

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, 2024	–	30.00	–	30.00	60.00
Year ending March 31, 2025	–	34.00			
Year ending March 31, 2025 (forecast)			–	34.00	68.00

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

3. Consolidated performance forecast for the year ending March 31, 2025 (April 1, 2024-March 31, 2025)

(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	41,000	4.6	2,100	27.9	2,500	25.4	1,800	78.8	136.55

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

*Notes

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

(2) Application of particular accounting procedures to the preparation of semi-annual 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.: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

Note: For details, please see “(4) Notes to semi-annual consolidated financial statements, *Changes in accounting policies*” under “2. Semi-annual consolidated financial statements and principal notes” on page 9 of the attachment.

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares):	September 30, 2024:	13,478,960 shares
	March 31, 2024:	13,478,960 shares
2) Number of treasury shares at the end of the period:	September 30, 2024:	304,663 shares
	March 31, 2024:	239,678 shares
3) Average number of shares during the period:	Six months ended September 30, 2024:	13,182,491 shares
	Six months ended September 30, 2023:	13,463,157 shares

*Semi-annual financial results reports are exempt from review conducted 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 semi-annual financial results” on page 3 of the attachment.

Supplementary briefing materials on semi-annual financial results

Financial results briefing materials are scheduled to be posted on the Company’s website on November 12, 2024.

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1. Qualitative information on semi-annual financial results

(1) Explanation of operating results

During the six months ended September 30, 2024, while the overall global economy continued its gradual recovery, the outlook remained uncertain owing to the ongoing war in Ukraine, prolonged conflict in the Middle East, the slowdown of the Chinese economy, and other factors.

In the automotive industry in which OHASHI TECHNICA INC. (the “Company”) and its subsidiaries (collectively, the “Group”) operate, sales remained strong in North America amid robust demand, but global production volume at Japanese automobile manufacturers declined year on year due to further expansion of EV sales in China led by local manufacturers and production cutbacks at some manufacturers in Japan.

Under these circumstances, the Group’s four-year Medium-Term Business Plan: Mission 2025, which started in the fiscal year ended March 31, 2023, entered into its third year. The Group has continued to work vigorously on the pursuit of economic value by further enhancing its four key functions of development, manufacturing, procurement, and global functions as well as the creation of social value through responding to issues in the fields of the environment, society, and governance.

Consequently, in the six months ended September 30, 2024, consolidated net sales amounted to 20,336 million yen (up 8.4% year on year) due to the contribution of new orders to sales in Japan and North America and the positive effect of foreign currency translation resulting from the yen’s depreciation, despite the impact of the cutbacks in production at commercial vehicle manufacturers and some passenger car manufacturers in Japan, as well as further production cutbacks in China. On the other hand, consolidated operating profit was 879 million yen (up 32.8% year on year) mainly due to overall higher sales and an improved gross profit margin resulting from revised prices, despite the continued impact of surging purchase and raw material prices and the Chinese business. Ordinary profit was 1,132 million yen (up 38.9% year on year), and profit attributable to owners of parent was 758 million yen (up 310.1% 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 semi-annual consolidated statements of income.)

[Japan]

Despite the impact of the production cutbacks at automobile manufacturers that are our major clients, due in part to the contribution of new orders to sales, net sales were 9,639 million yen (up 3.1% year on year).

Segment profit was 491 million yen (up 85.3% year on year) mainly due to higher sales and an improved gross profit margin resulting from revised prices.

[Americas]

Due to the solid production at automobile manufacturers that are our major clients as well as the contribution of new orders to sales and the positive effect of foreign currency translation resulting from the yen’s depreciation, net sales were 7,116 million yen (up 27.0% year on year). Segment profit was 246 million yen (up 56.3% year on year) due to higher sale.

[China]

While local manufacturers have increased their share of the EV market, production by Japanese automobile manufacturers has continued to decline, thus resulting in net sales of 1,323 million yen (down 19.7% year on year). Segment loss was 92 million yen (segment loss of 29 million yen in the six months ended September 30, 2023) due to the significant impact of lower sales.

[ASEAN]

While automobile manufacturers that are our major clients continued to cut production due to sluggish automobile sales caused by the slowdown in the Thai economy and stricter auto loan policies, net sales were 1,467 million yen (up 0.7% year on year) due to the positive effect of foreign currency translation resulting from the yen’s depreciation. Segment profit was 185 million yen (up 10.9% year on year) mainly due to improved production efficiency.

[Europe]

Despite production cutbacks at automobile manufacturers that are our major clients, 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 788 million yen (up 14.5% year on year). Segment profit was 27 million yen (up 261.3% year on year) mainly due to revised prices and lower purchase prices.

[Taiwan]

OHASHI TECHNICA TAIWAN CO., LTD., which transacts business with companies of the Group only, has no net sales to external customers. Segment profit was 18 million yen (up 39.0% year on year) due to increased exports for companies of the Group.

(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, 2025 from the forecast in the Consolidated Financial Results for the Year Ended March 31, 2024 published on May 14, 2024.

2. Semi-annual consolidated financial statements and principal notes

(1) Semi-annual consolidated balance sheets

(Thousand yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	20,797,663	22,382,269
Notes and accounts receivable - trade, and contract assets	8,261,877	8,073,974
Merchandise and finished goods	5,200,299	5,663,422
Work in process	701,277	765,525
Raw materials and supplies	1,005,803	1,045,178
Other	561,954	516,650
Allowance for doubtful accounts	(17,673)	(21,698)
Total current assets	36,511,203	38,425,322
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,701,791	6,037,671
Accumulated depreciation	(3,321,541)	(3,563,454)
Buildings and structures, net	2,380,250	2,474,216
Machinery, equipment and vehicles	10,806,126	12,019,969
Accumulated depreciation	(8,788,151)	(9,366,631)
Machinery, equipment and vehicles, net	2,017,974	2,653,337
Tools, furniture and fixtures	4,115,798	4,257,813
Accumulated depreciation	(3,729,023)	(3,845,921)
Tools, furniture and fixtures, net	386,774	411,892
Land	1,400,675	1,435,947
Construction in progress	554,916	554,990
Total property, plant and equipment	6,740,590	7,530,385
Intangible assets		
Software	69,651	75,395
Other	54,916	59,282
Total intangible assets	124,568	134,677
Investments and other assets		
Investment securities	2,545,946	2,428,011
Deferred tax assets	104,372	137,047
Other	523,764	471,748
Allowance for doubtful accounts	(28,355)	(32,643)
Total investments and other assets	3,145,728	3,004,165
Total non-current assets	10,010,888	10,669,228
Total assets	46,522,091	49,094,550

(Thousand yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,523,699	3,362,189
Electronically recorded obligations - operating	3,238,798	3,206,630
Income taxes payable	278,995	290,666
Provision for bonuses	202,415	234,029
Provision for bonuses for directors (and other officers)	67,700	29,700
Other	916,848	1,180,805
Total current liabilities	8,228,457	8,304,021
Non-current liabilities		
Deferred tax liabilities	135,065	105,411
Retirement benefit liability	649,918	655,856
Other	248,428	227,027
Total non-current liabilities	1,033,412	988,295
Total liabilities	9,261,870	9,292,316
Net assets		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,611,240	1,611,240
Retained earnings	28,146,968	28,507,968
Treasury shares	(416,710)	(519,689)
Total shareholders' equity	31,167,170	31,425,190
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	820,355	721,152
Foreign currency translation adjustment	4,770,528	7,093,642
Remeasurements of defined benefit plans	49,767	45,452
Total accumulated other comprehensive income	5,640,652	7,860,247
Non-controlling interests	452,399	516,796
Total net assets	37,260,221	39,802,234
Total liabilities and net assets	46,522,091	49,094,550

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statements of income

(Thousand yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	18,753,064	20,336,805
Cost of sales	15,104,555	16,117,257
Gross profit	3,648,508	4,219,548
Selling, general and administrative expenses	2,986,179	3,340,010
Operating profit	662,328	879,537
Non-operating income		
Interest income	23,739	131,697
Dividend income	23,147	36,537
Share of profit of entities accounted for using equity method	42,952	561
Foreign exchange gains	—	24,906
Gain on sale of scraps	35,701	49,148
Subsidy income	24,234	21
Other	17,074	18,038
Total non-operating income	166,849	260,910
Non-operating expenses		
Interest expenses	3,508	2,833
Foreign exchange losses	10,138	—
Provision of allowance for doubtful accounts	—	2,573
Other	322	2,395
Total non-operating expenses	13,969	7,801
Ordinary profit	815,208	1,132,646
Extraordinary income		
Gain on sale of non-current assets	902	617
Total extraordinary income	902	617
Extraordinary losses		
Loss on retirement of non-current assets	874	2,073
Loss on fund leakage at foreign subsidiary	297,899	6,639
Total extraordinary losses	298,773	8,712
Profit before income taxes	517,337	1,124,551
Income taxes - current	346,135	379,476
Income taxes - deferred	(18,076)	(23,924)
Total income taxes	328,058	355,552
Profit	189,279	768,999
Profit attributable to non-controlling interests	4,269	10,336
Profit attributable to owners of parent	185,009	758,662

Semi-annual consolidated statements of comprehensive income

(Thousand yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	189,279	768,999
Other comprehensive income		
Valuation difference on available-for-sale securities	122,589	(98,269)
Foreign currency translation adjustment	1,648,015	2,368,615
Remeasurements of defined benefit plans, net of tax	(3,893)	(4,315)
Share of other comprehensive income of entities accounted for using equity method	866	(933)
Total other comprehensive income	1,767,577	2,265,096
Comprehensive income	1,956,856	3,034,096
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,924,334	2,978,257
Comprehensive income attributable to non-controlling interests	32,522	55,838

(3) Semi-annual consolidated statements of cash flows

(Thousand yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	517,337	1,124,551
Depreciation	422,095	461,721
Increase (decrease) in provision for bonuses	33,836	29,144
Increase (decrease) in provision for bonuses for directors (and other officers)	(22,800)	(38,000)
Increase (decrease) in allowance for doubtful accounts	4,293	5,915
Increase (decrease) in retirement benefit liability	(9,011)	(4,479)
Interest and dividend income	(46,887)	(168,235)
Subsidy income	(24,234)	(21)
Interest expenses	3,508	2,833
Share of loss (profit) of entities accounted for using equity method	(42,952)	(561)
Loss (gain) on sale of non-current assets	(902)	(617)
Loss on retirement of non-current assets	874	2,073
Decrease (increase) in trade receivables	(605,441)	540,064
Decrease (increase) in inventories	598,812	(26,333)
Increase (decrease) in trade payables	682,757	(510,683)
Other, net	1,211	296,507
Subtotal	1,512,498	1,713,879
Interest and dividends received	46,904	140,647
Interest paid	(3,508)	(2,833)
Subsidies received	24,234	21
Income taxes paid	(302,196)	(340,387)
Net cash provided by (used in) operating activities	1,277,932	1,511,327
Cash flows from investing activities		
Purchase of property, plant and equipment	(395,676)	(636,423)
Proceeds from sale of property, plant and equipment	7,882	617
Purchase of intangible assets	(13,437)	(11,555)
Purchase of investment securities	(5,349)	(6,616)
Loan advances	(920)	(3,300)
Proceeds from collection of loans receivable	1,795	2,000
Decrease (increase) in time deposits	—	(2,968,325)
Net cash provided by (used in) investing activities	(405,706)	(3,623,601)
Cash flows from financing activities		
Repayments of lease liabilities	(74,911)	(77,460)
Purchase of treasury shares	—	(102,484)
Dividends paid	(390,887)	(397,663)
Dividends paid to non-controlling interests	(17,128)	(7,878)
Net cash provided by (used in) financing activities	(482,927)	(585,487)
Effect of exchange rate change on cash and cash equivalents	948,593	649,532
Net increase (decrease) in cash and cash equivalents	1,337,892	(2,048,228)
Cash and cash equivalents at beginning of period	19,820,308	16,375,943
Cash and cash equivalents at end of period	21,158,201	14,327,714

(4) Notes to semi-annual consolidated financial statements

Notes on going concern assumption

Not applicable.

Notes in case of significant changes in shareholders' equity

The Company acquired 64,700 treasury shares in the six months ended September 30, 2024 based on the resolution made at the meeting of the Board of Directors held on November 8, 2023. Accordingly, treasury shares increased by 102,979 thousand yen in the six months ended September 30, 2024, bringing treasury shares to 519,689 thousand yen as of September 30, 2024.

Changes in accounting policies

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter "Revised Accounting Standard 2022") and other standards from the beginning of the six months ended September 30, 2024.

With respect to the amendment related to the classification for recording current income taxes (taxes on other comprehensive income), the Company follows the transitional treatment provided for in the proviso to paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment provided for in the proviso to paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

Segment information, etc.

Segment information

I. For the six months ended September 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	9,351,721	5,605,133	1,649,643	1,457,959	688,605	–	18,753,064	–	18,753,064
Inter-segment sales or transfers	1,132,001	1,049	57,980	39,036	–	565,563	1,795,631	(1,795,631)	–
Total	10,483,723	5,606,183	1,707,624	1,496,996	688,605	565,563	20,548,696	(1,795,631)	18,753,064
Segment profit (loss)	265,132	157,659	(29,623)	167,045	7,544	13,606	581,365	80,963	662,328

- Notes: 1. Adjustment of segment profit (loss) of 80,963 thousand yen consists of inter-segment eliminations.
2. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statements of income.

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

Not applicable.

II. For the six months ended September 30, 2024

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	9,639,647	7,116,916	1,323,895	1,467,628	788,717	–	20,336,805	–	20,336,805
Inter-segment sales or transfers	1,112,459	19,691	36,404	45,224	–	632,718	1,846,498	(1,846,498)	–
Total	10,752,107	7,136,607	1,360,299	1,512,853	788,717	632,718	22,183,304	(1,846,498)	20,336,805
Segment profit (loss)	491,167	246,350	(92,204)	185,317	27,255	18,913	876,799	2,737	879,537

- Notes: 1. Adjustment of segment profit (loss) of 2,737 thousand yen includes inter-segment eliminations of 709 thousand yen and inventory adjustment of 2,028 thousand yen.
2. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statements of income.

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

Not applicable.

Significant subsequent events

(Significant capital investment)

At the meeting of the Board of Directors held on October 25, 2024, the Company resolved to make capital investment to expand a factory and install additional production facilities at a manufacturing location in the U.S.

(1) Purpose of capital investment

OHASHI TECHNICA U.S.A., INC., a consolidated subsidiary of the Company, has received an order of components for suspensions to be installed in EVs which will be newly marketed from a Japanese automobile manufacturer that is our client. Furthermore, the Company intends to further expand its business in the U.S. Therefore, the capital investment will be made to expand the factory and install additional facilities related to cutting process at a manufacturing subsidiary.

(2) Details of capital investment

(i) Subject company	OHASHI TECHNICA U.S.A. MANUFACTURING, INC.
(ii) Address	99 Burrer Drive Sunbury, Ohio, U.S.A.
(iii) Use of funds	Factory and production facility
(iv) Anticipated investment amount	8,340 thousand USD (equivalent to about 1,251 million yen)

(3) Installation period of facilities

(i) Scheduled start of work	December 2024
(ii) Scheduled completion of work	November 2025

(4) Significant impact of the said facilities on operating and production activities, etc.

There is no significant impact on the consolidated financial results.

(Reorganization of the Chinese business)

At the meeting of the Board of Directors held on November 5, 2024, the Company resolved to close WUHAN BRANCH of OHASHI TECHNICA PRECISION PARTS (SHANGHAI) CO., LTD., a consolidated subsidiary, as of December 2024 and transfer its function to OHASHI TECHNICA AUTOMOTIVE PARTS (GUANGZHOU) CO., LTD., a consolidated subsidiary, in light of the reduced production capacity of Japanese automobile manufacturers in China.

The impact of the closure of the said branch on the consolidated financial results is currently under review.

(Acquisition and cancellation of treasury shares)

At the meeting of the Board of Directors held on November 12, 2024, the Company resolved to acquire treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis pursuant to the provisions of Article 165, Paragraph 3 of the said Act, and cancel treasury shares pursuant to the provisions of Article 178 of the said Act.

(1) Reason for acquisition and cancellation of treasury shares

They are intended to increase shareholder returns and enhance capital efficiency.

(2) Description of matters pertaining to acquisition

(i) Class of shares to be acquired	Common shares of the Company
(ii) Number of shares to be acquired	400,000 shares (maximum) (3.03% of the total number of shares issued (excluding treasury shares))
(iii) Total amount of share acquisition cost	750 million yen (maximum)
(iv) Period of treasury share acquisition	From November 13, 2024 through June 23, 2025
(v) Acquisition method	Market purchase at the Tokyo Stock Exchange

(3) Description of matters pertaining to cancellation

(i) Class of shares to be cancelled	Common shares of the Company
(ii) Total number of shares to be cancelled	288,000 shares (2.14% of the total number of shares issued (including treasury shares) before cancellation)
(iii) Total number of shares issued after cancellation	13,190,960 shares
(iv) Scheduled date of cancellation	November 29, 2024