

Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2025

November 15, 2024



*Information contained in these materials is based on various assumptions and does not guarantee the achievement of planned values and measures in the future.

■ Financial Results for the First Half of
the Fiscal Year Ending March 31, 2025 and
the Forecast for Fiscal Year Ending March 31, 2025

Toshihisa Tagaya
Executive Officer,
SCI H.Q. Chief Officer

■ Future Business Outlook
Progress of the New Medium-Term Management Plan 2024~2028

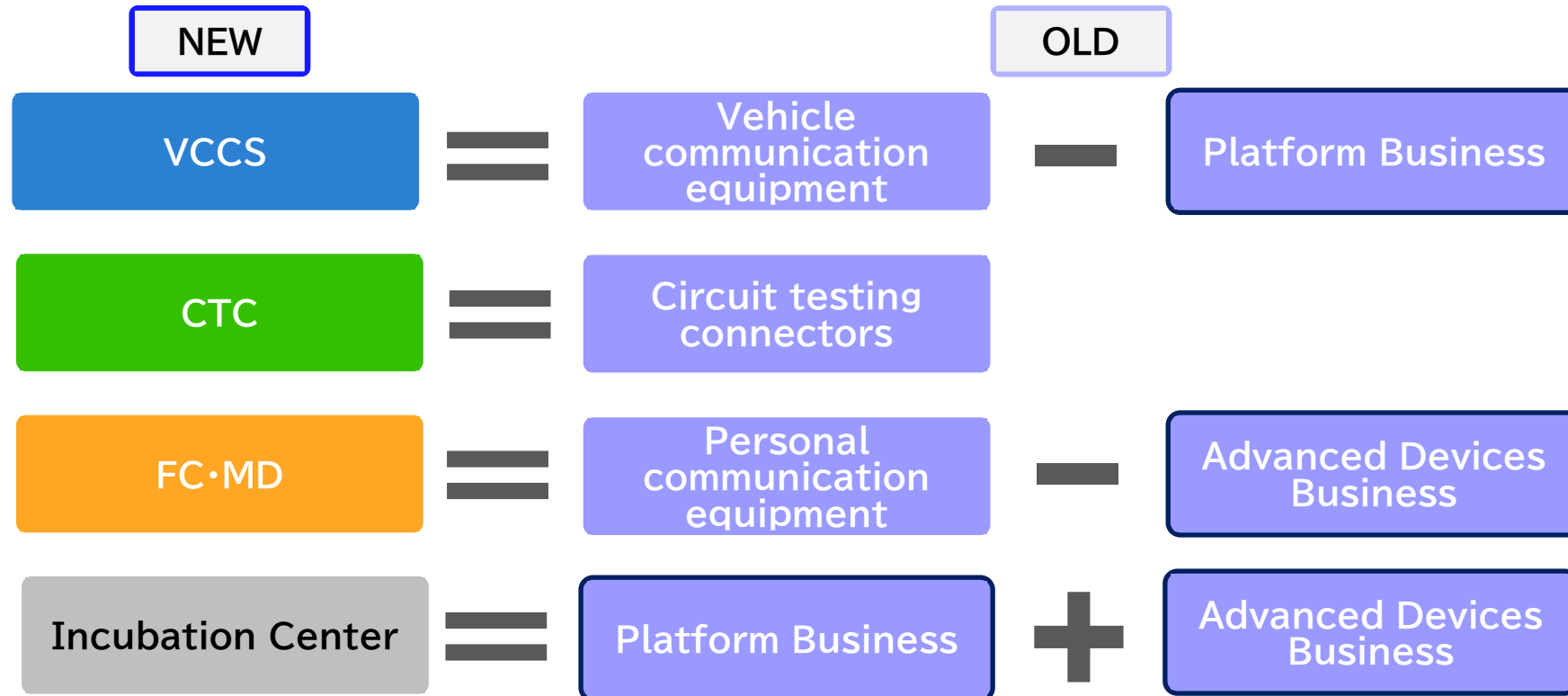
Takayuki Tokuma
Representative Director,
President and Executive Officer

Financial Results for the First Half of
the Fiscal Year Ending March 31, 2025 and
the Forecast for Fiscal Year Ending March 31, 2025

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Changes in Segment Classifications

Effective from the first quarter of the previous consolidated fiscal year, the Company had changed the classifications and names of its reporting segments as follows.



Platform Business, advanced driving assistance systems (ADAS), autonomous driving, and connected cars. In addition, Advanced Devices Business which is part of the Incubation Center segment, works to develop more advanced and high value-added strategic products in new fields including promotes the development of high-speed transmission device products that boast versatility and originality to the optical communications market, with the aim of achieving high-speed, high-capacity communications. However, the Company disbanded developmentally the Advanced Devices Business as a photoelectric conversion project for the semiconductor testing market.

Summary of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(Unit: Million yen)

◆ **VCCS**(Vehicle Communication Comfort & Safety
:Former 「Vehicle communication equipment」 – 「Platform Business」

Net sales 27,714 (YoY +4.6%)
Operating profit 1,389 (YoY +93.8%)

◆ **CTC**(Circuit Testing Connector)
:Former 「Circuit testing connector」

Net sales 7,467 (YoY +20.7%)
Operating profit 789(▲461 in the previous FY)

◆ **FC・MD**(Fine Connector ・ Medical Devices)
:Former 「Personal communication equipment」 –
「Advanced Devices Business」

Net sales 5,461 (YoY +39.9%)
Operating profit 347(▲46 in the previous FY)

◆ **Incubation Center**
:Former 「Platform Business」・ 「Advanced Devices Business」

Net sales 163 (YoY ▲21.3 %)
Operating profit ▲430(▲337 in the previous FY)

◆ Ordinary profit and Profit attributable to owners of parent

Ordinary Profit 1,064(YoY ▲37.5%)

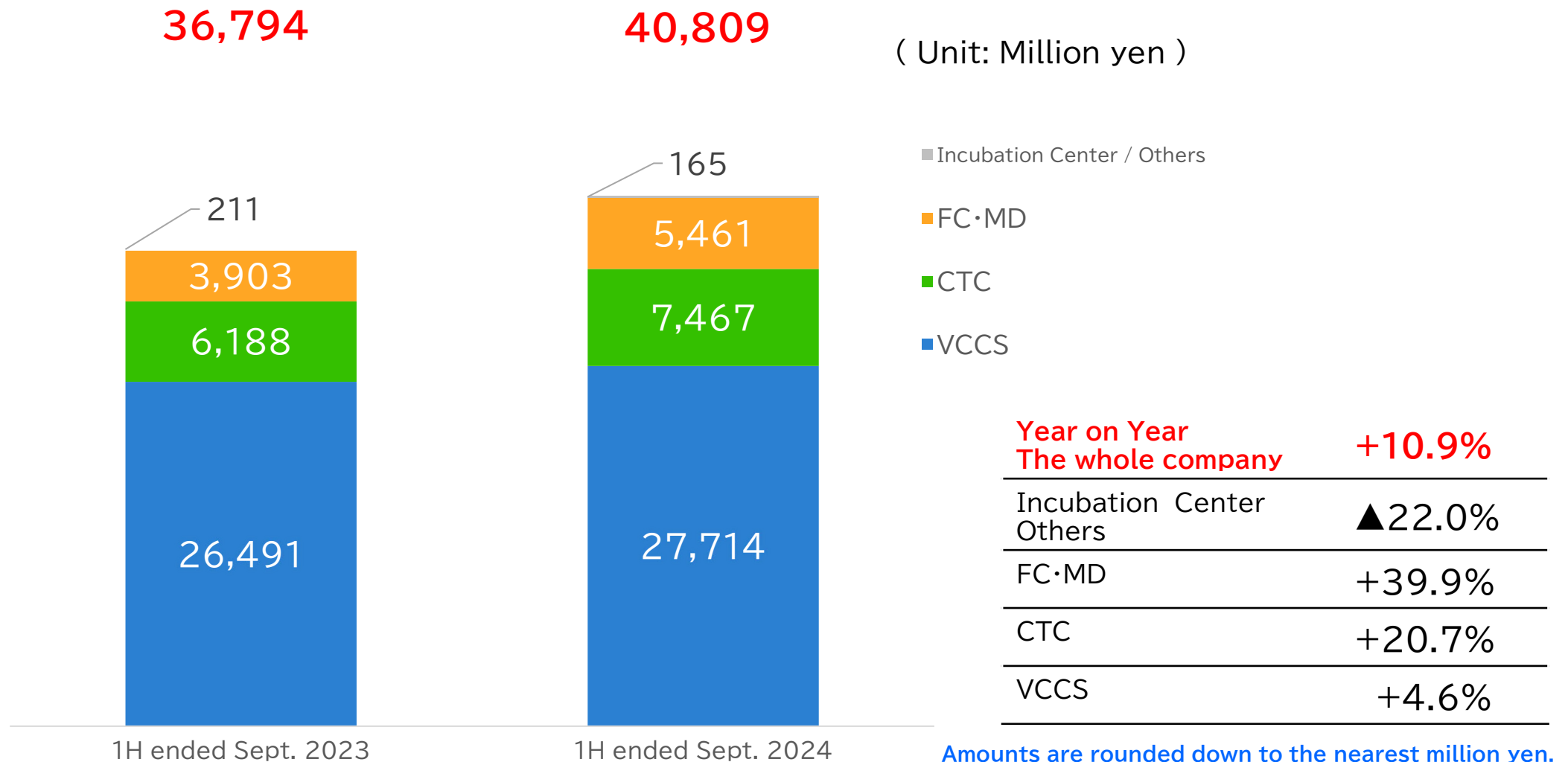
Profit 575(YoY ▲40.0 %)

Summary of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

| | Average exchange rate 1\$:¥141.06 | Assumed exchange rate after August 2024 1\$:¥145.00 | Average exchange rate 1\$:¥152.74 | (Unit: Million yen) | |
|------------------|---|---|--|-----------------------|---------------------------------------|
| | Previous First Half (Apr.-Sept. 2023) Results | First Half under review (Apr.-Sept. 2024) Forecast (Announced in August. 2024) | First Half under review (Apr.-Sept. 2024) Results | YoY | Compared with Previous Forecast |
| Net sales | 36,794 | 40,000 | 40,809 | +10.9% | +2.0% |
| Operating profit | ▲120 | 1,800 | 2,105 | — | +17.0% |
| Ordinary profit | 1,701 | 1,150 | 1,064 | ▲37.5% | ▲7.5% |
| Profit | 958 | 750 | 575 | ▲40.0% | ▲23.3% |

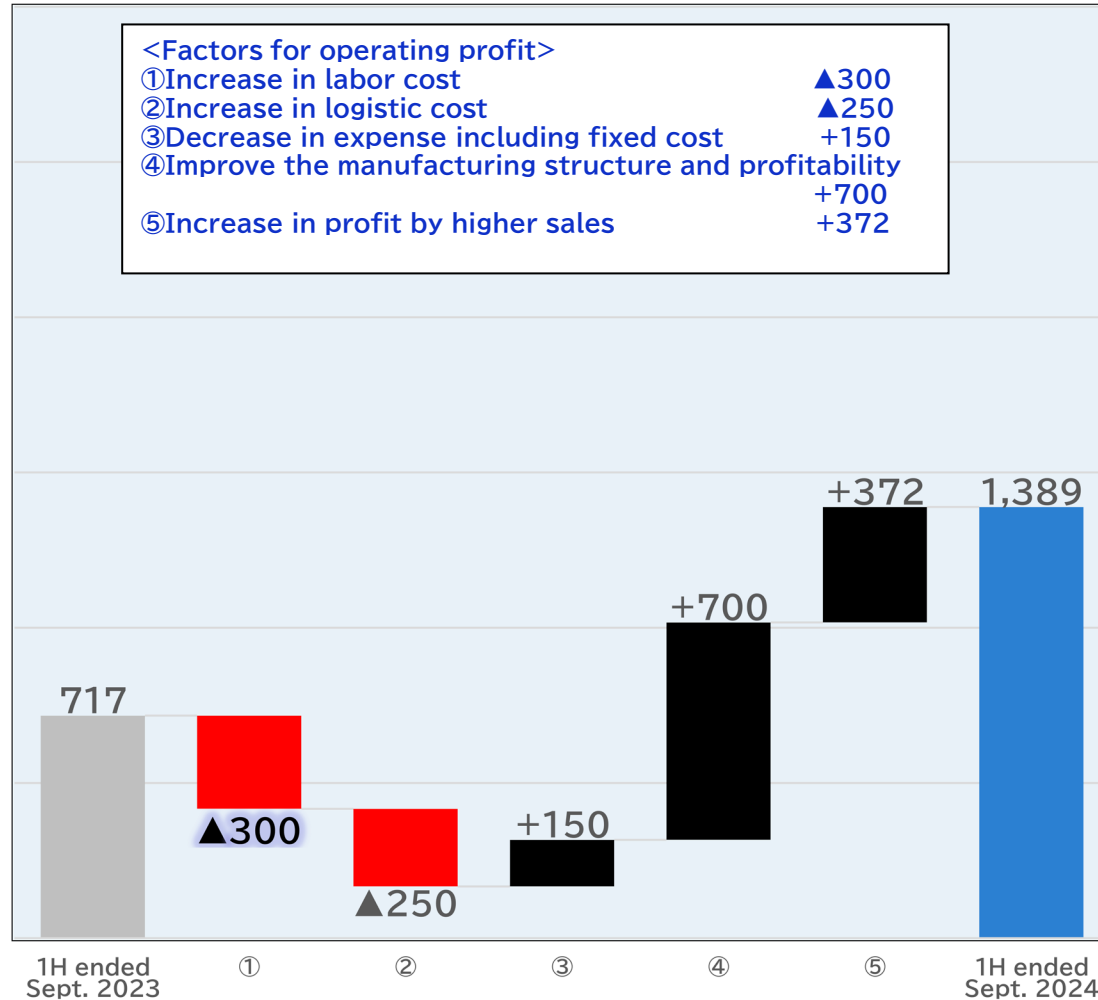
Amounts are rounded down to the nearest million yen.

Trend in Net Sales by segment



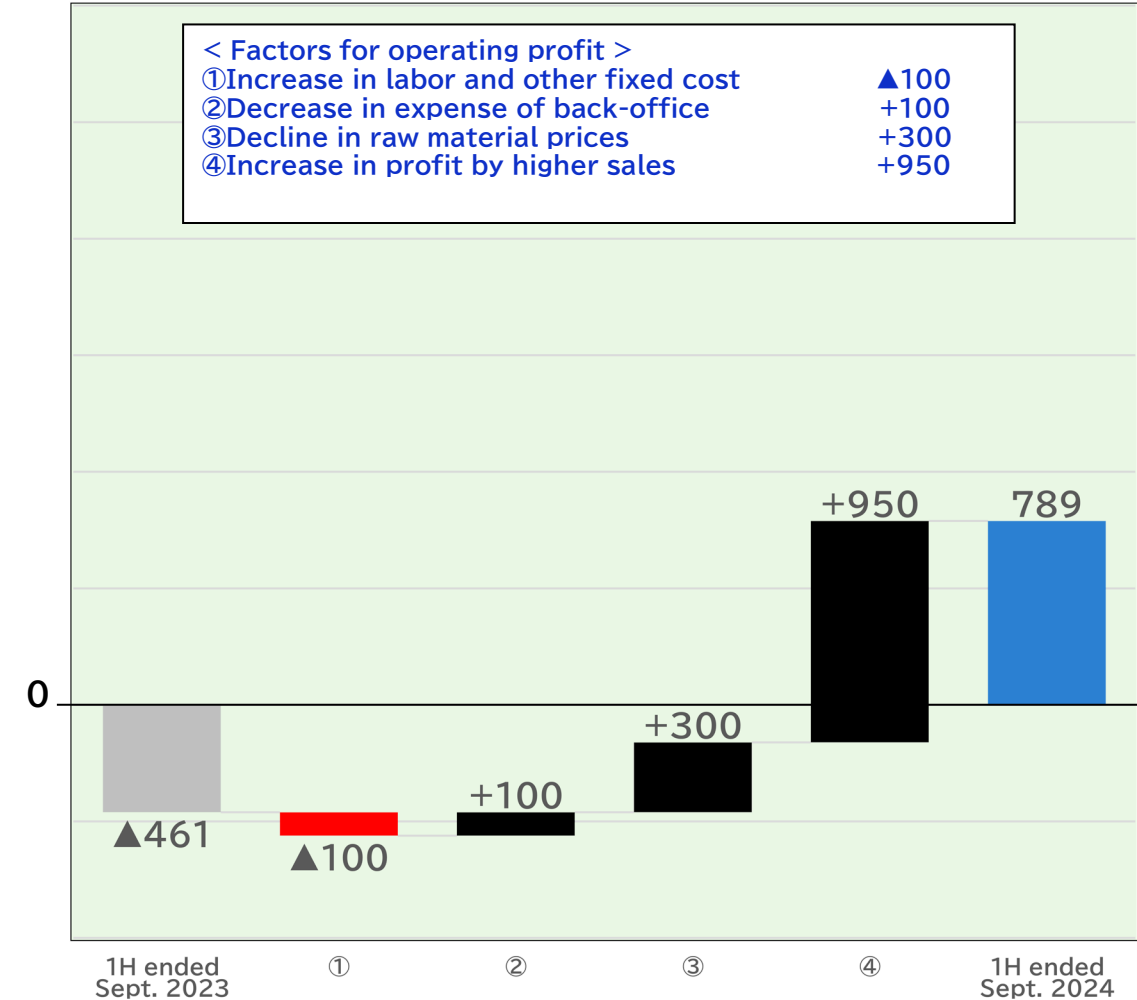
Analysis of gain and loss for operating profit by segment (YoY)

<VCCS>



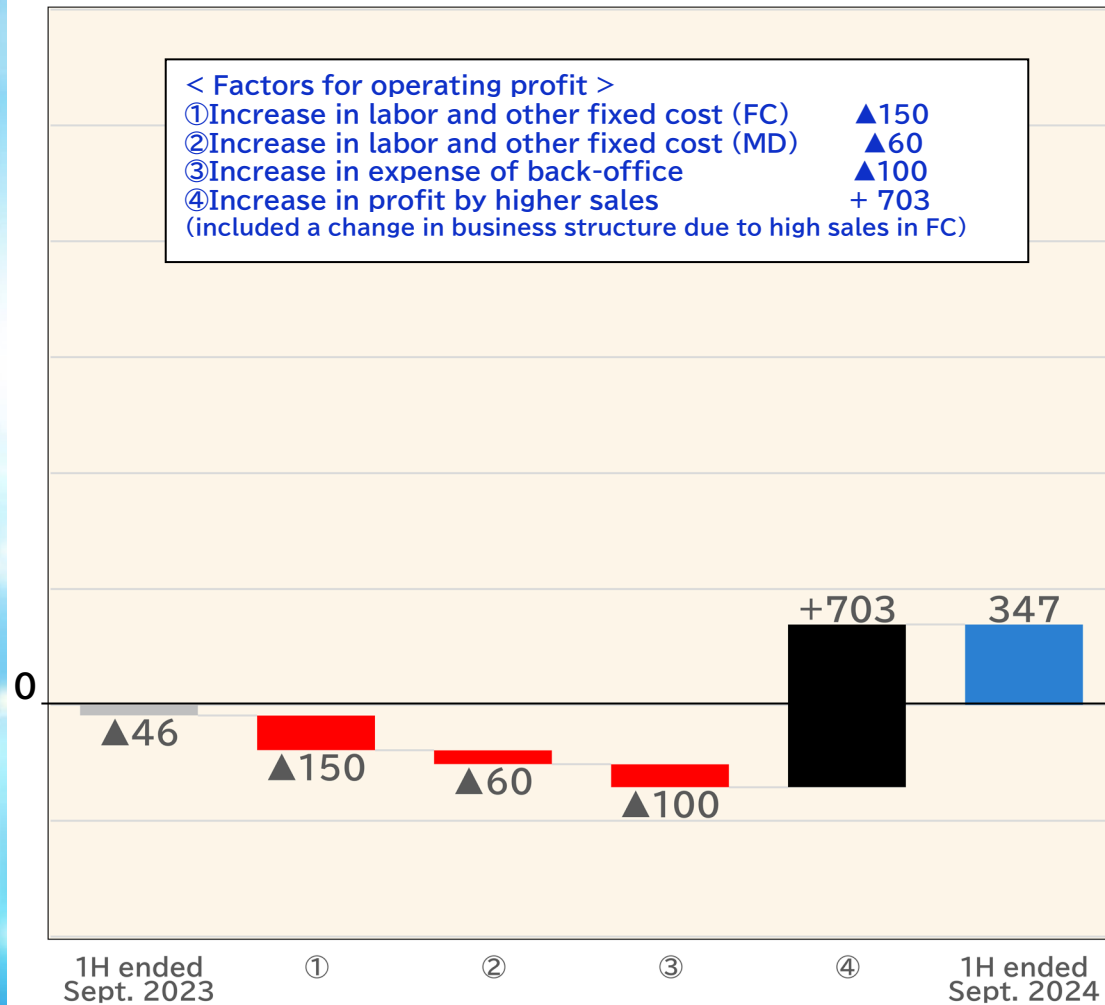
<CTC>

(Unit: Million yen)



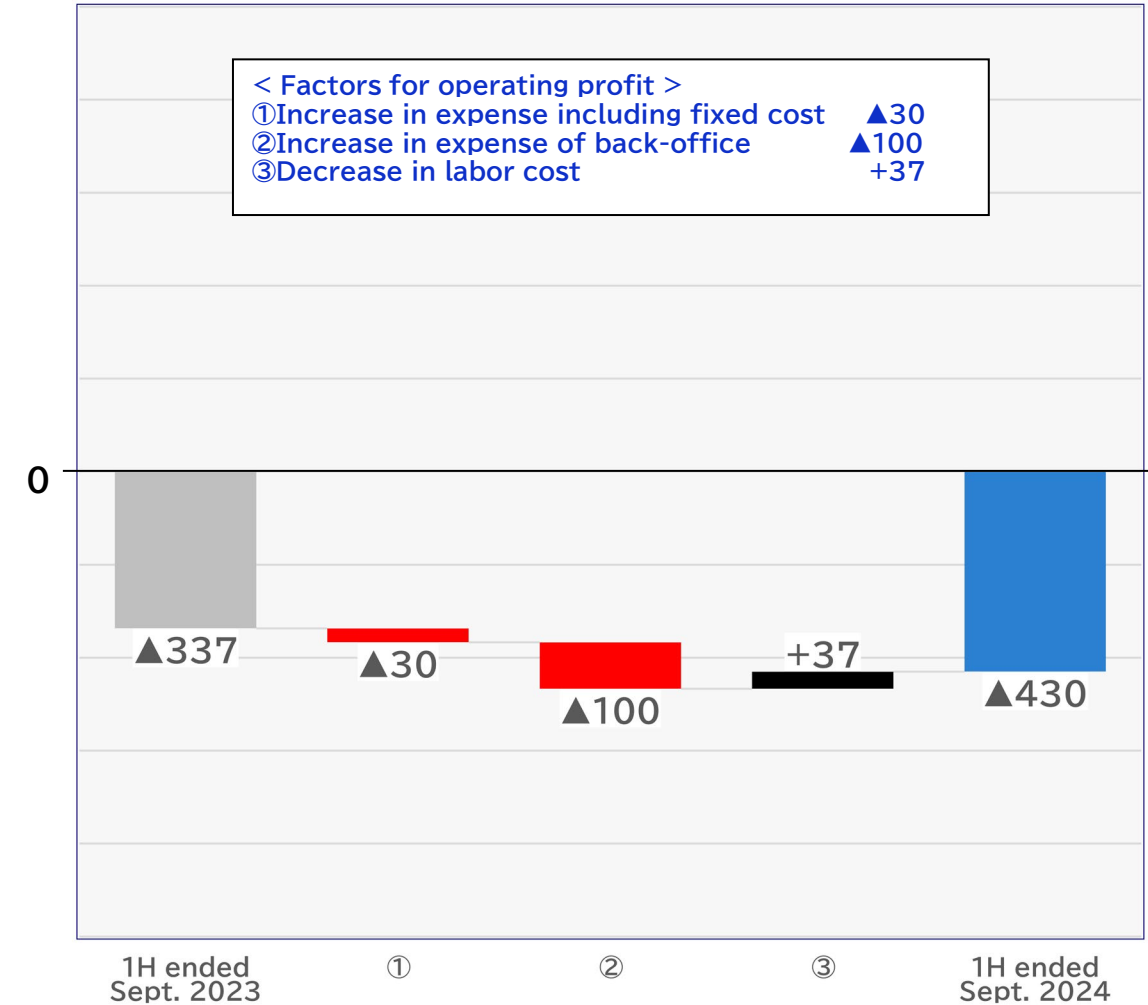
Analysis of gain and loss for operating profit by segment (YoY)

<FC・MD>



<Incubation Center>

(Unit: Million yen)

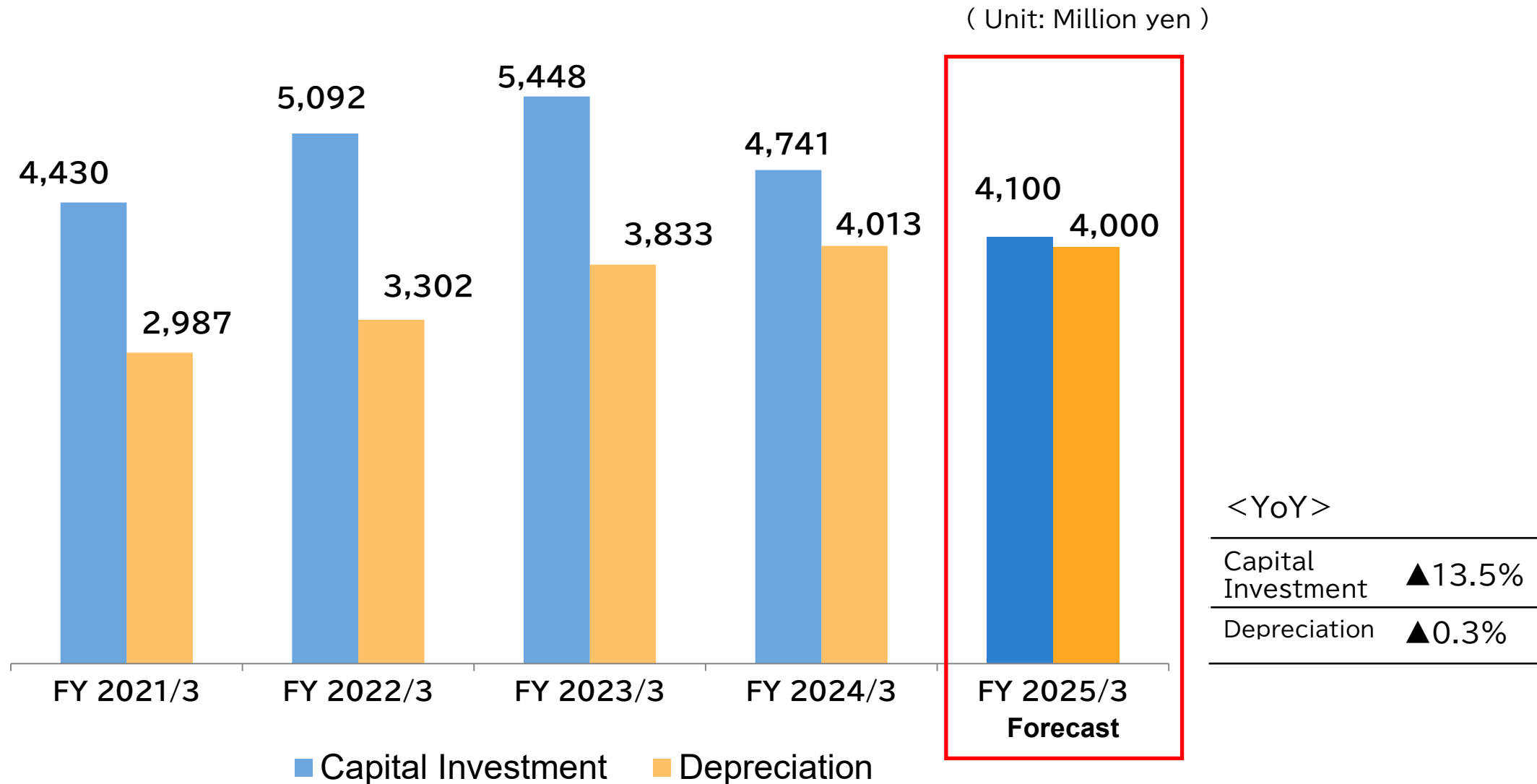


Full-year Results Forecast

| | Average exchange rate 1 \$: ¥144.58 | Previous Assumed exchange rate 1 \$: ¥140.00 | Current Assumed exchange rate 1 \$: ¥145.00 | (Unit: Million yen) | |
|------------------|---|---|--|-----------------------|--|
| | FY2024/3 Results | FY2025/3 Previous Forecast (Announced in August. 2024) | FY2025/3 Current Forecast | YoY | Compared with Previous Forecast |
| Net sales | 76,895 | 80,000 | 82,000 | +6.6% | +2.5% |
| Operating profit | 1,617 | 4,100 | 4,450 | +175.1% | +8.5% |
| Ordinary profit | 3,710 | 3,000 | 3,650 | ▲1.6% | +21.7% |
| Profit | 1,511 | 2,000 | 2,350 | +55.4% | +17.5% |

Amounts are rounded down to the nearest million yen.

Forecast for Capital Investment and Depreciation



Dividends

(Unit: Yen Per Share)

| | FY2021/3 | FY2022/3 | FY2023/3 | FY2024/3 | FY2025/3* Figures in parentheses are forecast. |
|------------------------------|----------|----------|---|----------|---|
| Interim | 16 | 18 | 25 <small>Including commemorative dividend 3 yen per share</small> | 22 | 24 |
| Year-end | 20 | 22 | 25 <small>Including commemorative dividend 3 yen per share</small> | 22 | (24) |
| Annual | 36 | 40 | 50 | 44 | (48) |
| Consolidated payout ratio | 19.5% | 19.8% | 37.0% | 67.8% | (47.6%) |

Future Business Outlook

New Medium-Term Management Plan 2024~2028

Takayuki Tokuma
Representative Director,
President and Executive Officer

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- 1 Current Business Position
- 2 Management Strategies
- 3 Business Strategies
- 4 Business Model Transformation Initiatives
- 5 Investment Strategies
- 6 Human Capital Management
- 7 Approach to Sustainability
- 8 Medium-Term Management Targets

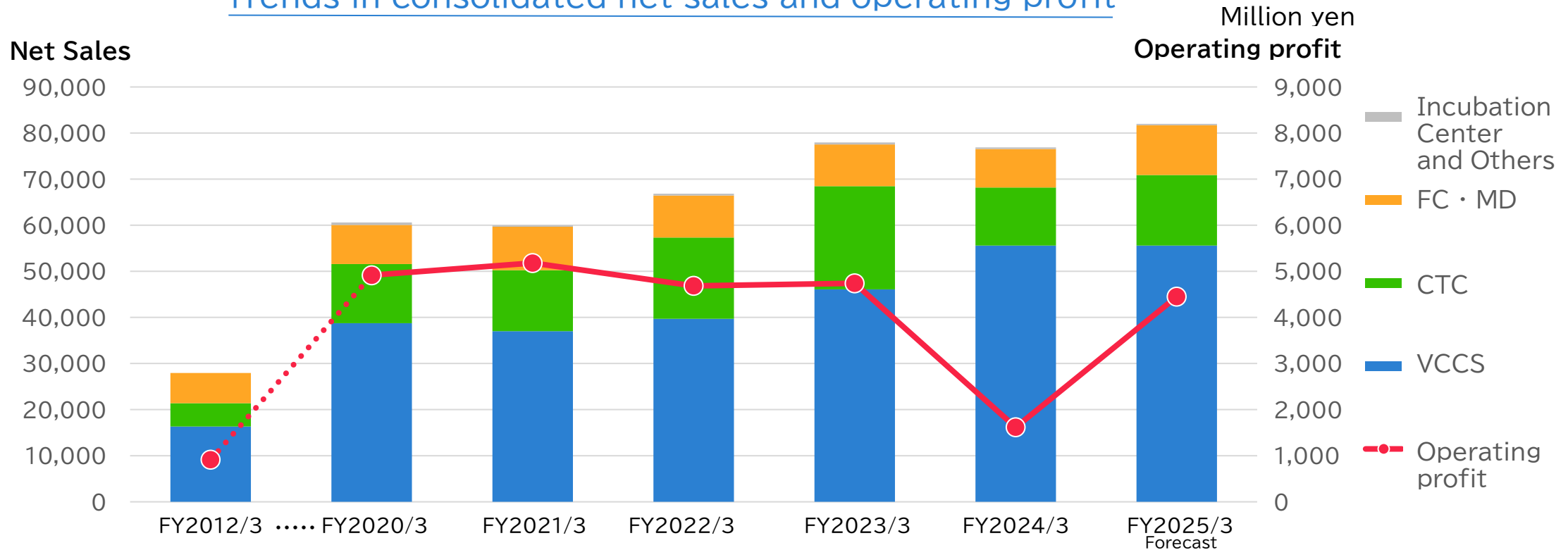


1 Current Business Position

1

Current business position

① Trends in results

Trends in consolidated net sales and operating profit

※From FY2024/3, reportable segments are changed, and Incubation Center segment is added.

- Despite a trend of increased sales and profit over the past ten years up to FY2023/3, the VCCS business slumped due to reduced automotive production, resulting in a decline in profit.
- Despite progress in reforming the VCCS business profit structure in FY2024/3, a slump in the CTC business brought about by semiconductor shortages caused a decline in both sales and profit.
- In FY2025/3, VCCS business will remain steady progress, CTC business will return to profitability, and FC business will recover due to a recovery in orders. This will lay the foundation for a turnaround.

1 Current business position

② Trends in major management indicators

(Million yen)

| | FY2012/3 | ... | FY2020/3 | FY2021/3 | FY2022/3 | FY2023/3 | FY2024/3 | FY2025/3 |
|------------------|----------|-----|----------|----------|----------|----------|----------|----------|
| Net sales | 27,933 | ... | 60,595 | 59,976 | 66,848 | 77,962 | 76,895 | 82,000 |
| Operating profit | 912 | ... | 4,916 | 5,179 | 4,684 | 4,739 | 1,617 | 4,450 |
| Profit | 340 | ... | 3,440 | 3,818 | 4,663 | 3,147 | 1,511 | 2,350 |
| Equity capital | 15,010 | ... | 26,532 | 36,202 | 44,328 | 47,224 | 50,384 | 49,714 |
| Total assets | 22,895 | ... | 48,134 | 56,868 | 66,870 | 70,656 | 76,408 | 76,157 |

Minimum 10

(%)

| | | | | | | | | |
|--|-------|-----|------|------|------|-------|-------|-------|
| YoY net sales growth rate | 3.0 | ... | 10.7 | ▲1.0 | 11.5 | 16.6 | ▲1.4 | 6.6 |
| Ratio of operating profit to net sales | 3.3 | ... | 8.1 | 8.6 | 7.0 | 6.1 | 2.1 | 5.4 |
| ROE | 2.3 | ... | 13.5 | 12.2 | 11.6 | 6.9 | 3.1 | 4.7 |
| YoY operating profit growth rate | ▲30.2 | ... | 62.4 | 5.4 | ▲9.6 | 1.2 | ▲65.9 | 175.1 |
| ROIC | — | — | — | — | — | (5.8) | 1.8 | 4.9 |

※ROIC based on FY2024/3. Reference as FY 2023/3

- **Minimum 10:** From the fiscal year ended March 31, 2024, the Company shifted from indicators biased towards net sales to those that emphasize capital efficiency, **aiming to consistently achieve 10% or greater** in four metrics: ratio of operating profit to net sales, ROE, year-on-year operating profit growth rate, and ROIC.

1 Current business position

③The Company's features and strengths

Coordination with prominent customers

The Company coordinates with prominent customers, who take the lead in the evolution of each business. The Company has been meeting the stringent process requirements (Cost, L/T, and Quality) and technical requirements (new designs, new technologies, etc.) of leading customers and following trends in the B2B business ahead of competitors.

Tradition of continuing to introduce new technologies and finding new markets

Since the foundation in 1922, the Company has been introducing new technologies and striving to find new markets and customers. It has strategically withdrawn from markets where conditions (profitability and growth) worsened and has always generated and developed business.

Taking advantage of these strengths, the Company will build a multi-layered business structure and will evolve its business sustainably.

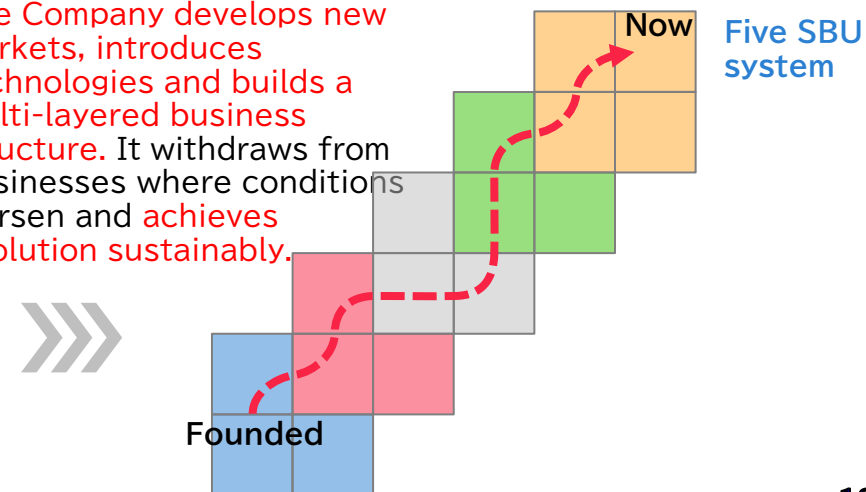
Cycle of business creation and development

- Cooperating with leading customers and developing new markets using established technologies
- Introducing new technologies and launching products in developing markets

| | | Technology | |
|--------|----------|--|--|
| | | Existing | New |
| Market | New | ③ New market development Introducing existing technologies in new market | ④ Diversification |
| | Existing | ① Market penetration | ② Introduction of new technologies Introducing new technologies to existing markets |

- Providing new technologies and products to prominent customers
- Developing multiple markets using newly established technologies

The Company develops new markets, introduces technologies and builds a multi-layered business structure. It withdraws from businesses where conditions worsen and achieves evolution sustainably.





2 Management Strategies

2 Management Strategies

① Basic management policy

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 · Fairness · Ownership · Challenge · Innovation

Evolution management

- Product Innovation
- Process Innovation
- Personnel Innovation



Management Innovation

Multi-layered management

- Multi-layered business structure (industries, customers, technologies and supply chain)
- The establishment of a business structure able to respond to the worldwide paradigm shift and dramatic changes in the business environment and the competitive environment.



Achievement of Minimum 10

- Operating profit margin
 - Growth rate of operating profit
 - ROE (Return On Equity)
 - ROIC (Return On Invested Capital)
- 10%**

2 Management Strategies

③ Issues in business structure and progress in initiatives

**Strengthening the growth and earnings base in the main markets
(automobile, semiconductor inspection, mobile devices·B2B terminals, and medical devices)**

Exploring and promoting business evolution themes in the three core businesses (VCCS/CTC/FC)

- Stable business expansion and the restructuring of fixed costs in the three core businesses (VCCS/CTC/FC)
- Exploring and promoting business evolution themes in the three core businesses
 - VCCS: Launch new products in the application field to evolve and develop rolling stock
 - CTC: Expand business catering to new inspection needs due to the evolution of semiconductors
 - FC: Identify market needs and establish competitive advantage by rebuilding business competitiveness

Full-scale business expansion in emerging markets with high growth rates (particularly China, India and ASEAN)

Optimization of the business mix by returning to a growth path in the CTC and FC business

Expanding of the MD business (a fourth core business), which is steadily growing.

- Preparations are underway to launch products planned and designed in-house following acquisition of a marketing license for medical devices in 2023
- The Company is preparing to launch unique products in cooperation with a medical equipment venture ecosystem (hospitals, universities and venture companies).

2 Management Strategies

③ Issues in business structure and progress in initiatives

Acquire new core competence and expand business domains through collaboration with other companies

Step up initiatives to expand the domains of the four core businesses

- Steady progress is underway to position ADAS and autonomous driving, connected systems, MaaS, high-speed high-capacity communications (5G, 6G, IoT, next-generation memory) and AI as priority domains.
- The semiconductor front-end process inspection turnkey business is experiencing high growth, heading to a full-scale business expansion stage.

Developing collaboration in the fields of electroforming technology, MEMS processing technology and optoelectronic fusion technology, and incorporating these technologies internally

- Keeping pace with semiconductor miniaturization and incorporating optoelectronic fusion for AI/6G semiconductor inspection

Developing full-scale service-oriented business in parallel with the incorporation of in-house software development capabilities

- Launching new business in areas that combine Yokowo's hardware seeds and software
- Providing products and solutions that create new markets by searching for and collaborating with partners who possess technologies that satisfy the needs of existing customers

2 Management Strategies

③ Issues in business structure and progress in initiatives

Embedding ROIC-oriented management

Adopt ROIC/WACC at the per-business level and transform into a business structure with more earning capabilities and a higher capital efficiency

Maintain certain cash levels in anticipation of unexpected situations while pursuing business model transformation and business expansion through M&A activities and alliances, and making efforts to enhance shareholder return through stable dividend growth and share buybacks

Human capital management = management emphasizing human capital and sustainability initiatives

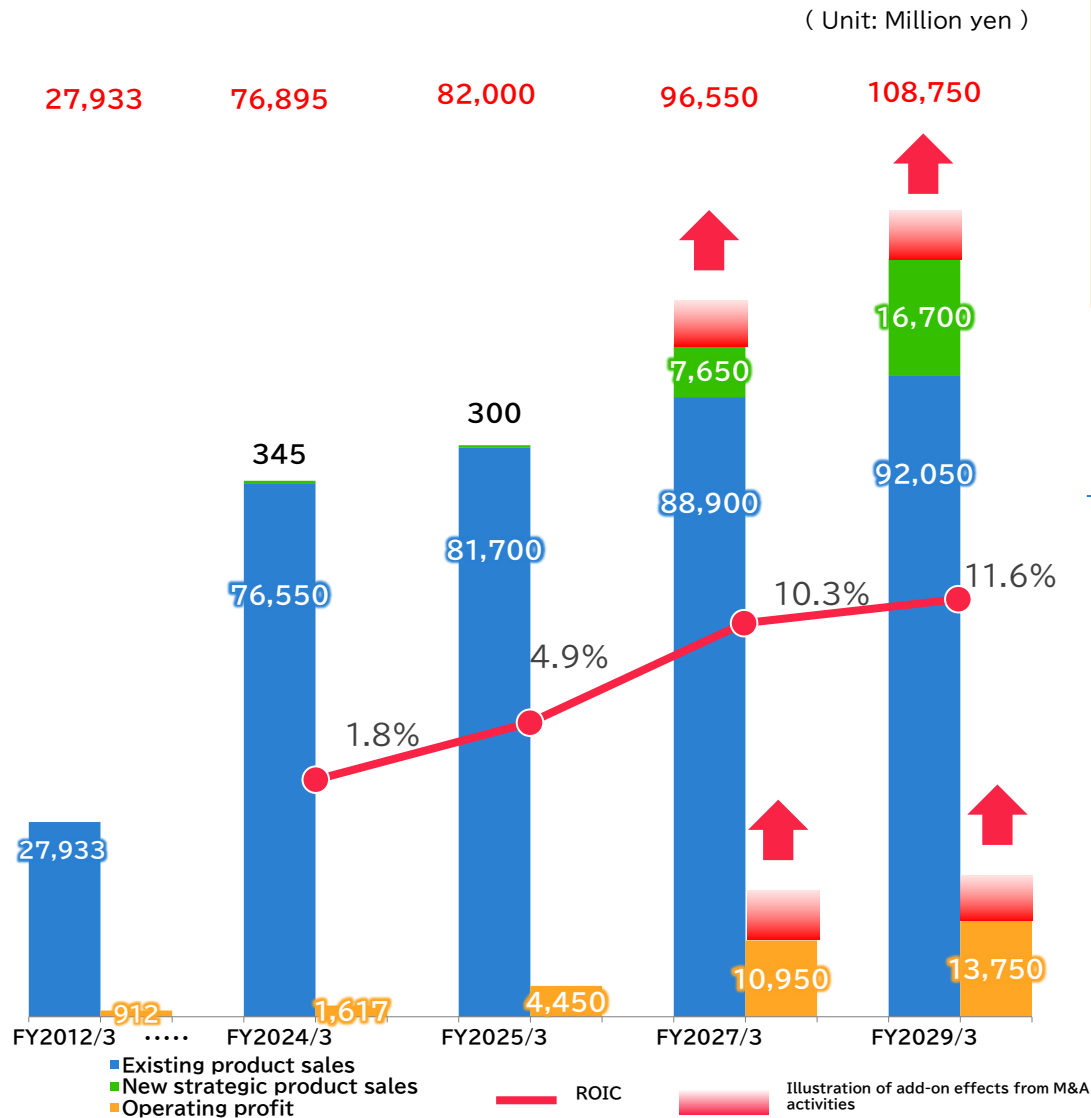
Leverage the abilities and skills of employees for growth of the organization, leading to enhanced corporate value in the medium- to long-term

Promote sustainability initiatives based on materiality

3 Business Strategies

3 Business Strategies

① Basic policy for Company-wide growth strategies



- Strengthening the growth and earnings base in the main markets (automobile, semiconductor inspection, mobile devices and B2B terminals, and medical devices)
- Acquire new core competence and expand business domains through collaboration with other companies
- Embedding ROIC-oriented management
- Human capital management = management emphasizing human capital and sustainability initiatives



Roll out measures to develop a multilayered customer structure (customer mix)

- Closely align with changes affecting customers leading each industry
- Cultivate promising new customers by stepping up domain expansion efforts

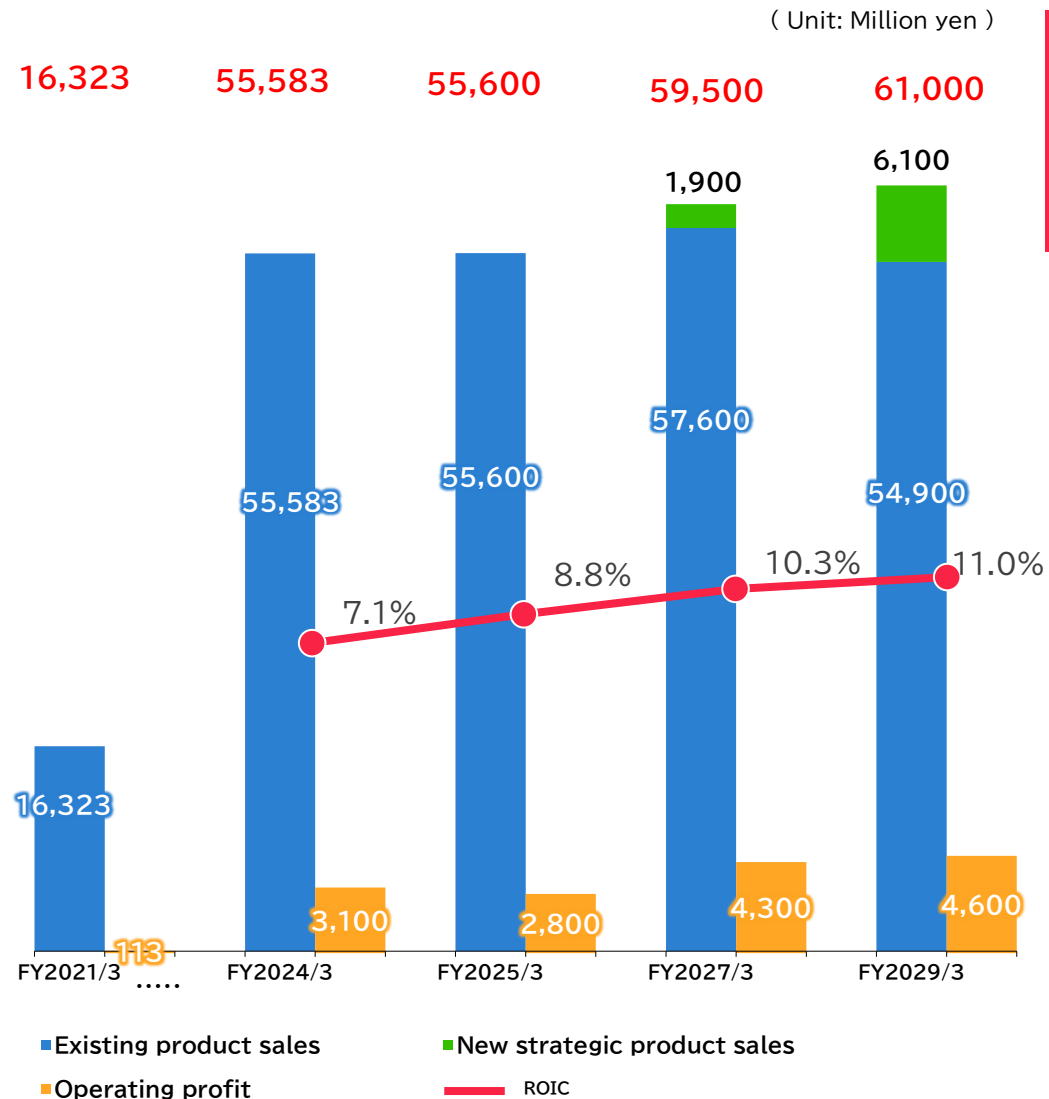
Promote product innovation that can contribute to customer business model innovation and the restructuring of industries and markets

- Take part in innovative application projects
- Develop strategic products with the potential to transform the structure of industries
- Also utilize corporate alliances, M&A activities and proactive investment in companies engaged in co-creation to supplement the necessary technologies, talent and equipment

Achieve net sales in excess of 100 billion yen and an ROIC of over 10%

3 Business Strategies

②VCCS: Vehicle Communication Equipment



Basic growth strategy
 Ongoing improvements to earnings structure by thoroughly reforming cost structures through standardization, and business expansion into new application domains associated with the development of EV, SDV and ADAS

Sales steadily expanded over the past ten years (240% compared with FY2011 levels excluding the COVID-19 pandemic period). Profit was negative from FY2021 to FY2022, but returned to profitability in FY2023 due to business structural reforms. The business is on the way to becoming one that produces stable earnings.

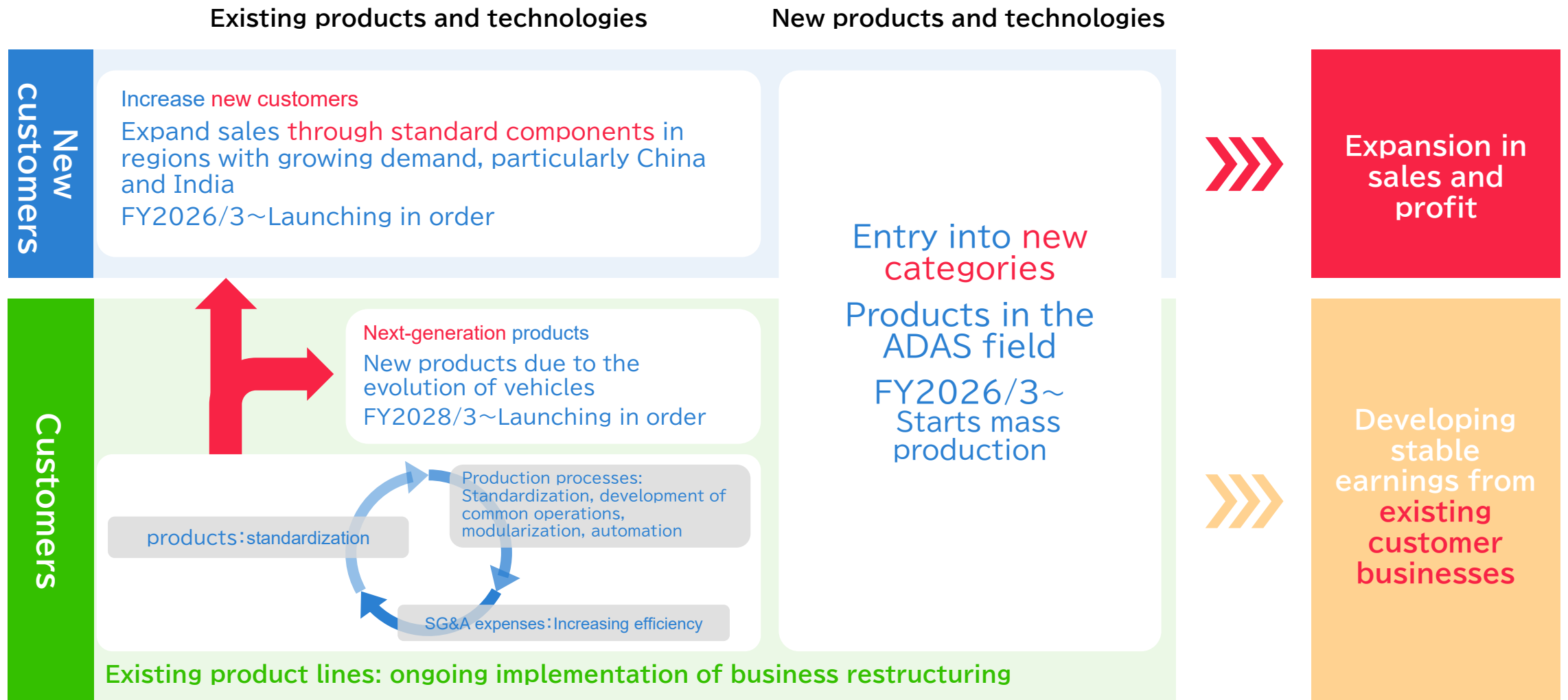
The product portfolio involves existing product lines, the launch of new products targeting the evolution of vehicles, and new entry into the field of ADAS products.

The two vital elements to growth

- Developing stable earnings through further structural reforms to existing products
- Expanding sales in new fields by newly entering the field of ADAS products

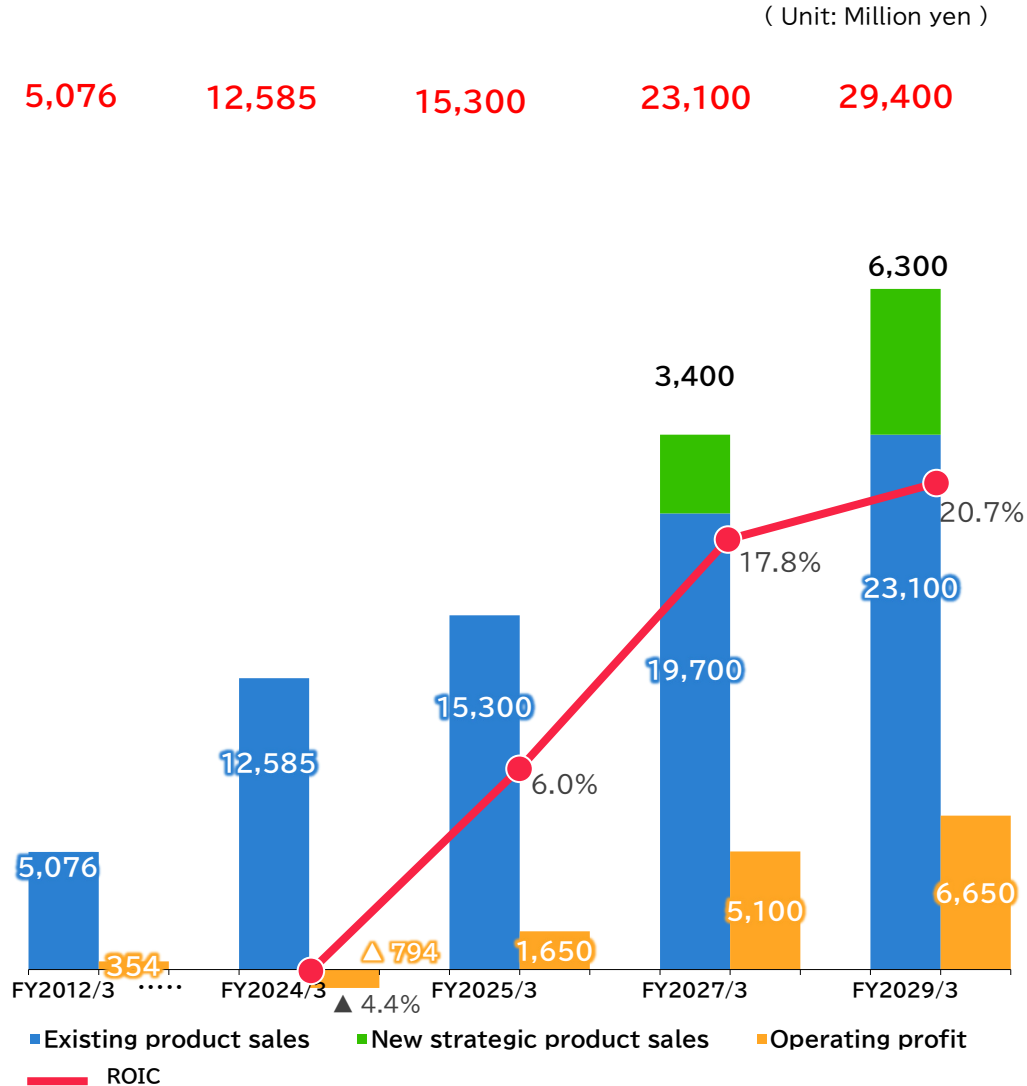
3 Business Strategies

②VCCS: Vehicle Communication Equipment



3 Business Strategies

③CTC: Circuit Testing Connector



Basic growth strategy
 Strengthen the ability to supply hardware catering to new test uses through the refinement of the technologies currently maintained, collaboration and co-creation with other companies, and M&A activities. Evolve into a comprehensive test solution-type vendor using in-house and outside technologies

There was a steady expansion up to FY2022, but performance fell into the red in FY2023 amid semiconductor shortages and a downturn among major customers. However, robust development requests from customer have continued, based on medium- and long-term semiconductor demand.

With growing needs to improve semiconductor data processing needs and reduce energy consumption for applications such as AI and 6G, measures based on semiconductor miniaturization are reaching their limits. Solutions will turn to 3D packages in the short and medium terms and optoelectronic fusion in the medium and long terms.

Achieve dramatic business expansion through frequency technologies that boast a competitive advantage and the introduction of new technologies using alliances or M&A activities.

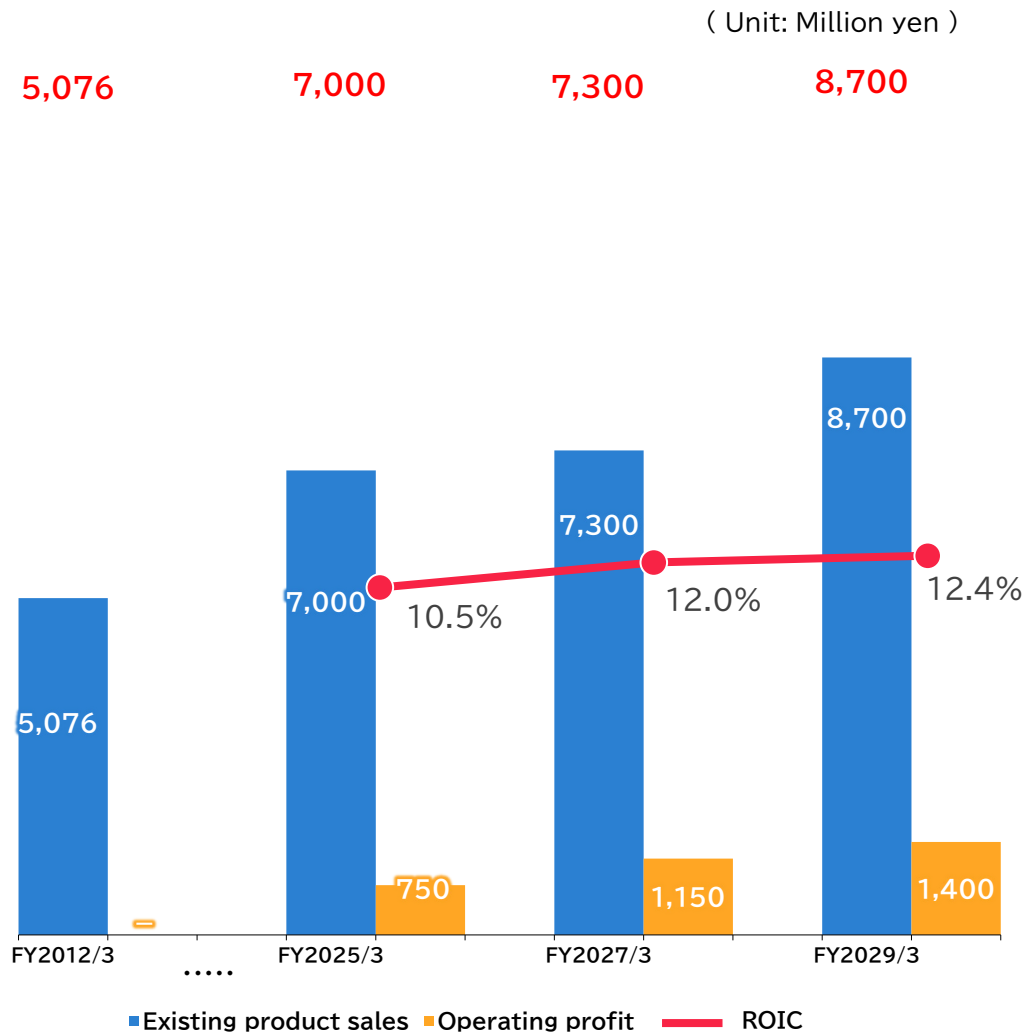
3 Business Strategies

③CTC: Circuit Testing Connector

| | testing from the front-end | | | testing from the back-end | | |
|---------------------|---|-------------------------------|--|--|---|------------------|
| Testing Stage | Before rewiring Wafer Test | After rewiring Wafer Test | Wafer Level Test (including RF test) | Final Test | System Level Test | Burn In Test |
| Entry target | 2026 | Expansion of existing product | Expansion of existing activities and securing of new test applications | 2024 | 2025 | |
| Technical strategy | Electroformed tube Spring Probe MEMS Probe | | | High-temperature large-current chiplet | Shift to in-house production | Improved forming |
| Devices | DRAM/NAND | | Logic SoC SAW/BAW | Logic SoC/Chiplet | | |
| Business Strategies | M&A/alliances (manufacturing) + Strengthened manufacturing system (reduced labor) | | Strengthened Field-Support + Strengthened manufacturing system (reduced labor) | | M&A/alliances (development) + Strengthened manufacturing system (reduced labor) | |

3 Business Strategies

④FC: Connector for consumer use



Basic growth strategy

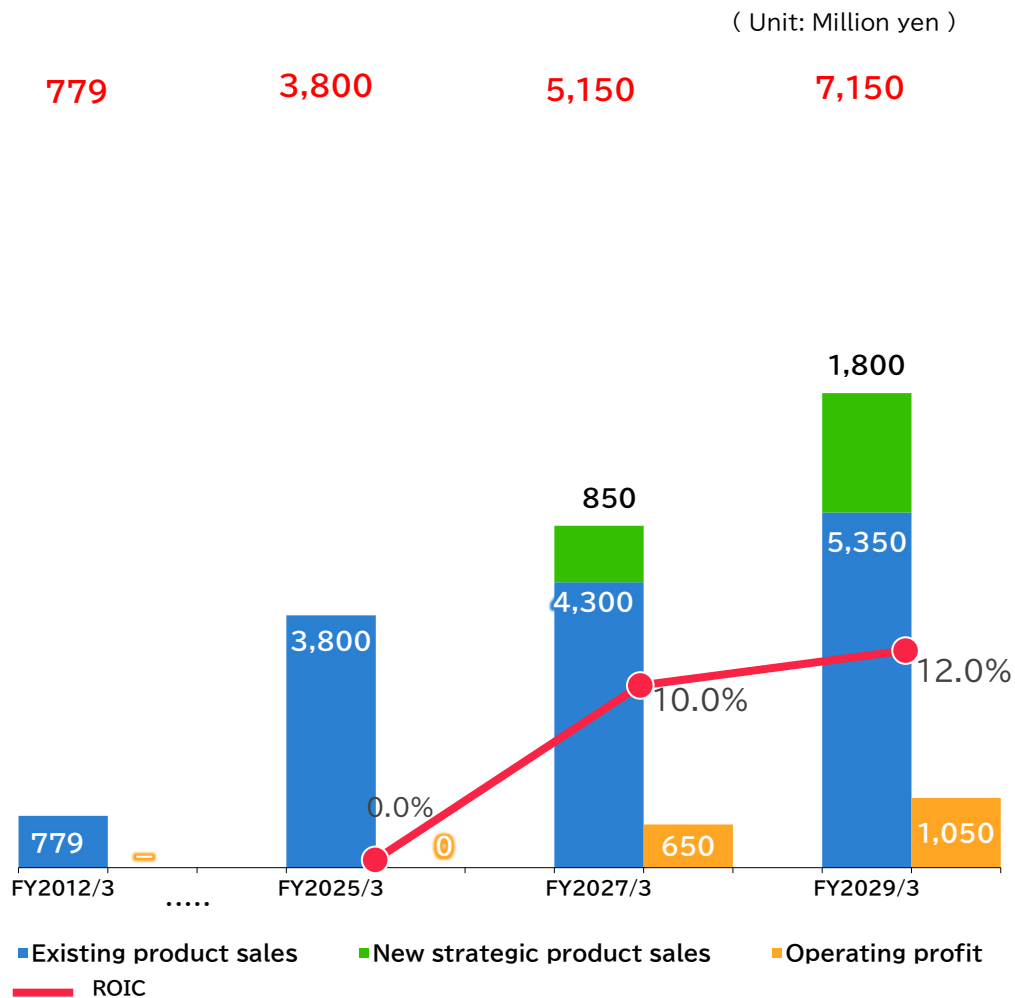
Raise competitiveness of core SPC products by delving deeper into materials, component processing and surface modification, and expand business with the market launch of products with added value being the smallest, lightest and low-cost

Strengthen core competence that the competition cannot match in spring connectors and create customer value

- Anticipate the expansion of small robots and communication devices toward realizing a smart society, including space and ocean environments
- Engage in development of the “world’s smallest sprint connector,” specializing in smaller and lighter designs, and drive the development of products that lead the competition
- Develop low-cost spring connectors that cater to the high volume market, achieving sales expansion due to an absolute expansion in sales volume

3 Business Strategies

⑤MD: Medical device



Basic growth strategy
 Launch products planned in-house following acquisition of a marketing license for medical devices, and accelerate contributions to humanity and society through the expansion of a medical ecosystem in the advanced medical field

Over the past ten years sales have steadily expanded (annual growth rate of 20%, excluding the COVID-19 pandemic period). A marketing license for medical devices has been obtained, and upfront investment in development, etc. is underway. Performance returned to profitability in FY2024.

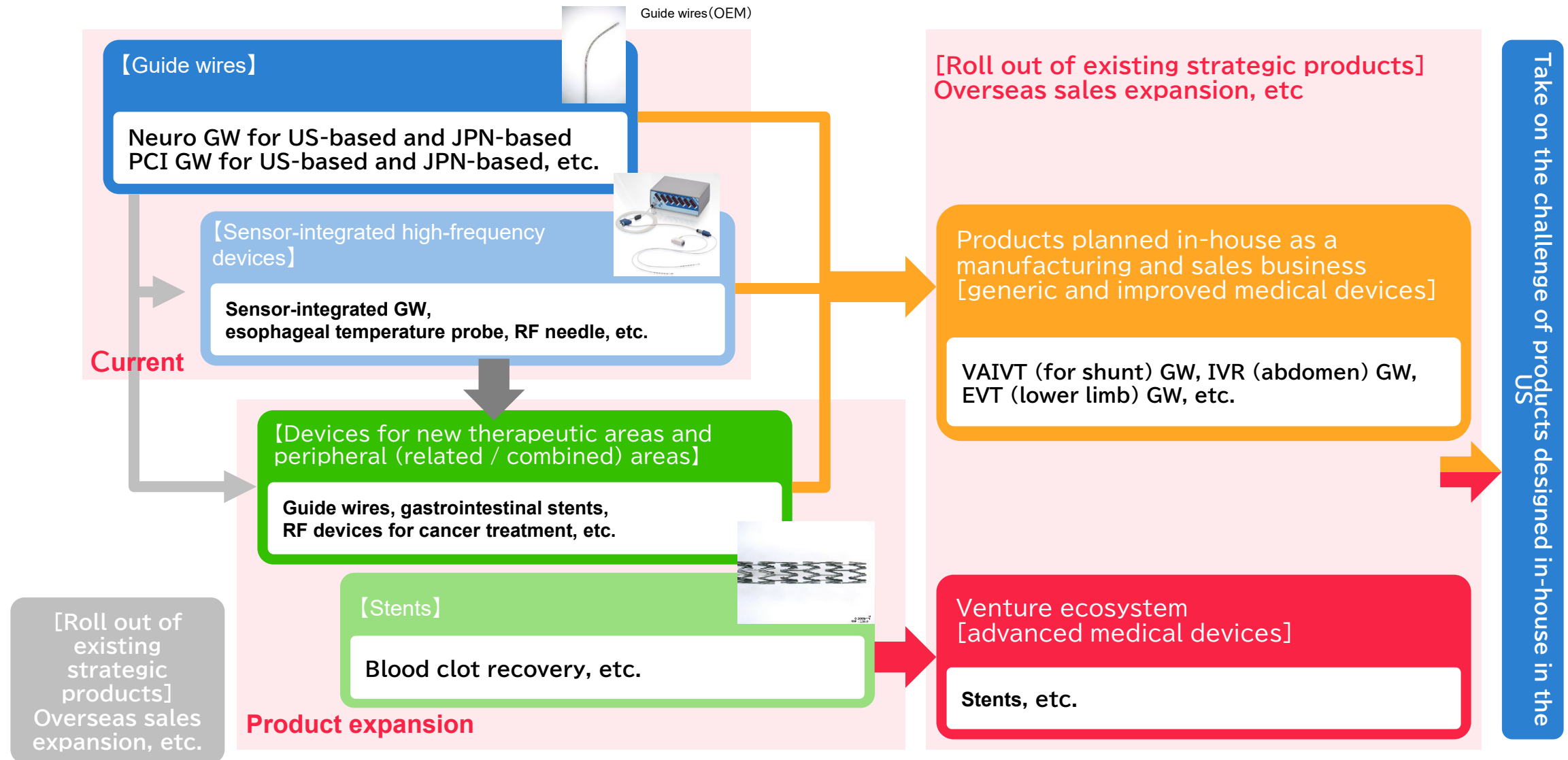
Expand the product portfolio to stents leveraging our strength in micro-precision machining, in addition to guide wires and high-frequency devices

Dual aspects of growth (concept)

- Advanced medical devices: venture ecosystem (stents, etc.)
- Generic and improved medical devices: Products planned in-house as a manufacturing and sales business (guide wires, etc.)

3 Business Strategies

⑤MD: Medical device

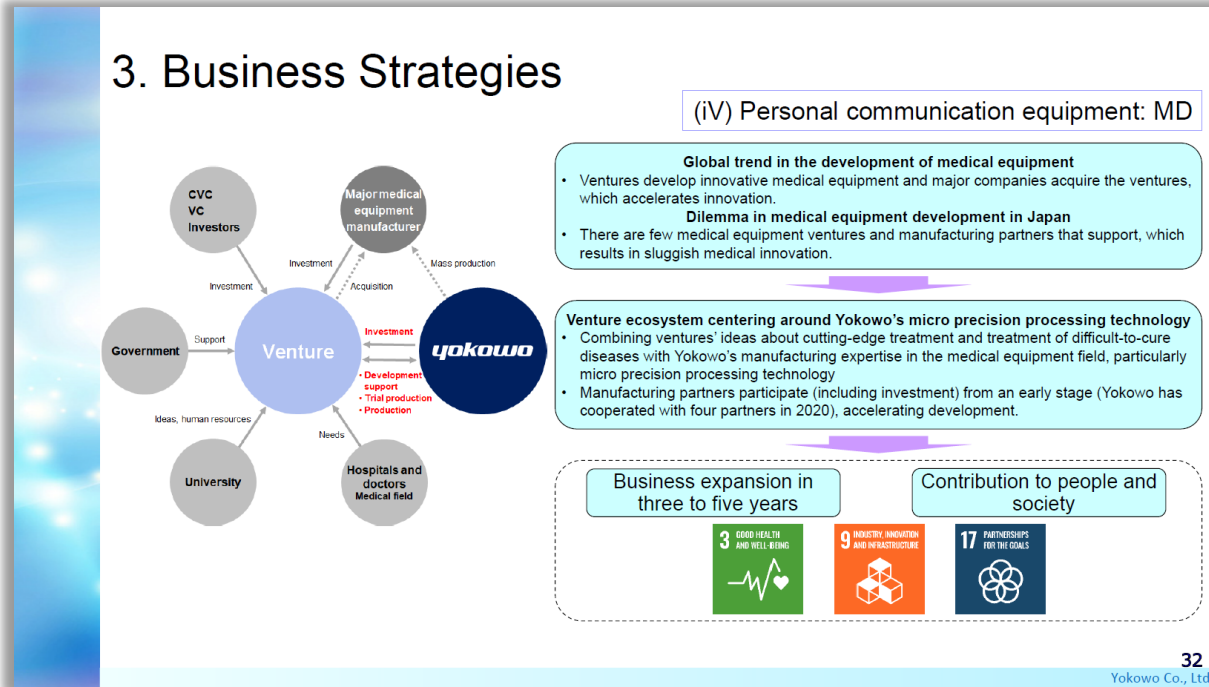


3 Business Strategies

⑤MD: Medical device

External Announcement on November 10, 2020
New Medium-term Management Plan

Present Status



Development of framework

- Contributed to fund when the general incorporated association JMPR, which supports medical device startups, was established in 2021
- There are currently five startups in which we have participated as a manufacturing partner through small-scale investments, two of which have been acquired by major medical device manufacturers

Contribution of venture ecosystem projects to sales

- From the start of 2025 devices using our in-house stent will start to fully contribute to sales. Sales of roughly 1 billion yen in 2026 and 2.5 to 3 billion yen in 2028 are expected.

Guidewire (OEM)

2024:
Start of mass production

Stent

The beginning of 2025:
Start of mass production

3 Business Strategies

⑥ Incubation Center



Growth Strategies

Provide products and solutions that create new markets and promote the transformation of the Yokowo Group's business model by searching for and collaborating with partners who possess technologies that satisfy the needs of customers, rather than staying with existing technologies.

In FY2023 the Incubation Center became independent as a functional division to promote the transformation of business models in each business of the Yokowo Group

See existing customers as assets and provide products and **solutions** that create new markets by searching for and collaborating with partners who possess technologies that satisfy customer needs.

Understand needs in global markets to evolve the business model from selling goods to **selling services through the subscription business**, etc.

Also utilize corporate alliances, **M&A activities and proactive investment** in companies engaged in co-creation to supplement the **necessary technologies, talent and equipment**, and create new business domains and business models.

3 Business Strategies

⑥ Incubation Center

Advanced Themes

- Through ICT and other new technologies, create new value including more sophisticated social services to solve various challenges
- Implement mobility services (MaaS) utilizing autonomous driving with the aim of helping the transportation-disadvantages and revitalizing local communities

Examples

2024年1月16日

NEWS RELEASE

ヨコオ、燃料電池自動車のカーシェアリングサービスに参画、「グリーンモビリティカーシェアリング」を4社共同で提供開始
～ヨコオ、位田モーターズ、PDC マシन्ズ、Zenmov の4社が共同で実施～

名古屋城グリーン水素ステーション

株式会社ヨコオ(本社:東京都千代田区、社長:徳間 孝之)は、このたび、有限会社位田モーターズ(本社:愛知県名古屋市長:位田 幸司)、PDC Machines 合同会社(本社:京都府京都市、代表:増田 貴幸)、Zenmov 株式会社(本社:東京都目黒区、社長:田中 清生)と、4社共同で、燃料電池自動車(FCEV)を用いたカーシェアリングサービスの「**グリーンモビリティカーシェアリング**」を開始いたします。

Title:Yokowo Participates in Fuel Cell Vehicle Car-Sharing Service and Launches Green Mobility Car Sharing on Joint Basis with Four Companies

2024年4月9日

NEWS RELEASE

ヨコオが Zenmov に出資し、MaaS 事業を加速
～ 両社で利用しやすいモビリティシェアリングの構築を目指し、モビリティの課題解決や脱炭素社会の実現に貢献する ～

株式会社ヨコオ(本社:東京都千代田区、社長:徳間 孝之)は、このたび、モビリティ向けの IT サービスを企画・開発・販売している Zenmov 株式会社(ゼンモブ、本社:東京都目黒区、社長:田中 清生)に出資を行い、MaaS 事業を加速してまいります。

Zenmov は 2019 年に設立し、スマートモビリティを支えるプラットフォーム「SMOC (Smart Mobility Operation Cloud)」を展開しているスタートアップ企業です。移動にまつわるストレスを無くすことをビジョンに掲げ、公共交通、渋滞解消、物流、カーシェアリング、GX をメインテーマに、これらの業務効率向上を、SMOC の提供を通じて実現します。活動領域は日本だけではなく、

Title: Yokowo Invests in Zenmov to Accelerate the MaaS Business

2024年4月15日

NEWS RELEASE

ヨコオ、モビリティのシェアリングプラットフォームを手掛ける(株)スマートバリューと協業し、カーシェアサービスを拡販
～ スマートバリューの Kuruma Base とヨコオ製無人鍵開閉システムでサービス提供開始 ～

株式会社ヨコオ(本社:東京都千代田区、社長:徳間孝之)は、このたび、行政向けクラウドサービスや、モビリティのシェアリングプラットフォームなどを手掛ける株式会社スマートバリュー(本社:大阪府大阪市、取締役兼代表執行役社長:渋谷順)と協業し、スマートバリューが提供する「Kuruma Base」に、車の鍵を受け渡すことなく、スマホアプリで車の鍵を開閉できるスマートロックシステム、「無人鍵開閉システム」の提供を開始します。

スマートバリューは、10 年以上に渡って、法人向けテレマティクスサービスを開発・提供してきた技術を駆使し、カーシェアリングなどのモビリティ向けシェアリングプラットフォーム「Kuruma Base」を、行政や企業などに提供。カーシェアリングサービスの運用をサポートしています。

Title: Yokowo Collaborates with Mobility Sharing Platform Operator Smartvalue Co., Ltd. to Expand Sales of Car Sharing Service



4 Business Model Transformation Initiatives

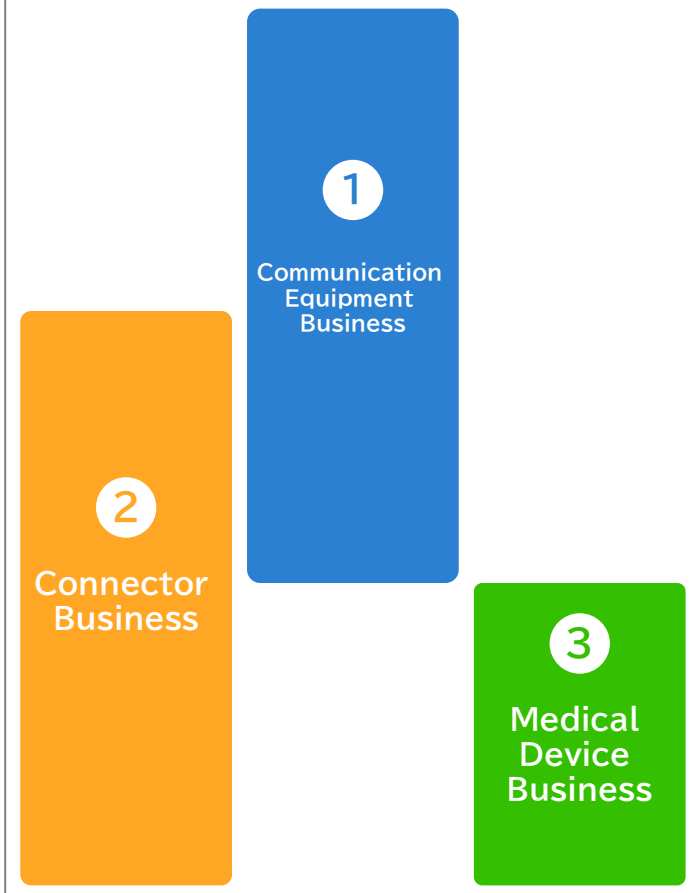
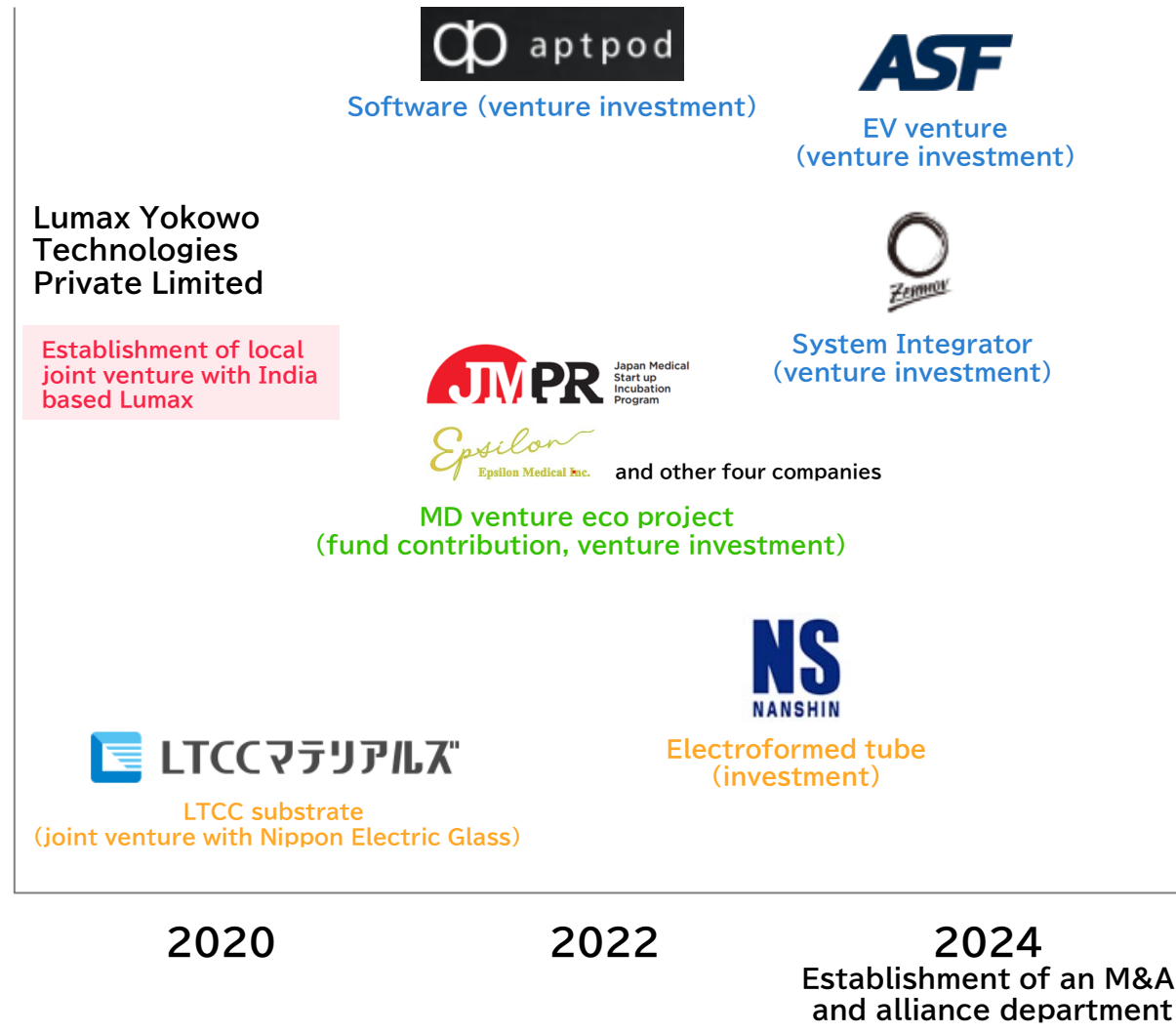
4 Business Model Transformation Initiatives

③M&A/Alliance

Business Models for New Business

Business Expansion

Acquisition of core technologies (sharpening our competitive advantage)



Medium-Term Plan (M&A/Alliance as assumption)

5 Investment strategy

6 Human Capital Management

7 Approach to Sustainability

5 Investment strategy

Investment strategy

R&D investment

5-8 Billion yen / Year

- Existing core technologies (antenna technologies, high frequency technologies, etc.)
- Core technologies to be newly acquired (MEMS processing technologies, etc.)

Create operating cash flows

6-12 Billion yen / Year

Cash on hand (Net Cash)

18 Billion yen (8 Billion yen)

Growth Investments

Shareholder Returns

Capital investment of 4-6 billion yen / year

- Communications equipment: ADAS new product-related, etc.
- Connectors: MEMS product-related, etc
- DX (Business model evolution)
- GX

M&A, Alliances

- Communications equipment: searching for new businesses, business expansion
- Connectors: business expansion, acquisition of elemental technologies

➔ "M&A/Alliance P.37"

Dividend 1-2 billion yen / year

- Stable growth in dividends targeting a DOE (dividend on equity ratio) of 2.2%

Purchase of treasury stock

- Flexibly...

6 Human Capital Management

Management, focus on Human Capital

Leverage the abilities and skills of employees for growth of the organization, leading to enhanced corporate value in the medium- to long-term.

Human Capital Development: Establishment of the Human Resource Development Center (2023)

Target

To cultivate employees able to realize business evolution, which is the foundation of a perpetually evolving company
Making Yokowo a company that makes employees feel their employment there allows them to grow and be certain of growth

1

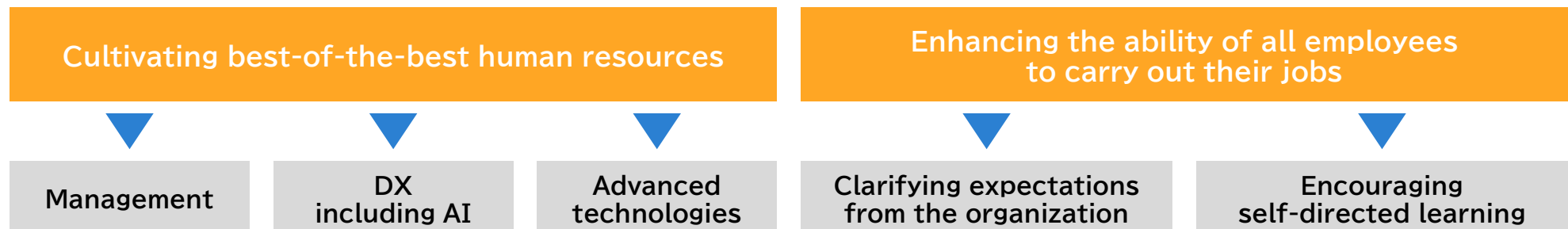
Cultivate human resources who will be able to sharpen Yokowo's strengths and leverage those strengths to embody business evolution

- Use DX including AI and other cutting-edge technologies to cultivate elite tech-savvy employees who will sharpen Yokowo's strengths
- Cultivate human resources able to develop business pivot strategies from management perspectives, including marketing

2

Accelerate improved corporate competitiveness through the dual approach of cultivating best-of-the-best human resources and enhancing all employees' abilities to perform their jobs

- Organize the expected skills and learning methods as an organization, and encourage individual learning based on plans tailored to each employee
- Introduce an e-learning system that meets the needs of employees in self-directed learning



8 Medium-Term Management Targets

8

Medium-Term Management Targets

Medium-Term Management Targets

(Unit: Million yen)

| | FY 2023/3 | FY 2024/3 | FY 2025/3 Forecast | FY 2027/3 Target | FY 2029/3 Target |
|--|-----------|-----------|-----------------------|---------------------|---------------------|
| Net sales | 77,962 | 76,895 | 82,000 | 96,550 | 108,750 |
| VCCS | 46,520 | 55,583 | 55,600 | 59,500 | 61,000 |
| CTC | 22,374 | 12,585 | 15,300 | 23,100 | 29,400 |
| FC·MD | 9,067 | 8,373 | — | — | — |
| FC | — | — | 7,000 | 7,300 | 8,700 |
| MD | — | — | 3,800 | 5,150 | 7,150 |
| Incubation Center | — | 345 | 300 | 1,500 | 2,500 |
| Operating profit | 4,739 | 1,617 | 4,450 | 10,950 | 13,750 |
| Ordinary profit | 5,675 | 3,710 | 3,650 | 10,750 | 12,600 |
| Profit | 3,147 | 1,511 | 2,350 | 7,500 | 8,800 |
| YoY net sales growth rate | 16.6% | ▲1.4% | 6.6% | 11.1% | 5.4% |
| Ratio of operating profit to net sales | 6.1% | 2.1% | 5.4% | 11.3% | 12.6% |
| ROE | 6.9% | 3.1% | 4.7% | 12.2% | 12.4% |
| YoY operating profit growth rate | 1.2% | ▲65.9% | 175.1% | 51.2% | 8.5% |
| ROIC | 5.8% | 1.8% | 4.9% | 10.3% | 11.6% |
| Reference: Assumed Average exchange rate | | | 145.00 | 145.00 | 145.00 |

※ROIC based on FY2024/3. Reference as FY 2023/3

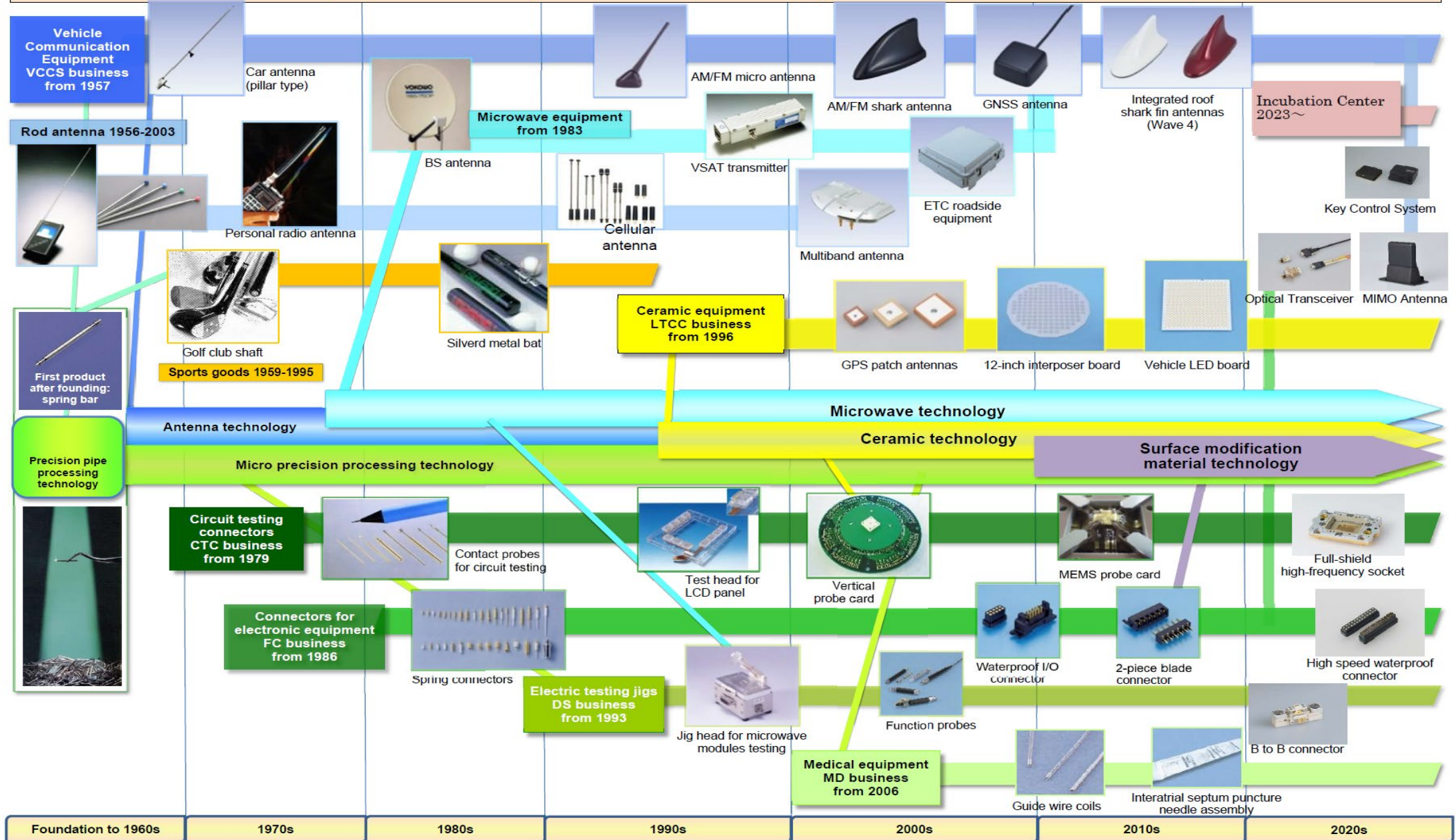
Developing, Delighting

yokowo



Appendix

Yokowo Co., Ltd. Technological Evolution and History of Business and Product Development

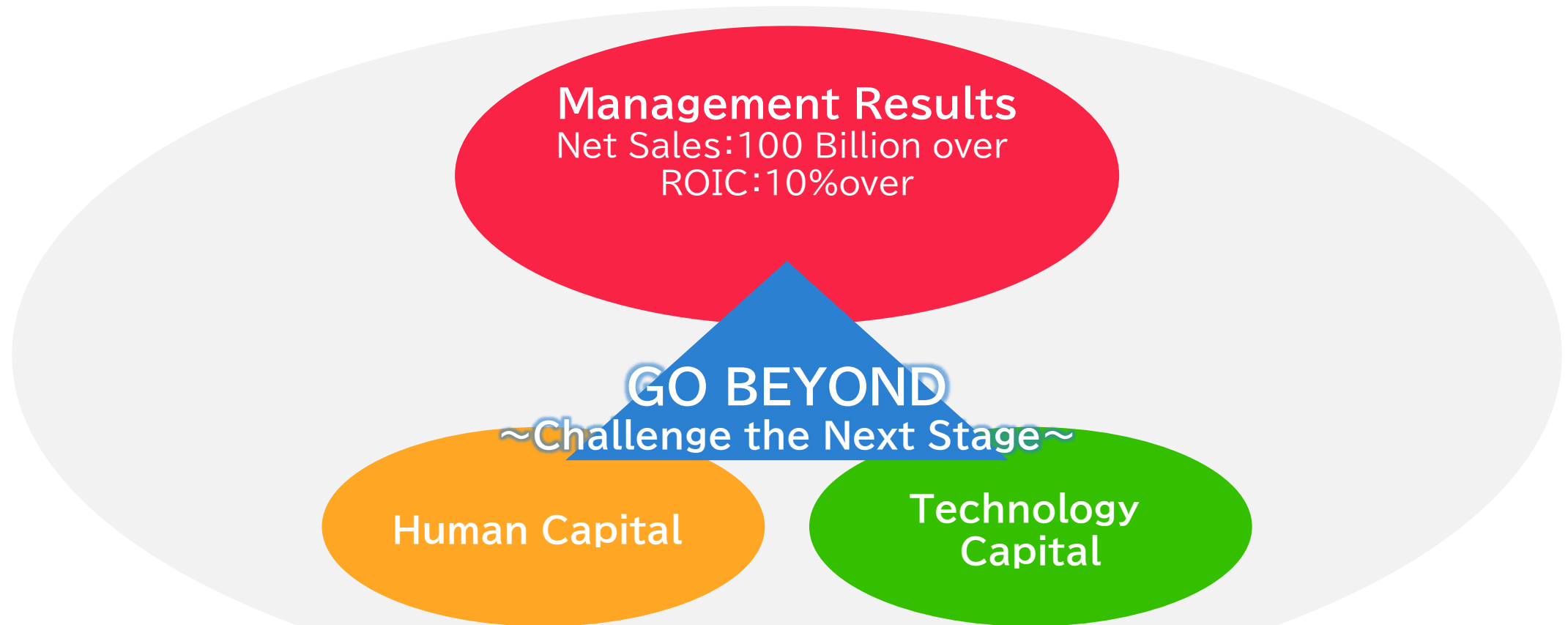


Introduction of new technologies + Developing new markets = Yokowo's DNA

Management Strategies

Realization of Purpose

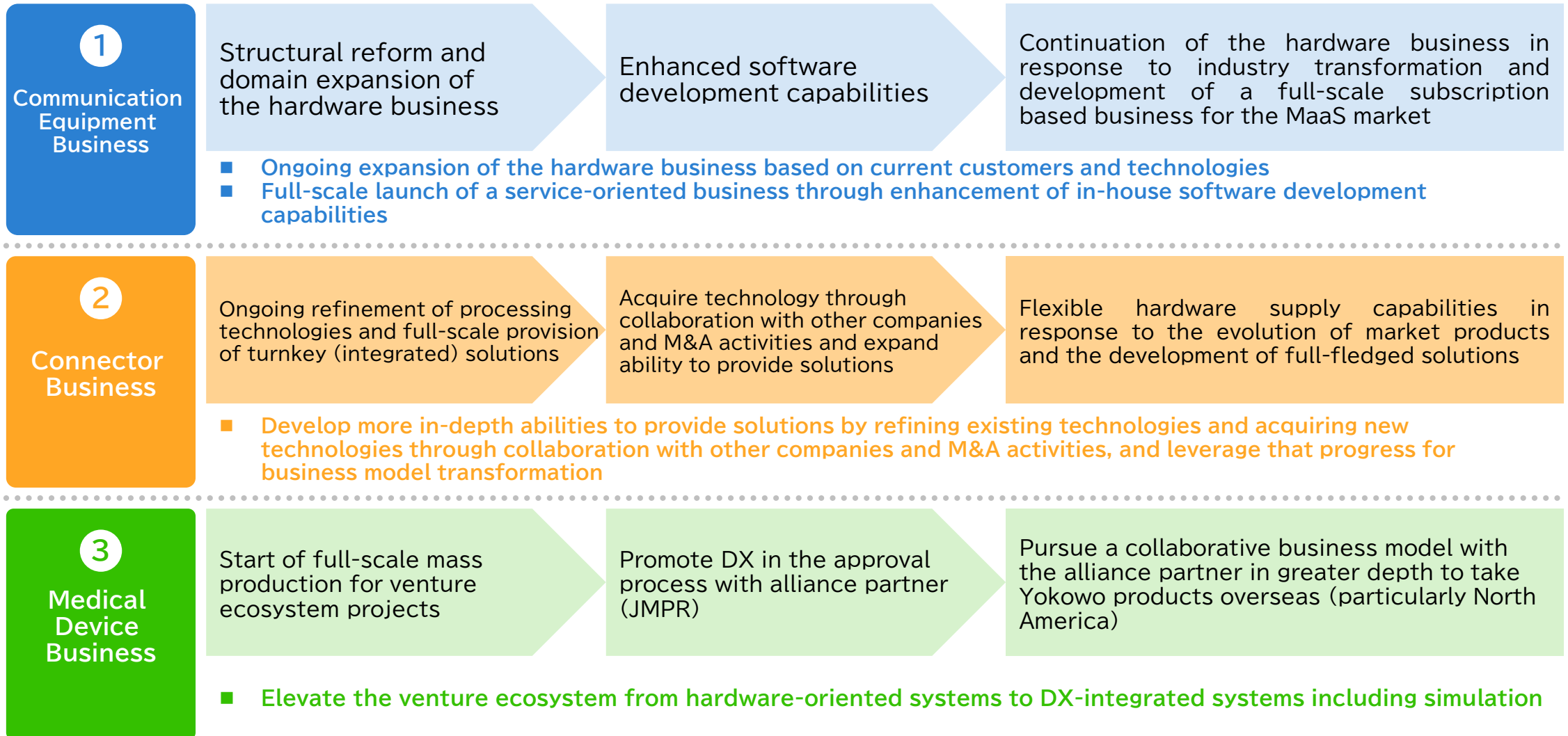
Becoming an even better company through a higher stage of management results and social contributions



Achieving Yokowo's purpose to "be a good company by employing people and technologies that work for the benefit of society today and tomorrow."

Business Model Transformation Initiatives

Business model Roadmap



Business Model Transformation Initiatives

Technology Roadmap

