

Consolidated Financial Summary Cumulative Third Quarter of FY2024

(April 1, 2023 – December 31, 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 Third Quarter of FY2024 (under IFRS)

February 9, 2024

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: February 13, 2024
 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 Cumulative Third Quarter of FY2024 (April 1, 2023 – December 31, 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	%
Third quarter of FY2024	329,497	8.9	14,040	36.3	17,502	33.1	12,246	59.1	9,363	170.0	24,685	75.4
Third quarter of FY2023	302,473	17.2	10,300	(31.8)	13,147	(24.4)	7,698	(40.7)	3,467	(57.3)	14,071	(20.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of FY2024	73.42	—
Third quarter of FY2023	26.72	—

(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
Third quarter of FY2024	431,064	332,116	311,489	72.3	2,441.99
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: 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	3Q of FY2024	136,000,000 shares	FY2023	136,000,000 shares
2) Number of treasury stock at the end of the term	3Q of FY2024	8,444,587 shares	FY2023	8,495,146 shares
3) Average number of shares during the term (cumulative)	3Q of FY2024	127,536,980 shares	3Q of FY2023	129,776,234 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.

○Table 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 cumulative third quarter of FY2024 (April 1, 2023 – December 31, 2023) reached 329,497 million yen on a consolidated basis, an increase of 27,023 million yen (8.9%) from the same period in FY2023, mainly due to the effects of higher production and foreign exchange rates, offsetting the impact of lower press tool sales mainly in Americas.

Looking at profits, operating income stood at 14,040 million yen, an increase of 3,740 million yen (36.3%) year on year due to the effect of higher revenue, offsetting higher expenses. Income attributable to owners of parent increased of 5,895 million yen (170.0%) year on year to 9,363 million yen, mainly due to lower income attributable to non-controlling interests accompanying lower income in China, where some non-controlling interests are located.

* USD/JPY average exchange rate: 3Q FY2023: ¥136.5 3Q FY2024: ¥143.3

* CNY/JPY average exchange rate: 3Q FY2023: ¥19.9 3Q FY2024: ¥20.0

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	Cumulative third quarter of FY2023	Cumulative third quarter of FY2024	Difference	Change
Revenue	63,206	65,793	2,586	4.1 %
Operating income	4,384	6,387	2,003	45.7 %

Main factors for year-on-year change

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

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

(Americas)

(Unit: Million yen)

	Cumulative third quarter of FY2023	Cumulative third quarter of FY2024	Difference	Change
Revenue	138,006	175,636	37,629	27.3 %
Operating income/loss	(5,094)	1,891	6,986	– %

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 primarily due to higher revenue, offsetting higher expenses.

(China)

(Unit: Million yen)

	Cumulative third quarter of FY2023	Cumulative third quarter of FY2024	Difference	Change
Revenue	93,354	72,264	(21,089)	(22.6) %
Operating income	14,831	8,720	(6,110)	(41.2) %

Main factors for year-on-year change

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

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 third quarter of FY2023	Cumulative third quarter of FY2024	Difference	Change
Revenue	29,058	35,403	6,344	21.8 %
Operating income	524	1,748	1,224	233.4 %

Main factors for year-on-year change

Revenue Revenue increased primarily due to the effects of foreign exchange rates and higher production.

Operating income Operating income increased primarily due to higher revenue, offsetting higher expenses.

Sales by business segment are as follows:

(Unit: Million yen)

	Cumulative third quarter of FY2023		Cumulative third quarter of FY2024		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	6,105	2.0 %	5,961	1.8 %	(144)	(2.4) %
Automobiles	282,829	93.5 %	307,231	93.2 %	24,402	8.6 %
(Seats)	254,170	84.0 %	280,053	85.0 %	25,882	10.2 %
(Interior products)	28,659	9.5 %	27,178	8.2 %	(1,480)	(5.2) %
Other businesses	13,538	4.5 %	16,303	4.9 %	2,765	20.4 %
Total	302,473	100.0 %	329,497	100.0 %	27,023	8.9 %

(2) Qualitative Information Concerning Consolidated Financial Positions

(Assets)

Assets at the end of the third quarter of FY2024 stood at 431,064 million yen, an increase of 14,837 million yen from the end of FY2023. This change was mainly due to an overall increase in assets attributable to the impact of foreign exchange rates and other factors.

(Liabilities)

Liabilities at the end of the third quarter of FY2024 amounted to 98,947 million yen, an increase of 6,179 million yen from the end of FY2023. This change resulted primarily from an overall increase in liabilities attributable to the impact of foreign exchange rates and other factors, as well as an increase in trade and other payables attributable to higher order volumes from major customers and other factors.

(Equity)

Equity at the end of the third quarter of FY2024 was 332,116 million yen, an increase of 8,657 million yen from the end of FY2023. This change was 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 non-controlling interests on the payment of cash dividends to some joint venture partners.

(3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the cumulative third 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 November 10, 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)	Third quarter of FY2024 (As of December 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	132,914	143,386
Trade and other receivables	74,812	75,041
Other financial assets	17,757	9,296
Inventories	31,939	34,702
Income taxes receivable	2,432	3,332
Other current assets	5,813	6,668
Total current assets	265,670	272,426
Non-current assets		
Property, plant and equipment	83,874	86,024
Intangible assets	10,688	10,826
Investments accounted for using the equity method	17,935	17,913
Other financial assets	29,244	34,218
Defined benefit asset	4,941	4,910
Deferred tax assets	3,550	4,368
Other non-current assets	321	375
Total non-current assets	150,556	158,637
Total assets	416,226	431,064

(Unit: Million yen)

	FY2023 (As of March 31, 2023)	Third quarter of FY2024 (As of December 31, 2023)
Liabilities and equity		
Current liabilities		
Trade and other payables	69,710	75,262
Other financial liabilities	1,166	1,087
Income taxes payable	2,318	3,509
Provisions	639	231
Other current liabilities	6,828	7,123
Total current liabilities	80,663	87,214
Non-current liabilities		
Other financial liabilities	3,662	3,561
Defined benefit liability	1,917	1,959
Provisions	150	156
Deferred tax liabilities	5,081	4,714
Other non-current liabilities	1,292	1,339
Total non-current liabilities	12,104	11,732
Total liabilities	92,767	98,947
Equity		
Capital stock	4,700	4,700
Capital surplus	5,392	5,398
Treasury stock	(12,508)	(12,434)
Retained earnings	268,172	268,864
Other components of equity	33,035	44,960
Total equity attributable to owners of parent	298,791	311,489
Non-controlling interests	24,666	20,626
Total equity	323,458	332,116
Total liabilities and equity	416,226	431,064

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

(Unit: Million yen)

	Consolidated cumulative third quarter of FY2023 (April 1, 2022– December 31, 2022)	Consolidated cumulative third quarter of FY2024 (April 1, 2023– December 31, 2023)
Revenue	302,473	329,497
Cost of sales	(263,849)	(283,330)
Gross profit	38,624	46,166
Selling, general and administrative expenses	(28,934)	(33,071)
Other income	837	2,218
Other expenses	(228)	(1,274)
Operating income	10,300	14,040
Finance income	2,360	3,751
Finance costs	(101)	(221)
Share of profit (loss) of investments accounted for using the equity method	588	(67)
Income before tax	13,147	17,502
Income tax expense	(5,449)	(5,255)
Net income	7,698	12,246
Income attributable to		
Owners of parent	3,467	9,363
Non-controlling interests	4,230	2,883
Net income	7,698	12,246
Earnings per share		
Basic earnings per share (yen)	26.72	73.42
Diluted earnings per share (yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income
Consolidated Cumulative Third Quarter

(Unit: Million yen)

	Consolidated cumulative Third quarter of FY2023 (April 1, 2022– December 31, 2022)	Consolidated cumulative Third quarter of FY2024 (April 1, 2023– December 31, 2023)
Net income	7,698	12,246
Other comprehensive income		
Components that will not be reclassified subsequently to net profit or loss		
Remeasurements of defined benefits plans	21	(21)
Financial assets measured at fair value through other comprehensive income	(1,049)	3,060
Share of other comprehensive income of associates accounted for using the equity method	(56)	249
Total components that will not be reclassified subsequently to net profit or loss	(1,084)	3,288
Components that may be reclassified subsequently to net profit or loss		
Differences on translation from foreign operations	6,260	8,483
Share of other comprehensive income of associates accounted for using the equity method	1,197	667
Total components that may be reclassified subsequently to net profit or loss	7,457	9,150
Other comprehensive income, net of tax	6,373	12,439
Comprehensive income for the period	14,071	24,685
Comprehensive income for the period attributable to:		
Owners of parent	9,955	21,288
Non-controlling interests	4,116	3,396
Comprehensive income for the period	14,071	24,685

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 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				3,467	
Other comprehensive income					6,487
Total comprehensive income	–	–	–	3,467	6,487
Transactions with owners, etc.					
Dividends				(7,588)	
Acquisition of treasury stock			(7,847)		
Disposal of treasury stock		(83)	83		
Share-based payments		111			
Changes in equity interest of subsidiaries		183			
Other			(1)	385	
Total transactions with owners, etc.	–	211	(7,765)	(7,203)	–
Balance as at the end of the period	4,700	5,362	(12,502)	266,296	28,198

	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	3,467	4,230	7,698
Other comprehensive income	6,487	(114)	6,373
Total comprehensive income	9,955	4,116	14,071
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	111		111
Changes in equity interest of subsidiaries	183	187	371
Other	383		383
Total transactions with owners, etc.	(14,756)	(9,968)	(24,725)
Balance as at the end of the period	292,053	22,875	314,929

Consolidated Cumulative Third Quarter of FY2024 (April 1, 2023 – December 31, 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				9,363	
Other comprehensive income					11,925
Total comprehensive income	–	–	–	9,363	11,925
Transactions with owners, etc.					
Dividends				(8,672)	
Acquisition of treasury stock					
Disposal of treasury stock		(83)	83		
Share-based payments		89			
Changes in equity interest of subsidiaries					
Other			(9)		
Total transactions with owners, etc.	–	6	74	(8,672)	–
Balance as at the end of the period	4,700	5,398	(12,434)	268,864	44,960

	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	9,363	2,883	12,246
Other comprehensive income	11,925	513	12,439
Total comprehensive income	21,288	3,396	24,685
Transactions with owners, etc.			
Dividends	(8,672)	(7,436)	(16,109)
Acquisition of treasury stock	–	–	–
Disposal of treasury stock	–	–	–
Share-based payments	89	–	89
Changes in equity interest of subsidiaries	–	–	–
Other	(9)	–	(9)
Total transactions with owners, etc.	(8,591)	(7,436)	(16,028)
Balance as at the end of the period	311,489	20,626	332,116

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	Consolidated cumulative third quarter of FY2023 (April 1, 2022– December 31, 2022)	Consolidated cumulative third quarter of FY2024 (April 1, 2023– December 31, 2023)
Cash flows from operating activities		
Income before tax	13,147	17,502
Depreciation and amortization	8,912	9,388
Impairment loss	15	115
Loss (gain) on disposal of non-current assets	(183)	(495)
Finance income and finance costs	(1,748)	(2,770)
Share of loss (profit) of investments accounted for using the equity method	(588)	67
Decrease (increase) in trade and other receivables	13,379	2,121
Decrease (increase) in lease receivables	2,657	3,162
Decrease (increase) in inventories	7,562	(1,097)
Increase (decrease) in trade and other payables	(4,626)	2,237
Increase or decrease in net defined benefit asset or liability	275	17
Increase (decrease) in provisions	(12)	(422)
Other	(4,078)	986
Subtotal	34,712	30,811
Interest income received	1,273	2,204
Dividend income received	1,190	1,681
Interest expenses paid	(101)	(215)
Income taxes paid	(7,211)	(6,712)
Cash flows from operating activities	29,864	27,770
Cash flows from investing activities		
Payments into time deposits	(14,059)	(4,522)
Proceeds from withdrawal of time deposits	10,789	12,499
Purchase of property, plant and equipment	(10,256)	(9,313)
Proceeds from sales of property, plant and equipment	595	952
Purchase of intangible assets	(1,872)	(2,491)
Purchase of equity instruments	(75)	(92)
Payments of loans receivable	(79)	(212)
Collection of loans receivable	107	99
Other	(51)	536
Cash flows from investing activities	(14,902)	(2,544)

(Unit: Million yen)

	Consolidated cumulative third quarter of FY2023 (April 1, 2022– December 31, 2022)	Consolidated cumulative third quarter of FY2024 (April 1, 2023– December 31, 2023)
Cash flows from financial activities		
Repayments of lease liabilities	(1,549)	(1,061)
Proceeds from sales of interests in subsidiaries to non-controlling interests	450	–
Purchase of treasury stock	(7,847)	–
Decrease (increase) in deposits for purchase of treasury stock	7,870	–
Cash dividends paid	(7,600)	(8,687)
Cash dividends paid to non-controlling interests	(7,766)	(7,651)
Cash flows from financial activities	(16,444)	(17,400)
Effect of exchange rate change on cash and cash equivalents	1,288	2,646
Net increase (decrease) in cash and cash equivalents	(194)	10,471
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	139,611	143,386

(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 third quarter of FY2023 (April 1, 2022 – December 31, 2022)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	45,067	137,477	91,959	27,969	302,473	–	302,473
Inter-segment transfer	18,139	529	1,394	1,089	21,152	(21,152)	–
Total	63,206	138,006	93,354	29,058	323,626	(21,152)	302,473
Segment profits (losses)	4,384	(5,094)	14,831	524	14,645	(4,344)	10,300
Finance income and finance costs	–	–	–	–	–	–	2,259
Share of profit of investments accounted for using the equity method	–	–	–	–	–	–	588
Income before tax	–	–	–	–	–	–	13,147

- (Notes)
1. Adjustments of -4,344 million yen for segment profits include a deduction of 163 million yen for transactions among segments and operating expenses of -4,508 million yen associated with the administrative division at the parent company headquarters, which could not be allocated.
 2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.

Consolidated Cumulative third quarter of FY2024 (April 1, 2023 – December 31, 2023)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	49,775	175,167	70,779	33,774	329,497	–	329,497
Inter-segment transfer	16,017	469	1,484	1,629	19,600	(19,600)	–
Total	65,793	175,636	72,264	35,403	349,098	(19,600)	329,497
Segment profits	6,387	1,891	8,720	1,748	18,749	(4,708)	14,040
Finance income and finance costs	–	–	–	–	–	–	3,529
Share of losst of investments accounted for using the equity method	–	–	–	–	–	–	(67)
Income before tax	–	–	–	–	–	–	17,502

- (Notes)
1. Adjustments of -4,708 million yen for segment profits include a deduction of -46 million yen for transactions among segments and operating expenses of -4,662 million yen associated with the administrative division at the parent company headquarters, which could not be allocated.
 2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.