# Consolidated Financial Summary FY2024

(April 1, 2023 – March 31, 2024)

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 FY2024 (under IFRS)

May 10, 2024

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: Mahoro Kurata, General Manager, Corporate Communication Department Tel. 048-462-1121
Scheduled date of general meeting of shareholders: June 21, 2024
Scheduled date of commencement of dividend payment: June 5, 2024
Scheduled date for filing of securities report: June 21, 2024
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 FY2024 (April 1, 2023 - March 31, 2024)

(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 | % |
| FY2024 | 441,713 | 7.9 | 17,507 | 14.7 | 21,746 | 16.3 | 13,488 | 24.5 | 10,214 | 91.2 | 41,342 | 83.1 |
| FY2023 | 409,200 | 16.9 | 15,257 | (33.7) | 18,692 | (27.7) | 10,835 | (42.4) | 5,343 | (57.0) | 22,576 | (40.1) |

| | 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 | % | % | % |
| FY2024 | 80.09 | – | 3.3 | 5.0 | 4.0 |
| FY2023 | 41.35 | – | 1.8 | 4.5 | 3.7 |

(Reference) Share of profit (loss) of investments accounted for using the equity method: FY2024 (48) million yen FY2023 487 million yen

(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 |
| FY2024 | 446,214 | 348,703 | 326,932 | 73.3 | 2,563.58 |
| FY2023 | 416,226 | 323,458 | 298,791 | 71.8 | 2,343.38 |

(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 |
| FY2024 | 37,659 | (8,669) | (17,818) | 150,755 |
| FY2023 | 30,445 | (20,970) | (18,860) | 132,914 |

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 | % | % |
| FY2023 | – | 30.00 | – | 33.00 | 63.00 | 8,090 | 152.4 | 2.8 |
| FY2024 | – | 35.00 | – | 38.00 | 73.00 | 9,327 | 91.1 | 3.0 |
| FY2025 (forecast) | – | 40.00 | – | 43.00 | 83.00 | | 88.2 | |

3. Consolidated Forecasts for FY2025 (April 1, 2024 - March 31, 2025)

(%: year-on-year change)

| | Revenue | | Operating income | | Income before tax | | Net income | | Income attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half of FY2025 | 222,000 | 9.7 | 8,000 | 57.6 | 9,000 | 22.8 | 5,000 | 22.7 | 3,500 | 15.7 | 27.44 |
| FY2025 | 450,000 | 1.9 | 20,000 | 14.2 | 22,500 | 3.5 | 15,000 | 11.2 | 12,000 | 17.5 | 94.05 |

*Notes

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

(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 | FY2024 | 136,000,000 shares | FY2023 | 136,000,000 shares |
| 2) Number of treasury stock at the end of the term | FY2024 | 8,470,554 shares | FY2023 | 8,495,146 shares |
| 3) Average number of shares during the term (cumulative) | FY2024 | 127,536,670 shares | FY2023 | 129,217,147 shares |

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2024 (April 1, 2023 - March 31, 2024)

(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 | % |
| FY2024 | 73,779 | 2.8 | 776 | – | 19,190 | 12.9 | 15,255 | 11.7 |
| FY2023 | 71,744 | 7.6 | (819) | – | 17,002 | (22.3) | 13,662 | (33.3) |

| | Net income per share | Diluted net income per share |
|---|---|---|
| | Yen | Yen |
| FY2024 | 119.40 | – |
| FY2023 | 105.56 | – |

(2) Non-Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | Million yen | Million yen | % | Yen |
| FY2024 | 181,786 | 158,521 | 87.2 | 1,240.81 |
| FY2023 | 161,902 | 144,880 | 89.5 | 1,134.30 |

(Reference) Shareholders' equity: FY2024 158,521 million yen FY2023 144,880 million yen

(Note) Financial figures in the non-consolidated financial results are based on Japanese accounting standards.

* 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

The consolidated forecasts presented on the previous pages are projections made by management 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 the actual results may differ materially from these forecasts due to various important factors. Readers are asked to proceed to "(4) Consolidated Earnings Forecasts for FY2025" on page 6 for assumptions and other information that form the premise for the operating results forecast on the previous page.

Presentation materials used at the briefing on May 10, 2024 can be obtained via the following URL:
(IR information): https://www.tstech.co.jp/english/ir/

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1. Operating Performance Overview

(1) Overview of Financial Results

In FY2024, the higher production by automakers following the resolution of a long-running semiconductor supply shortage resulted in higher order volume for the Group. On the other hand, in China, the market conditions remain uncertain due to various factors, including the poor sales by Japanese automakers amidst the rapid shift to electric vehicles and fierce price competition. Manufacturing costs continued to increase due to the rising cost of raw materials, labor, and energy.

Under such conditions, we made steady progress on various measures aimed at future growth, including measures to secure new customers and expand commercial rights, proactive sales efforts to increase market share among major customers, efforts to develop next-generation technologies, looking to the future, and efforts to develop production structures to provide even greater quality and efficiency. We are also accelerating our efforts to transform ourselves into a company that can coordinate the entire cabin and propose new value to our customers and users.

Revenue in the consolidated fiscal year under review reached 441,713 million yen on a consolidated basis, an increase of 32,512 million yen (7.9%) from the previous consolidated fiscal year, mainly due to the effects of foreign exchange rates and higher production. Looking at profits, operating income stood at 17,507 million yen, an increase of 2,250 million yen (14.7%) from the previous consolidated fiscal year due to the effect of higher revenue, offsetting higher expenses such as labor costs. Income attributable to owners of parent increased of 4,871 million yen (91.2%) from the previous consolidated fiscal year to 10,214 million yen due to lower income attributable to non-controlling interests accompanying lower income in China, where some non-controlling interests are located.

* USD/JPY average exchange rate… FY2023: ¥135.5 FY2024: ¥144.7

* CNY/JPY average exchange rate… FY2023: ¥19.8 FY2024: ¥20.1

Operating performance by segment is as follows:

(Japan)

(Unit: Million yen)

| | FY2023 | FY2024 | Difference | Change |
|---|---|---|---|---|
| Revenue | 84,943 | 91,206 | 6,263 | 7.4% |
| Operating income | 5,151 | 7,963 | 2,811 | 54.6% |

Main factors for year-on-year change

| | |
|---|---|
| Revenue | Revenue increased primarily due to the effects of higher production and factors such as the effects of increased production and improved model mix, offsetting lower development revenue and press tool sales. |
| Operating income | Operating income increased primarily due to higher revenue and the decrease in temporary expenses associates with revisions to the HR system incurred in the previous period. |

(Americas)

(Unit: Million yen)

| | FY2023 | FY2024 | Difference | Change |
|---|---|---|---|---|
| Revenue | 194,015 | 240,100 | 46,085 | 23.8% |
| Operating income (loss) | (3,199) | 3,276 | 6,476 | — % |

Main factors for year-on-year change

| | |
|---|---|
| Revenue | Revenue increased primarily due to higher production and the effects of foreign exchange rates, offsetting lower press tool sales. |
| Operating income | Operating income increased primarily due to higher revenue, offsetting higher expenses such as labor costs. |

(China)

(Unit: Million yen)

| | FY2023 | FY2024 | Difference | Change |
|---|---|---|---|---|
| Revenue | 117,800 | 87,539 | (30,260) | (25.7)% |
| Operating income | 18,227 | 9,999 | (8,228) | (45.1)% |

Main factors for year-on-year change

| | |
|---|---|
| Revenue | Revenue decreased primarily due to the impact of lower production, offsetting higher parts sales. |
| Operating income | Operating income decreased primarily due to the impact of lower revenue, offsetting expenses reduction and cost containment measures. |

(Asia and Europe)

(Unit: Million yen)

| | FY2023 | FY2024 | Difference | Change |
|---|---|---|---|---|
| Revenue | 40,164 | 48,962 | 8,797 | 21.9% |
| Operating income | 2,175 | 2,612 | 436 | 20.1% |

Main factors for year-on-year change

| | |
|---|---|
| Revenue | Revenue increased primarily due to improved model mix and higher production in addition to the effects of foreign exchange rates. |
| Operating income | Operating income increased primarily due to higher revenue, offsetting higher expenses such as labor costs. |

Sales by business segment is as follows:

(Unit: Million yen)

| | FY2023 | | FY2024 | | Difference | Change |
|---|---|---|---|---|---|---|
| | | Ratio | | Ratio | | |
| Motorcycles | 7,786 | 1.9% | 8,093 | 1.8% | 306 | 3.9% |
| Automobiles | 382,656 | 93.5% | 411,212 | 93.1% | 28,555 | 7.5% |
| (Seats) | 344,835 | 84.3% | 374,893 | 84.9% | 30,058 | 8.7% |
| (Interior products) | 37,820 | 9.2% | 36,318 | 8.2% | (1,502) | (4.0)% |
| Other businesses | 18,757 | 4.6% | 22,407 | 5.1% | 3,650 | 19.5% |
| Total | 409,200 | 100.0% | 441,713 | 100.0% | 32,512 | 7.9% |

(2) Overview of Financial Position

Assets, liabilities, and equity

(Assets)

Assets at the end of FY2024 stood at 446,214 million yen, an increase of 29,987 million yen from the end of the previous consolidated fiscal year. This change was mainly due to an overall increase in assets attributable to the impact of foreign exchange rates and other factors and an increase in other financial assets (non-current) due to higher fair values on stock held. These factors more than offset declining trade and other receivables due to decreased orders from major customers.

(Liabilities)

Total liabilities at the end of FY2024 amounted to 97,510 million yen, an increase of 4,742 million yen from the end of the previous consolidated fiscal year. This change resulted primarily from an overall increase in liabilities attributable to the impact of foreign exchange rates and other factors, as well as an increase in deferred tax assets due to higher fair values on stock held, while trade and other payables decreased attributable to various factors, including decreased orders from major customers.

(Equity)

Equity at the end of FY2024 was 348,703 million yen, an increase of 25,244 million yen from the end of the previous consolidated fiscal year. This change was primarily the result from increases in other equity components attributable to an increase in differences on translation from foreign operations, offsetting a decrease in non-controlling interests on the payment of cash dividends to some joint-venture partners.

(3) Overview of Cash Flows

Cash and cash equivalents (“cash” hereinafter) at the end of FY2024 amounted to 150,755 million yen, an increase of 17,841 million yen from the end of the previous consolidated fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 37,659 million yen, an increase of 7,213 million yen year on year. Contributing factors included differences in the performance of trade and other receivables (from an increase of 6,223 million yen in the previous fiscal year to a decrease of 13,756 million yen in FY2024), and differences in inventory trends (from a decrease of 14,118 million yen in the previous fiscal year to an increase of 159 million yen in FY2024).

(Cash flows from investing activities)

Cash flows used in investing activities stood at 8,669 million yen, a decrease of 12,300 million yen year on year. This reflects various factors, including a change in total change in payments into and proceeds from withdrawal of time deposits from payments of 5,746 million yen to receipts of 6,515 million yen.

(Cash flows from financial activities)

Cash used in financial activities totaled 17,818 million yen, a decrease of 1,042 million yen year on year. Contributing factors included a decrease of 1,423 million yen in dividend payments (including payments to noncontrolling interests).

(4) Consolidated Earnings Forecasts for FY2025

The Group's consolidated forecasts for FY2025 are as follows:

(Unit: Million yen)

| | FY2025 forecasts | Year-on-year change |
|---|---|---|
| Revenue | 450,000 | 1.9% |
| Operating income | 20,000 | 14.2% |
| Income before tax | 22,500 | 3.5% |
| Net income | 15,000 | 11.2% |
| Income attributable to owners of parent | 12,000 | 17.5% |

The Group has assumed 1 USD = 145.0 yen and 1 CNY = 20.0 yen for its full-year average exchange rates.

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)

| | FY2023 (As of March 31, 2023) | FY2024 (As of March 31, 2024) |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 132,914 | 150,755 |
| Trade and other receivables | 74,812 | 66,616 |
| Other financial assets | 17,757 | 10,292 |
| Inventories | 31,939 | 35,332 |
| Income tax receivables | 2,432 | 3,314 |
| Other current assets | 5,813 | 6,207 |
| **Total current assets** | 265,670 | 272,518 |
| **Non-current assets** | | |
| Property, plant and equipment | 83,874 | 90,203 |
| Intangible assets | 10,688 | 11,157 |
| Investments accounted for using the equity method | 17,935 | 18,307 |
| Other financial assets | 29,244 | 39,442 |
| Defined benefit assets | 4,941 | 8,322 |
| Deferred tax assets | 3,550 | 5,839 |
| Other non-current assets | 321 | 423 |
| **Total non-current assets** | 150,556 | 173,696 |
| **Total assets** | 416,226 | 446,214 |

(Unit: Million yen)

| | FY2023 (As of March 31, 2023) | FY2024 (As of March 31, 2024) |
|---|---|---|
| **Liabilities and equity** | | |
| **Current liabilities** | | |
| Trade and other payables | 69,710 | 69,453 |
| Other financial liabilities | 1,166 | 1,147 |
| Income tax payables | 2,318 | 4,695 |
| Provisions | 639 | 99 |
| Other current liabilities | 6,828 | 6,896 |
| **Total current liabilities** | 80,663 | 82,292 |
| **Non-current liabilities** | | |
| Other financial liabilities | 3,662 | 3,535 |
| Defined benefit liabilities | 1,917 | 2,077 |
| Provisions | 150 | 159 |
| Deferred tax liabilities | 5,081 | 8,119 |
| Other non-current liabilities | 1,292 | 1,326 |
| **Total non-current liabilities** | 12,104 | 15,218 |
| **Total liabilities** | 92,767 | 97,510 |
| **Equity** | | |
| Capital stock | 4,700 | 4,700 |
| Capital surplus | 5,392 | 5,381 |
| Treasury stock | (12,508) | (12,434) |
| Retained earnings | 268,172 | 269,715 |
| Other components of equity | 33,035 | 59,569 |
| Total equity attributable to owners of parent | 298,791 | 326,932 |
| Non-controlling interests | 24,666 | 21,771 |
| **Total equity** | 323,458 | 348,703 |
| **Total liabilities and equity** | 416,226 | 446,214 |

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: Million yen)

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| Revenue | 409,200 | 441,713 |
| Cost of sales | (355,790) | (381,860) |
| Gross profit | 53,410 | 59,852 |
| Selling, general and administrative expenses | (38,471) | (44,493) |
| Other income | 2,212 | 3,581 |
| Other expenses | (1,893) | (1,433) |
| Operating income | 15,257 | 17,507 |
| Finance income | 3,080 | 4,725 |
| Finance costs | (131) | (437) |
| Share of profit (loss) of investments accounted for using the equity method | 487 | (48) |
| Income before tax | 18,692 | 21,746 |
| Income tax expense | (7,856) | (8,258) |
| Net income | 10,835 | 13,488 |
| **Income attributable to:** | | |
| Owners of parent | 5,343 | 10,214 |
| Non-controlling interests | 5,492 | 3,273 |
| Net income | 10,835 | 13,488 |
| **Earnings per share** | | |
| Basic earnings per share (yen) | 41.35 | 80.09 |
| Diluted earnings per share (yen) | – | – |

Consolidated Comprehensive Income

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| Net income | 10,835 | 13,488 |
| **Other comprehensive income** | | |
| **Components that will not be reclassified subsequently to net profit or loss** | | |
| Remeasurements of defined benefit plans | 10 | 2,146 |
| Financial assets measured at fair value through other comprehensive income | 542 | 6,941 |
| Share of other comprehensive income of associates accounted for using the equity method | 37 | 761 |
| Total components that will not be reclassified subsequently to net profit or loss | 590 | 9,849 |
| **Components that may be reclassified subsequently to net profit or loss** | | |
| Differences on translation from foreign operations | 10,494 | 17,475 |
| Share of other comprehensive income of associates accounted for using the equity method | 655 | 529 |
| Total components that may be reclassified subsequently to net profit or loss | 11,149 | 18,004 |
| Other comprehensive income, net of tax | 11,740 | 27,854 |
| **Comprehensive income for the period** | 22,576 | 41,342 |
| **Comprehensive income for the period attributable to:** | | |
| Owners of parent | 16,668 | 36,749 |
| Non-controlling interests | 5,907 | 4,593 |
| **Comprehensive income for the period** | 22,576 | 41,342 |

(3) Consolidated Statement of Changes in Equity

FY2023 (April 1, 2022 - March 31, 2023)

(Unit: Million yen)

| | Equity attributable to owners of parent | | | | |
|---|---|---|---|---|---|
| | Capital stock | Capital surplus | Treasury stock | Retained earnings | Other components of equity |
| Balance at beginning of the fiscal year | 4,700 | 5,150 | (4,737) | 270,031 | 21,710 |
| Comprehensive income | | | | | |
| Net income | | | | 5,343 | |
| Other comprehensive income | | | | | 11,325 |
| Total comprehensive income | – | – | – | 5,343 | 11,325 |
| Transactions with owners, etc. | | | | | |
| Dividends | | | | (7,588) | |
| Acquisition of treasury stock | | | (7,847) | | |
| Disposal of treasury stock | | (83) | 83 | | |
| Share-based payments | | 142 | | | |
| Changes in equity interest of subsidiaries | | 183 | | | |
| Other | | | (7) | 386 | (0) |
| Total transactions with owners, etc. | – | 242 | (7,771) | (7,202) | (0) |
| Balance at end of the fiscal year | 4,700 | 5,392 | (12,508) | 268,172 | 33,035 |

| | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|---|---|---|---|
| Balance at beginning of the fiscal year | 296,855 | 28,727 | 325,583 |
| Comprehensive income | | | |
| Net income | 5,343 | 5,492 | 10,835 |
| Other comprehensive income | 11,325 | 415 | 11,740 |
| Total comprehensive income | 16,668 | 5,907 | 22,576 |
| Transactions with owners, etc. | | | |
| Dividends | (7,588) | (10,156) | (17,745) |
| Acquisition of treasury stock | (7,847) | | (7,847) |
| Disposal of treasury stock | – | | – |
| Share-based payments | 142 | | 142 |
| Changes in equity interest of subsidiaries | 183 | 187 | 371 |
| Other | 377 | | 377 |
| Total transactions with owners, etc. | (14,732) | (9,968) | (24,701) |
| Balance at end of the fiscal year | 298,791 | 24,666 | 323,458 |

FY2024 (April 1, 2023 - March 31, 2024)

(Unit: Million yen)

| | Equity attributable to owners of parent | | | | |
|---|---|---|---|---|---|
| | Capital stock | Capital surplus | Treasury stock | Retained earnings | Other components of equity |
| Balance at beginning of the fiscal year | 4,700 | 5,392 | (12,508) | 268,172 | 33,035 |
| Comprehensive income | | | | | |
| Net income | | | | 10,214 | |
| Other comprehensive income | | | | | 26,534 |
| Total comprehensive income | – | – | – | 10,214 | 26,534 |
| Transactions with owners, etc. | | | | | |
| Dividends | | | | (8,672) | |
| Acquisition of treasury stock | | | | | |
| Disposal of treasury stock | | (83) | 83 | | |
| Share-based payments | | 86 | | | |
| Changes in equity interest of subsidiaries | | (14) | | | |
| Other | | | (9) | | |
| Total transactions with owners, etc. | – | (11) | 74 | (8,672) | – |
| Balance at end of the fiscal year | 4,700 | 5,381 | (12,434) | 269,715 | 59,569 |

| | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|---|---|---|---|
| Balance at beginning of the fiscal year | 298,791 | 24,666 | 323,458 |
| Comprehensive income | | | |
| Net income | 10,214 | 3,273 | 13,488 |
| Other comprehensive income | 26,534 | 1,320 | 27,854 |
| Total comprehensive income | 36,749 | 4,593 | 41,342 |
| Transactions with owners, etc. | | | |
| Dividends | (8,672) | (7,436) | (16,109) |
| Acquisition of treasury stock | – | | – |
| Disposal of treasury stock | – | | – |
| Share-based payments | 86 | | 86 |
| Changes in equity interest of subsidiaries | (14) | (52) | (66) |
| Other | (9) | | (9) |
| Total transactions with owners, etc. | (8,608) | (7,489) | (16,098) |
| Balance at end of the fiscal year | 326,932 | 21,771 | 348,703 |

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Income before tax | 18,692 | 21,746 |
| Depreciation and amortization | 11,879 | 12,898 |
| Impairment loss | 23 | 115 |
| Loss (gain) on disposal of non-current assets | (1,315) | (578) |
| Finance income and finance costs | (2,381) | (3,209) |
| Share of loss (profit) of investments accounted for using the equity method | (487) | 48 |
| Decrease (increase) in trade and other receivables | (6,223) | 13,756 |
| Decrease (increase) in lease receivables | (1,492) | 4,460 |
| Decrease (increase) in inventories | 14,118 | (159) |
| Increase (decrease) in trade and other payables | (704) | (7,349) |
| Increase or decrease in net defined benefit asset or liability | (238) | (3,318) |
| Increase (decrease) in provisions | 409 | (559) |
| Other | 3,390 | 2,710 |
| Subtotal | 35,670 | 40,561 |
| Interest income received | 1,796 | 3,144 |
| Dividend income received | 1,200 | 1,694 |
| Interest expenses paid | (131) | (245) |
| Income taxes paid | (8,090) | (7,496) |
| **Cash flows from operating activities** | 30,445 | 37,659 |
| **Cash flows from investing activities** | | |
| Payments into time deposits | (17,410) | (12,065) |
| Proceeds from withdrawal of time deposits | 11,663 | 18,581 |
| Purchase of property, plant and equipment | (13,434) | (13,056) |
| Proceeds from sales of property, plant and equipment | 639 | 1,008 |
| Purchase of intangible assets | (2,366) | (3,524) |
| Purchase of equity instruments | (87) | (107) |
| Payments of loans receivable | 9 | 5 |
| Collection of loans receivable | (98) | (243) |
| Other | 131 | 125 |
| **Cash flows from investing activities** | (17) | 607 |
| **Cash flows from operating activities** | (20,970) | (8,669) |

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| **Cash flows from financial activities** | | |
| Repayments of lease liabilities | (1,571) | (1,412) |
| Proceeds from sales of interests in subsidiaries to non-controlling interests | – | (66) |
| Purchase of treasury stock | 450 | – |
| Decrease (increase) in deposits for purchase of treasury stock | (7,847) | – |
| Cash dividends paid | 7,870 | – |
| Cash dividends paid to non-controlling interests | (7,600) | (8,687) |
| **Cash flows from financial activities** | (10,161) | (7,651) |
| **Effect of exchange rate change on cash and cash equivalents** | (18,860) | (17,818) |
| **Net increase (decrease) in cash and cash equivalents** | 2,492 | 6,670 |
| **Cash and cash equivalents at beginning of period** | (6,892) | 17,841 |
| **Increase in cash and cash equivalents from newly consolidated subsidiaries** | 139,585 | 132,914 |
| **Cash and cash equivalents at end of period** | 220 | – |
| **Cash flows from financial activities** | 132,914 | 150,755 |

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(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 does business through subsidiaries established in various countries. For business administration purposes, it groups companies by region and evaluates business results by each regional group.

Its reporting segments fall into the following categories:

| Reporting segment | Countries, regions |
|---|---|
| Japan | Japan |
| Americas | US, Canada, Mexico, Brazil |
| China | China, Hong Kong |
| Asia and Europe | Thailand, the Philippines, India, Indonesia, Hungary, Poland |

In the reporting segments of "Japan," "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

FY2023 (April 1, 2022 - March 31, 2023)

(Unit: Million yen)

| | Reporting segments | | | | | Adjustments | Amounts stated in consolidated F/S |
|---|---|---|---|---|---|---|---|
| | Japan | Americas | China | Asia and Europe | Total | | |
| Revenue | | | | | | | |
| External revenue | 61,266 | 193,333 | 115,985 | 38,616 | 409,200 | – | 409,200 |
| Inter-segment transfer | 23,677 | 681 | 1,814 | 1,547 | 27,721 | (27,721) | – |
| Total | 84,943 | 194,015 | 117,800 | 40,164 | 436,922 | (27,721) | 409,200 |
| Segment profits (losses) | 5,151 | (3,199) | 18,227 | 2,175 | 22,355 | (7,098) | 15,257 |
| Finance income and finance costs | – | – | – | – | – | – | 2,948 |
| Share of profit of investments accounted for using the equity method | – | – | – | – | – | – | 487 |
| Income before tax | – | – | – | – | – | – | 18,692 |

(Notes) 1. Adjustments of (7,098) million yen for segment profits include a deduction of 278 million yen for transactions among segments; operating expenses of (6,102) million yen associated with the administration division of the headquarters of the parent company, which could not be allocated; and (1,274) million yen transferred from the foreign currency translation adjustment account in connection with the liquidation of TS TECH UK LTD, our consolidated subsidiary in the UK.

2. Segment profits (losses) 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 | Americas | China | Asia and Europe | Total | | |
| Depreciation and amortization | 3,613 | 4,457 | 2,296 | 1,527 | 11,895 | (16) | 11,879 |
| Impairment loss | – | – | 23 | – | 23 | – | 23 |
| Capital payments | 7,093 | 3,509 | 1,125 | 2,877 | 14,606 | – | 14,606 |

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

FY2024 (April 1, 2023 - March 31, 2024)

(Unit: Million yen)

| | Reporting segments | | | | | Adjustments | Amounts stated in consolidated F/S |
|---|---|---|---|---|---|---|---|
| | Japan | The Americas | China | Asia and Europe | Total | | |
| Revenue | | | | | | | |
| External revenue | 70,340 | 239,381 | 85,254 | 46,737 | 441,713 | − | 441,713 |
| Inter-segment transfer | 20,866 | 718 | 2,284 | 2,224 | 26,095 | (26,095) | − |
| Total | 91,206 | 240,100 | 87,539 | 48,962 | 467,808 | (26,095) | 441,713 |
| Segment profits | 7,963 | 3,276 | 9,999 | 2,612 | 23,852 | (6,344) | 17,507 |
| Finance income and finance costs | − | − | − | − | − | − | 4,287 |
| Share of loss of investments accounted for using the equity method | − | − | − | − | − | − | (48) |
| Income before tax | − | − | − | − | − | − | 21,746 |

(Notes) 1. Adjustments of (6,344) million yen for segment profits include a deduction of (98) million yen for transactions among segments; operating expenses of (6,245) million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits (losses) 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 | 4,175 | 4,688 | 2,229 | 1,824 | 12,918 | (19) | 12,898 |
| Impairment loss | − | − | 115 | − | 115 | − | 115 |
| Capital payments | 6,370 | 5,082 | 667 | 1,443 | 13,564 | − | 13,564 |

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

4) Information related to products and services

FY2023 (April 1, 2022 - March 31, 2023)

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.

FY2024 (April 1, 2023 - March 31, 2024)

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)

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| Japan | 60,346 | 70,120 |
| US | 138,645 | 162,236 |
| Canada | 44,079 | 61,971 |
| China | 116,429 | 85,087 |
| Other | 49,700 | 62,297 |
| Total | 409,200 | 441,713 |

(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)

| | FY2023 (As of March 31, 2023) | FY2024 (As of March 31, 2024) |
|---|---|---|
| Japan | 41,034 | 43,131 |
| US | 18,169 | 20,791 |
| China | 10,465 | 9,859 |
| Other | 24,893 | 27,578 |
| Total | 94,562 | 101,361 |

6) Information according to major customers

(Unit: Million yen)

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| Honda Motor Co., Ltd. Group | 364,274 | 388,178 |

(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.

| | FY2023 (April 1, 2022- March 31, 2023) | FY2024 (April 1, 2023- March 31, 2024) |
|---|---|---|
| Income attributable to owners of parent (million yen) | 5,343 | 10,214 |
| Average number of common stock for the period (1,000 shares) | 129,217 | 127,536 |
| Basic earnings per share (yen) | 41.35 | 80.09 |

(Subsequent Events)

At a meeting of the Board of Directors held on May 10, 2024, the company resolved to acquire its treasury stock based on the provisions of the company articles of incorporation under Article 459, Paragraph (1) of the Companies Act (Act No. 86 of 2005. Includes subsequent revisions.) and to conduct a tender offer (hereinafter referred to as the "Tender Offer".) and a market purchase of its own shares as described below.

1) Reason for acquisition of treasury stock

The company has regarded shareholder returns as a key management issue, also set the basic policy of returning profits to shareholders as "implementing sustained, stable returns unaffected by business results" on the 15th Medium-Term Management Plan (FY 2024 to FY 2026. Hereinafter referred to as the "15th Mid-Term Plan".)

The Company will conduct the Tender Offer and the market purchase of treasury stock in order to flexibly implement the acquisition of treasury stock in the cumulative total of 20,000 million yen during the 15th Mid-Term Plan, which is set forth in the above policy as a measure for further shareholder returns.

2) Details of the matters pertaining to the acquisition

| | |
|---|---|
| Type of shares to be acquired | Common stock |
| Total number of shares to be acquired | 8.61 million shares (Upper Limit)<br>(6.74% of total issued shares (excluding treasury stock) as of March 31, 2024, rounded to the third decimal place) |
| Total value of shares to be acquired | 15,000 million yen (Upper Limit) |
| Acquisition period | May 13, 2024 ― March 31, 2025 |
| Acquisition method | Of the total number of shares to be acquired, 5.61 million shares (acquisition price: 9,744.57 million yen) will be acquired through the Tender Offer.<br>Of the total number of shares that can be acquired, shares that were not acquired in the Tender Offer will be acquired by the market purchase method (discretionary trading method by securities companies).<br>For details of the Tender Offer, please refer to the press release "Notice Concerning Acquisition of Treasury Stock and Tender Offer and Market Purchase of Treasury Stock" issued by the company on May 10, 2024. |