



Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



May 15, 2026

Company name: Yorozu Corporation Listed Exchange: Tokyo Stock Exchange
 Securities code: 7294 URL: <http://www.yorozu-corp.co.jp>
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 5, 2026
 Scheduled date to file annual securities report (in Japanese): June 22, 2026
 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, 2026 (April 1, 2025 to March 31, 2026)

(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, 2026	176,330	(1.2)	3,980	—	3,776	—	2,075	—
March 31, 2025	178,414	(1.7)	298	(93.3)	(2,077)	—	(13,448)	—

Note: Comprehensive income for the fiscal year ended March 31, 2026 ¥ 7,381 million — [%]
 for the fiscal year ended March 31, 2025 ¥ (13,641) 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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	90.79	89.20	3.9	2.7	2.3
March 31, 2025	(551.45)	—	(22.8)	(1.5)	0.2

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

For the fiscal year ended March 31, 2026 ¥ — million

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

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) 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, 2026	138,258	64,053	39.2	2,629.49
March 31, 2025	136,601	61,204	38.1	2,140.41

Reference: Equity as of March 31, 2026 ¥ 54,154million

as of March 31, 2025 ¥ 52,009 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	8,034	(1,846)	(3,143)	29,763
March 31, 2025	4,742	(11,814)	6,758	25,289

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	15.00	—	16.00	31.00	755	—	1.3
March 31, 2026	—	15.00	—	18.00	33.00	735	36.3	1.4
March 31, 2027 (Forecast)	—	16.00	—	17.00	33.00		62.3	

3. Forecasted consolidated performance for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	166,000	(5.9)	3,300	(17.1)	2,100	(44.4)	1,100	(47.0)	53.00

* Notes

(1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2026: Yes

Newly included: — companies

Excluded: 1 (one) company ; Yorozu Automotive North America, Inc.

For details, please refer to page 13 (Important matters that serve as the basis for preparing the consolidated financial statements) of the attached document.

(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: None

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, 2026	25,055,636 shares	As of March 31, 2025	25,055,636 shares
2 Number of treasury shares at the end of the period	As of March 31, 2026	4,460,459 shares	As of March 31, 2025	756,859 shares
3 Average number of shares outstanding during the period	Fiscal year ended March 31, 2026	22,861,230 shares	Fiscal year ended March 31, 2025	24,388,229 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	62,486	2.6	2,080	114.7	1,758	—	1,268	—
March 31, 2025	60,905	(8.2)	969	(80.4)	(1,855)	—	(11,674)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2026	55.47	54.50
March 31, 2025	(478.68)	—

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
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	103,727	32,731	31.1	1,565.37
March 31, 2025	94,964	35,292	36.6	1,431.12

Reference: Equity as of March 31, 2026: ¥ 32,239million
as of March 31, 2025: ¥ 34,774 million

<Reason for the difference in non-consolidated operating results between the fiscal years ended March 31, 2025 and 2026>

The non-consolidated operating results for the fiscal year ended March 2026 recorded increases in both sales and profits, supported by the recovery of inflation-related costs and promotion of rationalization activities under "Success 25V," which was launched last year after ongoing rationalization measures were temporarily delayed due to a cyberattack in fiscal 2024.

* 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: Friday, May 29, 2026

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1. Overview of Business Results

(1) Summary of operating results

During the fiscal year under review, the global economy continued to face an unprecedentedly high level of uncertainty due to multiple factors such as the trend of U.S. foreign and trade policies, geopolitical risks stemming from the outbreak of conflict between the U.S and Iran, and the slowdown in the Chinese economy. The situation in the automotive industry, to which the Group is related, has also remained severe due to decreased output by Japanese, the U.S. and European OEMs in China since the previous fiscal year and the U.S. tariff policy, among other factors.

Under these circumstances, the Group's net sales decreased by 1.2% year on year to ¥176,330 million, due mainly to a decline in production volumes in Japan and Asia, as well as the impact of foreign exchange translation in the Americas and a decrease in tooling sales. Operating income surged approximately 13-fold year on year to ¥3,980 million, owing largely to improvements in quality and the Group-wide promotion of rationalization activities under "Success 25V" initiated last year after the ongoing rationalization measures were temporarily delayed as a result of a cyberattack in 2024, despite a decrease in profit resulting from lower sales as well as higher expenses associated with preparations for full-scale production at Yorozu Sustainable Manufacturing Center (YSMC), which began operations last year. Ordinary income increased by ¥5,854 million year on year to ¥3,776 million, mainly due to the improvement in operating income. As a result, net income attributable to owners of parent amounted to ¥2,075 million, an increase of ¥15,524 million year on year.

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. The U.S. dollar exchange rate for the fiscal year under review (January to December) was 149.65 yen/dollar (it was 151.68 yen/dollar in the previous consolidated fiscal year).

The situation for each segment is as follows.

① Japan

Net sales increased by 3.0% from the previous consolidated fiscal year to ¥61,609 million, due mainly to an increase in tooling sales and the recovery of costs by optimizing model types and ensuring proper transactions, despite a decline in production volume. Operating income increased by 20.8% from the previous fiscal year to ¥2,828 million, mainly due to rationalization activities under "Success 25V," despite the recording of expenses associated with preparations for full-scale production at YSMC.

② The Americas

Net sales increased by 0.5% from the previous consolidated fiscal year to ¥87,553 million, mainly due to an increase in production volume, despite the impact of foreign exchange translation and a decline in tooling sales in Mexico. Operating income increased by ¥2,762 million from the previous fiscal year to ¥152 million, mainly due to quality improvement initiatives and rationalization activities under "Success 25V."

③ Asia

Net sales decreased by 11.5% from the previous consolidated fiscal year to ¥34,566 million, as production volume declined significantly in China and also decreased in Thailand, Indonesia and other countries. Operating income increased by ¥833 million from the previous fiscal year to ¥892 million, mainly due to efforts to reduce fixed costs and rationalization activities under "Success 25V," despite the significant decrease in production volume.

(2) Summary of financial position

(Assets Section)

Current assets increased by ¥489 million to ¥81,649 million compared to the end of the previous consolidated fiscal year. This was mainly due to increases of ¥1,837 million in “cash on hand and in banks,” ¥113 million in “finished goods,” and ¥379 million in “raw materials and supplies,” despite a ¥1,096 million decrease in “work in process” and a ¥863 million decrease in “accounts receivable-other.”

Fixed assets increased by ¥1,166 million to ¥56,608 million compared to the end of the previous consolidated fiscal year. This was mainly due to increases of ¥942 million in “investment securities,” ¥1,017 million in “machinery, equipment and vehicles (net),” and ¥468 million in “tools, furniture, fixtures and equipment (net),” despite a ¥998 million decrease in “buildings and structures (net).”

As a result, total assets increased by ¥1,656 million to ¥138,258 million, compared to the end of the previous consolidated fiscal year.

(Liabilities Section)

Current liabilities decreased by ¥9,262 million to ¥42,029 million compared to the end of the previous consolidated fiscal year. This was mainly due to decreases of ¥6,609 million in “current portion of long-term borrowings,” ¥1,658 million in “trade notes and accounts payable,” and ¥1,007 million in “contract liabilities.”

Non-current liabilities increased by ¥8,070 million to ¥32,175 million compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥7,661 million in “long-term borrowings.”

As a result, total liabilities decreased by ¥1,192 million to ¥74,205 million compared to the end of the previous consolidated fiscal year.

(Net Assets Section)

Total net assets increased by ¥2,849 million to ¥64,053 million compared to the end of the previous consolidated fiscal year. This was mainly due to the increase of ¥3,831 million in “foreign currency translation adjustment.”

(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 17.7% by ¥4,473 million to ¥29,763 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 ¥8,034 million, resulting in an increase in proceeds of ¥3,291 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.

Increase in proceeds from “profit /loss before income taxes”	¥14,963 million
Increase in proceeds from “increase/decrease in inventories”	¥1,668 million
Decrease in proceeds from “impairment losses”	¥9,039 million
Decrease in proceeds from “increase/decrease in other liabilities”	¥2,130 million
Decrease in proceeds from “increase/decrease in trade receivables”	¥1,763 million
Decrease in proceeds from “increase/decrease in trade payables”	¥1,651 million
Decrease in proceeds from “depreciation and amortization”	¥1,545 million

(Cash flows from investing activities)

Net cash used in investing activities for the current consolidated fiscal year amounted to ¥1,846 million, resulting in a decrease in payments of ¥9,968 million compared to the previous consolidated fiscal year. The main increase and decrease in the cash flows from investing activities compared to the previous consolidated fiscal year are as follows.

Decrease in payments due to “purchases of property, plant and equipment”	¥3,869 million
Increase in “proceeds from withdrawal of time deposits”	¥2,602 million
Decrease in payments due to “payments into time deposits”	¥2,501 million
Increase in proceeds from “sales of property, plant and equipment”	¥588 million

(Cash flows from financing activities)

Net cash used in financing activities for the current consolidated fiscal year amounted to ¥3,143 million, resulting in a decrease in proceeds of ¥9,901 million compared to the previous consolidated fiscal year. The main increase and decrease in the cash flows from financing activities compared to the previous consolidated fiscal year are as follows.

Decrease in “proceeds from sale and leaseback transactions”	¥3,542 million
Increase in payments due to “purchases of treasury stocks”	¥3,686 million
Increase in payments due to “repayments of long-term borrowings”	¥3,443 million
Increase in proceeds from “increase/decrease in short-term borrowings”	¥1,022 million

(4) Future outlook

The situation of the global economy continues to require close attention because of multiple external factors that have a risk of impacting the Group's business activities such as continued inflationary pressure, unstable exchange rates, and heightened geopolitical risks, in particular, surge of crude oil and energy prices due to ongoing tensions in the Middle East, and the U.S. foreign and trade policy changes.

Against this backdrop, the Group has entered the final year of its medium-term business plan—YSP2026 (Yorozu Sustainability Plan 2026). We are united to be thoroughly committed to achieving the plan's six main initiatives within this fiscal year and determined to harvest the results of the seeds we have sown.

Under these circumstances, for the consolidated earnings forecast for fiscal year 2026, we expect net sales to be ¥166,000 million and operating income ratio to be 2.0%.

The above forecast is based on information currently available to the Company, and actual results may differ due to a variety of factors.

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

U.S. Dollar = ¥150.00, Mexican Peso = ¥8.50, Brazilian Real = ¥28.40, Thai Baht = ¥4.70,

Chinese Yuan = ¥21.20, Indian Rupee = ¥1.60, Indonesian Rupiah = ¥0.0091

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, 2025	Current fiscal year As of March 31, 2026
Assets		
Current assets		
Cash on hand and in banks	27,929	29,767
Trade notes and accounts receivable	27,383	27,770
Electronically recorded claims	2,364	2,609
Accounts receivable for supplied goods	588	456
Finished goods	3,430	3,543
Raw materials and supplies	1,290	1,669
Parts etc.	4,458	4,284
Work in process	8,000	6,903
Accounts receivable—other	2,176	1,312
Other	4,292	4,747
Allowance for doubtful accounts	(753)	(1,414)
Total current assets	81,159	81,649
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	17,111	16,113
Machinery, equipment and vehicles, net	18,408	19,426
Tools, furniture, fixtures and equipment, net	1,354	1,822
Land	4,612	4,648
Construction in progress	4,106	3,860
Other, net	45	27
Total property, plant and equipment	45,638	45,898
Intangible fixed assets	141	209
Investments and other assets		
Investment securities	7,372	8,314
Deferred tax assets	955	1,092
Other	1,333	1,093
Total investments and other assets	9,661	10,500
Total fixed assets	55,441	56,608
Total assets	136,601	138,258

(Millions of yen)

	Previous fiscal year As of March 31, 2025	Current fiscal year As of March 31, 2026
Liabilities		
Current liabilities		
Trade notes and accounts payable	15,033	13,374
Electronically recorded obligations	1,949	1,078
Short-term borrowings	11,842	11,158
Current portion of long-term borrowings	9,504	2,895
Accounts payable—other	1,842	2,104
Accrued income tax payable	278	402
Accrued expenses	3,690	3,198
Contract liabilities	1,242	234
Lease debt	242	285
Provision for bonuses	1,346	1,360
Provision for directors' bonuses	82	80
Other current liabilities	4,237	5,856
Total current liabilities	51,292	42,029
Non-current liabilities		
Long-term borrowings	17,390	25,052
Retirement benefit liabilities	1,102	1,094
Lease debt	3,783	3,956
Other long-term liabilities	1,828	2,072
Total long-term liabilities	24,105	32,175
Total liabilities	75,397	74,205
Net assets		
Shareholders' equity		
Capital stock	6,200	6,200
Capital surplus	9,136	9,094
Retained earnings	29,729	31,052
Treasury stock	(1,031)	(4,698)
Total shareholders' equity	44,036	41,648
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,597	4,257
Foreign currency translation adjustment	4,867	8,699
Retirement benefit adjustments	(491)	(450)
Total accumulated other comprehensive income	7,973	12,506
Stock option	517	492
Non-controlling interests	8,676	9,406
Total net assets	61,204	64,053
Total liabilities and net assets	136,601	138,258

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

Consolidated profit and loss statement

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Net sales	178,414	176,330
Cost of sales	161,629	156,243
Gross profit	16,784	20,086
Selling, general and administrative expenses	16,486	16,106
Operating income	298	3,980
Non-operating income		
Interest income	374	264
Dividend income	235	234
Subsidy income	10	138
Interest on refund of income taxes	—	80
Derivative valuation gains	522	851
Miscellaneous income	77	99
Total non-operating income	1,220	1,668
Non-operating expenses		
Interest expense	927	972
Foreign exchange losses	2,234	547
Start-up costs	332	284
Miscellaneous expenses	102	67
Total non-operating expenses	3,596	1,872
Ordinary income (loss)	(2,077)	3,776
Extraordinary income		
Gain on sale of fixed assets	29	374
Gain on sale of investment securities	10	40
Insurance claim income	—	55
Other	0	4
Total extraordinary income	39	475
Extraordinary loss		
Impairment loss	9,145	105
Loss on disposal of fixed assets	47	33
Severance compensation	—	109
Loss on closing of factory	—	337
Miscellaneous expenses	113	45
Total extraordinary loss	9,305	632
Profit (loss) before income taxes	(11,343)	3,619
Income taxes	1,169	1,148
Income tax and adjustment	1,794	16
Total income taxes	2,963	1,165
Net profit (loss) for the fiscal year	(14,307)	2,454
Net profit (loss) attributable to non-controlling interests	(858)	378
Net profit (loss) attributable to owners of the parent	(13,448)	2,075

Consolidated comprehensive income statement

(Millions of yen)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Net income (loss)	(14,307)	2,454
Other comprehensive income		
Unrealized holding gain and loss on securities	(516)	660
Foreign currency translation adjustments	1,560	4,216
Remeasurements of defined benefit plans	(378)	49
Total other comprehensive income	665	4,926
Comprehensive income	(13,641)	7,381
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(13,341)	6,608
Comprehensive income attributable to non-controlling interests	(299)	772

(3) Consolidated statements of changes in equity

Previous 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 of surplus	—	—	(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 of surplus	—	—	—	—	—	—	(778)
Net profit (loss) attributable to owners of the parent	—	—	—	—	—	—	(13,448)
Acquisition of treasury stock	—	—	—	—	—	—	(141)
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

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of April 1, 2025	6,200	9,136	29,729	(1,031)	44,036
Changes in the fiscal year					
Dividends of surplus	—	—	(753)	—	(753)
Net profit (loss) attributable to owners of the parent	—	—	2,075	—	2,075
Acquisition of treasury stock	—	—	—	(3,828)	(3,828)
Disposal of treasury stock	—	(42)	—	160	118
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	—	(42)	1,322	(3,667)	(2,387)
Balance as of March 31, 2026	6,200	9,094	31,052	(4,698)	41,648

	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, 2025	3,597	4,867	(491)	7,973	517	8,676	61,204
Changes in the fiscal year							
Dividends of surplus	—	—	—	—	—	—	(753)
Net profit (loss) attributable to owners of the parent	—	—	—	—	—	—	2,075
Acquisition of treasury stock	—	—	—	—	—	—	(3,828)
Disposal of treasury stock	—	—	—	—	—	—	118
The increase or decrease in ownership interest due to the acquisition of subsidiary shares	—	—	—	—	—	—	—
Changes in the fiscal year other than shareholders' equity (net)	660	3,831	40	4,532	(25)	729	5,236
Total changes in the fiscal year	660	3,831	40	4,532	(25)	729	2,849
Balance as of March 31, 2026	4,257	8,699	(450)	12,506	492	9,406	64,053

(4) Consolidated cash flow statement

	(Millions of yen)	
	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit (loss) before income tax	(11,343)	3,619
Depreciation and amortization	7,653	6,108
Impairment loss	9,145	105
Other extraordinary loss (income)	—	337
Increase (decrease) in allowance for doubtful accounts	227	521
Increase (decrease) in bonus payable	(42)	2
Increase (decrease) in retirement benefit liabilities	(194)	(18)
Interest and dividends income	(610)	(499)
Interest expenses	927	972
Foreign exchange losses and (gains)	572	364
(Increase) decrease in trade receivables	1,885	121
(Increase) decrease in accounts receivable for supplied goods	(240)	132
(Increase) decrease in inventories	(345)	1,322
(Increase) decrease in accounts receivable	512	729
(Increase) decrease in other receivables	(273)	(190)
Increase (decrease) in trade payables	(1,243)	(2,895)
Increase (decrease) in other liabilities	725	(1,405)
Sub total	7,354	9,328
Interest and dividends income received	608	505
Interest expenses paid	(909)	(971)
Income taxes paid	(2,310)	(829)
Cash flows from operating activities	4,742	8,034
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(9,072)	(5,203)
Proceeds from sale of property, plant and equipment	29	618
Proceeds from sale of investment securities	17	39
Payments for purchase of intangible assets	(57)	(112)
Payments into time deposits	(2,505)	(3)
Proceeds from withdrawal of time deposits	—	2,602
Other expenses	(301)	(172)
Other income	76	386
Cash flows from investing activities	(11,814)	(1,846)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(1,921)	(898)
Proceeds from long-term loans payable	12,758	12,496
Repayments of long-term loans payable	(7,140)	(10,584)
Purchase of treasury stocks	(141)	(3,828)
Cash dividends paid	(778)	(753)
Dividends paid to non-controlling interests	(32)	(43)
Proceeds from sale and lease back transactions	4,010	467
Other	4	0
Cash flows from financing activities	6,758	(3,143)
Effect of exchange rate changes on cash and cash equivalents	3,315	1,429
Increase (decrease) in cash and cash equivalents	3,002	4,473
Cash and cash equivalents at beginning of period	22,287	25,289
Cash and cash equivalents at end of period	25,289	29,763

(5) Notes to consolidated financial statements

(Notes to assumption of a going concern)

There is no applicable matter.

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

1. Scope of consolidation

Number of consolidated subsidiaries: 19

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 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

During the fiscal year under review, Yorozu America Corporation, a consolidated subsidiary of the Company, absorbed and merged with Yorozu Automotive North America, Inc. (a second-tier subsidiary of the Company and a subsidiary of Yorozu America Corporation). As a result, Yorozu Automotive North America, Inc. was excluded from the scope of consolidation; however, its performance results for the period up to the date of the merger are included in the consolidated statement of income.

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 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 provide for non-payment of receivables, amounts deemed irrecoverable are recorded based on individual recoverability assessments for specific receivables identified as potentially irrecoverable. For general receivables, the historical default rate is used.

② Provision for bonuses

Bonus reserves are recorded 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 consolidated 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 employees.

(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.

(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, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Total
	Japan	The Americas	Asia	
Net sales				
Sales to third parties	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

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Total
	Japan	The Americas	Asia	
Net sales				
Sales to third parties	54,479	87,298	34,551	176,330
Inter-segment sales and transfers	7,129	255	14	7,399
Total	61,609	87,553	34,566	183,729
Segment profit (loss)	2,828	152	892	3,873
Segment assets	158,541	51,371	41,932	251,845
Other				
Depreciation and amortization	2,415	3,353	690	6,459
Impairment loss	105	—	—	105
Increase in property, plant and equipment and intangible fixed assets	2,623	2,266	678	5,569

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	185,920	183,729
Adjusted inter-segment transactions	(7,505)	(7,399)
Sales in consolidated financial statements	178,414	176,330

(Millions of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total reportable segments	(210)	3,873
Adjusted inter-segment transactions	508	106
Operating income in consolidated financial statements	298	3,980

(Millions of yen)

Asset	Previous consolidated fiscal year	Current consolidated fiscal year
Total reportable segments	240,047	251,845
Adjusted inter-segment transactions	(118,181)	(132,159)
Adjusted corporate assets*	14,735	18,572
Total assets in consolidated financial statements	136,601	138,258

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

(Millions of yen)

Other	Reportable segment		Other		Adjustments*		As included in consolidated statements of income	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Consolidated fiscal year								
Depreciation and amortization	8,004	6,459	—	—	(350)	(351)	7,653	6,108
Impairment loss	9,415	105	—	—	(269)	—	9,145	105
Increase in property, plant and equipment and intangible fixed assets	9,387	5,569	—	—	(431)	(143)	8,955	5,425

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

(Per share information)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Net assets per share	2,140.41 yen	2,629.49 yen
Basic earnings (loss) per share	(551.45) yen	90.79 yen
Diluted earnings per share	— yen	89.20 yen

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

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Basic earnings (loss) per share		
Basic earnings (loss) per share attributable to owners of the parent (¥ million)	(13,448)	2,075
Amount not attributable to common shareholders (¥ million)	—	—
Amount of profit (loss) attributable to owners of the parent related to common stock (¥ million)	(13,448)	2,075
Average number of outstanding shares of common stock during the fiscal year (thousand shares)	24,388	22,861
Diluted earnings per share		
Net profit attributable to owners of the parent (¥ million)	—	—
Increase in the number of shares of common stock (thousand shares)	—	408
Major component of the increase in the number of common shares used to calculate diluted earnings per share (thousand shares)		
Stock option	—	408
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 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.

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

	Previous fiscal year As of March 31, 2025	Current fiscal year As of March 31, 2026
Total net assets (¥ million)	61,204	64,053
Net assets related to common shares (¥ million)	52,009	54,154
Major components of difference (¥ million)		
Stock option	517	492
Non-controlling interests	8,676	9,406
Number of common shares outstanding (thousand shares)	25,055	25,055
Number of common shares in treasury stock (thousand shares)	756	4,460
Number of common shares used for calculating net assets per share (thousand shares)	24,298	20,595

(Significant subsequent events)

Absorption-type Merger of Consolidated Subsidiaries

Based on a resolution adopted at the Board of Directors meeting held on February 26, 2026, the Company absorbed and merged its wholly owned subsidiaries, Shonai Yorozu Corporation, Yorozu Engineering Corporation, Yorozu Tochigi Corporation, Yorozu Sustainable Manufacturing Center, Inc., and Yorozu Oita Corporation, effective April 1, 2026.

1. Outline of the business combination

(1) Names of the entities merged and their business descriptions

Shonai Yorozu Corporation

Manufacturing and sale of automotive parts

Yorozu Engineering Corporation

Manufacturing and sale of dies and equipment

Yorozu Tochigi Corporation

Manufacturing and sale of automotive parts

Yorozu Sustainable Manufacturing Center, Inc.

Manufacturing and sale of automotive parts

Yorozu Oita Corporation

Manufacturing and sale of automotive parts

(2) Date of the business combination

April 1, 2026

(3) Legal form of the business combination

This was an absorption-type merger in which the Company survived, and Shonai Yorozu Corporation, Yorozu Engineering Corporation, Yorozu Tochigi Corporation, Yorozu Sustainable Manufacturing Center, Inc., and Yorozu Oita Corporation were dissolved.

(4) Allotment in connection with the merger

As this was a merger with wholly owned subsidiaries, no new shares were issued and no merger consideration was paid.

(5) Other matters concerning the outline of the transaction

The merger was carried out in order to prepare for future changes in the business environment and to ensure a more reliable improvement in the Group's overall profitability. By consolidating general administrative functions at the Company, the merger is intended to establish a structure that enables each production site to focus on manufacturing activities. This will eliminate overlapping administrative functions and standardize business processes, thereby strengthening the competitiveness of the Group as a whole and promoting sustainable improvement in profitability.

2. Outline of accounting treatment to be applied

The transaction is expected to be accounted for as a transaction under common control, in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, issued on January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, issued on January 16, 2019).