

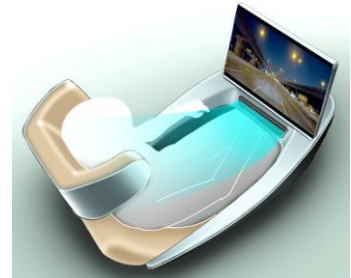
FY2022 Financial Results

From April 1, 2022 through March 31, 2023



TACHI-S CO.,LTD.

May 26th, 2023



Securities Code: 7239 (Tokyo/Prime)

Hello, everybody. I am Yamamoto, president of the company. Thank you for taking the time out of your busy schedules to attend our company's financial results briefing for the fiscal year ended March 2023.

I would like to express my sincere gratitude to all of our stakeholders for their cooperation with various activities of our company as we still continue to face uncertainty about the future due to soaring costs of raw materials and logistics caused by the impact of semiconductor shortages and COVID-19 infections, as well as the impact of the invasion of Ukraine on the global economy and other factors.

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 : 1-3-1, Suehiro-cho, Oume-shi, Tokyo

Date of Establishment : April, 1954

Paid-in Capital : 9.04 billion yen

Net Sales : 243.4 billion yen (Consolidated)
(Fiscal Year Ended March 31, 2023)

Number of Employees : 10,556 (Consolidated) (As of March 31, 2023)

Stock Exchange Listing : Tokyo / Prime Market (Securities Code: 7239)

Business Contents : Manufacturing of automotive seats

This is the overview of TACHI-S.

Our company relocated its headquarters to Oume-shi, Tokyo in December 2022 in accordance with our plan to reorganize the plants and offices in Japan.

FY2022 Financial Results

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

Shareholder Return

Activity report

※Transformative Value Evolution

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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
ended March 2023.

Financial Results (Consolidated)

vs. previous year

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

| | 22/03 | 23/03 | Change | Change (%) |
|-------------------------|-------|-------|--------|------------|
| Net Sales | 206.4 | 243.4 | 36.9 | 17.9 |
| Operating income | -4.2 | 1.3 | 5.5 | — |
| Ordinary profit | -3.5 | 1.9 | 5.5 | — |
| Operating Income Profit | -2.0 | 5.8 | 7.8 | — |

<Overview of 2023/03 financial >

- ◆ Although sales volume decreased significantly due to changes in the Chinese market and other reasons, sales increased year on year due to the gradual elimination of the global semiconductor supply shortage and 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 income and ordinary profit increased due mainly to the effects of rationalization in Japan and Latin America.
- ◆ Net income increased due to the sale of real property for rent in addition to the reasons above.

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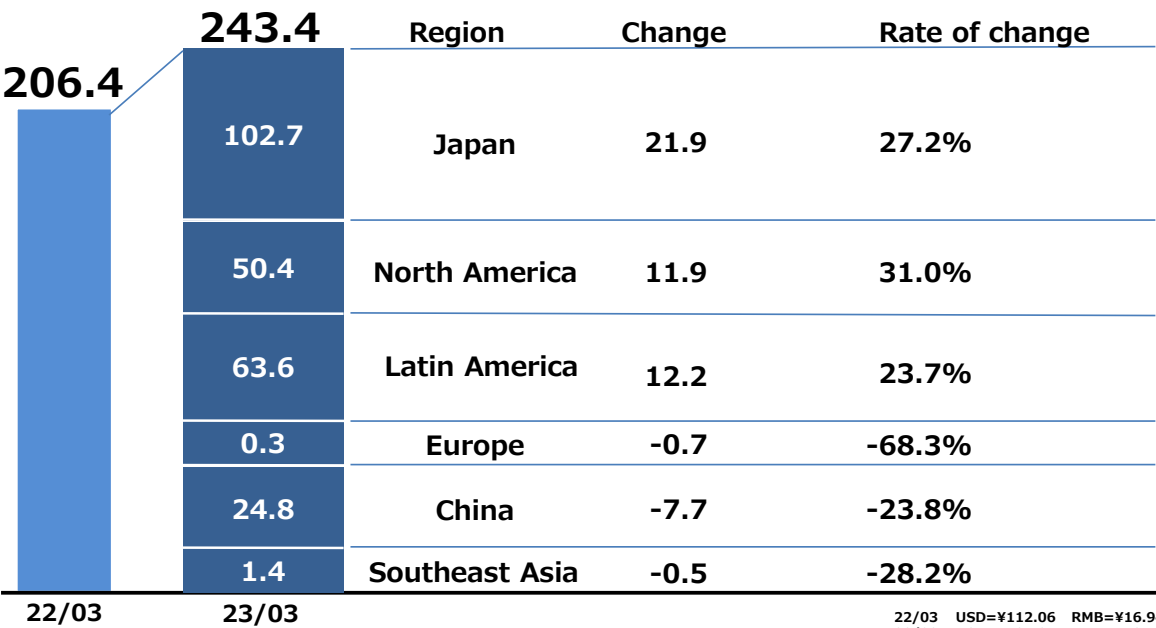
Sales in the fiscal year ended March 31, 2023 were 243.4 billion yen with an increase of 36.9 billion yen, and operating income was 1.3 billion yen with an increase of 5.5 billion yen, compared to the previous fiscal year respectively.

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

vs. previous year

Net Sales

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



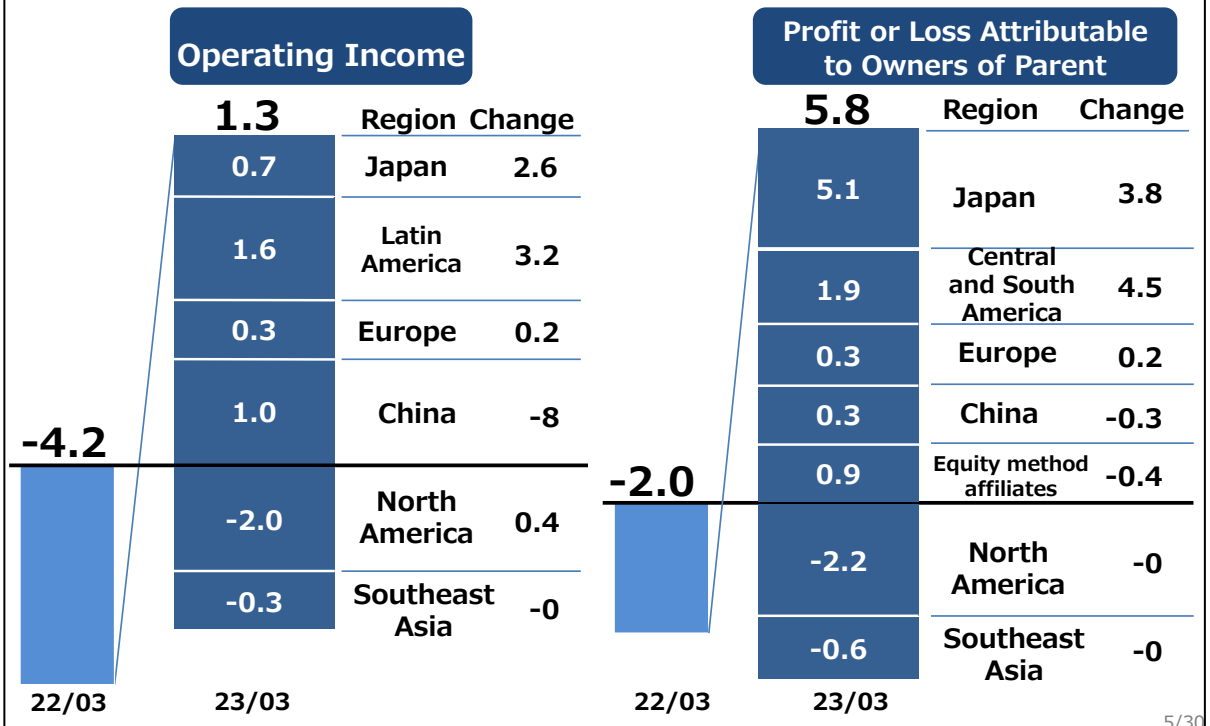
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Although sales volume decreased significantly due to change in the Chinese market and other reasons, sales increased year on year due to the gradual elimination of global semiconductor supply shortages and the impact of foreign currency translation due to the depreciation of the yen.

Analysis of Increase/Decrease (Consolidated)

vs. previous year

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



5/30

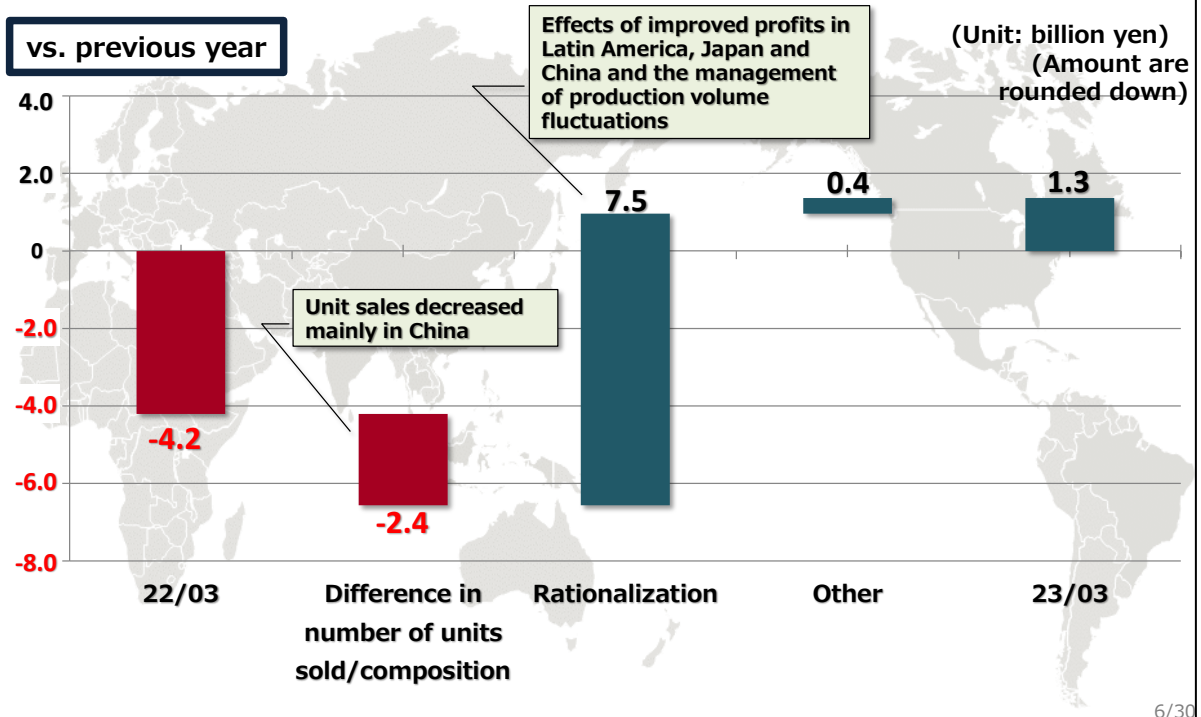
Operating income as a whole returned to the black due to operating profitability being achieved for Japan and Latin America.

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

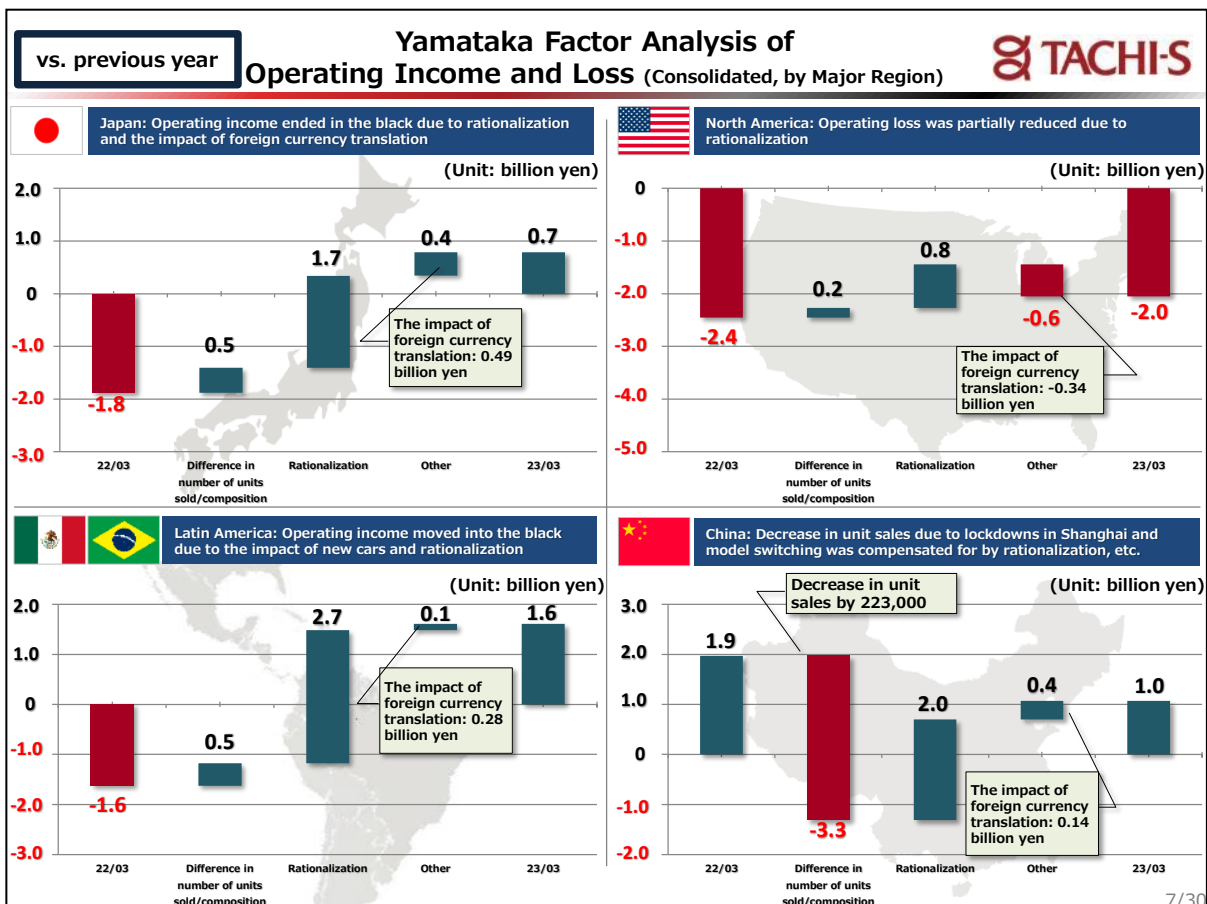
Profit attributable to owners of parent for this fiscal year increased due to the sale of real property for rent in addition to operating income.

Yamatoka Factor Analysis of Operating Income and Loss (Consolidated)

Operating income ended in the black as the improvement of the profit structure, etc. compensated for impacts of decreased production by customers and the soaring prices of raw materials.



As for operating income or loss, while there were negative factors caused by a marked decline in sales in China and the reduced production of customers and soaring raw material prices, profitability was restored by rationalization carried out on a group-wide basis, such as profit improvement and the management of production volume fluctuations.



Looking at operating income or loss by region, Japan ended in the black due to rationalization and the impact of foreign currency translation for exported parts, coupled with higher net sales.

Net sales in North America increased only marginally due to the slow recovery of our Nissan business despite the rebounding HONDA business. Moreover, operating loss was partially reduced due to rationalization.

In Latin America, operating income moved into the black due to the impact of new cars and rationalization

In China, we maintained operating profitability by partially offsetting impacts from lower sales caused by lockdowns in Shanghai and model switchovers.

FY2022 Financial Results (Consolidated)



vs published number

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

| | 23/03 Published | 23/03 Results | Change | Change (%) |
|-------------------------|--------------------|------------------|--------|------------|
| Net Sales | 248.0 | 243.4 | -4.5 | -1.8 |
| Operating Income | 1.2 | 1.3 | 0.1 | 14.0 |
| Ordinary Profit | 2.0 | 1.9 | -0 | -1.3 |
| Net Income* | 4.5 | 5.8 | 1.3 | 29.4 |

<Overview of 2023/03 financial results>

- ◆ Despite the impact of foreign currency translation due to the depreciation of the yen, sales decreased compared to the plan because the recovery did not reach the level initially forecast due to the impact of production adjustments resulting from the global semiconductor supply shortage and other factors.
- ◆ Operating income was largely in line with the plan because various group-wide improvement activities could offset the impacts of the production volume fluctuations of customers, soaring raw material prices, etc.
- ◆ Ordinary profit was largely in line with the plan despite the foreign currency translation loss due to the drastic depreciation of the yen.
- ◆ Net income for this fiscal year increased mainly due to the sale of investment securities.

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This is a comparison with the published value. Despite the impact of foreign currency translation due to the depreciation of the yen, sales decreased compared to the plan because the recovery did not reach the level initially forecast due to the impact of production adjustments resulting from global semiconductor supply shortages and others.

Operating income and ordinary profit were almost in line with the plan.

Net income attributable to owners of the parent for this fiscal year increased due to the sale of investment securities.

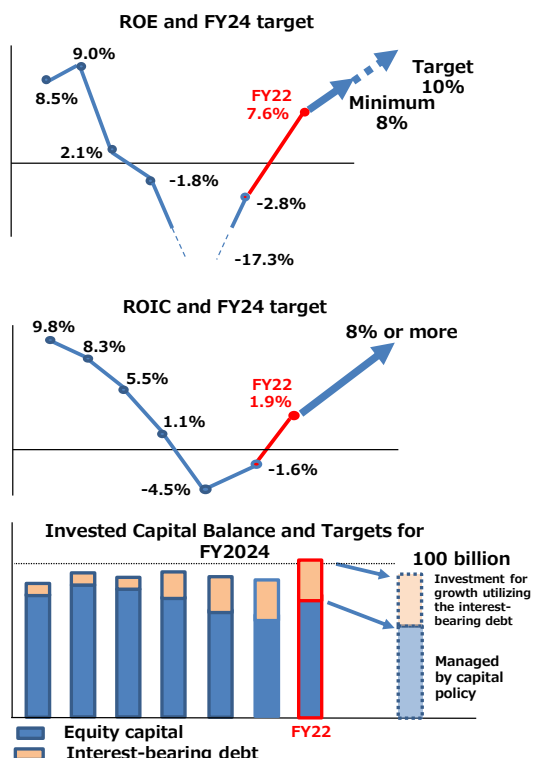
The results for the fiscal year ended March 31, 2023 are as shown. Profits ended in the black more or less as planned due to the effect of profit improvement that we have worked on since FY2021 amid declining net sales.

ROE FY22 result 7.6%

- Operating income moved into the black by compensating for the impacts of reduced production by customers and soaring prices of raw materials through improving the profit structure.
- Sold real property for rent.
- Partially sold cross-shareholdings in accordance with the company policy.
- FY22 dividend paid at 3.5% DOE as per policy.

ROIC FY22 result 1.9%

- Adjusted operating income (= net operating income after tax + share of profit of entities accounted for using equity method) achieved a surplus of 1.9 billion yen by compensating for the impacts of reduced production by customers and soaring prices of raw materials through improving the profit structure.
- D/E ratio slightly decreased from 0.32 in FY21 to 0.31 in FY22 for invested capital due to the impact of the increase in equity capital.



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ROE for FY2022 was 7.6%, improving significantly year on year.

The main reasons for this were the achievement of operating income due to the improvement of the profit structure and the implementation of activities for improvement, including the sale of real property for rent and the partial sale of our cross-shareholdings in accordance with our stockholding management policy.

ROIC, on the other hand, was 1.9% as adjusted operating income (= net operating income after tax + share of profit of entities accounted for using equity method) and achieved a surplus of 1.9 billion yen. However, a gap still remains to achieve the target of 8% or more. In order to achieve the ROE target, we will work on improving the performance of our seat business, which is the source of our corporate value.

FY2022 Financial Results

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

Shareholder Return

Activity report

※Transformative Value Evolution

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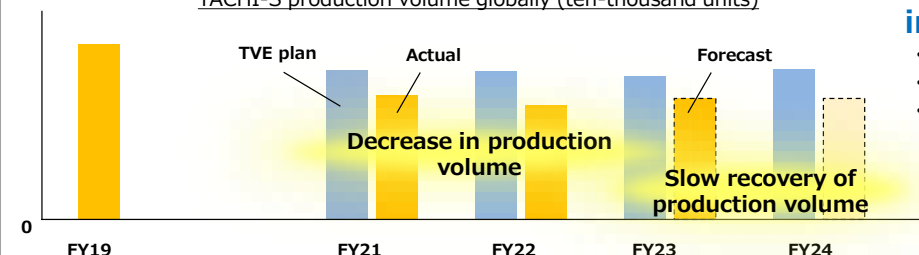
I will explain the progress of the medium-term management plan that started in FY2021.

Impact of Changes in Business Environment

Situations changed significantly from ones that had been assumed when TVE was developed. It was caused by the impact of COVID-19, slow recovery of production volume due to semiconductor shortage, inflation, and the impact of the decrease in the production volume in the China Region.

✓ Slow recovery of production volume due to the impact of COVID-19 and semiconductor shortage

TACHI-S production volume globally (ten-thousand units)

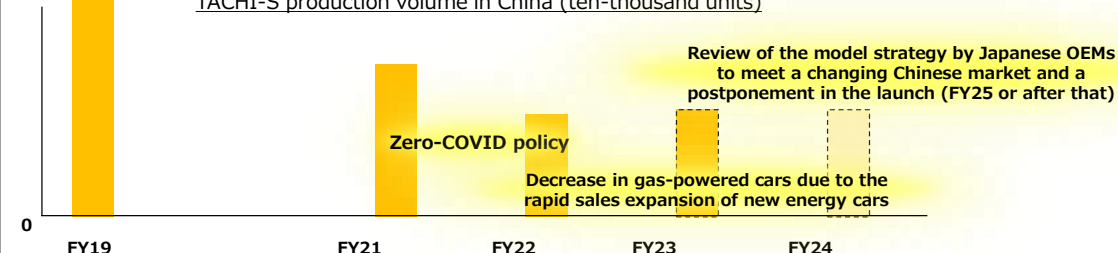


✓ Higher costs caused by inflation

- Cost of raw materials
- Logistics cost
- Labor cost

✓ Decrease in production volume in China Region

TACHI-S production volume in China (ten-thousand units)



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First of all, I would like to mention the changes in the business environment we faced.

For TVE that was launched in FY21, three changes were experienced in the environment from when it was formulated.

The first change was decrease in production volume. As shown in the upper chart above, it decreased in fiscal years 2021 and 2022 from the one planned in TVE due to the impacts of COVID-19, semiconductor supply shortages, etc. We had expected that it would recover in or after fiscal year 2023; however, in light of the latest information, the recovery is expected to be delayed.

The second change was the decrease in production volume in the China Region. As shown in the chart below, FY22 experienced a significant decrease compared to FY19 prior to the COVID-19 pandemic, and production volumes there are predicted to halve in FY23 and FY24, respectively.

Decreasing production volume in FY21 and F22 was impacted by restrictions following the country's zero-COVID policy as well as by plant shutdowns and logistics interruption caused by city lockdowns. That was also impacted by: i) the rapid sales expansion of new energy cars and a surge of Chinese OEMs, which led to a decrease in the mass-production volume of gas-powered cars, for which the Company received orders; and ii) the postponement of planned new car launches slated for FY23 and FY24 to FY25 or later, due to the reviews of model strategies in Japanese OEMs in an effort to meet rapidly changing trends in the Chinese market.

The third change was the increase in the costs of raw materials, logistics and labor due to global inflation. We forecast it will continue for some time to come. We continued to pursue TVE activities amid such significant changes in our business environment that had not been assumed when TVE was developed.

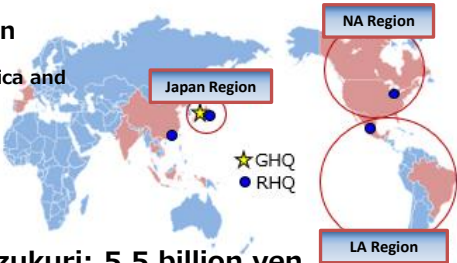
Status of Profitability Improvement

Improvement of profit structure and cost reduction by strengthening Monozukuri were promoted as planned.

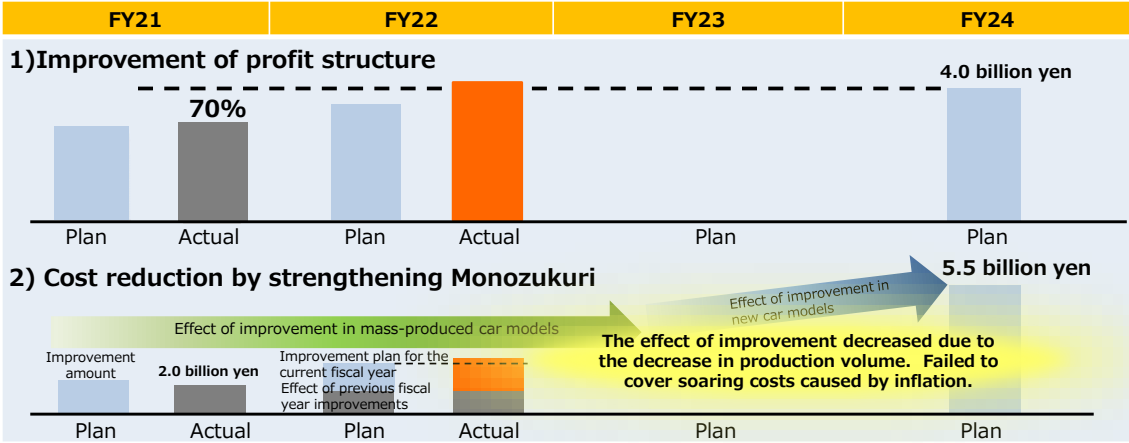
1) Improvement of profit structure: 4 billion yen

Streamlining and improving efficiency in Japan, North America and Latin America.

- Reorganization of plants and offices
- Reduction of fixed costs
- Logistics efficiency improvement
- Optimization of functions in each region



2) Cost reduction by Strengthening Monozukuri: 5.5 billion yen



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I now would like to turn to the progress of activities pursued to date in TVE.

Regarding the status of profitability improvement through fiscal year 2022, the improvement activities was achieved almost in line with the plan through the improvement of profit structure and cost reduction by strengthening Monozukuri.

However, as explained on the previous page, cost reduction through strengthening Monozukuri could not fully cover the erosion in improvement effects due to the decrease in production volume and soaring costs caused by inflation, and the cost improvement effect we had worked on was offset. Therefore, in order to achieve the 5.5-billion-yen improvement target for fiscal year 2024, it is forecast that further improvement is required.

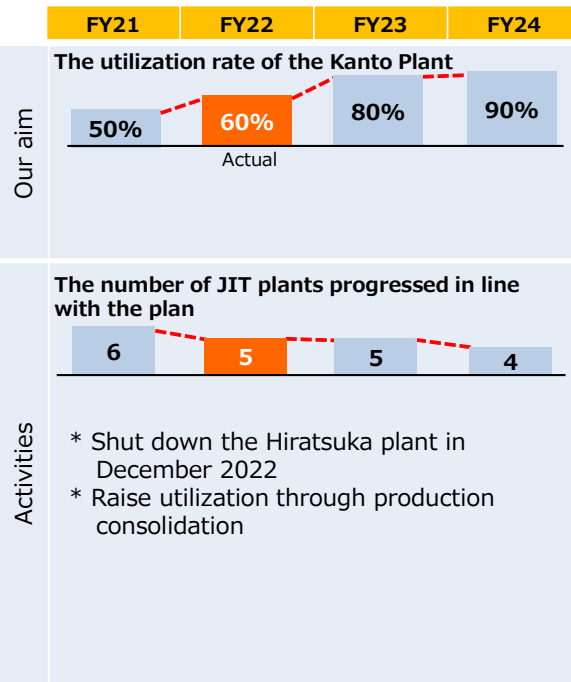
The specific activities for profitability improvement will be explained in the following next pages.

Improvement of Profit Structure - Japan -

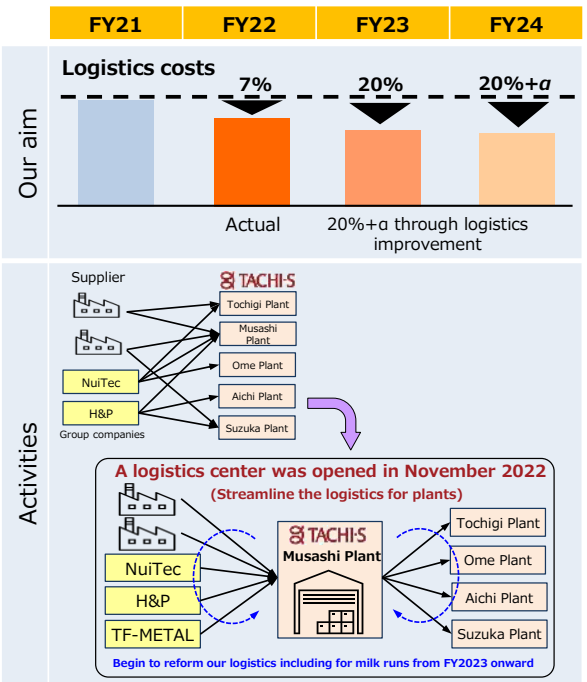


Plant realignment progressed in line with plan Logistics efficiency improvement will likely be attained one year ahead of schedule

Japan: Reorganization of Plants/Offices



Japan: Logistics efficiency



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

In plant reorganization, we plan to raise the plant utilization ratio in the Kanto area to 90% by FY24, and succeeded in raising the utilization ratio to 60% in FY22 more or less as planned.

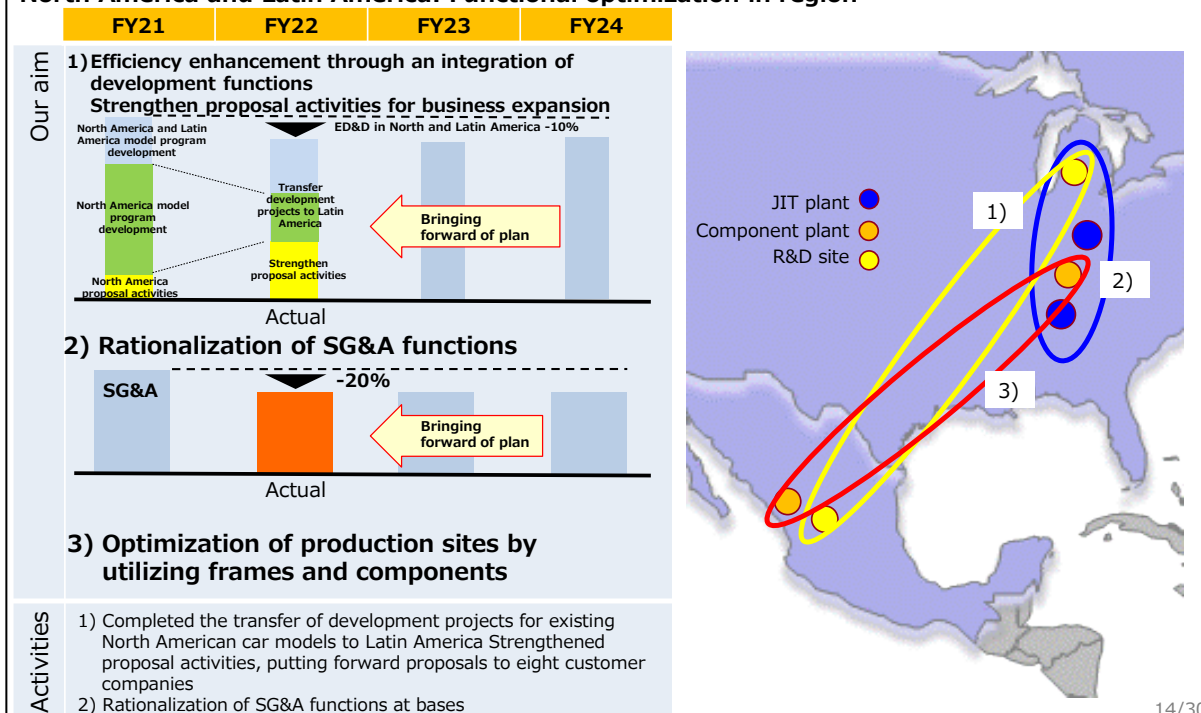
Logistics efficiency improvement was in progress more or less as planned as we lowered logistics-related costs by 7% for FY22 by streamlining logistics through opening a new logistics center, against a plan to cut it 20% by FY24.

Improvement of Profit Structure

- North America and Latin America -

Continue to integrate development functions, strengthen proposal activities, and rationalize SG&A functions

North America and Latin America: Functional optimization in region



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

As for a planned consolidation of development functions, we consolidated some of the model development functions into Latin America by FY22, thereby enhancing efficiency and lowering development expenses in North America and Latin America by 10% for FY22.

Also, optimization and efficiency improvement in administrative functions was promoted in the North America Region such that we could reduce SG&A 20% for FY22.

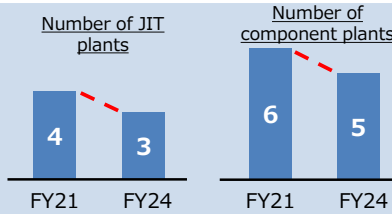
On these two fronts, we carried out the plan ahead of schedule.

Improvement of Profit Structure - Latin America -

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

Latin America Region 1: Reorganization of plants, reduction of fixed costs, logistics efficiency improvement

Reorganization of plants



FY21 results

- JIT1 plant closed
- Completed integration of one parts plant into JIT plant

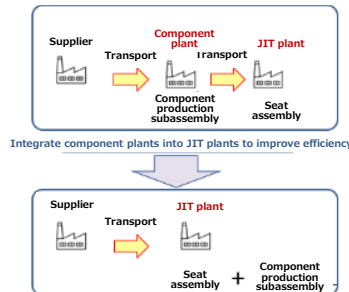
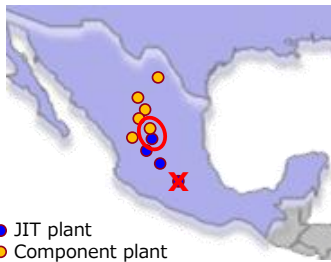
- Reduction of fixed costs

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

FY22 results

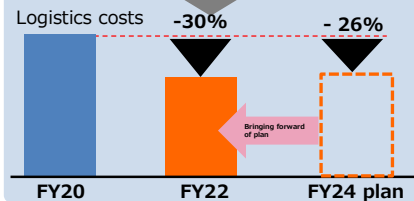
- Reduced the number of posts by 20%
- Headcount reduced by 26%

<Integrate component plants into JIT plants>



- 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



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

During FY21, two fiscal years ago, in the reorganization of plant activity, we closed one JIT plant and integrated the component plant into the JIT plant to significantly improve the efficiency of production and logistics.

Reduction of fixed costs and logistics efficiency improvement exceeded the plan

We worked on improvement of profit structures in different regions in the manner described above, and have continued to conduct planned activities for the past two years.

Aim to expand business by enhancing Monozukuri competitiveness in addition to improving profitability

2) Cost reduction by strengthening Monozukuri

Activities (examples)

- Localize mechanical and electrical parts**
 Promote localization of core parts mounted on common frames such as mechanical parts and electrical parts and roll out lightweight and inexpensive new models

 ⇒ Begin mass production preparation in Latin America
 ⇒ Complete prototype assessment for China products
- Reducing the cost of purchased parts / improve logistics**
 Reconsider the production base for overseas-made products (trim covers)

| | FY21 | FY22 | FY23 |
|---------------------|----------|----------|-----------|
| Domestic production | 66 (25%) | 75 (28%) | 191 (33%) |
| Overseas production | 200 | 191 | |

 (Unit: Ten thousand)
 (Two car models) (Four car models)
- Reduce capital investment / Enhance productivity**

 Downsizing of welding equipment
 Structure rationalization and lightening of jig pallets
- Processes improvement / Quality improvement**
 Design and operate highly efficient processes

 Production volume 100% Production volume 50%
 Production line design able to respond flexibly to production volume fluctuations
 ⇒ Begin to introduce equipment
 Process designing and space-saving through a thorough reduction of assembly labor hours
 ⇒ Begin to introduce equipment

16/30

Next, I will explain the progress of activities for “Cost Reduction by Strengthening Manufacturing”.

With regard to the standardization of frame structures and 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.

Preparations are in progress toward beginning mass production of manual seat tracks in Latin America, and powered seat tracks and motors, and powered recliners, which are powered mechanical parts experiencing growing demand amid the ongoing shift to EVs, are being localized.

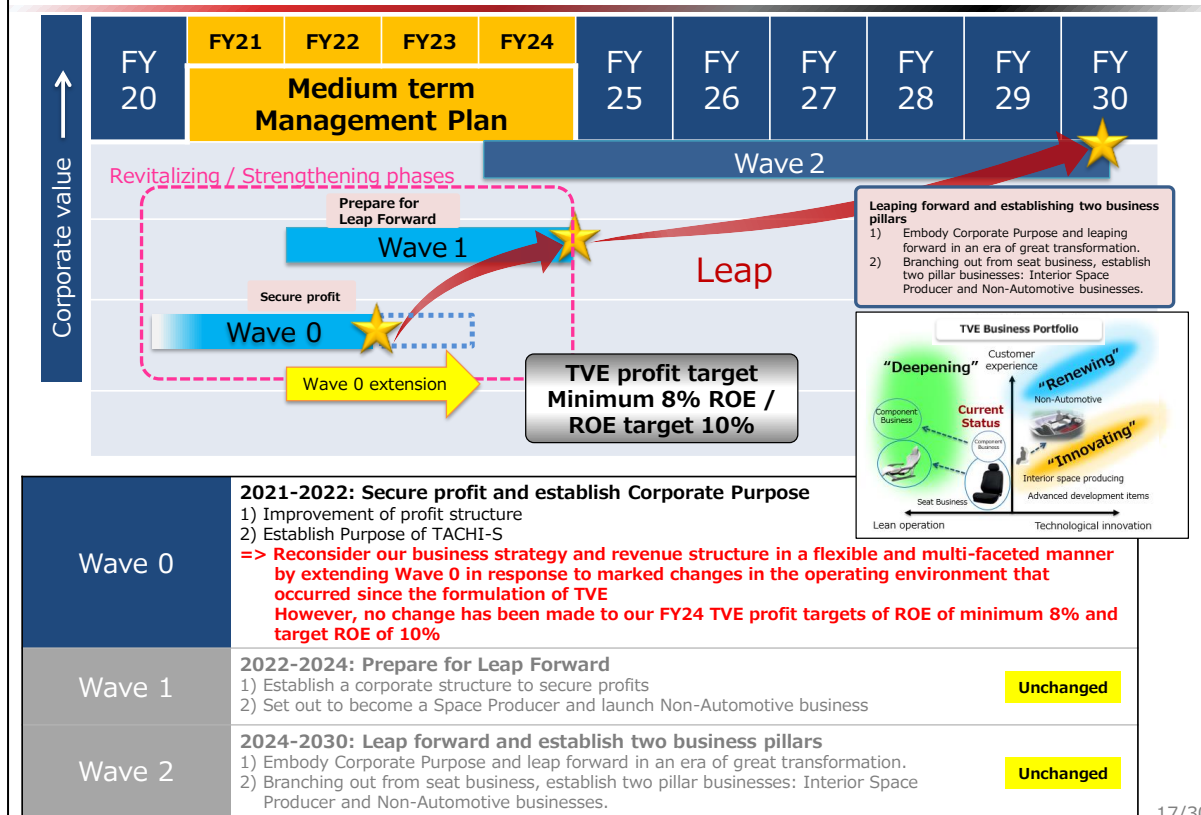
In the field of logistics, we transferred to Japan trim covers for two car models that were produced overseas and will increase domestic production through such transfers in consideration of soaring logistics costs and the impact of foreign exchange rates.

We sought to improve productivity and reduce investment through a downsizing of production facilities.

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

We aimed to expand new business by continuing to engage in these activities to enhance Monozukuri competitiveness in addition to improving near-term profitability. In fact, we were actually awarded orders for car models to be rolled out in 2025 onward.

Toward achieving our TVE target



17/30

This chart, as was already explained, shows our roadmap for FY2030.

In FY2030, we will be a space producer centered on seats, and we will expand the Non-Automotive business to areas other than seat parts. We aim for these two businesses to be the two pillars of our business.

We will change our business portfolio with three “Shinkha” toward what we want to become.

With “Deepening” Shinkha, we will make our existing seat business more lean and efficient, and expand the parts business. Using the profits made there, we will then invest in growth areas such as the non-automotive field, which is “Renewing” Shinkha, and the space producing field, which is “Innovating” Shinkha.

In the plan up to 2030, we positioned the periods from FY2021 to FY2024 as the Wave 0 phase and the Wave 1 phase, and specified them as a reformation / strengthening phase.

We have set our financial targets for this period as follows: ROE of at least 8% and target 10% in FY2024.

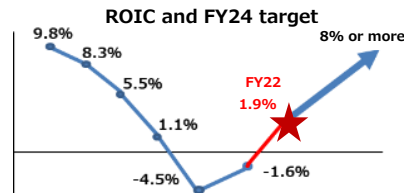
However, as outlined in the section about business environment changes, we are now reconsidering our business strategy and revenue structure in a flexible and multi-faceted manner by extending the Wave 0 phase in response to marked changes in the operating environment that have occurred since the formulation of TVE, in order to securely achieve the TVE ROE target.

Toward achieving 8% ROE

While endeavoring to reform our profit structure, we will additionally work to increase profit to respond to the earlier-mentioned changes in the operating environment

■ Background

- The ROE in FY22 was 7.6%, largely owing to the sale of some leasehold properties and cross-shareholdings
- We achieved a surplus in operating income for FY22, but ROIC was 1.9%, missing the target by over 8 percentage points.
- We must eliminate the ROIC deviation in order to achieve ROE of 8% even in an operating environment that changed markedly from the initial stage of TVE
- Some business lines found it difficult to achieve profit planned in TVE, a fact discovered by checking the future profitability of our individual businesses



- We must build a robust profit base able to generate profit continuously, something we essentially aim for in TVE

■ The directionality of profitability improvement in addition to the existing TVE plan

1. Profitability improvement for low-profitability business lines
2. Improvement of marginal profit: Reduction in materials costs and logistics expenses
3. Optimization of fixed costs

18/30

The ROE in FY22 was 7.6% and came much closer to the target of 8%. This was largely due to the sale of some leasehold properties and cross-shareholdings rather than due to the performance of the seat business, which is our main business. We were able to achieve a surplus in operating income for FY22, but ROIC was 1.9%, deviating from the target of 8% or more. We must eliminate the ROIC deviation in order to achieve ROE of 8% even in the operating environment that changed markedly from the initial stage of TVE. However, some business lines found it difficult to achieve profit planned in TVE, a fact discovered by checking the future profitability of our individual businesses.

Given these circumstances, we must additionally improve profit in order to build a profit base that generates profit continuously, something we essentially aim for in TVE.

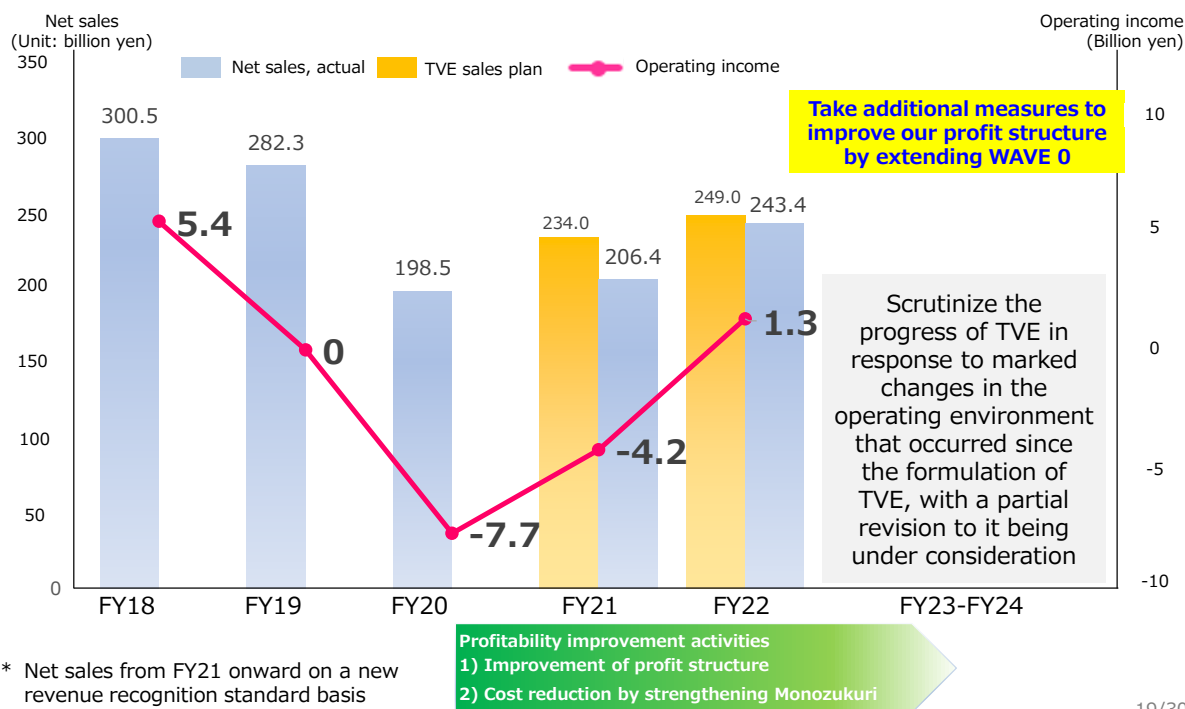
In this situation, we are considering extending the Wave 0 phase in FY23 to take measures in addition to the activities planned in the current TVE.

Although I cannot explain today the details of what we are considering, its direction is to improve profit of low-profitability business lines, raise marginal profit, and optimize fixed costs.

Target of profitability improvement



From FY21 to FY22: Profitability recovered due to our TVE profit improvement activities
From FY23 onward: Make sure to put our profit base on a firm footing by taking additional measures to improve the profit structure



19/30

This graph shows the operating income by year. The line graph shows operating income and the bar graph displays net sales.

Profitability recovered due to our TVE profit improvement activities that were launched in FY21.

However, considering changes to the operating environment from FY23 onward, we must take additional measures to improve our profit structure by extending WAVE 0, and will make sure to build a profit base able to generate profit sustainably in TVE even amid such changes.

Any specific action and/or road map for FY23 and FY24 will be disclosed as soon as they become available.

FY2022 Financial Results

Progress of the Medium-Term
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※Transformative Value Evolution

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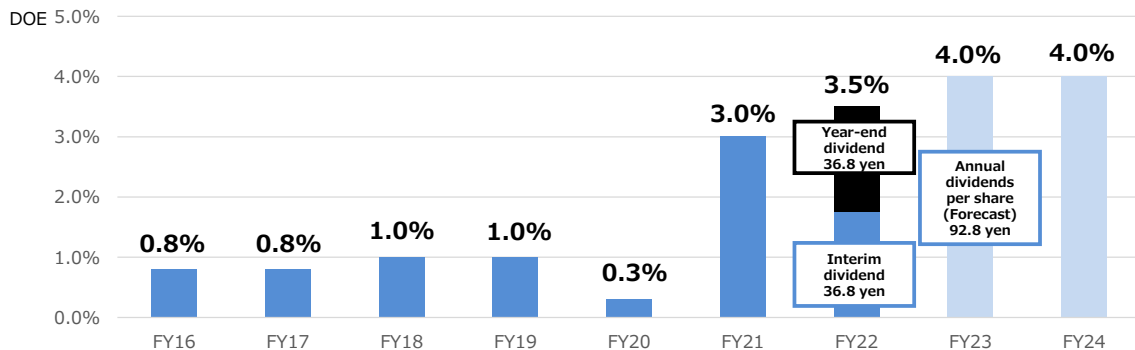
I will explain about shareholder return.

DOE 3-4% for FY21 – FY24. FY22 DOE at 3.5% (73.6 yen per share)

* Dividend on Equity Ratio

- Dividend On Equity ratio (DOE) is applied as a financial indicator for dividends in an effort to achieve an ROE of 8% shown in the Medium term Management Plan TVE
- Aim to achieve an DOE of 4% for FY24 and take a proactive approach to shareholder return based on comprehensive consideration of cash flow, sound financial base over the medium to long term, and other factors.

DOE over the past 6 years and targets for FY21 to FY24



Maintain a DOE of 4% as stipulated in the medium-term management plan and forecast an annual dividend of 92.8 yen per share for FY23 because no change is planned to make sure we achieve an ROE of 8%, a management target for FY24

21/30

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

The year-end dividend for FY2022 is 36.8 yen per share.

Including an interim dividend of 36.8 yen, the annual dividend will be 73.6 yen per share, which is an increase of 10.0 yen compared to the previous year.

Maintain a DOE of 4% as stipulated in the medium-term management plan and forecast an annual dividend of 92.8 yen per share for FY23 because no change is planned to make sure we achieve an ROE of 8%, a management target for FY24

FY2022 Financial Results

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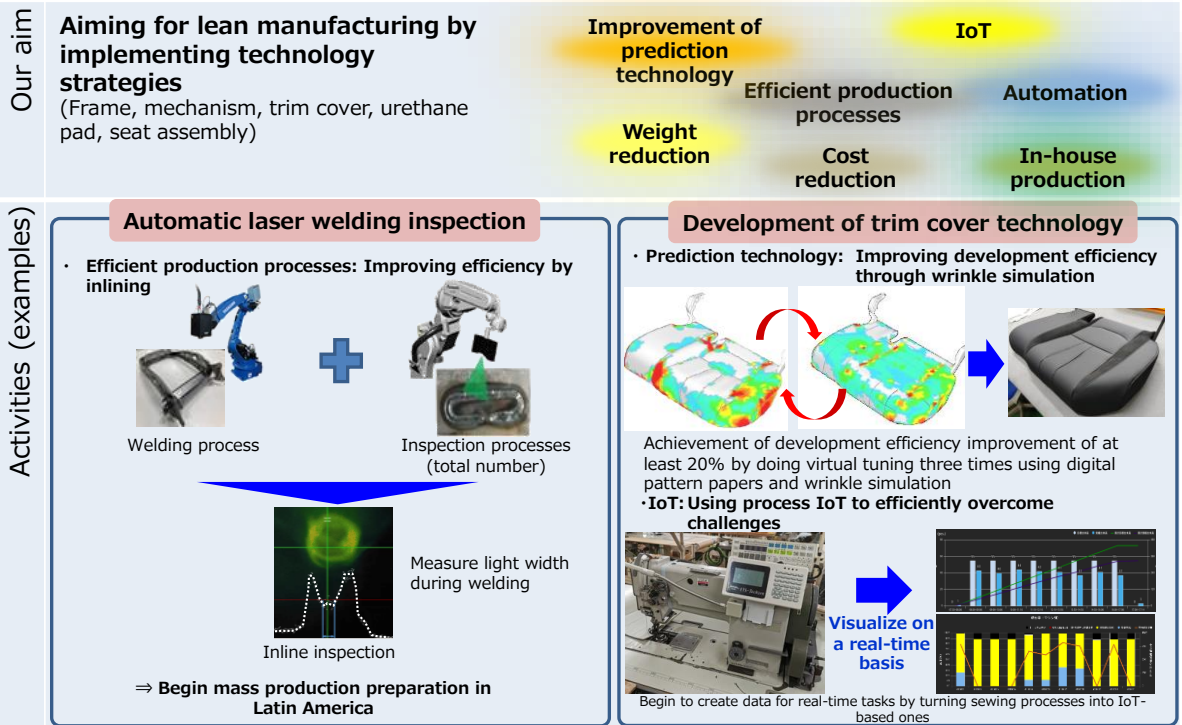
Activity report

※Transformative Value Evolution

22/30

Finally, I would like to explain the three Shinkhas that are working on TVE, as well as the status of DX and ESG initiatives.

Enhance by implementing technological strategies for each commodity



23/30

In terms of “Deepening,” we are implementing a technology strategy for each commodity, including frames, mechanisms, and trim covers.

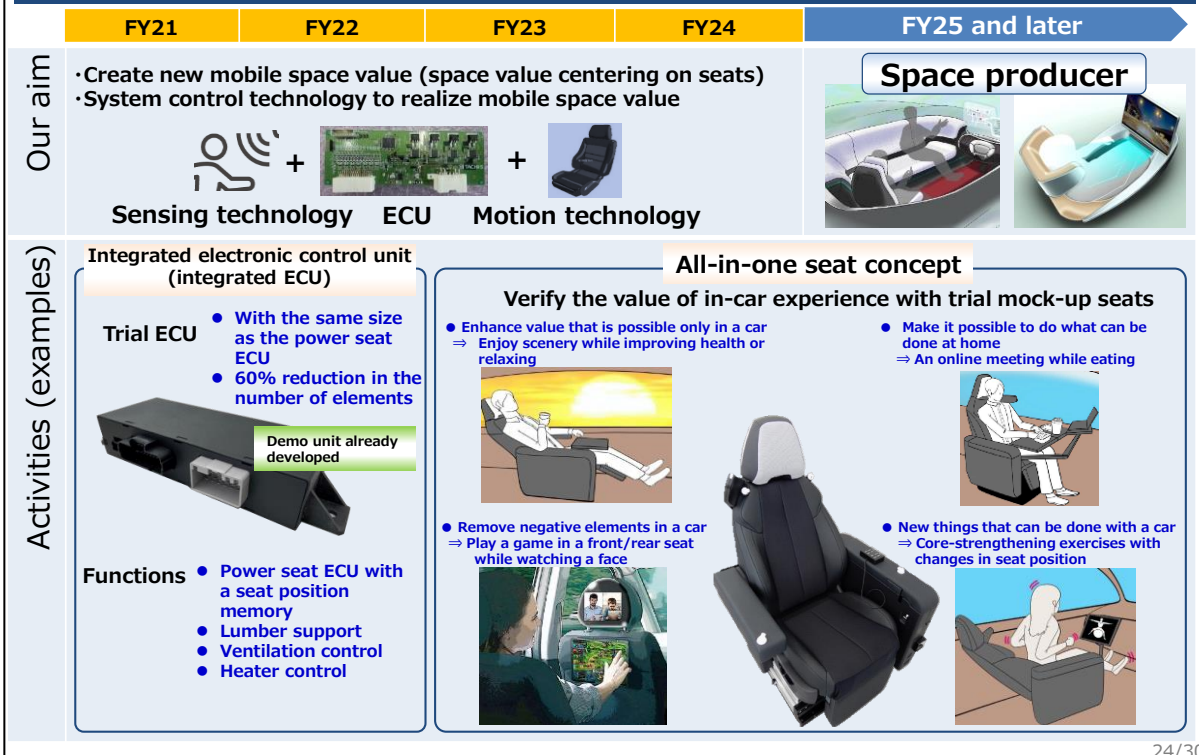
We are aiming to create lean products by improving predictive technologies, IoT, automation, and in-house manufacturing.

I will now describe the progress of 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. They were already introduced in Japan and preparations are now in progress for introducing them in the Latin American bases, and we will promote their adoption globally.

In the field of trim cover technology, we used simulations to predict wrinkles that would form on a trim cover and did tuning virtually, thus succeeding in raising the development efficiency for the trim covers for car models now under development. In terms of sewing processes, we used IoT to complete creating real-time data, and will improve efficiency and quickly solve issues.

System control technology is under development to realize the creation of new mobile space value



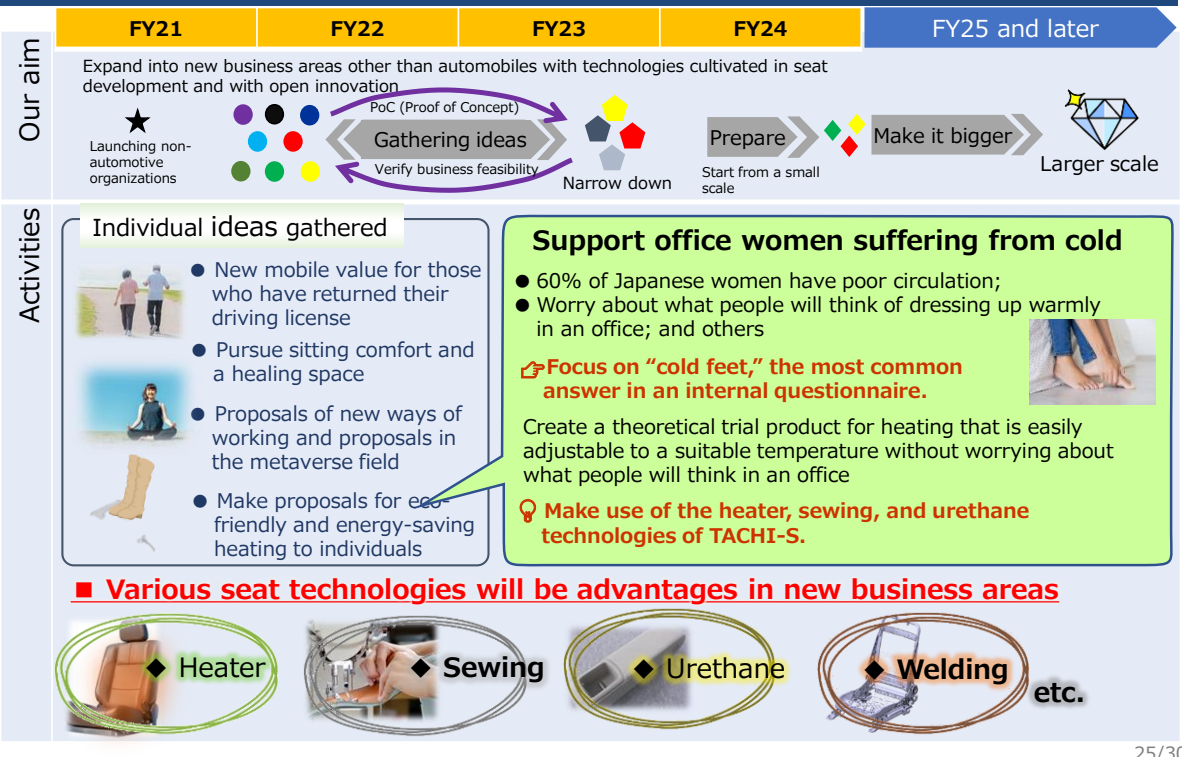
24/30

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

We have completed a prototype of an integrated ECU as a system control technology to realize new mobile space value. This ECU controls multiple functions using a single ECU and is expected to reduce weight, space, and cost.

Using prototype seats, we examined four concepts as the value of experience value in a vehicle compartment: “Enhance value that is possible only in a car,” “Make it possible to do what can be done at home,” “Remove negative elements in a car,” and “New things that can be done with a car.” Our work is in progress to serve as a space producer in the future.

Aim to be a company that supports a physically, mentally, and socially happy life



25/30

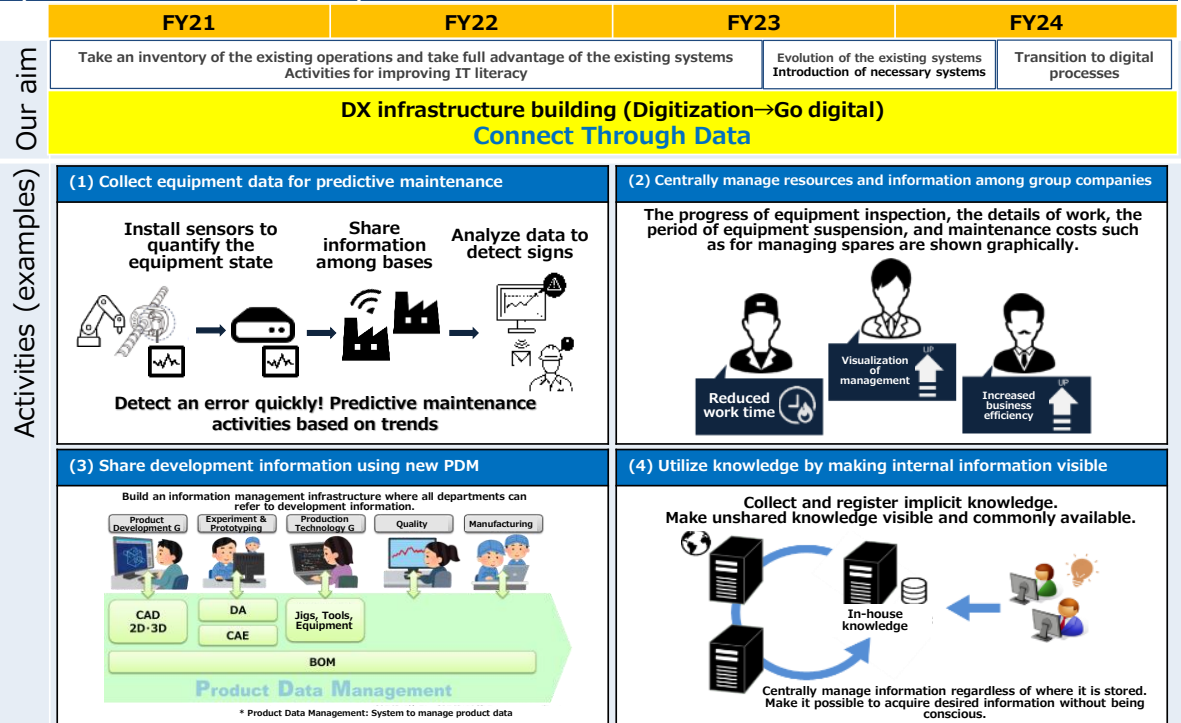
Regarding new Shinkha, our company is aiming to expand into new business areas other than automobiles. We are starting small businesses and scaling them up by refining ideas through open innovation based on our cultivated seat technologies, and then conducting PoC and business feasibility testing for them.

We have already put some ideas into tangible form using technologies we have cultivated. We will seek to link them to business in the future.

In new business areas, too, we are committed to becoming a company that supports a physically, mentally, and socially happy lifestyle in order to achieve our company’s purpose of Supporting People and the Earth through “Seating” Technology.

Three types of Shinkha – Building DX foundation –

For DX, establish data-based connections by making use of the existing systems and introducing necessary systems on the basis of inventory results



26/30

Next, I will explain our DX activities.

(1) and (2) above are efforts for predictive maintenance of equipment.

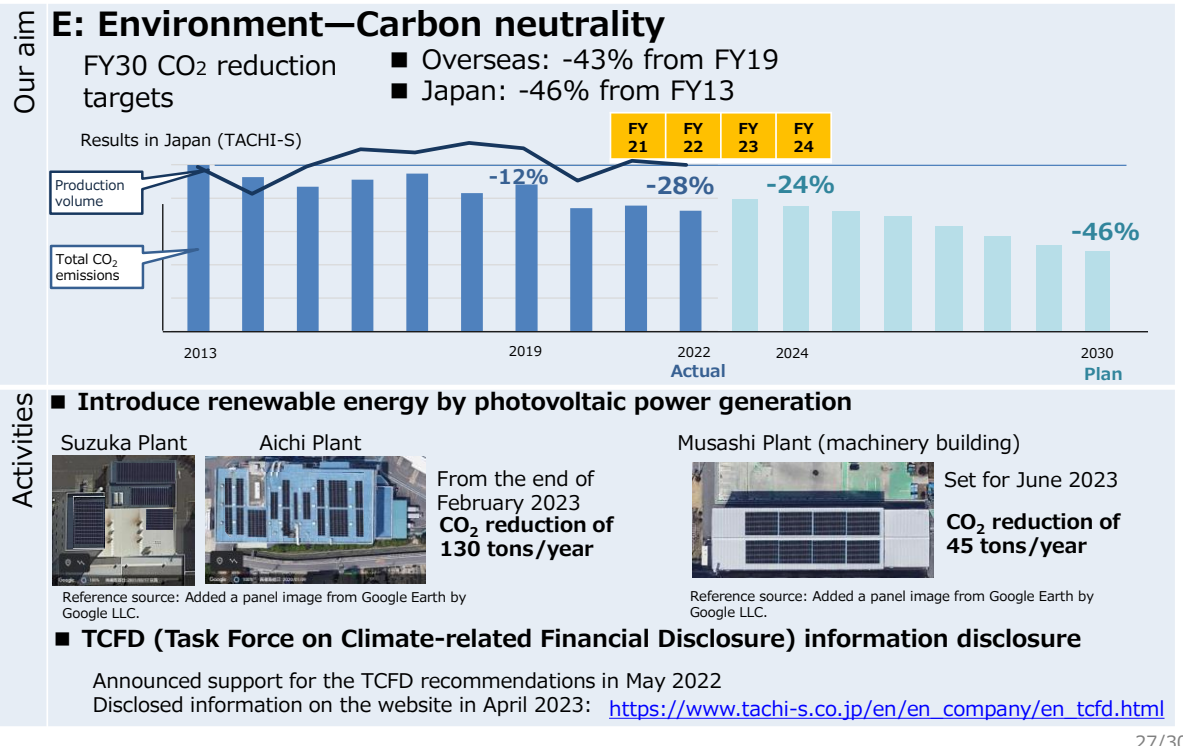
In (1), we acquire and analyze equipment status data also from the existing equipment by using sensing technology in order to provide predictive maintenance.

In (2), we centrally manage resources and information among group companies and promote the digitalization of equipment maintenance work.

In (3) below, we visualize the status of development in all departments using the new product data management system (PDM). This allows us to shorten the development period.

In (4) below, we visualize and use knowledge including know-how, thereby creating added value.

Set CO₂ reduction goals for group overseas bases. Disclose information according to the TCFD recommendations.



27/30

Next, I will describe our ESG initiatives.

Regarding E, the environment area, we are making efforts to achieve carbon neutrality.

So far, we have been managing results with the goal to reduce CO₂ emissions per unit produced, but have changed our goal to reduce total CO₂ emissions, which have a substantial impact on climate change.

For our group, we have set the CO₂ reduction targets in FY2030 as follows:

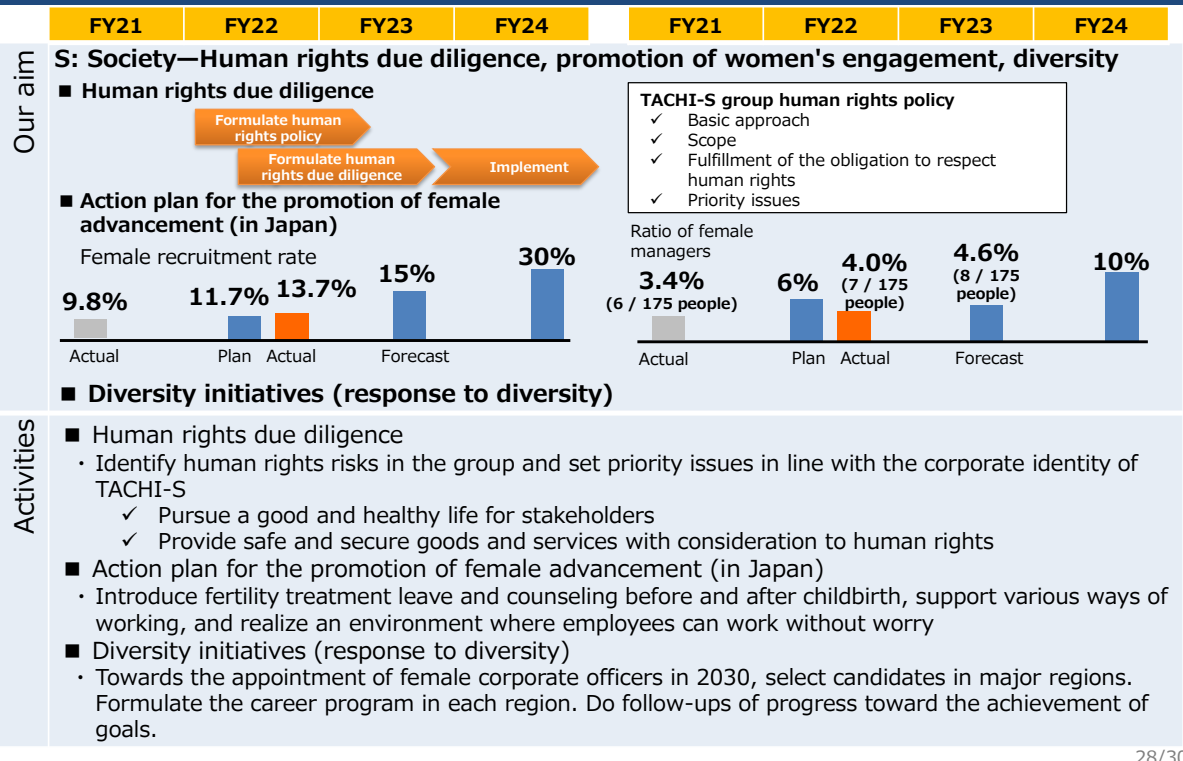
for overseas bases, 43% reduction from FY2019;
for domestic bases, 46% reduction from FY2013.

We reduced the amount of total CO₂ emissions in Japan in FY2022 by 28% from FY2013.

Our activities in FY2022 were energy-saving activities and introduction of solar power generation systems at our Aichi Factory and Suzuka Factory in Japan. We plan to introduce the system in the Musashi Factory in FY2023.

Regarding the effects of climate change on our company, we announced our support for the TCFD in May last year and disclosed information on the website in April this year.

Creation of systems that respect and use human rights and diversity



28/30

Next, I will explain S: the social area.

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. We identified human rights risks in the business activities of our group and set priority issues in line with the corporate identity of TACHI-S.

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

Our ratio of female employees is 40% at the global level; however,, but the female ratio in Japan is particularly low. In Japan, we have introduced counseling before and after childbirth and fertility treatment leave to realize an environment where employees can work without worry. We are visiting women's universities and paying more attention to recruitment.

At the global level, we have set a new goal of appointing female corporate officers in the future and selecting candidates in major regions. We will formulate the career program in each region and do follow-ups regarding of progress.

Response to governance issues CG report - 5 explain

| Principles and supplementary principles | Item | Response |
|--|--|---|
| 1-4 | Cross-shareholdings | <ul style="list-style-type: none"> 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. We will manage cross-shareholdings with constant awareness of asset efficiency in view of the ROE target of 10% (FY2024) and so that they account for less than 10% of consolidated net assets. |
| Scheduled to be complied | | [To be complied after the Ordinary General Meeting of Shareholders in June 2023*] |
| 4-10 [1] | Involvement and advice of independent outside directors with regard to nomination, remuneration, etc. | <ul style="list-style-type: none"> We changed three of five members of the Human Resources and Remuneration Committee to independent outside directors. We are planning to change the chair of the Human Resources and Remuneration Committee to an outside director (to be officially decided at the Board of Directors after the Ordinary General Meeting of Shareholders to be held in June this year). |
| Scheduled to be complied | | [To be complied after the Ordinary General Meeting of Shareholders in June 2023*] |
| 4-11 | Preconditions for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Board | <ul style="list-style-type: none"> 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. We are currently implementing sequential improvements. 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. We are planning to propose selecting one woman as a director candidate at the Ordinary General Meeting of Shareholders to be held in June this year. |
| *Planned to be indicated as “Complied” in the Corporate Governance Report to be submitted after the Ordinary General Meeting of Shareholders in this year. | | |

29/30

I will now explain G, the corporate governance area, focusing on five items that were already stated in the corporate governance report.

1-4. 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.

With regard to involvement of independent outside directors in 4-10 [1], we plan to comply with changing the chair of the Human Resources and Remuneration Committee to an independent outside director in order to increase the transparency of management.

As for 4-11, the selection of female director candidates is to be brought up for discussion at the Ordinary General Meeting of Shareholders to be held in June this year in order to secure the diversity of the Board of Directors and provide more effective operation of the Board of Directors. We plan to comply with this, too.

Response to governance issues CG report - 5 explain

| Principles and supplementary principles | Item | Response |
|---|--|--|
| Scheduled to be complied | | [To be complied after the Ordinary General Meeting of Shareholders in June 2023*] |
| 2-3 [1] | Positive and active handling of sustainability issues | <ul style="list-style-type: none"> ➤ Formulation of a basic policy for sustainability initiatives by the Board of Directors <ul style="list-style-type: none"> ● We formulated an “ESG philosophy” and published it on our website (October 2022). ➤ Sustainability issues and initiatives <ul style="list-style-type: none"> ● Set up the ESG Promotion Office to promote ESG initiatives. (April 2022) ● Announce support for the TCFD recommendations. (May 2022) ● Approve an action policy in the ESG Promotion Committee. Do a follow-up of progress every quarter. ● Environment area, social area, governance area, human capital development area. ● Report on the activities of the ESG Promotion Committee and the Risk Management Committee to the Board, and hold discussions at the Board. ● Analyze risks and opportunities for our business from the climate change scenario and disclose the results on the website (April 2023). |
| Scheduled to be complied | | |
| 4-2 [2] | Formulation of a basic policy for sustainability initiatives by the Board of Directors | |

*Planned to be indicated as “Complied” in the Corporate Governance Report to be submitted after the Ordinary General Meeting of Shareholders in this year.

30/30

Regarding 2-3 [1] and 4-2 [2], we have stepped up efforts related to sustainability and the TCFD, and released a climate change scenario in April this year as explained in the ESG initiatives mentioned before. We plan to comply with this.

As I explained, we plan to comply with most of the issues explained up to last year and will continue to try to enhance governance.

Supporting People and the Earth
through “Seating” Technology



Global Seat System Creator

Cautionary Statement

This document contains forward-looking statements that 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.

This concludes my explanation of the financial results for the fiscal year ended March 2023 and the progress of the medium-term management plan.





















We have steadily implemented activities planned in TVE that started from FY2021, and our efforts are paying off as seen in the business results in FY2022.

The business forecast for FY2023 has not yet been disclosed, but the entire staff are working as one to establish a profit base that can generate profits continuously as originally intended in TVE, and we would like to ask for your understanding and continued support. When additional discussions are settled and we are ready to communicate it to everyone, we will disclose the details in a timely manner

I would greatly appreciate your continued understanding and cooperation.

Thank you for your attention.

Appendix

| | | | |
|-------------------------|---|---|------------------------------------|
| Business/ Management |  | Head office relocation from Akishima City to Ome City completed on December 20, 2022 | - |
| |  | Revised the outside director independence judgment standard | Go to news release |
| Award |  | Received the 2022 Best Supplier Award [Wuhan Dongfeng TACHI-S Yanfeng Automotive Seat Co., Ltd.] | Go to news release |
| |  | Received the 2022 Dongfeng Nissan Best Quality Performance Award [TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd.] | Go to news release |
| |  | Received the 2022 Honda Supplier Award for 5 consecutive years [SETEX Automotive Mexico] | Go to news release |
| |  | Received the Delivery Award, an award for excellence, from Honda Motor Co., Ltd. | - |
| |  | Received the Superior Quality Award from Nissan Shatai Co., Ltd. | - |
| Technology |  | Completed a prototype of a new integrated electronic control unit (ECU) for controlling automotive seats | - |
| ESG |  | Disclosed TCFD information | Go to ESG HP |
| |  | Made efforts to reuse industrial waste as fertilizer [TF-METAL Co., Ltd.] | - |
| |  | Donated medical aprons to Yokote City in Akita Prefecture [NuiTec Corporation] | - |
| |  | Tempyo Park cleaned by the Shiba Industrial Estate Council [Tochigi Plant] | - |
| |  | A corporate crime-prevention patrol conducted by the Crime Prevention Association of Anjo City [Aichi Plant] | Go to appendix |
| |  | Accepted high-school students as internship students [Suzuka Plant] | - |
| |  | Cleaned plants and their surroundings [offices and plants of TACHI-S] | - |
| |  | Donated food and daily necessities to a charitable organization; donated Christmas presents to a charitable organization [TACHI-S Engineering U.S.A., Inc., TACHI-S Automotive Seating U.S.A., LLC, TF-METAL U.S.A., LLC] | Go to appendix |
| |  | Cleaned streets in Walton City [TF-METAL U.S.A., LLC] | Go to appendix |
| |  | Made a donation to a facility for the handicapped [TACHI-S Mexico] | Go to appendix |
| |  | Donated picture books to kindergartens and elementary schools [TACHI-S Lear DFM Automotive Seating (Xiangyang) Co., Ltd.] | Go to appendix |
| |  | Cleaned a bike sharing station and conducted bike maintenance [TF-METAL Zhejiang Co., Ltd.] | Go to appendix |

Region Topics (Social contribution for community)



Anjo City Crime Prevention Association



TACHI-S Aichi Plant



Donate daily necessities to charity organizations



TACHI-S Engineering U.S.A., Inc.
TACHI-S Automotive Seating U.S.A., LLC
TF-METAL U.S.A., LLC



City of Walton road cleaning



TF-METAL U.S.A., LLC



Donations to facilities for people with disabilities



TACHI-S Mexico



Donation of picture books to kindergarten and elementary school



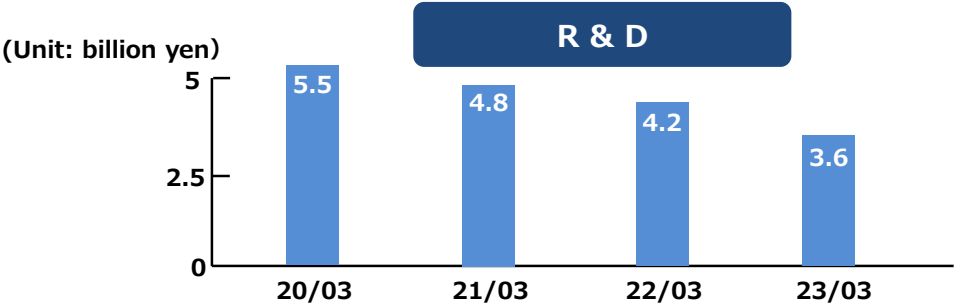
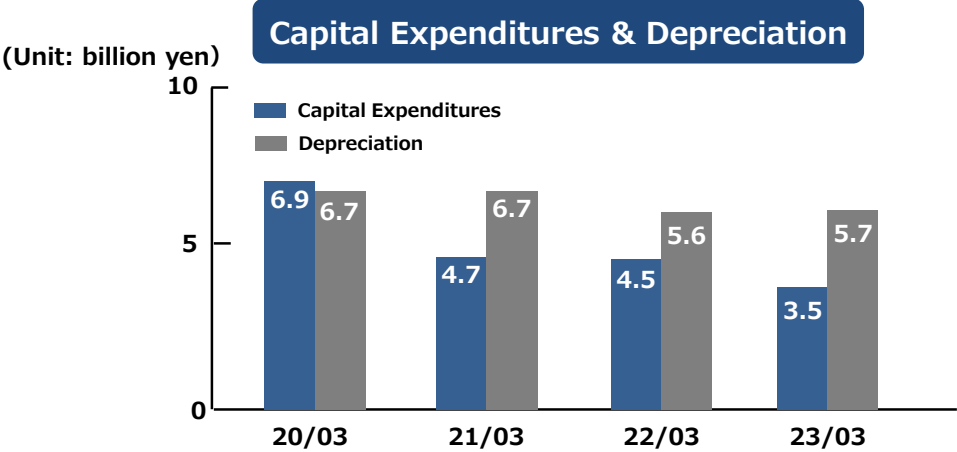
TACHI-S LEAR DFM AUTOMOTIVE SEATING(XIANGYANG) CO.LTD.























Shared Cycle Station Cleaning and Bicycle Maintenance



ZHEJIANG TACHI-S AUTOMOTIVE PARTS CO.,LTD.



FY22 New Models and Minor Changes

| | FY2022 | | | | | | | | | FY2023 | | |
|----------|--|--|---|---|---|--|--|--|--|--------|---|------|
| | Apr. | May. | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| Japan | X-TRAIL  |  | OUTRO Z EV  | SKYLINE (M)  | N-WGN (M)  | N-ONE (M)  | ZR-V  | OUTLANDER (M)  | ECLIPSE CROSS (M)  | | GT-R (M)  | |
| Mexico | HR-V  | | | Luxury SUV (M)  | | | VERSA (M)  | | SENTRA (M)  | | | |
| Americas | | INTEGRA  | | | MAXIMA (M)  | | | | ACCORD  | | | |
| China | | | ARIYA  | | XR-V  | | | | | | HR-V  | |

●NISSAN

●HONDA/ACURA

●MITSUBISHI

●TOYOTA/HINO

●OTHER

(M) : Minor Change Model Year

HONDA HR-V/ZR-V Complete Seat



| | | |
|----------------------------|--------------------------|---|
| April 2022 | September 2022 | March 2022 |
| SETEX Automotive Mexico | TACHI-S Musashi Plant | WUHAN DONGFENG TACHI-S YANFENG AUTOMOTIVE SEATING Co.,Ltd |

Exchange Rate

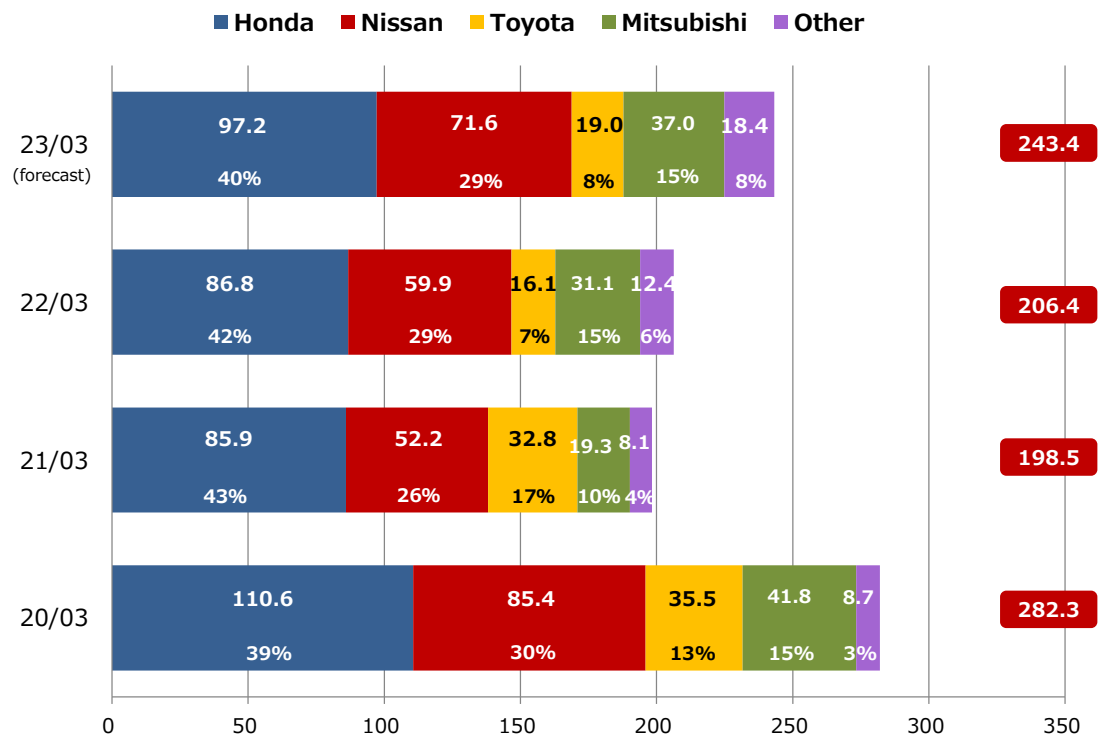


(Unit: yen)

| | 20/03 | 21/03 | 22/03 | 23/03 |
|-----|--------|--------|--------|--------|
| USD | 109.13 | 105.79 | 112.06 | 135.07 |
| MXN | 5.65 | 5.02 | 5.38 | 6.50 |
| EUR | 121.27 | 123.22 | 130.54 | 140.86 |
| RMB | 15.86 | 15.41 | 16.94 | 19.42 |

Net Sales by Customer (Consolidated)

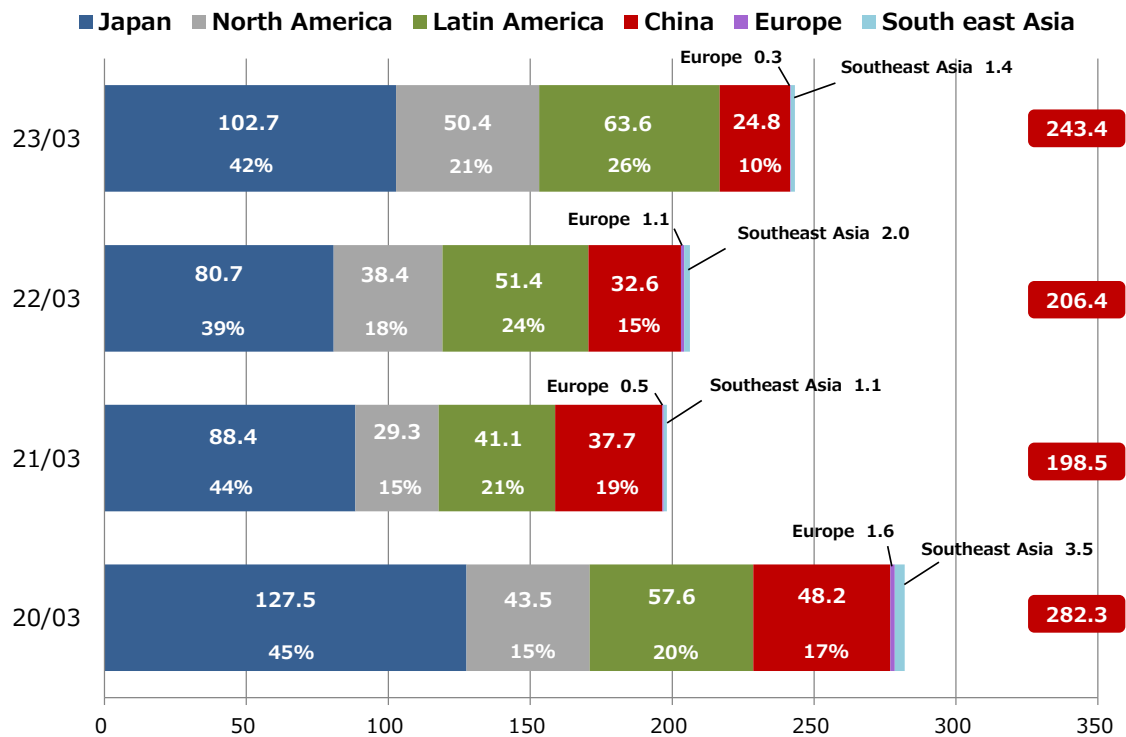
(Unit: billion yen)



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Net Sales by Region (Consolidated)

(Unit: billion yen)



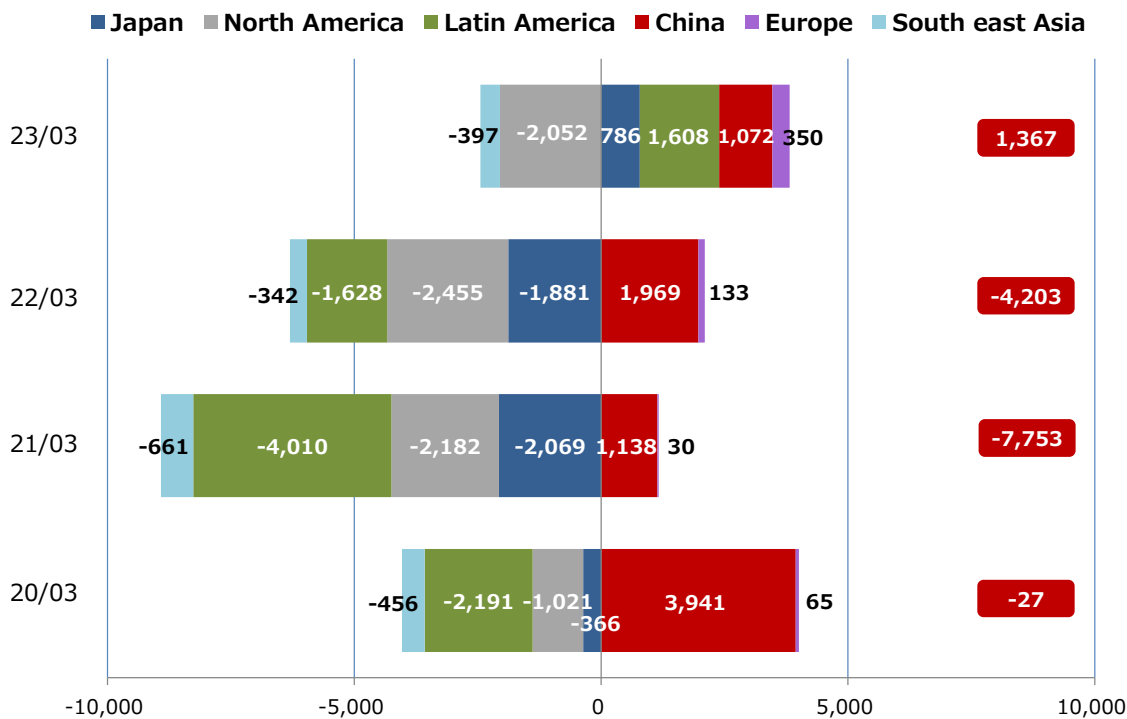
40/30

Operating Income by Region

(Consolidated)



(Unit: million yen)

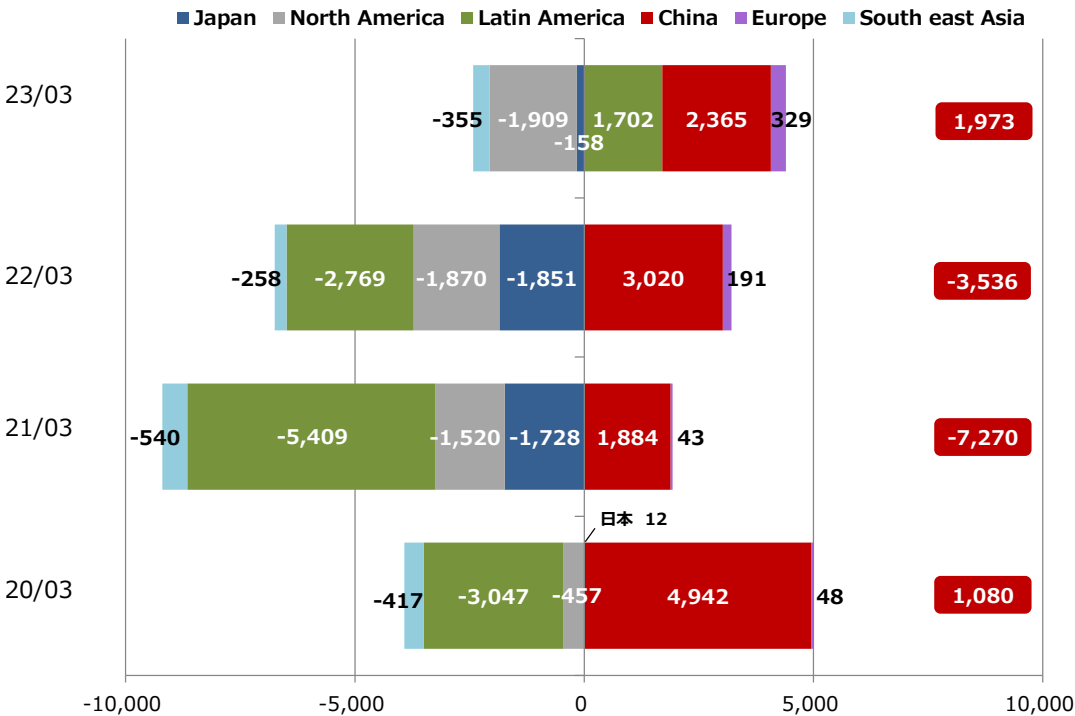


Operating Income by Region

(Consolidated)



(Unit: million yen)



As of the end of March 31, 2023

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

TACHI-S Group Companies (North America)



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

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

1. Consolidated subsidiary

6 Companies

*(including subsidiaries' equity)

46/30

TACHI-S Group Companies (China-1)

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

* (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

47/30

| 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 |
| TF-METAL Guangzhou Co., Ltd. | January, 2005 | Guangdong, China | Manufacturing/sales of automotive seat parts | *(85.0%) | 40 million RMB | TACLE Guangzhou, TF-METAL | 1 |

1. Consolidated subsidiary

3 Companies

4. Unconsolidated affiliate

1 Companies

* (including subsidiaries' equity)

TACHI-S Group Companies (Southeast Asia)



| Company | Established | Location | Business Contents | Equity participation | Capital | Major Customers | Scope of consolidation |
|--|-----------------|----------------------|--|----------------------|--------------------|--|------------------------|
| TACHI-S (Thailand) Co., Ltd. | September, 2011 | Bangkok, Thailand | Business administration in Southeast Asia and India | 100.0% | 771 million THB | | 1 |
| TACHI-S Automotive Seating (Thailand) Co., Ltd. | April, 2010 | Bangkok, Thailand | Manufacturing/sales of automotive seats and seat parts | 100.0% | 153 million THB | NISSAN (Thailand) Mitsubishi (Thailand) | 1 |
| TACHI-S Engineering Vietnam Co., Ltd. | January, 2013 | Ho Chi Minh, Vietnam | R&D in Vietnam | 100.0% | 31,026 million VND | | 2 |
| Uno Minda TACHI-S Seating Private Limited | October, 2022 | Delhi, India | Manufacturing/sales of automotive seat parts | 49.0% | 132 million INR | | 4 |
| APM TACHI-S Seating Systems Vietnam Co., Ltd. | November, 2016 | Da Nang, Vietnam | Manufacturing/sales of automotive seats | *(51.0%) | 56,567 million VND | | 2 |
| APM TACHI-S Seating Systems Sdn. Bhd. | February, 2013 | Selangor, Malaysia | Manufacturing/sales of automotive seats | *(49.0%) | 5 million MYR | | 4 |

1. Consolidated subsidiary 2 Companies 2. Unconsolidated subsidiary 2 Companies 4. Unconsolidated affiliate 2 Companies * (including subsidiaries' equity)