

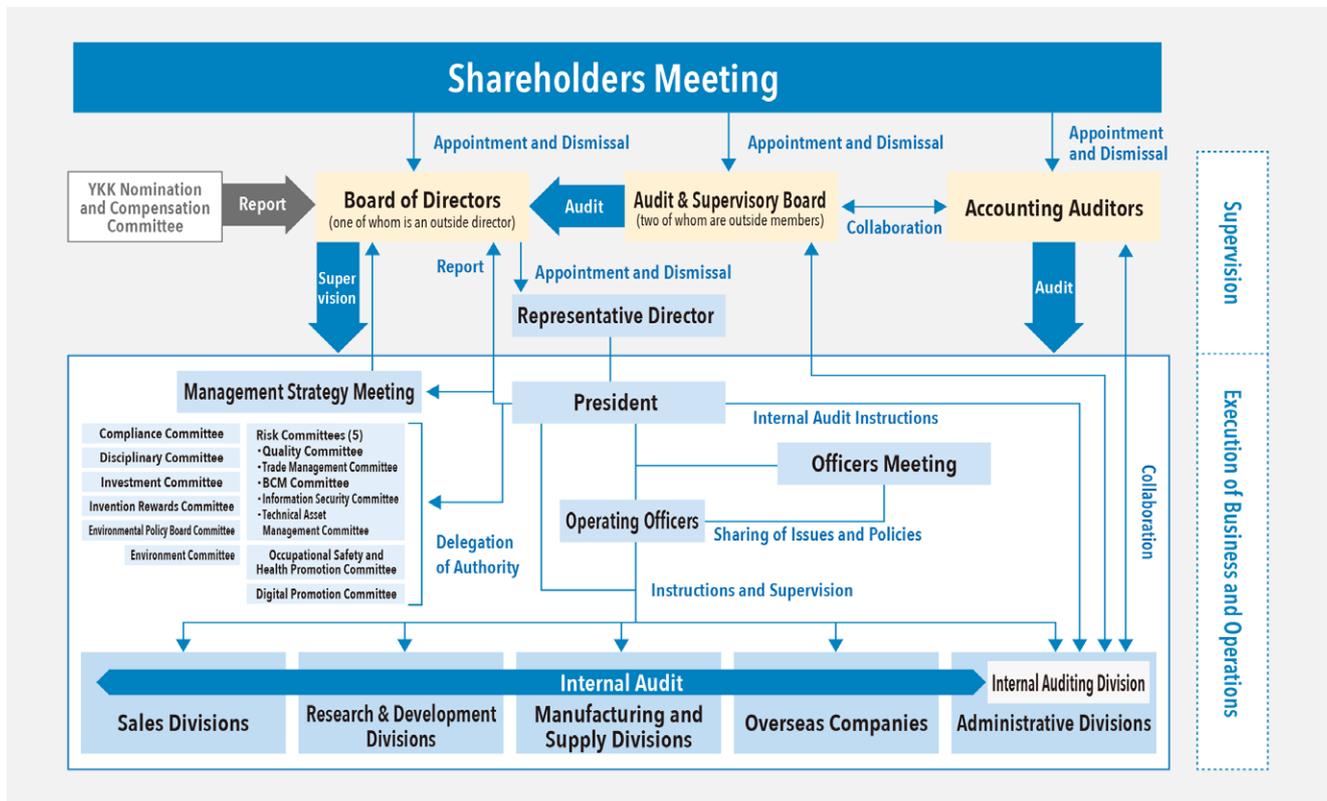
# Corporate Governance

## Our Basic Principle

Underlying YKK AP's corporate activities is the YKK philosophy — CYCLE OF GOODNESS®, which states that "No one prospers without rendering benefit to others." Accordingly, we have consistently made fairness the foundation of all our business activities. In line with this approach, we aim to enhance our corporate governance system with the goal of further increasing corporate value. Based on an organizational system in which the Board of Directors serves as the decision-making and supervisory body and the Audit & Supervisory Board serves as the auditing body, YKK AP has adopted an Operating Officer System to promote 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	2025 (as of August)
Total Number of Directors	11 (No more than 11 Members)
of which Outside Directors	1
Total Number of Audit & Supervisory Board Members	4
of which Outside Audit & Supervisory Board Members	2

## Corporate Officers' Bio and Number of Attendances

Directors	Biography	Number of Attendances
Chairman Representative Director Chairman of the Board Director, YKK Corporation <b>Hidemitsu Hori</b>	March 1981: Joined Yoshida Kogyo K.K. (now YKK Corporation) 1989 to 2006: Served in the U.S.A. January 2000: Senior Executive Vice President, Management Planning, YKK Corporation of America October 2006: Corporate Planning April 2007: Vice President, Corporate Planning April 2009: Senior Vice President, Business Division June 2009: Director, Senior Vice President, Business Division 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, Window Business Planning Department, Sales Division April 2017: Vice President, Residential Business April 2019: Vice President, Sales & Marketing April 2021: Senior Vice President, Residential Business June 2021: Director, Senior Vice President, Residential Business April 2022: Director, Executive Vice President, International Business April 2023: President Representative Director (Current)	14/14
Vice Chairman Director <b>Shinichiro Yamaji</b>	March 1981: Joined Company April 2009: Vice President, Residential Architectural Products Department, Business Division April 2012: Vice President, Kansai Management Division, Business Division April 2013: Vice President, Kansai Division, Sales Division April 2014: Vice President, Sales & Marketing April 2017: Executive Vice President, Sales & Marketing and Sales Division April 2019: Executive Vice President, Sales & Marketing June 2020: Director, Executive Vice President April 2023: Director, Vice Chairman (Current)	14/14
Director Executive Vice President, Head of Internal Auditing Division <b>Kosuke Iwabuchi</b>	March 1986: Joined Company 1996 to 2009: Served in the U.S.A. and China April 2009: Vice President, Corporate Planning April 2012: Vice President, Corporate Planning April 2013: Vice President, Corporate Planning April 2016: Executive Vice President, General & Administration June 2016: Director, Executive Vice President (Current)	14/14
Director Executive Vice President <b>Hiroshi Abe</b>	March 1985: Joined Company April 2014: Vice President, Kyushu Office, Manufacturing Division April 2015: Vice President, Kyushu Plant, Manufacturing April 2019: Vice President, Kurobe Plant, Manufacturing April 2021: Senior Vice President, Manufacturing April 2022: Executive Vice President, Manufacturing June 2023: Director, Executive Vice President (Current)	14/14
Director Executive Vice President <b>Koichi Ebihara</b>	March 1984: Joined Company April 2014: Vice President, Kansai Division, Sales Division April 2018: Vice President, Renovation Business April 2020: Vice President, Residential Tokyo Metropolitan Area Division, Sales Division April 2021: Senior Vice President, Tokyo Metropolitan Area Division, Residential Division April 2022: Senior Vice President, Residential Business April 2023: Executive Vice President, Sales & Marketing June 2024: Director, Executive Vice President (Current)	12/14

Directors	Biography	Number of Attendances
Director <b>Kazuo Matsutani</b>	<p>March 1981: Joined Yoshida Kogyo K.K. (now YKK Corporation)</p> <p>April 2009: Vice President, Tokyo Residential Architectural Products Management Division, Business Division</p> <p>April 2011: Vice President, Tokyo Residential Architectural Products Management Division, Business Division</p> <p>April 2012: Vice President, Manufacturing</p> <p>April 2013: Vice President, Manufacturing</p> <p>April 2014: Vice President, Tohoku Plant, Manufacturing</p> <p>April 2016: Vice President, Manufacturing</p> <p>June 2016: Director, Vice President</p> <p>April 2018: Director, Executive Vice President</p> <p>October 2021: Director, Executive Vice President, CHRO</p> <p>April 2023: Director, CHRO</p> <p>April 2025: Director (Current)</p>	14/14
Director <b>Shuichi Mizukami</b>	<p>July 1985: Joined Yoshida Kogyo K.K. (now YKK Corporation)</p> <p>April 2009: Executive Chief Specialist/Engineer, Development Planning Department, Research &amp; Development Division</p> <p>April 2010: Vice President, Product Planning Department, Business Division</p> <p>April 2011: Vice President, Product Planning Department, Business Division</p> <p>April 2013: Vice President, Product Planning Department, Research &amp; Development Division</p> <p>April 2017: Vice President, Research &amp; Development</p> <p>June 2020: Director, Vice President</p> <p>April 2021: Director, Senior Vice President</p> <p>April 2022: Director, Executive Vice President</p> <p>April 2025: Director (Current)</p>	14/14
Director Chairman, YKK Corporation <b>Hiroaki Otani</b>	<p>March 1982: Joined Yoshida Kogyo K.K. (now YKK Corporation)</p> <p>December 1984 to March 2014: Served in Hong Kong and China</p> <p>April 2014: YKK Executive Vice President, Fastening Business</p> <p>June 2014: YKK Director, Executive Vice President, Fastening Business</p> <p>April 2017: YKK President Representative Director</p> <p>April 2025: YKK Chairman Representative Director (Current)</p> <p>June 2025: Director (Current)</p>	-
Director Executive Vice President, Administration Division Director in Charge of Pension Policies and CFO, YKK Corporation <b>Satoshi Honda</b>	<p>April 1989: Joined Yoshida Kogyo K.K. (now YKK Corporation)</p> <p>March 1991 to March 2009: Served in the U.S.A.</p> <p>April 2009: YKK Vice President, Corporate Planning Department</p> <p>April 2013: YKK Vice President, Corporate Planning Department</p> <p>April 2016: YKK Vice President, Corporate Planning Department and Group Officer South America</p> <p>April 2017: YKK Vice President, Corporate Planning Department</p> <p>April 2019: YKK Executive Vice President, Business Management and Corporate Planning Department</p> <p>April 2020: YKK Executive Vice President, Business Management</p> <p>June 2020: YKK Director, Pension Policies, CFO (Chief Financial Officer) Executive Vice President, Financial Policy and Business Management</p> <p>April 2021: YKK Director, Pension Policies, CFO Executive Vice President, Administration Division</p> <p>April 2023: YKK Director, Pension Policies, CFO Executive Vice President, Business Management and Administration Division</p> <p>April 2025: YKK Director, Pension Policies, CFO Executive Vice President, Administration Division (Current)</p> <p>June 2025: Director (Current)</p>	-
Director (Outside) <b>Tomoko Inoue</b>	<p>April 1983: Joined Hino Motors</p> <p>April 2017: Consultant for Hino Motors</p> <p>June 2019: Full-time Audit &amp; Supervisory Board Member of Hino Motors (Current)</p> <p>June 2024: YKKAP Outside Director (Current)</p>	12/14

as of June 2025

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: Ajinomoto Executive Officer June 2015: Ajinomoto Executive Officer & Vice President J-Oil Mills, Inc. President and Representative Director June 2016: J-Oil Mills Representative Director, President, and CEO April 2022: J-Oil Mills Director (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 Corporation) December 2002 to March 2008: Served in China April 2008: YKK Vice President, Group Finance and Accounting Center April 2009: YKK Vice President, Group Finance and Accounting Center April 2011: YKK Vice President, Finance and Accounting Center April 2012: YKK Vice President, Accounting & Finance Department April 2013: YKK Vice President, Accounting & Finance Department (until March 2018) June 2018: Full-time Audit & Supervisory Board Member (Current)	14/14
Audit & Supervisory Board Member (Full-Time) <b>Wataru Otani</b>	March 1981: Joined Yoshida Kogyo K.K. (now YKK Corporation) April 2001: YKK Vice President, Corporate Planning Department April 2004: YKK Senior Vice President, Corporate Planning Department June 2004: YKK Director, Senior Vice President, Corporate Planning Department April 2006: YKK Director, Senior Vice President for Compliance, and Corporate Planning Department April 2009: YKK Director, Executive Vice President, Technology Enhancement April 2010: YKK Director, Executive Vice President, Machinery & Engineering Group April 2017: YKK Director, Executive Vice President, Business Competitiveness Enhancement June 2018: Director, Executive Vice President, Renovation Business April 2022: Director, Executive Vice President, Business Process Re-engineering April 2023: Director (until June 2024) June 2025: Full-time Audit & Supervisory Board Member (Current)	
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) 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)	12/14

as of June 2025

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

Board of Directors (FY2024 Results)	Number of Meetings	14 (Including Extraordinary Meetings)
	Average Number of Agenda Items	11
	Average Time per Meeting	3.5 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 Organizations and Personnel</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 Meeting	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 (FY2024 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>● Initiatives for Improving Employee Engagement</li> <li>● Initiatives to Establish a Common Infrastructure for AP Business</li> <li>● Compliance Initiatives</li> <li>● Sustainable Management Initiatives</li> <li>● Initiatives to Strengthen the Business Management System for Overseas Affiliated Companies</li> <li>● Confirmation of Internal Controls at Group Affiliated Companies</li> <li>● Initiatives to Strengthen the Quality Assurance System</li> <li>● Initiatives to Strengthen the Safety Management System</li> <li>● Initiatives to Strengthen Governance</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		●			●	●	●
	Hiroshi Abe				●			
	Koichi Ebihara			●				
	Kazuo Matsutani			●	●		●	
	Shuichi Mizukami				●			
	Hiroaki Otani	●	●	●				
	Satoshi Honda		●			●	●	
	Tomoko Inoue (Outside)					●	●	●
Audit & Supervisory Board Member	Fuminao Hachiuma (Outside)	●	●	●			●	
	Hisao Miyamura		●			●		
	Wataru Otani				●	●	●	●
	Mina Sekiguchi (Outside)		●	●		●	●	

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

## Policy on Determination of Individual 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 bonuses.

## Corporate Governance Functions (Committees)

### YKK Group Committees

Name	Members, Number of Meetings	Outline
YKK Nomination and Compensation Committee	Members: 5 (Including 2 YKK Outside Directors) Number of Meetings in FY2024: 11	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 committee deliberates on matters such as the election and dismissal of directors, Audit & Supervisory Board members, operating officers, and specialized officers, as well as their compensation, and reports back to the YKK Board of Directors and the YKK AP Board of Directors.

Number of Committee Members as of June 2025

### YKK AP's Main Committees

Name	Members, Number of Meetings	Outline
Compliance Committee	Members: 15 Number of Meetings in FY2024: 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.
Disciplinary Committee	Members: 60 Number of Meetings in FY2024: 19	Based on the employment regulations of YKK AP and its subsidiaries, when behavior that may be subject to disciplinary action is suspected, we ensure fairness by verifying the facts of the matter and determining the appropriate disciplinary action.
Investment Committee	Members: 7 Number of Meetings in FY2024: 10	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.
Invention Rewards Committee	Members: 21 Number of Meetings in FY2024: 3	We have established an Invention Rewards Committee and operate an appropriate invention rewards system. In addition, by motivating employees to invent, we will promote the ongoing creation of intellectual property, which will serve as a source of competitiveness in business.
Environmental Policy Board Committee	Members: 12 Number of Meetings in FY2024: 1	The Environmental Policy Board Committee was established to develop our environmental policies and strategies, and to supervise the progress of our environmental measures. Also, the Environment Committee promotes the policies of business execution divisions, plans and formulates measures, and supervises their progress.
Environment Committee	Members: 65 Number of Meetings in FY2024: 4	

Name	Members, Number of Meetings	Outline
Risk Committees (5)	<ul style="list-style-type: none"> <li>● Quality Committee Members: 8 Number of Meetings in FY2024: 4</li> <li>● Trade Management Committee Members: 13 Number of Meetings in FY2024: 3</li> <li>● BCM Committee Members: 13 Number of Meetings in FY2024: 3</li> <li>● Information Security Committee Members: 12 Number of Meetings in FY2024: 3</li> <li>● Technical Asset Management Committee Members: 12 Number of Meetings in FY2024: 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.
Occupational Safety and Health Promotion Committee	Members: 28 Number of Meetings in FY2024: 3	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	Members: 57 Number of Meetings in FY2024: 2	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 2025

# Compliance

## Basic Approach

Compliance in the YKK Group refers to "not only observing laws and 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 FY2021 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

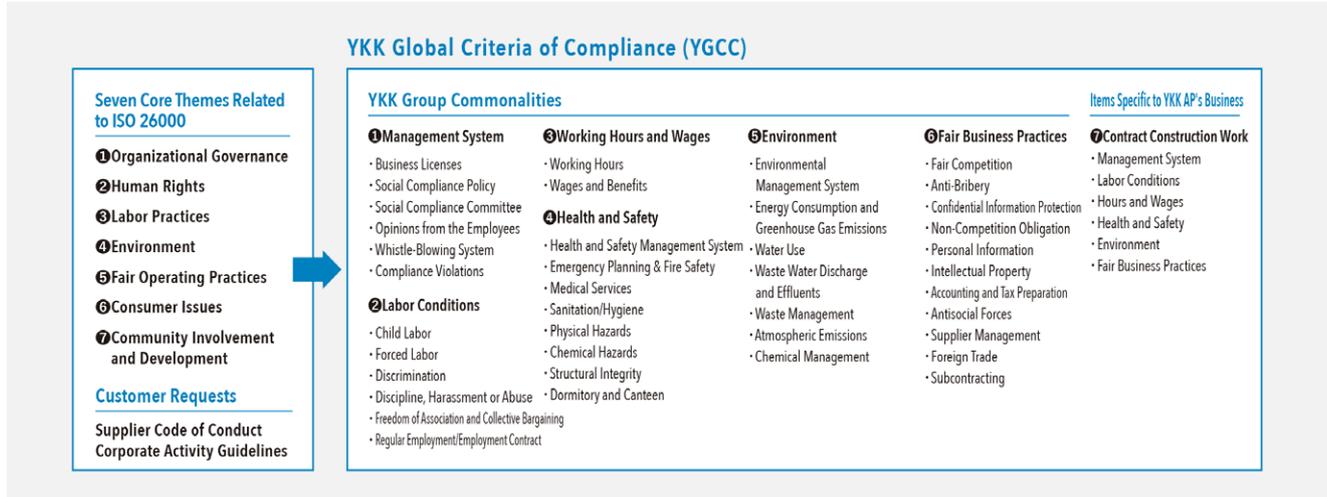
In order to grow together with local communities and continue to be a company that is loved by every generation, we actively engage in actions that contribute to international society through our business activities.

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

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

YKK AP has set out the YKK Global Criteria of Compliance (YGCC), the YKK Group's compliance standards based on the YKK Philosophy and ISO 26000, and is working to instill them at its locations in Japan and overseas.

We regularly carry out YGCC audits such as self-inspection and internal audits, and have standardized monitoring items to improve the effectiveness of the audit process and ensure continuous improvement.



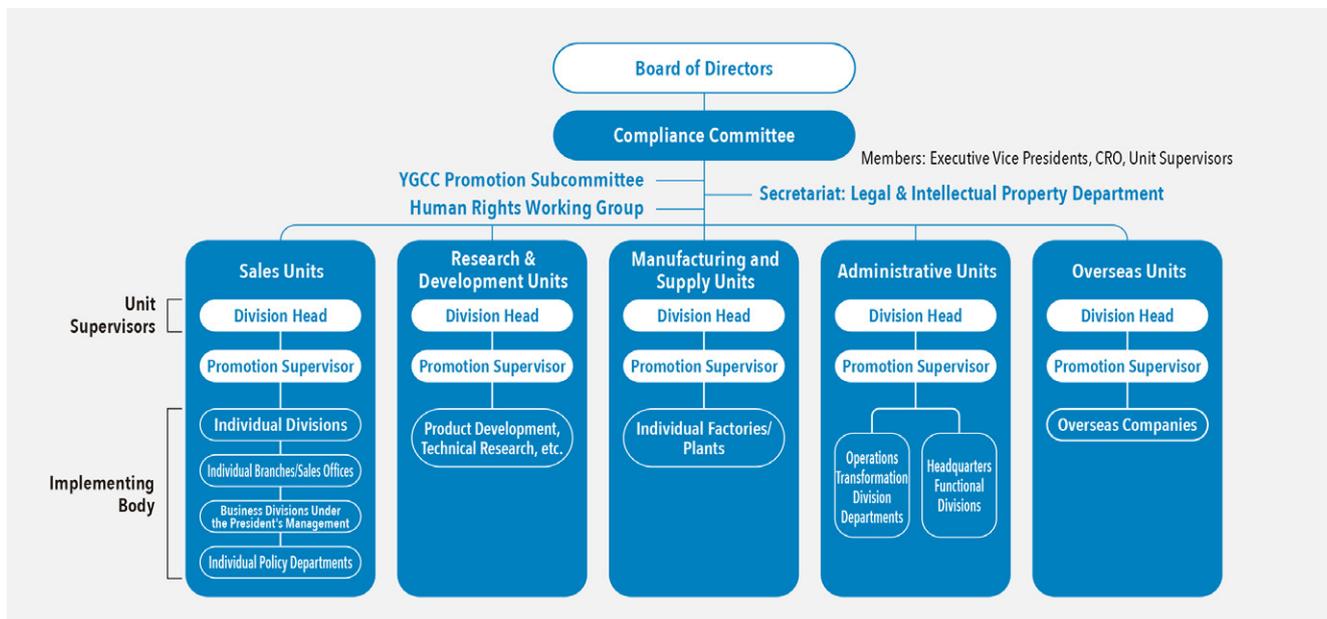
	FY2021	FY2022	FY2023	FY2024
Number of Sites Implementing YKK Global Criteria of Compliance (YGCC)	55 (20)	56 (27)	57 (27)	54 (24)

Data from YKK AP Group (Japan and Overseas)

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

## Corporate Compliance System

To realize compliance management, we have established a Compliance Committee consisting of five units (Sales, Development and Technology, Manufacturing and Supply, Administration, and Overseas) to strengthen monitoring of compliance with rules, regulations, and guidelines.



## Whistleblowing System

The YKK Group implemented the "YKK Group Whistleblowing System" in 2006, operating 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. Efforts are underway to ensure that all users are aware of this system. In addition, the principle of whistleblower protection prohibits the disadvantageous treatment of any individual for making a consultation. In FY2024, 71 consultations and reports were received by the Japan Contact consultation desk.

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.

	FY2021	FY2022	FY2023	FY2024
Number of Whistleblowing Cases	42	49	59	71

Total number of inquiries received by the Japan Consultation Desk regarding the YKK AP Group (Japan)

## 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."

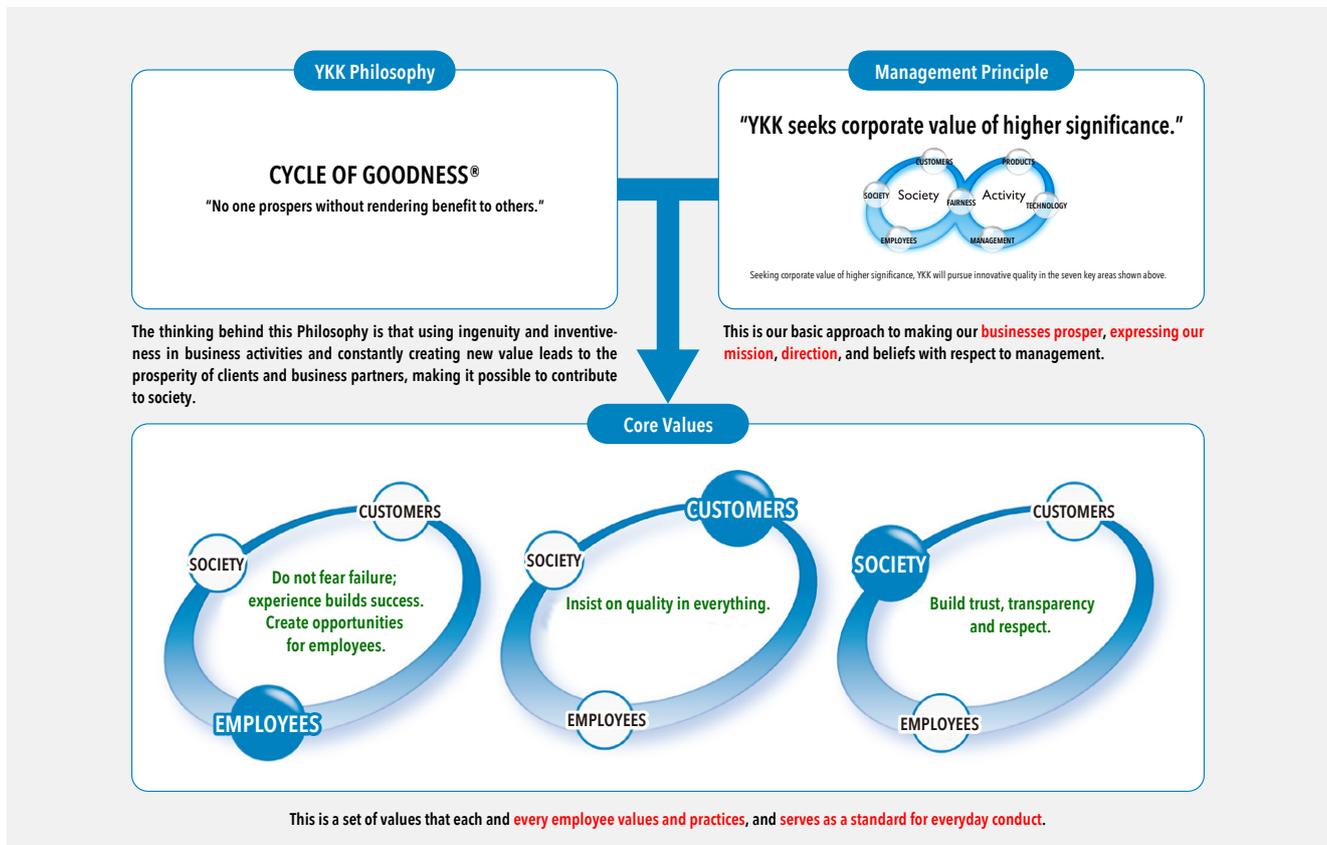
The Core Values are three basic values compiled by the YKK Group in 2007 through interviews with many employees.

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 FY2024, 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 email. These examples are presented at the beginning of major meetings to encourage more in-depth discussions. In addition, our Taiwanese subsidiary conducts online training sessions on the Management Principle and compliance for all employees.



# Risk Management

## Basic Approach

To realize YKK AP's management and business strategies and drive sustainable growth, we are working to strengthen risk management based on a "resilient business foundation," as set forth in our materiality. In addition to taking swift and appropriate measures for initial response and recovery, thereby minimizing damage from risks that have arisen, we are working to build a system for anticipating, preventing, and controlling risks in our business.

In order to strengthen the risk management system and establish governance systems for emergencies, we have established various committees under the CRO (Chief Risk Management Officer), including the Quality Committee, Trade Management Committee, BCM Committee, Information Security Committee, and Technical Asset Management Committee. Rules and regulations have been established for each committee and are in operation accordingly.

### → Risk Management

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

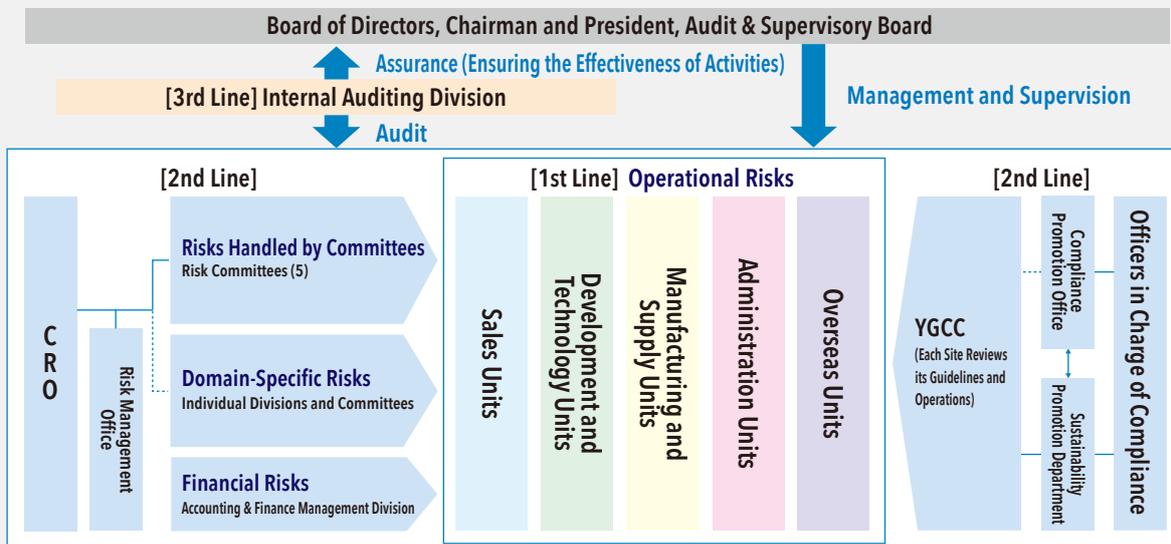
## YKK AP's Risk Management Policy

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.

## Risk Management Promotion Structure

YKK AP's risk management promotion structure is based on a three-line model. The five basic units (Sales, Development and Technology, Manufacturing and Supply, Administration, and Overseas) serve as the first line, taking the lead in risk management activities. Risk management departments and committees, which serve as the second line, support the first line with their specialized knowledge and expertise. The Internal Auditing Division, which serves as the third line, audits the effectiveness of the risk management activities of the first and second lines. Furthermore, by allowing self-checks of risk management activities based on the YKK Group's compliance standards, the YKK Global Criteria of Compliance (YGCC), we are clarifying the roles and responsibilities of each person and division in charge of conducting these activities, thereby enhancing their effectiveness.

### Risk Management/Compliance Advancement Structure



## Key Risk Identification Process

In FY2024, we reviewed our process for identifying key risks and, in addition to consultations with risk management departments, conducted risk surveys of business divisions and interviews with senior management to identify and analyze risks. In evaluating risks, we determine the level of risk based on the likelihood of occurrence and impact, as well as reputational risks and internal and external factors. This is then used as a basis for discussion and decision-making by the Board of Directors to identify key risks.

## Response to Main Key Risks

For FY2025, we have identified 27 categories of key risks, including system failures, cybersecurity, major natural disasters, product defects, and recalls. We will prioritize the allocation of business resources to these areas and implement measures to develop systems and countermeasures.

Type of Risk	Major Risk Countermeasures for FY2025
System Failures, Cybersecurity	<ul style="list-style-type: none"> <li>● IT-BCP development, implementation, and training</li> <li>● Implementation of backups, strengthening of vulnerability response</li> <li>● Implementation of employee training on information security</li> <li>● Compliance with conformity assessment systems (establishment of company-wide promotion system)</li> </ul>
Major Natural Disasters	<ul style="list-style-type: none"> <li>● Tabulation of damage estimates in the event of a major earthquake and incorporation into evacuation plans at each location</li> <li>● Implementation of BCP drills and BCP training at each location</li> <li>● Implementation of BCP monitoring</li> </ul>
Product Defect-Related Accidents and Recalls	<ul style="list-style-type: none"> <li>● Thorough quality compliance and defect reporting</li> <li>● Process audit and conformity verification for minister-certified products</li> <li>● Ongoing communication and enhancement of safety awareness information</li> </ul>
Fires/Explosions	<ul style="list-style-type: none"> <li>● Implementation of global fire safety management standards and improvements based on self-checks</li> <li>● Consideration and implementation of dust control measures in the casting process</li> <li>● Emergency inspection of preventive measures against small fires caused by aging buildings and equipment</li> </ul>
Violation of Laws and Regulations in the Course of Business	<ul style="list-style-type: none"> <li>● Thorough implementation of various regulations and guidelines</li> <li>● Implementation of audits as important audit items</li> <li>● Expansion of field-specific legal education and training</li> </ul>
Health and Safety Risks (Occupational Accidents at Construction Sites etc.)	<ul style="list-style-type: none"> <li>● Promotion of safety measures and improvement of working environments (detection of unsafe behavior using AI cameras, etc.)</li> <li>● Enhanced training for installation contractors (using CG videos, etc.)</li> </ul>
Governance Risks	<ul style="list-style-type: none"> <li>● Establishment of administration systems for affiliated companies in Japan and overseas, enhanced monitoring</li> <li>● Regular compliance awareness surveys and compliance training, activities to reinforce the Management Principle based on survey results</li> </ul>
Compliance Risks	<ul style="list-style-type: none"> <li>● Implementation of harassment prevention education</li> <li>● Operation of internal whistleblowing desks and regular monitoring</li> <li>● Customer harassment countermeasures (preparation of manuals, operation of external consultation desk and response support)</li> </ul>

We have established five materiality indicators to evaluate the effectiveness of risk management. "Rate of participation in risk-related training" is an indicator (FY2028 target: 95 %) for raising the risk awareness of every employee in order to prevent cyberattacks and phishing emails, which have been on the rise in recent years, as well as misconduct and violations of laws and regulations. "Number of locations that have formulated BCPs" serves as an indicator to confirm whether BCPs are being properly developed and implemented at all Japanese and overseas sites. "Number of serious quality and product liability incidents," "number of serious cyber incidents," and "number of serious violations of laws and regulations" are indicators for showing that our day-to-day efforts are leading to reduced risks.

	FY2021	FY2022	FY2023	FY2024
Rate of participation in risk-related training <sup>*1</sup>	-	-	-	79%
Number of Locations That Have Formulated BCPs <sup>*2</sup>	-	-	-	64
Number of Serious Quality and Product Liability Incidents <sup>*2</sup>	-	-	-	1
Number of Serious Cyber Incidents <sup>*2</sup>	-	-	-	0
Number of Serious Violations of Laws and Regulations (Risk Committees (5) Area) <sup>*2</sup>	-	-	-	0

\*1 Data from YKK AP Group (Japan)

\*2 Data from YKK AP Group (Japan and Overseas)

## BCM (Business Continuity Management) Initiatives

We are working to acquire the appropriate business continuity capabilities necessary to respond to major emergencies. To this end, we are enhancing our organizational strength through repeated training and preparation to enable rapid initial response and implementation of BCPs based on an all-hazards approach, covering large-scale natural disasters, supply chain disruptions, cyber incidents, and the spread of infectious diseases.

The first basic policy is "Prioritize human life, ensure safety, and prevent secondary disasters." In FY2024, based on the scenario of a major earthquake directly under Tokyo or a Nankai Trough earthquake, we conducted joint training exercises involving manufacturing and sales operations across different areas, briefings for sales managers, and training exercises with Kurobe, which will serve as a backup base for the local disaster response headquarters in the event of a disaster in the Tokyo metropolitan area. Measures will be considered for each location to address issues identified during the training, and these will be reflected in BCP revisions and future training. We are also conducting initiatives that involve external contractors such as truck drivers and cafeteria staff in evacuation drills.

# 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.

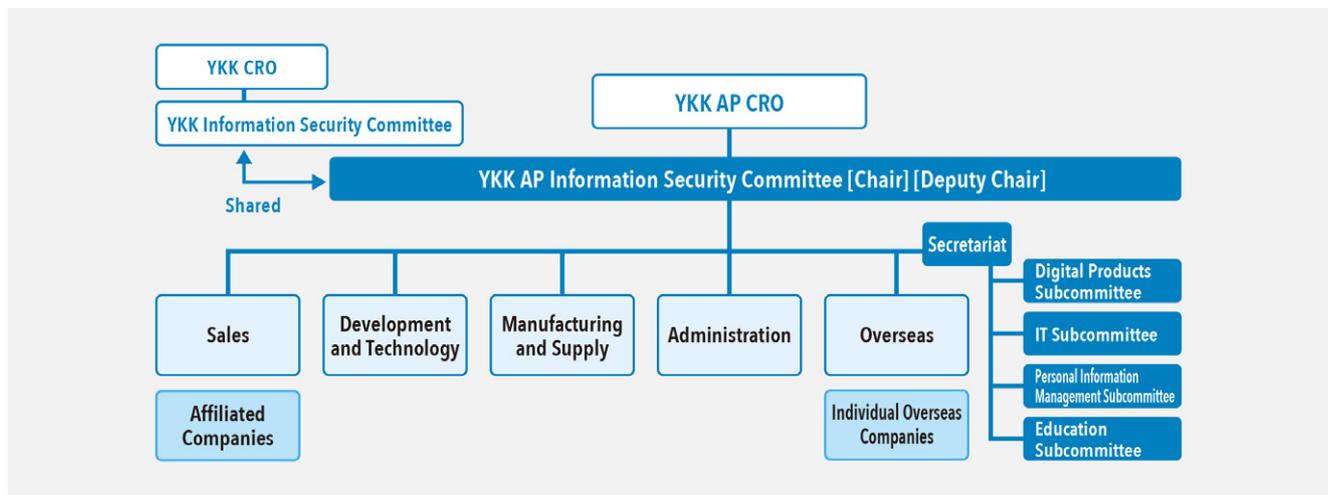
## Code of Conduct for Information Security

→ YKK Group Code of Conduct: [Principle2] 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.

The function promotion system conducts monitoring activities inside an organization to regularly check compliance with various regulations and the level to which information security training has been absorbed. Through this kind of continuous monitoring, we are working to enhance our information security management system.



## Handling of Customer Information

In order to ensure the appropriate management and use of customers' personal information, YKK AP has established a system of authorized agents for the handling of personal information in Japan. 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 Measures

YKK AP has introduced EDR<sup>\*1</sup> company-wide, including at its global locations, as part of its information security measures, thereby enhancing its cyberattack monitoring system. In addition, we have established a system to promptly escalate information security incidents to the Information Security Committee and notify all employees globally. In the unlikely event of an incident, the Information Security Committee will take the lead in implementing swift and appropriate measures in accordance with the risk level of the incident, ensuring that damage is kept to a minimum and preventing recurrence.

\*1 EDR (Endpoint Detection and Response): A system for monitoring suspicious behavior and attacks on endpoint devices such as computers and implementing a rapid response.

## Information Security Education

YKK AP systematically conducts training aimed at raising awareness of information security and instilling it as a habit among all employees worldwide.

In terms of education within Japan, we conduct e-learning on risks to the company posed by security information leaks and examples of incidents that could arise in everyday situations, as well as twice-yearly targeted email attack drills. Through detailed follow-up based on their learning results, we strive to ensure that all employees acquire accurate information security knowledge and response skills.

We also help improve the IT literacy of all our employees by encouraging them to obtain information security-related certifications.

In addition, to improve business continuity capabilities in emergencies, we conduct annual Business Continuity Plan (BCP) drills based on practical scenarios that simulate system shutdowns caused by cyberattacks, with joint participation from system users and operators.

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.

We are also working to strengthen information security globally by applying the educational content developed in Japan overseas and implementing unique educational programs tailored to the circumstances of each country.