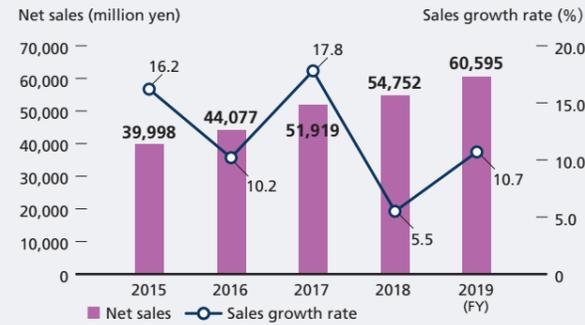
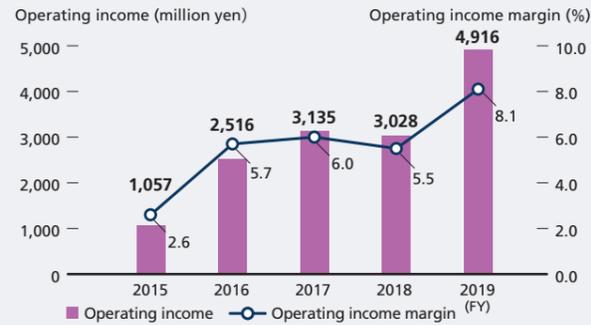


# Financial Highlight

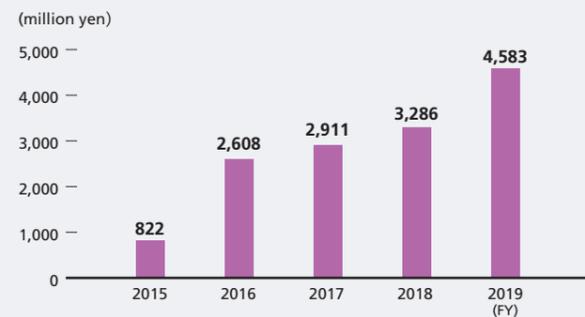
## ▼ Net sales



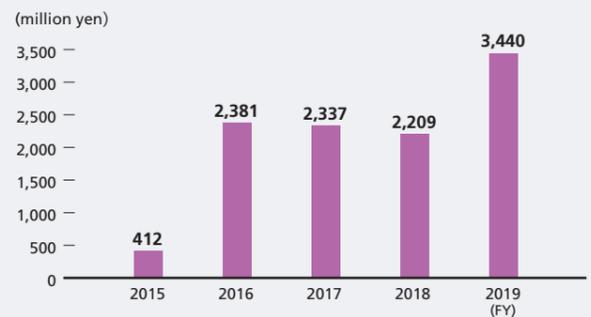
## ▼ Operating income



## ▼ Ordinary income (full year)



## ▼ Profit attributable to owners of parent



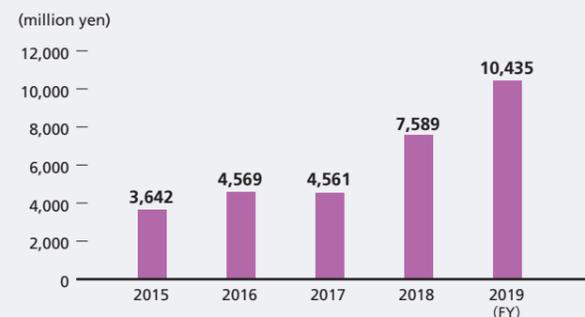
## ▼ Basic earnings per share



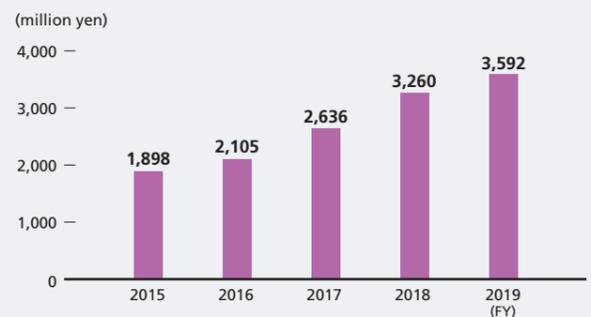
## ▼ Net assets per share



## ▼ Interest bearing debt\*



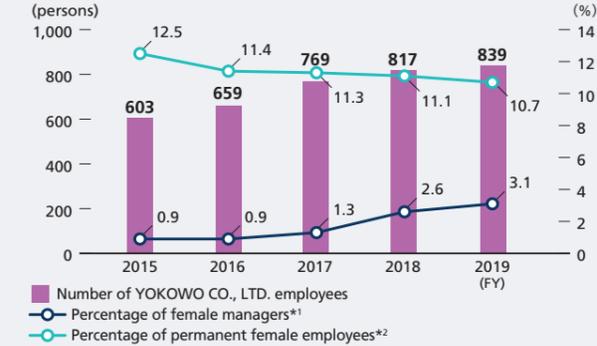
## ▼ Research and development expenses



\* Borrowing + lease liabilities

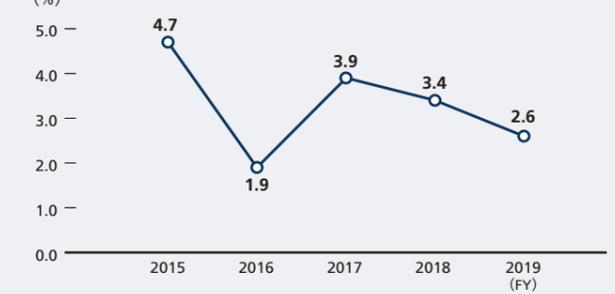
# Non-financial Highlight

## ▼ Percentage of female employees\*

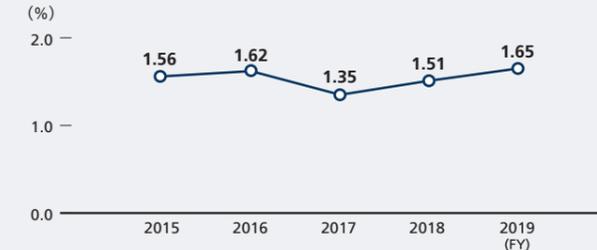


\*1 Female managers at end of fiscal year ÷ executive and management positions at end of fiscal year (includes assistant managers, excludes specialists)  
\*2 Number of female employees at end of fiscal year ÷ number of full-time permanent employees at end of fiscal year

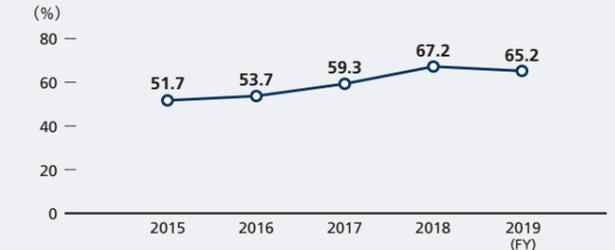
## ▼ Employee turnover rate\*



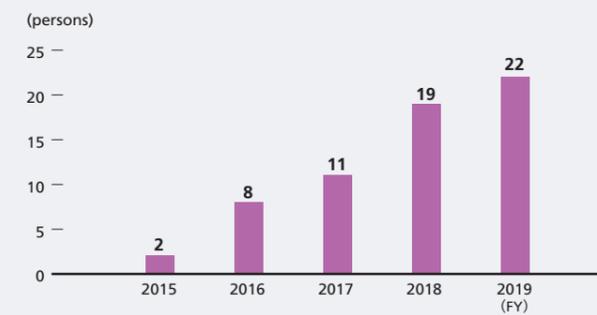
## ▼ Employment rate of people with disabilities\*



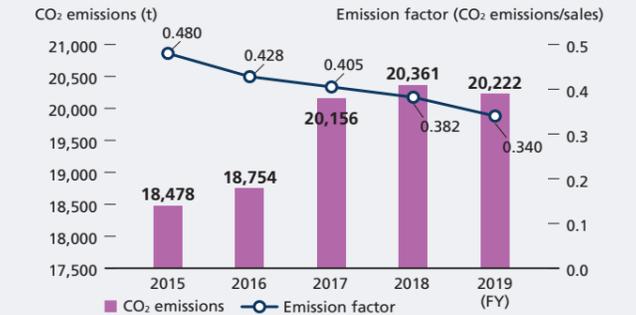
## ▼ Uptake of paid leave\*



## ▼ Number of older employees re-employed\*

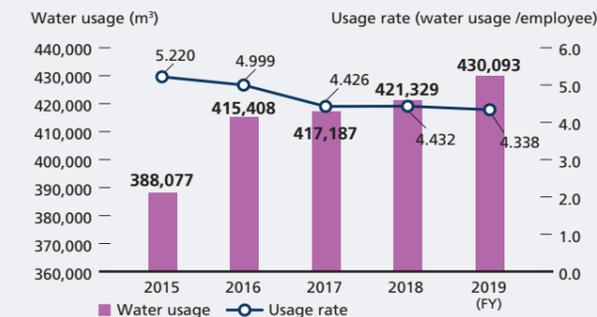


## ▼ CO<sub>2</sub> emissions and emission factor



\* FY2019 Electricity CO<sub>2</sub> conversion factor is calculated using the following:  
Domestic: TEPCO Energy Partner, Inc Basic Emission Factor  
Overseas: IEA Official Factor

## ▼ Water usage and usage rates



## ▼ Recycling rate



★ YOKOWO CO., LTD.

# Financial Information

## Analysis of Operating Results and Financial Position in Fiscal 2019

### Business Environment and Operating Results

During the fiscal year under review (April 1, 2019 to March 31, 2020), the global economy slowed overall due to destabilizing factors, including prolonged trade friction between the U.S. and China, rising geopolitical risk in the Middle East, and the problems surrounding the U.K. withdrawal from the EU. The U.S. economy, which had remained strong, witnessed stagnation due to lower business confidence in the manufacturing industry. The Chinese economy experienced a decline in exports to the U.S. in addition to a downturn in domestic demand, and there was a growing sense of economic slowdown in some parts of Asia and Europe.

In addition, due to the spread of COVID-19 from the fourth quarter onward, the global economy is expected to fall into negative growth, and the outlook is extremely uncertain.

In Japan, while the employment environment continued to improve moderately, there was a sense of economic standstill, particularly in manufacturing industry with such factors as a slump in personal consumption due to the increase in the rate of consumption tax and the effects of natural disasters such as big typhoons and weak exports and production given the slowdown in overseas economies. Moreover, due to the spread of COVID-19, conditions have continued to be unpredictable, including a decrease in inbound tourism demand and further decline in exports as well as a drastic fall in personal consumption in Japan.

Market structure in the Group's core markets, automotive, semiconductor testing, and mobile communication terminals, has continued to change rapidly with the commencement of partial commercialization of 5G (5th generation mobile communications systems) 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 particular, during the fiscal year under review, the Group promoted several promising themes in the area of advanced applications, including 5G, as measures for product innovation. Moreover, as measures for process innovation, in the Vehicle Communication Equipment segment, the Group began building automated assembly lines and introducing automatic testing systems and has also been working to rebuild the profit structure, albeit only partly achieved. In addition, in the Circuit Testing Connector segment, the Group strengthened technology and manufacturing systems in order to grasp future business growth opportunities, including 5G, with more certainty and continued working to boost capacity and increase productivity by expanding new production lines at plants in Japan and Malaysia.

As a result of these efforts, consolidated net sales in the fiscal year under review increased year on year in all segments to 60,595 million yen and hit a record high for the sixth consecutive term.

Operating income was 4,916 million yen, up 62.3% year on year, because of large increases in both the Circuit Testing Connector and Personal Communication Equipment segments despite a year-on-year decline in operating income in the Vehicle Communication Equipment segment. As a result, the Group achieved all three targets in the Minimum 8 (secure at least 8% in sales growth rate, operating profit margin, and return on equity), including operating profit margin, which are the medium-term management targets. Ordinary income increased 39.5% year on year to 4,583 million yen due to the increase in operating income despite recording foreign exchange losses of 214 million yen due to the appreciation in the yen. Profit attributable to owners of parent increased 55.8% year on year to 3,440 million yen due to the increase in ordinary income in addition to recording of 93 million yen in extraordinary income from sale of a portion of cross-shareholdings.

### ▼ Operating Results in Fiscal 2019

	(million yen)
Net sales	60,595
Operating income	4,916
Ordinary income	4,583
Profit attributable to owners of parent	3,440

### ▼ Minimum 8



### Financial Position

#### (Assets)

Current assets stood at 33,262 million yen as of March 31, 2020, up 4,934 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 5,162 million yen, decrease in notes and accounts receivable – trade of 807 million yen, and increase in inventories of 508 million yen.

Non-current assets stood at 14,872 million yen, up 418 million yen from the end of the previous fiscal year. The increase in non-current assets was mainly due to the increase in property plant and equipment of 437 million yen.

As a result, total assets stood at 48,134 million yen as of March 31, 2020, up 5,353 million yen from the end of the previous fiscal year.

#### (Liabilities)

Current liabilities stood at 17,580 million yen as of March 31, 2020, up 3,458 million yen from the end of the previous fiscal year. The increase in current liabilities was mainly due to increases in notes and accounts payable – trade of 409 million yen and in short-term loans payable of 2,950 million yen. Non-current liabilities stood at 4,021 million yen, down 150 million yen from the end of the previous fiscal year. The decrease in non-current liabilities was mainly due to the decrease in lease obligations of 163 million yen.

As a result, total liabilities stood at 21,602 million yen as of March 31, 2020, up 3,307 million yen from the end of the previous fiscal year.

#### (Net Assets)

Net assets stood at 26,532 million yen as of March 31, 2020, up 2,045 million yen from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of 3,440 million yen, decrease in valuation difference on available-for-sale securities of 271 million yen, decrease in foreign currency translation adjustment of 590 million yen, and dividends of surplus of 566 million yen.

### Cash Flows

#### (1) Cash and Cash Equivalents

Cash and cash equivalents stood at 12,352 million yen in the fiscal year under review, up 5,162 million yen from the previous fiscal year.

#### (2) Net Cash Provided by Operating Activities

Net cash provided by operating activities stood at 6,490 million yen, up 2,434 million yen from the previous fiscal year. The main factors for increase included profit before income taxes of 4,616 million yen and depreciation of 2,706 million yen while the main factors for decrease included an increase in inventories of 868 million yen.

#### (3) Net Cash Used in Investing Activities

Net cash used in investing activities stood at 3,282 million yen, down 564 million yen from the previous fiscal year. The main factors for decrease included purchase of property, plant and equipment of 3,066 million yen and purchase of intangible assets of 475 million yen.

#### (4) Net Cash Provided by Financing Activities

Net cash provided by financing activities stood at 2,143 million yen, down 127 million yen from the previous fiscal year. The main factors for decrease included repayments of lease obligations of 312 million yen and cash dividends paid of 564 million yen while the main factors for increase included net increase in short-term loans payable of 2,995 million yen.

#### (5) Information on Liquidity and Capital Resources

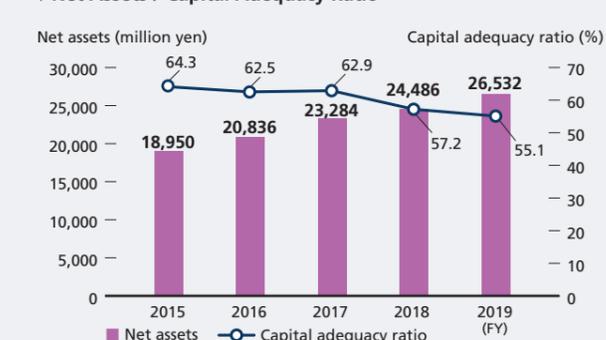
The Company's working capital is mainly spent on procurement of raw materials and parts used in the manufacture of products and is also similarly expended on goods and services recorded in manufacturing expenses and selling, general and administrative expenses.

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, expansion of mass production facilities, including the establishment of new automated assembly lines at plants in China and Vietnam, and expansion of mass production facilities at the Malaysian plant and plans to continue to make active investments going forward.

Therefore, in order to meet the demand for capital investment funds and working capital, we borrowed funds through short-term loans. As a result, the Group's cash and cash equivalents stood at 12,352 million yen as of March 31, 2020, up 5,162 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 3,625 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 1,630 million yen. This included introduction of mass production facilities at both the Chinese and Vietnamese plants in order to establish automated assembly lines and automatic testing systems in conjunction with expansion of capacity aimed at increasing work volume as well as expanding the transfer of production in order to shift the center of production functions from the Chinese plant to the Vietnamese plant in parallel with the strengthening of development functions at the China plant.

#### (2) Circuit Testing Connector segment

The Group implemented total capital investment of 1,021 million yen. This included expansion of mass production facilities at production sites in Japan and the Malaysian plant to accommodate order growth and shorter delivery times for semiconductor test tools.

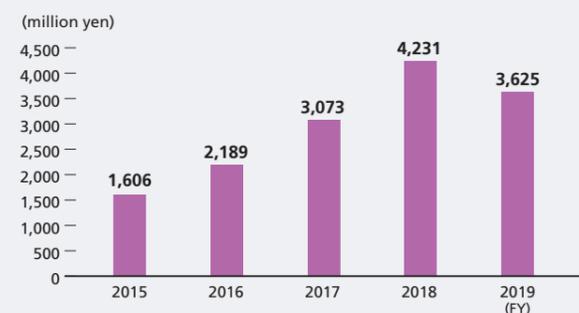
#### (3) Personal Communication Equipment segment

The Group implemented total capital investment of 530 million yen. The Group carried out 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 sites in Japan with the aim of responding to sales growth in the Medical Device business.

### (2. Intangible assets)

The Group implemented total capital investment of 442 million yen. This included improving and updating the environment for core information systems in order to realize Group-wide business streamlining.

### ▼ Capital expenditures



## Basic Policy for Dividends

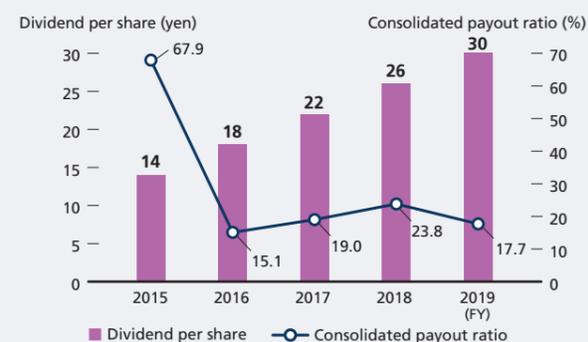
The Company views the strengthening of returns to shareholders as an important task for management. The basic policy for dividends in each fiscal year lies in stable and continuous distribution of dividends taking retained earnings into consideration for the purposes of investments in production facilities 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, consolidated net sales hit a record high for the sixth consecutive term while consolidated operating income, consolidated ordinary income, and profit attributable to owners of parent also reached record highs. The Group achieved all three targets in the Minimum 8 (secure at least 8% in sales growth rate, operating profit margin, and return on equity), which are the medium-term management targets.

Meanwhile, due to the effects of the spread of COVID-19 and other factors, supply and demand and competitive environment trends in the Company's core markets are extremely uncertain, and we consider it essential to put more emphasis on liquidity at hand and financial stability in business operations. In addition, while the market overall is uncertain, inquiries in growth sectors such as 5G remain strong, 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 16 yen per share to the 82nd General Meeting of Shareholders, and it was approved. With an interim dividend of 14 yen per share for the fiscal year under review already paid, the Company's annual dividend is 30 yen per share (consolidated payout ratio of 17.7%). With respect to the dividend for the next fiscal year, the Company currently expects to pay an annual dividend of 30 yen per share (interim dividend of 15 yen and year-end dividend of 15 yen with a consolidated payout ratio of 23.4%). The Company's Articles of Incorporation stipulate that an interim dividend can be paid.

### ▼ Dividend per share



# CONSOLIDATED BALANCE SHEETS

(millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Fiscal 2019 (As of March 31, 2020)
<b>ASSETS</b>		
Current assets		
Cash and deposits	7,189	12,352
Notes and accounts receivable-trade	11,581	10,774
Merchandise and finished goods	4,387	4,662
Inventories	392	402
Raw materials and supplies	3,392	3,616
Other	1,387	1,456
Allowance for doubtful accounts	(4)	(3)
Total current assets	28,327	33,262
Non-current assets		
Net property, plant and equipment		
Buildings and structures	6,605	6,568
Accumulated depreciation	(3,714)	(3,657)
Buildings and structures, net	2,890	2,911
Machinery, equipment and vehicles	10,632	11,306
Accumulated depreciation	(6,907)	(7,117)
Machinery, equipment and vehicles, net	3,724	4,189
Tools, furniture and fixtures	7,981	8,390
Accumulated depreciation	(5,729)	(6,171)
Tools, furniture and fixtures, net	2,251	2,219
Land	761	761
Leased assets	1,660	1,730
Accumulated depreciation	(1,119)	(1,105)
Leased assets, net	541	625
Construction in progress	689	590
Total property, plant and equipment	10,858	11,296
Intangible assets		
Leased assets	41	26
Other	675	874
Total intangible assets	717	900
Investments and other assets		
Investment securities	1,629	1,188
Retirement benefit assets	15	81
Deferred tax assets	591	737
Other	640	667
Total investments and other assets	2,877	2,675
Total non-current assets	14,453	14,872
Total assets	42,781	48,134

(millions of yen)

	Fiscal 2018 (As of March 31, 2019)	Fiscal 2019 (As of March 31, 2020)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	6,019	6,428
Short-term loans payable	3,539	6,489
Lease obligations	193	253
Provision for product warranties	364	-
Income taxes payable	330	770
Provision for bonuses	540	600
Other	3,133	3,038
Total current liabilities	14,121	17,580
Non-current liabilities		
Long-term loans payable	3,400	3,400
Lease obligations	455	292
Deferred tax liabilities	130	135
Net defined benefit liability	173	183
Long-term accounts payable	12	10
Total non-current liabilities	4,172	4,021
Total liabilities	18,294	21,602
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	3,996	3,996
Capital surplus	3,981	3,981
Retained earnings	16,197	19,045
Treasury stock	(719)	(664)
Deposit for subscriptions of treasury shares	0	-
Total shareholders' equity	23,456	26,359
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	355	84
Foreign currency translation adjustment	525	(64)
Remeasurements of defined benefit plans	135	124
Total valuation and translation adjustments	1,017	144
Subscription rights to shares	7	3
Non-controlling interest	5	24
Total net assets	24,486	26,532
Total liabilities and net assets	42,781	48,134

## CONSOLIDATED STATEMENTS OF INCOME

(millions of yen)

	Fiscal 2018 (From April 1, 2018 to March 31, 2019)	Fiscal 2019 (From April 1, 2019 to March 31, 2020)
Net sales	54,752	60,595
Total cost of sales	44,374	47,527
Gross profit	10,378	13,067
Selling, general and administrative expenses	7,349	8,150
Operating income	3,028	4,916
Non-operating income		
Interest income	22	28
Dividend income	43	39
Foreign exchange gains (losses)	258	-
Rental income	11	17
Other	43	43
Total non-operating income	379	128
Non-operating expenses		
Interest expenses	96	104
Share of loss of entities accounted for using equity method	-	24
Commission expenses	7	7
Foreign exchange losses	-	214
Other	17	111
Total non-operating expenses	121	462
Ordinary income	3,286	4,583
Extraordinary income		
Gain on sales of non-current assets	1	1
Gain on sales of investment securities	-	93
Total extraordinary income	1	95
Extraordinary losses		
Loss on retirement of non-current assets	21	47
Loss on sales of non-current assets	0	0
Product warranty expenses	-	14
Provision for product warranties	364	-
Total extraordinary losses	385	62
Profit before income taxes	2,902	4,616
Income taxes - current	668	1,164
Income taxes - deferred	18	(8)
Total income taxes	687	1,156
Profit	2,214	3,460
Profit (loss) attributable to non-controlling interests	5	19
Profit (loss) attributable to owners of parent	2,209	3,440

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions of yen)

	Fiscal 2018 (From April 1, 2018 to March 31, 2019)	Fiscal 2019 (From April 1, 2019 to March 31, 2020)
Profit	2,214	3,460
Other comprehensive income		
Valuation difference on available-for-sale securities	(280)	(271)
Foreign currency translation adjustment	(38)	(590)
Remeasurements of defined benefit plans	(171)	(10)
Total other comprehensive income	(490)	(872)
Comprehensive income	1,724	2,587
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,719	2,568
Comprehensive income attributable to non-controlling interests	5	19

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal 2018 (From April 1, 2018 to March 31, 2019)

(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	14,519	(729)	–	21,768	636	564	306	1,507	8	–	23,284
Changes during period													
Dividends of surplus			(526)			(526)							(526)
Profit (loss) attributable to owners of parent			2,209			2,209							2,209
Purchase of treasury shares				(1)		(1)							(1)
Disposal of treasury shares			(4)	10		5							5
Deposits for subscriptions of treasury shares					0	0							0
Net changes of items other than shareholders' equity							(280)	(38)	(171)	(490)	(0)	5	(485)
Total changes of items during period	–	–	1,678	9	0	1,688	(280)	(38)	(171)	(490)	(0)	5	1,202
Balance at end of period	3,996	3,981	16,197	(719)	0	23,456	355	525	135	1,017	7	5	24,486

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

(millions of yen)

	Fiscal 2018 (From April 1, 2018 to March 31, 2019)	Fiscal 2019 (From April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	2,902	4,616
Depreciation	2,199	2,706
Increase (decrease) in allowance for doubtful accounts	(8)	(1)
Increase (decrease) in provision for bonuses	39	64
Increase (decrease) in provision for product warranties	364	(364)
Increase (decrease) in net defined benefit asset and liability	(116)	(71)
Interest income and dividend income	(66)	(67)
Interest expenses	96	104
Foreign exchange losses (gains)	(101)	75
Share of loss (profit) of entities accounted for using equity method	–	24
Loss (gain) on sales of non-current assets	(1)	(1)
Loss on retirement of non-current assets	21	47
Loss (gain) on sales of investment securities	–	(93)
Decrease (increase) in trade receivables	38	488
Decrease (increase) in inventories	(769)	(868)
Increase (decrease) in trade payables	92	750
Other	(30)	(133)
Subtotal	4,660	7,277
Interest and dividends received	66	67
Interest paid	(100)	(111)
Income taxes paid	(570)	(742)
Net cash provided by (used in) operating activities	4,055	6,490
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,538)	(3,066)
Proceeds from sales of property, plant and equipment	21	2
Purchase of intangible assets	(307)	(475)
Proceeds from sales of investment securities	–	142
Purchase of shares of subsidiaries and associates	–	(99)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	201
Other	(22)	10
Net cash provided by (used in) investing activities	(3,847)	(3,282)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	1,200	2,995
Proceeds from long-term borrowings	3,400	–
Repayments of long-term borrowings	(1,600)	–
Repayments of lease obligations	(208)	(312)
Dividends paid	(524)	(564)
Proceeds from exercise of employee share options	5	27
Proceeds from deposit for subscriptions to treasury shares	0	–
Purchase of treasury shares	(1)	(1)
Net cash provided by (used in) financing activities	2,270	2,143
Effect of exchange rate change on cash and cash equivalents	114	(188)
Net increase (decrease) in cash and cash equivalents	2,592	5,162
Cash and cash equivalents at beginning of period	4,596	7,189
Cash and cash equivalents at end of period	7,189	12,352