



## FY2024 Financial Results

Tokyo Stock Exchange Prime Market (Securities Code: 7294)

Tsutomu Hiranaka, President & COO

**Note:**

This is an internal English translation of the document originally issued in Japanese, created for the convenience of English-speaking readers.  
In the case of any discrepancies, the Japanese version will take precedence.

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- II . FY2025 Forecast
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- VI . FY2025 Action Policy



## I . FY2024 Financial Summary

### FY2024 Consolidated Financial Summary

#### Comparison to FY2023 [Details on page 6.](#)

- ◆ **Sales** dropped mainly due to a decrease in vehicle output volume despite positive exchange rate effects from a weak yen.
- ◆ **Operating income** declined due to a decrease in output volume in Japan, the U.S., and Asia, incurred one-time quality costs in the U.S., and YSMC Gifu Factory launch costs.
- ◆ **Ordinary income** decreased due to the impact of foreign exchange fluctuations, mainly from evaluation losses on peso-denominated assets.
- ◆ **Net income** turned to a loss due to impairment losses from consolidated subsidiaries, driven by accelerated structural reforms outlined in YSP2026.

#### Differences from initial performance forecast released on January 17, 2025 [Details on page 7.](#)

- ◆ **Sales** increased due to growth in sales volume from avoiding the risk of output decreases, and additional recovery of inflation-related costs
- ◆ **Operating income** improved thanks to cost reduction and intensive rationalization efforts in the Japan segment, including acceleration of activities planned for FY2025, after ransomware attack.
- ◆ **Net income** benefitted from a reduction in expected impairment losses, improving from the anticipated ¥14 billion to ¥9.1 billion in the Americas and Asia segments.

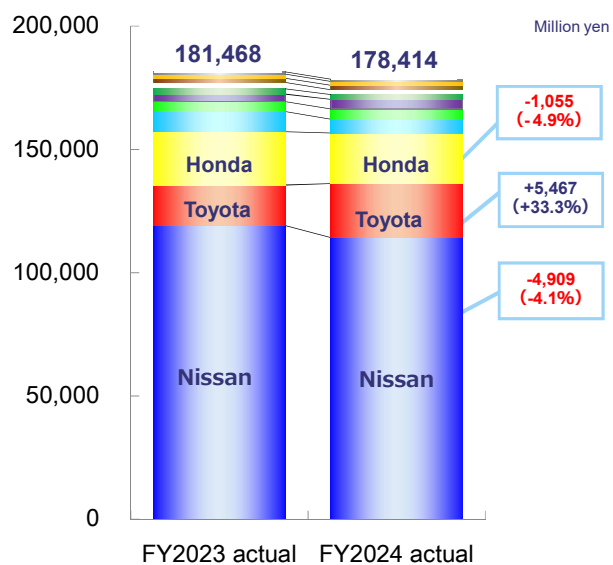
## FY2024 Consolidated Financial Summary (Year-on-Year)

Million yen	FY2023	Latest Forecast for FY2024 <sup>*2</sup>	FY2024	Year-on-Year	Against Latest Forecast
Sales	181,468	177,000	178,414	(3,054) (1.7)%	+1,414 (+0.8%)
Operating Income	4,459	(1,200)	298	(4,161) (93.3)%	+1,498 ( -- %)
Ordinary Income	4,517	(3,800)	(2,077)	(6,594) -- %	+1,723 ( -- %)
Net Income <sup>*1</sup>	(3,926)	(17,000)	(13,448)	(9,522) -- %	+3,552 ( -- %)

<sup>\*1</sup> Net income attributable to owners of the parent company <sup>\*2</sup> Estimated figures as of January 17, 2025

	FY2023 A	FY2024 B	Difference B-A	Percentage of Change
Net Income per Share	(162.07) yen	(551.45) yen	(389.38) yen	--
Exchange Rate Applied	140.66 yen/\$	151.68 yen/\$	+11.02 yen/\$	+7.8%

## Consolidated Sales by Customer (FY2023 vs. FY2024)



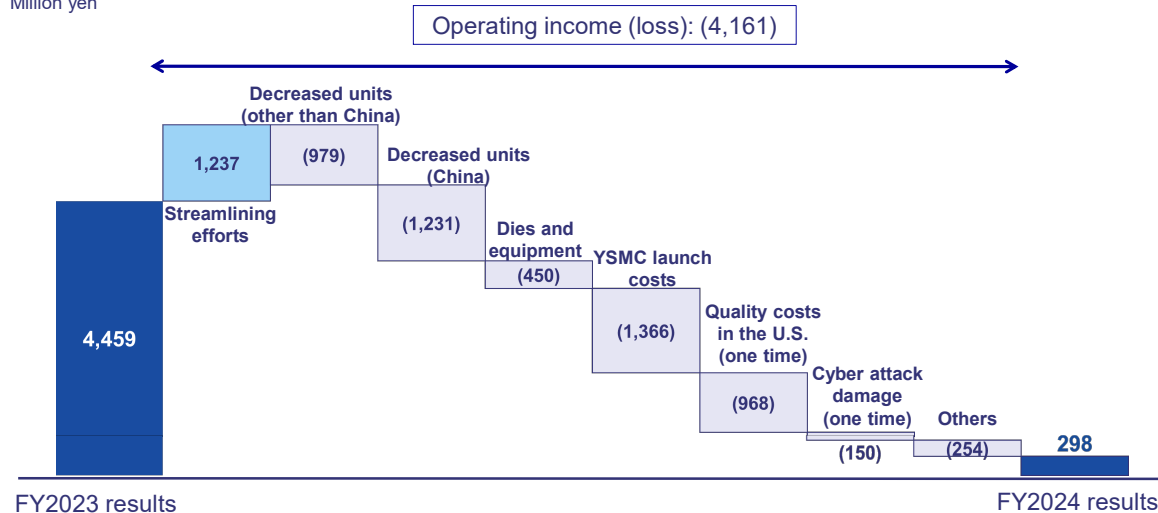
Customer	FY2023	(%)	FY2024	(%)
Nissan Gr.*	119,142	65.7%	114,233	64.0%
Toyota Gr.	16,408	9.0%	21,875	12.3%
Honda Gr.	21,628	11.9%	20,573	11.5%
Isuzu Gr.	8,181	4.5%	5,597	3.1%
Mazda	4,024	2.2%	4,106	2.3%
VW	3,040	1.7%	3,925	2.2%
Mercedes Benz	2,088	1.2%	1,973	1.1%
Kubota	2,597	1.4%	1,936	1.1%
Subaru	1,722	0.9%	1,830	1.0%
Suzuki	1,763	1.0%	1,480	0.8%
Other	875	0.5%	886	0.6%
Total	181,468	100.0%	178,414	100.0%

\* Includes sales to Renault and Mitsubishi

Growth of sales to Toyota is prominent.

## Analysis of Impact on Consolidated Operating Income (FY2023 vs. FY2024)

Million yen



Impact from the largely reduced number of vehicles in production in Japan, the U.S., China, Thailand among others as well as one time expenses led to the decrease in operating income.

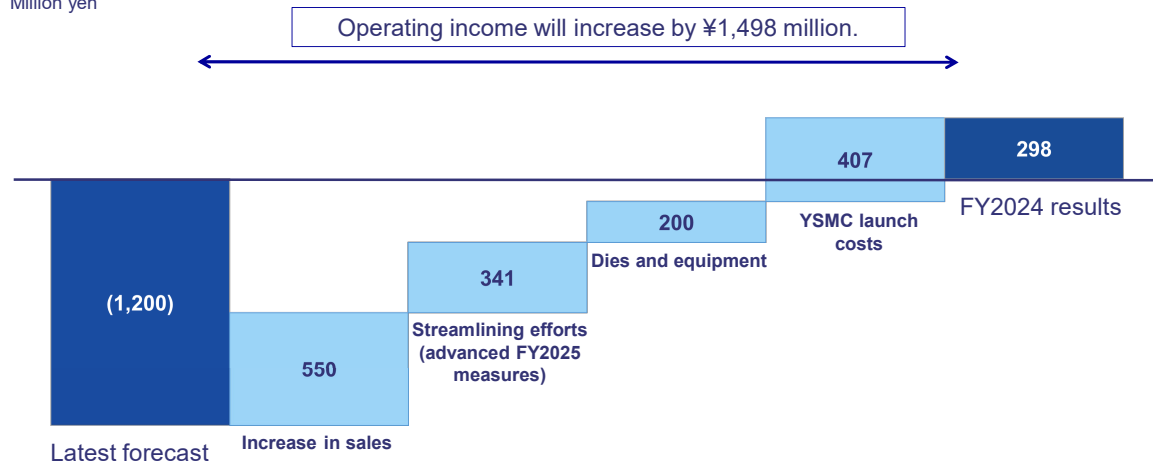
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## Analysis of Impact on Consolidated Operating Income (Latest Forecast vs. FY2024 Results)

Million yen



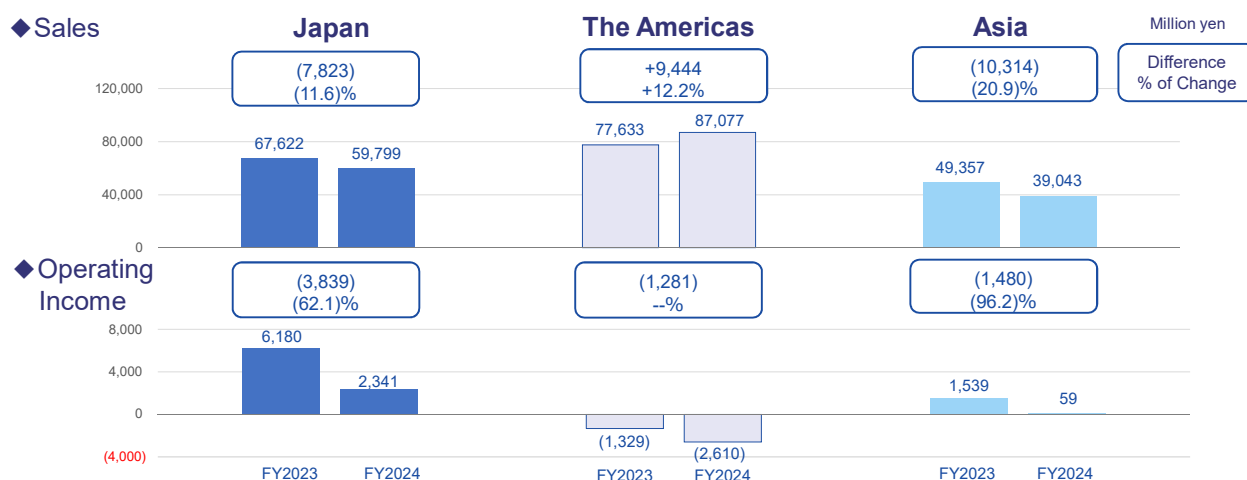
Operating income surpassed expectations due to canceled production cuts, additional recovery of inflation cost, and rationalization efforts following a ransomware attack.

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## Sales and Operating Income by Region Before Consolidation Adjustment (FY2023 vs. FY2024)



- ◆ Japan: Both sales and profits declined due to decreased output volume, reduced dies and equipment volume, and YSMC launch costs.
- ◆ The Americas: While new models and favorable foreign exchange effects pushed up sales, one-time quality costs in the U.S. resulted in a decrease in profits.
- ◆ Asia: Both sales and profits decreased due to reduced output volume in China and Thailand.

## Financial Standing for the Fiscal Year 2024 (Ended March 31, 2025)

(Million yen)	March 31, 2024 A	March 31, 2025 B	Difference (B-A)	
Net Worth	66,070	52,009	(14,061)	(21.3)%
<b>Equity Ratio</b>	46.4%	38.1%	--	--
Interest-bearing Debt	33,389	42,763	9,374	28.1%
Net Interest-bearing Debt	11,102	14,833	3,731	33.6%
Total Assets	142,257	136,601	(5,656)	(4.0)%
(Million yen)	FY2023 Full Term A	FY2024 Full Term B	Difference (B-A)	
Cash Flow from Operating Activities	12,531	4,742	(7,789)	(62.2)%
Cash Flow from Investing Activities	(11,851)	(11,814)	37	--
Cash Flow from Financing Activities	(1,741)	6,758	8,499	--
D/E ratio remains stable based on the properly-planned fund raising.				

**(Reference) Consolidated Balance Sheet Summary for the Fiscal Year 2024 (Ended March 31, 2025)**

Million yen	March 31, 2024 A	March 31, 2025 B	Difference B-A
Current Assets	75,373	81,159	5,786
Fixed Assets	66,884	55,441	(11,443)
<b>Total Assets</b>	<b>142,257</b>	<b>136,601</b>	<b>(5,656)</b>
Current Liabilities	49,815	51,292	1,477
Fixed Liabilities	16,949	24,105	7,156
<b>Total Liabilities</b>	<b>66,764</b>	<b>75,397</b>	<b>8,633</b>
Shareholders' Equity	58,394	44,036	(14,358)
Other Accumulated Comprehensive Income	7,676	7,973	297
Non-controlling Interest, etc.	9,421	9,193	(228)
<b>Total Net Assets</b>	<b>75,493</b>	<b>61,204</b>	<b>(14,289)</b>
<b>Total Liabilities and Net Assets</b>	<b>142,257</b>	<b>136,601</b>	<b>(5,656)</b>

Cash & bank deposit	5,642
Notes & accounts receivable	(1,310)
Inventories	632
Other current assets	484
Tangible fixed assets	(9,135)
Investments and other assets	(2,242)
Notes and accounts payable	195
Electronically recorded obligations	(1,225)
Short-term debts	(1,144)
Long-term debts due within 1 year	3,439
Others	203
Long-term debts	3,180
Others	3,759
Net income	(13,448)
Dividend payment	(778)
Other securities valuation difference	(516)
Foreign currency translation adjustment	1,136
Retirement benefit adjustments	(322)

## II . FY2025 Forecast

## Consolidated Financial Forecast Summary for FY2025

### Business environment

- [1] Uncertainty about the progress of a major customer's restructuring plan
- [2] Concerns over unclear direct/indirect impacts of the U.S. tariffs on the global automotive industry

### Recognition of environmental changes in FY2025 forecast values

#### [1] Major customer's restructuring plan

1. Global vehicle production to decrease by 4% year-on-year
2. Impacts from the announcement of additional restructuring measures such as closure of seven factories and workforce cuts

Recognized

Unrecognized

#### [2] U.S. tariffs

1. Direct impact
  - Higher import prices borne by our U.S. subsidiaries through in-house procurement of parts and materials

Assumption: The impact, in hundreds of millions of yen, are offset by passing on to customers.
2. Indirect impact
  - Customers' production shift from Japan and other countries to U.S. factories
  - Potential decrease in global automobile demand due to U.S.-China conflicts

Recognized

Unrecognized

Unrecognized

## Consolidated Financial Forecast Summary for FY2025

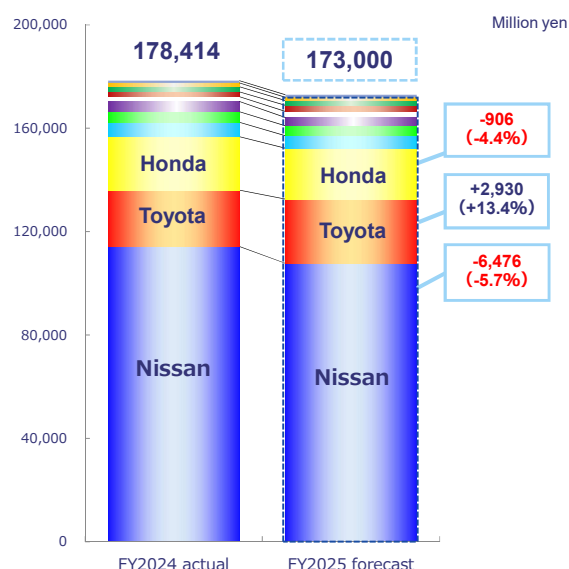
Million yen	FY2024 Actual A	Sales Ratio	FY2025 Forecast B	Sales Ratio	Difference B-A	Percentage of Change
Sales	178,414	100.0%	173,000	100.0%	(5,414)	(3.0)%
Operating Income	298	0.2%	2,600	1.5%	2,302	870.0%
Ordinary Income	(2,077)	--	1,800	1.0%	3,877	--
Net Income* <sup>1</sup>	(13,448)	--	800	0.5%	14,248	--

\*<sup>1</sup> Net income attributable to owners of the parent

	FY2024 Actual A	FY2025 Forecast B	Difference B-A	Percentage of Change
Net Income per Share	(551.45) yen	32.98 yen	+ 584.43 yen	---
Exchange Rate Applied	151.68 yen/\$	143.00 yen/\$	(8.68) yen/\$	(5.7)%

- To enhance profitability, the YSP2026 Basic Policy has been reviewed to include clear actions.
- Despite the lack of anticipated growth in new vehicle demand, our goal is to achieve an operating income ratio of 1.5% or higher.

## Consolidated Sales by Customer (FY2024 Results vs. FY2025 Forecast)



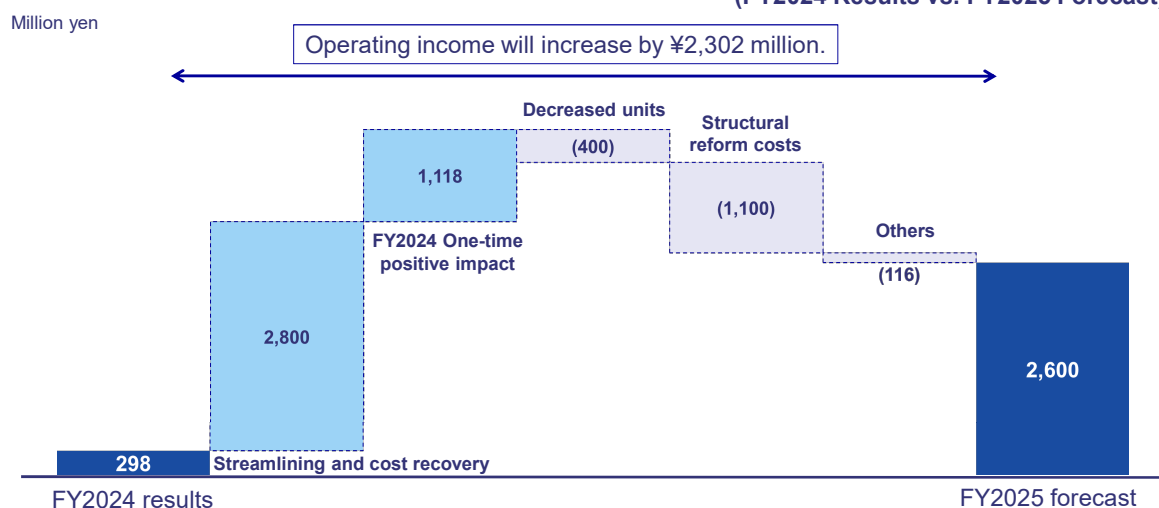
Customer	FY2024	(%)	FY2025	(%)
Nissan Gr.*	114,233	64.0%	107,757	62.3%
Toyota Gr.	21,875	12.3%	24,805	14.3%
Honda Gr.	20,573	11.5%	19,667	11.4%
Isuzu Gr.	5,597	3.1%	4,900	2.8%
Mazda	4,106	2.3%	3,822	2.2%
VW	3,925	2.2%	3,172	1.8%
Kubota	1,936	1.1%	2,388	1.4%
Subaru	1,830	1.0%	2,370	1.4%
Mercedes Benz	1,973	1.1%	1,850	1.1%
Suzuki	1,480	0.8%	1,231	0.7%
Others	886	0.6%	1,038	0.6%
Total	178,414	100.0%	173,000	100.0%

\*Includes sales to Renault and Mitsubishi

Further growth in sales to Toyota is expected.

## Analysis of Impact on Consolidated Operating Income

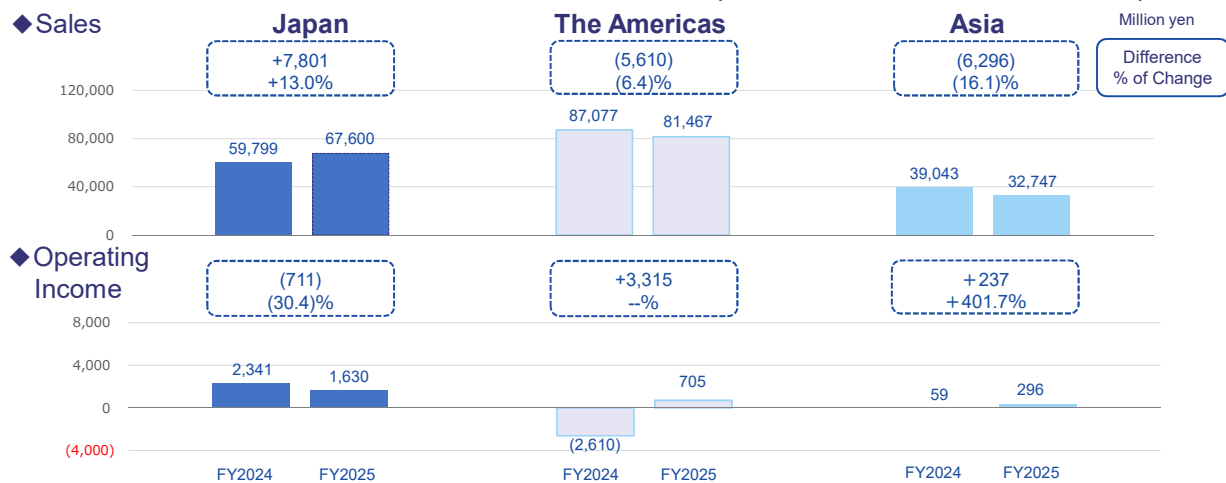
(FY2024 Results vs. FY2025 Forecast)



We aim to restore a resilient structure that ensures profits in FY2025, securing the achievement of YSP2026 goals in its final year through a "V-shaped recovery."

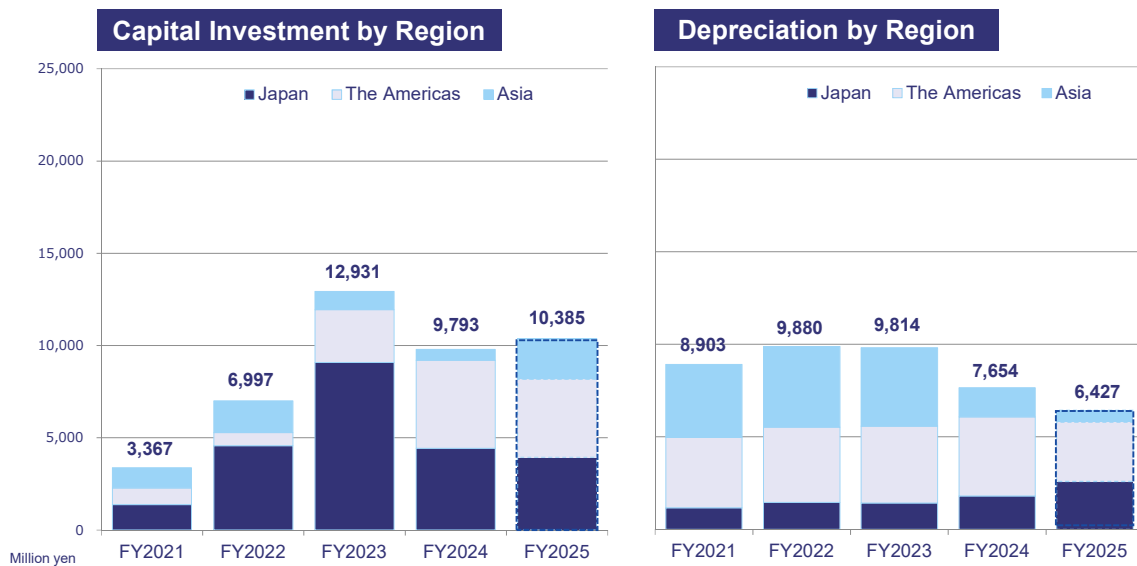
## Sales and Operating Income by Region Before Consolidation Adjustment

(FY2024 Results vs. FY2025 Forecast)



- ◆ Japan: A decline in profits is expected due to YSMC launch costs despite an increase in sales driven by sales growth in dies and equipment..
- ◆ The Americas: A rise in profits is expected owing to the difference from the one-time costs incurred in FY2024 and streamlining effects that offset the decline in sales from reduced production volume.
- ◆ Asia: A rise in profits is expected as streamlining effects offset the decline in sales from reduced production volume.

## Capital Investment and Depreciation



## Ⅲ. Shareholder Return

## Shareholder Return

### Return policy in appreciation of shareholders' support

- **Dividend policy**

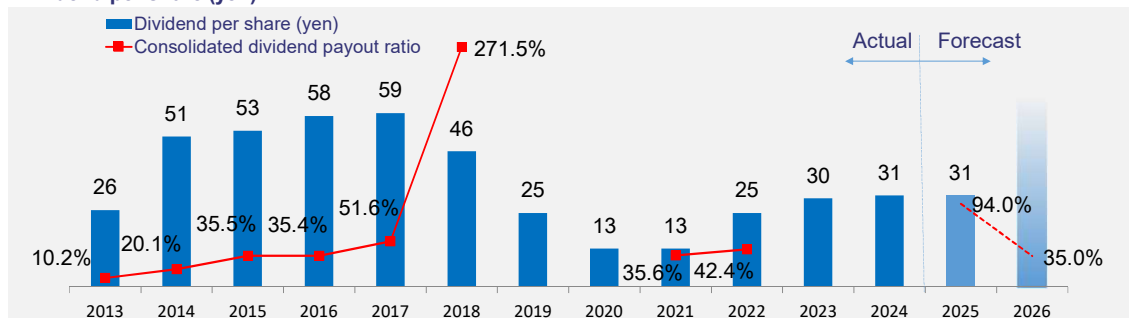
Maintain a dividend per share of at least 31 yen, aiming for a dividend payout ratio of 35% or higher.

- **Share repurchases**

Agile and appropriate acquisition based on a comprehensive assessment of other investment targets, the level of cash on hand and bank deposit, and business performance

**Acquisition of 250,000 own shares from the market was completed between February 17, 2025 and April 30, 2025.**

#### Dividend per share (yen)



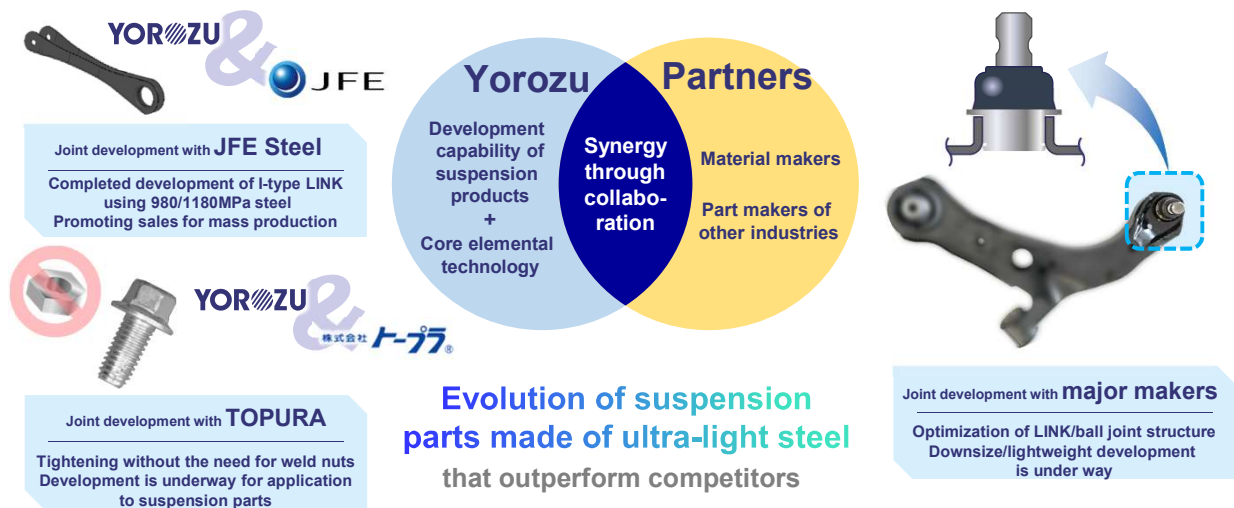
## IV. Topics

### Topics in FY2024

Policies	Strategies	Topics in Progress	Page
Strengthening of Our Business Foundation	① <b>Creation of new technologies and methods, and sales expansion</b>	<ul style="list-style-type: none"> <li>Reduction of weight achieved with the new forming technology using sheet metals of different thicknesses</li> <li><b>Boost development of products with high added-value through the synergy created by collaboration with partners</b></li> </ul>	22
	② <b>Improvement of profit structure</b>	<ul style="list-style-type: none"> <li>Analysis of optimizing production load balance at each production site through careful monitoring of profits earned at the sites (The Americas and Asia) Implementation of structural reforms moved up as signs of impairment losses on fixed assets are identified</li> <li><b>Building an auto-detection system for weld quality aimed at achieving “0” major quality defects</b></li> <li><b>Developing an efficient production system for non-mass production parts as a means for capacity management</b></li> </ul>	23
			24
			26
Strengthening of Our Management Foundation	③ <b>E: Monozukuri with our weapon—environmental performance</b>	<ul style="list-style-type: none"> <li><b>YSMC New Factory: Final stage toward full-scale operation as the model plant</b></li> <li><b>Environment-related awards from Honda and Mazda for our CN efforts</b></li> </ul>	25
	④ <b>S: Society and individuals—improvement of engagement</b>	<ul style="list-style-type: none"> <li>Certified as an Excellent Enterprise for Health &amp; Productivity Management (Large Enterprise Category) for five straight years</li> </ul>	
	⑤ <b>G: Enhancement of governance</b>	<ul style="list-style-type: none"> <li>Feedback on questions and concerns raised by institutional investors in SR interviews, etc. was presented at the board of directors meeting</li> </ul>	
	⑥ <b>Financial strategy</b>	<ul style="list-style-type: none"> <li>Cash flow optimization and analysis of cash management</li> <li>Dividends paid (as per YSP2026 policy) and acquisition of treasury stock determined (February 2025)</li> </ul>	

## Topics: ① Creation of New Technologies and Methods, and Sales Expansion

**Boost development of products with high added-value  
through the synergy created by collaboration with partners**

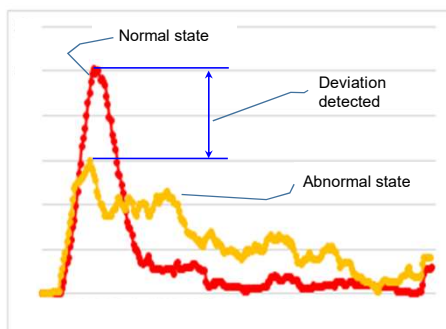


## Topics: ② Improvement of Profit Structure

**Building an auto-detection system for welding quality aimed at "0" major quality defects**



Welding joint defect caused by misaligned welding has risks of damaging product durability and harming human life.



[Overview of the detecting mechanism]

<Characteristics of this system>

- Detects welding misalignment and stops the machine. Automatically sorts and isolates nonconforming items.
- Detects any deviation from the normal position while welding is in progress, and identifies abnormalities. This system, the first of its kind in the industry, is currently under joint development with multiple top welding machine manufacturers.

**Become the "first choice" company for its high quality  
Prevent the generation of quality costs and  
strengthen our profit structure**

## Topics: ② Improvement of Profit Structure

Initiated the **development of an efficient production system for non-mass production parts** as a means for capacity management



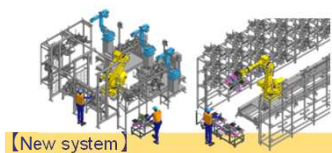
**[Current]**  
Production is carried out using facilities/jigs tailored to mass production

**Current**  
(Non-mass production takes up larger space than mass production)

### Space occupied by non-mass and mass production

Non-mass production 60%	Mass production 40%
----------------------------	------------------------

- Lack of space for mass production of new parts in factories that are closer to the delivery destination
- Extra delivery costs incurred for having to produce at distant factories



**[New system]**  
The welding system allows the replacement of specialized jigs

**Post-adoption of the new system**  
(Adoption to start this fiscal year)

Non-mass production 20%	Mass production 80%
----------------------------	------------------------

\*Targeted ratio

- Create space for mass production of new parts
- We can make more vigorous efforts to expand the sales of parts for new models

**Downsize the production area for non-mass production parts as much as possible to make space for mass production parts and **increase profitability per square meter in factories****

## Topics: ③ E: *Monozukuri* with Our Weapon—Environmental Performance

**YSMC New Factory** Final stage toward full-scale operation as a smart factory

Opening ceremony held on Nov. 21, 2024

**State-of-the-art factory achieving carbon neutrality (CN)**

Aiming for the factory to become our customers' first choice, full-scale production starts in fall.



**Construction of the assembly line in progress**

Transfer from Aichi factory to complete in October 2025



Full view of YSMC premises



**World top level painting facilities**

High efficiency and high anti-rust performance achieved using all-electric facilities.

With the advantage of scale, we have received new orders for coating large parts (BEV battery case).





### Collaboration with the local community

Collaboration agreement for decarbonization and disaster resiliency (Wanouchi Town + Yorozu + Nissan Motor)

### Topics: ③ E: *Monozukuri* with Our Weapon—Environmental Performance

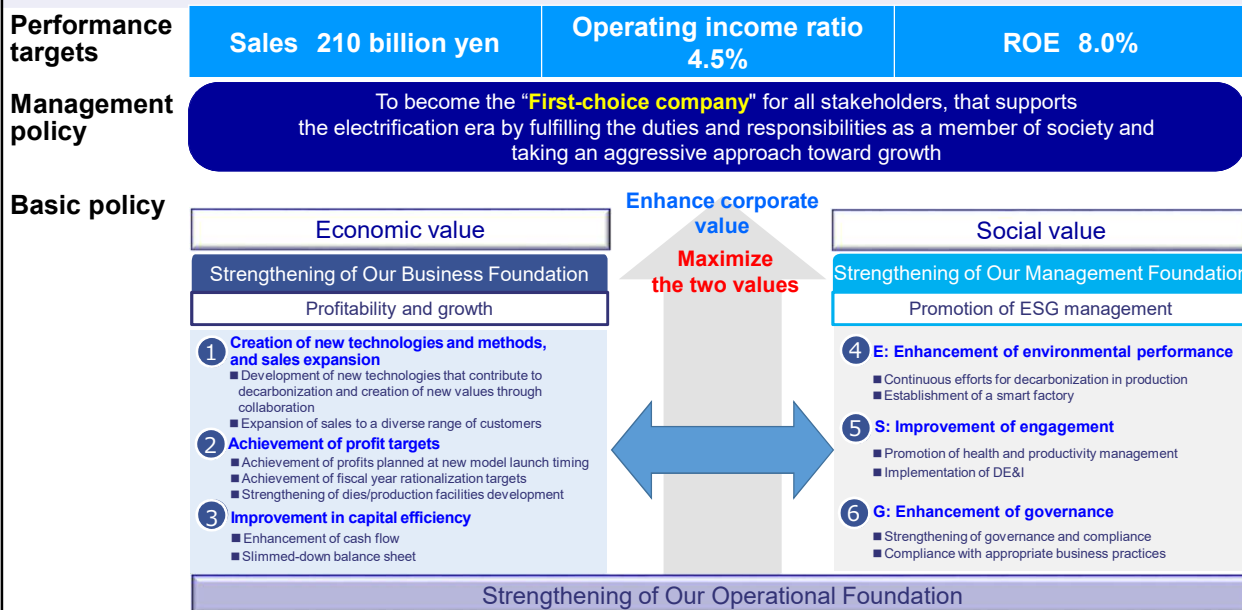
FY2024 OEM Awards (Other than quality-related awards)

	Nissan	Honda	Mazda
New technology	●		
Environment		● PR disclosure: <a href="#">Japanese</a> <a href="#">English</a>	● PR disclosure: <a href="#">Japanese</a> <a href="#">English</a>
Award	<b>2025 Nissan Global Innovation Award</b>	<b>Excellence Appreciation Award (Sustainability Category)</b> 	<b>Carbon Neutral Excellence Award</b> 
Key reasons	<ul style="list-style-type: none"> <li>The new Patrol Adoption of hot-rolled 980Mpa ultra-high tensile material for body frame parts</li> </ul>	<ul style="list-style-type: none"> <li>Efforts toward CN targets in 2024</li> <li>Commitment to zero CO2 emissions in YSMC's production processes</li> </ul>	<ul style="list-style-type: none"> <li>Solar power generation (global)</li> <li>Green power (Japan)</li> <li>Reduction of CO2 emissions made possible through weight reduction (use of alternative materials)</li> </ul>

As evidenced by these awards, “environmental performance” has become the OEM's staple evaluation metrics, and Yorozu's advanced efforts have been widely recognized.

## V . Review of YSP2026 Basic Policy

## Review of the Medium-term Business Plan—YSP2026 (revised)



## Reviewed Contents of YSP2026

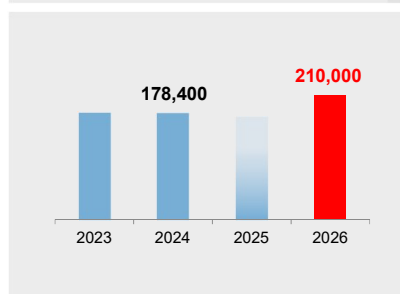
	Review in FY2025 (updates underlined)	Revised	When YSP2026 was formulated
Strengthening of Our Business Foundation	<b>Profitability and growth</b> <ol style="list-style-type: none"> <li><b>1 Creation of new technologies and methods, and sales expansion</b> <ul style="list-style-type: none"> <li>Development of new technologies that contribute to decarbonization and creation of new values through collaboration</li> <li>Expansion of sales to a diverse range of customers</li> </ul> </li> <li><b>2 Achievement of profit targets</b> <ul style="list-style-type: none"> <li>Achievement of profits planned at new model launch timing</li> <li>Achievement of fiscal year rationalization targets</li> <li>Strengthening of dies/production facilities development</li> </ul> </li> <li><b>3 Improvement in capital efficiency</b> <ul style="list-style-type: none"> <li>Enhancement of cash flow</li> <li>Slimmed-down balance sheet</li> </ul> </li> </ol>	<p>←</p> <p><b>Incorporated financial strategy and specified strengthening of "profitability and growth"</b></p>	<b>Integration of E (environmental) management and "growth and profitability"</b> <ol style="list-style-type: none"> <li><b>1 Creation of new technologies and methods, and sales expansion</b> <ul style="list-style-type: none"> <li>Development of new technologies that contribute to decarbonization and creation of new values through collaboration</li> <li>Expansion of sales to a diverse range of customers</li> </ul> </li> <li><b>2 Improvement of profit structure</b> <ul style="list-style-type: none"> <li>Maximization of profits from new model launches</li> <li>Analysis on production site reforms based on customer production trends in each region</li> </ul> </li> <li><b>3 E: Monozukuri with our weapon—environmental performance</b> <ul style="list-style-type: none"> <li>Continuous efforts for decarbonization in production</li> <li>Establishment of a smart factory</li> </ul> </li> </ol>
	<b>Promotion of ESG management</b> <ol style="list-style-type: none"> <li><b>4 E (Enhancement of environmental performance)</b> <ul style="list-style-type: none"> <li>Continuous efforts for decarbonization in production</li> <li>Establishment of a smart factory</li> </ul> </li> <li><b>5 S (Improvement of engagement)</b> <ul style="list-style-type: none"> <li>Promotion of health and productivity management</li> <li>Implementation of DE&amp;I</li> </ul> </li> <li><b>6 G (Enhancement of governance)</b> <ul style="list-style-type: none"> <li>Strengthening of governance and compliance</li> <li>Compliance with appropriate business practices</li> </ul> </li> </ol>		<b>Overall optimization</b> <ol style="list-style-type: none"> <li><b>4 S: Society and individuals—improvement of engagement</b> <ul style="list-style-type: none"> <li>Promotion of health and productivity management</li> <li>Implementation of DE&amp;I</li> </ul> </li> <li><b>5 G: Enhancement of governance</b> <ul style="list-style-type: none"> <li>Strengthening of governance and compliance</li> <li>Compliance with appropriate business practices</li> </ul> </li> <li><b>6 Financial strategy</b> <ul style="list-style-type: none"> <li>Shareholder return</li> <li>Cross-shareholdings</li> </ul> </li> </ol>
Strengthening of Our Operational Foundation		<b>Lay the foundation to support our business foundation and management foundation</b>	

## VI. FY2025 Action Policy

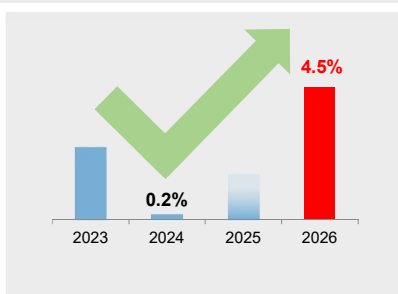
### FY2025 Performance Targets: V-Shaped Recovery

We aim to restore a resilient structure that ensures profits in FY2025, securing the achievement of YSP2026 goals in its final year through a "V-shaped recovery."

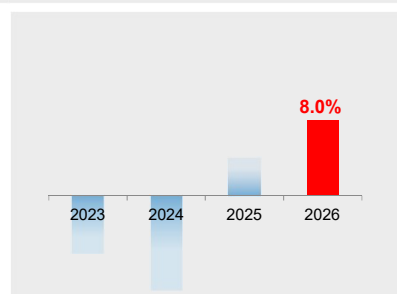
Sales (Million ¥)



Operating Income Ratio (%)

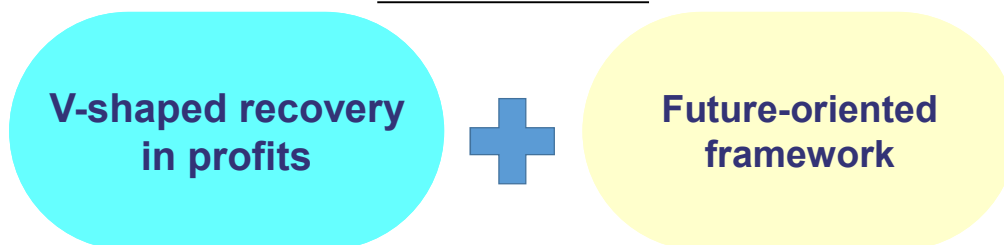


ROE (%)



Announced figure

**Strengthening of business foundation  
under YSP2026**



- Stay focused on “profits” to ensure a V-shaped recovery
- Accelerate the study of “future-oriented framework” aimed at growth

**FY2025 Action Policy: V-Shaped Recovery of Profits**

Efforts of all departments and sites

**Success 25V** managed via allocation and visual control

1. Thorough elimination of business and manufacturing losses
2. Accumulating streamlining efforts with a “clear and reliable outlook”
3. Improvement of break-even point to withstand reduced production

Maintenance and improvement of selling prices

1. Resistance to increasing demands for discounts through negotiation
2. Acceleration of cost recovery

Strengthening of business foundation  
**V-Shaped recovery of profits**

Profitability

Mitigate adverse impacts

**Business environment under a headwind**

- Nissan's vehicle output volume reduced by 20% under its turn around measures
- Impacts of U.S. tariffs and environmental policies
- Rising demands for cost reductions, etc. against suppliers

Efforts led by functional leaders

Company-wide support given to major subsidiaries

- Production sites in North America (the U.S. and Mexico)
- YSMC model factory in Japan

Suppressed investments

- Strategic reduction of large-scale investments by leveraging wisdom and ingenuity

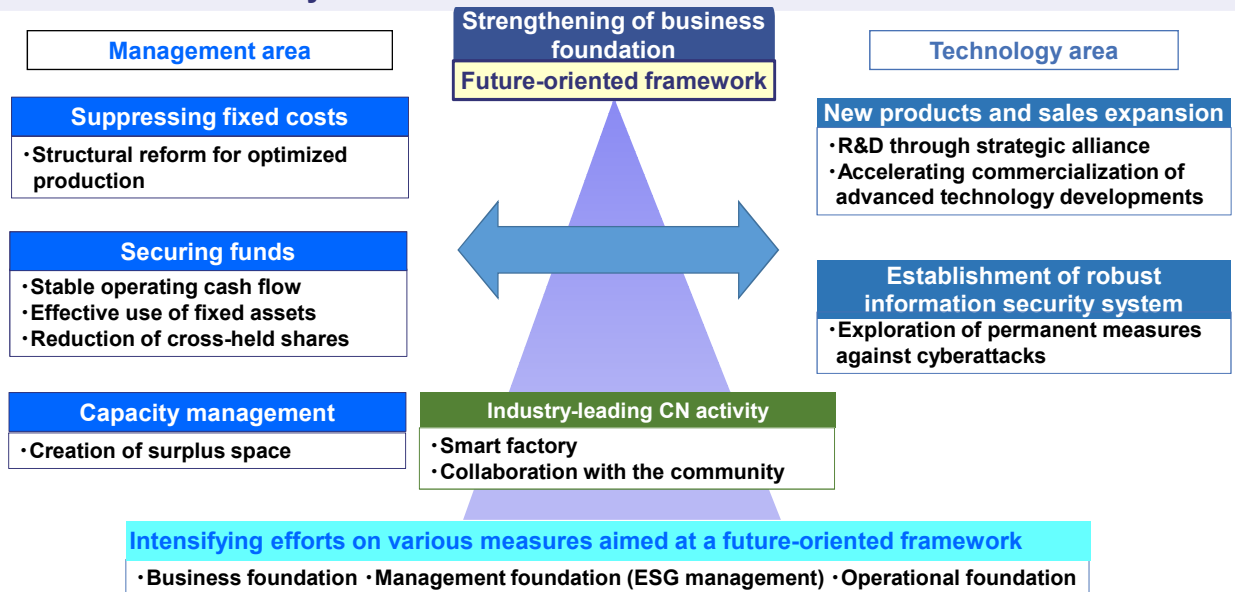
Profit-focused control for new projects

- Strengthening of cost planning
- Inclusion of dies and production facilities development

**Strengthening of operational foundation**

Key issues from FY2024 are to be well-organized and effectively addressed across the group.

## FY2025 Action Policy: Future-Oriented Framework



Yorozu aims to become  
the First-Choice Company for all stakeholders.

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