Consolidated Financial Summary for the Cumulative Second Quarter (First Half) of FY2025

(April 1, 2024 – September 30, 2024)

TS TECH Co.,Ltd.

This document is an English translation of the Japanese language version of the consolidated financial summary that TS TECH Co., Ltd. has produced as a reference purpose.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Summary for the Cumulative Second Quarter (First Half) of FY2025 (under IFRS)

November 8, 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
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Scheduled date for filing of Semi-annual securities report: November 12, 2024
Scheduled date of commencement of dividend payment: November 29, 2024
Preparation of supplementary explanatory material: Yes
Holding of financial 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 Cumulative Second Quarter (First Half) of FY 2025 (April 1, 2024 – September 30, 2024)

(1) Consolidated Financial Results (Cumulative Total)

(%: 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	%
First half of FY2025	222,705	10.1	6,677	31.5	8,041	9.7	5,604	37.5	4,532	49.9	(3,159)	—
First half of FY2024	202,312	2.7	5,077	(9.7)	7,328	(1.8)	4,076	(8.9)	3,023	121.7	24,354	5.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half of FY2025	36.36	—
First half of FY2024	23.71	—

(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
First half of FY2025	422,917	324,301	306,565	72.5	2,530.82
FY2024	446,214	348,703	326,932	73.3	2,563.58

2. Cash Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024	—	35.00	—	38.00	73.00
FY2025	—	40.00			
FY2025 (forecast)			—	43.00	83.00

(Note) Revision from the most recent announcement of cash dividends forecasts: No

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
FY2025	443,000	0.3	17,500	(0.0)	20,500	(5.7)	14,500	7.5	12,000	17.5	98.26

(Note) Revision from the most recent announcement of consolidated financial forecasts: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included — companies Excluded 1 company
TECH TOEI CO., LTD.

(Note) Please refer to "2. Condensed Interim Consolidated Financial Statements and Significant Notes Thereto (5) Notes Concerning Condensed Interim Consolidated Financial Statements, Significant Changes in the scope of consolidation during the period" on page 13 for details.

(2) Changes in accounting policies and accounting 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	First half of FY2025	136,000,000 shares	FY2024	136,000,000 shares
2) Number of treasury stock at the end of the term	First half of FY2025	14,867,328 shares	FY2024	8,470,554 shares
3) Average number of shares during the term (first half)	First half of FY2025	124,642,184 shares	First half of FY2024	127,527,545 shares

*The Japanese-language originals of the Consolidated Financial Summary for the Cumulative Second Quarter (First Half) are exempt from reviews by certified public accountants or audit firms.

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

The consolidated forecasts presented on the previous page are projections made by management at 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 premises for the operating results forecast on the previous page.

Presentation materials used at the briefing on November 8, 2024 can be obtained via the following URL:
(IR information): https://www.tstech.co.jp/english/ir/

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1. Qualitative Information Concerning Results

(1) Qualitative Information Concerning Consolidated Financial Results

Revenue for the First Half of FY2025 (April 1, 2024 – September 30, 2024) reached 222,705 million yen on a consolidated basis, marking an increase of 20,392 million yen (10.1%) from the same period in FY2024, due mainly to the effects of foreign exchange rates, higher production primarily in the Americas and Japan, and improved model mix.

Looking at profits, operating income stood at 6,677 million yen, an increase of 1,600 million yen (31.5%) year on year due to the effect of higher revenue, offsetting higher expenses. Income attributable to owners of parent increased 1,508 million yen (49.9%) year on year to 4,532 million yen.

* USD/JPY average exchange rate: 1H FY2024: ¥141.1 1H FY2025: ¥152.8

* CNY/JPY average exchange rate: 1H FY2024: ¥19.8 1H FY2025: ¥21.2

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	First half of FY2024	First half of FY2025	Difference	Change
Revenue	40,199	50,065	9,865	24.5%
Operating income	3,566	4,123	556	15.6%

Main factors for year-on-year change

Revenue: Revenue increased primarily due to the effects of higher production and improved sales at new businesses.*

Operating income: Operating income increased primarily due to higher revenue, offsetting higher expenses.

* Sales to customers other than Honda Motor and Honda Motor affiliates

(Americas)

(Unit: Million yen)

	First half of FY2024	First half of FY2025	Difference	Change
Revenue	113,729	132,018	18,288	16.1%
Operating income	1,100	3,048	1,947	177.0%

Main factors for year-on-year change

Revenue: Revenue increased primarily due to the effects of foreign exchange rates and higher production.

Operating income: Operating income increased primarily due to higher revenue and improved model mix, offsetting higher expenses.

(China)

(Unit: Million yen)

	First half of FY2024	First half of FY2025	Difference	Change
Revenue	40,252	32,655	(7,597)	(18.9) %
Operating income	3,432	2,750	(682)	(19.9) %

Main factors for year-on-year change

Revenue Revenue decreased primarily due to the impact of lower production, offsetting the effects of foreign exchange rates and improved model mix.

Operating income Operating income decreased primarily due to the impact of lower revenue, offsetting expenses reduction.

(Asia and Europe)

(Unit: Million yen)

	First half of FY2024	First half of FY2025	Difference	Change
Revenue	21,156	20,694	(462)	(2.2) %
Operating income/loss	122	26	(96)	(78.6) %

Main factors for year-on-year change

Revenue Revenue decreased slightly due to the impact of lower production, offsetting the effects of foreign exchange rates and increased sales of motorcycle businesses.

Operating income Operating income decreased primarily due to the impact of lower revenue, offsetting cost containment measures .

Sales by business segment are as follows:

(Unit: Million yen)

	First half of FY2024		First half of FY2025		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	3,942	1.9 %	3,866	1.7 %	(75)	(1.9) %
Automobiles	188,051	93.0 %	207,686	93.3 %	19,635	10.4 %
(Seats)	170,148	84.1 %	189,946	85.3 %	19,798	11.6 %
(Interior products)	17,903	8.8 %	17,740	8.0 %	(162)	(0.9) %
Other businesses	10,319	5.1 %	11,152	5.0 %	832	8.1 %
Total	202,312	100.0 %	222,705	100.0 %	20,392	10.1 %

(2) Qualitative Information Concerning Consolidated Financial Positions

(Assets)

Total assets at the end of the First half of FY2025 stood at 422,917 million yen, a decrease of 23,296 million yen from the end of FY2024. This change was due mainly to an overall decrease in assets attributable to the impact of foreign exchange rates and other factors and a decrease in cash and cash equivalents due to the acquisition of treasury stock and dividend payments.

(Liabilities)

Total liabilities at the end of the First half of FY2025 amounted to 98,616 million yen, an increase of 1,105 million yen from the end of FY2024. This change was due primarily to an increase in trade and other payables attributable to several factors, including an increase in orders from major customers, offsetting an overall decrease in liabilities attributable to the impact of foreign exchange rates and other factors.

(Equity)

Total equity at the end of the First half of FY2025 was 324,301 million yen, a decrease of 24,402 million yen from the end of FY2024. This change was due primarily to an increase in equity attributable to the acquisition of treasury stock and a decrease in other components of equity attributable to a decrease in differences on translation from foreign operations.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account the consolidated operating results for the first half of FY2025 as well as the current trend in orders from major customers, the Company has revised the consolidated forecasts announced on May 10, 2024 as follows.

The assumed average full-year exchange rates are USD/JPY: ¥148.9 and CNY/JPY: ¥20.6.

Revisions to full-year consolidated forecasts for FY2025 (April 1, 2024 – March 31, 2025)

	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
Previous forecasts (A)	450,000	20,000	22,500	15,000	12,000	94.05
Revised forecasts (B)	443,000	17,500	20,500	14,500	12,000	98.26
Difference (B-A)	(7,000)	(2,500)	(2,000)	(500)	0	—
Change in %	(1.6)	(12.5)	(8.9)	(3.3)	0.0	—
(Reference) Results for the previous fiscal year (FY2024)	441,713	17,507	21,746	13,488	10,214	80.09

2. Condensed Interim Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Interim Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2024 (As of March 31, 2024)	First half of FY2025 (As of September 30, 2024)
Assets		
Current assets		
Cash and cash equivalents	150,755	119,895
Trade and other receivables	66,616	62,311
Other financial assets	10,292	18,654
Inventories	35,332	35,701
Income tax receivables	3,314	4,016
Other current assets	6,207	9,399
Total current assets	272,518	249,977
Non-current assets		
Property, plant and equipment	90,203	90,753
Intangible assets	11,157	13,459
Investments accounted for using the equity method	18,307	19,141
Other financial assets	39,442	35,939
Defined benefit asset	8,322	8,323
Deferred tax assets	5,839	4,939
Other non-current assets	423	383
Total non-current assets	173,696	172,940
Total assets	446,214	422,917

(Unit: Million yen)

	FY2024 (As of March 31, 2024)	First half of FY2025 (As of September 30, 2024)
Liabilities and equity		
Current liabilities		
Trade and other payables	69,453	71,945
Other financial liabilities	1,147	1,344
Income tax payables	4,695	3,984
Provisions	99	79
Other current liabilities	6,896	6,922
Total current liabilities	82,292	84,276
Non-current liabilities		
Other financial liabilities	3,535	4,830
Defined benefit liability	2,077	2,187
Provisions	159	142
Deferred tax liabilities	8,119	5,902
Other non-current liabilities	1,326	1,276
Total non-current liabilities	15,218	14,340
Total liabilities	97,510	98,616
Equity		
Capital stock	4,700	4,700
Capital surplus	5,381	5,357
Treasury stock	(12,434)	(23,758)
Retained earnings	269,715	269,401
Other components of equity	59,569	50,865
Total equity attributable to owners of parent	326,932	306,565
Non-controlling interests	21,771	17,735
Total equity	348,703	324,301
Total liabilities and equity	446,214	422,917

(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income

Condensed Interim Consolidated Statement of Income

Consolidated First Half

(Unit: Million yen)

	Consolidated First half of FY2024 (April 1, 2023– September 30, 2023)	Consolidated First half of FY2025 (April 1, 2024– September 30, 2024)
Revenue	202,312	222,705
Cost of sales	(176,469)	(193,921)
Gross profit	25,842	28,783
Selling, general and administrative expenses	(21,606)	(22,627)
Other income	1,673	722
Other expenses	(832)	(201)
Operating income	5,077	6,677
Finance income	2,478	2,220
Finance costs	(184)	(917)
Share of profit (loss) of investments accounted for using the equity method	(42)	61
Income before tax	7,328	8,041
Income tax expense	(3,252)	(2,436)
Net income	4,076	5,604
Income attributable to		
Owners of parent	3,023	4,532
Non-controlling interests	1,052	1,072
Net income	4,076	5,604
Earnings per share		
Basic earnings per share (yen)	23.71	36.36
Diluted earnings per share (yen)	—	—

Condensed Interim Consolidated Statement of Comprehensive Income

Consolidated First Half

(Unit: Million yen)

	Consolidated First half of FY2024 (April 1, 2023– September 30, 2023)	Consolidated First half of FY2025 (April 1, 2024– September 30, 2024)
Net income	4,076	5,604
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefits plans	(30)	1
Financial assets measured at fair value through other comprehensive income	4,794	(3,643)
Share of other comprehensive income of associates accounted for using the equity method	393	(101)
Total components that will not be reclassified subsequently to net profit or loss	5,157	(3,744)
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	14,636	(5,974)
Share of other comprehensive income of associates accounted for using the equity method	483	954
Total components that may be reclassified subsequently to net profit or loss	15,120	(5,019)
Other comprehensive income, net of tax	20,277	(8,764)
Comprehensive income for the period	24,354	(3,159)
Comprehensive income for the period attributable to		
Owners of parent	22,316	(4,172)
Non-controlling interests	2,038	1,013
Comprehensive income for the period	24,354	(3,159)

(3) Condensed Interim Consolidated Statement of Changes in Equity

Consolidated First Half of FY2024 (April 1, 2023 – September 30, 2023)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the beginning of the fiscal year	4,700	5,392	(12,508)	268,172	33,035
Comprehensive income					
Net income				3,023	
Other comprehensive income					19,292
Total comprehensive income	–	–	–	3,023	19,292
Transactions with owners, etc.					
Dividends				(4,207)	
Acquisition of treasury stock					
Disposal of treasury stock		(83)	83		
Share-based payments		61			
Other			(8)		
Total transactions with owners, etc.	–	(22)	74	(4,207)	–
Balance at the end of the period	4,700	5,370	(12,433)	266,989	52,327

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the beginning of the fiscal year	298,791	24,666	323,458
Comprehensive income			
Net income	3,023	1,052	4,076
Other comprehensive income	19,292	985	20,277
Total comprehensive income	22,316	2,038	24,354
Transactions with owners, etc.			
Dividends	(4,207)	(7,436)	(11,644)
Acquisition of treasury stock	–		–
Disposal of treasury stock	–		–
Share-based payments	61		61
Other	(8)		(8)
Total transactions with owners, etc.	(4,155)	(7,436)	(11,592)
Balance at the end of the period	316,953	19,268	336,221

Consolidated First Half of FY2025 (April 1, 2024 – September 30, 2024)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the beginning of the fiscal year	4,700	5,381	(12,434)	269,715	59,569
Comprehensive income					
Net income				4,532	
Other comprehensive income					(8,704)
Total comprehensive income	–	–	–	4,532	(8,704)
Transactions with owners, etc.					
Dividends				(4,846)	
Acquisition of treasury stock		(35)	(11,759)		
Disposal of treasury stock		(38)	434		
Share-based payments		50			
Other		0	0		
Total transactions with owners, etc.	–	(23)	(11,234)	(4,846)	–
Balance at the end of the period	4,700	5,357	(23,758)	269,401	50,865

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the beginning of the fiscal year	326,932	21,771	348,703
Comprehensive income			
Net income	4,532	1,072	5,604
Other comprehensive income	(8,704)	(59)	(8,764)
Total comprehensive income	(4,172)	1,013	(3,159)
Transactions with owners, etc.			
Dividends	(4,846)	(5,048)	(9,894)
Acquisition of treasury stock	(11,795)		(11,795)
Disposal of treasury stock	396		396
Share-based payments	50		50
Other	0		0
Total transactions with owners, etc.	(16,194)	(5,048)	(21,243)
Balance at the end of the period	306,565	17,735	324,301

(4) Condensed Interim Consolidated Statement of Cash Flows

(Unit: Million yen)

	Consolidated First half of FY2024 (April 1, 2023– September 30, 20223)	Consolidated First Half of FY2025 (April 1, 2024– September 30, 2024)
Cash flows from operating activities		
Income before tax	7,328	8,041
Depreciation and amortization	6,117	6,896
Loss (gain) on disposal of non-current assets	(315)	(214)
Finance income and finance costs	(1,701)	(1,701)
Share of loss (profit) of investments accounted for using the equity method	42	(61)
Decrease (increase) in trade and other receivables	5,551	2,779
Decrease (increase) in lease receivables	1,335	781
Decrease (increase) in inventories	(1,027)	(1,867)
Increase (decrease) in trade and other payables	243	5,248
Increase or decrease in net defined benefit asset or liability	(57)	78
Increase (decrease) in provisions	(195)	(31)
Other	(2,325)	(1,046)
Subtotal	14,998	18,901
Interest income received	1,551	1,346
Dividend income received	451	669
Interest expenses paid	(182)	(552)
Income taxes paid	(4,224)	(4,081)
Cash flows from operating activities	12,595	16,283
Cash flows from investing activities		
Payments into time deposits	(3,283)	(15,149)
Proceeds from withdrawal of time deposits	11,194	8,992
Purchase of property, plant and equipment	(6,787)	(7,565)
Proceeds from sales of property, plant and equipment	301	622
Purchase of intangible assets	(1,638)	(3,495)
Purchase of equity instruments	(46)	(4,103)
Proceeds from sales of equity instruments	―	5
Payments of loans receivable	(188)	(80)
Collection of loans receivable	58	66
Other	480	(1)
Cash flows from investing activities	89	(20,709)

(Unit: Million yen)

	Consolidated First half of FY2024 (April 1, 2023– September 30, 20223)	Consolidated First Half of FY2025 (April 1, 2024– September 30, 2024)
Cash flows from financial activities		
Repayments of lease liabilities	(713)	(821)
Purchase of treasury stock	—	(11,759)
Decrease (increase) in deposits for purchase of treasury stock	—	(3,240)
Cash dividends paid	(4,214)	(4,854)
Cash dividends paid to non-controlling interests	(4,248)	(2,826)
Cash flows from financial activities	(9,176)	(23,502)
Effect of exchange rate change on cash and cash equivalents	5,438	(2,931)
Net increase (decrease) in cash and cash equivalents	8,946	(30,860)
Cash and cash equivalents at the beginning of the period	132,914	150,755
Cash and cash equivalents at the end of the period	141,861	119,895

(5) Notes Concerning Condensed Interim Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Notes Concerning Segment Information)

Information about revenue, profits, or losses for reportable segments

Consolidated First half of FY2024 (April 1, 2023 – September 30, 2023)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	29,227	113,475	39,362	20,247	202,312	–	202,312
Inter-segment transfer	10,972	254	889	909	13,025	(13,025)	–
Total	40,199	113,729	40,252	21,156	215,338	(13,025)	202,312
Segment profits	3,566	1,100	3,432	122	8,222	(3,145)	5,077
Finance income and finance costs	–	–	–	–	–	–	2,294
Share of loss of investments accounted for using the equity method	–	–	–	–	–	–	(42)
Income before tax	–	–	–	–	–	–	7,328

(Notes) 1. Adjustments of (3,145) million yen for segment profits include a deduction of 51 million yen for transactions among segments and operating expenses of (3,197) million yen associated with the administrative division at the parent company headquarters, which could not be allocated.

2. Segment profits are adjusted to operating income in the condensed interim consolidated statements of income.

Consolidated First half of FY2025 (April 1, 2024 – September 30, 2024)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	40,279	131,535	31,402	19,488	222,705	–	222,705
Inter-segment transfer	9,785	483	1,252	1,205	12,727	(12,727)	–
Total	50,065	132,018	32,655	20,694	234,532	(12,727)	222,705
Segment profits	4,123	3,048	2,750	26	9,948	(3,271)	6,677
Finance income and finance costs	–	–	–	–	–	–	1,302
Share of profit of investments accounted for using the equity method	–	–	–	–	–	–	61
Income before tax	–	–	–	–	–	–	8,041

(Notes) 1. Adjustments of (3,271) million yen for segment profits include a deduction of (203) million yen for transactions among segments and operating expenses of (3,067) million yen associated with the administrative division at the parent company headquarters, which could not be allocated.

2. Segment profits are adjusted to operating income in the condensed interim consolidated statements of income.

(Significant changes in the scope of consolidation during the period)

The Group merged its consolidated subsidiary SOWA SANGYO CO., LTD. with TECH TOEI CO., LTD. during the period. As a result, TECH TOEI CO., LTD. has been excluded from the scope of consolidation effective this consolidated accounting period. In addition, SOWA SANGYO CO., LTD. has changed its company name to TS PARTS & SERVICE CO., LTD.

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