

# Message from the Presidents

The YKK Group has continued to grow hand-in-hand with society, based on the YKK Philosophy of the “Cycle of Goodness.” The following messages from the presidents of YKK and YKK AP discuss the direction the Group aims to take in order to create a sustainable society.



## Taking on challenges for a better tomorrow

“Cycle of Goodness” philosophy, we can then react rapidly and correctly to radical environmental changes in markets and society.

Currently, the world is facing a great challenge in the form of COVID-19, but our philosophy has not changed. Even as the YKK Group works on measures to prioritize employee safety, it is important that such measures lead to systems that sustain both employee happiness and corporate profits. Although this is a most difficult time, by carrying today’s efforts into the future, we can further strengthen those business activities that contribute to a better society.

In the Fifth Mid-term Management Plan (FY2017 to FY2020) we put forth the mid-term management vision, “Technology Oriented Value Creation.” At the same time, the Fastening Business, in its Mid-term Business Policy, set out to “aim for further quantitative growth with better products at a lower cost and greater speed.” In this context, we are bolstering efforts to achieve real sustainability through our business and products, based on the YKK Group Environmental Vision 2050, “Towards a brighter future for nature and humanity,” which was announced in 2019.

Guided by the “Cycle of Goodness” philosophy, the YKK Group seeks to be a manufacturing company that constantly contributes to the lives of people around the world and takes on challenges in order to build a better tomorrow.

### Hiroaki Otani

President, YKK Corporation

By creating new value through ongoing and diligent learning and providing that value to a wide range of customers, the YKK Group constantly seeks to contribute to a sustainable society through our core businesses.

The foundation of all our business activities is the “Cycle of Goodness,” the corporate philosophy of YKK founder, Tadao Yoshida. The “Cycle of Goodness” is a pragmatic philosophy born of fierce battles over quality, cost, and overseas markets. At its heart lies the idea that “no one prospers without rendering benefit to others,” a clear expression of the YKK Group’s corporate philosophy that says we shall continue to prosper together with society and related industries. Today we operate in 72 countries and regions around the world, and our philosophy is embraced by all of our employees.

In this world of increasingly high-level globalization and information networks, market environments and social outlooks are continuing to change at unprecedented speed. Now more than ever, we must look to society, improve our sensitivity to information, identify diverse problems, and work to solve them. Guided by the

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## Seeing the future through SDGs and surviving in revolutionary times

From rising consumption taxes to natural disasters, the building industry faced many challenges in FY2019. Among them was the COVID-19 pandemic, which not only threatens the health and lives of countless people, but has also plunged the world into an economic crisis. At our company, we are prioritizing the health and safety of all our employees, suppliers, and partners by working on measures to stop the spread of infection.

Crises like this that force change on societies are bound to happen again. We have to be prepared to adapt to such societal transformations in order to survive them. To that end, we must embrace sustainable viewpoints through such key prisms as SDGs (Sustainable Development Goals) and ESG (Environmental, Social, and Governance), and bolster our efforts toward medium- and long-term business continuity and sustainable growth.

FY2020 is the last year of the Fifth Mid-Term Management Plan. Under the business policy of “sustainable growth of the AP business through added-value and demand creation,” we have been working to increase engineering capabilities and promote windows with high thermal insulation performance initiatives that have been largely proceeding according to plan.

However, COVID-19 has had a major chilling effect on the markets, and can be expected to dramatically impact our business. On the other hand, as people spend more time in their homes, they may be spending more time thinking about their



residences. We are working to disseminate information to these people through the internet and other means.

A manufacturing company like us is not built up by individual heroes. Rather, we create value through the work of teams, and this means we need our employees to be proactive. This is the thinking behind the key phrase, “brand on the outside, pride on the inside.” Raising the value of the YKK AP cooperate brand is bound to raise employee motivation. To raise the level of the brand, employees must have pride in their work. Consumers chose companies in which employees take pride in their work. In order to foster such pride, it is important to have an SDGs outlook. I want employees to understand how their own work contributes to society, and take pride in that work.

Currently, our industry is in the grip of what might be called an “ice age.” It is precisely because of this difficult environment that we should return to basics and think about how we should respond. 2020 marks the 30th anniversary of our company’s founding. I want to make this milestone year one in which we bring to full fruition the ideals of our founding. At the same time, I want us to envision the future YKK AP and keep moving forward, every day.

### **Hidemitsu Hori**

President, YKK AP Inc.