



## 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, 2023	–	28.00	–	29.00	57.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (forecast)		30.00	–	30.00	60.00

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

## 3. Consolidated performance forecast for the year ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	37,500	7.2	2,250	9.1	2,500	4.3	1,500	16.9	111.42

Note: Revision from the most recent announcement of performance forecasts: None

### \*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):

June 30, 2023:	13,678,960 shares
March 31, 2023:	13,678,960 shares

2) Number of treasury shares at the end of the period:

June 30, 2023:	215,790 shares
March 31, 2023:	215,664 shares

3) Average number of shares during the period:

Three months ended June 30, 2023:	13,463,232 shares
Three months ended June 30, 2022:	13,631,191 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 three months ended June 30, 2023, the outlook of the world economy remained uncertain owing to soaring resource and energy prices due to Russia's invasion of Ukraine, rising consumer prices, and other factors, while the impact of COVID-19 weakened and the normalization of economic activities progressed.

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 exceeded that of the previous year since production adjustments at automobile manufacturers have been gradually eliminated along with the easing of the shortage of semiconductors and other factors.

Under these circumstances, the Group has been promoting activities with specific measures that will contribute to the pursuit of economic value by further enhancing the Group's four key functions (development, manufacturing, procurement, and global functions) and to the creation of social value in the materiality of the environment, society, and governance in the second year of its four-year Medium-Term Business Plan: Mission 2025.

In this situation in the three months ended June 30, 2023, on a consolidated basis, the Company posted net sales of 9,278 million yen (up 12.1% year on year) due to the recovery of production at automobile manufacturers of our major clients, the contribution of new orders to sales, and the positive effect of foreign currency translation resulting from the yen's depreciation, despite the impact of the continued cutbacks in production at some commercial vehicle manufacturers. On the other hand, consolidated operating profit was 353 million yen (down 36.5% year on year) due to the significant impact of soaring purchase and raw material prices and lower sales in China. Ordinary profit was 397 million yen (down 37.5% year on year), and loss attributable to owners of parent was 23 million yen (profit attributable to owners of parent of 452 million yen in the three months ended June 30, 2022) due to the recording of an extraordinary loss on fund leakage at an overseas subsidiary.

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]

Despite the impact of the continued cutbacks in production at some commercial vehicle manufacturers, due to the recovery of production at automobile manufacturers of our major clients and the contribution of new orders to sales, net sales were 4,509 million yen (up 10.4% year on year). Segment profit was 76 million yen (down 49.0% year on year) due to soaring purchase and raw material prices, the increase in personnel-related expenses, and other factors, despite higher sales.

#### [Americas]

Due to the recovery of production at automobile manufacturers of our major clients, the contribution of new orders to sales, and the positive effect of foreign currency translation resulting from the yen's depreciation, net sales were 2,786 million yen (up 55.5% year on year). Segment profit was 60 million yen (down 27.9% year on year) due to soaring purchase and raw material prices, the increase in personnel-related expenses, and other factors, despite higher sales.

#### [China]

The share of electric and plug-in hybrid vehicles sold by local manufacturers in total automobile sales volume has been rapidly increasing, and production and sales by Japanese automobile manufacturers, whose flagship products are gasoline engine and hybrid vehicles, stagnated, thus resulting in net sales of 835 million yen (down 39.5% year on year). Segment profit was 0 million yen (down 99.8% year on year) due to the significant impact of lower sales.

#### [ASEAN]

Due to the contribution of new orders to sales and the positive effect of foreign currency translation resulting from the yen's depreciation, net sales were 782 million yen (up 8.5% year on year). Segment profit was 96 million yen (down 2.7% year on year) due to rising manufacturing costs.

#### [Europe]

Due to the recovery of production at automobile manufacturers of our major clients, the contribution of new orders to sales, and the positive effect of foreign currency translation resulting from the yen's depreciation, net sales were 364 million yen (up 22.3% year on year). Segment profit was 1 million yen (down 97.8% year on year) due to rising purchase prices.

#### [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 an increase in exports for companies of the Group, segment profit was 8 million yen (down 32.7% year on year) 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

There is no change to the consolidated financial results forecast for the year ending March 31, 2024 from the forecast in the Consolidated Financial Results for the Year Ended March 31, 2023 published on May 11, 2023.

## 2. Quarterly consolidated financial statements and principal notes

### (1) Quarterly consolidated balance sheets

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	19,820,308	19,797,488
Notes and accounts receivable - trade, and contract assets	7,313,682	7,900,578
Merchandise and finished goods	5,548,121	5,212,498
Work in process	704,384	680,570
Raw materials and supplies	1,080,448	1,070,154
Other	414,062	410,688
Allowance for doubtful accounts	(9,891)	(12,925)
Total current assets	34,871,115	35,059,052
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,378,560	5,524,648
Accumulated depreciation	(2,990,137)	(3,088,034)
Buildings and structures, net	2,388,423	2,436,613
Machinery, equipment and vehicles	9,664,542	9,788,873
Accumulated depreciation	(8,117,400)	(8,239,252)
Machinery, equipment and vehicles, net	1,547,142	1,549,621
Tools, furniture and fixtures	3,886,499	3,967,584
Accumulated depreciation	(3,518,449)	(3,565,532)
Tools, furniture and fixtures, net	368,050	402,051
Land	1,359,355	1,372,015
Construction in progress	417,696	459,636
Total property, plant and equipment	6,080,667	6,219,939
Intangible assets		
Software	71,752	69,565
Other	54,194	54,850
Total intangible assets	125,947	124,416
Investments and other assets		
Investment securities	1,884,983	2,067,409
Deferred tax assets	192,121	149,946
Other	496,067	496,105
Allowance for doubtful accounts	(1,100)	(1,100)
Total investments and other assets	2,572,072	2,712,361
Total non-current assets	8,778,687	9,056,716
Total assets	43,649,803	44,115,769

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,079,241	3,137,527
Electronically recorded obligations - operating	2,776,289	2,936,881
Income taxes payable	178,147	130,500
Provision for bonuses	152,424	123,154
Provision for bonuses for directors (and other officers)	57,400	17,300
Other	941,886	1,162,956
<b>Total current liabilities</b>	<b>7,185,389</b>	<b>7,508,320</b>
Non-current liabilities		
Deferred tax liabilities	37,761	49,181
Retirement benefit liability	669,546	658,499
Other	192,068	244,390
<b>Total non-current liabilities</b>	<b>899,375</b>	<b>952,072</b>
<b>Total liabilities</b>	<b>8,084,764</b>	<b>8,460,392</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,611,240	999,611
Retained earnings	28,204,211	28,401,903
Treasury shares	(287,187)	(287,422)
<b>Total shareholders' equity</b>	<b>31,353,935</b>	<b>30,939,763</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	397,785	528,850
Foreign currency translation adjustment	3,345,879	3,704,501
Remeasurements of defined benefit plans	42,398	40,452
<b>Total accumulated other comprehensive income</b>	<b>3,786,064</b>	<b>4,273,804</b>
Non-controlling interests	425,039	441,809
<b>Total net assets</b>	<b>35,565,039</b>	<b>35,655,377</b>
<b>Total liabilities and net assets</b>	<b>43,649,803</b>	<b>44,115,769</b>

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

Quarterly consolidated statements of income for the three months ended June 30, 2023

(Thousand yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	8,276,907	9,278,562
Cost of sales	6,289,393	7,409,851
Gross profit	1,987,514	1,868,710
Selling, general and administrative expenses	1,430,278	1,515,012
Operating profit	557,235	353,697
Non-operating income		
Interest income	8,148	12,962
Dividend income	17,606	21,786
Share of profit of entities accounted for using equity method	12,125	3,332
Foreign exchange gains	4,094	—
Gain on sale of scraps	18,073	14,246
Subsidy income	17,679	5,918
Other	4,802	6,169
Total non-operating income	82,530	64,416
Non-operating expenses		
Interest expenses	2,433	1,757
Foreign exchange losses	—	18,965
Commission for purchase of treasury shares	967	—
Other	571	126
Total non-operating expenses	3,972	20,849
Ordinary profit	635,793	397,264
Extraordinary income		
Gain on sale of non-current assets	311	793
Total extraordinary income	311	793
Extraordinary losses		
Loss on retirement of non-current assets	672	296
Loss on fund leakage at foreign subsidiary	—	281,451
Total extraordinary losses	672	281,748
Profit before income taxes	635,433	116,309
Income taxes - current	171,734	127,635
Income taxes - deferred	4,739	6,936
Total income taxes	176,474	134,571
Profit (loss)	458,959	(18,261)
Profit attributable to non-controlling interests	6,789	4,786
Profit (loss) attributable to owners of parent	452,169	(23,048)

Quarterly consolidated statements of comprehensive income for the three months ended June 30, 2023

(Thousand yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit (loss)	458,959	(18,261)
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,464)	132,607
Foreign currency translation adjustment	1,207,308	370,604
Remeasurements of defined benefit plans, net of tax	(1,018)	(1,946)
Share of other comprehensive income of entities accounted for using equity method	761	(1,542)
Total other comprehensive income	1,189,587	499,722
Comprehensive income	1,648,546	481,461
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,611,539	464,691
Comprehensive income attributable to non-controlling interests	37,007	16,769

(3) Notes to quarterly consolidated financial statements

*Notes on going concern assumption*

Not applicable.

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

Not applicable.

Segment information, etc.

Segment information

I. For the three months ended June 30, 2022

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

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidation (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	4,085,345	1,791,983	1,380,532	720,782	298,263	–	8,276,907	–	8,276,907
Inter-segment sales or transfers	501,016	815	27,326	43,182	–	200,003	772,344	(772,344)	–
Total	4,586,362	1,792,798	1,407,858	763,965	298,263	200,003	9,049,251	(772,344)	8,276,907
Segment profit	150,480	84,000	180,672	99,402	72,272	12,378	599,205	(41,970)	557,235

Notes: 1. Adjustment of segment profit of (41,970) 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.

II. For the three months ended June 30, 2023

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

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidation (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	4,509,644	2,786,520	835,686	782,050	364,661	–	9,278,562	–	9,278,562
Inter-segment sales or transfers	502,897	622	30,302	15,173	–	291,557	840,553	(840,553)	–
Total	5,012,541	2,787,143	865,988	797,223	364,661	291,557	10,119,116	(840,553)	9,278,562
Segment profit	76,767	60,593	378	96,751	1,588	8,326	244,405	109,292	353,697

Notes: 1. Adjustment of segment profit of 109,292 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*

#### (Establishment of a specified subsidiary)

At the meeting of the Board of Directors held on July 28, 2023, the Company approved a resolution to establish a new consolidated subsidiary in Guangzhou City, Guangdong Province, China. The new subsidiary falls under a specified subsidiary of the Company once the investment is completed, as the amount of its share capital is 10% or more of that of the Company's share capital.

#### (1) Purpose of establishment of the subsidiary

The automotive parts sales business in China is currently handled by OHASHI TECHNICA PRECISION PARTS (SHANGHAI) CO., LTD., a consolidated subsidiary of the Company headquartered in Shanghai, although the clients are mainly in Guangzhou and Wuhan.

The Company already has two consolidated manufacturing subsidiaries in Guangzhou City in China, and has decided to establish a new consolidated sales subsidiary headquartered in Guangzhou City, with the aim of further expanding business and improving management efficiency through the integration of manufacturing and sales as the Group, mainly in the Guangzhou area.

#### (2) Outline of the subsidiary to be established

1) Name (planned)	OHASHI TECHNICA PRECISION PARTS (GUANGZHOU) CO., LTD. (tentative name)
2) Location	No. 7 of Yongsheng Road, Yonghe Subdistrict, Guangzhou Economic & Technological Development District, Guangzhou City, Guangdong Province, China
3) Name and title of the representative person	Makoto Terai, President & CEO
4) Details of business	Purchasing, sales, import and export of automotive-related components
5) Share capital	6,000 thousand USD (equivalent to approximately 840 million yen)
6) Investment ratio	OHASHI TECHNICA INC.: 100%
7) Date of establishment	Early September 2023 (scheduled)

### 3. Others

#### *Loss on fund leakage at a foreign subsidiary*

For the three months ended June 30, 2023 (April 1, 2023-June 30, 2023)

This is a loss on the fund leakage at the Company's consolidated subsidiary, OHASHI TECHNICA MEXICO, S.A. DE C.V.