

TACHI-S Co.,Ltd.
Q&A Summary of Financial Results Briefing
for the Fiscal Year Ended March 2025

Date and time: May 30, 2025, 17:00-18:00

Respondents:

Yuichiro Yamamoto, Representative Director, President and CEO

Atsushi Komatsu, Representative Director, Executive Managing Officer, CFO

Questions and Answers

(1) Innovating Shinkha

Q1. (Mid-term Management Plan presentation, p. 26) Given the slowdown in the EV shift and OEM development schedule revisions, mass-production models that match the products your company is developing (e.g. Smart Shell) will not be expected to appear. How did you incorporate sales outlook of those products in the new mid-term management plan?

A1.

Yamamoto

- As we currently aim to commercialize the products after 2030, no sales of them are incorporated in the newly announced "Medium-term Management Plan TVE (Transformative Value Evolution) Wave2 2027." We will actively propose them to customers as 'Smart Shell' and/or its components so as to be installed in vehicles from 2030 onwards.
- Since the product is being developed in anticipation of the autonomous driving era, the factors mentioned in your question may result in delays in the timing of commercialization from what was originally anticipated.
- At the same time, we will also explore the possibility of utilization of the technology in areas other than automotive.

(2) Nissan's reform plan

Q2. (Mid-term Management Plan, p. 5) What is your frank impression about the Nissan's reform plan? What would be the impacts on your business?

A2.

Yamamoto

- As we have not heard anything about its details from the customer, I cannot give you a specific answer, but as part of our previous medium-term management plan, we implemented structural reforms that transformed our operations into the one that brings out sustainable profit improvement with less operation sites in number. We believe that if we respond quickly and appropriately to whatever structural reform plan to be announced, we will be able to achieve the planned profit

targets in the mid-term management plan.

Q3. (Financial Results presentation, p.22) In the sales forecast by OEM for this fiscal year, Nissan business share has decreased compared to the previous fiscal year. Do you expect it to remain at the same level from next fiscal year onwards?

A3.

Yamamoto

- If Nissan keeps production volume unchanged or increases, we expect sales from next fiscal year onwards to be at the same level as this fiscal year's forecast.
- On the other hand, sales can be expected to increase with the launch of new models.

Q4. (Mid-term Management Plan, p. 19) Will your company's production capacity also be reduced in line with Nissan's reduction in production capacity? Will you supplement for it with other OEM programs? What is your future plan?

A4.

Yamamoto

- Sales from FY2025 to FY2027 are expected to remain flat at around 260 billion yen, and if Nissan's production volume is reduced, it will be compensated with production from other OEMs.

(3) U.S. tariffs

Q5. (Mid-term Management Plan, p. 12) What are the impacts of the U.S. tariffs on your business and your business assumptions? And what are your future measures?

A5.

Yamamoto

- As a result of confirmation with the supply chain related to our US business, we found that there are no shipments to the US from Japan or China, and components shipped to the US from Mexico satisfy the criteria for tariff exemptions under the USMCA. Our products are not currently subject to additional tariffs.
- We have assumed production volume for this fiscal year based on the production volume information received from our customers, taking into account their production results vs. forecast and market inventory status.

Q6. (Mid-term Management Plan, p. 12) Are you considering capturing opportunities through tariffs?

A6.

Yamamoto

- We recognize that if our customers shift their U.S. business production to the U.S., it will give us an

opportunity to expand production there.

(4) North America business

Q7. (Mid-term Management Plan, p. 17) You mentioned that you expect to turn a profit by winning new programs from FY2028 onwards. What is your strength to win new programs?

A7.

Yamamoto

- Through our communication with customers, we have been proposing requested elements in QCD, exceeding customer expectations. In addition, we have been pitching our technical capabilities in Genba as strength. Moreover, in the face of issues of securing and retaining labor and rising labor costs, we are appealing to customers with our initiatives of labor-saving initiative including and automation at our plants.

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(5) Sales forecast for FY2030

Q8. (Mid-term Management Plan, p. 19) You mentioned that sales will be approximately 260 billion yen until FY2027 and increased to 400 billion yen in FY2030. How much sales will you grow for each of the five growth strategies ("Deepening" business expansion, "Deepening" component business expansion, "Deepening" business domain expansion, "Evolving", and "Renewing" Shinkha)?

A8.

Yamamoto

- In light of the fast-changing business circumstances as well as constant changes in customers' new model strategies and other strategies, we are continually reviewing our strategy that includes how much sales we aim for each of the five strategies. Under the situation, we would like to refrain from mentioning specific amounts for each strategic item at this stage. Your understanding would be highly appreciated.

End