



August 6, 2004

Highlights of Consolidated Financial Results for FY2005 First Quarter

(April 1,2004 through June 30,2004)

Company name: **TACHI-S Co., Ltd.**
 Stock Exchange Listed: Tokyo Stock Exchange
 Code Number: 7239
 Location of the head office: Tokyo
 URL: <http://www.tachi-s.co.jp>
 Representative: Kiyoshi Saito, President
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1. Notes to Preparation of the Quarterly Financial Report

1) Simplified method adopted for accounting principles.

Accounting standard for income taxes: partial adoption of simplified method.

2) No changes in accounting principles from the latest consolidated accounting period.

3) No changes in the scope of consolidation and application of the equity method.

2. Highlights of Consolidated Financial Results for FY2005 First Quarter

(1) Results of Operations

(Unit: Millions of yen, unless otherwise specified)

	Sales		Operating Income		Ordinary Income	
		%		%		%
Three Months Ended June. 2005	37,999	1.3	498	13.8	1,261	25.4
Three Months Ended June. 2004	37,524	25.3	437	-	1,006	159.1
(Reference) Fiscal Year ended March. 2004	151,218		2,558		4,392	

	Net Income		Net Income per share (yen)	Fully Diluted Earnings per share (yen)
		%		
Three Months Ended June. 2005	846	33.8	36.23	-
Three Months Ended June. 2004	632	481.0	27.07	-
(Reference) Fiscal Year ended March. 2004	2,489		105.03	-

(Note) Each "Year to Year change" represents relevant change in percentage compared to the same period of the previous year.



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[Qualitative information on progress status of Consolidated Results of Operations]

The group posted a strong set of first-quarter results, despite changes to car model sales. Favorable trends in Japan and abroad led to net sales of 379,999 million yen (1.3% up on the same period for the previous year) and operating income of 498 million yen (up 13.8%). Meanwhile, continued strong performances from affiliated companies in the US took recurring profit to 1,261 million yen (up 25.4%) and quarterly net profit to 846 million yen (up 33.8%).

(2) Financial Position

(Unit: Millions of yen, unless otherwise specified)

	Total assets	Shareholder's Equity	Shareholder's Equity To Total Assets(%)	Shareholder's Equity Per Share(yen)
Three Months Ended June. 2005	84,075	40,035	47.6	1,713.48
Three Months Ended June. 2004	-	-	-	-
(Reference) Fiscal Year ended March. 2004	83,058	38,941	46.9	1,665.12

(Note) Financial position for the previous year is not shown, because it has been shown this quarter.

[Qualitative information on Financial Position]

Total assets for the first quarter amounted to 84,075 million yen, 1,017 million yen up on the figure for the end of the previous consolidated accounting period. The main factors behind this rise were an increase in cash and deposits as well as investment securities, despite a decline in notes and accounts receivable. Moreover, shareholders' equity reached 40,035 million yen, up 1,094 million yen over the end of the previous consolidated accounting period. As a result, the equity ratio rose from 46.9% to 47.6%.

(3) Forecast for the Fiscal Year Ending March 2005 (April 1, 2004 – March 31, 2005) (Unit: Millions of yen)

	Net Sales	Ordinary Income	Net Income
Interim	73,000	2,000	1,200
Full Year	148,000	4,700	2,800

(Reference) Estimated net income per common share for the full year: 118.34yen

[Qualitative information for forecast]

No changes have been made to the projected interim and full-year results released on May 19, 2004.

*The above projections were created on the basis of information available at the time of release of this material. Actual results may differ from these projections due to a variety of factors.



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(Unit: Millions of yen)

1. June 30, 2004 Consolidated Balance Sheets

Account Name	June 30, 2004		March 31, 2004	
	Amount	(%)	Amount	(%)
ASSETS				
1. Current assets				
1 Cash and time deposits	17,455		15,326	
2 Accounts and notes receivable	21,247		22,496	
3 Marketable securities	1,819		1,527	
4 Inventories	3,373		3,593	
5 Other current assets	3,109		3,137	
6 Allowance for doubtful accounts	(18)		(18)	
Total current assets	46,986	55.9	46,063	55.5
2. Fixed assets				
1 Property, plant and equipment	25,360	30.2	25,722	31.0
2 Intangible assets	230	0.3	213	0.3
3 Investments and other assets				
(1) Investments in securities	9,774		8,813	
(2) Other assets	1,793		2,314	
(3) Allowance for doubtful accounts	(70)		(70)	
Total investments and other assets	11,497	13.6	11,058	13.2
Total fixed assets	37,088	44.1	36,994	44.5
Total assets	84,075	100.0	83,058	100.0



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(Unit: Millions of yen)

Account Name	June 30,2004		March 31,2004	
	Amount	(%)	Amount	(%)
LIABILITIES				
1.Current liabilities				
1 Accounts and notes payable	27,364		27,263	
2 Short-term loans	2,390		2,401	
3 Other current liabilities	6,449		5,326	
Total current liabilities	36,205	43.1	34,991	42.1
2.Long term liabilities				
1 Reserve for retirement benefits	927		795	
2 Retirement allowance for directors and corporate auditors	348		357	
3 Other non-current liabilities	5,031		6,526	
Total long-term liabilities	6,307	7.5	7,679	9.3
Total liabilities	42,512	50.6	42,671	51.4
Minority interests in consolidated subsidiaries	1,526	1.8	1,445	1.7
Shareholder's equity				
1 Common stock	6,327	7.5	6,327	7.6
2 Additional paid-in capital	5,883	7.0	5,883	7.1
3 Retained earnings	26,740	31.8	26,119	31.4
4 Net unrealized gain on securities	1,680	2.0	1,488	1.8
5 Foreign currency translation adjustments	(58)	(0.1)	(341)	(0.4)
6 Treasury stock	(537)	(0.6)	(537)	(0.6)
Total shareholders' equity	40,035	47.6	38,941	46.9
Total liabilities and shareholder's equity	84,075	100.0	83,058	100.0



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2. Consolidated Statements of Income

(Unit: millions of yen)

Account Name	April 1,2004- June30, 2004		April 1,2003- March, 2004	
		(%)		(%)
1.Net sales	37,999	100.0	151,218	100.0
2.Cost of sales	35,618	93.7	140,225	92.7
Gross profit	2,380	6.3	10,993	7.3
3.Selling, general and administrative expenses	1,882	5.0	8,435	5.6
Operating income	498	1.3	2,558	1.7
4.Non operating income				
1 Interest and dividend income	39		177	
2 Equity in earnings of unconsolidated subsidiaries and affiliates.	687		1,659	
3 Other non operating income	61	2.1	138	1.3
Total non operating income	788		1,975	
5.Non operating expenses				
1 Interest expense	20		55	
2 Other non operating expenses	3		86	
Total non operating expenses	24	0.1	141	0.1
Income before extra-ordinary income and extra-ordinary loss	1,261	3.3	4,392	2.9
6.Extra- ordinary income	0	0.0	379	0.3
7.Extra- ordinary loss	98	0.2	586	0.4
Income before income taxes and minority interests	1,164	3.1	4,185	2.8
Income taxes	268	0.8	1,411	1.0
Minority interests in net income of consolidated subsidiaries	48	0.1	284	0.2
Net income	846	2.2	2,489	1.6