YKK Group - Tax Strategy

Introduction

The YKK Group ('YKK') is a Japanese group of companies which are the world's largest developer, manufacturer and supplier of fasteners. In addition to zippers, YKK also manufactures other fastening products, architectural products and industrial machinery.

This strategy applies to the UK Entities within the YKK Group in accordance with Schedule 19 to the Finance Act 2016 ("the Schedule"). A list of the entities to which it applies is set out below. In this strategy, references to 'the UK Entities', 'the firm' or 'the group' are to all these entities. The strategy is being published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, Pay As You Earn (PAYE) Tax, National Insurance Contributions (NIC), VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the UK Entities have legal responsibilities.

Scope

Tax includes all tax liabilities of the UK Entities. This specifically includes, but is not limited to, Corporation Tax, Income Tax, Diverted Profits Tax, PAYE, employee taxes, NIC, VAT, Insurance Premium Tax, Stamp Duty Land Tax, Stamp Duty Reserve Tax, Customs & Excise Duties (including Air Passenger Duty) and withholding taxes. This policy will be updated regularly to reflect any changes to this scope.

Aim

The UK Entities are committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The UK Entities' tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with the UK Entities' overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for the UK Entities' tax strategy and compliance rests with the Board of each UK Entity;
- Executive management of the UK Entities is delegated by the Board to the Managing Directors of each UK Entity;
- The Board's requirement to monitor the integrity of the UK entities' financial reporting systems, internal controls and risk management frameworks, expressly includes those elements relating to taxation;
- The Financial Controller of each UK Entity has executive responsibility for their respective tax matters;
- Day-to-day management of the UK Entities' tax affairs is delegated to the Financial Controllers of each UK entity, who report to the relevant Managing Directors as required;
- The individuals responsible for tax within the UK Entities are, and will always be, suitably qualified;
- The Board ensures that the UK Entities' tax strategy is one of the factors considered in all investments and significant business decisions taken;

- The Financial Controllers report to the Board on each UK Entity's tax affairs and risks during the year.

Risk Management

- Each UK Entity operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- Each UK Entity seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside the Tax team who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

The proactive and timely communication of business transactions is key to allowing effective tax management to be undertaken through liaison with external advisors. Effective liaison at the planning stage of a transaction will ensure that consequences inherent in transactions are managed effectively.

All papers put forward by each UK Entity to the Board that contain comments on tax must be supported by an appropriate level of tax analysis. The Managing Directors are responsible for ensuring sufficient tax analysis has been undertaken in advance of the papers being submitted to the Board.

The UK Entities will use the following parameters to determine whether the tax risks presented by the adoption of any particular tax planning opportunity are acceptable or not:

- Commercial purpose: All transactions must have a commercial purpose.
- Reputation impact: The planning should have no or adverse impact if details were in the public domain.
- Strength of tax advisor's opinion: Appropriate external advice, including Tax Counsel opinion where relevant, will be obtained as necessary.

The UK Entities strategic objective is to comply with legal requirements in the taxing jurisdictions in which the UK Entities operate, in a manner that ensures the right amount of tax is paid at the right time. This approach is underpinned by YKK's philosophy known internally as the "Cycle of Goodness". This forms the basis for everything YKK does and it is this approach that underpins YKK's business and tax methodology.

Relationship with HMRC

The UK Entities strive to have an open and honest relationship in its dealing with Her Majesty's Revenue and Customs (HMRC) and aim to work in 'partnership' with HMRC in relation to its tax dealings:

- In the event of any inadvertent errors arising, full disclosure, as required will be made to HMRC; and

- The UK Entities aspire to meet and cooperate with HMRC, in respect of current, future and retrospective tax risks, events and interpretation of the law across all relevant taxes and duties, to facilitate a mutually beneficial relationship.

List of Entities covered by this Tax Strategy

This Tax Strategy will apply to the UK Entities within the YKK Group, being:

- YKK Europe Limited,
- YKK (U.K.) Limited.

Date approved and published on 30th March 2026 for the financial year ended 31st March 2025.