

FY2020 Financial Result

From April 1, 2020 through March 31, 2021



TTK2 Kai

TACHI-S CO.,LTD.
May 27th, 2021



Concept X-3 "Driver's Sofa"

Corporate Overview



Company Name	TACHI-S CO., LTD.
Corporate Headquarters	3-3-7, Matsubara-cho, Akishima-shi, Tokyo
Date of Establishment	April 7, 1954
Paid-in Capital	9.04 billion yen
Net Sales	198.5 billion yen (Consolidated) (Fiscal Year Ended March 31, 2021)
Number of Employees	12,421 (Consolidated) (As of March 31, 2021)
Stock Exchange Listing	Tokyo / First Section (Securities Code : 7239)
Business Contents	Manufacturing of automotive seats

FY2020 Financial Result

FY2021 Financial Forecast

Mid-term Management Plan

- **Business Strategy**
- **Financial and Capital Strategies**
- **Corporate Governance**

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Financial Result

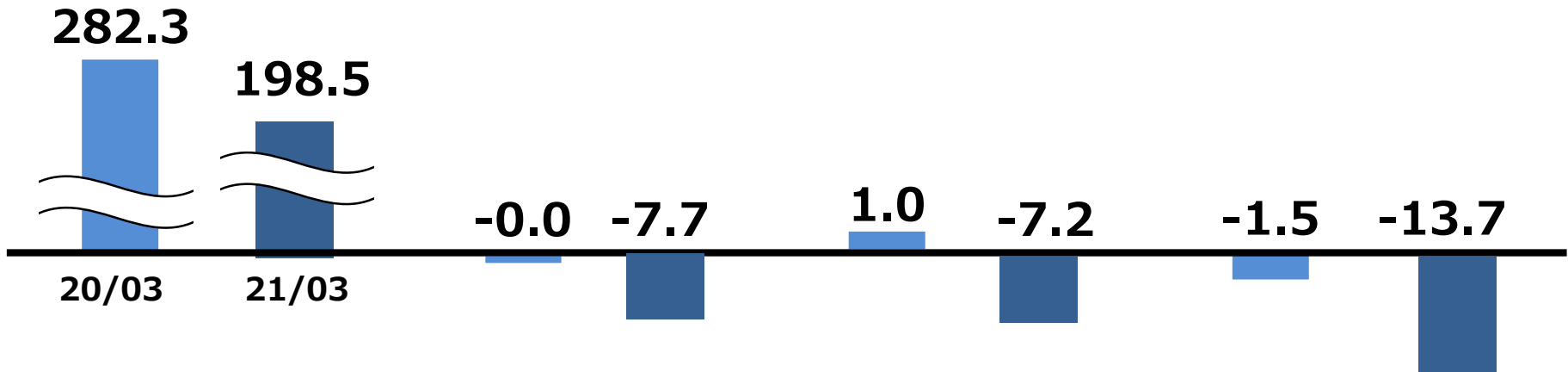
(Consolidated)



vs. previous year

(Unit: billion yen)
(Amounts are rounded down)

	2020/03	2021/03	Change	Change(%)
Net Sales	282.3	198.5	-83.8	-29.7
Operating Income	-0.0	-7.7	-7.7	—
Ordinary Income	1.0	-7.2	-8.3	—
Net Income*	-1.5	-13.7	-12.1	—



Net Sales

Operating Income

Ordinary Income

Net Income

Analysis of Increase / Decrease (Consolidated)



vs. previous year

Net Sales

(Unit: billion yen)
(Amounts are rounded down)

282.3

COVID-19 impact
21/03 -43.2

198.5

Region

Change

Change(%)

88.4

Japan

-39.1

-30.7%

29.3

North America

-14.2

-32.6%

41.1

Latin America

-16.4

-28.5%

0.5

Europe

-1.0

-64.9%

37.7

China

-10.5

-21.9%

1.1

Southeast Asia

-2.3

-67.1%

20/03

21/03

Exchange Rate	20/03	USD=¥109.13	RMB=¥15.86
	21/03	USD=¥105.79	RMB=¥15.41

Analysis of Increase / Decrease (Consolidated)



vs. previous year

COVID-19 impact
21/03 -7.0

(Unit: billion yen)
(Amounts are rounded down)

Operating Income

-7.7 Region Change

-0.0

0.0 Europe **-0.0**

1.1 China **-2.8**

-2.0 Japan **-1.7**

-2.1 North America **-1.1**

-4.0 Latin America **-1.8**

-0.6 Southeast Asia **-0.2**

20/03

21/03

Net Income

-13.7 Region Change

-1.5

0.0 Europe **0.0**

1.0 Equity method affiliates **-0.1**

-6.6 Japan **-6.4**

-1.9 North America **-0.6**

-5.4 Latin America **-2.6**

-0.0 China **-1.9**

-0.5 Southeast Asia **-0.2**

20/03

21/03

FY2020 Results (Consolidated)



vs previous forecast

(Unit: billion yen)
(Amounts are rounded down)

	2021/03 Released	2021/03 Actual					Change
			Q1	Q2	Q3	Q4	
Net Sales	187.0	198.5	37.9	41.6	58.3	60.5	11.5
Operating Income	-9.0	-7.7	-5.5	-3.9	-0.0	1.8	1.2
Ordinary Income	-10.5	-7.2	-7.0	-3.9	0.6	3.0	3.2
Net Income*	-12.7	-13.7	-7.1	-5.8	0.1	-0.7	-1.0

<Summary for results ended in March, 2021>

- ◆ Impact of COVID-19 on sales from Q1 to Q2. Back on recovery track from Q3.
- ◆ Operating income recovered from Q3 through cost reduction and profit improvement activities to recover from decline in sales and revenues, and achieved profitability on a global basis in Q4.
- ◆ Japan, China, and Europe turned profitable in Q3, and Latin America turned profitable in Q4.
- ◆ Performance of affiliates (equity in earnings) also recovered in China and North America.
- ◆ Extraordinary gains and losses:
 - Q2: 2.1 billion yen for special early retirement on TACHI-S non-consolidated basis.
 - Q4: 2.7 billion yen for impairment loss on TACHI-S non-consolidated basis.
0.7 billion yen for business revitalization in Latin America.

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Annual Forecasts (Consolidated)

(Unit: billion yen)
(Amounts are rounded down)

vs previous forecast

	21/03	22/03	Change	Change(%)
Net Sales	198.5	234.0	35.4	17.9
Operating Income	-7.7	1.4	9.1	—
Ordinary Income	-7.2	1.8	9.0	—
Net Income*	-13.7	0.1	13.8	—

<Summary for results ended in March, 2022>

- ◆ Net sales in Japan is forecasted to decrease by about 19 billion yen YoY due to the change in revenue recognition standard.
- ◆ Forecast revenue increase by 27% based on the old standard. Despite revenues in China are forecasted to decline due to the timing of model change, revenues in other major regions are forecasted to increase.
- ◆ Operating income to be profitable in the full year due to sales increase and initial positive impact from structural reform in Japan and Latin America started in FY2020.
- ◆ Japan and China are forecasted to be profitable. Although Latin America is not expected to return to positive, a significant improvement in profitability is expected.
- ◆ Affiliates (equity in earnings) are also forecasted to recover in earnings.
- ◆ Net income is forecasted to significantly improve in Japan, Latin America and other regions, where recorded restructuring costs in FY2020.

Analysis of Increase / Decrease (Consolidated)

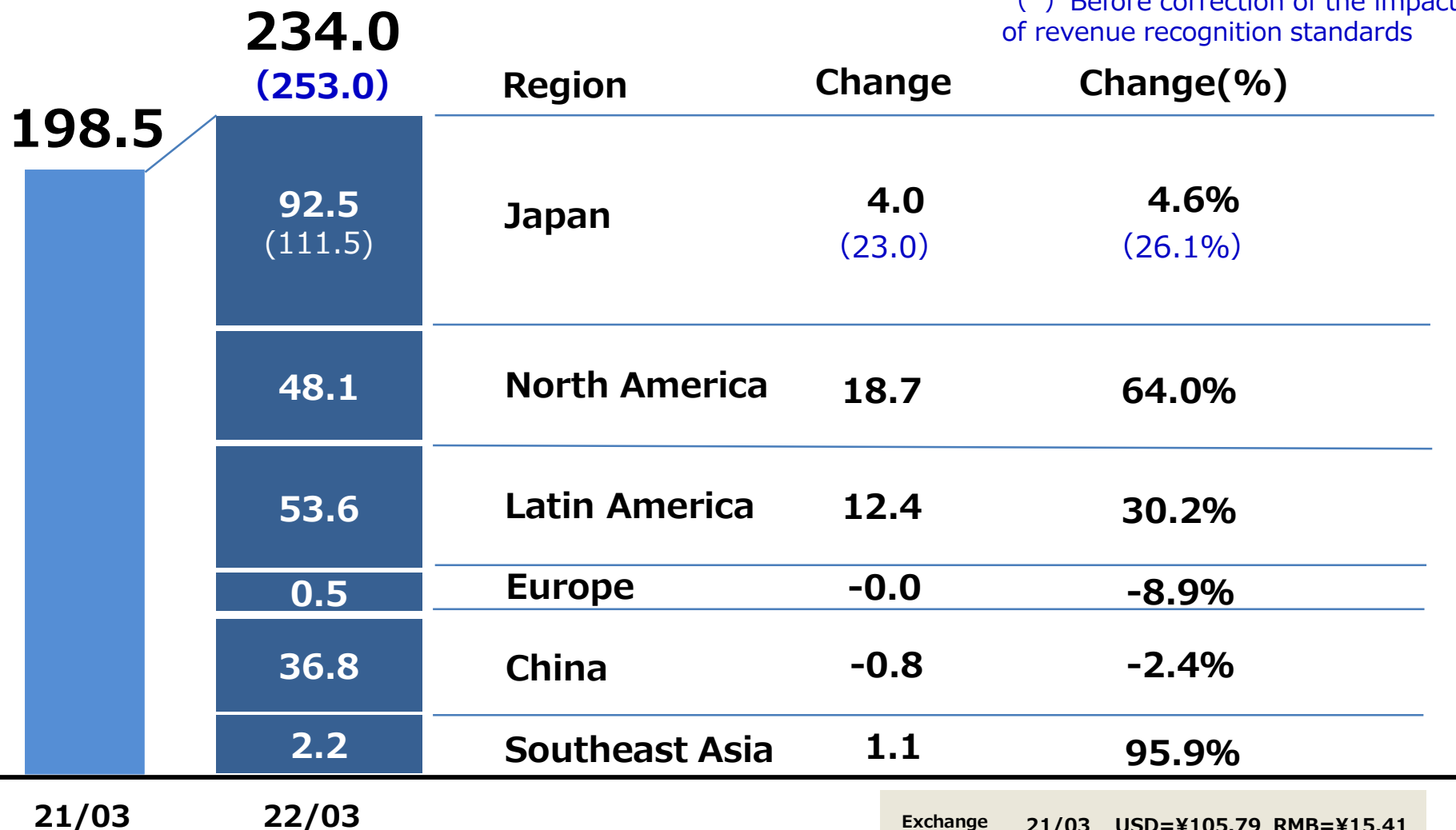


vs. previous year

Net Sales

(Unit: billion yen)
(Amounts are rounded down)

() Before correction of the impact
of revenue recognition standards



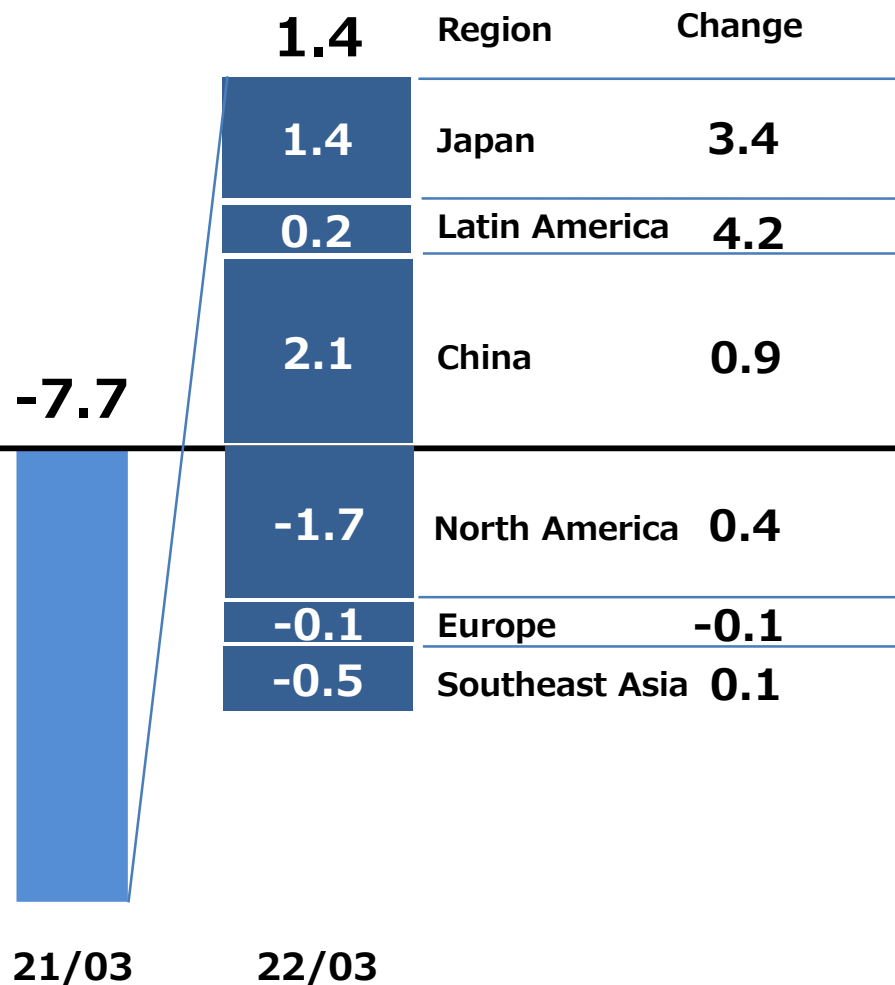
Analysis of Increase / Decrease (Consolidated)



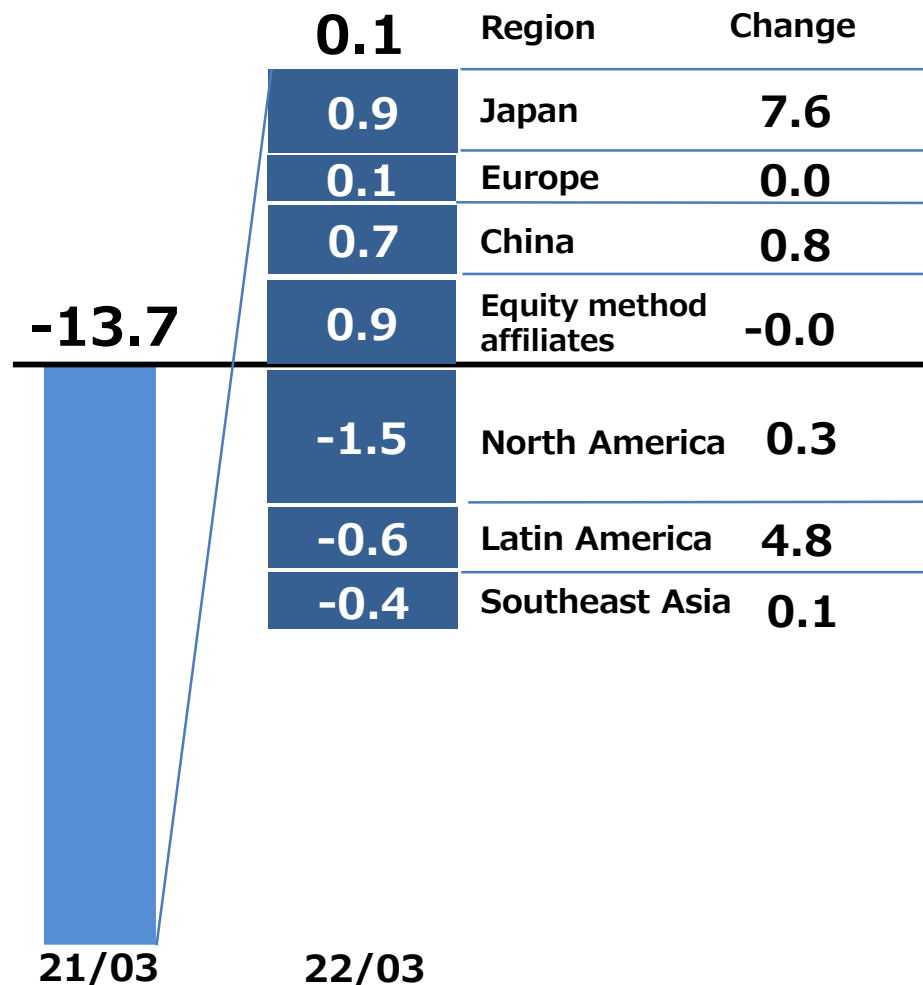
vs. previous year

(Unit: billion yen)
(Amounts are rounded down)

Operating Income



Net Income



FY2020 Financial Result

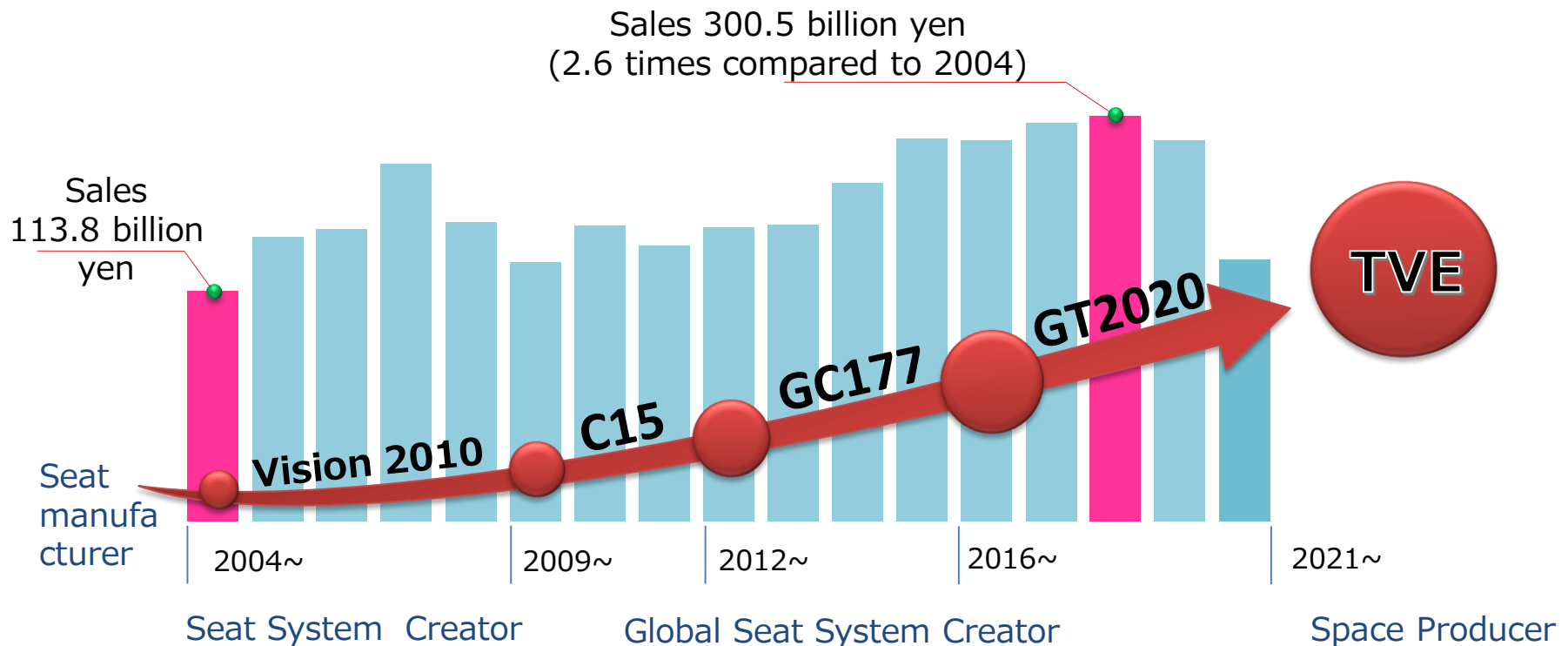
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History

Started as a seat manufacturer, TACHI-S has grown to a “Seat System Creator” with fully integrated development and production systems and then to a “Global Seat System Creator” providing our products the world over. Along with globalization of our customers, we have increased our sales. As the automotive industry enters a once-in-a-century transformation, however, the environment surrounding our company is changing drastically, and we must make changes in the way we do things or we are no longer able to envision our sustainable growth. In order to offer new value through our business activities and to survive as a truly independent company, we defined “Purpose of TACHI-S” and formulated a mid-term management plan for 2021 to 2024, tentatively named **“Transformative Value Evolution (TVE)”**.



Corporate Vision

Bring smiles by continuously creating comfortable living spaces to enrich people's lives in harmony with people and society

Technology to support human posture with "safety, security and comfort"
Technology to "combine" various materials
Monozukuri capabilities to "deliver high-quality products on a global scale"

We defined Purpose of Tachi-S (the axis of corporate activities) to provide social and economic value and to realize a sustainable society.

Supporting People and the Earth through Seating Technology

Supporting posture of people

We will contribute to people's health and Quality of Life by providing comfort/safety/sense of security for sitting posture that occupies 30% of the day, and for various postures.

Supporting people

We will support all stakeholders and society through our business.

Supporting the Earth

Based on the spirit of "Mutual concession and cooperation" taught by our founder, we will maintain harmony with the Earth by addressing SDGs initiatives and contribute to the realization of a sustainable and environmentally friendly world.

Summary

➤ Quality

Earning evaluations from markets, we won No.1 for 2 segments of the J.D. Power in North America in FY2018 and FY2019.

In addition, we received two quality awards from our customers in each region in FY2016. Every year we received more awards and, we won nine quality awards in FY2020.

➤ Performance

As our customers became more globalized, we expanded production sites and increased production volume and sales. However, our production volume decreased in line with the drop in global production volume from the latter half of FY2018. Although we have maintained 4% level of share in the global market, our operating income ratio has decreased.

Review

In expanding our global network, our development for new models and support for manufacturing site were implemented individually which resulted in inefficient operations in receiving orders activities and development and production preparation activities. Also, due to the fact that we put focus on receiving orders as the foundation of future business, our “target costing” was not proceeded sufficient enough which resulted in a decrease in operating income ratio.

Global
Teamwork
2020

Restore customer's trust and become 'Continuously Selected Company'

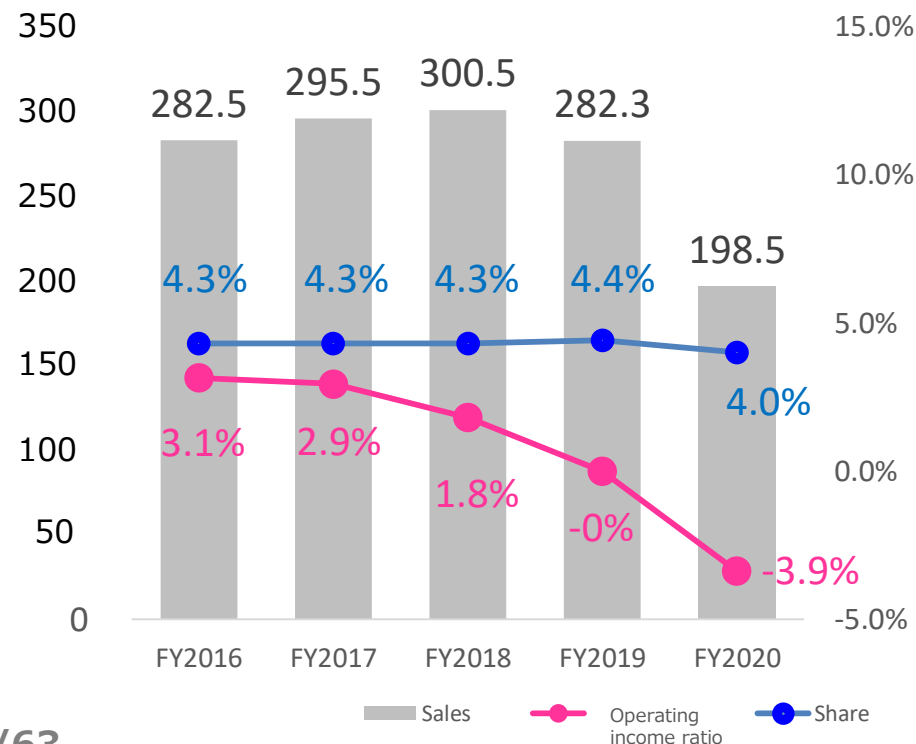
■ Build solid business base that enables sustainable achievement of Goals of Vision GC177 in 2020.

■ Quality: NO.1 ■ Sales: 350 billion yen or above
■ Operating income ratio: 7% or above

- Propose 'Added Value' to Customers Continuously using Strengths that we have as an Independent Supplier
- Serve customers with reliable process all the way starting from Advanced Development
- Serve customers globally with group's world-wide business bases

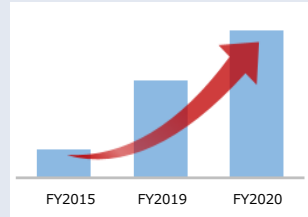
(billion yen)

Consolidated



Review on GT2020

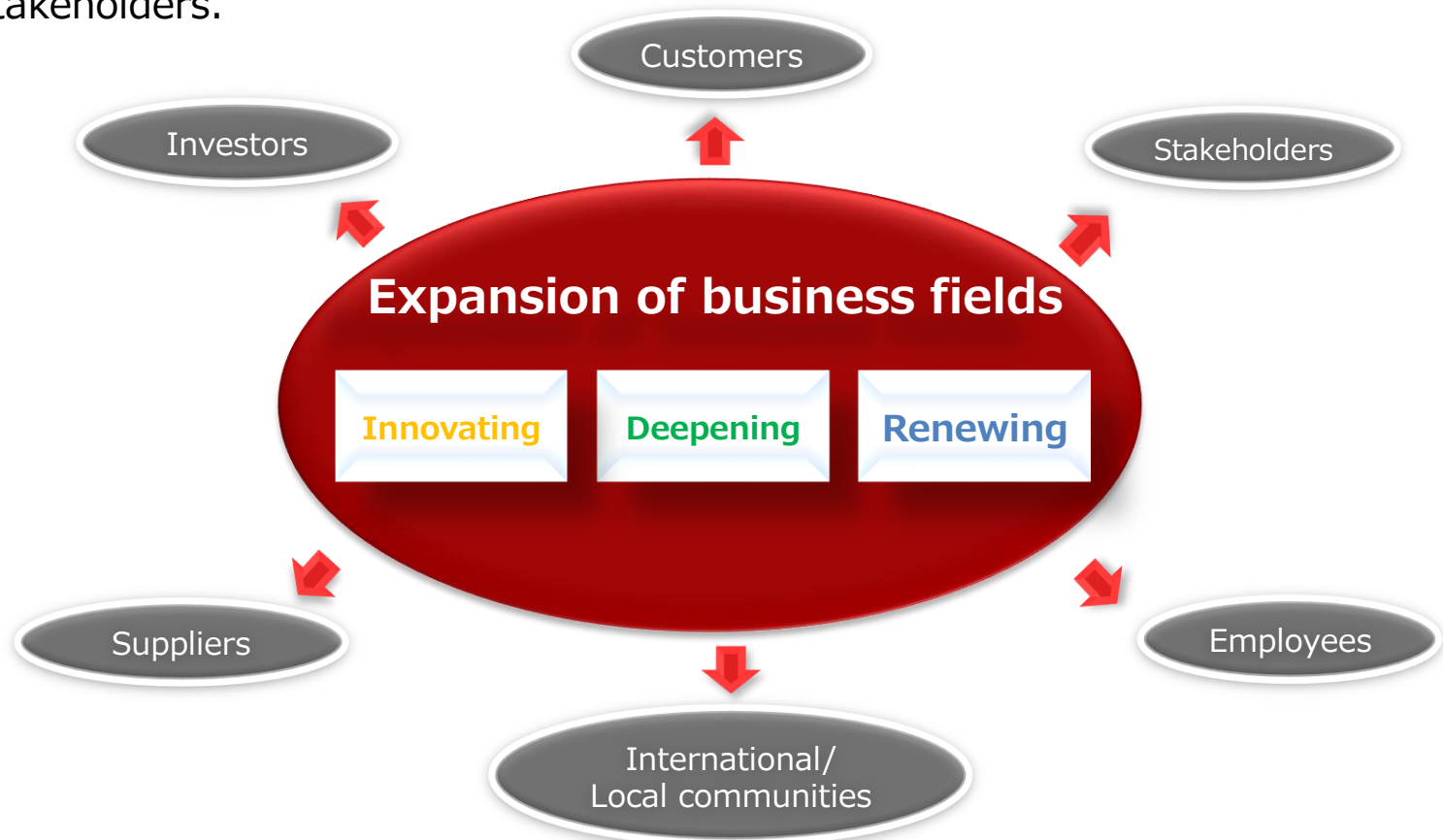
Expanding our business globally, we have achieved positive results in the areas of sales, Monozukuri, and corporate governance.

Key activities	Major Results FY2016 - FY2020
Global Business Expansion	<p>(1) Increased the number of global sites (14 countries/69 sites) and the number of car models to be launched. Launched 9 new sites since FY2016.</p> <p>(2) Implemented partnership strategy. (Alliance with Toyota Boshoku, Incorporation of Fuji Kiko Seat Division)</p>
Sales power	<p>(3) Developed and approached to new customer business. (Japanese OEM, Chinese local OEM, emerging EV OEM)</p> <p>(4) Expanded components business. (frames, trim covers, headrests, mechanical parts) Sales increased approximately 5 times from FY2015 to FY2020</p> 
Monozukuri Capability	<p>(5) Developed and proposed FR seat frame, TTK-X. <Acquired orders in March 2021></p> <p>(6) Strengthened the foundation of Monozukuri capability. (Vertical integration of frames, expansion of overseas sewing bases, capacity expansion of development bases in Vietnam, systematization of development and production preparation management processes)</p>
Enhancement of Corporate Governance	<p>(7) Implemented initiatives for CSR and Global IT Network. Established Group's shared values (Vision/Mission/Value).</p> <p>(8) Introduced performance-linked stock compensation, and increased the number of outside directors.</p>

Transformative Value Evolution

~Take the initiative and discover “New” ~

We transform our operations by Deepening existing seat business field. Leveraging the outcomes, through innovating and Renewing, we create innovations that lead to new value and expand our business fields. Our aim is to increase corporate value by investing for further growth as we work to return the achievements to all our stakeholders.



■ Target

In addition to business strategies, we aim to enhance corporate value by comprehensively considering financial and capital strategies.

■ Target value

	FY2024 Management Targets
Operating income	9.0~10.0 billion yen
ROE	Minimum: 8% / Target:10%
DOE	4%
Net Sales	270.0 billion yen

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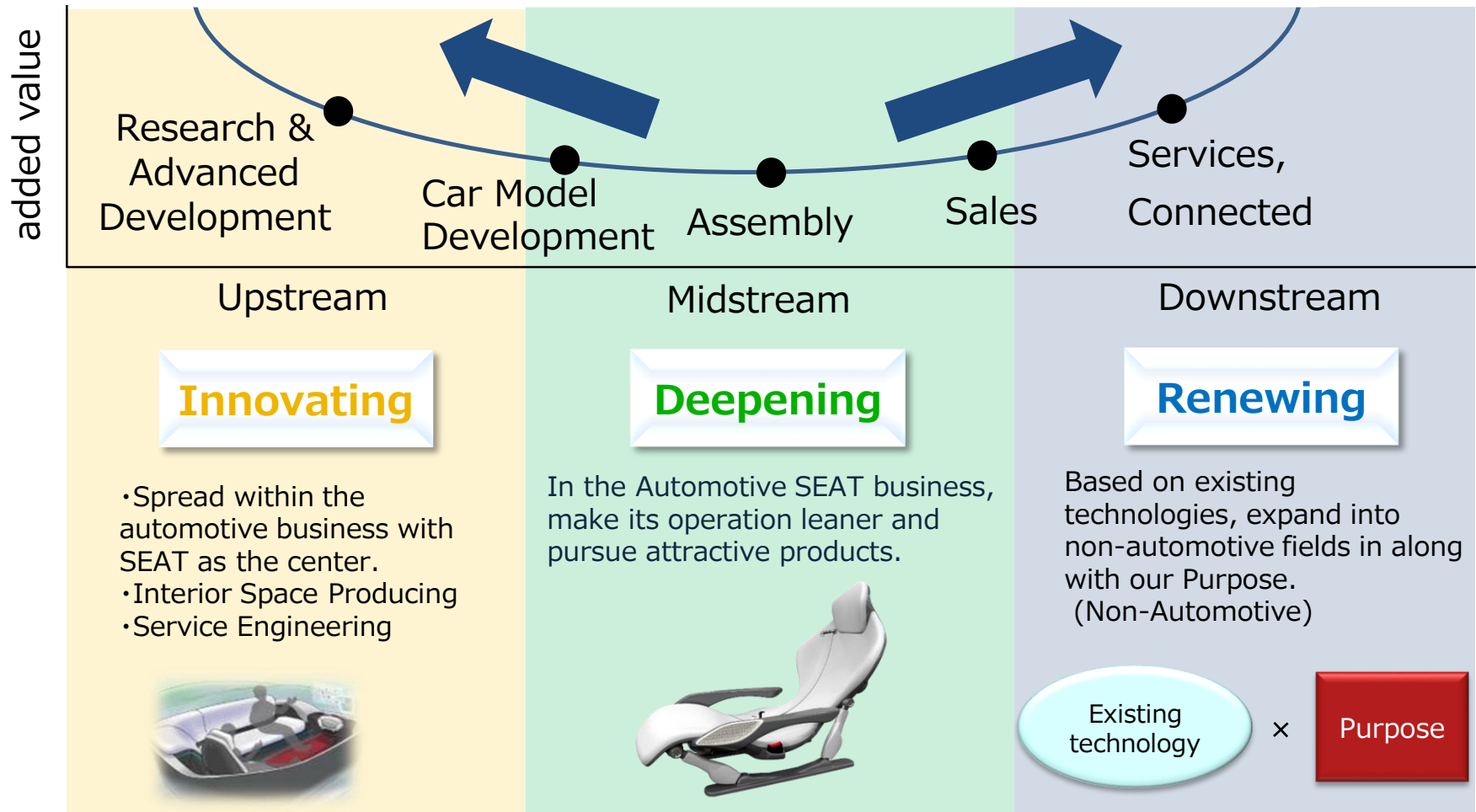
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Expansion of business fields

In the midstream (seat assembly business) which is our main business, severe cost competition is expected to continue.

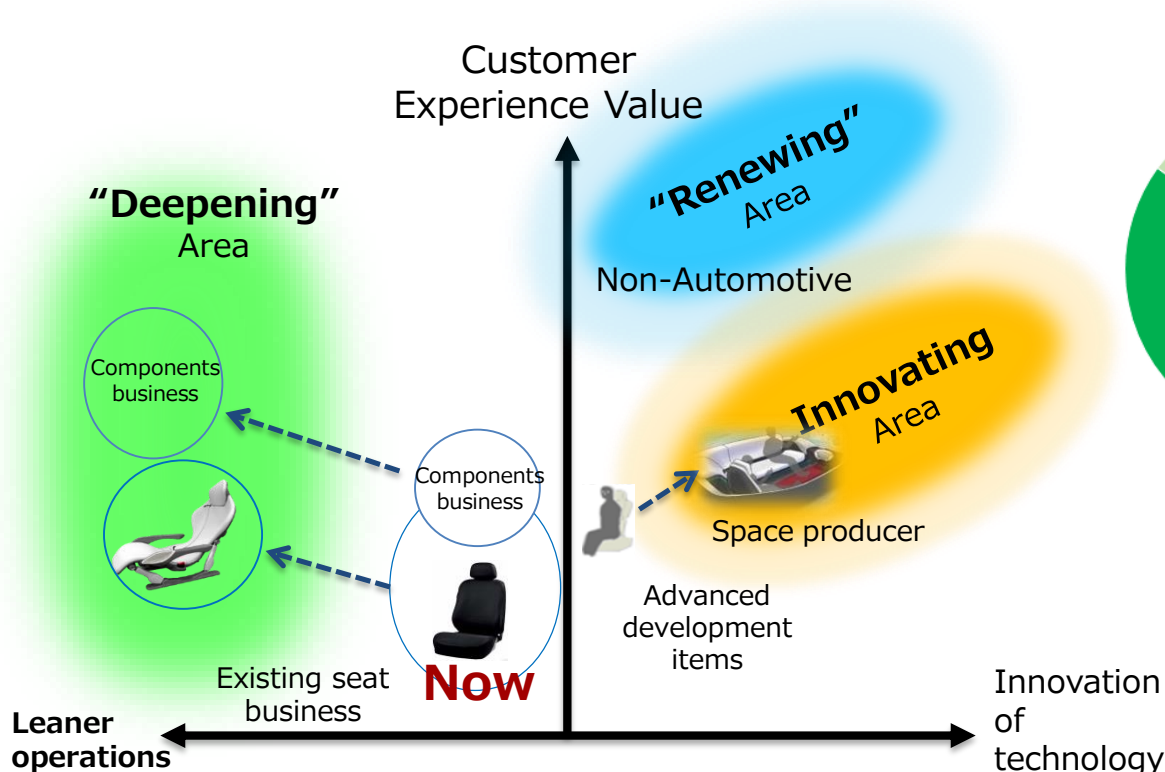
→We promote three types of "Shinkha": **"Innovating," "Deepening,"** and **"Renewing"** in the upstream, midstream, and downstream respectively.



Business Portfolio

In the "digging for deepening" area, increase profitability by making operational process leaner, and invest management resource gained from the initiative in the "inspiring for renewing" and "advancing for innovating" areas for growth to drive innovations. As a result, create values in a broader area by changing the sales composition.

Position of Tachi-S and Direction to aim

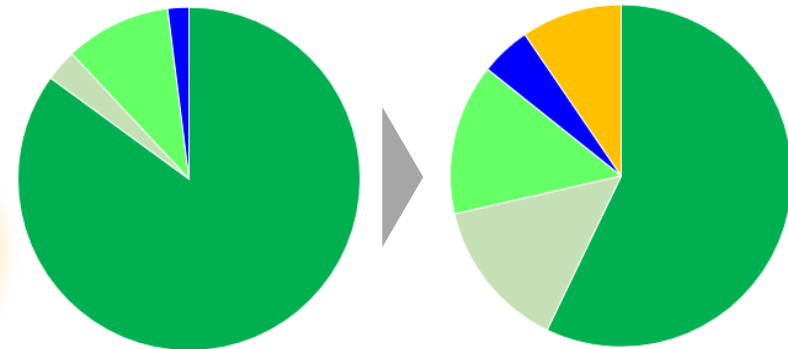


Components business: Frames, trim covers, headrests, mechanical parts

Sales Composition (Image)

Current

Future



■ Current Seat order business

■ New Seat order business

■ Components business

■ Non-Automotive

■ Case/MaaS

Deepening

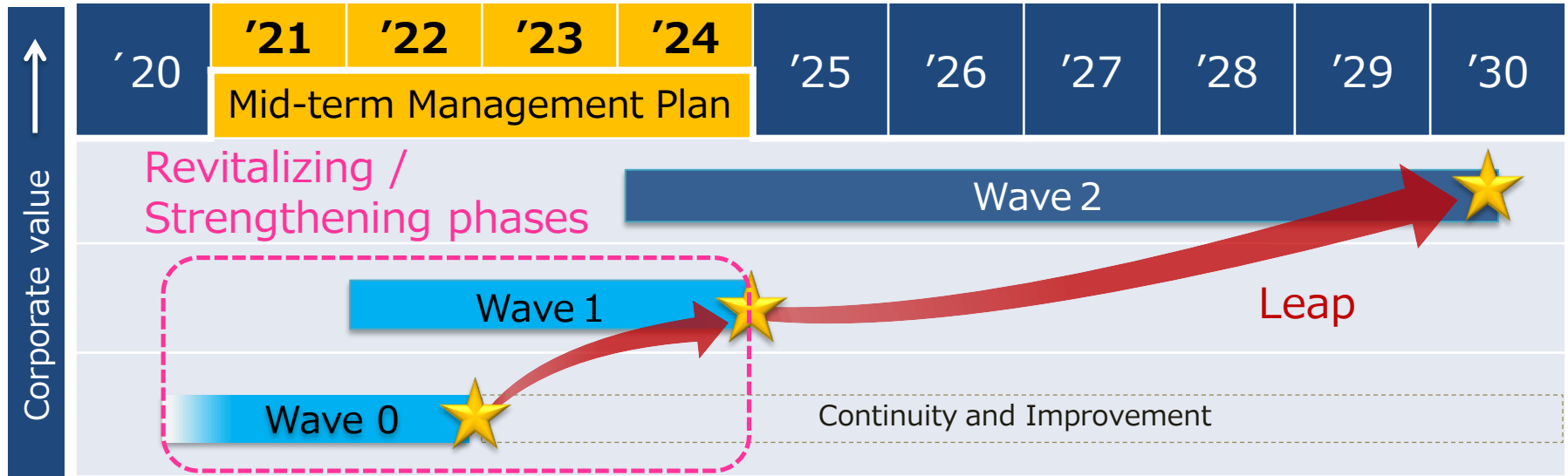
..... Renewing

..... Innovating

Roadmap to Growth Strategies

Wave 0~1: As revitalizing and strengthening phases, rebuild the foundation by improving the profit structures and asset efficiency.

Wave2 : Realize a great leap towards both Interior Space Producer and Non-Automotive businesses.



Wave 0

2021-2022: Secure profit and establish Corporate Purpose

- 1) Improve profit structures
- 2) Establish Purpose of TACHI-S

Wave 1

2022-2024: Prepare for Leap

- 1) Establish a corporate structure to secure profits
- 2) Set out to become a Space Producer and launch Non-Automotive business

Wave2

2024-2030: Realize a Leap and establish two wheels of business

- 1) Embody Corporate Purpose and take a great leap in an era of great transformation.
- 2) Spreading from seat business, establish pillar businesses as two wheels: Interior Space Producer and Non-Automotive businesses.

Improvement of Profit Structure



Seeing a recovery from the COVID-19 impact in the 2nd half of FY2020, we have undertaken initiatives to improve the profit structure of the entire Group and to create new businesses in an aim to quickly respond to future changes in the environment.

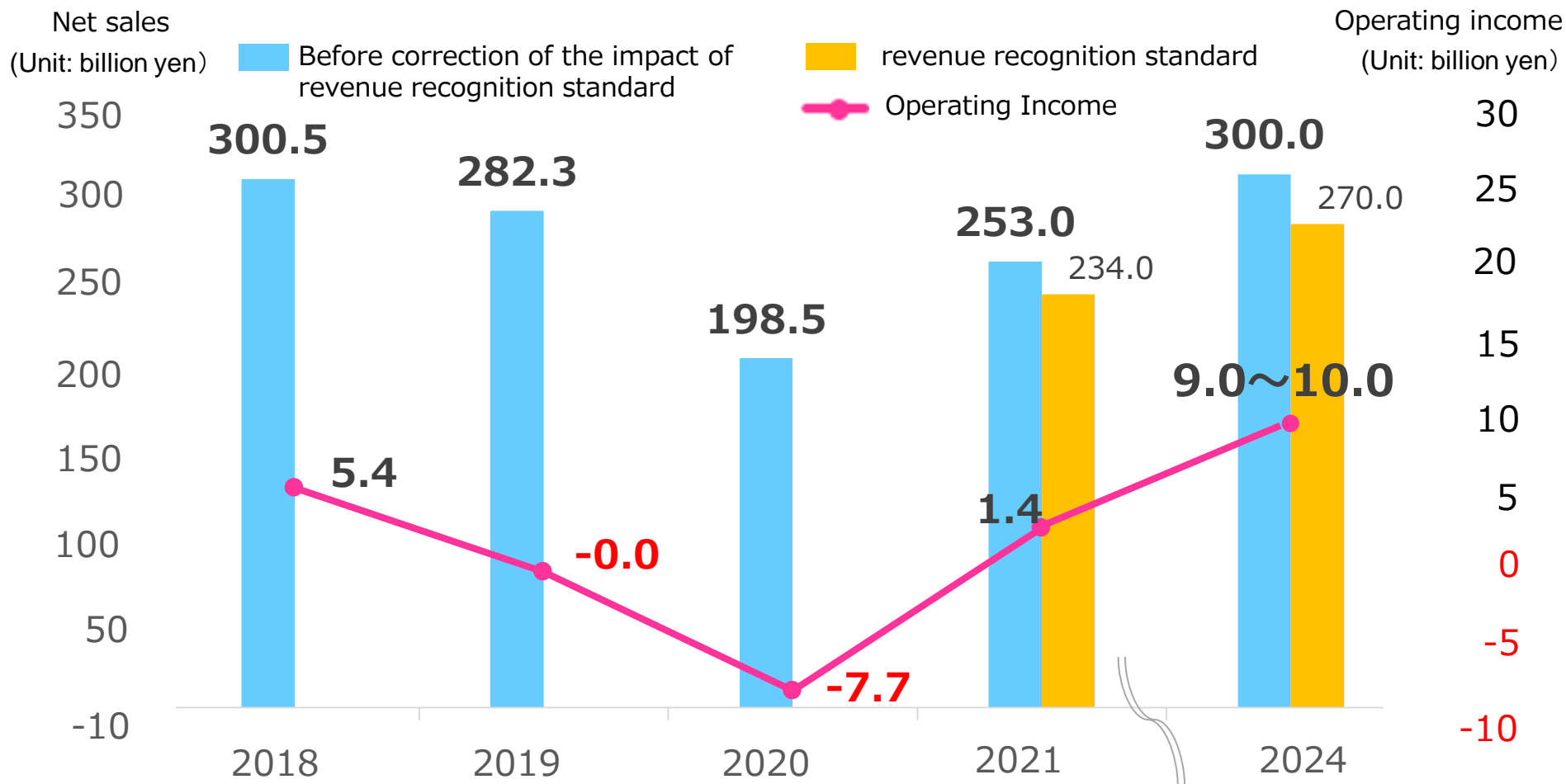
Latest Profit Improvement Items	Sites		
	Japan	North America	Latin America
Reorganization of plants/offices	'21-'24 In progress	'21-'23 In progress	'21-'23 In progress
Improvement of logistics efficiency	'21-'24 In progress	—	'21-'23 In progress
Reduction of fixed costs	'20 Completed	'21~ In progress	'20~ In progress

Sites	Key activities
Japan	With a focus on improving the profit structure, acquire new orders in seat business while expanding components business. Step up initiatives for new businesses (Non-Automotive fields).
North America	Implement structural reforms to drastically improve profitability and cultivate new businesses with emerging OEMs and others.
Latin America	With a focus on improving the profit structure, expand components business while securing existing seat business as our core competencies.
China	Recover operating income ratio, while securing existing businesses and bolstering order receiving activities for new businesses.
Asia	Strengthen sales activities for new businesses and develop new businesses starting from components business field.

Forecast of profitability improvement



Improve our business performance from FY2021 to FY2024 by “deepening” our business and improving profit structure to achieve a V-shaped recovery. In FY2024, sales is forecasted to be almost the same level of FY2018 and operating income to double to 9 to 10 billion yen.

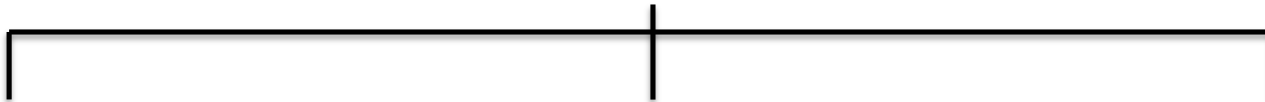


Our Purpose

Business Strategy (three types of "Shinkha")



Key activities



Transformation of Monozukuri



- ✓ Improve Monozukuri "Integration Capability"
- ✓ Improve "Value Creation Capability"
- ✓ Cost excellence
- ✓ Introduce attractive products and new technologies
- ✓ Strengthen components business

Reform and restructure business strategies



- ✓ Order receiving strategies by selection and concentration
- ✓ Promote integrated organizational sales activities
- ✓ Promote profitability improvement activity

Human capital management to achieve transformation



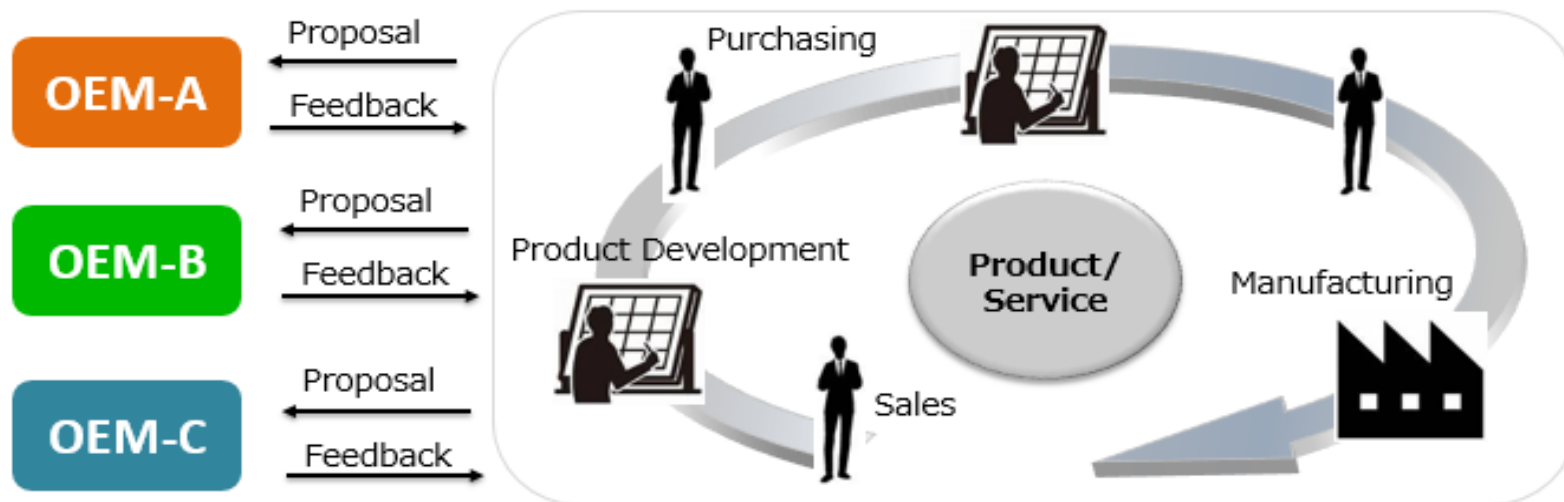
- ✓ Skill up middle level management
- ✓ Introduce new HR system
- ✓ Train overseas key people

DX promotion (Foundation of activities)

Strengthening Monozukuri competitiveness / Strengthening organizational sales capabilities

Based on our strength as an independent, promote proposal activities providing values exceeding customers' expectation from an early stage with design concept to "commonize" various needs of customers.

■ Unified organizational sales activities



Aim

Promotion of "commonization" is to pursue "Deepening" by maximizing efficiency in Monozukuri.

Aim to efficiently expand business by reducing cost and allocating conventional resources to new areas, "Renewing" and "Innovating".

Strengthening management foundation

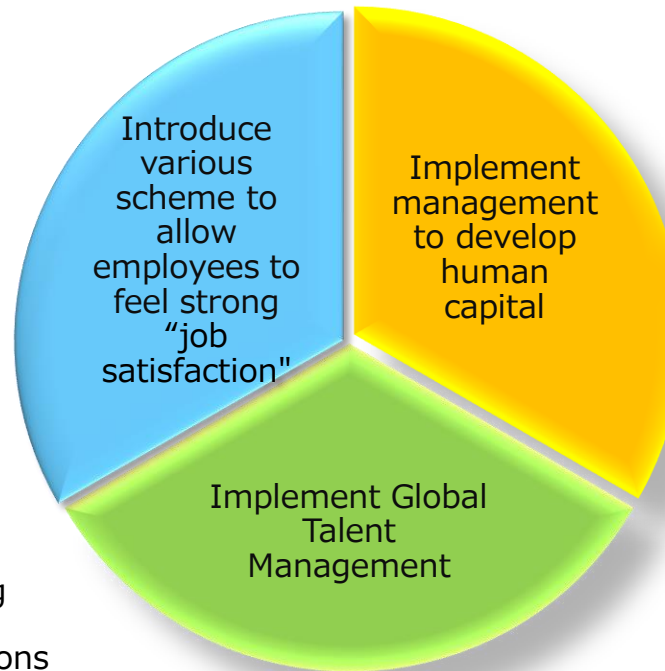
Human capital management to realize transformation

- Apply Evaluation of Contribution Behavior globally

- Introduced a performance-linked stock-based compensation system for major Global employees, including executive officers

- Set Key Positions within the group based on Global Grading

- Maintain diversity in key positions



- Train managers to become "middle management"
- Set up multiple career courses (Japan)

Significant improvement in work efficiency and promotion of shift to value-creating operations

Execute creativity and emergence and take a leap forward

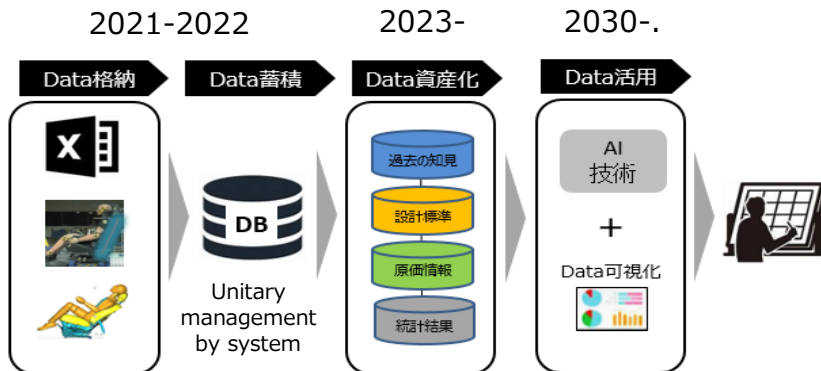
- Manage "time to create new value" by visualizing work hours of indirect employees
- Shift to data-driven business processes as the first step toward DX
- Implement and establish a global network in promotion of key operations
- Improve decision-making efficiency by updating DOA to be consistent with the current business scale

Promotion of DX

'21	'22	'23	'24	'25	'26	'27	'28	'29	'30
Building the foundation for DX				Value creation through DX					

Monozukuri connected by data (Development)

Build a system to integrate information such as technical know-how, cost information, and others and provide designers with advise for optimal design as needed by utilizing AI technology.

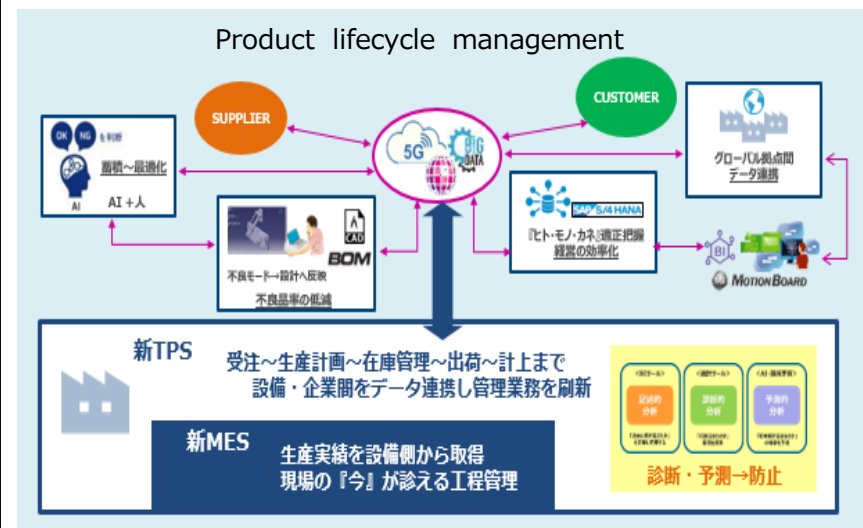


Aim

Establish an environment to maximize work efficiency, shorten development time, and create new values.

Monozukuri connected by data (Production)

Transformation of Monozukuri by digitalization.



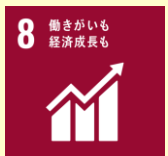
Aim

Realize process management that visualizes "current" situation of actual sites by linking data between facilities and companies and reforming management operations.

Initiatives for Transformative Value Evolution




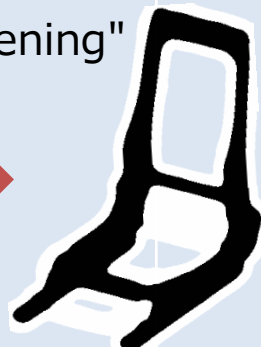
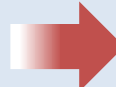
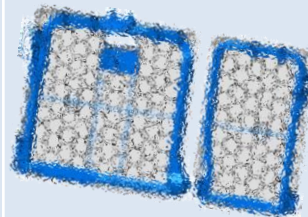
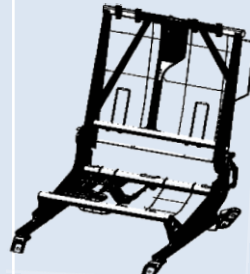
Providing economic and social value and promoting corporate activities toward the realization of a sustainable society

Purpose of TACHI-S	Initiatives
Supporting people (posture) through seating technology	<ul style="list-style-type: none"> • Comfortable space Space Producing, entertainment, and space-saving arrangements, etc. • Touchless, sensing • Cleanliness, sterilization and disinfection • HMI (Human Machine Interface)
Supporting people (Stakeholders and society)	<ul style="list-style-type: none"> • Respect employees (safety, health, satisfaction) • Fair and transparent transactions (green procurement) • Promote diversity in officers • Promote diversity • Improve WLB through work style reform • Management development respecting core labor standards • Return profits to society (tax payment)
Supporting the Earth	<ul style="list-style-type: none"> • Reduce CO₂ emissions • Promote resource saving and material recycling • Water resource management • Chemical substance management • Biodiversity • Social contribution (forest conservation)



Purpose of TACHI-S	Initiatives		
Seating technology	<p>Body sensing</p> 	<p>Operate without a switch</p> 	
Supporting people	<p>Free arrangement of interior space</p> 	<p>Privacy support</p> 	<p>Thin Rear Cushion</p> 
Supporting the Earth	<p>Environmental technology development</p> 	<p>Plant-derived urethane foam</p> 	<p>Plant-derived materials</p> 

Deepening seat frame

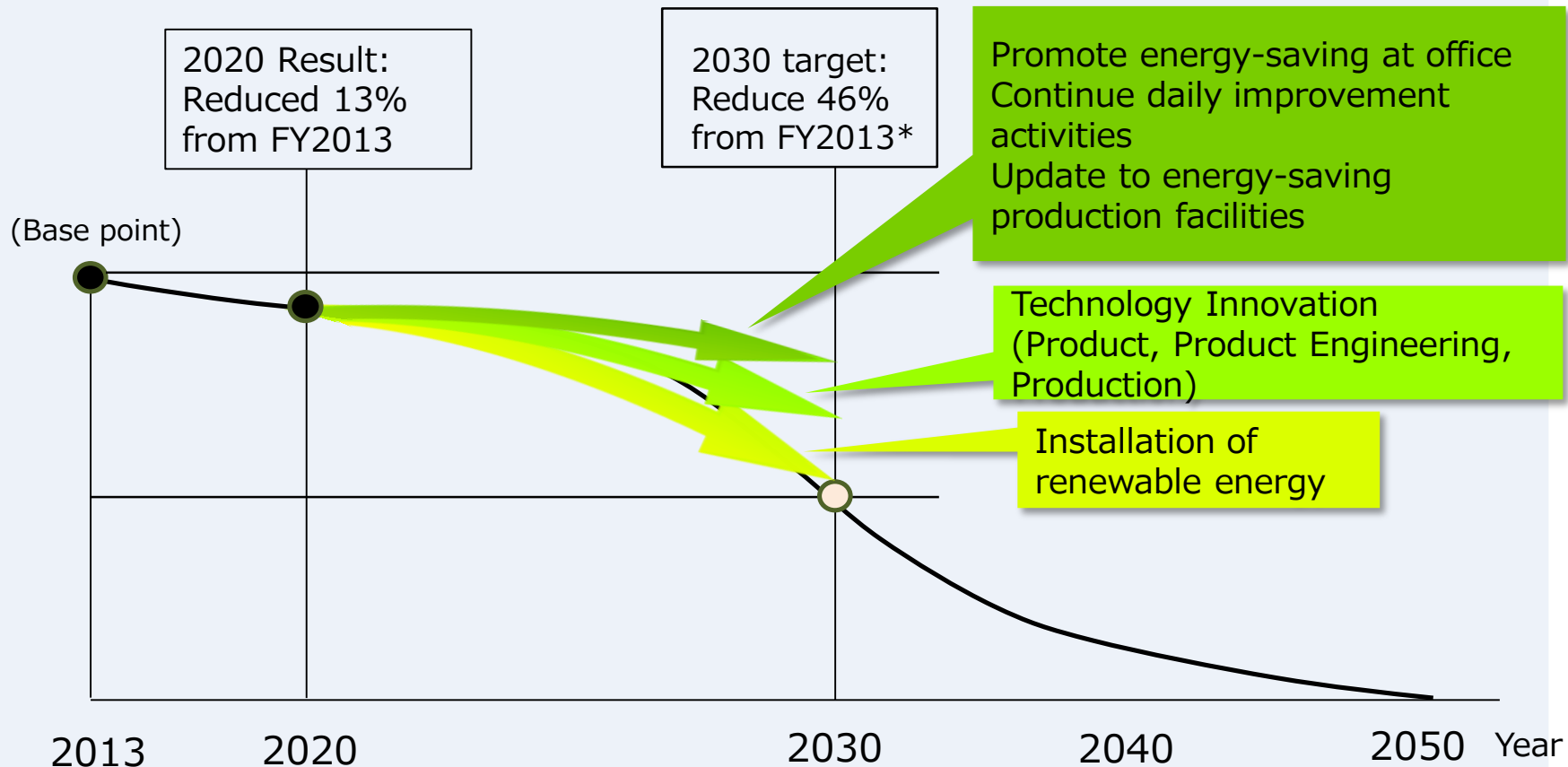
2010	2015	2020	2025	2030
<p>TTK1</p> 	<p>TTK2 modified</p>  <p>Weight: -2.2 kg</p>	<p>TTK-X</p>  <p>Weight: -1.8 kg</p>	<p>"Deepening"</p> 	<p>Achieved the industry's lightest level of ministry</p> <ul style="list-style-type: none"> Mechanism renewal Full automation Material replacement Ultra-thin Power saving
<p>Specialized frame for each model</p> <p>Specialized frame for each model</p> <p>Specialized frame for each model</p>	<p>Standardization</p> 	 <p>Target mass -20%</p>  <p>Target mass -20%</p>		<ul style="list-style-type: none"> Mechanism renewal Full automation Material replacement Ultra-thin Power saving

Reduction of environmental impact

Reduction target for CO2 emissions

CO2 emissions per unit of production

Unit: kg-CO2/unit



In accordance with the government's new target (-46% announced on April 22), reasonable measures are to be planned based on the government policy.

FY2020 Financial Result

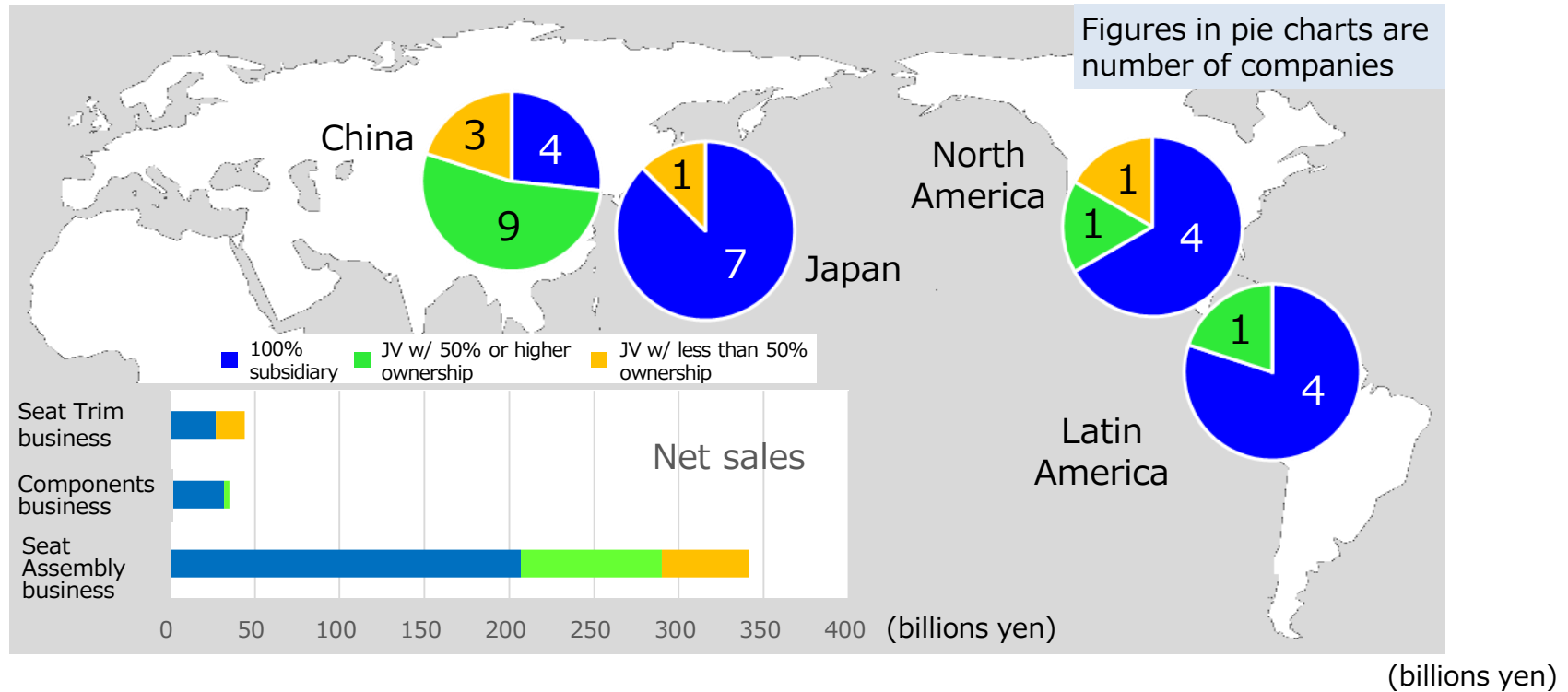
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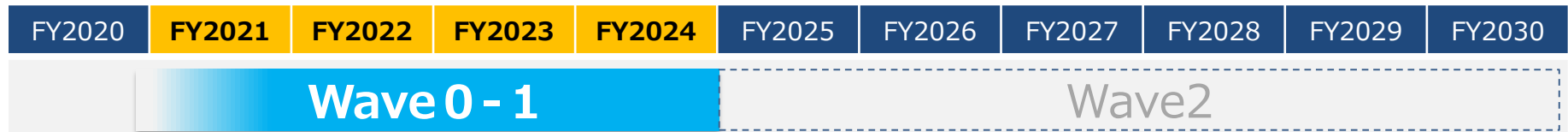
Business Profile

Our global business establishes JV companies with optimal business partners in various OEM fields and geographic regions, making mutual use of each partner's strengths in joint manufacturing and marketing. This partner strategy also functions as a way of dispersing risk.

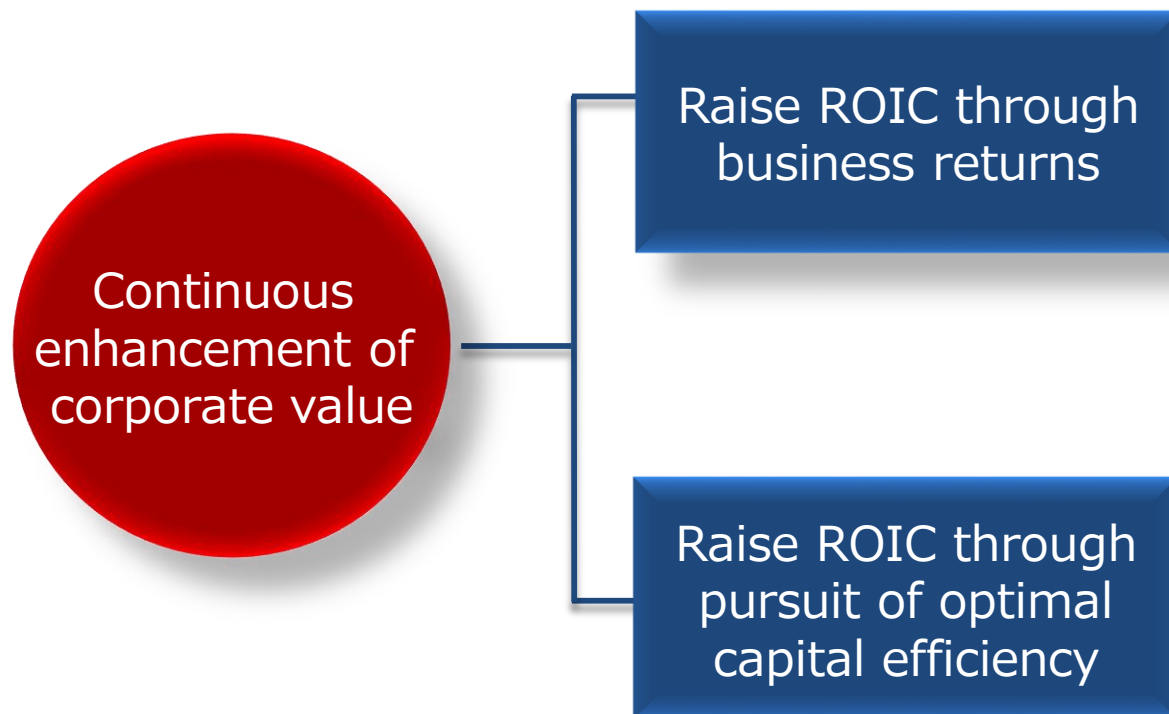


FY2024	Seat Assembly business	Components business	Seat Trim business	Total	Group sales exposure
Consolidated net sales	250.0	13.0	7.0	270.0	
Consolidated sales prior to offset of internal transaction (Effect on the application of revenue recognition standard)	262.0	35.0	27.0	324.0	420.0
Equity-method affiliate sales	51.0	—	17.0	68.0	

Strategic policy: Manage with an awareness of the cost of capital



- Designating Wave 0 ~ Wave 1 as a period of “Managing with an awareness of the cost of capital” and instilling this throughout the Group.
- Improving capital structure, aiming for FY2024 minimum ROE of 8%, target of 10%.
- Using ROIC as important management index for ROE achievement.



Business & Investment Strategy

- Business portfolio diversity
 - Maximize value of existing businesses
 - [Deepen] Strengthen existing seat competitiveness
 - Expand parts business
 - Create new value
 - [Evolve] Create enhanced car interior and space, etc.
 - [Innovate] Apply existing technologies to expand into non-automotive fields
- Human resource management
- Promote Digital transformation

Financial strategy

- Reduce cost of capital
 - Improve asset profitability
 - Proactively provide returns to shareholders
 - Make use of interest-bearing debt, etc.

Understand situation at businesses and market trends, and respond flexibly with optimal action

Strategic Goal

FY2024 ROE Minimum 8%
Target 10%

$$\text{ROE calculation method} = \frac{\text{Net income}}{\text{Avg. of equity capital at beginning and end of term}}$$

Use ROIC as an important management index for ROE achievement

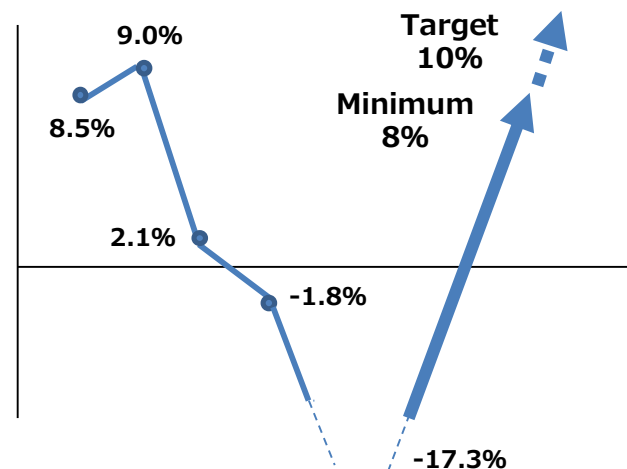
FY2024 ROIC 8% or higher

$$\text{ROE calculation method} = \frac{\begin{array}{l} \text{Adjusted operating income} \\ = \text{NOPAT (Net Operating Profit After-Tax)} \\ + \text{Equity method investment gain/loss} \end{array}}{\begin{array}{l} \text{Avg. of interest-bearing debt at beginning and end of term} \\ + \text{Avg. of equity capital at beginning and end of term} \end{array}}$$

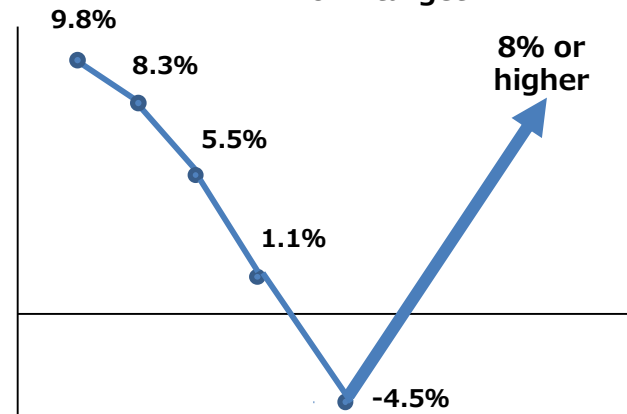
Equity in earnings of affiliates is expected to be 1 to 2 billion yen

- **Increase adjusted operating income through business strategy and partner tie-ups**
- **Increase asset efficiency**

ROE for past 5 years and FY2024 targets



ROIC for past 5 years and FY2024 target



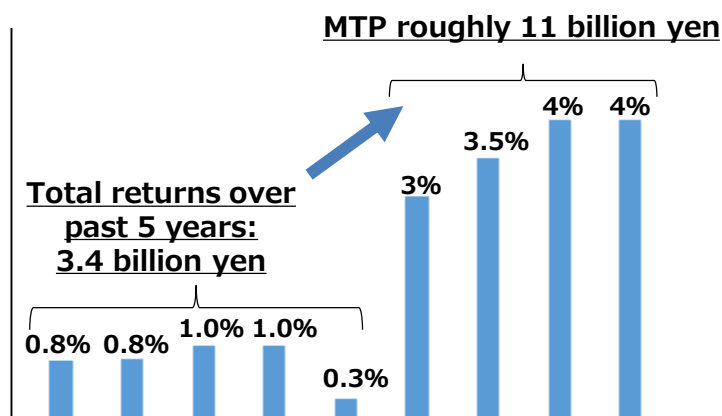
Dividend payout ratio
of 20% or higher

FY2021 - FY2024 DOE* 3~4%

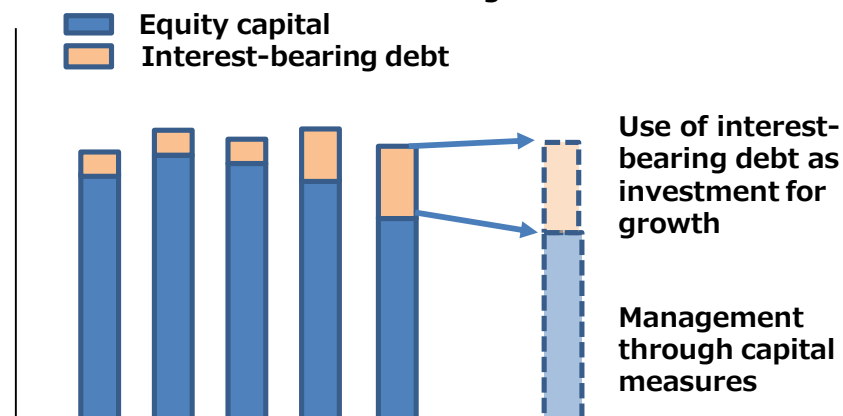
*Dividend on Equity ratio

- Using Dividend on Equity (DOE) ratio as primary financial index for dividends
- Proactively providing returns to shareholders while comprehensively taking into account factors including cash flow, maintenance of healthy financial base for medium to long term, etc., with FY2024 ROIC target of 8% or higher
- The total amounts of dividends (for 4 years) is estimated to be 11 billion yen based on TACHI-S Mid-term Management Plan

DOE for past 5 years and FY2020~24 target



Outstanding invested capital for past 5 years and FY2024 target



Cash procurement and disbursement

Strategic policy: Cash procurement and disbursement during Wave 0 - 1

Cash inflow (procurement)

C/F generation

Use of interest-bearing debt

Cash outflow (disbursement)

Investment for growth

Returns to shareholders/
Value enhancement

Cash & deposits
(Cash on hand)

(Surplus funds)

Interest-bearing debt

Capital investment, etc.
[Deepening]
Approx.
25 billion yen

Investment for further
growth
[Innovating/Renewing]
10-20 billion yen

Flexible sales of
treasury shares, etc.

Returns to
shareholders:
10-12 billion yen

Sales of non-operating
assets, etc.

4-year
operating C/F
35-40 billion yen

FY2020 Financial Result

FY2021 Financial Forecast

Mid-term Management Plan

- Business Strategy
- Financial and Capital Strategies
- **Corporate Governance**

Strengthening our Business Foundation

<Items for Future Consideration to Improve Governance>

Revive and enhance Wave 0 to Wave 1 (2021 to 2024) and rebuild the governance framework. Specifically, give priority to reforming governance for the following issues.

Four items in the CG report submitted to the TSE last year

1. <Principle 1.4> Cross shareholdings
2. <Supplementary Principle 4.1.2> Steadily implement the mid-term business plan and explanation if certain goals in plan are not achieved, etc.
3. <Supplementary Principle 4.10.1> Involvement and advice from independent directors in relation to nominations and remuneration, etc.
4. <Principle 4.11> Preconditions for board and *kansayaku* board effectiveness

Items added to revised Corporate Governance Code

5. <Supplementary Principle 4.11.1> Effectiveness of the board (skill matrix)
6. <Supplementary Principle 2.4.1> Ensuring diversity among core personnel

Response to Governance Issues

Time of
response

	Item	
2021 Explanation in CG report	2. <Supplementary Principle 4.1.2> Steadily implement the mid-term business plan and explanation if certain goals in plan are not achieved, etc. ⇒ Comply	<ul style="list-style-type: none"> ➤ Summary of achievement of the previous mid-term business plan and explanation of the causes of failure of achievement in this document ➤ <u>Incorporate response measures gleaned from analysis of causes of non-achievement in current mid-term business plan</u> ➤ <u>Progress reports to be submitted as appropriate going forward</u>
2021 Explanation in CG report	4. <Principle 4.11> Preconditions for board and <i>kansayaku</i> board effectiveness	<ul style="list-style-type: none"> ➤ A survey is given to the board and the <i>kansayaku board</i> each April to conduct an internal evaluation. Results and issues are announced and reform measures are discussed at the May board meeting ➤ It is planned <u>to use a third-party institution to conduct board evaluations from fiscal 2021 onward. Discussion of evaluation items, etc., will commence in fiscal 2021</u>
2022 Proposed CGC revision	5. <Supplementary Principle 4.11.1> Effectiveness of the board (skill matrix)	<ul style="list-style-type: none"> ➤ <u>Disclosure in Notice of the 70th Annual General Meeting of Shareholders</u>
2022 Explanation in CG report	3. <Supplementary Principle 4.10.1> Involvement and advice from independent outside directors in relation to nominations and remuneration, etc.	<ul style="list-style-type: none"> ➤ <u>A majority of Human Resources and Remuneration Committee members to be outside directors. Change to be completed within fiscal 2022 at the latest</u> ➤ Consideration of appointing an outside director as chairman of the Human Resources and Remuneration Committee
Proposed CGC revision	6. <Supplementary Principle 2.4.1> Ensuring diversity among core personnel	<ul style="list-style-type: none"> ➤ Conduct global talent management from fiscal 2020 ➤ Wave 0: Develop a talent pool ➤ Wave 1: Promote women to senior management at head office ➤ Wave 2: Promote women to executive officer
Explanation in CG report	1. <Principle 1-4> Cross shareholdings	<ul style="list-style-type: none"> ➤ <u>Manage to ensure less than 10% of consolidated net assets, remaining constantly aware of asset efficiency in light of our stretch target of 10% ROE (by FY2024)</u>

Supporting People and the Earth
through “Seating” Technology



Global Seat System Creator

Cautionary Statement

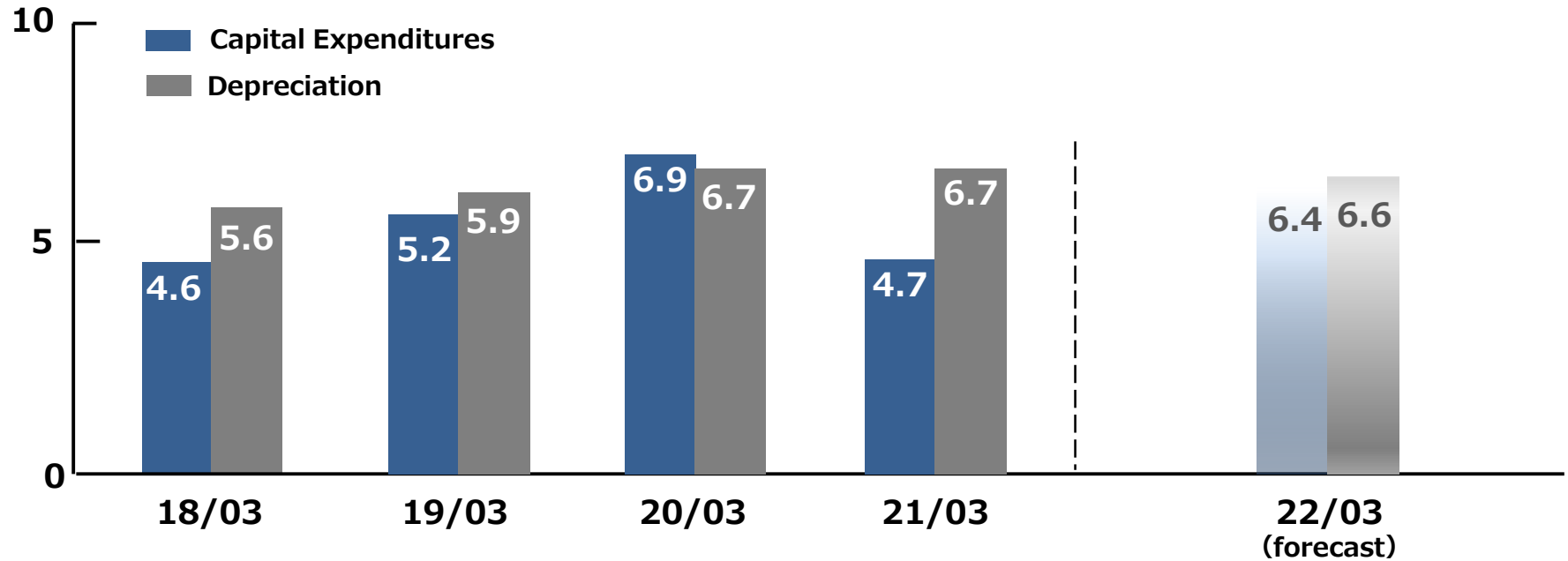
This document contains certain forward-looking statements based on the information available and obtained by TACHI-S Co., Ltd. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Appendix

Capital Expenditures, R&D and Depreciation cost (consolidated)

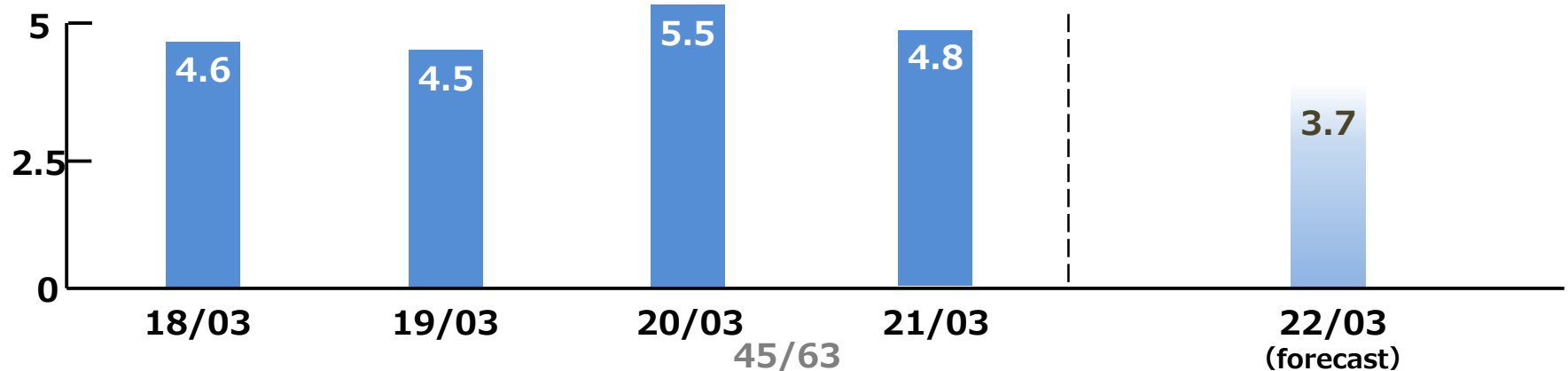
Capital Expenditures & Depreciation

(Unit: billion yen)



R & D

(Unit: billion yen)



New Model Launch

New Models/Model Minor Changes in FY2020

	2020									2021		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Japan				● SKYLINE Sedan ● Honda e (Japan)	● SKYLINE Coupe	● N-One (MY21)	● ECLIPSE CROSS (MY21)		● N-BOX (MY21)	● OUTLANDER		● VEZEL
USA							● ACCORD (MY21) ● MAXIMA	● MURANO				
Mexico					● SENTRA (MY21)	● Versa (MY21)			● KICKS (MY21) ● Versa (MY21)	● March (MY21)		
Brazil					● KICKS (MY20.5)						● KICKS (MY21)	
China	● OUTLANDER (MY20)			● CIVIC 5Dr		● Pickup base utility			● Pickup ● M-NV ● ECLIPSE CROSS (MY20)			● OUTLANDER (MY21)
ASEAN						● NOTE (MY20)			● OUTLANDER			

HONDA EV 「Honda e」 Seat ” (for Japan)



Start of Production: July 2021
Production Site: Musashi plant



HONDA VEZEL Rear Seat



Start of Production: March 2021
Production Site: Suzuka plant



Mexico NISSAN SENTRA Seat



Start of Production: August 2020
Production Site: TACHI-S Mexico



MITSUBISHI OUTLANDER Seat



Start of Production: January 2021
Production Site: Aichi plant



FY2020 Customer Award



Outcomes from our team efforts for quality improvement

From NISSAN

Supplier Quality Award



Lear DFM TACHI-S Automotive Seating (Dailian) Co. Ltd.

Japan Regional Quality Award



Best Quality Performance Award



TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd.

Mass Production Quality Award



Zhengzhou Dongfeng Lear Taixin Automotive Seating Co. Ltd.

FY2020 Customer Award



Outcomes from our team efforts for quality improvement

From NISSAN



Regional Supplier Quality Award



TACHI-S Automotive Seating (Thailand) Co., Ltd.

From GMMC

Delivery and Quality Award



Hunan TACHI-S Automotive Seating Co., Ltd.

From HONDA



Delivery and Quality Award



SETEX, Inc.



SETEX AUTOMOTIVE MÉXICO, S.A. DE C.V.

「Supplier Award」 from HONDA



Awarded for the third consecutive year in recognition of the target cost achievement activities and annual cost reduction activities of "New N-ONE, New VEZEL"

Technology Development Excellence Award from HINO



Developed and Awarded with world first back panel shock absorption seat and headrest frame.

Exchange Rate

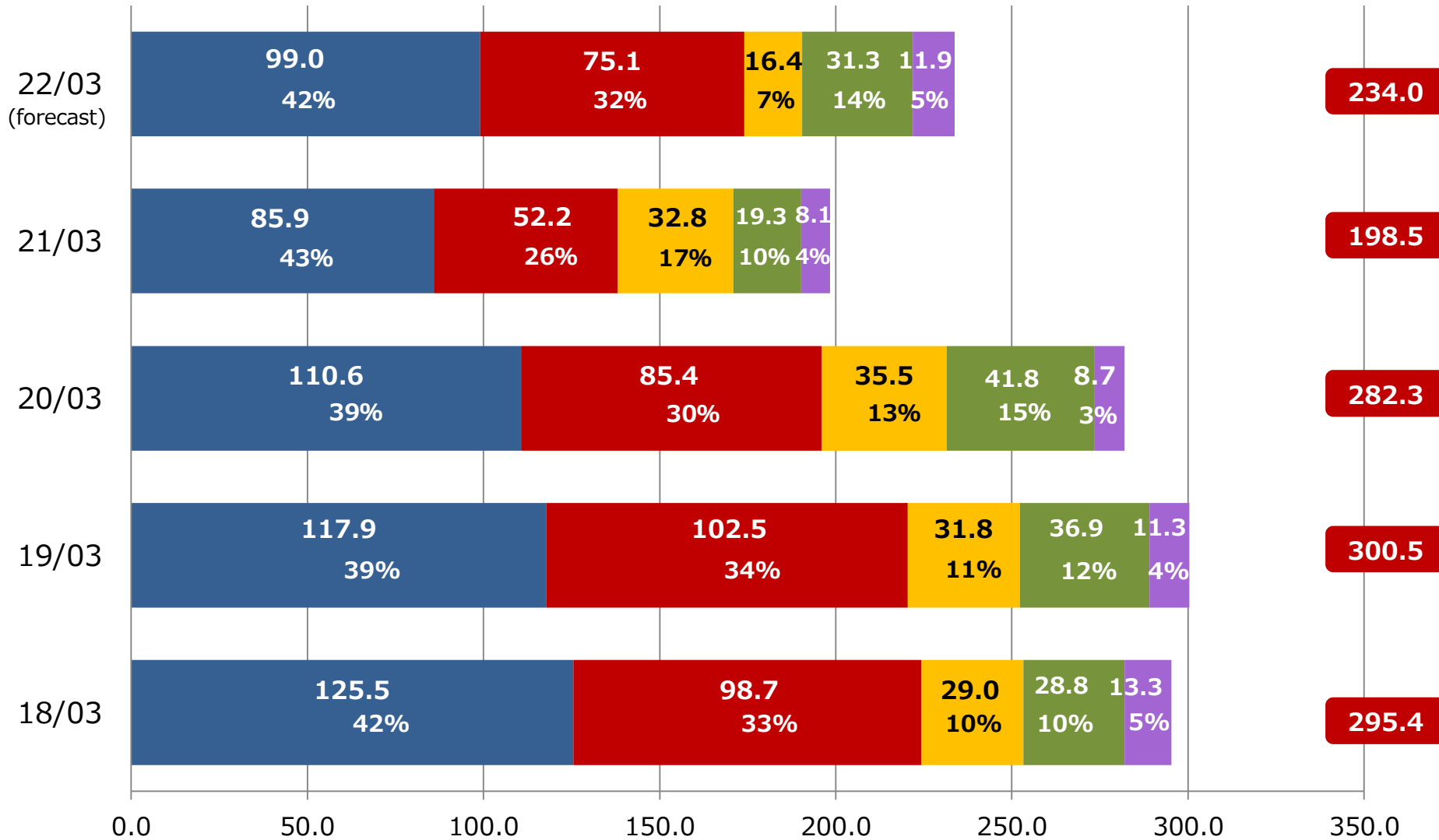
(Unit: yen)

	18/03	19/03	20/03	21/03	22/03 (forecast)
USD	111.19	109.18	109.13	105.79	108.00
MXN	5.94	5.73	5.65	5.02	5.20
EUR	129.36	122.00	121.27	123.22	129.00
RMB	16.59	16.31	15.86	15.41	16.50

Net Sales by Customer (Consolidated)

(Unit: billion yen)

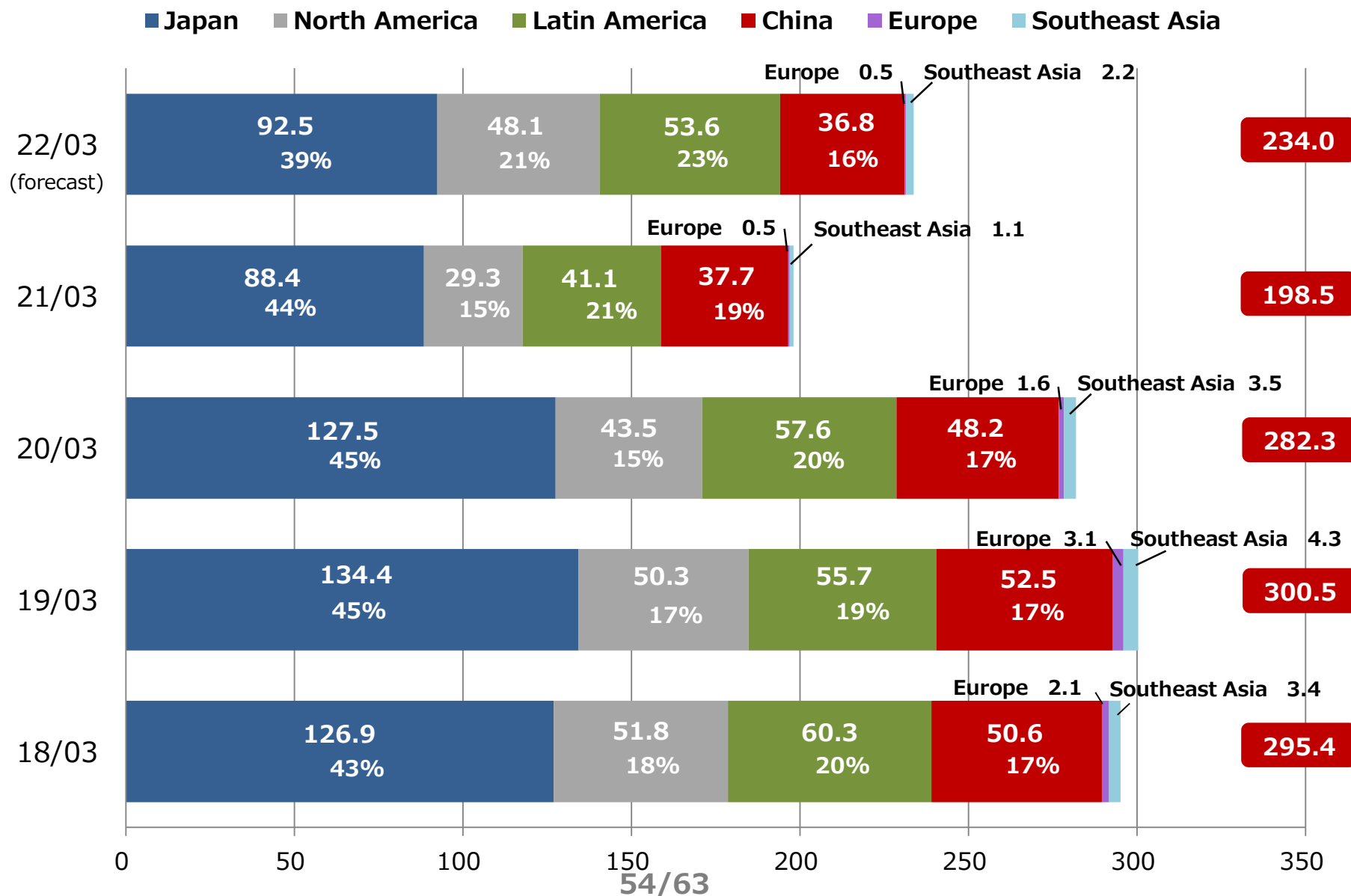
■ Honda ■ Nissan ■ Toyota ■ Mitsubishi ■ Other



Net Sales by Region (Consolidated)



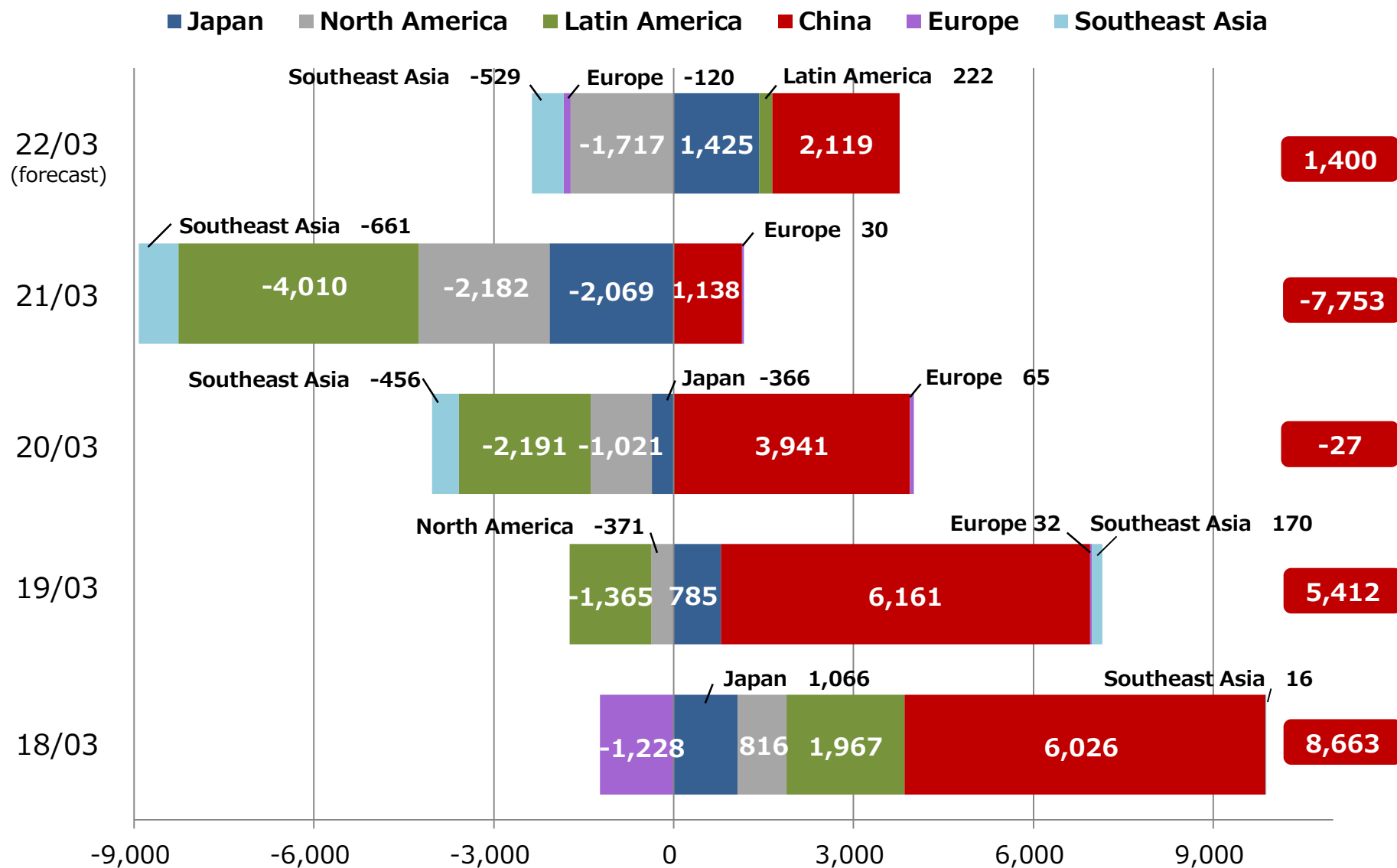
(Unit: billion yen)



Operating Income by Region (Consolidated)



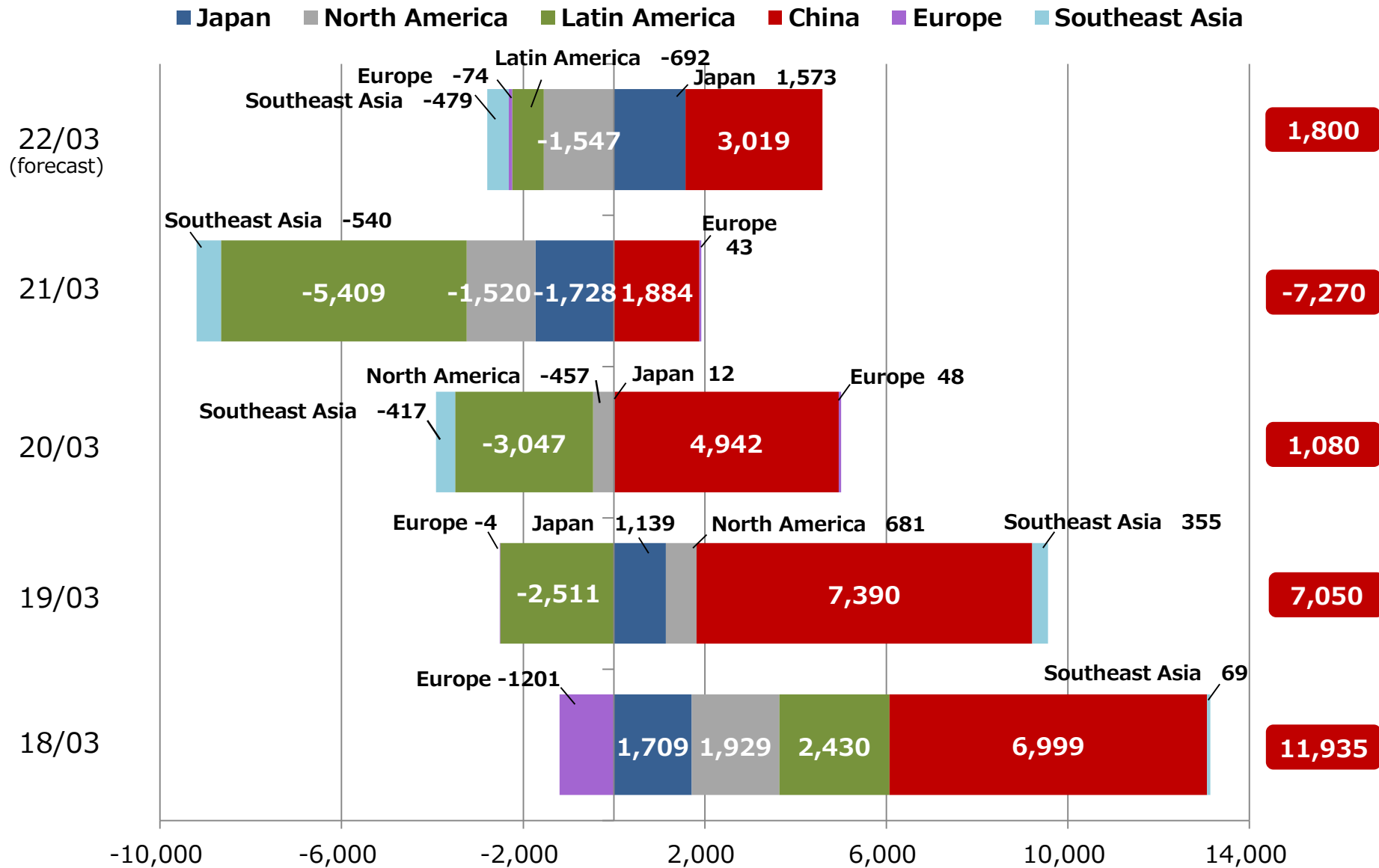
(Unit: million yen)



Ordinary Income by Region (Consolidated)



(Unit: million yen)



Domestic Business Sites



As of the end of March 31, 2021

Business site	Established	Location	Business Contents	Major Customers
Head Office	April, 1954	Akishima-shi, Tokyo	Administration	
Technical Monozukuri Center	April, 2012	Ome-shi, Tokyo	Sales, Purchasing, R&D, Production, Testing, Quality assurance etc..	
Technical Center Aichi	August, 1999	Anjo-shi, Aichi	Sales, Purchasing, R&D	
Aichi Plant	April, 1977	Anjo-shi, Aichi	Manufacturing of automotive seats and parts	TOYOTA, Mitsubishi, TOYOTA BOSHOKU
Musashi Plant	January, 1980	Iruma-shi, Saitama	Manufacturing of automotive seats and parts	HONDA
Ome Plant	April, 1969	Ome-shi, Tokyo	Prototype Manufacturing of automotive seats and parts	Hino, TOYOTA BOSHOKU, UD Trucks, TOYOTA MOTOR EAST JAPAN
Tochigi Plant	February, 1982	Shimotsuke-shi, Tochigi	Manufacturing of automotive seats and parts	NISSAN, NHK Spring, Hino
Hiratsuka Plant	July, 1982	Hiratsuka-shi, Kanagawa	Manufacturing of automotive seats and parts	NISSAN SHATAI
Suzuka Plant	October, 1984	Suzuka-shi, Mie	Manufacturing of automotive seats	HONDA

TACHI-S Group Companies (Japan)

Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
TF-METAL Co., Ltd.	May, 2017	Kosai-shi, Shizuoka	R&D/manufacturing/sales of automotive seat parts	100.0%	50 million yen	TACHI-S, ADIENT, SUZUKI	1
Nui Tec Corporation	July, 1985	Hamura-shi, Tokyo	Manufacturing of automotive seats and trim covers	100.0%	325 million yen	TACHI-S, TOYOTA BOSHOKU TOHOKU	1
TACHI-S H&P Co., Ltd.	April, 1961	Akishima-shi, Tokyo	Manufacturing/sales of springs, automotive seat parts and medical beds	100.0%	40 million yen	TACHI-S, TF-METAL and other non automotive manufacturers	1
Kinryo Kogyo Co.,Ltd.	February, 1976	Miyako-gun, Fukuoka	Manufacturing/sales of automotive seats and parts	25.0%	100 million yen	TACHI-S, ADIENT	2
Iwata Fuji Kiko Co., Ltd.	October, 1986	Iwata-shi, Shizuoka	Manufacturing/sales of automotive seat parts	(100.0%)	15 million yen	TF-METAL, NHK Spring	1
Kyushu Fuji Kiko Co., Ltd.	July, 1985	Nakatsu-shi, Oita	Manufacturing/sales of automotive seat parts	(100.0%)	10 million yen	TF-METAL, FujiKiko	1
Higashi mikawa Fuji Kiko Co., Ltd.	October, 1986	Shinshiro-shi, Aichi	Manufacturing of automotive seat parts	(100.0%)	10 million yen	TF-METAL	1

1. Consolidated subsidiary

6 Companies

2. Consolidated affiliate

1 Company

3. Unconsolidated subsidiary

TACHI-S Service Co., Ltd.

TACHI-S Group Companies (North America)



Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
TACHI-S Engineering U.S.A., Inc.	July, 1986	Michigan, U.S.A .	Sales/R&D/business administration in North America	100.0%	43 million USD		1
TF-METAL Americas Corporation	July, 2000	Michigan, U.S.A .	Business administration/R&D in Americas	*(100.0%)	0 million USD		1
SETEX, Inc.	September, 1987	Ohio, U.S.A.	Manufacturing/sales of automotive seats	*(51.0%)	5 million USD	HONDA (U.S.A.), ADIENT	1
TACHI-S Automotive Seating U.S.A., LLC	December, 2005	Tennessee, U.S.A.	Manufacturing/sales of automotive seats	*(100.0%)	22 million USD	NISSAN (U.S.A.)	1
TechnoTrim, Inc.	November, 1986	Michigan, U.S.A .	Manufacturing/sales of automotive seat trim parts	*(49.0%)	120 thousand USD	Major automotive seat manufacturers in North America including TACHI-S group companies	2
TF-METAL U.S.A., LLC	March, 2004	Kentucky, U.S.A.	Manufacturing/sales of automotive seat parts	*(100.0%)	10 million USD	TAS-U.S.A., TACHI-S Mexico, ADIENT	1
TACHI-S Canada, Ltd.	September, 2004	Nova Scotia, Canada	Business administration in Canada	*(100.0%)	12 million CAD		1

1. Consolidated subsidiary

6 Companies

2. Consolidated affiliate

1 Company

* (including subsidiaries' equity)

TACHI-S Group Companies

(Latin America / Europe)



Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
TACHI-S Engineering Latin America, S. A. de C. V.	May, 2012	Aguascalientes, Mexico	R&D/business administration in Latin America	*(100.0%)	2,184 million MXN		1
Industria de Asiento Superior, S.A. de C.V. (TACHI-S Mexico)	April, 1991	Aguascalientes, Mexico	Manufacturing/sales of automotive seats and seat parts	*(100.0%)	26 million USD	NISSAN (Mexico)	1
SETEX Automotive Mexico, S. A. de C. V.	September, 2012	Guanajuato, Mexico	Manufacturing/sales of automotive seats	*(95.0%)	24 million USD	HONDA (Mexico)	1
TF-METAL Mexico, S.A. de C.V.	September, 2012	Aguascalientes, Mexico	Manufacturing/sales of automotive seat parts	*(100.0%)	27 million USD	TACHI-S Mexico, TF-METAL U.S.A., Faurecia	1
TACHI-S Brasil Industria de Assentos Automotivos Ltda.	August, 2012	Rio de Janeiro, Brazil	Manufacturing/sales of automotive seats	*(100.0%)	275 million BRL	NISSAN (Brazil)	1
TACHI-S Engineering Europe S.A.R.L.	October, 2004	Meudon-La-Forêt, France	Sales/R&D in Europe, manufacturing/sales of automotive seat parts	100.0%	23 million EUR	ADIENT, Magna, NISSAN (Spain)	1

1. Consolidated subsidiary

6 Companies

* (including subsidiaries' equity)

TACHI-S Group Companies (China-1)

Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
TACHI-S China Co., Ltd.	October, 2011	Guangdong, China	Sales/R&D/business administration in China	100.0%	259 million RMB		1
TACHI-S Engineering Zhengzhou Co., Ltd.	December, 2015	Henan, China	R&D in China	*(100.0%)	75 million RMB		3
TACLE Guangzhou Automotive Seat Co., Ltd.	November, 2004	Guangdong, China	Manufacturing/sales of automotive seats	51.0%	66 million RMB	Dongfeng NISSAN	1
Hunan TACHI-S Automotive Seating Co., Ltd.	July, 2012	Hunan, China	Manufacturing/sales of automotive seats	*(51.0%)	40 million RMB	GAC Mitsubishi Motors	1
TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd.	July, 2013	Hubei, China	Manufacturing/sales of automotive seats	*(51.0%)	30 million RMB	Dongfeng NISSAN	1
Zhengzhou Taixin Interior Co., Ltd.	July, 2001	Henan, China	Manufacturing/sales of automotive seats	50.0%	11 million RMB	Chery Automobile, Zhengzhou NISSAN	2
Wuhan Dongfeng TACHI-S Adient Automotive Seat Co., Ltd.	June, 2008	Hubei, China	Manufacturing/sales of automotive seats	50.0%	43 million RMB	Dongfeng HONDA	1
Lear DFM TACHI-S Automotive Seating (Dalian) Co., Ltd.	August, 2013	Liaoning, China	Manufacturing/sales of automotive seats	*(49.0%)	50 million RMB	Dongfeng NISSAN	2
Zhengzhou Taizhixin Automotive Seating Co., Ltd.	June, 2019	Henan, China	Manufacturing/sales of automotive seats and seat parts	(49.0%)	90 million RMB		4

1. Consolidated subsidiary:/

5 Companies

2. Consolidated affiliate

2 Companies

3. Equity-method non-consolidated subsidiary

1 Company

4. Unconsolidated affiliate

1 Company

TACHI-S Group Companies (China-2)

Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
Zhejiang Gee Ju Tai Automotive Interior Co., Ltd.	October, 2010	Zhejiang, China	Manufacturing/sales of automotive seats	40.0%	38 million RMB	Zhejiang Vision Auto Parts	4
Lear Dongshi TACHI-S Automotive Seating (Wuhan) Co., Ltd.	November, 2019	Hubei, China	Manufacturing/sales of automotive seats	*(34.0%)	50 million RMB	Dongfeng NISSAN	4
TACHI-S Trim Guangzhou Co., Ltd.	September, 2005	Guangdong, China	Manufacturing/sales of automotive seat trim parts	100.0%	38 million RMB	TACHI-S, TACLE Guangzhou	1
TACHI-S Trim Wuhan Co., Ltd.	October, 2013	Hubei, China	Manufacturing/sales of automotive seat trim parts	*(100.0%)	35 million RMB	Wuhan TACHI-S, Lear DLT TACHI-S (Xiangyang)	1
Zhejiang TACHI-S Automotive Parts Co., Ltd.	January, 2012	Zhejiang, China	Manufacturing/sales of automotive seat frame parts	*(82.8%)	142 million RMB	Zhejiang Gee Ju Tai, TACHI-S, TSE-E, TAS-U.S.A.	1
TF-METAL Guangzhou Co., Ltd.	January, 2005	Guangdong, China	Manufacturing/sales of automotive seat parts	*(85.0%)	40 million RMB	TACLE Guangzhou, TF-METAL	1
TF-METAL Zhejiang Co., Ltd.	December, 2019	Zhejiang, China	Manufacturing/sales of automotive seat parts	*(82.8%)	251 million RMB	Zhejiang Gee Ju Tai, TACHI-S	1
Zhejiang Fu Chong Tai Automotive Parts Co., Ltd.	March, 2011	Zhejiang, China	Manufacturing/sales of automotive seat parts	*(82.8%)	109million RMB	Zhejiang TACHI-S, TSE-E, TAS-Thailand	1

* (including subsidiaries' equity)

TACHI-S Group Companies (Southeast Asia)



Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
TACHI-S (Thailand) Co., Ltd.	September, 2011	Bangkok, Thailand	Business administration in Southeast Asia and India	100.0%	771 million THB		1
TACHI-S Automotive Seating (Thailand) Co., Ltd.	April, 2010	Bangkok, Thailand	Manufacturing/sales of automotive seats and seat parts	100.0%	153 million THB	NISSAN (Thailand)	1
PT.TACHI-S Indonesia	September, 2011	Jawa Barat, Indonesia	Manufacturing/sales of automotive seats	*(100.0%)	20,647 million IDR		1
TACHI-S Engineering Vietnam Co., Ltd.	January, 2013	Ho Chi Minh, Vietnam	R&D in Vietnam	100.0%	31,026 million VND		2
APM TACHI-S Seating Systems Vietnam Co., Ltd.	November, 2016	Da Nang, Vietnam	Manufacturing/sales of automotive seats	*(51.0%)	56,567 million VND	Tan Chong Industrial Equipment Vietnam	2
APM TACHI-S Seating Systems Sdn. Bhd.	February, 2013	Selangor, Malaysia	Manufacturing/sales of automotive seats	*(49.0%)	10 million MYR	Tan Chong Motor Assemblies, Mitsubishi (Malaysia)	4

1. Consolidated subsidiary

3 Companies

2. Unconsolidated subsidiary

2 Companies

4. Unconsolidated affiliate

1 Company

* (including subsidiaries' equity)