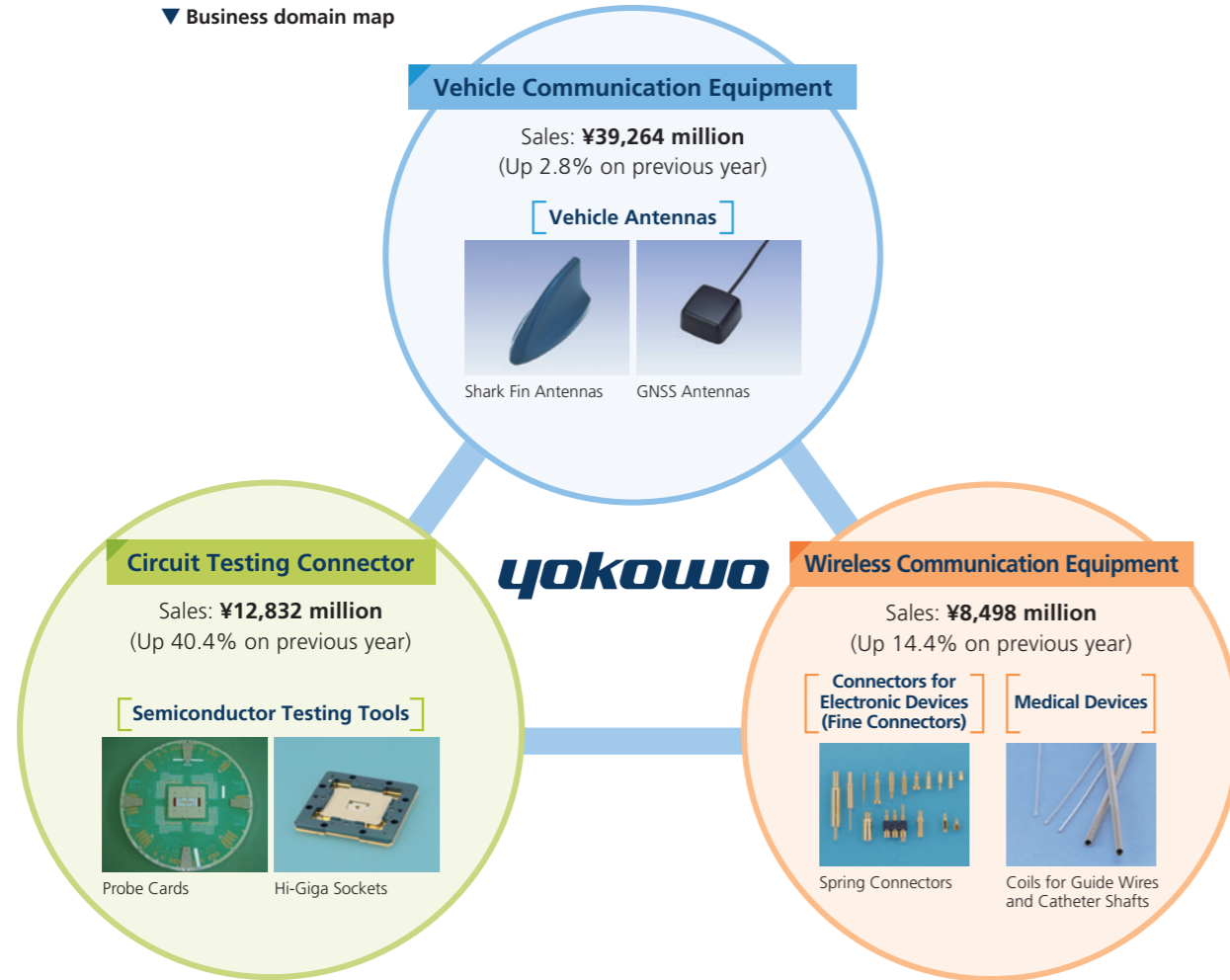


Yokowo's Business Domain

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

▼ Business domain map



Vehicle Communication Equipment

Yokowo manufactures antennas for cars (vehicle antennas), such as the Shark Fin antenna, mainly for the automotive market.

By continuing to develop and propose antenna systems to the customers that support next-generation vehicle communication which meet the basic needs required for smaller, multi-use, lower profile and smart vehicle antennas, Yokowo is helping to create safe and comfortable mobility services.

Circuit Testing Connector

Yokowo manufactures probe cards for front-end testing and sockets for back-end testing mainly for the semiconductor and electronic component testing market.

By making full use of its micro precision processing and microwave technologies, the Company provides solutions for all processes in the area of testing for electronic devices, such as semiconductors and electronic components, so as to meet the demands for smaller size and greater speeds.

Wireless Communication Equipment

• **Fine Connector Business**

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

• **Medical Device Business**

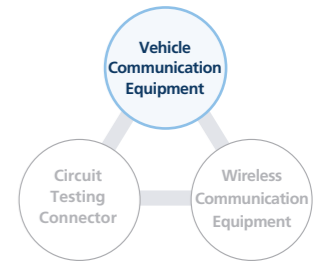
Yokowo provides a complete service from the design to the development and manufacturing of OEM guide wires, catheters and other micro precision parts and assembly products, mainly for the minimally invasive medical equipment market.

Vehicle Communication Equipment Segment

▼ Vehicle Communication Equipment - Consolidated Sales

FY2015	FY2016	FY2017	FY2018	FY2019
28,761	32,029	36,256	38,183	39,264

(million yen)



Segment Overview

In this segment, Yokowo manufactures vehicle antennas, including Shark Fin and GPS antennas for all areas from low to high frequency, mainly in China and Vietnam with over 90% of production taking place overseas. Regarding sales, we mainly provide our vehicle antennas to Japanese automobile manufacturers, not only in Japan but also globally in the United States and ASEAN markets. Overseas sales account for over 60% of all sales in this segment.

As a leading company of antenna systems that support next-generation vehicle communications, Yokowo will continue to strengthen its core technologies including antennas, and promote drastic reforms to its profit structure to continue to generate long-term profits.

Segment Policy

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

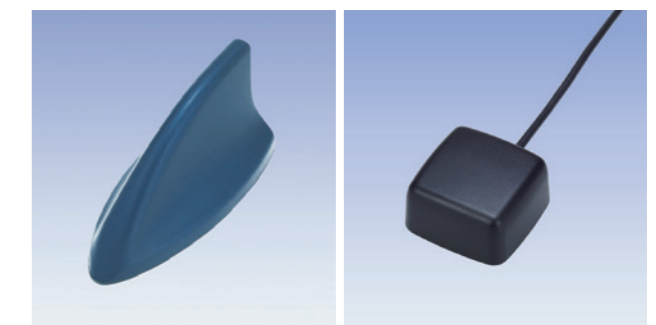
In addition to investment to increase capacity at its production bases, Yokowo will forge ahead rebuilding its profit structure by moving more production from its Chinese plant to its plant in Vietnam. The Company will also overhaul its profit profile by looking at a third production base, and by making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

Segment Review (Fiscal 2019)

In the automotive market, this segment's main market, demand has been flat or declining in major countries such as the United States and China due to a slowdown in the world's economy from prolonged trade friction between these two global players. Moreover, the spread of COVID-19 pandemic in the fourth quarter also forced car manufacturers to shut down their plants.

In Japan, sales of new on-the-road cars and light vehicles fell year on year due to a reactionary fall in demand following the consumption tax hike in October 2019 and a drop in demand because of COVID-19.

Under these circumstances however, sales of antennas for car manufacturers, such as Yokowo's mainstay Shark Fin and GPS antennas, remained firm to major customers in Japan and overseas, surpassing previous yearly sales. And sales of products mainly for the domestic market, such as the ETC antenna, increased from the previous fiscal year due to strong car sales for some of the automobile manufacturers.



Shark Fin Antennas

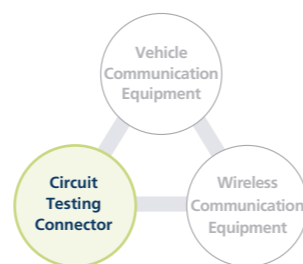
GNSS Antennas

Circuit Testing Connector Segment

▼ Circuit Testing Connector - Consolidated Sales

(million yen)

FY2015	FY2016	FY2017	FY2018	FY2019
6,614	6,883	9,503	9,138	12,832



Segment Overview

In this segment, Yokowo manufactures contact probes making full use of its micro precision processing technology, and also manufactures probe cards for front-end testing and sockets for back-end testing which both use contact probes. Yokowo has production bases in Japan and Malaysia with overseas production accounting for over 70% in this segment. Products are supplied worldwide, mainly to semiconductor manufacturers and foundries, with over 80% of sales going overseas.

In recent years, Yokowo has expanded its product lineup in cutting-edge fields, such as testing sockets for 5G devices, that also use microwave technology, and probe cards for the testing of high-frequency electronic components that make use of MEMS technology.

Segment Review (Fiscal 2019)

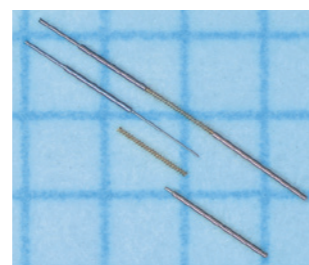
Although IC products, especially in the memory market, have been sluggish because of a drop in demand for smartphones due to the trade war between the United States and China, growth is expected to continue over the medium to long term in the semiconductor testing market, this segment's main market, due to increased demand in growth fields such as 5G, IoT, in-vehicle, AI, and big data.

Under these circumstances, sales of the Group's mainstay semiconductor back-end testing tools greatly exceeded those of the previous year due to an increase in orders for high-frequency compatible products, in contrast to the previous fiscal year when demand slowed mainly in the memory field. Sales of semiconductor front-end testing tools also increased year on year due to the steady expansion of the turnkey business, which provides a one-stop service solution to include peripheral equipment.

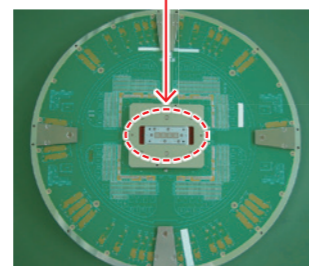
As a result, net sales in this segment were 12,832 million yen (up 40.4% on previous year), a significant increase from the previous fiscal year. In terms of profit and loss for the segment, profit increased due to increased revenue resulting in a profit of 3,132 million yen (up 236.7% on previous year), due to a higher proportion of product sales with relatively high profit margins and an increased operating rate for production equipment.

Segment Policy

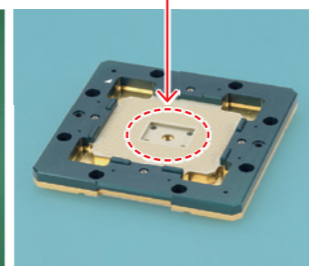
Going forward, Yokowo's policy is to steadily capture the increase in demand for semiconductor testing in fields such as 5G, IoT, in-vehicle, and AI. To this end, Yokowo will strongly promote the strengthening of full-scale systems to; develop and launch strategic products, invest in capacity increases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



Contact Probes



Probe Cards



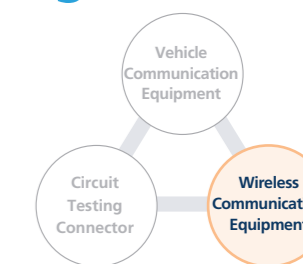
Hi-Giga Sockets

Wireless Communication Equipment Segment

▼ Wireless Communication Equipment - Consolidated Sales

(million yen)

FY2015	FY2016	FY2017	FY2018	FY2019
4,622	5,164	6,158	7,429	8,498



Segment Overview

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

In the Fine Connector business, Yokowo manufactures spring connectors which allow for easy attachment and detachment to electronic devices. These connectors are manufactured in Japan, Malaysia, and China, with over 80% being produced overseas. Yokowo supplies a wide range of electronic device manufacturers in Japan and overseas, with over 80% of sales going outside Japan.

In the Medical Device business, in addition to micro precision parts such as OEM guide wires and catheters, Yokowo designs, develops, and manufactures assembly products at its Tomioka plant in Japan. Yokowo mainly supplies domestic medical device manufacturers, with approximately 10% of sales going overseas.

Segment Review (Fiscal 2019)

Although sales of smartphones have been declining in the mobile communications terminal market, this segment's main market, future growth is expected on the back of more diversification and functionality with wearable devices. Moreover, the point of sales (POS) market continues to grow steadily from the perspective of improved operational efficiency through information management in a wide range of industries, including logistics and manufacturing. And growth is also expected in other markets such as industrial equipment.

In the Fine Connector business, with fine spring connectors as the business' key product, sales of products for the healthcare market decreased sharply from the second half of the fiscal year ended March 31, 2020. However, sales for POS terminals and wearable devices were strong, resulting in higher sales exceeding those of the previous year.

In the Medical Device business, in addition to strong sales of assembly products both in Japan and overseas, sales of components also increased, resulting in a significant upsurge in sales from the previous fiscal year.

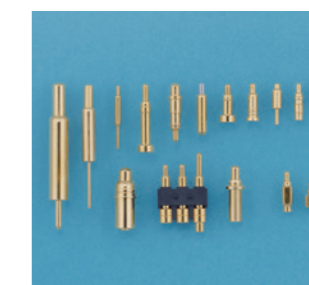
As a result, net sales in this segment increased from the previous fiscal year to 8,498 million yen (up 14.4% on previous

year). In terms of profit and loss, although productivity in the Fine Connector business dropped due to COVID-19, the segment saw a profit of 1,755 million yen (up 8.7% on previous year) due to; increased profits from revenue gains, a higher proportion of product sales with relatively high profit margins, and improving yields in the Medical Device business.

Segment Policy

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

In terms of medical devices, Yokowo aims to further grow the business by increasing the production capacity of micro precision parts with the installation of cutting-edge production equipment and by expanding sales of guide wire and catheter assembly products in Japan and overseas. The Company will also promote a multi-layered structure to the supply chain in anticipation of business expansion in the cutting-edge medical field which is seeing worldwide expansion particularly in the United States.



Spring Connectors



Coils for Guide Wires