

May 21, 2008

To whom it may concern

Listed Company Name	TACHI-S CO., LTD.
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Announcement of Establishment of Development Company in China

Since we will be establishing a new development company in China, we wish to announce the following.

1. Purpose of establishment of new company

As part of our aim to create and consolidate a global development system, we will build a stronger foundation for our development system by creating a development base in the Chinese market, streamlining development and design, utilizing human resources and enhancing our power to make presentations to our customers regarding the effective utilization of local materials.

Once established, the new company will be operated jointly with Hsin Chong International Investments Ltd. (Head Office: British Virgin Islands)

2. Outline of new company

(1) Company Name	TACHI-S Engineering China Co., Ltd.
(2) Representative	Management scheduled to be dispatched by TACHI-S
(3) Location	Fuzhou City, Fuzhou Province, People's Republic of China
(4) Time of Establishment	Scheduled for the end of June 2008 (after obtaining business permit)
(5) Business Content	Developing automobile seat designs and performing trials
(6) End of Fiscal Year	December 31
(7) Number of Employees	Initially around 10 employees (50 employees planned by 2010)

(8) Capital	Initially 1 million US dollars (approximately 100 million yen)	
(9) Structure of Investment	TACHI-S Co., Ltd.	70%
	Hsin Chong International Investments Ltd.	30%
(10) Commencement of Operations	July 2008 scheduled	

3. Future outlook

The establishment of this new company will only have a slight impact on the consolidated financial results for the fiscal year ending in March, 2009. In addition, through the establishment of this new company, we aim to enhance our global development system based in four regions in the world (Japan, the United States, Europe and China).