



Consolidated Financial Highlights for the First Quarter of FY2024 [Japanese GAAP]

August 7, 2024

Company name: TACHI-S CO., LTD. Stock exchange listings: Tokyo Stock Exchange
 Code number: 7239 URL <https://www.tachi-s.co.jp/>
 Representative: (Title) Representative Director, President, CEO & COO (Name) Yuichiro Yamamoto
 Contact person: (Title) Representative Director, Executive Managing Officer (Name) Atsushi Komatsu (TEL) 0428-33-1917
 Scheduled date of start of dividend payment : -
 Additional materials to financial results : No
 Holding of the financial results briefing session : No
 (Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the First Quarter of FY2024 (April 1, 2024 through June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(% indicates the changes from the same period in the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q of FY2024	73,119	7.7	793	330.3	1,241	629.7	1,393	-
1Q of FY2023	67,923	36.5	184	-	170	-	(53)	-

(Note) Comprehensive income 1Q of FY2024 4,142 million yen [29.4%]
 1Q of FY2023 3,202 million yen [84.1%]

	Net income per share	Diluted net income per share
	yen	yen
1Q of FY2024	40.64	-
1Q of FY2023	(1.55)	-

(2) Consolidated Financial Positions

	Total assets	Shareholder's equity	Shareholder's equity ratio
	Million yen	Million yen	%
1Q of FY2024	186,023	98,834	49.4
FY2023	180,806	96,298	49.7

(Reference) Equity capital 1Q of FY2024 91,871 million yen
 FY2023 89,776 million yen

2. Dividends

	Annual cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total
	yen	yen	yen	yen	yen
FY2023	-	46.40	-	46.40	92.80
FY2024	-				
FY2024 (Forecast)		51.90	-	51.90	103.80

(Note) Changes in forecast of dividend from the latest announcement : No

As for the forecast of the annual cash dividend per share for the current fiscal year, the Company will pay a regular dividend of 103.8 yen (an interim dividend of 51.9 yen and a year-end dividend of 51.9 yen), representing a dividend on equity ratio (DOE) of 4%, because the Company has set the management goal for FY2023, the final year of the medium-term management plan, as achieving a return on equity (ROE) of 8% by any means.

3. Consolidated Forecast for FY2024 (April 1, 2024 through March 31, 2025)

(% indicates the changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
	287,000	(2.0)	7,300	1.3	8,200	(6.3)	7,800	43.8	227.62

(Note) Changes in forecast of consolidated results from the latest announcement : No

* Notes

- (1) Significant changes in the scope of consolidation during the period under review : No
- (2) Adoption of special accounting treatment pertaining to the preparation of quarterly consolidated financial statements : No

- (3) Changes in accounting policies, changes in accounting estimates, and restatement.

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
- (ii) Changes in accounting policies except (i) : No
- (iii) Changes in accounting estimates : No
- (iv) Restatement : No

- (4) Number of outstanding shares (common stock)

(i) Number of shares at the end of the period (including treasury shares)	1Q of FY2024	35,242,846 shares	FY2023	35,242,846 shares
(ii) Number of treasury shares at the end of the period	1Q of FY2024	961,817 shares	FY2023	961,817 shares
(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)	1Q of FY2024	34,281,029 shares	1Q of FY2023	34,244,964 shares

- * Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm : Yes (voluntary)

- * Note for appropriate use of this business forecast and other notices

The above business forecast was based on the information that the Company obtained at this time and certain premises that the Company judged appropriate. Actual results may differ from this forecast as the result of a variety of factors.

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Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

1. Qualitative Information for Quarterly Financial Results for the Period under Review

(1) Explanation on operating results

During the first three months of the fiscal year under review, the Japanese economy saw consumer sentiment remain stagnant in the face of a decrease in real wages resulting from high prices and the impact of a weaker yen. Whereas consumer spending is expected to pick up in the wake of a recovery in real wages thanks to positive factors such as wage hikes in the annual labor-management spring wage negotiation, those effects are thought to be limited due to the persistent rising of prices and the depreciation of the yen. With regard to capital expenditure, owing to strong corporate performance, there has been steady progress in investment from a medium-to long-term perspective such as for digitization and decarbonization. Concern remains about a downturn due to price increases and an economic slowdown overseas, but the gradual economic recovery is expected to continue, centered on domestic demand.

In the auto industry, in which the Group operates, automotive manufacturers, which are customers of the Company, are maintaining strong sales in major countries except China, although interest rates that have been raised to slow down price rises are kept high in major countries. When forecasting future business trends, it is necessary to keep close watch on developments in the Chinese market, in which sales of Japanese cars are generally struggling.

In this operating environment, the performance during the first three months of the fiscal year under review was as follows: Net sales increased by 7.7% year on year to 73,119 million yen, which led to an operating income of 793 million yen (up 330.3% year on year), an ordinary income of 1,241 million yen (up 629.7% year on year) and a net income attributable to owners of parent of 1,393 million yen (compared to a net loss attributable to owners of parent of 53 million yen in the same period of the previous fiscal year).

Earnings in the business segments are as follows.

(i) Japan

Net sales totaled 28,274 million yen (down 3.2% from the same period of the previous fiscal year), and operating income was 781 million yen (up 196.5% from the same period of the previous fiscal year).

(ii) North America

Net sales totaled 12,573 million yen (down 16.1% from the same period of the previous fiscal year), and operating loss was 247 million yen (compared to an operating income of 201 million yen in the same period of the previous fiscal year).

(iii) Latin America

Net sales totaled 25,842 million yen (up 33.9% from the same period of the previous fiscal year), and operating income was 182 million yen (compared to an operating loss of 131 million yen in the same period of the previous fiscal year).

(iv) Europe

Net sales consisted only of internal sales, and there were no sales to external customers. Operating loss was 24 million yen (compared to operating income of 21 million yen in the same period of the previous fiscal year).

(v) China

Net sales totaled 5,203 million yen (up 48.6% from the same period of the previous fiscal year), and operating loss was 62 million yen (compared to an operating loss of 166 million yen in the same period of the previous fiscal year).

(vi) Southeast Asia

Net sales totaled 1,224 million yen (up 35.0% from the same period of the previous fiscal year), and operating income was 119 million yen (compared to an operating loss of 22 million yen in the same period of the previous fiscal year).

(2) Explanation on financial position

Total assets at the end of the first quarter of the fiscal year under review increased by 5,217 million yen from the end of the previous fiscal year to 186,023 million yen. This was mainly due to an increase of 5,367 million yen in cash and deposits and an increase of 1,619 million yen of notes and accounts receivable - trade despite a decrease of 1,894 million yen in "other" under current assets resulting from decreases in accounts receivable - other, etc.

Total liabilities increased by 2,681 million yen from the end of the previous fiscal year to 87,189 million yen. This was mainly caused by an increase of 972 million yen in notes and accounts payable - trade and an increase of 1,193 million yen in "other" under current liabilities due to an increase in accrued expenses, etc.

Total net assets increased by 2,536 million yen from the end of the previous fiscal year to 98,834 million yen. This was primarily due to an increase of 2,892 million yen in foreign currency translation adjustment.

(3) Explanation on consolidated financial results forecast and other forward-looking information

Consolidated financial results forecast for the fiscal year ending March 2025 remains unchanged from the one that was announced on May 15, 2024.

2. Quarterly Consolidated Financial Results Forecast and Primary Notes

(1) Quarterly consolidated statement of financial position

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	First quarter of the fiscal year under review (June 30, 2024)
Assets		
Current assets		
Cash and deposits	39,185	44,553
Notes and accounts receivable - trade	46,691	48,310
Merchandise and finished goods	2,627	2,102
Work in process	1,282	1,222
Raw materials and supplies	15,453	16,277
Other	9,096	7,201
Allowance for doubtful accounts	(1,399)	(1,496)
Total current assets	112,937	118,171
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,181	10,035
Machinery, equipment and vehicles, net	11,263	11,310
Other, net	14,432	14,741
Total property, plant and equipment	35,877	36,087
Intangible assets	1,403	1,394
Investments and other assets		
Investment securities	12,415	11,502
Other	18,700	19,397
Allowance for doubtful accounts	(527)	(528)
Total investments and other assets	30,588	30,370
Total non-current assets	67,869	67,852
Total assets	180,806	186,023

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	First quarter of the fiscal year under review (June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,214	42,186
Short-term borrowings	11,159	11,452
Income taxes payable	1,633	1,709
Provision for bonuses for directors (and other officers)	60	60
Provision for loss on litigation	339	341
Asset retirement obligations	0	-
Other	20,910	22,104
Total current liabilities	75,318	77,854
Non-current liabilities		
Provision for share-based remuneration	334	415
Retirement benefit liability	3,030	3,332
Asset retirement obligations	37	16
Other	5,786	5,571
Total non-current liabilities	9,189	9,334
Total liabilities	84,507	87,189
Net assets		
Shareholders' equity		
Share capital	9,040	9,040
Capital surplus	8,713	8,713
Retained earnings	53,277	53,064
Treasury shares	(1,368)	(1,368)
Total shareholders' equity	69,662	69,449
Other comprehensive income		
Valuation difference on available-for-sale securities	1,879	1,304
Foreign currency translation adjustment	17,958	20,850
Remeasurements of defined benefit plans	275	267
Total other comprehensive income	20,113	22,422
Non-controlling interests	6,522	6,962
Total net assets	96,298	98,834
Total liabilities and net assets	180,806	186,023

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly Consolidated Statement of Income

First three months of the fiscal year under review

(Unit: Millions of yen)

	First three months of the previous fiscal year (April 1, 2023 through June 30, 2023)	First three months of the fiscal year under review (April 1, 2024 through June 30, 2024)
Net sales	67,923	73,119
Cost of sales	62,806	67,013
Gross profit	5,116	6,105
Selling, general and administrative expenses		
Employees' salaries and benefits	1,789	1,825
Shipping expenses	709	740
Other	2,433	2,746
Total selling, general and administrative expenses	4,932	5,312
Operating income	184	793
Non-operating income		
Interest income	109	216
Dividend income	125	141
Share of profit of entities accounted for using equity method	113	-
Foreign exchange gains	-	297
Miscellaneous income	115	93
Total non-operating income	463	748
Non-operating expenses		
Interest expenses	235	139
Share of loss of entities accounted for using equity method	-	140
Foreign exchange losses	145	-
Miscellaneous expenditures	96	19
Total non-operating expenses	477	299
Ordinary income	170	1,241
Extraordinary income		
Gain on sale of non-current assets	10	1,562
Total extraordinary income	10	1,562
Extraordinary losses		
Loss on disposal of non-current assets	6	13
Business restructuring and improvement expenses	10	118
Total extraordinary losses	16	131
Net income before income taxes	163	2,672
Income taxes - current	607	1,267
Income taxes - deferred	(416)	(60)
Total income taxes	190	1,207
Net income (loss)	(26)	1,465
Profit attributable to non-controlling interests	26	72
Net income (loss) attributable to owners of parent	(53)	1,393

Quarterly Consolidated Statement of Comprehensive Income
First three months of the fiscal year under review

(Unit: Millions of yen)

	First three months of the previous fiscal year (April 1, 2023 through June 30, 2023)	First three months of the fiscal year under review (April 1, 2024 through June 30, 2024)
Net income (loss)	(26)	1,465
Other comprehensive income		
Valuation difference on available-for-sale securities	704	(575)
Foreign currency translation adjustment	1,889	2,630
Remeasurements of defined benefit plans	(3)	(8)
Share of other comprehensive income of associates accounted for under the equity method	637	630
Total other comprehensive income	3,228	2,677
Comprehensive income	3,202	4,142
(Breakdown)		
Comprehensive income attributable to owners of parent	2,838	3,701
Comprehensive income attributable to non-controlling interests	363	440

(3) Notes to Quarterly consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable.

(Notes when there was a substantial change in the amount of shareholders' equity)

Not applicable

(Notes on Changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard"), etc., have been applied from the beginning of the current fiscal year. Regarding the revisions to the categories in which current income taxes should be recorded (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements when gains or losses arising from the sale of subsidiary shares, etc., among consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the current fiscal year. These changes in accounting policies have been applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the same period of the previous fiscal year and the previous fiscal year have been prepared on a retroactive basis. These changes in accounting policies have no impact on the quarterly consolidated financial statements of the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

Information related to net sales and profit/loss for each reportable segment and information on disaggregation of revenue

First three months of the previous fiscal year (April 1, 2023 through June 30, 2023)

(Unit: Millions of yen)

	Reportable Segment							Adjustments (Note) 1	Amount reported on quarterly consolidated statement of income (Note) 2
	Japan	North America	Latin America	Europe	China	Southeast Asia	Total		
Net sales									
Revenue from contracts with customers	29,220	14,987	19,305	-	3,502	907	67,923	-	67,923
Sales to outside customers	29,220	14,987	19,305	-	3,502	907	67,923	-	67,923
Intersegment sales or transfers	885	201	901	205	1,818	51	4,064	(4,064)	-
Total	30,106	15,188	20,207	205	5,320	958	71,987	(4,064)	67,923
Segment profit (loss)	263	201	(131)	21	(166)	(22)	166	18	184

(Notes) 1. Adjustments of segment profit (loss) are after elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted with operating income under quarterly consolidated statement of income.

First three months of the fiscal year under review (April 1, 2024 through June 30, 2024)

(Unit: Millions of yen)

	Reportable Segment							Adjustments (Note) 1	Amount reported on quarterly consolidated statement of income (Note) 2
	Japan	North America	Latin America	Europe	China	Southeast Asia	Total		
Net sales									
Revenue from contracts with customers	28,274	12,573	25,842	-	5,203	1,224	73,119	-	73,119
Sales to outside customers	28,274	12,573	25,842	-	5,203	1,224	73,119	-	73,119
Intersegment sales or transfers	997	131	623	11	2,968	312	5,043	(5,043)	-
Total	29,271	12,704	26,466	11	8,171	1,537	78,162	(5,043)	73,119
Segment profit (loss)	781	(247)	182	(24)	(62)	119	749	44	793

(Notes) 1. Adjustments of segment profit (loss) are after elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted with operating income under quarterly consolidated statement of income.

(Note to statement of cash flows)

No quarterly consolidated statement of cash flows has been prepared for the first three months of the fiscal year under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months of the fiscal year under review are as follows.

	First three months of the previous fiscal year (April 1, 2023 through June 30, 2023)	First three months of the fiscal year under review (April 1, 2024 through June 30, 2024)
Depreciation	1,315 million yen	1,409 million yen

Independent Auditor's Interim Review Report
on Quarterly Consolidated Financial Statements
(English Translation)

August 7, 2024

To the Board of Directors of Tachi-S Co., Ltd.

PricewaterhouseCoopers Japan LLC
Tokyo office

Tatsuya Chiba, CPA
Designated limited liability Partner
Engagement Partner

Takashi Sasaki, CPA
Designated limited liability Partner
Engagement Partner

Auditor's Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of Tachi-S Co., Ltd. and its consolidated subsidiaries (the "Group"), which comprise the quarterly consolidated balance sheet as of June 30, 2024, the quarterly consolidated statements of income and comprehensive income for the three-month period then ended, and the related notes included in the "attachment" of Financial Results.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements are not prepared, in all material respects, the consolidated financial position of the Group at June 30, 2024 and the consolidated results of their operations for the three-month period then ended in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to provide a basis for our conclusion.

Management's and the Audit Committee's Responsibilities for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of these quarterly consolidated financial statements in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, and for designing and operating such internal control as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to

fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's interim review report that includes our conclusion from an independent standpoint.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We also provide the Audit Committee with a statement that we have complied with the ethical

requirements regarding independence that are relevant to our review of the financial statements in Japan and communicate with them all relationships, other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:

1. The original copy of the above Independent Auditor's Interim Review Report is in the custody of the Company (a company that discloses quarterly financial results).
2. The XBRL data and HTML data are not included in the scope of Interim Review.
3. This is an English translation of the Independent Auditor's Interim Review Report as requested by the Group for the conveniences of the reader. The original was prepared in Japanese. All possible care has been taken to ensure that the translation is an accurate representation of the original, however, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over the translated version.