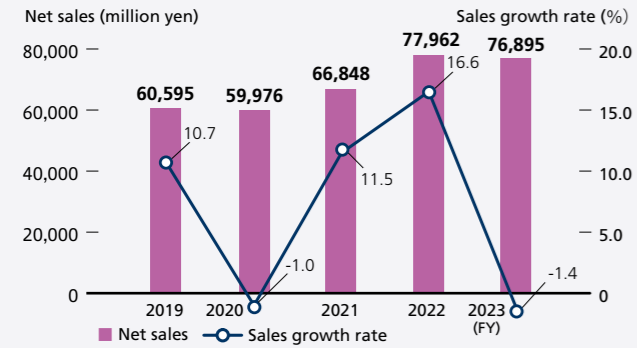
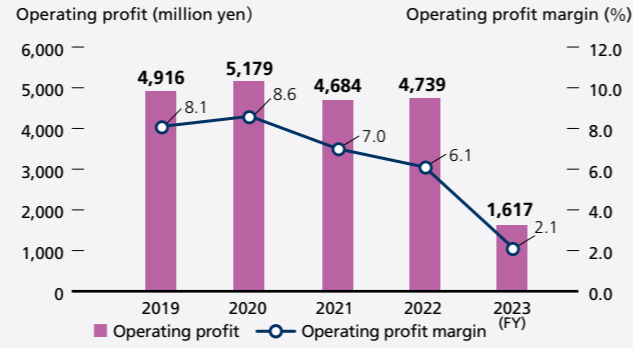


Financial Highlight

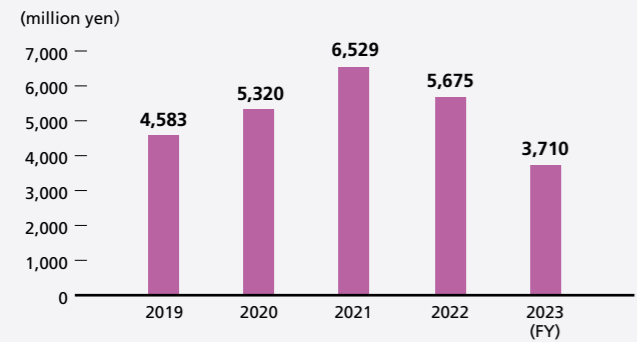
▼ Net sales



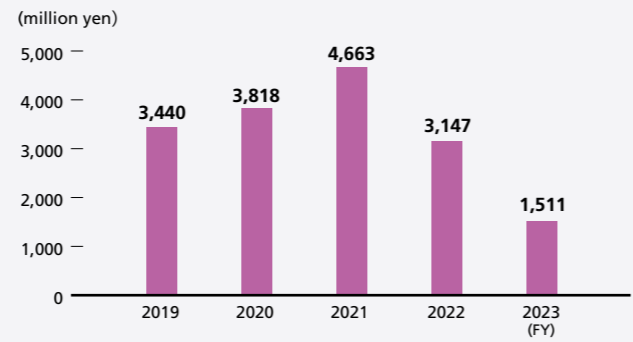
▼ Operating profit



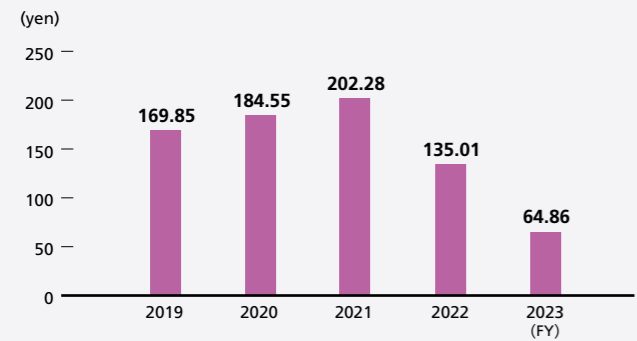
▼ Ordinary profit



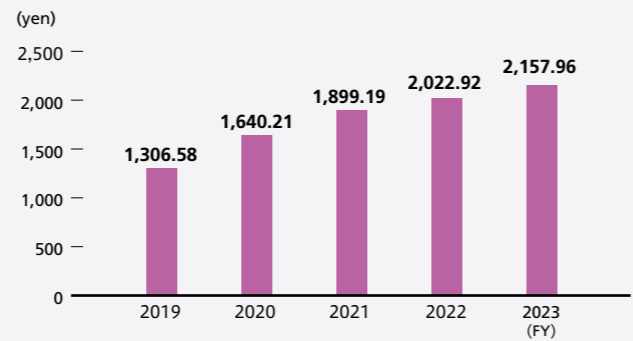
▼ Profit attributable to owners of parent



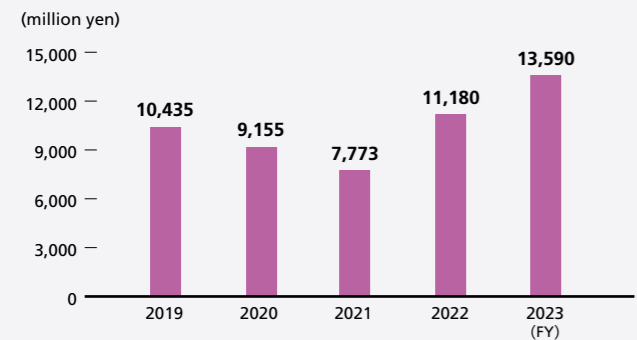
▼ Basic earnings per share



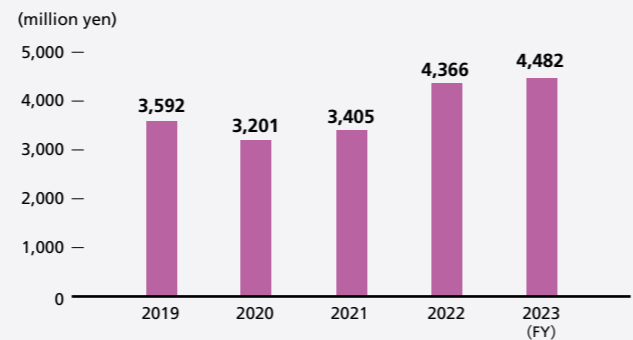
▼ Net assets per share



▼ Interest bearing debt*



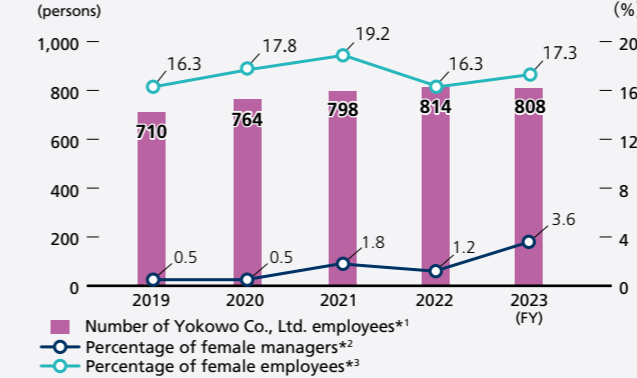
▼ Research and development expenses



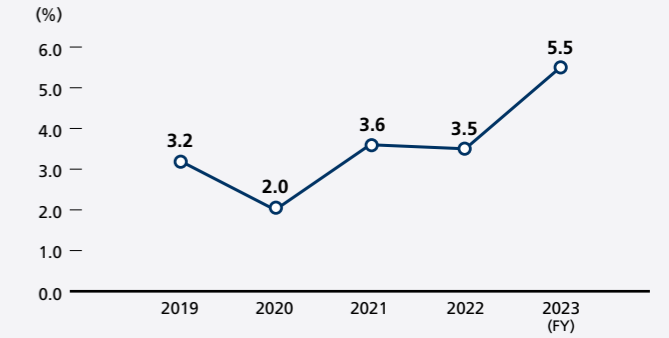
* Borrowing + lease liabilities

Non-financial Highlight

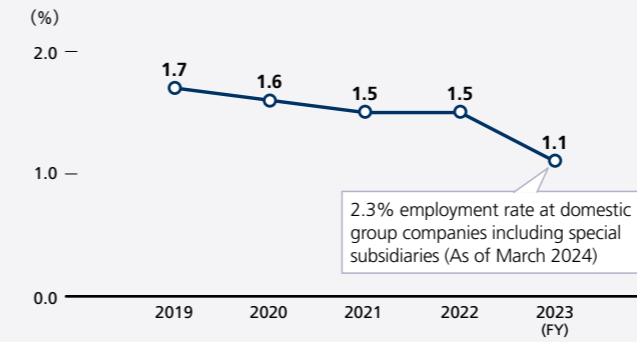
▼ Percentage of female employees*



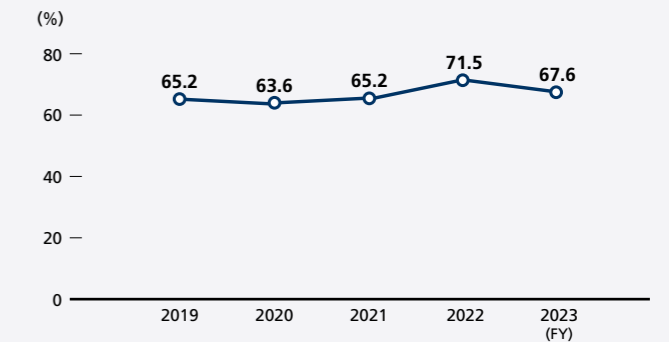
▼ Employee turnover rate*



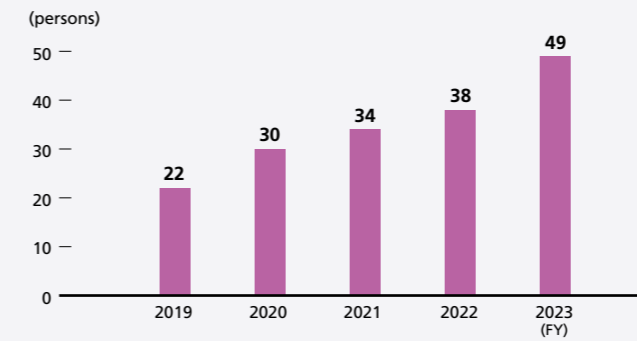
▼ Employment rate of people with disabilities*



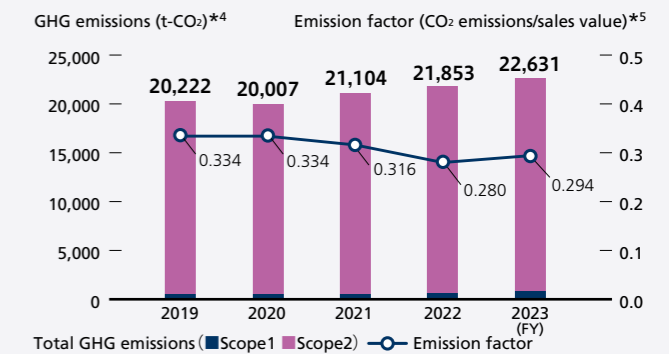
▼ Uptake of paid leave*



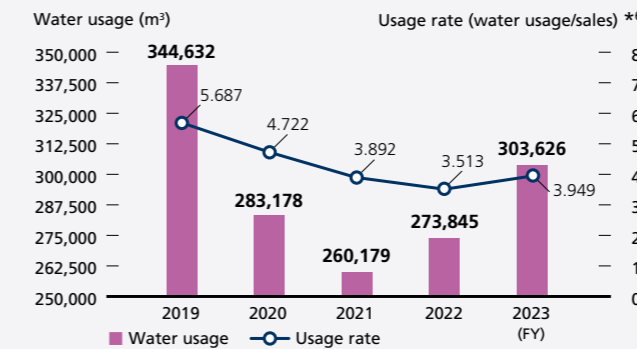
▼ Number of older employees re-employed*



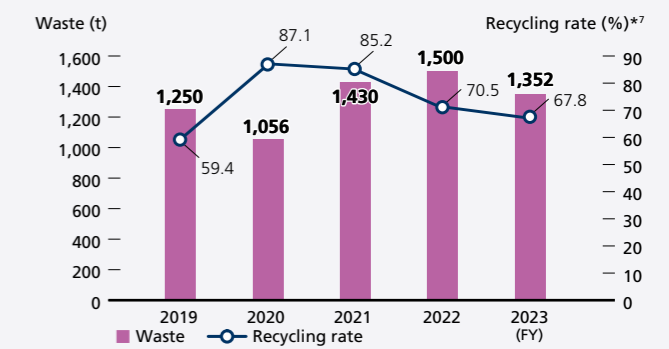
▼ GHG emissions and emission factor



▼ 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

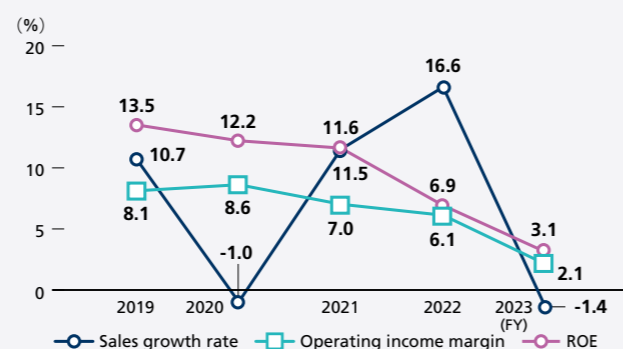
The fiscal year under review saw a slowdown in overall growth due to the impact of monetary tightening in major countries, concerns over the outlook for the Chinese economy, geopolitical risks such as the situations in Ukraine and the Middle East, causing soaring prices for resources and raw materials.

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

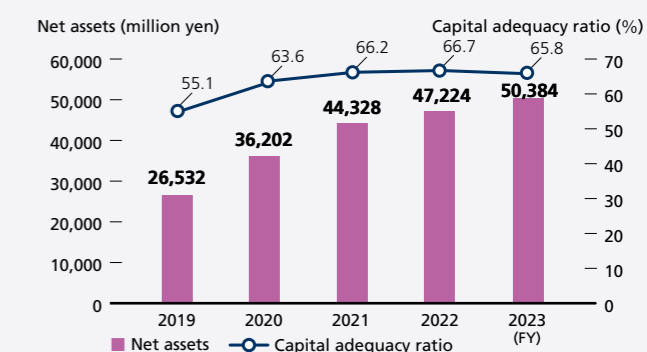
Net cash outflow from financing activities stood at ¥260 million (¥1,531 million inflow in the previous fiscal year). There were proceeds from long-term loans payable of ¥1,500 million, however the main factor for decrease was a decrease in payment of dividends of ¥1,090 million.

(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

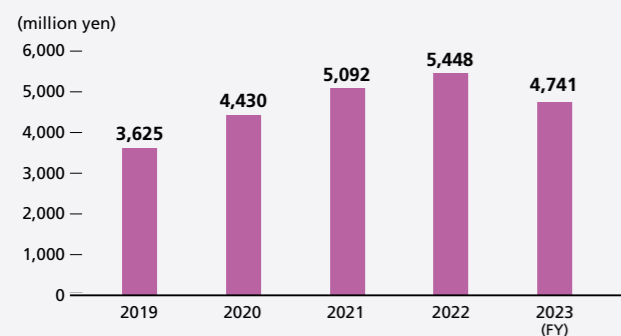
The Group implemented total capital investment of ¥524 million, including not only updates and expansion of mass production facilities in the FC business, but also investment to increase capacity in the MD business.

(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.

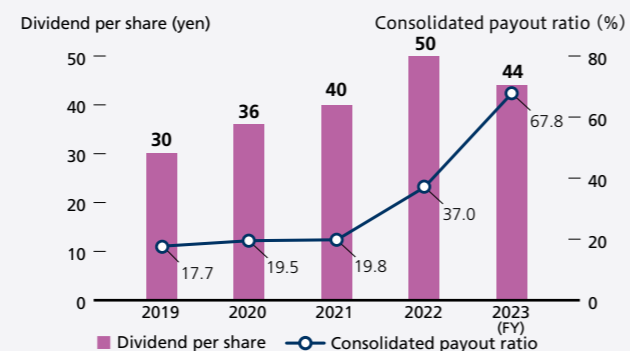
The Company's basic policy for dividends from surplus is to pay a dividend twice a year: an interim dividend and a year-end dividend.

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

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

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