as reviewing our internal training programs and strengthening our monitoring systems to ensure compliance with the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields (formerly the Subcontract Act). By thoroughly communicating these initiatives to all executives and employees, we will strive to further strengthen compliance and prevent recurrence.

Amidst an Uncertain Business Environment

The business environment surrounding us has become increasingly uncertain in recent years, due to factors such as the spread of global geopolitical risks and the resulting changes to our structure for procurement.

In particular, the reciprocal tariffs imposed by the United States in April 2025 were also applied to Asian countries, where many garment manufacturing factories are located. This spread confusion among our customers regarding where to source their products, leading to a decline in demand and a slowdown in orders. I believe that we certainly cannot feel optimistic about this situation going forward. For that very reason, we must be cautious with regard to investing. However, if we determine that it is necessary in the medium- to long-term, we must proceed without hesitation. Ever since becoming president, I have consciously worked to make management decisions without assuming that “the business environment will return to normal.”

However, in terms of results, net sales in FY2025 were 431.4 billion yen and operating income was 39.2 billion yen, and neither was able to meet planned figures. My honest impression is that as the first year of our 7th Mid-term Business Plan, this was a challenging start.

Our zipper unit sales reached 9.73 billion, falling below our planned figure of 10.56 billion units. However, given the challenging circumstances in which total global demand for zippers is expected to decline, these figures are the result of our own efforts and are proof

that YKK has not lost its competitiveness. We view it as a major achievement that the number of new customers is increasing, and that we are receiving increasingly high overall evaluations not just for our traditional quality but also for factors such as cost competitiveness, delivery performance, and product variety.

ONE YKK—Our Common Language for Behavior and Decision-Making

“ONE YKK,” the key phrase of our 7th Mid-term Business Plan, is not merely a slogan. We view it as the common language that guides behavior and decision-making across the Group. Personally, I have often spoken to employees using the phrase “ONE YKK,” encouraging them to reject sectionalism and build connections across organizational and regional boundaries.

The GMG*¹ and the Global Sales Headquarters’ GSSG*² are already collaborating with various operating companies, and new approaches are emerging, such as delivering a unified presentation to a single client that spans multiple countries and regions. In addition, even in situations when employees have different opinions, ultimately, an atmosphere has been created where everyone strives to overcome challenges by facing the same direction and putting their heads together under the phrase “ONE YKK.” This was also the first fiscal year in which I strongly felt that it was becoming embedded in our corporate culture.

*1 Global Marketing Group

*2 Global Supply Strategy Group

Fastening Business Performance Trends and Planned Figures

		(Actual)			(Plan)
		FY2023	FY2024	FY2025	FY2026
Zipper unit sales (billion)		8.92	10.03	9.73	10.33
YoY		96.0 %	112.4 %	96.9 %	106.1 %
Net sales (billion yen)		379.3	433.1	431.4	466.4
YoY		99.6 %	114.1 %	99.6 %	108.1 %
Operating income (billion yen)		33.3	47.5	39.2	53.5
YoY		76.2 %	142.5 %	82.6 %	136.1 %
Sales OI ratio (%)		8.8	11.0	9.1	11.5
YoY		-2.7 pt	+2.2 pt	-1.9 pt	+2.4 pt
Exchange rates	USD	144.49 yen	152.46 yen	150.70 yen	150.00 yen
	EUR	156.67 yen	163.65 yen	174.67 yen	175.00 yen
	RMB	20.15 yen	21.11 yen	21.09 yen	21.40 yen

Results of Seven Priority Measures and Issues

“Advance Sustainability” and “Propose Exciting Products”

Progress has also been made on each of the seven priority measures we identified in the Mid-term Plan.

For our “advance sustainability” efforts, we have continued our initiatives to achieve the YKK Sustainability Vision 2050 we formulated in 2020 and were able to earn the top “A” ranking in the Climate Change survey conducted by CDP for the third straight year. In terms of product development, the global sales share of NATULON® zippers using recycled polyester exceeded 50%. Meanwhile, amid the shifting social landscape, the next challenge of how to proceed with further CO₂ reductions and the transition to renewable energy has also come into view.

With regard to our “propose exciting products” efforts, to be frank, I do not think we have reached a satisfactory level yet. Even so, we saw several encouraging signs, such as the positive reception of the self-propelled zipper Zippilot™, which can open and close automatically, as well as progress in developing new applications in the industrial sector.

We are also accelerating our efforts to lay the groundwork for the future, such as through the establishment of the Global Product Innovation Center (GPIC), which aims to strengthen collaboration with startups, universities, and other organizations. We are also planning to release an interesting new product developed by young engineers that completely breaks with conventional thinking, and we have high hopes for it.

To “pursue cost competitiveness through new technology,” we have focused on reducing costs through streamlining measures that can withstand rising prices, particularly for labor and primary materials. We are also moving forward with the development of machinery and equipment which incorporates robotics

and modularization and making steady progress toward achieving results.

Employee Engagement and the YKK Brand Are One and the Same

Regarding our “optimize global/local supply chain” efforts, we are working to establish a multi-source procurement system that is not reliant on specific suppliers, with geopolitical risks and global trade policies—particularly those of the U.S.—in mind. At the same time, to put the principles of “products at the right time, made with the right material (at the right location), in the right amount” into practice, we have also focused on local procurement and in-house production. We recognize that further improving our ability to meet customer needs and delivery deadlines is a key challenge for next year and beyond, as well as for the second half of our current Mid-term Business Plan.

In addition, for our efforts to “build a globally connected operating foundation,” we are standardizing the codes and business processes for the same products, which had previously been optimized individually by each company, while also introducing a Product Lifecycle Management (PLM) system and centralizing digital data. Once again, we recognize that the goal of digital technology is not simply implementing it but leveraging it to create further value.

As part of our efforts to drive future growth by strengthening our ability to tackle untapped markets, we are aiming to further expand our business in the ISAMEA region, building on the momentum of China and other large, rapidly growing domestic markets such as India and Indonesia. The results may not come immediately, but I believe this is a challenge that is very much in the YKK spirit—one that will ultimately bear

Contribute to a sustainable society as ONE YKK

— Evolving into a Company that Creates Inspiring Experiences for Customers, Employees, and Society —

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

“Providing exciting products and services to “WOW” our stakeholders”

■ Advance sustainability

■ Propose exciting products

■ Pursue cost competitiveness through new technology

■ Optimize global/local supply chain

■ Build a globally connected business foundation

■ Tackle the untapped market

■ Enhance employee engagement and strengthen the YKK brand

fruit if we persist for 10 or 20 years without giving up. In addition, we made our debut at CES 2026 (Consumer Electronics Show), one of the world's largest technology exhibitions, where we showcased new possibilities for fastening products in cutting-edge fields.

Finally, I would like to touch on our efforts to enhance employee engagement and strengthen the YKK brand. I believe that employee engagement and the YKK brand are inseparable. Employees taking pride in their work is the starting point for strengthening our brand, and we have advanced our initiatives based on the belief that employees are the driving force behind the creation of corporate value.



Debuting at CES 2026, one of the world's largest technology trade shows, held in the United States in January 2026

Points of Focus Going Forward

Pursuing “YKK-Style Sustainability” and “Digital Transformation”

In light of the current situation, I would also like to discuss our points of focus going forward.

With regard to sustainability, in an era where one could say there is no longer a single “right answer,” I feel it is becoming increasingly important not only to respond to societal demands, but also to take an active role in making our own choices. In the first place, the YKK Philosophy of the CYCLE OF GOODNESS® is a mindset highly compatible with sustainability. I believe that a YKK-style sustainability rooted in that Philosophy, and continuing the distinctive initiatives that define YKK, is vital.

Furthermore, amid rapid changes in the times, including the accelerated evolution of digital technologies, there is a growing recognition that digital transformation is becoming a prerequisite for competitiveness. To remain competitive in this environment, we need to restructure our technology strategy by leveraging AI and robotics. We must move forward with adopting them while gathering information from the United States and China, which are at the forefront of this field.

At the same time, I believe that it is precisely because we are living in a digital age—an age in which AI is becoming increasingly integrated into our daily work—that the value of people is being called into question. More than ever, I want our employees to think carefully about how they choose to act. Rather than continuing to perform the same tasks mechanically, I want to foster a corporate culture that encourages people to take bold challenges and embrace new opportunities.

Establishment of the Philosophy Academy

In addition, in April 2026, we established the new

Philosophy Academy, which allows employees to learn about the YKK Philosophy and the Management Principles in depth. While I am the fifth President of YKK, I am also the first president from a generation which did not receive direct guidance from the founder. I was taught about the CYCLE OF GOODNESS® and the Management Principles by senior colleagues, including the presidents who came before me, and learned about them through firsthand experience. I would like to provide younger employees with opportunities to learn from others and deepen their understanding in the same way. I would like to help foster a “true understanding” of what the company YKK values.

Furthermore, as part of our efforts to enhance our talent strategy, we established the YKK Talent Strategy Committee. We believe that we need to identify the individual skills and experience of more than 27,000 employees who support the Fastening Business, and develop global plans for systematic training, personnel interaction, and job rotations. In FY2026, we will move forward with the design of those systems to enhance global engagement.



President Matsushima with employees from the EMEA region in London, U.K. (third from left)

Toward the 100th Year of Our Founding

Returning to the Starting Point of the CYCLE OF GOODNESS®

The YKK Philosophy of the CYCLE OF GOODNESS®, which has been passed down since the time of our founder and continues to serve as the guiding principle for my own decision-making, is something I occasionally worry may not be being passed on correctly to our employees. Has the YKK Philosophy become a mere formality? Are we taking a defensive stance out of fear of failure? By continually asking ourselves these questions, I believe we must repeatedly return to our roots and deepen both understanding and practice of the Philosophy throughout the company.

I believe this is especially important in today's era of rapidly advancing digital technologies. If AI can take over part of the work we do today, then I would like our employees to focus on the work that truly matters—creating shared value with stakeholders, beginning with our customers, and contributing to the CYCLE OF GOODNESS® by enhancing corporate value. To do so, I hope they will continue to develop the uniquely human ability to understand what customers truly want—the kind of human insight and judgment that AI cannot replicate.

In 2034, YKK will celebrate its 100th anniversary. What kind of company do we want YKK to be when that time comes? With a clear vision of that future in mind, we will approach management from a backcasting perspective, considering what we need to do to make it a reality. At the same time, just as we have done up to now, I intend to work together with employees to ensure that we carry out each and every task before us thoroughly and reliably.



Handing Off the Baton to the Next Generation

As we head towards our 100th anniversary, I intend to launch this project, based on a backcasting approach, as soon as possible. We will discuss and implement the necessary steps, not only in relation to events, but also in terms of management and business strategy, to achieve our vision of what we want YKK to be on its 100th anniversary. In particular, we aim to draw up a road map for the future with a diverse group of people, including the next generation of employees, and to hand off the baton to the next generation beyond our 100th anniversary.

YKK is a manufacturing company that has built up a long history while being involved in and making contributions to all aspects of the essentials of life: clothing, food, and shelter. I hope that everyone who works for this company takes pride in that. Naturally, I will also do my best to ensure that YKK remains a company we can be proud of. I will not be content with our current situation but continue to grow together with employees.

Renewing the Maruyane Exhibition Hall, Showcasing YKK's History and Future



Manufacturing machinery that underpinned global expansion

Maruyane Exhibition Hall is located within YKK Center Park in Kurobe City, Toyama Prefecture. The facility introduces the history, philosophy, and technologies behind the YKK Group's manufacturing, including the mechanisms of zippers and windows, the management philosophy and journey of the founder, and the craftsmanship that supports YKK's global business operations. In addition to the exhibits, the facility offers hands-on activities like zipper-making workshops, providing visitors with an opportunity to experience the world of *monozukuri* for themselves.

In June 2026, we reopened the technology exhibition hall after renovating it to offer visitors a deeper insight into the evolution of our technology, as well as the challenges we have faced from our founding to the present day. The facility is continuing to evolve as a platform for showcasing YKK's technology capability and the appeal of *monozukuri*.



ONE YKK

Contribute to a Sustainable Society as ONE YKK

- Evolving into a Company that Creates Inspiring Experiences for Customers, Employees, and Society -

FY2025 Highlights

- FY2025 net sales: **431.4 billion yen** ; operating income: **39.2 billion yen**
- Zipper unit sales volume reached **9.73 billion units**
- Executed a **share transfer agreement for Bluclad S.p.A.**, an Italy-based developer and supplier of plating solutions
- Global sales ratio of NATULON® zipper series **exceeded 50%**
- Established the **Digital Transformation Division** and plans digital-related investments of **6.8 billion yen** in FY2026

YKK's Value Creation Process

— The Founder's Management Philosophy Explained Through the YKK Philosophy CYCLE OF GOODNESS® Chart —

YKK places founder Tadao Yoshida's Philosophy of the CYCLE OF GOODNESS® at the core of all its business activities. The idea that "No one prospers without rendering benefit to others" is the management philosophy born of YKK's efforts to overcome various challenges it has encountered in the process of business expansion. Keinosuke Ono, an outside director of the company and scholar of business administration, has studied the company's philosophy for many years and explains its underlying principles through the YKK Philosophy CYCLE OF GOODNESS® Chart.

* This content has been developed based on YKK Sōgyōsha Yoshida Tadao to Sono Keiei Tetsugaku "Zen no Junkan" o Kataru [YKK Founder Tadao Yoshida and His Management Philosophy, CYCLE OF GOODNESS®] (2008), which was released to commemorate the 100th anniversary of Tadao Yoshida's birth.

The CYCLE OF GOODNESS® is a concept that represents a dynamic and sustainable cycle in which contributing to society leads to one's own prosperity; in turn, that prosperity contributes to the development of society. The keys to making this cycle work are four principles that reflect the founder's beliefs and values: "saving," "employees as stockholders," "three-party sharing," and "wisdom and effort."

The Chart of YKK Philosophy CYCLE OF GOODNESS® shown below illustrates the mechanism of value creation through the lens of these four principles. Through the economic cycle generated by the continual pursuit of new value, the circle of prosperity expands throughout society. The CYCLE OF GOODNESS® is more than a concept; it is a practical philosophy grounded in firmly held beliefs, shared values, and economic rationality, and is deeply embedded in every aspect of YKK's business activities.

Saving

The first principle of the CYCLE OF GOODNESS® is saving. From the very beginning, YKK has established an employee savings plan and an employee stock ownership plan, accumulating capital through employee savings and building a stable foundation for our business. These savings and stocks are not only an accumulation of capital, they are one of the sources that support active utilization (investment) for the future and business development. This gives YKK the strength to maintain financial resources without relying on external funding.

One's own prosperity



The lecture session (June 2026)

Lecture by Outside Director Keinosuke Ono

As part of the Philosophy Academy's activities (refer to page 12), Outside Director Keinosuke Ono gave a lecture about the significance and structure of the CYCLE OF GOODNESS® for directors, executive vice presidents, and employees of the company. Drawing on the Chart of the YKK Philosophy CYCLE OF GOODNESS® (shown at right), which Dr. Ono has systematically developed, the lecture explored the essence of the YKK Philosophy and the mechanisms that drive sustainable value creation. While management strategies and business activities evolve with the times, Dr. Ono emphasized that the fundamental mechanisms underpinning them remain unchanged. He further explained that putting the CYCLE OF GOODNESS® into practice means continuously sustaining daily virtuous cycles within a larger virtuous cycle, and that sincere consideration for others fosters trust, which in turn becomes "goodness."

Wisdom and effort

To improve quality and reduce costs, we must think hard and make a continuous effort to come up with creative solutions and improvements. This not only enhances competitiveness but also serves as a driving force for value creation. This commitment to making better products leads to the generation of new markets, which fosters greater customer trust and support, and this ultimately leads to the expansion of opportunities for our company's growth.

Social prosperity

Three-party sharing

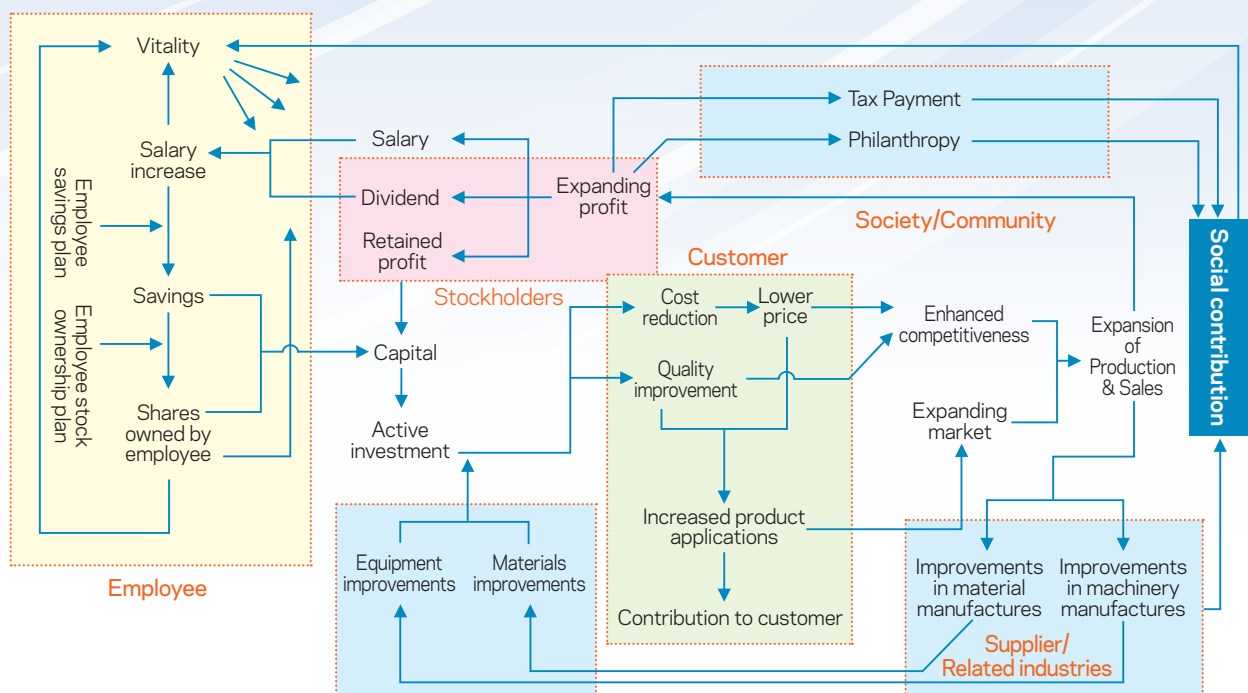
"Three-party sharing" refers to the idea of sharing the added value, or profit, generated through business activities among three parties: customers, business partners, and the company's management and employees. This approach creates a virtuous cycle of growth: employees are rewarded through salaries and dividends; the company can use funds for new investments; customers receive better products quickly and at stable prices; and business partners can build relationships that lead to mutual growth.

Employees = stockholders

The founder believed that stocks are a certificate of participation in the business, and that stockholders should fundamentally be employees. The idea that employees who create value are the heart of a company is also one of the reasons that YKK remains privately owned. By fairly distributing the profits generated to employees as dividends, we have fostered a greater awareness of participation in management among them. This also enables active investment, leading to improved quality and reduced costs.

* The employee stock ownership plan is administered through an employee stock ownership association established in Japan and is available to employees who are eligible for membership.

The Chart of YKK Philosophy CYCLE OF GOODNESS®



Adapted from: Ono, Keinosuke, *Mission Keiei no Susume* [Recommendations for Mission-Driven Management] (Tokyo: Tōyō Keizai Shinpōsha, 2005).

7th Mid-term Business Plan and Strategy

Contribute to a Sustainable Society as ONE YKK

— Evolving into a Company that Creates Inspiring Experiences for Customers, Employees, and Society —

For the 7th Mid-term Business Plan (FY2025 - FY2028), which began in FY2025, we adopted 'Contribute to a Sustainable Society as ONE YKK' as our policy and are advancing our business activities accordingly. Based on a strong conviction that we want to deliver YKK fastening products not just to the customers we directly deal with, but to consumers worldwide, we believe it is important to enhance our business competitiveness in every aspect, including products, prices, quality, and brand. Along with utilizing digital technology to promote an increased sense of unity across the entire Fastening Business, we will build a value chain through the ONE YKK system, and we aim to create value that is uniquely YKK.

In FY2025, the first fiscal year of the Mid-term Business Plan, sales remained sluggish amid an uncertain business environment driven by rising geopolitical risks. Although we made ongoing efforts to reduce costs, profitability declined due to factors such as a decrease in sales volume, lower capacity utilization, and rising labor costs driven by inflation. As a result, our financial performance fell short of both the previous year's results and our targets, resulting in lower revenue and profit. At the same time, the various initiatives we have been promoting are beginning to yield concrete results, such as enhanced competitiveness and a strengthened customer base, and we are making steady progress in strengthening our foundation for medium- to long-term growth.

Fastening Business 7th Mid-term Business Policy

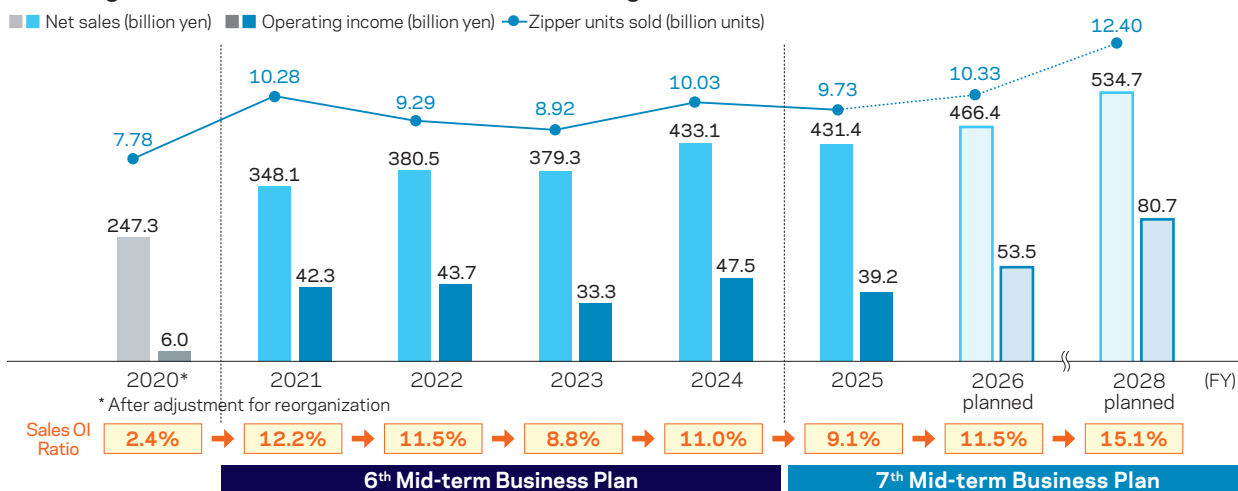
Contribute to a Sustainable Society as ONE YKK

— Evolving into a Company that Creates Inspiring Experiences for Customers, Employees, and Society —

"Better products at a lower cost and greater speed, more sustainably"
"Providing exciting products and services that create 'WOW' experiences"

- | | |
|--|--|
| ■ Advance sustainability | ■ Build a globally connected business foundation |
| ■ Propose exciting products | ■ Tackle the untapped market |
| ■ Pursue cost competitiveness through new technology | ■ Enhance employee engagement and strengthen the YKK brand |
| ■ Optimize global/local supply chain | |

Fastening Business Performance Trends and Planned Figures



Business Plan for FY2026

Against a backdrop of cascading geopolitical risks, the economic outlook remains uncertain, with soaring raw material prices and concerns about inflation. Furthermore, with the ongoing restructuring of global supply chains across the industry as a whole and the tightening of regulations aimed at reducing environmental impact, the business environment is expected to continue to change. In this environment, we will promote initiatives that combine our efforts to “propose exciting products” laid out in the Mid-term Policy with promoting initiatives based on the principles of the “right timing, right materials, right quantity, and right location” with a view to further improving on-time delivery performance and enhancing cost competitiveness. We will also promote talent strategies and employee engagement initiatives that underpin value creation, and continue to develop our business infrastructure by combining digital technology with operational standardization.

Furthermore, in order to achieve sustainable growth and establish a competitive advantage, we intend to make clear and proactive investments with a view to the future, even in this uncertain business environment.

Global Management Structures

YKK, which operates in 69 countries and regions around the world, has established a five-region management structure, in which five regional headquarters provide management support—focusing primarily on capital management and strengthening governance—to six business regions, categorized according to characteristics such as trade areas and distribution channels. Each of our operating companies has enhanced its competitiveness by maintaining a high degree of independence and operating flexibly. At the same time, the progress of globalization has at times led to variations in service levels across countries and regions, which has presented a challenge. Having adopted ONE YKK for the 7th Mid-term Business Plan, we are working to enhance our team responsiveness and value creation capabilities by strengthening collaboration between our operating companies and building a global value chain that brings together our supply bases and networks.

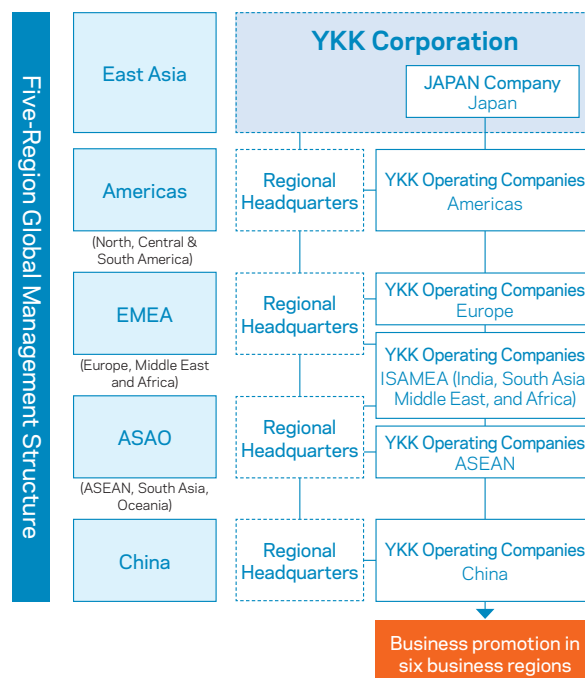
Key Points for FY2026 Plan Formulation

- Proposing exciting products
- Responding with products at the right time, made with the right material (at the right location), in the right amount
 - Rebuilding competitiveness in mature markets (Japan, the United States, Europe, etc.)
 - Establishing a framework for capturing opportunities in growth markets (China, the Asian region, etc.)
- Human asset strategy and engagement initiatives to create value
- Building a foundation by combining digital technology with operational standardization

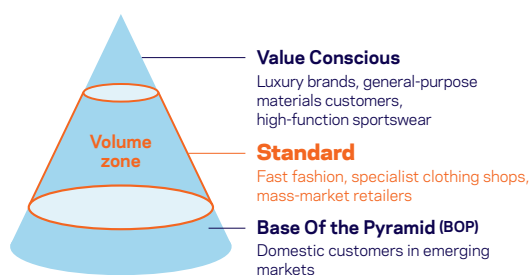
Investment Plans

Total amount for the 7 th Mid-term	247.0 billion yen
FY2026 (planned)	88.0 billion yen
Regional breakdown	China/ASEAN/ISAMEA 62.3 billion yen
	Japan/Americas/Europe 24.6 billion yen
Break down by purpose	Sustainability-related 8.4 billion yen
	Digital-related 6.8 billion yen

7th Mid-term Regional Management Structure



“Unless you pursue two rabbits, you will not catch even one.” — YKK’s Strategy for the Standard Segment



YKK set a target of selling 10 billion zippers annually around the time of the Mid-term Plan covering 2013 to 2017. Amid intensifying competition in the zipper market, rather than choosing to improve profitability by focusing exclusively on the high-end, value-conscious market, we have consistently pursued volume growth in the “standard” segment, the largest volume zone, by leveraging our comprehensive strengths in quality, cost, delivery, and product variety. Delivering YKK zippers to as many people as possible around the world is YKK’s Strategy for the Standard Segment.

Messages from Division Heads

Taking on the Challenge of the 7th Mid-term Plan as ONE YKK

The leaders of each function share their reflections on the first year of the 7th Mid-term Business Plan, along with their outlook for the future. Please note that the Digital Transformation Division was established in April 2026.



Toru Shikita

Executive Vice President
Business Strategy Division

Joined YKK in 1992. He has held a number of leadership positions, including President of YKK Vietnam and Head of ASEAN Operations, and was involved in the relocation of Global Sales Headquarters functions to Vietnam. His favorite quotation^{*1} is

"Make just a little more effort, even if it's only paper-thin."

Business Strategy Division

Earning Our Customers' Trust Through YKK's Hidden Strength

Looking back on FY2025, despite the challenging business environment, our operating companies around the world worked together and put in steady, hard work to support our performance. This was certainly a year where I got a sense of YKK's hidden strength. With "delivery" as our watchword, collaboration across departments and regions is progressing, and a cross-border customer support system is being steadily established through the activities of GMG^{*2} and GSSG^{*3}.

Going forward, we will continue investing in untapped markets and enhance our medium- to long-term competitiveness. Furthermore, in mature markets, we will take on the challenge of new manufacturing approaches and the creation of demand that take regional characteristics into account. Notably, we will move swiftly to deliver value to the luxury market through the participation of Bluciad S.p.A. We will continue taking on new challenges as ONE YKK, striving to become a company that more customers can confidently turn to, saying, "YKK will find a way."



Reisuke Aratani

Vice President
Global Sales Headquarters

Joined YKK in 1998. Has held roles ranging from sales to regional management, primarily in Asia, and currently heads the Global Sales Headquarters in Vietnam, a key hub for the apparel industry. He is fond of the quotation,

"Convey the Philosophy in your own words."

Global Sales Headquarters

ONE YKK and Innovation Driving Growth

Amid a challenging business environment characterized by uncertainty, our operating companies in each region pooled their wisdom and took on the challenge of creating value. Although we fell short of our volume plan, we were able to maintain a certain level of performance thanks to strong sales of value-added products. In particular, it is certainly true that the enhanced cross-functional collaboration between sales and development has led to improved services through ONE YKK, which is beginning to result in positive feedback from customers and the acquisition of new business.

Going forward, we will utilize external expertise through the newly established GPIC^{*4} to further enhance product innovation, while accelerating our efforts to capture market share and create new demand through exciting products. Under ONE YKK, we will further strengthen our cross-national, cross-organizational, and cross-functional framework and build a solid sales foundation as we head towards our 100th anniversary.

^{*1} Quotations and other sayings by founder Tadao Yoshida, which have been passed down through the generations at YKK ^{*2} Global Marketing Group

Manufacturing & Engineering Division

Enhancing *Monozukuri* Competitiveness Through Operational Excellence

It was a year in which we maintained our factory operations and did our utmost to secure profits, even with limited production volumes, despite the challenging business climate. In particular, the steady improvements we have made in meeting our customers' delivery time requests are a major achievement. I believe this shows the ingenuity of each and every employee who took the initiative to streamline and improve processes on the front lines, and is the result of the sales and manufacturing departments working as one to quickly and accurately convey customer feedback to the factories.

Going forward, further improving our speed in development of machinery and equipment and customer response will be our top priority for strengthening our competitiveness. Furthermore, with the goal of making smart factories a reality, as our next step, we will move forward with full-scale implementation throughout our factories. By establishing a ONE YKK approach to *monozukuri* that brings together engineering, development, and manufacturing, while also investing in the development of our people, we will continue to take on the challenge of creating new value.



Yoshimine Kobayashi

Executive Vice President
Manufacturing & Engineering
Division

Joined YKK in 1988. After serving as an engineer in the United States and Asia, he now oversees the manufacturing and engineering divisions from Kurobe. He is fond of the quotation,

"Never neglect the study of products."

Administration Division

Supporting Value Creation Through a Strong Operational Foundation

Guided by our basic policy of enhancing corporate management functions and creating value for the business through those functions, we focused on building the necessary foundations over the past year. One of our most significant achievements was the increasingly proactive involvement of our administrative functions in major initiatives, including M&A transactions. Through hands-on participation in these projects, we accumulated valuable expertise, developed our people, and further strengthened our capabilities to operate effectively on a global scale.

Looking ahead, we will continue to advance the development of a globally connected operational foundation and enhance the value we provide to our business units through greater standardization and efficiency. At the same time, we will implement initiatives to improve employee engagement and, with the establishment of the YKK Talent Strategy Committee as a key milestone, accelerate the development of our global talent management framework. Under the banner of ONE YKK, we will support greater integration across the Group and drive sustainable growth through our administrative and corporate management functions.



Katsuya Yumoto

Director in Charge of Compliance,
Chief Risk Officer (CRO)
Executive Vice President,
Administration Division

Joined YKK in 1989. Has extensive experience, primarily in administrative departments such as legal affairs, intellectual property, and compliance. Licensed to practice law in the state of New York. He is fond of the quotation,

"Draw a picture in your mind."

Digital Transformation Division

Contributing to Our Customers and Employees through Digital Technology

In April 2026, we merged the Digital Business Promotion Department and the Information Systems Department, and the Digital Transformation Division was established. In addition to contributing to our customers and employees through business reform that leverages digital technology, the division also plays a proactive role in creating value that goes beyond just optimizing operations. We are currently promoting the development of infrastructure that connects code standardization, specifications, processes, quality control, traceability, and other related areas.

As for what's next, we have a major goal: "standardizing *monozukuri* through digital means and introducing the same systems at locations around the world." Another important topic for us is promoting a "with AI" working style among our employees and creating an environment where they can fully utilize their expertise and abilities. We will continue working to make ONE YKK—a world where customers can receive the same service and employees can work in the same environment, no matter where they are—into a reality.



Ryuichi Tsuneda

Senior Vice President, Digital
Transformation Division

Joined YKK in 1993. Took up his current position after gaining extensive on-the-job experience across a wide range of business processes and working in China and Europe. He is fond of the quotation,

"You cannot have time to spare unless you make that time yourself."

Progress and Future Initiatives for the Seven Priority Measures

Priority measures

01

Advance sustainability

We have strongly promoted sustainability initiatives to achieve the YKK Sustainability Vision 2050, which was formulated in 2020. Sustainability is a concept that aligns with the YKK Philosophy of the CYCLE OF GOODNESS®. In the 7th Mid-term Business Plan, we will accelerate our decarbonization efforts and focus on various initiatives and product development in order to help realize a circular economy, which is an urgent issue especially in Europe.

02

Propose exciting products

We will integrate sales, development, and manufacturing in product development, and focus on initiatives to “WOW” both creators and users through exciting products and services. The three perspectives that form the basis for considering the creation and provision of a sense of “WOW” are “customers,” which includes business partners and general consumers, “society,” and “employees.” We will respond to the requests and expectations of each stakeholder and create products and services that inspire excitement among all stakeholders.

03

Pursue cost competitiveness through new technology

To pursue cost competitiveness, we will conduct a comprehensive review of our *monozukuri* practices—including manufacturing equipment—and build on them. The core of that initiative is establishing the foundation for smart factories, utilizing the core technologies of non-stop production lines that we have cultivated over the years. We will aim to improve customer service via ONE YKK through automation of *monozukuri* and technology which connects customers with manufacturing sites and factories all over the world.

04

Optimize global/local supply chain

With the market environment and consumer awareness surrounding fastening products changing rapidly, there is a growing demand for a wide variety of products, low volume, and short lead times. In response, we will focus on establishing an optimal supply system which combines the advantages of both global and local operations. We plan to achieve equalized production through network coordination among our global bases, while also responding flexibly to cost and delivery lead-time requirements in local markets.

05

Build a globally connected business foundation

We will focus on establishing a standardized business foundation on a global scale, so that our customers can appreciate the value we provide as ONE YKK to an even greater extent. With the Digital Transformation Division established in FY2026 playing a central role, we will work to integrate the management of product codes at a global level and reform our overall business operations, while also focusing on developing the talent to support these efforts.

06

Tackle the untapped market

Currently, YKK operates in 69 countries and regions around the world, and we believe that there is still room for growth in delivering our company's products to the world, with its eight billion inhabitants, and having them put to use. We will also develop fastening products that meet the needs of consumers in emerging countries, where future growth is expected, and strive to deliver YKK products to as many people as possible.

07

Enhance employee engagement and strengthen the YKK brand

Our people are the driving force behind everything we do. By realizing the ONE YKK value chain, empowering employees with confidence and a sense of accomplishment, and providing opportunities to grow and take on challenges on a global stage, we will build a vibrant and resilient organization. In addition, we will execute a unified brand strategy to improve YKK's brand value over the medium- to long-term, with the Global Brand Strategy Department of the Business Strategy Division at the center of these efforts. It is our employees who enhance the value of our brand, and we will move forward with these two themes in an integrated manner.

We have adopted the following seven priority measures to accomplish the 7th Mid-term Business Plan. We will enhance our business competitiveness in every aspect—including our products, prices, quality, and brand—and create new discoveries and surprises for all markets and consumers around the world. In this section, we will introduce the progress we made in FY2025, as well as future initiatives.

FY2025 Progress	Priority Initiatives Going Forward
● Sustainability-related investment (capital investment) 5.9 billion yen ● CO₂ emissions reduced by 67.1% (Scope 1 and 2 emissions, in comparison to FY2018) ● Promoting the switch to sustainable materials • NATULON® zipper series using recycled materials comprising 56% of sales • NATULON Plus® Fiber Sourced™ Zipper with Recycled PET Open Parts won a top-five spot in the ISPO Textrends Awards Accessories Category (December 2025) • Revived Replacement Elements for VISLON® won the iF Design Award 2026 (March 2026) ● Recognized by the CDP with the top “A” ranking for our climate change efforts for the third straight year	● Sustainability-related investment (capital investment) 8.4 billion yen (planned for FY2026) ● Further promoting measures to reduce GHG emissions with a view to achieving climate neutrality by 2050 ● Making products with specific environmental attributes the norm by switching to sustainable materials • Reaching a sales share of 63% for NATULON® zipper series, which utilize recycled yarn in components such as the tape (FY2026 planned) ● Developing proprietary YKK technologies and products aimed at bringing about a circular economy • Expanding Revived Renewal Series availability • Product development aimed at promoting resource recycling for fibers, including the use of fiber-derived recycled materials and the move towards mono-material products * Refer to page 41 for progress on achieving the goals of the YKK Sustainability Vision 2050
● Developing innovative products at the Silicon Valley-based Global Product Innovation Center ● Started collaborations with design firms and material suppliers, as well as industry-academia partnerships ● 3D composite puller won the Best Product Award at the ISPO Textrends Awards in the Accessories Category (December 2025) and the Red Dot Award in the Product Design Category (April 2026)	● Creating innovative products from the user’s perspective by drawing on external expertise ● Promoting collaborations with R&D partners [Product examples] Snag-less zipper used on duvet covers and similar items Plastic parts: Cord stopper for shoes, flat lace adjuster Snaps and buttons: Low-profiled Lightweight Snap with a lighter weight thanks to a slimmer profile and a simple design
● Bluclad S.p.A., a company based in Italy specializing in the development and sale of plating solutions, became part of the Group ● Achieved cost reductions through the introduction of SICD (Standard Item Cost Reduction) machinery and streamlining of various processes ● Promoted the automation of in-factory logistics ● Established the Tokyo office of the YKK R&D Center	● Strengthening advanced plating and coloring core technologies (creating mutual synergies with Bluclad) ● Development of machinery and equipment capable of handling small-lot modules to enable a rapid response to fashion trends and seasonal fluctuations ● Giving shape to smart factories through the use of cutting-edge technologies such as AI and robotics
● Capital investment of 50.8 billion yen ● The Fastening Business has established operations in 69 countries and regions. Example: Vietnam Nhon Trach Phase 3 Factory, currently being extended Launched a production line for snaps and buttons at the Dong Van Factory	● Capital investment of 88.0 billion yen ● Establishing a supply system that ensures production at the right time, with the right material (in the right location) and in the right amount Building models for mature markets and establishing systems to capture growing markets ● Promoting rapid response systems in each region and country
● Built the ONE YKK foundation by launching operation of PLM E-BOM functions ● Established a structure to drive these initiatives through the creation of the Digital Transformation Division Global code unification, comprehensive reform of business operations, and the development of digital talent	● Establishing the Digital Transformation Division ● Promoting the introduction of a Product Lifecycle Management (PLM) system and its effective use ● Promoting the use of data and digital technology → Building a foundation for data-driven management ● Reconstruction of core systems and strengthening of IT governance ● Digital talent development
● Cultivated deeper domestic demand in growth markets / continued investment Example: Development and launch of indios™ brand products for the Indian market ● Developed new zipper applications, including zippers for fishing nets and the self-propelled zipper Zippilot™ ● Expanded sales of new products such as Transportation Fastening Materials (TFM)	● Bringing concepts to life in growth markets and further developing our business models Domestic demand in China, India, and African markets ● Continuously developing new applications in mature markets ● Expanding sales of hook and loop fasteners for disposable diapers to leading brands
● Implemented Global Engagement Office initiatives ● Promoted a consistent global brand strategy and measures	● Enhance employee engagement ● Strengthening global talent strategy: Establishment of the YKK Talent Strategy Committee → Optimizing recruitment, transfers, talent development, and policy design from a global perspective ● Strengthening the YKK brand: Contributing to the business by enhancing global brand value ● Established the Philosophy Academy to evolve and deepen the passing down of YKK’s Management Principles

* Unless otherwise noted, the investment amounts shown on this page are based on order values. The capital investment amount of ¥50.8 billion, however, is calculated on an inspection acceptance basis.

Seven Priority Measures: FY2025 Topics

Here we outline the key initiatives for FY2025 under the priority measures of the 7th Mid-term Business Plan. Through these various initiatives, we will strategically strengthen our management capital, including our technology, business infrastructure, and brand strength, to deliver further value and achieve sustainable growth.

03 Pursue cost competitiveness through new technology

Enhancing product value through improvements in plating solution technology

We obtained all issued shares of the Italian company Bluclad S.p.A., making it a subsidiary of the YKK Group, with the aim of strengthening our capabilities for developing plating solutions, a key technology for the Fastening Business. Bluclad specializes in the development and manufacture of high-quality plating solutions for the European luxury goods industry, and its commitment to quality, along with its ongoing dedication to pioneering new initiatives aimed at bringing about a sustainable society, is highly aligned with YKK's values. By leveraging the synergies between the two companies to enhance our technological capabilities, and by making use of our global network, we will provide customers worldwide with high-value-added products featuring high-quality, high-grade plating.



04 Optimize global/local supply chain

Strengthening customer proposals and product offerings that combine zippers with snaps and buttons

In October 2025, we began operating a new production line for snaps and buttons at the Dong Van Factory of YKK Vietnam Co., Ltd. With the launch of this production line, we will be able to offer product solutions combining zippers and snaps and buttons to our customers—particularly global brands—in Vietnam, which has grown to become one of the world's leading garment manufacturing hubs. Furthermore, we will be able to deliver our products more quickly.

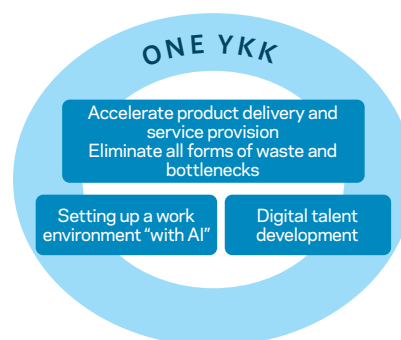
In addition, the factory has obtained Silver certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) system, in recognition of measures such as sourcing electricity from solar power generation systems and the introduction of high-efficiency lighting and EV charging stations.



05 Build a globally connected business foundation

Organizational Restructuring: Establishing the Digital Transformation Division

From FY2026, the second year of our 7th Mid-term Business Plan, we revised our organizational structure and established the new Digital Transformation Division which reports directly to the President. This division was formed through the merger and reorganization of the former Digital Business Development Department and the Information Technology Department under the Administration Division. It brings together IT and digital functions, and is responsible for comprehensively driving a proactive digital strategy. It will focus on the reconstruction of core systems to support the advancement of our business, the promotion of digital technology adoption, the strengthening of IT governance, and the development of the talent required to support these initiatives, with the aim of establishing a business foundation that will enable us to achieve ONE YKK.

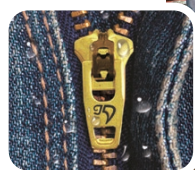


06

Tackle the untapped market

New brand proposals for the growing Indian market

As part of our priority measures to “tackle the untapped market,” we launched the new zipper brand **indios™** by fundamentally reevaluating every aspect of our zippers—from the materials to manufacturing processes—to develop new products that combine price, quality, and mass-production capabilities with an eye toward the rapidly growing Indian apparel market. **indios™** is a term we coined meaning “special zippers for the Indian market.” Our goal is to create new value in the Indian market, with its population of approximately 1.4 billion, and to grow together with it. Going forward, we will continue to further expand the value we provide in growing markets by developing products that meet local needs and strengthening our supply systems.



06

Tackle the untapped market

Application proposals for the automotive market

Deploying CONCEAL® zippers (Item Code: 5CCPLF8)

As part of our efforts to develop new applications in untapped markets, we are expanding the deployment of CONCEAL® zippers (Item Code: 5CCPLF8) for automotive use. This product uses a design with a hidden tape section, a first for automotive seat zippers, achieving a luxurious look that was difficult to achieve with conventional zippers. Since sales of CONCEAL® zippers began in 2010, primarily in the United States, adoption has expanded globally to include Europe, China, Asia, and Japan, contributing to the improved aesthetics of automotive seats. Furthermore, we are expanding sales by meeting the demand for lighter vehicles driven by the recent industry trend toward battery electric vehicles (BEVs).



07

Enhance employee engagement and strengthen the YKK brand

Strengthening brand communication

As part of our efforts to strengthen brand communication, we began rolling out a new promotional visual starting in FY2026. This serves as a visual representation of the YKK brand and the direction of the 7th Mid-term Business Policy. In addition, the “Fasten UP” slogan conveys the message that through its fastening products, YKK helps empower people to take action and move forward to the next step.

We will further enhance our brand value by utilizing this visual in various interactions and communications with stakeholders and by conveying a globally unified message.



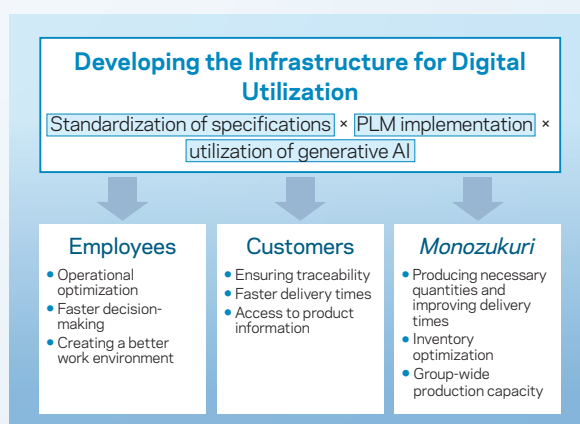
Seven Priority Measures

*Highlight***Strengthening Competitiveness Through Digitalization**

The key to enhancing our competitiveness and continuing to deliver new value as ONE YKK will be building a business foundation that combines digital technology with operational standardization. By leveraging digital technology to connect YKK's locations across 69 countries and regions, and standardizing business processes globally, we will improve quality and delivery speed while creating a work environment that is more conducive to employee well-being.

Supporting Business Transformation Through Digital Technology

Under the 7th Mid-term Business Plan, we will promote a proactive digital strategy centered on the Digital Transformation Division, which was newly established in FY2026, to support the advancement of our business. The Digital Transformation Division provides cross-functional support for the initiatives of each division and is responsible for formulating and advancing a digital strategy that aligns with the initiatives of each division. Through the implementation of these initiatives, we will address our customers' challenges, strengthen our *monozukuri* capabilities, and reform the way our employees work.

**Employee Operational Optimization**

By incorporating generative AI into our operations, we are driving greater efficiency in business processes and more sophisticated decision-making. By implementing and utilizing AI agents, we can eliminate the need for the multiple screen operations that are required in traditional workflows. At the same time, by organizing and presenting past case studies and related information, staff members will be able to focus on final decision-making and specialized analysis. In this way, AI will help reduce work time and speed up decision-making.

For example, we have developed a slider search system that allows users to search for YKK sliders using

images or text, and we have begun rolling it out at our global locations. Since it is a web application with an intuitive user interface that anyone can easily use in a browser, it has been well-received by employees. The system has reduced the time required to handle tasks such as product information searches and inquiries, leading to improved operational efficiency. To ensure the sustainability of these initiatives, we are also focusing on improving employees' information literacy and working to raise the overall skill level across the company through seminars on AI utilization and other programs.



An AI workshop

Employee voices**Atsushi Imagawa**

Sales Management Division, Japan Company

With the introduction of the slider search system, I can now quickly identify products that previously required manual work or individual verification, which has significantly improved operational efficiency and directly reduced the time needed to prepare proposals. In addition, I can now instantly access information on products manufactured overseas that previously took significant time to verify, which has greatly improved convenience. I am looking forward to even greater improvements in accuracy in the future.

Solving Customer Challenges

As digitalization continues to advance in the apparel industry, the use of 3D data is expected to expand further in the future. In response to these changes, YKK is promoting the digitization of products into 3D data and consolidating and providing it through its dedicated digital platform, "3D Port," for distribution. This makes it possible for users inside the company to download product data in a format suitable for their specific needs and share it. Using this data in the design development process lets customers cut down on the time required for development and promotional activities, which previously relied on physical samples, thereby improving efficiency and lowering costs.



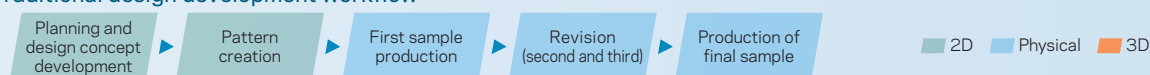
Employee voices



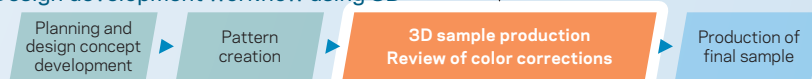
Angela Mueller
YKK Global Marketing Group

The implementation of "3D Port" has made it easier for both employees and customers to access data, improving efficiency and accessibility across the board. By reducing the need for manual data sharing and repeated requests, it has enabled faster customer response times and contributed to a smoother, more reliable service experience. Adoption continues to grow steadily, reflecting strong demand for digital assets. Going forward, we hope to further expand its applications, enhance functionality, and leverage 3D Port to support faster development and more effective decision-making.

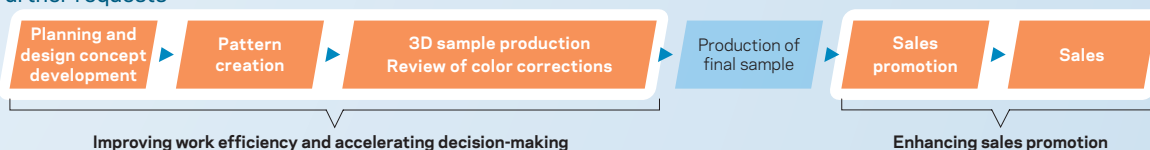
Traditional design development workflow



Design development workflow using 3D



Further requests



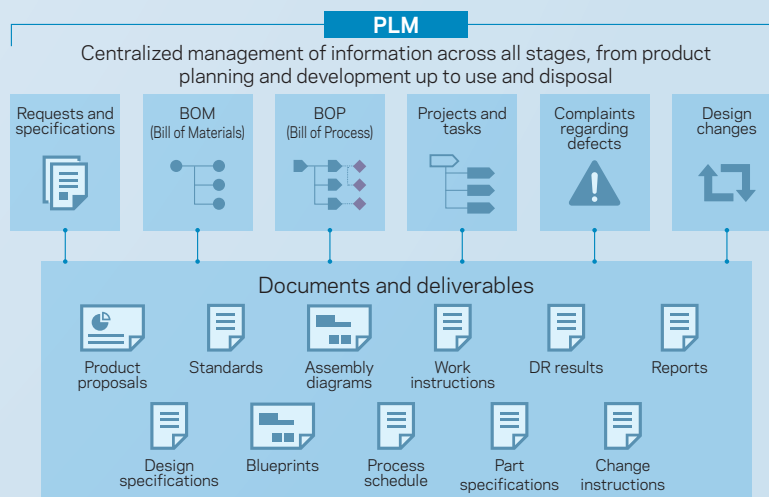
Strengthening *Monozukuri*

To achieve *monozukuri* through ONE YKK, we plan to launch initiatives in August 2026 focusing on code unification and the implementation of a PLM (Product Lifecycle Management) system, starting with Japan Company and then gradually expanding globally.

Through code standardization, we will make master data such as specifications and part numbers common across the globe, thus establishing a foundation for company-wide business operations. The initiative will first be introduced in Japan Company and then progressively deployed across our global operations.

Building on this foundation, we commenced operation of the PLM system in February 2026. This PLM system is a tool that unifies product and manufacturing specifications globally and allows them to be managed digitally. By standardizing business processes that had previously been optimized individually in each country and region,

we will enhance manufacturing consistency, thereby ensuring quality and improving production efficiency. Furthermore, this will enable the integrated management of sustainability and traceability information, helping us to establish a system capable of promptly providing customers with the information they require.



Seven Priority Measures

Highlight

Toward a Circular Economy

YKK is guided by the founder's conviction that the YKK Philosophy of the CYCLE OF GOODNESS® and "manufacturing like clear spring water," which does not cause precious material resources to be lost, are the true meaning of wealth. We have inherited that conviction, and we will continue to take on challenges towards realizing decarbonization and a circular economy, based on activities targeted at achieving the YKK Sustainability Vision 2050.

Recycling-oriented products

A Zipper Supporting Textile-to-Textile Circularity

YKK's NATULON Plus® Fiber Sourced™ Zipper with Recycled PET Open Parts, which uses recycled PET for the tape, elements, open parts, and core cord, features a circular design that aims to maximize mono-material construction, facilitating the zipper to be recycled together with the garment. It also incorporates a slider made from recycled zinc alloy to ensure durability and practicality, thereby achieving a high level of balance between sustainability, quality, and functionality. This product was chosen as a top-five item in the Accessories category at the ISPO Textrends Awards.

* This product is currently under development



YKK's NATULON Plus® Fiber Sourced™ Zipper with Recycled PET Open Parts



Recycling-oriented products

- NATULON Plus® with Recycled PET Open Parts
- VISLON® NATULON® made with ECONYL® Regenerated Nylon
- ADVANCEN® made with ECONYL® Regenerated Nylon
- Detachable Tack / Rivet

Waste recycling

- zip TO zip™

Longer product life

- Revived Renewal Components



YKK Eco

Recycling

Repair and maintenance

Consumer

Longer product life

Deployment of the Revived Renewal Series



Digital Product Passport

- TouchLink®



With the aim of extending the lifespan of textile products, we have launched the Revived Renewal Series, which makes it easier to repair zippers, and currently have four items in the lineup. In particular, the Revived Replacement Elements—which make it possible to repair only the damaged section when elements are damaged, instead of having to replace the entire zipper—have been highly acclaimed as a solution that simultaneously improves repair efficiency and reduces waste, and they were awarded the internationally prestigious German iF Design Award 2026. YKK aims to make effective use of material resources and reduce waste by extending the lifespan of its products through repairs.

* YKK repair products are designed for use by professional repair centers to help keep products in use longer.

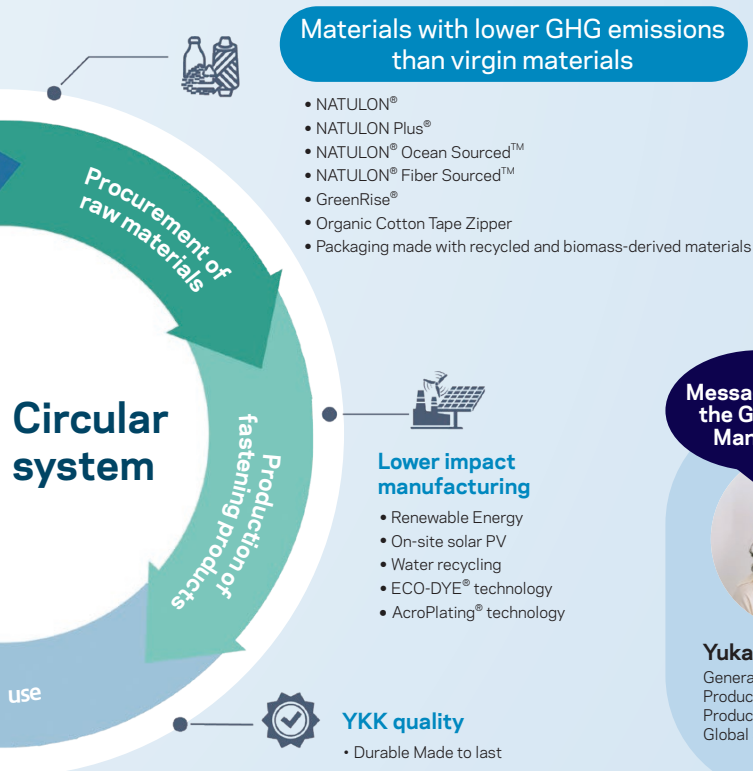


Materials with lower GHG emissions than virgin materials

NATULON® zipper series surpasses 50% of global sales

The global sales share of the NATULON® zipper series, which use recycled materials in components such as the tape, has exceeded 50%. That percentage stood at just 3% in FY2019, and has risen to 56% as of the end of FY2025, after the full-scale implementation of this change as a company-wide policy from FY2021 onwards. This result is the outcome of our efforts, with the support of our customers, to ensure a stable supply from YKK factories around the world while maintaining quality and functionality.

Starting with NATULON®, a project launched in 1994, YKK has been committed to developing products that make effective use of limited material resources. Through our business activities, we are steadily putting into practice the shift towards materials with lower GHG emissions than virgin materials, which we set out in the YKK Sustainability Vision 2050.



Message from the General Manager



Yuka Suzuki

General Manager, Sustainable Product Strategy Department, Product Strategy Division Global Sales Headquarters

YKK places great importance on co-existence and mutual prosperity with society and nature, based on the YKK Philosophy of the CYCLE OF GOODNESS®. To ensure that sustainability is not merely an optional extra but becomes the norm, we are not waiting for the market or our customers to dictate our course; instead, we are making decisions on our own initiative and working as a united company to drive the transition to NATULON® zippers. Going forward, we will not limit ourselves to simply supplying materials; we will continue to work with our customers to explore approaches to sustainable manufacturing and put forward concrete proposals.

* ECONYL is a registered trademark of AQUAFIL S.p.A.

Discovering and Nurturing the Next Generation of Designers Driving Circular Fashion

To date, YKK has worked to discover and support the next generation of fashion designers around the world. To celebrate the 25th anniversary of the YKK Fastening Awards—Japan's largest fashion design contest for students—in FY2025, we newly established the Circular Design Special Award with the aim of identifying and nurturing talent that will help advance circular fashion. In the same fiscal year, a design by Kanade Konno from Bunka Fashion College—which enabled garments to be taken apart and repaired using zippers—won the award and was also awarded the Grand Prix in the Apparel category.



For details, please refer to the Data Section.

Grand Prix in the Apparel Category, as well as the Circular Design Special Award, at the 25th Fastening Awards "Re Tree" by Kanade Konno, Bunka Fashion College



Seven Priority Measures

Highlight

Propose Exciting Products

“Propose exciting products,” which we adopted in the 7th Mid-term Business Plan, refers to our goal of developing products that provide new user experiences, are easier to handle, and are conscious of the environment and safety, thereby delivering a sense of “WOW” to our customers. By bringing together sales, development, and production, we use technology and creativity to redefine conventional notions of “closing” and “fastening,” giving shape to that sense of “WOW.”

Keeping pace with the era of lightweight activewear

Low-Profiled Lightweight Snap (Item Code: SKL30)

Compared to the conventional Ring-spring Snap, the new snap achieves approximately 16% reduction in thickness and approximately 14% reduction in weight*, making it an extremely slim option in YKK’s snap product lineup. Recently, lightweight, high-strength materials have been widely adopted in the sports and outdoor sectors. Designed to meet such needs, this snap is intended for garments made with thin fabrics and is lightweight, helping to improve both the comfort and functionality of the product. It is expected to find use in a wide range of fields, including sports and outdoor activities. We also plan to roll out a version that minimizes the visibility of the springs to enhance the snap’s visual appeal, while reducing thickness to the absolute minimum (Item Code: SKL31).

* Results of internal YKK research; in comparison to SK35



The snap is not just lightweight. It also achieves smooth and reliable operability.

The YZiP® Light Zipper, A New Option for Cotton Pants



YZiP® Light, an aluminum alloy zipper designed for cotton pants, was developed as a new addition to the YZiP® family, which is widely used for jeans. After over eight years of research and development, we have achieved the lightness and ease of use needed by cotton pants with this product, a NATULON® zipper that uses recycled material for the tape. In addition to reducing the weight of YZiP® Light zippers by approximately 50%*¹ compared to YZiP® copper alloy zippers for jeans, we improved lateral pull strength by approximately 26%*² compared to a conventional aluminum alloy zipper. Combining smooth opening and closing with abundant color variations, the YZiP® Light zipper blends lightness, functionality, and aesthetic appeal.

*¹ Results of internal YKK research; in comparison to YZiP® (YGRC-39 GSBN8 15 cm)

*² Results of internal YKK research; in comparison to a conventional aluminum alloy zipper (YARNC-39 DS14GS1)

Functional without being reliant on springs. High grip strength, even with a two-part design.



Innovative Cord Stopper for Footwear (Item Code: FC02VX)

This cord stopper has a simple two-part design that securely holds shoelaces in place without the use of springs. It combines intuitive operability with strength, while keeping the number of components to a minimum. Drawing inspiration from the principle of the wedge used in architectural structures, we applied this wedging mechanism to shoelace fastening. Although compact, it offers excellent grip and is ideal for use in running shoes and similar applications. It is simple to use—the user just pinches the stopper with their fingers to tighten it—which ensures smooth operation. Furthermore, we are aiming to make recycling easier by using the same material for all components.



From “closed by the user” to “self-closing.” Works reliably even in hard-to-reach places.



Zippilot™ Self-Propelled Zipper



The Zippilot™ self-propelled zipper is a unique mechanism developed by YKK with a motor-powered slider, which allows the zipper to be opened and closed. A drive mechanism comprising a motor and gears is built into the slider, which opens and closes the zipper by traveling over it. Developed for industrial materials, including those used in tents, it can be opened and closed remotely. This ensures quick and reliable opening and closing even in environments where manually operating a zipper is difficult, such as at heights, in confined spaces, or in hazardous areas. We moved forward with development in light of the need to ensure safety and improve work efficiency in the construction, industrial materials, and disaster-prevention applications, and this technology is expected to contribute to increased productivity across all types of work sites.

Shedding Light on Hidden Challenges and Unlocking Future Possibilities through Open Innovation 3D Composite Puller Offering Design Freedom Beyond Tooling and Minimum-Order Constraints

The Global Product Innovation Center (GPIC), which was established within the Product Strategy Division, is the organization responsible for planning future products and creating new business models through thinking that transcends conventional frameworks. The GPIC is promoting open innovation by focusing on latent challenges and future possibilities and collaborating with external partners. This new composite puller, which utilizes 3D printing technology, was developed in collaboration with Variloom. By using bio-based thermoplastic polyurethane (TPU), the team achieved a high degree of design freedom, texture, and customizability, which were difficult to achieve with conventional injection molding. This product embodies GPIC's commitment to discovering new possibilities and creating added value.



Seven Priority Measures

*Highlight***Strengthening Human Capital**

Our employees are the driving force behind all our business activities. The concept of “Forest Management,” as described by our founder, reflects our aspiration to create a vibrant organization in which each individual can make the most of their unique qualities and grow autonomously, like the trees in a forest. Under the 7th Mid-term Business Plan, we will create an environment where diverse employees can thrive, thereby improving employee engagement and strengthening our ability to drive the business forward.

Talent Strategy for Value Creation

YKK strives to create an organization that pursues diversity among employees—regardless of factors such as age, gender, and nationality—and links that diversity to results, with the understanding that YKK’s greatest asset is its people.

As part of our initiatives to date, in FY2021, we established the Diverse Talent Promotion Committee, with the president as committee chair. We formulated policies to promote the active participation of diverse talent, and discussed measures related to important themes in subcommittees established under the committee to address talent development, our HR system, and talent infrastructure. In Japan, in FY2021, we introduced a system that eliminated the mandatory retirement age and allows employees to choose their careers independently, regardless of age.

Going forward, we will further promote the strengthening of talent not only within Japan but also on a global scale. The new YKK Talent Strategy

Committee, which was established in April 2026, will collaborate with the Global Engagement Office, which was set up in FY2025, and develop talent measures based on the Management Principles. Specifically, through the utilization of global talent and the design of relevant systems, we will create an environment in which diverse talent can maximize their potential. In addition, we will encourage employees to take the initiative in pursuing new challenges by creating opportunities for global communication and strengthening engaging leadership among management.

It is our employees who enhance the value of our brand, and we will move forward with our employee engagement and brand strengthening efforts in an integrated manner. Each employee will promote consistent, global brand communication both within and outside the company, and work to raise awareness of the YKK brand and strengthen its value.

Highly engaged employees enhance ONE YKK’s ability to execute a consistent brand strategy and serve as a source of value creation.

Direction and desired state	Measures
Employee pride / Belonging / A sense of fulfillment Fostering a corporate culture that allows employees to perform at their best ↓ Source of brand value Employees are the key drivers of business value creation → Ultimately leading to the delivery of customer value	1. Talent Strategy • Establish YKK Talent Strategy Committee • Develop global talent utilization frameworks 2. Employee Engagement • Strengthen communication • Promote engaging leadership 3. Brand Integration • Execute a globally consistent brand strategy • Align internal and external brand communications



Establishing the New YKK Talent Strategy Committee

— Bringing Together the Strengths of Global Talent to Create Value as ONE YKK —

In FY2026, we established the new YKK Talent Strategy Committee by reorganizing the Diverse Talent Promotion Committee, which had previously focused mainly on operations in Japan, and transitioning to a structure that promotes a global talent strategy for the Fastening Business Group's business activities.

This committee is meant to ensure the appropriate matching of talent with roles, with a view to making better use of talent on a global scale. At the same time, it will establish a framework that enables the integrated management of recruitment, placement and promotion, development, and the administration of systems. To achieve this, we have established four working groups—Recruitment and Transfers, Global Talent, HR System Design, and Talent Development and Reskilling—and will be implementing specific measures. In rolling out our talent strategy, we have established a system in which global policies are planned and formulated in Japan, where Headquarters' functions are based, while individual regional headquarters are able to respond flexibly to talent management and HR challenges in their respective countries and regions.

Message from Leader Yoshio Shinoda

Based on the Forest Management mindset, viewing the diverse talent that underpin our company from a global perspective and making the most of their capabilities is a vital foundation for sustainable growth. This committee serves as the central forum for positioning talent strategy as a key management priority, and for discussing and implementing the utilization and optimal allocation of talent on a global basis. We want to foster a relationship in which both the company and its employees continue to grow together: the company supports the development of talent through investment in talent, while employees create value through the results of their work.



Committee Chair: Koichi Matsushima, President (center-left); Leaders: Koji Matsumoto, Senior Vice President, Corporate Planning Department (center-right); Yoshio Shinoda, Vice President, Human Resources Department, Administration Division (left); Jessica Cork, Vice President, Global Engagement Office, Corporate Planning Department (right)

Basic Policy

- Investing in talent, and pursuing talent management that promotes diversity and harmony
- Contributing to sustainable business development
- Enhancing the sophistication and expertise of HR functions

Major activities (examples)

- Utilizing global talent (talent mapping, matching systems, etc.)
- Talent development / reskilling
- Designing systems with a view to global implementation



YKK Talent Strategy Committee kickoff meeting (April 2026)

🌐 Global (Fastening Business and other businesses, etc.)

Employees

28,572 people

Group company presidents of non-Japanese nationality

25 people
* 85 Group companies

Number of R&D Personnel in FY2025

1,059 people

🇯🇵 In Japan

Total number of participants in the next-generation leadership training program "Value Creation Academy"

221 people

Employees who are 60 years old or over

488 people

Average length of service Male / female

17.9 years /
17.9 years

(As of March 31, 2026)

Improving Engagement at Sites Around the World

At our locations around the world, we are working to improve employee engagement through a variety of initiatives that draw on local characteristics and our employees' ideas. Through activities designed to foster bonds between employees and with their families, and to cultivate a shared commitment to the Management Principles, we are promoting a sense of unity within the organization and encouraging proactive behavior.

YKK Canada Inc.

Pride and Inclusion Fostered by National Flags

Reflecting Canada's social context of welcoming a diverse range of immigrants, our workforce comprises employees of 29 different nationalities. The factory displays the flags of all countries represented among our employees, and every year, new employees pose for a commemorative photograph with the president, each holding their own country's flag. Launched in 2013, this initiative has become an important part of our efforts to respect the diversity of our workforce and to foster a sense of pride, belonging, and inclusion amongst our staff.



Pamela Galley
YKK Canada Inc.



YKK Pakistan (Private) Limited

Improving Teamwork Between Departments Through Sports

We organized a cross-departmental cricket tournament as a staff social event. With employees and their families cheering them on, the venue was abuzz with energy. Many participants commented that interacting with colleagues from other departments helped strengthen teamwork and a sense of unity. It proved to be a meaningful initiative that went beyond mere recreation, helping to strengthen relationships of trust and boost motivation.



Mahwish Munaf
YKK Pakistan (Private)
Limited



Shanghai YKK Zipper Co., Ltd.

A Sense of Connection and Unity, Together with Families

We hosted a Family Day event to express our gratitude for our employees' daily efforts and to help their families gain a better understanding of the company. In addition to the factory tour, we organized interactive games for children, which provided a great opportunity to strengthen bonds with family and colleagues. We intend to continue holding this event on an ongoing basis and to work together as one to further the company's development.



Qian Yong
Shanghai YKK Zipper
Co., Ltd.



YKK Portugal - Acessorios Para Vestuario LDA.

Building Engagement Through Experiences that Bring the Vision to Life

We are promoting unique, people-centric initiatives, such as establishing a Happiness and Well-Being Coordinator function to support the well-being of our employees. Most recently, as part of our in-house sustainability initiative YGreen, we hosted a beach clean-up involving our employees and their families. By gaining firsthand exposure to the environmental issues behind YKK's resource recycling initiatives, employees are beginning to change their day-to-day behavior at work.



Catarina Costa
YKK Portugal -
Acessorios Para
Vestuario LDA.





(Photo) YKK Center Park Furusato-no-Mori (Hometown Forest) (Kurobe City, Toyama Prefecture)
Obtained certification from the Ministry of the Environment as a Nature Coexistence Site for the first time in October 2023.

Management Foundation Based on the YKK Philosophy

FY2025 Highlights

- CDP Climate Change Program Recognized with the highest **A List rating** (three years in a row)
- Sustainability-related investments totaled **5.9 billion** yen in FY2025, with **8.4 billion yen planned** for FY2026
- **Conducted an assessment of the effectiveness of the Board of Directors**
- Revised the Succession Plan (Developing and Appointing Successors)

Sustainability

Sustainability-Driven Management: – YKK Sustainability Vision 2050 –

To contribute to solving the environmental and human rights issues caused by mass production, mass consumption, and mass disposal in the fashion industry, and bring about a sustainable society through business activities, YKK formulated the YKK Sustainability Vision 2050 in October 2020, and is working toward achieving its goals across five themes – climate change, material resources, water resources, chemical management, and respect people – as well as associated SDGs.

Message from the Executive in Charge



Mai Mizubayashi
Operating Officer and Vice President,
Sustainability Department

Aiming to Balance Sustainability and Business Growth

The concept of sustainability, which is connected to the YKK Philosophy of the CYCLE OF GOODNESS®, is deeply rooted in our technological development and manufacturing sites and inextricably linked to business growth. Drawing on the experience I have personally gained in the field of research and development, we are working to formulate effective sustainability strategies and develop technologies in key areas to help achieve our vision, expanding the use of materials with lower GHG emissions than virgin materials, and advancing resource recycling. In our operations, we adhere strictly to the “Three Real” principle – real place, real object, real situation – to ensure that our judgments and improvements are based on facts. Going forward, we will continue to pursue initiatives that balance the reduction of our environmental impact with business growth through the integration of technological innovation and on-site capabilities, whilst conducting our business activities with a view to making a circular society a reality.

Activity Highlights for FY2025

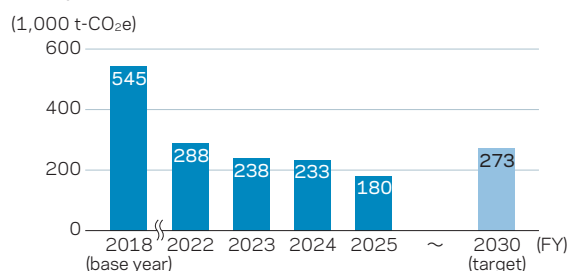
- Received the highest “A List” rating in the CDP Climate Change 2025 Questionnaire (third consecutive year)
- CDP Supplier Engagement Rating Received Supplier Engagement Leader (fourth consecutive year)
- Sustainability-related investment (capital investment) 5.9 billion yen (FY2025 performance)



As a company that has endorsed the Task Force on Climate-Related Financial Disclosures (TCFD), YKK discloses information in accordance with its recommendations. Read the Data section for more information.

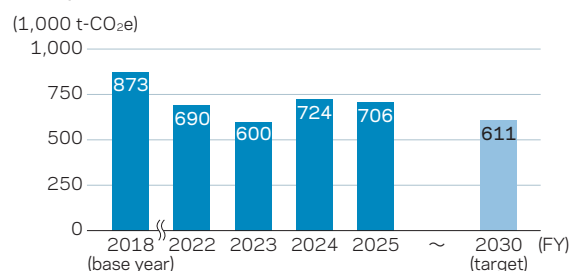
CO₂ Emissions Performance

<Scope1+2> *1

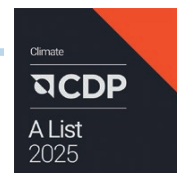


*1,*2: GHG emissions performance in FY2021, FY2022, FY2023, and FY2024 (Scope 1 and 2 emissions, as well as Scope 3 emissions in categories 1, 2, and 3) underwent third-party verification by SGS Japan Inc. GHG emission reduction targets, including Scope 2 GHG emissions, use market-based emissions.

<Scope3> *2



For details on the scope of verification, please refer to the verification report.
<https://www.ykk.com/english/csr/eco/report/verification/>



Life Cycle Assessment (LCA)

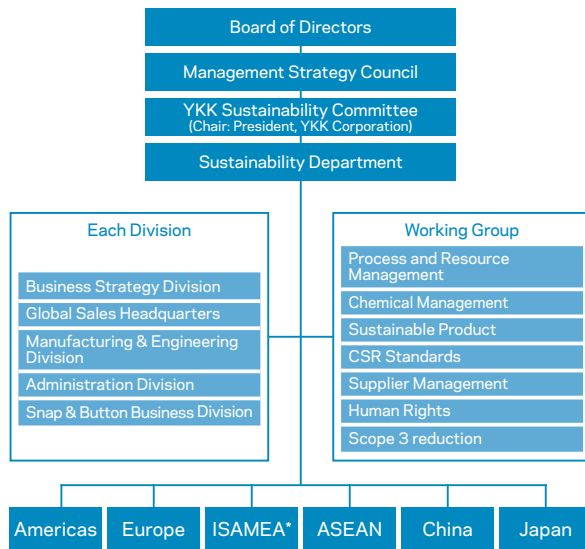
In 2023, YKK established a dedicated Life Cycle Assessment (LCA) department to calculate the environmental impact of products manufactured by YKK. Through these efforts, we are working to visualize and quantify both our progress toward achieving the goals of the YKK Sustainability Vision 2050 and the environmental attributes of our products. Information on the environmental impact of individual YKK products is being disclosed progressively through the Higg Material Sustainability Index (MSI).

Sustainability Management

Governance Structure

YKK has established the YKK Sustainability Committee, chaired by the President of YKK, to work toward achieving the goals of the “YKK Sustainability Vision 2050.” Specialized subcommittees have been formed for each theme to address specific issues. In regions outside Japan, sustainability committees for each region have been established since FY2021, mirroring the committee structure at Headquarters, in order to disseminate and implement Headquarters’ sustainability policies and measures, thereby establishing a global system to handle the demands of customers and society. In addition, in order to enhance our efforts to respond to growing expectations regarding biodiversity conservation and disclosure, we set up a new sub-group for biodiversity within the Process and Resource Management Working Group in FY2025.

Sustainability Governance Structure



* India/South Asia/Middle East/Africa

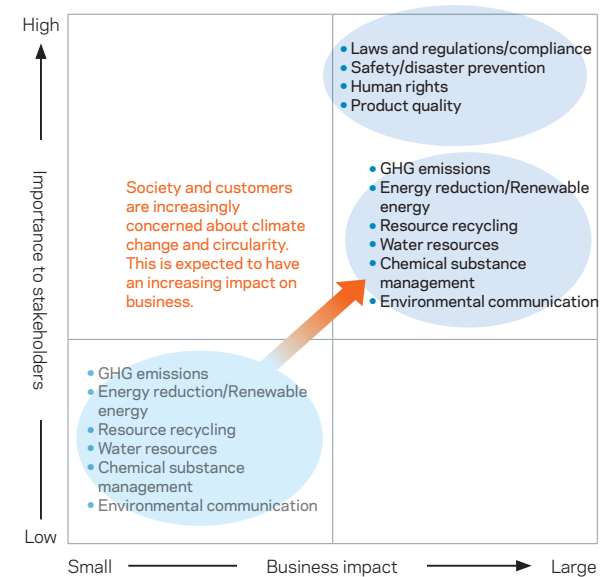
Sustainability Committee Activities

Meeting No.	Month	Content
#1	May 2025	Reports about the policies and activity plans of working groups (WGs) and about efforts undertaken by Sustainability Committees in each region (such as climate change initiatives)
#2	September 2025	Reports about the priority measures of each WG and the progress of other priority measures
#3	March 2026	Reports about the priority measures of each WG and activity plans for next fiscal year

Vision Development and Review Process

Based on a materiality assessment conducted through industry initiatives and dialogue with customers and NGOs, YKK determined five themes as priority issues for dealing with environmental and social challenges: climate change, material resources, water resources, chemical management, and respect people. In August 2024, we revised our KPIs by adding new ones to accelerate our initiatives in areas such as climate change, biodiversity, and resource recycling.

Materiality Analysis (Identifying Priority Issues)



Organization Memberships/Initiatives, etc.

(As of May 31, 2026)

- 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](#)
- Received validation of its 1.5°C-aligned targets from the Science Based Targets initiative (SBTi) [March 2021](#)
- Joined the Japan Sustainable Fashion Alliance [September 2021](#)
- 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 METI's GX League [May 2023](#)
- Joined the Japan Climate Leaders' Partnership (JCLP) [May 2023](#)
- Joined METI's Circular Partners (CPs) [November 2024](#)
- Joined the Policy Hub Circularity for Apparel and Footwear [February 2026](#)
- Joined the Zero Discharge of Hazardous Chemicals (ZDHC) program as a Signatory Supplier [May 2026](#)

YKK sustainability vision 2050

— achieve climate neutrality and coexistence with nature —

Theme/Policy	Goal	
 Climate change Develop business activities to combat and respond to climate change To combat global climate change, YKK commits to GHG emissions reduction targets to achieve climate neutrality by 2050 and support the Paris Agreement, which seeks to limit global warming to 1.5°C above pre-industrial levels. Additionally, YKK will adapt to climate change and respond by developing stable business activities.	Quantitative	(By 2030) • Reduce emissions of CO ₂ and other GHGs in our company and supply chains. Scope 1+2: 50% reduction (from FY2018 baseline) Scope 3: 30% reduction (from FY2018 baseline) • 100% renewable energy ratio for power consumption. (By 2050) • Aim for zero GHG emissions (Net Zero).
	Qualitative	(By 2050) • Reduce energy consumption through improved manufacturing methods and equipment, streamlined operations and processes. • Install renewable power sources at Fastening Business locations where feasible. • Reduce our Scope 2 emissions by purchasing external renewable energy where possible. • Reduce our Scope 3 emissions by switching to more sustainable materials. • By 2025, abolish all coal use in YKK facilities. • Reduce risks associated with climate-related disasters (flooding, heat waves, reduced precipitation, etc.) • Build supply chains that take climate change-related disaster risks into account.
 Material resources Achieve manufacturing that increases the sustainable use of resources In the Fastening Business, we will reduce the environmental impact of the products that we make and the packaging that we use, and shift to materials with lower GHG emissions than virgin materials in order to reduce waste and the use of petroleum derived materials throughout the lifecycle of our products. We will help achieve a circular society, protect ecosystems, and engage in enriching activities.	Quantitative	(By 2030) • Switch to 100% sustainable textile materials for fastening products (recycled materials, naturally-derived materials, etc.). • Replace all vinyl/plastic packaging materials with sustainable packaging, including recyclable/reusable forms, in the Fastening Business. • Sustain a waste recycling rate of at least 90%. • Reduce the amount of waste to be landfilled or incinerated at all production sites.
	Qualitative	(By 2030) • Provide product and technical solutions to support the repair of key fastening products. • Contribute to resource recycling by implementing manufacturing and product design that reuses resources and avoids producing waste. Focus product design on improving durability, making products repairable and recyclable. • Develop fastening product resource recycling technologies. • Promote procurement practices that take biodiversity into account. (By 2050) • Engage in ecosystem conservation activities.
 Water resources Achieve sustainable use of water With the goal of sustainable water usage, reduce the load on local communities and ecosystems by reducing water intake and strengthening wastewater management according to regional circumstances.	Quantitative	(By 2050) • Reduce water intake by 30% (compared to FY2018)
	Qualitative	(By 2050) • Reduce water intake through initiatives such as streamlined use/reuse of water. • Strictly manage wastewater at all manufacturing sites in accordance with government regulations and YKK in-house standards, which are based on standards established by the industry organization ZDHC (Zero Discharge of Hazardous Chemicals). • Reduce water risks at manufacturing sites.
 Chemical management Management and reduction of chemical substances We will work to minimize the impact on the natural environment and people by appropriately managing and reducing the amounts of chemical substances we use to help ensure a healthy environment for future generations.	Qualitative	(By 2030) • Promote reductions of harmful chemical substances. • Establish our own standards (YKK Restricted Substance List) for managing the use of chemical substances in all products and manufacturing processes and promote the reduction of hazardous chemical substances via ongoing risk communication with stakeholders. • Ensure compliance with industry standards utilizing OEKO-TEX® STANDARD 100 and AFIRM RSL for product standards, and our own standards based on ZDHC MRSL for manufacturing process management standards. Mandate compliance with industry standards at our locations around the world. • Develop new production methods that reduce the use of hazardous chemical substances and that lower environmental impacts while maintaining product quality. • Formulate air and soil pollution countermeasures when using hazardous chemical substances. Help protect the global environment through use of these countermeasures.
 Respect people Upholding human rights and ensuring 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.	Qualitative	• By valuing diversity, being inclusive, respecting human rights, and improving the work environment, we will create better and safer workplaces throughout our supply chains. We will ensure that everyone can work with peace of mind, make the most of his or her individuality, and lead a healthy and happy life. • Enact improvements based on changing societal demands and implement ongoing YKK Global Criteria of Compliance (YGCC) audits based on the YKK Philosophy of the CYCLE OF GOODNESS® and UN Guiding Principles on Business and Human Rights.

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



YKK's Higg Index Certification is disclosed here.

External audit: evaluation results by location <https://www.ykk.com/english/csr/responsibility/eco/higg.html>

FY2025 Results	FY2026 Plan
• Scope 1+2 GHG emissions: 179,532t (67.1% reduction from FY2018 baseline) • Scope 3 GHG emissions: 705,957t (19.2% reduction from FY2018 baseline) • Renewable energy ratio of all power consumption: 72.3%	• Continue carrying out initiatives that aim to achieve the FY2030 emission reduction targets based on the SBTi validation 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: 362,173t or less (33.6% or more reduction from FY2018 baseline) • Scope 3 GHG emissions: 698,577t or less (20.0% or more reduction from FY2018 baseline)
• Locations running on 100% renewable energy: 47 • Solar power generation facilities in operation: 15 (77 in total, 37 sites) • Phased out coal-fired boilers	• 13 on-site solar PV systems planned
• Proportion of materials with lower GHG emissions than virgin materials: 54% (up 6 points year-on-year) • Switched to packaging materials with lower GHG emissions than virgin materials: 35% across all companies • Waste recycling rate: 94.6% (up 3.6 points year-on-year)	• Proportion of materials with lower GHG emissions than virgin materials: 63% • More switchovers from plastic packaging materials to packaging materials with lower GHG emissions than virgin materials • Waste recycling rate: 95% or more
• Added availability of top stops that support slider repairability • Launched the NATULON Plus® zipper with Recycled PET Open Parts, made with PET to support garment recycling • Successfully implemented an in-house recycling system for the copper alloys used in zippers; expanded trials overseas with a view to implementing an in-house recycling system for zinc • Solely targeted suppliers with the "The Copper Mark" certification*¹ that also have the "The Zinc Mark" certification*², and encouraged non-certified suppliers to obtain certification • Conducted tree-planting activities and clean-up activities on and off company grounds	• Add availability of Revived Replacement Elements for VISLON® zippers • Further expand product lineup of zippers that support PET garment recycling • Expand the scope of sites and product categories covered to promote the implementation of an in-house recycling system for the copper alloys and zinc used in zippers • Solely target suppliers with "The Zinc Mark" certification in addition to "The Copper Mark" certification, and encourage non-certified suppliers to obtain certification (ongoing) • Publish internal guidelines on biodiversity conservation activities • Implement activities that take guidelines into account
• Water intake: 9.234 million t (19.4% reduction compared to FY2018) • Water intensity: 12.0% decrease (compared to FY2024)	• Water intensity: 2% reduction (compared to FY2025)
• Introduced production facilities that will lead to reduced water consumption, as well as four new water recycling facilities, bringing the total number of water recycling facilities to 19 sites. • Continued wastewater quality management based on ZDHC Wastewater Guidelines • Conducted activities to reduce water risks	• Continue to introduce production facilities that will lead to reduced water consumption, as well as new water recycling facilities • Continue to check wastewater quality based on ZDHC Wastewater Guidelines • Promote further reductions in water intake in water-stressed areas
• Informed suppliers about the YKK Restricted Substance List (RSL) (2025 version) and conducted compliance surveys • Informed suppliers about the YKK RSL (2025 version) and conducted compliance surveys (1,798 companies) • Conducted tests to monitor status of compliance with the OEKO-TEX® STANDARD 100 certification (46 companies) and the AFIRM RSL (39 companies) • Introduced and deployed InCheck reports for ZDHC MRSL compliance assessments (34 companies) • Selected alternative materials for non-compliant products in the YKK RSL (2023 version) and promoted the development of materials, manufacturing processes, etc. • Established a new sub-group for non-compliant products in the YKK RSL; reviewed a company-wide, cross-departmental approach to developing alternatives and ensuring rigorous sales management, then implemented it for certain products.	• Conduct annual revisions of the YKK Restricted Substance List (RSL) (2026 version) based on social and customer needs • Inform suppliers about the YKK RSL (2026 version) and conduct compliance surveys • Conduct tests to monitor status of compliance with the OEKO-TEX® STANDARD 100 certification and the AFIRM RSL • Maintain and improve the ZDHC MRSL compliance rate. Select materials to improve the compliance rate. • Select alternative materials for non-compliant products in the YKK RSL (2024 and 2025 versions) and promote the development of materials, manufacturing processes, etc. • Develop alternatives for products that are not YKK RSL-compliant and promote rigorous sales management across all departments
• Established a weekly management system for working hours at each manufacturing location • With regard to identifying and assessing the risk of human rights violations according to the YKK Global Criteria of Compliance (YGCC), implemented self-checks at all applicable locations (48 locations) and on-site audits conducted by a third-party organization (21 locations)	• Continue to promote compliance with guiding principles regarding business and human rights • Consider and establish mechanisms that should be put in place as a company regarding access to relief • Strengthen the audit and evaluation system through systematization of the YGCC

*1 The Copper Mark certification is an international framework for responsible production and contributing to the UN SDGs in the copper industry.

*2 The Zinc Mark certification is an international framework for responsible production and contributing to the UN SDGs in the zinc industry.

Initiatives Toward Achievement of the YKK Sustainability Vision 2050

Climate change



GHG emissions:
Scope 1+2:

67.1%
reduction

Scope 3:

19.2%
reduction

(from FY2018 baseline)

In FY2025, the YKK Group reduced its GHG emissions (Scope 1+2) by 67.1%, surpassing its reduction target of 29.4% or more in comparison to FY2018, which was validated 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 actively introducing renewable energy, in FY2025, we were able to increase the number of sites that have shifted purchased power to 100% renewable energy by two locations compared to FY2024. YKK now has 47 locations solely using renewable energy worldwide. We are also pushing to reduce GHG emissions by purchasing renewable energy certificates, and the renewable energy-derived electricity ratio of all power consumption was 72.3%^{*1} in FY2025.

In addition, by promoting the use of recycled polyester materials through a shift to and increase in sales of the NATULON® zipper series and other means, we reduced GHG emissions by about 20,790t compared to using virgin materials. In the future, we will also work to reduce Scope 3 emissions by increasing the use of recycled materials in the key components of our fastening products.



On-site solar PV systems (YKK Portugal - Acessorios Para Vestuario LDA.)

Material resources



54%

Proportion of items
using sustainable
materials
(Total meters)
(FY2025)

94.6%

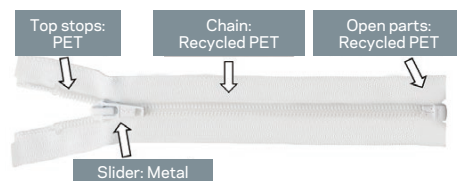
Waste recycling rate
(FY2025)

(Switchover from plastic packaging materials to packaging materials with lower GHG emissions than virgin materials)

We have already achieved a 100% transition at multiple sites in Japan, Vietnam, Europe, and South Asia, demonstrating that it is possible to switch to packaging materials with lower GHG emissions than virgin materials whilst maintaining quality. Building on these results, we are working to roll out the initiative to other regions.

(Easy recycling)

We launched NATULON Plus® zippers with Recycled PET Open Parts, which utilize PET materials to the fullest extent, and are moving forward with development to further expand our lineup.



(Repair)

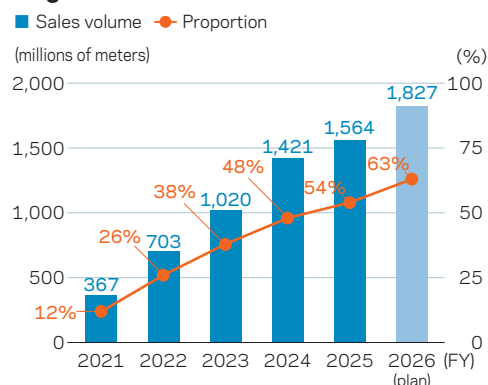
We launched the new Revived Renewal Series, designed to extend the lifespan of textile products by enabling YKK zippers to be used for longer periods.

(Resource recycling of fastening products zip TO zip™)

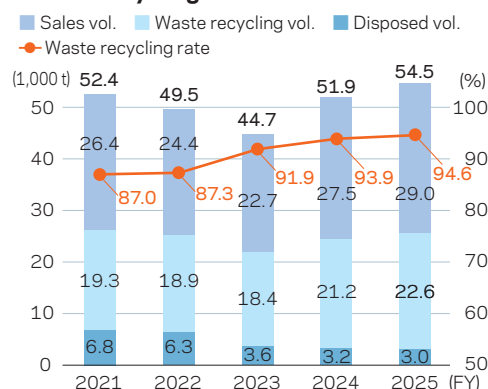
In Japan, through collaboration with companies in Toyama Prefecture, we have successfully implemented an in-house recycling system for the copper alloys used in zippers, and are currently working to expand the range of items covered by the scheme. Furthermore, with

regard to the zinc used in zippers, we have commenced trials in China, as well as in Japan, with a view to putting our in-house recycling system into practical use.

Sales Volume and Share of Products Using Materials with Lower GHG Emissions than Virgin Materials



Changes in Waste Emissions/ Waste Recycling Rates



^{*1} Renewable energy from a combination of on-site Solar PV generation, EAC certificates and PPA's.



Refer to "Toward Bringing About a Circular Economy" on pages 31 and 32 as well.

^{*2} According to the definition of "recycling" under Japanese law, it includes both material recycling and thermal recovery.



Details regarding FY2025 initiatives are listed in the Data section.

Water resources



19.4%
reduction
Water intake
reduction rate
(from FY2018 baseline)

In FY2025, we introduced production equipment that consumes less water and new water recycling facilities. As a result, water intake totaled 9.234 million tons, representing a 19.4% reduction compared with FY2018. In addition, in order to ensure the sustainable use of water resources – important regional assets – for future generations, YKK conducts an annual assessment using its Water Risk Checklist (our in-house standard).

We promoted activities to reduce water risks and made preparations at two sites that were assessed in FY2024 as having high water risks.

For wastewater management, in order to strengthen the technical and management aspects of wastewater treatment,

we conducted wastewater treatment assessments and provided technical guidance at 10 overseas locations. We have also published guidelines setting out principles for the proper maintenance and management of wastewater treatment facilities, and for the ongoing management and improvement of wastewater quality.



Water recycling facilities (P.T. YKK Zipper Indonesia)

Chemical management



31%
Percentage of unit sales in the brass sliders category that were produced using AcroPlating® technology (up four points year-on-year)

In FY2025, we surveyed 1,798 suppliers about their compliance with the YKK Restricted Substance List (RSL), which is based on chemical substance regulations, laws, and industry standards related to fastening products. We have further revised the YKK RSL to create the 2026 version, based on social and customer needs, and we continue to inform suppliers and conduct compliance surveys. In response to the results of the compliance surveys, we are promoting company-wide, cross-departmental efforts through the Non-Compliant Materials Subgroup to strengthen and advance our response to non-compliant materials.

Regarding chemical management standards used in the production process, we are implementing management practices in accordance with the requirements of the ZDHC Manufacturing Restricted Substances List

(MRSL), an industry standard. In FY2025, we introduced the ZDHC Performance InCheck, a compliance assessment method, at all relevant production sites. Through regular monitoring of InCheck reports, we are working to reduce the environmental impact of our production processes and minimize health risks to employees who handle chemical substances.

In terms of new manufacturing technology to eliminate hazardous chemical substances, we have expanded our lineup of products made with the AcroPlating® technology for finishing, a revolutionary plating technology that does not use hazardous chemicals containing cyanide, chromium, and selenium in the finishing process. The percentage of units sold in the brass sliders category that were produced using this technology increased to 31% in FY2025.

Respect people



Building structures for respecting human rights based on international standards

To continuously reduce the risk of human rights violations, we are conducting human rights due diligence based on the YKK Global Criteria of Compliance (YGCC) at all relevant sites, and assessing and identifying any adverse impacts. We are also assessing the CSR status of our business partners, such as suppliers, and are taking steps to identify and mitigate risks. In FY2026, based on our previous evaluations and findings, we plan to revise the framework to “YGCC 5.0” and conduct audits and evaluations under the new standards.

In FY2025, in addition to managing and complying with working hours in accordance with the laws of each country at all manufacturing sites in the Fastening Business,

we established a working hour management system with a maximum of 60 working hours per week, as required at manufacturing sites in the leather and textile industries.



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

Sustainability-related investment (capital investment)

8.4 billion yen (FY2026 plan)

Corporate Governance

Message from the Chairman of the Board of Directors

Strengthening Governance and the Background to Changes in Director Nominees

First of all, I would like to sincerely apologize for the concern and inconvenience caused to our stakeholders regarding the inappropriate expense processing related to entertainment expenses at YKK AP, which was disclosed in May 2026.

Under the YKK Philosophy of the CYCLE OF GOODNESS®, the YKK Group has long upheld “Fairness” as one of its core management principles and has placed great importance on compliance. We take this matter extremely seriously. The issue came to light through an internal whistleblower report, and after a careful investigation confirmed the facts, we took appropriate action based on a fair and impartial assessment. Based on the results of the ongoing investigation, we will promptly implement the necessary corrective measures and recurrence prevention initiatives.

Until now, YKK and YKK AP have operated their businesses independently while maintaining a framework of mutual trust and empowerment. While the two companies have collaborated where appropriate, we deeply regret that our management oversight was insufficient in certain respects and take this matter very seriously. To strengthen governance and management oversight across the YKK Group, I will assume responsibility for leading these efforts in my capacity as Representative Director and Chairman of YKK Corporation, while also serving concurrently as Chairman of the Board of Directors of YKK AP. By establishing a governance structure under a common board chair, we aim to ensure greater consistency, transparency, and accountability across the Group. In addition, we will further strengthen the involvement of our governance bodies and enhance oversight of top management while

reinforcing Group-wide internal controls. While no system can completely eliminate the possibility of misconduct, we will ensure ongoing oversight and transparency through measures such as reconfirming rules for executive expense management, further strengthening audit functions, and providing regular reports to the Board of Directors.



Hiroaki Otani
Chairman

Toward the Continuous Evolution of Governance

The Board of Directors of YKK is committed to continuously enhancing its effectiveness as a forum for management oversight and strategic discussions that contribute to medium- and long-term value creation. We believe it is essential to accurately identify changes in the business environment and emerging risks through candid dialogue with outside directors who bring diverse expertise, while providing constructive advice and effective oversight of management execution.

Furthermore, guided by the practice and succession of the YKK Philosophy of the CYCLE OF GOODNESS®, we will drive business growth through locally led management across our global operations. In the Fastening Products Group, the regional headquarters, various committees, and the Internal Audit Department will work in concert to further enhance governance worldwide. By clearly separating oversight from execution and enabling the Board of Directors to concentrate on strategic decision-making and supervision, we will strengthen both the agility and accountability of management execution, thereby delivering sustainable growth and creating value for society.

Background to the Partial Changes in Director Nominees

April 24, 2026	• YKK Corporation (“YKK”) and YKK AP Inc. (“YKK AP”) announced their respective nominees for directors to be submitted to their annual general shareholders’ meetings.
May 22, 2026	• Subsequently, inappropriate expense processing related to entertainment expenses within YKK AP was identified involving multiple nominees. As a result, changes to certain director nominees were announced. Corresponding changes were also announced for certain director nominees dispatched from YKK AP to Panasonic Housing Solutions Co., Ltd. (PHS). • At a meeting of the YKK Board of Directors held on the same day, a Special Investigation Committee composed solely of independent external experts was established. None of the committee members, all of whom are external experts, has any material conflict of interest with YKK or YKK AP.
June 9, 2026	• At the YKK AP Annual General Shareholders’ Meeting, the director nominees announced on May 22 were elected as directors.
June 16, 2026	• At the PHS Annual General Shareholders’ Meeting, the director nominees announced on May 22 were elected as directors.
June 26, 2026	• At the YKK Annual General Shareholders’ Meeting, the director nominees announced on May 22 were elected as directors.



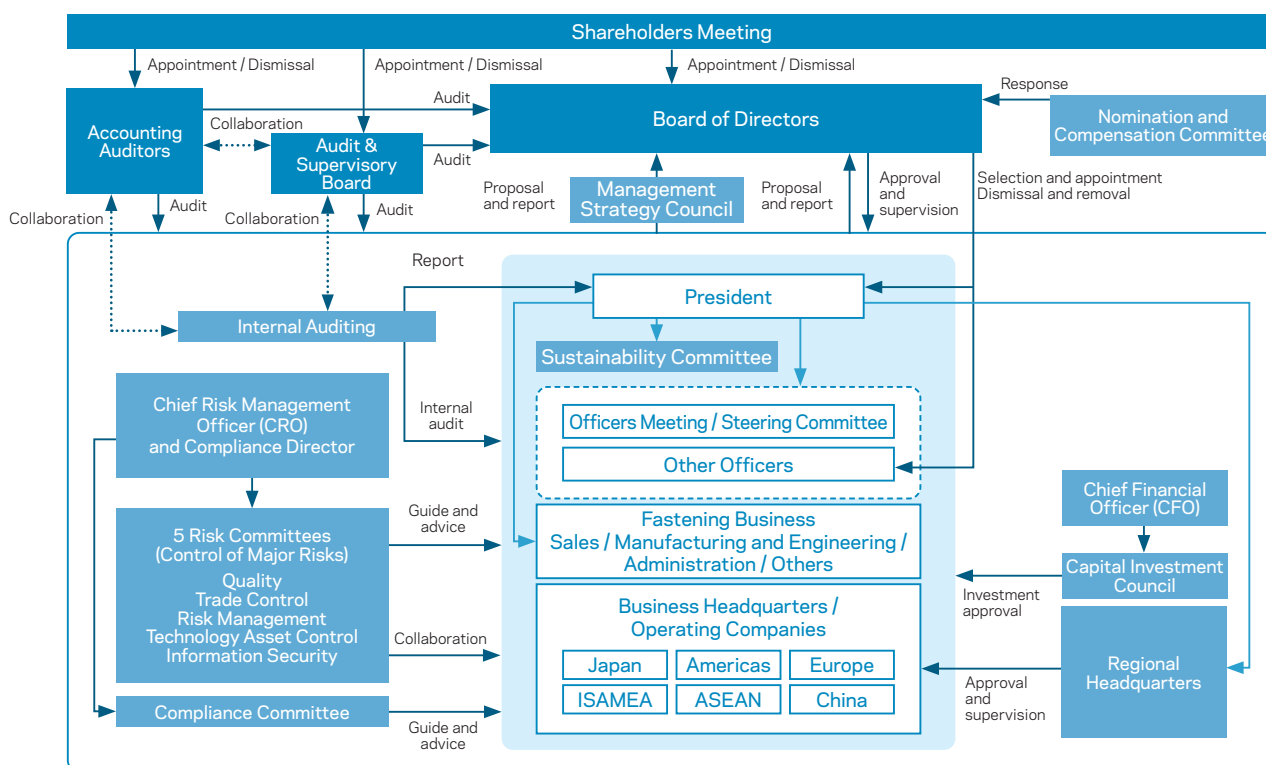
Notice Regarding Partial Changes to Director Candidates at YKK Corporation and YKK AP Inc. and the Establishment of a Special Investigation Committee
<https://www.ykk.com/english/newsroom/important/2026/20260522.html>

Fundamental Approach and System

The philosophy of the YKK Group in conducting our corporate activities is based on the Philosophy of the CYCLE OF GOODNESS®. In other words, “No one prospers without rendering benefit to others.” This principle of consistent fairness is the foundation of all our management activities. In 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. The Sustainability Committee, which

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, based on the basic policy of contributing to the creation of a sustainable society.

- As for the management structure in the Fastening Business, there is a clear separation between the governance role of the regional 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 91st annual securities report. (in Japanese only)
<https://www.ykk.com/corporate/financial/securities/>

Status of Directors and Audit & Supervisory Board Members (as of June 26, 2026)

The company selects Inside Directors from the perspective of global business management that is critical to the Group's consolidated management. We appoint two Outside Directors in order to benefit from their advice and oversight, based on their broad insight and extensive experience, thereby strengthening corporate governance. In addition, we appoint individuals with appropriate experience and capabilities, as well as the necessary knowledge of finance, accounting, and legal affairs, as Audit & Supervisory Board members.

(Numbers in parentheses indicate attendance at meetings in FY2025) *1 Outside Director *2 Outside Audit & Supervisory Board Member



Hiroaki Otani
Chairman

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

After a long career in the Fastening Business, including assignments in China, he was appointed Director of the Company in June 2014 and Representative Director and President in April 2017. He has served as Representative Director and Chairman of the Company since April 2025.



Toru Shikita
Director

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

After many years in the Fastening Business, including assignments in China and Asia, he was appointed Executive Vice President and Head of the Business Strategy Division in April 2025. He has served as Director of the Company since June 2025.



Saeko Arai
Audit & Supervisory Board Member^{*2}

(Board meetings: **13/13**)
(Audit & Supervisory Board meetings: **14/14**)

She possesses specialized knowledge as a certified public accountant and has experience serving as an outside officer of other companies. She has served as an Outside Audit & Supervisory Board member of the Company since June 2023.



Koichi Matsushima
President

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

After spending many years in the Fastening Business, including assignments in Europe, China, and Asia, he was appointed Director of the Company in June 2018. Since April 2025, he has served as Representative Director and President of the Company.



Satoshi Honda
Director in Charge of Pension Policy and Chief Financial Officer (CFO)

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

After a long career in corporate planning, including an assignment in the United States, he was appointed Executive Vice President of the Company in April 2019. He has served as Director in Charge of Pension Policy and Chief Financial Officer (CFO) since June 2020.



Shinichi Asano
Audit & Supervisory Board Member (Full-time)

(Board meetings: **10/10**)
(Audit & Supervisory Board meetings: **10/10**)

After a long career in the Company's Manufacturing & Engineering Division and related functions, he served as Executive Vice President and General Manager of the Kurobe Manufacturing Center. He has served as a Full-time Audit & Supervisory Board member of the Company since June 2025.



Katsuya Yumoto
Director in Charge of Compliance and Chief Risk Officer (CRO)

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

After a long career in the legal affairs function, including an assignment in the United States, he was appointed Operating Officer of the Company in April 2010. He has served as Director in Charge of Compliance and Chief Risk Officer (CRO) since June 2022.



Keinosuke Ono
Director^{*1}

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

Having served as a professor at Keio University and Chubu University, he possesses deep insight into corporate management and has experience serving as an outside officer of other companies. He has served as an Outside Director of the Company since June 2007.



Hikaru Minami
Audit & Supervisory Board Member^{*2}

(Board meetings: **12/13**)
(Audit & Supervisory Board meetings: **13/14**)

He possesses experience as a Representative Director, Audit & Supervisory Board member, and Outside Director of other companies. He has served as an Outside Audit & Supervisory Board member of the Company since June 2024.



Yoshimine Kobayashi
Director

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

After many years in the Company's Manufacturing & Engineering Division, including assignments in the United States and Asia, he was appointed Executive Vice President and Head of the Manufacturing & Engineering Division in April 2023. He has served as Director of the Company since June 2023.



Erica Okada
Director^{*1}

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

Having conducted research on consumer behavior at universities and graduate schools in Japan and abroad, she possesses extensive expertise in marketing and experience serving as an outside officer of other companies. She has served as an Outside Director of the Company since June 2022.



Kouhei Morita
Audit & Supervisory Board Member^{*2}

(Board meetings: **13/13**)
(Audit & Supervisory Board meetings: **14/14**)

He has practiced law for many years as an attorney. He has served as an Outside Audit & Supervisory Board member of the Company since June 2024.

Skills Matrix

We have listed the knowledge, experience, and abilities of Directors and the Audit & Supervisory Board members in a skills matrix and strive to ensure a balanced and diverse composition in terms of knowledge, experience, and abilities.

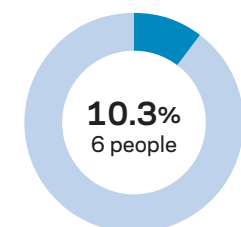
Category	Name	Corporate Management	Global	Areas of Expertise				
				Sales/Marketing	Manufacturing & Engineering	Financial/Accounting	Organization/HR	Legal/Compliance
Director	Hiroaki Otani	●	●	●			●	
	Koichi Matsushima	●	●	●				
	Katsuya Yumoto		●					●
	Yoshimine Kobayashi		●		●			
	Toru Shikita	●	●	●				
	Satoshi Honda		●			●	●	
	Keinosuke Ono (Outside)	●			●	●	●	
	Erica Okada (Outside)	●	●	●			●	
Audit & Supervisory Board member	Saeko Arai (Outside)	●	●			●	●	
	Shinichi Asano		●		●			
	Hikaru Minami (Outside)	●		●		●		●
	Kouhei Morita (Outside)						●	●

*The above matrix does not represent all of the expertise, knowledge, and experience possessed by each individual.

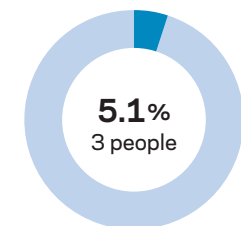
Status of Directors, Audit & Supervisory Board members, Vice Presidents, Overseas Business Officers, and Specialized Officers

Total number: 58

Ratio of Female Directors and Officers



Ratio of Non-Japanese Directors and Officers



Enhancing the Effectiveness of the Board of Directors

At YKK, we undertake a variety of initiatives to enhance the quality of Board deliberations and ensure the effectiveness of the Board of Directors. At the Board of Directors meetings, which are held 13 times a year, we hold broad deliberations on key management issues such as management strategy and business planning, technology development, investment, quality control, promoting sustainability, and compliance and risk management. Matters raised during Board discussions are promptly reflected in executive management decision-making and business execution.

In FY2026, we will strengthen oversight of the AP Business and, taking into account its relationship with the Housing Solutions Business, which has recently been added to the Group's business portfolio, work to establish and implement an appropriate governance framework.

In addition, starting in FY2024, we have been conducting an annual assessment of the Board of Directors' effectiveness. The evaluation is carried out through questionnaires and other methods involving all Directors and Audit & Supervisory Board members,

both internal and external. By identifying the Board's strengths and challenges and implementing necessary measures based on the results—including revisions to Board regulations—we seek to enhance the Board's ability to fulfill its expected roles and responsibilities effectively.



Board of Directors Meeting

Overview and Activities of Key Governance Bodies (FY2025)

Name	Structure, etc.	Overview and Activities	Number of meetings per Year
Board of Directors	Chairperson: Hiroaki Otani Composition: 10 members (including 2 Outside 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 FY2025, provided a wide range of oversight from overseeing the YKK Group's basic management policies, mid-term management plans and annual business plans to 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	Chairperson: Saeko Arai Composition: 4 members (including 3 Outside Audit & Supervisory Board Members)	The company has an Audit & Supervisory Board, which generally convenes once a month to hold meetings, or when necessary. In FY2025, formulated auditing policies and audit plans, confirmed the status of establishment and operation of internal control systems, evaluated accounting auditors, etc.	14 times
Nomination and Compensation Committee	Chairperson: Hiroaki Otani Composition: 5 members (including 2 Outside Directors) Not including persons who serve concurrently as vice presidents	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. For FY2025, reviewed 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.	9 times

Overview of the Key Governance Bodies Responsible for Business Execution (FY2025)

Name	Structure, etc.	Overview	Number of meetings per Year
Management Strategy Council	Composed of management and executive members	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
Five Risk Committees	Chaired by the Chief Risk Management Officer (CRO)	Five committees covering quality, trade control, risk management, technology asset management, and information security have been established. These committees are responsible for making policy decisions related to each risk and supervising executive departments.	3 times/ Each committee
Compliance Committee	Chaired by the Chief Risk Management Officer (CRO)	Established to develop appropriate compliance promotion activities in each organization.	1 time
Investment Committee	Chaired by the Chief Financial Officer (CFO)	Established to appropriately manage investment risks in the YKK Group.	12 times
Sustainability Committee	Chaired by the President	Discusses and promotes management policies, targets, and strategies related to sustainability, including climate change action and the transition to a circular economy.	3 times

Strengthening Oversight Functions Through Training for Directors and Audit & Supervisory Board Members

To enhance the effectiveness of the Board of Directors and deepen communication and shared understanding among internal and external Directors and Audit & Supervisory Board Members, YKK holds the YKK Group Off-Site Meeting. Through training sessions on key topics such as economic security, geopolitical risks, the use of generative AI, human capital, and corporate management, participants deepen their knowledge and engage in active discussions. In addition, Outside Directors and Outside Audit & Supervisory Board Members regularly participate in major internal business meetings and compliance training programs for officers. They also conduct site visits to overseas group companies to further strengthen their understanding of the YKK Group's operations and broaden their knowledge of the external environment and associated risks.



YKK Group Off-Site Meeting

Succession Plan (Developing and Appointing Successors)

Regarding successors to the management team, it is important to share the Management Principles, confirm past achievements, experiences, skills, qualifications, and character of the candidates, then review them at the right time at the Nomination and Compensation Committee. In addition, in order to further promote the succession plan, we revised the operating officer system on April 1, 2025. We will establish new operating officer positions to strengthen the development and awareness of management human assets, and reinforce operations to ensure that talent is allocated appropriately.

Operating Officer System (April 2025-)

Operating officer position	President
	Executive Vice President
	Senior Vice President
	Vice President

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, directors' compensation consists of basic compensation and directors' bonuses.

- 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

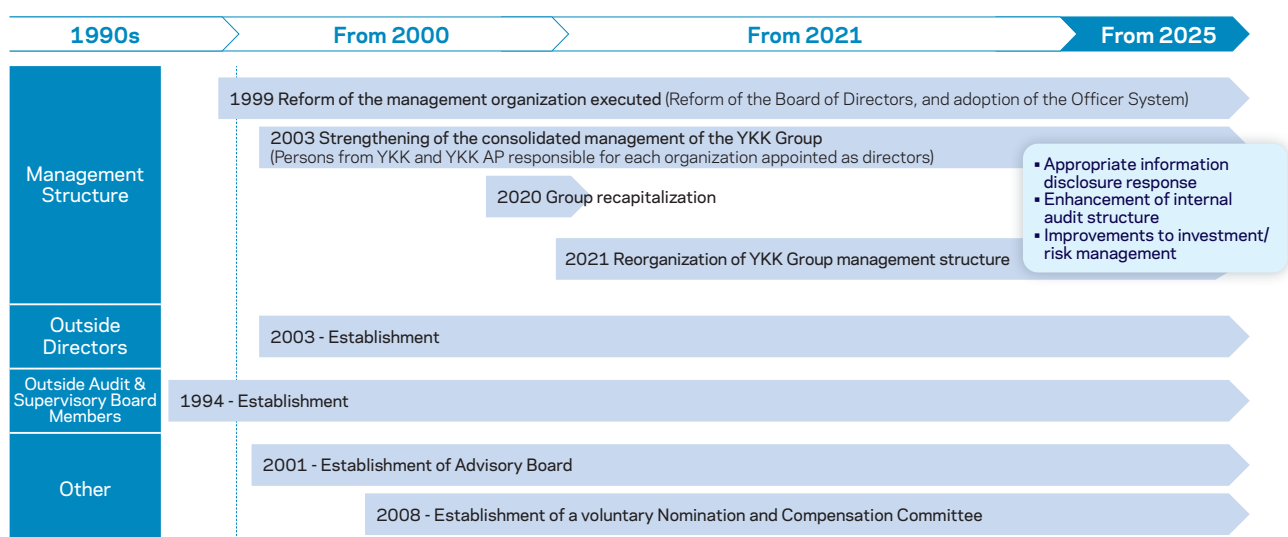
compensation is determined, and the level of employee salaries into consideration.

- 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.
- We have set a higher percentage for basic compensation in the individual compensation of directors. Our system for compensation as a whole is designed to encourage not only the achievement of solid performance targets each term, but also a medium- to long-term mindset, as well as the sustainable improvement of corporate value.



The composition of director compensation and the amount of compensation have been disclosed from page 48 of the 91st annual securities report. (in Japanese only)
<https://www.ykk.com/corporate/financial/securities/>

Reference History of the strengthening of corporate governance



Dialogue Between the Chairman of the Board and an Outside Audit & Supervisory Board Member

Strengthening Governance Globally

— Seeking corporate value of higher significance, with the YKK Philosophy of the CYCLE OF GOODNESS® at our core —

To achieve sustainable growth and enhance corporate value, establishing effective corporate governance and improving management transparency is essential. What is the essence of governance, and what do we need to strengthen governance on a global scale? YKK Corporation Chairman Hiroaki Otani and Outside Audit & Supervisory Member Hikaru Minami exchanged views on these issues.



Hikaru Minami
Outside Audit &
Supervisory Board
Member

Hiroaki Otani
Chairman

After working in finance and accounting at Marubeni Corporation, he served as Director of Daiei, Inc. and subsequently held various leadership positions at Marubeni Corporation, including Executive Officer, Managing Executive Officer, Representative Director and Managing Executive Officer, and Audit & Supervisory Board Member.

After many years in the Fastening Business, including assignments in China, he was appointed Director of the Company in June 2014 and Representative Director and President in April 2017. He has served as Representative Director and Chairman of the Company since April 2025, and as a Director of YKK AP Inc. since June 2025.

What is the Essence of Governance?

Minami Governance is a general term for the mechanisms designed to ensure that a company is managed in accordance with its fundamental purpose. From that perspective, YKK has established effective governance in every region and at each company around the world. Locally driven management, in which each company takes responsibility for its own business operations, serves as YKK's core principle. At the same time, I feel that mechanisms such as regional headquarters, various committees, and the Internal Auditing Department are functioning effectively.

Furthermore, as a globally operating company, I highly value the way headquarters effectively coordinates and aligns the Group as a whole. The fact that the YKK Philosophy, including the CYCLE OF GOODNESS®, and the Management Principles are shared as the common foundation throughout the Group, together with headquarters' commitment

to ongoing dialogue with each location—taking into account its unique business environment and characteristics and working together to develop appropriate measures—enhances organizational cohesion and contributes to strong governance.

Otani I believe that the essence of governance lies in ensuring that all employees share the Management Principles and business objectives, and that these serve as a constant basis for decision-making. In that regard, I think YKK is a company with a very clear purpose. Our reason for existence is to contribute to our customers, employees, and society through superior technology, products, and management, and the guiding principle behind our decisions is "Fairness," as enshrined in our Corporate Values. I view the act of repeatedly articulating the core of this mindset as a form of governance in the broadest sense.

We are also constantly mindful of ensuring that the Board of Directors, the highest decision-making body, does not become a mere formality. As the Group

continues to expand, I believe that in order to maintain effective governance, we need to not only ensure a thorough understanding of and commitment to the Management Principles, but also to ensure that our policies and regulations are properly codified.

The Role of the Board of Directors and the Global Governance Framework

Minami Since the topic of the Board of Directors has come up, I believe that the most important role expected of outside officers on the Board is overseeing management.

Otani That's right. Before I joined the Board of Directors, a director at the time told me, "Precisely because we are a privately held company, there can be no leniency or compromise in our management." With the addition of outside officers to the Board, the Board gains not only an accelerator, but also a brake, creating a healthy tension between execution and oversight. I think that ensures YKK is subject to effective governance.

Minami For the Board to fulfill such a role effectively, it is important to enhance information sharing and communication, and I believe YKK is at a very high level in this regard, as well. With regard to the agenda items, the fact that information is shared openly before a vote helps us develop a deeper understanding. I believe it is very beneficial for making informed decisions that personnel from the relevant departments participate in the discussions, whether in-person or online.

From a communication perspective, it is particularly commendable that approximately half of the Board's discussions are devoted to reports, information sharing, and other matters that do not require formal resolutions.

Otani We do not rush through resolutions because of time constraints or the number of agenda items. We make sure that those in attendance gain an in-depth understanding of the matters under discussion, express their views from their respective perspectives, and engage in thorough discussions before moving on to a resolution.

Minami In particular, when considering YKK's global governance, effective communication, not merely systems and structures, is essential. I also believe it is important not just to point out problems and challenges, but to share improvement processes and best practices.

As mentioned earlier, the fact that each region has its own management functions is a major feature



of YKK's governance structure. I also believe that the YKK Global Improvement Activity (YGIA), in which audit findings and corrective measures from each company are shared through regional headquarters, is a very interesting initiative that is effective from a risk management perspective as well.

Otani The establishment of regional headquarters marked the start of our efforts to build a global governance structure. This is a key function for ensuring that the Management Principles are fully instilled and our business objectives are thoroughly shared.

YGIA was launched in FY2023, based on an idea that emerged from a weekly management team meeting. I believe that by making audit information visible and accessible across our operating companies and using it to build mechanisms that prevent recurrence, we are improving the level of governance at each operating company.

Minami I hope that in the future, we will see even more support not just for sharing information, but also for incorporating and embedding that information into the daily operations at each location.

Otani I would like to establish a company-wide culture at YKK of "not repeating the same mistakes."

Evolving What We Have Inherited and Passing It Down to the Next Generation

Minami YKK will soon celebrate its 100th anniversary. There are not many companies that have continued to grow and take on new challenges for such a long time.

I think the reason behind this is YKK's culture of taking what we've inherited from the previous generation, further developing it, and passing it down to the next. I think having a sense of solidarity across generations and eras is a major asset for YKK. I would like us to continue to be committed to sharing the YKK Philosophy and Management Principles while valuing that solidarity and handing over an even stronger organization to the next generation.

Otani Our 100th anniversary is not the goal, but simply a milestone along the way. In order to continually enhance corporate value, it will be necessary to constantly return to the YKK Philosophy of the CYCLE OF GOODNESS® and respond to the changes of the times.

In this way, the very act of passing down the YKK Philosophy across generations serves as a solid foundation for governance. I think that this is precisely what creates YKK's strength and leads to business expansion and our continued growth as a company.



Risk Management

Fundamental Approach and Organizational Structure

YKK has established a Group Risk Management Policy and is engaged in risk management. A Chief Risk Officer (CRO) has been appointed to promote risk management. Various committees – including the Quality Committee, Foreign Trade Control Committee, Crisis Management Committee, Technical Asset Management Committee, and Information Security Committee – have been established to develop and implement risk management regulations. Furthermore, a Chief Financial Officer (CFO) has also been appointed, and a system has been 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 proactively controlling risk levels and preventing a wide range of business risks, the YKK Group seeks to reduce or avoid losses of human, physical, and other management resources. In the event of a crisis, we strive to minimize damage and losses through Group-wide risk management, thereby supporting sustainable growth and enhancing corporate value.

Risk Management Structure



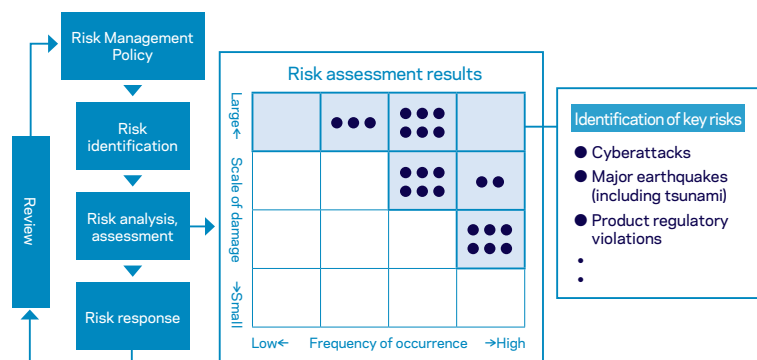
Risk Assessment Process and the Flow of Identifying Key Risks

Based on the Risk Management Policy, each organization identifies and assesses its risks. Risks are evaluated according to their potential impact and likelihood of occurrence, taking into account worst-case scenarios and the status of mitigation measures. Impact is assessed from multiple perspectives, including financial consequences, effects on human life and health, reputational impact, and impact on social order. Risks with potentially significant impact are identified as key risks requiring management-level oversight. We monitor trends related to these risks and visualize the progress of response measures to support effective risk management.

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 24 of the 91st annual securities report. (in Japanese only)
<https://www.ykk.com/corporate/financial/securities/>

Risk Assessment Process and the Flow of Identifying Key Risks (Conceptual Diagram)



Risk Item Classification

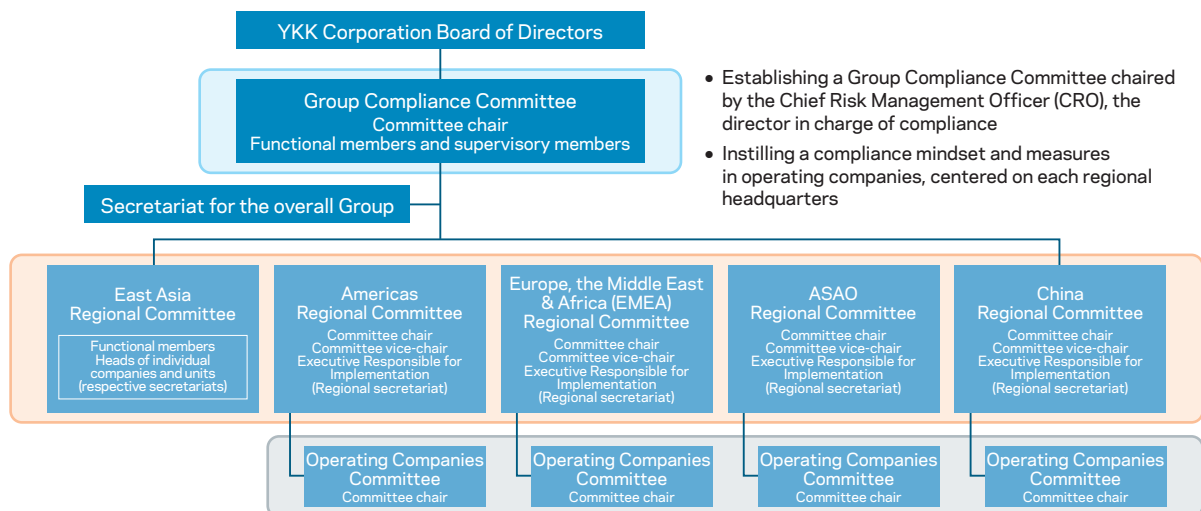
Financial risks	Increase of retirement benefit obligations, failure of business portfolio strategy, decline in the stock prices of shares held
Risks in the Fastening Business	International conflicts/civil war, cyber-incidents, soaring prices for raw materials and fuel, tight supply situations, unsuccessful capital investments, delays in responding to technological advances, an economic downturn, sluggish demand, increased competition, currency exchange rate fluctuations, marketing failures/delayed entry, violations of the Antitrust and Proper Transaction Acts, 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 regulatory violations, additional taxation under transfer pricing rules

Compliance

Fundamental Approach and Organizational Structure

YKK defines compliance as “responding to societal expectations.” This 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 to maintain a compliance system for YKK. In addition, to implement effective compliance initiatives from the standpoint of business management, YKK has established Compliance Committees for three tiers – each of its operating companies, each regional headquarters, and the Group Headquarters – and deliberates on the operational status of compliance and responses to issues, as well as the latest regulatory developments, with a focus on six priority issues (raising compliance awareness, competition law, prevention of bribery, personal information protection, human rights, and whistleblowing and complaint handling mechanisms).

YKK Compliance Committee Organization Chart



Implementation of Compliance Awareness Surveys

The YKK Group regularly conducts employee compliance awareness surveys and strives to assess the level of compliance awareness among employees and monitor the occurrence of compliance violations. We are engaged in compliance initiatives in response to issues identified by the surveys.

In FY2025, we conducted a compliance awareness survey concurrently with the engagement survey and the Management Principles survey, achieving a response rate of 96% (a 15% increase from the previous year). We also conducted a correlation analysis of the survey results and confirmed a strong correlation among compliance awareness, employee engagement, and understanding of the Management Principles. We will hold workshops featuring external experts and conduct compliance and harassment training for managers in order to further strengthen compliance awareness, and plan to measure the effectiveness of these efforts in the survey for FY2026.

Response to a Recommendation from the Japan Fair Trade Commission and Efforts to Strengthen Compliance

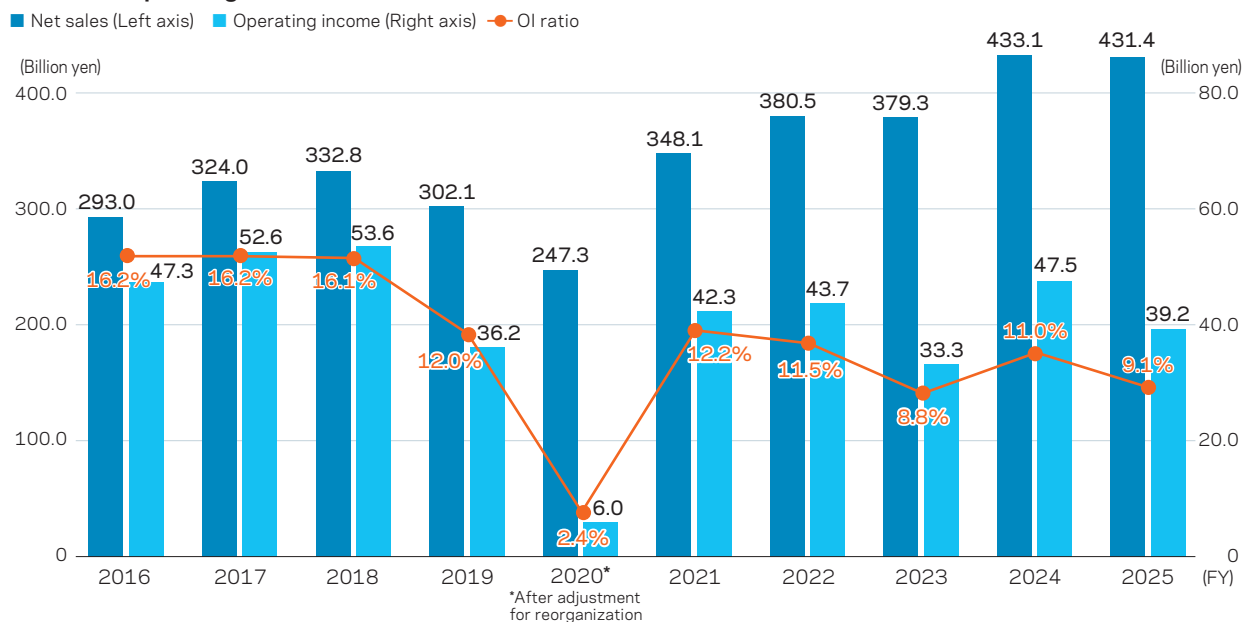
On June 23, YKK received a recommendation from the Japan Fair Trade Commission pursuant to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (hereafter, this recommendation). We take this recommendation very seriously. Through a resolution of the Board of Directors, we have confirmed our commitment to preventing similar issues from occurring in future transactions. We will also review our internal training programs and strengthen our monitoring systems to ensure compliance with the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields (formerly the Subcontract Act). By thoroughly communicating these initiatives to all officers and employees, we will further strengthen compliance and work to prevent recurrence.

Fastening Business Key Financial and Non-Financial Highlights

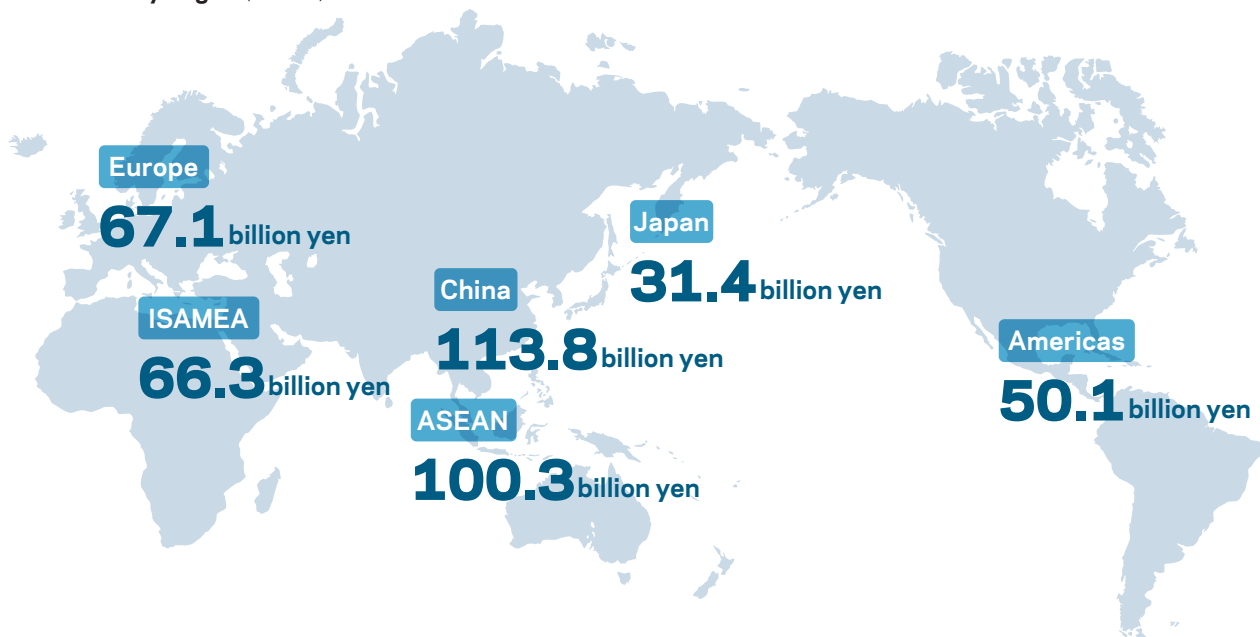
《Key points regarding FY2025 financial results》

In the Fastening Business, the economic outlook remained uncertain due to rising trade and geopolitical risks, such as the imposition of additional tariffs by the U.S. and instability in the Middle East. In this business environment, sales volume of processed products for export declined due to the impact of U.S. trade policy and other factors. As a result, net sales declined to 431.4 billion yen and operating income fell to 39.2 billion yen. Despite ongoing cost-reduction efforts, lower capacity utilization, increased labor costs due to inflation-driven wage adjustments, and higher raw material prices resulted in decreases in both revenue and profit.

Net Sales, Operating Income, and OI Ratio



Net Sales by Region (FY2025)



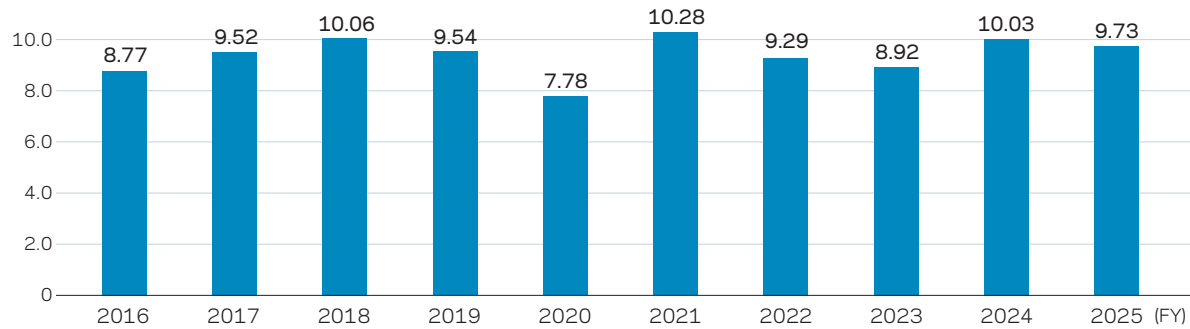
*1 The totals for each business do not include accounting variance adjustments. Accordingly, they differ from the net sales in the graph at the top.

*2 The Americas include North, Central, and South America. ISAMEA includes India, South Asia, the Middle East, and Africa.

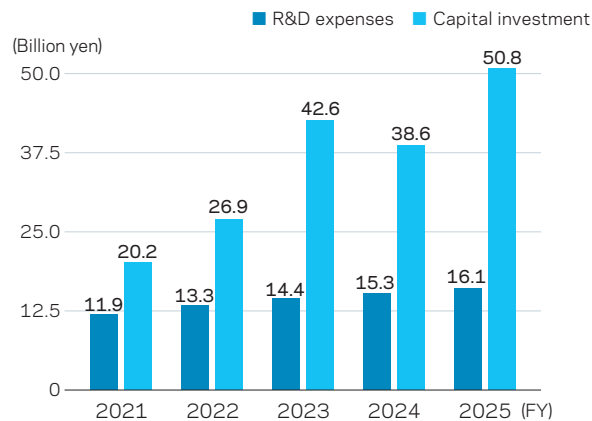
 Detailed information on intellectual property management is provided in the Data Section.

Zipper Units Sold

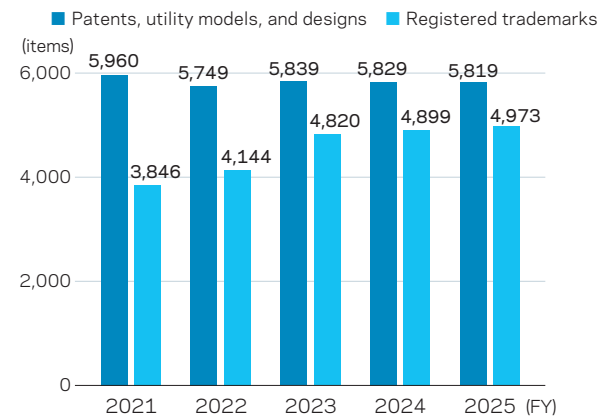
(Billion units)
12.0



R&D Expenses Capital Investment



Patents, Utility Models and Designs (Including Pending Applications), and Trademarks (Including Pending Applications)



Countries/ Regions Where We Operate



69 countries/regions
(As of March 31, 2026)

Number of Companies and Employees



68 companies
27,692 employees
(As of March 31, 2026)

GHG Emissions (From a 2018 Baseline)



Scope 1+2
67.1 % decrease
(FY2025)

Proportion of Sustainable Materials (Total Meters)



54 %
(FY2025)

First Overseas Expansion (India and New Zealand)



1959

Annual Zipper Production Output



More than **3** million km

Hazardous Substance Elimination Rate Achieved Through AcroPlating® Technology



100 %
(Cyanide, Chromium, Selenium)

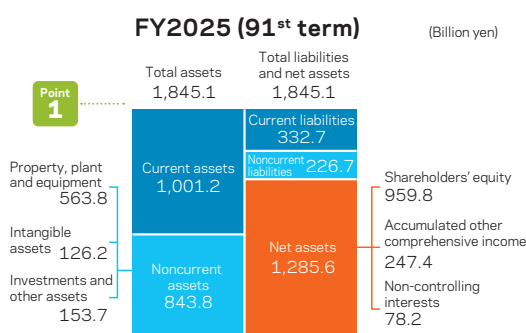
Countries/Regions Where the YKK Trademark Is Registered



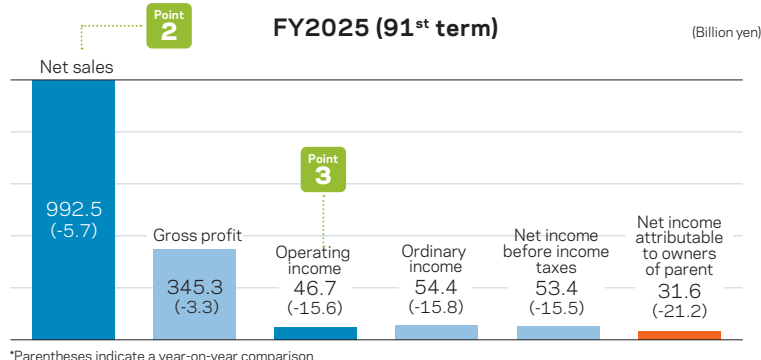
In **180** countries
and regions
(As of March 31, 2026)

Reference YKK Group Consolidated Financial Information

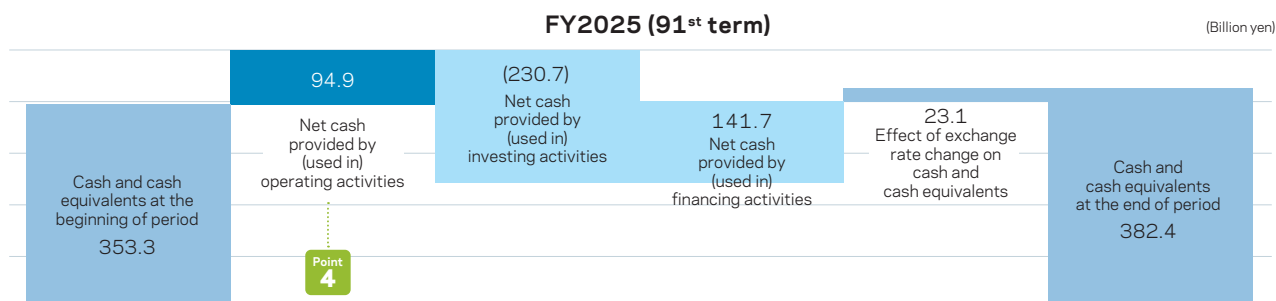
Consolidated Balance Sheet (Summary)



Consolidated Income Statement (Summary)

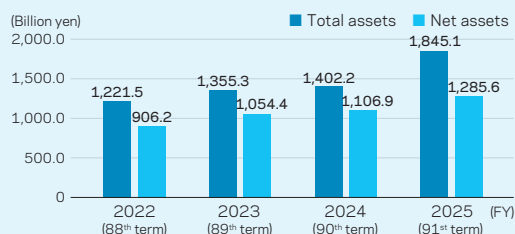


Consolidated Statement of Cash Flows (Summary)



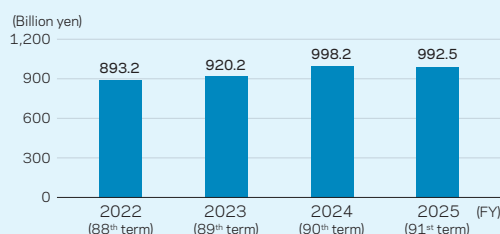
Point 1 Total assets 1,845.1 billion yen

This was an increase of 442.8 billion yen compared with the previous period. The principal factors were increases in trade receivables, property, plant and equipment, and intangible assets resulting from the acquisition of 80 percent of the issued shares of Panasonic Housing Solutions Co., Ltd.



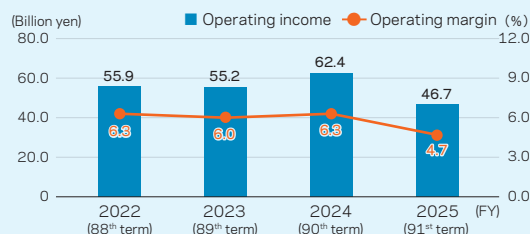
Point 2 Net sales 992.5 billion yen

In the Fastening Business, revenue fell as sales for export-oriented processing products did not grow due to the impact of U.S. trade policy and other factors. In the AP Business, revenue fell due to sluggish growth in Japan's new construction sector, as well as poor sales of architectural products in North America and products aimed at the luxury market in Indonesia.



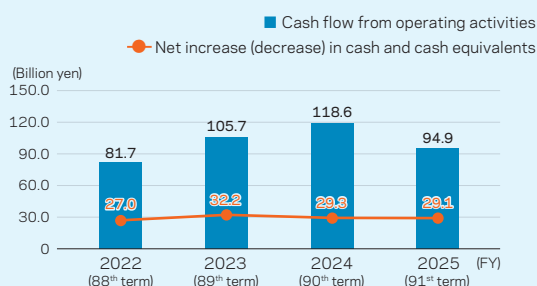
Point 3 Operating income 46.7 billion yen

In the Fastening Business, profits fell due to a decline in sales volume and a reduction in capacity utilization, as well as a decline in profitability as a result of rising labor costs and soaring raw material prices. In the AP Business, profits fell due to soaring prices of raw materials and supplies, as well as increases in logistics costs and SG&A expenses.



Point 4 Cash flow from operating activities 94.9 billion yen

This decreased by 23.6 billion yen compared with the previous fiscal year, primarily due to lower pretax income.



Changes in Key Management Indicators Over the Previous Five Consolidated Fiscal Years

Period Year ended		87 th term March 2022	88 th term March 2023	89 th term March 2024	90 th term March 2025	91 st term March 2026
Net sales	(billion yen)	797.019	893.226	920.234	998.299	992.561
Ordinary income	(billion yen)	63.964	60.689	60.824	70.314	54.461
Net income attributable to owners of parent	(billion yen)	44.097	37.929	42.365	52.955	31.667
Comprehensive income	(billion yen)	105.061	72.928	152.000	56.460	131.504
Net assets	(billion yen)	837.264	906.290	1,054.493	1,106.961	1,285.630
Total assets	(billion yen)	1,156.941	1,221.583	1,355.312	1,402.292	1,845.123
Net assets per share	(yen)	682,026	738,691	860,211	903,763	1,007,190
Net income per share	(yen)	36,782	31,638	35,339	44,173	26,416
Net income per share after adjusting for dilutive shares	(yen)	—	—	—	—	—
Equity ratio	(%)	70.7	72.5	76.1	77.3	65.4
Return on equity	(%)	5.7	4.5	4.4	5.0	2.8
Price-earnings ratio	(multiplier)	—	—	—	—	—
Net cash provided by operating activities	(billion yen)	81.132	81.724	105.708	118.690	94.991
Net cash provided by (used in) investing activities	(billion yen)	(40.414)	(55.864)	(99.612)	(75.243)	(230.712)
Net cash provided by (used in) financing activities	(billion yen)	(5.776)	(7.000)	1.394	(8.483)	141.731
Cash and cash equivalents at the end of period	(billion yen)	264.639	291.706	323.941	353.329	382.486
Employees [Figures in square brackets indicate the average number of temporary employees, excluding regular employees.]	(people)	44,410 [3,161]	44,527 [3,183]	45,363 [2,585]	46,305 [3,079]	56,899 [1,927]

*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.

TOPIC

YKK AP Inc. and Panasonic Housing Solutions Co., Ltd. Form a Strategic Partnership

YKK Corporation and Panasonic Holdings Co., Ltd. (PHD) completed the formalities relating to the share transfer agreement for Panasonic Housing Solutions Co., Ltd. (PHS), which was signed on November 17, 2025, on March 31, 2026. Consequently, YKK Investment Inc., a newly established intermediate holding company created by YKK, acquired 80% of PHS's issued shares, whilst PHD will continue to hold the remaining 20%; PHS will become an equity-method affiliate of PHD. Going forward, by combining YKK AP's advanced technology capability and extensive product range in the architectural products sector with PHS's strengths in the manufacture, sale and engineering of housing equipment and building materials, we will generate significant synergies and create new value as a leading company which shapes the future of the architectural supplies and housing equipment industry.



(Left) Masashi Yamada, Panasonic Housing Solutions Co., Ltd. President and Representative Director
(Right) Akira Uozu, President Representative Director, YKK AP Inc.



More detailed information on the YKK Group's consolidated financial results is available at the links below.

- Company information, business and sustainability information, etc.: YKK website
<https://www.ykk.com/english/>
- Financial information: annual securities reports, financial results presentations, business reports, etc. (In Japanese only)
<https://www.ykk.com/corporate/financial/>