FY2026 First-Half 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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Ⅰ. First-Half Summary

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Summary for the First Half of FY2026

FY2026 1H Results

- **Both sales and income increased.** Sales increase owes to foreign exchange translation effects despite lower production volumes. **Operating income increased by 29.8% year on year** mainly supported by promotion of the “Success 26V” initiatives.
- Sound financial position maintained through well-planned financing.

FY2026 Outlook

- **Sales: ¥166 billion**
- **Operating income: ¥3.3 billion** (2.0% of sales)

Shareholder Return

- FY2026 **interim** dividend: **16 yen** (determined)
- FY2026 **annual** dividend: **33 yen** (planned)
- FY2025 **annual** dividend: **33 yen** (result)

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Ⅱ. First-Half Results

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[First Half] FY2026 Consolidated Financial Summary (Year-on-Year)

Million yen	1H FY2025 A	1H FY2026 B	Difference B–A	Year-on-Year
Sales	83,763	89,941	+6,178	+7.4%
Operating Income	1,009	1,310	+301	+29.8%
Ordinary Income	842	1,081	+239	+28.4%
Net Income*	152	131	(21)	(13.8)%

*Net income attributable to owners of the parent company

	1H FY2025 A	1H FY2026 B	Difference B–A	Percentage Change
Net Income per Share	6.27 yen	6.36 yen	+0.09 yen	+1.4%
Exchange Rate Applied	148.48 yen/$	158.29 yen/$	+9.81 yen/$	+6.6%

- Sales: Increased group-wide, as foreign exchange translation effects outweighed the impact of lower production volumes.
- Operating income: Increased, mainly due to progress in the Success 26V initiatives.
- Ordinary income: Increased, reflecting higher operating income.
- Net income: Decreased due to workforce optimization measures at a subsidiary in China.

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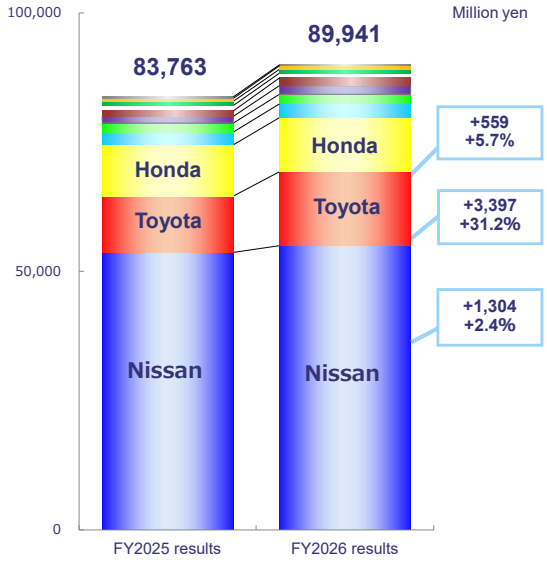
[First Half] Consolidated Sales by Customer (1H FY2025 vs. 1H FY2026 Results)



Customer		1H FY2025	(%)	1H FY2026	(%)
Nissan Gr. *		53,673	64.1%	54,977	61.1%
Toyota Gr.		10,901	13.0%	14,298	15.9%
Honda		9,867	11.8%	10,426	11.6%
Isuzu		2,472	3.0%	2,669	3.0%
Mazda		1,737	2.1%	1,856	2.1%
VW		1,345	1.6%	1,717	1.9%
SUBARU		1,026	1.2%	1,433	1.6%
Kubota		1,052	1.3%	989	1.1%
Mercedes Benz		836	1.0%	701	0.8%
Suzuki		558	0.7%	681	0.8%
Others		296	0.2%	194	0.1%
Total		83,763	100.0%	89,941	100.0%

* Includes sales to Renault and Mitsubishi

Sales to Toyota increased to 15.9%.

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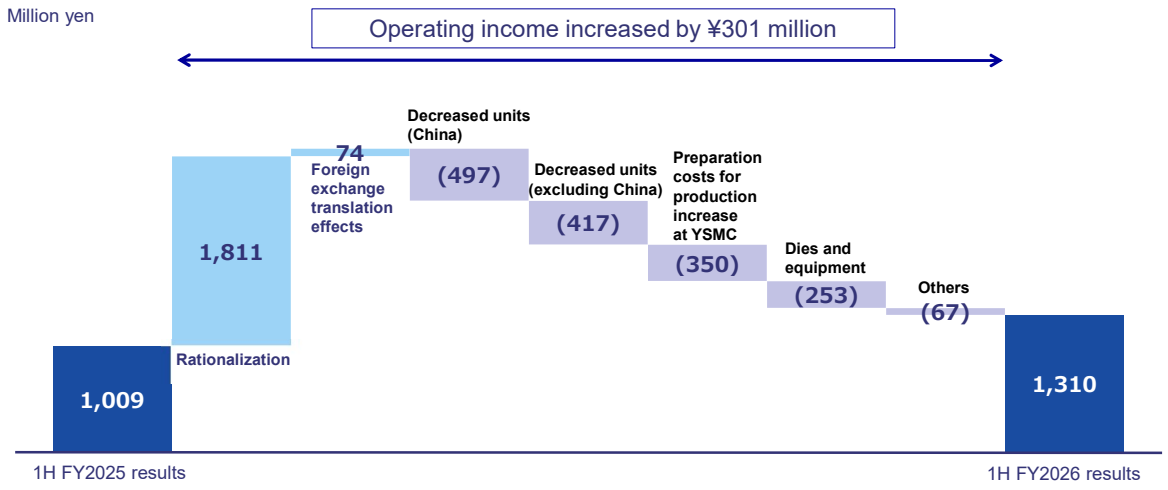
[First Half] Analysis of Impact on Consolidated Operating Income

(1H FY2025 vs. 1H FY2026 Results)



Operating income increased, driven by progress in the Success 26V initiatives, despite lower production volumes across the Group, notably in China, Thailand, and Mexico.

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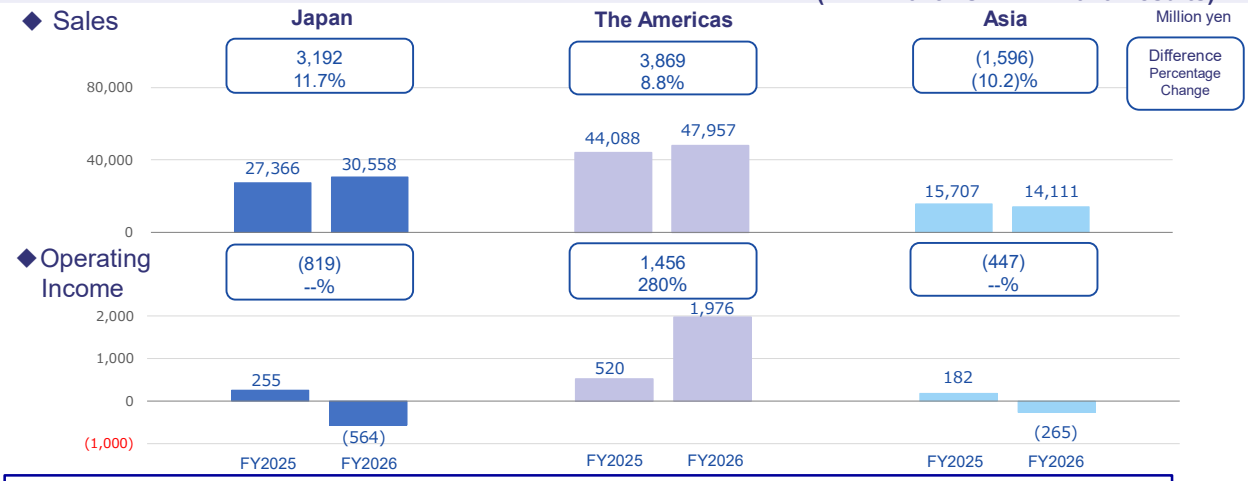
[First Half] Sales and Operating Income by Region Before Consolidation Adjustment
(1H FY2025 vs. 1H FY2026 Results)



- ◆ Japan: Sales increased, reflecting the benefits of rationalization initiatives and higher production volumes while income declined due to costs associated with preparations for increased production at YSMC.
- ◆ The Americas: Both sales and income increased, driven by rationalization initiatives and higher production volumes in the United States, offsetting lower volumes in Mexico and Brazil.
- ◆ Asia: Both sales and income declined as lower volumes in China and Thailand outweighed the rationalization effects.

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Financial Status as of September 30, 2026

(Million yen)	March 31, 2026 A		September 30, 2026 B		Difference (B–A)	
Equity	54,154		55,762		1,608	3.0%
Equity Ratio	39.2%		40.6%		--	--
Interest-bearing Debt	43,348	D/E ratio 0.80	39,387	0.71	(3,961)	(9.1)%
Net Interest-bearing Debt	13,581	Net D/E ratio 0.25	9,683	0.17	(3,898)	(28.7)%
Total Assets	138,258		137,201		(1,057)	(0.8)%

(Million yen)	1H FY2025 Accumulated A	1H FY2026 Accumulated B	Difference (B–A)	
Cash Flow from Operating Activities	1,497	6,440	4,943	330.2%
Cash Flow from Investing Activities	242	(2,748)	(2,990)	--
Cash Flow from Financing Activities	(5,923)	(4,432)	1,491	--

D/E ratio remains stable, supported by the well-planned financing.

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(Ref.) Consolidated Balance Sheet Summary as of September 30, 2026

Million yen	March 31, 2026 A	September 30, 2026 B	Difference B–A
Current Assets	81,649	79,736	(1,913)
Fixed Assets	56,608	57,464	856
Total Assets	138,258	137,201	(1,057)
Current Liabilities	42,029	38,963	(3,066)
Fixed Liabilities	32,175	31,988	(187)
Total Liabilities	74,205	70,952	(3,253)
Shareholders' Equity	41,648	41,603	(45)
Other Accumulated Comprehensive Income	12,506	14,159	1,653
Non-controlling Interest, etc.	9,898	10,485	587
Total Net Assets	64,053	66,249	2,196
Total Liabilities and Net Assets	138,258	137,201	(1,057)

Cash on hand and in banks	(63)
Trade notes and accounts receivable	(1,677)
Inventories	(723)
Other current assets	550
Total property, plant and equipment	64
Investments and other assets	792
Trade notes and accounts payable	(1,593)
Electronically recorded obligations	(302)
Short-term borrowings	(3,239)
Current portion of long-term borrowings	(181)
Others	2,247
Long-term borrowings	(432)
Others	244
Net income	131
Dividend payment	(370)
Valuation difference on available-for-sale securities	603
Foreign currency translation adjustment	1,137

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Ⅲ. Full-Year Performance Forecast

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[Full Year] Consolidated Financial Forecast Summary for FY2026

Million yen	FY2025 Results A	Sales Ratio	FY2026 Forecast B	Sales Ratio	Difference B–A	Percentage Change
Sales	176,330	100.0%	166,000	100.0%	(10,330)	(5.9)%
Operating Income	3,980	2.3%	3,300	2.0%	(680)	(17.1)%
Ordinary Income	3,776	2.1%	2,100	1.3%	(1,676)	(44.4)%
Net Income*	2,075	1.2%	1,100	0.7%	(975)	(47.0)%

*Net income attributable to owners of the parent company

	FY2025 Results A	FY2026 Forecast B	Difference B–A	Percentage Change
Net Income per Share	90.79 yen	53.0 yen	(37.79) yen	(41.6)%
Exchange Rate Applied	149.65 yen/$	150.00 yen/$	+0.35 yen/$	+0.2%

- We will continue to focus on group-wide Success 26V initiatives, building on the rationalization activities undertaken in 1H FY2026.
- Despite the lack of anticipated growth in new vehicle demand, we aim to achieve an operating income ratio of 2.0% or higher.

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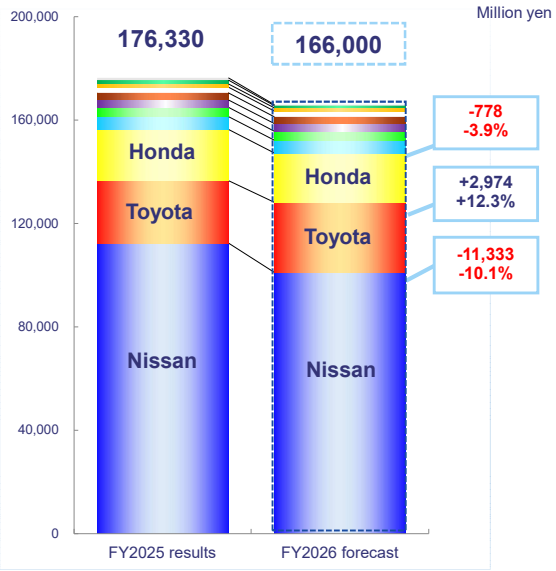
[Full Year] Consolidated Sales by Customer (FY2025 Results vs. FY2026 Forecast)



Customer		FY2025	(%)	FY2026	(%)
Nissan Gr.*		112,444	63.8%	101,111	60.9%
Toyota Gr.		24,177	13.7%	27,151	16.4%
Honda		19,783	11.2%	19,005	11.4%
Isuzu		4,986	2.8%	4,920	3.0%
Mazda		3,545	2.0%	3,523	2.1%
VW		2,896	1.6%	2,909	1.8%
SUBARU		2,750	1.6%	2,654	1.6%
Kubota		2,193	1.2%	2,190	1.3%
Suzuki		1,244	0.7%	1,331	0.8%
Mercedes Benz		1,517	0.9%	780	0.5%
Others		795	0.5%	426	0.2%
Total		176,330	100.0%	166,000	100.0%

*Includes sales to Renault and Mitsubishi

Further growth in sales to Toyota

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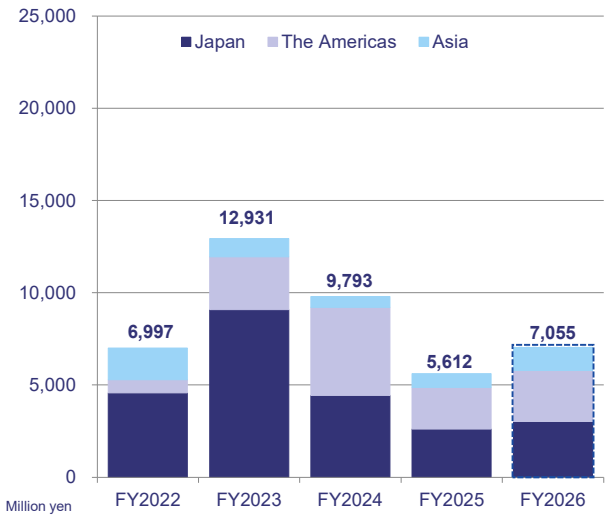
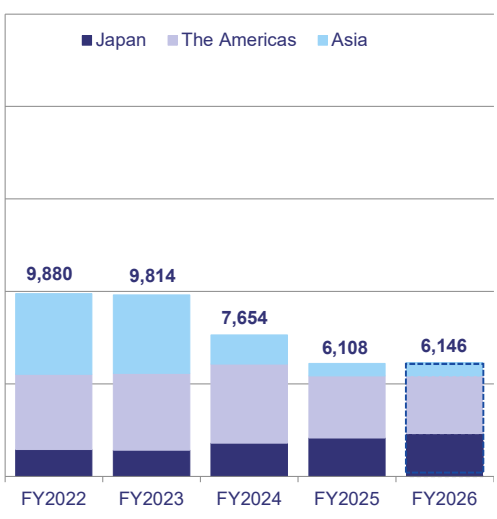
Capital Investment and Depreciation

Capital Investment by Region



Depreciation by Region



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YSP2026 Review

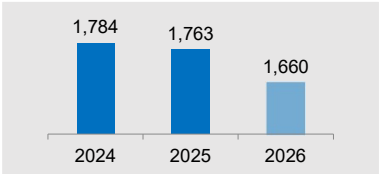
【Summary】

Despite our efforts to build a sound management structure resilient to changes, the latest forecast indicates that net sales, operating income ratio, and ROE will fall short of the targets set in YSP2026, due to differing sales trends across regions and changes in the cost environment.

- Although the Americas is showing signs of strong improvement, sales declines in Asia are expected to cause the operating income ratio to fall short of the original target.
- As a result of the lower-than-expected operating income ratio, ROE is also expected to fall short of the target.

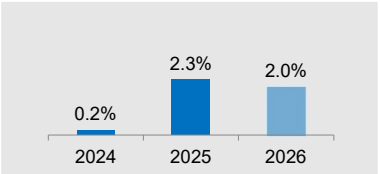
Sales

FY2026 target (initial): ¥210 billion
FY2026 forecast: **¥166 billion**
Revised target: ¥166 billion



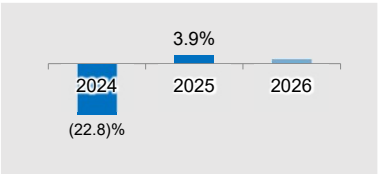
Operating income ratio

FY2026 target (initial): 4.5%
FY2026 forecast: **2.0%**
Revised target: 2.0%



ROE

FY2026 target: 8.0%
Not revised
FY2026 forecast: **Expected to miss target**



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Ⅳ. Shareholder Return

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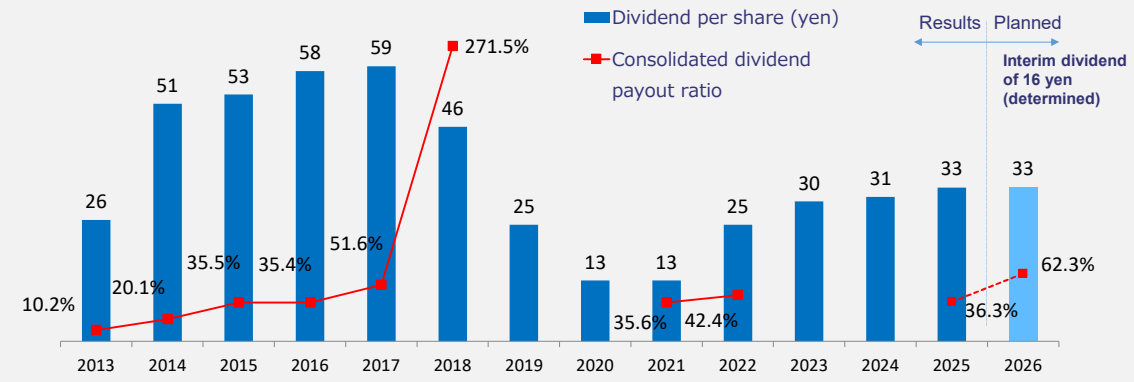
Shareholder Return

Return policy in appreciation of shareholders' support

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

Dividend per share (yen)



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Ⅴ. Topics

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Topics (Progress of YSP2026))

Policies	Strategies	Topics in Progress
Strengthening of Our Business Foundation	① Creation of new technologies and methods, and sales expansion	・Mass production of ultra-high-tensile steel sheet LINKs starts, offering various light-weight solutions ・Collaboration to promote utilization of 980 MPa-class ultra-high-tensile materials ・Product development by applying the catalog concept ・Joining in the development of a variety of products for EV mobility
	② Achievement of profit targets	・Evolution of rationalization kaizen activities: Addition of a system to swiftly capture kaizen ideas and incorporate them into plans ・Decision to invest in the expansion of production capacity of YOMC (Oita Plant) ・Capacity management: Create surplus space by consolidating low-volume parts
	③ Improvement in capital efficiency	・Expect to achieve the target of reducing cross-shareholdings
Strengthening of Our Management Foundation	④ E: Enhancement of environmental performance	・Contribute to zero-carbon society through all-employee participation in proposing energy-saving ideas
	⑤ S: Society and individuals—improvement of engagement	・Begin assisting suppliers for promotion of health & productivity management ・Received Platinum certification as a Kanagawa Pref. Treatment and Work Balance Promoting Company
	⑥ G: Enhancement of governance	・Advancing corporate value through transparent management and dialogue
	Other (Social contribution)	・Development of cage traps to capture dangerous wildlife such as bears and wild boars based on the same principles as automotive parts

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

Mass production of ultra-high-tensile steel LINKs starts, offering significant light-weight solutions for a variety of products

Adopted for mass production

Received orders for the complete set of suspension parts for the Nissan ELGRAND. The newly adopted LINKs are made by forming a single 780 MPa-class ultra-high-tensile strength steel sheet, contributing to reducing weight by 23% compared with the conventional types.

Patented Technology

780 MPa steel sheet is used



Adopted in Nissan ELGRAND



Contribute to the realization of a zero-carbon society with our unrivalled lightweight technology

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

Collaboration to promote utilization of 980 MPa-class ultra-high-tensile materials

Collaboration with JFE Steel



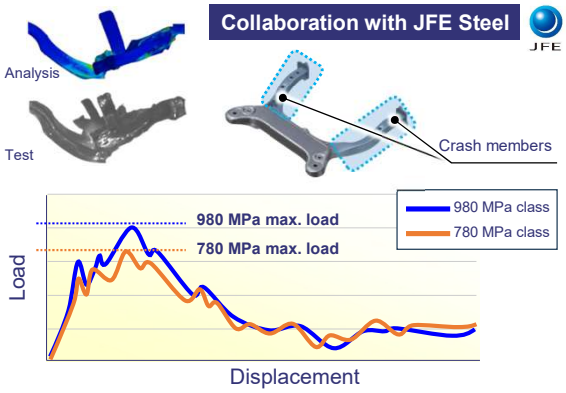
Aluminum LINK = 980 MPa-class LINK

Same level

Drastic cut

Development of steel products with performance equal to aluminum products

Collaboration with JFE Steel



Potential for lightweighting crash member parts using 980 MPa materials has been confirmed

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

Product development by applying the catalog concept

Shorten time !
Lead time

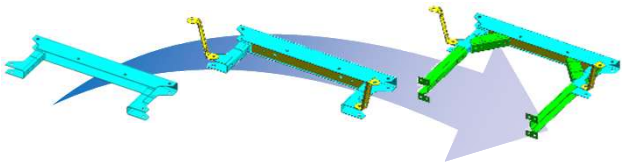
Reduces development lead time
by standardizing common design modules

Low Cost !
Cost

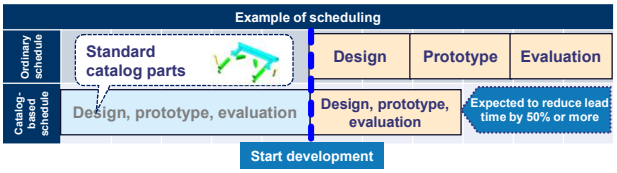
Reduces product cost
through minimal part configuration and simplified shape

Adjustable !
Parts function

Parts functions can be adjusted



The ultimate low-cost structure | Standard structure | Crash-resistant premium structure



Contribute to reducing development lead times by proposing/delivering standard parts

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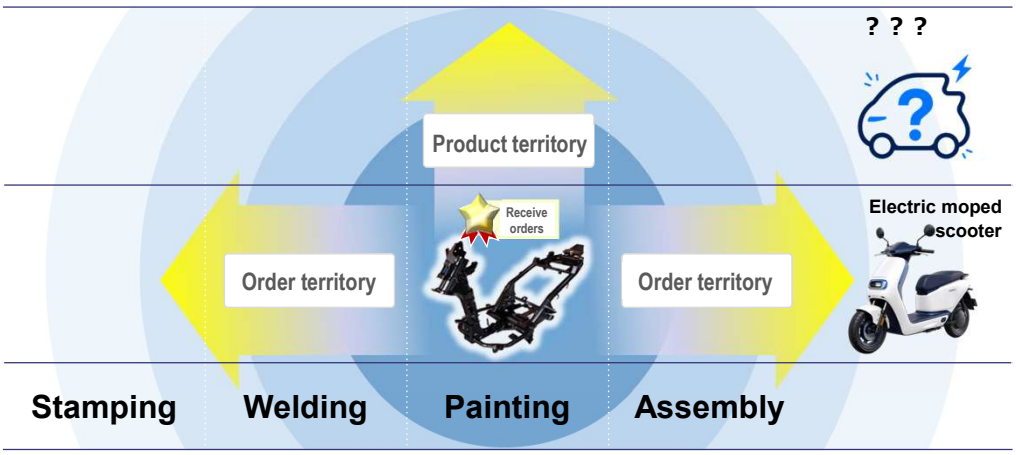
Topics: ① Creation of New Technologies and Methods, and Sales Expansion

Joining in the development of a variety of products for EV mobility



Expand our business beyond applying coatings on electric moped frames

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Topics: ② Achievement of Profit Targets

Evolution of rationalization improvement activities: Addition of a system to swiftly capture kaizen ideas and incorporate them into plans

Initiatives

Existing

Maintain GKBK (FY2025)

Number of registered implemented items: **1,500**

Program started in July 2025

Add

① Maintain GKBK-Seeds

Number of registered ideas: **2,800**

Untouched items are registered and shared

Program started in April 2026

Add

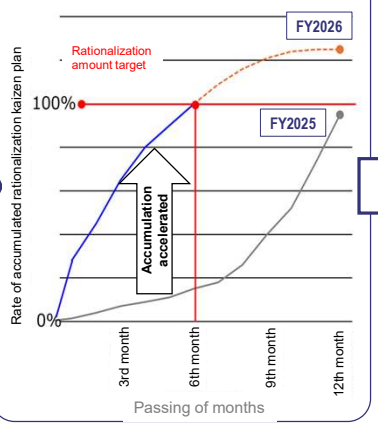
② One Day Kaizen Activity

Number of new ideas unearthed: **6,000**

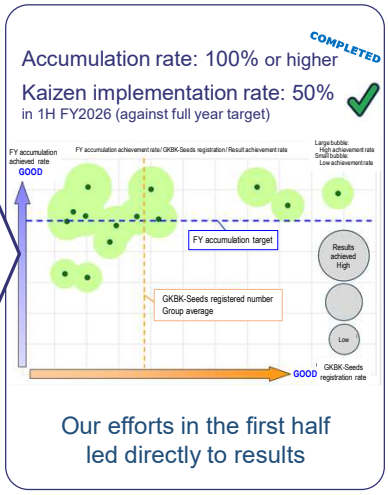
An entire day is dedicated to gather kaizen ideas

Took place during April – June 2026

Expedite accumulation of ideas



Result



Our efforts in the first half led directly to results

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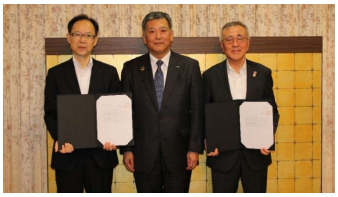
Topics: ② Achievement of Profit Targets

Decision to invest in the expansion of production capacity of YOMC (Oita Plant)

- **Summary**

Item	Details
Investment	Approx. ¥3 billion
Purpose	Construction of a new factory building (approx. 3,000 sq.m) Installation of a heavy-duty press (2000t)
Start of operation	Scheduled in October 2028

- **Significance of the investment**
  - ✓ Increase our ability to serve the growing market
  - ✓ Strengthen our production capacity in the Kyushu region
  - ✓ Meet the increasing demand in the medium to long term



Declaration Ceremony on September 18 at Oita Prefectural Office



Press machine (similar type) planned for installation

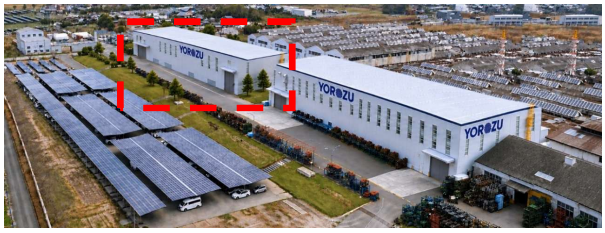


Image of the new factory building

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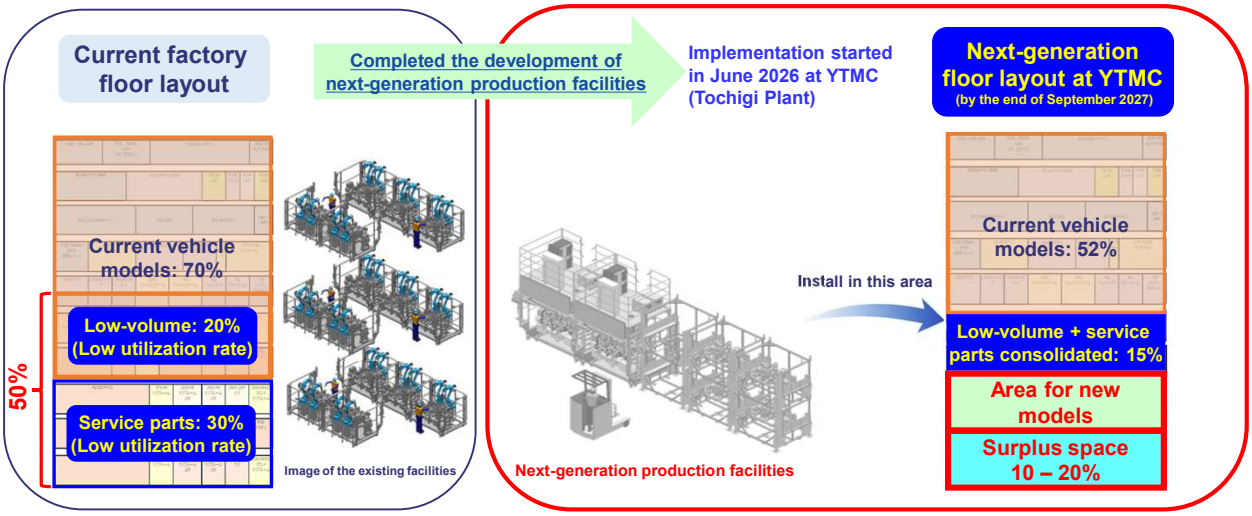
Topics: ② Achievement of Profit Targets

Capacity management: Create surplus space by consolidating low-volume parts



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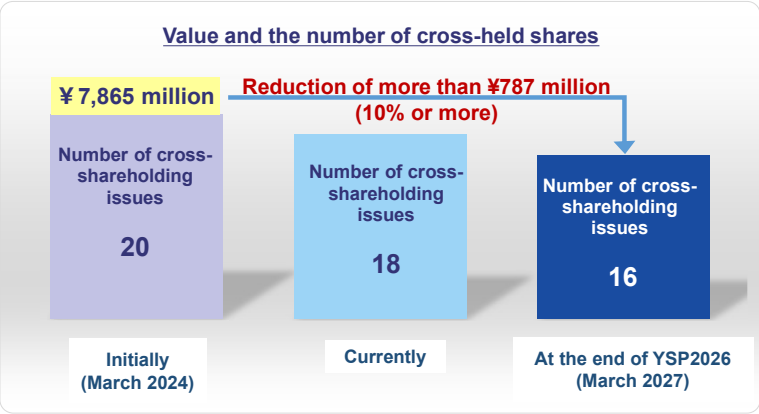
Topics: ③ Improvement in Capital Efficiency

Expect to achieve the target of reducing cross-shareholdings under YSP2026



Our policy going forward

- Scrutinize the rationale for cross-shareholdings stringently
- Accelerate the sale of cross-shareholdings

We will work to reduce cross-shareholdings by continuing the sale of shares, to further improve capital efficiency and ensure adherence to the Corporate Governance Code.

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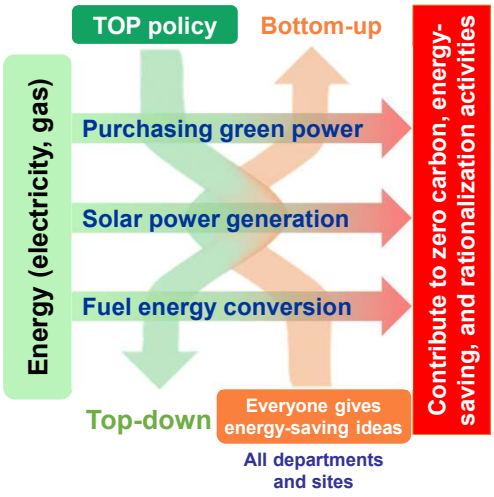
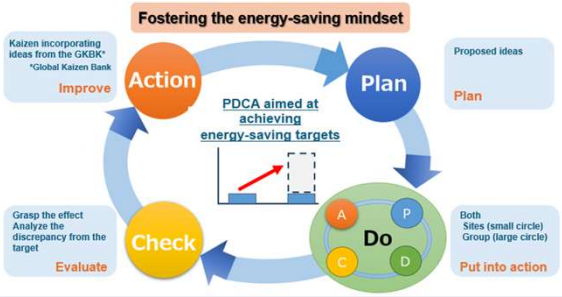
Topics: ④ E (Enhancement of Environmental Performance)

Contribute to zero-carbon society through all-employee participation in proposing energy-saving ideas



Summary of 2026 energy-saving proposals

- Total **5,226** ideas — High participation rate across the group and active kaizen proposals
- CO2 reduced **1,272 ton-CO2**
- Estimated effect **¥47,779 thousand** (excluding the amount in investment)



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Topics: ⑤ S (Improvement of Engagement)

Promotion of health & productivity management

Begin assisting suppliers

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門
Large enterprise category

Yorozu Corporation
Certified for six consecutive years

健康経営優良法人 KENKO Investment for Health 中小規模法人部門 ブライト500
SME category "Bright 500"

Yorozu Service Corporation
Certified for the first time

Support certification as an Excellent Enterprise for Health & Productivity Management

パートナーシップ構築宣言
Declaration of Partnership Building

We support promotion of a healthy and productive management so that everyone can work in a healthy state of both mind and body.

Putting DE&I into practice

Encourage balancing treatment and work

Certified as a Kanagawa Prefecture Treatment and Work Balance Promoting Company (Platinum ✨)

<Certification criteria>

1. Annual paid leave (in hourly/half-day units)
2. Medical leave for illness/injury
3. Flexible work arrangements

KANAGAWA ★★★ 治療と仕事の両立推進企業
Treatment and Work Balance Promoting Company



Promote creating a workplace environment where everyone can continue to work with a sense of well-being

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Topics: ⑥ G (Enhancement of Governance)

Advancing corporate value through transparent management and dialogue

Third party evaluation of board effectiveness

Review and discuss the findings from third-party surveys and interviews to further enhance transparency, objectivity, and the quality of Board discussion.

July 21, 2026
"Evaluation Results of Effectiveness of the Board of Directors" officially released

Plant tours for shareholders and analysts

Provide shareholders and analysts with opportunities to visit the new factory, Sustainable Manufacturing Center (YSMC).

March 25, 2027
YSMC plant tour scheduled

Collaborative development of the next medium-term business plan

Conduct direct and thorough discussions involving executive officers responsible for core business operations, together with inside and outside directors, from a broad perspective.

June 2026
First review meeting held

December 2026
Second review meeting scheduled

Aiming to become the First-Choice Company for all stakeholders

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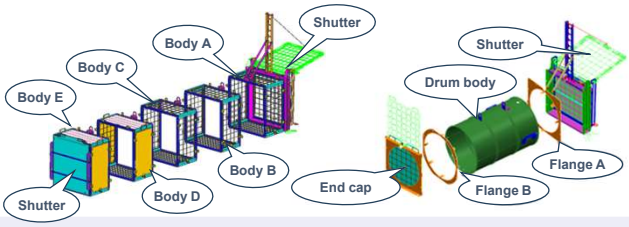
Topics: Other (Social Contribution)

Development of cage traps to capture dangerous wildlife such as bears and wild boars based on the same principles as automotive parts

Fail Safe ! **Safety** — Sturdy framed units enable **safer animal captures**.

Long Life! **Maintenance** — Replaceable components allow **easy maintenance and cleaning**.

Adjustable ! **Parts function** — Configurable unit structure **flexibly adapts to different uses**.





Meeting with the Governor of Gifu Pref. at the Gifu Prefectural Office (September 8)



Cage trap demonstration during an emergency shooting drill in Nakatsugawa, Gifu Pref. (October 28)



Cage trap donation ceremony in Wanouchi, Gifu Pref. (one trap donated, November 12)



Example of cage trap installation (several traps have successfully captured bears)

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