

Value Creation Process

In order to be a reassuring presence and a company sincerely appreciated by all, the TS TECH Group is working to create new value using a value creation process that makes the most of its diverse management resources. By ensuring this process evolves in response to changing societal needs, we will work to achieve sustainable growth hand in hand with the broader society in the years leading up to 2030 and beyond.

Vision Statement

A company dedicated to realizing people's potential
A company sincerely appreciated by all

Figures are all for
fiscal 2024

INPUT

Intellectual capital

- Research and development expenses: 15.5 billion yen
- Number of patents held in Japan: 1,747
- Number of patents held outside Japan: 879

Manufactured capital

- Capital expenditures: 13.5 billion yen
- Production sites: Operations in 12 countries, 47 sites

Human capital

- Number of employees (Consolidated): 14,719

Financial capital

- Consolidated total assets: 446.2 billion yen
- Cash flows from operating activities: 37.6 billion yen

Natural capital

- Energy input: 1,381 TJ
- Material input (Non-consolidated): 19,699 t

Social and relationship capital

- Stakeholder engagement ▶ p. 36

BUSINESS PROCESS



Products for automobiles and motorcycles

- Seats
- Door trims
- Resin-based products



Other products

- Seats for multipurpose off-road vehicles
- Seats for personal watercraft
- Chairs for medical use



OUTPUT

Performance targets for the 15th Medium-Term Management Plan

Revenue **480** billion yen Operating income **44** billion yen

Materiality KPIs

Society	8 Developing attractive, innovative technologies	Innovative technology development expenses as a percentage of R&D expenses	vs. FY2021 +3%
	9 Improving product quality	Seat supplier IQS rating ^{*1}	7.0P
	12		
Environment	6 Responding to climate change	CO ₂ emissions reduction rate ^{*2}	vs. FY2020 -25%
	7 Recycling and effectively using resources	Waste reduction rate ^{*3}	vs. FY2020 -25%
	12	Water intake reduction rate and environmental impact from wastewater ^{*4}	vs. FY2020 -15%
	13		
Corporate foundation	15 Harmoniously co-existing with nature	Establishment of the TS TECH Fund (matching gift program)	
	5 Respecting human rights	Engagement rating ^{*5}	BB
	8 Reforming work styles to make the most of diversity	Supplier Sustainability Guidelines compliance rate ^{*6}	100%
	10 Strengthening governance	Percentage of management positions held by diverse human resources ^{*7}	33.3%
	17	Corporate Governance Code compliance rate	100%

*1 Rating awarded in the Initial Quality Study (IQS) conducted by J.D. Power Japan, Inc. The study looks at new car buyers and their experiences with any problems and calculates the number of problems indicated per 100 vehicles. The lower the number, the higher the quality.

*2 CO₂ emissions reduction rate (Scope 1 and 2) resulting from the Group's business activities

*3 Rate of reduction of waste (excluding residue, sludge, etc.) resulting from the Group's manufacturing activities

*4 Reduction rate in water intake (amount used) at the Group's production facilities and environmental impact of wastewater resulting from manufacturing activities

*5 The engagement targets look at the company's employees using Link and Motivation Inc.'s Motivation Cloud. The target "AAA" rating is the highest of the 11 ratings.

*6 Rate of compliance with the Supplier Sustainability Guidelines among the Group's suppliers (including overseas suppliers)

*7 Percentage of women, mid-career hires, non-Japanese citizens, older employees, and persons with disabilities in management positions

OUTCOME

Financial targets for the 15th Medium-Term Management Plan

Operating margin

9.2%

ROE

8.5%

Basic policy for shareholder returns

Implementing sustained, stable returns unaffected by business results

Contributing to a decarbonized society through products and business activities



Providing safe, secure, and comfortable vehicle interiors



2030 Vision

Innovative quality company —Continued creation of new value—