

YOROZU



YOROZU

3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa
222-8560, Japan
Tel: +81-45-543-6800
<http://www.yorozu-corp.co.jp/en/>

**YOROZU
INTEGRATED REPORT
2019**

MISSION

CORPORATE PHILOSOPHY

[Our Purpose]

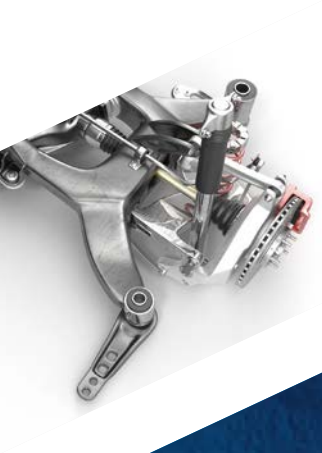
Our primary mission is to contribute to society by continually striving to deliver technological innovation and create products that are beneficial to people.

[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.



Who We Are

A Constantly Evolving Suspension Parts Maker

Yorozu has earned the trust of domestic and foreign automakers as a premier supplier of suspensions, having honed its technologies as an auto parts maker with a focus on suspensions.

Leveraging its advanced development and technological capabilities, Yorozu will continue to develop operations globally as a suspension system manufacturer with fully integrated production systems, from performance development to mass production, for suspension parts and peripheral components.



CORPORATE VISION

Create new value through suspension systems, and build the presence of the “Yorozu Brand” throughout the world.



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Editorial Policy

The Yorozu Group has published its first integrated report, titled *Yorozu Integrated Report 2019*. This report is positioned as a communication tool for furthering a better understanding of our corporate value and growth potential, aiming to convey in an easy-to-understand format our various initiatives to realize a sustainable society, as well as the Group's management policies, business strategies and financial information, to all of our stakeholders, including shareholders, investors, suppliers, local communities, and employees.

The Yorozu Group will endeavor to provide better information to its stakeholders in order to facilitate their understanding of the Group.
The most recent information is available on the Yorozu website.

 Yorozu Corporation Website
<http://www.yorozu-corp.co.jp/en/>

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Disclaimer Regarding Forward-Looking Statements

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 may differ significantly from these projections due to a variety of factors.

Period of Reporting*

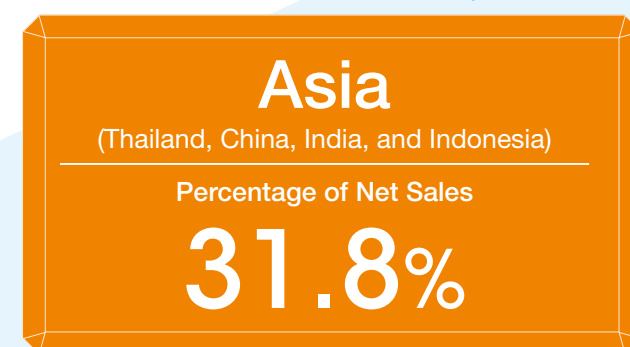
This report covers the period from April 1, 2018, to March 31, 2019.
* The report also contains some information outside this timeframe.

Scope of Reporting

This report covers YOROZU CORPORATION and its Group companies.

Yorozu at a Glance

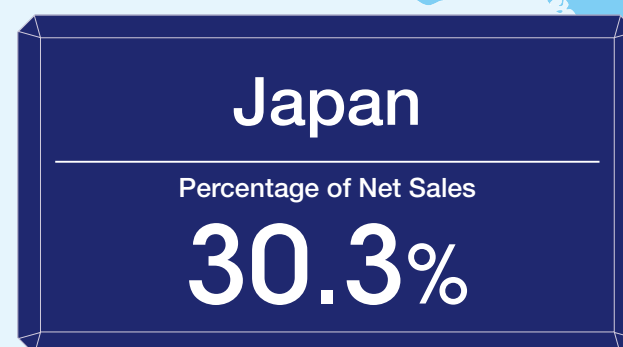
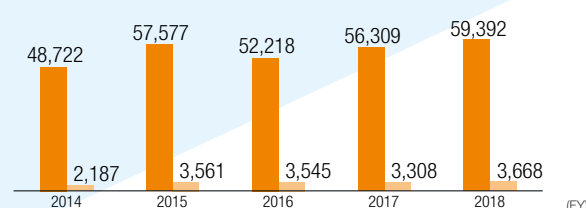
The Yorozu Group produces suspension parts, a key chassis component for automobiles, in Japan, the Americas (the United States, Mexico, and Brazil), and Asia (Thailand, China, India, and Indonesia). Yorozu has built a global network for supplying vital parts to automakers around the world.



FY2018 Results

Net sales **¥59,392 million**
Operating income **¥3,668 million**

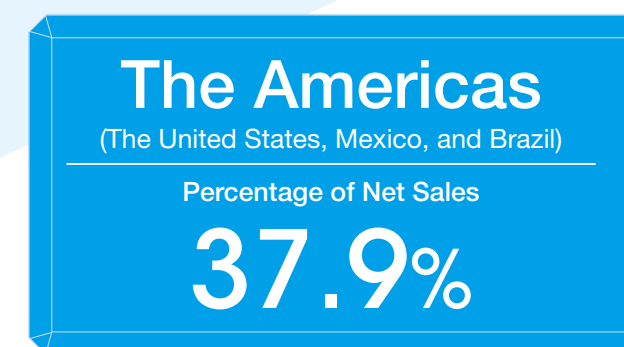
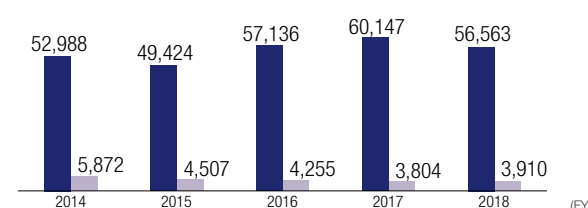
Net sales ■ / Operating income ■
(Millions of yen)



FY2018 Results

Net sales **¥56,563 million**
Operating income **¥3,910 million**

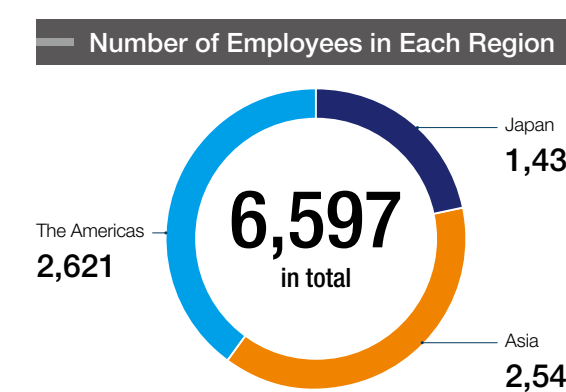
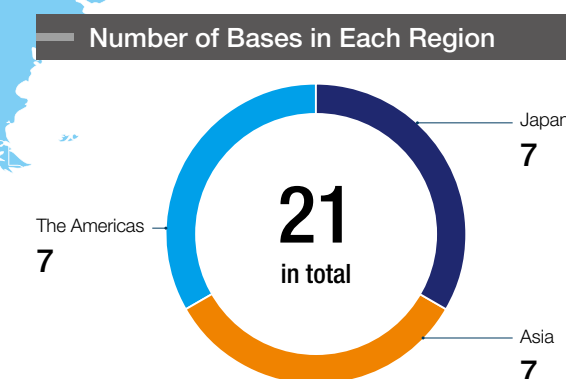
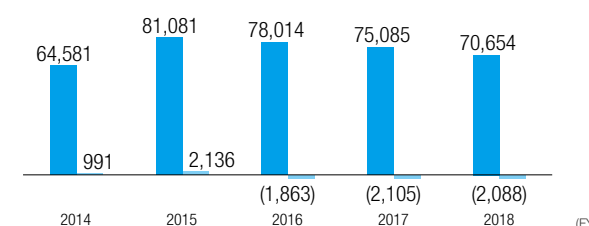
Net sales ■ / Operating income ■
(Millions of yen)



FY2018 Results

Net sales **¥70,654 million**
Operating loss **¥2,088 million**

Net sales ■ / Operating income (loss) ■
(Millions of yen)



History of Yorozu

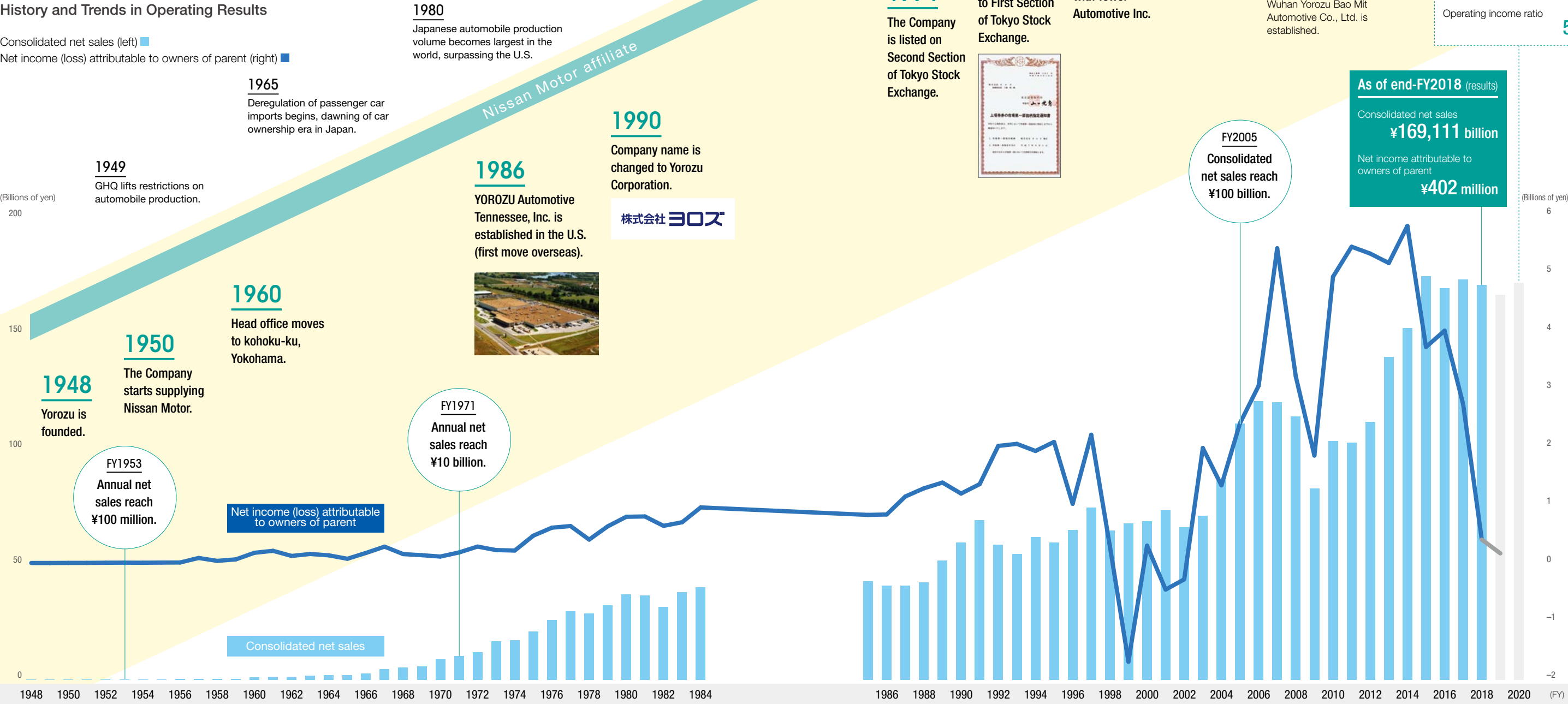
Since its founding as Yorozu Automobile Works on April 1, 1948, Yorozu's creed has been to contribute to society through the production of suspension parts, a vital component of automobiles.

Over the years, Yorozu has gone through several transformations, including its efforts to establish a total production system, a core strength, evolve into an independent auto parts manufacturer, and aggressively develop business in markets overseas. Today, the Yorozu Group conducts business as a global corporation with a total of 21 companies, comprising seven in Japan and 14 overseas. As the Yorozu name has become synonymous with suspensions, the Yorozu Group currently supplies the Big Three automakers in the United States, Renault in France, and Daimler in Germany, in addition to Japanese automakers, underscoring the high level of trust that automakers around the world have placed in Yorozu's technologies.

Yorozu aims to be a company that contributes to the creation of an affluent society while enhancing its corporate value, based on its management stance ("Our basic business creed is to conduct reliable management.") and primary mission of contributing to society.

History and Trends in Operating Results

Consolidated net sales (left) ■
Net income (loss) attributable to owners of parent (right) ■



Message from the President

Becoming a 100-Year-Old Company Loved by All



Ken Shido

President and COO,
Member of the Board

Yorozu's Automobile Suspensions

Since its founding in 1948, Yoroze has endeavored to win the trust of automakers by constantly refining its technologies as an auto parts manufacturer centered on suspensions, based on a business stance of prioritizing contributions to society with trustworthy management as its creed. The suspension parts that Yoroze manufactures are designated as vital safety components because it may become impossible to drive a vehicle if the suspension breaks while in operation. Suspensions cannot simply be manufactured at will by any company. Yoroze has produced suspension parts for many years, and automakers have given high marks to the reliability of our production technologies, making the Yoroze name synonymous with suspensions.

A Once-in-a-Century Change Approaches

The automobile industry is undergoing a once-in-a-century change with the advent of connected, autonomous, shared & services, and electric (CASE) trends in automobiles. By adding these new technologies and concepts to standard functions, automobiles are evolving into a new form of transportation in a clean break from the past. Around the world, automakers are vying to take the lead in developing new vehicles. Faced with tightening regulations for gasoline and diesel engine vehicles in key markets, automakers are keen to develop environment-friendly vehicles, including hybrid vehicles, plug-in hybrid vehicles (PHVs), electric vehicles (EVs), and fuel cell vehicles (FCVs).

The role of auto parts makers, which have honed their technologies in traditional domains, has been

changing alongside the development and proliferation of CASE and environment-related technologies. Since installing new technologies and parts onto existing vehicle bodies will only add to their weight and cost, it is imperative that new technologies and materials are developed, and that the weight and cost of existing parts are reduced. Meanwhile, automakers must concentrate their human and physical resources on staying ahead of the competition in developing CASE technologies and environment-friendly vehicles. Automakers will still rely on specialized auto parts manufacturers to take care of basic technological domains for automobiles, such as the areas covered by Yoroze.

Medium-Term Business Plan: "Yorozu Spiral-up Plan 2020"

In light of these circumstances, Yoroze unveiled a new second-phase, three-year medium-term business plan, "Yorozu Spiral-up Plan 2020 (YSP2020)," in 2018. Under YSP2020, the Company's key initiatives are to enhance profitability, improve product competitiveness and development capabilities, and enhance corporate capabilities with the aim of establishing a robust corporate structure to prevail in global competition.

To enhance profitability, the Company aims to generate positive free cash flow through steady returns on capital investments, and by further reducing capital investments for new models while strengthening the assessment and management of profitability for investments. Furthermore, we are enhancing project revenue management through a focus on management by function and operating base. Yoroze also aims to sharply reduce production costs with unmanned

production lines, automated guided vehicles (AGVs), and IoT systems.

To improve product competitiveness and development capabilities, Yoroze is advancing development in new fields for a future of lighter and more diverse vehicles, while continuing to develop suspension components and other existing product lines. We plan to augment Yoroze Engineering, our core engineering company, and expand capacity to increase the speed of development. Moreover, the Company is rapidly rolling out a strategy for increasing sales, centered on customers, products, and regions.

Lastly, we aim to enhance corporate capabilities in order to strengthen profitability and improve product competitiveness and development capabilities. For starters, Yoroze is reassessing its organizational structure, training personnel, and promoting diversity. We have set up the Smart Work Committee to create a workplace that truly motivates employees. Yoroze is also engaged in ESG management with the aim of reducing environmental impact, reforming work styles, and reinforcing compliance and corporate governance.

Moving toward 100 Years

Through these initiatives, Yoroze looks forward to becoming a 100-year-old company that is also a testament to its enduring growth. The Company will spare no effort to improve product competitiveness by creating products in tune with the latest needs, such as lighter weight and lower costs, to enhance profitability by increasing its reliable sources of revenue as a company, and to enhance its corporate capabilities with the intention of taking full advantage of the skills of its employees.

Yorozu's Source of Competitiveness

Total Production System

The Yorozu Group has established its Total Production System, which internalizes all processes related to production, such as the fabrication of manufacturing equipment, in addition to everything from R&D to production and quality assurance, leveraging its more than 50 years of experience and wealth of accumulated data.

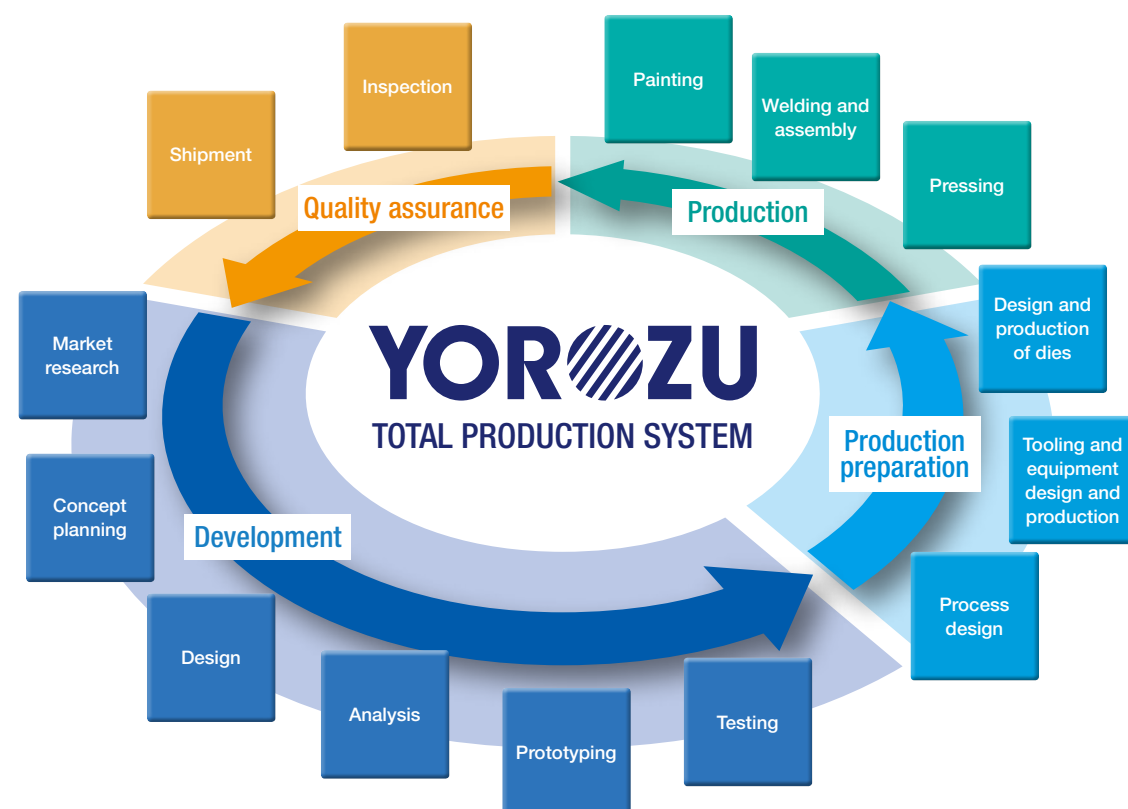
Information from each process is fed back to relevant departments, and this information is used to develop and produce the next generation of products in a bid to further increase productivity and strengthen competitiveness.

Efficiency Increases with Total Production System

Yorozu has created its Total Production System as an integrated production system that internalizes all processes, from product marketing and R&D to production and quality assurance. Yorozu views the Total Production System as the centerpiece of its competitive advantage.

At the product development stage, we repeatedly run cost minimization simulation cycles in order to minimize

production costs, while at the same time designing products and processes with information technology (IT). We are strengthening profitability by efficiently producing highly competitive products through the use of production condition data in the production preparation process, backed by our extensive data on optimal products.



Please visit the URL below for details about each phase of the Total Production System.
<http://www.yorozu-corp.co.jp/en/technology/>

Message from the CTO

Yorozu is taking on the challenge of developing new technologies, leveraging its unique position as a specialized manufacturer of suspensions.

The environment surrounding the automobile industry is changing dramatically, as exemplified by the trends known as CASE (connected, autonomous, shared & services, and electric). Accordingly, the source of value in automobiles is gradually shifting from the basic functions of driving, turning, and stopping to advanced driver assistance systems (ADAS), such as communications systems, safe driving assistance systems, and autonomous driving systems.

Furthermore, automakers have been keen to reduce the weight of vehicles with the aim of lowering their environmental impact while addressing CASE trends. In order to cut development costs as well, automakers have been increasing the use of common parts. In this context, the Yorozu Group's advanced technological capabilities, such as those in design, analysis, and testing, can play a key role.

Under these conditions, as a group we aim to enhance our competitiveness through the development of technologies for the future while advancing standardization and automation, by leveraging our accumulated experience and knowledge in integrated manufacturing—from product design to mass production—as a specialized manufacturer of suspensions, an integrated pressed product incorporating aluminum and resins.

Looking ahead, Yorozu will expand the scope of its existing technologies in the fields of sheet metal stamping, welding, and coating while aggressively adopting new structures, materials, and crafting

techniques. Moreover, the Company will take on the challenge of opening up new technological domains that only a specialized manufacturer of suspensions can. Meanwhile, on the production floor, we will continue our efforts to expand production technologies with an eye on automation, introduce production lines with people working alongside robots, and install IoT-compatible equipment as we pursue the future of manufacturing.



Kazumi Sato

Vice Chairman and CTO
Member of the Board

FOCUS ON

Jidoka Lines (Line Automation)

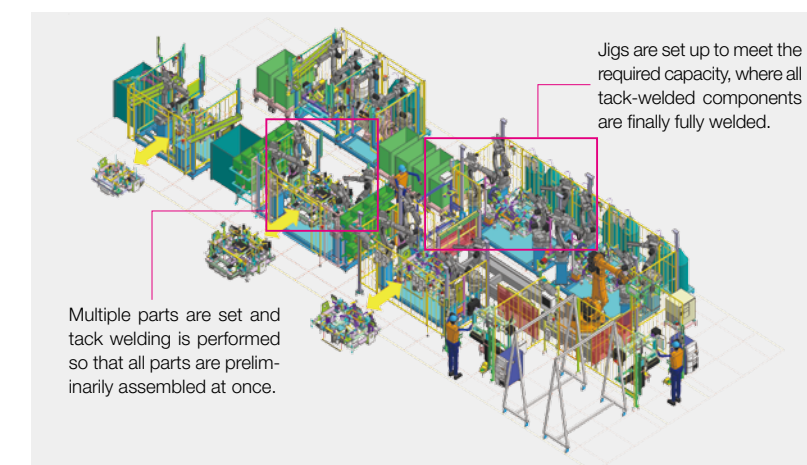
Yorozu's automated production lines reduce costs and improve manufacturing efficiency.

Yorozu is increasingly automating its production lines by keeping an eye on return on investment for new vehicle projects, with the objective of reducing the cost of production in countries with high labor costs or countries where labor costs are likely to increase.

Yorozu deploys both production lines for tack welding of all parts and final weld (main assembly) as a highly effective means for reducing capital spending. These production lines are welding line layouts designed to minimize the number of processes by setting up identical welding processes in parallel to maximize the operating rates of welding robots. By changing the number of parallel processes, it is possible to adjust output volume in production, thereby facilitating the efficient use of manufacturing facilities and space.

Furthermore, standardizing facilities for general purpose while adopting a versatile structure for specialized needs promotes the use of existing facilities and equipment for next-generation models.

By working with automakers from the initial stage to develop an integrated structure with fewer components, we endeavor to reduce capital spending while jointly creating engineering layouts that adopt tack welding production lines.



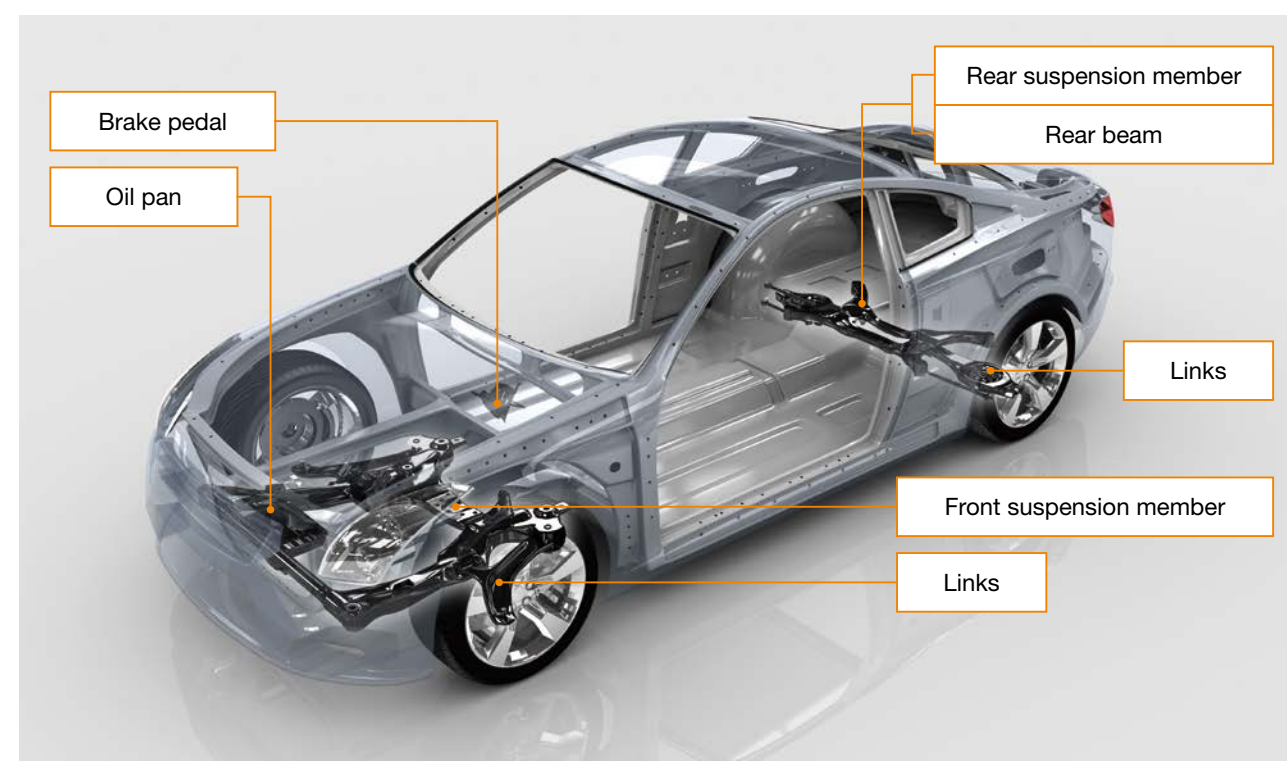
Production lines for tack welding and final weld

Yorozu's Source of Competitiveness

World-Class Technology and Global Production System

In addition to developing and manufacturing chassis components, such as suspension parts, with cutting-edge technologies, the Yorozu Group engineers, develops, and produces its own manufacturing equipment while advancing standardization with identical manufacturing equipment and production methods at all of its bases. This enables the production of products of uniform quality on a Groupwide basis.

Here, we introduce our advanced capabilities and the advantages of our products.



Lightweight Suspension Parts

Suspension parts which essentially connect vehicle tires to the body perform three main functions: 1) supporting the weight of the vehicle as a frame; 2) determining the motion and position of tires, which defines drivability and maneuverability; and 3) absorbing forces from the road, which affect the level of comfort while the automobile is in motion. Of these functions, Yorozu mainly manufactures suspension parts that determine the motion and position of tires.

As commonly known, CO₂ emissions from automobiles contribute greatly to global warming. Yorozu has made great strides in reducing CO₂ emissions by making its products more

lightweight, thereby improving the fuel economy of vehicles when they are driven.

Even if environment-friendly electric vehicles (EVs) and fuel cell vehicles (FCVs) gain popularity around the world, they will still need suspension parts. With this in mind, we are aware of the necessity to keep on working toward weight reduction goals.

To take on this challenge, the Company is developing new structures that are different from conventional ones and using ultra-high-tensile strength steel sheets and other non-steel materials, such as plastics and aluminum, to reduce weight.

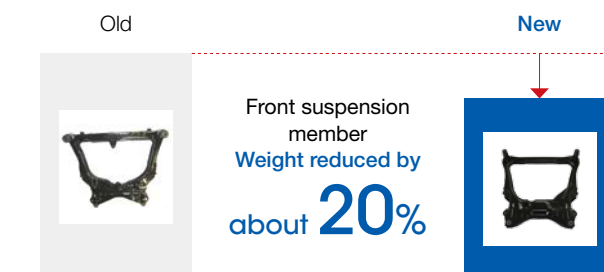
CASE STUDY

Weight Reduction Example for Front Suspension Member

— For Nissan Altima in North America —

Reduction in CO₂ emissions from decreasing weight About **182,000** tons

Thanks to simultaneous engineering activities with suppliers, we were able to reduce weight by roughly 20% by decreasing the number of parts. We estimate this reduction in weight cuts around 182,000 tons of CO₂ emissions by the time production of the model ends.



Weight Reduction Example for Rear Beams and Links (Front Lower Arm)

— For Honda N Series in Japan: N-BOX, N-WGN, and N-ONE —

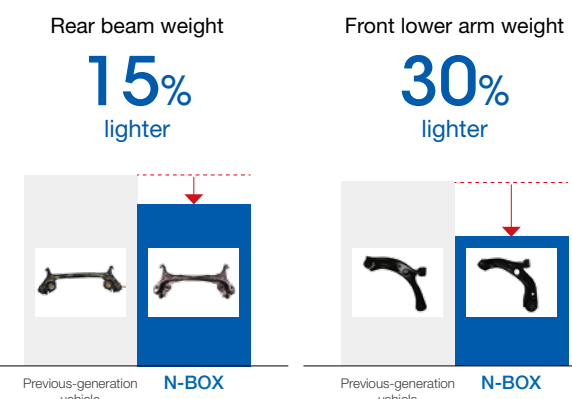
Reduction in CO₂ emissions from decreasing weight About **25,300** tons

One of Yorozu's strengths is its tailored blank technology,* which helped reduce the weight of rear beams by about 15% compared with previous-generation vehicles. The Company also decreased the weight of front lower arms by about 30% compared with previous-generation vehicles, thanks to the use of thinner but stronger materials.

We estimate these weight reductions lead to lower CO₂ emissions equivalent to a total of around 25,300 tons, with savings of 15,900 tons for rear beams and around 9,400 tons for front lower arms, by the time production of the model ends.

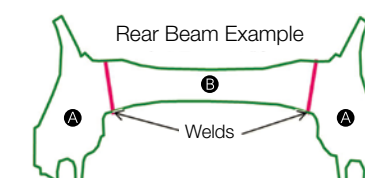
These components are used in the N-ONE RACE racing car, highlighting their ability to withstand heavy loads during cornering at high speeds.

As the Yorozu name has become synonymous with suspensions, we will continue to keep pace with the changing times as an auto parts manufacturer, by further refining basic functions and reducing weight further in these essential components.



* Tailored blank technology

This is one of Yorozu's core groundbreaking technologies for reducing weight. It entails welding a pair of steel sheets of different thickness to make a single panel, which is then press formed.



FOCUS ON

Integrated Production of Dies and Manufacturing Equipment

Globally Connected Production System

Yorozu Engineering Corporation and Yorozu Engineering Systems (Thailand) Co., Ltd. are responsible for all aspects of in-house production, including the engineering, fabrication, and installation of all dies and manufacturing equipment used across the Yorozu Group. At both companies, the press and assembly divisions work closely together on dies and manufacturing equipment, from design to installation. This ensures delivery of high quality dies and manufacturing equipment in short time and at low cost, contributing to the uniform quality of our products around the world while improving profitability.

To support the expansion of our global production bases, expansion and reinforcement of both Yorozu Engineering Corporation and Yorozu Engineering Systems have been completed. As a result, the total capacity of the two companies amounts to 2,100 dies a year, allowing them to flexibly respond to customer demand for dies and manufacturing equipment. These two firms play an important role in honing the competitiveness of the entire Yorozu Group.

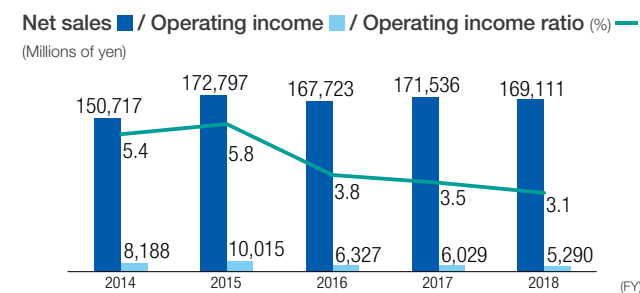


Expanded facilities at Yorozu Engineering Corporation

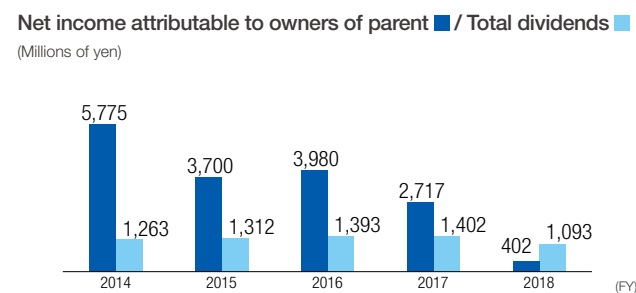
Financial and Non-Financial Highlights

Financial Highlights

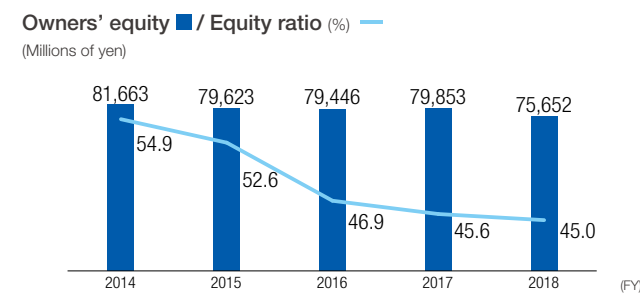
Net sales **¥169,111 million**



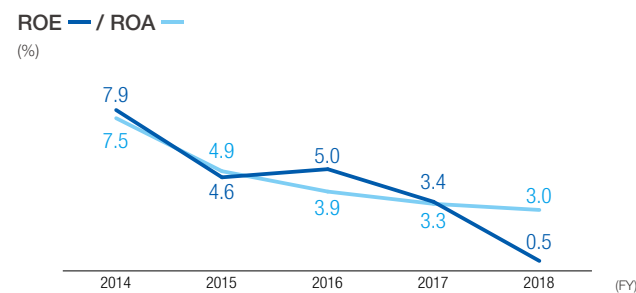
Net income **¥402 million**



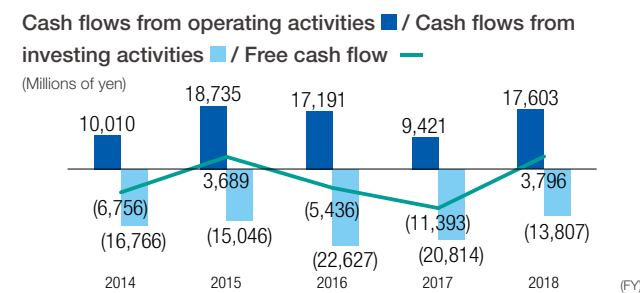
Equity ratio **45.0 %**



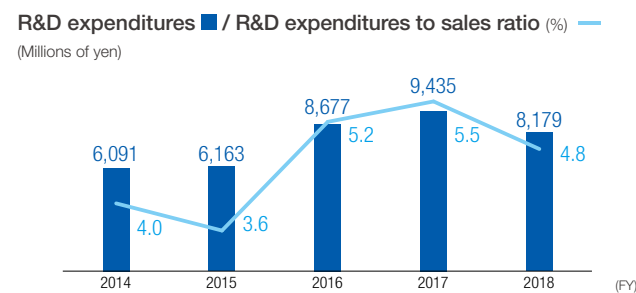
ROE **0.5 %** ROA **3.0 %**



Free cash flow **¥3,796 million**

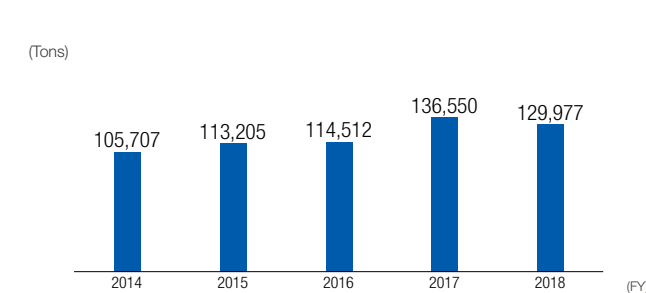


R&D expenditures to sales ratio **4.8 %**

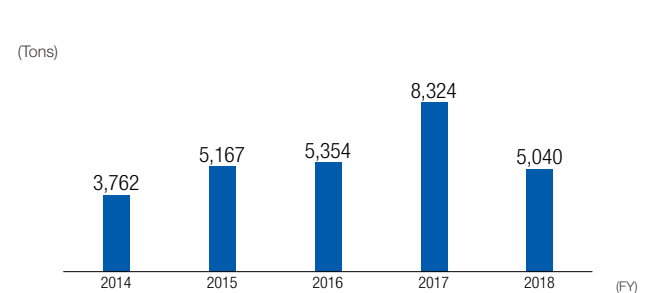


Non-Financial Highlights

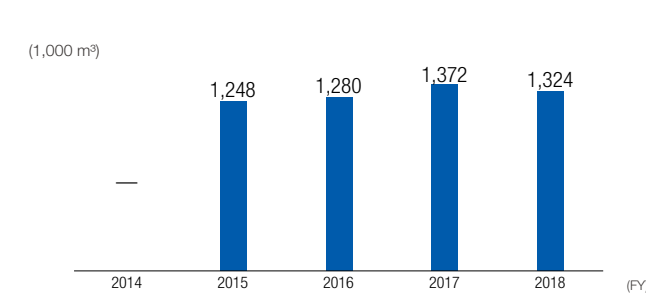
CO₂ emissions **129,977 tons**



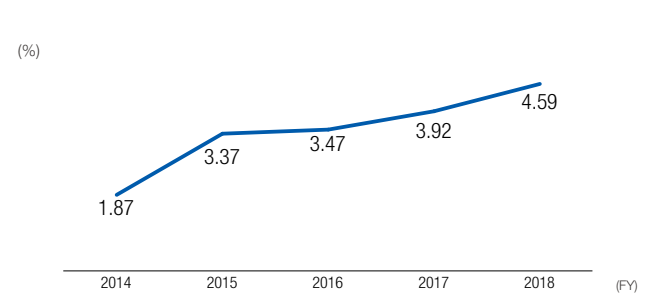
Waste emissions **5,040 tons**



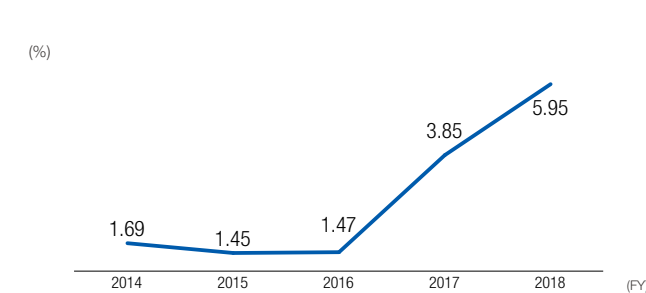
Water use **1,324,000 m³**



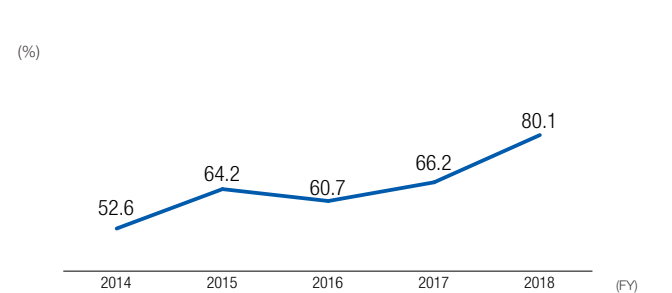
Ratio of non-Japanese employees **4.59 %**



Ratio of women in management positions **5.95 %**



Ratio of paid vacation taken **80.1 %**

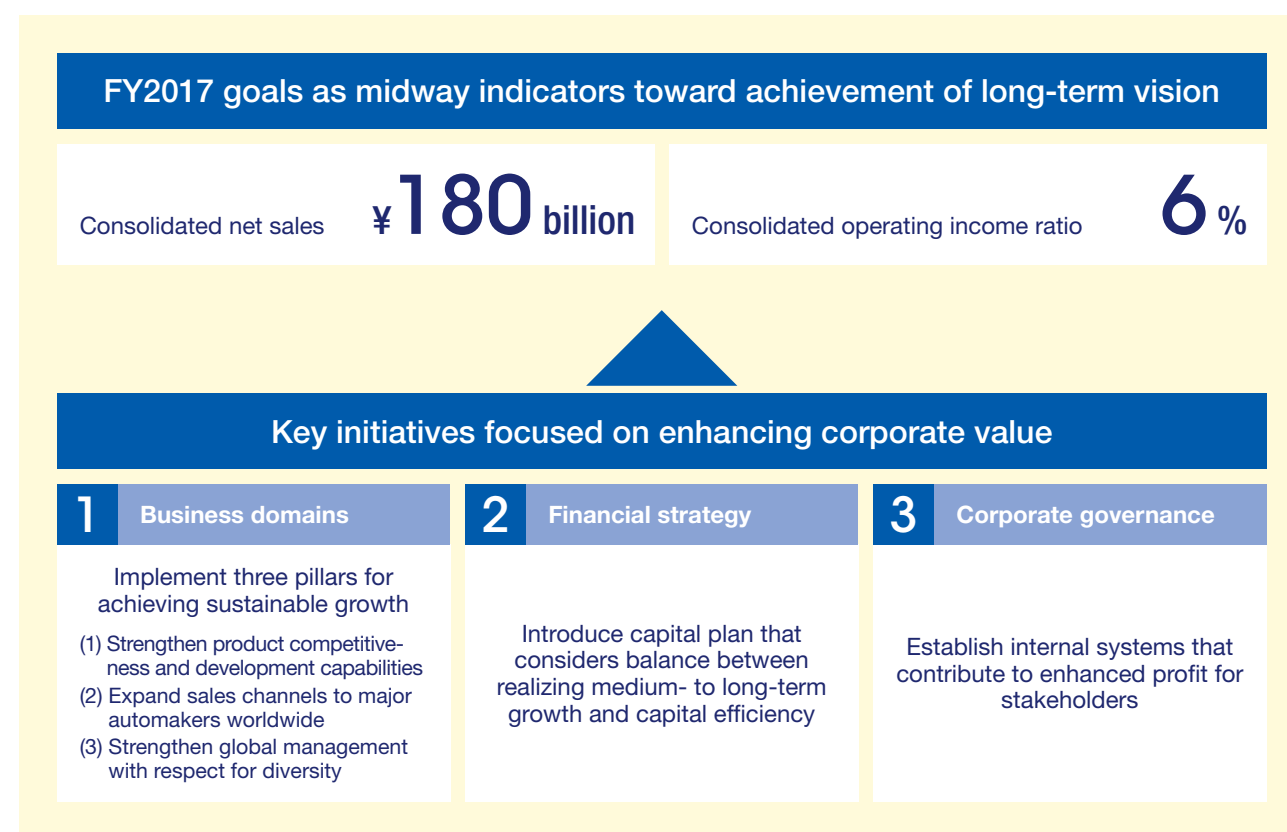


Ratio of accidents that led to lost working days (five consecutive years) **0 %**

Review of Medium-Term Business Plan “Yorozu Spiral-up Plan 2017”

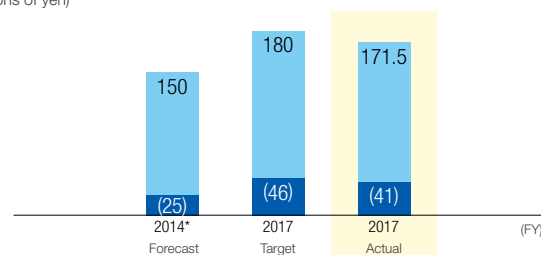
As its long-term vision for the next 10 years, Yorozu has set its sights on becoming a suspension system manufacturer with key initiatives focused on sustaining growth through the three pillars of (1) strengthening product competitiveness and development capabilities, (2) expanding sales channels to major automakers worldwide, and (3) strengthening global management with respect for diversity, in addition to financial strategies and corporate governance measures. In March 2015, the Company devised the “Yorozu Spiral-up Plan 2017 (YSP2017)” as the first round of initiatives to achieve these goals.

Creation of a Robust Corporate Structure to Outstrip the Competition



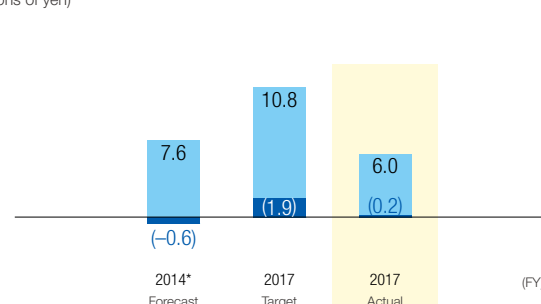
Consolidated net sales

New base total ■ / Consolidated ■
(Billions of yen)



Consolidated operating income (loss)

New base total ■ / Consolidated ■
(Billions of yen)



* FY2014 reflects initial forecasts when “Yorozu Spiral-up Plan 2017” was unveiled.

Outcomes of key initiatives

| 1 Business domains | 2 Financial strategy | 3 Corporate governance |
|---|---|---|
| <ul style="list-style-type: none"> Launched fully automated, unattended production lines, expanded sales channels, and increased production capacity Improved measures to cultivate human resources | <ul style="list-style-type: none"> Promoted capital investment to sustain growth, including establishing a new base in Alabama, U.S. Set a target for consolidated dividend payout ratio of 35% | <ul style="list-style-type: none"> Transitioned to a company with an audit and supervisory committee structure Appointed two female outside directors |

Our targets under “Yorozu Spiral-up Plan 2017 (YSP 2017),” which ended in FY2017, were consolidated net sales of ¥180 billion and a consolidated operating income ratio of 6%. In FY2017, however, consolidated net sales fell short at ¥171.5 billion, owing to yen appreciation and a decline in volume at customers in emerging countries, while the consolidated operating income ratio was 3.5%, reflecting a deterioration in earnings in the U.S. and weak growth in Thailand, India, Indonesia, and Brazil.

As one outcome of strengthening product competitiveness and development capabilities during YSP2017, Yorozu Oita Corporation gained production technology know-how related to unattended assembly processes with the start of assembly line operations for the Nissan Serena. Thereafter, the Company rolled out unattended assembly technology at its overseas bases and, in April 2017, commenced operations of assembly lines for the Honda Odyssey at its Tennessee base in the U.S.

To increase our competitiveness with uniform quality around the world, we expanded and increased capacity at Yorozu Engineering Corporation, concentrating manufacturing technologies in Japan and expanding production facility capacity for molds from 700 to 1,400 units annually.

With an eye on winning new orders and expanding orders from global automakers that are not already customers, Yorozu commenced production at its new base in Alabama, U.S. in January 2017, and Yorozu Oita Corporation worked to expand facilities while addressing customer needs.

The Company moved to strengthen global management with a focus on diversity, and launched the Work Style Reform Committee (Smart Work Committee) in July 2017 to take on work style reforms under the guidance of the president. In order to be a company that brings out the best in each and every employee, we conducted surveys and held countless discussions about creating workplaces that motivate everyone to work smarter. These activities led to specific measures for shortening work hours, improving productivity, and helping employees grow further.

Moreover, Yorozu advanced the training of human resources through local contributions and international cooperation, proactively cooperating in industry-academia projects with trade schools, such as the National Institute of Technology, Tsuruoka College in Yamagata Prefecture, and helping with human resource training operations sponsored by the Japan International Cooperation Agency (JICA) in Mexico.

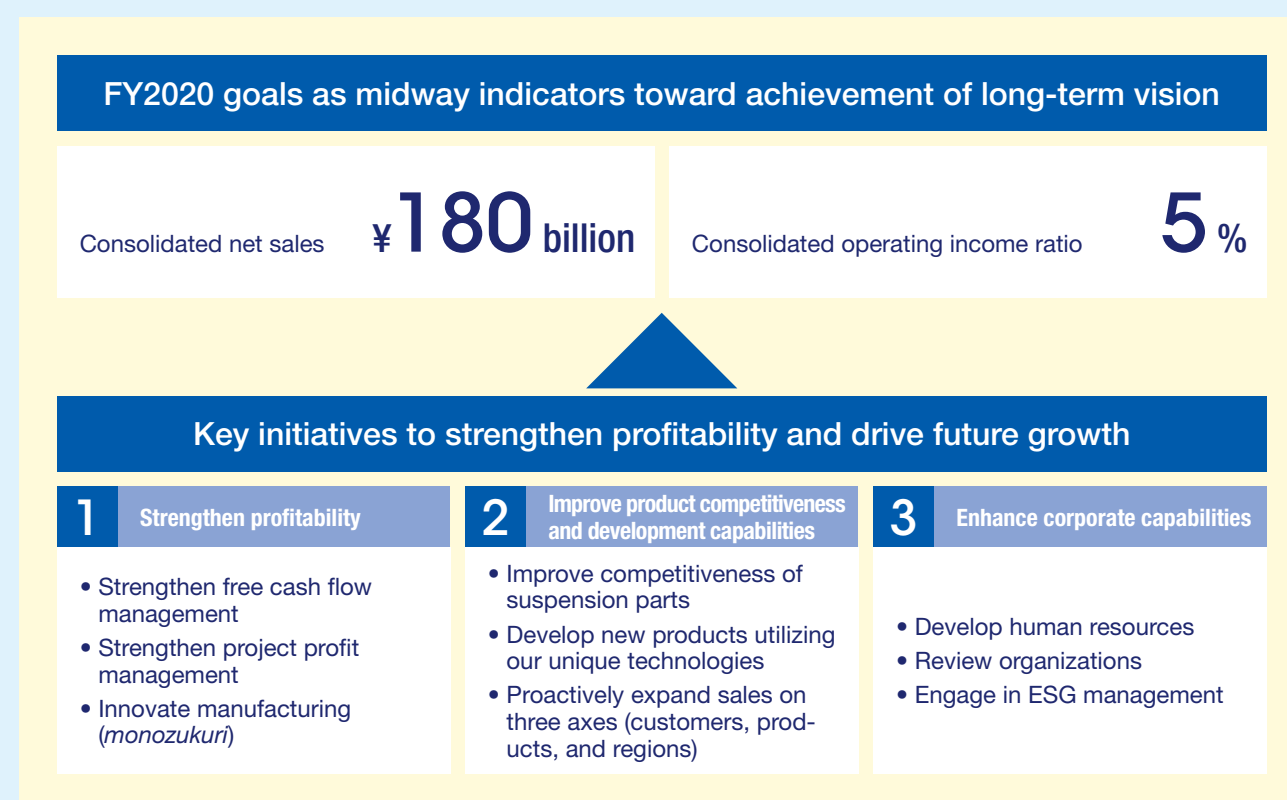
On the topic of corporate governance, to strengthen the oversight function of the Board of Directors, Yorozu switched to a company with an audit and supervisory committee structure, and appointed two female outside directors, with the approval of the General Meeting of Shareholders in 2015.

New Medium-Term Business Plan “Yorozu Spiral-up Plan 2020”

Gas-sipping hybrid vehicles and electric vehicles have caught on as a way of combating global warming in the global automobile industry. Automakers are also researching and developing autonomous driving technology to improve safety.

While examining the results of initiatives undertaken in its previous medium-term business plan, in May 2018 Yorozu formulated a new medium-term business plan, “Yorozu Spiral-up Plan 2020 (YSP2020),” the Company’s second plan guided by its long-term vision, for FY2018 through FY2020.

Creation of a Robust Corporate Structure to Outstrip the Competition



1. Financial Targets

Yorozu has set its sights on growing into a suspension systems manufacturer under its long-term vision for sustainable growth. To realize this vision, the Company has set financial targets for FY2020 as a waypoint.

| | |
|-------------------------------------|---------------------|
| Consolidated net sales | ¥180 billion |
| Consolidated operating income ratio | 5% |

2. Key Initiatives Focused on Enhancing Corporate Value

Yorozu aims to strengthen profitability and improve product competitiveness and development capabilities, while enhancing corporate capabilities as a driver for these improvements.

(1) Strengthen profitability

- Improve management of free cash flow by realizing steady returns on capital investments, and strengthening and managing assessments of profitability on future investments
- Enhance business management with better project profit management by focusing on functions and business lines
- Reduce production costs through manufacturing (*monozukuri*) innovation based on expanding the use of unattended production lines
- Strengthen simultaneous engineering activities from the initial development stage to reduce new model production costs and capital investment

(2) Improve product competitiveness and development capabilities

- Develop high-value-added products by reducing their weight through three approaches: structures, materials, and crafting techniques
- Propose ideas for reducing weight of increasingly heavy vehicles, such as electric vehicles and self-driving cars, with the Company’s pressing and welding technologies
- Increase cost competitiveness with uniform quality around the world by concentrating suspension production technologies in Japan
- Aggressively expand sales of products developed based on customer needs, by focusing on the three axes of customers, products, and regions

(3) Enhance corporate capabilities

- **Human resource development**
 - Secure human resources through work style reforms and diversity initiatives
 - Provide optimized education and training for skill sets common to all employees and for developing professional skills needed to perform work in specific functions
 - Train human resources through industry-academia collaboration focused on local communities
- **Organizational review**
 - Appoint a head to lead the Yorozu Global Technical Center (YGTC) to accelerate decision-making related to manufacturing functions
 - Create an R&D department for advancing development of production technologies and new products for the future
 - Strengthen project profit management system
 - Create Diversity Promotion Group to further work style reforms and diversity
- **ESG management**
 - Promote ESG management with the aim of contributing to society and reducing risks to management

3. Setting of Target for Dividend Payout Ratio

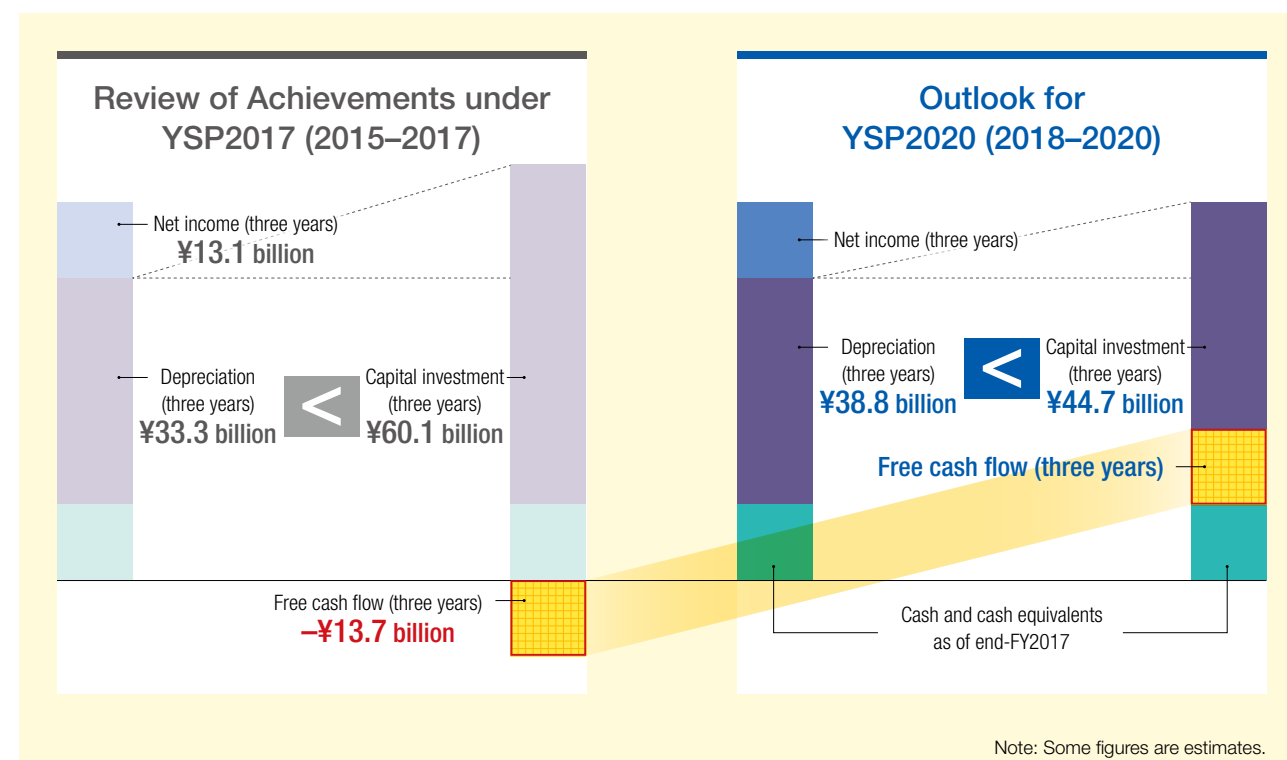
Management has set an ongoing target for the dividend payout ratio of 35% from FY2015.

| | |
|-----------------------|------------|
| Dividend payout ratio | 35% |
|-----------------------|------------|

New Medium-Term Business Plan “Yorozu Spiral-up Plan 2020”

1 Enhance Profitability

Strengthen Free Cash Flow Management

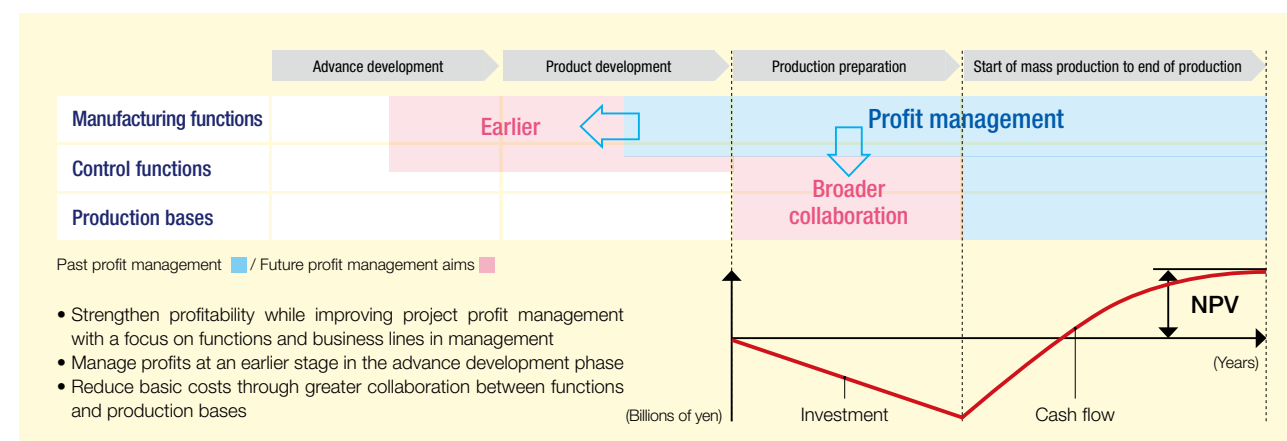


Under YSP2020, Yorozu aims to reduce capital investments for new car models while steadily earning a return on past capital investments, with the easing of spending to expand bases and production capacity. Management is targeting

positive free cash flow by improving the assessment and management of profitability on investments.

Backed by these measures, the Company continues to target a dividend payout ratio of 35%.

Improvement in Project Profit Management



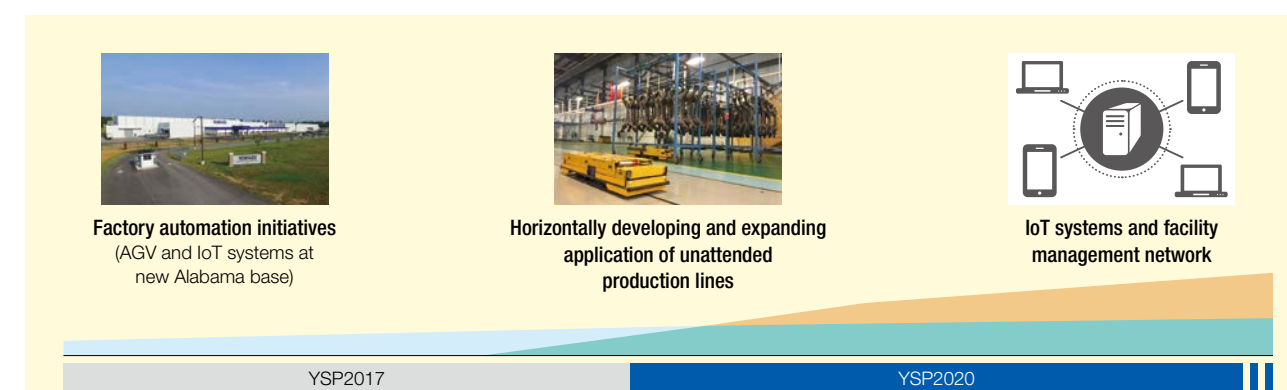
Yorozu is strengthening profitability by improving project profit management focused on functions and business lines.

Starting from the initial stage of product development, targets and projections for revenue and basic costs are set at critical junctures, and gaps between progress and these targets are measured. Collaboration between each related

function and production bases starts from an early stage, and actions are taken to reduce basic costs while aiming to achieve targeted costs and thereby improve profitability.

At critical junctures for each project, the return on investment is measured using net present value (NPV) in a bid to improve free cash flow.

Manufacturing (*Monozukuri*) Innovation



The Yorozu Group is also improving profitability through initiatives on the manufacturing front.

Yorozu aims to considerably reduce production costs by having other production bases install the unattended plant production lines, AGVs, and IoT systems that were rolled out at Yorozu Automotive Alabama. These innovations in manufacturing would not be possible without the training of personnel so that they can fully leverage these new technologies and automated facilities.

In the past, Yorozu has aimed to diversify the abilities of workers so that they can be assigned to multiple production processes, but it now focus on raising their abilities to higher levels while training operators to manage entire production lines. Furthermore, the Company will train and develop human resources so that they can keep up with constantly

evolving manufacturing technologies, starting with a solid base of basic skills and traditions passed down from veterans.

Additionally, Yorozu is keen to reduce production costs and capital investments, while aiming to enhance competitiveness, through enhanced simultaneous engineering activities from the initial development stages of manufacturing, reductions in the number of parts, and using automation to create unattended production lines.

In addition to these initiatives to improve earnings, the Company will also focus on improving product competitiveness and development capabilities, its second key initiative. By developing and creating new products in tune with the environment surrounding the automobile industry, Yorozu will take steps toward expanding sales with an eye on the future.

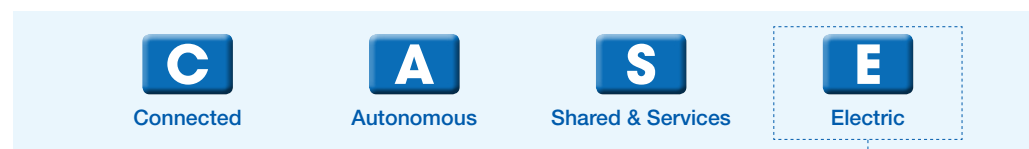
New Medium-Term Business Plan “Yorozu Spiral-up Plan 2020”

2 Improve Product Competitiveness and Development Capabilities

The automobile industry is undergoing a once-in-a-century change with the advent of connected, autonomous, shared & services, and electric (CASE) trends in automobiles. In addition to tightening environmental regulations in countries around the world and regulations to promote the use of new energy vehicles in China, technologies for self-driving cars are advancing at an unprecedented pace with the development of IT and artificial intelligence (AI) technologies alongside rapid progress on the automation front.

CASE—Key Trend Behind Changes in the Automobile Industry

CASE is a key trend behind major changes in the automobile industry. Each letter stands for a major trend in one of four domains that could dramatically change the structure of the automobile industry.

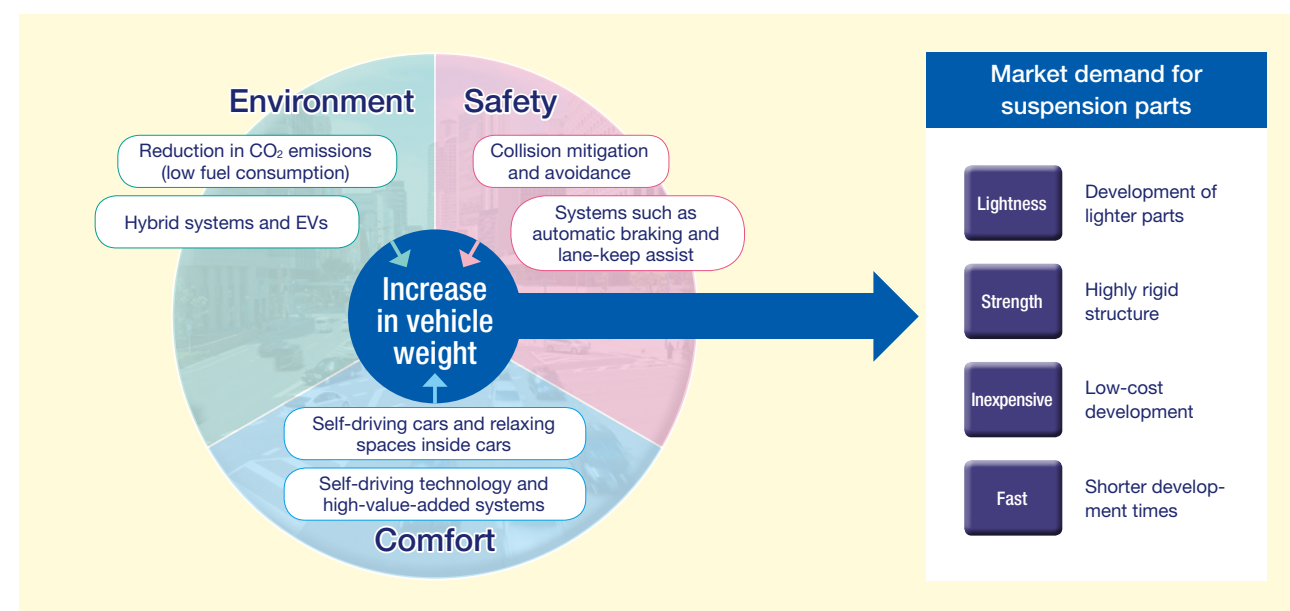


Yorozu Group Initiatives

Global warming has prompted both major countries and developing countries to tighten their regulations governing CO₂ emissions from automobiles. The development of environment-friendly vehicles with better fuel economy has become an urgent need, such as electric vehicles (EVs) and hybrid vehicles (HVs and PHVs). Meanwhile, advances in IoT for automobiles has brought about an increase in the number of parts, which may make automobiles heavier and thus worsen their fuel economy.

To fix this problem, the Yorozu Group aims to reduce the weight of suspension parts and suggest ideas for lightening the weight of peripheral parts, such as batteries and motors, with its pressing and welding technologies.

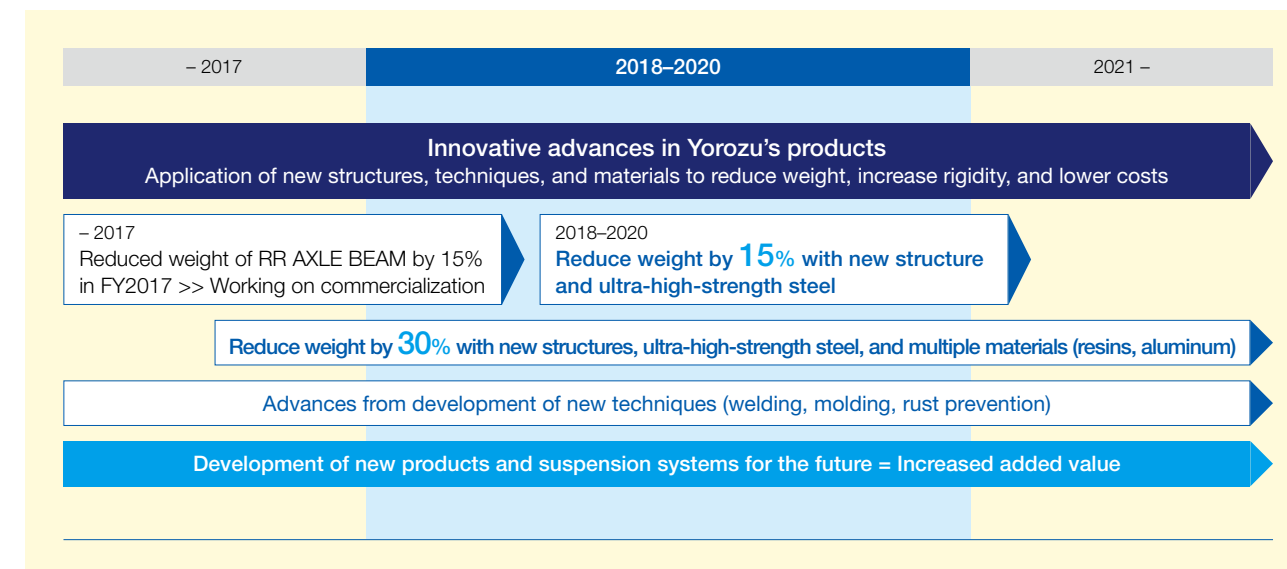
Business Environment Surrounding the Automobile Industry



In light of the business environment surrounding the automobile industry, Yorozu is keen to adopt new structures, materials, and techniques to satisfy customer needs for lighter weight. Viewing

these changes as business opportunities, and with an eye on growth, the Company is proposing ideas for new suspensions for electric vehicles and battery-related parts.

Positioning of Efforts to Develop Lighter Parts



Increasing the Competitiveness of Suspension Parts

The Yorozu Group approaches weight reduction in terms of structures, materials, and techniques. We are developing materials technologies that use lighter and stronger ultra-high-strength steel sheets. In addition to steel sheets, we are working on the development of structures made from multiple materials, such as resins and aluminum.

Yorozu is also developing technologies for new techniques related to welding, molding, and rust prevention processes required for turning these new structures into products. Our main focus is on "lightness, strength, inexpensive, and fast" while developing these high-value-added products.

Developing New Products and Technologies for the Future, Improving Uniform Quality Worldwide, and Enhancing Cost Competitiveness

Aiming for further growth, the Yorozu Group proposes ideas for new products in peripheral fields, such as batteries and motors, for use in electric vehicles and self-driving cars that take advantage of its pressing and welding technologies.

The Company is efficiently making these new technologies and products a reality by fully leveraging dedicated teams and advanced development areas set up at Yorozu Engineering Corporation. We are

honing our technological capabilities by concentrating in Japan our initiatives in development, manufacturing technology, and new domains at Yorozu Engineering Corporation, whose operations have been expanded and augmented to accommodate this change. By rolling out our innovations in Japan to the rest of the world, we are able to increase competitiveness while maintaining uniform quality globally.

Aggressively Expanding Sales on Three Axes (Customers, Products, and Regions)

Regarding efforts to expand sales, the Yorozu Group is responding to major changes in the business environment surrounding the automobile industry, such as advances in self-driving cars and electric vehicles, by aggressively working to expand sales based on three strategies aligned with three axes, namely customers, products, and regions.

On the customer axis, we are proactively approaching foreign automakers, such as Daimler and Volkswagen, in addition to expanding sales to Toyota Motor, Honda Motor, and the alliance formed by Renault, Nissan Motor, and Mitsubishi Motor.

On the product axis, Yorozu intends to cross-sell other products in addition to suspension parts, in tune with trends in electric vehicles and self-driving cars.

On the region axis, Yorozu is keen to increase sales in Asia, while also concentrating on the major markets of Japan, North America, and China. Yorozu Automotive Alabama is situated approximately 100 kilometers from a new plant being jointly constructed by Mazda Motor and Toyota Motor, where it has been aggressively seeking to tap into new business opportunities and increase sales.

From these three axes, Yorozu aims to maintain sales with existing customers while endeavoring to win as many new orders as possible.

New Medium-Term Business Plan “Yorozu Spiral-up Plan 2020”

3 Enhance Corporate Capabilities

Securing Personnel, Improving Training, and Reorganizing

With the aim of strengthening profitability and improving product competitiveness and development capabilities, Yorozu aims to enhance its corporate capabilities by securing employees and improving its training and personnel systems. The entire Yorozu Group is diligently working on work style reforms and taking steps to create workplaces that are “healthy and engaging” in order to retain talented human resources. With Japan’s working population on the decline, Yorozu is keenly aware of the importance of diversity. Moreover, the Company is engaged in industry-academia collaboration, such as with the National Institute of Technology, Tsuruoka College in Yamagata Prefecture.

The Company is hiring more employees locally and training employees to be more globally minded with an eye on the work capacity of each individual, while providing optimized education and training for common skills shared by all employees of Yorozu around the world as well as professional skills required for specific functions.

Yorozu has also reviewed its organizational structure with the objective of more effectively deploying the human resources it has cultivated. We appointed a head to lead the Yorozu Global Technical Center to speed up decision-making related to manufacturing functions that form the basis of our Total Production System that integrates everything from development to production. We also aim to reinforce manufacturing

functions, increase efficiency in all operations based on a matrix of functions, and accelerate communication between departments.

Regarding development functions, Yorozu is establishing a new R&D department to back up efforts to create innovative Yorozu products and automate production lines. The Company will develop new techniques and structures for fabricating parts while aiming for greater efficiency and speed in operations through cross-organizational initiatives in the areas of advanced development, prototype development, and business improvement.

To increase profitability, Yorozu is managing project profits as explained earlier, and is strengthening the organizational structure by designating the Basic Cost Planning Group as the department in charge of scoping out basic costs. At the same time, the Company is focusing efforts on strengthening its structure by rapidly addressing issues that arise in the integrated management of budgets for new vehicle models.

In a bid to accelerate work style reforms, Yorozu has set up the Diversity Promotion Group within the Human Resources Department, and takes a Companywide approach to implementing ideas brought up by each department and ideas discussed by the Work Style Reform Committee (Smart Work Committee).

Advancing ESG Management

To sustain growth over the medium and long terms, the Yorozu Group understands the crucial importance of ESG (environment, society, governance) management in the context of contributing to society and addressing risks, and takes a proactive approach to ESG activities.

Yorozu strives to reduce environmental impact in its environment (E) initiatives, promotes work style reforms and diversity in its society (S) initiatives, and proactively discloses information while complying with laws and regulations in its governance (G) initiatives.

For the environment, Yorozu is advancing the development of new products and technologies, and manufacturing technologies that reduce environmental impact from the production process. For society, Yorozu is focused on reforming work styles and promoting diversity. For governance, the Company is reassessing the structure of the Board of Directors and increasing the number of outside directors to reinforce its compliance structure, while making concerted efforts to disclose information and engage in dialogue with shareholders.

* SDGs are the United Nations’ 17 goals and 169 targets for achieving a sustainable world by 2030.

SDGs* Related to Yorozu Group Initiatives

Environment

Manufacturing innovation

- Implement production processes that are friendlier to the global environment

New products and technologies for the future

- Prevent global warming when products are used

Society

Reform work styles and promote diversity

- Create “healthy and engaging” workplaces
- Nurture organizations that welcome diversity

Governance

Reinforce governance

- Reassess structure of Board of Directors
- Promote compliance
- Enhance dialogue with shareholders



Human Resource Strategy

The Yorozu Group believes training personnel able to flexibly adapt to change is a key aspect of making ongoing contributions to society while responding to various changes in the business environment. We are promoting diversity while training talented personnel, and making a concerted effort to nurture a corporate culture where employees can utilize their individual abilities to their fullest.

Companywide Education Policy

The Yorozu Group regards human resources as a driving force in corporate management, and promotes employee training and personnel exchange on a global scale with the belief that it will increase the motivation and skills of employees and ultimately lead to growth across the entire Group.

1 Common Training

• General training

The Human Resources Department provides position-based educational opportunities for employees and paths to obtain the skills necessary for becoming a “Yorozu Person.”

• Improvements in global responsiveness

Based on career paths, the Human Resources Department works with other departments and bases to implement training with the objective of enhancing employees’ business English skills and ability to communicate with people from different cultures, while utilizing an overseas trainee system to improve openness to foreign cultures.

2 Professional Training

Each department and base allow employees to systematically obtain any necessary specialized skills, based on a classification system for new, novice, intermediate, and advanced employee education programs. Employees can work on enhancing their own skills by proactively taking advantage of e-learning and distance learning programs to boost their skills.

3 Other Technical Training and Qualification Acquisition

Employees have opportunities to obtain advanced technical skills and qualifications through education systems designed for learning skills necessary for work and obtaining qualifications.

Initiatives of Work Style Reform Committee (Smart Work Committee)

The Yorozu Group created the Work Style Reform Committee (Smart Work Committee) in FY2017, with regular employees comprising a majority of the committee members, in order to push forward on initiatives in work style reforms with the aim of creating workplaces that motivate employees. Headed by the president himself, the Smart Work Committee is keen to implement such reforms. All employees fill out a

survey once a year, and the results of this survey are analyzed and examined for ideas by the Smart Work Committee, with the objective of creating even better work environments by identifying any gaps between current and ideal working conditions and then examining and taking specific steps to improve said conditions.

Specific Measure by Work Style Reform Committee (Smart Work Committee)

Ideas vetted by the Smart Work Committee have led to the strengthening of measures to increase employee motivation, such as face-to-face discussions about improving initiatives and sharing views about future goals, as well as the work performance and abilities of each employee. They have also led to workplace improvements including upgraded cafeteria spaces and expanded meeting spaces.

In 2018, the scope of the Smart Work Committee was expanded to encompass domestic Group companies. Members chosen by each Group company take a lead role in identifying and sharing workplace issues, and then examining and implementing specific solutions. Among the ideas presented to the Smart Work Committee, action was taken to implement the sharing of information on facility maintenance using tablets, which improved work efficiency, and the introduction of jackets with built-in fans that suck in outside air to help prevent heat stroke while inside factories.



Jacket with built-in fan

Updates to Systems That Support Diverse Work Styles

| | | |
|--|--|--|
| Shortened work-hour systems | Child-rearing 1) Shortened work-hour system Work is shortened in one-hour increments, up to three hours 2) Flextime system | Caregiving 1) Shortened work-hour system Work is shortened in one-hour increments, up to three hours 2) Flextime system |
| System for accompanying a spouse being transferred | 1) Accompanying spouse transfer system Employees can be reassigned to another Group company in Japan or abroad within commuting distance of their new residence when a spouse is transferred to a new location. 2) Accompanying leave of absence system A leave of absence of up to three years can be taken when a spouse is transferred. 3) Accompanying reemployment system Employees who resigned to accompany a spouse being transferred can be rehired within three years of leaving. | |
| Vacation carry-over system | Up to 20 days of unused annual paid vacation may be carried over to the next year. Carried-over paid vacation may be used when a day or longer of absence is required for child-rearing, caregiving, personal sickness, or other reasons accepted by the Company. | |
| Work-at-home system | Employees may work at home for up to 40 hours per month for child-rearing, caregiving, or other reasons accepted by the Company. | |
| Thank-you cards | These cards were started in FY2018 as a way of fostering an encouraging culture (atmosphere). | |
| Updates to in-house work environments | • Work Style Reform Committee (Smart Work Committee) has met once a month since FY2017 • Creation of handbook for supporting a balance between work and caregiving responsibilities • Results from employee satisfaction survey used to identify and roll out measures • Expansion of mentoring system • Improvement in work efficiency by streamlining internal processes • Implementation of new 5S activities | |

Review of Systems

As a part of work style reforms, Yorozu surveys and interviews employees for their opinions, which have informed the Company's efforts to create the leave of absence system for accompanying spouses being transferred to a new work

location, introduce the work-at-home system, and review the child-rearing and caregiving shortened work-hour systems. We will continue striving to create workplaces that make it easier for all employees to work.

Support for Balancing Work and Caregiving Responsibilities

Since April 2019, the Yorozu Group has endeavored to help employees balance their work and caregiving responsibilities, with the aim of having zero employees leave their jobs in order to care for a family member. As a part of this effort, the Company has held explanatory sessions and seminars, and created a handbook for employees to help them adequately work and fulfill their caregiving responsibilities, to make it easier for them to understand the Company's systems, to

explain how to use other services, and to provide basic knowledge about public caregiving insurance systems so that employees can continue working while caring for a family member. At domestic bases, Yorozu has also set up consultation services staffed by advisors trained in ways to prevent employees from quitting their jobs because of caregiving reasons.

Reduction in Overtime Work Hours and Increase in Ratio of Paid Vacation Taken

Yorozu encourages its employees to take paid vacation while endeavoring to improve work efficiency in each department, in order to reduce overtime work hours and increase the ratio of paid vacation taken. Information regarding conditions in each department is

reported to the Smart Work Committee every month, which is then shared throughout the organization to raise awareness and amplify the impact of actions taken in each department.

Health Management

The Yorozu Group made its Health Management Declaration in October 2019. The Company has since taken steps to ensure that its workplaces are healthy and engaging for employees.

Health Management Declaration

Aiming for workplaces that are healthy and engaging for employees, the Yorozu Group made a declaration to create a company where each and every employee can continue to work in good health and with a smile on their face.

October 1, 2019
President Ken Shido

Key Initiatives

Encourage employees to maintain and improve their health, and take steps to prevent lifestyle-related diseases

Have all employees undergo regular health checkups, and recommend the next level of evaluation and diagnosis
Provide information on improving dietary and lifestyle habits, and offer guidance about maintaining health

Encourage employees to take care of their mental health

Ensure all employees take stress tests
Implement measures to prevent mental problems in high-stress workplaces

Help employees achieve a work-life balance

Reduce long work hours through Smart Work Committee initiatives

Promotion of Diversity

Empowerment of Women

Yorozu aims for its worksites to be places where women can work to the best of their abilities, and is advancing efforts toward achieving its target of having 10% of management positions filled by women by 2020. In addition to upgrading systems to make it easier for women

to work, the Company holds seminars to expand awareness of female employees, invites outside experts to give lectures, and holds seminars for women interested in assuming management positions.

“Eruboshi” Certification Obtained

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, the “Eruboshi Certification System” certifies exemplary companies that are taking steps to promote women in the workplace.

In December 2018, Yorozu received the highest-rank certification under the “Eruboshi Certification System” from the Ministry of Health, Labour and Welfare in recognition of its initiatives to promote women.



Key Criteria for Certification

- Hiring
- Continued employment
- Work styles, including work hours
- Ratio of women in management positions
- Variety of career paths

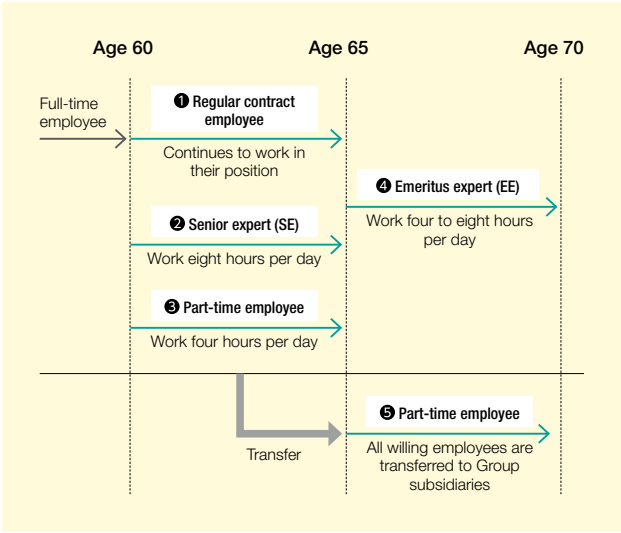
Utilization of Senior Human Resources

Yorozu's continued employment system offers diverse job opportunities to employees who are over 60 years of age, depending on their desires and abilities, in a bid to improve their work lives. The system was created for the purpose of moving one step closer to a society where everyone can participate while addressing the needs of society, by allowing employees older than 60 to work if they so desire and have the required skills. Yorozu understands the need to have diverse work styles so that employees are motivated to work to the best of their abilities, and decided to expand the range of options for employee work conditions in April 2017.

Employment for people aged 60 to 65 takes one of three forms: ① regular contract employee, ② senior experts (part-time SEs), and ③ part-time employees. Employment for people aged 65 to 70 follows two patterns: ④ emeritus experts (part-time EEs) and ⑤ employment transfer to Yorozu Service Corporation, a Group company.

From these options, senior employees can choose work conditions that suit them best, and we provide environments for such employees, who have abundant experience and knowledge, so that they can continue to work.

Yorozu's Continued Employment System



Proactive Hiring of Foreign Nationals

As a part of its efforts to promote diversity, Yorozu takes a proactive approach to hiring people of foreign nationalities.

In addition to hiring foreign students studying in Japan, our employees routinely visit Thailand (since FY2016) and Vietnam (since FY2018) to directly hire people as employees.

We help prospective employees obtain the proper visas and give them advice on living in Japan. After they arrive in Japan, we help them adjust to life in Japan as soon as possible by holding exchange events, offering Japanese-language education, and providing consulting services.

Environmental Initiatives

Natural disasters intensified by climate change are becoming commonplace. Severe rainfall, flooding, and extreme heat are just some of the disasters impacting Japan. At the Yorozu Group, we believe that more emphasis should be placed on preserving the earth's environment, and have taken this issue beyond the production process to all areas of our business, from product development and the sourcing of materials to shipping and disposal.

Environmental Philosophy

The Yorozu Group places high priority on the preservation of the earth's environment and, through proactive efforts, contributes to the well-being of people around the world.

Environmental Policy

- 1 Grasp the impact of our business activities on the environment, and set environmental goals and targets while enhancing and improving our environmental management system
- 2 Prevent environmental pollution through compliance with environmental laws, regulations, agreements, and requirements
- 3 Work toward resource and energy conservation, recycling, and reduction of waste and water in all areas of our corporate activities
- 4 Engage in manufacturing and technological development with less environmental impact
- 5 Reduce use of substances of environmental concern
- 6 Coexist with local communities and engage in the active exchange of information on environmental conservation

Procurement Policy

Green Procurement

In 2015, the Yorozu Group published the Yorozu Green Procurement Guidelines, asking its suppliers to help reduce environmental impact in a way that also enables sustainable growth.

Once a year, we ask our suppliers to fill out a survey about their compliance with these guidelines, with the objective of facilitating dialogue with the environmental departments of our suppliers.

Initiatives at All Stages of Product Life Cycle

The Yorozu Group makes concerted efforts to reduce its environmental impact at all stages of the product life cycle. In addition to taking initiatives at the manufacturing stage, we promote the green procurement of raw materials, pursue energy conservation during shipping to cut waste at the transportation stage, and manage hazardous substances contained in products to minimize environmental impact at the final disposal stage.

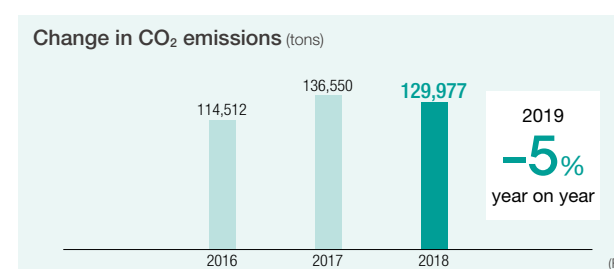
Contribution to the Realization of a Low-Carbon Society: Carrying Out Initiatives to Reduce CO₂ Emissions

The impact of climate change on the global environment has increased with each passing year. In Japan, monsoons and other natural disasters pose a risk to business continuity. As a member of the automobile industry, the Yorozu Group is

cognizant of its responsibility to help combat climate change. It is estimated that the amount of CO₂ emissions emitted from automobiles while driven is 50 times larger than the level of CO₂ emissions generated during the automobile manufacturing

process. Since this indirect form of emissions has a significant impact on the global environment, it is imperative that we help improve the fuel economy and electrical efficiency of automobiles by reducing their weight, even if it is only by one gram (see the Case Study on page 11 for more details).

At the Company, we engage in energy conservation activities based on a drive to achieve "maximum efficiency with bare minimum cost," while also tackling renewable energy as a new corporate challenge for the next generation.

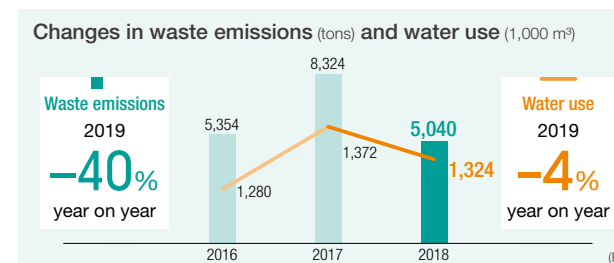


Efforts to Establish a Resource-Recycling Society: Cutting Waste Emissions and Water Use

As the world's population expands, it has become increasingly important to effectively utilize resources and work toward the realization of a resource-recycling society. Yorozu has long endeavored to decrease waste through 3R (reduce, reuse, and recycle) activities. Noting that plastic pollution in the world's oceans has become a growing problem, we are strengthening initiatives to reduce plastic generated from our in-house production processes.

Worldwide, there are regions where water resources have become stressed to the point of causing inconvenience in people's daily lives, threatening their lifestyles. The Yorozu Group properly treats its industrial wastewater and, recognizing the need to take steps to reduce the volume of water it

uses, the Company launched initiatives to cut water use in 2015. Yorozu uses cathodic electrodeposition coating in its manufacturing processes, which use large quantities of water for cleaning prior to the application of coatings. We therefore aim to conserve water in such processes by eliminating waste.



On Board with COOL CHOICE

In FY2019, six domestic companies in the Yorozu Group (Yorozu Corporation, Yorozu Engineering Corporation, Yorozu Tochigi Corporation, Yorozu Oita Corporation, Shonai Yorozu Corporation, and Yorozu Aichi Corporation) declared their intention to join COOL CHOICE, a campaign being promoted by the Ministry of the Environment in Japan. We got on board with COOL CHOICE in line with our broader commitment to

making "Smart Choices" that help combat climate change, the core objective of such campaigns, in addition to having participated in past campaigns to reduce our carbon footprint, including Cool Biz, Warm Biz, and Eco Drive.



Participation in the Japan Climate Initiative

In countries around the world, national governments, local governments, and private-sector companies have banded together to tackle climate change in an ambitious movement to realize a sustainable society. In this spirit, in 2018 Yorozu announced its agreement with and participated in the Japan Climate Initiative (JCI) as part of this global movement to

decarbonize society.

Since the signing of the Paris Agreement in 2015, Yorozu Corporation has independently examined government policies and actions being taken by industry groups to inform the formulation of long-term objectives that align with these policies and actions.

Engagement with Stakeholders

The Yorozu Group believes that engaging and collaborating with stakeholders is fundamental to sustainable growth and improving its corporate value over the long term.

Here, we introduce a few examples of the Yorozu Group's ongoing initiatives to engage with local communities, shareholders, investors, suppliers, and employees.

Engagement with Local Communities

As a part of its communication activities with local communities, the Yorozu Group works closely with town associations, local governments, industrial groups, and schools while participating in regional cleanup and volunteer activities. Yorozu

also offers tours of its manufacturing plants. Going forward, we aim to maintain positive relationships and coexist with local communities.

Summer Festivals

Every year, Yorozu holds a summer festival as a way of interacting with local residents. These summer festivals are fun events planned by our employees for local residents, including their own families, featuring stalls selling a variety of delicious foods and beverages, raffles, traditional dancing, and fireworks at the end.

In August 2019, Yorozu Global Technical Center (YGTC) and Group company Yorozu Tochigi Corporation held a summer festival that drew in around 470 people.



Participation in Neighboring Municipality and Town Activities

Twice each year, Yorozu participates in the "Life Survey" sponsored by the Yokokura community, which neighbors YGTC and Yorozu Tochigi Corporation. In this region, companies treat their own wastewater and release it into waterways for agricultural purposes, so if these companies do not treat their wastewater properly, it damages local ecosystems. Yorozu thoroughly treats its own wastewater to protect local ecosystems. Furthermore, along with local governments and NPOs, Yorozu conducts the "Life Survey" to sample and observe living organisms in the region, in order to make sure the natural environment therein is being protected and ecosystems for living organisms are being preserved.

The Watarase Retarding Basin in Oyama City, Tochigi Prefecture, is a natural treasure trove of many animals and plants, including 183 endangered species. In 2012, the basin was registered under the Ramsar Convention on Wetlands. Yorozu engages in environmental preservation activities with the objective of protecting the rare wetland species living in the Watarase Retarding Basin by participating in the Watarase

Retarding Basin Willow and Canada Goldenrod Removal Operation spearheaded by Oyama City. By removing these invasive species of plants, we are helping native plants (including endangered species) recover and flourish.

In recognition of our track record of participation, the mayor of Oyama City presented us with a letter of commendation for supporting the preservation of the Watarase Retarding Basin wetlands.



"Life Survey" event in the Yokokura community



Environmental preservation activity in the Watarase Retarding Basin

Donations of Emergency Supplies

Yorozu has stockpiled food and water as supplies in the event of an emergency, and when the best-by dates of these emergency supplies near, the Company donates the supplies to foodbanks. The donated food and water are delivered by the foodbanks to organizations that support fatherless families, organizations that help people facing challenges in life, foster homes for children, and facilities for people with disabilities.



Contributions to foodbanks (NPO Sansyoukai)

Engagement with Shareholders and Investors

Every year, Yorozu offers tours of its facilities for shareholders and analysts, in addition to briefings about business conditions, with the aim of deepening their understanding and interest in the Yorozu Group. In FY2019, Shonai Yorozu Corporation and Yorozu Engineering Corporation held tours of their manufacturing plants in Yamagata Prefecture for analysts, while tours of plants in Tochigi Prefecture were also held for shareholders.

Additionally, Yorozu holds financial results briefings every six months and regularly responds to individual requests for information (on visits and phone calls) from analysts and

institutional investors in Japan and abroad. The Company has a section on its website dedicated to individual investors featuring an abundance of information of great interest to such investors.



Plant tour for analysts



Plant tour for shareholders

Engagement with Suppliers

The Yorozu Group endeavors to build constructive partnerships with its suppliers by sharing information about its business aims, procurement policy, and policy on quality assurance.

As a part of our efforts to share information with suppliers, every year we hold the Company Conditions Briefing, Procurement Policy Briefing, and the Quality Assurance Policy Briefing for deepening the understanding of suppliers about our business and encouraging them to cooperate with our initiatives. We also conduct an annual survey to assess their level of compliance with the Yorozu Green Procurement Guidelines, which were issued in 2015, and take steps to

promote activities in line with these guidelines.

As we diversify our procurement activities, we will continue to work together with suppliers, whose cooperation we are grateful for, through open and fair transactions that comply with laws and regulations.



Briefing on business conditions

Engagement with Employees

The Yorozu Group believes its existential mission is to contribute to society and that people are its most valuable resource in fulfilling this mission. The Group aims to grow alongside its employees who, thanks to their various cultural

backgrounds and innovative ideas, will lead the Company into the future.

See pages 23–25 for more information about our human resource strategy.

Board of Directors (as of June 17, 2019)

Directors



Akihiko Shido

Chairman, Chief Executive Officer (CEO)
Chief Officer of YGHO*



Kazumi Sato

Vice Chairman, Chief Technology Officer
(CTO)



Ken Shido

President, Chief Operating Officer (COO)
Vice Chairman of YGHO*
Head of Japan Business, YGHO*



Akira Saso

Chief Executive Vice President, Chief
Financial Officer (CEVP & CFO)
Chief Officer of YGHO* Finance Function



Tsutomu Hiranaka

Chief Executive Vice President (CEVP)
Chief Officer of YGHO* Marketing and
Sales Function



Yasushi Miura

Director (Full-Time Member of the Audit
and Supervisory Committee)

* YGHO (Yorozu Global Headquarters Organization) is an organization for advancing management reforms (global matrix organization by function).

Outside Directors



Masashi Oshita

Outside Director (Independent)

Concurrently held positions

Vice Chairman, Executive Managing Director of
Japan Auto Parts Industries Association (JAPIA)
Director, Japan Automobile Research Institute
(JARI)
Director, Automobile Business Association of Japan
Director, Japan Society for the Promotion of
Machine Industry



Chiaki Tsuji

Outside Director (Member of the Audit &
Supervisory Committee) (Independent)
Attorney

Concurrently held positions

Visiting Professor at the Faculty of Law,
Yamanashi Gakuin University
Outside Director of Keihin Corporation



Chieko Ogawa

Outside Director (Member of the Audit &
Supervisory Committee) (Independent)
CPA

Concurrently held position

Chief Audit Commissioner of Toda City

Corporate Governance

Basic Stance

The Yorozu Group will fulfill its social responsibilities as a good corporate citizen by strictly complying with related laws and regulations and through open and transparent corporate activities. With an understanding of the need to earn the trust of all stakeholders and increase corporate value, Yorozu aims to continuously reinforce corporate governance by not only

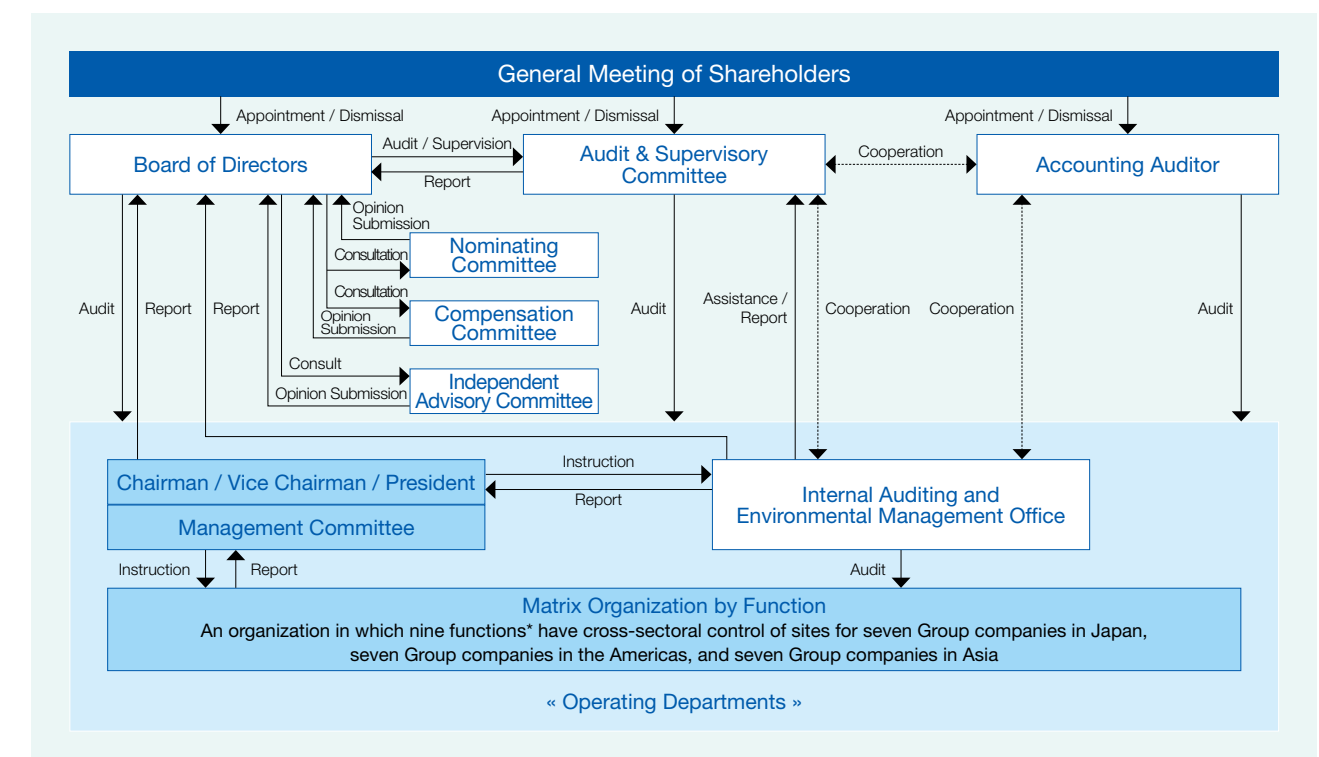
establishing a framework for governance that includes an internal control system, but also through the permeation of its corporate philosophy, a self-implement measures action rooted in the formulation and enactment of the Yorozu Group Charter of Corporate Behavior and the Employee Code of Conduct, and organizational engineering.

Outline of Corporate Governance Structure

As of the 70th Ordinary General Meeting of Shareholders held on June 10, 2015, Yorozu switched its organizational design from a company with a board of corporate auditors to a company with

an audit and supervisory committee, on which outside directors make up the majority, with the objective of further strengthening corporate governance and audit and supervisory functions.

Corporate Governance Structure



* The nine functions consist of safety and production, production technology, business strategy, personnel planning, financial affairs, quality, development, sales, and procurement and production management.

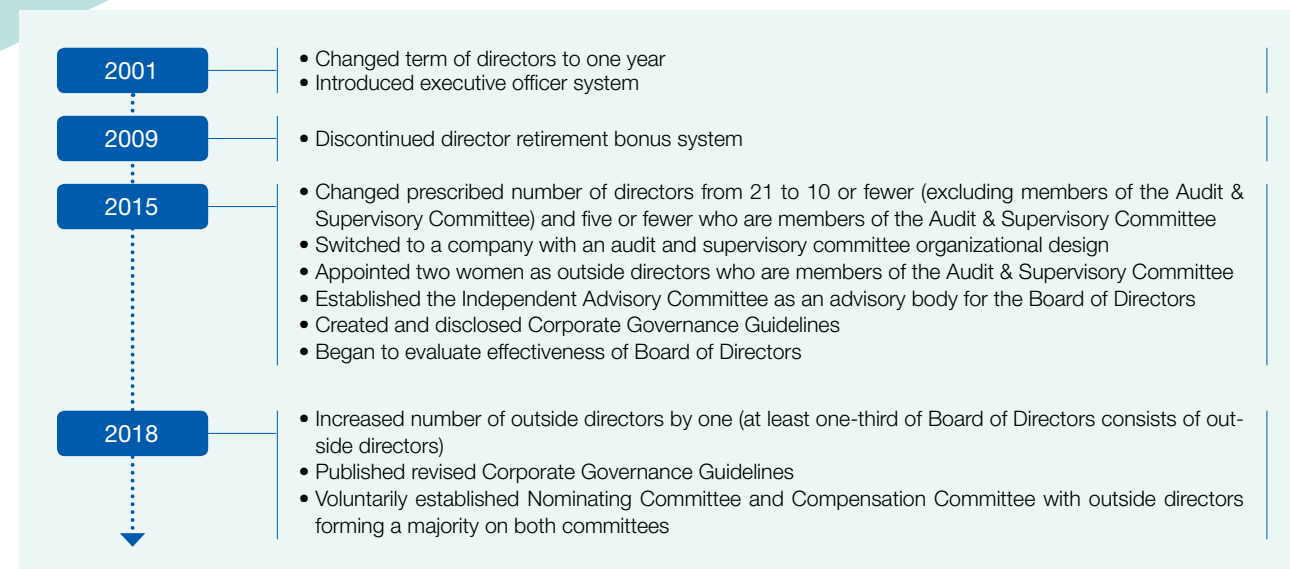
Overview of Corporate Governance

| Type of organizational design | Company with audit and supervisory committee |
|--|--|
| Number of directors who are not members of the Audit & Supervisory Committee (number of independent outside directors) | 6 (1) |
| Number of members of the Audit & Supervisory Committee (number of independent outside directors) | 3 (2) |
| Total number of directors (number of independent outside directors) | 9 (3) |
| Ratio of independent outside directors | 33.3% |

| | |
|--|-----------------------------|
| Ratio of female directors | 22.2% |
| Term of directors who are not members of the Audit & Supervisory Committee | 1 year |
| Term of directors who are members of the Audit & Supervisory Committee | 2 years |
| Adoption of executive officer system | Yes |
| Accounting auditor | Ernst & Young ShinNihon LLC |

Corporate Governance

Initiatives to Reinforce Corporate Governance



Audits and Supervision

The Board of Directors meets regularly once every three months, and convenes extraordinary meetings when necessary. The Board of Directors determines basic management policies, matters mandated by law, and other important matters pertaining to management. It also monitors the state of business execution by directors and executive officers.

The Board of Directors comprises nine members, including three outside directors, an appropriate size for a company with an audit and supervisory committee organizational design that ensures the maneuverability of the Board of Directors and the effectiveness of the Audit & Supervisory Committee.

When appointing directors, the Company takes into account the balance of the Board, seeking individuals who can leverage their strengths in a wide range of business fields, and people who have a mind for business management. The Company also seeks diversity and a balance of knowledge, experience, and abilities for the entire Board of Directors. For directors (excluding directors who are members of the Audit & Supervisory Committee), the Nominating Committee screens candidates who fill certain criteria and the Board of Directors decides on the final candidates, who are proposed to the General Meeting of Shareholders for approval.

Yorozu has established the Independent Advisory Committee as an advisory body to the Board of Directors. The Independent Advisory Committee consists of outside directors independent of the Company's management team, as well as outside experts. At the request of the Board of Directors, the Independent Advisory Committee offers advice on corporate governance, capital policy, Company proposals that were voted against by the General Meeting of Share-

holders, and other important business matters.

Directors who are members of the Audit & Supervisory Committee hold regular and extraordinary meetings of the committee, attend meetings of the Board of Directors and monthly meetings of the Management Committee, participate in other important meetings, such as the global base manager conference, and periodically meet with representative directors. The Audit & Supervisory Committee comprises three members, two of whom are outside directors, who are appointed by vote at the General Meeting of Shareholders. The Audit & Supervisory Committee receives reports on matters required for performing audits from directors, executive officers, the accounting auditor, the Internal Audit Department, and other relevant personnel in an appropriate and timely fashion. Necessary information is shared to improve the quality and efficiency of audits.

Ernst & Young ShinNihon LLC, the Company's accounting auditor, has put in place a mechanism, in accordance with laws and regulations, to avoid having the same principal engagement partner conduct accounting audits of Yorozu for more than five fiscal years, or other engagement partners from being involved for more than seven fiscal years.

Yorozu has established the Internal Auditing and Environmental Management Department to check internal control activities and perform supervisory functions. This department works with the Internal Audit Department when conducting audits of the Company's operations and financial assets or performing other audit tasks, and they also share information for annual auditing plans and monthly audit reports. The two departments collaborate to efficiently perform audits, such

as by attending meetings to discuss the results of quarterly reviews reported by the accounting auditor. The Internal Audit Department exchanges opinions in a timely fashion

with the accounting auditor on audit plans, the state of audits being performed, and audit results, reflecting these opinions in internal control activities.

Business Execution

Yorozu has introduced an executive officer system with the aim of clarifying responsibilities and areas of authority for business execution. The Management Committee meets every month to keep abreast of rapid changes in the business environment. In

light of the globalization of its operations, Yorozu has also created the Yorozu Global Headquarters Organization (YGHO) with the objective of optimizing efficiency across the entire Group by asserting control over each function on a Groupwide basis.

Outside Directors

Yorozu has appointed several outside directors to ensure fairness and transparency while aiming to strengthen the oversight functions of the Board of Directors. Independent outside directors currently represent at least one-third of members on the Board of Directors. Its independent outside directors must have professional knowledge and experience in corporate management, legal affairs, government administration, accounting, and other relevant fields. From among candidates who excel in terms of character, personality, and knowledge, only people

who fulfill the Company's standards for independence are nominated for the position of independent outside director. Furthermore, candidates must be recommended or approved by at least one current independent director or independent member of the Audit & Supervisory Committee. The Board of Directors selects the final candidates for the position after reviewing the recommendations of the Nominating Committee, and these final candidates are presented for approval at the General Meeting of Shareholders.

| Name | Reason for nomination | Concurrently held positions | Attendance at Board of Directors' meetings (April 2018 to March 2019) |
|----------------|--|--|--|
| Masashi Oshita | Since assuming the outside director position of the Company in June 2018, Masashi Oshita has provided oversight of the Company's management from an independent and neutral position. In addition, he has provided valuable advice to the Company's management based on extensive experience and knowledge acquired at METI, which is why we believe he is fully qualified to continue to serve as outside director. | Vice Chairman, Executive Managing Director of Japan Auto Parts Industries Association (JAPIA) Director, Japan Automobile Research Institute (JARI) Director, Automobile Business Association of Japan Director, Japan Society for the Promotion of Machine Industry | 11 out of 11 meetings (100.0%) "Board of Directors" meetings held after assuming the outside director position |
| Chiaki Tsuji | Since assuming the position of outside director in June 2017, Chiaki Tsuji has provided oversight of the Company's management from an independent and neutral position. In addition, she has proactively provided opinions from objective perspectives based on her expertise as a lawyer not only in Japan but also in Germany as well as her extensive experience. Accordingly, we believe she is fully qualified to continue to serve as outside director. | Visiting Professor at the Faculty of Law, Yamanashi Gakuin University Outside Director of Keihin Corporation | 14 out of 14 meetings (100.0%) |
| Chieko Ogawa | Since assuming the position of outside director in June 2017, Chieko Ogawa has provided oversight of the Company's management from an independent and neutral position. In addition, she has provided accurate opinions from objective perspectives based on her expertise as a certified public accountant not only in Japan but also in the U.S. as well as her extensive experience. Accordingly, we have determined that she remains a suitable choice for the position of outside director who is a member of the Audit & Supervisory Committee. Furthermore, we believe she is fully qualified to continue to serve as outside director. | Chief Audit Commissioner of Toda City | 14 out of 14 meetings (100.0%) |

Nominating Committee and Compensation Committee

Yorozu has established the Nominating Committee and Compensation Committee, with independent outside directors forming majorities on both committees, with the objective of further enhancing corporate governance by improving transparency and objectivity in the decision-making of the Board of Directors, while properly ensuring opportunities for independent outside directors to get involved and provide advice in deliberations on the nomination and compensation of directors.

The Nominating Committee proposes the nomination of candidates for director positions at the General Meeting of Shareholders, and is involved in the process of grooming candidates for key management positions. The Compensation Committee reviews the director compensation system and discusses recommendations for director compensation. Yorozu also periodically evaluates the effectiveness of both committees.

| Committee | Inside directors | Outside directors | Chairperson |
|------------------------|------------------|-------------------|-----------------------------------|
| Nominating Committee | 2 | 3 | Masashi Oshita (outside director) |
| Compensation Committee | 2 | 3 | Chieko Ogawa (outside director) |

Corporate Governance

Evaluation of Effectiveness of Board of Directors

Once a year, Yorozu interviews directors and asks them to fill out a survey about the operational state and effectiveness of the Board of Directors, in order to identify any issues with the Board of Directors and improve the effectiveness of corporate governance.

As a result of deliberations by the Board of Directors based on the findings of the survey given to the directors, it was concluded that the Board of Directors was sufficiently effective during FY2018. A summary of the results follows below.

In FY2018, Yorozu determined that the composition of the Board of Directors was appropriate, having secured an adequate ratio of outside directors on the Board and that it was of an appropriate size and was suitably diverse. It was also determined that the Board of Directors convened meetings at a suitable frequency, that each meeting lasted an appropriate length of time, and that the number of items on the agenda was also suitable. Furthermore, it was found that the standards for proposals to be submitted to the Board of Directors were reasonable. A conclusion was also reached that all transactions with the Company's Board

members and transactions with related parties were recognized by the Board of Directors as not having any conflicts of interest, and the procedures were properly followed in managing such transactions. Last year, an issue was raised about making it easier for directors (especially outside directors) to voice their opinions. This year, it was determined that improvements have indeed been made in this regard, making it easier for each director to voice their opinions for a livelier discussion. We believe these changes have also led to more substantive discussions by the Board of Directors. Another issue raised last year was the volume and contents of documents distributed at meetings of the Board of Directors. Some improvement concerning this issue was seen, but more needs to be done in FY2019, such as improving the timing of document submissions, in order to improve management supervisory functions.

Yorozu is continuing with activities to improve on these identified issues, with the intention of increasing the effectiveness of the Board of Directors.

Director Compensation

Yorozu has drawn up rules for director compensation and director bonus payments based on its policy for deciding the amount of director compensation.

The amount of compensation for directors in charge of business execution consists of 1) a base amount of compensation for each rank; 2) a variable director bonus based on a personal evaluation, which reflects the difficulty of targets and achievements in the previous fiscal year, and earnings projections for the current fiscal year; and 3) stock options as a long-term incentive. The amount of compensation for directors not involved in business execution consists of only preset compensation not linked to performance, in order to maintain their independence from business execution.

Compensation is decided using the following procedures, within the total annual amount of compensation approved at the General Meeting of Shareholders. Compensation for directors in charge of business execution is decided by the Board of Directors, which consults with the Compensation Committee, and compensation for directors not involved in business execution (excluding directors who are members of the Audit & Supervisory Committee) is decided by the Board of Directors. Compensation for directors who are members of the Audit & Supervisory Committee is decided by the Audit & Supervisory Committee after due deliberation.

Internal Control System

At Yorozu, the Board of Directors determines and discloses the basic policy for maintaining the internal control system as defined by the Companies Act. The Board of Directors reviews the operational state of the internal control system every fiscal year.



Please visit the URL below for more information about the internal control system.
<http://www.yorozu-corp.co.jp/en/csr/governance/internal-control/>

Compliance

Basic Stance

The Yorozu Group's basic stance on compliance is to advance fair and transparent corporate activities with a strong sense of ethics and strict adherence to laws and regulations. To guide our daily business operations, we have created the Yorozu Group Charter of Corporate Behavior and the Employee Code

of Conduct based on a recognition of the need to increase corporate value and gain the trust of all our stakeholders, by fulfilling our social responsibilities as a good corporate citizen that strictly adheres to relevant laws and regulations.

Initiatives Related to the Antimonopoly Act

The Yorozu Group strives to thoroughly comply with the Antimonopoly Act and related laws and regulations governing business transactions. We hold seminars given by attorneys for all directors in Japan, and have compliance training sessions at overseas Group companies. The Company created the Antimonopoly Act Compliance Manual, and is working to improve education with briefings for manager-level employees at all Group companies.



Elimination of Contact with Anti-Social Forces

The Yorozu Group's Employee Code of Conduct, which must be adhered to by its directors and employees, declares that all personnel must take a resolute stance against anti-social activities and forces and never be involved in payoffs for inappropriate requests or activities. Through strict compliance with our Employee Code of Conduct, we put a stop to any and all relations with anti-social forces. The General Affairs Department has been put in charge of preventing any contact with anti-social forces, issuing warnings when needed based on

related information it is constantly obtaining. In the event that a connection is discovered with anti-social forces, such as a Group director or employee receiving an inappropriate demand, the General Affairs Department has set up a system so that the incident can be immediately reported and advice can be given. The department then takes the lead in contacting the police and other external organizations that deal with anti-social forces. This structure allows us to rapidly eliminate any contact with anti-social forces.

Initiatives Related to Conflict Minerals

In its procurement activities, the Yorozu Group considers the impact it has on local communities. In particular, the Company works closely with its suppliers to avoid using raw materials that may cause social problems, such as an infringement of human

rights and damage to the natural environment, including conflict minerals, which are natural resources mined in the Democratic Republic of the Congo and surrounding countries and then sold by armed insurgents to fund their activities.

Compliance

Internal Whistleblowing System (“Don’t Tolerate It Help Box”), Consultation, and Reporting Desk for Suppliers

The Yorozu Group has set up the “Don’t Tolerate It Help Box” as a means for frontline employees to quickly and accurately convey important compliance-related information to senior management. On the operational side, we have formulated rules for protecting whistleblowers and people seeking consultation in order to encourage people to provide pertinent information. The “Don’t Tolerate It Help Box” has also been made available to people outside the Company, including those at Group companies inside and outside Japan, making it possible for outside directors to directly receive whistleblower complaints and requests for consultation. The Board of Directors is notified of the whistleblower reports and consultations.

Risk Management

Every year, the Yorozu Group strives to prevent risks from materializing by identifying the most serious risks that could have a major adverse impact on its stakeholders. The identified major risks are arranged in a matrix based on severity and frequency of occurrence, and evaluated from the standpoint of potential damage to our brand name, injury to people, and monetary damage. Risks deemed to be high by the Management Committee and Board of Directors are addressed and monitored by the General Affairs Department, and all Group companies take steps to mitigate these risks.

Information Security

Yorozu has established the Technology Leak Prevention Committee and drawn up rules for managing information security in order to take appropriate steps to ensure information security and to properly protect its information assets. The Company has clarified procedures for handling information based on its importance and risks, and properly protects internal data with its suppliers in order to prevent risks, including mistakes, accidents, damage, and criminal acts. The Company complies with relevant laws, regulations, and other rules, and continuously strives to improve its management systems in response to changes in the business environment.

Business Continuity Plan

Yorozu has formulated a business continuity plan (BCP) to ensure that its core businesses can continue to operate, and enable it to fulfill its social responsibilities as a corporation, in the event of an unforeseen incident, such as a natural disaster or accident. Furthermore, to ensure a reliable supply of products and services to our customers, we have designated the head office as a control tower in the event of an emergency and have taken steps to prevent fires and disasters at plants needed to supply products, such as manufacturing equipment. Yorozu has put in place an emergency communications system, reinforced its IT systems, stockpiled emergency food and supplies, and distributed a pocket manual for emergency situations to employees. The Company has also focused efforts on disaster training and periodic disaster drills for its employees.



Fire extinguishing drill

Five-Year Summary of Financial and Non-Financial Data

Yorozu Corporation and Subsidiaries

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|----------|----------|----------|----------|----------|
| (Millions of yen) | | | | | |
| Financial Data | | | | | |
| Profit / Loss statements (fiscal years) | | | | | |
| Net sales | 150,717 | 172,797 | 167,723 | 171,536 | 169,111 |
| Cost of sales | 130,240 | 149,315 | 147,489 | 151,587 | 149,295 |
| Gross margin | 20,477 | 23,482 | 20,234 | 19,949 | 19,816 |
| SG&A expenses | 12,289 | 13,467 | 13,906 | 13,919 | 14,525 |
| Operating income | 8,188 | 10,015 | 6,327 | 6,029 | 5,290 |
| Non-operating income | 2,876 | 434 | 745 | 857 | 796 |
| Non-operating expenses | 424 | 3,094 | 807 | 1,239 | 864 |
| Ordinary income | 10,639 | 7,355 | 6,265 | 5,648 | 5,222 |
| Extraordinary gains | 60 | 49 | 64 | 55 | 288 |
| Extraordinary losses | 76 | 128 | 96 | 321 | 2,650 |
| Net income attributable to owners of parent | 5,775 | 3,700 | 3,980 | 2,717 | 402 |
| Cash flows (fiscal years) | | | | | |
| Cash flows from operating activities | 10,010 | 18,735 | 17,191 | 9,421 | 17,603 |
| Cash flows from investing activities | (16,766) | (15,046) | (22,627) | (20,814) | (13,807) |
| Cash flows from financing activities | 4,088 | 260 | 10,075 | 6,875 | 1,103 |
| Financial condition (fiscal year-ends) | | | | | |
| Cash and cash equivalents, end of period | 18,173 | 21,501 | 25,197 | 20,882 | 24,970 |
| Total assets | 148,704 | 151,351 | 167,171 | 175,083 | 168,097 |
| Net assets | 97,710 | 96,027 | 93,759 | 97,015 | 92,310 |
| Per-share information | | | | | |
| Net income per share (¥) | 253.45 | 149.39 | 163.73 | 114.31 | 16.94 |
| Net assets per share (¥) | 3,296.90 | 3,214.55 | 3,300.26 | 3,359.44 | 3,182.74 |
| Other Financial Data | | | | | |
| Operating income ratio | 5.4% | 5.8% | 3.8% | 3.5% | 3.1% |
| Return on equity (ROE) | 7.9% | 4.6% | 5.0% | 3.4% | 0.5% |
| Return on assets (ROA) | 7.5% | 4.9% | 3.9% | 3.3% | 3.0% |
| Equity ratio | 54.9% | 52.6% | 46.9% | 45.6% | 45.0% |
| Dividend payout ratio | 20.1% | 35.5% | 35.4% | 51.6% | 271.5% |
| Capital investments | 17,833 | 15,500 | 24,643 | 20,013 | 15,451 |
| Depreciation | 8,373 | 10,870 | 10,592 | 11,915 | 12,075 |
| R&D expenditures | 6,091 | 6,163 | 8,677 | 9,435 | 8,179 |
| R&D expenditures to sales ratio | 4.0% | 3.6% | 5.2% | 5.5% | 4.8% |
| Non-Financial Data | | | | | |
| CO ₂ emissions (t-CO ₂) | 105,707 | 113,205 | 114,512 | 136,550 | 129,977 |
| Waste emissions (tons) | 3,762 | 5,167 | 5,354 | 8,324 | 5,040 |
| Water use (1,000 m ³) | — | 1,248 | 1,280 | 1,372 | 1,324 |
| Employees (people) | 6,411 | 6,491 | 6,727 | 6,590 | 6,597 |
| Ratio of non-Japanese employees | 1.87% | 3.37% | 3.47% | 3.92% | 4.59% |
| Ratio of women in management positions | 1.69% | 1.45% | 1.47% | 3.85% | 5.95% |
| Rate of accidents that led to lost working days | 0% | 0% | 0% | 0% | 0% |
| Ratio of paid vacation taken | 52.6% | 64.2% | 60.7% | 66.2% | 80.1% |

Corporate Information (as of March 31, 2019)

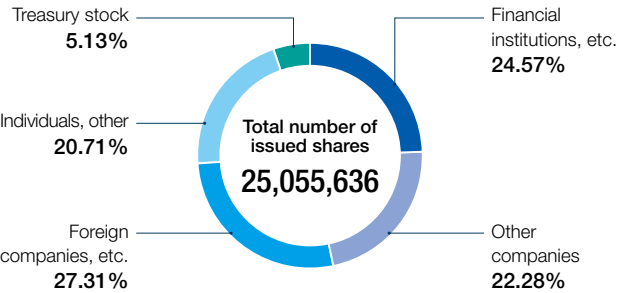
Company Overview

| | | | |
|--------------|---|--------------------------|--|
| Company name | Yorozu Corporation | Business activities | Development, design, production, and sale of auto parts, agricultural machinery parts, and manufacturing equipment |
| Address | 3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa 222-8560, Japan | Employees (consolidated) | 6,597 |
| Foundation | April 1, 1948 | | |
| Capital | ¥6,200 million | | |

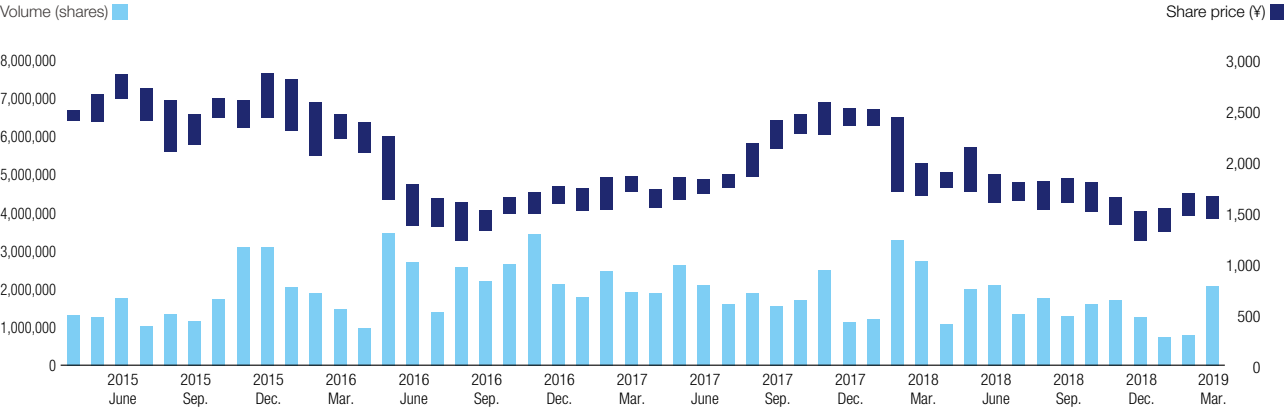
Stock Information

| | |
|-------------------------|---|
| Stock exchange listing | Tokyo Stock Exchange, First Section |
| Securities code | 7294 |
| Authorized shares | 64,000,000 |
| Transfer agent & office | Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan |
| Number of shareholders | 10,770 |

Breakdown of Shareholders by Investor Type



Trend in Share Price

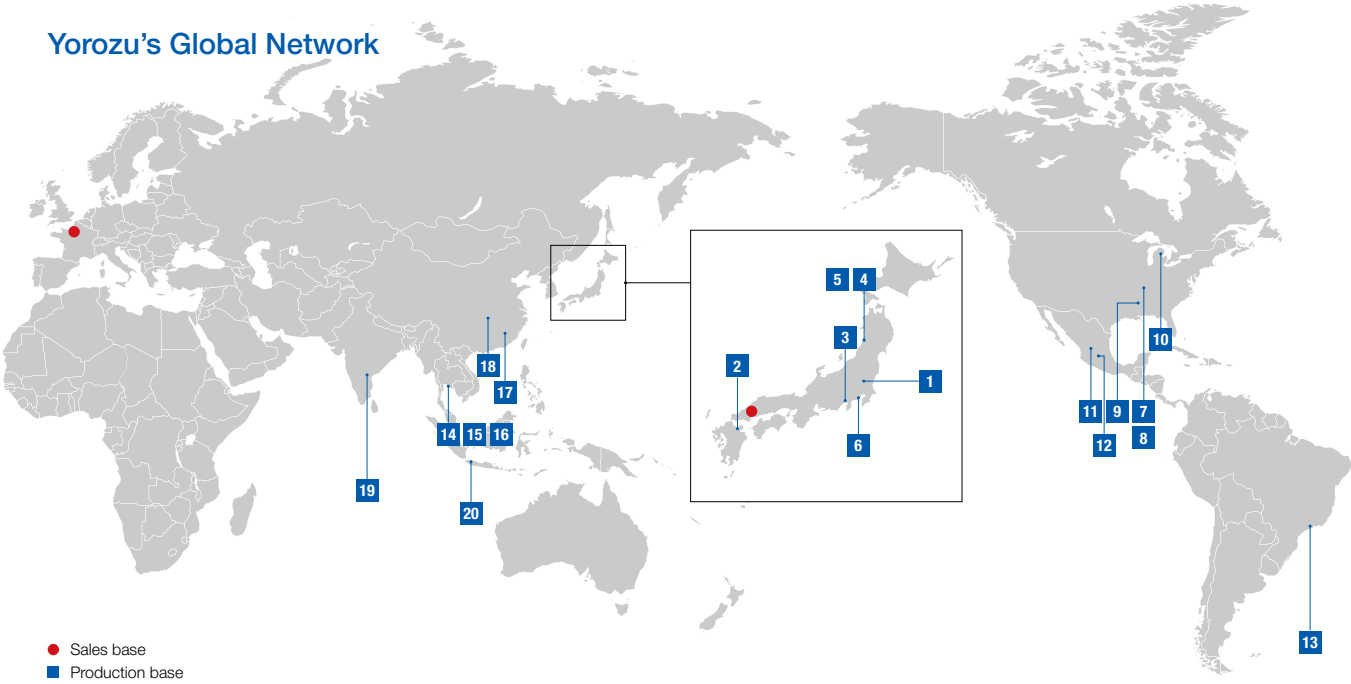


Major Shareholders

| Name of shareholder | Number of shares held | Ownership ratio (%) |
|---|-----------------------|---------------------|
| Japan Trustee Services Bank, Ltd. | 2,022,200 | 8.51 |
| BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND | 1,852,000 | 7.79 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 978,300 | 4.12 |
| Shido Holdings Co., Ltd. | 883,500 | 3.72 |
| Reno Co., Ltd. | 864,100 | 3.64 |
| JFE Steel Corporation | 843,000 | 3.55 |
| Mizuho Bank, Ltd. | 842,668 | 3.55 |
| The Bank of Yokohama, Ltd. | 842,668 | 3.55 |
| Suzuki Motor Corporation | 800,000 | 3.37 |
| Mitsubishi UFJ Trust and Banking Corporation | 682,000 | 2.87 |

Note: The Company owns 1,285,000 treasury shares. Ownership ratios were calculated by deducting treasury shares from the total number of issued and outstanding shares.

Yorozu's Global Network



| | Name | Location | Capital or investment amount | Main business |
|----|--|---|-----------------------------------|--|
| 1 | Yorozu Tochigi Corporation | Oyama City, Tochigi Prefecture | ¥100 million | Manufacture and sale of auto parts |
| 2 | Yorozu Oita Corporation | Nakatsu City, Oita Prefecture | ¥100 million | |
| 3 | Yorozu Aichi Corporation | Nagoya City, Aichi Prefecture | ¥100 million | |
| 4 | Shonai Yorozu Corporation | Tsuruoka City, Yamagata Prefecture | ¥100 million | |
| 5 | Yorozu Engineering Corporation | Kikawa Town, Higashi-Tagawa District, Yamagata Prefecture | ¥100 million | |
| 6 | Yorozu Service Corporation | Yokohama City, Kanagawa Prefecture | ¥10 million | Insurance services, money lending, temporary staffing, service contracting, etc. |
| 7 | Yorozu America Corporation | Morrison City, Tennessee, U.S.A. | \$192 million | Supervision of North America region and development of auto parts |
| 8 | Yorozu Automotive Tennessee, Inc. | Morrison City, Tennessee, U.S.A. | \$95 million | Manufacture and sale of auto parts |
| 9 | Yorozu Automotive Alabama, Inc. | Jasper City, Alabama, U.S.A. | \$70 million | |
| 10 | Yorozu Automotive North America, Inc. | Battle Creek City, Michigan, U.S.A. | \$20 million | |
| 11 | Yorozu Mexicana S.A. de C.V. | San Francisco de Los Romo City, Aguascalientes, Mexico | 754 million Mexican pesos | |
| 12 | Yorozu Automotive Guanajuato de Mexico, S.A. de C.V. | Apaseo el Grande City, Guanajuato, Mexico | 1,853 million Mexican pesos | |
| 13 | Yorozu Automotiva do Brasil Ltda. | Resende, Rio de Janeiro, Brazil | 178 million Brazilian real | Manufacture and sale of auto parts |
| 14 | Yorozu (Thailand) Co., Ltd. | Rayong, Thailand | 1,800 million Thai baht | |
| 15 | Y-Ogura Automotive (Thailand) Co., Ltd. | Rayong, Thailand | 1,383 million Thai baht | |
| 16 | Yorozu Engineering Systems (Thailand) Co., Ltd. | Rayong, Thailand | 65 million Thai baht | |
| 17 | Guangzhou Yorozu Bao Mit Automotive Co., Ltd. | Guangzhou City, Guangdong, China | 189 million Chinese yuan | |
| 18 | Wuhan Yorozu Bao Mit Automotive Co., Ltd. | Wuhan City, Hubei, China | 276 million Chinese yuan | Manufacture and sale of auto parts |
| 19 | Yorozu JBM Automotive Tamil Nadu Pvt. Ltd. | Tamil Nadu, India | 3,576 million Indian rupees | |
| 20 | PT. Yorozu Automotive Indonesia | Karawang, West Java, Indonesia | 770,000 million Indonesian rupees | |

Website

Investor Relations

<http://www.yorozu-corp.co.jp/en/investors/>

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

CSR

<http://www.yorozu-corp.co.jp/en/csr/>

The CSR section introduces Yorozu's CSR policy, occupational safety and health initiatives, and environmental preservation activities for realizing a sustainable society.

Environmental Preservation

<http://www.yorozu-corp.co.jp/en/csr/eco/>

Yorozu publishes an environmental report for stakeholders that introduces its environmental preservation initiatives. This section introduces our environmental philosophy, ISO certifications obtained by Group companies around the world, initiatives to conserve energy, and other CSR activities.

Contact us

Yorozu Corporation Treasury Department
3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa 222-8560, Japan