

NOTE: This document is originally written in Japanese and in case of any differences or discrepancies between the Japanese and English versions, the Japanese original version shall prevail.



November 11, 2024

Yorozu Corporation

Representative: Tsutomu Hiranaka, President and COO

Securities Code: 7294 (TSE Prime Market)

Contact: Norio Hirano, Executive Vice President and CFO

Address: 3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa 222-8560, Japan

Telephone: 045-543-6802

Regarding Postponement of 2Q FY2024 Financial Results Announcement and Application for Extension to Semi-Annual Securities Report Submission Deadline

Yorozu Corporation (the “Company”) hereby notifies that it has decided to postpone the announcement of the second quarter (interim) financial results for the fiscal year ending March 2025 (80th term) and that it is considering to apply for an extension to the submission deadline for the semi-annual securities report as explained below. We sincerely apologize for the inconvenience this may cause to all our shareholders and the parties concerned.

1. Reasons for postponing the announcement of financial results and considering to apply for an extension to the submission deadline for the semi-annual securities report

As explained in the notice issued on Friday, October 18, 2024 of a ransomware incident, on the morning of October 14, 2024, an employee at work accessing the Company’s server noticed that electronic files were missing and encrypted. An immediate investigation revealed that multiple simultaneous system failure occurred in some of the Group’s servers and certain terminals causing partial or entire loss or encryption due to a cyberattack. To prevent further infection, the systems of the major critical system servers and data file servers were isolated, which has put us in a situation with no access to data.

On the same day, a group-wide cybersecurity incident response team consisting of Information Systems Department and general managers of the departments and led by the president was set up to clarify and thoroughly investigate the cause. On October 16, a third-party investigation firm was commissioned and cybersecurity forensics has been initiated.

The damage we know so far extends widely to the Company’s major critical system servers and file servers where data is stored. As a measure to contain the damage, we immediately shut down all servers of the Company where the system failure was confirmed, and cut off all internal as well as external network connections. This has made us inaccessible to all internal systems including the core system and the internally-shared file servers where data is stored. However, though email transmission from the Company’s existing PCs to external parties is prohibited to prevent the spread of infection to our business partners, we have installed uninfected PCs and new mobile Wi-Fi connections to provide a secure environment for email transmission. At the same time, we are placing priority on reconstructing the order processing system to ensure no delays in product delivery to our customers. As for the in-house

information systems, we expect to resume operations after a fully secure network foundation is established.

According to the investigation conducted by a third party investigation firm we engaged, our critical system and its supporting surrounding systems have been extensively impacted. The firm indicates that the recovery process and implementation of security measures will require a significant amount of time and resources.

Given the aforementioned circumstances, we are unable to respond to the accounting audit firm's reviews and findings for the relevant financial period. This is mainly due to our inability to access the critical system, among other factors. Our current focus is on restructuring and reinstalling the systems in a secure environment. However, the financial closing procedure for the second quarter financial results for the fiscal year ending March 2025 has not completed.

Consequently, based on our inability to finalize the consolidated financial statements and complete the procedures of audit reviews conducted by the accounting audit firm for the second quarter of the fiscal year ending March 2025 (interim financial results) by the deadline of Thursday, November 14, 2024, as mandated by Article 24-4-7, paragraph (1) of the Financial Instruments and Exchange Act, we have decided to postpone the announcement of these interim financial results for the fiscal year ending March 2025. We are also considering filing an application with the relevant authority to extend the submission deadline for the semi-annual securities report.

Regarding the possibility of personal information leakage, the findings of the investigation conducted by the investigation firm have revealed that our internal data file server has recorded instances of data being accessed externally. We are working closely with the investigation firm to analyze and assess the details. We have already submitted a report to the Personal Information Protection Commission of the Government of Japan on October 18, 2024.

2. Future Actions

We will determine a new date for releasing the interim financial results for the second quarter of the fiscal year ending March 2025 and decide our policy regarding whether to apply for an extension to the deadline for submission of the semi-annual securities report. Once these decisions have been made, we will promptly disclose the information.

3. Impact on Business Performance

We are conducting a thorough review to evaluate the impact on our business performance resulting from the damage. If any significant findings arise, we will disclose them immediately as necessary.