

Consolidated Financial Summary Cumulative Second Quarter of FY2024

(April 1, 2023 – September 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 Cumulative Second Quarter of FY2024 (under IFRS)

November 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
 Contact: Takeshi Otsuka, General Manager, Corporate Communication Department Tel. 048-462-1121
 Scheduled date for filing of quarterly securities report: November 13, 2023
 Scheduled date of commencement of dividend payment: November 27, 2023
 Preparation of supplementary explanatory material: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Cumulative Second Quarter of FY2024 (April 1, 2023 – September 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	%
Second quarter of FY2024	202,312	2.7	5,077	(9.7)	7,328	(1.8)	4,076	(8.9)	3,023	121.7	24,354	5.6
Second quarter of FY2023	196,978	14.8	5,625	(47.5)	7,460	(38.8)	4,474	(48.3)	1,364	(75.9)	23,066	151.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter of FY2024	23.71	—
Second quarter of FY2023	10.45	—

(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
Second quarter of FY2024	436,729	336,221	316,953	72.6	2,484.82
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	—	35.00			
FY2024 (forecast)			—	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
FY2024	440,000	7.5	20,000	31.1	23,200	24.1	15,200	40.3	12,000	124.6	94.09

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

* 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	2Q of FY2024	136,000,000 shares	FY2023	136,000,000 shares
2) Number of treasury stock at the end of the term	2Q of FY2024	8,444,187 shares	FY2023	8,495,146 shares
3) Average number of shares during the term (cumulative)	2Q of FY2024	127,527,545 shares	2Q of FY2023	130,586,932 shares

* This quarterly financial statement is exempt from quarterly reviews by certified public accountants or auditing firms.

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

The consolidated forecasts presented on the previous page are projections made by management at TS TECH Co., Ltd. (hereinafter the “Company”) on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties.

Accordingly, we request that readers of this document avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility that actual results may differ materially from these forecasts due to various important factors. Readers are asked to proceed to “(3) Qualitative Information Concerning Consolidated Forecasts” on page 4 for assumptions and other information that form the premises for the operating results forecast on the previous page.

Presentation materials used at the briefing on November 10, 2023 can be available at the following URL:

(IR Information): <https://www.tstech.co.jp/english/ir/>

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1. Qualitative Information Concerning Quarterly Results

(1) Qualitative Information Concerning Consolidated Financial Results

Revenue for the cumulative second quarter of FY2024 (April 1, 2023 – September 30, 2023) reached 202,312 million yen on a consolidated basis, an increase of 5,333 million yen (2.7%) from the same period in FY2023, mainly due to the effect of foreign exchange rates and higher parts sales, offsetting the impact of lower press tool sales mainly in Americas.

Looking at profits, operating income stood at 5,077 million yen, a decrease of 548 million yen (9.7 %) year on year due to the impact of higher expenses, offsetting higher revenue. Income attributable to owners of parent increased of 1,659 million yen (121.7%) year on year to 3,023 million yen, mainly due to lower income attributable to non-controlling interests accompanying lower income in the China, where some non-controlling interests are located.

* USD/JPY average exchange rate: 2Q FY2023: ¥134.0 2Q FY2024: ¥141.1

* CNY/JPY average exchange rate: 2Q FY2023: ¥19.9 2Q FY2024: ¥19.8

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	Cumulative second quarter of FY2023	Cumulative second quarter of FY2024	Difference	Change
Revenue	40,825	40,199	(626)	(1.5) %
Operating income	1,566	3,566	2,000	127.7 %

Main factors for year-on-year change

Revenue Revenue remained unchanged year on year primarily due to the effects of higher production and royalty revenue, offsetting lower press tool sales and development revenue.

Operating income Operating income increased primarily due to higher royalty revenue and the decrease in temporary expenses associates with revisions to HR system incurred in the previous period.

(Americas)

(Unit: Million yen)

	Cumulative second quarter of FY2023	Cumulative second quarter of FY2024	Difference	Change
Revenue	88,702	113,729	25,026	28.2 %
Operating income/loss	(4,084)	1,100	5,184	- %

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher production and the effect of foreign exchange rates, offsetting lower press tool sales.

Operating income Operating income increased due to the effects of higher revenue, offsetting higher expenses.

(China)

(Unit: Million yen)

	Cumulative second quarter of FY2023	Cumulative second quarter of FY2024	Difference	Change
Revenue	63,199	40,252	(22,947)	(36.3) %
Operating income	10,726	3,432	(7,293)	(68.0) %

Main factors for year-on-year change

Revenue Revenue decreased primarily due to the effects of lower production.

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

(Asia and Europe)

(Unit: Million yen)

	Cumulative second quarter of FY2023	Cumulative second quarter of FY2024	Difference	Change
Revenue	18,604	21,156	2,552	13.7 %
Operating income	335	122	(212)	(63.4) %

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher press tool sales and the effect of foreign exchange rates.

Operating income Operating income decreased due to higher expenses, offsetting higher revenue.

Sales by business segment are as follows:

(Unit: Million yen)

	Cumulative second quarter of FY2023		Cumulative second quarter of FY2024		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	3,793	1.9 %	3,942	1.9 %	149	3.9 %
Automobiles	184,231	93.5 %	188,051	93.0 %	3,819	2.1 %
(Seats)	165,198	83.9 %	170,148	84.1 %	4,949	3.0 %
(Interior products)	19,033	9.7 %	17,903	8.8 %	(1,130)	(5.9) %
Other businesses	8,953	4.5 %	10,319	5.1 %	1,365	15.3 %
Total	196,978	100.0 %	202,312	100.0 %	5,333	2.7 %

(2) Qualitative Information Concerning Consolidated Financial Positions

(Assets)

Assets at the end of the second quarter of FY2024 stood at 436,729 million yen, an increase of 20,502 million yen from the end of FY2023. This change was mainly due to an overall increase in assets attributable to foreign exchange effects and other factors. This offset trade and other receivables decreased due to factors including lower order volumes from major customers.

(Liabilities)

Liabilities at the end of the second quarter of FY2024 amounted to 100,508 million yen, an increase of 7,740 million yen from the end of FY2023. This change resulted primarily from an overall increase in liabilities attributable to the impact of foreign exchange effects and other factors, as well as an increase in trade and other payables attributable to factors including the recording of dividends paid to a joint venture partner.

(Equity)

Equity at the end of the second quarter of FY2024 was 336,221 million yen, an increase of 12,762 million yen from the end of FY2023. This change is primarily the result from an increase in other equity components attributable to an increase in differences on translation from foreign operations, offsetting a decrease in retained earnings and non-controlling interests on the payment of cash dividends.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account the consolidated operating results for the cumulative second quarter of FY2024 as well as the current trend in orders from major customers, the Company has revised the consolidated forecasts announced on May 12, 2023 as follows.

The assumed average full-year exchange rates are USD/JPY: ¥140.5 and CNY/JPY: ¥19.9.

Revisions to full-year consolidated forecasts for FY2024 (April 1, 2023 – March 31, 2024)

	Revenue	Operating income	Income before tax	Net income	Income attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	410,000	20,000	20,900	13,000	10,000	80.47
Revised forecasts (B)	440,000	20,000	23,200	15,200	12,000	94.09
Difference (B-A)	30,000	0	2,300	2,200	2,000	
Change in %	7.3	0.0	11.0	16.9	20.0	
(Reference) Results from previous fiscal year (FY2023)	409,200	15,257	18,692	10,835	5,343	41.35

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)	Second quarter of FY2024 (As of September 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	132,914	141,861
Trade and other receivables	74,812	73,766
Other financial assets	17,757	9,664
Inventories	31,939	35,665
Income taxes receivable	2,432	2,849
Other current assets	5,813	7,808
Total current assets	265,670	271,614
Non-current assets		
Property, plant and equipment	83,874	88,679
Intangible assets	10,688	11,198
Investments accounted for using the equity method	17,935	17,937
Other financial assets	29,244	37,554
Defined benefit asset	4,941	4,926
Deferred tax assets	3,550	4,366
Other non-current assets	321	449
Total non-current assets	150,556	165,114
Total assets	416,226	436,729

(Unit: Million yen)

	FY2023 (As of March 31, 2023)	Second quarter of FY2024 (As of September 30, 2023)
Liabilities and equity		
Current liabilities		
Trade and other payables	69,710	75,911
Other financial liabilities	1,166	1,362
Income taxes payable	2,318	2,783
Provisions	639	463
Other current liabilities	6,828	6,647
Total current liabilities	80,663	87,168
Non-current liabilities		
Other financial liabilities	3,662	3,561
Defined benefit liability	1,917	1,938
Provisions	150	157
Deferred tax liabilities	5,081	6,380
Other non-current liabilities	1,292	1,302
Total non-current liabilities	12,104	13,339
Total liabilities	92,767	100,508
Equity		
Capital stock	4,700	4,700
Capital surplus	5,392	5,370
Treasury stock	(12,508)	(12,433)
Retained earnings	268,172	266,989
Other components of equity	33,035	52,327
Total equity attributable to owners of parent	298,791	316,953
Non-controlling interests	24,666	19,268
Total equity	323,458	336,221
Total liabilities and equity	416,226	436,729

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

(Unit: Million yen)

	Consolidated cumulative second quarter of FY2023 (April 1, 2022– September 30, 2022)	Consolidated cumulative second quarter of FY2024 (April 1, 2023– September 30, 2023)
Revenue	196,978	202,312
Cost of sales	(172,791)	(176,469)
Gross profit	24,187	25,842
Selling, general and administrative expenses	(18,993)	(21,606)
Other income	581	1,673
Other expenses	(150)	(832)
Operating income	5,625	5,077
Finance income	1,809	2,478
Finance costs	(68)	(184)
Share of profit (loss) of investments accounted for using the equity method	93	(42)
Income before tax	7,460	7,328
Income tax expense	(2,986)	(3,252)
Net income	4,474	4,076
Income attributable to		
Owners of parent	1,364	3,023
Non-controlling interests	3,110	1,052
Net income	4,474	4,076
Earnings per share		
Basic earnings per share (yen)	10.45	23.71
Diluted earnings per share (yen)	–	–

Condensed Quarterly Consolidated Statement of Comprehensive Income
Consolidated Cumulative Second Quarter

(Unit: Million yen)

	Consolidated cumulative second quarter of FY2023 (April 1, 2022– September 30, 2022)	Consolidated cumulative second quarter of FY2024 (April 1, 2023– September 30, 2023)
Net income	4,474	4,076
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefits plans	21	(30)
Financial assets measured at fair value through other comprehensive income	(875)	4,794
Share of other comprehensive income of associates accounted for using the equity method	(61)	393
Total components that will not be reclassified subsequently to net profit or loss	(915)	5,157
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	18,292	14,636
Share of other comprehensive income of associates accounted for using the equity method	1,216	483
Total components that may be reclassified subsequently to net profit or loss	19,508	15,120
Other comprehensive income, net of tax	18,592	20,277
Comprehensive income for the period	23,066	24,354
Comprehensive income for the period attributable to:		
Owners of parent	18,497	22,316
Non-controlling interests	4,568	2,038
Comprehensive income for the period	23,066	24,354

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Consolidated Cumulative Second Quarter of FY2023 (April 1, 2022 – September 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				1,364	
Other comprehensive income					17,133
Total comprehensive income	–	–	–	1,364	17,133
Transactions with owners, etc.					
Dividends				(3,719)	
Acquisition of treasury stock			(5,565)		
Disposal of treasury stock		(83)	83		
Share-based payments		77			
Changes in equity interest of subsidiaries		183			
Other			0	385	
Total transactions with owners, etc.	–	177	(5,481)	(3,334)	–
Balance as at the end of the period	4,700	5,328	(10,218)	268,061	38,844

	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	1,364	3,110	4,474
Other comprehensive income	17,133	1,458	18,592
Total comprehensive income	18,497	4,568	23,066
Transactions with owners, etc.			
Dividends	(3,719)	(7,766)	(11,486)
Acquisition of treasury stock	(5,565)		(5,565)
Disposal of treasury stock	–		–
Share-based payments	77		77
Changes in equity interest of subsidiaries	183	187	371
Other	385		385
Total transactions with owners, etc.	(8,637)	(7,578)	(16,216)
Balance as at the end of the period	306,715	25,718	332,433

Consolidated Cumulative Second Quarter of FY2024 (April 1, 2023 – September 30, 2023)

(Unit: Million yen)

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

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

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	Consolidated cumulative second quarter of FY2023 (April 1, 2022– September 30, 2022)	Consolidated cumulative second quarter of FY2024 (April 1, 2023– September 30, 2023)
Cash flows from operating activities		
Income before tax	7,460	7,328
Depreciation and amortization	5,777	6,117
Loss (gain) on disposal of non-current assets	(112)	(315)
Finance income and finance costs	(1,119)	(1,701)
Share of loss (profit) of investments accounted for using the equity method	(93)	42
Decrease (increase) in trade and other receivables	646	5,551
Decrease (increase) in lease receivables	1,621	1,335
Decrease (increase) in inventories	5,917	(1,027)
Increase (decrease) in trade and other payables	2,022	243
Increase or decrease in net defined benefit asset or liability	160	(57)
Increase (decrease) in provisions	19	(195)
Other	515	(2,325)
Subtotal	22,817	14,998
Interest income received	797	1,551
Dividend income received	396	451
Interest expenses paid	(68)	(182)
Income taxes paid	(4,171)	(4,224)
Cash flows from operating activities	19,771	12,595
Cash flows from investing activities		
Payments into time deposits	(2,466)	(3,283)
Proceeds from withdrawal of time deposits	6,434	11,194
Purchase of property, plant and equipment	(7,098)	(6,787)
Proceeds from sales of property, plant and equipment	218	301
Purchase of intangible assets	(766)	(1,638)
Purchase of equity instruments	(44)	(46)
Payments of loans receivable	(57)	(188)
Collection of loans receivable	61	58
Other	(49)	480
Cash flows from investing activities	(3,768)	89

(Unit: Million yen)

	Consolidated cumulative second quarter of FY2023 (April 1, 2022– September 30, 2022)	Consolidated cumulative second quarter of FY2024 (April 1, 2023– September 30, 2023)
Cash flows from financial activities		
Repayments of lease liabilities	(879)	(713)
Proceeds from sales of interests in subsidiaries to non-controlling interests	450	–
Purchase of treasury stock	(5,565)	–
Decrease (increase) in deposits for purchase of treasury stock	5,565	–
Cash dividends paid	(3,725)	(4,214)
Cash dividends paid to non-controlling interests	(6,501)	(4,248)
Cash flows from financial activities	(10,656)	(9,176)
Effect of exchange rate change on cash and cash equivalents	7,284	5,438
Net increase (decrease) in cash and cash equivalents	12,630	8,946
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	152,437	141,861

(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 Cumulative second quarter of FY2023 (April 1, 2022 – September 30, 2022)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	28,397	88,458	62,186	17,936	196,978	–	196,978
Inter-segment transfer	12,428	244	1,013	667	14,353	(14,353)	–
Total	40,825	88,702	63,199	18,604	211,332	(14,353)	196,978
Segment profits (losses)	1,566	(4,084)	10,726	335	8,543	(2,917)	5,625
Finance income and finance costs	–	–	–	–	–	–	1,741
Share of profit of investments accounted for using the equity method	–	–	–	–	–	–	93
Income before tax	–	–	–	–	–	–	7,460

- (Notes)
- Adjustments of -2,917 million yen for segment profits include a deduction of 58 million yen for transactions among segments and operating expenses of -2,975 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 Cumulative second quarter of FY2024 (April 1, 2023 – September 30, 2023)

(Unit: Million yen)

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

- (Notes)
- Adjustments of -3,145 million yen for segment profits include a deduction of 51 million yen for transactions among segments and operating expenses of -3,197 million yen associated with the administrative division at the parent company headquarters, which could not be allocated.
 - Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.