



Consolidated Financial Results

for the Fiscal Year Ended March 31, 2025

(Under Japanese GAAP)



May 15, 2025

Company name:	Yorozu Corporation	Listed	Tokyo Stock Exchange
Securities code:	7294	Exchange:	
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Scheduled date of annual general meeting of shareholders:	June 27, 2025		
Scheduled date to commence dividend payments:	June 6, 2025		
Scheduled date to file annual securities report (in Japanese):	June 25, 2025		
Preparation of supplementary material on financial results:	Yes		
Holding of financial results briefing:	Yes (For institutional investors and analysts)		

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	178,414	(1.7)	298	(93.3)	(2,077)	—	(13,448)	—
March 31, 2024	181,468	13.0	4,459	44.4	4,517	51.0	(3,926)	—

Note: Comprehensive income for the fiscal year ended March 31, 2025 ¥ (13,641) million— [%]
for the fiscal year ended March 31, 2024 ¥ (971) million— [%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(551.45)	—	(22.8)	(1.5)	0.2
March 31, 2024	(162.07)	—	(6.1)	3.2	2.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025 ¥ — million

For the fiscal year ended March 31, 2024 ¥ — million

Note: Earnings per share (diluted) for the fiscal year is not indicated because the basic earnings per share for the period is a loss, despite the presence of diluted shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	136,601	61,204	38.1	2,140.41
March 31, 2024	142,257	75,493	46.4	2,723.52

Reference: Equity as of March 31, 2025 ¥ 52,009million

as of March 31, 2024 ¥ 66,070 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	4,742	(11,814)	6,758	25,289
March 31, 2024	12,531	(11,851)	(1,741)	22,287

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	13.00	—	17.00	30.00	727	—	1.1
March 31, 2025	—	15.00	—	16.00	31.00	755	—	1.3
March 31, 2026 (Forecast)	—	15.00	—	16.00	31.00		94.0	

3. Forecasted consolidated performance for the fiscal year ending March 2026 (From April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Full-year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	173,000	(3.0)	2,600	771.2	1,800	—	800	—	32.98

* Notes

(1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2025: None

Newly included: — companies

Excluded: — companies

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1 Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2 Changes in accounting policies due to other reasons: None

3 Changes in accounting estimates: None

4 Restatement: None

(3) Number of shares issued (common stock)

1	Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2025	25,055,636 shares	As of March 31, 2024	25,055,636 shares
2	Number of treasury shares at the end of the period	As of March 31, 2025	756,859 shares	As of March 31, 2024	796,233 shares
3	Average number of shares outstanding during the period	Fiscal year ended March 31, 2025	24,388,229 shares	Fiscal year ended March 31, 2024	24,227,199 shares

[Reference] Overview of non-consolidated financial results

1 Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	60,905	(8.2)	969	(80.4)	(1,855)	—	(11,674)	—
March 31, 2024	66,335	33.5	4,954	96.4	5,769	83.1	1,980	(16.5)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(478.68)	—
March 31, 2024	81.76	80.11

Note: Earnings per share (diluted) for the fiscal year ended March 31, 2025 is not indicated because the basic earnings per share for the period is a loss, despite the presence of diluted shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	93,518	35,328	37.2	1,432.60
March 31, 2024	95,000	48,287	50.2	1,965.74

Reference: Equity as of March 31, 2025: ¥ 34,810million

as of March 31, 2024: ¥ 47,687 million

< Difference from the previous period results in individual performance >

The difference between the results of the previous fiscal year and the current fiscal year is due to the recognition of impairment losses on investments in related companies, resulting in a decrease in the valuation of shares in related companies.

* Please note that this financial results report is not subject to audit by a certified public accountant or an audit corporation.

* Explanation on the Appropriate Use of Performance Forecasts and Other Special Notes

- The future outlook and forecasts contained in this document are based on information currently available to the company and on certain assumptions that we consider reasonable. They do not serve as a guarantee that such results will be achieved by the company. Actual performance could vary significantly due to various factors. For conditions underlying the Performance Forecasts and cautionary notes on using these forecasts, please refer to the attached materials on page 5, section (4) "Future Outlook."
- We are planning to hold a briefing session for institutional investors and analysts as follows. The materials used in this session will be posted on the company's website at the time of the event.
- Financial results briefing session for institutional investors and analysts: Wednesday, May 28, 2025

○Table of Contents of the Attached Documents

1. Overview of the Business Results	2
(1) Summary of operating results	2
(2) Summary of financial position	3
(3) Summary of cash flows	4
(4) Future outlook	5
2. Basic Policy of Selecting the Accounting Standard	5
3. Consolidated Financial Statements and Key Notes	6
(1) Consolidated balance sheet	6
(2) Consolidated profit and loss statement and comprehensive income statement	8
(3) Consolidated statements of changes in equity	10
(4) Consolidated cash flow statement	12
(5) Notes to consolidated financial statements	13
(Notes regarding assumption of a going concern)	13
(Important matters that serve as the basis for preparing the consolidated financial statements)	13
(Changes in the accounting policy)	16
(Changes in presentation)	16
(Segment information, etc.)	17
(Per share information)	19
(Changes in material accounting policies)	19

1. Overview of the Business Results

(1) Summary of operating results

While the global economy continued to show signs of a moderate recovery during the current consolidated fiscal year, the outlook remains uncertain due to the progress of global inflation evidenced by persistent high prices of raw materials and logistic costs, as well as sharp fluctuations in foreign exchange and stock markets. Additionally, geopolitical risks and downward pressures stemming from unstable international situation, rarely seen in the past, due to the Middle East situation, prolonged slowdown of the Chinese economy, and changes in trade policy under the new U.S. administration, among other factors, continue to pose challenges. While the automotive industry related to our group has shown signs of a solid recovery, Japanese automakers are facing tough sales conditions due to the rise of Chinese manufacturers, particularly in the Chinese market. It is expected that the challenging situation will continue.

Under such circumstances, the group's net sales decreased by 1.7%, to ¥178,414 million, compared to the previous fiscal year primarily due to the impact of reduced production in Japan, the Americas, and Asia, despite the effect of currency conversion due to the depreciation of yen. Operating income decreased by approximately 93.3% from the previous fiscal year to ¥298 million due to one-time quality costs incurred in the U.S. in the first quarter and declined production volumes in Japan and Asia despite incorporating the streamlining effects gained from reviewing the operational structure. Ordinary income recorded a loss of ¥2,077 million, a decrease by ¥6,595 million from the previous fiscal year. Profit attributable to owners of the parent company for the current period decreased by ¥9,522 million from the previous period to a loss of ¥13,448 million because of the recording of a special loss amounting to ¥9,145 million due to impairment loss and reversal of deferred tax assets after considering recoverability of the company's fixed assets in the Americas and Asia segments in the future.

It should be noted that the financial results of overseas subsidiaries in the consolidated financial statements are translated into Japanese yen using the average exchange rate for each subsidiary's fiscal year end. The US dollar exchange rate for the subsidiaries' current consolidated fiscal year (from January to December) was 151.68 yen/dollar (it was 140.66 yen/dollar in the previous consolidated fiscal year).

The situation for each segment is as follows.

① Japan

Net sales decreased by 11.6% compared to the previous consolidated fiscal year to ¥59,799 million, primarily due to a decline in production volume. Operating income decreased by 62.1% from the previous period to ¥2,341 million because of a decrease in tooling sales and the initial costs associated with the start of operations at Yorozu Sustainable Manufacturing Center, Inc. (YSMC) Gifu headquarter factory, despite incorporating gains from cost reduction efforts.

② The Americas

Net sales increased by 12.2% from the previous period to ¥87,077 million, mainly due to the new model effect and the benefit of yen depreciation, despite the presence of an impact from the decrease in production volume. Operating loss increased by ¥1,280 million to ¥2,610 million compared to the previous period, primarily due to one-time quality costs incurred in the U.S. despite the new model effects.

③ Asia

Net sales decreased by 20.9% from the previous period to ¥39,043 million, primarily due to the decreased production volume in China despite the positive impact of yen depreciation. Operating income decreased by 96.2% from the previous period to ¥59 million, largely due to the decreased production volume in China despite positive effects from streamlining efforts.

(2) Summary of financial position

(Assets Section)

Current assets increased by ¥5,786 million to ¥81,159 million compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥5,642 million in “cash on hand and in banks” and an increase of ¥2,258 million in “work in process,” despite a ¥1,793 million decrease in “finished goods” and a ¥1,309 million decrease in “trade notes and accounts receivable.”

Fixed assets decreased by ¥11,442 million to ¥55,441 million compared to the end of the previous consolidated fiscal year. This was mainly due to the decreases of ¥3,851 million in “machinery, equipment and vehicles (net),” ¥2,427 million in “construction in progress,” and ¥2,216 million in “buildings and structures (net).”

As a result, total assets decreased by ¥5,655 million to ¥136,601 million, compared to the end of the previous consolidated fiscal year.

(Liabilities Section)

Current liabilities increased by ¥1,477 million to ¥51,292 million compared to the end of the previous consolidated fiscal year. This was mainly due to a ¥1,224 million decrease in “electronically recorded obligations” and a ¥1,143 million decrease in “short-term borrowings” despite an increase of ¥3,438 million in “current portion of long-term borrowings.”

Long-term liabilities increased by ¥7,155 million to ¥24,105 million compared to the end of the previous consolidated fiscal year. This was mainly due to the increases of ¥3,692 million in “lease debt” and ¥3,180 million in “long-term debts.”

As a result, total liabilities increased by ¥8,633 million to ¥75,397 million compared to the end of the previous consolidated fiscal year.

(Net Assets Section)

Total equity decreased by ¥14,289 million to ¥61,204 million compared to the end of the previous fiscal year. This was mainly due to the decreases of ¥14,227 million in “retained earnings,” and ¥516 million in “unrealized holding gain and loss on securities,” despite an increase by ¥1,135 million in “foreign currency translation adjustments.”

(3) Summary of cash flows

Cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the current consolidated fiscal year increased 13.5% by ¥3,002 million to ¥25,289 million compared to the previous consolidated fiscal year end.

The situation for each cash flow in the current consolidated fiscal year and its background are as follows.

(Cash flows from operating activities)

Net cash from operating activities for the current consolidated fiscal year increased by ¥4,742 million, resulting in a decrease in proceeds of ¥7,788 million compared to the previous consolidated fiscal year. The main increase and decrease in the cash flows from operating activities compared to the previous consolidated fiscal year are as follows.

Cash flows decreased due to “profit (loss) before income taxes”	¥3,999 million
Cash flows decreased due to “increase/decrease in inventories”	¥2,951 million
Cash flows decreased due to “depreciation and amortization”	¥2,159 million
Cash flows decreased due to “impairment losses”	¥2,655 million
Cash flows increased due to “increase/decrease in trade receivables”	¥4,756 million
Cash flows increased due to “increase/decrease in exchange losses and (gains)”	¥821 million

(Cash flows from investing activities)

Net cash from investing activities for the current consolidated fiscal year decreased by ¥11,814 million, resulting in a decrease in payments of ¥37 million compared to the previous consolidated fiscal year. The main increase and decrease in the cash flows from investing activities compared to the previous fiscal year are as follows.

Decrease in payments due to “purchases of property, plant and equipment”	¥4,294 million
Decrease in payments into “time deposits”	¥2,505 million

(Cash flows from financing activities)

Net cash from financing activities for the current consolidated fiscal year increased by ¥6,758 million, resulting in an increase in proceeds of ¥8,499 million compared to the previous consolidated fiscal year. The main increase and decrease in the cash flows from financing activities compared to the previous fiscal year are as follows.

Increase in “proceeds from long-term borrowings”	¥10,758 million
Increase in “proceeds due to repayments of sale and lease back”	¥4,010 million
Decrease in “proceeds from increase/decrease in short-term borrowings”	¥9,209 million
Decrease in “payments due to repayments of long-term borrowings”	¥2,769 million

(4) Future outlook

In the fiscal year 2025, the management environment is expected to face headwinds in the unprecedentedly challenging economic and automotive industry landscape, including the announcement of the U.S. tariff strengthening policy and its impact on global economy, and the shift to a strong yen trend in exchange rates. Despite these challenges, the group will prioritize activities aimed at achieving the final year goal of its medium-term business plan “Yorozu Sustainability Plan 2026 (YSP2026)” through efforts such as enhancing operational capabilities leveraging two production bases in the U.S., further rationalization activities including cost reduction, and the balance sheet slimming effect from recognition of impairment losses in the fiscal year 2024, aiming for a “V-shaped recovery of earnings.” We will also accelerate efforts to strengthen our business foundation towards future growth by considering our “future-oriented framework.”

In this context, as for the consolidated performance forecast for the fiscal year ending March 31, 2026, we anticipate net sales of approximately ¥173,000 million, similar to the actual results of the fiscal year ended March 31, 2025, excluding the impact of exchange rate differences, with an expected operating income ratio of 1.5% or higher.

Regarding the foreign subsidiary profit and loss exchange rates included in the consolidated performance forecast, the following rates are assumed:

US Dollar = ¥143.00, Mexican Peso = ¥7.10, Brazilian Real = ¥23.30, Thai Baht = ¥4.30,
Chinese Yuan = ¥19.60, Indian Rupee = ¥1.60, Indonesian Rupiah = ¥0.0081

2. Basic Policy of Selecting the Accounting Standard

The group’s policy for preparing its consolidated financial statements is to adopt Japanese GAAP for the time being, in consideration of comparability across reporting periods and with companies and subsidiaries.

The adoption of the International Financial Reporting Standards (“IFRS”) will be studied appropriately, taking into account both domestic and overseas situations.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheet

(Millions of yen)

	Previous fiscal year As of March, 31, 2024	Current fiscal year As of March 31, 2025
Assets		
Current assets		
Cash on hand and in banks	22,287	27,929
Trade notes and accounts receivable	28,693	27,383
Electronically recorded obligations	2,154	2,364
Accounts receivable for supplied goods	347	588
Finished goods	5,223	3,430
Raw materials and supplies	1,211	1,290
Parts etc.	4,370	4,458
Work in process	5,742	8,000
Accounts receivable—other	2,114	2,176
Other	3,808	4,292
Allowance for doubtful accounts	(580)	(753)
Total current assets	75,373	81,159
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	19,328	17,111
Machinery, equipment and vehicles, net	22,260	18,408
Tools, furniture, fixtures and equipment, net	2,035	1,354
Land	4,591	4,612
Construction in progress	6,533	4,106
Other, net	25	45
Total property, plant and equipment	54,773	45,638
Intangible fixed assets	206	141
Investments and other assets		
Investment securities	8,011	7,372
Deferred tax assets	2,430	955
Other	1,461	1,333
Total investments and other assets	11,903	9,661
Total fixed assets	66,884	55,441
Total assets	142,257	136,601

(Millions of yen)

	Previous fiscal year As of March 31, 2024	Current fiscal year As of March 31, 2025
Liabilities		
Current liabilities		
Trade notes and accounts payable	14,838	15,033
Electronically recorded obligations	3,174	1,949
Short-term borrowings	12,986	11,842
Current portion of long-term borrowings	6,065	9,504
Accounts payable—other	1,545	1,842
Accrued income tax payable	803	278
Accrued expenses	3,426	3,690
Contract liability	1,046	1,242
Lease debt	35	242
Bonus payable	1,362	1,346
Provision for directors' bonuses	92	82
Other current liabilities	4,436	4,237
Total current liabilities	49,815	51,292
Long-term liabilities		
Long-term borrowings	14,210	17,390
Retirement benefit liabilities	885	1,102
Lease debt	90	3,783
Other long-term liabilities	1,762	1,828
Total long-term liabilities	16,949	24,105
Total liabilities	66,764	75,397
Net assets		
Shareholders' equity		
Capital stock	6,200	6,200
Capital surplus	9,372	9,136
Retained earnings	43,957	29,729
Treasury stock	(1,136)	(1,031)
Total shareholders' equity	58,394	44,036
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	4,113	3,597
Foreign currency translation adjustment	3,731	4,867
Retirement benefit adjustments	(169)	(491)
Total accumulated other comprehensive income	7,676	7,973
Stock option	599	517
Non-controlling interests	8,822	8,676
Total equity	75,493	61,204
Total liabilities and equity	142,257	136,601

(2) Consolidated profit and loss statement and comprehensive income statement

Consolidated profit and loss statement

(Millions of yen)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net sales	181,468	178,414
Cost of sales	162,429	161,629
Gross profit	19,038	16,784
Selling, general and administrative expenses	14,579	16,486
Operating income	4,459	298
Non-operating income		
Interest income	369	374
Dividends income	203	235
Exchange income	569	—
Derivative valuation gains	—	522
Miscellaneous income	121	87
Total non-operating income	1,263	1,220
Non-operating expenses		
Interest expense	936	927
Exchange loss	—	2,234
Start-up costs	240	332
Miscellaneous expenses	27	102
Total non-operating expenses	1,205	3,596
Ordinary income (loss)	4,517	(2,077)
Extraordinary income		
Gain on sale of fixed assets	22	29
Gain on sale of investment securities	31	10
Other	4	0
Total extraordinary income	59	39
Extraordinary loss		
Loss on sales of non-current assets	17	0
Impairment loss	11,800	9,145
Loss on disposal of fixed assets	100	47
Miscellaneous expenses	2	112
Total extraordinary loss	11,921	9,305
Profit (loss) before income taxes	(7,343)	(11,343)
Income taxes	1,508	1,169
Income tax and adjustment	20	1,794
Total income taxes	1,529	2,963
Net profit (loss) for the fiscal year	(8,872)	(14,307)
Net profit (loss) attributable to non-controlling interests	(4,946)	(858)
Net profit (loss) attributable to owners of the parent	(3,926)	(13,448)

Consolidated comprehensive income statement

	(Millions of yen)	
	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net income (loss)	(8,872)	(14,307)
Other comprehensive income		
Unrealized holding gain and loss on securities	1,658	(516)
Translation adjustments	6,022	1,560
Remeasurements of defined benefit plans	220	(378)
Total other comprehensive income	7,901	665
Comprehensive income	(971)	(13,641)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	3,081	(13,341)
Comprehensive income attributable to non-controlling interests	(4,053)	(299)

(3) Consolidated statements of changes in equity

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of April 1, 2023	6,200	9,429	48,634	(1,303)	62,961
Changes in the fiscal year					
Dividends	—	—	(749)	—	(749)
Net loss attributable to owners of the parent	—	—	(3,926)	—	(3,926)
Acquisition of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	(57)	—	166	109
The increase or decrease in ownership interest due to the acquisition of subsidiary shares	—	—	—	—	—
Changes in the fiscal year other than shareholders' equity (net)	—	—	—	—	—
Total changes in the fiscal year	—	(57)	(4,676)	166	(4,567)
Balance as of March 31, 2024	6,200	9,372	43,957	(1,136)	58,394

	Accumulated other comprehensive income				Stock option	Non-controlling interests	Total equity
	Unrealized holding gain and loss on securities	Foreign currency translation adjustment	Retirement benefit adjustments	Total			
Balance as of April 1, 2023	2,455	(1,430)	(356)	668	599	13,210	77,439
Changes in the fiscal year							
Dividends	—	—	—	—	—	—	(749)
Net profit (loss) attributable to owners of the parent	—	—	—	—	—	—	(3,926)
Acquisition of treasury stock	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—	—	109
The increase or decrease in ownership interest due to the acquisition of subsidiary shares	—	—	—	—	—	—	—
Changes in the fiscal year other than shareholders' equity (net)	1,658	5,161	187	7,008	—	(4,387)	2,620
Total changes in the fiscal year	1,658	5,161	187	7,008	—	(4,387)	(1,946)
Balance as of March 31, 2024	4,113	3,731	(169)	7,676	599	8,822	75,493

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of April 1, 2024	6,200	9,372	43,957	(1,136)	58,394
Changes in the fiscal year					
Dividends	—	—	(778)	—	(778)
Net profit (loss) attributable to owners of the parent	—	—	(13,448)	—	(13,448)
Acquisition of treasury stock	—	—	—	(141)	(141)
Disposal of treasury stock	—	(49)	—	246	197
The increase or decrease in ownership interest due to the acquisition of subsidiary shares	—	(186)	—	—	(186)
Changes in the fiscal year other than shareholders' equity (net)	—	—	—	—	—
Total changes in the fiscal year	—	(235)	(14,227)	105	(14,358)
Balance as of March 31, 2025	6,200	9,136	29,729	(1,031)	44,036

	Accumulated other comprehensive income				Stock option	Non-controlling interests	Total equity
	Unrealized holding gain and loss on securities	Foreign currency translation adjustment	Retirement benefit adjustments	Total			
Balance as of April 1, 2024	4,113	3,731	(169)	7,676	599	8,822	75,493
Changes in the fiscal year							
Dividends	—	—	—	—	—	—	(778)
Net profit (loss) attributable to owners of the parent	—	—	—	—	—	—	(13,448)
Disposal of treasury stock	—	—	—	—	—	—	197
The increase or decrease in ownership interest due to the acquisition of subsidiary shares	—	—	—	—	—	—	(186)
Changes in the fiscal year other than shareholders' equity (net)	(516)	1,135	(322)	296	(81)	(145)	69
Total changes in the fiscal year	(516)	1,135	(322)	296	(81)	(145)	(14,289)
Balance as of March 31, 2025	3,597	4,867	(491)	7,973	517	8,676	61,204

(4) Consolidated cash flow statement

	(Millions of yen)	
	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit (loss) before income tax	(7,343)	(11,343)
Depreciation and amortization	9,813	7,653
Impairment loss	11,800	9,145
Extraordinary (income) loss	—	0
Increase (decrease) in allowance for doubtful accounts	(74)	227
Increase (decrease) in bonus payable	(66)	(42)
Increase (decrease) in retirement benefit liabilities	125	(194)
Interest and dividends income	(572)	(610)
Interest expenses	936	927
Exchange losses and (gains)	(249)	572
(Increase) decrease in trade receivables	(2,870)	1,885
(Increase) decrease in accounts receivable for supplied goods	2	(240)
(Increase) decrease in inventories	2,605	(345)
(Increase) decrease in accounts receivable	(117)	512
(Increase) decrease in other receivables	(59)	(273)
Increase (decrease) in trade payables	207	(1,243)
Increase (decrease) in other liabilities	(226)	725
Sub total	13,911	7,354
Interest and dividends income received	574	608
Interest expenses paid	(931)	(909)
Income taxes paid	(1,022)	(2,310)
Cash flows from operating activities	12,531	4,742
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(13,367)	(9,072)
Payments for purchase of intangible assets	(79)	(57)
Payments into time deposits	—	(2,505)
Proceeds from withdrawal of time deposits	1,414	—
Other expenses	(257)	(301)
Other income	438	123
Cash flows from investing activities	(11,851)	(11,814)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	7,287	(1,921)
Proceeds from long-term loans payable	2,000	12,758
Repayments of long-term loans payable	(9,910)	(7,140)
Cash dividends paid	(749)	(778)
Dividends paid to non-controlling interests	(335)	(32)
Proceeds from sale and lease back transactions	—	4,010
Other	(33)	(136)
Cash flows from financing activities	(1,741)	6,758
Effect of exchange rate changes on cash and cash equivalents	1,061	3,315
Increase (decrease) in cash and cash equivalents	0	3,002
Cash and cash equivalents at beginning of period	22,287	22,287
Cash and cash equivalents at end of period	22,287	25,289

(5) Notes to consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

(Important matters that serve as the basis for preparing the consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 20

Name of consolidated subsidiaries:

Yorozu Tochigi Corporation
Yorozu Oita Corporation
Yorozu Sustainable Manufacturing Center, Inc.
Shonai Yorozu Corporation
Yorozu Engineering Corporation
Yorozu Service Corporation
Yorozu America Corporation
Yorozu Automotive Tennessee, Inc.
Yorozu Automotive Alabama, Inc.
Yorozu Automotive North America, Inc.
Yorozu Mexicana S.A. de C.V.
Yorozu Automotive Guanajuato de Mexico, S.A. de C.V.
Yorozu Automotiva do Brasil Ltda.
Yorozu (Thailand) Co., Ltd.
Y-Ogura Automotive (Thailand) Co., Ltd.
Yorozu Engineering Systems (Thailand) Co., Ltd.
Guangzhou Yorozu Bao Mit Automotive Co., Ltd.
Wuhan Yorozu Bao Mit Automotive Co., Ltd.
Yorozu JBM Automotive Tamil Nadu Pvt. Ltd.
PT. Yorozu Automotive Indonesia

2. Application of equity method

(1) Number of non-consolidated subsidiaries applicable to the equity method

None

(2) Number of affiliates applicable to the equity method

None

(3) Names of affiliates that are not applicable to the equity method

None

3. Business years of consolidated subsidiaries

Among the consolidated subsidiaries, companies that designate December 31 as the account closing date are Yorozu America Corporation, Yorozu Automotive Tennessee, Inc., Yorozu Automotive Alabama, Inc., Yorozu Automotive North America, Inc., Yorozu Mexicana S.A. de C.V., Yorozu Automotive Guanajuato de Mexico, S.A. de C.V., Yorozu (Thailand) Co., Ltd., Y-Ogura Automotive (Thailand) Co., Ltd., Yorozu Engineering Systems (Thailand) Co., Ltd., Guangzhou Yorozu Bao Mit Automotive Co., Ltd., and Wuhan Yorozu Bao Mit Automotive Co., Ltd.

In preparing the consolidated financial statements, their financial statements as of the above date are used, and adjustments required for consolidation are made to significant transactions that occur between such date and the consolidated closing date. The last day of the business year of other consolidated subsidiaries is the same as the consolidated closing date.

4. Accounting policy

(1) Basis and method for valuation of significant assets

① Securities

Other securities

Securities other than shares that do not have a market price

Fair value method based on the market price, etc., as of the end of the fiscal year (The valuation differences are stated in net assets in the balance sheet, and the moving average method is used for the valuation.)

Shares that do not have a market price

Moving average cost method

② Receivables and payables that arise from derivative transaction

Fair value method

③ Inventories

The company and its domestic consolidated subsidiaries

Principally, the basis and method for valuation of inventory assets are as follows.

Valuation is based on the cost method (the book value reduction method based on decreased profitability).

a. Finished goods, work in process (mass produced items), parts etc. and raw materials

Weighted-average cost method

b. Other products, work in process

Specific identification cost method

c. Supplies

Last purchase cost method

Overseas consolidated subsidiaries

Principally, the first-in first-out lower of cost or market method

(2) Depreciation method for significant depreciable assets

① Property, plant and equipment (excluding lease assets)

a. The company and its domestic consolidated subsidiaries

Declining balance method

Provided that the straight-line method is adopted to calculate the depreciation of buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings as well as structures acquired on and after April 1, 2016.

b. Overseas consolidated subsidiaries

Straight-line method

② Intangible fixed assets (excluding lease assets)

Straight-line method

As for software (for internal use), the straight-line method based on the internally usable period (of five years) is adopted.

③ Lease assets

Lease assets related to transaction of finance lease exempt from passage of title

Calculation adopts the straight-line method based on a zero residual value (or the guaranteed residual value if applicable) with the lease term as the useful life.

(3) Recognition criteria for significant provisions

① Allowance for doubtful accounts

To make allowances for the non-payment of receivables, for general receivables the historical default rate is used, and for specific receivables designated as potentially irrecoverable, the amount deemed irrecoverable is recorded considering recoverability on an individual basis.

② Bonus payable

Bonus reserves are booked based on the estimated amount payable to prepare for the payment of bonus to the employees during the current consolidated fiscal year.

③ Provision for directors' bonuses

The provision for the estimated amount of directors' bonus to be paid during the current fiscal year is entered to prepare for the payment of bonus to the directors.

(4) Accounting treatment related to retirement benefits

① Period allocation method for estimated retirement benefits

When calculating retirement benefit liabilities, the method for allocating the anticipated benefit payments for the period up to the end of the current consolidated fiscal year is based on the benefit formula standards.

② Treatment of actuarial gains and losses

The actuarial gains or losses are primarily treated as expenses at the time the difference emerges each fiscal year in an amount proportionally divided using the declining balance method over a fixed number of years that is within the average number of years of remaining service of the employee.

(5) Criteria for conversion to the Japanese currency of significant foreign currency denominated assets and liabilities

Foreign currency denominated assets or liabilities are converted to Japanese yen in the spot exchange market as of the consolidated closing date, and the exchange difference is treated as foreign exchange gain or loss.

As for assets and liabilities of overseas consolidated subsidiaries, they are converted to Japanese yen in the spot exchange market as of the closing date of the overseas consolidated subsidiary, whereas incomes and expenses are converted to Japanese yen according to the average exchange rate during the period, and the exchange difference is included in the foreign currency translation adjustments and non-controlling interests.

(6) Method of significant hedge accounting

① Method of hedge accounting

In principle, deferred hedge accounting is adopted.

Special treatment is adopted for interest rate swaps that qualify for special treatment.

As for currency swaps, deferral hedge accounting is used for forward exchange contracts if the currency swap meets the requirements for deferral hedge accounting.

② Hedging instrument, hedged item, hedging policy

Hedging instrument: Interest rate swap, currency swap

Hedged item: Borrowings, interest on borrowings

The company obtains the approval of the board of directors regarding the objective, contents, the counterparty, and risks prior to implementation, to hedge the risks from interest rate and currency fluctuations.

③ Hedge effectiveness assessment

Interest rate swaps that meet the conditions for special treatment are exempted from the assessment.

Currency swaps that meet the conditions for deferral hedge accounting are exempted from the assessment.

(7) Scope of funds in the consolidated cash flow statement

Cash on hand, demand deposits, and readily marketable short-term investments with high liquidity and minimum risks to fluctuation in value that reach maturity within three months from the date of acquisition

(8) Other important matters regarding the preparation of consolidated financial statements

① Accounting for consumption taxes

Accounting treatment of consumption tax and local consumption tax is based on the tax exclusion method.

(Changes in the accounting policy)

(Application of Accounting Standards for Current Income Taxes)

The company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27 of October 28, 2022; hereinafter the “Revised Accounting Standard of 2022”) since the beginning of the consolidated accounting period.

Regarding revisions to the recording category of current income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28 of October 28, 2022; hereinafter the “Revised Guidance on Accounting Standard of 2022”) are followed. There is no impact on the consolidated financial statements as a result of this change in the accounting policies.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sales arising from the sales of the shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the company has applied the Revised Guidance on Accounting Standard of 2022 from the beginning of the current consolidated fiscal year. The change in the accounting policies has been applied retrospectively. Therefore, the retrospective application is reflected in the consolidated financial statements for the previous consolidated fiscal year. There is no impact on the consolidated financial statements for the previous consolidated fiscal year as a result of this change in the accounting policies.

(Changes in presentation)

(Regarding the Consolidated Balance Sheet)

We have decided to separately disclose following items from the current consolidated fiscal year. The "Contractual liabilities" and "Lease debts" that were included under "Other current liabilities" in the previous consolidated fiscal year, have become financially significant. To reflect this change in statements, we have reclassified the consolidated financial statements of the previous fiscal year.

As a result, in the consolidated balance sheet of the previous fiscal year, the amount of ¥5,518 million previously included under "Other current liabilities" has been reclassified as follows: "Contractual liabilities" ¥1,046 million, Lease debts" ¥35 million, and “Other current liabilities” ¥4,436 million.

Additionally, from the current consolidated fiscal year, we have decided to separately disclose "Lease debts" that were included under "Other non-current liabilities". Because it has also become financially significant. To reflect this change in statements, we have reclassified the consolidated financial statements of the previous fiscal year.

As a result, in the consolidated balance sheet of the previous fiscal year, the amount of ¥1,852 million previously included under "Other non-current liabilities" has been reclassified as follows: "Lease debts" ¥90 million and "Other non-current liabilities" ¥1,762 million.

(Segment information etc.)

(Segment information)

1. Summary of the reportable segments

The company's reportable segments are the operational units of the company for which separate financial information is available, and that the board of directors regularly examines to determine the management resources and evaluate the performance.

The group produces and sells mainly automotive suspension parts inside and outside Japan. In Japan, the company and its domestic subsidiaries, and in overseas locations, the subsidiaries in the Americas (the U.S., Mexico, Brazil) and in Asia (Thailand, China, India, Indonesia) supply products to various regions. Each local subsidiary is an independent business unit that proposes its comprehensive strategies for the region and engages in its own business activities. Therefore, the group consists of three region-wise reportable segments, namely Japan, the Americas, and Asia, each with its own production and sales systems.

2. Calculation of sales, income or loss, assets, liabilities, etc. by reportable segments

The accounting method for the reportable segments roughly corresponds to what is specified in the "Important matters that serve as the basis for preparing the consolidated financial statements."

Inter-segment sales or transfers are based on current market price.

3. Information on amounts of sales, profits or losses, assets, liabilities, and others

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Total
	Japan	The Americas	Asia	
Sales				
Net sales from external customers	55,284	77,403	48,780	181,468
Inter-segment sales and transfers	12,337	230	577	13,145
Total	67,622	77,633	49,357	194,613
Segment profit (loss)	6,180	(1,329)	1,539	6,390
Segment assets	141,471	55,562	43,742	240,776
Other				
Depreciation and amortization	1,790	4,159	4,242	10,192
Impairment loss	15	—	12,416	12,431
Increase in property, plant and equipment and intangible fixed assets	9,020	4,798	1,137	14,956

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Total
	Japan	The Americas	Asia	
Sales				
Net sales from external customers	52,668	86,846	38,899	178,414
Inter-segment sales and transfers	7,130	230	143	7,505
Total	59,799	87,077	39,043	185,920
Segment profit (loss)	2,341	(2,610)	59	(210)
Segment assets	149,661	50,994	39,391	240,047
Other				
Depreciation and amortization	2,146	4,285	1,572	8,004
Impairment loss	64	5,269	4,080	9,415
Increase in property, plant and equipment and intangible fixed assets	4,413	4,525	448	9,387

4. Difference between segment total and consolidated financial statement total, and its details (matters related to difference adjustment)

(Millions of yen)

Sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total reportable segments	194,613	185,920
Adjusted inter-segment transactions	(13,145)	(7,505)
Sales in consolidated financial statements	181,468	178,414

(Millions of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total reportable segments	6,390	(210)
Adjusted inter-segment transactions	(1,930)	508
Operating income in consolidated financial statements	4,459	298

(Millions of yen)

Asset	Previous consolidated fiscal year	Current consolidated fiscal year
Total reportable segments	240,776	240,047
Adjusted inter-segment transactions	(110,515)	(118,181)
Adjusted corporate assets*	11,996	14,735
Total assets in consolidated financial statements	142,257	136,601

(*) Corporate assets mainly relate to the parent company's cash and deposits, investment securities, and administrative department.

(Millions of yen)

Other (Consolidated fiscal year)	Reportable segment		Other		Adjustments*		As included in consolidated statements of income	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Depreciation and amortization	10,192	8,004	—	—	(379)	(350)	9,813	7,653
Impairment loss	12,431	9,415	—	—	(630)	(269)	11,800	9,145
Increase in property, plant and equipment and intangible fixed assets	14,956	9,387	—	—	(1,769)	(431)	13,187	8,955

(*) Adjustments in increase in property, plant and equipment and intangible assets are inter-segment transactions, etc.

(Per share information)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Book value per share	2,723.52 yen	2,140.41 yen
Basic earnings (loss) per share	(162.07) yen	(551.45) yen
Diluted earnings (loss) per share	— yen	— yen

(Note) 1. The basis for calculating the basic earnings (loss) per share and diluted earnings (loss) per share is as follows.

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Basic earnings (loss) per share		
Basic earnings (loss) per share attributable to owners of the parent (¥ million)	(3,926)	(13,448)
Amount not attributable to common shareholders (¥ million)	—	—
Amount of profit (loss) attributable to owners of the parent related to common stock (¥ million)	(3,926)	(13,448)
Average number of outstanding shares of common stock during the fiscal year (thousand shares)	24,227	24,388
Diluted earnings (loss) per share		
Net profit (loss) attributable to owners of the parent (¥ million)	—	—
Increase in the number of shares of common stock (thousand shares)	—	—
Major component of the increase in the number of common shares used to calculate diluted earnings per share (thousand shares)		
Stock option	—	—
Summary of diluted shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	—	—

(Note) 2. Diluted earnings per share for the fiscal year is not indicated because the basic earnings per share for the period is a loss, despite the presence of diluted shares.

(Note) 3. The basis for calculating the net assets per share is as follows.

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Total net assets (¥ million)	75,493	61,204
Net assets related to common shares (¥ million)	66,070	52,009
Major components of difference (¥ million)		
Stock option	599	517
Non-controlling interests	8,822	8,676
Number of common shares outstanding (thousand shares)	25,055	25,055
Number of common shares in treasury stock (thousand shares)	796	756
Number of common shares used for calculating net assets per share (thousand shares)	24,259	24,298

(Changes in material accounting policies)

Not applicable.