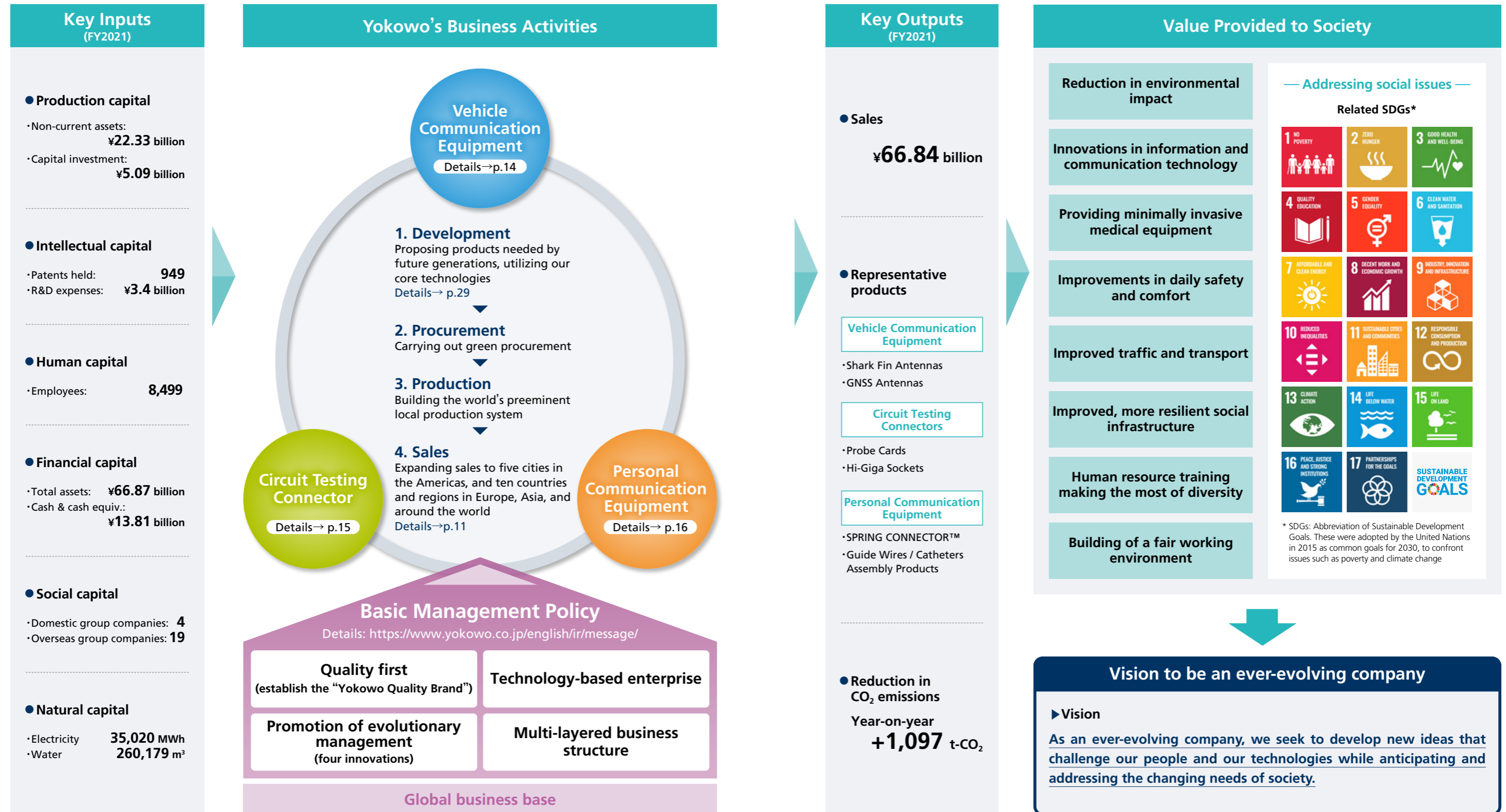


Yokowo's Value Creation Process

While utilizing our “six types of capital,” the Yokowo Group provides value to society through a multi-layered combination of our core competencies (micro-precision processing, microwaves (high-frequency), and advanced devices). Looking forward, our aim is to achieve a sustainable society through our business activities that are based upon the four pillars of our basic management policies, and to strive to continue to create value unique to Yokowo.



Yokowo's Materiality

In 2020, Yokowo identified our materiality as a Group. This clearly states the contribution to society made through our business activities, and incorporates the desire of our management to “make Yokowo a good company.” Through the promotion of innovation and reforms to business models, we are both sustainably growing our business, and contributing to the environment, society, and diversity.



Three Priority Issues (Materiality)

From the candidate issues that were extracted and analyzed using the process outlined above, we identified the following three priority issues:

- The environment
- Local communities
- Diversity and inclusion

Related SDGs

Related SDGs

Related SDGs

More advanced business activities and social contribution
GO BEYOND~Challenge the Next Stage~

▼ Materiality targets and progress status

| Materiality | Targets for 2030 | | Achievement Level by FY2021 | |
|---|--|---|---|---|
| | Performance Indicator | Target Value | | |
| ① Be a company that customers and their customers feel comfortable working with | Establish Yokowo as a quality brand by using the highest quality, and by a move to zero hazardous chemical substances | Number of innovative medical devices created backed up by IP (annual) | 5 | 2 devices under development (specification finalized) |
| | | Establishment of micro precision and microwave laboratories | Established | Promoted the construction of the Micro Process R&D Center (Construction due to be completed in 2022) |
| | Contributions to treatment of illnesses and rare diseases | Number of treatments provided to the field of rare diseases with low patient numbers and without established treatment methods (annual) | 3 | 1 treatment under development (prototyping stage) |
| | Response to climate change Formulating concrete strategies that conform to TCFD recommendations Disclosure using the CDP framework Planning and progress management by the Board of Directors | GHG emissions Compared to FY2014 Target for 2030 | Scope 1 and 2 35% reduction | Promoted the adoption of photovoltaic power generating facilities at the Tomioka Plant and Vietnam Plant, which are the Company's core plants Promoted discussions into Scope 3 reduction methods |
| | | Water use (basic units) Target for 2030 | 10% reduction compared to FY2020 | 17.6% reduction compared to FY2020 |
| | | Waste generation Target for 2030 | 10% reduction compared to FY2020 | 5.2% increase compared to FY2020 |
| | Strengthened compliance and governance | Number of major compliance violations (annual) | 0 | 0 |
| Training participation rate (annual) | | 100% | Information security e-learning: 98% Compliance e-learning: 98% | |
| ② Be a company that society (including local communities) and its business partners feel comfortable interacting with | Dialog with local communities and contributions to their development | Number of community service projects undertaken (annual) | 10 | Active as a naming rights partner at the Tomioka Plant Made preparations for the establishment of a Social Activity Promotion Section For more details, please see the Local Communities section (p.49) |
| | Fulfilling social responsibility throughout the supply chain | Violations of the Subcontracting Law | 0 | 0 |
| | Establishment of a global BCP system, and constant testing to improve its effectiveness | BCP strategy-based best mix of overseas and domestic production | BCP certification | Promoted the establishment of a new business continuity planning (BCP) system in Fine Connector business in Personal Communication Equipment segment |
| | Concern for human rights Building of a check system in cooperation with local governments and NPOs to eliminate child labor and unethically mined resources, etc. | In-house checks, and actively contributing to the promotion of fair labor practices through collaboration with NPOs in each country | NPO cooperation activities 5 (annual) | Complying with all customer human rights status checks and exploring possibilities for collaboration with NPOs to strengthen our own internal checking function |
| ③ Be a company where employees feel comfortable being employed, and which ensures that employees' families are happy for them to work there | Promotion and development of workforce diversity and inclusion | Ratio of female leaders (overall ratio of female employees who are section heads or higher) | Comparable with levels for males | Male 38.0% Female 7.2% Currently implementing roundtable discussions For more details, please see the Employees section (p.44) |
| | | Create a workplace environment allowing all employees to play an active role regardless of age | Employment age limit 70 and above | Completed adoption of a framework that enables persons aged 65 or over to continue working as contract employees under outsourcing agreements |
| | | Number of TISP hires | 120 | Number of TISP hires at the Company 61 |
| | Achieving an appealing, rewarding work environment | Ratio of employees with disabilities | 150% of legally stipulated ratio | 1.51% Promoted preparations for the establishment of YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD. For more details, please see at right. |
| | | Percentage of annual paid leave taken | 90% | 65.2% |
| | | Number of on-site company nurseries established (including contracted service provision) | 3 | Preparations are underway as part of the Tomioka Plant renewal plan. We are also planning to introduce a childcare and nursing care plan as part of the new personnel system. |
| | | | Number of workplace accidents (annual) | 0 |
| Expanding long-term training and apprenticeship programs in Japan for employees in locations overseas thus improving their abilities, and strengthening the business mindset of Japanese employees through interaction with these employees | Number of overseas long-term trainees accepted (annual) | 20 | 0 Although recruitment at overseas facilities went ahead as normal, the acceptance of overseas long-term trainees in Japan was put on hold because of the spread of the COVID-19 pandemic. | |

VOICE

Aiming for Diverse Human Resources
Measures towards employment for persons with disabilities ~ Establishing YOKOWO FUTURE-ORIENTED SUPPORT



Koichi Fukagawa
Director, Senior Managing Executive Officer
YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD.
Representative Director

Year by year, it is becoming increasingly difficult to hire high-caliber staff, and so we are promoting the hiring and training of a diverse range of human resources under our basic policy of promoting diversity and inclusion.

One of our efforts to utilize diverse human resources is to promote the employment of people with disabilities. When people with disabilities can leverage their specific characteristics and strengths to take on certain tasks within a workplace, this increases the productivity of the workplace as a whole, and leads to a sense of fulfillment and job motivation for these people. We also feel that having our employees work alongside people with disabilities will drive home the fact that we are serious about promoting diversity and inclusion.

Many of our employees with disabilities have left the company mid-career, and as a result we have failed to meet the legally mandated employment rate. Upon analysis of this low retention rate, we found the main reasons to be insufficient training in each workplace to accommodate people with disabilities, and a lack of support systems in terms of business and lifestyle for these employees.

Accordingly, we determined that it was necessary to establish a subsidiary dedicated to the employment of people with disabilities. The subsidiary would cover education on the characteristics of people with disabilities and the creation of opportunities in which they can play an active role, through to assigning public health nurses and mental health and welfare professionals to provide health and lifestyle support. Accordingly, we established YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD. in April 2022.

At present, the work undertaken by people with disabilities through YOKOWO FUTURE-ORIENTED SUPPORT includes cleaning and disinfecting the factory, parts inspections and packaging at production sites, and data entry in the design department. Management and key personnel at YOKOWO FUTURE-ORIENTED SUPPORT are veteran employees with a deep knowledge of Yokowo operations, including design and manufacturing. Therefore, the creation of work for people with disabilities is proceeding smoothly.

In the future, the company plans to expand its cleaning and disinfecting business beyond the Yokowo Group's own operations to include cleaning, disinfecting and planting business at local community centers, gymnasiums, and other sports facilities. Through such measures, it aims to become a special subsidiary well-loved by local communities, and to further improve job satisfaction and motivation of people with disabilities.

Yokowo's Manufacturing

The Yokowo Group actively incorporates cutting-edge technologies while reaching greater heights with its core technologies, such as micro precision processing technology, antenna technology, and microwave technology, providing a wide variety of original products for the world's leading companies.

Furthermore, Yokowo is promoting innovation each and every day in the production process and enhancing our software development capabilities in order to evolve our business model from "things" to "services" — this is so that we can achieve high levels in terms of quality, cost, delivery, and safety (QCDS).

Cutting-Edge Research and Development

Basic Research

Microwave Technology

Amid the development of automated driving and 5th generation mobile communications systems (5G), microwave technology is becoming increasingly more important in the fields of vehicle communication and semiconductors. Yokowo is progressing with the establishment of the world's highest-level microwave technology in terms of both wireless communication and semiconductor testing.

Process Development

Micro Precision Process

In addition to the world's highest-level micro precision processing technology, Yokowo is strengthening its competitiveness in precision plating and MEMS processing.

Production Process

All major elemental technologies are developed within Yokowo's production engineering department, which also promotes AI applications in production and quality control.

Design Process

Yokowo is establishing an integrated system from design to maintenance that utilizes multiple uses of 3D computer-assisted design information.

Commercialization Research

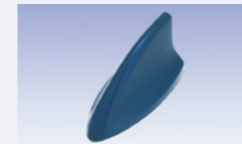
Yokowo has established a system in which the R&D department, the process technology department and the department responsible for new product development and commercialization can work together closely. By incorporating cutting-edge technologies in collaboration with other companies and universities, Yokowo is also promoting product evolution and a multi-layered business structure.

Applied Research

- System proposals related to building social platforms that utilize wireless technology and software development capabilities
- Development of high-speed optical communication devices and connectors, and automatic testing technology for wireless antennas incorporated in semiconductor devices essential for the evolution in automated driving and 5G
- Turnkey system proposals for semiconductor testing tools

Multi-Layer Building Products

Vehicle antennas



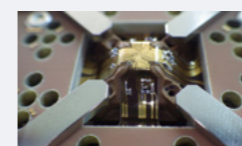
Software applications



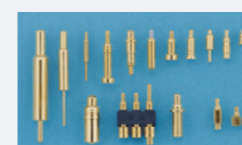
Semiconductor testing



High frequency device testing



Connectors for electronic devices



Medical devices



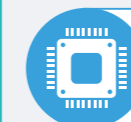
Fields for Product Roll-Out

Expanding and Strengthening



Vehicle Antennas

- Automated driving systems



Semiconductor Testing Tools

- 5G
- Turnkey



Connectors for Electronic Devices

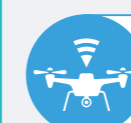
- Small, low profile, waterproof, high current



Medical Devices

- Precision parts
- Assembly products

Strategic Development



Social Platforms

- Car sharing
- Drones



High Frequency Device Testing

- Amps
- Filters



Optical Communications

- Connectors
- Photoelectric conversion



Precision Plating

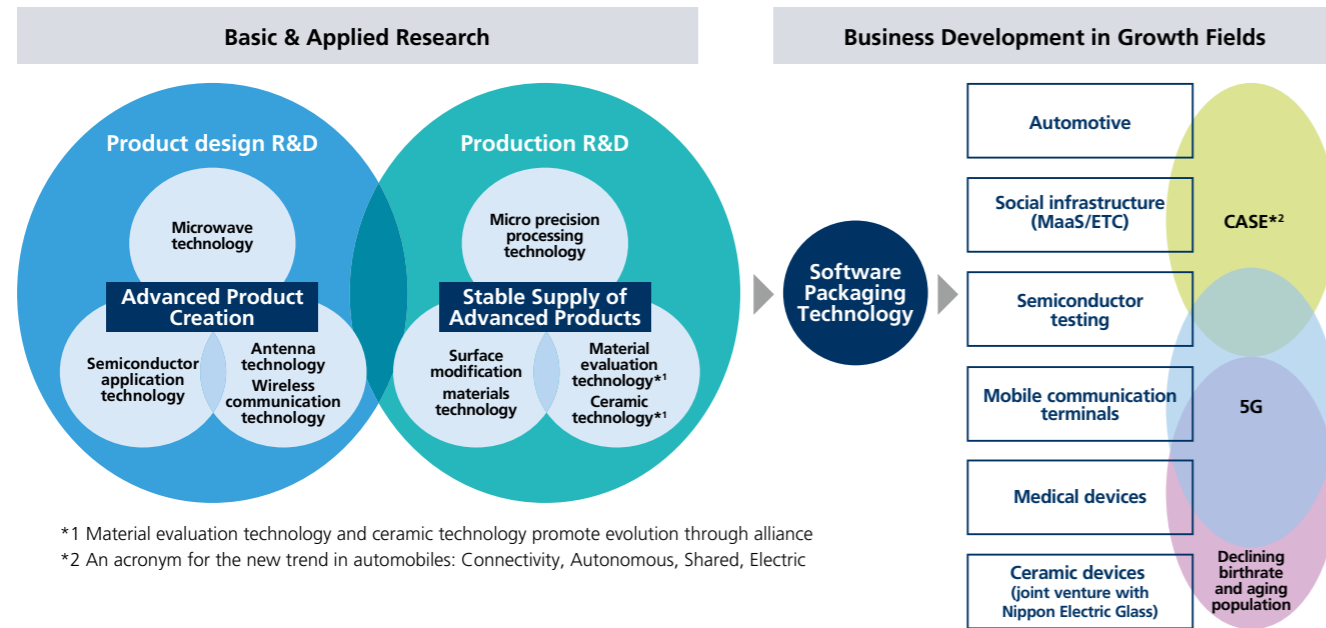
- Wet
- Dry

The world's number one manufacturer for high-frequency, wireless applications, and precision parts

Research and Development

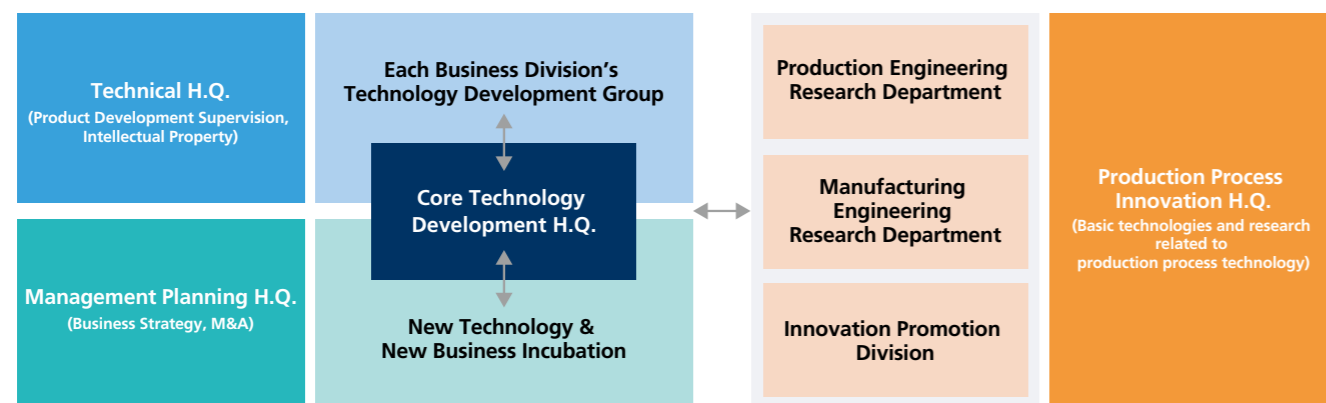
The Yokowo Group has set the five fields of micro precision processing technology, microwave technology, antenna technology, surface modification materials technology (surface processing/modification of material), and semiconductor application technology as the Company's core technologies supporting its competitiveness in the marketplace. Through greater sophistication and wider use of all its technologies, Yokowo is building a multi-layered business structure to create innovative, high-tech products.

Research and Development Policy



Product design R&D and production R&D are essential and inseparable elements of Yokowo's research and development. With the two running in sync Yokowo is able to create advanced products at the cutting edge, providing a stable supply to the Company's customers.

Research and Development System

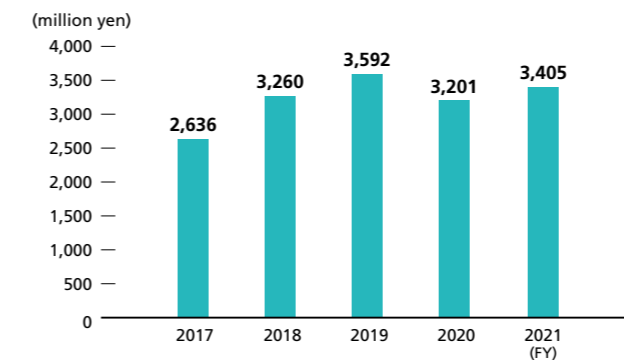


The Core Technology Development H.Q. is in charge of the research and development of technologies, such as microwave technology, micro precision processing, and MEMS technologies, needed to give our products a competitive advantage. Whereas the engineering departments in each business division are in charge of developing applications for new products with the Technical H.Q. overseeing the whole product development process. Likewise, the Production Process Innovation H.Q. is in charge of research related to the production of products, and the Management Planning H.Q. is in charge of new technology and new business incubation.

R&D Investment

Based on the Yokowo Group's company-wide growth strategy, the R&D department, the business division's technology department, and local development centers work together to promote research and development centered on the Company's core technologies. In particular, Yokowo is focusing on the research and development of new technologies and new products with an emphasis on developing products with a higher degree of technological integration and increased added value.

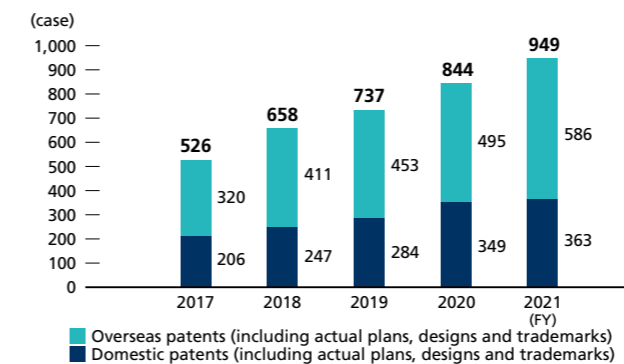
▼ R&D Expenses



Intellectual Property Rights

With its sights set squarely on target business fields and business development for intellectual property, Yokowo is strengthening the foundations of its intellectual property, the cornerstone of its business strategy, by steadily increasing the number of patents it holds in Japan and overseas and by making use of licensing agreements, etc.

▼ Patents held



Main R&D Themes

Over the medium to long term, Yokowo's main markets, namely the automotive, semiconductor testing, mobile communication terminals, and medical device markets, are expected to grow in size due to: advances in new eco-friendly vehicles such as plug-in hybrids and electric vehicles as well as advanced driver-assistance systems (ADAS) and automated driving; the actualization of new semiconductor demand for next-generation high-speed, large-capacity communications typified by 5G and Beyond 5G (6G); the rise of next-generation products such as wearable devices; and the spread of minimally invasive treatment and advances in genetic testing technology.

The main R&D themes for each segment related to the above markets are as follows:

Vehicle Communication Equipment

- Antenna system for V2X essential for ADAS and automated driving
- Technology development for communication systems, equipment and devices for the CASE era

Circuit Testing Connector

- Development of test sockets for high-current, high-speed and high-frequency devices
- Research and development aimed at improving performance, durability, and functionality, e.g. probe surface modification technology
- Development of probe cards that keep pace with the semiconductor device technology roadmaps (narrower pitch, more pins, and higher frequencies)

Personal Communication Equipment

Fine Connector Business

- Development of high rated connectors
- Development of optical connectors for high-speed optical communication

Medical Device Business

- Joint development of new minimally invasive medical equipment and testing systems with universities and medical institutions in Japan and the United States that utilize micro precision processing technology and microwave technology

Product Technology

The Yokowo Group develops a whole range of innovative products based on its unique technological capabilities built up over many years, supplying electronic, electrical and automotive manufacturers around the world.

Innovative Product Development through the Fusion of Yokowo's Technologies



By combining Yokowo's production engineering for increased production efficiency with its core technologies of micro precision processing technology, microwave technology, antenna technology, and surface modification materials technology, the Company is able to develop products with innovation and creativity. Amassing technical expertise with greater sophistication, Yokowo remains committed to the fundamental research and development of new core technologies.

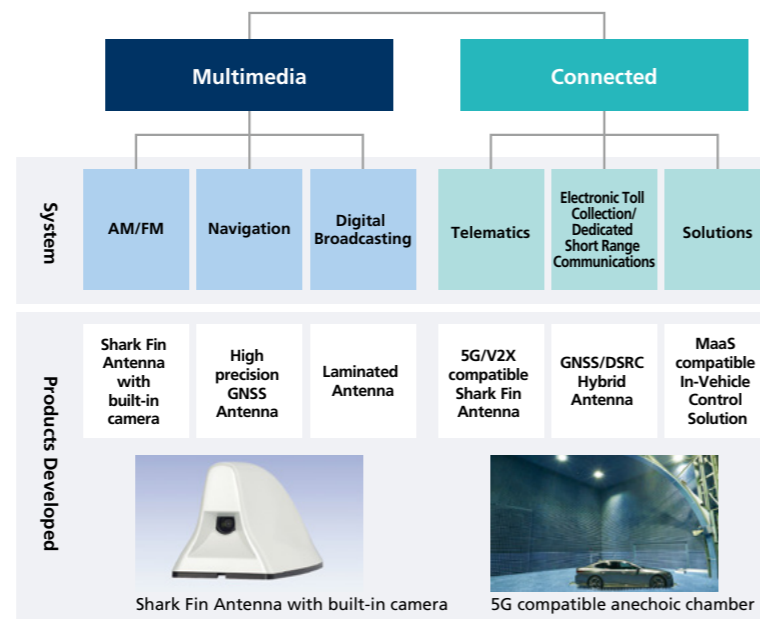
Through these unique technologies, Yokowo manufactures a whole range of innovative products such as: vehicle antennas; testing tools for semiconductors and electronic components; connectors for electronic devices; and medical devices. Yokowo continues to supply these products and more to the automotive, semiconductor testing, mobile communication terminals and medical device markets.

Automotive Market

To meet the needs required for smaller, multi-use, lower profile, smart vehicle antennas, Yokowo is developing antenna systems that support next-generation vehicle communication by making full use of modular technologies as well as the antenna and microwave technologies Yokowo has built up over many years.

Along with Yokowo's state-of-the-art facilities, including an electromagnetic field simulator and an anechoic chamber for measuring millimeter-wave frequencies (up to 40GHz) in 5G communications, Yokowo makes full use of its world-leading technological prowess to manufacture innovative, industry-leading products.

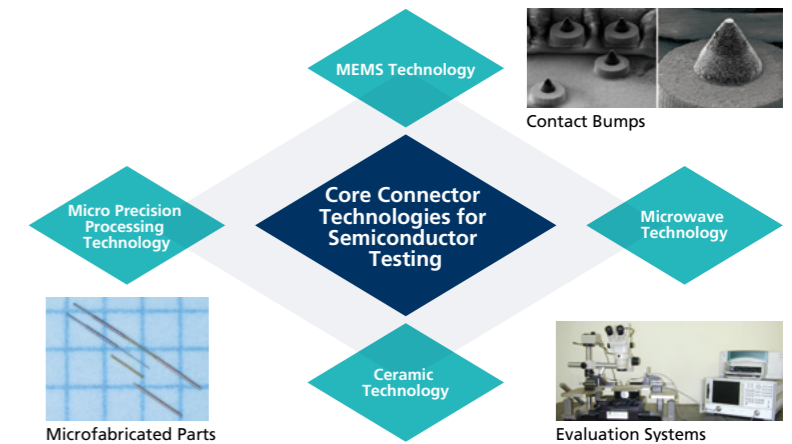
Vehicle Communication Equipment Business Domain



Semiconductor Testing Market

More than ever before semiconductors and electronic components are required to have faster speeds, higher frequencies, and better integration, with similar expectations also for the testing process. By making full use of MEMS technology, in addition to Yokowo's micro precision processing and microwave technologies developed over many years, Yokowo develops and supplies products globally in all areas of high-speed, high-frequency as well as front- and back-end testing processes.

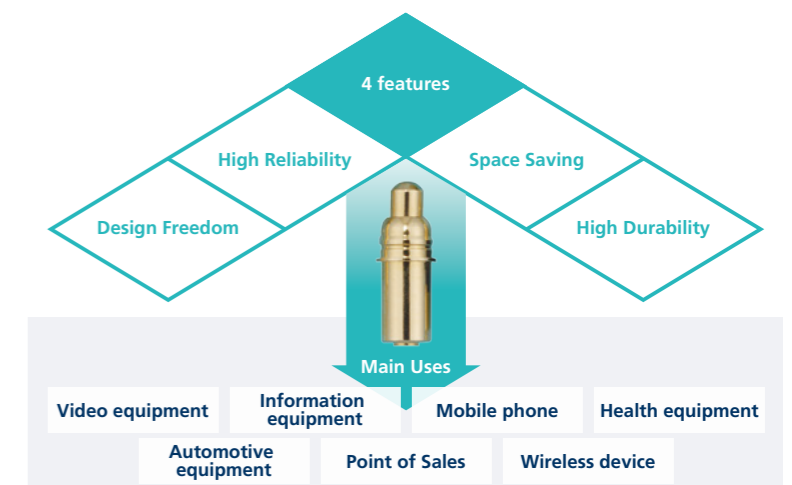
Circuit Testing Connector Business Domain



Mobile Communication Terminal Market

In the rapidly expanding mobile communications terminal market, there is an increasing need for detachable, low profile space-saving connectors with detachable durability and environmental worthiness becoming even more important in commercial information devices. Yokowo's proprietary SPRING CONNECTOR™ accurately capture these market needs, becoming used more widely in a variety of applications.

Features and Main Uses of the SPRING CONNECTOR™



Medical Device Market

Yokowo is making full use of technologies such as micro precision processing, coating, assembly, as well as product design and evaluation to develop such products as OEM guide wires, catheters and other items in the field of minimally invasive medical equipment. Yokowo possesses its own equipment and manufacturing lines to provide a complete service from product processing and finished product assembly to hydrophilic coating, packaging and sterilization. In the assembly process, various connections methods can be selected depending on the product's use.

