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MEMBERSHIP
May 12, 2026

To whom it may concern:

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Notice Concerning Recording of Impairment Loss (Consolidated) and Revisions to Consolidated Performance Forecast for Fiscal Year Ended March 31, 2026

Ohashi Technica, Inc. (the "Company") today announces that it recorded impairment loss (consolidated) as extraordinary losses for the cumulative consolidated accounting period of the fiscal year ended March 31, 2026. In view of this, the Company hereby announces that differences arose between consolidated performance forecast for the fiscal year ended March 31, 2026, which was released on July 15, 2025, and actual financial results announced today.

1. Impairment loss on non-current assets (consolidated)

Financial performance of the Company in China have continued to deteriorate since the fiscal year ended March 31, 2024 as our customer passenger car manufacturers have been sharply cutting back production due to rapid changes in the market environment, which were caused by the rapid market share growth of local EV manufacturers and excessive competition. To accommodate such environmental changes, the Company has struggled to improve profitability by carrying out structural reforms, including reviewing plans, consolidating locations, and reducing personnel. However, a decrease in sales due to production cutbacks has continued, and the Company has continued to fail to achieve its planned performance.

Under these circumstances, as a result of conservative calculations of earnings forecasts for the fiscal year ending March 31, 2027 and thereafter, and a careful study of collectability in the future, the Company has decided to decrease the book value of non-current assets (land-use rights, buildings, machinery, etc.), used for the operations of the three core companies engaging in the business in China (OHASHI TECHNICA AUTOMOTIVE PARTS (GUANGZHOU) CO., LTD., OHASHI TECHNICA PRECISION PARTS (SHANGHAI) CO., LTD., and OHASHI TECHNICA PRECISION PARTS (GUANGZHOU) MANUFACTURING, CO., LTD.), to the recoverable amount, and to record the resulting decrease amounting to 604 million yen as impairment loss in extraordinary losses (consolidated).

2. Differences between forecasts and actual results

(1) Differences between forecasts and actual consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share(*)
Previous forecast (A)	Million yen 39,500	Million yen 1,950	Million yen 2,400	Million yen 2,030	yen 157.95 〔78.97〕
Actual results (B)	40,918	2,426	2,966	2,084	〔162.80〕 81.40
Differences (B – A)	1,418	476	566	54	—
Ratio of differences (%)	3.6	24.4	23.6	2.7	—
(Reference) Actual results for the year ended March 31, 2025	40,017	1,782	2,362	1,522	115.95

* As of January 1, 2026, the Company conducted a stock split at a ratio of 2 shares for each share of common stock. Accordingly, with regard to basic earnings per share in the previous forecast, the figure in parentheses represents the amount based on the assumption that the stock split was conducted at the beginning of the same fiscal year. Not taking into consideration of stock split, basic earnings per share for the fiscal year ended March 31, 2026 records 162.80 yen.

(2) Reason of the Differences

Consolidated net sales outperformed the full-year performance forecast due to the strong domestic business in the second half of the fiscal year, attributable to the recovery of customers' production and the contribution of new orders to sales, as well as due to the weak yen against all currencies compared to the exchange rates projected at the beginning of the term.

In terms of profit, despite the recording of operating loss in the business in China for the second consecutive term, consolidated operating profit and consolidated ordinary profit outperformed the previously announced full-year performance forecast thanks to an increase in net sales, an improvement in the gross profit margin resulting from price revisions and improved productivity at the manufacturing division, and decreases in selling, general and administrative expenses from the plan mostly in the overseas business.

Profit attributable to owners of parent exceeded the full-year performance forecast despite the impairment loss (604 million yen) recorded as extraordinary losses in the business in China as described in 1. above.

The recording of the impairment loss has no impact on cash flow in the relevant term, so the cash allocation plan under the Medium-Term Business Plan: Mission 2025 + 2 will remain unchanged. In light of its strong financial foundation and other factors, the Company will pay year-end dividends for the fiscal year ended March 31, 2026 as announced.