

Hiroshi Taguchi
Representative Director & President
TACHI-S CO., LTD.
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
Securities code: 7239

June 5, 2012

To all Shareholders,

Notice of the 60th Annual General Meeting of Shareholders

The shareholders of TACHI-S CO., LTD. (the “Company”) are invited to participate in the 60th Annual General Meeting of Shareholders of the Company, the details of which are set forth below.

If you are unable to attend the meeting in person, you are entitled to cast a postal vote. To do this, we cordially ask you to study the attached reference document and then return the enclosed voting right exercise form indicating your approval or disapproval of the matters to be resolved, to reach us by 5 p.m. on Tuesday, June 26, 2012.

- 1. Date and time:** 10:00 a.m. Wednesday, June 27, 2012
- 2. Venue:** TACHI-S CO., LTD. Head Office (Assembly Hall on the third floor)
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
- 3. Agenda:**

- Matters for reporting:**
1. Business Report, consolidated financial statements, and audit report of the consolidated financial statements by the Independent Auditors and Board of Corporate Auditors for the 60th term (April 1, 2011 to March 31, 2012)
 2. Report of the non-consolidated financial statements for the 60th term (April 1, 2011 to March 31, 2012)

Matters for approval:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of seven Directors
Proposal 3: Election of one Corporate Auditor
Proposal 4: Election of one substitute Corporate Auditor
Proposal 5: Provision of bonuses to Directors
Proposal 6: Continuation of Countermeasures against Large-scale Purchase of TACHI-S's Shares (Anti-Takeover Measures)

* If you are attending the meeting on the scheduled day, please submit the enclosed voting form at the reception.
* We will post any revisions we make to the Reference Materials for General Meeting of Shareholders, the Business Report, or non-consolidated financial statements and consolidated financial statements on our website (<http://www.tachi-s.co.jp/>).

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and reference matters

Proposal 1: Appropriation of Surplus

We wish to appropriate surplus as follows:

Matters related to year-end dividend

The Company, viewing that appropriate profit distribution through continuous enhancement of corporate value is one of the important management issues, strives to enhance shareholders' equity and improve profitability as well as maintain stable dividend payments. The full-year dividend for the fiscal year under review, in consideration of the sound business results for the fiscal year under review, business plans going forward and other factors, will be as follows.

- (1) Type of dividend: Cash
- (2) Matters related to appropriation of dividends and total amount thereof
We will pay ¥8 per share of the Company's common stock (ordinary dividend of ¥7 and commemorative dividend of ¥1). We will pay a total amount of ¥262,722,672 as dividends. As a result, the annual dividend, including the interim dividend of ¥6 per share, amounts to ¥14 per share, an increase of ¥2 from the previous fiscal year.
- (3) Effective date of dividend from surplus: June 28, 2012

Proposal 2: Election of seven Directors

The terms of office of all eight Directors will expire at the conclusion of this Annual General Meeting of Shareholders. To enhance the efficiency of the management system, the Company proposes to decrease the number of Directors by one and elect the following seven Director candidates.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company held
1	Kiyoshi Saito (January 25, 1947)	March 1973 Joined TACHI-S CO., LTD. June 1982 Director June 1993 Managing Director, General Manager of Production Headquarters June 1996 Representative Director & President June 2001 Representative Director, President & Chief Operating Officer June 2005 Representative Director, Chairman & Chief Executive Officer (incumbent)	736,028

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company held
2	Hiroshi Taguchi (January 18, 1947)	<p>April 1969 Joined Nissan Motor Co., Ltd.</p> <p>July 1993 Director and Chief Advisor, Nissan Motor Co. (Australia) Pty. Ltd.</p> <p>April 1998 Joined TACHI-S CO., LTD. as Senior General Manager Representative Director & President, Industria de Asiento Superior S.A. DE C.V.</p> <p>June 2001 Joined Nissan Motor Co., Ltd.</p> <p>April 2002 General Manager of Chinese Operations Department</p> <p>January 2003 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2003 Executive Officer</p> <p>June 2004 Director & Senior Executive Officer, Division Manager of Overseas Business</p> <p>April 2006 Division Manager of Overseas Business Control</p> <p>April 2008 Director & Executive Vice President</p> <p>April 2009 Director, Chief Operating Officer</p> <p>June 2009 Representative Director, President & Chief Operating Officer (incumbent)</p> <p>April 2010 Head of International Operations</p> <p>April 2011 Division Manager of Quality Assurance</p>	27,000
3	Yoshiyuki Nogami (January 9, 1952)	<p>April 1975 Joined Maeda Corporation</p> <p>April 1998 Deputy General Manager of Overseas Business Department</p> <p>January 2000 Joined TACHI-S CO., LTD.</p> <p>June 2003 Executive Officer</p> <p>June 2005 Senior Executive Officer</p> <p>April 2007 Division Manager of Business Control</p> <p>June 2007 Director & Senior Executive Officer</p> <p>April 2008 Division Manager of Administration and Management Control (incumbent)</p> <p>April 2009 Director & Executive Vice President (incumbent)</p> <p>April 2010 Head of Administration and Management Control, Global Business Management</p> <p>April 2011 Head of Administration and Management Control, and Head of Global Business Management, Sales and Marketing, Division Manager of Overseas</p> <p>June 2011 Head of Administration and Management Control (incumbent)</p>	11,600
4	Taro Nakayama (September 18, 1955)	<p>April 1980 Joined Nissan Motor Co., Ltd.</p> <p>April 2010 General Manager of Global Multisourcing & Export Management Department</p> <p>April 2011 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2011 Director, Executive Vice President, Head of Business Development and Sales (incumbent), Division Manager of Overseas</p> <p>April 2012 Division Manager of Business Development and Sales (incumbent)</p>	7,100

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company held
5	Mutsumi Gamou (July 25,1956)	<p>April 1979 Joined TACHI-S CO., LTD.</p> <p>April 2007 Executive Officer</p> <p>April 2008 Division Manager of Sales and Marketing</p> <p>April 2009 Senior Executive Officer</p> <p>June 2009 Director & Senior Executive Officer (incumbent)</p>	7,200
6	*Hiroyuki Miki (October 3, 1953)	<p>April 1979 Joined Nissan Motor Co., Ltd.</p> <p>January 2000 Supervisor of Product Planning and Strategy Office</p> <p>April 2001 General Manager of Planning Management Department</p> <p>April 2004 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2004 Executive Officer</p> <p>June 2005 Director & Senior Executive Officer, Division Manager of Development Technology</p> <p>April 2006 Division Manager of Development Engineering</p> <p>April 2007 Representative Director & President, TACHI-S ENGINEERING U.S.A. INC.</p> <p>June 2007 Retired as Director of TACHI-S CO., LTD., Senior Executive Officer (incumbent)</p> <p>April 2009 Division Manager of Quality Assurance</p> <p>April 2011 Division Manager of Development Engineering (incumbent)</p>	9,400
7	Michihiro Kitsukawa (March 19, 1947)	<p>April 1975 Registered with the Daiichi Tokyo Bar Association</p> <p>April 1977 Joined Tanigawa Hachiro Law Office</p> <p>April 1977 Established Kitsukawa Michihiro Law Office</p> <p>April 1999 Established and became a partner at Clover Law Office (incumbent)</p> <p>April 2005 Deputy Chairman, Dai-ichi Tokyo Bar Association</p> <p>June 2006 Outside Director of TACHI-S CO., LTD. (incumbent)</p> <p>Member of the Special Committee of TACHI-S CO., LTD. (incumbent)</p> <p>April 2011 Chairman of Daiichi Tokyo Bar Association Vice Chairman of Japan Federation of Bar Associations</p> <p>(Key concurrent posts)</p> <p>Partner & attorney at law, Clover Law Office</p>	6,100

Notes:

- 1: * is a newly appointed candidate for Director.
- 2: The above candidates have no conflicts of interest with the Company.
- 3: Mr. Michihiro Kitsukawa is a candidate for Outside Director. The Company appoints Mr. Kitsukawa as an Independent Officer provided under the provisions of the Tokyo Stock Exchange and registers him with that exchange.
- 4: The Company nominates Mr. Michihiro Kitsukawa as an Outside Director in recognition of his capability to contribute in the management of the Company based on his expertise and experience in areas such as corporate legal affairs as a lawyer. Although Mr. Kitsukawa has had no direct involvement in corporate management apart from serving as an Outside Director, the Company has determined that he can properly execute the duties as an Outside Director given his expertise and experience previously mentioned. The term of office of the Company's Outside Director is six years from the close of this General Meeting of Shareholders.
- 5: The Company has concluded an agreement with Mr. Michihiro Kitsukawa to limit his damage liability as stipulated in Article 423, Paragraph 1 of the Company Law, based on the regulations specified in Article 427, Paragraph 1 of the Company Law. Should the reappointment of Mr. Michihiro Kitsukawa as Outside Director be approved, the Company intends to maintain the Liability Limitation Agreement with him. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal 3: Election of one Corporate Auditor

The term of office of the Corporate Auditor, Mr. Yoshio Sekiguchi, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we propose to elect the following one Corporate Auditor candidate.

The Board of Corporate Auditors has already approved this proposal.

The candidate for Corporate Auditor is as Follows:

Name (Date of birth)	Brief History, Position and Key Concurrent Posts	Number of shares of the Company held
*Kiyoo Kubota (April 20, 1953)	April 1978 Joined TACHI-S CO., LTD. October 2003 Team Leader of Sales Team No. 3 April 2005 General Manager of New Model Planning Team April 2006 General Manager of Cost Planning Department April 2007 Director & President, Technotrim, Inc. August 2010 General Manager of Purchasing Control Department of TACHI-S CO., LTD. April 2011 General Manager of Purchasing Department April 2012 General Manager of Purchasing and Supplier Development Division (incumbent)	4,000

Notes:

- 1: * is a newly appointed candidate for Auditor.
- 2: The candidate for Corporate Auditor has no conflicts of interest with the Company.

Proposal 4: Election of one substitute Corporate Auditor

The effectiveness of the election of Mr. Noriaki Kinoshita as a substitute Corporate Auditor at the 59th Annual General Meeting of Shareholders held on June 24, 2011 is limited up to this Annual General Meeting of Shareholders. Therefore, to ensure that the number of Outside Corporate Auditors stipulated under laws and regulations is maintained, the Company proposes to elect one candidate as the substitute Outside Corporate Auditor.

The effectiveness of the election at this Annual General Meeting of Shareholders may be revoked, limited to the period before accession to office, with the approval of the Board of Corporate Auditors and by the resolution of the Board of Directors.

The Board of Corporate Auditors has already approved this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Brief History and Key Concurrent Posts	Number of shares of the Company held
Noriaki Kinoshita (December 5, 1939)	June 1966 Registered as a certified public accountant Opened Kinoshita certified public accountant office April 1972 Adjunct instructor, Faculty of Commerce of Chuo University October 1984 Senior Partner of Inoue Tatsuo Accounting Office October 1993 Senior Partner of Asahi & Co. (currently KPMG AZSA LLC) April 2002 Professor, Faculty of Commerce, Chuo University June 2006 Member of the Special Committee of TACHI-S CO., LTD. (incumbent) Substitute Corporate Auditor of Mitsui Engineering & Shipbuilding Co., Ltd. (incumbent) June 2007 Substitute Corporate Auditor of TACHI-S CO., LTD. (incumbent) June 2010 Outside Corporate Auditor of TOPPAN FORMS CO., LTD (incumbent)	0

Notes:

- 1: The candidate for substitute Corporate Auditor has no conflicts of interest with the Company.
- 2: Mr. Noriaki Kinoshita is a candidate for substitute Outside Corporate Auditor.
- 3: The Company nominates Mr. Noriaki Kinoshita as a substitute Outside Corporate Auditor in recognition of his capability to contribute in the audits of the Company based on his financial expertise and many years of experience as a certified public accountant. Although Mr. Noriaki Kinoshita has no direct experience in corporate management, we decided that Mr. Noriaki Kinoshita would be able to appropriately execute duties as an Outside Corporate Auditor thanks to the reason above.
- 4: If Mr. Noriaki Kinoshita assumes office as a Corporate Auditor, the Company will conclude an agreement with him that limits his liability for damages as stipulated in Article 423, Paragraph 1 of the Company Law, based on regulations specified in Article 427, Paragraph 1 of the Company Law. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal 5: Provision of bonuses to Directors

The Company proposes to pay bonuses to seven of the eight Directors excluding the Outside Director as of the end of the fiscal year under review amounting to a total of ¥65 million, in recognition of the business performance and other factors for the fiscal year under review. The Company would like to leave it to the Board of Directors to decide on the amount of bonus for each Director.

Proposal 6: Continuation of Countermeasures against Large-scale Purchase of TACHI-S's Shares (Anti-Takeover Measures)

The Company obtained approval for introducing countermeasures against large-scale purchase of the Company's shares, etc. (hereinafter referred to as the "Current Plan") at its 57th Annual General Meeting of Shareholders, held on June 26, 2009. The Current Plan is effective until the conclusion of this Annual General Meeting of Shareholders. Before the effective period of the Current Plan expires, the Company has spent a lot of time making studies from the viewpoints of changes in social and economic circumstances and ensuring and improving the corporate value and common interests of shareholders. As a result, the Company, at its Board of Directors' Meeting held on May 10, 2012, passed a resolution to continue the Current Plan with partial revisions (the revised plan shall be hereinafter referred to as the "Plan") subject to the approval of shareholders at the Annual General Meeting of Shareholders.

The Company would like to request the approval of the shareholders for the Plan.

Changes introduced to the Plan from the Current Plan are as follows:

- (1) It has been clearly stated that the maximum length of the period when the Board of Directors requests the Purchaser, etc. to provide additional information shall be 60 days; and
- (2) Besides that, some wording was adjusted.

If any of the laws and ordinances quoted in the Plan are amended (or if the name of any of the said laws and ordinances is amended or if any new law or ordinance is enacted to succeed any of the said laws and ordinances), the provisions of any of the said laws and ordinances quoted in the Plan shall, after the said amendment, be replaced by the substantively succeeding provisions.

1. Basic Policy

The Company believes that persons who control its decision making on financial matters and business policies should fully understand its management philosophy and sources of corporate value in order to secure and improve corporate value and to act in the common interests of shareholders in a continuous and sustainable manner. At the same time, the Company considers final decisions concerning any proposal of acquisition that would involve a transfer of control of the Company must ultimately be based on the collective will of its shareholders.

Additionally, the Company is of the view that it should not repudiate acts of large-scale acquisition of its shares provided that such acts are deemed to enhance its corporate value or benefit the common Shareholder interest. However, the Company finds it necessary to assume that some of these acts may be performed for the purpose of explicitly undermining its corporate value or the common Shareholder interest; of in effect forcing its Shareholders to sell off their shares; of denying Company Directors or Shareholders adequate time or information to examine the details of the proposals or alternative plans concerning the said acts; or of otherwise prejudicing its corporate value or the common Shareholder interest.

The Company believes that no party that pursues such a large-scale acquisition that does not benefit the Company's corporate value and the common Shareholder interest should be eligible to control its decision making on finances and business policies. Thus, the Company is taking necessary and appropriate measures against any large-scale acquisition by such parties in order to secure its corporate value and the common Shareholder interests.

2. Approach to Implementing the Basic Policy

(1) Source of the Company's Corporate Value

Ever since its foundation, the Company, as a specialized manufacturer of automotive seats, has been enjoying the opportunity of doing business with a number of automobile manufacturers and has maintained and developed its business to date by taking advantage of favorable features of the business. The Company is in a highly unique position in those automobile manufacturers and automotive seat manufacturers generally maintain specified relationships in Japan. Going forward, the Company will need to maintain an autonomous and self-sustaining operating environment on the strength of its uniqueness.

The Company is currently striving to first strengthen its domestic business, and then globalize its operating structure and enhance its corporate value by implementing its medium-term business plan with a view to achieving its long-term business goals. Implementation of this a medium-term business plan would be premised upon expansion of business and, to that end, it is critical for the Company to maintain its uniqueness.

(2) Initiatives for Enhancing Corporate Value

In the auto industry with which the Company is associated, the market has become increasingly mature and the Company has been placed in quite an adverse situation since it is no longer expected to increase production volume in the domestic market down the road. In such circumstances, our client automobile manufacturers are promoting global activities while upholding a new medium- to long-term growth strategy to fight for survival. Hence the Company also recognizes it is the moment of truth and it must work to tackle this new strategy, especially business operations centering on emerging countries. Thus, the Company has newly set the next term vision of "Global Challenge 177 (hereinafter, the "GC177") whose accomplishment year is fiscal 2016 with the following three long-term goals and aims to become a business predisposition that is global and is competitive enough to survive. The goals of "Challenge 15" with which the Company has pushed ahead since fiscal 2009 will be accomplished via the activities of "GC177" as early as possible.

- No. 1 quality
- Operating profit margin of 7%
- Global production share of 7%

The Company will carry out specific measures in accordance with the following six important strategies:

<Global business strategies>

The Company will work with its clients' strategies and formulate global business strategies that are competitive in terms of costs and product technology capability to expand the amount of orders it receives. In addition, to strengthen the overseas controlling function, the Company will clarify the roles of the head office and each operating base and plow ahead with putting in place systems and developing global human resources.

<Development strategy>

With the establishment of the quadrilateral global development system, the Company will further enhance competitively unique and fundamental technology and attractive commercializing technology (development of core technologies). At the same time, it will expand the development system of each overseas operating base in order to respond to each client's global development.

<Manufacturing strategy>

Based on the Technical Monozukuri Center newly established, the Company will reinforce its unique technology, promote development of human resources, further enhance the standardization of manufacturing and extend their activities to each overseas operating base. It will also move forward to optimize each production base in Japan and abroad.

<Procurement strategy>

The Company will tie up with regional control companies to strengthen the procurement function of the global head office and each overseas operating base and find global and optimal suppliers while reinforcing supply chains to bolster cost-competitiveness.

<Quality assurance strategy>

The Company will expand the global quality assurance system to establish a quality luxury brand and aim to achieve its clients' goal of having quality products, and become No. 1 in terms of quality.

<Business structural reform strategy>

The Company will promote the optimization of businesses in Japan and abroad to step up and expand the seat parts business system on a global basis including a frame company set up in Zhejiang Province, China. In addition, to bolster and enhance its global response capabilities, it will strive to develop human resources and build up a management control system.

The Company plans to strengthen its base as a global seat system creator by implementing various measures in a steady manner so as to achieve these important strategies, with the aim to be a prominent company in the world.

(3) Corporate Governance

The Company advances its businesses by making it the cornerstone of corporate governance in order to meet Shareholder and stakeholder expectations by endeavoring to enhance the transparency and efficiency of its management and maximize its corporate value.

In addition, in order to put these endeavors into practice and thereby continue to be an enterprise worthy of society's trust, TACHI-S has developed and reinforced its internal structure and has enhanced corporate governance further by establishing the Ethics Committee and the Compliance Committee and introducing the in-house whistle-blowing system.

The term of each Director is limited to one year in order to ensure that management responsibility will be clearly articulated and an optimal management structure will be built in an agile manner in accordance with changes in the business environment.

The Company's Board of Directors, comprising a total of eight Directors (a total of seven (7) Directors on condition that Proposal 2 is approved as presented at the 60th Annual General Meeting of Shareholders, which includes one Outside Director), is empowered to make decisions on substantive management matters and issues in addition to matters prescribed and specified by law and the Articles of Incorporation, and to exercise supervision over business execution. The Board of Executive Officers is established under the Board of Directors and is charged with making substantive decisions on matters other than those subject to resolutions of the Board of Directors, and with deliberating on and reporting substantive matters.

The Company's Board of Corporate Auditors comprises a total of four Corporate Auditors (including two Outside Corporate Auditors), and each Corporate Auditor is expected to attend Board of Directors meetings and other important meetings in accordance with the audit policies and the individual work responsibilities prescribed by the Board of Corporate Auditors, and is charged with performing audits of business execution status by the Directors and the state of business and assets of the Company and its subsidiaries by verifying business execution status, inspecting substantive decision documents, and conducting on-site examinations.

3. Objectives of the Plan

The Plan is intended to give a warning to those who attempt to pursue a large-scale acquisition of the Company's shares or such like that does not benefit its corporate value and the common Shareholder interest. It will do this by (i) making clear the rules with which those who attempt to conduct a large-scale acquisition of the Company's shares or such like should comply, (ii) ensuring necessary and sufficient information and time for making a proper judgment as to whether shareholders and investors accede to an acquisition offer or such like, (iii) ensuring opportunities in its Board of Directors' meetings to discuss with those who attempt to conduct a large-scale acquisition, and (iv) making clear in advance countermeasures against a large-scale acquisition that is deemed to undermine the Company's corporate value and the common Shareholder interest.

As of this date, the Company has not received any proposal for the large-scale acquisition of its shares.

4. Contents of the Plan (Approach to prevent the assumption of control over the Company's finances and business policies by inappropriate parties in accordance with the Basic Policy)

(1) Procedures under the Plan

While an overview of the flow of procedures under the Plan is described in Reference Material No. 4 "Flow Chart of Procedures under the Plan (Overview)," specific contents of each procedure are as follows:

[1] Acts of Large-scale acquisition Triggering Activation of the Plan

Any and all anti-takeover measures prescribed in the Plan shall be activated if any acts of acquisition of the shares of the Company specified in (a) and (b) below or any acts similar thereto (excluding the acts approved by the Company's Board of Directors; hereinafter referred to as "Acts of Large-scale acquisition") are performed or are about to be performed. Any and all parties performing or seeking to perform Acts of Large-scale acquisition (hereinafter referred to as the "Purchaser") shall comply with the procedures prescribed in the Plan:

- (i) A purchase of shares (As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless otherwise specifically prescribed) issued by the Company that results in the holders (Note 1) shareholding ratio (Note 2) exceeding 20%
- (ii) A public tender offer (Note 3) of shares (As defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. This definition shall be applied to the following (b)) issued by the Company that results in the total shareholding ratio (Note 4) of the purchasers of such public tender offer and specially related parties (Note 5) exceeding 20%

Note 1: Including holders set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (including those who are included in holders based on Paragraph 3 of the same Article) and joint holders set forth in Paragraph 5 of the same Article (including those who are deemed to be joint holders based on Paragraph 6 of the same Article).. This definition shall be applied throughout this document.

Note 2: As defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. This definition shall be applied throughout this document.

Note 3: This shall mean a "tender offer" defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. This definition shall be applied throughout this document.

Note 4: As defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. This definition shall be applied throughout this document.

Note 5: As defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act; Parties as stipulated in Article 3, Paragraph 2 of the Cabinet Office Ordinance concerning the disclosure of public tender offer by parties other than the issuer of shares shall be excluded from parties mentioned in the Item 1 of the said Paragraph. This definition shall apply throughout this document.

[2] Prior Submission of Request to the Company

Prior to performing Acts of Large-scale acquisition, the Purchaser shall submit to the Company's Board of Directors a written statement (hereinafter referred to as the "Request"), in form and substance specified by the Company, containing their written pledge in the Japanese language to the effect that the said Purchaser, in performing Acts of Large-scale acquisition, shall comply with the procedures prescribed in the Plan (hereinafter referred to as the "Large-scale acquisition Rules"). If a Written Request is submitted from the Purchaser, the Company shall disclose to you, as Shareholders, information on those matters which its Board of Directors may determine would help you judge whether or not the Purchaser and the relevant Acts of Large-scale acquisition may serve the common interests of Shareholders in a timely and proper manner pursuant to the provisions of the applicable Laws and Ordinances and the Regulations of the relevant Financial Instruments Exchange.

Specific items to be stated in the Request shall be as follows:

- (i) Basic information about the Purchaser
 - a. Name of person or company, and address or location of head office and other offices
 - b. Name and status of the representative
 - c. Objectives of business and principal activities

- d. Major shareholders or large-scale investors (top 10 parties based on number of shares held or shareholding ratio)
 - e. Contact information in Japan
 - f. Laws under which the Purchaser's business was established
- (ii) Written pledge
Written pledge to the effect that the Purchaser shall comply with the Large-scale acquisition Rules
 - (iii) Status of ownership and trading of the Company's shares
Current number of shares owned by the Purchaser and the Purchaser's share trading status in the last 60 days before the submission of the request
 - (iv) Overview of the purchase offer by the Purchaser
The type and number of the Company's shares that the Purchaser plan to acquire by their Acts of Large-scale acquisition; purpose of Acts of Large-scale acquisition including acquisition of control or participation in management, net investment or policy investment, assignment of the Company's shares to third parties subsequent to Acts of Large-scale acquisition or Acts of Making Important Proposals (Note 6), or presence and particulars of any other purpose if any. (If Purchaser has more than one motivation for the Purchase, all purposes must be mentioned in the form.)

Note 6: As defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of Financial Instruments and Exchange Act Enforcement Order as well as Article 16 of the Cabinet Office Ordinance concerning the disclosure of the status of substantial shareholding.

[3] Provision of Information

After submitting the Request as described the above [2], the Purchaser shall follow the procedure below to provide necessary and sufficient information (the "Information") to TACHI-S for the appropriate judgment of the Company's shareholders and investors.

First of all, the Company's Board of Directors will send a request for information list (in principle, the matters listed in (i) through (xi) below) to the Purchaser's address as provided in the abovementioned [2] (i) e within ten (10) working days (Note 7) (excluding the date the Request was received) by post.. The Purchaser shall provide sufficient information on Acts of Large-scale acquisition to the Company's Board of Directors in accordance with the information list.

The Board of Directors may reasonably determine that the initial information provided by the Purchaser in accordance with the said list of information would be insufficient for the Company's Shareholders and Investors to properly deliberate on whether or not they should accede to the said Acts of Large-scale acquisition, given the contents and aspects of the relevant Acts of Large-scale acquisition. Or the Board may judge the initial information in insufficient for the Company's Board of Directors and the Special Committee to evaluate and deliberate on the relevant Acts of Large-scale acquisition. In such cases, the Company's Board of Directors may, from time to time set a reply deadline (basically, a maximum of 60 days counting from the date when the initial Necessary Information was provided (hereinafter, the "deadline for provision of additional information")) and request the Purchaser, etc. to provide other information in addition to the Necessary Information.

The Company's Board of Directors will disclose, in a timely and proper manner, the fact and overview of the Purchaser's proposal for Acts of Large-scale acquisition as well as that portion of an overview of the Necessary Information and other information which would be deemed necessary for the Company's Shareholders and Investors to judge whether or not to accede to the relevant Acts of Large-scale acquisition, pursuant to the provisions of the applicable Laws and Ordinances and the Regulations of the relevant Financial Instruments Exchange.

If the Company's Board of Directors acknowledges that the Purchaser have amply provided the Necessary Information, the Board of Directors will give the Purchaser notice of such acknowledgement (hereinafter referred to as the "Notification concerning the completion of information provision"), and will promptly disclose the fact of such acknowledgement in a

timely and proper manner pursuant to the provisions of the applicable Laws and Ordinances and the Regulations of the relevant Financial Instruments Exchange.

Irrespective of the means of communication used, only the Japanese language shall be used for the Necessary Information and any and all other notices and communication to be submitted or forwarded to the Company.

- (i) Details of the Purchaser and/or group to which the Purchaser belongs (including co-holders (Note 8), specially related parties, and partners and members in cases where the Purchaser is a fund), such as its corporate history, name of group (if any), capital composition, principal businesses, financial condition and the names and career histories of its directors
- (ii) Purposes (details pertaining to purposes listed in the submitted Request), method and details (the Purchaser's intentions regarding participation in the Company's management; type and amount of consideration to be paid for the Purchase; the timing of the Purchase and how related transactions are to be executed; the number of shares to be purchased and the intended shareholding ratio after the purchase; and the legality of the purchasing method) of the Purchase
- (iii) Calculation basis for the Purchase's consideration (facts and assumptions for calculation; calculation method; numerical information and expected synergies emerging from the series of transactions involved in the Purchase; the names of third parties in the event such parties are asked to consult on such calculation; the details of such opinions and the process of calculating the purchase amount based on such consultation)
- (iv) Supporting documents explaining the source of funds for the Purchase (names of financial supporters (including actual providers of such funds), fund procurement method and details of related transactions)
- (v) Possibility of contact with third parties with regard to the Purchase or details of communications and information regarding such third parties
- (vi) Type of purchase contract, counterparties of such contract, and detailed information about such contract, including the number of shares designated as hypothecated in case the Purchaser already holds a lease contract, hypothecated assets, and the possession of sell-back, sales reservation or other contracts with regard to TACHI-S shares held by the Purchaser (the "Hypothecated holdings")
- (vii) Type of agreement, counterparts of such agreement, the number of shares to be transferred in accordance with such agreement and other detailed information regarding such agreement in case the Purchaser plans to use TACHI-S's shares for hypothecation or other contracts with third parties subsequent to the Purchase
- (viii) TACHI-S and its Group companies' management policies, business plans, capitalization policy and dividend policy after the Purchase
- (ix) Correspondence with and handling of the Company's employees, labor union, suppliers, customers, local community and other relevant parties after the Purchase
- (x) Presence or otherwise of association with any antisocial forces or terrorism-related organizations, and policies on dealing with such forces or organizations
- (xi) Specific measures to avoid conflicts of interest with other shareholders of the Company

Note 7: "Working days" are days excluding those defined in Article 1, Paragraph 1 of the Law Concerning Holidays of Administrative Agency

Note 8: As defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act including those who were regarded as co-holders by the Company's Board of Directors in accordance with the Paragraph 6 of the said Article. This definition shall be applied throughout this document.

[4] Setup of the Board of Directors' Deliberation Period

After the Necessary Information was provided by the Purchaser, etc., the Company's Board of Directors shall set up a deliberation period, as stipulated either in (i) or (ii) as follows (hereinafter, the "Board of Directors' Deliberation Period") to evaluate and study the offer, negotiate with the Purchaser, exchange opinions among themselves and draft substitute plans. Such period is determined based on the level of difficulty of deliberating the Purchase. Each period shall be counted from the day after dispatch of the Notification concerning the completion of information provision or the day after the deadline for providing additional information, whichever is earlier. The Company, in disclosing the fact that it has set the Board of Directors' Deliberation Period, will concurrently disclose which of the periods (i) and (ii) may be applied (including the specific period).

(i) Up to 60 days in cases where the Purchase will be made via a public tender offer of all TACHI-S shares and the consideration to be paid only in cash (Japanese yen)

(ii) Up to 90 days in other cases

However, both (i) and (ii) can be extended when the Company's Board of Directors considers it necessary. In such cases, the Company will notify the Purchaser of the extended period of deliberation and reason, while disclosing such information to shareholders and investors. The extended period of deliberation shall be up to 30 days.

Within the limits of the Board of Directors Deliberation Period, the Company's Board of Directors shall evaluate, deliberate and form opinions on Acts of Large-scale acquisition, develop alternative plans, and negotiate with Purchaser on the basis of the Necessary Information, from the perspective of securing and enhancing the Company's corporate value and the common interests of Shareholders. Specifically, the Board of Directors shall fully evaluate, deliberate and carefully organize its opinions, on Acts of Large-scale acquisition, notify Purchaser accordingly, and disclose the outcome of its evaluation, deliberation and opinion formation to Shareholders and Investors in a timely and proper manner. In addition, the Board of Directors shall negotiate with the Purchaser with regard to the conditions and methods of the Purchase as necessary. Furthermore, the Board of Directors may suggest substitute plans to shareholders and investors.

The Company's Board of Directors shall seek and obtain advice, as needed, from outside specialists (including financial advisers, attorneys at law, and certified public accountants; hereinafter referred to as the "Outside specialists") as third parties independent of the Board of Directors, and the Company shall bear the costs of retaining Outside specialists unless such costs are deemed exceptionally unreasonable. The Board of Directors may separately seek and obtain the advice of Outside specialists even if, as discussed later in this document, the Special Committee makes a certain recommendation or seeks and obtains advice from Outside specialists.

[5] Corporate Governance Committee's Recommendations regarding the Exercise of Countermeasures

On the occasion of continuing the Plan, the Company hereby establishes the Special Committee comprising those Outside Directors and Outside Corporate Auditors who may be appointed by the Board of Directors as qualified persons pursuant to the provisions of the Regulations of the Special Committee (for an overview of this, please refer to Reference Material No. 1) for the purpose of assuring the objectivity and reasonableness of the judgment and responses of the Board of Directors by barring out any arbitrary judgment on activation, etc. of anti-takeover measures against Acts of Large-scale acquisition. The Board of Directors shall respect the Special Committee's recommendations to the extent possible, and shall secure the transparency of management by disclosing information to Shareholders and Investors in a timely manner. At the point of continuing the Plan, the Special Committee will comprise five members, including Outside Directors Michihiro Kitsukawa, Nobutake Ippoushi and Shinsuke Matsuo, a substitute Corporate Auditor Noriaki Kinoshita, and a former Outside Corporate Auditor Takuya Miyashita.

As described below, the Special Committee shall make recommendations to the Board of Directors on the pros and cons of activation of anti-takeover measures. In doing so, the Special

Committee may, at the Company's cost, seek and obtain the advice of Outside specialists (excluding those Outside specialists from whom the Board of Directors is currently receiving, or plans to receive, advice) in order to ensure that the Special Committee's judgment will be made in such a manner as to enhance the Company's corporate value and the common interests of its Shareholders. If the Special Committee provides the Company's Board of Directors with a recommendation whose contents are as described in the following (i) through (iii), the Board of Directors will promptly disclose information regarding the receipt of the recommendation, an overview of such recommendation and other items that the Board of Directors deems appropriate for disclosure.

(i) When the Purchaser does not follow the Large-scale acquisition Rules

In the event that the Purchaser fail to follow the Large-scale acquisition Rules (including the case where no information that is deemed reasonably necessary for judging the content of the large-scale acquisition has been provided by the Purchaser, etc. not later than the deadline for provision of additional information), the Special Committee shall, in principle, recommend that the Company's Board of Directors activate anti-takeover measures.

(ii) When the Purchase to be carried out by the Purchaser is considered to be potentially seriously damaging to the Company's corporate value and the common interests of its shareholders

Even if the Purchaser follow the Large-scale acquisition Rules, the Special Committee may recommend that the Company's Board of Directors exercise countermeasures against the Purchase during the Deliberation Period should such Purchase by the Purchaser is deemed to be potentially damaging to the Company's corporate value and the common interests of shareholders.

In such a case, the Board of Directors shall adhere to procedures described in the following section [6] to confirm shareholders' willingness regarding pros and cons of the countermeasures' details and exercise of it.

When such offer of the Purchase is considered to fail in any category stipulated as follows, such Purchase shall be deemed to be potentially seriously damaging to TACHI-S's corporate value and the common interests of shareholders.

Types of Purchase Offer Deemed to Pose Danger of Causing Substantial Damage to TACHI-S's Corporate Value and the Common Interests of Shareholders

1. In cases where the Purchaser is regarded as a "greenmailer," a party that acquires or intends to acquire a Company's shares not with the intention of participating in the Company's management, but for the purpose of raising share prices and then requiring the Company or parties related to the Company to buy such shares back at an inflated price.
2. In cases where the Purchaser acquires the Company's shares for the purpose of temporarily gaining control of TACHI-S's business management in order to transfer the assets of the Company and its Group companies—such as intellectual property rights, management know-how, confidential information, and major suppliers and customers, all of which are necessary for the Company and Group companies' continued business operations—to the Purchaser itself or its group companies.
3. In cases where the Purchaser is seen as acquiring the Company's shares for the purpose of diverting the assets of the Company and its Group companies toward use as security for or sources for the reimbursement of the debts of Purchaser or its group companies once control over TACHI-S's business management is gained.
4. In cases where the Purchaser acquires the Company's shares for the purpose of forcing the Company to sell valuable assets—including real estate not currently used by the Company or its Group companies as well as marketable securities—by temporarily gaining control of the Company's business management. Such a move temporarily raises dividends (by bringing in

disposal profit), and the Purchaser seeks to benefit either through the reaping of high dividends or by selling the stock at the highest possible price.

5. In cases where the purchase method proposed by the Purchaser is a so-called high-handed two-stage acquisition (a type of share acquisition conducted by public tender offer in which the seller does not offer to purchase all the shares of a Company at the first stage and subsequently brings disadvantage to the Company to drive down the price for the second stage of the purchase or does not clarify the terms and conditions of the second stage of the purchase) that places limitations on shareholders' ability to judge the situation, and thus may force shareholders to sell their shares.
 6. In cases where the terms and conditions of the Purchase (including but not limited to the type and amount of consideration for the Purchase; the calculation basis for the Purchase's consideration; other specific conditions (including the period and method of the Purchase) as well as illegality and feasibility of the Purchase) offered by the Purchaser are considered to be significantly insufficient or inappropriate compared with the Company's corporate value.
 7. In cases where the Purchaser's control over the Company may destroy relationships between the Company and customers, employees, suppliers and other related parties deemed necessary for the creation of corporate value. Such Purchase may significantly damage the Company's efforts to ensure and improve corporate value and promote the common interests of shareholders.
 8. In cases where the Purchaser's gaining control over the Company is considered to have the potential to deteriorate corporate value in comparison to the condition that would prevail under the Company's own control from the medium- to long-term perspective.
 9. In cases where parties associated with antisocial forces or terrorism-related organizations are included in the management, major shareholders or equity investors of the Purchaser or that the Purchaser are deemed, on reasonable grounds from the perspectives of good public order and customs, to be ill-suited as controlling shareholders of the Company.
- (iii) When the Purchase to be carried out by the Purchaser is not considered to be potentially seriously damaging to the Company's corporate value and the common interests of shareholders with the exceptions of the situations stipulated in (a) and (b) above, the Special Committee shall recommend that the Board of Directors not exercise countermeasures against the Purchase.

[6] Confirmation of Shareholders' Willingness

Should the Special Committee recommend the exercise of countermeasures against the Purchase in accordance with the above [5] (ii), the Board of Directors shall hold a shareholders' meeting to confirm shareholders' willingness regarding the exercise of such countermeasures.

In this instance, the Board of Directors shall hold a shareholders' meeting as promptly as possible so that it may submit a report delineating the pros and cons of the exercise of countermeasures.

Furthermore, the Board of Directors shall promptly disclose information, including an overview of the resolution reached by the shareholders' meeting regarding the pros and cons of the exercise of countermeasures and other items that the Board of Directors deems appropriate to disclose.

[7] Board of Directors' Resolution

The Company's Board of Directors shall respect the Special Committee's recommendations defined in [5] above to the extent possible, and shall pass resolutions for activation or non-activation of anti-takeover measures at its own risk. If the Special Committee recommends that anti-takeover measures be activated pursuant to the provisions of [5] (i) above, and if the Board of Directors decides to activate the relevant anti-takeover measures in response to the said recommendation, such anti-takeover measures may cause the Purchaser failing to comply with the Large-scale acquisition Rules to suffer some sort of economic damage. In activating anti-takeover measures, the Board of Directors would take various factors into account and follow the policy of not delivering such economic consideration that may unduly put the Purchaser at a disadvantage. Therefore, the Large-scale acquisition Rules are intended to alert the Purchaser in advance not to perform Acts of Large-scale acquisition without regard thereto. If the Special Committee recommends that anti-takeover measures be not activated pursuant to the provisions of the [5] (iii) above, the Board of Directors would, in principle, pass a resolution not to activate anti-takeover measures. If a General Meeting of Shareholders is convened pursuant to the provisions of [6] above, the Board of Directors, from the perspective of securing and enhancing the Company's corporate value and the common interests of Shareholders, shall promptly pass a resolution for or against activation of anti-takeover measures in accordance with Shareholders' intent on the advisability of the said activation. Should the Board of Directors issue the abovementioned resolution, it will promptly disclose information regarding the overview of the shareholders' meeting's resolution and other items that the Board of Directors deems appropriate to disclose.

[8] Cancellation or Cessation of the Exercise of Countermeasures

When the Board of Directors resolves to exercise countermeasures or subsequent to exercising countermeasures in accordance with the procedure in the above [7], the Board of Directors shall cancel or cease the exercise of countermeasures regardless of the Special Committee's recommendation if (a) the Purchaser has cancelled its Purchase or (b) the Board of Directors faces a situation in which the facts underlying the assessment of the pros and cons of the exercise of countermeasures have changed and thus the Board of Directors considers the exercise of countermeasures to be inappropriate in light of the need to secure and improve TACHI-S's corporate value and the common interests of shareholders. Should the Board of Directors decide upon the abovementioned resolution, it shall immediately disclose information regarding the overview of the resolution and other items that the Board of Directors deems appropriate to disclose to shareholders and investors.

[9] Commencement of Acts of Large-scale acquisition

The Purchaser shall comply with the Large-scale acquisition Rules, and may not commence Acts of Large-scale acquisition until or unless the Company's Board of Directors passes a resolution for or against activation of anti-takeover measures.

(2) Details of Countermeasures in the Plan

One of the countermeasures to be exercised in accordance with the Board of Directors' resolutions stipulated in the above (1) [7], is anticipated to be a gratis issue of Equity Warrant (the "Equity Warrant"). However, other measures may be taken should alternative measures be deemed appropriate according to the Companies Act, other laws and regulations, or the TACHI-S's Article of Incorporation.

The overview of the gratis issue of Equity Warrant shall be described in the following "Overview of the Gratis Issue of Equity Warrant."

The Board of Directors may cancel or cease the exercise of countermeasures as described in the above (1) [8] even if they have already resolved or commenced the exercise of said countermeasures. For example, the Company may cease the exercise of countermeasures should the Purchaser cancel the Purchase and the Board of Directors responds by passing a resolution as stipulated in the above (1) [8] by (a) canceling the gratis issue of Equity Warrant up to the day before the date set for cancellation of rights in connection with the scheduled

gratis issue of Equity Warrant; or (b) having TACHI-S itself receive such Equity Warrant in gratis from the effective date of the gratis issue of Equity Warrant to the date before the commencement of the exercise of such Equity Warrant.

Overview of the Gratis Issue of Equity Warrant

1. Total Number of Equity Warrants to Be Allocated
The total number of Equity Warrants to be allocated shall be up to an upper limit equal to twice the final number of the Company's issued and outstanding shares (excluding the number of shares held by the Company) as of a certain specific date specified by the Board of Directors (hereinafter referred to as the "Allotment Date") in its Resolution on Gratis Issue of Equity Warrants.
2. Shareholders Eligible for the Allocation
The Company shall issue Equity Warrant to shareholders listed on the final shareholders' register as of the Date of Allotment in the proportion determined by the Board of Directors' Resolution for Gratis Issue of Equity Warrant of up to two Equity Warrant per common share (not including those held by the Company itself).
3. Effective Date of the Gratis Issue of Equity Warrant
The date shall be specified in the Resolution for the Gratis Issue of Equity Warrant.
4. Contents of Equity Warrants
 - [1] Type and Number of Shares Entitled to Equity Warrants
The type of shares entitled to Equity Warrants shall be the Company's common shares, and the number of shares per Equity Warrant (hereinafter referred to as the "Applicable Share Number") shall be no more than one and shall be determined by the Board of Directors by means of its resolution on gratis issue of Equity Warrants (hereinafter referred to as the "Resolution on Gratis Issue of Equity Warrants"). If the Applicable Share Number falls below one, the relevant share shall be sold in a lump and the sale proceeds shall be distributed to the Shareholders with fractions according to the sizes of such fractions.
 - [2] Amount of Assets Invested upon Exercise of Equity Warrant (Exercise Price)
The amount of assets invested upon exercise of Equity Warrants per each of the Company's common shares shall be no less than one yen (¥1) and shall be determined by means of the Resolution on Gratis Issue of Equity Warrants.
 - [3] Transfer Restrictions on Equity Warrant
The Transfer of Equity Warrant shall require an approval from the Company's Board of Directors.
 - [4] Conditions Applicable to the Exercise of Equity Warrant
The following parties ("Ineligible Parties") shall not be able to exercise Equity Warrant: (1) specified large shareholders (Note 9), (2) co-holders of the specified large shareholders, (3) specified large purchasers (Note 10), (4) specially related parties of specified large purchasers, (5) parties who received or had Equity Warrant transferred to them by parties corresponding to the above (1) to (4) without the approval of the Company's Board of Directors, or (6) relevant parties related to the above (1) to (5) (Note 11). Details of conditions applicable to the exercise of Equity Warrant shall be defined in the Resolution for the Gratis
 - [5] The Company's Ability to Acquire Equity Warrants and Purpose for Acquisition
 - (a) Acquisition by the Company as activation of anti-takeover measures
The Company can acquire Equity Warrant held by parties other than Ineligible Parties on a date separately set up by the Company's Board of Directors, and issue the Applicable Share Number of common shares per Subscription Right in exchange.
 - (b) Gratis Issue of Equity Warrant with Regard to the Exercise of Countermeasures
In cases where the Company's Board of Directors ceases the exercise of countermeasures and other instances determined by the Resolution for the Gratis Issue of Equity Warrant, the Company can acquire all of the Equity Warrant in gratis.

Details of the purpose of acquisition of these Equity Warrants shall be separately prescribed by means of the Resolution on Gratis Issue of Equity Warrants.

[6] Exercise Period for Equity Warrants and Other Matters

The exercise period and other necessary matters pertaining to Gratis Issue of Equity Warrants shall be separately determined by means of the Resolution on Gratis Issue of Equity Warrants.

Note 9: Parties who own shares issued by the Company and are acknowledged by the Company's Board of Directors as having shareholding ratios of more than 20% of the corresponding shares, as well as parties the Company's Board of Directors deems to correspond thereto. However, this shall not be applied to such parties for whom the Company's Board of Directors deems the acquisition or holding of the Company's shares does not run counter to the Company's corporate value and the common interests of its shareholders and who are otherwise so specified by the Company's Board of Directors in the Resolution for the Gratis Issue of Equity Warrant.

Note 10: Related parties are those who exert practical control over a given party, who are controlled by said party, who are together with said party controlled by another (including parties the Company's Board of Directors deems to correspond thereto), or who the Company's Board of Directors deems to effectively act in concert with said party. "Control" means "control of decisions related to the financial and business policies" of another company (defined in Article 3, Paragraph 3 of the Financial Instruments and Exchange Act Enforcement Order).

Note 11: Parties who make a public announcement to the effect that they will purchase (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; this definition shall be applied to the following) shares (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; this definition shall be applied to the following) issued by the Company through public tender offer, where the possession (including cases specified in Article 7, Paragraph 1 of the Financial Instruments and Exchange Act Enforcement Order pursuant to this) of such shares by said party following such purchase would, combined with the shareholding of specially related parties, total to a shareholding ratio of over 20%, as well as parties the Company's Board of Directors deems to correspond thereto. However, this shall not be applied to such parties for whom the Company's Board of Directors deems the acquisition or holding of the Company's shares does not run counter to the Company's corporate value and the common interests of its shareholders, and who are otherwise so specified by the Company's Board of Directors in the Resolution for the Gratis Issue of Equity Warrant.

5. Other Necessary Matters

Any other necessary matters pertaining to Gratis Issue of Equity Warrants shall be separately determined by means of the Resolution on Gratis Issue of Equity Warrants.

(3) Effective Period, Abolishment and Revision of the Plan

The effective period of the Plan shall extend through the end of the Annual General Meeting of Shareholders planned to be held in June 2012 should the Annual General Meeting grant approval of the matter.

If it is resolved to revise or abolish the Plan at the Company's shareholders' meeting prior to the expiration of such effective period, however, the Plan shall be revised or abolished at that point in accordance with the relevant resolution. In addition, if the Company's Board of Directors appointed by a shareholders' meeting resolves to abolish the Plan, the Plan shall be abolished at that point (see the following 5. (6)).

If, for reasons of any amendment of or change in interpretation or operation of the Companies Act, the Financial Instruments and Exchange Act, other laws and ordinances or regulations of the relevant Financial Instruments Exchange, change in taxation system or amendment in court precedents, it becomes necessary to revise the language of the Plan without having to amend the substance thereof, this Plan may be amended within limits which would be deemed reasonably necessary, subject to verification by the Special Committee.

With regard to the abolishment or revision of the Plan (if any), the Company will disclose information regarding relevant facts pertaining to the abolishment or revision (not including such minor revisions as word changes due to the amendment of laws), details of such revision and other items that the Board of Directors deems appropriate to disclose.

5. Reasonability of the Plan

(1) Fulfillment of the Requirements set out in the Guidelines regarding the Anti-Takeover Measures

The Plan fulfills the three principles (namely, ensuring and/or increasing corporate value and stakeholder profits; practicing prior disclosure and seeking stakeholders consent; and ensuring necessity and suitability) of the “Ensuring and/or Increasing Corporate Value and Stakeholder Profits: Takeover Defense Guidelines” jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan also conforms to the content of “Takeover Defense Measures in Light of Recent Environmental Changes” made public by the Corporate Value Study Group on June 30, 2008.

(2) Being Introduced with the Purpose of Securing and Improving Corporate Value and the Common Interests of Shareholders

As described in 3. above, the Plan shall be introduced for the purpose of securing and improving corporate value and the common interests of shareholders. This shall be carried out in a manner that enables the Company to negotiate with the Purchaser on behalf of shareholders by ensuring that the necessary information is provided and an adequate amount of time allowed for shareholders to come to a decision about whether the Company should accept or reject the Purchase or for the Board of Directors to offer a substitute plan for such Purchase to the Purchaser.

(3) Respecting Shareholders’ Wishes

The Plan requires the Company to directly confirm the intent of Shareholders as to the pros and cons of activation of anti-takeover measures against the Purchaser’ Acts of Large-scale acquisition except where the Purchaser perform Acts of Large-scale acquisition without complying with the Large-scale acquisition Rules and the Special Committee recommends activation or non-activation of anti-takeover measures.

The Company resolved at its Board of Directors’ meeting that decisions regarding the Plan must also be approved at the Annual General Meeting of Shareholders. As mentioned in 4. (3) above, should any resolution be passed regarding the revision or abolishment of the Plan by the Company’s shareholders’ meeting even after the approval at the Annual General Meeting of Shareholders, the Plan shall be revised or abolished accordingly. In this manner, the Company secures the structure whereby the intent of its Shareholders will be fully reflected in connection with the introduction, amendment and abolition of the Plan.

(4) Respecting Decisions of the Independent Committee and Information Disclosure

Upon the introduction of the Plan, the Company established the Special Committee. This move was made to eliminate any possibility of the Board of Directors’ making an arbitrary decision regarding the exercise of countermeasures against the Purchase as well as to secure objectivity and reasonability with regard to judgments and responses on the part of the Board of Directors.

The Special Committee consists of individuals appointed by the Company’s Board of Directors from among knowledgeable outside persons including Outside Directors and Outside Corporate Auditors who are independent from members of the management in charge of the Company’s business execution.

In addition, the Company shall disclose information as required to shareholders and investors regarding the overview of the Special Committee’s judgment. By doing so, the Company will ensure operational transparency with regard to the application of the Plan to the benefit of TACHI-S’s corporate value and the common interests of shareholders.

(5) Ensuring the Rational and Objective Execution of the Plan

As described in 4. (1) above, the Plan ensures the prevention of the Company's Board of Directors arbitrarily exercising the Plan and thus will not be exercised unless rational and objective conditions have been met.

(6) No Dead-Hand or Slow-Hand Features among the Anti-Takeover Measures

As described in 4. (3) above, the Plan may be abolished at any time by the Board of Directors whose members were appointed by the Company's shareholders' meeting. Therefore, the Plan is not a dead-hand measure against takeover (where the triggering of the anti-takeover measures cannot be stopped even if the majority of the Board of Directors is replaced).

In addition, the term of office for directors is currently one year. Thus, the Plan is not a slow-hand measure against takeover (where it takes time to stop the triggering of anti-takeover measures and the Board of Directors' members cannot be replaced during that time).

6. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon the Continuation of the Plan

Equity Warrant will not be issued upon the continuation of the Plan. Therefore, the Plan will not exert a directly specific impact on the legal rights and economic benefits related to the Company's shares held by shareholders when continued.

As described in 4. (1) above, the Company's response to the relevant Purchase may vary depending on whether or not the Purchaser complies with the Plan's stipulations. Accordingly, the Company would like shareholders and investors to closely monitor any potential Purchaser's actions. If the Company sees the Purchaser taking any action that would impact shareholders and investors, the Company shall immediately disclose such information.

(2) Impact on Shareholders and Investors upon the Gratis Issue of Subscription Rights

If the Company's Board of Directors decides to activate anti-takeover measures and carries out gratis issue of Equity Warrants, all of the Shareholders recorded on the Company's register of shareholders as of the Allotment Date to be separately determined shall receive distribution of up to two units of Equity Warrants per share held. The Company does not assume that legal rights and economic benefits related to the Company's shares held by shareholders will not be impacted in case of the gratis issue of Equity Warrant; given the system's characteristics, the entire economic value of the Company's shares will be diluted despite the per-share economic value of the Company's shares owned by shareholders.

Nevertheless, the Purchaser's legal rights or economic benefits may be impacted by the exercise of such countermeasures.

If the Board of Directors decides to cancel countermeasures or cease the exercise of countermeasures in accordance with 4. (1) [8] above even after its decision to issue Equity Warrant in gratis, the Company's share prices might be affected. For instance, if the Company ceases the exercise of countermeasures and does not issue new shares through Equity Warrant in gratis after confirming which shareholders will receive gratis Equity Warrant, the per-share economic value of the Company's shares owned by shareholders will not be diluted. Therefore, please note that shareholders and investors who sell and purchase on the assumption of the possible occurrence of dilution in per-share economic value may be impacted by stock price fluctuations. Furthermore, the Purchaser's legal rights and economic benefits may be impacted upon the exercise or acquisition of Equity Warrant when conditions change. Even in such cases, the Company does not assume that legal rights and economic benefits related to shares held by shareholders other than the Purchaser will be directly impacted.

(3) Necessity or Otherwise for Shareholders to Perform Application Procedures in the Wake of Gratis Issue of Equity Warrants

Shareholders who are listed on the latest shareholders' register as of the date of gratis allocation of Equity Warrant are not required to go through any procedure to apply for Equity Warrant as they will be automatically eligible for such Equity Warrant on the effective date of the gratis allocation of relevant Equity Warrant.

When shareholders other than the Purchaser go through procedures in accordance with conditions that the Company has applied for the acquisition of Equity Warrant, they are not required to pay the exercise costs for Equity Warrant as they shall receive Company shares in compensation for the Company's acquisition of Equity Warrant.

Other details, including procedural methods for the allocation and exercise of Equity Warrant as well as for the acquisition of Equity Warrant by the Company, shall be disclosed by TACHI-S in an appropriate and timely manner once a resolution is passed at the board of Directors' meeting regarding the gratis issue of Equity Warrant. Please note the relevant disclosure or announcement that will be released in accordance with relevant laws as well as stock market rules.

An Overview of Regulations of the Special Committee

1. Purpose

TACHI-S CO., LTD. (hereinafter referred to as the “Company”) hereby establishes the Special Committee (hereinafter referred to as the “Committee”) for the purpose of assuring the reasonableness and validity of the judgment of its Board of Directors on the advisability of activation or non-activation of anti-takeover measures under the countermeasure against Acts of Large-scale acquisition of the Company’s shares (hereinafter referred to as the “Plan”) which was passed at the Company’s 60th Annual General Meeting of Shareholders.

2. Matters Subject to Resolution by Committee

- (1) The Committee shall pass a resolution or resolutions on any of the matters listed below after gathering and carefully examining ample information on the Purchaser and contents of proposed acquisition from perspectives independent of the Board of Directors and with a view to securing and enhancing the common interests of the Shareholders.
 - (i) Activation or non-activation of anti-takeover measures under the Plan
 - (ii) Suspension or cessation of activation of anti-takeover measures under the Plan
 - (iii) Amendment of the Plan
 - (iv) Any other matters on which the Board of Directors may seek advice of the Committee
- (2) The Committee, in gathering information and material on the particulars of acquisition proposers and acquisition proposals, may demand that the Company’s Representative Directors and Board of Directors gather necessary information and material and inform the Committee of their findings.
- (3) The Committee may seek and obtain advice from financial advisers, attorneys at law and other Outside specialists at the Company’s cost.

3. Committee Recommendations to the Board of Directors and Duty of the Board of Directors to Respect Committee Recommendations

- (1) The Committee shall submit to the Company’s Board of Directors its written recommendations, together with supporting reasons and rationale for submitting them, on the particulars of its resolution or resolutions on any of the matters specified in paragraph (1) of the preceding Article.
- (2) The Company’s Board of Directors shall respect the Committee’s recommendations prescribed in the preceding paragraph to the extent possible, and shall pass a resolution or resolutions on any of the matters prescribed in paragraph 1 of the preceding Article.

4. Qualifications, etc.

- (1) The Committee shall consist of at least three members to be appointed by the Board of Directors; provided, however, Outside Directors and Outside Corporate Auditors shall be appointed as Committee members.
- (2) The Committee members shall be appointed from among those persons who fulfill all of the following requirements:
 - (i) The person who has not served, or is not currently serving, as a Director (excluding an Outside Director; hereinafter the same for the purpose of this Article), a Corporate Auditor (excluding an Outside Corporate Auditor; hereinafter the same for the purpose of this Article), or a Manager or

any other Employee, of the Company or its subsidiary (meaning the “Subsidiary” prescribed in Article 2, item 3 of the Companies Act; hereinafter the Company and its Subsidiaries shall be referred to collectively as the “Company, etc.”);

- (ii) The person who has not been, or is currently not, a Specified Relationship Business Operator (meaning the “Specified Relationship Business Operator” prescribed in Article 2, paragraph 3, item 18 of the Companies Act) of the Company;
- (iii) The person who has not received, or is not expected to receive, a large sum of money or other forms of assets from the Company or a Specified Relationship Business Operator of the Company; and
- (iv) The person who is not a spouse, a relative of up to third degree of kinship, or in any other similar position.

5. Term of Office

The term of office for each member of the Committee shall be one (1) year; provided, however, that any member may be reappointed.

6. Committee Chairman

Members of the Committee shall elect a chairman by means of mutual voting.

7. Person with Authority to Convene Committee Meetings

- (1) The Committee shall be convened by the Chairman of the Company’s Board of Directors pursuant to the resolution of the Board of Directors.
- (2) The Committee members, if finding it necessary to do so, shall demand that the Board of Directors convene the Committee.

8. Operation of the Committee

- (1) The Committee shall be convened as needed pursuant to the provisions of the preceding Article.
- (2) The Committee may demand that Directors of the Company attend the Committee meetings as non-voting observers and offer explanations on any necessary matters.

9. Requirement for Committee Resolution

A resolution of the Committee shall be validly passed by a majority voting of the Committee members in attendance comprising a majority of the Committee membership.

10. Action Required in the Event of Failure to Pass a Committee Resolution

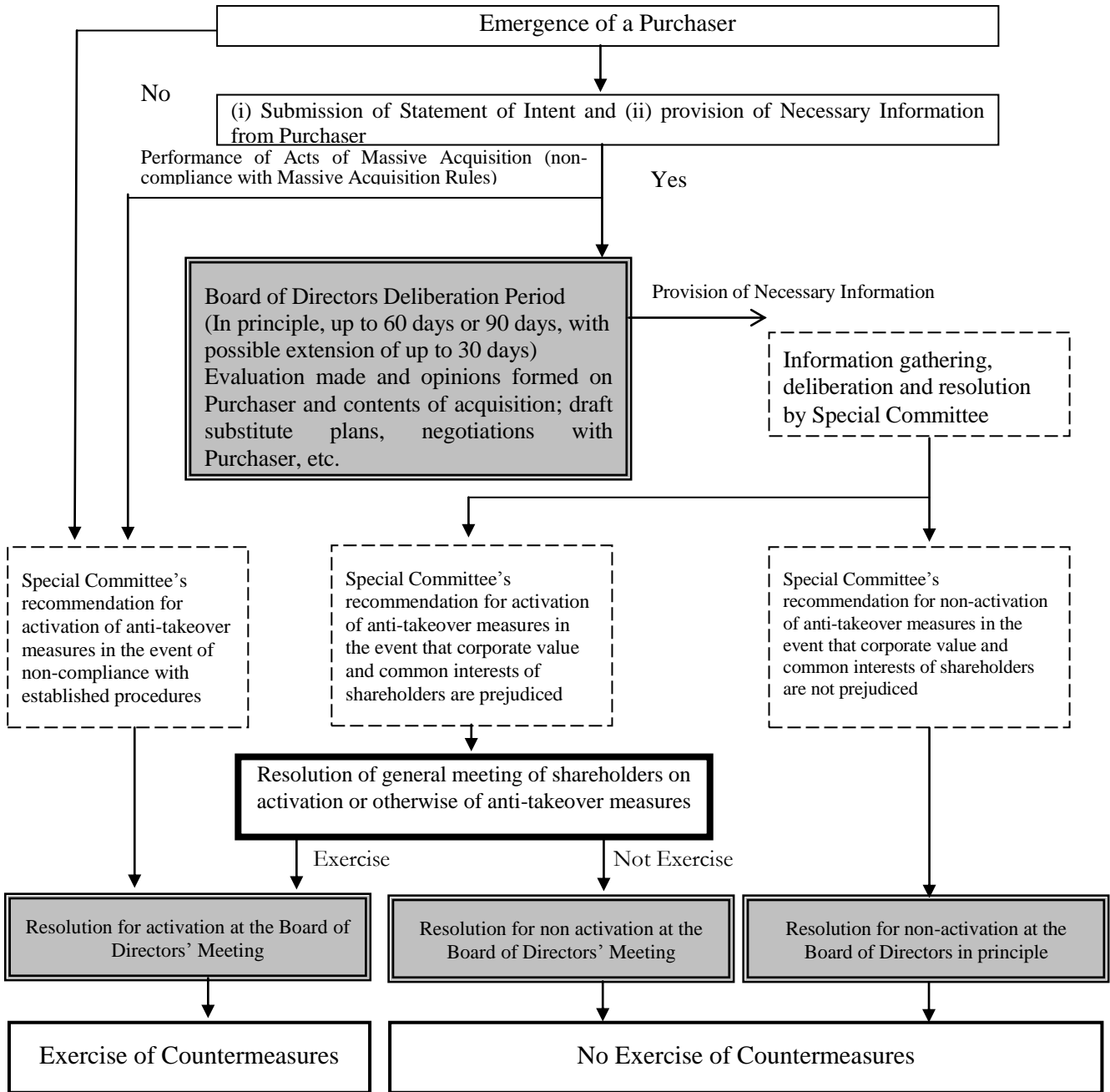
If the Committee members are unable to reach an agreement or if a Committee resolution cannot be validly passed due to the absences of the Committee members, each Committee member shall submit his/her recommendations as individual opinions, together with supporting reasons and rationale, to the Company’s Board of Directors.

11. Committee Members’ Confidentiality Obligation

No Committee member may disclose to any third party any information that he/she may acquire in the course of conducting examinations and passing resolutions prescribed in paragraph 1 of Article 2 hereof, any part of the Committee’s or individual recommendations, or any of their supporting reasons and grounds, without obtaining prior consent of the Company’s Board of Directors; provided, however, that if the Committee or its members demand that the Board of Directors disclose to a third party the particulars of the Committee’s or

individual recommendations and their supporting reasons and rationale, the Board of Directors shall disclose the said information accordingly.

Flow Chart of Procedures under the Plan



Consolidated Balance Sheet

(As of March 31, 2012)

(Unit: Millions of yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Total current assets	72,578	Total current Liabilities	48,882
Cash, time deposits and other cash equivalents	26,638	Accounts and notes payable	37,467
Accounts and notes receivable	35,178	Short-term bank loans	1,986
Marketable securities	225	Income taxes payable	953
Goods and merchandises	1,298	Accrued expenses	3,850
Work in process	403	Reserve for directors' bonuses	65
Raw materials and supplies	4,340	Other current liabilities	4,559
Advance payments	564		
Deferred income taxes	706		
Other current assets	3,222	Total fixed liabilities	6,696
Fixed assets	43,664	Long-term debt	1,582
Property, plant and equipment	22,019	Deferred income taxes	701
Buildings and structures	7,857	Reserve for retirement benefits	1,989
Machinery and vehicles	4,994	Retirement allowance for directors and corporate auditors	11
Land	5,779	Other non-current liabilities	2,411
Construction in progress	2,704		
Other tangible assets	683	Total liabilities	55,579
Intangibles and deferred charges	427	(Net assets)	
Investments and other assets	21,217	Total shareholders' equity	59,649
Investments in securities	17,573	Common stock	8,145
Long-term loans	30	Additional paid-in capital	7,836
Deferred income taxes	99	Retained earnings	45,627
Other assets	3,522	Treasury stock	-1,960
Allowance for bad debts	-9	Valuation and translation adjustments	-3,656
		Net unrealized gain on securities	1,646
		Foreign currency translation adjustments	-5,302
		Minority interests in consolidated subsidiaries	4,670
		Total net assets	60,663
Total assets	116,242	Total liabilities and net assets	116,242

Consolidated Statement of Income

(From April 1, 2011 to March 31, 2012)

(Unit: Millions of yen)

Account Name	Amount	
Net sales		204,053
Cost of sales		186,437
Gross profit		17,616
Selling, general and administrative expenses		10,034
Operating income		7,582
Non operating income		
Interest income	164	
Dividend income	103	
Amortization of negative goodwill	1	
Equity in earnings of subsidiaries and affiliates	2,820	
Other non operating income	159	3,248
Non operating expenses		
Interest expenses	162	
Exchange losses	506	
Other non operating expenses	5	674
Ordinary income		10,156
Extraordinary income		
Gain on sales of fixed assets		27
Extraordinary loss		
Loss on disposal of fixed assets		67
Net income before taxes and adjustments		10,116
Income taxes	1,560	
Income taxes-deferred	502	2,062
Income (loss) before minority interests		8,053
Minority interests in net income of consolidated subsidiaries		1,694
Net income		6,358

Consolidated Statement of Changes in Net Assets

(From April 1, 2011 to March 31, 2012)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	8,145	7,836	39,760	-1,960	53,782
Change of items during the period					
Cash dividends	-	-	-394	-	-394
Net income	-	-	6,358	-	6,358
Treasury stock purchased	-	-	-	-0	-0
Change of scope of equity method	-	-	-80	-	-80
Others	-	-	-17	-	-17
Net changes of items other than shareholders' equity	-	-	-	-	-
Total of changes during the fiscal year	-	-	5,866	-0	5,866
Balance at March 31, 2012	8,145	7,836	45,627	-1,960	59,649

(Unit: Millions of yen)

	Valuation and translation adjustments			Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at April 1, 2011	1,272	-4,923	-3,650	4,010	54,142
Change of items during the period					
Cash dividends	-	-	-	-	-394
Net income	-	-	-	-	6,358
Treasury stock purchased	-	-	-	-	-0
Change of scope of equity method	-	-	-	-	-80
Others	-	-	-	-	-17
Net changes of items other than shareholders' equity	374	-379	-5	660	654
Total of changes during the fiscal year	374	-379	-5	660	6,521
Balance at March 31, 2012	1,646	-5,302	-3,656	4,670	60,663

Non-consolidated Balance Sheet

(As of March 31, 2012)

(Unit: Millions of yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Total current assets	38,609	Total current Liabilities	33,175
Cash, time deposits and other cash equivalents	8,902	Notes payable	1,025
Notes receivable	29	Accounts payable	24,332
Accounts receivable	23,299	Current portion of long-term loans payable	1,500
Marketable securities	100	Subsidiaries' and affiliates' funds entrusted for investment	748
Goods and merchandises	484	Accounts payable-other	1,419
Work in process	154	Accrued expenses	2,710
Raw materials and supplies	1,659	Income taxes payable	472
Advance payments	1,272	Deposits received	450
Deferred income taxes	584	Notes payable-facilities	191
Short-term loans	1,736	Unearned revenue	247
Accounts receivable-other	201	Reserve for directors' bonuses	65
Other current assets	185	Other current liabilities	12
		Total fixed liabilities	5,784
Fixed assets	40,477	Long-term debt	1,500
Property, plant and equipment	15,495	Deferred income taxes	100
Buildings	5,280	Reserve for retirement benefits	1,790
Structures	216	Long-term accounts payable-other	208
Machinery	2,456	Long-term lease deposited	398
Vehicles	4	Long-term guarantee deposited	1,786
Equipment	451	Total liabilities	38,960
Land	5,000	(Net assets)	
Construction in progress	2,085	Total shareholders' equity	38,481
Intangibles and deferred charges	281	Common stock	8,145
Software	264	Additional paid-in capital	7,706
Other intangible assets	16	Legal capital surplus	7,697
Investments and other assets	24,700	Other additional paid-in capital	9
Investments in securities	6,227	Retained earnings	24,785
Stock of subsidiaries and affiliates	12,985	Legal retained earnings	480
Investments in subsidiaries and affiliates	4,887	Other retained earnings	24,304
Long-term loans	30	Reserve for advanced depreciation of fixed assets	22
Long-term prepaid expenses	14	General reserve	15,000
Guarantee deposits	392	Retained earnings brought forward	9,282
Other assets	171	Treasury stock	-2,156
Allowance for bad debts	-9	Total valuation, translation adjustments and others	1,644
		Net unrealized gain on securities	1,644
		Total net assets	40,126
Total assets	79,087	Total liabilities and net assets	79,087

Non-consolidated Statement of Income

(From April 1, 2011 to March 31, 2012)

(Unit: Millions of yen)

Account Name	Amount	
Net sales		112,436
Cost of sales		103,961
Gross profit		8,475
Selling, general and administrative expenses		6,339
Operating income		2,135
Non operating income		
Interest and dividend income	1,379	
Other non operating income	135	1,514
Non operating expenses		
Interest expenses	135	
Other non operating expenses	65	200
Ordinary income		3,450
Extraordinary income		
Gain on sales of fixed assets		0
Extraordinary loss		
Loss on disposal of fixed assets		52
Net income before taxes		3,397
Income taxes	614	
Income taxes-deferred	357	972
Net income		2,425

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2011 to March 31, 2012)

(Unit: Millions of yen)

	Shareholders' equity					
	Common stock	Additional paid-in capital			Retained earnings	
		Legal capital surplus	Other additional paid-in capital	Total additional paid-in capital	Legal retained earnings	Other retained earnings Reserve for advanced depreciation of fixed assets
Balance as of April 1, 2011	8,145	7,697	9	7,706	480	20
Change of items during the period						
Cash dividends	-	-	-	-	-	-
Net income	-	-	-	-	-	-
Provision of reserve for reduction entry	-	-	-	-	-	1
Reversal of reserve for advanced depreciation of fixed assets	-	-	-	-	-	-0
Treasury stock purchased	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-
Total of changes during the fiscal year	-	-	-	-	-	1
Balance as of March 31, 2012	8,145	7,697	9	7,706	480	22

(Unit: Millions of yen)

	Shareholders' equity					Evaluation, exchange differences		Total net assets
	Retained earnings			Treasury stock	Total shareholders' equity	Net unrealized gain on securities	Total evaluation, exchange differences	
	Other retained earnings		Total retained earnings					
	Special reserve	Retained earnings brought forward						
Balance as of April 1, 2011	15,000	7,252	22,754	-2,156	36,451	1,271	1,271	37,722
Change of items during the period								
Cash dividends	-	-394	-394	-	-394	-	-	-394
Net income	-	2,425	2,425	-	2,425	-	-	2,425
Provision of reserve for reduction entry	-	-1	-	-	-	-	-	-
Reversal of reserve for advanced depreciation of fixed assets	-	0	-	-	-	-	-	-
Treasury stock purchased	-	-	-	-0	-0	-	-	-0
Net changes of items other than shareholders' equity	-	-	-	-	-	373	373	373
Total of changes during the fiscal year	-	2,029	2,031	-0	2,030	373	373	2,404
Balance as of March 31, 2012	15,000	9,282	24,785	-2,156	38,481	1,644	1,644	40,126