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## Consolidated Financial Results for the Year Ended March 31, 2021 [J-GAAP]

May 13, 2021

Name of listed company: OHASHI TECHNICA INC.

Listed exchange: Tokyo Stock Exchange

Securities code: 7628

URL: <https://www.ohashi.co.jp/en/>

Representative: Mamoru Shibasaki, President & CEO

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Scheduled date of ordinary general meeting of shareholders: June 25, 2021

Scheduled date of commencing dividend payments: June 28, 2021

Scheduled date of filing annual securities report: June 25, 2021

Availability of supplementary briefing materials on financial results: Yes

Holding of financial results briefing: None

(Amounts of less than millions of yen are truncated)

### 1. Consolidated performance for the year ended March 31, 2021 (April 1, 2020-March 31, 2021)

#### (1) Consolidated operating results

(Percentages show year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2021	29,782	(17.1)	2,105	(35.5)	2,281	(32.9)	1,540	(37.4)
Year ended March 31, 2020	35,905	(9.0)	3,265	(19.9)	3,401	(18.9)	2,460	(16.8)

*Note:* Comprehensive income Year ended March 31, 2021: 1,237 million yen [(38.7)%]

Year ended March 31, 2020: 2,019 million yen [(9.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
Year ended March 31, 2021	106.10	—	4.9	5.4	7.1
Year ended March 31, 2020	166.87	—	8.0	8.1	9.1

*Reference:* Share of profit of entities accounted for using equity method

Year ended March 31, 2021: 22 million yen Year ended March 31, 2020: 38 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	42,138	31,672	74.2	2,198.01
As of March 31, 2020	42,360	31,925	74.4	2,136.23

*Reference:* Equity As of March 31, 2021: 31,266 million yen As of March 31, 2020: 31,500 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2021	2,122	(794)	(1,469)	21,361
Year ended March 31, 2020	3,297	(544)	(845)	21,843

## 2. Dividends

	Annual dividends					Total dividends	Consolidated payout ratio	Consolidated dividend on net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2020	—	26.00	—	26.00	52.00	767	31.2	2.5
Year ended March 31, 2021	—	20.00	—	32.00	52.00	747	49.0	2.4
Year ending March 31, 2022 (forecast)	—	26.00	—	31.00	57.00		40.4	

Note: Breakdown of year-end dividend for the year ending March 31, 2022 (forecast)

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, 2022 (April 1, 2021-March 31, 2022)

(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	36,000	20.9	2,700	28.2	2,900	27.1	2,000	29.9	141.20

### \*Notes

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

(2) 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

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares):

March 31, 2021:	14,759,080 shares
March 31, 2020:	16,240,040 shares

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

March 31, 2021:	534,274 shares
March 31, 2020:	1,494,346 shares

3) Average number of shares during the period:

Year ended March 31, 2021:	14,515,844 shares
Year ended March 31, 2020:	14,746,119 shares

Reference: Overview of non-consolidated performance

1. Non-consolidated performance for the year ended March 31, 2021 (April 1, 2020-March 31, 2021)

(1) Non-consolidated operating results (Percentages show year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2021	17,563	(16.1)	1,253	(30.2)	1,634	(39.3)	1,191	(45.2)
Year ended March 31, 2020	20,926	(9.0)	1,795	(9.0)	2,692	(9.6)	2,172	(2.9)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2021	82.00	—
Year ended March 31, 2020	147.22	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	30,290	22,317	73.7	1,567.33
As of March 31, 2020	30,218	22,371	74.0	1,515.78

Reference: Equity As of March 31, 2021: 22,317 million yen As of March 31, 2020: 22,371 million yen

\*These financial results are outside the scope of audits by certified public accountants or audit firms.

\*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 page 2 “1. Overview of operating results, etc.” of the attachment.

**Supplementary briefing materials on financial results**

Financial results briefing materials are scheduled to be posted on the Company’s website on May 13, 2021.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

With regard to the world economy and the Japanese economy during the fiscal year under review (the year ended March 31, 2021), economic activities were severely restricted mainly through restrictions on movement and requests for business closures to prevent the spread of COVID-19, and the deterioration of economic climate across various regions continued through the second quarter. Meanwhile, countries across the world carried out policies aimed at controlling the spread of the infection while allowing economic activities, and China saw a recovery in its economic climate ahead of other countries. The economic climate had bottomed out in other regions as well, and the economic climate in various countries had been on a recovery trend beginning in the third quarter. However, progression of a resurgence of COVID-19 was seen in some countries and regions, forcing them to declare a state of emergency or implement lockdowns again, and the outlook still continues to remain uncertain.

Overseas, where the fiscal year is January 1, 2020-December 31, 2020, despite a rapid recovery in automobile production in China from the second quarter, the automotive industry in which OHASHI TECHNICA INC. (the “Company”) and its subsidiaries (collectively, the “Group”) operate business, saw a significant decline in automobile production due to an increasing number of major manufacturers suspending their operations following the spread of COVID-19 in other regions. Since then, supported by the policies of governments across the world, automobile production in the third quarter onward recovered to a level exceeding the previous year. However, the drop through the second quarter had a significant impact on the overseas automobile production for the fiscal year under review, and the automobile production fell below that for the previous year as a result. In Japan, where the fiscal year is April 1, 2020-March 31, 2021, automobile production at manufacturers that are major clients of the Group bottomed out during the first quarter and began recovering, returning to a level roughly equivalent to the previous year in the third quarter onward. However, the suspension of operations from the beginning of the fiscal year under review and a decline in automobile production associated with sluggish demand have had a significant impact, resulting in the domestic automobile production for the fiscal year under review falling below that for the previous year, similarly to overseas.

Under these circumstances, the Group strived to strengthen its business foundations and streamline management mainly through cost reductions. However, we suffered a year-on-year decline in consolidated net sales, heavily impacted by the suspension of operations by various manufacturers that are major clients of the Group until the second quarter, as well as a decline in automobile production associated with sluggish demand. In addition, our consolidated operating profit also declined from the previous year, heavily impacted by the decline in net sales through the second quarter across various regions.

In the fiscal year under review, on a consolidated basis, the Company posted net sales of 29,782 million yen (down 17.1% year on year), operating profit of 2,105 million yen (down 35.5% year on year), ordinary profit of 2,281 million yen (down 32.9% year on year) and profit attributable to owners of parent of 1,540 million yen (down 37.4% 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 consolidated statements of income.)

#### [Japan]

During the fiscal year under review, despite a rebound beginning in the third quarter from the rapid decline in net sales suffered in the first half, there was a significant impact of the temporary suspension of operations by manufacturers that are major clients of the Group following the spread of COVID-19 from the beginning of the fiscal year under review, as well as a decline in production associated with sluggish demand thereafter. As a result, net sales were 16,221 million yen (down 19.3% year on year). Segment profit was 1,011 million yen (down 41.6% year on year) due to the impact of the decline in net sales.

#### [Americas]

Backed by economic policies of governments, easing of restrictions on activities, and a recovery in automobile production that followed, net sales in the third quarter onward recovered to a level exceeding the previous year. However, due to the suspension of operations by manufacturers that are major clients of the Group following the spread of COVID-19 in the second quarter, as well as a decline in sales caused by dampened markets, net sales were 6,235 million yen (down 15.8% year on year). Segment profit was 429 million yen (down 29.0% year on year) due to the impact of the decline in net sales.

#### [China]

With lockdowns implemented in major cities from February to March, manufacturers that are major clients of the Group suspended their operations, causing net sales to drop significantly. However, production rapidly recovered beginning in May at a pace exceeding the previous year, resulting in a business performance for the fiscal year under review exceeding that for the previous year. Net sales were 4,476 million yen (up 4.0% year on year), and segment profit was 569 million yen (up 14.4% year on year) due to the recovery in automobile production from the second quarter.

[ASEAN]

The downturn in the ASEAN economy from the latter half of the previous fiscal year and the spread of COVID-19 had a compound impact, causing a slump in automobile sales. Because the markets were slow to recover and manufacturers that are major clients of the Group continued to reduce production throughout the fiscal year, net sales were 2,003 million yen (down 28.5% year on year). Segment profit was 181 million yen (down 54.2% year on year) due to the heavy impact of the decline in net sales.

[Europe]

The slump in automobile sales from the first half of the previous fiscal year and the spread of COVID-19 had a compound impact, causing a significant reduction in production by manufacturers that are major clients of the Group. As a result, net sales were 846 million yen (down 34.8% year on year). Segment loss was 82 million yen (a segment loss of 79 million yen in the previous fiscal year) mainly due to the decline in net sales, rising procurement costs of imported goods associated with the depreciation of pound sterling, and expenses for consolidating locations.

[Taiwan]

OHASHI TECHNICA TAIWAN CO., LTD., which transacts business with companies of the Group only, has no net sales to external customers. Net sales declined due to a decrease in exports for companies of the Group. As a result, segment profit was 20 million yen (down 52.4% year on year).

(2) Overview of financial position for the fiscal year under review

At the end of the fiscal year under review, assets amounted to 42,138 million yen, down 222 million yen from the end of the previous fiscal year, mainly due to a decrease in cash and deposits.

Liabilities amounted to 10,465 million yen, up 30 million yen from the end of the previous fiscal year, mainly due to increases in notes and accounts payable – trade and electronically recorded obligations – operating.

Net assets amounted to 31,672 million yen, down 252 million yen from the end of the previous fiscal year, mainly due to a decrease in retained earnings, which was partly offset by an increase in valuation difference on available-for-sale securities.

(3) Overview of cash flows for the fiscal year under review

At the end of the fiscal year under review, cash and cash equivalents (“funds”) amounted to 21,361 million yen, down 481 million yen from the end of the previous fiscal year.

The status of cash flows per category for the fiscal year under review and their factors are as follows:

*Cash flows from operating activities*

Funds provided by operating activities were 2,122 million yen (an inflow of 3,297 million yen in the previous fiscal year).

This is mainly attributable to recording profit before income taxes of 2,297 million yen, offsetting income taxes paid of 875 million yen.

*Cash flows from investing activities*

Funds used in investing activities were 794 million yen (an outflow of 544 million yen in the previous fiscal year).

This is mainly attributable to purchase of property, plant and equipment of 788 million yen.

*Cash flows from financing activities*

Funds used in financing activities were 1,469 million yen (an outflow of 845 million yen in the previous fiscal year).

This is mainly attributable to purchase of treasury shares of 795 million yen and dividends paid of 675 million yen.

Reference: Trends in cash flow indicators

	66th term Year ended March 31, 2018	67th term Year ended March 31, 2019	68th term Year ended March 31, 2020	69th term Year ended March 31, 2021
Equity ratio (%)	70.9	72.2	74.4	74.2
Equity ratio at fair value (%)	63.3	49.0	46.4	53.0
Cash flow vs interest-bearing debt (%)	0.3	0.2	7.0	13.7
Interest coverage ratio (times)	10,052.5	—	554.9	262.2

\*Equity ratio: Equity/Total assets

Equity ratio at fair value: Market capitalization/Total assets

Cash flow vs interest-bearing debt: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payment

1. All indicators are calculated based on financial figures on a consolidated basis.
2. Market capitalization is calculated based on the number of shares issued excluding treasury shares.
3. Cash flow indicates cash flows from operating activities.
4. Interest-bearing debt covers all liabilities that bear interest recorded on the consolidated balance sheets.
5. The interest coverage ratio for the 67th term is not stated as there were no interest payments.

#### (4) Future outlook

Although the world economy in the future will continue to be affected by COVID-19, it is expected that the economy will gradually normalize, supported by the progress of vaccination in various countries and regions, as well as economic growth in China and the U.S.

Additionally, although the automotive industry is projected to continue to be supported by strong demand and expand moderately, issues such as the impact of COVID-19 as well as the impact of worldwide shortage in semiconductors have surfaced, and the future outlook is expected to remain unclear.

Under these circumstances, with regard to the consolidated performance forecast for the year ending March 31, 2022, the Group is forecasting net sales of 36,000 million yen (up 20.9% year on year), operating profit of 2,700 million yen (up 28.2% year on year), ordinary profit of 2,900 million yen (up 27.1% year on year), and profit attributable to owners of parent of 2,000 million yen (up 29.9% year on year).

With regard to the foreign exchange rates for major currencies used as the basis of assumptions, the Group is predicting on the premise of 1 USD = 106.00 yen, 1 RMB = 16.00 yen, 1 THB = 3.50 yen, and 1 GBP = 145.00 yen.

Furthermore, the above performance forecast has been prepared based on information available as of the announcement date of this document. Actual results may vary from the forecasted figures due to various factors in the future.

#### (5) Dividend policy and dividends for the current and next fiscal years

The Company deems enhancing corporate value over the medium to long term and returning profits to shareholders an important management task.

The Company plans to pay a year-end dividend of 32 yen per share for the fiscal year under review based on the above policy and upon comprehensively taking into account factors including performance for the fiscal year under review, future performance trends and financial base. The resulting annual dividend will be 52 yen per share including the interim dividend of 20 yen per share paid in December 2020.

As for dividends for the next fiscal year (year ending March 31, 2022), the Company plans to pay an ordinary dividend of 52 yen per share (an interim dividend of 26 yen per share and a year-end dividend of 26 yen per share) plus a year-end dividend of 5 yen per share as a commemorative dividend for the Company's 70th anniversary, totaling an annual dividend of 57 yen per share (an increase of 5 yen per share compared to the previous fiscal year).

#### 2. Basic policy on selection of accounting standards

The Group's policy is to prepare its consolidated financial statements based on accounting standards generally accepted in Japan (J-GAAP) for the meantime to enable comparison of consolidated financial statements between different periods and companies. The Group will appropriately deal with the application of international accounting standards upon monitoring various developments in Japan and overseas.

### 3. Consolidated financial statements and principal notes

#### (1) Consolidated balance sheets

(Thousand yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	21,843,866	21,361,928
Notes and accounts receivable – trade	6,798,745	7,036,480
Merchandise and finished goods	3,962,537	3,871,528
Work in process	472,936	412,077
Raw materials and supplies	539,537	585,777
Other	349,452	529,277
Allowance for doubtful accounts	(8,387)	(8,328)
Total current assets	33,958,686	33,788,740
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	4,858,865	4,925,795
Accumulated depreciation	(2,270,626)	(2,419,602)
Buildings and structures, net	2,588,238	2,506,193
Machinery, equipment and vehicles	7,600,198	7,674,706
Accumulated depreciation	(6,552,885)	(6,590,403)
Machinery, equipment and vehicles, net	1,047,313	1,084,303
Tools, furniture and fixtures	3,537,537	3,518,631
Accumulated depreciation	(3,138,166)	(3,157,615)
Tools, furniture and fixtures, net	399,371	361,015
Land	1,411,690	1,387,496
Construction in progress	518,772	391,354
Total property, plant and equipment	5,965,385	5,730,362
<b>Intangible assets</b>		
Software	197,345	165,579
Other	49,500	48,766
Total intangible assets	246,845	214,346
<b>Investments and other assets</b>		
Investment securities	1,381,026	1,700,377
Deferred tax assets	286,891	218,807
Other	524,120	487,625
Allowance for doubtful accounts	(2,497)	(2,200)
Total investments and other assets	2,189,541	2,404,609
Total non-current assets	8,401,772	8,349,318
Total assets	42,360,458	42,138,059



(Thousand yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,914,965	3,075,600
Electronically recorded obligations	5,185,536	5,247,818
Income taxes payable	416,486	274,345
Provision for bonuses	195,224	187,662
Provision for bonuses for directors (and other officers)	31,200	27,100
Short-term borrowings	—	*2 65,329
Other	862,885	744,503
Total current liabilities	9,606,298	9,622,359
Non-current liabilities		
Long-term borrowings	—	*2 43,552
Deferred tax liabilities	7	—
Retirement benefit liability	607,760	619,069
Other	221,164	180,815
Total non-current liabilities	828,932	843,437
Total liabilities	10,435,230	10,465,797
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,622,030	1,611,240
Retained earnings	28,954,967	28,338,005
Treasury shares	(1,507,804)	(811,559)
Total shareholders' equity	30,894,864	30,963,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104,201	328,397
Foreign currency translation adjustment	457,992	(59,449)
Remeasurements of defined benefit plans	43,180	33,978
Total accumulated other comprehensive income	605,374	302,925
Non-controlling interests	424,989	405,979
Total net assets	31,925,228	31,672,261
Total liabilities and net assets	42,360,458	42,138,059

## (2) Consolidated statements of income and comprehensive income

## Consolidated statements of income

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Net sales	35,905,452	29,782,276
Cost of sales	*6 27,257,185	*6 22,808,145
Gross profit	8,648,267	6,974,130
Selling, general and administrative expenses	*1, *2 5,382,328	*1, *2 4,868,531
Operating profit	3,265,938	2,105,599
Non-operating income		
Interest income	68,196	55,879
Dividend income	44,303	38,347
Share of profit of entities accounted for using equity method	38,177	22,242
Gain on sale of scraps	36,241	35,012
Subsidy income	32,407	122,440
Other	30,308	19,545
Total non-operating income	249,633	293,468
Non-operating expenses		
Interest expenses	5,942	8,096
Foreign exchange losses	52,962	48,146
Business commencement expenses	52,537	47,894
Other	2,842	12,946
Total non-operating expenses	114,284	117,084
Ordinary profit	3,401,287	2,281,983
Extraordinary income		
Gain on sale of non-current assets	*3 3,306	*3 674
Gain on sale of investment securities	125,071	17,334
Subsidy income	66,200	—
Total extraordinary income	194,578	18,009
Extraordinary losses		
Loss on sale of non-current assets	*4 2,267	*4 492
Loss on retirement of non-current assets	*5 6,507	*5 1,619
Loss on valuation of investment securities	649	—
Business place transfer expenses	*7, *8 85,307	—
Other	1	—
Total extraordinary losses	94,733	2,112
Profit before income taxes	3,501,132	2,297,880
Income taxes - current	1,071,009	771,691
Income taxes - deferred	(50,266)	(22,500)
Total income taxes	1,020,743	749,190
Profit	2,480,389	1,548,690
Profit attributable to non-controlling interests	19,645	8,585
Profit attributable to owners of parent	2,460,743	1,540,104

Consolidated statements of comprehensive income

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Profit	2,480,389	1,548,690
Other comprehensive income		
Valuation difference on available-for-sale securities	(416,228)	224,672
Foreign currency translation adjustment	(45,108)	(526,437)
Remeasurements of defined benefit plans, net of tax	757	(9,202)
Share of other comprehensive income of entities accounted for using equity method	(593)	(476)
Total other comprehensive income	(461,173)	(311,444)
Comprehensive income	2,019,216	1,237,245
Comprehensive income attributable to		
Owners of parent	1,996,142	1,237,655
Non-controlling interests	23,073	(409)

## (3) Consolidated statements of changes in equity

For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,825,671	1,622,030	27,254,263	(1,506,012)	29,195,952
Cumulative effects of changes in accounting policies			(7,325)		(7,325)
Restated balance	1,825,671	1,622,030	27,246,937	(1,506,012)	29,188,627
Changes during period					
Dividends of surplus			(752,714)		(752,714)
Profit attributable to owners of parent			2,460,743		2,460,743
Purchase of treasury shares				(1,792)	(1,792)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,708,029	(1,792)	1,706,237
Balance at end of period	1,825,671	1,622,030	28,954,967	(1,507,804)	30,894,864

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	521,023	506,529	42,422	1,069,976	415,585	30,681,514
Cumulative effects of changes in accounting policies						(7,325)
Restated balance	521,023	506,529	42,422	1,069,976	415,585	30,674,188
Changes during period						
Dividends of surplus						(752,714)
Profit attributable to owners of parent						2,460,743
Purchase of treasury shares						(1,792)
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	(416,822)	(48,536)	757	(464,601)	9,404	(455,197)
Total changes during period	(416,822)	(48,536)	757	(464,601)	9,404	1,251,039
Balance at end of period	104,201	457,992	43,180	605,374	424,989	31,925,228

For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,825,671	1,622,030	28,954,967	(1,507,804)	30,894,864
Cumulative effects of changes in accounting policies					—
Restated balance	1,825,671	1,622,030	28,954,967	(1,507,804)	30,894,864
Changes during period					
Dividends of surplus			(675,165)		(675,165)
Profit attributable to owners of parent			1,540,104		1,540,104
Purchase of treasury shares				(796,445)	(796,445)
Cancellation of treasury shares		(10,790)	(1,481,900)	1,492,690	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(10,790)	(616,961)	696,244	68,492
Balance at end of period	1,825,671	1,611,240	28,338,005	(811,559)	30,963,356

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	104,201	457,992	43,180	605,374	424,989	31,925,228
Cumulative effects of changes in accounting policies						—
Restated balance	104,201	457,992	43,180	605,374	424,989	31,925,228
Changes during period						
Dividends of surplus						(675,165)
Profit attributable to owners of parent						1,540,104
Purchase of treasury shares						(796,445)
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	224,195	(517,442)	(9,202)	(302,449)	(19,010)	(321,459)
Total changes during period	224,195	(517,442)	(9,202)	(302,449)	(19,010)	(252,967)
Balance at end of period	328,397	(59,449)	33,978	302,925	405,979	31,672,261

## (4) Consolidated statements of cash flows

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,501,132	2,297,880
Depreciation	895,865	892,590
Increase (decrease) in provision for bonuses	(35,247)	(6,941)
Increase (decrease) in provision for bonuses for directors (and other officers)	(30,300)	(4,100)
Increase (decrease) in allowance for doubtful accounts	(580)	57
Increase (decrease) in retirement benefit liability	34,803	126
Interest and dividend income	(112,499)	(94,227)
Subsidy income	(98,607)	(122,440)
Interest expenses	5,942	8,096
Share of loss (profit) of entities accounted for using equity method	(38,177)	(22,242)
Loss (gain) on sale of non-current assets	(1,039)	(181)
Loss on retirement of non-current assets	6,507	1,619
Loss (gain) on sale of investment securities	(125,070)	(17,334)
Loss (gain) on valuation of investment securities	649	—
Decrease (increase) in trade receivables	1,198,965	(264,915)
Decrease (increase) in inventories	(139,434)	(9,001)
Increase (decrease) in trade payables	(963,142)	234,448
Decrease(increase) in other investments	49,322	35,319
Other, net	41,656	(282,319)
Subtotal	4,190,747	2,646,433
Interest and dividends received	112,725	94,187
Interest paid	(5,942)	(8,096)
Subsidies received	144,473	266,111
Income taxes paid	(1,144,887)	(875,672)
Net cash provided by (used in) operating activities	3,297,116	2,122,963
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(827,040)	(788,378)
Proceeds from sale of property, plant and equipment	9,178	2,916
Purchase of intangible assets	(34,650)	(37,639)
Purchase of investment securities	(8,634)	(9,148)
Proceeds from sale of investment securities	200,553	36,424
Proceeds from cancellation of insurance funds	114,695	—
Loan advances	(2,811)	(1,780)
Proceeds from collection of loans receivable	4,468	2,669
Net cash provided by (used in) investing activities	(544,241)	(794,935)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	—	44,949
Repayments of lease obligations	(79,281)	(90,803)
Purchase of treasury shares	(58)	(795,281)
Dividends paid	(752,714)	(675,165)
Net increase (decrease) in short-term borrowings	—	65,329
Dividends paid to non-controlling interests	(13,669)	(18,601)
Net cash provided by (used in) financing activities	(845,724)	(1,469,573)
Effect of exchange rate change on cash and cash equivalents	(32,466)	(340,393)
Net increase (decrease) in cash and cash equivalents	1,874,684	(481,938)
Cash and cash equivalents at beginning of period	19,969,181	21,843,866
Cash and cash equivalents at end of period	* 21,843,866	* 21,361,928

(5) Notes to consolidated financial statements

*Notes on going concern assumption*

Not applicable.

*Significant basis of preparing consolidated financial statements*

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 14

Names of consolidated subsidiaries

OHASHI GIKEN,INC.

OHASHI LOGISTICS,INC.

OHASHI TECHNICA U.S.A., INC.

OHASHI TECHNICA U.S.A. MANUFACTURING, INC.

OHASHI NAKAHYO U.S.A., INC.

OHASHI TECHNICA MEXICO,S.A. DE C.V.

OHASHI TECHNICA PRECISION PARTS (SHANGHAI) CO., LTD.

OHASHI TECHNICA PRECISION PARTS (GUANGZHOU) CO., LTD.

OHASHI NAKAHYO PRECISION PARTS (GUANGZHOU) CO.,LTD.

OHASHI TECHNICA (SHANGHAI) CO., LTD.

OHASHI TECHNICA (THAILAND) CO., LTD.

OHASHI SATO (THAILAND) CO., LTD.

OHASHI TECHNICA UK, LTD.

OHASHI TECHNICA TAIWAN CO., LTD.

(2) Name, etc. of major non-consolidated subsidiaries

There are no non-consolidated subsidiaries.

2. Scope of equity method

(1) Number of associates accounted for using equity method: 2

Names of associates accounted for using equity method

TK Co. Ltd.

NAKAHYO Co., Ltd.

Disclosure of information other than the above has been omitted because there have been no material changes from the descriptions in the most recent annual securities report (submitted on June 25, 2020).

Notes to consolidated balance sheets

1. Guarantee obligations

The Company provides debt guarantee for a bank loan taken out by a company that is not a consolidated subsidiary as follows:

	(Thousand yen)	
	As of March 31, 2020	As of March 31, 2021
TK Co. Ltd.	280,634	238,730

\*2 Short-term borrowings and long-term borrowings (in relation to employment protection policies in the U.S. in light of COVID-19)

Short-term and long-term borrowings at the end of the fiscal year under review are funds that have been provided to OHASHI TECHNICA U.S.A., INC., the Company's subsidiary in the U.S., upon applying for the U.S. Paycheck Protection Program. Although these amounts are presented as borrowings, repayment will be exempted if the proceeds are used for purposes that meet the designated conditions, such as payment of employee salaries with the aim of protecting employment.

Notes to consolidated statements of income

\*1 Major items and amounts under selling, general and administrative expenses are as follows:

	(Thousand yen)	
	For the year ended March 31, 2020	For the year ended March 31, 2021
Packing and transportation costs	649,582	605,100
Salaries and allowances	1,910,420	1,840,888
Provision for bonuses	153,536	157,027
Provision for bonuses for directors (and other officers)	31,200	27,100
Retirement benefit expenses	56,743	56,667

\*2 Total amount of research and development expenses is as follows:

	(Thousand yen)	
	For the year ended March 31, 2020	For the year ended March 31, 2021
General and administrative expenses	40,695	52,108

\*3 Details of the gain on sale of non-current assets are as follows:

	(Thousand yen)	
	For the year ended March 31, 2020	For the year ended March 31, 2021
Machinery, equipment and vehicles	3,217	28
Tools, furniture and fixtures	35	645
Software	54	—
Total	3,306	674

\*4 Details of the loss on sale of non-current assets are as follows:

	(Thousand yen)	
	For the year ended March 31, 2020	For the year ended March 31, 2021
Machinery, equipment and vehicles	2,267	492
Total	2,267	492



\*5 Details of the loss on retirement of non-current assets are as follows:

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Buildings and structures	3,440	239
Machinery, equipment and vehicles	655	707
Tools, furniture and fixtures	2,410	639
Software	—	33
Total	6,507	1,619

\*6 Year-end inventories are amounts after write down due to decline in profitability, and the following loss on valuation of inventories (gain on reversal) are included in cost of sales:

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
	(7,211)	2,762

\*7 Business place transfer expenses

For the year ended March 31, 2020

It includes 40,274 thousand yen in expenses arising from writing down to recoverable amount the book value of leased assets with no potential use in the future due to the business place transfer of OHASHI TECHNICA UK, LTD., the Company's consolidated subsidiary in the UK.

It also includes 45,032 thousand yen in expenses arising from relocating and merging the Sendai Plant of OHASHI GIKEN, INC., the Company's domestic consolidated subsidiary, to its Suzuka Plant.

For the year ended March 31, 2021

Not applicable.

\*8 Impairment losses

For the year ended March 31, 2020

The Group recorded impairment losses for the following asset group:

Use	Location	Type	Amount (Thousand yen)
Business-use assets	Europe (OHASHI TECHNICA UK, LTD.)	Buildings, etc.	40,274

The Group's business-use assets are grouped into the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses have been recognized for these business-use assets, which are leased assets, whose book value was written down to recoverable amount because they have no potential use in the future due to the office relocation of OHASHI TECHNICA UK, LTD., the Company's consolidated subsidiary in the UK.

The recoverable amount of these business-use assets were measured at the value in use, but has been reduced to zero after relocation because they no longer have any potential of generating cash flows in the future.

For the year ended March 31, 2021

Not applicable.

Notes to consolidated statements of changes in equity

For the year ended March 31, 2020

1. Class and number of shares issued and of treasury shares

(Shares)

	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at the end of period
Shares issued				
Common shares	16,240,040	—	—	16,240,040
Total	16,240,040	—	—	16,240,040
Treasury shares				
Common shares	1,493,519	827	—	1,494,346
Total	1,493,519	827	—	1,494,346

Note: The increase of 827 common shares under treasury shares consist of an increase of 164 shares in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate TK Co. Ltd., an increase of 623 shares in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate NAKAHYO Co., Ltd., and an increase of 40 shares due to repurchase of odd-lot shares.

2. Share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividends paid

<i>Resolution</i>	Class of shares	Total dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2019	Common shares	368,978	25	March 31, 2019	June 26, 2019
Board of Directors meeting on November 6, 2019	Common shares	383,736	26	September 30, 2019	December 3, 2019

(2) Dividends with record dates in the year ended March 31, 2020 and effective dates falling in the next fiscal year

<i>Resolution</i>	Class of shares	Total dividends (Thousand yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2020	Common shares	383,736	Retained earnings	26	March 31, 2020	June 26, 2020

For the year ended March 31, 2021

1. Class and number of shares issued and of treasury shares

	(Shares)			
	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at the end of period
Shares issued				
Common shares	16,240,040	—	1,480,960	14,759,080
Total	16,240,040	—	1,480,960	14,759,080
Treasury shares				
Common shares	1,494,346	520,888	1,480,960	534,274
Total	1,494,346	520,888	1,480,960	534,274

Notes: 1. Decreases in number of common shares issued and number of common shares under treasury shares

Cancellation of treasury shares based on the resolution at the Board of Directors meeting on May 15, 2020 1,480,960 shares

2. Breakdown of the increase of 520,888 shares in the number of common shares under treasury shares

Acquisition of treasury shares based on the resolution at the Board of Directors meeting on May 15, 2020 187,600 shares

Acquisition of treasury shares based on the resolution at the extraordinary Board of Directors meeting on November 11, 2020 200,000 shares

Acquisition of treasury shares based on the resolution at the Board of Directors meeting on February 9, 2021 132,400 shares

Increase in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate TK Co. Ltd. 166 shares

Increase in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate NAKAHYO Co., Ltd. 602 shares

Increase due to repurchase of odd-lot shares 120 shares

2. Share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividends paid

<i>Resolution</i>	Class of shares	Total dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2020	Common shares	383,736	26	March 31, 2020	June 26, 2020
Board of Directors meeting on November 10, 2020	Common shares	291,429	20	September 30, 2020	December 8, 2020

(2) Dividends with record dates in the year ended March 31, 2021 and effective dates falling in the next fiscal year

The following resolution is scheduled.

<i>Resolution</i>	Class of shares	Total dividends (Thousand yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2021	Common shares	455,646	Retained earnings	32	March 31, 2021	June 28, 2021

*Notes to consolidated statements of cash flows*

\* A reconciliation between the year-end balance of cash and cash equivalents and the amount recorded on the consolidated balance sheets

(Thousand yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash and deposit accounts	21,843,866	21,361,928
Time deposits of more than three months	—	—
Cash and cash equivalents	21,843,866	21,361,928

*Segment information, etc.*

Segment information

1. Overview of reportable segments

The Company's reportable segments are units composing the Group for which separate financial information is available and are the subject of regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Group develops, manufactures and sells mainly automotive parts and other components as a global supplier. Business activities are conducted in each region by the Company, its subsidiaries and associates in Japan, and by local subsidiaries in the Americas (the U.S., Mexico), China, ASEAN (Thailand), Europe (the U.K.), and Taiwan, overseas.

Therefore, the Group consists of six regional segments based on the manufacturing and sales structure, namely, Japan, the Americas, China, ASEAN, Europe and Taiwan.

2. Information on method of calculating amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting of business segments reported apply mutatis mutandis accounting principles and procedures adopted for preparing consolidated financial statements.

Profits of reportable segments are amounts based on operating profit.

Inter-segment sales and transfers are based on prevailing market prices.

3. Information on amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment  
For the year ended March 31, 2020

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidation (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	20,093,332	7,406,116	4,305,433	2,803,125	1,297,445	—	35,905,452	—	35,905,452
Inter-segment sales or transfers	2,795,357	2,168	93,567	49,589	—	953,331	3,894,014	(3,894,014)	—
Total	22,888,689	7,408,284	4,399,000	2,852,715	1,297,445	953,331	39,799,467	(3,894,014)	35,905,452
Segment profit (loss)	1,732,945	605,579	497,849	395,816	(79,635)	43,662	3,196,218	69,720	3,265,938
Segment assets	33,217,737	8,060,976	5,417,983	3,649,267	1,155,640	386,405	51,888,012	(9,527,553)	42,360,458
Other items									
Depreciation	504,031	155,364	126,938	75,087	32,502	2,752	896,677	(811)	895,865
Investments in equity-method associates	265,897	—	—	—	—	—	265,897	—	265,897
Increases in property, plant and equipment and intangible assets	474,224	179,405	307,829	175,995	208,305	3,474	1,349,235	—	1,349,235

Notes: 1. Details of adjustments are as follows:

(1) Adjustment of segment profit (loss) of 69,720 thousand yen includes inter-segment eliminations of 4,318 thousand yen and inventory adjustment of 65,402 thousand yen.

(2) Adjustment of segment assets of (9,527,553) thousand yen includes inter-segment eliminations of (9,196,898) thousand yen, inventory adjustment of (408,868) thousand yen, and other adjustment of 78,214 thousand yen.

2. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.

For the year ended March 31, 2021

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidation (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	16,221,597	6,235,260	4,476,249	2,003,100	846,067	—	29,782,276	—	29,782,276
Inter-segment sales or transfers	2,718,675	1,866	92,153	32,170	890	708,803	3,554,561	(3,554,561)	—
Total	18,940,273	6,237,127	4,568,403	2,035,271	846,958	708,803	33,336,837	(3,554,561)	29,782,276
Segment profit (loss)	1,011,527	429,702	569,587	181,257	(82,368)	20,803	2,130,510	(24,910)	2,105,599
Segment assets	33,001,269	7,929,478	5,936,268	3,419,298	968,419	371,227	51,625,960	(9,487,901)	42,138,059
Other items									
Depreciation	494,183	149,575	131,247	86,917	28,319	3,159	893,402	(811)	892,590
Investments in equity-method associates	284,196	—	—	—	—	—	284,196	—	284,196
Increases in property, plant and equipment and intangible assets	428,907	134,158	132,171	112,265	5,622	2,839	815,965	—	815,965

Notes: 1. Details of adjustments are as follows:

- (1) Adjustment of segment profit (loss) of (24,910) thousand yen includes inter-segment eliminations of 3,239 thousand yen and inventory adjustment of (28,150) thousand yen.
  - (2) Adjustment of segment assets of (9,487,901) thousand yen includes inter-segment eliminations of (9,150,581) thousand yen, inventory adjustment of (437,019) thousand yen, and other adjustment of 99,699 thousand yen.
2. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.

*Per share information*

	As of and for the year ended March 31, 2020	As of and for the year ended March 31, 2021
Net assets per share	2,136.23 yen	2,198.01 yen
Basic earnings per share	166.87 yen	106.10 yen

Notes: 1. Diluted earnings per share is not provided as there were no potential shares.

2. The basis of calculation of basic earnings per share is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2021
<b>Basic earnings per share</b>		
Profit attributable to owners of parent (Thousand yen)	2,460,743	1,540,104
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	2,460,743	1,540,104
Average number of common shares outstanding during the period (Shares)	14,746,119	14,515,844

*Significant subsequent events*

Not applicable.