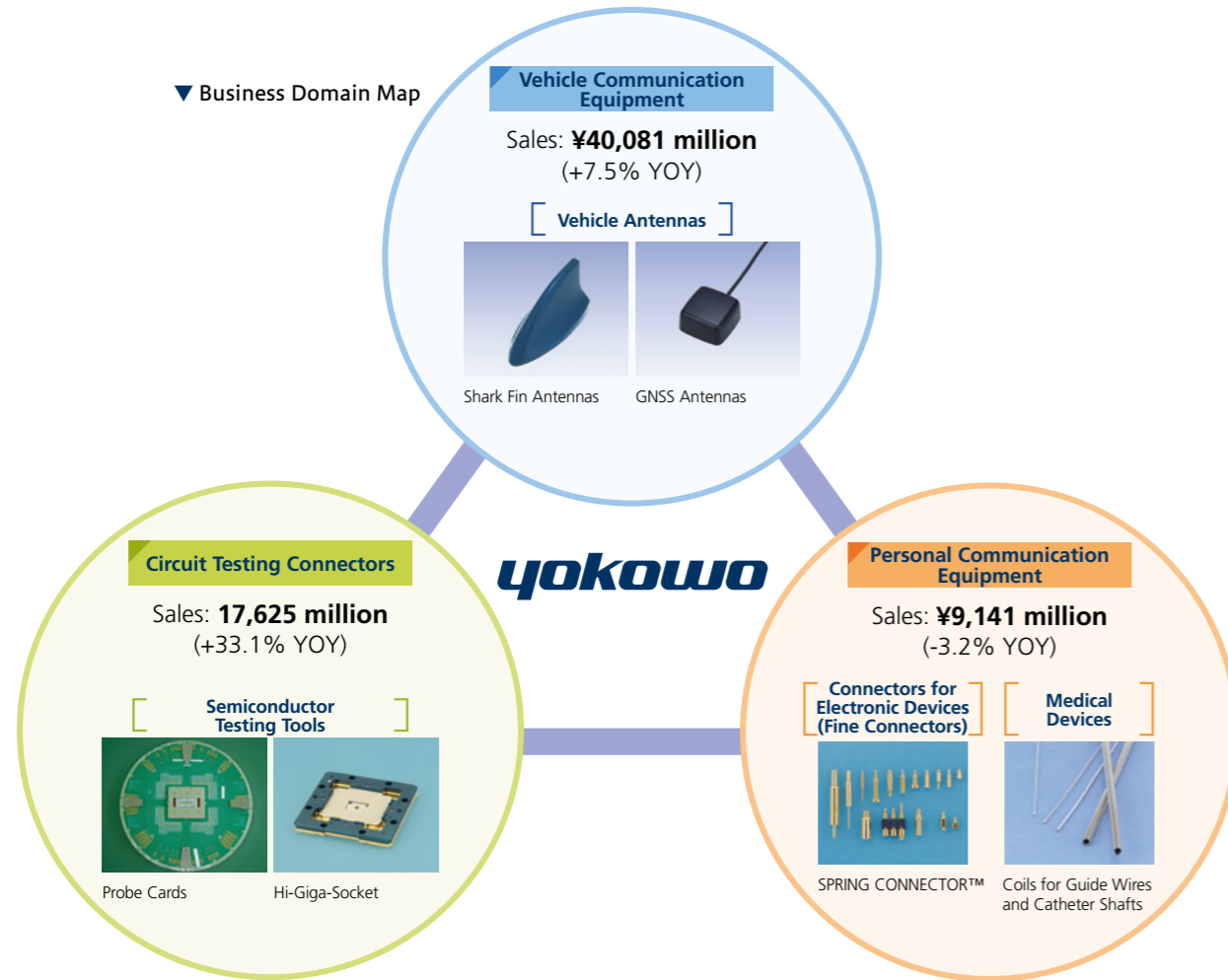


# Yokowo's Business Domain

The Yokowo Group has implemented and refined a number of technologies such as antenna and microwave 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 Personal Communication Equipment.



**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.

**Personal Communication Equipment**

**Fine Connector Business**

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

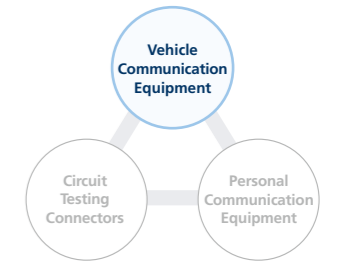
**Medical Device Business**

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 (million yen)

FY2017	FY2018	FY2019	FY2020	FY2021
36,256	38,183	39,264	37,292	<b>40,081</b>



### 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 Review (Fiscal 2021)

In the automobile market, the main market for this segment, the global shortage of semiconductors and the delays in parts procurement and other impacts by outbreaks of COVID-19 variants persisted throughout the fiscal year, preventing a full-scale recovery in production. A breakdown by region shows that new vehicle sales increased year on year in the US and China but decreased in Europe and Japan.

In these circumstances, mainstay products for car manufacturers that are sold in Japan and overseas, such as shark fin antennas and GPS antennas, ETC antennas, and other products mainly marketed in Japan, achieved net sales substantially exceeding the levels year on year due to the reaction to the production cutbacks from the first quarter despite a decrease in orders by the production adjustments at automobile manufacturers from the second quarter.

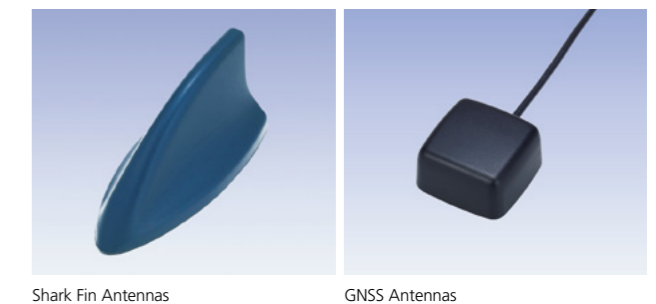
As a result, sales for this segment increased year on year, to ¥40,081 million (up 7.5% year on year). The segment reported a loss of ¥1,443 million (a gain of ¥443 million in the previous fiscal year), reflecting higher physical distribution cost attributable chiefly to a surge in ocean freight, higher labor costs at production sites in China and Vietnam associated with appreciation of the local currencies, cost increases caused by rising materials prices, and the maintenance of the production system in anticipation of a recovery in production at automobile

manufacturers.

### 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 in rebuilding its profit structure by stably expanding the automatic assembly lines and automatic testing systems introduced in fiscal 2019, shifting more production from its Chinese plant to its plant in Vietnam, achieving stable operation of the Philippines plant as a third production base (began operations in April 2022), and making the most of strategic alliances.

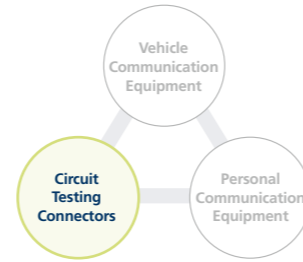


## Circuit Testing Connectors Segment

### ▼ Circuit Testing Connectors - Consolidated Sales

(million yen)

FY2017	FY2018	FY2019	FY2020	FY2021
9,503	9,138	12,832	13,242	<b>17,625</b>



### 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 in semiconductor manufacturing processes, which both use contact probes. Yokowo has production bases in Japan and Malaysia with overseas production accounting for over 60% 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 testing 5G devices that use microwave technology, and probe cards for the testing of high-frequency electronic components (YPX) that make use of MEMS technology. In fiscal 2021, monthly production capacity for contact probes was approximately 6.2 million units.

### Segment Review (Fiscal 2021)

In the semiconductor testing market, the main market for this segment, demand related to testing remains very strong, reflecting strong demand for high-end personal computers associated with the expansion of telework and online learning and tight supply of semiconductors for electronics equipment including cloud services and smartphones.

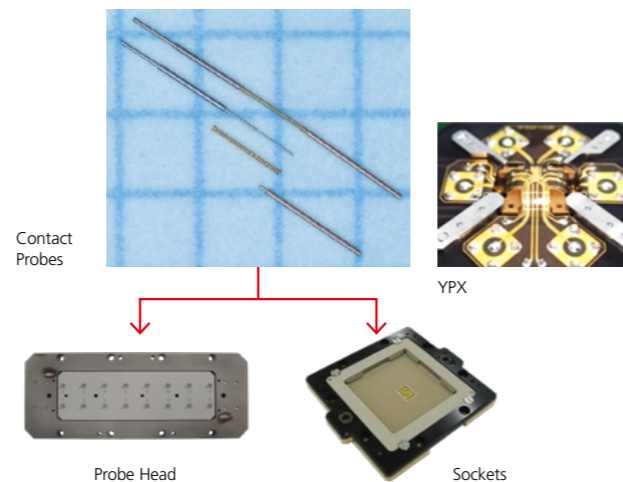
In these circumstances, sales of jigs for semiconductor back-end testing, the main product of the Group, were higher year on year, due to an increase in strong orders and launching on mass production of new products for logic semiconductor testing sockets and sockets for high-frequency testing. Sales of jigs for semiconductor front-end testing increased year on year due to a steady expansion in the turnkey business that offers one-stop solutions services including peripheral devices. Demand for MEMS probe cards (YPX) for high-frequency electronics components testing rose significantly, reflecting the penetration of 5G smartphones, and sales of the probe cards exceeded the year-ago level.

As a result, sales for this segment increased year on year, to ¥17,625 million (up 33.1% year on year). The segment reported a profit of ¥4,871 million (up 81.6% year on year) largely due to increased sales and higher profit associated with a weaker yen

as well as an increase in the ratio of products with comparatively high profit margins, despite cost increases caused by rising raw materials prices.

### 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 that target the market for high-frequency and high-speed signal testing related to 5G communications, invest in capacity increases at domestic and Malaysian plants as well as establish domestic branch plants and Vietnam plant, 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.

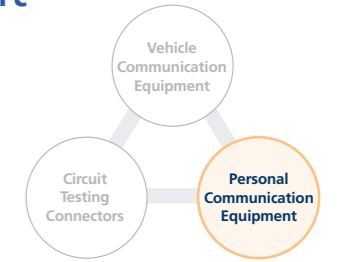


## Personal Communication Equipment Segment

### ▼ Personal Communication Equipment - Consolidated Sales

(million yen)

FY2017	FY2018	FY2019	FY2020	FY2021
6,158	7,429	8,498	9,441	<b>9,141</b>



### Segment Overview

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

In the Fine Connector business, Yokowo manufactures SPRING CONNECTOR™ 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 2021)

In the market for mobile communication terminals, a key market for this segment, sales of smartphones were on a downward trend. However, sales of wearable terminals are expected to grow given their diversification and greater sophistication. The POS terminal market has been growing steadily in a wide range of industries, including those engaging in logistics and manufacturing, with a view toward improvements in operational efficiency through information management. In addition, other markets including the market for industrial equipment are also expected to grow.

In these circumstances, net sales for the fine connector business, for which fine SPRING CONNECTOR™ act as core products, decreased year-on-year, reflecting a decrease in sales of products for POS terminals and products for wearable devices, such as wireless earbuds, from the second quarter on due to the global shortage of semiconductors and production adjustments at customers caused by a resurgence of COVID-19 in ASEAN.

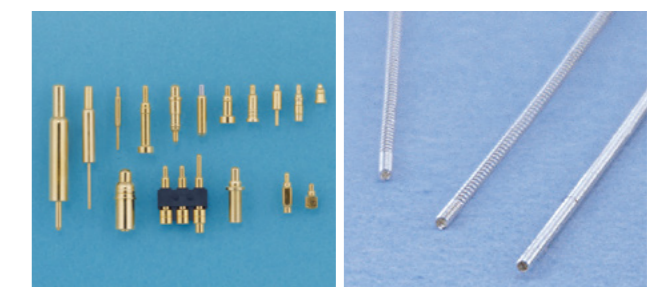
In the medical device business, which is included in the segment, sales increased year on year, reflecting sales of new unit-based devices and growth in sales to Venture Ecosystem from the second half, which offset weaker orders in the first half due to the impact of the COVID-19 pandemic.

As a result, sales for this segment decreased year on year, to ¥9,141 million (down 3.2% year on year). The segment posted a profit of ¥1,256 million (down 39.1% year on year) chiefly owing to lower profit on the back of lower sales in the fine connector business as well as a higher labor cost ratio at production sites in China mainly due to a strong yuan, and changes in the business structure.

### 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 the Medical Device business, 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. Yokowo will strengthen our efforts in the venture ecosystem as a manufacturing partner that brings product ideas from venture companies in Japan to reality, and 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 CONNECTOR™

Coils for guide wires