



Consolidated Financial Summary

FY2023

(April 1, 2022 – March 31, 2023)

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 FY2023 (under IFRS)

May 12, 2023

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 23, 2023
 Scheduled date of commencement of dividend payment: June 7, 2023
 Scheduled date for filing of securities report: June 23, 2023
 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 FY2023 (April 1, 2022 - March 31, 2023)

(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	%
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
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

	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
FY2023	Yen 41.35	Yen —	%	%	%
FY2022	92.56	—	4.3	6.4	6.6

(Reference) Share of profit (loss) of investments accounted for using the equity method FY2023 487 million yen FY2022 590 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
FY2023	Million yen 416,226	Million yen 323,458	Million yen 298,791	%	Yen
FY2022	415,985	325,583	296,855	71.4	2,234.73

(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
FY2023	Million yen 30,445	Million yen (20,970)	Million yen (18,860)	Million yen 132,914
FY2022	20,018	(17,196)	(23,638)	139,585

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			
FY2022	Yen —	Yen 26.00	Yen —	Yen 28.00	Yen 54.00	Million yen 7,222	%	%
FY2023	—	30.00	—	33.00	63.00	8,090	58.3	2.5
FY2024 (forecast)	—	35.00	—	38.00	73.00	—	90.7	—

3. Consolidated Forecasts for FY2024 (April 1, 2023 - March 31, 2024)

(%: 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 FY2024	191,000	-3.0	5,700	1.3	5,900	-20.9	2,300	-48.6	1,300	-4.7	10.19
FY2024	410,000	0.2	20,000	31.1	20,900	11.8	13,000	20.0	10,000	87.2	80.47

*Notes

- (1) Changes in important subsidiaries during the term : Yes
 (Changes in significant subsidiaries affecting the scope of consolidation during this period)
 New subsidiaries — companies Excluded subsidiaries 1 company
 TS TECH UK LTD

(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
 2) Number of treasury stock at the end of the term
 3) Average number of shares during the term (cumulative)

FY2023	136,000,000 shares	FY2022	136,000,000 shares
FY2023	8,495,146 shares	FY2022	3,162,967 shares
FY2023	129,217,147 shares	FY2022	134,150,538 shares

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2023 (April 1, 2022 - March 31, 2023)

(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	%
FY2023	71,744	7.6	(819)	—	17,002	-22.3	13,662	-33.3
FY2022	66,645	-7.1	(213)	—	21,882	17.9	20,475	23.9

	Net income per share	Diluted net income per share
	Yen	Yen
FY2023	105.56	—
FY2022	152.38	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2023	161,902	144,880	89.5	1,134.30
FY2022	163,334	146,171	89.5	1,098.59

(Reference) Shareholders' equity: FY2023 144,880 million yen FY2022 146,171 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 at TS Tech UK 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 FY2024” 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 12, 2023 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 Group faced challenging business conditions in FY2023, including reduced production by automakers due to COVID-19 lockdowns in China and chip shortages. Manufacturing costs continued to increase due to the rising cost of labor, energy, and raw materials.

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 was up 59,241 million yen (16.9%) from the previous consolidated fiscal year to 409,200 million yen, thanks to factors including foreign exchange effects and improvements across the model range, despite the effects of decreased production attributable to COVID-19 lockdowns in China. Regarding income, despite efforts to lower costs through thorough streamlining and other activities, operating income fell by 7,741 million yen (33.7%) from the previous consolidated fiscal year to 15,257 million yen, due to factors including lower production, higher expenses, and temporary costs associated with the liquidation of a consolidated subsidiary in the UK. Income attributable to owners of parent was down 7,073 million yen (57.0%) from the previous consolidated fiscal year to 5,343 million yen.

USD/JPY average exchange rate... FY2022: ¥112.4 FY2023: ¥135.5
CNY/JPY average exchange rate... FY2022: ¥17.5 FY2023: ¥19.8

Operating performance by geographic segment is as follows:

(Japan)

(Unit: Million yen)

	FY2022	FY2023	Difference	Change
Revenue	82,698	84,943	2,244	2.7%
Operating income	6,261	5,151	-1,109	-17.7%

Main factors for year-on-year change

Revenue	Revenue rose slightly due to factors such as foreign exchange effects and increased development sales, despite reduced parts sales.
Operating income	Operating income fell despite efforts to cut costs due to temporary costs associated with revisions to the HR system and other factors.

(The Americas)

(Unit: Million yen)

	FY2022	FY2023	Difference	Change
Revenue	144,527	194,015	49,487	34.2%
Operating income (loss)	(252)	(3,199)	-2,946	- %

Main factors for year-on-year change

Revenue Revenue increased thanks to foreign exchange effects, improvements in the model range, and other factors.

Operating income Despite efforts to cut costs, operating income declined due to various factors, including higher labor and other costs and foreign exchange effects.

* Foreign exchange effects due to the devalued yen resulted in the recording of operating losses and lower operating income.

(China)

(Unit: Million yen)

	FY2022	FY2023	Difference	Change
Revenue	115,236	117,800	2,563	2.2%
Operating income	20,000	18,227	-1,772	-8.9%

Main factors for year-on-year change

Revenue While customers responded to COVID-19 by cutting production and other measures, revenue increased slightly thanks to foreign exchange effects, improvements in the model range, and other factors.

Operating income Despite efforts to cut costs, operating income declined due to lower production and other factors.

(Asia and Europe)

(Unit: Million yen)

	FY2022	FY2023	Difference	Change
Revenue	34,202	40,164	5,961	17.4%
Operating income	1,957	2,175	218	11.2%

Main factors for year-on-year change

Revenue Revenue grew thanks to foreign exchange effects and higher production, despite the effects of lower revenues following the termination of production at a consolidated subsidiary in the UK and other factors.

Operating income Operating income grew due to the effects of higher revenue and other factors, despite the termination of production at a consolidated subsidiary in the UK and other factors.

* The scope of consolidation starting at the end of the consolidated fiscal year under review excludes TS TECH UK Ltd., consolidated subsidiary in the UK, which ceased production and was liquidated in July 2021.

Revenue by business segment is as follows:

(Unit: Million yen)

	FY2022		FY2023		Difference	Change
		Ratio		Ratio		
Motorcycles	5,669	1.6%	7,786	1.9%	2,117	37.4%
Automobiles	326,897	93.4%	382,656	93.5%	55,759	17.1%
(Seats)	293,481	83.9%	344,835	84.3%	51,354	17.5%
(Interior products)	33,415	9.5%	37,820	9.2%	4,405	13.2%
Other businesses	17,392	5.0%	18,757	4.6%	1,364	7.8%
Total	349,958	100.0%	409,200	100.0%	59,241	16.9%

* Sales of “motorcycles” saw large increases year on year.

This is due to the inclusion of TS TECH (MANDAL) PRIVATE LIMITED, which operates the motorcycle business, in the scope of consolidation during the first quarter.

(2) Overview of Financial Position

Assets, liabilities, and equity

(Assets)

Assets at the end of FY2023 stood at 416,226 million yen, up 241 million yen from the end of FY2022. This change resulted primarily from an overall increase in assets due to the impact of foreign currency translations and other factors, as well as an increase in trade and other receivables due to increased orders from major customers. Cash and cash equivalents declined due to payments of dividends and other factors.

(Liabilities)

Total liabilities at the end of FY2023 amounted to 92,767 million yen, up 2,365 million yen from the end of FY2022. This change resulted primarily from an overall increase in liabilities attributable to the impact of foreign currency translations and other factors, as well as an increase in trade and other payables attributable to various factors, including increased orders from major customers.

(Equity)

Equity at the end of FY2023 totaled 323,458 million yen, down 2,124 million yen from the end of FY2022. This change resulted primarily from reductions in retained earnings and noncontrolling interests mainly due to dividend payments despite increases in Other components in equity due to increased differences on translation from foreign operations and other factors.

(3) Overview of Cash Flows

Cash and cash equivalents (“cash” hereinafter) at the end of FY2023 amounted to 132,914 million yen, down 6,671 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 30,445 million yen, up 10,427 million yen year on year. Contributing factors included differences in inventory trends (from an increase of 6,339 million yen in the previous fiscal year to a decrease of 14,118 million yen in FY2023) and differences in the performance of trade and other receivables (from a decrease of 4,301 million yen in the previous fiscal year to an increase of 6,223 million yen in FY2023).

(Cash flows from investing activities)

Cash flows used in investing activities stood at 20,970 million yen, up 3,773 million yen year on year. This reflects various factors, including an increase in total change in payments into and proceeds from withdrawal of time deposits from payments of 3,053 million yen to payments of 5,746 million yen.

(Cash flows from financial activities)

Cash used in financial activities totaled 18,860 million yen, down 4,777 million yen from the previous fiscal year. This was due to factors including differences in deposits made for future purchase of treasury shares from an increase of 7,870 million yen the previous year to a decrease of 7,870 million yen this year, despite increases of 5,694 million yen in expenditures for purchases of treasury shares and 4,959 million yen in dividend payments (including payments to noncontrolling interests).

(4) Consolidated Earnings Forecasts for FY2024

The Group's consolidated forecasts for FY2024 are as follows:

(Unit: Million yen)

	FY2024 forecasts	Year-on-year change
Revenue	410,000	0.2%
Operating income	20,000	31.1%
Income before tax	20,900	11.8%
Net income	13,000	20.0%
Income attributable to owners of parent	10,000	87.2%

The Group has assumed 1 USD = 130.0 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)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	139,585	132,914
Trade and other receivables	65,430	74,812
Other financial assets	9,700	17,757
Inventories	43,532	31,939
Income tax receivables	2,340	2,432
Other current assets	16,448	5,813
Total current assets	277,037	265,670
Non-current assets		
Property, plant and equipment	76,860	83,874
Intangible assets	10,580	10,688
Investments accounted for using the equity method	17,257	17,935
Other financial assets	27,097	29,244
Net defined benefit assets	4,311	4,941
Deferred tax assets	2,454	3,550
Other non-current assets	386	321
Total non-current assets	138,947	150,556
Total assets	415,985	416,226

(Unit: Million yen)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
Liabilities and equity		
Current liabilities		
Trade and other payables	67,024	69,710
Other financial liabilities	1,718	1,166
Income tax payables	1,776	2,318
Provisions	217	639
Other current liabilities	6,830	6,828
Total current liabilities	77,567	80,663
Non-current liabilities		
Other financial liabilities	4,420	3,662
Net defined benefit liabilities	1,466	1,917
Provisions	157	150
Deferred tax liabilities	5,470	5,081
Other non-current liabilities	1,319	1,292
Total non-current liabilities	12,834	12,104
Total liabilities	90,401	92,767
Equity		
Capital stock	4,700	4,700
Capital surplus	5,150	5,392
Treasury stock	(4,737)	(12,508)
Retained earnings	270,031	268,172
Other components of equity	21,710	33,035
Total equity attributable to owners of parent	296,855	298,791
Non-controlling interests	28,727	24,666
Total equity	325,583	323,458
Total liabilities and equity	415,985	416,226

(2) Consolidated Statement of Income and Comprehensive Income
Consolidated Statement of Income

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Revenue	349,958	409,200
Cost of sales	(295,716)	(355,790)
Gross profit	54,242	53,410
Selling, general and administrative expenses	(33,896)	(38,471)
Other income	3,240	2,212
Other expenses	(587)	(1,893)
Operating income	22,998	15,257
Finance income	2,367	3,080
Finance costs	(117)	(131)
Share of profit of investments accounted for using the equity method	590	487
Income before tax	25,839	18,692
Income tax expense	(7,035)	(7,856)
Net income	18,803	10,835
Income attributable to:		
Owners of parent	12,416	5,343
Non-controlling interests	6,386	5,492
Net income	18,803	10,835
Earnings per share		
Basic earnings per share (yen)	92.56	41.35
Diluted earnings per share (yen)	—	—

Consolidated Comprehensive Income

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Net income	18,803	10,835
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefit plans	864	10
Financial assets measured at fair value through other comprehensive income	564	542
Share of other comprehensive income of associates accounted for using the equity method	73	37
Total components that will not be reclassified subsequently to net profit or loss	1,501	590
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	16,463	10,494
Share of other comprehensive income of associates accounted for using the equity method	895	655
Total components that may be reclassified subsequently to net profit or loss	17,359	11,149
Other comprehensive income, net of tax	18,860	11,740
Comprehensive income for the period	37,664	22,576
Comprehensive income for the period attributable to:		
Owners of parent	28,388	16,668
Non-controlling interests	9,275	5,907
Comprehensive income for the period	37,664	22,576

(3) Consolidated Statement of Changes in Equity
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 beginning of the 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					
Other					
Total transactions with owners, etc.	–	175	(2,079)	(6,646)	–
Balance at 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 beginning of the 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
Other	–		–
Total transactions with owners, etc.	(8,550)	(4,981)	(13,531)
Balance at end of the fiscal year	296,855	28,727	325,583

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 ownership in interest in subsidiaries		183			
Establishment of subsidiary with non-controlling interests					
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 ownership in interest in subsidiaries	183	187	371
Establishment of subsidiary with non-controlling interests	–		–
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

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Cash flows from operating activities		
Income before tax	25,839	18,692
Depreciation and amortization	11,033	11,879
Impairment loss	143	23
Loss (gain) on disposal of non-current assets	(1,393)	(1,315)
Finance income (in parentheses) and finance costs	(1,398)	(2,381)
Share of loss (profit) of investments accounted for using the equity method	(590)	(487)
Decrease (increase) in trade and other receivables	4,301	(6,223)
Net decrease (increase) in leased receivables	712	(1,492)
Decrease (increase) in inventories	(6,339)	14,118
Increase (decrease) in trade and other payables	(3,422)	(704)
Increase (decrease) in net defined benefit asset or liability	(1,036)	(238)
Increase (decrease) in provisions	(2,566)	409
Other	988	3,390
Subtotal	26,272	35,670
Interest income received	1,011	1,796
Dividend income received	1,531	1,200
Interest expenses paid	(117)	(131)
Income taxes paid	(8,681)	(8,090)
Net cash provided by (used in) operating activities	20,018	30,445
Cash flows from investing activities		
Payments into time deposits	(10,026)	(17,410)
Proceeds from withdrawal of time deposits	6,972	11,663
Purchase of property, plant and equipment	(13,777)	(13,434)
Proceeds from sales of property, plant and equipment	2,736	639
Purchase of intangible assets	(1,858)	(2,366)
Purchase of equity instruments	(1,196)	(87)
Proceeds from sales of equity instruments	0	9
Payments of loans receivable	(747)	(98)
Collection of loans receivable	710	131
Other	(9)	(17)
Net cash used in (provided by) investing activities	(17,196)	(20,970)

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Cash flows from financial activities		
Repayments of lease obligations	(1,435)	(1,571)
Capital contribution from non-controlling interests	623	–
Revenue from sale of interests in subsidiaries to non-controlling interests	–	450
Purchase of treasury stock	(2,152)	(7,847)
Decrease (increase) in deposits for purchase of treasury shares	(7,870)	7,870
Cash dividends paid	(6,657)	(7,600)
Dividends paid to non-controlling interests	(6,145)	(10,161)
Net cash used in (provided by) financing activities	(23,638)	(18,860)
Effect of exchange rate changes on cash and cash equivalents	7,367	2,492
Net increase (decrease) in cash and cash equivalents	(13,449)	(6,892)
Cash and cash equivalents at beginning of period	153,034	139,585
Increase in cash and cash equivalents from newly consolidated subsidiary	–	220
Cash and cash equivalents at end of period	139,585	132,914

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

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

Due to its liquidation, TS TECH UK LTD, our consolidated subsidiary in the UK (a specified subsidiary of the Company) is excluded from the scope of consolidation from the end of the consolidated fiscal year under review. As a result, 1,274 million yen transferred from the foreign currency translation adjustment account was recorded as other expenses on the Consolidated Statement of Income.

(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
The Americas	US, Canada, Mexico, Brazil
China	China, Hong Kong
Asia and Europe	Thailand, the Philippines, India, Indonesia, the UK,* Hungary, Poland

* Due to its liquidation, TS TECH UK LTD, our consolidated subsidiary in the UK is excluded from the scope of consolidation from the end of the consolidated fiscal year under review.

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
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.

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

(Unit: Million yen)

	Reporting segments					Adjustments	Amounts stated in consolidated F/S
	Japan	The 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
Return on investment 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	The 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.

4) Information related to products and services

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.

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.

5) Information according to region

Revenue

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Japan	60,298	60,346
US	103,735	138,645
Canada	34,233	44,079
China	111,600	116,429
Other	40,091	49,700
Total	349,958	409,200

(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)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
Japan	37,614	41,034
US	18,854	18,169
China	11,190	10,465
Other	19,781	24,893
Total	87,440	94,562

6) Information according to major customers

(Unit: Million yen)

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Honda Motor Co., Ltd. Group	313,659	364,274

(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.

	FY2022 (April 1, 2021- March 31, 2022)	FY2023 (April 1, 2022- March 31, 2023)
Income attributable to owners of parent (million yen)	12,416	5,343
Average number of common stock for the period (1,000 shares)	134,150	129,217
Basic earnings per share (yen)	92.56	41.35

(Subsequent Events)

Not applicable