



August 4, 2006

Highlights of Consolidated Financial Results for FY2007 First Quarter

(April 1,2006 through June 30,2006)

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: Kosaku Tarumi, 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) Changes in the scope of consolidation and application of the equity method.

Consolidated subsidiaries Newly added:3

Affiliates under equity method application Newly added:1

2. Highlights of Consolidated Financial Results for FY2007 First Quarter

(1) Results of Operations

(Unit: Millions of yen, unless otherwise specified)

	Sales		Operating Income		Ordinary Income	
		%		%		%
Three Months Ended June. 2006	48,035	-1.2	-829	-	-589	-
Three Months Ended June. 2005	48,615	27.9	486	-2.4	687	-45.5
(Reference) Fiscal Year ended March. 2006	210,790		3,084		4,477	

	Net Income		Net Income per share (yen)	Fully Diluted Earnings per share (yen)
		%		
Three Months Ended June. 2006	-480	-	-14.23	-
Three Months Ended June. 2005	264	-68.7	7.07	-
(Reference) Fiscal Year ended March. 2006	1,940		57.15	-

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

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

In the First Quarter of FY2006, our Group's consolidated sales had the increase of the amount of conversion with an exchange fluctuation in comparison with the same period of the FY2005, but it was it with 48,035 million of the ratio, 580 million(1.2%) decrease for the same period of the previous year without can finish covering a sale fall of a part order car model in other product sale and exchange.

About profit side, it was it with Jun loss 480 million by outbreak of quantity feast in celebration of a newborn baby advance expense of a new order car model and mechanic exchange floor trader advance preparations for new production base expense as well as a sale product mix and influence of market conditions change in operating loss 829 million , ordinary loss 589 million, a quarter.

(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. 2006	100,391	55,306	55.1	1,637.22
Three Months Ended June. 2005	93,339	47,300	50.6	1,388.13
(Reference) Fiscal Year ended March. 2006	105,908	50,848	48.0	1,505.25

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

[Qualitative information on Financial Position]

The total assets became 100,300,009,001 million some 5,517 million decrease comparison with a first half year end. As for this, 4,754 million, bill payable and account payable 2,500,003,001 million having decreased an account receivable and an account receivable. 4,458 million increased in comparison with a first half year end, and the net assets became 55,306 million. This depends on 5,771 milion having increased by a change of indication by the company law enforcement.

(3)Forecast for the Fiscal Year Ending March 2007 (April 1, 2006 – March 31, 2007) (Unit: Millions of yen)

	Net Sales	Ordinary Income	Net Income
Interm	95,700	200	50
Full Year	112,000	900	500

(Reference) Estimated net income per common share for the full year: 14.80yen

[Qualitative information for forecast]

About connection earnings forecast of interphase and the authority of period, I revise connection earnings forecast of (May 16, 2006) at settlement of accounts announcement time for March, 2006 period.



August 4, 2006
(Unit: Millions of yen)

1. June 30, 2006 Consolidated Balance Sheets

Account Name	June 30, 2006		March 31, 2006	
	Amount	(%)	Amount	(%)
ASSETS				
1. Current assets				
1 Cash and time deposits	15,395		18,191	
2 Accounts and notes receivable	25,925		30,679	
3 Marketable securities	346		346	
4 Inventories	5,317		5,433	
5 Other current assets	4,584		2,736	
6 Allowance for doubtful accounts	(55)		(55)	
Total current assets	51,512	51.3	57,331	54.1
2. Fixed assets				
1 Property, plant and equipment	28,378	28.3	27,639	26.1
2 Intangible assets	2,261	2.3	2,255	2.1
3 Investments and other assets				
(1) Investments in securities	15,905		15,738	
(2) Other assets	2,407		3,019	
(3) Allowance for doubtful accounts	(74)		(75)	
Total investments and other assets	18,238	18.1	18,682	17.7
Total fixed assets	48,878	48.7	48,577	45.9
Total assets	100,391	100.0	105,908	100.0



August 4, 2006
(Unit: Millions of yen)

Account Name	June 30,2006		March 31,2006	
	Amount	(%)	Amount	(%)
LIABILITIES				
1.Current liabilities				
1 Accounts and notes payable	29,518		32,050	
2 Short-term loans	113		100	
3 Other current liabilities	9,176		11,127	
Total current liabilities	38,808	38.7	43,278	40.9
2.Long term liabilities				
1 Reserve for retirement benefits	1,127		1,003	
2 Retirement allowance for directors and corporate auditors	364		350	
3 Other non-current liabilities	4,785		4,940	
Total long-term liabilities	6,276	6.2	6,295	5.9
Total liabilities	45,085	44.9	49,573	46.8
Minority interests in consolidated subsidiaries			5,486	5.2
Shareholder's equity				
1 Common stock			8,145	7.6
2 Additional paid-in capital			7,730	7.3
3 Retained earnings			30,998	29.3
4 Net unrealized gain on securities			2,558	2.4
5 Foreign currency translation adjustments			2,308	2.2
6 Treasury stock			(893)	(0.8)
Total shareholders' equity			50,848	48.0
Total liabilities and shareholder's equity			105,908	100.0



August 4, 2006

Net Assets				
1.Shareholder's equity				
1 Common stock	8,145	8.1		
2 Additional paid-in capital	7,730	7.7		
3 Retained earnings	30,179	30.1		
4 Treasury stock	(893)	(0.9)		
Total shareholders' equity	45,161	45.0		
2.Evaluation, exchange differences				
1 Net unrealized gain on securities	2,105	2.1		
2 Deferred hedge income/loss	-	0.0		
3 Foreign currency transaction adjustment	2,267	2.3		
Total Evaluation, exchange differences	4,372	4.4		
3.share-purchase warrants	10	0.0		
4.Minority interests in consolidated subsidiaries	5,761	5.7		
Total net assets	55,306	55.1		
Total liabilities and net assets	100,391	100.0		



August 4, 2006
(Unit: millions of yen)

2. Consolidated Statements of Income

Account Name	April 1,2006- June30, 2006		April 1,2005- March, 2006	
		(%)		(%)
1.Net sales	48,035	100.0	210,790	100.0
2.Cost of sales	46,491	96.8	197,499	93.7
Gross profit	1,543	3.2	13,291	6.3
3.Selling, general and administrative expenses	2,373	4.9	10,207	4.8
Operating income	(829)	(1.7)	3,084	1.5
4.Non operating income				
1 Interest and dividend income	275		323	
2 Equity in earnings of unconsolidated subsidiaries and affiliates.	-		709	
3 Other non operating income	76		433	
Total non operating income	351	0.7	1,466	0.7
5.Non operating expenses				
1 Interest expense	17		66	
2 Expenses in earnings of unconsolidated subsidiaries and affiliates.	49		-	
3 Other non operating expenses	44		7	
Total non operating expenses	112	0.2	73	0.1
Income before extra-ordinary income and extra-ordinary loss	(589)	(1.2)	4,477	2.1
6.Extra- ordinary income	216	0.4	77	0.0
7.Extra- ordinary loss	54	0.1	258	0.1
Income before income taxes and minority interests	(427)	(0.9)	4,296	2.0
Income taxes	131	0.3	1,401	0.6



August 4, 2006

Minority interests in net income of consolidated subsidiaries	(78)	(0.2)	954	0.5
Net income	(480)	(1.0)	1,940	0.9