

# Corporate Governance

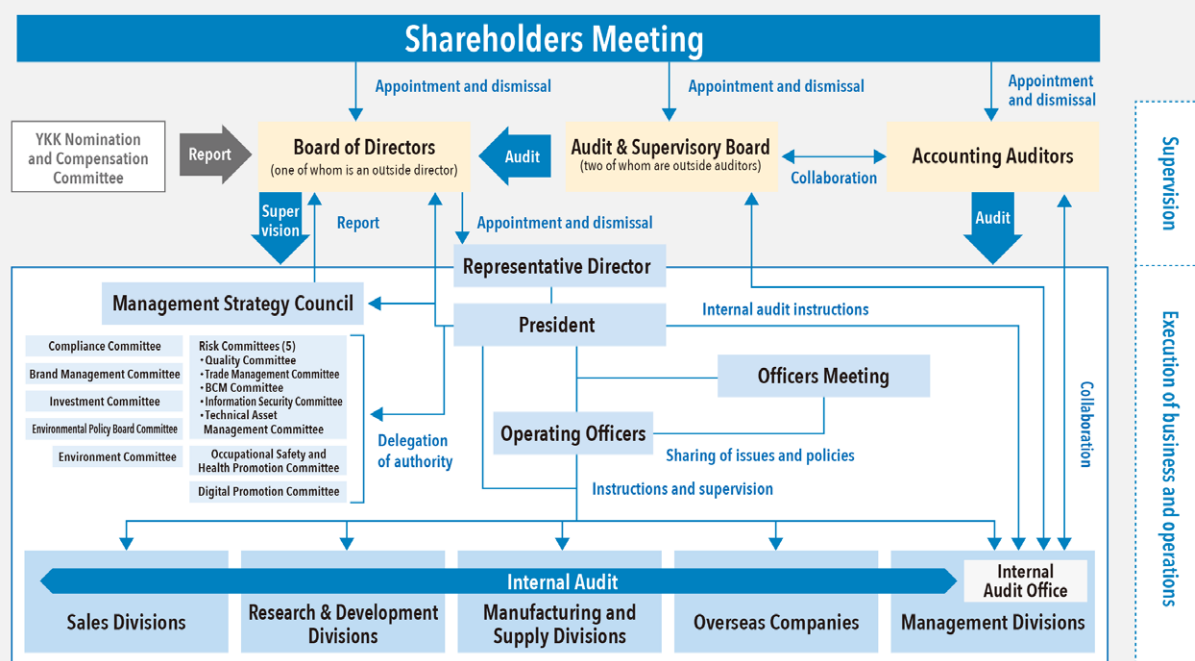
## Our Basic Principle

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 <b>Hidemitsu Hori</b>	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 <b>Akira Uozu</b>	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 <b>Shinichiro Yamaji</b>	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 <b>Kosuke Iwabuchi</b>	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 <b>Shuichi Mizukami</b>	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 <b>Hiroshi Abe</b>	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) <b>Kazuo Matsutani</b>	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 <b>Masayuki Sarumaru</b>	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 <b>Koichi Ebihara</b>	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) <b>Tomoko Inoue</b>	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) <b>Fuminao Hachiuma</b>	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) <b>Hisao Miyamura</b>	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) <b>Kiyotaka Nagata</b>	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) <b>Mina Sekiguchi</b>	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"> <li>● Matters related to the Shareholders Meeting</li> <li>● Matters related to directors, operating officers, and executive specialists</li> <li>● Matters related to personnel and organizations</li> <li>● Matters related to business</li> <li>● Matters related to the disposal and transfer of important assets</li> <li>● Matters related to Japan and overseas affiliated companies</li> </ul>
	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"> <li>● Business promotion initiatives</li> <li>● Initiatives to establish a common infrastructure for AP business</li> <li>● Business management system for overseas affiliated companies</li> <li>● Initiatives to strengthen the quality assurance system</li> <li>● Safety management system</li> <li>● Sustainable management initiatives</li> <li>● Strengthening the business management system for domestic affiliated companies</li> </ul>

## 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"> <li>● Quality Committee Chair: Yoji Abe (Head of Quality Assurance Division) Members: 6 Number of meetings in FY2023: 4</li> <li>● Trade Management Committee Chair: Tetsuya Onodera (Head of International Division) Members: 13 Number of meetings in FY2023: 3</li> <li>● BCM Committee Chair: Midori Satou (CRO) Members: 14 Number of meetings in FY2023: 3</li> <li>● Information Security Committee Chair: Tetsuya Komori (Head of IT Department) Members: 11 Number of meetings in FY2023: 4</li> <li>● Technical Asset Management Committee Chair: Toshiyuki Nakaso (Head of Fabrication Technology Department, Manufacturing Division) Members: 10 Number of meetings in FY2023: 3</li> </ul>	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.



Compliance

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

## 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)

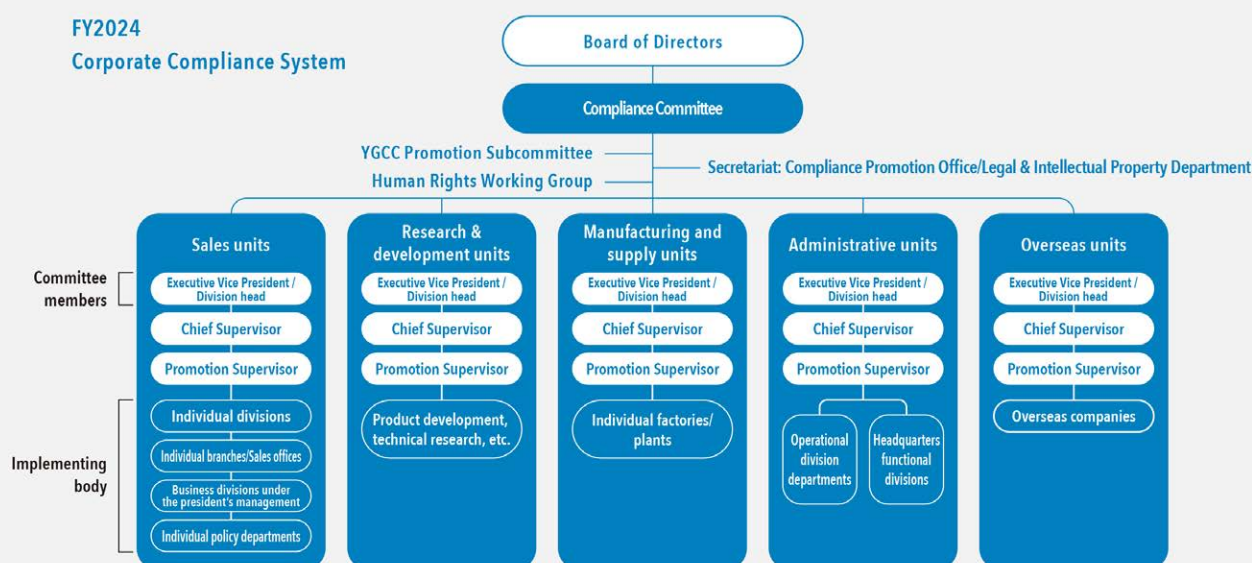
YKK AP Group (Japan + overseas) Results

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."

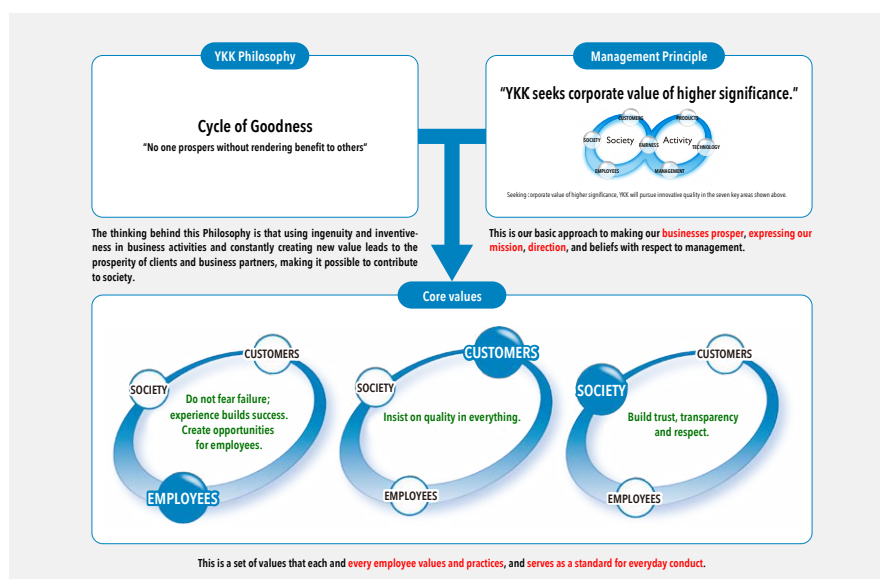
The Core Values are three basic values compiled by the YKK Group in 2007 through interviews with many employees.

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.

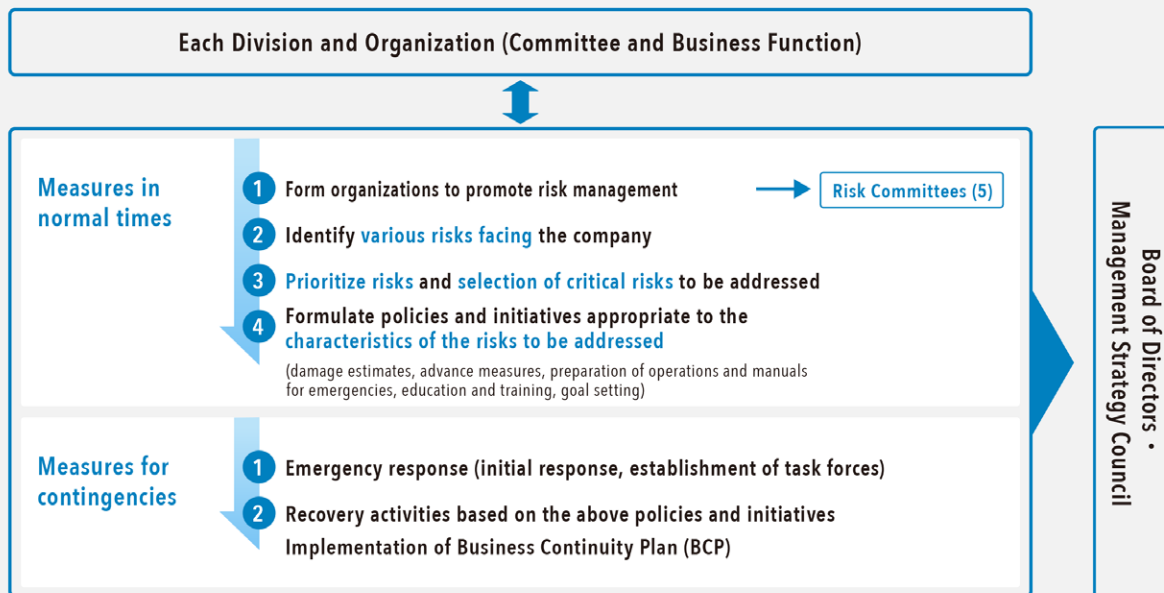
### The 6th Mid-Term YKK AP Risk Management Policy

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

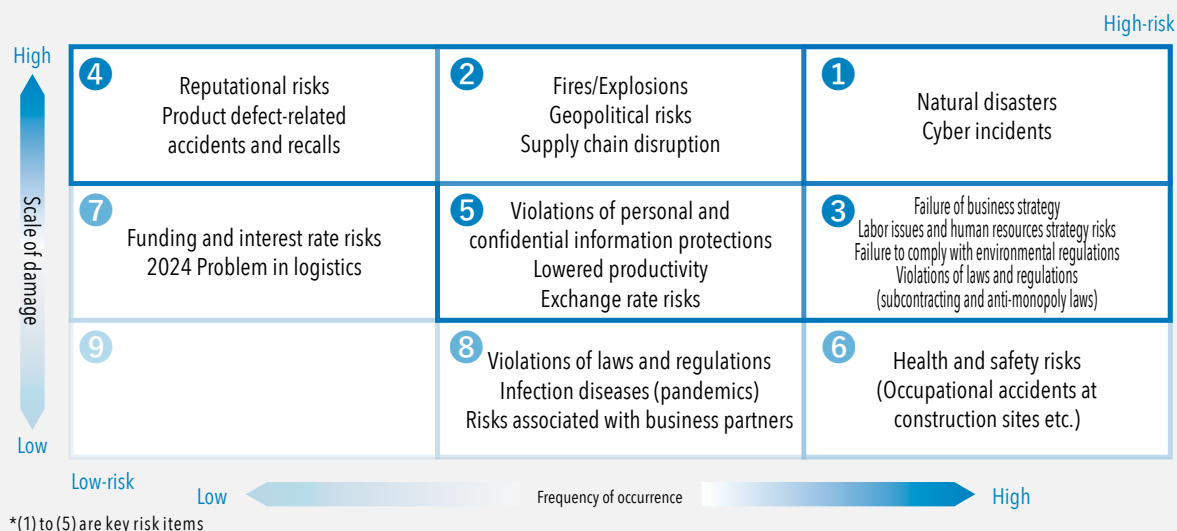


## Risk Map Development and Selection of Key Risks

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

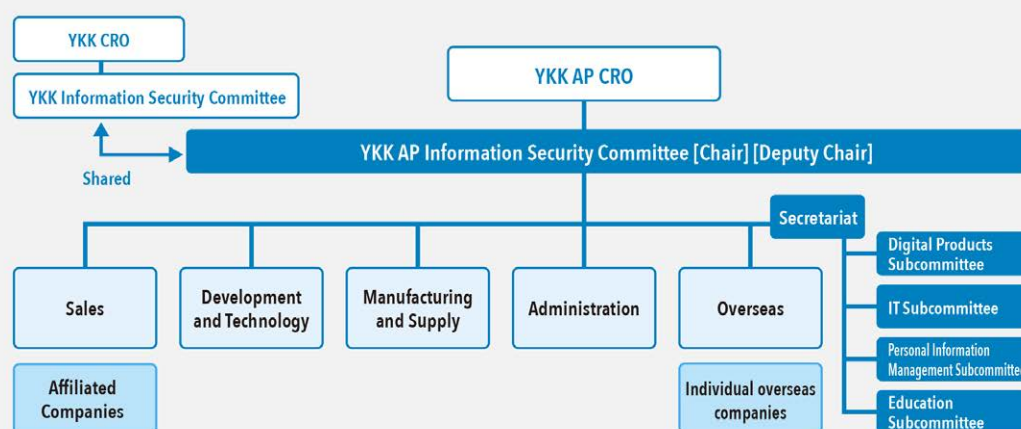
YKK AP is engaged in initiatives to protect information assets from various threats to ensure business continuity and minimize damage to the business in the event of an emergency. In recognition of the fact that information security is the most significant risk, we will ensure sustainable growth by strengthening 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.