



Consolidated Financial Summary

FY2022

(April 1, 2021 – March 31, 2022)

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 for reference purposes.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Summary for FY2022 (under IFRS)

May 13, 2022

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: Takeshi Otsuka, General Manager, Corporate Communication Department Tel. 048-462-1121
 Scheduled date of general meeting of shareholders: June 24, 2022
 Scheduled date of commencement of dividend payment: June 27, 2022
 Scheduled date for filing of securities report: June 24, 2022
 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 FY2022 (April 1, 2021 - March 31, 2022)

(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	%
FY2022	349,958	1.1	22,998	-14.0	25,839	-28.7	18,803	-33.0	12,416	-40.1	37,664	-6.2
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

	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	%	%	%
FY2022	92.56	—	4.3	6.4	6.6
FY2021	152.89	—	7.8	9.9	7.7

(Reference) Share of profit (loss) of investments accounted for using the equity method FY2022 590 million yen FY2021 7,658 million yen
 (Notes)

- 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.
- 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 FY2021.

(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
FY2022	415,985	325,583	296,855	71.4	2,234.73
FY2021	390,478	301,450	277,017	70.9	2,063.47

(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 FY2021.

(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
FY2022	20,018	(17,196)	(23,638)	139,585
FY2021	25,151	(11,709)	(14,647)	153,034

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	%	%
FY2021	—	43.00	—	47.00	90.00	6,078	29.4	2.3
FY2022	—	26.00	—	28.00	54.00	7,222	58.3	2.5
FY2023 (forecast)	—	30.00	—	33.00	63.00		98.7	

(Notes)

- FY2021 end-of-year dividend breakdown: Standard dividend: 43.00 yen 60th anniversary commemorative dividend: 4.00 yen
- 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. Consolidated Forecasts for FY2023 (April 1, 2022 - March 31, 2023)

(%: 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 FY2023	171,000	-0.3	2,800	-73.8	3,000	-75.4	1,000	-88.4	(600)	—	-4.61
FY2023	380,000	8.6	17,500	-23.9	18,800	-27.2	12,500	-33.5	8,200	-34.0	63.84

*Notes

(1) Changes in important subsidiaries during the term

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

New subsidiaries 3 companies Excluded subsidiaries — companies

1. TSML INNOVATIONS, LLC
2. TS DE SAN PEDRO INDUSTRIES, S. DE R.L. DE C.V.
3. TS TECH Poland sp. z o.o.

(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

FY2022	136,000,000 shares	FY2021	136,000,000 shares
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2) Number of treasury stock at the end of the term

FY2022	3,162,967 shares	FY2021	1,751,508 shares
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3) Average number of shares during the term (cumulative)

FY2022	134,150,538 shares	FY2021	135,666,169 shares
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(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 FY2021.

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2022 (April 1, 2021 - March 31, 2022)

(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	%
FY2022	66,645	-7.1	(213)	—	21,882	17.9	20,475	23.9
FY2021	71,737	-7.3	1,219	7.4	18,553	18.5	16,527	20.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY2022	152.38	—
FY2021	121.78	—

(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 FY2021.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	163,334	146,171	89.5	1,098.59
FY2021	150,637	134,029	89.0	996.76

(Reference) Shareholders' equity: FY2022 146,171 million yen FY2021 134,029 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 FY2021.

* 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 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 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 FY2023” 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 13, 2022 can be obtained via the following URL:
(IR Library): <https://www.tstech.co.jp/english/ir/>

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1. Operating Performance Overview

(1) Overview of Financial Results

The operating climate for FY2022 was a difficult one in which insufficient supplies of semiconductors and raw materials impacted automobile manufacturers' production activities, resulting in lower order volume for the Group. Moreover, the situation remains uncertain given factors such as soaring raw materials costs and rising labor costs in select regions, as well as the recent lockdown in China.

Despite this backdrop, the Group steadily promoted an array of measures aimed at future growth, such as the establishment of a new European subsidiary aimed at acquiring new customers and production rights, aggressive development of sales initiatives designed to increase shares of major customers' business, and the development of next-generation technologies with an eye to the future as well as the construction of a production structure with even higher quality and efficiency. Additionally, we are moving ahead with cross-industrial collaborations and joint research with startups to transform into a company that can coordinate an entire automobile cabin and propose new values to customers and users.

Revenue for the fiscal year under review amounted to 349,958 million yen on a consolidated basis, up 3,809 million yen (1.1%) from the preceding fiscal year. This was due to an improved model mix and the impact of foreign currency translation, offsetting lower production by customers amid disruptions in the automobile industry supply chain. Looking at profits, operating income stood at 22,998 million yen, down 3,743 million yen (14.0%) year on year. This reflected the impact of lower production, offsetting cost-cutting measures, including various lower expenses achieved via thorough streamlining. Additionally, income attributable to owners of parent totaled 12,416 million yen, a decrease of 8,324 million yen (40.1%) year on year, on the elimination of negative goodwill incurred in the previous period.

USD/JPY average exchange rate... FY2021: ¥106.1 FY2022: ¥112.4
CNY/JPY average exchange rate...FY2021: ¥15.7 FY2022: ¥17.5

Operating performance by geographic segment is as follows:

(Japan)

(Unit: Million yen)

	FY2021	FY2022	Difference	Change
Revenue	78,866	82,698	3,831	4.9%
Operating income	7,140	6,261	-878	-12.3%

Main factors for year-on-year change

Revenue Revenue increased slightly primarily due to an improved model mix and higher revenue at Honda Cars SAITAMAKITA, offsetting the impact of lower production by customers due to disruptions in the automobile industry supply chain.

Operating income Operating income decreased primarily due to lower royalty income, offsetting the impact of higher revenue.

* Honda Cars SAITAMAKITA became a consolidated subsidiary at the end of the first quarter of FY2021, and its revenue was incorporated into the consolidated results effective the second quarter, resulting in higher revenue due to the difference in the period of its incorporation in the consolidated results.

(The Americas)

(Unit: Million yen)

	FY2021	FY2022	Difference	Change
Revenue	141,924	144,527	2,603	1.8%
Operating income/loss	3,368	(252)	-3,621	—%

Main factors for year-on-year change

Revenue Revenue increased slightly primarily due to an improved model mix and the impact of foreign currency translation, offsetting the impact of lower production by customers due to disruptions in the automobile industry supply chain.

Operating income Operating income decreased primarily due to the elimination of COVID-19 pandemic-related subsidies received in the previous period, offsetting cost-cutting measures.

(China)

(Unit: Million yen)

	FY2021	FY2022	Difference	Change
Revenue	117,652	115,236	-2,415	-2.1%
Operating income	23,199	20,000	-3,198	-13.8%

Main factors for year-on-year change

Revenue Revenue decreased slightly primarily due to the impact of lower production by customers caused by disruptions in the automobile industry supply chain, offsetting the impact of foreign currency translation.

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

(Asia and Europe)

(Unit: Million yen)

	FY2021	FY2022	Difference	Change
Revenue	34,021	34,202	181	0.5%
Operating income/loss	(2,344)	1,957	4,302	—%

Main factors for year-on-year change

Revenue Revenue remained unchanged year on year primarily due to the elimination of production stoppages stemming from the COVID-19 pandemic that occurred in the first quarter of FY2021, offsetting the impact of lower production by customers due to disruptions in the automobile industry supply chain.

Operating income Operating income increased primarily due cost-cutting measures and the elimination of temporary expenses related to the reorganization of automobile seat production in India that occurred in the first quarter of FY2021.

Revenue by business segment is as follows:

(Unit: Million yen)

	FY2021		FY2022		Difference	Change
		Ratio		Ratio		
Motorcycles	4,549	1.3%	5,669	1.6%	1,119	24.6%
Automobiles	328,093	94.8%	326,897	93.4%	-1,196	-0.4%
(Seats)	292,728	84.6%	293,481	83.9%	752	0.3%
(Interior products)	35,364	10.2%	33,415	9.5%	-1,949	-5.5%
Other businesses	13,506	3.9%	17,392	5.0%	3,886	28.8%
Total	346,149	100.0%	349,958	100.0%	3,809	1.1%

* “Motorcycles” and “Other businesses” saw large increases year on year.

Motorcycles: Revenue increased mainly due to a greater number of seat units produced.

Other businesses: Honda Cars SAITAMAKITA, which sells automobiles, became a consolidated subsidiary at the end of the first quarter of FY2021, and its revenue was incorporated into the consolidated results effective the second quarter, resulting in higher revenue due to the difference in the period of its incorporation in the consolidated results.

(2) Overview of Financial Position

Assets, liabilities, and equity

(Assets)

Assets at the end of FY2022 stood at 415,985 million yen, increasing 25,506 million yen from the end of FY2021. This change is primarily the result of an increase in other current assets led by a rise in deposits for purchase of treasury shares, as well as an increase in property, plant and equipment driven by higher capital expenditures and the impact of foreign currency translation.

(Liabilities)

Total liabilities at the end of FY2022 amounted to 90,401 million yen, up 1,374 million yen from the end of FY2021. This change resulted mainly from an increase in trade and other payables stemming from the impact of foreign currency translation, offsetting a decrease in provisions largely comprised of payment of provisions at our U.K. subsidiary.

(Equity)

Equity at the end of FY2022 totaled 325,583 million yen, increasing 24,132 million yen from the end of FY2021. 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 FY2022 amounted to 139,585 million yen, down 13,449 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 20,018 million yen, showing a year-on-year decrease of 5,133 million yen. This is primarily the result of a decrease of 10,408 million yen in income before tax, a change in trade and other payables from an increase of 6,192 million yen in the previous fiscal year to a decrease of 3,422 million yen in FY2022, and a change in inventories from an increase of 3,262 million yen in the previous fiscal year to an increase of 6,339 million yen in FY2022. This offset a change in trade and other receivables from an increase of 15,863 million yen in the previous fiscal year to a decrease of 4,301 million yen in FY2022.

(Cash flows from investing activities)

Cash flows from investing activities came to 17,196 million yen, an increase of 5,487 million yen year on year. This primarily reflects a 8,321 million yen increase in purchase of property, plant and equipment and a total change in payments into and proceeds from withdrawal of time deposits from 4,025 million yen in proceeds to 3,053 million yen in payments. This offset a 7,199 million yen decrease in purchase of investments accounted for using the equity method.

(Cash flows from financial activities)

Cash flows from financial activities totaled 23,638 million yen, an increase of 8,990 million yen year on year. This primarily reflects an increase of 7,870 million yen in deposits for purchase of treasury shares.

(4) Consolidated Earnings Forecasts for FY2023

The Group's consolidated forecasts for FY2023 are as follows:

(Unit: Million yen)

	FY2023 forecasts	Year-on-year change
Revenue	380,000	8.6%
Operating income	17,500	-23.9%
Income before tax	18,800	-27.2%
Net income	12,500	-33.5%
Income attributable to owners of parent	8,200	-34.0%

The Group has assumed 1 USD = 120.0 yen and 1 CNY = 19.0 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)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	153,034	139,585
Trade and other receivables	62,984	65,430
Other financial assets	5,361	9,700
Inventories	33,607	43,532
Income tax receivables	1,719	2,340
Other current assets	6,202	16,448
Total current assets	262,909	277,037
Non-current assets		
Property, plant and equipment	69,053	76,860
Intangible assets	10,911	10,580
Investments accounted for using the equity method	16,575	17,257
Other financial assets	25,258	27,097
Net defined benefit assets	3,575	4,311
Deferred tax assets	1,748	2,454
Other non-current assets	445	386
Total non-current assets	127,568	138,947
Total assets	390,478	415,985

(Unit: Million yen)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
Liabilities and equity		
Current liabilities		
Trade and other payables	62,943	67,024
Other financial liabilities	1,357	1,718
Income tax receivables	2,021	1,776
Provisions	2,851	217
Other current liabilities	7,139	6,830
Total current liabilities	76,313	77,567
Non-current liabilities		
Other financial liabilities	3,952	4,420
Net defined benefit liabilities	1,648	1,466
Provisions	85	157
Deferred tax liabilities	5,808	5,470
Other non-current liabilities	1,219	1,319
Total non-current liabilities	12,714	12,834
Total liabilities	89,027	90,401
Equity		
Capital stock	4,700	4,700
Capital surplus	4,975	5,150
Treasury stock	(2,657)	(4,737)
Retained earnings	264,261	270,031
Other components of equity	5,738	21,710
Total equity attributable to owners of parent	277,017	296,855
Non-controlling interests	24,433	28,727
Total equity	301,450	325,583
Total liabilities and equity	390,478	415,985

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: Million yen)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Revenue	346,149	349,958
Cost of sales	(288,671)	(295,716)
Gross profit	57,478	54,242
Selling, general and administrative expenses	(32,581)	(33,896)
Other income	3,072	3,240
Other expenses	(1,227)	(587)
Operating income	26,742	22,998
Finance income	1,983	2,367
Finance costs	(136)	(117)
Share of profit of investments accounted for using the equity method	7,658	590
Income before tax	36,247	25,839
Income tax expense	(8,164)	(7,035)
Net income	28,082	18,803
Income attributable to:		
Owners of parent	20,741	12,416
Non-controlling interests	7,341	6,386
Net income	28,082	18,803
Earnings per share		
Basic earnings per share (yen)	152.89	92.56
Diluted earnings per share (yen)	—	—

Consolidated Comprehensive Income

(Unit: Million yen)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Net income	28,082	18,803
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefit plans	1,221	864
Financial assets measured at fair value through other comprehensive income	2,754	564
Share of other comprehensive income of associates accounted for using the equity method	323	73
Total components that will not be reclassified subsequently to net profit or loss	4,299	1,501
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	7,742	16,463
Share of other comprehensive income of associates accounted for using the equity method	48	895
Total components that may be reclassified subsequently to net profit or loss	7,791	17,359
Other comprehensive income, net of tax	12,091	18,860
Comprehensive income for the period	40,174	37,664
Comprehensive income for the period attributable to:		
Owners of parent	30,968	28,388
Non-controlling interests	9,206	9,275
Comprehensive income for the period	40,174	37,664

(3) Consolidated Statement of Changes in Equity

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)
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			
Establishment of subsidiary with non-controlling interests					
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
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)
Establishment of subsidiary with non-controlling interests	–		–
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

FY2022 (April 1, 2021 - March 31, 2022)

(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	4,975	(2,657)	264,261	5,738
Comprehensive income					
Net income				12,416	
Other comprehensive income					15,971
Total comprehensive income	–	–	–	12,416	15,971
Transactions with owners, etc.					
Dividends				(6,646)	
Acquisition of treasury stock			(2,152)		
Disposal of treasury stock			73		
Share-based payments		175			
Changes in ownership in interest in subsidiaries					
Establishment of subsidiary with non-controlling interests					
Total transactions with owners, etc.	–	175	(2,079)	(6,646)	–
Balance at the end of the fiscal year	4,700	5,150	(4,737)	270,031	21,710

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	277,017	24,433	301,450
Comprehensive income			
Net income	12,416	6,386	18,803
Other comprehensive income	15,971	2,888	18,860
Total comprehensive income	28,388	9,275	37,664
Transactions with owners, etc.			
Dividends	(6,646)	(6,028)	(12,675)
Acquisition of treasury stock	(2,152)		(2,152)
Disposal of treasury stock	73		73
Share-based payments	175		175
Changes in ownership in interest in subsidiaries	–		–
Establishment of subsidiary with non-controlling interests	–	1,047	1,047
Total transactions with owners, etc.	(8,550)	(4,981)	(13,531)
Balance at the end of the fiscal year	296,855	28,727	325,583

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Cash flows from operating activities		
Income before tax	36,247	25,839
Depreciation and amortization	11,440	11,033
Impairment loss	142	143
Loss (gain) on disposal of non-current assets	(166)	(1,393)
Finance income (in parentheses) and finance costs	(1,083)	(1,398)
Share of loss (profit) of investments accounted for using the equity method	(7,658)	(590)
Decrease (increase) in trade and other receivables	(15,863)	4,301
Net decrease (increase) in leased receivables and investment assets	1,997	712
Decrease (increase) in inventories	(3,262)	(6,339)
Increase (decrease) in trade and other payables	6,192	(3,422)
Increase (decrease) in net defined benefit asset or liability	(1,505)	(1,036)
Increase (decrease) in provisions	402	(2,566)
Other	3,117	988
Subtotal	30,002	26,272
Interest income received	892	1,011
Dividend income received	894	1,531
Interest expenses paid	(133)	(117)
Income taxes paid	(6,503)	(8,681)
Net cash provided by (used in) operating activities	25,151	20,018
Cash flows from investing activities		
Payments into time deposits	(7,495)	(10,026)
Proceeds from withdrawal of time deposits	11,521	6,972
Purchase of property, plant and equipment	(5,455)	(13,777)
Proceeds from sales of property, plant and equipment	698	2,736
Purchase of intangible assets	(2,206)	(1,858)
Purchase of equity instruments	(56)	(1,196)
Proceeds from sales of equity instruments	0	0
Payments of loans receivable	(121)	(747)
Collection of loans receivable	214	710
Purchase of shares of subsidiaries	(1,564)	-
Purchase of investments accounted for using the equity method	(7,199)	-
Other	(43)	(9)
Net cash used in (provided by) investing activities	(11,709)	(17,196)

(Unit: Million yen)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Cash flows from financial activities		
Repayment of long-term loans payable	(75)	–
Repayments of lease obligations	(1,754)	(1,435)
Capital contribution from non-controlling interests	–	623
Purchase of treasury stock	(2,597)	(2,152)
Decrease (increase) in deposits for purchase of treasury shares	–	(7,870)
Cash dividends paid	(5,847)	(6,657)
Dividends paid to non-controlling interests	(4,316)	(6,145)
Payment to acquire interests in subsidiaries from non-controlling interests	(55)	–
Net cash used in (provided by) financing activities	(14,647)	(23,638)
Effect of exchange rate changes on cash and cash equivalents	4,611	7,367
Net increase (decrease) in cash and cash equivalents	3,406	(13,449)
Cash and cash equivalents at beginning of period	149,628	153,034
Cash and cash equivalents at end of period	153,034	139,585

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

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

In the fiscal year under review, TS TECH Poland sp. z o.o. was established in Poland, TSML INNOVATIONS, LLC, a joint venture with ML Industries, Inc., was established in the U.S., and TS DE SAN PEDRO INDUSTRIES, S. DE R.L. DE C.V. was established as a subsidiary of said venture in Mexico. All three companies are classified as specified subsidiaries.

As the three companies are not scheduled to launch operations until the following fiscal year and beyond, the impact on the FY2022 consolidated 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., Hungary, and Poland. The Company appoints a segment executive general manager 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
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 (losses)	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 (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	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.

FY2022 (April 1, 2021 - March 31, 2022)

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	61,515	144,192	111,177	33,074	349,958	–	349,958
Inter-segment transfer	21,183	335	4,059	1,128	26,707	(26,707)	–
Total	82,698	144,527	115,236	34,202	376,666	(26,707)	349,958
Segment profits (losses)	6,261	(252)	20,000	1,957	27,966	(4,967)	22,998
Finance income and finance costs	–	–	–	–	–	–	2,249
Return on investment using the equity method	–	–	–	–	–	–	590
Income before tax	–	–	–	–	–	–	25,839

- (Notes) 1. Adjustments of -4,967 million yen for segment profits include a deduction of 191 million yen for transactions among segments, and operating expenses of -5,159 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	3,268	4,252	2,085	1,440	11,046	(12)	11,033
Impairment loss	137	–	6	–	143	–	143
Capital payments	4,528	6,213	1,392	2,332	14,466	–	14,466

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

4. Information related to products and services

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.

FY2022 (April 1, 2021 - March 31, 2022)

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)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Japan	57,846	60,298
U.S.	100,021	103,735
China	114,174	111,600
Other	74,106	74,324
Total	346,149	349,958

(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)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
Japan	37,564	37,614
U.S.	16,823	18,854
China	10,123	11,190
Other	15,453	19,781
Total	79,965	87,440

Information according to major customers

(Unit: Million yen)

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Honda Motor Co., Ltd. Group	314,429	313,659

(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.

	FY2021 (April 1, 2020- March 31, 2021)	FY2022 (April 1, 2021- March 31, 2022)
Income attributable to owners of parent (million yen)	20,741	12,416
Average number of common stock for the period (1,000 shares)	135,666	134,150
Basic earnings per share (yen)	152.89	92.56

(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 FY2021.

(Subsequent Events)

Not applicable