Consolidated Financial Summary
Second Quarter of FY2016

(April 1, 2015 – September 30, 2015)

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 Second Quarter of FY2016
(based on Japanese accounting standards)

November 4, 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: November 11, 2015
Scheduled date of commencement of dividend payment: November 30, 2015
Preparation of supplementary explanatory material: Yes
Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter of FY2016 (April 1, 2015 – September 30, 2015)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Second quarter of FY2016	229,479	6.2	19,953	13.6	20,730	5.1	12,103	6.6
Second quarter of FY2015	216,133	0.0	17,567	-14.2	19,718	-9.6	11,351	-10.9

(Note) Comprehensive income Second quarter of FY2016 8,965 million yen (-40.7%)
Second quarter of FY2015 15,132 million yen (-35.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Second quarter of FY2016	178.00	—
Second quarter of FY2015	166.94	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Second quarter of FY2016	294,361	213,041	64.7	2,800.09
FY 2015	295,632	206,871	62.6	2,719.69

(Reference) Shareholders' equity: Second quarter of FY2016 190,400 million yen
FY2015 184,933 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
FY2015	—	30.00	—	30.00	60.00
FY2016	—	33.00			
FY2016 (forecast)			—	33.00	66.00

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

3. Consolidated Forecasts for FY2016 (April 1, 2015 - March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2016	467,000	7.5	38,500	9.1	40,700	0.8	23,000	4.5	338.24

(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) : None
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 Information (Notes), (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 Information (Notes), (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	2Q of FY2016	68,000,000 shares	FY2015	68,000,000 shares
2) Number of treasury stock at the end of the term	2Q of FY2016	1,926 shares	FY2015	1,808 shares
3) Average number of shares during the term (cumulative)	2Q of FY2016	67,998,111 shares	2Q of FY2015	67,998,250 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 that readers of this document avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility that 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.

- For materials used for the results briefing to be held on November 4, 2015, refer to the following link on our website (http://www.tstech.co.jp).
(IR Information) http://www.tstech.co.jp/english/ir

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1. Qualitative Information Concerning Quarterly Results

(1) Qualitative Information Concerning Consolidated Financial Results

Net sales for the first half of FY2016 (April 1, 2015 - September 30, 2015) reached 229,479 million yen on a consolidated basis, an increase of 13,346 million yen (6.2%) from the same period in FY2015, due to the positive impact of exchange rates, offsetting a decrease in order volume from major customers.

Looking at profits, operating income stood at 19,953 million yen, an increase of 2,386 million yen (13.6%) year-on-year, primarily reflecting an increase in revenue and changes in the makeup of models. Ordinary income totaled 20,730 million yen, an increase of 1,012 million yen (5.1%) from the same period in FY2015, and net income attributable to owners of parent amounted to 12,103 million yen, an increase of 752 million yen (6.6%) year-on-year.

Operating performance by segment is as follows.

Effective the first quarter of FY2016, accounting periods and accounting periods created by a provisional settlement of accounts were changed at certain consolidated subsidiaries. The first half of FY2015 used for comparative purposes below comprises the period of January 1, 2014 to June 30, 2014 for consolidated subsidiaries in Brazil, China and Asia and Europe (excluding India).

For details regarding the provisional settlement of accounts, refer to "2. Matters Concerning Summary Information (Notes), (4) Additional Information" on page 5.

(Japan)

(Unit: Million yen)

	First half of FY2015	First half of FY2016	Year-on-year	Changes
Net sales	43,739	44,412	673	1.5%
Operating income	2,540	3,952	1,412	55.6%

Main factors for year-on-year change

Net sales	Net sales increased due to the positive impact of exchange rates, offsetting a decrease in orders from major customers.
Operating income	Operating income increased, reflecting factors such as the aforementioned higher revenue and changes in the makeup of models.

(Americas)

(Unit: Million yen)

	First half of FY2015	First half of FY2016	Year-on-year	Changes
Net sales	106,274	126,324	20,050	18.9%
Operating income	7,735	8,701	965	12.5%

Main factors for year-on-year change

Net sales	Net sales increased due the positive impact of exchange rates as well as factors such as an increase in orders from major customers.
Operating income	Despite the effects of higher labor costs and increased expenses, operating income increased primarily due to the aforementioned higher revenue.

(China)

(Unit: Million yen)

	First half of FY2015	First half of FY2016	Year-on-year	Changes
Net sales	51,457	45,454	-6,002	-11.7%
Operating income	8,365	7,801	-563	-6.7%

Main factors for year-on-year change

Net sales: Net sales decreased due to a decline in orders from major customers, offsetting the positive impact of exchange rates and changes in the makeup of models.

Operating income: Operating income decreased primarily due to the aforementioned lower revenue.

(Asia and Europe)

(Unit: Million yen)

	First half of FY2015	First half of FY2016	Year-on-year	Changes
Net sales	29,711	29,709	-1	-0.0%
Operating income	2,499	2,552	52	2.1%

Main factors for year-on-year change

Net sales: Despite factors such as the positive impact of exchange rates, net sales remained unchanged year-on-year primarily due to changes in the makeup of models and a decline in export sales.

Operating income: Operating income remained unchanged year-on-year, mainly due to the positive impact of exchange rates.

Sales by business segment are as follows:

(Unit: Million yen)

	First half of FY2015		First half of FY2016		Year-on-year	Changes
		Sales ratio		Sales ratio		
Motorcycles	2,955	1.4%	2,929	1.3%	-25	-0.9%
Automobiles	210,614	97.4%	223,347	97.3%	12,733	6.0%
(Seats)	187,985	87.0%	199,094	86.7%	11,109	5.9%
(Interior products)	22,629	10.4%	24,252	10.6%	1,623	7.2%
Other businesses	2,563	1.2%	3,202	1.4%	638	24.9%
Total	216,133	100.0%	229,479	100.0%	13,346	6.2%

(2) Qualitative Information Concerning Consolidated Financial Positions

(Total assets)

Total assets at the end of the second quarter of FY2016 stood at 294,361 million yen, down 1,270 million yen from the end of FY2015, primarily due to a decrease in notes and accounts receivable-trade resulting from factors such as a decline in orders from major customers, as well as a decrease in inventories. These factors offset an increase in cash and deposits due to factors such as higher income.

(Liabilities)

Total liabilities at the end of the second quarter of FY2016 amounted to 81,319 million yen, decreasing 7,440 million yen from the end of FY2015. The decrease resulted primarily from a decline in notes and accounts payable-trade, due to factors such as a decline in orders from major customers, as well as a decrease in other current liabilities, mainly due to payment of cash dividends.

(Net assets)

Net assets at the end of the second quarter of FY2016 were 213,041 million yen, up 6,170 million yen from the end of FY2015. The increase was chiefly due to an increase in retained earnings, offsetting a decline in foreign currency translation adjustment.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the first half of FY2016 as well as the current trend in orders from major customers and foreign exchange rates, the Company is keeping the consolidated forecasts announced on April 28, 2015 unchanged.

2. Matters Concerning Summary Information (Notes)

(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 half of FY2016, 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 Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) and Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) have been applied effective the beginning of the first quarter of FY2016. Accordingly, the Company now records the difference created by a change in the company's interest in a subsidiary when the company retains control as capital surplus and acquisition-related costs as expenses in the fiscal year in which they occurred. In regard to business combinations that occurred after the start of the current period under review, the Company changed to a method that reflects the retrospective adjustment of purchase price allocation based upon provisional accounting in the quarterly consolidated financial statement for the period in which the business combination occurred. Additionally, "net income" has changed to "net income attributable to owners of parent," and "minority interests" has changed to "non-controlling interests." In order to reflect said changes, the results from the previous consolidated cumulative second quarter and consolidated fiscal year have been amended in the quarterly consolidated financial statements and the consolidated financial statement.

In the Quarterly Consolidated Statements of Cash Flow for the current period under review, operating activities related to the purchase of and proceeds from shares of subsidiaries unaffected by changes in the scope of consolidation are listed in the subdivision of "Net cash provided by (used in) financing activities," and operating activities related to 1) the costs accompanying the purchase of shares of subsidiaries affected by changes in the scope of consolidation or 2) costs incurred in relation to the purchase of and proceeds from shares of subsidiaries unaffected by changes in the scope of consolidation are listed in the subdivision of "Net cash provided by (used in) operating activities."

The application of the aforementioned Standards is effective as of the beginning of the first quarter of FY2016 in accordance with the provisional treatment stipulated in paragraph 58-2(4) of the Revised Accounting Standard for Business Combinations, paragraph 44-5(4) of the Revised Accounting Standard for Consolidated Financial Statements and paragraph 57-4(4) of the Revised Accounting Standard for Business Divestitures.

There is no impact on the quarterly consolidated financial statement for the current period under review.

(4) Additional Information

(Changes to the fiscal year at consolidated subsidiaries)

The following consolidated subsidiaries have a December 31st closing date: TS TECH DO BRASIL LTDA., GUANGZHOU TS AUTOMOTIVE INTERIOR SYSTEMS CO., LTD., GUANGZHOU TECH INTERIOR TRIM MANUFACTURING CO., LTD., NINGBO FTZ TS TRIMONT AUTOMOTIVE INTERIOR INC., NINGBO EPZ TS TRIMONT AUTOMOTIVE INTERIOR INC., and WUHAN TS-GSK AUTO PARTS CO., LTD.

Originally, balance sheets as of December 31 were used when compiling consolidated financial statements, and the necessary adjustments were made on a consolidated basis in order to include important transactions that occurred between said date and the consolidated closing date of March 31, but this has been changed to a method of consolidation that executes a provisional settlement of accounts on March 31.

Accordingly, the financial statements for the six-month period of April 1, 2015 to September 30, 2015 for these consolidated subsidiaries is included in the current period under review.

In accordance with said change, profit and loss from the three month period of January 1, 2015 to March 31, 2015 has been recognized as retained earnings.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

	FY2015 (As of March 31, 2015)	Second quarter of FY2016 (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	86,440	95,561
Notes and accounts receivable-trade	60,737	51,995
Merchandise and finished goods	2,361	2,298
Work in process	4,351	3,766
Raw materials and supplies	24,353	23,048
Other	9,611	11,365
Allowance for doubtful accounts	-20	-20
Total current assets	187,836	188,017
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	32,170	31,694
Machinery, equipment and vehicles, net	15,861	18,023
Other, net	30,737	30,480
Total property, plant and equipment	78,769	80,198
Intangible assets	3,183	2,939
Investments and other assets	25,842	23,206
Total noncurrent assets	107,795	106,344
Total assets	295,632	294,361
Liabilities		
Current liabilities		
Notes and accounts payable-trade	45,880	43,540
Electronically recorded obligations - operating	4,491	5,047
Short-term loans payable	1,674	2,236
Long-term loans scheduled for payment within one year	59	22
Income taxes payable	1,687	1,395
Provision for bonuses	3,634	3,564
Provision for directors' bonuses	151	76
Other	20,789	16,294
Total current liabilities	78,369	72,177
Noncurrent liabilities		
Long-term loans payable	9	4
Provision for retirement benefits	775	754
Other	9,605	8,382
Total noncurrent liabilities	10,390	9,142
Total liabilities	88,760	81,319

(Unit: Million yen)

	FY2015 (As of March 31, 2015)	Second quarter of FY2016 (As of September 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	4,700	4,700
Capital surplus	5,163	5,163
Retained earnings	152,069	164,215
Treasury stock	-3	-4
Total shareholders' equity	161,928	174,074
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,946	8,813
Foreign currency translation adjustment	12,810	7,211
Net defined benefit liability	247	301
Total valuation and translation adjustments	23,004	16,326
Non-controlling interests	21,937	22,641
Total net assets	206,871	213,041
Total liabilities and net assets	295,632	294,361

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Consolidated First Half

(Unit: Million yen)

	Second quarter of FY2015 (April 1, 2014 – September 30, 2014)	Second quarter of FY2016 (April 1, 2015 – September 30, 2015)
Net sales	216,133	229,479
Cost of sales	182,225	190,608
Gross profit	33,908	38,871
Selling, general and administrative expenses		
Packing and transportation expenses	1,987	2,459
Salaries and allowances	6,449	7,671
Other	7,904	8,786
Total selling, general and administrative expenses	16,340	18,917
Operating income (loss)	17,567	19,953
Non-operating income		
Interest income	667	624
Dividends income	195	202
Land and house rent received	101	102
Foreign exchange gains	678	―
Equity in earnings of affiliates	419	251
Other	175	137
Total non-operating income	2,237	1,318
Non-operating expenses		
Interest expenses	64	74
Foreign exchange losses	―	418
Other	22	48
Total non-operating expenses	86	541
Ordinary income	19,718	20,730
Extraordinary income		
Gain on sales of noncurrent assets	25	145
Insurance income	39	49
Total extraordinary income	65	195
Extraordinary loss		
Loss on sales of noncurrent assets	45	20
Loss on retirement of noncurrent assets	88	122
Impairment loss	8	―
Loss on disaster	24	―
Other	0	4
Total extraordinary loss	166	147
Income before income taxes	19,617	20,779
Income taxes	5,277	5,591
Income before non-controlling interests	14,339	15,187
Net income attributable to non-controlling interests	2,987	3,083
Net income attributable to owners of parent	11,351	12,103

Quarterly Consolidated Statements of Comprehensive Income

Consolidated First Half

(Unit: Million yen)

	Second quarter of FY2015 (April 1, 2014 – September 30, 2014)	Second quarter of FY2016 (April 1, 2015 – September 30, 2015)
Income before non-controlling interests	14,339	15,187
Other comprehensive income		
Valuation difference on available-for-sale securities	1,026	-1,140
Foreign currency translation adjustment	-163	-5,211
Adjustments concerning retirement benefits	13	127
Share of other comprehensive income of associates accounted for using equity method	-83	2
Other comprehensive income	792	-6,221
Comprehensive income	15,132	8,965
Comprehensive income		
Comprehensive income attributable to owners of parent	13,201	7,131
Comprehensive income attributable to non-controlling interests	1,930	1,834

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Second quarter of FY2015 (April 1, 2014 – September 30, 2014)	Second quarter of FY2016 (April 1, 2015 – September 30, 2015)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	19,617	20,779
Depreciation and amortization	4,471	5,479
Impairment loss	8	―
Increase (decrease) in provision	-218	437
Increase (decrease) in provision for retirement benefits	-132	53
Interest and dividends income	-862	-826
Interest expenses	64	74
Equity in (earnings) losses of affiliates	-419	-251
Loss (gain) on sales of property, plant and equipment	19	-125
Loss on retirement of property, plant and equipment	88	122
Insurance income	-39	-49
Decrease (increase) in notes and accounts receivable-trade	7,982	278
Decrease (increase) in inventories	1,603	-1,213
Increase (decrease) in notes and accounts payable-trade	-7,355	6,415
Other	-1,251	-236
Subtotal	23,576	30,936
Interest and dividends income received	871	818
Interest expenses paid	-64	-74
Income taxes paid	-8,067	-6,652
Proceeds from insurance income	39	82
Net cash provided by (used in) operating activities	16,355	25,110
Net cash provided by (used in) investing activities		
Payments into time deposits	-363	-4,000
Proceeds from withdrawal of time deposits	642	1,569
Purchase of property, plant and equipment	-6,835	-9,522
Proceeds from sales of property, plant and equipment	574	221
Purchase of investments securities	-817	-302
Other	-1,420	-102
Net cash provided by (used in) investing activities	-8,221	-12,136
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-98	332
Cash dividends paid	-2,039	-2,039
Cash dividends paid to non-controlling interests	-3,868	-4,519
Other	-861	-387
Net cash provided by (used in) financing activities	-6,868	-6,613
Effect of exchange rate change on cash and cash equivalents	-569	-2,698
Net increase (decrease) in cash and cash equivalents	696	3,662
Cash and cash equivalents at beginning of period	76,460	84,552
Increase in cash and cash equivalents associated with newly consolidated subsidiaries	153	101
Net increase in cash and cash equivalents following the accounting period change at consolidated subsidiaries	―	3,336
Cash and cash equivalents at end of period	77,309	91,652

(4) 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)

First half of FY2015 (April 1, 2014 – September 30, 2014)

1. Information about net sales, profits or 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	32,527	105,917	48,520	29,169	216,133	—	216,133
Inter-area transfer	11,212	357	2,937	542	15,049	-15,049	—
Total	43,739	106,274	51,457	29,711	231,183	-15,049	216,133
Segment profits (losses)	2,540	7,735	8,365	2,499	21,140	-3,573	17,567

(Notes) 1. Adjustments of -3,573 million yen for segment profits include a deduction of 141 million yen for transactions among segments, and operating expenses of -2,349 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

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

First half of FY2016 (April 1, 2015 – September 30, 2015)

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	32,940	125,904	41,298	29,335	229,479	—	229,479
Inter-area transfer	11,472	420	4,155	374	16,422	-16,422	—
Total	44,412	126,324	45,454	29,709	245,902	-16,422	229,479
Segment profits	3,952	8,701	7,801	2,552	23,008	-3,054	19,953

(Notes) 1. Adjustments of -3,054 million yen for segment profits include a deduction of 419 million yen for transactions among segments, and operating expenses of -2,557 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

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