

January 23, 2009

To whom it may concern

Listed company name TACHI-S CO., LTD.  
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Notice Regarding Rationalization of Personnel

This is to announce that we decided to rationalize personnel (details follow) at a meeting of the board of directors held on January 23, 2009.

We would also like to announce a proposal from the auditing committee for auditors to relinquish part of their compensation.

1. Reasons for rationalization

The dramatic global fall in automobile production, which has resulted from the impact of the global economic downturn originating with the US financial crisis, has surrounded Tachi-S with a severe business environment.

In response to this difficult situation, we have decided to implement a raft of rationalization measures.

2. Outline of rationalization

(1) Reduction of compensation for directors and executive officers

We will reduce compensation by between 20 and 40 percent (depending on position) for an unspecified period from January 2009.

(2) Reduction of management compensation

We will reduce the compensation of all management staff by a uniform 10 percent for an unspecified period from January 2009.

(3) Revision of irregular essential personnel

We will reduce irregular essential personnel by around 550 between now and the end of March 2009, focusing on manufacturing operations staff.

(4) Offering voluntary retirement

We will recruit volunteers by implementing a special system of preferential treatment for early retirement.

a. Recruitment personnel 100

b. Recruitment target Support staff aged 45 and above

c. Recruitment period February 23, 2009 to February 27, 2009

d. Retirement date March 31, 2009

e. Preferential measures We will provide additional sums exceeding those in the existing preferential early retirement system, and support job retraining and placement through a specialist company.

3. Partial relinquishing of auditor compensation

Auditors will relinquish 20 percent of compensation for an unspecified period from January 2009.

4. Future outlook

The outlook for the accounting period ending March 31, 2009 is for an extraordinary loss due to such factors as provision of special additional payments. Once the number of volunteers recruited to the special early retirement system has been determined, we will release a further notice regarding the effects of recruitment and its impact on performance.

TACHI-S CO., LTD.