

# YOKOWO Integrated Report 2025

Developing, Delighting  
**yokowo**



## Purpose

**Be a good company by employing people and technologies that work for the benefit of society today and tomorrow.**

## Vision

**As an ever-evolving company, we seek to develop new ideas that challenge our people and our technologies while anticipating and addressing the changing needs of society.**

## Values

<b>Respect</b>	Respect human diversity, keep an open mind and treat others with sincerity.
<b>Fairness</b>	Act with fairness and transparency.
<b>Ownership</b>	Take the initiative and be personally responsible for all your actions.
<b>Challenge</b>	Be fearless, try new things and make the most of any situation.
<b>Innovation</b>	Be flexible and consistently apply your skills to encourage innovative change.

## Brand Slogan

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**Developing, Delighting**

## New Visual Identity

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Expresses the pride of preserving tradition.

### **TRADITIONAL BLUE**

Expresses the pride of continuous innovation.

### **INNOVATION RED**

Represents the journey from our history to the future challenges ahead.

### **FUTURE LINE**

The symbol element in Yokowo's visual identity has been named the FUTURE LINE. This reflects our founding core technology—tube drawing and processing—and illustrates how that heritage connects to the diverse range of products we have developed throughout our history, such as spring bars, rod antennas, and contact probes.

The single line also embodies the journey Yokowo has taken to date and the path forward into future challenges. It simultaneously conveys the unmistakable Yokowo spirit of continuing to boldly embrace new eras while confronting continuous evolution.

The corporate brand colors are red and blue. As an ever-evolving company, we have redefined our identity through two symbolic colors: INNOVATION RED, representing our spirit of continuous innovation, and TRADITIONAL BLUE, reflecting our dedication to preserving the core technologies handed down since our founding.

# Business Bases



## Domestic bases

- Head office
- Itabashi office
- Osaka branch
- Chubu branch
- Utsunomiya branch
- MEMS development center
- Tomioka plant
- LTCC Materials Co., Ltd.

## Overseas bases

### Europe

#### Germany

- YOKOWO EUROPE GmbH
- YOKOWO EUROPE GmbH Düsseldorf office

### North America

#### USA

- YOKOWO AMERICA CORPORATION
- YOKOWO MANUFACTURING OF AMERICA LLC
- YOKOWO MANUFACTURING OF AMERICA LLC Detroit office

### Asia

#### Taiwan

- YOKOWO MICRO TECH CO., LTD.

#### Singapore

- YOKOWO (SINGAPORE) PTE.LTD.

#### Philippines

- YOKOWO MANUFACTURING OF THE PHILIPPINES, INC.
- YOKOWO PHILIPPINES INC.

#### Malaysia

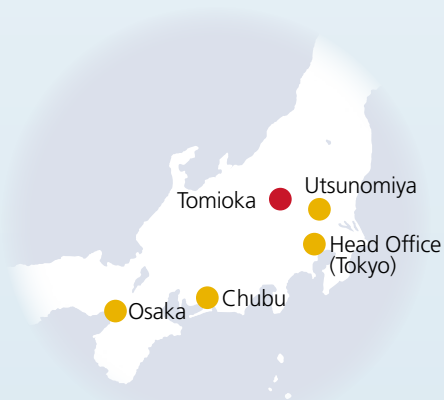
- YOKOWO ELECTRONICS (M) SDN.BHD.

#### Thailand

- YOKOWO (THAILAND) CO., LTD.

#### Korea

- YOKOWO KOREA CO., LTD.





## North America

### USA

- Tempe
- Detroit
- Columbus

- Production
- Sales

## China

- YOKOWO CORP. (H.K.) LTD.
- YOKOWO (HONG KONG) LTD.
- YJH TECHNOLOGY CO., LTD.
- SUZHOU YJH TECHNOLOGY CO., LTD.
- DONGGUAN YOKOWO CAR COMPONENTS CO., LTD.
- DONGGUAN YOKOWO COMMUNICATION COMPONENTS CO., LTD.
- DONGGUAN YOKOWO COMMUNICATION COMPONENTS CO., LTD. Shanghai sales branch

## Vietnam

- YOKOWO VIETNAM CO., LTD.
- YOKOWO ELECTRONICS VIETNAM CO., LTD.

## India

- Lumax Yokowo Technologies Pvt. Ltd.

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# At a Glance

From everyday items such as smartphones, tablets, and cameras to vehicles, semiconductor plants, logistics, and medical settings, Yokowo's diverse products play a role in creating comfortable and enriched lives.

\* The built-in Yokowo products are indicated by the ● below the photo.

## Smartphones



- Antenna/Grounding Connectors
- Board-to-Board Connectors

## Body Cameras



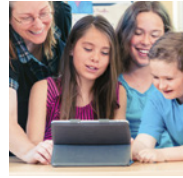
- Battery Connectors
- Cradle Connectors

## Digital Cameras



- Lens Connectors

## Tablets



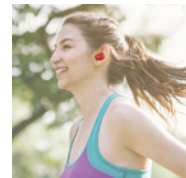
- Cradle Connectors

## Automotive Equipment



- Shark Fin Antennas
- GNSS/ETC Antennas
- Board-to-Board Connectors

## Wireless Earphones



- Battery Connectors

## Medical Devices



- Guide Wires
- Stents

## Yokowo by the Numbers FY2024







## Ratio of Net Sales by Segment



Operating Profit Margin:

**5.1%**

Research and Development Expenses (share of net sales):

**6.0%**VCCS  
(Vehicle Communication  
Comfort & Safety) Segment**67.6%**CTC  
(Circuit Testing Connector)  
Segment**18.8%**Incubation  
Center**0.3%**FC  
(Fine Connector)  
SegmentMD  
(Medical Device)  
SegmentConsolidated  
Net Sales:  
**82.8**  
billion yen**13.3%**

# Value Creation – Our Track Record

The Yokowo Group started with precision metal pipe processing developed by its founder, Chutaro Yokoo, at the time when he was a craftsman in the industry. From these beginnings, we introduced various new technologies centered on micro precision processing, expanding the business to a wide range of fields. With Tomioka Town within Kita-Kanra District, (now Tomioka City), Gunma Prefecture, where the founder was born and raised, as the center of development and production, we are developing and providing cutting-edge products for the global market while expanding its bases overseas.

## 1922

### Founded in Sumida District, Tokyo.

After having finished his apprenticeship, Chutaro Yokoo (1894-1977) decided to go out on his own and start a business, opening the Seirinsha bicycle shop the following year in 1923. This was destroyed on the day of opening by the Great Kanto Earthquake, but reopened just one month later. In 1926, using the skills he had acquired over 15 years as a craftsman, he opened a precision pipe processing factory in Mukojima, Tokyo. Thus was born Yokowo Manufacturing Co., Ltd., the predecessor of YOKOWO CO., LTD.



Chutaro Yokoo



In front of the Seirinsha bicycle shop

## 1951

### Incorporated.



## 1961

### Opened the Tomioka Plant in Tomioka City, Gunma Prefecture.



Tomioka Plant

## 1962

### Listed on the second section of the Tokyo Stock Exchange.

1920

1930

1940

1950

1960

## 1920

As the founder of Yokowo Manufacturing Co., Ltd., the predecessor of YOKOWO CO., LTD., Chutaro Yokoo refined his skills as a craftsman processing precision pipes used in pocket watch hinges.

## 1930

### Developed a spring bar for watches that, at that time, captured the largest share of the global market.

Chutaro Yokoo invents a belt mounting component, the "spring bar," which extends at both ends. This landmark invention became widely adopted overseas, capturing the world's largest market share. This was the starting point of "technical Yokowo" that exists to this day.



Conceptual image of watch band and spring bar.



Spring Bar

## 1956

### Started Rod Antenna business. (withdrew in 2003)

Yokowo's high-quality antennas with their smooth extendibility based upon precision pipe processing technologies garnered recognition from household electronics manufacturers, positioning antenna technology as a main business driver.



Rod Antenna



## 1957

### Started Vehicle Communication Equipment business.

With the rise of private car ownership in the 1950s, the need for automobile radios grew. Leveraging this opportunity, Yokowo entered the automotive industry and launched the Vehicle Communication Equipment (now VCCS) business.



Pillar Antenna

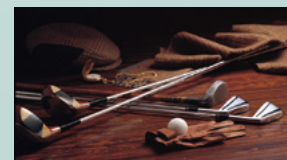


AM/FM Motor Antenna

## 1959

### Started Sporting Goods business. (withdrew in 1995)

In the midst of the leisure boom during the period of high economic growth, Yokowo took advantage of our pipe technologies to begin manufacturing and selling golf shafts. The Company has also expanded into metal bats and shafts for rackets.



Golf Goods



**1967**

**Established YOKOWO MFG. CO., (TAIWAN) LTD. in Taiwan.**  
(now YOKOWO MICRO TECH CO., LTD.)



YOKOWO MFG. CO., (TAIWAN) LTD.  
(Wugu District, Taiwan)

**1974**

**Relocated YOKOWO MFG. CO., (TAIWAN) LTD. to Shulin Industrial Zone.**



YOKOWO MFG. CO., (TAIWAN) LTD.  
(Shulin Industrial Zone)

**1978**

**Established YOKOWO (SINGAPORE) PTE. LTD. in Singapore.**



Building that YOKOWO (SINGAPORE) occupied at the time.

**1984**

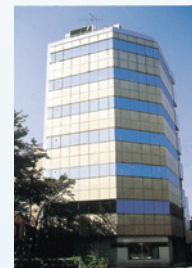
**Expanded the Tomioka Plant.**

**1987**

**Established YOKOWO ELECTRONICS (M) SDN. BHD. in Malaysia.**

**1989**

**Completed new head office building in Kita District, Tokyo.**

**1970****1980****1979**

**Started Circuit Testing Connector business.**

Harnessing the world's top-tier class micro precision processing technology and microwave technology, Yokowo started the development of semiconductor testing fixture. Yokowo offers global solutions to semiconductor testing processes that are increasingly miniaturized and high-performing.



Contact Probes

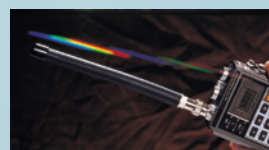
**1983**

**Started Personal Communication Antenna (PCA) business. (withdrew in 2014)**

During the first year of new media, Yokowo embarked on the development of personal radio antennas, which started the PCA business. NARDI promoted personal radio antennas as a cordless phone and cell phone solution in both the European and Japanese markets, while NARDII focused on developing ODU for satellite broadcast reception, paving the way for Yokowo's MICO business.



Cellular Phone Antenna



Wireless Communication Antenna

**1986**

**Started Fine Connector business.**

In trying to unlock new possibilities for its founding spring bar product, Yokowo adopted it as the signal contact in compact radio earphones. From an early point of pin-only supply, Yokowo aimed for greater ease of line assembly, prompting the company to design resin-holder units and diversify options, from conductivity to plating and compact resin molds, which expanded the FC (Fine Connector) business division.



SPRING CONNECTOR™

**1983**

**Started Microwave Component (MICO) business. (transferred to VCCS business in 2002)**

To enable the practical deployment of satellite broadcasting, Yokowo leveraged the expertise cultivated in antenna manufacturing to develop a compact, high-performance low noise converter (LNC) ideal for household reception. Taking this step, Yokowo's business would advance dramatically from mechanics into electronics.



LNC (Low Noise Converter)

**1987**

**Began OEM supply of various satellite broadcast reception devices in tandem with NHK's launch of satellite broadcast services.**

When satellite broadcasting began in Japan, NHK adopted it across its entire network, helping to usher in the dawn of domestic satellite broadcasting.



Outdoor Unit for BS

## Value Creation – Our Track Record



**1990**

Changed company name to YOKOWO CO., LTD.

**1994**

Established DONGGUAN YOKOWO ELECTRONICS CO., LTD. in Guangdong, China. (merged with DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. in 2017)



**1995**

Established DONGGUAN YOKOWO CAR COMPONENTS CO., LTD. in Guangdong, China.



**1999**

Established DONGGUAN YOKOWO COMMUNICATION COMPONENTS CO., LTD. in Guangdong, China.



Relocated YOKOWO EUROPE LTD. to London, U.K.

**2001**

Listed on the first section of the Tokyo Stock Exchange.

**2002**

Established YOKOWO MANUFACTURING OF AMERICA LLC in Ohio, U.S.A.



Established YOKOWO KOREA CO., LTD. in Korea.

**2005**

Established YOKOWO CORP. (H.K.) LTD. in Hong Kong.

**2007**

Established YOKOWO Advanced Device Center. (reorganized into a joint corporation in 2019)



YOKOWO Advanced Device Center

**2008**

Took over probe card business from Genesis Technology Inc.

Established YOKOWO MEMS development center.



Yokowo's History

**1990**

**1992**

Developed a small-sized ceramic patch GPS Antenna.



Small GPS Antenna

**1996**

Developed the world's first Micro Antenna for automotive AM/FM radio.

The world's first micro antenna was an innovative new product that transformed a conventional vehicle radio antenna, previously a mechanical component, into an electronic part. Yokowo managed to cut the antenna length dramatically, and it was subsequently equipped on a broad spectrum of automobiles.

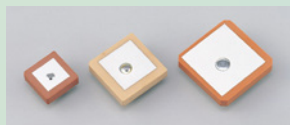


Micro Antenna

**1996**

Started Microwave Ceramics business.

Ceramic patch antennas, a crucial part of GPS and VICS (vehicle information and communication system), were initially purchased from outside sources. To enhance Yokowo's capabilities as a technology-development company, it embraced new elemental technologies and realized complete in-house manufacturing in 1996.



Ceramic Antenna

**1997**

Developed a BGA Test Socket to make a full entry into the semiconductor testing market.

Yokowo developed a spring probe-based BGA test socket. By enabling vertical contact with a 0.5 mm pitch, it provided high density, high frequency compatibility and simplified removal and installation. It has been highly evaluated for its mechanical and electrical characteristics and has been adopted by major U.S. semiconductor manufacturers.

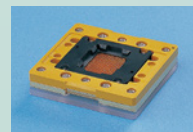


BGA Test Socket

**2002**

Sold the industry's first hi-giga socket for high frequency testing.

To seize the movement toward high frequency applications, the CTC business launched the hi-giga socket. Recent years saw a dramatic uptick in demand, driven by high frequency semiconductor devices and increased testing speed. The newer, higher-performance version of this socket supports testing of 5G-focused chips at renowned semiconductor companies worldwide.

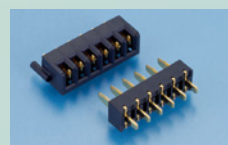


Hi-Giga Sockets

**2005**

Developed a two piece blade connector and fully entered the handheld device market.

The two piece blade connector incorporates a floating structure unique to Yokowo on its receptacle side, absorbing misalignments from vibrations or shocks and maintaining a stable connection. High impact and vibration resistance are now integrated into handheld device products used in harsh environment, achieving a strong market entry.



Two Piece Blade Connector

Yokowo's Manufacturing

**2011**

Established YOKOWO VIETNAM CO., LTD. in Vietnam.

**2012**

Acquired ISO 13485 certificate.

**2014**

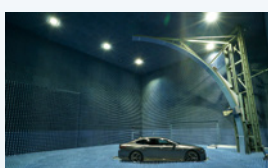
Acquired ISO 27001 certificate.

**2016**

Acquired OHSAS 18001 certificate.  
(Transferred to ISO 45001 in 2020)

**2018**

Established Advanced Measurement Technology Center in Tomioka Plant.

**2019**

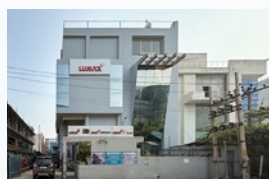
Registered the SmartWeld® trademark for its original technology for bonding different metallic materials.

Established a joint corporation as LTCC Materials Co., Ltd.

**2020**

Established YOKOWO EUROPE GmbH in Germany.

Established a joint corporation as Lumax Yokowo Technologies Pvt. Ltd. in India.



Established YOKOWO MANUFACTURING OF THE PHILIPPINES, INC. in Philippines.

**2021**

Relocated the head office to JR Kanda Manseibashi Bldg. in Chiyoda District, Tokyo.

**2022**

Transitioned to the prime market of Tokyo Stock Exchange, in accordance with the restructuring of market segments.

Established YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD. (Special subsidiary certification obtained in March 2023)

Established YOKOWO ELECTRONICS VIETNAM CO., LTD. in Vietnam.



100th anniversary since foundation

**100<sup>th</sup>**  
ANNIVERSARY

**2023**

Established the Micro Process R&D Center (MP Center) in the Tomioka Plant.

**2025**

Succeeded to network solution businesses of KOHA Co., Ltd. through a company split.

**2010****2006**

**Started Medical Device (MD) business.**

Yokowo leveraged its micro precision processing technology to launch a new line of medical device products. Utilizing Yokowo's core technology, such as producing catheter parts for minimally invasive treatments that impose minimal burden on patients, the company is committed to driving progress in the medical device sector.

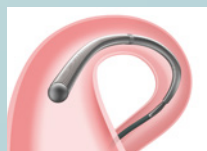


Tip Terminal of Catheter

**2011**

**Started OEM of guide wires for medical treatment.**

Yokowo started the OEM supply of "guide wire units," where a core wire is joined with a metal coil. Based on customer specifications, Yokowo create prototypes for development and evaluation that are ready for mass production, manufactured inside the Tomioka Plant's cleanroom, and then supplied to customers.



Guide Wires for Medical Treatment

**2020****2011**

**Developed shark fin antennas.**

After being launched in the U.S. market, it was also released in the domestic automotive accessories market. While maintaining the same reception performance as conventional antennas, Yokowo kept the height at 63 mm and achieved weight reduction through extensive use of resin components, which also improved fuel efficiency.

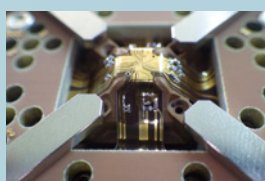


Shark Fin Antennas

**2013**

**Commercialized the YPX Series.**

Commercialized the YPX probe card series for the testing of high frequency devices using MEMS technology, targeting the semiconductor wafer testing market for high frequency devices.



YPX Series

**2019**

**Entered the MaaS market and provided key access systems.**

Yokowo accelerated development of an operation service leveraging cloud technology, developed the onboard device for vehicles and the overall system including the control server, and created a system that allows unlocking and locking automobiles using a smartphone. In addition to selling equipment, Yokowo set out to establish the foundation for a subscription business that yields steady revenue from operating services.

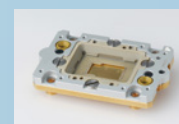


On-Board Key Access System

**2021**

**Developed the 5G-compatible hi-giga full shield coax socket.**

Yokowo developed its first 5G (28 GHz band) compatible 0.4 mm pitch, hi-giga full shield coax socket, which served as a testing socket for semiconductor back-end process testing.



Hi-Giga Full Shield Coax Socket

**2024**

**Developing the world's smallest SPRING CONNECTOR™.**

Yokowo developed the world's smallest SPRING CONNECTOR™, which measures just 0.35 mm in diameter. This product maintains the ease of attachment and removal offered by SPRING CONNECTOR™ while realizing even greater space savings, allowing customers to design with greater freedom.



0.35 mm Diameter SPRING CONNECTOR™



## Message from the President

# A reliable growth trajectory, driven by consistent management policies and a flexible response to change.

We are committed to being an ever-evolving company through management that embraces transformation and leads us into the future.

## Takayuki Tokuma

Representative Director,  
President and Executive Officer  
YOKOWO CO., LTD.



## Driving sustainable growth through evolution of business management and multi-layered business structure

We have instituted the Evolution of Business Management and a Multi-layered Business Structure as our basic management policies.

Evolution of Business Management reflects our long-standing aspiration to always be pioneers of our era—an ongoing commitment to advancing forward and continuously evolving. To bring this vision to life, we pursue four pillars of innovation:

- **Product Innovation: Transforming business models, products, and organizational structures**
- **Process Innovation: Reinventing business processes**
- **Personnel Innovation: Advancing human capital**

In other words, these initiatives aim to transform our business model—including products, technologies, and markets—while also reshaping our operational processes through optimal site placement, improvements in production workflows, advancements in processing technologies, and proactive integration of IT. At the same time, we are expanding the diversity of the talent driving these changes and elevating

our workforce into a more advanced and professional collective.

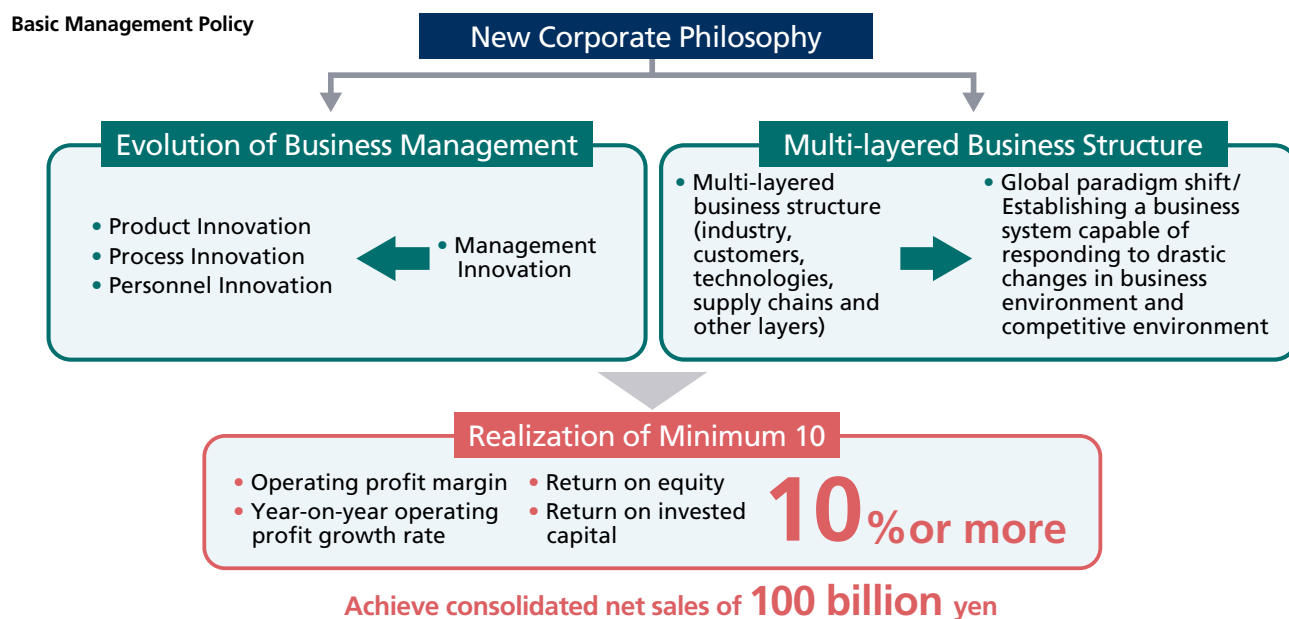
**Management Innovation**, which focuses on transforming corporate management and business operations, seeks to accelerate the realization of Evolution of Business Management by fundamentally rethinking the elements, structures, and even the management of the three innovation initiatives outlined above.

The other management policy of the Multi-layered Business Structure aims to enhance the stability of our corporate management and our companywide earnings structure; in short, to improve sustainability.

While the business environment surrounding Yokowo continues to evolve at an unprecedented pace, we are working to build a resilient business foundation capable of adapting flexibly to these changes, by structuring our operations across multiple layers—including industries, customers, technologies, and supply chains.

By advancing both Evolution of Business Management and Multi-layered Business Structure in tandem, we are striving to achieve our medium-term management target, “Minimum 10”—securing at least 10% in year on year operating profit growth rate, return on equity (ROE), and return on invested capital (ROIC).





## Promoting our corporate philosophy and building a stronger brand

Since the renewal of our Corporate Philosophy in 2022—marking Yokowo’s 100th anniversary—I have observed a growing sense of alignment among our employees with its elements: Purpose, Vision, and Values (see p.01). I personally resonate with and frequently refer to our five core Values. The fact that Respect and Fairness are listed first reflects the essence of Yokowo’s current corporate culture. The ever-evolving spirit of Respecting each individual’s unique qualities—doing the right thing with Fairness, taking Ownership of every task, embracing change positively to take on new Challenges, and pursuing Innovation through flexible thinking and adaptability is, I believe, what drives the growth of our entire organization.

While these values and attitudes that Yokowo cherishes have taken firm root within the organization, I have also recognized a challenge: their unique characteristics may not yet be clearly or memorably communicated to our stakeholders.

To more clearly communicate our brand’s stance visually, we introduced a new Visual Identity (VI). The upward-sloping “FUTURE LINE” symbolizes Yokowo’s spirit of boldly embracing change and continuously taking on new challenges in a new era. Its color scheme combines INNOVATION RED, representing our drive for innovation, with TRADITIONAL BLUE, which reflects the technologies and traditions we have valued since our founding.

I am confident that this new VI will serve as a powerful visual expression of Yokowo’s direction and corporate stance.

## Yokowo’s strength: Business Creation and Growth Cycle

Yokowo has built a history spanning over 100 years since its founding. However, we have not simply continued with the same products or businesses throughout that time. Our strength lies in the core technologies we have developed and accumulated on our own, and in our persistent and bold approach to embracing change. By continuously pioneering new markets and adopting new technologies, we have achieved steady growth while *evolving* constantly over the past century.

Recognizing that businesses inevitably change with the times—and may even disappear—we have continuously taken on the challenge of creating new businesses. It is this ongoing commitment that has enabled us to endure and remain ever present. Even in areas where the business environment has deteriorated, we have made strategic withdrawals and continued to move forward with a positive spirit of evolution. This is something we take great pride in.

Even when we strategically withdraw from certain businesses, the technologies we have cultivated over the years remain within the company—preserved and repurposed as a foundation for future challenges. This inheritance of technology is, in my view, the very embodiment of Yokowo’s ever-evolving spirit and the source of our competitive advantage.



## Performance in the fiscal year ended March 31, 2025, current status and forecast

In the fiscal year ended March 31, 2025, we felt a clear sense of returning to a growth trajectory. Net sales reached 82.884 billion yen, a 7.8% increase year-on-year, and operating profit recovered to 4.226 billion yen, marking a 161.2% increase compared to the previous year. Our core VCCS segment remained stable, while both the CTC and FC/MD segments showed significant improvement. Although we achieved a certain level of recovery from the temporary downturn experienced in the fiscal year ended March 31, 2024, we are not satisfied with the results.

Significant changes continue to unfold across each of our Group's key markets: automotive, semiconductor testing, mobile devices, and medical equipment. Beyond shifts in leading industry players, we are seeing transformations in business models and intensifying competition in product and technology development.

In this environment, Yokowo's current strength lies in our ability to reach areas with clear growth potential by advancing initiatives such as multi-layered customer mix, and driving product innovation that contributes to the evolution of customer business models and industry/market structures.

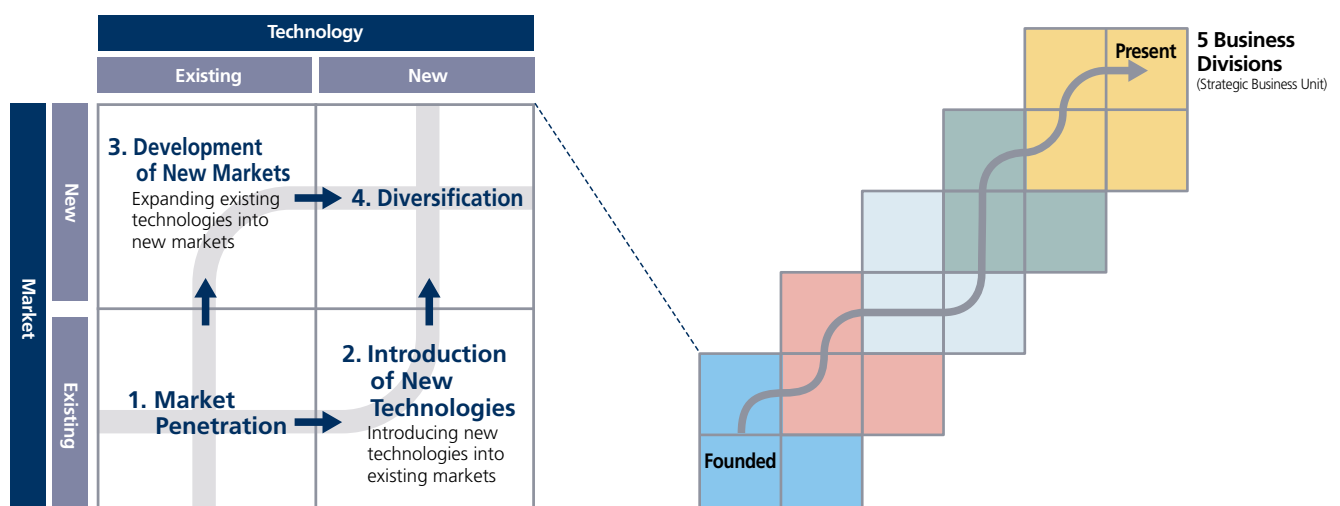
In the **Vehicle Communication Comfort & Safety (VCCS) segment**, the most critical themes shaping the future of the automotive industry are Advanced Driver Assistance Systems (ADAS), autonomous driving technologies, and Software-Defined Vehicles (SDVs). Our ability to penetrate these domains will be key going forward. Encouragingly, we have already secured layout positions (designated suppliers) with major automakers, and early-stage development is progressing smoothly. Additionally, the successful expansion of existing products in the rapidly growing Indian market is providing strong momentum for the overall growth of our business.



In the **Circuit Testing Connector (CTC) segment**, the rising demand for GPU testing—driven by the rapid processing needs of generative AI technologies such as ChatGPT—has become a key growth driver. We have already secured new orders for newly prioritized in-process testing that have emerged alongside the expansion of these technologies, and business operations are now underway. Looking ahead, we aim to provide solutions across all areas. To that end, we are advancing the evolution of our probe products and pursuing new product development for GPUs through strategic alliances in MEMS technology. Our business with major customers who have become leading players in the GPU market is also progressing steadily, and we will continue to strengthen these relationships going forward.

In the **Fine Connector (FC) segment**, capturing market needs is critical. In fiscal 2024, we secured new business with major companies in areas such as home gaming consoles and computer peripherals. To achieve clear differentiation from competitors, we aim to expand sales volume and drive revenue growth. For example, we are advancing the development of specialized

### Business Creation and Growth Cycle



products, including the world's smallest SPRING CONNECTOR™ (SPC), focused on miniaturization and weight reduction, as well as low-cost SPCs designed for high-volume markets like smartphones.

In the **Medical Device (MD) segment**, our growth strategy is built on two pillars: participating in the venture ecosystem for advanced medical devices, and developing proprietary products in the generic and improved medical device space. In particular, we are actively working to enter the U.S. market with our in-house designed products.

### New Business Development through the Incubation Center and Acquisition of System Engineers

The entire Yokowo Group is actively pursuing a transformation of our business model—from selling products to delivering value through services, data, and subscriptions. This shift is being driven mainly by our Incubation Center. To support this transformation, it is essential to acquire talent with expertise in system technologies, including software and digital hardware. In June 2025, we inherited part of the business of KOHA Co., Ltd. through a corporate spin-off, bringing a large number of software engineers into our organization. By integrating Yokowo's core technologies with software capabilities, we aim to turn seeds of innovation into viable businesses and expand them further.

### Progress in Embedding ROIC-Based Management

In fiscal 2024, we set out to fully embed ROIC-based management across the organization. By establishing ROIC targets not only at the company-wide level but also for each individual business unit, we have seen a noticeable shift in mindset—each business division is now more strongly focused on building businesses with higher profitability and capital efficiency. As a result, we can now feel structural reforms taking root and progressing autonomously.

## Toward the next 100 years as an ever-evolving company

At Yokowo, we believe that the continued advancement of human capital management is paramount in addressing sustainability challenges. Just as technological capital is essential, so too is human capital. To ensure its ongoing growth and evolution, we integrated our Human Resource Development Center with the Personnel Department, launching the Human Resources H.Q. in fiscal 2025. This new H.Q. is dedicated to enhancing human capital by leveraging employees' skills and capabilities improvement to drive organizational growth and contribute to medium to long-term corporate value.

These initiatives reflect my ongoing desire to build a "good company"—a vision I have consistently shared with all employees across the Group. This aspiration has remained unchanged since I assumed the role of President in 2007. To me, a good company is one that earns the trust and pride of

every stakeholder. It is a company that customers feel glad to do business with—saying, "We're happy to work with Yokowo and want to expand our partnership." It is a company that business partners and local communities appreciate—saying, "We are proud to work with Yokowo. We want to contribute to Yokowo even more," or "We are glad Yokowo is part of our town; we would love for our children to join the company." Most importantly, it is a company where every employee of the Yokowo Group feels, "I am glad to work here. I want to do my best to make it an even better company."

I firmly believe that a company where such sentiments are shared is one that can sustainably create value for society—a truly good company. Our corporate vision of an "ever-evolving company" reflects a strong commitment to continuing to evolve together.

Under this guiding philosophy, the Yokowo Group formulates and executes its management strategies, business operations, and organizational development in an integrated manner. I am confident that this approach serves as the driving force behind building a solid foundation for sustainable growth over the next 100 years. As we move forward on this journey of evolution, we remain committed to engaging sincerely with all stakeholders—including our shareholders—through open dialogue and meaningful relationships, with the aim of earning long-term trust.

We will continue to generate new value and contribute to the realization of a sustainable and better society. We sincerely ask for your continued understanding and support.

### Key Concepts in Yokowo's Management

#### 1. Ever-Evolving Company

Yokowo's long-term vision. It represents the company's aspiration to remain essential for the next 100 years through continuous technological innovation and the creation of social value. More than just business expansion, it reflects a commitment to sustainable growth and evolution that also embraces harmony with society and the well-being of employees.

#### 2. Evolution of Business Management

An approach to management that drives innovation across products, processes, talent, and leadership in pursuit of new value creation. It reflects a proactive growth mindset—not only adapting to environmental changes but also initiating transformation from within.

#### 3. Multi-layered Business Structure

A strategic framework that strengthens risk resilience and revenue stability by building a multi-layered structure across business portfolios, technologies, customer bases, and supply chains. This approach avoids overdependence on any single area and aims to cultivate a flexible and robust corporate foundation.

#### 4. Minimum 10

A set of medium-term financial targets: achieving at least 10% in operating profit margin, operating profit growth rate, ROE, and ROIC. These indicators are designed to balance high profitability with capital efficiency, providing a quantitative foundation for sustainable growth.

# Value Creation Process

Yokowo's value creation process lies in accurately capturing societal and market changes and continuously developing a cycle of business creation and evolution based on its strengths in technology, through collaboration with leading customers across various industries. Through these efforts, we earnestly confront the evolution of society and the resolution of its challenges, striving to achieve a sustainable "good society."

As an ever-evolving company,

Be a good company by employing people and technologies

Evolution of Business Management

Management Emphasizing

## Input (Fiscal Year Ended March 31, 2025)

### Intangibles

<b>Organizational capital</b>	Evolving business model DNA for new market development Courage to pull back Venture spirit
<b>Human capital</b>	Professional team Unique cutting-edge technology Open-minded ingenuity Keen market and technology insight
<b>Relationship capital</b>	Relationships with leading customers Turning true desires into tangible value Information alignment Agility

<b>Intellectual capital</b>	Patents held*: 1,067 R&D expenses: 5.01 billion yen
<b>Production capital</b>	Domestic production bases: 4 locations Overseas production bases: 7 locations Non-current assets: 28.72 billion yen Capital expenditures: 3.97 billion yen
<b>Financial capital</b>	Total assets: 76.27 billion yen Cash flow: 17.12 billion yen
<b>Natural capital</b>	Electricity usage: 33,678MWh Renewable energy input: 8,115MWh Water usage: 304,400m <sup>3</sup>

\* Including domestic and overseas applications and rights-registered items for patents, utility models, designs, and trademarks.

External Environment Changes / Social Issues

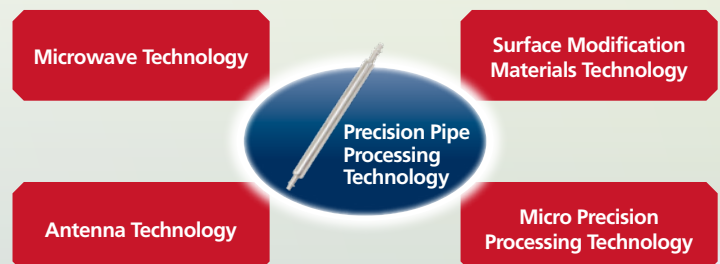
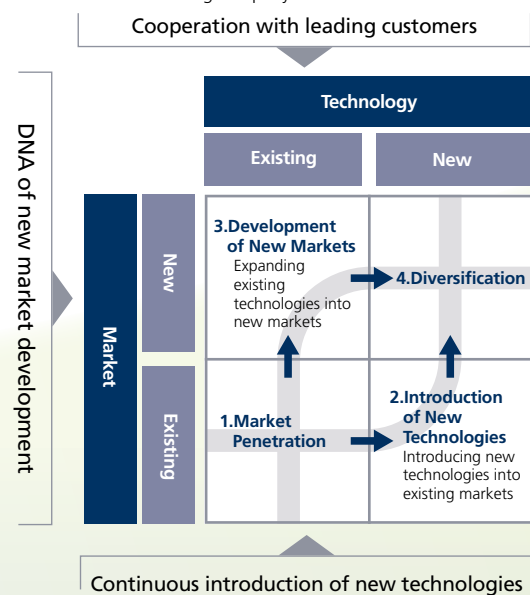
## Yokowo's Business Model

### Yokowo's Strengths

**Business Creation and Growth Cycle that continually adapts to change**

**Multi-layered business through market development and technological innovation**

Yokowo has expanded its business in a multi-layered manner while repeatedly developing new markets and adopting new technologies. It is this cumulative series of challenges that fuels the creation of an ever-evolving company.





# Developing, Delighting

we seek to develop new ideas.

that work for the benefit of society today and tomorrow.

## Multi-layered Business Structure

### Human Capital

#### Current five segments

VCCS (Vehicle Communication Comfort & Safety) Segment

CTC (Circuit Testing Connector) Segment

FC (Fine Connector) Segment

MD (Medical Device) Segment

Incubation Center

5 Business Divisions  
(Strategic Business Unit)

Present

Founded

- Cooperate with customers leading industry evolution, and address high process requirements (cost, delivery time, and quality) and technical requirements (new design and new technology) for each business.
- Continuously anticipate industry trends and strategically withdraw from markets where profitability and growth have declined.

Business model evolution

M&As/Alliances

New technology acquisition

Materialities

### Output

Net Sales  
**82.88** billion yen

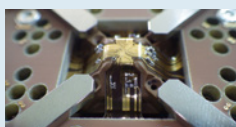
Vehicle antennas  
(shark fin antennas)



Antennas for IoT applications  
(MINO antennas)



MEMS probe cards  
(YPX-K)



High-speed transmission connectors



Medical devices  
(stents)



### Outcome

Good sustainable company

Good sustainable society

Remain an indispensable partner



Drivers



Use services



Remain sincere

Reliable testing



Dependable connections

Minimum 10 Materiality KPIs



Linking lives

New joy

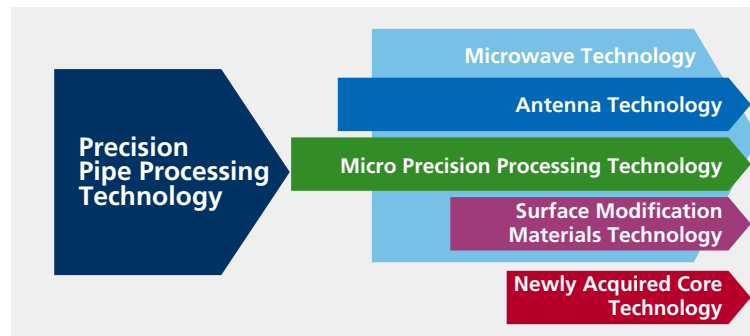
Safety and Security

## Sustainability

# Product Evolution and Future Vision

Starting with Yokowo's founding product—the spring bar—we have steadily expanded our business domains step by step. Here, we outline the path of expansion into various markets, highlighting the technological evolutions introduced at each stage, framed around our current business segments.

Building on this foundation of technologies and expertise, we also present our vision for the products Yokowo aims to develop in the future, along with the strategic direction for making that vision a reality.

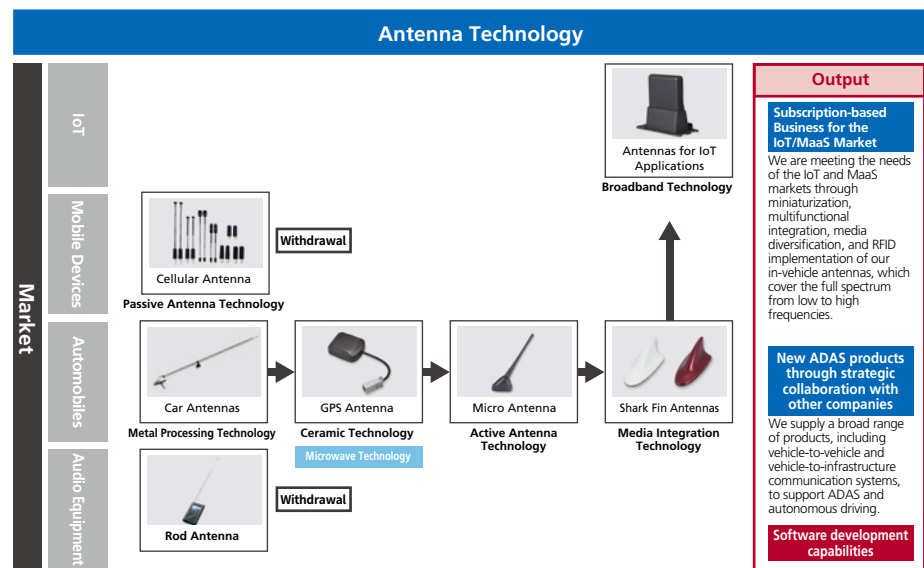


## VCCS (Vehicle Communication Comfort & Safety) / Incubation Center



The automotive industry is undergoing a once-in-a-century transformation, driven by technological innovations such as CASE (Connected, Autonomous, Shared, and Electric). These advances are rapidly and profoundly reshaping both the role of the automobile and the very concept of mobility.

In response, we not only address the fundamental needs of in-vehicle antennas—miniaturization, multifunctional integration, low-profile design, and smart functionality—but also leverage our long-cultivated expertise in antenna and microwave technologies, together with advanced modularization techniques, to develop and propose antenna systems that support next-generation vehicle communications. Through these efforts, we contribute to the realization of safe and comfortable mobility services.

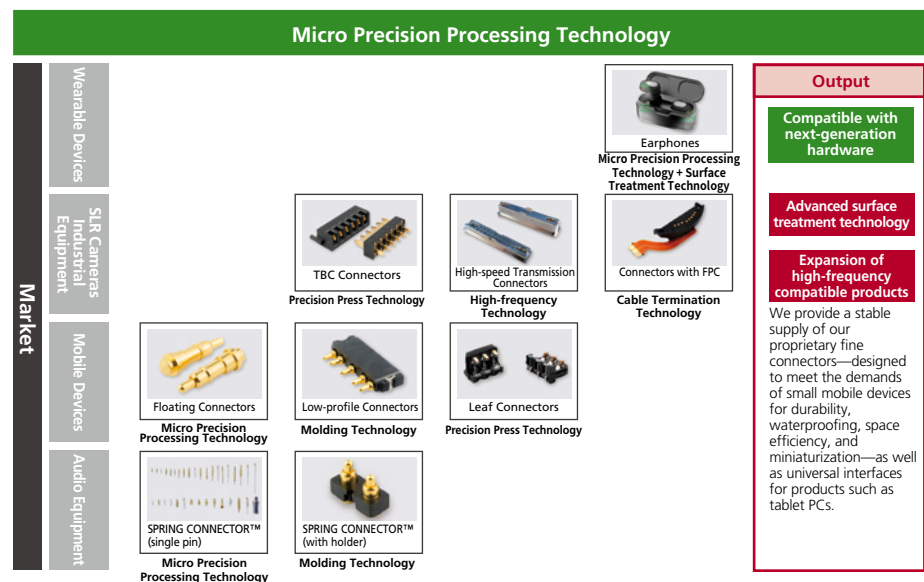


## FC (Fine Connector)



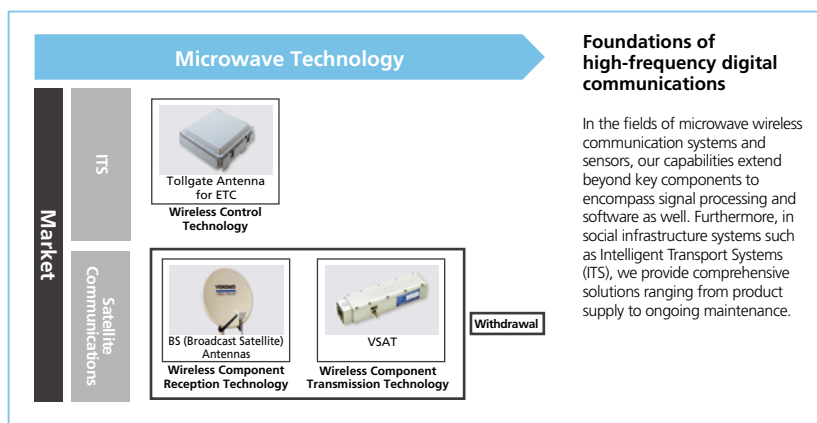
As electronic devices continue to become smaller, more personalized, and increasingly IoT-enabled, the market for mobile communication terminals is expanding rapidly, and the demand for connectors is diversifying. It is essential to accurately capture these fast-changing market needs and create differentiated products.

As a manufacturer of precision SPRING CONNECTOR™, we are advancing our elemental technologies and expanding into new fields. Under one of the world's largest supply networks, we are committed to delivering high-quality, high-performance products reliably and at scale.

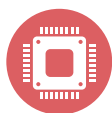


Yokowo's products are built on the accumulation of advanced technologies cultivated over many years, and are supported by the systems that have been maintained and passed down to preserve this expertise. This foundation is not merely a stockpile of technologies; it represents a dynamic capacity for technological evolution—the ability to respond flexibly to changing market needs and customer challenges—which serves as the basis for our new endeavors.

Such a technological foundation is the very essence of Yokowo's competitive advantage and the cornerstone of our sustainable growth. By embracing change and continuously evolving on the strength of our accumulated expertise, our technological framework forms the core of Yokowo's value creation.

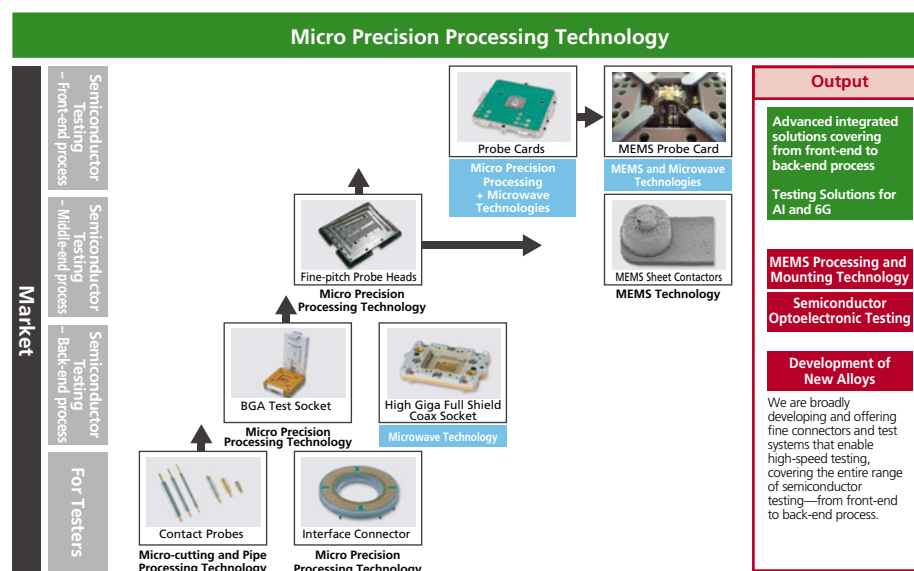


## CTC (Circuit Testing Connector)



In the era of AI, IoT, and 6G, technologies demand faster, more digitalized, downsized, and portable information transmission. At the same time, the electronic components that enable them are rapidly advancing toward higher performance, greater density, and higher levels of integration.

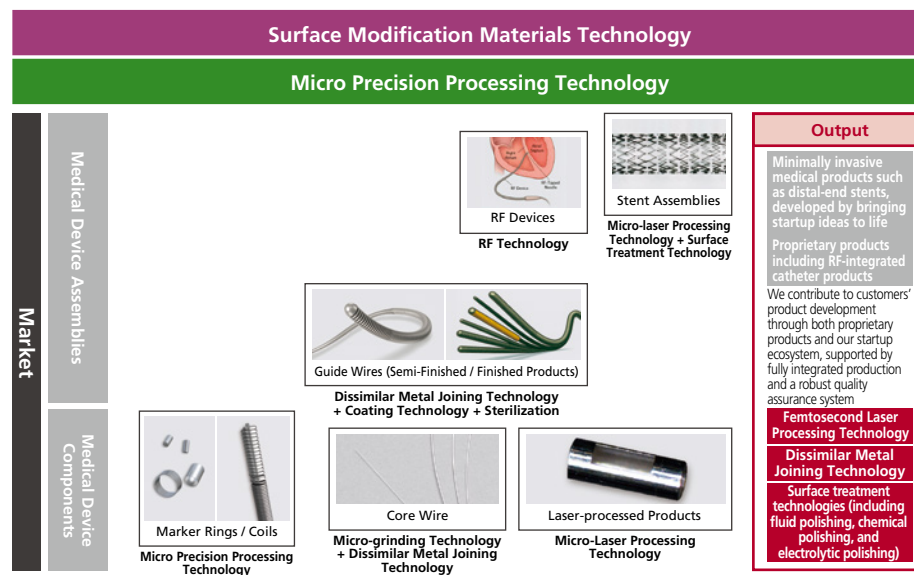
Recognizing that circuit test connectors must meet the dual requirements of ultra-fine connectivity and high-speed connectivity with superior signal quality, we leverage our long-cultivated expertise in micro-precision processing and microwave technologies, together with MEMS technology, to develop and supply fine circuit testing connectors on a global scale.



## MD (Medical Device)



In the field of minimally invasive medical devices, we leverage advanced core technologies to provide an integrated framework that covers everything from the design and development to the manufacturing of OEM guide wires and catheters. Building on our proprietary expertise in micro precision processing, coating, and assembly technologies, we have in-house facilities and production lines that enable us to complete the entire process—from design, evaluation, and refinement through to manufacturing—while providing comprehensive services that span from components to finished products. In addition, through our "startup ecosystem," we combine cutting-edge therapeutic concepts and rare-disease treatment ideas from startups with Yokowo's manufacturing expertise, accelerating the development of innovative products.



# Medium-Term Management Plan

## Laying the Groundwork for Agile Management that Adapts to Changes in the Business Environment and Drives Sustainable Growth

—Towards Deepening the Medium-Term Management Plan and Establishing ROIC-based Management—

### Agile Medium-Term Management Plan through Rolling Approach

Yokowo announced the “New Medium-Term Management Plan 2024-2028” in May 2024, setting the management goal of the “realization of Minimum 10 and consolidated net sales of ¥100 billion or more.” Each of the major markets of the Yokowo Group—automotive, semiconductor testing, mobile device, and medical device—has entered a major era of transformation capable of changing industry structures and business models, and we believe there are significant opportunities by leveraging our existing technologies as strengths and actively acquiring new competitiveness. In order to respond to changes in this type of business environment, we have adopted a rolling Medium-Term Management Plan that is reviewed annually, and we are working toward achieving our management targets with an agile system tailored to the product life cycles and market characteristics of each business segment.

#### Business Targets: Trend for Minimum 10

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2028 Targets
Operating profit margin	8.6%	7.0%	6.1%	2.1%	5.1%	10% or more
Operating profit growth rate	5.4%	-9.6%	1.2%	-65.9%	161.2%	10% or more
ROE	12.2%	11.6%	6.9%	3.1%	4.4%	10% or more
ROIC	—	—	5.8%*	1.8%	4.1%	10% or more
Consolidated net sales	¥60.0 billion	¥66.8 billion	¥78.0 billion	¥76.9 billion	¥82.9 billion	¥100.0 billion or more

\* ROIC included from FY2023. FY2022 serves as reference values.

### Basic Idea of Company-wide Growth Strategy

Under the New Medium-Term Management Plan, we are advancing the basic management policies of the “evolution of business management” and a “multi-layered business structure,” and are rolling out a company-wide growth strategy aimed at the “realization of Minimum 10” and “reaching ¥100 billion in consolidated net sales.” We have identified important points for driving progress and structured the fundamental growth strategy around each segment. Furthermore, to achieve our business targets and become an ever-evolving company, we are clarifying the core technologies we will acquire and drawing a roadmap—encompassing technology, M&A, and alliances—that will lead to product and business evolution, and are actively working to transform our business model.

#### Company-Wide Growth Strategy

1. Strengthening growth and revenue base in key markets
2. Acquiring new core competencies, and expanding business domains through partnerships with other companies
3. Integrating ROIC-based management
4. Human capital management = management centered on human resources, and sustainability initiatives

#### Important Points

##### Rollout of multi-layered customer structure (customer mix) measures

- Intensifying close ties by keeping pace with changes of leading customers across industries
- Cultivating new promising customers through strengthened domain expansion initiatives

##### Promotion of product innovation that can contribute to reshaping customer business models and industry and market structure

- Participating in innovative application projects
- Developing strategic products capable of transforming industry structures
- Conducting M&A/alliances and proactively investing in co-creative companies to provide missing technology, talent, and equipment

#### Basic Growth Strategy for Each Segment

##### VCCS (Vehicle Communication Comfort & Safety)

##### Further strengthening of revenue structure

- Thoroughly reforming the cost structure through standardization and commonization
- Expanding business into new application areas such as EV transition and ADAS adoption

#### CTC (Circuit Testing Connector)

##### Evolution toward becoming an all-in-one test solution vendor

- Strengthening hardware supply capabilities to meet new test needs
- Evolving into an all-in-one test solution vendor that leverages both internal and external technologies

#### FC (Fine Connector)

##### Strengthening of core competencies that rivals cannot keep pace with, while generating customer value

- Raising the competitiveness of core SPRING CONNECTOR™ products through the intensive development of materials, component processing, and surface modification
- Expanding business through market introduction of value-added products that are minimal, lightweight, and low-cost

#### MD (Medical Device)

##### Advancement to a higher stage with the development of innovative medical devices and the launch of internally designed products

- Releasing internally designed products following medical devices manufacturing and sales approval
- Accelerating contributions to humanity and society by expanding the medical ecosystem in advanced medical fields

#### Incubation Center

##### New business creation and business model innovation

- Seeking and cooperating with partners who own technology that fulfills customer requirements
- Offering products and solutions that forge new markets, thereby accelerating the Yokowo Group's business model transformation



## Business Model Transformation Initiatives

The Yokowo Group is advancing business model transformation by combining hardware-based products with software and services. Behind this lies megatrends such as global warming and a shrinking workforce. To reduce environmental impact and grow our business with limited human resources, we believe it is essential to move from a product-centric revenue model to a composite model that incorporates services and solutions. Our focus is on bolstering our ability to offer optimal solutions for customer challenges, including deploying subscription-based services like key-access systems and broadening field application engineer (FAE) support coverage. Being a later entrant in healthcare, we are driven to push into cutting-edge fields, contributing to solving the societal challenge of making once-impossible treatments a reality. These efforts go beyond ordinary business expansion; by revolutionizing our revenue model, they turn our Purpose into action toward a sustainable, improved society.

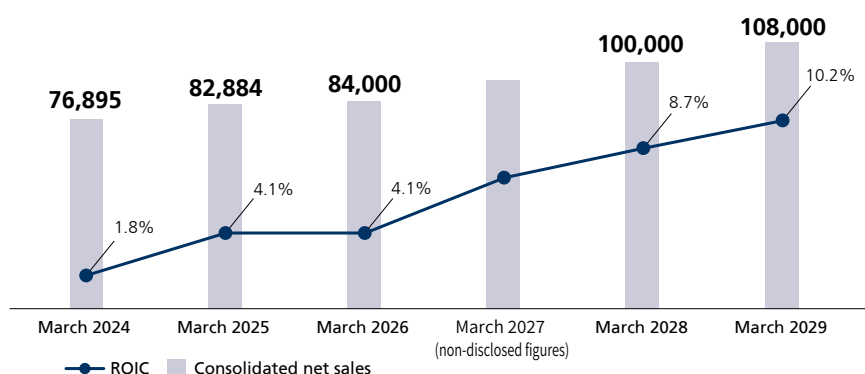
In order to enact this business model transformation, we are defining a technology roadmap that lays out the core technologies we will acquire from existing ones and leverages them to drive product and business growth. Accelerating this transformation means, in addition to our internal tech staff and resources, drawing on outside knowledge and partnerships to deliver higher results and reinforce the value-creation chain. We will push M&A and alliance activities forward in every business area.

## Improving Profitability and Capital Efficiency through ROIC-based Management

In fiscal 2024, building on the push from fiscal 2022 for widespread ROIC-based management, we clarified the duties and targets of the four primary businesses and the Incubation Center, driving deeper management practices centered around each business's ROIC as an indicator. ROIC moved beyond a plain management indicator to a pivotal idea that makes each business's earning power visible, boosting capital efficiency and prompting a transition to a profit-focused model.

Trend in ROIC and Consolidated Net Sales

(millions of yen)



## Human Capital Management = Management Centered on Human Resources, and Sustainability

We have established a Human Resources H.Q. that integrates the Human Resource Development Center, which serves as the command hub for enhancing all employees' job performance and solidifying the competitive edge of high-performance human resources, with the Personnel Department, treating the expansion of human capital as a long- and medium-term priority. By promoting management centered on human resources and leveraging employees' abilities and skills for organizational growth, we aim to improve long-term and medium-term corporate value. In addition, as part of our sustainability initiatives, we are reviewing our materialities and working to establish materiality management within the Sustainability Committee. We aim to further improve external assessments such as EcoVadis and CDP by embedding sustainability throughout the company.

## Medium- to Long-Term Structural Transformation and Future Outlook

In response to changes in the external environment, such as increasing uncertainty in the global economy and heightened geopolitical risks, we are advancing a resilient procurement strategy and price pass-through measures, including supply chain adjustments and currency fluctuations.

Starting in fiscal 2025, we will embark on a substantial change toward a fresh 100-year vision, with the goal of establishing ourselves as a global leader. Our goal is to adopt a dual-pronged management approach that evolves our current strengths and explores new business opportunities, simultaneously responding to market developments like the shift toward software-defined vehicles (SDVs) in the automotive industry and structural changes in the semiconductor industry.

# Financial Strategy

## Pursuing Capital Efficiency through Steady Execution and Daily Improvement

### —Basic Stance of Yokowo's Financial Strategy—

Yokowo, a manufacturer with top-tier technology spread across the globe, endorses a capital-efficient management ethos and sets its KPIs around financial metrics such as return on invested capital (ROIC) and return on equity (ROE). In addition, we are deploying a financial strategy that simultaneously achieves cost reduction and productivity improvement through active utilization of AI and automation technologies, while also optimizing the business portfolio and diversifying risk. We are also working to enhance financial management by ensuring investment budget transparency and establishing a Business Risk Management Committee, among other measures.

### Financial Target Achievement Status and Outcomes for Fiscal Year Ended March 31, 2025

- Profitability remains a challenge, as operating profit and ROIC failed to meet financial targets
- Promoted productivity improvement through manufacturing cost structure reform
- Ensured business stability through time-based diversification of the business portfolio

The financial targets for the fiscal year ended March 31, 2025 were set at an operating profit of 4.55 billion yen and an ROIC of 4.9%, but the actual results were 4.2 billion yen and 4.1%, respectively, with an ROE of 4.4%. Compared with the fiscal year ended March 31, 2024, while both operating profit and net income have improved, we still see persistent challenges in our ability to generate revenue. Taking this into account, we see the continued enhancement of profitability as a key managerial issue.

As a concrete step toward meeting our financial targets, we concentrated on restructuring manufacturing costs. We are promoting automation of manufacturing lines and AI integration as part of our manpower reduction measures, and aiming for efficiency in 100-person increments. At each production base in China, Vietnam, and the Philippines, we have worked on optimizing the production layout, shifting to bases with cost advantages, and reviewing procurement and logistics costs. Indirect departments are implementing IT solutions such as Copilot and RPA, which are already in use in some areas, and fully rolling them out starting in fiscal 2025.

All four of our businesses—VCCS: Vehicle Communication Comfort & Safety, CTC: Circuit Testing Connector, FC: Fine Connector, and MD: Medical Device—have many promising future themes, but the timeframes for achieving outcomes varies. CTC and FC tend to show results relatively quickly, whereas VCCS has a longer development lead time, and MD requires an extended medium-to-long-term perspective.

Consequently, there are timing discrepancies in the profit contribution of each business. As a result, we can compensate for market and customer fluctuations with other businesses, ensuring company-wide business stability through a multi-layered business structure.

### Financial Targets for Fiscal Year Ending March 31, 2026, and Widespread Adoption of ROIC-based Management

- In the fiscal year ending March 31, 2026, prioritizing profit preservation as primary focus and pursuing a restrained investment approach
- Investment strategy focuses on four areas, and investment of 3 billion yen is underway for AI and automation-related equipment
- Establishing a ROIC-focused, transparent financial strategy and investment management system that leverages third-party assessments

In the fiscal year ending March 31, 2026, we are prioritizing profit generation and are proceeding with investments rather conservatively. The reasoning is that in fiscal 2025 and beyond, investment initiatives that align with our growth themes will grow, demanding timely and appropriate allocation of resources.

The main focus of investment consists of four areas: (1) expanding sales, (2) minimizing costs, (3) strengthening security, and (4) research and development. Particularly, capital expenditures aimed at AI and automation are progressing at a scale of 3 billion yen. We are committing to

a stronger focus on automation starting from product and process design.

As part of our strategy, we increased awareness of ROIC and capital efficiency based on the fiscal 2022 financial strategy, and strengthened transparency through external disclosure. Furthermore, from fiscal 2024 onward, the allocation plan for investment budgets has been further enhanced, and IT investments and projects exceeding a certain amount are being carried out under the management of the Business Risk Management Committee. This enables us to carefully select investments that support growth by leveraging third-party assessments.

We believe it is important to steadily tackle each immediate task amidst the recent instability of the external environment. While our profit and Medium-Term Management Plans consider multiple scenarios, we remain firmly anchored to the final targets and are advancing their execution with a strong resolve.

We are currently examining which ESG-centered financial investment techniques remain effective, and our policy is to scrutinize future cost effectiveness carefully. We will select appropriate measures, products, and methods, and consider implementing them in a manner that aligns with Yokowo's business.

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## Capital Policy

As a capital allocation policy, we allocate about 5 billion yen (including personnel costs) to R&D investment, and we maintain an operating cash flow in the range of 6 to 10 billion yen. Investments in non-current assets are basically limited to existing depreciation costs, and for investments in new markets, new products, and strategic investments (inorganic/M&A, etc.), we utilize the free cash flow within the cumulative Medium-Term Management Plan. While strategic investments are primarily decided on an individual basis, the fundamental principle of the allocation policy remains consistent.

As of March 2025, the capital adequacy ratio is 68%, total borrowings are about 9.5 billion yen, cash and cash equivalents are approximately 17 billion yen, and net cash is 7.5 billion yen. This underscores our healthy finances and ample capacity for shareholder returns and growth investments. However, from the standpoint of capital cost management, we are seeking further operational efficiency, and we see this as a future challenge.

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## Shareholder Returns

Our goal for shareholder returns is a stable growth dividend, guided by a baseline dividend on equity ratio (DOE) of 2.2%. We have no major changes planned for fiscal 2025, and we will continue our policy of providing investors with reassurance even amid market volatility.

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## Balancing Capital Costs and ROIC

We manage operations by balancing capital costs and ROIC, taking into account the characteristics of each business portfolio. For volatile profit businesses such as CTC, we seek to maximize profitability when a reliable income can be anticipated, while also building a sturdy revenue foundation with stable businesses like VCCS. This strategy allows us to optimize capital efficiency across the company.

In addition, by maintaining sufficient equity, we are able to sustain a flexible structure that can respond to sudden changes in the external environment, allowing us to continue sound financial management and stay focused on our core business.

From 2025 onward, we intend to pursue stable and sound growth, grounded in our current financial strategy. No special secret is involved; rather, building a steady record of daily improvement and dependable execution toward our goal of optimal capital efficiency forms the core of our financial strategy.

# VCCS (Vehicle Communication Comfort & Safety)

Automotive and  
MaaS Markets

## Shaping strategic value at a pivotal juncture in the automotive industry

—Toward achieving safe and comfortable mobility services—

### Katsuhei Yanagisawa

Director, Managing Executive Officer/General Manager, VCCS Business Division  
VCCS Overseas Business Management/Chief Officer, Administration Management H.Q.  
General Manager, Tomioka Plant



Today, the automotive industry is undergoing an unprecedented wave of transformation. The business environment is undergoing a rapid shift, propelled by advances in Connected, Autonomous, Shared, and Electric (CASE), Advanced Driver Assistance Systems (ADAS), Software-Defined Vehicles (SDV), the swift growth of the EV market, and environmental initiatives targeting a reduction in greenhouse gas (GHG) emissions. Yokowo perceives these changes as fresh growth opportunities rather than mere threats, speeding up the development of more advanced and higher-value products. At the same time, we are working to build a stable revenue-generating system through thorough reforms ranging from product costs to the business structure.

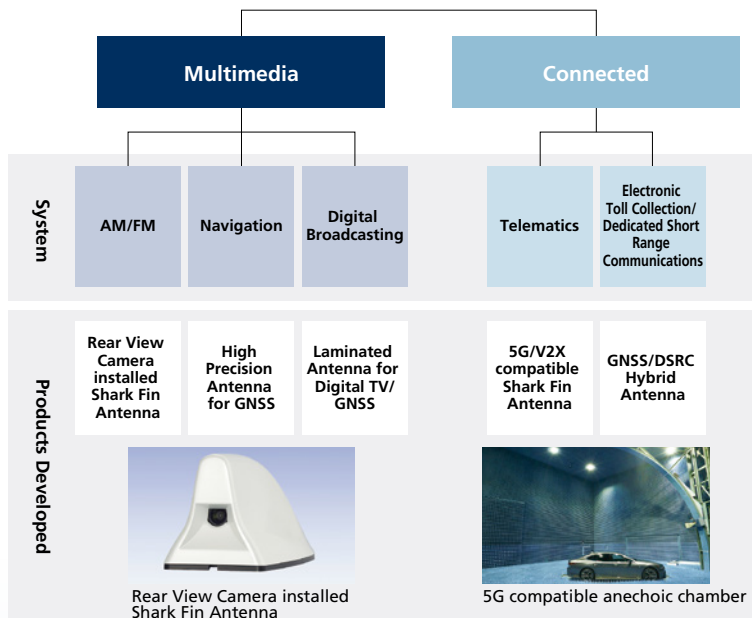
## Achieving Safe and Comfortable Mobility with World-class Vehicle Antennas

The VCCS (Vehicle Communication Comfort & Safety) business unit develops and manufactures vehicle antennas that enable safe and comfortable mobility services. Our shark fin antenna, a leading product, offers full-frequency coverage from low to high, addressing automotive manufacturers' advanced communication requirements.

Leveraging decades of accumulated antenna and microwave technology, the automotive antenna has evolved into a cutting-edge product line that meets the demands of next-generation communications, thanks to the integration of modular design principles. In product development, we employ cutting-edge development and measurement tools such as electromagnetic field simulators and 5G-compatible anechoic chambers for measuring millimeter-wave frequencies, enabling us to deliver products of the highest global standard.

Our products are produced mainly at bases in China, Vietnam, and the Philippines, with more than 90% of manufacturing occurring overseas. Moreover, roughly 70% of our customer base is in international markets, and we mainly target Japanese automotive manufacturers across the U.S., ASEAN nations, and worldwide.

### VCCS Segment Business Domain



## Addressing the Accelerating Pace of Automotive Development

The speed of development at auto manufacturers has risen dramatically over recent years. What used to be a four-to-five-year cycle for model changes is now shortening toward a two-year span. With development speeding up and growing in sophistication and complexity, strengthening the organization has become imperative. To ensure swift action, we are enhancing our infrastructure and intensifying advanced development efforts. Furthermore, more intensive coordination than before is necessary, and matching proactive



proposal skills are crucial for establishing trust as a development partner. We continuously engage in close discussions with leading automobile manufacturers from the initial development stage, delving deeply into the technologies and specifications expected in the future.

Especially when it comes to frontier fields like integrating telematics control units (TCUs) with antennas, partnering intimately with automotive manufacturers is paramount to further boost safety and performance. We are strengthening technical coordination with leading manufacturers to boost on-site understanding and deepen trust.

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## Rebuilding the Revenue Structure and Strengthening Global Production Systems

The business restructuring, now in its fifth year, has significantly contributed to enhancing revenue and making the production framework multi-layered by simultaneously cutting fixed costs while transferring production from China to Vietnam and further to the Philippines. This endeavor is not a one-off fix but a commitment to continual improvement. To cement the reform outcomes, we will persistently push for optimal production arrangements while preparing for any potential situations that may arise.

While expanding production bases and adding complexity to our supply chain will likely push up inventory levels, we are concurrently minimizing days of inventory held by raising on-site purchasing rates. The local procurement rate in China has hit 80%; while Vietnam is 40–50%, and the Philippines is still low, we plan to emphasize improving local sourcing as a key area moving forward.

In addition, capital expenditures are driven by advancing modularization and standardization and promoting investment efficiency with a minimum spend, guided by a “low-cost automation” concept, while simultaneously delivering productivity gains and flexible production capability through equipment sharing and generalization.

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## Outlook for Business Expansion and Communications Technology Development in 2025

Looking ahead, the development of all-in-one antennas and telematics control unit (TCU) modules will be a key technical area. This offering elevates vehicle communication equipment, forming a crucial tech foundation that aligns with the automotive industry’s growing connectivity requirements. Similarly, Yokowo is looking beyond the classic automotive market to expand its business across the whole mobility arena, and we have already started to venture into new markets.

In order to support the rollout into these emerging areas, we are enhancing cooperation between the Incubation Center and the marketing team, and moving forward with the generation of new business by jointly assessing technology seeds and market demands. We are championing next-generation product proposals that keep pace with automotive evolution, and at the same time, setting up a revenue foundation anchored in standard products for emerging markets, notably China and India, where demand is projected to surge. In the Indian market, in particular, our presence is steadily increasing, with reliable growth outlooks for the future.

These efforts will drive new market creation and global expansion, anchoring the core of our strategy for future growth.

In contrast, improving software is essential to differentiate future products and services. We are positioning software as a strength that shapes our competitive edge through cooperation with TCU manufacturers. We expect that integrating software with hardware will create value that becomes central to our growth.

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## Changes in the Automotive Market and Yokowo’s Next-Generation Readiness

Over the past few years, car sales have begun to hit a peak in select regions, and the move toward viewing mobility as a service rather than an asset is expected to quicken. Taking into account these changes in the market environment, building new business models that leverage connected technologies is becoming more important. VCCS is working to strengthen its responsiveness in the mobility services business to address this trend. Even in a future mobility society, we will realize new value creation through valuable technologies and services.

## CTC (Circuit Testing Connector)

 Semiconductor Testing Equipment Market

### Introducing advanced precision technologies to underpin semiconductor testing

—Toward becoming a comprehensive test solution-type vendor—

**Naoki Kawata**

Executive Officer/General Manager, CTC Business Division



The Circuit Testing Connector (CTC) business unit leverages Yokowo's micro processing technology to manufacture contact probes and circuit testing connectors. We provide probe cards for the front-end process of semiconductor manufacturing, and sockets for the back-end, both engineered for precision and high performance.

Japan, Malaysia, and Vietnam are home to our production bases, with over 70% of manufacturing occurring overseas and more than 90% of sales directed abroad, underscoring our rapid global expansion. We are expanding production of post-process probes at the Malaysia Plant, and at the Yokowo Vietnam Plant established in 2022. At the Japan Plant, we have accommodated high-difficulty development and mass-production products by introducing automated assembly and inspection lines. We are pushing forward with production innovations that effectively respond to the rapid evolution of technology and market shifts.

### Semiconductor Market Shifts and Approach of CTC

The semiconductor industry changes at an extremely rapid pace, and the lineup of major players often changes every one to two years. While growth from fiscal 2020 to 2022 was fueled by the demand for computer and smartphone semiconductors, fiscal 2023 experienced a sharp decline. On the other hand, fiscal 2024 is witnessing a rapid surge in new demand due to the widespread adoption of generative AI.

A key strength of the CTC business unit is its inspection jig's flexibility, as it can handle semiconductors with differing uses—such as CPU, GPU, and memory—using virtually the same product. Right now, our products are primarily catered to four key markets, each with a pivotal key device.

Target Market	Key Device
Data Center/Cloud	CPU
	GPU
Consumer	SoC/AP
	Wireless Transceiver
Car Electronics	Analog Device
Industrial Communication Equipment	Wireless Transceiver
	RF Front-End Device

When it comes to key device manufacturing in the four main markets, offering circuit testing connectors built for high-frequency applications that leverage our high-frequency capabilities is crucial.

#### Data Center/Cloud Market (CPUs/GPUs)

During fiscal 2024, the spike in demand for NVIDIA GPUs powering generative AI led to a swift rise in data center semiconductor sales. Even in fiscal 2025, the proliferation of generative AI implies that demand for high-end GPUs and AI accelerators will stay robust. The high power consumption and heat generation of these items mean that effective heat sinking and signal quality handling are essential. CTC is addressing these new inspection needs, advancing the development of the system-level testing market and expanding distribution channels.

#### Consumer Market (SoCs/APs/wireless transceivers)

In addition to smartphones, there is a growing demand for edge-AI-ready devices such as cutting-edge smart devices and wearables. This is accelerating the evolution of high-performance, low-power APs.

This business is anticipated to deliver the highest growth in the semiconductor industry going forward, and CTC plans to integrate new demand and push ahead with market development.

#### Car Electronics (Analog devices)

The push toward electric vehicles and autonomous driving is boosting demand for power semiconductors and sensor SoCs. There is a particular demand for highly reliable products designed to endure vehicle-specific conditions like elevated temperatures and high electrical currents.

By introducing novel materials and cutting-edge surface-finishing methods, CTC develops and supplies inspection solutions tailored for high-durability analog devices.

#### Industrial Communication Equipment (Wireless transceivers/RF front-end devices)

The growth of 5G and IoT is driving increased demand for communication semiconductors in real-time control settings at factories and plants. Low-power, highly reliable control ICs and sensors are essential.

CTC leverages its high-frequency technology to supply testing connectors for radio transceivers and RF front-end devices, building reliable trust.

## Growth Driven by Expanding the Coverage of the Testing Process

In the CTC business unit, we aim for growth in the semiconductor inspection field and are expanding the scope of the testing process. We have traditionally focused on back-end testing areas, but are now advancing deployment to probe cards in front-end testing.

Semiconductors have entered the 2-nanometer generation, and chiplet implementation—where heterogeneous chips are integrated into a single package—is becoming increasingly mainstream. Accordingly, testing now needs to accommodate narrower pitch, higher frequency, higher precision, and faster signals.

To meet these technical requirements, Yokowo is advancing high-frequency and high-speed testing technologies, further enhancing in-house processing capabilities, and progressing external collaboration on MEMS technology to establish a system that can meet advanced needs.

Specifically, we are expanding products such as sockets for 5G devices and probe cards (YPX) for high-frequency electronic components, and we are also strengthening high-value-added proposals through turnkey solutions.

In particular, the front-end testing market is 2.5 to 3 times larger than the back-end testing market, and we view it as an opportunity for business expansions in light of many customer needs. Nonetheless, there is considerable competition, and securing a technological advantage is indispensable.

### Semiconductor Testing Processes and Planned Entry Timing

	Front-end Testing Process			Middle-of-line Testing	Back-end Testing Process		
Inspection Stage	Wafer Test Before Rewiring	Water Test After Rewiring	Wafer Level Test (Including RF Test)		Final Test	System Level Test	Burn In Test
Planned Entry	2026	Expand Existing Business	Expand and Acquire New Testing Purposes			2025	2025
Technological Strategy	Electroformed Tube Spring Probe MEMS Probe/Sheet			High-Temperature, High-Current/Chiplet/Evolution to In-house Production			Molding Reinforcement
Target Device	DRAM/NAND		Logic SoC SAW/BAW	Logic SoC (built-in HBM memory)	Logic SoC/Chiplet		
Business Strategy	M&A/Alliance (Manufacturing) + Strengthened Manufacturing System (Labor Reduction)		Strengthened Field Support + Strengthened Manufacturing System (Labor Reduction)			M&A/Alliance Development + Strengthened Manufacturing System (Labor Reduction)	

## Establishment of a Flexible Development and Production System to Meet New Testing Needs

In the CTC business unit, we are strengthening our ability to respond swiftly to changes in the semiconductor market by improving responsiveness to testing needs and accelerating development and production. The key is understanding each market's technology roadmap and cooperating with customers.

The industry sees fierce fluctuations each year as major players are replaced, and we are building a flexible business model to respond to that. For nearly four years, a cross-departmental project has been promoting inter-departmental collaboration and technology strategy, developing products and manufacturing technologies that meet the latest market demands.

In addition, as the lead time for launching new semiconductor products shortens, Yokowo prioritizes a leadership stance rather than simply catching up, and has established a rapid development and mass production system that balances agility and flexibility.

## Evolution into a Comprehensive Test Solution-Type Vendor and Global Expansion

The CTC business unit aims to provide comprehensive solutions for semiconductor inspection, flexibly balancing in-house production and alliances. Core technologies such as product miniaturization and product fine-tuning tailored to usage are in-house developed, emphasizing development control and knowledge accumulation. On the other hand, in situations where speed is critical, we have established a system to cooperate with external partners and that consistently provides value from development to manufacturing. We aim to be the core of an ecosystem that provides an end-to-end view of the entire supply chain by supplying probes, housings, expansion boards, and the like.

Our global expansion will hinge on a two-pole approach: the market in Asia, mainly India, spurred by population growth and heightened household-electronics demand, and the U.S. market, spearheading developments in generative AI and cutting-edge semiconductors. Furthermore, we introduced ROIC into business decision-making and promoted management that prioritizes investment efficiency. We embed a managerial perspective even in on-site decision making, establishing a swift and rational decision-making system. Moving forward, the CTC business unit will expand its portfolio of highly accurate and highly profitable products, simultaneously achieving stable growth and creating new markets.

## FC (Fine Connector)



SPRING CONNECTOR™  
Development and Provision

### Developing and providing a micro SPRING CONNECTOR™ worldwide

—Evolution into a connector solution provider through creating customer value—

**Fumiaki Ishibashi**

Executive Officer/General Manager, FC Business Division



The FC (Fine Connector) business unit has been globally developing and supplying SPRING CONNECTOR™ for over 30 years, playing a core role in power supply and data transmission for electronic devices. Specifically, precision SPRING CONNECTOR™ that allow easy snap-on and snap-off are increasingly adopted for a variety of applications—from lightweight and miniaturized consumer devices like smartwatches and earphones to commercial, industrial, medical, and automotive uses.

### Advanced Solutions for the Global Deployment of SPRING CONNECTOR™

In the FC business unit, we have a product lineup that includes more than 400 standard items and over 5,000 custom products, enabling us to accurately meet rapidly changing needs such as miniaturization and wearables. In addition, we have strengthened our customization framework to flexibly meet special requirements related to shape, size, specifications, and design, while also accommodating the advancement of features such as waterproofing, high-speed transmission, and high-current capability.

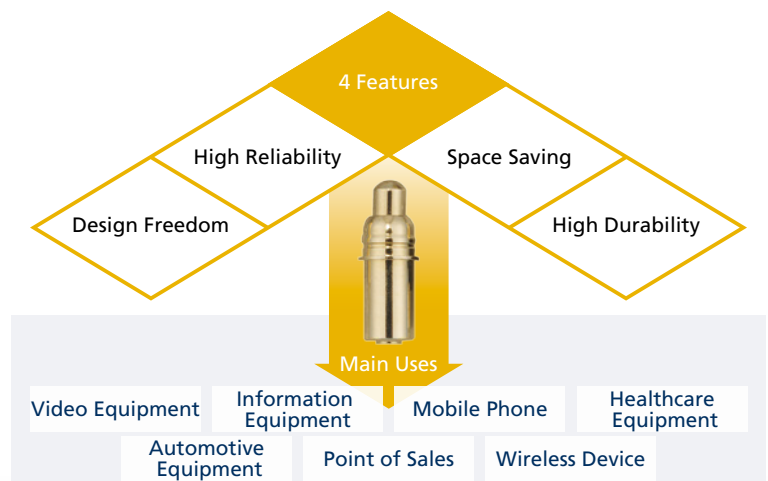
In response to increasingly specialized market needs, our independently developed SPRING CONNECTOR™ is compact yet high-performing, and it achieves a space-saving design that can also fit into limited board space. Combining flexible design capability tailored to complex shapes and functions, it is a highly reliable connector component installed in a wide range of electronic devices, and it has received high praise from customers.

The product is manufactured at three sites in Japan, Malaysia, and China, with overseas production accounting for over 80%. In addition, the product is supplied to a wide range of electronic equipment manufacturers both domestically and internationally, and the overseas sales ratio has reached over 80%.



SPRING CONNECTOR™

#### Features and Main Uses of the SPRING CONNECTOR™



### Advancing Efforts to Enhance Productivity and Quality While Simultaneously Boosting Competitiveness

The spring connector market has a unique structure compared to other electronic component markets. Although there are overarching market trends, each product requires a design tailored to its intended use, so there are virtually no generic ready-made items, and almost everything is custom-made to fit the customer's product design. Customer requests are diverse and wide-ranging, so to accurately understand specific needs, continuous and close communication with them is essential. Building such relationships has led to gaining trust and the creation of concrete business opportunities.

Taking into account the characteristics of such markets and products, Yokowo has established proprietary internal standards and inspection methods, and we practice management that clearly quantifies quality goals for maintaining and improving quality. Previously, there were parts that depended on manual labor in some stages, but since fiscal 2024 we have started earnest efforts toward automation and labor saving.

Moving forward, we aim to further elevate these initiatives by digitizing the expertise of seasoned professionals through the application of AI and related technologies, thereby enhancing knowledge sharing and utilization across the entire process to achieve additional gains in productivity and quality.

## Venturing into Next-Generation Product Development

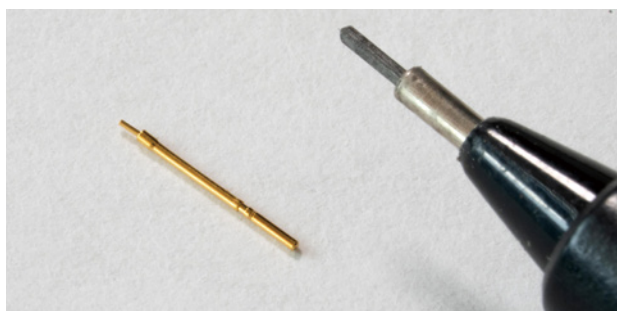
In the connector market, foreseeing customer requirements well before the final product is adopted directly ties to capturing market share. The FC business unit continues to propose a new range of products that leverage its proprietary technology, and is actively participating in and building collaborative structures for a variety of projects that cross academia, industry, and government. In particular, in the application development of wearable devices, it is working to create new markets in fields such as telemedicine, sports, and gaming.

In addition, in the AI and edge computing areas, where further growth is expected, there is a need to address challenges such as increased power consumption and heat generation. We are advancing development of next-generation connectors to meet these challenges. By applying wireless transmission and antenna technology, we are striving to achieve new connectivity solutions that overcome physical limitations.

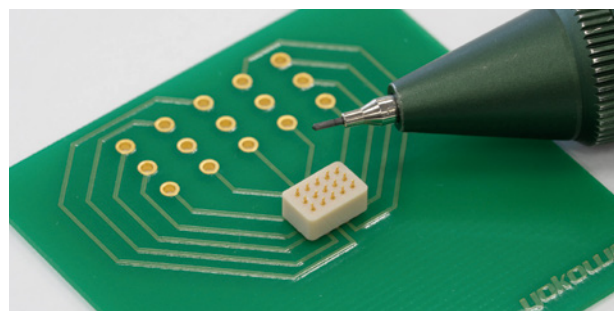
## Supporting Next-Generation Smart Devices with the World's Smallest Class New SPRING CONNECTOR™

In the second half of fiscal 2024, the FC business unit developed a new SPRING CONNECTOR™ with a 0.35 mm diameter—the smallest class in the world—and began shipping samples. This product achieves a size reduction of approximately 60% compared to conventional products, while also offering high performance features such as high-speed transmission and high-current capability. In addition to enabling miniaturization and multipolarization, the custom connector design enables a significant reduction in the area occupied by the board assembly. This can significantly increase the customer's design flexibility. It also helps streamline peripheral board design, adding new value to the product design process.

This product applies the micro processing technology Yokowo has honed through the development of semiconductor testing probes. We have established an advanced production system built on years of technology accumulation, utilizing proprietary techniques that perform high-precision drilling inside an ultra-small tube with a diameter of 0.35 mm, gold-plating processing technology that achieves stable conductive performance, and semi-automated processes for accurately assembling miniature components.



0.35 mm diameter SPRING CONNECTOR™ thinner than the 0.5 mm core of a mechanical pencil



Connector utilizing 15 units of the new SPRING CONNECTOR™, featuring the world's smallest diameter

## Progressing Toward Becoming a Connector Solution Provider

The FC business unit aims to evolve into a “connector solution provider” that goes beyond merely supplying parts, by establishing a competitive advantage through mastering its core micro precision processing technology and creating unique value that only Yokowo can deliver. By accurately capturing the diverse market needs and tailoring product planning and sales expansion strategies to the characteristics of the target market, we will roll out a higher level of user experience (UX) to the end users beyond our customer companies.

We firmly believe that, regardless of how volatile the market may be, we have the power to generate our own business prospects, and in the future we will keep delivering dependable connection solutions worldwide, built on our distinctive micro precision processing technology and outstanding customization strengths.



## MD (Medical Device)



Medical Device

### Establishing a competitive advantage in the cutting-edge medical device domain

—Venturing into the MD business powered by micro precision processing and startup collaboration—

**Hiroshi Igahara**

Managing Executive Officer / General Manager, MD Business Division  
Chairperson, Business Risk Management Committee



In the MD (Medical Device) business unit, we leverage proprietary manufacturing technologies such as micro precision processing and electro-polishing to establish a competitive advantage in the medical device sector. Our strategic focus emphasizes forging innovation through startup collaborations and setting up a system for global rollout, including the acquisition of U.S. FDA 510(k) approval. We are advancing a multifaceted approach that includes precise compliance with domestic and international laws and regulations, leveraging the venture ecosystem, and accelerating development cycles through simulation.

### Growth Strategy for the MD Business Unit in Advanced Medical Fields

Although orders for catheter components from major domestic medical device manufacturers are on the rise, sales of unit products remain strong and steady in the MD business unit. This enables us to establish a firm revenue base while positioning ourselves for the next wave of growth.

By harnessing Yokowo's core technologies in micro precision processing, coating, and assembly technologies, the unit has strengthened production capacity via state-of-the-art manufacturing equipment. When it comes to assembly products like guide wires and catheters, we seek to drive overseas and domestic sales growth and establish a global quality framework that considers the entire product lifecycle. Our business model framework includes (1) a self-sufficient model for in-house design, production, and sales, and (2) a venture ecosystem model that turns startup ideas into reality and supports them as manufacturing partners. By developing these two pillars as twin engines of growth, we aim to solidify our position as a project-based product developer and development-focused OEM supplier in the cutting-edge medical fields and pursue sustained business expansion.

Moreover, as part of our efforts to enter the U.S. market, after obtaining a Class I manufacturing and sales license domestically, we are positioning the acquisition of FDA 510(k) approval as the next important step. The U.S. market is structured so that product quality is fairly represented in price; by having our superior products recognized, we aim to capture additional growth opportunities.

### Accelerating Growth through Product Portfolio and Global Strategy

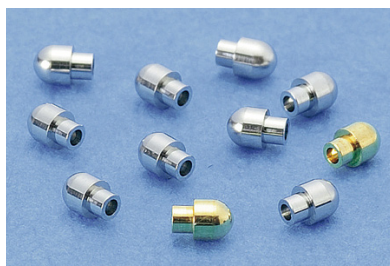
We are currently advancing the construction of a strategic product portfolio with a view toward global markets. Specifically, we clearly distinguish between high-end and low-end products. The former is launched into high-value markets through our in-house design and manufacturing/sales capabilities, primarily targeting the U.S. market, while also supplying in the Chinese market via trusted partners. We are manufacturing and distributing low-end products in collaboration with our Chinese partners, and moving forward with sales in Japan and the United States.

### Establishing a Venture Ecosystem and Collaborative Framework with Startups

In building a venture ecosystem, we are currently collaborating with four startups, one of which was acquired by a major medical device manufacturer in December 2023, and that product launched in March 2025. Our stent, the first of its kind to be used in the product, has proven highly successful in social implementation and venture assistance, setting the stage for promising future sales expansion.

In December 2021, we founded the Japan Medical Start up Incubation Program (JMPR) alongside a group of dedicated comrades to support Japanese medical device startups. We contribute funds to JMPR to aid its operational continuity, and beyond providing management and operational assistance to startups that JMPR supports, we strive to develop medical devices crafted in Japan via the

creation of new materials, coating solutions and other elemental technologies for medical devices, as well as structural image analysis simulations that will be detailed later. By swiftly transforming startup ideas into operational ventures, we strive to establish an internally proven innovation strategy. We will keep partnering with serial entrepreneurs, offering support to evolve medical technology and return value to the community.



Tip terminal of catheter



Guide wire



Part processing inside a cleanroom

## Proprietary Technologies and Global Competitiveness in Medical Device Development

The MD business unit promotes high-level development of medical devices, including stents, grounded in micro precision processing technology. Moreover, the high-precision finishing technology achieved through electrolytic polishing and fluid polishing is a unique strength that we proudly present to the world, and by ensuring the smoothness of the stent surface used inside blood vessels, it contributes to reducing the risk of thrombosis. Especially noteworthy is that our organization alone worldwide possesses fluid polishing technology that can simultaneously refine both interior and exterior surfaces, underscoring the rarity that validates our technological superiority.

We also possess advanced joinery techniques for specialty metals that are essential to medical device manufacturing, and there are only a handful of companies worldwide that have comparable expertise. This advanced technological capability is further refined through collaboration with other business units, enhancing differentiation in our medical device business and strengthening our international competitiveness.

## Business Development Carried out from a Medium-to-long Term Perspective

In the MD business unit, we prioritize business development based on medium-to-long-term growth rather than short-term annual results. Although starting a new business takes a certain period of time, sales are steadily on the rise at present, and we intend to raise profitability by fortifying both our manufacturing and sales capabilities going ahead.

Leveraging our strength in micro precision processing, we also embrace startup R&D capabilities and physician insights, driving product development through iterative structural analysis simulations, prototyping, and ongoing refinements. Structural analysis simulation refers to the practice of substituting part of animal testing or clinical trials with computer-based models, aiming to shorten development time and reduce costs. As a result, we have also received a leading evaluation in regulatory compliance, and our members' research findings are cited by entities such as the Pharmaceuticals and Medical Devices Agency (PMDA) and the U.S. Food and Drug Administration (FDA), thereby earning high trust both domestically and internationally. Looking ahead, we aim to develop a business model by offering this cutting-edge simulation technology to external customers and in joint-development projects, and we will investigate how to turn the technology and insights into viable businesses.

## Manufacturing Edge and the Vision of Business Models Built on Data Utilization

The MD business unit is aiming to expand its business and build on its achievements toward fiscal 2025. The advanced manufacturing process that is Yokowo's hallmark gives it a key advantage, yet to expand further the company must construct a data-driven business model. In the future, the use of systems such as the Breakthrough Devices Program aimed at early approval of medical devices will be essential to establish a competitive advantage based on data.

In an age where product performance alone makes differentiation tough, forging new value through a blend of insights, data, and strategy is vital. We are exploring next-generation medical business models through collaboration with startups, accelerating innovations that fuse manufacturing with a knowledge ecosystem.

# Incubation Center



Transforming Yokowo's Business Model  
MaaS and IoT, Software

## Pioneering new value creation

—Creating new businesses, innovating business models, and strengthening the talent pool—grounded in technological expertise—

**Kenji Yokoo**

Director/Senior Managing Executive Officer/General Manager, Incubation Center  
In charge of Social Contribution/Representative Director of Yokowo Scholarship Foundation



In fiscal 2023, the Incubation Center became an independent functional division tasked with advancing technology development and business model innovation—key drivers in tackling increasingly complex and diverse societal challenges. In addition to the core technologies Yokowo has cultivated over many years—including micro precision processing, antenna, and microwave—the Incubation Center is focused on creating new technologies to meet evolving customer needs. It is also working to open up new markets and deliver fresh value through collaboration with external partners.

The Incubation Center is actively pioneering new application areas for Yokowo's technologies while flexibly integrating external expertise. This approach accelerates the development of products and services. Beyond traditional product sales, we are also transitioning toward value-oriented business—including subscription models—as part of a broader transformation of our business model.

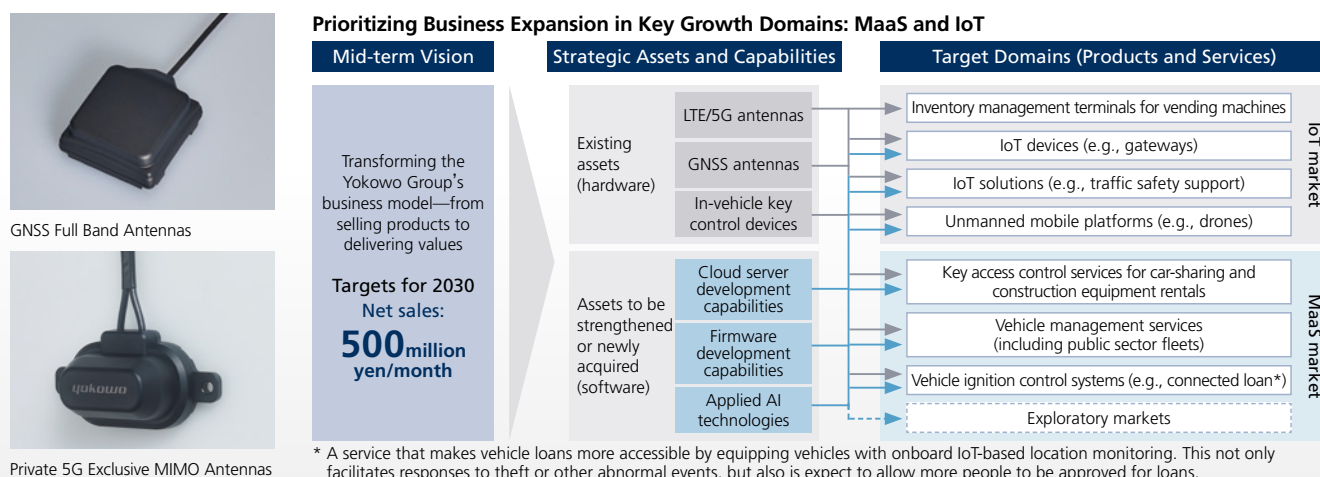
Recognizing our relationships with existing clients as vital assets, we aim to unlock new business domains that drive sustainable growth across the Yokowo Group—pursuing strategic alliances, M&A opportunities, and co-creative partnerships that complement our technologies, human capital, and equipment.

## Expanding Yokowo's Presence in MaaS and IoT

We are actively expanding our business in the fields of Mobility as a Service (MaaS) and the Internet of Things (IoT), which we have identified as key growth areas. In these areas, we are moving beyond conventional in-vehicle applications to introduce subscription-based business models tailored to a broader range of clients—including those outside the automotive manufacturing sector. Through this shift, we aim to deliver high value-added products and services.

In fiscal 2024, we accelerated the rollout of advanced offerings such as MIMO antennas leveraging smart antenna technology, and in-vehicle key management solutions designed for rental and car-sharing fleets. These initiatives are driven not only by our proprietary technologies, but also through collaboration with external partners whose technological capabilities align with customer needs. By leveraging strategic alliances, M&A, and co-creative partnerships, we are working to cultivate new markets and build sustainable business models.

To better understand global market needs and enhance our international presence, we continue to exhibit at trade shows in the United States and across the EU. These efforts accelerate our transition from traditional product sales to value-oriented business models.



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## Positioning FY2025 as the First Year of Business Transformation—Accelerating the Foundation for Future Growth

The Incubation Center has designated fiscal 2025 as the first year of transition toward a new business model. Over the past two years, we have focused on strengthening our business foundation, building partnerships with collaborative enterprises, pursuing strategic M&A, and establishing overseas marketing frameworks. As we enter the next phase of growth, we will fully leverage the management resources gained through these initiatives.

We are continuing to make focused upfront investments with a view toward future growth and monetization in the IoT and MaaS domains. In particular, we are working to build a foundation for sustainable growth over the next five to ten years by strengthening collaboration with partner companies and expanding into the European and US markets.

As part of these efforts, we have made strategic investments in two venture firms. The first is aptpod, a provider of industrial IoT solutions with core strengths in middleware development for automated driving system. The company has already launched proof-of-concept trials with major automotive manufacturers in Japan. The second is ASF, which develops and sells electric vehicles. In addition to securing a large-scale contract for 3,000 units with a leading logistics company, ASF is also advancing deployment with a major drugstore chain. ASF's vehicles are equipped with our proprietary in-vehicle key management solution, contributing to the creation of new revenue models.

Another key focus of our current efforts is strengthening our sales network in North America. We are actively pursuing agreements with distributors tailored to regional characteristics, and have already received multiple inquiries. This network is expected to serve as a base for us to expand our sales channels and further scale up our business operations.

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## Initiatives to Bolster Our Software Development Framework

Until fiscal 2024, our software engineering team consisted of a limited number of personnel, primarily focused on the development and operation of existing systems. As a result, allocating resources to overseas expansion and new development remained a persistent challenge.

To address these issues, we executed an M&A with a company possessing strong development capabilities in fiscal 2024, and initiated the post-merger integration (PMI) process in fiscal 2025. This integration has brought us approximately 30 software engineers, laying the groundwork for both the creation of new businesses and the enhancement of our development framework.

A company-wide software team, led by top engineers, is slated for establishment within the next two years. While deploying operational units to the Incubation Center, we are also exploring external recruitment and M&A opportunities across other business divisions to expand our software talent pool and strengthen our technical capabilities on a company-wide basis.

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## Driving Our Evolution as a Technology-Oriented Enterprise

The Incubation Center plays a central role in sustaining Yokowo's strategic orientation as a technology-driven enterprise, while simultaneously fostering business model innovation through the creation of new businesses and external collaboration. It also cultivates software talent and drives a company-wide mindset shift to support this transformation.

Looking ahead, we will accelerate the transition from hardware-centric development and sales to a subscription-based business model that integrates software and services. Achieving this shift requires new perspectives and approaches, including enhanced marketing capabilities and a stronger focus on software development. A company-wide transformation in mindset will be essential.

Of particular importance is problem-sensing: the ability to identify latent challenges and translate them into viable products. The key to creating new value lies in cultivating on-the-ground awareness and responsiveness, enabling us to swiftly capture emerging customer needs.

Realizing this depends on each employee embracing change with a forward-looking mindset, free from conventional constraints. Engineers, in particular, are expected to take on new challenges with broader perspectives and greater flexibility, exploring emerging technologies and business domains.

Starting from the Incubation Center, we will pursue the development of sustainable business models and the cultivation of new markets that contribute to solving social issues—while maximizing synergies with our existing businesses.

# Production Capital

## “Yokowo’s Manufacturing” Deepening Core Technology and Integrating Cutting-Edge Technology

Yokowo continuously refines core technologies such as micro precision processing, antenna technology, and microwave technology, while actively adopting cutting-edge technologies. With these cornerstones in place, we supply an extensive, creative product line to top global corporations.

The reason for the outstanding feedback is the “QCDS” approach, which is an innovative production process that consistently satisfies quality, cost, delivery, and service. Currently, we are intensifying our focus on strengthening software development capabilities to support a business model that is evolving from products to value.

### Research and Development System

Yokowo’s manufacturing is supported by both basic research and applied research.

#### Basic Research

##### Microwave Technology

- With the development of automated driving and 5th generation mobile communications systems (5G), microwave technology is becoming even more important in the fields of vehicle communication and semiconductors. Advancing the establishment of leading global technology across both the wireless communication and semiconductor circuit testing technologies.

##### Process Development

- Micro precision processing: Building on world-leading microfabrication, we are propelling advances in precision plating and MEMS processes
- Production process: Internally developing core elemental technologies, and proactively utilizing AI for production and quality control
- Design Process: Building a system that enables seamless management from design to maintenance using 3D CAD

##### Commercialization Research

- Close cooperation between the research and development, process technology, and new product development departments. Also leveraging joint research with other companies and universities to drive product evolution and multi-layered business expansion

#### Applied Research

- Building social platforms that utilize wireless technology and software development capabilities
- Automatic testing technology for semiconductor device-integrated wireless antennas essential for automated driving systems and the 5G era, and development of optoelectronic fusion device testing technology
- Proposing and providing turnkey systems for semiconductor testing fixture

These applied research initiatives deepen existing businesses and act as growth drivers that foster new market creation.

### Research and Development System

#### Deepening and Integration of the Five Core Technologies Underpinning Business Competitiveness

Yokowo has defined five core technologies, advancing business multi-layering and advanced product creation through the deepening and integration of its technologies. By integrating and developing these core technologies within the company, we achieve the creation of high value-added products tailored to each market need.

Micro Precision  
Processing Technology

Microwave  
Technology

Antenna  
Technology

Surface Modification Materials Technology  
(Surface Treatment / Material Modification)

Semiconductor  
Application Technology

#### Two-Layer Structure of Research and Development — Integration of Design and Production

Product design R&D and manufacturing R&D comprise essential and inseparable elements of Yokowo’s research and development system. By integrating design and production into a unified development system, we strive to balance product performance with productivity, aiming to maximize customer value.

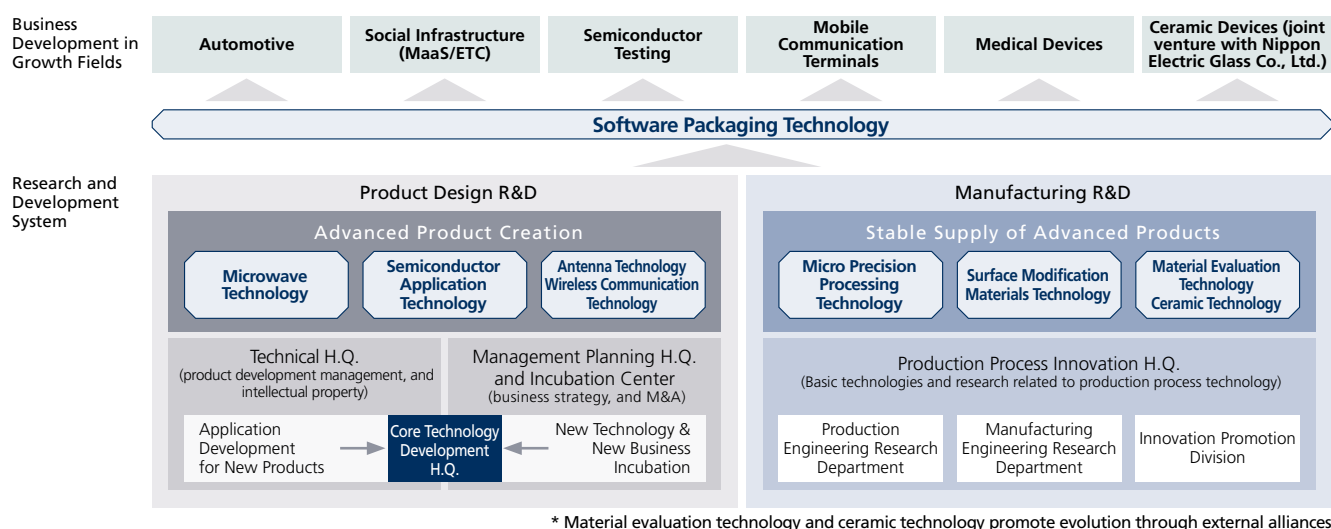
##### Product Design R&D

- Utilizing microwave technology, semiconductor application technology, antenna technology, and wireless communication technology to promote the implementation of next-generation features that meet the specific demands of each market

##### Manufacturing R&D

- Leveraging micro precision processing, surface modification materials technology, and material evaluation coupled with ceramic technology (through strategic alliances) to create a high-volume production infrastructure that ensures superior quality, maximum efficiency, and continuous supply





### Integrated Development System That Flexibly Adapts to Change

Yokowo's research and development is managed in an integrated manner through a three-in-one collaboration among the Technical H.Q., the Management Planning H.Q. and Incubation Center, and the Core Technology Development H.Q. By integrating research, design, business strategy, and IP strategy, we achieve flexible and rapid development.

Even within production process technology, the Production Engineering Department, Manufacturing Engineering Research Department, and Innovation Promotion Division work together. The Production Process Innovation H.Q. continually revamps foundational technology development, manufacturing line enhancement, and manufacturing method optimization, thereby strengthening flexible new line creation and increasing our competitive advantage.

### New Material Development and Human Resource Network Expansion via Industry-Academia Collaboration

We are also strengthening the human resources that support advanced technology development. We are setting up a hybrid talent pipeline that combines in-house hiring of immediately deployable staff, M&A-driven acquisition of software experts, and university-backed PhD program support to foster next-generation high-caliber individuals.

For example, in developing new alloys for the CTC and FC businesses, a joint three-way collaboration with universities and material manufacturers has produced low-resistance materials that can withstand the high-temperature, low-temperature, high-current, and high-frequency environments of semiconductor devices. This resolved dissolution and melting issues, and we also secured a joint patent. This served as a catalyst for vigorous people exchanges with universities and led to a significant uptick in recruitment from research bases. Additionally, we promote the development of junior engineers through monthly research discussions and internal lectures in each field. We are also building networks with junior professors and creating a space for intellectual stimulation and knowledge accumulation.

### Intellectual Property Strategy — Moving From Defense to Offense

Our intellectual property strategy that maximizes the use of research findings as intellectual property is also evolving. We are now actively filing patents for manufacturing techniques and designs that were previously kept confidential. By multi-layering intellectual property, we strengthen product protection and bargaining power, and joint applications with universities and customers have also increased.

### Towards Establishing Integrated Design Capability for Achieving Overall Optimization

Yokowo's envisioned future for its research and development goes beyond simply enhancing individual parts or elements; it aims to establish an integrated design capability that enables holistic optimization by functional units. In other words, we aim to build a system architecture that can identify the optimal solution by comprehensively considering the configuration, performance, cost, and productivity of the entire product system. A central component of this approach is the development of system architects. A systems architect is someone who combines deep expertise across multiple technical domains with a broad perspective, outlines the overall design direction for product development, and appropriately guides each engineering and production department.

In addition, there is a development roadmap structured in a four-layered hierarchy of business, product, technology, and process that is organized at the development site, and by visualizing each layer, technology development and business strategy are tightly synchronized, consistently aligning Yokowo's growth scenario and technical evolution direction. At development sites, we can decisively determine what to prioritize and when to deploy each technology, thus enhancing development speed and quality.

Yokowo will further sustainable business evolution and enhance competitive advantage by fortifying continuous integrated design strength covering everything from grassroots research and development to applied use, from design to production, and spanning intellectual property and human resources development.

# Human Capital Management

## Aiming for the Maximization of Human Capital through Talent Development and System Strengthening

Yokowo considers people to be the most important capital for sustainably improving corporate value and focuses on human capital management to unlock their potential. Especially in a rapidly changing business environment, each employee must possess flexible thinking and high expertise, and be able to create new value in response to environmental change. This foundation supports the overall competitive advantage of the organization. To create a supportive structure, following the establishment of the Human Resource Development Center in 2023, we founded the Human Resources H.Q. in April 2025 and built a system that can provide total support and management of human resources.

### Human Resource-Driven Leadership to Be an Ever-Evolving Company

In our New Medium-Term Management Plan 2024-2028, we have positioned the “Evolution of Business Management: Personnel Innovation” as one of our basic management policies. To realize that, we are developing a “People Vision” and are shifting our management toward strengthening human capital management—i.e., strengthening human resources—which had been highlighted as an issue in our business structure. In order to concretize this fundamental way of thinking, Yokowo has been working on clarifying the image of human resources based on our corporate philosophy, reconstructing the human resource development system, reforming the organizational culture, and establishing a company-wide human resource management structure. These initiatives, rolled out in concert, have slowly established the base for human capital management. In fiscal 2025, the Personnel Department, Human Resource Development Center, and Global Support Department were merged to establish the new Human Resources H.Q. This has set in motion a thorough shift towards human capital-focused management. Moving forward, under this new system, we will promote the training and utilization of human resources aimed at even greater growth and value creation.

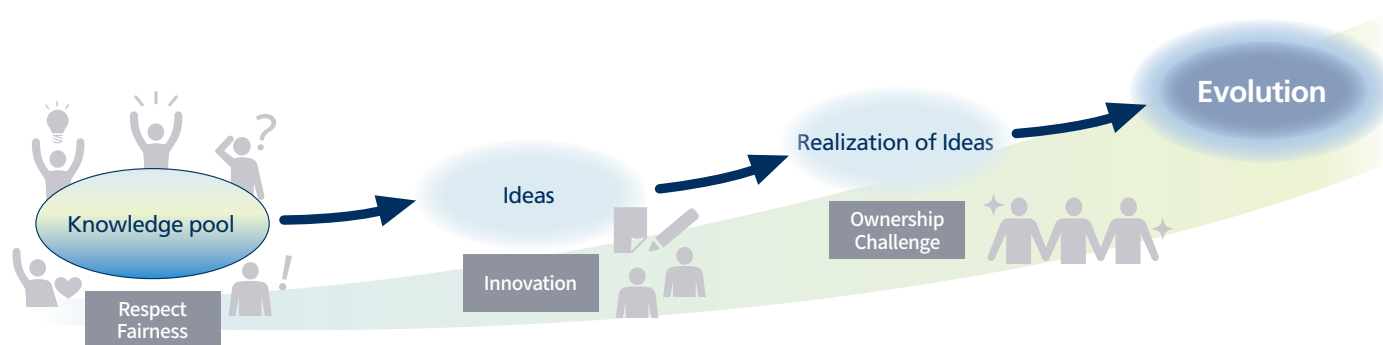
<b>Corporate Philosophy</b>	<b>Vision</b>	<ul style="list-style-type: none"> <li>As an ever-evolving company, we seek to develop new ideas that challenge our people and our technologies while anticipating and addressing the changing needs of society</li> </ul>
<b>Basic Management Policy</b>	<b>Evolution of Business Management Personnel Innovation</b>	<ul style="list-style-type: none"> <li>Identify the technical and knowledge framework required for product innovation and process innovation that drive competitive advantage, and build a knowledge ecosystem combining employee education, human resource acquisition, and external partner collaboration for personnel innovation—treating it as a core management challenge</li> </ul>
<b>People Vision</b>	<b>Define the ideal person and organizational culture that Yokowo seeks, starting from its corporate philosophy</b>	<ul style="list-style-type: none"> <li>Yokowo's ideal candidate is someone who gathers collective knowledge, creates the “new,” and keeps pushing boundaries</li> <li>Yokowo's ideal organizational culture is one that supports evolution</li> </ul> <p><b>We are committed to cultivating people and culture that support the evolution of business management, aiming to be an ever-evolving company</b></p>

### Yokowo's Ideal Human Resources and Corporate Culture

Yokowo's ideal candidate embodies both a fearless, challenge-driven mindset and a proactive drive to spot issues and act decisively toward solutions. When defining this ideal, we based our approach on the questions “What constitutes evolution?” and “What kind of organization supports evolution?” and have had successive internal discussions about them. This revealed the importance of securing psychological safety founded on the values of respect and fairness. This creates an environment called a knowledge pool, where employees can freely speak and share insights. We regard the ideal person as one who creates innovation, i.e., new value, from that knowledge pool, who holds an ownership mindset toward realizing that new value, and who continuously engages in challenges. We believe such individuals will lead the next generation.

Yokowo positions on-the-ground competence and agility in change as a common organizational culture, and fosters behavioral change in every employee through position-specific training and hands-on practice. We are also working to build an environment where challenges and learning circulate, by energizing workplace dialogue, fostering a culture of mutual feedback, and sharing proactive learning behaviors from the leadership team.

Institutionalizing such a culture is indispensable for maximizing the effectiveness of human resource development measures, and we believe that the qualitative shifts in both people and the organization form the foundation for sustained corporate growth.

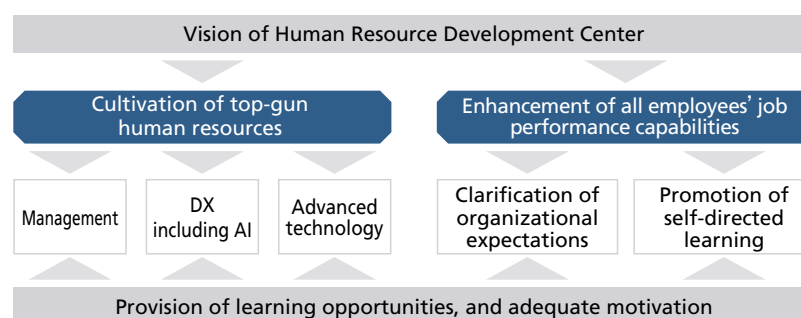


## Human Resource Development Center Serves as Central Pillar of Company-Wide Human Resource Development

When Yokowo began seriously advancing human capital management, the key focus was setting up the core functions responsible for company-wide human resource development. In a symbolic move, we set up the Human Resource Development Center in 2023 to act as a command hub.

The Center takes on a role that goes beyond the scope of training operations, crafting a medium-term personnel development plan aligned with Yokowo's long-term corporate strategy, and implementing this plan cross-functionally in collaboration with each department. This system, directly linking the policy of human resource development with business strategy, is an important step toward the advanced enhancement of human capital that contributes to increasing corporate value.

At its core are two pillars: cultivating top-gun human resources that drive Yokowo's competitive advantage, and strengthening organizational capabilities through elevating every employee's job performance. We consistently roll out initiatives across the company that support each employee's proactive challenges and ongoing learning, linking human capital to our sustainable growth and value creation.



### Cultivation of Top-gun Human Resources — Strengthening Highly Specialized Human Resources that Lead Evolution

At Yokowo, we are cultivating top-gun human resources—individuals with high expertise and execution capabilities that directly drive business evolution—across three strategic areas.

#### 1 Cultivation of top-gun human resources in the management domain

We have launched educational programs aimed at future executive candidates to cultivate strategic construction skills and an all-encompassing perspective. In fiscal 2023, we conducted “Business Model Alliance Strategy Training Program” led by in-company officers seven times. In fiscal 2024, we conducted seminars led by Professor Makoto Kawase of Ritsumeikan University and internal lectures based on the works of Professor Kazuhiro Mishina of Kobe University, and established a practical program in which each participant sets an evolution theme for their own department.

#### 2 Cultivation of next-generation human resources in the DX and AI domains

We have positioned DX as a key area for strengthening our management foundation, and have conducted a skill assessment for all employees in fiscal 2024. Based on these results, we started e-learning in February 2025 and are working to improve literacy. In leveraging AI, we launched the ChatGPT Community, which welcomed 236 participants in 2023, and are advancing the cultivation of practical skills through initiatives such as deploying a trial of Microsoft Copilot in 2024.

#### 3 Cultivation of specialized human resources in the advanced technology domain

Since fiscal 2023, in partnership with the Technical H.Q., we have conducted six circuit technology seminars led by external instructors, alongside talks by experts in the antenna field. In fiscal 2024, we established the Antenna Technology Working Group and, through nine cutting-edge lectures delivered by university professors, aim to deepen engineers' expertise and broaden their knowledge.

## Enhancement of All Employees' Job Performance Capabilities — Initiatives to Strengthen Overall Organization Competitiveness

While cultivating top-gun human resources, we also are focusing on elevating the skills of all employees to improve the overall performance of the organization.

### 1 Creation of a training system based on a skill map

Starting in fiscal 2023, each department has devised personalized training programs grounded in a skill map detailing the competencies they seek in employees. We are working to develop human resources in line with these targets.

### 2 Establishment of an environment that supports self-directed learning

We are committed to offering a broad array of learning opportunities to meet employees' self-motivated desire to learn. Starting in fiscal 2023, we introduced Udemy Business—designed to support both business and IT across Japan—at our domestic bases, and in fiscal 2024 we began rolling it out to overseas bases. In addition to other measures, we have implemented e-learning and a subsidy program to assist with English learning costs. Such measures foster employees' self-driven development and aid in establishing autonomous career development.

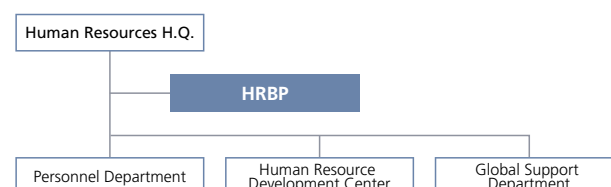
## Establishment of the Human Resources H.Q. and Future Plans

In 2025, Yokowo further accelerated its human capital management by merging the Personnel Department, Human Resource Development Center, and Global Support Department into a newly created Human Resources H.Q. We organize recruiting, development, assessment, and compensation activities within a single, cohesive HR framework, thereby creating a structure that improves employee engagement and targets total optimization.

### Achieving Personnel Functions That Support Management and Business

At Yokowo, we believe that personnel departments should be directly integrated with both the management team and business activities. To achieve this, we have assigned Human Resource Business Partners (HRBPs) who collaborate with business divisions to design and implement personnel measures. By regularly engaging in dialogue with management, they will accurately understand organizational challenges and business needs, and focus on developing and executing personnel measures that stem from those insights.

Organizational Structure of the Human Resources H.Q.



### Constructing an Interrelated Cycle of Recruitment, Development, Assessment, and Compensation

We aim to build a system that develops the human resources we hire and enhances motivation through accurate evaluation and rewards, ensuring that this series of processes operates not as isolated optimizations but in a fully integrated and cyclical manner. We also conduct regular engagement surveys to visualize both the achievements and the challenges. We plan and implement strategies based on survey findings, and through evaluating and redesigning them, we aim to enhance the overall quality of personnel measures and advance the entire personnel agenda.

### Enhancing Global Personnel Functionality, and Group Cooperation

With future global expansion in mind, Yokowo is moving forward with harmonizing the global perspective of its head office and the local expertise of its overseas bases. We are moving forward with a framework that aligns shared values and adaptable operations, enabling each of the Group's personnel departments to cooperate and maximize synergies. We view the evolution of the global HR functionality, which balances respect for the diversity of each country and location while executing consistent human resource utilization, as one of our key future challenges.

By implementing these measures, the Human Resources H.Q. will make it a central tenet that “individual growth underpins corporate growth” within management, thereby maximizing the inherent potential of both people and the organization. Moving forward, the H.Q. is expected to lead human capital management at Yokowo, tying together sustainable business growth with the elevation of human capital in an integrated manner.

# Materialities

Guided by our Purpose—“Be a good company by employing people and technologies that work for the benefit of society today and tomorrow”—we aspire to build both a good company and a good society. In this spirit, we identify materialities by addressing the challenges facing the global community.

## Approach to Materiality

Amid rapid changes in the external environment and increasing uncertainty surrounding business management, we reviewed our materiality in fiscal 2024 as part of addressing sustainability initiatives, one of the structural challenges identified in our Medium-Term Management Plan.

In this review, we organized issues from two perspectives: the impact society has on us and the impact we have on society. Among financial and non-financial issues, we chose to focus specifically on non-financial areas. Through our materiality initiatives, we are committed both to enhancing corporate value and helping resolve the pressing challenges of building a sustainable society.

## Process to Identify Materialities

### Step 1

### Identify and organize ESG issues

We first consolidated the issues raised by each stakeholder group to create a long list of 136 items. We then organized these items by integrating similar themes and assessing their relevance to our business. Based on stakeholder perspectives, we conducted a prioritization process and identified 21 priority issues.

#### Stakeholders Considered

- Customers
- Financial institutions and institutional investors
- Employees
- Questions from ESG rating organizations (FTSE, CDP, RBA, EcoVadis, etc)
- Non-profit organizations (JICA, WEF, and Free The Children Japan)

Key Areas	Materiality
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>• Diversity, equity and inclusion</li> <li>• Global workforce development</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>• Respect for human rights</li> <li>• Rights of those who work with us</li> </ul>
<b>Stakeholder Engagement</b>	<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>
<b>Global Environment</b>	<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>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Compliance</li> <li>• Risk management</li> </ul>

### Step 2

### Prioritize the issues

To prioritize the issues identified in Step 1, we conducted a survey of all executives and employees, including temporary staff, at our Group companies in Japan, as well as senior management at our overseas locations. Based on both risks and opportunities, we created a materiality map from two perspectives: importance to stakeholders and importance to our business.

For details of the materiality map, please refer to our corporate website.  
<https://www.yokowo.co.jp/english/sustainability/management.html>

### Step 3

### Select possible materiality

Since some of the issues in financial and other areas, such as technology, were already being addressed under our New Medium-Term Management Plan, we excluded financial issues from the materiality map created in Step 2 and redefined five priority areas. At the Executive Meeting, we selected the proposed materiality items and established draft KPIs and targets for fiscal 2030.

### Step 4

### Discuss and approve materiality

The five priority areas, thirteen materialities and KPIs, and the fiscal 2030 targets were deliberated and approved by the Board of Directors. The identified materialities, KPIs, and fiscal 2030 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 fiscal 2030 targets.  
 For details of the GRI content index related to materiality, please refer to our corporate website.























<https://www.yokowo.co.jp/english/sustainability/gri.html>



## Materialities and KPIs (FY2030 Targets)

	Key Areas	Materialities	Our Goal
	Reasons for Selection		
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	When people with diverse personalities and differences engage with one another and respect one another, a wealth of ideas emerges and new value is created. Through this process, we will foster an organizational culture that supports both individual growth and the sustainable evolution of the Yokowo Group.
		Global workforce development	To realize our aspiration of becoming an ever-evolving company, we are advancing our global business in step with the changing times and cultivating talent capable of driving innovation. We are also strengthening our foundation in advanced technologies—the source of our competitiveness—by expanding opportunities to acquire expertise in cutting-edge fields and by harnessing collective knowledge, thereby solidifying the Yokowo Group's competitive advantage.
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 respect the dignity and rights of all people. We continuously assess the impact of our business activities on human rights and, should any adverse impact arise, we will take appropriate corrective and remedial action. Through ongoing dialogue with stakeholders, we are committed to responsible practices that uphold human rights across our entire value chain, including our supply chain. We also strive to cultivate a corporate culture that universally respects human rights for all stakeholders, including local communities in which we operate.
		Rights of those who work with us	We are committed to creating a safe and secure workplace where the dignity and rights of all employees are respected. We evaluate the potential impact of our business activities on human rights and take appropriate corrective and remedial actions when adverse impacts are identified. Through continuous dialogue with stakeholders, we aim to ensure respect for human rights in every workplace throughout our entire supply chain.
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	By delivering safe, high-quality products and services that exceed customer expectations, we strive to be a trusted partner, achieving both enhanced customer satisfaction and the advancement of society.
		Two-way communication with business partners	We provide our business partners with fair and equitable opportunities to participate. We evaluate them comprehensively—based on quality, price, delivery, service, technological capabilities, CSR, and other factors—with transparency, thereby building long-term relationships of trust. In addition, we promote CSR activities to uphold corporate ethics and legal compliance, while fostering partnerships that enhance value for all parties.
		Dialogue and interaction with local communities	To help address local challenges, we engage in dialogue and interaction with local communities through initiatives such as nurturing the next generation, protecting the environment, and supporting traditional culture, sports, and the arts. By leveraging our Group's technologies and expertise, we work to build strong, trust-based relationships with local communities.
		Dialogue with shareholders and investors	To foster long-term trust with our shareholders and investors, we are committed to accurate and timely information disclosure through financial results briefings, individual meetings, and enhanced IR materials. Through constructive dialogue with shareholders and investors, we aim to achieve sustainable growth and enhance corporate value over the medium to long term.
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 address the growing risks of natural disasters and business disruptions caused by climate change, we are working to reduce greenhouse gas emissions with the goal of achieving carbon neutrality by 2050.
		Transition to a circular society and management and reduction of hazardous substances	We are promoting resource circulation through the use of recycled materials and biomass plastics, resource-saving design, and improved waste recycling rates. We also take into account water-related risks and impacts on biodiversity, aiming to help realize a circular society. We contribute to minimizing impacts on human health and preserving the global environment by complying with environmental regulations and customer requirements, and by managing and reducing the use of hazardous chemical substances in products and components while promoting alternatives.
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.
		Compliance	We strive to be a company trusted by society by conducting our business with integrity and a strong sense of ethics, grounded in our Corporate Philosophy. Led by the Compliance Committee, we reinforce adherence to laws, regulations, and corporate ethics through compliance training, internal reporting systems, and the establishment of external consultation windows.
		Risk management	To address diverse risks—including geopolitical risks, natural disasters, cyberattacks, and supply chain disruptions—we conduct risk assessments and implement planned countermeasures for high-priority risks. By building on a foundation of legal compliance and stable business operations, we are committed to realizing sustainable business activities.

\*1 TISP: Tomioka International Specialist Park \*2 Percentage of female managers out of the total number of managers at Yokowo (non-consolidated) \*3 Score of engagement survey by Qualtrics the DX literacy standard defined by METI as DX skills that all employees should possess. \*6 Suppliers that have agreed to the Business Partner Code of Conduct \*7 Optimization will be examined importance according to Yokowo's original index.

	KPIs ( FY2030 Targets)		FY2024 Results	FY2025 Targets	Related SDGs
	Evaluation Index	Target Value			
	Number of TISP*1 hires/employees	120 or more (cumulative)	87	100	   
	Percentage of employees with disabilities	3.45% (1.5 times higher than the statutory percentage of 2.3% in FY2023)	2.8%	2.8%	
	Percentage of female managerial staff*2	10% or more (Yokowo, non-consolidated)	5.6%	10%	
	Increase employee engagement	Aim to achieve 20% increase from the 2022 score of 46% *3 as soon as possible and to maintain that level	53%	56%	
	Communication equipment sector: number of qualified persons	60	31	45	
	Connectors sector: number of product or process inventors	72	48	53	
	Medical sector: number of persons with competence in the three roles*4 in medical business manufacturers and distributors, as well as FDA and MDR-compliant individuals	20	5	7	
	Employee mastery level of DX literacy standards*5	20% or more of employees above standard	6%	14.9% (results as of July)	   
	Participation rate in human rights training at all Group sites	100%	1.5%	100%	
	Risk assessment of human rights due diligence at all Yokowo Group sites	B or higher (according to Yokowo's unique metric)	50% (10 out of 20 sites)	100%	
	Percentage of due diligence conducted on Yokowo Group's major suppliers (top 80% of total purchases)	100%	100% (Sites in Japan)	Implementation of human rights due diligence (SAQ) for suppliers at China sites*6	 
	Rate of lost-worktime injuries	0.23, or a 30% improvement from the base year (FY2023) rate of lost-worktime injuries	0.305	0.301	
	Scores in our customer satisfaction surveys	Maintain a score above the base year (FY2023) score (VCCS:83.9, CTC:82.3, FC:87.5,MD:68) each year	VCCS:83.2, CTC:-, FC:80.6, MD:84	Customer satisfaction surveys for key customers across all business divisions and their quantification	   
	Conduct supplier briefings and sustainability briefings to raise the level of CSR procurement	Once a year or more	30 companies at once (suppliers located in Japan)	Supplier coverage rate: 59% or more of Group purchasing volume	
	Community service activities	70 activities per year	55 activities	60 or more	
	Conduct financial results briefings, small meetings, etc.	5 times per year	3 times	4 times	
	Individual IR (total of Japan and overseas)	200 per year	154	160	
	GHG emission reduction from FY2014 level	35% reduction	14.7% increase	FY2024 GHG absolute emissions 4.2% or more reduction	   
	Specific water consumption compared to FY2020	10% reduction	22.2% reduction	5% or more reduction	
	Waste recycling rate	25% or more reduction	Currently formulating a definition of recycled plastics	Organizing definition requirements for recycled materials	
	Waste recycling rate	80% or more on a global basis	71%	Maintain 80% or higher	
	Reduction in use of PRTR substances (Group in Japan)	Curbing the use of PRTR substances through active consideration of alternative substances	25% reduction compared to FY2023	Clarification of substances targeted for reduction and listing of alternative materials	
	Board effectiveness assessment	4.5 or higher on a 5-point scale	4.55	4.55 or more	   
	Board diversity	Optimize the composition of the Board of Directors to improve its effectiveness and corporate value*7	Percentage of independent outside directors: 43% Percentage of women: 14%	Enhancement of board diversity (e.g., percentage of independent outside directors / female representation)	
	Compliance training participation rate (all Yokowo Group sites)	100%	98%*8	90%	
	Awareness of the whistleblower system (all Yokowo Group sites)	100%	45.3% (Sites in Japan)	90% of domestic sites 70% of overseas sites	
	Identification of critical risks based on risk assessment and confirmation of progress in implementing measures	Once a year or more	Once	Once	
	Number of incidents based on internal security incident severity determination	0 cases of score 40 or higher*9	0	0	

\*4 Three roles: General Manufacturing and Marketing Director, Quality Business Operation Director in Japan, and Safety Management Director \*5 KPI is the ratio of employees who have mastered every year with a focus on women/foreign nationality/independence \*8 Employees within the Group who are eligible for e-learning programs \*9 Goal to achieve and maintain zero incidents of high

# Foundation for Sustainable Growth

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## Sustainability

As a group, we are conscious of our corporate social responsibility. Accordingly, we are not only striving to continuously enhance corporate value but also committed to conducting business activities that meet the expectations of all stakeholders and earn their lasting trust, by establishing a sustainability promotion framework and managing materiality.

### Materiality Management Promotion Framework

Key Areas	Materiality	Responsible Committee and Department
Human capital	Diversity, equity and inclusion	Human Resources H.Q.
	Global workforce development	
Human rights	Respect for human rights	Human Rights, Labor, and Ethics Management Committee
	Rights of those who work with us	Health and Safety Committee
Stakeholder engagement	Customer satisfaction	Quality Assurance H.Q.
	Two-way communication with business partners	Purchasing H.Q.
	Dialogue and interaction with local communities	SCI H.Q.
	Dialogue with shareholders and investors	SCI H.Q.
Global environment	Climate change mitigation and adaptation	Environmental Management Committee
	Transition to a circular society as well as management and reduction of hazardous substances	
Governance	Corporate governance	Board of Directors
	Compliance	Compliance Committee
	Risk management	SCI H.Q. / Business Risk Management Committee / Information Security Committee

## Basic Ideas

In pursuit of realizing our Corporate Philosophy (Purpose, Vision, and Values), we have identified the Group's materiality from two perspectives: the impact that society and the environment have on us, and the impact we have on society and the environment. Based on this, we drive sustainability initiatives to contribute to the development of a sustainable society.

### Basic Sustainability Policy

We achieve sustainability by constantly evolving.

We also believe we must protect our irreplaceable planet and remain true to the expectations of our local communities and stakeholders.

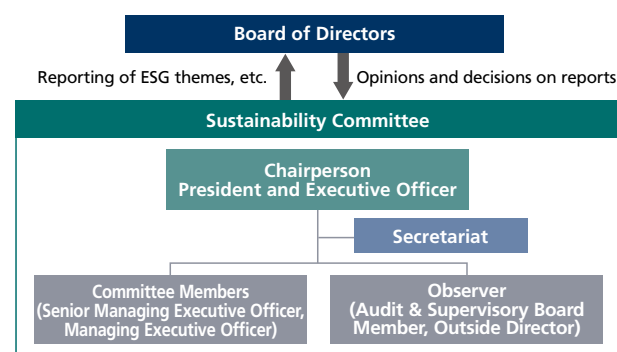
To this end, we identify materiality in our various activities and work to address issues through corporate activities, business operations and dialogue.

Through these efforts, we will fulfill our social responsibilities and enhance our corporate value by continuing to take on “new” challenges. In doing so, we will contribute to the development and evolution of a sustainable society.

## Governance

To advance sustainability management across the Yokowo Group in line with our Sustainability Fundamental Policy, we established the Sustainability Committee under the supervision of the Board of Directors in October 2022. This Committee is chaired by the President and Executive Officer, with executive officers holding official titles serving as members, and other executive officers, full-time Audit & Supervisory Board Members, and outside directors serving as observers. The Committee deliberates on policies, strategies, and key issues related to sustainability; monitors the progress of materiality and KPIs; and provides recommendations. It submits proposals and reports to the Board of Directors.

### Sustainability Committee Framework



## Strategy

To advance the sustainability initiatives identified as a structural challenge in our Medium-Term Management Plan, we have reviewed our materiality along with the related metrics and targets, and are driving concrete initiatives through the framework linked to materiality (see left page).

## Risk Management

We manage our materiality as follows: risks and opportunities in the business environment are analyzed and the Sustainability Committee deliberates on sustainability strategies based on our long-term strategy and monitors progress on materiality and KPIs. Under this Committee, we have established committees and departments responsible for each materiality. Each committee and department carries out activities in line with goals and plans set for their respective materialities and KPIs.

## Metrics and Targets

Details on materiality targets and performance are provided in “Materialities and KPIs (FY2030 Targets)” (p.39).

For details on Yokowo's sustainability, please refer to our corporate website below.  
<https://www.yokowo.co.jp/english/sustainability/management.html>



# Global Environment

## Basic Ideas

The Yokowo Group recognizes that conducting business activities in harmony with the global environment is an essential responsibility for a corporation. The Yokowo Group continues to implement a range of Group-wide environmental preservation activities based upon defined environmental policies in order that we can pass on our irreplaceable global environment to future generations.

## Governance

Under the Sustainability Committee, we have established an Environmental Management Committee chaired by the officer in charge of the environment, leveraging the ISO 14001. The Committee is charged with establishing and driving overall environmental plans and measures. Progress toward climate change issues and KPI targets is reviewed in the Sustainability Committee and subsequently reported to the Board of Directors (see organizational structure on p.41-42).

## Climate Change Strategy (TCFD-Based Disclosure)

In order to pinpoint climate related risks and opportunities, the Yokowo Group conducted an analysis and evaluation of business activities in the VCCS, CTC, and FC/MD segments under two scenarios: a 2100 scenario in which the rise in global average temperature remains below 1.5°C (IEA NZE), and a scenario where it rises by 3°C (IPCC AR6 SSP3-7.0).

### Risks and Opportunities Associated with Climate Change

Category	Type of Risk/ Opportunity	Impact Stage	Segment	Cause	Impact on Yokowo Group	Time Scale	Financial Impact	Response of Yokowo Group	Scenario
Transition Risk	Market	Downstream value chain	VCCS	Change in customer behavior	Growth in sales for battery electric vehicle (BEV)	Medium	Large	Development of new products and services, and market expansion	1.5°C
	Policy	Direct operations	Common to all segments	Carbon pricing mechanism	Financial burden from introduction of carbon tax	Medium	Medium	Adoption of renewable energy and internal carbon pricing	1.5°C
	Technology	Direct operations	MD	Transition to increase in renewable content	Promotion of reuse among customers	Medium	Medium	Growth of research and development investments in technology and infrastructure	1.5°C
Physical Risk	Acute	Direct operations	Common to all segments	Abnormal weather resulting in intense rainfall, lightning, and typhoons	Supply chain disruptions and halted operations	Short	Small	Growth of research and development investments in technology and infrastructure	3°C
Opportunity	Market	Direct operations	VCCS	Expansion into new markets	Growth in sales for battery electric vehicle (BEV)	Medium	Medium	Accelerated sales expansion for BEV	1.5°C
	Products and services	Direct operations	VCCS	Development of new products and services through R&D and technological innovation	New development of energy-saving products	Medium	Large	Shortened development time, modified production methods, and enhanced maintainability	1.5°C
	Market	Direct operations	CTC	Greater availability of products with reduced environmental impact (excluding non certified products)	Growth in semiconductor demand driven by BEV shift, coupled with higher performance chips	Medium	Medium	Secured sales and development resources	1.5°C
	Products and services	Downstream value chain	MD	Increase in sales from existing products and services	Global certification for the development of new drugs and therapeutic devices arising from increase in infectious diseases and the growing likelihood of emerging infections	Medium	Medium	Simultaneous domestic and overseas distribution via global certification scheme	3°C

Time Scale Short: 5 years or less, Medium: 5-15 years, Long: 15 years or more  
 Financial Impact Large: 10 billion yen or more, Medium: 1-10 billion yen, Small: 1 billion yen or less

## Actions Toward the Adoption of a Circular Society

### Water Risk

Water usage within the Yokowo Group is limited in production stages, except for the plating process, owing to product traits, and most of it goes to everyday use. Yet, with an overseas production ratio above 80%, it is exposed to the impacts of climate-change-driven drought. As a result, we conducted a water risk assessment and confirmed that drought risk is high in overseas equity method subsidiaries.

### Research and Development for Resource Conservation and Expanding the Use of Recycled Materials

Our flagship electrical components utilize metal and plastic as their main raw materials. We are pushing forward with product development utilizing recycled plastic and bio-based plastics to help achieve a circular society. Moreover, we are addressing the reduction of resource input by employing our core technology, micro precision processing technology.

### Waste Recycling

The Yokowo Group promotes recycling of waste, primarily metals, plastics, and cutting oils generated from production processes, from a resource protection perspective. Our target is to reach a recycling rate exceeding 80%, with particular emphasis on boosting recycling performance at overseas production bases.

## Actions Aimed at Safeguarding Biodiversity

The Yokowo Group views the impact on natural capital as a key business issue, alongside climate change. At present, we are moving forward with exploring how to respond by integrating the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and the LEAP approach, which is its assessment method.

## Actions Toward Management of Chemical Substances

### Management of Chemical Substances in Products

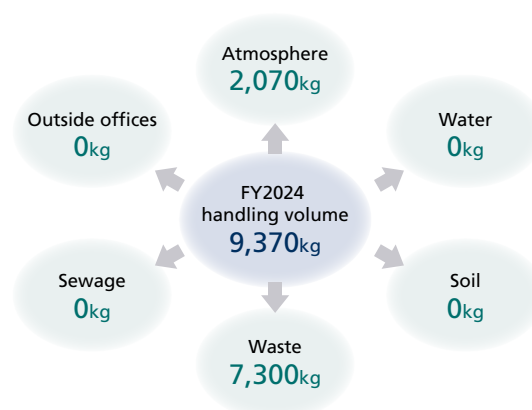
In the Yokowo Group, the Environmental Action Guidelines include compliance with relevant environmental laws and regulations, as well as with each customer's specific requests. Based on these Guidelines, we have established the Chemical Substance Management Standards (hereafter, "Standards") and clarified the scope of management not only for the chemicals in the products that the Yokowo Group produces and sells but also for those in the components and materials we use. Furthermore, we are working to strengthen chemical substance management across the entire supply chain by ensuring that the contents of the Standards are well known and understood both within Yokowo and business partners.

### Reduction in Use of PRTR Substances (Group Companies in Japan)

The Yokowo Group is working to reduce the impact of chemical substances on the Earth's environment and human health by reducing the amounts of substances specified under the Pollutant Release and Transfer Register (PRTR) system (Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof). We are advancing the evaluation and selection of alternative materials as part of that effort.

For details on the Yokowo Group Environmental Policy, data on climate change and the environmental, and specific initiatives, please refer to our corporate website below.  
<https://www.yokowo.co.jp/english/sustainability/environment/management.html>  
<https://www.yokowo.co.jp/english/sustainability/environment/warming.html>  
<https://www.yokowo.co.jp/english/sustainability/environment/pollutionchemical.html>

### Handling, Emission, and Transfer Volumes of PRTR Substances



# Human Rights

## Basic Ideas

Based upon the United Nations' Guiding Principles on Business and Human Rights, the Yokowo Group is strengthening its frameworks for respecting human rights and ensuring access to effective remedies. In the future, we will continue listening to the diverse voices of our colleagues, seeking guidance from around the world. We will respect the human rights of all stakeholders who support our business activities, including the families supporting our employees, our customers and business partners, and local communities, and we will also always envision a better and more prosperous future, and aim to be an evolving, enduring company that continues to create something new.

## Governance

Under the Sustainability Committee, we have established a Human Rights, Labor, and Ethics Management Committee chaired by the officer in charge of sustainability. The Committee is charged with establishing and driving overall human rights plans and measures. Progress on human rights initiatives and KPI targets is reviewed in the Sustainability Committee and subsequently reported to the Board of Directors (see organizational structure on p.41-42).

## Strategy

The Yokowo Group operates on a global scale, and we acknowledge that it is essential to evaluate the impact of human rights throughout our organization and the entire supply chain from the perspectives of severity and priority, and the extent of involvement with our business and society. Recognizing the respect for human rights as a basic premise in corporate activities, we believe that continuously pursuing this will support the formation of a relationship of trust with stakeholders and the improvement of corporate value. By working to respect human rights, we establish a healthier workplace environment, leading to higher engagement and building human capital, corporate value, business opportunities, and a sound supply chain.

The Yokowo Group has established the Yokowo Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights that we support. In accordance with our Human Rights Policy, we emphasize dialogue with stakeholders, and identify and assess negative impacts on human rights throughout our supply chain to prevent and mitigate them. Additionally, we implement a human rights due diligence process to evaluate the effectiveness of our efforts, and to both explain and disclose information on how we have addressed concerns, thereby addressing human rights issues relevant to our business.

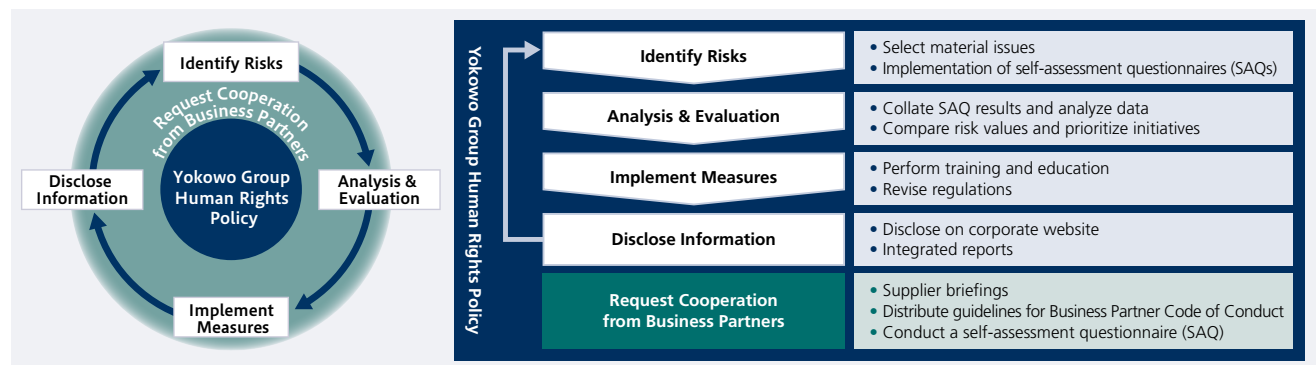
### Human Rights Issues Relevant to Our Business Identified in Yokowo Group Human Rights Policy and Related Mitigation Measures

Human Rights Issues Relevant to Our Business	Measures
<b>Prohibition of Forced Labor</b>	Conclusion of tri-partite contracts with sending and receiving organizations to prevent workers from paying fees
<b>Prohibition of Child Labor</b>	Establishment of child labor remedy regulations and enhancement of the age verification process
<b>Prohibition of Discrimination</b>	Establishment of contact for ethics and human rights concerns
<b>Prohibition of Inhumane Treatment</b>	Furnished prayer rooms and providing halal food
<b>Freedom of Association and Collective Bargaining</b>	Collective bargaining agreements
<b>Working Hours and Wages</b>	Addressing unreasonable treatment differences in equal pay for equal work
<b>Occupational Health and Safety</b>	Mandate provision of safety equipment, and conduct health checks and stress assessments
<b>Rights of Foreign Migrant Workers</b>	Conducted interviews with Vietnamese technical intern trainees and specified skilled workers regarding the working environment with the cooperation of NGO groups

## Risk Management

The Yokowo Group is implementing human rights due diligence on Group companies and major suppliers so that it can respect human rights and provide remedy to affected individuals to affected individuals, in accordance with the Yokowo Group Human Rights Policy.

### Yokowo Group Human Rights Due Diligence Process



### Yokowo Group Human Rights Due Diligence

Process	Measures	FY2024 Results
<b>Identify Risks</b>	Select material issues Implementation of a Self-Assessment Questionnaire (SAQ)	Yokowo Group/Suppliers: Conducted self-assessment (*Refer to implementation status)
<b>Analysis &amp; Evaluation</b>	Collate SAQ results and analyze data Compare risk values Set priorities for initiatives	Yokowo Group: Response assessment, feedback, and measure planning Suppliers: Analysis and feedback
<b>Implement Measures</b>	Train site representatives, including overseas sites Revise regulations	Yokowo Group: Human rights training for site representatives Suppliers: Formulated corrective action plan
<b>Disclosure</b>	Disclose on corporate website Integrated reports	Yokowo Group/Suppliers: Disclose on corporate website and sustainability page, and included in the Integrated Report
<b>Explanation to Suppliers</b>	Supplier briefings Distribute CSR Purchasing Guidelines	Suppliers: Conducted CSR Purchasing Guidelines briefings Confirmed agreement to Business Partner Code of Conduct Implementation of self-assessments questionnaires
<b>Track Effectiveness of Measures at Suppliers</b>	Promote corrective actions On-site audits	Formulated corrective action plan

## Metrics and Targets

The targets and performance for the key materiality area of “Human Rights” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

### Implementation Status of Human Rights Due Diligence

Category	Target of Human Rights Due Diligence	Scope	Briefings on Human Rights and Social Responsibility	
			Targets	FY2024 Results
<b>Yokowo Group</b>	Manufacturing sites	Head office All subsidiaries, including domestic and overseas	100%	100%
	Sales offices	All subsidiaries, including domestic and overseas	100%	100%
<b>Direct Procurement</b>	Manufacturing-related suppliers	Business partners accounting for 90% of domestic transaction volume	100%	100%
<b>Indirect Procurement</b>	Human resource suppliers	All domestic companies providing human resources	100%	100%
	Onsite subcontract suppliers	All companies that have concluded a business contract within the Tomioka Plant	100%	75%



# DEI (Diversity, Equity and Inclusion)

## Basic Ideas

For the globally operating Yokowo Group, diverse forms of knowledge are a vital source of fresh ideas and growth. We value and respect diversity—not only in nationality, gender, and generation, but also in talent, expertise, experience, and individual perspectives.

## Governance

Under the oversight of the Sustainability Committee, the Human Resources H.Q. is responsible for formulating our DEI policy, developing related plans and initiatives, and driving their implementation. Progress on DEI-related challenges and KPI targets is reviewed by the Sustainability Committee and reported to the Board of Directors. (see organizational structure on p.41-42)

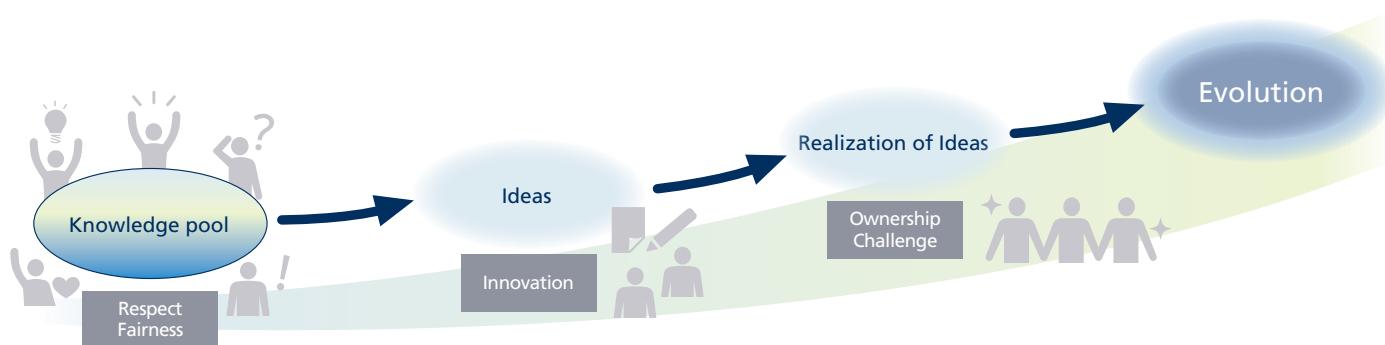
## Strategy

We recognize that workplaces where diverse expertise and values are not embraced tend to experience lower employee engagement, increased talent attrition, and greater difficulty in recruitment. Conversely, workplaces that deeply embed DEI values and actively recognize and harness each individual's unique individuality and perspectives foster the growth of both our employees and our Group.

We value and respect diversity—not only in nationality, gender, and generation, but also in talent, expertise, experience, and individual perspectives, in pursuit of our “People Vision.” (p.35)

We are committed to transforming diversity into corporate strength by creating opportunities for growth and challenge that empower every employee to leverage their unique strengths and talents. Our goal is to build a culture in which each person feels acknowledged, respected, and empowered, by cultivating teams where individuals listen to diverse perspectives and feel safe expressing their own thoughts.

We believe that when individuals with diverse personalities and backgrounds engage with and appreciate one another, it sparks new ideas, generates fresh value, and drives the growth of both each individual and our Group.



## Risk Management

Since fiscal 2022, we have been conducting engagement surveys to visualize workplace environment issues and identify improvement areas with the goal of creating a more fulfilling and attractive workplace for a diverse workforce. The results are reported to both the Executive Meeting and the Board of Directors. In addition, we hold briefing sessions for executives to explain the survey findings. Based on these results, each department develops action plans and carries out improvement activities aimed at enhancing employee engagement.

## Metrics and Targets

The targets and performance for the key materiality area of “Human Capital” are detailed in “Materialities/KPIs and 2030 Target” (p.39).

## Key Initiatives

### Advancement of Women

Our Group has identified the promotion of women’s active participation as a key priority. We have set a target to raise the percentage of female managerial staff at YOKOWO CO., LTD. to at least 10% by fiscal 2030. To achieve this, we are implementing initiatives such as structured talent development and career support programs within the workplace.

### Advancement of Non-Japanese Talent

As a core initiative within our Diversity & Inclusion efforts, we are promoting the TISP (Tomioka International Specialist Park) Project. Specialists from around the world—including those in product design, production engineering, elemental technologies, quality assurance, production control, and accounting—are gathered at our flagship Tomioka Plant in Gumma Prefecture. Our goal is to employ more than 120 non-Japanese specialists by fiscal 2030. By encouraging individuals with diverse personalities and backgrounds to exchange ideas and generate new value, we are driving the growth of both each individual and our Group.

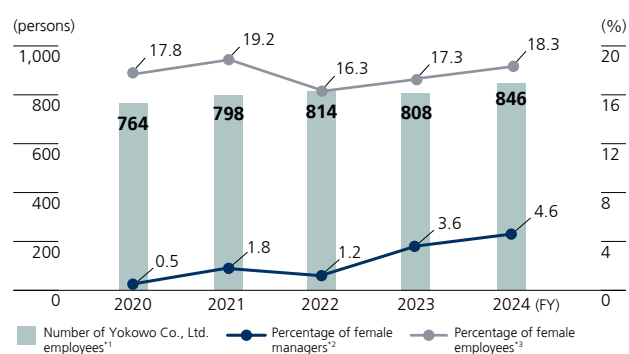
### Advancement of Employees with Disabilities

To promote the employment of individuals with disabilities, we established the special subsidiary YOKOWO FUTURE-ORIENTED SUPPORT CO., LTD. in 2022. This subsidiary provides attentive support to each employee, recognizing their disability as part of their individuality, and is creating a workplace environment where everyone can work with confidence and vitality.

Their responsibilities include facility beautification, assembly of products and packaging boxes, creating 2D and 3D drawings using CAD, and general affairs support.

This subsidiary is also actively working to identify and recruit neurodiverse talent. It is committed to developing human resources with a strong sense of professionalism by supporting education and skill refinement through foundational curricula such as work standards. In addition, managers and staff who serve as workplace supporters receive training to enhance the quality of reasonable accommodations.

**Percentage of Female Employees\***



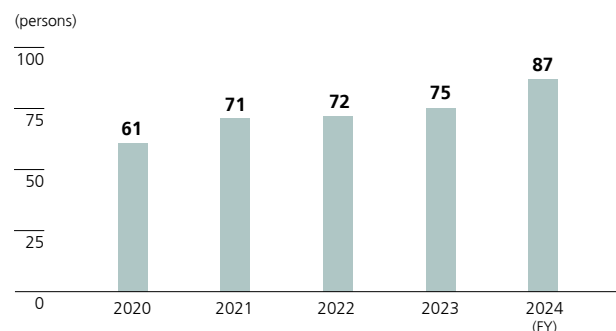
\*1 Number of Yokowo Co., Ltd. employees: Does not include temporary staff

\*2 Percentage of female managers out of all managers

\*3 Ratio of female employees out of all employees

★: YOKOWO CO., LTD.

**Changes in TISP Human Resources\***



# Health and Safety

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## Basic Ideas

The Yokowo Group positions the management of health and safety of its employees as well as stakeholders in the Group's activities as the top priority issue for its management. We are committed to ensuring a consistently safe and secure workplace, striving to create a rewarding and decent work environment.

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## Governance

Under the Sustainability Committee, we have established a Health and Safety Committee chaired by the General Manager, Tomioka Plant Integration (Plant Manager). This committee deliberates on matters such as the formulation of health and safety policies, progress monitoring of related plans, and initiatives to promote employee health and well-being. Progress on initiatives and KPI targets related to health and safety is reviewed by the Sustainability Committee and reported to the Board of Directors. (see organizational structure on p.41-42)

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## Strategy

Our Group's manufacturing processes involve the use of machinery and chemical substances, which carry risks of physical harm, accidents, and disasters. We recognize that labor losses resulting from workplace accidents can increase the burden on affected teams, potentially leading to further incidents due to physical and mental strain. We view initiatives to reduce risks through our occupational health and safety management system as an opportunity to provide a safer working environment.

The Yokowo Group positions the management of health and safety—for both employees and stakeholders involved in Group activities—as a top management priority, and has established the Yokowo Group Occupational Health and Safety Policy. We are pursuing a workplace where they are able to work without undue concern by always securing their safety, and that will strive to promote their mental and physical well-being.

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## Risk Management

Based on ISO 45001, each department identifies risks and opportunities by analyzing both internal and external issues as well as stakeholder requirements, and formulates annual plans to guide its activities. It conducts risk assessments and manages near-miss incidents to proactively prevent occupational accidents. It also establishes priority inspection items—such as entrapment and entanglement, cuts and abrasions, flying or falling objects, fire prevention, and chemical substances. A team composed of executives and department heads conducts monthly safety patrols. The results are reported to the Health and Safety Committee and shared across the organization. In the event of an occupational accident, the Risk Assessment Subcommittee visits the site to assess the situation. The subcommittee is composed of departmental OH&S managers and promoters within the Health and Safety Committee, appointed by the chair. The subcommittee reviews and evaluates the countermeasures proposed by the affected department, confirms their effectiveness, and reports the findings to the Health and Safety Committee to help prevent recurrence and raise safety awareness.

To ensure the effectiveness of our occupational health and safety management system, we conduct management reviews for continuous improvement.

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## Metrics and Targets

The targets and performance related to the materiality theme of “Rights of those who work with us” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

For details on the Yokowo Group Occupational Health and Safety Policy, related data, and specific initiatives, please refer to our corporate website below.  
<https://www.yokowo.co.jp/english/sustainability/society/safety.html>

# Supply Chain

## Basic Ideas

In addition to pursuing fair and equitable transactions with our business partners, we engage in procurement practices that reflect our commitment to social responsibilities across the supply chain. These efforts include strict compliance with laws and regulations, the creation of multi-site production structure, and the development of a resilient and uninterrupted supply network.

## Governance

Under the oversight of the Sustainability Committee, Purchasing H.Q. is responsible for formulating policies, developing plans and initiatives, and driving efforts toward responsible procurement. Progress on supply chain-related challenges and KPI targets is reviewed by the Sustainability Committee and reported to the Board of Directors (see organizational structure on p.41-42).

## Strategy

As the Yokowo Group operates globally, we recognize that risks such as geopolitical instability, natural disasters, climate change, environmental issues, human rights violations, and cyberattacks may disrupt or delay our supply chain. Based on our Corporate Philosophy (see p.01), we have established a Purchasing Policy. By positioning the development of a CSR-based procurement structure as a medium-term priority, we are advancing global procurement activities under the theme of growing together with our business partners. We will build a resilient supply chain capable of responding to diverse challenges by proactively identifying and managing risks.

## Risk Management

In response to the growing importance of CSR, we have established the Yokowo Business Partner Code of Conduct Ver. 2.0 as a set of behavioral and operational standards that we expect our business partners to actively implement and uphold, in order to further earn the trust of our stakeholders. Starting in 2024, we restructured our approach around the PDCA cycle and launched new initiatives. As part of our efforts for fiscal 2024, we developed the CSR Purchasing Guidelines, which outline specific actions to promote deeper understanding of the Yokowo Business Partner Code of Conduct. Based on these guidelines, we are working to strengthen CSR purchasing activities by conducting briefing sessions, implementing and evaluating self-assessments, and promoting ongoing improvement initiatives with business partners in Japan. Through our CSR Purchasing Guidelines, we aim to build a shared understanding of CSR and contribute to the creation of a sustainable society-ultimately fostering long-term relationships that continue to earn public support. As part of our green procurement initiatives, we collect and verify substance data using tools such as IMDS and chemSHERPA during product development and whenever regulatory updates occur. These efforts address international regulations-including the Stockholm Convention on POPs, EU REACH Regulation, EU RoHS Directive, and Japan's Act on the Regulation of Manufacture and Evaluation of Chemical Substances-as well as industry standards such as GADSL. When regulated substances are identified, we promptly switch to alternative materials. In addition, as part of our responsible resource procurement activities, we assess the use of materials mined in or sourced from conflict-affected and high-risk areas where human rights violations (such as child labor and forced labor) and environmental degradation are concerns. This includes 3TG (tin, tungsten, tantalum, and gold), copper, nickel, cobalt, mica, natural leather, and natural rubber. If usage is confirmed, we take steps to switch to materials sourced from other countries.

## Metrics and Targets

The targets and performance related to the materiality theme of “two-way communication with business partners” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

For details on the Yokowo Group Purchasing Policy, the Yokowo Business Partner Code of Conduct, the CSR Purchasing Guidelines, and data and specific initiatives related to the supply chain, please refer to our corporate website below.

<https://www.yokowo.co.jp/english/sustainability/society/safety.html>

# Local Communities

## Basic Ideas

The Yokowo Group aims to become a company that will make local communities say, “I’m glad Yokowo is in our town.”

We promote various activities as a member of local communities through dialogue and exchange about regional development and the social challenges faced.

## Governance

Under the Sustainability Committee, the SCI H.Q. is responsible for promoting the Group’s activities in local communities. Progress on community-related challenges and KPI targets is reviewed by the Sustainability Committee and reported to the Board of Directors (see organizational structure on p.41-42).

## Key Initiatives

### Visit by Vietnamese IT Companies to the Tomioka Plant

In September 2024, as part of a new initiative to promote digital industry development actively pursued by Gunma Prefecture and to strengthen economic cooperation with Vietnam, three Vietnamese IT companies—FPT, VMO, and NTQ—visited the Tomioka Plant. During the site visit to the plant facilities, there was a vigorous exchange of ideas about issues related to DX and GX, and the potential for technical support to Vietnamese companies. In particular, discussions on developing IT human resources and specific project collaborations revealed the potential for joint efforts that utilize each other’s strengths, marking an important step toward future cooperation.



With everyone from the three Vietnamese IT companies that visited the Tomioka Plant

### Learning Support Activities for Economically Disadvantaged Elementary School Students by YOKOWO VIETNAM CO., LTD.

On September 5, 2024, YVC visited two elementary schools in Vietnam (Nguyenuy Elementary School and Hoang Tay Elementary School) and provided school supplies and donations to 20 children in economically disadvantaged backgrounds. Before visiting the elementary schools, YVC also visited families requiring support, assessed their living conditions, and directly handed over donations and household goods.

During these activities, an internal fundraising campaign was also carried out within YVC, and the collected donations were delivered to families in need. These activities were aimed at eliminating educational disparities in the region and boosting children’s motivation to learn, and have earned the gratitude of local educators as well.



With students from Hoang Tay Elementary School

### Launch of Scholarship and Grant Program Aimed at Developing the Next Generation by the Yokowo Scholarship Foundation

The Yokowo Scholarship Foundation, founded in May 2023, aims to cultivate human resources who can contribute to society in the future and to support research in the fields of science, engineering, and medicine. During fiscal 2024, it awarded grant-type scholarships to seven university and graduate students, and provided medical-related funding to Tohoku University.

Going forward, it will contribute to the development of local communities as well as science and technology through scholarships and research grants.



With the families of the children YVC visited



# Corporate Governance

The Yokowo Group aims to achieve its management goals by ensuring management efficiency, transparency and compliance through the continuous strengthening of its corporate governance, positioned as one of the Group's important management challenges.

## Basic Principles Concerning Corporate Governance

Recognizing that Yokowo exists today through the support of its various stakeholders, the Group positions strengthening corporate governance as one of its important management challenges. As well as building smooth relations with its stakeholders, the Group aims to maximize corporate value through further enhancing its corporate governance.

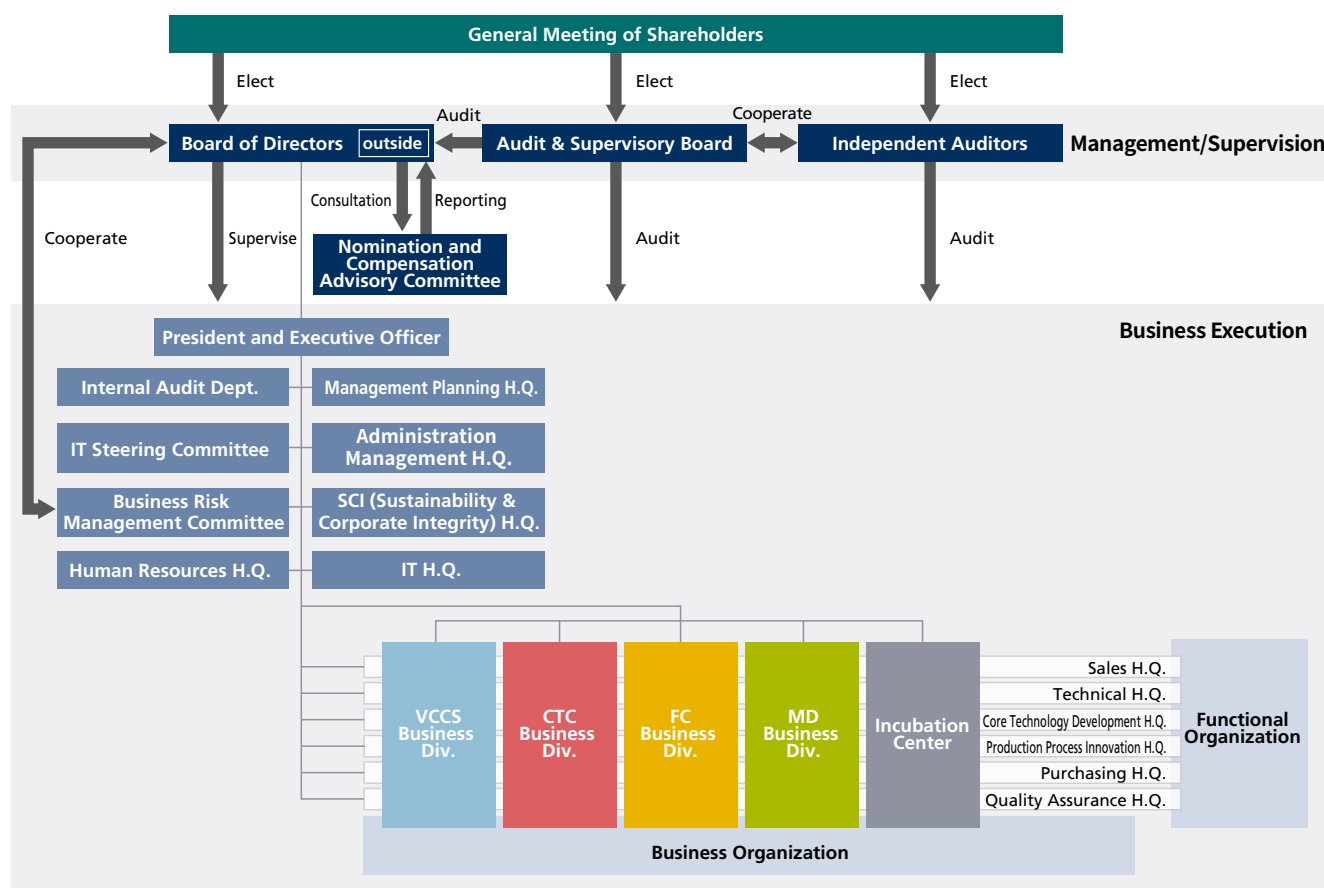
## Corporate Governance System

Yokowo is a company with auditors and has a system of corporate governance consisting of: a Board of Directors responsible for management strategy and supervisory functions, an Executive Officer system that fulfills business execution, and an Audit & Supervisory Board that performs management audit functions.

### Board of Directors

To speed up the decision-making process, the Board of Directors consists of only a limited number of directors (a total of eight-four internal and four outside directors) (as of end June 2025). The Company has appointed four independent outside directors (with a high level of independence) to further strengthen the management supervisory function, and these include two female outside directors.

### Corporate Governance System (As of June 26, 2025)



## Corporate Governance

### Audit & Supervisory Board

In addition to one full-time internal Audit & Supervisory Board Member with sufficient knowledge in finance and accounting, the Company has appointed three highly independent outside Audit & Supervisory Board Members to further strengthen the management audit function, and these include a female outside Audit & Supervisory Board Members.

### Executive Officers

By adopting the Executive Officer system, the strategic decision making and operational supervisory functions are clearly separate from the executive function, in order to create a system for prompt and appropriate execution of operations. In addition to four internal directors, the Company has appointed fifteen executive officers in the positions of Chief Officer, General Manager, and General Manager at Tomioka plant, etc.

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## CEO / COO Succession Plan

### Basic Ideas

Since Chutaro Yokoo founded the company in 1922, top management positions (President and Chairman) have in principle been occupied by members of his founding family and relatives, each serving at least 10 years. These leaders have steered the company through turbulent business environments, nurturing and expanding the business, as well as reforming and restructuring the business structure. However, in order that we can continue to grow and evolve in the future, we believe that it is necessary to redefine the requirements for top management aligned with being an “ever-evolving company” that we have set out forth in our vision, while taking into account the strengths of “owner-led” companies and to establish a cast a wide net for, nurture, and select successor candidates.

### Overview of the Succession Plan Formulation and Operation Process

The CEO/COO succession plan (hereafter, “the Plan”) is overseen by the Nomination and Compensation Advisory Committee, chaired by outside director Emi Yoneda, with outside director Makoto Tobari and representative director Takayuki Tokuma serving as members. The committee convened three times—in April and August 2023, and March 2024—to deliberate and finalize the overall Plan, including the essential attributes required for the CEO/COO role. Extensive discussions were held regarding the current pool of successor candidates, and the Plan was finalized in June 2024. Upon receiving the approval of the Board of Directors, the executive summary was disclosed in the corporate governance report and other related materials. The overall Plan defines the essential attributes required of a CEO/COO, evaluates each candidate according to these qualities, and categorizes successor candidates into near-term and long-term options. Candidates are provided with opportunities for supervisory experience and training as needed, and we support the overall development of the talent pool and adapt the Plan as circumstances evolve. The timing of leadership changes is set with careful consideration to changes in the internal and external environments, and we carry out periodic reassessment and selection of successor candidates. The progress of these efforts is reported regularly or as needed by the committee to the Board of Directors, and when selecting successor candidates, the Board will thoroughly discuss and consider candidates recommended by the committee before making a decision.

At present, the Plan is being implemented the Plan based on intermediate evaluations for each candidate, such as their defined competencies, job performance, and progress under the new Medium-Term Management Plan.

### Attributes Considered Essential for the CEO/COO

#### (1) Charisma:

The intrinsic qualities possessed by the individual. They act and speak in a way that draws others in.

#### (2) Ethics:

They act with high moral standards and ethics at all times.

#### (3) Fairness:

They interact impartially with others, regardless of race, nationality, gender, gender identity, or disability.

#### (4) Comprehensive perspective:

They use a broad perspective to assess overall situations and make decisions.

#### (5) Situational awareness:

They accurately understand contexts in which they or their group find themselves, and make quick, appropriate decisions.

#### (6) Team organizer:

They inspire members of teams they are part of or lead, striving to achieve results as a team.

#### (7) Ability to innovate:

They take a bold approach with a will and drive to constantly seek and implement improvements.

**(8) Global mindset:**

They always think and act with an awareness of global standards and approaches.

**(9) Analytical and strategic planning skills:**

They accurately analyze management and business challenges, and can formulate strong strategies.

**(10) Expertise:**

They possess exceptional expertise in their own field, and leverage it to the fullest extent.

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## Analysis and Evaluation of the Effectiveness of the Board of Directors

Since 2016 Yokowo has been conducting self-evaluation surveys and, when necessary, interviews with all its directors and auditors, collecting the results and analyzing them.

This year (2025), the survey was conducted in May, and items classed as either favorable or issues/requests were as follows.

**〈Favorable〉**

- The Board of Directors has atmosphere that actively listens to the opinions of outside directors, and that emphasizes active discussions.

**〈Issues/requests〉**

- Further discussion at Board of Directors meetings necessary (succession plan and diversity (especially active participation of women)).
- Prompt distribution of agenda materials.

In general, the effectiveness of the Company's Board of Directors was determined to be sufficient, but we will work to further improve effectiveness by addressing issues, including those above.

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## Director and Executive Officer Compensation

### Policy on Determining Director and Executive Officer Compensation

With regards to compensation for the directors of the Company, an upper limit for the total compensation in each fiscal year is set by resolution at the General Meeting of Shareholders. Compensation for individual directors is then determined by a process whereby the Nomination and Compensation Advisory Committee receives a request for consultation from the Board of Directors, and then deliberates and decides on proposals regarding the amount to be paid to individual directors before reporting to the Board of Directors, which then makes the final decision, while respecting the reports received from the Committee to the utmost possible extent.

In the same way, with regards to compensation for the auditors, an upper limit for the total compensation in each fiscal year is set by resolution at the General Meeting of Shareholders. Individual compensation is then determined within the bounds of the upper limit through consultation with auditors.

### Compensation for Directors

Compensation for the Company's directors consists of fixed monthly compensation, a monetary executive bonus, and a share bonus in the form of stock options, etc.

Based on guidelines that take into account individuals' roles and responsibilities, the Representative Director, President and Executive Officer draws up a proposal regarding the amount of fixed compensation after taking into consideration the business results of the previous fiscal year, the management plan of the current fiscal year, and the roles of each director, etc. A request for consultation is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision.

Executive bonuses are paid based on their extent to which internal Executive Directors' performance targets have been met to enhance their motivation for improving the Company's performance in each (consolidated) fiscal year. The three indices of consolidated sales, consolidated net sales, and profit (loss) attributable to owners of parent ("three indices") are used.

Regarding the question of whether executive bonuses are paid, and the total amount paid, the Representative Director, President and Executive Officer draws up a proposal based on the extent to which the relevant three indices have been achieved in each (consolidated) fiscal year. If it is determined that executive bonuses will be paid that year, the Representative Director, President and Executive Officer draws up a proposal regarding the amount to be paid to each individual based on the roles and results of each individual executive director (including their contributions to solving sustainability issues). The proposal for consultation is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision. With the aim of sharing value with shareholders while providing increased incentive to build corporate value over the medium to long term and enhance shareholder

## Corporate Governance

value, stock options are granted to executive directors. However, the decision as to whether to grant stock options, and the period, is determined after comparing the impact of the necessary expenses on performance with the anticipated incentive effect.

The Representative Director, President and Executive Officer draws up a proposal regarding the amount of stock options to be granted to each individual executive director based on the roles and results of each individual executive director, within the upper limit (in terms of the value of shares or number of shares) set by the Shareholders Meeting. A request for consultation is submitted to the Nomination and Compensation Advisory Committee, and then reported to the Board of Directors, which deliberates on the matter and makes the final decision.

As a general rule, internal directors are obliged to contribute a certain amount or more of their basic compensation to the Executive Shareholders' Association every month as stipulated by internal rules. Yokowo shares accumulated by the Executive Shareholders' Association shall be transferred under the name of the individual executive directors every six months (in late September and late March).

In principle, Directors shall hold their shares and not sell them while holding their position of director. Regarding the ratio of executive directors' overall compensation to be held by each category of compensation, this shall be determined based on the roles and responsibilities of each executive director and on trends in compensation at other companies with a similar scale of operation to Yokowo. In the case where stock options are granted up to the specified upper limit, the target ratios for each of the categories of compensation are: basic compensation: 60%; performance-linked compensation: 20%; compensation in the form of shares: 20%.

### Compensation for Auditors

Compensation for auditors is limited to basic compensation, which comprises monthly compensation in monetary terms.

The amount of basic compensation is determined by discussion among the auditors at the Audit & Supervisory Board meeting taking into consideration the roles and responsibilities of each auditor and based on guidelines stipulated in advance.

In the event of bonuses to auditors, these are paid after gaining approval at the General Meeting of Shareholders.

### Compensation Figures (FY2024)

(million yen)

Category	Total amount of remuneration by type			Total*	*Upper Limit (annual)
	Basic compensation	Executive bonus	Compensation in the form of shares		
Directors (outside)	216 (28)	48 (-)	- (-)	264 (28)	280 (40)
Auditors (outside)	43 (21)	- (-)	- (-)	43 (21)	60
Total (outside)	259 (50)	48 (-)	- (-)	307 (50)	

## Company Officers Skill Matrix

Among the various areas of expertise and experience possessed by each current Director and Member of the Audit & Supervisory Board, up to four items are listed for which there are particularly strong expectations regarding that individual's ability to utilize these items effectively in the performance of their duties. The table below thus does not show the entirety of the specialist experience and experience of each individual.

### Company Officers Skill Matrix

Name	Position	Specialist Expertise and Experience						
		Corporate management	ESG and sustainability	Legal affairs and risk management	Finance and M&A	Human resources and labor affairs	Technological strategy	Internationality
Takayuki Tokuma	Representative Director, President and Executive Officer	○	○		○			○
Kenji Yokoo	Director, Senior Managing Executive Officer	○	○	○				○
Naohito Odani	Director, Managing Executive Officer	○		○			○	○
Katsuhei Yanagisawa	Director, Managing Executive Officer	○	○		○			○
Makoto Tobari	Outside Director	○	○		○		○	
Byeongwoo Kang	Outside Director			○	○		○	○
Emi Yoneda	Outside Director	○	○	○	○			
Heather Montgomery	Outside Director		○		○			○
Kenji Kamachi	Outside Audit & Supervisory Board Member		○	○	○			○
Toshiaki Tochigi	Audit & Supervisory Board Member		○	○	○	○		
Hisao Tsunoda	Audit & Supervisory Board Member	○	○		○	○		
Sayaka Yamaguchi	Audit & Supervisory Board Member	○		○	○			

# Directors, Auditors and Executive Officers

(As of June 26, 2025)

## Board of Directors



**Takayuki Tokuma**

Representative Director,  
President and Executive  
Officer

Attendance rate at Board of  
Directors Meetings:  
20/21 times (95%)  
Number of Company shares held:  
294,000 shares



**Kenji Yokoo**

Director,  
Senior Managing  
Executive Officer

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Number of Company shares held:  
94,000 shares



**Naohito Odani**

Director,  
Managing Executive  
Officer

Attendance rate at Board of  
Directors Meetings:  
19/21 times (91%)  
Number of Company shares held:  
11,000 shares



**Katsuhei Yanagisawa**

Director,  
Managing Executive  
Officer

Attendance rate at Board of  
Directors Meetings:  
16/17 times (94%)  
Number of Company shares held:  
45,000 shares

## Audit & Supervisory Board Members



**Kenji Kamachi**

Audit & Supervisory  
Board Member

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Attendance rate at  
Audit & Supervisory  
Board Meetings:  
17/17 times (100%)  
Number of Company shares held:  
5,000 shares



**Toshiaki Tochigi**

Outside Audit & Supervisory  
Board Member

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Attendance rate at  
Audit & Supervisory  
Board Meetings:  
17/17 times (100%)  
Number of Company shares held:  
0 shares



**Makoto Tobar**

Outside Director

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Number of Company shares held:  
0 shares



**Byeongwoo Kang**

Outside Director

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Number of Company shares held:  
0 shares



**Emi Yoneda**

Outside Director

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
(17 times as an Outside Director,  
and 4 times as an Outside Audit  
& Supervisory Board Member  
until June 27, 2024)  
Number of Company shares held:  
0 shares



**Heather Montgomery**

Outside Director

Attendance rate at Board of  
Directors Meetings:  
– (New appointment)  
Number of Company shares held:  
0 shares



**Hisao Tsunoda**

Outside Audit & Supervisory  
Board Member

Attendance rate at Board of  
Directors Meetings:  
21/21 times (100%)  
Attendance rate at  
Audit & Supervisory  
Board Meetings:  
17/17 times (100%)  
Number of Company shares held:  
0 shares



**Sayaka Yamaguchi**

Outside Audit & Supervisory  
Board Member

Attendance rate at Board of  
Directors Meetings:  
17/17 times (100%)  
Attendance rate at  
Audit & Supervisory  
Board Meetings:  
17/17 times (100%)  
Number of Company shares held:  
0 shares

\*For details regarding the reasons for appointment of individual Board of Directors and Audit & Supervisory Board Members, please visit our official corporate website.  
<https://www.yokowo.co.jp/english/sustainability/governance/corporate-governance.html>

## Executive Officers

### Takayuki Tokuma

Representative Director,  
President and Executive Officer

### Kenji Yokoo

Senior Managing Executive Officer cum General  
Manager, Incubation Center

### Naohito Odani

Managing Executive Officer cum Chief  
Officer, Technical H.Q. cum Chief Officer, Core  
Technology Development H.Q.

### Katsuhei Yanagisawa

Managing Executive Officer cum General  
Manager, VCCS Business Division cum General  
Manager, VCCS Overseas Plant Management  
cum Chief Officer, Administration Management  
H.Q. cum General Manager, Tomioka Plant

### Tsuyoshi Sakata

Managing Executive Officer cum Chief Officer,  
Human Resources H.Q. cum Deputy Chief  
Officer, Technical H.Q. cum General Manager,  
Platform Business Promotion Division, Incubation  
Center cum General Manager, Systems Business  
Promotion Division, Incubation Center

### Hiroshi Igahara

Managing Executive Officer cum General  
Manager, MD Business Division cum Business  
Risk Management Committee Chair

### Naoki Kawata

Executive Officer cum General Manager, CTC  
Business Division

### Tatsuo Tsunoda

Executive Officer cum Chief Officer,  
Management Planning H.Q. cum Business Risk  
Management Committee Vice Chair

### Toshihisa Tagaya

Executive Officer cum Chief Officer, SCI H.Q.  
cum Sustainability Committee Leader

### Syunichi Nagaoka

Executive Officer cum General Manager, VCCS  
Overseas Business Management  
Yokowo Manufacturing of America LLC. M.D

### Takeshi Akao

Executive Officer cum Chief Officer, Production  
Process Innovation H.Q. cum General Manager,  
CTC/FC/MD Engineering Management Division

### Fumiaki Ishibashi

Executive Officer cum General Manager,  
FC Business Division

### Tomohisa Hoshino

Executive Officer cum Principal Research Fellow,  
Optoelectronic Fusion

### Kazuhiro Takahashi

Executive Officer cum Chief Officer, Quality  
Assurance H.Q.

### Hitoshi Ejiri

Executive Officer cum Chief Officer, Purchasing H.Q.

### Shu Goto

Executive Officer cum Chief Officer, IT H.Q.

### Seiji Go

Executive Officer cum General Manager, VCCS  
Engineering Management Division cum General  
Manager, VCCS Engineering Department, VCCS  
Business Division

### Ryo Sugahara

Executive Officer cum General Manager,  
CTC Engineering Management Division, CTC  
Business Division

### Haruhisa Uchida

Executive Officer, General Manager, Marketing  
Office Department, VCCS/Incubation Center  
cum General Manager, Sales Section, Platform  
Business Promotion Division, Incubation Center  
cum Assistant to General Manager, Systems  
Business Promotion Division, Incubation Center



# Compliance

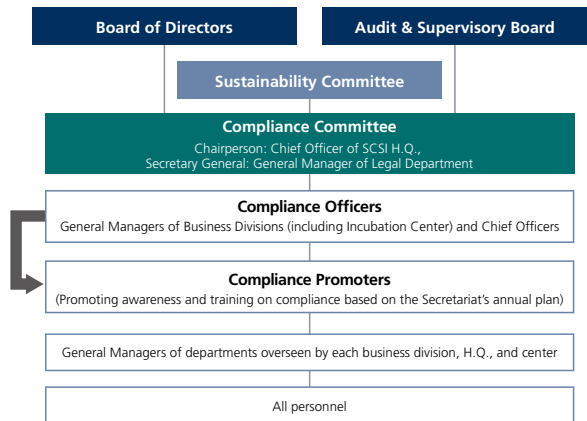
## Basic Ideas

The Yokowo Group is guided by the “Purpose, Vision, and Values” in our Corporate Philosophy, has established the Sustainability Code of Conduct to promote compliance management, and approaches business with integrity and a high level of ethical awareness.

## Governance

Under the Sustainability Committee, we have established a Compliance Committee chaired by the officer in charge of compliance, and the Committee is charged with driving awareness and educational initiatives concerning compliance. Additionally, after being reviewed by the Sustainability Committee, the Compliance Committee reports to the Board of Directors on its efforts to address compliance-related challenges and the progress of KPI targets.

### Compliance Framework



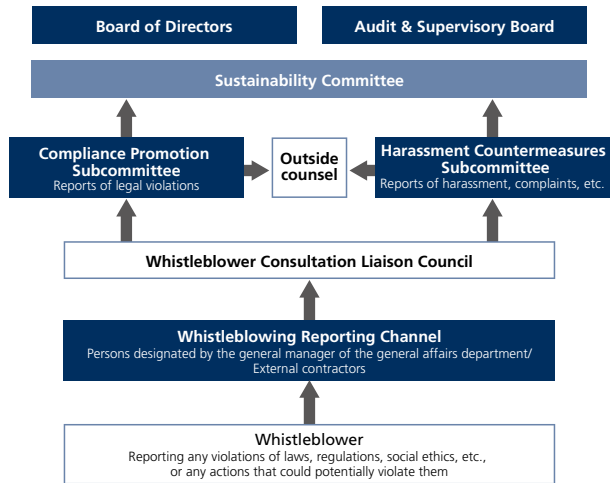
## Initiatives to Improve Compliance

The business environment surrounding the Yokowo Group is always evolving, and even under such circumstances, it is essential for us to fulfill our corporate social responsibility by complying with applicable laws and regulations and by conducting business in accordance with ethical standards. We recognize that major compliance violations lead to a loss of trust from stakeholders and damage to corporate value, while acting in good faith in accordance with international norms enhances corporate value.

Yokowo Group executives and employees comply with laws, regulations, and social ethics, etc. to create a socially trusted “good company by employing people and technologies that work for the benefit of society today and tomorrow.” We conduct e-learning and other training on compliance with the theme of “compliance that protects people.” The completion rates for the e-learning conducted in fiscal 2024 that targeted at domestic Group companies were 90.6% for power-harassment prevention, 86.8% for sexual-harassment prevention, and 98.5% for bribery and corruption prevention.

Additionally, in order to expand the internal whistleblowing system, by setting up external contact points, we seek to promptly detect and correct compliance violations and conduct that may pose a risk. In the Compliance Committee, the Compliance Promotion Committee and the Anti-Harassment Committee handle compliance reporting and consultation matters—including reporting and consultations through contact points or directly—and for these cases, consult outside counsel and experts and investigate and respond to the respective cases. In fiscal 2024, there were 13 internal reports, all of which were investigated and handled appropriately.

### Flow Based on Internal Whistleblowing Regulations



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## Metrics and Targets

The targets and performance for the key materiality area of “Compliance” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

# Risk Management

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## Basic Ideas

Aware of the potential impact of risk on our business activities, besides complying with relevant laws and regulations, the Yokowo Group also strives to fulfill our social responsibility and put organizational operation on a stable footing by responding appropriately to risk, through measures to continually improve our risk management systems and performance.

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## Governance

Under the Sustainability Committee, the SCI H.Q. and the Business Risk Management Committee are responsible for promoting risk management. They conduct regular risk assessments for the Yokowo Group and continuously monitor risks. Progress on risk management-related challenges and KPI targets is reviewed by the Sustainability Committee and reported to the Board of Directors (see organizational chart on p.41-42).

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## Strategy

The business environment of the Yokowo Group is affected by external factors such as geopolitical risk, natural disasters, climate change, human rights violations, cyberattacks, and supply chain disruptions, so it is necessary to respond appropriately to these changes. We recognize that by identifying high-impact risks, assigning priorities, and implementing countermeasures, we can stabilize business operations. To facilitate more stable and smooth business operations, we have established risk management policies and risk management guidelines under the Risk Management Rules. We conduct risk assessments annually, and for high-level risks, and perform appropriate risk management.

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## Risk Management

In addition to annual and regular risk management conducted through risk assessments, the Business Risk Management Committee focuses on risks directly related to each of the Group’s businesses, aiming to identify risks early, share and analyze them, and formulate and issue execution instructions for countermeasures. In addition, the Committee conducts regular reporting, information exchange, and sharing with independent Outside Directors to enhance the effectiveness of their management supervision.

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## Metrics and Targets

The targets and performance related to the materiality theme of “Risk Management” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

# Information Security

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## Basic Ideas

The Yokowo Group constantly recognizes the importance of all the information assets it handles, and is globally promoting information security activities to meet these requirements.

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## Governance

Under the supervision of the Board of Directors, Yokowo has established an Information Security Committee chaired by the officer in charge of corporate planning, utilizing the ISO 27001 framework. The Committee includes representatives from business divisions and related departments such as legal and general affairs. To prepare for security incidents, a sub-organization, the Computer Security Incident Response Team (CSIRT), has been formed by selecting members from the information systems department and related departments. It is responsible for formulating policies, planning and developing initiatives, and driving them forward, and progress on information security-related challenges and KPI targets is reported to the Board of Directors.

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## Strategy

With the widespread adoption of cloud computing and remote work, cyberattacks have surged, shifting from targeting direct systems to exploiting vulnerabilities in supply chain, keeping the threat to information security at a heightened level.

The Yokowo Group has established the Yokowo Group Information Security Policy to prevent and properly protect against the improper disclosure, leakage, destruction, alteration, and unauthorized use of information assets, and is promoting measures based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Regarding the six core functions—govern, identify, protect, detect, respond, and recover—we have identified potential hazards, considered risk-reduction measures from risk assessments, and carried out activities mainly focused on the identify, protect, detect, and respond functions.

We acknowledge that changes in the external environment (such as the increasing sophistication and complexity of cyberattacks) and in the internal environment (such as the digitalization and IoT implementation of production equipment) have begun to bring cyber security risks to the forefront, including risks from operational technology (OT) security that are emerging from information technology (IT) security. In addition to existing IT security, we are preparing a structure that takes into account the characteristics of OT security, which requires extensive risk mitigation measures.

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## Risk Management

The CSIRT analyzes external security incident status using reports from the Information-Technology Promotion Agency, Japan (IPA) and the JPCERT Coordination Center, and develops training plans to maintain information security. It provides security training (phishing simulation exercises), frequent yet limited information security education (four sessions), and monthly security awareness information from the Yokowo Group's information security website to holders of company email addresses within the Group, in order to enhance security awareness. Regarding effective security measures, it deploys and implements technology and on-the-ground countermeasures that unify governance based on the NIST framework.

It verifies the effectiveness of the information security management system by conducting management reviews and pursuing ongoing improvements.

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## Metrics and Targets

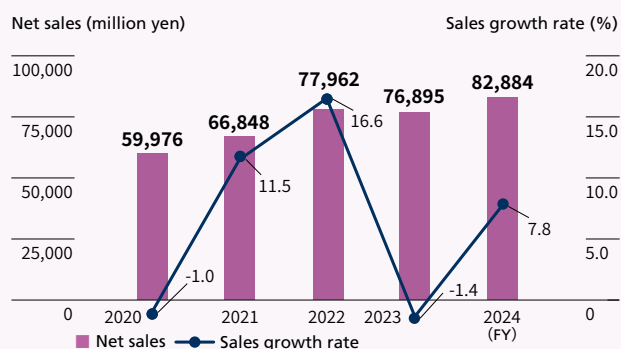
The targets and performance related to the materiality theme of “Information Security” are detailed in “Materialities and KPIs (FY2030 Targets)” (p.39).

For details on Yokowo Group Information Security Policy, please refer to our corporate website below.  
<https://www.yokowo.co.jp/english/sustainability/governance/security.html>

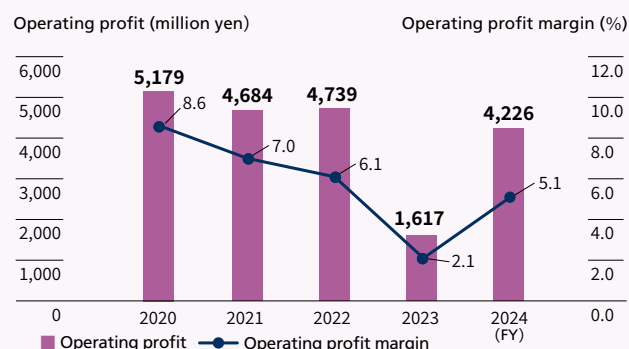
## Data

## Financial Highlight

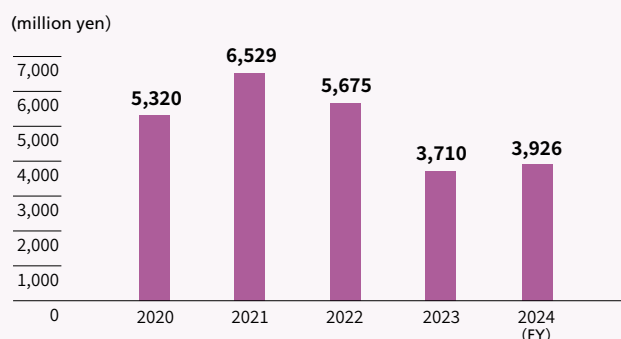
## Net sales



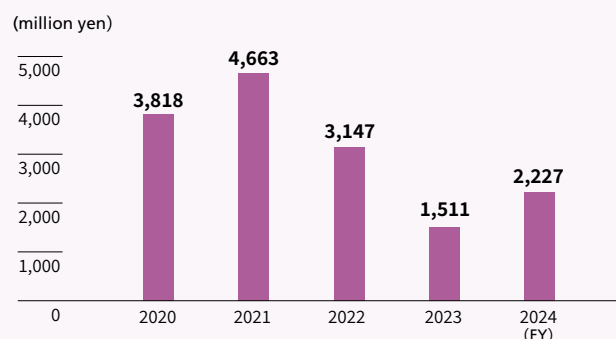
## Operating profit



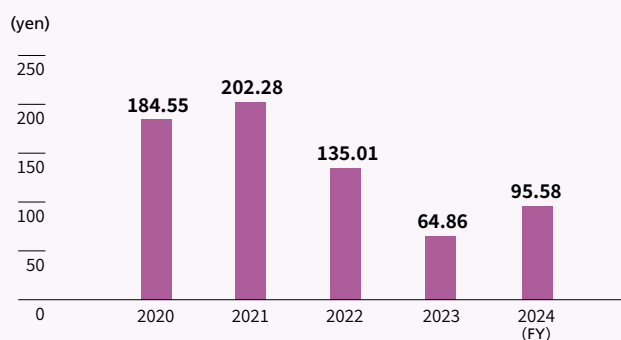
## Ordinary profit



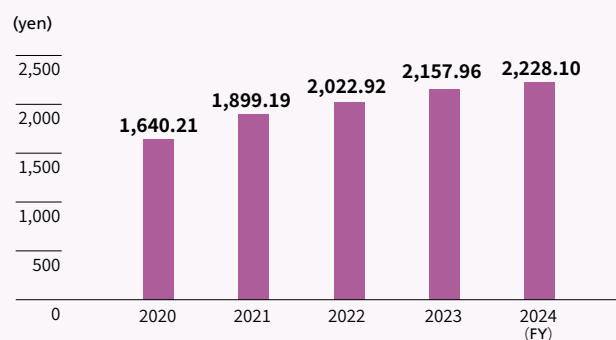
## Profit attributable to owners of parent



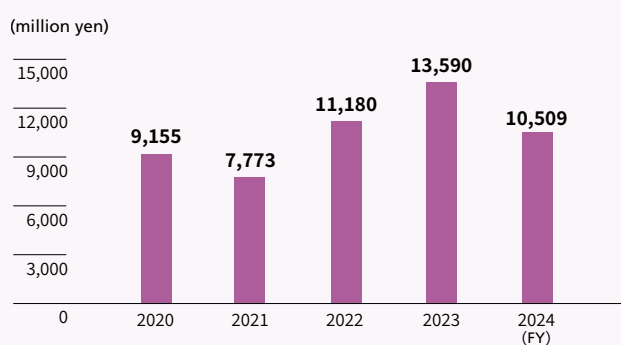
## Basic earnings per share



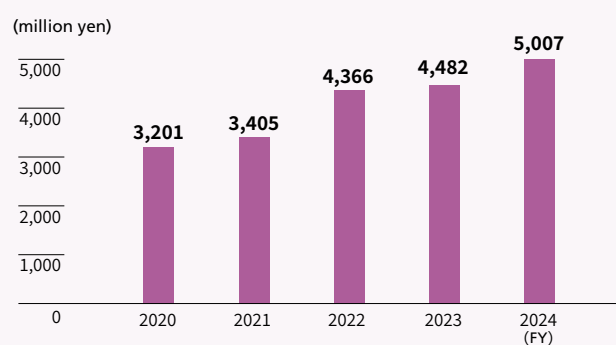
## Net assets per share



## Interest bearing debt\*



## Research and development expenses



\* Borrowing + lease liabilities

# Main Financial Data

(FY)	2015	2016	2017	2018
<b>Operating Results</b>				
Net sales (million yen)	39,998	44,077	51,919	54,752
Japan (million yen)	13,982	16,117	18,542	20,159
Europe/US (million yen)	14,909	15,624	15,952	16,158
Asia (million yen)	11,105	12,335	17,424	18,433
Gross profit (million yen)	6,963	8,826	10,107	10,378
Gross profit margin (%)	17.4	20.0	19.5	19.0
Operating profit (million yen)	1,057	2,516	3,135	3,028
Operating profit margin (%)	2.6	5.7	6.0	5.5
Ordinary profit (million yen)	822	2,608	2,911	3,286
Profit (loss) attributable to owners of parent (million yen)	412	2,381	2,337	2,209
<b>Financial Position</b>				
Total assets (million yen)	29,448	33,319	37,030	42,781
Interest-bearing debt (million yen)	3,642	4,569	4,561	7,589
Net assets (million yen)	18,950	20,836	23,284	24,486
<b>Cash Flows</b>				
Net cash provided by operating activities (million yen)	535	3,284	1,980	4,055
Net cash used in investing activities (million yen)	-729	-1,902	-2,518	-3,847
Free cash flow (million yen)	-194	1,381	538	207
Net cash provided by financing activities (million yen)	1,073	393	-549	2,270
Cash and cash equivalents at end of period (million yen)	4,055	5,818	4,596	7,189
<b>Other Financial Data</b>				
Return on equity (ROE) (%)	2.1	12.0	10.6	9.3
Return on invested capital (ROIC) (%)	—	—	—	—
Equity ratio (%)	64.3	62.5	62.9	57.2
Price earnings ratio (PER) (%)	25.1	11.6	16.9	14.8
Price-to-book ratio (PBR) (%)	0.5	1.3	1.7	1.3
Capital expenditures (million yen)	1,606	2,189	3,073	4,231
Depreciation (million yen)	1,733	1,700	1,880	2,199
Research and development expenses (million yen)	1,898	2,105	2,636	3,260
<b>Per Share Information</b>				
Basic earnings per share (yen)	20.61	118.94	115.82	109.18
Net assets per share (yen)	946.30	1,034.63	1,150.65	1,209.36
Annual dividend per share (yen)	14.00	18.00	22.00	26.00
Dividend on equity (DOE) (%)	1.4	1.8	2.0	2.2
Consolidated payout ratio (%)	67.9	15.1	19.0	23.8
Year-end stock price (yen)	517	1,378	1,954	1,614
<b>Stock-related</b>				
Total number of year-end shares outstanding (thousand shares)	20,849	20,849	20,849	20,849
Number of year-end treasury shares (thousand shares)	845	728	621	613



2019	2020	2021	2022	2023	2024
60,595	59,976	66,848	77,962	76,895	82,884
20,366	19,587	18,579	18,580	22,603	25,477
17,934	17,272	19,466	26,400	30,456	32,957
22,293	23,116	28,801	32,980	23,835	24,449
13,067	12,895	13,209	14,894	11,977	15,705
21.6	21.5	19.8	19.1	15.6	18.9
4,916	5,179	4,684	4,739	1,617	4,226
8.1	8.6	7.0	6.1	2.1	5.1
4,583	5,320	6,529	5,675	3,710	3,926
3,440	3,818	4,663	3,147	1,511	2,227
48,134	56,868	66,870	70,656	76,408	76,278
10,435	9,155	7,773	11,180	13,590	10,509
26,532	36,202	44,328	47,224	50,384	52,030
6,490	5,139	3,677	7,312	4,823	7,239
-3,282	-4,619	-5,967	-5,857	-5,125	-4,085
3,207	520	-2,289	1,455	-301	3,154
2,143	1,905	171	1,531	-260	-4,615
12,352	15,295	13,816	17,687	18,702	17,122
13.5	12.2	11.6	6.9	3.1	4.4
—	—	—	5.8*	1.8	4.1
55.1	63.6	66.2	66.7	65.8	68.1
12.7	14.7	12.8	15.5	24.4	14.3
1.7	1.7	1.4	1.0	0.7	0.6
3,625	4,430	5,092	5,448	4,741	3,972
2,706	2,987	3,302	3,833	4,013	3,996
3,592	3,201	3,405	4,366	4,482	5,007
169.85	184.55	202.28	135.01	64.86	95.58
1,306.58	1,640.21	1,899.19	2,022.92	2,157.96	2,228.10
30.00	36.00	40.00	50.00	44.00	48.00
2.4	2.4	2.3	2.5	2.1	2.2
17.7	19.5	19.8	37.0	67.8	50.2
2,162	2,713	2,588	2,090	1,580	1,369
20,849	22,579	23,849	23,849	23,849	23,849
564	538	538	538	539	539

\*Reference value

# Non-Financial Data

## Environment

(FY)	2020	2021	2022	2023	2024
<b>Greenhouse gas emissions (t-CO<sub>2</sub>e)</b>					
Scope 1	498	538	578	807	967
Scope 2	19,509	20,566	21,274	21,824	20,155
Scope 1 + Scope 2	20,007	21,104	21,853	22,631	21,122
Scope 3 total	–	8,897	98,418	122,851	209,564
1. Purchased goods and services	–	–	42,134	52,484	127,546
2. Capital goods	–	–	5,914	17,026	7,039
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	–	2,520	2,745	3,675	5,908
4. Upstream transportation and distribution	–	–	2,064	1,925	15,608
5. Waste generated in operations	–	699	770	452	1,210
6. Business travel	–	1,099	1,108	1,205	956
7. Employee commuting	–	3,826	3,859	4,197	4,991
8. Upstream leased assets	Calculation for Scope 1 and 2				
9. Downstream transportation and distribution	N/A				
10. Processing of sold products	N/A				
11. Use of sold products	–	–	37,781	38,171	44,031
12. End-of-life treatment of sold products	–	–	1,180	2,716	1,366
13. Downstream leased assets	–	753	863	1,001	865
14. Franchises	N/A				
15. Investments	N/A				
Reduction rate compared to FY2014 (Scope 1, 2)	109%	115%	119%	123%	115%
<b>Energy consumption (GWh)</b>	35	35	37	43	46
<b>Water usage (m<sup>3</sup>)</b>	283,100	260,100	273,800	303,600	304,400
Usage rate compared to FY2020	0	-18	-26	-16	-22
<b>Percentage of recycled plastic used</b>	Calculations are currently being prepared. To be made available in subsequent activities.				
<b>Generated waste (t)</b>	1,056	1,430	1,500	1,665	1,921
Waste recycling rate (%)	87	85	70	74	71
<b>PRTR substance usage (kg)</b>	8,262	10,503	11,377	12,440	9,370

## Social

### Number of Employees<sup>\*1</sup>

(FY)	2020	2021	2022	2023	2024
<b>Yokowo total</b>	8,428	8,499	8,304	9,244	8,942
Japan	1,209	1,322	1,504	1,341	1,496
Europe and the U.S.	81	79	79	80	73
Asia	7,138	7,098	6,721	7,823	7,373
<b>Breakdown by business segment</b>					
VCCS	6,373	6,484	6,087	7,148	6,683
CTC	835	816	961	894	930
FC	503	446	406	434	460
MD	248	273	300	202	303
Incubation Center	0	0	0	32	23
Common to all segments	469	480	550	534	543

\*1 Includes temporary staff

The following is calculated excluding temporary staff from the number of employees.

(FY)	2020	2021	2022	2023	2024
<b>Total employees (persons)</b>					
Consolidated	7,203	7,184	6,895	7,346	7,236
Non-consolidated	764	798	814	808	846
<b>Ratio of women (%)</b>					
All Employees	73	74	71	73	73
YOKOWO CO., LTD.	18	19	16	17	18
<b>Average age</b>	40.9	40.7	40.7	41	40.7
<b>Average years of service</b>	12.2	11.9	11.7	11.7	11.5
<b>New graduate hires</b>	22	28	22	40	32
Ratio of women (%)	9.1	14.3	18.2	25.0	37.5
<b>Mid-career hires (persons)</b>	30	60	57	21	39
Ratio of women (%)	16.7	16.7	21.1	38.1	33.3
<b>Ratio of employees with disabilities (%)</b>	1.6	1.5	1.5	1.1	0.86 <sup>*2</sup>
<b>Re-employed older employees (persons)</b>	30	34	38	49	57
<b>Number of TISP hires/employees (persons)</b>	61	71	72	75	87
<b>Annual Employee turnover (persons)</b>	34	20	26	42	23
Employee turnover rate (%)	2.0	3.6	3.5	5.5	3.0
<b>Number of managers (persons)</b>	205	217	242	252	262
Male	204	213	237	243	250
Female	1	4	5	9	12
Ratio of female managers (%)	0.5	1.8	1.2	3.6	4.6
<b>Ratio of paid leave utilization (%)</b>	63.6	65.2	71.5	67.6	72.3
<b>Ratio of male/female employees taking childcare leave (%)</b>					
Male	0.0	5.3	23.1	41.0	91.0
Female	100.0	100.0	100.0	100.0	100.0
<b>Male-female wage gap (%)</b>					
All Employees	59.1	62.4	57.7	55.4	53.4
Permanent employees	66.4	66.2	65.5	67.8	69.4
Part-time and fixed-term employees	47.5	56.4	47.9	41.6	37.3
<b>General employee education (number of e-learning participants) (persons)</b>	301	118	90	527	639
<b>Position-specific training attendance (persons)</b>	83	57	72	94	160
<b>Work accident frequency (%)</b>	0.59	2.20	1.02	0.00	0.00
<b>Number of serious occupational accidents (cases)</b>	0	0	0	0	0
<b>Number of industrial accidents resulting in lost workdays (cases)</b>	2	3	2	0	0

\*2 2.8% employment rate at domestic Group companies including special subsidiaries.

## Governance

(FY)	2020	2021	2022	2023	2024
<b>Number of Directors (persons)</b>	5	5	6	7	8
Outside Directors (persons)	2	2	2	3	4
Ratio of Outside Directors (%)	40.0	40.0	33.3	42.9	50.0
Female Directors	1	1	1	1	2
Ratio of female Directors (%)	20.0	20.0	16.7	14.3	25.0
<b>Number of Audit &amp; Supervisory Board Members (persons)</b>	3	3	4	4	4
Outside Audit & Supervisory Board Members (persons)	2	2	3	3	3
Ratio of Outside Audit & Supervisory Board Members (%)	66.7	66.7	75.0	75.0	75.0
<b>Board of Directors Meeting attendance rate (%)</b>	100.0	98.9	98.0	100.0	97.3
Director attendance rate (%)	100.0	100.0	98.4	100.0	95.2
Outside Director attendance rate (%)	100.0	97.2	97.1	100.0	100
<b>Audit &amp; Supervisory Board attendance rate (%)</b>	98.0	98.0	100.0	100.0	100
Director attendance rate (%)	100.0	100.0	100.0	100.0	100
Outside Director attendance rate (%)	97.1	97.1	100.0	100.0	100

# Company Profile (As of March 31, 2025)

Company Name	YOKOWO CO., LTD.
Founded	September 1, 1922
Incorporated	June 14, 1951
Capital	¥7,819 million
Number of Employees	1,040 (Group total 8,942)
Head Office Location	JR Kanda Manseibashi Bldg. 14F, 1-25, Kandasuda-cho, Chiyoda-ku, Tokyo 101-0041, Japan

## Stock Information (As of March 31, 2025)

Listed Securities Exchange	Tokyo Stock Exchange Prime Market
Stock Exchange Code	6800
Number of Shares Issuable	40,000,000 shares
Number of Shares Issued	23,849,878 shares (including 539,193 treasury shares)
Number of Shareholders	6,312

### Major Shareholders (As of March 31, 2025)

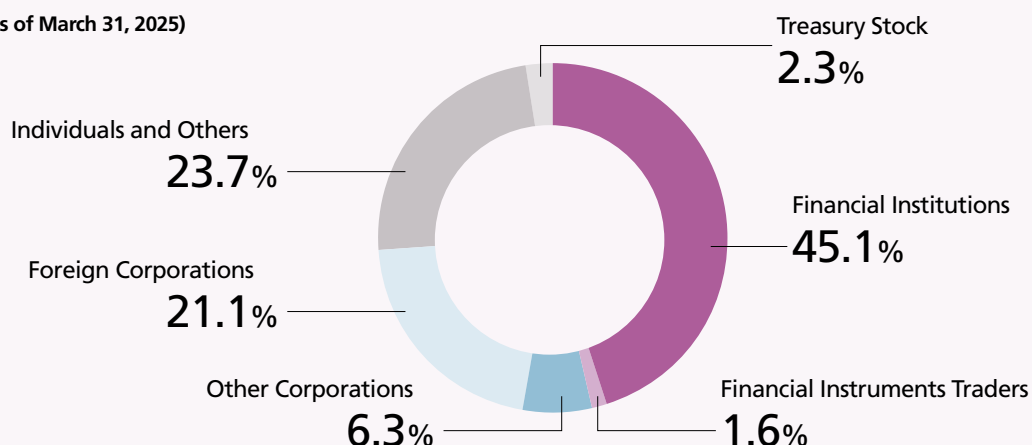
Shareholder	Number of shares held (in thousands)	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (trust account)	4,483	19.2
Custody Bank of Japan, Ltd. (trust account)	1,847	7.9
The Gunma Bank, Ltd.	990	4.2
Yokowo Business Partners Shareholders' Association	819	3.5
Mitsubishi UFJ Trust and Banking Corporation	595	2.5
Company's Stock Investment	490	2.1
The Dai-ichi Life Insurance Company, Limited	450	1.9
MUFG Bank, Ltd.	446	1.9
Resona Bank, Limited	445	1.9
Mizuho Bank, Ltd.	420	1.8

\* The Company holds 539 thousands of its treasury stocks, but not counted as a major shareholder.

\* The number of shares is rounded to the nearest thousand.

\* Percentage of shares held is calculated excluding treasury stocks and is rounded down to one decimal place.

### Stock Distribution (As of March 31, 2025)



# Editorial Policy

Covered Organization: YOKOWO CO., LTD.  
5 Domestic Group Companies  
19 Overseas Group Companies

Period: Fiscal Year 2024  
(April 1, 2024 - March 31, 2025)  
Some of these activities include those from before and after this period.

Published: September 30, 2025

Publishing Cycle: Annually

Reference Guidelines:  
IFRS Foundation "International Integrated Reporting Framework"  
Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation

## Information Disclosure:

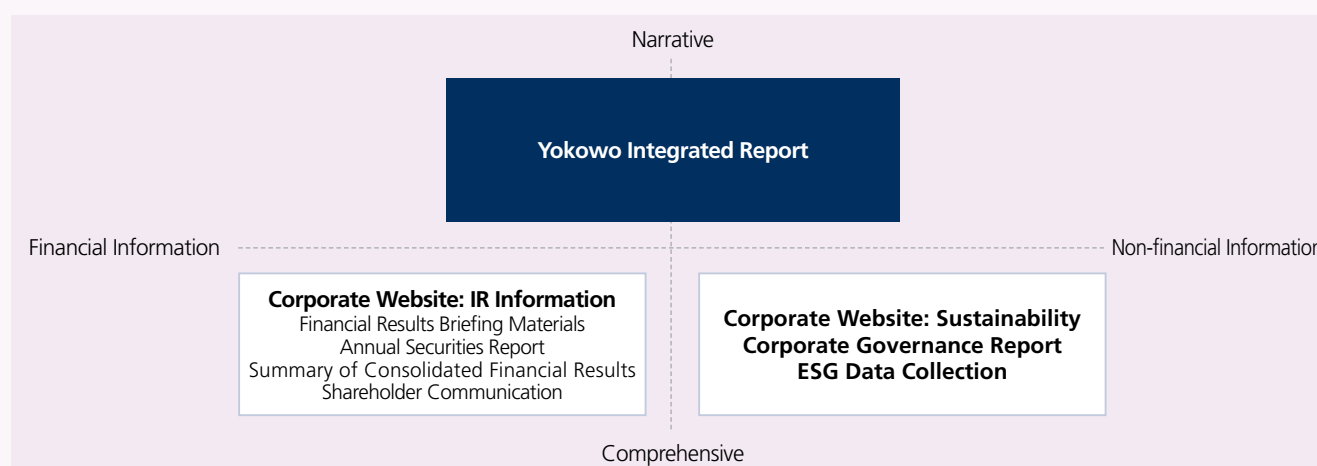
The Yokowo Group discloses information accurately, promptly and proactively in order to build long-term relationships of trust with its shareholders, investors and other stakeholders.

## Forward-looking Statements:

Certain statements in this report such as "plan," "forecast" and "strategy" constitute forward-looking statements and are based upon reasonable judgements and assumptions given the information available at the time of publication. Please note that due to various factors, actual results may differ significantly from those anticipated in such statements.

Departments Responsible for the Report: Public Relations Department / Sustainability Promotion Department, SCI (Sustainability & Corporate Integrity) H.Q.  
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Inquiry Form: <https://www.yokowo.co.jp/english/inquiry/>

## Information Disclosure System



## Third-Party Evaluations and Initiative Participation



**FTSE Blossom  
Japan Index**



**FTSE Blossom  
Japan Sector  
Relative Index**



Selected for two consecutive years since 2024 as a constituent stock of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index.

Received a B rating in climate change from the CDP.



Received a silver rating, which is given to the top 15%, for two consecutive years from EcoVadis.



Announced participation in the UN Global Compact (GCNJ) in April 2024.



A thick diagonal line runs from the bottom left towards the top right. It is dark blue for most of its length, but the upper portion is red.

***yokowo***

**YOKOWO CO., LTD.**

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<https://www.yokowo.co.jp/english/inquiry/>