

CSR Foundation

In recognition of its social responsibilities and constant aim to enhance corporate value, the Yokowo Group has established a CSR promotion system so that it can meet the expectations of all its stakeholders and carry out reliable corporate activities, as well as expand its business activities as a trusted company.

Approaches to CSR

The Yokowo Group will aspire to increase corporate value, and to both fulfill our responsibilities towards employees and our shareholders, and contribute to the development of a sustainable society.

To achieve these goals, we have put forth its Policy on Corporate Social Responsibility and its CSR Code of Conduct, which together define the “Orientation of Activities” and “Guiding Principles.”

Details of CSR Activities

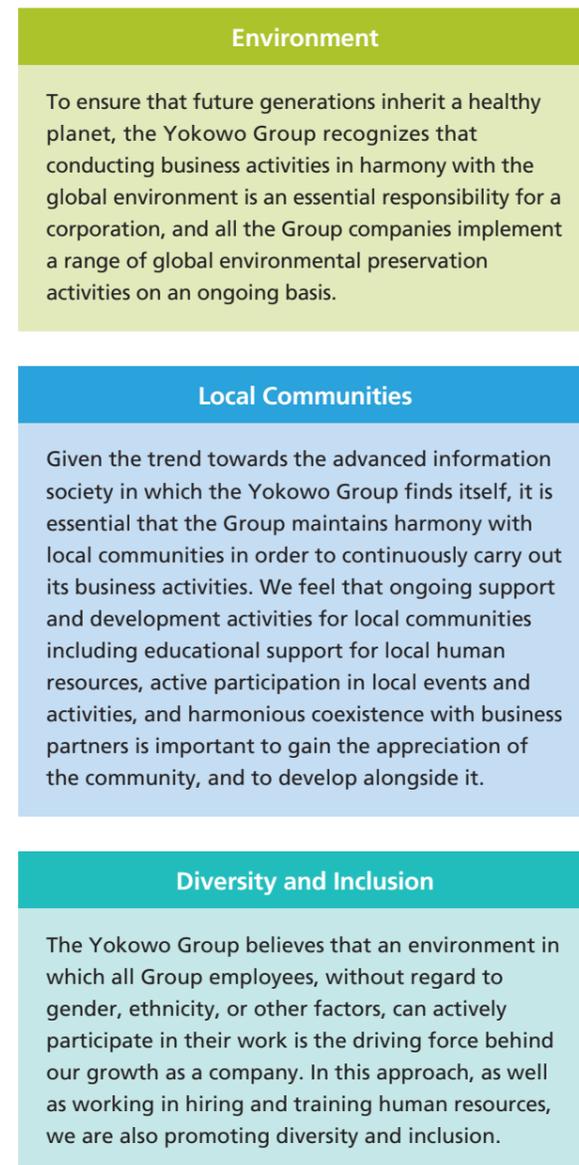
The Yokowo Group has its origin in the manufacture of micro precision components, and we are currently developing a variety of products that utilize our micro precision processing and wireless communication technologies. As such, we are developing business activities centered around the manufacturing industry, positioning energy consumption and CO₂ emissions as issues of utmost concern, and are thus promoting our global environmental preservation activities. We have also been actively involved in activities that contribute to local communities, including supporting the development of local human resources and the development of local industries.

At the Yokowo Group, as well as clarifying the ideas that will serve as the foundation for the further promotion of our CSR activities, we have carried out a materiality analysis with the concept of “Yokowo in 10 Years” in mind, and identified three priority issues. We feel that actively working to solve these problems will lead to the making our corporate mission of “contributing to a sustainable society” to realize.

Looking forward, we hope that our stakeholders will continue to consider that “Yokowo is a good company.” To this end, the Yokowo Group will strengthen our initiatives in non-financial fields, aiming to constantly increase our corporate value, and striving to contribute to the development of a sustainable society.

Three Priority Issues

Themes extracted and analyzed using our materiality identification process (→ P.20) are broadly categorized into what are considered the three priority issues of “environment,” “local communities,” and “diversity and inclusion.”



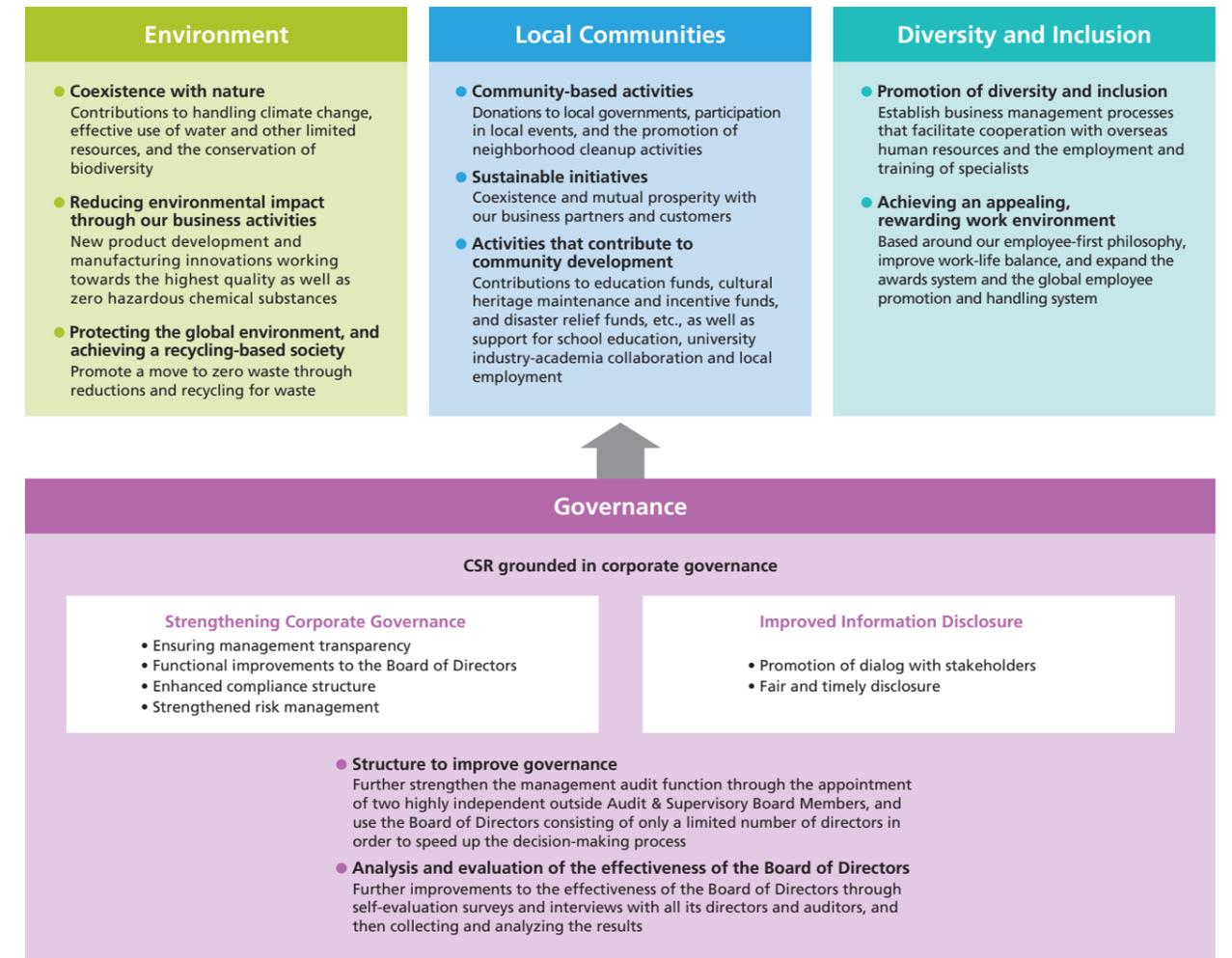
Basic Policy on Corporate Social Responsibility (CSR)

In order to further clarify the orientation of its CSR activities, the Yokowo Group has formulated basic policies for each of the three priority issues. Additionally, we have positioned governance as a “fundamental part of CSR,” and plan to

expand the content of our activities by incorporating this into our CSR framework.

Additionally, the Yokowo Group will position these approaches to CSR together with the three priority issues as basic policies, and contribute to the development of a sustainable society by engaging in activities having an impact on the economy, environment, and society in a transparent manner and with a high sense of ethics.

▼ Basic policies for three priority issues, and expanded policies for governance



Corporate Governance

The Yokowo Group aims to achieve its management goals by ensuring management efficiency, transparency and compliance through the continuous strengthening of its corporate governance, positioned as one of the Group's important management challenges.

Basic Principles Concerning Corporate Governance

Recognizing that Yokowo exists today through the support of its various stakeholders, the Group positions strengthening corporate governance as one of its important management challenges. As well as building smooth relations with its stakeholders, the Group aims to maximize corporate value through further enhancing its corporate governance.

Corporate Governance System

Yokowo is a company with auditors and has a system of corporate governance consisting of; a Board of Directors responsible for management strategy and supervisory functions, an Executive Officer system that fulfills business execution, and an Audit & Supervisory Board that performs management audit functions.

Board of Directors

To speed up the decision-making process, the Board of Directors consists of only a limited number of directors (3 internal and 2 outside directors). The Company has appointed two highly independent outside directors to further strengthen the management supervisory function.

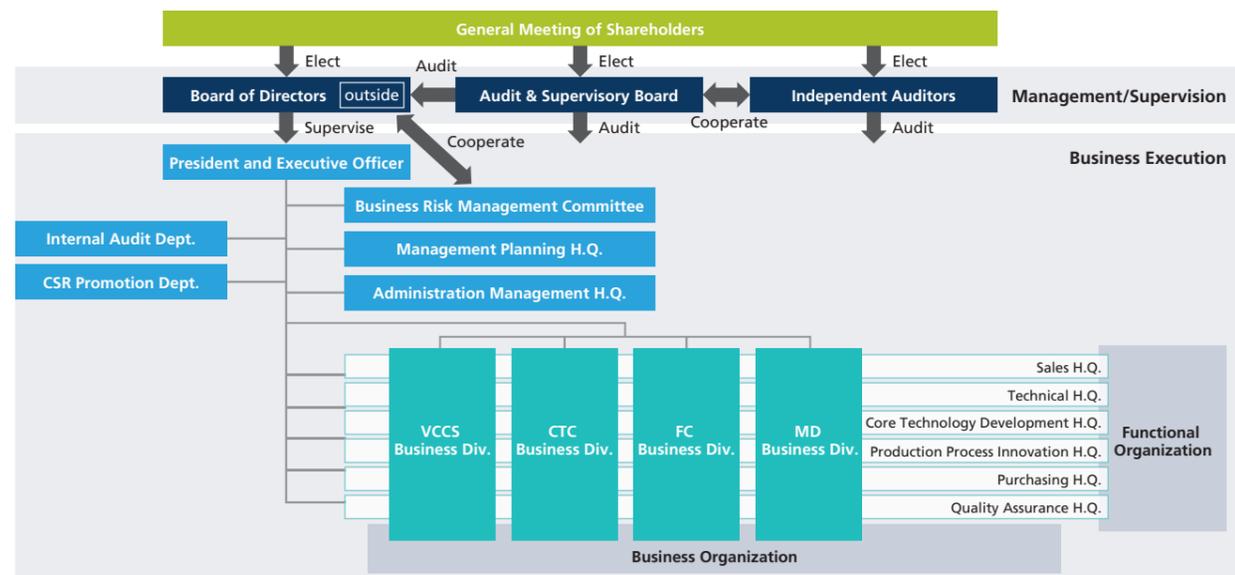
Audit & Supervisory Board

In addition to one full-time internal Audit & Supervisory Board Member with sufficient knowledge in finance and accounting, the Company has appointed two highly independent outside Audit & Supervisory Board Members to further strengthen the management audit function.

Executive Officers

By adopting the Executive Officer system, the strategic decision-making and operational supervisory functions are clearly separate from the executive function, creating a system for prompt and appropriate execution of operations. In addition to three internal directors, the Company has appointed nine executive officers in the positions of Chief Officer, General Manager, and General Manager at Tomioka plant, etc.

▼ Corporate Governance Structure (As of October 1, 2020)



Initiatives to Improve Governance

With a limited number on the Board of Directors, the board can make quick decisions. Yokowo will continue to strive to further improve the transparency of the decision-making process.

As well as sharing information and exchanging ideas in advance of the Board of Directors' agenda, the Company's outside directors share, to a necessary extent, matters of deliberation and reports from the Audit & Supervisory Board.

Full-time internal auditors ensure compliance and appropriateness by attending important monthly meetings to regularly monitor how business is carried out.

Furthermore, the Company has established the Business Risk Management Committee as an organization under the direct control of the President. Its aim is to strengthen the Company's competitiveness and ability to manage risk, such as by forming alliances through joint ventures, mergers and acquisitions to further advance business, and by verifying the profitability of large-scale investments. In addition to regular reports to the Board of Directors, the Committee conducts activities in close cooperation with the outside directors.

Analysis and Evaluation of the Effectiveness of the Board of Directors

Since 2016 Yokowo has been conducting self-evaluation surveys and interviews with all its directors and auditors, collecting the results and analyzing them.

For the surveys and interviews carried out in June 2020, the effectiveness of the Company's Board of Directors was deemed to be, on the whole, sufficient. Nonetheless, Yokowo will systematically work on improvements and measures on all issues and demands to further improve the effectiveness of the Board of Directors.

Director and Executive Officer Compensation

Policy on Determining Director and Executive Officer Compensation

With regards to compensation for the directors of the Company, an upper limit for the total compensation in each business year is set by resolution at the General Meeting of Shareholders. Compensation for individual directors is then determined within the bounds of the upper limit by resolution at the Board of Directors.

In the same way, with regards to compensation for the auditors, an upper limit for the total compensation in each business year is set by resolution at the General Meeting of Shareholders. Individual compensation is then determined within the bounds of the upper limit through consultation with auditors.

Compensation for Directors

Compensation for the Company's directors consists of both a fixed compensation and executive bonus in monetary terms.

Based on guidelines set in advance through internal regulations, the amount of fixed compensation is prepared by the President after taking into consideration the business results of the previous fiscal year, the management plan of the current fiscal year, and the roles of each director, etc. Fixed compensation is then deliberated on and decided by the Board of Directors.

Executive bonuses are payable only to internal directors who are executive directors. Bonuses, and the total bonus amount, are determined based on consolidated operating profit for each consolidated fiscal year. The President initially decides bonus amounts taking into consideration both the duties and results of each internal director. Bonuses are then deliberated on and decided by the Board of Directors.

As a general rule, internal directors are obliged to contribute a certain amount or more of their fixed compensation to the Executive Shareholders' Association every month as stipulated by internal rules. Directors shall, in principle, while in their position of director, hold their shares and not sell them.

Compensation for Auditors

Compensation for auditors is limited to a fixed compensation in monetary terms. The amount of fixed compensation is determined by discussion among the auditors at the Audit & Supervisory Board meeting held immediately after the General Meeting of Shareholders, taking into consideration the duties and roles of each auditor and based on guidelines stipulated in internal rules.

In the event of bonuses to auditors, these are paid after approval at the General Meeting of Shareholders.

▼ Compensation Figures

	Upper Limit (annual)	Fiscal 2019		
		Fixed Compensation	Executive Bonus	Total
Directors (outside)	280 (20)	130 (12)	34 (—)	164 (12)
Auditors	40	30	—	30
Total	320	160	34	194

Directors, Auditors and Executive Officers

(As of June 25, 2020)

Board of Directors



Takayuki Tokuma
Representative Director,
President and Executive Officer

Attendance rate at Board of Directors Meetings: 16/17 times (94%)
Number of Company shares held: 255,595 shares

August 1988 Joined the Company
June 1995 Director
June 2003 Executive Officer
June 2004 Managing Director
June 2006 Director, Managing Executive Officer
April 2007 Representative Director, President and Executive Officer (to present)

Mr. Takayuki Tokuma has led the business expansion/evolution of the Company's primary businesses, including the development/sales expansion of micro antennas as General Manager/Company President for the Vehicle Communication Equipment business, as well as advancing into the BGA socket area in the Circuit Testing Connector business, promoting overseas sales of the Fine Connector business and overseeing the start-up of the Medical Device business, and thus has a thorough understanding of all Group businesses.

Moreover, he supervises the whole Group as President and Executive Officer, under the slogans of "multi-layered business" and "permanent evolution."



Kouichi Fukagawa
Director,
Senior Managing Executive Officer

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Number of Company shares held: 49,924 shares

April 2005 Joined the Company
June 2006 Executive Officer
June 2013 Managing Executive Officer
June 2015 Director, Managing Executive Officer
June 2016 Director, Senior Managing Executive Officer (to present)

Mr. Kouichi Fukagawa has led business acquisitions, introduction of new technologies, and the acquisition of new customers for the Circuit Testing Connector business. He has also contributed to the establishment/enhancement of the information security structure as Chairman of the Information Security Committee, and promoted the acquisition of ISO 27001 certification (the international standard for information security) for the Company and its major subsidiaries.

He has been leading enhancement of the Group's base, including corporate governance, compliance and CSR (Corporate Social Responsibility) activities, as well as prevention countermeasures against COVID-19, as the Executive Officer in charge of Management Planning and Administration Management H.Q. since February 1, 2020.



Kenji Yokoo
Director,
Senior Managing Executive Officer

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Number of Company shares held: 87,807 shares

April 1985 Joined the Company
June 2007 Executive Officer
April 2017 Managing Executive Officer
June 2017 Director, Managing Executive Officer (to present)

Mr. Kenji Yokoo has successively held important posts in the Vehicle Communication Equipment business and the Company's mainstay business, and has made a significant contribution towards the Company's business expansion by taking the initiative in developing new accounts with customers who are now major clients.

As Chief Officer of Administration Management H.Q. after the collapse of Lehman Brothers, he has played a leading role in enhancing the Company's global framework by promoting measures for company-wide profit structure reform and personnel innovation (Innovations in Human Resources).

Since February, 2020, he has been the Executive Officer in charge of the Vehicle Communication Equipment business, of which he has thorough understanding, and is placing the highest importance on rebuilding the profit structure of the business.



Kuniko Muramatsu
Outside Director

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Number of Company shares held: 0 share

October 1983 Joined Texas Instruments Japan Limited
September 2009 Resigned from Texas Instruments Japan Limited
January 2010 Representative Director, Wellness Systems Institute (to present)
June 2016 Outside Director of the Company (to present)

<Concurrent positions in companies and organizations other than the above>
Outside Director, NEC Networks & System Integration Corporation (to present)
Outside Director, Kyushu Railway Company (to present)
Senior Counselor, Japan Professional Football League (J. League) (to present)
Senior Researcher, Business Ethics Research Center (to present)

Ms. Kuniko Muramatsu held various posts including General Manager of the Public Relations Department, Member of the Business Strategy Team, General Manager of the Corporate Ethics Office and the officer in charge of diversity promotion at a foreign-affiliated semiconductor maker and now runs her own company, which she established after resigning from the semiconductor maker. Utilizing her extensive experience, she is engaged in supporting the improvement of corporate ethics and the promotion of diversity, and continues to conduct practical research on corporate ethics.

At the Board of Directors' meetings, she actively speaks up about corporate ethics and diversity promotion from the perspective of corporate infrastructure and mid- to long-term issues.



Hajime Shioiri
Outside Director

Attendance rate at Board of Directors Meetings: 13/13 times (100%)
Number of Company shares held: 0 share

September 1970 Joined Japan Management Association
April 1980 Joined JMA Consultants, Inc. Senior Consultant
July 1992 Resigned from JMA Consultants, Inc.
July 2016 Chairman and Representative Director, SENDAI MANAGEMENT Co., Ltd.
June 2019 Chairman and Executive Director, SENDAI MANAGEMENT Co., Ltd. (to present)
Outside Director of the Company (to present)

<Concurrent positions in companies and organizations other than the above>
Not applicable.

Mr. Hajime Shioiri has been engaged in business management consulting activities over the years. In corporate management, he served as a representative director of a major consulting firm and runs his own consulting firm. He has worked in a wide range of industries from metal manufacturing to retailing, and has been involved in a wide variety of important projects, including sales strategy planning, business restructuring support and M&A advice.

At the Board of Directors' meetings, he actively speaks up about the direction of business strategies and technological evolution from the perspective of mid- to long-term management issues.

Audit & Supervisory Board Members



Yasushi Mashimo
Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Attendance rate of the Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 31,153 shares

June 1989 Joined the Company
April 2005 General Manager, Accounting Department
April 2006 General Manager, Public Relations and Equity Department
April 2008 General Manager, Internal Audit Department
June 2008 Audit & Supervisory Board Member (to present)

Since joining the Company, Mr. Yasushi Mashimo has been consistently engaged in the operation of the Accounting Department at H.Q. He oversaw control over the Company's management accounting and statutory financial reporting on a consolidated and nonconsolidated basis as Deputy Manager and General Manager of the Accounting Department. He was also responsible for IR, mainly for institutional investors, as General Manager of Public Relations and Equity Department, and served as General Manager of the Internal Audit Department. Based on his long-term experience in the accounting field, he is taking a leadership role in the audit work for the Group (including subsidiaries) as a full-time Audit & Supervisory Board Member who is familiar with the Company's business structure and flow and other related elements.



Tooru Furuta
Outside Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Attendance rate at Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 0 share

April 1970 Joined Toshiba Denki Kigu Co., Ltd. (later renamed Toshiba Electric Appliances Co., Ltd.)
June 2000 Director and Head of General Affairs Department, Toshiba Electric Appliances Co., Ltd.
March 2005 Resigned from Toshiba Electric Appliances Co., Ltd.
July 2005 Representative Director, Gunma Sougou Staff Co., Ltd. (to present)
June 2009 Outside Audit & Supervisory Board Member (to present)

<Concurrent positions in companies and organizations other than the above>
Not applicable.

Mr. Tooru Furuta has a wealth of experience from consistently engaging in operations in the fields of personnel and general affairs, such as personnel affairs, recruitment, labor affairs, general affairs and compliance at a group company of a listed company, in addition to serving as a Labor Tribunal Commissioner from April 2007 through March 2016 while running the temporary staffing firm he founded.



Toshiaki Tochigi
Outside Audit & Supervisory Board Member

Attendance rate at Board of Directors Meetings: 17/17 times (100%)
Attendance rate at Audit & Supervisory Board Meetings: 17/17 times (100%)
Number of Company shares held: 0 share

April 1979 Registered as lawyer
May 1995 Established Nozomi Sogo Attorneys at Law, Partner Lawyer (to present)
April 2010 President, Daini Tokyo Bar Association Vice President, Japan Federation of Bar Associations
May 2011 Deputy Director, Political Federation of Japan Patent Attorney
June 2014 Outside Audit & Supervisory Board Member (to present)

<Concurrent positions in companies and organizations other than the above>
Outside Audit & Supervisory, Daikokuya Global Holding Co., Ltd. Outside Audit & Supervisory, EPS Holdings, Inc.

Since admitted to the bar, Mr. Toshiaki Tochigi has contributed to the development of the legal profession over the years by establishing a law firm and serving on the board of directors of industry associations. He has handled a wide range of cases and has extensive experience in corporate law, including corporate governance, real estate transactions and other civil matters.

Executive Officers

Takayuki Tokuma
President and Executive Officer

Kouichi Fukagawa
Senior Managing Executive Officer cum Chief Officer, Administration Management H.Q.

Kenji Yokoo
Managing Executive Officer cum General Manager, VCCS Business Division

Katsuhei Yanagisawa
Managing Executive Officer cum General Manager, VCCS Overseas Plant

Mitsuaki Okazaki
Managing Executive Officer cum General Manager, Tomioka Plant

Shinji Kusano
Executive Officer cum Chief Officer, Production Process Innovation H.Q.

Tsuyoshi Sakata
Executive Officer cum Deputy Chief Officer, Technical H.Q. cum General Manager, VCCS Engineering Management Division

Hiroshi Igahara
Executive Officer cum General Manager, MD Business Division

Masaki Shimizu
Executive Officer cum Chief Officer, Quality Assurance H.Q.

Naohito Odani
Executive Officer cum Chief Officer, Technical H.Q. cum General Manager, CTC Engineering Department

Yoshiro Furumi
Executive Officer cum Chief Officer, Purchasing H.Q. cum General Manager, VCCS Manufacturing Department

Motoaki Matsuura
Executive Officer cum General Manager, FC Business Division

Diversity

Through the promotion of diversity and inclusion, the Yokowo Group is promoting the recruitment and development of human resources without regard to nationality, gender, or age, with the aim of becoming Team Yokowo, a “sustainably evolving company.”

Approaches to Recruitment

The Yokowo Group carries out recruitment based upon its corporate vision of “a sustainably evolving company that accumulates technology to contribute to society and meet the trust of customers, and challenges the creation of markets as a whole. Yokowo is a company united in commitment to discovering and creating new markets.” So that we can continue to be a sustainably evolving company, our goal is to build an appropriate personnel organization from a long-term perspective.



Foreign employees active in Yokowo Group

Strengthened Mid-career Hiring

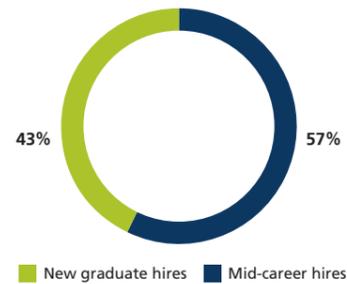
The Yokowo Group corporate vision incorporates the message that “as Team Yokowo, by creating new products that incorporate cutting-edge advancements based upon the Group’s proprietary technology, we want to be a company that while evolving, achieves persistent growth.”

The Yokowo Group in principle enhances our workforce by hiring new graduates, however recent years have seen an increase in the ratio of mid-career hires supported by strong business performance. We are bringing together all employees who sympathize with this message, regardless of new graduate or mid-career hires, irrespective of gender, age, or nationality.

In the fiscal year ended March 31, 2020, mid-career hires comprised 57% of the total company-wide, meaning that we are a company at which both employees brought up with the Yokowo culture and those who have experience in other companies participate.

Central to our company’s ethos is a culture of “openness” in which new graduates as well as mid-career employees can succeed, and this is an environment in which they are evaluated fairly. In this environment, the accumulated experiences of each person can be utilized in the company, and these are being sublimated through free and open-minded discussions, thus leading to the business evolution and technical innovations necessary for a sustainably evolving company.

▼ Ratio of new graduate hires to mid-career hires* (As of end March 2020)



* Calculated as total registered with Yokowo

▼ Changes in new graduate hires and mid-career hires* (FY2015 to FY2019)



* Calculated per financial year as hires for Yokowo

Globalization of Human Resources Organization

TISP Project

At the Yokowo Group, we are promoting the “TISP (Tomioka International Specialist Park) Project” as a central part of our diversity and inclusion initiatives.

This project brings together specialists from around the world (in product design, production engineering, elemental technologies, quality assurance, production control, etc.) to our main plant—the Tomioka plant (Gunma Prefecture). Hiring criteria place no particular requirements as regards Japanese conversational ability, and have a focus on expertise for mid-career hires, and potential for new graduates. Looking forward, we aim to bring together 120 foreign specialists centered around the Tomioka plant.

With this project, we are actively recruiting foreign employees living in Japan, and those living overseas. In particular at our main manufacturing bases in China, Vietnam, and Malaysia, we have in place a multi-year training program in Japan for new graduate hires who have graduated from local universities in those countries. For these trainees, we create an individualized CDP (Career Development Plan) with which we provide systematic human resource training, and many of the trainees who have completed their training in Japan return to work in their own countries.

Employment and Living Support for Foreign Employees

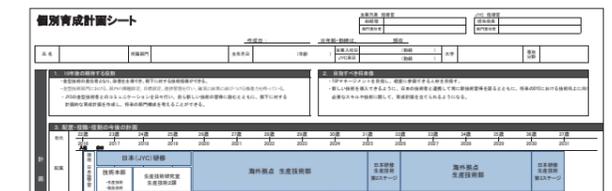
Yokowo offers an environment within the company in order that new foreign employees can live and work in Japan without anxiety or concerns. Furthermore, in collaboration with the Tomioka City, Yokowo is also at the same time providing assistance so that foreign employees who may be unfamiliar with Japanese culture can adjust to living in Japan.

Culture and Climate of Mutual Respect amongst a Diverse Workforce

So that Yokowo can grow as a global company, in addition to ensuring a corporate culture that allows contact with diverse nationalities, cultures, ideas, and beliefs, we believe that an environment in which all Group employees can understand these, and that fosters mutual improvement is necessary. Furthermore, we would like to foster a culture and climate of mutual trust and respect among our employees, who have diverse backgrounds.

The Yokowo Group will continue to promote the globalization of our human resources organization, and through “Team Yokowo” that transcends nationality, provide the world with cutting-edge technologies and products.

▼ CDP (Career Development Plan) outline

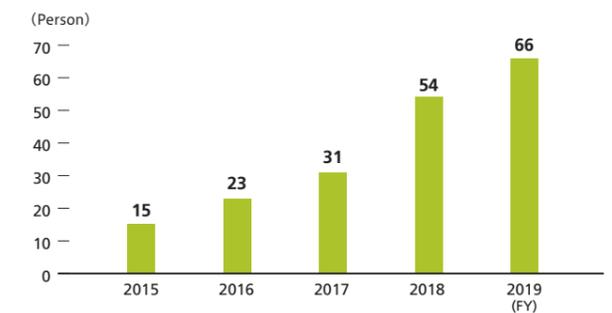


Main Items in CDP

- Expected role 10 years from now
- Vision for the future
- Future plans for assignments, positions, and roles
- Checking progress of training plans

Etc.

▼ Changes in TISP human resources* (FY2015 to FY2019)



* Calculated per fiscal year as human resources for Yokowo

Information Security

In our current networked era, we are seeing increasing worldwide demand for strengthened information security. The Yokowo Group constantly recognizes the importance of all the information assets and we promote information security activities globally to meet these requirements.

Approaches to Information Security

The Yokowo Group aims to ensure that it always recognizes the importance of all information assets handled thereby, including information provided by its customers and business partners, in order that the Group may continue to be a trusted member of society. To this end, the Group has stipulated and implemented its Information Security Policy in order to prevent all improper disclosure, divulgence, and unauthorized use of such information assets.

Information Security Policy (Overview)

1. Compliance
2. Framework
3. Management of Information Assets
4. Training
5. Preventing and Responding to Incidents

Enacted: April 1, 2013

* The full text of the Information Security Policy can be viewed on the Yokowo website.
<https://www.yokowo.co.jp/english/company/csr/security.html>

Information Security Management Framework



Enhancement of Information Security

Under the Group's Information Security Policy, Yokowo recognizes the management of information security as one of the most important issues in business management. In order to manage the information assets appropriately, it has

constructed an information security management system (ISMS), and is working together with the entire Group to advance its information security activities.

In December 2014, Yokowo head office and its three domestic group companies acquired ISO 27001, the International Organization for Standardization (ISO)'s information security management system standard. Yokowo is also promoting the acquisition of this standard at its major sites.

Information Security Education

The Group considers the basis for information security to be for each individual employee to have a high level of awareness with regard to information management, and works to keep all officers and employees (including temporary staff) well informed regarding laws and regulations as well as corporate policy and rules, etc. governing information security.

Furthermore, Yokowo implements various activities in order to increase awareness of information management, such as carrying out yearly e-learning sessions on information security, and issuing all employees with an Information Security Handbook that details practices which should be followed during the course of everyday duties.

ISO 27001 Certification Status

2014	YOKOWO CO., LTD., 3 Japanese subsidiaries
2016	Chinese subsidiaries (3 locations)
2017	Malaysia subsidiary

Protection of Confidential Information

Under its Information Security Policy, the Group has established confidentiality rules for the protection of confidential information, and disseminated these to the Group and all suppliers etc. engaged in Yokowo's business. Through compliance with these rules, Yokowo handles and protects, both strictly and appropriately, all information assets possessed by Yokowo, and information disclosed to it by its customers.

Occupational Health and Safety: OH&S

The Yokowo Group positions the management of health and safety of its employees as well as stakeholders in the Group's activities as the top priority issue for its management, and will pursue a workplace where they are able to work without undue concern by always securing their safety, and that will strive to promote their mental and physical health.

Approaches to Occupational Health and Safety

The Yokowo Group considers the internal and external issues faced by health and safety-related organizations and the needs of workers and stakeholders, including employees, cooperating firms, and visitors to the premises, then identifies risks and opportunities, establishes policies and targets, and promotes occupational health and safety activities.

Occupational Health and Safety: OH&S

1. The Group shall give first priority to the health and safety of Employees and Stakeholders and engage in ongoing activities by complying with laws and other requirements related to occupational health and safety.
2. The Group shall build, maintain and make continuous improvements of an occupational health and safety management system.
3. The Group shall strive to improve OH&S and reduce occupational health and safety risks by setting objectives based on the identification of hazards and the evaluation of the risks at the workplace.
4. The Group shall strive to increase the understanding and awareness of employees about occupational health and safety by providing the appropriate training to create a healthy and safe workplace environment.
5. The Group shall engage in continuous improvement activities to achieve the objectives by documenting the OH&S Policy as well as making it known to all Employees and publishing it to Stakeholders.
6. The Group shall strive to improve our OH&S performance by participation and consultation with our Employees.

Enacted: June 1, 2016 Revised: October 14, 2019

Occupational Health and Safety Management Framework



Increasing Occupational Health and Safety Levels

With a rise in interest of the Stakeholders in OH&S issues as a backdrop, Yokowo has constructed an occupational health and safety management system (OHSMS), and is working to advance its OH&S efforts as the entire Group under the OH&S Policy.

In August 2020, YOKOWO CO., LTD. together with three domestic subsidiaries and two Chinese subsidiary locations acquired "ISO 45001" certification, the international standard for occupational health and safety management systems.

ISO 45001 Certification Status

2020	YOKOWO CO., LTD., domestic subsidiaries (3 companies)
	Chinese subsidiaries (2 locations)

* OHSAS 18001 certification was obtained in 2016 in Japan and in 2017 in China, however this was transferred to ISO 45001 certification in August 2020.

Promotion of Occupational Health and Safety Activities

The Yokowo Group classifies its occupational health and safety initiatives into the three categories of safety, health, and work style, then conducts a risk assessment of each of these and carries out occupational health and safety activities.



Local Communities

Operating in a range of locales both within Japan and overseas, the Yokowo Group values our relationships with local communities, and is promoting multifaceted social action programs. As a company rooted in local communities, we will contribute to their development, and towards achieving a sustainable society.

On Contributing to Local Communities

As a member of local communities, the Yokowo Group is promoting a range of social action programs. Our aim is to develop alongside local communities, through activities that support their development, and initiatives that contribute to solving societal issues.

▼ Three Areas of Activities



Community-based Activities

Tomioka Donto Festival (Tomioka Plant)

The Tomioka plant always participates in the “Tomioka Donto Festival,” a two-day festival representative of the region held every two years in the center of Tomioka City.

Many employees participated in the previous festival held in October 2018, interacting with the local community in the Odori Nagashi dance and the float and dance competition.

Employees who participated in the previous Tomioka City Donto Festival (October 2018) **120**



Traffic Safety Instruction (Tomioka Plant)

In order to improve local traffic safety as well as the driving manners of employees, the Tomioka plant is providing instruction in traffic safety during commuting hours on the roads around the plant.

This initiative is carried out four times a year in accordance with the Gunma Prefecture traffic safety action plan.



Support for Measures to Prevent COVID-19 Infections (Headquarters, Tomioka Plant)

In order to support medical locations that are struggling as a result of the increase in COVID-19 infections, we have made donations to Kita-ku in Tokyo, home to our headquarters, and to Tomioka City in Gunma Prefecture, home to our Tomioka plant.



YUKA Volunteer Team (DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. [China])

In 2016, DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. (Hereinafter called Yokowo Car) formed the YUKA Volunteer Team, which promotes activities to support the elderly and people with disabilities in the community.

These activities include holding volunteer events as well as environmental conservation activities, and these see many employees volunteering to participate.

Employees who have participated in volunteer activities (2016 to present) **154**



Blood Drive (Yokowo Car)

In response to a request by the Dongguan city center blood bank, many Yokowo Car employees participated in a blood drive.

This initiative contributes towards constructing a system capable of providing safe treatment using blood transfusions.

Employees who participated in the blood drive (July 2020) **150**



Activities towards Achieving a Sustainable Society

Cleanup Activities (Tomioka Plant)

At the Tomioka plant, employees regularly carry out cleanups of the surrounding neighborhood. This was carried out three times in 2019, in April, August, and December.



Activities that Contribute to Community Development

Workplace Tours and Work Experience (Tomioka Plant)

The Tomioka plant conducts workplace tours and provides work experience for high school students in Gunma Prefecture—this is an opportunity for future leaders of the community to choose a profession.

Employment support activities for the next generation (August 2020)
 Workplace tours **10** schools (8 days) Work experience **1** school (5 days)



Tomioka City Invention Device Exhibition (Tomioka Plant)

In collaboration with the Tomioka Japan Institute of Invention and Innovation and Tomioka City, the Tomioka plant is supporting the Tomioka City Invention Device Exhibition. This event has as its aim raising amongst children and the citizens of Tomioka City their awareness of ingenuity and inventiveness.



Environment

The Yokowo Group recognizes that conducting business activities in harmony with the global environment is an essential responsibility for a corporation. The Yokowo Group continues to implement a range of Group-wide environmental preservation activities based upon defined environmental policies in order that we can pass on our irreplaceable global environment to future generations.

Approaches to the Environment

Environmental Policy

Yokowo is committed to helping to create a rich natural environment. We seek to do this through our environmental management system and through activities designed to achieve continuous improvements in environmental performance. As part of our commitment, we take into consideration the environmental impact of our business activities and comply with all relevant environmental laws, regulations, and guidelines, as well as with each customer's specific guidelines.

Action Guidelines

1. Yokowo will continuously and actively promote energy saving, resource conservation, and recycling to contribute to the protection of the global environment.
2. In respect of chemical substances which are harmful to both the environment and human body, Yokowo will prevent environmental pollution by implementing preventive measures and action plan, which include those for the case of abnormal and emergency operation, and will minimize the use of hazardous chemical substances.
3. Yokowo will comply with all relevant environmental laws, regulations, and each customer's specific requirements, and intend to enhance our environmental management by our original internal standards.
4. Yokowo will set objectives and goals for our environmental activities and also improve our environmental management system continuously by periodically reviewing the objectives and goals.
5. Through in-house education and publicity, Yokowo will promote all the employees' recognition of involvement in environmental preservation and will make these activities take root as daily duties.
6. Yokowo ensures that all the employees including those of affiliated companies are fully aware of the environmental policies, and will disclose them to the public on request.
7. Yokowo will contribute to the development of a sustainable society by considering the impact on biodiversity in all its business activities.

Enacted: June 1, 2005 Revised: April 1, 2014

Environmental Management Systems

ISO 14001 Certification

Since its individual production bases receiving ISO 14001 certification in 1998, the Yokowo Group has continued with its work in environmental activities.

ISO 14001 certification acquisitions

1998	Tomioka plant Domestic subsidiaries (2 companies)
2004	China subsidiary
2005	Malaysia subsidiary
2014	Vietnam subsidiary

Issues and Results of Activities

The Yokowo Group reviewed its Medium-Term Environmental Plan in 2014 and identified four issues that need attention—addressing climate change, management of water resources, resource recycling, and working towards zero hazardous chemical substances.

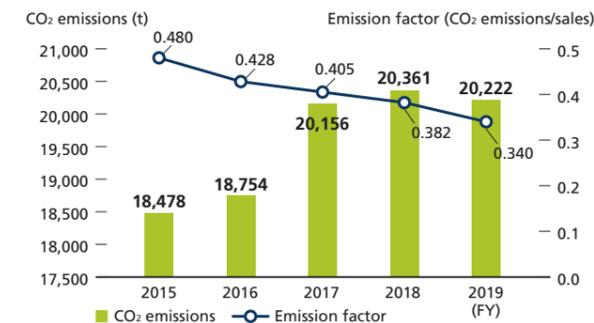
For this, Yokowo sets goals and activities to be achieved each year.

Addressing Climate Change

The Yokowo Group is promoting a variety of activities towards meeting the goal of a year-on-year 1% reduction in the greenhouse gas (GHG) emission factor.

Through the promotion of employee awareness programs as well as improvements to production efficiency and the introduction of energy-saving facilities, we are seeing a yearly reduction in GHG emission factor, however higher sales mean that CO₂ emissions are still increasing. Looking forward, we will be working to reduce both GHG emission factor, as well as overall GHG emissions.

CO₂ emissions and emission factor



* FY2019 Electricity CO₂ conversion factor is calculated using the following:
Domestic: TEPCO Energy Partner, Inc Basic Emission Factor
Overseas: IEA Official Factor

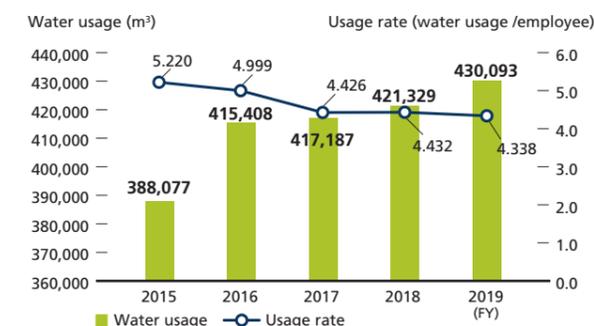
Management of Water Resources

Of the water used within the Yokowo Group, the majority is for domestic-type uses. We are working to achieve our goal of a year-on-year 1% reduction in water consumption, measured by consumption per employee.

Water savings and use of recycled water enable a certain level of reduction, but the reductions have bottomed out over the last three years, and new activities are being investigated.

Additionally, we are monitoring the quality of plant wastewater using our internal standards, which are more rigorous than legal requirements. At the Tomioka plant, we are recovering all hazardous chemical substances in discharge from our galvanization processes, and have achieved zero emissions into public waterways.

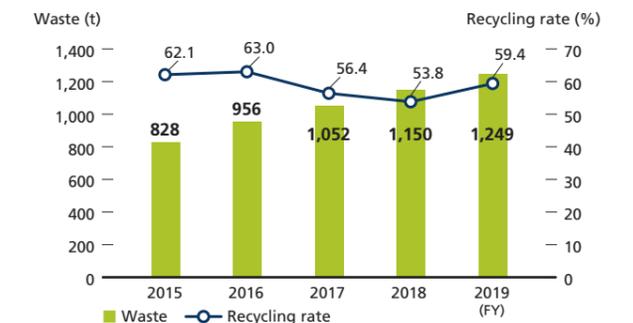
Water usage and usage rates



Resource Recycling

The Yokowo Group is working to conserve resources. As well as promoting a reduction in the quantities of waste generated by our business activities, we have also set an 80% recycling rate as a target. Rapid increases in production in recent years have seen quantities of waste trend upwards, and recycling rates remaining steady, however we are planning further reductions in waste generated through improvements at the design and production stages.

Recycling rate



Working towards Zero Hazardous Chemical Substances

Based upon the internal slogan "Quality, Cost, Delivery, and Environment—An environmentally friendly manufacturing process—Living in perfect harmony with nature," we comply with relevant laws and regulations as well as customer requirements, and are striving to manufacture products that are not only friendly to the local environment but also to the products' environment.

This slogan implies that we should have a high awareness of not only Q (Quality), C (Cost), and D (Delivery), all fundamental to manufacturing, but also E (Environment)—these are a constant, unchanging foundation for our manufacturing business.

Topics

In September 2020, we received third-party certification (scope 1 & 2) for greenhouse gas emissions. In the future, we will expand the scope of monitoring of our greenhouse gas emissions, and ensure this information is disclosed to the public.