

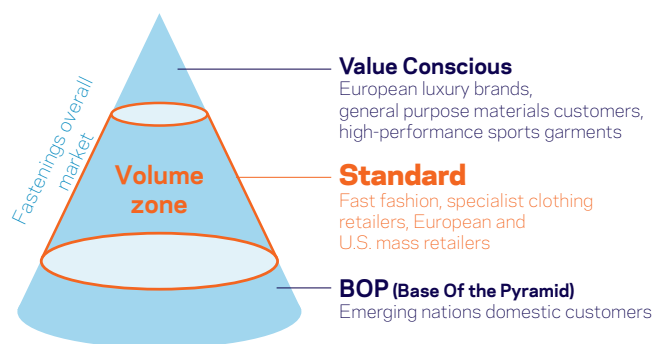
6th Mid-term Business Policy and Business Strategy

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

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

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

Fastening Business market categories



Business Environment

Social

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

Market

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

Technology Innovation

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

YKK Philosophy, CYCLE OF GOODNESS® / Management

YKK Group Code

<6th Mid-term Business Policy>

Sustainable Growth Under the New Normal - Responding

“Turn change into opportunity”

“Contribution to Society” - Continue

“Better products at a lower cost and

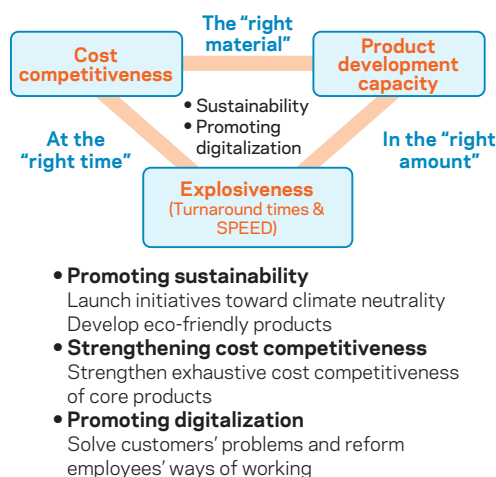
Medium-term Direction

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

Important Points and Targets of Business Execution in the New Normal

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

(Unit: 100 million units/yen)



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

Principle “YKK seeks corporate value of higher significance.”

of Conduct

to diverse customer needs and gaining customers -

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

YKK Sustainability Vision 2050



Vision for the Medium- to Long-term

Technology Oriented
Value Creation

Continuing to be
a “social good” company

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

Mid-term Direction Flat Organizational Structure

Organizational Restructuring for Immediate Response to the Drastically Changing Business Environment

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

Key Points Regarding the FY2024 Organizational Changes

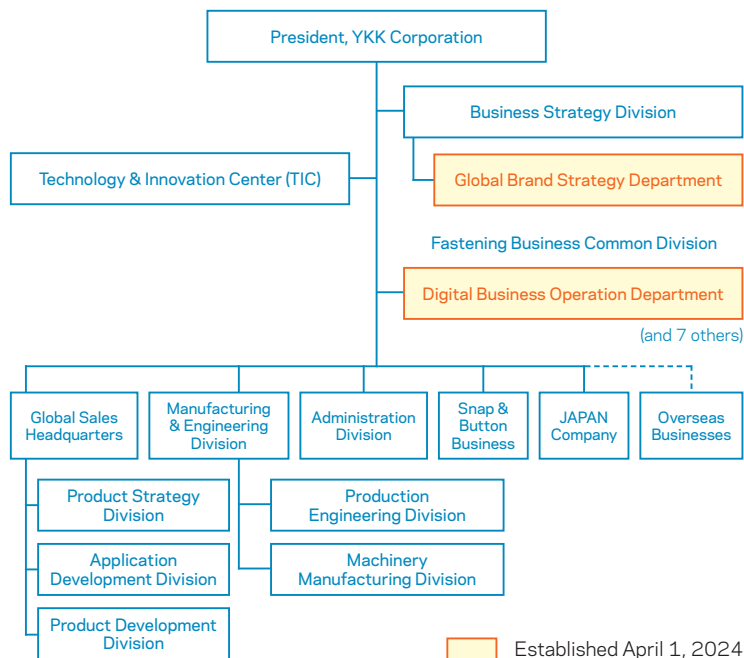
— Improving Brand Value Over the Medium- to Long-Term and Enhancing Our Global Business Infrastructure —

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

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

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

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



Established April 1, 2024

Taking Advantage of Organizational Restructuring to Rebuild Our Brand Strategy

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



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

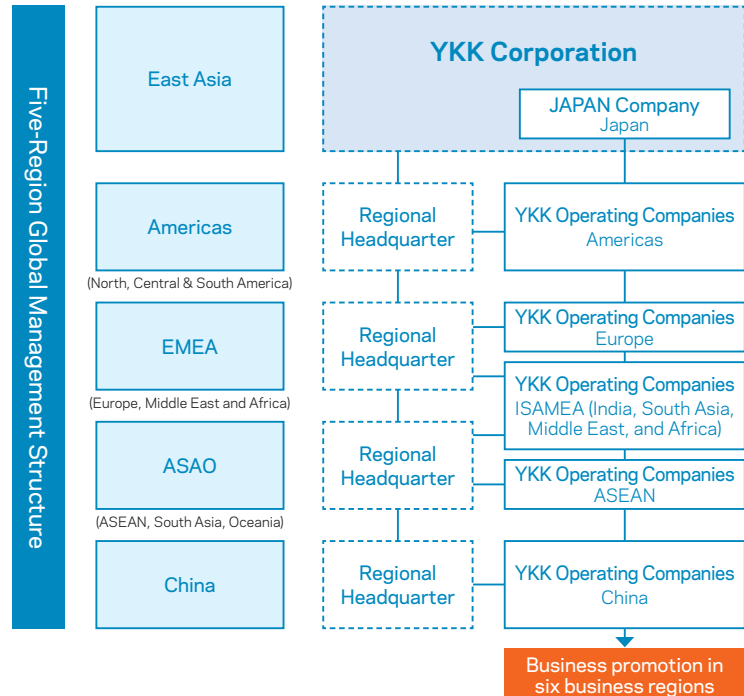
YKK™
 Little Parts. Big Difference. >>>>

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

Global Management Structures

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

6th Mid-term Regional Management Structure



A Collective Commitment to Our Philosophy Creates Organizational Strength

Jessica Kennett Cork

Vice President of Digital Strategy
YKK CORPORATION OF AMERICA

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

Investment Plans for Each Region

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

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

FY2024 investment plans

China/ASEAN/ISAMEA

¥20.3 billion

Japan/Americas/Europe

¥20.2 billion

Total **40.7** billion

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

Mid-term Direction Enhancing Sustainability






Management Centered on Sustainability: YKK Sustainability Vision 2050

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



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

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

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

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

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





Activity Highlights

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



Details on the process for formulating the Vision, supply chain management, and other FY2023 initiatives are listed in the “This is YKK 2024 Data Book.”

<https://www.ykk.com/english/csr/eco/report/>

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

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

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

Sustainability Promotion Structure

A YKK Sustainability Committee chaired by the president of YKK has been established. Expert subcommittees have been created for each theme that work to solve issues as we aim to achieve the targets of the YKK Sustainability Vision 2050. In order to further enhance and promote efforts related to chemical substances, we established a new expert subcommittee in FY2024. Overseas, Sustainability Committees for each region have been established since FY2021 in response to the committee structure at Headquarters, in order to disseminate and implement Headquarters' sustainability policies and measures, thereby establishing a global promotion system.



Accelerating efforts to implement a circular society

Asako Yoshioka

Vice President
Sustainability Department

We can say that sustainability is encoded in YKK's very DNA, in the form of our CYCLE OF GOODNESS® philosophy, and its proposition that "no one prospers without rendering benefit to others." In addition to climate change, we will place a strong focus on resolving issues related to resource recycling, such as biodiversity and promotion of the use of sustainable materials, while appropriately disclosing supporting data such as LCA evaluations. We will actively work to realize a circular society throughout our entire supply chain.

Realizing Our Vision through Partnerships

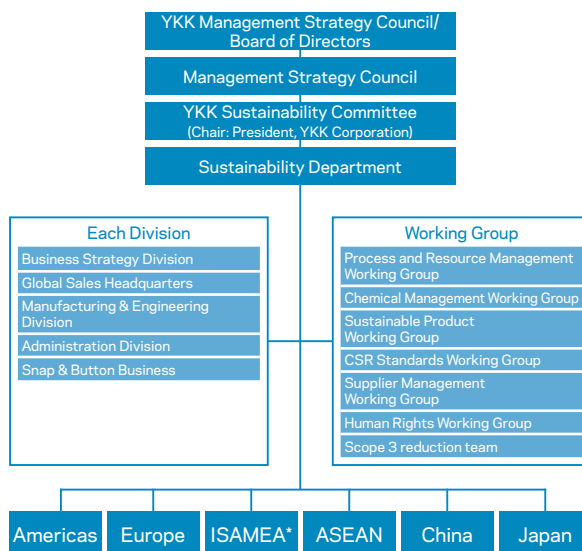
YKK serves as a member of international initiatives and external industry associations, strengthening partnerships through exchanges of views and collaboration with participating companies and organizations, and enhancing our efforts to realize circularity and a sustainable society.

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



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

Sustainability Promotion Structure



* India/South Asia/Middle East/Africa

Sustainability Committee Meeting Results

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

Organization Memberships/Initiatives, etc.

(As of March 31, 2024)

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

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

Information Disclosure based on TCFD Recommendations

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

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

1. Governance

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

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

2. Strategy

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

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

3. Risk Management

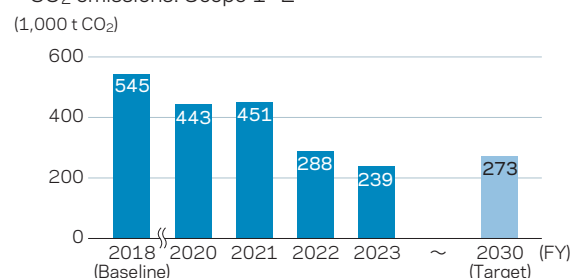
At YKK, risks are identified by each organization. After worst-case scenarios and the status of their responses are taken into account, we assess risks according to the scale of loss and damage and the frequency of occurrence. We evaluate the scale of damage by taking into account the financial impact,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

4. Metrics and Targets

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

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

<CO₂ emissions: Scope 1+2> *1



<CO₂ emissions: Scope 3> *2



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

Initiatives Toward Achievement of the YKK Sustainability Vision 2050

climate change



GHG emissions
Scope 1+2:

56.2%
reduction
Scope 3

32.7%
reduction
(from FY2018
baseline)

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

Additionally, by switching to and

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



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

material resources



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

642 million
bottles

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

38%

Proportion of
sustainable
materials
(Total meters)
(FY2023)

91.9%

Waste recycling
rate:
(FY2023)

Sustainable Materials for Fastening Products

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

Switching to sustainable packaging materials

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

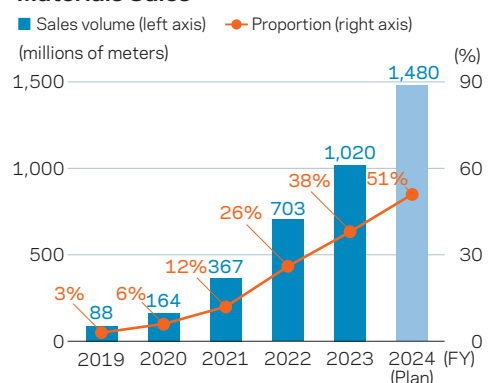
Contributing to resource recycling

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

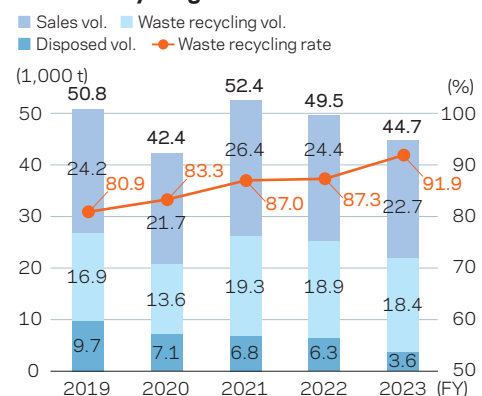
New “Revived Renewal Series” of products

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

Volume and Proportion of Sustainable Materials Sales



Changes in Waste Emissions/ Waste Recycling Rates*



VISLON® with
Revived Top Stop



Revived
Replacement
Slider



Revived Renewal Products
(YKK DIGITAL SHOWROOM)

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

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



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

water resources



22.1%

reduction

Reduction rate of
water intake
(from FY2018
baseline)

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

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

as wastewater guidelines for the garment industry.



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

chemical management



1,663

companies

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

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

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

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

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

respect people



Building structures
for

**respecting
human rights**

based on
international
standards

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

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

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



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

Sustainability-related investment
(capital investment)

¥7.7 billion (FY2024 plan)

Mid-term Direction

Strengthening Product Planning and Development

Continuous Launches of Value-Added Products

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

For our major achievements in FY2023, we

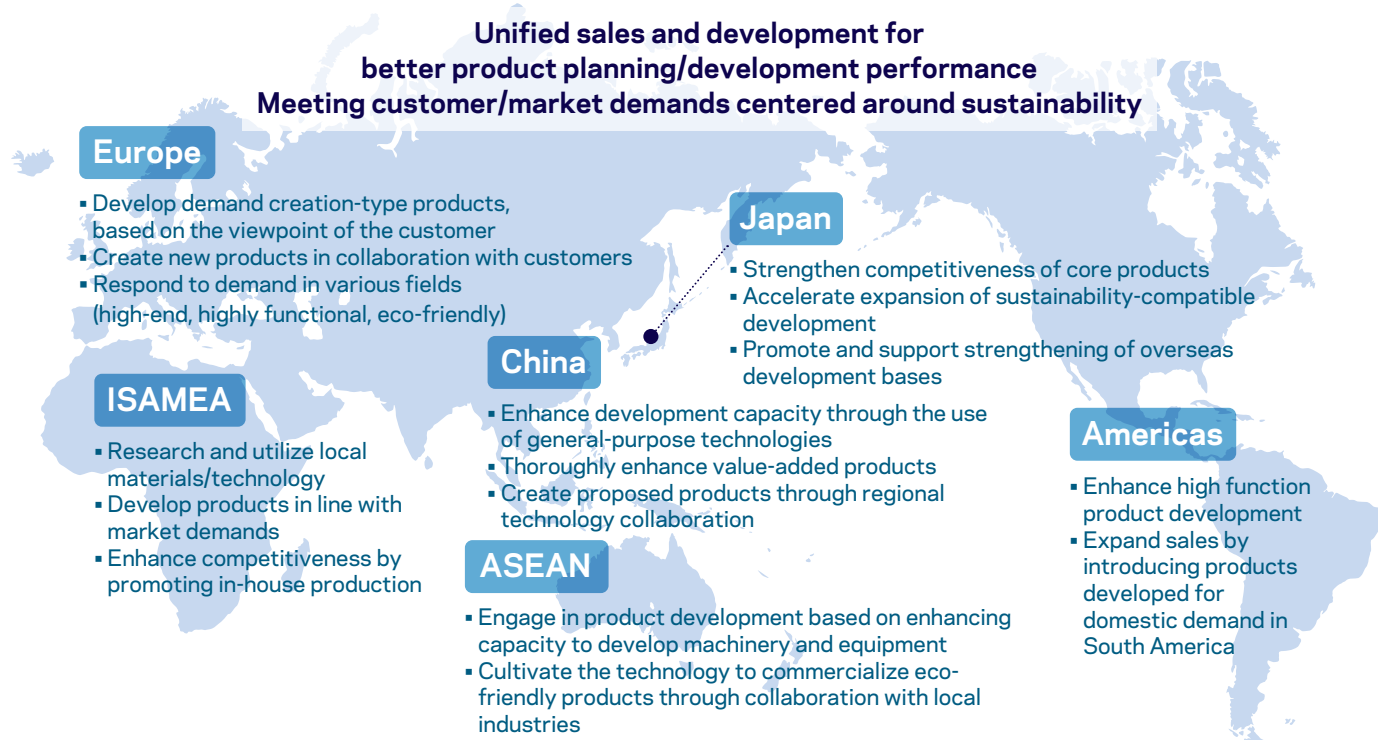
developed an injection-molded zipper made of plastic with a magnet incorporated into the open parts component for easier operation. We also developed a high-grade metal zipper for luggage with stretchable tapes for smoother opening and closing, in addition to making progress with the in-house production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

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

Product Planning and Development Policy According to Market

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

Product Development Policies Tailored for Business Regions



Development locations/personnel

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

Product and Technology Development Examples

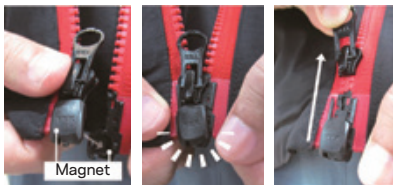
The YKK Digital Showroom introduces many examples of customer voices and product development stories. ▶

P.36



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

click-TRAK® Magnetic



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

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



Employee Voices

Tomoyuki Ekko

Slide Fastener Development
Department
Product Development Division

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

EXCELLA® with Horizontal Stretch Tape



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



Employee Voices

Miyuki Kirita

Development Promotion
Department
Japan Company

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

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

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

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



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

Strengthen Thorough Cost Competitiveness of Core Products

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

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

What we aim for

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

Progress on initiatives

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

* Value Analysis/Value Engineering

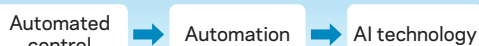
➡ Continued initiatives to further reduce processing costs, including appropriate unification of product specifications

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

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



Dark factories*, shifting to smart factories



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



Employee Voices

Yoshihiro Demura

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

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

Mid-term Direction Strengthening the Use of Digital Technologies

Pursuing Stress-Free Operations Through Digitalization

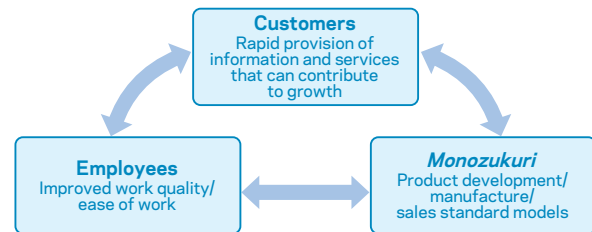
In the 6th Mid-term Business Policy, we have set three policies of strengthening *monozukuri*, solving customers' problems, and reforming employees' ways of working through digitalization, with the aim of building a foundation for growth and achieving sustainable growth by linking each growth measure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

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

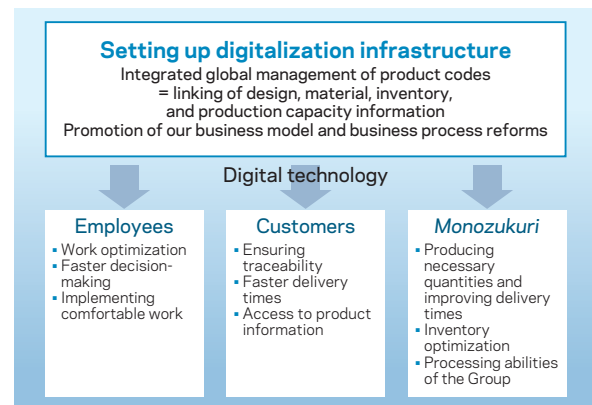
Digital-related investment (capital investment)

¥4.3 billion (FY2024 plan)

Fastening Business digital policy



Initiatives for digitalization



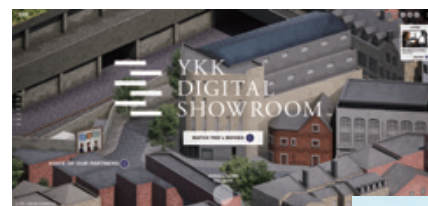
Helping Customers Solve Problems and Achieve Business Transformation

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

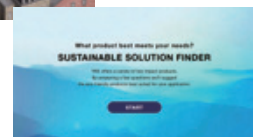
In March 2024, we unveiled the Sustainable Solution Finder, a new feature that assists customers in selecting the most suitable eco-friendly products for what they need. To help those who are unfamiliar with YKK's wide variety of available eco-friendly products to smoothly find products that meet their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

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

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



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



Employee Voices

Engin Ertuğrul

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

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

Community Activities: Be a Native

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

ASAO

Supporting the Healthy Growth of Children Through Football

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

*ASAO: ASEAN/South Asia/Oceania



Children who participated in the clinic



Employee Voices

YKK India Pvt. Ltd.
Naresh Kaushik

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

Turkey

Reconstruction Support for Earthquake-Affected Communities

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



Employees who participated in the project



Employee Voices

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

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

Japan

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

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



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



Employee Voices

Environment & Safety
Management Department
Tomomi Nakashima

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

Pakistan

Visit to a Plant by Children

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



Children who received participation certificates, together with employees

Mexico

Support for Improving the Environment at a Local Elementary School

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



The completed elementary school building

China

The CYCLE OF GOODNESS®-Based Social Contribution Programs

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



Employee interacting with children

Italy

Supporting a Social Enterprise in the Fashion Industry

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



Quid product made using YKK zippers