



Consolidated Financial Results
for the Nine Months Ended December 31, 2024
(Under Japanese GAAP)



February 14, 2025

Company name: Yorozu Corporation
Securities code: 7294
Representative: Tsutomu Hiranaka, President & COO
Inquiries: Norio Hirano, Executive Vice President & CFO
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

Listed Exchange: Tokyo Stock Exchange
URL: <http://www.yorozu-corp.co.jp>
TEL: 045-543-6802

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(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	%
Nine months ended								
Dec 31, 2024	134,819	4.4	162	(84.0)	(1,748)	—	(5,389)	—
Dec 31, 2023	129,115	12.1	1,015	(36.1)	795	(51.5)	17	(96.4)

Note: Comprehensive income (loss) is as follows.

For the nine-month period ended December 31, 2024: (¥6,689) million

For the nine-month period ended December 31, 2023: ¥6,988 million decreased by 10.9% year-on-year

	Basic earnings per share for the nine-month period	Diluted earnings per share for the nine-month period
Nine months ended	Yen	Yen
December 31, 2024	(220.98)	—
December 31, 2023	0.74	0.72

Note: Earnings per share (diluted) for the nine-month period ended December 31, 2024 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
	Millions of yen	Millions of yen	%
December 31, 2024	142,310	68,107	41.3
March 31, 2024	142,257	75,493	46.4

Reference: Net assets excluding share subscription rights and non-controlling interests:

As of December 31, 2024: ¥58,811 million

As of March 31, 2024: ¥66,070 million

2. Cash dividends

	Annual cash dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
FY2023	yen —	yen 13.00	yen —	yen 17.00	yen 30.00
FY2024	—	15.00	—		
FY2024 (Forecast)				16.00	31.00

Note : Changes in dividends forecast for FY2024 from the latest disclosure: None

3. Forecasted consolidated performance for the fiscal year ending March 2025 (From April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit (Loss) attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	177,000	(2.5)	(1,200)	—	(3,800)	—	(17,000)	—	(696.79)

Note: Changes in forecast of consolidated operating results from the latest disclosure: None

* Notes

(1) Significant changes in the scope of consolidation during the current nine-month period: None

Newly included: — companies

Excluded: — companies

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1 Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2 Changes in accounting policies due to other reasons: None

3 Changes in accounting estimates: None

4 Restatement: None

(4) Number of shares issued (common stock)

1	Number of shares issued at the end of the period (including treasury stocks)	FY2024 3rd quarter	25,055,636 shares	FY2023	25,055,636 shares
2	Number of treasury stocks at the end of the period	FY2024 3rd quarter	625,059 shares	FY2023	796,233 shares
3	The average number of shares issued during the period (total of nine months)	FY2024 3rd quarter	24,387,032 shares	FY2023 3rd quarter	24,216,542 shares

* A review by a certified public accountant or audit corporation for the attached quarterly consolidated financial statements:
Yes (Obligation)

* 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 our company and on certain assumptions that we consider reasonable. They do not serve as a guarantee that such results will be achieved by our 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 3, section (3) "Future Outlook."

○Table of Contents of the Attached Documents

1. Overview of the Business Results	2
(1) Summary of operating results	2
(2) Summary of financial position	2
(3) Future outlook.....	3
2. Quarterly Consolidated Financial Statements and Key Notes.....	4
(1) Quarterly consolidated balance sheet	4
(2) Quarterly consolidated profit and loss statement and comprehensive income statement	6
(3) Notes to quarterly consolidated financial statements	8
(Notes to assumption of a going concern)	8
(Notes to significant changes in shareholders' equity)	8
(Adoption of specific accounting policies for quarterly consolidated financial statements)	8
(Changes in accounting policies)	8
(Segment information, etc.)	9
(Notes to the cash flow statement)	10

1. Overview of Business Results

(1) Summary of operating results

While the global economy persistently showed signs of a moderate recovery during the current quarterly period, the outlook remains uncertain due to the progress of global inflation such as persistent high prices of raw materials and logistics costs, as well as sharp fluctuations in foreign exchange and stock markets. Additionally, geopolitical risks and downward pressures stemming from the Middle East situation, the prolonged slowdown of the Chinese economy, and potential changes in trade policy under the new U.S. administration continue to pose challenges.

The production volume of the automobile industry, which our group is involved in, is expected to remain in a difficult situation due to the impact of reduced production by Japanese OEMs as a result of the shift to BEVs in the Chinese and other markets.

Despite a decrease in production volume in Japan and Asia, our group's net sales increased 4.4% to ¥134,819 million compared to the same period of the previous fiscal year, primarily driven by the positive impact of the depreciation of the yen. Operating income decreased 84.0% to ¥162 million year-on-year due to one-time quality costs in the U.S. and the decrease in production volume in Japan and Asia, despite efforts to streamline operations. Ordinary income recorded a loss of ¥1,748 million, down ¥2,543 million year-on-year. Net income attributable to owners of the parent decreased by ¥5,406 million to a loss of ¥5,389 million compared to the same period of the previous fiscal year, primarily due to the recording an impairment loss of ¥2,377 million as a special loss for the fixed assets of the companies in the Americas and Asia segments, whose accounts are closed in March, after considering the recoverability in the future.

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 period. The average US dollar exchange rate for the current quarterly period (from January to September) was ¥151.45 per US dollar, compared to ¥138.23 per US dollar for the same period of the previous fiscal year.

The situation for each segment is as follows.

(1) Japan

Net sales decreased 3.8% year-on-year to ¥45,106 million, primarily due to a decline in production volume. Operating income decreased 64.3% year-on-year to ¥1,647 million, despite cost-reduction efforts, due to a decrease in tooling sales and initial costs associated with the start of operations at Yorozu Sustainable Manufacturing Center Inc. (YSMC) Gifu factory

(2) The Americas

Net sales increased by 18.6% year-on-year to ¥66,657 million, primarily due to the new model impact and the benefit of yen depreciation, despite the decreased production volume. Operating loss increased ¥323 million, amounting to ¥1,215 million compared to the same period of the previous year, primarily due to one-time quality costs incurred in the USA, despite new model effects.

(3) Asia

Net sales decreased 14.3% year-on-year to ¥29,253 million, primarily due to a decreased production volume in China, despite the positive impact of yen depreciation. Operating loss improved by ¥780 million year-on-year to ¥373 million.

(2) Summary of financial position

(Assets Section)

Current assets increased by ¥4,096 million to ¥79,469 million compared to the end of the previous consolidated fiscal year. This increase was primarily due to a ¥1,731 million increase in “cash and deposits”, and a ¥1,375 million increase in “work in process” and ¥2,659 million in “other current assets”, despite a decrease of ¥2,403 million in “finished goods”.

Non-current assets decreased by ¥4,043 million to ¥62,840 million compared to the end of the previous consolidated fiscal year. This decrease was primarily attributable to decreases of ¥3,271 million in “construction in progress”, ¥339 million in “other assets (net)”, and ¥417 million in “investments and other assets”.

As a result, total assets increased by ¥52 million to ¥142,310 million compared to the end of the previous consolidated fiscal year.

(Liabilities Section)

Current liabilities decreased by ¥5,347 million to ¥44,467 million compared to the end of the previous consolidated fiscal year.

This was primarily due to decreases of ¥5,229 million in “short-term borrowings” and ¥854 million in “long-term borrowings due within one year”, despite increases of ¥370 million in “notes and accounts payable” and ¥1,190 million in “other current liabilities”.

Non-current liabilities increased by ¥12,786 million to ¥29,735 million compared to the end of the previous consolidated fiscal year. This was mainly attributable to increases of ¥8,840 million in “long-term borrowings” and ¥3,929 million in “other non-current liabilities”.

As a result, total liabilities increased by ¥7,438 million to ¥74,203 million compared to the end of the previous consolidated fiscal year.

(Net Assets Section)

Total equity decreased by ¥7,385 million to ¥68,107 million compared to the end of the previous consolidated fiscal year. This was primarily due to decreases of ¥6,167 million in “retained earnings”, ¥889 million in “foreign currency translation adjustment”, and ¥444 million in “unrealized gain on other securities”.

(3) Future outlook

The full-year Performance Forecast has no change from what was disclosed in our "Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2025 [Japanese GAAP]" released on January 17, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	Previous fiscal year As of March 31, 2024	Current third quarter As of December 31, 2024
Assets		
Current assets		
Cash on hand and in banks	22,287	24,018
Trade notes and accounts receivable	28,693	28,837
Electronically recorded obligations	2,154	3,157
Finished goods	5,223	2,819
Raw materials and supplies	1,211	1,311
Parts and etc.	4,370	3,860
Work in process	5,742	7,117
Other	6,270	8,930
Allowance for doubtful accounts	(580)	(583)
Total current assets	75,373	79,469
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	19,328	19,381
Machinery, equipment and vehicles, net	22,260	22,251
Construction in progress	6,533	3,261
Other, net	6,651	6,311
Total property, plant and equipment	54,773	51,205
Intangible fixed assets	206	148
Investments and other assets	11,903	11,485
Total fixed assets	66,884	62,840
Total assets	142,257	142,310

(Millions of yen)

	Previous fiscal year As of March 31, 2024	Current third quarter As of December 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	14,838	15,209
Electronically recorded obligations	3,174	2,091
Short-term borrowings	12,986	7,756
Current portion of long-term borrowings	6,065	5,211
Accounts payable – other	1,545	1,953
Accrued income tax payable	803	499
Bonus payable	1,362	1,539
Provision for directors' bonuses	92	70
Other current liabilities	8,945	10,136
Total current liabilities	49,815	44,467
Long-term liabilities		
Long-term borrowings	14,210	23,051
Retirement benefit liabilities	885	901
Other non-current liabilities	1,852	5,782
Total non-current liabilities	16,949	29,735
Total liabilities	66,764	74,203
Net assets		
Shareholders' equity		
Capital stock	6,200	6,200
Capital surplus	9,372	9,323
Retained earnings	43,957	37,789
Treasury stock	(1,136)	(889)
Total shareholders' equity	58,394	52,423
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	4,113	3,669
Foreign currency translation adjustment	3,731	2,842
Retirement benefit adjustments	(169)	(123)
Total accumulated other comprehensive income	7,676	6,388
Stock option	599	517
Non-controlling interests	8,822	8,777
Total equity	75,493	68,107
Total liabilities and equity	142,257	142,310

(2) Quarterly consolidated profit and loss statement and consolidated comprehensive income statement

Quarterly consolidated profit and loss statement

(Millions of yen)

	Previous third quarter (From April 1, 2023 to December 31, 2023)	Current third quarter (From April 1, 2024 to December 31, 2024)
Net sales	129,115	134,819
Cost of sales	117,288	122,245
Gross profit	11,826	12,574
Selling, general and administrative expenses	10,811	12,411
Operating income	1,015	162
Non-operating income		
Interest income	276	279
Dividends income	199	232
Derivative valuation gains	—	422
Miscellaneous income	271	56
Total non-operating income	747	990
Non-operating expenses		
Interest expense	558	691
Exchange loss	—	1,919
Miscellaneous expenses	408	290
Total non-operating expenses	967	2,901
Operating profit or loss	795	(1,748)
Extraordinary Income		
Gain on sale of fixed assets	8	27
Gain on sale of investment securities	—	10
Other	4	0
Total extraordinary income	13	37
Extraordinary loss		
Impairment loss	—	2,377
Loss on disposal of fixed assets	59	24
Miscellaneous expenses	2	74
Total extraordinary loss	61	2,475
Profit (loss) before income taxes	747	(4,186)
Income taxes	1,402	1,301
Net profit (loss) for the fiscal Period	(655)	(5,487)
Net profit (loss) attributable to non-controlling interests	(673)	(98)
Net profit (loss) attributable to parent company shareholders	17	(5,389)

Quarterly consolidated comprehensive income statement

(Millions of yen)

	Previous third quarter (From April 1, 2023 to December 31, 2023)	Current third quarter (From April 1, 2024 to December 31, 2024)
Net income (loss)	(655)	(5,487)
Other comprehensive income		
Unrealized holding gain and loss on securities	988	(444)
Translation adjustments	6,822	(811)
Remeasurements of defined benefit plans	(166)	54
Total other comprehensive income	7,644	(1,202)
Comprehensive income	6,988	(6,689)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	6,477	(6,677)
Comprehensive income attributable to non-controlling interests	511	(12)

(3) Notes to quarterly consolidated financial statements

(Notes to assumption of a going concern)

None

(Notes to significant changes in shareholders' equity)

None

(Adoption of specific accounting policies for quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses are reasonably estimated using the effective tax rate after applying tax effect accounting to the pre-tax net income for the consolidated fiscal year, including the current quarterly consolidated period, and are calculated by multiplying the estimated effective tax rate by the pre-tax net income for the quarterly period.

However, if using this estimated effective tax rate to calculate tax expenses results in significantly unreasonable outcomes, the statutory effective tax rate is applied as an alternative method.

(Changes in accounting policies)

(Application of "Accounting Standards for Corporate Tax, Inhabitant Tax, and Enterprise Tax, etc.")

The "Accounting Standards for Corporate Tax, Inhabitant Tax, and Enterprise Tax, etc." (Enterprise Accounting Standard No. 27, issued on October 28, 2022; hereinafter the "2022 Revised Accounting Standard") has been applied from the beginning of the first quarterly consolidated accounting period.

Regarding the amendment concerning the classification of recognition for corporate taxes (taxation on other comprehensive income), the transitional treatment stipulated in Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment specified in Paragraph 65-2 (2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (Implementation Guidance of Accounting Standards No. 28, dated October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance") have been followed. This has no impact on the current quarterly consolidated financial statements.

Furthermore, regarding the revision related to the treatment in the consolidated financial statements where gains or losses arising from the sale of subsidiary shares between consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has also been applied from the beginning of the first quarterly consolidated accounting period. This change in accounting policy is applied retrospectively, and the previous quarterly consolidated financial statements and the consolidated financial statements for the previous year have been restated accordingly. There is no impact on the quarterly consolidated financial statements for the previous year's quarterly consolidated period or on the consolidated financial statements for the previous consolidated fiscal year.

(Segment information, etc.)

1. Nine months of the previous fiscal year (From April 1, 2023 to December 31, 2023)

(1). Net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	Americas	Asia	
Net sales				
Sales to third parties	39,161	56,021	33,931	129,115
Inter-segment sales	7,706	162	208	8,077
Total	46,868	56,183	34,139	137,192
Segment profits (losses)	4,611	(891)	(1,153)	2,566

(2). Difference between the total amount of reporting segments and the amount recorded in the quarterly consolidated statement of income, and the main contents of the difference (matters related to adjustment of differences)

(Millions of yen)

Profits	Amount
Total of reportable segments	2,566
Inter-segment adjustment	(1,550)
Operating income of the quarterly consolidated statement of income	1,015

(3) Information on impairment losses of fixed assets, goodwill, etc. by reportable segment

(Important impairment loss of fixed assets)

No applicable matters.

2. Nine months of the current fiscal year (From April 1, 2024 to December 31, 2024)

(1). Net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	Americas	Asia	
Net sales				
Sales to third parties	39,219	66,478	29,121	134,819
Inter-segment sales	5,887	178	132	6,197
Total	45,106	66,657	29,253	141,017
Segment profits (losses)	1,647	(1,215)	(373)	58

(2). Difference between the total amount of reporting segments and the amount recorded in the quarterly consolidated statement of income, and the main contents of the difference (matters related to adjustment of differences)

(Millions of yen)

Profits	Amount
Total of reportable segments	58
Inter-segment adjustment	103
Operating income in the quarterly consolidated statement of income	162

(3) Information on impairment losses of fixed assets, goodwill, etc. by reportable segment

(Important impairment loss of fixed assets)

Impairment losses on fixed assets were recognized in the “Americas” segment and the “Asia” segment. During the nine-month period under review, the amounts of these impairment losses were ¥2,729 million for the “Americas” segment, ¥515 million for the “Asia” segment, and (¥867) million under “adjustment.”

(Notes to the cash flow statement)

The consolidated quarterly cash flow statement for the current nine-month period has not been prepared. Depreciation expense (including depreciation related to the intangible assets) for the nine months is as follows:

	Previous Q3 Cumulative Consolidated Period (From April 1, 2023 to December 31, 2023)	Current Q3 Cumulative Consolidated Period (From April 1, 2024 to December 31, 2024)
Depreciation expense	7,075	5,822