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## Consolidated Financial Results for the Nine Months Ended December 31, 2021 [J-GAAP]

February 9, 2022

Name of listed company: OHASHI TECHNICA INC.

Listed exchange: Tokyo Stock Exchange

Securities code: 7628

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

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Scheduled date for filing of quarterly securities report: February 10, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing materials on quarterly financial results: None

Holding of quarterly financial results briefing: None

(Amounts of less than millions of yen are truncated)

### 1. Consolidated performance for the nine months ended December 31, 2021 (April 1, 2021-December 31, 2021)

(1) Consolidated operating results (% of change from the same quarter of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	24,644	18.2	1,816	48.0	2,006	46.7	1,433	59.2
Nine months ended December 31, 2020	20,855	(23.8)	1,227	(52.3)	1,368	(49.4)	900	(55.8)

*Note:* Comprehensive income  
 Nine months ended December 31, 2021: 2,465 million yen [457.4%]  
 Nine months ended December 31, 2020: 442 million yen [(70.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	101.30	–
Nine months ended December 31, 2020	61.76	–

*Note:* The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) has been applied from the beginning of the three months ended June 30, 2021, and the figures for the nine months ended December 31, 2021 are shown after application of this accounting standard.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	43,349	32,993	75.1
As of March 31, 2021	42,138	31,672	74.2

*Reference:* Equity  
 As of December 31, 2021: 32,573 million yen  
 As of March 31, 2021: 31,266 million yen

## 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	20.00	–	32.00	52.00
Year ending March 31, 2022	–	26.00	–		
Year ending March 31, 2022 (forecast)				31.00	57.00

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

Note 2. Breakdown of year-end dividend for the year 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	32,500	9.1	2,150	2.1	2,350	3.0	1,650	7.1	118.44

Note: Revision from the most recent announcement of consolidated financial results forecasts: Yes

For details on the revision of the consolidated financial results forecast, please see the "Notice of Revision to Financial Results Forecast" announced today (February 9, 2022).

**\*Notes**

(1) Changes in significant subsidiaries during the period: None

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

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

1) Changes in accounting policies due to revisions in accounting standards, etc.: 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 “(3) Notes to quarterly consolidated financial statements; *Changes in accounting policies*” under “2. Quarterly consolidated financial statements and principal notes” on page 8 of the attachment.

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares):	December 31, 2021:	14,178,960 shares
	March 31, 2021:	14,759,080 shares
2) Number of treasury shares at the end of the period:	December 31, 2021:	155,827 shares
	March 31, 2021:	534,274 shares
3) Average number of shares during the period:	Nine months ended December 31, 2021:	14,151,866 shares
	Nine months ended December 31, 2020:	14,580,990 shares

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

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

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

Forward-looking descriptions including performance forecasts in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not a guarantee on their realization.

Actual results, etc. may differ significantly due to various factors. For more notes on the use of performance forecasts, please see “(2) Explanation of consolidated financial results forecast and other forward-looking information” under “1. Qualitative information on quarterly financial results” on page 3 of the attachment.

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## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

During the nine months ended December 31, 2021, the world economy began on a recovery trend from the significant decline caused by the rapid spread of COVID-19 in the previous period. 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. COVID-19 temporarily showed signs of ending due to expanded global vaccine access, but the outlook of the world economy still remains uncertain due in part to the resurgence of a more infectious variant.

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 increased from a year earlier when there were plant shutdowns and significant cutbacks in production, but due in part to the impact of the new variant, a full recovery has not yet been achieved.

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 and the recovery of production at automobile manufacturers that are major clients of the Group. Our consolidated operating profit also increased year on year, despite suffering the effects of soaring raw material costs and overseas logistics costs.

In the nine months ended December 31, 2021, on a consolidated basis, the Company posted net sales of 24,644 million yen (up 18.2% year on year), operating profit of 1,816 million yen (up 48.0% year on year), ordinary profit of 2,006 million yen (up 46.7% year on year) and profit attributable to owners of parent of 1,433 million yen (up 59.2% 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 90 million yen. There was no impact on the various profit results.

Operating results by segment are as described below. (Segment profit is adjusted with operating profit on the quarterly 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 13,526 million yen (up 17.7% year on year). Segment profit was 1,082 million yen (up 77.0% 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 90 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 and a recovery in production exceeding the results of the previous year when production suddenly declined as a result of plant shutdowns caused by the spread of COVID-19, net sales were 5,046 million yen (up 15.4% year on year). Due to higher ocean shipping costs, segment profit was 225 million yen (down 2.5% year on year).

[China]

The global semiconductor supply shortage caused production at automobile manufacturers of our major clients to take a downward turn. However, due to the contribution of new orders, net sales were 3,574 million yen (up 16.8% year on year). Segment profit was 465 million yen (up 18.4% year on year) owing to the increase in net sales and improvement of manufacturing costs.

[ASEAN]

Automobile manufacturers of our major clients recovered from last year's production decline due to the spread of COVID-19. As a result, net sales were 1,805 million yen (up 32.7% year on year). Segment profit was 304 million yen (up 328.2% year on year) owing to the increase in net sales and the improvement of manufacturing costs.

[Europe]

Net sales were 691 million yen (up 22.1% year on year), owing to new orders and the recovery of production at automobile manufacturers of our major clients, compared with the previous year's decline due to the spread of COVID-19. Segment loss was 100 million yen (a segment loss of 74 million yen in the nine months ended December 31, 2020) 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 second quarter ended September 30, 2021, the Group recognized an impairment loss (extraordinary loss) of 51 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 14 million yen (a segment profit of 18 million yen in the nine months ended December 31, 2020) owing to a significant rise in marine freight costs, despite an increase in exports for companies of the Group.

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

Considering the consolidated financial results for the nine months ended December 31, 2021 and the future financial results forecast, the consolidated financial results forecast for the year ending March 31, 2022 has been revised from the forecast published on May 13, 2021.

For details, please see the "Notice of Revision to Financial Results Forecast" published today (February 9, 2022).

## 2. Quarterly consolidated financial statements and principal notes

### (1) Quarterly consolidated balance sheets

(Thousand yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,361,928	20,779,840
Notes and accounts receivable – trade	7,036,480	–
Notes and accounts receivable – trade, and contract assets	–	6,305,667
Merchandise and finished goods	3,871,528	5,678,958
Work in process	412,077	561,101
Raw materials and supplies	585,777	663,657
Other	529,277	563,004
Allowance for doubtful accounts	(8,328)	(8,877)
<b>Total current assets</b>	<b>33,788,740</b>	<b>34,543,354</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,925,795	4,990,032
Accumulated depreciation	(2,419,602)	(2,512,943)
Buildings and structures, net	2,506,193	2,477,088
Machinery, equipment and vehicles	7,674,706	8,459,925
Accumulated depreciation	(6,590,403)	(6,980,513)
Machinery, equipment and vehicles, net	1,084,303	1,479,411
Tools, furniture and fixtures	3,518,631	3,638,588
Accumulated depreciation	(3,157,615)	(3,270,564)
Tools, furniture and fixtures, net	361,015	368,023
Land	1,387,496	1,376,146
Construction in progress	391,354	357,676
<b>Total property, plant and equipment</b>	<b>5,730,362</b>	<b>6,058,347</b>
Intangible assets		
Software	165,579	136,421
Other	48,766	51,581
<b>Total intangible assets</b>	<b>214,346</b>	<b>188,003</b>
Investments and other assets		
Investment securities	1,700,377	1,823,891
Deferred tax assets	218,807	248,828
Other	487,625	489,169
Allowance for doubtful accounts	(2,200)	(1,700)
<b>Total investments and other assets</b>	<b>2,404,609</b>	<b>2,560,190</b>
<b>Total non-current assets</b>	<b>8,349,318</b>	<b>8,806,540</b>
<b>Total assets</b>	<b>42,138,059</b>	<b>43,349,895</b>

(Thousand yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	3,075,600	3,146,007
Electronically recorded obligations – operating	5,247,818	5,015,843
Income taxes payable	274,345	246,737
Provision for bonuses	187,662	146,577
Provision for bonuses for directors (and other officers)	27,100	30,000
Short-term borrowings	65,329	–
Other	744,503	981,950
Total current liabilities	9,622,359	9,567,117
Non-current liabilities		
Long-term borrowings	43,552	–
Retirement benefit liability	619,069	624,853
Other	180,815	164,204
Total non-current liabilities	843,437	789,058
Total liabilities	10,465,797	10,356,175
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,825,671	1,825,671
Capital surplus	1,611,240	1,611,240
Retained earnings	28,338,005	28,056,735
Treasury shares	(811,559)	(222,807)
Total shareholders' equity	30,963,356	31,270,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	328,397	384,757
Foreign currency translation adjustment	(59,449)	888,265
Remeasurements of defined benefit plans	33,978	29,441
Total accumulated other comprehensive income	302,925	1,302,463
Non-controlling interests	405,979	420,417
Total net assets	31,672,261	32,993,720
Total liabilities and net assets	42,138,059	43,349,895



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

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

(Thousand yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	20,855,325	24,644,584
Cost of sales	16,057,912	18,791,226
Gross profit	4,797,412	5,853,357
Selling, general and administrative expenses	3,569,744	4,036,834
Operating profit	1,227,668	1,816,523
Non-operating income		
Interest income	47,095	48,632
Dividend income	29,520	33,704
Share of profit of entities accounted for using equity method	–	35,247
Gain on sale of scraps	21,854	51,559
Subsidy income	110,471	63,133
Other	18,305	13,911
Total non-operating income	227,248	246,187
Non-operating expenses		
Interest expenses	6,088	5,857
Share of loss of entities accounted for using equity method	1,929	–
Foreign exchange losses	28,118	23,950
Business commencement expenses	38,353	25,230
Other	12,214	1,166
Total non-operating expenses	86,705	56,204
Ordinary profit	1,368,211	2,006,505
Extraordinary income		
Gain on sale of non-current assets	46	1,567
Gain on sale of investment securities	17,334	2,676
Gain on forgiveness of debts	–	105,347
Total extraordinary income	17,381	109,592
Extraordinary losses		
Loss on sale of non-current assets	492	–
Loss on retirement of non-current assets	1,536	1,494
Impairment losses	–	51,692
Total extraordinary losses	2,029	53,186
Profit before income taxes	1,383,563	2,062,911
Income taxes – current	505,911	674,314
Income taxes – deferred	(27,383)	(59,739)
Total income taxes	478,528	614,575
Profit	905,035	1,448,335
Profit attributable to non-controlling interests	4,513	14,772
Profit attributable to owners of parent	900,522	1,433,563

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

(Thousand yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	905,035	1,448,335
Other comprehensive income		
Valuation difference on available-for-sale securities	138,136	56,228
Foreign currency translation adjustment	(597,063)	965,259
Remeasurements of defined benefit plans, net of tax	(3,325)	(4,536)
Share of other comprehensive income of entities accounted for using equity method	(503)	131
Total other comprehensive income	(462,755)	1,017,082
Comprehensive income	442,280	2,465,418
Comprehensive income attributable to		
Owners of parent	454,937	2,433,101
Non-controlling interests	(12,656)	32,317

### (3) Notes to quarterly consolidated financial statements

#### *Notes on going concern assumption*

Not applicable.

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

The Company acquired 60,000 treasury shares based on the resolution made at the meeting of the Board of Directors held on February 9, 2021. In addition, based on the resolution made at the meeting of the Board of Directors held on November 10, 2021, the Company acquired 141,100 treasury shares, as well as cancelled 580,120 treasury shares on November 25, 2021. Therefore, retained earnings decreased by 890,533 thousand yen, and treasury shares decreased by 588,752 thousand yen in the nine months ended December 31, 2021.

As a result, capital surplus stood at 1,611,240 thousand yen, retained earnings at 28,056,735 thousand yen, and treasury shares at 222,807 thousand yen as of December 31, 2021.

#### *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 three months ended June 30, 2021. 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. Accordingly, for paid supply transactions with buyback obligations, 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 three months ended June 30, 2021, has been added to or subtracted from retained earnings at the beginning of the three months ended June 30, 2021, 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 three months ended June 30, 2021, 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 three months ended June 30, 2021, the cumulative effect is added to or subtracted from retained earnings at the beginning of the three months ended June 30, 2021.

As a result, net sales and cost of sales for the nine months ended December 31, 2021, both decreased by 90,183 thousand yen. There was no impact on retained earnings at the beginning of said period.

Due to the application of the Revenue Recognition Standard, "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 three months ended June 30, 2021. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Standard, figures for the previous fiscal year have not been reclassified in accordance with the new approach to presentation. In addition, in accordance with the transitional treatment stipulated in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12; March 31, 2020), information showing a breakdown of revenue earned from contracts with customers for the nine months ended December 31, 2020, is 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 three months ended June 30, 2021. 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 quarterly consolidated financial statements.

*Additional information*

(Impact of COVID-19 on accounting estimates)

As described in “Accounting Estimates” under “5. Financial Information, Notes” in the Annual Securities Report for the previous fiscal year, there are no material changes in assumptions relating to the spread of COVID-19 in the nine months ended December 31, 2021. However, in light of the results for the nine months ended December 31, 2021, some estimate calculations have been reviewed.

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

(Reorganization of subsidiaries)

The Company resolved at the meeting of the Board of Directors held on December 23, 2021 to reorganize its U.S. subsidiaries as follows.

1. Purpose of the reorganization

To efficiently operate business in the United States.

2. Transactions under common control

(1) Transaction summary

a. Companies involved in the business combination and their lines of business

Combining company (surviving company)

Name OHASHI TECHNICA U.S.A. MANUFACTURING, INC. (consolidated subsidiary of the Company)

Line of business Manufacture and sales of automotive parts

Combined company (absorbed company)

Name OHASHI NAKAHYO U.S.A., INC. (consolidated subsidiary of the Company)

Line of business Manufacture and sales of automotive parts

b. Date of merger

December 31, 2021

c. Legal method of merger

Absorption-type merger, with OHASHI TECHNICA U.S.A. MANUFACTURING, INC. as the surviving company and OHASHI NAKAHYO U.S.A., INC. as the absorbed company

d. Name of company after merger

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

(2) Summary of accounting treatment used

The merger will be treated for accounting purposes as a transaction under common control in accordance with the “Accounting Standards for Business Combinations” and the “Implementation Guidance on Accounting Standards for Business Combinations and Business Divestitures.”

Segment information, etc.

Segment information

I. For the nine months ended December 31, 2020

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

	Reportable segments							Adjustments (Note) 1	Consolidated (Note) 2
	Japan	Americas	China	ASEAN	Europe	Taiwan	Total		
Net sales									
Net sales to external customers	11,496,033	4,371,342	3,061,126	1,360,881	565,940	–	20,855,325	–	20,855,325
Inter-segment sales or transfers	1,889,672	1,343	63,334	20,111	888	521,972	2,497,323	(2,497,323)	–
Total	13,385,706	4,372,686	3,124,461	1,380,992	566,829	521,972	23,352,648	(2,497,323)	20,855,325
Segment profit (loss)	611,751	230,902	393,257	71,071	(74,733)	18,794	1,251,043	(23,375)	1,227,668

Notes: 1. Adjustment of segment profit (loss) of (23,375) thousand yen consists of inter-segment eliminations.

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

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

Not applicable.

II. For the nine months ended December 31, 2021

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

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

Notes: 1. Adjustment of segment profit (loss) of (145,520) thousand yen consists of inter-segment eliminations.

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

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

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

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

3. Changes in reportable segments

As described in (*Changes in accounting policies*), the Revenue Recognition Standard has been applied from the beginning of the three months ended June 30, 2021, and as such, the method of accounting for revenue recognition has changed. Therefore, the method for calculating segment profit (loss) likewise has changed.

Compared with the previous method, this change caused a decrease of 90,183 thousand yen in net sales in Japan for the nine months ended December 31, 2021. There was no impact on segment profit or loss.

*Significant subsequent events*

Not applicable.

3. Other

*U.S. job protection measures related to COVID-19*

(Gain on forgiveness of debts)

U.S. subsidiary OHASHI TECHNICA U.S.A., INC. borrowed funds through the U.S. government's Paycheck Protection Program to protect jobs during the COVID-19 pandemic, but because the funds were used for purposes that satisfy the specified conditions for forgiveness of debts, such as to pay employee salaries to protect jobs, repayment was waived.