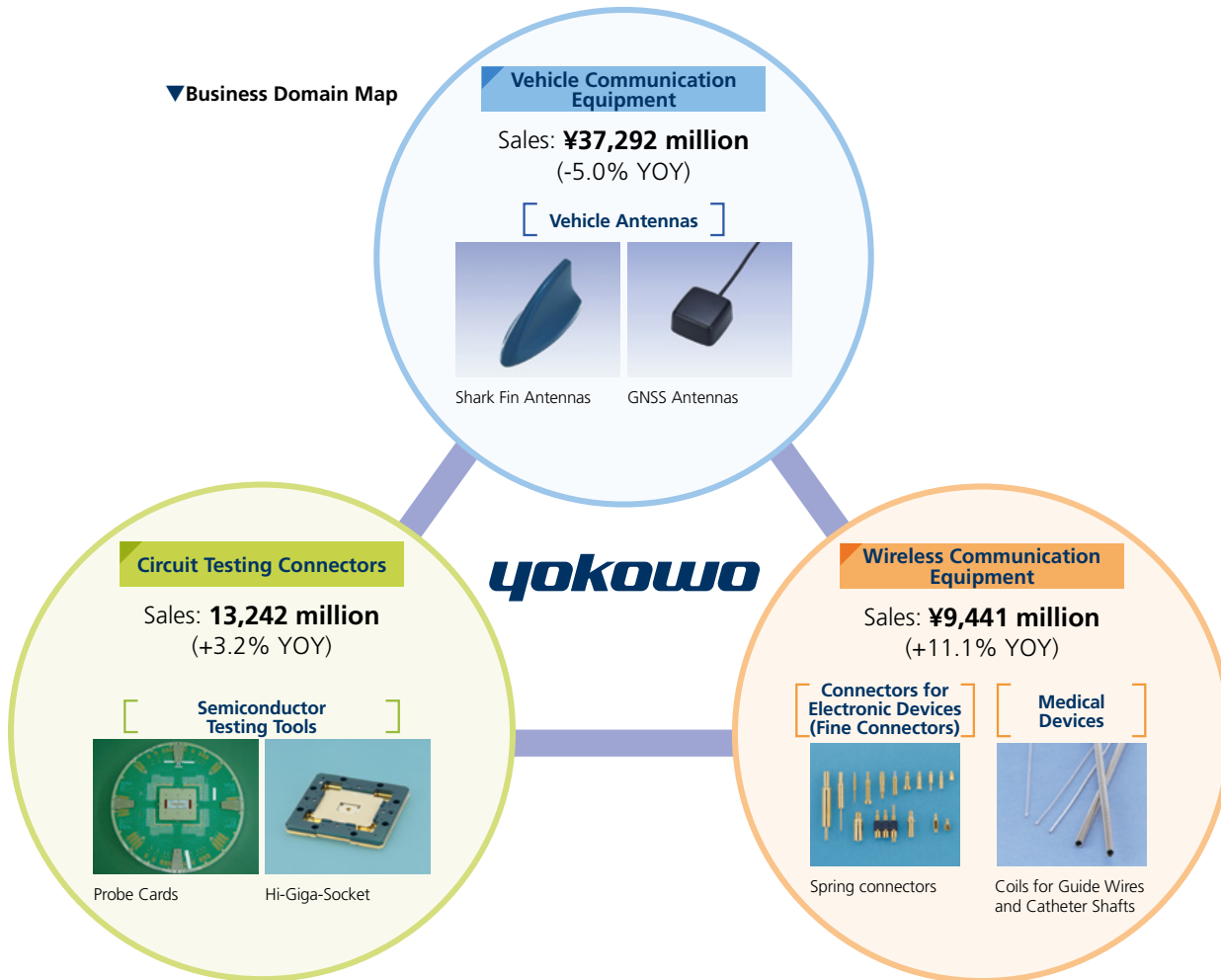


# Yokowo's Business Domain

The Yokowo Group has implemented and refined a number of technologies such as antenna and microwave technologies, while further deepening the technologies in micro precision processing. The Company's business domain has continually expanded from antennas, connectors and advanced devices, branching out today into three segments: Vehicle Communication Equipment, Circuit Testing Connector, and Wireless Communication Equipment.



**Vehicle Communication Equipment**

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.

**Circuit Testing Connector**

Yokowo manufactures probe cards for front-end testing and sockets for back-end 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.

**Wireless Communication Equipment**

**Fine Connector Business**

Yokowo is globally developing and providing minute spring connectors that meet the needs for miniaturization and space saving in various electronic devices, mainly for the mobile communications terminal market.

**Medical Device Business**

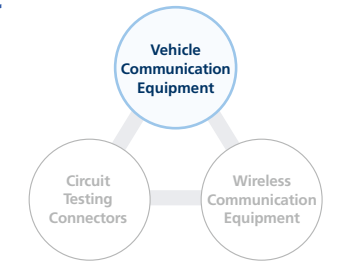
Yokowo provides a complete service from the design to the development and manufacturing of OEM guide wires, catheters and other micro precision parts and assembly products, mainly for the minimally invasive medical equipment market.

## Vehicle Communication Equipment Segment

### Vehicle Communication Equipment - Consolidated Sales

(million yen)

FY2016	FY2017	FY2018	FY2019	FY2020
32,029	36,256	38,183	39,264	<b>37,292</b>



### Segment Overview

In this segment, Yokowo manufactures vehicle antennas, including Shark Fin and GPS antennas for all areas from low to high frequency, mainly in China and Vietnam 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 60% 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.

profit and loss, we not only recorded a loss in the first quarter but also had a surge in ocean freight charges and an increase in logistics costs attributable to the increased use of air shipments due to parts procurement difficulties and production delays, as well as a temporary decrease in inventory valuation in the second half of the fiscal year. Despite this, from the second quarter onward, factors such as an increase in the proportion of product sales with relatively high profit margins, a decrease in manufacturing costs resulting from cost management initiatives, and higher yields from manufacturing processes led to a significant improvement in profit. As a result, we recorded a profit of 433 million yen (compared to a profit of 30 million yen in the previous fiscal year).

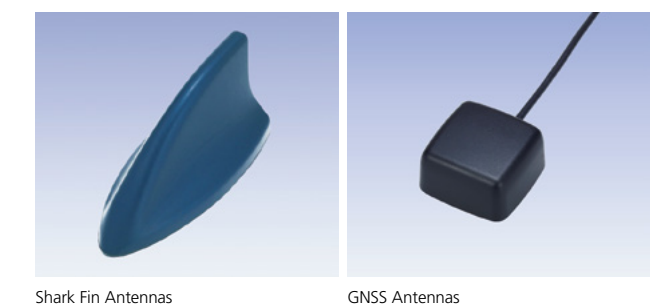
### Segment Review (Fiscal 2020)

In the automotive market, this segment's main market, automobile manufacturers were forced to reduce production in the first quarter due to the spread of the COVID-19 pandemic. In the second quarter onward, although the scale of this reduction shrank as demand began to recover, the overall automotive industry was impacted by global semiconductor and resin material shortages, so both production and sales declined year on year. By region, new vehicle sales in the Chinese market improved greatly from the previous fiscal year. However, in the United States, ASEAN, and Japanese markets, there was a year on year decrease due to a fall in demand and the shrinking and suspension of production in the first half of the fiscal year. Under these circumstances, from the second quarter onward, sales of antennas for automobile manufacturers in Japan and overseas, such as Yokowo's mainstay Shark Fin and GPS antennas, and sales of products mainly for the domestic market, such as the ETC antenna, surpassed levels for the same period of the previous fiscal year due to the recovery of production by automobile manufacturers. However, this was not enough to offset the decline in sales during the first quarter and overall sales decreased year on year. As a result, net sales in this segment decreased from the previous fiscal year to 37,292 million yen (down 5.0% on previous year). In regard to segment

### Segment Policy

Looking ahead, Yokowo will continue to promote further business expansion and a more layered business model by gaining a full market presence in mobility service fields, such as MaaS. The Company will do so while working on the development of more advanced strategic products with higher levels of added value in new fields such as ADAS, automated driving, and connected cars.

In addition to investment to increase capacity at its production bases, Yokowo will forge ahead rebuilding its profit structure by moving more production from its Chinese plant to its plant in Vietnam. The Company will also overhaul its profit profile by establishing a plant in the Philippines as a third production base (due to begin operations in April 2022), and by making the most of strategic alliances while seeking steady expansion of its automatic assembly lines and automatic testing systems brought in this fiscal year.

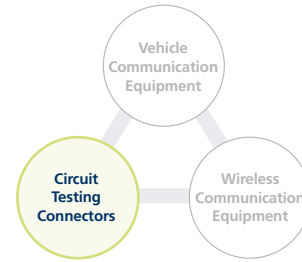


## Circuit Testing Connectors Segment

### ▼Circuit Testing Connectors - Consolidated Sales

(million yen)

FY2016	FY2017	FY2018	FY2019	FY2020
6,883	9,503	9,138	12,832	<b>13,242</b>



### Segment Overview

In this 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, which both use contact probes. Yokowo has production bases in Japan and Malaysia 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. As of March 2021, monthly production capacity for contact probes was approximately 5.8 million units.

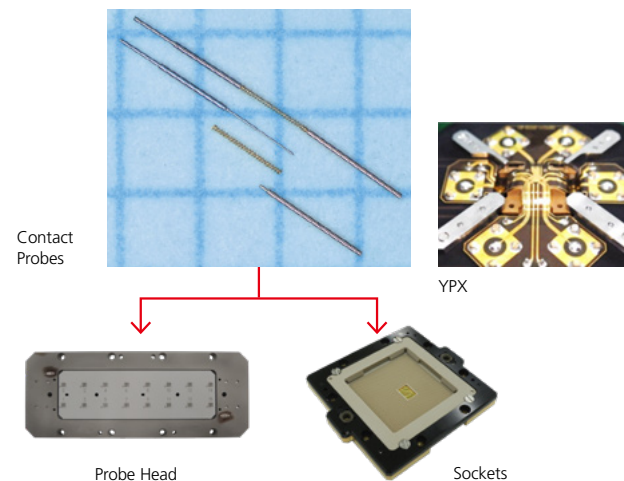
### Segment Review (Fiscal 2020)

In the semiconductor testing market, this segment's main market, the COVID-19 pandemic drove an increase in demand for personal computers due to an increase in people working remotely and an increase in demand for servers accompanying a sudden rise in internet use as people refrained or were restricted from going out. Also, although there was a temporary decline in demand related to 5G as investment stalled, this recovered from the second half of the fiscal year onward. Under these circumstances, sales of the Group's mainstay semiconductor back-end testing tools remained level with the previous fiscal year. This was mainly due to sales from major customers declining across the board from the second quarter onward as a result of the COVID-19 pandemic and trade friction between the United States and China, despite an increase in orders in the first quarter. Sales of semiconductor front-end testing tools rose significantly compared to the previous year as overall sales grew against the backdrop of a global increase in sales of 5G smartphones in the turnkey business, which provides a one-stop service solution to include peripheral equipment. As a result, net

sales in this segment grew year on year to 13,242 million yen (up 3.2% on previous year). In terms of profit and loss for the segment, profit decreased to 2,682 million yen (down 14.4% on previous year), due to factors such as an increase in fixed expenses accompanying the enhancement of production systems in anticipation of recovery and increase in orders, as well as an increase in fixed expenses for back-office departments following increased sales.

### Segment Policy

Going forward, Yokowo's policy is to steadily capture the increase in demand for semiconductor testing in fields such as 5G, IoT, in-vehicle, and AI. To this end, Yokowo will strongly promote the strengthening of full-scale systems to; develop and launch strategic products that target the market for high-frequency and high speed signal testing related to 5G communications, invest in capacity increases at domestic and Malaysian plants, invest in improved efficiency and streamlining such as by building automatic assembly lines and introducing automatic testing systems, and expand its turnkey business in the area of semiconductor front-end testing. Yokowo will also strive to build a more profitable business structure and maintain stable business operations.

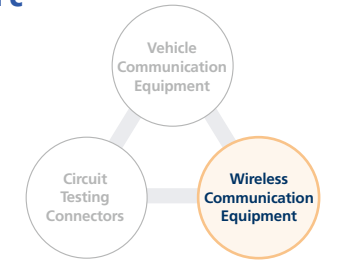


## Wireless Communication Equipment Segment

### ▼Wireless Communication Equipment - Consolidated Sales

(million yen)

FY2016	FY2017	FY2018	FY2019	FY2020
5,164	6,158	7,429	8,498	<b>9,441</b>



### Segment Overview

This segment consists of two businesses; Fine Connectors and Medical Devices.

In the Fine Connector business, Yokowo manufactures spring connectors 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 Medical Device 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 2020)

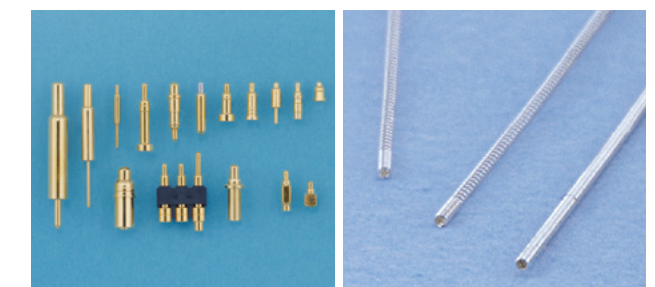
Although sales of smartphones have been declining in the mobile communications terminal market, this segment's main market, future growth is expected on the back of more diversification and functionality with wearable devices. Moreover, the point of sales (POS) market continues to grow steadily from the perspective of improved operational efficiency through information management in a wide range of industries, including logistics and manufacturing. Growth is also expected in other markets such as industrial equipment. Under these circumstances, with fine spring connectors as the business' core product in the Fine Connector business, net sales increased year on year as sales of POS terminals remained strong and orders increased for other products, such as mobile terminals for use in educational facilities. In the Medical Device business, which is also included in this segment, sales remained roughly level with the previous year. The impact of the COVID-19 pandemic led to a decrease in orders for parts, but sales of new products sold as complete units were strong. As a result, net sales in this segment increased from the previous fiscal year to 9,441 million yen (up 11.1% on previous year). In terms of profit and loss,

profit increased to 2,062 million yen (up 17.5% on previous year) due to factors such as increased revenue from the Fine Connector business.

### Segment Policy

In the Fine Connector business, Yokowo plans to continue working to expand its business and carry on with the multi-layer structuring of its products, markets, and customers. The Company will do this by accelerating the introduction of custom-type connectors such as high-performance, high-speed, large-capacity connectors that meet the product needs of a differentiated market, and by expanding its standard product lineup to capture new demand.

In the Medical Device 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. The Company will also promote a multi-layered structure to the supply chain in anticipation of business expansion in the cutting-edge medical field which is seeing worldwide expansion particularly in the United States.



Spring Connectors

Coils for guide wires