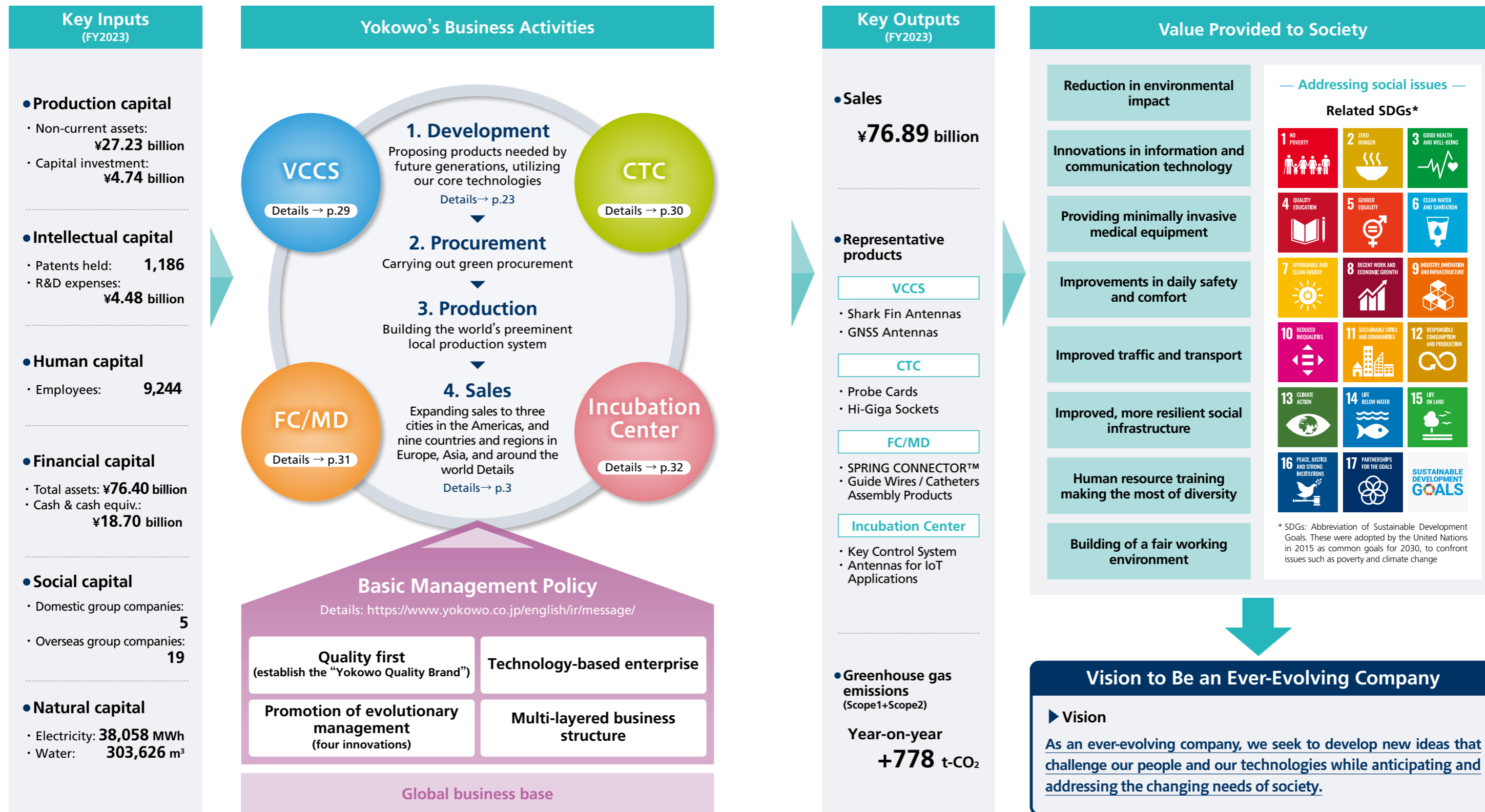


# Yokowo's Value Creation Process

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

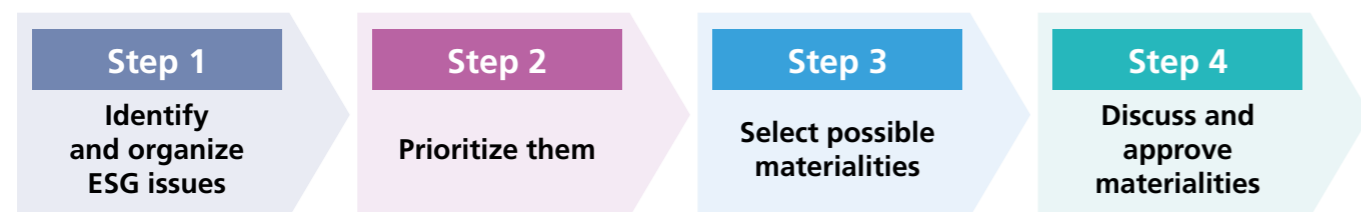
To achieve our purpose which states, "Be a good company by employing people and technologies that work for the benefit of society today and tomorrow," we have created the New Medium-Term Management Plan 2024-2028 from a medium to long-term perspective and revised the materialities that we identified in 2020.

## Revision of and Approach to Materialities

In the context of a rapidly changing external environment and increasing management uncertainty, we, as a group, have revised our materialities and related indicators and targets in connection with the formulation of the New Medium-Term Management Plan 2024-2028. We examined each issue by considering how we affect society and the environment, and how society and the environment affect us. We then set key issues and materialities, with corresponding indicators and targets.

The five key areas in the non-financial areas we have established will help to implement the New Medium-Term Management Plan 2024-2028 through specific materialities initiatives. By linking them to the financial areas, we will increase our corporate value and contribute to the development and evolution of a sustainable society.

## Process to Identify Materialities



### Step 1 Identify and organize ESG issues

To identify issues, we created a long list based on questions from ESG rating organizations, reports from international organizations, and key issues from business partners and our own company, and organized them into four groups: E (Environment), S (Society), G (Governance), and Other.

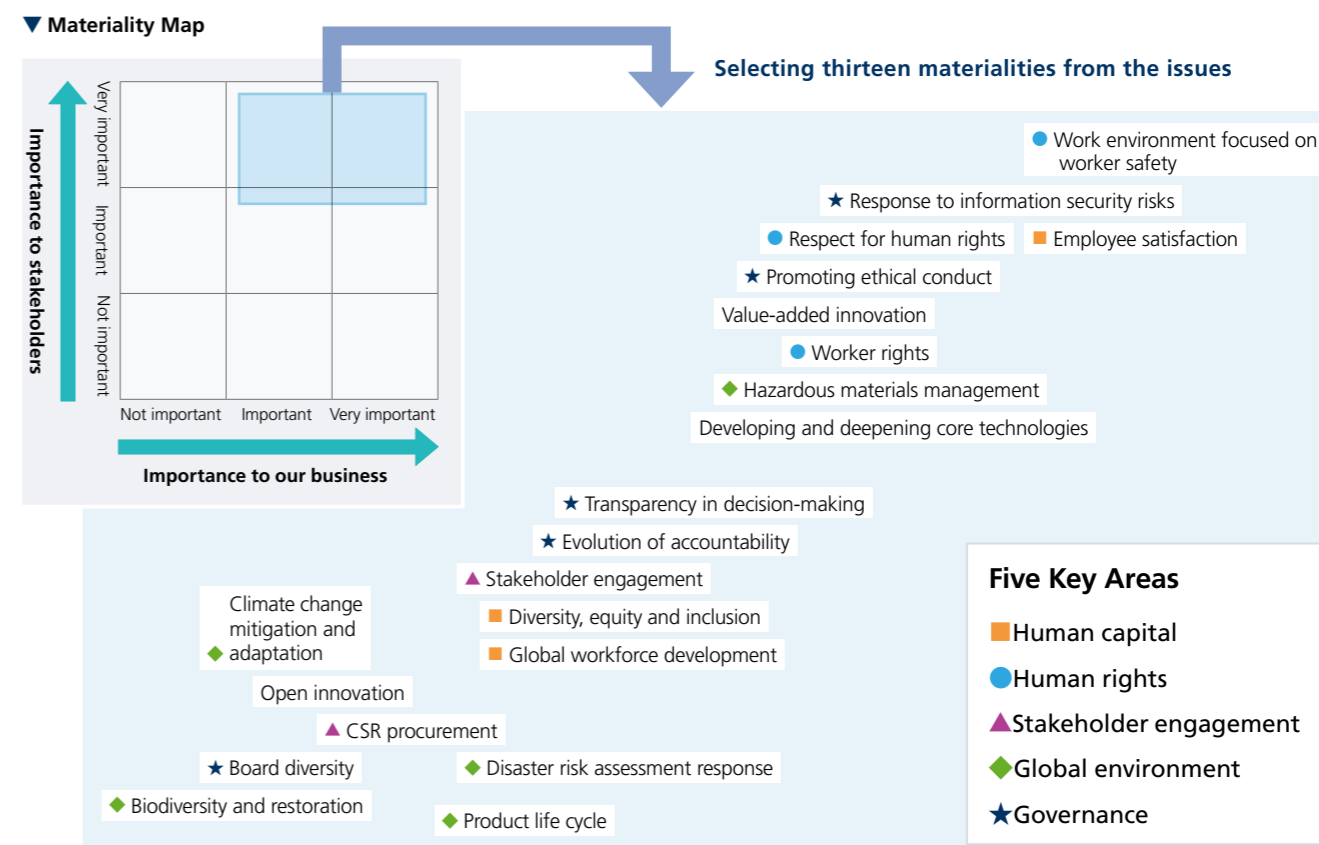


### Step 2 Prioritize the issues

To prioritize the issues identified in Step 1, we established two rating axes: Importance to stakeholders and importance to our business, each with a three-level scale of very important, important, and not important. We conducted a survey of our executives and employees in Japan and overseas, and created a materiality map.

### Step 3 Select possible materiality

Based on the survey results, the Executive Meeting selected possible materialities for each of the five key areas —human capital, human rights, stakeholder engagement, global environment, and governance— and proposed KPIs and targets for FY2030.



### Step 4 Discuss and approve materiality

The Board of Directors discussed and approved the five key areas, 13 materialities, KPIs, and FY2030 targets selected by the Executive Meeting. The identified materialities, KPIs, and FY2030 targets will be revised as necessary to reflect changes in the external environment and business, as well as the progress of activities.

\*See the next page for details, as well as KPIs and FY2030 targets.

Key Areas	Materiality
Human capital	<ul style="list-style-type: none"> <li>Diversity, equity and inclusion</li> <li>Global workforce development</li> </ul>
Human rights	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Rights of those who work with us</li> </ul>
Stakeholder engagement	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Two-way communication with business partners</li> <li>Dialogue and interaction with local communities</li> <li>Dialogue with shareholders and investors</li> </ul>
Global environment	<ul style="list-style-type: none"> <li>Climate change mitigation and adaptation</li> <li>Transition to a circular society as well as management and reduction of hazardous substances</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance</li> <li>Risk management</li> </ul>

▼ Materialities and KPIs (FY2030 Targets)

Key areas	Materialities	Approach/Reason for selection	KPIs (FY2030 Targets)		FY2023 Results ("—" indicates a new KPI) [Supplementation/Reference]
			Evaluation index	Target value	
Human capital Based on our Purpose, we consider that the continuous development of people, or human capital, which is as important an asset as technology, is a critical factor in creating sustainable corporate value for the realization of a sustainable society.	Diversity, equity and inclusion	Our basic policy on diversity is to hire and train a diverse workforce regardless of nationality, gender, age, etc., and to respect individuality, to treat employees fairly and equitably, and create a comfortable workplace so that each and every employee can maximize his or her potential. We believe that expanding diversity and enhancing equity and inclusion in accordance with this basic policy will encourage a diverse workforce to demonstrate their abilities with high motivation, and will serve as the foundation for the Group's permanent evolution.	Number of TISP*1 hires/employees	120 or more (cumulative)	75 (as of March 31, 2024)
			Percentage of employees with disabilities	3.45% (1.5 times higher than the statutory percentage of 2.3% in FY2023)	2.3% (as of March 31, 2024)
			Percentage of female managerial staff	10% or more	Percentage of female managers to total number of managers:3.6% (as of March 31, 2024)
			Increase employee engagement	Aim to achieve 20% increase from the 2022 score of 46*2 as soon as possible and to maintain that level	— (Not implemented in FY 2023)
	Global workforce development	Our Group has the advantage of having a global workforce. To ensure that this continues to be our competitive edge, we believe it is essential to focus on expanding the training of our global human resources.	Communication equipment sector: number of qualified persons	60	— [31 as of October 2024]
			Connectors sector: number of product or process inventors	72	48
			Medical sector: number of persons with competence in the three roles*3 in medical business manufacturers and distributors, as well as FDA and MDR-compliant individuals	20	5
			Employee mastery level of DX literacy standards*4	20% or more of employees above standard	— [6% as of October 2024]
Human rights In light of the recent changes in the external environment regarding human rights, we will strengthen our commitment to respect human rights in order to achieve our Purpose.	Respect for human rights	We are committed to respecting and improving human rights by establishing the Yokowo Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights. In accordance with our Human Rights Policy, we emphasize dialogue with stakeholders, assess negative impacts on human rights throughout our supply chain, and promote initiatives to address specific issues.	Participation rate in human rights training at all Group sites	100%	89% (Non-consolidated)
			Risk assessment of human rights due diligence at all Yokowo Group sites	B or higher (according to Yokowo's unique metric)	A: 0 companies, B: 4 companies, C: 7 companies, D: 3 companies, E: 0 companies
	Rights of those who work with us	We will address specific human rights issues in a fair and equitable manner to respect the human rights of workers throughout our supply chain. We will pursue initiatives to create a safer, more secure and rewarding work environment.	Percentage of due diligence conducted on Yokowo Group's major suppliers (top 80% of total purchases)	100%	— [97% as of September 30, 2024 (29/30 companies) non-consolidated]
			Rate of lost-worktime injuries	0.23, or a 30% improvement from the base year (FY2023) rate of lost-worktime injuries	0.329
Stakeholder engagement We will build a relationship of trust with our stakeholders through dialogue and other forms of communication in order to become a good company that meets their expectations, as stated in our Purpose, so that together we can realize a productive society where everyone is happy.	Customer satisfaction	We want to be a company that makes our customers say, "I'm so happy I did business with Yokowo! I'd love to build on our relationship even more." To meet customer expectations, we will take their feedback seriously and work with integrity. By continuing these efforts, we will establish the "Yokowo Quality Brand" and build long-term trusting relationships with our customers.	Scores in our customer satisfaction surveys	Maintain a score above the base year (FY2023) score each year	VCCS : 83.9, CTC : 82.3, FC : 87.5, MD : 68
	Two-way communication with business partners	We want to be a company that makes our business partners say, "I'm glad I work for Yokowo. I'll work harder to make a greater contribution." To that end, we will conduct fair and equitable transactions. We will build partnerships that create mutual value and long-term trust.	Conduct supplier briefings and sustainability briefings to raise the level of CSR procurement	Once a year or more	Not held
	Dialogue and interaction with local communities	We want to be a company that makes people in the local community say, "I am proud to have Yokowo in my town. I would love for my children to join Yokowo." To this end, we believe it is important to interact with them and engage in dialogue about local development and community issues. We will work to build trusting relationships with them, while gaining their understanding of our Group's business and our efforts to help solve social problems.	Community service activities	70 activities per year	35 activities
	Dialogue with shareholders and investors	To build long-term, trusting relationships with our shareholders and investors, we are committed to accurate, timely and proactive disclosure. We also actively engage in constructive dialogue with them to achieve sustainable growth and increase shareholder value over the medium to long term.	Conduct financial results briefings, small meetings, etc.	5 times or more	Financial Results Briefing 2 times
Global environment As a Group, we will promote the preservation of the global environment and climate change response to ensure that future generations inherit an irreplaceable healthy global environment.	Climate change mitigation and adaptation	To achieve carbon neutrality, we will strongly promote our response to climate change based on our environmental policy and action guidelines, while contributing to the development of society through our business activities.	GHG emission reduction from FY2014 level	35% reduction	22.7% increase (due to a 223% increase in sales compared to FY2014)
	Transition to a circular society and management and reduction of hazardous substances	We promote Group-wide efforts to reduce the use of substances that affect the global environment and the human body, as well as those that impede the recycling of waste materials. We will contribute to global environmental conservation and the realization of a circular society by complying with environmental laws, regulations, ordinances, and customer requirements, and by managing and reducing hazardous substances.	Specific water consumption compared to FY2020	10% reduction	16.4% reduction compared to FY2020
			Percentage of recycled plastic used	25% or more	—
			Waste recycling rate	80% or more on a global basis	74% on a global basis
			Reduction in use of PRTR substances (Group in Japan)	Curbing the use of PRTR substances through active consideration of alternative substances	12,440kg
Governance We will improve our governance system, which is the foundation of all corporate activities, to realize our Purpose, Vision and Values through our actions.	Corporate governance	We prioritize the enhancement of corporate governance as a key management objective, and pursue the achievement of our management objectives by ensuring management efficiency, transparency, and legal compliance.	Board effectiveness assessment	4.5 or higher on a 5-point scale	— [Results as of May 2024: 4.27 (based on self-assessment questionnaire)]
	Compliance	To continuously increase our corporate value and earn the trust of our stakeholders, we will contribute to the development of a sustainable society by conducting our business, environmental and social activities in a transparent and highly ethical manner.	Board diversity	Optimize the composition of the Board of Directors to improve its effectiveness and corporate value*5	—
			Compliance training participation rate (all Yokowo Group sites)	100%	— [3 times in FY2023 non-consolidated]
	Risk management	We will fulfill our corporate social responsibility and stabilize our organizational operations by considering the impact of risks on our business activities, complying with relevant laws and regulations, and responding appropriately to risks through our risk management system and efforts to continuously improve our performance.	Awareness of the whistleblower system (all Yokowo Group sites)	100%	— [45.3% at the time of the July 2024 survey]
			Identification of critical risks based on risk assessment and confirmation of progress in implementing measures	Once a year or more	Once
Number of incidents based on internal security incident severity determination	0 cases of score 40 or higher*6	—			

\*1 TISP: Tomioka International Specialist Park  
\*2 Score of engagement survey by Qualtrics

\*3 Three roles: General Manufacturing and Marketing Director, Quality Business Operation Director in Japan, and Safety Management Director

\*4 KPI is the ratio of employees who have mastered the DX literacy standard defined by METI as DX skills that all employees should possess

\*5 Optimization will be examined every year with a focus on women/foreign nationality/independence  
\*6 Goal to achieve and maintain zero incidents of high importance according to Yokowo's original index

# 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 3D computer-assisted design information.

#### Commercialization Research

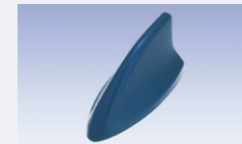
Yokowo has established a system in which the R&D department, the process technology department and the department responsible for new product development and commercialization can work together closely. By incorporating cutting-edge technologies in collaboration with other companies and universities,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



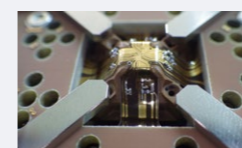
### Software applications



### Semiconductor testing



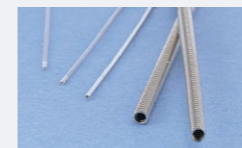
### High frequency device testing



### Connectors for electronic devices



### Medical devices

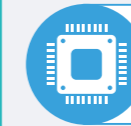


## Fields for Product Roll-Out

### Expanding and Strengthening



**Vehicle Antennas**  
● Automated driving systems



**Semiconductor Testing Tools**  
● 5G/6G ● 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



**AI Semiconductors**  
● Photoelectric fusion  
● Photoelectric conversion



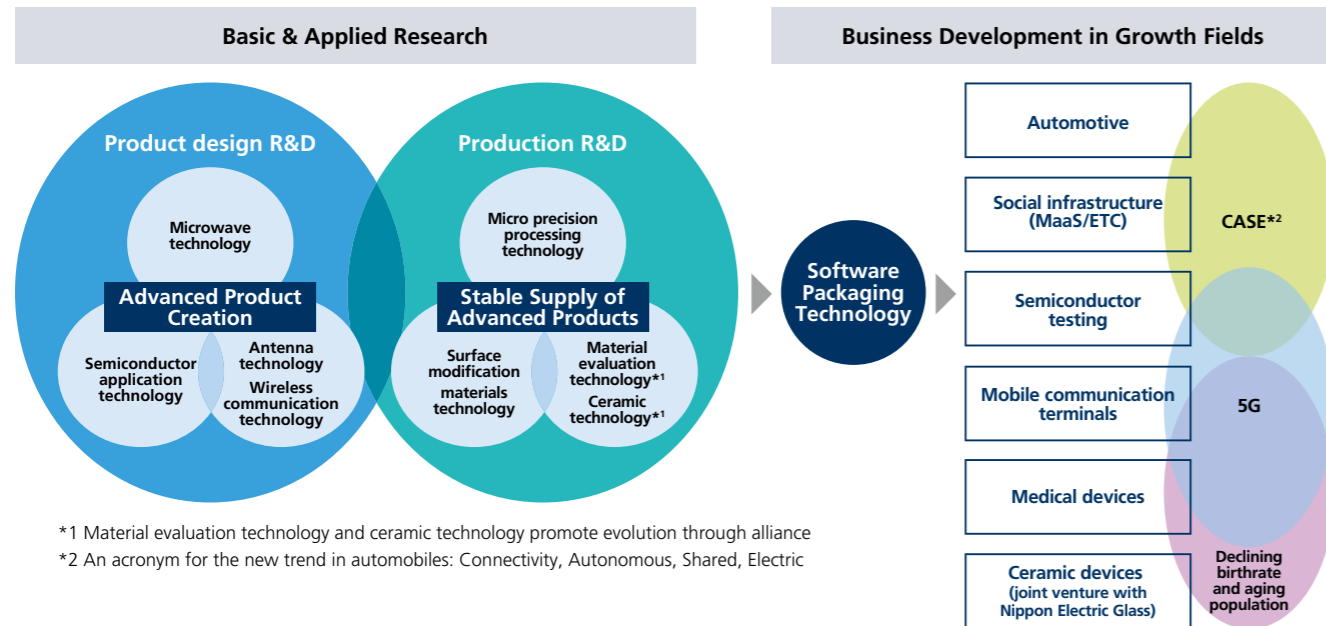
**Precision Plating**  
● Wet ● Dry

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

# Research and Development

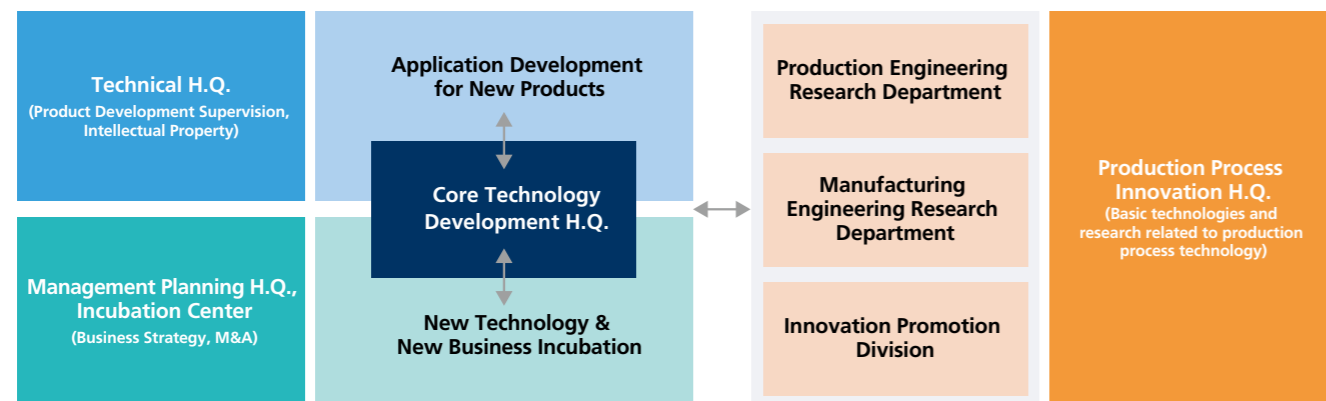
The Yokowo Group has set the five fields of micro precision processing technology, microwave technology, antenna technology, surface modification materials technology (surface processing/modification of material), and semiconductor application technology as the Company's core technologies supporting 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

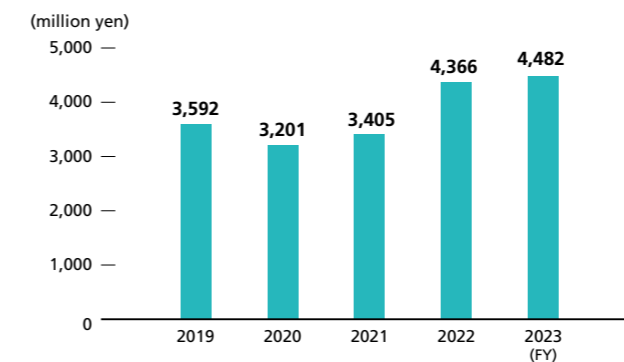


Development of applications for new products is conducted by engineering departments in each business division, with the Technical H.Q. overseeing the whole product development process along with technology development. The Management Planning H.Q. and Incubation Center are in charge of new technology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

## 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.

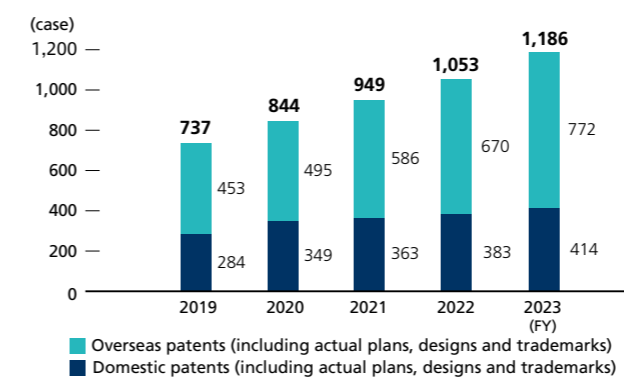
### ▼ R&D Expenses



## 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

Main objectives over the medium to long term include: the expansion of the MaaS (Mobility as a Service) business model that combines a hardware vehicle with software services including the integration of payment for multiple modes of transportation in line with the concentration of investment in CASE (Connectivity/Autonomous/Shared/Electric) next-generation technologies and development in CASE. Other objectives include 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:

### VCCS

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

### CTC

- 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

### FC/MD

#### [Fine Connector (FC) Business]

- Development of products for small robots and communication devices, including space and marine environments, to achieve a smart society
- Development of the "world's smallest SPRING CONNECTOR™," with a focus on small size and light weight

#### [Medical Device (MD) 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

### Incubation Center

- Development of products and solutions together with partner companies to create new markets
- Creation of new business models with a shift from selling things to services, including subscriptions

# 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.

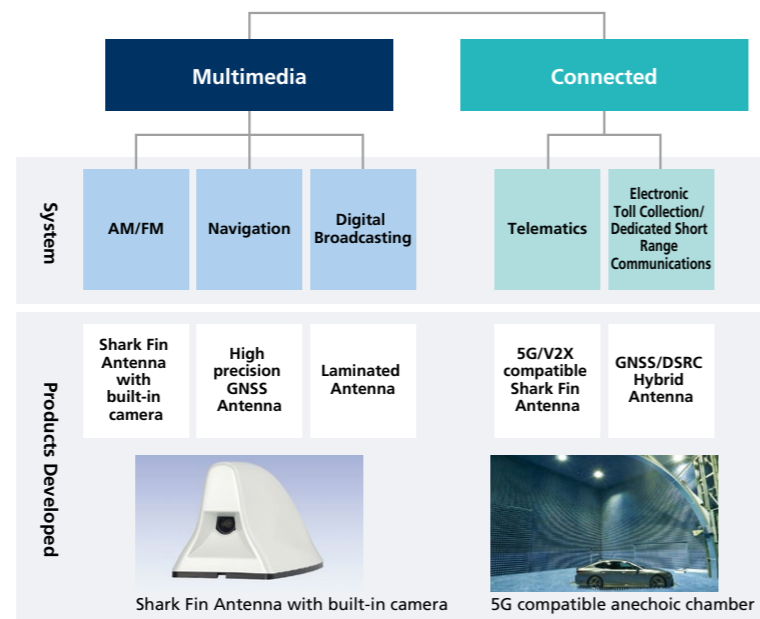
Through these unique technologies, Yokowo manufactures a whole range of innovative products such as: vehicle antennas; testing tools for semiconductors and electronic components; connectors for electronic devices; and medical devices. Yokowo continues to supply these products and more to the automotive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

## Automotive and MaaS Markets

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.

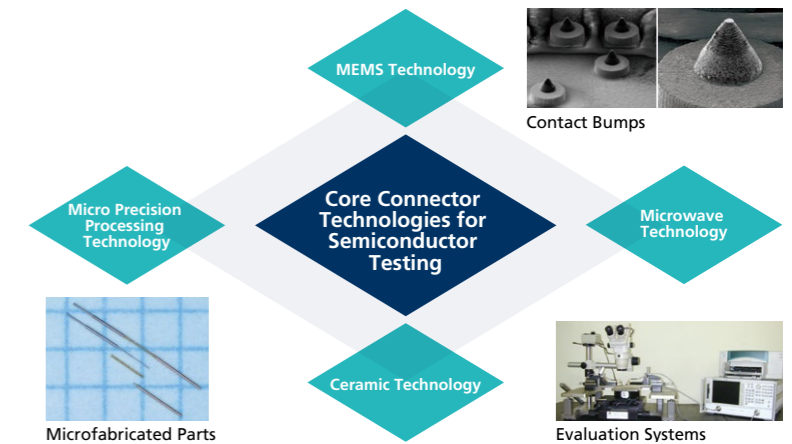
### VCCS Segment Business Domain



## 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.

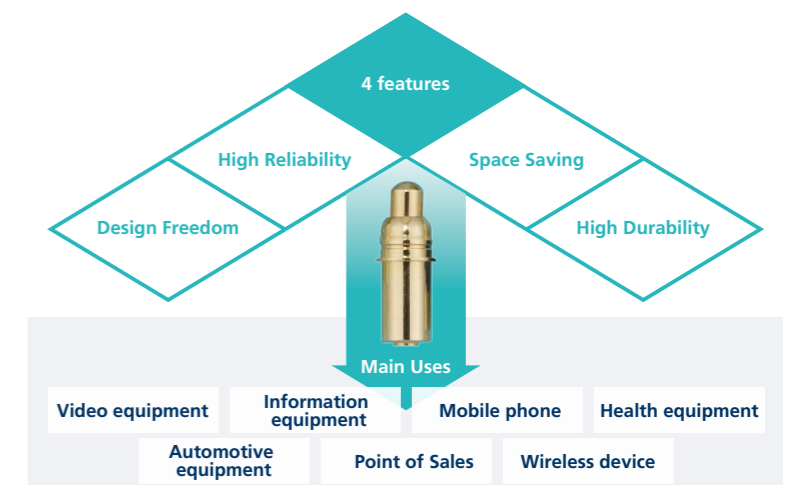
### CTC Segment Business Domain



## 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.

