

# FY2022 Second Quarter Financial Result

From April 1, 2022 through March 31, 2023



**TACHI-S CO.,LTD.**

November 25, 2022



Securities Code: 7239 (Tokyo/Prime)

Hello, everybody. I am Yamamoto, president of the company.

Thank you for taking the time out of your busy schedule to attend our company's financial results briefing for the second quarter of fiscal year ending March 2023.

Firstly, I would like to express my sincere gratitude to all of our stakeholders for their cooperation with various activities of our company as we continue to handle issues in material supply and logistics, and changes in production plans due to COVID-19 infections, the global semiconductor shortage, and soaring material costs against the backdrop of high oil prices.

Today, I will explain our financial results and the progress of our medium-term management plan, Transformative Value Evolution.



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	206.4 billion yen (Consolidated) (Fiscal Year Ended March 31, 2022)
Number of Employees	10,778 (Consolidated) (As of September 30, 2022)
Stock Exchange Listing	Tokyo / Prime Market (Securities Code: 7239)
Business Contents	Manufacturing of automotive seats

This is the overview of TACHI-S.



**FY22 2Q Financial Result**

Progress of the Medium-Term  
Management Plan (TVE\*)

Shareholder Return

Topics

※Transformative Value Evolution

2/32

Today's contents will be explained in four parts as you can see.  
First, I would like to explain the results for the fiscal year second  
quarter 2022.



## 2Q results (consolidated)



Compared to last term

Unit: billion yen  
(Rounded down to 0.1 billion yen)

	21/09	22/09	Change	Change (%)
Sales	95.4	107.9	12.5	13.1
Operating profit	-5.6	-4.3	1.3	-
Ordinary profit or loss	-4.6	-3.9	0.7	-
Quarterly profit or loss attributable to owners of parent	-4.7	0.1	4.8	-

### < Overview of financial results for period to September 2022 >

- ◆ Although sales volume decreased due to model switching in China in addition to the impacts of the global semiconductor supply shortage and the lockdown in Shanghai, sales increased compared to the same period last year under the impact of foreign currency translation due to the depreciation of the yen.
- ◆ Despite the impact of reduced production by customers and the soaring prices of raw materials, operating loss decreased compared to the same period last year due mainly to the effects of cost reductions and rationalization in Central and South America, in addition to the decrease in one-off expenses in the previous fiscal year in North America.
- ◆ Quarterly net income returned to the black due to the sale of fixed assets as part of the reorganization of plants and offices based on the medium-term management plan.

3/32

Sales in the second quarter were 107.9 billion yen, an increase of 12.5 billion yen compared to the same period last term, and operating profit or loss improved 1.3 billion yen to -4.3 billion yen.

The overview of financial results is as shown, and I will explain the details over the following pages.

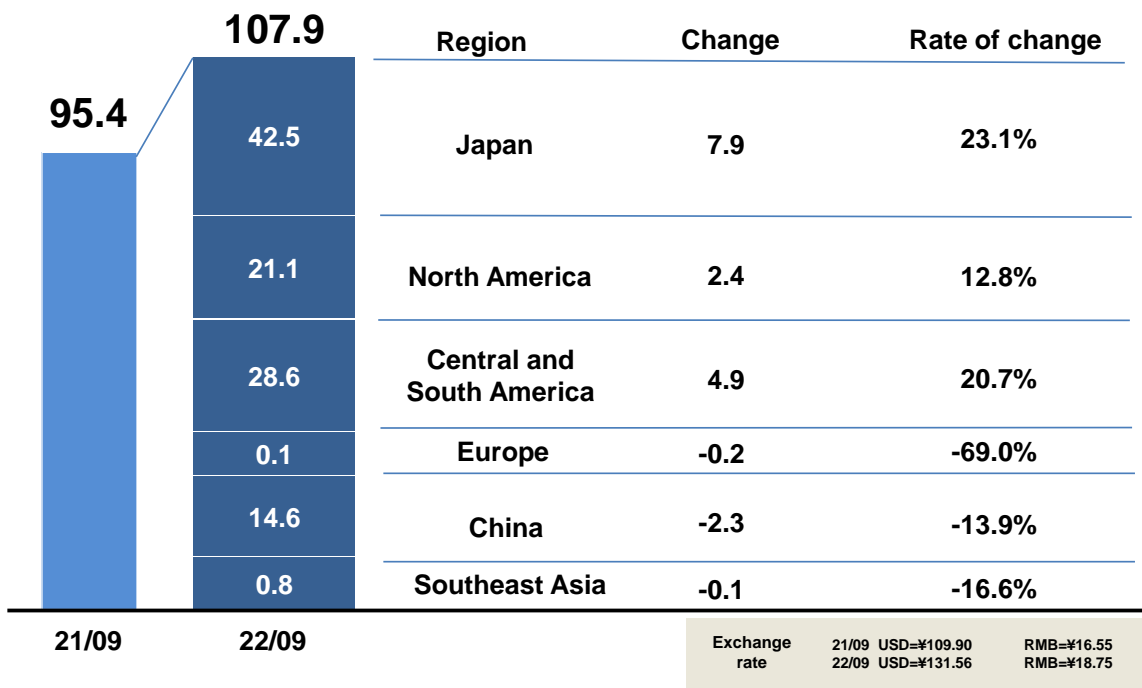


# Factors in the changes in results (consolidated)

Compared to last term

## Sales

Unit: billion yen  
(Rounded down to 0.1 billion yen)



4/32

Although sales volume decreased due to model switching in China in addition to the impacts of the global semiconductor supply shortage and the lockdown in Shanghai, sales increased compared to the same period last year under the impact of foreign currency translation due to the depreciation of the yen.



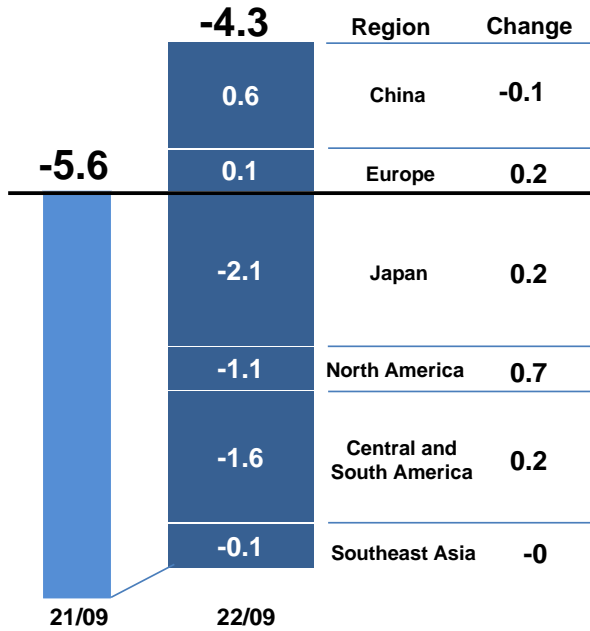
# Factors in the changes in results (consolidated)

Unit: billion yen

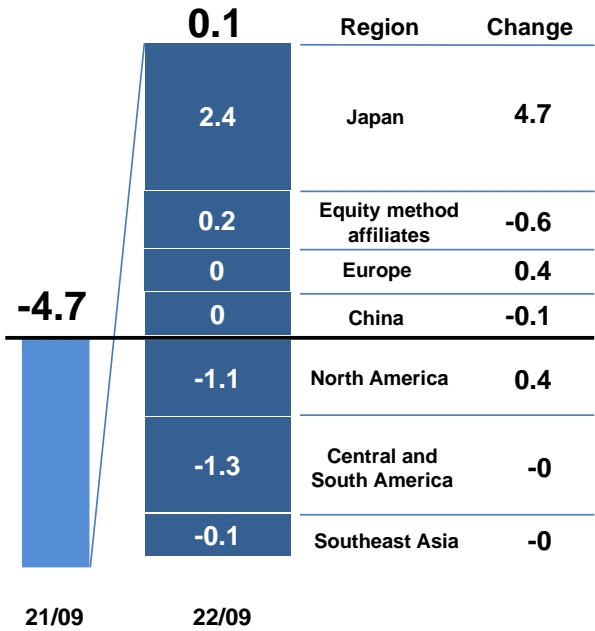
(Rounded down to 0.1 billion yen)

Compared to last term

## Operating profit and loss



## Quarterly profit or loss attributable to owners of parent



5/32

With regard to changes in operating profit or loss compared to the same period last year, there was a decrease in China, but increases in other regions.

I will explain the factors in these changes over the following pages.

Quarterly net income attributable to owners of the parent improved significantly and returned to the black due to the sale of fixed assets as part of the reorganization of plants and offices based on the medium-term management plan.

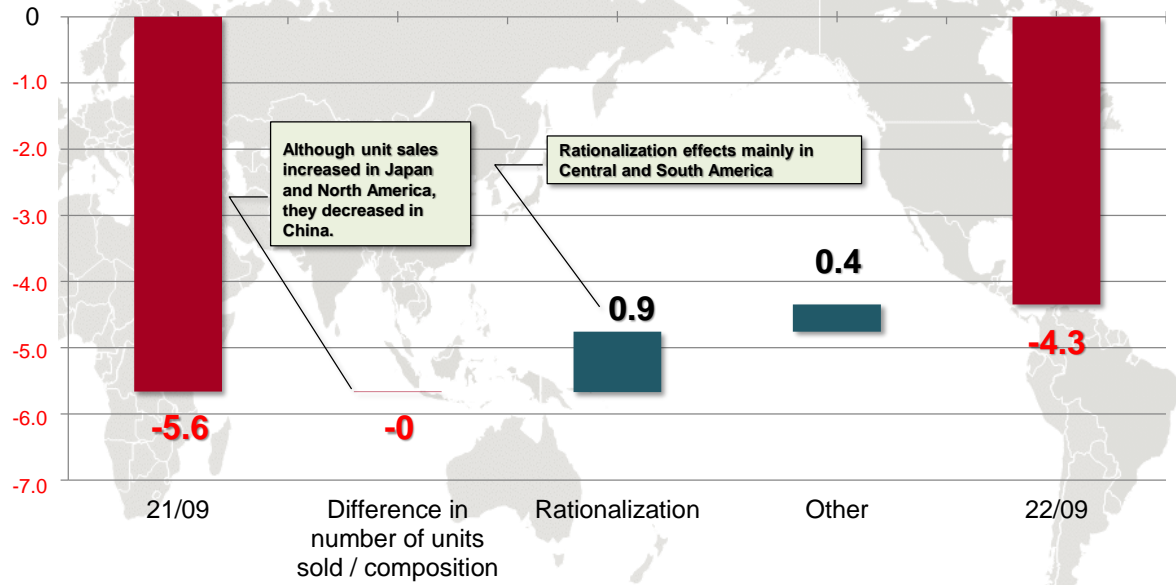


# Yamatoka factor analysis of operating profit and loss (consolidated)

Although there were impacts due to decreased production by customers and the soaring prices of raw materials, operating loss decreased due to rationalization.

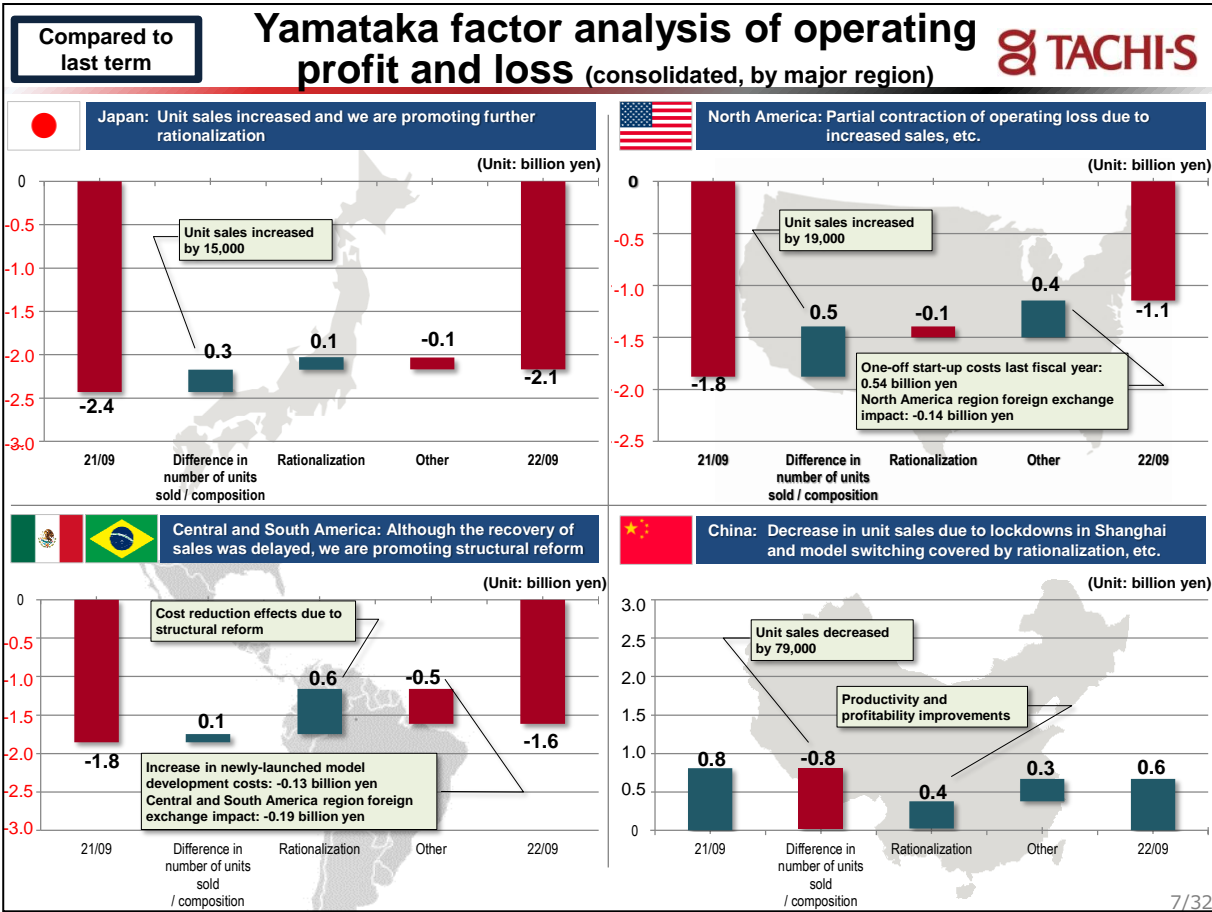
## Compared to last term

Unit: billion yen  
(Rounded down to 0.1 billion yen)



As for operating profit or loss, we were impacted by the reduced production of customers and soaring raw material prices, but losses decreased compared to the same period last year due to the effects of rationalization.





Looking at operating profit or loss by region, our operating loss in Japan decreased due mainly to an increase in unit sales.

In North America, in addition to an increase in unit sales, losses decreased due and the decrease in the one-off expenses of the previous fiscal year.

In Central and South America, although the recovery in unit sales has been slow, losses decreased due to the effects of cost reduction activities and rationalization.

In China, in addition to the impact of lockdowns in Shanghai, unit sales decreased due to the timing of model switchovers, but we maintained a profit due to the effects of rationalization and other factors.



FY22 2Q Financial Result

**Progress of the Medium-Term  
Management Plan (TVE\*)**

Shareholder Return

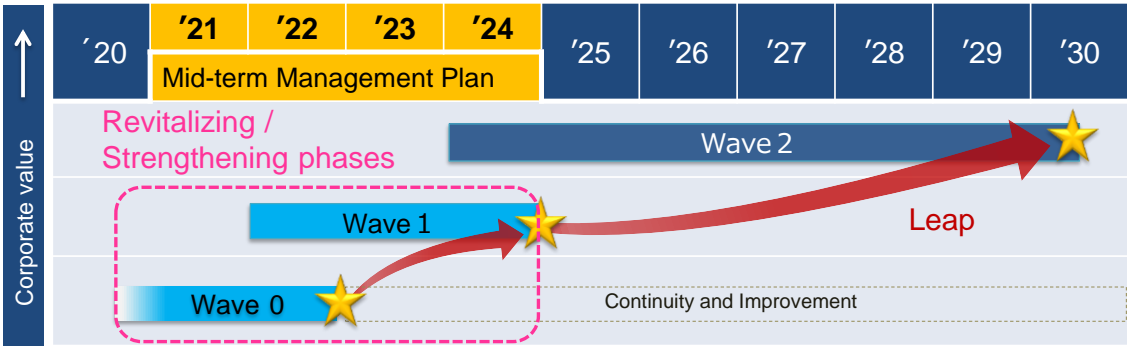
Topics

※Transformative Value Evolution

8/32

I will explain the progress of the medium-term management plan.





Wave 0	<b>2021-2022: Secure profit and establish Corporate Purpose</b> 1) Improve profit structures 2) Establish Purpose of TACHI-S
Wave 1	<b>2022-2024: Prepare for Leap</b> 1) Establish a corporate structure to secure profits 2) Set out to become a Space Producer and launch Non-Automotive business
Wave2	<b>2024-2030: Realize a Leap and establish two wheels of business</b> 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.

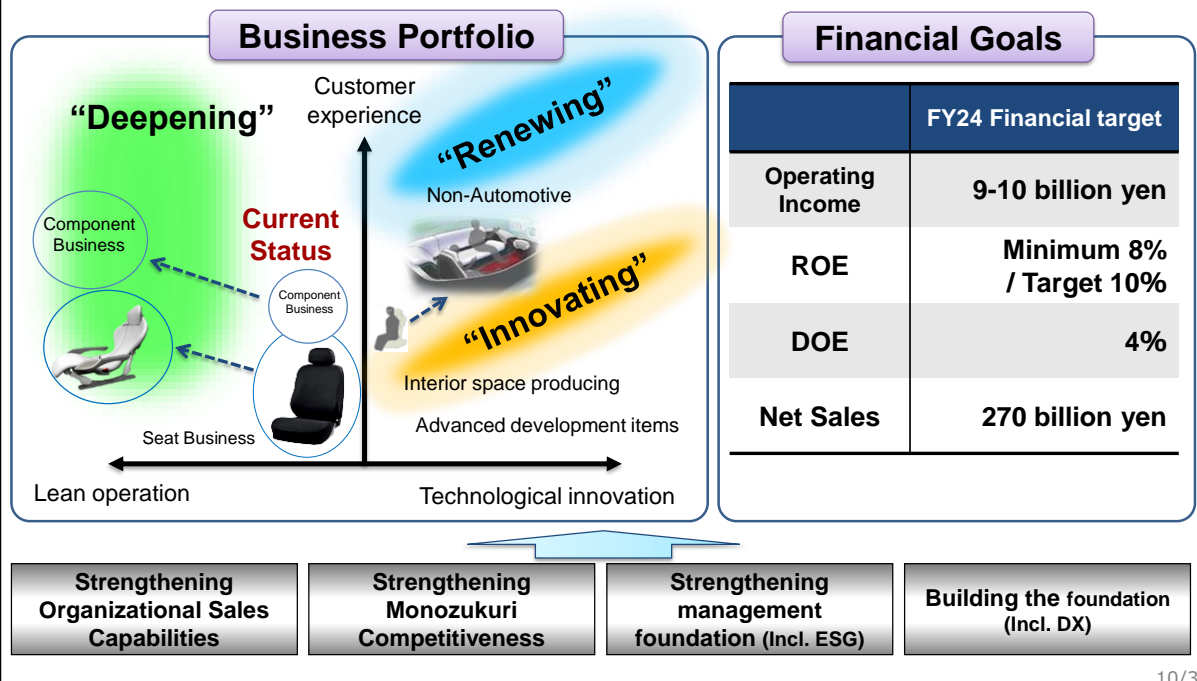
This is our roadmap for FY2030.

In FY2030, we will be a space producer spread from seats, and also we will expand the Non-Automotive business other than seat parts. We aim for these two businesses to be the two wheels of our business.

In the medium-term management plan (TVE) that started in FY2021, FY2021 and FY2022 will be Wave 0 to improve the company's profit structure and establish purpose of TACHI-S, and FY22-24 to be Wave 1 for future leaps We are making preparations for this and are working on it as part of the revitalization/strengthening phase.



- Change the business portfolio with the three “Shinkhas” and expand the existing seat business
- FY24 Financial targets are operating income of 9 to 10 billion yen, ROE of minimum 8% target 10%



10/32

I will explain what TVE is aiming for.

In our business strategy, we will change our business portfolio with three “Shinkha”.

With “Deeping” Shinkaha, we will make our existing seat business more lean and efficient and expand the parts business.

With “Innovating” Shinkha, we will expand our activities to the production of interior spaces centering around seats.

With “Renewing” Shinkha, we will expand our activities to the non-automotive field by utilizing the strengths we have cultivated in the seat business.

We have set our FY24 financial targets as follows: Operating income of 9 billion to 10 billion , ROE of minimum 8% ,target 10%.

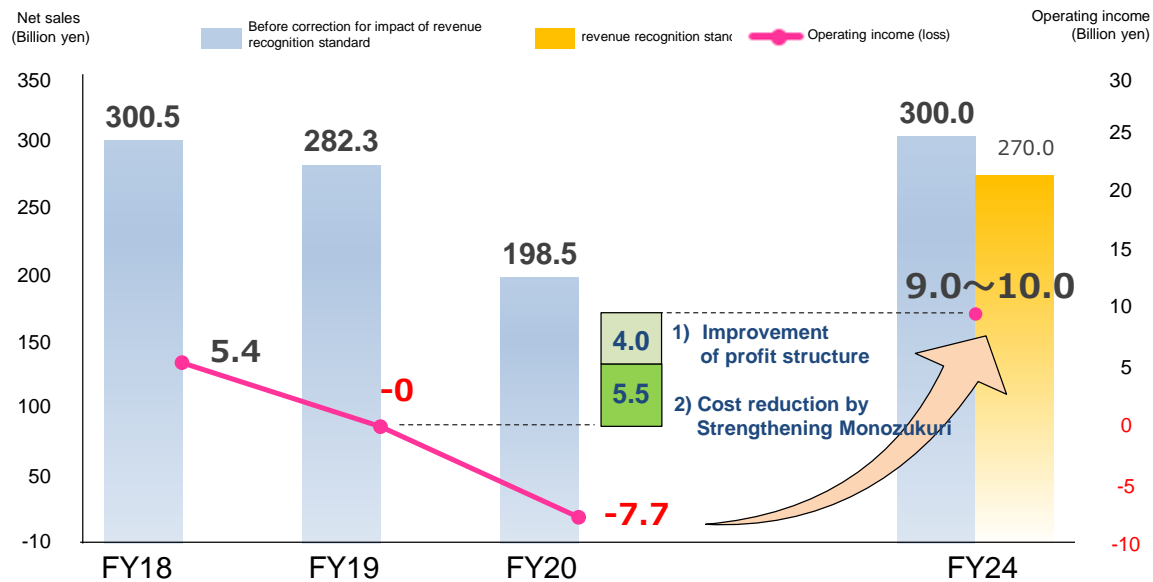
To achieve these goals, we are working on "strengthening organizational sales capabilities," "strengthening Monozukuri competitiveness," "strengthening management foundation," and "building a foundation" as priority activity measures.



# Target of profitability improvement



We will improve operating income by 9-10 billion yen compared to FY19, when there was no impact from COVID-19, by improving the profit structure and reducing costs through Strengthening Monozukuri and aim to improve profitability in FY24.

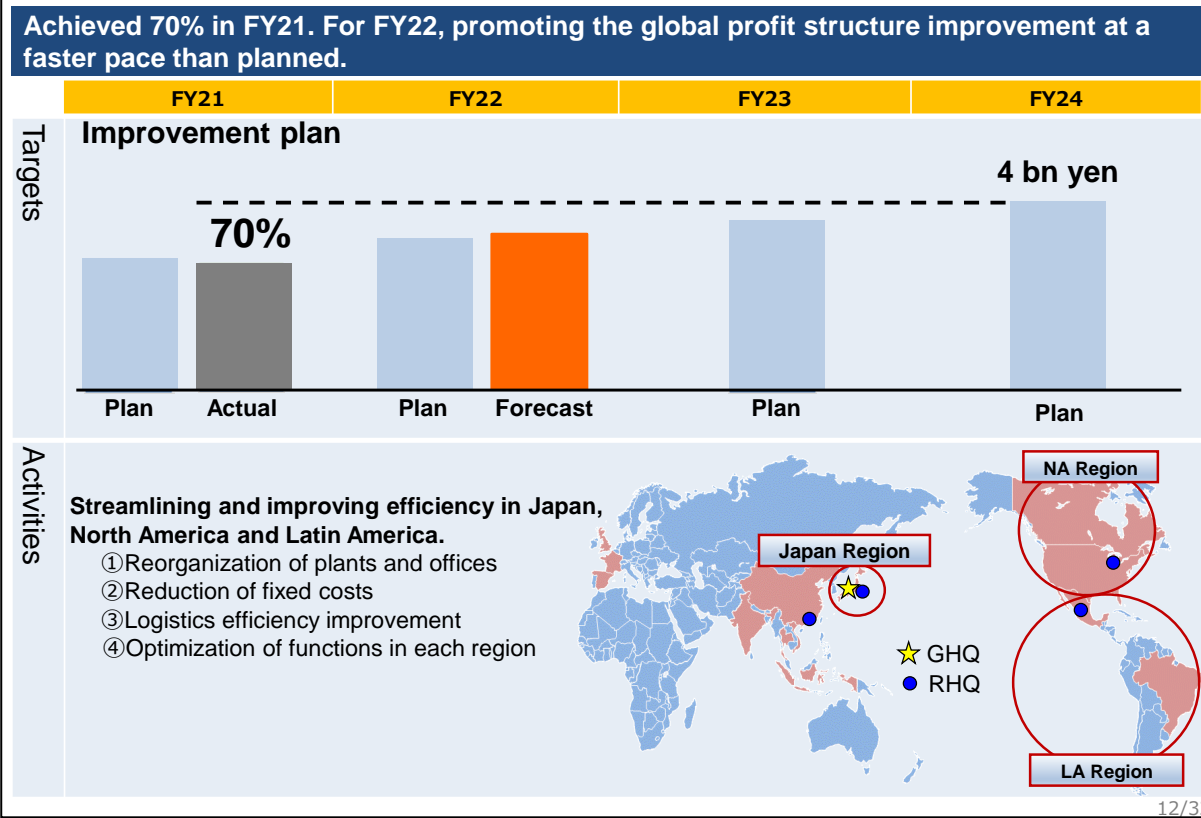


11/32

In order to generate an operating profit of 9 billion to 10 billion yen in FY2024, we plan to improve 4 billion yen for "improvement of profit structure" and 5.5 billion yen for "cost reduction by strengthening Monozukuri".



# Profit improvement status



As shown in the bar graph above, profit structure improvement for the 4 billion yen target achieved 70% in FY21. For FY22, we are on track proceeding at a faster pace than planned by accelerating some of the improvement initiatives.

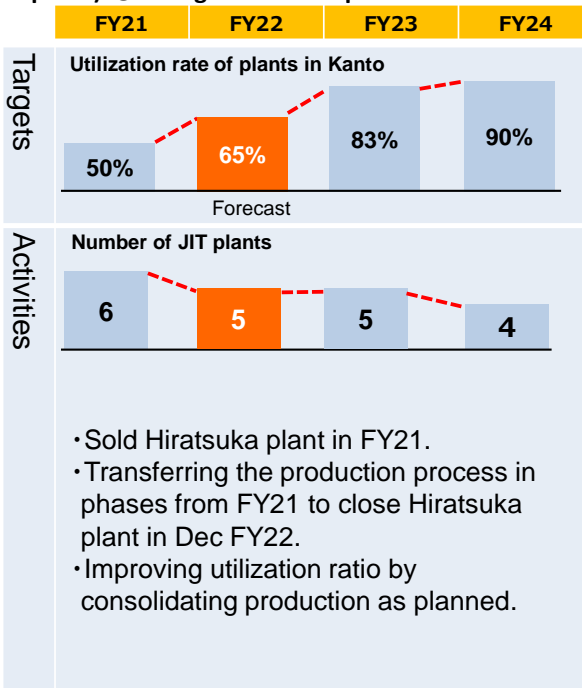
I would like to explain the specific activities in the following pages.



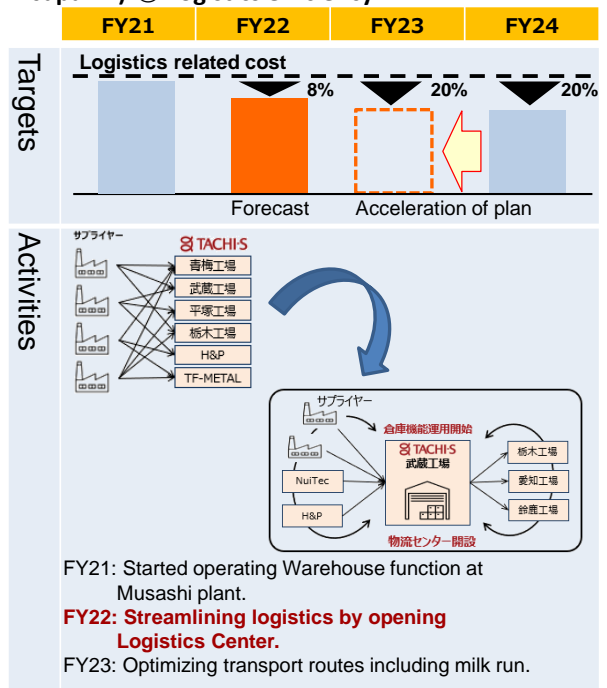
# Improvement of profit structure -Japan-

Plant reorganization proceeded as planned. Logistic efficiency is expected to be achieved one year ahead of schedule.

## Japan 1)-① Reorganization of plants and offices



## Japan 1)-③ Logistics efficiency



13/32

This page shows the progress of profit structure improvement in Japan Region.

In plant reorganization, we have planned to raise plant utilization ratio in Kanto area to 90% by FY24.

Production transfer of Hiratsuka plant is to be completed in December FY22, raising the utilization ratio to 65% as planned.

In logistics efficiency improvement, logistics related cost is planned to be reduced by 20% by FY24.

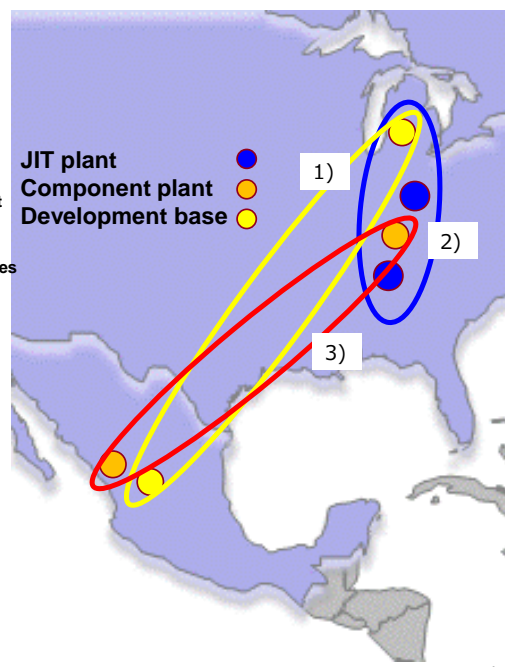
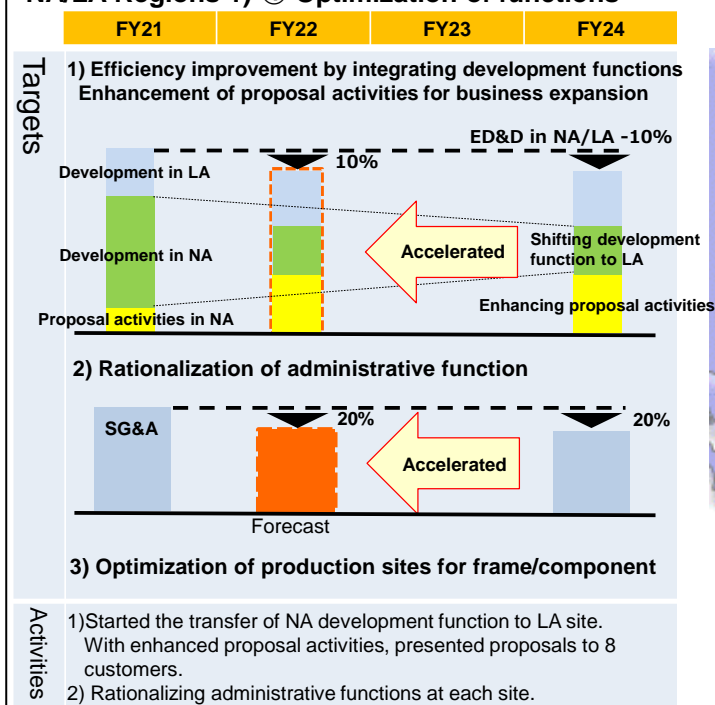
We expect to achieve 8% cost reduction in FY22 by streamlining logistics operation by opening a logistics center and complete our 20% cost reduction plan one year ahead of schedule in FY23 by optimizing transportation routes including milk run.



# Improvement of profit structure -NA/LA- & TACHI-S

Accelerating integration of development functions, enhancement of proposal activities, and rationalization of administrative functions.

## NA/LA Regions 1)-④ Optimization of functions



14/32

I now would like to turn to the profit structure improvement progress in North America and Latin America Regions.

By FY24, we will further improve efficiency by consolidating a part of NA development function into LA. We aim to use the resources generated from the efficiency improvement to focus more on new business proposals. By accelerating the development function transfer to implement in FY22, ED&D in NA/LA regions is expected to be reduced 10%. As a result of these initiatives, we have conducted proposal activities to 8 customers in NA, leading to acquisition of new businesses.

Also, optimization and efficiency improvement in administrative functions is promoted in NA Region. We will accelerate our plan to reduce SG&A 20% from FY21 level by FY24 to implement in FY22.

With regard to frame/component production, we are looking at ways to optimize production sites according to project schedules including frame production in close proximity to JIT plant and consolidation of component production as the main pillar.

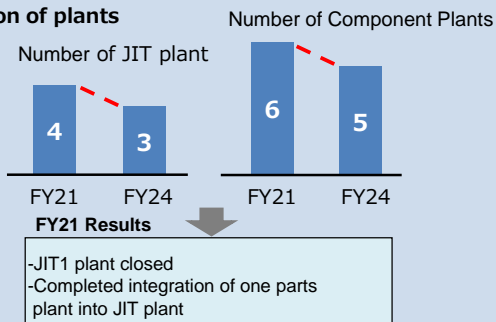


# Improvement of Profit Structure - LA -

Reorganization of plants, reduction of fixed costs and logistics cost reduction are being implemented as planned

## LA Region1)-①②③ Reorganization of plants , reduction of fixed costs, logistics efficiency improvement

### ① Reorganization of plants



### ② Reduction of fixed costs

- Reduction of POST by 17% due to reorganization
- 16% reduction due to Headcount optimization

#### FY21 Results

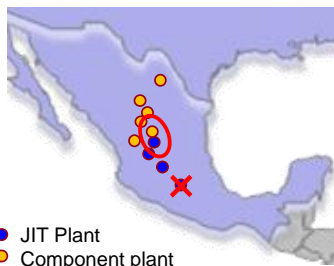
- Reduced number of posts by 17% as planned
- Headcount reduced by 16% as planned

### ③ Logistics efficiency improvement

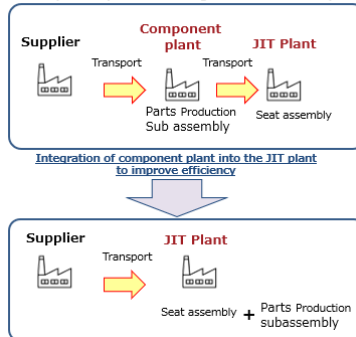
- Milk runs (round-the-clock pickups) to increase transportation efficiency
- Improved loading efficiency by compressing parts during transportation
- Improved loading efficiency by optimizing truck size

#### FY21 Results

- 90% of activities completed against FY24 reduction target plan



The component plant was integrated into the JIT plant



15/32

In the Latin America Region, reorganization of plants, reduction of fixed costs, and logistics efficiency improvement for FY21 are each being implemented as planned.

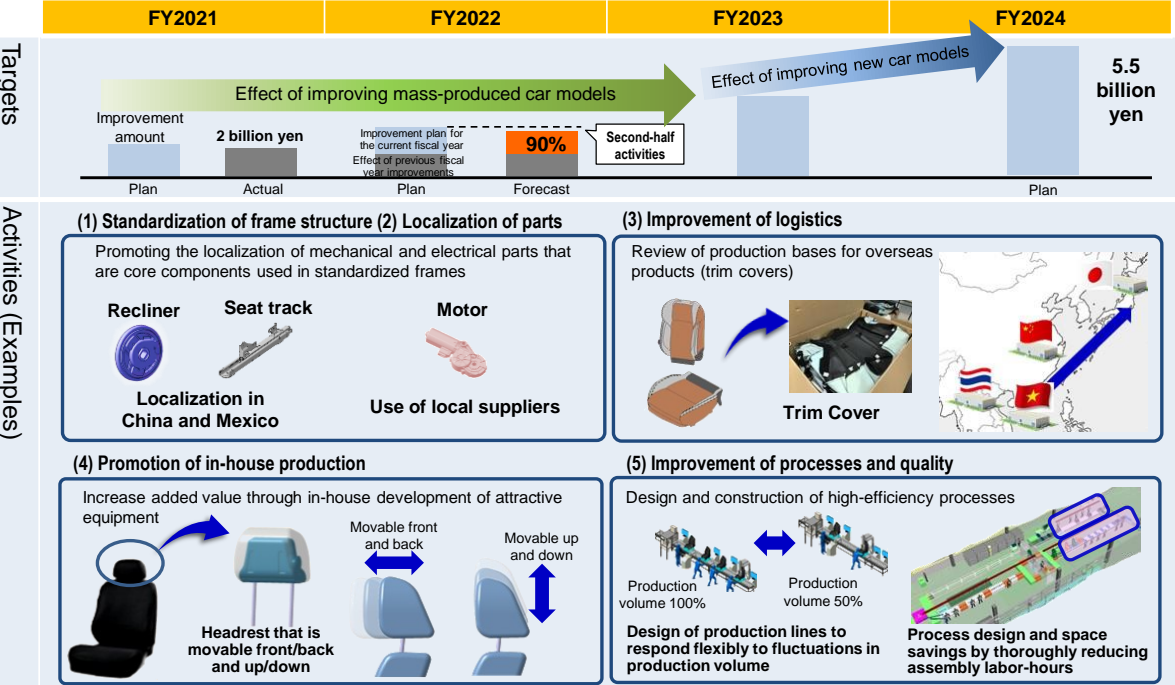
In the reorganization of plants activity, we have closed one JIT plant and component plant into the JIT plant to significantly improve the efficiency of production and logistics.

Thus, our 4 billion yen profit structure improvement has progressed steadily in each region.



Cost reduction activities through standardization, localization, streamlining, in-house production, and process and quality improvements are being carried out as planned.

2) Cost reduction by strengthening manufacturing



16/32

Next, I will explain the improvement of the 5.5 billion yen in “Cost Reduction by Strengthening Manufacturing”. In FY2021 and FY2022, we mainly carried out improvement activities for car models currently in mass production. As a result, in FY2021, we made improvements amounting to 2.0 billion yen. For the first half of FY2022, we expect to reach 90% of our annual target. In the second half of the year, we expect to achieve our annual target by accumulating the remaining 10%.

During FY2023 and beyond, we will launch new businesses with a higher degree of freedom compared to our business for mass-produced car models. Furthermore, we expect to achieve our FY2024 plans through improvement activities for car models.

I will now describe some of our initiatives.

With regard to the standardization of frame structures and the localization of parts, in order to further increase the competitiveness of common frames, we are promoting the localization of core parts and working to expand their adoption globally.

We are implementing local production of recliners and slides in China and Mexico, and using local suppliers in China for motors.

In the field of logistics, we have transferred a portion of overseas productions of trim covers to Japan, and are promoting activities to optimize procurement in consideration of soaring logistics costs and the impact of foreign exchange rates.

In order to promote in-house production, we are increasing the number of equipment developed in-house to reduce costs and offer better products.

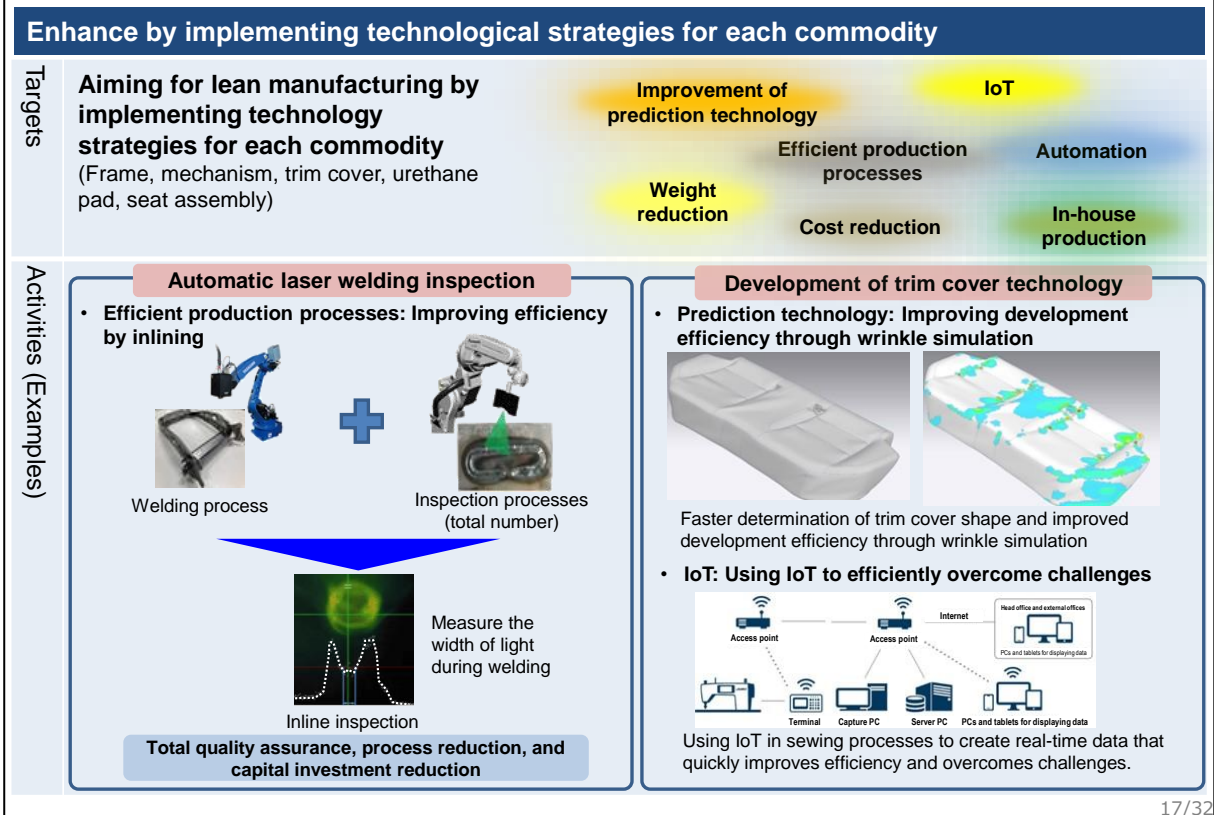
In terms of process and quality improvement, we are aiming to reduce waste in manufacturing by designing production lines that can flexibly cope with fluctuations in production volume and through design processes that reduce assembly labor-hours.

These serve as a few examples of how we are strengthening our manufacturing capabilities in



these five areas.





17/32

I will now describe some of our initiatives for future growth based on the concepts of “Deepening,” “Renewing,” and “Innovating,” and the adoption of DX and ESG.

In terms of “Deepening,” we are implementing a technology strategy for each commodity, including frames, mechanisms, and trim covers. We are aiming to create lean products by improving predictive technologies, IoT, automation, and in-house manufacturing.

I will now describe some of our initiatives.

In laser welding processes, inspections are carried out in a separate process from the welding process, but inspections can be made in-line by installing a monitor in the welding process and automatically measuring the width of light during welding.

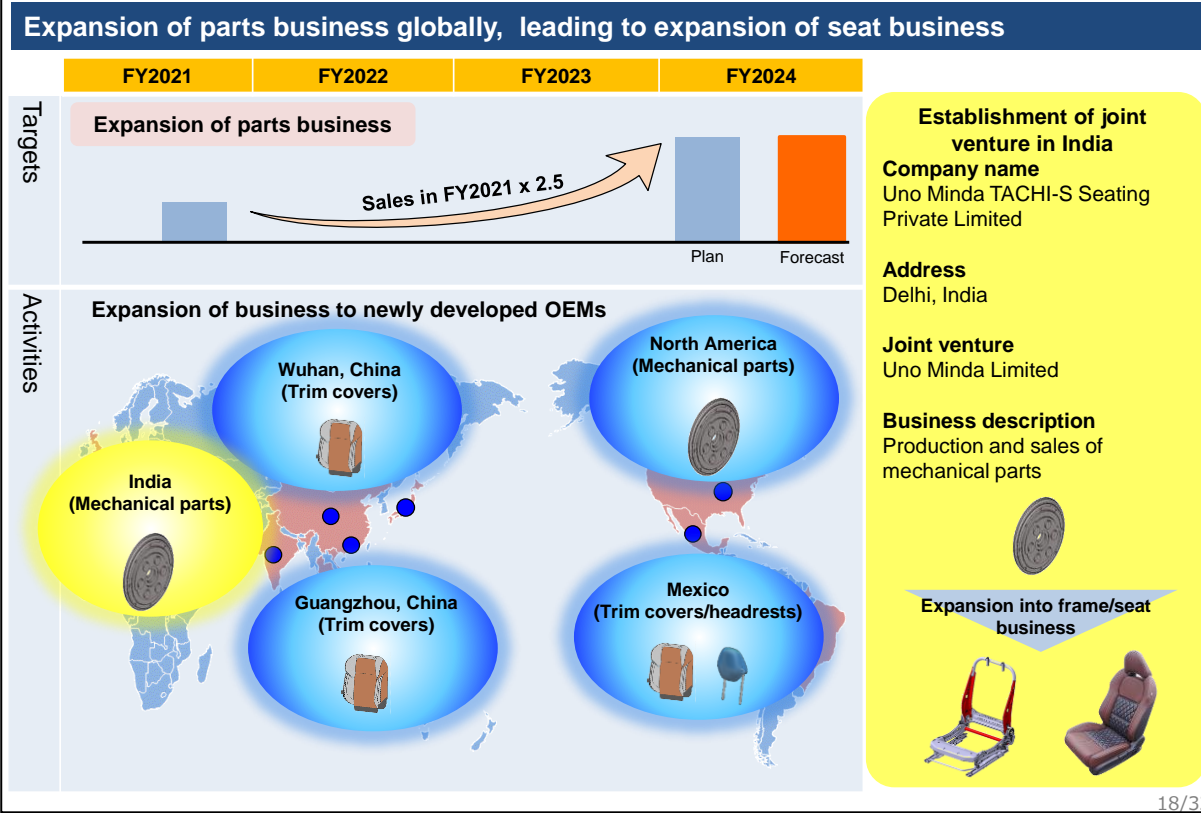
In the field of trim cover technology, we use simulations to predict trim cover wrinkles in order to accelerate shape determination and improve development efficiency.

In terms of sewing processes, we are using IoT to create real-time data



that improves efficiency and quickly solves issues.





I will now explain the progress we are making in expanding our parts business.

In addition to our seat business, we are expanding our seat parts business, including trim covers, mechanical parts, and frames.

In our parts business, we plan to increase sales by 2.5 times over FY2021 levels by FY2024, and we expect to achieve our targets by expanding our business globally.

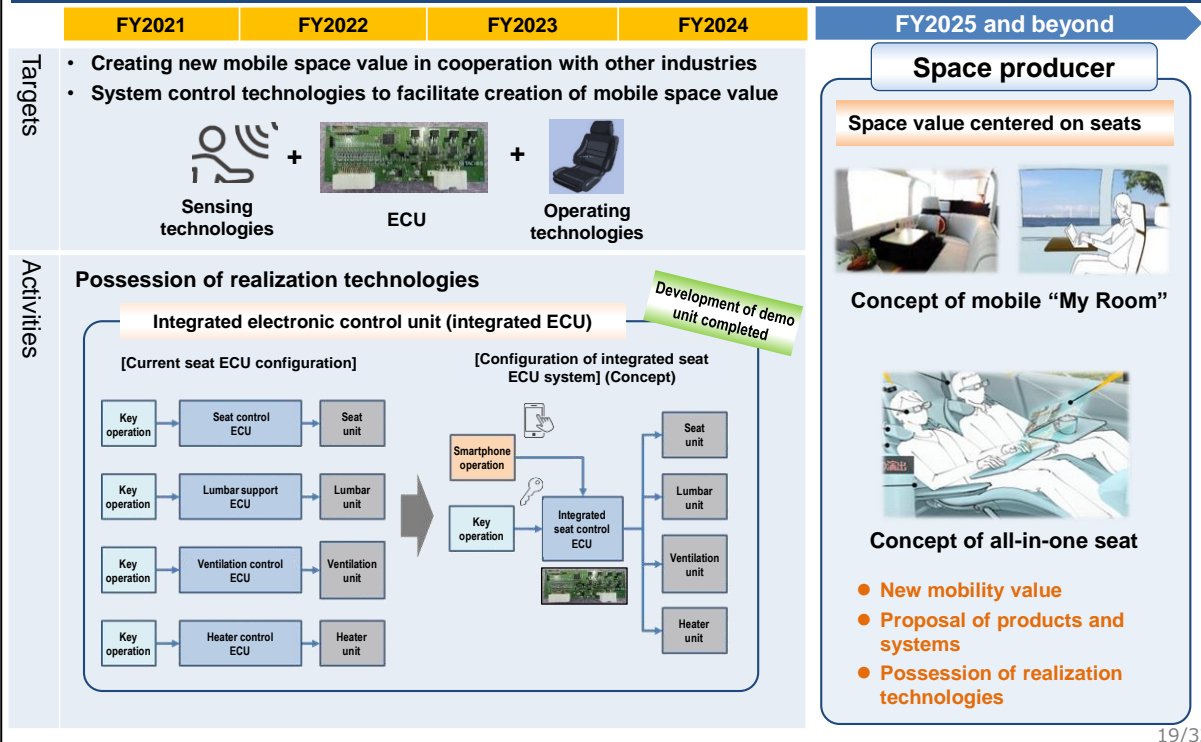
We are expanding our business into newly developed OEMs in the field of trim covers in China and Mexico, and for mechanical parts in North America and India.

As announced recently, we have established a joint venture with Uno Minda Limited in India.

In the future, we plan to expand our parts business globally, leading to the expansion of our frame and seat businesses.



Realizing the creation of new mobile space value and developing system control technologies to facilitate it



In terms of “Innovating,” we are cooperating with other industries as a “space producer” in order to create new mobile space value.

We are working on the development of a system control technology as a core technology necessary to realize new mobile space value, and have completed a prototype of an integrated ECU together with an other company.

This ECU controls multiple functions using a single ECU and is expected to reduce weight, space, and cost.

As a space producer, we are creating space value with seats by promoting the development of core technologies and ideas.



Aiming to be a company that supports a physically, mentally, and socially happy lifestyle

FY2021

FY2022

FY2023

FY2024

FY2025 and beyond

Targets

Advancing into new business areas outside of the automobile industry through technology cultivated in the seat business and open innovation



Activities

## Supporting People and the Earth through “Seating” Technology

### “Endeavoring to achieve a Wellbeing business”

#### ■ Safety and security:

Proposals for active senior support, personal mobility

...New mobility value for people who return licenses



#### ■ Healing and comfort:

Proposals for quiet-time experiences, relaxation, and mindfulness values

...“Seating” comfort and healing space



#### ■ Comfort, personality:

Creating comfortable spaces in the new-normal world

...Suggestions for new ways of working, in the metaverse



#### ■ Support for regional revitalization and women's activities:

Promoting initiatives for working women, aiming for a society in which women are active

...Heating proposals for eco-friendly and energy-efficient individuals



20/32

Next, I will explain our “Renewing” initiatives.

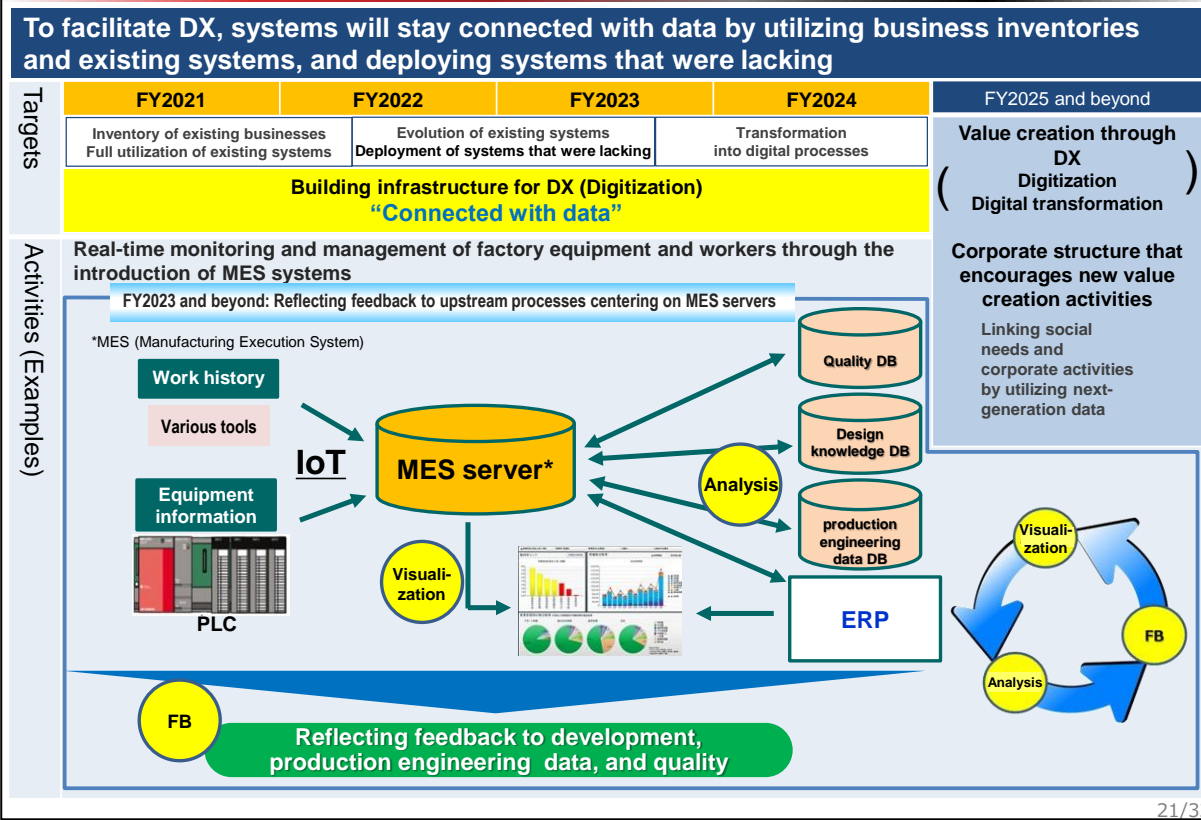
Our company is aiming to expand into new areas other than automobiles.

We are starting small businesses and scaling them up by refining ideas through open innovation based on our cultivated seat technologies, and then conducting PoC and business feasibility testing for them.

It is in this context that we are endeavoring to establish a wellbeing business to achieve our company’s purpose of Supporting People and the Earth through “Seating” Technology

We are committed to becoming a company that supports a physically, mentally, and socially happy lifestyle.





Our company is creating infrastructure for DX and expects to advance in digitalization and digitalized technologies for “connecting data” by FY2024.

To achieve this, we are reviewing individual work process for the purpose of using existing systems and deploying systems that lack.

I will now introduce one of our initiatives.

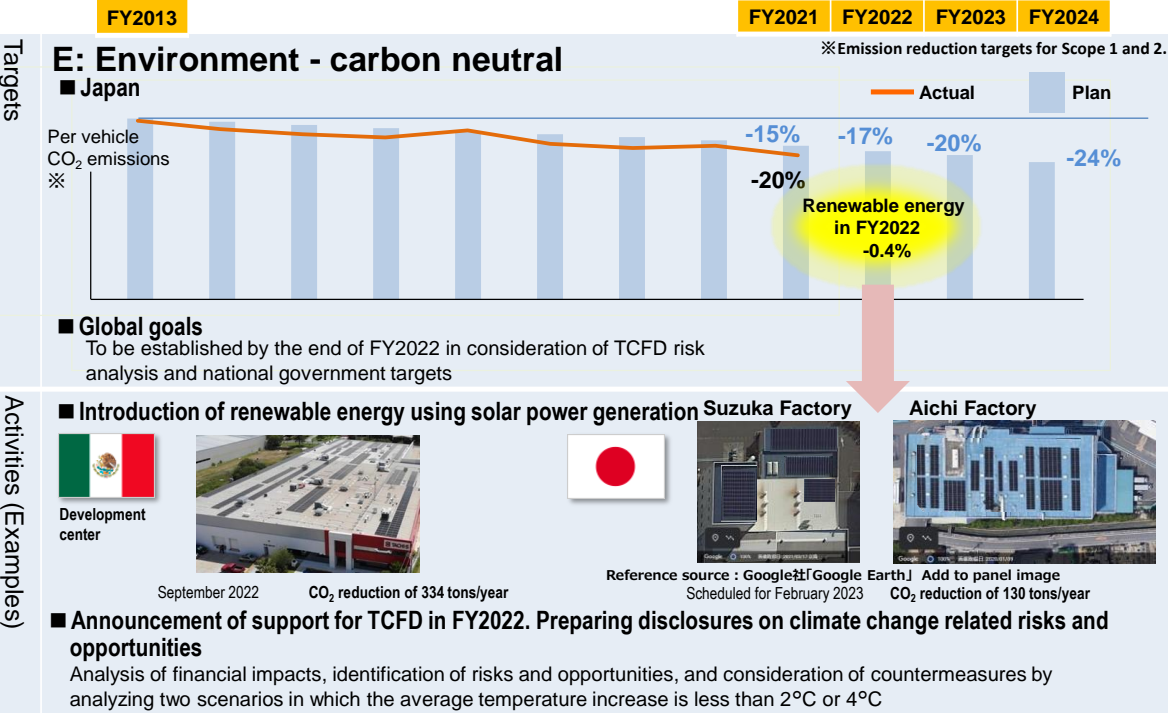
Our company is introducing an MES system to monitor and manage factory equipment and workers in real time.

By linking factory data visualized using the MES system with quality data, design knowledge data, production engineering data, and production control data in the upstream processes, we aim to analyze problems and reflect feedback into each function to enhance our manufacturing competitiveness.

By connecting individual systems in this way, we expect to building our DX infrastructure for FY2025 and beyond.



In Japan, CO<sub>2</sub> emission reduction targets are expected to be achieved. Establish global targets in FY2022. Announcement of support for TCFD



22/32

Next, I will describe our ESG initiatives.

In terms of the environment, we are making efforts to become carbon neutral.

By FY2024, Japan plans to reduce CO<sub>2</sub> emissions per vehicle by 24% compared to FY2013 levels.

In FY2021, we achieved a 20% reduction through our energy-saving activities.

In February 2023, we plan to install solar power generation systems at our Aichi Factory and Suzuka Factory in Japan. This is expected to further reduce emissions by 0.4%.

In September, we installed a solar power generation system at our development center in Mexico.

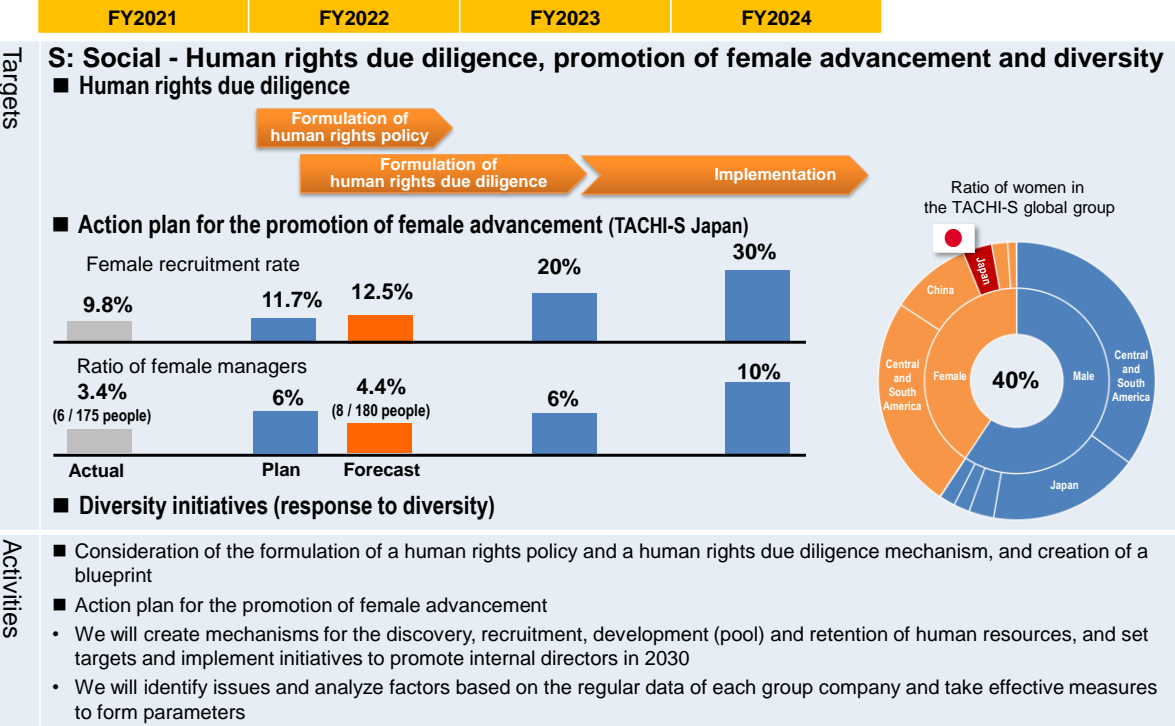
We plan to establish global CO<sub>2</sub> emission targets by the end of FY2022 in consideration of TCFD risk analysis and national government targets.

In May this year, we announced our support for the TCFD and are preparing disclosures on climate change related risks and opportunities.

In order to understand the risks and opportunities that climate change brings to our business, we analyze two scenarios in which the average temperature rise is less than 2° C or 4° C, and then analyze the financial impact, identify risks and opportunities, and consider countermeasures.



Creation of systems that respect and use human rights and diversity



Next, I will explain our initiatives in the human resources area of the social domain, the “S” of ESG.

TACHI-S agrees with international human rights principles such as the UN’s Guiding Principles on Business and Human Rights, and is considering the formulation of a human rights policy and the creation of a human rights due diligence mechanism.

In addition, we are promoting diversity initiatives to achieve innovation that meets diversified customer needs.

Our ratio of female employees globally is 40%, but the female ratio in Japan is particularly low. At TACHI-S in Japan, we have set the new goal of promoting female internal directors in the future, and are working to discover, recruit, develop and retain human resources towards achieving a ratio of at least 30% women in recruitment and a ratio of at least 10% female managers in fiscal year 2024.



## Response to corporate governance issues

## CG report - 5 explain

Principles and supplementary principles	Item	Response
1-4	Cross-shareholdings	<ul style="list-style-type: none"><li>● To grow sustainably as an independent automotive parts manufacturer, cooperative relationships with various stakeholders are essential. While we will continue to hold the cross-shareholdings we consider necessary for business to a reasonable extent, we will change the details of such holdings, including reductions, in line with business innovation and evolution.</li><li>● We will manage cross-shareholdings with constant awareness of asset efficiency in view of the strategic target ROE of 10% (FY2024) and so that they form less than 10% of consolidated net assets.</li></ul>
4-10 [1]	Involvement and advice of independent outside directors with regard to nomination, remuneration, etc.	<ul style="list-style-type: none"><li>● We changed three of five members of the Human Resources and Remuneration Committee to independent outside directors* (June 2022) * Based on the company's independence judgment standard</li><li>● We are planning to change the chair of the Human Resources and Remuneration Committee with an outside director (June 2023).</li></ul>
4-11	Preconditions for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Board	<ul style="list-style-type: none"><li>● The effectiveness of the Board of Directors was evaluated with the involvement of a third party, and the results and issues were reported to the Board of Directors (March 2022). We are currently implementing sequential improvements.</li><li>● Although we have no female directors at present, we are currently working to expand the number of female managers and to strengthen and promote initiatives towards the realization of workplace environments in which women can play even more active roles.</li></ul>

24/32

I will now explain our issues in corporate governance, the “G” of ESG, and how to respond to them.

We have explained five matters in the company’s corporate governance report.

Principle 1-4 concerns cross-shareholdings.

We think that to grow sustainably as an independent automotive parts manufacturer, cooperative relationships with various stakeholders are essential. While we will continue to hold the cross-shareholdings to a reasonable extent, our policy will be to change the details of such holdings, including reductions, in line with business innovation and evolution.

We will manage cross-shareholdings with constant awareness of asset efficiency in view of the strategic target ROE of 10% and so that they make up less than 10% of consolidated net assets.

With regard to supplementary principle 4-10 [1], we have made the majority of members of the Human Resources and Remuneration Committee with independent outside directors, and plan to change the chair of the committee to an outside director next fiscal year.


As for principle 4-11, the effectiveness of the Board of Directors was evaluated with the involvement of a third party, and the results and issues were reported to the Board of Directors in March this year.

We have discussed measures to improve the issues identified and are starting making improvements sequentially.







Principles and supplementary principles	Item	Response
2-3 [1]	Positive and active handling of sustainability issues	<p>➤ <b>Formulation of a basic policy for sustainability initiatives</b></p> <ul style="list-style-type: none"><li>● We formulated an “ESG philosophy” and published it on our website (October 2022).</li></ul> <p>➤ <b>Response to sustainability issues</b></p> <ul style="list-style-type: none"><li>● We hold ESG promotion meetings every quarter.</li><li>● We published the “ESG Report 2022” on our website (October 2022).</li><li>● We reviewed our risk map on the Risk Management Committee (June 2022). We are currently evaluation risks and promoting countermeasures.</li></ul>
4-2 [2]	Formulation of a basic policy for sustainability initiatives by the Board of Directors	<div><p><b>The TACHI-S way of thinking on ESG</b></p><p>The TACHI-S Group has established this corporate vision - “To live in harmony with individuals and society and to put smiles on people’s faces by continuously creating living spaces of comfort and enrichment.” The company works on ESG with the aim of responding to the needs and expectations of stakeholders and contributing to the realization of a sustainable society through the implementation of this corporate vision. To that end, the company positions “social contributions through manufacturing” and “social responsibility in business processes” as the roots of ESG, and aims for management that integrates ESG and business activities.</p><p>In “social contributions through manufacturing,” we will continue to create safe, secure, and comfortable internal automobile spaces centered on automobile seats based on innovative technologies that make people smile, and contribute to society through the value provided by the company’s products and services.</p><p>In addition, with “social responsibility in business processes,” we will fulfill our social responsibility as a good corporate citizen, not only by complying with the law and social rules, but also by working on social issues such as the promotion of diversity and the prevention of global warming.</p><p>ESG is always at the heart of the company’s management strategy, and we will work on the realization of the company’s vision through these activities while aiming for the sustainable growth of the company.</p></div> <div><p>From the company’s website</p></div>

This page is about sustainability.

We formulated an ESG philosophy as our basic policy for sustainability initiatives.

As a response to sustainability issues, we prepared an ESG report and published it on our website.

In addition, we implemented a review of our risk map to evaluate risks and are promoting countermeasures.

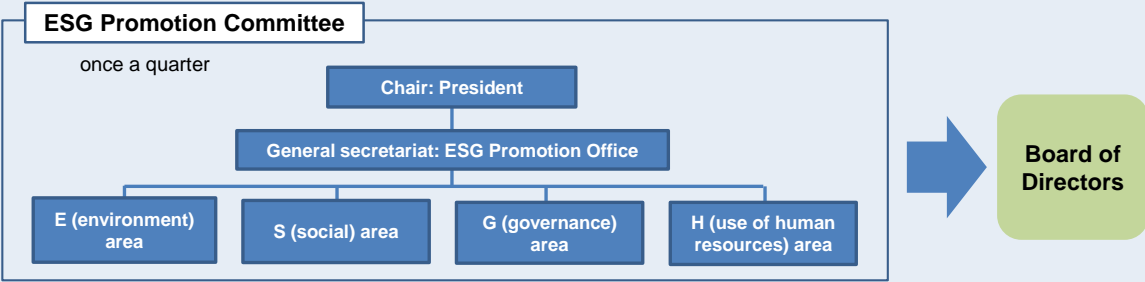


## Quarterly follow-up of progress by the ESG Promotion Committee and oversight by the Board of Directors

### ■ ESG promotion organization

ESG Promotion Committee: Approval of activity policy and quarterly follow-up of progress

Board of Directors: Supervision of the details of the activities of the ESG Promotion Committee



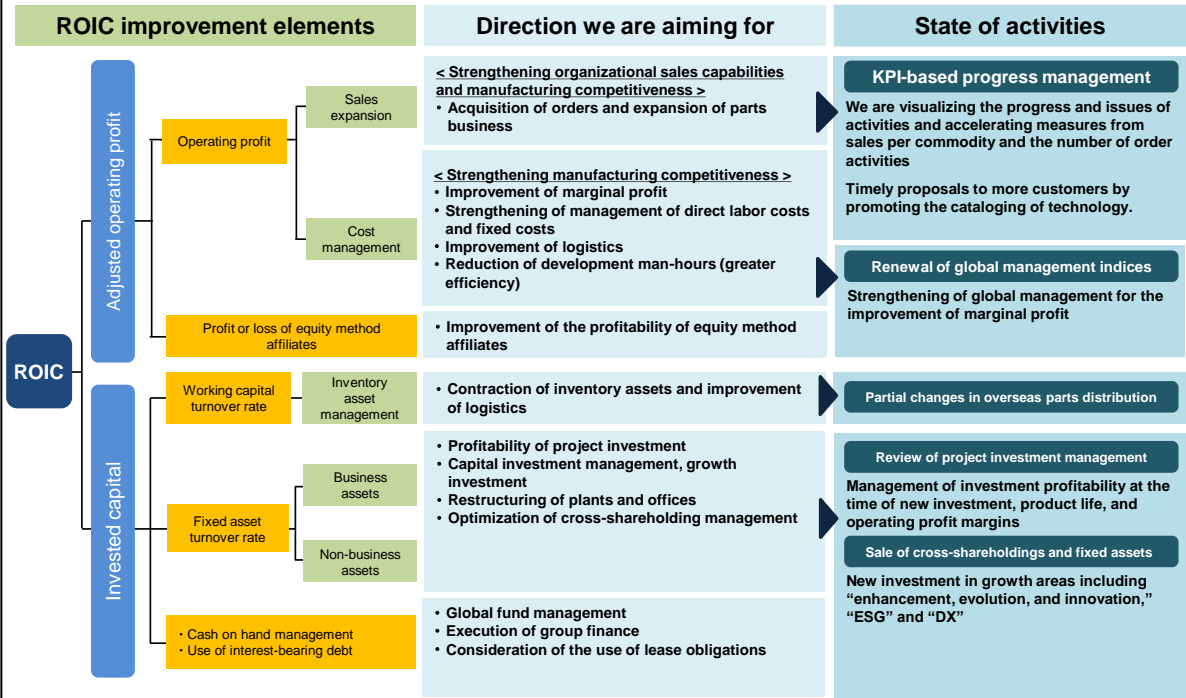
26/32

Within our ESG promotion organization, the ESG Promotion Committee, chaired by the President, approves activity policies and follows up on progress each quarter.

The activities of the ESG Promotion Committee are reported to and supervised by the Board of Directors.



We are promoting capital efficiency by linking the elements that improve ROIC and various activities, and spreading management conscious of capital costs.



27/32

By linking the various elements that constitute ROIC with the various activities of TVE’s business strategies in financial and capital strategies, we are promoting capital efficiency while continuing to spread management conscious of capital costs.

For example, in sales expansion, we manage the progress of sales for each commodity as KPIs.

In cost management, we have strengthened management for the improvement of marginal profit by renewing global management indicators.

By linking various activities and the elements of ROIC improvement in this way, and implementing the activities, we will achieve our ROE targets with awareness of capital efficiency.



FY22 2Q Financial Result

Progress of the Medium-Term  
Management Plan (TVE\*)

**Shareholder Return**

Topics

※Transformative Value Evolution

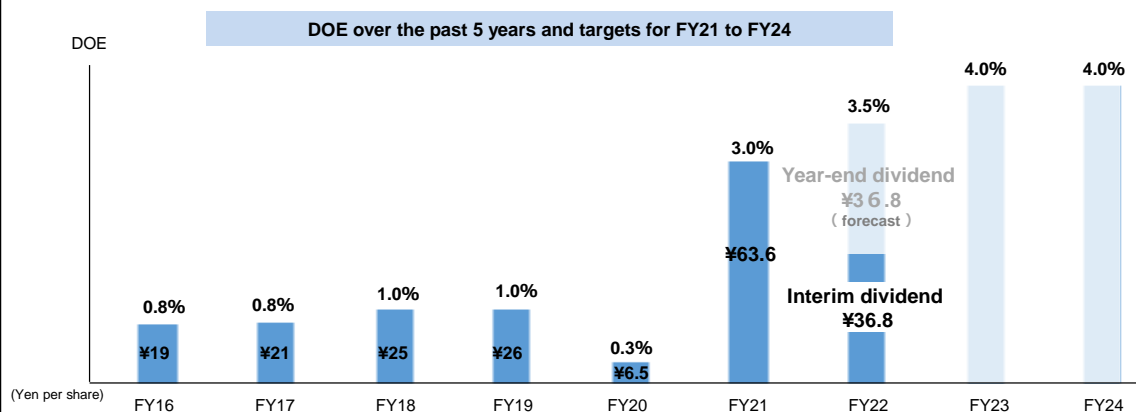
28/32

I will explain about shareholder returns.



## Dividends : DOE 3-4% for FY2021 – FY2024

- Dividend On Equity ratio (DOE) is applied as a financial indicator for dividends.
- Proactive approach to shareholder return based on comprehensive consideration of cash flow, sound financial base over the medium to long term, and other factors.



29/32

We use Dividend on Equity Ratio (DOE) as primary financial index for dividends and plan to raise the DOE to 3-4% from FY21 to FY24.

FY22 2<sup>nd</sup> Q-end dividend per share is 36.8 yen.

Annual dividend per share for FY22 expect to 73.6 yen, increase of 10 yen from the previous year.



FY22 2Q Financial Result

Progress of the Medium-Term  
Management Plan (TVE\*)

Shareholder Return

**Topics**

※Transformative Value Evolution

30/32

Lastly, let me turn to topics.



# FY22 Second Quarter Topics



Management/ Business		Head office relocation date decided on December 20, 2022	<a href="#">Go to news release</a>
		Transfer of TACHI-S Akishima Building	<a href="#">Go to news release</a>
		Start of new joint venture in India	<a href="#">Go to news release</a>
		Establishment of subsidiary in China and completion of subsidiary transfer procedures	<a href="#">Go to news release</a>
		Establishment and operation of Yunmeng plant [TACHI-S Trim Wuhan Co., Ltd.]	<a href="#">Go to appendix</a>
Award		Received 2021 Nissan Supplier Quality Award [TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd]	<a href="#">Go to news release</a>
		Received 2021 Dongfeng Nissan Excellent Supplier Award [ZHENGZHOU DONGFENG LEAR TAIXIN AUTOMOTIVE SEATING CO. LTD]	<a href="#">Go to news release</a>
		Received FY22 Nissan Supplier Quality Award [ZHENGZHOU DONGFENG LEAR TAIXIN AUTOMOTIVE SEATING CO. LTD]	<a href="#">Go to news release</a>
		Received 2021 Honda Supplier Award for 4 consecutive years- Delivery and Quality Award - [SETEX Automotive Mexico]	<a href="#">Go to news release</a>
		Received FY22 Dongfeng Nissan Supplier Quality Award [TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd]	<a href="#">Go to news release</a>
		Received silver prize at the Dongfeng Honda supplier NHC competition [Wuhan Dongfeng TACHI-S Yanfeng Automotive Seat Co., Ltd.]	<a href="#">Go to appendix</a>
Technology		Adopted new technology "GlueAnchor®" for INTEGRA [SETEX]	<a href="#">Go to ESG HP</a>
			<a href="#">Go to appendix</a>
ESG		"Let's Eat and Support!" Efforts for Great East Japan Earthquake [TACHI-S] [TF-METAL]	<a href="#">Go to news release</a>
		Commenced operation of solar power generation system in Mexico [TACHI-S Engineering Latin America, TACHI-S Mexico]	<a href="#">Go to news release</a>
		TACHI-S ESG Report 2022 Released	<a href="#">Go to news release</a>
		Donation to the Detroit Japanese Chamber of Commerce Fund [TACHI-S Engineering U.S.A.]	
		Sponsoring a local soccer team (Planning, operation and instruction of soccer lessons) [SETEX]	
Exhibit		Planting flower seedlings at a local garden park [TF-METAL]	<a href="#">Go to appendix</a>
		Exhibited at the 67th Annual Meeting of the Japanese Society for Dialysis Therapy [TACHI-S H&P]	<a href="#">Go to news release</a>
		Exhibited at Akita NEXT Motor Show 2022 [NuiTec Corporation]	<a href="#">Go to news release</a>
		Product exhibition at the Int'l Home Care & Rehabilitation Exhibition (HRC2022) [TACHI-S H&P]	<a href="#">Go to appendix</a>

31/32

This will be the topic for the first half of 2022.

There were topics related to business matters, various awards received from customers, ESG activities, etc.

We hope that you will take a look at the APPENDIX of this document and our website.



Supporting People and the Earth  
through “Seating” Technology



Global Seat System Creator

**Cautionary Statement**

This document contains forward-looking statements reflect TACHI-S’ judgments and estimates that have been made on the basis of currently available information. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause TACHI-S’ actual results to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements.

32/32

That concludes my explanation of the financial results for the second quarter of the fiscal year ending March 2023 and the progress of the medium-term management plan.

Various changes in the business environment are continuing in fiscal year 2022,

but at the same time all of us at TACHI-S will execute with certainty those things we can control towards a future leap forwards and we will respond speedily to change and work together towards the improvement of corporate value.

I would highly appreciate your continued understanding and cooperation.

Thank you for your attention.

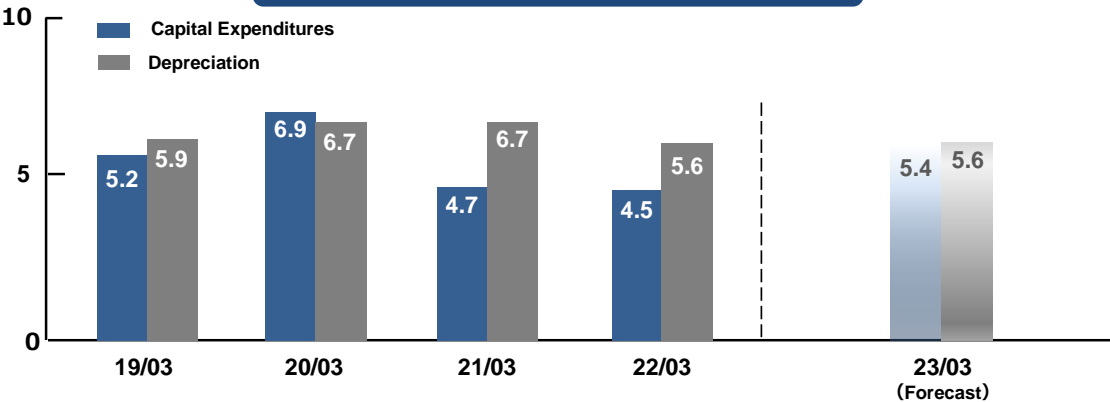


## Appendix



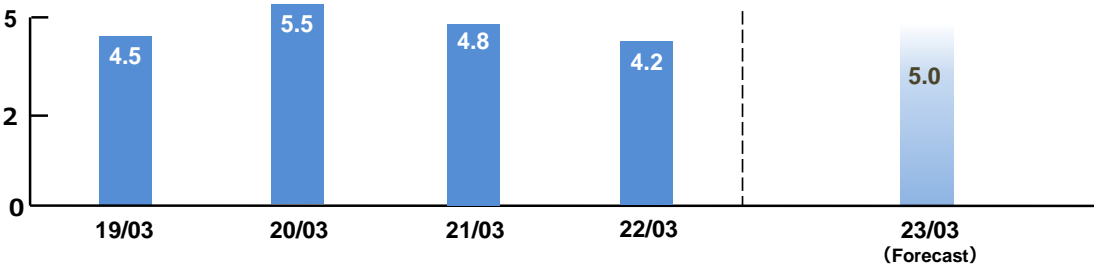
(Unit: billion yen)

Capital Expenditures & Depreciation



(Unit: billion yen)



















R & D





FY22 New Models and Minor Changes



	2022												2023		
	4	5	6	7	8	9	10	11	12	1	2	3			
Japan		 X-TRAIL		 N-WGN(M)	 N-ONE(M)	 OUTLANDER(M)									
		 SKYLINE (M)						 ZR-V							
	 FREED(M)	 DUTRO Z EV													
Mexico	 HR-V			 QX50 (M)		 VERSA(M)									
Americas		 INTEGRA			 MAXIMA(M)										
China				 ARIYA	 XR-V										

●NISSAN ●HONDA/ACURA ●MITSUBISHI ●TOYOTA/HINO

(M) : Minor Change Model Year



 <b>HINO</b> <b>DUTRO Z EV</b> Complete Seat	 <b>Mexico HONDA</b> <b>HR-V</b> Complete Seat	 <b>American HONDA</b> <b>INREGRA</b> Complete Seat
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SOP: June 2022  
Production plant: Ome plant



SOP: April 2022  
Production company:  
SETEX Automotive Mexico



SOP: May 2022  
Production company: SETEX





# FY22 1<sup>st</sup> - half Topics

**Start of new joint venture in India**

Uno Minda TACHI-S Seating Private Limited

**Establishment and operation of Yunmeng plant**

TACHI-S Trim Wuhan Co., Ltd.

**Received silver prize at the Dongfeng Honda supplier NHC competition**

Wuhan Dongfeng TACHI-S Yanfeng Automotive Seat Co., Ltd

**Adopted new technology "GlueAnchor®" for INTEGRA**

SETEX

**Planting flower seedlings at a local garden park**

TF-METAL

**Product exhibition at the Int'l Home Care & Rehabilitation Exhibition (HRC2022)**

TACHI-S H&P



# Exchange Rate



(Unit: yen)

	19/03	20/03	21/03	22/03	23/03 (forecast)
USD	109.18	109.13	105.79	112.06	125.00
MXN	5.73	5.65	5.02	5.38	6.00
EUR	122.00	121.27	123.22	130.54	136.50
RMB	16.31	15.86	15.41	16.94	19.00

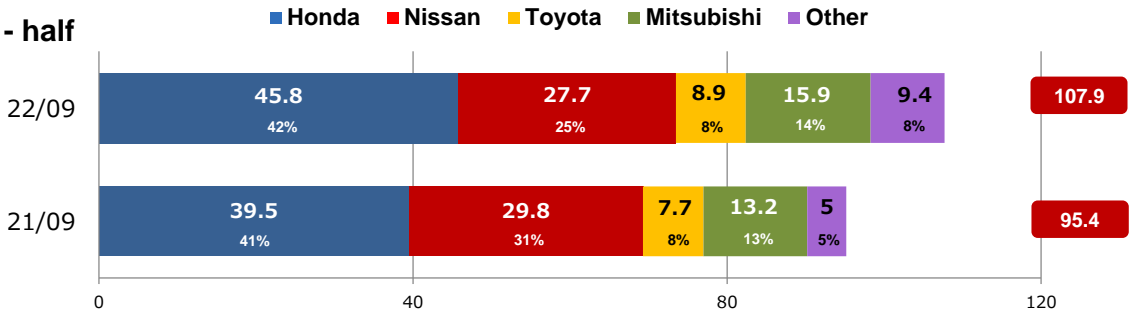


# Net Sales by Customer (Consolidated)

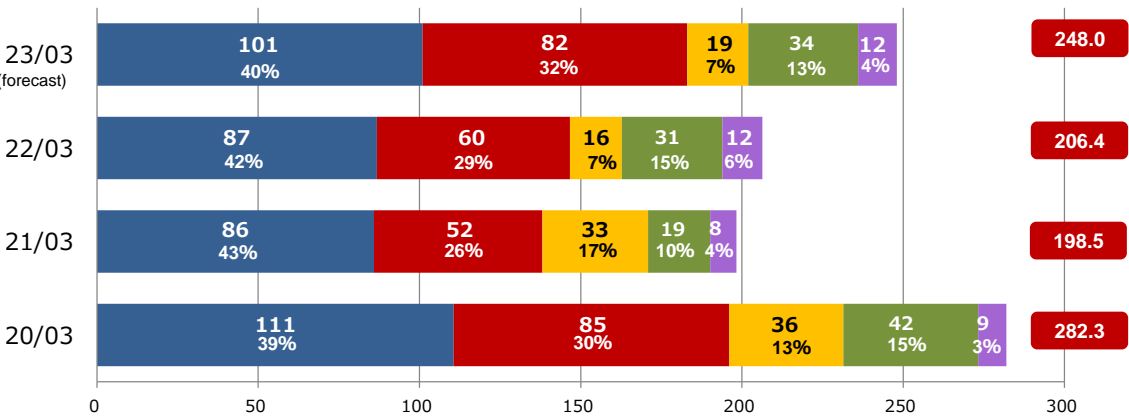


(Unit: billion yen)

## 1st - half



## Full Year



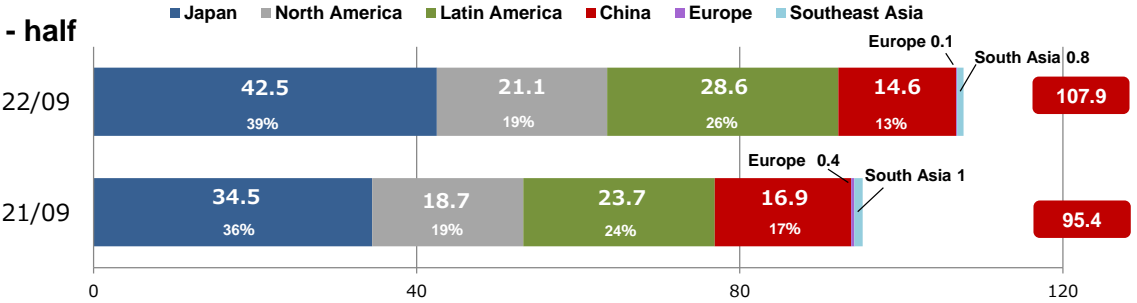
39/32



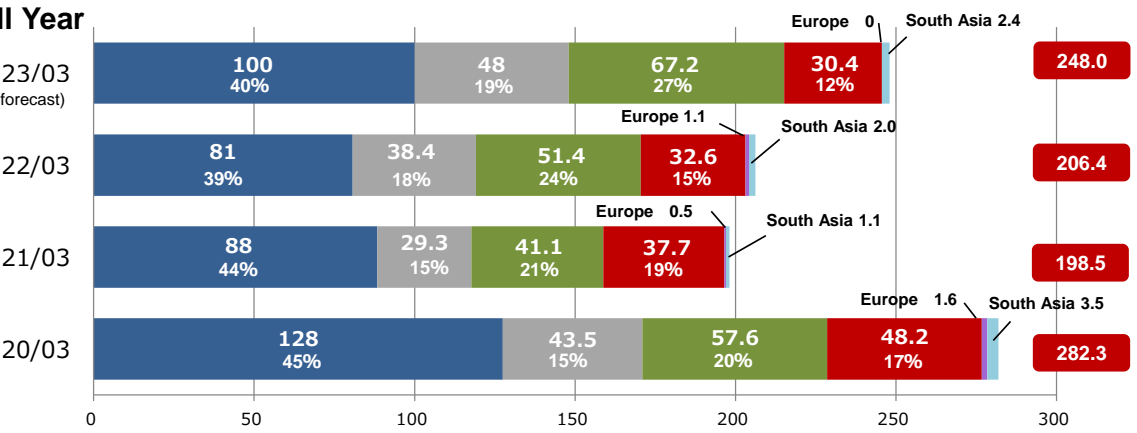
# Net Sales by Region (Consolidated)

(Unit: billion yen)

## 1st - half



## Full Year





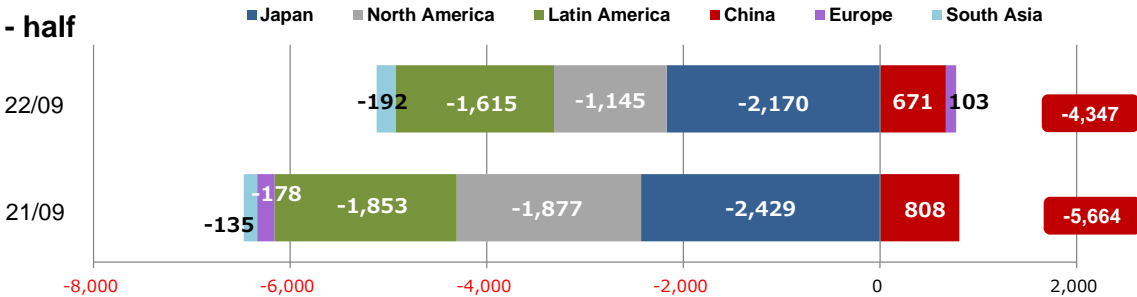
# Operating Income by Region

(Consolidated)

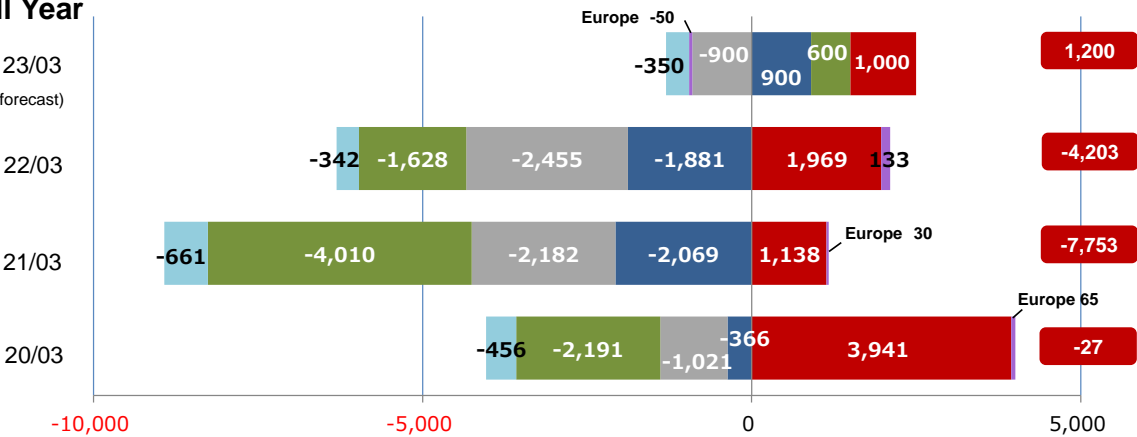


(Unit: million yen)

## 1st - half



## Full Year





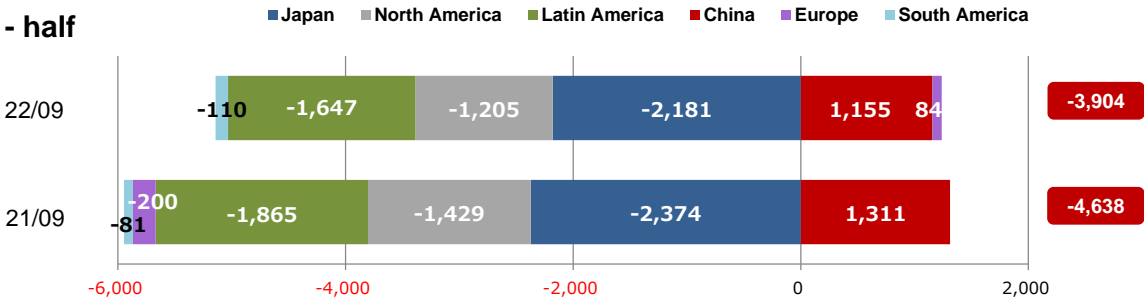
# Ordinary Income by Region

(Consolidated)

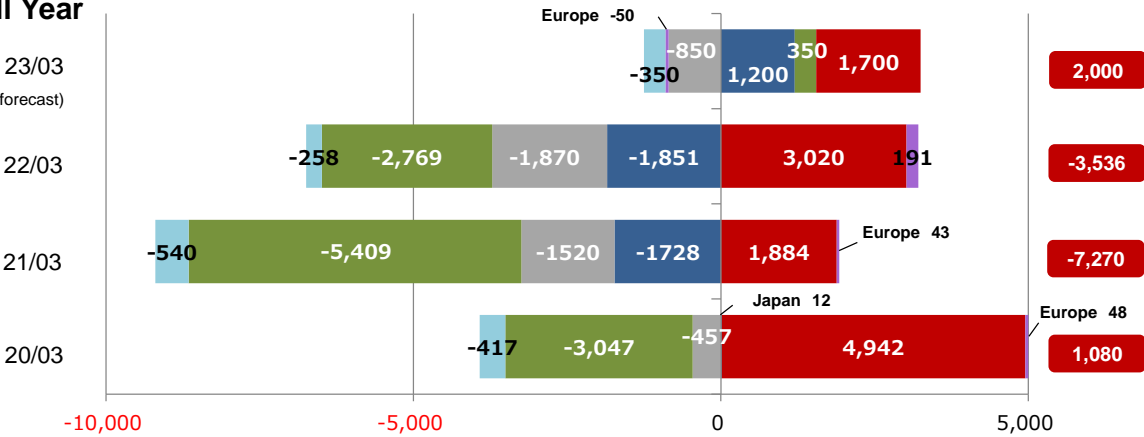


(Unit: million yen)

## 1st - half



## Full Year





# Domestic Business Sites



As of the end of September 30, 2022

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
Tochigi Plant	February, 1982	Shimotsuke-shi, Tochigi	Manufacturing of automotive seats and parts	NISSAN, 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



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, 2006	Ome-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	Ome-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
TF-METAL Iwata Co., Ltd.	October, 1986	Iwata-shi, Shizuoka	Manufacturing/sales of automotive seat parts	(100.0%)	15 million yen	TF-METAL, NHK Spring	1
TF-METAL Kyushu Co., Ltd.	July, 1985	Nakatsu-shi, Oita	Manufacturing/sales of automotive seat parts	(100.0%)	10 million yen	TF-METAL, FujiKiko	1
TF-METAL Higashi Mikawa 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.



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

\* (including subsidiaries' equity)

1. Consolidated subsidiary      6 Companies      2. Consolidated affiliate      1 Company



# TACHI-S Group Companies(Latin America / Europe)

Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
<b>TACHI-S Engineering Latin America, S. A. de C. V.</b>	May, 2012	Aguascalientes, Mexico	R&D in Latin America	*(100.0%)	2,184 million MXN		1
<b>Industria de Asiento Superior, S.A. de C.V. (TACHI-S Mexico)</b>	April, 1991	Aguascalientes, Mexico	Manufacturing/sales of automotive seats and seat parts/business administration in Latin America	*(100.0%)	26 million USD	NISSAN (Mexico)	1
<b>SETEX Automotive Mexico, S. A. de C. V.</b>	September, 2012	Guanajuato, Mexico	Manufacturing/sales of automotive seats	*(95.0%)	24 million USD	HONDA (Mexico)	1
<b>TF-METAL Mexico, S.A. de C.V.</b>	June, 2012	Aguascalientes, Mexico	Manufacturing/sales of automotive seat parts	*(100.0%)	27 million USD	TACHI-S Mexico, TF-METAL U.S.A., Faurecia	1
<b>TACHI-S Brasil Industria de Assentos Automotivos Ltda.</b>	August, 2012	Rio de Janeiro, Brazil	Manufacturing/sales of automotive seats	*(100.0%)	275 million BRL	NISSAN (Brazil) Renault (Brazil)	1
<b>TACHI-S Engineering Europe S.A.R.L.</b>	October, 2004	Meudon-La-Forêt, France	Sales/R&D in Europe, manufacturing/sales of automotive seat parts	100.0%	23 million EUR	ADIENT	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
<b>TACHI-S China Co., Ltd.</b>	October, 2011	Guangdong, China	Sales/R&D/business administration in China	100.0%	259 million RMB		1
<b>TACHI-S Engineering Zhengzhou Co., Ltd.</b>	December, 2015	Henan, China	R&D in China	*(100.0%)	75 million RMB		3
<b>TACLE Guangzhou Automotive Seat Co., Ltd.</b>	November, 2004	Guangdong, China	Manufacturing/sales of automotive seats	51.0%	66 million RMB	Dongfeng NISSAN	1
<b>Hunan TACHI-S Automotive Seating Co., Ltd.</b>	July, 2012	Hunan, China	Manufacturing/sales of automotive seats	*(51.0%)	40 million RMB	GAC Mitsubishi Motors	1
<b>TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd.</b>	July, 2013	Hubei, China	Manufacturing/sales of automotive seats	*(51.0%)	30 million RMB	Dongfeng NISSAN	1
<b>Zhengzhou Taixin Interior Co., Ltd.</b>	July, 2001	Henan, China	Manufacturing/sales of automotive seats	50.0%	11 million RMB	Chery Automobile, Zhengzhou NISSAN	2
<b>Wuhan Dongfeng TACHI-S Yanfeng Automotive Seat Co., Ltd.</b>	June, 2008	Hubei, China	Manufacturing/sales of automotive seats	50.0%	43 million RMB	Dongfeng HONDA	1
<b>Lear DFM TACHI-S Automotive Seating (Dalian) Co., Ltd.</b>	August, 2013	Liaoning, China	Manufacturing/sales of automotive seats	*(49.0%)	50 million RMB	Dongfeng NISSAN	2
<b>Zhengzhou Taizhixin Automotive Seating Co., Ltd.</b>	June, 2019	Henan, China	Manufacturing/sales of automotive seats and seat parts	(49.0%)	90 million RMB		4

\* (including subsidiaries' equity)

1. Consolidated subsidiary:/ 5 Companies      2. Consolidated affiliate 2 Companies      3. Equity-method non-consolidated subsidiary 1 Company      4. Unconsolidated affiliate 1 Company



Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
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		1
TF-METAL Guangzhou Co., Ltd.	January, 2005	Guangdong, China	Manufacturing/sales of automotive seat parts	*(85.0%)	40 million RMB	TACLE Guangzhou	1
TF-METAL Zhejiang Co., Ltd.	December, 2019	Zhejiang, China	Manufacturing/sales of automotive seat parts	*(82.8%)	251 million RMB	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		1

\* (including subsidiaries' equity)

※ Zhejiang TACHI-S Automotive Parts Co., Ltd and Zhejiang Fu Chong Tai Automotive Parts Co., Ltd complete liquidation procedures in October 2022

1. Consolidated subsidiary
                     6 Companies
                     4. Unconsolidated affiliate
                     1 Companies



Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
<b>TACHI-S (Thailand) Co., Ltd.</b>	September, 2011	Bangkok, Thailand	Business administration in Southeast Asia and India	100.0%	771 million THB		1
<b>TACHI-S Automotive Seating (Thailand) Co., Ltd.</b>	April, 2010	Bangkok, Thailand	Manufacturing/sales of automotive seats and seat parts	100.0%	153 million THB	NISSAN (Thailand) Mitsubishi (Thailand)	1
<b>TACHI-S Engineering Vietnam Co., Ltd.</b>	January, 2013	Ho Chi Minh, Vietnam	R&D in Vietnam	100.0%	31,026 million VND		2
<b>APM TACHI-S Seating Systems Vietnam Co., Ltd.</b>	November, 2016	Da Nang, Vietnam	Manufacturing/sales of automotive seats	*(51.0%)	56,567 million VND		2
<b>APM TACHI-S Seating Systems Sdn. Bhd.</b>	February, 2013	Selangor, Malaysia	Manufacturing/sales of automotive seats	*(49.0%)	5 million MYR		4

\* (including subsidiaries' equity)

1. Consolidated subsidiary      2 Companies      2. Unconsolidated subsidiary      2 Companies      4. Unconsolidated affiliate      1 Company