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Securities code: 7239
June 5, 2026

To Our Shareholders,

Yuichiro Yamamoto
Representative Director & President
TACHI-S CO., LTD.
1-3-1, Suehiro-cho, Ome-shi, Tokyo

Notice of the 74th Annual General Meeting of Shareholders

Thank you very much for your continued support.

Please refer to the below for information about the upcoming 74th Annual General Meeting of Shareholders (the “Meeting”) of TACHI-S CO., LTD. (the “Company”).

In convening this Shareholders Meeting, the Company has taken measures for providing information in electronic format, and has posted the items to be provided electronically on the Company’s website.

The Company’s website
(https://www.tachi-s.co.jp/en/ir/stock_information/meeting.html)



In addition to the above website, items to be provided electronically are posted on the following website:

Tokyo Stock Exchange website (Listed Company Search)
(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)



Please access the above website, enter or search for our company name or securities code, select “Basic Information” followed by “Documents for Public Inspection/Public Relations Information.”

Website of Sumitomo Mitsui Trust Bank, Limited (General Meeting of Shareholders Portal®)
(<https://www.soukai-portal.net>)

Accessible via
the QR code on
the enclosed
voting form.

If you are unable to attend this Shareholders Meeting in person, you may exercise your voting rights in writing or by electromagnetic means (e.g., via the Internet). Please review the Reference Documents for the General Meeting of Shareholders included in the items to be provided electronically, and exercise your voting rights by 5:00 p.m. on Friday, June 26, 2026.

1. Date and time: 10:00 a.m. on Monday, June 29, 2026 (Reception will open at 9:00 a.m.)

2. Venue: Karuro Grande (4th floor), HOTEL emisia TOKYO TACHIKAWA
2-14-16, Akebono-cho, Tachikawa-shi, Tokyo

3. Agenda:

Matters for reporting:

1. Business Report, the Consolidated Financial Statements, and Audit Report of the Consolidated Financial Statements by the Independent Auditors and Audit & Supervisory Board for the 74th term (from April 1, 2025 to March 31, 2026)
2. Report of the Non-consolidated Financial Statements for the 74th term (from April 1, 2025 to March 31, 2026)

Matters for approval:

Proposal 1: Election of nine Directors

Proposal 2: Payment of Bonuses to Directors

4. Predetermined Items Related to the Convocation of this Meeting

- (1) If you do not indicate your approval or disapproval of each proposal on the returned Voting Rights Exercise Form, we will treat it as if you indicated your approval.
- (2) If you are unable to attend this Shareholders Meeting, you may designate one other shareholder of the Company with voting rights to attend the meeting as your proxy. However, please note that the submission of a document evidencing the proxy's authority of representation will be required.
- (3) If you diversely exercise your voting rights, you are requested to notify the Company in writing or by electromagnetic means of your intention to do so and state the reason for this no later than three days before the Meeting.

5. Other Matters Related to This Notice

- (1) The document we are sending you also serves as a paper-based document describing the items to be provided electronically based on a request for delivery of paper-based documents. Pursuant to the laws and regulations and the provision of Article 14 of the Company's Articles of Incorporation, the following information is not available in this Notice: "Systems for Ensuring the Properness of Business Activities and Outline of the Operation of the Systems" and "Basic Policy on Control of the Company" in the Business Report; "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements; "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements. This document is part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit report.
- (2) If revisions to the items to be provided electronically arise, the details of the revisions will be posted on each of the above websites.

6. Other

- (1) If you are attending the meeting on the scheduled day, please submit the enclosed voting form at the reception.
- (2) We will post the contents of resolutions of this Shareholders Meeting on the Company's website on the Internet after the meeting instead of sending a written notice of resolutions.
- (3) Please be aware that no gifts will be provided to shareholders who attend this Shareholders Meeting. We would appreciate your understanding in this regard.
- (4) Questions regarding the subject matter of this Shareholders Meeting may be submitted via the "To Prior Questions" button in the General Meeting of Shareholders Portal®. Matters of significant interest to shareholders will be discussed at this Meeting. Please note that we are unable to provide individual responses.

Deadline for submission of prior questions: 5:00 p.m. on Thursday, June 18, 2026
(Prior questions may be submitted starting from Friday, June 5)

Reference Documents for the General Meeting of Shareholders

Proposals and reference matters

Proposal 1: Election of nine Directors


The terms of office of all nine Directors will expire at the conclusion of the Meeting. Accordingly, we propose to elect the following nine Director candidates.

The candidates for Director are as follows:


Candidate No.	Name	Current position and responsibility at the Company	Attendance at Board of Directors meetings
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> Yuichiro Yamamoto Male	Representative Director & President Chief Executive Officer Chief Operating Officer Chief Strategy Officer	14/14 (100%)
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> Atsushi Komatsu Male	Representative Director Executive Managing Officer Chief Financial Officer Chief Corporate Officer In charge of Compliance	14/14 (100%)
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> Takao Ito Male	Member of the Board of Directors, Executive Managing Officer Chief Manufacturing Officer	14/14 (100%)
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> Masato Hiruma Male	Member of the Board of Directors, Executive Managing Officer Chief Business Officer	11/11 (100%)
5	<div style="border: 1px solid black; display: inline-block; padding: 2px;">New nomination</div> Isao Sekita Male	Executive Managing Officer Chief Technology Officer	-/- (-%)
6	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Outside</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Independent Director</div> Toshio Kinoshita Male	Outside Director	14/14 (100%)
7	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Outside</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Independent Director</div> Hidetaka Mihara Male	Outside Director	14/14 (100%)
8	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Outside</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Independent Director</div> Yoshiaki Nagao Male	Outside Director	14/14 (100%)
9	<div style="border: 1px solid black; display: inline-block; padding: 2px;">RE-nomination</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Outside</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Independent Director</div> Sachiko Tsutsui Female	Outside Director	14/14 (100%)


Candidate No.1	Yuichiro Yamamoto	(July 30, 1968)	RE-nomination	Male	
	Brief History, Position, Principal Duties and Key Concurrent Posts				
	April 1997	Joined TACHI-S CO., LTD.			
	August 2006	Seconded to TACLE Seating U.S.A., LLC (currently TACHI-S Automotive Seating U.S.A., LLC) President			
	April 2011	Executive Managing Officer Deputy General Manager of Overseas Division			
	April 2012	In Charge of Nissan Business and Overseas Business Management			
	April 2014	In Charge of China Business Seconded to TACHI-S China Co., Ltd. President			
	<ul style="list-style-type: none"> ■ Number of shares of the Company owned 102,600 shares 	April 2015	Senior Executive Officer		
	<ul style="list-style-type: none"> ■ Attendance at Board of Directors meetings 14/14 (100%) 	April 2017	Executive Vice President President, Regional Headquarters for Japan		
	June 2017	Member of the Board of Directors & Executive Vice President			
	April 2019	Member of the Board of Directors & Chief Operating Officer In charge of Global Headquarters			
	June 2019	Representative Director, President & Chief Operating Officer (incumbent)			
	April 2020	Division Manager of Quality Management Division			
	April 2022	Chief Executive Officer (incumbent)			
	June 2023	Chief Strategy Officer (incumbent)			
Reasons for nomination as a Candidate for Director					
<p>Mr. Yuichiro Yamamoto has been nominated as a candidate to continue in his role as Director, as he has valuable knowledge in the marketing and overseas fields as well as many years of experience and results as a top executive at overseas subsidiaries in North America and China, and has demonstrated strong leadership as Chief Operating Officer and Chief Executive Officer. Since April 2022, he has been a strong leader of the Group's management as Chief Executive Officer, and we have determined that he is, and will continue to be, essential to the sustainable enhancement of the Group's corporate value.</p>					


Candidate No.2	Atsushi Komatsu	(August 2, 1963)	RE-nomination	Male	
Brief History, Position, Principal Duties and Key Concurrent Posts					
	April 1986	Joined NISSAN MOTOR CO., LTD.			
	April 2003	General Division Manager of China Business			
	July 2003	Seconded to Dongfeng Motor Co., Ltd Executive Vice President in charge of Financial and Information Technology			
	April 2009	Director of Management for affiliate company, NISSAN MOTOR CO., LTD.			
	April 2010	Director of Finance Section			
	■ Number of shares of the Company owned 8,100 shares	April 2014	Director of Domestic Network Strategy		
	April 2017	Joined TACHI-S CO., LTD. as Corporate Advisor			
	July 2017	Executive Managing Officer Assistant Director of Corporate Management Division			
	■ Attendance at Board of Directors meetings 14/14 (100%)	April 2019	Executive Managing Officer Division Manager of Corporate Management Division		
	June 2019	Member of the Board of Directors & Executive Managing Officer			
	April 2020	Member of the Board of Directors & Executive Managing Officer in charge of Compliance (incumbent)			
	June 2022	Representative Director, Executive Managing Officer (incumbent)			
	June 2023	Chief Financial Officer (incumbent), Chief Corporate Officer (incumbent)			
	Reasons for nomination as a Candidate for Director				
<p>Mr. Atsushi Komatsu has been nominated as a candidate to continue in his role as Director, as he has superior expertise in the finance and management fields as well as wide-ranging knowledge cultivated through his experience in overseas business, and has been leading the Company's management as the person responsible for the corporate management field. Since June 2022, as Representative Director, Executive Managing Officer, he has been promoting reforms in the Group, and we have determined that he is essential to the sustainable enhancement of the Group's corporate value.</p>					


Candidate No.3	Takao Ito	(June 4, 1965)	RE-nomination	Male
 <ul style="list-style-type: none"> ■ Number of shares of the Company owned 8,600 shares ■ Attendance at Board of Directors meetings 14/14 (100%) 	Brief History, Position, Principal Duties and Key Concurrent Posts			
	April 1984	Joined TACHI-S CO., LTD.		
	April 2010	Plant Manager of Musashi Plant		
	April 2012	Director of Production Planning Department		
	April 2014	Seconded to TACLE Guangzhou Automotive Seat Co., Ltd., President		
	April 2017	Executive Managing Officer In Charge of China production, Regional Headquarters for China		
	April 2019	Executive Managing Officer President of Regional Headquarters for Japan		
	April 2020	Executive Managing Officer, Deputy Division Manager of Monozukuri Division		
	April 2022	Division Manager of Monozukuri Division		
	June 2022	Director, Executive Managing Officer (incumbent)		
June 2023	Chief Manufacturing Officer (incumbent)			
Reasons for nomination as a Candidate for Director				
<p>Mr. Takao Ito has been nominated as a candidate to continue in his role as Director because of the extensive experience he has accumulated over many years in the monozukuri (manufacturing) field as well as his track record in managing businesses in the China region, and we have determined that he is essential to promote the transformation of the Group's sustainable and digitalized manufacturing processes and to develop and strengthen its global manufacturing framework going forward.</p>				


Candidate No.4	Masato Hiruma	(January 21, 1974)	RE-nomination	Male
 <ul style="list-style-type: none"> ■ Number of shares of the Company owned 7,020 shares ■ Attendance at Board of Directors meetings 11/11 (100%) 	Brief History, Position, Principal Duties and Key Concurrent Posts			
	April 1996	Joined TACHI-S CO., LTD.		
	April 2018	General Manager of Program Management Department		
	April 2020	VP in charge of Corporate Planning Office		
	April 2021	SVP in charge of Corporate Planning Office		
	June 2023	Executive Managing Officer, President of Regional Headquarters for North America Seconded to TACHI-S Engineering U.S.A., Inc. President President, TechnoTrim, Inc.		
	July 2024	President, TF-METAL Americas Corporation		
	April 2025	Chief Business Officer (incumbent)		
	June 2025	Director, Executive Managing Officer (incumbent)		
	Reasons for nomination as a Candidate for Director			
<p>Mr. Masato Hiruma has been nominated as a candidate to continue in his role as Director, as he is a professional in the development and technology fields over many years and has experience in planning and promoting business strategies and managing the North American subsidiary and conducting top manager level sales, and we have determined that he is essential to support the Group's sustainable growth and technological innovation by leveraging his expertise.</p>				

Candidate No.5	Isao Sekita	(January 16, 1974)	New nomination	Male
	Brief History, Position, Principal Duties and Key Concurrent Posts			
	April 1996	Joined TACHI-S CO., LTD.		
	April 2020	General Manager of Product Development Department		
	June 2023	Executive Managing Officer (incumbent) in charge of Product Development Group		
	April 2026	Chief Technology Officer (incumbent)		
Reasons for nomination as a Candidate for Director				
<ul style="list-style-type: none"> ■ Number of shares of the Company owned 3,800 shares ■ Attendance at Board of Directors meetings -/- (-%) 	<p>Mr. Isao Sekita has been newly nominated as a candidate for Director, as he not only has a wealth of experience and achievements in the development and technology fields over many years, but also has outstanding knowledge and skills that are indispensable for the development and design of our products, and we have determined that he is essential to implement the Group's technology strategy soundly and globally in the future.</p>			

Candidate No.6	Toshio Kinoshita	(April 12, 1949)	RE-nomination	Outside	Independent Director	Male
	Brief History, Position, Principal Duties and Key Concurrent Posts					
	January 1980	Jointed Coopers & Lybrand, Japan (currently PricewaterhouseCoopers Japan LLC)				
	July 1983	Registered as Certified Public Accountant				
	February 1985	Audit Manager of Coopers & Lybrand, US (currently PricewaterhouseCoopers LLP) New York Office				
	November 1985	Managing partner of the Japanese Business Network of Midwest, Coopers & Lybrand, US Detroit Office				
	June 1995	Managing partner of the Japanese Business Network of US, Coopers & Lybrand, US National Office				
<ul style="list-style-type: none"> ■ Number of shares of the Company owned 0 shares ■ Attendance at Board of Directors meetings 14/14 (100%) 	July 1998	Managing partner of the Japanese Business Network of North America, PricewaterhouseCoopers LLP New York Office				
	July 2005	Management Board Member for International Business of Chuo Aoyama Audit Corporation (renamed Misuzu Audit Corporation)				
	June 2015	Outside Director of TACHI-S CO., LTD. (incumbent)				
(Key concurrent posts)						
Chairman of the Board of Global Professional Partners Corp.						
Outside Director, Chairman of Audit & Supervisory Committee of ADK Holdings Inc.						
Outside Director, Audit & Supervisory Committee Member of Denka Company Limited						
Reasons for nomination as a Candidate for Outside Director and Outline of the expected role						
<p>Mr. Toshio Kinoshita has been nominated as a candidate to continue in his role as Outside Director, as he has superior judgment as a certified public accountant and considerable auditing work experience at overseas locations over many years, and has a high level of insight into corporate management, including management support for other companies, which he has cultivated at a company where he serves as Chairman. He is also expected to contribute to the appropriate decision-making of the Board of Directors from an objective and global standpoint. He will have served as an Outside Director of the Company for eleven years as of the conclusion of the Meeting.</p>						

Candidate No.7	Hidetaka Mihara	(July 8, 1958)	RE-nomination Outside Independent Director	Male
 <ul style="list-style-type: none"> ■ Number of shares of the Company owned 0 shares ■ Attendance at Board of Directors meetings 14/14 (100%) 	Brief History, Position, Principal Duties and Key Concurrent Posts			
	April 1986	Registered with Dai-Ichi Tokyo Bar Association Joined Hashidate Law Office		
	October 1987	Joined Blakemore & Mitsuki (renamed Tsunematsu Yanase & Sekine)		
	July 1990	Seconded to Nomura International plc, London		
	April 1991	Seconded to Slaughter and May, London		
	January 1993	Partner at Tsunematsu Yanase & Sekine		
	January 2000	Partner at Nagashima Ohno & Tsunematsu		
	April 2010	Committee Member of law reform of the Company Act of Japan (Ministry of Justice of Japan)		
	September 2017	Expert Advisor of Ministry of Land, Infrastructure, Transport and Tourism, Land Policy Council Land Policy Subcommittee Special Section (Owner unknown land problem examination)		
	June 2018	Outside Director of TACHI-S CO., LTD. (incumbent)		
	September 2020	Ph.D. (Law), University of Tokyo		
	April 2021	President of Dai-Ichi Tokyo Bar Association Vice President of Japan Federation of Bar Associations		
	January 2024	Senior Counsel at Nagashima Ohno & Tsunematsu		
	July 2024	Senior Counsel at Tokyo International Law Office (incumbent)		
	February 2025	Outside Director of Ryochi Inc. (incumbent)		
September 2025	Member of Kanto Regional Council on National Property, Kanto Local Finance Bureau, Ministry of Finance (incumbent)			
(Key concurrent posts)				
Senior Counsel at Tokyo International Law Office				
Outside Director of Ryochi Inc.				
Member of Kanto Regional Council on National Property, Kanto Local Finance Bureau				
Reasons for nomination as a Candidate for Outside Director and Outline of the expected role				
<p>Mr. Hidetaka Mihara has been nominated as a candidate to continue in his role as Outside Director, as he has specialized knowledge and experience in corporate legal affairs as a lawyer, and also has superior insight into corporate management and the formulation of management strategies, which he cultivated through various corporate projects such as corporate rehabilitation and M&A, although he has no experience of being directly involved in corporate management other than serving as an Outside Director. He is also expected to contribute to strengthening the corporate governance function of the Group. He will have served as an Outside Director of the Company for eight years as of the conclusion of the Meeting.</p>				

Candidate No.8	Yoshiaki Nagao (February 1, 1953)	<div style="border: 1px solid black; padding: 2px; display: inline-block;">RE-nomination</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div>	Male	
		<div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Director</div>		
Brief History, Position, Principal Duties and Key Concurrent Posts				
 <ul style="list-style-type: none"> ■ Number of shares of the Company owned 3,000 shares ■ Attendance at Board of Directors meetings 14/14 (100%) 	<p>April 1978</p> <p>February 2006</p> <p>February 2008</p> <p>December 2008</p> <p>October 2009</p> <p>June 2011</p> <p>June 2012</p> <p>June 2020</p> <p>January 2021</p> <p>March 2021</p> <p>March 2022</p>	<p>Joined KIORITZ CORPORATION (currently YAMABIKO CORPORATION)</p> <p>Executive Managing Officer President & Chief Operating Officer of ECHO Incorporated</p> <p>Member of the Board of Directors & Executive Managing Officer of KIORITZ CORPORATION President & Chief Operating Officer of ECHO Incorporated</p> <p>President & Chief Operating Officer of KIORITZ CORPORATION Executive Managing Officer of YAMABIKO CORPORATION</p> <p>Member of the Board of Directors, Executive Managing Officer & Director of Industrial Machinery DIV of YAMABIKO CORPORATION</p> <p>President, Chief Operating Officer & Executive Managing Officer</p> <p>Representative Director, President & Chief Operating Officer</p> <p>Outside Director of TACHI-S CO., LTD. (incumbent)</p> <p>Representative Director, Chairman & Executive Managing Officer of YAMABIKO CORPORATION</p> <p>Representative Director & Chairman of YAMABIKO CORPORATION</p> <p>Executive Advisor of YAMABIKO CORPORATION</p>		
	(Key concurrent posts)			
	—			
	Reasons for nomination as a Candidate for Outside Director and Outline of the expected role			
	<p>Mr. Yoshiaki Nagao has been nominated as a candidate to continue in his role as Outside Director, as he has extensive experience and knowledge as a top executive, having been involved in the management of domestic and overseas companies for many years. He is also expected to contribute to the appropriate decision-making of the Board of Directors from a wide range of management perspectives. He will have served as an Outside Director of the Company for six years as of the conclusion of the Meeting.</p>			

Candidate No.9	Sachiko Tsutsui	(May 1, 1962)	RE-nomination Outside Independent Director	Female
	Brief History, Position, Principal Duties and Key Concurrent Posts			
	<ul style="list-style-type: none"> ■ Number of shares of the Company owned 0 shares ■ Attendance at Board of Directors meetings 14/14 (100%) 	<ul style="list-style-type: none"> August 1996 Joined The Gartner Group (currently Gartner Japan) December 2001 Joined UFJ Capital Markets Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) August 2008 Joined Hitachi, Ltd. as General Manager of Strategy Planning Division April 2012 Seconded to Hitachi Consulting Corporation (U.S.A.) Executive Vice President and Board Director October 2017 Seconded to Hitachi Vantara Corporation (U.S.A.) March 2022 Corporate Support Coordinator of the Ashikaga Bank, Ltd. June 2023 Outside Director of TACHI-S CO., LTD. (incumbent) DX Adviser at Axcelead, Inc. June 2025 Outside Director of INES Corporation (incumbent) 		
(Key concurrent posts)				
Outside Director of INES Corporation				
Reasons for nomination as a Candidate for Outside Director and Outline of the expected role				
<p>Ms. Sachiko Tsutsui has been nominated as a candidate to continue in her role as Outside Director, as she has long been involved in overseas business development, management support for IT service-related companies, and management of group subsidiaries at global companies, and has abundant experience and broad knowledge of corporate management as well as a wealth of expertise cultivated through her experience in M&A and IPO advisory services as well as SDG consulting at financial institutions. She is also expected to contribute to the appropriate decision-making of the Board of Directors from a global and diverse standpoint. She will have served as an Outside Director of the Company for three years as of the conclusion of the Meeting.</p>				

- Notes:
- 1: The above candidates have no conflicts of interest with the Company.
 - 2: Mr. Toshio Kinoshita, Mr. Hidetaka Mihara, Mr. Yoshiaki Nagao and Ms. Sachiko Tsutsui are candidates for Outside Director.
 - 3: Notification has been submitted to the Tokyo Stock Exchange for Mr. Toshio Kinoshita, Mr. Hidetaka Mihara, Mr. Yoshiaki Nagao and Ms. Sachiko Tsutsui to be listed as an independent officer according to the rules of the Exchange, and the Exchange will be notified again that they continue to be independent officers if they are re-elected.
 - 4: The Company has concluded an agreement with Mr. Toshio Kinoshita, Mr. Hidetaka Mihara, Mr. Yoshiaki Nagao and Ms. Sachiko Tsutsui to limit their damage liability as stipulated in Article 423, Paragraph 1 of the Companies Act, based on the regulations specified in Article 427, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Toshio Kinoshita, Mr. Hidetaka Mihara, Mr. Yoshiaki Nagao and Ms. Sachiko Tsutsui as Outside Directors be approved, the Company intends to maintain the Liability Limitation Agreement with them. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act.
 - 5: The Company is currently working to establish a workplace environment where women can play an active role in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, and is working to elect a female Inside Director in the future. Please refer to "4. Matters pertaining to the Officers of the Company" in the Business Report.
 - 6: The Company has concluded a liability insurance contract for officers, etc., providing compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Director is approved as proposed, they will become the insured parties. The insured officers will not pay for the insurance premiums. The Company intends to renew this liability insurance contract in July, 2026.

Proposal 2: Payment of Bonuses to Directors

The Company proposes to pay bonuses to five of the nine Directors (excluding the Outside Directors) as of the end of the 74th term in an amount totaling 73 million yen, in recognition of the business performance and other factors for the 74th term. The Company's Board of Directors has established a policy for determining the content of remuneration, etc. for individual directors, as described on pages 30 to 31. We believe that this proposal is in line with such policy and its content is appropriate. The Company would like to leave the decision on the bonus amount for each Director to the Board of Directors.

[Reference] Management system (planned) in the event that Proposal 1 is approved

The Board of Directors believes that the officers are equipped with fundamental skills required for fulfilling their roles of making decisions and supervising management as a team of Directors, including in relation to corporate functions. Moreover, the highly-specialized skills currently possessed by officers and deemed necessary by the Board of Directors in order to carry out the Transformative Value Evolution (TVE) Medium-term Management Plan formulated in FY2021, which transitioned to Wave 2 from FY2025, and to sustainably increase corporate value are as set out below, and we believe that the Members of the Board of Directors form a team with the necessary talents to achieve the above-mentioned objectives. Each skill and the status of its possession has been deliberated by the Remuneration Committee and resolved by the Board of Directors.

Name			General management, Business management			Medium- to long-term strategy					
			Corporate management Management strategy	Global	Governance Risk control Compliance	Business strategy		Financial & Capital Strategies	Management foundation		
						Sales	Technology development Monozukuri	Finance Accounting	Human capital strategy Human capital management	Global environment	IT and DX
Directors	Yuichiro Yamamoto	Male	●	●		●					
	Atsushi Komatsu	Male	●	●				●	●		
	Takao Ito	Male	●				●			●	●
	Masato Hiruma	Male	●			●	●				
	Isao Sekita	Male	●				●			●	
Outside Director	Toshio Kinoshita	Male		●	●			●			
	Hidetaka Mihara	Male			●						
	Yoshiaki Nagao	Male	●	●			●				
	Sachiko Tsutsui	Female	●	●							●
Audit & Supervisory Board Member	Tetsuya Kinose	Male						●			
Outside Audit & Supervisory Board Member	Nobuaki Ozawa	Male						●			
	Naoko Oiwa	Female			●			●			

(Reference) Up to four of the main skills possessed by each officer are marked with a symbol (●). The skill matrix shown above presents items specifically expected of each of the officers, and does not present all of the knowledge and experience possessed by each of them.

We believe that officers possessing the following skills are equipped with particularly advanced and specialized skills for achieving the medium-term management plan and continuing to enhance our corporate value.

Skill item	Definition	Reasons for selection
Corporate management, Management strategy	Experience in managing a company with the aim of improving its corporate value while formulating management strategies and dealing with operating environment changes from a medium- to long-term perspective	To build and supervise our sustainable growth and business expansion strategy
Global	Experience in managing overseas businesses, or an understanding of, and adaptability to, diversity and cultures, which are required for communicating with foreign entities	To establish and supervise our overseas growth strategies
Governance, Risk control, and Compliance	Knowledge in the areas of corporate governance, risk management and compliance and experience in leading endeavors to establish and strengthen matters as a manager	To establish and supervise strategies for governance, risk control and compliance that will serve as the basis for the Company's continued growth and the enhancement of its corporate value over the medium to long term
Sales	Experience in formulating sales strategies and leading sales activities in ways that are mindful of the operating environment and customer needs	To establish and supervise sales strategies aimed at expanding sales globally by accurately understanding the operating environment and customer needs
Technology development, Monozukuri	Knowledge in research and development (R&D) on advanced technologies and experience in leading endeavors to establish and execute technology and R&D strategies Experience in leading endeavors to introduce innovative production technologies, significantly improve productivity and maintain or improve product quality	To continue to supply products that are competitive in terms of quality, functionality and cost To establish and supervise strategies to enhance and utilize tangible and intangible technological assets
Finance and Accounting	Knowledge in accounting, tax affairs and finance and experience in leading endeavors to establish financial strategies and capital policies and perform related duties at a listed company	To formulate and supervise financial strategies and capital policies to achieve sustainable growth and enhance corporate value by building a system for accurate financial reporting as well as a solid financial foundation
Human capital strategy and Human capital management	Knowledge in the field of human capital development and experience in leading endeavors to formulate and execute strategies for human capital management	To formulate and supervise a personnel strategy that enables employees to maximize their potential capabilities by securing and fostering personnel in order to sustain our growth
Global environment	Knowledge in the environmental protection field and experience in leading endeavors to formulate strategies in this area and perform related duties	To formulate and supervise strategies aimed at enhancing our corporate value by continually working to reduce the environmental load of our products and business activities
IT and DX	Knowledge in IT technologies and environments and experience in formulating and leading strategies for digital transformation (DX) activities	To formulate and supervise productivity improvement strategies that leverage digital technologies for the purpose of strengthening the operational base

<For Reference> Criteria for Assessing Independence of Outside Directors/Audit & Supervisory Board Members

The Company establishes following standards in order to ensure the independence of Outside Directors/ Audit & Supervisory Board Members.

1. The person in question is not a current or former Executive¹ of the Company or a related company (“Group Companies”).
2. Over the past 5 years, a Close Relative² of the person has not been an Executive¹ of any Group Companies.
3. The following items are not currently applicable to the person and have not been applicable to the person in the past 5 years:
 - ① The person is a large shareholder of the Company (a person who directly or indirectly controls voting rights worth 10% or more of total voting rights in the Company) or an Executive¹ of such a large shareholder.
 - ② The person directly or indirectly controls voting rights worth 10% or more of total voting rights in Group Companies or is an Executive¹ of such a large shareholder.
 - ③ The person is a Person for whom Group Companies are Important Clients³ or who is an Executive¹ of such an entity.
 - ④ The person is an Executive¹ of an Important Client of Group Companies⁴.
 - ⑤ The person is an Executive¹ of an Important Lender to Group Companies⁵.
 - ⑥ The person is affiliated with an auditing firm performing the Company’s statutory audits.
 - ⑦ The person is a consultant, an accounting professional or a legal professional (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group) that has received from Group Companies a large amount⁶ of money or other assets other than remuneration for directors (and other officers).
 - ⑧ The person is a recipient of a large amount⁶ of donations or grants from Group Companies (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group).
 - ⑨ The person is an Executive¹ of a company to which Group Companies appoint Directors (regardless of whether such Directors are executive or non-executive).
4. None of the person’s Close Relatives are persons in regards to whom Items (1) to (9) of paragraph 3 above apply (but limited to cases where such a Close Relative is an Important Person⁷).

- Notes
- 1: An Executive is defined as a person who is either a Director (excluding an Outside Director) of a company or organization, an Executive Director, an Executive Officer, an employee who manages operations, a Senior General Manager or other equivalent person or employee who manages operations.
 - 2: A Close Relative is defined as a dependent, a relative to the second degree or a cohabitating relative.
 - 3: A Person for whom Group Companies are Important Clients is defined as a person who has received 2% or more of their consolidated annual gross revenues from Group Companies during that person’s most recent fiscal year.
 - 4: An Important Client of Group Companies is defined as a person who has paid 2% or more of the gross annual consolidated revenues of Group Companies in the Company’s most recent fiscal year.
 - 5: An Important Lender to Group Companies is defined as a person who has provided finance to Group Companies that represents an amount worth 2% or more of consolidated total assets as of the end of the Company’s most recent fiscal year.
 - 6: A large amount is defined as an annual average over the past five fiscal years of 10 million yen or more in the case of an individual, or 2% or more of the consolidated net sales or total income of a group in the case where a group such as a legal corporation or association is such a recipient.
 - 7: An Important Person is defined as a person who is either a Director, an Audit & Supervisory Board Member, an Executive Officer and a General Manager or above.

Business Report (From April 1, 2025 to March 31, 2026)

1. Matters pertaining to the corporate group

(1) Business progress and results

During the fiscal year under review, the Japanese economy remained on a gradual recovery trend, supported by strong corporate earnings. Income and employment conditions also improved through wage increases and measures to address labor shortages, despite continued inflation driven by the weaker yen and higher raw material and energy prices. Globally, the business environment has become increasingly uncertain due to factors such as the unpredictable economic and trade policies of the Trump administration in the United States, the slowdown of the Chinese economy, and rising geopolitical tensions caused by conflicts spreading beyond Ukraine to multiple regions. In the current environment, surging crude oil prices and disruptions to petroleum-related supply chains resulting from the conflict involving Iran have further increased uncertainty.

In the automotive industry, in which the Group operates, structural transformation toward electrification and intelligentization technologies continues to represent a medium- to long-term trend. Meanwhile, the pace of transition to new-energy vehicles varies by region due to differences in market demand and policy changes in individual countries. Consequently, automotive companies are becoming more selective in their investment allocation and are reviewing their model strategies and production systems. Meanwhile, Chinese automotive companies are strengthening their global presence. To maintain and enhance competitiveness, Japanese automakers and parts suppliers are being required to operate more quickly and strengthen cost competitiveness in order to compete with their Chinese counterparts.

The fiscal year ended March 31, 2026 was the first year of Wave 2 2027, the second phase of the medium-term management plan “Transformative Value Evolution” (TVE). During the year, the Group worked to sustain and further improve earnings growth achieved during TVE Wave 0/1, while also advancing growth strategies in the three “Shinkha” (progress domains) aimed at increasing net sales to the 400 billion yen level by FY2030. As part of the “Deepening” initiative in the automotive seat business, which is the Group’s core business, we agreed on April 10, 2026 to acquire shares in the automotive seat and interior business operated by TOYO H&I Co., Ltd., with the aim of expanding our business domains. Moreover, we made progress in acquiring new business, including securing new customers in India. As part of the “Innovating” initiative aimed at creating new value through automotive seats, we exhibited the “Smart Shell” concept model at Automotive Engineering Exposition 2025. The model, which delivers a new user experience through private space and immersive comfort, was well received. Under the “Renewing” initiative, which aims to create businesses capable of becoming comparable in scale to the automotive seat business, we are narrowing down prospective areas and exploring opportunities for entry into new fields. Other major business achievements included the launch of seat production in Japan for the N-ONE e: of Honda Motor Co., Ltd., and in China for the IM LS9 of SAIC MOTOR. In parallel, production of seat covering and frame parts has also been launched successfully in related regions.

In this operating environment, net sales decreased 5.7% over the previous fiscal year to 269,09 million yen, but operating income was 11,604 million yen (up 20.6% year on year), ordinary income was 13,810 million yen (up 28.2% year on year), and net income attributable to owners of parent was 9,297 million yen (down 17.8% year on year).

Earnings in the business segments are as follows.

① Japan

Net sales totaled 108,559 million yen (down 6.0% from the previous fiscal year), and operating income was 6,153 million yen (down 9.5% from the previous fiscal year).

② North America

Net sales totaled 41,449 million yen (down 5.5% from the previous fiscal year), but operating income was 510 million yen (compared with an operating loss of 65 million yen in the previous fiscal year).

③ Latin America

Net sales totaled 103,744 million yen (up 0.0% from the previous fiscal year), but operating income was 2,342 million yen (down 22.4% from the previous fiscal year).

④ China

Net sales totaled 8,999 million yen (down 50.6% from the previous fiscal year), but operating income was 1,618 million yen (compared with an operating loss of 602 million yen in the previous fiscal year).

⑤ Southeast Asia

Net sales totaled 6,256 million yen (up 52.5% from the previous fiscal year), and operating income was 1,031 million yen (up 78.7% from the previous fiscal year).

(2) Capital expenditures

We implemented a total of 4,657 million yen in capex, primarily for production facilities in relation to new orders, model changes, and so on.

(3) Financing

None.

(4) Business transfers, absorption-type company splits or incorporation-type company splits

None.

(5) Business transfers from other companies

None.

(6) Assumption of rights or liabilities in relation to the business of other legal entities, etc., as a result of absorption-type mergers or absorption-type company splits

None.

(7) Acquisition or disposal of shares, other equity stakes, or subscription rights to shares of other companies

None.

(8) Issues to be addressed

In the automotive industry in which the Group is involved, the business environment has become increasingly uncertain due to factors such as the unpredictable economic and trade policies of the Trump administration in the United States, the slowdown of the Chinese economy, and rising geopolitical tensions caused by conflicts spreading beyond Ukraine to multiple regions. In the current environment, surging crude oil prices and disruptions to petroleum-related supply chains resulting from the conflict involving Iran have further increased uncertainty.

In the automotive industry, in which the Group operates, structural transformation toward electrification and intelligentization technologies continues to represent a medium- to long-term trend. Meanwhile, due to differences in market demand and policy changes in individual countries, automotive companies are becoming more selective in their investment allocation and are reviewing their model strategies and production systems. Meanwhile, Chinese automotive companies are strengthening their global presence. Japanese automakers and parts suppliers are being required to improve their competitiveness and operate more quickly to compete with their Chinese counterparts.

The medium-term management plan “Transformative Value Evolution” (TVE) announced in fiscal 2021 consists of two phases. The period from fiscal 2021 to fiscal 2024 was positioned as the TVE Wave 0/1 phase for improving profit structure and capital efficiency to revitalize and strengthen through rebuilding the foundation.

The period from fiscal 2025 to fiscal 2030 is positioned as the Wave 2 phase to leapfrog in business growth. Under the medium-term management plan TVE, the Group aims to realize expansion and growth in our business portfolio through the three “Shinkha” initiatives. This means increasing profitability through “deepening” initiatives in our existing automotive seat business and investing the revenue thus generated into “innovating” and “renewing” strategies.

At the start of TVE Wave 2, we analyzed the business environment, risks, and opportunities to identify key issues from the perspective of stakeholders once more. We re-examined the connection between our business activities and these key issues, identified three materiality themes, and formulated Vision 2030.

<Vision 2030>

We will become more competitive and profitable by transforming the value we provide through innovation in accordance with our corporate motto “Mutual respect and cooperation.” At the same time, we will contribute to the realization of a sustainable society by addressing social issues.

<Materiality themes >

- ① Address social issues through innovation and business operations (value provision)
- ② Sincerely engage in business activities to become a company that continues to be chosen by contributing to the realization of a sustainable society and earning trust
- ③ Foster personnel and a corporate culture that enable self-driven actions toward creating value

We are committed to promoting efforts aimed at achieving the targets of TVE Wave 2 with Vision 2030 and the three materiality themes as the foundation of our efforts.

We request the continued support of shareholders going forward.

(9) Changes in assets and operating results

Account name	Period	71st term (FY3/2023)	72nd term (FY3/2024)	73rd term (FY3/2025)	74th term (FY under review) (FY3/2026)
Net sales	(Million yen)	243,436	292,947	285,394	269,009
Ordinary income	(Million yen)	1,973	8,755	10,768	13,810
Net income attributable to owners of parent	(Million yen)	5,823	5,422	11,310	9,297
Net income per share	(yen)	170.09	158.25	329.93	271.03
Total assets	(Million yen)	170,004	180,806	171,957	170,372
Net assets	(Million yen)	86,481	96,298	98,185	105,904
Net assets per share	(yen)	2,346.90	2,618.84	2,808.25	3,055.91

- (Notes)
1. Net income per share is calculated using the average of the total number of issued shares for the period, whereas net assets per share is calculated using the total number of issued shares at the end of the period. In both cases they are calculated using the number of shares from which the number of treasury shares has been subtracted.
 2. In the 71st term, although there were rapid fluctuations in production volume due to semiconductor shortages and other supply network problems, net sales increased due to the gradual elimination of such fluctuations and the impact of foreign exchange. Ordinary income increased mainly due to streamlining in Japan and Latin America, and net income attributable to owners of parent increased due to extraordinary income from the transfer of fixed assets.
 3. In the 72nd term, net sales increased due to the recovery of sales in Japan, North America and Latin America and foreign exchange translation effects. Ordinary income increased due to the improvement of revenue in low-profitability business lines, higher marginal profit and the optimization of current assets. Net income attributable to owners of parent decreased as we recorded an impairment loss stemming from business restructuring.
 4. In the 73rd term, net sales decreased mainly due to lower sales volume in Japan and North America. Ordinary income and net income attributable to owners of parent increased due to ongoing efforts to improve profitability and the effects of structural reform as well as extraordinary income from the sale of real estate although we recorded foreign exchange losses and share of loss of entities accounted for using equity method in Mexico.
 5. The situation in the 74th term was as described in “(1) Business progress and results.”

(10) Important parent company and subsidiaries

- ① Relationship with parent company
None.

② Relationship with important subsidiaries

Name	Capital	TACHI-S investment ratio	Main components of the business
TF-METAL Co., Ltd.	50 million yen	100.0%	Development, manufacture, and sale of automotive seat parts
Nui Tec Corporation	325 million yen	100.0	Manufacture and sale of automotive seat trim parts
TACHI-S H&P Co., Ltd.	40 million yen	100.0	Manufacture and sale of springs, automotive seat parts, and medical beds
TF-METAL Iwata Co., Ltd.	15 million yen	100.0 (100.0)	Manufacture and sale of automotive seat parts
TF-METAL Kyushu Co., Ltd.	10 million yen	100.0 (100.0)	Manufacture and sale of automotive seat parts
TF-METAL Higashi Mikawa Co., Ltd.	10 million yen	100.0 (100.0)	Manufacture of automotive seat parts
TACHI-S Engineering U.S.A., Inc.	43 million USD	100.0	Marketing, development operations, and business administration in North America
TF-METAL Americas Corporation	0 million USD	100.0 (100.0)	Development and business administration in the Americas
SETEX, Inc.	5 million USD	100.0 (100.0)	Manufacture and sale of automotive seats
TACHI-S Automotive Seating U.S.A., LLC	22 million USD	100.0 (100.0)	Manufacture and sale of automotive seats
TACHI-S Engineering Latin America, S.A. de C.V.	2,184 million MXN	100.0 (100.0)	Development and business administration in Latin America
Industria de Asiento Superior, S.A. de C.V.	26 million USD	100.0 (19.2)	Manufacture and sale of automotive seats and seat parts
SETEX Automotive Mexico, S.A. de C.V.	24 million USD	100.0 (100.0)	Manufacture and sale of automotive seats
TF-METAL Mexico, S.A. de C.V.	27 million USD	100.0 (100.0)	Manufacture and sale of automotive seat parts
TACHI-S Brasil Industria de Assentos Automotivos Ltda.	525 million BRL	100.0 (52.4)	Manufacture and sale of automotive seats
TACHI-S China Co., Ltd.	259 million RMB	100.0	Marketing, development operations, and business administration in China

Name	Capital	TACHI-S investment ratio	Main components of the business
Hunan TACHI-S Automotive Seating Co., Ltd.	40 million RMB	51.0 (51.0)	Manufacture and sale of automotive seats
Wuhan Dongfeng TACHI-S Yanfeng Automotive Seating Co., Ltd.	43 million RMB	50.0	Manufacture and sale of automotive seats
TACHI-S Trim Guangzhou Co., Ltd.	38 million RMB	100.0	Manufacture and sale of automotive seat trim parts
TACHI-S Trim Wuhan Co., Ltd.	35 million RMB	100.0 (100.0)	Manufacture and sale of automotive seat trim parts
TF-METAL Zhejiang Co., Ltd.	251 million RMB	82.8 (45.5)	Manufacture and sale of automotive seat parts
TACHI-S Automotive Seating (Thailand) Co., Ltd.	924 million THB	100.0	Manufacture and sale of automotive seats and seat parts

- Notes
1. The figures within the parentheses in the TACHI-S investment ratio column refer to the investment ratio of the Company's subsidiaries, which is included in the investment ratio for the Company itself.
 2. In April 2025, the Company transferred part of its equity interests in TACLE Guangzhou Automotive Seat Co., Ltd. and Lear Dongshi TACHI-S Automotive Seating (Xiangyang) Co., Ltd. As a result, these companies were reclassified from consolidated subsidiaries to entities accounted for using the equity method.
 3. TACHI-S (Thailand) Co., Ltd., which was a consolidated subsidiary, was absorbed into and merged with TACHI-S Automotive Seating (Thailand) Co., Ltd. in April 2025.

③ Matters relating to specified wholly owned subsidiaries

None.

(11) Main components of the business (as of March 31, 2026)

Manufacture and sale of automotive seats and seat parts

(12) Main business locations and plants (as of March 31, 2026)

① TACHI-S CO., LTD.

Head Office	1-3-1, Suehiro-cho, Ome-shi, Tokyo	
Technical Center	Technical Monozukuri Center (Ome-shi, Tokyo) Technical Center Aichi (Anjo-shi, Aichi Prefecture) Advanced Technology Center (Ome-shi, Tokyo)	
Plants	Aichi Plant (Anjo-shi, Aichi Prefecture) Tochigi Plant (Shimotsuke-shi, Tochigi Prefecture)	Musashi Plant (Iruma-shi, Saitama Prefecture) Suzuka Plant (Suzuka-shi, Mie Prefecture)

② Subsidiaries

Name	Location
TF-METAL Co., Ltd.	Kosai-shi, Shizuoka Prefecture
Nui Tec Corporation	Yokote City, Akita Prefecture
TACHI-S H&P Co., Ltd.	Ome-shi, Tokyo
TF-METAL Iwata Co., Ltd.	Iwata-shi, Shizuoka Prefecture
TF-METAL Kyushu Co., Ltd.	Nakatsu-shi, Oita Prefecture
TF-METAL Higashi Mikawa Co., Ltd.	Shinshiro-shi, Aichi Prefecture
TACHI-S Engineering U.S.A., Inc.	Michigan, U.S.A.
TF-METAL Americas Corporation	Michigan, U.S.A.
SETEX, Inc.	Ohio, U.S.A.
TACHI-S Automotive Seating U.S.A., LLC	Tennessee, U.S.A.
TACHI-S Engineering Latin America, S.A. de C.V.	Aguascalientes, Mexico
Industria de Asiento Superior, S.A. de C.V.	Aguascalientes, Mexico

Name	Location
SETEX Automotive Mexico, S.A. de C.V.	Guanajuato, Mexico
TF-METAL Mexico, S.A. de C.V.	Aguascalientes, Mexico
TACHI-S Brasil Industria de Assentos Automotivos Ltda.	State of Rio de Janeiro, Brazil
TACHI-S China Co., Ltd.	Guangdong, China
Hunan TACHI-S Automotive Seating Co., Ltd.	Hunan, China
Wuhan Dongfeng TACHI-S Yanfeng Automotive Seating Co., Ltd.	Hubei, China
TACHI-S Trim Guangzhou Co., Ltd.	Guangdong, China
TACHI-S Trim Wuhan Co., Ltd.	Hubei, China
TF-METAL Zhejiang Co., Ltd.	Zhejiang, China
TACHI-S Automotive Seating (Thailand) Co., Ltd.	Bangkok, Thailand

Note: The address given in the "Location" column is for the head office of the company.

(13) Employees (as of March 31, 2026)

① Employees in the corporate group

Number of employees	Year-on-year change
8,791	(1,769)

Note: The number of employees is the number of persons employed. The above figure does not include 959 temporary and other employees.

② Employees in the Company

Number of employees	Year-on-year change	Average age	Average years of service
1,264	38	38.9	14.6 years

Note: The number of employees is the number of persons employed. The above figure does not include 27 temporary and other employees.

(14) Main creditors (as of March 31, 2026)

None.

(15) Other important matters pertaining to the corporate group

None.

2. Matters pertaining to the shares of the Company (as of March 31, 2026)

- (1) **Total number of authorized shares** 140,000,000 shares
(2) **Total number of issued shares** 35,242,846 shares (Including 629,719 treasury shares)
(3) **Number of shareholders** 33,295 (+1,606 from the previous fiscal year-end)
(4) **Major shareholders**

Shareholder name	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,000 shares 5,016	% 14.49
Custody Bank of Japan, Ltd. (Trust Account)	1,460	4.22
STATE STREET BANK AND TRUST COMPANY 505001	1,085	3.14
Kiyoshi Saito	801	2.32
Sumitomo Mitsui Banking Corporation	750	2.17
TACHI-S Business Partner Share Ownership Association	747	2.16
STATE STREET BANK AND TRUST COMPANY 505103	701	2.03
STATE STREET BANK AND TRUST COMPANY 505223	651	1.88
Noriko Yamamoto	511	1.48
Hitoshi Saito	498	1.44

Note: Shareholding ratio is calculated after subtracting 629,719 treasury shares. Furthermore, the Company has adopted a performance-linked stock remuneration plan, and the 292,598 shares of the Company held by the Custody Bank of Japan, Ltd. (Trust Account) as trust assets for this plan are not included in treasury shares.

(5) Shares issued to Officers of the Company as consideration for execution of their duties during the fiscal year under review

As a form of non-monetary remuneration, the Company has introduced a performance-linked stock remuneration plan for Directors (excluding Outside Directors and non-executive Directors).

In the fiscal year under review, 4,503 shares were granted to one Director who retired during the period as compensation for his performance of duties.

(6) Other important matters pertaining to shares

None.

(7) Other matters pertaining to shares held by the Company

① Policy on strategic shareholdings

In order for the Group to overcome global competition as an automotive parts manufacturer and to continue to grow sustainably going forward, cooperative relationships with a variety of stakeholders are indispensable. For strategic shareholdings arising from the demands of the business environment or business strategy, we maintain those positions that are considered necessary for the “deepening” of the business, within reasonable bounds. On the other hand, our basic policy on strategic shareholdings is to make adjustments, including reductions, to other shareholdings in line with the “renewing” and “innovating” of the business. Specifically, for listed shares, our basic policy is for the balance of strategic shareholdings to account for less than 10% of consolidated net assets. The Board of Directors scrutinizes and considers concrete issues, such as the purpose of each shareholding and its economic rationale, when ascertaining in each case whether or not it deserves to be held.

② Reductions

Two listed stocks were sold in FY2025 for 3,209 million yen. As a result, the number of stocks held was reduced to 19 as of the end of March 2026.

③ Total strategic shareholdings on the balance sheet (as of March 31, 2026)

Account name	Period	72nd term (FY3/2024)	73rd term (FY3/2025)	74th term (FY3/2026)
Number of stocks		19	19	19
Total amount on balance sheet	(Million yen)	7,650	5,764	3,505
Percentage of net assets on the consolidated balance sheet	(%)	8.8	6.0	3.3

④ Criteria for exercising voting rights in strategic shareholdings

When exercising voting rights in strategic shareholdings, our assumption is that improvements to the corporate value of the investee company over the medium to long term will be reflected in returns to shareholders, and we exercise voting rights after a comprehensive review of such factors as shareholder returns policy, and initiatives for corporate governance and corporate social responsibility.

Note: There are no stocks that are deemed shareholdings.

3. Matters pertaining to subscription rights to shares of the Company

(1) Outline of stock acquisition rights held by the Company's officers (as of March 31, 2026)

None.

(2) Outline of share acquisition rights issued to employees of the Company as well as officers and employees of subsidiaries as consideration for execution of their duties during the fiscal year under review

None.

(3) Other matters pertaining to acquisition rights for shares of the Company

- ① Series One Share Acquisition Rights issued as resolved at the Board of Directors meeting held on February 27, 2025

Total number of share acquisition rights	33,112
Class of shares underlying share acquisition rights	Common shares
Number of shares underlying share acquisition rights	The number of common shares to be delivered upon the exercise of one (1) Share Acquisition Right shall be the largest integer obtained by dividing 181,200 yen (payment amount) by the exercise price in effect at the time of exercise. Any fractional shares resulting from the exercise shall be rounded down and no cash adjustment shall be made. (Note)
Issue price of share acquisition rights	185 yen per share acquisition right
Payment amount for share acquisition rights	181,200 yen per share acquisition right
Initial exercise price	1,812 yen per share
Exercise period of share acquisition rights	From March 21, 2025 to March 18, 2030
Conditions for exercise of share acquisition rights	Share acquisition rights may not be exercised partially.
Allottees of share acquisition rights	AAGS S12, L.P.

(Note) The maximum total number of shares to be issued upon the exercise of share acquisition rights shall be the largest integer obtained by dividing the amount resulting from multiplying the total number of share acquisition rights by the payment price, by the exercise price, and if the exercise price is adjusted, the total number of shares to be issued upon the exercise of share acquisition rights will be changed accordingly.

② Share acquisition rights attached to Series Two Unsecured Convertible Bond-Type Bonds with stock acquisition rights issued as resolved at the Board of Directors meeting held on February 27, 2025

Total number of share acquisition rights	40
Class and number of shares underlying share acquisition rights	Common shares
Number of shares underlying share acquisition rights	The number obtained by dividing the total amount of the bonds by the conversion price in effect at the time of exercise. Any fractional shares resulting from the exercise shall be settled in cash and any shares less than one unit shall be rounded down.
Payment amount for share acquisition rights	No payment is required in exchange for stock acquisition rights.
Initial conversion price	1,812 yen per share
Exercise period of share acquisition rights	From March 21, 2025 to March 18, 2030
Conditions for exercise of share acquisition rights	Share acquisition rights may not be exercised partially.
Balance of Convertible-Bond-Type Bonds with Share Acquisition Rights	4,009 million yen
Allottees of share acquisition rights	AAGS S12, L.P.

4. Matters pertaining to the Officers of the Company

(1) Names of Members of the Board of Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Position	Name	Areas of responsibility and important concurrent roles
Representative Director & President Chief Executive Officer (Chief Operating Officer)	○ Yuichiro Yamamoto	Chief Strategy Officer
Representative Director Chief Financial Officer (Executive Managing Officer)	○ Atsushi Komatsu	Chief Corporate Officer In charge of Compliance
Directors (Executive Managing Officer)	○ Takao Ito	Chief Manufacturing Officer
Directors (Executive Managing Officer)	○ Akiyoshi Murakami	Chief Technology Officer
Directors (Executive Managing Officer)	○ Masato Hiruma	Chief Business Officer
Outside Director	Toshio Kinoshita	Chairman of the Board of Global Professional Partners Corp. Outside Director, Chairman of Audit & Supervisory Committee of ADK Holdings Inc. Outside Director, Audit & Supervisory Committee Member of Denka Company Limited
Outside Director	Hidetaka Mihara	Senior Counsel at Tokyo International Law Office Outside Director of Ryochi Inc. Member of Kanto Regional Council on National Property, Kanto Local Finance Bureau, Ministry of Finance
Outside Director	Yoshiaki Nagao	
Outside Director	Sachiko Tsutsui	Outside Director of INES Corporation
Audit & Supervisory Board Member	Naozumi Matsui	
Audit & Supervisory Board Member	Tetsuya Kinose	
Outside Audit & Supervisory Board Member	Nobuaki Ozawa	Chief Executive Officer of Ozawa CPA Firm Representative Partner of Ozawa Accounting Firm Council Member of Meisei Gakuen Auditor of TAMASHIN Culture Foundation Auditor of The Tama Shinkin Bank
Outside Audit & Supervisory Board Member	Naoko Oiwa	Partner at Sakura Kyodo Law Offices

- Notes1. Audit & Supervisory Board Member Naozumi Matsui and Outside Audit & Supervisory Board Member Nobuaki Ozawa have Certified Public Accountant qualifications, and considerable knowledge of finance and accounting.
2. At the 73rd Annual General Meeting of Shareholders held on June 26, 2025, Mr. Masato Hiruma was newly elected as Director and took up his position.
 3. At the conclusion of the 73rd Annual General Meeting of Shareholders held on June 26, 2025, Mr. Tsutomu Okouchi stepped down as Board of Directors Members due to the expiration of his term of office.
 4. The Company has designated Outside Directors Toshio Kinoshita, Hidetaka Mihara, Yoshiaki Nagao and Sachiko Tsutsui, and Outside Audit & Supervisory Board Members Nobuaki Ozawa and Naoko Oiwa as independent officers in accordance with the regulations of the Tokyo Stock Exchange, and has notified the exchange to that effect.
 5. ○ denotes an individual serving concurrently as an Executive Managing Officer, with the position described in parentheses.
 6. At the 73rd Annual General Meeting of Shareholders held on June 26, 2025, Ms. Naoko Oiwa was newly elected as an Audit & Supervisory Board Member and took up her position.
 7. At the conclusion of the 73rd Annual General Meeting of Shareholders held on June 26, 2025, Mr. Shinsuke Matsuo stepped down as Audit & Supervisory Board Member due to the expiration of his term of office.
 8. Outside Audit & Supervisory Board Member Naoko Oiwa is affiliated with Sakura Kyodo Law Offices, with which the Company has concluded a legal advisory agreement, but attorney fees paid to Sakura Kyodo Law Offices in the most recent fiscal year were negligible for both parties, amounting to less than 0.001% of the Company's consolidated net sales and less than 0.15% of the law office's net sales. Accordingly, there is no risk that this will lead to a conflict of interest with general shareholders, and there is no impact on her independence. There are no special relationships between the Company and organizations at which other officers have important concurrent roles.
 9. Initiatives for women's empowerment

Based on the Act on the Promotion of Women's Active Engagement in Professional Life, we have formulated the following action plan containing targets for the end of FY2030 in order to create workplaces where women can play an active role and an environment in which women can fully demonstrate their abilities.

Globally, we are considering setting targets that match the circumstances of each country.

In addition, we have set a goal of appointing a female internal director by 2030 and are working towards it.

<TACHI-S (non-consolidated) Action Plan>

- ① Raise the proportion of women among new graduate hires to at least 30%
 - 1) On-campus information session held at a women's university
- ② Raise the proportion of female managers to at least 15%
 - 1) Continued implementation of rank-specific competency training programs to support the self-actualization and future career development of employees
 - 2) Setting goals for promotion and formulating individual skill development plans to achieve goals
- ③ Understanding global personnel
 - 1) Select female employees from each region as candidates for internal officers
 - 2) Goal setting for each region
- ④ Promote flexible work styles
 - 1) Introduction of a fertility treatment leave system (birth support leave)
 - 2) Conducting interviews about maternity and childcare leave before and after childbirth
 - 3) Introduction of hourly paid leave system
 - 4) Introduction of a system for employees to leave work during working hours
- ⑤ Past record and targets for the proportion of female managers (excluding those seconded to other companies as permanent employees and including those seconded from other companies as permanent employees)

72nd term (FY3/2024)	73rd term (FY3/2025)	74th term (FY3/2026)	79th term (FY3/2031)
4.5% (8 people out of 178)	3.9% (7 people out of 178)	5.5% (10 people out of 181)	15% (target)

10. On June 27, 2001, the Company introduced an Executive Managing Officer system. The status of Executive Managing Officers who do not concurrently serve as Directors is as follows.

Position	Name	Areas of responsibility and important concurrent roles
Executive Managing Officer	Shigeo Komatsu	President, Regional Headquarters for Latin America President, TACHI-S Engineering Latin America, S.A. de C.V. President, Industria de Asiento Superior, S.A. de C.V.
Executive Managing Officer	Gonzalo Esparza	President, Regional Headquarters for North America President, TACHI-S Engineering U.S.A., Inc. President, TF-METAL Americas Corporation
Executive Managing Officer	Hideaki Igawa	In charge of Honda, Toyota, Hino Business, Business Strategy Administration Department
Executive Managing Officer	Yoshiaki Kubo	In charge of Product Development Group, ESG Promotion Office, Program Management Department, R&D Administration Department, Prototype and Testing Department, Global R&D Department, Product Design Department No. 1, Product Design Department No. 3, and Technical Center Aichi
Executive Managing Officer	Naoki Hasegawa	In charge of Production Engineering Administration and Management Department, Seat Assembly Production Engineering Department, Foam & Plastic Parts Production Engineering Department, and Frame Production Engineering Department
Executive Managing Officer	Isao Sekita	Product Development Group In charge of Cost Planning Department, Trim Cover Technology Department, Product Technology Development Department, and Product Design Department No.2
Executive Managing Officer	Masafumi Akiyama	In charge of Japan Business In charge of Monozukuri Promotion Department and Health & Safety Promotion Department
Executive Managing Officer	Yohei Ota	Chief of Purchasing Group In charge of Purchasing Management Department, Strategic Purchasing Department, and Logistics Department
Executive Managing Officer	Yuto Yamauchi	Chief of Global Business Management Group In charge of General Accounting Department, Financial Planning & Analysis Department, and Legal Department

(2) Summary of liability limitation agreement

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with all outside officers to limit their liability for damages under Article 423, paragraph (1) of the same Act. The limitation on their liability for damages under this agreement shall be the minimum liability amount set forth in Article 425, paragraph (1) of the same Act.

(3) Summary of indemnity agreement

None.

(4) Summary of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act with an insurance company. This policy indemnifies the insured from responsibility for damages in connection to the execution of their duties, or against claims against them arising from the pursuit of such responsibility. However, there are certain grounds for exemption, such as damages not being indemnified in cases where they arise from acts committed in the knowledge that they infringe laws and regulations.

The insured under this insurance policy are Directors, Audit & Supervisory Board Members, and Executive Managing Officers. All insurance premiums are borne by the Company, and the insured are not responsible for insurance premiums.

(5) Remuneration, etc. for Directors and Audit & Supervisory Board Members for the fiscal year under review

① Matters pertaining to the policy for determining details of remuneration for individual Directors

The Company has set out a policy for determining the details of remuneration, etc. for individual Directors (“the Policy”), a summary of which follows.

Remuneration for the Directors of the Company is intended to be a system that takes into account joint ownership by Directors and shareholders of the risks and benefits associated with the corporate value of the Company, with the aim of incentivizing Directors to work for the sustainable growth of the Group and to improve corporate value over the medium to long term. Specifically, it consists of monthly remuneration (fixed), bonuses, and share-based remuneration (variable). The proportion of the different types of remuneration is roughly 2:1 in favor of fixed to variable (bonuses, share-based remuneration). The higher the position of the individual, the higher the proportion of the variable part. Furthermore, for Outside Directors, in consideration of their role neither bonuses nor share-based remuneration are paid.

The remuneration system for Audit & Supervisory Board Members consists of monthly remuneration only to ensure the Outside Audit & Supervisory Board Members. In order to prevent them from being influenced by the performance of the Company, bonuses are not paid.

In addition, the methods used to decide the Policy are deliberated by a non-statutory Personnel Remuneration Committee (“the Remuneration Committee”) based on surveys of officer remuneration conducted by external survey organizations, with the results submitted as a proposal to the Board of Directors, which passes a resolution. The Remuneration Committee consists of five Directors: Outside Director Mr. Yoshiaki Nagao as the chairperson, Representative Director & President Yuichiro Yamamoto, Representative Director Atsushi Komatsu, Outside Director Hidetaka Mihara, and Outside Director Sachiko Tsutsui, and a system is in place where Audit & Supervisory Board Member Naozumi Matsui may attend as an observer and express his opinion.

② Matters pertaining to the resolutions of the General Meeting of Shareholders in connection with remuneration, etc. of Directors and Audit & Supervisory Board Members

At the 71st Annual General Meeting of Shareholders held on June 20, 2023, it was resolved that monetary remuneration for Directors would be no more than 280 million yen annually (including 50 million yen for Outside Directors). At the conclusion of that Annual General Meeting of Shareholders there were nine Directors, of whom four were Outside Directors. In a separate framework to this monetary remuneration, at the 66th Annual General Meeting of Shareholders held on June 22, 2018, it was resolved to introduce a performance-linked stock remuneration plan, whereby the Company contributes funds to a trust up to a limit of 200 million yen in each trust period of three fiscal years to be used to purchase shares of the Company, with the total number of points granted to Directors

during each period of three fiscal years being limited to 168,000 points (one point being equivalent to 1 share of the Company). At the conclusion of that Annual General Meeting of Shareholders there were seven Directors, including two Outside Directors and one non-executive Director, who were ineligible.

At the 58th Annual General Meeting of Shareholders held on June 25, 2010, it was resolved that monetary remuneration for Audit & Supervisory Board Members would be limited to 60 million yen annually. At the conclusion of that Annual General Meeting of Shareholders, there were four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members.

③ Reasons for the Board of Directors' judgment that details of remuneration for individual Directors are in line with the Policy

The limits to remuneration for Directors and Audit & Supervisory Board Members, and bonuses for Directors, are deliberated by the Remuneration Committee before being resolved by the Board of Directors, and then decided by a resolution of a General Meeting of Shareholders of the Company. Furthermore, because the details of remuneration for individual Directors and Audit & Supervisory Board Members are deliberated fully by the Remuneration Committee, after which they are discussed by Directors at meetings of the Board of Directors and by Audit & Supervisory Board Members at their own meetings before coming to a decision, the objectivity and transparency of the deliberation process is ensured, and the Board of Directors judges that the details are in line with the Policy.

④ Total amount, etc. of remuneration, etc. for Directors and Audit & Supervisory Board Members

Officer category	Total amount of remuneration, etc.	Total amount by type of remuneration, etc.			Number of eligible officers
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors [Of which Outside Directors]	251 million yen [35 million yen]	168 million yen [35 million yen]	73 million yen [-]	9 million yen [-]	10 [4]
Audit & Supervisory Board Member [Of which Outside Audit & Supervisory Board Members]	41 million yen [9 million yen]	41 million yen [9 million yen]	-	-	5 [3]

Notes 1. Bonuses are paid to Directors as performance-linked remuneration, etc. Bonuses are set after comprehensive consideration of such factors as the company performance each year, dividends, the level of employee bonuses, trends and performance over the medium to long term at other companies, and the past record of payments, and paid by resolution of a General Meeting of Shareholders.

- As a form of non-monetary remuneration, etc., the Company has introduced a performance-linked stock remuneration plan for Directors (excluding Outside Directors and non-executive Directors). In order to raise awareness of the desirability of improving performance every fiscal year, the Company provides Directors with points linked to the degree of attainment of performance targets and delivers to each of them TACHI-S shares in the number corresponding to the points held by each Director, by way of a trust scheme. As for the performance targets, we have used "Consolidated ROE" and "Consolidated ROIC" for each fiscal year from FY2024 in order to further align the perspectives of Directors and our shareholders and to share profits and risks. Points are delivered to those eligible during a set period of each year, after the passing of a resolution by the Board of Directors, and, in principle, the shares will be delivered to Directors at the time at which they resign. Provisions of the stock remuneration program contain a provision stipulating that all of the points allotted may be rendered null and void and that no points may be allotted thereafter (malus provision). If any of the triggering requirements is met, the Company may apply this provision pursuant to a resolution of the Board of Directors. The triggering requirements include resignation for personal reasons, excluding cases where it is deemed unavoidable due to a business-related injury or illness, as well as dismissal or resignation stemming from causing damage to the Company or committing any other act that is detrimental or disadvantageous to the Company, such as an illegal act.
- The above number of Directors and amounts of remuneration, etc., include one Board of Directors Member who resigned as of the conclusion of the 73rd Annual General Meeting of Shareholders held on June 26, 2025.
- The above number of Directors and amounts of remuneration, etc., include one Audit & Supervisory Board Member who resigned as of the conclusion of the 73rd Annual General Meeting of Shareholders held on June 26, 2025.
- The above amount of performance-linked remuneration, etc. includes bonuses for Directors (excluding Outside Directors) to be resolved at the 74th Annual General Meeting of Shareholders to be held on June 29, 2026.
- The above amount of non-monetary remuneration, etc. includes the provision of reserve for stock remuneration of 9 million yen.

(6) Matters pertaining to outside officers

Main activities during the fiscal year under review

Name	Position	Main activities
Toshio Kinoshita	Outside Director	He attended 14 out of 14 meetings of the Board of Directors held during the fiscal year under review, and assumed the position of chairperson in June 2023. At the meetings of the Board of Directors, he made comments as necessary based on an objective and global viewpoint, as well as extensive experience and specialized knowledge as a Certified Public Accountant. He also made contributions to strengthening corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.
Hidetaka Mihara	Outside Director	He attended 14 out of 14 meetings of the Board of Directors held during the fiscal year under review, making comments as necessary based on his specialized viewpoint as a lawyer, and from the perspective of strengthening the governance of the Group. He also attended 8 out of 8 meetings of the Remuneration Committee during the fiscal year under review, making a substantial contribution to deliberations on human resources and remuneration for officers, etc., as well as helping to strengthen corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.
Yoshiaki Nagao	Outside Director	He attended 14 out of 14 meetings of the Board of Directors held during the fiscal year under review, making comments as necessary in relation to appropriate decision-making by the Board of Directors, based on his extensive experience and wide-ranging knowledge as a manager. He also attended 8 out of 8 meetings of the Remuneration Committee held during the fiscal year under review, and assumed the position of chairperson in June 2023. At the meetings of the Remuneration Committee, he made a substantial contribution to deliberations on human resources and remuneration for officers, etc., as well as helping to strengthen corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.
Sachiko Tsutsui	Outside Director	She attended 14 out of 14 meetings of the Board of Directors held during the fiscal year under review, making comments as necessary for the appropriate decision-making of the Board of Directors based on her experience in corporate management and expertise gained through advisory and consulting services at financial institutions. She also attended 8 out of 8 meetings of the Remuneration Committee during the fiscal year under review, making a substantial contribution to deliberations on human resources and remuneration for officers, etc., as well as helping to strengthen corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.
Nobuaki Ozawa	Outside Audit & Supervisory Board Member	He attended 14 out of 14 meetings of the Board of Directors and 10 out of 10 meetings of the Audit & Supervisory Board, which were held during the fiscal year under review, making comments as necessary based on his specialized viewpoint as a Certified Public Accountant. He also made contributions to strengthening corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.
Naoko Oiwa	Outside Audit & Supervisory Board Member	She attended 11 out of 11 meetings of the Board of Directors and 6 out of 6 meetings of the Audit & Supervisory Board, which were held during the fiscal year under review, making comments as necessary based on her specialized viewpoint as a lawyer. She also made contributions to strengthening corporate governance by discussing management issues of the Company at meetings attended by Outside Directors and all Audit & Supervisory Board Members.

5. Accounting auditors

(1) Name of accounting auditor

PricewaterhouseCoopers Japan LLC

(2) Details of suspensions of business received by the accounting auditor over the previous two years

None.

(3) Summary of liability limitation agreement

None.

(4) Summary of indemnity agreement

None.

(5) Amount of remuneration, etc. for accounting auditor for the fiscal year under review

Category	Amount paid
Amount of remuneration, etc. related to the fiscal year under review	57 million yen
Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the accounting auditor	59 million yen

Notes 1. Major subsidiaries of the Company located overseas have been audited by audit firms other than the accounting auditor of the Company.

2. In the audit contract between the Company and the accounting auditor, there is no clear classification made between the amount of audit fees for auditing performed in accordance with the Companies Act and auditing performed in accordance with the Financial Instruments and Exchange Act, and because they are in effect impossible to classify as such, the amount presented above is the total amount.

3. Having checked and examined the audit plan of the accounting auditor, the performance of its duties, and the basis of the calculations for the remuneration estimate, the Board of Audit & Supervisory Board Members has consented to the remuneration of the accounting auditor pursuant to Article 399, paragraph (1) of the Companies Act.

(6) Details of non-audit services

None.

(7) Policy on dismissal or non-reappointment of accounting auditor

In the event that any of the items set forth in Article 340, paragraph (1) of the Companies Act are recognized as applying to the accounting auditor, the accounting auditor may be dismissed by unanimous consent of the Audit & Supervisory Board.

In such cases, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall explain the reasons for dismissing the accounting auditor at the first General Meeting of Shareholders convened after the dismissal.

In addition, in cases where it is recognized that it is difficult for the accounting auditor to perform their duties properly, the Audit & Supervisory Board shall determine the details of a proposal to submit to a General Meeting of Shareholders for the dismissal or non-reappointment of the accounting auditor.

6. Policy on determining dividends of surplus, etc.

The Company's basic policy on profit distribution will set the minimum dividend per share at 103.8 yen and a total payout ratio of at least 50% as the target, with the aim of making flexible measures possible to further focus on its sustainable growth and long-term interests for shareholders, and enhancing the stability of dividend amounts, regardless of the economic conditions, during the period of Transformative Value Evolution Wave 2 2027, the medium-term management plan which started from FY2025 (from FY2025 to FY2027).

Furthermore, the Articles of Incorporation of the Company provide for dividends of surplus to be determined by a resolution of the Board of Directors, and our basic approach is to pay dividends twice, at the interim and at the end of the year.

In accordance with the above policy, the Board of Directors passed a resolution to pay an ordinary dividend of 53.1 yen per share as the year-end dividend for the fiscal year ended March 31, 2026. As a result, combined with the interim dividend of 51.9 yen per share already paid, the annual dividend for the fiscal year under review will be 105.0 yen.

(Note) Amounts in this business report are rounded down to the nearest million yen, and numbers of shares are rounded down to the indicated unit.

Consolidated Balance Sheet

(As of March 31, 2026)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Current assets	114,236	Current liabilities	52,764
Cash and deposits	45,684	Notes and accounts payable - trade	33,162
Notes receivable - trade	2,801	Short-term borrowings	46
Accounts receivable	43,530	Lease obligations	809
Securities	8	Income taxes payable	1,880
Merchandise and finished goods	1,822	Accrued expenses	10,694
Work in process	1,230	Provision for bonuses for directors (and other officers)	63
Raw materials and supplies	13,038	Provision for loss on litigation	408
Other	7,340	Other	5,698
Allowance for doubtful accounts	(1,220)	Non-current liabilities	11,704
Non-current assets	56,136	Bonds payable	4,009
Property, plant and equipment	33,026	Lease obligations	1,561
Buildings and structures	9,398	Deferred tax liabilities	2,086
Machinery, equipment and vehicles	11,316	Provision for share-based remuneration	412
Land	6,667	Retirement benefit liability	3,542
Construction in progress	1,638	Other	92
Other	4,005	Total liabilities	64,468
Intangible assets	1,094	(Net assets)	
Investments and other assets	22,015	Shareholders' equity	82,533
Investment securities	3,958	Capital	9,040
Long-term loans receivable	9	Capital surplus	7,907
Deferred tax assets	6,278	Retained earnings	66,890
Retirement benefit assets	2,418	Treasury shares	(1,305)
Other	9,630	Accumulated other comprehensive income	22,347
Allowance for doubtful accounts	(280)	Valuation difference on available-for-sale securities	884
		Foreign currency translation adjustments	21,068
		Remeasurements of defined benefit plans	394
		Share acquisition rights	6
		Non-controlling interests	1,017
		Total net assets	105,904
Total assets	170,372	Total liabilities and net assets	170,372

Consolidated Statement of Income
(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

Account Name	Amount	
Net sales		269,009
Cost of sales		237,231
Gross profit		31,777
Selling, general and administrative expenses		20,172
Operating income		11,604
Non-operating income		
Interest income	640	
Dividend income	232	
Share of profit of entities accounted for using equity method	438	
Foreign exchange gains	706	
Other	655	2,673
Non-operating expenses		
Interest expenses	382	
Other	84	467
Ordinary income		13,810
Extraordinary income		
Gain on sale of non-current assets	49	
Gain on sale of investment securities	507	
Gain on sales of investments in capital of subsidiaries and associates	21	578
Extraordinary losses		
Loss on disposal of non-current assets	47	
Business Structure Improvement Cost	1,061	1,108
Net income before income taxes		13,281
Income taxes - current		4,191
Income taxes - deferred		(625)
Net income		9,714
Profit attributable to non-controlling interests		417
Net income attributable to owners of parent		9,297

Non-consolidated Balance Sheet

(As of March 31, 2026)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Current assets	55,337	Current liabilities	23,367
Cash and deposits	19,090	Electronically recorded obligations	4,749
Electronically recorded monetary claims - operating	2,343	Accounts payable - trade	13,049
Accounts receivable	22,978	Short-term borrowings from subsidiaries and associates	46
Merchandise and finished goods	273	Accounts payable - other	300
Work in process	440	Accrued expenses	3,138
Raw materials and supplies	2,248	Income taxes payable	1,168
Advance payments - trade	3	Deposits received	234
Short-term loans receivable	5,813	Notes payable - facilities	107
Other	2,508	Unearned revenue	37
Allowance for doubtful accounts	(361)	Provision for bonuses for directors (and other officers)	63
		Other	472
Non-current assets	45,997	Non-current liabilities	4,462
Property, plant and equipment	8,621	Bonds payable	4,009
Buildings	3,157	Provision for share-based remuneration	412
Structures	97	Other	40
Machinery and equipment	1,658		
Vehicles	0	Total liabilities	27,829
Tools, instruments and fixtures	328		
Land	3,359	(Net assets)	
Construction in progress	20	Shareholders' equity	72,615
Intangible assets	478	Capital	9,040
Software	462	Capital surplus	8,604
Other	16	Legal capital surplus	8,592
Investments and other assets	36,897	Other capital surplus	12
Investment securities	3,567	Retained earnings	56,275
Shares of subsidiaries and associates	24,819	Legal retained earnings	480
Investments in capital	0	Other retained earnings	55,794
Investments in capital of subsidiaries and associates	6,772	Reserve for reduction entry	18
Long-term loans receivable	6	General reserve	15,000
Long-term prepaid expenses	219	Retained earnings brought forward	40,775
Prepaid pension cost	708	Treasury shares	(1,305)
Deferred tax assets	550	Valuation and translation adjustments	884
Other	256	Valuation difference on available-for-sale securities	884
Allowance for doubtful accounts	(4)	Share acquisition rights	6
		Total net assets	73,506
Total assets	101,335	Total liabilities and net assets	101,335

Non-consolidated Statement of Income
(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

Account Name	Amount	
Net sales		99,809
Cost of sales		87,183
Gross profit		12,626
Selling, general and administrative expenses		7,423
Operating income		5,202
Non-operating income		
Interest and dividend income	5,358	
Foreign exchange gains	525	
Reversal of allowance for doubtful accounts	3,681	
Other	152	9,717
Non-operating expenses		
Interest expenses	251	
Other	160	412
Ordinary income		14,507
Extraordinary income		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	505	
Gain on sales of investments in capital of subsidiaries and associates	28	533
Extraordinary losses		
Loss on disposal of non-current assets	20	
Business Structure Improvement Cost	18	39
Net income before income taxes		15,001
Income taxes - current		1,951
Income taxes - deferred		(261)
Net income		13,312