Consolidated Financial Summary
First Quarter of FY2015

(April 1, 2014 – June 30, 2014)

TS TECH Co.,Ltd.

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Summary for the First Quarter of FY2015
(based on Japanese accounting standards)

July 31, 2014

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange
Stock code: 7313 URL: http://www.tstech.co.jp
Representative: Michio Inoue, President
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Scheduled date for filing of quarterly securities report: August 8, 2014
Scheduled date of commencement of dividend payment: ―
Preparation of supplementary explanatory material: None
Quarterly results briefing: None

(Amounts of less than one million yen are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of FY2015 (April 1, 2014 – June 30, 2014)

(1) Consolidated Financial Results (Accumulated Total) (% of change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY2015	108,280	1.3	8,809	-15.5	9,447	-15.0	5,381	-9.7
First quarter of FY2014	106,861	18.8	10,422	82.5	11,119	90.6	5,959	75.7

(Note) Comprehensive income First quarter of FY2015 4,340 million yen (-69.7%)
First quarter of FY2014 14,329 million yen (160.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of FY2015	79.14	―
First quarter of FY2014	87.65	―

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First quarter of FY2015	252,493	172,073	60.9	2,262.66
FY 2014	264,635	170,714	57.3	2,229.53

(Reference) Shareholders' equity: First quarter of FY2015 153,856 million yen
FY2014 151,604 million yen

2. Cash Dividends

	Annual cash dividends				
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	―	24.00	―	30.00	54.00
FY2015	―				
FY2015 (forecast)		30.00		30.00	60.00

(Notes) Revision from the most recent announcement of cash dividends forecasts :None

3. Consolidated Forecasts for FY2015 (April 1, 2014 - March 31, 2015)

(% of change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2015	213,000	-1.4	16,500	-19.5	17,800	-18.4	9,900	-22.3	145.59
FY2015	438,000	-4.2	37,500	-4.2	40,000	-6.8	22,700	-5.0	333.83

(Note) Revision from the most recent announcement of consolidated financial forecasts :None

*. Notes

(1) Changes in important subsidiaries during the quarter
(Changes in significant subsidiaries affecting the scope of consolidation during this period) : Yes
New subsidiaries 1 company (TS TECH (KABINBURI) CO., LTD.) Excluded subsidiaries — companies ( )
(Note) For details, refer to "2. Matters Concerning Summary (Notes) Information, (1) Changes in Important Subsidiaries during the Current Period" on page 5.

(2) Application of special accounting treatment for quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and accounting estimates, or re-statement
1) Changes in accounting policies associated with the revision of accounting standards, etc. : Yes
2) Changes other than 1) : None
3) Changes in accounting estimates : None
4) Re-statement : None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term including treasury stock	1Q of FY2015	68,000,000 shares	FY2014	68,000,000 shares
2) Number of treasury stock at the end of the term	1Q of FY2015	1,748 shares	FY2014	1,748 shares
3) Average number of shares during the term (cumulative)	1Q of FY2015	67,998,252 shares	1Q of FY2014	67,998,291 shares

(*Presentation concerning the implementation status for quarterly review procedure)
Quarterly reviews based on the Financial Instruments and Exchange Act are not undertaken for quarterly financial statements at the time this financial summary is disclosed.

(*Explanation regarding the appropriate use of forecasts of financial results and other notes)
- The consolidated forecasts presented above are projections made by managers of TS TECH Co., Ltd. (hereinafter the "Company") on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties. Accordingly, we request readers of this document to avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility for actual results may differ materially from these forecasts, due to various important factors. Readers are asked to proceed to "(3) Qualitative Information Concerning Consolidated Forecasts" on page 4 for assumptions and other information that form the premise for the operating results forecast above.

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1. Qualitative Information Concerning Quarterly Results

(1) Qualitative Information Concerning Consolidated Financial Results

Net sales for the first quarter of FY2015 (April 1, 2014 – June 30, 2014) reached 108,280 million yen on a consolidated basis, an increase of 1,418 million yen (1.3%) from the same period in FY2014, due to the positive impact of exchange rates, offsetting the effects of changes in the makeup of models and other factors.

Looking at profits, operating income stood at 8,809 million yen, a decrease of 1,612 million yen (15.5%) year on year, primarily reflecting a decrease in orders from major customers in North America and the effects of political unrest in Thailand. Ordinary income totaled 9,447 million yen, a decrease of 1,671 million yen (15.0%) from the same period of FY2014, and net income amounted to 5,381 million yen, a decrease of 578 million yen (9.7%) year on year.

Operating performance by segment is as follows:

(Japan)

(Unit: Million yen)

	First quarter of FY2014	First quarter of FY2015	Year-on-year	Changes
Net sales	20,185	22,644	2,458	12.2%
Operating income	1,118	1,461	343	30.7%

Main factors for year on year change

Net sales	Net sales rose due to increased order volume from major customers.
Operating income	Operating income increased due to the impact of higher sales, offsetting a decline in sales of parts supplied from Japan.

(Americas)

(Unit: Million yen)

	First quarter of FY2014	First quarter of FY2015	Year-on-year	Changes
Net sales	54,798	53,122	-1,675	-3.1%
Operating income	4,988	4,068	-920	-18.4

Main factors for year on year change

Net sales	Net sales declined due to a decrease in orders from major customers, which offset the positive impact of exchange rates.
Operating income	Operating income decreased due to a decrease in revenue, despite the impact of exchange rates.

(China)

(Unit: Million yen)

	First quarter of FY2014	First quarter of FY2015	Year-on-year	Changes
Net sales	19,403	24,222	4,818	24.8%
Operating income	2,539	3,599	1,060	41.7%

Main factors for year on year change

Net sales	Net sales increased, reflecting the positive impact of exchange rates and an increase in orders from major customers.
Operating income	Operating income increased due to the positive impact of exchange rates and the effects of higher sales.

(Asia and Europe)

(Unit: Million yen)

	First quarter of FY2014	First quarter of FY2015	Year-on-year	Changes
Net sales	19,604	15,089	-4,514	-23.0%
Operating income	3,305	1,643	-1,662	-50.3%

Main factors for year on year change

Net sales	Net sales declined due to a decrease in orders from major customers, reflecting the effects of political unrest in Thailand.
Operating income	Operating income decreased due to a decrease in revenue, offsetting the positive impact of exchange rates and the effects of cost reductions.

Sales by business segment are as follows:

（Unit: Million yen）

	First quarter of FY2014		First quarter of FY2015		Year-on-year	Changes
		Sales ratio		Sales ratio		
Motorcycles	1,565	1.5%	1,417	1.3	-148	-9.5%
Automobiles	104,294	97.6%	105,609	97.5%	1,315	1.3%
（Seats）	92,493	86.6%	94,764	87.5%	2,271	2.5%
（Interior products）	11,801	11.0%	10,845	10.0%	-956	-8.1%
Other businesses	1,001	0.9%	1,253	1.2%	252	25.2%
Total	106,861	100.0%	108,280	100.0%	1,418	1.3%

Main factors for year on year changes

Automobile business	Net sales increased mainly due to the positive impact of exchange rates, which outweighed changes in the makeup of models and other negative factors.

(2) Qualitative Information Concerning Consolidated Financial Positions

(Total assets)

Total assets at the end of the first quarter of FY2015 stood at 252,493 million yen, a decrease of 12,141 million yen from the end of FY2014. These changes primarily reflected a decrease in notes and accounts receivable-trade, mainly as a result of a decline in orders from major customers, as well as a decrease in cash and deposits.

(Liabilities)

Total liabilities (at the end of the first quarter of FY2015) amounted to 80,420 million yen, decreasing 13,500 million yen from the end of FY2014. The decrease resulted primarily from a decline in notes and accounts payable-trade and a decrease in other current liabilities, chiefly due to payment of cash dividends.

(Net assets)

Net assets (at the end of the first quarter of FY2015) were 172,073 million yen, up 1,358 million yen from the end of FY2014. The increase was chiefly due to an increase in retained earnings, offsetting a decline in foreign currency translation adjustments.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the first quarter of FY2015 as well as the current trend in orders from major customers and foreign exchange rates, the Group is keeping the consolidated forecasts announced on April 25, 2014 unchanged.

2. Matters Concerning Summary (Notes) Information

(1) Changes in Important Subsidiaries during the Current Period

The Company decided to include TS TECH (KABINBURI) CO., LTD., a company established during the current period under review, in the scope of consolidation from the current period under review.

(2) Application of Special Accounting Treatment for Quarterly Consolidated Financial Statements

(Calculation of tax expense)

Tax expense is calculated by rationally estimating the effective tax rate for income before income taxes for the fiscal year, including the first three quarters of FY2014, following the application of tax effect accounting, and multiplying quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in Accounting Policies, Accounting Estimates, or Re-statement

(Changes in Accounting Policies)

The provisions of the main clause of paragraph 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and the provisions of the main clause of paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) have been applied from the first quarter of FY2015. The calculation method for liabilities concerning retirement benefits and service costs was revised, and the method of attributing expected benefit to periods was changed from a straight-line basis to a benefit formula basis. The method for determining the discount rate has also been changed from a method that uses a period approximate to the average remaining service period for employees to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

The Accounting Standard for Retirement Benefits, etc. was adopted in accordance with the transitional treatment stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits. At the beginning of the current period under review, the effects of the change in the calculation method for liabilities concerning retirement benefits and service costs were reflected in the retained earnings.

As a result, retained earnings at the beginning of the first quarter of FY2015 increased by 423 million yen. In addition, the impact on operating income, ordinary income and net income before taxes for the current period under review is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

	FY2014 (As of March 31, 2014)	First quarter of FY2015 (As of June 30, 2014)
Assets		
Current assets		
Cash and deposits	78,181	71,143
Notes and accounts receivable-trade	65,530	57,528
Merchandise and finished goods	2,609	2,626
Work in process	3,325	3,401
Raw materials and supplies	19,681	18,827
Other	8,106	10,536
Allowance for doubtful accounts	-40	-18
Total current assets	177,394	164,046
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	23,940	25,951
Machinery, equipment and vehicles, net	14,272	14,003
Other, net	24,040	23,507
Total property, plant and equipment	62,253	63,462
Intangible assets	1,546	1,702
Investments and other assets	23,441	23,282
Total noncurrent assets	87,240	88,447
Total assets	264,635	252,493
Liabilities		
Current liabilities		
Notes and accounts payable-trade	56,932	47,066
Short-term loans payable	1,869	1,781
Long-term loans scheduled for payment within one year	167	129
Income taxes payable	3,049	2,338
Provision	3,204	1,780
Other	19,548	17,258
Total current liabilities	84,772	70,354
Noncurrent liabilities		
Long-term loans payable	69	49
Provision	60	-
Liabilities concerning retirement benefits	2,663	2,709
Other	6,354	7,306
Total noncurrent liabilities	9,148	10,065
Total liabilities	93,920	80,420

(Unit: Million yen)

	FY2014 (As of March 31, 2014)	First quarter of FY2015 (As of June 30, 2014)
Net assets		
Shareholders' equity		
Capital stock	4,700	4,700
Capital surplus	5,163	5,163
Retained earnings	133,858	137,621
Treasury stock	-3	-3
Total shareholders' equity	143,718	147,481
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,533	8,420
Foreign currency translation adjustment	290	-1,134
	-937	-911
Total valuation and translation adjustments	7,886	6,375
Minority interests	19,110	18,216
Total net assets	170,714	172,073
Total liabilities and net assets	264,635	252,493

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Consolidated First Quarter

(Unit: Million yen)

	First quarter of FY2014 (April 1, 2013 – June 30, 2013)	First quarter of FY2015 (April 1, 2014 – June 30, 2014)
Net sales	106,861	108,280
Cost of sales	89,343	91,238
Gross profit	17,518	17,042
Selling, general and administrative expenses		
Packing and transportation expenses	1,069	1,053
Salaries and allowances	2,801	3,334
Other	3,224	3,843
Total selling, general and administrative expenses	7,095	8,232
Operating income	10,422	8,809
Non-operating income		
Interest income	252	329
Dividends income	78	100
Land and house rent received	44	50
Foreign exchange gains	192	-
Equity in earnings of affiliates	91	163
Other	95	61
Total non-operating income	754	705
Non-operating expenses		
Interest expenses	49	17
Foreign exchange losses	—	33
Other	7	17
Total non-operating expenses	57	67
Ordinary income	11,119	9,447
Extraordinary income		
Gain on sales of noncurrent assets	15	11
Other	—	26
Total extraordinary income	15	37
Extraordinary loss		
Loss on sales of noncurrent assets	2	9
Loss on retirement of noncurrent assets	145	37
Impairment loss	23	0
Loss on disaster	—	12
Other	0	0
Total extraordinary loss	170	60
Income before income taxes	10,964	9,424
Income taxes	3,489	2,813
Income before minority interests	7,474	6,611
Minority interests in income	1,514	1,229
Net income	5,959	5,381

Quarterly Consolidated Statements of Comprehensive Income

Consolidated First Quarter

(Unit: Million yen)

	First quarter of FY2014 (April 1, 2013 – June 30, 2013)	First quarter of FY2015 (April 1, 2014 – June 30, 2014)
Income before minority interests	7,474	6,611
Other comprehensive income		
Valuation difference on available-for-sale securities	510	-104
Foreign currency translation adjustment	6,255	-2,120
Adjustments concerning retirement benefits	-	26
Share of other comprehensive income of associates accounted for using equity method	88	-72
Other comprehensive income	6,854	-2,270
Comprehensive income	14,329	4,340
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parents	11,230	3,870
Comprehensive income attributable to minority interests	3,099	470

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Notes Concerning Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Segment Information, etc.)

First quarter of FY2014 (April 1, 2013 – June 30, 2013)

1. Information about net sales, profits and losses according to reporting segments

(Unit: Million yen)

	Reporting segments					Adjustments (Note) 1	Amounts stated in quarterly P/L (Note) 2
	Japan	Americas	China	Asia and Europe	Total		
Net sales							
Sales to customers	14,417	54,761	18,209	19,472	106,861	—	106,861
Interarea transfer	5,768	36	1,194	131	7,130	-7,130	—
Total	20,185	54,798	19,403	19,604	113,991	-7,130	106,861
Segment profits	1,118	4,988	2,539	3,305	11,952	-1,529	10,422

(Notes) 1. Adjustments of -1,529 million yen for segment profits include a deduction of -262 million yen for transactions among segments, and operating expenses of -1,053 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits are adjusted to operating income in quarterly consolidated statements of income.

2 Information about impairment loss of noncurrent assets or goodwill according to reporting segments

（Significant impairment loss on noncurrent assets）

The Company fully wrote off the carrying value of idle assets in the Japan and Americas segments to the extent of the recoverable value, and recorded its write-down under extraordinary loss as an impairment loss. The impairment loss stood at 7 million yen in the Japan segment and 15 million yen in the Americas segment for the current period under review.

(Significant change in goodwill value)

TS TECH AMERICAS, INC., a consolidated subsidiary, acquired equity in TS TECH DO BRASIL LTDA., which was held by other companies, during the current period under review. As a result, the Company posted goodwill of 213 million yen in the Americas segment.

First quarter of FY2015 (April 1, 2014 – June 30, 2014)

1. Information about net sales, profits and losses according to reporting segments

(Unit: Million yen)

	Reporting segments					Adjustments (Note) 1	Amounts stated in quarterly P/L (Note) 2
	Japan	Americas	China	Asia and Europe	Total		
Net sales							
Sales to customers	17,856	52,906	22,716	14,802	108,280	-	108,280
Interarea transfer	4,788	216	1,506	287	6,798	-6,798	-
Total	22,644	53,122	24,222	15,089	115,078	-6,798	108,280
Segment profits	1,461	4,068	3,599	1,643	10,772	-1,962	8,809

(Notes) 1. Adjustments of -1,962 million yen for segment profits include a deduction of 24 million yen for transactions among segments, and operating expenses of -1,180 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits are adjusted to operating income in quarterly consolidated statements of income.

2 Matters concerning changes in reporting segments, etc.

As stated in "Changes in Accounting Policies," the calculation method for liabilities concerning retirement benefits and service costs was changed from the first quarter of FY2015. The impact on segment profits for the current period under review is minimal.