

Business Alliance and Financing Arrangement with Advantage Advisors Co., Ltd.

TACHI-S CO.,LTD.

February 27th, 2025



The purpose of the Business Alliance with aim to enhance TACHI-S's corporate value

We will enhance our corporate value by concluding a business alliance agreement with Advantage Advisors Inc., **which has a wealth of experience in building specific new businesses and strengthening competitiveness using data on existing businesses, as part of its Medium-Term Management Strategy (TVE*).

*TVE: Transformative Value Evolution



Purpose

- New business line
 - Obtain knowledge and resources required for considering, identifying and realizing a new business areas in form of leveraging TACHI-S CO., LTD.'s strengths
- Data utilization
 - Improve productivity using data as integrated system and build an environment that supports strategic planning and business decision-making with accurate and integrated data.

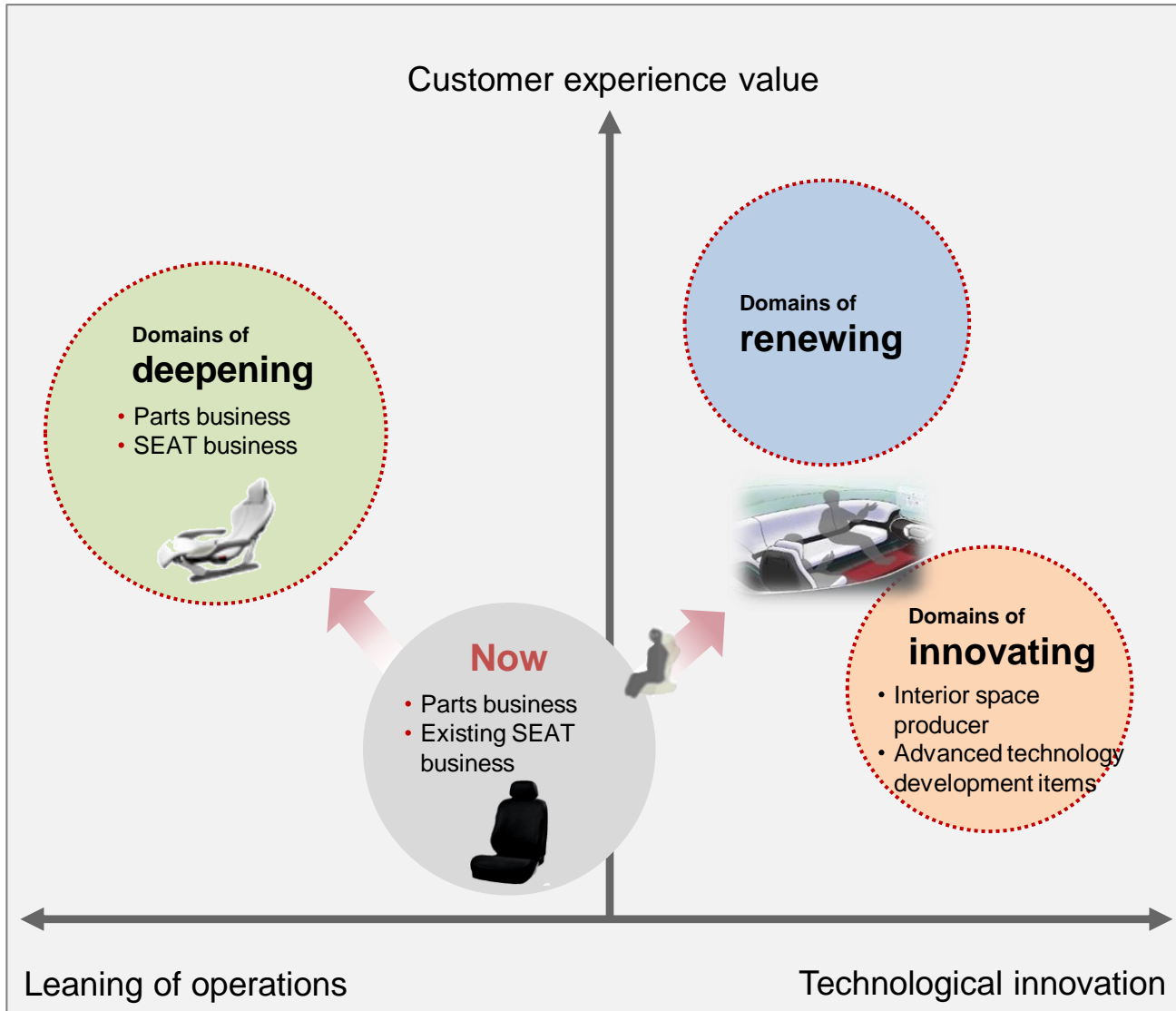
Through the above initiatives , we will make sure to achieve the goals of the Medium-Term Management Plan and accelerate growth in subsequent years

Activity areas of the Partnership

- Operations
 - Accelerate the early launch and subsequent growth of a new business line by making use of Advantage Advisors' knowhow in creating and operating various new businesses and experience in numerous M&A transactions
 - Improve business efficiency by leveraging Advantage Advisors' digital technology knowhow and networks
- Finances
 - Obtain financing for growth by combining convertible bonds with share subscription rights while mitigating an immediate impact of share price dilution.

**Advantage Advisors is within the Advantage Partners(AP)Group, a pioneer in Japanese private equity funds; it is responsible for a “private solutions” strategy in which it acquires shares of listed companies, etc., and works hand in hand with the management teams of those companies to enhance corporate value.

Our overall business strategy



Our business strategy policy

Renewing

- Create a new business line that will be the second pillar alongside the seat business
- Expand into new domains where we will be able to leverage our strengths
(e.g., areas related to medical and nursing care, one's own mobile room, and smart factories)

Innovating

- Creating new experience value in the cabin space with a focus on seats, based on humans' five senses

Deepening

- Growth in sales channels in ASEAN and India and in the components business, coupled with an improvement in overall business profitability
- Step up manufacturing competitiveness using digital technologies (Example: Accumulate internal knowledge as data and, along with the renewal of the ERP infrastructure, realize Data Driven production and management.)

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Advantage Advisors' added value

Comprehensive experience in M&A support from candidate assessment to PMI

- Identify synergies with potential M&A candidates from a neutral standpoint
- Comprehensive assistance for post-acquisition PMI

Knowhow in formulating new business strategies and business plans for a wide range of business categories, including non-automotive ones

- A wealth of experience in business restructuring and business model transformation

Realize DX measures by leveraging the AP Group's networks

- Optimize the scope of execution using a wealth of experience
- Collaborate as one team that encourages self-initiative toward the organization's change



- The ability to meet the expectations and needs of many customers in the automotive seat business
- Expertise and knowhow in the whole range of manufacturing from planning to design to purchasing to production in the automotive industry, where high quality is required
- Global business operations spanning 61 locations in 10 countries and the human resources underpinning it



- Knowhow in formulating strategies and business plans for new business lines
- Experience in executing numerous M&A transactions (a financial institution network that underpins it)
- Experience in post-investment assistance to companies in various sectors
 - Marketing knowhow such as in branding and pricing
- Strong commitment through same-boat type investing



**Aim to create new value by combining our strengths and
Advantage Advisors'**

Overview of third-party allotment of new shares

	Convertible bonds with share subscription rights	Share subscription rights
Date of issuance	March 19, 2025	
Value of issuance	4 billion yen	6 billion yen
Maturity	5 years	-
Conversion and exercise Lockup period	From September 2025 to March 2030	
Value of conversion and exercise	Initial conversion price (initial exercise price): xxx yen Minimum conversion price (minimum exercise price): xxx yen	
Coupon	0%	-
Planned allottee	AAGS S12, L.P.	

Supporting People and the Earth
through “Seating” Technology



Global Seat System Creator

Cautionary Statement

This document contains forward-looking statements that reflect TACHI-S’ judgments and estimates that have been made on the basis of currently available information. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause TACHI-S’ actual results to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements.