



February 3, 2006

Highlights of Consolidated Financial Results for FY2006 Third Quarter

(April 1,2005 through December 31,2005)

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: 1

2. Highlights of Consolidated Financial Results for FY2006 Third Quarter

(1) Results of Operations

(Unit: Millions of yen, unless otherwise specified)

	Sales		Operating Income		Ordinary Income	
		%		%		%
Nine Months Ended June. 2006	153,677	18.6	2,053	-2.3	3,181	-30.3
Nine Months Ended June. 2005	129,627	16.6	2,102	34.5	4,565	59.9
(Reference) Fiscal Year ended March. 2005	183,655		3,796		6,795	

	Net Income		Net Income per share (yen)	Fully Diluted Earnings per share (yen)
		%		
Nine Months Ended June. 2006	1,387	-54.6	40.45	-
Nine Months Ended June. 2005	3,038	71.7	130.04	-
(Reference) Fiscal Year ended March. 2005	4,002		165.20	-

(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]

In the third quarter of fiscal 2005, our Group's sales totaled 153,677 million yen, an increase of 18.6% from the same quarter a year before, thanks to brisk sales both at home and abroad, a contribution from the Canadian production subsidiary which had launched sales in the second half of fiscal 2004, and an expansion in yen-converted sales amid exchange rate fluctuations in favor of the Japanese currency. The operating income, however, decreased 2.3% from the year-before level to 2,053 million yen because of a change in the mix of the products sold and rises in development and other costs. And the ordinary income fell 30.3% from a year before to 3,181 million under the influence of, among other things, the deteriorated business of an equity method affiliate. The net income for the three-month period under review came to 1,378 million yen, a decrease of 54.6% from the year-before level.

(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)
Nine Months Ended June. 2006	102,590	50,018	48.8	1,468.07
Nine Months Ended June. 2005	90,958	42,472	46.7	1,817.78
(Reference) Fiscal Year ended March. 2005	93,787	46,529	49.6	1,773.78

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

[Qualitative information on Financial Position]

The Group's total assets in the third quarter of fiscal 2005 amounted to 102,590 million yen, an increase of 882 million yen from the same quarter in fiscal 2004. This increase was due chiefly to rises in cash and deposit, which were caused mostly by differing settlement dates between accounts receivable and those payable because the last day of the three-month period under view fell on a bank holiday in Japan. Shareholders' equity totaled 50,018 million yen, increasing 3,489 million from the year-before level and representing a 48.8% ratio.

(3) Forecast for the Fiscal Year Ending March 2006 (April 1, 2005 – March 31, 2006) (Unit: Millions of yen)

	Net Sales	Ordinary Income	Net Income
Full Year	210,000	3,800	1,500

(Reference) Estimated net income per common share for the full year: 43.15yen

[Qualitative information for forecast]

Compared with the previously projected figure, the Group's consolidated annual sales in fiscal 2005 are expected to increase by 12,000 million yen, due to increased unit sales and the yen's currently weak exchange value which will work favorably when converting figures arising from overseas subsidiaries. The ordinary income is also projected to increase 400 million yen thanks chiefly to increased domestic sales, after earmarking initial business costs and anticipatory development costs for a newly consolidated subsidiary in Europe and an additional equity method affiliate. The net income for the whole of fiscal 2005, however, is expected to decrease 300 million yen from the previous projection on account of increases in minority shareholder income, corporate tax, etc.

*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.

1. December 31, 2005 Consolidated Balance Sheets

(Unit: Millions of yen)

Account Name	December 31, 2005		March 31, 2004	
	Amount	(%)	Amount	(%)
ASSETS				
1. Current assets				
1 Cash and time deposits	21,841		16,075	
2 Accounts and notes receivable	28,438		27,228	
3 Marketable securities	249		1,026	
4 Inventories	4,832		4,491	
5 Other current assets	2,002		2,341	
6 Allowance for doubtful accounts	(63)		(59)	
Total current assets	57,301	55.9	51,103	54.5
2. Fixed assets				
1 Property, plant and equipment	25,984	25.3	26,038	27.8
2 Intangible assets	2,253	2.2	2,067	2.2
3 Investments and other assets				
(1) Investments in securities	14,059		12,480	
(2) Other assets	3,062		2,163	
(3) Allowance for doubtful accounts	(71)		(67)	
Total investments and other assets	17,050	16.6	14,576	15.5
Total fixed assets	45,288	44.1	42,683	45.5
Total assets	102,590	100.0	93,787	100.0



February 3, 2006
(Unit: Millions of yen)

Account Name	December 31,2005		March 31,2004	
	Amount	(%)	Amount	(%)
LIABILITIES				
1.Current liabilities				
1 Accounts and notes payable	33,672		29,864	
2 Short-term loans	100		100	
3 Other current liabilities	7,176		6,551	
Total current liabilities	40,899	39.9	36,515	38.9
2.Long term liabilities				
1 Reserve for retirement benefits	1,389		930	
2 Retirement allowance for directors and corporate auditors	328		400	
3 Other non-current liabilities	4,624		5,270	
Total long-term liabilities	6,342	6.1	6,602	7.1
Total liabilities	47,242	46.0	43,117	46.0
Minority interests in consolidated subsidiaries	5,329	5.2	4,140	4.4
Shareholder's equity				
1 Common stock	8,145	8.0	8,145	8.6
2 Additional paid-in capital	7,697	7.5	7,697	8.2
3 Retained earnings	30,658	29.9	29,607	31.6
4 Net unrealized gain on securities	2,173	2.1	1,470	1.6
5 Foreign currency translation adjustments	1,891	1.8	145	(0.2)
6 Treasury stock	(548)	(0.5)	(538)	(0.6)
Total shareholders' equity	50,018	48.8	46,529	49.6
Total liabilities and shareholder's equity	102,590	100.0	93,787	100.0



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(Unit: millions of yen)

2. Consolidated Statements of Income

Account Name	April 1,2005-		April 1,2004-	
	December 31, 2005	(%)	March, 2005	(%)
1.Net sales	153,677	100.0	129,627	100.0
2.Cost of sales	144,540	94.1	121,092	93.4
Gross profit	9,136	5.9	8,534	6.6
3.Selling, general and administrative expenses	7,083	4.6	6,432	5.0
Operating income	2,053	1.3	2,102	1.6
4.Non operating income				
1 Interest and dividend income	237		154	
2 Equity in earnings of unconsolidated subsidiaries and affiliates.	567		2,065	
3 Other non operating income	379	0.8	315	2.0
Total non operating income	1,184		2,536	
5.Non operating expenses				
1 Interest expense	40		63	
2 Other non operating expenses	16		9	
Total non operating expenses	56	0.0	72	0.1
Income before extra-ordinary income and extra-ordinary loss	3,181	2.1	4,565	3.5
6.Extra- ordinary income	81	0.1	9	0.0
7.Extra- ordinary loss	198	0.2	251	0.2
Income before income taxes and minority interests	3,064	2.0	4,323	3.3
Income taxes	865	0.6	955	0.7
Minority interests in net income of consolidated subsidiaries	821	0.5	329	0.3
Net income	1,378	0.9	3,038	2.3