



**Consolidated Financial Results**  
**for the Six Months Ended September 30, 2024**  
**(Under Japanese GAAP)**



January 17, 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: December 10, 2024  
Scheduled date of filing Hanki-Houkokusho: January 17, 2025  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (For institutional investors and analysts)

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 Six Months Ended September 30, 2024 (April 1, 2024 through September 30, 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	%
Six Months Ended								
September 30, 2024	90,942	7.9	120	(74.3)	(1,958)	—	(2,588)	—
September 30, 2023	84,259	17.1	470	(13.3)	754	(3.2)	58	(81.4)

Note: Comprehensive income is as follows.

For the six-month period ended September 30, 2024: ¥464 million decreased by 93.6% year-on-year

For the six-month period ended September 30, 2023: ¥7,307 million decreased by 3.3 % year-on-year

	Basic earnings per share for the six-month period	Diluted earnings per share for the six-month period
Six Months Ended	Yen	Yen
September 30, 2024	(106.25)	—
September 30, 2023	2.42	2.37

Note: Earnings per share (diluted) for six month ended September 30, 2024 is not indicated because the basic earnings per share for the interim 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	%
FY2024 1st half	148,364	75,628	44.1
FY 2023	142,257	75,493	46.4

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

As of September 30, 2024: ¥65,432 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 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: Yes

## \* Notes

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

Newly included: — companies

Excluded: — companies

(2) Adoption of specific accounting policies for interim 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)

- Number of shares issued at the end of the period (including treasury stocks)
- Number of treasury stocks at the end of the period
- The average number of shares issued during the period

FY2024 1st half	25,055,636 shares	FY2023	25,055,636 shares
FY2024 1st half	625,059 shares	FY2023	796,233 shares
FY2024 1st half	24,365,140 shares	FY2023 1st half	24,194,995 shares

\* 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 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."

Our company plans to hold a briefing for institutional investors and analysts as follows. The materials used in this briefing will be promptly posted on our company's website after the briefing.

Earnings briefing for institutional investors and analysts: Friday, January 31, 2025

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## 1. Overview of Business Results

### (1) Summary of operating results

While the global economy showed signs of a moderate recovery during the current interim 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 next 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 7.9% to ¥90,942 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 74.3% to ¥120 million year-on-year due to one-time quality costs in the Americas and the decrease in production volume in Japan and Asia, despite efforts to streamline operations. Ordinary income recorded a loss of ¥1,958 million, down ¥2,713 million year-on-year. Net income attributable to owners of the parent decreased by ¥2,647 million to a loss of ¥2,588 million compared to the same period of the previous fiscal 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 period. The average US dollar exchange rate for the current interim period (from January to June) was ¥152.36 per US dollar, compared to ¥134.98 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 5.2% year-on-year to ¥28,085 million, primarily due to a decline in production volume. Operating income decreased 76.3% year-on-year to ¥624 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 27.0% year-on-year to ¥45,926 million, driven by increased production volume and the positive impact of yen depreciation. Operating loss amounted to ¥1,147 million, a decrease of ¥568 million compared to the same period of the previous year, primarily due to one-time quality costs incurred in the United States, despite increased production.

#### (3) Asia

Net sales decreased 12.6% year-on-year to ¥20,417 million, primarily due to a decrease in production volume in China, despite the positive impact of yen depreciation. Operating income increased by ¥837 million year-on-year to ¥86 million.

### (2) Summary of financial position

#### (Assets Section)

Current assets increased by ¥4,152 million to ¥79,525 million compared to the end of the previous consolidated fiscal year. This increase was primarily due to a ¥3,117 million increase in "notes and accounts receivable," and a ¥1,263 million increase in "work in process."

Non-current assets increased by ¥1,955 million to ¥68,839 million compared to the end of the previous consolidated fiscal year. This increase was primarily attributable to a ¥2,806 million increase in "machinery and transportation equipment (net)" and a ¥1,739 million increase in "buildings and structures (net)", partially offset by a ¥1,750 million decrease in "construction in progress" and a ¥937 million decrease in "investments and other assets."

As a result, total assets increased by ¥6,107 million to ¥148,364 million compared to the end of the previous consolidated fiscal year.

#### (Liabilities Section)

Current liabilities increased by ¥1,879 million to ¥51,695 million compared to the end of the previous consolidated fiscal year, primarily due to a ¥2,645 million increase in "other current liabilities," partially offset by a ¥738 million decrease in "electronically recorded liabilities."

Non-current liabilities increased by ¥4,092 million to ¥21,041 million compared to the end of the previous consolidated fiscal year. This increase was mainly attributable to a ¥2,035 million increase in "other non-current liabilities" and a ¥2,018 million increase in "long-term borrowings."

As a result, total liabilities increased by ¥5,972 million to ¥72,736 million compared to the end of the previous consolidated fiscal year.

(Net Assets Section)

Total equity increased by ¥134 million to ¥75,628 million compared to the end of the previous consolidated fiscal year. This increase was primarily due to a ¥3,099 million increase in "foreign currency translation adjustments," partially offset by a ¥3,001 million decrease in "retained earnings."

### **(3) Future outlook**

The full-year Performance Forecast has been revised based on the latest available information and forecasts, from what was disclosed in our earnings release (consolidated) for the fiscal year ended March 31, 2024, dated May 15, 2024.

For more details, please refer to our announcement today regarding the revision of the full-year Performance Forecast for the fiscal year ending March 31, 2025.

## 2. Interim Consolidated Financial Statements and Key Notes

### (1) Interim consolidated balance sheet

(Millions of yen)

	Previous fiscal year As of March 31, 2024	Current first half year As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash on hand and in banks	22,287	21,988
Trade notes and accounts receivable	28,693	31,810
Electronically recorded obligations	2,154	2,163
Finished goods	5,223	4,885
Raw materials and supplies	1,211	1,630
Parts and etc.	4,370	4,057
Work in process	5,742	7,005
Other	6,270	6,636
Allowance for doubtful accounts	(580)	(652)
Total current assets	75,373	79,525
<b>Fixed assets</b>		
Property, plant and equipment		
Buildings and structures, net	19,328	21,068
Machinery, equipment and vehicles, net	22,260	25,066
Construction in progress	6,533	4,782
Other, net	6,651	6,764
Total property, plant and equipment	54,773	57,681
Intangible fixed assets	206	191
Investments and other assets	11,903	10,966
Total fixed assets	66,884	68,839
<b>Total assets</b>	<b>142,257</b>	<b>148,364</b>

(Millions of yen)

	Previous fiscal year As of March 31, 2024	Current first half year As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	14,838	14,723
Electronically Recorded obligations	3,174	2,435
Short-term borrowings	12,986	13,052
Current portion of long-term borrowings	6,065	5,676
Accounts payable – other	1,545	1,866
accrued income tax payable	803	306
Bonus payable	1,362	1,949
Provision for directors' bonuses	92	93
Other Current Liabilities	8,945	11,590
Total Current Liabilities	49,815	51,695
Long-term liabilities		
Long-term borrowings	14,210	16,229
Retirement Benefit Liabilities	885	923
Other Non-Current Liabilities	1,852	3,888
Total Non-Current Liabilities	16,949	21,041
Total liabilities	66,764	72,736
<b>Net assets</b>		
Shareholders' equity		
Capital Stock	6,200	6,200
Capital Surplus	9,372	9,323
Retained Earnings	43,957	40,956
Treasury Stock	(1,136)	(889)
Total Shareholders' Equity	58,394	55,590
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	4,113	3,319
<b>Foreign Currency Translation Adjustment</b>	3,731	6,831
Retirement Benefit Adjustments	(169)	(309)
Total Accumulated Other Comprehensive Income	7,676	9,841
Stock option	599	517
Non-Controlling Interests	8,822	9,678
Total Equity	75,493	75,628
Total Liabilities and Equity	142,257	148,364

## (2) Interim Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement

Interim consolidated statement of income

(Millions of yen)

	Previous fiscal year (From April 1, 2023 to September 30, 2023)	Current first half year (From April 1, 2024 to September 30, 2024)
Net sales	84,259	90,942
Cost of sales	76,698	82,123
Gross profit	7,561	8,818
Selling, general and administrative expenses	7,090	8,698
Operating income	470	120
Non-operating income		
Interest income	180	182
Dividends income	105	134
Miscellaneous income	528	41
Total non-operating income	814	358
Non-operating expenses		
Interest expense	448	469
Exchange loss	—	1,687
Miscellaneous expenses	82	281
Total non-operating expenses	530	2,438
Operating profit or loss	754	(1,958)
Extraordinary Income		
Gain on Sale of Fixed Assets	9	30
Gain on Sale of Investment Securities	—	10
Other	4	0
Total Extraordinary Income	14	41
Extraordinary Loss		
Loss on Disposal of Fixed Assets	9	0
Loss on Cancellation of Insurance Policies	2	3
Total Extraordinary Loss	11	3
Profit (Loss) before Income Taxes	757	(1,921)
Income Taxes	1,133	660
Net Profit (Loss) for the Interim Period	(376)	(2,581)
Net Profit (Loss) Attributable to Non-Controlling Interests	(434)	7
Net Profit (Loss) Attributable to Parent Company Shareholders	58	(2,588)



## Interim consolidated comprehensive income statement

(Millions of yen)

	Previous fiscal year (From April 1, 2023 to September 30, 2023)	Current first half year (From April 1, 2024 to September 30, 2024)
Net income (loss)	(376)	(2,581)
Other comprehensive income		
Unrealized holding gain and loss on securities	1,116	(793)
Translation adjustments	6,530	4,004
Remeasurements of defined benefit plans	36	(164)
Total other comprehensive income	7,683	3,045
Comprehensive income	7,307	464
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	6,811	(423)
Comprehensive income attributable to non-controlling interests	495	888

**(3) Interim consolidated cash flow statement**

(Millions of yen)

	Previous fiscal year (From April 1, 2023 to September 30, 2023)	Current first half year (From April 1, 2024 to September 30, 2024)
<b>Cash flows from operating activities</b>		
Increase (decrease) in income before income taxes	757	(1,921)
Depreciation and amortization	4,652	3,871
Increase (decrease) in allowance for doubtful accounts	(70)	46
Increase (decrease) in bonus provision	513	540
Retirement benefit expenses	(81)	(131)
Interest and dividends received	(286)	(317)
Interest paid	448	469
Exchange gain or loss	(453)	(98)
Decrease (increase) in trade notes and accounts receivable	936	(1,932)
Decrease (increase) in sales finance receivables	47	(78)
Decrease (increase) in inventories	(766)	(318)
Increase or decrease in accrued income	899	1,255
Increase or decrease in other assets	(2,047)	(1,376)
Increase (decrease) in trade notes and accounts payable	(701)	(1,278)
Other	2,281	2,276
Subtotal	6,130	1,006
Interest and dividends received	287	318
Interest paid	(427)	(470)
Income taxes paid	(485)	(1,416)
Net cash provided by (used in) operating activities	5,504	(561)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(3,729)	(5,915)
Income from the disposal of fixed assets	9	30
Purchase of intangible fixed assets	(57)	(44)
Proceeds from the sale of investment securities	—	17
Payments for Time Deposits	(1,185)	—
Proceeds from Withdrawal of Time Deposits	1,382	—
Other Investments	(73)	(150)
Other Income	24	31
Net cash provided by (used in) investing activities	(3,629)	(6,031)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	450	(713)
Proceeds from long-term borrowings	2,000	4,434
Repayments of long-term borrowings	(5,884)	(3,707)
Proceeds from a sale and leaseback	—	2,495
Cash dividends paid	(434)	(412)
Cash dividends paid to non-controlling interests	(335)	(32)
other	36	93
Net cash provided by (used in) financing activities	(4,167)	2,157
Effects of exchange rate changes on cash and cash equivalents	1,640	4,136
Increase (decrease) in cash and cash equivalents	(651)	(298)
Cash and cash equivalents at the end of the period	22,287	22,287
Increase (decrease) in cash and cash equivalents	21,636	21,988

#### **(4) Notes to interim consolidated financial statements**

(Note to assumption of a going concern)

None

(Note to significant changes in shareholders' equity)

None

(Adoption of specific accounting policies for interim 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 interim consolidated period, and are calculated by multiplying the estimated effective tax rate by the pre-tax net income for the interim 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 current interim 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 interim 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 current interim consolidated accounting period. This change in accounting policy is applied retrospectively, and the previous interim consolidated financial statements and the consolidated financial statements for the previous year have been restated accordingly. There is no impact on the interim consolidated financial statements for the previous year's interim consolidated period or on the consolidated financial statements for the previous consolidated fiscal year.

**(Segment information)****【Current first half year segment information】**

## 1. Previous first half year (From April 1, 2023 to September 30, 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	25,021	36,055	23,182	84,259
Inter-segment sales	4,611	107	171	4,890
Total	29,632	36,162	23,353	89,149
Segment profits (losses)	2,641	(578)	(750)	1,312

(2). Difference between the total amount of reporting segments and the amount recorded in the interim 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	1,312
Inter-segment adjustment	(841)
Profit of consolidated statement	470

## 2. Current first half year (From April 1, 2024 to September 30, 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	24,797	45,798	20,346	90,942
Inter-segment sales	3,288	128	70	3,487
Total	28,085	45,926	20,417	94,430
Segment profits (losses)	624	(1,147)	86	(435)

(2). Difference between the total amount of reporting segments and the amount recorded in the interim 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	(435)
Inter-segment adjustment	556
Operating income in the interim consolidated statement of income	120

**(Significant subsequent events)**

**1. Regarding the Cybersecurity Incident**

On October 14, 2024, our company and certain subsidiaries experienced a cyberattack. This resulted in the encryption of files stored on multiple company servers, rendering them inaccessible. Further investigation confirmed that unauthorized access resulting from this cyberattack led to the theft of certain information from these servers.

While this incident has significantly impacted our financial reporting schedule, necessitating a request for an extension to file interim report, our sales and manufacturing operations were not affected.

The impact of this incident on our consolidated financial position, results of operations, and cash flows for the current and subsequent fiscal years (excluding the current interim period) is currently under review.

**2. Provision for Impairment Loss**

Based on a resolution made by the Board of Directors on January 17, 2025, the Company expects to recognize an impairment loss in the consolidated financial statements for the fiscal year ending March 31, 2025, as detailed below.

**(1) Date of occurrence**

January 17, 2025

**(2) Nature of the event**

The Company assessed the impact of major changes in the Chinese automotive market, the significant decline in global production by major customers, and the production outlook for fiscal year 2025 and beyond on its business environment. As a result of this assessment, the Company concluded in December 2024 that there were indications of impairment for certain fixed assets. After considering the future recoverability of these fixed assets, primarily located in the Americas and Asia segments, the Company expects to record an impairment loss as a special loss in the fiscal year ending March 31, 2025.

**(3) Impact on profit and loss**

As a result of this incident, the Company expects to recognize an impairment loss of approximately ¥14 billion as a special loss in its consolidated financial statements for the fiscal year ending March 31, 2025.