TACHI-S

Global Seat System Creator

TACHI-S ESG Report 2025

Environmental, Social and Governance Report 2025

Top Message

We will contribute to the realization of a sustainable society through our business activities based on the spirit of our corporate motto, “Mutual Respect And Cooperation.”

Pursuit of the corporate motto and philosophy

Since its establishment in 1954, TACHI-S has continued its journey as an integrated automobile seat manufacturer (from development to production). We have 53 facilities in 9 countries and provide products and services to many customers.

Underlying all our business activities is the spirit of “Mutual Respect and Cooperation” which is our company motto. “Mutual Respect and Cooperation” — meaning cherish the harmony among people in a spirit of mutual respect and support and approach things with a sense of mission and responsibility — is an attitude of contributing to society and company’s business by achieving high goals and objectives through organizational synergies. We have inherited this fundamental value since we started our business

Under the purpose of “Supporting People and the Earth through Seating Technology,” we have accumulated technical and manufacturing capabilities through the development and manufacturing of automotive seats that consistently pursue “seating”. By utilizing these capabilities, we strive to realize our group vision, "Live in harmony with individuals and society and bring smiles to people's faces by continuously creating living spaces of comfort and enrichment.", increase our corporate value, and become a Continuously Selected Company by our stakeholders.

Approach to Materiality and Realization of 2030 Vision

In formulating our medium-term management plan “TVE (Transformative Value Evolution) Wave 2 2027” for fiscal 2025 to fiscal 2027, which was announced in May 2025, we analyzed the business environment, risks, and opportunities, extracted key issues from the perspective of stakeholders, re-evaluated the connection between our business activities and the key issues, identified three material issues, and formulated our 2030 Vision.

<2030 Vision>
In line with our company motto of "mutual respect and cooperation”, we will transform value proposition through innovation for improvement in competitiveness and profitability and contribute to the realization of a sustainable society by addressing social issues.

<Material issues>
1)Address social issues through innovation and business operations (Value proposition)
・This reflects our desire to become a company that continues to be chosen by stakeholders for its capability to provide proposals exceeding customer expectations and achieve business competitiveness and profitability.

2)Sincerely run business operations to become a company that continues to be chosen based on trust for contributions to the realization of a sustainable society
・It represents our commitment to stakeholders to contribute to the creation of a sustainable society through our sincere business operations and stable management foundation, which will remain unchanged.

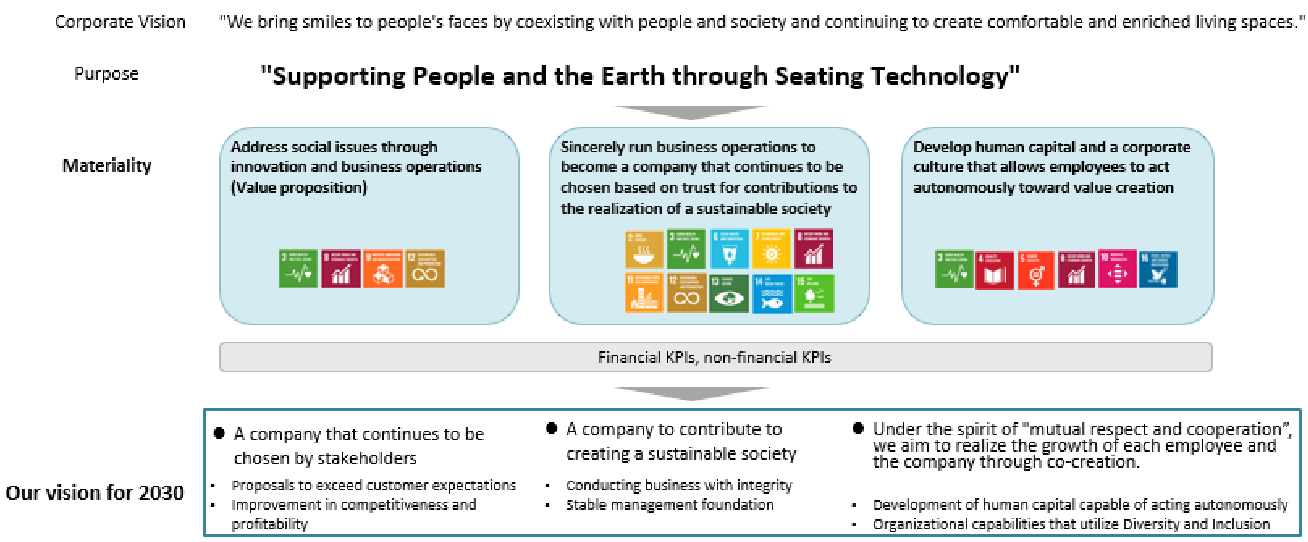
3) Develop human capital and a corporate culture that allows employees to act autonomously toward value creation
・This contributes to TVE's aim of "enhancing value through self-transformation" and forms the basis of TACHI-S version of "promoting human capital management."
I believe the driving force behind achieving Wave 2 targets lies within us. Through co-creation, we will foster a culture in which each employee acts autonomously and achieves personal and corporate growth.

We will share progress on materiality as a part of non-financial KPIs.

We will strive to enhance corporate value by promoting growth strategies toward 2030, along with sustainable value improvement in existing businesses, as stipulated in our new medium-term management plan, TVE Wave2 2027. At the same time, with 2030 Vision and the three material issues as a solid foundation for our initiatives, we aim to create both social value and economic value through our business activities.

2030 Vision

In line with our company motto of "mutual respect and cooperation", we will transform value proposition through innovation for improvement in competitiveness and profitability and contribute to the realization of a sustainable society by addressing social issues.



[Link to the homepage]

May ,2025
TACHI-S CO., LTD.
President, CEO & COO
Yuichiro Yamamoto

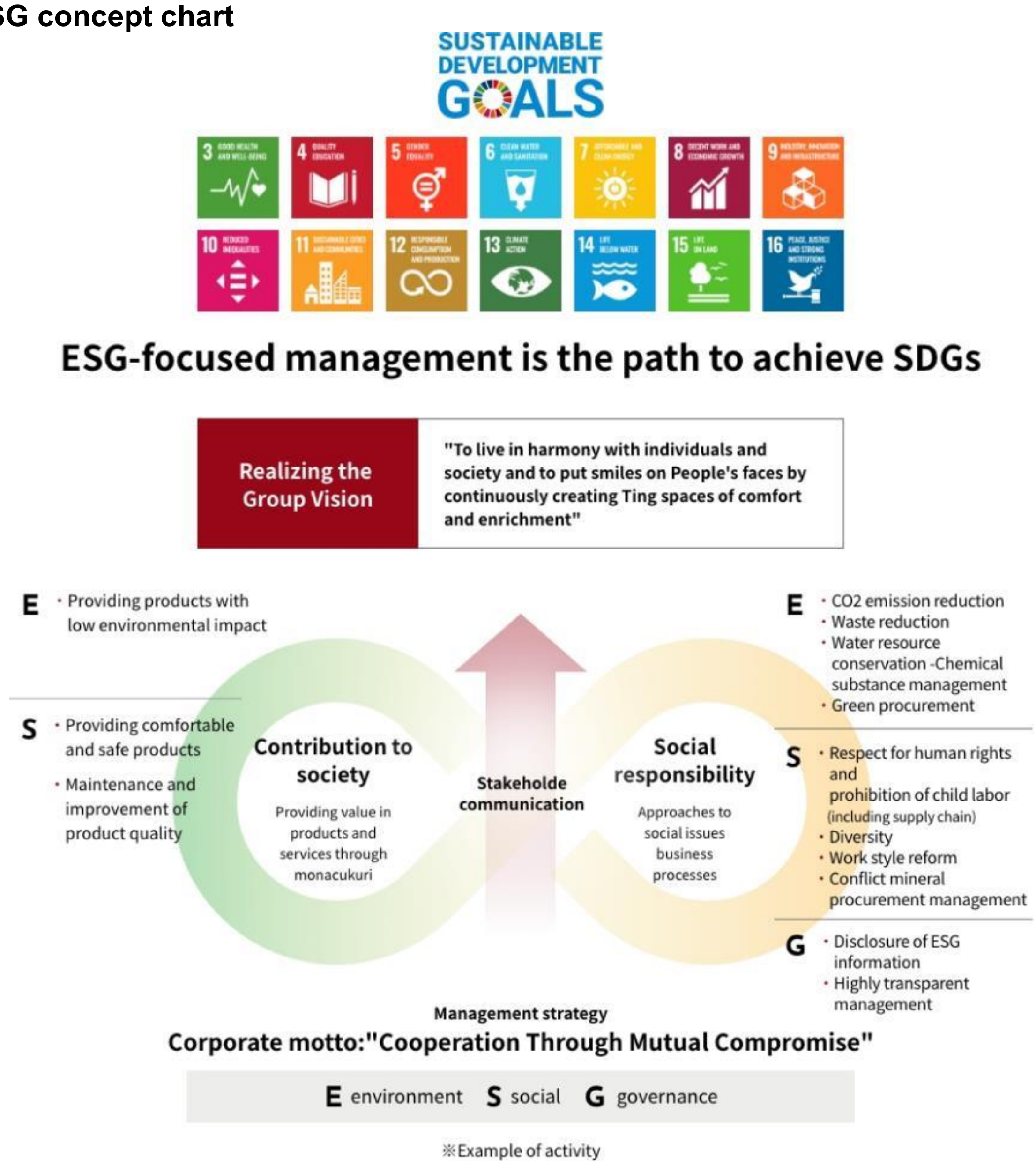
About the TACHI-S ESG Concept

The TACHI-S Group’s vision is “To live in harmony with individuals and society and to put smiles on people's faces by continuously creating living spaces of comfort and enrichment.” By putting our vision into practice, we will strive to meet the demands and expectations of our stakeholders and contribute to the realization of a sustainable society through implementation of ESG activities. To achieve this, we have positioned “social contribution through manufacturing” and “social responsibility in business processes” as our ESG cornerstones and aim for management that integrates ESG with business activities.

In “social contribution through manufacturing,” we will continue to create safe, secure, and comfortable vehicle interiors centering on automobile seats based on innovative technologies that bring smiles to people’s faces and contribute to society through the value provided by our products and services. In “social responsibility in business processes” we will fulfill our social responsibilities as a good corporate citizen by not only complying with laws, regulations, and social rules, but also addressing issues facing society, such as the promotion of diversity and prevention of global warming.

We will always put ESG at the center of our management strategy, and work to realize our vision through these activities while striving for sustainable corporate growth.

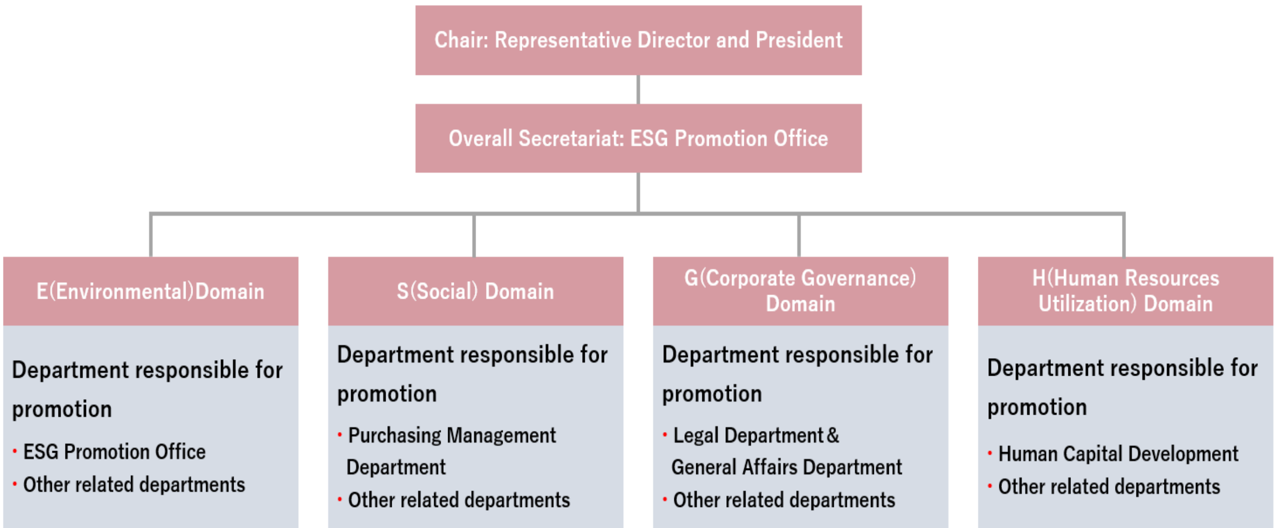
ESG concept chart



ESG Promotion System

In June FY2019, we established the CSR Activity Promotion Committee (Responsible officer: Director in charge of CSR. Members: CSR-related divisions. Secretariat: General Affairs Department and Corporate Planning Office.) and commenced activities such as understanding social demands related to CSR and compiling CSR activity results for information disclosure. In FY2022, we newly established ESG Promotion Office and work to strengthen our ESG activities with the intention of further improve our social reputation and trust, and realize our company motto, corporate philosophy, and management philosophy.

ESG promotion system



ESG Activities Report

SUSTAINABLE DEVELOPMENT GOALS

We have posted links to pages introducing our various ESG activities.
Please click on the link banner of the ESG activity you wish to view.

Products that contribute to Sustainability ▸

This page reports on our “Products that contribute to Sustainability”

Environment ▸

This page reports on our “Environment”

Employees ▸

This page reports on our “Employees”

Customers ▸

This page reports on our “Customers”

Initiatives for Supply Chain ▸

This page reports on our “Initiatives for Supply Chain”

Local Communities ▸

This page reports on our “Local Communities”

Shareholders and Investors ▸

This page reports on our “Shareholders and Investors”

Corporate Governance ▸

This page reports on our “Corporate Governance”

Compliance & Risk Management ▸

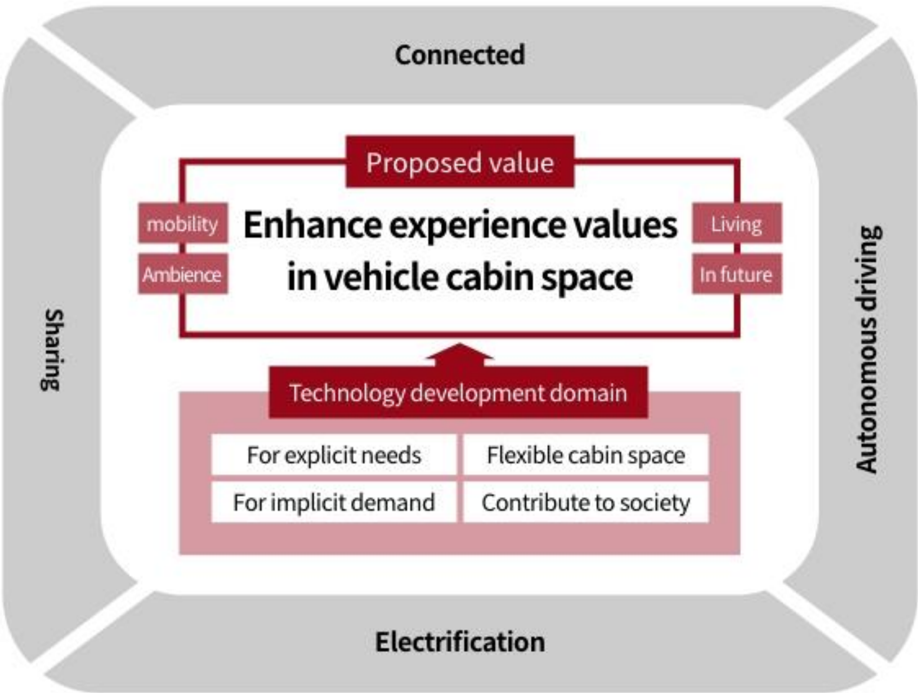
This page reports on our “Compliance & Risk Management”

Products that contribute to Sustainability

By continuing “To live in harmony with individuals and society and to put smiles on people's faces by continuously creating living spaces of comfort and enrichment” and convey trust and excitement to customers around the world and contribute to the creation of a prosperous society.

Toward Creating Social Value Through Our Products

The automobile industry in the midst major transformation is undergoing changes in various aspects such as the environment, safety, and economy. In terms of "environment", technological development and material development are progressing to reduce CO_2 emissions, which is one of greenhouse gases, and efforts are being made to achieve the SDGs. In terms of “safety,” safe driving support technology that prevents accidents by acquiring information related to vehicle and road conditions with sensors has been evolving rapidly. In terms of “economic ”, a business models that provide new value and services by collecting, accumulating, and analyzing data acquired while moving via networks are being considered. In such a major transformation, it is predicted that the way of spending time in the car cabin will change in the future. We believe that car transportation will no longer be a mere means to travel, and the “offered value” and “appeal” required of automobiles will change as well. We hope that we can meet the expectations of a changing society by “enhancing experience values in vehicle cabin space” for various ways of time usage and are strengthening technological development in the following areas.



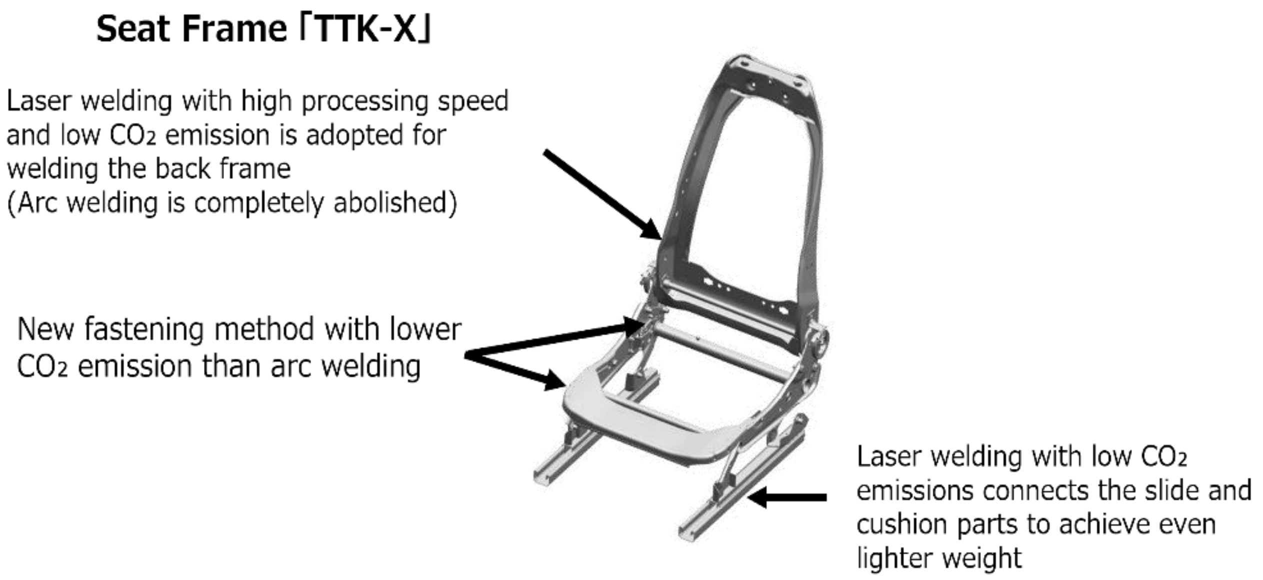
•“Pursuit of Seating”: For explicit needs and implicit demand, Body sensing, SW-less, anticipatory support
•“Supporting people”: For flexible cabin space, Easy space arrangement, privacy-friendly
•“Supporting the Earth”: To contribute to society, Environmental technologies and plant-derived materials

Examples of products that create social value

Below are some examples of products and services by our company and affiliated companies that contribute to creating social value.

The “TTK Series” contributes to weight reduction

As part of our efforts to achieve carbon neutrality, we are working to reduce the weight of our sheets and adopt construction methods that emit less CO_2. The newly developed seat frame "TTK-X" maintains and improves the safety and functionality of the product, while further expanding the application of laser welding and laminating pressed parts, achieving the lightest mass level in the industry, reducing the processing cost of the frame and reducing CO_2 emissions.



■ Developer’s voice

Takeshi Nishina, Product Design Department No.1, Product Design Section

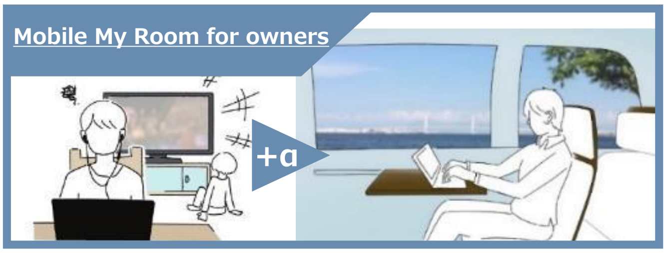
The TTK-X is a completely new TACHI-S proposed Seat frame consisting of laser welding with low CO_2 emission on the back frame, a new fastening method with low CO_2 emission on the cushion frame, and a thin sheet of high-tensile steel that is lighter than ever before. At the development stage, we had a particularly hard time completing specifications that balance safety performance and vehicle merchantability, as well as stabilizing the quality of laser welding. Professional members from the development and production departments worked as a team to meet the strict requirements that were different from the past, and were able to meet the performance, merchantability, and productivity requirements. This is truly a frame that brings together everyone‘s strengths, and I believe that the success of this development was due to the fact that we were able to work positively as a team.　The TTK-X is a completely new front frame that has never been seen before. Based on this, we will develop more advanced seats.

“Mobile My Room” concept for next generation vehicles

TACHI-S, as a space producer, is now trying to create values that focus on experience values though mobility and seat-centered in-vehicle space. One of those studies is the “Mobile My Room” concept to address usage for CASE. The single word for this concept is “1+α”. “1” expresses the current or daily situation and is added with “+α”. Something will be “+α” dependent on each life-style. In-vehicle space around seats, we think that this “+α” is offered to users, is co-created with users.

Mobile My Room

“+α” images of Mobile My Room

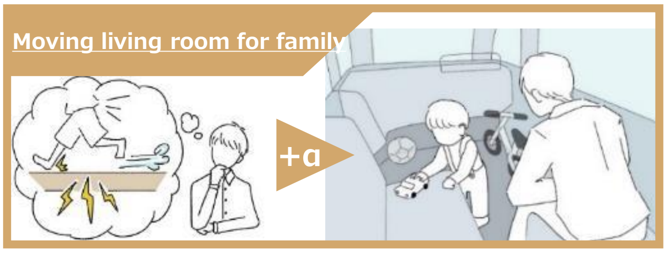


Mobile My Room for owners

Space mainly for desk work
Such as work, study and sometimes take a break…
Place where you can concentrate on work.

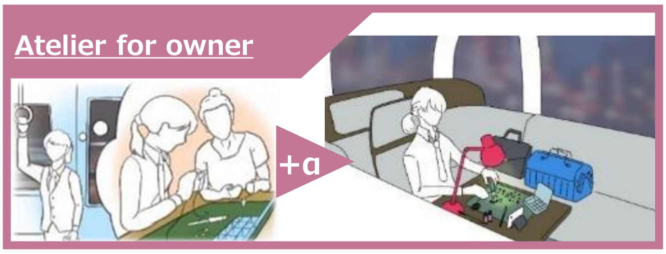
My Room +α

Space for meeting with close friends /
As a means of travel and also a room while traveling.



Mobile living room for family

Space to spend time with children without having worry about surroundings.
Place as second living room.



Atelier for owner

Personally specified room to immerse yourself in hobbies
(Secret base?)

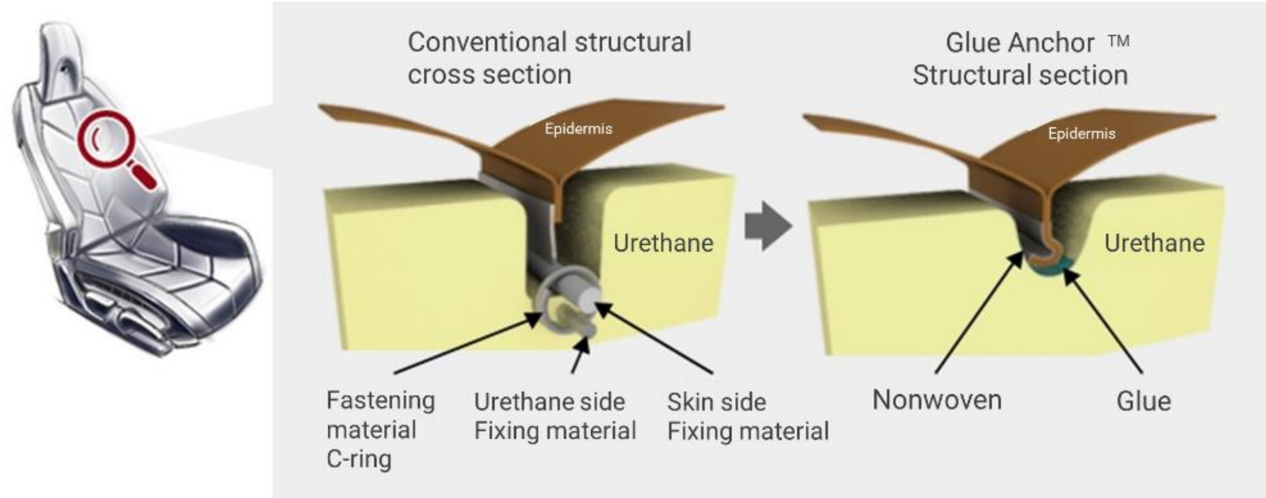
■ Developer's voice

Ukyo Miyazawa, Product Technology Development Department, Advanced Development Technology Section

In conjunction with reconsidering the whole concept of automobile seats, we had studied in-vehicle space to meet various life-style in CASE era. By eliminating as much as possible elements which recall conventional in-vehicle space, we believe that we could propose new value as you could feel having another room. We will continue to study, propose and develop attractive in-vehicle space by being with users in the future.

The "Glue Anchor®" that contributes to design freedom and the environment

We have succeeded in mass-producing the technology "Glue Anchor ®" that can contribute to the improvement of design freedom and the global environment. This Glue Anchor® is a technology that glues the sewing line of the trim cover directly to the urethane foam.
With conventional technology, it was not possible to express unevenness by joining complicated sewing lines to urethane foam due to manufacturing restrictions, but this technology has made it possible. In addition, while the conventional technique used point joining, this technology uses line joining. By joining with lines, it has become possible to achieve stable and uniform unevenness up to the terminals where the sewing lines intersect.
In terms of the environment, reducing the weight of seats has become a major proposition in these days when CO_2 emissions are required to be reduced. This technology can make urethane foam thinner than conventional technology and contributes to weight reduction of seats. In addition, this technology is a resource-saving (lightening) technology that can reduce the use of iron and resin compared to the conventional method.



Developer’s voice

Makoto Arai, Section Manager, Production Engineering Department

The "Glue Anchor®" is a joining technology of urethane foam and trim cover of TACHI-S Only One, which is based on the existing technology and adds new elements to the essence. We firmly retained the idea that we value in the know-how cultivated by the conventional construction method and boldly innovated the part to be changed to establish the technology. Although there were some difficulties in the development stage, we were able to successfully complete the development and deliver it to our customers as the world's first technology.

The “Biomold Urethane Foam” A Sustainable Seat Material Solution

As part of our commitment to sustainability, we are developing a 'biomold urethane foam’ for automotive urethane pads that partially uses non-edible plant-based materials (castor oil).While aiming to reduce environmental impact, we strive to balance this with essential performance features such as comfort and durability, thereby contributing to the realization of a sustainable mobility society.

■ Developer’s voice

Takiwaki Kunikazu, Urethane Technology Expert

The development of Biomold Urethane Foam is an initiative aimed at creating environmentally friendly products by utilizing non-edible plant-based materials, specifically castor oil. In the development process, we are working to optimize foaming conditions and material formulations to ensure seating comfort and durability equivalent to conventional urethane. Currently, we are collaborating with internal and external members to solve numerous technical challenges toward mass production, and we remain committed to continuing this pursuit.

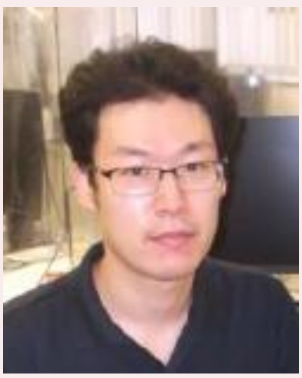
“Dialysis exercise therapy equipment” contributes to nursing care and welfare

TACHI-S H&P Co., Ltd., a group company of the Company, aims to contribute to the improvement of welfare in an aging society. We are engaged in the nursing care and welfare goods business utilizing our knowledge as a seat manufacturer.
One of the products that TACHI-S H&P is considering to develop is "dialysis exercise therapy device". It is standardized to do dialysis for 4 hours/time and 3 times/week. In order to avoid loss of physical strength and muscle loss due to long-term hemodialysis treatment, we worked on product development to improve dialysis efficiency and improve the patient's quality of life by using this product as an aid to dialysis exercise therapy. This product is designed to be attached to a TACHI-S H&P bed or table so that you can exercise in the limited space.

■ Dialysis exercise therapy equipment

■ Developer’s voice

Takuro Yamamoto, Product Development Department, Product Development Section, TACHI-S H&P



The dialysis exercise therapy equipment is a product that is being developed based on the needs of facilities. The need for exercise therapy is increasing due to the recent revision of reimbursement and the increase in the average age of dialysis patients. We would like to promote the development of this product to improve the efficiency of dialysis and life expectancy of patients. In the future, we aim to provide products that satisfy both facilities and patients by verifying the effectiveness of our products and improving them with the cooperation of facilities..

Environment

We are committed as a group to the conservation of the irreplaceable global environment and to reducing the environmental impact associated with our business activities.

Environmental Policy

Message from the Director in Charge of the Environment

As a specialized seat manufacturer whose mainstay product is automotive seats, TACHI-S works across the globe to provide safe, comfortable mobility spaces. As such, we are highly conscious of the growing expectations and demands on the automotive industry around the globe to be considerate of the environment.In particular, reducing greenhouse gas emissions by reducing the fuel consumption of automobiles by reducing the weight of products and reducing the energy use of the manufacturing process of products, and contributing to a recycling-oriented society by saving resources and a low-carbon society by saving energy. We believe that this is not only an important area of contribution that we can work on to solve global environmental problems, but also a strategic theme that is directly linked to improving the competitiveness of our products in response to customer requests.

For the realization of a sustainable mobility society, TACHI-S, together with its stakeholders, will strive to continuously reduce the environmental impact of its products and business activities. The entire TACHI-S Group will promote environmental conservation activities to ensure a global environment where future generations can live happily.

Yoshiaki Kubo,
Director and Executive Managing Officer
in Charge of the Environment

Environmental Policy

In the belief of the importance of passing on our precious global environment to future generations and of promoting Group-wide activities for environmental conservation to realize a society in which people and nature can coexist, TACHI-S established its Environmental Policy in 2000. This policy clearly states the key areas of TACHI-S's environmental activities, including compliance with environmental laws and regulations, the reduction of greenhouse gas emissions, and the development of environmentally-friendly products.

TACHI-S Environmental Policy

1. Basic Philosophy

A company that is kind to people and nature

Setting “kindness,” or consideration of people, society, and nature, as the foundation of its manufacturing, TACHI-S will raise all employees’ correct awareness of the environment and commit proactively to the protection of the global environment, to contribute to the realization of a rich society in which people and nature can co-exist.

2. Environmental Policy

In all business activities related to development, design engineering, purchasing, and production of automotive seats and related components, TACHI-S will promote periodic reviews of its activities to achieve the environmental goals and targets and environmental management system established by the Company, and reduce our environmental impact.

1) We will comply with environment-related laws and regulations, ordinances, agreements, and industry standards and regulations in Japan and overseas to prevent environmental pollution.
2) We will promote the reduction of greenhouse gas emissions by improving efficiency through the continuous improvement of business operations.
3) We will strive to develop environmentally friendly products and methods and reduce our use of hazardous chemicals by transitioning to alternative substances.
4) We will promote the conservation of resources and energy, strive for a proactive co-existence with local communities, and aim toward full employee participation in environmental protection activities by raising the environmental awareness of each employee.

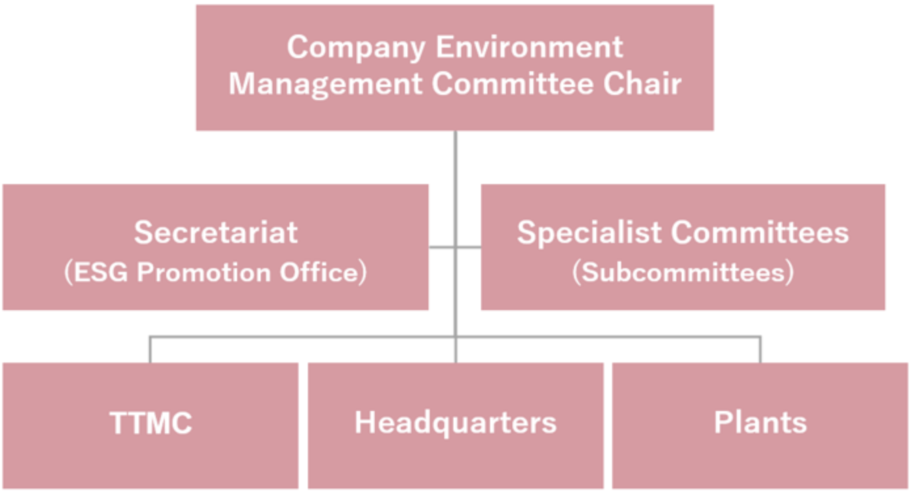
Chairperson of the Company-wide Environmental Committee
Yoshiaki Kubo
June 6, 2023

Environmental Management Structure

System for Promotion of Environmental Conservation Activities

In order to promote environmental conservation activities throughout the company, the Company has established a company-wide environmental management committee (secretariat: ESG Promotion Office, held four times a year) with executive officers as chairman and vice-chairmen, and representatives from each business site as committee members, and oversees environmental conservation activities at the head office and factories.
In addition, we have established three specialized subcommittees to carry out activities on each theme.

Environmental management structure



Environmental Management System

TACHI-S introduced the ISO 14001 environmental management system in 2001 to continuously improve its environmental conservation activities. Currently, 6 locations, including headquarters, have obtained external certification. Affiliated companies have acquired ISO 14001 external certification for environmental management systems at their main bases in Japan, North America, China, and Thailand.

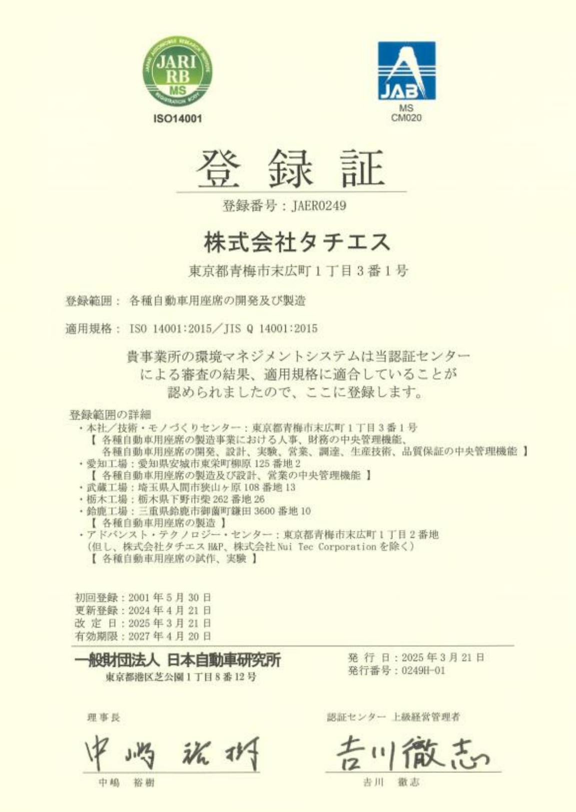
ISO 14001-certified locations

As of October 2025

【TACHI-S】
- Head Office Technical Monozukuri Center
- Aichi Plant
- Musashi Plant
- Tochigi Plant
- Suzuka Plant
- Advanced Technology Center

【Affiliated companies】 ＊consolidated subsidiaries
- TF-METAL U.S.A., LLC
- TACHI-S H&P Co., Ltd.
- Nui Tec Corporation
- SETEX Automotive Mexico, S.A. de C.V.
- Wuhan Dongfeng TACHI-S Yanfeng Automotive Seating Co., Ltd.
- Hunan TACHI-S Automotive Seating Co., Ltd.
- Lear Dongshi TACHI-S Automotive Seating (Wuhan) Co., Ltd.
- TACHI-S Automotive Seating (Thailand) Co., Ltd.

ISO 14001 Certificate of Registration



ISO14001

MS
CM020

登 録 証

登録番号：JAER0249

株式会社タチエス

東京都青梅市末広町１丁目３番１号

登録範囲： 各種自動車用座席の開発及び製造

適用規格： ISO 14001:2015／JIS Q 14001:2015

貴事業所の環境マネジメントシステムは当認証センターによる審査の結果、適用規格に適合していることが認められましたので、ここに登録します。

登録範囲の詳細
・本社／技術・モノづくりセンター：東京都青梅市末広町１丁目３番１号
【 各種自動車用座席の製造事業における人事、財務の中央管理機能、各種自動車用座席の開発、設計、実験、営業、調達、生産技術、品質保証の中央管理機能 】
・愛知工場：愛知県安城市東栄町柳原 125 番地 2
【 各種自動車用座席の製造及び設計、営業の中央管理機能 】
・武蔵工場：埼玉県入間市狭山ヶ原 108 番地 13
・栃木工場：栃木県下野市柴 262 番地 26
・鈴鹿工場：三重県鈴鹿市御薗町鎌田 3600 番地 10
【 各種自動車用座席の製造 】
・アドバンスト・テクノロジー・センター：東京都青梅市末広町１丁目２番地
（但し、株式会社タチエス H&P、株式会社 Nui Tec Corporation を除く）
【 各種自動車用座席の試作、実験 】

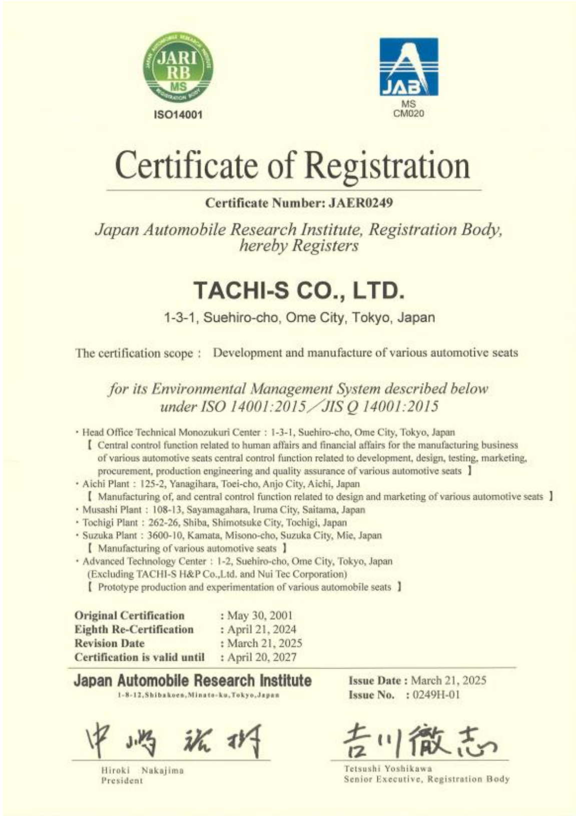
初回登録：2001 年 5 月 30 日
更新登録：2024 年 4 月 21 日
改 定 日：2025 年 3 月 21 日
有効期限：2027 年 4 月 20 日

一般財団法人 日本自動車研究所
東京都港区芝公園１丁目８番 12 号

発 行 日：2025 年 3 月 21 日
発行番号：0249H-01

理事長
中嶋 裕樹

認証センター 上級経営管理者
吉川 徹志



ISO14001

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Certificate of Registration

Certificate Number: JAER0249

Japan Automobile Research Institute, Registration Body, hereby Registers

TACHI-S CO., LTD.

1-3-1, Suehiro-cho, Ome City, Tokyo, Japan

The certification scope : Development and manufacture of various automotive seats

for its Environmental Management System described below under ISO 14001:2015／JIS Q 14001:2015

・Head Office Technical Monozukuri Center : 1-3-1, Suehiro-cho, Ome City, Tokyo, Japan
【 Central control function related to human affairs and financial affairs for the manufacturing business of various automotive seats central control function related to development, design, testing, marketing, procurement, production engineering and quality assurance of various automotive seats 】
・Aichi Plant : 125-2, Yanagihara, Toei-cho, Anjo City, Aichi, Japan
【 Manufacturing of, and central control function related to design and marketing of various automotive seats 】
・Musashi Plant : 108-13, Sayamagahara, Iruma City, Saitama, Japan
・Tochigi Plant : 262-26, Shiba, Shimotsuke City, Tochigi, Japan
・Suzuka Plant : 3600-10, Kamata, Misono-cho, Suzuka City, Mie, Japan
【 Manufacturing of various automotive seats 】
・Advanced Technology Center : 1-2, Suehiro-cho, Ome City, Tokyo, Japan
(Excluding TACHI-S H&P Co.,Ltd. and Nui Tec Corporation)
【 Prototype production and experimentation of various automobile seats 】

Original Certification : May 30, 2001
Eighth Re-Certification : April 21, 2024
Revision Date : March 21, 2025
Certification is valid until : April 20, 2027

Japan Automobile Research Institute
1-8-12,Shibakoen,Minato-ku,Tokyo,Japan

Issue Date : March 21, 2025
Issue No. : 0249H-01

Hiroki Nakajima
President

Tetsushi Yoshikawa
Senior Executive, Registration Body

Environmental Education

Guided by the Environmental Policy, TACHI-S has committed to promoting effective environmental conservation activities. To support this, we have established clear procedures for training employees involved in these efforts and carry out educational programs in a planned and systematic manner. We also provide introductory training for new employees to help them gain a solid understanding of the basics of environmental conservation.

Scene from environmental education program for new employees

Environmental Risk Management

Envisaging the environmental impacts of an emergency at one of its locations, TACHI-S has established procedures for the prevention and mitigation of such impacts and conducts maintenance and management accordingly. Further, envisaging an emergency situation caused by an actual accident, we also conduct emergency response drills systematically.

Emergency response drill for a chemical leak at the Technical Monozukuri Center

Environmental Audit

For ISO14001, TACHI-S undergoes systematic internal audits and certification assessments by external specialized institutions, to ensure that its environmental management system is being properly maintained and implemented. We also conduct systematic training of internal auditors.

Status of implementation of environmental audits

Type	Implementation Status
Certification assessments (External review)	In February 2025, we underwent a third-party certification audit (surveillance audit) to confirm whether the certified environmental management system was being properly maintained and operated. There were no major or minor NCs, and the certification remains valid.
Internal audits	Over a period of approximately two months from October to November 2024, we will conduct internal audits between each department within our business sites to confirm whether ISO standards are being properly implemented. All corrective actions identified during the audits have been completed, and we are working to continuously maintain and improve our standards.

Environmental Issues and Targets

Relationship between TACHI-S's Business Activities and Environmental Impact

In the manufacture of automotive seats, TACHI-S uses metals for the base of the seat frame and non-metallic materials such as urethane, fabrics, leathers, and plastics.
We also use electricity and other energy in our manufacturing processes. To minimize greenhouse gas emissions from our production activities, we strive to reduce emissions, with a particular focus on processes with high energy consumption such as frame welding. Regarding the use of water resources, the cooling water for welding equipment is used in a recirculating system. In other seat manufacturing processes, water usage is limited.

Material Environmental Issues

Identification of Material Environmental Issues

We consider "response to climate change issues," "chemical management," and "sustainable use of resources" to be material management issues that are closely related to our business activities and engage in initiatives to solve these issues.

Material environmental issues

1. Response to climate change issues (reduction of greenhouse gas emissions, adaptation to climate change)
2. Chemical management (reduction of hazardous chemicals, prevention of environmental pollution)
3. Sustainable use of resources (improvement of resource utilization efficiency, reduction of waste materials)

Environmental Risks and Opportunities

We recognize the following risks and opportunities of our business activities caused by material environmental issues. We believe that reducing these risks and responding appropriately to business opportunities will help to solve environmental issues and enhance our corporate value.

TACHI-S's environmental risks and opportunities

Material Environmental Issues	Risks	Opportunities
Climate change issues (Reduction of greenhouse gas emissions, adaptation to climate change)	• Increase in costs of responding to reinforcement of Japan's and industry's greenhouse gas emission reduction targets • Delay or suspension of production activities due to extreme weather events, etc. • Workers' health issues (heat stroke, etc.)	• Win business opportunities by responding to product lightweighting requirements to meet higher target standards for automobile fuel efficiency • Enhancement of business continuity capabilities
Chemical management (Reduction of hazardous chemical substances, prevention of environmental pollution)	• Suspension of business due to improper responses to relevant laws and regulations • Damage to health of employees and local residents • Compensation expenses generated by environmental pollution	• Gaining trust of customer companies, local governments, and residents
Sustainable use of resources (Improvement of resource utilization efficiency, reduction of waste)	• Increase in procurement risks • Decline in cost competitiveness	• Strengthening of cost competitiveness due to improvement of resource utilization efficiency, mitigation of dependency on procured raw materials • Reduction of waste disposal costs

Environmental Targets and Achievements

Targets and achievements related to environmental conservation activities in FY2024 are as follows:

(1) To reduce greenhouse gas emissions, we worked on energy-saving activities by improving daily work and CO_2 emission reduction by solar power generation. Interms of facilities, we have systematically switched to LED lighting and energy-saving air-conditioning equipment throughout the company, and reduced power waste through facilities that visualize power.
(2) To reduce harmful chemical substances, we are focusing on reducing defective products in the integral foaming process (the process of foaming urethane to form headrests, etc.).
(3) Regarding final disposal waste (landfill waste), we set a target of zero and have been thoroughly promoting waste separation to achieve this goal.

Annual environmental targets and results (TACHI-S business locations in Japan)

Items	FY2022 Result	FY2023 Result	FY2024 Target	FY2024 Result	FY2024 Achievement Rate
Reduction of greenhouse gas emissions (* Per unit, basic unit) (Intensity by production volume)	5.74kg-CO_2/unit	5.18kg-CO_2/unit	5.07kg-CO_2/unit	5.16kg-CO2/unit	Achievement Rate: 98.2%
Reduction of hazardous chemicals consumption (Intensity by units produced)	0.0292kg/pcs	0.0493kg/pcs	0.0487kg/pcs	0.0545kg/pcs	Achievement Rate: 88.1%
Reduction of final waste disposal (Emissions of final waste disposal)	Zero	Zero	Zero	Zero	Achievement Rate: 100%

* In calculating the basic unit, the CO_2 conversion coefficient is fixed so that voluntary improvement can be evaluated.
* Non-recyclable waste is treated by thermal recycling, the result of which is the achievement of zero final disposal waste, which equals zero emissions.

Climate Change Issues

Basic Concept and Approach

Global warming and the accompanying climate change are causing melting glaciers and rising sea levels, floods and droughts, as well as impacts on human lifestyles and natural ecosystems, including land and marine ecosystems, food production, and health. Amid calls for the reduction of greenhouse gases to prevent climate change, TACHI-S is working to reduce CO_2 emissions from driving (Scope 3) with the lightweighting of its seats and the reduction of CO_2 emissions from its manufacturing processes (Scope 1 & 2).

Basic Policy on Climate Change Response

As its contribution to the various governments' carbon neutrality goals, "Carbon Neutral in 2050*," TACHI-S has set a new target for CO_2 emissions reductions of 46% * (domestic) compared to FY2013 in 2030 and 43% (overseas) compared to FY2019 in FY2030. In our plants and offices, we will engage in the reduction of CO_2 emissions by cutting down on energy consumption through the promotion of energy conservation and shift to low-carbon energy, including the introduction of renewable energies. We will also adopt and develop carbon-free raw materials to reduce CO_2 emissions across the lifecycle of our products and strive to reduce CO_2 emissions throughout the entire supply chain.

* Production volume intensity target for Scope 1 & 2 in Japan

1. We will engage in the reduction of CO_2 emissions through energy conservation at our business locations, day-to-day improvements in production processes, and the transition to power-saving production equipment.
2. We will engage in the reduction of CO_2 emissions through changes in product specifications and manufacturing processes.
3. We will promote the introduction of renewable energies.
4. We will strive to reduce CO_2 emissions throughout the entire supply chain.
5. We will disclose information appropriately to Stakeholders.

Efforts to Prevent Climate Change

TACHI-S has set company-wide CO_2 emissions reduction targets and are continuously promoting efforts to reduce emissions. In addition to reduction activities through daily improvement activities, we are working to reduce CO_2 emissions per unit of production and total emissions by switching to LED lighting, introducing energy-saving air conditioning equipment, and introducing electric and hydrogen vehicles to company vehicles. In addition, we have introduced solar power generation equipment, with Aichi Plant and Suzuka Plant starting to generate electricity in fiscal 2022 and Musashi Plant (machine building) starting in fiscal 2023, and Musashi Plant (second plant) also starting to generate electricity in fiscal 2024.

Aichi Plant

Suzuka Plant

Musashi Plant

Musashi Plant(Second Plant)

Trends in total Energy Consumption

TACHI-S and consolidated group companies

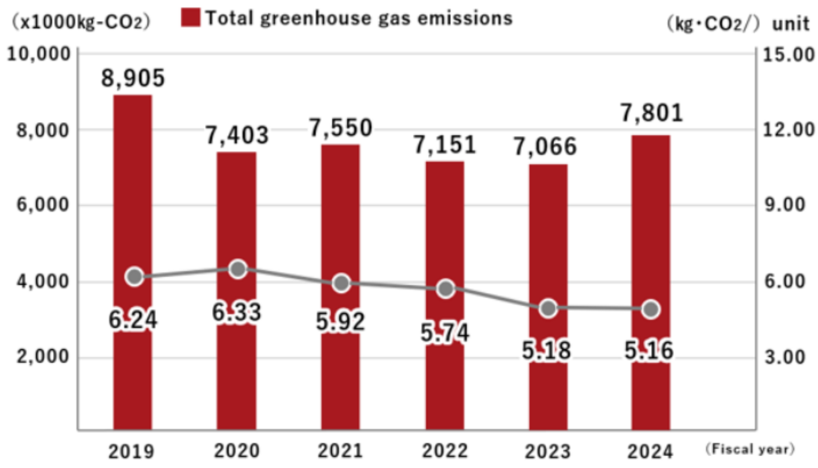
Energy Consumption by region	Unit	FY2022	FY2023	FY2024
TACHI-S	GJ	64,294	64,891	61,074
Domestic subsidiaries and overseas bases	GJ	281,042	297,323	304,152
Total(TACHI-S group)	GJ	345,336	362,214	365,226

Consolidated (including TACHI-S)

Energy Consumption by type		Unit	FY2022	FY2023	FY2024
Fuel ※1	Kerosene	GJ	969	701	456
	Gasoline	GJ	6,165	6,822	6,451
	Light oil	GJ	2,963	3,434	2,375
	LPG	GJ	75,007	90,213	71,184
	City gas	GJ	30,099	27,349	48,802
Electricity ※2		GJ	225,620	222,747	223,043
Renewable energy ※2		GJ	4,513	10,949	12,914
Total		GJ	345,336	362,214	365,226

※1 Fuel：Uses coefficients based on "Greenhouse Gas Emissions Accounting, Reporting and Disclosure System (Japan)"
※2 Electricity：Uses 3.6 GJ/1000kWh

Trends in greenhouse gas emissions and greenhouse gas emission intensity (TACHI-S business locations in Japan)



Trends in greenhouse gas emissions (By scope)

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
CO_2 emissions	Scope1(t-CO_2)	1,121	859	907	821	884	815
	Scope2(t-CO_2)※	7,784	6,544	6,643	6,330	6,182	6,986

※ Total emissions are calculated based on market criteria.

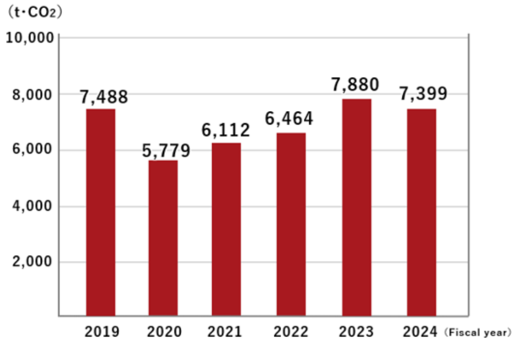

Conversion to LED lighting


Introduction of energy-saving air-conditioning equipment


Minimization of CO_2 emissions through daily production activities
(Cutting down on wasteful power consumption through visualization of energy consumption)

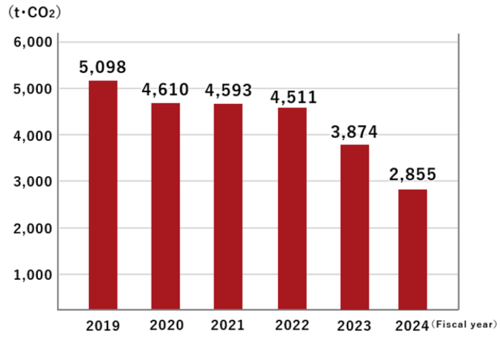
Greenhouse gas total emissions of Affiliated companies (Scope1 and 2)

Japan region
*Except TACHI-S



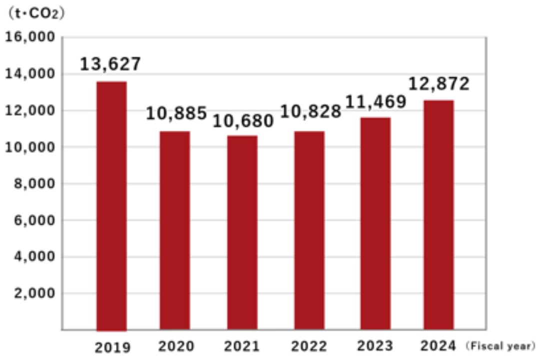
CO_2 emissions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1 (t-CO_2)	1,707	1,673	1,830	1,805	2,130	2,188
Scope2 (t-CO_2)	5,781	4,106	4,282	4,659	5,750	5,211

North America region



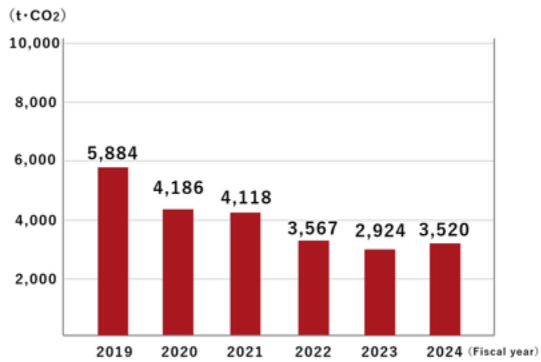
CO_2 emissions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1 (t-CO_2)	782	725	776	738	605	533
Scope2 (t-CO_2)	4,316	3,885	3,817	3,773	3,269	2,322

Latin America regions



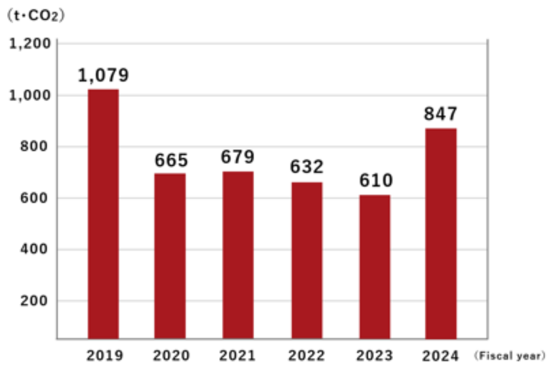
CO_2 emissions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1 (t-CO_2)	3,298	2,322	2,942	3,018	3,637	3,619
Scope2 (t-CO_2)	10,329	8,563	7,738	7,810	7,832	9,253

China region



CO_2 emissions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1 (t-CO_2)	407	261	288	348	353	344
Scope2 (t-CO_2)	5,477	3,925	3,830	3,219	2,571※	3,176

Asia region



CO_2 emissions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1 (t-CO_2)	112	110	35	96	41	57
Scope2 (t-CO_2)	967	555	644	536	569	790

Efforts to Adapt to Climate Change

With the aim of adapting to climate change, as a measure to prepare for responses to natural disasters, which are increasing in line with climate change, pocket disaster-prevention manuals have been distributed to employees. We are also pursuing initiatives to minimize risks in the event of a disaster. They include basic actions to be taken in the event of natural disasters, the establishment of a disaster readiness response headquarters, and a safety confirmation system.

Efforts to Achieve a Circular Resources Economy

Basic Concept and Approach

Demand for natural resources such as fossil fuels and rare earths is expected to continue growing with future global population increases and economic development. As a country that relies heavily on imports for its resources, for Japan to continue to develop sustainably, it will need to create a circular economy for resources by further reducing their consumption and improving the efficiency of their use.

TACHI-S develops and manufactures automotive seats and other products, procuring and utilizing raw materials such as steel, resin parts, fabric (cloth), leather, urethane, and rubber, as well as packaging materials, electricity, fuel, water, and other resources and energy.
We aim to contribute to the realization of a resource-circulating society by reducing material usage, promoting the use of recycled materials, and utilizing renewable energy.

Basic Policy on Conservation of Resources

With the aim of creating a circular economy that balances the environment and economy for the sake of sustainable development, TACHI-S will work to use limited resources efficiently in the individual stages of development, production, and disposal.

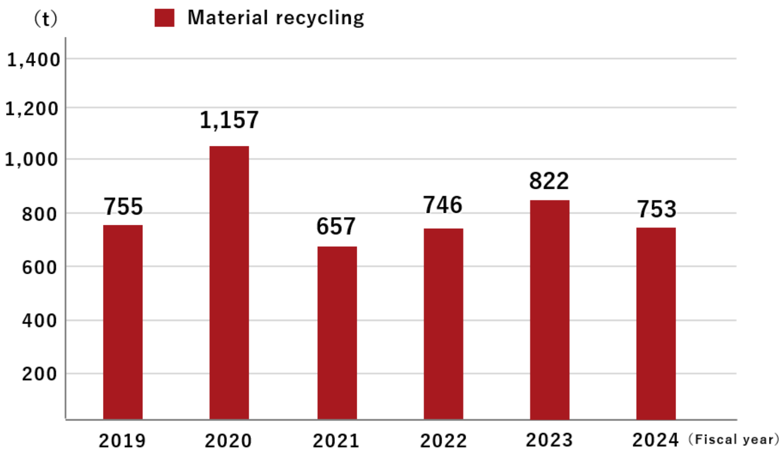
1. We will work to reduce the size and weight of parts.
2. We will strive to reduce waste by increasing yield and reducing defects in the manufacturing process.
3. We will promote the use of renewable energies and recyclable resources.
4. We will disclose information appropriately to Stakeholders.

Initiatives for the Conservation of Resources

TACHI-S undertakes initiatives for the conservation of resources in the development and production stages. Specifically, development-stage initiatives include the lightweighting of seats (Weight reduction through material reduction, etc.), cutting down on the number of component parts, and efforts to improve yield (minimizing offcuts when cutting fabrics and leather). In the production stage, we strive to reduce defects (reduction of defects in the integrated foaming process), and to cut down on packaging materials (switch from one-way cardboard containers to re-usable plastic containers).

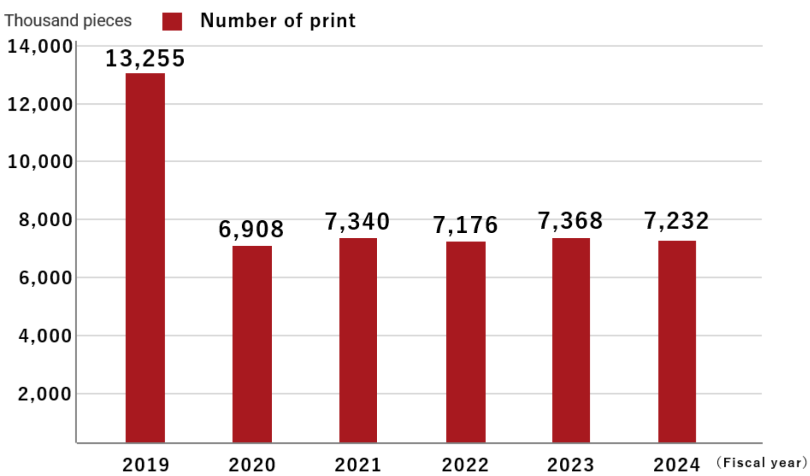
Trends in total waste volumes(TACHI-S business locations in Japan)
※Excluding valuable materials
※Hazardous waste(e.g., fluorescent lamps, dry batteries)

Trends in the total emissions of valuable materials(TACHI-S business locations in Japan)



Paperless activities and achievements (TACHI-S business locations in Japan)

We have been working on paperless activities since fiscal 2019. We are working to reduce the number of printed pages by promoting electronic document management in accordance with regulations, electronic expense settlement and invoices, and electronic distribution of documents. We continue to utilize digital technology to improve productivity and establish paperless operations regardless of where we work.



Water Resources Management

Basic Concept and Approach

With climate change due to global warming and the rapid population growth of recent years, the risk of shortages in water resources is increasing in some regions. To use limited water resources wisely, we strive to reduce water usage in our production processes, as well as saving water in our facilities in general.

Basic water resources policy

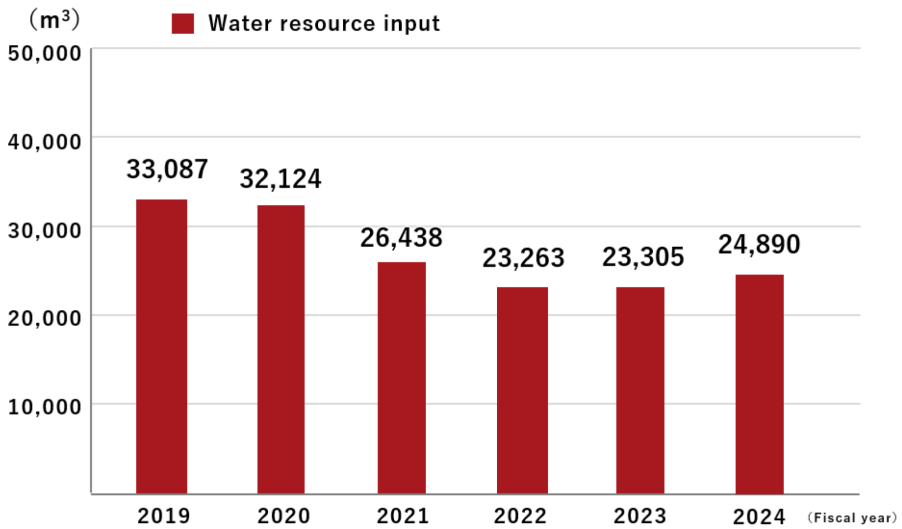
TACHI-S will work to effectively utilize limited water resources with the aim of creating a recycling-oriented society that balances the environment and the economy for sustainable development.

1. We will work on recycling water resources such as recycling cooling water and wastewater in the production process.
2. We will strive to reduce the amount of water used in the facility.
3. We will monitor wastewater regularly and conduct appropriate wastewater treatment.
4. We will disclose information appropriately to stakeholders.

Initiatives and Achievements in Water Resources Management

As a result of water saving efforts in our facilities, we achieved a 6.8% reduction year-on-year in water resource input to 24,890 m^3.The volume of wastewater output was the same as water resources input.

Trends in water resources input (TACHI-S business locations in Japan)



Trends in water resources input (TACHI-S business locations in Japan)

Water Resource Type	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Municipal water supply	33,087m^3	32,124m^3	26,438m^3	23,263m^3	23,305m^3	24,890m^3
Freshwater/groundwater	0m^3	0m^3	0m^3	0m^3	0m^3	0m^3
Freshwater/surface water (lakes, rivers, etc.)	0m^3	0m^3	0m^3	0m^3	0m^3	0m^3

Chemical Management and Pollution Prevention

Chemical Management

Basic Concept and Approach

Chemical substances discharged into the environment are potential causes of air pollution and water pollution. If they accumulate in the soil over long periods of time, they may also adversely affect ecosystems and human health. TACHI-S uses chemicals in the integrated foaming process and other processes. We promote initiatives for the proper management of chemicals and the reduction of hazardous chemicals.

Basic Chemical Management Policy

Throughout the product lifecycle of development, production, purchasing, distribution, use, and disposal, TACHI-S will properly manage and reduce the use of chemicals that are regulated under laws and regulations, ordinances, agreements, and industry standards that apply in countries and regions where it conducts its business, for the safety and peace of mind of customers, suppliers, and employees.

1. In product development, we will identify the chemicals and their quantities in use, manage them properly, and develop technologies for their reduction.
2. We will identify the quantities of chemicals used in product manufacturing processes, manage them properly, and reduce their use.
3. We will identify the impact of chemicals in the sales and distribution processes and manage them properly.
4. We will educate employees about the risks involved in the handling of chemicals and strive to make them aware of the need for chemical management.
5. We will disclose information appropriately to Stakeholders.

Initiatives and Achievements in Chemical Management

TACHI-S has designated the following chemicals contained in its products as managed chemical substances and strives to manage them properly.
We are also working to reduce the quantities of chemicals used in production processes and switching to alternatives with lower environmental impact.

Trends in handled (used) quantities of chemicals subject to PRTR legislation (TACHI-S business locations in Japan)

Fiscal year	FY2022	FY2023	FY2024
Quantity handled (kg)	115,765	223,975※	201,390※

※Due to the partial revision of the PRTR Law (April 1, 2023), the number of chemical substances contained in urethane raw materials has been increased.

Pollution Prevention

Efforts to Prevent Pollution

Due to the risk of chemicals polluting rivers, underground water, and soil, TACHI-S conducts tests and inspections to prevent environmental pollution at individual locations, also performs emergency drills in a systematic manner.
Under the Water Pollution Prevention Act, we also regularly test wastewater discharged from individual locations into public waters to confirm that we are satisfying environmental standards. TACHI-S has no facilities that lead to air pollution and no incidences of soil pollution.

Environmental standards achievements for plant effluent (TACHI-S business locations in Japan *)

Item	Unit	Tochigi Plant		Aichi Plant		Suzuka Plant	
		Regulation value	Achievement (Minimum - Maximum)	Regulation value	Achievement (Minimum - Maximum)	Regulation value	Achievement (Minimum - Maximum)
Hydrogen ion concentration	PH	5.8～8.6	7.3	6.0～8.5	6.7	6.5～8.5	6.0
Biochemical Oxygen Demand (BOD)	mg/ℓ	～25	2.3	～10	0.5	～20	1.0
Suspended Solids (SS)	mg/ℓ	～50	Below the lower limit	～10	1 less than	～50	6

* The target business sites are the 3 sites that own septic tank sewage treatment facilities.

Preservation of Biodiversity

Basic Concept and Approach

Today, due mainly to the impact of human activity, species extinction on the Earth is occurring at a pace that is 100 to 1,000 times that of natural occurrence. Many living creatures are in danger of extinction and biodiversity is being lost. This is resulting in the degradation of biological services that support our abundant lifestyles and economic activity, creating a demand for initiatives for the preservation of biodiversity on a worldwide scale.

Basic Policy on Biodiversity

Setting “kindness,” or consideration of nature, as the foundation of its manufacturing, TACHI-S will strive to preserve biodiversity by reducing its impact on the global environment, with the aim of achieving a sustainable society.

1. We will identify the impacts of TACHI-S’s businesses on biodiversity.
2. We will strive to reduce our impact on the global environment.
3. We will pursue activities for the conservation of the natural environment.
4. We will disclose information appropriately to Stakeholders.

Employees

Based on “respect for individuals,” we will create a rewarding workplace where both employees and the company can grow together.

Respect for Human Rights

Basic Approach to Respect for Human Rights

The Company and its affiliated companies express the basic stance on respect for human rights in the following internal documents. By practicing these principles, we will respect human rights in Japan and overseas, comply with relevant laws and regulations, international rules, including the spirit of them, and fulfill our social responsibilities with high ethical standards toward the creation of a sustainable society.

●About “Respect for individuals”
"We respect the ideas and actions of the autonomy and independence of our employees and provide opportunities for them to develop through their work.”

●“Respect for the personalities and individuality of our employees and ensuring a good working environment” provision in the “Charter of Corporate Conduct”
“We will respect the personalities, individuality, and diversity of our employees, and ensure a safe and comfortable working environment to achieve a sense of comfort and well-being.”

●“Respect for Human Rights” provision in the “Code of Conduct”
“We will respect human rights and will not engage in discrimination or harassment.”

●“Creating a Bright Workplace” provision in the “TACHI-S Code of Ethical Practice”

Basic Approach

We will respect basic human rights and individual personalities, treat employees fairly and impartially, and work to create a safe, comfortable, and rewarding workplace.
In addition, we will comply with labor-related laws and regulations and the spirit of such laws and regulations, respect collective agreements concluded with labor unions, and strive to maintain and develop good relationships of mutual trust between labor and management.

Specific Conduct Standards

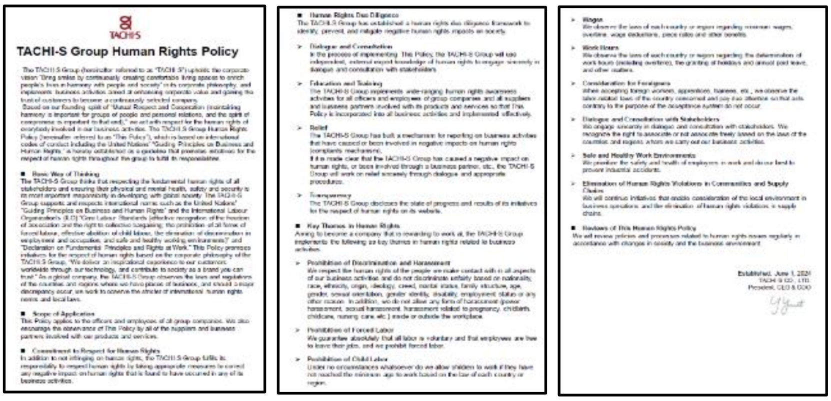
(1) Respect human rights and do not discriminate, harass, or tolerate such conditions.
(2) Observe laws and social norms, and work to remain in harmony with society.
(3) Put top priority on ensuring safety and hygiene.
(4) All must understand rules, instructions, and orders correctly and execute them faithfully in the performance of duties.
(5) Mutual trust and cooperation to ensure efficient execution of work.
(6) Any other dishonest or disloyal conduct prohibited by Employment Regulations must not be engaged in.

Initiatives to Respect Human Rights

We continue to provide education regarding “human rights” as part of “compliance education” and “corporate ethics training” sessions. In addition, with regard to harassment, we have stipulated “prohibition of harassment” in Employment Regulations in January 2017, we established the “Standards for the Prevention of Harassment.” In establishing these standards, we conducted group training for managers and distributed the standards to workplaces. Going forward, we will monitor social trends related to human rights and promote educational activities for our employees.

Human Rights Policy Development

Based on the founding spirit of "Cooperation through Mutual Compromise" (We value a spirit of mutual compromise in order to achieve harmony), the TACHI-S Group will practice actions that respect the human rights of all people involved in our business activities. As a guideline to promote group-wide efforts to respect human rights and fulfill our responsibilities, we have developed the "TACHI-S Group Human Rights Policy", which is based on the UN "Guiding Principles on Business and Human Rights" and linked to TACHI-S's purpose.


TACHI-S Group Human Rights Policy

➢ TACHI-S Group Human rights policy

Labor law-related risks

Every year, the TACHI-S Group conduct a self-inspection of labor law-related risks, including whether there are any problems due to employee grievances or dissatisfaction in terms of salary, compensation, or benefits; whether there is any discrimination based on sex, religion, nationality, or other unjust reasons; whether there are any problems with the labor union; and whether there are any sexual harassment or power harassment problems. We conduct self-inspections to ensure that there are no problems with the labor union, sexual harassment, power harassment, etc. When problems occur, improvement measures and plans for improvement are formulated and checked on the improvement management chart every quarter period.

Respect for Human Rights in the Supply Chain

The TACHI-S Group has established “CSR Guidelines for Suppliers" to promote respect for human rights throughout the supply chain. We also ask suppliers to respect human rights in our basic transaction agreements and “CSR Guidelines for Suppliers“. We have implemented this program for our global affiliates from FY2022.

Human Rights Due Diligence

The TACHI-S Group has established a human rights due diligence mechanism to identify the negative human rights impacts of TACHI-S on society, working to create a mechanism to prevent and mitigate such impacts. In order to identify and improve current risks, we conducted on-site inspections by human rights experts at some of our domestic affiliates. We will work on improving one by one to prevent and reduce human rights risks. We will also provide education on human rights to board members and related personnel.

Dealing with Harassment

We have included a section on harassment in our annual internal climate survey to understand the current situation and resolve issues. We also conduct compliance training every year and work to disseminate company policies through periodic compliance education and the distribution of compliance e-mail newsletters.

Approach to Human Resource Management

We believe that it is our corporate social responsibility to respect the ideas and actions of autonomy and independence of each individual employee who is entrusted to us by society, and to provide them with opportunities to develop through their work. To this end, we respect the character, individuality, and diversity of our employees and, by ensuring a safe and comfortable working environment, we will fulfill our responsibilities at work, at home, and in society. We will promote the creation of a vibrant and rewarding workplace where both employees and the company can develop together.

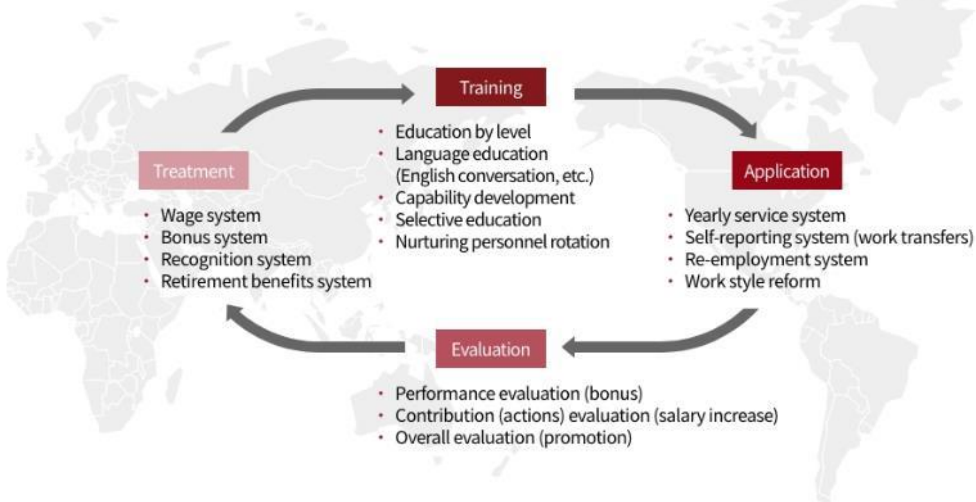
■ Basic employee data (Scope: Japan, as of the end of the fiscal year)

	FY2022	FY2023	FY2024
Number of employees (total)	1,200	1,190	1,226
Management (Male)	182	170	171
Management (Female)	8	8	7
General employment (Male)	899	894	917
General employment (female)	111	118	131
Number of new graduates hired (persons)	39	39	49
New graduate retention rate (%)	87	87	84
Number of career hires (persons)	31	58	61
Percentage of career hires (%)	44.3	59.8	55.5
Percentage of employees who quit within 3 years (%)	23.8	32.4	25.6
Percentage of women in new graduates (%)	15.4	15.4	24.5
Average age (years)	38.6	38.8	38.9
Average years of service (years)	14.7	14.7	14.7
Number of foreign employees (persons)	31	29	44

Personnel Evaluation and Compensation System

In fiscal 2017, we introduced a new annual personnel evaluation and compensation system that emphasizes four points: rectification of seniority-based treatment for managers, reflection in the degree of contribution to the company, compensation system based on the performance of the company, departments, and individuals, and motivation to take on challenges.
In addition, from April 2019, we introduced a personnel evaluation and compensation system that focuses on early promotion to management positions, raising wages for young to mid-career employees, promotion and salary increase based on evaluation, and correction of seniority treatment.
Through these system reforms, we will stimulate employees' motivation to take on challenges and work together to develop the company and realize a rewarding workplace where employees can have dreams and pride.

Overview of the personnel evaluation and compensation system



Introduced a new evaluation system for managers

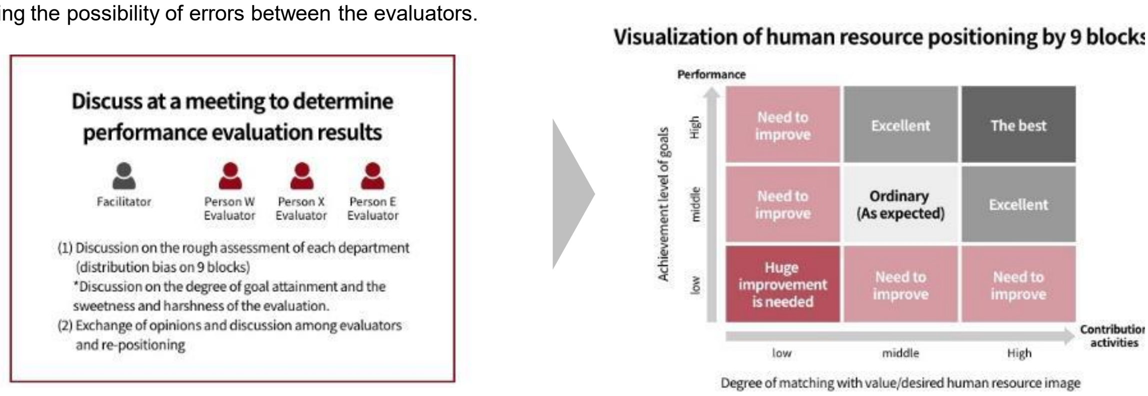
A new evaluation system for managers was introduced in FY2022.
Ensuring that the process of the new evaluation system is implemented will likely lead to motivation, acceptance, and effective training for the evaluation. The following process will be used to implement the new evaluation system.

【Goal-setting session】
In order to ensure a sense of fairness throughout the company, we have started the year by having evaluators discuss the validity and difficulty of the subject's goals across departments, and have a sense of level and recognition of the goal setting.
Regarding the goals set in this way, we would like to ensure transparency and minimize the sweetness of evaluations between departments to ensure fairness by evaluating the status of achieving the goals at the time of evaluation decision at the end of the fiscal year.

【Quarterly feedback】
Every quarter, supervisors and subordinates mutually confirm the process, issues, expectations, and degree of achievement toward goals to make early awareness and course corrections, and we hope to increase the sense of satisfaction of the assessee by preventing surprises from occurring in the results of year-end appraisals.

★By changing to an evaluation system that utilizes the above process (goal setting feedback), we will lead to an improvement in motivation and a sense of satisfaction of the Assessed.

【Conducting a meeting to determine year-end performance evaluation results】
Through the process of evaluating human assets strictly from two perspectives, performance and value (contribution), the evaluators' perspectives on human assets (goal setting, evaluation, and contribution) are aligned with each other, thereby minimizing the possibility of errors between the evaluators.



★The above process (evaluation result determination meeting) will map human resources in relative terms to grasp individual characteristics (strengths and weaknesses) and link them to the placement of the right personnel in the right positions and human resource development plans.

To Enhance Employee Satisfaction

In order to think of "work style reform" as "lifestyle reform" and make "the way of life of the company" and "the way of life of employees" more valuable, we will start full-scale work style reform activities from fiscal 2020, and each department will start self-propelled from fiscal 2023.We aim to ensure that each and every employee who works at our company enjoys their daily lives while feeling rewarded, which leads to high results as a company, and enhances both the value of the company and the happiness of employees

The keyword for improving employee's job satisfaction is "sharing thoughts and feelings"

We are a manufacturing company, but we believe that the source of everything we do is "people".
Each and Each of our employees has a dream of "I want to become like this!" and "I want to achieve this!".
We will create Well-being Happiness together by mutually sharing each other's thoughts and feelings.

■ Example of initiatives

(1) Survey on employee job satisfaction: Conducted annually.

(2) Team activities to improve job satisfaction in each department: Based on the results of (1),we will carry out PDCA activities for improvement on a daily basis.

(3) Improving the quality of management and making it more rewarding...We have started implementing tools to improve organizational outcomes, and we plan to conduct diversity training for both managers and selected employees.

(4) Revision of the personnel system We are revising our personnel system so that employees will choose a career track upon promotion to a certain grade, supporting the realization of their career plans.

(5) Supporting employee self-actualization: Introducing internal recruitment and FA system to support career development for employees' self-actualization.

(6) Improvement of working environment: Activities to improve facilities and equipment at factory sites and indirect offices are being implemented by employees.

Basic Approach to Human Resources Development

We define the “human resources we seek” as follows.

Human resources sought by TACHI-S

Under our “Transformative Value Evolution (TVE)” medium-term management strategy for 2025 to 2027 period, the TACHI-S Group will continue to enhance corporate value with our “One Global Team” and aim to be a “Continuously Selected Company” based on the trust of our customers. Furthermore, we will promote the expansion of global business while clarifying the image of the human resources that the TACHI-S Group aims for, transcending differences in countries, regions, cultures, climates, and companies.

・Sympathize with the spirit of “Cooperation Through Mutual Compromise” *1
・Product results while embodying the “S” *2 in TACHI-S, the starting point of our business.
・Pride in being an employee of TACHI-S and the ability to compete globally.*3
・We are human resources who embody the concept of “All in the world are under the same sky*4” and develop together with the company.

The Director of Human Capital Development and Promotion Department
Tomohiko Baba
April 1, 2025

*1 “Cooperation Through Mutual Compromise” is a teaching of our founder, Nobuyoshi Saito. Basic values based on trust and the bonds we share created through mutual respect and communication that have been handed down since the company was founded.
*2 The “S” in the TACHI-S name refers to the founding spirit (which also begins with “s”) of Spring (growth), Spiral Up (continuous improvement), Sympathy (empathy), etc.
The “S” for employees refers to Social (social contribution), Sustainability, Safety, etc. The “S” for worksites means Sorting, Setting in order, Shine, Sanitization, Standardization, and Sustaining discipline.
*3 “the ability to compete globally” means that all employees, including those in Japan, must aim to be among the best in the world.
*4 The phrase “All in the world are under the same sky” is from the “Book of Five Rings” by Musashi Miyamoto and expresses a mindset of working tirelessly with the same goal in mind.

The behavioral characteristics necessary to be an “All in the world are under the same sky” type of human resource

Attitudes	Actions
Think from the customer’s position Understand expectations and needs from the customer’s position and strive to exceed them	**Commit and produce results** Take responsibility for your own accomplishments and focus everything on achieving results
Work as a team across functions and regions Work as a team to achieve objectives and targets, going beyond functional and regional barriers	**Take the lead, move forward** Act independently and increase your motivation and that of your team
Accept diversity, understand it, and put it into action Accept different opinions and ideas enhance their value through interaction. Consider the impact of your actions and work together to address them	**Look for the better way** Pursue effectiveness and efficiency in the organization and work to always make things better
Passion for learning for self-development and realizing a learning organization Have a passion for learning from every opportunity. Realize that your or your organization’s ideas are not the best, seeking ways to get the information you need.	**Act quickly and efficiently** Be aware of and working on speed and efficiency
Focus on the site, the actual things, and reality Understand the purpose and essence of occurring events and explore ways to respond to them.	**Spiral up through the PDCA** Establish KPIs for results and processes, and constantly implement the PDCA cycle to achieve growth

Human resource requirements for creating unique added value for TACHI-S

Philosophy, ideology, and organizational climate	Wisdom/tacit knowledge	Loyalty
•Ability to understand, empathize with, and spread the company motto, management philosophy, and management ideas, and ability to shape the corporate culture •Extensive internal networking •Top management communication skills •Ability to communicate and pass on organizational culture	•Ability to understand and develop the strengths and uniqueness of one’s business •An unceasing spirit that strives to be first-class in the organization by honing with a unique spirit •Cutting-edge and unique wisdom born of industry networking and information gathering •Ability to transfer tacit knowledge	•Fostering a sense of belonging and a spirit of love for the company •Contribution to the sense of unity in the organization

Human Resource Development Program

We have established the HRD* Committee with the aim of promoting human resource development efficiently and effectively, and examines systems related to human resource development and formulating and implementing a skill development plan (an annual education plan).

We are building an environment in which each employee can develop his or her career autonomously.

*HRD = Human Resources Development

Tiered education	• We aim to improve skills to understand the "roles" and "behavioral characteristics" of each hierarchy and utilize them in business execution.
Corporate-wide education	• We provide compliance training and information security training to cultivate a legal compliance mindset among employees and support their self-development.。
Departmental Education	• To become a professional in each department (job category), we aim to improve technical skills.

HRD Education System Chart

Education Classification	Tiered Education	Corporate-wide Education	Departmental Education
Managerial Position	Training for Newly Appointed Managers Action Learning Training Leadership Training	Career Development Education Introduction to Manufacturing Language Training (TOEIC) Environmental Education Accounting and Finance Education Information Security and Digital Transformation (DX) Training Legal and Intellectual Property Education Compliance Education Quality Education Correspondence Courses	Technical Skill and Thematic Training by Job Level and Department Characteristics
General Staff	New Employee Training New Employee Follow-up Training Competency Training Next-Generation Leadership Training		

Educational Performance Data (TACHI-S business locations in Japan)

✓Company-wide education (Number of participants)

Training Title	FY2022	FY2023	FY2024
TOEIC	125	41	57
Life Plan Training	44	52	71
Compliance Training session	300	138	684
Second Career Training	25	3	24
Career Vision Training	-	231	-
Training to Understand Financial Statements	17	29	134

✓Tiered training (Number of participants)

Training Title	Target group	FY2022	FY2023	FY2024
Training of New Employees	New employee	39	12	49
Competency Training*.	General staff (~Chief)	186	182	208
Training for New Managers	New managers	11	8	14
Action Learning Training	Managerial position (Section Chief to General Manager)	151	172	34

*Competency training (leadership, problem solving, facilitation, management, presentation)

✓Departmental Education (Number of participants) (Examples)

Training Title	Target group	FY2022	FY2023	FY2024
Tiered Training for Development and Technology Departments	New employees to new managers	23	34	61
Beginner to Advanced Supervisory Training	Team leader to new management	82	49	68

✓Training hours per person

Training Title	unit	FY2022	FY2023	FY2024
Training Hours per Regular Employee*	Hours	3.7	5.5	5.6

*Time for regular employees to attend training courses sponsored by the Human Resource Development and Promotion Department.

Employee Reward System

We have established a commendation and award system to recognize employees and organizations that have achieved outstanding results through their work, and that have brought honor to the company.

Employee reward system list

Company-wide Award

Award name	Award subject
Inventions and Ideas Award	For inventions and ideas that have contributed to the improvement of the company's performance.
Outstanding Workplace Award	For outstanding results in the overall evaluation of quality, productivity, safety and health, and QC circle activities in a manufacturing workplace.
Business Reform Award	For significant operational reforms in indirect operations and contribution to improved company performance.
Special Award	For contribution to the company's performance, good deeds, or increased name recognition that do not fall under any of the above.

Department Award

Award name	Award subject
Outstanding Plant Quality Award	For excellent quality plants (Evaluated and selected based on the Outstanding Plant Quality Award evaluation criteria)
QC Circle Award	For circles that practiced excellent QC (K2) circle activities (Evaluated and selected based on the QC circle activities evaluation criteria)
Excellent Workplace Productivity Award	For workplaces that have achieved high productivity (plant nomination)
Department Special Award	For employees or organizations that have contributed to significant performance improvement in their department (Evaluated and selected based on each department's evaluation criteria)

Group photo of company-wide awards

Achieving Work-Life Balance

The Group aims to create an attractive workplace where both employees and the company can grow together by improving the working conditions and environment, processes and systems, and workplace communication, to create a rewarding work environment where employees can balance work and family life, and where increased employee motivation leads to increased added value and productivity (creating value and producing results). Specifically, we conduct educational activities and ensure compliance with labor-related laws and regulations, work with labor and management to curb long working hours, have NO OVERTIME DAY at each business site, and we conduct activities to promote the use of paid leave and set up days to promote such use.
In particular, for employees in factories, we promote development of multi-skilled human resources and the introduction of a relief man system to create an environment where employees can systematically take paid leave.

■ Total annual working hours (TACHI-S business locations in Japan)

(unit: hours)

	FY2022	FY2023	FY2024
Overall	2,085	2,084	2,019
Male	2,112	2,114	2,032
Female	1,835	1,840	1,920

・Target: Full-time employees (general positions)
・Excludes employees on leave
・Excludes employees who joined or left the company mid-year

■ Annual paid leave usage rate (TACHI-S business locations in Japan)

(unit: %)

	FY2022	FY2023	FY2024
Overall	54.0	72.4	70.1
General position average	57.1	76.3	74.3
General employees (male)	55.2	75.7	72.8
General employees (female)	73.2	78.6	85.4
Management position average	39.7	54.2	48.3
Management positions (male)	37.2	53.6	47.2
Management positions (female)	71.9	68.3	69.9

・Target: Full-time employees (management positions), full-time employees (general positions)
・Includes employees on leave
・Includes employees who joined or left the company mid-yea

Support system for childcare, nursing care, and work-life balance

System name		Main Support
Childcare related	Childcare Leave System	In principle, a system that allows employees to take leave to care for a child under one year of age.
	Exemption from overtime work	In principle, a system that allows employees to limit their work hours to 8 hours when taking care of a child under 3 years of age.
	Limitation on overtime work	In principle, a system that allows the limiting of overtime work hours when caring for children up to the age of entering elementary school.
	Limitation on late-night work	In principle, a system that allows the limiting of late-night work when caring for children up to the age of entering elementary school.
	Shortened Working Hours During Childcare	A system that allows employees to reduce prescribed working hours by up to six hours when caring for a child up to the age of elementary school graduation (treated as unpaid official leave). (Female employees raising children under the age of one may apply for additional childcare time of 30 minutes each, twice a day.)
	Sick/injured childcare leave	A system that allows employees taking care of a child up to the age of entering elementary school to take leave of up to 5 days per year for one child, or up to 10 days per year for two or more children before entering elementary school (treated as unpaid official leave) in half-day units (one-half of the prescribed working hours) to care for sick or injured children.
	a fertility treatment leave system (birth support leave)	This system allows employees to take 5 days of leave when it is necessary for infertility treatment and an additional 5 days of leave (treated as paid leave) when frequent visits to the hospital are necessary, such as for in vitro fertilization.
	Interview prenatal and postnatal childcare leave	We conduct interviews before, during, and after maternity/childcare leave so that employees can take leave and return to work without concern. This system is designed to support a balance between work and childcare.
Family care related	Family Care Leave System	In principle, a system that allows employees caring for a family member in need of nursing care to take a leave of absence for a total of 365 days, in up to three installments per family member who needs nursing care.
	Exemption from overtime work	In principle, a system that allows employees to limit their work hours to 8 hours when caring for a family member in need of nursing care.
	Limitation on overtime work	In principle, a system that allows employees to limit overtime work hours when caring for a family member in need of nursing care.
	Limitation on late-night work	In principle, a system that allows employees to limit late-night work when caring for a family member in need of nursing care.
	Family Care Shortened Working Hours System	In principle, a system that allows employees to limit their working hours to 6 hours when caring for a family member in need of nursing care (treated as unpaid official leave).
	Family Care Leave System	A system that allows, as a general rule, employees taking care of a family member in need of nursing care to take leave of up to 5 days per year for one family member, or up to 10 days per year for two or more family members in need of nursing care (treated as unpaid official leave) in half-day units (one-half of prescribed working hours).
Achieving work-life balance related	Promotion of work from home	In principle, the system allows indirect employees to work from home using information devices owned and managed by the company to suit their individual lifestyles.
	Introduction of flextime	In principle, the system allows employees working in indirect workplaces to decide their own start and finish times, as well as working hours within the scope of their total monthly working hours.
	Volunteer leave	A system that grants leave for the period necessary for voluntary, unpaid activities that contribute to society.
	Vaccination leave	A system that grants leave on the day of vaccination, and the day following vaccination for medical treatment of any adverse reactions from vaccination as deemed necessary by the company.
	Hourly Paid Leave System	This system allows employees to take annual paid leave in hourly increments (minimum of one hour) within a range of five days per year out of the number of annual paid leave days.
	Leave system during working hours	In principle, this system allows employees working in indirect workplaces to leave their seats for up to two hours within their scheduled working hours.

Initiatives to improve the working environment

・Strategies and measures to increase parental leave utilization

・Automatic computer on/off capture for proper management of overtime hours

・Measures to improve the rate of paid leave taken (Information on days before and after long vacations to promote paid holidays, automatic distribution of e-mails to those who have not taken paid vacations, etc.)

Trends in the number of users of childcare and family care support systems (TACHI-S business locations in Japan)

(unit: persons)

System name		FY2022	FY2023	FY2024
Childcare Leave	Overall	17	17	17
	Male	11	13	14
	Female	6	4	3
Shortened Working Hours During Childcare	Overall	23	19	23
	Male	1	1	1
	Female	22	18	22
Family Care Leave	Overall	1	0	0
	Male	1	0	0
	Female	0	0	0
Family Care Shortened Working Hours	Overall	0	0	0
	Male	0	0	0
	Female	0	0	0

Other benefit programs

System name	Overview
Asset Accumulation Savings System	A savings support system designed to help employees achieve a rich and stable life.
Employee Petty Cash Loan System	System to contribute to employee welfare improvement.
Benefit Station	A benefit service that provides preferential discounts, etc., for various facilities (lodging, amusement parks, movie theaters, dining, fitness facilities, shopping)
Employee stock ownership	System to subsidize employees' medium- to long-term asset building

About attaining Childcare Leave/Shortened Working Hours During Childcare

(Kouhei Yoshida, Financial Management Section, General Accounting Department)

My first daughter was born, and I took approximately four and a half months of parental leave.
Thanks to the company-wide promotion of paternity leave and related education initiatives, the atmosphere was very supportive and made it easy to take the leave.
In particular, the understanding and cooperation of my supervisor and colleagues were invaluable. I received warm words of encouragement, which allowed me to take the leave with peace of mind.
Although my absence temporarily increased the workload for others, I am deeply grateful for the support I received.
During my leave, I took full responsibility for household chores for the first two months, including postpartum care for my wife, while also caring for our child.
It was a challenging adjustment to a new lifestyle, but the daily growth and cuteness of our baby gave me strength and helped me get through it.
By sharing the same direction and emotional commitment to parenting, I feel that the bond between my wife and me has grown stronger.
I strongly encourage all future fathers to take at least one month of parental leave.

(Nobuyasu Koyanagi, Manufacturing Section No.1, Musashi Plant)

I took 1 year and 4 months of parental leave, from December 15, 2023 to March 31, 2025.
Until then, I had hardly ever used paid leave and had never taken such a long break from work, so I felt very sorry toward everyone.
However, thanks to the warm words and encouragement from my supervisor and colleagues, I was able to focus fully on childcare.
Since my first children were twins, the challenges increased as they began to stand, crawl, and roll over.
But I'm truly glad I took parental leave, as I was able to witness precious moments that I wouldn't have seen if I had been working.

Benefits paid to regular employees but not paid to non-regular employees

Allowances that are standard for regular employees but not for non-regular employees include the following (TACHI-S non-consolidated)

i. retirement allowance
ii. severance (termination) pay
iii. accident compensation
iv. long service leave
v. employee stock ownership plan
vi. employee petty cash loan program
vii. others

Minimum notice period for business changes

As a general rule, personnel changes are to be communicated to the labor union and the individual concerned at least one week in advance (or two weeks in advance if a relocation is involved). In addition, the labor union is to be notified and consulted at the earliest appropriate time regarding the establishment, consolidation, or reorganization of new business sites or offices that would involve the reassignment, transfer, or relocation of a large number of union members.

Living Wage

We review the starting salary for employees hired by our company to ensure that it does not fall below the minimum wage in Tokyo, regardless of their working style or location. Additionally, we negotiate with labor unions regarding wage increases and work to improve living wages through measures such as responding to price increases and benchmarking against companies of similar size in terms of sales revenue, operating profit, market capitalization, etc.

Basic Approach to Occupational Safety and Health

We are striving to instill safety into our organizational culture by including it in our Code of Conduct and President's Policy.
The entire TACHI-S Group is promoting initiatives to prevent occupational accidents and improve working environments based on the Code of Conduct.

Code of Conduct for Ensuring Health and Safety in the Workplace

We will prevent accidents and ensure safe and comfortable workplaces with the understanding that safety takes precedence over all other operations.

"Safety and health Policy"

1. Basic philosophy:
Prioritize "Safety" over everything.
We are committed to prioritizing safety over everything, striving to prevent disasters before they occur and working to create a safe and healthy workplace environment for both physical and mental health.

2. Health and Safety Policy:

We are committed to improving a safe and healthy work environment in all business activities associated with TACHI-S Group, in accordance with the following policies.

1)Comply with laws and regulations related to health and safety, as well as each company's safety standards and rules, to prevent workplace accidents before they occur.

2) Promote the creation of a disaster-free workplace through continuous improvement.

3) Establish a healthy and comfortable workplace environment for disease

Improve each individual's safety awareness and create a safe and comfortable workplace with everyone's participation.

Establishment: August 5, 2025

"President's Policy"

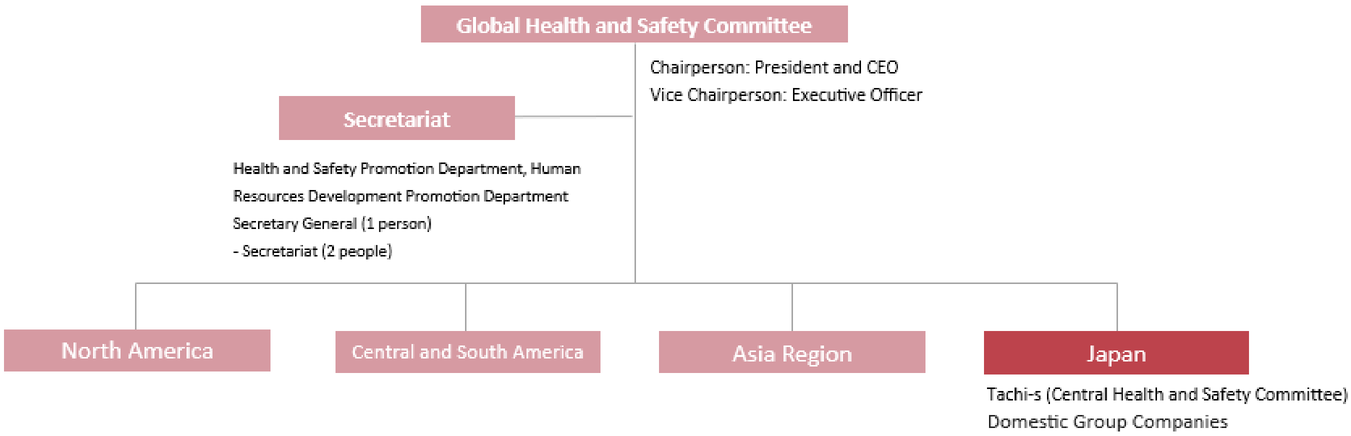
Safety takes precedence over all else

(excerpt from the President's Policy for this year)

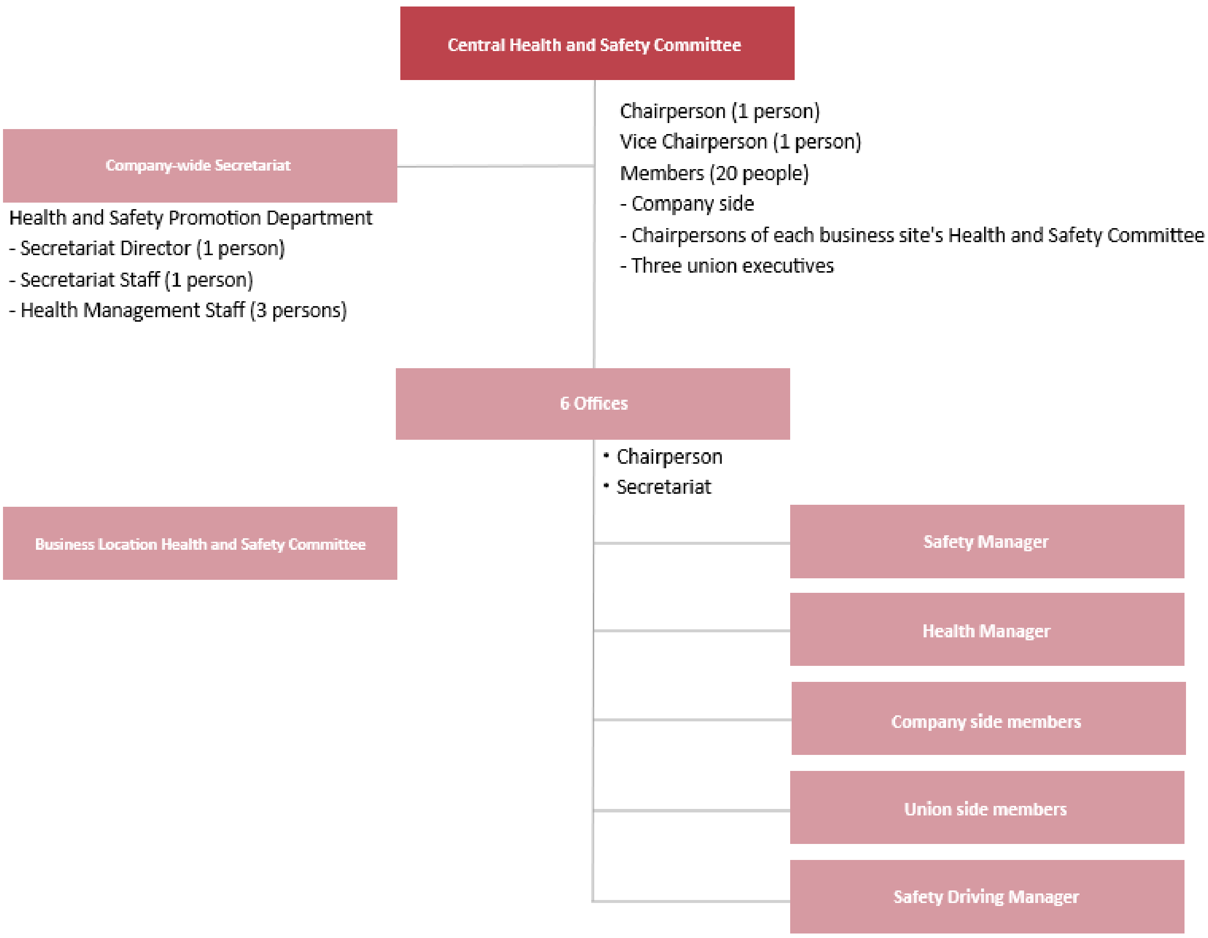
Promotion System Related to Occupational Safety and Health

We have established the Central Safety and Health Committee (secretariat: Human Capital Development and Promotion Department) to deliberate on important matters related to safety and health management, prevent occupational accidents, and improve working environments. This committee is chaired by a Director and Executive Managing Officer, and has two deputy chairs, a representative from each business site, Labor Union Three Highest Ranks and Executive Officers, for a total of 26 members. The committee meets twice a year in April and October. In addition, a Health and Safety Committee has been set up at each business site. They meet monthly to maintain and improve matters related to employee health and safety, such as improving the work environment and preventing accidents.

Global Safety and Health Committee Organization Chart



Central Safety and Health Committee Organization Chart



Targets and Achievements

We are working to achieve our goal of “zero occupational and commuting accidents” through our occupational safety initiatives. In fiscal 2023, both occupational and commuting accidents occurred. However, the frequency rate of the accidents were below the manufacturing industry average. In light of this, and to achieve the goal of “zero accidents,” we will steadily promote the following “activities to eliminate occupational accidents” and “activities to eliminate commuting accidents.”

FY2024 target

Target value: Zero for serious accidents, lost-time accidents, and commuting accidents.

FY2024 result (TACHI-S business locations in Japan)

Occurrence of accident		FY2022	FY2023	FY2024
Occupational accident	Number of accident(case)	6	3	8
	Lost-time accidents(case)	0	0	0
	Rate of accident※1	1.89	0.77	3.54
Commuting accident(case)		0	4	5
Fatal accident(case)※2		0	0	0

※1 TACHI-S accident frequency rate is an indicator that shows the frequency of work accidents occurring per 1 million labor hours, based on the total number of non-lost time accidents and accidents with one or more days off. This index represents the frequency of occupational accident occurrences per 1 million labor hours.

※2 An event involving injuries or illnesses serious enough to affect life.

Activities to eliminate occupational accidents

1. Strengthening workplace patrols and safety guidance by management
2. Safety education for new employees and work confirmation by supervisors
3. Implementation of safety awareness enhancement education for all employees

Activities to eliminate commuting accidents

1. Preventing commuting accidents when going to work (act with plenty of time to spare)
2. Accident/damage prevention (Danger prediction training)
3. Thorough re-education on traffic safety for employees

Initiatives to Ensure Employee Safety

To ensure the occupational safety of our employees, we provide in-house education on occupational safety and health, including safety and health training for site managers (six times per year), safety and health training for new hires (new and mid-career employees), and lifesaving first aid training, to help employees acquire proper knowledge and raise awareness about safety and health.
In addition, we continuously conduct safety diagnosis (risk assessment) of facilities and operations and conduct improvement activities based on the diagnosis. Based on this, the Health and Safety Committee meets once a month at each business site and conducts activities to ensure the safety and health of employees, including safety patrols, disaster information dissemination, health information notifications from the medical office, and the sharing of production status in the workplace. Furthermore, the Central Safety and Health Committee conducts annual labor safety patrols to prevent occupational accidents, raise awareness of safety, and strengthen occupational safety activities that incorporate the perspective of “cultivating awareness.”
Regarding traffic safety, traffic safety education is conducted during the spring and autumn traffic safety weeks with the aim of raising safety awareness. Traffic safety education is implemented in conjunction with these traffic safety weeks.

Evacuation Drill

State of the first aid and emergency rescue training

Initiatives to Promote Employee Health

To ensure the health of our employees, we conduct annual medical examinations and special medical examinations for our employees and provide health guidance and health consultation services. In addition, nurses and industrial physicians interview and provide guidance to employees who are suspected of overworking to manage their mental and physical health.
In addition, we measure the working environment once a year at workplaces that handle substances subject to laws and regulations to prevent the generation of hazardous substances and ensure their proper management.
In addition, to maintain and improve the health of our employees, we have established smoking areas to prevent passive smoking and provide the following health support.

Conduct health seminars (on-demand delivery)

We are providing video content on self-care by occupational physicians to support employee health. This initiative promotes new approaches to health management in response to the growing prevalence of remote work and raises awareness of self-medication practices.

Refreshing Health Festival

Every year the company, labor union, and health insurance union co-host a project to create a "healthy, bright, and energetic workplace" that will generate the power to foster a bright and energetic corporate identity and culture through exercise and strengthen solidarity and unity between the company and its employees, including employees and their families. The program is held to help create a "healthy, bright, and energetic workplace. (Walking, bowling, and other recreational activities)

Health Support System

As part of health management, we aim to further raise employees' health awareness by providing a full menu of health care benefits, including physical examinations, milestone checkups, gynecological checkups, and family checkups (for dependents).

field	Description				
	Type of medical checkup	Eligibility for examination			Usage fees
		Age	The applicable person	Family member	
Medical checkup	Same-day thorough examination	25 years and older	○	○	Subsidy 20,000 yen
	Age 40 milestone checkup	40 years old	○	-	Free of charge
	Independent medical checkup (employee gynecology)	18 years and older	○	-	Free of charge
	Family health checkup (facility)	35 to 74 years old	-	○	3,000 yen
	Family health checkup (patrol)		-	○	Free of charge
Health consultation	Physical and mental health consultation by phone available 24 hours a day, free of charge (Available to individuals, spouses, and dependents)				
Other	Influenza vaccination (subsidized)				
	Provision of physical education incentives				
	Rewards for good health (commemorative gifts)				

Distribution of childcare support magazines

As part of our childcare support program, we send several childcare support booklets free of charge for a certain period of time when you give birth to help families lead healthy lives.

Toward Promotion of Activities for Diverse Human Resources

As the working population continues to decline due to the declining birthrate and aging population, we believe that creating an organization that employs diverse personalities and abilities is essential for survival as a global company. We are actively promoting the hiring of women, but the ratio of female employees (including managers) is not high, and we have no female executives. Therefore, to create a workplace environment where women can play an even more active role, we have formulated a three-year action plan (2025-2030) consisting of three priority goals, and we are strengthening and promoting our initiatives.

Ratio of women in managerial and general positions (TACHI-S business locations in Japan)

		FY2022		FY2023		FY2024	
		General position	Management position	General position	Management position	General position	Management position
Number of personnel	Total	1,010	190	1,012	178	1,048	178
	Male	899	182	894	170	894	171
	Female	111	8	118	8	131	7
Ratio	Male	89.01%	95.79%	88.34%	95.51%	87.50%	96.07%
	Female	10.99%	4.21%	11.66%	4.49%	12.50%	3.93%

Action Plan for Promotion of the Advancement of Women (April 2025 to March 2030)

Objective 1. Increase the percentage of women in hiring to at least 30%.

Objective 2. Increase the percentage of women in management positions to 15% or more.

Objective 3: Limit the average total annual working hours in indirect workplaces to 2,000 hours or less.

Employment of People with Disabilities

We actively promote employment of people with disabilities, whether in our offices or on manufacturing floors.
In addition, ongoing education is provided for managers to promote employment and further their success in the workplace.

Number of employed people with disabilities (TACHI-S business locations in Japan)

(unit: persons)

	FY2022	FY2023	FY2024
Overall	29	27	26
Physically handicapped	9	7	9
Intellectually handicapped	15	15	14
Mentally handicapped	5	5	3

Promoting Employment of Senior Employees

As individual awareness of employment changes with the diversification of life plans, we introduced a system that allows individuals to choose their own career paths, and we completely support people staying in their jobs until the age of 60. We are striving to improve lifelong job satisfaction by providing highly satisfactory reemployment opportunities that meet individual needs through enhanced training programs. By doing this, we aim to motivate veteran and younger employees and revitalize the organization.

Second career related systems

Training	System	Course	Overview
Life Plan Training Second Career Training	Company Selection	Position Continuation Course	Continuation of current position (1-year contract)
		Special Position Course	Guidance for overseas bases/Launch of new domain themes (1-year contract)
	Individual Career Selection	Retirement Course	(Mediation by a re-employment support company available)
		Work Transfer Support Course	Mediation with a re-employment support company
		Re-employment Course	Redevelopment and reclamation workplaces

Number of re-employed senior employees (TACHI-S business locations in Japan)

(unit: persons)

	FY2022	FY2023	FY2024
Overall	16	15	12
Male	16	14	11
Female	0	1	1

Promotion of National Staff Activities

As a result of our rapid global business development, our consolidated net sales (285,394 million yen) and employees (10,560), including those of our overseas businesses, have greatly exceeded the net sales (107,272 million yen) and number of employees (1,226) of our domestic (non-consolidated) businesses. There is an urgent need to develop National Staff (local) to entrust management of our overseas business bases.
To do this, we are actively promoting the development and success of our National Staff by deliberately assigning them to top management positions in overseas operating companies, dispatching them to Japan on a fixed term basis, and selecting them for human resource development programs.

Active participation of overseas employees

-- Experience of working on assignment from Mexico to Japan

Over many years, TACHI-S has worked sincerely to develop overseas management, and we have endeavored to promote diversity at the managerial and decision-making levels within the organization.
My stay in Japan has been a challenge for TACHI-S to learn how to embrace diversity at the upper levels of the organization. Personally, it has been a challenge for me to bring new perspectives and value to the company while dealing with different countries. I am pleased to have the opportunity to be involved in this type of initiative at such a great company.

※Assignment to North America from fiscal year 2025

-- Seconded from Mexico Affiliate to the Program Management Department at Headquarters --

Japan and Mexico are very different, so this move was an entirely new experience for me. I was able to show my skills and also learn so much from the other members. The differences between the two sides have created various ways of working. I am very happy working at TACHI-S.
Everyone is very kind and they look for ways to share the different parts of our cultures. I hope that this program will be continued and evolve over time. I think we still have many things to learn from each region to become a great company.

Foreign employees from Mexico

Customers

To Enhance Customer Satisfaction

To enable us to always meet our customers' needs, we gather information regarding their requests and concerns and, in addition to fulfilling their conventional quality requirements and existing needs, aim to further enhance customer satisfaction by offering high quality products that meet their potential needs (inspirational quality).

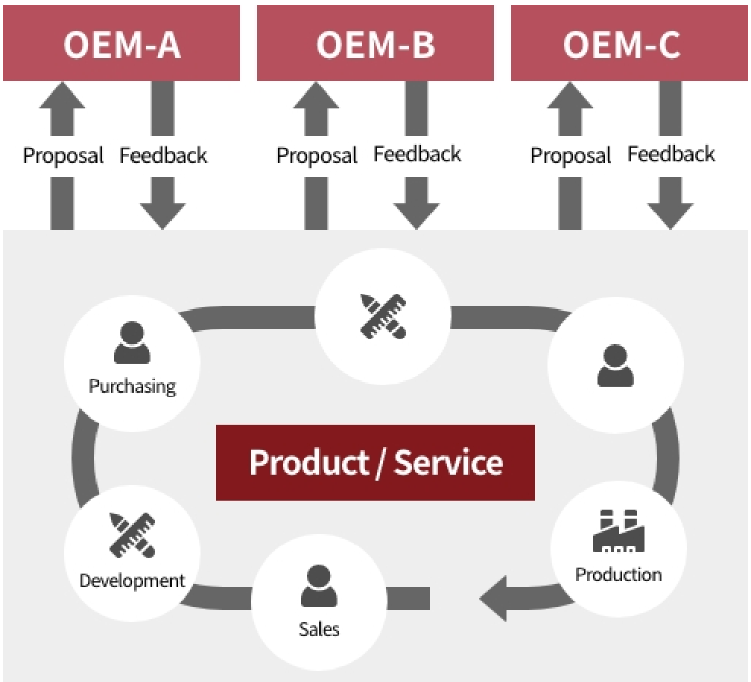
Basic Approach to Enhancement of Customer Satisfaction

In order to develop and provide products that meet the expectations and needs of our customers around the world who sit in our seats, we are leveraging our strength in integrated manufacturing, from development to production, on a global basis.

Framework for the Enhancement of Customer Satisfaction

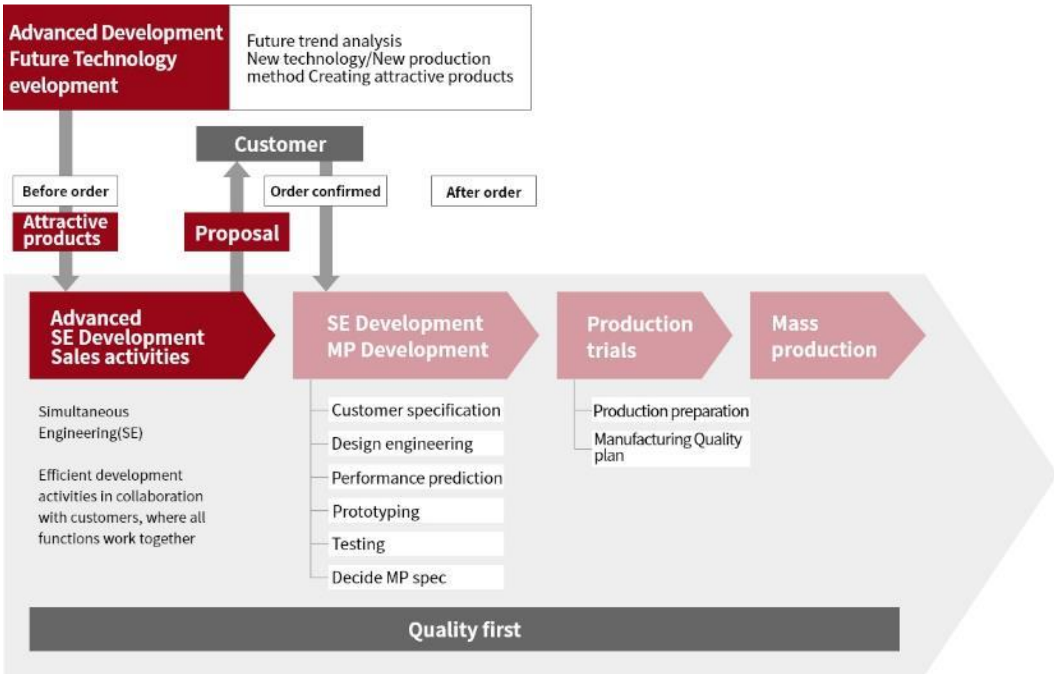
We have established separate organizations that engage in manufacturing for each of our major customers. Leveraging our strength as an independent and using design concepts that allow us to standardize our customers' diverse needs to the maximum extent, we work as a united organization from the early stages to promote proposal activities that offer value that exceeds customers' expectations.
In our Business Division, we share our customers' latest needs globally at monthly Regional Marketing Meetings.
In addition, in sales strategy meetings, the Business Division shares information and discusses specific measures for development and production with the monozukuri Division.

Unified organizational sales activities to enhance customer satisfaction



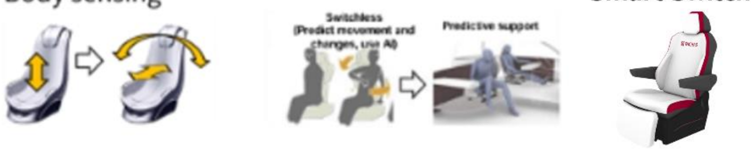
The Development Division regularly reports on the state of progress of new product development (quality, design, process review), including preparations from the pre-order stage to order placement and the launch of manufacturing processes. In addition, we hold Strategy consideration meeting to consider proposals for new products and technologies for customers at any time. At the meeting, reports on the development of new products and technologies are presented, while the Business Division deliberates and reports on proposals to meet customer needs.

Development framework for enhancement of customer satisfaction



Efforts to Enhance Customer Satisfaction

To enhance customer satisfaction, TACHI-S believes that the clear identification of information regarding customers' needs is key.
In addition to presenting our new products and technologies to our existing customers, We hold product exhibitions and technical presentations to give new customers the opportunity to get to know us. We also use such exhibitions as opportunities to seek out customers' opinions and requirements.
With "Supporting People and the Earth through Seating Technology" as our corporate purpose, we are working on the evolution of products and technologies for the future.
In the area of "seating technology," we aim to expand the freedom of appearance and form and to reduce weight with products that use body sensing and mechanisms that have no physical switches and instead work by sensing human movement and intentions.
In terms of "supporting people," on the premise of rideshare scenarios, we will enhance customer experience value through the provision of spaces in which passengers can work or enjoy their privacy while riding in the vehicle, without being conscious of others.
To "supporting the Earth," we will aim to reduce CO_2 emissions by shifting away from petroleum-based materials and materials made with petroleum-generated energy to materials that are made with natural energy.

Purpose of TACHI-S	Initiatives
Seating technology	Body sensing / Smart Switch 
Supporting people	Free arrangement of interior space / Privacy support / Immersive Experience (Smart Shell) 
Supporting the Earth	Environmental technology development / Plant-derived urethane foam / Plant-derived materials 

Quality Assurance

Basic Approach to Quality Assurance

Guided by the Corporate Philosophy of “To live in harmony with individuals and society and to put smiles on people’s faces by continuously creating living spaces of comfort and enrichment” TACHI-S has pursued quality assurance under the following quality policy, with the aim of realizing not only the quality that customers require, but also “inspirational quality,” which will meet potential needs that even customers themselves are not aware of.
By sharing this policy across the entire TACHI-S Group in 9 countries around the world, we work as a united force to enhance customer satisfaction and provide trusted and inspirational products to customers the world over.

Quality Policy

Provide products that inspire confidence and excitement in customers, with a strong commitment to quality first and foremost.

Furthermore, from an ESG perspective, we are promoting initiatives based on the concept of "continuously providing safe and secure products with reliable quality and meeting customer expectations" based on our quality policy.

ESG Activity Items	Details of Initiatives
S) Comfortable and safe product provision	Improved product safety and reliability ・・・Quality improvement through continuous improvement of products and production processes
S) Product Quality Assurance	Quality assurance that does not rely on people ・・・100% quality assurance using digital technology Worldwide uniform assurance ・・・Global standardization of quality assurance system
E) Environmental protection (chemical substance management)	Strengthening quality management ・・・Strengthening the system and management for compliance with environment-related laws and regulations
G) Risk Management	Compliance with Quality Compliance ・・・Fostering a fair and sincere quality culture

Quality Assurance System

We implement monozukuri under an integrated system from design engineering and development to production. Through quality assurance activities conducted by integrated collaboration among all relevant departments for all quality processes, from product planning and design engineering to process design and management, we strive to provide products that respond to customers’ trust.

Quality Management Systems

To continue to provide inspirational products to customers, we work to spiral up quality with our quality management systems and the PDCA (P: Plan, D: Do, C: Check, and A: Action) cycle.
To achieve better quality, TACHI-S has obtained certification under ISO 9001, the international standard for quality management systems, and IATF 16949, the international standard for quality management systems in the automotive industry.

Quality management system standard certificates

[> Click here to see locations that have obtained quality management system certifications]

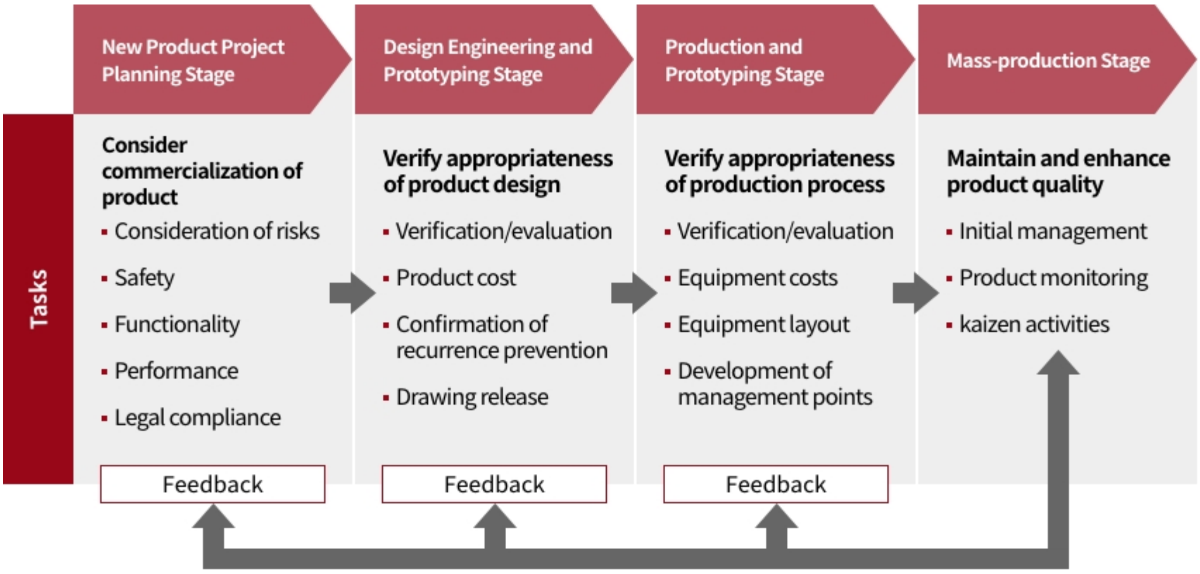
Quality Assurance Process

In response to customer requests, we design quality into our products from the development stage and strive to improve and enhance quality through each individual process.

Major quality assurance activities

Process	Quality Assurance Activities
Production Development Stage	Multifunctional teams (comprised of members from individual sections) are established to implement quality control for new products. These teams consider the various risks associated with products, as well as safety, functionality, performance, legal compliance and other factors, to design in quality that meets consumers' requirements and expectations.
Design Engineering and Prototyping Stage	We strive to achieve quality in design engineering by confirming the appropriateness and feasibility of measures and policies for design issues, based on design reviews (verification and evaluation) of design engineering.
Production and Prototyping Stage	We conduct design reviews (verification and evaluation) of processes and strive to achieve the product quality that our customers require through process design (equipment layout), process management (establishment of rules), and thorough compliance with those rules.
Mass-production Stage	We pursue thorough site management to provide excellent products to customers.

Quality assurance process



Efforts to Raise Quality Awareness and Improve Employees' Skills

Our quality is supported by every individual engaged in individual processes, such as product development and manufacturing. To provide high-quality products, TACHI-S engages in company-wide efforts to develop and nurture employees' quality control capabilities. In addition to self-directed and mutual development through voluntary quality control activities in the workplace, we aim to create a vibrant workplace in which kaizen activities are ongoing, which we hope will lead to the enhancement of customer satisfaction and contribute to society.

Initiatives for enhancement of employees' quality awareness and capabilities

Activity	Description
QC Circle activities	Activities based on QC concepts and methods with the aim of continuous improvement of "quality" of work (products and services).
Global Skills Contest	This initiative aims to enhance monozukuri capabilities and to further improve technical abilities by having employees compete with each other with their skills.

Product Safety Assurance

Below are some examples of products and services by our company and affiliated companies that contribute to creating social value.

Approach to monozukuri that Positions Safety as the Top Priority

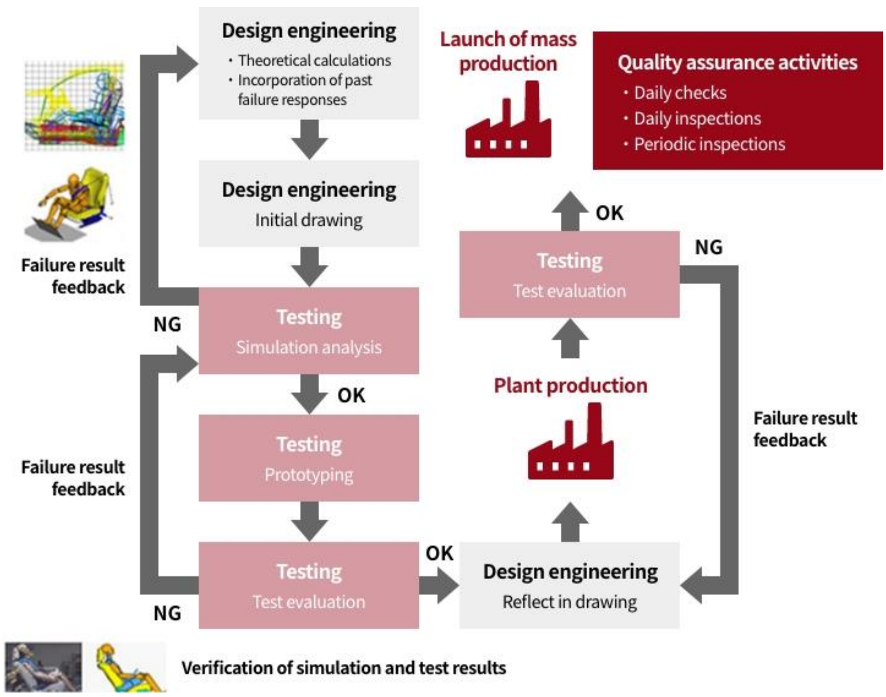
In addition to compliance with the laws and regulations of individual countries, TACHI-S conducts product development that meets the strict safety evaluation criteria of our customers, the automotive manufacturers. The most important factor in ensuring seat safety is design engineering that ensures safety in collisions. For minor collisions, curbing the deformation of the seat frame(*) is needed, but for serious collisions, by allowing the seat frame to crumple, the seat frame will absorb the energy generated by the collision. This minimizes the crash energy that is passed onto the passengers, thus protecting the passengers' safety.
In the design engineering of seats, while taking the balance between those two scenarios into consideration, we actively pursue the development and introduction of new technologies for the light weighting of seats and the enhancement of seat comfort.

(*): The seat frame is the underframe component of an automotive seat.

Monozukuri System that Positions Safety as the Top Priority

The development and manufacture of automotive seats comprises the following processes. Many related divisions work together to ensure product safety.
In particular, as development timeframes have become shorter in recent years, safety analysis using simulation technology and design engineering feedback have become more important. TACHI-S strives to ensure product safety through various processes, including final safety assessment and confirmation through crash tests and frequent quality checks in the manufacturing process.

■ Product safety assurance process



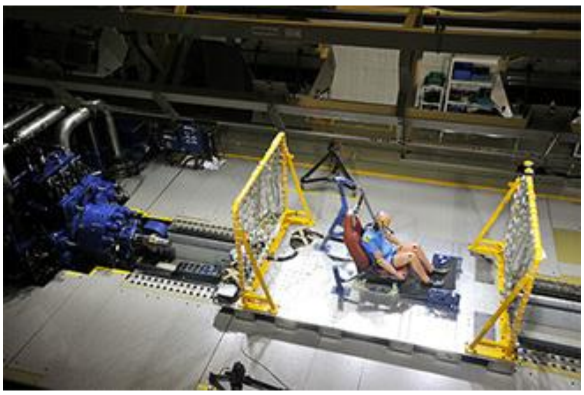
(1) Initial design engineering stage: Build basic design based on theoretical calculations and past failure information
(2) Simulation analysis stage: Conduct safety performance-specific assessments
(3) Prototype testing stage: Conduct actual crash tests with prototype model to verify appropriateness of design quality
(4) Mass-production testing stage: Conduct actual crash tests with samples equivalent to mass-production product to verify appropriateness of manufacturing quality
(5) Post mass-production launch: Conduct quality testing on products at manufacturing plant to confirm they are of predetermined quality

Efforts to Strengthen Global Systems to Ensure Product Safety

With the aim of the speedy development of safe, high-quality products to answer the needs of our customers around the world, we own product safety testing facilities in three locations—Japan, China, and Mexico. These facilities are equipped with state-of-the-art crash testing equipment.
We also own various types of crash dummies to comply with laws and regulations, the safety evaluation criteria of individual countries, and the evaluation requirements of automotive manufacturers, and we have established a global system for the speedy development of safe, high-quality products.

Crash test facilities and their development

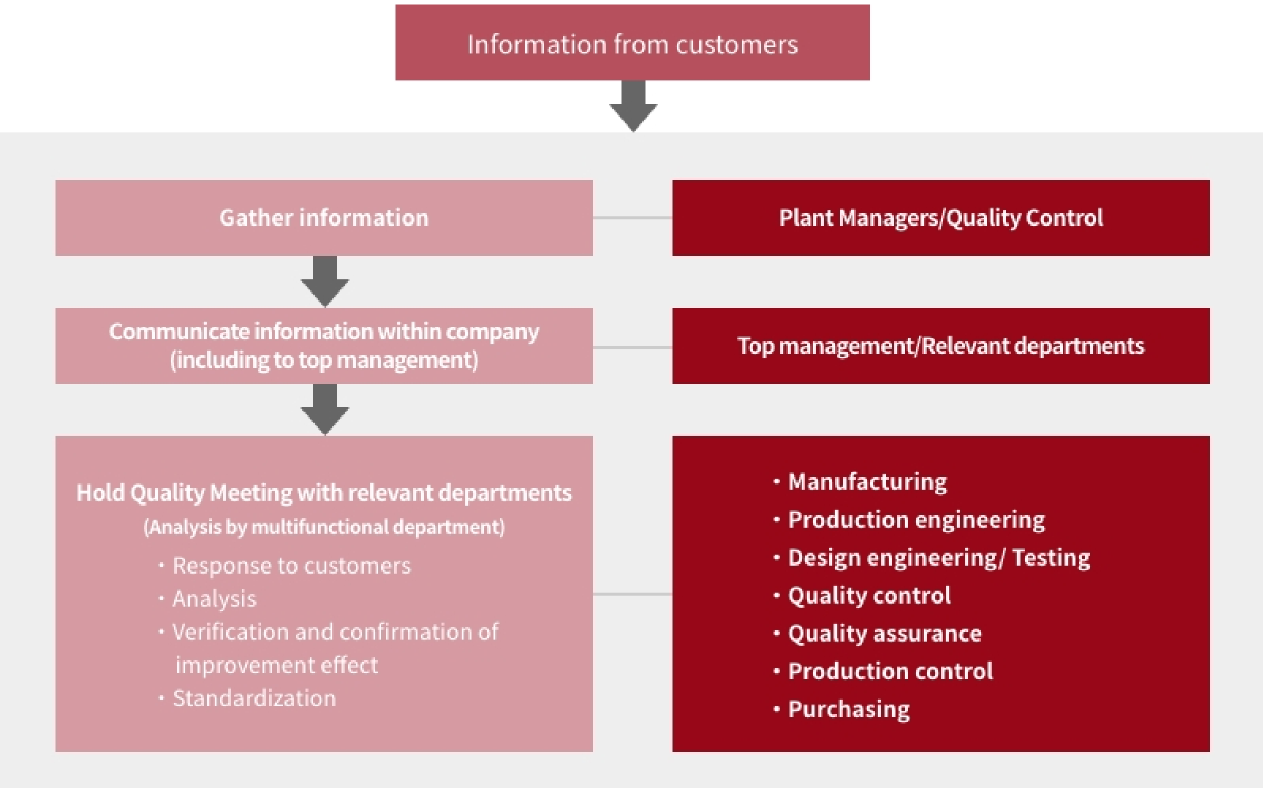
Crash test scenes



Responses to Product Problems

In the event of problems with our products, we promptly gather information from the customer and communicate the necessary information to the relevant departments. After that, while responding to the customer immediately, the relevant departments (including top management if necessary) gather in a Quality Meeting to analyze the problem based on *gogen-shugi* principles—*GENba* (actual location), *GENbutsu* (actual item), *GENjitsu* (actual facts), *GENri* (general principle) and *GENsoku* (general rule)—and undertake kaizen activities.

Flow of product problem response



Initiatives for Supply Chain

Basic policy of TACHI-S procurement

Based on the "Basic Procurement Policy", we are conducting business activities that consider safety, environment, human rights, compliance, and social responsibility. We will procure products from our business partners. Promote this initiative throughout the supply chain and create a sustainable society We aim to realize.

Basic policy of procurement

・We will comply with relevant laws and regulations and practice appropriate sales contracts.

・ We will strive to improve QCD evaluation technology by collecting information inside and outside the company and sharing it.

・ We will comply with fair and impartial handling in transactions and strive to foster mutual trust.

・ We will thoroughly manage confidential information and strive to prevent leakage.

・Promote procurement activities that consider human rights and labor, safety and health, and the environment.

Promotion of procurement activities that contribute to society and the environment

In order to minimize the negative impact of our business activities on society and the environment and ensure sustainability, various We are preparing measures. While there are several aspects of activities such as carbon neutrality, not only TACHI-S alone we will work together with our business partners to promote activities from the same perspective. In order to promote the realization of a sustainable society throughout the supply chain, we have established the "Supplier CSR Guidelines". We have established "Green Procurement Guidelines" and require all business partners to comply with the guidelines. In addition, we will check the compliance status using a self-check sheet for domestic business partners, and score for low-rated business partners. We are working to provide feedback and enlightenment for improvement.

- Supplier CSR Guidelines (Revised in September 2024)

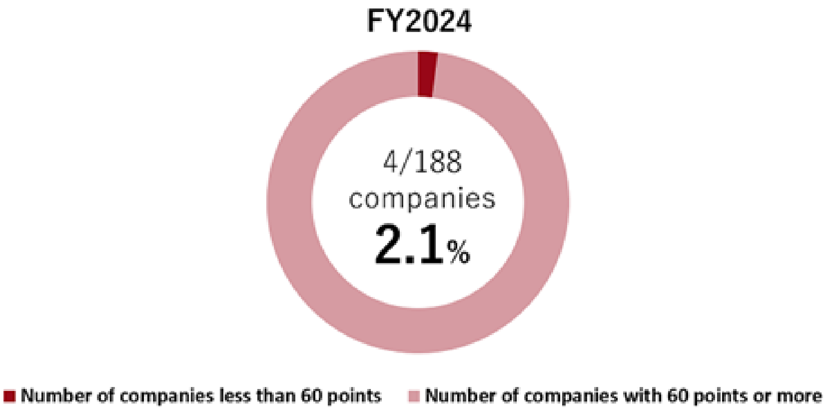
※Confirmation of agreement to the guidelines Agreed with 188 companies

- Green Procurement Guidelines (Revised in February 2022)

Guidelines compliance status

Self-check for compliance with guidelines Answer aggregation (Japan)

・ Self-check sheet (once a year, based on guidelines) D, E rank (less than 60 points out of 100 points)



Self-check for compliance with guidelines Answer aggregation (global including Japan)

In FY2024, we rolled out the "Supplier CSR Guidelines" to each of our business partners from our major bases in China, the Americas, and ASEAN, requested that they comply with the guidelines, and checked their compliance status using a self-check sheet.

・Self-check sheet (once a year, based on guidelines from 2020)

Regions	Number of responses	score				
		A	B	C	D	E
Japan	188	75	46	63	4	0
China	122	96	19	7	0	0
Thailand	36	21	11	4	0	0
Mexico	23	12	7	4	0	0

(Score by each rank　A: 90 points or more, B: 89 to 80 points, C: 79 to 60 points, D: 59 to 40 points, E: 39 points or less)

Efforts to strengthen the supply chain

In order to contribute to society and the environment throughout the supply chain, we believe it is important to build strong relationships with our business partners and develop each other. Through the "Procurement Policy Briefing Session" held every year, we will understand our way of thinking and priority activities related to manufacturing, comply with related laws and regulations, and evaluate and select fair and impartial business partners. We will aim for growth together.

■ Supplier Scorecard

In order to improve the corporate value of our business partners, we evaluate them from the perspective of QCD once a year. For business partners who need improvement, each department of our company cooperates and provides support.

■ BCP Initiatives

We are continuing to take measures to prevent procurement risks that affect production activities, such as natural disasters, fires, cyber terrorism, financial problems of business partners, and successor problems.
Check supply chain information and business partner company information to extract risks. If there is concern about the extracted risks, we conduct individual hearings, etc. to confirm the issues, and work together with our business partners to solve them, thereby increasing the continuity of our business activities.

■ Initiatives for Conflict Minerals*

We participate in "Responsible Minerals Trade Working Group" of JEITA (Japan Electronics and Information Technology Industries Association) to confirm the latest content about minerals trade and promote our response to the conflict minerals issue in cooperation with industry groups. In addition, once a year, we conduct a survey of the place of origin of conflict minerals.
If it is found that conflict minerals are contained in our product components or raw materials through investigation, we will consult with the relevant business partners and we will take appropriate measures such as discontinuing its use immediately.

* Conflict minerals: Mineral resources mined in conflict areas such as African countries. In particular, under the terms of the U.S. Financial Regulatory Reform Act (Dodd-Frank Act), four types of conflict minerals, Tin, Tantalum, Tungsten, and Gold, are defined as conflict minerals and are referred to as 3TG for short. Minerals mined in the area have become a source of funding for the activities of local armed groups. In addition, some of the mining activities of cobalt and mica (mica) are considered to be factors of child labor and bribery, and to eliminate ESG risks such as human rights violations, we define them as target minerals and conduct surveys.

■ Addressing human rights and labor risks

In addition to requests to business partners according to the Supplier CSR Guidelines, we request self-checks from our business partners. We verify human rights and labor risks based on self-checks and provide feedback and enlightenment for high-risk business partners for improvement.

■ Environmental Initiatives

Based on the Green Procurement Guidelines, we comply with laws and regulations regarding materials and parts that make up our products, and we are promoting environmentally hazardous substance management in cooperation with our business partners.
In addition, we will gradually grasp the CO_2 emissions of each category of Scope 3 and strive to grasp the emissions in the supply chain. At the same time, we will develop various measures to reduce emissions to our suppliers and carry out activities to realize a sustainable society.

Local communities

Together with local residents, we would like to contribute to the sustainable development of the region.

Basic Approach

Based on the corporate motto, "Cooperation Through Mutual Compromise," the TACHI-S Group strives to foster relationships of trust with people in local communities. We believe that it is our corporate social responsibility to contribute to the sustainable development of local communities by contributing to solutions to the social issues facingthose communities.

Efforts to Contribute to Local Communities

As a good corporate citizen, TACHI-S encourages its employees to participate in activities in the areas surrounding its business locations and engages in social contribution activities that leverage the company’s knowledge.

Activities to Contribute to Local Communities

Upcycling Initiatives by Nui Tec Corporation

Nui Tec Corporation, a subsidiary of TACHI-S Co., Ltd., opened an upcycled product store “Kobo NuiTec” on August 9, 2025, in Akita Furusato Village (Akasaka, Yokote City, Akita Prefecture). This initiative is part of upcycling efforts that repurpose fabric scraps and offcuts from the manufacturing processes, transforming them into new products. Based on ideas from the employees, Kobo NuiTec project members have engaged in planning and producing the products, such as tote bags, key holders, pass cases, cushions, accessories, and more. Sales are handled by project members as well as staff from inside and outside the company at the shop located in the craft workshop area of Akita Furusato Village, a local tourist facility. This activity aims to reduce waste and revitalize the community, and the company will continue its social contribution activities toward realizing a sustainable society.

Water Station at the 57th Ome Marathon

The 57th Ome Marathon was held on February 16, 2025, and we participated in the water station volunteer activities. Approximately 40 members gathered, including new employees, executives, labor union members, and alumni.

The activities are being carried out near Futamatao Station on the JR Ome Line, at an uphill stretch that is considered a difficult section of the 30km return leg. This year was blessed with clear skies and warmer temperatures than usual, so runners flooded the area during the peak hours, making it a very busy event. We received such happy words from the runners as “Thank you for another year!” There were also runners from TACHI-S, and they made all the members got very excited when they passed by the water station.

We have been doing this for more than 40 years, and we are proud to be involved in activities that support the fierce running of runners. We would like to continue supporting runners in the future.

Volunteer members

Water supply activities

TF-METAL Reuse industrial waste as fertilizer Implement initiatives

-Effective use of phosphoric acid solution generated in the production process-

TF-METAL Co., Ltd., a subsidiary of TACHI-S Co., Ltd., has officially registered the industrial waste generated in the production process at the Ryuyo Plant (Iwata City, Shizuoka Prefecture) as a by-product fertilizer with the Ministry of Agriculture, Forestry and Fisheries.

From fiscal 2021, we have been implementing efforts to reuse industrial waste as fertilizer, but on September 12, 2022, we officially registered it as fertilizer under the fertilizer name "Plant (Koba) Blessing No. 1". I was able to do it.

In addition to reducing industrial waste, we believe that fertilizer will contribute to CO_2 reduction by promoting plant growth.

■ Initiatives for local community activities and research of "Plant (Koba) Blessing No. 1"

・Donation of fertilizer to neighboring municipalities and related organizations Cooperation: Iwata City Hall, Shizuoka Prefectural University of Agriculture, Forestry and Environment (Iwata City, Shizuoka Prefecture)

Main donation recipients: Kosai City, Iwata City, Hamamatsu City, Toyohashi City, Nakatsu City, and others.

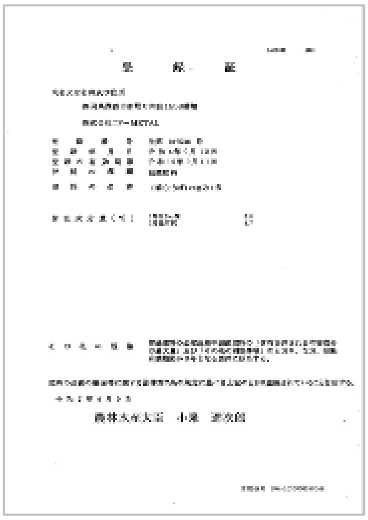
・Research on more efficient use of fertilizer

(Rental of a petting flower bed at Hamanako Garden Park, maintenance of the flower bed, confirmation of fertilizer results, etc.)

The program link, which was introduced on TV, is as follows. (Link from SBS News)
https://newsdig.tbs.co.jp/articles/sbs/635191?display=1&mwplay=1

■ Blessings of the factory

■ fertilizer registration certificate



■ Activities in petting flower beds

Headquarter/Technical Monozukuri Center
Donation of stockpiled food to food bank

On August 24, 2023, our head office / Technology / Monozukuri Center (Ome City) provided disaster stockpiled food to "Food Bank Akishima", a food support activity of "Aozora Minna Shokudo / Minna Cafe, a local children's cafeteria in Akishima City". Donated 600 meals of "Gomoku Rice".

This activity is carried out at the time of stockpile food replacement, and it was the second donation following the previous time (2018).(Donation in 2018: Second Harvest Japan) The representative of Minna Cafe said, "I will use the ingredients I received at the pantry (distribution meeting) held every Thursday." I received a word of appreciation. Due to the high prices following the corona crisis, the number of people waiting for food support is increasing, and it seems that everyone at cafes is sharing foodstuffs that are near their expiration date as their own responsibility. All the staff members are volunteers, "Connecting the friendly feelings of the community, aiming for a community that can participate in good things in society without any difficulty, and relying on nature, sharing is nothing special!" I am continuing my activities with the thought. Everyone, after listening to the story with a wonderful smile, I felt "welcome back.“

In the future, we will strive to support activities by utilizing disaster stockpiles other than food.

■ Delivery

■ The staff who responded

■ 20 boxes of food donated by our company (600 meals)

■ On the day of distribution, users take it home from this shelf

Other Social Contribution Activities

Initiatives to reduce food loss

TACHI-S Service Co., Ltd.

Efforts to utilize byproduct fertilizers effectively

Kosai City Chamber of Commerce and Industry Industrial Festival Participation in Kosai Fest

Joint activity with Fukuroi Special Support School

Fertilizer provision for Kosai Greening Fair

TF-METAL Co., Ltd.

Exhibited at the Japanese Society for Dialysis Therapy Annual Scientific General Assembly

TACHI-S H&P Co., Ltd.

Community contribution activities (TF-M)

Weeding and garbage cleanup work

TF-METAL Co., Ltd.

Other Social Contribution Activities

Tree planting activities

TACHI-S Mexico

Donation of toys to children's nursing homes

SETEX Mexico

Donation of desks and blackboards to elementary schools

TACHI-S Mexico

Cooperation in Revising the Undergraduate Curriculum of Jichi University

SETEX Mexico

Other Social Contribution Activities

Clothing donation activities

TACHI-S Brasil

Student Support Activities

TACHI-S Brasil

Food Donation Activities

Zhejiang Taijixin Auto Parts Co., Ltd.

Health Promotion Activities

Zhejiang Taijixin Auto Parts Co., Ltd.

Support for the Thai Red Cross Society through blood donation

TACHI-S Automotive Seating (Thailand) Co., Ltd.

Support activities for orphanages

TACHI-S Automotive Seating (Thailand) Co., Ltd.

Shareholders and Investors

We pursue the sustainable enhancement of corporate value through continuous dialogue with shareholders and investors.

Basic Approach to Investor Relations (IR)

The TACHI-S Code of Ethical Practice clearly states, 'The Company enhances management efficiency to meet shareholders' and investors' expectations, and places importance on the investor relations (IR) to promote the understanding of its corporate management and activities through correct and timely IR activities.' Guided by this policy, we disseminate corporate information such as management strategy and financial information in a timely, fair, accurate, and continuous manner.

Code of Conduct Regarding IR Activities

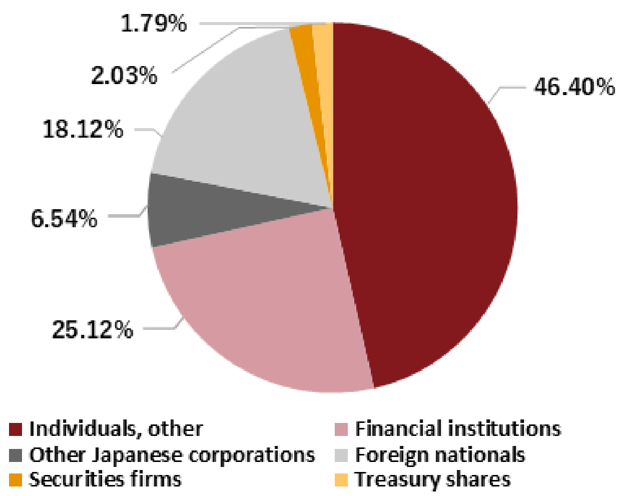
1. Members of the Company shall have bold and original ideas, and appropriately execute their plans, to meet shareholders' and investors' expectations.
2. Members of the Company shall disclose business performance results appropriately, give notice of the management philosophy, management policy, and measures for improving business performance clearly, receive any opinions or criticism sincerely, and reflect them in management.

> Link to Disclosure Policy

Shareholder Return Policy and Situation Regarding Shares

We believe that providing returns through ongoing improvements to corporate value is an important management issue and have adopted a basic policy of maintaining stable dividends while at the same time augmenting shareholders' equity and improving profitability.
The Company primarily utilizes internal capital reserves for R&D and global business development, and endeavors to secure profit in the medium to long term and strengthen its financial structure.
Regarding our shareholder return policy from FY2025 to FY2027, we commit a minimum of 103.8 yen per share, which is equivalent to DOE of 4% based on the results of FY2024. In addition, we will consider share buybacks and commemorative dividends flexibly in light of the market and business performance, aiming for a total payout ratio of 50% or more. The Board of Directors decided to stipulate in the Articles of Incorporation that the Company can use retained earnings for dividends. The Company has set a basic policy of paying two dividends a year, namely an interim dividend and a year-end dividend.

Shareholder composition (as of March 31, 2025)



Information Disclosure and IR Activities

The following is a description of the company's internal frameworks for the timely disclosure of company information.

Basic Stance on Timely Disclosure

TACHI-S CO., LTD. (the "Company") strives to increase society's trust in and promote understanding of corporate activities through fair and timely information disclosure in order to meet the expectations of shareholders and investors. The Company will disclose information in accordance with relevant laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act and the Timely Disclosure Rules of the Tokyo Stock Exchange, and will voluntarily disclose information that the Company regards as necessary and useful to be understood, even when none of the above applies.

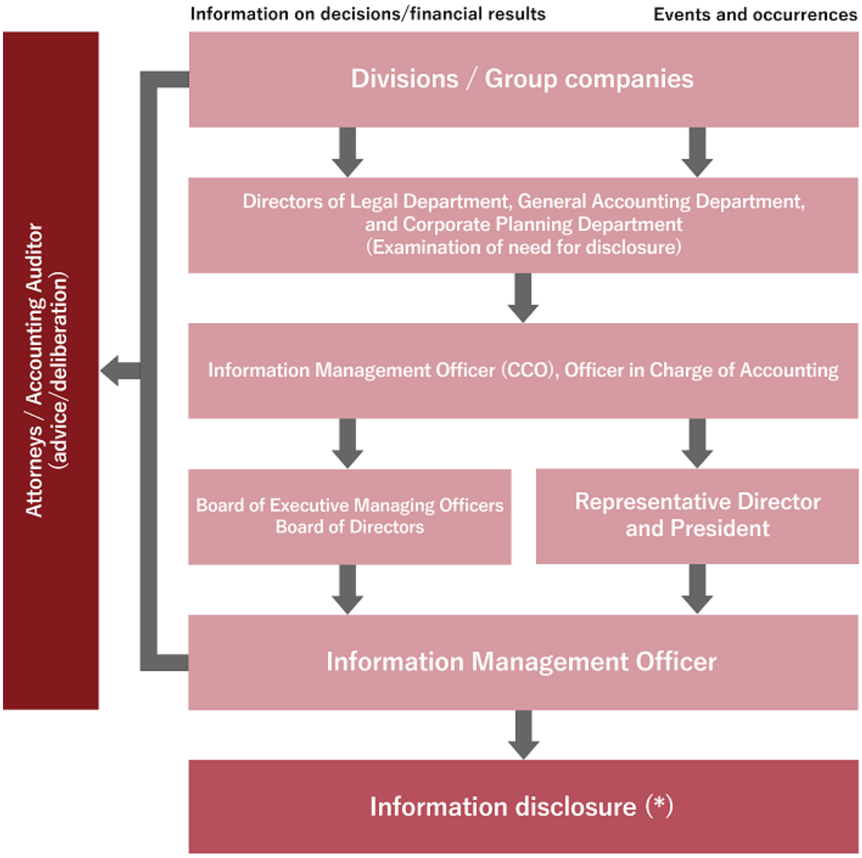
Internal Framework for Timely Disclosure

The Directors of the Legal Department and Finance Department and the General Manager of the Corporate Planning Office will deliberate on the need for disclosure of information, including that of subsidiaries, concerning decisions, events and occurrences, and financial results and obtain the approval of the Information Management Officer, after which the information will be disclosed upon a resolution by the Board of Directors and the Board of Executive Managing Officers ("Board of Officers").
For material corporate information, after consultation with the relevant departments, including accounting and finance, legal, corporate communications, R&D, and production, a determination of whether the information should be subject to timely disclosure will be made according to the Tokyo Stock Exchange's Securities Listing Regulations, and, upon the approval of the Representative Director and President, a decision will be made on the content, timing, and method of publication of the information. In response to this decision, as a general rule, the President or a person duly nominated by the President will make the disclosure of the information, which will be managed by the department responsible for corporate public relations.
The Company will disclose documents in accordance with related laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act, using an appropriate method, and will also promptly publish the same material on the Company's website following disclosure. In addition, regarding the disclosure of important information applicable to the Timely Disclosure Rules stipulated by the Tokyo Stock Exchange, the Company will disclose through the Timely Disclosure network (TD net) provided by said Exchange in accordance with said rules while promptly publishing the same material on the Company's website following disclosure. Even when disclosing information that does not apply to the Timely Disclosure Rules, the Company will disclose it in an appropriate manner in light of the purpose of timely disclosure.
Disclosures concerning "Decisions," "Financial Results," and "Events and Occurrences" will be considered and decided according to the following process.

Disclosure process for important information

Content of Disclosure	Disclosure Process
Decisions	Important information concerning management will be resolved by the Board of Directors, and important matters for the execution of operations other than matters resolved by the Board of Directors will be resolved by the Board of Executive Managing Officers. Proposals to be put to the Board of Officers will be subjected to prior examination by the Directors of the Legal Department and Finance Department and the General Manager of the Corporate Planning Office, after which the Information Management Officer will determine whether or not disclosure is required. If it is determined that disclosure is required, the Information Management Officer will report the content of the disclosure to the Board of Officers and disclose the information promptly following the approval of the proposal in question.
Financial results information	The financial results information for each quarter will be prepared by the Director of the Finance Department based on information from the individual departments and Group companies and, after examination by the officer in charge of finance, the resolution will be approved by the Board of Officers. The Information Management Officer will disclose the information promptly after the Board of Officers has approved the resolution of the proposal.
Events and occurrences	Events and occurrences recognized by individual departments and Group companies will be subjected to examination by the Directors of the Legal Department , the Finance Department, and the General Manager of the Corporate Planning Office, after which the Information Management Officer will determine whether or not disclosure is required. If it is determined that disclosure is required, it will be reported to the Representative Director and President, after which the Information Management Officer will disclose the information promptly.

Framework for timely disclosure



* Depending on the content of the disclosure, in addition to registering on TD net and posting on the Company's website, press conferences and document postings will be held as appropriate.

IR Activities

For the enhancement of corporate value, the Company conducts a range of IR activities, guided by the basic policy of holding proactive dialogue with shareholders and institutional investors and striving to nurture their trust.
Regarding the disclosure of IR information, financial information is disclosed on the corporate website on a quarterly basis, and a presentation meeting is held to explain the financial results to analysts and institutional investors. From FY2022, presentation meeting is held after the interim financial results in addition to after the annual financial results. IR information will also be provided in English versions in principle to ensure fairness and transparency. Individual meetings are also held as required.
The Annual General Meeting of Shareholders is held in June every year. A notice of convocation of this meeting is sent out at an early stage to give shareholders sufficient time to deliberate on the proposals being put to the General Meeting of Shareholders. The notice of convocation is also published on TDnet and the corporate website in advance of its being sent out. To provide non-Japanese shareholders, who account for approximately 30% of all shares, with swift and fair information disclosure, English-language materials (summaries) will be published at the same time.

Major annual IR activities

· Financial Results Presentation Meeting (for institutional investors and analysts)	Twice a year
· Public release of financial results presentation	Twice a year
· IR interviews (individual meetings)	As required
· Information disclosure on website	As required

Corporate Governance

This is a report on the status of our corporate governance.

Our concept on Corporate Governance

We recognize that the realization of our corporate vision "To live in harmony with individuals and society and to put smiles on people's faces by continuously creating living spaces of comfort and enrichment" will lead to the sustainable growth of our group and enhance our corporate value over the medium to long term, in line with our corporate purpose "Supporting People and the Earth through "Seating" Technology"'. We believe it is important to work on improving corporate governance to support this, and we will continuously work on improving corporate governance in accordance with the following basic principles.

Basic Policy

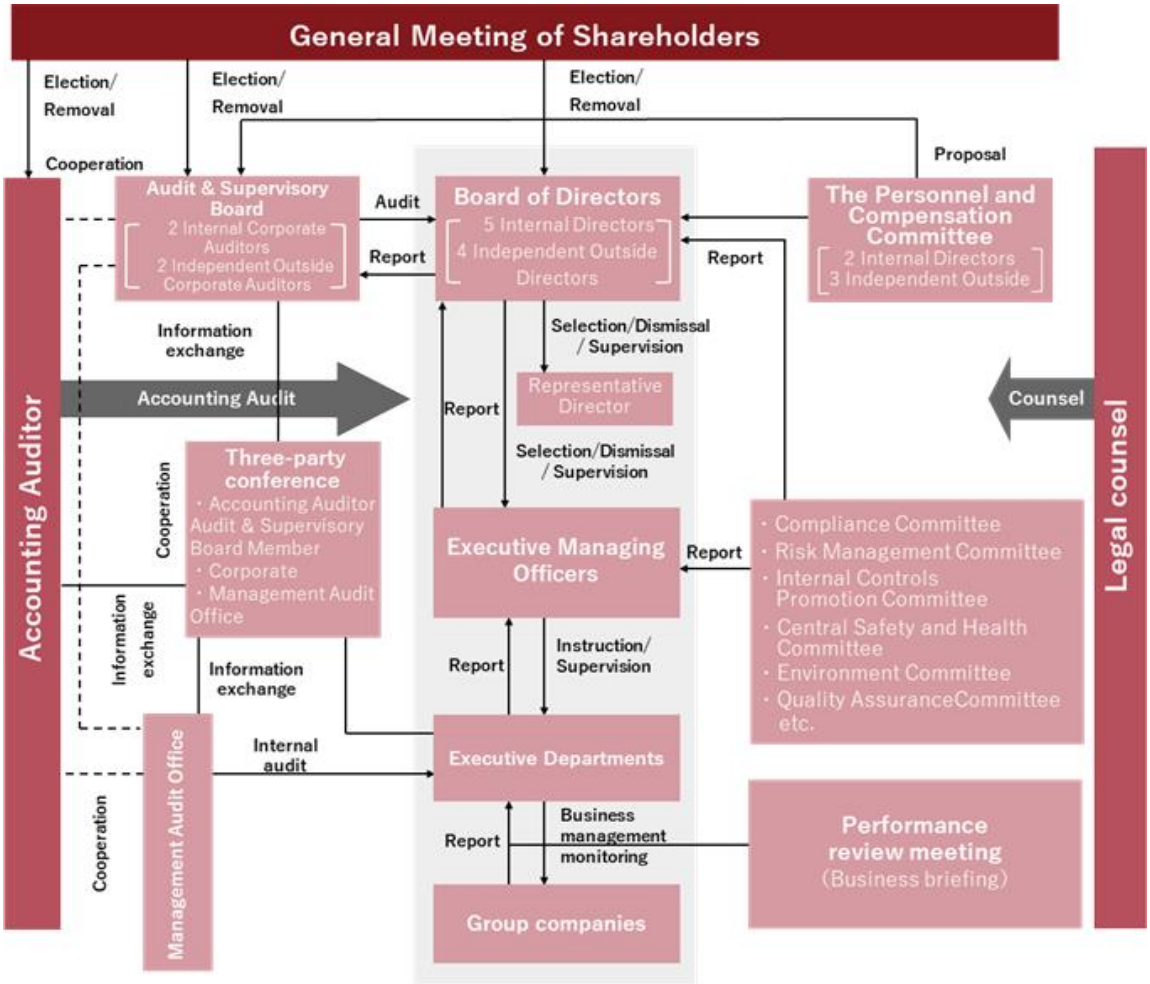
1. We strive to ensure the rights and equality of shareholders and create an environment in which they can exercise their rights appropriately.
2. We strive for appropriate collaboration with stakeholders other than shareholders (customers, employees, business partners, local communities, etc.).
3. We strive to ensure appropriate information disclosure and transparency.
4. We strive for appropriate execution of the roles and responsibilities of the Board of Directors, based on its fiduciary responsibility and accountability to shareholders.
5. We strive to engage in constructive dialogue with shareholders.

- Basic Policy of Corporate Governance
- Corporate Governance Report(July 14,2025)

Corporate Governance System

The Board of Directors consists of nine Directors, including four Outside Directors, and the Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members. In addition, we have set the term of office for Directors to one year and introduced the Executive Managing Officer system to clarify management responsibility and improve management efficiency. We have established a system to monitor management from an objective and professional perspective, and appointed four Outside Directors (one lawyer, one certified public accountant, and two corporate executives) and two Outside Audit & Supervisory Board Members (one lawyer and one certified public accountant) who are unbiased toward the interests of the Company’s management or specific stakeholders.
From June 2023, the Chairman of the Board of Directors will be an independent outside director, and one of the four outside directors is a female director. And we are expanding the transparency and diversity of the Board of Directors.

Corporate Governance System Chart



Board of Directors

The Board of Directors meets once a month in principle, and consists of nine members, including four Outside Directors. The Board makes decisions and reports on important management matters, including statutory matters, and supervises business execution.
An independent outside director has become the chairman of the Board of Directors since June,2023.

Executive Managing Officers

In order to efficiently promote business execution, we hold the Executive Managing Officers consisting of Executive Managing Officers, including those who also serve as Directors, twice a month in principle.
It decides on important matters other than those to be resolved by the Board of Directors, and reports on important matters to the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board consist of four members, including two Outside Audit & Supervisory Board Members (one lawyer and one certified public accountant), and they meet thirteen times a year in accordance with the audit plan. Audit & Supervisory Board Members audit the execution of duties by the Directors and the status of business and assets of the Company and its subsidiaries by attending important meetings and conducting various investigations in accordance with the audit policy, division of duties, etc., as determined by the Audit & Supervisory Board . In addition, in order to supplement the Audit & Supervisory Board and to share information among the Audit & Supervisory Board Members, meetings of the Audit & Supervisory Board Members are held in conjunction with the Audit & Supervisory Board.

Personnel and Compensation Committee

The Company has Audit & Supervisory Board but has established a Personnel and Compensation Committee as a voluntary committee to supplement the functions of the Board of Directors. The Committee deliberates on matters related to employees and compensation of officers and other personnel and is responsible for proposing the results of its deliberations to the Board of Directors. The Company held eight meetings of Personnel and Compensation Committee in FY2024. The committee consists of five or more directors (three are independent outside directors* and two are internal directors), and from June 2023, independent outside directors will serve as chairpersons of the Personnel and Compensation Committee, and one corporate auditor will be an observer. It is a system in which you can attend and express your opinions. By establishing this Committee, we aim to further strengthen corporate governance by ensuring objectivity and transparency in employees and compensation of officers and other personnel.

(Note) An Outside Director or Outside Audit & Supervisory Board Member is a person who meet the "Criteria for Assessing Independence of Outside Directors/Audit & Supervisory Board Members" described below.

Number of meetings of the Board of Directors and number of times attended by each Director and Audit & Supervisory Board Member (Attendance rate)

Attendance rate of Board of Directors Meetings in FY2024 (Period: April 1, 2024, to March 31, 2025)

Position	Name	Times held	Times attended	Attendance rate	Remarks
Representative Director and President Chief Executive Officer Chief Operating Officer	Yuichiro Yamamoto	15	15	100%	
Representative Director and Executive Managing Officer Chief Financial Officer	Atsushi Komatsu	15	15	100%	
Director and Executive Managing Officer	Takao Ito	15	15	100%	
Director and Executive Managing Officer	Akiyoshi Murakami	15	15	100%	
Director and Executive Managing Officer	Tsutomu Okochi	15	14	93%	
Outside Director	Toshio Kinoshita	15	15	100%	
Outside Director	Hidetaka Mihara	15	15	100%	
Outside Director	Yoshiaki Nagao	15	15	100%	
Outside Director	Sachiko Tsutsui	15	15	100%	
Audit & Supervisory Board Member	Naozumi Matsui	15	15	100%	
Audit & Supervisory Board Member	Tetsuya Kinose	12	12	100%	
Outside Audit & Supervisory Board	Shinsuke Matsuo	15	15	100%	
Outside Audit & Supervisory Board	Nobuaki Ozawa	15	15	100%	

(Note) At the Ordinary General Meeting of Shareholders held on June 25, 2024, Mr. Tetsuya Kinose were newly appointed as an Audit & Supervisory Board Member.

Attendance rate of Audit & Supervisory Board in FY2024 (Period: April 1, 2024, to March 31, 2025)

Position	Name	Times held	Times attended	Attendance rate
Audit & Supervisory Board Member	Naozumi Matsui	13	13	100%
Audit & Supervisory Board Member	Tetsuya Kinose	8	8	100%
Outside Audit & Supervisory Board	Shinsuke Matsuo	13	13	100%
Outside Audit & Supervisory Board	Nobuaki Ozawa	13	13	100%

(Note) At the Ordinary General Meeting of Shareholders held on June 25, 2024, Mr. Tetsuya Kinose were newly appointed as an Audit & Supervisory Board Member.

Directors, Audit & Supervisory Board Members and Executive Managing Officers

We will introduce our company's officers.

Directors, Audit & Supervisory Board Members and Executive Managing Officers

As of June 26, 2025

Position	Name	Gender	Outside Director and Outside Audit & Supervisory Board Member	Domain	Reasons for Election
Representative Director and President Chief Executive Officer Chief Operating Officer	Yuichiro Yamamoto	Male		Chief Strategy Officer	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.
Representative Director and Executive Managing Officer Chief Financial Officer	Atsushi Komatsu	Male		Chief Corporate Officer	He has superior expertise in finance and management divisions and 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 Division. 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 improvement of the Group's corporate value.
Director and Executive Managing Officer	Takao Itou	Male		Chief Manufacturing Officer	He has many years of extensive experience in the manufacturing Division and he has a proven track record of managing operating companies as well as business operations in the China region. 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.
Director and Executive Managing Officer	Akiyoshi Murakami	Male		Chief Technology Officer	He not only has a wealth of experience and achievements in the development and technology divisions 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.
Director and Executive Managing Officer	Masato Hiruma	Male		Chief Business Officer	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.

Position	Name	Gender	Outside Director and Outside Audit & Supervisory Board Member	Domain	Reasons for Election
Outside Director	Toshio Kinoshita	Male	○	-	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.
Outside Director	Hidetaka Mihara	Male	○	-	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.
Outside Director	Yoshiaki Nagao	Male	○	-	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.
Outside Director	Sachiko Tsutsui	Female	○	-	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.
Audit & Supervisory Board Member	Naozumi Matsui	Male		-	Appointed as Audit & Supervisory Board Member to utilize his abundant expertise in financial accounting as a certified public accountant and his wealth of experience at financial institutions and overseas subsidiaries in the auditing of the Company.
Audit & Supervisory Board Member	Tetsuya Kinose	Male		-	Appointed as Audit & Supervisory Board Member to utilize his abundant expertise in financial accounting as a certified public accountant and his wealth of experience at financial institutions and overseas subsidiaries in the auditing of the Company.
Outside Audit & Supervisory Board	Nobuaki Ozawa	Male	○	-	Appointed as an Outside Audit & Supervisory Board Member to utilize his experience and financial knowledge as a certified public accountant in the auditing of our group although he does not have direct experience in corporate management other than as an Independent Audit & Supervisory Board Member.
Outside Audit & Supervisory Board	Naoko Ohiwa	Female	○	-	She has advanced knowledge and extensive experience in corporate legal affairs as an attorney-at-law despite having no experience in corporate management. We have newly nominated her as a candidate for Outside Audit & Supervisory Board Member based on the belief that she will contribute to the sustainable development of the Company by leveraging her knowledge to strengthen legal risk management and governance and by bolstering the improvement of management transparency and appropriate decision-making from an independent standpoint.

Skill status

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 2021, which has entered Wave2 from 2025, 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	Position	General management, Business management			Medium- to long-term strategy					
					Business strategy		Financial & Capital Strategies	Management foundation		
		Corporate management, Management strategy	Global	Governance, Risk control, Compliance	Sales	Technology development, Monozukuri	Finance, Accounting	Human capital strategy, Human capital management	Global Environment	IT DX
Yuichiro Yamamoto	Representative Director & President	●	●		●					
Atsushi Komatsu	Representative Director	●	●				●	●		
Takao Ito	Director	●				●			●	●
Akiyoshi Murakami	Director	●				●				
Masato Hiruma	Director	●			●	●				
Toshio Kinoshita	Outside Director		●	●			●			
Hidetaka Mihara	Outside Director			●						
Yoshiaki Nagao	Outside Director	●	●			●				
Sachiko Tsutsui	Outside Director	●	●							●
Naozumi Matsui	Audit & Supervisory Board Member						●			
Tetsuya Kinose	Audit & Supervisory Board Member						●			
Nobuaki Ozawa	Outside Audit & Supervisory Board Member						●			
Naoko Ohiwa	Outside Audit & Supervisory Board Member			●			●			

(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

Executive Managing Officer

As of June 26, 2025

Position	Name	Domain
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	Responsible for HONDA・TOYOTA・HINO Business Department and Business Strategy Administration Department
Executive Managing Officer	Yoshiaki Kubo	Responsible for Product Development Group General Manager-ESG Promotion Office
Executive Managing Officer	Naoki Hasegawa	Responsible for Production Engineering Administration and Management Department and Seat Assembly Production Engineering Department and Foam & Plastic Parts Production Engineering Department and Frame Production Engineering Department
Executive Managing Officer	Isao Sekita	Responsible for Product Development Group
Executive Managing Officer	Masafumi Akiyama	Responsible for Japan Region
Executive Managing Officer	Yohei Ota	Chief of Purchasing Group
Executive Managing Officer	Yuto Yamauchi	Chief of Global Business Management Group

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 Executive[1] of the Company or a related company (“Group Companies”).
2. Over the past 5 years a Close Relative[2] of the person has not been an Executive[1] 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 Executive[1] 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 Executive[1] of such a large shareholder.
   (3) The person is a Person for whom Group Companies are Important Clients[3] or who is an Executive[1] of such an entity.
   (4) The person is an Executive1 of an Important Client of Group Companies[4].
   (5) The person is an Executive1 of an Important Lender to Group Companies[5].
   (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 amount[6] of money or other assets other than remuneration for directors (and other officers).
   (8) The person is a recipient of a large amount[6] 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 Executive[1] 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, regarding to whom Items (1) to (9) of paragraph 3 above apply (but limited to cases where such a Close Relative is an Important Person[7]).

(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.

Officer Compensation

The Company’s policy on compensation, etc., for Directors and Audit & Supervisory Board Members, or the method of calculating such amount, is designed so that compensation functions as an incentive for the sustainable growth of the Group and the enhancement of corporate value over the medium to long term mainly for Directors, and the sharing of the benefits and risks of the Company’s corporate value with shareholders are taken into consideration in the system. Specifically, it consists of monthly compensation (fixed), and bonuses and stock-based compensation (variable). The amount of monetary compensation is within the limit for Directors as approved at the 71st Annual General Meeting of Shareholders held on June 20, 2023 (within an annual amount of 280 million yen (of which is within an annual amount of 50 million yen for Outside Directors). However, this does not include employee salaries.) The number of Directors as of the close of this Annual General Meeting of Shareholders is nine, including four Outside Directors. Bonuses are paid upon resolution of the General Meeting of Shareholders following comprehensive consideration of annual corporate performance, dividends, the level of employee bonuses, trends at other companies, medium to long-term performance, and past payment results. The ratio of each type of compensation, etc., is approximately 2:1 “fixed” and “variable (bonus and stock-based compensation)” compensation respectively, with the ratio of variable compensation being higher for higher positions. As for Outside Directors, no bonus will be paid in consideration of their role. In order to ensure Audit & Supervisory Board Member independence, the compensation system for Audit & Supervisory Board Member is based on monthly compensation only, without bonuses that are affected by company performance. The amount of monetary compensation is within the limit for Audit & Supervisory Board Members as approved at the 58th Annual General Meeting of Shareholders held on June 25, 2010 (within an annual amount of 60 million yen). The number of Audit & Supervisory Board Members as of the close of this Annual General Meeting of Shareholders is four, including two Outside Audit & Supervisory Board Members. Compensation for Executive Managing Officers is based on employee salaries and bonuses.
Method of determining policy for determining compensation, etc. of directors and Audit & Supervisory Board Members is to deliberate among a voluntary Personnel and Compensation Committee based on a survey of executive compensation conducted by an external research organization, and to propose the results of deliberations to the Board of Directors for resolution. The Remuneration Committee(convening eight times a year) 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.
At the 66th Annual General Meeting of Shareholders held on June 22, 2018, the Company resolved that compensation for the Company’s Directors (excluding Outside Directors and Non-Executive Directors. Hereinafter the same) be linked to the Company’s performance and stock value and, furthermore, a performance-linked stock compensation plan be introduced for the purpose of raising awareness among Directors to contribute to the improvement of medium to long-term business performance and the increase of corporate value by sharing the benefits and risks of stock price fluctuations with shareholders.
With respect to the performance-linked stock compensation plan, this is a system for Directors using the Company’s shares. The Company contributes money to a trust established by the Company, which is used to acquire shares and deliver them to each Director. The number of shares to be delivered will be determined in accordance with the Share Delivery Regulations established by the Company, and points will be calculated based on the degree of both individual achievement and performance targets, and shares equivalent to the number of points will be delivered. In principle, Directors receive the shares when they retire from their post. 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 and claw-back 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.

Total amount of compensation, etc., for Directors and Audit & Supervisory Board Members in FY2024

Director classification	Total compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)					Number of officers to be covered (persons)
		Fixed compensation	Bonuses	Performance-linked compensation	Retirement benefits	Of the left figure, non-monetary compensation, etc.	
Directors (excluding Outside Directors)	222	131	60	30	—	30	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	32	32	—	—	—	—	3
Outside Directors/ Audit & Supervisory Board Members	46	46	—	—	—	—	6

(Note) 1The above number of persons and amount of compensation include one Director who retired at the conclusion of the 72nd Annual General Meeting of Shareholders held on June 25, 2024.
2The breakdown of non-monetary compensation, etc., for Directors (excluding Outside Directors) is 30 million yen in performance-linked compensation.

Evaluation of the Effectiveness of the Board of Directors

The Company conducts effectiveness analyses and evaluations of the Board of Directors to improve the function of the Board of Directors and ultimately enhance corporate value.
The analysis and evaluation were conducted using the following methods, with evaluation and advice from outside agencies.

1. Overview of the evaluation method for effectiveness

A questionnaire using an external organization was sent to all Director, Member of the Boards and auditors who are members the Board of Directors meeting in March 2025. In order to ensure the anonymity of the subjects, this survey was answered directly to an external organization. The Company analyzed, discussed, and evaluated the survey results at the May 2025 Board of Directors meeting, based on the aggregate results reported by the external organizations.

2. Summary of the results of the effectiveness evaluation

According to the responses to the questionnaire and the results of the interviews, a certain degree of sufficiency was evaluated with regard to the effectiveness the Board of Directors, and no major problems with the functioning the Board of Directors were specifically identified. Therefore, the Company recognize that our Board of Directors is generally functioning effectively.

Of the issues shared in the previous effectiveness evaluation, we confirmed that effective efforts are being made to improve the following.

- Board discussions :
  ⇒We improved the quality of discussions by establishing regular pre-board reporting sessions to follow up on the previous mid-term management plan and to review the new plan announced in May. These efforts led to more active dialogue and improved evaluations. Oversight of human capital and intellectual property also showed progress. However, the need for further improvement was acknowledged.

- Board monitoring :
  ⇒We made significant progress in securing diversity among key personnel. At the same time, we recognized the need to strengthen oversight and monitoring functions across the entire group, including overseas subsidiaries, through a review of both governance structure and operational practices.

In the future, based on this effectiveness evaluation, the Company will continue its efforts to enhance the functioning the Board of Directors by promptly responding to issues after thorough consideration of them.

Internal Controls

In accordance with the Companies Act, the Board of Directors adopted a resolution on a “Basic Policy for Internal Control Systems” at a Board meeting in May 2006 and has reviewed it every fiscal year since then to establish and operate internal control systems based on the resolution. Please refer to Matters to be disclosed on the Internet in connection with the Notice of Convocation of the 73rd Ordinary General Meeting of Shareholders.

- Notice of the 73rd Annual General Meeting of Shareholders (Items to be omitted from delivery documents)

In addition, in accordance with the Financial Instruments and Exchange Act, in order to ensure the reliability of financial reporting, we evaluate the effectiveness of development and operation of our internal control systems regularly and work to strengthen and improve them. For the internal control reports, please refer to the Annual Securities Report..

- Annual Securities Report (73rd term)

The Purpose of TACHI-S

Our Group has more than 10,000 employees working in 53 locations in 9 countries worldwide. Based on the “Purpose of TACHI-S,” which is the pillar of our employees’ actions, we believe that each employee should think about the meaning of our corporate activities and their own work, and act voluntarily to contribute to the realization of a sustainable society. In order to achieve this, we promote activities to develop and spread the Purpose of TACHI-S’s existence on a global scale.

- Corporate Philosophy

Bring smiles by continuously creating comfortable living spaces to enrich people’s lives in harmony with people and society

01
Technology to support human posture with "safety, security and comfort"

02
Technology to "combine" various materials

03
Monozukuri capabilities to "deliver high-quality products on a global scale"

We defined Purpose of TACHI-S (the axis of corporate activities) to provide social and economic value and to realize a sustainable society.

Supporting People and the Earth through "Seating" Technology

Supporting posture of people

We will contribute to people's health and Quality of Life by providing comfort/safety/sense of security for sitting posture that occupies 30% of the day, and for various postures.

Supporting people

We will support all stakeholders and society through our business.

Supporting the Earth

Based on the spirit of "Mutual Respect And Cooperation" taught by our founder, we will maintain harmony with the Earth by addressing SDGs initiatives and contribute to the realization of a sustainable and environmentally friendly world.

Compliance & Risk Management

We will report on our efforts toward compliance and risk management, which are the foundations that support our corporate activities.

Compliance

Basic Concept Regarding Compliance

In 2004, the 50th anniversary of our company's founding, we established the "Compliance Declaration," in which top management expressed their commitment to compliance with the aim of becoming a company trusted by society both in name and reality, and to achieving sustainable development and growth. We also formulated the "TACHI-S Ethics Code," which concretely outlines behavior standards based on corporate ethics. In addition, to ensure that corporate activities based on the TACHI-S Code of Ethics are reliably upheld, we have established the "Compliance Operation Regulations," which define the operational organization related to compliance and measures to be taken in cases of violations of the Code of Ethics, and the "Internal Reporting Regulations," which specify the operation of the internal reporting system. We have put in place a system to ensure that all officers and employees comply with laws and regulations and conduct corporate activities based on corporate ethics. Our company, based on these declarations, principles, and various regulations, considers enhancing our self-purification capabilities as an enterprise and promoting sincere corporate activities, while continuing to be a company trusted by all stakeholders, as the foundation of corporate management.

Compliance Declaration

Thanks to the efforts of many over the years, the TACHI-S Group has earned a reputation as a sincere and earnest company with technological capabilities and has built its current position through this trust. We will sincerely strive to continue to be a company that is trusted by society, because we recognize that this is an absolute requirement for corporate growth and development. As we celebrate the 50th anniversary of our founding, we have clarified our code of conduct and established it here as the “TACHI-S Code of Ethical Practice.” We will make this Code of Ethical Practice the basis of our actions and strive to practice the following.

1. We will fully consider our impact on the environment, provide products that are useful and safe for society, ensure corporate transparency, and strive to live up to the trust of all our stakeholders.
2. We will comply with all laws and rules, including the spirit of such laws and rules, both in Japan and abroad, and act with social common sense.
3. We will act responsibly and cultivate ethical values as a good corporate citizen, based on the spirit of our company motto, “Cooperation Through Mutual Compromise.”

We hereby pledge to comply with the “TACHI-S Code of Ethical Practice” and to promote compliance-based corporate activities.

Developed April 25, 2004

- TACHI-S Code of Ethics (Japanese)

Compliance Promotion System

To ensure compliance with the TACHI-S Code of Ethical Practice, the following compliance system has been established.

Compliance System

【Ethics Committee】

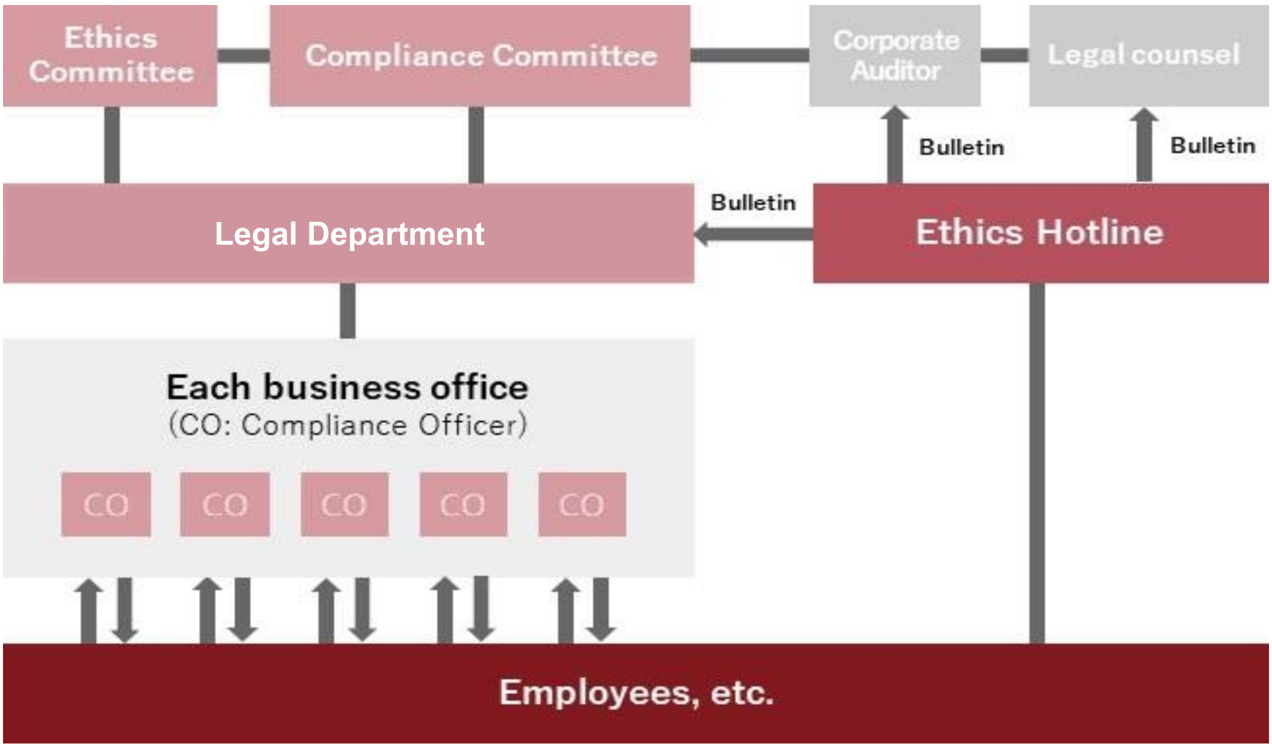
The committee is chaired by the President and consists of all Directors and relevant Executive Managing Officers as committee members. It plays a role in maintaining and strengthening the compliance system (Secretariat: Management Audit Office, held once a year in principle).

【Compliance Committee】

The committee is chaired by a Compliance Officer and consists of Outside Directors, Corporate Auditors, and legal counsel as committee members, and is responsible for directing investigations into the facts of cases involving violations of ethics or laws and regulations, and for making recommendations on such violations (Secretariat: Management Audit Office, convened by the committee chair as necessary).

【Compliance Officer】

A corporate ethics officer assigned to each business site regarding compliance,
and is responsible for providing advice on consultation from employees and supporting the operation of the compliance system.



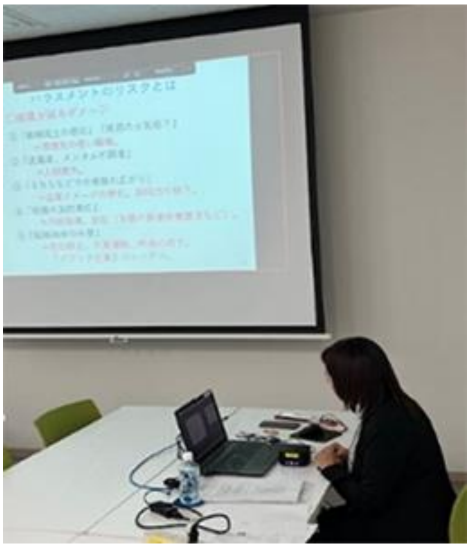
Raising Awareness of Compliance

We formulate compliance action plans every year with the theme of “Each and every employee should view compliance as a matter of familiarity and practice it in their daily work,” and we conduct the following educational activities.

Activities to raising awareness of compliance

- Conducting compliance education for all employees at certain times after joining the company (e.g., new employee or new manager education), and at different levels.
- A corporate ethics workshop is conducted each year as part of Corporate Ethics Reinforcement Month by an outside lecturer for Directors, Managers, and representatives of domestic subsidiaries.
- Regularly publishing the “Compliance Letter,” which communicates familiar compliance cases in an easy-to-understand, four-panel cartoon format, and the “Compliance Mail Magazine,” which contains news of public interest and mini-tests.

Compliance training session



Compliance education is conducted for all employees at key milestones after joining the company (new employees, newly appointed managers, etc.) and by hierarchical levels.
Additionally, every year, as part of the Compliance Awareness Strengthening Month, directors and employees, as well as directors and employees of domestic affiliated companies, participate in compliance training sessions.

The “TACHI-S Handbook” used to raise awareness

We have compiled regulations such as “Compliance Declaration”, “Compliance Management Regulations”, “Internal Reporting System Standards” and “TACHI-S Code of Ethical Practice” into a compact, easy-to-carry handbook. Furthermore, we have compiled a “Do's and Don'ts” as a collection of specific examples of the “TACHI-S Code of Ethical Practice” distributed to employees and posted on the intranet to spread awareness of compliance.

Sending email newsletter

We regularly send out "Compliance Newsletter", which conveys familiar compliance cases in easy-to-understand four-panel comics, and "Compliance Mail Magazine", which includes news and mini-tests that have captured the public's interest.

Internal Monitoring

To comply with laws and regulations and engage in ethical corporate activities, we believe it is important to develop and operate an “internal monitoring system” to serve as a foundation for preventing injustice and unethical behavior, and for identifying problems at an early stage should they occur. An “internal reporting system” has been established at all Group companies to handle consultations and reports on fraudulent, illegal, or unethical activities by organizations or individuals, as well as violations of our own Code of Ethical Practice and internal rules.
In addition, we regularly conduct “business audits” to confirm appropriateness, compliance, and effectiveness of operations in departments that execute business. During these audits, we also check the status of ethics and legal compliance.
Furthermore, we conduct annual compliance awareness surveys of our employees to ascertain their level of understanding and awareness of compliance, and we use this information in educational activities.

Risk Management

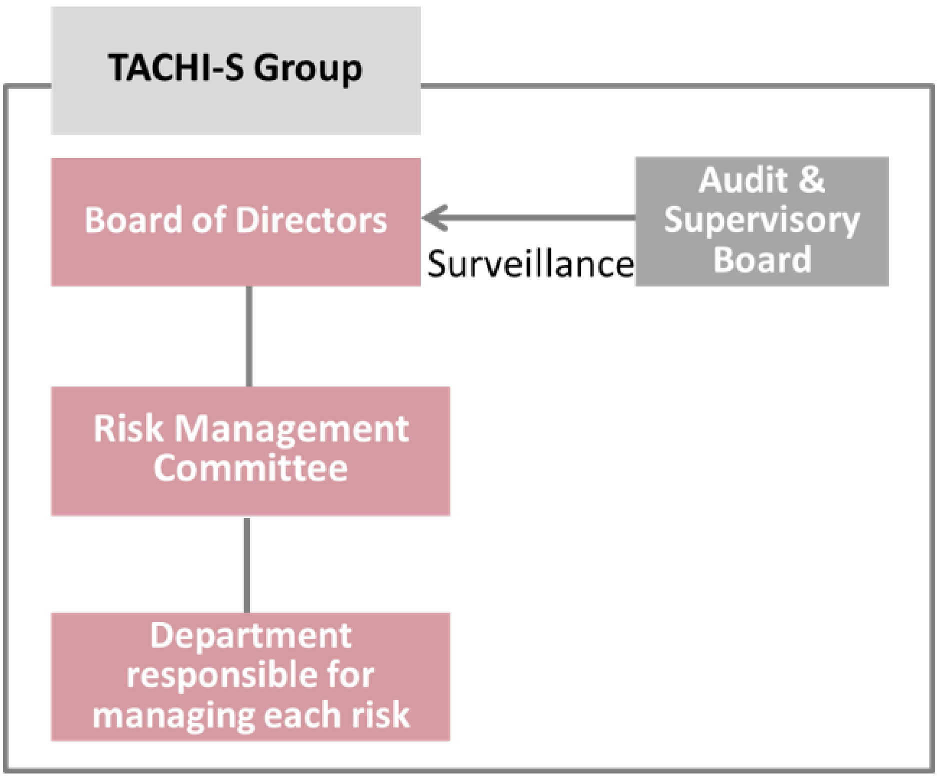
Basic Approach

As the environment surrounding companies has greatly changed and the risks we face have diversified, we have established a system that enables us to respond quickly and accurately.
We have positioned risk management as one of the most important management issues and are promoting sustainable management and strengthening governance.

Risk Management System

The chairperson of the committee is the president, and all directors and executive officers except outside directors are members. We have established a Risk Management Committee that deliberates and makes decisions related to risk management for the entire group.

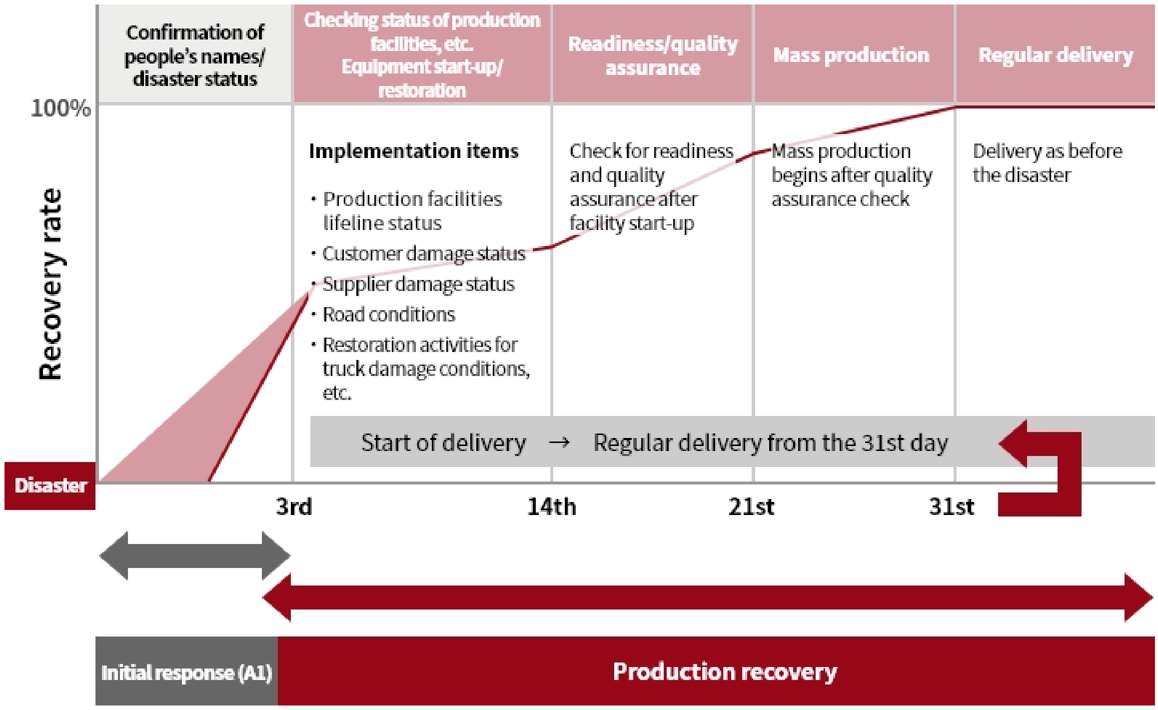
Risk Management System



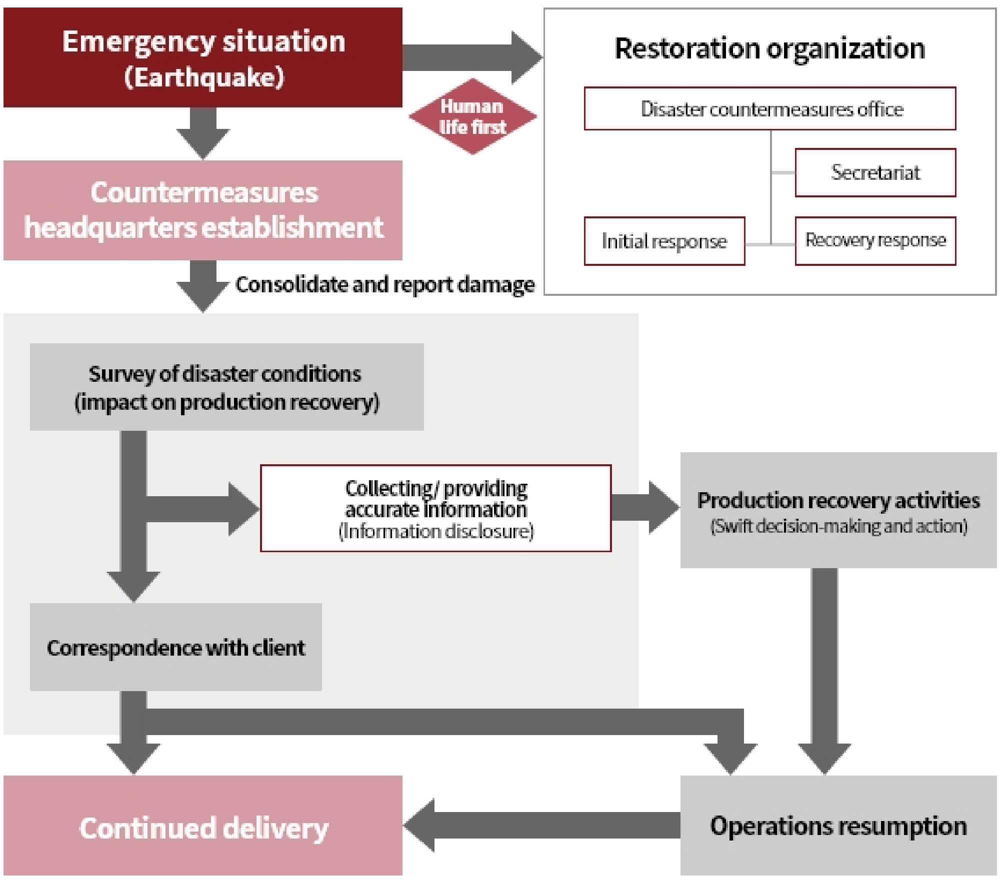
Business Continuity Plan (BCP)

We have formulated a Business Continuity Plan (BCP) to minimize damage and swiftly restore operations in the event of a major disaster or accident occurrence. Specifically, assuming the occurrence of a major earthquake, the scope of production restoration and the flow to restore production are defined to restore production activities as soon as possible.

Production recovery scope



Production recovery flow in the event of an earthquake

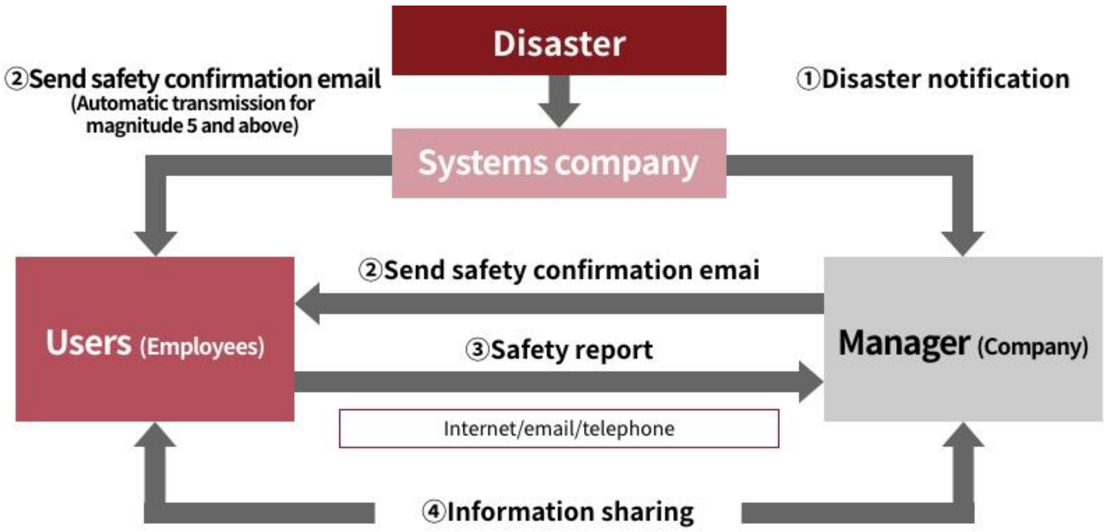


BCP training

Implementing a System to Confirm Employee Safety

In the event of a disaster, it is imperative that employee safety be confirmed, means of communication secured, and information shared. Based on the necessity to introduce an efficient and reliable system, we introduced a safety confirmation system from a systems company as a means of confirming and communicating the safety of our employees in the event of a disaster or other emergency as part of our disaster prevention system. In addition, regular training is conducted to ensure that employees are proficient in system operation and that the system is operating normally.

Overview of the safety confirmation system



Internal Reporting System

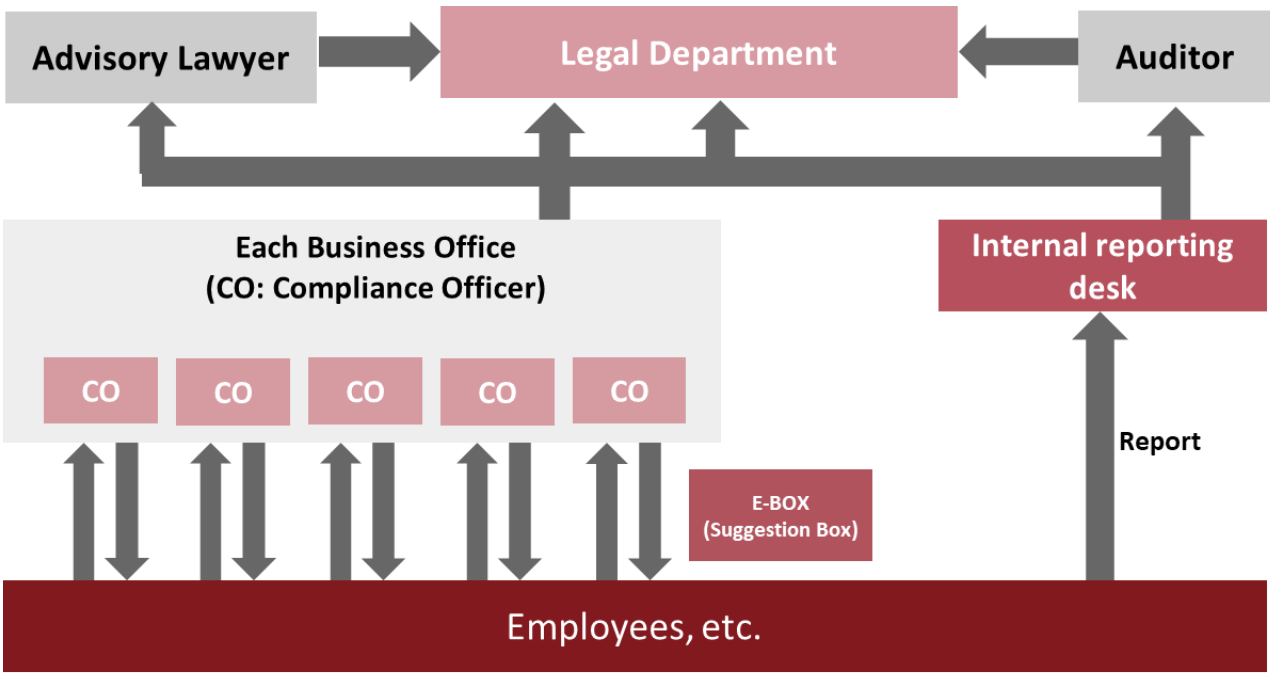
The Purpose of Introducing the Internal Reporting System

The purpose of the Company shall be to prevent, detect and correct misconduct at an early stage by establishing a system for appropriately handling reports or consultations on actions with compliance issues at the Company, thereby contributing to strengthening the compliance system.

Internal Reporting System Structure

The name of our internal reporting system is the “Ethics Hotline.” All TACHI-S employees, and all employees of the TACHI-S Group, such as the Company's officers, employees, and other employees who have an employment relationship with the Company (temporary employees, etc.), are eligible for use and are well known.
In addition, in accordance with the “Whistleblower Protection Act,” the contact point for reporting may be selected from among Legal Department, Corporate Auditors, or Legal Counsel, and reporting may be done anonymously.
We accept reports and consultations via dedicated telephone line, dedicated mail, E-boxes (drop boxes) set up at each office, and in person.

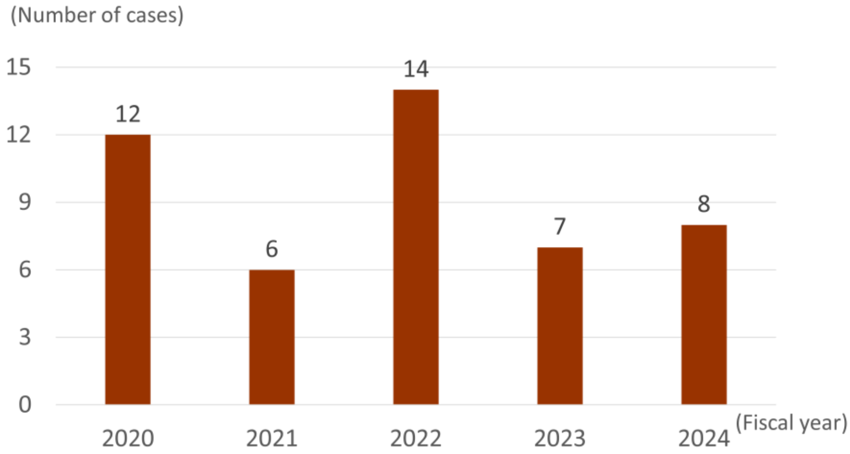
Procedure for Consultation and Reporting to the Internal Whistleblowing Contact Point



Occurrence of Internal Reporting

The number of cases reported to the Ethics Hotline is as follows.

Consultations and reports to the internal whistleblowing hotline (TACHI-S + Affiliates)

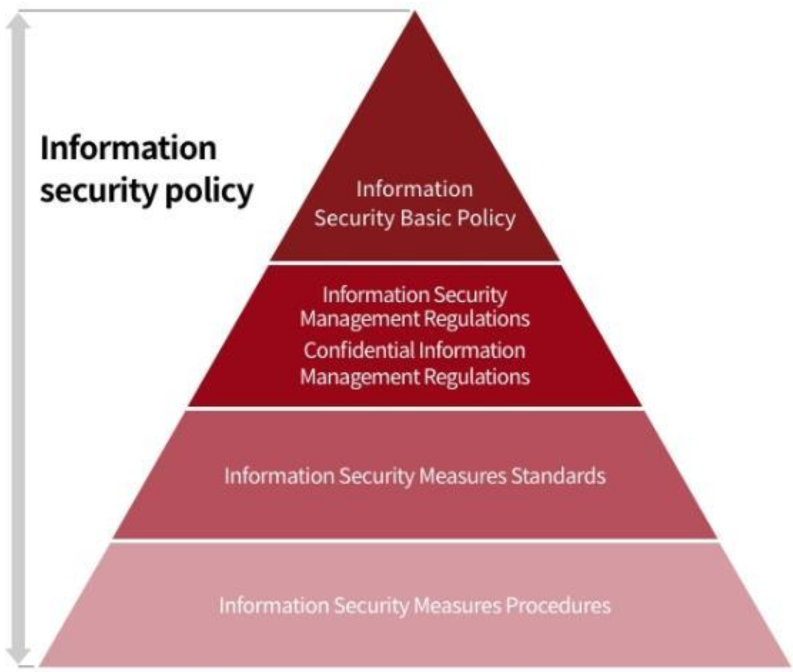


Information Security

Basic Policy on Information Security

To protect our information assets, we have established a basic policy on information security. Based on this policy, we will work on continuous information security measures to prevent information leaks and other problems from occurring and maintain the trust of our customers. Our Information Security Policy is a clear statement of the policies and standards set to protect the information assets of the organization and consists of the following.

Information security policy system



Information Security Policy

1. Subject of Information

Information assets are not limited to hardware, software, networks, and files. They also include documents necessary for business, information obtained in the course of business, knowledge, and knowhow.

2. Proactive Measures for Information Assets

Our information assets will be used as effectively as possible and appropriate information security measures will be implemented in accordance with the given asset's level of importance.

3. Incident Response Measures

In the unlikely event of a breach, the cause of the breach will be swiftly identified and action will be taken to minimize damage.

4. Promotion System

With the understanding and support of Directors, the Risk Management committee and Information Technology Department shall be responsible for the development and operation of a company-wide information security system.

5. Education

Awareness and education activities regarding information security will be continuously conducted for all employees, including Directors and contract employees.

6. Employee Obligations

All employees, including Directors and contract employees, shall understand the Basic Policy on Information Security and act in accordance with the relevant regulations.

7. Penalties

Strict measures will be taken against those who violate the Basic Policy on Information Security and related regulations.

Developed March 27, 2007

Revised June 1, 2023

Initiatives to Strengthen Information Security

To raise employee awareness of the necessity and importance of information security, in February and March, which is the government's "Cyber Security Month," we conduct employee education using our internal portal to check the level of understanding. In addition, to promptly inform employees of information security threats and prevent information leaks, an internal portal for "security incident alerts" and an information security contact point have been set up, and we are always working with employees to respond to problems.
The security system is divided into entry, exit, and individual countermeasures, which are periodically evaluated. Entry countermeasures prevent viruses from entering the company through email, web browsing, or external attacks. Exit countermeasures prevent information leakage outside the company in the event that an internal computer is infected with a virus. Individual countermeasures include software to monitor computer behavior and controls that block the use of USBs to prevent direct introduction of viruses. Security systems are already installed for both entry, exit, and individual measures. In addition, these systems are monitored 24/7/365 to ensure protection from viruses.
To respond to information security risks that continuously occur, we are strengthening our countermeasures and monitoring on a regular basis. We also take comprehensive information security countermeasures to ensure that our employees can use our IT environment safely.

Countermeasures against information security risks in IT usage environments

Ongoing enhancements focused on countermeasures against increasingly sophisticated cyber attacks

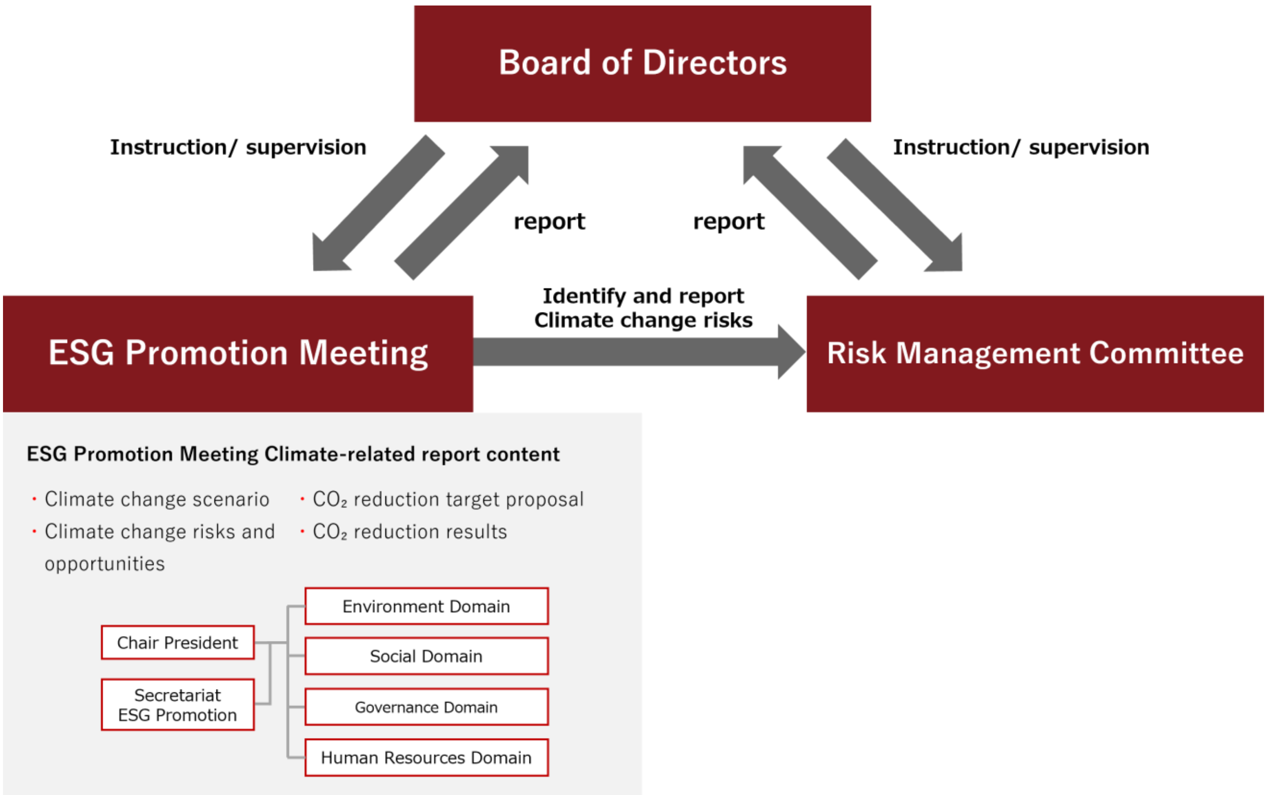
1.External/internal communication restrictions (communication restrictions and record keeping)
2.Incoming email virus and spam prevention
3.Public server attack prevention
4.Remote connection security enhancement (authentication)
5.Measures against information leaks when sending mail
6.Control of dangerous internet browsing
7.Virus infection from internet browsing and unauthorized communication countermeasures
8.PC information leakage countermeasures (device encryption)
9.Unauthorized external media connection restrictions (operation record retention)
10.PC and server virus protection and monitoring

TCFD Information Disclosure

Based on the purpose of "Supporting People and the Earth through Seating Technology" we will continue to provide both social and economic value. In addition, we have set "A company that is kind to people and nature" as the basic philosophy of our environmental policy, and in May 2022, we agreed with the TCFD (Task Force on Climate-related Financial Information Disclosure) recommendations. Analyze risks and opportunities that our business poses from climate change scenarios, provide feedback to strategy and risk management, and lead to an increase in corporate value.

Governance

We are continuously implementing CO2 reduction activities to address climate change issues, with the core of our corporate activities being "Supporting People and the Earth through Seating Technology". Regarding these initiatives, the ESG Promotion Meeting, chaired by the president, approves the activity policy and follows up on the progress of each quarter. The contents of the ESG Promotion Meeting are regularly reported to the Board of Directors and reflected in activities Under the direction and supervision of the Board of Directors.



Strategy

We examine scenarios in which the average temperature at the end of this century will rise by 4°C compared to pre-industrial levels, and scenarios in which the temperature will be limited to a 1.5 °C increase, and we extract climate-related risks and opportunities for our businesses. The following is a list of climate-related risks with high-risk ratings based on the evaluation by the company-wide Risk Management Committee.

	Risks Classification	Factors	Impact on our company	Impact Time	Impact Level	Financial Impact	Correspondence
Transition Risk 1.5℃ Scenarios	Policy / Legal Regulations	Strict laws and regulations such as carbon tax will be implemented to keep the average temperature rise to around 1.5℃	･Increase in energy costs at business locations ･Increase in material procurement costs ･Increase in logistics costs	Mid-term	Medium	Increase in energy costs due to the introduction of carbon tax. 770 million yen (consolidated)	･Continuation and expansion of energy saving activities ･Expansion of use of renewable energy ･Energy saving and renewable energy in the supply chain ･Improve transportation efficiency by improving logistics
	Market / Technology	Awareness of greenhouse gas reduction permeates consumers	･Decrease in demand for products with high CO2 emissions in the life cycle	Mid-term	Large	Sales decrease of contemporary seat frame products 7.7 billion yen (consolidated)	･Deepening of conventional technology that leads to low carbon new technology development
Physical Risk 4℃ Scenarios	Acute	Global CO2 reduction remains at current levels, with average temperatures rising by 4℃ and frequent torrential rains and unusually high temperatures	･Factory flooding ･Supply chain disruption	Short Term	Medium	Reduced sales during the operation stop due to factory flooding 3.2 billion yen (per site)	･Implement early recovery by formulating BCP
Opportunity 1.5℃ Scenarios	Products / Services	Awareness of greenhouse gas reduction permeates consumers	･Demand increase products with low CO2 emissions in the life cycle	Mid-term	Large	Sales increase of newer seat frame products 15.7 billion yen (consolidated)	･Development of smaller and lighter products ･Application of plant-derived materials

Referenced scenarios
4°C : IPCC RCP8.5 IEA STEPS Public Policy Scenario, CPS Current Policy Scenario
1.5°C : IPCC RCP2.6 IEA SDS Sustainable Scenario, NZE 2050 Substantive Zero Scenario
Impact period : Short term → within 3 years, medium term → around 2030, long term → around 2050
Impact level : Calculated from the likelihood of occurrence (5 levels) x financial impact (5 levels)

Based on the results of scenario analysis, we will reflect the newly necessary measures in our management strategy, work to strengthen the resilience of our business, and effort to disclose information.

Risk Management

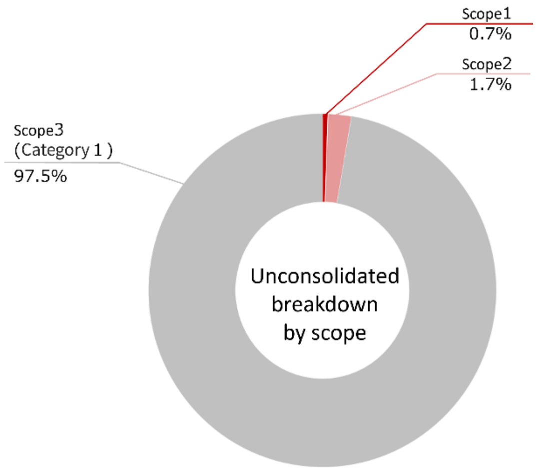
Climate change risks are identified at the ESG Promotion Meeting, and the Risk Management Committee reviews them regularly once a year, including climate change risks. Evaluate the importance of risk by "damage scale" and "frequency of occurrence" when risk occurs, and the contents are reported from the Risk Management Committee to the Board of Directors.
In reaction to the risk assessment, the relevant subcommittees set measures to be taken and target values. We are promoting risk management activities.

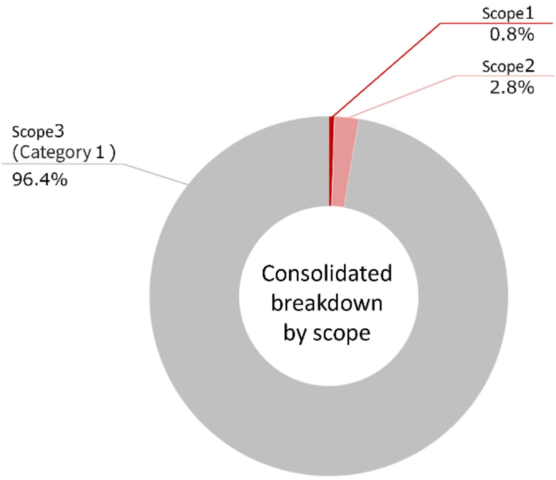
※ Link to risk management

Metrics & Targets

Aiming for carbon neutrality in 2050, we have set the following as indicators and intermediate goals.

Index	Group Consolidated /Unconsolidated	2022 results	2023 results	2024 results ※4
Scope 1 ・ 2	Consolidated	33,152 t-CO_2	33,822 t-CO_2 BSI Independent Assutance Statement※3	35,294 t-CO_2※1
Scope 3 (Category 1)※2	Consolidated	805,432 t-CO_2	973,249 t-CO_2 BSI Independent Assutance Statement※3	930,930 t-CO_2
Scope 1 ・ 2	Unconsolidated	7,151 t-CO_2	7,066 t-CO_2	7,801 t-CO_2 (12% reduction compared to FY2019)
Scope 3 (Category 1)※2	Unconsolidated	257,781 t-CO_2	329,104 t-CO_2	292,944 t-CO_2





➢ Trends in greenhouse gas emissions (By scope)

2030 target

・Scope 1 and 2 CO_2 total emission reduction : ▲50% compared to FY2019

※1 Scope 2 Market-based for Domestic, China and Thailand and Latin America, Location-based for North America.
※2 Calculated from Scope 3 "Emissions intensity database ver3.2 for calculating greenhouse gas emissions of organizations through the supply chain", category 1 to 8 are calculated and category 1 accounts for 95% or more, so only category 1 is listed.
※3 Third-party assurance by the British Standards Institution (BSI)
※4 Plan to obtain third-party assurance

Editorial Policies

The purpose of this ESG website is to provide stakeholders with information on TACHI-S Group's approach to ESG and sustainability, its ESG and sustainability frameworks, and the results of its activities.
An updated edition of this report will be published once a year. For the production of this ESG report, we referred to the GRI Standards 2021 of the Global Reporting Initiative and the Environmental Reporting Guidelines 2018 of the Ministry of Environment.

Date of Publication:

November 2025

Period Covered by the Report

April 1, 2024 – March 31, 2025
(However, the report also partially includes initiatives from fiscal year 2023 and for fiscal year 2025.)

Organizations Covered by the Report

This report is about TACHI-S's and its consolidated subsidiaries.