

“Multi-Stakeholder Policy”

According to YKK AP Purpose, “We Build a Better Society Through Architectural Products,” the company’s corporate management recognizes the importance of creating value together with a broad range of stakeholders, including employees, business partners, end users, and local communities. Based on this, efforts are made for suitable multi-stakeholder collaboration.

YKK AP generates profit and results by co-creating value and improving productivity according to YKK Philosophy, “Cycle of Goodness: No one prospers without rendering benefit to others,” and its Management Principle, “YKK seeks corporate value of higher significance.” The following initiatives are based on the importance of returning this profit to employees and considering business partners, from the viewpoint that suitable distribution to multiple stakeholders helps maintain wage increase momentum and leads to sustainable economic growth.

1. Returning profit to employees

Under the basic policies of the Mid-term Management Plan, “human resource strategies to stimulate innovation,” “flexible human resource strategies to implement management strategies,” and “human resource development and acquisition to drive management strategies and global growth,” we are working to develop human resource strategies and measures to enhance employee engagement, as well as building programs to develop and create innovative human resources.

Innovation is essential for the sustainable growth of YKK AP as a manufacturer. Therefore, the company is reforming work styles to revitalize human resources and boost productivity, and also making efforts to achieve diverse ways of working and to create new value and maximize added value.

The profit and results produced in this way are continuously returned to employees, who are important stakeholders.

In FY2023, in light of the government's wage hike policy and the ongoing yen depreciation and rising consumer prices, we raised the base for the first time since the introduction of the current salary system, in which salaries are raised or lowered in line with evaluations. We revised salaries by an average of 6.5% for general employees with no employees to be demoted. In addition, starting salaries for new graduates hired in fiscal 2024 will also be substantially increased.

YKK AP is using a variety of methods to improve overall remuneration, including wage increases. For example, the company is changing its bonus and benefit systems with the aim of responding to transforming work styles and promoting diversity. In this way, YKK AP works to distribute and return its profit to stakeholders.

As an effort to promote diversity, 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. The company also abolished the mandatory retirement age system in FY2021. To establish systems and environments where people can work regardless of their age, YKK AP is 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.

To enhance human capital, we will support the acquisition of public qualifications and expand the in-house mentor system. YKK AP will actively invest in human resources and increase engagement so all employees, regardless of age, gender, educational background, or nationality, can work with a sense of fulfillment and vitality.

2. Considering business partners

YKK AP will continue working to abide by the Declaration of Partnership Building.

- Declaration of Partnership Building registration date

[June 10, 2022]

- Declaration of Partnership Building

[<https://www.biz-partnership.jp/declaration/11811-05-15-tokyo.pdf>]

3. Initiatives for other stakeholders

We work 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.

* Stakeholder initiatives are posted on YKK AP global website.

<https://www.ykkapglobal.com/ja/sustainability/social/stakeholder-communication/>

YKK AP will make steady efforts on these matters while confirming their status.

November 30, 2023

YKK AP Inc. President Representative Director

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