

FY2017 Second Quarter Financial Result

From April 1, 2017 through September 30, 2017

TACHI-S CO., LTD.

November 9, 2017

The 45th Tokyo Motor Show 2017
TACHI-S booth

FY2017 2Q Financial Result

FY2017 Financial Forecast

Capital Expenditures

Dividend

FY2017 2Q Financial Result

FY2017 Financial Forecast

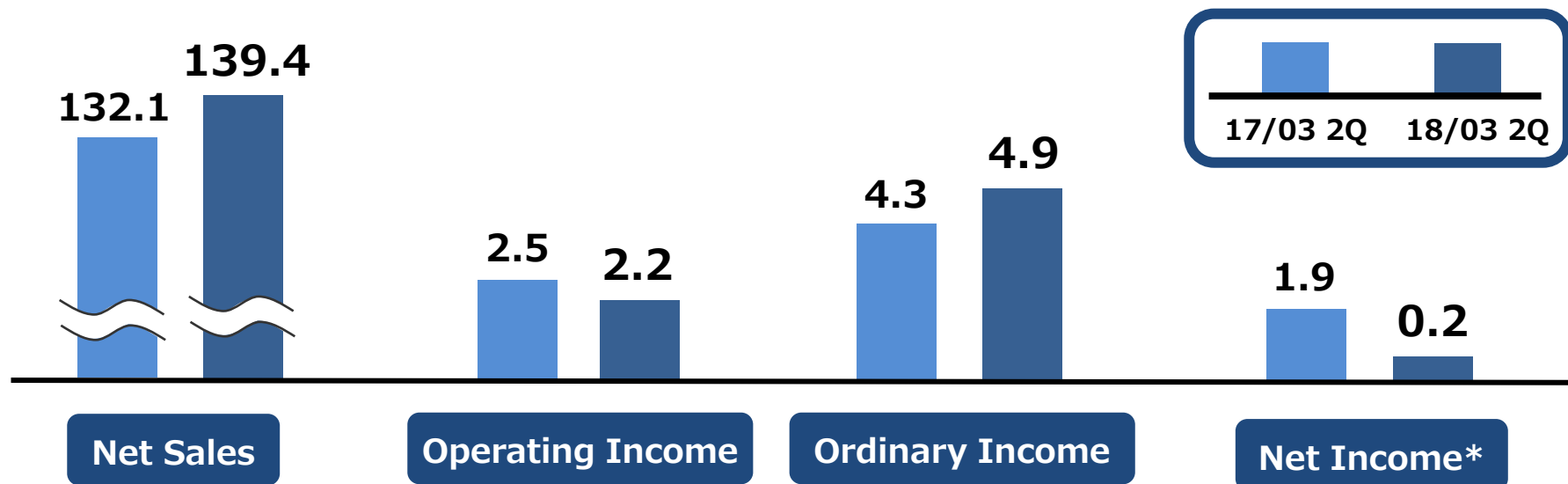
Capital Expenditures

Dividend

vs. previous year

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

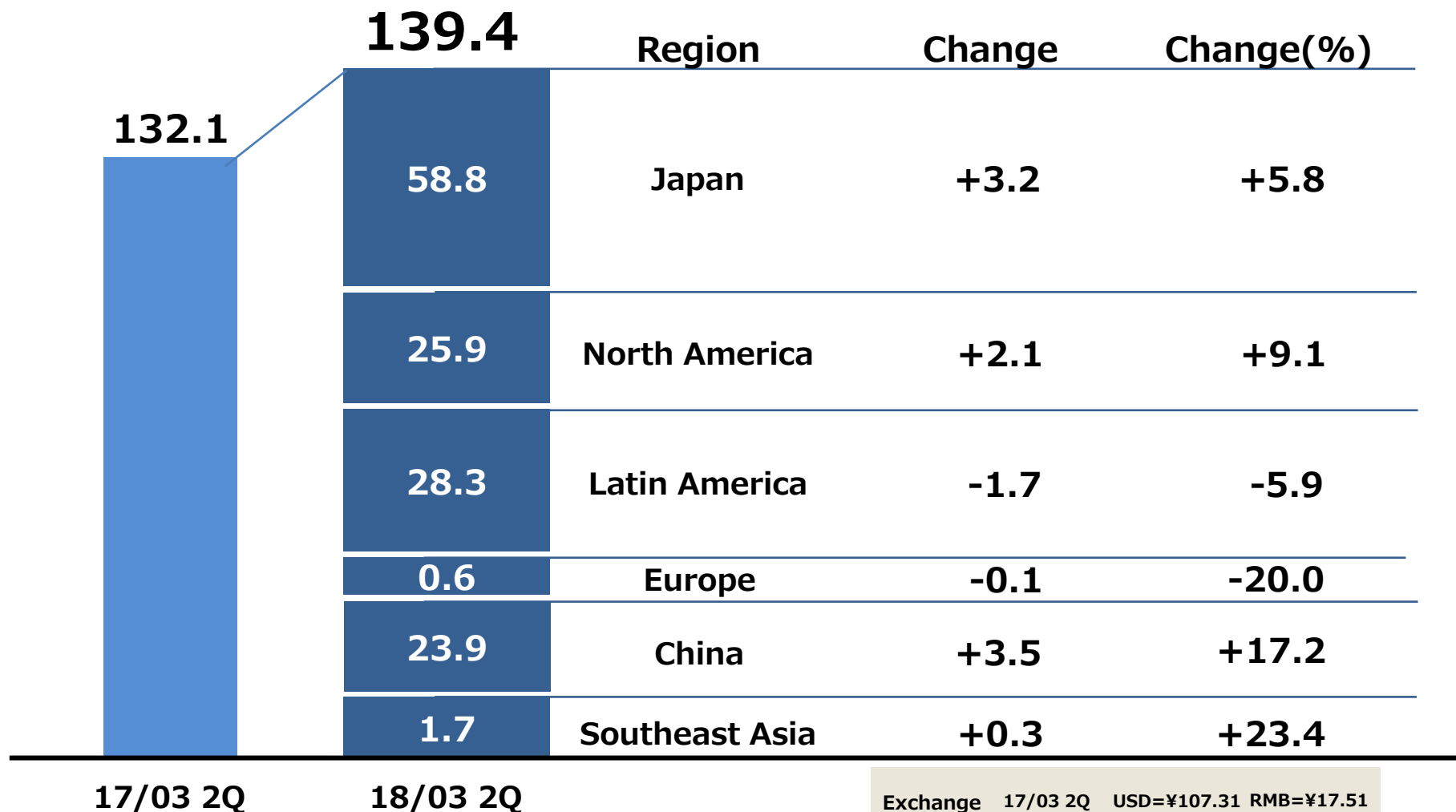
	2017/03 2Q	2018/03 2Q	Change	Change(%)
Net Sales	132.1	139.4	+7.3	5.5
Operating Income	2.5	2.2	-0.3	-13.0
Ordinary Income	4.3	4.9	+0.6	14.9
Net Income*	1.9	0.2	-1.7	-87.2



vs. previous year

Net Sales

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



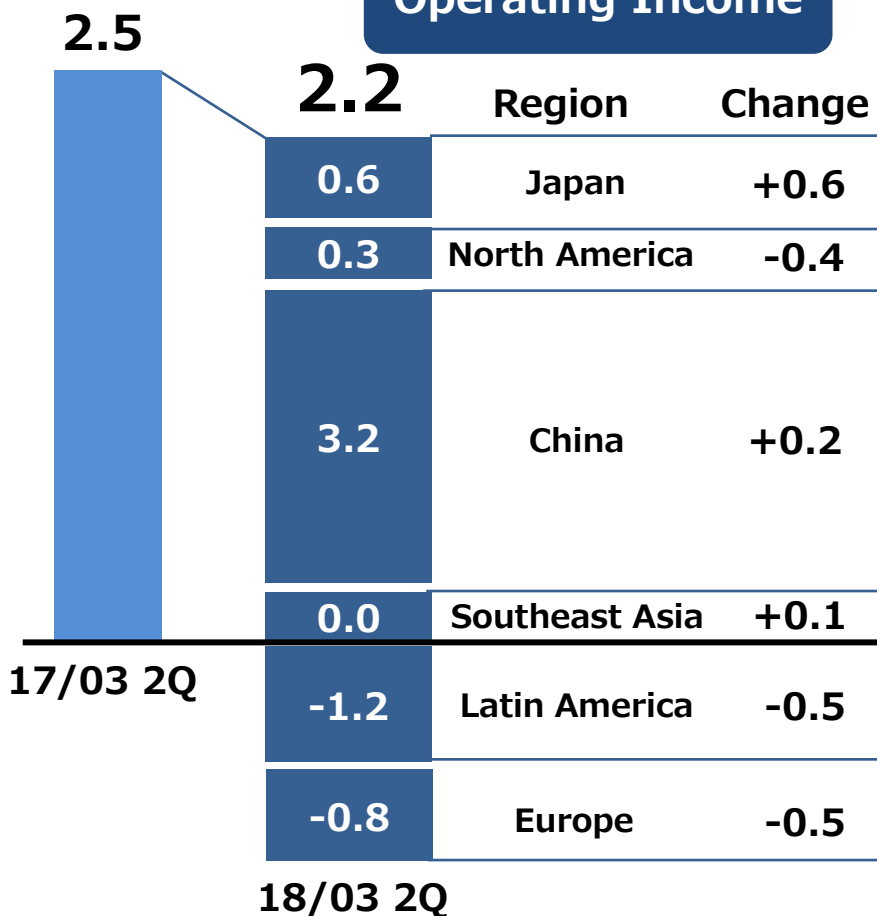
Exchange Rate 17/03 2Q USD=¥107.31 RMB=¥17.51
 18/03 2Q USD=¥111.20 RMB=¥16.41

Analysis of Increase / Decrease (Consolidated)

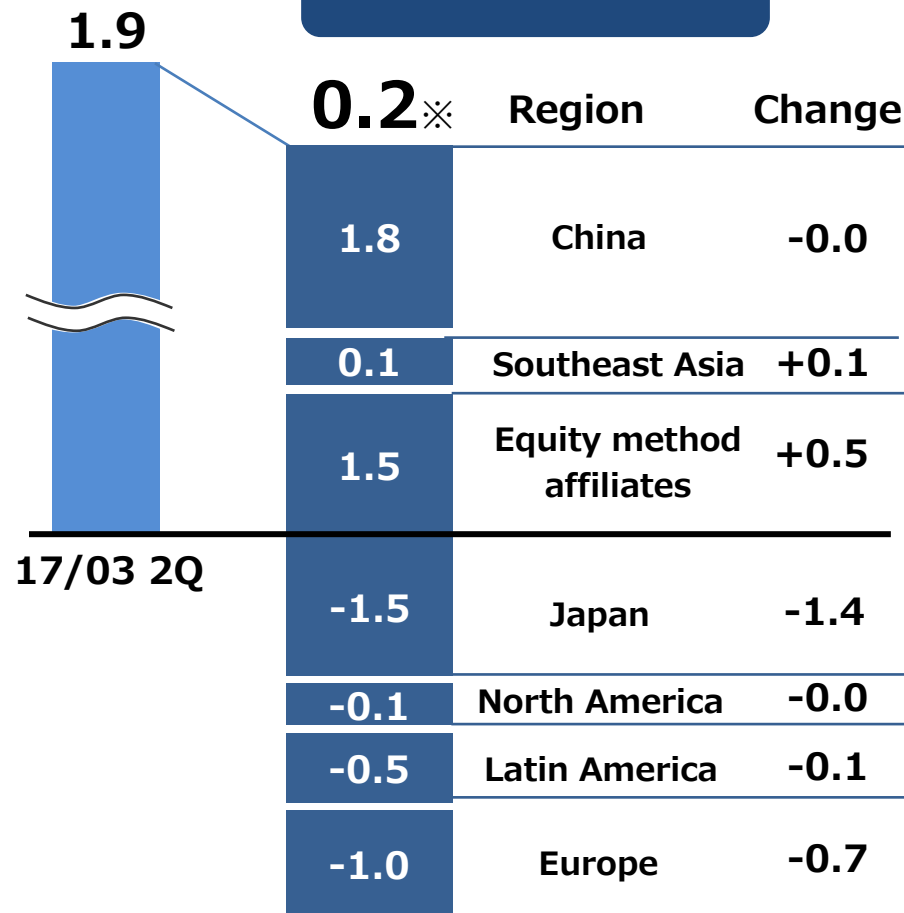
vs. previous year

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

Operating Income



Net Income*



18/03 2Q ※**Impact of tax** accompanied with decision-making on the sales of affiliate company's share: - 1,6 Billion JPY 6/37

Topics

	2017年												2018年		
	1月	2月	3月	4月	5月	6月	7月	8月	9月	10月	11月	12月	1月	2月	3月
Japan					● PROFIA/RANGER high performance					● CLARITY PHEV					●
							● N-BOX		● PROFIA/RANGER 4WAY						
				● CLARITY BEV				● FREED MODULO X		●					
USA					● MDX				● ACCORD						
Mexico											●				
Brazil				● KICKS											
Europe							● FRM		● FRM			●			
China		● KARRY K60	● NAVARA(FRM)							●					●
			● M50V	● KICKS											
South east Asia			● NOTE					● OUTLANDER							

● NISSAN / VENUZIA ● HONDA / ACURA ● HINO ● MITSUBISHI ● CHERY

HONDA Motor N-BOX

Start of production: July, 2017

Production Site: Suzuka Plant (Japan)

- Pursued seating comfort in a variety of driving scenes
- Adopted a seat frame (structure) of equivalent size for a sedan car
- Innovative Super Slide Seat (assistant driver's seat)



HINO MOTOR PROFIA/RANGER

Start of production: May, 2017

(High performance seat: May / Standard seat: September)

Production Site: Tochigi Plant (Japan)

- High performance seat with damping force adjustment function
- Seat structure has been modified from ergonomics perspective
 - Supporting surface for shoulder blade and pelvis region
 - Seat cushion extender function enabled fatigue load reduction and stable seating posture
- For standard seat, trim covers are selectable to match different usages

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. (FKK) by absorption-type company split, and on October 2, 2017, TACHI-S acquired all stock of the company.

New Company Overview



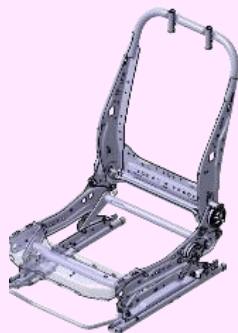
TF-METAL CO., LTD.

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

Seat Frame System



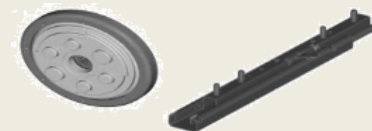
Seat Frame development

Frame parts
 Stamping/Welding/
 Assembly/ Production



Mechanical component development (Formerly in the scope of FKK)

Mechanical parts
 Stamping/Welding/
 Assembly/ Production



Integrated system from Development to Production

**Fu Chong (Fuzhon)
Engineering Co.,Ltd.**



**Zhejiang Fu Chong Tai
Automotive Parts Co., Ltd.**



**Fuji Autotech
Guangzhou Co., Ltd.**



China

TF-METAL CO., LTD.



TF-METAL

Succeeds to
seat business
of Fuji Kiko Co., Ltd.
by Absorption-type
Company Split

**Fuji Kiko of U.S.A.
Corporation**



**Fuji Autotech U.S.A.,
LLC**



**Fuji Kiko TACHI-S
Mexico, S. A. de C. V.**



Americas

**Kyushu
Fuji Kiko Co.,Ltd.**



**Higashi Mikawa
Fuji Kiko Co.,Ltd.**



**Iwata
Fuji Kiko Co.,Ltd.**

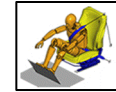


Japan

Developing global network of Seat Frame System

Global R&D sites

Testing function
※CAE: Analysis



Sled machine

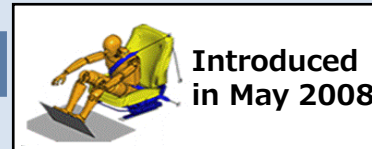
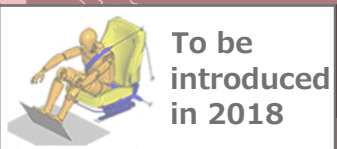
Europe
(France)

China
(Guangzhou,
Zhengzhou,
Zhejiang)

North America
(USA)

Promote localization

Promote localization



Southeast Asia
(Thailand)

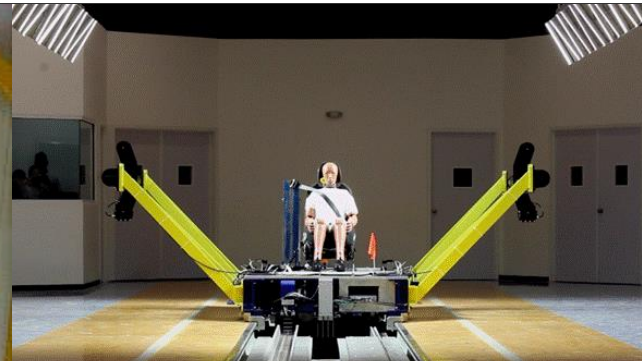
Vietnam

※CAE

Japan
(Tokyo, Aichi)

Latin America
(Mexico)

Organizing global development/testing network
to handle customer request by “Global One Team”
in a timely manner



Enhancing and accelerating the development / testing structure in the Americas

- TACHI-S Engineering Latin America, the administrative company in Mexico, newly established a testing center with a sled machine and new office building
- 2nd **sled machine** of the group **following Japan**
- With an effort to enhance development/testing structure in the Americas and speed up the process of responding to customer request, TACHI-S will **increase the competitiveness in making proposal to customer**





In August 2017, TACLE Guangzhou, seat manufacturer in China has achieved **the cumulative production volume of 3 million car sets** after 11 years of production since the start of operation in 2006.

TACLE Guangzhou Automotive Seat Co., Ltd.

Location	Guangzhou, Guangdong, China
Established	November, 2004
Start of production	July, 2006
Business Contents	Manufacturing/sales of automotive seats for DongFeng NISSAN

- Has been established to achieve integrated production from frame to seat assembly to meet the needs of rapidly growing China market
- Developed a "Seat Components Park" where manufacturers of trim covers, mechanism parts and foam pad are adjacent to each other



FY2017 2Q Financial Result

FY2017 Financial Forecast

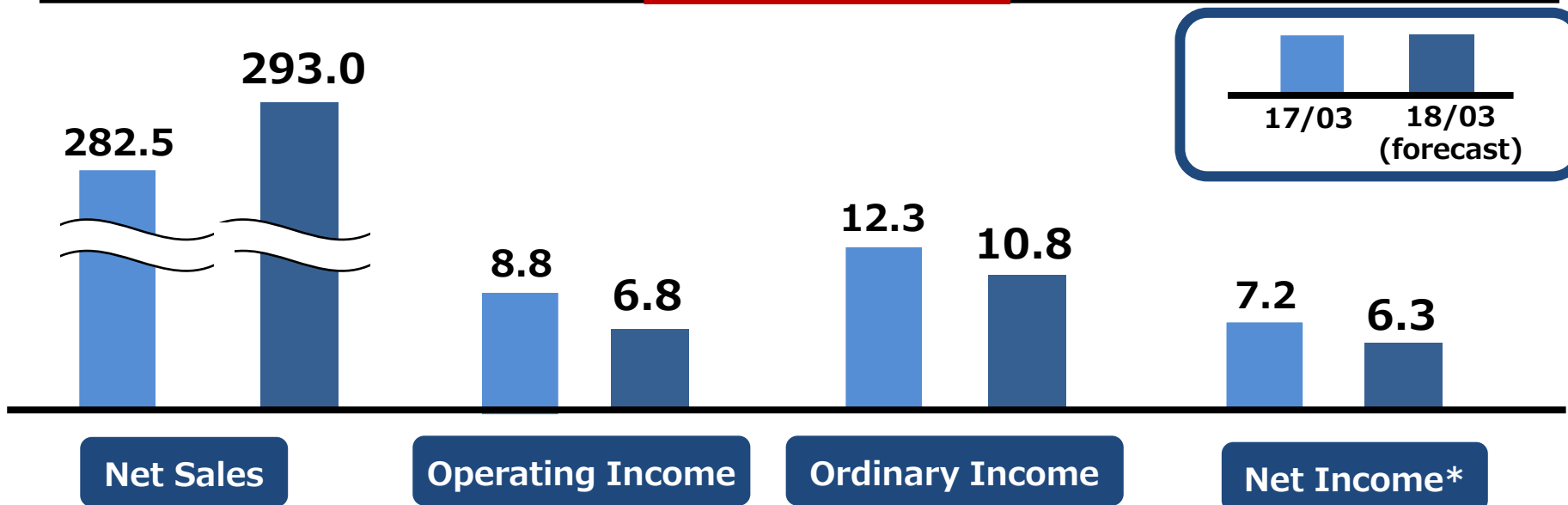
Capital Expenditures

Dividend

vs. previous year

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

	2017/03	2018/03(forecast)	Change	Change(%)
Net Sales	282.5	293.0	+10.4	3.7
Operating Income	8.8	6.8	-2.0	-23.2
Ordinary Income	12.3	10.8	-1.5	-12.5
Net Income*	7.2	6.3	-0.9	-13.3

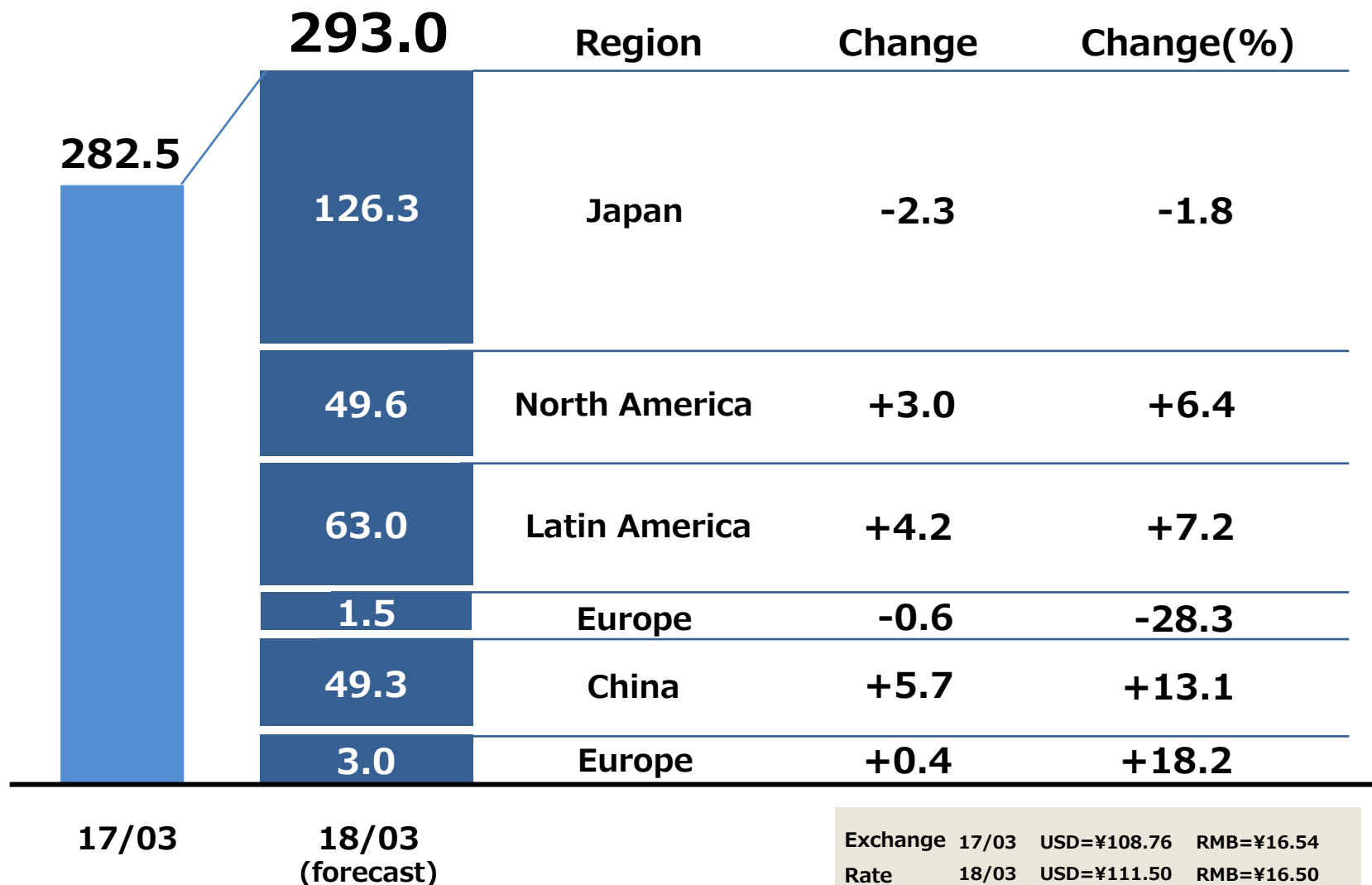


Analysis of Increase / Decrease (Consolidated)

vs. previous year

Net Sales

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



Analysis of Increase / Decrease (Consolidated)

vs. previous year

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

Operating Income

8.8

6.8

Region

Change

1.5

Japan

-1.2

0.3

North America

-0.2

0.4

Latin America

+0.3

5.4

China

-0.2

0.0

Southeast Asia

+0.0

-1.0

Europe

-0.7

17/03

18/03(forecast)

Net Income*

7.2

6.3

Region

Change

1.3

Japan

-0.3

0.9

Latin America

+0.5

3.0

China

-0.4

0.1

Southeast Asia

+0.1

2.5

Equity method
affiliates

-0.3

-0.3

North America

+0.5

-1.4

Europe

-1.0

17/03

18/03(forecast)

About Net income attributable to TACHI-S CO., LTD. (P18)

17/03

7.2 billion yen

18/03 (forecast)

6.3 billion yen



- Impact from the **gain on sale** of shares in affiliates and **tax burden** **-0.5 billion yen***
- Impact from the **decrease of net profit** attributes to non-controlling shareholders **-0.5 billion yen**

* Please see below news released on Nov. 9, 2017 for the details

- Announcement of Extraordinary Income (Gain on Bargain Purchase) and Extraordinary Loss (Loss on Step Acquisitions)
- Announcement of Recording of Extraordinary Income from Stock Transfer of an Equity Method Affiliated Company

FY2017 2Q Financial Result

FY2017 Financial Forecast

Capital Expenditures

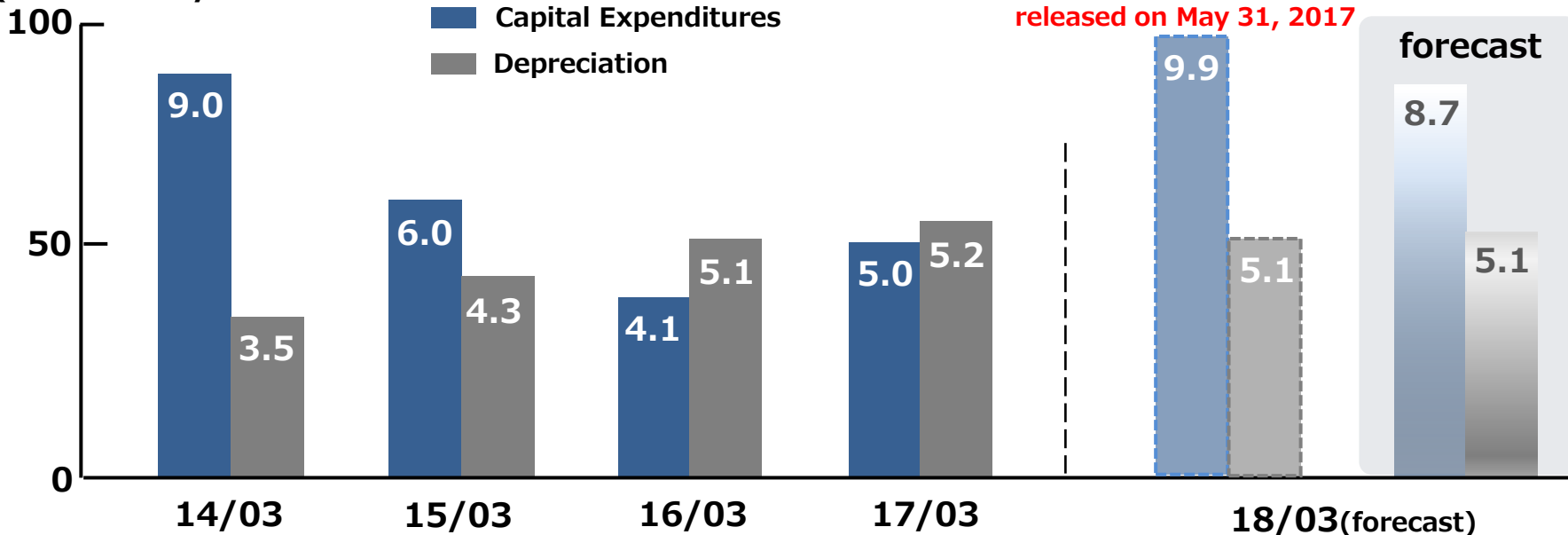
Dividend

Capital Expenditures & Depreciation

(Unit: billion yen)

■ Capital Expenditures
■ Depreciation

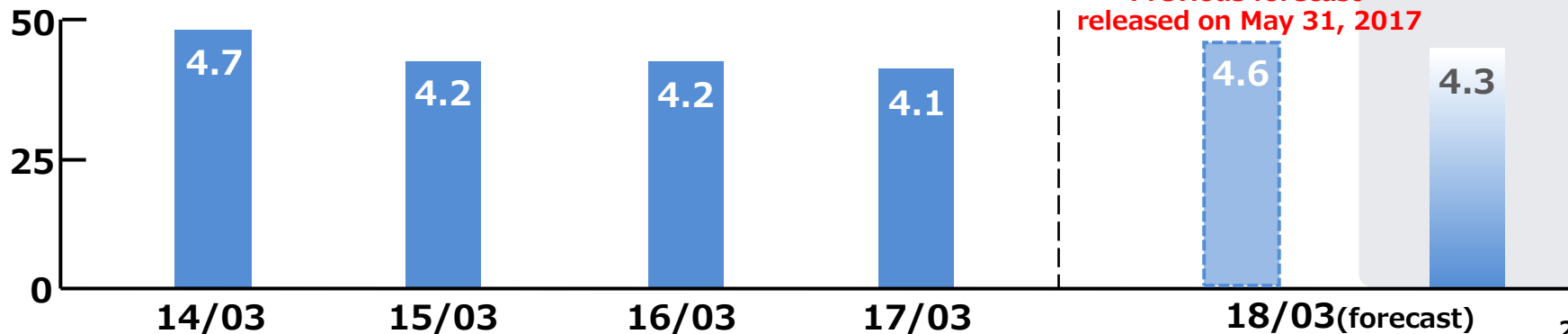
Previous forecast
released on May 31, 2017



R&D

(Unit: billion yen)

Previous forecast
released on May 31, 2017



FY2017 2Q Financial Result

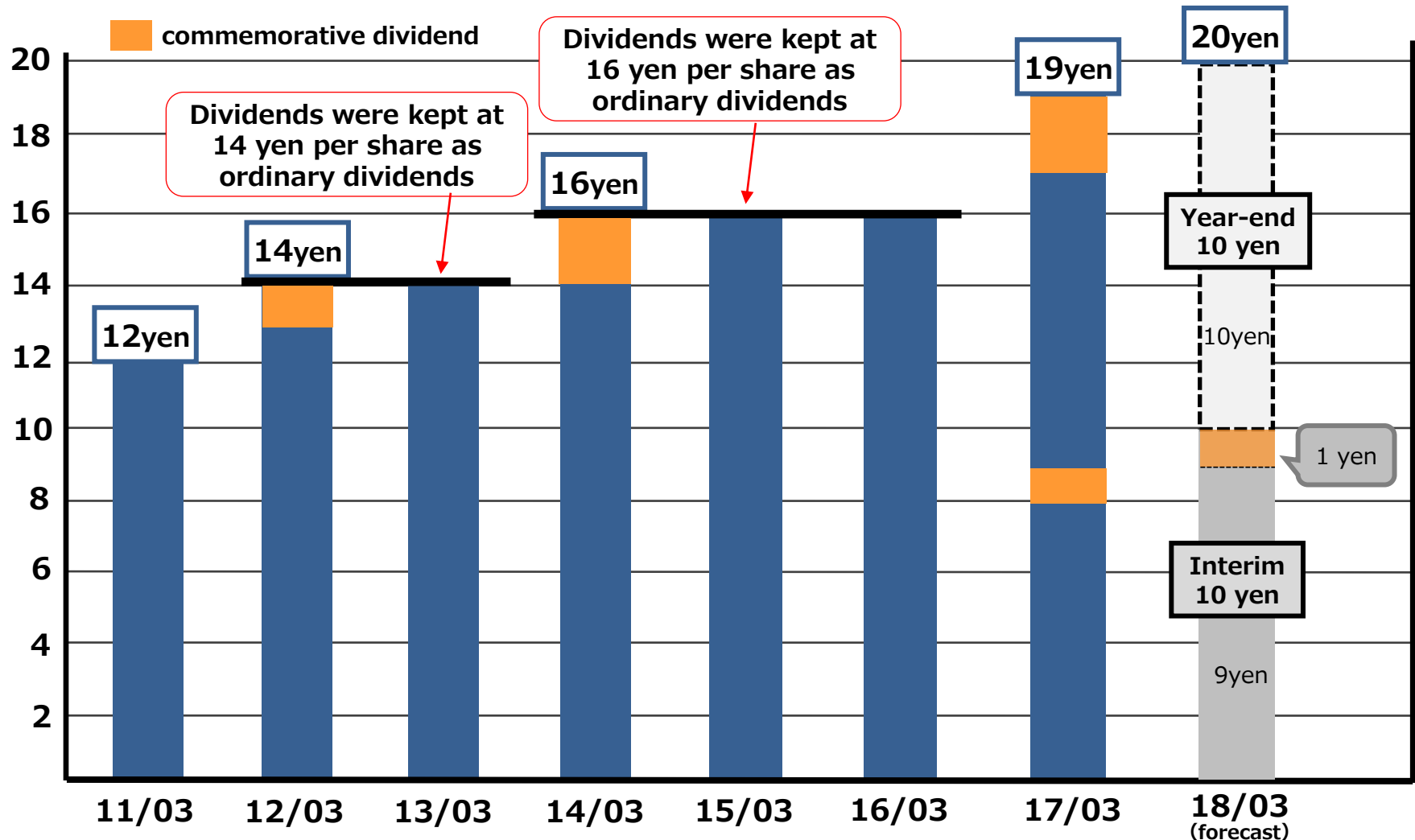
FY2017 Financial Forecast

Capital Expenditures

Dividend

Basic policy : Stable dividends on a long term basis

(Yen per share)



Appendix

Exchange Rate

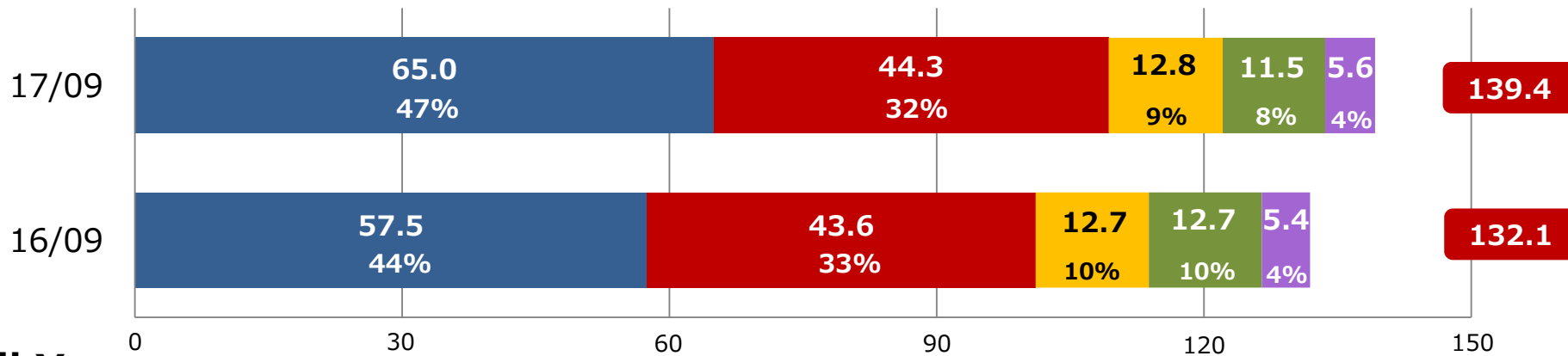
(Unit: yen)

	14/03	15/03	16/03	17/03	18/03 _(forecast)
USD	99.75	109.19	120.78	108.76	111.50
MXN	7.52	7.96	7.69	5.95	6.00
EUR	133.38	139.38	132.75	119.34	128.00
RMB	15.68	17.09	19.28	16.54	16.50

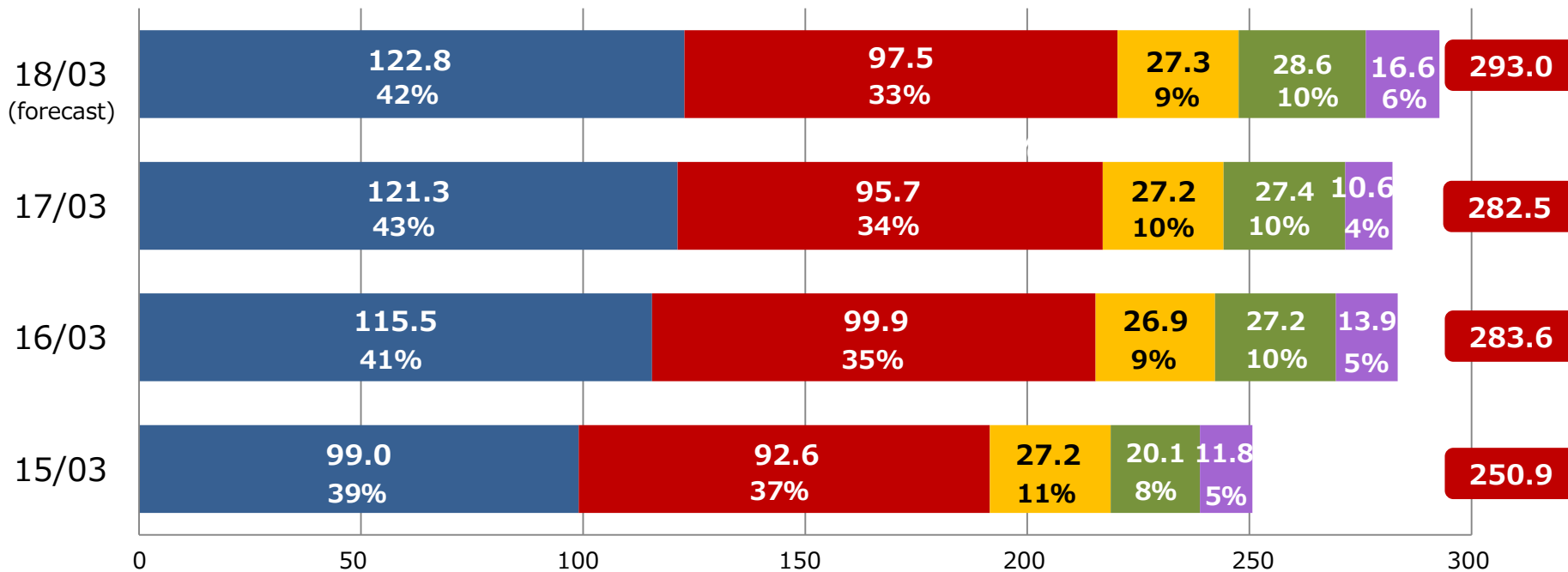
(Unit: billion yen)

■ Honda ■ Nissan ■ Toyota ■ Mitsubishi ■ Other

Second Quarter



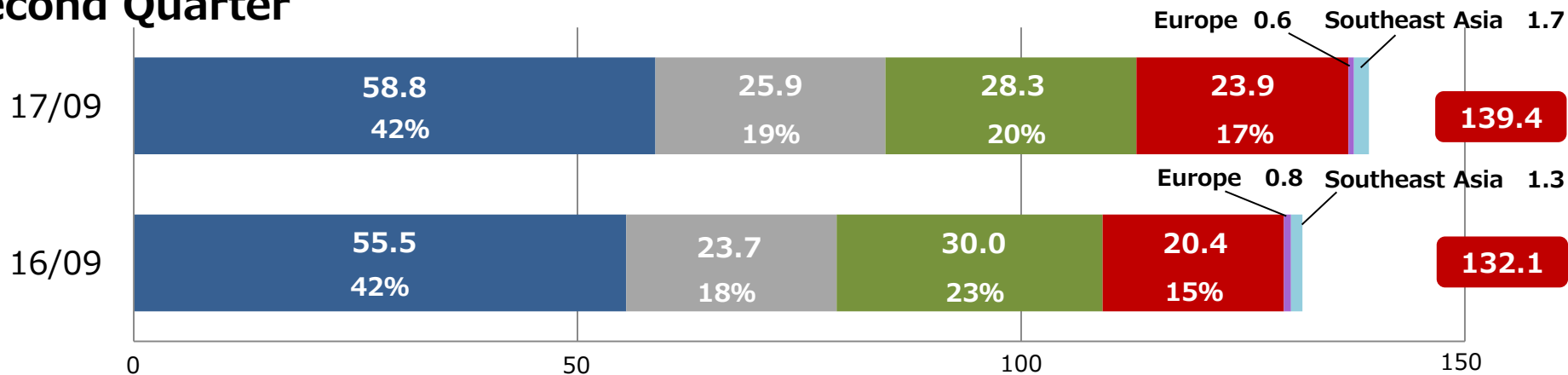
Full Year



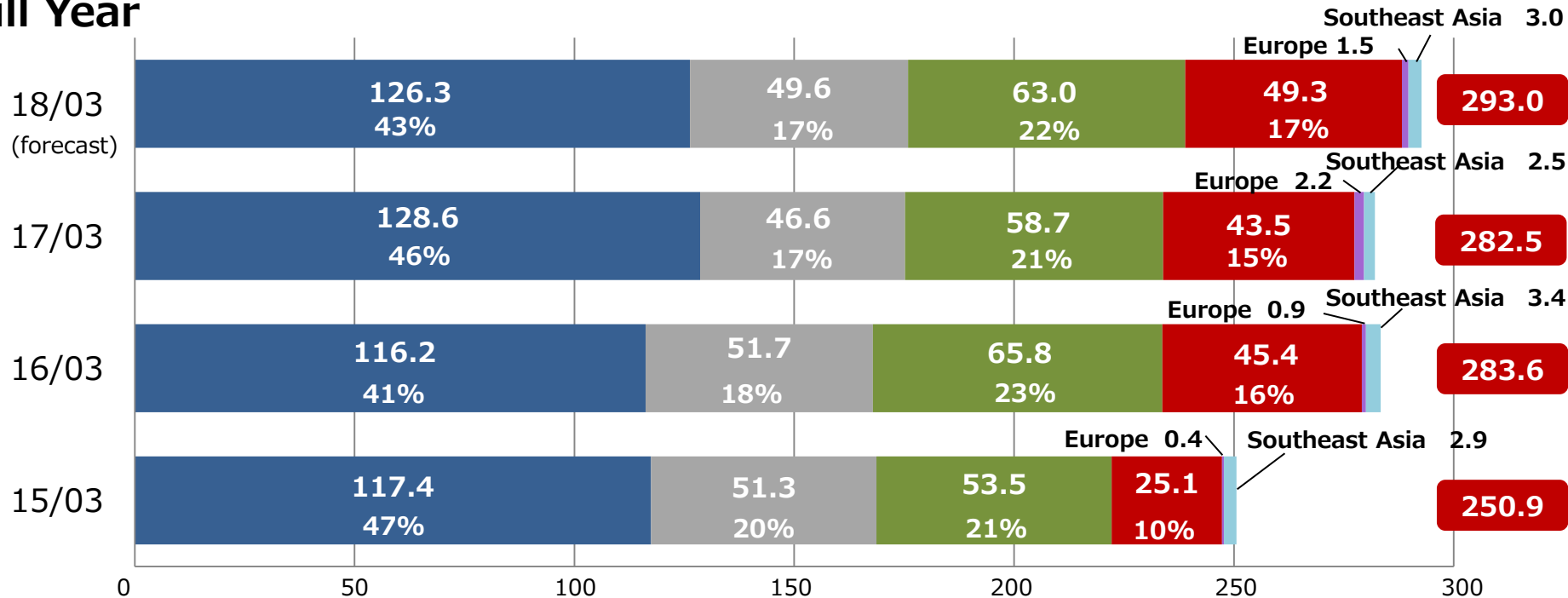
(Unit: billion yen)

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

Second Quarter



Full Year

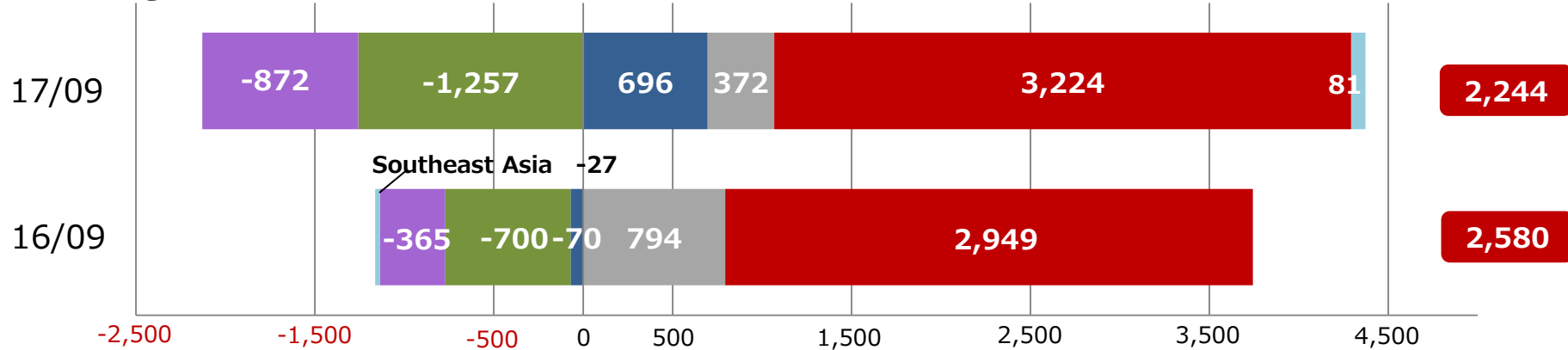


Operating Income by Region (Consolidated)

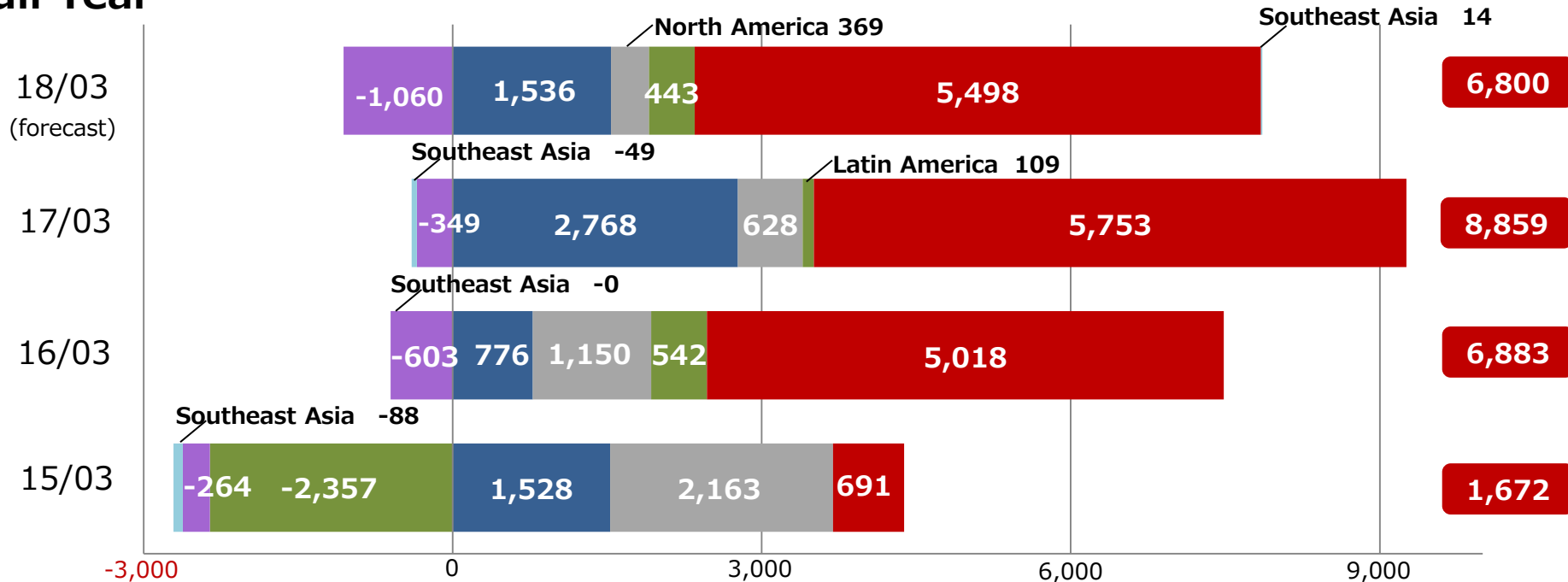
(Unit: million yen)

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

Second Quarter



Full Year

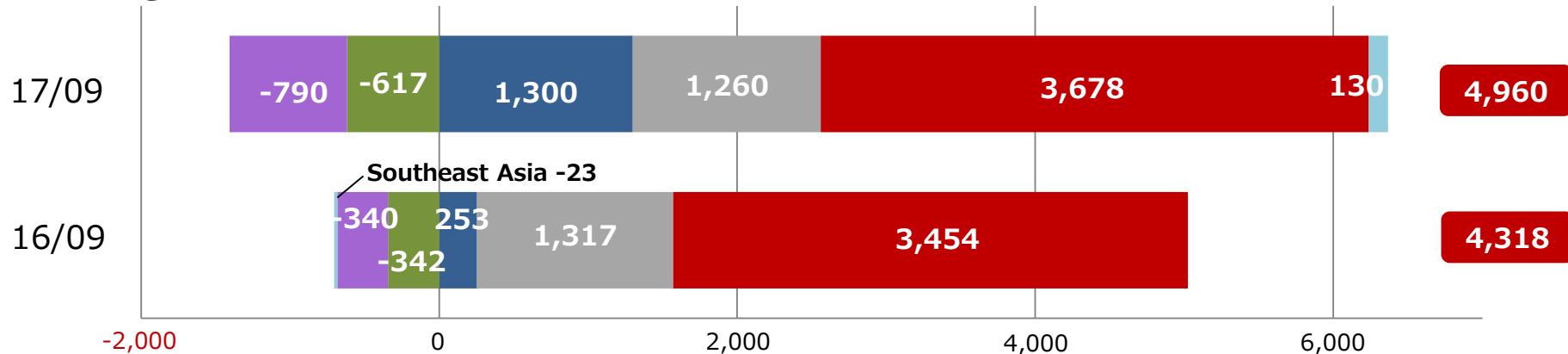


Ordinary Income by Region (Consolidated)

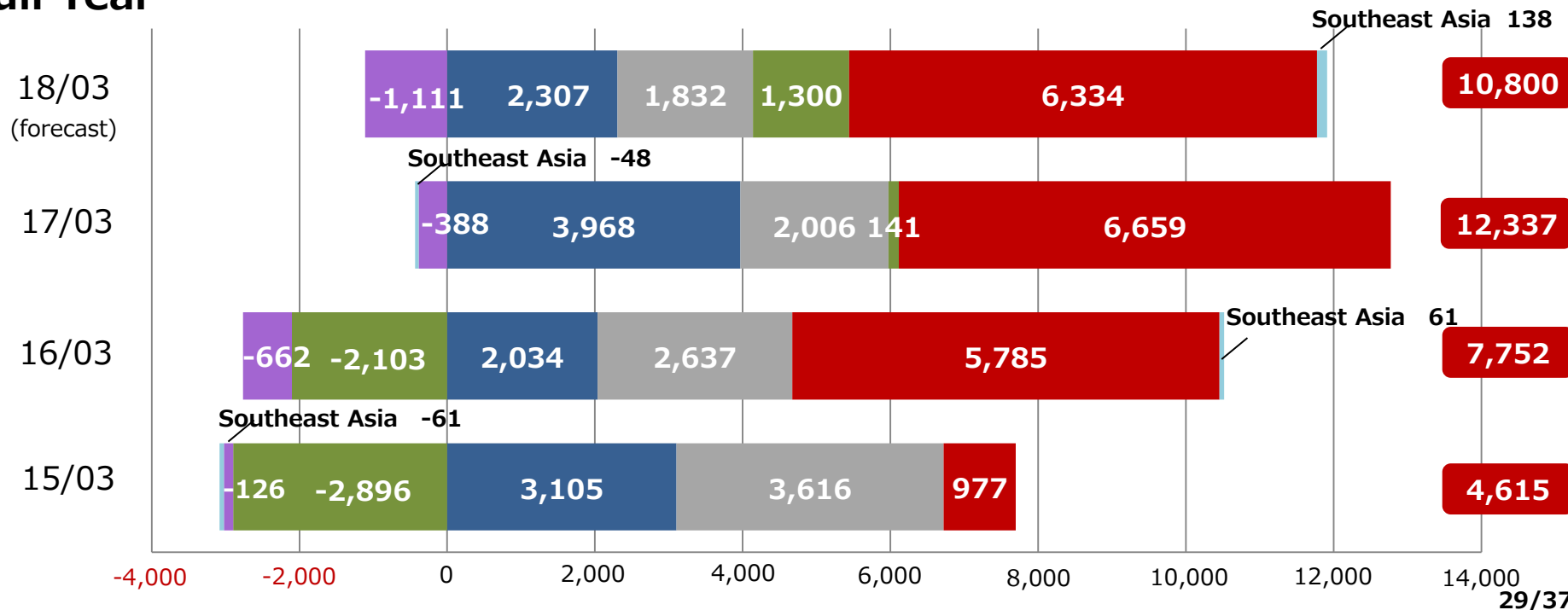
(Unit: million yen)

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

Second Quarter



Full Year



As of the end of September, 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	
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

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	NISSAN, SUZUKI and others TACHI-S, JTEKT	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), ADIENT	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%)	64 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)	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	Chery Automobile, Zhengzhou NISSAN	②

* (including subsidiaries' equity)

① Consolidated subsidiary

4 Companies

② Consolidated affiliate

1 Companies

③ Unconsolidated subsidiary

2 Companies

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	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	*(100.0%)	142 million RMB	Zhejiang Gee Ju Tai, TACHI-S, Lear DLT TACHI-S (Xiangyang), Wuhan 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 Vietnam	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 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

* (including subsidiaries' equity)

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.