

Consolidated Financial Summary Cumulative First Quarter of FY2023

(April 1, 2022 – June 30, 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 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 First Quarter of FY2023 (under IFRS)

August 5, 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 for filing of quarterly securities report: August 10, 2022
 Scheduled date of commencement of dividend payment: —
 Preparation of supplementary explanatory material: None
 Quarterly results briefing: None

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

1. Consolidated Financial Results for the First Quarter of FY2023 (April 1, 2022 – June 30, 2022)

(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 quarter of FY2023	82,045	-9.3	(228)	—	909	-86.1	(242)	—	(1,203)	—	13,422	144.5
First quarter of FY2022	90,464	65.3	6,003	—	6,549	—	4,466	—	3,040	—	5,489	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of FY2023	(9.15)	—
First quarter of FY2022	22.65	—

(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 quarter of FY2023	413,911	325,115	301,475	72.8	2,312.57
FY2022	415,985	325,583	296,855	71.4	2,234.73

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
FY2022	—	26.00	—	28.00	54.00
FY2023	—	—	—	—	—
FY2023 (forecast)	—	30.00	—	33.00	63.00

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

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

(Note) Revision from the most recent announcement of consolidated financial forecasts: No

*Notes

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

(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	1Q of FY2023	136,000,000 shares	FY2022	136,000,000 shares
2) Number of treasury stock at the end of the term	1Q of FY2023	5,636,323 shares	FY2022	3,162,967 shares
3) Average number of shares during the term (cumulative)	1Q of FY2023	131,497,844 shares	1Q of FY2022	134,248,324 shares

*This quarterly financial statement is exempt from quarterly reviews.

*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 premise for the operating results forecast on the previous page.

oTable of Contents

1. Qualitative Information Concerning Quarterly Results	2
(1) Qualitative Information Concerning Consolidated Financial Results.....	2
(2) Qualitative Information Concerning Consolidated Financial Positions.....	4
(3) Qualitative Information Concerning Consolidated Forecasts	4
2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto	5
(1) Condensed Quarterly Consolidated Statement of Financial Position	5
(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income	7
(3) Condensed Quarterly Consolidated Statement of Changes in Equity.....	9
(4) Condensed Quarterly Consolidated Statement of Cash Flows.....	11
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements	13

1. Qualitative Information Concerning Quarterly Results

(1) Qualitative Information Concerning Consolidated Financial Results

Revenue for the first quarter of FY2023 (April 1, 2022 – June 30, 2022) reached 82,045 million yen on a consolidated basis, a decrease of 8,419 million yen (9.3%) from the same period in FY2022, mainly due to the impact of lower production by customers stemming from supply chain disruptions caused by component supply shortages and lockdowns in China, offsetting the impact of exchange rates.

Looking at profits, operating loss stood at 228 million yen, a decrease of 6,231 million yen (–%) year on year due to the impact of lower revenue, offsetting cost containment measures. Loss attributable to owners of parent amounted to 1,203 million yen, a decrease of 4,243 million yen (–%) year on year.

*USD/JPY average 1Q exchange rate... FY2022: ¥109.5 FY2023: ¥129.7

*CNY/JPY average 1Q exchange rate... FY2022: ¥17.0 FY2023: ¥19.6

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	First quarter of FY2022	First quarter of FY2023	Difference	Change
Revenue	20,307	16,433	-3,873	-19.1%
Operating income/loss	1,285	(534)	-1,819	–%

Main factors for year-on-year change

Revenue	Revenue decreased primarily due to the impact of lower production by customers due to disruptions in the automobile industry supply chain and lower development revenue, offsetting the impact of exchange rates.
Operating income	Operating income decreased primarily due to the impact of lower revenue, offsetting cost containment measures.

(Americas)

(Unit: Million yen)

	First quarter of FY2022	First quarter of FY2023	Difference	Change
Revenue	39,808	39,328	-479	-1.2%
Operating income/loss	925	(1,687)	-2,612	–%

Main factors for year-on-year change

Revenue	Revenue remained unchanged year on year primarily due to the impact of exchange rates*, offsetting the impact of lower production by customers due to disruptions in the automobile industry supply chain and lower press tool sales.
Operating income	Operating income decreased primarily due to the impact of lower production, offsetting cost containment measures.

* While the impact of foreign currency translation stemming from a weak yen resulted in an increase with respect to revenue, its impact in terms of profits resulted in the posting of an operating loss.

(China)

(Unit: Million yen)

	First quarter of FY2022	First quarter of FY2023	Difference	Change
Revenue	27,479	22,459	-5,020	-18.3%
Operating income	5,109	3,243	-1,865	-36.5%

Main factors for year-on-year change

Revenue	Revenue decreased primarily due to the impact of lower production by customers due to disruptions in the automobile industry supply chain, offsetting the impact of exchange rates.
Operating income	Operating income decreased primarily due to the impact of lower revenue, offsetting cost containment measures.

(Asia and Europe)

(Unit: Million yen)

	First quarter of FY2022	First quarter of FY2023	Difference	Change
Revenue	9,546	8,554	-991	-10.4%
Operating income/loss	(167)	59	226	—%

Main factors for year-on-year change

Revenue	Revenue decreased primarily due to the end of production* at our consolidated subsidiary in the U.K., offsetting the impact of production increases in Asia.
Operating income	Operating income increased primarily due to the elimination of temporary expenses incurred in the previous period and cost containment measures.

* Production at TS TECH UK LTD, our consolidated subsidiary in the UK, ended in July 2021, and the company is scheduled to be dissolved during FY2023.

Sales by business segment are as follows:

(Unit: Million yen)

	First quarter of FY2022		First quarter of FY2023		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	1,404	1.6%	1,461	1.8%	57	4.1%
Automobiles	84,718	93.6%	76,367	93.1%	-8,350	-9.9%
(Seats)	75,426	83.4%	67,692	82.5%	-7,734	-10.3%
(Interior products)	9,291	10.3%	8,674	10.6%	-616	-6.6%
Other businesses	4,342	4.8%	4,216	5.1%	-125	-2.9%
Total	90,464	100.0%	82,045	100.0%	-8,419	-9.3%

(2) Qualitative Information Concerning Consolidated Financial Positions

(Assets)

Assets at the end of the first quarter of FY2023 stood at 413,911 million yen, a decrease of 2,073 million yen from the end of FY2022. This change is mainly due to a decrease in cash and cash equivalents stemming from payment of cash dividends. This offset an overall increase in assets driven by foreign currency translation.

(Liabilities)

Liabilities at the end of the first quarter of FY2023 amounted to 88,796 million yen, down 1,605 million yen from the end of FY2022. This change resulted mainly from a decrease in trade and other payables stemming from lower order volume from major customers. This offset an overall increase in liabilities driven by foreign currency translation.

(Equity)

Equity at the end of the first quarter of FY2023 was 325,115 million yen, down 467 million yen from the end of FY2022. This change is primarily the result of a decrease in retained earnings and non-controlling interests on payment of cash dividends, offsetting an increase in other components of equity due to an increase in differences on translation from foreign operations.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the first quarter of FY2023 as well as the current trend in orders from major customers and foreign exchange rates, the Company is keeping the consolidated forecasts announced on May 13, 2022 unchanged.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2022 (As of March 31, 2022)	First quarter of FY2023 (As of June 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	139,585	130,698
Trade and other receivables	65,430	65,819
Other financial assets	9,700	12,662
Inventories	43,532	45,429
Income tax receivables	2,340	3,563
Other current assets	16,448	12,251
Total assets	277,037	270,425
Non-current assets		
Property, plant and equipment	76,860	82,969
Intangible assets	10,580	10,425
Investments accounted for using the equity method	17,257	17,391
Other financial assets	27,097	25,853
Net defined benefit asset	4,311	3,873
Deferred tax assets	2,454	2,708
Other non-current assets	386	263
Total non-current assets	138,947	143,486
Total assets	415,985	413,911

(Unit: Million yen)

	FY2022 (As of March 31, 2022)	First quarter of FY2023 (As of June 30, 2022)
Liabilities and equity		
Current liabilities		
Trade and other payables	67,024	63,889
Other financial liabilities	1,718	1,818
Income taxes payable	1,776	2,059
Provisions	217	80
Other current liabilities	6,830	9,133
Total current liabilities	77,567	76,982
Non-current liabilities		
Other financial liabilities	4,420	4,529
Net defined benefit liability	1,466	1,575
Provisions	157	163
Deferred tax liabilities	5,470	4,236
Other non-current liabilities	1,319	1,308
Total non-current liabilities	12,834	11,814
Total liabilities	90,401	88,796
Equity		
Capital stock	4,700	4,700
Capital surplus	5,150	5,374
Treasury stock	(4,737)	(8,057)
Retained earnings	270,031	265,493
Other components of equity	21,710	33,963
Total equity attributable to owners of parent	296,855	301,475
Non-controlling interests	28,727	23,640
Total equity	325,583	325,115
Total liabilities and equity	415,985	413,911

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income
Condensed Quarterly Consolidated Statement of Income
Consolidated First Quarter

(Unit: Million yen)

	First quarter of FY2022 (April 1, 2021 – June 30, 2021)	First quarter of FY2023 (April 1, 2022 – June 30, 2022)
Revenue	90,464	82,045
Cost of sales	(76,155)	(73,418)
Gross profit	14,309	8,626
Selling, general and administrative expenses	(8,641)	(9,086)
Other income	452	297
Other expenses	(117)	(66)
Operating profit (loss)	6,003	(228)
Finance income	538	1,126
Finance costs	(260)	(30)
Share of profit of investments accounted for using the equity method	267	42
Income before tax	6,549	909
Income tax expense	(2,082)	(1,151)
Net income (loss)	4,466	(242)
Income (Loss) attributable to		
Owners of parent	3,040	(1,203)
Non-controlling interests	1,426	961
Net income (loss)	4,466	(242)
Earnings (Losses) per share		
Basic earnings (losses) per share (yen)	22.65	(9.15)
Diluted earnings per share (yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income
Consolidated First Quarter

(Unit: Million yen)

	First quarter of FY2022 (April 1, 2021 – June 30, 2021)	First quarter of FY2023 (April 1, 2022 – June 30, 2022)
Net income (loss)	4,466	(242)
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefits plans	(10)	7
Financial assets measured at fair value through other comprehensive income	610	(362)
Share of other comprehensive income of associates accounted for using the equity method	58	(30)
Total components that will not be reclassified subsequently to net profit or loss	658	(385)
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	(141)	13,481
Share of other comprehensive income of associates accounted for using the equity method	505	569
Total components that may be reclassified subsequently to net profit or loss	364	14,050
Other comprehensive income, net or tax	1,023	13,665
Comprehensive income for the period	5,489	13,422
Comprehensive income for the period attributable to:		
Owners of parent	4,005	11,049
Non-controlling interests	1,483	2,373
Comprehensive income for the period	5,489	13,422

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Consolidated Cumulative First Quarter of FY2022 (April 1, 2021 – June 30, 2021)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance as at the end of the previous fiscal year	4,700	4,975	(2,657)	264,261	5,738
Comprehensive income					
Net income (loss)				3,040	
Other comprehensive income					965
Total comprehensive income	—	—	—	3,040	965
Transactions with owners, etc.					
Dividends				(3,154)	
Acquisition of treasury stock			(0)		
Share-based payments		75			
Changes in equity interest of subsidiaries					
Other					
Total transactions with owners, etc.	—	75	(0)	(3,154)	—
Balance as at the end of the fiscal year	4,700	5,051	(2,658)	264,146	6,704

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as at the end of the previous fiscal year	277,017	24,433	301,450
Comprehensive income			
Net income (loss)	3,040	1,426	4,466
Other comprehensive income	965	57	1,023
Total comprehensive income	4,005	1,483	5,489
Transactions with owners, etc.			
Dividends	(3,154)	(6,028)	(9,183)
Acquisition of treasury stock	(0)		(0)
Share-based payments	75		75
Changes in equity interest of subsidiaries	—		—
Other	—		—
Total transactions with owners, etc.	(3,079)	(6,028)	(9,107)
Balance as at the end of the fiscal year	277,944	19,888	297,832

Consolidated First Quarter of FY2023 (April 1, 2022 – June 30, 2022)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance as at the end of the previous fiscal year	4,700	5,150	(4,737)	270,031	21,710
Comprehensive income					
Net income (loss)				(1,203)	
Other comprehensive income					12,253
Total comprehensive income	—	—	—	(1,203)	12,253
Transactions with owners, etc.					
Dividends				(3,719)	
Acquisition of treasury stock			(3,319)		
Share-based payments		40			
Changes in equity interest of subsidiaries		183			
Other				385	
Total transactions with owners, etc.	—	224	(3,319)	(3,334)	—
Balance as at the end of the fiscal year	4,700	5,374	(8,057)	265,493	33,963

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as at the end of the previous fiscal year	296,855	28,727	325,583
Comprehensive income			
Net income (loss)	(1,203)	961	(242)
Other comprehensive income	12,253	1,411	13,665
Total comprehensive income	11,049	2,373	13,422
Transactions with owners, etc.			
Dividends	(3,719)	(7,649)	(11,368)
Acquisition of treasury stock	(3,319)		(3,319)
Share-based payments	40		40
Changes in equity interest of subsidiaries	183	187	371
Other	385		385
Total transactions with owners, etc.	(6,429)	(7,461)	(13,890)
Balance as at the end of the fiscal year	301,475	23,640	325,115

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	First quarter of FY2022 (April 1, 2021 – June 30, 2021)	First quarter of FY2023 (April 1, 2022 – June 30, 2022)
Cash flows from operating activities		
Income before tax	6,549	909
Depreciation and amortization	2,871	2,869
Loss (gain) on disposal of non-current assets	4	(89)
Finance income and finance costs	(499)	(754)
Share of loss (profit) of investments accounted for using the equity method	(267)	(42)
Decrease (increase) in trade and other receivables	7,858	4,231
Net decrease (increase) in leased receivables and investment assets	(92)	1,836
Decrease (increase) in inventories	(1,311)	1,315
Increase (decrease) in trade and other payables	(1,308)	(8,608)
Increase in net defined benefit asset or liability	103	464
Increase (decrease) in provisions	(22)	(134)
Other	144	10
Subtotal	14,030	2,009
Interest income received	284	442
Dividend income received	409	385
Interest expenses paid	(28)	(30)
Income taxes paid	(2,825)	(3,091)
Cash flows from operating activities	11,870	(284)
Cash flows from investing activities		
Payments into time deposits	(3,403)	(1,232)
Proceeds from withdrawal of time deposits	511	1,336
Purchase of property, plant and equipment	(2,950)	(3,908)
Proceeds from sales of property, plant and equipment	83	130
Purchase of intangible assets	(647)	(367)
Purchase of equity instruments	(26)	(32)
Proceeds from sales of equity instruments	0	—
Payments of loans receivable	(50)	(29)
Collection of loans receivable	61	42
Other	0	15
Cash flows from investing activities	(6,420)	(4,044)

(Unit: Million yen)

	First quarter of FY2022 (April 1, 2021 – June 30, 2021)	First quarter of FY2023 (April 1, 2022 – June 30, 2022)
Cash flows from financial activities		
Repayments of lease liabilities	(495)	(426)
Proceeds from sales of interests in subsidiaries to non-controlling interests	—	450
Purchase of treasury stock	(0)	(3,319)
Decrease (increase) in deposits for purchase of treasury shares	—	3,319
Cash dividends paid	(3,159)	(3,725)
Payment to acquire interests in subsidiaries from non-controlling interests	(3,014)	(6,384)
Net cash provided by (used in) financing activities	(6,670)	(10,086)
Effect of exchange rate change on cash and cash equivalents	(403)	5,307
Net increase (decrease) in cash and cash equivalents	(1,624)	(9,107)
Cash and cash equivalents at beginning of period	153,034	139,585
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	220
Cash and cash equivalents at end of period	151,410	130,698

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Segment Information, etc.)

Information about revenue, profits or losses for reportable segments

Consolidated first quarter of FY2022 (April 1, 2021 – June 30, 2021)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	15,276	39,706	26,296	9,185	90,464	—	90,464
Inter-segment transfer	5,030	102	1,183	360	6,676	(6,676)	—
Total	20,307	39,808	27,479	9,546	97,141	(6,676)	90,464
Segment profits (losses)	1,285	925	5,109	(167)	7,151	(1,148)	6,003
Finance income and finance costs	—	—	—	—	—	—	278
Return on investment using the equity method	—	—	—	—	—	—	267
Income before tax	—	—	—	—	—	—	6,549

- (Notes) 1. Adjustments of -1,148 million yen for segment profits include a deduction of 90 million yen for transactions among segments, and operating expenses of -1,239 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.
2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.

Consolidated first quarter of FY2023 (April 1, 2022 – June 30, 2022)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	12,460	39,300	21,943	8,340	82,045	—	82,045
Inter-segment transfer	3,973	27	515	214	4,731	(4,731)	—
Total	16,433	39,328	22,459	8,554	86,776	(4,731)	82,045
Segment profits (losses)	(534)	(1,687)	3,243	59	1,080	(1,309)	(228)
Finance income and finance costs	—	—	—	—	—	—	1,095
Return on investment using the equity method	—	—	—	—	—	—	42
Income before tax	—	—	—	—	—	—	909

- (Notes) 1. Adjustments of -1,309 million yen for segment profits include a deduction of 155 million yen for transactions among segments, and operating expenses of -1,464 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.
2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.