

FY2019 Financial Results

Ken Shido, President & COO

This is an internal English translation of the YOROZU FY2019 Financial Results issued in the Japanese language and is provided solely for the convenience of English speaking readers. In case of discrepancy the Japanese version prevails.

YOROZU

株式会社 三〇ズ

The first section of the Tokyo Stock Exchange (securities code: 7294)

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Agenda

- I . FY2019 Financial Results
- II . FY2020 Annual Forecast
- III . COVID-19 Response
- IV . Recent Activities
- V . Redistribution of Profits to Shareholders

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FY2019 Consolidated Financial Statement Summary (Year on Year)

Millions of Yen

	FY2018	FY2019	Year on Year	FY2019 Updated Forecast *2	Latest Comparison
Sales	169,111	157,680	-6.8%	158,000	-0.2%
Operating Income	5,290	2,206	-58.3%	2,300	-4.1%
Ordinary Income	5,222	770	-85.2%	800	-3.8%
Net Profit *1	402	-12,933	—	-14,000	+7.6%

	FY2018 A	FY2019 B	Difference B-A	Rate of Change
Net Profit per Share	16.94 yen	-544.05 yen	-560.99 yen	—
Rate Applied to Consolidated Statement	110.44 yen / \$	109.03 yen / \$	-1.41 yen / \$	-1.3%

*1 Net profit attributed to shareholders of the parent company

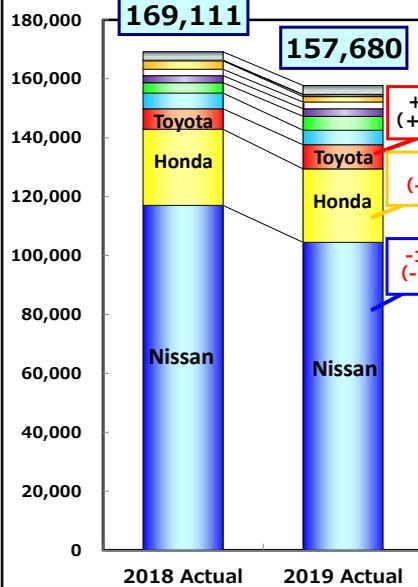
*2 Forecast disclosed on April 15, 2020

Sales: Decline due to production cuts in Japan, U.S., China and Thailand
 Operating income: Decline due to reduced output in Japan, China and Thailand despite recovery at Tennessee site
 Ordinary income: Decline due to exchange loss from sharp fall in the value of newly emerging countries' currency
 Net profit: Decline due to impairment loss of tangible fixed assets at 5 production sites

Consolidated Sales by Customer (FY18 vs. FY19 Results)

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Millions of Yen



Millions of Yen

Customer	FY2018	(%)	FY2019	(%)
Nissan Gr *	116,994	69.2%	104,453	66.2%
Honda Gr	25,828	15.3%	24,935	15.8%
Toyota Gr	6,950	4.1%	8,185	5.2%
Isuzu	5,322	3.1%	4,917	3.1%
Mazda	3,524	2.1%	4,705	3.0%
VW	2,400	1.4%	2,596	1.6%
Kubota	2,163	1.3%	2,259	1.4%
Suzuki	2,892	1.7%	1,851	1.2%
Daimler	76	0.0%	667	0.4%
GM Gr	119	0.1%	86	0.1%
Others	2,843	1.7%	3,026	2.0%
Total	169,111	100.0%	157,680	100.0%

* Sales to Renault-Mitsubishi included

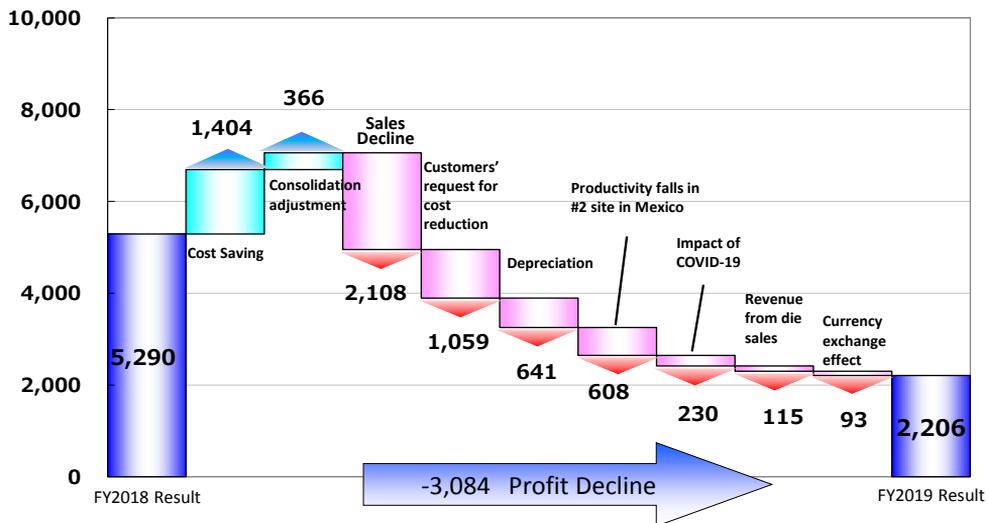
Decline is attributed to sharp fall in sales to Nissan Gr. Rollout of new model pushed up sales to Toyota Gr.

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Analysis of Consolidated Operating Income (FY18 to FY19 Results)

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Millions of Yen



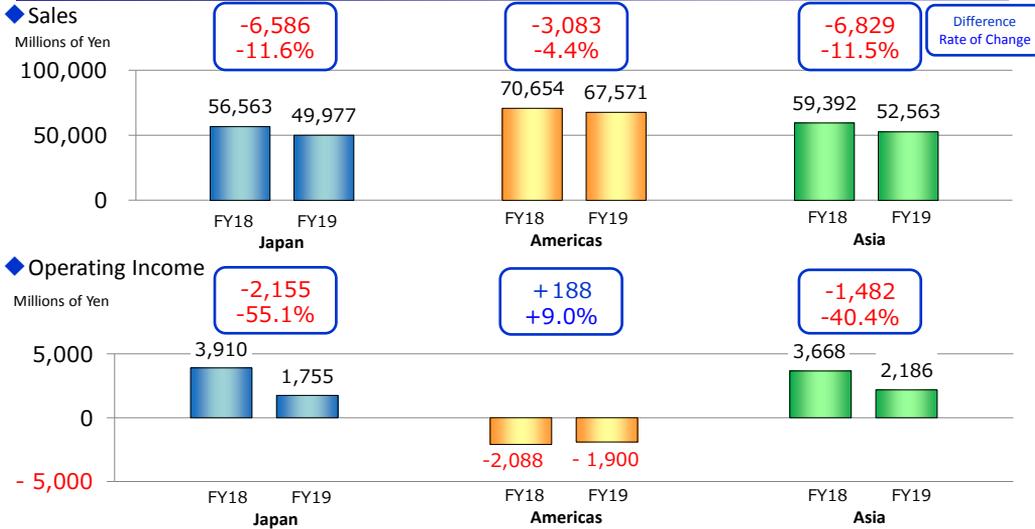
Emergency Profit Kaizen (cost saving) efforts have brought positive results while sales and profits declined due to drop in customer sales and increase in depreciation cost.

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Sales and Operating Income by Region

(Before Consolidation Adjustment FY18 vs. FY19 Results)

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Japan: Decrease in sales of parts and dies led to decline in income
Americas: Shift of demand from passenger cars to light trucks and drop in volume led to decline in income. Improved profitability at Tennessee site and completion of payment of initial costs for Alabama plant could not make up for the loss.
Asia: Significant drop in output in China and Thailand led to decline in income.

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Summary of Consolidated Balance Sheet for the Year Ended March 31, 2020

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Millions of Yen

	Mar. 31, 2019 A	Mar. 31, 2020 B	Difference B-A
Current Assets	67,422	58,386	△9,036
Fixed Assets	100,675	81,313	△19,362
Total Assets	168,097	139,700	△28,397
Current Liabilities	40,273	37,550	△2,723
Fixed Liabilities	35,513	27,598	△7,915
Total Liabilities	75,787	65,149	△10,638
Shareholders' Equity	81,888	67,677	△14,211
Accumulated Other Comprehensive Income	△6,235	△8,068	△1,833
Non-controlling Interest, etc.	16,657	14,941	△1,716
Net Assets	92,310	74,550	△17,760
Total Liabilities and Net Assets	168,097	139,700	△28,397

Current deposit	-5,951
Notes/accounts receivable-trade	-2,225
Inventory asset	-1,839
Others	+1,258
Tangible fixed assets	-14,704
Investment securities	-2,929
Deferred tax assets	-1,366
Notes/accounts payable	-1,508
Electronically recorded obligations - operating	-1,625
Short term debts	-4,557
Long term debts planned to be repaid in a year	+6,647
Income taxes payable	-829
Long term debts	-7,459
Lease debt	-705
Net profit (loss)	-12,933
Dividend payment	-831
Valuation difference on other for-sale securities	-1,720
Foreign currency translation adjustment	+61

Retained earnings decreased as tangible fixed assets decreased through impairment accounting at five production sites.

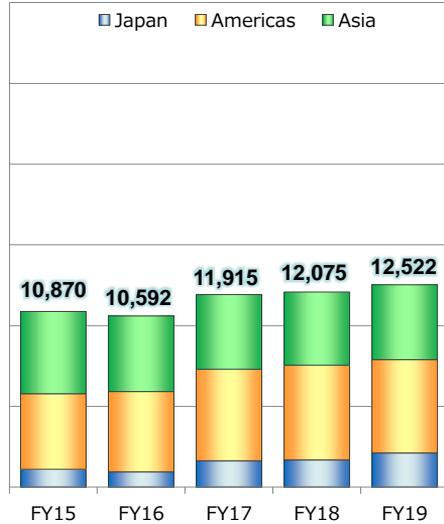
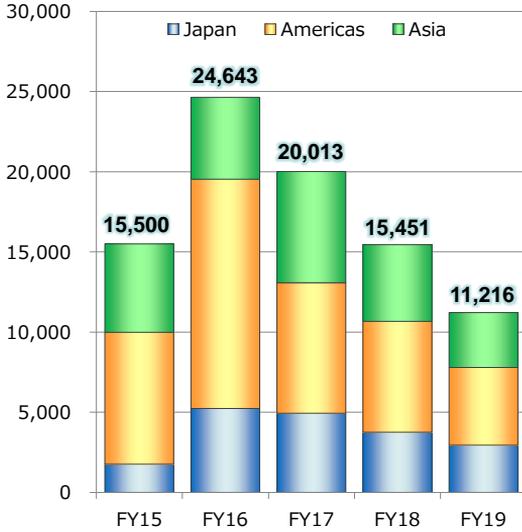
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Capital Investment and Depreciation Cost

Capital Investment by Region

Depreciation Cost by Region

Millions of Yen



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•Announcement of FY2020 Forecast

As the global outbreak of the coronavirus disease is not yet under control and uncertainty looms over foreign governments' policies and customers' production activities, we are faced with difficulties in making a proper estimate to date. Therefore, please understand that the Group's FY2020 financial outlook and dividend forecast are not yet determined.

Our forecast will be promptly disclosed when the estimation becomes possible.

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Infection Prevention

Health and safety of our employees and all related parties remain our top priority. Yorozu has advised all employees to strictly follow hand-washing/cough etiquette guidelines, kept the workplaces frequently ventilated, widely encouraged remote working, and set location-based closure days aligned with customers' production activities, as measures to prevent infection with the novel coronavirus.

Response to state of emergency and restrictions declared around the world

HQ (Yokohama)	<ul style="list-style-type: none"> • Encouraged employees to generally work from home • Set temporary closures, restrictions on business travels/meetings
HQ (Tochigi) (Global Technical Center)	<ul style="list-style-type: none"> • Adopted remote and on-site working shifts • Set temporary closures, restrictions on business travels/meetings
Japan/Overseas Sites	<ul style="list-style-type: none"> • Production is taking place following the directions of governments and local authorities to meet customer demand

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Operation at Major Production Sites (Global)

Country	Status					Operation at Yorozu Sites
	FEB	MAR	APR	MAY	JUN	
Japan						Since late March, operation has been suspended or production lines have been reduced depending on customer needs.
U.S.						March 23 – May 10 Temporary shutdown Operation has resumed depending on customer needs.
Mexico						March 30 – May 31 Temporary shutdown Operation is planned to resume depending on customer needs.
Thailand						Since early April, operation has been suspended or production lines have been reduced depending on customer needs.
China			 			Guangzhou: Feb. 5 – 16 Temporary shutdown Wuhan: Feb. 5 – Mar. 10 Temporary shutdown As of this date, normal operation has resumed.

 Temporary shutdown
  Suspended/partial operation
  Normal operation

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Our Activity to Recovery



-  **Continue executives' pay cuts for the time being**
-  **Take measures to drastically reduce fixed costs and to shift such costs to variable costs, among others**
-  **Continue Emergency Profit Kaizen (ongoing since FY2019) leaving no areas spared in our cost-cutting efforts**

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Recent Activities

Startup of Global SUV (from 2020 onward)



Yorozu gets ready for successive launch of global SUV in Japan, US, and China to produce approximately 300 thousand units for the year

Company Reorganization

Conventional Regional Units

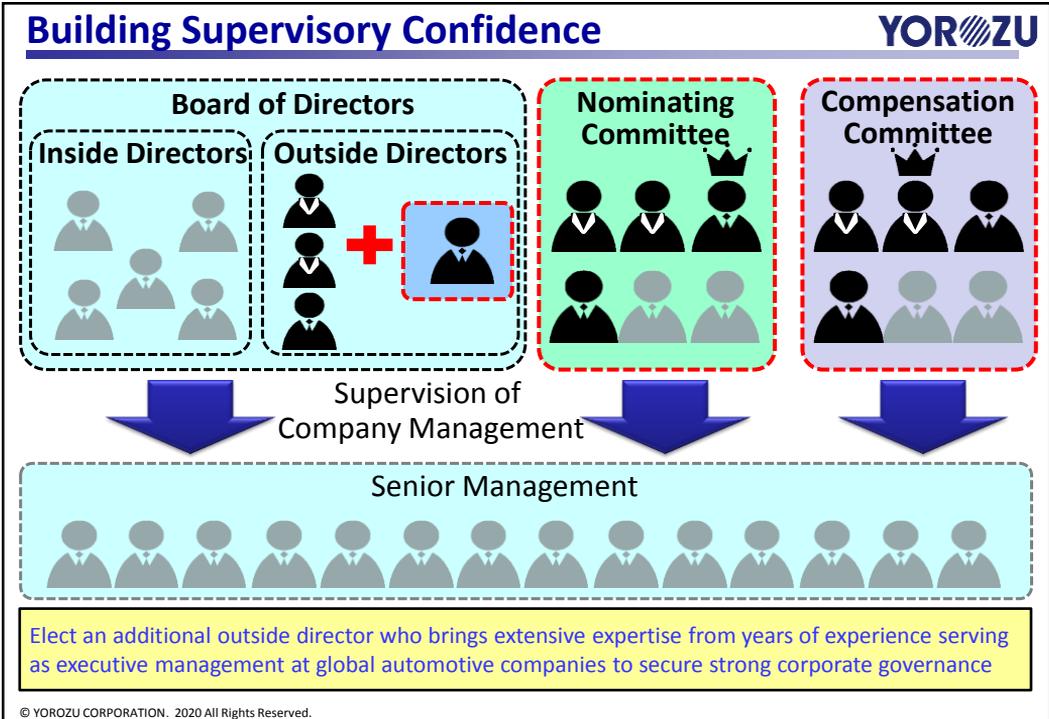


Function Groups

	Japan	Americas	Asia
Yorozu	●	-	-
Yorozu Tochigi	●	-	-
Yorozu Oita	●	-	-
Yorozu Aichi	●	-	-
Shonai Yorozu	●	-	-
Yorozu Engineering	●	-	-
Yorozu Service	●	-	-
YA · YAT ·	-	●	-
YAA · YANA	-	●	-
YMEX · YAGM	-	●	-
YAB	-	●	-
G-YBM · W-YBM	-	-	●
YTC · YOAT · YEST	-	-	●
YJAT	-	-	●
YAI	-	-	●

	Manufacturing Function Group	Marketing Sales & Management Function Gr.	Finance and Project Management Function Gr.	Corporate Strategy Function	Internal Auditing & Environmental Management Office
YPW Dept.	●	-	-	-	-
Corporate Strategy Office	-	-	-	●	-
Internal Auditing & Envr Mgt Office	-	-	-	-	●
HR Dept.	-	●	-	-	-
General Affairs Dept.	-	●	-	-	-
Finance Dept.	-	-	●	-	-
Info Systems Dept.	-	●	-	-	-
QA Dept.	●	-	-	-	-
R&D Dept.	●	-	-	-	-
Product Eng Dept.	●	-	-	-	-
Manufacturing Engineering Dept.	●	-	-	-	-
Production Equipment Sales Dept.	-	-	-	-	-
M&S Dept. No.1 & 2	-	●	-	-	-
Purchasing Dept.	●	-	-	-	-
Production Ctrl Dept.	●	-	-	-	-
Project Ctrl Dept.	-	-	●	-	-

“Three Function Groups”, a cross sectoral structure of current “3 Regions” + Functions

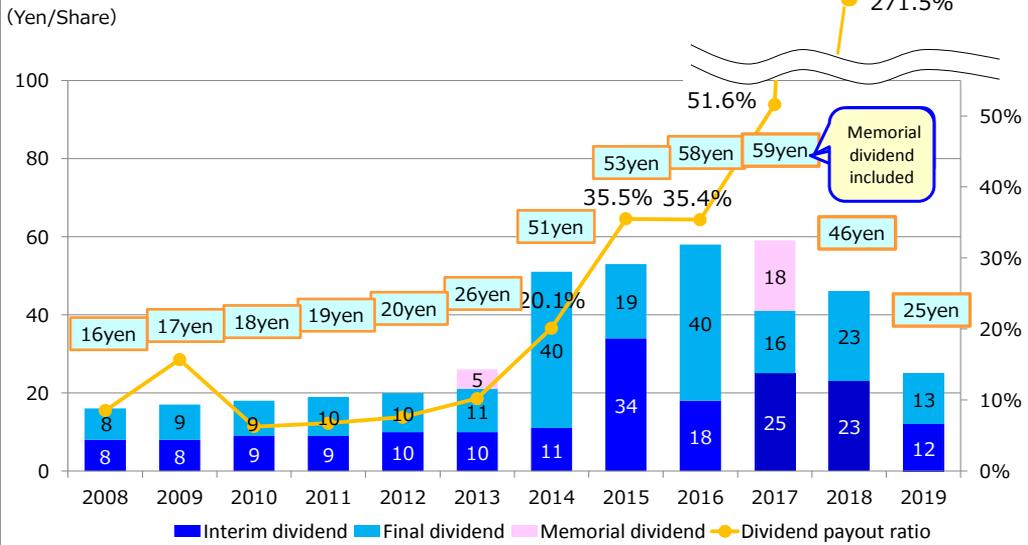


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Financial Strategy: Enhance return to shareholders YOROZU



FY2019 final dividend will be paid as publicly announced at the beginning of the term.

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FY2019 YOROZU Financial Results
Thank you for your attention

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Thank you very much for your understanding and cooperation.

Contact Us

Yorozu Corporation

Person responsible: Akira SASO, Chief Executive Vice President, Member of the Board (CEVP&CFO)

Contact personnel: Yoshitake TAKAHASHI, Manager, Accounting Group, Finance Dept.

TEL 045-543-6802 FAX 045-543-4915