

YOKOWO Integrated Report 2024

Developing, Delighting

yokowo

CONTENTS Yokowo 2024 Integrated Report

Contents and Editorial Policy	01
Corporate Philosophy	02
Yokowo Global Network / Company Profile	03
History of Its Technical Evolution and Business/ Product Development	05
Value Creation – Our Track Record	09
Yokowo's Value Creation Top Message	11
Yokowo's Value Creation Process	15
Yokowo's Materiality	17
Yokowo's Manufacturing	21
Research and Development	23
Product Technology	25
Segment Overview Yokowo's Business Domain	27
VCCS Segment	29
CTC Segment	30
FC/MD Segment	31
Incubation Center	32
Sustainability Sustainability Promotion Framework	33
Stakeholder Engagement	34
ESG Report Corporate Governance	35
Directors, Auditors and Executive Officers	39
Compliance and Risk Management	40
Information Security	41
Environment	42
Human Capital Management	45
Employees	46
Diversity	48
Human Rights	50
Occupational Health & Safety: OH & S	51
Procurement	52
Local Communities	54
Appendix Financial Highlight	55
Non-financial Highlight	56
Financial Information	57
Independent Practitioner's Assurance Report	66

Editorial Policy

Covered Organization: YOKOWO CO., LTD.
5 Domestic Group Companies
19 Overseas Group Companies

Period: Fiscal Year 2023 (April 1, 2023 - March 31, 2024)
Some of these activities include those from
before and after this period.

Published: November 28, 2024

Publishing Cycle: Annually

Information Disclosure:
The Yokowo Group discloses information accurately,
promptly and proactively in order to build long-term
relationships of trust with its shareholders, investors
and other stakeholders.

Forward-looking Statements:
Certain statements in this report such as "plan," "forecast"
and "strategy" constitute forward-looking statements
and are based upon reasonable assumptions given the
information available at the time of publication. Please
note that due to various factors, actual results may differ
significantly from those anticipated in such statements.

Department Responsible for the Report:
Public Relations Department,
SCI (Sustainability & Corporate Integrity) H.Q.
Tel: +81-3-3916-3111 (main number)
Inquiry Form:
<https://www.yokowo.co.jp/english/inquiry/>

Corporate Philosophy

Purpose

Be a good company by employing people and technologies that work for the benefit of society today and tomorrow.

Vision

As an ever-evolving company, we seek to develop new ideas that challenge our people and our technologies while anticipating and addressing the changing needs of society.

Values

- Respect** Respect human diversity, keep an open mind and treat others with sincerity.
- Fairness** Act with fairness and transparency.
- Ownership** Take the initiative and be personally responsible for all your actions.
- Challenge** Be fearless, try new things and make the most of any situation.
- Innovation** Be flexible and consistently apply your skills to encourage innovative change.

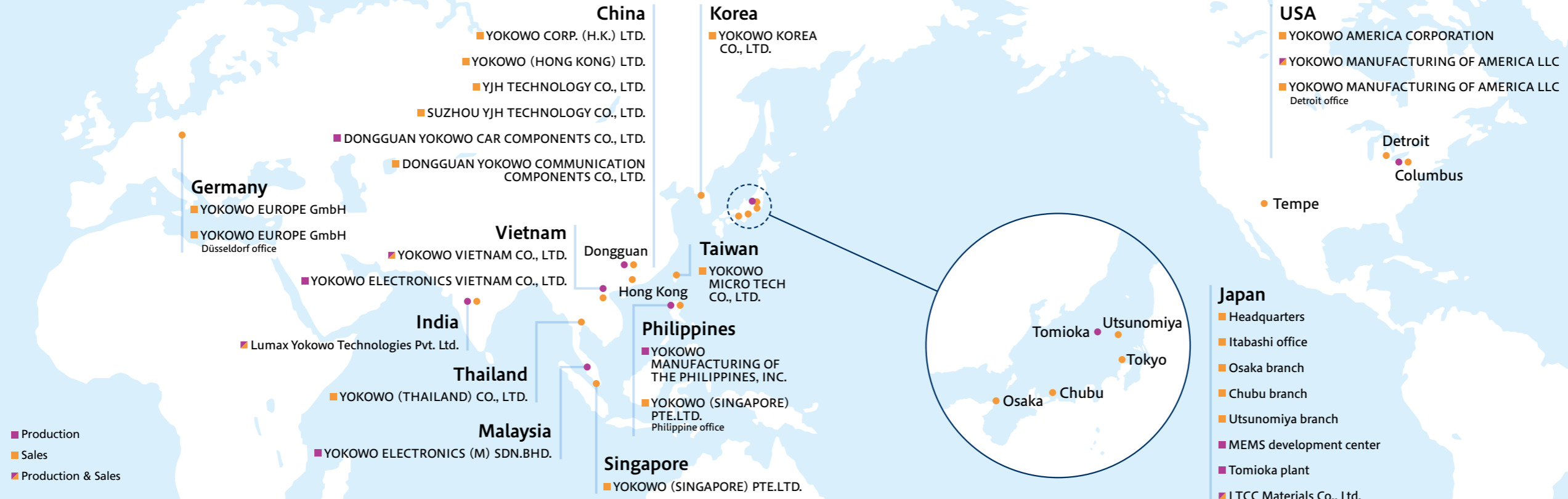
Brand Slogan

Developing, Delighting



YOKOWO GLOBAL NETWORK

Since establishing its Taiwan Plant in 1967, the Yokowo Group has been actively shifting production bases to overseas locations so that it can build an optimal global production system. It currently operates mass production plants primarily in Malaysia, China, Vietnam, and the Philippines. Overseas production now accounts for more than 80% of Yokowo's total production. In terms of sales, Yokowo has opened overseas offices in countries and regions worldwide with offices in three cities in the Americas, in Germany in Europe, and in nine Asian countries to provide local-based sales services closely matched to market needs around the world.



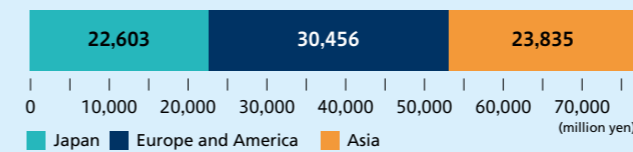
Company Profile (As of March 31, 2024)

Company Name	YOKOWO CO., LTD.		
Head Office Location	JR Kanda Manseibashi Bldg. 14F, 1-25, Kandasuda-cho, Chiyoda-ku, Tokyo 101-0041, Japan		
Founded	September 1, 1922		
Incorporated	June 14, 1951		
Capital	¥7,819 million		
Number of shares issuable	40,000,000 shares		
Number of shares issued	23,849,878 shares, including 539,008 treasury stock shares		
Number of shareholders	6,966		
Major Shareholders (As of March 31, 2024)	Shareholder	Number of shares held (in thousands)	Percentage of shares held
	The Master Trust Bank of Japan, Ltd.	3,748	16.0
	Custody Bank of Japan, Ltd.	1,905	8.1
	The Gunma Bank, Ltd.	990	4.2
	Yokowo Business Partners Shareholders' Association	840	3.6
	Mitsubishi UFJ Trust and Banking Corporation	595	2.5
	Company's Stock Investment	458	1.9
	The Dai-ichi Life Insurance Company, Limited	450	1.9
	MUFG Bank, Ltd.	446	1.9
	Resona Bank, Limited	445	1.9
	Mizuho Bank, Ltd.	420	1.8

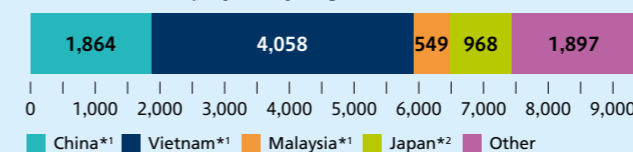
* The head office location was changed by a resolution of the general meeting of shareholders in June 2023.

* The Company holds 539 thousands of its treasury stocks, but not counted as a major shareholder.
 * The number of shares is rounded to the nearest thousand.
 * Percentage of shares held is calculated excluding treasury stocks and is rounded down to one decimal place.

Net Sales by Region (FY2023)

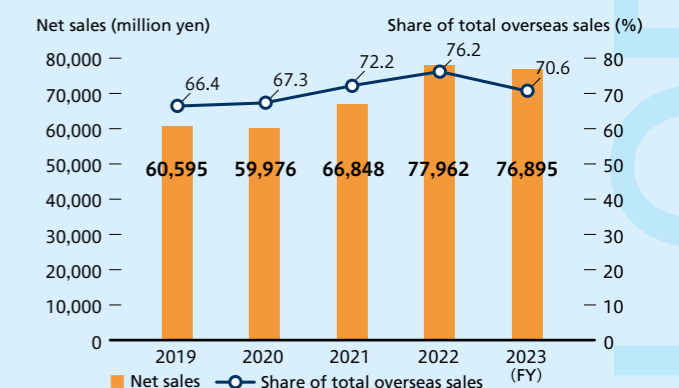


Number of Employees by Region (FY2023)



*1 Major Production Bases *2 YOKOWO CO., LTD.

Net Sales / Share of Total Overseas Sales



since 1922

History of Its Technical

Evolution and Business/Product Development

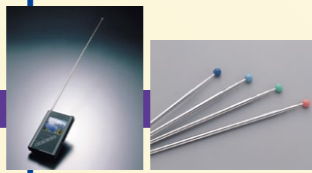
Founding - 1960s

Vehicle Communication Equipment Business 1957~



Car Antenna (Pillar Type)

Rod Antenna 1956~2003



Rod Antenna

1970s

The rod antenna for transistor radios, hit products at that time, was what propelled Yokowo Manufacturing Co., Ltd. to the forefront. Yokowo's high-quality antennas with their smooth extendibility based upon precision pipe processing technologies garnered recognition from electronics manufacturers. In this way, antenna technologies became a core business for the Company.

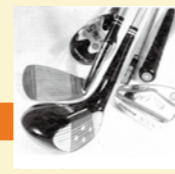


AM/FM Motor Antenna



Personal Communication Antenna

Sporting Goods 1959~1995



Golf clubs and shafts



Metal Bats for Softball

In the midst of the leisure boom during the period of high economic growth, Yokowo took advantage of our pipe technologies to begin manufacturing and selling golf clubs and shafts. The Company has also expanded into metal bats and shafts for rackets.

1980s

Microwave Components 1983~



Motor Operated Conner Pole



Outdoor Unit for BS



Low Noise Block Down Converter

Microwave Technology



Metal Bats

Full-scale introduction of microwave technologies at the launch of satellite broadcast services. Since then, Yokowo has deployed microwave equipment for satellite broadcasting and VSAT, and it is now an important core technology in the Company's VCCS and CTC business, with significant contributions to supporting 5G throughout its product line-up.



Golf Shafts Promate

Antenna Technology

Micro Precision Processing Technology

Pipe Drawing Technology

Precision Pipe Processing Technology



Spring Bar, Founder's Invention



As the founder of Yokowo Manufacturing Co., Ltd., the predecessor of YOKOWO CO., LTD., Chutarō Yokoo (1894 to 1977) refined his skills as a craftsman producing precision pipes used in pocket watch hinges. When wristwatches entered the mainstream, he invented the spring bar. This is a belt-attachment component comprising a spring inserted into an ultra-thin pipe, so it can expand at both ends. This landmark invention became widely adopted overseas, capturing the world's largest market share. This was the starting point of "technical Yokowo" that exists to this day.

Spring bar craftsmanship transformed into advanced, world-class technologies. These advanced, micro precision processing technologies bring unique, original products that only Yokowo can provide, and these are bearing fruit in diverse elds such as semiconductor inspection, connectors for electronic devices, and advanced medical equipment.

Everything Started with Pipes

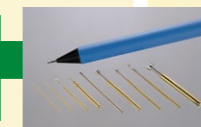


After having finished his apprenticeship in 1922, Chutarō Yokoo decided to go out on his own and start a business, opening the Seirinsha bicycle shop the next year. This was destroyed on the day of opening by the Great Kanto Earthquake, but reopened just one month later.

In 1926, using the skills he had acquired over 15 years as a craftsman, he opened a precision pipe processing factory in Mukojima, Tokyo. Thus was born Yokowo Manufacturing Co., Ltd., the predecessor of YOKOWO CO., LTD.

Circuit Testing Connector Business 1979~

Specifications required for probes and sockets for semiconductor testing are becoming more and more exacting, due to the miniaturization and increased performance of semiconductors. Yokowo started its circuit testing connector business in 1979, providing the world with semiconductor testing jigs developed using microwave technology, in addition to its world-class micro precision processing technologies.



Contact Probe



Interface Connector



IC Test Socket

Fine Connector Business 1986~



SPRING CONNECTOR™



Board to Board Coaxial Connector

Until now, and from now on.
Using technology, Yokowo will continue to pioneer

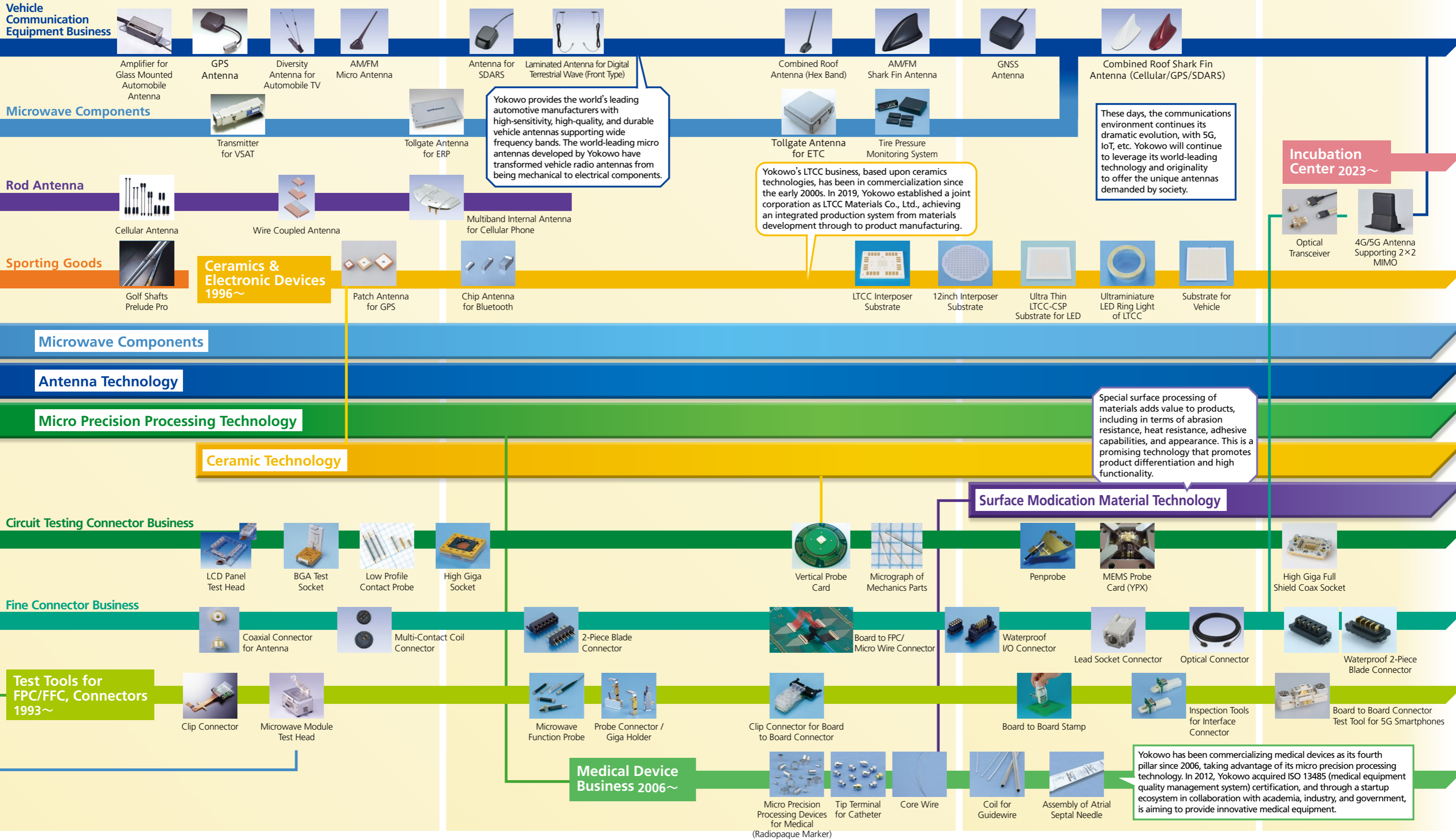
the next generation. **Yokowo — towards a new 100 years**

1990s

2000s

2010s

2020s



Value Creation – Our Track Record

Yokowo started with precision metal pipe processing developed by its founder, Chutaro Yokoo, at the time when he was a craftsman in the industry. From these beginnings, Yokowo introduced various new technologies centered on micro precision processing, expanding the business to a wide range of fields.

With Tomioka Town within Kanra District, Gunma Prefecture (now Tomioka City), where the founder was born and raised, as the center of development and production, Yokowo is developing and providing cutting-edge products for the global market while expanding its bases overseas.

1920

- '22 • Founded YOKOWO MFG. CO., LTD. in Sumida, Tokyo.
- Around 1930 Developed a Spring Bar for watches that, at that time, captured the largest share of the global market.



Spring Bar

1950

- '51 • Incorporated.
- '56 • Started Rod Antenna business. (withdrew in 2003)



Rod Antenna

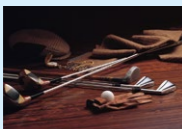
- '57 • Started Vehicle Communication Equipment business.



Pillar Antenna

AM/FM Motor Antenna

- '59 • Started Sporting Goods business. (withdrew in 1995)



Golf Goods

1960

- '61 • Established Tomioka plant in Kanohara, Tomioka.



Tomioka Plant

- '62 • Listed on the second section of the Tokyo Stock Exchange.

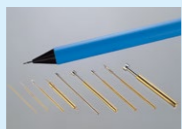
- '67 • Established YOKOWO MFG. CO., (TAIWAN) Ltd. (now YOKOWO MICRO TECH CO., LTD.)

1970

- '73 • Established YOKOWO (HONG KONG) LTD.

- '78 • Established YOKOWO (SINGAPORE) PTE. LTD.

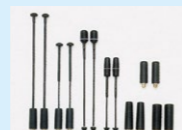
- '79 • Started Circuit Testing Connector business.



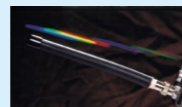
Contact Probe

1980

- '83 • Started Personal Communication Antenna business. (withdrew in 2014)



Cellular Phone Antenna



Personal Communication Antenna

- Started Microwave Component business. (transferred to the Vehicle Communication Equipment business in 2002)



Microwave Components

- '84 • Established YOKOWO AMERICA CORPORATION in Chicago, U.S.A.

- '86 • Started Fine Connector business.



SPRING CONNECTOR™

- '87 • Established YOKOWO ELECTRONICS (M) SDN. BHD. in Malaysia.



- Began OEM supply of various satellite broadcast reception devices in tandem with NHK's launch of satellite broadcast services.



Outdoor Unit for BS

- '89 • Completed new head office in Tokyo.



1990

- '90 • Changed company name to YOKOWO CO., LTD.

- '92 • Developed a small-sized ceramic patch GPS Antenna.



GPS Antenna

- '94 • Established DONGGUAN YOKOWO ELECTRONICS CO., LTD. in China. (merged with DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. in 2017)



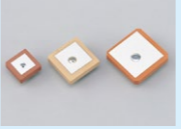
- '95 • Established DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. in China.

- '96 • Developed the world's first Micro Antenna for automotive AM/FM radio.



Micro Antenna

- Started Microwave Ceramics business.



Ceramic Antenna

- '97 • Developed a BGA Test Socket to make a full entry into the semiconductor inspection market.



BGA Test Socket

- '99 • Established DONGGUAN YOKOWO COMMUNICATION COMPONENTS CO., LTD. in China.

- Established YOKOWO Europe Ltd. in London, U.K.

2000

- '01 • Listed on the first section of the Tokyo Stock Exchange.

- '02 • Established YOKOWO MANUFACTURING OF AMERICA LLC in Hilliard, Ohio, U.S.A.



- Established YOKOWO KOREA CO., LTD. in Korea.

- Developed the industry's first socket for high-frequency testing.



Hi-Giga Sockets

- '05 • Established YOKOWO CORP. (H.K.) LTD. in Hong Kong.

- Developed a 2 Piece connector to make a full entry into the rugged handheld device market.



2-Piece Blade Connector

- '06 • Started Medical Device business.



Components for Medical Devices (Tip Terminal of Catheter)

- '07 • Established YOKOWO Advanced Device Center. (reorganized into a joint corporation in 2019)



YOKOWO Advanced Device Center

- '08 • Took over probe card business from Genesis Technology Inc.

- Established YOKOWO MEMS development center.

2010

- '11 • Established YOKOWO VIETNAM CO., LTD. in Vietnam.



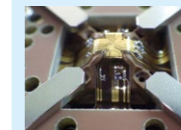
- Began OEM supply of Guide Wire for medical treatment.



Guide Wire for Medical Treatment

- '12 • Acquired ISO 13485 certificate.

- '13 • Commercialized the YPX probe card series for the testing of high frequency devices using MEMS technology.

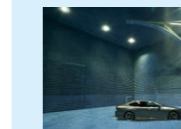


YPX Series

- '14 • Acquired ISO 27001 certificate.

- '16 • Acquired OHSAS 18001 certificate. (Transferred to ISO 45001 in 2020)

- '18 • Established Advanced Measurement Technology Center in Tomioka plant.



AMT Center

- '19 • Registered the SmartWeld® trademark for its original technology for bonding different metallic materials.

- Established a joint corporation as LTCC Materials Co., Ltd.

2020

- '20 • Established YOKOWO EUROPE GmbH in Germany.



- Established Lumax Yokowo Technologies Private Limited in India.
- Established YOKOWO MANUFACTURING OF THE PHILIPPINES, INC. in Philippines.



- '21 • Headquarters relocated to JR Kanda Manseibashi Building.



- '22 • Transitioned to the prime market of Tokyo Stock Exchange, in accordance with the restructuring of market segments.

- Established YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD. (Special subsidiary certification obtained in March 2023)

- Installed a photovoltaic power generation system at Vietnam Plant.

- Established YOKOWO ELECTRONICS VIETNAM CO., LTD. in Vietnam.



- '23 • Established the Micro Process R&D Center (MP Center) in the Tomioka Plant.

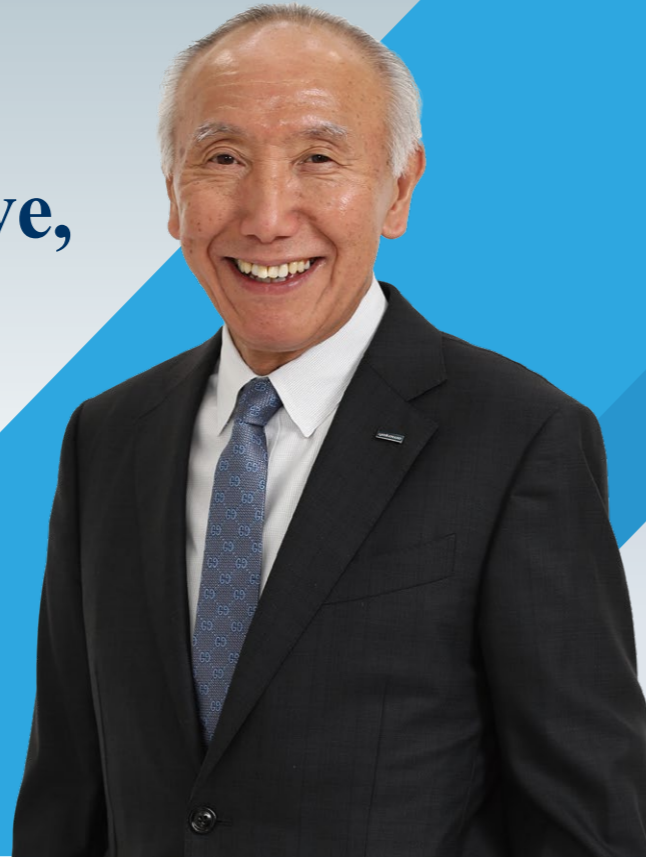
Top Message

Continuing to evolve, to be relevant for the next 100 years

GO BEYOND
~Challenge the Next Stage~

Takayuki Tokuma

Representative Director,
President and Executive Officer
YOKOWO CO., LTD.



100 years since our founding, through further progress we will work towards being an ever-evolving company

In fiscal 2024, we embarked on a new medium-term management plan. An overview of this, along with our vision for the future are presented below.

Basic Management Policy

In 2022, on the occasion of our 100th anniversary, we instituted the sustainable evolution of business management, and a multi-layered business structure as management policies aimed at achieving our corporate philosophy of Purpose, Vision, and Values (see p.2).

As per our slogan of “Constantly on the cutting edge” put forward since our founding, sustainable evolution of business management refers to constantly evolving and progressing. Measures for realizing the sustainable evolution of business management are product innovation (including business model, product and business structure innovation), process innovation (the innovation of business processes) and personnel innovation (human resources innovation). In other words, these measures aim to substantially change the business structure, including products, technologies, and markets and business operating process through the optimal placement of business sites and the active

introduction of business processes, processing technologies and IT. The diversity of the human resources who operate the above will expand to ensure the development of highly professional teams. In line with management innovation (the innovation of corporate management and business operations), substantial changes will be made to how the elements and systems involved in these three innovation measures, as well as how these measures themselves are managed, in order to accelerate the evolution of business management.

The other management policy of the multi-layered business structure aims to enhance the stability of our corporate management and our companywide earnings structure. In other words, we aim to improve sustainability. As the management environment surrounding Yokowo is changing drastically, this management policy aims to establish a tenacious business system capable of responding flexibly to these changes in the business environment by creating a multi-layered business structure (industry, customers, technologies,

supply chains, and other layers).

By promoting this sustainable evolution of business management and a multi-layered business structure, we hope to achieve our “Minimum 10” medium-term management index (secure at least 10% in operating profit growth rate, operating profit margin, return on equity (ROE), and return on invested capital (ROIC)).

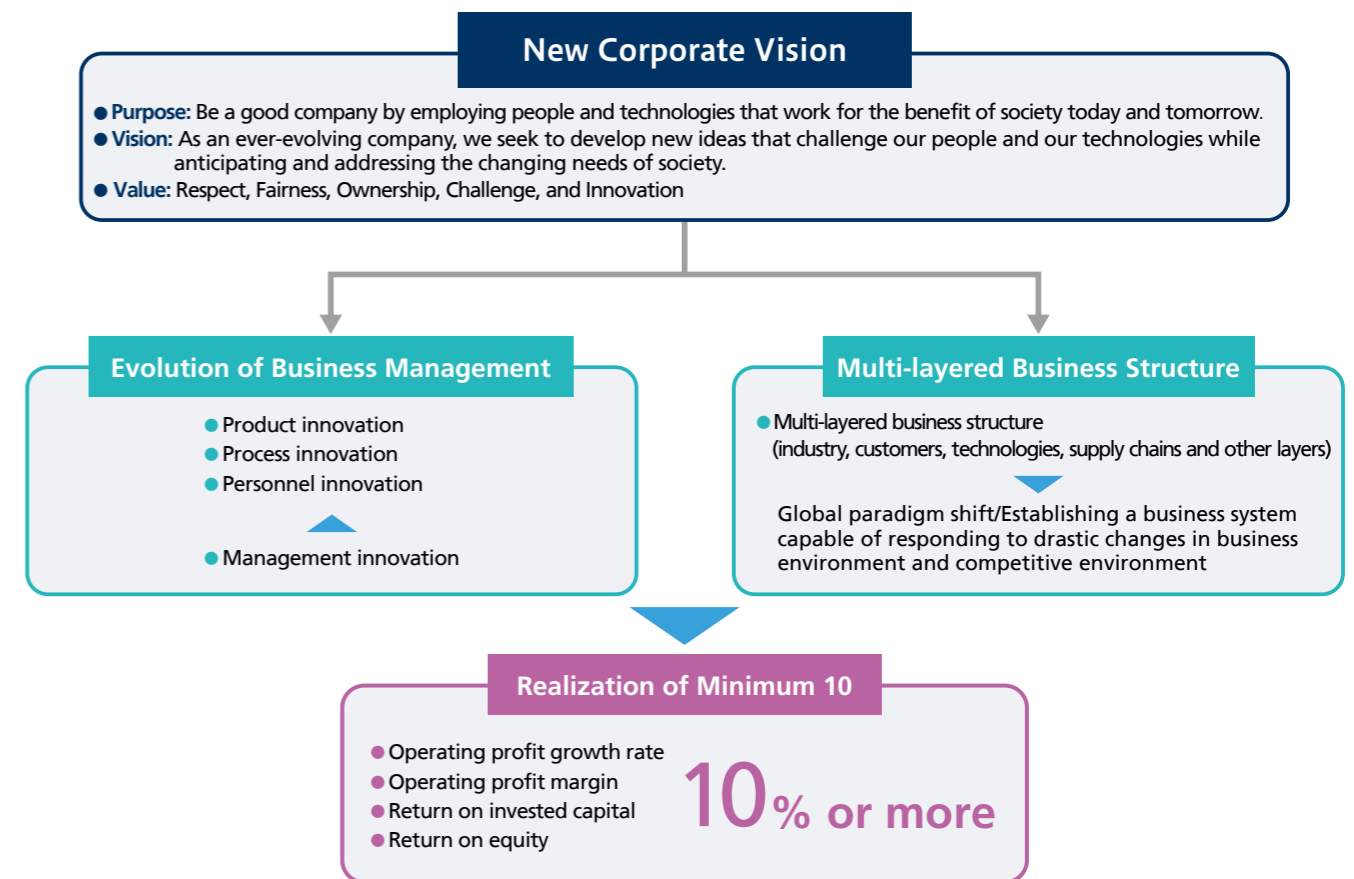
Recent Operating Results and Forecasts

Performance in the Fiscal Year Ended March 31, 2024, Current Status and Forecasts

In the fiscal year ended March 31, 2024, in the key markets of our group—automotive, semiconductor testing, mobile communication terminals, and advanced medical equipment—there was a rapid increase in the sales volume of electric vehicles (EVs) in regions such as Europe, the U.S., and China, along with the acceleration in the evolution of generative AI. These could change business strategies and models across various industries, leading to intensified competition in the development of products and technologies.

Under these circumstances, the VCCS segment achieved increased revenue and a return to profitability compared to the previous fiscal year because of fluctuations in orders, normalization of ocean freight rates, and a series of business structure reforms, however both CTC and FC/MD segments saw significant declines in both revenue and profit. Under these circumstances, while the Yokowo Group’s consolidated net sales were 76,895 million yen (down 1.4% from the previous year) and operating profit 1,617 million yen (down 65.9% from the previous year), with these figures exceeding the performance forecast announced during the period, the results were extremely disappointing.

Looking to rebuild from this and return to medium- to long-term growth, we formulated and announced the “New Medium-Term Management Plan 2024-2028” in May 2024, with its implementation progressing steadily. The expected performance for the fiscal year ending March 31, 2025 is consolidated net sales at 82 billion yen and operating profit at 4.45 billion yen, with sales projected to reach a record high and operating profit to reach around 80% of the record-high levels attained in the fiscal year ended March 31, 2021.



New Medium-Term Management Plan 2024-2028

In terms of business, the New Medium-Term Management Plan 2024-2028 (hereafter, "New Medium-Term Plan") focuses on the same two pillars as before—"expanding and strengthening core businesses" and "expanding business domains through the acquisition of new core competencies and alliances," but naturally, the content and weight of individual business themes have changed with a clearer focus on alliances. Additionally, with the full penetration of ROIC-based management, we aim to transform our business structure into one with high profitability and capital efficiency by setting both company-wide ROIC targets and those by business segments.

The VCCS segment is planning to expand its existing automotive antennas, including shark fin antennas, in growth markets such as China and India. At the same time, by positioning next-generation products with specifications tailored to autonomous driving and advanced driver assistance systems (ADAS) as core offerings, we are aiming for sales of 61 billion yen, operating profit of 4.6 billion yen, and ROIC of 11.0% by the fiscal year ending March 2029.

The CTC segment is focusing on restructuring its business model in the fiscal year ending March 31, 2025 but is also steadily implementing measures to bring about a comeback. While we specialize in spring probe-type contactors, we are also actively incorporating new technologies through M&A, in view of the expansion of testing methods using other contactors such as micro electro mechanical systems (MEMS), and so we are aiming to become a comprehensive test system supplier covering a wide range of processes from front-end to back-end testing. Our targets for the fiscal year ending March 31, 2029 include sales of 29.4 billion yen, segment profit of 6.65 billion yen, and ROIC of 20.7%.

In the FC/MD segment, the FC business will focus on its core product, the spring pin connector (SPC), to drive stable business

growth by pursuing miniaturization, weight reduction, and cost efficiencies, as well as by entering new markets and acquiring new customers to bring about steady business expansion. Our targets for the fiscal year ending March 31, 2029 include sales of 8.7 billion yen, operating profit of 1.4 billion yen, and ROIC of 12.4%. For the MD business, we are establishing a position as a manufacturing partner in a venture ecosystem comprising industry, government, and academia, thereby creating innovative advanced medical devices. Additionally, we are leveraging the approval received for manufacturing and selling of medical devices to promote the development and proposals for our own planned generics and improved medical devices. With these two areas of growth, we are aiming for sales of 8.7 billion yen, operating profit of 1.4 billion yen, and ROIC of 12.4% by the fiscal year ending March 31, 2029.

The Incubation Center segment is focusing on mobility as a service (MaaS) and Internet of things (IoT), and identifying global market needs. As well, it is actively promoting the evolution of our business model from selling things to selling solutions, while making use of M&A and regional partnerships. Our target for the fiscal year ending March 31, 2029 is to achieve sales of 2.5 billion yen and to return to profitability.

Along with promoting the spread of ROIC management, a pillar of the New Medium-Term Plan emphasizes tackling sustainability issues. We believe in a strong advance on human capital management (see p.45), which we consider the most important of these. In pursuit of our purpose—to be a good company by employing people and technologies that work for the benefit of society today and tomorrow—we are committed to promoting "diversity, fairness, and inclusion" as well as "global talent development" as materialities in order to strengthen and enhance human capital in the same way as with technical capital, targeting continuous growth and evolution.



■ And most importantly, a company where the employees of the Yokowo Group think, "I am very satisfied with to be working for this company. I will work harder to make it an even better company." I think that a company such as that is truly a good company.

To make Yokowo a good company, we should ensure that officers and employees of the Yokowo Group both within Japan and overseas, regardless of nationality, gender and other differences, are content and fulfilled in their work, and have a foundation of reliability and trust. Through the evolution of our technology, we will continue to offer quality products and services to improve customer satisfaction. We will contribute to local communities which we rely on to ensure that we are welcomed by them, and to bring satisfaction to our neighbors. As a member of the global society, we will respect the human rights of people globally and contribute to preserving the natural environment that sustains the lives of people around the world, including that of our stakeholders. Based on the above, we have taken this opportunity to review our materialities, and have set five key areas and 13 materialities issues (see p.17).

Additionally, in our vision of being an "ever-evolving company," we have formulated and are steadily implementing a succession plan which forms the foundation of this (see p.36). Initially, we have created a succession plan for top management, and in the future we plan to expand its scope to include officers and general managers. By sharing a strong belief in "continuing to evolve together," we believe that the integrated formulation and implementation of these measures will solidify a solid foundation upon which the group will be able to continue growing and evolving for the next 100 years. Throughout this process, we will actively engage and maintain dialogue with all stakeholders, and through this contribute to the realization of a sustainable and better society.

In the years to come, we look forward to the ongoing support, guidance, and encouragement of our shareholders and other stakeholders.

So we can achieve sustainability with our stakeholders

Since being appointed as President in 2007, I have constantly conveyed my desire to make Yokowo a good company to our employees. I think that a better company is:

- A company about which customers say, "It was good that we have conducted business with Yokowo. We will expand our business relationship with Yokowo."
- A company about which contractors say, "It was good that we performed business operations for Yokowo. We will work harder to contribute more." A company about which local communities say, "I'm glad Yokowo is in our town. I'd be very happy for my children to join Yokowo."

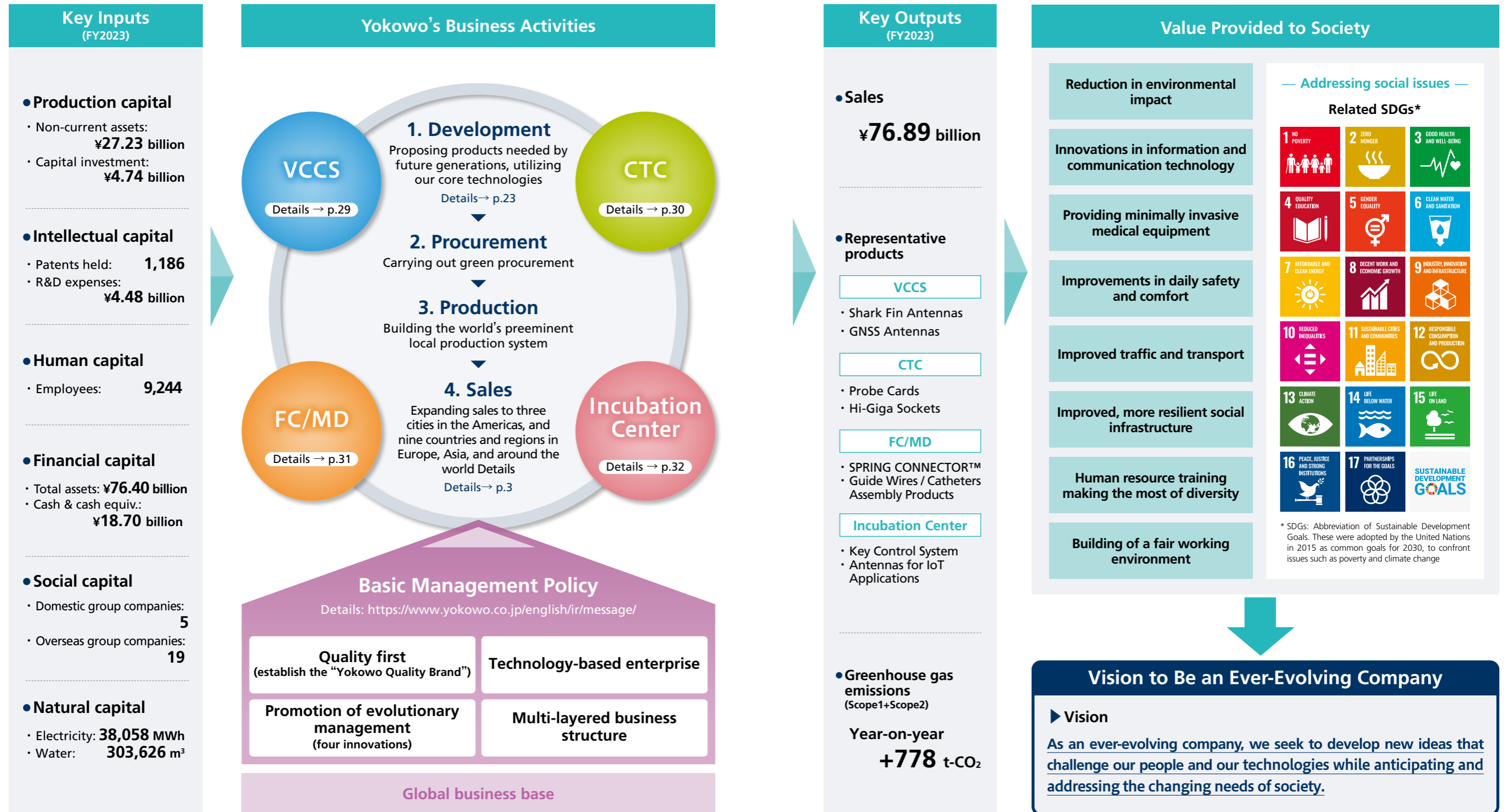
▼ Targets by segment (fiscal year ending March 31, 2029)

	Sales	Operating profit	ROIC
VCCS	¥61 billion	¥4.6 billion	11.0%
CTC	¥29.4 billion	¥6.65 billion	20.7%
FC	¥8.7 billion	¥1.4 billion	12.4%
MD	¥7.15 billion	¥1.05 billion	12.0%
Incubation Center	¥2.5 billion	¥50 million	1.1%

New medium-term management plan 2024 – 2028 Consolidated performance targets (fiscal year ending March 31, 2029)	
Sales:	108.75 billion yen
Operating profit:	13.75 billion yen
Ordinary Profit:	12.6 billion yen
Profit attributable to owners of parent company:	8.8 billion yen
ROIC:	11.6%

Yokowo's Value Creation Process

While utilizing our "six types of capital," the Yokowo Group provides value to society through a multi-layered combination of our core competencies (micro-precision processing, microwaves (high-frequency), and advanced devices). Looking forward, our aim is to achieve a sustainable society through our business activities that are based upon the four pillars of our basic management policies, and to strive to continue to create value unique to Yokowo.



Yokowo's Materiality

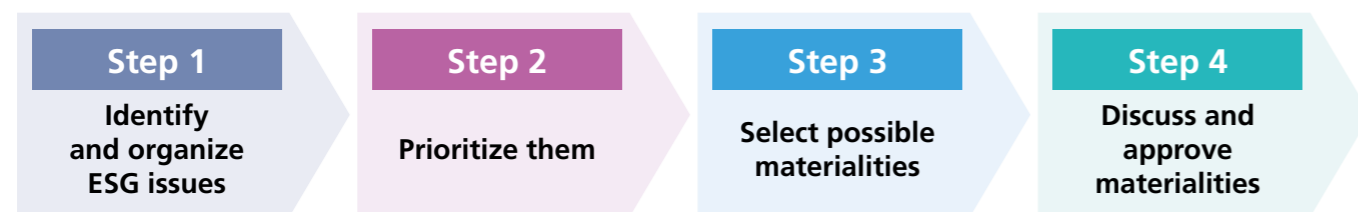
To achieve our purpose which states, "Be a good company by employing people and technologies that work for the benefit of society today and tomorrow," we have created the New Medium-Term Management Plan 2024-2028 from a medium to long-term perspective and revised the materialities that we identified in 2020.

Revision of and Approach to Materialities

In the context of a rapidly changing external environment and increasing management uncertainty, we, as a group, have revised our materialities and related indicators and targets in connection with the formulation of the New Medium-Term Management Plan 2024-2028. We examined each issue by considering how we affect society and the environment, and how society and the environment affect us. We then set key issues and materialities, with corresponding indicators and targets.

The five key areas in the non-financial areas we have established will help to implement the New Medium-Term Management Plan 2024-2028 through specific materialities initiatives. By linking them to the financial areas, we will increase our corporate value and contribute to the development and evolution of a sustainable society.

Process to Identify Materialities



Step 1 Identify and organize ESG issues

To identify issues, we created a long list based on questions from ESG rating organizations, reports from international organizations, and key issues from business partners and our own company, and organized them into four groups: E (Environment), S (Society), G (Governance), and Other.

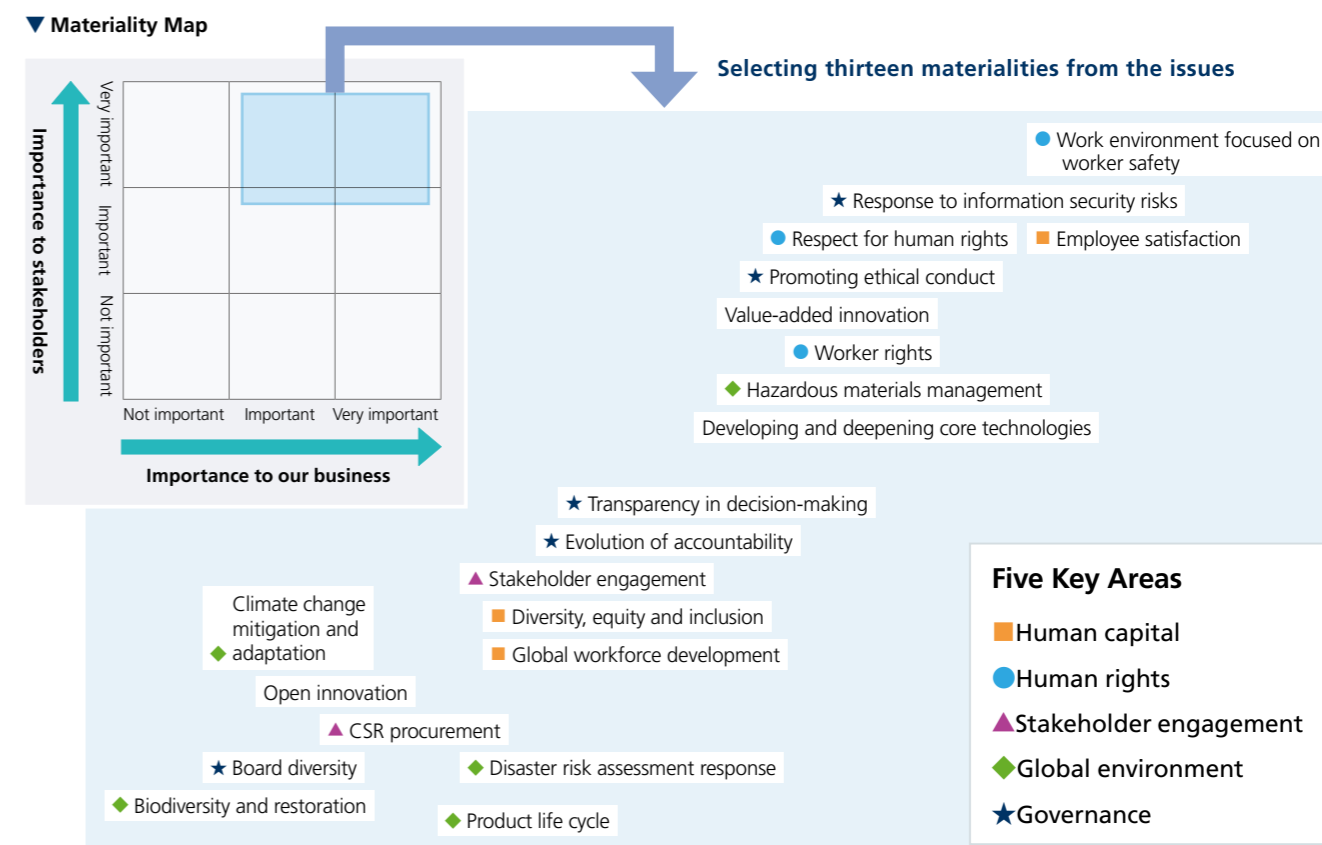


Step 2 Prioritize the issues

To prioritize the issues identified in Step 1, we established two rating axes: Importance to stakeholders and importance to our business, each with a three-level scale of very important, important, and not important. We conducted a survey of our executives and employees in Japan and overseas, and created a materiality map.

Step 3 Select possible materiality

Based on the survey results, the Executive Meeting selected possible materialities for each of the five key areas —human capital, human rights, stakeholder engagement, global environment, and governance— and proposed KPIs and targets for FY2030.



Step 4 Discuss and approve materiality

The Board of Directors discussed and approved the five key areas, 13 materialities, KPIs, and FY2030 targets selected by the Executive Meeting. The identified materialities, KPIs, and FY2030 targets will be revised as necessary to reflect changes in the external environment and business, as well as the progress of activities.

*See the next page for details, as well as KPIs and FY2030 targets.

Key Areas	Materiality
Human capital	<ul style="list-style-type: none"> Diversity, equity and inclusion Global workforce development
Human rights	<ul style="list-style-type: none"> Respect for human rights Rights of those who work with us
Stakeholder engagement	<ul style="list-style-type: none"> Customer satisfaction Two-way communication with business partners Dialogue and interaction with local communities Dialogue with shareholders and investors
Global environment	<ul style="list-style-type: none"> Climate change mitigation and adaptation Transition to a circular society as well as management and reduction of hazardous substances
Governance	<ul style="list-style-type: none"> Corporate governance Compliance Risk management

▼ Materialities and KPIs (FY2030 Targets)

Key areas	Materialities	Approach/Reason for selection	KPIs (FY2030 Targets)		FY2023 Results ("—" indicates a new KPI) [Supplementation/Reference]
			Evaluation index	Target value	
Human capital	Diversity, equity and inclusion	Our basic policy on diversity is to hire and train a diverse workforce regardless of nationality, gender, age, etc., and to respect individuality, to treat employees fairly and equitably, and create a comfortable workplace so that each and every employee can maximize his or her potential. We believe that expanding diversity and enhancing equity and inclusion in accordance with this basic policy will encourage a diverse workforce to demonstrate their abilities with high motivation, and will serve as the foundation for the Group's permanent evolution.	Number of TISP*1 hires/employees	120 or more (cumulative)	75 (as of March 31, 2024)
			Percentage of employees with disabilities	3.45% (1.5 times higher than the statutory percentage of 2.3% in FY2023)	2.3% (as of March 31, 2024)
			Percentage of female managerial staff	10% or more	Percentage of female managers to total number of managers:3.6% (as of March 31, 2024)
			Increase employee engagement	Aim to achieve 20% increase from the 2022 score of 46*2 as soon as possible and to maintain that level	— (Not implemented in FY 2023)
	Global workforce development	Our Group has the advantage of having a global workforce. To ensure that this continues to be our competitive edge, we believe it is essential to focus on expanding the training of our global human resources.	Communication equipment sector: number of qualified persons	60	— [31 as of October 2024]
			Connectors sector: number of product or process inventors	72	48
			Medical sector: number of persons with competence in the three roles*3 in medical business manufacturers and distributors, as well as FDA and MDR-compliant individuals	20	5
			Employee mastery level of DX literacy standards*4	20% or more of employees above standard	— [6% as of October 2024]
Human rights	Respect for human rights	We are committed to respecting and improving human rights by establishing the Yokowo Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights. In accordance with our Human Rights Policy, we emphasize dialogue with stakeholders, assess negative impacts on human rights throughout our supply chain, and promote initiatives to address specific issues.	Participation rate in human rights training at all Group sites	100%	89% (Non-consolidated)
			Risk assessment of human rights due diligence at all Yokowo Group sites	B or higher (according to Yokowo's unique metric)	(14 production bases) A: 0 companies, B: 4 companies, C: 7 companies, D: 3 companies, E: 0 companies
	Rights of those who work with us	We will address specific human rights issues in a fair and equitable manner to respect the human rights of workers throughout our supply chain. We will pursue initiatives to create a safer, more secure and rewarding work environment.	Percentage of due diligence conducted on Yokowo Group's major suppliers (top 80% of total purchases)	100%	— [97% as of September 30, 2024 (29/30 companies) non-consolidated]
			Rate of lost-worktime injuries	0.23, or a 30% improvement from the base year (FY2023) rate of lost-worktime injuries	0.329
Stakeholder engagement	Customer satisfaction	We want to be a company that makes our customers say, "I'm so happy I did business with Yokowo! I'd love to build on our relationship even more." To meet customer expectations, we will take their feedback seriously and work with integrity. By continuing these efforts, we will establish the "Yokowo Quality Brand" and build long-term trusting relationships with our customers.	Scores in our customer satisfaction surveys	Maintain a score above the base year (FY2023) score each year	VCCS : 83.9, CTC : 82.3, FC : 87.5, MD : 68
	Two-way communication with business partners	We want to be a company that makes our business partners say, "I'm glad I work for Yokowo. I'll work harder to make a greater contribution." To that end, we will conduct fair and equitable transactions. We will build partnerships that create mutual value and long-term trust.	Conduct supplier briefings and sustainability briefings to raise the level of CSR procurement	Once a year or more	Not held
	Dialogue and interaction with local communities	We want to be a company that makes people in the local community say, "I am proud to have Yokowo in my town. I would love for my children to join Yokowo." To this end, we believe it is important to interact with them and engage in dialogue about local development and community issues. We will work to build trusting relationships with them, while gaining their understanding of our Group's business and our efforts to help solve social problems.	Community service activities	70 activities per year	35 activities
	Dialogue with shareholders and investors	To build long-term, trusting relationships with our shareholders and investors, we are committed to accurate, timely and proactive disclosure. We also actively engage in constructive dialogue with them to achieve sustainable growth and increase shareholder value over the medium to long term.	Conduct financial results briefings, small meetings, etc.	5 times or more	Financial Results Briefing 2 times
Global environment	Climate change mitigation and adaptation	To achieve carbon neutrality, we will strongly promote our response to climate change based on our environmental policy and action guidelines, while contributing to the development of society through our business activities.	GHG emission reduction from FY2014 level	35% reduction	22.7% increase (due to a 223% increase in sales compared to FY2014)
	Transition to a circular society and management and reduction of hazardous substances	We promote Group-wide efforts to reduce the use of substances that affect the global environment and the human body, as well as those that impede the recycling of waste materials. We will contribute to global environmental conservation and the realization of a circular society by complying with environmental laws, regulations, ordinances, and customer requirements, and by managing and reducing hazardous substances.	Specific water consumption compared to FY2020	10% reduction	16.4% reduction compared to FY2020
			Percentage of recycled plastic used	25% or more	—
			Waste recycling rate	80% or more on a global basis	74% on a global basis
			Reduction in use of PRTR substances (Group in Japan)	Curbing the use of PRTR substances through active consideration of alternative substances	12,440kg
Governance	Corporate governance	We prioritize the enhancement of corporate governance as a key management objective, and pursue the achievement of our management objectives by ensuring management efficiency, transparency, and legal compliance.	Board effectiveness assessment	4.5 or higher on a 5-point scale	— [Results as of May 2024: 4.27 (based on self-assessment questionnaire)]
			Board diversity	Optimize the composition of the Board of Directors to improve its effectiveness and corporate value*5	—
	Compliance	To continuously increase our corporate value and earn the trust of our stakeholders, we will contribute to the development of a sustainable society by conducting our business, environmental and social activities in a transparent and highly ethical manner.	Compliance training participation rate (all Yokowo Group sites)	100%	— [3 times in FY2023 non-consolidated]
			Awareness of the whistleblower system (all Yokowo Group sites)	100%	— [45.3% at the time of the July 2024 survey]
	Risk management	We will fulfill our corporate social responsibility and stabilize our organizational operations by considering the impact of risks on our business activities, complying with relevant laws and regulations, and responding appropriately to risks through our risk management system and efforts to continuously improve our performance.	Identification of critical risks based on risk assessment and confirmation of progress in implementing measures	Once a year or more	Once
Number of incidents based on internal security incident severity determination	0 cases of score 40 or higher*6	—			

*1 TISP: Tomioka International Specialist Park
*2 Score of engagement survey by Qualtrics

*3 Three roles: General Manufacturing and Marketing Director, Quality Business Operation Director in Japan, and Safety Management Director

*4 KPI is the ratio of employees who have mastered the DX literacy standard defined by METI as DX skills that all employees should possess

*5 Optimization will be examined every year with a focus on women/foreign nationality/independence
*6 Goal to achieve and maintain zero incidents of high importance according to Yokowo's original index

Yokowo's Manufacturing

The Yokowo Group actively incorporates cutting-edge technologies while reaching greater heights with its core technologies, such as micro precision processing technology, antenna technology, and microwave technology, providing a wide variety of original products for the world's leading companies.

Furthermore, Yokowo is promoting innovation each and every day in the production process and enhancing our software development capabilities in order to evolve our business model from "things" to "services" — this is so that we can achieve high levels in terms of quality, cost, delivery, and safety (QCDS).

Cutting-Edge Research and Development

Basic Research

Microwave Technology

Amid the development of automated driving and 5th generation mobile communications systems (5G), microwave technology is becoming increasingly more important in the fields of vehicle communication and semiconductors. Yokowo is progressing with the establishment of the world's highest-level microwave technology in terms of both wireless communication and semiconductor testing.

Process Development

Micro Precision Process

In addition to the world's highest-level micro precision processing technology, Yokowo is strengthening its competitiveness in precision plating and MEMS processing.

Production Process

All major elemental technologies are developed within Yokowo's production engineering department, which also promotes AI applications in production and quality control.

Design Process

Yokowo is establishing an integrated system from design to maintenance that utilizes 3D computer-assisted design information.

Commercialization Research

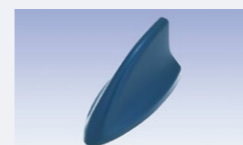
Yokowo has established a system in which the R&D department, the process technology department and the department responsible for new product development and commercialization can work together closely. By incorporating cutting-edge technologies in collaboration with other companies and universities, Yokowo is also promoting product evolution and a multi-layered business structure.

Applied Research

- System proposals related to building social platforms that utilize wireless technology and software development capabilities
- Development of high-speed optical communication devices and connectors, and automatic testing technology for wireless antennas incorporated in semiconductor devices essential for the evolution in automated driving and 5G
- Turnkey system proposals for semiconductor testing tools

Multi-Layer Building Products

Vehicle antennas



Software applications



Semiconductor testing



High frequency device testing



Connectors for electronic devices



Medical devices

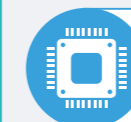


Fields for Product Roll-Out

Expanding and Strengthening



Vehicle Antennas
● Automated driving systems



Semiconductor Testing Tools
● 5G/6G ● Turnkey

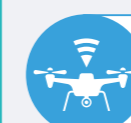


Connectors for Electronic Devices
● Small, low profile, waterproof, high current



Medical Devices
● Precision parts
● Assembly products

Strategic Development



Social Platforms
● Car sharing ● Drones



High Frequency Device Testing
● Amps ● Filters



AI Semiconductors
● Photoelectric fusion
● Photoelectric conversion



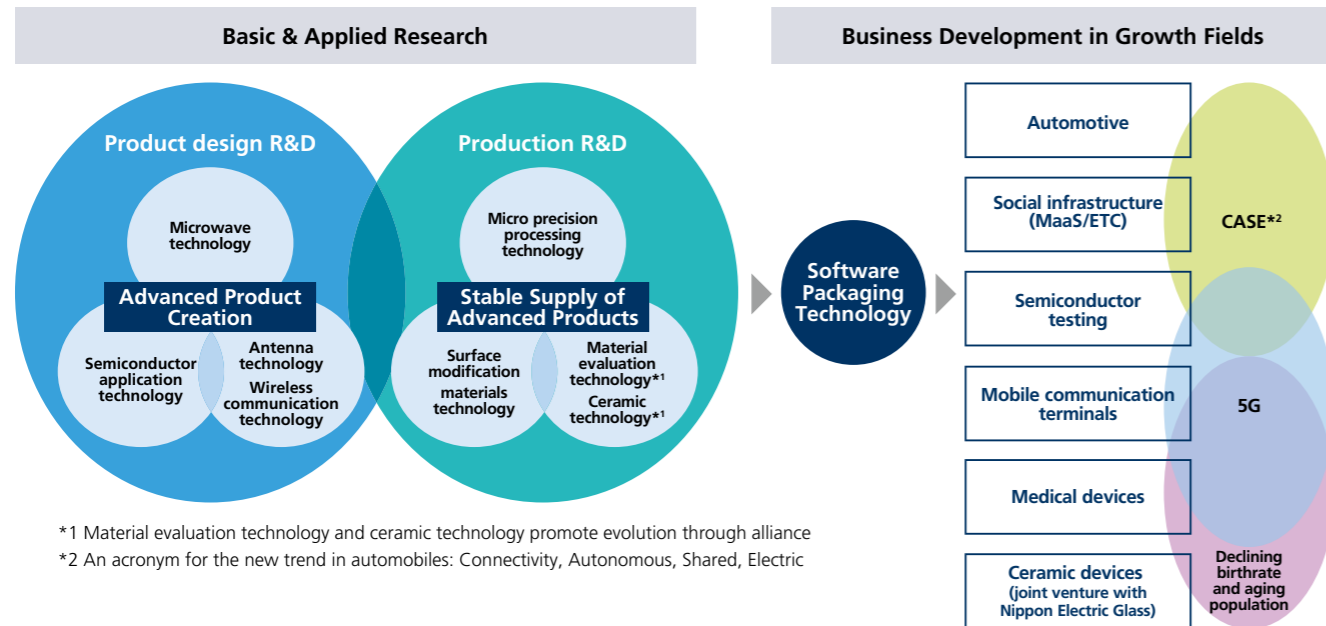
Precision Plating
● Wet ● Dry

The world's number one manufacturer for high-frequency, wireless applications, and precision parts

Research and Development

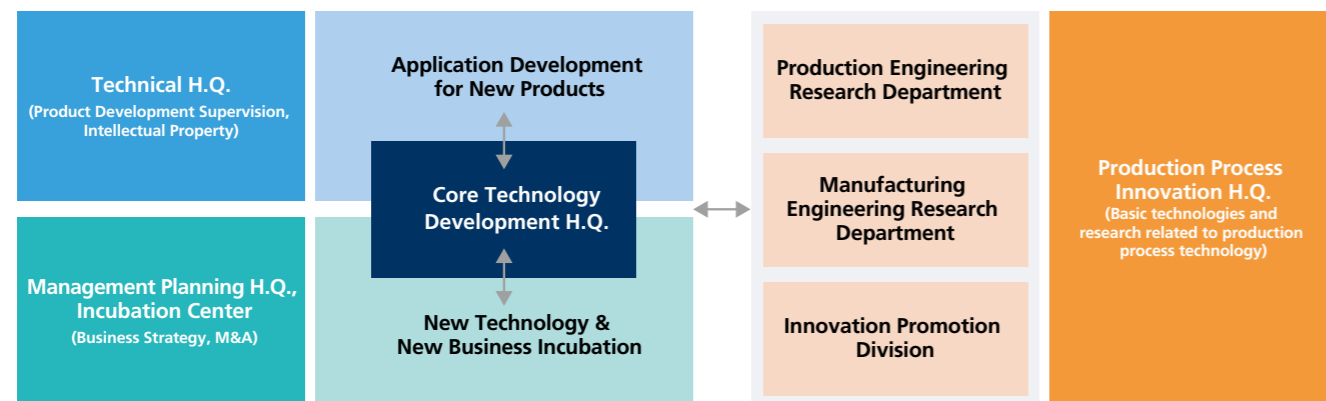
The Yokowo Group has set the five fields of micro precision processing technology, microwave technology, antenna technology, surface modification materials technology (surface processing/modification of material), and semiconductor application technology as the Company's core technologies supporting its competitiveness in the marketplace. Through greater sophistication and wider use of all its technologies, Yokowo is building a multi-layered business structure to create innovative, high-tech products.

Research and Development



Policy Product design R&D and production R&D are essential and inseparable elements of Yokowo's research and development. With the two running in sync Yokowo is able to create advanced products at the cutting edge, providing a stable supply to the Company's customers.

Research and Development System

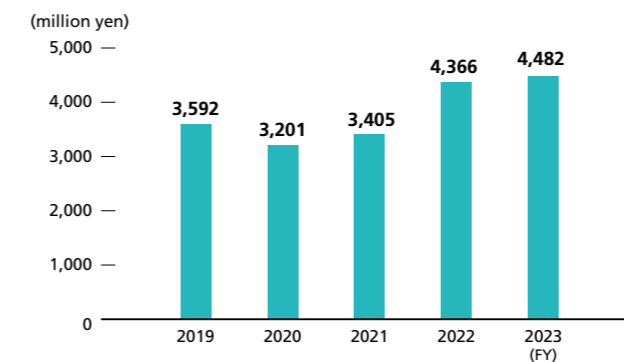


Development of applications for new products is conducted by engineering departments in each business division, with the Technical H.Q. overseeing the whole product development process along with technology development. The Management Planning H.Q. and Incubation Center are in charge of new technology and new business incubation, whereas for research and development, the Core Technology Development H.Q. is in charge of the development of technologies, such as microwave technology, micro precision processing, and MEMS technologies, needed to give our products a competitive advantage. Likewise, the Production Process Innovation H.Q. is in charge of research related to the production of products.

R&D Investment

Based on the Yokowo Group's company-wide growth strategy, the R&D department, the business division's technology department, and local development centers work together to promote research and development centered on the Company's core technologies. In particular, Yokowo is focusing on the research and development of new technologies and new products with an emphasis on developing products with a higher degree of technological integration and increased added value.

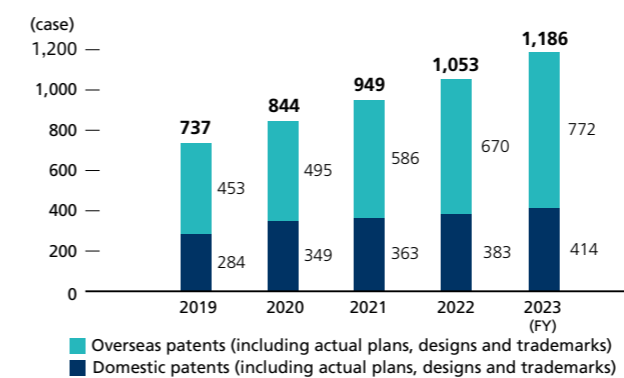
R&D Expenses



Intellectual Property Rights

With its sights set squarely on target business fields and business development for intellectual property, Yokowo is strengthening the foundations of its intellectual property, the cornerstone of its business strategy, by steadily increasing the number of patents it holds in Japan and overseas and by making use of licensing agreements, etc.

Patents held



Main R&D Themes

Main objectives over the medium to long term include: the expansion of the MaaS (Mobility as a Service) business model that combines a hardware vehicle with software services including the integration of payment for multiple modes of transportation in line with the concentration of investment in CASE (Connectivity/Autonomous/Shared/Electric) next-generation technologies and development in CASE. Other objectives include the actualization of new semiconductor demand for next-generation high-speed, large capacity communications typified by 5G and Beyond 5G (6G); the rise of next-generation products such as wearable devices; and the spread of minimally invasive treatment and advances in genetic testing technology.

The main R&D themes for each segment related to the above markets are as follows:

VCCS

- Antenna system for V2X essential for ADAS and automated driving
- Technology development for communication systems, equipment and devices for the CASE era

CTC

- Development of test sockets for high-current, high-speed and high-frequency devices
- Research and development aimed at improving performance, durability, and functionality, e.g. probe surface modification technology
- Development of probe cards that keep pace with the semiconductor device technology roadmaps

FC/MD

[Fine Connector (FC) Business]

- Development of products for small robots and communication devices, including space and marine environments, to achieve a smart society
- Development of the "world's smallest SPRING CONNECTOR™," with a focus on small size and light weight

[Medical Device (MD) Business]

- Joint development of new minimally invasive medical equipment and testing systems with universities and medical institutions in Japan and the United States that utilize micro precision processing technology and microwave technology

Incubation Center

- Development of products and solutions together with partner companies to create new markets
- Creation of new business models with a shift from selling things to services, including subscriptions

Product Technology

The Yokowo Group develops a whole range of innovative products based on its unique technological capabilities built up over many years, supplying electronic, electrical and automotive manufacturers around the world.

Innovative Product Development through the Fusion of Yokowo's Technologies



By combining Yokowo's production engineering for increased production efficiency with its core technologies of micro precision processing technology, microwave technology, antenna technology, and surface modification materials technology, the Company is able to develop products with innovation and creativity. Amassing technical expertise with greater sophistication, Yokowo remains committed to the fundamental research and development of new core technologies.

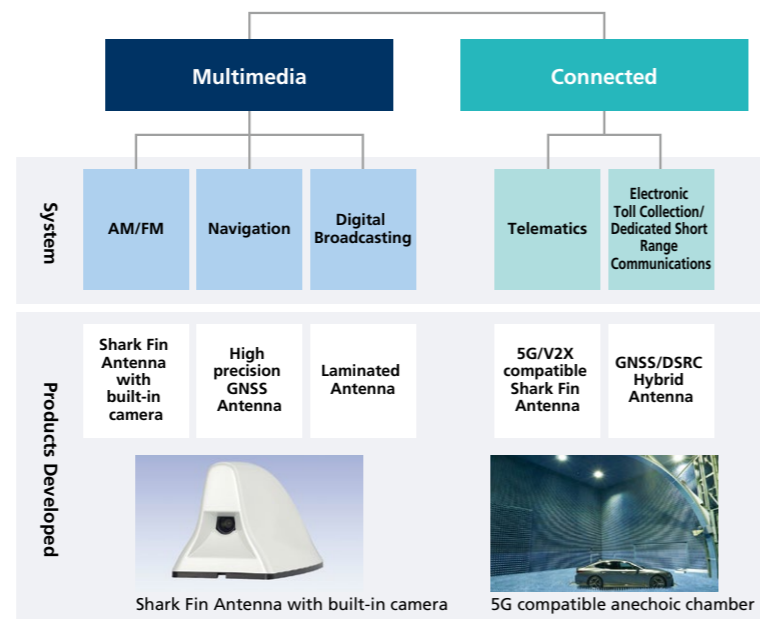
Through these unique technologies, Yokowo manufactures a whole range of innovative products such as: vehicle antennas; testing tools for semiconductors and electronic components; connectors for electronic devices; and medical devices. Yokowo continues to supply these products and more to the automotive and MaaS, semiconductor testing, mobile communication terminals and medical device markets.

Automotive and MaaS Markets

To meet the needs required for smaller, multi-use, lower profile, smart vehicle antennas, Yokowo is developing antenna systems that support next-generation vehicle communication by making full use of modular technologies as well as the antenna and microwave technologies Yokowo has built up over many years.

Along with Yokowo's state-of-the-art facilities, including an electromagnetic field simulator and an anechoic chamber for measuring millimeter-wave frequencies (up to 40GHz) in 5G communications, Yokowo makes full use of its world-leading technological prowess to manufacture innovative, industry-leading products.

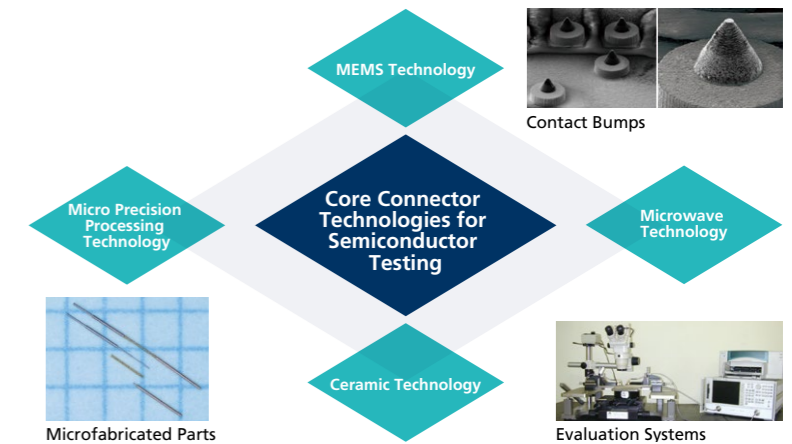
VCCS Segment Business Domain



Semiconductor Testing Market

More than ever before semiconductors and electronic components are required to have faster speeds, higher frequencies, and better integration, with similar expectations also for the testing process. By making full use of MEMS technology, in addition to Yokowo's micro precision processing and microwave technologies developed over many years, Yokowo develops and supplies products globally in all areas of high-speed, high-frequency as well as front- and back-end testing processes.

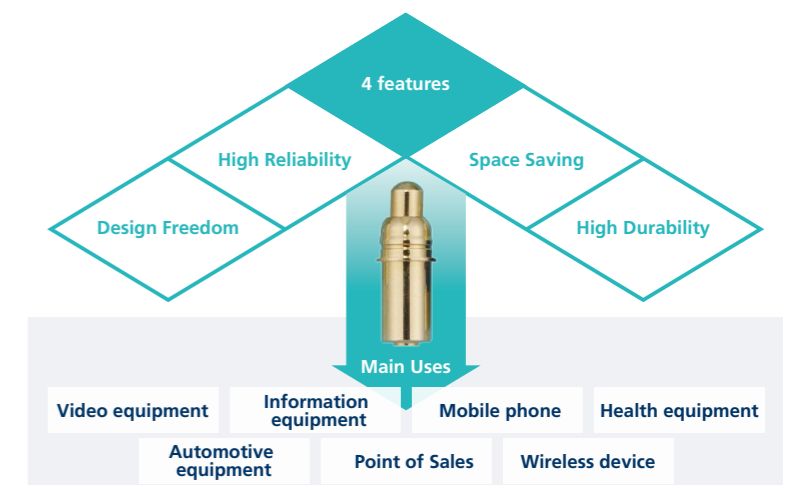
CTC Segment Business Domain



Mobile Communication Terminal Market

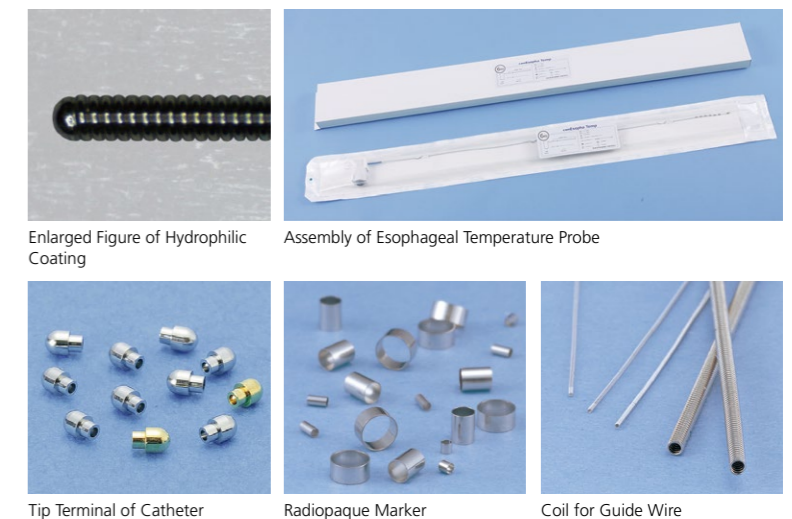
In the rapidly expanding mobile communications terminal market, there is an increasing need for detachable, low profile space-saving connectors with detachable durability and environmental worthiness becoming even more important in commercial information devices. Yokowo's proprietary SPRING CONNECTOR™ accurately capture these market needs, becoming used more widely in a variety of applications.

Features and Main Uses of the SPRING CONNECTOR™



Medical Device Market

Yokowo is making full use of technologies such as micro precision processing, coating, assembly, as well as product design and evaluation to develop such products as OEM guide wires, catheters and other items in the field of minimally invasive medical equipment. Yokowo possesses its own equipment and manufacturing lines to provide a complete service from product processing and finished product assembly to hydrophilic coating, packaging and sterilization. In the assembly process, various connections methods can be selected depending on the product's use.



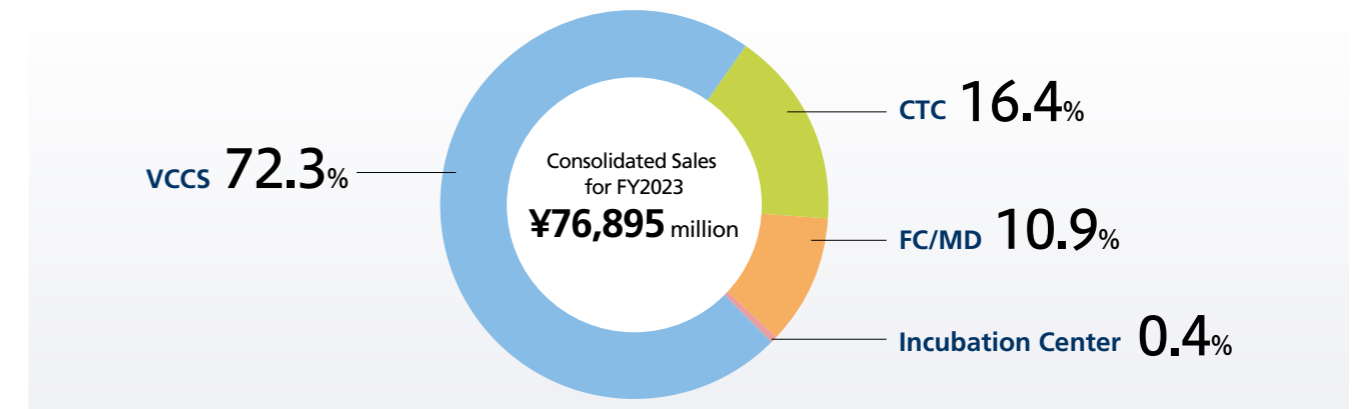
Yokowo's Business Domain

The Yokowo Group has refined our core technologies by incorporating various technologies such as antenna and microwave technologies, while further deepening the technologies in micro precision processing. We have expanded our business scope to include antennas, connectors, and advanced device products, and currently operate in four segments: VCCS (formerly Vehicle Communication Equipment), CTC (formerly Circuit Testing Connector), and FC/MD (formerly Personal Communication Equipment), and Incubation Center. Yokowo will continue to strive for further growth and increase our corporate value by quickly identifying the needs of next-generation electronics and continuing to propose and provide cutting-edge products to the world.

▼ Business Domain Map



▼ Ratio of Consolidated Sales by Segment



VCCS (Vehicle Communication Comfort & Safety)

Yokowo manufactures antennas for cars (vehicle antennas), such as the Shark Fin antenna, mainly for the automotive market. By continuing to develop and propose antenna systems to the customers that support next-generation vehicle communication which meet the basic needs required for smaller, multi-use, lower profile and smart vehicle antennas, Yokowo is helping to create safe and comfortable mobility services.

CTC (Circuit Testing Connector)

Yokowo manufactures probe cards for frontend testing and sockets for backend testing mainly for the semiconductor and electronic component testing market. By making full use of its micro precision processing and microwave technologies, the Company provides solutions for all processes in the area of testing for electronic devices, such as semiconductors and electronic components, so as to meet the demands for smaller size and greater speeds.

FC/MD (Fine Connector • Medical Device)

Fine Connector (FC) Business
Yokowo is globally developing and providing minute SPRING CONNECTOR™ that meet the needs for miniaturization and space saving in various electronic devices, mainly for the mobile communications terminal market.

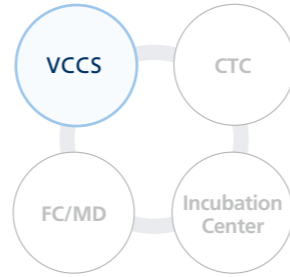
Medical Device (MD) Business
Yokowo provides a complete service from the design to the development and manufacturing of OEM guide wires, catheters and other micro precision parts and assembly products, mainly for the minimally invasive medical equipment market.

Incubation Center

Platform Business
Yokowo provides higher value-added products by applying our advanced antenna technologies cultivated in the automotive industry to new markets such as advanced driver-assistance systems (ADAS), automated driving, and connected cars.

Antennas for IoT Applications
Yokowo provides 4G/5G antennas and high-precision GNSS antennas for markets beyond automotive. We provide high-performance antennas to control and operate everything with greater precision as everything becomes connected and automation accelerates.

VCCS Segment



▼ VCCS segment - Consolidated Sales

(million yen)

FY2019	FY2020	FY2021	FY2022	FY2023
39,264	37,292	40,081	46,089	55,583

Segment Overview

In the VCCS (Vehicle Communication Comfort & Safety) segment, Yokowo manufactures vehicle antennas, including Shark Fin and GPS antennas for all areas from low to high frequency, mainly in China, Vietnam, and the Philippines with over 90% of production taking place overseas. Regarding sales, we mainly provide our vehicle antennas to Japanese automobile manufacturers, not only in Japan but also globally in the United States and ASEAN markets. Overseas sales account for over 70% of all sales in this segment.

As a leading company of antenna systems that support next-generation vehicle communications, Yokowo will continue to strengthen its core technologies including antennas, and promote drastic reforms to its profit structure to continue to generate long-term profits.

Segment Review (Fiscal 2023)

In the automobile market, the main market for this segment, during the fourth quarter there was a drop in production by some customers, but an easing in the global shortage of semiconductors and the stagnation of parts supply resulted in sales trending upward. Sales increased in each region, led by the US, China, and Japanese domestic markets.

In these circumstances, sales of antennas for automobile manufacturers such as Yokowo’s mainstay Shark Fin and GPS antenna products increased year on year due to increased production of vehicles and the weaker yen.

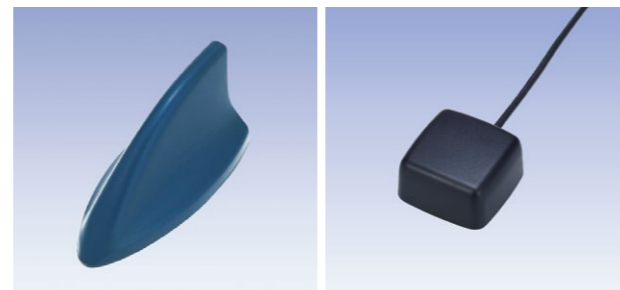
As a result, net sales in this segment grew year on year to ¥55,583 million (up 20.6% on previous year). In regard to segment profit and loss, despite increased labor costs at production sites in China and Vietnam resulting from currency appreciation and increased business volume, increased profit due to higher sales, reduced logistics costs due to the stabilization of ocean freight rates, and progress in recovering cost increases meant that the segment reported a profit of ¥3,100 million (a loss of ¥1,701 million in the previous year).

Segment Policy

Looking forward, Yokowo will use the opportunity to take advantage of major shifts in the business environment—these include the development of new business fields such as CASE* and ADAS (Advanced Driver Assistance Systems), rapid growth in EVs, and reductions in GHG emissions. While working on the development of more advanced strategic products with higher levels of added value, we will work toward stable profitability as a business through comprehensive and thorough reforms in everything from product costs to business structure.

In this context, we will propose next-generation products to existing customers in line with the evolution in vehicles, and promote the expansion in sales of standard components in areas of growing demand such as China and India. In addition to carefully selecting investment projects aimed at improving capital efficiency, we will forge ahead in rebuilding its profit strategy and creating a multilayered development and production system by stably expanding labor-saving, automatic assembly lines, moving more production from our Chinese plant to our Vietnamese plant, and expanding production from our Vietnamese plant to our Philippines plant as a third production base, and making the most of strategic alliances.

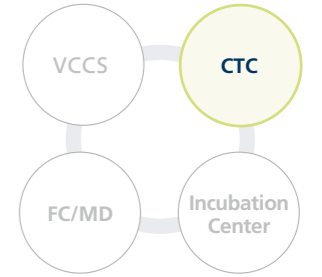
*CASE: Connectivity / Autonomous / Shared / Electric, new trends in automobiles.



Shark Fin Antennas

GNSS Antennas (supports multiple satellite positioning systems, including GPS, GLONASS, and Galileo, etc.)

CTC Segment



▼ CTC Segment - Consolidated Sales

(million yen)

FY2019	FY2020	FY2021	FY2022	FY2023
12,832	13,242	17,625	22,374	12,585

Segment Overview

In the CTC (Circuit Testing Connector) segment, Yokowo manufactures contact probes making full use of its micro precision processing technology, and also manufactures probe cards for front-end testing and sockets for back-end testing in semiconductor manufacturing processes, both of which use contact probes. Yokowo has production bases in Japan, Malaysia, and Vietnam with overseas production accounting for over 60% in this segment. Products are supplied worldwide, mainly to semiconductor manufacturers and foundries, with over 80% of sales going overseas.

In recent years, Yokowo has expanded its product lineup in cutting-edge fields, such as testing sockets for testing 5G devices that use microwave technology, and probe cards for the testing of high-frequency electronic components (YPX) that make use of MEMS technology.

Segment Review (Fiscal 2023)

In the semiconductor testing market, the main market for this segment, was booming as the generative AI-related market came into the limelight, but in addition to a significant decline in demand for PCs and smartphones, the largest market segment, demand for servers was also sluggish, leading to a series of inventory adjustments and capital investment cutbacks by semiconductor manufacturers.

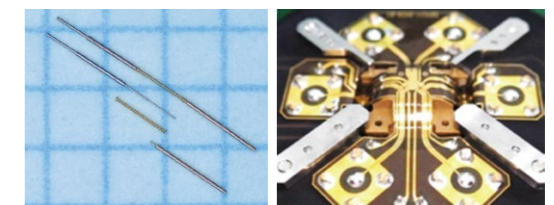
In these circumstances, sales of semiconductor back-end testing tools, the main product of the Group, were significantly lower than the previous year due to a decline in orders for sockets for logic semiconductor testing and other products. Sales of semiconductor front-end testing tools also decreased compared to the previous year, due to sluggish sales of turnkey business, which offers one-stop solution services including peripherals, and sales of MEMS probe cards (YPX) for high-frequency electronic components testing.

As a result, net sales in this segment were 12,585 million yen (down 43.7% year on year), a significant decrease from the previous year. Despite efforts to control labor and other

expenses, the segment recorded a loss of 794 million yen (compared with a profit of 6,169 million yen in the previous year), mainly due to lower profits resulting from lower sales.

Segment Policy

At present, the semiconductor process node has advanced to the 2-nanometer level, and in addition to the miniaturization of the semiconductors themselves, heterogeneous packaging with chiplet mounting is becoming the mainstream technology for the simultaneous mounting and encapsulation of different semiconductor chips in the same package as a measure to further increase the level of integration. Under such circumstances, the technology required for semiconductor inspection becomes more important with the further front-end microprocessing technology. To this end, in addition to the high-frequency and high-speed signal inspection technology we have been working on, it is necessary to further reduce the size of the contactor itself. Yokowo will support the development of new products and respond to customer needs by incorporating MEMS technology and other technologies through alliances. In addition to Malaysia, our core plant for probes used in back-end semiconductors, which is an existing technology, our Vietnam Plant, which we launched in 2022, has expanded and is operating stably. In the Japan Plant, we will build automated assembly lines and automated inspection systems that can keep pace with newly developed products that are difficult to develop and mass produce. Yokowo will strongly promote innovation in production processes in preparation for the recovery of the semiconductor market and technological evolution, and strive for stable business operations by building a highly profitable structure and launching new product businesses.



Contact Probes

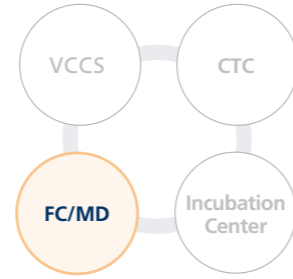
YPX

FC/MD Segment

▼ FC/MD Segment - Consolidated Sales

(million yen)

FY2019	FY2020	FY2021	FY2022	FY2023
8,498	9,441	9,141	9,051	8,373



Segment Overview

This segment consists of two businesses; FC (Fine Connector) and MD (Medical Device).

In the FC business, Yokowo manufactures SPRING CONNECTOR™ which allow for easy attachment and detachment to electronic devices. These connectors are manufactured in Japan, Malaysia, and China, with over 80% being produced overseas. Yokowo supplies a wide range of electronic device manufacturers in Japan and overseas, with over 80% of sales going outside Japan.

In the MD business, in addition to micro precision parts such as OEM guide wires and catheters, Yokowo designs, develops, and manufactures assembly products at its Tomioka plant in Japan. Yokowo mainly supplies domestic medical device manufacturers, with approximately 10% of sales going overseas.

Segment Review (Fiscal 2023)

In the market for mobile communication terminals, a main market for this segment, sales of smartphones were sluggish due to the impact of the global business downturn. However, sales of wearable terminals are expected to grow given their diversification and greater sophistication. The POS terminal market as well has been growing steadily in a wide range of industries, including those engaging in logistics and manufacturing, with a view toward improvements in operational efficiency through information management, however demand is softening.

In these circumstances, net sales for the FC business, for which fine SPRING CONNECTOR™ act as core products decreased year on year due to a decrease in orders for POS terminals because of customers production adjustments, along with lower sales in wearable devices such as wireless earbuds.

In the MD business, sales increased year on year, reflecting increased orders for catheter components as well as unit products from major domestic medical device manufacturers, who are our main customers.

As a result, net sales in this segment decreased year on year to ¥8,373 million (down 7.5% on previous year). In regard to segment profit and loss, in addition to a drop in profits from reduced income in the FC business, an increase in the labor-cost ratio at production bases in China caused in part by the appreciation of the Chinese yuan together with changes in the business composition meant that profit decreased to ¥117 million (down 85.2% on previous year).

Segment Policy

In the FC business, Yokowo aims to establish a competitive advantage by honing our core competencies, and to evolve into a connectors solution provider by creating new customer value through leveraging our unique strengths as a company. The Group will redefine the wide variety of markets, and provide an advanced user experience (UX) by using product planning and sales strategies tailored to our target markets.

In the MD business, Yokowo aims to further grow the business by increasing the production capacity of micro precision parts with the installation of cutting-edge production equipment and by expanding sales of guide wire and catheter assembly products in Japan and overseas, and by shifting over to a global quality control system covering the entire product life-cycle.

Yokowo will strengthen our efforts in the venture ecosystem as a manufacturing partner that brings product ideas from venture companies in Japan to reality, and as a planning product development and development-type OEM supplier in the advanced medical field, will achieve active business expansion.



SPRING CONNECTOR™



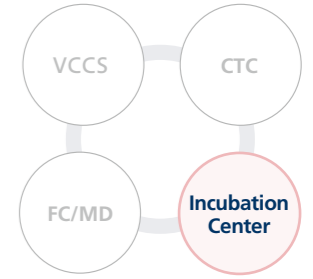
Coils for guide wires

Incubation Center

▼ Incubation Center Consolidated Sales Trends

(million yen)

FY2019	FY2020	FY2021	FY2022	FY2023
—	—	—	430	345



Segment Overview

The Incubation Center spearheads innovation in business models at Yokowo—it develops and markets subscription-based businesses tailored for the Mobility as a Service (MaaS) market along with products for the IoT market beyond the automotive sector. By seeking out and partnering with external companies who possess complementary technologies, rather than merely limiting itself to in-house technology, it is promoting both the provision of products and solutions that create new markets, and the transformation of the Yokowo Group’s business model.

Advancing IoT adoption to enhance operational efficiency and addressing labor shortages require high-precision antenna technology. Yokowo will contribute to solving social issues by leveraging its expertise in antenna technology cultivated within the automotive industry to provide these markets with high-precision antennas and related solutions.

Segment Review (Fiscal 2023)

Our company has been active in full-scale business development for new growth markets such as MaaS and IoT, aiming to create new businesses and innovate business models.

Following an organizational restructuring during the current consolidated fiscal year, these new business areas were separated from existing business divisions, thereby newly categorizing the Incubation Center as a distinct reporting segment. The key markets for this segment, namely MaaS and IoT, are expected to experience steady growth from advancements in mobility services, such as car sharing and the widespread adoption of IoT, in which myriad devices are connected to the internet.

In these circumstances, Yokowo has expanded sales of MIMO antennas incorporating smart antenna technology for IoT, and vehicle key management solutions for MaaS and rental cars. As a result, net sales in this segment decreased year on year to ¥345 million (down 19.7% on the previous year). With regard to segment profit and loss, this segment, which is centered on

new businesses that are just getting started, has shown limited sales figure coupled with upfront investments resulting in a loss of ¥811 million (¥534 in the previous year).

Segment Policy

Building on our strong technological strengths in automotive antenna manufacturing, we are promoting operations aimed at creating new businesses, targeting emerging new growth markets such as MaaS and IoT.

Looking forward, Yokowo plans to expand beyond its existing technologies and search out partner companies who possess technologies that meet customer needs, and through collaboration with them, aims to provide products and solutions that create new markets. We actively participate in exhibitions not only in Japan but also in the U.S. and the EU with the aim of identifying global market needs and enhancing our brand recognition in the new markets—this initiative is part of promoting our business model transformation from selling things to selling solutions. We are also leveraging corporate partnerships, M&A, and active investment in co-creation companies, thereby complementing our technology, human resources, and equipment. Through this, we will develop new business areas, and create new business models for the Yokowo Group.



GNSS Full Band Antennas



Private 5G MIMO Antennas

Sustainability Promotion Framework

We are conscious of our corporate social responsibility. As such, Yokowo is constantly striving to improve our corporate value as well as establish a sustainability promotion framework, and we will expand our corporate activities to both meet the expectations of all stakeholders and to earn their trust.

Sustainability Fundamental Policy

We achieve sustainability by constantly evolving.

We also believe we must protect our irreplaceable planet and remain true to the expectations of our local communities and stakeholders.

To this end, we identify materiality in our various activities and work to address issues through corporate activities, business operations and dialogue.

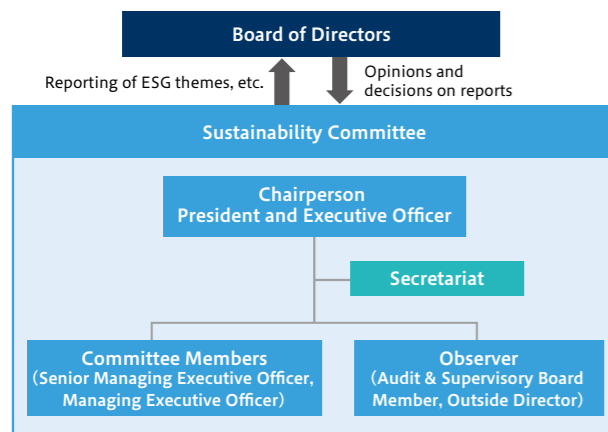
Through these efforts, we will fulfill our social responsibilities and enhance our corporate value by continuing to take on “new” challenges. In doing so, we will contribute to the development and evolution of a sustainable society.

Establishment of Sustainability Committee

We have established a Sustainability Committee as a body to comprehensively address the materialities identified by the Group.

This Sustainability Committee is tasked with formulating policies aimed at achieving the goals of these materialities and issues with implementation, and with reporting and sharing information regarding the status of Group initiatives towards sustainability to the Board of Directors.

▼ Sustainability Committee Framework



Role of Sustainability Committee

1. To prepare and review, as necessary, the draft of the Sustainability Fundamental Policy and materiality policies, taking into account factors such as the Group Corporate Philosophy structure and business environment (Decisions are made by the Board of Directors).
2. To receive reports from relevant internal organizations on materiality and ESG-related themes, and to report and assist in reporting to the Board of Directors.
3. To disseminate information accumulated from the cycle of “report to Board of Directors → disseminate opinions and suggestions from the Board of Directors to related organizations → further improve initiatives” in 2 above, along with decisions made by the Board of Directors.

Themes handled by the Sustainability Committee, and Outline

Theme	Outline
Environment	Deliberation, planning, and progress management of measures towards achieving the targets of the Group GHG emissions reduction, water resources, waste recycling, and biodiversity, and monitoring of chemical substance management status in accordance with laws and regulations in each country
Respect for Human Rights	Deliberation and progress management for the protection of human rights in the Group’s supply chain
Local Communities	Deliberation and progress management of FY2030 targets (numbers of projects contributing to local communities, etc.), and support for reviewing of action plans
Diversity and Inclusion	Deliberation and progress management of FY2030 targets (increasing ratio of female managers, number of TISP hires, etc.), and support for reviewing of action plans
Information Security	Collaboration with the Information Security Committee regarding information security activities based upon ISO27001
Occupational Health and Safety	Collaboration with the Health and Safety Promotion Committee regarding occupational health and safety activities based upon ISO45001
Treatment of Employees	Issues related to reforms in the personnel system (transition to a job-based personnel system, improved treatment, etc.) and the welfare system in general
Compliance	Promotion of awareness and education regarding compliance, including adherence to laws, regulations and internal policies, and the operation of the internal reporting system
Risk Management	Collaboration with the Business Risk Management Committee and each ISO Division regarding progress and changes in measures to handle each risk assessment item
Business Continuity Planning (BCP)	Collaboration with each business division regarding construction of BCP and its updates

Stakeholder Engagement

At the Yokowo Group, our purpose is based upon a commitment to make Yokowo a good company by employing people and technologies that work for the benefit of society today and tomorrow. We are also communicating with all our stakeholders including our customers, local communities, business partners, employees and their families, shareholders, and investors to envision a better and more prosperous future, and we aim to become an evolving, enduring company that continues to create something new.

Stakeholder	Concepts and Vision	Main Methods and Opportunities	Department Responsible
Customers	The Yokowo Group has as our objective to “Be a company that customers and their customers feel comfortable working with.” To achieve this, as well as establishing the “Yokowo Quality Brand” focusing on the highest quality and on zero hazardous chemical substances, Yokowo is making proposals from the planning stage keeping in mind the development of products that meet customer needs, always striving to understand their requests, and working to build long-term relationships of trust with customers.	<ul style="list-style-type: none"> ● Daily sales activities ● Product exhibitions ● Website 	Sales H.Q. Each Business Division
Local Communities	The Yokowo Group has as our objective to “Be a company that local communities feel comfortable interacting with,” and to this end, we feel it important to promote dialogue with local communities, as well as to contribute to their development. Our aim is to build relationships of trust with members of local communities while helping them understand our business and initiatives through activities that support their development, and initiatives that contribute to solving societal issues.	<ul style="list-style-type: none"> ● Dialogue with local governments, local residents, NPOs, and others in the areas where our plants and offices are located ● Participation in, and sponsorship of community events ● Community volunteer activities by employees ● Cooperation with, and support for local educational institutions 	General Affairs Department
Business Partners	The Yokowo Group has as our objective to “Be a company that our business partners feel comfortable interacting with,” and to this end we ensure fair and equitable transactions with our suppliers. We are focused on building relationships with business partners as an equal partner, abide by all relevant laws and regulations, and are building trust relationships based around social ethics. We are also promoting corporate activities that take into consideration human rights and the environment.	<ul style="list-style-type: none"> ● Daily purchasing activities ● Presentations on chemical substances contained in products ● Environmental assessment that includes constituent analysis of supplied items ● Questionnaires for customers, and visits ● Measures towards quality improvements 	Purchasing H.Q. Quality Assurance H.Q.
Employees and Their Families	The Yokowo Group has as our objective to “Be a company where employees feel comfortable being employed, and which ensures that employees’ families are happy for them to work there.” To this end, we are striving to respect individuality, engage in fair and equitable treatment, and create an appealing, rewarding work environment under our basic policy of promoting DEI*. Aimed at fostering a culture in which each and every employee can feel content in their day-to-day work and continue to grow, we are working on a range of environmental improvements and initiatives.	<ul style="list-style-type: none"> ● Implement employee engagement ● Employee training (training by position, education in philosophy, etc.) ● Holding of employee exchange meetings (product engineering, production engineering, QC) ● Internal portal site, in-house newsletters ● Internal reporting system and hotline 	General Affairs Department Personnel Department Public Relations Department Each Engineering Department
Shareholders and Investors	The Yokowo Group discloses information accurately, promptly, and proactively in order to build long-term relationships of trust with its shareholders and investors and other stakeholders. The Group is also conducting active, constructive dialogues with shareholders and investors in order to achieve continuous growth and to improve corporate value over the medium to long term.	<ul style="list-style-type: none"> ● Shareholder meetings ● Financial results briefings for securities analysts and investors ● Meetings with Japanese and overseas securities analysts and investors ● Website (IR, investor relations) 	Public Relations Department Corporate Secretary Department

*DEI: Diversity, Equity, and Inclusion

Corporate Governance

The Yokowo Group aims to achieve its management goals by ensuring management efficiency, transparency and compliance through the continuous strengthening of its corporate governance, positioned as one of the Group's important management challenges.

Basic Principles Concerning Corporate Governance

Recognizing that Yokowo exists today through the support of its various stakeholders, the Group positions strengthening corporate governance as one of its important management challenges. As well as building smooth relations with its stakeholders, the Group aims to maximize corporate value through further enhancing its corporate governance.

Corporate Governance System

Yokowo is a company with auditors and has a system of corporate governance consisting of: a Board of Directors responsible for management strategy and supervisory functions, an Executive Officer system that fulfills business execution, and an Audit & Supervisory Board that performs management audit functions.

Board of Directors

To speed up the decision-making process, the Board of Directors consists of only a limited number of directors (a total of seven—four internal and three outside directors) (as of end June 2024). The Company has appointed three independent outside directors (with a high level of independence) to further strengthen the management supervisory function, and these include a female outside director.

Audit & Supervisory Board

In addition to one full-time internal Audit & Supervisory Board Member with sufficient knowledge in finance and accounting, the Company has appointed three highly independent outside Audit & Supervisory Board Members to further strengthen the management audit function, and these include a female outside Audit & Supervisory Board Members.

Executive Officers

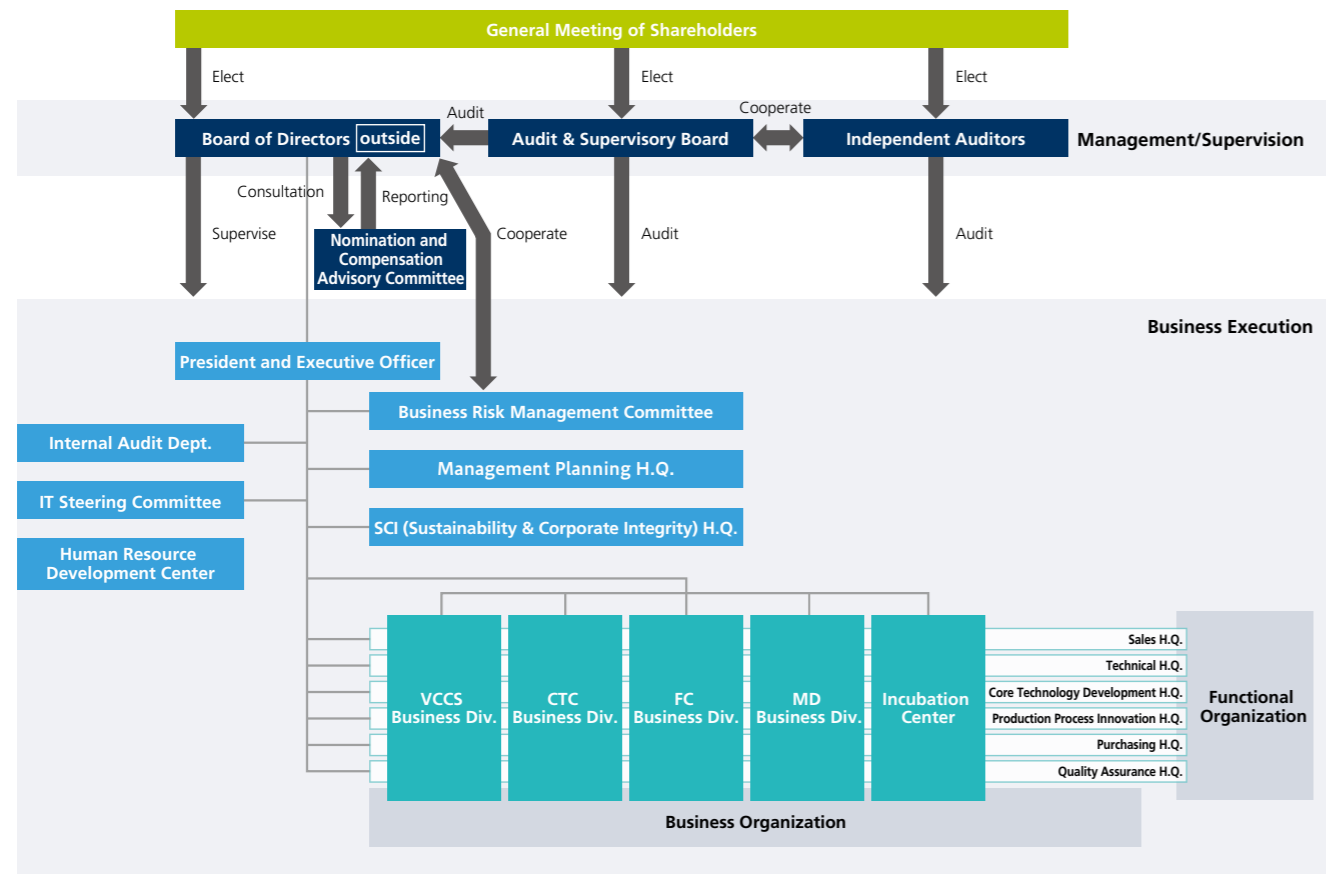
By adopting the Executive Officer system, the strategic decision making and operational supervisory functions are clearly separate from the executive function, in order to create a system for prompt and appropriate execution of operations. In addition to four internal directors, the Company has appointed eleven executive officers in the positions of Chief Officer, General Manager, and General Manager at Tomioka plant, etc.

candidate according to these qualities, and categorizes successor candidates into near-term and long-term options. Candidates are provided with opportunities for supervisory experience and training as needed, and we support the overall development of the talent pool and adapt the Plan as circumstances evolve. The timing of leadership changes is set with careful consideration to changes in the internal and external environments, and we carry out periodic reassessment and selection of successor candidates. The progress of these efforts is reported regularly or as needed by the committee to the Board of Directors, and when selecting successor candidates, the Board will thoroughly discuss and consider candidates recommended by the committee before making a decision.

Attributes Considered Essential for the CEO/COO

- (1) Charisma:**
The intrinsic qualities possessed by the individual. They act and speak in a way that draws others in.
- (2) Ethics:**
They act with high moral standards and ethics at all times.
- (3) Fairness:**
They interact impartially with others, regardless of race, nationality, gender, gender identity, or disability.
- (4) Comprehensive perspective:**
They use a broad perspective to assess overall situations and make decisions.
- (5) Situational awareness:**
They accurately understand contexts in which they or their group find themselves, and make quick, appropriate decisions.
- (6) Team organizer:**
They inspire members of teams they are part of or lead, striving to achieve results as a team.
- (7) Ability to innovate:**
They take a bold approach with a will and drive to constantly seek and implement improvements.
- (8) Global mindset:**
They always think and act with an awareness of global standards and approaches.
- (9) Analytical and strategic planning skills:**
They accurately analyze management and business challenges, and can formulate strong strategies.
- (10) Expertise:**
They possess exceptional expertise in their own field, and leverage it to the fullest extent.

▼ Corporate Governance System (As of April 1, 2024)



CEO / COO Succession Plan

Basic Ideas

Since Chutaro Yokoo founded the company in 1922, top management positions (President and Chairman) have in principle been occupied by members of his founding family and relatives, each serving at least 10 years. These leaders have steered the company through turbulent business environments, nurturing and expanding the business, as well as reforming and restructuring the business structure. However, in order that we can continue to grow and evolve in the future, we believe that it is necessary to redefine the requirements for top management aligned with being an “ever-evolving company” that we have set out forth in our vision, while taking into account the strengths of “owner-led” companies and to establish a succession plan to cast a wide net for, nurture, and select successor candidates.

Overview of the Succession Plan Formulation and Operation Process

The CEO/COO succession plan (hereafter, “the Plan”) is spearheaded by the Nomination and Compensation Advisory Committee chaired by outside director Emi Yoneda, with outside director Makoto Tobar and representative director Takayuki Tokuma as members. The committee met three times (April and August 2023, and March 2024) to deliberate and decide upon the overall Plan, essential attributes for the CEO/COO, and the current pool of successor candidates. The overall Plan defines the essential attributes required of a CEO/COO, evaluates each

Analysis and Evaluation of the Effectiveness of the Board of Directors

Since 2016 Yokowo has been conducting self-evaluation surveys and, when necessary, interviews with all its directors and auditors, collecting the results and analyzing them. This year (2024), the survey was conducted in May, and items classed as either favorable or issues/requests were as follows.

<Favorable>

- The Board of Directors has atmosphere that actively listens to the opinions of outside directors, and that emphasizes active discussions.

<Issues/requests>

- Agenda items have increased at Board of Directors meetings, but require more in-depth discussion.
- Prompt distribution of agenda materials.

In general, the effectiveness of the Company's Board of Directors was determined to be sufficient, but we will work to further improve effectiveness by addressing issues, including those above.

Director and Executive Officer Compensation

Policy on Determining Director and Executive Officer Compensation

With regards to compensation for the directors of the Company, an upper limit for the total compensation in each fiscal year is set by resolution at the General Meeting of Shareholders. Compensation for individual directors is then determined by a process whereby the Nomination and Compensation Advisory Committee receives a request for consultation from the Board of Directors, and then deliberates and decides on proposals regarding the amount to be paid to individual directors before reporting to the Board of Directors, which then makes the final decision, while respecting the reports received from the Committee to the utmost possible extent.

In the same way, with regards to compensation for the auditors, an upper limit for the total compensation in each fiscal year is set by resolution at the General Meeting of Shareholders. Individual compensation is then determined within the bounds of the upper limit through consultation with auditors.

Compensation for Directors

Compensation for the Company's directors consists of fixed monthly compensation, a monetary executive bonus, and a share bonus in the form of stock options, etc.

Based on guidelines that take into account individuals' roles and responsibilities, the Representative Director, President and Executive Officer draws up a proposal regarding the amount of fixed compensation after taking into consideration the business results of the previous fiscal year, the management plan of the current fiscal year, and the roles of each director, etc. A request for consultation is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision.

Executive bonuses are paid based on their extent to which internal Executive Directors' performance targets have been met to enhance their motivation for improving the Company's performance in each (consolidated) fiscal year. The three indices of consolidated sales, consolidated net sales, and profit (loss) attributable to owners of parent ("three indices") are used.

Regarding the question of whether executive bonuses are paid, and the total amount paid, the Representative Director, President and Executive Officer draws up a proposal based on the extent to which the relevant three indices have been achieved in each (consolidated) fiscal year. If it is determined that executive bonuses will be paid that year, the Representative Director, President and Executive Officer draws up a proposal regarding the amount to be paid to each individual based on the roles and results of each individual executive director (including their contributions to solving sustainability issues). The proposal for consultation is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision.

With the aim of sharing value with shareholders while providing increased incentive to build corporate value over the medium to long term and enhance shareholder value, stock options are granted to executive directors. However, the decision as to whether to grant stock options, and the period, is determined after comparing the impact of the necessary expenses on performance with the anticipated incentive effect. The Representative Director, President and Executive Officer draws up a proposal regarding the amount of stock options to be granted to each individual executive director based on the roles and results of each individual executive director, within the upper limit (in terms of the value of shares or number of shares) set by the Shareholders Meeting. A request for consultation

is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision.

As a general rule, internal directors are obliged to contribute a certain amount or more of their basic compensation to the Executive Shareholders' Association every month as stipulated by internal rules. Yokowo shares accumulated by the Executive Shareholders' Association shall be transferred under the name of the individual executive directors every six months (in late September and late March).

In principle, Directors shall hold their shares and not sell them while holding their position of director. Regarding the ratio of executive directors' overall compensation to be held by each category of compensation, this shall be determined based on the roles and responsibilities of each executive director and on trends in compensation at other companies with a similar scale of operation to Yokowo. In the case where stock options are granted up to the specified upper limit, the target ratios for each of the categories of compensation are: basic compensation: 60%; performance-linked compensation:20%; compensation in the form of shares: 20%.

Compensation for Auditors

Compensation for auditors is limited to basic compensation, which comprises monthly compensation in monetary terms.

The amount of basic compensation is determined by

discussion among the auditors at the Audit & Supervisory Board meeting taking into consideration the roles and responsibilities of each auditor and based on guidelines stipulated in advance.

In the event of bonuses to auditors, these are paid after gaining approval at the General Meeting of Shareholders.

▼ Compensation Figures (FY2023)

	Total amount of remuneration by type			Total*	*Upper Limit (annual)
	Basic compensation	Executive bonus	Compensation in the form of shares		
Directors (outside)	210 (24)	12 (-)	- (-)	223 (24)	280 (40)
Auditors (outside)	44 (23)	- (-)	- (-)	44 (23)	60
Total (outside)	255 (48)	12 (-)	- (-)	268 (48)	

(million yen)

Company Officers Skill Matrix

Among the various areas of expertise and experience possessed by each current Director and Member of the Audit & Supervisory Board, up to four items are listed for which there are particularly strong expectations regarding that individual's ability to utilize these items effectively in the performance of their duties. The table below thus does not show the entirety of the specialist experience and experience of each individual.

▼ Company Officers Skill Matrix

Name	Position	Specialist Expertise and Experience						
		Corporate management	ESG and sustainability	Legal affairs and risk management	Finance and M&A	Human resources and labor affairs	Technological strategy	Internationality
Takayuki Tokuma	Representative Director, President and Executive Officer	○	○		○			○
Kenji Yokoo	Director, Senior Managing Executive Officer	○	○	○				○
Naohito Odani	Director, Managing Executive Officer	○		○			○	○
Katsuhei Yanagisawa	Director, Managing Executive Officer	○	○		○			○
Makoto Tobar	Outside Director	○	○		○		○	
Byeongwoo Kang	Outside Director			○	○		○	○
Emi Yoneda	Outside Director	○	○	○	○			
Kenji Kamachi	Audit & Supervisory Board Member		○	○	○			○
Toshiaki Tochigi	Audit & Supervisory Board Member		○	○	○	○		
Hisao Tsunoda	Audit & Supervisory Board Member	○	○		○	○		
Sayaka Yamaguchi	Audit & Supervisory Board Member	○		○	○			

Directors, Auditors and Executive Officers

(As of June 27, 2024)

Board of Directors



Takayuki Tokuma
Representative Director, President and Executive Officer

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Number of Company shares held: 292,257 shares



Kenji Yokoo
Director, Senior Managing Executive Officer

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Number of Company shares held: 93,356 shares



Naohito Odani
Director, Managing Executive Officer

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Number of Company shares held: 10,382 shares



Katsuhei Yanagisawa
Director, Managing Executive Officer

Attendance rate at Board of Directors Meetings: - (New appointment)
Number of Company shares held: 43,717 shares



Kenji Kamachi
Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 18/19 times (95%)
Attendance rate at Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 3,913 shares



Toshiaki Tochigi
Outside Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Attendance rate at Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 0 shares



Makoto Tobar
Outside Director

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Number of Company shares held: 0 shares



Byeongwoo Kang
Outside Director

Attendance rate at Board of Directors Meetings: 15/15 times (100%)
Number of Company shares held: 0 shares



Emi Yoneda
Outside Director

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
*Attended as an auditor
Number of Company shares held: 0 shares



Hisao Tsunoda
Outside Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 19/19 times (100%)
Attendance rate at Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 0 shares



Sayaka Yamaguchi
Outside Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: - (New appointment)
Attendance rate at Audit & Supervisory Board Meetings: - (New appointment)
Number of Company shares held: 0 shares

Executive Officers

President and Executive Officer
Takayuki Tokuma

Senior Managing Executive Officer cum General Manager, Incubation Center
Kenji Yokoo

Managing Executive Officer cum General Manager, Technical H.Q. cum General Manager, Core Technology Development H.Q. cum CTC Engineering Management Division Leader
Naohito Odani

Managing Executive Officer cum VCCS Business Division Leader cum General Manager, VCCS Overseas Plant
Katsuhei Yanagisawa

Managing Executive Officer cum General Manager, Tomioka Plant Integration cum Quality Assurance H.Q. Leader
Mitsuaki Okazaki

Executive Officer cum Deputy General Manager, Technical H.Q., cum General Manager, VCCS Engineering Management Division cum General Manager, Platform Business Promotion Division cum Human Resource Development Center
Tsuyoshi Sakata

Managing Executive Officer cum General Manager, MD Business Division cum Business Risk Management Committee Chair
Hiroshi Igahara

Executive Officer cum General Manager, CTC Business Division
Naoki Kawata

Executive Officer cum Chief Officer, Management Planning H.Q.
Tatsuo Tsunoda

Executive Officer cum Principal Research Fellow (New Technology Development Leader)
Tomohisa Hoshino

Executive Officer cum Chief Officer, SCI H.Q. cum Sustainability Committee Leader
Toshihisa Tagaya

Executive Officer cum General Manager, VCCS Business Division
Syunichi Nagaoka

Executive Officer cum Chief Officer, Production Process Innovation H.Q. cum FC Business Division Leader
Takeshi Akao

Executive Officer cum Chief Officer, Quality Assurance H.Q.
Kazuhiro Takahashi

Executive Officer cum Chief Officer, Purchasing H.Q.
Hitoshi Ejiri

* For details regarding the reasons for appointment of individual Directors and Audit & Supervisory Board Members, please visit our official corporate website.
<https://www.yokowo.co.jp/english/company/csr/governance.html>

Compliance and Risk Management

In accordance with the CSR Code of Conduct, the Yokowo Group will comply with laws and regulations in good faith and engage in fair corporate activities on a daily basis, and will also fulfill the social responsibilities of a corporation by responding appropriately to risks through our Risk Management System and efforts to continuously improve our risk management performance.

Approaches to Compliance

The Yokowo Group will contribute to the development of a sustainable society by engaging in activities that impact on the economy, the environment, and society in a transparent and highly ethical manner in order to earn the trust of stakeholders with the constant aim of enhancing corporate value.

Initiatives to Improve Compliance

To achieve our Corporate Philosophy, Purpose, Vision, and Values, and to ensure compliance, the Yokowo Group works to firmly establish the CSR Code of Conduct (available in Japanese, English, and Chinese), which sets out the actions to be taken by the Group's officers and employees. We are working in order that they are fully aware of this Code, and that this is well established.

Furthermore, in April 2024, we established a Compliance Committee based around the theme of "compliance that protects people" to raise awareness and educate employees about compliance. Based on the annual plan established by this committee, we are conducting compliance-related e-learning programs for officers and employees at our Group and at subsidiaries in Japan and overseas, and have also put in place a whistleblowing system as well as an external hotline to promptly detect and correct any violations of compliance laws and regulations.

In FY2023, there were 24 internal reports, all of which were appropriately handled. The Internal Audit Department also audits business processes in each department at Yokowo and at subsidiaries in Japan and overseas, providing guidance on detecting and preventing misconduct and improving processes.

Approaches to Risk Management

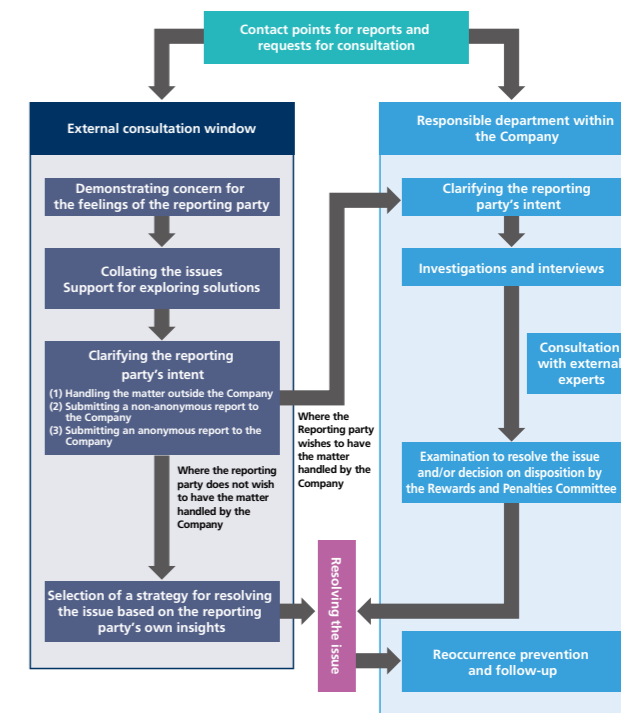
Aware of the potential impact of risk on our business activities, besides complying with relevant laws and regulations, the Yokowo Group also strives to fulfill our social responsibility and put organizational operation on a stable footing by responding appropriately to risk, through measures to continually improve our risk management systems and performance.

Initiatives to Improve Risk Management

The Yokowo Group has established and maintains the Risk Management System (RMS), which conducts identification, analysis, planning, implementation, evaluation, improvement, and review for diversifying loss risks in order to ensure more stable and smoother business activities. Under the Risk Management Rules, we have established risk management policies and risk management guidelines, and we are striving to continually enhance the RMS.

We are also working to identify risks at an early stage, share and analyze them and to formulate and implement countermeasures, with the establishment of the Business Risk Management Committee.

▼ Schematic diagram showing the internal whistleblowing system



Information Security

In our current networked era, we are seeing increasing worldwide demand for strengthened information security. The Yokowo Group constantly recognizes the importance of all the information assets and we promote information security activities globally to meet these requirements.

Approaches to Information Security

The Yokowo Group aims to ensure that it always recognizes the importance of all information assets handled thereby, including information provided by its customers and business partners, in order that the Group may continue to be a trusted member of society. To this end, the Group has stipulated and implemented its Information Security Policy in order to prevent all improper disclosure, divulgence, and unauthorized use of such information assets.

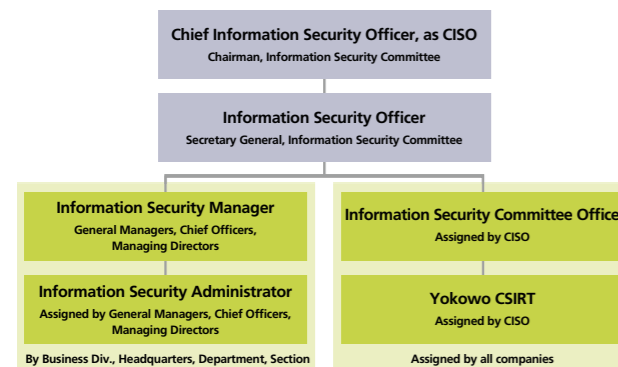
Information Security Policy (Overview)

1. Compliance
2. Framework
3. Management of Information Assets
4. Training
5. Preventing and Responding to Incidents

Enacted: April 1, 2013

* The full text of the Information Security Policy can be viewed on the Yokowo website. <https://www.yokowo.co.jp/english/company/csr/security.html>

Information Security Management Framework



Enhancement of Information Security

Under the Group's Information Security Policy, Yokowo recognizes the management of information security as one of the most important issues in business management. In order to manage the information assets appropriately, it has constructed an information security management system (ISMS), and is working together with the entire Group to advance its information security activities.

Information Security Education

The Group considers the basis for information security to be for each employee to have a high level of awareness with regard to information management, and works to keep all officers and employees (including temporary staff) well informed regarding laws and regulations as well as Group policy and rules, etc. governing information security.

Furthermore, Yokowo implements various activities in order to increase awareness of information management, such as carrying out multiple yearly e-learning sessions on information security, and issuing all employees with an Information Security Handbook that details practices which should be followed during the course of everyday duties.

ISO 27001 Certification Status

2014	YOKOWO CO., LTD., 3 Japanese subsidiaries
2016	Chinese subsidiaries (3 locations)
2017	Malaysia subsidiary
2021	German and Vietnamese subsidiaries
2023	Taiwanese and North American subsidiaries

ISO 27701 Certification Status

2023	YOKOWO CO., LTD., German subsidiary
------	-------------------------------------

Protection of Confidential Information

Under its Information Security Policy, the Group has established confidentiality rules for the protection of confidential information, and disseminated these to the Group and all suppliers, etc. engaged in Yokowo's business. Through compliance with these rules, the Group handles and protects, both strictly and appropriately, all information assets possessed by Yokowo, and information disclosed to it by its customers. In addition, it is our social responsibility to promote cyber security measures not only within our group but throughout the supply chain as a whole, and as such we are working to confirm and enhance the status of security measures at our suppliers and sub-suppliers.

Environment

The Yokowo Group recognizes that conducting business activities in harmony with the global environment is an essential responsibility for a corporation. The Yokowo Group continues to implement a range of Group-wide environmental preservation activities and address climate change based upon defined environmental policies in order that we can pass on our irreplaceable global environment to future generations.

Approaches to the Environment

Environmental Policy

Today, when Japan and the rest of the world are starting to make a serious effort to realize carbon neutrality by 2050, Yokowo is also responding to the demands of our stakeholders and society by formulating more concrete measures to address climate change, and working actively to implement them. Reflecting this stance, we support the recommendations of The Task Force on Climate-related Financial Disclosures (TCFD), and we are implementing specific initiatives to achieve the target of reducing greenhouse gas emissions from our plants (Scope 1 and 2) by 35% by FY2030, compared to FY2014, and promote specific climate-related information disclosure.

Yokowo is also committed to helping to create a rich natural environment. We seek to do this through our environmental management system and through activities designed to achieve continuous improvements in environmental performance. As part of our commitment, we take into consideration the environmental impact of our business activities and comply with all relevant environmental laws, regulations, and guidelines, as well as with each customer's specific guidelines.

Action Guidelines

1. Yokowo supports the TCFD recommendations, and besides formulating and implementing concrete measures to achieve the target of reducing greenhouse gas emissions at our plants (Scope 1 and 2) by 35% by FY2030, compared to FY2014, we will also be disclosing details of the measures taken, through the Carbon Disclosure Project (CDP) framework.
2. Yokowo will continuously and actively promote energy saving, resource conservation, and recycling to contribute to the protection of the global environment.
3. In respect of chemical substances which are harmful to both the environment and human body, Yokowo will prevent environmental pollution by implementing preventive measures and action plan, which include those for the case of abnormal and emergency operation, and will minimize the use of hazardous chemical substances.
4. Yokowo will comply with all relevant environmental laws, regulations, and each customer's specific requirements, and intend to enhance our environmental management by our original internal standards.
5. Yokowo will set objectives and goals for our environmental activities and also improve our environmental management system continuously by periodically reviewing the objectives and goals.
6. Through in-house education and publicity, Yokowo will promote all the employees' recognition of involvement in environmental preservation and will make these activities take root as daily duties.
7. Yokowo ensures that all the employees including those of affiliated companies are fully aware of the environmental policies, and will disclose them to the public on request.
8. Yokowo will contribute to the development of a sustainable society by considering the impact on biodiversity in all its business activities.

Enacted: June 1, 2005 Revised: October 15, 2021

Environmental Management Systems

ISO 14001 Certification

Since its individual production bases received ISO 14001 certification starting in 1998, the Yokowo Group has continued with its work in environmental activities. Furthermore, the Environmental Management Committee at each plant has been central in setting objectives and targets, and in promoting initiatives in all workplaces aimed at achieving these.

* Please see our website for more details on the status of ISO14001 Certification Acquisitions. <https://www.yokowo.co.jp/english/company/csr/environment.html>

Issues and Results of Activities

The Yokowo Group identified four issues that need effort —addressing climate change, management of water resources, resource recycling, and zero hazardous chemical substances usage. For these issues, Yokowo sets annual goals and activities to be achieved.

At a meeting of the Board of Directors held in October 2021, Yokowo decided to express its support for the recommendations of the TCFD, made revisions to the Action Guidelines, and disclosed the status of these efforts through CDP.

Targets

Responses to climate change	Reduce greenhouse gas (GHG) emissions (Scope 1 and 2) by 35% by FY2030 compared to FY2014, aimed at realizing carbon neutrality by 2050
Water resource management	Reduce water consumption by 1% from the previous year
Waste reduction & recycling	Reduce waste emissions from business activities, and achieve a recycling rate of 80% or above
Chemical substance management & pollution prevention	Promote zero hazardous chemical substances usage for those chemicals that have a harmful effect on the environment and human health

Addressing Climate Change

With the aim of reducing direct greenhouse gas emissions (Scope 1 and 2), Yokowo is implementing plans for the adoption of renewable energy at our plants in Japan (in Tomioka City, Gunma Prefecture), China, Vietnam, and Malaysia, which are our Company's main sources of greenhouse gas emissions. In October 2022, we installed a photovoltaic power generation system at our Vietnam Plant using a bilateral credit system, and in June 2023, we installed the second solar panel system at our new Micro Process R&D Center at our main plant—the Tomioka plant (Gunma Prefecture). Furthermore, as another initiative, we have introduced solar-powered electric vehicle charging facilities at the Tomioka Plant for the use company cars as well as commuters' and visitors' cars, and are implementing a plan to switch to commuting by train, by attracting the placement of a railway station.

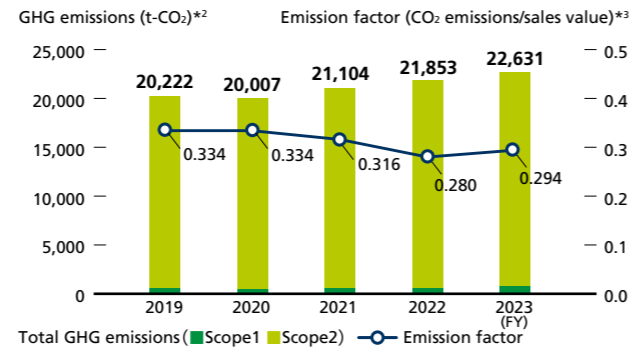
In January 2024, we submitted a commitment letter to the SBTi*1, expressing our intent to obtain certification, and this was accepted.

*1 The Science Based Targets initiative (SBTi) is an international initiative encouraging companies to set greenhouse gas reduction targets based on scientific evidence.

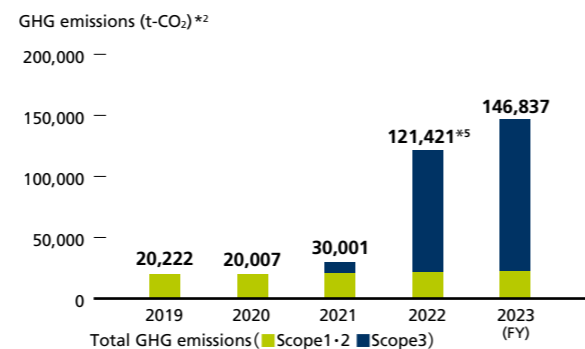


Second solar panel at the Tomioka plant (building in the center of the photo)

GHG emissions and emission factor



GHG emissions (including Scope 3*4)



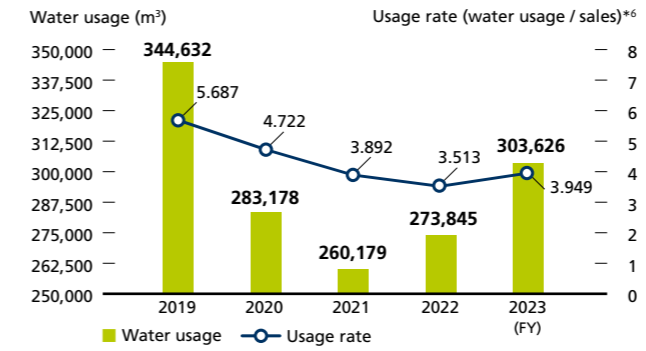
*2 Electricity CO₂ conversion factor is calculated using the following:
 Domestic: TEPCO Energy Partner, Inc Basic Emission Factor
 Overseas: Until 2021, IEA Official Factor, 2022 uses the market coefficient
 *3 Emission factor: GHG emissions per million yen of sales
 *4 From FY2022, we started detailed Scope3 calculations.
 *5 Corrected due to a calculation error.

Management of Water Resources

Of the water used within the Yokowo Group, the majority is for domestic-type uses; because of the characteristics of our products, hardly any water is used in the production processes. We are working to achieve our goal of a year-on-year 1% reduction in water consumption, measured by per unit of sales.

Additionally, we are monitoring the quality of plant wastewater using our internal standards, which are more rigorous than legal requirements. At the Tomioka plant, discharge from our galvanization processes is recycled and reused in production, with harmful chemicals like heavy metals recovered and removed in the process. Wastewater that cannot be recycled undergoes industrial waste treatment to ensure zero discharge into public waterways.

Water usage and usage rates

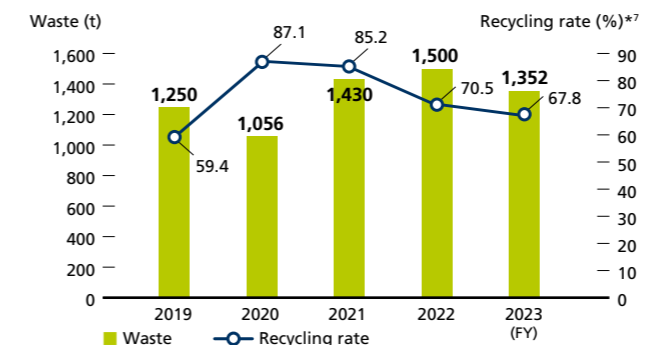


*6 Emission factor: Water usage per million yen of sales

Waste Reduction & Recycling

The Yokowo Group's main products are electronic components, and the main types of waste that we generate are metal and plastic waste, and waste cutting oil, that are generated during the production processes. With regard to these main types of waste, we are working to conserve resources. As well as promoting a reduction in the quantities of waste generated by our business activities, we have also set a recycling rate of at least 80% as a target.

Quantity of waste and recycling rate



*7 The recycling rate is the share of waste handed over to recycling rms. We are experimenting with the use of recycled plastic in plastic molding processes. We are also working on the development of original recycling technology for cutting oil, in collaboration with a local vocational college.

Chemical Substance Management & Pollution Prevention

In the Yokowo Group, the Environmental Action Guidelines include compliance with relevant environmental laws and regulations, as well as with each customer's specific guidelines. Based on the above, we have established chemical substance management standards (below: "Standards"), are clarifying management targets for products manufactured and sold by the Group as well as for chemical substances contained in products, parts, and materials, and are ensuring that these are well known within the Group and by business partners, and working to improve environmental quality. The Standards specify management methods for chemical substances right from receipt of raw materials and parts through to shipment.

We also place an emphasis on sharing information with suppliers regarding the constituent components used in our products. As well as conducting rigorous checks of these using ICP analyzers and fluorescent X-ray spectrometer, we provide products that meet the changing chemical substance regulatory requirements of worldwide automobile and electronics manufacturers.

Through these initiatives, we are establishing preventive measures and response plans, including those for abnormal or emergency situations. Additionally, we are preventing environmental pollution, and promoting zero hazardous chemical substances usage for those chemicals that have a harmful effect on the environment and human health.

Handling of Chemical Substances Contained in Products

The Group is taking the following actions as regards chemical substances contained in its products.

Support for REACH regulations*8

In order to comply with the obligation to communicate information regarding substances of very high concern (SVHC)*9 and the content of regulations regarding restricted substances, the Group obtains and manages information concerning chemical substances obtained through our suppliers.

*8 European Union (EU) regulations on the registration, evaluation, authorization and restriction of chemicals
 *9 Chemical substances stipulated as requiring authorization and registration under the REACH regulations

Compliance with RoHS directives*10

We check for RoHS compliance of all delivered parts and materials, and are establishing an internal inspection system.

*10 Directives relating to restrictions on usage of hazardous substances in electrical and electronic equipment

Human Capital Management

Realizing our corporate purpose, Be a good company by employing people and technologies that work for the benefit of society today and tomorrow, requires both people and technology, and it is essential that both of these continue to evolve. As part of our medium- to long-term management strategy, we focus on human capital management, striving to sustainably increase corporate value.

Our Approach to Human Capital Management

Aligned with our group’s Purpose, Vision, and Values (p.02) as well as our “sustainable evolution of business management” from our four innovations and the “multi-layered business structure” from our management strategy, we seek employees capable of “bringing together knowledge, creating new ideas, and continuously challenging themselves.” We believe that by “bringing together knowledge” based on respect and fairness, we can enhance resilience in an uncertain world; by applying innovation to this collected knowledge to create “new”; and by using a sense of ownership and challenge so that they “continuously challenge themselves” to make these tangible, we can create a multilayered customer, industry, and technology base to drive business evolution.

General Managers of Business Division are responsible not only for achieving profit targets but are also required to evolve their business by leveraging the strengths of the businesses for which they are responsible. By committing to the creation of new business, even as leaders of existing businesses, division managers aim to bring about balanced management while keeping the innovator’s dilemma in mind.

Human Capital Management Issues

Our group identifies “diversity, fairness, and inclusion” along with “global talent development” as key materialities for human capital management (p.19). The reason for our selection of these two materialities in our Group, with its diverse global workforce, focuses on leveraging these strengths to realize our vision of a continuously evolving company, and we place the highest value on our “people” and their “growth.”

Human Capital Management Indicators

Diversity, Fairness, and Inclusion KPIs (2030 Target):

- Percentage of female managers (p.48):**
 The KPI is set to match or exceed that of men.
- Number of TISP recruits and enrollments (p.49):**
 We have set up the Tomioka International Specialist Park (TISP) concept, to which we bring together talented human resources from around the world to our main plant—the Tomioka Plant—where they can be trained and develop themselves. Our KPI is to recruit a cumulative total of at least 120 of these members. The cumulative total is 75 by FY2023.
- Employee Engagement Index:**
 Using FY2022 results as a baseline, we aim to achieve and maintain a 20% increase as soon as possible.

Global Human Resources Development KPIs (2030 Target):

- Ratio of employees who have acquired DX literacy standards:**
 In order to realize evolution, it is important for all employees to be sensitive to changes in circumstances and technological evolution. To measure this ability, we have adopted Japan’s Ministry of Economy, Trade, and Industry’s DX literacy standards, and we have set the KPI as having “20% or more” as the percentage of employees whose skill level has reached the passing standard. As of October 2024, this figure is 6%.
- Number of employees who have acquired core skills essential to growth strategy:**
 - [Communications Equipment Business]**
 KPI is set at 60 employees who hold official qualifications related to software development and application. As of October 2024, this figure is at 31 employees.
 - [Connector Business]**
 KPI is set at 72 employees who have filed patents for products or manufacturing methods. In FY2023, this figure is 48 employees.
 - [Medical Device Business]**
 KPI is set at 20 employees qualified to act as General Manufacturing Sales Managers, Quality Assurance Managers, or Safety Managers for medical device production and sales. As of March 2024, this figure is 5 employees.

Employees

The Yokowo Group aims to promote and advance diversity and inclusion among our employees and strives to create a rewarding and attractive workplace environment with the aim to “Be a company where employees feel comfortable being employed, and which ensures that employees’ families are happy for them to work there.”

Basic Data on Employees

▼ Number of Employees

	Yokowo total	Japan	Europe and the U.S.	Asia
Total employees (persons)*1	9,244	1,341	80	7,823
Breakdown by business segment	VCCS	225	57	6,866
	CTC	364	12	518
	FC	72	9	353
	MD	201	1	0
	Incubation Center	32	0	0
Other employees	534	447	1	86

*1 Includes temporary staff

Composition of Employees

The main production bases in each segment are China, Vietnam, and the Philippines for the VCCS segment, Malaysia, Vietnam, and Japan for the CTC segment, Malaysia and China for the Fine Connector business in the FC/MD segment, and Japan for the Medical Device business in that same segment. Our production bases are concentrated in Asia. In particular, there are a large number of employees in China and Vietnam, which are production bases for the VCCS segment.

▼ Recruitment and Turnover

	YOKOWO CO., LTD.
Total number of new recruitments	61
Male	43
Female	18
Total number of job leavers	42
Male	41
Female	1

▼ Average age and years of service

	YOKOWO CO., LTD.
Average age	41.0
Male	41.0
Female	41.2
Average years of service	11.7
Male	11.9
Female	10.9

Work-Life Balance

Percentage of Annual Paid Leave Taken

We promote the use of annual paid leave aiming for an annual paid leave utilization rate*2 of 75.0%, which is the target for FY2023. In FY2023, the annual paid leave utilization rate was 67.6%.

*2 Number of annual paid leave days taken ÷ number of annual paid leave days newly granted each fiscal year

Use of Childcare Leave

Yokowo has established a childcare leave system to support employees in balancing work with childcare. In FY2023, 41.0% of male, and 100% of female employees took childcare leave.

Use of Nursing Care Leave

The Group has established a nursing care leave system to support employees in balancing work with nursing care. In FY2023, no employees took nursing care leave.

Other Work-life Balance Measures

- Hourly paid leave
- Special COVID-19 vaccination leave
- Long service incentive system

Further Reforms to Human Resources System to Encourage Proactive Employee Growth

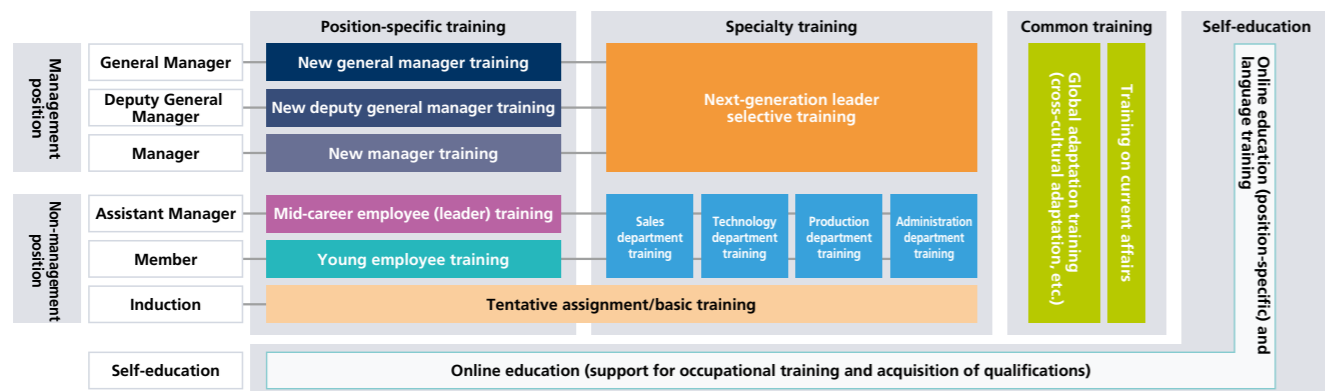
In 1998, given external factors such as Japan’s aging society and declining birthrate as well as advancing globalization, we reformed our personnel system, replacing the former job qualification system with a role-based pay system for managers, and a job-grade system for general employees. Since the introduction of this system, we have continued its operation in order that each employee can transform themselves into a specialist by using a dynamic, competitive system that rewards work value, role responsibility, and results in line with changing employee roles in the midst of a changing business environment. Also, as a global specialist company with a highly competitive human resources structure, our aim is to have our employees achieve self-fulfillment through their own efforts. To achieve the above, we are using the SAP SuccessFactors talent management system introduced in 2022.

Engagement

Yokowo conducted its first engagement survey in FY2022. In addition to understanding the degree of congruence between our direction (Purpose, Vision, and Values) indicated in our corporate philosophy and individual employees’ directions (diverse self-actualization), this has as its objective understanding areas for improvement in the workplace environment, so that the Group can achieve sustainable growth.

We will improve workplace environments in each department as indicated through these results, then review and construct internal mechanisms. Looking forward, we will promote employee engagement in order that every employee has trust in the company and in our organization, and that they are motivated to work toward both personal and corporate growth.

▼ Conceptual Diagram of Training System



Performance Evaluation

At the beginning of each fiscal year, every employee prepares a job description in consultation with their superiors which includes their duties and goals, and carries out their duties. Superiors evaluate employee performance every six months and hold interviews to provide feedback on the results to employees.

Human Resources Development

We have established an “integrated human resource development system starting with new employees” in order to cultivate “globally-minded human resources” who will support the full-scale globalization of our business and to actively promote the strengthening of management at all levels. In addition to training that is common to all employees, we provide diverse position-specific and specialty training to encourage employee growth. In the future, Yokowo will create a “new training system” to better support employees’ independence in their skill and career development, and aim to become a company that can provide more specialized training opportunities to employees.

Furthermore, in FY2023 we established the new Human Resource Development Center for all officers and employees to accelerate our corporate competitiveness by both developing top gun personnel who can embody our business advancement by sharpening our strengths and leveraging our strengths, and improving the job performance of all employees. We are currently compiling human resources development plans for each department, creating training plans that specify which skills we want individual employees to work on, and conducting training in accordance with the plans.

Diversity

Through the promotion of DEI (Diversity, Equity, and Inclusion), the Yokowo Group is promoting the recruitment and development of human resources without regard to nationality, gender, or age, with the aim of becoming Team Yokowo, a “sustainably evolving company.”

Approaches to Diversity

The Yokowo Group hires and trains diverse human resources, irrespective of nationality, gender, or age, and strives to create an employee-friendly workplace where there is respect for individuality and fair and equitable treatment to enable each and every employee to achieve their full potential.

Concrete Measures Relating to Diversity

The Yokowo Group treats “diversity and inclusion” as one of our management strategies. We are striving to become a company where employees with the diverse values of global Yokowo are able to come together and work together on a global basis to achieve their full potential. In terms of diversity, we are steadily promoting measures based on the TISP Project to expand the field of activities of non-Japanese employees. However, there are still many issues to be addressed in increasing the ratio of female managers and the ratio of employees with disabilities.

In 2021, the revised Child Care and Family Care Leave Law was enacted, requiring companies to encourage male employees to take childcare leave. The ratio of male employees taking this was 5.3% in FY2021, 23.1% in FY2022, and 41.0% in FY2023, showing a definite uptake, but we feel there is more progress to be made.

In order to clarify these issues in our organizational culture and systems, and to share the direction for improvement and reform, Yokowo is holding “roundtable meetings” where the employees concerned can frankly exchange opinions, and so that diverse personnel are able to work comfortably, we are putting in place initiatives such as making head office buildings and the “Micro Process R&D Center” research and development facility at the Tomioka plant barrier-free, and installing a prayer room.

Promoting Active Participation by Women

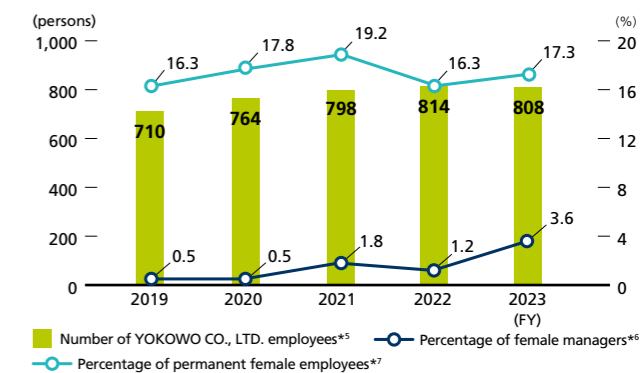
Due to the fact that Yokowo is a manufacturing company, the number of permanent female employees hired is small, and the ratio of female managers is currently lower than that of male employees due to the small pool of female employees. However, our goal is to increase the ratio of female managers to at least the same as that of male leaders. So that we can reach this goal, we have started appointing women as outside directors and into management positions. We are also taking steps to identify gender-based wage gaps, and to reform the system to eliminate any disparities.

▼ Male-female wage gap

	Percentage wage difference (%)
Executives	86.2
Supervisors (SV)*1	93.6
Creative (C)*2	88.9
Technical (T)*3	116.5
Routine (R)*4	— (No corresponding male employees)

*1 Business management: Role that leads a team of a particular size, that manages overall promotion of the business, and that uses their high levels of specialist knowledge and know-how to create high added value
 *2 Creative work: Role that performs creative work in order to acquire new business opportunities
 *3 Vocational work: Role that performs specialized work of a defined type
 *4 Basic work: Role that performs routine operations with fixed procedures and methods

▼ Percentage of female employees*



**5 Number of Yokowo Co., Ltd. employees: Does not include temporary staff
 **6 Percentage of female managers out of all managers
 **7 Ratio of female employees out of all employees
 ★: YOKOWO CO., LTD.

Employment of People with Disabilities

From the perspective of the SDGs, Yokowo has set a goal to at least double the employment rate of people with disabilities compared to the legally mandated rate. In order to achieve this goal, we established Yokowo Future-Oriented Support in FY2022, which was certified as a special subsidiary in March 2023. In addition to developing tangible aspects such as barrier-free workplaces, we are also working on intangible aspects such as having public health nurses and mental health social workers visit the company regularly to provide mental and physical care for Yokowo Future-Oriented Support employees and all Yokowo Group employees, and developing a work environment in which people with disabilities work with ease and vitality. Yokowo also continues to deepen the knowledge of employees by holding regular training courses for employees to promote their support.

Promoting Active Participation by Senior Human Resources

In addition to the existing system of re-employment (reemployment after transfer to an affiliated company), we established a new system to extend employment after retirement at the age of 60 as permanent employees at our Head Office in 2020 in order to promote the active participation by senior human resources. This is subject to approval by the Personnel Committee if the Company deems it necessary and the employee agrees to do so for the purpose of transferring technology to younger employees or utilizing proprietary technology and know-how. This system also allows those who are 65 years old or older to continue to playing an active role under an outsourcing contract or consultant contract if the Company deems it necessary and agrees with the individual. Furthermore, we hold roundtable meetings for senior human resources to further improve the system while incorporating the opinions of the people concerned.

▼ Number of older employees re-employed*

(FY)	2019	2020	2021	2022	2023
(persons)	22	30	34	38	49

★: YOKOWO CO., LTD.

Strengthened Mid-career Hiring

The Yokowo Group corporate vision incorporates the message that “as Team Yokowo, by creating new products that incorporate cutting-edge advancements based upon the Group’s proprietary technology, we want to be a company that while evolving, achieves persistent growth.”

The Yokowo Group in principle enhances our workforce by hiring new graduates, however recent years have seen an increase in the ratio of mid-career hires supported by strong business performance. We are bringing together all employees who sympathize with this message, regardless of new graduate or midcareer hires, irrespective of gender, age, or nationality.

▼ Changes in new graduate hires and mid-career hires*

(FY)	2019	2020	2021	2022	2023
New graduate hires	18	22	28	22	40
Mid-career hires	49	30	60	57	21

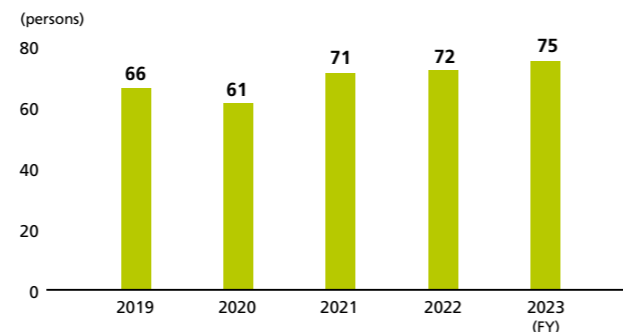
★: YOKOWO CO., LTD.

TISP Project

At the Yokowo Group, we are promoting the “TISP (Tomioka International Specialist Park) Project” as a central part of our diversity and inclusion initiatives.

This project brings together specialists from around the world (in product design, production engineering, elemental technologies, quality assurance, production control, etc.) to our main plant—the Tomioka plant (Gunma Prefecture). Hiring criteria place no particular requirements as regards Japanese conversational ability, and have a focus on expertise for midcareer hires, and potential for new graduates. Looking forward, we aim to bring together 120 foreign specialists centered around the Tomioka plant. With this project, we are actively recruiting foreign employees living in Japan, and those living overseas. In particular at our main production bases in China, Vietnam, and Malaysia, we have in place a multi-year training program in Japan for new graduate hires who have graduated from local universities in those countries. For these trainees, we create an individualized CDP (Career Development Plan) with which we provide systematic human resource training, and many of the trainees who have completed their training in Japan return to work in their own countries.

▼ Changes in TISP human resources*



★: YOKOWO CO., LTD.

Introduction of Secondary Job System

In FY2022, we established a new secondary job system to help employees achieve a variety of work styles, as one way to support their autonomous career development. We will continue to look for ways to enhance the system itself, with the aim of supporting employees in further bettering themselves.

Human Rights

In the future, the Yokowo Group will continue listening to the diverse voices of our colleagues, seeking guidance from around the world. We will work together with all stakeholders who support our business activities, including the families supporting our employees, our customers and business partners, and local communities, and we will also always envision a better and more prosperous future, and aim to be an evolving, enduring company that continues to create something new.

Concepts around Human Rights

Based upon the United Nations’ Guiding Principles on Business and Human Rights, the Yokowo Group is strengthening its frameworks for respecting human rights and providing relief measures. Centered around the Human Rights, Labor, and Ethics Management Committee established in 2022, we collaborate with domestic and overseas subsidiaries and related departments to deliberate important policies on human rights, and identify, prevent, and mitigate adverse impacts on human rights through our business activities. Additionally, we implement a human rights due diligence process to evaluate the effectiveness of our efforts, and to both explain and disclose information on how we have addressed concerns, thereby addressing individual human rights issues.

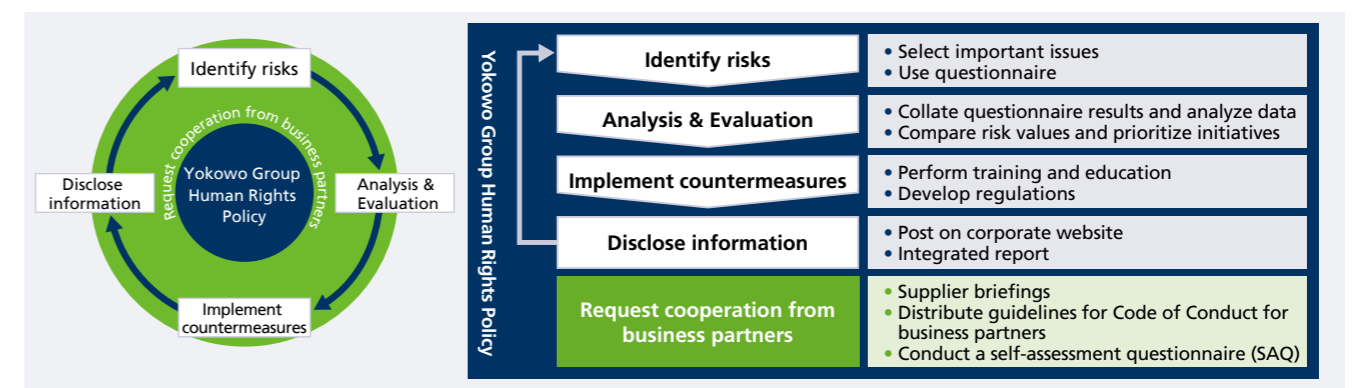
Human Rights Policy

As a foundation for our Purpose, the Yokowo Group formulated the Yokowo Human Rights Policy to demonstrate our stance and responsibility to respect the human rights of stakeholders involved in our business activities. This serves as our highest-level policy concerning human rights, and provides direction in our continued human rights initiatives.

The Human Rights, Labor, and Ethics Management Committee is responsible for this policy’s operation under the supervision of the Board of Directors.

* Refer to our corporate website for details regarding our Human Rights Policy. <https://www.yokowo.co.jp/english/company/csr/humanright.html>

▼ Human Rights Due Diligence Process Diagram



Occupational Health & Safety: OH & S

The Yokowo Group positions the management of health and safety of its employees as well as stakeholders in the Group's activities as the top priority issue for its management, and will pursue a workplace where they are able to work without undue concern by always securing their safety, and that will strive to promote their mental and physical health.

Approaches to Occupational Health and Safety

The Yokowo Group positions proper management of the safety, peace of mind, and health of employees and other stakeholders as a number one priority. In order to safeguard every individual employee — each of whom is vital to the Group's business continuity and growth — we have formulated the Occupational Health and Safety Policy, and we promote occupational health and safety activities on the basis of this policy.

* Please see our website for more details on the Occupational Health and Safety Policy of the Yokowo Group.
<https://www.yokowo.co.jp/english/company/csr/safety.html>

the Occupational Health and Safety Secretariat and aims to further expand measures that contribute towards OH&S, with a particular focus on promoting the activities of the various committees.

▼ Occurrence of Occupational Accidents Over the Past Three Years

	FY2021	FY2022	FY2023	Coverage
Frequency of occupational accidents*1	2.20	1.02	0.00	Non-consolidated
No. of serious occupational accidents*2	0	0	0	Consolidated (Japan)
No. of occupational accidents (accidents with lost work days)	3	2	0	Consolidated (Japan)

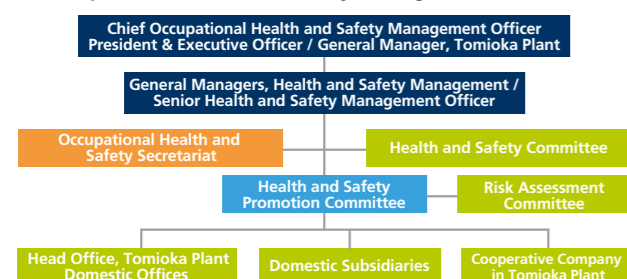
*1 Frequency of occupational accidents: Number of occupational accidents leading to injury or death per million working hours, indicating the frequency of accidents.
 *2 No. of serious occupational accidents: Number of serious occupational accidents resulting in permanent disability or death.

Occupational Health and Safety Framework

Yokowo's Health and Safety Promotion Committee meets on a monthly basis. The Committee is headed by senior management and consisting of the OH&S managers and promoters of each department, who play a central role in practical health and safety activities. The Committee strives to realize continued improvement of OH&S activities by sharing the progress made in individual departments' OH&S action plans, the results of monthly OH&S inspections, and details of occupational accidents and the remedial measures taken. In addition, the Committee holds monthly meetings to provide a venue for talks between its members, both from labor and management, with the participation of occupational physicians, etc., as required by law. The Risk Assessment Committee evaluates remedial measures when responding to unexpected occupational accidents. It discusses and confirms whether the measures proposed by the department where the accident occurred are effective from an objective viewpoint, and whether there are any oversights in preventing reoccurrence.

The Environment, Labor and Safety Section is responsible for

▼ Occupational Health and Safety Management Framework



To Realize Improvements in Occupational Health and Safety

Yokowo has constructed an occupational health and safety management system (OHSMS) under the Occupational Health and Safety Policy (OH&S Policy) and is working to promote efforts to improve occupational health and safety throughout the Group.

In addition, to improve risk sensitivity and safety awareness, we have established a Safety Training Center with equipment that allows employees to experience occupational accident events that may occur in the company, with the goal of achieving a “hazard- and accident-free workplace” and “zero accidents.”

▼ ISO 45001 Certification Status

2020	YOKOWO CO., LTD., domestic subsidiaries (3 companies) Chinese subsidiaries (2 locations)

* OHSAS 18001 certification was obtained in 2016 in Japan and in 2017 in China, however this was transferred to ISO 45001 certification in August 2020.



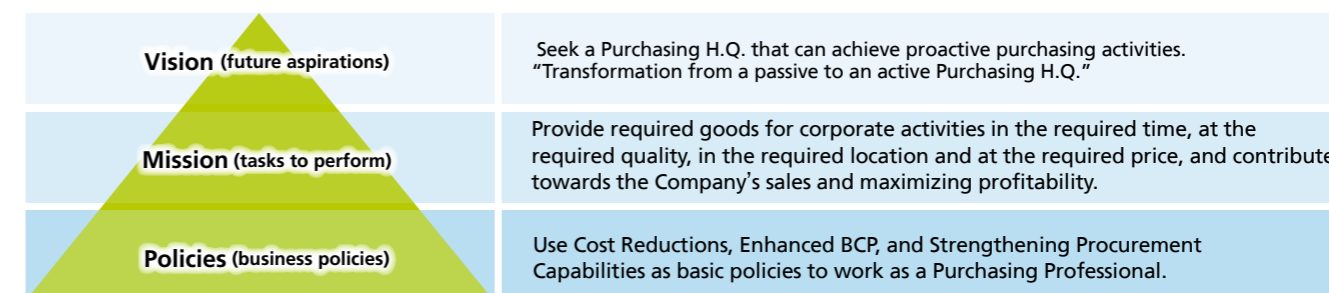
Safety Training Center permanently installed at Tomioka plant

Procurement

The Yokowo Group strives to engage in fair and equitable transactions with suppliers, and we are focused on building equal partner relationships. We are working to transform our system away from a passive procurement function towards more dynamic procurement.

Approach to Procurement

Basic Policies



Besides striving to ensure fair and equitable transactions with our suppliers, the Yokowo Group also aims to provide required goods for corporate activities in the required time, at the required quality, in the required location and at the required price, while promoting proactive procurement activities that contribute towards the Company's sales and maximizing profitability. We not only comply with all relevant laws and regulations, such as the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, but also strive to fulfill our social responsibility within the supply chain in order to build multilayered production bases and a reliable supply network when undertaking day-to-day purchasing activities.

Details of the Business Policies

Cost Reduction	<ul style="list-style-type: none"> Strive to reduce costs (principle cost) Ensure that costs are set early (DFC) Explore <i>Sangenshugi</i>—the Three Actuals (the actual place, the actual part, and the actual situation)
Enhanced BCP	<ul style="list-style-type: none"> Stable procurement Supplier quality enhancement Fair and equitable selection of suppliers
Strengthening Procurement Capability	<ul style="list-style-type: none"> Developing human resources and continuity of operations Compliance with relevant laws, ordinances, and specifications Consideration for the environment and for society

Initiatives with Business Partners

Purchasing Policy Ver. 1.0 Formulated May 24, 2024

Based on “Purpose, Vision, and Values,” defined as our Corporate Philosophy, the Yokowo Group conducts global purchasing activities in line with the following “Purchasing Policy.”

- **Coexistence and co-prosperity with business partners**
 - Build long-term trust relationships with business partners, and partnerships that mutually enhance value.
 - Procure from diverse business partners, and contribute to society by creating added value.

- **Fair and equitable transactions**
 - Comprehensive evaluation based on quality, price, delivery times, service, technical capabilities, and CSR, to transparent selection of business partners.
 - Fair and equal entry opportunities for domestic or overseas suppliers regardless of their business scales.
- **CSR initiatives**
 - Respect Yokowo's CSR Policy and Code of Conduct, and promote purchasing activities that take into consideration human rights and environmental conservation.
 - Work with business partners to promote CSR activities that include corporate ethics and compliance with laws and regulations.

CSR Purchasing Activities

Previously, the Yokowo Group has conducted audits of business partners into general matters, information security, the environment, and CSR, both when commencing new business relationships, and on an ongoing basis. As of 2024, in order to strengthen ESG activities, we have started a systematic approach to our CSR purchasing operations based on the PDCA cycle.

This year, we conducted supplier briefings and self-assessments for suppliers in Japan, and based upon the results of the evaluation/audit, we have implemented improvement activities in cooperation with business partners.

From FY2025 onwards, we will expand these activities to include overseas business partners.

Basic Concept of CSR Purchasing Activities

Through the understanding and support of our business partners, the Yokowo Group is working on CSR purchasing activities with the aim of fulfilling our social responsibilities together with them, improving corporate value, and achieving mutual growth.

Business Partner Code of Conduct

Ver. 2.0 Formulated May 24, 2024

For the purposes that we can respond broadly to stakeholder trust, the Yokowo Group have formulated a Business Partner Code of Conduct based upon the RBA Code of Conduct, JEITA Responsible Business Conduct Guidelines, the JAPIA CSR Guidebook, and other documents.

“Yokowo Business Partner Code of Conduct” Items

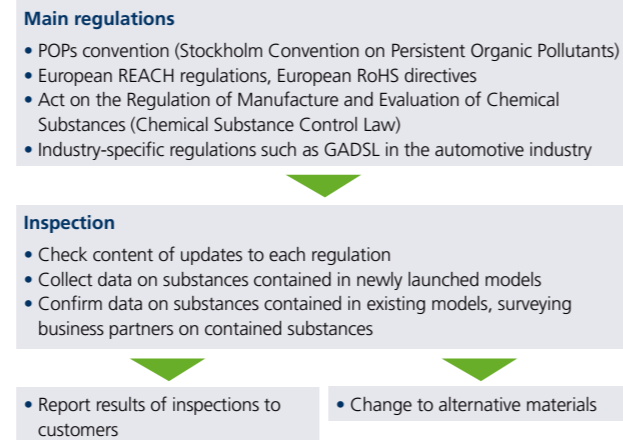
1. Compliance with Laws and Regulations, Respect for International Norms
2. Labor
3. Health and Safety
4. Environment
5. Ethics
6. Quality and Safety
7. Information Security
8. Business Continuity Planning
9. Social Contribution
10. Management System

▼ PDCA cycle considerations in CSR purchasing



Green Procurement Initiatives (Survey Activities on Chemical Substances Contained in Products)

We implement measures for each regulation.



Responsible Resource Procurement

We implement measures for each regulation.



Local Communities

Operating in a range of locales both within Japan and overseas, the Yokowo Group values our relationships with local communities, and is promoting multifaceted social action programs. As a company rooted in local communities, we will contribute to their development, and towards achieving a sustainable society.

On Contributing to Local Communities

As a member of local communities, the Yokowo Group is promoting a range of social action programs. Focused around activities grounded in the community, activities towards achieving a sustainable society, and activities that contribute to community development, our aim is to develop alongside local communities through initiatives that contribute to solving societal issues.

▼ Three Areas of Activities



Also, in order that we can make steady contributions to dialogue and development with local communities, in April 2022, the Social Activity Promotion Section was established within the General Affairs Department, and started operation. At the same time we have formulated a policy for community social contribution activities, and have started by promoting activities in cooperation with municipal governments, mainly in Tomioka City and Gunma Prefecture.

Policy for Community Social Contribution Activities

We will listen to the voices of local residents, and implement genuine initiatives and contribute to the happiness of the community and society regarding diverse issues so that we can be recognized as a partner.

On Contributing to Local Communities

Sports Classes

In August 2023, Yokowo held a sports event inviting children from basketball teams at Tomioka City elementary schools to the Yokowo Silk Arena Tomioka, a civic gymnasium in Tomioka City with which we have a naming rights agreement.

As well as having coaches and staff from the Gunma Crane Thunders professional basketball team participate as instructors, NPOs from Tomioka City and students from local high schools also offered their help as volunteers.

The Yokowo Group is working together with local government on activities to interact with the local community through sport, and to increase the number of people playing sport.



Tomioka Donto Festival

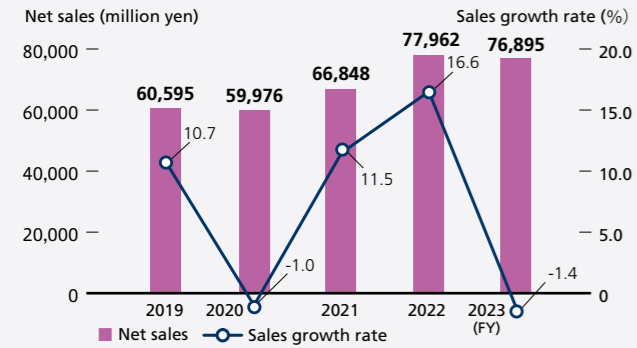
Every two years, the Tomioka Plant participates in the Tomioka Donto Festival, a two-day festival characteristic of the region held in the center of Tomioka City.

Many employees participated in the last festival held in October 2022, enhancing exchanges with local residents through the “Odori Nagashi,” a 40-minute dance procession through the streets of Tomioka City.

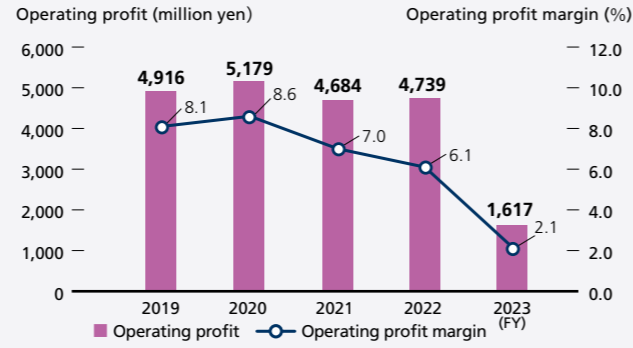


Financial Highlight

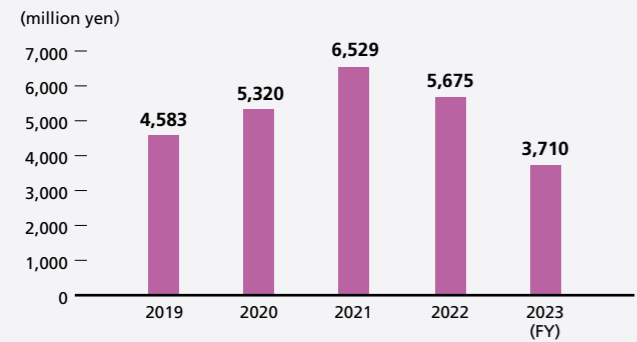
▼ Net sales



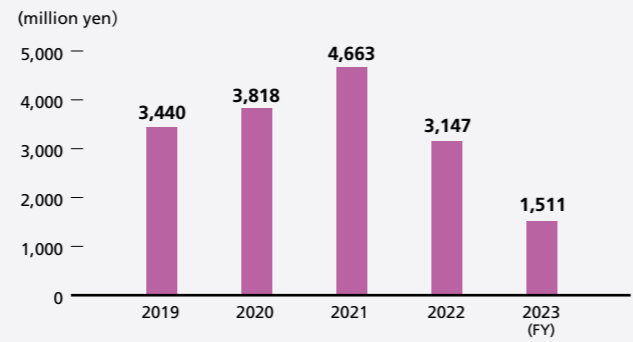
▼ Operating profit



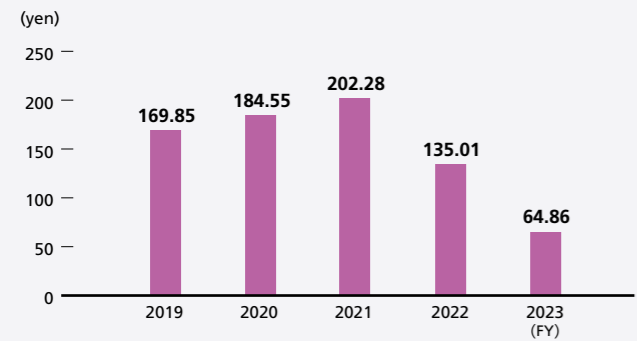
▼ Ordinary profit



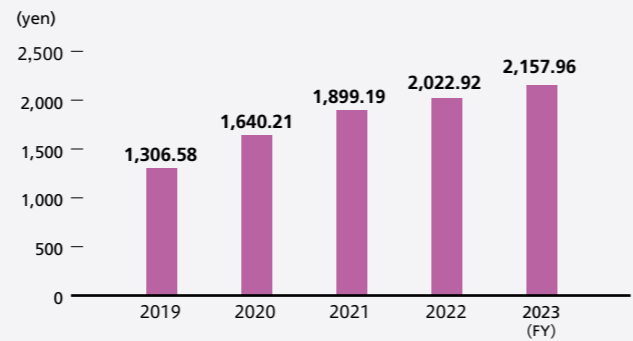
▼ Profit attributable to owners of parent



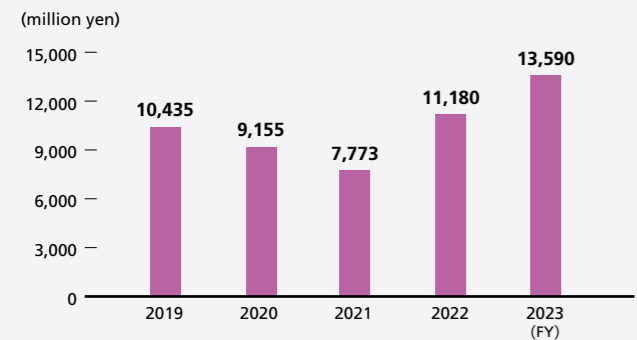
▼ Basic earnings per share



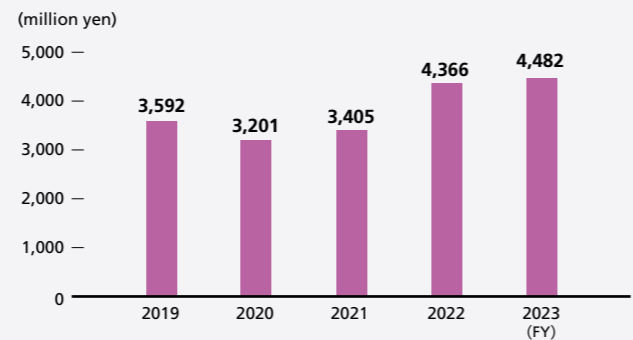
▼ Net assets per share



▼ Interest bearing debt*



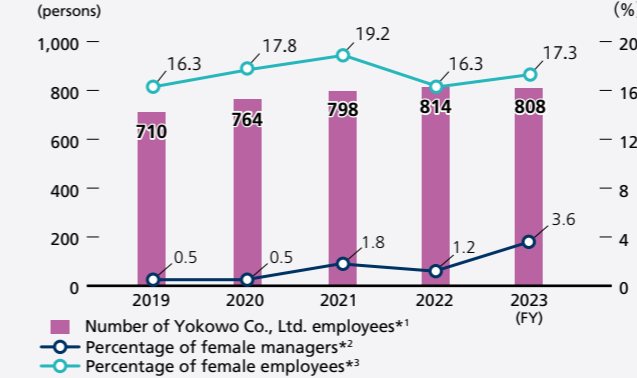
▼ Research and development expenses



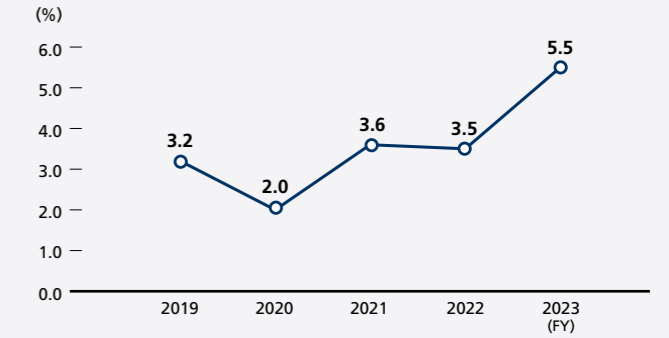
* Borrowing + lease liabilities

Non-financial Highlight

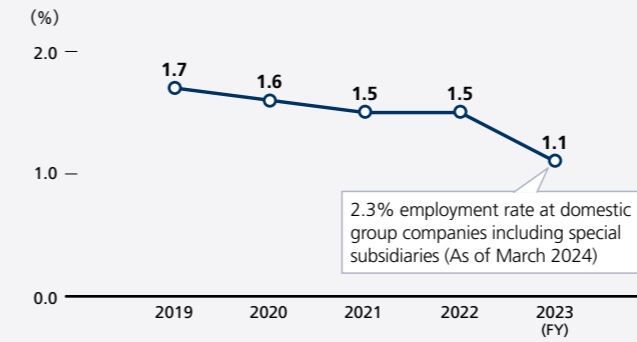
▼ Percentage of female employees*



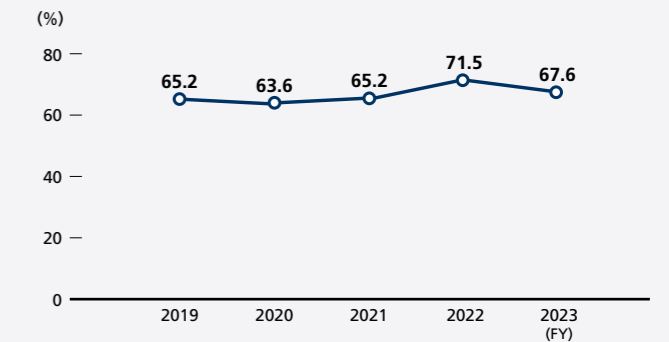
▼ Employee turnover rate*



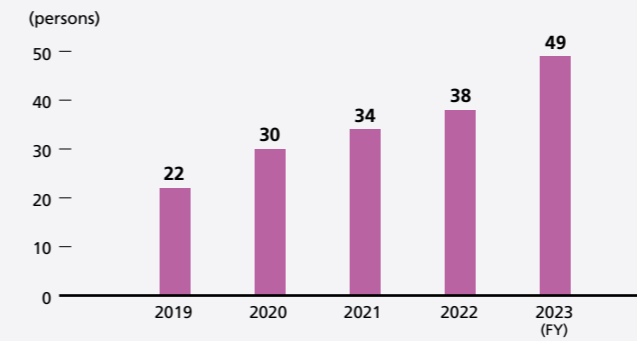
▼ Employment rate of people with disabilities*



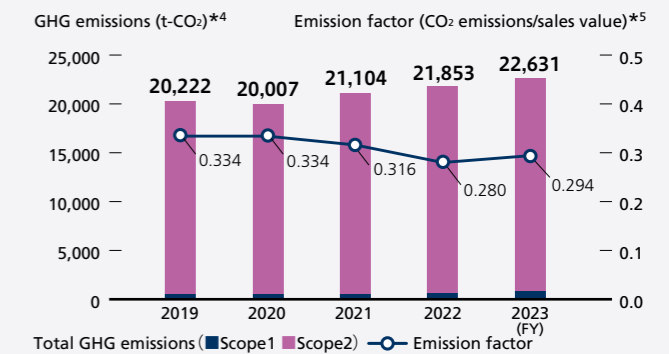
▼ Uptake of paid leave*



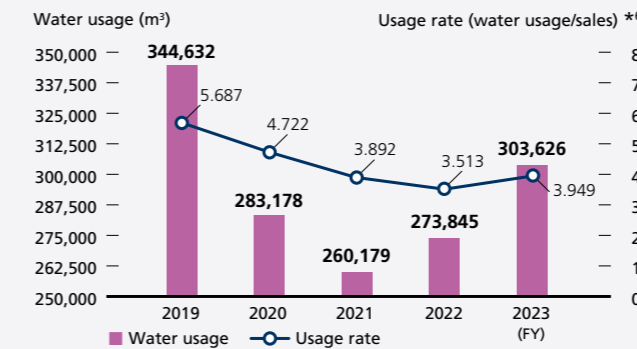
▼ Number of older employees re-employed*



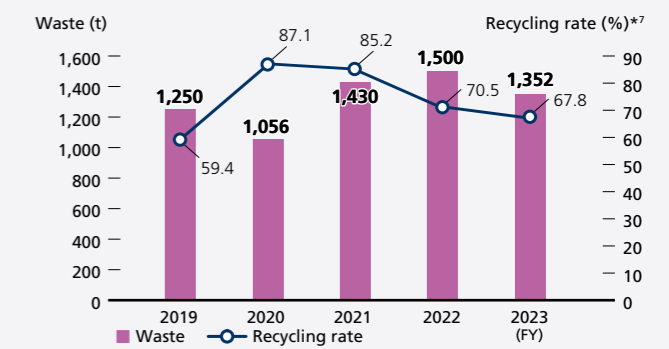
▼ GHG emissions and emission factor



▼ Water usage and usage rates



▼ Quantity of waste and recycling rate



★ YOKOWO CO., LTD.

*1 Number of Yokowo Co., Ltd. employees: Does not include temporary staff *2 Percentage of female managers out of all managers *3 Ratio of female employees out of all employees
*4 Electricity CO₂ conversion factor is calculated using the following: Domestic: TEPCO Energy Partner, Inc Basic Emission Factor Overseas: Until 2021 IEA Official Factor, from 2022 market factor used
*5 Emission factor: GHG emissions per million yen of sales *6 Emission factor: Water usage per million yen of sales *7 Recycling rate is the percentage of recycled materials sent to recyclers

Financial Information

Analysis of Operating Results and Financial Position in Fiscal 2023

Business Environment and Operating Results

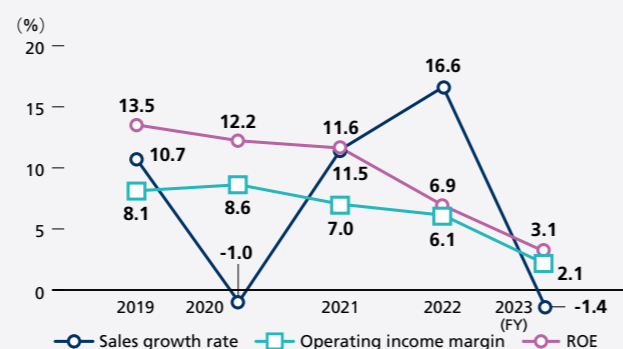
The fiscal year under review saw a slowdown in overall growth due to the impact of monetary tightening in major countries, concerns over the outlook for the Chinese economy, geopolitical risks such as the situations in Ukraine and the Middle East, causing soaring prices for resources and raw materials.

In the Group's core markets — automotive, semiconductor testing, mobile communication terminals, and advanced medical device markets — there is intensified competition in the development of products and technologies in line with both the rapid expansion of electric vehicle (EV) sales in Europe, the U.S., and China, and the expansion of accelerated evolution of generative AI and other advanced application areas that could reshape industry structures and business models in every industry.

In these circumstances, the Group continued working to advance the four forms of innovation (innovation in products, processes, personnel, and management) specified in the Basic Management Policy, aiming for renewed growth by rebuilding business profitability. In the VCCS segment, the Group will promote fundamental business structure reforms based on the stabilization and calming of marine freight rates, and will continue negotiations to revise sales prices in response to higher raw material prices, and is working to rebuild its earnings structure. In the CTC segment, despite being impacted by a downturn in the semiconductor market, we are optimizing technology and manufacturing systems and moving forward with technology development to address future semiconductor miniaturization and improve production efficiency in order to grasp business growth opportunities arising from AI and 5G.

As a result, while the VCCS segment saw a year-on-year increase in consolidated net sales, both the CTC and FC/MD segments saw a decrease in sales, resulting in a slight overall decline. In operating profit and loss, while the VCCS segment posted significant improvements in profitability, the FC/MD segment posted a decrease in profits and the CTC segment posted an operating loss. Also, the Incubation Center segment which focuses on the promotion of new businesses also posted an operating loss, resulting in decreased profits. While ordinary profit and losses recorded gains from foreign exchange, operating income decreased, resulting in a decrease in profits. Profit attributable to owners of the parent company decreased due to factors such as an increased tax burden ratio due to the reversal of deferred tax assets, in addition to the decrease in ordinary income.

▼ Minimum 8



Financial Position

(Assets)

Due to an increase in cash and cash equivalents of ¥1,015 million, increase in notes and accounts receivable-trade of ¥778 million, and an increase in inventories of ¥459 million, current assets stood at ¥49,169 million at the end of the fiscal year under review (a gain of ¥2,813 million from the end of the previous fiscal year). The increase in notes and accounts receivable-trade is primarily as a result of increased sales due to an increase in orders received in the VCCS segment.

Non-current assets stood at ¥27,238 million at the end of the fiscal year under review (a gain of ¥2,937 million from the end of the previous fiscal year) due to an increase in property plant and equipment of ¥1,677 million and an increase in investments and other assets of ¥827 million. This was due to vigorous investment in mass production and development in each business segment.

As a result, total assets stood at ¥76,408 million at the end of the fiscal year under review (a gain of ¥5,751 million from the end of the previous fiscal year).

(Liabilities)

Current liabilities stood at ¥19,625 million at the end of the fiscal year under review (a gain of ¥1,735 million from the end of the previous fiscal year). This was as a result of an increase in short-term loans payable of ¥354 million and of an increase of ¥1,600 million in long-term loans payable within the year.

Non-current liabilities stood at ¥6,398 million at the end of the fiscal year under review (a gain of ¥856 million from the end of the previous fiscal year) due to an increase in lease assets of ¥466 million and increase in deferred tax liabilities of ¥331 million. The increase in lease liabilities was primarily due to increases in leased equipment attributable to the start of operation of the Micro Process R&D Center (new R&D building, hereafter "MP Center") at the Tomioka Plant.

As a result, total liabilities stood at ¥26,023 million at the end of the fiscal year under review (a gain of ¥2,592 million from the end of the previous fiscal year).

(Net Assets)

Net assets stood at ¥50,384 million at the end of the fiscal year under review (a gain of ¥3,159 million from the end of the previous fiscal year). This was mainly due to an increase in foreign currency translation adjustment of ¥1,957 million, profit attributable to owners of parent company of ¥1,511 million, and payment of surplus of ¥1,095 million.

Cash Flows

(1) Cash and Cash Equivalents

Cash and cash equivalents stood at ¥18,702 million in the fiscal year under review (a gain of ¥1,014 million from the previous fiscal year).

(2) Net Cash Provided by Operating Activities

Net cash provided by operating activities stood at ¥4,823 million (a decrease of ¥2,489 million from the previous fiscal year) with the main factors for increase including depreciation of ¥4,013 million and profit before income taxes of ¥3,311 million, and the main factors for decrease including a decrease in trade payables of ¥1,780 million because of decreased purchasing of parts in the CTC segment.

(3) Net Cash Used in Investing Activities

Net cash used in investing activities stood at ¥5,125 million (a decrease of ¥732 million from the previous fiscal year). The main factors for decrease included purchase of property, plant and equipment, including construction of the MP Center of ¥3,917 million, and purchase of intangible assets of ¥865 million.

(4) Net Cash Provided by Financing Activities

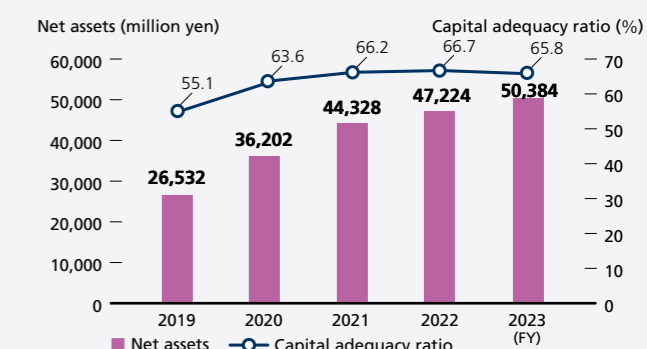
Net cash outflow from financing activities stood at ¥260 million (¥1,531 million inflow in the previous fiscal year). There were proceeds from long-term loans payable of ¥1,500 million, however the main factor for decrease was a decrease in payment of dividends of ¥1,090 million.

(5) Information on Liquidity and Capital Resources

The Group's working capital is mainly spent on procurement of raw materials and parts used in the manufacture of products, and is also similarly expended on goods and services recorded in manufacturing, selling, and general and administrative expenses. In addition, capital investment funds are expended on establishing and strengthening production systems, such as the acquisition of production equipment, and on maintaining information systems. The Company's basic policy is to provide for the funding necessary for these through internal funds generated by the recorded profit and depreciation. In facilities investments for the fiscal year under review, the focus was on R&D, product development investment,

and the renewal of mass production facilities at production subsidiaries, all in conjunction with the start of operations at the MP Center. In addition, under the "New Medium-Term Management Plan 2024-2028" covering the five years from March 2025, in order to take a medium- to long-term perspective and break through the limitations of existing businesses and technologies and acquire new growth potential, the Group plans to invest in basic research to further deepen its core technologies and in capital investment to enter new fields, such as in the development of new ADAS products and the construction of new MEMS probe card production lines. During the current fiscal year under review, we made facilities investments related to the start of operation of the MP Center at the Tomioka Plant as well as mass production and development investments in each business segment, and to secure future capital investment and working capital needs, we undertook an additional long-term loan of ¥1,500 million. As a result, the Group's cash and cash equivalents stood at ¥18,702 million at the end of the fiscal year under review, up ¥1,014 million from previous fiscal year.

▼ Net Assets / Capital Adequacy Ratio



Capital Investment

In the fiscal year under review, the Group continued to make capital investments, primarily in the expansion of production facilities. Investment in intangible assets is included in addition to investment in property, plant and equipment.

Total capital investment in the fiscal year under review was ¥4,741 million, and an overview of capital investment is as follows.

(1. Property, plant and equipment)

(1) VCCS

The Group implemented total capital investment of ¥1,933 million. This included expansion of capacity at the Vietnamese and Philippines plants aimed at increasing work volume in parallel with the strengthening of development functions at the China plant.

(2) CTC

In addition to enhancing infrastructure following the commencement of operations at the MP Center, the Group invested ¥1,459 million in upgrading and expanding mass production equipment at our domestic production subsidiaries as well as at our Malaysia and Vietnam plants.

(3) FC/MD

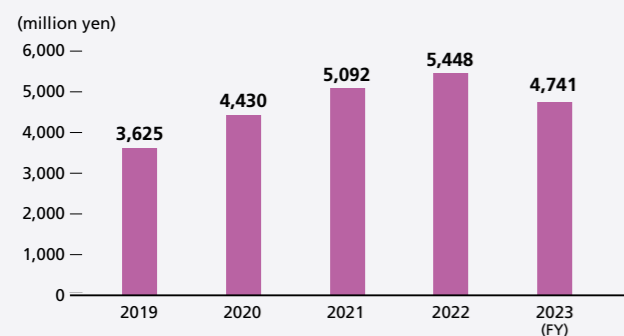
The Group implemented total capital investment of ¥524 million, including not only updates and expansion of mass production facilities in the FC business, but also investment to increase capacity in the MD business.

(4) Incubation Center

The Group implemented total capital investment of ¥12 million toward enhancing mass production capacity in the platform business.

(2. Intangible assets)

The Group implemented total capital investment of ¥810 million. This included improving the environment for core information systems and human resources management systems in order to realize Group-wide business streamlining, and enhancing and updating management systems.

▼ Capital expenditures**Basic Policy for Dividends**

The Company views the strengthening of returns to shareholders as an important task for management. The basic policy for dividends in each fiscal year defines stable and continuous distribution of dividends with due consideration for retained earnings, for the purposes of investments in production facilities in growing business fields, development of technology in new businesses, and in tapping new markets.

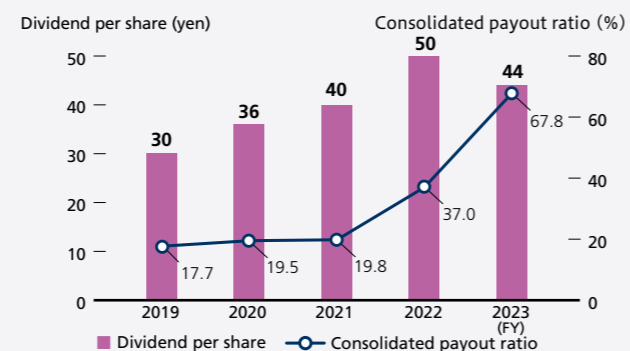
The Company's basic policy for dividends from surplus is to pay a dividend twice a year: an interim dividend and a year-end dividend.

For the fiscal year under review, the VCCS segment posted increased sales and significant profit growth compared to the previous fiscal year, while the CTC segment experienced a sharp

decline in orders, halving its sales posting an operating loss. The FC/MD segment also experienced decreases in sales and profits. As a result, consolidated net sales saw a slight decrease over the previous fiscal year, with each profit category declining significantly, however results exceeded the performance forecast announced in February 2024.

Looking ahead to fiscal 2024, the global economy is expected to become even more uncertain due to escalating political disputes and tensions, as well as the expansion of conflicts across various regions, and it appears that the main themes in our core markets will change, making this difficult to navigate. Under these circumstances, starting from early 2024, our Group has been gaining a foothold toward regrowth in both the CTC and FC businesses, and in line with the "New Medium-Term Management Plan 2024-2028" announced in May 2024, we will continue with a strong focus on investment management based on "selection and concentration" under capital cost management targeting a growth in sales, profits, and cash flow generation capabilities. Based on the circumstances outlined above, and comprehensively taking into account the return of profits to shareholders, future performance outlooks, demand for funds, and the securing of financial stability, the Company submitted the proposal for a yearend dividend for the fiscal year under review of ¥22 per share to the 86th General Meeting of Shareholders, and it was approved. With an interim dividend of ¥22 per share for the fiscal year under review already paid, the Company's annual dividend is ¥44 per share (consolidated payout ratio of 37.8%).

Furthermore, the Company's Articles of Incorporation stipulate that an interim dividend can be paid.

▼ Dividend per share

*For fiscal 2022, the dividend per share was a ¥44 regular dividend, with an additional ¥6 commemorative dividend.

Consolidated Balance Sheets

(millions of yen)

	Fiscal 2023 (As of March 31,2023)	Fiscal 2024 (As of March 31,2024)
ASSETS		
Current assets		
Cash and deposits	17,687	18,702
Notes and accounts receivable-trade	12,350	13,129
Merchandise and finished goods	7,781	8,445
Inventories	427	470
Raw materials and supplies	6,073	5,860
Other	2,040	2,563
Allowance for doubtful accounts	(4)	(3)
Total current assets	46,355	49,169
Non-current assets		
Net property, plant and equipment		
Buildings and structures	10,433	13,696
Accumulated depreciation	(5,176)	(5,872)
Buildings and structures, net	5,256	7,823
Machinery, equipment and vehicles	16,482	18,373
Accumulated depreciation	(10,988)	(12,742)
Machinery, equipment and vehicles, net	5,493	5,630
Tools, furniture and fixtures	12,485	13,504
Accumulated depreciation	(9,708)	(11,047)
Tools, furniture and fixtures, net	2,776	2,456
Land	761	761
Leased assets	1,790	1,744
Accumulated depreciation	(1,070)	(945)
Leased assets, net	720	798
Right-of-use assets	702	1,218
Construction in progress	2,366	1,065
Total property, plant and equipment	18,077	19,754
Intangible assets		
Other	1,210	1,642
Total intangible assets	1,210	1,642
Investments and other assets		
Investment securities	1,979	2,673
Retirement benefit asset	466	1,114
Deferred tax assets	901	450
Other	1,666	1,603
Total investments and other assets	5,013	5,841
Total non-current assets	24,300	27,238
Total assets	70,656	76,408

	(millions of yen)	
	Fiscal 2023 (As of March 31,2023)	Fiscal 2024 (As of March 31,2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6,483	6,310
Short-term loans payable	5,804	6,158
Current portion of long-term borrowings	–	1,600
Lease obligations	348	438
Income taxes payable	515	518
Provision for bonuses	956	904
Other	3,781	3,696
Total current liabilities	17,890	19,625
Non-current liabilities		
Long-term loans payable	4,600	4,500
Lease obligations	427	893
Deferred tax liabilities	105	436
Net defined benefit liability	402	547
Other	6	20
Total non-current liabilities	5,541	6,398
Total liabilities	23,431	26,023
NET ASSETS		
Shareholders' equity		
Capital stock	7,819	7,819
Capital surplus	7,804	7,804
Retained earnings	28,001	28,418
Treasury stock	(634)	(635)
Total shareholders' equity	42,990	43,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	645	1,084
Foreign currency translation adjustment	3,506	5,463
Remeasurements of defined benefit plans	13	348
Total valuation and translation adjustments	4,165	6,896
Non-controlling interest	68	80
Total net assets	47,224	50,384
Total liabilities and net assets	70,656	76,408

Consolidated Statements of Income

	(millions of yen)	
	Fiscal 2022 (From April 1, 2022 to March 31, 2023)	Fiscal 2023 (From April 1, 2023 to March 31, 2024)
Net sales	77,962	76,895
Cost of sales	63,067	64,918
Gross profit	14,894	11,977
Selling, general and administrative expenses	10,155	10,359
Operating income	4,739	1,617
Non-operating income		
Interest income	63	126
Dividend income	61	67
Foreign exchange gains (losses)	1,519	2,099
Other	164	145
Total non-operating income	1,808	2,439
Non-operating expenses		
Interest expenses	112	236
Share of loss of entities accounted for using equity method	688	31
Commission expenses	28	30
Other	42	48
Total non-operating expenses	873	346
Ordinary income	5,675	3,710
Extraordinary income		
Gains on liquidation of subsidiaries	10	–
Gain on sales of non-current assets	6	12
Gain on sales of investment securities	22	8
Total extraordinary income	40	20
Extraordinary losses		
Loss on retirement of non-current assets	41	42
Loss on sales of non-current assets	2	0
Business restructuring expenses	220	303
Compensation payments	153	–
Impairment losses	863	72
Total extraordinary losses	1,281	419
Profit before income taxes	4,433	3,311
Income taxes - current	1,487	1,028
Income taxes for prior years	3	275
Income taxes - deferred	(209)	493
Total income taxes	1,280	1,797
Profit	3,153	1,513
Profit (loss) attributable to non-controlling interests	6	1
Profit (loss) attributable to owners of parent	3,147	1,511

Consolidated Statements of Comprehensive Income

(millions of yen)

	Fiscal 2022 (From April 1, 2022 to March 31, 2023)	Fiscal 2023 (From April 1, 2023 to March 31, 2024)
Profit	3,153	1,513
Other comprehensive income		
Valuation difference on available-for-sale securities	214	439
Foreign currency translation adjustment	877	1,967
Remeasurements of defined benefit plans	(253)	335
Total other comprehensive income	838	2,741
Comprehensive income	3,992	4,255
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,979	4,243
Comprehensive income attributable to non-controlling interests	12	11

Consolidated Statement of Changes in Equity

Fiscal 2021 (From April 1, 2021 to March 31, 2022) (millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Balance at beginning of period	7,819	7,804	25,950	(634)	40,939	430	2,635	267	3,332	56	44,328
Changes during period											
Dividends of surplus			(1,095)		(1,095)						(1,095)
Profit (loss) attributable to owners of parent			3,147		3,147						3,147
Purchase of treasury shares				(0)	(0)						(0)
Net changes of items other than shareholders' equity						214	871	(253)	832	12	844
Total changes of items during period	-	-	2,051	(0)	2,051	214	871	(253)	832	12	2,896
Balance at end of period	7,819	7,804	28,001	(634)	42,990	645	3,506	13	4,165	68	47,224

Fiscal 2022 (From April 1, 2022 to March 31, 2023) (millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Noncontrolling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Balance at beginning of period	7,819	7,804	28,001	(634)	42,990	645	3,506	13	4,165	68	47,224
Changes during period											
Dividends of surplus			(1,095)		(1,095)						(1,095)
Profit (loss) attributable to owners of parent			1,511		1,511						1,511
Purchase of treasury shares				(0)	(0)						(0)
Net changes of items other than shareholders' equity						439	1,957	335	2,731	11	2,743
Total changes of items during period	-	-	416	(0)	416	439	1,957	335	2,731	11	3,159
Balance at end of period	7,819	7,804	28,418	(635)	43,407	1,084	5,463	348	6,896	80	50,384

Consolidated Statement of Cash Flows

(millions of yen)

	Fiscal 2022 (From April 1, 2022 to March 31, 2023)	Fiscal 2023 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	4,433	3,311
Depreciation	3,833	4,013
Impairment losses	863	72
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Increase (decrease) in provision for bonuses	79	(68)
Increase (decrease) in net defined benefit asset and liability	(119)	(19)
Interest income and dividend income	(124)	(193)
Interest expenses	112	236
Foreign exchange losses (gains)	(663)	(977)
Share of loss (profit) of entities accounted for using equity method	688	31
Loss (gain) on sales of non-current assets	(4)	(11)
Loss on retirement of non-current assets	41	42
Loss (gain) on sales of investment securities	(22)	(8)
Loss (gain) on valuation of investment securities	1,538	738
Decrease (increase) in trade receivables	2,263	728
Increase (decrease) in trade payables	(2,652)	(1,780)
Other	(468)	345
Subtotal	9,795	6,457
Interest and dividends received	124	193
Interest paid	(105)	(235)
Income taxes paid	(2,501)	(1,593)
Net cash provided by (used in) operating activities	7,312	4,823
Net cash provided by (used in) investing activities		
Purchase from property, plant and equipment	(4,645)	(3,917)
Proceeds from sales of property, plant and equipment	71	14
Purchase of intangible assets	(591)	(865)
Purchase of investment securities	(105)	(110)
Payments for short-term loans receivable	(80)	(245)
Proceeds from sales of investment securities	32	8
Payments for time deposits	-	(0)
Purchase of shares of subsidiaries and associates	(525)	(26)
Long-term loan advances	(70)	-
Proceeds from long-term loans receivable	10	10
Other	45	7
Net cash provided by (used in) investing activities	(5,857)	(5,125)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	-	(173)
Proceeds from long-term loans payable	3,000	1,500
Repayments of lease obligations	(374)	(497)
Proceeds from exercise of employee share options	(1,093)	(1,090)
Proceeds from issuance of exercise of share acquisition rights	(0)	(0)
Net cash provided by (used in) financing activities	1,531	(260)
Effect of exchange rate change on cash and cash equivalents	882	1,577
Net increase (decrease) in cash and cash equivalents	3,870	1,014
Cash and cash equivalents at beginning of period	13,816	17,687
Cash and cash equivalents at end of period	17,687	18,702

Independent Practitioner's Assurance Report



Independent Assurance Statement

July 31, 2024

To President Takayuki Tokuma
YOKOWO CO., LTD.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by YOKOWO CO., LTD. ("the Company") to provide limited assurance on the Company's following data for the fiscal year 2023; (Scope1) 0.807 kt-CO₂, (market-based Scope2) 21.8 kt-CO₂, (Scope3 Category6,7) 5.40 kt-CO₂ and 43.1 GWh of energy consumption (collectively, "the Environmental Performance Indicators"). The purpose of this process is to express our conclusion on whether the Environmental Performance Indicators are calculated in accordance with the Company's standards. The Company's management is responsible for calculating the Environmental Performance Indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

Our assurance engagement has been planned and performed in accordance with International Standard on Assurance Engagement 3000 (ISAE3000) and 3410 (ISAE3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental Performance Indicators were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental Performance Indicators are not calculated, in all material respects, in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

yokowo

YOKOWO CO., LTD.

JR Kanda Manseibashi Bldg. 14F, 1-25, Kandasuda-cho, Chiyoda-ku,
Tokyo 101-0041, Japan

Inquiry form:

<https://www.yokowo.co.jp/english/inquiry/>