



## 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	26.00	–	31.00	57.00
Year ending March 31, 2023	–	28.00	–		
Year ending March 31, 2023 (forecast)				29.00	57.00

Note 1. Revision from the most recent announcement of cash dividends forecasts: None

Note 2. Breakdown of year-end dividend for the year ended March 31, 2022

Ordinary dividend: 26.00 yen      Commemorative dividend for the Company's 70th anniversary: 5.00 yen

## 3. Consolidated performance forecast for the year ending March 31, 2023 (April 1, 2022–March 31, 2023)

(Percentages show year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	34,500	6.0	2,000	(12.0)	2,350	(7.4)	1,700	(5.1)	126.27

Note: Revision from the most recent announcement of performance forecasts: Yes

For details on the revision of the consolidated financial results forecast, please see the "Notice of Revision to Financial Results Forecast" announced today (February 9, 2023).

### \*Notes

(1) Changes in significant subsidiaries during the period (changes of specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Application of particular accounting procedures to the preparation of quarterly financial statements: None

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

- 1) Changes in accounting policies due to revisions in accounting standards, etc.: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares):	December 31, 2022:	14,178,960 shares
	March 31, 2022:	14,178,960 shares
2) Number of treasury shares at the end of the period:	December 31, 2022:	715,483 shares
	March 31, 2022:	412,473 shares
3) Average number of shares during the period:	Nine months ended December 31, 2022:	13,520,500 shares
	Nine months ended December 31, 2021:	14,151,866 shares

\*These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\*Guide to appropriate use of performance forecasts and other notes

### **Notes on forward-looking descriptions, etc.**

Forward-looking descriptions including performance forecasts in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not a guarantee on their realization. Actual results, etc. may differ significantly due to various factors. For more notes on the use of performance forecasts, please see "(2) Explanation of consolidated financial results forecast and other forward-looking information" under "1. Qualitative information on quarterly financial results" on page 3 of the attachment.

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## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

During the nine months ended December 31, 2022, the world economy, despite some signs of recovery, still remained unstable since it is expected to take some time before soaring raw material costs, resource and energy prices, and ocean freight costs are brought under control due to the persistently worsening international situation in Ukraine and other factors in addition to the effects of the Shanghai lockdown and the supply shortage of semiconductors and other parts that has been continuing since the previous fiscal year.

In the automotive industry in which OHASHI TECHNICA INC. (the “Company”) and its subsidiaries (collectively, the “Group”) operate business, global production volume at Japanese automobile manufacturers remained largely unchanged from the previous year, which has not yet recovered to pre-COVID-19 levels, due to continued production adjustments and stoppages, mainly caused by supply shortages of semiconductors and other parts.

Under these circumstances, consolidated net sales for the nine months ended December 31, 2022 increased year on year due to the positive effect of foreign currency translation resulting from the yen’s depreciation overseas, despite the continued impact of production adjustments by automobile manufacturers caused by supply shortages of semiconductors and other parts in Japan, as well as cutbacks in production at commercial vehicle manufacturers that are major clients of the Group. However, consolidated operating profit decreased year on year due to not only the impact of lower sales in Japan, raw material prices and ocean freight costs, but also the recording of ESG-related costs and other factors.

We are currently making steady progress in strengthening our business foundations and addressing social and environmental issues as set forth in the Medium-Term Business Plan: Mission 2025, which began this fiscal year. We will continue to further strengthen these activities with an eye towards realizing our medium- and long-term goals.

In the nine months ended December 31, 2022, on a consolidated basis, the Company posted net sales of 25,710 million yen (up 4.3% year on year), operating profit of 1,550 million yen (down 14.6% year on year), ordinary profit of 1,834 million yen (down 8.6% year on year) and profit attributable to owners of parent of 1,311 million yen (down 8.5% year on year).

Operating results by segment are as described below. (Segment net sales are net sales to external customers, and segment profit is adjusted with operating profit on the quarterly consolidated statements of income.)

#### [Japan]

Due to the significant impact of production adjustments at passenger car manufacturers caused by the shortage of semiconductors and stagnant component supplies from Southeast Asia and China, as well as cutbacks in production at commercial vehicle manufacturers that are major clients of the Group, net sales were 12,938 million yen (down 4.4% year on year). Segment profit was 474 million yen (down 56.2% year on year) due to the continued impact of lower sales and higher raw material prices.

#### [Americas]

Production at automobile manufacturers of our major clients in the U.S. has been impacted by the worldwide semiconductor supply shortage. However, due to the contribution of new orders and the effect of currency translation resulting from the yen’s depreciation, net sales were 5,888 million yen (up 16.7% year on year). Segment profit was 232 million yen (up 3.1% year on year) mainly due to higher sales.

#### [China]

Due to the effect of foreign currency translation resulting from the yen’s depreciation, despite the impact of production adjustments at automobile manufacturers of our major clients in China caused by the worldwide semiconductor supply shortage and the intermittent lockdowns in Shanghai and other locations, net sales were 3,728 million yen (up 4.3% year on year). Segment profit was 383 million yen (down 17.7% year on year) due to higher raw material prices and other factors.

#### [ASEAN]

Due to the recovery of production at our major clients and the contribution of new orders, net sales were 2,211 million yen (up 22.5% year on year). Segment profit was 348 million yen (up 14.5% year on year) due to the increase in sales.

#### [Europe]

Production at automobile manufacturers of our major clients in Europe has been impacted by the worldwide semiconductor supply shortage. However, due to the contribution of new orders and the effect of currency

translation resulting from the yen's depreciation, net sales were 943 million yen (up 36.5% year on year). Segment profit was 150 million yen (a segment loss of 100 million yen in the nine months ended December 31, 2021) due to improved transaction terms with major clients.

[Taiwan]

OHASHI TECHNICA TAIWAN CO., LTD., which transacts business with companies of the Group only, has no net sales to external customers. Although there was a decrease in exports for companies of the Group, segment profit was 24 million yen (a segment loss of 14 million yen in the nine months ended December 31, 2021) due to a review of terms and conditions of export and other factors.

(2) Explanation of consolidated financial results forecast and other forward-looking information

Considering the consolidated financial results for the nine months ended December 31, 2022 and the future financial results forecast, the consolidated financial results forecast for the year ending March 31, 2023 has been revised from the forecast published on May 12, 2022.

For details, please see the "Notice of Revision to Financial Results Forecast" published today (February 9, 2023).

## 2. Quarterly consolidated financial statements and principal notes

### (1) Quarterly consolidated balance sheets

(Thousand yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	20,209,010	19,867,888
Notes and accounts receivable - trade, and contract assets	6,514,852	7,451,835
Merchandise and finished goods	5,874,528	6,402,632
Work in process	585,706	715,000
Raw materials and supplies	789,212	1,011,744
Other	634,632	396,092
Allowance for doubtful accounts	(6,986)	(10,810)
Total current assets	34,600,956	35,834,383
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,114,731	5,641,674
Accumulated depreciation	(2,638,692)	(3,100,061)
Buildings and structures, net	2,476,039	2,541,612
Machinery, equipment and vehicles	8,677,350	10,012,094
Accumulated depreciation	(7,198,719)	(8,369,861)
Machinery, equipment and vehicles, net	1,478,630	1,642,232
Tools, furniture and fixtures	3,706,101	3,893,122
Accumulated depreciation	(3,338,823)	(3,507,872)
Tools, furniture and fixtures, net	367,278	385,250
Land	1,392,174	1,449,446
Construction in progress	375,833	639,757
Total property, plant and equipment	6,089,955	6,658,299
Intangible assets		
Software	127,986	91,920
Other	53,244	58,128
Total intangible assets	181,231	150,049
Investments and other assets		
Investment securities	1,712,029	1,773,741
Deferred tax assets	280,483	257,185
Other	489,434	490,924
Allowance for doubtful accounts	(1,600)	(1,100)
Total investments and other assets	2,480,347	2,520,750
Total non-current assets	8,751,534	9,329,099
Total assets	43,352,490	45,163,482

(Thousand yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,864,862	3,174,588
Electronically recorded obligations - operating	4,805,599	3,029,464
Income taxes payable	387,358	104,640
Provision for bonuses	180,878	159,025
Provision for bonuses for directors (and other officers)	44,100	43,800
Other	864,813	1,023,896
<b>Total current liabilities</b>	<b>9,147,612</b>	<b>7,535,415</b>
Non-current liabilities		
Deferred tax liabilities	621	—
Retirement benefit liability	615,864	620,360
Other	139,824	152,299
<b>Total non-current liabilities</b>	<b>756,311</b>	<b>772,659</b>
<b>Total liabilities</b>	<b>9,903,923</b>	<b>8,308,074</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,611,240	1,611,240
Retained earnings	28,398,043	28,904,777
Treasury shares	(567,932)	(959,255)
<b>Total shareholders' equity</b>	<b>31,267,022</b>	<b>31,382,433</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	293,984	324,266
Foreign currency translation adjustment	1,464,438	4,675,110
Remeasurements of defined benefit plans	34,981	31,927
<b>Total accumulated other comprehensive income</b>	<b>1,793,404</b>	<b>5,031,303</b>
Non-controlling interests	388,139	441,670
<b>Total net assets</b>	<b>33,448,566</b>	<b>36,855,408</b>
<b>Total liabilities and net assets</b>	<b>43,352,490</b>	<b>45,163,482</b>

## (2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income for the nine months ended December 31, 2022

(Thousand yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	24,644,584	25,710,020
Cost of sales	18,791,226	19,822,221
Gross profit	5,853,357	5,887,798
Selling, general and administrative expenses	4,036,834	4,336,969
Operating profit	1,816,523	1,550,829
Non-operating income		
Interest income	48,632	62,363
Dividend income	33,704	37,355
Share of profit of entities accounted for using equity method	35,247	10,099
Foreign exchange gains	—	64,793
Gain on sale of scraps	51,559	54,209
Subsidy income	63,133	48,116
Other	13,911	17,763
Total non-operating income	246,187	294,702
Non-operating expenses		
Interest expenses	5,857	8,549
Foreign exchange losses	23,950	—
Business commencement expenses	25,230	—
Other	1,166	2,834
Total non-operating expenses	56,204	11,383
Ordinary profit	2,006,505	1,834,147
Extraordinary income		
Gain on sale of non-current assets	1,567	321
Gain on sale of investment securities	2,676	—
Gain on forgiveness of debts	105,347	—
Total extraordinary income	109,592	321
Extraordinary losses		
Loss on retirement of non-current assets	1,494	756
Impairment losses	51,692	—
Other	—	590
Total extraordinary losses	53,186	1,347
Profit before income taxes	2,062,911	1,833,121
Income taxes - current	674,314	489,847
Income taxes - deferred	(59,739)	13,420
Total income taxes	614,575	503,267
Profit	1,448,335	1,329,853
Profit attributable to non-controlling interests	14,772	18,487
Profit attributable to owners of parent	1,433,563	1,311,365

Quarterly consolidated statements of comprehensive income for the nine months ended December 31, 2022

(Thousand yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	1,448,335	1,329,853
Other comprehensive income		
Valuation difference on available-for-sale securities	56,228	30,413
Foreign currency translation adjustment	965,259	3,264,105
Remeasurements of defined benefit plans, net of tax	(4,536)	(3,054)
Share of other comprehensive income of entities accounted for using equity method	131	(131)
Total other comprehensive income	1,017,082	3,291,332
Comprehensive income	2,465,418	4,621,186
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,433,101	4,549,264
Comprehensive income attributable to non-controlling interests	32,317	71,921

(3) Notes to quarterly consolidated financial statements

*Notes on going concern assumption*

Not applicable.

*Notes in case of significant changes in shareholders' equity*

The Company acquired 302,500 shares of treasury stock based on the resolution made at the meeting of the Board of Directors held on November 10, 2021. Through this acquisition, treasury stock increased by 391,322 thousand yen in the nine months ended December 31, 2022, and stood at 959,255 thousand yen as of December 31, 2022.

*Additional information*

*(Impact of COVID-19 on accounting estimates)*

As described in "Accounting Estimates" under "5. Financial Information, Notes" in the Annual Securities Report for the previous fiscal year, there are no material changes in assumptions relating to the spread of COVID-19 in the nine months ended December 31, 2022.

However, if the spread of COVID-19 in the future causes changes that significantly impact the Group's business, it may affect estimates of impairment loss on non-current assets, recoverability of deferred tax assets, and so forth.

Segment information, etc.

Segment information

I. For the nine months ended December 31, 2021

1. Information on amounts of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidated (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	13,526,698	5,046,594	3,574,096	1,805,966	691,228	–	24,644,584	–	24,644,584
Inter-segment sales or transfers	2,227,649	3,169	91,743	50,534	–	1,013,627	3,386,724	(3,386,724)	–
Total	15,754,347	5,049,763	3,665,839	1,856,500	691,228	1,013,627	28,031,308	(3,386,724)	24,644,584
Segment profit (loss)	1,082,705	225,110	465,748	304,353	(100,935)	(14,938)	1,962,043	(145,520)	1,816,523

- Notes: 1. Adjustment of segment profit (loss) of (145,520) thousand yen consists of inter-segment eliminations.  
2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated financial statements.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

(Thousand yen)

	Reportable segments							Adjustments	Consolidated
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Impairment loss	–	–	–	–	51,692	–	51,692	–	51,692

- Note: In the second quarter ended September 30, 2021, impairment losses were recognized for Europe as a result of the recoverable amount of leased assets, etc., falling below the book value due to a decline in profitability, mainly owing to a delay in future sales recovery primarily caused by a semiconductor shortage and rising marine freight costs at OHASHI TECHNICA UK, LTD., the Company's consolidated subsidiary in the UK.

II. For the nine months ended December 31, 2022

1. Information on amounts of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidated (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	12,938,003	5,888,260	3,728,594	2,211,694	943,467	–	25,710,020	–	25,710,020
Inter-segment sales or transfers	1,499,142	4,399	101,830	98,129	–	709,145	2,412,647	(2,412,647)	–
Total	14,437,146	5,892,660	3,830,424	2,309,823	943,467	709,145	28,122,668	(2,412,647)	25,710,020
Segment profit	474,670	232,094	383,397	348,460	150,290	24,655	1,613,570	(62,740)	1,550,829

- Notes: 1. Adjustment of segment profit of (62,740) thousand yen consists of inter-segment eliminations.  
2. Segment profit is adjusted with operating profit in the quarterly consolidated financial statements.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Not applicable.

Significant subsequent events

(Cancellation of treasury shares)

The Company resolved at the meeting of the Board of Directors held on February 9, 2023 to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

1. Reason for the cancellation

To further increase shareholder returns through a reduction of the number of shares issued

2. Description of matters pertaining to cancellation

- (1) Types of shares to be cancelled: Common shares of the Company
- (2) Number of shares to be cancelled: 500,000 shares (3.53% of the total number of shares issued (including treasury shares) before cancellation)
- (3) Date of cancellation: February 22, 2023