

## YKK PHILOSOPHY

# CYCLE OF GOODNESS®

“No one prospers without rendering benefit to others.”



As an important member of society, a company survives through coexistence.

When the benefits are shared, the value of the company's existence will be recognized by society.

When pursuing his business, YKK's founder, Tadao Yoshida, was most concerned with that aspect, and would find a path leading to mutual prosperity.

He believed that using ingenuity and inventiveness in business activities and constantly creating new value would lead to the prosperity of clients and business partners and make it possible to contribute to society.

This type of thinking is referred to as the Cycle of Goodness, and has always served as the foundation of our business activities.

We have inherited this way of thinking, and have established it as the YKK Philosophy.

## YKK MANAGEMENT PRINCIPLE

**“YKK seeks corporate value of higher significance.”**



Seeking **corporate value** of higher significance, YKK will pursue innovative **quality** in the seven key areas shown above.

YKK Group companies seek to delight our customers, earn the high regard of society and make our employees happy and proud.

We are improving the quality of our products, technology, and management as the means to achieve this.

We make fairness the fundamental standard for all YKK Group business operations, and this is the basis for our management decisions.

## YKK CORE VALUES

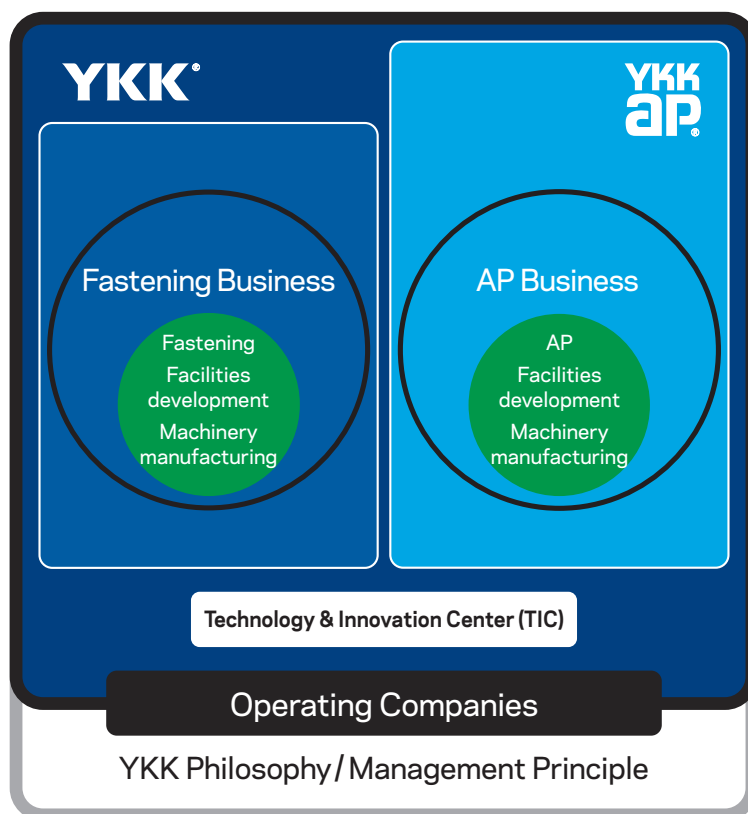
**Do not fear failure; experience builds success. /  
Create opportunities for employees.**

**Insist on quality in everything.**

**Build trust, transparency and respect.**

## YKK Group Management Structure

The YKK Group operates in 72 countries and regions around the world, with the Fastening Business and Architectural Products (AP) Business as core operations.



### Supporting the Two Businesses Through the Development of Facilities and Manufacture of Machinery

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

## YKK Group Consolidated

Number of Group Companies and Employees

**108** companies **44,527** employees

Net sales

**893.2** billion yen

Operating income

**55.9** billion yen

## Fastening Business



The Fastening Products business has been producing and marketing fastening products, including zippers (slide fasteners), hook & loop (textile products), buckles (plastic products), and snap & buttons, for over 80 years.

Fastening Products / Snaps & Buttons Businesses

Number of Group Companies and Employees

**67** companies **26,699** employees

Net sales

**380.5** billion yen

Operating income

**43.7** billion yen

## Architectural Products (AP) Business



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

Residential / Commercial / Exterior / Renovation / Industrial Products / Overseas AP Businesses

Number of Group Companies and Employees

**24** companies **17,143** employees

Net sales

**508.6** billion yen

Operating income

**17.8** billion yen

## Other Businesses



AGRO PECUARIA YKK LTDA.

YKK Rokko Corporation

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

Number of Group Companies and Employees

**17** companies **685** employees

(Note) Net sales and operating income are figures for the year ended March 31, 2023. Other figures are as of March 31, 2023.

## Editorial Policy of the YKK CORPORATION Integrated Report “This is YKK 2023”

The YKK CORPORATION integrated report, “This is YKK 2023,” 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.

In particular, we publish an integrated report on financial and non-financial information, such as an overview of long-term value creation, the medium-term management strategy toward sustainable growth, financial performance, and sustainability efforts, in both printed and PDF formats. Furthermore, we also issue the Data Book (PDF file), which provides detailed data on the achievements of YKK’s sustainability-related activities and ESG performance.

### Report Scope

#### Financial Information

Disclosed for the YKK Corporation, its 105 subsidiaries, and one affiliated company accounted for using the equity method on a consolidated basis as the “Group,” and for each segment (Fastening Business, Architectural Products Business, Other Businesses)

#### Sustainability Vision / Environmental

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

#### Social

- The extent of the data is shown individually

#### Governance

- The extent of the data is shown individually

#### Period Covered

FY2022 (April 1, 2022 to March 31, 2023)

\*Includes some activities from outside this period

### Reference Guidance

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

### Date of Publication

Japanese: August 2023

English: October 2023

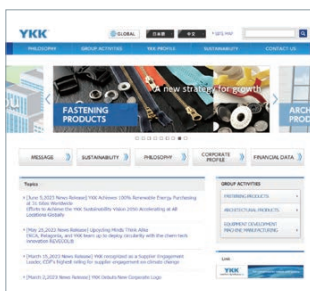
### Publishing Department

Corporate Communications Group,  
Corporate Planning, YKK Corporation  
1, Kanda Izumi-cho, Chiyoda-ku,  
Tokyo 101-8642, Japan  
Tel: +81-3-3864-2064  
Fax: +81-3-3864-2050  
Email: k\_ykk@ykk.com



## Other Disclosure Information (See Here for Details)

### <Website>



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



### <Sustainability Journal>



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



### Thoughts Behind the YKK Logo

The new corporate logo announced in March 2023 embodies the YKK Philosophy of the Cycle of Goodness, the Management Principle to “seek 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.

## Contents

### ■ YKK Philosophy & Sustainability

The Philosophy of YKK's Founder, Tadao Yoshida .....	07
YKK Sustainability Vision 2050.....	09

### ■ Value Creation

The Cycle of Goodness® and Value Creation	
Message from the President .....	11
Executive Dialogue .....	15
The History of YKK's Value Creation .....	19
Product Appeal & Proposal Capability .....	21
Technology & Manufacturing Capability .....	23
Diverse Human Assets .....	25

### ■ Business Strategy

6 <sup>th</sup> Mid-term Business Policy and Business Strategy .....	27
Medium-term Direction: Flat Organizational Structure .....	29
Medium-term Direction: Enhancing Sustainability .....	31
Medium-term Direction: Strengthening Product Planning and Development ...	37
Medium-term Direction: Thorough Pursuit of Cost Competitiveness .....	39
Medium-term Direction: Strengthening the Use of Digital Technologies .....	40
Community Activities: Be a Native .....	41

### ■ Platform

Aiming to Instill the YKK Management Principles .....	43
Management Foundation Based on the YKK Philosophy: .....	45
Corporate Governance / Risk Management / Compliance / Intellectual Property Management	

### ■ Data

Consolidated Financial Data of the YKK Group for the Past 11 Years .....	51
Financial and Non-Financial Highlights.....	53