

Consolidated Financial Summary Cumulative First Quarter of FY2024

(April 1, 2023 – June 30, 2023)

TS TECH Co.,Ltd.

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



Consolidated Financial Summary for the First Quarter of FY2024 (under IFRS)

August 10, 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
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 Scheduled date for filing of quarterly securities report: August 10, 2023
 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 FY2024 (April 1, 2023 – June 30, 2023)

(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 FY2024	93,190	13.6	99	—	1,500	65.0	484	—	127	—	14,517	8.2
First quarter of FY2023	82,045	(9.3)	(228)	—	909	(86.1)	(242)	—	(1,203)	—	13,422	144.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of FY2024	1.00	—
First quarter of FY2023	(9.15)	—

(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 FY2024	418,632	327,107	308,198	73.6	2,417.22
FY2023	416,226	323,458	298,791	71.8	2,343.38

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
FY2023	—	30.00	—	33.00	63.00
FY2024	—	—	—	—	—
FY2024 (forecast)	—	35.00	—	38.00	73.00

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

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

(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 FY2024	136,000,000 shares	FY2023	136,000,000 shares
2) Number of treasury stock at the end of the term	1Q of FY2024	8,498,463 shares	FY2023	8,495,146 shares
3) Average number of shares during the term (cumulative)	1Q of FY2024	127,504,480 shares	1Q of FY2023	131,497,844 shares

*This quarterly financial statement is exempt from quarterly review.

*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.

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1. Qualitative Information Concerning Quarterly Results

(1) Qualitative Information Concerning Consolidated Financial Results

Revenue for the first quarter of FY2024 (April 1, 2023 – June 30, 2023) reached 93,190 million yen on a consolidated basis, an increase of 11,144 million yen (13.6 %) from the same period in FY2023, mainly due to effect of higher production with a gradual easing parts supply shortages in Americas and foreign exchange rates, offsetting the impact of lower production in China and other segments.

Looking at profits, operating income stood at 99 million yen, an increase of 327 million yen (- %) year on year due to the effects of higher revenue, offsetting higher expenses. Income attributable to owners of parent increased of 1,331 million yen (- %) year on year to 127 million yen.

* USD/JPY average 1Q exchange rate: FY2023: ¥129.7 FY2024: ¥137.5

* CNY/JPY average 1Q exchange rate: FY2023: ¥19.6 FY2024: ¥19.6

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Revenue	16,433	17,420	986	6.0 %
Operating income/loss	(534)	1,462	1,997	- %

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher royalty revenue and development revenue.

Operating income Operating income increased primarily due to higher revenue and the elimination of the temporary expenses associated with revisions to HR system incurred in the previous period.

(Americas)

(Unit: Million yen)

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Revenue	39,328	54,249	14,920	37.9 %
Operating income/loss	(1,687)	(323)	1,364	- %

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher production with a gradual easing parts supply shortages and the effect of foreign exchange rates.

Operating income Operating loss decreased primarily due to higher revenue, offsetting higher expenses associated with higher production.

(China)

(Unit: Million yen)

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Revenue	22,459	18,469	(3,989)	(17.8) %
Operating income	3,243	932	(2,310)	(71.2) %

Main factors for year-on-year change

Revenue Revenue decreased primarily due to the impact of lower production and model mix changes, offsetting the higher parts sales.

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 FY2023	First quarter of FY2024	Difference	Change
Revenue	8,554	8,756	202	2.4 %
Operating income/loss	59	(451)	(510)	- %

Main factors for year-on-year change

Revenue Revenue slightly increased primarily due to the effect of foreign exchange rates and improvements in the model mix.

Operating income Operating income decreased due to higher costs associated with preparations for the launch of our consolidated subsidiary in Poland.

Sales by business segment are as follows:

(Unit: Million yen)

	First quarter of FY2023		First quarter of FY2024		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	1,461	1.8 %	1,868	2.0 %	407	27.9 %
Automobiles	76,367	93.1 %	86,427	92.7 %	10,059	13.2 %
(Seats)	67,692	82.5 %	78,172	83.9 %	10,479	15.5 %
(Interior products)	8,674	10.6 %	8,254	8.9 %	(420)	(4.8) %
Other businesses	4,216	5.1 %	4,894	5.3 %	677	16.1 %
Total	82,045	100.0 %	93,190	100.0 %	11,144	13.6 %

(2) Qualitative Information Concerning Consolidated Financial Positions

(Assets)

Assets at the end of the first quarter of FY2024 stood at 418,632 million yen, an increase of 2,405 million yen from the end of FY2023. This change is mainly due to an overall increase in assets attributable to foreign exchange effects. This offset a decrease in trade and other receivables stemming from lower order volume from major customers.

(Liabilities)

Liabilities at the end of the first quarter of FY2024 amounted to 91,525 million yen, down 1,242 million yen from the end of FY2023. 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 exchange effects.

(Equity)

Equity at the end of the first quarter of FY2024 was 327,107 million yen, up 3,648 million yen from the end of FY2023. This change is primarily the result of an increase in other components of equity attributable to an increase in differences on translation from foreign operations, offsetting a decrease in retained earnings and non-controlling interests on payment of cash dividends.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the first quarter of FY2024 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 12, 2023 unchanged.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto
 (1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2023 (As of March 31, 2023)	First quarter of FY2024 (As of June 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	132,914	127,812
Trade and other receivables	74,812	65,367
Other financial assets	17,757	18,383
Inventories	31,939	35,109
Income taxes receivable	2,432	2,896
Other current assets	5,813	9,075
Total assets	265,670	258,644
Non-current assets		
Property, plant and equipment	83,874	88,437
Intangible assets	10,688	11,068
Investments accounted for using the equity method	17,935	17,363
Other financial assets	29,244	33,803
Net defined benefit asset	4,941	4,957
Deferred tax assets	3,550	3,898
Other non-current assets	321	458
Total non-current assets	150,556	159,987
Total assets	416,226	418,632

(Unit: Million yen)

	FY2023 (As of March 31, 2023)	First quarter of FY2024 (As of June 30, 2023)
Liabilities and equity		
Current liabilities		
Trade and other payables	69,710	67,079
Other financial liabilities	1,166	1,354
Income taxes payable	2,318	1,661
Provisions	639	656
Other current liabilities	6,828	8,031
Total current liabilities	80,663	78,783
Non-current liabilities		
Other financial liabilities	3,662	3,598
Net defined benefit liability	1,917	2,037
Provisions	150	159
Deferred tax liabilities	5,081	5,590
Other non-current liabilities	1,292	1,357
Total non-current liabilities	12,104	12,742
Total liabilities	92,767	91,525
Equity		
Capital stock	4,700	4,700
Capital surplus	5,392	5,422
Treasury stock	(12,508)	(12,513)
Retained earnings	268,172	264,092
Other components of equity	33,035	46,496
Total equity attributable to owners of parent	298,791	308,198
Non-controlling interests	24,666	18,908
Total equity	323,458	327,107
Total liabilities and equity	416,226	418,632

(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 FY2023 (April 1, 2022 – June 30, 2022)	First quarter of FY2024 (April 1, 2023 – June 30, 2023)
Revenue	82,045	93,190
Cost of sales	(73,418)	(83,148)
Gross profit	8,626	10,041
Selling, general and administrative expenses	(9,086)	(10,797)
Other income	297	1,270
Other expenses	(66)	(415)
Operating income (loss)	(228)	99
Finance income	1,126	1,734
Finance costs	(30)	(155)
Share of profit (loss) of investments accounted for using the equity method	42	(177)
Income before tax	909	1,500
Income tax expense	(1,151)	(1,015)
Net income (loss)	(242)	484
Income (loss) attributable to		
Owners of parent	(1,203)	127
Non-controlling interests	961	356
Net income (loss)	(242)	484
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(9.15)	1.00
Diluted earnings per share (yen)	–	–

Condensed Quarterly Consolidated Statement of Comprehensive Income
Consolidated First Quarter

(Unit: Million yen)

	First quarter of FY2023 (April 1, 2022 – June 30, 2022)	First quarter of FY2024 (April 1, 2023 – June 30, 2023)
Net income (loss)	(242)	484
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefits plans	7	(7)
Financial assets measured at fair value through other comprehensive income	(362)	2,560
Share of other comprehensive income of associates accounted for using the equity method	(30)	224
Total components that will not be reclassified subsequently to net profit or loss	(385)	2,777
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	13,481	11,049
Share of other comprehensive income of associates accounted for using the equity method	569	205
Total components that may be reclassified subsequently to net profit or loss	14,050	11,255
Other comprehensive income, net of tax	13,665	14,033
Comprehensive income for the period	13,422	14,517
Comprehensive income for the period attributable to:		
Owners of parent	11,049	13,588
Non-controlling interests	2,373	928
Comprehensive income for the period	13,422	14,517

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Consolidated Cumulative 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 period	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 period	301,475	23,640	325,115

Consolidated Cumulative First Quarter of FY2024 (April 1, 2023 – June 30, 2023)

(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	5,392	(12,508)	268,172	33,035
Comprehensive income					
Net income (loss)				127	
Other comprehensive income					13,461
Total comprehensive income	–	–	–	127	13,461
Transactions with owners, etc.					
Dividends				(4,207)	
Acquisition of treasury stock					
Share-based payments		30			
Changes in equity interest of subsidiaries					
Other			(4)	–	
Total transactions with owners, etc.	–	30	(4)	(4,207)	–
Balance as at the end of the period	4,700	5,422	(12,513)	264,092	46,496

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as at the end of the previous fiscal year	298,791	24,666	323,458
Comprehensive income			
Net income (loss)	127	356	484
Other comprehensive income	13,461	572	14,033
Total comprehensive income	13,588	928	14,517
Transactions with owners, etc.			
Dividends	(4,207)	(6,687)	(10,894)
Acquisition of treasury stock	–	–	–
Share-based payments	30	–	30
Changes in equity interest of subsidiaries	–	–	–
Other	(4)	–	(4)
Total transactions with owners, etc.	(4,182)	(6,687)	(10,869)
Balance as at the end of the period	308,198	18,908	327,107

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	First quarter of FY2023 (April 1, 2022 – June 30, 2022)	First quarter of FY2024 (April 1, 2023 – June 30, 2023)
Cash flows from operating activities		
Income before tax	909	1,500
Depreciation and amortization	2,869	2,990
Loss (gain) on disposal of non-current assets	(89)	(133)
Finance income and finance costs	(754)	(909)
Share of loss (profit) of investments accounted for using the equity method	(42)	177
Decrease (increase) in trade and other receivables	4,231	12,408
Net decrease (increase) in leased receivables	1,836	44
Decrease (increase) in inventories	1,315	(1,039)
Increase (decrease) in trade and other payables	(8,608)	(6,656)
Increase in net defined benefit asset or liability	464	14
Increase (decrease) in provisions	(134)	1
Other	10	(2,994)
Subtotal	2,009	5,404
Interest income received	442	800
Dividend income received	385	394
Interest expenses paid	(30)	(154)
Income taxes paid	(3,091)	(2,721)
Cash flows from operating activities	(284)	3,725
Cash flows from investing activities		
Payments into time deposits	(1,232)	(1,398)
Proceeds from withdrawal of time deposits	1,336	1,035
Purchase of property, plant and equipment	(3,908)	(3,963)
Proceeds from sales of property, plant and equipment	130	147
Purchase of intangible assets	(367)	(874)
Purchase of equity instruments	(32)	(31)
Payments of loans receivable	(29)	(141)
Collection of loans receivable	42	38
Other	15	475
Cash flows from investing activities	(4,044)	(4,713)

(Unit: Million yen)

	First quarter of FY2023 (April 1, 2022 – June 30, 2022)	First quarter of FY2024 (April 1, 2023 – June 30, 2023)
Cash flows from financial activities		
Repayments of lease liabilities	(426)	(332)
Proceeds from sales of interests in subsidiaries to non-controlling interests	450	–
Purchase of treasury stock	(3,319)	–
Decrease (increase) in deposits for purchase of treasury stock	3,319	–
Cash dividends paid	(3,725)	(4,214)
Cash dividends paid to non-controlling interests	(6,384)	(3,199)
Cash flows from financial activities	(10,086)	(7,746)
Effect of exchange rate change on cash and cash equivalents	5,307	3,633
Net increase (decrease) in cash and cash equivalents	(9,107)	(5,101)
Cash and cash equivalents at beginning of period	139,585	132,914
Increase in cash and cash equivalents from newly consolidated subsidiaries	220	–
Cash and cash equivalents at end of period	130,698	127,812

(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 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
Share of profit of investments accounted for using the equity method	–	–	–	–	–	–	42
Income before tax	–	–	–	–	–	–	909

- (Notes)
- 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 administrative division at the parent company headquarters, which could not be allocated.
 - Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.

Consolidated first quarter of FY2024 (April 1, 2023 – June 30, 2023)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	12,719	54,198	17,980	8,291	93,190	–	93,190
Inter-segment transfer	4,700	50	489	465	5,706	(5,706)	–
Total	17,420	54,249	18,469	8,756	98,896	(5,706)	93,190
Segment profits (losses)	1,462	(323)	932	(451)	1,620	(1,521)	99
Finance income and finance costs	–	–	–	–	–	–	1,578
Share of profit (loss) of investments accounted for using the equity method	–	–	–	–	–	–	(177)
Income before tax	–	–	–	–	–	–	1,500

- (Notes)
- Adjustments of -1,521 million yen for segment profits include a deduction of 42 million yen for transactions among segments and operating expenses of -1,563 million yen associated with the administrative division at the parent company headquarters, which could not be allocated.
 - Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.