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## Consolidated Financial Results for the Year Ended March 31, 2022 [J-GAAP]

May 12, 2022

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 24, 2022

Scheduled date of commencing dividend payments: June 27, 2022

Scheduled date of filing annual securities report: June 24, 2022

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

#### (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, 2022	32,545	9.3	2,272	7.9	2,536	11.2	1,791	16.3
Year ended March 31, 2021	29,782	(17.1)	2,105	(35.5)	2,281	(32.9)	1,540	(37.4)

Note: Comprehensive income

Year ended March 31, 2022: 3,281 million yen [165.3%]

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

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
Year ended March 31, 2022	127.17	—	5.6	5.9	7.0
Year ended March 31, 2021	106.10	—	4.9	5.4	7.1

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

Year ended March 31, 2022: 54 million yen    Year ended March 31, 2021: 22 million yen

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) has been applied from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2022 are shown after application of this accounting standard.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	43,352	33,448	76.3	2,401.52
As of March 31, 2021	42,138	31,672	74.2	2,198.01

Reference: Equity

As of March 31, 2022: 33,060 million yen

As of March 31, 2021: 31,266 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, 2022	567	(992)	(1,664)	20,209
Year ended March 31, 2021	2,122	(794)	(1,469)	21,361

## 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, 2021	—	20.00	—	32.00	52.00	747	49.0	2.4
Year ended March 31, 2022	—	26.00	—	31.00	57.00	795	44.8	2.5
Year ending March 31, 2023 (forecast)	—	28.00	—	29.00	57.00		41.0	

Note: 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	2,500	10.0	2,700	6.4	1,900	6.1	138.96

### \*Notes

(1) Changes in significant subsidiaries during the period (changes of specified subsidiaries resulting in changes in the scope of consolidation): Yes

Newly included: —    Excluded: 1 (Company name) OHASHI NAKAHYO U.S.A., INC.

Note: For details, please see "(5) Notes to consolidated financial statements: Significant basis of preparing consolidated financial statements" under "3. Consolidated financial statements and principal notes" on page 12 of the attachment.

(2) 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 "(5) Notes to consolidated financial statements: Changes in accounting policies" under "3. Consolidated financial statements and principal notes" on page 15 of the attachment.

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares):	March 31, 2022:	14,178,960 shares
	March 31, 2021:	14,759,080 shares
2) Number of treasury shares at the end of the period:	March 31, 2022:	412,473 shares
	March 31, 2021:	534,274 shares
3) Average number of shares during the period:	Year ended March 31, 2022:	14,086,366 shares
	Year ended March 31, 2021:	14,515,844 shares

Reference: Overview of non-consolidated performance

1. Non-consolidated performance for the year ended March 31, 2022 (April 1, 2021-March 31, 2022)

(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, 2022	19,354	10.2	1,388	10.8	1,833	12.2	1,315	10.4
Year ended March 31, 2021	17,563	(16.1)	1,253	(30.2)	1,634	(39.3)	1,191	(45.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2022	93.26	—
Year ended March 31, 2021	82.00	—

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) has been applied from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2022 are shown after application of this accounting standard.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	29,687	22,127	74.5	1,605.57
As of March 31, 2021	30,290	22,317	73.7	1,567.33

Reference: Equity As of March 31, 2022: 22,127 million yen As of March 31, 2021: 22,317 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.

**Supplementary briefing materials on financial results**

Financial results briefing materials are scheduled to be posted on the Company's website on May 12, 2022.

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## 1. Overview of operating results, etc.

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

During the fiscal year under review (the year ended March 31, 2022), the world economy began on a recovery trend from the significant decline caused by the rapid spread of COVID-19 in the previous fiscal year. However, production adjustments moved into full swing in various manufacturing industries due to the resurgence of infections by a series of coronavirus variants and the emergence of shortages of semiconductors and other parts. In addition, improvement in corporate earnings has been greatly hindered by raw material price hikes and soaring ocean freight costs stemming from the reopening of the economy, and these effects linger even now. The outlook of the world economy still remains uncertain and unpredictable due to the spread of more infectious coronavirus variants as well as the recent tension in the state of international affairs arising from the situation in Ukraine.

In the automotive industry in which OHASHI TECHNICA INC. (the “Company”) and its subsidiaries (collectively, the “Group”) operate business, global production at Japanese automobile manufacturers did not return to the state before the COVID-19 pandemic and remained almost unchanged from the previous fiscal year, because production adjustments continued intermittently due to shortages of components, which resulted primarily from shortages of semiconductors.

Under these circumstances, the Group strived to strengthen its business foundations and improve management efficiency through expense reductions and other efforts. As a result, consolidated net sales increased year on year due in part to the contribution of new orders in each location. Our consolidated operating profit also increased year on year, despite suffering the effects of soaring raw material costs and overseas logistics costs particularly in the second half of the fiscal year under review.

In the fiscal year under review, on a consolidated basis, the Company posted net sales of 32,545 million yen (up 9.3% year on year), operating profit of 2,272 million yen (up 7.9% year on year), ordinary profit of 2,536 million yen (up 11.2% year on year) and profit attributable to owners of parent of 1,791 million yen (up 16.3% year on year).

Application of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29; March 31, 2020) (the “Revenue Recognition Standard”) caused net sales and cost of sales both to decrease by 100 million yen. There was no impact on the various profit results.

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]

Due to the effects of production adjustments caused by semiconductor shortages and a standstill in parts supply from Southeast Asia, production volume at passenger car manufacturers took a downward turn. However, due to the contribution of new orders and the recovery of production at commercial vehicle manufacturers that are major clients of the Group, net sales were 17,827 million yen (up 9.9% year on year). Segment profit was 1,313 million yen (up 29.8% year on year) owing to the increase in net sales and the improvement of manufacturing costs.

Application of the Revenue Recognition Standard caused net sales to decrease by 100 million yen. There was no impact on segment profit.

#### [Americas]

Production at automobile manufacturers of our major clients in the U.S. has been impacted by the worldwide semiconductor supply shortage and the standstill in ocean shipping. However, due to the contribution of new orders, net sales were 6,618 million yen (up 6.1% year on year). Due to higher shipping costs resulting from marine supply chain disruptions and because of the use of alternative means of transport, segment profit was 302 million yen (down 29.5% year on year).

#### [China]

The global semiconductor supply shortage has affected production at automobile manufacturers of our major clients in China. However, due to the contribution of new orders net sales were 4,807 million yen (up 7.4% year on year). Segment profit was 554 million yen (down 2.6% year on year) due to the end of various support measures provided for companies in the previous fiscal year as well as depreciation expenses for large-scale facilities.

[ASEAN]

Due to the contribution of new orders and a recovery in production from the previous year when production decreased owing to the spread of COVID-19, net sales were 2,420 million yen (up 20.8% year on year). Segment profit was 398 million yen (up 119.9% year on year) owing to the increase in net sales and the improvement of manufacturing costs.

[Europe]

Net sales were 872 million yen (up 3.1% year on year), despite the impact of the global semiconductor supply shortage on production at automobile manufacturers of our major clients. Segment loss was 120 million yen (a segment loss of 82 million yen in the previous fiscal year) due to a rise in marine freight costs and cost of sales from soaring raw material costs. Since a delay in future sales recovery owing to a semiconductor supply shortage and further soaring marine freight costs and raw material expenses were expected to emerge going forward, the recoverable amount of business-use assets fell below the book value. Consequently, in the fiscal year under review, the Group recognized an impairment loss (extraordinary loss) of 56 million yen on property, plant and equipment.

[Taiwan]

OHASHI TECHNICA TAIWAN CO., LTD., which transacts business with companies of the Group only, has no net sales to external customers.

Segment loss was 42 million yen (a segment profit of 20 million yen in the previous fiscal year) owing to a significant rise in marine freight costs, despite an increase in exports for companies of the Group.

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

At the end of the fiscal year under review, assets amounted to 43,352 million yen, up 1,214 million yen from the end of the previous fiscal year, mainly due to an increase in merchandise and finished goods and property, plant and equipment.

Liabilities amounted to 9,903 million yen, down 561 million yen from the end of the previous fiscal year, mainly due to decreases in notes and accounts payable – trade and electronically recorded obligations – operating, and also because borrowings decreased in the U.S. following certification for the waiver of repayment obligations regarding funds borrowed for employment protection in response to the COVID-19 pandemic.

Net assets amounted to 33,448 million yen, up 1,776 million yen from the end of the previous fiscal year, mainly due to increases in retained earnings and foreign currency translation adjustment and a decrease in treasury shares. Treasury shares amounted to 567 million yen, with a decrease of 890 million yen due to cancellation of existing holdings but an increase of 646 million yen due to new acquisitions.

(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 20,209 million yen, down 1,152 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 567 million yen (an inflow of 2,122 million yen in the previous fiscal year).

This is mainly attributable to recording profit before income taxes of 2,589 million yen as well as a decrease in trade receivables of 766 million yen, offsetting an increase in inventories of 1,975 million yen and income taxes paid of 759 million yen.

*Cash flows from investing activities*

Funds used in investing activities were 992 million yen (an outflow of 794 million yen in the previous fiscal year).

This is mainly attributable to purchase of property, plant and equipment of 974 million yen.

*Cash flows from financing activities*

Funds used in financing activities were 1,664 million yen (an outflow of 1,469 million yen in the previous fiscal year).

This is mainly attributable to dividends paid of 824 million yen and purchase of treasury shares of 645 million yen.

Reference: Trends in cash flow indicators

	67th term Year ended March 31, 2019	68th term Year ended March 31, 2020	69th term Year ended March 31, 2021	70th term Year ended March 31, 2022
Equity ratio (%)	72.2	74.4	74.2	76.3
Equity ratio at fair value (%)	49.0	46.4	53.0	41.1
Cash flow vs interest-bearing debt (%)	0.2	7.0	13.7	27.6
Interest coverage ratio (times)	—	554.9	262.2	73.9

\*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

The outlook for the world economy is expected to remain uncertain due to such factors as the impact of the lockdown in China caused by the spread of COVID-19 and heightened geopolitical risks following Russia's invasion of Ukraine.

In the automotive industry, production adjustments due to shortages of components and semiconductors that have continued since the fiscal year under review are expected to last for some time, but a gradual recovery is projected toward the latter half of the next fiscal year.

Under these circumstances, with regard to the consolidated performance forecast for the year ending March 31, 2023, although the business environment in the short term is expected to be harsh due to the continuing increase in costs from the rise in raw material and freight costs, the Group is forecasting net sales of 34,500 million yen (up 6.0% year on year), operating profit of 2,500 million yen (up 10.0% year on year), ordinary profit of 2,700 million yen (up 6.4% year on year), and profit attributable to owners of parent of 1,900 million yen (up 6.1% 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 = 120.00 yen, 1 RMB = 18.00 yen, 1 THB = 3.50 yen, and 1 GBP = 155.00 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 31 yen per share for the fiscal year under review (the year ended March 31, 2022) (an increase of 5 yen from the previous fiscal year), which comprises an ordinary dividend of 26 yen per share and a commemorative dividend for the Company's 70th anniversary of 5 yen per share, 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 57 yen per share including the interim dividend of 26 yen per share paid in December 2021.

As for dividends for the next fiscal year (the year ending March 31, 2023), the Company plans to pay an ordinary annual dividend of 57 yen per share (an interim dividend of 28 yen per share and a year-end dividend of 29 yen per share).

#### 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, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	21,361,928	20,209,010
Notes and accounts receivable – trade	7,036,480	–
Notes and accounts receivable - trade, and contract assets	–	*2 6,514,852
Merchandise and finished goods	3,871,528	5,874,528
Work in process	412,077	585,706
Raw materials and supplies	585,777	789,212
Other	529,277	634,632
Allowance for doubtful accounts	(8,328)	(6,986)
Total current assets	33,788,740	34,600,956
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,925,795	5,114,731
Accumulated depreciation	(2,419,602)	(2,638,692)
Buildings and structures, net	2,506,193	2,476,039
Machinery, equipment and vehicles	7,674,706	8,677,350
Accumulated depreciation	(6,590,403)	(7,198,719)
Machinery, equipment and vehicles, net	1,084,303	1,478,630
Tools, furniture and fixtures	3,518,631	3,706,101
Accumulated depreciation	(3,157,615)	(3,338,823)
Tools, furniture and fixtures, net	361,015	367,278
Land	1,387,496	1,392,174
Construction in progress	391,354	375,833
Total property, plant and equipment	5,730,362	6,089,955
Intangible assets		
Software	165,579	127,986
Other	48,766	53,244
Total intangible assets	214,346	181,231
Investments and other assets		
Investment securities	1,700,377	1,712,029
Deferred tax assets	218,807	280,483
Other	487,625	489,434
Allowance for doubtful accounts	(2,200)	(1,600)
Total investments and other assets	2,404,609	2,480,347
Total non-current assets	8,349,318	8,751,534
Total assets	42,138,059	43,352,490



(Thousand yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,075,600	2,864,862
Electronically recorded obligations - operating	5,247,818	4,805,599
Income taxes payable	274,345	387,358
Provision for bonuses	187,662	180,878
Provision for bonuses for directors (and other officers)	27,100	44,100
Short-term borrowings	65,329	—
Other	744,503	* <sub>3</sub> 864,813
Total current liabilities	9,622,359	9,147,612
Non-current liabilities		
Long-term borrowings	43,552	—
Deferred tax liabilities	—	621
Retirement benefit liability	619,069	615,864
Other	180,815	139,824
Total non-current liabilities	843,437	756,311
Total liabilities	10,465,797	9,903,923
Net assets		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,611,240	1,611,240
Retained earnings	28,338,005	28,398,043
Treasury shares	(811,559)	(567,932)
Total shareholders' equity	30,963,356	31,267,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	328,397	293,984
Foreign currency translation adjustment	(59,449)	1,464,438
Remeasurements of defined benefit plans	33,978	34,981
Total accumulated other comprehensive income	302,925	1,793,404
Non-controlling interests	405,979	388,139
Total net assets	31,672,261	33,448,566
Total liabilities and net assets	42,138,059	43,352,490

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

## Consolidated statements of income

(Thousand yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Net sales	29,782,276	32,545,378
Cost of sales	* <sub>6</sub> 22,808,145	* <sub>6</sub> 24,866,627
Gross profit	6,974,130	7,678,750
Selling, general and administrative expenses	* <sub>1</sub> , * <sub>2</sub> 4,868,531	* <sub>1</sub> , * <sub>2</sub> 5,406,165
Operating profit	2,105,599	2,272,585
Non-operating income		
Interest income	55,879	56,554
Dividend income	38,347	43,726
Share of profit of entities accounted for using equity method	22,242	54,168
Gain on sale of scraps	35,012	70,456
Subsidy income	122,440	78,154
Other	19,545	19,216
Total non-operating income	293,468	322,277
Non-operating expenses		
Interest expenses	8,096	7,685
Foreign exchange losses	48,146	21,041
Business commencement expenses	47,894	25,532
Other	12,946	3,983
Total non-operating expenses	117,084	58,242
Ordinary profit	2,281,983	2,536,619
Extraordinary income		
Gain on sale of non-current assets	* <sub>3</sub> 674	* <sub>3</sub> 1,597
Gain on sale of investment securities	17,334	2,676
Gain on forgiveness of debts	—	* <sub>7</sub> 106,609
Total extraordinary income	18,009	110,884
Extraordinary losses		
Loss on sale of non-current assets	* <sub>4</sub> 492	—
Loss on retirement of non-current assets	* <sub>5</sub> 1,619	* <sub>5</sub> 1,541
Impairment losses	—	* <sub>8</sub> 56,387
Total extraordinary losses	2,112	57,929
Profit before income taxes	2,297,880	2,589,575
Income taxes - current	771,691	832,179
Income taxes - deferred	(22,500)	(50,250)
Total income taxes	749,190	781,929
Profit	1,548,690	1,807,645
Profit attributable to non-controlling interests	8,585	16,343
Profit attributable to owners of parent	1,540,104	1,791,302

Consolidated statements of comprehensive income

(Thousand yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Profit	1,548,690	1,807,645
Other comprehensive income		
Valuation difference on available-for-sale securities	224,672	(34,936)
Foreign currency translation adjustment	(526,437)	1,507,584
Remeasurements of defined benefit plans, net of tax	(9,202)	1,003
Share of other comprehensive income of entities accounted for using equity method	(476)	523
Total other comprehensive income	* (311,444)	* 1,474,175
Comprehensive income	1,237,245	3,281,821
Comprehensive income attributable to		
Owners of parent	1,237,655	3,281,781
Non-controlling interests	(409)	39

## (3) Consolidated statements of changes in equity

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

For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,825,671	1,611,240	28,338,005	(811,559)	30,963,356
Cumulative effects of changes in accounting policies					—
Restated balance	1,825,671	1,611,240	28,338,005	(811,559)	30,963,356
Changes during period					
Dividends of surplus			(824,299)		(824,299)
Profit attributable to owners of parent			1,791,302		1,791,302
Purchase of treasury shares				(646,907)	(646,907)
Cancellation of treasury shares			(890,533)	890,533	—
Change in scope of consolidation			(16,430)		(16,430)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	60,038	243,626	303,665
Balance at end of period	1,825,671	1,611,240	28,398,043	(567,932)	31,267,022

	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	328,397	(59,449)	33,978	302,925	405,979	31,672,261
Cumulative effects of changes in accounting policies						—
Restated balance	328,397	(59,449)	33,978	302,925	405,979	31,672,261
Changes during period						
Dividends of surplus						(824,299)
Profit attributable to owners of parent						1,791,302
Purchase of treasury shares						(646,907)
Cancellation of treasury shares						—
Change in scope of consolidation						(16,430)
Net changes in items other than shareholders' equity	(34,413)	1,523,888	1,003	1,490,479	(17,839)	1,472,639
Total changes during period	(34,413)	1,523,888	1,003	1,490,479	(17,839)	1,776,305
Balance at end of period	293,984	1,464,438	34,981	1,793,404	388,139	33,448,566

## (4) Consolidated statements of cash flows

(Thousand yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,297,880	2,589,575
Depreciation	892,590	852,451
Increase (decrease) in provision for bonuses	(6,941)	(7,578)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4,100)	17,000
Impairment losses	—	56,387
Increase (decrease) in allowance for doubtful accounts	57	(2,601)
Increase (decrease) in retirement benefit liability	126	(1,850)
Interest and dividend income	(94,227)	(100,280)
Gain on forgiveness of debt	—	(106,609)
Subsidy income	(122,440)	(78,154)
Interest expenses	8,096	7,685
Share of loss (profit) of entities accounted for using equity method	(22,242)	(54,168)
Loss (gain) on sale of non-current assets	(181)	(1,597)
Loss on retirement of non-current assets	1,619	1,541
Loss (gain) on sale of investment securities	(17,334)	(2,676)
Decrease (increase) in trade receivables	(264,915)	766,917
Decrease (increase) in inventories	(9,001)	(1,975,246)
Increase (decrease) in trade payables	234,448	(856,400)
Decrease(increase) in other investments	35,319	—
Other, net	(282,319)	29,792
Subtotal	2,646,433	1,134,183
Interest and dividends received	94,187	100,331
Interest paid	(8,096)	(7,685)
Subsidies received	266,111	100,220
Income taxes paid	(875,672)	(759,264)
Net cash provided by (used in) operating activities	2,122,963	567,785
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(788,378)	(974,922)
Proceeds from sale of property, plant and equipment	2,916	14,073
Purchase of intangible assets	(37,639)	(32,563)
Purchase of investment securities	(9,148)	(9,736)
Proceeds from sale of investment securities	36,424	11,525
Loan advances	(1,780)	(3,254)
Proceeds from collection of loans receivable	2,669	2,811
Net cash provided by (used in) investing activities	(794,935)	(992,066)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	65,329	(9,721)
Proceeds from long-term borrowings	44,949	—
Repayments of lease liabilities	(90,803)	(101,225)
Purchase of treasury shares	(795,281)	(645,957)
Dividends paid	(675,165)	(824,299)
Repayments to non-controlling shareholders	—	(65,880)
Dividends paid to non-controlling interests	(18,601)	(17,878)
Net cash provided by (used in) financing activities	(1,469,573)	(1,664,963)
Effect of exchange rate change on cash and cash equivalents	(340,393)	936,326
Net increase (decrease) in cash and cash equivalents	(481,938)	(1,152,917)
Cash and cash equivalents at beginning of period	21,843,866	21,361,928
Cash and cash equivalents at end of period	* 21,361,928	* 20,209,010

(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: 13

Names of consolidated subsidiaries

OHASHI GIKEN,INC.

OHASHI LOGISTICS,INC.

OHASHI TECHNICA U.S.A., INC.

OHASHI TECHNICA U.S.A. MANUFACTURING, 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.

OHASHI NAKAHYO U.S.A., INC. has been excluded from the scope of consolidation because the company ceased to exist on December 31, 2021 in an absorption-type merger where OHASHI TECHNICA U.S.A. MANUFACTURING, INC. was the surviving company.

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

There are no non-consolidated subsidiaries.

2. Scope of equity method

Number of associates accounted for using equity method: 2

Names of associates accounted for using equity method

TK Co. Ltd.

NAKAHYO Co., Ltd.

3. Fiscal years of consolidated subsidiaries

The fiscal years of the two consolidated subsidiaries in Japan close on the same date as the closing date of the consolidated fiscal year of the Company. The fiscal years of the 11 overseas consolidated subsidiaries close on December 31.

In the preparation of consolidated financial statements, financial statements as of December 31 are used for the overseas consolidated subsidiaries, provided that adjustments are made with respect to material items that have occurred from January 1 to the consolidation closing date of March 31.

4. Accounting policies

(1) Valuation basis and valuation method for significant assets

(a) Securities

Available-for-sale securities

Securities other than shares that do not have a market price

Stated at fair value based on the market price quoted as of the end of the fiscal year (Valuation differences are recorded in net assets, with the cost of securities sold to be calculated by the moving-average method.)

Shares that do not have a market price

Stated at cost by the moving-average method

(b) Derivatives

Stated at fair value

(c) Inventories

(i) Merchandise

Stated at cost by moving-average method (the value on the balance sheet is written down for a decline in profitability) for the domestic consolidated subsidiaries, and by the lower of cost or market method with the first-in-first-out (FIFO) method for the overseas consolidated subsidiaries

(ii) Finished goods, work in process and raw materials

Stated at cost by the first-in-first-out (FIFO) method (the value on the balance sheet is written down for a decline in profitability) for the domestic consolidated subsidiaries, and by the lower of cost or market method with the first-in-first-out (FIFO) method for the overseas consolidated subsidiaries

(iii) Supplies

Stated at the last purchase price method

(2) Depreciation and amortization method for significant depreciable and amortizable assets

(a) Property, plant and equipment (excluding leased assets)

Depreciated primarily by the declining-balance method for the Company and the domestic consolidated subsidiaries (provided that the buildings, excluding facilities attached to buildings, acquired on or after April 1, 1998 and the structures and the facilities attached to buildings acquired on or after April 1, 2016 are depreciated by the straight-line method), by the straight-line method for some of the domestic subsidiaries, and by the straight-line method for the overseas consolidated subsidiaries based on accounting standards prevailing in their respective countries

The principal useful lives of these assets are as summarized below.

Buildings and structures: 10 to 50 years

Machinery, equipment and vehicles: 4 to 12 years

Tools, furniture and fixtures: 2 to 10 years

(b) Intangible assets (excluding leased assets)

Amortized by the straight-line method for the Company and the domestic consolidated subsidiaries, and by the straight-line method for the overseas consolidated subsidiaries based on accounting standards prevailing in their respective countries

Software used in house by the Company and the domestic consolidated subsidiaries is amortized by the straight-line method over the internally estimated useful life (5 years).

(c) Leased assets

Leased assets in finance lease transactions that do not involve transfer of ownership

Amortized by the straight-line method with the lease term equal to the useful life of each asset and the residual value of zero

(d) Long-term prepaid expense

Amortized by the straight-line method for the Company and the domestic consolidated subsidiaries

(3) Accounting standards for significant allowances

(a) Allowance for doubtful accounts

For the Company and the domestic consolidated subsidiaries to cover possible bad debt expenses on notes and accounts receivable – trade, etc., allowance for doubtful accounts is recorded as the uncollectable amount estimated based on the historical default rate for normal accounts receivable, while allowance for doubtful accounts is recorded as the uncollectable amount estimated by taking into account collectability on a case-by-case basis for certain accounts receivable such as doubtful accounts of receivable with higher possibility of default.

For the overseas consolidated subsidiaries, allowance for doubtful accounts is recorded as the necessary amount estimated according to collectability of each account by referring to internal standards set by each of the overseas consolidated subsidiaries.

(b) Provision for bonuses



For the Company, the domestic consolidated subsidiaries and some of the overseas consolidated subsidiaries to prepare for the payment of bonuses to employees, provision is recorded as the amount of the portion of the estimated amount of bonuses to be paid that should be attributed to the consolidated fiscal year under review.

(c) Provision for bonuses for directors (and other officers)

For the Company to prepare for the payment of bonuses to directors and other officers, provision is recorded as the amount of the payment estimated at the end of the fiscal year under review.

(4) Accounting standards for significant revenue and expenses

The performance obligation of the Group is primarily to supply automotive-related components to customers. The Group considers the performance obligation for each component to have been satisfied when control of the component passes to the customer in delivery, and therefore recognizes revenue from the sale of the component at that point of time, provided however, that for the case where the period from the time of shipment to the time of the passing of control is of normal length, the Group recognizes the revenue at the time of shipment.

The Group considers that in paid supply transactions, if a supplier has an obligation to buy back supplied goods from a customer, neither does the customer have control of the supplied goods nor does the inventory of the supplied goods pass from the supplier to the customer at the time of supply. Accordingly, the transaction is recorded as contract assets in the case of when the Company is the customer, and as contract liabilities in the case of when the Company is the supplier. In addition, the total value of the supplied goods is not recorded as revenue or purchase at the time of provision, and only actual manufacturing costs on a net basis as revenue or purchase at the time of delivery of final goods.

The Company and the consolidated subsidiaries recognize revenue and expenses by the following 5-step approach:

Step 1: Recognize a contract with a customer.

Step 2: Identify performance obligations under the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each of the performance obligations.

Step 5: Recognize revenue when the performance obligations are satisfied (or according to the extent to which the performance obligations are satisfied).

(5) Accounting method for retirement benefit

(a) Method of attributing the projected amount of retirement benefit to accounting periods

In the calculation of retirement benefit obligations, the straight-line method is used to attribute the projected amount of retirement benefits to the consolidated fiscal year under review.

(b) Method of amortization of actuarial differences

Actuarial differences are amortized, from the consolidated fiscal year immediately following the consolidated fiscal year when they are incurred, by using the straight-line method over a period of time within the average remaining service period of employees as of the time when they are incurred (10 years).

(c) Application of a simplified accounting method by small-sized companies

In the calculation of retirement benefit liability and retirement benefit expenses, some of the domestic consolidated subsidiaries apply a simplified accounting method which considers the assumed amount of benefits to be paid for voluntarily retired employees at the end of each consolidated fiscal year as retirement benefit obligations.

(6) Standards for conversion of significant foreign currency assets or liabilities into Japanese yen

Foreign currency monetary assets and liabilities are converted into Japanese yen at the spot exchange rate prevailing on the closing date of each consolidated fiscal year, and the resulting conversion difference are credited or charged to income. For the overseas consolidated subsidiaries, assets and liabilities are converted into Japanese yen at the spot exchange rate prevailing on the closing date and revenue and expenses are converted into Japanese yen at the average exchange rate for each fiscal year, and the resulting conversion differences are included in the accounts of foreign currency conversion adjustment and non-controlling interests.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows comprise cash at hand, at-call bank deposits, and short-term investments that become mature three months or less from the date of acquisition, are readily convertible to cash and are subject to only an insignificant risk of changes in value.

### *Changes in accounting policies*

#### (Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29; March 31, 2020) (the “Revenue Recognition Standard”) from the beginning of the consolidated fiscal year under review. Revenue is recognized as the amount expected to be received in exchange for promised goods or services when control of said goods or services is transferred to the customer.

The changes resulting from application of the Revenue Recognition Standard, etc. are as follows.

- Paid supply transactions

If a supplier has an obligation to buy back supplied goods from a customer, ownership does not transfer to the customer at the time of supply, and paid supply goods are not recognized as extinguished. Furthermore, for paid supply transactions with buyback obligations in which the Company is the customer, the Company has changed to a method of recognizing actual manufacturing costs on a net basis as revenue.

With regard to the application of the Revenue Recognition Standard, in accordance with the transitional treatment stipulated in the proviso to Paragraph 84 of the Revenue Recognition Standard, the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the consolidated fiscal year under review, has been added to or subtracted from retained earnings at the beginning of the consolidated fiscal year under review, and the new accounting policy has been applied from the beginning of said period. However, the method stipulated in Paragraph 86 of the Revenue Recognition Standard has been applied, and the new accounting policy has not been retroactively applied to contracts for which the amounts of almost all revenue had been recognized prior to the beginning of the consolidated fiscal year under review, in accordance with the previous accounting policy. In addition, the method stipulated in proviso (1) to Paragraph 86 of the Revenue Recognition Standard has been applied. After conducting accounting procedures based on the contract conditions after reflecting all changes in contracts made prior to the beginning of the consolidated fiscal year under review, the cumulative effect is added to or subtracted from retained earnings at the beginning of the consolidated fiscal year under review.

In addition, “Notes and accounts receivable – trade,” which were included in “Current assets” in the consolidated balance sheets for the previous fiscal year are included in “Notes and accounts receivable – trade and contract assets” from the consolidated fiscal year under review. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Standard, however, figures for the previous fiscal year have not been reclassified in accordance with the new approach to presentation.

As a result, net sales and cost of sales for the consolidated fiscal year under review both decreased by 100,954 thousand yen, compared with the figures before the application of the Revenue Recognition Standard, etc. There was no impact on retained earnings at the beginning of said period or on per share information.

In accordance with the transitional treatment set forth in Paragraph 89-3 of the Revenue Recognition Standard, notes on revenue recognition for the previous fiscal year are not presented.

#### (Application of the Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30; July 4, 2019) (the “Fair Value Standard”) from the beginning of the fiscal year under review. New accounting policies based on the Fair Value Standard have been applied prospectively in accordance with the transitional treatment in Paragraph 19 of the Fair Value Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10; July 4, 2019). There is no impact on the consolidated financial statements.

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, 2021	As of March 31, 2022
TK Co. Ltd.	238,730	196,826

\*2 Of “Notes and accounts receivable – trade, and contract assets,” the amounts of the receivables and contract assets arising from the contracts with customers are as follows:

	(Thousand yen)
	As of March 31, 2022
Notes receivable	62,296
Accounts receivable	6,442,529
Contract assets	10,026

\*3 Of “Other,” the amount of contract assets is as follows:

	(Thousand yen)
	As of March 31, 2022
Contract liabilities	44,690

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, 2021	For the year ended March 31, 2022
Packing and transportation costs	605,100	865,206
Salaries and allowances	1,840,888	1,894,558
Provision for bonuses	157,027	148,246
Provision for bonuses for directors (and other officers)	27,100	44,100
Retirement benefit expenses	56,667	50,645

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

	(Thousand yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
General and administrative expenses	52,108	51,485

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

	(Thousand yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Machinery, equipment and vehicles	28	1,597
Tools, furniture and fixtures	645	—
Total	674	1,597

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

(Thousand yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Machinery, equipment and vehicles	492	—
Total	492	—

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

(Thousand yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Buildings and structures	239	—
Machinery, equipment and vehicles	707	1,330
Tools, furniture and fixtures	639	211
Software	33	0
Total	1,619	1,541

\*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, 2021	For the year ended March 31, 2022
	2,762	67,765

\*7 Gain on forgiveness of debts

OHASHI TECHNICA U.S.A., INC., a consolidated subsidiary of the Company in the U.S., applied for the Paycheck Protection Program, a U.S. government policy measure for the protection of employment implemented in response to the COVID-19 pandemic, under which the company borrowed funds. As the company used the funds for the purposes designated as conditions for forgiveness of debts, such as payment of employee salaries for protecting their employment, the debt was forgiven.

\*8 Impairment losses

For the year ended March 31, 2021

Not applicable.

For the year ended March 31, 2022

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 and structures, etc.	56,387

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.

For the consolidated fiscal year under review, impairment losses have been recognized for the business-use assets of OHASHI TECHNICA UK, LTD., a consolidated subsidiary of the Company in the U.K., which include leased assets, whose recoverable amount fell below the book value as expected delay in recovery of sales due to semiconductor shortage and other factors, as well as increasing ocean freight costs, caused a decline in profitability.

Of the impairment losses, buildings and structures account for 34,803 thousand yen, machinery, equipment and vehicles for 10,936 thousand yen, and tools, furniture and fixtures for 10,646 thousand yen.

The recoverable amount of these business-use assets were measured at the value in use, but has been reduced to zero because future cash flow is expected to be negative.

Notes to consolidated statements of changes in equity

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

Resolution	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

Resolution	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

For the year ended March 31, 2022

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	14,759,080	—	580,120	14,178,960
Total	14,759,080	—	580,120	14,178,960
Treasury shares				
Common shares	534,274	458,319	580,120	412,473
Total	534,274	458,319	580,120	412,473

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 November 10, 2021 580,120 shares

2. Breakdown of the increase of 458,319 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 February 9, 2021 60,000 shares

Acquisition of treasury shares based on the resolution at the Board of Directors meeting on November 10, 2021 397,500 shares

Increase in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate TK Co. Ltd. 190 shares

Increase in the Company's interest in the treasury shares (shares of the Company) acquired by equity-method associate NAKAHYO Co., Ltd. 569 shares

Increase due to repurchase of odd-lot shares 60 shares

2. Share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2021	Common shares	455,646	32	March 31, 2021	June 28, 2021
Board of Directors meeting on November 10, 2021	Common shares	368,652	26	September 30, 2021	December 6, 2021

(2) Dividends with record dates in the year ended March 31, 2022 and effective dates falling in the next fiscal year

The following resolution is scheduled.

Resolution	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 24, 2022	Common shares	427,223	Retained earnings	31	March 31, 2022	June 27, 2022

*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, 2021	For the year ended March 31, 2022
Cash and deposit accounts	21,361,928	20,209,010
Time deposits of more than three months	—	—
Cash and cash equivalents	21,361,928	20,209,010

*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.

As stated in the item "*Changes in accounting policies*," the Company has applied the Revenue Recognition Standard from the beginning of the consolidated fiscal year under review and changed the accounting method for revenue recognition so that the method for calculating profits or losses for the reportable segments has been changed accordingly.

Due to this change, net sales in Japan decreased by 100,954 thousand yen for the fiscal year under review, compared with the figure calculated by the previous accounting method. There is no impact on segment profit (loss).

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

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.



For the year ended March 31, 2022

(Thousand yen)

	Reportable segments							Adjustments (Note) 1	Consolidation (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	17,827,579	6,618,070	4,807,159	2,420,531	872,037	—	32,545,378	—	32,545,378
Inter-segment sales or transfers	2,885,083	3,207	129,109	78,996	—	1,158,641	4,255,038	(4,255,038)	—
Total	20,712,662	6,621,278	4,936,268	2,499,528	872,037	1,158,641	36,800,416	(4,255,038)	32,545,378
Segment profit (loss)	1,313,171	302,877	554,901	398,658	(120,161)	(42,272)	2,407,174	(134,589)	2,272,585
Segment assets	32,308,075	8,818,859	6,782,258	3,707,432	1,249,911	476,016	53,342,553	(9,990,063)	43,352,490
Other items									
Depreciation	461,687	129,106	160,765	87,627	21,311	3,253	863,752	(11,301)	852,451
Investments in equity-method associates	339,405	—	—	—	—	—	339,405	—	339,405
Increases in property, plant and equipment and intangible assets	350,913	171,095	503,059	29,783	9,513	3,056	1,067,422	—	1,067,422

Notes: 1. Details of adjustments are as follows:

- (1) Adjustment of segment profit (loss) of (134,589) thousand yen includes inter-segment eliminations of 34,899 thousand yen and inventory adjustment of (169,488) thousand yen.
  - (2) Adjustment of segment assets of (9,990,063) thousand yen includes inter-segment eliminations of (9,519,309) thousand yen, inventory adjustment of (606,508) thousand yen, and other adjustment of 135,754 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, 2021	As of and for the year ended March 31, 2022
Net assets per share	2,198.01 yen	2,401.52 yen
Basic earnings per share	106.10 yen	127.17 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, 2021	For the year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	1,540,104	1,791,302
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	1,540,104	1,791,302
Average number of common shares outstanding during the period (Shares)	14,515,844	14,086,366

*Significant subsequent events*

Not applicable.