



YKK AP Sustainability Data Book 2024

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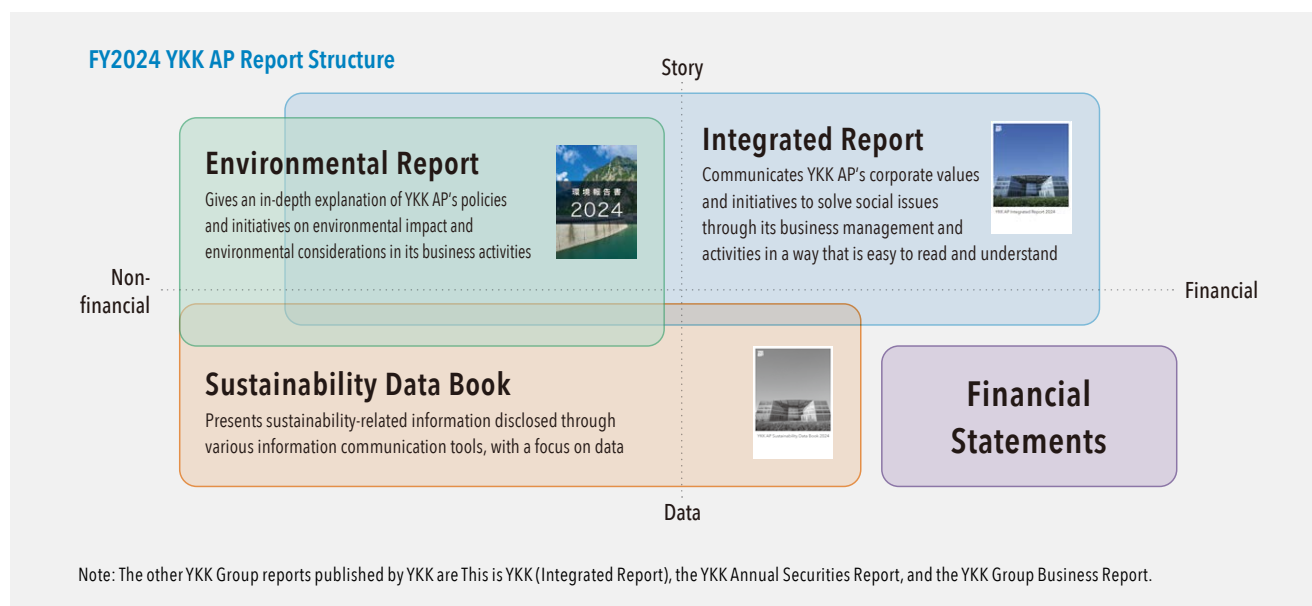
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Basic Data

Editorial Policy

This "YKK AP Sustainability Data Book 2024" is a data-focused compilation of sustainability-related information disclosed in the "YKK AP Integrated Report 2024" and on the YKK AP website. Please refer to the "YKK AP Integrated Report 2024" and "YKK AP Environmental Report 2024" in conjunction with the website.

We will continue to improve the report to make it easier to understand, taking into account your opinions, with the aim of making it a communication tool that contributes to dialogue with our stakeholders.



→ **Integrated Report**
https://www.ykkapglobal.com/en/company/download/asset/data/report2024_en.pdf

→ **Environmental Report**
<https://www.ykkapglobal.com/ja/sustainability/environment/report/>

Publication date	November 2024		
Period covered Report scope	FY 2023 (April 1, 2023 to March 31, 2024) Note: This report partially includes information outside the coverage period YKK AP Inc./ YKK AP Affiliated Companies/YKK AP Overseas Affiliated Companies		
Company data	Corporate Name YKK AP Inc. Headquarters Address 1, Kanda Izumi-cho, Chiyoda-ku, Tokyo, 101-0024, Japan Capital Stock 14.0 billion yen Established July 22, 1957 Accounting Period March 31 of every year		
Number of employees (Japan / Overseas) *As of the end of each fiscal year	(Japan) 12,991 (FY2023) 12,802 (FY2022) 12,819 (FY2021) 12,484 (FY2020) *YKK AP Group (Japan) (Overseas) 4,843 (FY2023) 4,341 (FY2022) 4,158 (FY2021) 4,328 (FY2020) *YKK AP Group (Overseas)		
Affiliated companies	<ul style="list-style-type: none"> Domestic Affiliated Companies YKK AP Okinawa Inc. Pros Inc. Iwabuchi Inc. YKK AP Ruxy Inc. Nitto Inc. YKK AP Healthcare Inc. 	<ul style="list-style-type: none"> Overseas Affiliated Companies YKK AP AMERICA INC. ERIE ARCHITECTURAL PRODUCTS INC. ERIE ARCHITECTURAL PRODUCTS USA, INC. YKK AP (CHINA) INVESTMENT CO., LTD. DALIAN YKK AP CO., LTD. YKK AP CO., LTD. YKK AP(SUZHOU) CO., LTD. YKK AP HONG KONG LIMITED YKK AP TAIWAN CO., LTD. PT YKK AP INDONESIA 	YKK AP MYS SDN. BHD. YKK AP (THAILAND) CO.,LTD. YKK AP CORPORATE SERVICES (THAILAND) CO., LTD. YHS International Ltd. Siam Metal Co., Ltd. YKK AP VIETNAM COMPANY LIMITED Bhoruka Extrusions Private Limited YKK AP FACADE PTE. LTD. YKK AP SINGAPORE PTE LTD YKK AP Technologies Lab (NA) Inc.
Business sites (Japan / Overseas)	Japan:194 Overseas:58		
Manufacturing sites (Japan / Overseas)	Japan:24 Overseas:12		

Financial Data

	FY 2020	FY 2021	FY 2022	FY 2023
Net sales (consolidated)*	402.8 billion yen	446.3 billion yen	508.6 billion yen	538.1 billion yen
Net sales (domestic total)	353.2 billion yen	388.6 billion yen	425.7 billion yen	450.4 billion yen
Net sales by business segment (Residential)	174.7 billion yen	186.7 billion yen	196.4 billion yen	214.8 billion yen
Net sales by business segment (Commercial)	102.5 billion yen	114.8 billion yen	134.3 billion yen	140.4 billion yen
Net sales by business segment (Exterior)	57.7 billion yen	63.0 billion yen	65.0 billion yen	63.1 billion yen
Net sales by business segment (Other)	18.0 billion yen	23.9 billion yen	29.8 billion yen	32.2 billion yen
Net sales (overseas total)	66.2 billion yen	79.7 billion yen	115.8 billion yen	119.5 billion yen
Net sales by region (North America)	30.2 billion yen	34.9 billion yen	49.3 billion yen	49.4 billion yen
Net sales by region (China)	20.6 billion yen	23.9 billion yen	33.7 billion yen	31.1 billion yen
Net sales by region (Asia)	15.3 billion yen	20.8 billion yen	32.8 billion yen	39.0 billion yen
Overseas ratio	13 %	14 %	17 %	18 %
Operating income*	20.9 billion yen	17.3 billion yen	17.8 billion yen	25.6 billion yen
Operating income ratio*	5.2 %	3.9 %	3.5 %	4.8 %
Ordinary income*	23.0 billion yen	18.6 billion yen	21.3 billion yen	28.3 billion yen
Net income attributable to owners of parent company*	21.3 billion yen	11.1 billion yen	15.2 billion yen	18.8 billion yen
Comprehensive income*	48.3 billion yen	19.7 billion yen	27.6 billion yen	48.7 billion yen
Net assets*	225.1 billion yen	241.8 billion yen	266.0 billion yen	312.1 billion yen
Total assets*	389.7 billion yen	426.5 billion yen	455.8 billion yen	478.8 billion yen
Return on assets (ROA)	5.5 %	2.7 %	3.5 %	4.0 %
Equity ratio	56.9 %	56.2 %	57.9 %	64.6 %
Return on equity (ROE)	9.6 %	4.8 %	6.1 %	6.6 %
Cash flow from operating activities*	29.6 billion yen	26.9 billion yen	32.3 billion yen	53.4 billion yen
Cash flow from investing activities*	△ 3.8 billion yen	△ 19.8 billion yen	△ 22.8 billion yen	△ 44.1 billion yen
Cash flow from financing activities*	△ 9.6 billion yen	△ 5.4 billion yen	△ 4.9 billion yen	△ 5.6 billion yen
Ending balance of cash and cash equivalents*	27.2 billion yen	31.7 billion yen	37.6 billion yen	46.8 billion yen
Capital investments	14.8 billion yen	20.6 billion yen	29.6 billion yen	44.4 billion yen
Sustainability investment	-	-	-	3.9 billion yen
R&D expenses	8.0 billion yen	9.0 billion yen	9.3 billion yen	10.6 billion yen
Depreciation expense*	18.1 billion yen	18.5 billion yen	19.6 billion yen	20.5 billion yen
Ratio of R&D expenditures to sales	2.0 %	2.0 %	1.8 %	2.0 %

Transactions with parties inside the Group have been offset in net sales (consolidated).

The overseas ratio is the proportion of overseas sales out of net sales to external customers.

Return on assets (ROA) for FY2020 is calculated based on total assets at the end of the fiscal year, as this was the first year of consolidation.

Return on equity (ROE) for FY2020 is calculated based on ending equity capital, as this was the first year of consolidation.

Sustainability investment represents the amount ordered for the current fiscal year.

Figures have not been audited by a certified accountant or audit firm.

*The consolidated financial data for profit and loss, financial status, financial indicators, and cash flow have been reviewed by an audit firm since FY2021.

→ Financial Information
<https://www.ykkapglobal.com/en/company/information/financial-information/>

Philosophy

YKK Group and YKK AP Philosophy

At the core of YKK AP's business activities are the "YKK Philosophy," the "Management Principle," and the "Purpose." These ideals form the basis of employees' conduct and management decisions.

Taking these to heart, YKK AP will continue to take on the challenges presented by this new era, and aim to be a company that builds a better society.

YKK Philosophy CYCLE OF GOODNESS®

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, making it possible to contribute to society. This way 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 this as the YKK Philosophy.

Management Principle "YKK seeks corporate value of higher significance."

The YKK Group's Management Principle, based on the spirit of the CYCLE OF GOODNESS, is "YKK seeks corporate value of higher significance." We aspire to become a company that is appreciated by our customers, valued by society, and where all employees are able to work with pride and pleasure. As a means to achieve this, we will enhance the quality of our products, technology, and management. In putting these into practice, we always place Fairness at the foundation of all our business activities. This Management Principle was formulated in 1994 by Tadahiro Yoshida, then president of YKK and YKK AP.

Purpose We Build a Better Society Through Architectural Products.

YKK AP's Purpose expresses our desire to be a company that contributes to society through our products and services. That is, to continue to meet the desires of our customers and business partners with the Architectural Products that form the structural elements of houses and buildings. In doing so, we continue to be a company that contributes to customers, business partners, and society at large. While carrying on the ideals embodied in the company name "YKK AP," we aspire to remain an integral and essential part of this ever-changing society.

"Purpose"—Defines our ideas at YKK AP

Through "Architectural Products," that is, industrial products for architecture such as windows, doors, curtain walls, and exterior products, we will continue to pursue technology and beauty in architecture. To use our products to contribute to energy conservation and CO₂ reduction, to contribute to comfortable living, and to build a better society as a whole by accumulating each small happiness one by one. YKK AP's Purpose is the embodiment of these ideas.

Our hope is that, by connecting people, planet and the future, we can work to create a better society.

Initiatives to Instill our Philosophy

In order to support sustainable business growth, YKK AP is working to create an environment in which employees are conscious of the YKK Philosophy, Management Principle, and Purpose in their daily work. One example of this is the "talking sessions," where employees at each location and division share their own practices and ideas. These meetings are held annually to create opportunities for every employee to think about the connection between their work and the YKK Philosophy, Management Principle, and Purpose, and to help these ideals become widely understood and embraced. Through communication based on exchange and dialogue, we aim to foster a sense of unity in each division and the company as a whole, as well as to develop the people and culture that will support sustainable growth. In FY2023, talking sessions were held at all of the approximately 2,000 divisions in Japan (sales, development, technology, manufacturing, and management).

Concept of Sustainability

Corporate Social Responsibility Based on the YKK Philosophy

[Fundamental Approach]

Ever since YKK's founding, the spiritual pillar of all YKK Group business activities has been the CYCLE OF GOODNESS® YKK Philosophy, which embodies our belief that no one prospers without rendering benefit to others.

An enterprise is an important member of society, and as such it must coexist with other elements of society. The value of its existence will be recognized by the benefits it shares with society.

In pursuing our business, YKK has devoted great attention to the way in which we can realize such mutual prosperity—that this can be best achieved by the continual creation of new value through innovative ideas and inventions. This would result in business expansion for the YKK Group, which in turn would bring prosperity to consumers and trading partners, and thus benefit all society.

Every YKK company based in more than 70 countries and regions around the world shares the CYCLE OF GOODNESS philosophy and the management principle "YKK seeks corporate value of higher significance." "Fairness" is the standard on which we base our conduct.

[The YKK Group's Corporate Social Responsibility]

We do not take lightly our responsibilities as a good corporate citizen, not only toward society but also in the execution of fair business management. Significant changes are taking place in the environments that surround the YKK Group. Whether in Japan or abroad, it is our duty to respect diversity—of cultures, customs, and viewpoints—and play a role in the development of society through our business operations. The YKK Group is committed to helping build a more sustainable society through its main businesses. The YKK Group promotes initiatives aimed at realization of a sustainable society through its core businesses by implementation of the YKK Philosophy CYCLE OF GOODNESS and its Management Principle "YKK seeks corporate value of higher significance."

→ Corporate Social Responsibility Based on the YKK Philosophy
<https://www.ykk.com/english/csr/responsibility/>

Materiality and Indicators

Materiality

To drive our sustained growth, we have identified Materiality (priority issues) for FY2021 based on our Purpose. We have established systems to make progress on the materiality issues, and are further advancing individual initiatives by setting KPIs.

"Human Resources" to support sustainable growth	"Monozukuri" to support resolution of social issues through products and competitiveness	"Trust/Reliance" to fulfill social responsibility
<ul style="list-style-type: none"> • Diversity & inclusion • Establishment of a fulfilling working environment • Development and training of human resources to create new value • Respect for human rights 	<ul style="list-style-type: none"> • Co-creation with stakeholders • Generating innovation • Products/services which continue to solve social issues 	<ul style="list-style-type: none"> • Fair business practices • Resilient business foundation • Co-existence with the environment

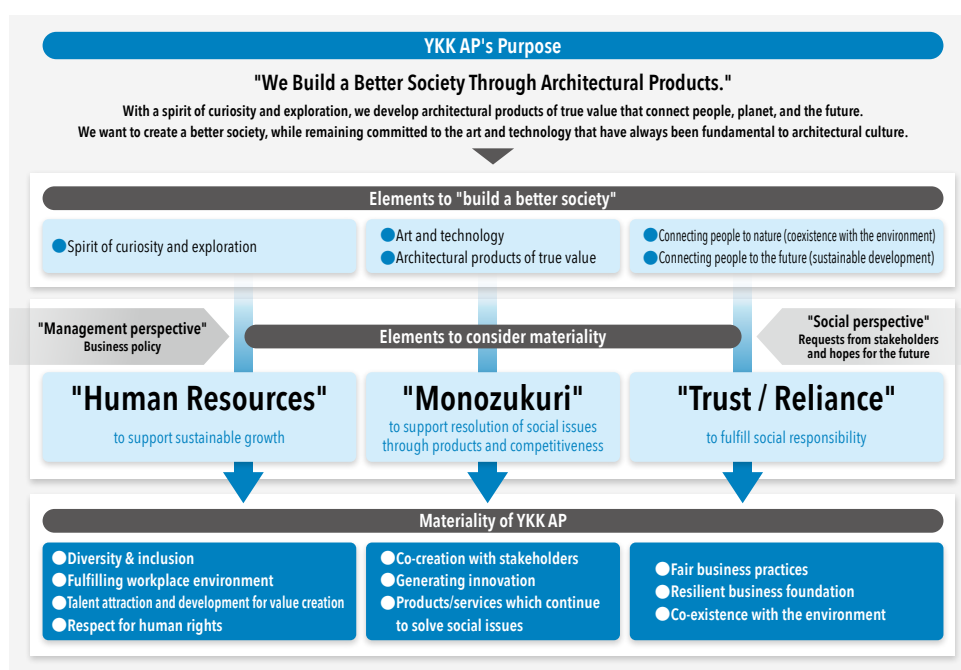
The approach to identifying materiality issues and the identification process

To identify materiality issues, we began with our company's Purpose that we established in 2021. The Purpose consists of three key elements:

- The "Human Resources" to support sustainable growth, indicated by "the spirit of curiosity and exploration,"
- The resolution of social issues through products and the "Monozukuri" at its source, indicated by "art and technology" and "architectural products of true value,"
- "Trust / Reliance" to fulfill our social responsibility, indicated by "connecting people to nature and the future."

With these elements as the core, we added a "management perspective" related to sustainable business growth and a social perspective related to sustainable social development.

For the management perspective, we extracted themes with high impact on our business from the business policy. For the social perspective, we analyzed the importance to each of the stakeholders and extracted materiality issue candidates. And from the candidates extracted from these perspectives, we selected the most important ten items as our materiality issues.



Analysis of the external environment

- The Global Risks Report 2021, published by the World Economic Forum.
- Non-financial information disclosure standards of the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.A.

Employee awareness survey/Analysis of key issues for business partners

- Employee awareness survey conducted in FY2020
- Identified key issues raised by major business partners and calculated the level of importance of each

Reviews by board members

January through May 2021

Considered materiality with focus on the Purpose discussed by employees and officers and formulated by resolution of the Board of Directors. Possible choices were submitted for subsequent deliberation and resolution by the Board of Directors.













June 2021 onward

The "Materiality Promotion Working Group" is under the direct control of the "ESG General Meeting," headed by the President, to promote and manage KPIs for the materiality that we have drawn up.

The 6th Mid-term Materiality Targets

The materiality (priority issues) set forth for FY2021 were identified based on our Purpose. We have established a promotion department for each materiality, and are working to tackle them through implementation of the 6th Mid-term Management Plan (FY2021–FY2024).

The 6th Mid-term Materiality Targets and promotion departments

Materiality	Promotion departments	Initiatives	Indicators	FY2021 (Results)	FY2022 (Results)	FY2023 (Results)	FY2024 (Targets)	Related SDGs	
"Human Resources" to Support Sustainable Growth	Diversity & inclusion	Human Resources Department	Promote an inclusive corporate culture where employees with a diverse range of skills and experiences respect one another and work together	Number of women in management positions ^{○1}	113	122	133	140	
				Rate of persons with disabilities among employees ^{○1}	2.28 %	2.30 %	2.44 %	2.50 %	
				Ratio of men's to women's wages (average) ^{○1} *Parentheses indicate the ratio of men's to women's wages for senior section managers	68.6 % (86.4 %)	69.7 % (87.7 %)	68.8 % (88.4 %)	71.0 %	
	Establishment of a fulfilling working environment	Work Style Reform Committee	Develop a fulfilling workplace environment in which each employee can thrive with motivation and demonstrate his/her best performance	Rate of employees who take childcare leave (men) ^{○1}	53.2 %	73.2 %	67.7 %	Over 50 %	
				Employee engagement ^{○1}	51 %	49 %	50 %	70 %	
	Development and training of human resources to create new value	CHRO Human Resources Department Human Resources Development Department	Attract, train, and promote next-generation leaders and invest in the necessary talent for sustainable growth	Number of times employees obtained qualifications eligible for public qualification incentives ^{○1}	2,548	1,748	1,313	Over 1,500	
				"Value Creation Academy," the next-generation leader development program ^{○1} ●Number of participants *Figures in parentheses indicate cumulative number of participants ●Number of corporate officers appointed (cumulative total)	9 (195) 29	9 (204) 32	9 (204) 34	9 (213) —	
				Number of employees sent by the company to obtain degrees (cumulative total) ^{○1} (Ph.D., MBA, MOT)	13	17	21	27	
	Respect for human rights	Compliance Committee Human Resources Department Corporate Purchasing Department	As part of corporate social responsibility, give consideration to human rights not only in the company itself, but also in the supply chain and other areas associated with the company	Enforcement of the YKK AP Human Rights Policy in business activities in each country and region Expand and enhance content of human rights and harassment training					
				Number of companies that we have concluded an agreement with regarding the basic transaction principles (cumulative total) ^{○1}	821	1,184	1,226		1,226
				Number of companies for which CSR surveys have been implemented ^{○1}	Previous version 48 ^{○2} Revised version —	1,184 ^{○2} —	— 106 ^{○3}		— 111 ^{○3}
"Monozukuri" to Support Resolution of Social Issues through Products and Competitiveness	Co-creation with stakeholders	Brand Management Committee	Continue to create value through active dialogue with our key stakeholders: customers, society, and employees	Customers: Expansion of technical proposal and training options for domestic and overseas business partners Society: Promote activities that link customer feedback to the development and improvement of products and services and the provision of information Employees: Promote initiatives to gather a wide range of employee ideas and apply them to our business					
	Generating innovation	Executive Vice President	Promote innovation in business concepts and production/business processes from a medium-to-long-term perspective for sustainable growth	Establish programs to develop and create innovative human resources ●Establish AP innovation programs and systems to accelerate and promote creation of new business ●Develop a foundation for fostering an innovative organizational culture and developing innovative human resources					
	Products/services which continue to solve social issues	Business Divisions/ Units in charge	Create new value and contribute to the sustainable development of society by taking on the challenge of solving social issues through our products and services	Rate of high thermal insulation window use (for single-family houses) ^{○2}	70 %	75 %	79 %	90 %	
				Rate of vinyl window use (for single-family houses) ^{○2}	31 %	31 %	35 %	41 %	
				Ratio of sustainable product *sales ^{○3}	38.4 %	37.8 %	40.3 %	43.1 %	
"Trust/Reliance" to Fulfill Social Responsibility	Fair business practices	Compliance Committee	Conduct business activities ethically and with integrity by ensuring compliance with laws, regulations, and social norms under a global governance system	Number of sites implementing YKK Global Criteria of Compliance (YGCC) ^{○3} *Number in parentheses indicates number of sites where internal audits have been conducted	55 (20)	56 (27)	57 (27)	53 (27)	
	Resilient business foundation	CRO Risk Committees (5)	Increase resilience through risk management that enhances management transparency and honest and fair corporate governance, in addition to responding to unforeseen events	Strengthen the CRO-led risk management system and speed up the response to emergencies Review BCP on an all-hazards basis ●Responses to infectious diseases, major natural disasters, supply chain interruptions, cyber incidents, etc. ●Recovery and operation through reliable management after the BCP is activated					
	Co-existence with the environment	Manufacturing Division PJ	Contribute to reducing environmental impact and mitigating and adapting to climate change by promoting a decarbonized, recycling-based society and expanding sales of environmentally friendly products	YKK AP CO ₂ emissions ^{○3}	325 kt CO ₂	304 kt CO ₂	285 kt CO ₂	275 kt CO ₂	
				Waste output (manufacturing sites) ^{○3} *Figures in parentheses represent units of intensity	15.9 kt (3.57/100 million yen)	15.4 kt (3.03/100 million yen)	17.4 kt (3.23/100 million yen)	17.0 kt (2.94/100 million yen)	
			Water consumption (manufacturing sites) ^{○3} *Figures in parentheses represent units of intensity	9.8 million m ³ (2.05 m ³ /100 million yen)	8.9 million m ³ (1.74 m ³ /100 million yen)	8.3 million m ³ (1.58 m ³ /100 million yen)	8.2 million m ³ (1.49 m ³ /100 million yen)		

Extent of coverage [◇]1: YKK AP (non-consolidated) [◇]2: YKK AP Group (Japan) [◇]3: YKK AP Group (Japan and overseas)

*1: Until FY2021, calculated based on the Ministry of Health, Labour and Welfare's Basic Survey of Gender Equality in Employment Management. From FY2022 onwards, calculated in accordance with the method of publication under the revised Act on Childcare Leave and Caregiver Leave. For FY2022, the number of employees who took childcare leave across fiscal years is included.

*2: In FY2021 and FY2022, the survey was conducted for business partners with whom an agreement on the Basic Transaction Principles had been concluded.

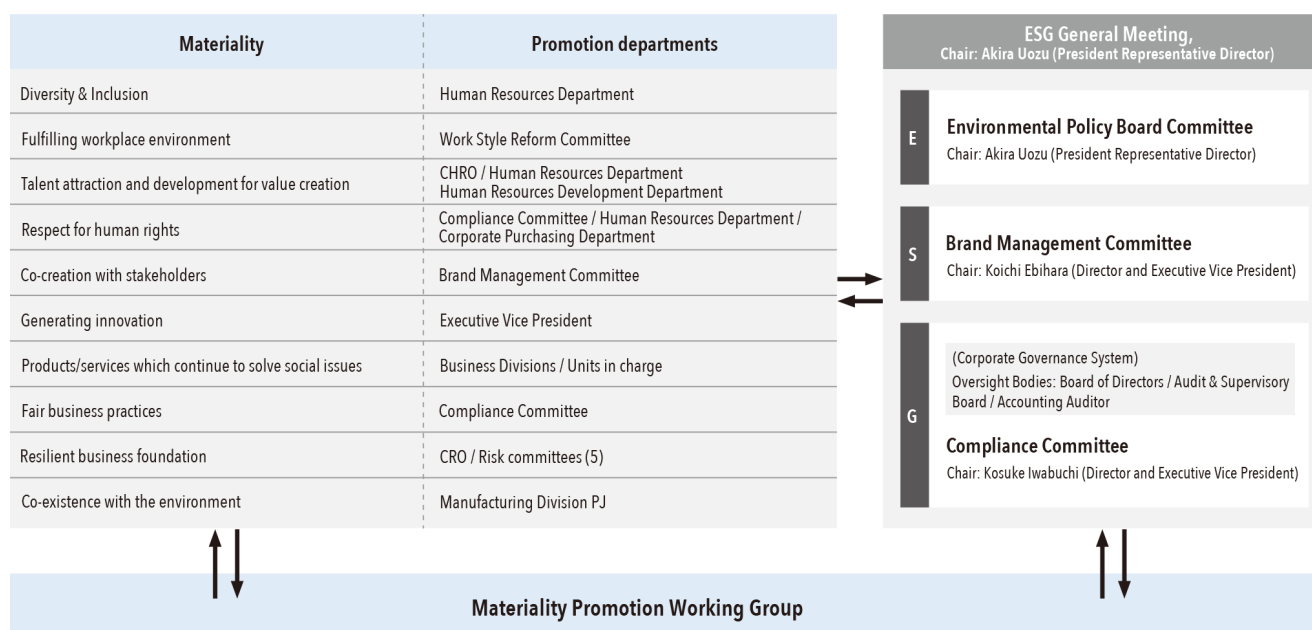
*3: In FY2023 and FY2024, the survey was conducted for large-lot business partners and business partners that handle particularly important materials and components.

*4: Defined as architectural products that contribute to achieving the SDGs by solving priority social issues such as energy conservation, easy installation, disaster prevention/mitigation, safety/security, and health/hygiene.

➔ Materiality and the Targets of the 6th Mid-term Management Plan
<https://www.ykkapglobal.com/en/company/management/materiality/#goal>

Materiality promotion system

We have established a promotion department for each materiality and are stepping up our initiatives accordingly. Furthermore, the ESG General Meeting, headed by the President, consists of the Environmental Policy Board Committee that takes the lead on environmental topics, the Brand Management Committee that handles social topics, and the Compliance Committee, which handles governance. Each is chaired by the President or an Executive Vice President. The "Materiality Promotion Working Group," which reports directly to the ESG General Meeting, conducts materiality efforts and manages KPIs in cooperation with the ESG General Meeting and the promotion department for each materiality.



→ **Materiality Promotion system**
<https://www.ykkapglobal.com/en/company/management/materiality/#system>

Supported Initiatives, Certifications, and Key External Assessments

Supported Initiatives and Groups, Certifications

- January 2019 Obtains Science Based Targets Initiative (SBTi) Certification (renewed in February 2021)
- May 2019 YKK AP has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- May 2021 Signs United Nations Global Compact (UNGC)
- June 2022 YKK AP Endorses the Japan Climate Initiative Message
- June 2022 Formulates and publishes the Declaration of Partnership Building in support of the aims of the Conference for the Promotion of Building Partnerships for the Future promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and other organizations
- October 2022 Participates in the Japan Partnership for Circular Economy (J4CE)
- April 2023 YKK AP is Certified by the Ministry of the Environment as an Eco-First Company
- April 2023 Participates in the Ministry of Economy, Trade and Industry's "GX League"
- May 2023 Joins the Japan Climate Leaders Partnership (JCLP), a group of companies committed to realizing a sustainable decarbonized society
- August 2023 YKK AP Receives Resilience Certification for Contributions to National Resilience
- February 2024 Participates in "Circular Partners," a partnership led by the Ministry of Economy, Trade and Industry to promote collaboration between industry, government, and academia

Evaluations of Product Safety Initiatives

- November 2017 Maintained certification as a Gold product safety companies (Ministry of Economy, Trade and Industry)
In 2017, YKK AP received the Minister of Economy, Trade and Industry Award for the third time at the Product Safety Awards (PS Awards) and was certified as a "Gold Contributor to Product Safety." The first followup, which is conducted every five years after certification, was conducted, and certification was extended in January 2023.

Major Award Topics for the Year

September 4, 2023	YKK AP (THAILAND) CO., LTD.	Showroom Receives Design Excellence Award 2023 for Excellence in Interior Design
September 27	YKK AP Inc.	M30 face recognition automatic door for single-family homes wins Incentive Award (Kids Design Association Chairperson's Award) at the 17th Kids Design Awards
October 4	YKK AP AMERICA INC.	"T Series Entrance Systems" and "YHS 50 TU Storefront System" win at the BLT Built Design Awards 2023
October 18	YKK AP FACADE PTE. LTD.	Awarded the Systems Award at the CTBUH Awards 2023
November 23	YKK AP Inc.	Ranked No. 1 in "sashes for single-family homes" for 13 consecutive years, No. 1 in "entrance doors for single-family homes" for 8 consecutive years, and No. 1 in "aluminum sashes and curtain walls for commercial buildings" for 19 consecutive years in "Most Desirable Architectural Products and Equipment Manufacturers Ranking 2023 (Nikkei Architecture)"
December 7	YKK AP TAIWAN CO., LTD.	No. 1 in the sash category for 12 consecutive years in the "manufacturer of the most desirable architectural products and facilities for use in an ideal home" survey
March 20, 2024	YKK AP CO., LTD.	Selected for the 13th consecutive time in the windows category of the Desirable Architectural Products Brand Award
March 29	YKK AP Inc.	Achieved an "Outstanding Business Operator (Class S)" rating under the Energy Conservation Act's Business Operator Classification Evaluation System for nine consecutive years

Corporate Governance

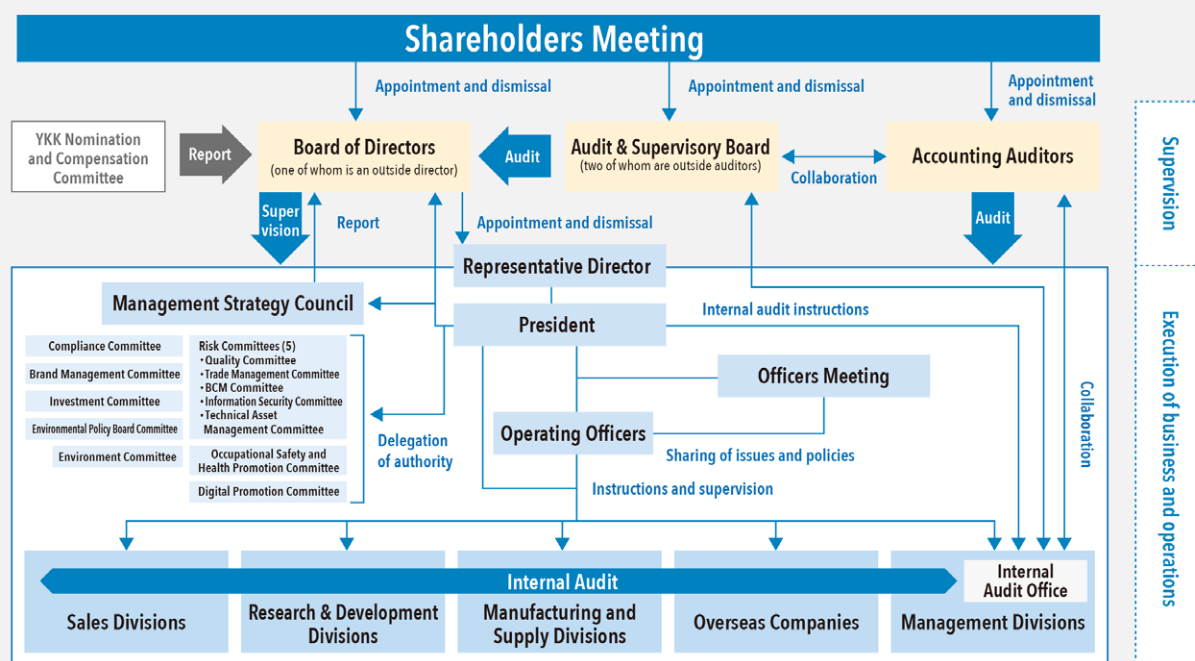
Our Basic Principle

Under the philosophy of the CYCLE OF GOODNESS®, we strive to enhance our corporate governance system in an effort to further enrich our corporate value. Based on an organizational system in which the Board of Directors serves to make decisions on important matters, such as the company's management policy, and serves an oversight function, while the Audit & Supervisory Board serves as the company's auditing organization, we have adopted an Operating Officer System, a framework that helps the company undertake the execution of business and operations.

Corporate Governance

<https://www.ykkapglobal.com/en/sustainability/governance/corporate-governance/>

Corporate Governance System



Board of Directors

Number of Directors, number of Audit & Supervisory Board Members	2024 (as of August)
Total number of directors	10 (Maximum of 10)
of which outside directors	1
Total number of Audit & Supervisory Board members	4 (Maximum of 4)
of which outside Audit & Supervisory Board members	2

Corporate Officers's Bio and Number of Attendances

Directors	Biography	Number of attendances
Chairman of the Board Chairman Representative Director Director, YKK Corporation Hidemitsu Hori	March 1981: Joined Yoshida Kogyo K.K. (now YKK) 1989 to 2006: Served in the U.S.A. April 2007: Vice President April 2009: Senior Vice President June 2009: Director, Senior Vice President June 2011: President Representative Director April 2023: Chairman Representative Director (Current) June 2023: YKK Director (Current)	14/14
President Representative Director Akira Uozu	March 1985: Joined company April 2013: Vice President April 2021: Senior Vice President June 2021: Director, Senior Vice President April 2022: Director, Executive Vice President April 2023: President Representative Director (Current)	14/14
Vice Chairman Director Shinichiro Yamaji	March 1981: Joined company April 2009: Vice President April 2013: Vice President April 2017: Executive Vice President June 2020: Director, Executive Vice President April 2023: Director, Vice Chairman (Current)	14/14
Director Executive Vice President Kosuke Iwabuchi	March 1986: Joined company 1996 to 2009: Served in the U.S.A. and China April 2009: Vice President April 2016: Executive Vice President June 2016: Director, Executive Vice President (Current)	14/14
Director Executive Vice President Shuichi Mizukami	July 1985: Joined Yoshida Kogyo K.K. (now YKK) April 2009: Executive Chief Engineer April 2010: Vice President June 2020: Director, Vice President April 2021: Director, Senior Vice President April 2022: Director, Executive Vice President (Current)	14/14
Director Executive Vice President / Head of Manufacturing Division Hiroshi Abe	March 1985: Joined company April 2014: Vice President April 2021: Senior Vice President April 2022: Executive Vice President June 2023: Director, Executive Vice President (Current)	14/14
Director CHRO (Chief Human Resources Officer) Kazuo Matsutani	March 1981: Joined Yoshida Kogyo K.K. (now YKK) April 2009: Vice President June 2016: Director, Vice President April 2018: Director, Executive Vice President October 2021: Director, Executive Vice President, CHRO April 2023: Director, CHRO (Current)	14/14
Director Chairman, YKK Corporation Masayuki Sarumaru	March 1975: Joined Yoshida Kogyo K.K. (now YKK) 1977 to 1994: Served in the U.S.A. June 1999: YKK Vice President April 2003: YKK Senior Vice President June 2008: YKK Director, Executive Vice President June 2011: YKK President Representative Director April 2017: YKK Vice Chairman Representative Director June 2018: YKK Chairman Representative Director (Current) June 2020: Director (Current)	14/14

Directors	Biography	Number of attendances
Director Executive Vice President Koichi Ebihara	March 1984: Joined company April 2014: Vice President April 2021: Senior Vice President April 2023: Executive Vice President June 2024: Director, Executive Vice President (Current)	-
Director (outside) Tomoko Inoue	April 1983: Joined Hino Motors April 2017: Consultant for Hino Motors June 2019: Full-time Audit & Supervisory Board Member of Hino Motors (Current) June 2024: Outside Director (Current)	-

as of June 2024

Audit	Biography	Number of attendances
Chairman of the Audit & Supervisory Board Audit & Supervisory Board Member (outside) Fuminao Hachiuma	April 1983: Joined Ajinomoto Co., Inc. June 2013: Executive Officer of same June 2015: Executive Officer & Vice President of same J-Oil Mills, Inc. President and Representative Director June 2016: Representative Director, President, and CEO of same April 2022: Director of same (until June 2022) May 2023: Outside Director, Seven & i Holdings Co., Ltd. (Current) June 2023: YKK AP Outside Audit & Supervisory Board Member (Current) Outside Director, Subaru Corporation (Current)	11/14
Audit & Supervisory Board Member (full-time) Hisao Miyamura	March 1978: Joined Yoshida Kogyo K.K. (now YKK) 2002 to 2008: Served in China April 2008: YKK Vice President (until March 2018) June 2018: Full-time Audit & Supervisory Board Member (Current)	14/14
Audit & Supervisory Board Member YKK Corporation Audit & Supervisory Board Member (full-time) Kiyotaka Nagata	March 1979: Joined Yoshida Kogyo K.K. (now YKK) April 2008: YKK Vice President April 2009: YKK Executive Chief Specialist June 2013: Outside Audit & Supervisory Board Member YKK Full-time Audit & Supervisory Board Member (Current) June 2016: Audit & Supervisory Board Member (Current)	14/14
Audit & Supervisory Board Member (outside) Mina Sekiguchi	April 1993: Joined Arthur Andersen L.L.P. Dallas Office June 2022: Managing Partner, Resonancia LLC (Current) Outside Director, Penta-Ocean Construction Co., Ltd. (Current) July 2022: Outside Director, Trainocate Holdings, Ltd. (Current) September 2022: Auditor, Japan Atomic Energy Agency (Current) October 2022: Outside Director, EX4Energy, Inc. (Current) June 2023: YKK AP Outside Audit & Supervisory Board Member (Current)	10/14

as of June 2024

Activities of the Board of Directors and the Audit & Supervisory Board

Board of Directors (FY2023 results)	Number of meetings	14 (including extraordinary meetings)
	Average number of agenda items	10
	Average time per meeting	3 hours
	Main agenda items and reporting items	<ul style="list-style-type: none"> ● Matters related to the Shareholders Meeting ● Matters related to directors, operating officers, and executive specialists ● Matters related to personnel and organizations ● Matters related to business ● Matters related to the disposal and transfer of important assets ● Matters related to Japan and overseas affiliated companies
	Holding Management Strategy Council	The council streamlines deliberations at the Board of Directors by holding thorough discussions on the YKK Group's Management Principle, Management Policy, Management Strategy, and important matters to be resolved on at Board of Directors meetings.
Audit & Supervisory Board (FY2023 results)	Number of meetings	14 (including extraordinary meetings)
	Average number of agenda items	3
	Average time per meeting	1.5 hours
	Key audit items	<ul style="list-style-type: none"> ● Business promotion initiatives ● Initiatives to establish a common infrastructure for AP business ● Business management system for overseas affiliated companies ● Initiatives to strengthen the quality assurance system ● Safety management system ● Sustainable management initiatives ● Strengthening the business management system for domestic affiliated companies

Skill Matrices

Category	Name	Company management	Global	Specialist field				
				Sales and marketing	Manufacturing and technology	Financial and accounting	Organization and personnel	Legal and compliance
Director	Hidemitsu Hori	●	●	●		●	●	
	Akira Uozu	●	●	●				
	Shinichiro Yamaji			●				
	Kosuke Iwabuchi		●			●	●	●
	Shuichi Mizukami				●			
	Hiroshi Abe				●			
	Kazuo Matsutani			●	●		●	
	Masayuki Sarumaru	●	●	●			●	
	Koichi Ebihara			●				
	Tomoko Inoue (outside)					●	●	●
Audit & Supervisory Board Member	Fuminao Hachiuma (outside)	●	●	●			●	
	Hisao Miyamura		●			●		
	Kiyotaka Nagata					●		
	Mina Sekiguchi (outside)		●	●		●	●	

Note: The above does not represent all of the expertise, knowledge, or experience possessed by each individual.

Policy on Determination of Compensation for Directors

In order to raise awareness of ensuring consistency between sustainably increases in corporate value and paying stable dividends to shareholders, as well as improving business performance, YKK AP's basic policy is to set compensation for directors in consideration of the company's results and to determine the appropriate level of compensation for each director in accordance with their responsibilities. Specifically, directors' compensation consists of base salary and officers' bonuses as short-term compensation and retirement benefits as long-term compensation.

Corporate Governance Functions (Committees)

YKK AP's Main Committees

Name	Chair, members, number of meetings	Outline
Compliance Committee	Chair: Kosuke Iwabuchi (Director and Executive Vice President) Members: 16 Number of meetings in FY2023: 2	We work to improve the compliance system of our company and subsidiaries. A compliance director is appointed, and he reports to the directors and audit & supervisory board members regarding the development of the compliance system and compliance status.
Brand Management Committee	Chair: Koichi Ebihara (Director and Executive Vice President) Members: 33 Number of meetings in FY2023: 2	This committee considers and formulates important policies for our company from a technical standpoint. It works to build the Company's brand, practice corporate activities based on the CYCLE OF GOODNESS®, and enhance our public outreach.
Investment Committee	Chair: Osamu Anda (Head of Accounting & Finance Department) Members: 10 Number of meetings in FY2023: 12	The committee reviews and discusses investment economics calculations, costs of capital, free cash flow, and sets ICPs for promoting carbon neutrality for significant investment projects. By going through review in the committee, these can be evaluated more efficiently by the Board of Directors meeting.
Environmental Policy Board Committee	Chair: Akira Uozu (President Representative Director) Members: 12 Number of meetings in FY2023: 1	The Environmental Policy Board Committee was established to develop our environmental policies and strategies, and to supervise the progress of our environmental measures.
Environment Committee	Chair: Hiroaki Shigezumi (Head of Environment & Facilities Department) Members: 54 Number of meetings in FY2023: 4	Also, the Environmental Committee promotes the policies of business execution divisions, plans and formulates measures, and supervises their progress.
Risk Committees (5)	<ul style="list-style-type: none"> ● Quality Committee Chair: Yoji Abe (Head of Quality Assurance Division) Members: 6 Number of meetings in FY2023: 4 ● Trade Management Committee Chair: Tetsuya Onodera (Head of International Division) Members: 13 Number of meetings in FY2023: 3 ● BCM Committee Chair: Midori Satou (CRO) Members: 14 Number of meetings in FY2023: 3 ● Information Security Committee Chair: Tetsuya Komori (Head of IT Department) Members: 11 Number of meetings in FY2023: 4 ● Technical Asset Management Committee Chair: Toshiyuki Nakaso (Head of Fabrication Technology Department, Manufacturing Division) Members: 10 Number of meetings in FY2023: 3 	We have appointed a Chief Risk Management Officer (CRO) to promote YKK AP's risk management. We established a Quality Committee, Trade Management Committee, BCM Committee, Information Security Committee, and Technical Asset Management Committee in order to maintain and enforce regulations.

Name	Chair, members, number of meetings	Outline
Occupational Safety and Health Promotion Committee	Chair: Kazuhiro Matsumoto (Head of Occupational Safety and Health Department) Members: 28 Number of meetings in FY2023: 0 (newly established in FY2024)	The Occupational Safety and Health Promotion Committee has been established to formulate, implement, and manage the progress of measures to support the elimination of accidents in Japan and overseas, including those at installation sites, and the maintenance and promotion of the physical and mental health of employees.
Digital Promotion Committee	Chair: Shiori Fukada (CIO & CDO) Members: 38 Number of meetings in FY2023: 0 (newly established in FY2024)	Covering the entire company, the Digital Promotion Committee develops DX policies and performs governance accordingly. This committee oversees cross-sectional DX activities, and by strengthening company-wide governance of systems, data, and SoD (segregation of duties), it aims to accelerate company-wide DX promotion and improve the competitiveness of the company as a whole.

Number of committee members as of June 2024.

YKK Group Committees

Name	Chair, members, number of meetings	Outline
YKK Nomination and Compensation Committee	Chair: Masayuki Sarumaru (Director Chairman Representative Director, YKK Corporation) Members: 5 (including 2 outside directors) Number of meetings in FY2023: 10	The YKK Group has set up the Nomination and Compensation Committee in YKK as an advisory body, and its members are appointed by resolution of the YKK Board of Directors. The Nomination and Compensation Committee deliberates on the election and dismissal of directors, Audit & Supervisory Board members, operating officers, and executive specialists, as well as their compensation, and reports back to the Board of Directors.

Number of committee members as of June 2024

Compliance

Basic Approach

Compliance in the YKK Group refers to "not only observing laws, regulations and internal rules, but also complying with the social norms expected of us in the course of our corporate activities."

Through our compliance initiatives, we will manage risk appropriately, conduct sound corporate management, and further enhance our corporate value.

Code of Conduct

The YKK Group Code of Conduct was formulated in 2008 as the code of conduct to be implemented by YKK Group employees around the world. Its foundation is the YKK Philosophy and Management Principle. The Code was revised in FY 2021 in light of recent changes in the demands of society and increased importance of sustainability. It applies to all YKK Group corporate officers and employees.

The YKK Group Code of Conduct consists of seven principles and 29 bylaws. These principles and bylaws take into consideration and are compliant with the ten principles of the United Nations Global Compact and the eight fundamental Conventions of the International Labour Organization (ILO), and contribute to achievement of the SDGs as well. We will work to ensure that every one of our employees around the world implements the YKK Group Code of Conduct and to gain the trust of all of our stakeholders.

Seven Basic Principles of the YKK Group Code of Conduct

Compliance

We always comply with laws, regulations, and our internal rules, and are committed to responding to societal demands.

Fair Operating Practices

We build relationships based on trust in order to maintain a fair and healthy relationship with society and ensure our mutual prosperity.

Respect for Human Rights

As a company that develops its business on a global scale, we respect the human rights, character, and individuality of people involved in our business activities and all members of our communities and societies.

Harmony with the Environment

We strive to coexist in harmony with the environment and contribute to society.

Health and Safety

We create workplace environments that are easy to work in and enable full employee participation.

Product Quality and Safety

We place great importance on Trust with our customers and provide safe and secure products and services with a Commitment to quality.

Contributing to Communities

In order to grow together with local communities and continue to be a company that is loved by every generation, we actively engage in actions that contribute to international society through our business activities.

Standards for Compliance Activities: "YKK Global Criteria of Compliance"

YKK AP introduced the YKK Global Criteria of Compliance (YGCC), the YKK Group's compliance standards based on the YKK Philosophy and ISO 26000, and the adoption of the YKK Global Criteria of Compliance at major sites in Japan and overseas was completed in FY2021. From FY2022 onward, we have been promoting the establishment of YGCC operation while accommodating new business sites. We regularly carry out YGCC audits such as self-inspection and internal audits. Standardized monitoring contributes to reduction of on-site workloads by eliminating duplicate monitoring items.

YKK Global Criteria of Compliance (YGCC)



	FY2020	FY2021	FY2022	FY2023
Number of sites implementing YKK Global Criteria of Compliance (YGCC)	48 (14)	55 (20)	56 (27)	57 (27)

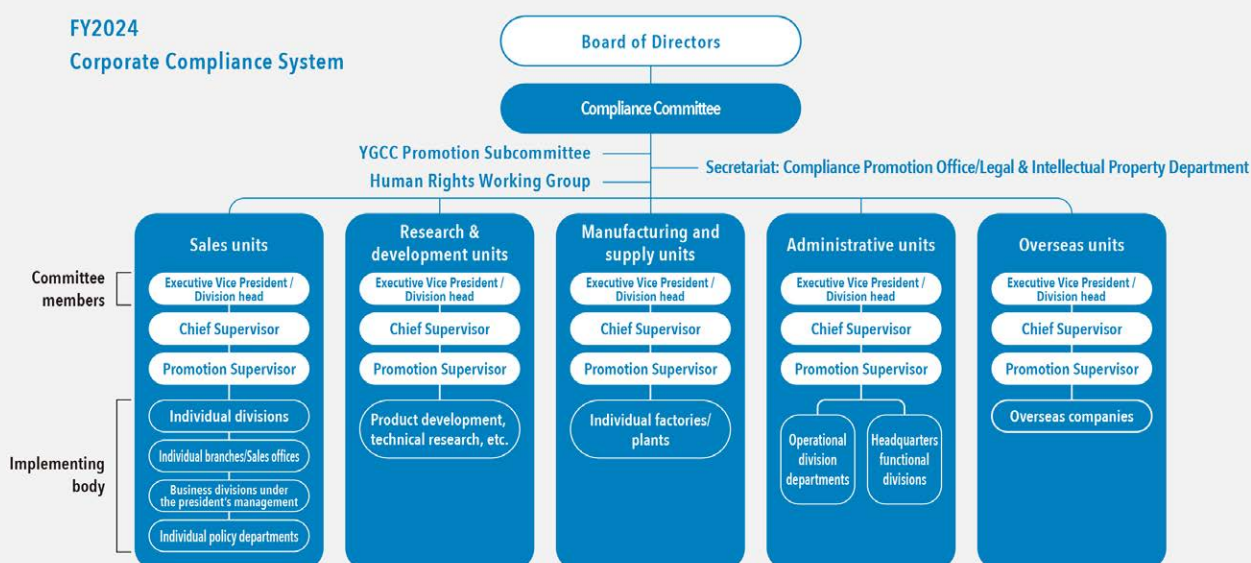
YKK AP Group (Japan + overseas) Results

Number in parentheses indicates number of sites where internal audits have been conducted

Corporate Compliance System

FY2024

Corporate Compliance System



Whistleblowing System

The YKK Group implemented the "YKK Group Whistleblowing System" in 2006, establishing a system that enables individuals to consult with/report to consultation desks inside and outside the company anonymously regarding behavior that violates laws, work regulations, or internal rules. In addition, the principle of whistleblower protection prohibits the disadvantageous treatment of any individual for making a consultation.

We are also committed to the mental and physical health of our employees, and have established a consultation service to address workplace environment problems, mental health concerns, and other health issues. Whistleblowing systems have also been established at overseas companies, with systems for consultation and notification put in place.

Furthermore, in July 2023, a new "YKK Group Supplier Reporting Contact Point" was established to provide redress for those involved with the company from human rights violations that may arise in the course of corporate activities.

Practicing the Code of Conduct

[Activities to instill the Management Principle]

In order to develop the people and culture that will support sustainable business growth, YKK AP is actively engaged in activities to instill the Management Principle.

In addition to the YKK philosophy CYCLE OF GOODNESS®, and the Management Principle "YKK seeks corporate value of higher significance," the principles covered by our activities to foster the Management Principle includes the Core Values and YKK AP's Purpose, "We Build a Better Society Through Architectural Products."

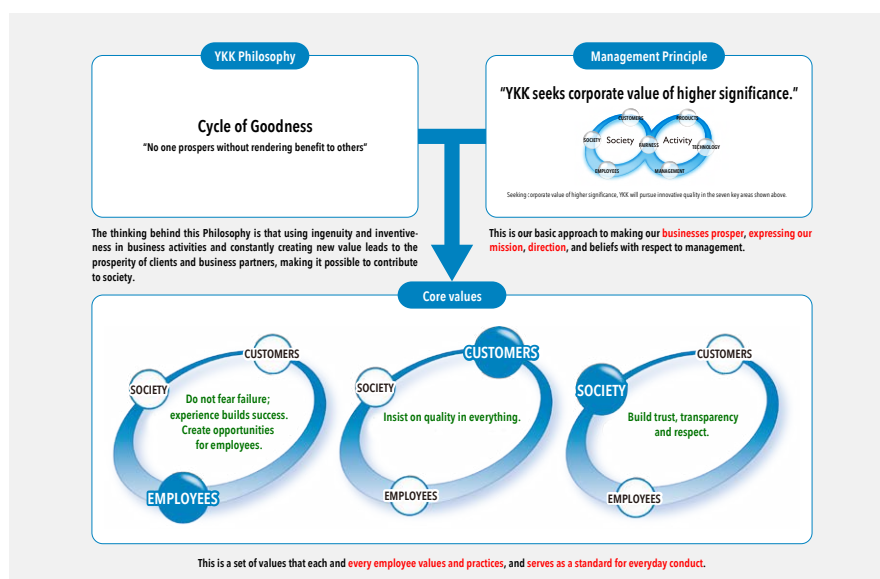
The Core Values are three basic values compiled by the YKK Group in 2007 through interviews with many employees.

A 2021 project led by young YKK AP employees defined our unique Purpose, or the reason the company exists from the perspective of society, as "We Build a Better Society Through Architectural Products."

Through activities to instill these management principles in all employees, we strive to foster a sense of unity throughout the entire company and divisions.

Specific activities in Japan include "talking sessions" and the "Core Value Practice Level Check Sheet." At the talking sessions, each division head discusses the management principles with employees in their own words. The sessions are held annually at all of our locations in Japan to raise awareness through communication. In FY2023, talking sessions were held at all of the approximately 2,000 divisions in Japan (sales, development, technology, manufacturing, and administrative). In addition, the "Core Value Practice Level Check Sheet" is used during internal interviews to create opportunities for each employee to reflect on their own actions and think about the company's Core Values.

YKK AP's overseas operating companies are also actively engaged in activities to foster the Management Principle. For example, in the U.S.A., "Fundamental Behaviors" have been defined for 25 themes, and examples of employee conduct consistent with each theme are shared with all employees via internal bulletin boards and e-mail. These examples are presented at the beginning of major meetings to encourage more in-depth discussions.



Risk Management

Strengthening of the risk management system

In order to strengthen the risk management system and establish a governance system for emergencies, YKK AP has formed five risk committees (Quality Committee, Trade Management Committee, Crisis Management Committee, Information Security Committee, and Technical Asset Management Committee), under the guidance of the Chief Risk Management Officer (CRO), to conduct risk management. Rules and regulations have been established for each committee and are in operation accordingly.

In FY2024, the Crisis Management Committee, which has jurisdiction over natural disasters, fires, explosions, and social incidents, was renamed the Business Continuity Management (BCM) Committee to put a greater focus on business continuity. We will enhance our resilience by strengthening cooperation between individual divisions and the Risk Committees (5), preparing a business continuity plan (BCP) in normal times, and ensuring smooth operations in an emergency.



Risk Management

<https://www.ykkapglobal.com/en/sustainability/governance/risk-management/>

YKK AP's Risk Management Policies

YKK AP's Risk Management Policies

We will foresee, prevent, and control business risks, ensure the safety of our employees, reduce or avoid the loss of management resources, and in the event of contingencies, we will promote risk management in order to minimize damage and losses and achieve quick recovery of the business, leading to sustainable growth and increased corporate value.

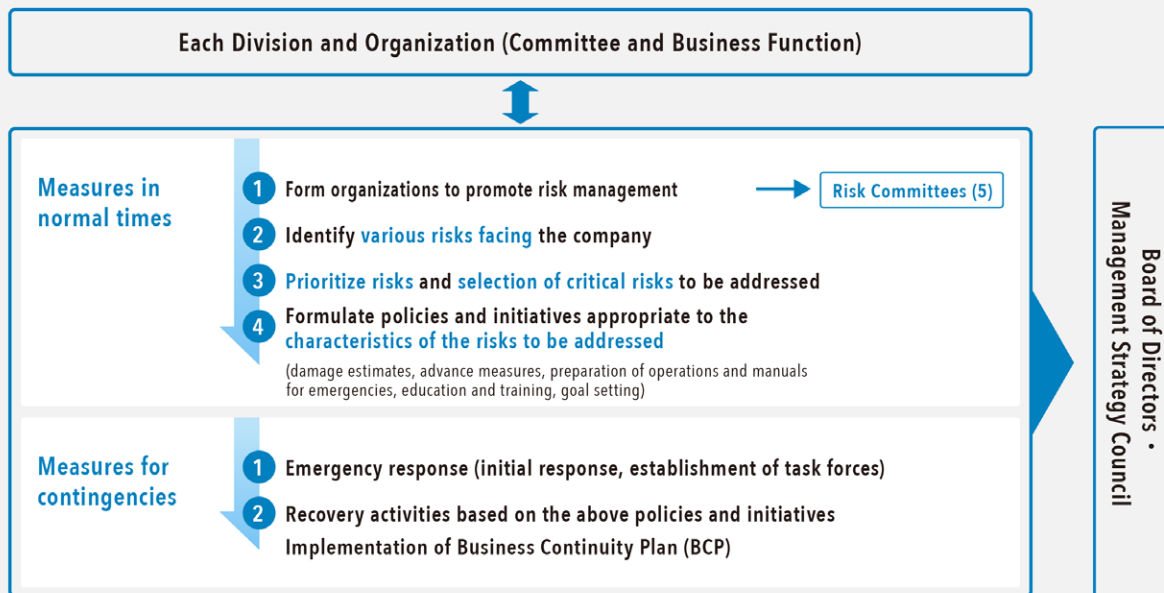
The 6th Mid-Term YKK AP Risk Management Policy

The policy aims to promote sustainable growth of the business by strengthening the global governance system, lowering the level of operational risk overseas, and controlling total risk in Japan and overseas in order to build a "Resilient Business Foundation", which is one of our materialities.

FY2024 YKK AP Risk Management Policy

In order to strengthen global risk management, the policy aims to promote a "Resilient Business Foundation" by taking proactive measures in normal times, continuing education and training, monitoring, etc.,

Risk management system



Risk Management System

FY2024

Risk Management System

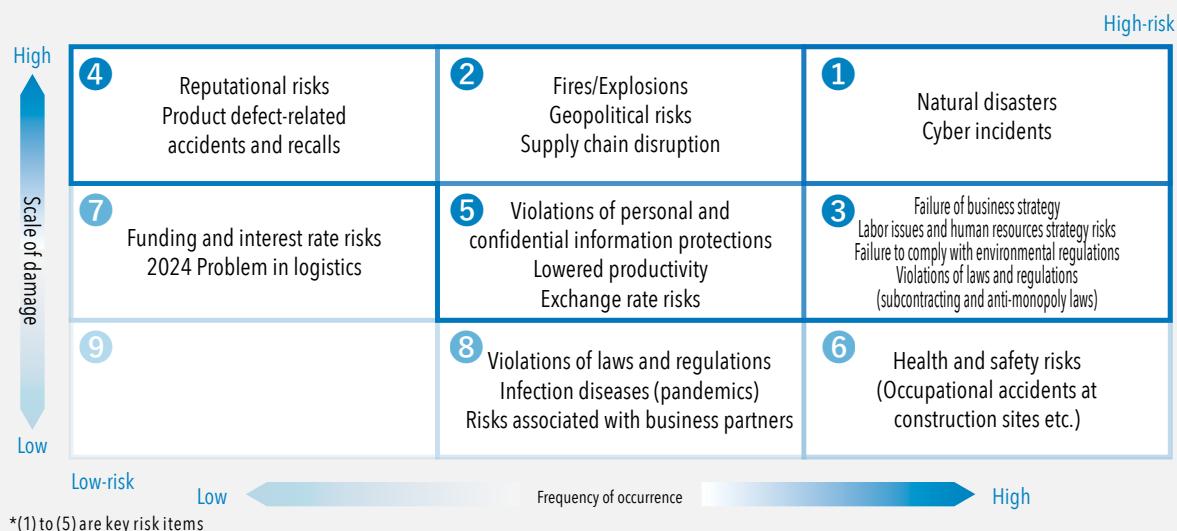


Risk Map Development and Selection of Key Risks

We assess the risks surrounding the business and create a risk map according to changes in the environment, the urgency of response to the risks, and the expected scale of damage.

Risks that have a significant impact on management are designated as key risk items, and policies and initiatives for damage estimates, proactive countermeasures, education and training, etc. For FY2024, we have added "labor issues and human resources strategy risks" and "violations of laws and regulations (subcontracting and anti-monopoly laws)" as key risk items.

FY2024 YKK AP risk map



Education and Awareness-Raising for Business Continuity (BC)

To ensure business continuity, we hold study sessions for committee members (corporate officers) in charge of BCM, hold training sessions for core managers in charge of BCP and crisis management activities, provide e-learning programs such as video streamings to all employees, disseminate information for BCM awareness, and promote the acquisition of qualifications such as "Disaster Management Specialist."

Level Category	Q1	Q2	Q3	Q4
BCM Committee members			● Corporate officer training	
BCP Secretariat / BCP Task Force	● 1st BCP training	● 2nd BCP training		● 3rd BCP training
Local task forces (divisions, manufacturing plants, overseas companies)		● Public relations response training		
All employees (including overseas companies)	● BCM awareness-raising through committee bulletins (monthly) →			
		● e-learning		

Information Security

Basic Approach

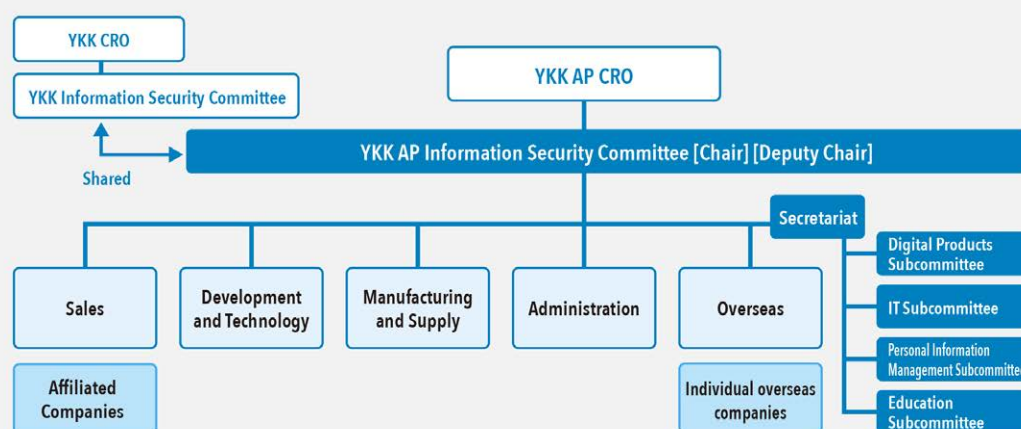
YKK AP is engaged in initiatives to protect information assets from various threats to ensure business continuity and minimize damage to the business in the event of an emergency. In recognition of the fact that information security is the most significant risk, we will ensure sustainable growth by strengthening security across our businesses, including domestic, overseas, and affiliated companies, thereby maximizing return on investment and business opportunities.

Code of Conduct for Information Security

➔ YKK Group Code of Conduct: [Principle 2] Fair Operating Practices "Management and use of assets and information"
<https://www.ykkapglobal.com/en/company/philosophy/code-of-conduct/>

Information Security System

The Information Security Committee has been established for promoting the information security system at YKK AP. We are implementing company-wide information security measures along two axes: a vertical functional promotion system covering all divisions, and a horizontal specialized subcommittee system to promote measures in each area of specialization.



Handling of Customer Information

In order to manage and use customers' personal information appropriately, YKK AP has established a system to authorize companies for properly handling personal information. With the aim of preventing leaks of personal information, the system to authorize companies involves training sessions for these companies to improve and enhance their management skills to handle personal information provided to them and the signing of a written agreement.

Monitoring is conducted to verify the effectiveness regarding handling personal information, ensuring that personal information is properly managed.

Information Security Education

YKK AP provides education to employees to raise and instill awareness of information security.

The education includes e-learning on the risks we face as a company, such as information security breach and examples of potential threats that could arise in everyday situations, and provides accurate knowledge of information security and proper responses. We are also working to improve IT literacy of our employees by encouraging them to obtain information security-related certifications.

Furthermore, through WPS (Workplace Security) -based inspections of the work environment in which all employees participate, we are striving to put information security into practice.

Environmental Management

Environmental Management

In addition to complying with environment-related laws, regulations, agreements, and voluntary management standards, YKK AP is working to clarify risks and opportunities in its business and strengthen global environmental management by the senior leadership.

In addition, the YKK AP Group (Japan) operates an integrated company-wide ISO 14001 system to ensure structured operation of its environmental management system. Each of our overseas business sites has acquired and is implementing ISO 14001 certification, and all employees are united in their efforts to promote environmental management.

→ Environmental Report 2024 – Promote of Global Environmental Management
<https://www.ykkapglobal.com/ja/sustainability/environment/report/global/>

YKK AP Environmental Management Policy (FY2021 to FY2024)

Creating environmental values at every stage of the life cycle: Toward a brighter future for nature and humanity

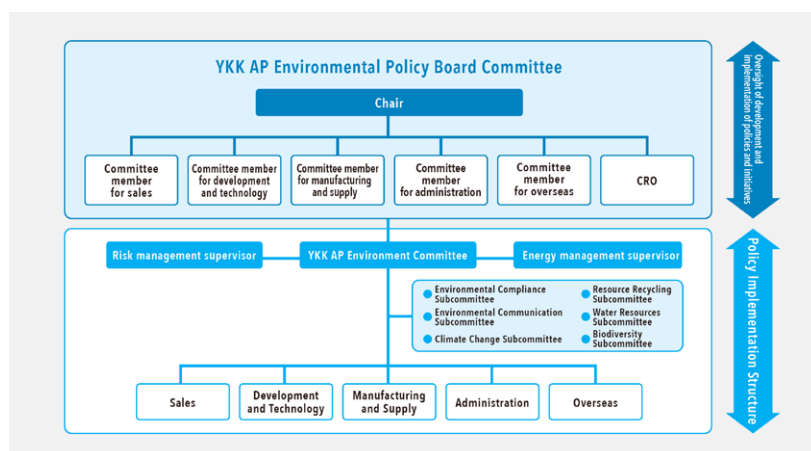
With the intention of making a better society and environment for the next generation, YKK AP will take on the challenge of creating new value and eliminating its environmental burden through technical innovation.

- We will strive to contribute to resolving environmental issues throughout the value chain and reducing the environmental burden.
- We will address issues pertaining to climate change, resource recycling, water, and biodiversity as environmental ones.
- We will create new environmental value with an eye toward the future, on a foundation of diversity in our human resources.

→ Environmental Report 2024 – YKK AP Environmental Management Policy
<https://www.ykkapglobal.com/ja/sustainability/environment/report/commitment/#Policy>

Environmental Promotion Structure

As part of our environment-friendly practices, the YKK AP Environmental Policy Board Committee, chaired by the president, formulates and approves management policies and strategies regarding climate change and other environmental policies from a management perspective, and confirms the progress thereof. The YKK AP Environment Committee implements these environmental management policies and strategies in sales, development, technology, manufacturing, supply, administration, and overseas divisions, and confirms their implementation status through internal environmental audits among divisions.



→ Environmental Report 2024 – Environment Promotion Structure
<https://www.ykkapglobal.com/ja/sustainability/environment/report/governance/>





Environmental Targets

YKK AP sets environmental targets for each medium term based on "how we ought to be" for 2050 and Environmental Management Policy.

Under the 6th Mid-term Environmental Business Plan (FY2021–FY2024), we are working toward "how we ought to be" for 2050 by backcasting our targets for 2030, and then setting mid-term achievement targets to be achieved in FY2024, on the basis of which we will set numerical targets and action plans for each fiscal year.

[Environmental Issues and Initiatives]

[FY2030 environmental targets (relative to FY2013)]

	Climate change	<p>We will be proactive in the development and sales of products that contribute to the reduction of GHG emissions and products that address climate change. We will also promote efficient energy use and the introduction of renewable energy sources to achieve zero GHG emissions from our business activities and value chain.</p>	<ul style="list-style-type: none"> ● CO₂ Scopes 1 + 2: 80 % reduction in emissions ● CO₂ Scope 3: 30 % reduction in emissions
	Resource recycling	<p>To minimize resource input, we will work to use materials for internal and external recycling and reduce packaging materials. In addition, to minimize waste emissions in our business activities, we will promote thorough sorting of waste and its conversion into valuable resources.</p>	<ul style="list-style-type: none"> ● Aluminum recycling rate^{*1}: 100 % ● Vinyl recycling rate^{*2}: 100 %
	Water	<p>To achieve sustainable use of water, we will work to recycle water in our business activities and reduce the environmental impact of wastewater.</p>	<ul style="list-style-type: none"> ● Water use: Reduction of 36 %
	Biodiversity	<p>We will develop individuals who can coexist with nature and contribute to local communities and society, as well as conducting environmental activities with everyone participating.</p>	<p>—</p>

*1 Ratio of input of recycled materials from the market to the input of aluminum raw materials

*2 Rate of internal reuse of internally generated vinyl scraps

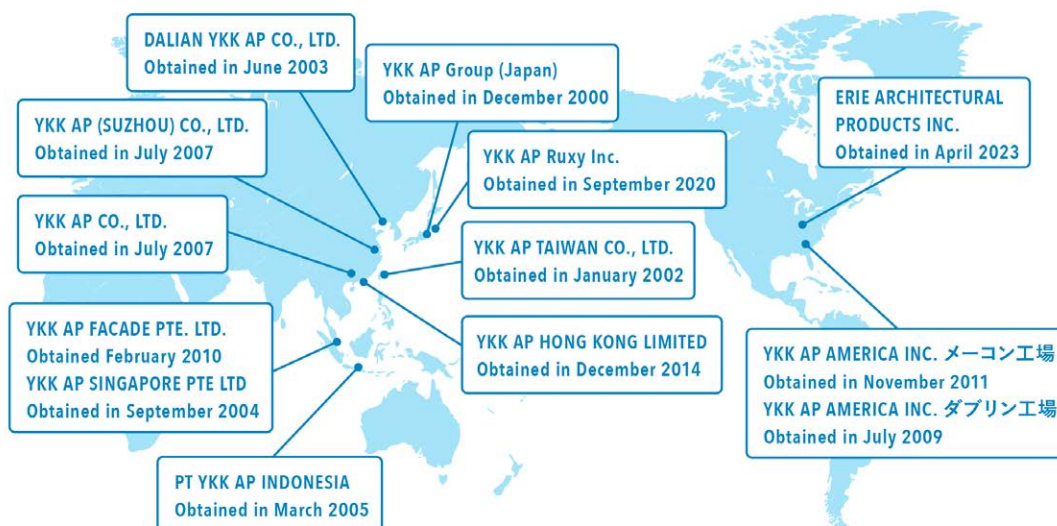
→ Environmental Report 2024 – Environmental Strategy: History of YKK AP's Environmental Initiatives and our "How we Ought to Be" for 2050
<https://www.ykkapglobal.com/ja/sustainability/environment/report/manage/#sugata>

→ Environmental Report 2024 – Environmental Strategy: Environmental Targets for FY2024 (relative to FY2013)
<https://www.ykkapglobal.com/ja/sustainability/environment/report/manage/#2024goal>

→ Environmental Report 2024 – Targets and Results: Numerical Targets and Action Plans for FY2024
<https://www.ykkapglobal.com/ja/sustainability/environment/report/target/#plan>

Environmental Management System Accreditation

In March 2023, the YKK AP Group (Japan) underwent a periodic audit by an external review organization using the 2015 edition of ISO 14001. The results showed the environmental management system to be functioning effectively as an environmental management tool. Eleven of our overseas business sites have obtained ISO 14001 certification.



*As of April 2024 YKK Group (Japan) includes YKK AP Okinawa Inc. and Pros Inc.

→ Environmental Report 2024 – Implement and Promote the Environmental Management System
<https://www.ykkapglobal.com/ja/sustainability/environment/report/global/#system>

Percentage of companies certified to ISO 14001 environmental management standards

	FY2020	FY2021	FY2022	FY2023
Manufacturing	80 %	80 %	80 %	82 %
Sales, other	42 %	38 %	38 %	31 %
Total	59 %	57 %	57 %	52 %

Number of Pollution and Environmental Incidents

	FY2020	FY2021	FY2022	FY2023
Number of pollution and environmental incidents	0	0	0	0

YKK AP Group (Japan+overseas) Results

Percentage of employees who have received training on environmental issues

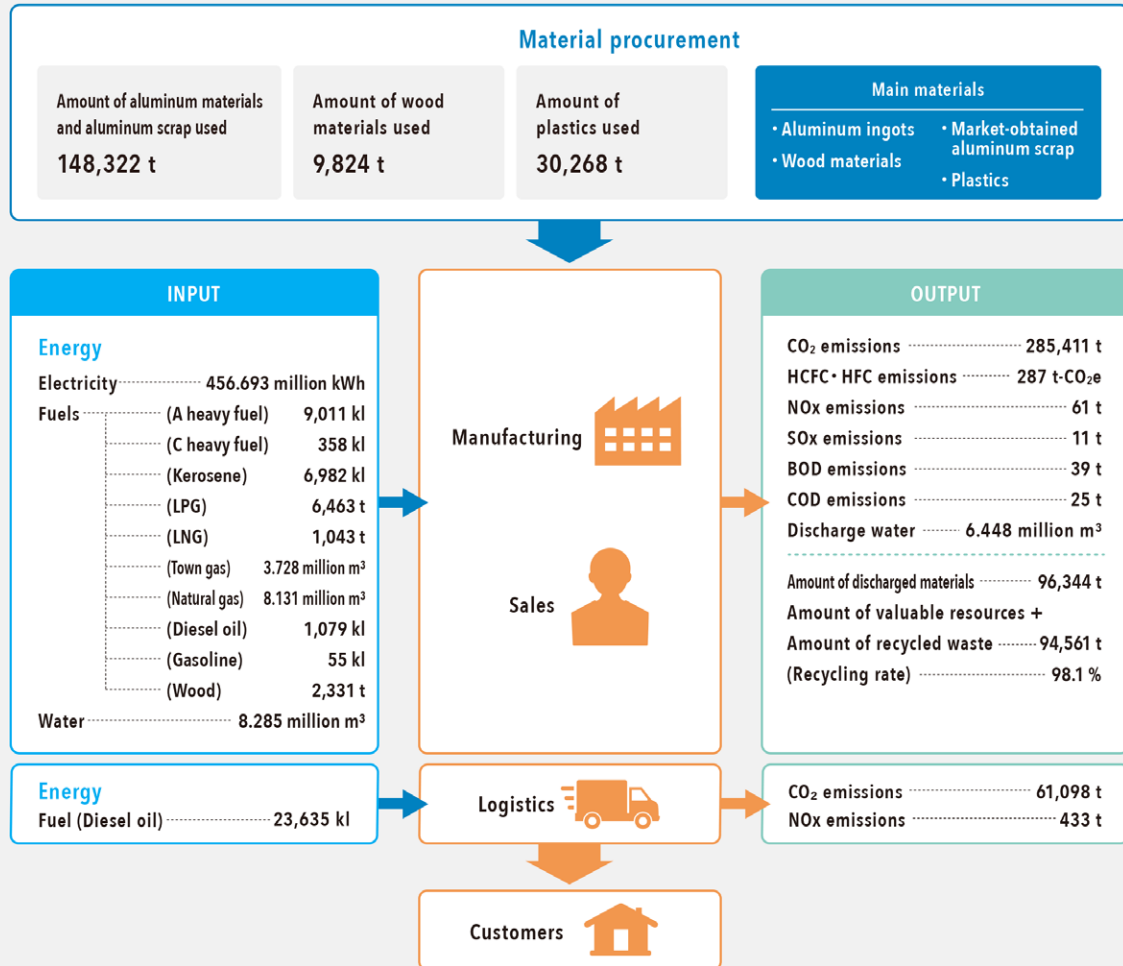
	FY2020	FY2021	FY2022	FY2023
Environmental training participation rate	100 %	100 %	100 %	100 %
Environmental activities (SDGs Action) participation rate	94 %	98 %	99 %	99 %

YKK AP Group (Japan) Results

→ Environmental Report 2024 – Initiatives with Stakeholders: Green Talent
<https://www.ykkapglobal.com/ja/sustainability/environment/report/employee/>

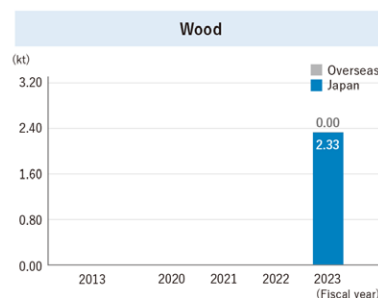
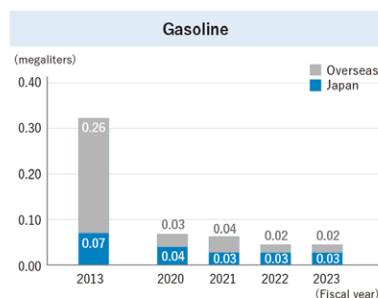
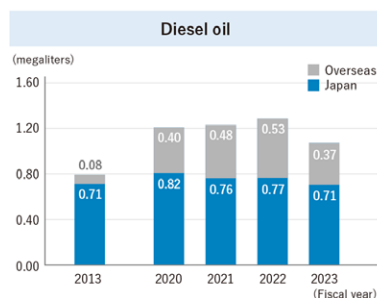
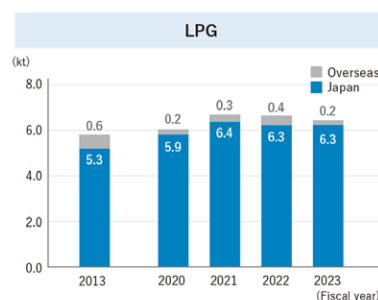
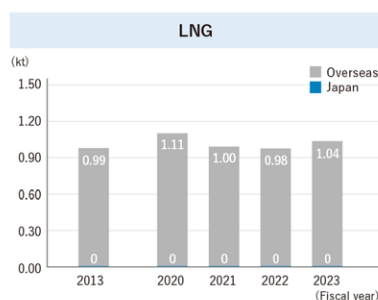
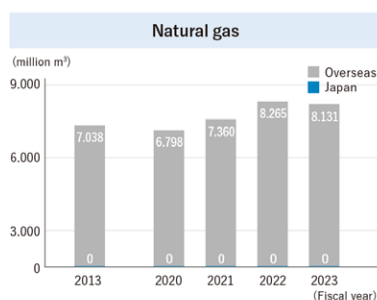
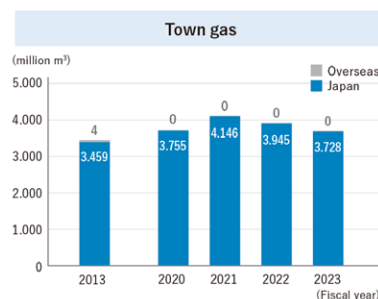
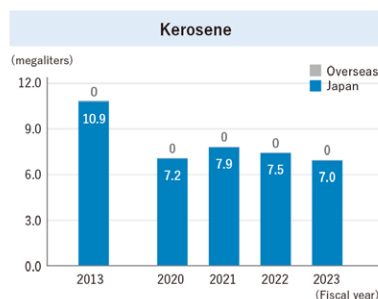
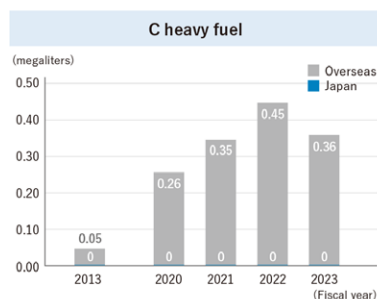
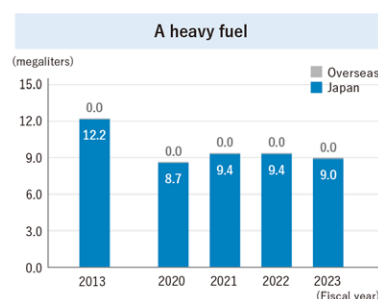
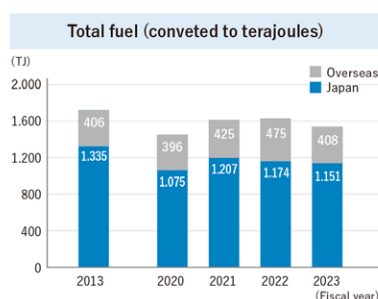
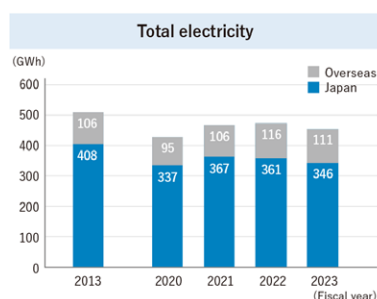
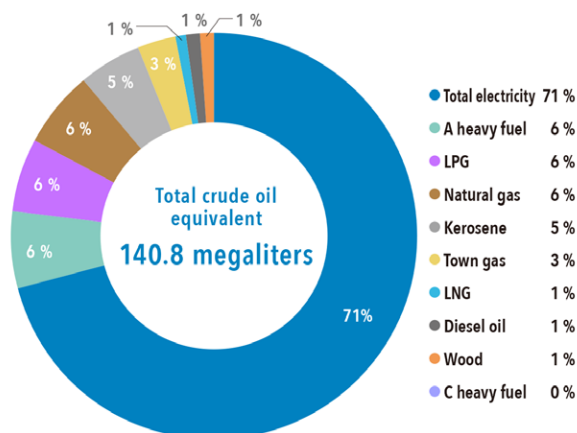
Material Flow

YKK AP Group (Domestic and Overseas Manufacturing Sites)



Energy Conservation · Prevention of Global Warming

Energy Use by Type

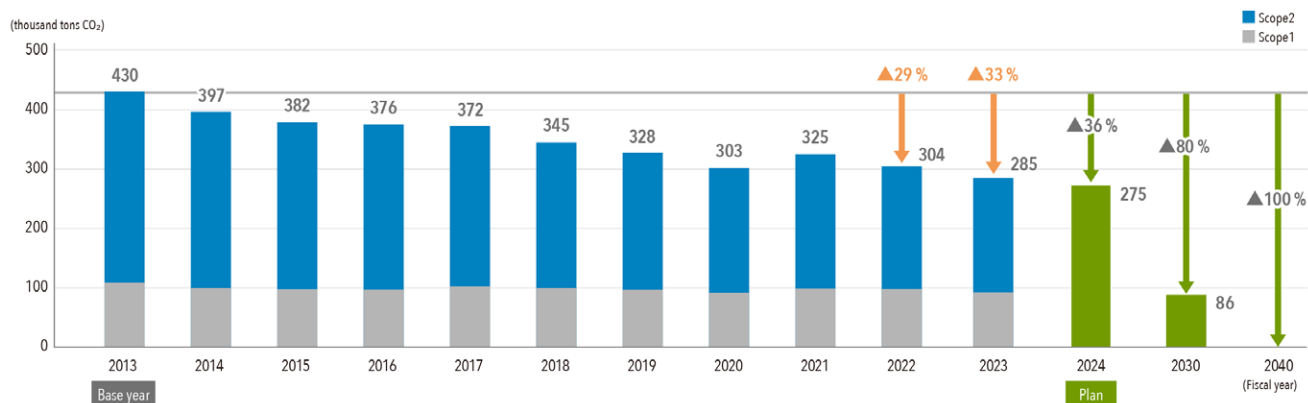


Note: Non-fossil fuels added in accordance with the revised Energy Conservation Act

	FY2013 (Base year)	FY2020	FY2021	FY2022	FY2023
Total electricity	514.15 GWh	432.07 GWh	472.46 GWh	476.62 GWh	456.69 GWh
of which renewable energy	0.38 GWh	7.64 GWh	10.60 GWh	63.45 GWh	74.47 GWh
A heavy fuel	12.25 megaliters	8.73 megaliters	9.45 megaliters	9.42 megaliters	9.01 megaliters
C heavy fuel	0.05 megaliters	0.26 megaliters	0.35 megaliters	0.45 megaliters	0.36 megaliters
Kerosene	10.95 megaliters	7.15 megaliters	7.91 megaliters	7.51 megaliters	6.98 megaliters
Town gas	3.463 million m ³	3.755 million m ³	4.146 million m ³	3.945 million m ³	3.728 million m ³
Natural gas	7.038 million m ³	6.798 million m ³	7.360 million m ³	8.265 million m ³	8.131 million m ³
LNG	0.99 kt	1.11 kt	1.00 kt	0.98 kt	1.04 kt
LPG	5.86 kt	6.09 kt	6.74 kt	6.71 kt	6.46 kt
Diesel oil	0.80 megaliters	1.22 megaliters	1.24 megaliters	1.30 megaliters	1.08 megaliters
Gasoline	0.33 megaliters	0.07 megaliters	0.06 megaliters	0.05 megaliters	0.05 megaliters
Wood	-	-	-	-	2.33 kt
Total energy (crude oil equivalent)	174.30 megaliters	147.38 megaliters	160.64 megaliters	161.41 megaliters	140.77 megaliters
Total energy consumption	998 GWh	849 GWh	926 GWh	935 GWh	890 GWh

YKK AP Group (Japan+overseas) Results

Greenhouse Gas Emissions (Scopes 1 and 2)



	FY2013 (Base year)	FY2020	FY2021	FY2022	FY2023
Scope1: Direct emissions	107 kt CO ₂	90 kt CO ₂	98 kt CO ₂	99 kt CO ₂	92 kt CO ₂
Scope2: Emissions from electricity used	323 kt CO ₂	212 kt CO ₂	227 kt CO ₂	205 kt CO ₂	193 kt CO ₂
Scopes 1+2	430 kt CO ₂	303 kt CO ₂	325 kt CO ₂	304 kt CO ₂	285 kt CO ₂
CO ₂ emissions per unit of net sales	107 t CO ₂ /100 million yen	75 t CO ₂ /100 million yen	73 t CO ₂ /100 million yen	61 t CO ₂ /100 million yen	53 t CO ₂ /100 million yen

YKK AP Group (Japan) Results

Renewable Energy Ratio

	FY2020	FY2021	FY2022	FY2023
Renewable energy ratio	1.8 %	2.2 %	13.3 %	16.3 %

YKK AP Group (Japan+overseas) Results

Percentage of total electricity derived from renewable energy sources

Greenhouse Gas Emissions (Scope3)

	FY2013 (Base year)	FY2020	FY2021	FY2022	FY2023
(Greenhouse gas emissions) Scope3	1,922 kt CO ₂	1,523 kt CO ₂	1,770 kt CO ₂	1,741 kt CO ₂	1,727 kt CO ₂

YKK AP Group (Japan+overseas) Results

Note: Based on the latest CO₂ emission coefficients, retroactively revised for past years

FY2023 Breakdown of CO₂ emissions from the entire supply chain*

		Japan	Overseas	Total
Scope1: Direct emissions		70.7 kt CO ₂	21.4 kt CO ₂	92.0 kt CO ₂
Scope2: Emissions from electricity used		146.2 kt CO ₂	47.3 kt CO ₂	193.4 kt CO ₂
Scope3	Purchased goods and services	1,067.9 kt CO ₂	350.2 kt CO ₂	1,418.1 kt CO ₂
	Capital goods	135.4 kt CO ₂	48.8 kt CO ₂	184.2 kt CO ₂
	Fuel and energy-related activities not included in scope1 or scope2	25.9 kt CO ₂	5.0 kt CO ₂	30.9 kt CO ₂
	Upstream transportation and distribution	34.7 kt CO ₂	9.2 kt CO ₂	43.9 kt CO ₂
	Waste generated in operations	0.5 kt CO ₂	1.1 kt CO ₂	1.5 kt CO ₂
	Business travel	5.1 kt CO ₂	0.3 kt CO ₂	5.3 kt CO ₂
	Employee commuting	13.0 kt CO ₂	0.4 kt CO ₂	13.4 kt CO ₂
	Upstream leased assets	0.0 kt CO ₂	0.0 kt CO ₂	0.0 kt CO ₂
	Downstream transportation and distribution	1.1 kt CO ₂	5.2 kt CO ₂	6.2 kt CO ₂
	Processing of sold products	13.2 kt CO ₂	1.7 kt CO ₂	14.9 kt CO ₂
	Use of sold products	0.0 kt CO ₂	0.0 kt CO ₂	0.0 kt CO ₂
	End-of-life treatment of sold products	6.8 kt CO ₂	2.0 kt CO ₂	8.7 kt CO ₂
	Downstream leased assets	0.0 kt CO ₂	0.0 kt CO ₂	0.0 kt CO ₂
	Franchises	0.0 kt CO ₂	0.0 kt CO ₂	0.0 kt CO ₂
	Investments	0.0 kt CO ₂	0.0 kt CO ₂	0.0 kt CO ₂
	Scope3 Total	1,303.5 kt CO ₂	423.8 kt CO ₂	1,727.3 kt CO ₂
Scope1,2, and 3 Total		1,520.4 kt CO ₂	492.4 kt CO ₂	2,012.8 kt CO ₂

YKK AP Group (Japan + overseas) Results

Note: Calculated based on "YKK Group GHG Emissions Calculation and Reporting Guidelines" and "Scope 3 Calculation Method"

→ Environmental Report 2024 – Environmental Impact Information: Scope 3 Calculation Method
<https://www.ykkapglobal.com/ja/sustainability/environment/report/data/data01.php#scope3>

Environmentally Conscious Investment Policy and Results

In order to contribute to a sustainable society through our products and monozukuri, YKK AP is actively investing in the development of environmentally friendly products and initiatives to reduce the burden on the global environment, such as reducing CO₂ emissions and recycling. At the same time, we will clarify cost-effectiveness and explain our results to stakeholders.

→ Environmental Report 2024 – Environmental Management Accounting: Environmentally Conscious Investment Policy
<https://www.ykkapglobal.com/ja/sustainability/environment/report/data/data03.php#policy>

Resource Conservation · Recycling

Waste Emissions and Recycling

	FY2016 (Base year)	FY2020	FY2021	FY2022	FY2023
Waste output	20.5 kt	15.4 kt	15.9 kt	15.4 kt	17.4 kt
Waste emissions per unit of net sales*	4.95 t/100 million yen (100)	3.82 t/100 million yen (77)	3.57 t/100 million yen (72)	3.03 t/100 million yen (61)	3.23 t/100 million yen (65)
Amount of landfill disposal	3.0 kt	1.1 kt	1.2 kt	1.3 kt	1.8 kt
Amount of valuable resources + Amount of waste recycled	87.9 kt	86.2 kt	95.2 kt	100.2 kt	95.0 kt
Waste recycling rate	97 %	99 %	99 %	99 %	98 %

YKK AP Group (Japan+overseas Manufacturing sites) Results

*Figures in parentheses indicate a relative amount to the base year, FY2016, which is set at 100

Aluminum Recycling

Because the refining of new aluminum ingots requires a great deal of electricity and generates a large amount of CO₂ emissions, improving the recycling rate will contribute to achieving carbon neutrality.

As an initiative in this regard, introducing recycling furnaces will greatly increase the input rate of market-obtained recycled materials, thereby reducing the rate of new ingots used, which leads to significantly reducing CO₂ emissions across the entire supply chain.

Starting with introducing a recycling furnace at the Shikoku Plant, we plan to expand this initiative to other sites, and will step up efforts to achieve a 100 % recycling rate by 2030.

In addition to improving the recycling rate, we are also working to cut CO₂ emissions by promoting the procurement of "green aluminum," which is refined from bauxite using renewable energy.

Vinyl Recycle

During the manufacturing process for vinyl frame materials and vinyl windows, we strive to minimize the generation of vinyl scraps and chips through efficient production. By reclaiming scraps and chips generated from the production process as vinyl materials, we are working to improve the rate at which they are recycled. We are also actively developing new applications for vinyl scraps. We are also engaged in industry-government-academia collaboration to establish a system to collect and recycle vinyl windows once they have been used.

→ [Environmental Report 2024 – Resource Recycling \(Circular Economy\): Reduce and Recycle Vinyl Materials](https://www.ykkapglobal.com/ja/sustainability/environment/report/circulate/#recycling)
<https://www.ykkapglobal.com/ja/sustainability/environment/report/circulate/#recycling>

Approach to Water Resources

YKK AP undertakes initiatives to achieve sustainable water use by reducing the amount of water withdrawn and the environmental impact of wastewater discharge through the recycling and reuse of water in the production process.

→ Environmental Report 2024 – Water
<https://www.ykkapglobal.com/ja/sustainability/environment/report/water/>

Water Consumption (Water Withdrawal), Wastewater Discharge

	FY2013 (Base year)	FY2020	FY2021	FY2022	FY2023
Water consumption* ¹ (water withdrawal)	12.575 million m ³	10.008 million m ³	9.840 million m ³	8.894 million m ³	8.285 million m ³
Water use per unit of net sales* ²	3,121 m ³ /100 million yen (100)	2,485 m ³ /100 million yen (79)	2,205 m ³ /100 million yen (71)	1,749 m ³ /100 million yen (56)	1,538 m ³ /100 million yen (49)
Wastewater discharge* ³	11.457 million m ³	8.367 million m ³	8.447 million m ³	6.293 million m ³	5.878 million m ³

*1 YKK AP Group (Japan+overseas Manufacturing sites) Results

*2 Results for YKK AP Group (domestic + overseas manufacturing sites). Figures in parentheses indicate a relative amount to the base year, FY2013, which is set at 100

*3 YKK AP Group (Japan Manufacturing sites) Results

Pollution Prevention

PRTR Substances, Air Pollutants

	FY2020	FY2021	FY2022	FY2023
(PRTR substances) Volume handled* ¹	983 t	1,046 t	985 t	1,008 t
(PRTR substances) Emissions* ¹	50 t	54 t	52 t	73 t
(PRTR substances) Transfer amount to sewer system* ¹	11 t	12 t	13 t	20 t
(Air Pollutants) SOx* ²	9 t	9 t	7 t	11 t
(Air Pollutants) NOx* ²	50 t	54 t	51 t	61 t

*1 YKK AP (non-consolidated) Results

*2 YKK AP Group (Japan+overseas Manufacturing sites) Results

Pollutants Discharged into Water

	FY2020	FY2021	FY2022	FY2023
Total weight of pollutants discharged into water*	33 t	44 t	34 t	37 t

YKK AP Group (Japan Manufacturing sites)

* COD, BOD emission

BOD: Biochemical oxygen demand (discharge into rivers)

COD: Chemical oxygen demand (discharge into seas)

Conservation of Biodiversity

Basic Approach

Companies derive enormous benefits from ecosystems, including the use of biological resources and land, and the purification of water and air. Loss of biodiversity is said to pose the risk of a serious economic crisis.

YKK AP's business activities also benefit from biodiversity, and we will contribute to creating a sustainable society by undertaking initiatives for biodiversity in our business activities while minimizing negative impact to the greatest extent possible. Among many challenges we face, we are particularly conscious of "coexistence with nature," and as such, we aim to reduce the use and emission of highly hazardous chemical substances, provide safe and reliable products, and cultivate harmony with the surrounding environment.

→ [Environmental Report 2024 – Biodiversity](https://www.ykkapglobal.com/ja/sustainability/environment/report/ecology/)
<https://www.ykkapglobal.com/ja/sustainability/environment/report/ecology/>

Disclosure of Information under the TCFD Recommendations

One of the materialities YKK AP set in 2021 to drive sustainable growth is "Co-existence with the environment," and the company is promoting activities to contribute to reducing environmental impact and mitigating and adapting to climate change by promoting a decarbonized, recycling-based society and expanding sales of environmentally friendly products.

Aiming to achieve "zero environmental burden" throughout the entire lifecycle in business activities by 2050, we are creating environmental value at all stages of the lifecycle and implementing global activities to reduce environmental burdens.

In the area of climate change, which is a core issue within the materiality "Co-existence with the environment," we are working to reduce GHGs and adapt to climate change in all processes of our business activities, with the aim of achieving carbon neutrality by 2050. Having obtained SBT certification in January 2019 and endorsing the TCFD recommendations in May 2019, we are assessing the impact of climate-related risks and opportunities on our business activities and reflecting them in our management strategy.

Governance

YKK AP has a Board of Directors as the decision-making and oversight body for important matters such as management policy, an Audit & Supervisory Board as the company's auditing organization, and has introduced an Operating Officer System to help the company promote the execution of business and operations.

In particular, sustainability issues are addressed by the "ESG General Meeting," chaired by the president, which conducts cross-functional activities by formulating policies from a company-wide perspective and rolling them out to related divisions and domestic and overseas group companies.

The Environmental Policy Board Committee, which is chaired by the president and has jurisdiction over the environmental area within the ESG General Meeting, formulates and approves environmental policies and strategies, including on climate change, from a management perspective, and monitors their progress. The "Environment Committee" rolls out these environmental policies and strategies to our manufacturing and sales sites in Japan and overseas, and confirms how they are being implemented through mutual internal environment audits.

Strategy

In line with the TCFD recommendations, we are identifying and assessing the significant risks and opportunities that the issue of climate change poses to the AP Business.

Type		Financial impact on the business	Measures
Transition risks	Reputation	Loss of corporate value due to delay in responding to public demands, such as carbon neutrality	With an Executive Vice President as project leader, the Carbon Neutrality Project was launched in FY2021, and six working groups were established with the participation of young engineers, with initiatives underway in each group. In FY2023, the target year for achieving carbon neutrality was moved forward from FY2050 to FY2040, demonstrating the increased urgency of our initiatives.
	Market	Increased costs due to energy resource depletion	We are promoting the introduction of high-efficiency equipment (production equipment, lighting, and air conditioning) with the aim of reducing energy consumption per unit of production by 1.3 % or more per year over the medium to long term. In addition, we are implementing various measures to reduce energy consumption, such as the use of renewable energy, reductions in air leaks, and reductions in waste heat.
Physical risks	Urgent	Increased damage from natural disasters, supply chain fragmentation	In preparation for disaster and risk occurring, we have formulated BCPs at all locations in Japan and overseas. In addition, after reviewing and updating the Business Continuity Management (BCM) Code to ensure prompt implementation of BCPs, we are working to ensure it is thoroughly instilled across functional axes and on a regional site basis. In addition to purchasing materials from multiple suppliers, understanding and improving the supply chain, and securing inventories of critical management items in case of emergencies, the research and development, manufacturing, and purchasing divisions work together to set up alternative sources of supply, and other efforts taking the BCP into account are conducted from the product development phase.

Type		Financial impact on the business	Measures
Physical risks	Chronic	Restrictions on business activities due to water shortages caused by reduced rainfall	Water is used for cleaning and cooling in our production processes. In some areas, there is a risk of water use restrictions due to drought, and we are working to reduce water consumption by reviewing water intake for industrial use and implementing multi-level use of water, recycling, and reclamation.
Opportunities	Products/ Services	Increased demand for high thermal insulation products	The APW vinyl window series delivers high thermal insulation performance across the board, and includes the APW 430, a world leader in this regard. By expanding sales of high thermal insulation products like these, we are not just helping to reduce energy consumption, but are also improving indoor thermal environments and providing comfortable living spaces.
		Increased demand for carbon-free and recycled-resource products (e.g., recycled aluminum)	Since recycling aluminum requires less energy, CO ₂ emissions can be significantly reduced to only about 3 % of those required to produce new aluminum ingots (new metal) from bauxite. By maximizing the use of used aluminum sashes and other materials recovered from the market, we aim to achieve an aluminum recycling rate of 100 % by FY2030. To realize this goal, we are introducing an aluminum recycling furnace and developing technologies to separate out impurities.

Risk Management

Risks related to the business as a whole are assessed and reviewed once a year, prioritized by "scale of damage" and "frequency of occurrence," and each risk is managed by the relevant committee or division. Climate change-related risks (natural disasters, inadequate response to environmental regulations, etc.) are also identified as key risks and incorporated into the management process, with policies developed and monitored on a global basis by the Environment Committee and the BCM Committee.

Indicators and Targets

In order to achieve carbon neutrality, we have set medium- and long-term goals certified by SBTi and formulated an environmental action plan to achieve them in conjunction with our mid-term business plan. In addition, under the "Evolution 2030" Vision announced in March 2023, we have brought forward our targets to reduce the company's own CO₂ emissions by 80 % in FY2030 and by 100 % in FY2040 (both relative to FY2013). Progress with respect to these indicators and targets is disclosed in the Environmental Report.

Indicators		Targets
Scopes 1+2 ^{*1}	Reductions in YKK AP CO ₂ emissions	80 % reduction by FY2030 (relative to FY2013)
Scope 3 ^{*1}	Reductions in CO ₂ emissions in the supply chain	30 % reduction by FY2030 (relative to FY2013)
During product use ^{*2}	Increased contributions to CO ₂ reductions	216 % in FY2024 ^{*3} (relative to FY2020)

*1 Data from YKK AP Group (Japan + overseas)

*2 Data from YKK AP Group (Japan)

*3 Calculated based on the latest FY2024 plan

Contributions to CO₂ Reductions through Products

Contributions to CO₂ reductions through high thermal insulation products

	FY2020	FY2021	FY2022	FY2023
Contributions to CO ₂ reductions through high thermal insulation products	468 kt-CO ₂	548 kt-CO ₂	594 kt-CO ₂	811 kt-CO ₂

YKK AP Group (Japan) Results

→ Environmental Report 2024 – Climate Initiative (Toward achieving carbon neutrality) Contributions to CO₂ reductions
<https://www.ykkapglobal.com/ja/sustainability/environment/report/climate/#contribution>

Sustainable Products

Sustainable products are defined as architectural products that contribute to achieving the SDGs by solving priority social issues such as energy conservation, easy-installation, disaster prevention/mitigation, safety/security, and health/hygiene.

	FY2020	FY2021	FY2022	FY2023
Rate of sustainable product sales	38.1 %	38.4 %	37.8 %	40.3 %

YKK AP Group (Japan+overseas) Results Based on net sales

Rate of Vinyl Window Use

	FY2020	FY2021	FY2022	FY2023
Rate of vinyl window use (For single-family houses)	29 %	31 %	31 %	35 %

YKK AP Group (Japan+overseas) Results Rate of vinyl window use in sales for single family homes

Rate of High Thermal Insulation Window Use

	FY2020	FY2021	FY2022	FY2023
Rate of high thermal insulation window use (For single-family houses)	67 %	70 %	75 %	79 %

YKK AP Group (Japan) Results Rate of vinyl window and aluminum-vinyl composite windows use in sales for single family homes

Ratio of New Constructions to Remodeling Projects

		FY2020	FY2021	FY2022	FY2023
Ratio of new constructions to remodeling projects	Residential	New construction 75 %	New construction 77 %	New construction 76 %	New construction 69 %
		Remodeling 25 %	Remodeling 23 %	Remodeling 24 %	Remodeling 31 %
	Commercial	New construction 76 %	New construction 70 %	New construction 69 %	New construction 67 %
		Remodeling 24 %	Remodeling 30 %	Remodeling 31 %	Remodeling 33 %

YKK AP Group (Japan) Results Based on net sales

Human Rights

Our Basic View

Of foundational importance to the YKK Group's business activities is the concept of the CYCLE OF GOODNESS®, which states that "no one prospers without rendering benefit to others." In order to carry out its business activities in accordance with this concept, YKK AP upholds the YKK Group Code of Conduct, which consists of 7 principles and 29 bylaws that employees of the YKK Group in all countries and regions must follow with a common understanding, and clearly states that it will not engage in discrimination or the violation of human rights for any reason. This policy complements one of the Code's principles, namely Respect for Human Rights, and both supports and respects international norms on human rights, such as the UN Guiding Principles on Business and Human Rights.

YKK AP Human Rights Policy

At a meeting on March 24, 2023, the YKK AP Board of Directors adopted the YKK AP Human Rights Policy Statement. Accompanying the revision of the YKK Group Human Rights Policy Statement, YKK AP has formulated its own policy that, while sharing the fundamentals of the YKK Group, takes into account the human rights issues that arise in relation to YKK AP's business activities.

→ YKK AP Human Rights Policy
<https://www.ykkapglobal.com/en/sustainability/society/humanrights/policy/>

Human Rights Relating to Business Activities

YKK AP is aware that addressing the following human rights issues relating to its business activities is a key part of its human rights responsibilities and responds with the following appropriate procedures.

Prohibition on Child Labor and Forced Labor	YKK AP works to prevent and eliminate child labor, which impedes the healthy growth of children and denies them educational opportunities. As well, we do not tolerate any kind of forced or prison labor. We engage in initiatives to avoid any risk of forced or prison labor occurring in our business activities.
Prohibitions on Discrimination, Harassment, and Abuse	YKK AP prohibits employees from committing any form of discrimination, including that based on race, ethnicity, nationality, religion, beliefs, creed, sex, age, physical characteristics, gender identity, or sexual orientation. As well, we do not tolerate any types of behavior that undermine an individual's dignity, including but not limited to, bullying, abuse (including physical, sexual, and mental abuse), or harassment.
Respect for Freedom of Association and Collective Bargaining Rights	YKK AP respects the basic rights of employees, including the freedom of association and collective bargaining rights. Through dialog and consultation, we build good relationships between management and employees.
Understanding of Customs and Compliance with Laws and Regulations	YKK AP works to understand the customs of all the countries and regions in which we conduct business activities, and complies with labor laws and other laws. Should there be such countries and regions in which international human rights are not properly protected by local laws and regulations, YKK AP will seek ways to maximize respect for international human rights principles.
Respect for Diversity	YKK AP respects all diversity, including race, ethnicity, nationality, religion, beliefs, creed, sex, age, physical characteristics, gender identity, and sexual orientation, and promotes diversity management. As well, we build systems and environments that enable diverse human resources to fully express their abilities.
Health and Safety	In all workplaces, YKK AP strives to prevent industrial accidents and maintain and promote both the physical and mental health of employees, and works to build, maintain, and improve workplace environments that allow safe and secure work.
Working Hours and Wages	YKK AP complies with all laws and regulations relating to working hours and wages in the countries and regions in which we conduct our business activities, and endeavors to pay living wages.

Human Rights Due Diligence

Based on the UN Guiding Principles on Business and Human Rights, YKK AP conducts due diligence with respect to human rights. Through this framework, we identify negative human rights impacts and work to prevent or mitigate them.

Reviews and Impact Assessments relating to Human Rights

By assessing new human rights risks, the Human Rights Working Group (WG) established within the Compliance Committee is working to ascertain the current situation and evaluate these risks' importance and severity. In FY2023, a human rights impact assessment was conducted for employees in Japan. In accordance with the YKK Global Criteria of Compliance (YGCC), the YKK Group's compliance standards based on ISO 26000, human rights risks were identified by mapping an assessment of severity and likelihood of occurrence for each human rights issue. Based on the results of the assessment, we have established a governance system and preventive and corrective measures to reduce risks related to "long working hours," "discrimination," "harassment," "workplace accidents," and "leakage of personal information," and are stepping up our efforts accordingly. In addition to the risks identified in the human rights impact assessment, we are also pursuing zero-tolerance initiatives in the areas of "child labor," "forced labor," and "emergency planning and fire safety."

Regarding the supply chain, in FY2023, we began exploring the implementation of risk assessments. In FY2024, we are proceeding with a human rights impact assessment for our overseas employees.

Establishment of Business Partner Consultation and Reporting Channel

If it becomes apparent that a YKK AP business, product or service has caused or contributed to a negative impact on the human rights of anyone affected by that business, product or service, YKK AP will deal with the concerned persons in good faith and work to correct the corporate activities that were the cause of the issue. Furthermore, if it becomes clear that there is a direct relation between a YKK AP business, product or service and a negative impact on human rights, or if such a relation is suspected, we will strive to remedy the situation by communicating with the related party. We will work to build systems by which we can receive the concerns and complaints of stakeholders and strive to solve problems or implement remedies. These systems will include internal and external communication channels by which people who have, or may have, suffered negative impacts to their human rights can communicate with our company.

→ YKK Group Business Partner Consultation and Reporting Channel – Complaints and consultations related to human rights –
https://ml.helpline.jp/ykkjapan-partner/index_en.html

Human Resources

Our Basic View

Based on the idea of "autonomy and coexistence," YKK Group creates systems and environments in which each and every employee can demonstrate their full potential, regardless of age, gender, educational background, and so on. The goal is to create a "Forest Organization," a company in which every employee has a consciousness of being a manager, and grows strongly together as a group, like a forest that is made up of individual trees. To create value as such an organization, we work to develop human resources and achieve truly fair personnel systems.

Regarding the reform of the personnel system, we are further focusing on "performance-based meritocracy" in terms of roles, under the philosophy of "fairness," "job (role)," and "autonomy," while aiming for equality of roles, results, and treatment regardless of age, gender, educational background, or nationality. In the past, we operated a system for the rehiring of retired employees up to age 65, but we abolished the mandatory retirement age system in FY 2021. This makes it possible for individuals to work regardless of their age as long as they are able to fulfill the role required by the company. The company supports independent working styles by clarifying the expected working methods and the abilities and experience needed to perform roles, and provides opportunities for employees to forge their own careers and put forth their own intentions.

→ Human Resources Approach and System
<https://www.ykkapglobal.com/en/sustainability/society/hr-strategy/#human>

Basic Data

Japan

		FY2020	FY2021	FY2022	FY2023
Number of employees		12,484	12,819	12,802	12,991
Ratio of male to female employees		Men 74 % Women 26 %	Men 74 % Women 26 %	Men 74 % Women 26 %	Men 73 % Women 27 %
Average age		Men 43.6 years old Women 41.0 years old	Men 43.8 years old Women 41.3 years old	Men 44.2 years old Women 41.8 years old	Men 44.3 years old Women 42.0 years old
Number of employees by age group	10s-20s	2,137	2,308	2,277	2,358
	30s	2,495	2,431	2,344	2,319
	40s	3,733	3,629	3,445	3,300
	50s	3,147	3,373	3,619	3,834
	60s and above	972	1,078	1,117	1,180
Personnel turnover rate		2.4 %	2.6 %	2.6 %	2.3 %
Average length of service		Men 20.8 years Women 18.1 years	Men 20.7 years Women 18.3 years	Men 21.0 years Women 18.7 years	Men 20.9 years Women 18.6 years

YKK AP Group (Japan) Results

Overseas

		FY2020	FY2021	FY2022	FY2023
Number of employees		4,328	4,158	4,341	4,843

YKK AP Group (overseas) Results

Promoting Diversity & Inclusion

YKK AP has issued the "Diversity & Inclusion Declaration" with the aim of utilizing the diversity of human resources to create new value and increase our future competitiveness in the international community. In addition to promoting systems such as flextime work and telework, a system has been in place since FY2022 that allows employees to apply for a change of work location if they wish to accompany their spouse on a job transfer, allowing them to continue their careers without having to resign. In addition to establishing environments and designing systems that enable a diverse range of human resources to play an active role, as priority issues, we are striving to strengthen the hiring of female employees and support their career development, as well as to expand and consolidate the employment of persons with disabilities.

→ Promoting diversity
<https://www.ykkapglobal.com/en/sustainability/society/diversity-inclusion/#diversity>

	FY2020	FY2021	FY2022	FY2023
Rate of mid-career hires	32.4 %	34.9 %	44.5 %	58.0 %
Rate of women among new hires	34.8 %	28.0 %	29.2 %	30.2 %
Ratio of men's to women's wages	68.6 %	68.6 %	69.7 %	68.8 %
Ratio of men's to women's wages per managerial position	86.4 %	86.4 %	87.7 %	88.4 %
Number of women in management positions	110	113	122	133
Female management rate	5.9 %	5.8 %	6.2 %	6.5 %
Number of women in Section Manager positions or equivalent	389	411	447	474
Rate of persons with disabilities among employees	2.33 %	2.28 %	2.30 %	2.44 %

YKK AP (non-consolidated) Results

Work Style

	FY2020	FY2021	FY2022	FY2023
Take-up rate of annual paid leave	60.9 %	67.1 %	71.3 %	76.7 %
Total actual hours worked per person (annual)	1,854 hours	1,983 hours	1,974 hours	1,963 hours
Number of employees using childcare leave	Men 156 Women 103	Men 134 Women 78	Men 169 Women 90	Men 157 Women 74
Rate of employees who take childcare leave*	Men 64.2 % Women 93.6 %	Men 53.2 % Women 97.5 %	Men 73.2 % Women 96.6 %	Men 67.7 % Women 102.8 %
Number of employees using nursing care leave	2	0	3	5

YKK AP (non-consolidated) Results

Note: Until FY2021, calculated based on the Ministry of Health, Labour and Welfare's Basic Survey of Gender Equality in Employment Management.

From FY2022 onwards, calculated in accordance with the method of publication under the revised Act on Childcare Leave and Caregiver Leave. For FY2022, the number of employees who took childcare leave across fiscal years is included.

Human Resources Development

	FY2020	FY2021	FY2022	FY2023
Number of times employees obtained qualifications eligible for public qualification incentives	1,837	2,548	1,748	1,313
Number of employees sent by the company to obtain degrees ^{*1}	8	13	17	21
"Value Creation Academy," the next-generation leader development program				
• Number of participants ^{*2}	9 (195)	9 (195)	9 (204)	9 (204)
• Number of corporate officers appointed ^{*3}	25	29	32	34

YKK AP (non-consolidated) Results

*1 Degrees counted in the cumulative total: PhD, MBA, MOT

*2 Figures in parentheses indicate cumulative number of participants

*3 Cumulative total of employees

Employee Engagement

In Japan, we have been conducting an engagement survey of YKK AP Group employees, excluding temporary employees, since FY2021. Although FY2022 saw a decline in engagement to 49 %, this figure rose to 50 % in FY2023 with a reduction in overtime rates and an increase in the take-up rate of annual paid leave. Engagement as measured in this survey is considered one of the most important items with respect to human capital, and we will conduct follow-up on an ongoing basis.

	FY2020	FY2021	FY2022	FY2023
Employee engagement	-	51 %	49 %	50 %

YKK AP (non-consolidated) Results

Results of periodic internal engagement survey (rate of positive responses)

Industrial Health and Safety

Industrial Injury

	FY2020	FY2021	FY2022	FY2023
Frequency of work-related accidents ^{*1}	0.20	0.31	0.22	0.10
Annual rate of work-related accidents per 1,000 persons ^{*2}	0.10	0.07	0.09	0.08
Work-related accident severity rate ^{*3}	0.01	0.02	0.01	0.00

*1 YKK AP (Japan) Results

The number of work-related fatalities and injuries that result in one or more days of absence from work or the loss of a body part or its function.

Calculated as "the number of fatalities and injuries due to work-related accidents / the total number of actual working hours x 1,000,000"

*2 YKK AP Group (overseas) Results

The number of work-related fatalities and injuries that result in one or more days of absence from work or the loss of a body part or its function.

Calculated as "the number of fatalities and injuries (one or more days of absence from work) per year / the average number of workers per year x 1,000"

*3 YKK AP Group (Japan) Results

Calculated as "the total number of days of lost labor (one or more days of absence from work) / the total number of actual working hours x 1,000"

Health Management

Our Basic View

We view the health of our employees and their families as a management issue, and under our "Health Declaration" adopted in 2018, we have promoted the establishment of a healthy environment, etc., to reduce lifestyle-related diseases and control psychological disorders. As such, we have been recognized as a "2024 Certified Health & Productivity Management Outstanding Organization (Large Corporation Division)."

Health Declaration

YKK AP aspires to become a company where all employees are able to work with pride and pleasure.

We believe that a prerequisite for achieving this goal is for all our employees and their family members to maintain and improve their mental and physical health, which will enable every employee to demonstrate their unique qualities and capabilities to the maximum and to propel our company's growth and contribute to society.

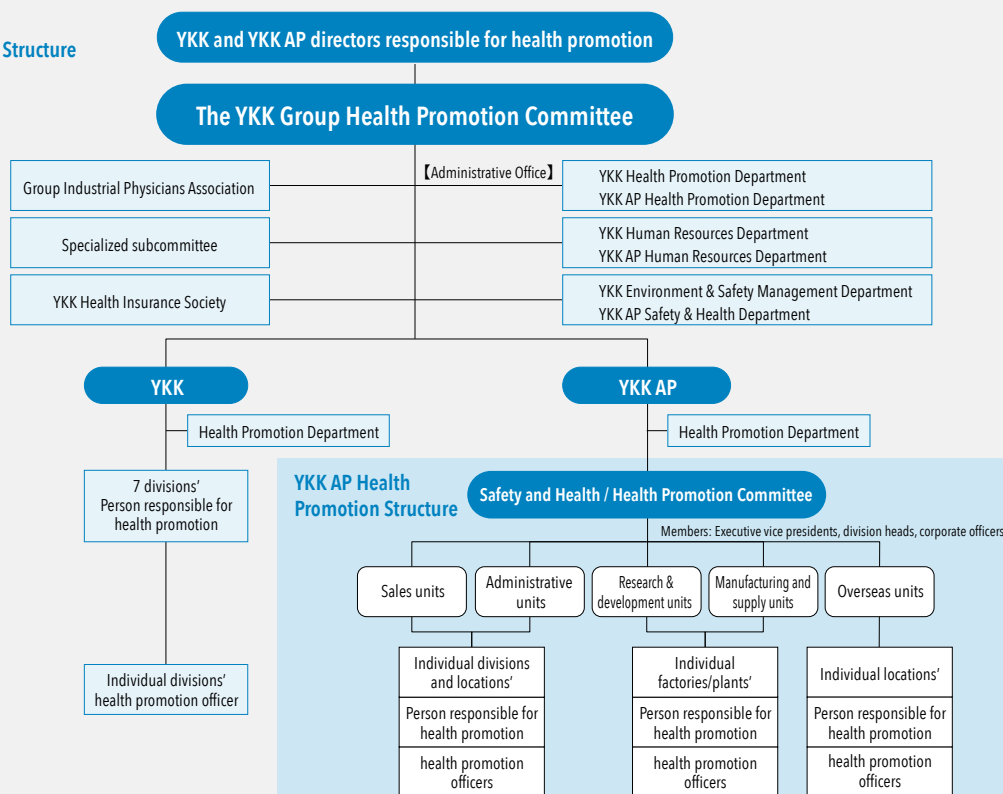
Based on this concept, our company, Health Insurance Society, employees and their families are united in their endeavors for health promotion.

Fundamental Health Promotion Policy

The YKK Group sees the health of its employees as an important company asset, and we work with employees to promote good health by supporting the ability of each employee to continue working on good physical and mental health and reducing lifestyle-related disease and mental illness.

Health Promotion Structure

YKK Group Health Promotion Structure



Health Promotion Targets and Initiatives

YKK implements various initiatives based on policies and plans formulated by the "YKK Group Health Promotion Council".

[Action Targets (Japan)]

- 01. Take action to reduce lifestyle-related disease
- 02. Take measures to reduce mental illness
- 03. Take measures to support a balance between treatment for illness and work

We are promoting both prevention and treatment through a nationwide system of health management centers and industrial physicians. To prevent lifestyle-related disease, we are working to improve the quality of health management through employee health evaluations using a health management support system, promoting the implementation of post-checkup measures, and cooperating with the Health Insurance Society to encourage lifestyle improvements. We are also taking steps to create workplaces with zero secondhand smoke throughout the company. To prevent mental health issues, we are expanding mental health training, supporting self-care using a stress check system, and improving work environments.

[Initiatives for health promotion]

We have established a health consultation service both inside and outside the company to promote the maintenance of employee physical and mental health. Inside the company, employees can consult with industrial physicians at business locations and nurses at health management centers, at any time. We also work with external organizations to provide appropriate mental healthcare for employees through counseling by e-mail, by phone, and via remote interviews. This program makes it possible for employees to consult with counselors about a wide variety of concerns regarding their future and their career, etc., and also promotes mental health and increases motivation for work. We help employees to engage in their work actively and comfortably through these efforts.

Health Management Indicators

	FY2020	FY2021	FY2022	FY2023
Percentage of people taking the stress check	97.6 %	95.5 %	97.2 %	98.0 %
Rate of highly stressed persons (the Ministry of Health, Labour and Welfare standards)	14.6 %	14.6 %	14.7 %	16.0 %
Percentage of people who exercise regularly (Exercise for 30 minutes or more a day for once or more a week)	45.3 %	44.8 %	46.5 %	44.6 %
Take-up rate of regular health checks	99.7 %	99.8 %	99.9 %	99.9 %
Take-up rate of full medical examinations	66.5 %	70.3 %	68.0 %	-*
Percentage of people with metabolic syndrome	18.1 %	18.3 %	18.6 %	-*
Percentage of people targeted for special health guidance	21.7 %	20.8 %	20.6 %	-*
Percentage of people undergoing special health guidance	49.4 %	57.8 %	54.1 %	-*
Percentage of smokers	30.7 %	29.3 %	28.6 %	28.3 %
Number of days of long-term absence due to mental illness (days of absence)	12,985 days	12,650 days	16,267 days	20,397 days
Presenteeism (average score) (WHO-HPQ absolute presenteeism)	59 points	62 points	61 points	62 points
Participation rate in health promotion campaigns	67.4 %	67.5 %	69.5 %	67.9 %

YKK AP (non-consolidated) Results

*Numbers for FY2023 are currently being aggregated

Customer Satisfaction

Our Basic View

The YKK Group provides products in response to societal and market demands with particular attention paid to quality based on an integrated production philosophy. We adopted the YKK Group Quality Charter to make clear our stance of continuing to value this concept even as the times change.

→ YKK Group Quality Charter
<https://www.ykk.com/english/csr/responsibility/consumer/quality.html>

[YKK AP Product Safety Basic Policy]

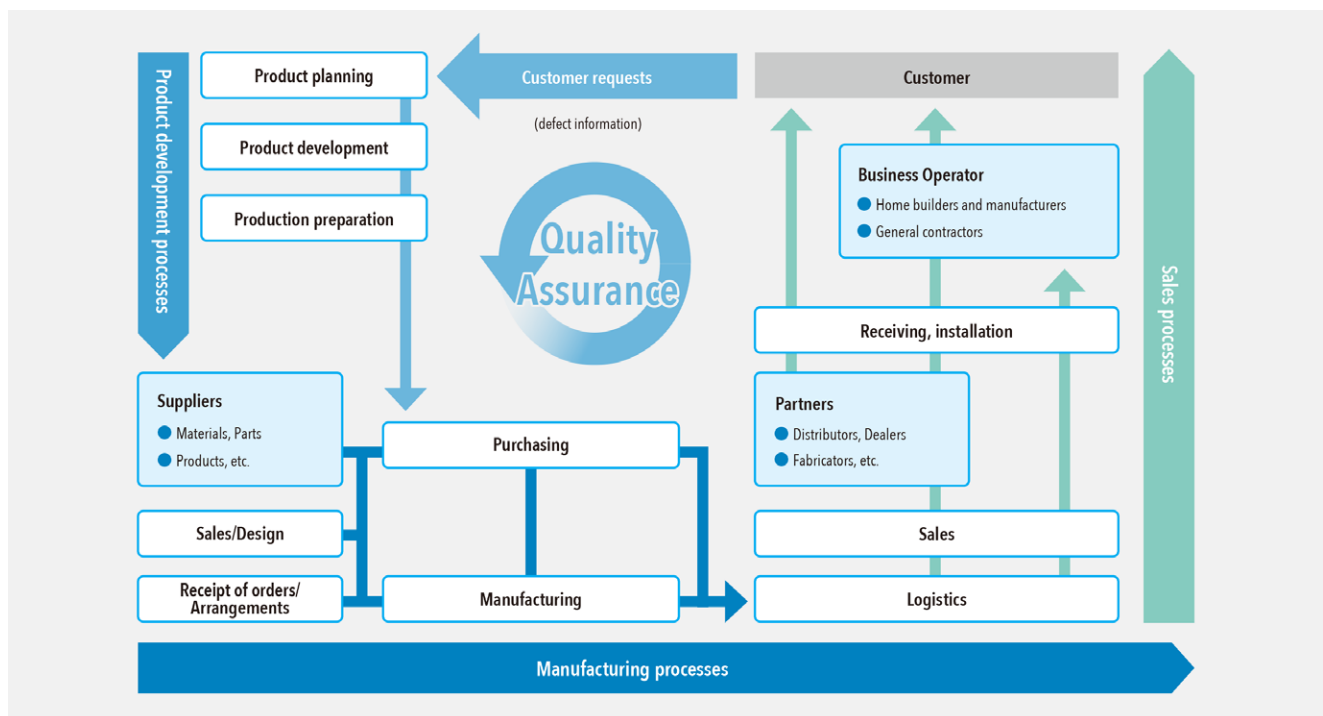
In order to contribute to establishing a culture of product safety as promoted by the Ministry of Economy, Trade and Industry as well as to bring the entire company together and work as one to actively implement product safety efforts so that we can provide our customers with safety and security, YKK AP Inc. adopted the YKK AP Product Safety Basic Policy, comprised of the Product Safety Pledge and Product Safety Action Guidelines, at its Board of Directors meeting on November 21, 2008.

While the YKK Group has conducted its business activities centered on its commitment to quality since its founding, we will take this opportunity to further strengthen our efforts in pursuit of product safety.

→ YKK AP Product Safety Basic Policy
<https://www.ykkapglobal.com/en/sustainability/society/product-safety/>

Promotion System for Improving Customer Satisfaction

We are working to realize a quality assurance cycle by feeding back customer requests to product development.



Facilities for Improving Customer Satisfaction

- YKK AP Experience Showroom (for professional users): These facilities allow architects and designers to experience the performance of YKK AP windows for themselves.
- Collaboration Showroom (for general customers): These facilities allow customers to "see, touch, and feel" products from three manufacturers of architectural products for residential properties, including YKK AP.

In addition, we have released "Ouchi de Showroom (showroom at home)," web content that allows visitors to get hints for selecting products from the comfort of their own home, just as if they were visiting a showroom.

	FY2020	FY2021	FY2022	FY2023
Number of visitor groups to YKK AP Experience Showrooms	478	625	1,250	1,707
Number of visitor groups to Alliance Collaboration Showrooms	52,318	63,635	76,811	95,039

YKK AP (non-consolidated) Results

→ Showrooms
<https://www.ykkap.co.jp/consumer/showroom/>

Initiatives for Improving Customer Satisfaction

[FE (Field Engineers)]

The Field Technical Center (FTC), located in Fabrication Technology Department in the Manufacturing Division, was launched to provide technical support to enhance the competitiveness of distributors, as well as offering training and guidance on assembly and delivery to ensure product quality. Assigned to the FTC are 39 FEs, who work at 14 locations nationwide and are active on the front lines of installation sites. By expanding the educational program for FEs and providing technical guidance at training sessions for professional users in each area, we will ensure final quality and conduct education on defect prevention. Further, in addition to visiting the site and investigating the causes when a fault has occurred, they provide feedback to the FTC and Product Development, leading to improved products.

[Maintenance support]

Less than five years after launching the YKK AP Certified Maintenance Technician Association in 2019, more than 300 technicians with a wide range of skills have now joined, strengthening our response capabilities. In addition, there are more than 600 certified maintenance technicians who have taken technical training courses sponsored by YKK AP and have cleared certain standards, and they play an active role in maintenance support in each area. We have also newly enhanced our warranty scheme, launching an extended warranty scheme on October 31, 2023. Through initiatives like this, we are committed to further improving our services to address our customers' future concerns.

	FY2020	FY2021	FY2022	FY2023
Number of participants attending workshops given by FEs	5,871	9,129	11,075	11,714
Number of certified maintenance technicians	531	521	525	612

YKK AP (non-consolidated) Results

→ FE (Field Engineers)
<https://www.ykkapglobal.com/en/sustainability/value-chain/installation/#engineer>

→ Maintenance support
<https://www.ykkapglobal.com/en/sustainability/value-chain/product-use/#maintenance>

Supply Chain Management

YKK Group Procurement Policy

YKK Group enforces a procurement policy consisting of organizational governance, human rights, labor practices, the environment, fair business practices, and consumer issues. This policy is used as a basis for conducting CSR procurement aimed at fulfilling our social responsibilities throughout the supply chain. In order to deepen mutual understanding with our business partners, we have established our Basic Principles of Procurement that stipulate the following five principles: Compliance with laws, regulations, and social norms along with fair and ethical transactions; Consideration for human rights and the labor environment; Consideration for health, safety, and the environment; Quality and product safety assurance; and Information security assurance.

→ YKK Group Procurement Policy
<https://www.ykkapglobal.com/en/sustainability/society/procurement/#basic>

Basic Principles of Procurement

For this reason, and so that we may promote mutual understanding with our trading partners, the YKK Group has specified the following requests as "Basic Principles of Procurement". We ask for your understanding and assent, and we hope that you will join us in the fulfillment of our responsibilities to society.

→ Basic Principles of Procurement
https://www.ykkapglobal.com/en/sustainability/society/procurement/asset/data/transaction_basic_principles_en.pdf

Supply Chain Management Data

In FY2022, we conducted a CSR survey of 1,184 suppliers with whom we have concluded agreements on the Basic Transaction Principles. In FY2023, we conducted a CSR survey with more in-depth questions for our major business partners and 106 suppliers who handle particularly important materials and components.

We will continue to undertake improvement activities based on analysis of the results of this CSR survey and strive for mutual understanding with our suppliers.

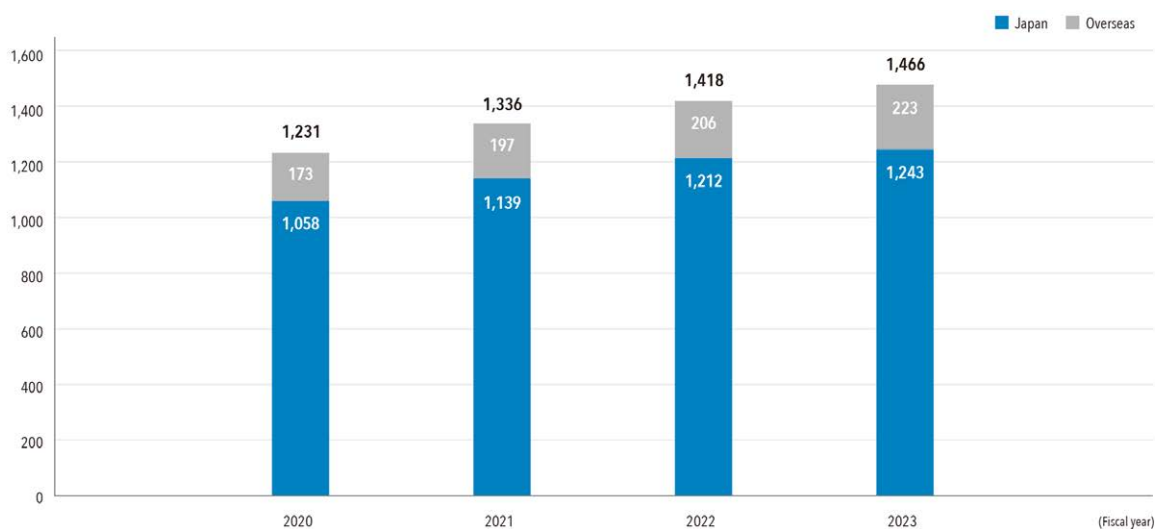
	FY2020	FY2021	FY2022	FY2023
Number of companies that we have concluded an agreement with regarding the basic transaction principles*	58	821	1,184	1,226
Number of companies for which CSR surveys have been implemented	-	48	1,184	106
Number of companies for which the revised CSR survey has been implemented				

YKK AP (non-consolidated) Results
 Note: Cumulative total of companies

Innovation Management

With development and technical research bases in Kurobe and Tokyo in Japan, as well as in Germany and Indonesia, we conduct research, development, and verification on a global scale to create value from the customer's perspective and to improve our technological capabilities. In FY2023, we launched the Technical Research Division to step up research and study of new technologies with an eye to the future. Among other activities, it is engaged in the development of recycling technologies for product materials in order to achieve a circular society. We also conduct joint research with various research institutions and dispatch employees to graduate schools. Furthermore, we are putting our efforts into strategic management and application of intellectual assets, with the aim of improving our competitiveness and brand value through patent applications and ownership of patent rights.

Number of Patents Held



YKK AP Group (Japan and overseas) Results

Stakeholder Communication

Approach to Stakeholder Engagement

YKK AP collaborates with all stakeholders, including employees, customers, business partners, and local communities, to continue being a company that is trusted by the community and loved by society. We strive to improve our corporate value by providing a place for dialog as necessary to be of use in business innovation and product quality improvement.

Our "Multi-Stakeholder Policy" is formulated based on a recognition of the importance of value co-creation between a variety of stakeholders - including employees, clients, end users, and regional communities - in our business operations according to YKK AP's Purpose of "We Build a Better Society Through Architectural Products." Please refer to the following link for details on our policy and our concrete initiatives at implementing it.



Multi-Stakeholder Policy

<https://www.ykkapglobal.com/en/sustainability/society/stakeholder-communication/multistakeholder/>

Opportunities for communication with various stakeholders

Stakeholders	Relationship with stakeholders	An Example of Communication
Customers	<p>Provide better products and services</p> <ul style="list-style-type: none"> • Verify product value from a consumer perspective • Communicate by phone or email to address inquiries and requests • Introduction and proposal of products and services at showrooms • Enhancing quality management through the introduction of a shared company-wide database • Improving and ensuring consistency of response quality in maintenance • Provide timely information through social media and websites, etc. 	<ul style="list-style-type: none"> • When natural disasters such as typhoons and snow storms are predicted, we disseminate information on disaster preparedness through our official social media accounts and website. This timely dissemination of information contributes to safe and secure living. • We share inquiries and opinions received by the Customer Service Center with relevant company departments to improve our products and services. • At our showrooms, where customers can actually see, touch, and feel our products, we suggest the products best suited to their needs. • To prevent accidents caused by our products, we work to raise awareness of safety on a regular basis, giving periodic reminders through our official social media accounts, website, and advertisements.
Business partners	<p>Sustainable business initiatives through partnerships</p> <ul style="list-style-type: none"> • Explain YKK AP's performance and policies • Exchange opinions for product planning and improvement of existing products • Operation of facilities for technical proposals aimed at professional users 	<ul style="list-style-type: none"> • We hold "Policy Briefings" for our business partners every year in various places throughout Japan to explain the company's performance and policies for the fiscal year. • Together with MADO (window) Shop, which handles window remodeling, we exchange and review opinions on product planning and existing products, leading to product improvements and enhancements. • At the Kurobe Ogyu Plant, we operate the Partners Support Studio, where we provide technological proposals to professional users. 2024 marks the studio's sixth year of operation, and it has achieved 5,000 visitors to date.
Suppliers and vendors	<p>Promotion of social responsibility in our supply chain</p> <ul style="list-style-type: none"> • Provide activity summaries, explain YKK AP's performance and policies • Explain YKK AP's research and development, manufacturing, supply and purchasing policies • Training installation technicians and passing on the skills 	<ul style="list-style-type: none"> • Each year, YKK AP hosts a "Procurement Policy Briefing" for suppliers to give them an explanation of the company's performance and policies. In this way, we are providing more opportunities to brief suppliers, including webcasts since FY2020. • In addition to opening "Installation Skills Training Academies" at two locations in collaboration with the YKK AP Group Installation Cooperative, which consists of specialized entities in sash and curtain wall installation for commercial buildings, we are working to resolve the shortage of skilled technicians by operating "DO SPACE" Exterior Installation Academies at three sites in Japan.
Local communities	<p>Promoting social responsibility as a corporate citizen</p> <ul style="list-style-type: none"> • Explain YKK AP's performance and policies • Safe operations and consideration for the environment and noise • Community-based volunteer and environmental conservation activities • Supporting education of the next generation 	<ul style="list-style-type: none"> • Using the skills cultivated in the course of their work, qualified employees serve as instructors for local practical skills training courses, thereby contributing to the development of local companies and the training of technicians. • PT YKK AP INDONESIA has been working with related government agencies and agricultural partners in the Tangerang region to conserve mangroves since 2015. To date, a total of 31,000 saplings have been planted.
Employees	<p>Dialogue with management, and the Employee Stockholding Association (YKK "Koyu-Kai" Partnership)</p> <ul style="list-style-type: none"> • Explanation of Management Policies, reporting of business results • Promote uptake and application of YKK AP's Management Principle • Employee participation in management through the Employee Stockholding Association 	<ul style="list-style-type: none"> • Roundtable meetings are held in various locations as an opportunity for dialogue between management and employees. In FY2023, these meetings were held a total of 41 times at 34 locations in Japan and overseas, with more than 400 participants. Employee opinions obtained through these dialogues are then reflected in a variety of policies. • Under the management philosophy of YKK's founder, Tadao Yoshida, that "stocks are certificates for participating in business," we have established the YKK "Koyu-Kai" Partnership (employee stockholding association), in which about 80 % of all eligible individuals participate. Reports on management performance and Q&A sessions, etc., are conducted in meetings held twice each year.