

# TACHI-S CO., LTD.

3-3-7 Matsubara-cho, Akishima-shi, Tokyo

Securities code: 7239

August 2005

## Establishing New Company in UK and Increasing French Subsidiary's Capital

We are pleased to announce that our board of directors' meeting held on August 26, 2005 passed resolutions to establish a new company in the United Kingdom and to increase the capital of our French subsidiary, as follows:

### 1. Reason for establish:

The new company will be set up to cater to automotive seat orders from Nissan Motors (UK) Co., Ltd. (NMUK) jointly with Lear Corporation of the United States (headquartered in Southfield, Michigan).

### 2. Outline of the new company:

(1)Business name:	TACLE Seating UK Ltd.
(2)Representative:	President: A. Wallis (Lear Corporation) Vice President: Takeshi Kimishima (Tachi-S)
(3)Head office:	Sunderland, Tyne and Wear, UK
(4)Establish date:	Scheduled for September 2005
(5)Business description:	Manufacture and sale of automotive seats and their parts
(6)Accounting date:	Year ending on December 31
(7)Number of employees:	About 150(as of the end of 2007)
(8)Location:	Head office and factory in Sunderland, UK
(9)Investment amount:	Equivalent of US\$12 million
(10)Equity participation:	owned by Tachi-S Engineering Europe S.A.R.L. : 49% owned by LIA Luxemburg S.A.R.L.: 51%
(11)Annual sales:	About ¥8 billion in 2008
(12)Main customer:	Nissan Motors (UK) Co., Ltd. (NMUK)
(13)Plant scale:	Land area: about 25,000 square meter Building area: about 10,000 square meter
(14)Production capacity:	122,000 units/year
(15)Production to start:	In December,2006

### 3. Outline of the new company partners:

Tachi-S Engineering Europe S.A.R.L. is our 100% owned subsidiary headquartered in Velizy Villacoublay, France, while Lear Luxemburg S.A.R.L. is Lear's 100% owned subsidiary headquartered in Luxemburg.

### 4. Impact on Tachi-S's business prospects:

The anticipated impact of the new company on Tachi-S's consolidated business performance will be reflected in the consolidated business prospects for Fiscal Year Ended March 2005.

<Increasing the French subsidiary's capital>

#### 1. Reason for Increasing capital:

Tachi-S Engineering Europe S.A.R.L. (TSE-E) is our sales and development outpost in Europe as well as our European administrative and controlling company. Increasing its capital is to prepare the company for investing in Tacle Seating UK Limited which TSE-E is scheduled to set up in the United Kingdom in September 2005.

#### 2. Outline of TSE-E:

(1)Business name:	TACHI-S ENGINEERING EUROPE S.A.R.L.
(2)Representative:	President: Hiroshi Taguchi (a board member and Senior Executive Officer of Tachi-S Co., Ltd.)
(3)Head office:	Velizy Villacoublay, France
(4)Establish date:	October 21, 2004
(5)Accounting date:	Year ending on March 31
(6)Equity participation:	owned by Tachi-S : 100%
(7)Change in capital:	1) When established:300,000 euros 2) After capital increase:7,500,000 euros
(8)Capital to be increased:	To be paid in two installments, the first in fiscal 2005 and the second in fiscal 2006.