Consolidated Financial Summary
Third Quarter of FY2015

(April 1, 2014 – December 31, 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 Third Quarter of FY2015
(based on Japanese accounting standards)

January 30, 2015

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: February 9, 2015
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 Third Quarter of FY2015 (April 1, 2014 – December 31, 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	%
Third quarter of FY2015	320,204	-3.8	25,965	-13.6	29,479	-10.0	17,401	-7.6
Third quarter of FY2014	332,778	24.3	30,051	65.8	32,750	64.9	18,825	54.4

(Note) Comprehensive income Third quarter of FY2015 31,272 million yen (-8.6%)
Third quarter of FY2014 34,222 million yen (116.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter of FY2015	255.91	―
Third quarter of FY2014	276.85	―

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Third quarter of FY2015	275,103	195,936	63.4	2,566.77
FY 2014	264,635	170,714	57.3	2,229.53

(Reference) Shareholders' equity: Third quarter of FY2015 174,535 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	―	30.00	―		
FY2015 (forecast)				30.00	60.00

(Notes) 1 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
FY2015	433,000	-5.3	35,000	-10.6	38,500	-10.3	21,900	-8.4	322.07

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

4. Others

(1) Changes in important subsidiaries during the quarter : None
(Changes in significant subsidiaries affecting the scope of consolidation during this period)
New subsidiaries ― companies （ ） Excluded subsidiaries ― companies （ ）

(2) Application of special accounting treatment for quarterly consolidated financial statements : Yes
(Note) For details, refer to “2. Matters Concerning Summary (Notes) Information, (2) Application of Special Accounting Treatment for Quarterly Consolidated Financial Statements” on page 5.

(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
(Note) For details, refer to "2. Matters Concerning Summary (Notes) Information, (3) Changes in Accounting Policies, Accounting Estimates, or Re-statement” on page 5.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term including treasury stock	3Q of FY2015	68,000,000 shares	FY2014	68,000,000 shares
2) Number of treasury stock at the end of the term	3Q of FY2015	1,764 shares	FY2014	1,748 shares
3) Average number of shares during the term (cumulative)	3Q of FY2015	67,998,245 shares	3Q 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 three quarters of FY2015 (April 1, 2014 - December 31, 2014) amounted to 320,204 million yen on a consolidated basis, down 12,574 million yen (3.8%) from the same period in FY2014. The impact of exchange rates driven by the weaker yen (roughly 16,000 million yen) was offset by a decrease in order volume from major customers in the Americas and Thailand.

Looking at profits, operating income stood at 25,965 million yen, a decrease of 4,086 million yen (13.6%) year-on-year, primarily reflecting the effects of a decrease in revenue, which offset the positive impact of exchange rates. Ordinary income totaled 29,479 million yen, a decrease of 3,270 million yen (10.0%) from the same period in FY2014, and net income amounted to 17,401 million yen, a decrease of 1,424 million yen (7.6%) year-on-year.

Operating performance by segment is as follows:

(Japan)

(Unit: Million yen)

	First three quarters of FY2014	First three quarters of FY2015	Year-on-year	Changes
Net sales	75,674	66,785	-8,889	-11.7%
Operating income	5,078	5,158	80	1.6%

Main factors for year-on-year change

Net sales: Net sales decreased due to a higher percentage of light motor vehicles in the makeup of models and a decline in sales of parts supplied from Japan, which outweighed the effects of increased order volume from major customers.

Operating income: Operating income increased primarily due to lower operating expenses, offsetting the effects of the aforementioned decrease in net sales.

(Americas)

(Unit: Million yen)

	First three quarters of FY2014	First three quarters of FY2015	Year-on-year	Changes
Net sales	159,440	161,033	1,592	1.0%
Operating income	12,170	11,575	-595	-4.9%

Main factors for year-on-year change

Net sales: Net sales increased due to the positive impact of exchange rates, offsetting a decrease in revenue stemming from a decline in order volume from major customers.

Operating income: The impact of a decrease in order volume from major customers resulted in a decline in operating income, offsetting the effects of the aforementioned increase in net sales.

(China)

(Unit: Million yen)

	First three quarters of FY2014	First three quarters of FY2015	Year-on-year	Changes
Net sales	72,151	72,626	474	0.7%
Operating income	9,156	12,162	3,006	32.8%

Main factors for year-on-year change

Net sales: Net sales were virtually unchanged year-on-year due to the effects of changes in the makeup of models caused by a decline in luxury models, offsetting the positive impact of exchange rates and increased order volume from major customers.

Operating income: Operating income increased primarily due to the effects of cost reductions, outweighing the effects of flat net sales due to the aforementioned reason.

(Asia and Europe)

(Unit: Million yen)

	First three quarters of FY2014	First three quarters of FY2015	Year-on-year	Changes
Net sales	51,786	43,351	-8,435	-16.3%
Operating income	7,266	2,238	-5,027	-69.2%

Main factors for year-on-year change

Net sales: Although order volume from major customers increased in countries such as Indonesia, a decrease in order volume in Thailand resulted in a sharp decline in net sales.

Operating income: Operating income decreased, reflecting factors such as increased various expenses and the reasons outlined above.

Sales by business segment are as follows:

(Unit: Million yen)

	First three quarters of FY2014		First three quarters of FY2015		Year-on-year	Changes
		Sales ratio		Sales ratio		
Motorcycles	4,993	1.5%	4,639	1.5%	-353	-7.1%
Automobiles	324,418	97.5%	311,578	97.3%	-12,840	-4.0%
(Seats)	287,760	86.5%	278,120	86.9%	-9,640	-3.4%
(Interior products)	36,658	11.0%	33,458	10.4%	-3,200	-8.7%
Other businesses	3,366	1.0%	3,986	1.2%	620	18.4%
Total	332,778	100.0%	320,204	100.0%	-12,574	-3.8%

(2) Qualitative Information Concerning Consolidated Financial Positions

(Total assets)

Total assets at the end of the third quarter of FY2015 stood at 275,103 million yen, up 10,468 million yen from the end of FY2014, primarily reflecting the positive impact of exchange rates, as well as an increase in property, plant and equipment due in part to building expansion projects in North America and investments in new models. These factors offset a decrease in notes and accounts receivable-trade, the result of factors such as a decline in orders from major customers.

(Liabilities)

Total liabilities at the end of the third quarter of FY2015 amounted to 79,166 million yen, decreasing 14,753 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, offsetting increases stemming from the impact of exchange rates.

(Net assets)

Net assets at the end of the third quarter of FY2015 were 195,936 million yen, up 25,221 million yen from the end of FY2014. The increase was chiefly due to an increase in both retained earnings and foreign currency translation adjustments.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the first three quarters of FY2015 as well as the current trend in orders from main customers and foreign exchange rates, the Group is keeping the consolidated forecasts announced on October 30, 2014 unchanged.

2. Matters Concerning Summary (Notes) Information

(1) Changes in Important Subsidiaries during the Current Period

Not applicable

(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 FY2015, 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

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 third quarter of FY2015, 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 third 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)	Third quarter of FY2015 (As of December 31, 2014)
Assets		
Current assets		
Cash and deposits	78,181	84,064
Notes and accounts receivable-trade	65,530	52,560
Merchandise and finished goods	2,609	2,105
Work in process	3,325	4,117
Raw materials and supplies	19,681	21,755
Other	8,106	11,198
Allowance for doubtful accounts	-40	-18
Total current assets	177,394	175,783
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	23,940	28,806
Machinery, equipment and vehicles, net	14,272	15,039
Other, net	24,040	29,234
Total property, plant and equipment	62,253	73,080
Intangible assets	1,546	3,004
Investments and other assets	23,441	23,235
Total noncurrent assets	87,240	99,320
Total assets	264,635	275,103
Liabilities		
Current liabilities		
Notes and accounts payable-trade	56,932	47,526
Short-term loans payable	1,869	2,091
Long-term loans scheduled for payment within one year	167	75
Income taxes payable	3,049	1,592
Provision	3,204	2,194
Other	19,548	15,530
Total current liabilities	84,772	69,011
Noncurrent liabilities		
Long-term loans payable	69	18
Provision	60	―
Liabilities concerning retirement benefits	2,663	950
Other	6,354	9,186
Total noncurrent liabilities	9,148	10,155
Total liabilities	93,920	79,166

(Unit: Million yen)

	FY2014 (As of March 31, 2014)	Third quarter of FY2015 (As of December 31, 2014)
Net assets		
Shareholders' equity		
Capital stock	4,700	4,700
Capital surplus	5,163	5,163
Retained earnings	133,858	147,564
Treasury stock	-3	-3
Total shareholders' equity	143,718	157,424
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,533	8,550
Foreign currency translation adjustment	290	8,780
Adjustments concerning retirement benefits	-937	-219
Total valuation and translation adjustments	7,886	17,111
Minority interests	19,110	21,400
Total net assets	170,714	195,936
Total liabilities and net assets	264,635	275,103

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Consolidated First Three Quarters

(Unit: Million yen)

	Third quarter of FY2014 (April 1, 2013 – December 31, 2013)	Third quarter of FY2015 (April 1, 2014 – December 31, 2014)
Net sales	332,778	320,204
Cost of sales	279,673	269,240
Gross profit	53,104	50,963
Selling, general and administrative expenses		
Packing and transportation expenses	3,275	2,972
Salaries and allowances	9,376	10,619
Other	10,401	11,407
Total selling, general and administrative expenses	23,053	24,998
Operating income (loss)	30,051	25,965
Non-operating income		
Interest income	775	942
Dividends income	260	290
Land and house rent received	153	141
Foreign exchange gains	911	1,476
Equity in earnings of affiliates	445	569
Other	314	246
Total non-operating income	2,860	3,667
Non-operating expenses		
Interest expenses	135	101
Other	25	51
Total non-operating expenses	160	152
Ordinary income	32,750	29,479
Extraordinary income		
Gain on sales of noncurrent assets	82	36
Insurance income	1	48
Compensation income	1	―
Total extraordinary income	85	84
Extraordinary loss		
Loss on sales of noncurrent assets	53	45
Loss on retirement of noncurrent assets	255	122
Impairment loss	26	8
Loss on disaster	275	25
Other	0	0
Total extraordinary loss	612	202
Income before income taxes	32,223	29,361
Income taxes	8,681	7,924
Income before minority interests	23,542	21,436
Minority interests in income	4,717	4,035
Net income	18,825	17,401

Quarterly Consolidated Statements of Comprehensive Income

Consolidated First Three Quarters

(Unit: Million yen)

	Third quarter of FY2014 (April 1, 2013 – December 31, 2013)	Third quarter of FY2015 (April 1, 2014 – December 31, 2014)
Income before minority interests	23,542	21,436
Other comprehensive income		
Valuation difference on available-for-sale securities	2,200	25
Foreign currency translation adjustment	8,361	9,096
Adjustments concerning retirement benefits	―	713
Share of other comprehensive income of associates accounted for using equity method	118	1
Other comprehensive income	10,679	9,835
Comprehensive income	34,222	31,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parents	27,683	26,626
Comprehensive income attributable to minority interests	6,538	4,645

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

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

Not applicable

(Segment Information, etc.)

Third quarter of FY2014 (April 1, 2013 – December 31, 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	55,148	159,356	66,933	51,339	332,778	—	332,778
Inter-area transfer	20,525	84	5,217	446	26,274	-26,274	—
Total	75,674	159,440	72,151	51,786	359,053	-26,274	332,778
Segment profits	5,078	12,170	9,156	7,266	33,671	-3,620	30,051

(Notes) 1. Adjustments of -3,620 million yen for segment profits include a deduction of -317 million yen for transactions among segments, and operating expenses of -3,245 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 18 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 first quarter of FY2015. As a result, the Company posted goodwill of 192 million yen in the Americas segment.

Third quarter of FY2015 (April 1, 2014 – December 31, 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	48,326	160,587	68,653	42,636	320,204	—	320,204
Inter-area transfer	18,458	445	3,972	714	23,591	-23,591	—
Total	66,785	161,033	72,626	43,351	343,796	-23,591	320,204
Segment profits	5,158	11,575	12,162	2,238	31,135	-5,170	25,965

(Notes) 1. Adjustments of -5,170 million yen for segment profits include a deduction of -202 million yen for transactions among segments, and operating expenses of -3,503 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.