YOROZU

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YOROZU

YOROZU INTEGRATED REPORT 2026

Becoming a Byword *for* Suspensions

Yorozu has honed its expertise as an auto parts manufacturer primarily specializing in suspensions, earning the trust of automakers both domestically and internationally. Leveraging our advanced development and technological capabilities, we will integrate suspension parts and peripheral components into a unified system. We will further expand globally as a "suspension system manufacturer," offering a fully integrated solution from performance development to mass production.

Corporate Vision

With the one and only technologies and developmental capabilities in suspensions, we deliver solutions to customers' needs and aim to become a 100-year sustainable and evolving company.

Corporate Philosophy

[Our Purpose] Our primary mission is to contribute to society by continually striving to deliver technological innovation and create products that are beneficial to people.

[Management Stance] Our basic business creed is to conduct reliable management.

[Behavioral Guidelines]
1. Work is the foundation of life.
2. Trust is the basis of work.
3. Creativity in thought and action is the key to human progress.
4. Safety, quality, and productivity are fundamental to our corporate activities.
5. Risky endeavors are to be avoided while genuine endeavors are to be embraced.

Charter of Corporate Behavior

1. Attaining Customer Satisfaction and Developing New Technologies
2. Observance of Laws and Regulations
3. The Environment
4. Globalization
5. Disclosure
6. Respect Human Rights
7. Fair Trade
8. Commitment by Executives

Editorial Policy
Following the release in 2025, we have published the "Yorozu Integrated Report 2026" again this year, which serves as a communication tool to clearly convey the Group's management policies, business strategies, financial information, and various activities aimed at realizing a sustainable society to all our stakeholders, including shareholders, investors, customers, business partners, local communities, and employees, thereby promoting the understanding of our corporate value and growth potential. We will continue to strive to enhance the content so that stakeholders can deepen their understanding of the Group. Please visit the "Yorozu Corporation Website" for the most recent information.

Period and Scope of Reporting
- Period: April 1, 2025, to March 31, 2026
- Some information outside the reported time frame is included.
- Scope: Yorozu Corporation and its Group companies

Guidelines and Entities Referenced
- The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)
- Guidance for Integrated Corporate Disclosure and Dialogue for Collaborative Value Creation

Disclaimer
This integrated report contains forward-looking statements, including the Company's current plans, projections, and strategies, based on information available at the time this report was created. Actual performance could differ significantly from these projections due to a variety of factors.

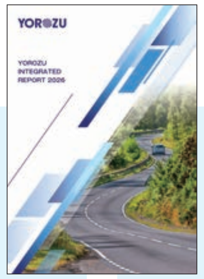
Environment Social Governance
Guidance for Collaborative Value Creation

Disclosure Framework

Financial Information

Investor Relations
https://www.yorozu-corp.co.jp/en/investors/

- Financial Results Briefing Materials
- Annual Securities Report (Japanese)
- Presentation Materials and more



YOROZU
Integrated Report 2026
(This Report)

Non-Financial Information

Sustainability Information
https://www.yorozu-corp.co.jp/en/sustainability/

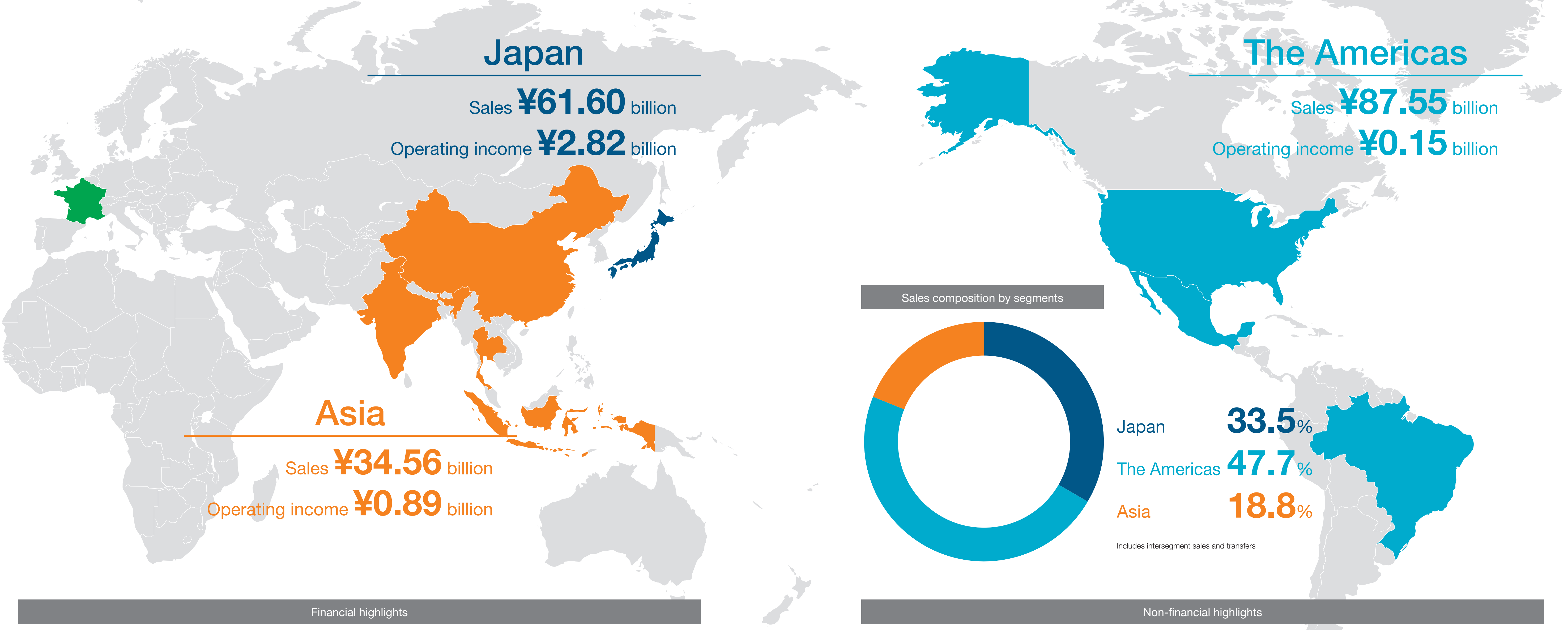
- Environmental Preservation
- Engagement with Stakeholders
- Conflict Minerals Policy and more

Yorozu in Numbers

The growing need for investments stemming from the increasing adoption of autonomous driving and EVs has prompted the formation of alliances between automakers. To ensure that we maintain existing commercial rights and win new orders, even amid major changes in the supply chain, the Yorozu Group is proactively pursuing sales growth opportunities.

Major customers

Nissan Motor Co., Ltd., Nissan Shatai Co., Ltd., Honda Motor Co., Ltd., Toyota Motor Corporation, Toyota Motor East Japan, Inc., Daihatsu Motor Co., Ltd., Hino Motors, Ltd., Isuzu Motors Limited, Mazda Motor Corporation, Subaru Corporation, Suzuki Motor Corporation, Mitsubishi Motors Corporation, UD Trucks Corporation, Kubota Corporation, Renault S.A.S, Volkswagen AG, Mercedes-Benz AG, Ford Motor Company



Sales composition by segments

Includes intersegment sales and transfers

Financial highlights

Sales	¥176.33 billion
Operating income	¥3.98 billion
Operating income ratio	2.3%
R&D expenditures	¥6.33 billion

Non-financial highlights

Number of sites	20
Number of countries	9
Number of employees (consolidated)	5,405
Ratio of women in management positions	14.7%
Ratio of non-Japanese employees	5.0%

(As of March 31, 2026)

Yorozu's Main Products

As a specialized suspension manufacturer

The suspension system protects the vehicle body and passengers from road impacts while also playing a critical role in a car's handling and stability, making it one of the most important components that determine overall vehicle performance. As a specialized suspension manufacturer holding one of the largest shares in the Japanese market, Yorozu has gained strong recognition from automakers around the world for its excellence in QCD: Quality, Delivery, and Cost.

Advanced technologies for lightweight solutions

Vehicles in the age of electrification tend to become heavier due to battery installation and other factors. As a result, suspensions are increasingly required to be lighter without compromising performance. The Yorozu Group combines outstanding performance and lightweight design by leveraging advanced technologies such as **the Full-Curl Method**, which forms steel sheets into hollow structures; **the Tailored Blanking Method**, which welds steel sheets of different thicknesses before press forming; and **the ultra-high-tensile steel materials**, which enable the use of thinner sheets. These initiatives also contribute to the realization of carbon neutrality.

❶ Front suspension member

Serves as the structural framework of the entire front suspension system, supporting the mounting points for suspension links, the steering gearbox, the engine, and other elements.

Yorozu's Technology	Material thickness is optimized through technologies such as the Tailored Blanking Method to achieve the required strength and rigidity against tire inputs, while absorbing crash shock.

❷ Rear beam

One of the rear suspension system configurations and the most prevalent in compact and midsize passenger vehicles.

Yorozu's Technology	The twisting center crossbeam allows the left and right trailing arms to move independently, providing characteristics similar to an independent suspension system. Weight reduction is achieved through the application of technologies such as the Tailored Blanking Method.

❸ Rear suspension member

Serves as the structural framework of the entire rear suspension system, supporting the mounting points for suspension links, the differential gears or motor, and other elements.

Yorozu's Technology	The use of high-strength materials that are difficult to form achieves both the strength and rigidity required to withstand tire inputs and significant weight reduction.

❹ Link

One of the key suspension components, positioned between the tires and the vehicle body. It is a vital safety component that determines and controls the tire position.

Yorozu's Technology	Leveraging advanced press-forming technologies, Yorozu has developed an integrated link structure formed from a single steel sheet. This design contributes to weight reduction while maintaining the strength and rigidity required to withstand inputs from the tires.

❺ Oil pan

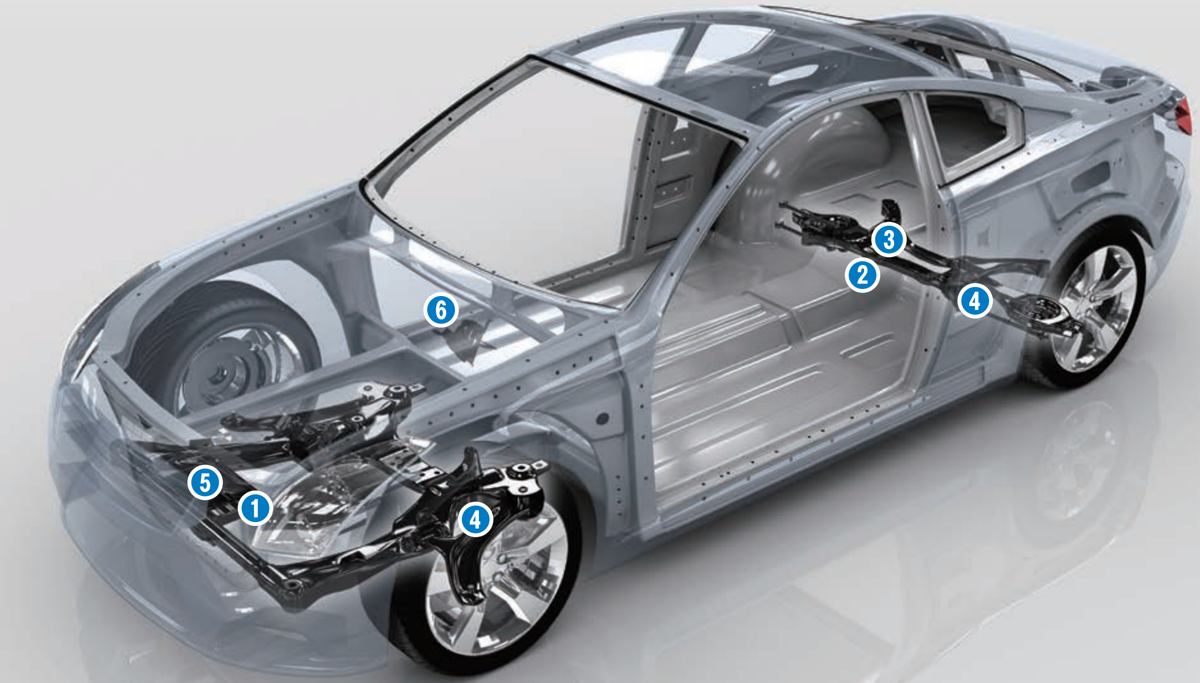
Retains and collects a specified amount of engine oil required for engine lubrication while preventing leakage.

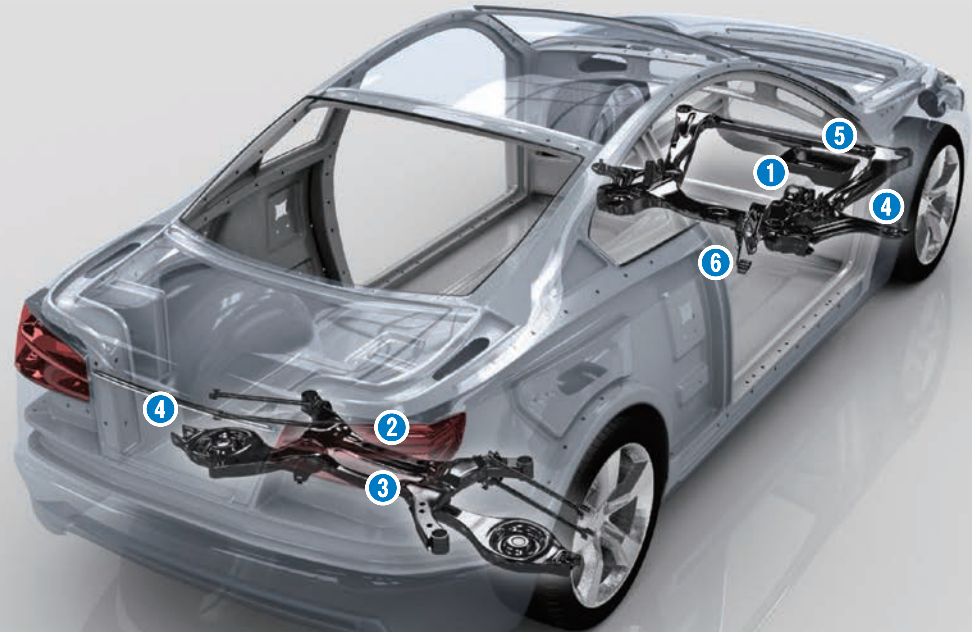
Yorozu's Technology	Our advanced press-forming technologies support large-capacity deep-drawn designs.

❻ Brake pedal

A vital safety component that enables the driver to control vehicle speed through foot operation.

Yorozu's Technology	The lever is compatible with various configurations, including thick-plate, pipe, and thin-sheet welded structures. It achieves weight reduction while maintaining the strength and rigidity required to withstand force applied through the driver's foot.





Yorozu and Its Value Creation

Message from the President

Technology at Our Core and Trust as Our Foundation —Company of Choice, Today and Always

Tsutomu Hiranaka

Representative Director
President and COO

Looking back on fiscal 2025

Underlying strengths revealed in the face of adversity

In fiscal 2025, the Yorozu Group faced an extremely challenging business environment. A combination of factors, including heightened geopolitical risks around the world and the economic slowdown in China, created unprecedented volatility and instability in the global economy, significantly impacting supply chains in the automotive industry where we operate.

Facing these headwinds, the Group sought to achieve a V-shaped recovery from a downturn in fiscal 2024 resulting from a cyberattack and worsening external factors, as well as quality issues and other internal challenges. We therefore continued implementing our medium-term business plan, Yorozu Sustainability Plan 2026 (YSP2026). Ultimately, however, we fell short of achieving a full V-shaped recovery, with consolidated net sales in fiscal 2025 (ended March 31, 2026) declining 1.2% year on year to ¥176,330 million. Nevertheless, operating income reached ¥3,980 million, approximately 13 times the previous year's level, despite costs associated with preparations for full-scale production at Yorozu Sustainable Manufacturing Center (YSMC), which began operations in January 2024. This improvement reflected the group-wide implementation of Success 25V rationalization activities, as well as efforts to improve quality.

I believe one of the strengths of the Group is the tenacity of our employees—their ability to stand their ground and persevere to the very end, even when pushed to the brink. Our ability to remain profitable, while many other companies have fallen into the red amid these challenges, is a testament to this tenacity. I am grateful that our employees again fought hard and persevered to the very end in fiscal 2025, which helped improve operating income. That said, I am not fully satisfied with the absolute level of these results.

From fiscal 2026 onward, we will aim even higher. The key to achieving this will be our technological capabilities. As manufacturers of automotive components that are entrusted with protecting human lives, all employees of the Group approach their work with confidence and pride in our technology. I believe our determination to continue creating products that excel in both quality and cost competitiveness is second to none.

Short-, medium-, and long-term roadmap

Priorities to deliver in fiscal 2026 (final year of YSP2026)

One of our short-term priorities for fiscal 2026, the final year of YSP2026, is to develop the human capital needed to put the new factory, YSMC, on track. YSMC started full-scale production in fiscal 2025, and within the next few years, we aim to overcome the depreciation burden and make it a facility that underpins the Group's earnings. To achieve this, the many employees newly hired at the factory must embrace Yorozu's values and spirit and become key contributors who will form the backbone of the facility. Fiscal 2026 is precisely the time to develop such talent.

Another priority is to clearly map out the path to commercialization for the new technologies and manufacturing methods we have developed to date and bring these efforts to fruition. We need to showcase to customers both technologies developed in-house and those we have developed through collaboration with other companies, and translate them into new orders for the products. For automotive parts manufacturers like us, it takes several years from the development of new technologies and manufacturing methods to the point where they become profitable, so the results of our efforts cannot be immediately reflected in our financial performance. However, we must see these efforts through, rather than leave them unfinished, and develop a clear strategy within the YSP2026 period for new opportunities.

Focusing on these two priorities—human capital development and our technology development strategy—we intend to see YSP2026 through to the end, ensuring that its six key initiatives we have sown and nurtured can bear fruit in the form of new contracts.

Direction of the next medium-term business plan

Looking at the automotive industry as a whole, I do not expect global vehicle production to continue rising steadily in the years ahead. Based on this view, we have focused our efforts on EVs, anticipating that they will become mainstream, while taking pride in our position as a leading company in proactively addressing environmental issues. However, EV adoption is slowing globally, and the market is shifting toward a more diverse mix of powertrains, including renewed interest in hybrid vehicles. While we need to adapt flexibly to these changes, I am confident that our technologies for developing lightweight, high-rigidity products provide us with a strong competitive advantage regardless of how the industry evolves. Whether a vehicle is gasoline-powered, electric, or hybrid, reducing its weight enables it to travel farther using less fuel or energy, making it more environmentally friendly. The Group has a competitive strength in advanced technologies that put us a step ahead of other companies, including technologies using ultra-high-tensile steel. Leveraging this strength will also be an important focus in our next medium-term business plan.

Diversifying our customer portfolio is another important priority. Toyota Motor's share of the Group's consolidated net sales has grown rapidly and now stands at 16.6%. Combined with Nissan Motor, which accounts for 60% of consolidated net sales, the two customers represent approximately 80% of revenue, helping to stabilize our business base. The location of the new YSMC factory in Gifu Prefecture provides good access to the Chubu region, where Toyota Motor has its production facilities, and enables us to reliably meet orders. Going forward, I believe we need to consider how best to allocate our resources as we seek greater diversification to stabilize our customer portfolio.

In recent years, we have faced a succession of unforeseen events that have significantly affected our implementation of YSP2026. As we formulate our future business plans, I strongly recognize the importance of being well prepared for such risks, whether they arise from external factors or from internal challenges. Geopolitical risks, in particular, present challenges that cannot be addressed solely through our own efforts, making it necessary to strengthen our response measures throughout the supply chain. We are currently working to address these risks while gathering input from each of our sites. I also believe that viewing competition between companies from a new perspective is becoming more and more important. Going forward, I believe that shifting the focus from competition to "co-creation" will also be beneficial for the industry as a whole. While I expect competition to intensify as vehicle production volumes decline, forming alliances with multiple companies to develop next-generation technologies and share the resulting benefits can also help revitalize our entire industry.

Long-term outlook from customer, product, and regional perspectives

Taking a long-term view of the business is not easy, but I believe that the Group can best shape its future direction by considering its business based on the three key axes: customers, products, and regions. In terms of the customer axis, 60% of our sales come from Nissan Motor. Given that each vehicle model undergoes a model change only once every few years, it would take decades for the business representing 60% of sales to be completely replaced. Therefore, we need to incorporate Nissan Motor's long-term vision into the Group's long-term outlook. From this perspective, the future remains highly uncertain. Nevertheless, we will pursue optimization while considering how best to deploy our resources, including by increasing the share of sales to Toyota Motor and expanding business with other customers.

Furthermore, with respect to the regional axis, many suppliers are restructuring their operations in China, and the Group has no plans to expand beyond our current locations in the long term. The major markets of the United States and Japan are also mature, making it difficult to expect long-term growth. Accordingly, the Group will step up its strategy-building efforts while considering how best to approach markets with high growth potential, including India, which boasts a vast land area and a large population.

As for the product axis, suspensions and peripheral components will remain the core of our portfolio. With an eye to future growth, however, we intend to strengthen additional product areas that can complement this core business. We envision expanding beyond automotive components into fields where we can apply our metal-working technologies. Under YSP2026, we have expanded into components for construction machinery, but these differ considerably in nature from automotive components. We therefore intend to build a solid foundation in this field through accumulation of expertise and further research.

Sources of competitiveness

Yorozu's technologies, people, and kaizen culture

I believe the Group's competitiveness is built on three foundations: technologies, people, and a kaizen culture (culture of continuous improvement). At the heart of our technology is the metalworking expertise we have cultivated through the manufacture of automotive components, particularly suspension parts. Among these capabilities, we take particular pride in our weight-reduction technologies. We have also refined our technologies for protection of human lives as our highest priority, and this is reflected in the high reliability and quality of our *monozukuri* (manufacturing). Drawing on our *monozukuri* expertise, we developed a bear cage trap, which we donated in May 2026 to the Shonai area of Yamagata Prefecture, home to two of our production sites, to help address the problem of damage from wildlife. The cage trap was developed around the same fundamental concept as our automotive components: protecting human lives. It incorporates the Group's metalworking and weight-reduction technologies and can be disassembled for portability while offering extremely high strength. In this way, we are also applying our existing technologies to develop new products. In addition, we are drawing on ideas from employees to develop unique products and explore new business opportunities, even in fields unrelated to our current businesses.

Seeking to create a new sales model that leverages our technologies, we have begun deploying a "catalog-based" sales system, under which we propose a standard lineup of products for customers to consider adopting. We believe this will enable us to offer general timeless products, which will provide significant benefits to automakers.

In our human capital strategy, we are developing people who can carry forward and further advance the manufacturing technologies the Group has cultivated. At the same time, I communicate my own thinking directly to employees and strive to share with them the direction the Group should take, how we should conduct our business, and our outlook for the future. Yorozu has also been recognized as a "Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)" for six consecutive years, while our subsidiary Yorozu Service Corporation received its first recognition as a "Certified Health & Productivity Management Outstanding Organization (Small and Medium-Sized Enterprise Category) (Bright 500)." These recognitions reflect our efforts to enhance systems and workplaces so that employees can work in good health and find fulfillment in their work, which is one of the Group's strengths.

In terms of profitability improvements, we are focusing on reducing loss costs. Yorozu's manufacturing process is relatively simple, consisting primarily of three processes—stamping sheet metals, welding them together, and painting—and our approach to reducing loss costs is to eliminate inefficiencies in each of these processes. Comparing the Group's production sites, some factories have achieved excellent results in reducing loss costs and are contributing significantly to profit growth on their own. At other sites, however, various factors have prevented them from generating profits despite intensified improvement efforts. We must continue working to reduce these disparities and ensure that each site generates profits. I believe that steady, on-site improvement efforts driven by the ingenuity and hard work of each employee—rather than relying solely on investment—will lead directly to results, such as minimizing downtime in the three processes and increasing output per hour. With a sense of responsibility as a leader, I strive to provide strong support to the teams on the ground through regular visits to our production sites around the world.

To our stakeholders

Targeting renewed growth as a "company of choice, today and always"

We aim to be a "company of choice, today and always" for all our stakeholders. The key to achieving this is earning their trust. However, trust cannot be earned overnight. It can only be earned when stakeholders recognize the cumulative effect of our unwavering efforts in every aspect of our work. These range from reliable day-to-day production and the delivery of products with outstanding quality to the relentless development of new technologies and manufacturing methods and close attention to stakeholder needs. What matters is continuing these steady efforts day after day.

I believe that trust within companies and organizations, just as relationships between individuals, is fundamentally built through heartfelt interaction. Therefore, I am committed to maintaining dialogue with our stakeholders and deepening our mutual understanding. Our ability to generate profits is also crucial for the Company to earn genuine trust. We aim to build a solid business foundation based on the three key axes of customers, products, and regions, while increasing the absolute level of our earnings. The tenacity of our employees is important, but rather than relying on that alone, we will strengthen our earnings capacity through sound strategies and continue taking on challenges toward sustainable growth. As "Team Yorozu," we will work together as one to earn the trust of all our stakeholders. We sincerely appreciate your continued support and trust in us.

Value Creation Process

To realize its Corporate Vision, the Yorozu Group has established a value creation process that enables it to continuously deliver value to society. By responding to the expectations and needs of society, we strive to achieve sustainable growth and enhance corporate value.

Corporate Vision With the one and only technologies and developmental capabilities in suspensions, we deliver solutions to customers' needs and aim to become a 100-year sustainable and evolving company.

Inputs

Financial Capital

Net assets:	¥64,053 million
Owners' equity:	¥54,154 million
Equity ratio:	39.2%

Intellectual Capital

R&D expenditures: ¥6,334 million

The Yorozu brand as a premier supplier of suspensions

Manufacturing Capital

Production sites in Japan:	5
Production sites overseas:	12

Human Capital

Number of employees (consolidated):	5,405
Ratio of women in management positions (non-consolidated):	14.7%
Ratio of non-Japanese employees (domestic consolidated):	5.0%

Social and Relationship Capital

Trust of customers and other stakeholders

Natural Capital

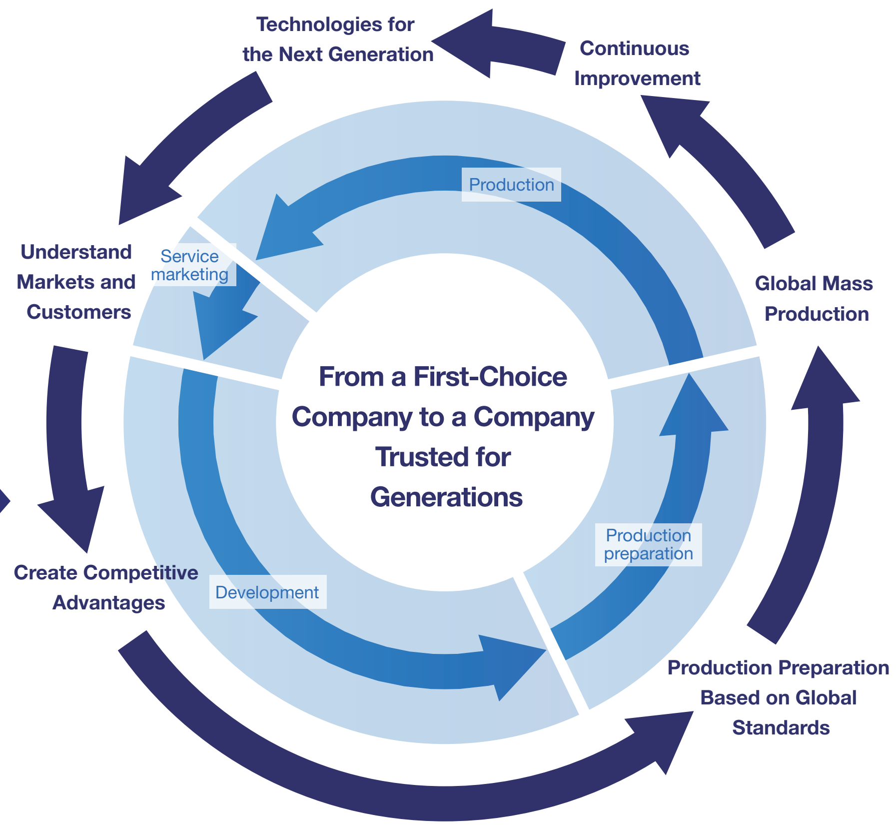
Ratio of green energy

Domestic: 96.6%

Overseas: 21.8%

(As of March 31, 2026)

Business Model Leveraging the Strengths of Our Capital



Materiality

- Stable Profitability
- New Technologies and Manufacturing Methods
- Reduction of CO_2 Emissions
- Creating a Healthy and Engaging Workplace
- Practicing Highly Transparent Governance

Outputs

Products

High-quality products that outperform the competition

Development of lighter products that reduce CO_2 emissions

Products geared to EVs

Front suspension member

Rear suspension member

Rear beam

Link

Brake pedal

Outcomes

Realize a safe and reliable motorized society

Financial Capital

Consolidated sales:	¥176,330 million
Operating income:	¥3,980 million
Dividend per share:	¥33 (annual)

Intellectual and Manufacturing Capital

Enhanced competitiveness through the adoption of new technologies and methods

Focus on developing new products with the use of unique technologies

(Non-automotive products business and external sales of production equipment)

Human Capital

Ratio of paid leave taken (non-consolidated):	82.5%
Employee engagement survey score (domestic consolidated):	57.3 pt
Ratio of diversity in management positions (non-consolidated):	30.7%
Percentage of eligible male employees taking parental leave (non-consolidated):	100%
Average number of days of parental leave taken by male employees:	150 days

Social and Relationship Capital

Quality awards received from customers: 5 awards

Natural Capital

CO_2 emissions:	65,423 t-CO_2
Waste emissions:	2,732 tons
Water use:	1,020,000 m^3

(As of March 31, 2026)

Operating environment

- Carbon neutrality by 2050
- Uncertainty of the global situation and economy
- Changes in industry structure (SDVs and AI)
- Large-scale investments to address future needs
- Strategic alliances between automakers
- Rising labor costs

Medium- to Long-Term Vision and Roadmap

Aim to become the “first-choice company” for all stakeholders that supports the age of electrification

The Yorozu Group has steadily advanced toward becoming synonymous with suspensions, working together with its stakeholders through every era.

The automotive industry is currently undergoing a period of unprecedented transformation. By steadily executing the growth-oriented initiatives outlined in our medium-term business plan, YSP2026, the Group aims to support the age of electrification as a specialized manufacturer and become the first-choice company for all stakeholders while achieving sustainable growth.

2000–2002
Yorozu Survival Plan

Amid significant changes in the business environment driven by the Nissan Revival Plan, we were forced to make tough decisions to survive, including the closure of Fukushima Yorozu and personnel reductions through an early retirement incentive program. However, through the collective efforts of the Group, we prevailed and achieved our cost reduction target of ¥5.8 billion. As part of the Nissan Revival Plan, a half-century capital tie-up was dissolved. In 2000, however, we formed a capital alliance with Tower Automotive, Inc., in the United States. Later, we bought back our own shares, marking a fresh start as an independent auto parts manufacturer.

2003–2014
Yorozu Success Plan

By distinctively shifting into the Yorozu Success Plan from the Yorozu Survival Plan, namely, “strategies for success rather than survival,” we further strengthened our competitiveness through technological development and capability enhancement as well as global business expansion. For those purposes in the management reforms, we introduced the Toyota Production System for “Production Revolution” and switched to function-based management for “Management Revolution,” thereby achieving overall optimal management. We rapidly expanded our overseas operations with six bases in three years in India, Indonesia, and Brazil, in addition to the United States, China, and Mexico, and increased our overseas sales ratio.

2015–2017
Yorozu Spiral-up Plan

With the aim of further enhancing the value of the Yorozu brand in the global market, we adopted the Yorozu Spiral-up Plan. Under this plan, we worked to further strengthen our product and development capabilities, expand sales channels to the world’s major automakers, and strengthen global management that respects diversity. In addition, we achieved key initiatives to strengthen profitability, including the operation of unmanned production lines.

2018–2020
Yorozu Spiral-up Plan 2020

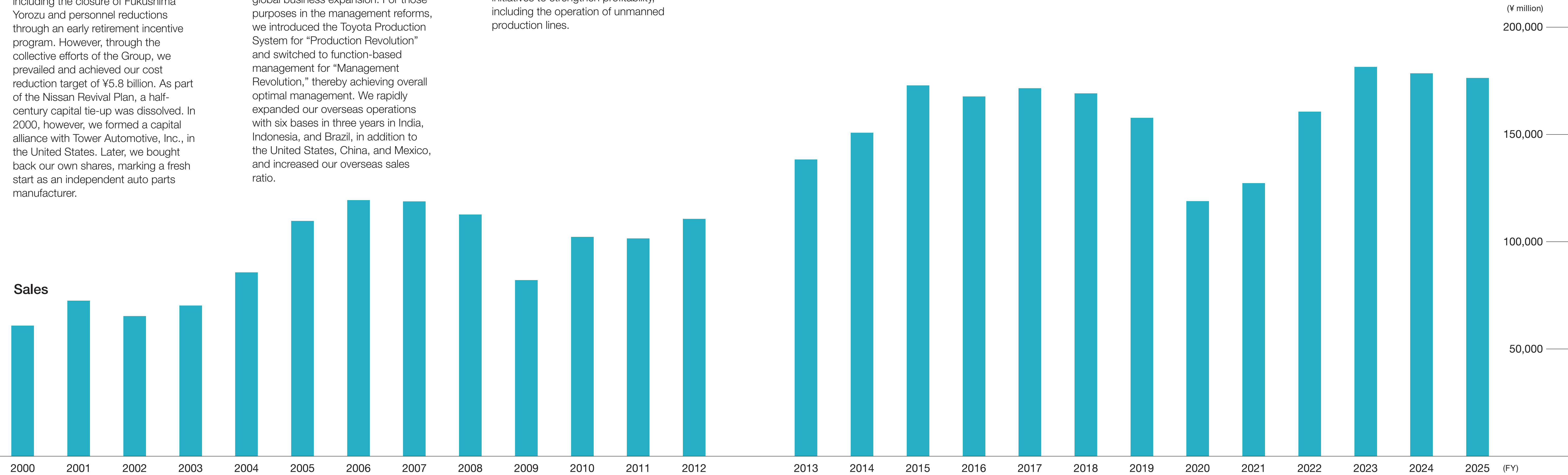
Significant changes in the business environment, including escalating U.S.-China trade tensions, a substantial decrease in production volumes among major customers, and the widespread impact of the COVID-19 pandemic, led to declines in consolidated sales and the operating income ratio. Despite this, we increased profitability by enhancing profit and cost management per project and reducing capital investment, enabling the establishment of a robust foundation.

2021–2023
Yorozu Sustainability Plan 2023

We were able to establish a growth strategy and set the course for our strong presence in the age of electrification by focusing on ESG management, notably, carbon neutrality initiatives for climate change mitigation, development of new technologies and methods for EVs, and global sales expansion efforts through the introduction of such products. At the same time, at our domestic production bases, we launched various initiatives for the future, including the commencement of operations at YSMC Gifu Factory (now YSMC), marking the first new base in half a century.

2024–2026
Yorozu Sustainability Plan 2026

We aim to fulfill our responsibilities as a member of society, become a key supporter of the electrification era through proactive measures aimed at growth, and strive to be the “first-choice company” for all stakeholders. To achieve this, we plan to strengthen our business foundation and improve economic value by merging profitability enhancement with sustainable growth through the creation of new technologies and methods. In addition, we aim to enhance our management foundation and increase societal value through the steady promotion of ESG management. By maximizing these two values, we aspire to enhance our corporate value.



Materiality (Material Issues)

Yorozu has identified material issues (materiality) that must be addressed through its business activities. As we seek solutions to such issues, we will continue to provide value to society in a sustainable manner.

To promote sustainability initiatives across the entire Group, we are proactively engaging in ESG management and establishing key themes related to environmental (E), social (S), and governance (G) factors.
For details on the process and rationale used to identify our material issues, please refer to the information below.

https://www.yorozu-corp.co.jp/share/uploads/2020/01/Integrated-Reporting2025En.pdf#page=10

Materiality and Risks/Opportunities

Materiality	Disclosure in the integrated report	Risks related to materiality	Opportunities related to materiality	Initiatives (example)	KPIs (example)	FY2025 actual	Target
Stable profits (operating income ratio, ROE) YSP2026: Achieving profit goals, improving capital efficiency	**Pages 20-23** Message from the CFO	• Rising raw material costs • Impact from customer sales trends • Manufacturer responsibility • International situation • Exchange rate fluctuations	• Increased customers and enhanced competitiveness through stable quality and price • Corporate structure resilient to fluctuations in customers' production volume	<Rise in profits> <Sustainable growth> • Adjust manufacturing costs, reduce costs, negotiate prices with business partners, consider multiple sourcing • Increase profits and sales, reduce fixed costs, rationalize operations, reduce costs, pursue external sales of production equipment • Enhance investment profitability assessment and project revenue management • Reduce capital investment further through the adoption of new technologies and methods <YSP2026> • Achieve annual rationalization goals • Enhance cash flow • Streamline the balance sheet	Sales	¥176.3 billion	¥210 billion (at the time of YSP2026 formulation)
					Operating income ratio	2.3%	4.5% (at the time of YSP2026 formulation)
					ROE	3.9%	8.0% (at the time of YSP2026 formulation)
					Dividend per share	¥33	The dividend per share is set at a minimum of ¥31, with a payout ratio of 35% or more.
New technologies and methods YSP2026: Creation of new technologies and methods, and sales expansion	**Pages 16-19** Medium-Term Business Plan **Pages 30-33** R&D Strategy	• Delay in product development using advanced technology and materials • Decreased competitiveness due to a delay in differentiation from competitors	• Expanded revenue opportunities through product differentiation • Increased customers and enhanced competitiveness through stable quality and price	• Develop products that contribute to the reduction of CO2 emissions • Develop lightweight technology through ultra-high-tensile steel (980 MPa) products • Develop products with added value for EVs • Address the sound and vibration performance required for EVs <YSP2026> • Develop new technologies that contribute to decarbonization and create new value through collaboration • Expand sales to a diverse range of customers • Achieve profit plan targets at the time of new model launches • Enhance dies and production equipment development	Weight reduction	35% reduction (Brake pedal with a resin bracket)	Approximately 30% reduction with flagship product parts (at the time of generational transition)
					Number of patent applications	3	6
					Number of awards received from customers	5 awards	13 awards
					Increase share of sales to Toyota Group	13.7%	FY2026: 15%
Reduction of CO2 emissions (carbon neutrality) YSP2026: E: *Monozukuri* with our weapon—environmental performance	**Pages 36-39** Environmental Initiatives **Pages 30-33** R&D Strategy	• Deterioration of corporate image and trust due to delayed response to environmentally friendly products • Increasing environmental investment costs • Climate change	• Increased revenue opportunities through products compatible with carbon neutrality (such as lightweight products) • Enhancement of corporate value	• Develop products that contribute to the reduction of CO2 emissions • Undertake efforts to reduce CO2 emissions in the production process (e.g., energy-saving activities, sourcing renewable/zero-carbon electricity) <YSP2026> • Continue efforts for decarbonization in production • Establish a smart factory	2030: CO2 emission reduction by 60% (compared with FY2013 levels) 2040: Challenge to achieve carbon neutrality	Reduced by 34%	Carbon neutrality by 2040
					Continuing ISO certification	Certification continued	Certification continuation
					Zero environmental accidents	Zero environmental accidents	Zero environmental accidents
Creation of a healthy, motivating workplace YSP2026: Enhance engagement	**Pages 24-29** Human Capital Strategy	• Insufficient management of employee safety and health • Decreased productivity • Loss of opportunity to secure excellent talent and high turnover rate	• Higher productivity • Retention • Innovation, corporate value creation • Securing excellent talent	• Create a vibrant workplace for all • Promote industrial safety and health <YSP2026> • Promote health and productivity management • Implement DE&I	Ratio of women in management positions (non-consolidated)	14.7%	22.7% in FY2030
					Ratio of diversity in management positions (non-consolidated)	30.7%	30.0% in FY2030
					Employment rate of people with disabilities (domestic consolidated)	2.6%	2.7% by FY2026
					Employee engagement survey score (domestic consolidated)	57.3 pt	60.0 points by FY2026
					Employee turnover rate (non-consolidated)	5.1%	4.2% by FY2026
					Ratio of paid leave taken (non-consolidated)	82.5%	Ensure that the annual paid leave acquisition rate for general employees remains above 80% each year.
					Percentage of eligible male employees taking parental leave (non-consolidated)	100%	60% or more by FY2026
					Remote work rate (non-consolidated)	23.1%	50%
					Rate of participation in training (domestic consolidated)	93.7%	100% every year
					Number of industrial accidents (domestic consolidated)	0 cases	0 cases every year
Practice of highly transparent governance YSP2026: Enhance governance	**Pages 40-57** Corporate Governance	• Downturn in business activities due to compliance violations • Erosion of social trust • Decline in corporate value	• Establishment of a stable management foundation through improved transparency in decision-making • Gaining the trust of stakeholders	• Strengthen the corporate governance framework • Conduct fair business activities and ensure fair pricing practices • Maximize the efficiency of the Human Rights Due Diligence Committee • Enhance the activities of the Risk Compliance Committee • Engage in shareholder relations (SR) <YSP2026> • Strengthen governance and compliance • Comply with appropriate business practices	Attendance rate at Board of Directors meetings	100% (all members)	100% (all members)
					Attendance rate at Audit & Supervisory Committee meetings	100% (all members)	100% (all members)
					Analysis and assessment of the effectiveness of the Board of Directors through surveys	Implemented (evaluated by an independent third party)	Implemented annually
					Activities of the Human Rights Due Diligence Committee (informing and supporting suppliers)	100%	100% compared with the previous fiscal year
					Number of whistleblowing reports/disputes (domestic consolidated)	49 cases	—
					Types and number of disciplinary actions (domestic consolidated)	0 cases	0 cases
					Interviews with shareholders and other stakeholders	8	—

Strategy and Performance

Overview of the Medium-Term Business Plan

As for the business environment surrounding the Group, the outlook for the global economy remains uncertain due to factors such as shifts in monetary policy in various countries and concerns about geopolitical risks.

Meanwhile, the automotive industry as a whole is experiencing a gradual recovery in production, while facing major transformations and structural changes such as the rapid growth of emerging EV manufacturers. In response to climate change, automakers are also accelerating efforts to develop vehicles aimed at achieving carbon neutrality, steadily introducing EVs into the market.

Against this backdrop, Yorozu formulated its medium-term business plan, which covers the period from fiscal 2024 to fiscal 2026, with the aim of increasing corporate value.

Overview of YSP2026

To achieve the goals of YSP2026, we established the following management policy: "To fulfill our responsibilities as a member of society, become a key supporter of the electrification era through proactive measures aimed at growth, and strive to be the 'first-choice company' for all stakeholders." To realize this vision, we believe it is essential to enhance corporate value by maximizing both economic value and social value.

In fiscal 2025, the second year of YSP2026, we supplemented the plan to address internal issues that had become apparent and major changes expected to affect our business environment. At the same time, we implemented a range of initiatives to build a corporate structure resilient to the immediate changes in our operating environment.

As the final year of YSP2026, fiscal 2026 will be dedicated to bringing our initiatives to fruition through unwavering commitment and determination. We will establish an exit strategy to translate the results of our efforts into tangible products and services, while laying the groundwork and building momentum for the next medium-term business plan.

Performance Targets	Sales ¥210 billion	Operating Income Ratio 4.5%	ROE 8.0%
Management Policy	**To become the "first-choice company"** for all stakeholders that supports the electrification era by fulfilling the duties and responsibilities as a member of society and taking an aggressive approach toward growth		

Basic Policy

Economic value

Enhance corporate value
Maximize the two values

Social value

Strengthening of Our Business Foundation

Profitability and growth

(1) Creation of new technologies and methods, and sales expansion
- Development of new technologies that contribute to decarbonization and creation of new value through collaboration
- Expansion of sales to a diverse range of customers

(2) Achievement of profit targets
- Achievement of profits planned at new model launch timing
- Achievement of fiscal year rationalization targets
- Strengthening of dies/production facilities development

(3) Improvement of capital efficiency
- Enhancement of cash flow
- Slimmed-down balance sheet

Strengthening of Our Management Foundation

Promotion of ESG management

(4) E: Enhancement of environmental performance
- Continuous efforts for decarbonization in production
- Establishment of a smart factory

(5) S: Improvement of engagement
- Promotion of health and productivity management
- Implementation of DE&I

(6) G: Enhancement of governance
- Strengthening of governance and compliance
- Compliance with appropriate business practices

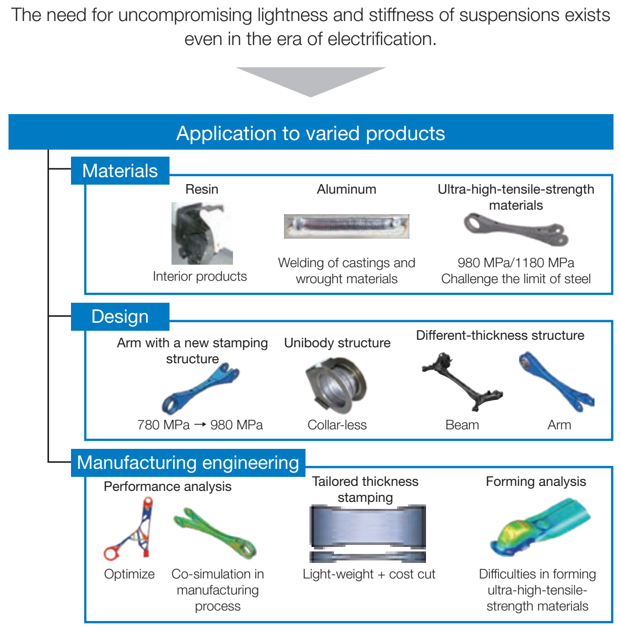
Strengthening of Our Operational Foundation

Creation of new technologies and methods, and sales expansion

• Undertake the challenge of refining our lightweighting technology and expanding the range of our products

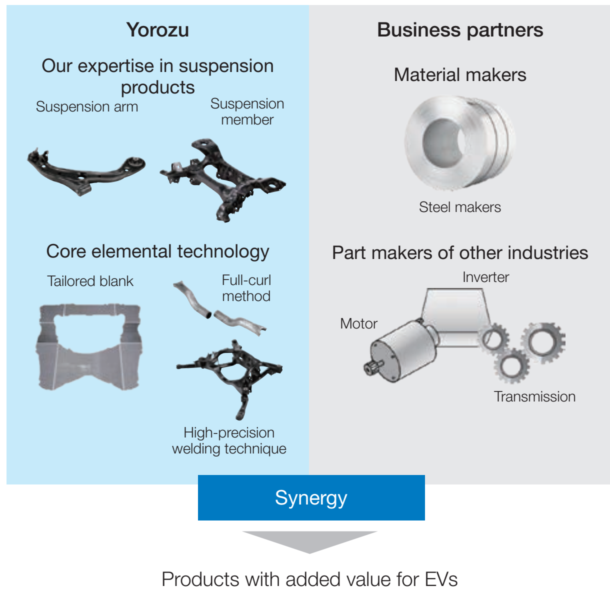
Suspension components are required to achieve both extensive weight reduction, which contributes to lower CO_2 emissions, and high rigidity, which enhances driving stability. To create new technologies and manufacturing methods, Yorozu takes an integrated approach that combines materials, design, and manufacturing engineering, while driving value creation and sales expansion.

In fiscal 2025, we unveiled "GENNIKUN," our proprietary new press-forming technology that achieves both weight reduction and cost savings, at the Japan Mobility Show. This innovative technology enables the production of steel sheets with varying thicknesses, similar to those used in the Tailored Blanking Method, using only press-forming processes. A key feature of this technology is its high productivity, as the entire manufacturing process can be completed with a single press machine. We are currently working to expand its application across a wide range of products as a practical outlet for this technology.



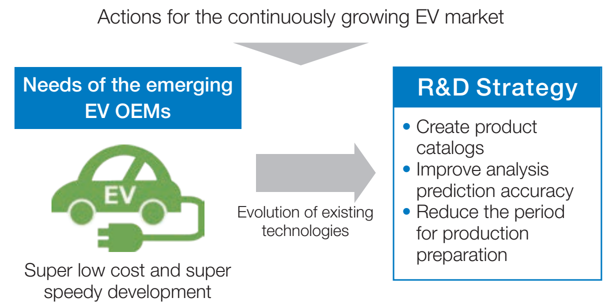
• Increase a product's added value through collaboration

We are pursuing joint development projects with manufacturers from other industries with the aim of contributing to the realization of a decarbonized society. As a result of these efforts, we have already commenced mass production of products utilizing ultra-high-tensile-strength materials. Going forward, we will further enhance the added value of our products and accelerate our initiatives toward realizing a decarbonized society with an even greater sense of urgency.



• Developing innovative products for emerging EV manufacturers

To respond to automakers' increasing demand for shorter development lead times, Yorozu is advancing technology development based on three key strategies. The first is the creation of product catalogs, which significantly improves efficiency during the initial stages of specification studies. The second is the enhancement of analysis and prediction accuracy, which minimizes rework in prototyping and evaluation processes while improving both development speed and precision. The third is the establishment of systems and organizational frameworks aimed at reducing production preparation lead times, thereby shortening the lead time to mass production.



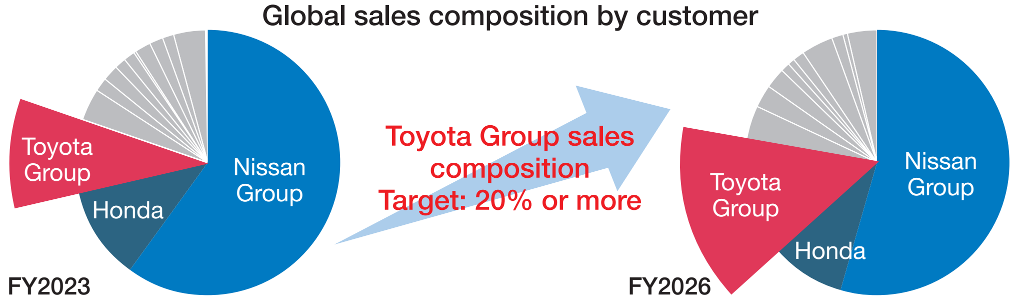
Expansion of sales to a diverse range of customers

• Expansion of sales to the Toyota Group

Recognizing the Company's comprehensive strengths, including its commitment to carbon neutrality, implementation of the Total Production System, and ongoing efforts to advance lightweighting technologies and manufacturing methods, Toyota Group sales have steadily increased as a percentage of our total revenue. Going forward, we have raised our target sales share with the Toyota Group from 15% to 20% and will further accelerate our sales expansion activities.

At the Yorozu Sustainable Manufacturing Center (YSMC), which commenced operations in January 2024, sales to Toyota Motor Corporation have been increasing steadily, contributing significantly to the growth of our business share with the Toyota Group. Furthermore, these initiatives in Japan have also earned strong recognition overseas, leading to increased orders on a global basis.

Global sales composition by customer

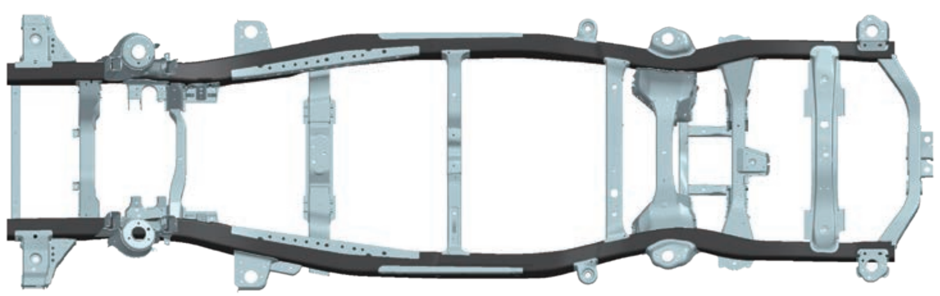


• Becoming our customers' first choice

Leveraging our strengths in proactive CO2 reduction initiatives and vehicle lightweighting technologies to support carbon neutrality, we are actively pursuing sales expansion efforts to become the first-choice company for our customers. In recognition of these initiatives toward carbon neutrality, we received awards from Honda and Mazda. Moreover, for frame components jointly developed with Nissan Motor for the all-new Patrol, we successfully adopted 980 MPa-class ultra-high-tensile-strength steel and were honored with the Global Innovation Award in recognition of our contribution to decarbonization through vehicle lightweighting.

Furthermore, our components have been adopted for a wide range of electric vehicles, including the bZ4X, bZ4X Touring, N-ONE:e, SOLTERRA, TRAILSEEKER, and LEAF, where even greater weight reduction is required than in gasoline-powered vehicles. Going forward, we will continue these initiatives while expanding the adoption of new technologies and manufacturing methods to maintain and enhance our competitiveness and drive further sales growth. In addition, we will closely monitor customer needs and changes in market trends beyond the automotive sector and explore opportunities to enter new fields by leveraging our proprietary technologies.

Lightweight, high-performance ladder frame for the all-new Nissan Patrol ■:Yorozu product



Achieved 1.4 times greater torsional rigidity and a 30-kg weight reduction

All-new Patrol
Ladder frame components
Nissan Global Innovation Award

Our contributions to the development of the lightweight, high-performance ladder frame for the all-new Nissan Patrol were highly recognized, including the adoption of 980 MPa ultra-high-tensile-strength steel and the rapid development of forming technologies for difficult-to-form components.

Achievement of profit targets

• Building a structure and system focused on achieving profit plans

To achieve our profit targets, it is essential to maximize product profitability from the very start of new model launches. To this end, we will strengthen and promote CAPDo activities carried out jointly by five departments—M&S, Design, Manufacturing Engineering, Production site, and Project Management—aimed at seamless and continuous improvement from current models to new models.

Enhance the CAPDo (C→A→P→Do) cycle through the collective efforts of five departments

M&S/Design/Manufacturing Engineering/Production site/Project Management

Mass production
- Make use of the cost consolidation system for lifetime management of project revenue
- Grasp market trends and customer needs
- Identify the issues in mass production projects

Production preparation
- Ensure that the QCD plan is implemented

Advance development
- Stay ahead of customers' needs and work on new technologies, new methods, and lightweighting
- Consider reflecting added value to the selling price

Product development
- Be cost conscious and make optimal investments in a project's upstream stage
- Ensure that feedback from mass production projects is incorporated

Enhancing the development of dies and equipment

As key initiatives, we are advancing efforts to shorten die preparation lead times and develop efficient production systems for low-volume parts.

To shorten die preparation lead times, we are improving each stage of the process, from simulation, design, NC programming, machining, finishing, and built-in quality, from the perspectives of eliminating waste, improving work processes, and achieving right-first-time quality. This initiative aims to reduce lead times by 50% compared with fiscal 2024 levels. In fiscal 2025, we established a clear path to an approximately 25% reduction through measures such as eliminating inter-process idle time. In fiscal 2026, we will further shorten lead times by incorporating initiatives, such as improved welding distortion prediction accuracy, into as many new projects as possible and verifying the effectiveness of these measures as they are implemented.

In developing efficient production systems for low-volume parts, we recognize space constraints at each manufacturing site as a key challenge. To address this issue, we are consolidating underutilized equipment and creating space for new projects. This production system consists of highly versatile infrastructure equipment and model-specific welding positioning jigs, with the objective of significantly improving space efficiency. In fiscal 2026, we will rapidly advance these consolidation efforts first at our domestic production plants.

Reduce the lead time for die preparation by 40%

- Largely improved initial quality
- Strengthened die production control
- Maximized die module structure
- In-house control of welding distortion

Lead time—from designing to shipping

***Jidoka* concept for next-generation assembly lines**

- Clarification of issues and the direction to take
- Higher versatility and reusability (for next-generation models and beyond)

New model investment
Space required
Manufacturing costs
Reduced by 30%

Message from the CFO

Progress of YSP2026 and Long-Term Enhancement of Corporate Value

Compared to when we formulated Yorozu Sustainability Plan 2026 (YSP2026), our current medium-term business plan, the operating environment has become more uncertain than anticipated, reflecting such factors as the global expansion of Chinese manufacturers, changing trends among Japanese manufacturers in China, the slowing adoption of battery electric vehicles (BEVs), and continued increases in raw material and energy costs associated with electrification. Against this backdrop, we recognize the growing importance of building a robust business structure that is resilient to fluctuations in production volumes while enhancing profitability with a focus on capital efficiency.

In terms of profitability, we steadily worked to control fixed costs, took rationalization measures under our Success 25V initiative, and reviewed the operations of our production sites, resulting in progress in strengthening our earnings structure. As for customers and regions, we are taking steps to create a more stable business portfolio by expanding sales while reducing our dependence on specific customers.

Enhancing corporate value, including achieving ROE of 8%, requires a medium- to long-term perspective rather than a short-term approach. Our first priority is to make steady progress in improving profitability and capital efficiency during the YSP2026 period. Thereafter, we will continue to pursue management with an awareness of the cost of capital, while steadily improving indicators, such as ROIC and ROE, in fiscal 2026 and building a business structure capable of consistently generating returns that exceed our cost of capital.

The CFO's Role: Translating Improvement Initiatives into Financial Results

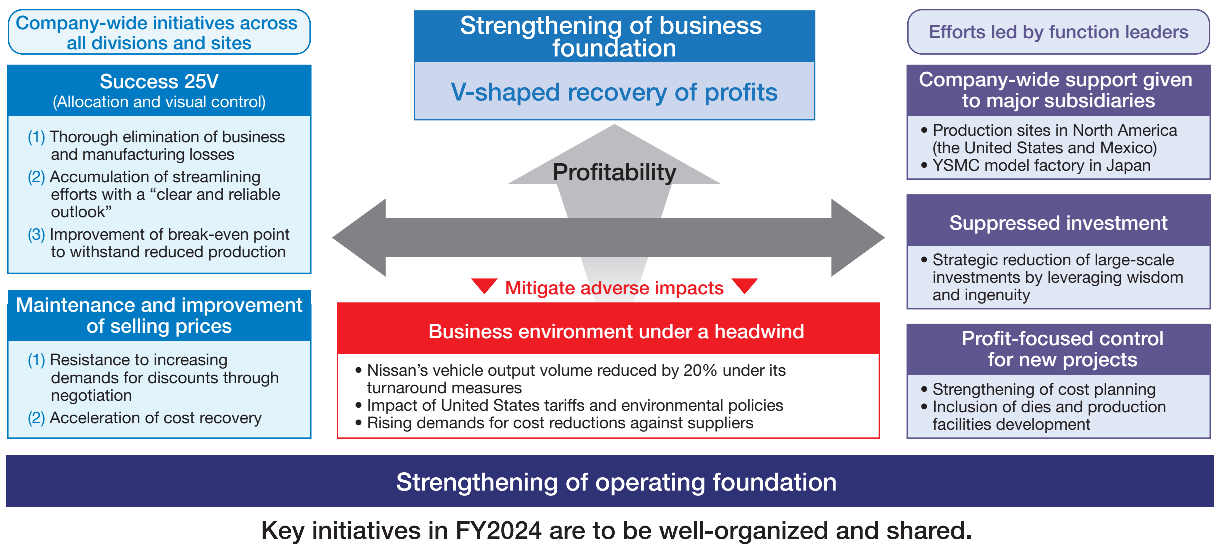
Fiscal 2025 was a challenging year for the Group, marked by unprecedented shifts in the international landscape and persistent uncertainty about the future outlook. Nevertheless, we achieved a significant year-on-year improvement in operating income by simultaneously strengthening our capabilities on the front lines, driving technological innovation, and optimizing capital allocation, thereby enhancing both growth and capital efficiency.

Net sales for the year totaled ¥176,330 million, down 1.2% year on year. Although the weaker yen had a positive

Success 25V initiatives in fiscal 2025

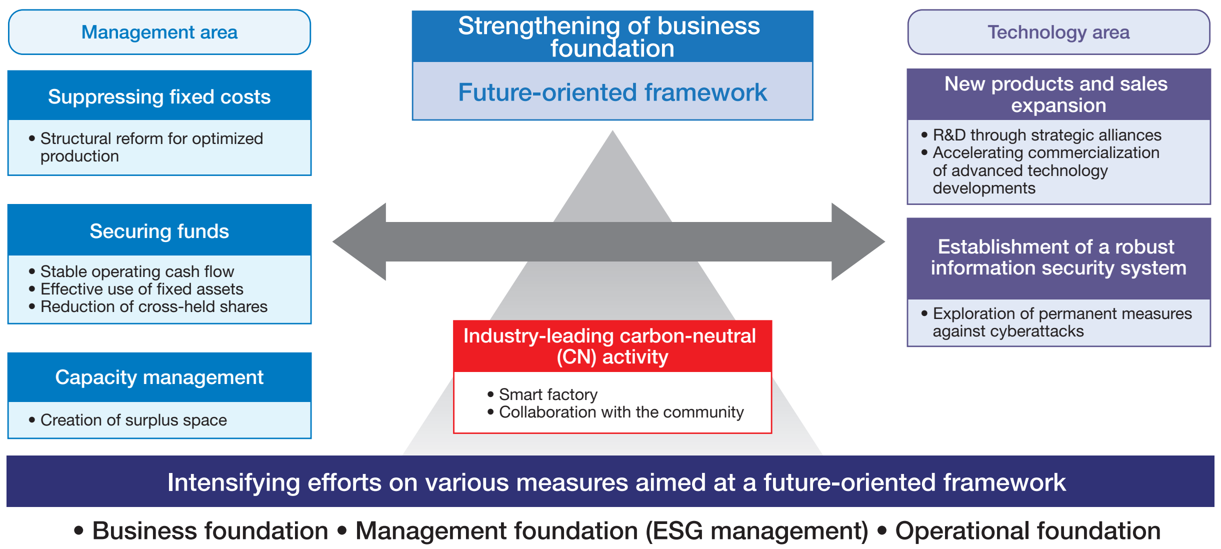
V-shaped recovery in earnings

Amid a challenging business environment, all departments and sites worked together to advance rationalization activities under Success 25V, aimed at achieving a V-shaped recovery in earnings. We sought to lower the break-even point to make our earnings more resilient to declines in production volumes, while maintaining and improving selling prices to ensure that the benefits of these rationalization activities translated into improved earnings. We also provided company-wide support to major sites facing earnings challenges, curbed large-scale investments, and strengthened profitability management for new projects. In addition, we reviewed the results and lessons learned from our fiscal 2024 initiatives and reinforced our operational foundation to roll them out across the Group.



Future-oriented framework

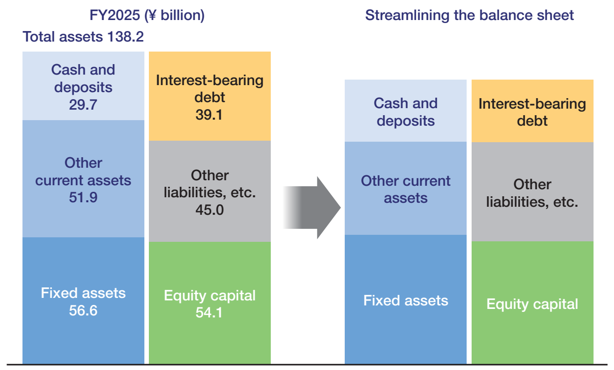
In addition to implementing initiatives divided into two areas—management and technology—we will further strengthen initiatives for the business, management, and operational foundations, with a view to the future-oriented framework, ensuring stable profits and sustainable business growth.



translation effect on sales, this was outweighed by various factors, including lower vehicle production by major customers in Japan, the Americas, and Asia amid the shift from EVs to hybrid vehicles and other factors. Operating income, meanwhile, increased approximately 13-fold year on year, to ¥3,980 million, reflecting the group-wide implementation of Success 25V rationalization activities—which had stalled in fiscal 2024 in part due to a cyber-attack—as well as improvements in quality. This was despite the impact of lower sales and costs incurred in preparation for full-scale production at Yorozu Sustainable Manufacturing Center (YSMC), which began operations in fiscal 2024. Ordinary income improved by ¥5,854 million year on year, reaching ¥3,776 million, mainly due to the improvement in operating income. As a result, profit attributable to owners of parent amounted to ¥2,075 million, compared with a loss attributable to owners of parent of ¥13,448 million in fiscal 2024.

The Group's kaizen activities and the introduction of new manufacturing methods are important initiatives that, in addition to enhancing operational efficiency, directly help increase corporate value by strengthening profitability and improving capital efficiency. For example, we are continuously working to improve productivity, reduce costs, and stabilize quality through Success 26V initiatives aimed at achieving our fiscal 2026 rationalization target, together with the Global Kaizen BanK (GKBK) system (p. 23), which facilitates the sharing and deployment of improvement initiatives across the Group, and *gemba* kaizen (on-site improvement) activities (p. 23). In addition, we are progressively applying technologies developed under YSP2026 to mass-production vehicles, while developing efficient production systems for non-mass-production parts and freeing up space for the rollout of new projects. In doing so, we are building a solid track record while strengthening our earnings base.

We are also rigorously allocating capital with a focus on optimizing total assets, including capital expenditures, inventories, and working capital. This is helping us improve asset efficiency, generate returns that exceed the cost of capital, and strengthen our ability to respond to rising interest rates. By steadily advancing these initiatives, we aim to enhance corporate value through our financial strategy. Going forward, we will continue strengthening our frontline capabilities and drive technological innovation while simultaneously optimizing capital allocation, with the aims of enhancing profitability and increasing our corporate value.



Allocating Capital to Enhance Corporate Value through Stronger Cash Generation

To sustainably enhance corporate value, the Group has identified strengthening cash generation and optimizing capital allocation as key management priorities.

For operating cash flow, in addition to strengthening our earnings base through rationalization, we are reducing working capital to enhance our ability to generate stable cash flows from business operations. At the same time, we will improve asset efficiency and strengthen cash generation by selling cross-shareholdings and under-utilized assets, among other measures.

We will appropriately allocate the cash thus generated to investments in both our growth and business foundation. In addition to growth investments in such areas as new production facilities, R&D, new businesses, and strategic initiatives, for example, we will allocate cash to strengthen the foundations that support sustainable growth, including equipment upgrades, ESG-related investments, IT and business infrastructure, and human capital.

We will also provide shareholder returns with a focus on capital efficiency, including through flexible share buybacks. From the perspective of medium- to long-term financial soundness, our policy is to maintain a D/E ratio of around 0.5x–0.6x and keep interest-bearing debt at approximately 3x EBITDA. In addition, we aim to maintain cash and deposits at a more efficient level, balancing stable business operations with a flexible capital policy.

Shareholder Returns

Our basic policy on shareholder returns is to distribute profits primarily through dividends, while striving to enhance returns by considering the optimal balance between capital soundness and investments for growth. With a target dividend payout ratio of 35% or more and a minimum dividend of ¥31.00 per share, we will continue aiming for stable and sustainable dividends, taking into account our business performance and dividend levels when making decisions. In fiscal 2025, we paid an annual dividend of ¥33.00 per share. In addition, we are currently working toward a 10% reduction in cross-shareholdings by the end of fiscal 2026, based on their market value at March 31, 2024. Funds obtained from sales of cross-shareholdings will be used for share buybacks and shareholder returns.

By strengthening our financial foundation, we aim to enhance corporate value, achieve sustainable growth, and continue earning the trust of our investors.

● Achieving annual rationalization targets

Development of the Global Kaizen BanK (GKBK) system to revitalize and streamline kaizen activities

In fiscal 2024, a cyberattack led to the disruption of our rationalization activities, which presented a challenge.

To recover from this setback, we promoted Success 25V and developed the Global Kaizen BanK (GKBK) system as a mechanism for revitalizing kaizen activities across the Group.

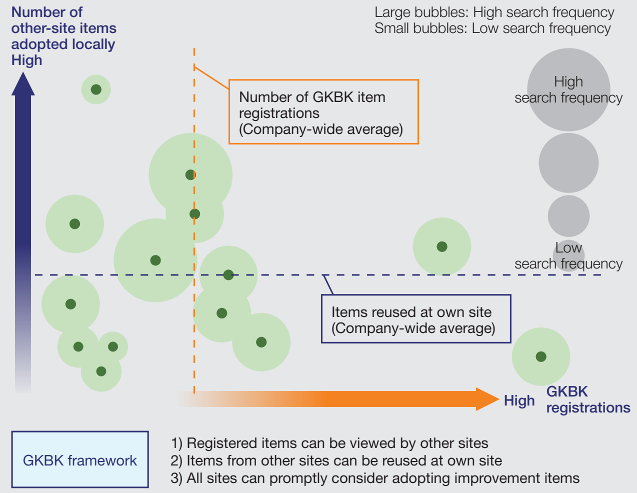
The GKBK system has three key features.

- All sites can view kaizen items registered at each site
- Sites can search for kaizen items from other sites and easily adopt them at their own site
- New kaizen items are shared with all sites immediately upon registration, allowing sites to continuously consider adopting them

The GKBK system has resulted in a substantial increase in the number of kaizen items registered across the Group compared to previous levels.

Going forward, we will continue improving and updating the system to further revitalize and streamline our kaizen activities.

GKBK usage / Number of items adopted from other sites / Monthly search frequency (bubble chart)



Driving *gemba* kaizen activities under the leadership of center directors in Japan

In fiscal 2025, our *gemba* kaizen activities focused primarily on three initiatives.

- We invited an external instructor to conduct several retreat-style training sessions for center directors in Japan. These sessions combined classroom learning on approaches and perspectives for improvement with hands-on guidance in *gemba* kaizen to put what they learned into practice.
- Center directors took what they had learned back to their respective sites, where they trained managers, assistant managers, and team leaders in each section on improvement approaches and promoted their practical application.
- Managers and assistant managers in each section took the lead, embedding improvement perspectives and approaches and driving kaizen activities at the workplace level.

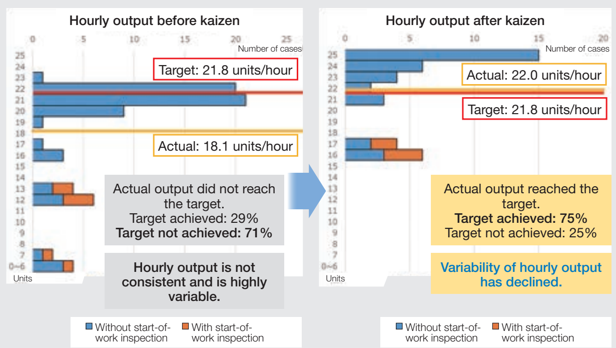
On the assembly line, we used a "Line Kaizen Control Chart" to reduce fluctuations in hourly output, resulting in higher overall output. By implementing similar *gemba* kaizen activities across all sites, we were able to deliver positive company-wide results.

Intensive training camps for center directors in Japan led by an external instructor (multiple sessions)


Classroom training


Gemba (on-site) training

Center directors → Training at own site → Kaizen activities at own site
<Line improvement: Hourly yield management>



Human Capital Strategy

Message from the HR Leadership

People Are the Key to Enhancing Our Social Value

Chikara Haruta
Director
Chief Executive Vice President (CEVP)
Chairman of Management Function Group

Hiromi Kurata
Vice President (VP)
General Manager
Human Resources Department

Amid uncertain and rapidly changing business conditions, the Group has worked to enhance corporate value by strengthening its business and management foundations, creating new technologies and manufacturing methods, improving capital efficiency, and advancing ESG management. It is undoubtedly our employees who are supporting these transformations on the front lines. Based on the belief that "people are important assets—the true capital of a company," we regard our people not simply as "human resources," but as valuable "human capital." Under the President's slogan "Our willpower and adventurous spirit drive the company," we have focused on developing people with the ability to think and act in ways that enable them to swiftly address change.

As the medium-term business plan, YSP2026, enters its final year, the two pillars we have pursued—"promotion of health and productivity management" and "implementation of DE&I"—are taking firm root throughout the organization, and we are seeing good progress. Visualizing job satisfaction through engagement surveys and revising the evaluation and compensation system, including monthly pay raises, have yielded tangible results in the form of improved employee motivation and retention. In addition, appointing non-Japanese employees and mid-career hires from diverse backgrounds to key positions, together with the growing number of women in management, is bringing fresh perspectives to the organization and helping overcome the risks associated with an overly homogeneous workforce.

To remain the company of choice for all stakeholders and maintain their trust well into the future, it is essential that we provide an environment where our diverse workforce can thrive and fully utilize their abilities. Driven by our commitment to "preserve what is good and create something new," we will further accelerate the virtuous cycle of recruitment, development, and empowerment as we work tirelessly to remain the company of choice for both employees and society today and always.

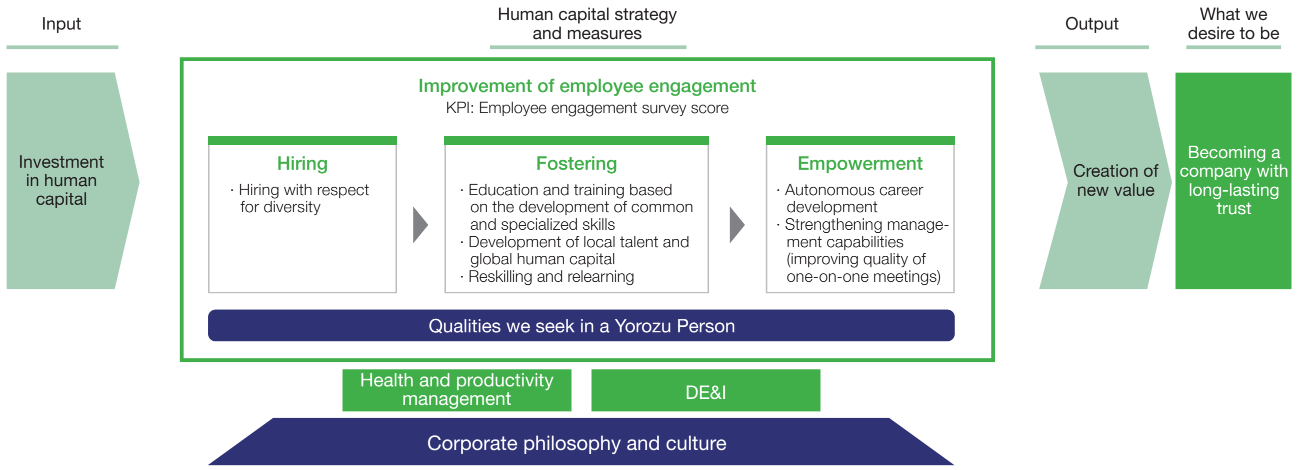
Promotion of Human Capital Strategy

Guided by its corporate philosophy, "Our primary mission is to contribute to society by continually striving to deliver technological innovation and create products that are beneficial to people," the Yorozu Group has built a strong foundation of trust with automakers through decades of dedication since its founding. Securing and developing the human capital that supports our business growth is therefore one of our most important management priorities. Under our medium-term business plan, YSP2026, we identified the enhancement of employee engagement as a key driver for strengthening our management foundation. Now in the final year of the plan, our initiatives centered on promoting health and productivity management and advancing DE&I have become firmly embedded throughout the organization in the processes of recruitment, development, and empowerment, with the goal of creating a workplace where employees can genuinely say, "I want to continue working here" and "I am glad to work for this company."

First, based on our belief that physical and mental well-being and a healthy work-life balance form the foundation of employee engagement, we have implemented a wide range of initiatives. As these initiatives have become firmly established, employees have been able to perform their work in their best possible condition, creating a positive cycle that has led to lower turnover and higher productivity through the accumulation and sharing of knowledge.

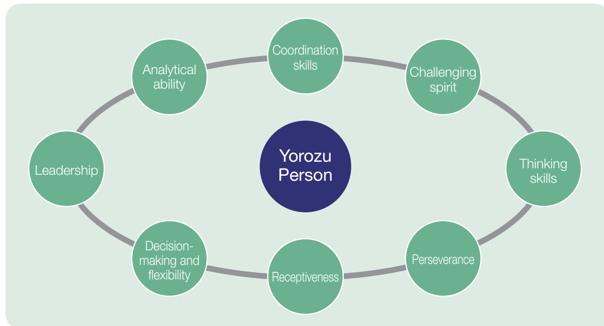
Furthermore, surviving and thriving in a rapidly changing business environment requires an organization capable of identifying and addressing a wide range of challenges with agility. Through our efforts to advance DE&I, we have fostered a culture in which employees with diverse backgrounds bring out the best in one another and collaborate with a high level of motivation. This not only helps mitigate business continuity risks associated with declining birthrates and aging populations but also strengthens our competitiveness and enhances our ability to attract talented individuals, giving us confidence in our ability to increase corporate value over the medium to long term.

The cornerstone of our human capital strategy is to develop talent capable of creating new value and to continuously foster an environment where employees can grow autonomously and thrive within the Yorozu Group. As values become more diverse and awareness of self-directed career development continues to grow, we will build upon the strong human capital foundation established through YSP2026 and advance it to the next stage of growth. By embracing change, we will continue to create new value.



Qualities we seek in a Yorozu Person

As a manufacturer of vital safety components for cars, the Yorozu Group has long focused on developing dependable and conscientious talent. However, in today's highly uncertain business environment, it is increasingly important to view situations from multiple perspectives and to respond flexibly by adapting and refining one's thinking according to changing circumstances. Therefore, in addition to our traditional human resource development philosophy of fostering individuals who can identify challenges on their own, continuously practice problem-solving and learning, and act with a high sense of ethics, we are also committed to developing talent with the awareness, agility, and sensitivity to recognize change and respond proactively. Specifically, we have defined eight core competencies that characterize a "Yorozu Person" and provide medium- to long-term development opportunities for individuals who demonstrate the potential to embody these qualities.



Hiring based on medium- to long-term enhancement of corporate value

In addition to regularly recruiting new graduates, we recognize the need to strengthen our organization by attracting talent with diverse experience and new knowledge to navigate an increasingly uncertain business environment and support new business development. We believe that promoting diversity, including diversity of gender and nationality, leads to the creation of new value and improved corporate performance. Accordingly, we have placed a strong emphasis on hiring non-Japanese employees. In addition to recruiting international students in Japan, we conduct direct recruitment activities in Thailand and Vietnam. As a result, 23 employees from countries including China, Sri Lanka, Malaysia, the United States, and Vietnam are currently working at our headquarters. Following their employment, we support the retention of non-Japanese talent not only through Japanese language lessons but also through regular one-on-one meetings.

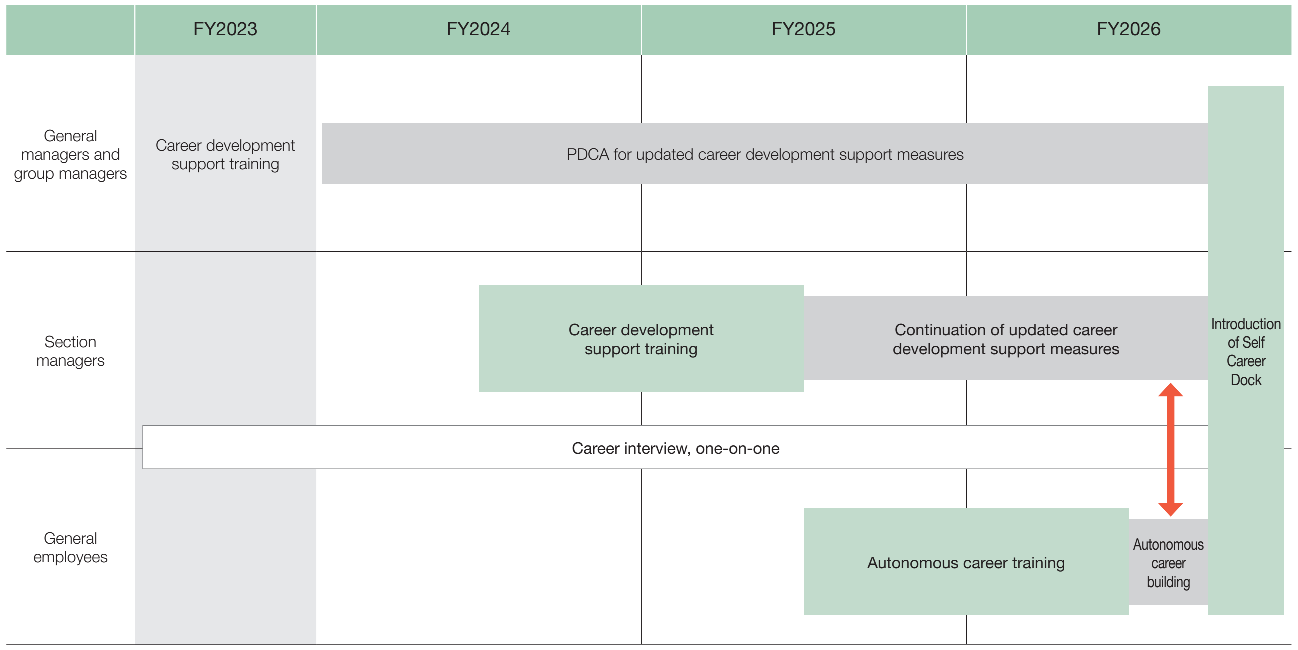
We are also actively promoting mid-career recruitment. As of March 2026, mid-career hires accounted for 39.7% of managerial positions. In terms of hiring systems, in fiscal 2023 we introduced a referral program—where employees recommend candidates from their own networks—and an alumni hiring program. In fiscal 2025, 10 hires were made through referrals.

Development of the Yorozu Person and employee self-realization

It is essential that each employee pursues autonomous growth and bottom-up initiatives, above all, with the support of the company and supervisors. To this end, in fiscal 2023 we provided training for general managers and group managers to develop the management skills necessary to support the career development of their own team members. In fiscal 2024 to 2025, we conducted training for section managers to enhance communication skills while experiencing firsthand the effectiveness of career support. In fiscal 2026, this program has been expanded to all employees, reinforcing the Group's organizational efforts to develop self-directed talent.

In addition, we aim to introduce the Self Career Dock system in fiscal 2026. This program combines career consulting by in-house career consultants with career training, enabling employees to reassess their careers, take ownership of their development, and proactively shape their career paths. At the same time, we seek to revitalize the organization by raising individual awareness of self-growth.

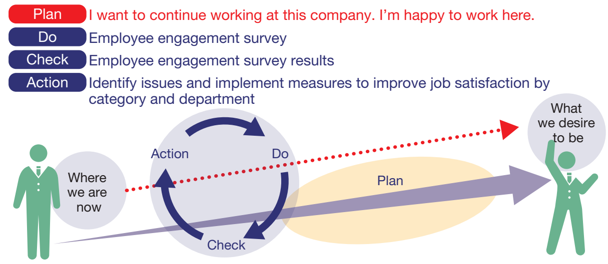
By emphasizing employee growth and engagement, we will continue to provide strong support to ensure a workplace where each person can work happily and vibrantly, contributing to the overall development of the organization.



Enhancing job satisfaction and creating new value

Sustainable growth requires diverse individuals to work together and create new value. To achieve this, each employee of the Yorozu Group must pursue autonomous growth, and we believe that a strong sense of employee engagement is a key driver of such self-directed growth.

To measure and improve employee engagement, we introduced an employee engagement survey and support tools in fiscal 2023. The survey results are analyzed by department, and specific issues and improvement measures are identified and implemented to enhance employee engagement. As a result of these efforts, the overall engagement score increased from 55.5 points in fiscal 2023 to 56.3 points in fiscal 2024 and 57.3 points in fiscal 2025, representing an improvement of 1.8 points over three years.



HR systems and enrichment in work and life

Enhancing employee engagement requires more than establishing attractive systems and programs. Equally important are opportunities to take on meaningful work and a willingness to embrace challenges proactively. To this end, we have set KPIs linked to the medium-term business plan for all managers and incorporated them into performance evaluations. This enables each employee to recognize the connection between the Company's management policies and their own work, thereby enhancing employee engagement and encouraging employees to maximize their potential.

Furthermore, in April 2024, we revised the performance evaluation and compensation systems for general employees to clarify career paths and strengthen the link between performance and rewards. In recent years, an increasing number of Japanese companies have revised their compensation structures by reducing or eliminating bonuses and reallocating those amounts to monthly salaries. In line with this trend, the Company has placed greater emphasis on increasing base salaries since fiscal 2025 to provide employees with more stable income and help them manage the impact of rising prices. These measures have contributed to raising salary levels for younger employees, including starting salaries, while also supporting talent acquisition and retention and improving employee engagement scores.

Vibrant workplace for all

Under our Corporate Vision and the President's policy, both of which are grounded in our Corporate Philosophy (Purpose), the Yorozu Group is committed to creating "a vibrant workplace."

In fiscal 2025, we launched the "Waku-Waku Project (Excitement and Vitality Creation Project)" to express our appreciation to employees while promoting communication and enhancing motivation. As part of this initiative, unique and enjoyable events were held at each site, including New Year celebrations featuring traditional mochi-pounding ceremonies, plant tours open to employees' family members, and social gatherings with mini-game tournaments, creating valuable opportunities for interaction and engagement among employees.

Participants shared positive feedback such as, "The games were a lot of fun," "My family enjoyed participating as well," and "The events helped improve communication among employees." These activities fostered a stronger sense of unity and vitality among employees.

Going forward, we will continue to foster a culture in which employees can take on new challenges with a positive mindset, leveraging the creativity and leadership demonstrated at each of our sites.


New Year mochi-pounding event (Yokohama Headquarters)

Year-end party (Brazil Site)

Promoting health and productivity management

Since its Health Management Declaration in October 2019, the Yorozu Group has been promoting initiatives aimed at creating a healthy and rewarding workplace. As a result, Yorozu has been certified for six consecutive years as an Excellent Enterprise for Health and Productivity Management (Large Enterprise Category), a recognition jointly administered by the Ministry of Economy, Trade and Industry (METI), the Ministry of Health, Labour and Welfare (MHLW), and the Nippon Kenko Kaigi. In addition, prior to the merger effective April 1, 2026, all six domestic subsidiaries were recognized as Bright 500 companies, an honor awarded to the top 500 organizations in the Small and Medium-Sized Enterprise Category. (Following the merger, all these companies other than Yorozu Service are included in the Large Enterprise Category certification.)

We continue to provide health support programs not only to help employees lead healthy lives today but also to enable them to maintain their health well into their senior years. In addition, to support employees in balancing work and medical treatment, we introduced the Group Long-Term Disability (GLTD) Program, an income protection system, in 2022. Going forward, we will continue implementing health promotion initiatives that encourage the participation of all employees and help enhance workplace communication. By fostering a work environment that is comfortable and supportive, we aim to create a vibrant workplace where employees can continue working with a strong sense of fulfillment throughout their careers.

Fostering a healthy and engaging workplace that empowers every member of the Yorozu Group

Work-style reform	Support for health promotion	Vibrant workplace for all
Improvement of work systems	Raising health awareness and promoting healthy behaviors	Enhancing communication
Sense of accomplishment	Lifestyle disease prevention	Measures for employees with high stress levels
Enrichment in life	Early detection and treatment of illness	Supportive work environment

Support for health promotion

We introduce new initiatives every year as part of our efforts to provide health support programs.

- **Walking events using health apps**

We host walking events using a health app, as friendly competitions among workplaces so that employees at domestic sites can participate in the event. Checking one another's individual rankings broadens communication within the workplace, and employees encourage each other to go walking on their days off, making the event one that everyone can enjoy. The results of the inter-workplace competition are also published in our in-house magazine together with photographs.

- **Measures to prevent occupational accidents among older employees (assessment of locomotive syndrome progression)**

To coincide with annual health checkups, we conduct locomotive syndrome* assessment events at domestic sites, allowing employees to participate during waiting time. By helping employees understand age-related changes in their physical condition and fitness levels, these assessments encourage efforts to maintain and improve physical function. We will continue conducting fitness assessments and tracking employees' year-to-year changes, thereby supporting their long-term health and well-being.

* Locomotive syndrome is a condition in which mobility functions—such as standing, walking, and sitting—have declined.


Locomotive syndrome assessment (stand-up test)

- **Women's health seminars**

We provide women's health seminars for all employees to enhance their understanding of age-related physical changes in women, as well as women's health issues that could require medical leave or other support. By deepening knowledge and awareness of women's health, we aim to foster a workplace culture in which employees can support one another when health-related challenges arise.

- **Collaboration with the Kanagawa Prefecture Iron and Steel Industry Health Insurance Association and others**

We hold regular meetings to exchange information and participate in smoking cessation programs organized by our health insurance association, as well as walking events sponsored by the National Federation of Health Insurance Societies. In addition, at a meeting hosted by the Kanagawa Iron and Steel Industry Health Insurance Association, we delivered a presentation on best practices in health and productivity management to help expand such initiatives among small and medium-sized enterprises.

Raising health awareness

One of our highest priorities is to raise health awareness and encourage healthy behaviors among each and every employee. Every month, health-related seminars are conducted by the Safety and Health Committees at each site, and upon request, these seminars are also distributed monthly to our suppliers. In addition, we hold short lunchtime seminars on topics such as relieving shoulder stiffness and resting tired eyes, providing practical tips that employees can easily incorporate into their daily routines to help alleviate common health concerns.

We believe that maintaining employee health leads to higher engagement, enabling each individual to deliver their best performance, which in turn drives corporate growth and contributes to society.

- **Self-care "Pocket Therapist" App**

At the initial stage, a therapist conducts a consultation based on the employee's reported symptoms. By repeating cycles of self-care and follow-up sessions, employees receive personalized support aimed at resolving concerns and recovering from discomfort. This program enables employees to seek advice from specialists rather than struggling alone. Early intervention to address mental and physical issues helps prevent serious illness. Maintaining good health in daily life fosters motivation to work, and supporting employees in achieving this allows everyone to fully demonstrate their abilities. Looking ahead, we are considering new initiatives that combine analyses of presenteeism surveys and stress check results.

- **Wellness App**

We have introduced a health app linked to vending machines installed at all our sites. While it might be difficult to make major lifestyle changes for the sake of health, small adjustments in daily routines can help employees build healthier habits.

We were featured on the website of the beverage company that provides the app as an example of a company utilizing their health app to promote health and productivity.

- **Expanding health and productivity management initiatives to business partners**

Going forward, we will expand our health and productivity management initiatives not only within the Yorozu Group but also to our business partners. By promoting these initiatives and striving to become a first-choice company for our business partners as well, we will continue working to create a workplace where employees are healthy and fulfilled in their work.

For more details on Yorozu's health and productivity management, please refer to the following document (Japanese).
https://www.yorozu-corp.co.jp/share/uploads/2026/07/CSR_260730.pdf

DE&I initiatives

To promote diversity, the Group has placed particular emphasis on advancing the active participation of women. As a result, in November 2021 we became the first company in the manufacturing industry and the first in Kanagawa Prefecture to receive Platinum Eruboshi certification. We have also been actively working to increase the percentage of male employees taking childcare leave, and in November 2025 we were granted Platinum Kurumin certification.

The DE&I Steering Committee, chaired by the President and established in March 2022, has set a target of achieving 30% diversity in management positions at headquarters by fiscal 2030. As of March 2026, the ratio stood at 30.7%, and in April 2024, we appointed a non-Japanese employee to a managerial position for the first time.

Since fiscal 2024, our domestic initiatives have focused on improvements in four areas: (i) the ratio of female managers; (ii) the percentage of eligible male employees taking childcare leave; (iii) the ratio of foreign-national managers; and (iv) the employment ratio of people with disabilities. In addition, we are working to develop local management personnel at overseas sites.

We will continue implementing initiatives to achieve further progress toward the goals of YSP2026.

Right: Platinum Eruboshi certification
Left: Platinum Kurumin certification

STEP 1	STEP 2	STEP 3
Position diversity as a management strategy	**Advance a diversified way of work**	**Establish a work environment where everyone can play an active role**
Message from the President	Employee engagement reform (telework, flextime, remote work)	Equity: · Improve engagement through career support
Establishment of the DE&I Steering Committee	Improvement of leave system (paid leave on an hourly basis, leave for fertility treatment)	Equity: · Retain employees through work environment improvements
		· Cultivate a culture through promotion of mutual understanding

R&D Strategy

Message from the Head of the Manufacturing Function Group

Turning Sustainable *Monozukuri* into an Opportunity to Enhance Competitiveness

Masashi Yamada

Executive Vice President (EVP)
Chairman of Manufacturing Function Group
Center Director of Global Technical Center

The mobility sector is undergoing significant structural changes driven by measures to combat global warming, accelerated electrification, and intensifying global competition. While manufacturing remains a critical industry that supports society, it also consumes substantial amounts of energy and resources, making our responsibilities greater than ever.

Realizing a sustainable future is not only a social imperative but also an opportunity to enhance corporate competitiveness. We are committed to developing lightweight, high-performance, and highly competitive products while continuously advancing our manufacturing processes.

Turning the challenge of lightweighting into a competitive advantage

Under the Yorozu Global Environmental Vision 2040, we are committed to achieving carbon neutrality by 2040. In research and development, we collaborate with material manufacturers and component suppliers from other industries to develop products that are lighter, stronger, and more competitive. In fiscal 2025, we commenced mass production of ultra-high-tensile-strength steel links developed through these collaborative efforts. In addition, by incorporating distortions and variations generated during the manufacturing process into structural analyses, we are able to produce highly accurate simulations that closely reflect actual production conditions. This has helped reduce both costs and man-hours by minimizing the need for repeated prototyping and testing. Going forward, we will continue leveraging the strengths we have cultivated as a suspension manufacturer to contribute to the realization of a decarbonized society through the creation of new structures and manufacturing methods, as well as the application of advanced analytical technologies.

Technological innovation and enhanced competitiveness are essential for building a sustainable business environment in the automotive parts manufacturing industry. To strengthen our competitiveness in global markets, we are improving efficiency throughout the entire process, from design to manufacturing, by utilizing product performance analysis and press-forming simulation technologies.

These initiatives have enabled us to support complex-shaped components and ultra-high-tensile-strength materials, significantly accelerating both product development and die manufacturing. Furthermore, by introducing automation technologies, we have improved productivity, while systems capable of rapidly evaluating welding quality and dimensional accuracy have enhanced the reliability of our quality assurance processes.

We will continue to evolve these innovations rather than treating them as a one-time fix, and through our ongoing commitment, we aim to support the next generation of mobility through superior manufacturing capabilities.

Equipment management and accurate capacity assessment supporting stable production

Stable equipment operation and the optimization of production capacity are also essential to supporting sustainable manufacturing. At Yorozu, we carry out planned maintenance and upgrades of major equipment, including presses, cranes, and painting facilities, based on established maintenance standards, while thoroughly managing these assets from a full-life-cycle perspective. Because such equipment requires significant investment and is designed for long-term use, we have adopted a preventive maintenance approach that integrates planning, budgeting, and implementation to strengthen the foundation for stable production.

To respond flexibly to market fluctuations and increasingly diverse customer demand, we quantitatively assess equipment capacity and production space by site, process, and product, and are advancing the development of optimal production allocation plans. We also provide support for implementation of medium- to long-term strategic initiatives, such as facility expansions and relocations, with a forward-looking perspective to ensure sustainable competitiveness.

Instilling the kaizen mindset and global dissemination

We regard the establishment and deployment of continuous improvement activities across all of our sites as a critical management priority for ensuring the stable and sustainable growth of our business over the long term. As declining birthrates and the increasing importance of a diverse workforce, including employees of foreign nationality, continue to reshape the labor landscape, we recognize that certain areas will continue to depend on people even as automation advances. With this in mind, we are committed to creating workplaces where everyone can work safely, comfortably, and with peace of mind.

To achieve this goal, we are building upon the Success 25V Rationalization and Kaizen Initiative launched last year, steadily accumulating shop-floor-driven improvements while enhancing the Global Kaizen BanK (GKBK), a platform that shares productivity improvement initiatives across all sites worldwide. By accelerating the sharing of improvement know-how, we aim to enhance safety, reduce workloads, improve productivity, stabilize quality, and create more employee-friendly workplaces at every site. We believe that the accumulation of continuous improvement and technological innovation serves as the driving force behind a resilient manufacturing foundation that can adapt to change.

Achieving uniform quality worldwide

Quality is our highest priority in ensuring that Yorozu continues to be the company of choice for all stakeholders. In recent years, increasingly stringent quality requirements, labor shortages, and the need to ensure consistent quality across global operations have become major challenges. As a result, the importance of building quality assurance systems that do not rely on individual skills or experience, but instead ensure quality through robust processes and mechanisms, has grown significantly.

To achieve "quality assurance that does not rely on individuals," we are promoting both technology development and on-site implementation. In particular, for welding quality, we have introduced measures such as verification of robot positions and programs, process monitoring through current and voltage waveform analysis, and automated inspections using cameras and laser technologies. These initiatives help prevent abnormalities before they occur and ensure consistent, stable quality.

Human capital development is also essential to maximizing the value of our technologies. We provide global training programs that combine on-the-job training (OJT) and off-the-job training (Off-JT) in proprietary technologies, management technologies, and QC Story methodologies, thereby strengthening quality assurance capabilities at each site. Through the combined power of technology and people, we strive to achieve globally consistent quality.

Turning sustainable *monozukuri* into an opportunity to enhance competitiveness

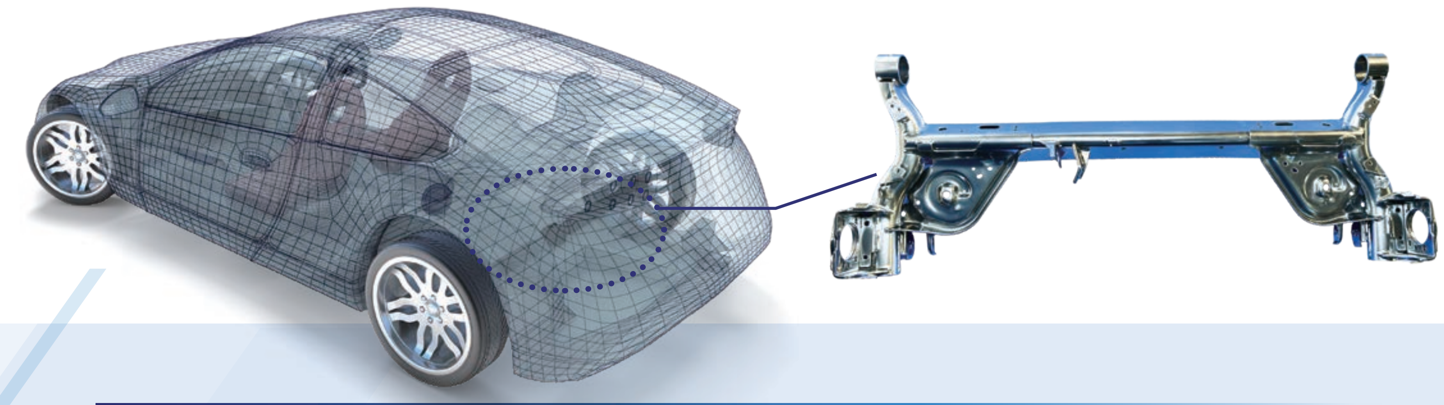
Sustainable manufacturing is not simply about reducing environmental impact. It means continuously advancing technology, building resilience to change, enhancing competitiveness, and establishing a trusted business foundation that will stand the test of time.

Going forward, we will continue to advance technological innovation, continuous improvement activities, quality assurance, and human capital development in an integrated manner. By transforming sustainable *monozukuri* into an opportunity to strengthen our competitiveness, we will continue to meet the expectations of all our stakeholders.

Special Feature

Yorozu Technology: "GENNIKUN" Tailored-Thickness Steel Forming

Achieving Both Weight and Cost Reductions



Key features of "GENNIKUN"

7% weight reduction	Fewer parts	Lower costs	Lower CO2 emissions	Higher strength

Produces tailored-thickness steel sheets comparable to our tailored blanks without welding. Weight reduction, fewer parts, and lower material input also contribute to longer EV driving range and lower CO2 emissions.

Innovative tailored-thickness steel forming —Next-generation stamping method that reduces weight and increases productivity

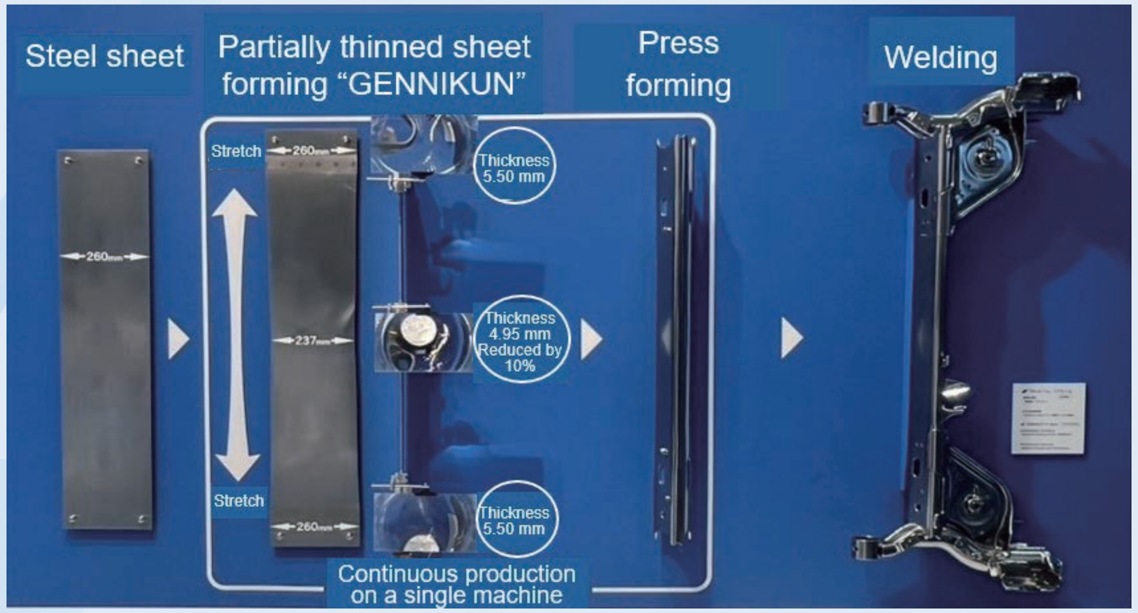
The Group has developed "GENNIKUN," a completely new press forming process, which it unveiled for the first time at the Japan Mobility Show 2025. "GENNIKUN" enables the production of tailored-thickness steel sheets comparable to those produced using our proprietary tailored blanking technology. The conventional tailored blanking process requires a dedicated welding process, making it necessary to take into account the impacts of rising welding costs, thermal distortion, and forming quality.

With "GENNIKUN," the steel sheet is first formed to thicknesses tailored to each area as it is stretched and then press formed, eliminating the need for welding, thus resolving the aforementioned issues. In addition, the entire process, through to specific shape forming, can be completed within our large transfer press, significantly improving productivity.

Compared to the conventional process, this technology enables a 7% weight reduction, helping to extend EV driving range while also reducing the number of parts, manufacturing costs, and material input, contributing to lower CO2 emissions and greater vehicle price competitiveness.

Resolving conventional issues

- Mitigates impacts of rising welding costs, thermal distortion, and forming quality
- Completes the forming process to achieve the required shape using a large transfer press



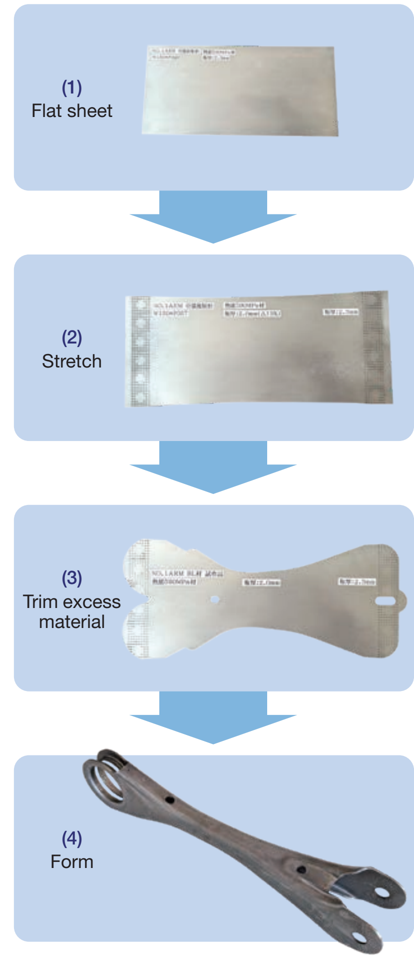
Accelerating technical validation for mass production

At the Japan Mobility Show 2025, we exhibited a prototype torsion beam made from 590 MPa-class high-tensile steel adopting "GENNIKUN" in the center section. The prototype achieves a 10% reduction in sheet thickness, a 7% reduction in weight, and a 9% reduction in material usage. It attracted considerable interest from visitors during the show and was well received.

With "GENNIKUN," we confirmed that work hardening occurs during the process of stretching the sheet material, resulting in increased strength even when the sheet thickness is reduced. We can leverage this work hardening to further reduce weight while maintaining the same level of strength as conventional products.

Because press forming is performed after the sheet is stretched, advance verification using press forming simulation technology is essential to prevent cracking in the work-hardened areas. Appropriate shape design is also required to ensure equivalent rigidity. The Group possesses the full range of technologies needed for commercialization and has already begun joint development with several automakers as it works toward mass production.

"GENNIKUN" manufacturing process



Customer feedback

- "A unique and interesting idea—surprising it hasn't been done before."
- "I thought there was little room left to improve steel products, but clearly there is."
- "'GENNIKUN' is a clever name that clearly conveys the idea and technology."
- "Using less material makes this an environmentally friendly technology."

Digital Transformation (DX) Strategy

Building on A2D (Analog to Digital), which promotes practical digitalization by individual employees, Yorozu is advancing both Vertical DX (V-DX) to deepen capabilities within each department and Horizontal DX (H-DX) to create value across departments. Through the fusion of frontline operational excellence and digital technologies, we aim to achieve the sustainable enhancement of corporate value.

Background and positioning of DX

As the automotive industry undergoes a once-in-a-century transformation, Yorozu regards DX as one of its most important management priorities in order to strengthen its standing as a global top runner in the suspension systems industry.

Our DX initiatives go far beyond the simple introduction of IT tools. They serve as a powerful accelerator for successfully executing our medium-term business plan, YSP2026, enabling us to enhance profitability while contributing to a sustainable society. In alignment with the Digital Governance Code formulated by the Ministry of Economy, Trade and Industry (METI), we aim to transform our business model itself through the effective use of data and digital technologies and secure a sustainable competitive advantage.

Promotion with strong management commitment

To drive company-wide transformation through DX, we established the DX Promotion Committee in September 2021. Chaired by the Representative Director and President, the committee is composed of executives responsible for each function group and regional department, ensuring strong leadership and group-wide commitment.

At the committee meetings, which are held once every two months, we determine DX strategies through a top-down approach while closely monitoring progress across departments and regions. By recognizing the importance of DX firsthand and thoroughly discussing resource allocation and risk management, senior management enables agile decision-making across the Group and promotes company-wide optimization that defies organizational boundaries.

Yorozu's unique DX promotion model: Three pillars

We have defined three activity pillars based on the degree of DX penetration and scope of application: A2D, V-DX, and H-DX. By linking these three pillars, we are driving digital transformation across the entire organization.

(1) A2D (Analog to Digital): Building a Culture that Serves as the Foundation for Transformation

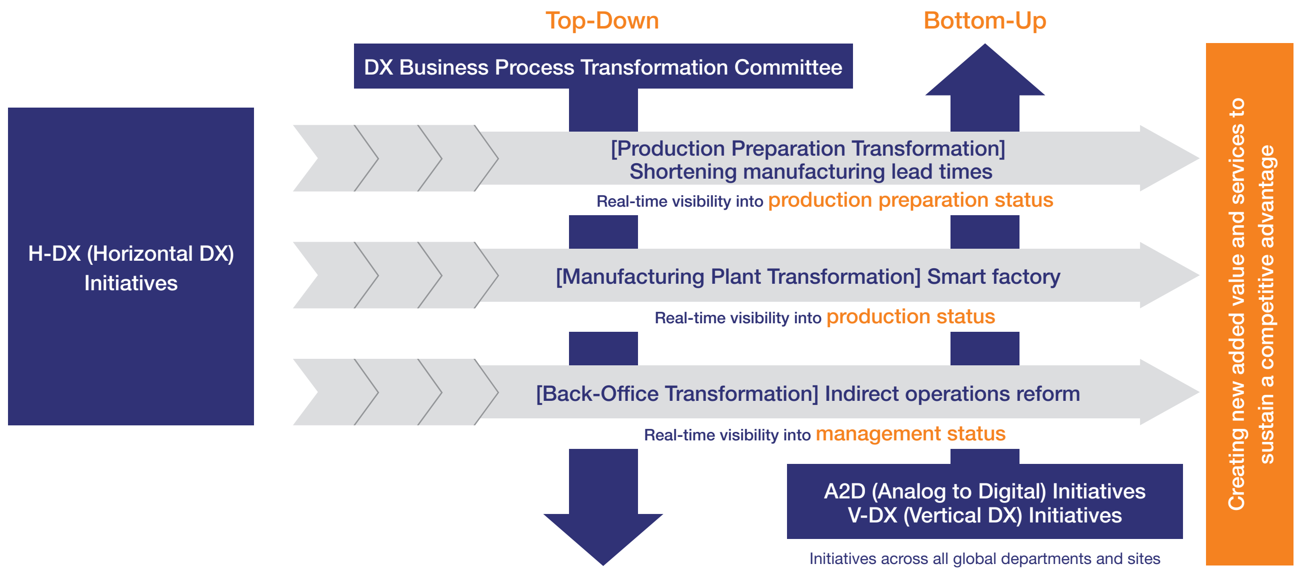
The starting point of all transformation lies in the digitalization of everyday work by individual employees. Through our A2D initiative, we are promoting the complete digitalization of handwritten forms and paper-based information that have traditionally existed on the shop floor. This enables real-time visualization of frontline data, enhances employees' digital literacy, and fosters a culture where kaizen awareness leads to digital innovation.

(2) V-DX (Vertical DX): Deepening Functional Expertise and Enhancing Productivity

We are deploying Vertical DX, an initiative aimed at enhancing and advancing business processes within each department. By introducing and leveraging specialized digital technologies in function groups such as design, development, manufacturing, and administration, we pursue greater operational efficiency and higher quality in existing processes. This initiative refines the unique strengths of each department through digital technologies and elevates them into a source of exceptional operational excellence on the shop floor.

(3) H-DX (Horizontal DX): Creating Value across Functions

Horizontal DX connects the data and knowledge accumulated through A2D and V-DX across organizational boundaries. By enabling seamless collaboration and information sharing across the organization, it creates new value through initiatives such as supply chain optimization and the reduction of lead times from development to mass production. Through these efforts, we are maximizing the value we provide to our customers while transforming ourselves into a flexible and resilient organization capable of adapting to change.



Message to our stakeholders

Yorozu's strength lies in the *monozukuri* expertise it has cultivated over the years and the shop-floor wisdom that supports it. Our DX initiatives are not intended to replace or diminish these analog strengths. Rather, they represent a challenge to amplify their value through the power of digital technologies.

Building on the digital kaizen mindset cultivated through A2D, we will elevate our efforts into group-wide initiatives through the complementary vertical and horizontal frameworks of V-DX and H-DX. By doing so, we strive to achieve the goals of our medium-term business plan and further enhance corporate value with a long-term perspective toward 2030 and 2050.

Intellectual Property Strategy

The role of intellectual property in business is to protect proprietary technologies, secure exclusive market positions, and sustain profitability. As part of our technology development strategy, we actively pursue the creation of patent technologies.

Patent technologies

We continue to strengthen our intellectual property portfolio through the development of processing technologies for ultra-high-tensile-strength materials that contribute to weight reduction, as well as through collaborative technology development with companies from other industries. Going forward, we will seek further patents for development technologies that address challenges related to new manufacturing methods and structural designs aimed at achieving even greater weight reduction. In addition, by strategically building a patent portfolio with an eye toward future adoption across the industry, we aim to differentiate ourselves from competitors and maintain our business advantages more reliably and for a longer period of time.

Our intellectual property strategy plays an important role in the value creation process in that it fosters the engineers' challenge-driven mindset toward advanced and highly demanding new technologies. Through these efforts, we expect to contribute to the development of engineers and strengthen our human capital.

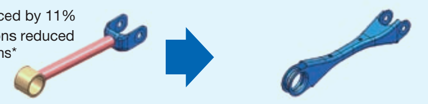
We believe that these initiatives have enhanced the value of our products while also helping us maintain and further strengthen our technological capabilities.

Weight reduction **Arm with a new stamping structure**

In the past, component parts such as pipe materials were welded together. We have now succeeded in forming the product from a single sheet metal.

Conventional parts (Three welded components)	Developed parts (Pressed from a single steel sheet)

- Weight reduced by 11%
- CO_2 emissions reduced by 2.0 kilotons*
- International patent No. WO2022/185525 A1



* Estimate based on adoption for a vehicle model with a six-year life cycle and annual production of 200,000 units.

Environmental Initiatives

Message from the Head of Environment

Embracing New Challenges to Realize Our Environmental Vision 2040

Hiroshi Kume

Executive Vice President (EVP)
General Manager of ESG Office
General Manager of Carbon Neutrality Office
General Manager of Internal Auditing Office

Since announcing its Environmental Vision 2040, the Group has seen growing interest in carbon neutrality among employees and has accelerated its initiatives accordingly. Our display at the Japan Mobility Show 2025 attracted many visitors, and we are confident that they obtained a broad understanding of our products, manufacturing processes, and various initiatives related to carbon neutrality and social contribution. Our Group's carbon neutrality initiatives are gaining recognition not only from our customers and business partners but also from all of our stakeholders. These initiatives are the result of our sustained efforts starting from the planning stage, and we will continue pursuing ambitious, high-reaching goals going forward.

At the same time, the current instability in global affairs is creating significant headwinds for environmental conservation, stalling progress in some areas. This has reinforced our belief that, whatever the circumstances, it is more important than ever to keep moving forward steadily, one step at a time, and not put off what we can do today.

Fiscal 2026 marks the final year of YSP2026. Guided by top management's policy of steadily reaping the rewards of our efforts amid challenging business conditions, we will make energy-saving initiatives that benefit the environment and reduce costs a company-wide priority and step up these efforts throughout the Group. Returning to the fundamentals of environmental conservation, we are focusing more closely on nature and pursuing initiatives aligned with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), including biodiversity conservation, water resource management, and broader efforts to protect the global environment. Specifically, we believe that promoting resource circulation ultimately contributes to broader nature restoration (nature positive). Building on our approach to the Task Force on Climate-related Financial Disclosures (TCFD), we will advance our TNFD activities by launching new initiatives focused on water.

As the automotive industry undergoes profound transformation, we view environmental conservation not simply as a means of meeting regulatory requirements but as essential to carrying the joy and freedom of mobility into the future while protecting the global environment. We will continue embracing challenges to ensure that these efforts are sustainable.

Environmental Philosophy

We will appreciate the bounty of nature as we pursue growth in harmony with the natural environment.

Yorozu Global Environmental Vision 2040

The Yorozu Group is fully committed to taking actions to solve environmental issues with the aim of contributing to healthy and prosperous living for all people around the world.

- Climate change: Work to become carbon neutral by 2040
- Resource recycling: Make the most effective use of our limited resources for sustainable circulation

Vision 2040 YOROZU

Challenge to achieve carbon neutrality by 2040

The Yorozu Global Environmental Vision 2040, established in 2021 and promoted across the Group, sets the ambitious goal of challenging ourselves to achieve carbon neutrality by 2040. Through five years of continuous efforts, we have steadily accumulated CO2 reduction results in line with our targets, demonstrating consistent progress toward this goal.

To achieve business growth while reducing CO2 emissions, we have identified four key pillars for Scope 1 and Scope 2 emissions reduction: (1) energy conservation, (2) fuel conversion, (3) adoption of renewable energy, and (4) procurement of green electricity. Based on these pillars, we are continuously and proactively promoting company-wide initiatives across the Group.

(1) Energy conservation (Scope 1 and 2)
Through the accumulation of various energy-saving efforts, such as reducing fuel consumption through the automatic control of drying furnaces, converting to high-efficiency lighting, and replacing conventional motors with high-efficiency models, we have successfully reduced CO2 emissions. We will promote these activities on an ongoing basis.

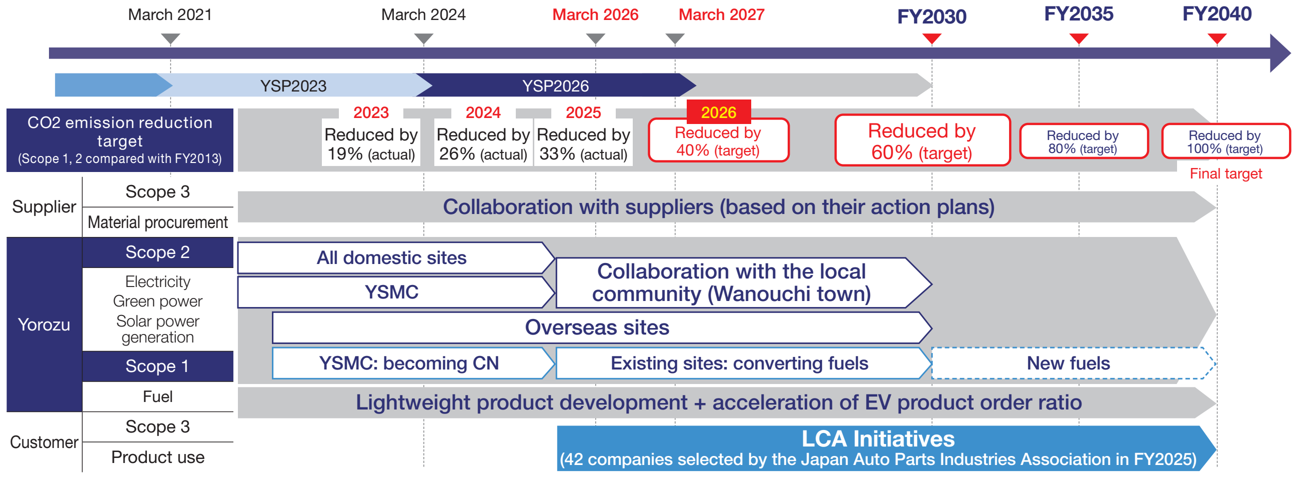
(2) Fuel conversion (Scope 1)
CO2 emission reduction initiatives related to fuel combustion have already been realized at YSMC through the electrification of the painting process. At our existing plants, we are also promoting the conversion from LPG and kerosene to LNG (city gas), which has a lower CO2 emission factor. Looking ahead, we are actively pursuing further electrification and exploring the adoption of next-generation fuels to support our long-term decarbonization efforts.

(3) Adoption of renewable energy (Scope 2)
Solar power generation systems have already been installed at six of our 16 global sites. In Mexico and India, where implementation presented significant challenges, we have dealt with obstacles despite setbacks along the way. As a result, installation projects at these locations are now steadily progressing as well.

(4) Procurement of green electricity (Scope 2)
Efforts to reduce CO2 emissions associated with electricity consumption have delivered tangible results. We have completed the introduction of green electricity at all domestic sites and are steadily expanding its adoption across our overseas operations.

For upstream Scope 3 emissions, we engage in dialogue with and provide awareness-raising activities for our business partners to reduce emissions throughout the supply chain, where the impact is particularly significant. For downstream Scope 3 emissions, we are developing lighter-weight products to reduce CO2 emissions during product use, while also expanding business opportunities and increasing orders through these initiatives.

In addition, we participate in the Vehicle LCA Demonstration Project organized by the Japan Auto Parts Industries Association. In this project, we calculate the carbon footprint (CFP) of individual products, such as 10,378 g-CO2eq for the lower arm, as well as develop a data exchange system across the supply chain, including OEMs.



TOPICS Showcased a scale model of a secure and sustainable future community

For the Japan Mobility Show, where we have continued to exhibit over the years, we created a scale model of the future community we envision as a zero-carbon city that emits no CO2. Through this exhibit, we sought to help visitors to our booth better understand our vision for a sustainable future.

This future community model was designed with an emphasis on harmony with local communities. It aims to contribute to regional development while creating a safe and resilient community where people can live with peace of mind, even in times of disaster.

Scale model exhibited at the Japan Mobility Show 2025

Disclosure based on the TCFD Recommendations

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group strives to disclose information in line with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In this section, we present our scenario analysis. For details on governance, strategy, risk management, and metrics and targets, please refer to our Annual Securities Report (Japanese).

https://www.yorozu-corp.co.jp/share/uploads/2025/11/2025.4Q_Annual-Report.pdf

Strategy: Scenario Analysis

1) Risk materiality assessment

		Identified risks	Business impact*	Responses and opportunities
Transition risks (1.5°C)	Carbon pricing (policy)	Taxation on CO2 emissions is being introduced or reinforced by governments in various countries, leading to higher manufacturing costs and an increase in expenses (non-operating costs).	Low	• Achieve carbon neutrality for Scope 1 and 2 emissions by 2040 (avoid taxation). • Procure renewable energy (installation of solar power generation systems, procurement of green electricity), improve logistics efficiency, etc.
	Strengthening of decarbonization policies	Stringent regulations on fossil fuels lead to price hikes and scarcity, resulting in increased operational costs.	Low	
	Rapid shift to EVs (market)	With the strengthening of climate change regulations, fossil fuel prices are expected to rise. If demand for EVs surges as a result, there is a risk of losing business opportunities as production capacity cannot keep pace with demand.	Medium	• Our products are essential functional components for automobiles and remain necessary in EVs as well. By appropriately analyzing industry trends and demand, we aim to leverage our lightweighting technologies to drive sales expansion. In addition, with our global network, we are working to maximize and efficiently utilize production capacity, thereby strengthening profitability.
	Proliferation of decarbonization technologies (market)	If the development of new materials and lightweight technologies to meet the needs of next-generation mobility falls behind, our products might lose competitiveness and risk not being selected by key customers.	Medium	• Careful assessment of broader market trends and continuous enhancement of our development capabilities will help us mitigate risks.
	Investor behavior (reputation)	If the decarbonization of products (including in the entire supply chain, such as for materials) lags behind, shareholders might leave.	Low	• Mitigate risks by continuously developing corporate capabilities, such as unique product development expertise and *monozukuri* technology, over the long term.
Physical risks (4°C)	Temperature rise (chronic)	Rising temperatures inside factories and deterioration of the working environment could make it difficult to recruit workers (regions with high temperatures).	Medium	• Improve the work environment. • Take steps to improve employee satisfaction (ES) and become a people-friendly company.
	Extreme weather (acute)	Intense rainfall from typhoons and storms could lead to supply chain disruptions, suspension of customer operations, decreased production, and an increase in equipment failures due to water leaks.	High	• Continue to promote the concept of “local production for local consumption” and work with customers and suppliers to reduce long-distance transportation, while strengthening cooperation with the local automotive industry (both customers and suppliers). • Enhance business continuity planning (BCP) capabilities within the supply chain.

Notes:
1. Business impact levels are defined as: High, ¥3 billion or more; Medium, ¥300 million to less than ¥3 billion; Low, less than ¥300 million.
2. Based on the above criteria, the business impact has been reviewed since last year.

2) Results of analysis

For the items assessed as having a high or medium impact under both the 1.5°C and 4°C scenarios, we believe that appropriate risk responses—such as developing products aligned with market needs, strengthening production systems, and enhancing preparedness for large-scale natural disasters—will allow us to sufficiently mitigate these risks, while also viewing them as potential opportunities.

Disclosure based on the TNFD Recommendations

Under our Environmental Policy, we promote a broad range of environmental conservation initiatives, including climate change mitigation, biodiversity conservation, and water resource management. To assess nature-related risks and opportunities associated with our business activities, we have expanded our disclosures beyond the TCFD framework and are advancing information disclosure in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). In evaluation of nature-related risks and opportunities, as our business depends on mineral resources and water that are key components of natural capital, we are focusing our analysis on water first, which is directly related to the operations of the Group’s manufacturing facilities. In conducting this analysis, identifying priority locations among the countries and regions where our facilities operate is essential. Accordingly, we will utilize the LEAP approach to conduct assessments, engage in dialogue with local operations, and communicate with stakeholders associated with surrounding communities and river basins. Through these efforts, we will enhance the accuracy of our assessments of risks, opportunities, and business impacts, enabling us to formulate and implement strategies that reflect actual conditions and circumstances.

FY2026: Identify priority locations based on the natural environment and its impacts on the Company.
FY2027: Identify nature-related risks and opportunities, establish action plans and targets, and implement the necessary initiatives.

Social Contribution Activities

Based on our CSR Policy, we continue to fulfill our social responsibilities as a good corporate citizen in the communities where we operate. Through engagement with local residents, we actively contribute to addressing local needs, supporting community initiatives, and planning and participating in environmental conservation activities.

Donation of cage traps to prevent damage caused by bears, wild boars, and other wildlife

Recently, damage caused by bears has been increasingly reported and has become an imminent threat to local communities in Yamagata Prefecture, where two of our sites are located. While there are differing views on coexistence with wildlife versus population control, we regarded this above all as an issue directly related to human safety. Seeking to contribute in some way by applying the steel-processing technologies and expertise we have developed through manufacturing automotive components designed to protect human lives, we worked closely with local communities and spent a year developing a prototype cage trap. We subsequently donated three units to the City of Tsuruoka. During the trial period, the traps successfully captured wildlife and, following further modification, we plan to donate an additional 15 units. We will continue supporting local communities through our social contribution activities.

Cage trap donation ceremony


Installation of the donated cage traps

Support for the Doctor Car program

At YSMC, located in Wanouchi Town, Anpachi District, Gifu Prefecture, we are supporting a new initiative by Ogaki Municipal Hospital, the region’s core emergency medical institution, to introduce a Doctor Car service in the Seino area. As part of this initiative, YSMC has made its parking lot available as a local docking point for the doctor car and ambulance. This is expected to enable quicker emergency lifesaving treatments. We will continue to support this initiative, thereby contributing to improved emergency survival rates in the local community.

Doctor Car

Joint event with a nearby nursery school during “Zero Marine Litter Week”

At our Yokohama Headquarters, we joined with a nearby nursery school during Zero Marine Litter Week to collect litter along the banks of the Tsurumi River. Our engagement with preschool children represents a social investment in the future. By learning about the impact of marine litter and the importance of proper waste separation, and then participating in cleanup activities themselves, we hope the children gain a deeper understanding of how their actions are connected to protecting the global environment. We will continue to strengthen ties with local communities at our other sites as well by actively planning and participating in a variety of community initiatives and events.


Litter cleanup activity with nursery school children

Governance

Roundtable with the President and Outside Directors

Yorozu's Transformation and Challenge for Growth from Directors' Perspectives

Hiroshi Moriya
Outside Director
(Independent Officer)

Tsutomu Hiranaka
Representative Director
President and COO

Chiaki Tsuji
Outside Director
(Independent Officer)
(Audit & Supervisory Committee Member)

Amid a rapidly changing business environment, the Group is currently implementing the Yorozu Sustainability Plan 2026 (YSP2026), its second year now completed. In this section, President Tsutomu Hiranaka and Outside Directors Hiroshi Moriya and Chiaki Tsuji discuss the plan's progress, achievements, and challenges, as well as what will be required for the Group's future growth, with an eye to the next medium-term plan.

Progress of YSP2026 after two years

Hiranaka: YSP2026 has completed its second year and is now in its final year. Under the previous medium-term business plan, we were forced to focus on defensive measures, primarily in response to the COVID-19 pandemic. By contrast, we formulated YSP2026 with a proactive stance aimed at achieving new growth, and we made a strong start across the Group. Over the past two years, however, the business environment has taken a negative turn due to rapid changes in global affairs, production cuts by major customers, and rising raw material and energy costs. In addition, a cyber-attack disrupted our internal operations, forcing us again onto the defensive. While challenges remain, I believe that, thanks to the determined efforts of our employees on the front lines, we have been able to make steady progress with our growth initiatives.

Moriya: In my view, meeting the profit targets set under YSP2026 will be difficult. Confronting the Group were adverse external factors, which were unforeseeable when the plan was formulated, so to some extent were unavoidable. However, we must not simply accept the outcome as inevitable. Under the next medium-term plan, we expect business conditions to be even more uncertain and challenging. We must seriously reflect on the shortcomings in our business forecasts and learn from them by putting robust risk measures in place that consider how to factor in and respond to unforeseen events. That said, I believe our efforts under YSP2026 should be viewed positively, even if we fall short of our profit targets. Led by President Hiranaka and the management team, employees across the Group banded together to pursue the targets and delivered the best possible results despite the challenging environment.

Tsuji: Under YSP2026, the Group has made progress in addressing the issues carried over from the previous medium-term plan and responded reasonably well to unexpected changes in the business environment. However, the failure to achieve the profit targets will be an important issue to address under the next plan. Moreover, given the long model cycles characteristic of the automotive industry, we need to consider the earnings process over a five- to 10-year horizon. I therefore evaluate management initiatives from a longer-term perspective. With that in mind, I believe we need to act more swiftly than ever on measures we can take in the near term.

Hiranaka: In fiscal 2025, we vigorously promoted Success 25V, our rationalization and improvement initiative, and established mechanisms to accelerate these efforts and carry the momentum forward. A prime example of this is the "Global Kaizen BanK (GKBK) system." The system can be accessed from any of our sites worldwide and enables improvement ideas generated at individual sites to be shared across the entire Group. We expect it to not only accelerate improvement activities but also contribute to group-wide profit improvement as successful ideas spread across sites. We also put other mechanisms in place in fiscal 2025, which I believe will enable us to substantially increase the pace of our overall rationalization activities.

Moriya: I have high regard for Success 25V. The primary reason is that all Group employees came together as one team and took ownership of the ambitious targets set by President Hiranaka. I have great expectations that these activities will continue to evolve beyond fiscal 2025. At the same time, disparities among sites have come to light, including those related to quality and rationalization and improvement activities. I see eliminating these disparities as a key challenge going forward and want the Group to tackle them decisively in fiscal 2026.

Tsuji: I am also concerned about the disparities among sites. Learning from successful practices through the GKBK system will be one key to addressing them. In addition, I believe we can benefit by adopting practices of other companies based on publicly available information, including improvement initiatives shared within the Japan Auto Parts Industries Association.

Becoming a profitable company

Hiranaka: Operating margins in the automotive parts industry are generally low, and even the Group's 2% margin receives a certain degree of recognition from the market. However, I believe that any business needs an operating margin of at least 5%–8%, and the Group's current margin is simply too low. The Group can achieve an operating income ratio of 5%–8% by placing strong emphasis on sales expansion and rationalization and improvement initiatives. By also implementing growth strategies from a medium-term perspective, even a double-digit margin is within reach.

Moriya: To achieve the earnings targets in the Group's medium-term business plan, the two key pillars are the "sales expansion" and "rationalization improvement initiatives" you just mentioned. In terms of sales expansion, the Group is now broadening its customer base beyond the traditional focus on Nissan Motor to include Toyota Motor and other Japanese automakers. By steadily expanding sales in this way, we can adopt a strategy where, even if a major customer faces difficulties, we can offset any shortfall with business from other customers. We need to go further and establish a more diversified customer portfolio. Meanwhile, in our rationalization and improvement initiatives, we need to build on current efforts and work to bring all sites up to the level of our top-performing ones while reducing disparities.

Hiranaka: Looking at the disparities among sites, our analysis of GKBK system usage shows that sites capable of generating profits actively seek to leverage ideas from other sites. Ultimately, the mindset of employees working on-site is critical because the conditions vary widely from site to site. I have come to realize that the key is how we nurture these employees. I believe that the only way to eliminate disparities is by bringing top-down and bottom-up approaches together, and we will keep this firmly in mind as we move forward.

Moriya: The Group is working toward an ROE target of 8%, but as with our profit KPIs, we are currently falling short of this target. We have to acknowledge that achieving the target in the final year of YSP2026 will be difficult. Given trends across industries in Japan, however, I believe an ROE of 8% is well within reach, and we should therefore retain this target and continue pursuing it under the next medium-term business plan. While ROE is a KPI affected by both earnings and capital, I believe that, in the automotive industry where manufacturing is at the core of the business, the proper approach is to increase earnings and thereby raise ROE. Even if we fail to achieve the target under YSP2026, I would like to see the Group continue pursuing the 8% ROE target through measures to strengthen earnings capacity under the next medium-term business plan. This will be a challenging target, but in addition to pursuing sales expansion and rationalization, I hope to see the Group incorporate inorganic strategies, such as M&As and alliances, to accelerate improvements in profitability.

Tsuji: I believe the role of outside directors is not to stop management from taking on challenges but to increase the likelihood of success and ensure they can tackle such challenges more safely. From my perspective as an Audit & Supervisory Committee Member, it is important to set out the specific initiatives and roadmap needed to improve numerical targets like ROE. Enhancing earnings can be translated into specific measures on the front lines relatively easily. When it comes to capital policy, however, we need to understand the risks associated with achieving the targets, so there is no simple answer to what should be done. As Audit & Supervisory Committee Members, we help the executives and managers responsible for driving these initiatives become aware of the risks involved and encourage them to move forward proactively while managing those risks.

Charting a growth strategy for business expansion

Hiranaka: Given the uncertain business environment, formulating a growth strategy is extremely difficult, but we intend to approach the task by dividing it into two areas. The first path to growth is survival. If we can survive these challenging times, we will begin to see the way forward. Our current medium-term business plan clearly sets out a strategy for survival. The key is to enhance both economic and social value by strengthening our business and management foundations as two mutually reinforcing pillars, while leveraging the expertise and systems we have built up over the years to reinforce our operational foundation. Put another way, this means becoming a "company of choice," which in turn leads to becoming a "company of choice, today and always" and ultimately to our desired state as a dependable "company that earns long-lasting trust." The second path is to pursue a growth strategy based on the reality that, amid changes in the industry, automobile production volumes are unlikely to increase. In our existing businesses, we need to keep investments to a minimum, carefully assess the necessity of investments, and invest efficiently to generate returns while building a structure that maximizes added value. Achieving growth will also depend on our ability to expand into new businesses rather than focusing exclusively on automotive parts. We believe there is potential to apply the metalworking technologies we have cultivated over more than 70 years to other products, and we are exploring opportunities while soliciting ideas from employees across the Group.

Moriya: I agree completely with President Hiranaka. Despite the difficult business environment, the Group has held firm and remained profitable. In this respect, I have a high regard for the Group and believe it has the underlying strength to overcome adverse conditions and keep its business on track. I also look forward to seeing the Group pursue a more proactive management approach centered on developing new businesses.

Tsuji: I would like to see the Group boldly take on the challenge of new business development. Iron is the culmination of human ingenuity dating back to the ancient Hittite era and offers advantages like cost-effectiveness, recyclability, and strength. Though you might not be fully aware of the tremendous potential and strengths of the Group's metalworking technologies, I hope you will leverage these capabilities to develop a diverse range of technologies and products through alliances with other manufacturers. Just as two-dimensional barcodes originated in the automotive parts industry, for example, I believe the Group has the ability to create breakthrough products for society as a whole. Through its experience in manufacturing automotive parts, which require sophisticated technological capabilities, the Group has gained an in-depth understanding of the potential of iron and steel and is therefore well positioned to venture into new businesses. As an Audit & Supervisory Committee Member, I will do my best to eliminate all risks, so I hope you will move forward with confidence and without hesitation.

Moriya: In terms of sales expansion, meanwhile, the Group has been highly successful in increasing sales to Toyota Motor through organic growth. However, when it comes to acquiring other new customers, I don't think our traditional organic approach alone will be sufficient. When targeting foreign-affiliated customers, there could also be opportunities to leverage the diversity of the Group's workforce. I believe those resources are available, so I hope you'll make full use of them to pursue inorganic growth as well.

Tsuji: While new customers might sometimes demand excessive quality control, overextending ourselves could ultimately fail to generate profits, so it is important to give this careful consideration.

Moriya: Technology development is one of the most important priorities for the Group's growth, and I believe we need to make greater use of inorganic approaches to broaden our development activities and shorten development lead times. Specifically, this means bringing companies with unique technologies into the Group through M&As or alliances. By striking the right balance between our existing organic strategies and newer inorganic ones, I believe we can accelerate growth even further.

Toward the next medium-term business plan

Hiranaka: I believe that planning over a period of several years is essential to corporate management. Here, the PDCA cycle—which involves continuously refining this process and translating it into annual plans—is extremely important. We are currently formulating our next medium-term business plan, taking into account the issues we've been discussing. For example, we are working to move away from an in-house-only approach, and we are developing many new products through alliances with other companies. We are still lagging behind in terms of leveraging our local staff overseas, and I intend to accelerate our efforts in this area over the next few years. We have appointed local staff to management positions at our subsidiaries in Thailand, Mexico, and the United States, and we will expand this approach. To become a "company of choice, today and always," we will focus on developing new businesses beyond automotive parts while pursuing reforms in our business processes in addition to our products. One such initiative is proposal-based product sales from parts manufacturers. We will move forward with initiatives like this—which have the potential to significantly transform our business—as we formulate our next medium-term plan.

Moriya: There is some debate over whether medium-term business plans are necessary, but the Group's medium-term business plan serves as a symbolic tool that sets out its vision and enables employees to share that vision, feel excited about it, and come together as one team. I therefore hope the Group will continue to formulate such plans going forward. I'm confident that the next medium-term plan will take a proactive stance and generate a sense of excitement.

Tsuji: The Group has overcome all the unexpected events of the past few years, and I hope this confidence will guide us toward our next medium-term business plan and lead us to exciting new initiatives. With so much attention focused on rationalization, improvement, and cost reductions, there must have been times when we felt somewhat held back. Going forward, however, I hope the Group will manage risks appropriately, look to the future, and boldly pursue new aspirations.

Hiranaka: In terms of risk, the Group has applied the lessons learned from past experience to identify risks across the organization and determine how they should be addressed. We have also created an action plan for this purpose and are following it up annually to manage risks. We will continue embracing challenges aimed at growth with a proactive mindset, drawing on the valuable feedback we've received from both of you. We hope our stakeholders will continue to have high expectations of us.

Directors

Chikara Haruta
Director
Chief Executive Vice President

Norio Hirano
Director
Full-Time Audit & Supervisory Committee Member

Ken Shido
Director
Vice Chairman

Akihiko Shido
Representative Director
Chairman and CEO

Tsutomu Hiranaka
Representative Director
President and COO

Chiaki Tsuji
Director (Outside/ Independent)
Audit & Supervisory Committee Member

Masashi Oshita
Director (Outside/ Independent)

Hiroshi Moriya
Director (Outside/ Independent)

Chieko Ogawa
Director (Outside/ Independent)
Audit & Supervisory Committee Member

Corporate Governance

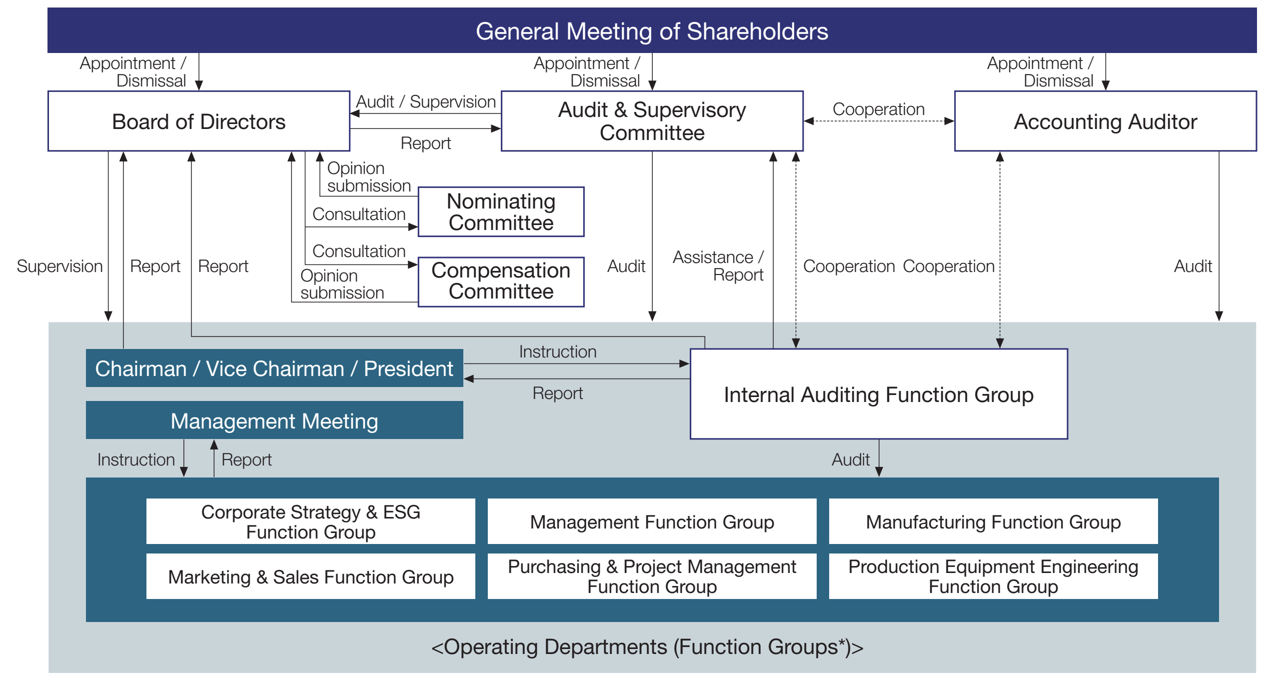
Basic stance

The Yorozu Group will fulfill its social responsibilities as a good corporate citizen through strict compliance with relevant laws and regulations. Understanding the need to enhance corporate value with fair and transparent corporate activities, thereby earning the trust of our stakeholders, the Group remains committed to reinforcing corporate governance through its organizational design, establishment of a governance framework that includes internal control systems, and application of its Corporate Philosophy across the Group, driven by the will to take action under the Yorozu Group Charter of Corporate Behavior and the Yorozu Code of Conduct.

Our corporate governance structure

As of the 70th Ordinary General Meeting of Shareholders held on June 10, 2015, Yorozu switched from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee, the majority of which consists of outside directors, thereby strengthening corporate governance and audit and supervisory functions.

Corporate Governance Structure



* A cross-functional organization consisting of seven groups (Corporate Strategy & ESG Function Group, Management Function Group, Manufacturing Function Group, Marketing & Sales Function Group, Purchasing & Project Management Function Group, Production Equipment Engineering Function Group, and Internal Auditing Function Group) to oversee each site based on the three regions (Japan, the Americas, and Asia).

Directors' Skill Matrix

	Name/Position	Attendance	Directors' main knowledge and areas of expertise: Global	Automotive Industry	Management	Governance	Finance and Accounting	*Monozukuri* (Manufacturing)	Sales and Marketing	Reasons for appointment as Director
	Akihiko Shido Representative Director Chairman and CEO	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%)	●	●	●	●		●	●	He joined the Company in 1968 and has been engaged in procurement and production control, while also serving as Chairman of the Japan Auto Parts Industries Association, leveraging his extensive industry experience and expertise. By swiftly responding to automakers' strategies, he advanced overseas expansion, built the Company's current global network, and actively pursued sales and marketing to establish business relationships with all Japanese automakers. These efforts contributed to achieving annual sales of more than ¥100 billion and reinforced the Company's business foundation. Demonstrating strong leadership, he has driven reforms in production and management, establishing globally competitive group management. In addition, through his role as Chairman of the Japan Auto Parts Industries Association, he has promoted fair trade practices and showed deep insight into compliance.
	Ken Shido Director and Vice Chairman	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%)	●	●	●		●	●	●	Since joining the Company in 2003, he has engaged in sales and marketing, served at overseas subsidiaries in the United States and India, and gained management experience including as president of domestic subsidiaries. Through these roles, he developed strong capabilities in analyzing international market trends, foresight, adaptability, and experience in launching overseas operations and promoting growth investments. These strengths have been applied since his appointment as Representative Director of the Company in 2016, where he led the formulation and announcement of the medium-term business plan, advanced ESG and human capital management, and promoted bottom-up corporate culture reform. These initiatives form the foundation of the Company's current management. At present, he is leveraging his experience and expertise to examine various measures. He is also actively contributing to the development of the industry as a whole through his activities with the Japan Auto Parts Industries Association.
	Tsutomu Hiranaka Representative Director President and COO	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%)	●	●	●		●	●	●	He joined Nissan Motor Co., Ltd., in 1982 and held key positions including General Manager of the Purchasing Department and Project Purchasing Department, gaining extensive experience in automotive manufacturing. Since his appointment as Executive Officer and General Manager of Marketing and Sales Department at Yorozu in 2012, he has leveraged his broad experience and deep understanding of global market conditions to expand sales channels through sound judgment and outstanding negotiation skills. After becoming Representative Director and President in 2021, he has demonstrated strong leadership by accurately assessing the rapidly changing environment of the automotive industry, making timely management decisions, and implementing various business reforms. In addition, he has led the Company's financial strategy and worked to ensure appropriate returns to stakeholders, thereby contributing to the Group's sustainable growth and enhancement of corporate value over the medium to long term.
	Chikara Haruta Director and Chief Executive Vice President	Board of Directors meetings: 21 out of 21 meetings (100%)	●	●	●	●		●		He joined the Company in 1990 and worked in the International Business Department and Marketing and Sales Department, engaging in international logistics and business expansion before being assigned to a U.S. subsidiary in 1998. In 2004, he became President of the subsidiary, where he demonstrated strong leadership by establishing sales channels, embedding the Yorozu Production Way in the United States, and focusing on human resource development between Japan and the United States, thereby contributing to the Group's profitability. Since 2008, he has also taken on key HR roles at the head office, including restructuring executive compensation and employee remuneration, and promoting work-style reforms, all of which enhanced corporate value. As Chairman of the Management Function Group, he has overseen the Information Systems Department and promoted digital transformation (DX) while strengthening governance. In addition, as Assistant to President, he has swiftly identified and addressed management issues, contributing to profitability, growth, and enhanced corporate value through ESG-driven management.
	Masashi Oshita Director (Outside/ Independent)	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%)	●	●	●	●				After joining the Ministry of International Trade and Industry (current METI) in 1981, he engaged in trade negotiations on Economic Partnership Agreements (EPAs), formulation of macroeconomic and industrial policies, and legislative affairs. From 2009, he served as Director General of JETRO Paris, where he gained extensive knowledge and experience in overseas lifestyles, cultures, business environments, and organizational management. Since 2016, he has served as Vice Chairman and Executive Managing Director of the Japan Auto Parts Industries Association, contributing to the automotive industry by leveraging his deep expertise and experience he has accumulated throughout his career. Major Concurrent Positions •Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association •Director of Japan Automobile Research Institute •Director of Japan Society for the Promotion of Machine Industry •Chairperson of Japan Auto Parts Industries Corporate Pension Fund •Chairperson of Japan Auto Parts Industries Health Insurance Association
	Hiroshi Moriya Director (Outside/ Independent)	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%)	●	●	●	●			●	He joined Nissan Motor Co., Ltd., in 1980 and held key positions including General Manager of Purchasing Planning, VP, and CVP, gaining extensive experience in manufacturing and the automotive industry with a strong record of achievements. In 2007, he joined Calsonic Kansei Corporation (current Marelli Corporation), where he served as Senior Executive Officer, Representative Director and President (CEO), and later Chairman of Marelli Europe, among other positions. Through these roles, he has made important management decisions both in Japan and overseas, formulating and executing sales and marketing strategies, while also advancing compliance and governance initiatives, which has provided him with deep expertise and insights. Major Concurrent Position •Outside Director of SNT Corporation
	Norio Hirano Director (Full-Time Audit & Supervisory Committee Member)	Board of Directors meetings: 21 out of 21 meetings (100%) Audit & Supervisory Committee: 13 out of 13 meetings (100%)	●	●	●		●	●	●	He joined the Company in 1984 and has since been mainly engaged in accounting and taxes at the Company and overseas subsidiaries, thereby developing a high level of expertise in finance and accounting. From 2008, as president of overseas subsidiaries, he demonstrated leadership in improving manufacturing efficiency and quality, building strong trust with customers, and contributing to increased profitability and growth of the Group's subsidiaries. Since 2016, he has been responsible for formulating medium-term business plans and promoting management reforms in the corporate strategy division, thereby contributing to the enhancement of corporate value. Most recently, as Chairman of the Accounting Function Group and Chief Financial Officer, he has promoted management with a focus on capital cost and worked toward maintaining the Company's sound financial position.
	Chiaki Tsuji Director (Outside/ Independent) (Audit & Supervisory Committee Member)	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%) Audit & Supervisory Committee: 13 out of 13 meetings (100%)	●	●		●				She registered as a lawyer with the Tokyo Bar Association in 1979 and acquired her qualification as an attorney in Germany in 1990. While building an international career in corporate legal affairs and international commercial transactions, she has also contributed to human resource development as a professor at Graduate School of Law, Yamanashi Gakuin University. She has served as outside director and outside auditor at multiple companies, and was involved as a member of a special committee during the corporate integration of Keihin Corporation (current Astemo, Ltd.), thereby gaining extensive experience in corporate acquisitions. Through these roles, she has contributed to establishing solid corporate governance and enhancing corporate value on a continuous basis. Major Concurrent Position •Outside Director, Audit & Supervisory Committee Member of Moriroku Co., Ltd.
	Chieko Ogawa Director (Outside/ Independent) (Audit & Supervisory Committee Member)	Board of Directors meetings: 21 out of 21 meetings (100%) Nominating Committee: 12 out of 12 meetings (100%) Compensation Committee: 2 out of 2 meetings (100%) Audit & Supervisory Committee: 13 out of 13 meetings (100%)	●	●		●	●			She registered as a certified public accountant (CPA) in Japan in 2005, as a CPA in Washington, United States, in 2010, and as a tax accountant in 2014, thus possessing advanced international expertise in accounting and taxation. In addition to her experience in advisory, consulting, and auditing services related to finance and accounting, she has served since 2016 as Representative Audit Commissioner of Toda City, Saitama Prefecture, where she has audited municipal finances and administrative operations to ensure that they are conducted properly, efficiently, and effectively in accordance with the Local Autonomy Act and other relevant laws. Major Concurrent Positions •Representative Audit Commissioner of Toda City, Saitama Prefecture •Outside Auditor of Seven Bank, Ltd.

Reasons for Selection as an Important Element in the Skill Matrix

Global
"Global" refers to an understanding of business regions and countries, as well as international experience. To expand business globally and enhance corporate value, a deep understanding of the global market is essential. For this reason, we have identified it as an important skill required for the Board of Directors, which is responsible for making key management decisions and overseeing the Company's operations.

Automotive Industry
To achieve the Group's medium- to long-term sustainable growth and enhance corporate value, it is essential to continuously provide highly competitive products in a rapidly changing market environment. This requires directors with deep knowledge and experience to develop and implement concrete measures. For this reason, we have included "Automotive Industry" in the matrix.

Management
Amid significant changes in the business environment, formulating and executing medium- to long-term sustainable growth strategies requires solid knowledge, experience, and achievements in overall management. For this reason, we have identified "Management" as an important skill.

Governance
To enhance the Group's corporate value, it is essential to have broad legal expertise—including law-related affairs, compliance, and CSR—as well as the ability to build an effective corporate governance framework that incorporates social norms and corporate ethics, thereby linking the execution of management strategies to the Group's sustainable growth. For this reason, we have identified "Governance" as an important element.

Finance and Accounting
To improve the Group's financial and profit structure and ensure appropriate returns to stakeholders, it is essential to have directors with broad knowledge and experience in building robust financial strategies. For this reason, we have identified "Finance and Accounting" as an important skill.

***Monozukuri* (Manufacturing)**
"*Monozukuri*" refers to knowledge and experience in development, manufacturing, procurement, and quality. In today's rapidly changing external environment, the Group is not only working to enhance cost competitiveness and production capacity by reviewing its procurement and production systems but also striving to create new products, services, and technologies by integrating its technical expertise and know-how. For this reason, we have included "*Monozukuri*" as an important skill, as it represents the foundation of these initiatives.

Sales and Marketing
As market conditions change and competition intensifies, the ability to formulate and execute sales and marketing strategies based on an understanding of market and customer trends is a critical skill. For this reason, we have identified "Sales and Marketing" as an important skill, requiring directors with broad knowledge and experience in this area.

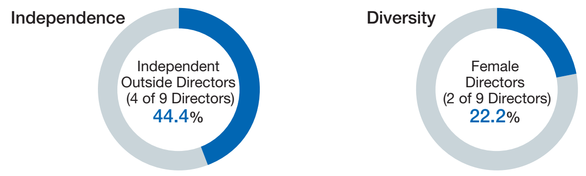
Role and activities of the Board of Directors

The Board of Directors holds regular meetings and convenes extraordinary meetings as necessary. The Board is positioned as the body responsible for making decisions on fundamental management and internal control policies, matters prescribed by laws and regulations, and other important management matters, while also overseeing the execution of duties by directors and executive officers and the operation of internal control systems.

The Board of Directors consists of nine directors, including four outside directors, ensuring an appropriate Board size for a Company with an Audit & Supervisory Committee that balances agile decision-making with the effectiveness of the Audit & Supervisory Committee.

In selecting directors, we seek an appropriate balance of individuals who can demonstrate strengths across a wide range of business areas, possess management expertise, and have international experience. As a result, we ensure that the Board as a whole maintains an appropriate balance of knowledge, experience, skills, gender, and diversity. Candidates for directors (excluding directors serving as Audit & Supervisory Committee members) are selected by the Board of Directors based on discussions and recommendations by the Nominating Committee and are elected at the General Meeting of Shareholders.

Number of meetings held	21
Chairperson	Akihiko Shido (Representative Director and Chairman)



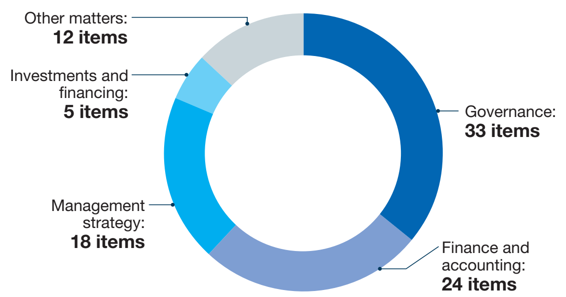
Corporate Governance Overview

Type of corporate governance structure	Company with an Audit & Supervisory Committee
Directors (excluding Audit & Supervisory Committee Members)	6 Directors (including 2 Independent Outside Directors), one-year term of office
Directors serving as Audit & Supervisory Committee Members	3 Directors (including 2 Independent Outside Directors), two-year term of office
Directors	9 Directors (including 4 Independent Outside Directors)
Executive officer system	Yes
Accounting auditor	Ernst & Young ShinNihon LLC

Major agenda items of the Board of Directors in fiscal 2025

The Board of Directors held 21 meetings in fiscal 2025. In addition to matters required by law, the Board approved quarterly financial results, deliberated sustainability-related matters, discussed the acquisition of treasury shares, deliberated and resolved matters relating to executive nominations and compensation, and received reports on medium- to long-term business plans. A detailed breakdown of agenda items is shown in the chart below.

Since fiscal 2022, the Company has provided opportunities at Board meetings for executive officers to report on their responsibilities, activities, and key challenges, as well as to exchange views with directors. These sessions are intended to strengthen oversight of executive management by outside directors, deepen understanding and development of management talent, and facilitate more substantive discussions on medium- to long-term management issues and policies. In fiscal 2025, a total of 22 executives delivered operational reports over the course of nine sessions.



Meeting 1	Risk compliance audit report Enhancement of the directors' skill matrix
Meeting 2	Fiscal 2024 financial results, fiscal 2025 earnings forecast, dividend for the fiscal year ended March 2025, and related matters
Meeting 3	Audit & Supervisory Committee audit report
Meeting 4	Results of the fiscal 2024 evaluation of the effectiveness of the Board of Directors
Meeting 5	Strengthening corporate governance
Meeting 6	Executive compensation
Meeting 7	Analysis of voting results at the General Meeting of Shareholders
Meeting 8	First-quarter fiscal 2025 financial results and full-year forecast
Meeting 9	Progress of DX initiatives
Meeting 10	Appointment of executive officers Measures to address company-wide risks based on the internal control system
Meeting 11	Operational reports by executive officers
Meeting 12	Interim dividend distribution
Meeting 13	Acquisition of treasury shares (1)
Meeting 14	Acquisition of treasury shares (2)
Meeting 15	Report on the results of the acquisition of treasury shares
Meeting 16	Financial report
Meeting 17	Evaluation of the effectiveness of the Board of Directors in fiscal 2025 (including the Nominating Committee and Compensation Committee)
Meeting 18	Sale of strategic shareholdings Training for directors and executive officers
Meeting 19	Fiscal 2025 full-year earnings forecast
Meeting 20	Consolidation and reorganization of business sites
Meeting 21	Personnel changes for executive officers and vice presidents effective April 1

Director compensation system

The Company's basic policy on the directors' compensation is to adopt a compensation system that is linked to the interests of shareholders so that it functions adequately as an incentive for the sustainable improvement of corporate value. When determining the compensation of individual directors, the Company's policy is to set an appropriate level in consideration of each director's duties. In addition, the Compensation Committee evaluates and discusses compensation within the total amount of directors' compensation approved at the General Meeting of Shareholders. The Board of Directors then decides the content of compensation for each individual director by respecting the report of the Compensation Committee to the fullest extent.

(i) Fixed compensation

Fixed compensation for directors consists of basic compensation, bonuses as a short-term incentive, and stock compensation as a medium- to long-term incentive. Fixed compensation is evaluated by comprehensively taking into account the degree of achievement of the assigned operational plan (KPIs). Outside directors and directors who are members of the Audit & Supervisory Committee are paid only basic compensation in consideration of their duties.

(ii) Performance-linked compensation

Performance-linked compensation for directors consists of monetary compensation (bonus) that reflects business performance for the fiscal year, and non-monetary compensation (stock-based compensation) that reflects performance under the medium-term business plan.

(iii) Stock-based compensation

Stock-based compensation consists of (1) the non-performance-linked portion based on basic compensation and (2) the performance-linked portion based on the degree of target achievement such as the consolidated operating income ratio in the medium-term business plan.

(iv) Compensation ratio by type

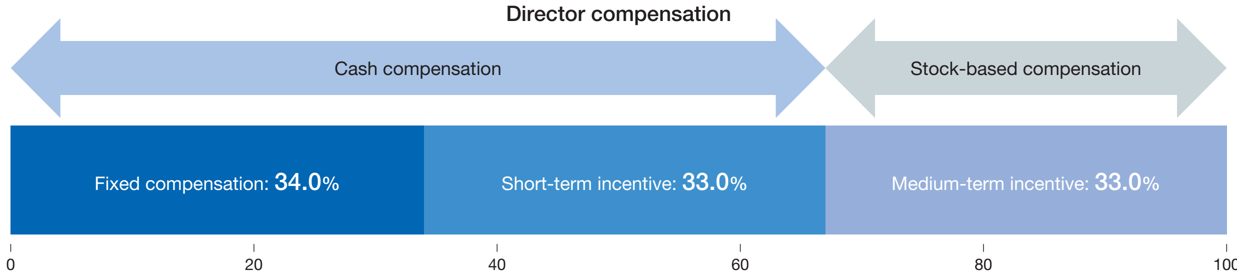
With regard to the composition of directors' compensation by type, the higher the rank, the higher the weight of performance-linked compensation becomes, based on the compensation levels of companies in our related industries and business categories that are similar in scale, which can serve as benchmarks.

For details of the Executive Compensation System (Restricted Stock Compensation Plan), please refer to the Notice of Convocation (p. 26) below (Japanese).
https://www.yorozu-corp.co.jp/share/uploads/2026/05/Notice-of-the-81st-Ordinary-General-Meeting-of-Shareholders_jpn-1.pdf

Director category	Total amount of compensation (¥ million)	Total amount of compensation by type (¥ million)					Number of directors covered
		Fixed compensation			Performance-linked compensation		
		Cash		Non-monetary compensation	Cash bonus	Non-monetary	
		Basic compensation	Bonus				
Directors excluding Audit & Supervisory Committee members (Outside directors)	269 (14)	139 (14)	80 (—)	31 (—)	18 (—)	— (—)	7 (2)
Directors who are Audit & Supervisory Committee members (Outside directors)	45 (14)	45 (14)	— (—)	— (—)	— (—)	— (—)	4 (2)
Total	314 (29)	184 (29)	80 (—)	31 (—)	18 (—)	— (—)	11 (4)

Notes:
1. Performance-linked compensation consists of monetary compensation and restricted stock compensation.
2. Non-monetary compensation consists of restricted stock compensation.
3. The total amount of directors' compensation does not include the employee salary of directors who concurrently serve as employees.

Illustrative compensation structure assuming 100% payout of performance-linked compensation



Evaluation of the effectiveness of the Board of Directors

The following outlines the method and results of the fiscal 2025 evaluation of the Board of Directors' effectiveness.

I. Evaluation Method

In fiscal 2025, the Company engaged an independent third-party organization to conduct an analysis of Board of Directors meeting minutes and a director questionnaire survey. Based on the results, follow-up interviews were conducted, after which the Board of Directors reviewed and discussed its effectiveness.

Evaluation subjects	All directors (9)
Timing	March 27, 2026, to May 19, 2026
Evaluation process	(1) A questionnaire was prepared by the Secretariat and an independent third-party organization and distributed to all directors who were serving as of the end of fiscal 2025. (2) The independent third-party organization analyzed the minutes and meeting materials of Board of Directors meetings held between April 2025 and March 2026. (3) Interviews were conducted with directors based on the results of the analysis of Board meeting minutes and questionnaire responses. (4) The Secretariat compiled the results, and the Board of Directors reviewed and discussed the effectiveness of the Board.
Survey categories	(1) Board composition and operations (2) Management strategy and business strategy (3) Corporate ethics and risk management (4) Performance monitoring, executive evaluation and compensation (5) Dialogue with shareholders and stakeholders
Evaluation	Three-point scale (with a free-comment section)
Respondent's name	Anonymous

II. Summary of Analysis and Evaluation, and Initiatives to Enhance Board Effectiveness

The evaluation of the effectiveness of the Board of Directors for fiscal 2025 concluded that the Board achieved ratings exceeding the Company's established evaluation standards and that its effectiveness is being sufficiently maintained. A summary of the results is provided below.

(1) We believe that our Board of Directors consists of an appropriate proportion of independent outside directors. Directors provide the advice and oversight expected of them, based on their respective areas of expertise, while independent outside directors offer constructive opinions to management and are able to raise objections when necessary.
(2) We concluded that agenda items are appropriately selected based on their significance to management strategy and that key performance indicators (KPIs) and other important monitoring metrics are reported to the Board in an appropriate manner.
(3) We concluded that the Board has engaged in sufficient discussions regarding sustainability-related issues and appropriately monitored the progress of related initiatives.
(4) With regard to dialogue with stakeholders, reports are regularly provided to the Board of Directors and the Management Meeting by the executive officer responsible for IR and public relations. The Board shared the view that stakeholder feedback is appropriately communicated and discussed within the Company and effectively utilized in reviewing management strategies and formulating medium- to long-term business plans, thereby ensuring timely and appropriate feedback into management decision-making.
(5) With regard to the training of executives and general managers, which was identified as an area for improvement in the previous year's evaluation, we enhanced training programs and reviewed the basic training provided to directors. In fiscal 2026, we plan to further review and refine the skill and competency requirements.
(6) We will continue to enhance discussions on initiatives aimed at increasing corporate value through the promotion of DX and will pursue continuous improvement activities to address the issues identified through the Board effectiveness evaluation, thereby further strengthening the effectiveness of the Board of Directors.

Issues identified in the fiscal 2025 Board effectiveness evaluation	Initiatives for fiscal 2026
Training for executives and general managers	▶Continue operational reports by executives and meetings with outside directors. ▶Increase opportunities for information sharing, including updates on internal business initiatives, to enhance the quality of information available for candidates and deepen understanding of them. ▶Review the skills required of executive officers and vice presidents and reflect the results in talent development plans and the skill matrix.
Initiatives to enhance corporate value through DX	▶Continue initiatives such as shortening die preparation lead times, promoting smart factories, and improving the efficiency of indirect operations. ▶Establish KPI targets for initiatives at each department and site and incorporate them into operational plans. ▶Continue sharing information on DX initiatives at meetings of the Board of Directors.

Since the start of our Board effectiveness evaluations, we have undertaken the following initiatives to further enhance the effectiveness of the Board of Directors.

Roles and activities of major organizations and meetings

Audit & Supervisory Committee

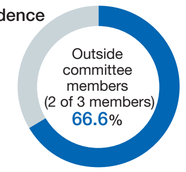
Directors who are members of the Audit & Supervisory Committee hold regular and extraordinary meetings of the Committee; attend Board meetings, the monthly Management Meeting, and the Global Management Committee, among other important meetings; and periodically meet with representative directors.

The Committee comprises three members (including two outside directors) appointed at the General Meeting of Shareholders.

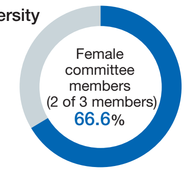
In addition, the Audit & Supervisory Committee receives appropriate and timely reports from directors, officers, the accounting auditor, auditing departments, and other relevant personnel, and necessary information is shared to improve the effectiveness and efficiency of the audits.

Number of meetings held	13
Chairperson	Chiaki Tsuji (Outside Director)

Independence



Diversity

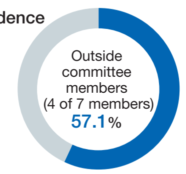


Nominating Committee and Compensation Committee

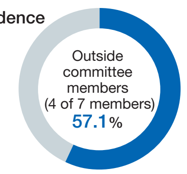
The Nominating Committee and Compensation Committee have been established, each with independent outside directors forming the majority, with the objective of advancing corporate governance through greater transparency and objectivity in the decision-making process of the Board of Directors, while ensuring opportunities for independent directors to be involved in the deliberation of the nomination and compensation of directors. Also, the chairperson of each committee is an outside director. The Nominating Committee proposes candidates for director nomination at the General Meeting of Shareholders and discusses the process of training the candidates for key management positions. The Compensation Committee reviews the director compensation system and makes suggestions. The Company evaluates the effectiveness of both committees every year.

Voluntary advisory committees		
Nominating Committee		Compensation Committee
12	Number of meetings held	2
Masashi Oshita (Outside Director)	Chairperson	Chieko Ogawa (Outside Director)

Independence



Independence



Execution of duties

The Company has introduced an executive officer system to clarify the responsibilities and areas of authority in business execution. The Management Meeting is held monthly to ensure the Company's swift response to sudden changes in the business environment.

Furthermore, the 21 functional axes are classified into seven groups—Corporate Strategy & ESG Function Group, Management Function Group, Manufacturing Function Group, Marketing & Sales Function Group, Purchasing & Project Management Function Group, Production Equipment Engineering Function Group, and Internal Auditing Function Group—and the sites are divided into three regions (Japan, the Americas, and Asia). Through this structure, we aim to maximize efficiency across the entire Group.

Internal Auditing Office

The Internal Auditing Office has been established to maintain effective internal control and supervisory functions. It conducts internal control activities in cooperation with the Audit & Supervisory Committee and the accounting auditor in the investigation of operations and financial assets and execution of other auditing duties.

Accounting auditor

To maintain close cooperation, the Company's accounting auditor, Ernst & Young ShinNihon LLC, the Audit & Supervisory Committee, and the internal audit departments regularly exchange information and opinions on matters such as annual audit plans, the status of audits, and interim reviews and audit results, and share issues and matters for improvement, in an effort to conduct efficient and effective audits.

Internal Control System

Based on its Corporate Philosophy, the Company has established the Basic Policy for the Development of Internal Control Systems, which was approved by the Board of Directors, to ensure the appropriateness of business operations and enhance corporate value.
To ensure the effective functioning of this policy, the status of the development and operation of the systems stipulated therein is reported to the Board of Directors on an annual basis. In addition, internal audits are conducted to verify that internal controls and internal management systems based on laws, regulations, and internal rules are properly implemented and effectively operated, and corrective recommendations are issued when necessary. Audit results are reported to directors, auditing staff, and relevant departments, and are also regularly reported to the Board of Directors. The Internal Auditing Office and the accounting auditor work closely together to ensure the effective execution of internal audits.

Specifically, the Company has established the Yorozu Group Charter of Corporate Behavior and the Employee Code of Conduct as common standards of conduct to be observed by directors, executive officers, and employees of the Company and the Group. These standards are intended to ensure that duties are performed in compliance with applicable laws, regulations, and the Articles of Incorporation and that business operations are conducted appropriately. Through these efforts, we strive to maintain and continuously enhance our internal control system.

As part of our crisis management efforts, we identify risks that could affect the entire Yorozu Group through a bottom-up approach. The likelihood of occurrence and potential impact of each risk on the Company are analyzed and evaluated by the General Affairs Department, and the results are reviewed by the Board of Directors to determine which risks should be addressed as priorities. Countermeasures for these risks are then examined and determined by the Risk Compliance Committee, chaired by the President. Progress is monitored on a regular basis, and at the end of each fiscal year, the Internal Auditing Office reviews the implementation status of these measures and reports its findings to the Board of Directors. Through these efforts, we work continuously to mitigate risks across the Group.

For Group companies, including overseas subsidiaries, the Company appoints executive officers as Regional Department Heads to oversee each region and receive reports on business performance and the execution of significant operations. In addition, the Company's Internal Auditing Office conducts audits of Group companies on a regular basis.

<Major systems specified in the basic policies>	
• Management control system	• System to ensure the reliability of reporting
• Compliance promotion system	• Management system for Group companies
• Information control system	• Internal audit system
• Crisis management system	• Audit system of the Audit & Supervisory Committee
• (Fraud) risk management system	• Internal reporting system
• An efficient business execution system through the Executive Officer System	• Audit support system of the Audit & Supervisory Committee
	• System for dealing with antisocial forces

Policy to Deal with Takeover

The Company's policy on response to large-scale purchases of the Company's shares, etc. (hereinafter, the "Policy to Deal with Takeover"), is intended to continuously and sustainably ensure the Company's corporate value and, ultimately, the common interests of shareholders. Following consultation with and unanimous agreement by the Independent Advisory Committee established on April 1, 2015, the policy was resolved at the meeting of the Board of Directors held on May 10, 2018, and approved at the 73rd Ordinary General Meeting of Shareholders on June 18, 2018. Since then, the policy has been submitted for approval at the General Meeting of Shareholders every three years to continuously reflect the opinions of shareholders. From the perspective of securing and enhancing corporate value and the common interests of shareholders, the Policy to Deal with Takeover eliminates arbitrary management discretion by clearly defining the period for providing information to large-scale purchasers, establishing an Independent Advisory Committee to ensure fairness of judgment, respecting to the maximum extent the recommendations of the committee, limiting the effective term of the policy to three years, and allowing the convening of a General Meeting of Shareholders to confirm shareholder intent. Furthermore, the activation requirements of the Policy to Deal with Takeover are restricted to specific situations, namely the "high court four types and coercive two-step transactions." This framework ensures both the necessity and appropriateness of the policy while preventing its use as a means of management entrenchment.

Details of the Policy to Deal with Takeover are provided in the "Notice Regarding Partial Change and Continuation of Yorozu's Policy on Large-Scale Purchasing of Its Own Shares (Policy to Deal with Takeover)," which is also available on the Company's official website.
https://www.yorozu-corp.co.jp/share/uploads/2024/05/Notice-Regarding-Partial-Change-and-Continuation-of-Yorozu%E2%80%99s-Policy-on-Large-Scale-Purchasing-of-Its-Own-Shares-Policy-to-Deal-with-Takeover_EN.pdf

Initiatives for promoting compliance

As part of its compliance promotion efforts, the Yorozu Group continuously implements initiatives to deepen employees' understanding of compliance, including regular training programs and compliance education as part of new employee orientation. In addition, to ensure thorough compliance with antitrust laws (competition laws), we have established the Antimonopoly Act Compliance Manual to foster a deeper understanding of the law's requirements among all employees. In fiscal 2025, we conducted an Antitrust Law Awareness Survey for employees in Japan and overseas to assess and reinforce their understanding of antitrust compliance. Furthermore, to monitor compliance with the Act on the Protection of Personal Information and other applicable laws and regulations, we expanded the scope of our Personal Information Protection Awareness Survey and Compliance Survey to include employees at overseas sites, thereby strengthening compliance throughout the Group.

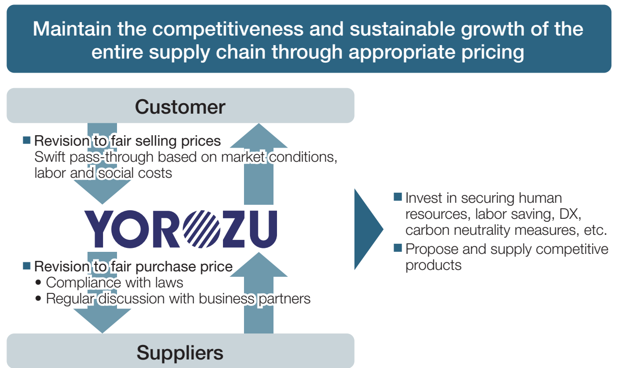
To further strengthen compliance throughout the Group, we will continue to provide practical training programs that reflect changes in the external environment and support employees in applying compliance principles in their day-to-day operations.


In-house compliance training

Initiatives to promote compliance together with business partners

Through fair and transparent procurement activities, we have worked to build trusting relationships with our business partners. In 2015, we established the Yorozu Green Procurement Guidelines and requested the cooperation of our suppliers in environmental conservation initiatives. Subsequently, in light of the Yorozu Global Environmental Vision 2040 announced in fiscal 2021, we revised these guidelines in 2022. Based on the belief that business growth must be pursued while responding to changes in society and the global environment, placing importance on sustainability and maintaining the trust of society, we have established the Yorozu Sustainability Guidelines and requested the cooperation of all our business partners.

In addition to the Yorozu Procurement Policy and the Five Principles of Procurement, we registered the Declaration of Partnership Building in 2021 and have proactively promoted initiatives such as the elimination of promissory note transactions, improvement of payment terms through cash settlement, and price negotiations to properly reflect increases in material and energy costs. In fiscal 2026, we will continue these efforts while actively working to improve payment terms for transactions that fall outside the scope of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Through regular discussions with our business partners, we will pursue fair and appropriate purchase prices. We will also work with our customers to ensure that changes in market conditions, labor costs, and social costs are promptly reflected in product pricing, thereby achieving appropriate selling prices.



To remain competitive in the global marketplace, we believe it is essential to enhance the competitiveness of the entire supply chain and achieve sustainable growth together. Based on this belief, we work closely with our business partners to promote fair and appropriate pricing, enabling investments in industry-wide challenges such as securing talent, labor-saving initiatives, DX, and carbon neutrality. Ultimately, these efforts allow us to propose and deliver more competitive products to our customers.

Recognizing that the understanding and cooperation of our business partners are essential to these efforts, we hold an annual briefing session on our sustainability policy. At the sustainability policy briefing held in April 2026, 108 participants from 74 business partners attended. Following the briefing, we also conducted a sustainability questionnaire survey for our business partners and, based on the results, exchanged ESG-related information with five companies.

Declaration of Partnership Building

Elimination of antisocial forces

The Yorozu Code of Conduct declares that all Group directors and employees must take a resolute stance against antisocial activities and organizations, and that no benefits will ever be provided in response to unjust demands or approaches. By ensuring strict compliance with this Code of Conduct, the Group has no relationship whatsoever with antisocial forces. The General Affairs Department serves as the lead division, gathering relevant information, issuing alerts, and preventing contact with such forces. In the event that any director or employee receives an unjust demand or otherwise comes into contact with antisocial forces, a system is in place for immediate reporting and consultation with the General Affairs Department. The department, in cooperation with the police and other external experts, promptly takes action to eliminate any such connection.

Information security

With regard to information security, the Information Security Promotion Committee, chaired by the President, has worked to establish information security management regulations, monitor compliance, implement various security measures, and provide employee training. However, following the ransomware cyberattack that affected the Yorozu Group in fiscal 2024, we have again recognized the critical importance of strengthening information security measures.

This cyberattack caused simultaneous damage to multiple servers and certain terminals of the Group, resulting in the loss or encryption of all or part of the data stored on those systems. To prevent the damage from spreading, we promptly isolated key servers and established a ransomware emergency center led by the President to investigate the cause of the incident and oversee recovery efforts.

To prevent a recurrence of system disruptions caused by cyberattacks, we have addressed the root causes identified through forensic investigations and implemented measures such as strengthening our global detection and monitoring capabilities. In addition, we conduct regular assessments by external experts, enhance network security, strengthen access rights management, and provide employee education to further raise information security awareness across the Group.

As cyberattack methods continue to evolve and become increasingly sophisticated, the Yorozu Group remains fully committed to strengthening its cybersecurity capabilities and proactively managing cyber risks to ensure the security and stability of its business operations.

Business Continuity Plan (BCP)

The Group considers it a top priority to protect the lives of customers, employees, and other stakeholders, and to ensure the continuation of critical operations in order to fulfill its social responsibilities as a corporation, even in the event of unforeseen incidents such as natural disasters or accidents. To maintain a stable supply of products and services to customers, we have designated our headquarters as the control tower in times of disaster and implemented fire and disaster prevention measures at plants essential to product supply. Furthermore, we have formulated a Business Continuity Plan (BCP). Disasters or accidents that prevent suppliers from manufacturing or delivering products could halt the Group's production and in turn cause customers' production lines to stop. The Group regularly updates the database of die and tooling assets for key components in Japan to facilitate swift transfer of production to alternative sites. With regard to stamping parts, we also monitor information on alternative production sites for each press manufacturer to ensure stable product supply. In addition, the Group has established emergency communication systems, strengthened IT system resilience, stockpiled food and disaster supplies, and distributed pocket-sized emergency manuals. We also place strong emphasis on employee training through disaster prevention education, emergency accountability drills, and evacuation drills conducted on a regular basis.

Avoidance of conflict minerals

The Group considers the impact of its procurement activities on local communities. In particular, we work together with our suppliers to avoid the use of raw materials that could give rise to social issues such as human rights violations and environmental damage, including minerals produced in the Democratic Republic of the Congo and neighboring countries that are used as a source of funds for armed groups.

Internal reporting system

The Group has established the "Come Forward for Help Line" and the "Business Partner Reporting Desk" as internal reporting systems to ensure that important compliance-related information is promptly and accurately communicated from the actual scene to top management.

The "Come Forward for Help Line" was originally established for employees of the Group's domestic and overseas companies, and in April 2022, we expanded the system by introducing an external reporting channel available in three languages. We have also established rules and procedures to protect whistleblowers and individuals seeking advice, thereby encouraging the active reporting and sharing of information. Furthermore, reports and consultations received through the external channel, as well as the Company's responses to them, are reported to the Board of Directors and the Management Meeting.

In fiscal 2025, the Come Forward for Help Line received 49 inquiries, all of which were opinions, consultations, and improvement proposals. None of the inquiries involved violations of laws or regulations. Depending on the nature of the inquiry, the Company investigates and confirms the facts before responding and making improvements to the work environment.

To ensure that we listen and respond not only to employees' voices but also to those from outside the Company, including business partners and individuals working in our supply chain, we have established the Business Partner Reporting Desk. Similar to the Come Forward for Help Line, we have implemented rules and procedures, under which reports received through an external reporting channel are shared with outside directors and reported to the Board of Directors and the Management Meeting. No reports were submitted to the Business Partner Reporting Desk during fiscal 2025.

Dialogue with shareholders

Item	Details
Basic Policy	The Company actively provides information through financial briefings, IR seminars, plant tours, and other channels, while also creating opportunities for dialogue between members of senior management and shareholders. By listening to and incorporating stakeholder feedback and gaining a deeper understanding of our shareholder base, we strive to achieve the sustainable growth of the Yorozu Group and enhance corporate value.
Person responsible for oversight	Officer in charge of finance
Framework for dialogue	Representative directors, CFO, executive officers, outside directors, and relevant department heads engage sincerely with shareholders and investors in compliance with applicable laws and regulations, based on the content of meetings and shareholding levels.
Primary means of dialogue	Financial briefings, plant tours, one-on-one meetings, information disclosure through the Integrated Report and other publications
Fiscal 2025 activities	Held earnings briefings and other investor relations events Conducted dialogue with a total of eight investors, analysts, and shareholders
Key participants	CFO, executive officers, and others
Main topics of dialogue	Perceptions of business performance and share price, sustainability initiatives, progress of the medium-term business plan, management policies, and growth strategies
Utilization of feedback received	Reported to the Management Meeting and Board of Directors and reflected in reviews of management strategy and other initiatives
Examples of reflection in management	Reflection in management policies and plans, and enhancement of the Directors' Skill Matrix

Human rights initiatives

The Yorozu Group upholds various international norms related to human rights and explicitly states its commitment to respecting human rights and diversity in its CSR policy to protect the human rights of all stakeholders. To further strengthen our initiatives, we established the new Human Rights Policy, which was approved at the Management Meeting held in June 2023.

Yorozu Group Human Rights Policy

In addressing human rights, the Group supports the UN Guiding Principles on Business and Human Rights and advances its activities in line with the OECD Due Diligence Guidance for Responsible Business Conduct and the full guide to Measures Currently Required for Companies Regarding Business and Human Rights issued by the Ministry of Justice. This policy binds each and every person working in the Yorozu Group and is positioned as the highest-level policy on human rights in the Group's business activities.

1. Scope of Application
This policy applies to all Yorozu Group officers and employees. In addition, we ask that all business partners, including customers and suppliers, understand and support this policy.

2. Human Rights Due Diligence
To fulfill the responsibility of respecting human rights, we have established a system to undertake ongoing human rights due diligence (i.e., the process carried out to identify, prevent, and mitigate adverse impacts on human rights).

3. Correction and Remedy
If we become aware that we have caused or contributed to an adverse impact on human rights, we will work to remediate the adverse impact through appropriate means and make use of consultation desks and other effective mechanisms to ensure access to remedies.

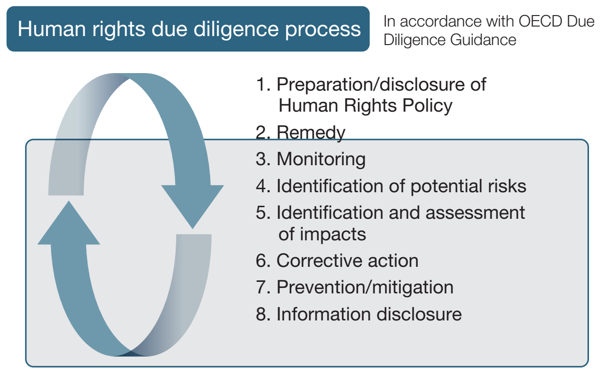
4. Awareness Training
To ensure that both internal and external parties are familiarized with this policy, we provide all Yorozu Group officers and employees with appropriate training and will make further efforts to enhance our business partners' understanding.

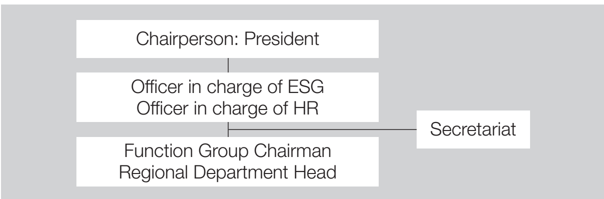
5. Progress Tracking and Information Disclosure
We will continuously monitor the state of compliance with the Human Rights Policy and make improvements as necessary. Information on our human rights initiatives based on the policy and the progress will be disclosed on our official website in an appropriate manner.

6. Dialogue and Discussion with Stakeholders
We will consult with human rights experts regarding any adverse impacts on human rights and at the same time engage in ongoing dialogue and discussions with internal and external stakeholders.

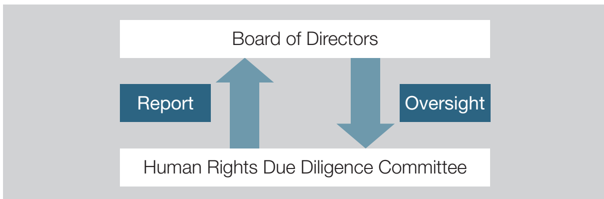
Human Rights Due Diligence Committee

The Group has established the Human Rights Due Diligence Committee to build a human rights due diligence framework based on the Human Rights Policy and to promote related initiatives in a planned and reliable manner. The President serves as Chairperson of the Committee, and its members include officers who serve as Function Group Chairman or Regional Department Head. The Committee promotes activities across all Group companies in Japan and overseas, and its activities are regularly reported to the Board of Directors to further advance responsible corporate behavior.





Organization: Human Rights Due Diligence Committee



Monitoring System

Major initiatives in fiscal 2025

(1) Discussions at the Human Rights Due Diligence Committee
In fiscal 2025, the Human Rights Due Diligence Committee met twice to reconfirm the policy and direction of its activities and to discuss matters such as the identification of potential human rights risks within the Group. It was confirmed that, under YSP2026, "all types of harassment" and "discrimination" would be designated as the top human rights risks to be addressed, and this decision was promptly communicated to all sites.

(2) Message from the President
The President, as Chairperson of the Committee, delivered a message to all employees in which he emphasized his belief that we should be "a sincere organization that consistently does the right things in the right way." He encouraged employees to act "*rashiku*," meaning to act with a clear understanding of the responsibilities associated with their position and role, and "*burazu*," meaning never to act arrogantly, but instead to remain humble and consider the feelings of others, in their approach to their daily work.

(3) Pledge on the elimination of forced labor and child labor
The Yorozu Group places particular emphasis on forced labor and child labor, which are considered among the most serious human rights risks that companies must address. To mitigate these risks, all center directors and subsidiary presidents are required to submit an annual Pledge on the Elimination of Forced Labor and Child Labor, and the Company regularly verifies the implementation status of measures designed to prevent and reduce the risks of forced labor, child labor, and related human rights concerns.

(4) Training sessions for executives and managers
The Group conducts annual training programs for executives and managers to prevent all forms of harassment and promotes harassment prevention through initiatives such as displaying awareness posters at all domestic Group sites. In fiscal 2025, all applicable persons attended training programs covering topics including the Antitrust Law, harassment prevention, and health and management as reflected in stress check results.

Going forward, the Group will continue its efforts, taking into account changes in the social environment, to help employees understand the importance of respecting human rights in business.

Harassment awareness poster

"My Declaration of Human Rights"

On May 12, 2023, Yorozu pledged its support for "My Declaration of Human Rights," promoted by Japan's Ministry of Justice. "My Declaration of Human Rights" is an initiative aimed at achieving a society where everyone respects human rights by declaring their commitment to taking actions that respect human rights, whether as a company, an organization, or an individual.

My Declaration of Human Rights

Promoting the Human Rights Policy in the supply chain

Based on the Human Rights Policy formulated in June 2023, the Company is implementing human rights due diligence. Under YSP2026, in accordance with the human rights due diligence process (see flow diagram on p. 56), we will advance the process from 3. Monitoring to 8. Information disclosure as an initiative for the entire supply chain. To confirm compliance with the guidelines and the status of human rights due diligence, the Company will continue to comprehensively assess suppliers' activities relating to legal compliance, environmental considerations, respect for human rights, and occupational health and safety using the Sustainability Procurement Check Sheet.

Data Section

Five-Year Summary of Financial and Non-Financial Data

Financial Data

Yorozu Corporation and Consolidated Subsidiaries (¥ million)

	FY2021	FY2022	FY2023	FY2024	FY2025
Profit/Loss (fiscal years)					
Sales	127,316	160,560	181,468	178,414	**176,330**
Cost of sales	113,015	143,384	162,429	161,629	**156,243**
Gross margin	14,301	17,175	19,038	16,784	**20,086**
SG&A expenses	12,204	14,087	14,579	16,486	**16,106**
Operating income	2,096	3,088	4,459	298	**3,980**
Non-operating income	991	687	1,263	1,220	**1,668**
Non-operating expenses	802	782	1,205	3,596	**1,872**
Ordinary income (loss)	2,284	2,992	4,517	(2,077)	**3,776**
Extraordinary gains	194	78	59	39	**475**
Extraordinary loss	98	183	11,921	9,305	**632**
Net income (loss) attributable to owners of parent	876	1,422	(3,926)	(13,448)	**2,075**
Cash flow (fiscal years)					
Cash flow from operating activities	14,914	2,924	12,531	4,742	**8,034**
Cash flow from investing activities	(4,536)	(5,164)	(11,851)	(11,814)	**(1,846)**
Cash flow from financing activities	(13,816)	(4,819)	(1,741)	6,758	**(3,143)**
Financial condition (fiscal year-end)					
Cash and cash equivalents, end of period	27,146	22,287	22,287	25,289	**29,763**
Net assets	70,378	77,439	75,493	61,204	**64,053**
Total assets	133,992	141,511	142,257	136,601	**138,258**
Per-share information					
Net income (loss) per share (¥)	36.55	59.00	(162.07)	(551.45)	**90.79**
Net assets per share (¥)	2,374.88	2,635.58	2,723.52	2,140.41	**2,629.49**

Other Financial Data

Operating income ratio	1.6%	1.9%	2.5%	0.2%	**2.3%**
Return on equity (ROE)	1.6%	2.4%	(6.1%)	(22.8%)	**3.9%**
Return on assets (ROA)	1.7%	2.2%	3.2%	(1.5%)	**2.7%**
Equity ratio	42.6%	45.0%	46.4%	38.1%	**39.2%**
Dividend payout ratio	35.6%	42.4%	–	–	**36.3%**
Capital investments (¥ million)	3,367	6,997	12,931	9,793	**5,612**
Depreciation (¥ million)	8,903	9,880	9,813	7,653	**6,108**
R&D expenditures (¥ million)	5,335	7,201	7,136	5,758	**6,334**
R&D expenditures to sales ratio	4.2%	4.5%	3.9%	3.2%	**3.6%**

Non-Financial Data

Environment

			FY2021	FY2022	FY2023	FY2024	FY2025
CO_2 emissions (t-CO_2) Scope 1		Domestic	3,066	3,574	3,867	3,674	**3,070**
		Overseas	15,267	16,291	15,715	12,993	**13,256**
		Total	18,333	19,865	19,581	16,667	**16,326**
Scope 2		Domestic	12,280	6,387	5,821	3,192	**634**
		Overseas	59,189	63,808	61,723	46,665	**48,463**
		Total	71,469	70,195	67,544	49,857	**49,097**
Scope 3	Cat. 1	Purchased goods and services	351,238	449,251	509,887	493,059	**494,577**
	Cat. 2	Capital goods	12,091	24,070	44,483	33,688	**19,305**
	Cat. 3	Fuel- and energy-related activities	5,185	5,681	5,565	4,642	**4,691**
	Cat. 5	Waste generated in operations	1,733	1,919	1,928	1,713	**1,317**
	Cat. 6	Business travel	209	235	223	229	**213**
	Cat. 7	Employee commuting	1,256	1,172	1,227	1,235	**1,103**
	Cat. 9	Downstream transportation and distribution	5,424	5,048	5,006	4,734	**4,109**
	Cat. 11	Use of sold products	4,003,488	3,896,637	3,983,518	3,715,650	**3,535,328**
	Cat. 12	End-of-life treatment of sold products	1,242	1,175	1,189	968	**663**
		Total	4,381,866	4,385,188	4,553,026	4,255,918	**4,061,308**
Waste emissions (tons)			3,150	3,653	3,816	3,340	**2,732**
Water use (1,000 m^3)			1,057	1,157	1,102	1,075	**1,020**

Human Capital

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees	5,666	5,726	5,700	5,848	**5,405**
Ratio of non-Japanese employees	5.7%	5.5%	4.0%	4.4%	**5.0%**
Employment rate of people with disabilities*1	–	–	–	2.0%	**2.6%**
Ratio of women recruited	–	20.8%	16.7%	24.2%	**18.4%**
Number of mid-career hires	2	14	13	14	**12**
Ratio of mid-career hires among managers	38.8%	39.5%	44.4%	44.2%	**39.7%**
Ratio of diversity in management positions*2	18.8%	22.2%	27.3%	26.4%	**30.7%**
Ratio of women in management positions	12.4%	12.4%	13.0%	12.5%	**14.7%**
Wage gap between men and women*3	–	83.7%	79.0%	70.1%	**78.8%**
Annual total actual working hours (h)	1,831	2,046	2,088	2,123	**2,228**
Remote work rate	34.1%	36.6%	29.8%	26.9%	**23.1%**
Ratio of paid leave taken	66.7%	77.8%	84.2%	86.8%	**82.5%**
Percentage of male employees taking parental leave (employees who took the leave/eligible employees)	71.4% (5/7)	22.2% (2/9)	57.1% (4/7)	100.0% (7/7)	**100.0% (13/13)**
Average number of days of parental leave taken by eligible male employees	136	100	148	164	**150**
Employee engagement survey score (pt)	–	–	55.5	56.3	**57.3**
Growth opportunity score (pt) *4	–	–	56.0	56.0	**57.0**
Training hours	2,032	3,466	5,649	5,647	**5,660**
One-on-one meeting implementation rate	–	–	47.0%	63.0%	**84.0%**
Employee turnover rate	6.5%	6.6%	5.2%	6.8%	**5.1%**
Number of accidents that led to lost working days	0	0	0	0	**0**

*1 The Yorozu Group assessment commenced in fiscal 2024.
*2 Female, senior, foreign national, disabled, etc.
*3 The reason for the discrepancy is believed to be due to the increase in recruitment of young female employees and the fact that the proportion of managerial positions or higher among all employees is lower for women compared to men. As the evaluation system does not set differences based on gender, there is no actual wage gap among employees holding equivalent managerial positions, and no system-related issues have arisen. Moving forward, it is considered important to increase the proportion of women in managerial positions to address this discrepancy.
*4 The scores for the questions concerning “growth opportunities” in the engagement survey

Corporate Information (As of March 31, 2026)

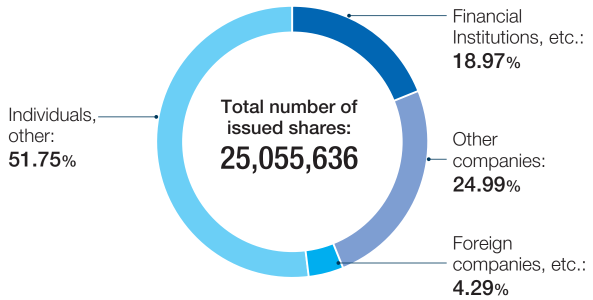
Company Overview

Company name: Yorozu Corporation
Address: 3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa, Japan
Foundation: April 1, 1948
Capital: ¥6,200 million
Business activities: Development, design, manufacture, and sale of auto parts, agricultural machinery parts, and manufacturing equipment
Employees (consolidated): 5,405

Stock Information

Stock exchange listing: Tokyo Stock Exchange Prime Market (As of March 31, 2026)
Securities code: 7294
Authorized shares: 64,000,000
Transfer agent & office: Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan
Number of shareholders: 41,217

Breakdown of Shareholders by Investor Type

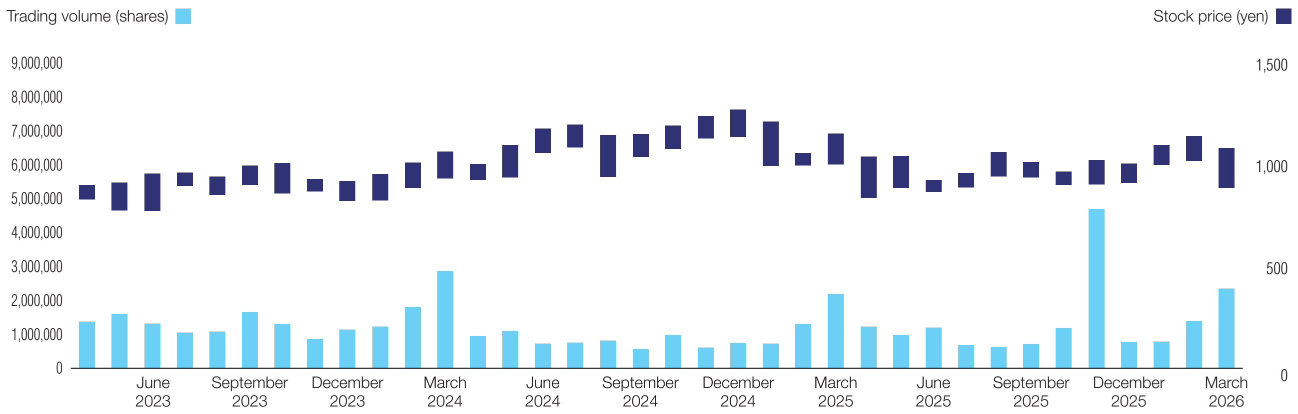


Status of Major Shareholders

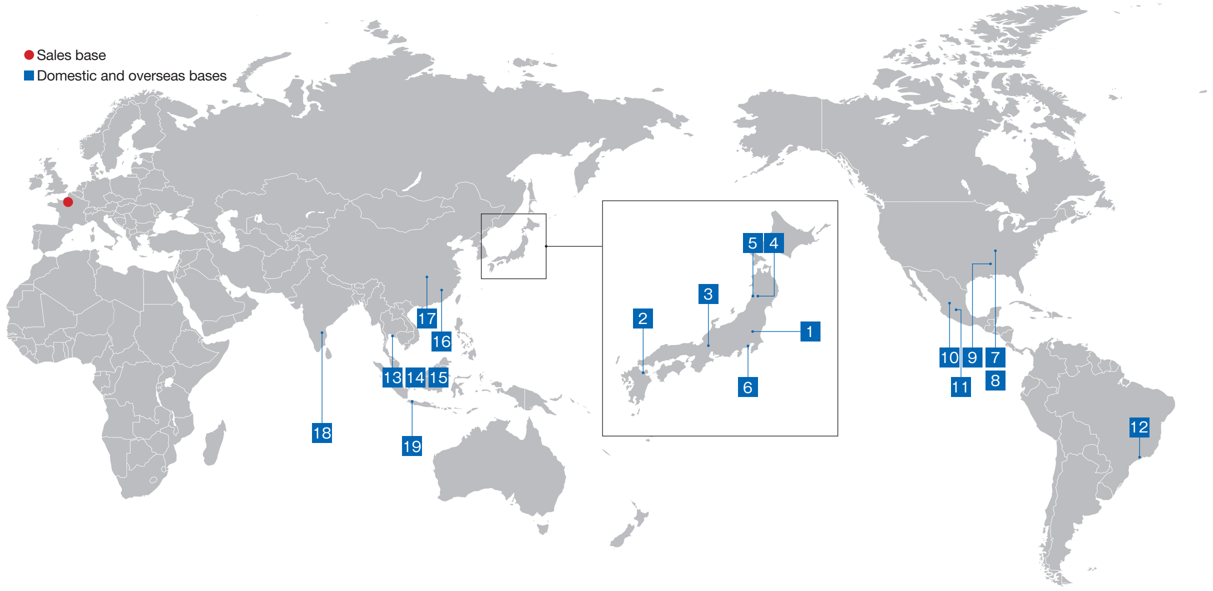
Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,572	7.63
Shido Holdings Co., Ltd.	883	4.29
JFE Steel Corporation	843	4.09
Mizuho Bank, Ltd.	842	4.09
The Bank of Yokohama, Ltd.	842	4.09
Suzuki Motor Corporation	800	3.88
Mitsubishi UFJ Trust and Banking Corporation	682	3.31
NISSAN TRADING CO., LTD	533	2.59
JFE Shoji Corporation	398	1.93
Kimihiko Shido	395	1.92

Note: The Company owns 4,460,000 treasury shares. The ownership ratio has been calculated by deducting these shares from the total number of issued and outstanding shares.

Stock Price Trends



Yorozu's Global Network



	Name	Location	Capital or investment amount	Main business
1	Tochigi Manufacturing Center	Oyama, Tochigi Prefecture	–	Manufacture and sale of auto parts
2	Oita Manufacturing Center	Nakatsu, Oita Prefecture	–	
3	Sustainable Manufacturing Center (YSMC)	Wanouchi, Anpachi, Gifu Prefecture	–	
4	Yamagata Manufacturing Center	Tsuruoka, Yamagata Prefecture	–	
5	Global Engineering Center	Mikawa, Higashi-Tagawa, Yamagata Prefecture	–	Manufacture and sale of dies and equipment
6	Yorozu Service Corporation	Yokohama, Kanagawa Prefecture	10 million Japanese yen	Insurance services, temporary staffing, service contracting, etc.
7	Yorozu America Corporation	Morrison, Tennessee, U.S.A.	217 million U.S. dollars	A holding company in the U.S.A.
8	Yorozu Automotive Tennessee, Inc.	Morrison, Tennessee, U.S.A.	95 million U.S. dollars	Manufacture and sale of auto parts
9	Yorozu Automotive Alabama, Inc.	Jasper, Alabama, U.S.A.	132 million U.S. dollars	
10	Yorozu Mexicana S.A. de C.V.	San Francisco de los Romo, Aguascalientes, Mexico	1,047 million Mexican pesos	Manufacture and sale of auto parts
11	Yorozu Automotive Guanajuato de Mexico, S.A. de C.V.	Apaseo el Grande, Guanajuato, Mexico	2,565 million Mexican pesos	
12	Yorozu Automotiva do Brasil Ltda.	Resende, Rio de Janeiro, Brazil	369 million Brazilian real	
13	Yorozu (Thailand) Co., Ltd.	Rayong, Thailand	1,800 million Thai baht	
14	Y-Ogura Automotive (Thailand) Co., Ltd.	Rayong, Thailand	1,383 million Thai baht	
15	Yorozu Engineering Systems (Thailand) Co., Ltd.	Rayong, Thailand	65 million Thai baht	Manufacture and sale of dies and equipment
16	Guangzhou Yorozu Bao Mit Automotive Co., Ltd.	Guangzhou, Guangdong, China	189 million Chinese yuan	Manufacture and sale of auto parts
17	Wuhan Yorozu Bao Mit Automotive Co., Ltd.	Wuhan, Hubei, China	276 million Chinese yuan	
18	Yorozu JBM Automotive Tamil Nadu Pvt. Ltd.	Tamil Nadu, India	4,000 million Indian rupees	
19	PT. Yorozu Automotive Indonesia	Karawang, West Java, Indonesia	770 billion Indonesian rupiah	

Websites

Investor Relations
https://www.yorozu-corp.co.jp/en/investors/

The IR section has information about management policies, strategies for medium-term business plans, financial results, and FAQs.

Sustainability Information
https://www.yorozu-corp.co.jp/en/sustainability/

In addition to our efforts in governance and compliance, we introduce activities aimed at realizing a sustainable society, including safety and health measures.

Environmental Preservation
https://www.yorozu-corp.co.jp/en/sustainability/eco/

This section introduces Yorozu's environmental conservation initiatives and efforts to its stakeholders, which include its Environmental Philosophy and Vision as well as CSR activities and ISO certifications obtained by Group companies around the world.

Inquiries regarding IR information

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Tel: +81-45-543-6802