Consolidated Financial Summary FY2021

(April 1, 2020 – March 31, 2021)

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 FY2021 (under IFRS)

April 30, 2021

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange
Stock code: 7313 URL: https://www.tstech.co.jp
Representative: Masanari Yasuda, President
Contact: Yoshitoshi Goma, General Manager, Administration Department Tel. 048-462-1121
Scheduled date of general meeting of shareholders: June 25, 2021
Scheduled date of commencement of dividend payment: June 28, 2021
Scheduled date for filing of securities report: June 28, 2021
Preparation of supplementary explanatory material: Yes 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 FY2021 (April 1, 2020 - March 31, 2021)

(1) Consolidated Financial Results (%: Year-on-year change)

	Revenue		Operating income		Income before tax		Net income		Income attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	346,149	-3.8	26,742	1.6	36,247	26.1	28,082	39.0	20,741	37.7	40,174	358.6
FY2020	359,682	-12.7	26,326	-32.1	28,751	-30.6	20,202	-35.0	15,064	-41.5	8,761	-71.6

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of income before tax to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
FY2021	152.89	—	7.8	9.9	7.7
FY2020	110.77	—	5.9	8.2	7.3

(Reference) Share of profit (loss) of investments accounted for using the equity method FY2021 7,658 million yen FY2020 481 million yen

(Notes)
1. In FY2021, increases in each profit stage after "Income before tax" are due primarily to the recognition of negative goodwill related to an affiliated company accounted for by the equity method.
2. TS TECH implemented a two-for-one common stock split, effective April 1, 2021. "Basic earnings per share" was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2021	390,478	301,450	277,017	70.9	2,063.47
FY2020	341,820	274,552	254,745	74.5	1,873.20

(Note) TS TECH implemented a two-for-one common stock split, effective April 1, 2021. "Equity attributable to owners of parent per share" was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
FY2021	25,151	(11,709)	(14,647)	153,034
FY2020	44,193	(5,366)	(12,917)	149,628

2. Cash Dividends

	Annual cash dividends per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Equity attributable to owners of parent to dividend ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2020	—	43.00	—	43.00	86.00	5,847	38.8	2.3
FY2021	—	43.00	—	47.00	90.00	6,078	29.4	2.3

(Notes)
1. FY2021 end-of-year dividend breakdown: Standard dividend: 43.00 yen 60th anniversary commemorative dividend: 4.00 yen
2. TS TECH implemented a two-for-one common stock split, effective April 1, 2021. However, the actual amounts of dividends for the year ended March 31, 2021 have not been retroactively adjusted and are shown on a pre-stock split basis.
3. Dividend forecasts for FY2022 are currently pending and will be announced as soon as it is possible to make reasonable calculations.

3. Consolidated Forecasts for FY2022 (April 1, 2021 - March 31, 2022)

We are currently unable to make reasonable calculations regarding the consolidated forecasts for FY2022 due to disruptions in the automobile industry supply chain, including a semiconductor shortage. Forecasts will be announced as soon as it is possible to make reasonable calculations.

(1) Changes in important subsidiaries during the term : Yes

(Changes in significant subsidiaries affecting the scope of consolidation during this period)

New subsidiaries ― companies Excluded subsidiaries 1 company

NINGBO FTZ TS TRIMONT AUTOMOTIVE INTERIOR INC.

(Note) Please refer to "3. Consolidated Financial Statements (5) Notes Concerning Consolidated Financial Statements, Changes in Important Subsidiaries During the Consolidated Accounting Period Under Review" on page 15 for details.

(2) Changes in accounting principles and estimates

1) Changes in accounting policies required by IFRS : None

2) Changes other than 1) : None

3) Changes in accounting estimates : None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the term including treasury stock	FY2021	136,000,000 shares	FY2020	136,000,000 shares
2) Number of treasury stock at the end of the term	FY2021	1,751,508 shares	FY2020	4,868 shares
3) Average number of shares during the term (cumulative)	FY2021	135,666,169 shares	FY2020	135,995,308 shares

(Note) TS TECH implemented a two-for-one common stock split, effective April 1, 2021. The number of shares issued (common stock) was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2021 (April 1, 2020 - March 31, 2021)

(1) Non-Consolidated Financial Results (%: year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	71,737	-7.3	1,219	7.4	18,553	18.5	16,527	20.2
FY2020	77,352	-20.0	1,135	-81.8	15,651	-17.5	13,755	-9.3

	Net income per share	Diluted net income per share
	Yen	Yen
FY2021	121.78	―
FY2020	101.15	―

(Note) TS TECH implemented a two-for-one common stock split, effective April 1, 2021. "Net income per share" was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	150,637	134,029	89.0	996.76
FY2020	137,328	122,748	89.4	902.60

(Reference) Shareholders' equity: FY2021 134,029 million yen FY2020 122,748 million yen

(Notes)

1. Financial figures in the non-consolidated financial results are based on Japanese accounting standards.
2. TS TECH implemented a two-for-one common stock split, effective April 1, 2021. "Net assets per share" was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

* This consolidated financial summary is exempt from audits by certified public accountants and auditing firms.

* Explanation regarding the appropriate use of forecasts of financial results and other notes

We are currently unable to make reasonable calculations regarding the consolidated forecasts for FY2022 due to disruptions in the automobile industry supply chain, including a semiconductor shortage. Forecasts will be announced as soon as it is possible to make reasonable calculations.

Presentation materials used at the briefing on April 30, 2021 can be obtained via the following URL after the briefing:

(IR Library): https://www.tstech.co.jp/english/ir/

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1. Operating Performance Overview

(1) Overview of Financial Results

The global economic environment proved very difficult during the period under review due to the COVID-19 pandemic. Although each country showed signs of recovery during the period under review, with China being the first to recover, given concerns over another widespread outbreak, a global shipping container shortage coupled with port congestion, and supply chain disruptions, including a semiconductor shortage at the end of the fiscal year, the outlook for the operating environment remains uncertain.

At the start of the period, the Group was forced to make drastic production cuts through measures such as production stoppages in all regions except China. While subsequent rapid economic recovery in China and a rebound in production in other regions were indicative of a steady recovery, the impact of the semiconductor shortage at the end of the period resulted in sharp production decreases in each segment. Amid this backdrop, the Group promoted various measures to deliver future growth, such as aggressive sales initiatives aimed at securing a larger share of a major customer's business as well as business with new customers, the development of next-generation technologies that look to the future, and the creation of production structures that take our existing high quality and efficiency to new levels.

Revenue for the fiscal year under review amounted to 346,149 million yen on a consolidated basis, down 13,532 million yen (3.8%) from the preceding fiscal year. Looking at profits, operating income stood at 26,742 million yen, up 416 million yen (1.6%) year on year. This reflected cost-cutting measures, including various lower expenses achieved via thorough streamlining. Additionally, income attributable to owners of parent totaled 20,741 million yen, an increase of 5,677 million yen (37.7%) year on year, on the recognition of negative goodwill stemming from the addition of Imasen Electric Industrial Co., Ltd. as an affiliated company accounted for by the equity method as "share of profit (loss) of investments accounted for using the equity method."

USD/JPY average exchange rate… FY2020: ¥108.7 FY2021: ¥106.1

CNY/JPY average exchange rate…FY2020: ¥15.6 FY2021: ¥15.7

Operating performance by geographic segment is as follows:

(Japan)

(Unit: Million yen)

	FY2020	FY2021	Difference	Change
Revenue	75,134	78,866	3,732	5.0%
Operating income	6,049	7,140	1,090	18.0%

Main factors for year-on-year change

Revenue	Revenue increased due to the addition of Honda Cars SAITAMAKITA as a consolidated subsidiary, offsetting lower production volume primarily in the first quarter stemming from the COVID-19 pandemic.
Operating income	Operating income increased primarily due to the impact of higher revenue and the impact of various cost containment and cost-cutting measures.

* While production did not stop due to the COVID-19 pandemic, select locations made adjustments to production volume.

(The Americas)

(Unit: Million yen)

	FY2020	FY2021	Difference	Change
Revenue	176,346	141,924	-34,422	-19.5%
Operating income	8,054	3,368	-4,686	-58.2%

Main factors for year-on-year change

Revenue — Revenue decreased primarily on lower production resulting from production stoppages caused by the COVID-19 pandemic in the first quarter and disruptions in the automobile industry supply chain, including a semiconductor shortage at the end of the fiscal year.

Operating income — Operating income decreased due to the impact of lower revenue, offsetting various cost containment and cost-cutting measures.

*Production stoppages caused by the COVID-19 pandemic began in late March 2020, but production largely resumed by mid-May.

(China)

(Unit: Million yen)

	FY2020	FY2021	Difference	Change
Revenue	82,729	117,652	34,922	42.2%
Operating income	15,542	23,199	7,656	49.3%

Main factors for year-on-year change

Revenue — Revenue increased primarily due to higher production volume stemming from the rapid recovery of the Chinese automobile market.

Operating income — Operating income increased primarily due to the impact of higher revenue and cost-cutting measures.

* Production in FY2021 was unaffected by the COVID-19 pandemic. Production in FY2020 was stopped from early February through early March 2020.

(Asia and Europe)

(Unit: Million yen)

	FY2020	FY2021	Difference	Change
Revenue	51,967	34,021	-17,945	-34.5%
Operating income/loss	2,109	(2,344)	-4,454	—%

Main factors for year-on-year change

Revenue — Revenue decreased due to the impact of the COVID-19 pandemic, which included production stoppages in the first quarter and subsequent lower production.

Operating income — Despite various cost containment and cost-cutting measures, operating income decreased primarily due to the impact of lower revenue and expenses related to the reorganization of automobile seat production in India.

* Production stoppages caused by the COVID-19 pandemic began in late March 2020. Segment production resumed in early May, with the timing of the restart of operations varying by country.

Revenue by business segment is as follows:

(Unit: Million yen)

	FY2020		FY2021		Difference	Change
		Ratio		Ratio		
Motorcycles	4,996	1.4%	4,549	1.3%	-446	-8.9%
Automobiles	348,937	97.0%	328,093	94.8%	-20,843	-6.0%
(Seats)	308,580	85.8%	292,728	84.6%	-15,851	-5.1%
(Interior products)	40,356	11.2%	35,364	10.2%	-4,992	-12.4%
Other businesses	5,748	1.6%	13,506	3.9%	7,757	134.9%
Total	359,682	100.0%	346,149	100.0%	-13,532	-3.8%

*“Other businesses” saw a large increase due to the addition of Honda Cars SAITAMAKITA, which sells automobiles, as a consolidated subsidiary FY2021.

(2) Overview of Financial Position

Assets, liabilities, and equity

(Assets)

Assets at the end of FY2021 stood at 390,478 million yen, increasing 48,657 million yen from the end of FY2020. This change is primarily the result of an increase in trade and other receivables driven by higher order volume from major customers and an increase in investments accounted for using the equity method resulting from the acquisition of shares of Imasen Electric Industrial Co., Ltd.

(Liabilities)

Total liabilities at the end of FY2021 amounted to 89,027 million yen, up 21,759 million yen from the end of FY2020. This change resulted mainly from an increase in trade and other payables stemming from higher order volume from major customers and an increase in other current liabilities due primarily to the addition of Honda Cars SAITAMAKITA as a subsidiary.

(Equity)

Equity at the end of FY2021 totaled 301,450 million yen, increasing 26,898 million yen from the end of FY2020. This change is primarily the result of an increase in retained earnings stemming from the allocation of net income and an increase in other components of equity driven by an increase in differences on translation from foreign operations.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter "cash") at the end of FY2021 amounted to 153,034 million yen, up 3,406 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 25,151 million yen, showing a year-on-year decrease of 19,041 million yen. This is primarily the result of a change in trade and other receivables from a decrease of 23,721 million yen in the previous fiscal year to an increase of 15,863 million yen in FY2021. This offset a change in trade and other payables from a decrease of 10,532 million yen in the previous fiscal year to an increase of 6,192 million yen in FY2021.

(Cash flows from investing activities)

Cash flows from investing activities came to 11,709 million yen, an increase of 6,343 million yen year on year. This primarily reflects a 7,199 million yen increase in purchase of investments accounted for using the equity method.

(Cash flows from financial activities)

Cash flows from financial activities totaled 14,647 million yen, an increase of 1,729 million yen year on year. This primarily reflects an increase of 2,596 million yen in purchase of treasury stock, offsetting a decrease of 1,070 million yen in dividend payments (including payments to non-controlling interests).

(4) Consolidated Earnings Forecasts for FY2022

We are currently unable to make reasonable calculations regarding the consolidated forecasts for FY2022 due to disruptions in the automobile industry supply chain, including a semiconductor shortage. Forecasts will be announced as soon as it is possible to make reasonable calculations.

2. Basic Policy on the Selection of Accounting Standards

The Group has adopted IFRS (International Financial Reporting Standards) to increase the international comparability of its financial statements in the capital market.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2020 (As of March 31, 2020)	FY2021 (As of March 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	149,628	153,034
Trade and other receivables	41,500	62,984
Other financial assets	11,540	5,361
Inventories	28,233	33,607
Income tax receivables	2,281	1,719
Other current assets	4,667	6,202
Total current assets	237,852	262,909
Non-current assets		
Property, plant and equipment	68,530	69,053
Intangible assets	9,366	10,911
Investments accounted for using the equity method	1,596	16,575
Other financial assets	20,307	25,258
Net defined benefit assets	1,879	3,575
Deferred tax assets	1,055	1,748
Other non-current assets	1,231	445
Total non-current assets	103,967	127,568
Total assets	341,820	390,478

(Unit: Million yen)

	FY2020 (As of March 31, 2020)	FY2021 (As of March 31, 2021)
Liabilities and equity		
Current liabilities		
Trade and other payables	51,084	62,943
Current borrowings	75	―
Other financial liabilities	1,109	1,357
Income tax receivables	575	2,021
Provisions	156	2,851
Other current liabilities	2,965	7,139
Total current liabilities	55,965	76,313
Non-current liabilities		
Other financial liabilities	2,841	3,952
Net defined benefit liabilities	1,372	1,648
Provisions	2,378	85
Deferred tax liabilities	3,598	5,808
Other non-current liabilities	1,111	1,219
Total non-current liabilities	11,302	12,714
Total liabilities	67,268	89,027
Equity		
Capital stock	4,700	4,700
Capital surplus	5,171	4,975
Treasury stock	(5)	(2,657)
Retained earnings	249,367	264,261
Other components of equity	(4,487)	5,738
Total equity attributable to owners of parent	254,745	277,017
Non-controlling interests	19,806	24,433
Total equity	274,552	301,450
Total liabilities and equity	341,820	390,478

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income (Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Revenue	359,682	346,149
Cost of sales	(300,307)	(288,671)
Gross profit	59,374	57,478
Selling, general and administrative expenses	(33,531)	(32,581)
Other income	1,537	3,072
Other expenses	(1,053)	(1,227)
Operating income	26,326	26,742
Finance income	2,218	1,983
Finance costs	(275)	(136)
Share of profit (loss) of investments accounted for using the equity method	481	7,658
Income before tax	28,751	36,247
Income tax expense	(8,548)	(8,164)
Net income	20,202	28,082
Income attributable to:		
Owners of parent	15,064	20,741
Non-controlling interests	5,137	7,341
Net income	20,202	28,082
Earnings per share		
Basic earnings per share (yen)	110.77	152.89
Diluted earnings per share (yen)	—	—

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Consolidated Comprehensive Income

(Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Net income	20,202	28,082
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefit plans	(421)	1,221
Financial assets measured at fair value through other comprehensive income	(1,971)	2,754
Share of other comprehensive income of associates accounted for using the equity method	—	323
Total components that will not be reclassified subsequently to net profit or loss	(2,393)	4,299
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	(9,015)	7,742
Share of other comprehensive income of associates accounted for using the equity method	(32)	48
Total components that may be reclassified subsequently to net profit or loss	(9,048)	7,791
Other comprehensive income, net of tax	(11,441)	12,091
Comprehensive income for the period	8,761	40,174
Comprehensive income for the period attributable to:		
Owners of parent	4,864	30,968
Non-controlling interests	3,896	9,206
Comprehensive income for the period	8,761	40,174

(3) Consolidated Statement of Changes in Equity

FY2020 (April 1, 2019 - March 31, 2020)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the end of the previous fiscal year	4,700	5,171	(5)	240,038	5,712
Cumulative impact of accounting policy changes				44	
Balance at the end of the previous fiscal year with accounting policy changes	4,700	5,171	(5)	240,083	5,712
Comprehensive income					
Net income				15,064	
Other comprehensive income					(10,200)
Total comprehensive income	–	–	–	15,064	(10,200)
Transactions with owners, etc.					
Dividends				(5,779)	
Acquisition of treasury stock			(0)		
Disposal of treasury stock					
Share-based payments					
Changes in ownership in interest in subsidiaries					
Total transactions with owners, etc.	–	–	(0)	(5,779)	–
Balance at the end of the fiscal year	4,700	5,171	(5)	249,367	(4,487)

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	255,617	21,807	277,424
Cumulative impact of accounting policy changes	44		44
Balance at the end of the previous fiscal year with accounting policy changes	255,662	21,807	277,469
Comprehensive income			
Net income	15,064	5,137	20,202
Other comprehensive income	(10,200)	(1,240)	(11,441)
Total comprehensive income	4,864	3,896	8,761
Transactions with owners, etc.			
Dividends	(5,779)	(5,898)	(11,677)
Acquisition of treasury stock	(0)		(0)
Disposal of treasury stock	–		–
Share-based payments	–		–
Changes in ownership in interest in subsidiaries	–		–
Total transactions with owners, etc.	(5,780)	(5,898)	(11,678)
Balance at the end of the fiscal year	254,745	19,806	274,552

FY2021 (April 1, 2020 - March 31, 2021)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the end of the previous fiscal year	4,700	5,171	(5)	249,367	(4,487)
Cumulative impact of accounting policy changes					
Balance at the end of the previous fiscal year with accounting policy changes	4,700	5,171	(5)	249,367	(4,487)
Comprehensive income					
Net income				20,741	
Other comprehensive income					10,226
Total comprehensive income	—	—	—	20,741	10,226
Transactions with owners, etc.					
Dividends				(5,847)	
Acquisition of treasury stock			(2,943)		
Disposal of treasury stock		(291)	291		
Share-based payments		34			
Changes in ownership in interest in subsidiaries		60			
Total transactions with owners, etc.	—	(196)	(2,652)	(5,847)	—
Balance at the end of the fiscal year	4,700	4,975	(2,657)	264,261	5,738

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	254,745	19,806	274,552
Cumulative impact of accounting policy changes	—		—
Balance at the end of the previous fiscal year with accounting policy changes	254,745	19,806	274,552
Comprehensive income			
Net income	20,741	7,341	28,082
Other comprehensive income	10,226	1,864	12,091
Total comprehensive income	30,968	9,206	40,174
Transactions with owners, etc.			
Dividends	(5,847)	(4,463)	(10,311)
Acquisition of treasury stock	(2,943)		(2,943)
Disposal of treasury stock	—		—
Share-based payments	34		34
Changes in ownership in interest in subsidiaries	60	(115)	(55)
Total transactions with owners, etc.	(8,696)	(4,579)	(13,275)
Balance at the end of the fiscal year	277,017	24,433	301,450

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Cash flows from operating activities		
Income before tax	28,751	36,247
Depreciation and amortization	12,311	11,440
Impairment loss	666	142
Loss (gain) on disposal of non-current assets	(495)	(166)
Finance income and finance costs	(1,976)	(1,083)
Share of loss (profit) of investments accounted for using the equity method	(481)	(7,658)
Decrease (increase) in trade and other receivables	23,721	(15,863)
Net decrease (increase) in leased receivables and investment assets	1,363	1,997
Decrease (increase) in inventories	(3,299)	(3,262)
Increase (decrease) in trade and other payables	(10,532)	6,192
Increase (decrease) in net defined benefit asset or liability	803	(1,505)
Increase (decrease) in provisions	2,171	402
Other	(698)	3,117
Subtotal	52,305	30,002
Interest income received	1,515	892
Dividend income received	940	894
Interest expenses paid	(116)	(133)
Income taxes paid	(10,452)	(6,503)
Net cash provided by (used in) operating activities	44,193	25,151
Cash flows from investing activities		
Payments into time deposits	(17,382)	(7,495)
Proceeds from withdrawal of time deposits	23,182	11,521
Purchase of property, plant and equipment	(7,623)	(5,455)
Proceeds from sales of property, plant and equipment	218	698
Purchase of intangible assets	(3,311)	(2,206)
Purchase of equity instruments	(445)	(56)
Proceeds from sales of equity instruments	2	0
Payments of loans receivable	(241)	(121)
Collection of loans receivable	179	214
Purchase of shares of subsidiaries	―	(1,564)
Purchase of investments accounted for using the equity method	―	(7,199)
Other	53	(43)
Net cash used in (provided by) investing activities	(5,366)	(11,709)

(Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)		FY2021 (April 1, 2020- March 31, 2021)
Cash flows from financial activities			
Net increase (decrease) in short-term loans payable	(0)		―
Repayment of long-term loans payable	(150)		(75)
Repayments of lease obligations	(1,532)		(1,754)
Purchase of treasury stock	(0)		(2,597)
Cash dividends paid	(5,779)		(5,847)
Dividends paid to non-controlling interests	(5,455)		(4,316)
Payment to acquire interests in subsidiaries from non-controlling interests	―		(55)
Net cash used in (provided by) financing activities	(12,917)	-	(14,647)
Effect of exchange rate changes on cash and cash equivalents	(4,928)		4,611
Net increase (decrease) in cash and cash equivalents	20,981		3,406
Cash and cash equivalents at beginning of period	128,647		149,628
Cash and cash equivalents at end of period	149,628		153,034

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Changes in Important Subsidiaries During the Consolidated Accounting Period Under Review)

The Group merged its subsidiary NINGBO EPZ TS TRIMONT AUTOMOTIVE INTERIOR INC. with its specified subsidiary NINGBO FTZ TS TRIMONT AUTOMOTIVE INTERIOR INC. As a result, NINGBO FTZ TS TRIMONT AUTOMOTIVE INTERIOR INC. has been excluded from the scope of consolidation effective this consolidated accounting period. In addition, NINGBO EPZ TS TRIMONT AUTOMOTIVE INTERIOR INC. has changed its company name to NINGBO TS AUTOMOTIVE INTERIOR INC. It has been designated as a specified subsidiary.

As the merger took place between two wholly-owned subsidiaries, the impact on the consolidated operating results is minimal.

(Segment Information)

1. Overview of reporting segments

Reporting segments are component units of the Company able to provide financial information. These segments file monthly reports that the Board of Directors uses to decide management resource allocation and evaluate results.

Positioning Japan as its global base, the Company has an operating structure divided into the three geographic segments of “The Americas,” which includes the U.S., Canada, Mexico and Brazil; “China” comprising China and Hong Kong; and “Asia and Europe” which covers Thailand, the Philippines, India, Indonesia, the U.K. and Hungary. The Company appoints a segment executive general manger in each region. Policies, plans, controls and other matters concerning execution of operations are discussed at regional management meetings attended by directors and the like in these regions for executing business activities.

Accordingly, the Company positions “Japan,” “The Americas,” “China,” and “Asia and Europe” as its four reporting segments.

In the reporting segments of “Japan,” “The Americas,” and “Asia and Europe,” the Company manufactures and sells products under their coverage that mainly consist of automobile seats, interior products, motorcycle seats, and resin-based products for motorcycles. In the reporting segment of “China,” the Company engages primarily in the manufacture and sale of automobile seats and interior products.

2. Accounting methods for revenue, profits or losses, assets, liabilities and other items for reporting segments

The Company decides the price of transactions carried out among its segments by considering market prices and gross costs, and through price negotiations.

3. Information about revenue, profits or losses, assets, liabilities and other items for reporting segments

FY2020 (April 1, 2019 - March 31, 2020)

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	56,691	175,300	77,636	50,052	359,682	—	359,682
Inter-segment transfer	18,442	1,045	5,093	1,914	26,495	(26,495)	—
Total	75,134	176,346	82,729	51,967	386,178	(26,495)	359,682
Segment profits	6,049	8,054	15,542	2,109	31,756	(5,430)	26,326
Finance income and finance costs	—	—	—	—	—	—	1,943
Return on investment using the equity method	—	—	—	—	—	—	481
Income before tax	—	—	—	—	—	—	28,751

(Notes) 1. Adjustments of -5,430 million yen for segment profits include a deduction of -647 million yen for transactions among segments, and operating expenses of -4,782 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 the consolidated statements of income.

Other important items

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Depreciation and amortization	3,161	5,167	2,132	1,863	12,325	(13)	12,311
Impairment loss	—	5	1	659	666	—	666
Capital payments	3,662	2,417	954	584	7,619	—	7,619

(Note) The adjustment for depreciation is a deduction for transactions between segments.

FY2021 (April 1, 2020 - March 31, 2021)

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	58,396	141,425	113,784	32,543	346,149	—	346,149
Inter-segment transfer	20,470	498	3,867	1,478	26,315	(26,315)	—
Total	78,866	141,924	117,652	34,021	372,465	(26,315)	346,149
Segment profits/loss	7,140	3,368	23,199	(2,344)	31,362	(4,620)	26,742
Finance income and finance costs	—	—	—	—	—	—	1,846
Return on investment using the equity method	—	—	—	—	—	—	7,658
Income before tax	—	—	—	—	—	—	36,247

(Notes) 1. Adjustments of -4,620 million yen for segment profits include a deduction of 68 million yen for transactions among segments, and operating expenses of -4,688 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 the consolidated statements of income.

Other important items

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Depreciation and amortization	3,275	4,407	2,063	1,702	11,448	(8)	11,440
Impairment loss	1	—	57	84	142	—	142
Capital payments	3,211	1,887	922	664	6,686	—	6,686

(Note) The adjustment for depreciation is a deduction for transactions between segments.

4. Information related to products and services

FY2020 (April 1, 2019 - March 31, 2020)

As revenues from external customers in a single product/service category account for the majority of revenue in consolidated statements of income, segment information by products and services is omitted.

FY2021 (April 1, 2020 - March 31, 2021)

As revenues from external customers in a single product/service category account for the majority of revenue in consolidated statements of income, segment information by products and services is omitted.

5. Information according to region

Revenue

(Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Japan	56,137	57,846
U.S.	124,906	100,021
Canada	42,281	36,597
China	77,735	114,174
Other	58,620	37,509
Total	359,682	346,149

(Note) Revenue is based on customers' locations and is categorized into countries or regions.

Non-current assets (excluding financial instruments, deferred tax assets, assets concerning retirement benefits, and rights arising from insurance contracts)

(Unit: Million yen)

	FY2020 (As of March 31, 2020)	FY2021 (As of March 31, 2021)
Japan	33,724	37,564
U.S.	18,109	16,823
China	10,050	10,123
Other	16,012	15,453
Total	77,897	79,965

Information according to major customers

(Unit: Million yen)

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Honda Motor Co., Ltd. Group	329,913	314,429

(Note) Revenue for the Japan, Americas, China, and Asia and Europe segments is recorded.

(Per Share Information)

Basic earnings per share and the basis for estimation are outlined below.
Latent common stock that has a dilution effect is not included.

	FY2020 (April 1, 2019- March 31, 2020)	FY2021 (April 1, 2020- March 31, 2021)
Income attributable to owners of parent (million yen)	15,064	20,741
Average number of common stock for the period (1,000 shares)	135,995	135,666
Basic earnings per share (yen)	110.77	152.89

(Note) TS TECH implemented a two-for-one common stock split, effective April 1, 2021. Per-share information was calculated on the assumption that the relevant stock split had been implemented at the beginning of FY2020.

(Subsequent Events)

Not applicable