

FY2016 Financial Result



From April 1, 2016 through March 31, 2017

TACHI-S CO., LTD.

May 31, 2017



Company Name	TACHI-S CO., LTD.
Corporate Headquarters	3-3-7, Matsubara-cho, Akishima-shi, Tokyo 196-8611
Date of Establishment	April 7, 1954
Paid-in Capital	9.04 billion yen
Net Sales	282.5 billion yen (Consolidated) (Fiscal Year Ended March 31, 2017)
Number of Employees	10,986 (Consolidated) (As of March 31, 2017)
Stock Exchange Listing	Tokyo / First Section (Securities Code : 7239)
Business Contents	Manufacturing of automotive seats

FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

Capital Expenditures

Dividend

Financial Information

FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

Capital Expenditures

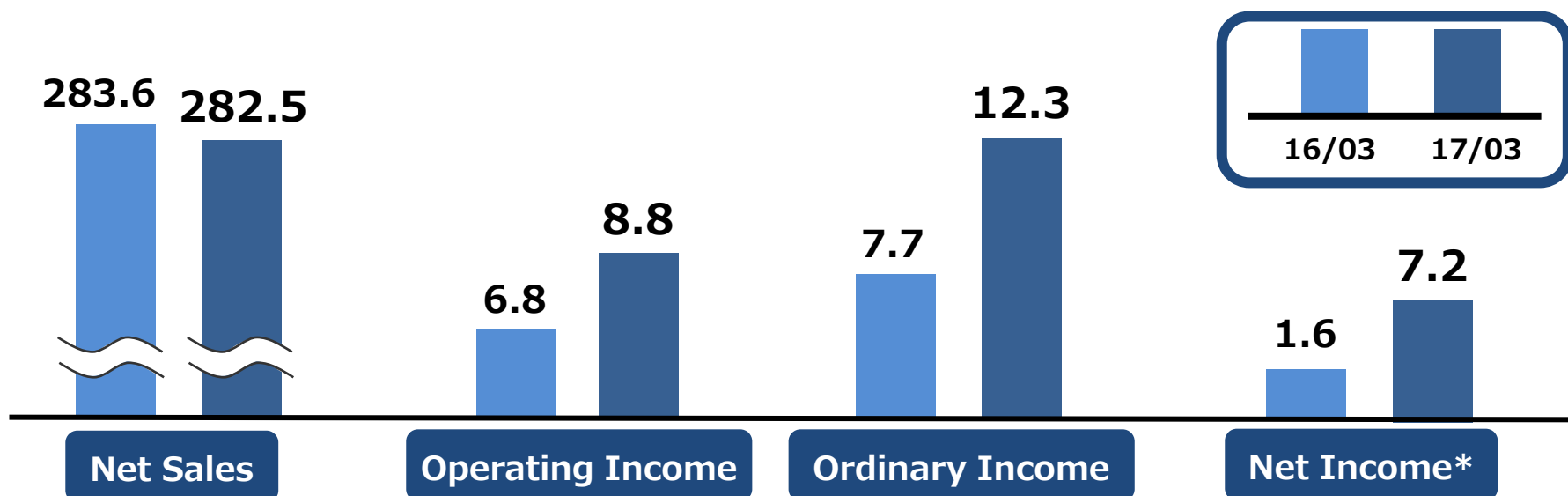
Dividend

Financial Information

vs. previous year

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

	2016/03	2017/03	Change	Change(%)
Net Sales	283.6	282.5	-1.1	-0.4
Operating Income	6.8	8.8	+2.0	28.7
Ordinary Income	7.7	12.3	+4.6	59.1
Net Income*	1.6	7.2	+5.6	330.9

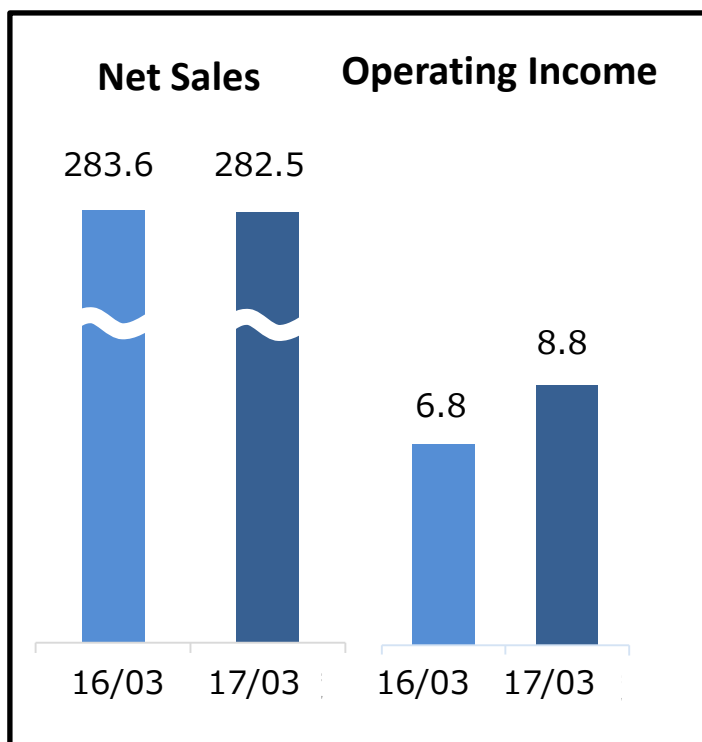


Reference

Both Sales and Operating Income Increased

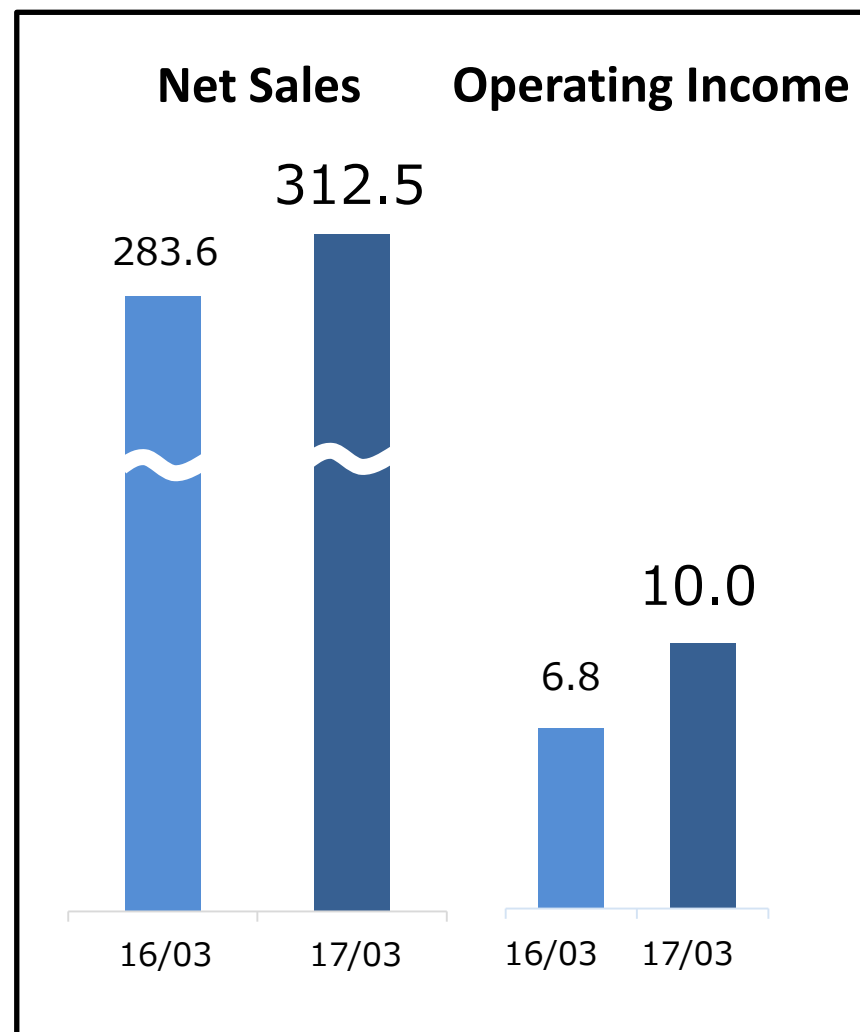
(Unit: billion yen)

Figures for Financial Reporting



Exchange Rate : 2017/03 ¥108.76/US \$

Figures at Constant Currency



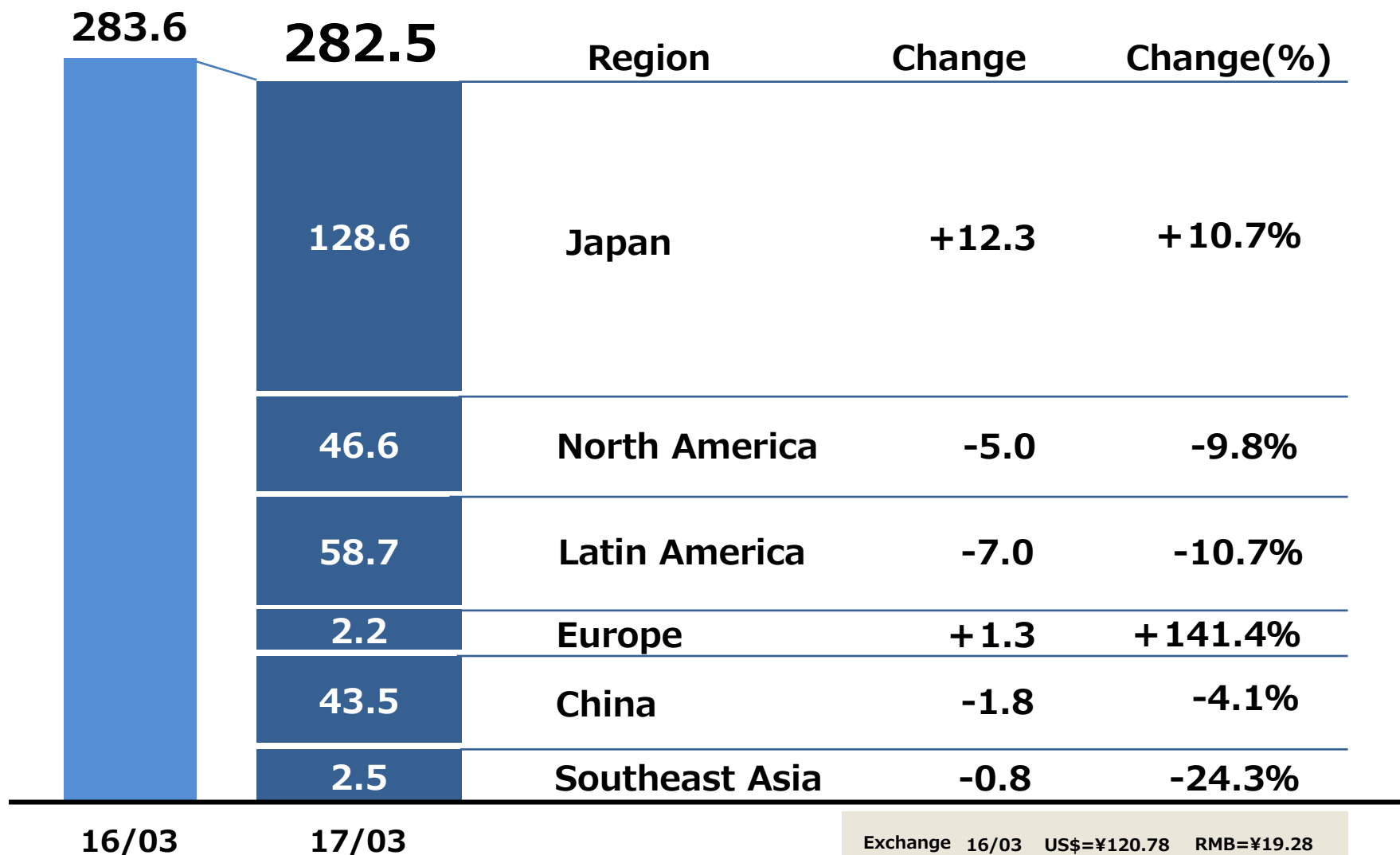
Exchange rate for preliminary calculation : 2016/03 ¥120.78/US \$

Analysis of Increase / Decrease (Consolidated)

vs. previous year

Net Sales

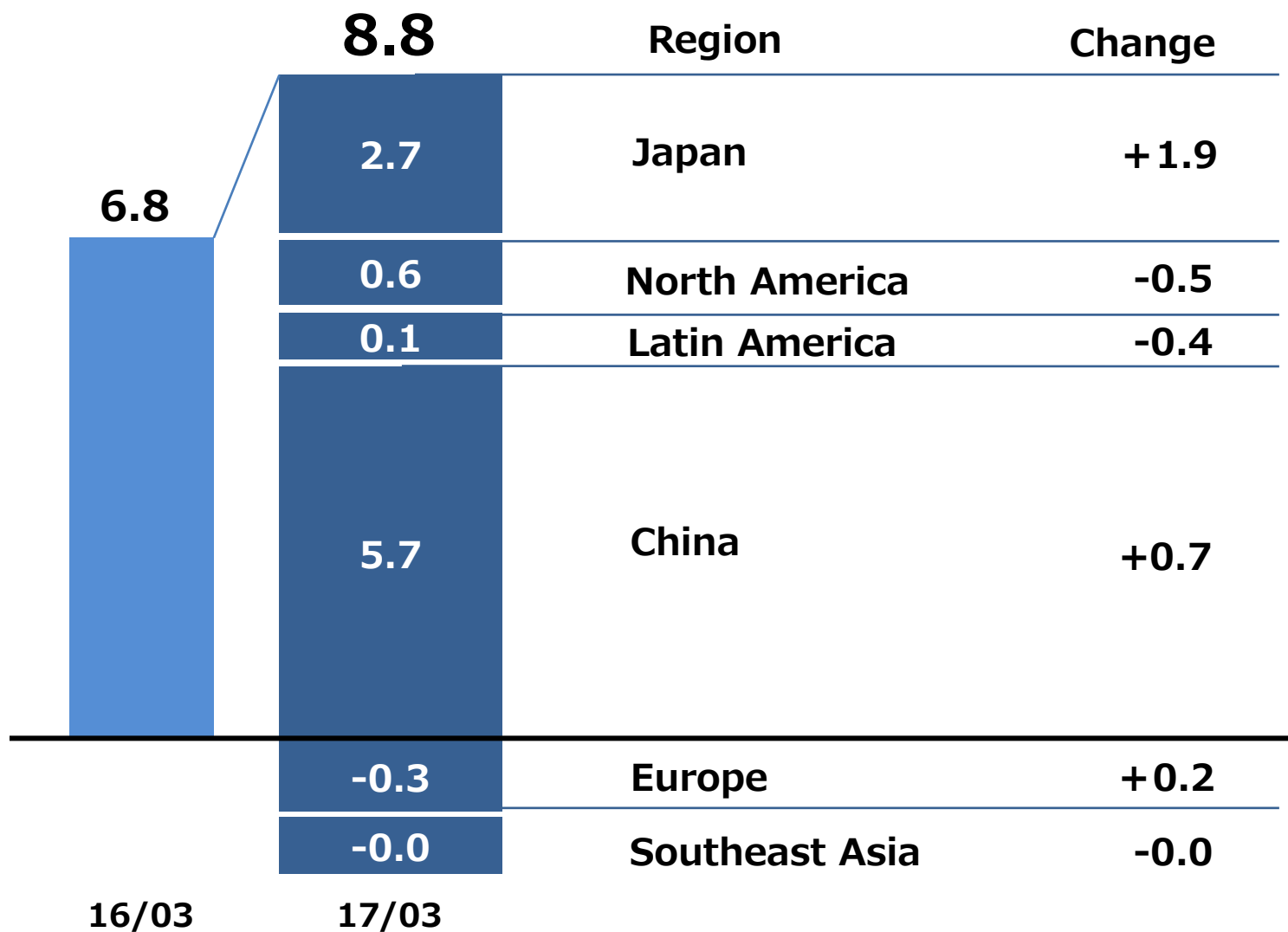
(Unit: billion yen)
(Amounts are rounded down)



vs. previous year

Operating Income

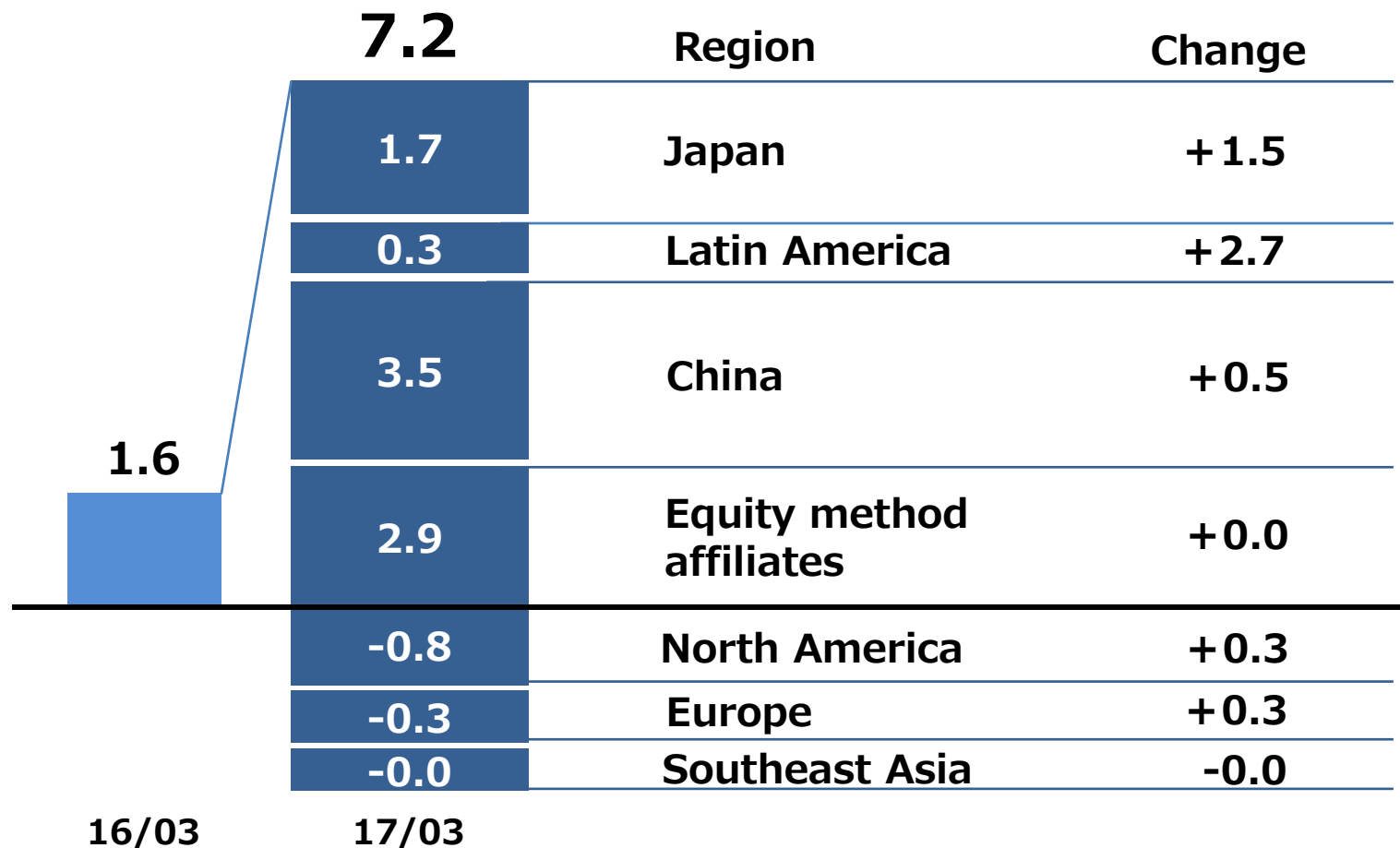
(Unit: billion yen)
(Amounts are rounded down)



vs. previous year

Net Income*

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



FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

Capital Expenditures

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Financial Information

TACHI-S '16-'20 Management Strategy

Global Teamwork 2020

Improve Corporate Value with
Global One Team, making us a
Continuously Selected Company
based on 'TRUST' by our Customers

Objectives

■ Build a Solid Business Base that Enables Sustainable Achievement of Goals (*) for Vision GC177 in 2020

* Quality No. 1, Operating Income 7%,
Global Share 7%

- Expand Sales : +30%
- Achieve Benchmark Monozukuri Cost

Transformation areas

Global Business Expansion

Sales Power

Monozukuri Capability

Business Bases (Foundation)

Process Management

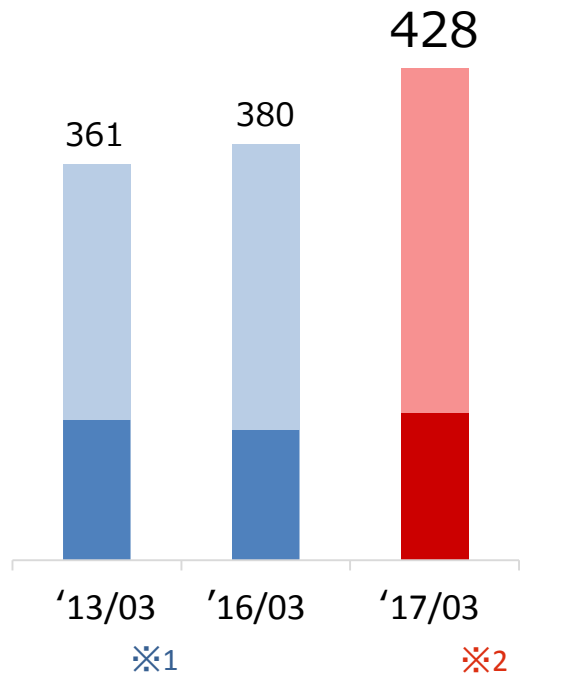
Global Business Management

HR Development

Both Sales Volume and Operating Income Have Significantly Grown

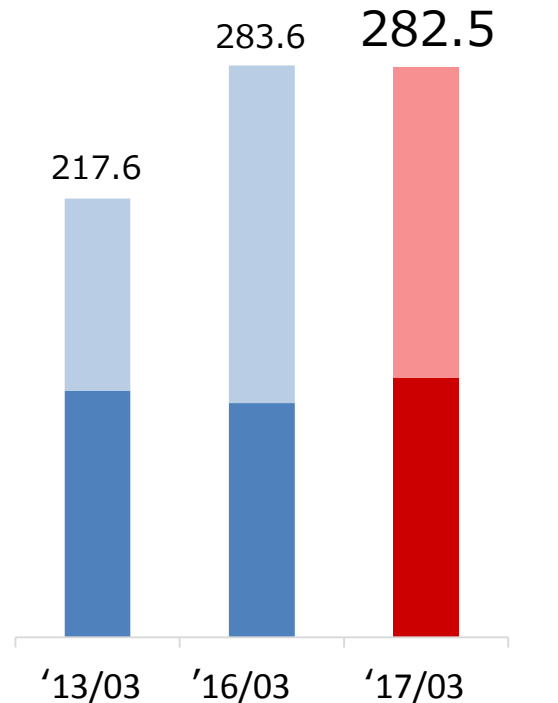
Sales Volume

(Unit: 10K car sets)



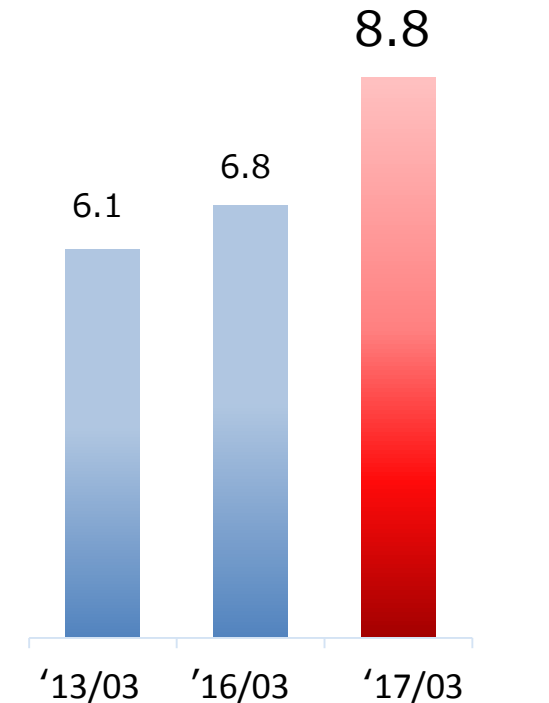
Net Sales

(Unit: billion yen)



Operating Income

(Unit: billion yen)



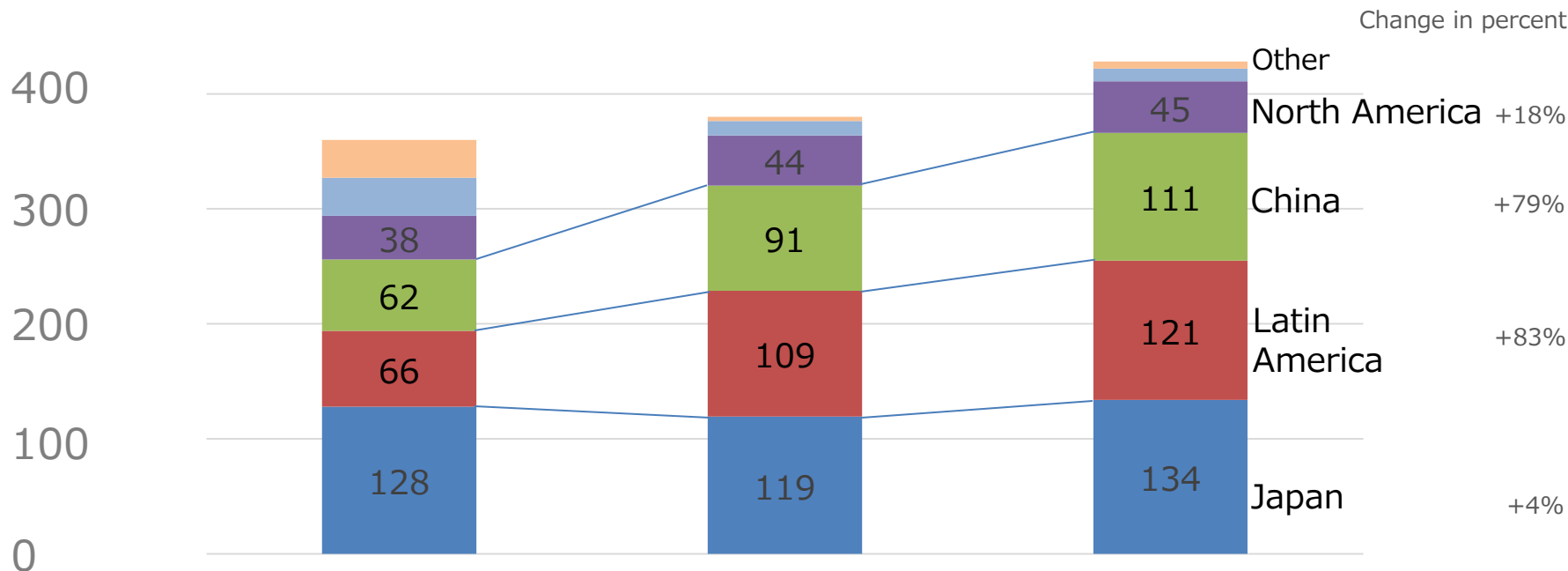
※1 : FY2012~ GC177

※2 : FY2016~ Global Teamwork 2020

■ Overseas
■ Japan

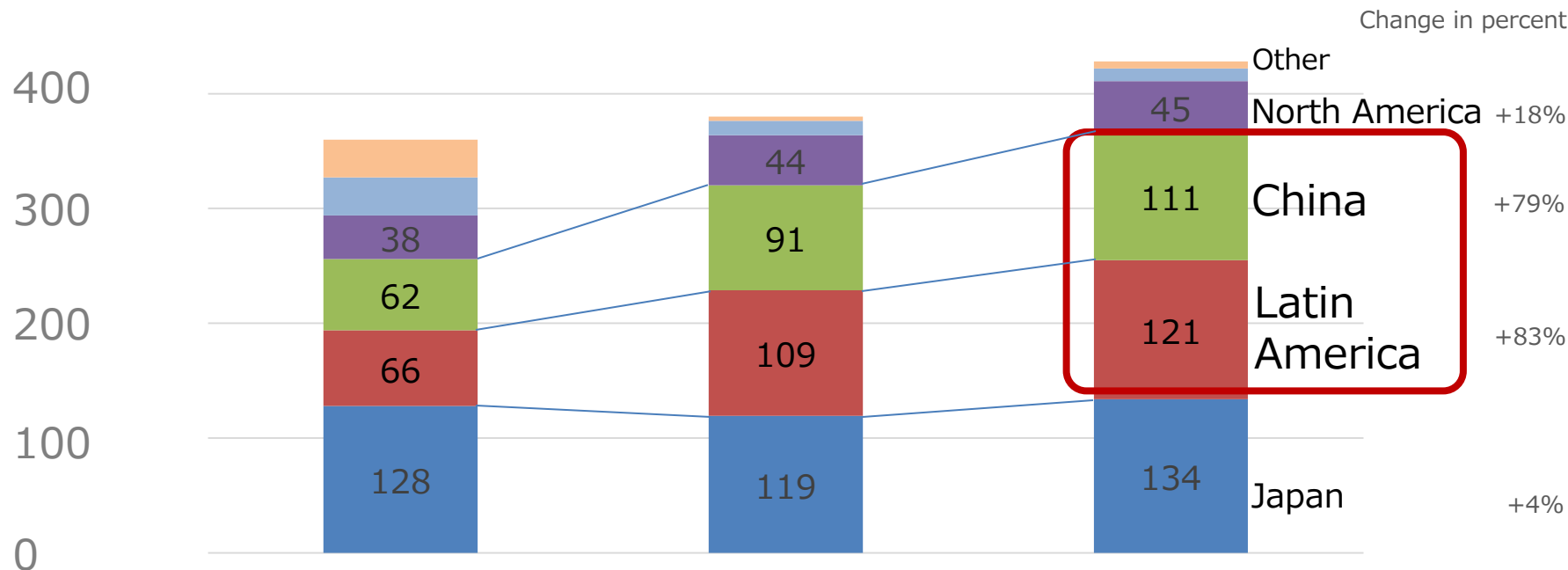
The Growth in TACHI-S Sales Volume Exceeded the Growth in Global Total Demand.

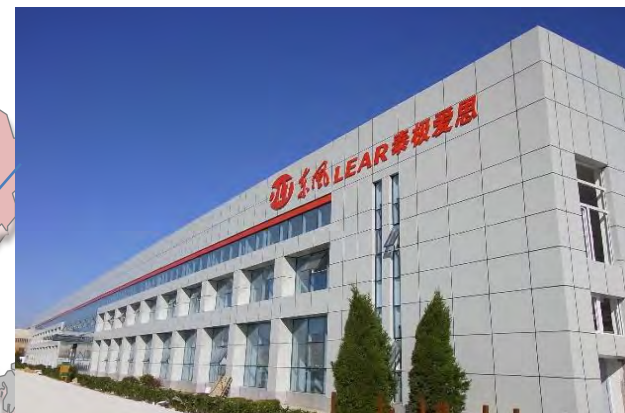
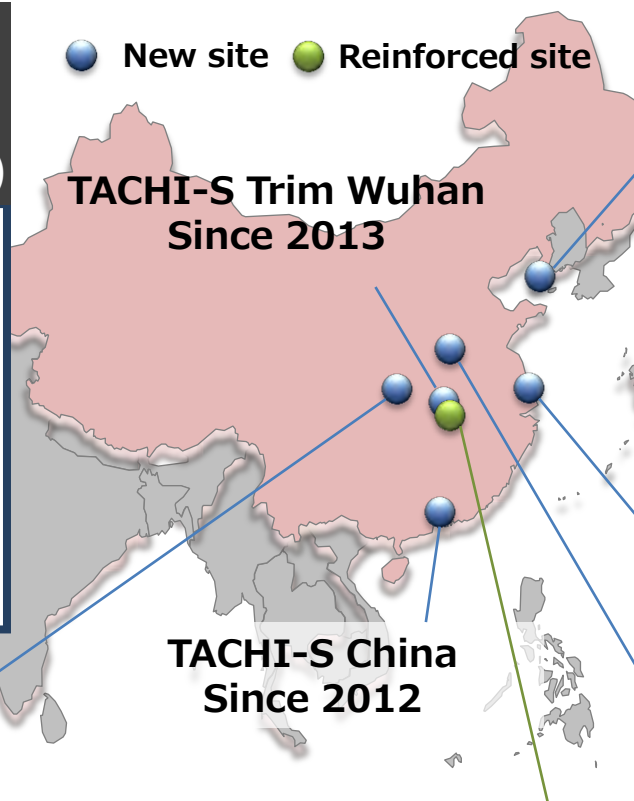
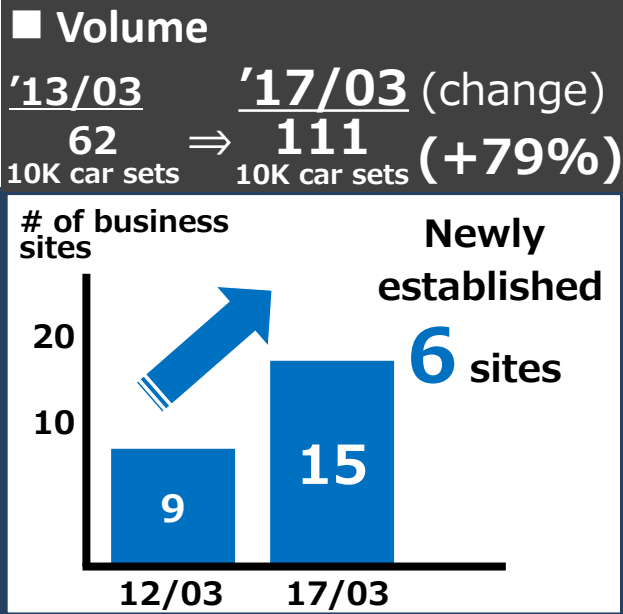
(Unit: 10K car sets)	2013/03	2016/03	2017/03	Change in percent (vs.2013/03)
Global Total Demand (based on production volume) Ref: LMC Automotive	8,162	8,902	9,435	+15%
TACHI-S Sales Volume (Share)	361 (4.4%)	380 (4.3%)	428 (4.5%)	+18%



The Growth in TACHI-S Sales Volume Exceeded the Growth in Global Total Demand.

(Unit: 10K car sets)	2013/03	2016/03	2017/03	Change in percent (vs.2013/03)
Global Total Demand (based on production volume) Ref: LMC Automotive	8,162	8,902	9,435	+15%
TACHI-S Sales Volume (Share)	361 (4.4%)	380 (4.3%)	428 (4.5%)	+18%





Lear DFM TACHI-S Automotive Seating(Dailian)
Since 2014

Zhejiang TACHI-S Automotive Parts
Since 2014



Lear DFM TACHI-S Automotive Seating(Xianyang)
Since 2014



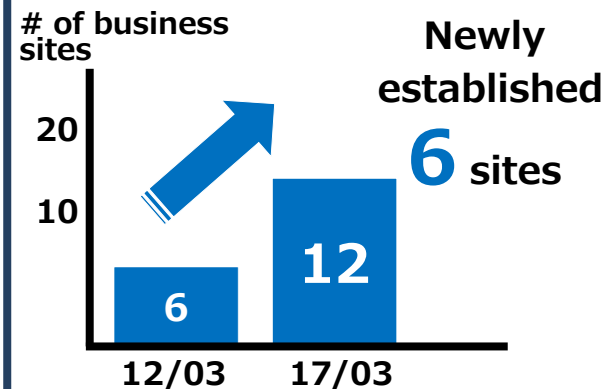
Wuhan TACHI-S JC Automotive Seat
Since 2013, capability has been continuously reinforced



TACHI-S Engineering Zhengzhou
Since 2016

Volume

'13/03 \Rightarrow '17/03 (change)
66 \Rightarrow 121 (+83%)
10K car sets 10K car sets



● New site

TACHI-S Engineering
Latin America
Since 2012

TACHI-S Mexico
Calvillo PLANT
Since 2014



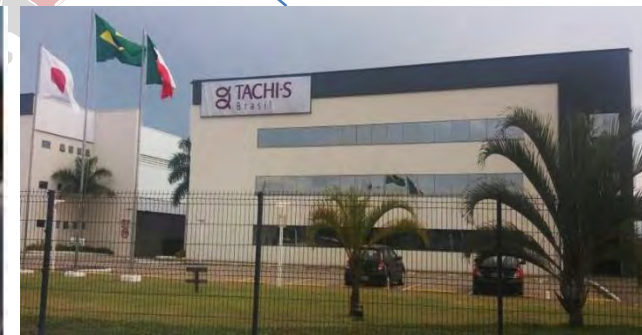
Fuji Kiko TACHI-S
Mexico
Since 2014



TACHI-S Mexico
DSP PLANT
Since 2014



SETEX Automotive
Mexico
Since 2014



TACHI-S Brasil
Since 2014

TACHI-S Business Sites Celebrating Major Anniversaries in 2016 and 2017

**30th Anniversary Since Listing on
the Tokyo Stock Exchange**
TACHI-S CO.,LTD



**10th Anniversary
since Establishment**
Nui Tec Corporation



**30th Anniversary
since Establishment**
TACHI-S Engineering U.S.A.



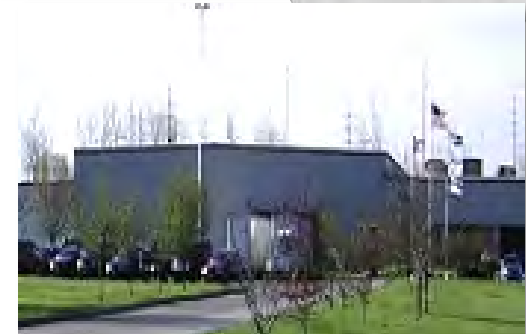
**15th Anniversary
since Establishment**
Zhengzhou Taixin Interior



**25th Anniversary
since Establishment**
Industria de Asiento Superior



**30th Anniversary
since Establishment**
SETEX



■ Sales Power

Continuously Propose 'Added Value' to Customers
by Using our Strengths as an Independent Supplier

FY2016 12 Models Were Launched

China

- **CIVIC**
- **Karry K60**
- **T90**
- **GIENIA**
- **Cowin V3**



Japan

- **Q60 (US)**
- **NOTE e-POWER**
- **FREED+**
- **Vitz**
- **FREED**



USA / Latin America

- **KICKS**
- **New EV**



- **NISSAN / INFINITI / VENUCIA**
- **HONDA / ACURA**
- **TOYOTA**
- **Chinese National Brand**
- **New OEM**

To Acquire New Customers

- Activities for acquiring new customers have been strengthened by a dedicated team. (Global)
- Proposals toward EV OEMs have been presented. (USA)
- Marketing for Chinese OEMs have been expanded. (China)
- Joint work in advanced development have been conducted. (Japan)

To expand Tier 2 businesses

- Approaches to new customers have been made. (Mexico)
- Trim covers have been ordered by wider range of customers. (Japan, Mexico)

Sales Power

Monozukuri
Capability

Process Management

Global Business Management

HR Development

■ Monozukuri Capability

Serve Customers with Reliable Processes
Starting from Advanced Development

To Overhaul Development Processes

TACHI-S Monozukuri Way (TMW)

TACHI-S
Development Way
(TDW)

+

TACHI-S
Production Way
(TPW)

Front-loading

- Development Ahead of schedule
- Joint Development with Customers
- Synchronization and Globalization

Product Information Management System

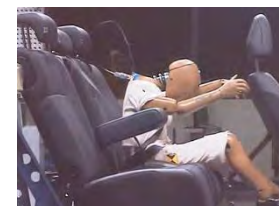
- Common work processes (product axis) in TACHI-S global group have been renovated.
- Knowledge has been shared on a global basis.

To Reinforce Local Development Capability

- Substantial and continuing investment has been made to speed up development time. (China and Mexico)



Testing equipment improvement
Preparation for sled machine introduction



To Enhance Component Parts Competitiveness

- Next-generation frame and new production process/method are being developed. (global)
- In-house manufacturing rate of Polyurethane foam pad and frame is being increased. (US)

Sales Power

**Monozukuri
Capability**

Process Management

Global Business Management

HR Development

■ Business Bases (Foundation)

To Evolve Toward an Operating Structure Responding More Quickly to Local Needs

GHQ

**Americas
RHQ**

Unify
operations in
North
America and
Latin
America

China RHQ

Consolidate
functions
spanning
several
companies

Japan RHQ

Concentrate
functions
focused on
businesses in
Japan

To Improve Work Efficiency

Sales Power

Monozukuri
Capability

Process Management

Global Business Management

HR Development

**Serve Customers Globally with
Group's World-wide Business Bases**

To Utilize Global Human Capitals

- Promotion of local human capitals to managerial position has been accelerated.
- Succession plan is being implemented through the global human resource management system.
- Exchange of human capitals at working level has been actively implemented.

To Improve Process Management

- Visualization of process management (from development to SOP) and the system improvement have been implemented.
- Global internal control system has been strengthened, and the operation of the system has been promoted.

To Promote CSR Activities

- Support to local professional sports teams have been offered.
- Donation to welfare facilities have been made.



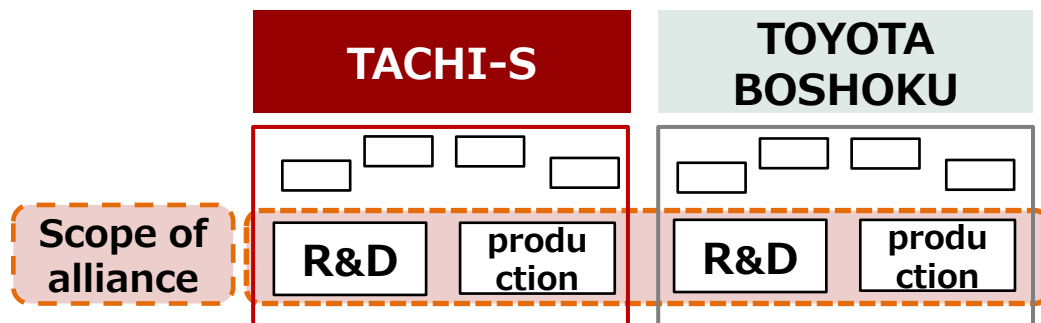
**TOYOTA BOSHOKU CORPORATION and TACHI-S CO., LTD.
Concluded a Business Partnership Contract on March 30,
2017.**

Purpose of the business partnership

The contract calls for the mutual use of two companies' knowledge, know-how and business resources with a view to strengthening their competitiveness in a more speedy manner.

Content of the business partnership

1. Mutual supplies of current components
2. Possible development of new components
3. Mutual use of production bases and facilities



On April 28, 2017, TACHI-S CO., LTD. concluded a contract to acquire stock of a new company (make it a subsidiary). The company takes over the seat business of Fuji Kiko Co., Ltd. by absorption-type company split.

New Company Overview

In October 2017, it starts operation

TF-METAL CO., LTD.

Corporate Headquarters : Kosai-shi, Shizuoka (In an office currently known as Arai office of FKK)
Subsidiaries : Total 9 companies related seat business are taken over from FKK. (Japan:3 companies, China: 3 companies and US: 3 companies)

Purpose

- (1) To improve quality and cost competitiveness
- (2) To speed up the entire process by unified management
- (3) To improve proposal capability by vertical integration

In October 2017 onward

Seat Frame System

Seamless response from development to production

Seat Frame development

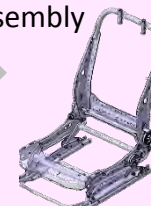
Mechanical component development

Frame parts
Stamping/Welding/
Assembly/ Production

Mechanical parts
Stamping/Welding/
Assembly/ Production



Seat Frame Assembly



Former FKK's development and production area

Toward 'Continuously Selected Company'



'TRUST' by Customers



**Global
Teamwork
2020**

**Continuously Propose 'Added Value' to Customers by
Using our Strengths as an Independent Supplier**

**Serve Customers with Reliable Processes Starting from
Advanced Development**

**Serve Customers Globally with Group's World-wide
Business Bases**

**Build Solid Business Base that enables sustainable achievement
Of Goals of Vision GC177**

FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

Capital Expenditures

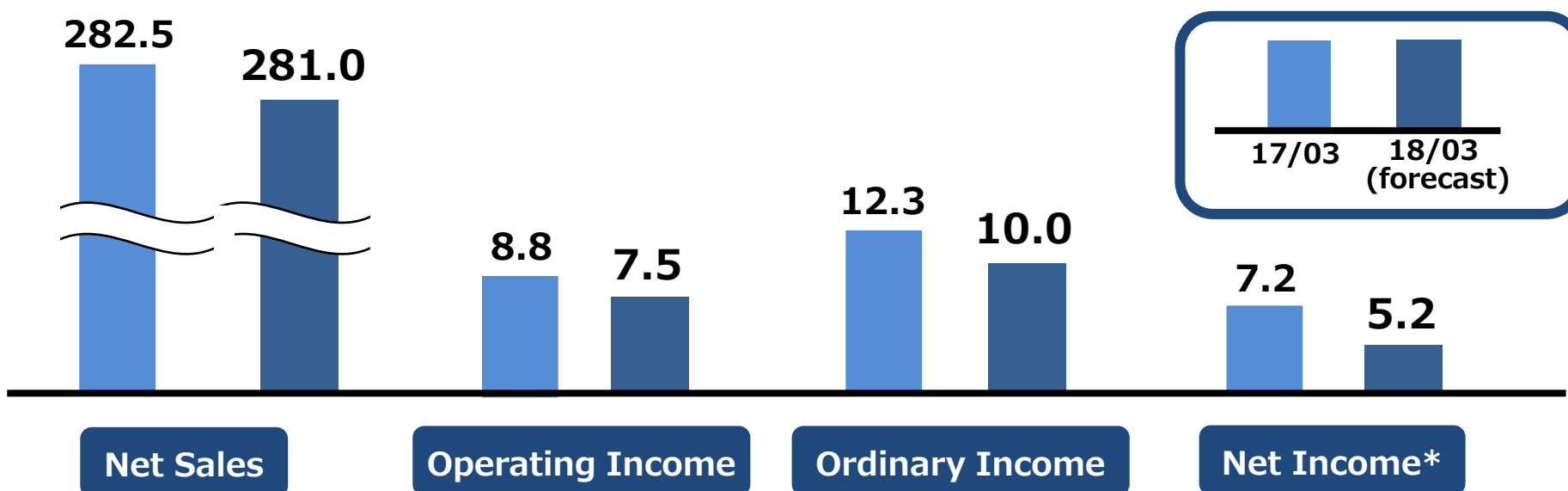
Dividend

Financial Information

vs. previous year

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

	2017/03	2018/03 (forecast)	Change	Change(%)
Net Sales	282.5	281.0	-1.5	-0.5
Operating Income	8.8	7.5	-1.3	-15.3
Ordinary Income	12.3	10.0	-2.3	-18.9
Net Income*	7.2	5.2	-2.0	-28.4

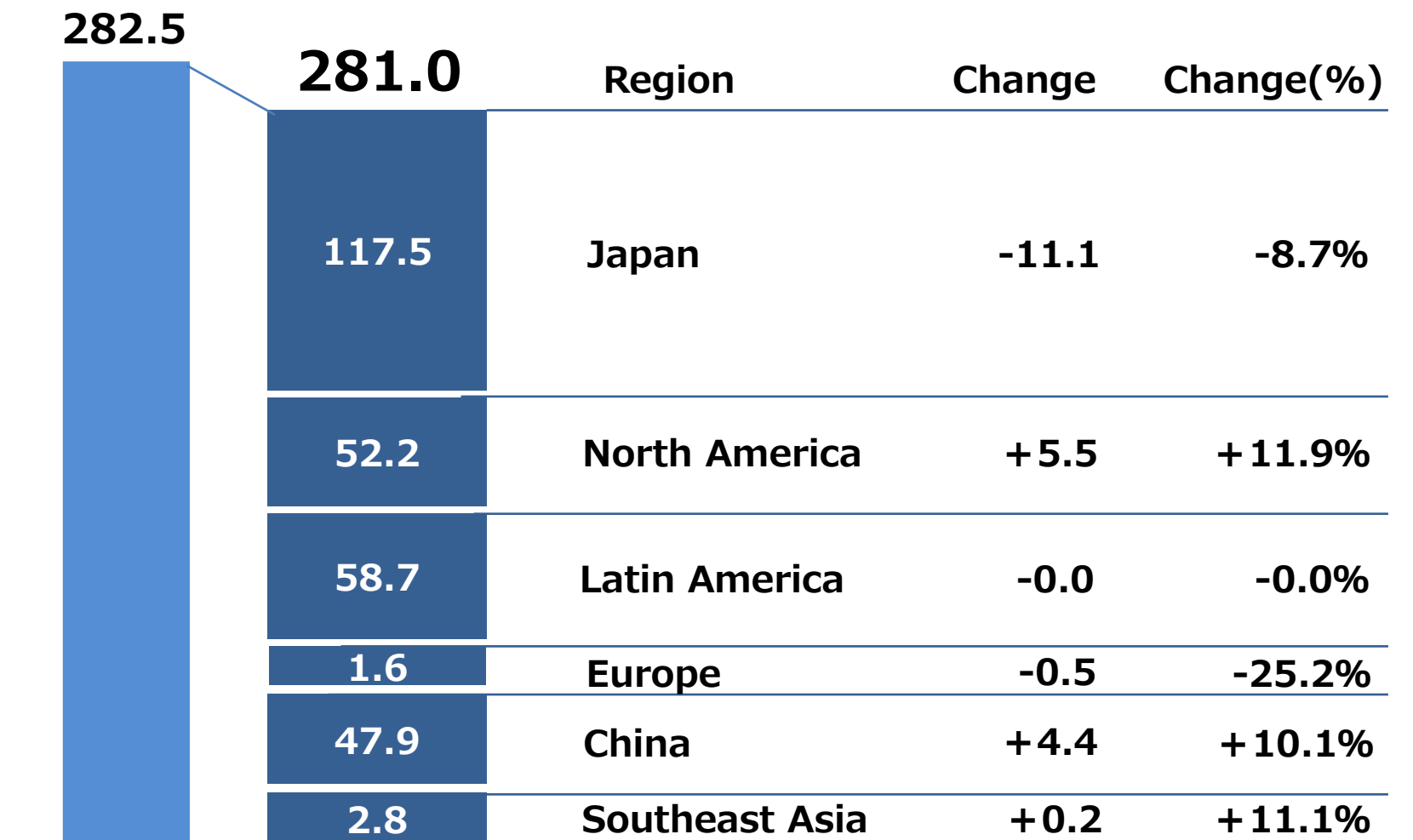


Analysis of Increase / Decrease (Consolidated)

vs. previous year

Net Sales

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



17/03

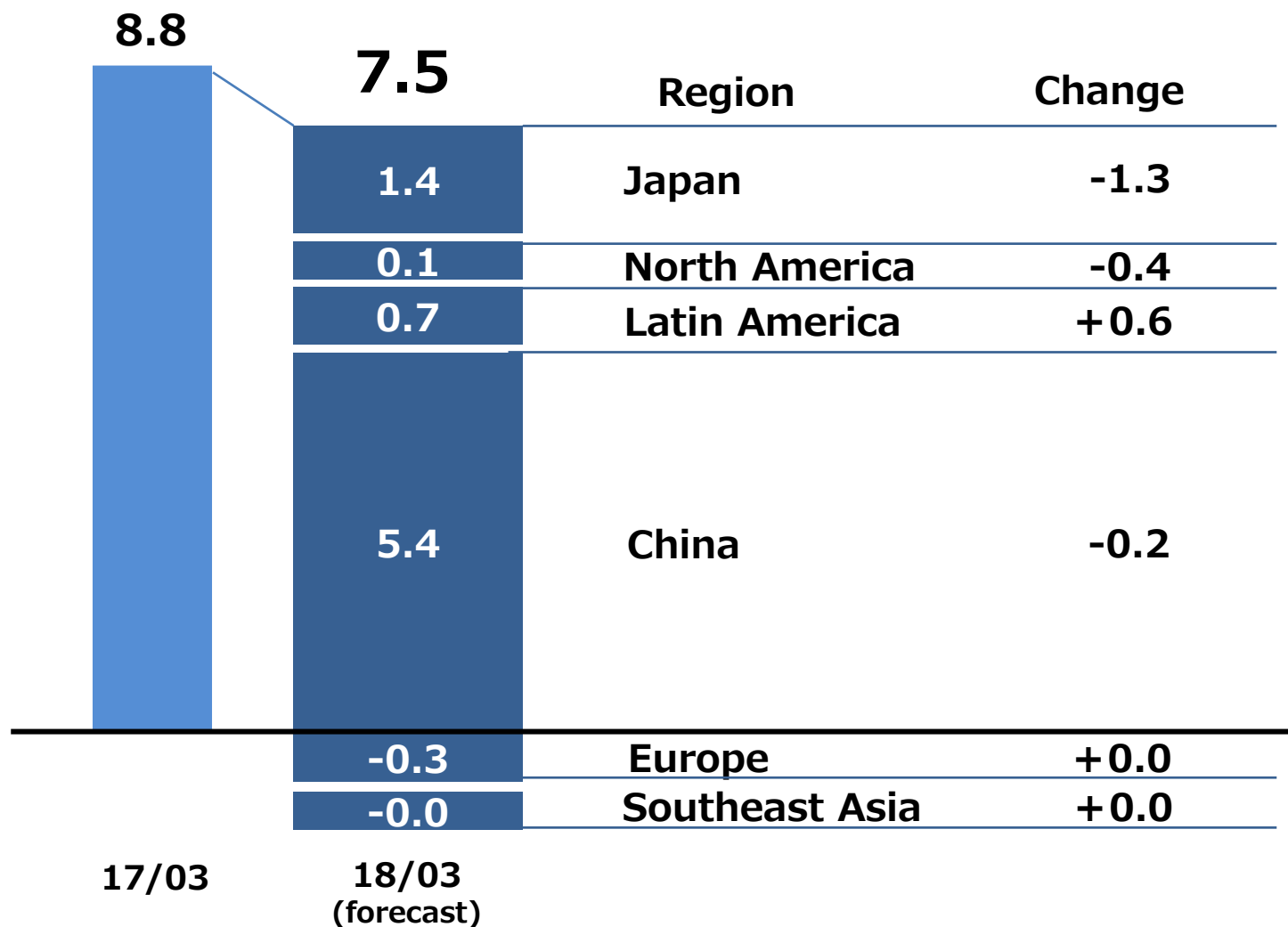
18/03
(forecast)

Exchange	17/03	US\$=¥108.76	RMB=¥16.54
Rate	18/03	US\$=¥110.00	RMB=¥16.00

vs. previous year

Operating Income

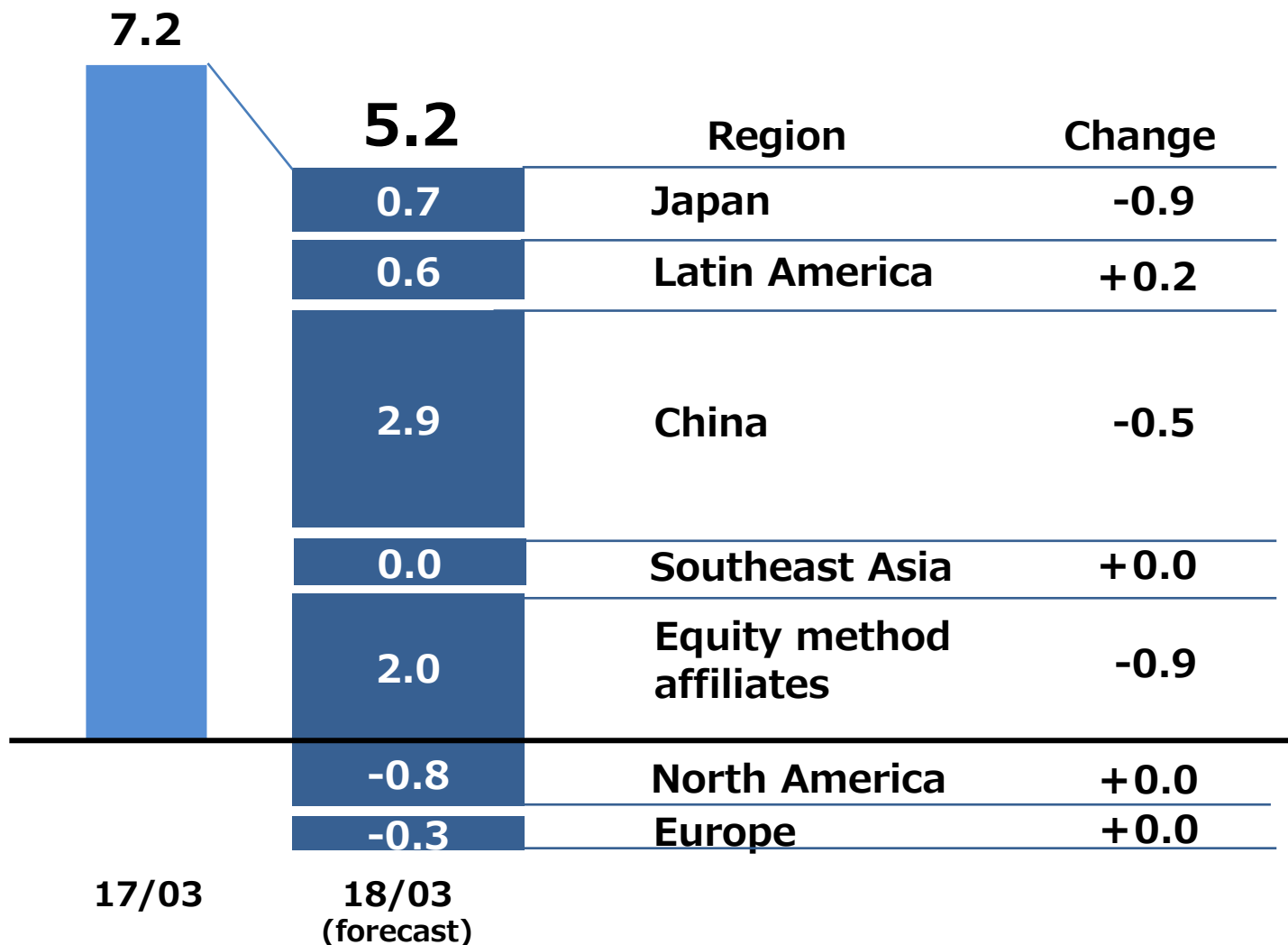
(Unit: billion yen)
(Amounts are rounded down)



vs. previous year

Net Income*

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



FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

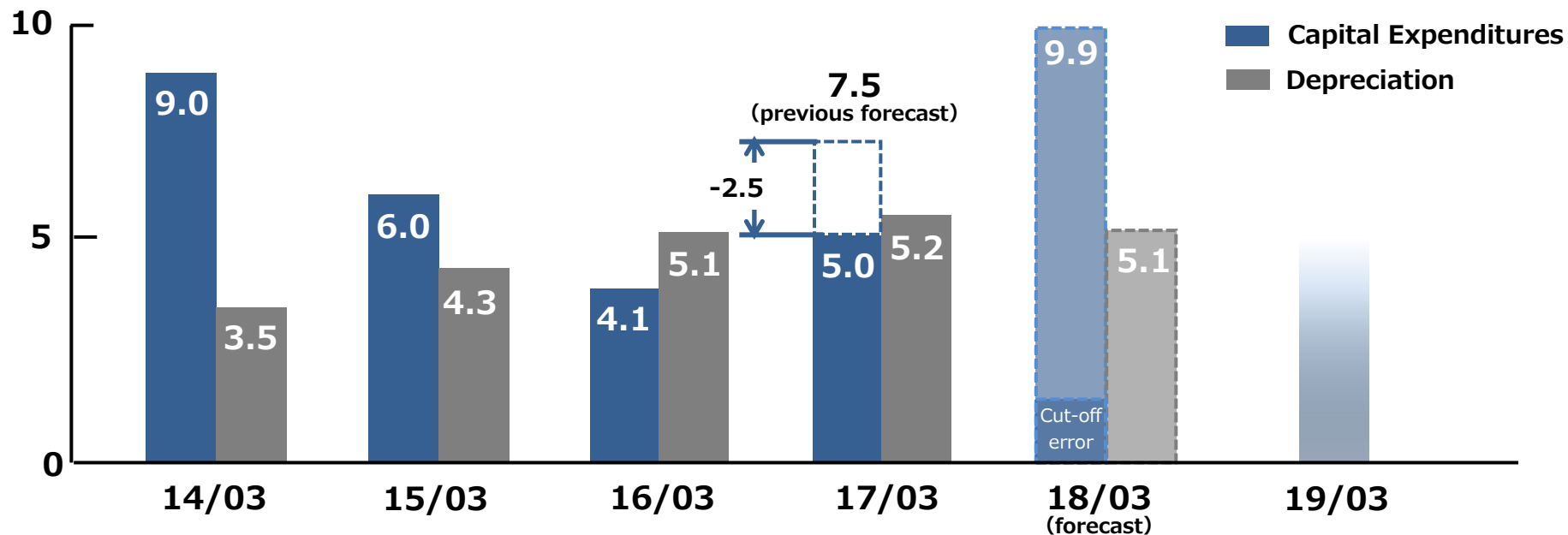
Capital Expenditures

Dividend

Financial Information

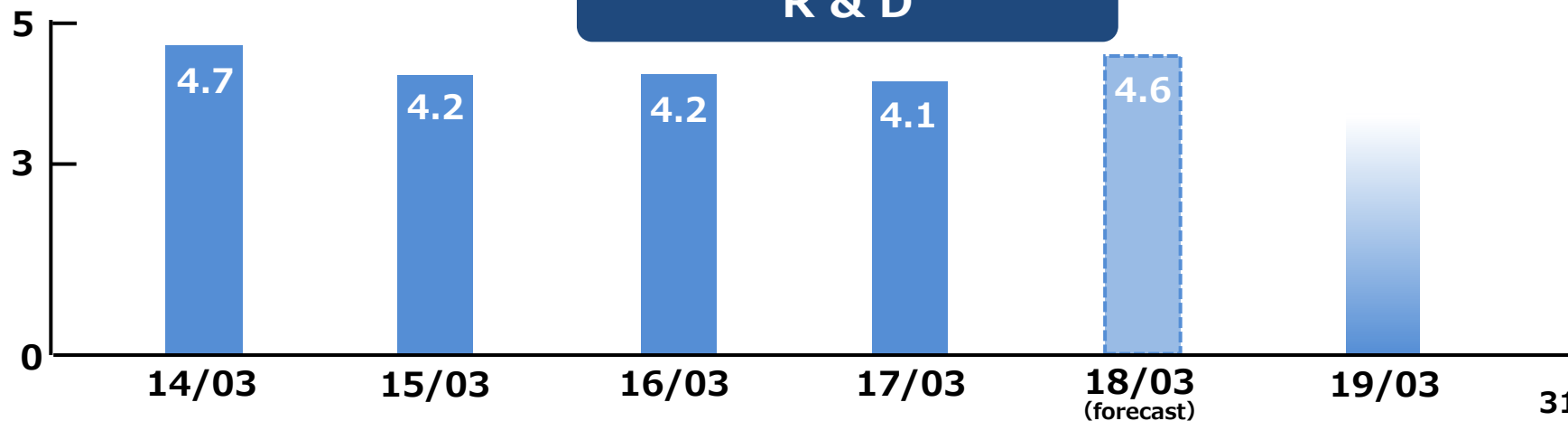
(Unit: billion yen)

Capital Expenditures & Depreciation



(Unit: billion yen)

R & D



FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

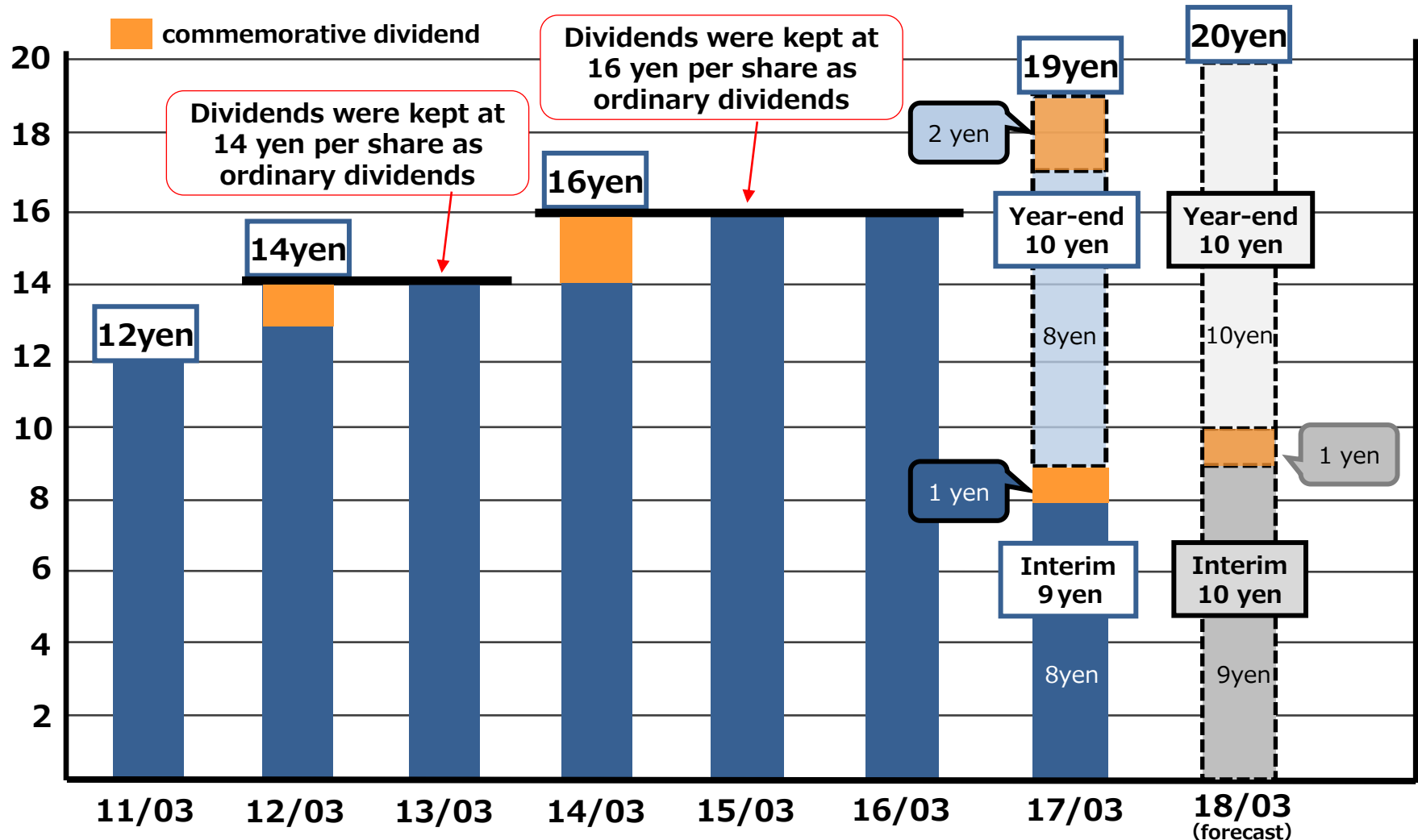
Capital Expenditures

Dividend

Financial Information

Basic policy : Stable dividends on a long term basis

(Yen per share)



FY2016 Financial Result

Global Teamwork 2020

FY2017 Financial Forecast

Capital Expenditures

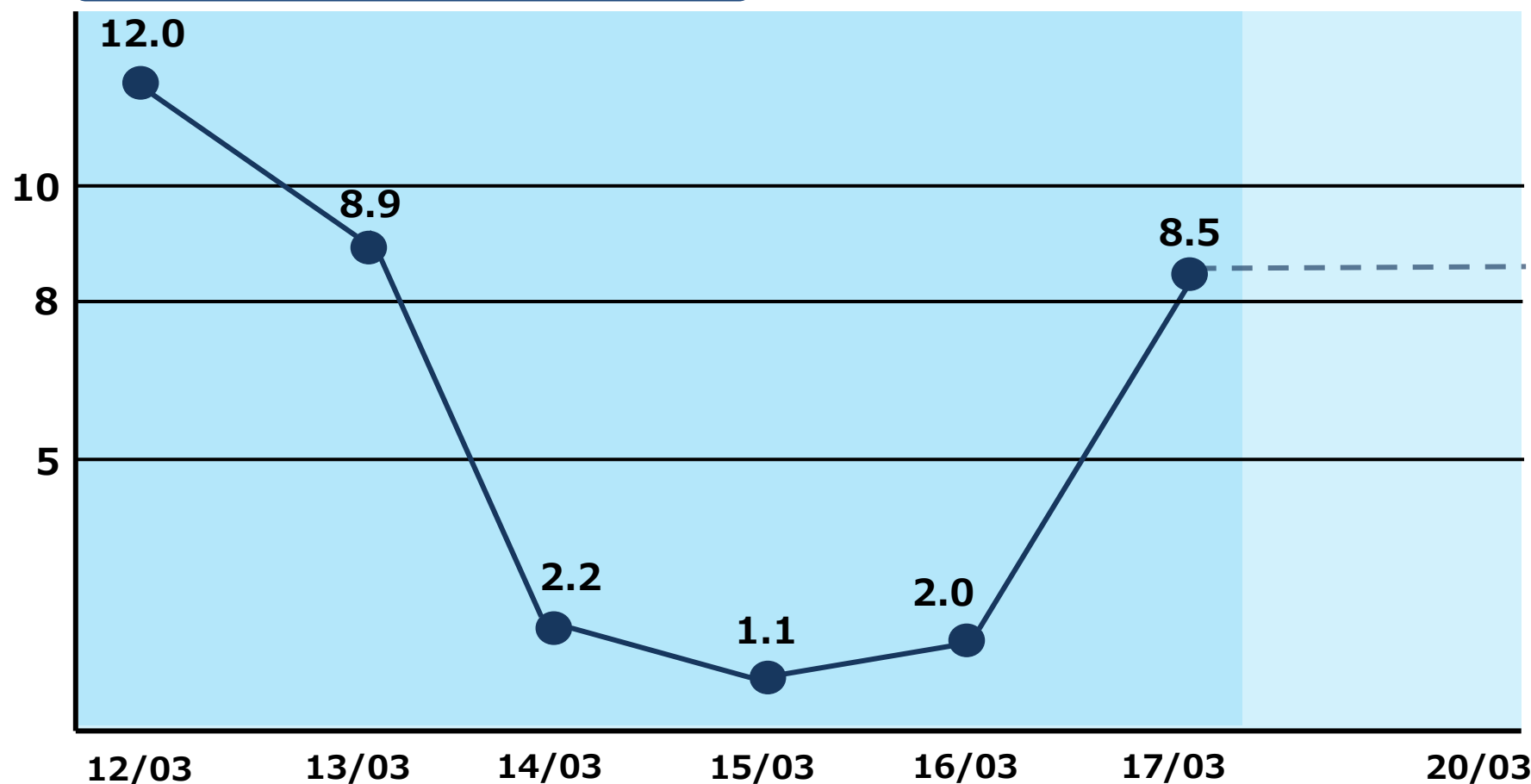
Dividend

Financial Information

Through Sound Financial Management, TACHI-S Aims to Maintain an ROE Level of 8% or Higher in a Stable Manner

Return on Equity (ROE)

(Unit : %)



Appendix

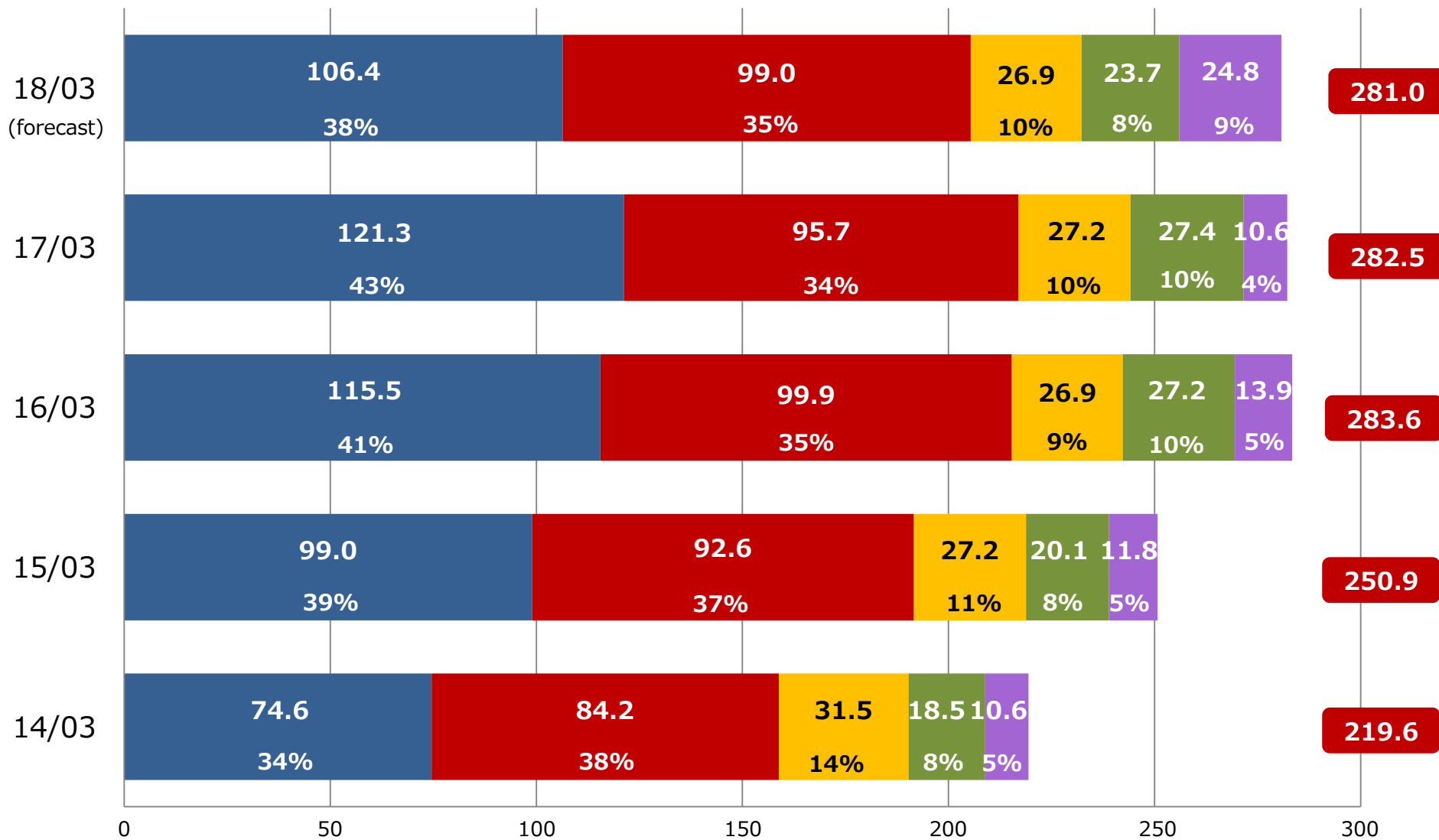
(Unit: yen)

	14/03	15/03	16/03	17/03	18/03 _(forecast)
US \$	99.75	109.19	120.78	108.76	110.00
Mex \$	7.52	7.96	7.69	5.95	5.90
EUR	133.38	139.38	132.75	119.34	119.00
RMB ¥	15.68	17.09	19.28	16.54	16.00

Net Sales by Customer (Consolidated)

(Unit: billion yen)

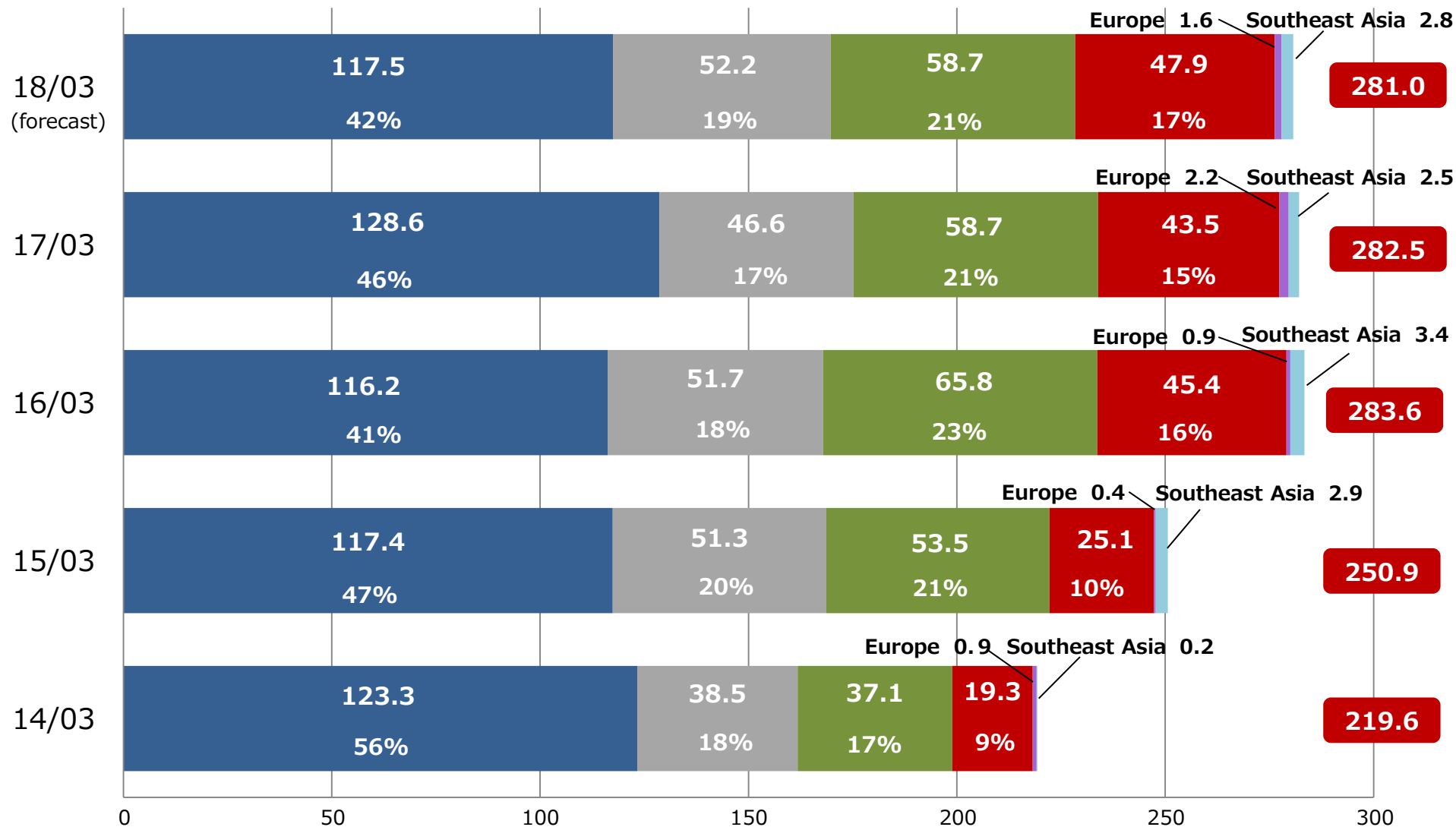
Honda Nissan Toyota Mitsubishi Other



Net Sales by Region (Consolidated)

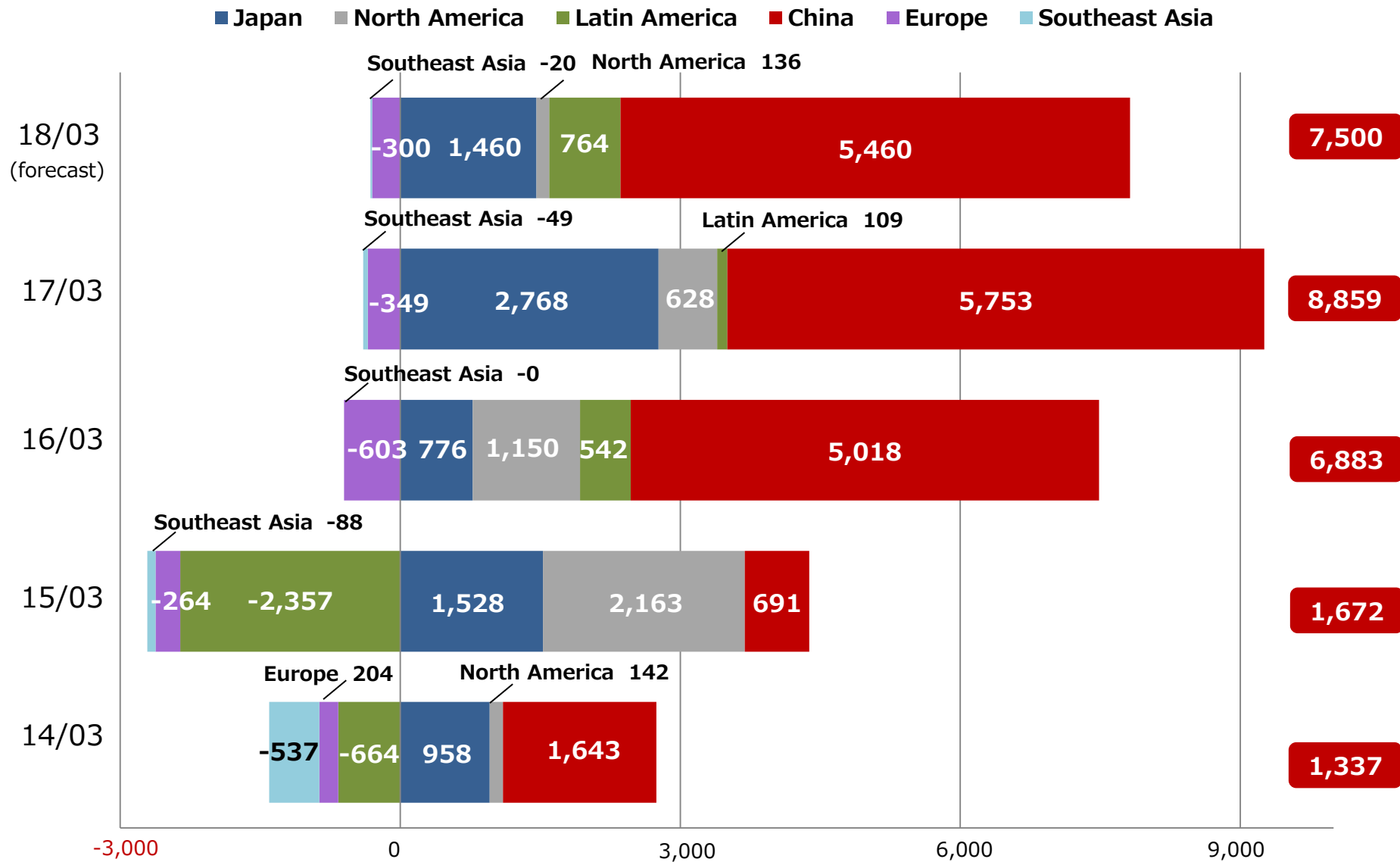
(Unit: billion yen)

■ Japan ■ North America ■ Latin America ■ China ■ Europe ■ Southeast Asia



Operating Income by Region (Consolidated)

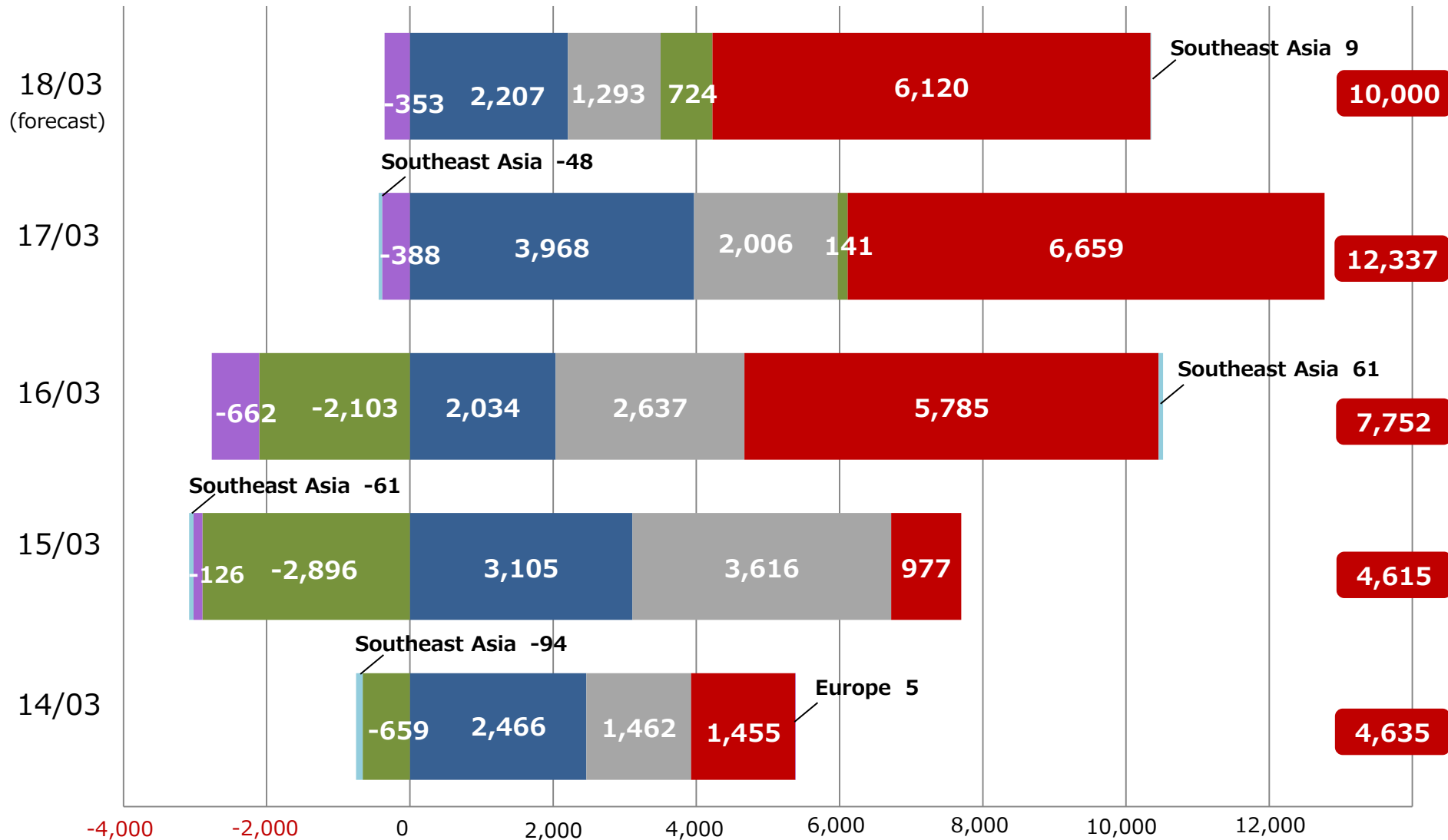
(Unit: million yen)



Ordinary Income by Region (Consolidated)

(Unit: million yen)

Japan North America Latin America China Europe Southeast Asia



As of the end of March, 2017

Business site	Established	Location	Business Contents	Major Customers
Head Office	April, 1954	Akishima-shi, Tokyo	Administration	
Technical Monozukuri Center	March, 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, Prototype, Testing	
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
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
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 Parts Co., Ltd.	October, 1971	Hamura-shi, Tokyo	Manufacturing/sales of automotive seat parts and medical beds	100.0%	50 million yen	Medical institutions and other manufacturers	①
Tachikawa Hatsujou Co., Ltd.	April, 1961	Akishima-shi, Tokyo	Manufacturing/sales of springs and automotive seat components	100.0%	40 million yen	TACHI-S, Fuji Kiko 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
Fuji Kiko Co., Ltd.	August, 1999 (capital tie-up)	Kosai-shi, Shizuoka	Manufacturing/sales of automotive parts	24.4%	5,985 million yen	JTEKT, NISSAN, SUZUKI and others TACHI-S	②

③ Unconsolidated subsidiary

TACHI-S Service Co., Ltd.

TS Design 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 US\$		①
SETEX, Inc.	September, 1987	Ohio, U.S.A	Manufacturing/sales of automotive seats	*(51.0%)	5 million US\$	HONDA (USA)	①
TACHI-S Automotive Seating U.S.A., LLC	December, 2005	Tennessee, USA	Manufacturing/sales of automotive seats	*(100.0%)	22 million US\$	NISSAN (USA)	①
TechnoTrim, Inc.	November, 1986	Michigan, U.S.A	Manufacturing/sales of automotive seat trim parts	*(49.0%)	120 thousand US\$	Major automotive seat manufacturers in North America including TACHI-S group companies	②
Fuji Autotech U.S.A., LLC	March, 2004	Kentucky, U.S.A	Manufacturing/sales of automotive seat components	*(34.0%)	10 million US\$	Major automotive seat manufacturers in North America including TACHI-S group companies	②
TACHI-S Canada, Ltd.	September, 2004	Nova Scotia, Canada	Business administration in Canada	*(100.0%)	12 million CAN\$		①

① Consolidated subsidiary

4 Companies

② Consolidated affiliate

2 Companies

* (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%)	61 million US\$		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 US\$	NISSAN (Mexico), HONDA (Mexico), Adient	①
SETEX Automotive Mexico, S. A. de C. V.	September, 2012	Guanajuato, Mexico	Manufacturing/sales of automotive seats	*(95.0%)	24 million US\$	HONDA (Mexico)	①
Fuji Kiko TACHI-S Mexico, S. A. de C. V.	August, 2012	Aguascalientes, Mexico	Manufacturing/sales of automotive seat components	*(34.0%)	371 million MXN	TACHI-S Mexico Fuji Autotech U.S.A. TQ1	②
TACHI-S Brasil Industria de Assentos Automotivos Ltda	August, 2012	Rio de Janeiro, Brazil	Manufacturing/sales of automotive seats	*(100.0%)	10 million US\$	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%	16 million EUR	NISSAN (UK, Spain)	①

① Consolidated subsidiary

5 Companies

② Consolidated affiliate

1 Companies

* (including subsidiaries' equity)

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
TACHI-S Engineering China Co., Ltd.	August, 2008	Fuzhou, China	R&D in China	70.0%	31 million RMB		③
Wuhan TACHI-S Johnson Controls Automotive Seat Co., Ltd.	June, 2008	Hubei, China	Manufacturing/sales of automotive seats	70.0%	43 million RMB	Dongfeng HONDA	①
TACLE Guangzhou Automotive Seat Co., Ltd.	November, 2004	Guangdong, China	Manufacturing/sales of automotive seats	51.0%	66 million RMB	Dongfeng NISSAN	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	Zhengzhou NISSAN	②

* (including subsidiaries' equity)

Company	Established	Location	Business Contents	Equity participation	Capital	Major Customers	Scope of consolidation
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
Zhejiang Gee Ju Tai Automotive Interior Co., Ltd.	October, 2010	Zhejiang, China	Manufacturing/sales of automotive seats	40.0%	38 million RMB	GEELY	④
TACHI-S Trim Guangzhou Co., Ltd.	September, 2005	Guangdong, China	Manufacturing/sales of automotive seat trim parts	100.0%	38 million RMB	TACLE Guangzhou, TACHI-S	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	*(100.0%)	142 million RMB	Zhejiang Gee Ju Tai, Wuhan TACHI-S, Lear DLT TACHI-S (Xiangyang), TACHI-S	①
Fuji Autotech Guangzhou Co., Ltd.	January, 2005	Guangdong, China	Manufacturing/sales of automotive seat components	34.0%	40 million RMB	TACLE Guangzhou, Adient Guangzhou	②

* (including subsidiaries' equity)

① Consolidated subsidiary

3 Companies

② Consolidated affiliate

2 Companies

④ Unconsolidated affiliate

1 Companies

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	NISSAN (Thailand)	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%)	140,602 million IDR	NISSAN (Indonesia)	①
TACHI-S Engineering Vietnam Co., Ltd.	January, 2013	Ho Chi Minh, Vietnam	R&D in Vietnam	100.0%	31,026 million VND		②
TACHI-S Vietnam Co., Ltd.	September, 2012	Da Nang, Vietnam	Manufacturing/sales of automotive seats	100.0%	22,913 million VND	Tan Chong Industrial Equipment	②
APM TACHI-S Seating Systems Vietnam Co., Ltd.	November, 2016	Da Nang, Vietnam	Manufacturing/sales of automotive seats	*(51.0%)	55,750 million VND	Tan Chong Industrial Equipment	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	④

* (including subsidiaries' equity)

Newly established

① Consolidated subsidiary

3 Companies

② Unconsolidated subsidiary

3 Companies

④ Unconsolidated affiliate

1 Companies

Toward 'Continuously Selected Company'
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.