

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.



February 26, 2026

Yorozu Corporation

Representative: Tsutomu Hiranaka, Representative Director, President and COO

Securities Code: 7294 (TSE Prime Market)

Contact: Chikara Haruta, Director and Chief Executive Vice President

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

Telephone: 045-543-6800

Notice Concerning Absorption-Type Merger of Wholly-Owned Subsidiaries (Simplified Merger and Short-Form Merger)

Yorozu Corporation (the “Company”) hereby announces that, at the Board of Directors meeting held on February 26, 2026, the Company resolved to conduct an absorption-type merger (the “Merger”), effective April 1, 2026, whereby the Company will absorb its wholly-owned subsidiaries, Shonai Yorozu Corporation, Yorozu Engineering Corporation, Yorozu Tochigi Corporation, Yorozu Sustainable Manufacturing Center, Inc., and Yorozu Oita Corporation (collectively, the “Absorbed Companies”). As the Merger qualifies as a simplified merger involving the wholly-owned subsidiaries, certain disclosure matters and items have been partially omitted.

1. Purpose of the Merger

To prepare for future changes in the business environment and to steadily enhance group-wide profitability, the Company will consolidate the general management functions currently dispersed across several production sites into the Company, thereby establishing the organization enabling each production to focus on *monozukuri* (manufacturing). By eliminating overlapping management functions and standardizing its business processes through the Merger, the Company aims to strengthen the overall group competitiveness and promote sustainable profit *kaizen* (improvement).

2. Summary of the Merger

(1) Schedule

| | |
|-------------------|---|
| February 26, 2026 | Board resolution approving the absorption-type merger agreement |
| February 26, 2026 | Execution of the absorption-type merger agreement |
| April 1, 2026 | Scheduled date of the Merger (effective date) |

Note) As the Merger constitutes a simplified merger under Article 796, paragraph (2) of the Companies Act for the Company and a short-form merger under Article 784, paragraph (1) of the Companies Act for the Absorbed Companies, both mergers will be conducted without the need for approval by the shareholders’ meeting.

(2) Method

The Merger will be conducted as an absorption-type merger, with the Company as the surviving company and Shonai Yorozu Corporation, Yorozu Engineering Corporation, Yorozu Tochigi Corporation, Yorozu Sustainable Manufacturing Center, Inc., and Yorozu Oita Corporation as the absorbed company. Upon completion of the Merger, the Absorbed Companies will be dissolved.

(3) Allocation of shares and other considerations

Since the Merger involves wholly-owned subsidiaries of the Company, no shares or other monetary consideration will be issued or allocated.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

There is no applicable matter.

3. Overview of the constituent entities of the Merger (as of March 31, 2025)

(1) Company surviving the absorption-type merger

| | Surviving company | |
|----|--|---|
| 1 | Name | Yorozu Corporation |
| 2 | Location | 3-7-60 Tarumachi, Kohoku-ku, Yokohama, Kanagawa |
| 3 | Representative | Tsutomu Hiranaka, Representative Director, President and COO |
| 4 | Main business | Manufacturing and sales of automotive parts |
| 5 | Capital | 6,200 million yen |
| 6 | Date of establishment | April 1, 1948 |
| 7 | Number of shares issued | 25,055,636 shares |
| 8 | Fiscal year end | March 31 |
| 9 | Major shareholders and percentage of shares held (as of September 30, 2025) Note) Percentage of shares is calculated by deducting the Company's treasury stock. | The Master Trust Bank of Japan, Ltd. (Trust account) 10.07% Minami-Aoyama Fudosan 9.13% S-GRANT. CO., LTD. 4.90% Shido Holdings Co., Ltd. 3.64% JFE Steel Corporation 3.47% |
| 10 | Financial status and business performance of the most recent business year | |
| | | Actual results (consolidated) of the fiscal year ended March 31, 2025 |
| | Net assets | 61,204 million yen |
| | Total assets | 136,601 million yen |
| | Net assets per share | 2,140.41 yen |
| | Sales | 178,414 million yen |
| | Operating income | 298 million yen |
| | Ordinary profit (loss) | (2,077) million yen |
| | Net profit (loss) attributable to owners of parent | (13,448) million yen |
| | Net profit (loss) per share | (551.45) yen |

(2) Companies absorbed in the absorption-type merger

| | Absorbed Companies | | | | |
|---|--|--|--|---|--|
| 1 Name | Shonai Yorozu Corporation | Yorozu Engineering Corporation | Yorozu Tochigi Corporation | Yorozu Sustainable Manufacturing Center, Inc. | Yorozu Oita Corporation |
| 2 Location | 3-7-30 Takarada, Tsuruoka, Yamagata | 207-1 Aza Togawara, Aoyama, Oaza, Mikawa-machi, Higashi-Tagawa, Yamagata | 443 Yokokura Shinden, Oyama, Tochigi | 1465-1 Niremata, Wanouchi, Anpachi, Gifu | 255 Oaza Tajiri, Nakatsu, Oita |
| 3 Representative | Representative Director, President Kenji Fujii | Representative Director, President Shinichi Homma | Representative Director, President Masaharu Yoshimatsu | Representative Director, President Ryuji Oikawa | Representative Director, President Toru Sohara |
| 4 Main business | Manufacture of automotive parts | Manufacture of dies and equipment | Manufacture of automotive parts | Manufacture of automotive parts | Manufacture of automotive parts |
| 5 Capital | 100 million yen | 100 million yen | 100 million yen | 100 million yen | 100 million yen |
| 6 Date of establishment | June 9, 1970 | October 22, 1992 | March 26, 2004 | August 4, 2005 | September 26, 2003 |
| 7 Total number of shares issued | 656,000 shares | 2,000 shares | 2,000 shares | 2,000 shares | 2,000 shares |
| 8 Fiscal year end | March 31 | March 31 | March 31 | March 31 | March 31 |
| 9 Major shareholder and percentage of shares held | Yorozu Corporation: 100% | Yorozu Corporation: 100% | Yorozu Corporation: 100% | Yorozu Corporation: 100% | Yorozu Corporation: 100% |

10 Financial status and business performance of the most recent business year

| | Actual results of the fiscal year ended March 31, 2025 | | | | |
|-----------------------------|--|-------------------|-------------------|---------------------|--------------------|
| Net assets | 1,164 million yen | 1,740 million yen | 1,140 million yen | (339) million yen | 3,415 million yen |
| Total assets | 1,711 million yen | 3,902 million yen | 3,246 million yen | 2,339 million yen | 6,712 million yen |
| Net assets per share | 1,775.77 yen | 870,041.71 yen | 570,030.93 yen | (169,912.92) yen | 1,707,592.70 yen |
| Sales | 2,821 million yen | 4,463 million yen | 8,463 million yen | 7,252 million yen | 24,711 million yen |
| Operating income (loss) | (239) million yen | 58 million yen | (284) million yen | (869) million yen | 2,286 million yen |
| Ordinary income (loss) | (231) million yen | 58 million yen | (274) million yen | (1,125) million yen | 2,288 million yen |
| Net income (loss) | (172) million yen | (12) million yen | (229) million yen | (856) million yen | 1,504 million yen |
| Net income (loss) per share | (263.44) yen | (6,273.08) yen | (114,890.35) yen | (428,093.44) yen | 752,240.87 yen |

4. Post-merger status

There will be no changes to the name, location, title and name of the representative, business activities, capital, and fiscal year end of the Company as a result of the Merger.

5. Impact on performance

Since the Merger is a merger with the Company's wholly-owned subsidiaries, its impact on the consolidated financial results will be minimal.