



April 26, 2021

Listed Company Name	TACHI-S CO., LTD.
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Information regarding posting of extraordinary loss (impairment loss) and non-operating expense (provision of allowance for doubtful accounts)

TACHI-S CO., LTD. (hereafter, “the Company”) hereby announces that it expects to post loss on impairment of non-current assets as extraordinary loss (in non-consolidated and consolidated results) and provision of allowance for doubtful accounts as non-operating expense (in non-consolidated results) in the financial results for FY2020, as follows.

1. Posting of impairment loss (non-consolidated and consolidated results)

Because there were indications of impairment of property, plant and equipment, and intangible assets in our automotive seating business, we examined future cash flows before discounting. In calculating future cash flows before discounting, we took into account investments for future growth based on the medium-term management plan that starts in FY2021, gave due consideration to the current business environment and status of business operations, and considered the net realizable value of the assets that are used for business. As a result, the recoverable amount was calculated to be lower than the carrying amount. Accordingly, impairment loss of ¥2,745 million (estimated amount) will be posted in the non-consolidated financial statements for FY2020.

Further, due to decline in profitability in the automotive seating business at our overseas consolidated subsidiary of TACHI-S Brasil Industria de Assentos Automotivos Ltda., an impairment loss of ¥412 million (estimated amount) will be recognized. As a result, together with the non-consolidated results as described above, an impairment loss of ¥3,158 million (estimated amount) will be posted in FY2020 on a consolidated basis.

By recognizing the impairment losses, we seek to reduce our future cost burden. We will also accelerate our ongoing efforts in global business reconstruction aiming for an early recovery of our business.

2. Posting of provision of allowance for doubtful accounts (non-consolidated results)

The Company has loans receivable from overseas subsidiaries. Due to deterioration of financial situation in three of these overseas subsidiaries, ¥3,708 million (estimated amount) of provision of allowance for doubtful accounts will be posted in the non-consolidated results for FY2020.

Note that the loans receivable associated with the provision of allowance for doubtful accounts relate in their entirety to the consolidated subsidiaries and have no impact on the consolidated business performance.

3. Impact on business performance

Preparation of consolidated business performance for FY2020 is currently in process and an announcement will be made when calculation is completed.