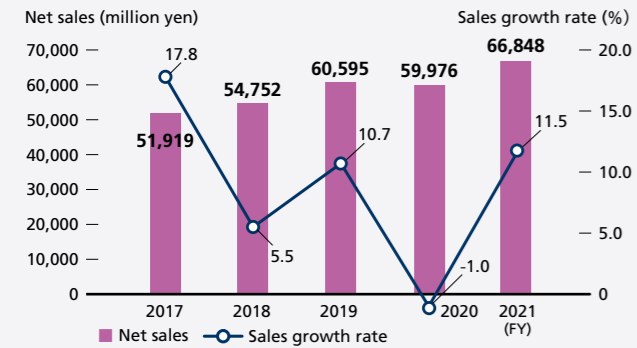
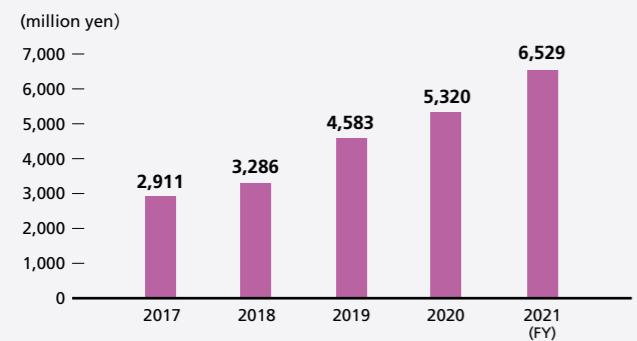


Financial Highlight

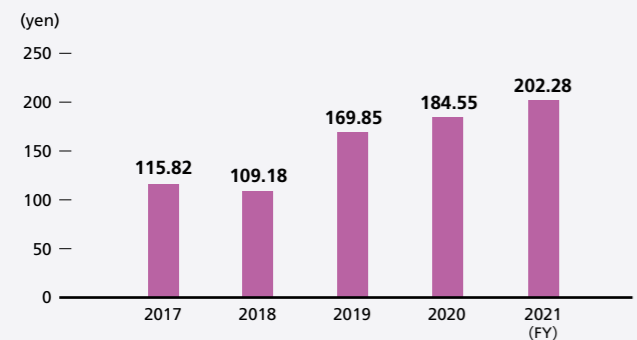
▼ Net sales



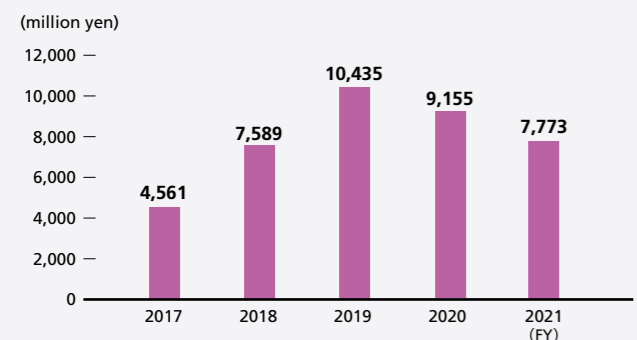
▼ Ordinary income (full year)



▼ Basic earnings per share

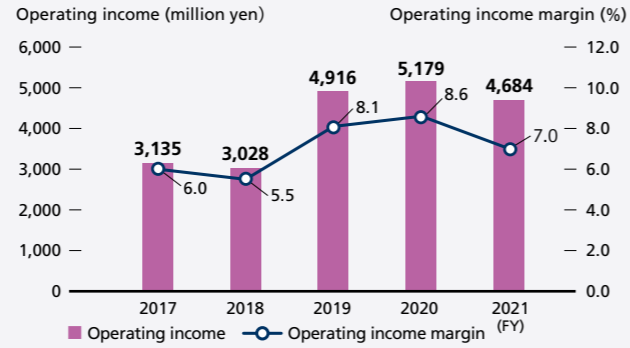


▼ Interest bearing debt*

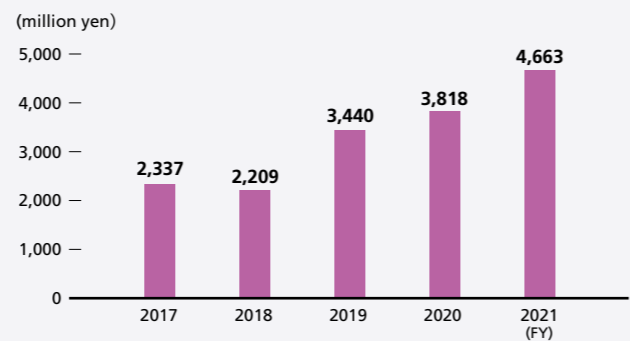


* Borrowing + lease liabilities

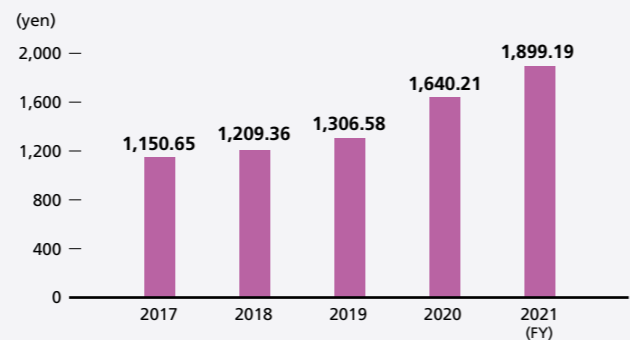
▼ Operating income



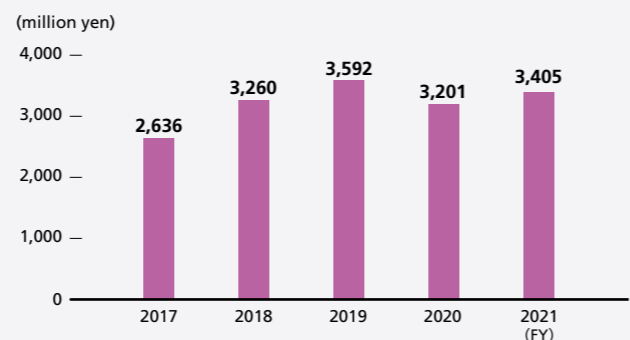
▼ Profit attributable to owners of parent



▼ Net assets per share

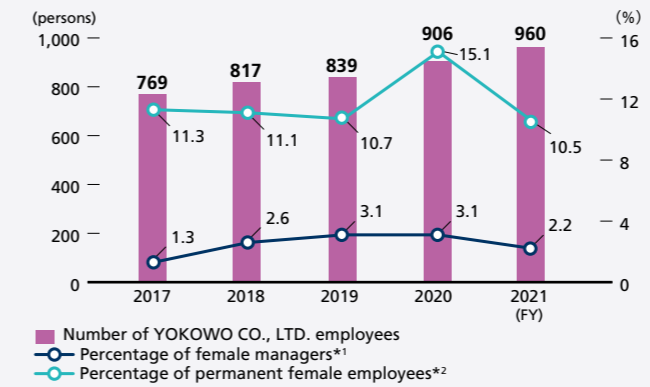


▼ Research and development expenses



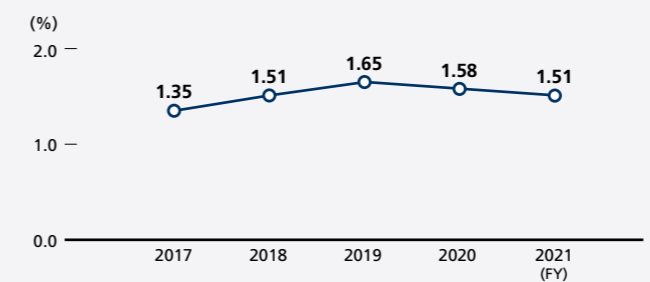
Non-financial Highlight

▼ Percentage of female employees*

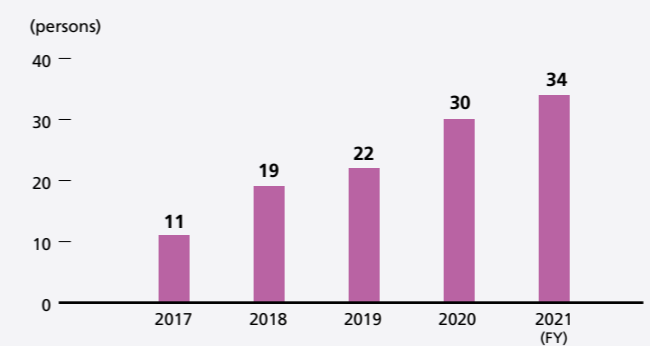


*1 Female managers at end of fiscal year ÷ executive and management positions at end of fiscal year (includes assistant managers, excludes specialists)
*2 Number of female employees at end of fiscal year ÷ number of full-time permanent employees at end of fiscal year

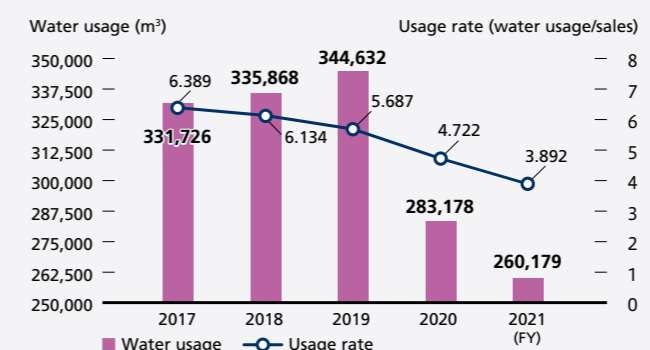
▼ Employment rate of people with disabilities*



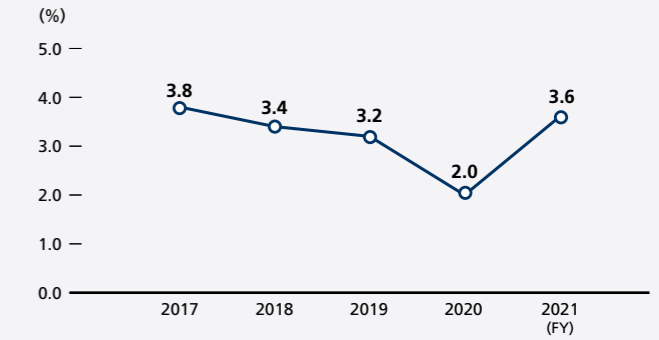
▼ Number of older employees re-employed*



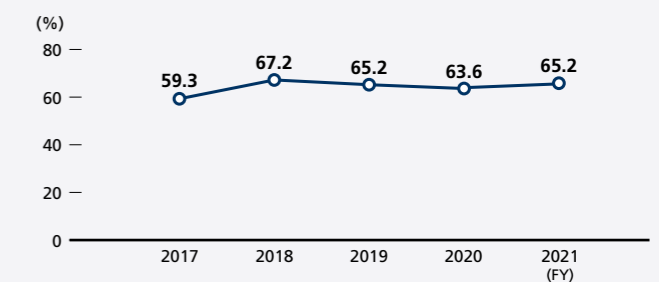
▼ Water usage and usage rates



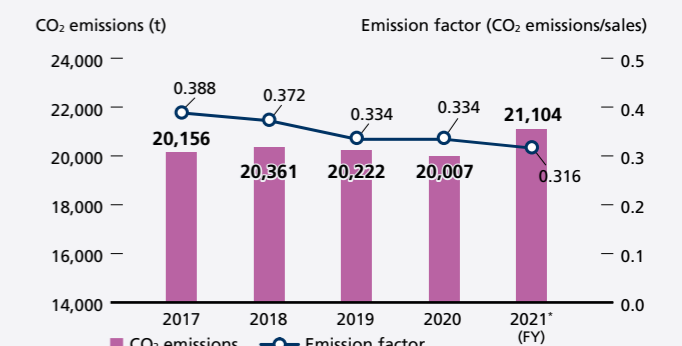
▼ Employee turnover rate*



▼ Uptake of paid leave*

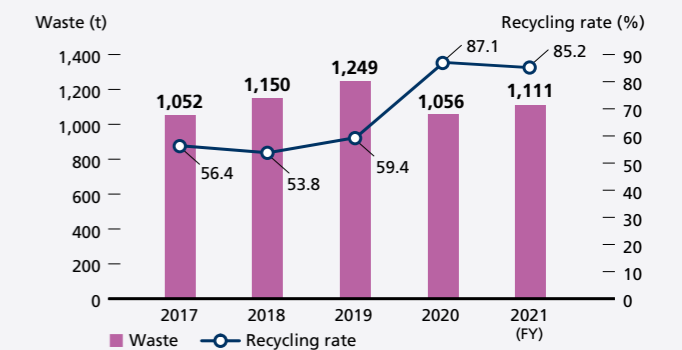


▼ CO2 emissions and emission factor



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

▼ Quantity of waste and recycling rate



★: YOKOWO CO., LTD.

Financial Information

Analysis of Operating Results and Financial Position in Fiscal 2021

Business Environment and Operating Results

During the consolidated fiscal year under review (April 1, 2021 to March 31, 2022), the global economy continued to be impacted by the spread of the global COVID-19 pandemic as with the previous year, but restrictions on economic activities were relaxed along with the advancements in vaccination. In Japan also, there was a sluggish recovery in personal consumption, but we saw signs of a pickup together with improvements in the global economy.

The Group's main markets — automotive, semiconductor testing, mobile communication terminals, and advanced medical equipment markets — have become more competitive in product and technology development with the widespread adoption of advanced applications including 5G that will likely dramatically change industry structure and business.

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 and full-scale growth.

In the Vehicle Communication Equipment segment, in the midst of constrained supply chains due to global shortages in semiconductors and materials coupled with disrupted logistics, the Group has worked to significantly strengthen systems in order to fulfill our responsibility to supply customers with products.

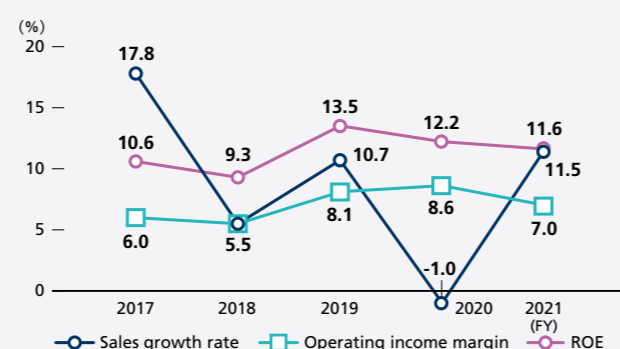
In the Circuit Testing Connector segment as well, the Group strengthened technology and manufacturing systems in order to grasp business growth opportunities arising from 5G and boosted capacity by expanding new production lines in Japan and Malaysia to respond to a sudden increase in orders. As well as strengthening the production backup system through a review of the ratio of production in Japan and Malaysia was conducted.

As a result, net sales in the consolidated fiscal year under review increased year on year due to a decrease in year-on-year sales of the Personal Communication Equipment segment, which were more than offset by increased year-on-year sales in both the Vehicle Communication Equipment and Circuit Testing Connector segments.

Operating profit was decreased year on year largely because the Personal Communication Equipment segment posted lower profit due to cost increases and changes in the business structure, and the Vehicle Communication Equipment segment showed a loss due to higher physical distribution cost, and cost increases associated with rising raw materials prices and a weaker yen, despite substantial year-on-year profit growth in the Circuit Testing Connector segment as a result of increased sales.

Ordinary profit was increased reflecting an exchange gain attributable to the weakening of the yen. Whilst operating profit fell year on year as explained above, net sales, ordinary profit and profit attributable to owners of parent all reached record highs.

▼ Minimum 8



Financial Position

(Assets)

Current assets stood at ¥44,540 million at the end of the consolidated fiscal year under review (a gain of ¥6,123 million in the end of the previous fiscal year). This was due primarily to increases of ¥2,031 million in notes and accounts receivable-trade, and ¥5,368 million in inventories. The increase in notes and accounts receivable-trade is mainly attributable to a surge of orders resulting in higher sales in the Circuit Testing Connector segment. Meanwhile, the sharp rise in inventories reflects an increase in inventories in transit caused by extension of ocean freight and air freight lead times on a global scale and hikes in production and inventory levels to maintain supply in view of longer lead times in the Vehicle Communication Equipment segment.

Non-current assets stood at ¥22,330 million at the end of the fiscal year under review (a gain of ¥3,878 million in the end of the previous fiscal year), due to an increase in property plant and equipment of ¥2,635 million and an increase in investments and other assets of ¥1,083 million. This was mainly due to vigorous investment in mass production and development in each business segment.

As a result, total assets stood at ¥66,870 million at the end of the consolidated fiscal year under review (a gain of ¥10,001 million in the end of the previous fiscal year).

(Liabilities)

Current liabilities stood at ¥20,184 million at the end of the consolidated fiscal year under review (a gain of ¥303 million from the end of the previous fiscal year) largely due to increases of ¥1,499 million in notes and accounts payable-trade, and ¥751 million in income taxes payable, which offset outflows such as a decrease of ¥3,400 million in the current portion of long-term borrowings.

The rise in notes and accounts payable-trade is chiefly attributable to increased purchases of parts and materials on expectation of significant expansion in production next fiscal year in both the Vehicle Communication Equipment and Circuit Testing Connector segments.

Non-current assets stood at ¥2,357 million at the end of the fiscal year under review (a gain of ¥1,572 million from the end of the previous fiscal year) due to an increase of ¥1,600 million in long-term loans payable.

As a result, total liabilities stood at ¥22,541 million at the end of the consolidated fiscal year under review (a gain of ¥1,875 million in the end of the previous fiscal year).

(Net Assets)

Net assets amounted to ¥44,328 million at the end of the consolidated fiscal year under review (a gain of ¥8,125 million from the end of the previous fiscal year). This primarily reflects increases of ¥1,431 million in capital stock and ¥1,431 million in capital surplus, the recording of profit attributable to owners of parent of ¥4,663 million, an increase of ¥1,789 million in foreign currency translation adjustment, a gain from depreciation of yen against US dollar and other currencies at the end of the consolidated fiscal year under review, and dividends of surplus of ¥860 million.

Cash Flows

(1) Cash and Cash Equivalents

Cash and cash equivalents came to ¥13,816 million at the end of the consolidated fiscal year under review, down ¥1,478 million year on year.

(2) Cash Flows from Operating Activities

Net cash provided by operating activities was ¥3,677 million (a decrease in net cash provided of ¥1,461 million year on year), attributable to inflows such as profit before income taxes of ¥6,459 million and depreciation of ¥3,302 million, which offset outflows such as an increase in inventories of ¥4,190 million, reflecting increased inventories in transit and hikes in production and inventory levels to maintain supply in the Vehicle Communication Equipment segment.

(3) Cash Flows from Investing Activities

Net cash used in investing activities was ¥5,967 million (an increase in net cash used of ¥1,348 million year on year), primarily due to outflows such as purchase of property, plant and equipment of ¥4,739 million, mainly attributable to the construction of a plant in the Philippines, and purchase of intangible assets of ¥530 million.

(4) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥171 million (a decrease in net cash provided of ¥1,734 million year on year), chiefly owing to inflows such as proceeds from the issuance of shares of ¥2,853 million and proceeds from long-term loans payable of ¥1,600 million, versus outflows such as decrease in long-term loans payable of ¥3,400 million and payments of dividends of surplus of ¥858 million.

(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.

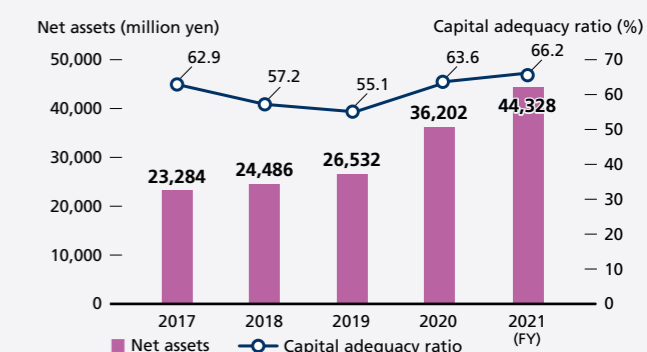
In addition, capital investment funds are expended on establishing and strengthening production systems, such as the acquisition of production equipment, and the maintenance of information systems. The Company's basic policy is to provide for the necessary funding through internal funds generated by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

In the consolidated fiscal year under review, the Group actively invested in expanding mass production facilities including research and development as well as product development, such as constructing a production plant at the Philippines subsidiary, 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 consolidated fiscal year ending March 31, 2023, the Group plans to construct plants within Japan and in Vietnam for the Circuit Testing Connector segment as well as further boost production capacity at the production subsidiary in Malaysia. To fund this capital investment, in addition to operating cash flow, the Group has refinanced long-term borrowing, 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 plans, the company issued 3 million new shares thus raising approximately ¥7.6 billion from the issuance of share acquisition rights through a third-party allotment that they resolved the issuance of in November 2020, and the exercise of these rights. However, funds have been allocated to product and parts inventories that have ballooned due to the supply chain disruptions and longer lead times for ocean freight in the Vehicle Communication Equipment segment. As a result, the Group's cash and cash equivalents stood at ¥13,816 million (a loss of ¥1,478 million in the end of the previous fiscal year).

▼ Net Assets / Capital Adequacy Ratio



Capital Investment

In the consolidated 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 consolidated fiscal year under review was ¥5,092 million, 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 ¥2,857 million. This included expansion of the Vietnamese plant to strengthen production capacity aimed at increasing work volume, strengthening of development functions at the China plant, and construction of the production plant in the Philippines.

(2) Circuit Testing Connector segment

The Group implemented total capital investment of ¥1,086 million. 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.

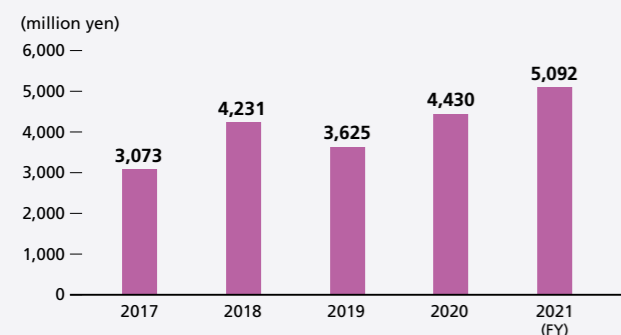
(3) Personal Communication Equipment segment

The Group implemented total capital investment of ¥659 million. The Group conducted updates and expansion at both the Chinese and Malaysian plants, including mass production facilities in the Fine Connector business. In the Medical Device business, the group also expanded mass production and other facilities at production bases in Japan.

(2. Intangible assets)

The Group implemented total capital investment of ¥489 million. This included improving and updating facilities 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 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. 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.

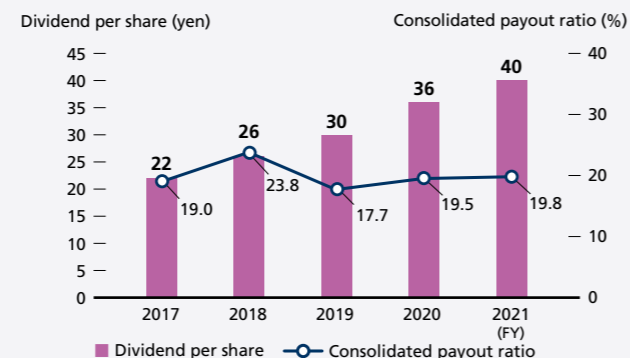
In business performance for the fiscal year under review, net sales, ordinary profit and profit attributable to owners of parent all reached record highs reflecting substantial year-on-year profit growth in the Circuit Testing Connector segment and foreign exchange gains by the weakening of the yen, although there was a loss in the Vehicle Communication Equipment segment impacted by the spread of COVID-19 pandemic.

In Yokowo's "Minimum 8" medium-term management targets (ensure at least 8% growth in sales growth rate, operating profit margin, and return on equity (ROE)), the company has achieved a sales growth rate of 11.5% and a ROE of 11.6%, both above the 8% level.

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 22 yen per share to the 84th General Meeting of Shareholders, and it was approved. With an interim dividend of 18 yen per share for the fiscal year under review already paid, the Company's annual dividend is 40 yen per share (consolidated payout ratio of 19.8%).

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

▼ Dividend per share



CONSOLIDATED BALANCE SHEETS

(millions of yen)

	Fiscal 2020 (As of March 31, 2021)	Fiscal 2021 (As of March 31, 2022)
ASSETS		
Current assets		
Cash and deposits	15,463	13,816
Notes and accounts receivable-trade	11,026	13,057
Merchandise and finished goods	6,062	8,900
Inventories	441	742
Raw materials and supplies	3,808	6,037
Other	1,618	1,992
Allowance for doubtful accounts	(3)	(8)
Total current assets	38,417	44,540
Non-current assets		
Net property, plant and equipment		
Buildings and structures	7,546	8,085
Accumulated depreciation	(4,009)	(4,341)
Buildings and structures, net	3,537	3,744
Machinery, equipment and vehicles	13,073	14,626
Accumulated depreciation	(8,210)	(9,651)
Machinery, equipment and vehicles, net	4,862	4,975
Tools, furniture and fixtures	9,728	11,331
Accumulated depreciation	(7,236)	(8,479)
Tools, furniture and fixtures, net	2,491	2,852
Land	761	761
Leased assets	2,440	2,552
Accumulated depreciation	(1,140)	(1,310)
Leased assets, net	1,300	1,241
Construction in progress	956	2,970
Total property, plant and equipment	13,909	16,544
Intangible assets		
Leased assets	14	5
Other	988	1,156
Total intangible assets	1,003	1,162
Investments and other assets		
Investment securities	1,730	1,587
Retirement benefit asset	726	680
Deferred tax assets	344	678
Other	738	1,676
Total investments and other assets	3,539	4,623
Total non-current assets	18,451	22,330
Total assets	56,868	66,870

	(millions of yen)	
	Fiscal 2020 (As of March 31, 2021)	Fiscal 2021 (As of March 31, 2022)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6,491	7,991
Short-term loans payable	5,024	5,570
Current portion of long-term loans payable	3,400	-
Lease obligations	310	343
Income taxes payable	725	1,476
Provision for bonuses	673	871
Other	3,255	3,930
Total current liabilities	19,880	20,184
Non-current liabilities		
Long-term loans payable	-	1,600
Lease obligations	420	259
Deferred tax liabilities	154	123
Net defined benefit liability	202	368
Long-term accounts payable	8	6
Total non-current liabilities	785	2,357
Total liabilities	20,666	22,541
NET ASSETS		
Shareholders' equity		
Capital stock	6,387	7,819
Capital surplus	6,373	7,804
Retained earnings	22,199	25,950
Treasury stock	(633)	(634)
Total shareholders' equity	34,326	40,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	430
Foreign currency translation adjustment	845	2,635
Remeasurements of defined benefit plans	437	267
Total valuation and translation adjustments	1,825	3,332
Subscription rights to shares	8	-
Non-controlling interest	41	56
Total net assets	36,202	44,328
Total liabilities and net assets	56,868	66,870

CONSOLIDATED STATEMENTS OF INCOME

	(millions of yen)	
	Fiscal 2020 (From April 1, 2020 to March 31, 2021)	Fiscal 2021 (From April 1, 2021 to March 31, 2022)
Net sales	59,976	66,848
Cost of sales	47,080	53,638
Gross profit	12,895	13,209
Selling, general and administrative expenses	7,715	8,525
Operating income	5,179	4,684
Non-operating income		
Interest income	16	24
Dividend income	41	44
Capital return using equity method	-	42
Foreign exchange gains (losses)	192	1,763
Other	65	73
Total non-operating income	316	1,948
Non-operating expenses		
Interest expenses	70	51
Share of loss of entities accounted for using equity method	24	-
Commission expenses	13	16
Share acquisition rights issuance costs	26	18
Compensation expenses	30	-
Other	9	16
Total non-operating expenses	175	103
Ordinary income	5,320	6,529
Extraordinary income		
Gain on sales of non-current assets	5	2
Gain on sales of investment securities	28	2
Total extraordinary income	34	4
Extraordinary losses		
Loss on retirement of non-current assets	73	73
Loss on sales of non-current assets	0	1
Loss on sales of investment securities	-	0
Loss on valuation of investment securities	139	-
Total extraordinary losses	213	74
Profit before income taxes	5,140	6,459
Income taxes - current	1,236	2,027
Income taxes - deferred	70	(240)
Total income taxes	1,306	1,786
Profit	3,834	4,673
Profit (loss) attributable to non-controlling interests	15	9
Profit (loss) attributable to owners of parent	3,818	4,663

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions of yen)

	Fiscal 2020 (From April 1, 2020 to March 31, 2021)	Fiscal 2021 (From April 1, 2021 to March 31, 2022)
Profit	3,834	4,673
Other comprehensive income		
Valuation difference on available-for-sale securities	459	(112)
Foreign currency translation adjustment	910	1,795
Remeasurements of defined benefit plans	312	(170)
Total other comprehensive income	1,682	1,512
Comprehensive income	5,516	6,185
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,499	6,170
Comprehensive income attributable to non-controlling interests	17	14

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

(millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Share acquisition rights	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	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

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

(millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Share acquisition rights	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	6,387	6,373	22,199	(633)	34,326	543	845	437	1,825	8	41	36,202
Cumulative effect of change in accounting policy			(51)		(51)							(51)
Balance at beginning of period, reflecting change in accounting policy	6,387	6,373	22,147	(633)	34,274	543	845	437	1,825	8	41	36,150
Changes during period												
Dividends of surplus			(860)		(860)							(860)
Issuance of new shares (exercise of share acquisition rights)	1,431	1,431			2,862							2,862
Profit (loss) attributable to owners of parent			4,663		4,663							4,663
Purchase of treasury shares				(1)	(1)							(1)
Disposal of treasury shares												
Net changes of items other than shareholders' equity						(112)	1,789	(170)	1,507	(8)	14	1,513
Total changes of items during period	1,431	1,431	3,802	(1)	6,664	(112)	1,789	(170)	1,507	(8)	14	8,177
Balance at end of period	7,819	7,804	25,950	(634)	40,939	430	2,635	267	3,332		56	44,328

CONSOLIDATED STATEMENT OF CASH FLOWS

(millions of yen)

	Fiscal 2020 (From April 1, 2020 to March 31, 2021)	Fiscal 2021 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	5,140	6,459
Depreciation	2,987	3,302
Increase (decrease) in allowance for doubtful accounts	(0)	4
Increase (decrease) in provision for bonuses	64	181
Increase (decrease) in net defined benefit asset and liability	(176)	(33)
Interest income and dividend income	(58)	(69)
Interest expenses	70	51
Foreign exchange losses (gains)	(328)	(320)
Share of loss (profit) of entities accounted for using equity method	24	(42)
Loss (gain) on sales of non-current assets	(5)	(0)
Loss on retirement of non-current assets	73	73
Loss (gain) on sales of investment securities	(28)	(2)
Loss (gain) on valuation of investment securities	139	–
Decrease (increase) in trade receivables	300	(612)
Decrease (increase) in inventories	(1,263)	(4,190)
Increase (decrease) in trade payables	(471)	(100)
Other	39	338
Subtotal	6,509	5,039
Interest and dividends received	58	69
Interest paid	(71)	(52)
Income taxes paid	(1,357)	(1,378)
Net cash provided by (used in) operating activities	5,139	3,677
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,958)	(4,739)
Proceeds from sales of property, plant and equipment	7	19
Purchase of intangible assets	(410)	(530)
Purchase of investment securities	(38)	(20)
Proceeds from sales of investment securities	46	2
Payments into time deposits	(156)	–
Proceeds from withdrawal of time deposits	–	175
Purchase of shares of subsidiaries and associates	–	(287)
Payment for outgoings for capital investments	–	(500)
Long-term loan advances	(60)	–
Other	(48)	(86)
Net cash provided by (used in) investing activities	(4,619)	(5,967)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(1,504)	300
Proceeds from long-term loans payable	–	1,600
Repayments of long-term loans payable	–	(3,400)
Proceeds from issuance of shares	4,770	2,853
Repayments of lease obligations	(747)	(322)
Dividends paid	(647)	(858)
Proceeds from exercise of employee share options	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	1,905	171
Effect of exchange rate change on cash and cash equivalents	516	640
Net increase (decrease) in cash and cash equivalents	2,942	(1,478)
Cash and cash equivalents at beginning of period	12,352	15,295
Cash and cash equivalents at end of period	15,295	13,816