

Taro Nakayama
Representative Director & President
TACHI-S CO., LTD.
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
Securities code: 7239

June 2, 2015

To all Shareholders,

Notice of the 63rd Annual General Meeting of Shareholders

The shareholders of TACHI-S CO., LTD. (the “Company”) are invited to participate in the 63rd Annual General Meeting of Shareholders of the Company, the details of which are set forth below.

If you are unable to attend the meeting in person, you are entitled to cast a postal vote. To do this, we cordially ask you to study the attached reference document and then return the enclosed voting right exercise form indicating your approval or disapproval of the matters to be resolved, to reach us by 5 p.m. on Tuesday, June 23, 2015.

- 1. Date and time:** 10:00 a.m. Wednesday, June 24, 2015
- 2. Venue:** TACHI-S CO., LTD. Head Office (Assembly Hall on the third floor)
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
- 3. Agenda:**

- Matters for reporting:**
1. Business Report, the consolidated financial statements, and audit report of the consolidated financial statements by the Independent Auditors and Audit & Supervisory Board for the 63rd term (April 1, 2014 to March 31, 2015)
 2. Report of the non-consolidated financial statements for the 63rd term (April 1, 2014 to March 31, 2015)

Matters for approval:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of seven Directors
Proposal 3: Election of one Audit & Supervisory Board Member
Proposal 4: Election of one substitute Audit & Supervisory Board Member
Proposal 5: Provision of bonuses to Directors

* If you are attending the meeting on the scheduled day, please submit the enclosed voting form at the reception.
* We will post any revisions we make to the Reference Materials for General Meeting of Shareholders, the Business Report, or non-consolidated financial statements and consolidated financial statements on our website (<http://www.tachi-s.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and reference matters

Proposal 1: Appropriation of Surplus

We wish to appropriate surplus as follows:

Matters related to year-end dividend

The Company, viewing that appropriate profit distribution through continuous enhancement of corporate value is one of the important management issues, strives to enhance shareholders' equity and improve profitability as well as maintain stable dividend payments. In consideration of the earnings for the fiscal year and the business operations going forward, the Company decided to pay a year-end dividend as follows for the fiscal year under review.

(1) Type of dividend: Cash

(2) Matters related to appropriation of dividends and total amount thereof

We will pay ¥8 per share of the Company's common stock. We will pay a total amount of ¥283,507,800 as dividends. As a result, the annual dividend, including the interim dividend of ¥8 per share, amounts to ¥16 per share.

(3) Effective date of dividend from surplus: June 25, 2015

Proposal 2: Election of seven Directors

The terms of office of all six Directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Company proposes to increase the number of Directors by one to further enhance its corporate governance, and elect the following seven Director candidates.

The candidates for Director are as follows:

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company owned
1	Hiroshi Taguchi (January 18, 1947)	<p>April 1969 Joined Nissan Motor Co., Ltd.</p> <p>July 1993 Director and Chief Advisor, Nissan Motor Co. (Australia) Pty. Ltd.</p> <p>April 1998 Joined TACHI-S CO., LTD. as Senior General Manager Representative Director & President, Industria de Asiento Superior S.A. DE C.V.</p> <p>June 2001 Joined Nissan Motor Co., Ltd.</p> <p>April 2002 General Manager of Chinese Operations Department</p> <p>January 2003 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2003 Executive Officer</p> <p>June 2004 Director & Senior Executive Officer, Division Manager of Overseas Business</p> <p>April 2006 Division Manager of Overseas Business Control</p> <p>April 2008 Director & Executive Vice President</p> <p>April 2009 Director, Chief Operating Officer</p> <p>June 2009 Representative Director, President & Chief Operating Officer</p> <p>April 2010 Head of International Operations</p> <p>April 2011 Division Manager of Quality Assurance</p> <p>April 2013 Head of Global Monozukuri Management Control</p> <p>April 2014 Representative Director, President & Chief Executive Officer</p> <p>June 2014 Representative Director, Chairman & Chief Executive Officer (incumbent)</p>	27,500 shares
2	Taro Nakayama (September 18, 1955)	<p>April 1980 Joined Nissan Motor Co., Ltd.</p> <p>April 2010 General Manager of Global Multisourcing & Export Management Department</p> <p>April 2011 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2011 Director, Executive Vice President, Head of Business Development and Sales, Division Manager of Overseas</p> <p>April 2012 Division Manager of Business Development and Sales</p> <p>April 2014 Director & Chief Operating Officer</p> <p>June 2014 Representative Director, President & Chief Operating Officer (incumbent)</p>	7,500 shares
3	Kiyoshi Saito (January 25, 1947)	<p>March 1973 Joined TACHI-S CO., LTD.</p> <p>June 1982 Director</p> <p>June 1993 Managing Director, General Manager of Production Headquarters</p> <p>June 1996 Representative Director & President</p> <p>June 2001 Representative Director, President & Chief Operating Officer</p> <p>June 2005 Representative Director, Chairman & Chief Executive Officer</p> <p>April 2014 Representative Director, Chairman</p> <p>June 2014 Representative Director & Senior Corporate Adviser (incumbent)</p>	736,028 shares

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company owned
4	Yoshiyuki Nogami (January 9, 1952)	<p>April 1975 Joined Maeda Corporation</p> <p>April 1998 Deputy General Manager of Overseas Business Department</p> <p>January 2000 Joined TACHI-S CO., LTD.</p> <p>June 2003 Executive Officer</p> <p>June 2005 Senior Executive Officer</p> <p>April 2007 Division Manager of Business Control</p> <p>June 2007 Director & Senior Executive Officer</p> <p>April 2008 Division Manager of Administration and Management Control (incumbent)</p> <p>April 2009 Director & Executive Vice President (incumbent)</p> <p>April 2010 Head of Administration and Management Control, Global Business Management</p> <p>April 2011 Head of Administration and Management Control, and Head of Global Business Management, Sales and Marketing(incumbent), Division Manager of Overseas</p>	12,200 shares
5	Hiroyuki Miki (October 3, 1953)	<p>April 1979 Joined Nissan Motor Co., Ltd.</p> <p>January 2000 Supervisor of Product Planning and Strategy Office</p> <p>April 2001 General Manager of Planning Management Department</p> <p>April 2004 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2004 Executive Officer</p> <p>June 2005 Director & Senior Executive Officer, Division Manager of Development Technology</p> <p>April 2006 Division Manager of Development Engineering</p> <p>April 2007 Representative Director & President, TACHI-S ENGINEERING U.S.A. INC.</p> <p>June 2007 Retired as Director of TACHI-S CO., LTD., Senior Executive Officer</p> <p>April 2009 Division Manager of Quality Assurance</p> <p>April 2011 Division Manager of Development Engineering</p> <p>June 2012 Director & Senior Executive Officer</p> <p>April 2014 Division Manager of Purchasing and Component Business</p> <p>April 2015 Director & Senior Vice President (incumbent) Head of Global Monozukuri Management Control (incumbent)</p>	9,600 shares

No.	Name (Date of birth)	Brief History, Position, Principal Duties and Key Concurrent Posts	Number of shares of the Company owned
6	Michihiro Kitsukawa (March 19, 1947)	<p>April 1975 Registered with the Daiichi Tokyo Bar Association Joined Tanigawa Hachiro Law Office</p> <p>April 1977 Established Kitsukawa Michihiro Law Office</p> <p>April 1999 Established and became a partner at Clover Law Office (incumbent)</p> <p>June 2006 Outside Director of TACHI-S CO., LTD. (incumbent) Member of the Special Committee of TACHI-S CO., LTD. (incumbent)</p> <p>(Key concurrent posts) Partner & attorney at law, Clover Law Office Council Member of Japan Credit Counseling Organization</p>	8,200 shares
7	*Toshio Kinoshita (April 12, 1949)	<p>January 1980 Jointed Coopers & Lybrand, Japan (currently PricewaterhouseCoopers Aarata)</p> <p>July 1983 Registered as a certified public accountant</p> <p>February 1985 Audit Manager of Coopers & Lybrand, US (currently PricewaterhouseCoopers) New York Office</p> <p>November 1985 Managing partner of the Japanese Business Network of Midwest, Coopers & Lybrand, US Detroit Office</p> <p>June 1995 Managing partner of the Japanese Business Network of US, Coopers & Lybrand, US National Office</p> <p>July 1998 Managing partner of the Japanese Business Network of North America, PricewaterhouseCoopers L.L.P. New York Office</p> <p>July 2005 Management Board Member for International Business of Chuo Aoyama Audit Corporation (currently Misuzu Audit Corporation)</p> <p>July 2007 Chief Executive of The Japanese Institute of Certified Public Accountants (JICPA)</p> <p>July 2013 Council Member of JICPA (incumbent) Established Kinoshita CPA Firm, Chief Executive Officer of the firm (incumbent)</p> <p>(Key concurrent posts) Chief Executive Officer of Kinoshita CPA Firm Outside Audit & Supervisory Board Member of Cool Japan Fund Inc. Outside Audit & Supervisory Board Member of Panasonic Corporation Outside Audit & Supervisory Board Member of Weathernews Inc. Outside Director of ASATSU-DK INC.</p>	0 shares

Notes:

- 1: * is a newly appointed candidate for Director.
- 2: The above candidates have no conflicts of interest with the Company.
- 3: Mr. Michihiro Kitsukawa and Mr. Toshio Kinoshita are candidates for Outside Director. The Company appoints Mr. Kitsukawa as an Independent Officer provided under the provisions of the Tokyo Stock Exchange and registers him with that exchange.
- 4: The Company nominates Mr. Michihiro Kitsukawa as an Outside Director in recognition of his capability to contribute in the management of the Company based on his expertise and experience in areas such as corporate legal affairs as a lawyer. Although Mr. Kitsukawa has had no direct involvement in corporate management apart from serving as an Outside Director, the Company has

Proposal 4: Election of one substitute Audit & Supervisory Board Member

The effectiveness of the election of Mr. Noriaki Kinoshita as a substitute Audit & Supervisory Board Member at the 62nd Annual General Meeting of Shareholders held on June 25, 2014 is limited up to this Annual General Meeting of Shareholders. Therefore, to ensure that the number of Outside Audit & Supervisory Board Members stipulated under laws and regulations is maintained, the Company proposes to elect one candidate as the substitute Outside Audit & Supervisory Board Member.

The effectiveness of the election at this Annual General Meeting of Shareholders may be revoked, limited to the period before accession to office, with the approval of the Audit & Supervisory Board and by the resolution of the Board of Directors.

The Audit & Supervisory Board has already approved this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Brief History and Key Concurrent Posts	Number of shares of the Company owned
Noriaki Kinoshita (December 5, 1939)	June 1966 Registered as a certified public accountant Opened Kinoshita certified public accountant office April 1972 Adjunct instructor, Faculty of Commerce of Chuo University October 1984 Senior Partner of Inoue Tatsuo Accounting Office October 1993 Senior Partner of Asahi & Co. (currently KPMG AZSA LLC) April 2002 Professor, Faculty of Commerce, Chuo University June 2006 Member of the Special Committee of TACHI-S CO., LTD. (incumbent) June 2007 Substitute Audit & Supervisory Board Member of TACHI-S CO., LTD. (incumbent) (Key concurrent posts) Outside Audit & Supervisory Board Member of TOPPAN FORMS CO., LTD	0 shares

Notes:

- 1: The candidate for substitute Audit & Supervisory Board Member has no conflicts of interest with the Company.
- 2: Mr. Noriaki Kinoshita is a candidate for substitute Outside Audit & Supervisory Board Member.
- 3: The Company nominates Mr. Noriaki Kinoshita as a substitute Outside Audit & Supervisory Board Member in recognition of his capability to contribute in the audits of the Company based on his financial expertise and many years of experience as a certified public accountant. Although Mr. Kinoshita has no direct experience in corporate management, we decided that Mr. Kinoshita would be able to appropriately execute duties as an Outside Audit & Supervisory Board Member thanks to the reason above.
- 4: If Mr. Noriaki Kinoshita assumes office as an Audit & Supervisory Board Member, the Company intends to maintain the Liability Limitation Agreement with him to limit his damage liability as stipulated in Article 423, Paragraph 1 of the Company Law, based on the regulations specified in Article 427, Paragraph 1 of the Company Law. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal 5: Provision of bonuses to Directors

The Company proposes to pay bonuses to five of the six Directors excluding the Outside Director as of the end of the fiscal year under review amounting to a total of ¥50 million, in recognition of the business performance and other factors for the fiscal year under review. The Company would like to leave it to the Board of Directors to decide on the amount of bonus for each Director.

Consolidated Balance Sheet

(As of March 31, 2015)

(Unit: Millions of yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Total current assets	89,871	Total current Liabilities	60,112
Cash, time deposits and other cash equivalents	31,683	Accounts and notes payable	39,573
Accounts and notes receivable	37,788	Short-term bank loans	2,005
Marketable securities	186	Income taxes payable	1,970
Goods and merchandises	1,812	Accrued expenses	5,748
Work in process	816	Reserve for directors' bonuses	50
Raw materials and supplies	9,302	Other current liabilities	10,764
Advance payments	766	Total fixed liabilities	12,884
Deferred income taxes	1,010	Long-term debt	6,500
Other current assets	6,535	Deferred income taxes	4,234
Allowance for bad debts	-30	Retirement allowance for directors and audit & supervisory board members	13
Fixed assets	72,415	Net defined benefit liability	520
Property, plant and equipment	36,419	Other non-current liabilities	1,615
Buildings and structures	12,066	Total liabilities	72,997
Machinery and vehicles	11,964	(Net assets)	
Land	6,449	Total shareholders' equity	69,628
Construction in progress	2,511	Common stock	9,040
Other tangible assets	3,428	Additional paid-in capital	9,529
Intangibles and deferred charges	1,115	Retained earnings	52,499
Goodwill	115	Treasury stock	-1,440
other	1,000	Valuation and translation adjustments	15,482
Investments and other assets	34,880	Net unrealized gain on securities	4,832
Investments in securities	27,508	Foreign currency translation adjustments	10,466
Long-term loans	20	Remeasurements of defined benefit plans	182
Deferred income taxes	2,251	Minority interests in consolidated subsidiaries	4,178
Net defined benefit asset	51		
Other assets	5,056	Total net assets	89,289
Allowance for bad debts	-8	Total liabilities and net assets	162,287
Total assets	162,287		

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

Account Name	Amount	
Net sales		250,940
Cost of sales		233,423
Gross profit		17,516
Selling, general and administrative expenses		15,844
Operating income		1,672
Non-operating income		
Interest income	241	
Dividend income	203	
Equity in earnings of subsidiaries and affiliates	2,734	
Other non operating income	267	3,445
Non-operating expenses		
Interest expenses	108	
Foreign exchange losses	371	
Other non operating expenses	22	503
Ordinary income		4,615
Extraordinary income		
Gain on sales of fixed assets	10	
Gain on sales of subsidiaries and affiliates' stocks	286	
Gain on sales of golf memberships	7	
Gain on bargain purchase	0	304
Extraordinary loss		
Loss on disposal of fixed assets	64	
Impairment loss	632	
Loss on valuation of stocks of subsidiaries and affiliates	202	900
Net income before taxes and adjustments		4,020
Income taxes	3,291	
Income taxes-deferred	-1,073	2,218
Income before minority interests		1,801
Minority interests in net income of consolidated subsidiaries		918
Net income		882

Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	9,040	9,518	51,462	-3	70,017
Cumulative effects of changes in accounting policies			-100		-100
Restated balance	9,040	9,518	51,361	-3	69,917
Change of items during the period					
Cash dividends			-619		-619
Net income			882		882
Treasury stock purchased				-1,437	-1,437
Change of scope of consolidation			-63		-63
Change of scope of equity method			912		912
Others		10	26		36
Net changes of items other than shareholders' equity					
Total of changes during the fiscal year	-	10	1,138	-1,437	-288
Balance at March 31, 2015	9,040	9,529	52,499	-1,440	69,628

(Unit: Millions of yen)

	Minority interests in consolidated subsidiaries				Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Balance at April 1, 2014	3,058	3,291	-215	6,134	4,502	80,655
Cumulative effects of changes in accounting policies						-100
Restated balance	3,058	3,291	-215	6,134	4,502	80,554
Change of items during the period						
Cash dividends						-619
Net income						882
Treasury stock purchased						-1,437
Change of scope of consolidation						-63
Change of scope of equity method						912
Others						36
Net changes of items other than shareholders' equity	1,774	7,175	397	9,347	-323	9,023
Total of changes during the fiscal year	1,774	7,175	397	9,347	-323	8,735
Balance at March 31, 2015	4,832	10,466	182	15,482	4,178	89,289

Non-consolidated Balance Sheet

(As of March 31, 2015)

(Unit: Millions of yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Total current assets	39,558	Total current Liabilities	26,053
Cash, time deposits and other cash equivalents	8,973	Notes payable	824
Notes receivable	90	Accounts payable	20,235
Electronically recorded monetary claims-operating	3,462	Subsidiaries' and affiliates' funds entrusted for investment	1,051
Accounts receivable	20,055	Accounts payable-other	458
Goods and merchandises	394	Accrued expenses	2,485
Work in process	1,074	Income taxes payable	126
Raw materials and supplies	2,369	Deposits received	405
Advance payments	976	Notes payable-facilities	50
Deferred income taxes	467	Unearned revenue	365
Other current assets	1,724	Reserve for directors' bonuses	50
Allowance for bad debts	-30	Other current liabilities	0
Fixed assets	50,338	Total fixed liabilities	10,794
Property, plant and equipment	14,067	Long-term debt	6,500
Buildings	6,348	Deferred income taxes	1,847
Structures	178	Reserve for retirement benefits	850
Machinery	2,094	Other fixed liabilities	1,597
Vehicles	3	Total liabilities	36,848
Equipment	476	(Net assets)	
Land	4,924	Total shareholders' equity	48,218
Construction in progress	41	Common stock	9,040
Intangibles and deferred charges	720	Additional paid-in capital	9,193
Software	703	Legal capital surplus	8,592
Other intangible assets	16	Other additional paid-in capital	601
Investments and other assets	35,550	Retained earnings	31,425
Investments in securities	10,728	Legal retained earnings	480
Stock of subsidiaries and affiliates	15,459	Other retained earnings	30,944
Investments in capital	132	Reserve for advanced depreciation of fixed assets	21
Investments in subsidiaries and affiliates	8,681	General reserve	15,000
Long-term loans receivable from employees	20	Retained earnings brought forward	15,923
Long-term prepaid expenses	146	Treasury stock	-1,440
Other assets	391	Total valuation, translation adjustments and others	4,830
Allowance for bad debts	-8	Net unrealized gain on securities	4,830
		Total net assets	53,048
Total assets	89,897	Total liabilities and net assets	89,897

Non-consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

Account Name	Amount	
Net sales		121,033
Cost of sales		113,246
Gross profit		7,787
Selling, general and administrative expenses		6,489
Operating income		1,297
Non-operating income		
Interest and dividend income	2,187	
Other non operating income	189	2,376
Non-operating expenses		
Interest expenses	74	
Other non operating expenses	21	96
Ordinary income		3,577
Extraordinary income		
Gain on sales of fixed assets	0	
Gain on sales of subsidiaries and affiliates' stocks	91	91
Extraordinary loss		
Loss on disposal of fixed assets	27	
Loss on valuation of investments in capital of subsidiaries and affiliates	202	230
Net income before taxes		3,438
Income taxes	473	
Income taxes-deferred	240	713
Net income		2,724

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity					
	Common stock	Additional paid-in capital			Retained earnings	
		Legal capital surplus	Other additional paid-in capital	Total additional paid-in capital	Legal retained earnings	Other retained earnings Reserve for advanced depreciation of fixed assets
Balance as of April 1, 2014	9,040	8,592	601	9,193	480	21
Cumulative effects of changes in accounting policies						
Restated balance	9,040	8,592	601	9,193	480	21
Change of items during the period						
Cash dividends						
Net income						
Provision of reserve for reduction entry						1
Reversal of reserve for advanced depreciation of fixed assets						-0
Treasury stock purchased						
Net changes of items other than shareholders' equity						
Total of changes during the fiscal year	-	-	-	-	-	0
Balance as of March 31, 2015	9,040	8,592	601	9,193	480	21

(Unit: Millions of yen)

	Shareholders' equity					Evaluation, exchange differences		Total net assets
	Retained earnings			Treasury stock	Total shareholders' equity	Net unrealized gain on securities	Total evaluation, exchange differences	
	Other retained earnings		Total retained earnings					
	Special reserve	Retained earnings brought forward						
Balance as of April 1, 2014	15,000	13,968	29,470	-3	47,700	3,056	3,056	50,757
Cumulative effects of changes in accounting policies		-150	-150		150			-150
Restated balance	15,000	13,818	29,320	-3	47,550	3,056	3,056	50,606
Change of items during the period								
Cash dividends		-619	-619		-619			-619
Net income		2,724	2,724		2,724			2,724
Provision of reserve for reduction entry		-1	-		-			-
Reversal of reserve for advanced depreciation of fixed assets		0	-		-			-
Treasury stock purchased				-1,437	-1,437			-1,437
Net changes of items other than shareholders' equity						1,773	1,773	1,773
Total of changes during the fiscal year	-	2,104	2,105	-1,437	668	1,773	1,773	2,442
Balance as of March 31, 2015	15,000	15,923	31,425	-1,440	48,218	4,830	4,830	53,048