

June 2, 2008

To whom it may concern

Listed Company Name	TACHI-S CO., LTD.
Name of Representative	Kosaku Tarumi, Representative Director & President, COO
Head Office	3-3-7, Matsubara-cho, Akishima, Tokyo 196-8611 (Code: 7239; Tokyo Stock Exchange, 1st Section)
Contact	General Affairs Department/General Affairs Section (Tel.: 042-546-8111)

Announcement of Establishment of New Company in China

This is to announce that we will complete the procedures for establishing a new company in China as follows.

1. Purpose of establishing new company

In order to supply automotive seats to Dongfeng Honda Automobile Co., Ltd, we will establish a new seat manufacturing company jointly with Johnson Controls Inc. (Head Office: Wisconsin, U.S.A; hereafter "JCI").

2. Outline of new company

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| (1) Company name | Wuhan Tachi-S Johnson Controls Automotive Seat Co., Ltd. |
| (2) Representative | Management: Shigeki Kon (General Manager of Tachi-S Co., Ltd.) |
| (3) Location | Economic and Technological Development Area, Wuhan City,
Hubei Province, People's Republic of China |
| (4) Time of establishment | Scheduled for early June 2008 |
| (5) Scope of business | Manufacturing and sales of automotive seats and seat components |
| (6) End of fiscal year | December 31 |
| (7) Number of employees | About 100 in 2009 |
| (8) Main office | Head Office and Plant (same location as above) |
| (9) Capital | 6.3 million US dollars (approximately 670 million yen) |
| (10) Equity participation | Tachi-S Co., Ltd.: 70%
JCI: 30% |
| (11) Investment amount | Initial year: 600 million yen |
| (12) Annual sales | About 6 billion yen in 2010 |
| (13) Main customer | Dongfeng Honda Automobile Co., Ltd. |
| (14) Plant scale | Land area: about 9,500 square meters
Building area: about 3,500 square meters |
| (15) Production capacity | 60,000 units/year in 2010 |
| (16) Production to start | Scheduled for August 2009 |

3. Future outlook

The establishment of this new company will only have a slight effect on our consolidated financial results for the fiscal year ending March 2009. As a result of establishing this company, we will own seven investment companies in China.

4. Business Development in China

In 2001, we established "Zhengzhou Taixin Interia Co., Ltd.", a seat manufacturing company for Zhengzhou Nissan, in Zhengzhou City, followed by the establishment of a seat cover manufacturing company, "Tachi-S Taicang Co., Ltd.", in Taicang City in Jiangsu Province in 2003 for supplying seat

covers to Japan. In 2004, we established “TACLE Guangzhou Automotive Seat Co., Ltd.”, a seat manufacturing company for Dongfeng Nissan in the Huadu District of Guangzhou Province, and further on the adjacent land in 2005, we founded “Tachi-S Trim Guangzhou Co., Ltd.”, a seat cover manufacturing company and “Fuji Autotech Guangzhou Co., Ltd.”, a seat components manufacturing company, to perform full production of automotive seats. As announced earlier, we plan to open Fuzhou Taichang Automotive Seat Research and Development Co., Ltd., the third Development Center in overseas, in Fuzhou City, Fujian Province in July and are proceeding with preparations for that opening.