



Consolidated Financial Summary Third Quarter of FY2014

(April 1, 2013 – December 31, 2013)

TS TECH Co.,Ltd.

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Summary for the Third Quarter of FY2014 (based on Japanese accounting standards)

January 31, 2014

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange
 Stock code: 7313 URL: <http://www.tstech.co.jp>
 Representative: Michio Inoue, President
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 Corporate Social Responsibility Department
 Scheduled date for filing of quarterly securities report: February 10, 2014
 Scheduled date of commencement of dividend payment: —
 Preparation of supplementary explanatory material: None
 Quarterly results briefing: None

(Amounts of less than one million yen are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of FY2014 (April 1, 2013 – December 31, 2013)

(1) Consolidated Financial Results (Accumulated Total) (% of change from the same period of previous year)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|-------------------------|-------------|------|------------------|-------|-----------------|-------|-------------|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Third quarter of FY2014 | 332,778 | 24.3 | 30,051 | 65.8 | 32,750 | 64.9 | 18,825 | 54.4 |
| Third quarter of FY2013 | 267,617 | 28.8 | 18,125 | 583.1 | 19,857 | 473.2 | 12,193 | — |

(Note) Comprehensive income Third quarter of FY2014 34,222 million yen (116.7%)

Third quarter of FY2013 15,790 million yen (—%)

| | Net income per share | Diluted net income per share |
|-------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Third quarter of FY2014 | 276.85 | — |
| Third quarter of FY2013 | 179.32 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| Third quarter of FY2014 | 254,299 | 166,090 | 58.0 | 2,170.57 |
| FY 2013 | 207,700 | 137,523 | 59.2 | 1,808.75 |

(Reference) Shareholders' equity: Third quarter of FY2014 147,594 million yen

FY2013 122,992 million yen

2. Cash Dividends

| | Annual cash dividends | | | | |
|-------------------|-----------------------|-----------|-----------|-------------|--------|
| | End of 1Q | End of 2Q | End of 3Q | End of year | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| FY2013 | — | 14.00 | — | 20.00 | 34.00 |
| FY2014 | — | 24.00 | — | | |
| FY2014 (forecast) | | | | 24.00 | 48.00 |

(Notes) 1 Revision from the most recent announcement of cash dividends forecasts :None

3. Consolidated Forecasts for FY2014 (April 1, 2013 - March 31, 2014)

(% of change from the same period of previous year)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------|-------------|------|------------------|------|-----------------|------|-------------|------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| FY2014 | 441,000 | 22.7 | 34,500 | 42.4 | 37,000 | 36.0 | 21,000 | 33.4 | 308.82 |

(Note) Revision from the most recent announcement of consolidated financial forecasts: None

4. Others

(1) Changes in important subsidiaries during the quarter

(Changes in significant subsidiaries affecting the scope of consolidation during this period) : Yes

New subsidiaries 1 company () Excluded subsidiaries — companies ()
(TST MANUFACTURING DE MEXICO, S. DE R.L.
DE C.V.)

(Note) For details, refer to “2. Matters Concerning Summary (Notes) Information, (1) Changes in Important Subsidiaries during the Current Period” on page 5.

(2) Application of special accounting treatment for quarterly consolidated financial statements : Yes

(Note) For details, refer to “2. Matters Concerning Summary (Notes) Information, (2) Application of Special Accounting Treatment for Quarterly Consolidated Financial Statements” on page 5.

(3) Changes in accounting policies and accounting estimates, or re-statement

- 1) Changes in accounting policies associated with the revision of accounting standards, etc. : None
- 2) Changes other than 1) : None
- 3) Changes in accounting estimates : None
- 4) Re-statement : None

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the term including treasury stock
- 2) Number of treasury stock at the end of the term
- 3) Average number of shares during the term (cumulative)

| | | | |
|--------------|-------------------|--------------|-------------------|
| 3Q of FY2014 | 68,000,000 shares | FY2013 | 68,000,000 shares |
| 3Q of FY2014 | 1,709 shares | FY2013 | 1,709 shares |
| 3Q of FY2014 | 67,998,291 shares | 3Q of FY2013 | 67,998,351 shares |

(*Presentation concerning the implementation status for quarterly review procedure)

Quarterly reviews based on the Financial Instruments and Exchange Act are not undertaken for quarterly financial statements at the time this financial summary is disclosed.

(*Explanation regarding the appropriate use of forecasts of financial results and other notes)

- The consolidated forecasts presented above are projections made by managers of TS TECH Co., Ltd. (hereinafter the “Company”) on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties. Accordingly, we request readers of this document to avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility for actual results may differ materially from these forecasts, due to various important factors. Readers are asked to proceed to “(3) Explanation of Consolidated Forecasts and Other Future Forecasts” on page 4 for assumptions and other information that form the premise for the operating results forecast above.

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1. Qualitative Information Concerning Quarterly Results

(1) Explanation of Financial Results

During the first three quarters of FY2014 (April 1, 2013 – December 31, 2013), consolidated results were solid, primarily buoyed by the positive impact of exchange rates due to the weaker yen and an increase in order volumes from major customers worldwide, especially those in North America and Asia. As a result, net sales for the first three quarters of FY2014 amounted to 332,778 million yen on a consolidated basis, an increase of 65,160 million yen (24.3%) from the same period of FY2013. In terms of profits, operating income rose 11,925 million yen (65.8%) year on year, to 30,051 million yen, mainly reflecting the effects of higher sales and cost reductions and the positive impact of exchange rates. Ordinary income climbed 12,893 million yen (64.9%), to 32,750 million yen, and net income increased 6,632 million (54.4%), to 18,825 million yen.

Operating performance by segment is as follows:

(Japan)

(Unit: Million yen)

| | First three quarters of FY2013 | First three quarters of FY2014 | Year-on-year | Changes |
|------------------|-----------------------------------|-----------------------------------|--------------|---------|
| Net sales | 75,256 | 75,674 | 417 | 0.6% |
| Operating income | 5,062 | 5,078 | 15 | 0.3% |

Main factors for year on year change

| | |
|------------------|--|
| Net sales | Net sales rose due to increases in royalty income resulting from higher overseas production and increased order volumes from major customers, offsetting a decline in sales of components for overseas markets. |
| Operating income | Operating income increased mainly due to the impact of higher sales, including an increase in royalties, despite higher depreciation and amortization costs accompanying the commencement of operations at new plants and an increase in development expenses. |

(Americas)

(Unit: Million yen)

| | First three quarters of FY2013 | First three quarters of FY2014 | Year-on-year | Changes |
|------------------|-----------------------------------|-----------------------------------|--------------|---------|
| Net sales | 121,610 | 159,440 | 37,829 | 31.1% |
| Operating income | 7,517 | 12,170 | 4,653 | 61.9% |

Main factors for year on year change

| | |
|------------------|--|
| Net sales | Net sales increased, reflecting the positive impact of exchange rates and an increase in order volumes from major customers. |
| Operating income | Operating income increased due to the effects of higher sales and cost reductions and the positive impact of exchange rates. |

(China)

(Unit: Million yen)

| | First three quarters of FY2013 | First three quarters of FY2014 | Year-on-year | Changes |
|------------------|-----------------------------------|-----------------------------------|--------------|---------|
| Net sales | 58,332 | 72,151 | 13,819 | 23.7% |
| Operating income | 6,274 | 9,156 | 2,881 | 45.9% |

Main factors for year on year change

Net sales Net sales increased, reflecting the positive impact of exchange rates, despite virtually unchanged order volumes from major customers.

Operating income Operating income increased, mainly due to the positive impact of exchange rates, the effects of cost reductions, and changes in the makeup of models.

(Asia and Europe)

(Unit: Million yen)

| | First three quarters of FY2013 | First three quarters of FY2014 | Year-on-year | Changes |
|------------------|-----------------------------------|-----------------------------------|--------------|---------|
| Net sales | 33,656 | 51,786 | 18,129 | 53.9% |
| Operating income | 2,515 | 7,266 | 4,751 | 188.9% |

Main factors for year on year change

Net sales Net sales increased, reflecting the normalization of operations at the Group's consolidated subsidiary in Thailand, where operations were temporarily suspended due to flooding, as well as an increase in order volumes from major customers and the positive impact of exchange rates in each country.

Operating income Operating income increased, chiefly due to the effects of higher sales, the positive impact of exchange rates, and changes in the makeup of models.

Sales by business segment are as follows:

(Unit: Million yen)

| | First three quarters of FY2013 | | First three quarters of FY2014 | | Year-on- year | Changes |
|---------------------|-----------------------------------|-------------|-----------------------------------|-------------|------------------|---------|
| | | Sales ratio | | Sales ratio | | |
| Motorcycles | 4,787 | 1.8% | 4,993 | 1.5% | 205 | 4.3% |
| Automobiles | 260,187 | 97.2% | 324,418 | 97.5% | 64,231 | 24.7% |
| (Seats) | 230,682 | 86.2% | 287,760 | 86.5% | 57,078 | 24.7% |
| (Interior products) | 29,504 | 11.0% | 36,658 | 11.0% | 7,153 | 24.2% |
| Other businesses | 2,642 | 1.0% | 3,366 | 1.0% | 723 | 27.4% |
| Total | 267,617 | 100.0% | 332,778 | 100.0% | 65,160 | 24.3% |

Main factors for year on year changes

Motorcycle business Net sales increased, reflecting the positive impact of exchange rates, despite virtually unchanged order volumes from major customers.

Automobile business Net sales increased, primarily buoyed by the positive impact of exchange rates due to the weaker yen and an increase in order volumes from major customers worldwide, especially those in North America and Asia.

(2) Explanation of Financial Positions

(Total assets)

Total assets at the end of the third quarter of FY2014 stood at 254,299 million yen, increasing 46,598 million yen from the end of FY2013. These changes primarily reflected a rise in cash and deposits and an increase in notes and accounts receivable-trade, chiefly due to increased orders from major customers, as well as a rise in property, plant and equipment, mainly due to the construction of new plants in Thailand, Mexico and other countries.

(Liabilities)

Total liabilities at the end of the third quarter of FY2014 amounted to 88,208 million yen, increasing 18,031 million yen from the end of FY2013. The increase resulted primarily from a rise in notes and accounts payable-trade.

(Net assets)

Net assets at the end of the third quarter of FY2014 were 166,090 million yen, up 28,567 million yen from the end of FY2013. The increase was chiefly due to an increase in retained earnings and a drop in the negative balance of foreign currency translation adjustments.

(3) Explanation of Consolidated Forecasts and Other Future Forecasts

Taking into account consolidated operating results for the first three quarters of FY2014 as well as the current trend in orders from main customers and foreign exchange rates, the Group is keeping the consolidated forecasts announced on October 29, 2013 unchanged.

2. Matters Concerning Summary (Notes) Information

(1) Changes in Important Subsidiaries during the Current Period

The company decided to include TST MANUFACTURING DE MEXICO, S. DE R.L. DE C.V, a company established during the first quarter, in the scope of consolidation from the first quarter.

(2) Application of Special Accounting Treatment for Quarterly Consolidated Financial Statements

(Calculation of tax expense)

Tax expense is calculated by rationally estimating the effective tax rate for income before income taxes for the fiscal year, including the first three quarters of FY2014, following the application of tax effect accounting, and multiplying quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in Accounting Policies, Accounting Estimates, or Re-statement

Not applicable

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

| | FY2013 (As of March 31, 2013) | Third quarter of FY2014 (As of December 31, 2013) |
|---|----------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 58,269 | 73,691 |
| Notes and accounts receivable-trade | 48,806 | 62,290 |
| Merchandise and finished goods | 2,251 | 2,577 |
| Work in process | 1,978 | 2,748 |
| Raw materials and supplies | 18,256 | 19,775 |
| Other | 7,046 | 8,087 |
| Allowance for doubtful accounts | -21 | -21 |
| Total current assets | 136,587 | 169,149 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 18,317 | 20,700 |
| Machinery, equipment and vehicles, net | 12,430 | 13,224 |
| Other, net | 18,121 | 25,104 |
| Total property, plant and equipment | 48,869 | 59,030 |
| Intangible assets | 1,259 | 1,519 |
| Investments and other assets | 20,984 | 24,600 |
| Total noncurrent assets | 71,113 | 85,150 |
| Total assets | 207,700 | 254,299 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 40,330 | 57,006 |
| Short-term loans payable | 2,049 | 1,860 |
| Long-term loans scheduled for payment within one year | 2,572 | 1,328 |
| Income taxes payable | 1,716 | 2,280 |
| Provision | 2,476 | 1,865 |
| Other | 13,042 | 14,851 |
| Total current liabilities | 62,188 | 79,193 |
| Noncurrent liabilities | | |
| Long-term loans payable | 210 | 66 |
| Provision | 621 | 880 |
| Other | 7,156 | 8,068 |
| Total noncurrent liabilities | 7,988 | 9,015 |
| Total liabilities | 70,176 | 88,208 |

(Unit: Million yen)

| | FY2013 (As of March 31, 2013) | Third quarter of FY2014 (As of December 31, 2013) |
|---|----------------------------------|--|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 4,700 | 4,700 |
| Capital surplus | 5,163 | 5,163 |
| Retained earnings | 113,122 | 128,867 |
| Treasury stock | -3 | -3 |
| Total shareholders' equity | 122,982 | 138,726 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 8,191 | 10,373 |
| Foreign currency translation adjustment | -8,181 | -1,505 |
| Total valuation and translation adjustments | 9 | 8,868 |
| Minority interests | 14,531 | 18,496 |
| Total net assets | 137,523 | 166,090 |
| Total liabilities and net assets | 207,700 | 254,299 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Consolidated First Three

(Unit: Million yen)

| | Third quarter of FY2013 (April 1, 2012 – December 31, 2012) | Third quarter of FY2014 (April 1, 2013 – December 31, 2013) |
|---|---|---|
| Net sales | 267,617 | 332,778 |
| Cost of sales | 231,343 | 279,673 |
| Gross profit | 36,274 | 53,104 |
| Selling, general and administrative expenses | | |
| Packing and transportation expenses | 2,748 | 3,275 |
| Salaries and allowances | 7,588 | 9,376 |
| Other | 7,811 | 10,401 |
| Total selling, general and administrative expenses | 18,148 | 23,053 |
| Operating income (loss) | 18,125 | 30,051 |
| Non-operating income | | |
| Interest income | 602 | 775 |
| Dividends income | 235 | 260 |
| Land and house rent received | 151 | 153 |
| Foreign exchange gains | 322 | 911 |
| Equity in earnings of affiliates | 290 | 445 |
| Other | 281 | 314 |
| Total non-operating income | 1,884 | 2,860 |
| Non-operating expenses | | |
| Interest expenses | 143 | 135 |
| Other | 9 | 25 |
| Total non-operating expenses | 153 | 160 |
| Ordinary income (loss) | 19,857 | 32,750 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 27 | 82 |
| Gain on negative goodwill | 9 | — |
| Insurance income | 8 | 1 |
| Compensation income | 18 | 1 |
| Other | 4 | — |
| Total extraordinary income | 69 | 85 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 23 | 53 |
| Loss on retirement of noncurrent assets | 112 | 255 |
| Impairment loss | 39 | 26 |
| Loss on disaster | 366 | 275 |
| Other | 34 | 0 |
| Total extraordinary loss | 576 | 612 |
| Income (loss) before income taxes | 19,350 | 32,223 |
| Income taxes | 5,015 | 8,681 |
| Income before minority interests | 14,334 | 23,542 |
| Minority interests in income | 2,140 | 4,717 |
| Net income (loss) | 12,193 | 18,825 |

Quarterly Consolidated Statements of Comprehensive Income

Consolidated First Three

(Unit: Million yen)

| | Third quarter of FY2013 (April 1, 2012 – December 31, 2012) | Third quarter of FY2014 (April 1, 2013 – December 31, 2013) |
|--|---|---|
| Income before minority interests | 14,334 | 23,542 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 7 | 2,200 |
| Foreign currency translation adjustment | 1,421 | 8,361 |
| Share of other comprehensive income of associates accounted for using equity method | 27 | 118 |
| Other comprehensive income | 1,456 | 10,679 |
| Comprehensive income | 15,790 | 34,222 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parents | 13,455 | 27,683 |
| Comprehensive income attributable to minority interests | 2,335 | 6,538 |

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Notes Concerning Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Segment Information, etc.)

Third quarter of FY2013 (April 1, 2012 – December 31, 2012)

1. Information about net sales, profits and losses according to reporting segments

(Unit: Million yen)

| | Reporting segments | | | | | Adjustments (Note) 1 | Amounts stated in quarterly P/L (Note) 2 |
|--------------------------|--------------------|----------|--------|--------------------|---------|-------------------------|---|
| | Japan | Americas | China | Asia and Europe | Total | | |
| Net sales | | | | | | | |
| Sales to customers | 57,295 | 121,610 | 55,058 | 33,652 | 267,617 | — | 267,617 |
| Interarea transfer | 17,961 | — | 3,273 | 3 | 21,238 | -21,238 | — |
| Total | 75,256 | 121,610 | 58,332 | 33,656 | 288,856 | -21,238 | 267,617 |
| Segment profits (losses) | 5,062 | 7,517 | 6,274 | 2,515 | 21,370 | -3,244 | 18,125 |

(Notes) 1. Adjustments of -3,244 million yen for segment profits include a deduction of 228 million yen for transactions among segments, and operating expenses of -3,040 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits are adjusted for operating income in quarterly consolidated statements of income.

2 Information about impairment loss of noncurrent assets or goodwill according to reporting segments

(Significant impairment loss on noncurrent assets)

The Company posted an impairment loss of noncurrent assets, including buildings, the estimated sale value of which was below the carrying value, and of idle noncurrent assets in the Americas segment. The impairment loss during the first three quarters stood at 39 million yen.

(Significant gain on negative goodwill)

The Company acquired additional shares in TS TECH SUN RAJASTHAN PVT. LTD, a consolidated subsidiary, on December 5, 2012. As a result, the Company posted a gain on negative goodwill of 9 million yen in the Asia and Europe segment.

Third quarter of FY2014 (April 1, 2013 – December 31, 2013)

1. Information about net sales, profits and losses according to reporting segments

(Unit: Million yen)

| | Reporting segments | | | | | Adjustments (Note) 1 | Amounts stated in quarterly P/L (Note) 2 |
|--------------------|--------------------|----------|--------|--------------------|---------|-------------------------|---|
| | Japan | Americas | China | Asia and Europe | Total | | |
| Net sales | | | | | | | |
| Sales to customers | 55,148 | 159,356 | 66,933 | 51,339 | 332,778 | — | 332,778 |
| Interarea transfer | 20,525 | 84 | 5,217 | 446 | 26,274 | -26,274 | — |
| Total | 75,674 | 159,440 | 72,151 | 51,786 | 359,053 | -26,274 | 332,778 |
| Segment profits | 5,078 | 12,170 | 9,156 | 7,266 | 33,671 | -3,620 | 30,051 |

- (Notes) 1. Adjustments of -3,620 million yen for segment profits include a deduction of 317 million yen for transactions among segments, and operating expenses of -3,245 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.
2. Segment profits are adjusted to operating income in quarterly consolidated statements of income.

2 Information about impairment loss of noncurrent assets or goodwill according to reporting segments

(Significant impairment loss on noncurrent assets)

The Company fully wrote off the carrying value of idle assets in the Japan and Americas segments to the extent of the recoverable value, and recorded its write-down under extraordinary loss as an impairment loss. The impairment loss stood at 7 million yen in the Japan segment and 18 million yen in the Americas segment for the current period under review.

(Significant change in goodwill value)

TS Tech Americas, Inc., a consolidated subsidiary, acquired equity in TS TECH DO BRASIL LTDA., which was held by other companies, during the first quarter. As a result, the company posted goodwill of 192 million yen in the Americas segment.