Residential Business

Strengths of the business

- A wide variety of high thermal insulation windows for healthy and comfortable living
- Disaster prevention and mitigation products with a focus on safety and security that support the building of earthquake- and typhoon-resistant homes
- An enhanced lineup of products for remodeling windows and doors in the private areas of condominiums and single-family houses
- Implement account management to deliver tailored product proposals for each business partner

Senior Vice President,
Head of Residential & Exterior Business Division/
Head of Residential Division

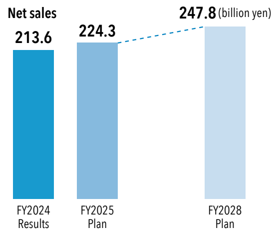
Chikara Nakamura

Main products	◎Windows ◎Entrance doors/sliding doors ◎Interior doors/partitions ◎Window shutters ◎Remodeling windows/doors ◎Quake resistance retrofitting ◎Window and door products for home builders (prefabrication) ◎Doorways and windows for modular bathrooms

"APW 651" sliding wooden patio doors with triple insulating glass
We contribute to a carbon-free society through the use of wood, a renewable resource derived from nature.

Market environment and challenges

In 2024, the number of new housing starts for apartment complexes increased, reflecting higher demand for rental units. On the other hand, sales for single-family houses remained sluggish due to the impact of rising house prices and an increasing inventory of ready-built homes, resulting in a slight year-on-year decline overall. In the home remodeling market, the continuation of the Advanced Window Renovation Project, a government subsidy schemes involving remodeling with thermal insulation, helped to maintain the same level of activity as the previous year. Going forward, we expect new commercial opportunities to be created in response to social issues, such as energy conservation in housing and the reuse of stock housing. In order to respond to such changes in the market, we will further focus our efforts on product development and organizational structure building.



Number of sales sites: 89 Number of manufacturing sites: 16

*As of April 2025

Summary of business results for FY2024

Aggressive sales promotion activities and expansion of sales channels were undertaken to capture demand generated by the government subsidy schemes. In the new build market, we sought to raise order unit prices through upgrades to high-performance thermal insulation windows and simultaneous proposals for window and door products, exterior and interior architectural products, and other items. However, due to the ongoing weakness of the market environment, net sales were 99% of the previous year's level.

Future business strategy

In FY2025, to further expand the renovation business, we will establish a new dedicated division, the Renovation Sales Management Department, to deal with large retailers such as hardware stores and home electronics retailers, and establish a sales structure and engineering system to support it. We revamped the wood interior product lineup for the first time in 20 years, launching a new series, "Smayell" in June. Furthermore, we will enhance our competitive advantage and strengthen sales growth with the new "Uchi Remo" inner window product launched in July. In addition, we will reduce operating costs in sales by consolidating and eliminating sites to increase sales productivity and improve revenues.

As we move toward FY2030, we will grow the renovation business into a new pillar of our business by introducing new products and expanding our sales channels. In addition, we will continue to enhance the value of windows and doors by further promoting the shift to vinyl windows. This will involve strengthening product appeal, penetrating the market for wooden windows, and commercializing YKK AP's panel units with windows. Furthermore, we will work to achieve sales growth in interior architectural products. Amidst concerns about factors such as continued soaring material prices, YKK AP will continue taking decisive action to revise prices according to the situation, thereby maintaining appropriate selling prices and profit levels. We will also continue to undertake streamlining measures through business process re-engineering and the digital transformation.

TOPICS

In FY2024, the Residential & Exterior Business Division was established to consolidate our branch office structure. This integration has created synergies and promoted organic collaboration between the Residential Division and the Exterior Division. In the renovation business, we responded to the continuation of the government subsidy schemes by further enhancing our sales promotion activities to maximize its benefits and increase awareness of window remodeling.

Exterior Business

Strengths of the business

- Fully coordinated proposal capability for buildings and exteriors
- Creating markets through proposal-based products for comfort in buildings and exteriors and garden space
- An extensive lineup ranging from high-end to consumer models

Vice President,
Head of Exterior Division,
Residential & Exterior Business Division

Akinari Kariya

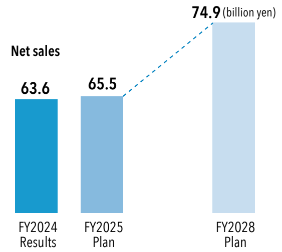
Main products

◎Balconies ◎Carports ◎Gates & fences
◎Terraces ◎Exterior materials

"PLAIN ROOF" aluminum-roofed carport
The simple, reliable, easy-installation design contributes to shortage of installation technicians.

Market environment and challenges

While new housing starts are decreasing year by year due to population decline and rising mortgage interest rates in Japan, the number of single-story houses and houses without balconies is on the rise due to the increase in smaller households and elderly households. In addition, due to the revitalization of the home remodeling market and soaring material prices, the market for wall exteriors which can be easily retrofitted to existing buildings, especially terrace roofs and balconies, has been stagnant, and the market for garden exteriors has also been shrinking.



Number of sales sites: 86 Number of manufacturing sites: 9

*As of April 2025

Summary of business results for FY2024

Sales of wall exterior products were lower than the previous year, but demand for folded-plate roof carports, which are designed to resist wind pressure and snow buildup, expanded to include non-snowy regions. Demand for flat-roof carports also grew, resulting in garden exterior product sales results exceeding market conditions and net sales of 101% of the previous year's level.

Future business strategy

In FY2025, we will strengthen our organization and structure in line with our sales channels under the policy of "Strengthening Proposals and Building a Revenue Structure through Product Appeal." In the new construction and exterior sectors, we will strengthen and expand sales of garden exterior products, with a focus on home builders, and wall exterior products, with a focus on sales channels. For custom-built homes, we will offer value-added proposals through "all-inclusive building and exterior designs." Meanwhile, for homes built for sale, we will promote proposals that integrate buildings and exteriors into a unified cityscape.

Heading toward FY2030, in accordance with the 7th Mid-term Management Plan, we will focus on strengthening product appeal to win orders for exterior construction from builders of homes built for sale. Our efforts will focus on developing unique products that combine function, design, added value, and new materials. We will also pursue the development of carbon-neutral, sustainable products, disaster prevention and mitigation, and easy installation products, as well as the improvement of our manufacturing system.

In terms of our supply system, we will advance relocating products previously concentrated at specific production sites to sites closer to demand areas. This strategic reallocation will help transform the revenue model of our manufacturing operations.

TOPICS

In FY2024, we established the Residential & Exterior Business Division to coordinate route and direct sales channels in the Residential Business and distributor channels in the Exterior Business. The divisional functions of the Residential and Exterior Businesses were integrated, allowing each division to specialize in strategic and policy planning and the implementation thereof. Through policy coordination and integration of divisional functions, we will work to further grow sales in the residential sector.

Commercial Business

Strengths of the business

- Strong added value based on product appeal, including commercial windows and curtain walls
- Sales and proposal capabilities based on a nationwide sales network and experienced personnel
- Technical capabilities and responsiveness to handle high-difficulty projects

Senior Vice President,
Head of Commercial Division,
Commercial & Global Curtain Wall Business Division

Hiroyuki Seguchi

Vice President,
Head of High Rise Building Division,
Commercial & Global Curtain Wall Business Division

Atsushi Harada

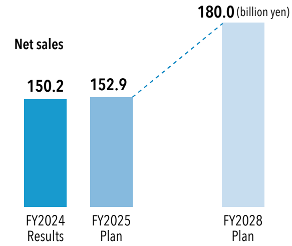
Main products

◎Commercial windows ◎Curtain walls (custom and standard)
◎Commercial entrances ◎Windows and doors for multi-family residences
◎Replacement products

Assembly of "APSWORD NEO-LB (GRAF method)" vacuum glass
We will help achieve a carbon-free society by promoting higher thermal insulation performance in the renovation sector.

Market environment and challenges

In the new commercial building segment, the market is shrinking due to a decline in the number of multi-family residences driven by the aging population and fewer households, as well as soaring material prices and a shortage of sash and curtain wall installation technicians. Meanwhile, in the renovated building sector, there is an increase in the number of existing multi-family residences approaching their prime remodeling years, and there is also growing demand for renovation of educational facilities to extend their service life and implement disaster prevention measures. We are working to uncover demand through new proposals that meet these needs.



Number of sales sites: 81 Number of manufacturing sites: 8

*As of April 2025

Summary of business results for FY2024

For multi-family residences in the commercial renovation sector, we have increased the number of branches specializing in renovations in metropolitan areas and actively taken advantage of the government subsidy schemes to propose high thermal insulation windows. Meanwhile, for educational facilities, the renovation business led the overall increase in revenue and profit as a result of proposal-based sales to local governments and similar bodies. Net sales were 107% of the previous year's level, boosted especially by orders for large-scale renovations of multi-family residences.

TOPICS

In September 2024, we held the "YKK AP Fair," an event to introduce YKK AP's product appeal and technical capabilities to customers and business partners. In the commercial sector, we introduced window installation robots, AI estimation systems, and Building Integrated Photovoltaics as measures to address the issues of labor shortages, operational efficiency, and environmental considerations. Based on the strong feedback we received, we will move forward with the practical application of these technologies.

Future business strategy

In FY2025, we aim to expand our market share in the Commercial Business under the Commercial & Global Curtain Wall Business Division structure, which oversees the Commercial Division, the High Rise Building Division, and the Global Curtain Wall Division. By strengthening organic coordination between measures through organizational restructuring, we will create synergies that will help us build a solid revenue base. Although we are currently the market leader, we will continue to expand our business by strengthening the renovation business and further enhancing our sales activities aimed at major and mid-sized general contractors. In terms of product strategy, we will enhance our product lineups for mid- and high-rise multi-family residences in both new construction and renovation projects to promote higher thermal insulation performance for commercial windows and doors and realize a carbon-free society.

As we move toward FY2030, we will work on "Transform Our Revenue Models" in order to cope with shrinking markets and soaring material prices. By providing higher added value, we will improve the structure of the new construction sector and strengthen in the renovation sector. In addition, we will build a solid revenue base in the Commercial Business by enhancing our proposal capabilities. We will also focus on "Create Value Through Technological Innovation," aiming to realize a carbon-free and circular society by developing products and services and evolving our business processes through standardization, automation, labor saving, and the use of digital technology.

Global Curtain Wall Business

Strengths of the business

- Ability to make proposals to realize highly challenging facades
- Technical responsiveness that enable us to solve various problems in building exteriors
- Process management capabilities to carry out large projects
- A flexible production system with four manufacturing sites around the world (North America, China, Thailand and Japan)

Senior Vice President,
Head of Global Curtain Wall Division,
Commercial & Global Curtain Wall Business Division

Kazuhiro Kitano

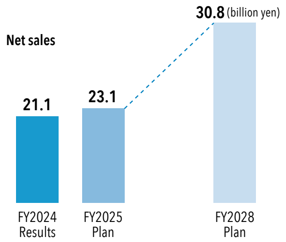
Main products

◎Curtain walls (CWs) and other products for commercial building facades (custom and semi-custom)

Installation example: Taipei Nan Shan Plaza
Factory-completed unitized CWs contribute to high quality and easy installation.

Market environment and challenges

In recent years, demand for green facades and renovations has increased in metropolitan areas, especially in developed countries. In emerging countries, urbanization is driving growing demand for newly built properties. In addition, the Asia region is seeing an increase in more complex and challenging exterior facades. Although there are some differences between regions, the overall market for this business area is expected to expand. On the other hand, there is no avoiding the impact of the uncertainty in the US tariff policy on the global supply chain.



Number of sales sites: 10 Number of manufacturing sites: 4

*As of April 2025 (overseas only)

Summary of business results for FY2024

We achieved profits exceeding those planned by sharing and optimizing project management methods with Thailand's YHS International and Siam Metal, in which we acquired shares in FY2023. In terms of supply, collaboration between manufacturing sites and horizontal rollouts have created synergy effects, such as increasing the speed of problem-solving at individual sites. As a result of strengthening global business operations in line with market trends, overseas net sales were 109% of the previous year's level, and orders also exceeded those of the previous year.

TOPICS

By allocating engineering personnel for design, project management, etc. in an optimal fashion on a global scale, we have been able to increase orders in the strong Taiwanese market. In addition, at YHS International, we strengthened the management structure by improving project management methods and introducing production and equipment technologies, thereby enhancing technical capabilities and increasing efficiency at manufacturing and installation sites.

Future business strategy

In FY2025, we will continue to strengthen our global business foundation by optimizing our project management methods and resources. In order to build a global supply system, our four CW manufacturing sites, comprising Erie Architectural Products in North America, YKK AP (SUZHOU) in China, the Namerikawa Plant in Japan, and YHS International acting as the keystone, will work together to improve project execution. We also aim to achieve sustainable growth by planning and executing entry strategies for each market and developing products and supply chains that are tailored to those markets' needs.

As we move toward FY2030, we will enhance our competitiveness in terms of winning orders by shifting from outsourced manufacturing to a YKK AP Group-internal supply system and establishing a flexible and resilient global manufacturing and supply system. Moreover, by deepening our revenue model through collaboration between manufacturing, sales, and engineering, and by reducing costs through the digitalization, we will further evolve our project operations. Then, we will build a track record in new markets and accelerate business growth by strengthening our engineering capabilities and establishing business models tailored to the characteristics and specification requirements of each area.

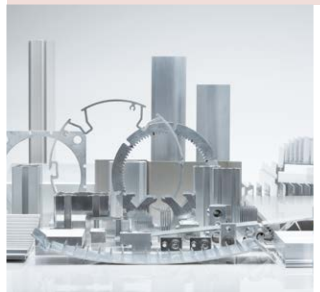
Aluminum Profile Business

Strengths of the business

- Providing high quality aluminum profiles based on our advanced technical capabilities, cultivated through the manufacturing of aluminum architectural products
- Integrated production from casting and extrusion to surface treatment at four manufacturing sites in Japan
- Strong manufacturing capabilities using large 14-inch (6,500 tons) and 10-inch (4,000 tons) extruders

Head of Aluminum Profile Division

Takeshi Teraki



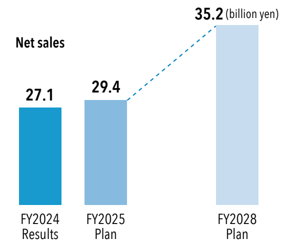
Main products

◎Components for machinery equipment
◎Architectural components
◎Auto parts
◎Sustainable products

Development of auto parts for EVs
We will contribute to energy conservation by developing components for electric vehicles (EVs).

Market environment and challenges

In the construction sector, which represents our largest market segment, conditions were difficult due to sluggish demand, the result of a slowdown in new housing starts and other factors. In the non-architectural components sector, although there is an increasing shift to EVs, demand in the transportation sector declined due to a series of production and shipment stoppages, a result of the certification testing scandal among car and truck manufacturers. On the other hand, demand in the electrical machinery and machinery sectors showed signs of recovery, driven by capital investment for semiconductor-related facilities and automation and labor-saving purposes.



Number of sales sites: 6 Number of manufacturing sites: 4

*As of April 2025

Summary of business results for FY2024

Although sales volume to the construction sector was lower than the previous fiscal year due to the slump in the new housing starts, overall sales volume was 101% of the previous year's level. This was driven by the start of mass production of new items for passenger cars and increased sales of material handling-related products. In addition to price revisions, there was also an increase in revenue due to higher market prices for aluminum ingots throughout the year, resulting in net sales that were 110% of the previous year's level.

Future business strategy

In FY2025, we will continue to revise prices and improve profitability through aggressive proposals of high value-added products. Over the period of the 7th Mid-term Management Plan, we will continue building a revenue base that is less susceptible to market conditions through further price revisions and the pursuit of higher value-added products suited to customer needs. We also aim to expand our business areas through new technological fields, such as establishing a brand for profiles made of recycled aluminum and acquiring orders for advanced components needed for the shift to EVs.

Landscaping Business

Business outline and future business strategy

YKK AP will undertake full-scale promotion of the landscaping business, which will take on the challenge of urban greening. In July 2024, TERAYAMA Inc. was welcomed into the YKK AP Group, followed by the establishment of YKK AP LANDSCAPE in April 2025. YKK AP LANDSCAPE is drawing on YKK AP's monozukuri expertise and collaboration with existing businesses to expand its operations in five areas: public parks, designated facility management, greening materials, commercial greening, and streetscape greening. To realize "cities that coexist with nature," we will focus on collaboration with Japanese and international experts and talent development, aiming to contribute to high-quality green spaces and the creation of a sustainable society.

Overseas AP Business

Senior Vice President,
Head of International Division
Tetsuya Onodera

Strengths of the business

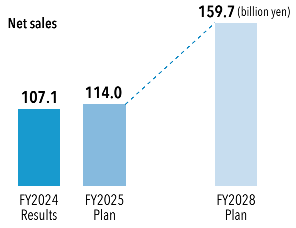
- Global operations in 12 countries and regions, primarily in North America, China, Asia, and Europe
- Product development tailored to the climate, features, and culture of individual countries and regions, combined with local manufacturing and sales systems
- A system for providing technical and manufacturing support from Japan

Market environment and business strategy

In North America, the commercial building sector was subdued due to sustained high interest rates and stricter lending standards at financial institutions. Meanwhile, the new housing starts in the residential market remained unchanged from the previous year. In China, the market contracted despite the introduction of measures to support house purchases, while in Taiwan, new housing starts increased. In Indonesia, economic stimulus measures such as tax incentives for home purchases were initiated, but the effects were limited.

Even amid this market environment, growth in net sales over the previous fiscal year was achieved in the commercial and Residential Business in North America, China, where a successful expansion of sales in the mid-price range housing market was achieved, Taiwan, where installation for existing orders proceeded smoothly, and Indonesia, which was driven by products for the mid-price range housing market.

The 7th Mid-term Management Plan calls for "Enhancing Profitability and Driving Further Growth of the Overseas Business," and we will expand sales segments and sales channels by strengthening product appeal. We will also continue exploring new markets such as with the establishment of YKK AP Europe in April 2025, as well as restructuring our business model in the ASEAN region.



Number of sales sites: 48 Number of manufacturing sites: 13

*As of April 2025

North America

Developing the business through the design, manufacture, and sale of architectural products, focusing on aluminum architectural products for commercial buildings and vinyl windows for residential buildings

Summary of business results for FY2024 and future business strategy

In FY2024, the North American building market faced a challenging environment, as commercial building starts declined from the previous year, but YKK AP AMERICA maintained the same level of net sales in its Commercial Business as in the previous fiscal year. In April 2024, we established a Los Angeles branch and factory to begin serving customers in the western area.

In the Residential Business, new housing starts remained steady, and the Macon Factory, an integrated production site, began full-scale operations, strengthening our ability to respond to increased sales in six southern states. At Erie Architectural Products, revenue remained roughly even year-over-year, reflecting some delays in material availability. However, profit increased, driven by ongoing efficiency improvements and favorable foreign exchange effects.

The 7th Mid-term Management Plan calls for "Developing a Next Generation Business Foundation & Accelerate Growth toward Evolution 2030." In the Commercial Business, we aim to expand sales in the eastern part of the U.S.A. by strengthening customer service and introducing new products. In addition, the Los Angeles branch and regional manufacturing sites will be utilized to establish a greater presence in the western part of the U.S.A., thereby promoting business development throughout North America. In the Residential Business, we will utilize the Macon Factory to strengthen sales in untapped areas in six southern states, and aim to grow sales by introducing hurricane-resistant products.

Products:
Windows and sashes, curtain walls, doors

"ProTek®"
Hurricane and explosion-proof compliance reduces damage to indoor environments.

China

Developing the business through multiple business sites, including design, manufacture and sales of window and sash products for the Chinese market, manufacturing vinyl profiles for the Japanese market, global manufacturing and supply of parts, CWs and window products and global procurement of materials and components

Summary of business results for FY2024 and future business strategy

In FY2024, new housing starts in China fell well below the level of the previous fiscal year, both in terms of numbers and sales. Although the market is showing signs of gradual recovery as a result of various deregulation policies put in place in September 2024, the situation remains uncertain. Despite these conditions, our business in China achieved an increase in both revenue and profit thanks to expansion in products for mid-price range housing and the renovation business. In July 2024, we established YKK AP (SHANGHAI) INTERNATIONAL TRADING with the aim of strengthening our procurement capabilities to expand our global business. We will procure materials, parts, and components in China by harnessing China's state-of-the-art technology and diverse supply chain. By supplying these products to our manufacturing sites in China, other Asian countries and Japan, we aim to enhance product appeal and cost competitiveness. The YKK AP brand is highly regarded in China, as evidenced by its selection for the "Desirable Architectural Products Brand Award" for more than 10 consecutive years.

The 7th Mid-term Management Plan calls for "Expanding Businesses with Domestic Demand and Establishing a Revenue Structure." As a priority measure, we will address businesses with domestic demand by leveraging the cost competitiveness of YKK AP (Jiangsu), an aluminum profile manufacturing site established in September 2024. In the mid-price range housing market, we will work to expand sales of anodized aluminum products, develop new customers, and expand sales in the renovation business, while at the same time developing the CW market.

Products:
Windows and sashes, curtain walls

"LD" Series
The LD Series offers thermal insulation performance that meets energy-saving standards and contributes to sustainable living.

Indonesia

Expanding the business by designing, manufacturing, and selling aluminum profiles and aluminum sashes, mainly to Indonesia and other Asian countries

Summary of business results for FY2024 and future business strategy

In FY2024, the luxury residence market saw a slowdown in demand due to a decrease in new housing starts, reflecting factors such as sustained high interest rates. Despite these circumstances, we were able to develop the mid-price range housing market by expanding sales not only of "NEXSTA," a core product for the high-end market, but also of "MADELA," a knockdown product for the upper mid-range market. We also grew new businesses targeting the upper mid-range market and the luxury residence market by starting production and sales of "GRANROOF," an aluminum carport in March 2024, and "FRONTERRA," a high-quality, factory-made wood/aluminum hybrid entrance door in May 2024. Combined with the development of new channels in sales of aluminum bar, net sales exceeded the level of the previous fiscal year.

The 7th Mid-term Management Plan calls for "Engaging in New Initiatives and Invest in Facilities to Create New Markets and Implement a Growth Strategy." In the window products we will expand the lineup of "NEXSTA" variants and penetrate the market by broadening the target segments for knockdown products. In addition, we plan to expand sales of new products such as aluminum carports and strengthen our one-building set proposals, including knockdown products, thereby achieving higher added value while expanding sales. Meanwhile, we will promote productivity improvements by upgrading our manufacturing infrastructure, such as by improving seismic resistance and efficiency at our factories.

Products:
Windows and sashes, entrance doors, exteriors, curtain walls

"NEXSTA"
With performance that surpasses industry standards, NEXSTA elevates indoor spaces and supports healthier, more hygienic living.

Taiwan

Expanding the business through the design, manufacture, and installation of custom CWs for super high-rise projects and replacement products for existing homes

Summary of business results for FY2024 and future business strategy

FY2024 saw the launch of "R'sNEO," a revamp of a product line with strong aesthetic appeal, in April 2024. Net sales exceeded those of the previous fiscal year due to increased market share in the luxury residence market, especially for high-value-added products, as well as the development of the south-central region and orders for large-scale projects. Orders, sales, and operating income also exceeded both the previous fiscal year and the planned targets due to cost reductions in our core product "YRB-A," as well as increased production and reduced manufacturing costs, achieved through streamlining of the production system.

The 7th Mid-term Management Plan calls for "Establishing Competitive Advantages For a Long Period by Creating New Markets and Building a Better Society in Taiwan as a Top Brand." We will expand the scale of our business by creating demand for further growth in Taiwan, expanding our product range, and strengthening our ability to handle super high-rise commercial building projects. In addition, we will increase production by developing new products, further streamlining production lines, and strengthening our production system.

Products:
Windows and sashes, curtain walls

"YRB-A"
Prevents rainwater from entering buildings during typhoons and other natural disasters, reducing damage to buildings and interiors.

India

Developing the business through our core businesses: extrusion and sales of aluminum profiles, and manufacturing and sales of aluminum window products

Summary of business results for FY2024 and future business strategy

In FY2024, the profile business enhanced the services offered to major customers. In the system business, which manufactures and sells aluminum window products, net sales were significantly higher than the previous fiscal year due to orders for large projects and increased influence in South India, a result of introducing products with high watertight performance.

The 7th Mid-term Management Plan calls for "Becoming a High Value, Single-Source Systems Firm." In the profile business, we will increase sales by expanding target areas and offering value-added proposals to customers, and in manufacturing, we will reduce costs and expand production capacity by updating key facilities and improving on-site logistics. In the system business, we will contribute to further improvement of living environments by offering more variants of our core products, strengthening our ability to respond to projects, and entering the major urban center market.

Products:
Windows and sashes, curtain walls, industrial products

"IWIN-S"
Contributes to improved living environments not only through the views it offers, but also through its excellent operability and watertight and airtight performance.

Singapore

Realizing total project management including facade design, engineering, procurement, and installation for super high-rise, high-difficulty buildings

Summary of business results for FY2024 and future business strategy

The business environment has been challenging due in part to a price offensive by emerging China-based CW manufacturers. On the other hand, we have received acclaim from our business partners for our excellent quality management and adherence to construction deadlines for large-scale projects such as the Singapore Central Boulevard Development, a new office building completed in FY2024, and the Singapore Land Tower, a renovated property.

The 7th Mid-term Management Plan calls for "Stabilizing the Singapore Business and Expanding into New Markets," and to this end, we will propose green buildings and strengthen sales for renovated properties and large new buildings. Moreover, in addition to using digital technology to improve the accuracy and efficiency of project management, we will also focus on human resource development to support sustainable growth.

Products: Curtain walls

Installation example: CapitaSpring
Greening the exterior of the building helps to improve the environment and enhance visual appearance.
Photo: CapitaLand