



Consolidated Financial Highlights for FY2023 (Japanese GAAP)

May 15, 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 the annual general meeting of shareholders: June 25, 2024
 Scheduled date of the payment of cash dividends: June 4, 2024
 Scheduled date of submission of securities report: June 25, 2024
 Additional materials to financial results : Yes
 Holding of the financial results briefing session : Yes (for security analysts and institutional investors)
 (Amounts less than 1 million yen are rounded down)

1. Consolidated Financial Results for FY2023 (April 1, 2023 through March 31, 2024)

(1) Consolidated Operating Results

(% indicates change from previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	292,947	20.3	7,205	426.9	8,755	343.6	5,422	(6.9)
FY2022	243,436	17.9	1,367	-	1,973	-	5,823	-

(Note) Comprehensive income FY2023 13,254 million yen [20.8%]
 FY2022 10,973 million yen [308.1%]

	Net income per share	Diluted net income per share	Capital adequacy net income ratio	Total assets ordinary income ratio	Sales operating income ratio
	yen	yen	%	%	%
FY2023	158.25	-	6.4	5.0	2.5
FY2022	170.09	-	7.6	1.2	0.6

(Note) Equity in earnings (losses) of affiliated companies FY2023 1,079 million yen FY2022 937 million yen

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY2023	180,806	96,298	49.7	2,618.84
FY2022	170,004	86,481	47.3	2,346.90

(Note) Equity capital FY2023 89,776 million yen
 FY2022 80,369 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2023	18,447	(2,083)	(13,370)	39,127
FY2022	3,740	6,666	(10,005)	32,863

2. Dividends

	Annual cash dividends per share					Total dividend (Total)	Dividend payout ratio (Consolidated)	Total assets dividend rate (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total			
	yen	yen	yen	yen	yen	Million yen	%	%
FY2022	-	36.80	-	36.80	73.60	2,547	43.3	3.3
FY2023	-	46.40	-	46.40	92.80	3,212	58.6	3.7
FY2024 (forecast)	-	51.90	-	51.90	103.80		45.6	

Since we are determined to achieve an ROE of 8%, which is one of our management target values for fiscal year 2024, the last fiscal year of the medium-term management plan, we are planning an ordinary annual dividend per share of 103.8 yen for the next term (an interim dividend of 51.9 yen and a term-end dividend of 51.9 yen), representing a DOE of 4%.

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

* Notes

- (1) Major subsidiary changes during the period (changes affecting the scope of consolidation) : No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement:
- (i) Changes in accounting policies owing to revisions to accounting standards : Yes
 - (ii) Changes in accounting policies except (i) : No
 - (iii) Changes in accounting estimates : No
 - (iv) Restatement : No

(3) Number of outstanding shares (common stock)

(i) Number of shares at the end of the period (including treasury shares)	FY2023	35,242,846 shares	FY2022	35,242,846 shares
(ii) Number of treasury shares at the end of the period	FY2023	961,817 shares	FY2022	997,882 shares
(iii) Average number of shares outstanding during the period	FY2023	34,267,169 shares	FY2022	34,236,310 shares

(Note) Outline of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2023 (April 1, 2023 through March 31, 2024)

(1) Non-Consolidated Operating Results

(% indicates change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	114,431	19.5	1,530	-	6,167	69.1	5,902	(32.4)
FY2022	95,756	27.4	(56)	-	3,648	-	8,732	-

	Net income per share	Diluted net income per share
	yen	yen
FY2023	172.25	-
FY2022	255.07	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY2023	94,370	57,325	60.7	1,672.23
FY2022	100,664	52,996	52.6	1,547.58

(Note) Equity capital

FY2023	57,325 million yen
FY2022	52,996 million yen

* These financial highlights are not subject to audit procedures.

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

The above business forecast was based on the information that TACHI-S CO., LTD. (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.

Please refer to the appended materials on page 4 "1. Overview of the Operating Results, etc. (4) Outlook for the fiscal year ending March 31, 2025" for the assumptions underlying the forecasts and precautions when using the earnings forecasts.

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1. Overview of the Operating Results, etc.

(1) Overview of the operating results for the fiscal year under review

In the fiscal year under review, the Japanese economy saw personal consumption affected by rising thriftiness in the face of high prices. However, wages are increasing across Japan's industries as a result of the annual spring wage negotiations held this past March, and the Bank of Japan decided to lift its negative interest rates for the first time in approximately 17 years, which has led to an environment in which a stable price rise can be forecast. The Japanese economy is in a situation that can expect business confidence to be enhanced alongside improved consumer sentiment if the current environment can be connected to a real wage increase down the road. With regard to capital expenditures, owing to strong corporate performance, there has been progress in medium to long-term investments such as in digitalization and decarbonization. Concerns remain over a possible downturn in overseas economies resulting from heightened international tensions, such as in the situations in Ukraine, the Middle East, and East Asia. Nevertheless, the economy is likely to continue recovering at a moderate pace.

In the auto industry in which the Group operates, automotive manufacturers, which are customers of the Group, are working to expand sales on the back of a global demand recovery as semiconductor supply constraints have eased. When forecasting future business trends, it is necessary to pay close attention to the impact of the prolonged high interest rates in major countries on automobile sales as well as trends in the Chinese market, where sales of Japanese cars have generally been sluggish.

As our main activities during this fiscal year under review, we pursued the medium-term management plan "Transformative Value Evolution (TVE)," for which fiscal year 2024 was set as the final year. Taking into account the three changes to the business environment that had occurred since its formulation in fiscal year 2021, (namely, [1] a decrease in the number of automobiles produced globally, [2] a plunge in the number of automobiles in China, and [3] rising prices globally due to inflation), we have extended the Wave 0 period, which had been initially planned to come to an end by the end of fiscal year 2022, primarily for purposes of ensuring profits, and have carried out additional measures to improve profitability. We are proceeding with the additional measures in three fields. The first measure is to improve the profitability of unprofitable businesses through measures such as business downsizing and plant consolidation. The second measure is to improve marginal profit through reflecting cost increases caused by inflation in selling prices in addition to our internal effort to further slash material and logistics costs. The third is to optimize fixed costs through revisions to the development and administrative systems, and others. As a result, profit structure reforms have progressed in Japan, North America, and Latin America such that we can expect to transform into a structure that can generate operating income in all regions on a sustainable basis. Main accomplishments from the business activities include last October's production launch of seats for the new N-BOX, the best seller model in Japan, for Honda, and an ongoing expansion of parts business for which we are stepping up efforts globally. Additionally, our joint venture company started mass-production in the Indian market, where the automobile market is expected to expand in the future, and we opened a new base in Thailand. In terms of quality, the slow and steady efforts that we have made so far were recognized so highly that we were awarded a number of quality awards by our customers in each region, as in the previous fiscal year.

In this operating environment, net sales increased 20.3% over the previous fiscal year to 292,947 million yen, which led to operating income of 7,205 million yen (up 426.9% from the previous fiscal year), ordinary income of 8,755 million yen (up 343.6% from the previous fiscal year) and net income attributable to owners of parent of 5,422 million yen (down 6.9% from the previous fiscal year).

Earnings in the business segments are as follows.

- (i) Japan
Net sales totaled 125,093 million yen (up 21.8% from the previous fiscal year), and operating income was 3,446 million yen (up 286.0% from the previous fiscal year).
- (ii) North America
Net sales totaled 54,587 million yen (up 8.2% from the previous fiscal year), and the operating loss totaled 1,023 million yen (operating loss of 2,052 million yen in the previous fiscal year).
- (iii) Latin America
Net sales totaled 91,175 million yen (up 43.3% from the previous fiscal year), and operating income was 3,985 million yen (up 147.8% from the previous fiscal year).
- (iv) Europe
Net sales totaled zero million yen (down 99.9% from the previous fiscal year), and operating income was 174 million yen (down 50.1% from the previous fiscal year).
- (v) China
Net sales totaled 19,066 million yen (down 23.3% from the previous fiscal year), and operating income was 601 million yen (down 43.9% from the previous fiscal year).
- (vi) Southeast Asia
Net sales totaled 3,025 million yen (up 108.0% from the previous fiscal year), and operating income totaled 38 million yen (operating loss of 397 million yen in the previous fiscal year).

(2) Overview of the financial position for the fiscal year under review

Total assets increased by 10,801 million yen from the end of the previous fiscal year to 180,806 million yen. This was mainly due to an increase of 5,072 million yen in cash and deposits and an increase of 1,071 million yen in raw materials and supplies.

Total liabilities increased by 984 million yen from the end of the previous fiscal year to 84,507 million yen. This was mainly due to an increase of 3,895 million yen in accrued expenses and an increase of 2,093 million yen in “other” under current liabilities due to an increase in accounts payable-other, etc. despite a decrease of 5,500 million yen in long-term borrowings.

Net assets increased by 9,817 million yen from the end of the previous fiscal year to 96,298 million yen. This was mainly due to an increase of 2,542 million yen in retained earnings and an increase of 5,234 million yen in foreign currency translation adjustment.

(3) Overview of the cash flows for the fiscal year under review

Cash and cash equivalents at the end of the fiscal period under review (hereinafter referred to as “Funds”) were 39,127 million yen, up 6,263 million yen (19.1%) compared with the end of the previous fiscal year.

(Cash flow from operating activities)

Funds obtained from operating activities totaled 18,447 million yen, an increase of 14,706 million yen (393.2%) compared with the previous fiscal year. This was mainly due to an increase of 2,462 million yen due to an improvement in working capital and an increase of 5,040 million yen in “other” under cash flow from operating activities due to an increase in accrued expenses, etc. in addition to an increase of 5,838 million yen in operating income due to higher profitability.

(Cash flows from investing activities)

Funds used in financing activities totaled 2,083 million yen, an increase of 8,749 million yen compared with the previous fiscal year (gains of 6,666 million yen in the previous fiscal year). This was mainly because the acquisition of property, plant and equipment continued to be implemented in the same amount as the previous consolidated fiscal year whereas proceeds from sales of property, plant and equipment decreased by 6,791 million yen primarily due to the fact that there were proceeds from sales of real estate for lease in the previous consolidated fiscal year.

(Cash flows from financing activities)

Funds used in financing activities totaled 13,370 million yen, an increase of 3,364 million yen (33.6%) compared with the previous fiscal year. This was primarily due to a net decrease of 4,616 million yen in short-term borrowings due to repayment.

(Reference) Changes in cash flow-related financial indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ratio of shareholders' equity (%)	52.7	48.0	45.8	47.3	49.7
Ratio of shareholders' equity ratio at market value (%)	20.7	27.2	21.4	24.2	37.9
Ratio of cash flows to interest-bearing debt (times)	56.8	-	-	5.3	0.6
Interest coverage ratio (times)	0.6	-	-	7.4	18.0

Ratio of shareholders' equity: Shareholders' equity / Total assets

Ratio of shareholders' equity ratio at market value: Market capitalization / Total assets

Ratio of cash flows to interest-bearing debt: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Note 1: All of the above indicators are calculated using consolidated financial figures.

Note 2: Market capitalization is calculated using the Company's total shares outstanding excluding treasury shares.

Note 3: Cash flows from operating activities are used for calculations.

Note 4: Interest-bearing debts cover all debts for which interest is paid among those that are included in the consolidated statement of financial position.

(4) Outlook for the fiscal year ending March 31, 2025

Following significant changes in the business environment since the formulation of “Transformative Value Evolution (TVE),” the Company’s medium-term management plan for fiscal years 2021 to 2024, we have taken additional measures for improving profitability mainly in Japan, North America and Latin America. Under these circumstances, the Group’s consolidated forecast for the next fiscal year, which is the final year of TVE, is as follows.

(Unit: Millions of yen)

	Outlook for the next period (Fiscal year ending March 31, 2025)	Results for the current period (Fiscal year ended March 31, 2024)	Percent change from current period to next period
Net sales	287,000	292,947	(2.0%)
Operating income	7,300	7,205	1.3%
Ordinary income	8,200	8,755	(6.3%)
Net income attributable to owners of parent	7,800	5,422	43.8%

(Note 1) The main exchange rates as the premise of the above business forecast are 143 yen per US dollar, 9 yen per Mexican peso, 20.5 yen per Chinese yuan.

(Note 2) The above business forecast was calculated based on certain premises that the Company judged reasonable as of now.
Actual results may differ materially from this forecast due to a variety of factors.

(5) Basic policy regarding profit distribution and dividends for fiscal year 2023 and 2024

The Company’s basic policy on profit distribution is to return profits positively to shareholders with the goal of reaching a dividend on equity ratio (DOE) of 4% by fiscal year 2024, having adopted DOE as its main financial indicator for dividends and taking comprehensively into account the maintenance of cash flow and a sound financial foundation in the medium to long-term.

The Articles of Incorporation stipulate that the Company can distribute retained earnings on the basis of a resolution by the Board of Directors, and we basically distribute dividends twice a year, once at the end of the first half of the fiscal year and again at the end of the fiscal year.

The year-end dividend for the fiscal year ended March 31, 2024 will be an ordinary dividend of 46.4 yen per share, as per a resolution by the Board of Directors made on this date. As a result, when including the interim dividend of 46.4 yen per share that has already been paid, the annual dividend for this fiscal year will be 92.8 yen.

Additionally, since we are determined to achieve an ROE of 8%, which is one of our management target values for fiscal year 2024, the last fiscal year of the medium-term management plan, we are planning an ordinary annual dividend per share of 103.8 yen for the next term (an interim dividend of 51.9 yen and a term-end dividend of 51.9 yen), representing a DOE of 4%.

2. Basic Stance on Selecting Accounting Standards

The Group’s policy is to prepare consolidated financial statements using Japanese standards in the near term, taking into account the comparability of consolidated financial statements between periods and between companies.

The Group will respond appropriately to the adoption of IFRS, taking into account conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated statement of financial position

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Assets		
Current assets		
Cash and deposits	34,113	39,185
Notes receivable - trade	5,170	4,852
Accounts receivable - trade	41,464	41,838
Merchandise and finished goods	2,606	2,627
Work in process	1,027	1,282
Raw materials and supplies	14,382	15,453
Other	7,062	9,096
Allowance for doubtful accounts	(21)	(1,399)
Total current assets	105,804	112,937
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,996	10,181
Machinery, equipment and vehicles, net	11,071	11,263
Land	6,688	6,983
Construction in progress	2,580	2,247
Other, net	4,351	5,201
Total property, plant and equipment	34,688	35,877
Intangible assets		
Other	999	1,403
Total intangible assets	999	1,403
Investments and other assets		
Investment securities	11,709	12,415
Long-term loans receivable	10	4
Deferred tax assets	5,683	6,566
Retirement benefit assets	1,060	1,822
Other	10,530	10,306
Allowance for doubtful accounts	(482)	(527)
Total investments and other assets	28,511	30,588
Total fixed assets	64,199	67,869
Total assets	170,004	180,806

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,095	41,214
Short-term borrowings	14,495	11,159
Lease obligations	824	863
Income taxes payable	847	1,633
Accrued expenses	8,214	12,110
Provision for bonuses for directors	30	60
Provision for loss on litigation	312	339
Asset retirement obligations	217	0
Other	5,844	7,936
Total current liabilities	70,880	75,318
Non-current liabilities		
Long-term borrowings	5,500	-
Lease obligations	1,997	2,816
Deferred tax liabilities	2,521	2,842
Provision for share-based remuneration	227	334
Retirement benefit liability	2,199	3,030
Asset retirement obligations	54	37
Other	142	127
Total non-current liabilities	12,642	9,189
Total liabilities	83,523	84,507
Net assets		
Shareholders' equity		
Share capital	9,040	9,040
Capital surplus	8,713	8,713
Retained earnings	50,734	53,277
Treasury shares	(1,426)	(1,368)
Total shareholders' equity	67,061	69,662
Other comprehensive income		
Valuation difference on available-for-sale securities	630	1,879
Foreign currency translation adjustments	12,723	17,958
Remeasurements of defined benefit plans	(46)	275
Total other comprehensive income	13,307	20,113
Non-controlling interests	6,111	6,522
Total net assets	86,481	96,298
Total liabilities and net assets	170,004	180,806

(2) Consolidated statements of income and comprehensive income
Consolidated statement of income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net sales	243,436	292,947
Cost of sales	223,267	264,537
Gross profit	20,168	28,410
Selling, general and administrative expenses		
Employee salaries and allowances	6,389	6,808
Provision for bonuses for directors	30	60
Retirement benefit costs	212	131
Provision for retirement benefits for directors	1	-
Shipping expenses	2,403	2,909
Depreciation expenses	705	772
Provision of allowance for doubtful accounts	22	1,303
Other	9,037	9,220
Total selling, general and administrative expenses	18,801	21,204
Operating income	1,367	7,205
Non-operating income		
Interest income	361	820
Dividend income	196	226
Share of profit of entities accounted for using equity method	937	1,079
Foreign exchange gain	-	88
Miscellaneous income	547	315
Total non-operating income	2,043	2,529
Non-operating expenses		
Interest expenses	637	834
Foreign exchange losses	646	-
Miscellaneous expenditures	152	145
Total non-operating expenses	1,437	979
Ordinary income	1,973	8,755
Extraordinary income		
Gain on sales of non-current assets	5,390	46
Gain on sales of investment securities	715	12
Gain on sales of investments in capital of subsidiaries and associates	315	-
Total extraordinary income	6,421	58
Extraordinary loss		
Loss on disposal of non-current assets	139	49
Impairment loss	-	317
Business restructuring and improvement expenses	127	650
Loss on liquidation of subsidiaries	-	148
Provision for loss on litigation	304	-
Total extraordinary losses	571	1,165
Net income before income taxes	7,823	7,648
Income taxes - current	1,835	2,629
Income taxes - deferred	(555)	(856)
Total income taxes	1,280	1,773
Net income	6,543	5,875
Profit attributable to non-controlling interests	720	453
Net income attributable to owners of parent	5,823	5,422

Consolidated statement of comprehensive income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income	6,543	5,875
Other comprehensive income		
Valuation difference on available-for-sale securities	(584)	1,249
Foreign currency translation adjustments	4,421	4,711
Remeasurements of defined benefit plans	(177)	321
Share of other comprehensive income of associates accounted for under the equity method	771	1,095
Total other comprehensive income	4,430	7,378
Comprehensive income	10,973	13,254
(Breakdown)		
Comprehensive income attributable to owners of parent	9,844	12,229
Comprehensive income attributable to non-controlling interests	1,128	1,025

(3) Consolidated statement of changes in shareholders' equity, etc.

Previous fiscal year, ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,040	8,713	47,285	(1,462)	63,577
Changes during period					
Dividends of surplus			(2,374)		(2,374)
Net income attributable to owners of parent			5,823		5,823
Purchase of treasury shares					-
Disposal of treasury shares				36	36
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,448	36	3,484
Balance at end of period	9,040	8,713	50,734	(1,426)	67,061

	Other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,215	7,938	131	9,285	6,318	79,181
Changes during period						
Dividends of surplus						(2,374)
Net income attributable to owners of parent						5,823
Purchase of treasury shares						-
Disposal of treasury shares						36
Net changes in items other than shareholders' equity	(584)	4,784	(177)	4,021	(206)	3,814
Total changes during period	(584)	4,784	(177)	4,021	(206)	7,299
Balance at end of period	630	12,723	(46)	13,307	6,111	86,481

Fiscal year under review, ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,040	8,713	50,734	(1,426)	67,061
Changes during period					
Dividends of surplus			(2,879)		(2,879)
Net income attributable to owners of parent			5,422		5,422
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				57	57
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,542	57	2,600
Balance at end of period	9,040	8,713	53,277	(1,368)	69,662

	Other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at beginning of period	630	12,723	(46)	13,307	6,111	86,481
Changes during period						
Dividends of surplus						(2,879)
Net income attributable to owners of parent						5,422
Purchase of treasury shares						(0)
Disposal of treasury shares						57
Net changes in items other than shareholders' equity	1,249	5,234	321	6,806	410	7,216
Total changes during period	1,249	5,234	321	6,806	410	9,817
Balance at end of period	1,879	17,958	275	20,113	6,522	96,298

(4) Consolidated statements of cash flows

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income before income taxes	7,823	7,648
Depreciation expenses	5,732	5,748
Impairment loss	-	317
Increase (decrease) in allowance for doubtful accounts	(73)	1,276
Interest and dividend income	(558)	(1,046)
Interest expenses	637	834
Share of loss (profit) of entities accounted for using equity method	(937)	(1,079)
Loss (gain) on disposal of non-current assets	(5,251)	2
Loss (gain) on sale of investment securities	(715)	(12)
Decrease (increase) in trade receivables	(4,743)	2,021
Decrease (increase) in inventories	(13)	(199)
Increase (decrease) in trade payables	3,186	(930)
Other	6	5,046
Subtotal	5,092	19,628
Interest and dividend income	1,315	1,526
Interest expenses	(507)	(1,022)
Income taxes paid	(2,160)	(1,685)
Cash flows from operating activities	3,740	18,447
Cash flows from investing activities		
Proceeds from maturity of time deposits	1,603	1,287
Net decrease (increase) in short-term investment securities	388	-
Acquisition of property, plant and equipment	(3,501)	(3,647)
Proceeds from sales of property, plant and equipment	6,969	177
Acquisition of investment securities	(42)	(25)
Proceeds from sale of investment securities	1,331	736
Acquisition of shares of subsidiaries and associates	(71)	(66)
Proceeds from sale of investments in capital of subsidiaries and associates	200	-
Other	(211)	(545)
Cash flows from investing activities	6,666	(2,083)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,219)	(7,835)
Repayments of long-term borrowings	(2,000)	(1,000)
Decrease (increase) in treasury shares	36	57
Dividend income paid to non-controlling interests	(1,189)	(614)
Dividend income paid	(2,371)	(2,874)
Other	(1,261)	(1,102)
Cash flows from financing activities	(10,005)	(13,370)
Effect of exchange rate change on cash and cash equivalents	3,101	3,270
Net increase (decrease) in cash and cash equivalents	3,503	6,263
Cash and cash equivalents at beginning of period	29,360	32,863
Cash and cash equivalents at end of period	32,863	39,127

- (5) Notes to the consolidated financial statements
(Notes regarding going concern assumptions)
Not applicable.

(Changes in accounting policies)

Some subsidiaries that have adopted the International Financial Reporting Standards have applied the amendment to IAS No. 12, "Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction" since the fiscal year under review. This application clarifies the accounting treatment at the time of initial recognition regarding a transaction that causes a taxable temporary difference and a deductible temporary difference. For the taxable temporary difference and the deductible temporary difference, deferred tax liabilities and assets are recognized respectively, on the consolidated statement of financial position. The impact of the accounting policy change on the consolidated financial statements for the fiscal year under review is insignificant.

(Segment Information, etc.)

(Segment information)

1. Overview of reportable segments

The Group is able to obtain delineated financial data on its reportable segments from its structural units. Accordingly, its segments are subject to regular examination in order to assist decision-making on allocation of managerial resources and evaluation of business performance by the Board of Directors.

The Group primarily manufactures and sells automobile seats and seat parts, and each company devises its own business strategies and carries out business activities.

Accordingly, the Group is made up of segments for each company. Since business segments with generally similar economic characteristics are combined, the six reportable segments are Japan, North America, Latin America, Europe, China, and Southeast Asia.

Of the reportable segments, the Japan segment also rents real estate, in addition to the auto seats and seat parts business.

2. Method of computing sales, profit (loss), assets, and other items by reportable segment

The accounting treatment method for the reportable segments is generally the same as that described in "Basis for Presenting Consolidated Financial Statements."

Segment profit is based on operating income, and pricing on intersegment internal revenue and transfers is determined based on market conditions.

3. Sales, profit (loss), assets, and other items by reportable segment

Previous fiscal year, ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Reportable Segment							Adjustments (Note 1)	Total shown in consolidated financial statements (Note 2)
	Japan	North America	Latin America	Europe	China	Southeast Asia	Total		
Net sales									
Revenue from contracts with customers	102,720	50,433	63,624	352	24,850	1,454	243,436	-	243,436
Sales to outside customers	102,720	50,433	63,624	352	24,850	1,454	243,436	-	243,436
Intersegment internal sales or transfers	5,399	836	2,883	1,123	11,189	406	21,839	(21,839)	-
Total	108,120	51,269	66,508	1,476	36,040	1,861	265,275	(21,839)	243,436
Segment profit (loss)	892	(2,052)	1,608	350	1,072	(397)	1,473	(106)	1,367
Segment assets	123,446	46,584	40,247	2,956	26,674	4,973	244,882	(74,878)	170,004
Other items									
Depreciation expenses	1,936	671	1,624	16	1,305	177	5,732	-	5,732
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Investment in equity-method affiliates	3,240	4,929	-	-	2,218	-	10,388	-	10,388
Increase in property, plant and equipment and intangible assets	1,409	423	618	-	905	256	3,612	(107)	3,504

Notes: 1. Adjustment is mainly intersegment transaction eliminations.

(1) Segment profit (loss) adjustment is mainly intersegment transaction eliminations.

(2) Segment asset adjustment is mainly elimination of intersegment liabilities.

2. Segment profit (loss) is adjusted for operating income noted in the consolidated statements of income.

Fiscal year under review, ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Reportable Segment							Adjust- ments (Note 1)	Total shown in consolidated financial statements (Note 2)
	Japan	North America	Latin America	Europe	China	Southeast Asia	Total		
Net sales									
Revenue from contracts with customers	125,093	54,587	91,175	0	19,066	3,025	292,947	-	292,947
Sales to outside customers	125,093	54,587	91,175	0	19,066	3,025	292,947	-	292,947
Intersegment internal sales or transfers	4,440	1,046	2,865	998	12,166	577	22,096	(22,096)	-
Total	129,533	55,634	94,040	999	31,232	3,603	315,044	(22,096)	292,947
Segment profit (loss)	3,446	(1,023)	3,985	174	601	38	7,223	(17)	7,205
Segment assets	120,349	43,841	49,894	3,335	26,539	4,947	248,907	(68,101)	180,806
Other items									
Depreciation expenses	1,903	739	1,659	5	1,221	219	5,748	-	5,748
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Investment in equity-method affiliates	3,641	4,425	-	-	2,493	-	10,560	-	10,560
Increase in property, plant and equipment and intangible assets	2,792	191	733	-	789	-	4,507	(35)	4,471

Notes: 1. Adjustment is mainly intersegment transaction eliminations.

(1) Segment profit (loss) adjustment is mainly intersegment transaction eliminations.

(2) Segment asset adjustment is mainly elimination of intersegment liabilities.

2. Segment profit (loss) is adjusted for operating income noted in the consolidated statements of income.

(Earnings per share)

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	
Net assets per share	2,346.90	Net assets per share	2,618.84
Net income per share	170.09	Net income per share	158.25

Note 1. Information on net income per share after full dilution is omitted, as there is no potential common stock.

2. The Company has introduced a Stock Benefit Trust for Directors and an Employee Stock Ownership Trust. The Company shares remaining in the trust that are posted as treasury shares in shareholders' equity are included in treasury shares to be deducted from the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share, and in calculating net assets per share, are included in the number of treasury shares to be deducted from the total number of shares issued at the end of the fiscal year. The average number of shares outstanding during the period related to the trust are shown below.

- Stock Benefit Trust for Directors

Average number of shares outstanding during the period:

Fiscal year ended March 31, 2023: 84,038 shares

Fiscal year ended March 31, 2024: 68,553 shares

Number of shares at fiscal year-end:

Fiscal year ended March 31, 2023: 80,000 shares

Fiscal year ended March 31, 2024: 61,400 shares

- Employee Stock Ownership Trust

Average number of shares outstanding during the period:

Fiscal year ended March 31, 2023: 292,813 shares

Fiscal year ended March 31, 2024: 277,428 shares

Number of shares at fiscal year-end:

Fiscal year ended March 31, 2023: 288,198 shares

Fiscal year ended March 31, 2024: 270,698 shares

3. The basis for calculating net income per share is shown below.

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income attributable to owners of parent (millions of yen)	5,823	5,422
Amount not belonging to common shareholders (millions of yen)	-	-
Net income attributable to owners of parent related to common shares (millions of yen)	5,823	5,422
Average common shares outstanding (thousands of shares)	34,236	34,267

(Significant subsequent events)

Not applicable.

4. Non-Consolidated Financial Statements and Significant Notes

(1) Statement of financial position

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Assets		
Current assets		
Cash and deposits	9,341	7,780
Electronically recorded monetary claims - operating	3,384	3,337
Accounts receivable - trade	23,677	19,338
Merchandise and finished goods	265	324
Work in process	1,645	1,817
Raw materials and supplies	4,136	3,660
Advance payments - trade	379	53
Short-term loans receivable	15,644	7,761
Other	3,331	2,497
Allowance for doubtful accounts	(9,909)	(3,758)
Total current assets	51,898	42,810
Non-current assets		
Property, plant and equipment		
Buildings, net	3,318	3,327
Structures, net	74	103
Machinery and equipment, net	920	1,713
Vehicles, net	2	0
Tools, instruments and fixtures, net	263	459
Land	3,419	3,544
Construction in progress	137	36
Total property, plant and equipment	8,137	9,185
Intangible assets		
Software	438	472
Other	16	16
Total intangible assets	454	489
Investments and other assets		
Investment securities	6,195	7,693
Shares of subsidiaries and associates	24,752	24,819
Investments in capital	0	0
Investments in capital of subsidiaries and associates	8,381	8,381
Long-term loans receivable to employees	5	2
Long-term prepaid expenses	14	7
Prepaid pension costs	348	510
Other	479	475
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	40,173	41,885
Total fixed assets	48,766	51,559
Total assets	100,664	94,370

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	1	444
Electronically recorded monetary obligations - operating	2,300	2,773
Accounts payable - trade	17,567	16,762
Short-term borrowings	11,255	5,587
Current portion of long-term borrowings	1,000	5,500
Short-term borrowings from subsidiaries and associates	4,876	555
Accounts payable - other	489	462
Accrued expenses	2,262	3,395
Income taxes payable	669	159
Deposits received	74	139
Notes payable - facilities	151	243
Unearned revenue	5	53
Provision for bonuses for directors	30	60
Asset retirement obligations	217	0
Other	604	25
Total current liabilities	41,505	36,164
Non-current liabilities		
Long-term borrowings	5,500	-
Deferred tax liabilities	386	502
Provision for share-based remuneration	227	334
Asset retirement obligations	17	16
Other	30	27
Total non-current liabilities	6,161	880
Total liabilities	47,667	37,044
Net assets		
Shareholders' equity		
Share capital	9,040	9,040
Capital surplus		
Capital reserves	8,592	8,592
Legal capital surplus	12	12
Total capital surplus	8,604	8,604
Retained earnings		
Legal retained earnings	480	480
Other retained earnings		
Reserve for tax purpose reduction entry	19	19
General reserve	15,000	15,000
Retained earnings brought forward	20,647	23,670
Total retained earnings	36,148	39,170
Treasury shares	(1,426)	(1,368)
Total shareholders' equity	52,366	55,447
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	629	1,878
Total valuation and translation adjustments	629	1,878
Total net assets	52,996	57,325
Total liabilities and net assets	100,664	94,370

(2) Statement of income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net sales	95,756	114,431
Cost of sales		
Starting balance of product inventory	324	308
Product manufacturing costs	89,473	105,645
Total	89,797	105,954
Ending balance of product inventory	308	348
Product cost of sales	89,488	105,606
Gross profit	6,268	8,825
Selling, general and administrative expenses		
Employee salaries and allowances	1,843	2,046
Directors' compensation	230	250
Bonuses	179	519
Provision for bonuses for directors	30	60
Retirement benefit costs	125	50
Shipping expenses	1,025	1,226
Research and development expenses	731	791
Provision of allowance for doubtful accounts	12	(48)
Depreciation expenses	200	222
Other	1,946	2,175
Total selling, general and administrative expenses	6,324	7,294
Operating income (loss)	(56)	1,530
Non-operating income		
Interest income	147	362
Dividend income	3,672	5,783
Reversal of allowance for doubtful accounts	1,075	-
Miscellaneous income	141	98
Total non-operating income	5,036	6,245
Non-operating expenses		
Interest expenses	495	737
Foreign exchange losses	800	383
Provision of allowance for doubtful accounts	-	446
Miscellaneous expenditures	35	40
Total non-operating expenses	1,331	1,607
Ordinary income	3,648	6,167
Extraordinary income		
Gain on sales of non-current assets	5,351	2
Gain on sales of investment securities	715	12
Gain on sales of investments in capital of subsidiaries and associates	185	-
Total extraordinary income	6,251	15
Extraordinary loss		
Loss on disposal of non-current assets	19	9
Business restructuring and improvement expenses	104	105
Total extraordinary losses	124	114
Net income before income taxes	9,775	6,068
Income taxes - current	1,048	598
Income taxes - deferred	(5)	(432)
Total income taxes	1,043	165
Net income	8,732	5,902

(3) Statement of changes in shareholders' equity

Previous fiscal year, ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Capital reserves	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	9,040	8,592	12	8,604	480	20	15,000	14,289	29,790
Changes during period									
Dividends of surplus								(2,374)	(2,374)
Net income								8,732	8,732
Reversal of reserve for tax purpose reduction entry						(0)		0	-
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	(0)	-	6,358	6,358
Balance at end of period	9,040	8,592	12	8,604	480	19	15,000	20,647	36,148

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,462)	45,972	1,213	1,213	47,186
Changes during period					
Dividends of surplus		(2,374)			(2,374)
Net income		8,732			8,732
Reversal of reserve for tax purpose reduction entry		-			-
Purchase of treasury shares		-			-
Disposal of treasury shares	36	36			36
Net changes in items other than shareholders' equity			(584)	(584)	(584)
Total changes during period	36	6,394	(584)	(584)	5,810
Balance at end of period	(1,426)	52,366	629	629	52,996

Fiscal year under review, ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Capital reserves	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	9,040	8,592	12	8,604	480	19	15,000	20,647	36,148
Changes during period									
Dividends of surplus								(2,879)	(2,879)
Net income								5,902	5,902
Reversal of reserve for tax purpose reduction entry						(0)		0	-
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	(0)	-	3,022	3,022
Balance at end of period	9,040	8,592	12	8,604	480	19	15,000	23,670	39,170

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,426)	52,366	629	629	52,996
Changes during period					
Dividends of surplus		(2,879)			(2,879)
Net income		5,902			5,902
Reversal of reserve for tax purpose reduction entry		-			-
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	57	57			57
Net changes in items other than shareholders' equity			1,248	1,248	1,248
Total changes during period	57	3,080	1,248	1,248	4,329
Balance at end of period	(1,368)	55,447	1,878	1,878	57,325