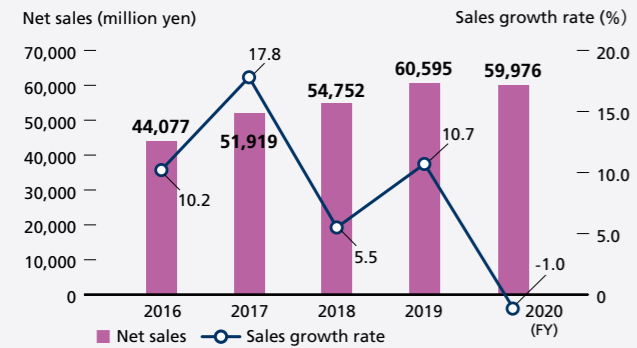
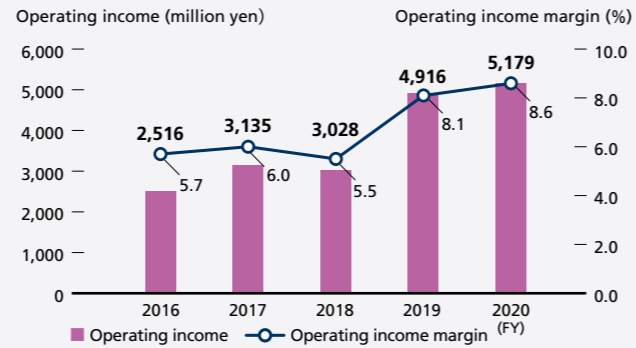


Financial Highlight

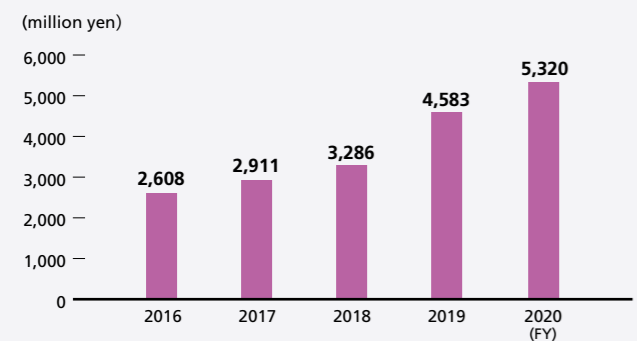
▼ Net sales



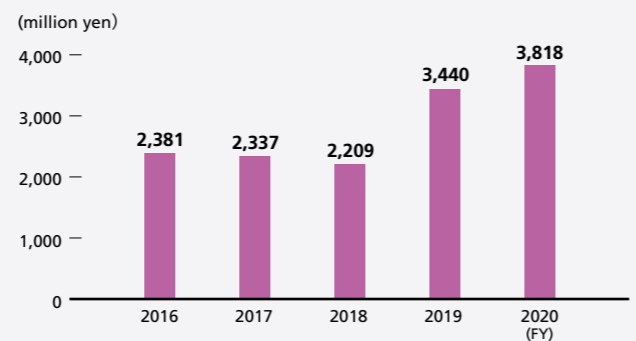
▼ Operating income



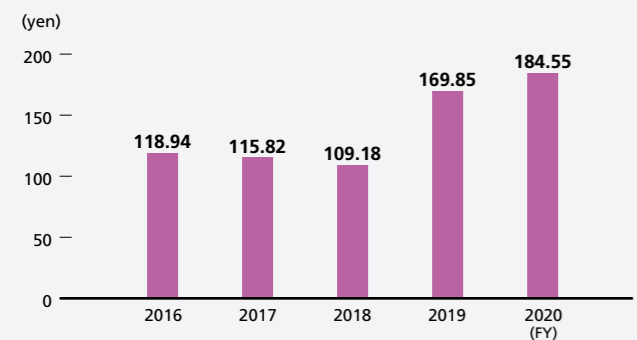
▼ Ordinary income (full year)



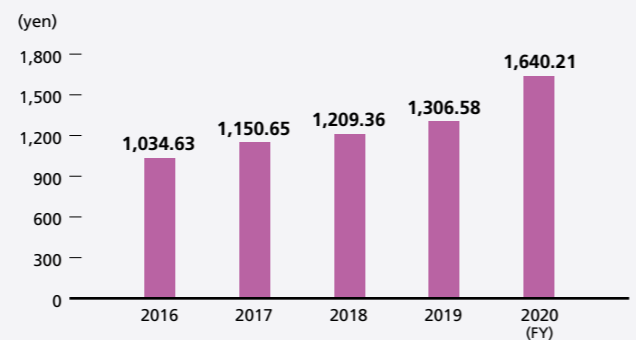
▼ Profit attributable to owners of parent



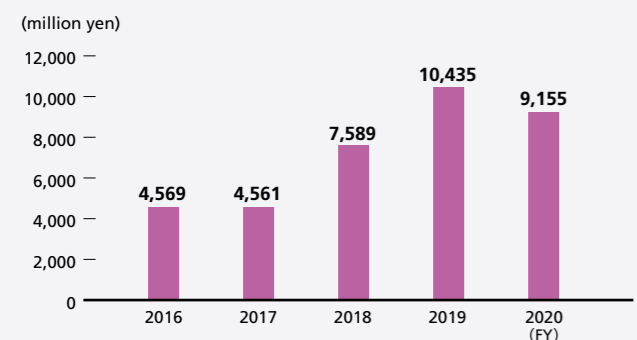
▼ Basic earnings per share



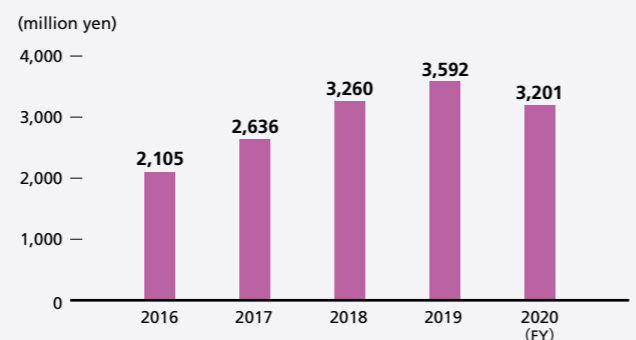
▼ Net assets per share



▼ Interest bearing debt*



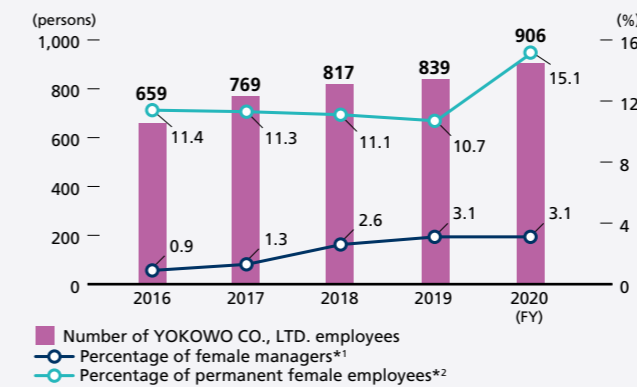
▼ Research and development expenses



* Borrowing + lease liabilities

Non-financial Highlight

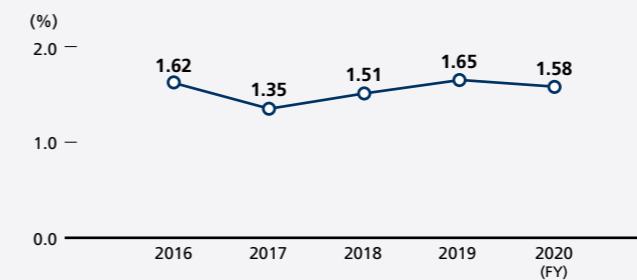
▼ Percentage of female employees*



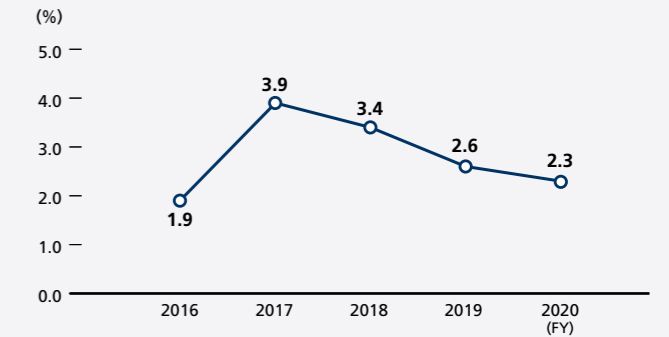
*1 Female managers at end of fiscal year ÷ executive and management positions at end of fiscal year (includes assistant managers, excludes specialists)

*2 Number of female employees at end of fiscal year ÷ number of full-time permanent employees at end of fiscal year

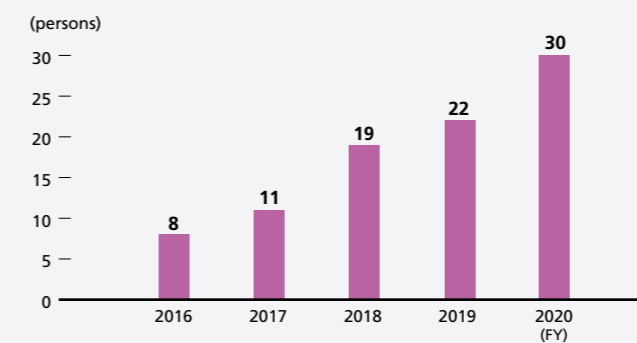
▼ Employment rate of people with disabilities*



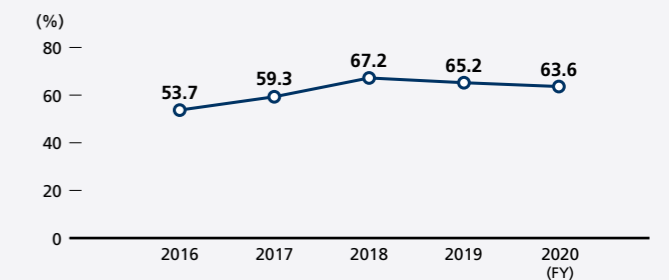
▼ Employee turnover rate*



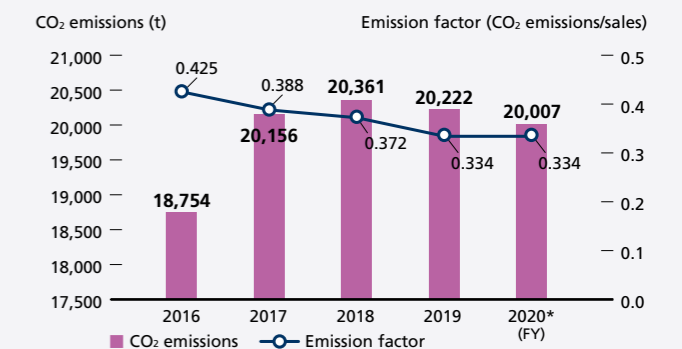
▼ Number of older employees re-employed*



▼ Uptake of paid leave*

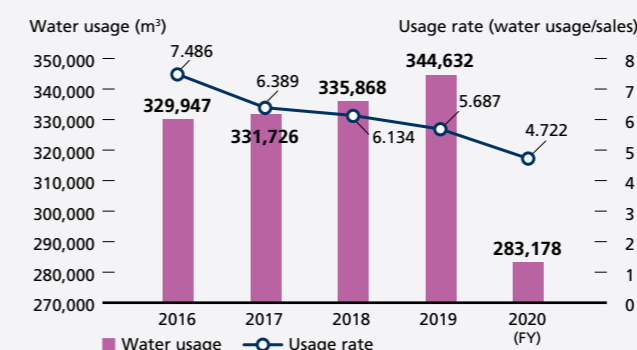


▼ CO₂ emissions and emission factor

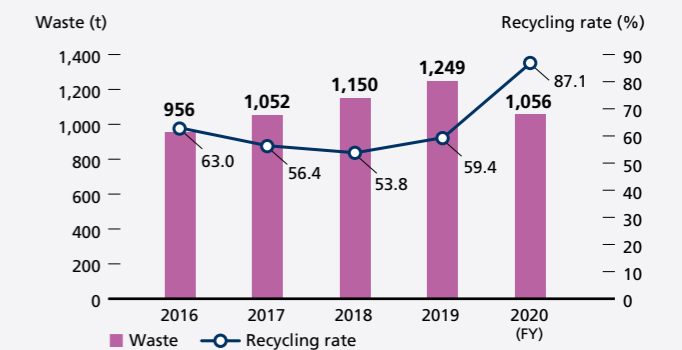


* Electricity CO₂ conversion factor is calculated using the following:
Domestic: TEPCO Energy Partner, Inc Basic Emission Factor
Overseas: IEA Official Factor

▼ Water usage and usage rates



▼ Quantity of waste and recycling rate



★: YOKOWO CO., LTD.

Financial Information

Analysis of Operating Results and Financial Position in Fiscal 2020

Business Environment and Operating Results

During the fiscal year under review (April 1, 2020 to March 31, 2021), the global economy slowed sharply owing to the large reduction in economic activity as a result of the global COVID-19 pandemic in addition to the intensification of trade friction between the U.S. and China among other factors.

In Japan also, the outlook is extremely uncertain due to the reissuance of the state of emergency declaration and the expectation that it will take some time to achieve immunity in the population due to delays in the vaccine rollout.

Market structure in the Group's core markets, automotive, semiconductor testing, and mobile communication terminals, has continued to change rapidly with the full-scale roll out of 5G (5th generation mobile communications systems) products and services and intensifying competition in the development of products and technologies aimed at expanding use of advanced applications such as CASE, MaaS, IoT, and AI.

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 to achieve high-quality, full-scale growth. In the Vehicle Communication Equipment segment, the Group identified rebuilding the profit structure as the top priority issue and worked to radically reform the fixed cost structure by significantly strengthening business management systems and improving cost awareness at production bases. In the Circuit Testing Connector segment, the Group strengthened technology and manufacturing systems in order to grasp business growth opportunities arising from 5G and boosted capacity by expanding new production lines in Japan and Malaysia in addition to working to strengthen the production backup system through a review of the ratio of production in Japan and Malaysia. The Group also formulated the new medium-term management plan covering the period from fiscal 2020 until the 85th business term (fiscal 2022) which looks toward breaking through the limits of existing technologies and businesses and acquiring new growth potential through new technologies and new businesses. To provide a source of funds for the plan, the meeting of the Board of Directors held in November 2020 resolved to issue stock acquisition rights by way of a third-party allotment, which were allocated in December 2020, and raised 4,770 million yen by the end of the fiscal year under review. As a result of these efforts, although net sales fell slightly year on year, with the Vehicle Communication Equipment segment impacted by the COVID-19 pandemic, operating income, ordinary income, and profit attributable to owners of parent all continued to reach record highs year on year, mainly due to the return to profit from the second quarter onward due to improved profitability.

▼ Operating Results in Fiscal 2020

	(million yen)	
Net sales	59,976	(-1.0% YOY)
Operating income	5,179	(+5.3% YOY)
Ordinary income	5,320	(+16.1% YOY)
Profit attributable to owners of parent	3,818	(+11.0% YOY)

▼ Minimum 8



Financial Position

(Assets)

Current assets stood at 38,417 million yen as of March 31, 2021, up 5,154 million yen from the end of the previous fiscal year. The increase in current assets was mainly due to the increase in cash and deposits of 3,110 million yen, increase in notes and accounts receivable – trade of 251 million yen, and increase in inventories of 1,630 million yen. The increase in cash and deposits was due to the issuance of stock acquisition rights through a third-party allotment and the receipt of proceeds from the exercise of such rights, which offset a decrease due to the adjustment of liquidity on hand (partial repayment of short-term loans payable), which had been maintained at an extremely high level through both short-term loans payable and cash. The large increase in inventories as of March 31, 2021 was due to the rebound from the low level of inventories in both finished products and parts and materials at the end of the previous fiscal year, which resulted from a large decline in capacity utilization at the China plant due to the spread of COVID-19. There was also an increase in inventories of finished goods, including those for loading and unloading, as marine transportation slowed due to delays in port operations caused by an increase in the number of people with COVID-19.

Non-current assets stood at 18,451 million yen, up 3,579 million yen from the end of the previous fiscal year. The increase in noncurrent assets was mainly due to the increase in property plant and equipment of 2,612 million yen. This was due to vigorous investment in mass production and development in each business segment.

As a result, total assets stood at 56,868 million yen as of March 31, 2021, up 8,734 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities stood at 19,880 million yen as of March 31, 2021, up 2,300 million yen from the end of the previous fiscal year. The increase in current liabilities was mainly due to the decrease in short-term loans payable of 1,464 million yen and the increase in current portion of long-term loans payable of 3,400 million yen.

Non-current liabilities stood at 785 million yen, down 3,236 million yen from the end of the previous fiscal year. The decrease in non-current liabilities was mainly due to the decrease in long-term loans payable of 3,400 million yen.

As a result, total liabilities stood at 20,666 million yen as of March 31, 2021, down 936 million yen from the end of the previous fiscal year.

(Net Assets)

Net assets stood at 36,202 million yen as of March 31, 2021, up 9,670 million yen from the end of the previous fiscal year. This was mainly due to increases in capital stock and capital surplus of 2,391 million yen and 2,391 million yen, respectively, due to the issuance of stock acquisition rights through third-party allotment and payment for the exercise of such rights, profit attributable to owners of parent of 3,818 million yen, increase in valuation difference on available-for-sale securities of 459 million yen due to increase in stock prices of investment securities held, increase in foreign currency translation adjustment of 909 million yen due to the depreciation of the Japanese yen against the U.S. dollar and other currencies as of the end the fiscal year under review compared to the previous fiscal year, and dividends of surplus of 649 million yen.

Cash Flows

(1) Cash and Cash Equivalents

Cash and cash equivalents stood at 15,295 million yen in the fiscal year under review, up 2,942 million yen from the previous fiscal year.

(2) Net Cash Provided by Operating Activities

Net cash provided by operating activities stood at 5,139 million yen, down 1,350 million yen from the previous fiscal year. The main factors for increase included profit before income taxes of 5,140 million yen and depreciation of 2,987 million yen while the main factors for decrease included an increase in inventories of 1,263 million yen.

(3) Net Cash Used in Investing Activities

Net cash used in investing activities stood at 4,619 million yen, up 1,336 million yen from the previous fiscal year. The main factors for increase included purchase of property, plant and equipment of 3,958 million yen and purchase of intangible assets of 410 million yen.

(4) Net Cash Provided by Financing Activities

Net cash provided by financing activities stood at 1,905 million yen, down 237 million yen from the previous fiscal year. The main factors for decrease included decrease in short-term loans payable of 1,504 million yen and repayments of lease obligations of 747 million yen while the main factors for increase included proceeds from issuance of common shares of 4,770 million yen.

(5) Information on Liquidity and Capital Resources

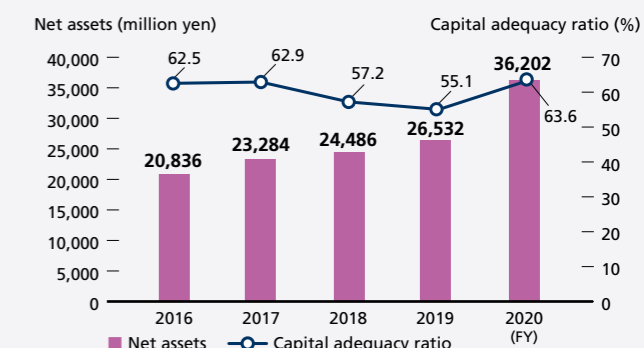
The Company's working capital is mainly spent on procurement of raw materials and parts used in the manufacture of products and is also similarly expended on goods and services recorded in manufacturing expenses and selling, general and administrative expenses.

In addition, capital investment funds are expended on establishing and strengthening production systems, such as the acquisition of production equipment, and the maintenance of information systems. The Company's basic policy is to provide for the necessary funding through internal funds generated by the recorded profit and depreciation.

In the fiscal year under review, the Group actively invested in research and development and product development, and expansion of mass production facilities, including the fourth phase of expansion work and expansion of production facilities at the production subsidiary in Vietnam and the expansion of processing facilities at the production subsidiary in Malaysia.

In and after the fiscal year ending March 31, 2022, the Group plans to construct a plant and install production equipment at the production subsidiary in the Philippines and further boost capacity at the production subsidiary in Malaysia. To fund this capital investment, in addition to operating cash flow, the Group has refinanced short-term loans, but has reduced the amount through partial repayment. On the other hand, under the new Medium-Term Management Plan, in order to break through the limitations of existing businesses and technologies and acquire new growth potential from a medium- to long-term perspective, the Group plans to invest in basic research to further deepen its core technologies and in capital investment to enter new fields, such as the construction of new MEMS probe card production lines. To raise funds for these purposes, it was resolved in November 2020 to issue stock acquisition rights through a third-party allotment, and the exercise of these rights has been proceeding since December 2020. As a result, the Group's cash and cash equivalents stood at 15,295 million yen as of March 31, 2021, up 2,942 million yen from the end of the previous fiscal year.

▼ Net Assets / Capital Adequacy Ratio



Capital Investment

In the fiscal year under review, the Group continued to make capital investment, 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 4,430 million yen, and an overview of capital investment is as follows.

(1. Property, plant and equipment)

(1) Vehicle Communication Equipment segment

The Group implemented total capital investment of 1,945 million yen. This included expansion of the Vietnamese plant to expand capacity aimed at increasing work volume in parallel with strengthening of development functions at the China plant, in addition to construction work on the plant in the Philippines.

(2) Circuit Testing Connector segment

The Group implemented total capital investment of 1,726 million yen. This included expansion of mass production facilities and image measuring equipment and more at production bases in Japan and the Malaysian plant to accommodate order growth and shorter delivery times for semiconductor test tools.

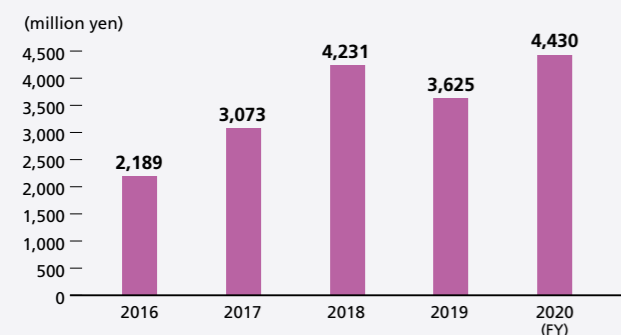
(3) Personal Communication Equipment segment

The Group implemented total capital investment of 365 million yen. The Group conducted updates and expansion at both the Chinese and Malaysian plants, including mass production facilities in the Fine Connector business. We also expanded mass production and other facilities at production bases in Japan in the Medical Device business.

(2. Intangible assets)

The Group implemented total capital investment of 394 million yen. This included improving and updating the environment for core information systems and strengthening and renewing CAD systems in order to realize Group-wide business streamlining.

▼ 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 lies in stable and continuous distribution of dividends taking retained earnings into consideration 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. The decision-making bodies for dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

In business performance for the fiscal year under review, although consolidated net sales declined slightly from the previous fiscal year due to the impact of the COVID-19 pandemic, consolidated operating income, consolidated ordinary income, and profit attributable to owners of parent all reached record highs, due to the improvement in profitability in the Vehicle Communication Equipment segment among other factors.

Meanwhile, in the next fiscal year, because the risk of a resurgence of COVID-19 is expected to continue to a certain extent despite progress on vaccination and supply and demand and competitive environment trends in the Company's core markets are extremely uncertain, we consider it essential to put more emphasis on financial stability in business operations. In addition, while the market overall is uncertain, inquiries in growth sectors such as 5G are increasing year by year, and there is still high demand for funds for investment in product development and capital investment.

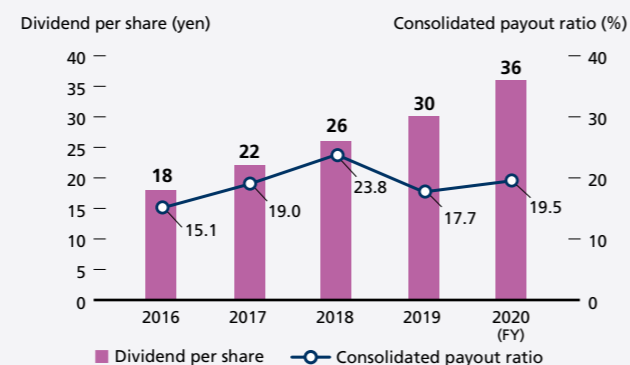
Based on the circumstances outlined above, and comprehensively taking into account the return of record high profit to shareholders, demand for funds in the next fiscal year onward and the securing of financial stability, the Company submitted the proposal for a year-end dividend for the fiscal year under review of 20 yen per share to the 83rd General Meeting of Shareholders, and it was approved.

With an interim dividend of 16 yen per share for the fiscal year under review already paid, the Company's annual dividend is 36 yen per share (consolidated payout ratio of 19.5%).

With respect to the dividend for the next fiscal year, the Company expects to pay an annual dividend of 36 yen per share (interim dividend of 18 yen and year-end dividend of 18 yen with a consolidated payout ratio of 20.6%).

The Company's Articles of Incorporation stipulate that an interim dividend can be paid.

▼ Dividend per share



CONSOLIDATED BALANCE SHEETS

(millions of yen)

	Fiscal 2019 (As of March 31, 2020)	Fiscal 2020 (As of March 31, 2021)
ASSETS		
Current assets		
Cash and deposits	12,352	15,463
Notes and accounts receivable-trade	10,774	11,026
Merchandise and finished goods	4,662	6,062
Inventories	402	441
Raw materials and supplies	3,616	3,808
Other	1,456	1,618
Allowance for doubtful accounts	(3)	(3)
Total current assets	33,262	38,417
Non-current assets		
Net property, plant and equipment		
Buildings and structures	6,568	7,546
Accumulated depreciation	(3,657)	(4,009)
Buildings and structures, net	2,911	3,537
Machinery, equipment and vehicles	11,306	13,073
Accumulated depreciation	(7,117)	(8,210)
Machinery, equipment and vehicles, net	4,189	4,862
Tools, furniture and fixtures	8,390	9,728
Accumulated depreciation	(6,171)	(7,236)
Tools, furniture and fixtures, net	2,219	2,491
Land	761	761
Leased assets	1,730	2,440
Accumulated depreciation	(1,105)	(1,140)
Leased assets, net	625	1,300
Construction in progress	590	956
Total property, plant and equipment	11,296	13,909
Intangible assets		
Leased assets	26	14
Other	874	988
Total intangible assets	900	1,003
Investments and other assets		
Investment securities	1,188	1,730
Retirement benefit asset	81	726
Deferred tax assets	737	344
Other	667	738
Total investments and other assets	2,675	3,539
Total non-current assets	14,872	18,451
Total assets	48,134	56,868

	(millions of yen)	
	Fiscal 2019 (As of March 31, 2020)	Fiscal 2020 (As of March 31, 2021)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6,428	6,491
Short-term loans payable	6,489	5,024
Current portion of long-term loans payable	-	3,400
Lease obligations	253	310
Income taxes payable	770	725
Provision for bonuses	600	673
Other	3,038	3,255
Total current liabilities	17,580	19,880
Non-current liabilities		
Long-term loans payable	3,400	-
Lease obligations	292	420
Deferred tax liabilities	135	154
Net defined benefit liability	183	202
Long-term accounts payable	10	8
Total non-current liabilities	4,021	785
Total liabilities	21,602	20,666
NET ASSETS		
Shareholders' equity		
Capital stock	3,996	6,387
Capital surplus	3,981	6,373
Retained earnings	19,045	22,199
Treasury stock	(664)	(633)
Total shareholders' equity	26,359	34,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84	543
Foreign currency translation adjustment	(64)	845
Remeasurements of defined benefit plans	124	437
Total valuation and translation adjustments	144	1,825
Subscription rights to shares	3	8
Non-controlling interest	24	41
Total net assets	26,532	36,202
Total liabilities and net assets	48,134	56,868

CONSOLIDATED STATEMENTS OF INCOME

	(millions of yen)	
	Fiscal 2019 (From April 1, 2019 to March 31, 2020)	Fiscal 2020 (From April 1, 2020 to March 31, 2021)
Net sales	60,595	59,976
Total cost of sales	47,527	47,080
Gross profit	13,067	12,895
Selling, general and administrative expenses	8,150	7,715
Operating income	4,916	5,179
Non-operating income		
Interest income	28	16
Dividend income	39	41
Foreign exchange gains (losses)	-	192
Rental income	17	14
Other	43	50
Total non-operating income	128	316
Non-operating expenses		
Interest expenses	104	70
Share of loss of entities accounted for using equity method	24	24
Commission expenses	7	13
Share acquisition rights issuance costs	-	26
Compensation expenses	-	30
Foreign exchange losses	214	-
Other	111	9
Total non-operating expenses	462	175
Ordinary income	4,583	5,320
Extraordinary income		
Gain on sales of non-current assets	1	5
Gain on sales of investment securities	93	28
Total extraordinary income	95	34
Extraordinary losses		
Loss on retirement of non-current assets	47	73
Loss on sales of non-current assets	0	0
Loss on valuation of investment securities	-	139
Product warranty expenses	14	-
Total extraordinary losses	62	213
Profit before income taxes	4,616	5,140
Income taxes - current	1,164	1,236
Income taxes - deferred	(8)	70
Total income taxes	1,156	1,306
Profit	3,460	3,834
Profit (loss) attributable to non-controlling interests	19	15
Profit (loss) attributable to owners of parent	3,440	3,818

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions of yen)

	Fiscal 2019 (From April 1, 2019 to March 31, 2020)	Fiscal 2020 (From April 1, 2020 to March 31, 2021)
Profit	3,460	3,834
Other comprehensive income		
Valuation difference on available-for-sale securities	(271)	459
Foreign currency translation adjustment	(590)	910
Remeasurements of defined benefit plans	(10)	312
Total other comprehensive income	(872)	1,682
Comprehensive income	2,587	5,516
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,568	5,499
Comprehensive income attributable to non-controlling interests	19	17

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal 2019 (From April 1, 2019 to March 31, 2020)

(millions of yen)

	Shareholders' equity						Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Deposit for subscriptions of treasury shares	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	3,996	3,981	16,197	(719)	0	23,456	355	525	135	1,017	7	5	24,486
Changes during period													
Dividends of surplus			(566)			(566)							(566)
Profit (loss) attributable to owners of parent			3,440			3,440							3,440
Purchase of treasury shares				(1)		(1)							(1)
Disposal of treasury shares			(26)	57	(0)	30							30
Net changes of items other than shareholders' equity							(271)	(590)	(10)	(872)	(3)	19	(857)
Total changes of items during period	-	-	2,847	55	(0)	2,902	(271)	(590)	(10)	(872)	(3)	19	2,045
Balance at end of period	3,996	3,981	19,045	(664)	-	26,359	84	(64)	124	144	3	24	26,532

Fiscal 2020 (From April 1, 2020 to March 31, 2021)

(millions of yen)

	Shareholders' equity						Accumulated other comprehensive income				Share acquisition rights	Non-controlling 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	3,996	3,981	19,045	(664)	26,359	84	(64)	124	144	3	24	26,532	
Changes during period													
Dividends of surplus			(649)		(649)								(649)
Issuance of new shares (exercise of share acquisition rights)	2,391	2,391			4,782								4,782
Profit (loss) attributable to owners of parent			3,818		3,818								3,818
Purchase of treasury shares				(1)	(1)								(1)
Disposal of treasury shares			(14)	31	17								17
Net changes of items other than shareholders' equity						459	909	312	1,681	5	17		1,703
Total changes of items during period	2,391	2,391	3,154	30	7,967	459	909	312	1,681	5	17		9,670
Balance at end of period	6,387	6,373	22,199	(633)	34,326	543	845	437	1,825	8	41		36,202

CONSOLIDATED STATEMENT OF CASH FLOWS

(millions of yen)

	Fiscal 2019 (From April 1, 2019 to March 31, 2020)	Fiscal 2020 (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	4,616	5,140
Depreciation	2,706	2,987
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for bonuses	64	64
Increase (decrease) in provision for product warranties	(364)	–
Increase (decrease) in net defined benefit asset and liability	(71)	(176)
Interest income and dividend income	(67)	(58)
Interest expenses	104	70
Foreign exchange losses (gains)	75	(328)
Share of loss (profit) of entities accounted for using equity method	24	24
Loss (gain) on sales of non-current assets	(1)	(5)
Loss on retirement of non-current assets	47	73
Loss (gain) on sales of investment securities	(93)	(28)
Loss (gain) on valuation of investment securities	–	139
Decrease (increase) in trade receivables	488	300
Decrease (increase) in inventories	(868)	(1,263)
Increase (decrease) in trade payables	750	(471)
Other	(133)	39
Subtotal	7,277	6,509
Interest and dividends received	67	58
Interest paid	(111)	(71)
Income taxes paid	(742)	(1,357)
Net cash provided by (used in) operating activities	6,490	5,139
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,066)	(3,958)
Proceeds from sales of property, plant and equipment	2	7
Purchase of intangible assets	(475)	(410)
Purchase of investment securities	–	(38)
Proceeds from sales of investment securities	142	46
Payments into time deposits	–	(156)
Purchase of shares of subsidiaries and associates	(99)	–
Long-term loan advances	–	(60)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	201	–
Other	10	(48)
Net cash provided by (used in) investing activities	(3,282)	(4,619)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	2,995	(1,504)
Proceeds from issuance of shares	–	4,770
Repayments of lease obligations	(312)	(747)
Dividends paid	(564)	(647)
Proceeds from exercise of employee share options	27	15
Purchase of treasury shares	(1)	(1)
Proceeds from issuance of exercise of share acquisition rights	–	20
Net cash provided by (used in) financing activities	2,143	1,905
Effect of exchange rate change on cash and cash equivalents	(188)	516
Net increase (decrease) in cash and cash equivalents	5,162	2,942
Cash and cash equivalents at beginning of period	7,189	12,352
Cash and cash equivalents at end of period	12,352	15,295