

FY2016 Second Quarter Financial Result



From April 1, 2016 through September 30, 2016

TACHI-S CO., LTD.

November 10, 2016

FY2016 2Q Financial Result

FY2016 Financial Forecast

Capital Expenditures

Dividend

FY2016 2Q Financial Result

FY2016 Financial Forecast

Capital Expenditures

Dividend

Overview

Decrease in Revenue / Increase in Profit

- Reflected the steady sales increase in domestic and overseas markets
- Volume efficiency and impact of currency exchange variation of emerging markets against US Dollars

Japan

Net sales increased by **5.3%**

- Increase in foreign sales
- Promotion of profitability improvement activities

North America

Net sales decreased by **5.3%**

- Affected by significant exchange variation

Latin America

Net sales decreased by **6.3%**

(78% of the decrease from FY2015 2Q was due to the exchange rate variation)

- Steady sales increase
- Affected by exchange variation of emerging markets

China

Net sales decreased by **0.9%**

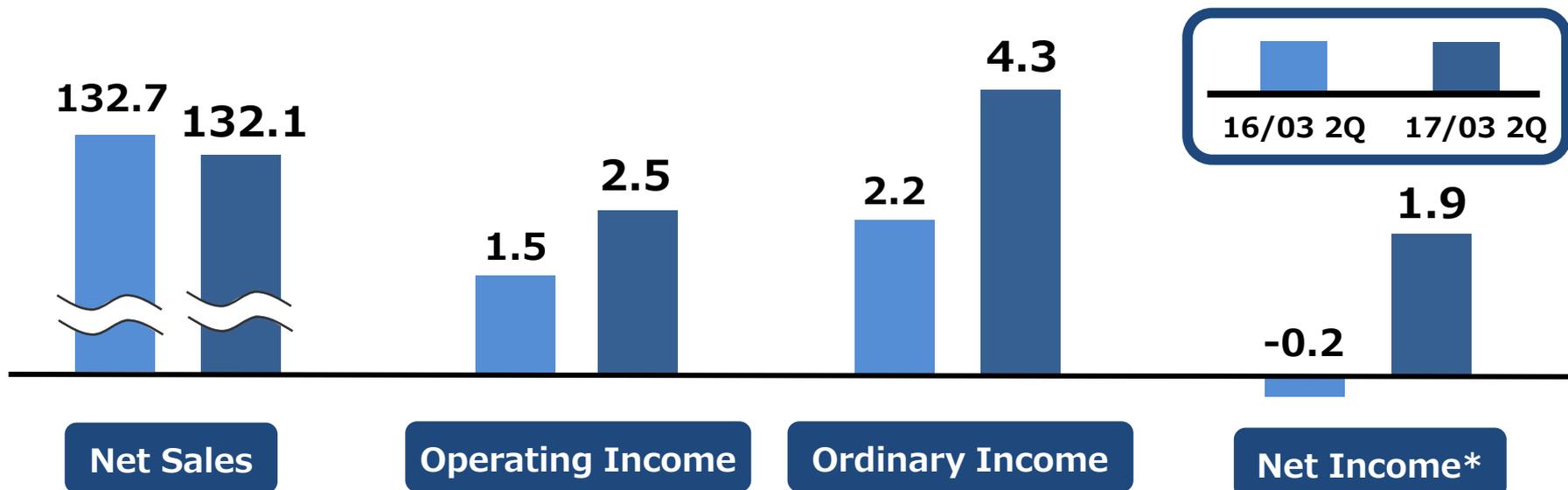
(Impact of mixed production for end of model, new model mass production)

- Steady sales increase
- Increase of end of production models

vs. previous year

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

	16/03 2Q	17/03 2Q	Change	Change(%)
Net Sales	132.7	132.1	-0.6	-0.5
Operating Income	1.5	2.5	+1.0	66.7
Ordinary Income	2.2	4.3	+2.1	95.6
Net Income*	-0.2	1.9	+2.2	—

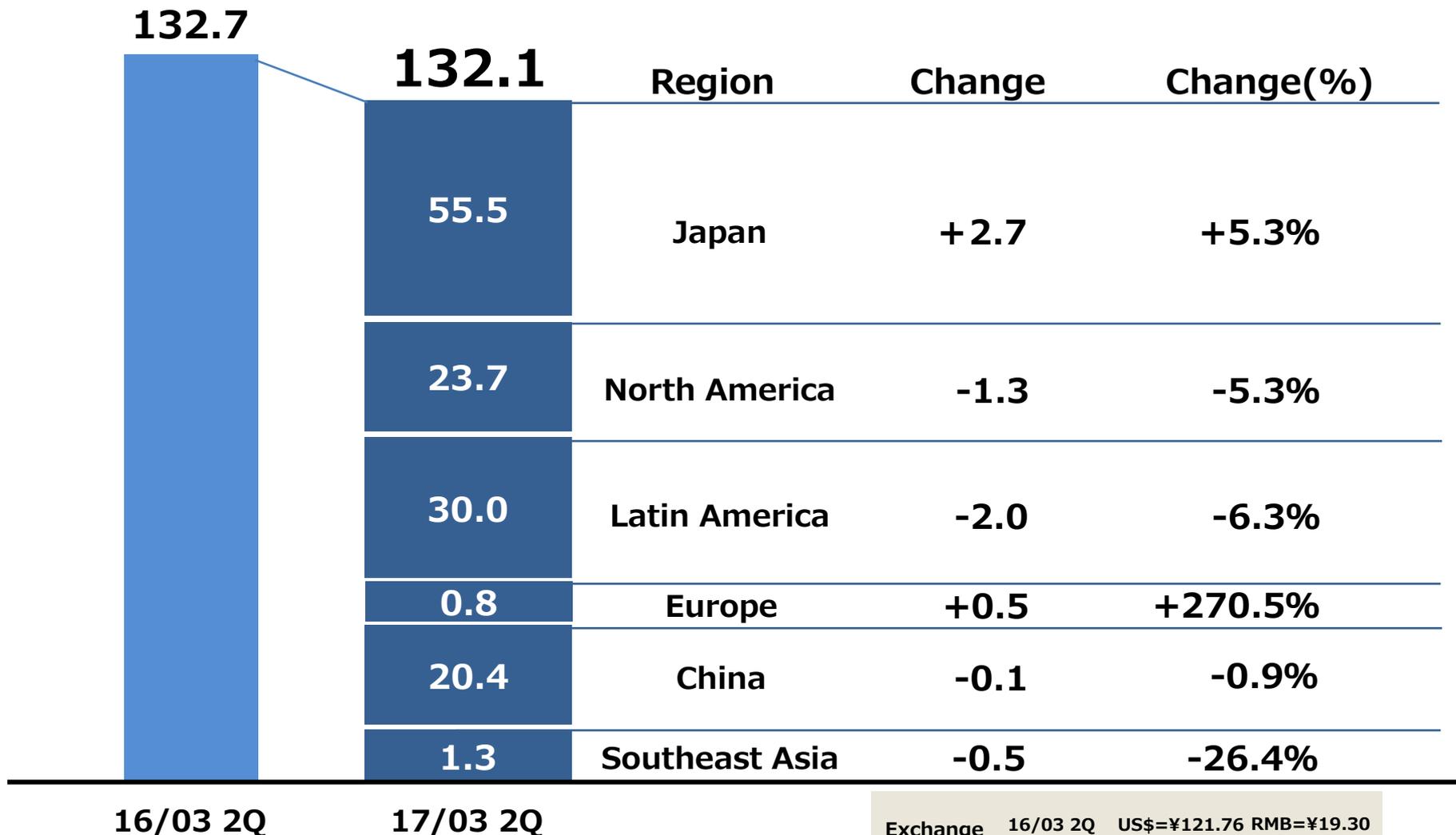


* Net income attributable to TACHI-S CO., LTD.

vs. previous year

Net Sales

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



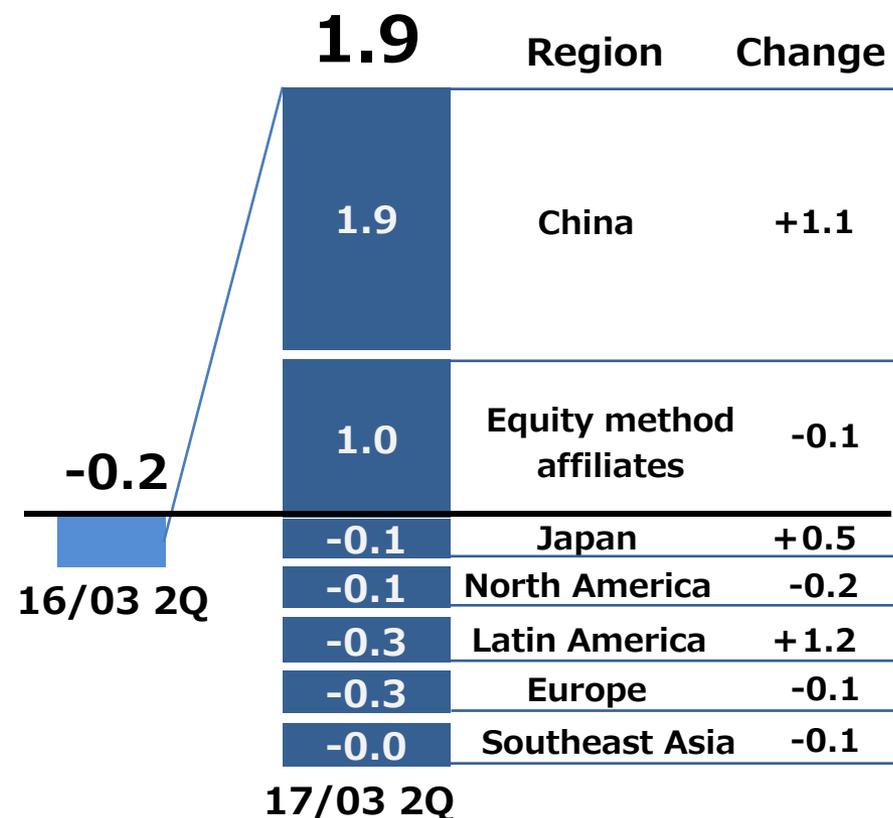
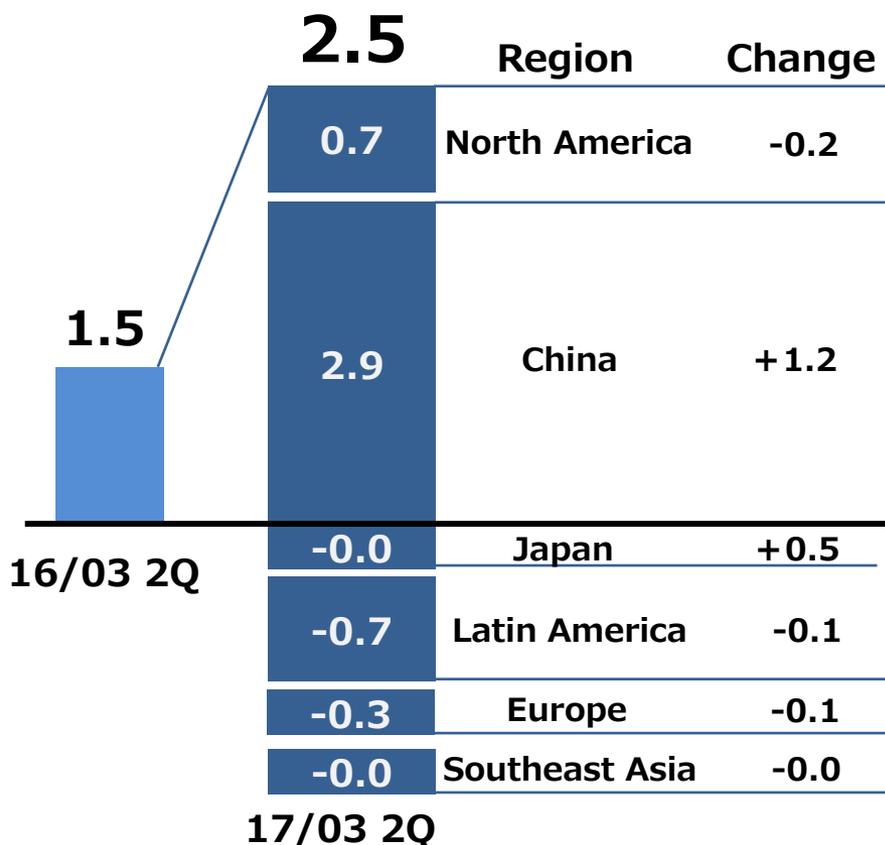
Exchange Rate 16/03 2Q US\$=¥121.76 RMB=¥19.30
17/03 2Q US\$=¥107.31 RMB=¥17.51

vs. previous year

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

Operating Income

Net Income*



Topics

Company name: TACHI-S Engineering Zhengzhou Co., Ltd.

Establishment: December 2015 (Start of operation: May 2016)

Location: Zhengzhou city, Henan Province, China

Business description: R&D in China

Challenge for Further Enhancement of R&D/Technological Capability of TACHI-S Group

This R&D center has been established aiming to consolidate all technologies from R&D to production.

We will develop it to be a global Monozukuri center for the group in the future.

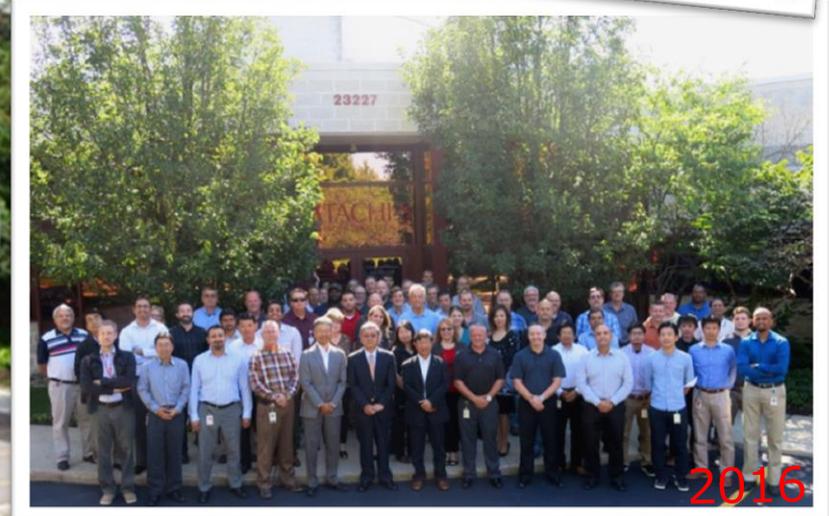


Commemorative Dividend for the 30th Anniversary of Overseas Expansion



This year we are celebrating the 30th anniversary of the establishment of our first overseas business site, TACHI-S Engineering U.S.A. Thank you for your continuous support over the 30 years.

As an expression of gratitude to shareholders, we are planning a commemorative dividend of 1 yen per share, which when added to an ordinary dividend of 8 yen per share amounts to a total interim share of 9 yen per share.





Our production site in Mexico, Industria de Asiento Superior, S.A.de C.V. (TACHI-S Mexico: "TSM") manufactured seats for the official car of Rio 2016 Olympics, NISSAN KICKS. TSM will continue devoting itself to its business operation taking on a role of driving force of TACHI-S Group while making the most of its know-hows in the business in Brazil.



KICKS front seat

Donated Players Bench to a Football Stadium in Mexico



We have installed our original players bench manufactured by TSM at "ESTADIO VICTORIA", the home stadium of "CLUB NECAXA" which belongs to the top league of the Mexican football league system. We are very happy to hear that the team members are very satisfied with the seats. We would like to continue supporting and to establish ourselves in the regional communities (around the world).



FY2016 2Q Financial Result

FY2016 Financial Forecast

Capital Expenditures

Dividend

New Model Launched during FY2016

China

- CIVIC
- GIENIA
- T90
- CowinV3
- (FY2016)

CIVIC



Japan

- Q60(US)
- NOTE e-POWER
- FREED
- FREED+(plus)
- (FY2016)

FREED



Latin America

- KICKS

KICKS



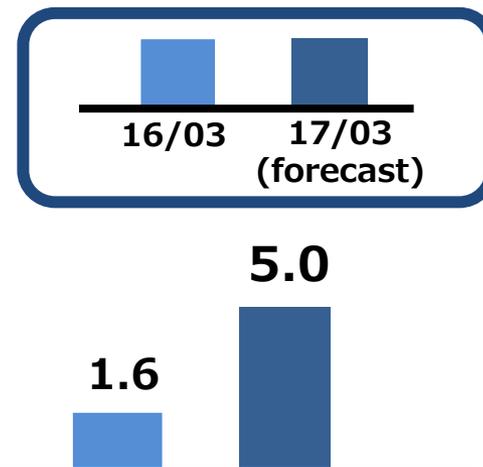
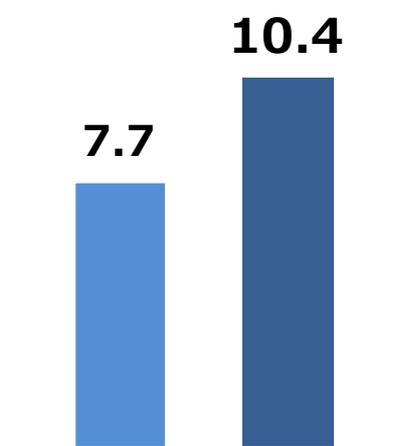
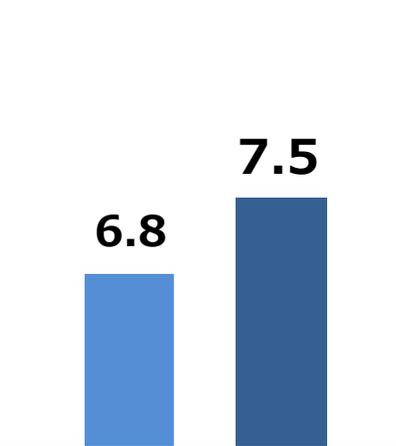
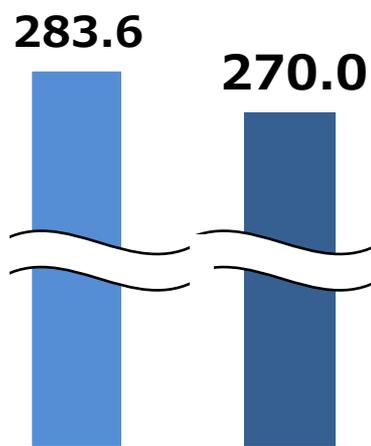
- NISSAN / INFINITI / VENUCIA
- HONDA / ACURA
- TOYOTA
- Chinese National Brand

*New models that start production (including scheduled productions) within the fiscal year of consolidated companies of the TACHI-S group

vs. previous year

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

	16/03	17/03(forecast)	Change	Change(%)
Net Sales	283.6	270.0	-13.6	-4.8
Operating Income	6.8	7.5	+0.7	8.9
Ordinary Income	7.7	10.4	+2.7	34.2
Net Income*	1.6	5.0	+3.4	196.7



Net Sales

Operating Income

Ordinary Income

Net Income*

* Net income attributable to TACHI-S CO., LTD.

vs. previous year

Net Sales

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

283.6

270.0

122.9

46.1

54.8

1.7

41.7

2.5

Region

Change

Change(%)

Japan

+6.7

+5.8%

North America

-5.6

-10.8%

Latin America

-11.0

-16.8%

Europe

+0.8

+93.9%

China

-3.7

-8.2%

Southeast Asia

-0.8

-25.5%

16/03

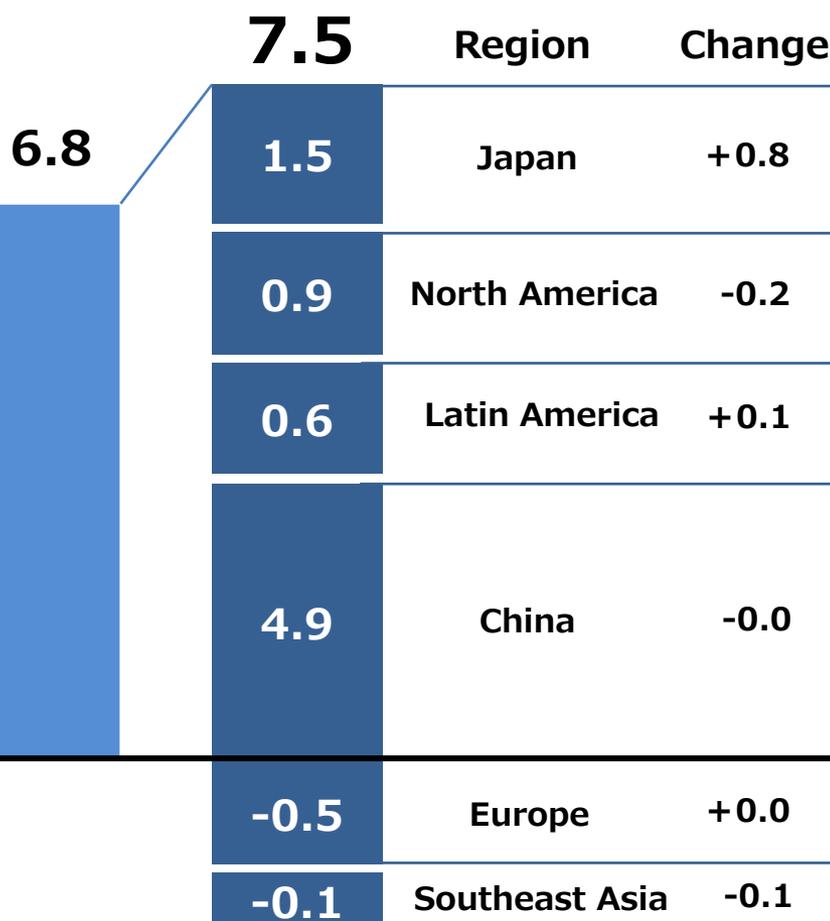
17/03
(forecast)

Exchange Rate	16/03	US\$=¥120.78	RMB=¥19.28
	17/03	US\$=¥105.00	RMB=¥16.00

vs. previous year

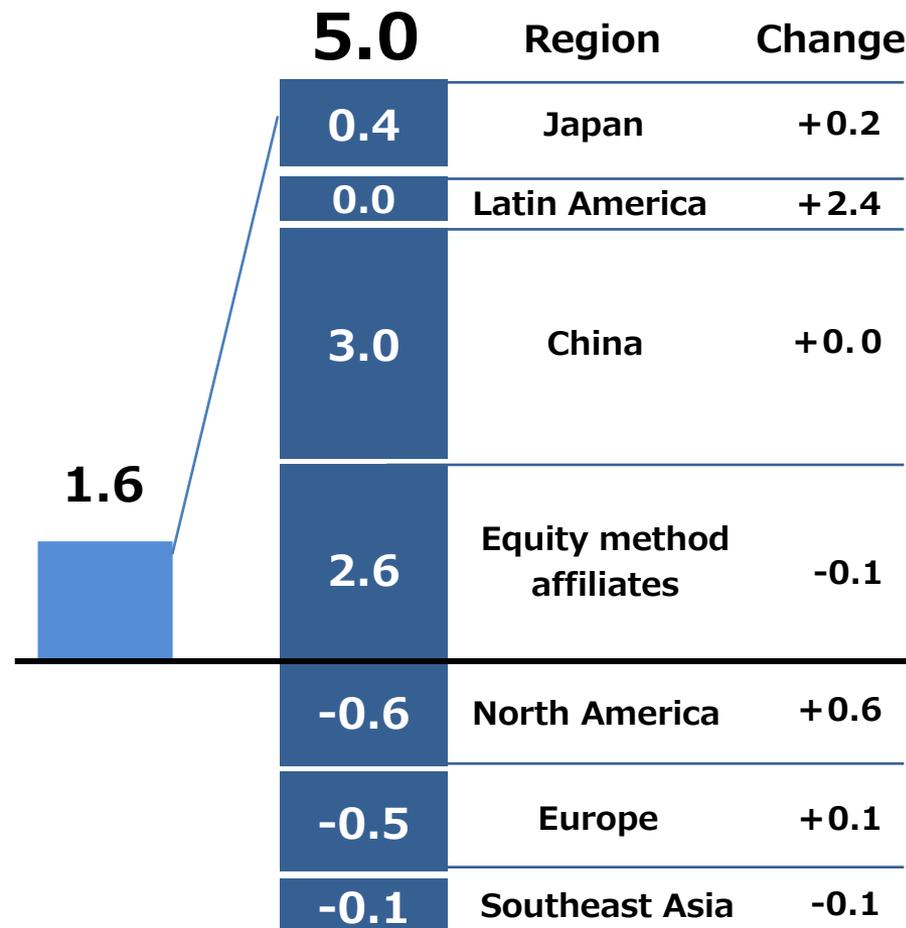
(Unit: billion yen)
(Amounts are rounded down)

Operating Income



16/03 17/03(forecast)

Net Income*



16/03 17/03(forecast)

* Net income attributable to TACHI-S CO., LTD.

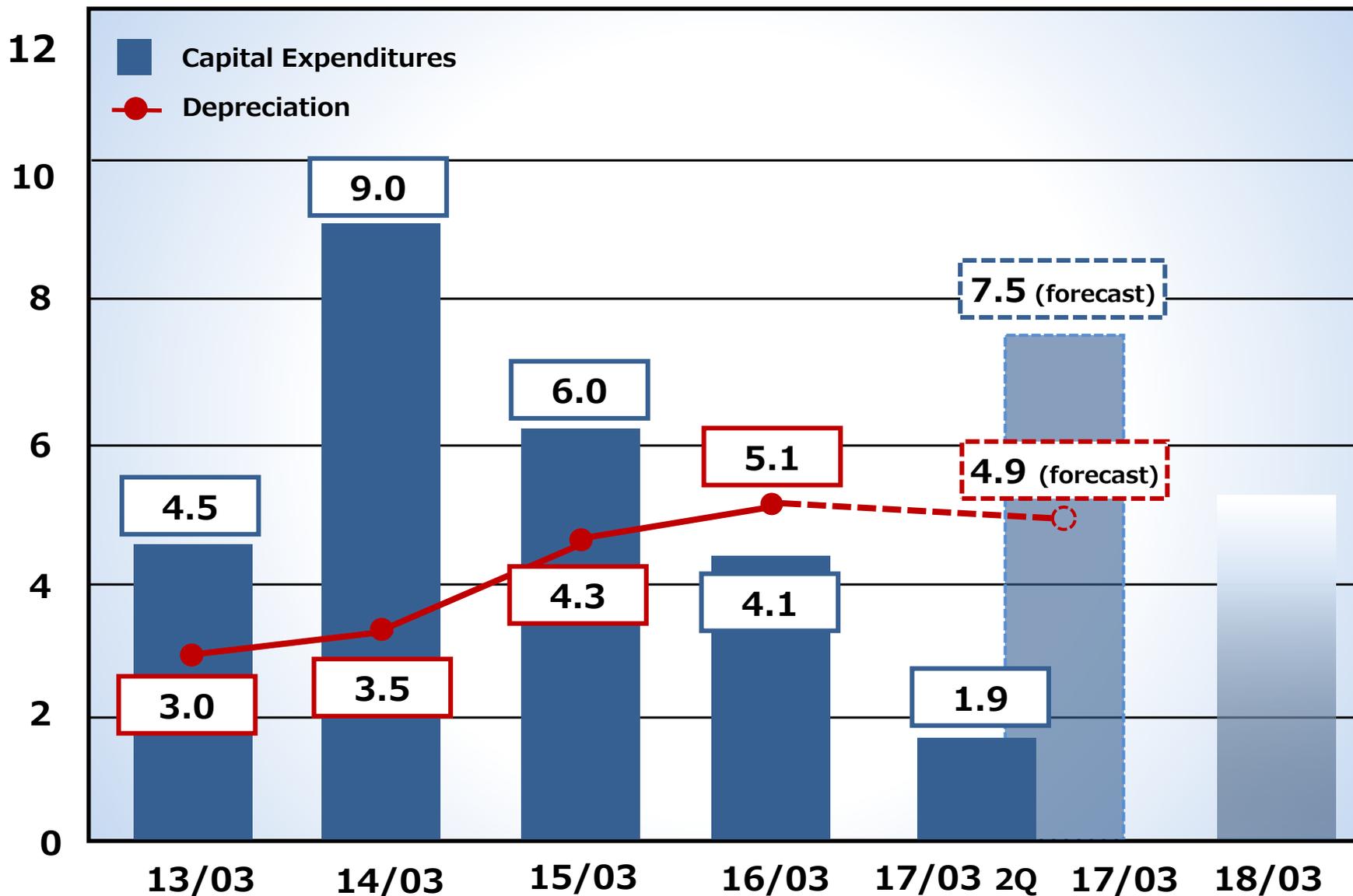
FY2016 2Q Financial Result

FY2016 Financial Forecast

Capital Expenditures

Dividend

(Unit: billion yen)



FY2016 2Q Financial Result

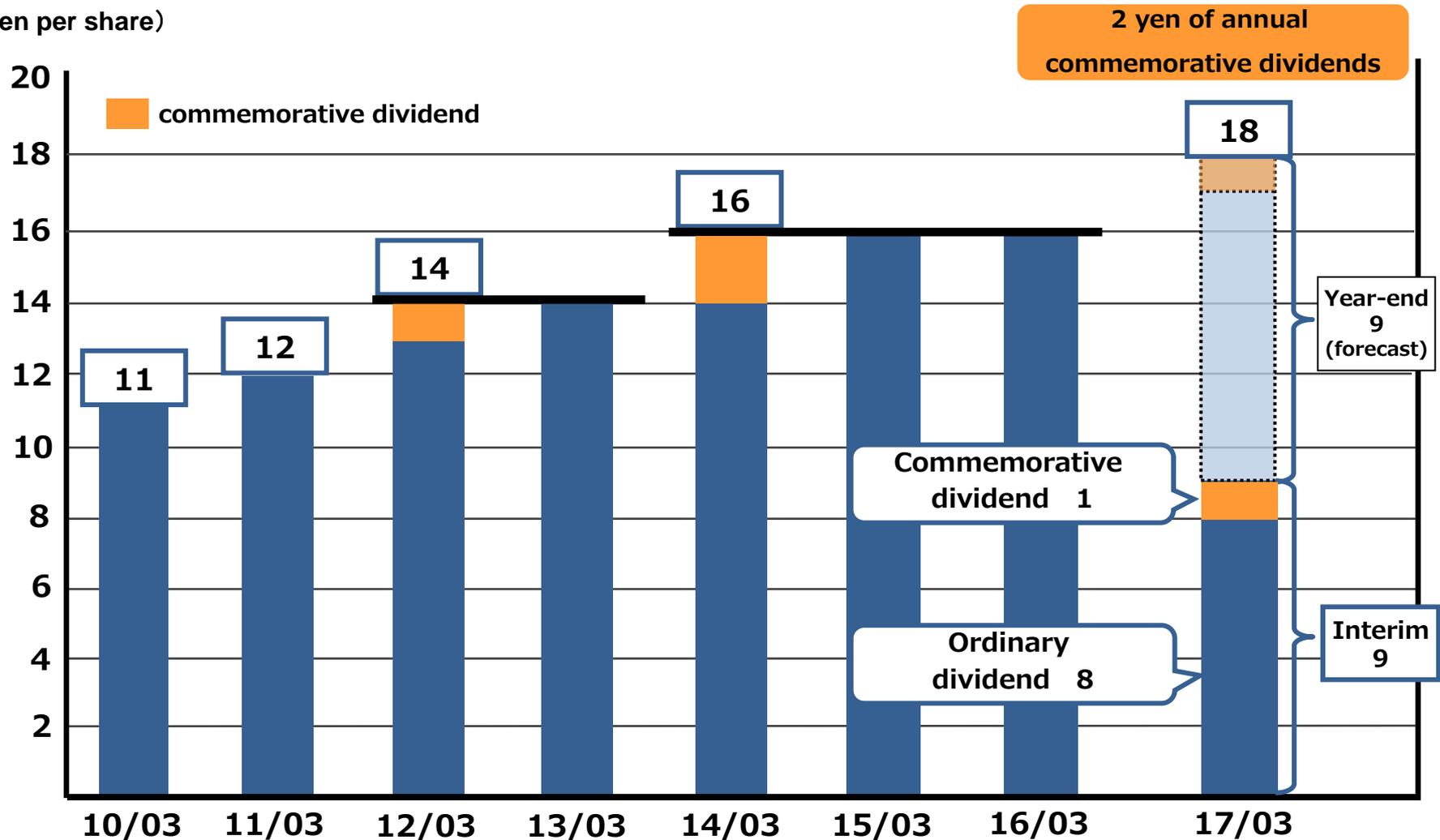
FY2016 Financial Forecast

Capital Expenditures

Dividend

Basic policy : Stable dividends on a long term basis

(Yen per share)



Appendix

As of the end of September, 2016

Consolidated (30 Companies)

Japan 5 Companies

Subsidiaries

- Nui Tec
- TACHI-S Parts
- Tachikawa Hatsujou

Affiliates

- Fuji Kiko
- Kinryo Kogyo

Overseas 25 Companies

Subsidiaries

USA

- TACHI-S Engineering U.S.A.
- SETEX
- TACHI-S Automotive Seating U.S.A.

France

- TACHI-S Engineering Europe

Canada

- TACHI-S Canada

China

- TACHI-S China
- Wuhan TACHI-S
- TACLE Guangzhou
- TACHI-S Lear DFM (Xiangyang)
- TACHI-S Trim Guangzhou
- TACHI-S Trim Wuhan
- Zhejiang TACHI-S

Mexico

- TACHI-S Engineering Latin America
- TACHI-S Mexico
- SETEX Automotive Mexico

Thailand

- TACHI-S (Thailand)
- TACHI-S Automotive Seating (Thailand)

Brazil

- TACHI-S Brasil

Indonesia

- TACHI-S Indonesia

Affiliates

USA

- Techno Trim
- Fuji Autotech U.S.A.

China

- Fuji Autotech Guangzhou
- Lear DFM TACHI-S (Dalian)
- Zhengzhou Taixin Interior

Mexico

- Fuji Kiko TACHI-S Mexico

As of the end of September, 2016

Non consolidated (8 Companies)

Japan 2 Companies

Subsidiaries

- TACHI-S Service
- TS Design

Overseas 6 Companies

Subsidiaries

China

- TACHI-S Engineering Zhengzhou
- TACHI-S Engineering China

Vietnam

- TACHI-S Engineering Vietnam
- TACHI-S Vietnam

Affiliates

China

- Zhejiang Gee Ju Tai

Malaysia

- APM TACHI-S

(Unit: yen)

	13/03	14/03	15/03	16/03	17/03 _(forecast)
US \$	83.32	99.75	109.19	120.78	105.00
Mex \$	6.14	7.52	7.96	7.69	6.00
EUR	107.39	133.38	139.38	132.75	116.50
RMB ¥	12.59	15.68	17.09	19.28	16.00

Foreign exchange sensitivity

A one yen change in the value of the dollar translates into the following gain (based on FY2016 forecast)

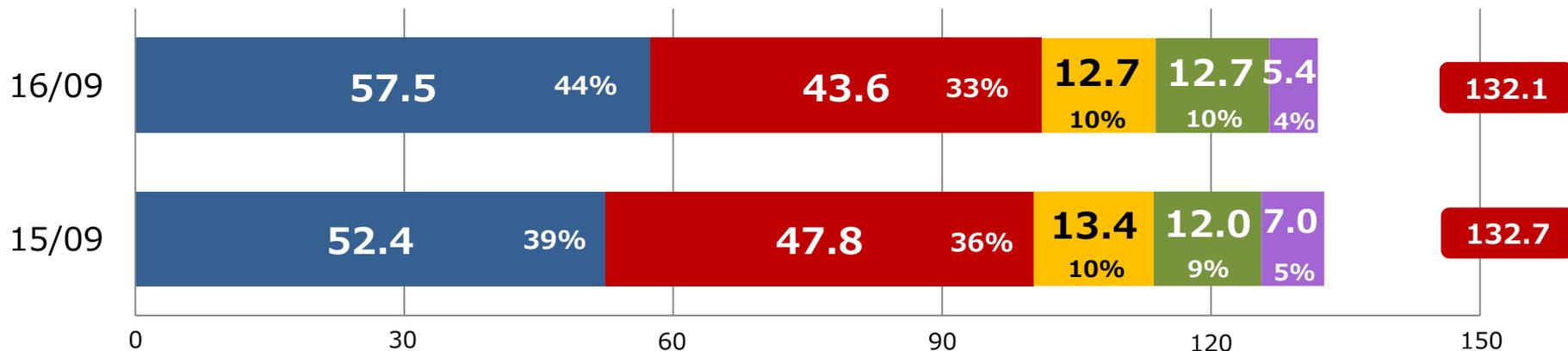
Net sales	+439 million yen
Net income attributable to TACHI-S Co., Ltd.	+5 million yen

Net Sales by Customer (Consolidated)

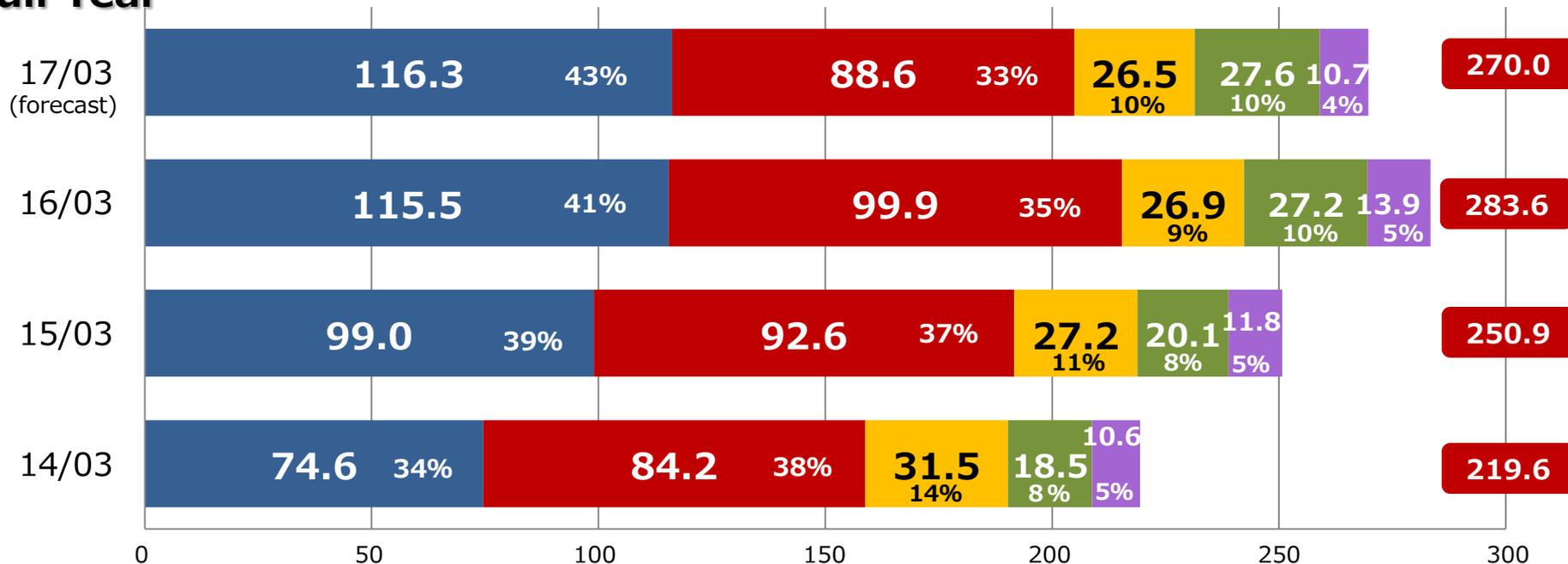
(Unit: billion yen)

■ Honda ■ Nissan ■ Toyota ■ Mitsubishi ■ Other

Second Quarter



Full Year

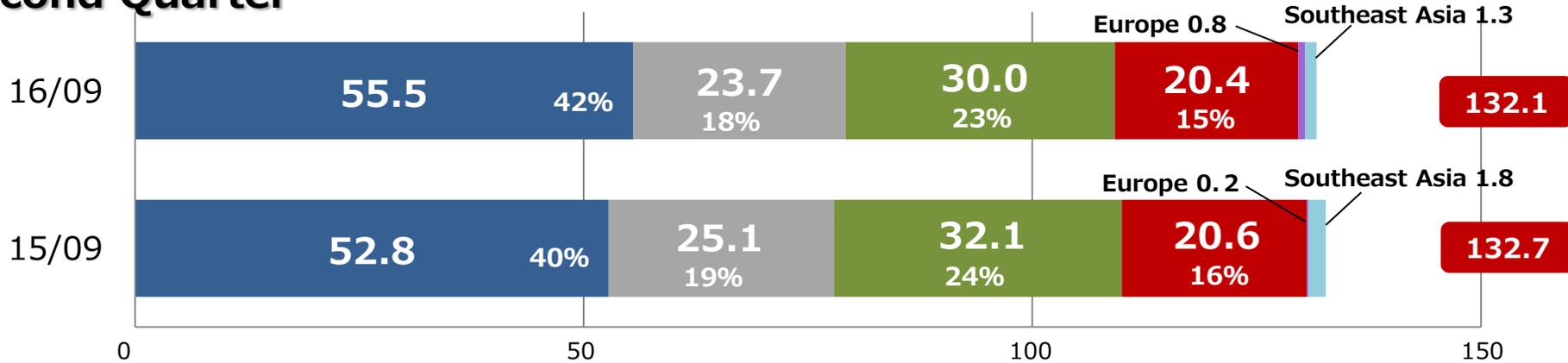


Net Sales by Region (Consolidated)

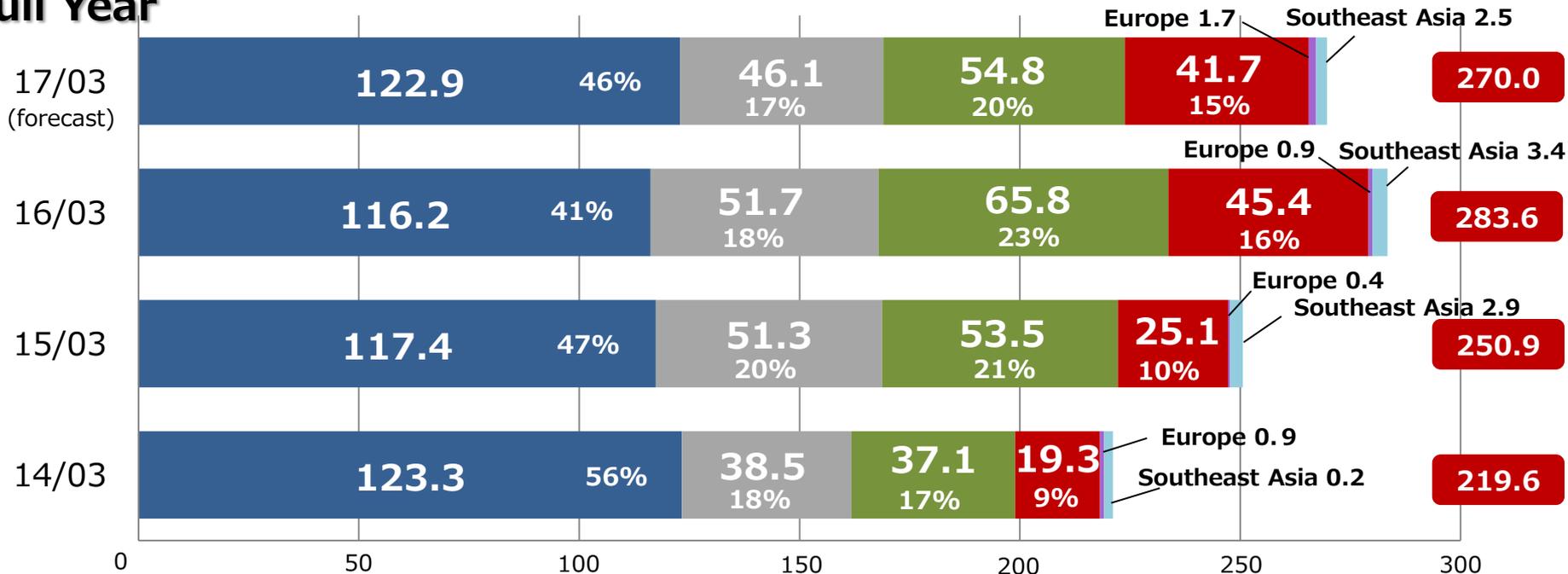
(Unit: billion yen)

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

Second Quarter



Full Year

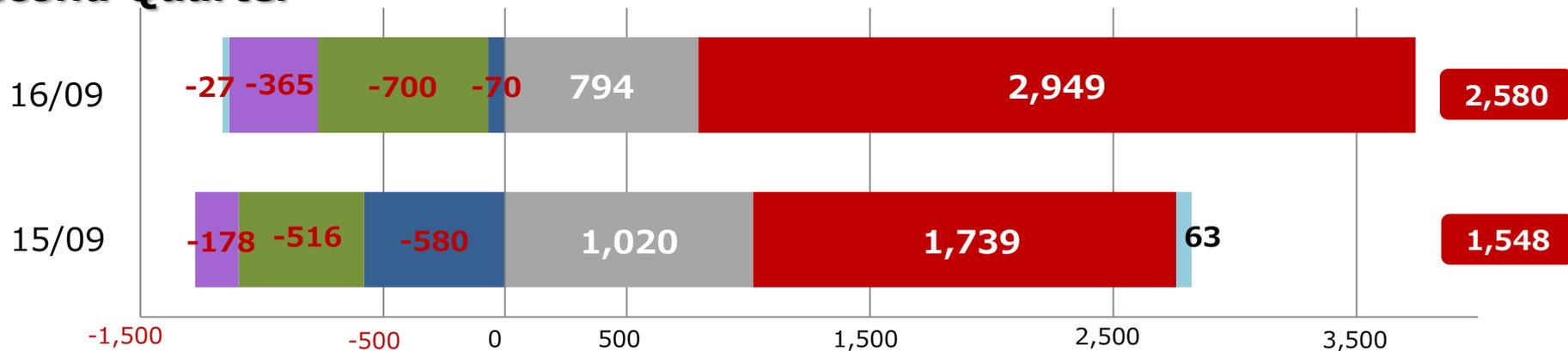


Operating Income by Region (Consolidated)

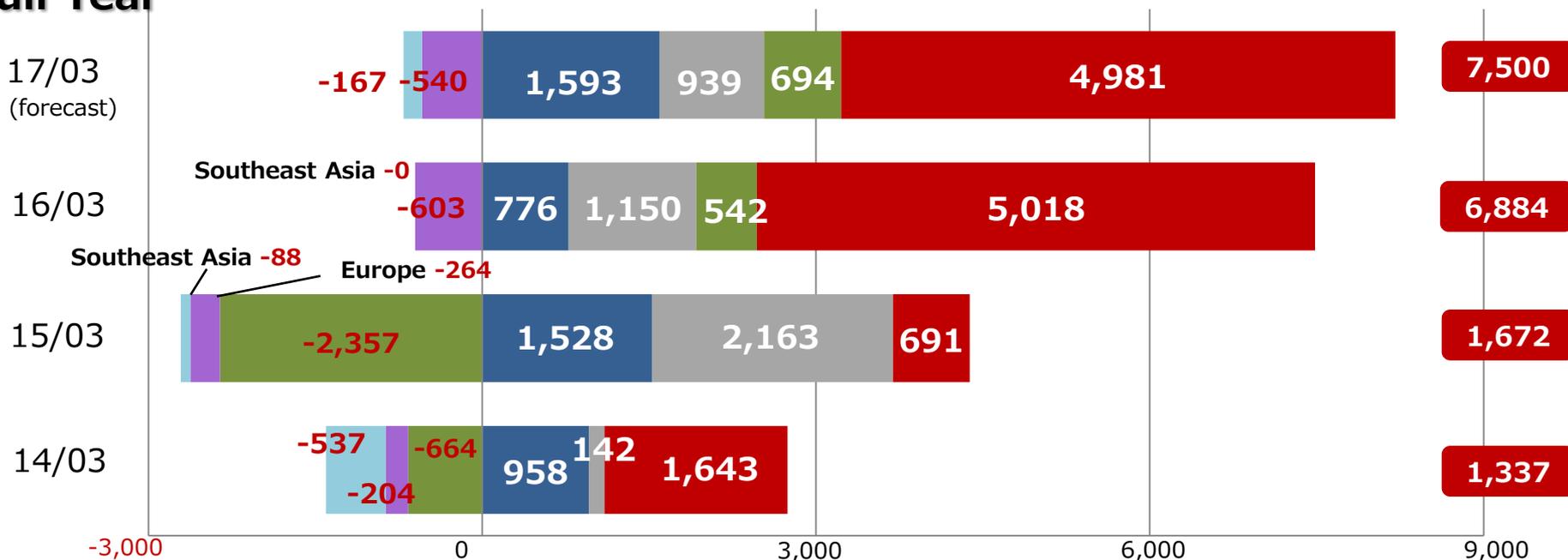
(Unit: million yen)

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

Second Quarter



Full Year

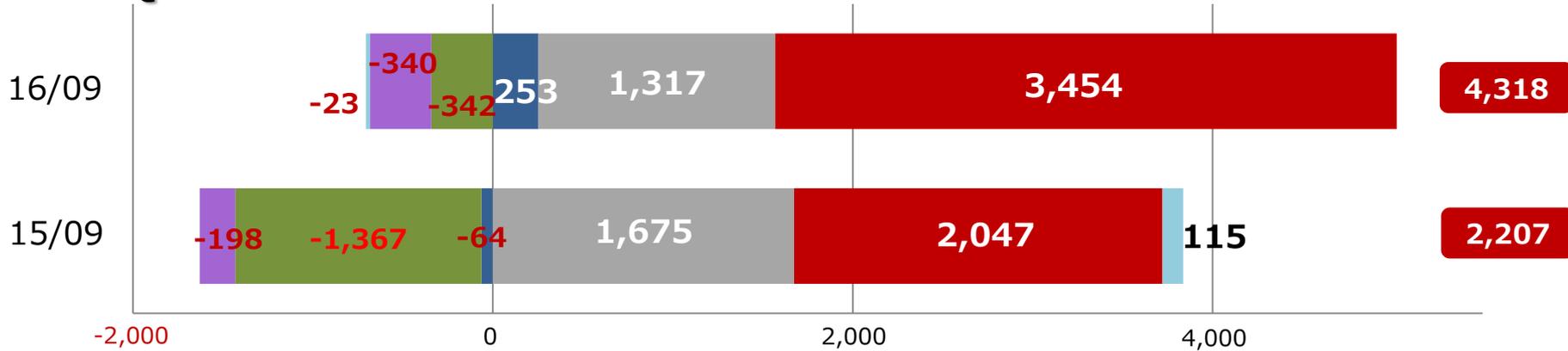


Ordinary Income by Region (Consolidated)

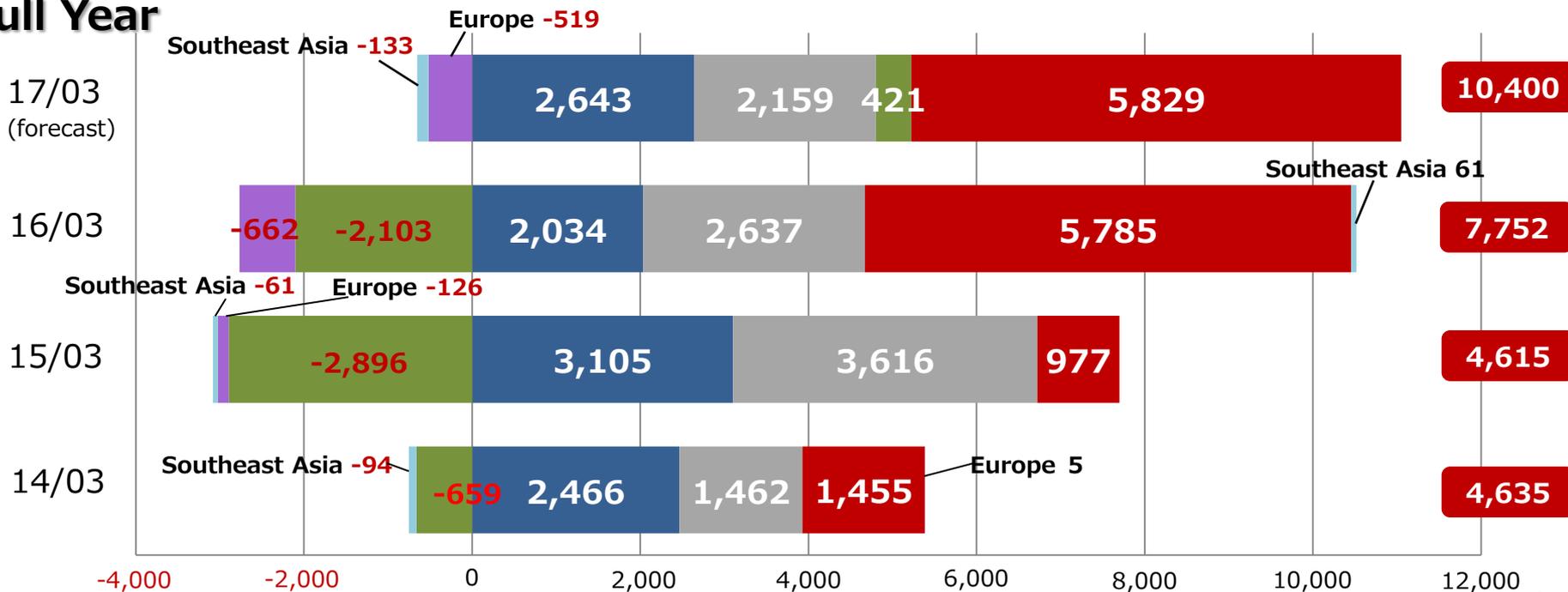
(Unit: million yen)

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

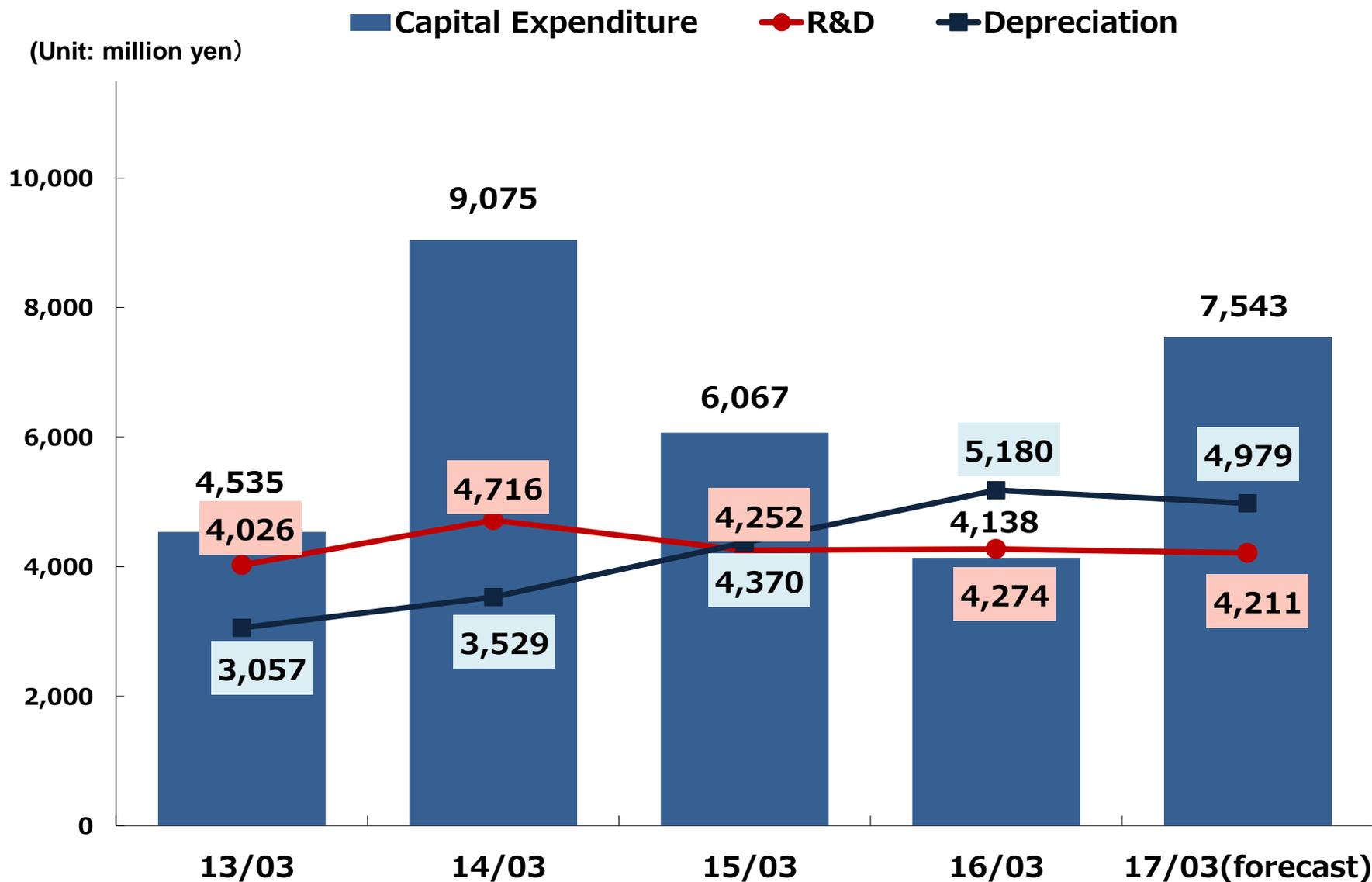
Second Quarter



Full Year



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



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
Nui Tec Corporation	July, 1985	Hamura-shi, Tokyo	Manufacturing of automotive seats and trim covers	100.0%	325 million yen	TACHI-S
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
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
Kinryo Kogyo Co.,Ltd.	February, 1976	Miyako-gun, Fukuoka	Manufacturing/sales of automotive seats and parts	25.0%	100 million yen	TACHI-S, JCKK
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

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\$		○
SETEX, Inc.	September, 1987	Ohio, U.S.A	Manufacturing/sales of automotive seats	* (51.0%)	5 million US\$	HONDA (USA)	○
TACHI-S Automotive Seating U.S.A., LLC	December, 2005	Tennessee, USA	Manufacturing/sales of automotive seats	* (100.0%)	22 million US\$	NISSAN (USA)	○
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	□
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	□
TACHI-S Canada, Ltd.	September, 2004	Nova Scotia, Canada	Business administration in Canada	* (100.0%)	12 million CAN\$		○

* (including subsidiaries' equity)

※ ○ Consolidated subsidiary □ Consolidated affiliate
● Unconsolidated subsidiary ■ Unconsolidated affiliate

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\$		○
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), JCI	○
SETEX Automotive Mexico, S. A. de C. V.	September, 2012	Guanajuato, Mexico	Manufacturing/sales of automotive seats	* (95.0%)	24 million US\$	HONDA (Mexico)	○
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	□
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)	○
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)	○

* (including subsidiaries' equity)

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 ● Unconsolidated subsidiary ■ Unconsolidated affiliate

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%	204 million RMB		○
TACHI-S Engineering Zhengzhou Co., Ltd.	December, 2015	Henan, China	R&D in China	* (100.0%)	25 million RMB		●
TACHI-S Engineering China Co., Ltd.	August, 2008	Fuzhou, China	R&D in China	70.0%	31 million RMB		●
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	○
TACLE Guangzhou Automotive Seat Co., Ltd.	November, 2004	Guangdong, China	Manufacturing/sales of automotive seats	51.0%	66 million RMB	Dongfeng NISSAN	○
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	○
Zhengzhou Taixin Interior Co., Ltd.	July, 2001	Henan, China	Manufacturing/sales of automotive seats	50.0%	11 million RMB	Zhengzhou NISSAN	□

* (including subsidiaries' equity)

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● Unconsolidated subsidiary	■ Unconsolidated affiliate

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	□
Zhejiang Gee Ju Tai Automotive Interior Co., Ltd.	October, 2010	Zhejiang, China	Manufacturing/sales of automotive seats	40.0%	38 million RMB	GEELY	■
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	○
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)	○
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	○
Fuji Autotech Guangzhou Co., Ltd.	January, 2005	Guangdong, China	Manufacturing/sales of automotive seat components	34.0%	40 million RMB	TACLE Guangzhou, JCI Guangzhou	□

* (including subsidiaries' equity)

※ ○ Consolidated subsidiary □ Consolidated affiliate
 ● Unconsolidated subsidiary ■ Unconsolidated affiliate

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)	○
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)	○
PT.TACHI-S Indonesia	September, 2011	Jawa Barat, Indonesia	Manufacturing/sales of automotive seats	*(100.0%)	140,602 million IDR	NISSAN (Indonesia)	○
TACHI-S Engineering Vietnam Co., Ltd.	January, 2013	Ho Chi Minh, Vietnam	R&D in Vietnam	100.0%	31,026 million VND		●
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	●
APM TACHI-S Seating Systems Sdn. Bhd.	February, 2013	Selangor, Malaysia	Manufacturing/sales of automotive seats	*(49.0%)	3 million MYR	Tan Chong Motor	■

* (including subsidiaries' equity)

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● Unconsolidated subsidiary ■ Unconsolidated affiliate

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.