

TACHI-S CO., LTD.

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

Securities code: 7239

July 2006

Notice of new business in our subsidiary

We are pleased to announce that our board of directors meeting held on July 21, 2006 resolved to inaugurate Nui Tec Corporation. As a new organization to integrate the management and operational aspects of the group's sewn product businesses. It is one of a series of initiatives aimed at achieving the targets of Tachi-S' mid- to long-term vision by 2010.

1. Reasons for initiating business:

Amidst the rapid global development of our auto manufacturer customers, we have prevented damage and dispersal by concentrating the inherent technologies and operating resources for sewn products of the Company and its subsidiaries. We are also aiming to integrate management with the objectives of reducing waste, offering competitive components with standardized production methods, and working to become a core unit in the Group's strategic components business.

2. Outline of the subsidiary:

(1)Business name:	Nui Tec Corporation
(2)Representative:	President: Yoichiro Haraguchi
(3)Main outlet:	3-3-7 Matsubara-cho, Akishima, Tokyo
(4)Business description:	Management and operation of sewn vehicle seats
(5)Accounting date:	Year ending on March 31
(6)Number of employees:	About 6(as of July 2007)
(7)Head office:	1-2 Suehiro-cho, Ome, Tokyo
(8)Investment amount:	20 million yen
(9)Equity participation:	Tachi-S 100%

3. Outlook:

Specifically, Nui Tec Corporation was started as a parent company to manage and operate two domestic companies specializing in sewn product manufacturing: Tachikawa Kogyo Co., Ltd. (head office: Akita prefecture) and Fujitaka Kogyo Co., Ltd. (head office: Nagoya city). When the business is on track, we will place the developing sewn products subsidiary in China in a group to raise competitiveness on a global level and manage and operate the sewn products business. Moreover, Nui Tec Corporation has changed its name from Tachikawa Hatsujo Yamagata.