



KOITO

WORLDWIDE AUTOMOTIVE LIGHTING

2013 ANNUAL REPORT

Year ended March 31, 2013

KOITO MANUFACTURING CO., LTD.

PROFILE

KOITO MANUFACTURING CO., LTD. (Koito) has been marking a history of leadership in automotive lighting since its establishment in 1915.

Today, our lighting is used in various forms of applications worldwide in a wide range of fields. These include transportation, such as automobiles, aviation, railways and shipping, and traffic systems. In all these areas, the Koito Group's lighting is making contributions to safety.

Our products and technologies underpin our commitment to the slogan, "Lighting for Your Safety."

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DISCLAIMER WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements concerning KOITO MANUFACTURING CO., LTD. and its consolidated subsidiaries' future plans, strategies and performance. These forward-looking statements are not historical facts; rather they represent assumptions and beliefs based on economic, financial and competitive data currently available. Furthermore, they are subject to a number of risks and uncertainties including, but not limited to, economic conditions, worldwide competition in the automotive industry, market trends, foreign currency exchange rates, tax rules, regulations and other factors. Koito therefore wishes to caution readers that actual results may differ materially from our expectations.

In order to ensure fair disclosure, Koito publishes annual reports in Japanese in addition to English annual reports. A certified public accountant reviews the financial sections of Koito's Japanese annual reports to ensure consistency in presentation between the Japanese and English versions. We hope the information presented in this annual report serves to deepen your understanding of Koito.

TO OUR SHAREHOLDERS AND OTHER INVESTORS

During fiscal 2013, the period under review, in the Japanese auto industry, domestic automobile production volume increased year on year mainly as a result of reconstruction demand from the Great East Japan Earthquake, and of assistance for purchasing “eco-cars” (environmentally friendly vehicles). Overseas, expansion of production in North America, as well as emerging markets such as Thailand and Indonesia, outweighed the impact of production cuts in Europe due to declining demand. Consequently, automobile production worldwide increased year on year.

Consolidated net sales for the Koito Group for fiscal 2013 increased year on year due to significant sales growth in the mainstay automotive lighting equipment segment. On the earnings front, operating income, recurring profit and net income recorded new highs with a substantial rise in sales accompanying increased automobile production in Japan and overseas. There were also contributions from the start of operations at new overseas plants and efforts to improve business performance by promoting robust measures to cut unit costs.

Looking ahead at the automobile industry, a modest recovery is expected in automobile demand in the U.S. together with growing global demand for eco-cars, despite concerns for the future that include a drop in consumer demand due to the end of eco-car subsidies in Japan and a slump in production of Japanese vehicles in China.

In the face of these conditions, the Koito Group will work to strengthen its order-winning activities, boost productivity, enhance its mutually complementary supply network and structure, build business systems that can quickly respond to changes in

the managing environment, and implement more powerful cost-cutting measures. Through these activities, we aim to further improve our business results.

The Koito Group produces automotive lighting equipment in nine countries overseas in addition to Japan. As a global supplier focused on the five key economies of Japan, North America, Europe, China, and Asia, Koito supplies its products in countries around the world. To satisfy customers, the Group is working together in a unified manner to strengthen its corporate capabilities under the slogan of DQCDS. This entails implementing safe and environmentally friendly product development (Development), striving to improve quality (Quality), cost (Cost), and delivery periods (Delivery), as well as focusing on speedy responses to customers (Speed).

Under the corporate slogan of “Lighting for Your Safety,” the Koito Group is committed to developing products in its mainstay automotive lighting equipment segment and in all other transport equipment and transportation system fields, such as aerospace and shipping. Going forward, in order to remain a leading company in the automotive lighting equipment industry, we will work to educate and sharpen the skills of our employees. In doing so, our objective is to pursue the latest, most advanced technologies and to strive for improvement in product performance and quality. In parallel, we will stay true to our basic attitude of constantly adopting the perspective of our customers to supply products and services that meet their expectations.

We cordially ask for your continued support and good wishes as we work toward these goals.

September 2013



Takashi Ohtake
Chairman & CEO

Masahiro Ohtake
President

FINANCIAL OVERVIEW AND MEDIUM-TERM OUTLOOK

Fiscal 2013 Results

During fiscal 2013, the period under review, the Japanese economy experienced sluggish growth as demand for exports weakened mainly due to the strong yen, and to a worsening of Japan-China relations. However, Japan saw firm domestic demand underpinned in part by government subsidies as well as reconstruction demand from the Great East Japan Earthquake. Although there were signs of economic conditions picking up in the U.S., growth in the world economy was sluggish on the whole mainly due to stagnating European economies facing continued debt crisis, along with slower growth in China and Latin America due to tighter monetary policy, and the unstable situation in the Middle East.

In the auto industry, production volume increased year on year in Japan mainly as a result of reconstruction demand from the earthquake, and of assistance for purchasing “eco-cars” (environmentally friendly vehicles). Overseas, production worldwide increased year on year, as expansion of production in North America, as well as emerging markets including Thailand and Indonesia, outweighed the impact of production cuts in Europe due to declining demand.

In these circumstances, the Koito Group reported consolidated net sales of ¥472.8 billion, up 9.7% year on year, due to significant sales growth in the mainstay automotive lighting equipment segment.

On the earnings front, operating income was ¥37.6 billion, up 18.7% year on year, and recurring profit was ¥40.0 billion, up 27.0% year on year. Earnings growth was driven by a substantial rise in sales accompanying increased automobile production in Japan and overseas. There were also contributions from the start of operations at new overseas plants and efforts to improve business performance by promoting robust measures to cut unit costs. Net income rose 24.2% to ¥16.6 billion.

At the end of the second quarter of the fiscal year under review, Koito paid a dividend to shareholders of ¥10 per share. Koito paid a year-end dividend for the fiscal year under review of ¥12 per share, ¥2 per share higher year on year. This increase reflects the Company's record-high results in terms of net sales, operating income, recurring profit, and net income, and this increase is intended to express the Company's appreciation to shareholders for their continued support.

Including the interim dividend, this has resulted in a full-year dividend of ¥22 per share applicable to fiscal 2013, ¥3 per share higher than in the previous fiscal year.

Looking ahead, we will continue our efforts to achieve even higher earnings to meet the expectations of all shareholders.



Takashi Ohtake
Chairman & CEO

CONSOLIDATED FINANCIAL HIGHLIGHTS

KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries
Years ended March 31,

	Millions of yen (except per share amounts)			Thousands of U.S. dollars (except per share amounts)
	2011	2012	2013	2013
Annual:				
Net sales	¥428,977	¥430,929	¥472,843	\$5,027,570
Operating income	37,434	31,725	37,668	400,510
Net income	10,012	13,391	16,625	176,767
Per share (yen and U.S. dollars):				
Net income	¥ 62.30	¥ 83.33	¥ 103.46	\$ 1.09
Year-end:				
Total assets	¥338,760	¥363,273	¥418,087	\$4,445,369
Total equity	168,414	182,916	218,131	2,319,308

Notes: 1. Amounts in U.S. dollars are translated from yen, for convenience only, at the rate of ¥94.05 = US\$1, the rate prevailing on March 31, 2013.
2. The above total equity includes noncontrolling interests.

Outlook for Fiscal 2014

In Japan, business conditions are showing signs of a recovery mainly in the export industry due to correction of the strong yen and high stock prices.

Overseas also, a recovery in business conditions is expected in the U.S. and sustained growth is projected in China, Thailand, Indonesia and other emerging countries, while concerns remain in terms of protracted stagnation in the European economies, and the unstable situation in the Middle East.

As regards the Koito Group's business outlook for fiscal 2014, the fiscal year ending March 31, 2014, net sales are projected to

increase year on year mainly based on higher orders in the U.S. and growing global demand for "eco-cars" (environmentally friendly vehicles), despite concerns for the future that include a drop in consumer demand due to the end of eco-car subsidies in Japan and a slump in production of Japanese automobiles in China.

Earnings are expected to increase from the previous year mainly due to contributions from the commencement of operations at new plants overseas, especially the U.S., Thailand and Indonesia, improvements in productivity, and the benefits of cost-cutting activities, particularly for expenses.

Masahiro Ohtake
President



Medium-term Outlook

In the automobile industry, international competition will intensify as globalization progresses, and the trend of companies increasingly shifting production to the optimum locations in the world will continue. In Japan, cutbacks in automobile production are expected mainly due to the trend of carmakers to transfer production overseas. In the medium- to long-term, however, global automobile production is expected to expand in the U.S. and in emerging markets such as China, Thailand, Indonesia, and India.

We believe these medium- and long-term trends in the automobile industry present major business opportunities for the Koito Group. The Group currently conducts its business centered on 24 production bases run by 14 companies in 9 overseas countries, and is working to strengthen and enhance the corporate structure of each Group company to achieve greater competitiveness and profitability to handle globally optimized production. As one element of this, Koito is strengthening production systems and order-winning activities in regions where major global automakers are expanding production and in regions where orders are expected to increase. This was realized in the start of production in 2012 at North American Lighting, Inc.'s ("NAL") Alabama Second Plant, and at THAI KOITO COMPANY LIMITED's Prachinburi Plant (Fourth Plant), in the start of production in 2013 at INDIA JAPAN LIGHTING PRIVATE LIMITED's ("IJL") Chennai Second Plant, and in the 2014 plans to expand NAL's production framework and to start production of automotive lighting equipment in Mexico. In Japan, Koito is accelerating the

efficient utilization of resources by way of the realignment of plants, and the optimization of business structures.

We are aggressively developing value-added products, such as LED headlamps, discharge headlamps and the Adaptive Driving Beam ("ADB"). At the same time, we are also developing headlamps for low-priced vehicles in emerging economies, and other products tailored to market characteristics. These are required in response to the launch of global strategic vehicles that the world's major automakers are putting on the market. Such efforts come with the transfer of our technologies to our own affiliates and the establishing of a complementary supply structure among Koito Group companies. In this manner, we will work to win more orders.

In other products and services, our priority is to drive business growth by winning more orders for road traffic control systems, LED displays, electronic aircraft components and hydraulic equipment, as well as seats for railroad cars such as the bullet train, and by developing new products and opening up new markets.

All of us at Koito will make concerted efforts to deliver products and services that satisfy our customers. To do so, we will continue to bring together the knowledge and energy of Koito and its Group companies as we strive on the basis of CSR (corporate social responsibility) to develop and provide environmentally friendly products such as LED headlamps, and cultivate personnel who can inherit our unique manufacturing philosophy.



OPERATIONS BY REGION AND FUTURE DEVELOPMENTS



NORTH AMERICA



EUROPE



CHINA



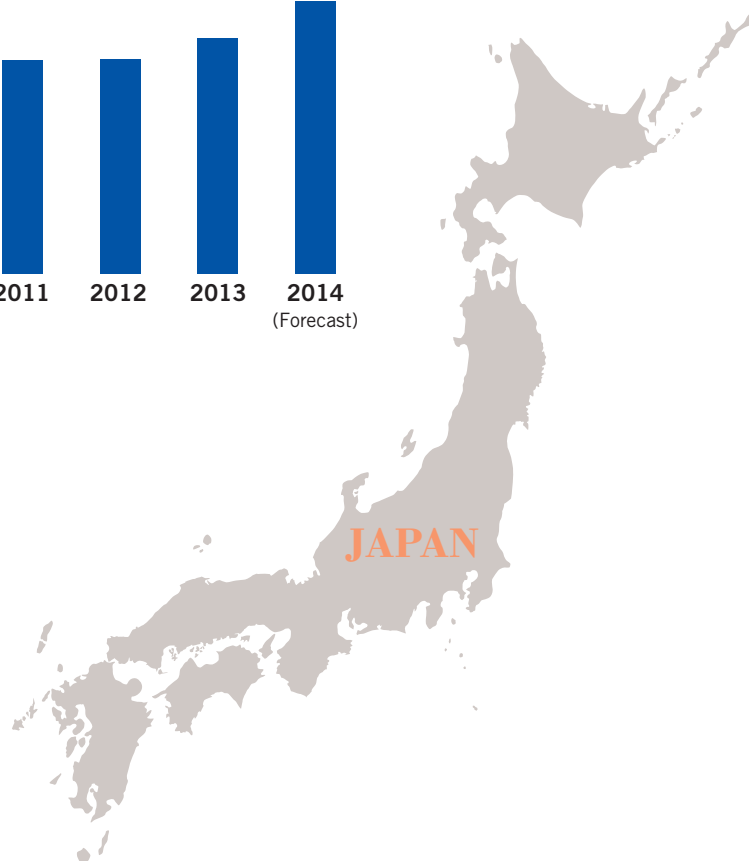
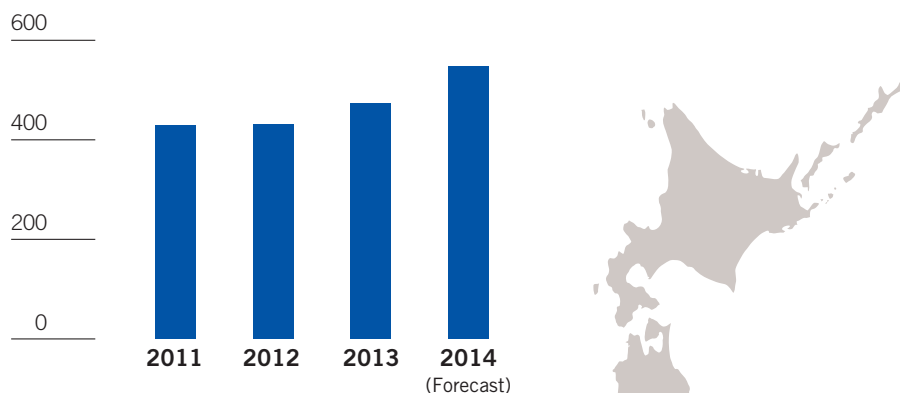
ASIA

OUTLOOK FOR MEDIUM-TERM GLOBAL STRATEGIES

As regards the outlook for Koito's consolidated business results for fiscal 2014, worldwide automobile production volumes are projected to increase. In this situation, Koito will work to gain market share, expand orders, and commence full-fledged operations at new plants overseas. We will also reap rationalization benefits, particularly in improved productivity, at Group companies. As a result, both sales and earnings are projected to increase further compared to the previous fiscal year.

CONSOLIDATED NET SALES

Years ended March 31,
(Billions of yen)



JAPAN

JAPAN

In fiscal 2013, Japan's automobile production increased year on year to the 9.5 million unit level, mainly as a result of reconstruction demand from the Great East Japan Earthquake and of government assistance programs for purchasing "eco-cars."

KOITO MANUFACTURING CO., LTD.

In fiscal 2013, net sales at Koito increased year on year by 5.5% to ¥230.2 billion due to increased automobile production in Japan and intensification for order winning activities and sales of new products.

On the earnings front, the Company reported operating income of ¥17.6 billion, a 12.3% increase from the previous year, while recurring profit increased 7.3% to ¥25.1 billion. In addition to the increased net sales, these increases reflected the promotion of measures to cut unit costs. Net income rose by 62.0% to ¥11.1 billion due to proceeds from sales of marketable and investment securities.

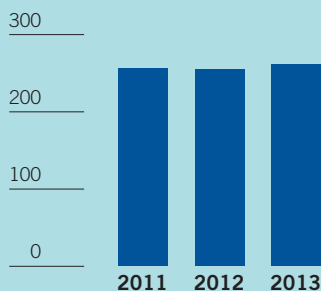
During fiscal 2013, Koito made total capital expenditures of ¥5.1 billion primarily for the development of new products and model changes in the automotive lighting equipment segment, and for new facilities needed for quality enhancements, rationalizations and cost-cutting measures, as well as molds and industrial tools.

Looking ahead at the prospects for the Japanese auto industry, we expect to see a decrease in production in fiscal 2014 due to demand falling away following the end of government assistance programs for purchasing environmentally friendly vehicles, despite the projected increase in exports due to the correction of the strong yen.

Koito will work to expand sales of new products and gain market share and obtain more orders for high-added-value products such as LED headlamps, while at the same time working to achieve profitability by raising productivity.

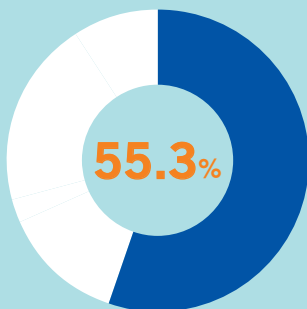
NET SALES [Japan]

Years ended March 31,
(Billions of yen)



SHARE OF SALES [Japan]

Year ended March 31, 2013



KOITO MANUFACTURING Shizuoka Plant



KOITO MANUFACTURING Haibara Plant



KOITO MANUFACTURING Sagara Plant



KOITO MANUFACTURING Fujikawa Tooling Plant

KOITO KYUSHU LIMITED

KOITO KYUSHU LIMITED was established in November 2005 with the aim of responding to production by automakers in the Kyushu region, mainly in order to offset risks associated with the predicted “Nankai Trough Quake” earthquake, and improve distribution efficiency. A new plant was constructed and operations commenced in October 2006, and a second plant commenced operations in September 2008 in line with growth in production volumes.

Net sales in fiscal 2013 leveled off at ¥34.9 billion despite a reduction in automobile production in the Kyushu region due to decreased production for export because of the worsening Japan-China relationship, and to reduced demand following the end of government assistance programs for purchasing environmentally friendly vehicles.



KOITO KYUSHU LIMITED Head Office and Plant

KI HOLDINGS CO., LTD.

KI HOLDINGS' consolidated net sales for the accumulated first two quarters of the fiscal year ended September 2013 (the period from October 1, 2012 to March 31, 2013) declined to ¥27.0 billion for the same period year on year.

Results by segment were as follows:

[Transportation Equipment Segment]

Sales in the railroad car equipment division decreased for both Japan and China, and net sales in the segment declined year on year to ¥7.5 billion.

[Electrical Equipment Segment]

Segment sales decreased year on year to ¥18.3 billion, as a result of decreased sales in the information systems and traffic systems sectors, despite increased sales in the lighting sector.

[Home Appliances and Environment Segment]

Segment sales decreased year on year to ¥1.1 billion due to lower sales of environmental systems despite increased sales of home appliances.



KI HOLDINGS CO., LTD. Head Office and Plant

KOITO ELECTRIC INDUSTRIES, LTD.
Head Office and Fuji Nagaizumi Plant



NORTH AMERICA

In fiscal 2013, automobile production in North America greatly increased to over 15.0 million units due to a gradual recovery in demand.

In North America, North American Lighting, Inc. (NAL), established in 1983, supplies automotive lighting equipment to U.S.-based automakers and all local plants of Japanese automakers. NAL is now the largest independent manufacturer of lighting equipment in North America.

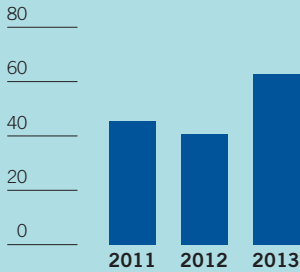
NAL conducts its production operations at the four plants at Paris, Flora and Salem in Illinois in the U.S., and a plant in Alabama in the southern U.S. In January 2012, the Alabama Plant opened a second plant, and now undertakes the production of headlamps and signaling lamps. In March 2012, a molding die plant opened in Indiana to improve cost competitiveness and strengthen development power by the internal production of molding dies. Research and development is conducted at its Technical Center in the city of Farmington Hills, Michigan.

In the non-automotive electrical equipment segment, KPS N.A., INC. manufactures and sells seats and electrical components for railroad cars.

In fiscal 2013, net sales in the North American business increased 54.5% over the previous fiscal year to ¥62.8 billion. In addition to the recovery in automobile production, there were increased orders for new vehicle models.

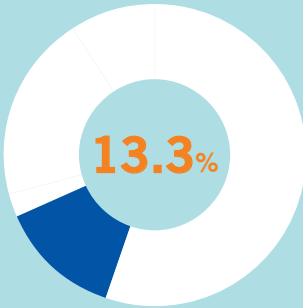
NET SALES [North America]

Years ended March 31,
(Billions of yen)



SHARE OF SALES [North America]

Year ended March 31, 2013



NAL Paris Plant



NAL Flora Plant



NAL Salem Plant



NAL Alabama Plant



NAL Indiana Tooling Plant



NAL Head Office (Paris)



NAL Technical Center

EUROPE

Automobile production in Europe remained level year on year in fiscal 2013 at around 17.5 million vehicles due to the protracted stagnation of regional economic growth, despite increased demand in Middle and Eastern Europe, and Russia.

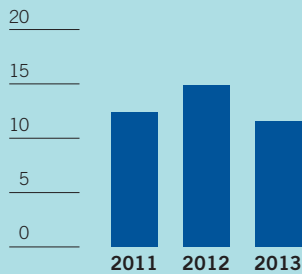
Under the control of Koito Europe NV (KENV), which oversees our European operations, Koito's automotive lighting equipment business in Europe is developed by two manufacturing bases: Koito Europe Limited (KEL) in Droitwich, the U.K., and Koito Czech s.r.o. (KCZ) in Zatec, Czech Republic.

In fiscal 2013, net sales in the European business decreased 22.8% year on year to ¥11.5 billion due to lower automobile production reflecting the slump in some economies of Europe and the sluggishness of intraregional automobile sales.

Koito will strengthen its local development structure, further develop strategic order-winning initiatives, and boost competitiveness and profitability, mainly through improved operational efficiency, aiming for further growth in orders and earnings improvement in Europe over the medium- and long-term.

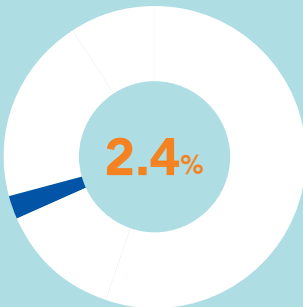
NET SALES [Europe]

Years ended March 31,
(Billions of yen)



SHARE OF SALES [Europe]

Year ended March 31, 2013



Koito Europe NV



Koito Europe Limited



Koito Czech s.r.o.

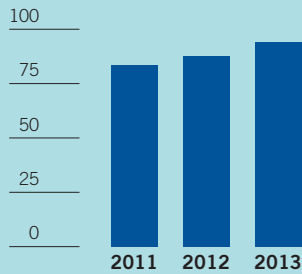


CHINA

Automobile production in China exceeded 19.0 million units overall in fiscal 2013 due to increased production by European, American and local manufacturers, despite production cutbacks of Japanese automobiles as a result of an anti-Japanese movement in China.

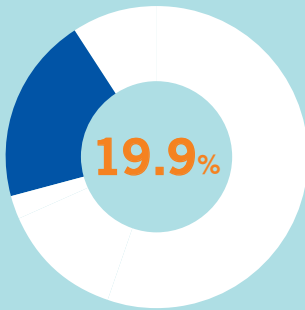
NET SALES [China]

Years ended March 31,
(Billions of yen)



SHARE OF SALES [China]

Year ended March 31, 2013



Koito is developing its automotive lighting equipment business in China through three companies: Shanghai Koito Automotive Lamp Co., Ltd. (Shanghai Koito), a joint venture established in 1989; FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD. (FUZHOU KOITO TAYIH), consolidated as a subsidiary in September 2005, and GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. (GUANGZHOU KOITO), established in November 2005. Shanghai Koito established a Technical Center in China, one of the first auto parts manufacturers to do so, in April 2002. This move has given the joint venture product development and molding die manufacturing capabilities, as well as quality assurance, enabling it to establish a strong reputation with automakers.

In the non-automotive electrical equipment segment, CHANGZHOU KOITO JINCHUANG TRANSPORTATION EQUIPMENT CO., LTD. manufactures and sells electrical components for railroad cars.

Net sales in China rose 7.5% year on year to ¥94.0 billion, despite weak growth in Japanese automobile production. This increase was due to stronger order-winning activities and increased sales for local automobile manufacturers.



Shanghai Koito First and Second Plants



Shanghai Koito Third Plant



Shanghai Koito Technical Center



GUANGZHOU KOITO



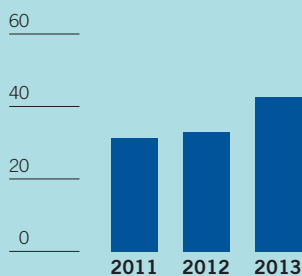
FUZHOU KOITO TAYIH

ASIA

Automobile production in Asia grew year on year in fiscal 2013. In addition to a substantial increase due to recovery from the flooding in Thailand, increased production was supported by high economic growth in Indonesia and elsewhere.

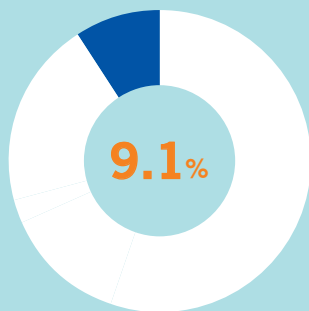
NET SALES [Asia]

Years ended March 31,
(Billions of yen)



SHARE OF SALES [Asia]

Year ended March 31, 2013



Thailand

In Thailand, THAI KOITO COMPANY LIMITED (THAI KOITO), established in 1986, supplies automotive lighting equipment to all local Japanese automakers. THAI KOITO established the Prachinburi Plant (Fourth Plant) in response to the expansion of Thai automobile production. The plant started operations in April 2012.

Net sales in fiscal 2013 rose 37.1% year on year to ¥28.1 billion. Auto production greatly increased due to recovery of production from the flooding and increased internal demand.



THAI KOITO Bangplee Plant



THAI KOITO Prachinburi Plant

Indonesia

Koito established PT. INDONESIA KOITO in Indonesia in June 2010. From April 2011 the company has been producing lamps for automobiles and motorcycles.

Net sales for fiscal 2013 increased substantially to ¥3.2 billion, due to the company operating steadily since the start of production, and also to an increase in new orders.



PT. INDONESIA KOITO

Taiwan

In Taiwan, operations are conducted by Ta Yih Industrial Co., Ltd. (Ta Yih Industrial), in which Koito took an equity interest in 1988.

In fiscal 2013, net sales nudged up year on year to ¥11.6 billion.



Ta Yih Industrial

India

INDIA JAPAN LIGHTING PRIVATE LIMITED (IJL), a company which was established in 1997, is developing business in India. In March 2013, IJL opened its Chennai Second Plant to cope with increased orders.

Net sales were largely unchanged at ¥3.7 billion in fiscal 2013, due to stagnating automobile production caused by the slump in economic growth.



IJL Chennai Plant



IJL Bawal Plant

RESEARCH AND DEVELOPMENT



KOITO MANUFACTURING Technical Center

The Koito Group makes full use of electronics and other cutting-edge technologies, and conducts R&D activities to develop creative systems and complex products in pursuit of improving safety.

At the same time, Koito aims to conduct manufacturing activities that put people and the environment first. To this end, Koito is developing technologies that focus on environmental themes that include recycling and the use of materials and manufacturing methods with low environmental impact.

The Koito Group's R&D activities are conducted by Koito's global R&D network of five bases, led by KOITO MANUFACTURING Technical Center in Japan. The other bases are the NAL Technical Center in the U.S., the KENV's Technical Section in Europe, the Shanghai Koito Technical Center in China, and the THAI KOITO Technical Center in Asia, which opened April 1, 2012. As of March 31, 2013, the number of personnel engaged in the Koito Group's R&D activities stood at 2,316.

In fiscal 2013, R&D costs totaled ¥20.0 billion, and the main research themes are outlined below.

Automobile Related Businesses

1. Core automotive lighting equipment technologies (optics, electronics, mechanical and structural engineering, etc.)
2. Production technologies
3. Simulation technologies
4. System development for ITS-related equipment and materials and others



Other Products & Services

1. Electrical components for railroad rolling stock
2. Internet-based systems
3. Aircraft components
4. New products in new business domains and others



R&D Network



Development of LED Headlamps

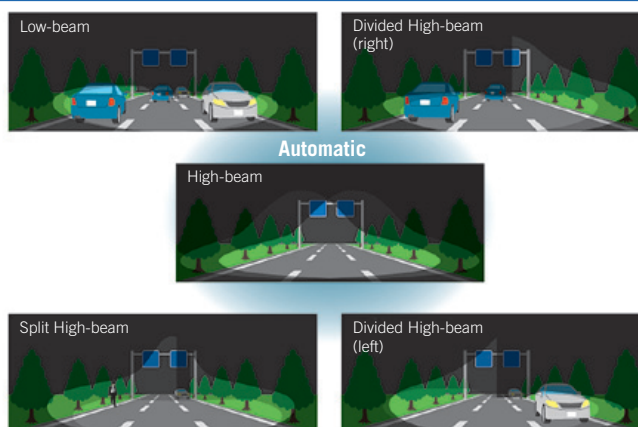
LED headlamps are headlamps that use a high-output white LED (light-emitting diode). Using Koito's own optical control system and optimum lighting system, Koito has achieved world-leading levels of brightness and lighting speed. LED headlamps are promising from an environmental viewpoint, mainly due to the fact that white LEDs have long working lives, and save energy and space.

Koito is earnestly conducting committed R&D to produce LED headlamps offering even better performance and higher quality.



Development of the ADB (Adaptive Driving Beam)

With the ADB system, an onboard camera and image sensor automatically control the light distribution of the driving beam. The ADB headlamp system illuminates a wide visual environment in front of the driver while partially blocking out the light of the driving beam to ensure that no glare from the beam impacts on oncoming vehicles or vehicles in front, thereby helping to provide a safer driving environment.



SOCIAL CONTRIBUTION AND ENVIRONMENTAL ACTIVITIES

Public Communication and Social Contribution Activities

In conducting business operations, Koito is watchful to foster harmony with all stakeholders, including local communities, customers, suppliers and investors in order to build relationships of trust between the Company and society. Koito also introduces some of its environmental initiatives and discloses environmental information through its environmental reports, annual reports and website. Disclosure of this kind is essential to fostering a deeper understanding of Koito's business and environmental protection activities.

In addition to working to raise the awareness of employees regarding environmental problems close at hand, other important areas where we are making proactive efforts to build relationships of trust with the regional community include participation in community cleanup and tree-planting activities and other programs to keep the local natural environment clean, and to preserve it. Koito will actively engage in activities that contribute to society to help fulfill its obligations as a good corporate citizen.

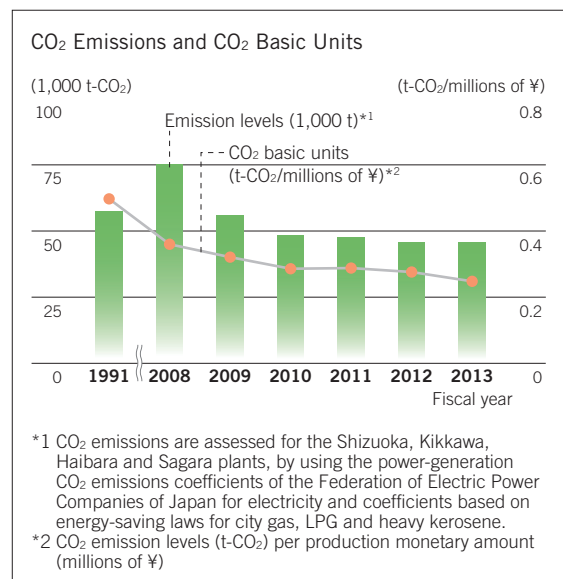
Promoting Manufacturing that Puts the Environment First

Koito has established an Environmental Committee as a top management mechanism that oversees two sub-committees: the Environmental Protection Committee and the Environmental Audit Committee. These committees work to maintain environmental compliance, and to promote efforts to minimize the environmental burden of manufacturing while pursuing economic efficiency.

The Koito Group is making Group-wide efforts to reduce the overall environmental impact of its core automotive lamp products over the entire product lifecycle from product development to manufacturing, use, disposal and recycling. Through these means, Koito is working to preserve the environment and reduce the Group's overall environmental burden.

Under its Fiscal 2009–2013 Medium-term Environmental Management Plan, Koito targeted a 7% reduction in CO₂ emissions compared with the fiscal 1991 level on average for the five-year period as part of efforts for energy saving and improved productivity to prevent global warming. As a result, Koito achieved a 15% reduction on average compared with the fiscal 1991 level.

In resource recycling, our primary focus is to keep waste emissions as close to zero as possible by promoting reuse of waste as a resource, namely through the 3Rs (Reduce, Reuse, Recycle). Similarly, we are striving to minimize environmentally harmful substances produced in manufacturing processes. Specifically, we are tightening our control over amounts of materials used and emission levels, using these substances more efficiently, replacing them with alternatives, and other measures. Our goal is to help form a recycling-oriented society by quickly achieving and maintaining zero-emission operations, among other means.



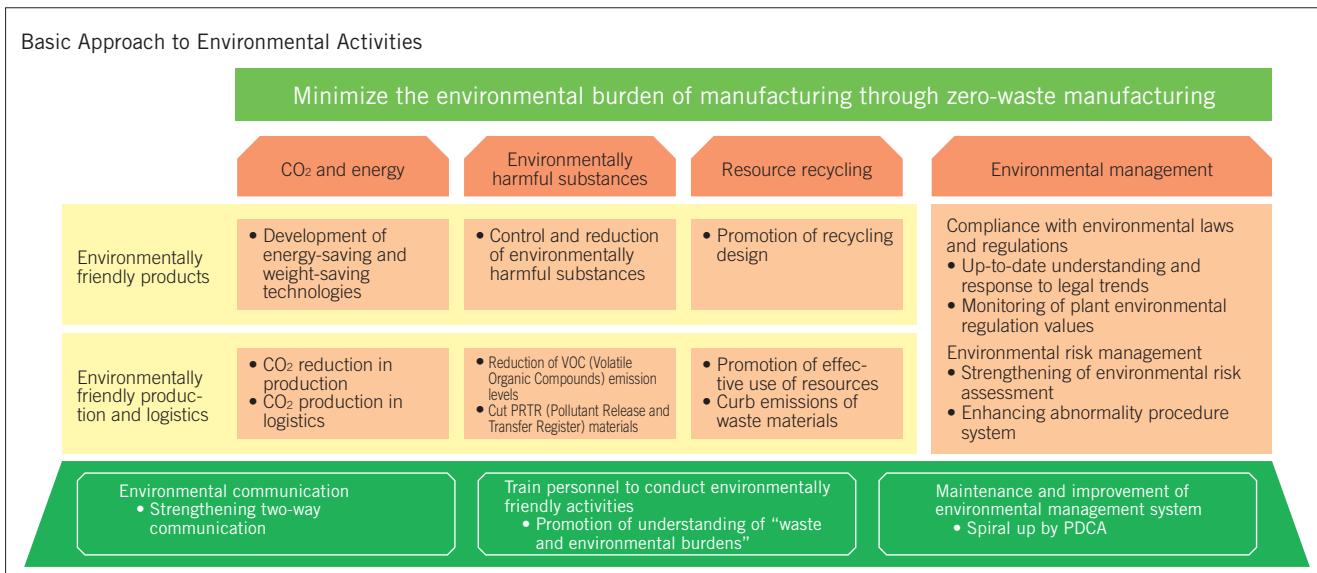
Koito Group Environmental Management System

In developing its operations globally, the Koito Group recognizes the need to further enhance its environmental preservation systems. Our ongoing efforts in this regard include building environmental management systems and obtaining environmental certification at our affiliated companies.

Koito has constructed a common company-wide environmental management system covering all stages from development to manufacturing that complies with the international ISO 14001 standard. By January 2003, all four of our production bases in Japan had obtained ISO 14001 certification.

Meanwhile, 18 of our affiliated companies, including 10 overseas companies, have obtained ISO 14001 certification, mainly at production sites.

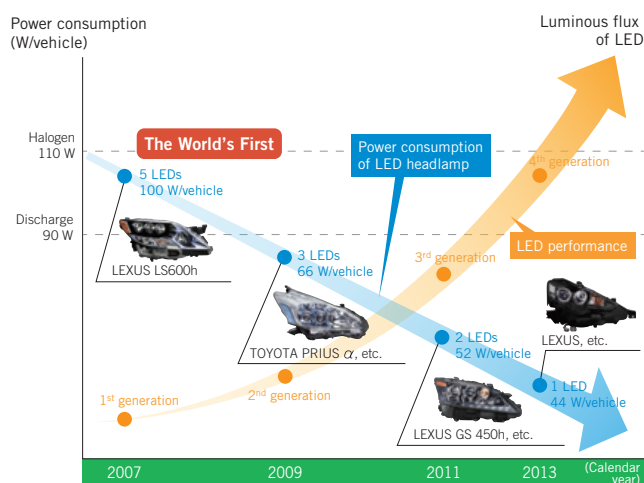
We will continue to develop locally-tailored environmental preservation activities in every country and region where we operate, as we respond to the demands of societies around the world for global environmental protection and sustainable societies.



Saving Electric Power with LED Headlamps

LED headlamps are finding increasing applications in environmentally friendly vehicles such as hybrid cars and electric vehicles, mainly due to the fact that they save electric power and have long working lives.

Koito has worked to improve the performance of LED chips, and as a result the power consumption of LED headlamps is becoming less every year. This contributes to improved fuel consumption together with CO₂ reductions, especially as their power consumption is approximately 50% less than conventional discharge headlamps.



Development of Mercury-free Discharge Headlamps

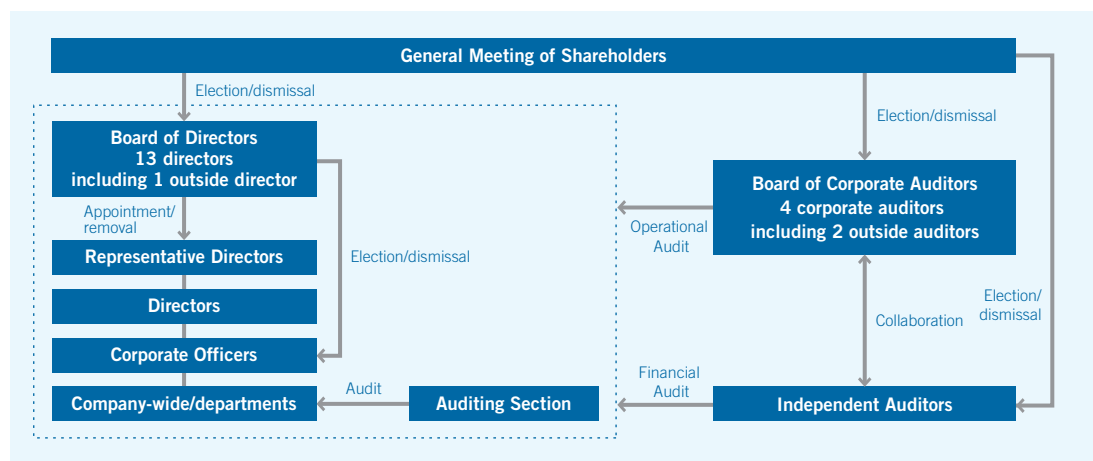
Current discharge bulbs contain trace amounts of mercury, a substance with a high environmental impact. However, developing an alternative technology to the mercury used in discharge bulbs was seen as a technical challenge as mercury is an indispensable substance for producing light with the stable electric characteristics and efficiency of an electric bulb.

To meet this challenge, Koito pressed ahead with R&D in collaboration with other related manufacturers. Through this initiative, the Koito Group successfully developed a mercury-free discharge bulb with a level of performance equivalent to existing bulbs, and also a super-small and light-weight ballast (lighting control unit) especially for mercury-free headlamps. In July 2004, the Koito Group became the first company in the world to achieve mass production of mercury-free discharge headlamps. As a result of this development, regulations to minimize environmentally harmful substances are being propelled worldwide, and Koito received the Minister of Education, Culture, Sports, Science and Technology's Science & Technology Award in the Fiscal 2013 Science and Technology Category for its contribution to the preservation of the global environment.



CORPORATE GOVERNANCE

The Koito Group's basic approach to corporate governance is to recognize the importance of ethical standards, if it is to retain the trust of all its stakeholders (people concerned). To do this, Koito places the highest managerial priority on enhancing its corporate governance and strengthening compliance.



(1) Corporate Governance Structure, Internal Control System and Risk Management System

At Koito, management decision making and supervision are conducted by the Board of Directors, business execution is conducted by the Directors and the Corporate Officers, and business execution is audited by the Board of Corporate Auditors. The Board of Directors in principle meets once per month and is attended by directors (including 1 outside director) and corporate auditors. It reports on progress in business execution and makes decisions on important matters. The Managing Committee comprising full-time directors and a corporate officer, is a body to aid the Board of Directors. The committee meets in principle 3 times per month and determines business execution, and reports on progress in and follows up on business execution. As determined by the Articles of Incorporation, the Board of Directors comprises 15 members or less.

The Board of Corporate Auditors comprises 4 corporate auditors (including 2 outside auditors). Each corporate auditor audits the performance of directors in line with auditing policies through such means as their participation in meetings of the Board of Directors, and surveys of the Company's operations and financial condition. Moreover, the standing corporate auditors attend important meetings and committees to audit business execution by directors. With regard to cooperation between auditors and the Auditing Section, internal auditing is conducted primarily by the Internal Audit Office and Accounting Department. Corporate auditors receive regular reports from the Auditing Section regarding audit plans and audit inspection methods, as well as results of audits, and exchange information as necessary. In the area of risk management, Koito implements measures to reduce and avoid risk, and divides the responsibility for day-to-day risk management between internal departments. In the event of a given risk transpiring, Koito will make a rapid and appropriate response based on leadership from top management.

(Status of Financial Audits)

To ensure the adequacy of financial statements, the Board of Corporate Auditors and Board of Directors periodically receive progress reports on the status of financial audits based on relevant directives and other laws from the independent auditors.

Koito's accounting audit was performed by certified public accountants Makoto Yoshii, Atsushi Sasayama, and Hirofumi Nikaido from Koito's independent auditor, accounting firm MEIJI AUDIT CORPORATION. Furthermore, 4 certified public accountants and 3 other staff assisted with the accounting audit.

(2) Remuneration for Directors, Corporate Auditors and the Independent Auditor

Remuneration for directors, corporate auditors, and the independent auditor for the fiscal year ended March 31, 2013 was as follows:

Remuneration for Directors and Corporate Auditors:		Remuneration for the Independent Auditor:	
For directors	¥828 million	Fee for certification of audit	¥64 million
For corporate auditors	¥ 58 million	(Remuneration based on work stipulated by Article 2, Paragraph 1 of the Certified Public Accountants Act)	
For outside directors and outside auditors	¥ 34 million		
Total	¥921 million		

(3) Measures to Strengthen the Corporate Governance System

To strengthen Koito's compliance system, in October 2012 Koito established the Compliance Committee and the Compliance Department, and in April 2013 established the Internal Audit Department. Furthermore, Koito introduced a whistle-blower internal reporting system in December 2012.

BOARD OF DIRECTORS, CORPORATE OFFICERS AND AUDITORS

(As of June 27, 2013)



Chairman & CEO
Takashi Ohtake



President
Masahiro Ohtake



Executive Vice President
Yuji Yokoya



Executive Vice President
Koichi Sakakibara



Executive Vice President
Hiroshi Mihara

■ Directors

Chairman & CEO

Takashi Ohtake

President

Masahiro Ohtake

Executive Vice Presidents

Yuji Yokoya

Koichi Sakakibara

Hiroshi Mihara

■ Senior Managing Directors

Kazuo Ueki

Kenji Arima

Yohei Kawaguchi

■ Directors and Managing Corporate Officers

Masami Uchiyama

Katsuyuki Kusakawa

Hideo Yamamoto

Michiaki Kato

■ Outside Director

Haruya Uehara

■ Auditors

Standing Corporate Auditors

Shuichi Goto

Mitsuo Kikuchi

Corporate Auditors

Koichi Kusano

Nobuyoshi Kawashima

■ Corporate Officers

(Excluding the members with an additional concurrent post on the Board of Directors)

Managing Corporate Officers

Osami Takikawa

Jun Toyota

Atsushi Inoue

Kiyoshi Sato

Hideharu Konagaya

Corporate Officers

Takao Yamanashi

Kazuhito Iwaki

Koichi Toyoda

Mineo Kobayashi

Shinji Watanabe

Masatoshi Yoneyama

FINANCIAL SECTION

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TEN-YEAR SUMMARY

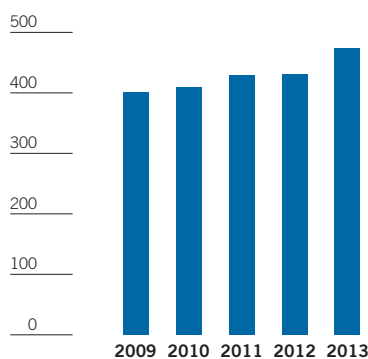
KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries
Years ended March 31

Consolidated	Millions of yen (except per share amounts)			
	2004	2005	2006	2007
For the year:				
Net sales	¥334,254	¥361,477	¥397,509	¥452,520
Operating income	13,723	17,962	22,262	21,328
Income before income taxes	14,061	18,287	23,277	24,799
Income taxes	5,554	7,225	9,078	9,622
Net income	6,440	9,093	12,731	13,374
Amounts per share (yen and U.S. dollars):				
Net income	¥ 39.19	¥ 55.62	¥ 79.39	¥ 83.23
Cash dividends	12.00	14.00	20.00	22.00
At year-end:				
Working capital	¥ 18,085	¥ 24,043	¥ 27,993	¥ 24,182
Property, plant and equipment, less accumulated depreciation	66,981	70,106	76,800	84,644
Total assets	299,344	318,739	366,254	385,300
Total equity	111,707	119,278	139,849	149,553

Notes: 1. Amounts in U.S. dollars are translated from yen, for convenience only, at the rate of ¥94.05 = US\$1, the rate prevailing on March 31, 2013.
2. The above total equity for fiscal 2011, 2012 and 2013 included noncontrolling interests.

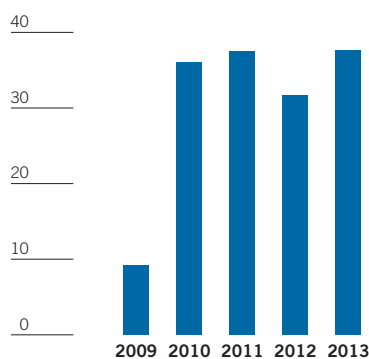
Net Sales

(Billions of yen)



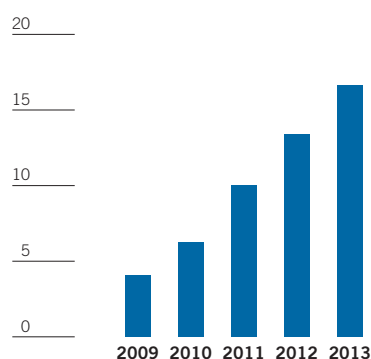
Operating Income

(Billions of yen)



Net Income

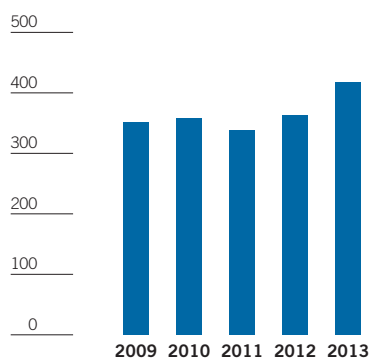
(Billions of yen)



2008	2009	2010	2011	2012	2013	Thousands of U.S. dollars (except per share amounts) 2013
¥470,648	¥400,232	¥408,430	¥428,977	¥430,929	¥472,843	\$5,027,570
28,959	9,131	36,054	37,434	31,725	37,668	400,510
30,097	7,980	13,731	17,591	27,093	33,004	350,919
11,678	2,051	9,736	11,850	10,599	11,812	125,592
15,581	4,042	6,217	10,012	13,391	16,625	176,767
¥ 96.95	¥ 25.16	¥ 38.69	¥ 62.30	¥ 83.33	¥ 103.46	\$ 1.09
23.00	20.00	18.00	19.00	19.00	22.00	0.23
¥ 26,813	¥ 13,091	¥ 39,512	¥ 58,015	¥ 65,554	¥ 81,705	\$ 868,740
83,875	83,244	73,252	65,010	66,791	72,415	769,962
388,585	351,869	357,530	338,760	363,273	418,087	4,445,369
151,713	142,184	148,664	168,414	182,916	218,131	2,319,308

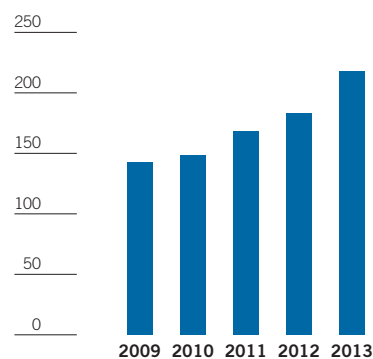
Total Assets

(Billions of yen)



Total Equity

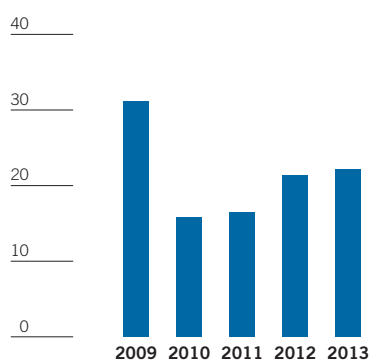
(Billions of yen)



* Fiscal 2011, 2012 and 2013 figures included noncontrolling interests.

Capital Expenditures

(Billions of yen)



MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

The Koito Group comprises the parent company (KOITO MANUFACTURING CO., LTD.), 30 subsidiaries, 1 affiliate and 1 associated company. The Group manufactures and sells automotive lighting equipment; components for airplanes, trains and railways; a wide variety of electrical devices; and measuring equipment. It is also involved in related distribution operations.

NET SALES

In the Japanese auto industry, domestic automobile production volume increased year on year mainly as a result of reconstruction demand from the Great East Japan Earthquake, and of assistance subsidies for purchasing “eco-cars” (environmentally friendly vehicles). Overseas, production worldwide increased year on year, as expansion of production in North America, as well as emerging markets including Thailand and Indonesia, outweighed the impact of production cuts in Europe due to declining demand.

In this climate, for the fiscal year under review, the Koito Group reported consolidated net sales of ¥472.8 billion, up 9.7% year on year, due to significant sales growth in the mainstay automotive lighting equipment segment.

EARNINGS

Operating income was ¥37.6 billion, up 18.7% year on year, and recurring profit was ¥40.0 billion, up 27.0% year on year. Earnings growth was driven by a substantial rise in sales accompanying increased automobile production in Japan and overseas. There were also contributions from the start of operations at new overseas plants and efforts to improve business performance by promoting robust measures to cut unit costs. Net income rose 24.2% to ¥16.6 billion, despite the posting of a ¥3.4 billion extraordinary loss as provision for the payment of an administrative monetary penalty in relation to a violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

RESULTS BY GEOGRAPHICAL SEGMENT

JAPAN

Sales in Japan increased 2.7% to ¥261.5 billion. This reflected the substantial growth in automobile production mainly due to the reconstruction demand from the Great East Japan Earthquake and eco-car subsidies.

NORTH AMERICA

Sales in North America increased 54.5% to ¥62.8 billion mainly due to an increase in automobile production accompanying the recovery in automobile demand, and to increased orders from local automobile manufacturers.

CHINA

Sales in China rose 7.5% to ¥94.0 billion. This increase was the result of stronger activities to win orders and expand sales with local automobile manufacturers, despite weak growth in demand for automobiles caused by the economy slowing down, and a decline in production of locally assembled Japanese cars due to a deterioration in China-Japan relations.

ASIA

Sales in Asia rose 29.5% to ¥42.7 billion. Sales growth was driven by a significant increase in automobile production in Thailand and steady motorcycle and automobile production in Indonesia.

EUROPE

Sales in Europe decreased 22.8% to ¥11.5 billion mainly due to lower automobile production reflecting the slump in some European economies and the sluggishness of intraregional automobile sales.

FINANCIAL POSITION

Total assets as of March 31, 2013 increased ¥54.8 billion from March 31, 2012 to ¥418.0 billion. This was mainly due to capital investment in the construction of new plant and equipment to bolster overseas production, in addition to increases in current assets, such as cash and time deposits.

Total liabilities as of March 31, 2013 increased ¥19.5 billion from March 31, 2012 to ¥199.9 billion, reflecting an increase in trade notes and accounts payable.

Total net assets as of March 31, 2013 increased ¥35.2 billion from March 31, 2012 to ¥218.1 billion. This increase was mainly due to an increase in retained earnings from net income and an increase in total accumulated other comprehensive income.

CASH FLOWS

Operating activities provided net cash of ¥42.1 billion. This amount reflects the deduction of the payment of tax from funds that increased ¥53.7 billion mainly due to income before income taxes of ¥33.0 billion and depreciation of ¥17.8 billion.

Investing activities used net cash of ¥41.9 billion, mainly reflecting payments into time deposits of ¥17.8 billion and acquisition of property and equipment of ¥27.1 billion.

Financing activities used net cash of ¥2.8 billion, the result mainly of ¥5.4 billion in dividends paid.

As a result, cash and cash equivalents as of March 31, 2013 were ¥21.9 billion, ¥1.2 billion lower than on March 31, 2012.

CAPITAL EXPENDITURES

Capital expenditures, primarily in Japan, totaled ¥22.2 billion, with the goal of streamlining production, boosting product quality, and reducing costs. A breakdown of capital expenditures for the fiscal year under review, excluding consumption tax, is as follows.

Capital expenditures in Japan totaled ¥8.3 billion, in North America, ¥3.6 billion, in China, ¥2.2 billion, in Asia, ¥7.2 billion, and ¥0.8 billion in Europe.

The funds required for capital expenditures were allocated from internal funds and debt.

There were no disposals or sales of key facilities during the fiscal year under review.

PRESSING ISSUES***(1) THE KOITO GROUP'S CURRENT OUTLOOK***

During fiscal 2013, the period under review, the Japanese economy experienced sluggish growth as demand for exports weakened mainly due to the strong yen, and to a worsening of Japan-China relations. However, Japan saw firm domestic demand underpinned in part by government subsidies as well as reconstruction demand from the Great East Japan Earthquake. Although there were signs of economic conditions picking up in the U.S., growth in the world economy was sluggish on the whole mainly due to stagnating European economies facing continued financial instability, along with slower growth in China and Latin America due to tighter monetary policy, and the unstable situation in the Middle East.

The Koito Group will make efforts to increase order activities, boost productivity, enhance our mutually complementary supply network and structure, and implement more cost-cutting measures. All of these activities are aimed at further improving the Group's business results as a global supplier with five development and production bases.

(2) KEY ISSUES IN THE NEAR TERM

As a global supplier, the Koito Group faces the challenges of establishing a research, production and sales structure for responding flexibly to trends in the global automobile industry, reorganizing and strengthening its management structure and organization, and enhancing internal control over corporate activities.

To accomplish this, the Group is striving to improve management practices by developing innovative new technologies and products that anticipate market and customer needs, and preserving the environment, as well as boosting productivity, implementing cost-cutting measures, promoting quality improvement activities and strengthening the corporate structure.

In the area of internal control, the Koito Group is working to enhance corporate governance and enforce strict adherence to laws and regulations in order to continue retaining the trust of all our stakeholders. This will be achieved by maintaining our awareness of the importance of corporate ethics, by upholding the soundness of management, and by ensuring transparency and fairness in management decision-making and operational execution.

(3) POLICIES

In line with its corporate slogan of “Lighting for Your Safety,” the Koito Group will create new markets and contribute to achieving a better society. At the same time, the basic policy of management is to work together for mutual harmony and benefit with all stakeholders, including shareholders, customers, employees and business partners. Furthermore, from the perspective of CSR (corporate social responsibility), Koito aims to be a trusted company that strengthens compliance and conducts environmental preservation and social contribution activities.

(4) SPECIFIC MEASURES

To advance to the next stage of growth, the Koito Group will take the following measures:

- ① To address the automobile industry’s expansion of globally optimal production systems, the Koito Group will work to enhance its system to respond to the world’s five key regional automobile markets (Japan, North America, Europe, China and Asia). To this end, the Group will further reinforce the product development, manufacturing and sales functions of its overseas bases, among other measures.
- ② The Koito Group will develop cutting-edge technologies that stay ahead of customer and market needs and commercialize products at the earliest opportunity. Moreover, the Group will bring attractive products to market in a timely manner.
- ③ The Koito Group aims to pursue the highest quality and safety standards, while advancing the protection of the environment and strengthening compliance.
- ④ The Koito Group plans to further reinforce its profit structure and operations by securing and effectively allocating resources.

The Koito Group will formulate specific policies related to these measures, and strive to increase the satisfaction of our shareholders, customers, employees and business partners, and to preserve the environment, and to enhance internal control.

BUSINESS RISK FACTORS

The following factors could affect the Koito Group’s operating results, share price and financial position. Forward-looking statements in this annual report are based on the management’s judgment as of June 28, 2013.

(1) ECONOMIC CONDITIONS

Demand for automotive lighting equipment, which represents a material share of the Koito Group’s operating income around the world, is subject to economic conditions in countries and regions in which the Group’s products are sold. Consequently, an economic downturn and accompanying contraction of demand in the Koito Group’s main markets, including Japan and elsewhere in North America, Asia and Europe, may adversely affect its operating results and financial position.

(2) LEGAL REGULATIONS

Automotive lighting equipment, the mainstay product of the Koito Group, is subject to various legal regulations, including road transportation vehicle laws and safety standards, in Japan as well as all other countries where the Group conducts business, to provide key safety components of vehicles. Consequently, unexpected changes in legal regulations could adversely affect the Koito Group’s operating results and financial position.

(3) EXCHANGE RATE MOVEMENTS

The Koito Group produces and sells products around the world. Sales, expenses, assets, liabilities and other accounts denominated in the local currencies of each region in which the Group operates are converted into yen for the purpose of preparing Koito's consolidated financial statements. Accordingly, the exchange rate prevailing on the conversion date may affect the post-conversion yen value of these accounts. Generally speaking, an appreciation of the yen relative to other currencies may adversely affect the Koito Group's operating results and financial position.

(4) POTENTIAL RISKS OF EXPANDING OVERSEAS

The Koito Group is rapidly becoming more dependent on overseas-based production and sales activities. The expansion of these business activities in overseas markets carries the following inherent risks:

- ① Unanticipated changes in laws and regulations
- ② Disadvantageous changes in political and economic conditions
- ③ Social unrest caused by terrorism, war or other factors

(5) PRODUCT DEFECTS

The Koito Group manufactures products in accordance with quality control standards approved in Japan and other countries where it conducts business. Nevertheless, there is no guarantee that all products will be free of defects and that recall and other costs will not arise from defects in the future. Therefore, product defects could adversely affect the Koito Group's operating results and financial position.

(6) CHANGES IN RAW MATERIAL PRICES

The Koito Group currently faces the risk of raw material price fluctuations. In particular, prices for plastics, key raw materials for the Koito Group's businesses, have been rising along with changing market prices for crude oil. This trend could cause a rise in procurement costs for the Koito Group, which could adversely affect the Koito Group's operating results and financial position.

(7) NATURAL DISASTERS, ETC.

There is a risk that the production, logistics, sales and other bases of the Koito Group, its customers or its suppliers could be damaged by an earthquake, tsunami, typhoon or other natural disaster. While the Koito Group conducts disaster prevention activities and carries out inspections of facilities, these efforts do not guarantee that bases will be completely shielded from their effects. In particular, the Koito Group production bases in Japan are concentrated in the prefecture of Shizuoka, and there is a Koito plant in the vicinity of Chubu Electric Power Co., Inc.'s Hamaoka nuclear power station. Therefore, a major disaster could dramatically lower the Koito Group's capacity to produce automotive lighting equipment and other products and in turn adversely affect its operating results and financial position.

(8) OTHER RISKS

As a global supplier, the Koito Group engages in business in many countries worldwide, and is subject to the application of the various laws about competition in Japan and overseas. Therefore, becoming involved in legal action could adversely affect the Koito Group's operating results and financial position.

CONSOLIDATED BALANCE SHEETS

KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries

At March 31,	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 23,217	¥ 21,992	\$ 233,833
Trade notes and accounts receivable	93,916	97,119	1,032,631
Less: Allowance for doubtful accounts	(12,804)	(12,846)	(136,586)
	81,112	84,273	896,044
Marketable securities	—	—	—
Inventories	37,817	39,540	420,414
Deferred income tax assets—current (Note 6)	3,029	3,370	35,832
Prepaid expenses and others	57,818	89,161	948,017
Total current assets	202,995	238,338	2,534,162
Investments:			
Investment securities	61,722	71,658	761,913
Loans	99	56	595
Deferred income tax assets—non-current (Note 6)	10,400	5,882	62,541
Other investments	3,159	3,122	33,195
Less: Allowance for doubtful accounts	(174)	(165)	(1,754)
Total investments	75,208	80,555	856,512
Property, plant and equipment, at cost:			
Buildings and structures	84,559	89,860	955,449
Machinery, equipment and tools	212,513	217,866	2,316,491
Less: Accumulated depreciation	(230,280)	(235,309)	(2,501,956)
	66,791	72,415	769,962
Land	13,497	13,938	148,197
Construction in progress	4,778	12,837	136,491
Property, plant and equipment, net	85,068	99,193	1,054,683
Total assets	¥ 363,273	¥ 418,087	\$ 4,445,369

At March 31,	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
LIABILITIES AND EQUITY			
Current liabilities:			
Trade notes and accounts payable	¥ 78,443	¥ 86,495	\$ 919,670
Short-term loans (Note 4)	22,854	27,297	290,239
Income taxes payable	5,175	7,582	80,616
Accrued expenses and other current liabilities	30,966	35,259	374,896
Total current liabilities	137,441	156,633	1,665,422
Non-current liabilities:			
Long-term debt (Note 4)	2,883	2,800	29,771
Accrued retirement benefits (Note 5)	29,313	30,120	320,255
Other non-current liabilities	10,715	10,402	110,600
Total non-current liabilities	42,915	43,322	460,627
Equity:			
KOITO MANUFACTURING CO., LTD. shareholders' equity			
Common stock	14,270	14,270	151,727
320,000,000 shares authorized and 160,789,436 shares issued at March 31, 2012 and 2013			
Additional paid-in capital	17,108	17,108	181,903
Retained earnings	127,638	140,588	1,494,821
Treasury common stock, at cost:			
90,680 shares in 2012 and 91,522 shares in 2013	(76)	(78)	(829)
Total KOITO MANUFACTURING CO., LTD. shareholders' equity	158,940	171,889	1,827,634
Accumulated other comprehensive income:			
Valuation adjustment on investment securities	4,014	13,297	141,382
Translation adjustments	(2,676)	4,534	48,208
Total accumulated other comprehensive income	1,338	17,831	189,590
Noncontrolling interests	22,638	28,410	302,073
Total equity	182,916	218,131	2,319,308
Total liabilities and equity	¥363,273	¥418,087	\$4,445,369

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries

For the years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Net sales	¥430,929	¥472,843	\$5,027,570
Cost of sales	365,193	399,474	4,247,464
Gross profit	65,736	73,368	780,095
Selling, general and administrative expenses	34,010	35,699	379,574
Operating income	31,725	37,668	400,510
Other income (expenses):			
Interest income	584	592	6,294
Interest expenses	(666)	(574)	(6,103)
Loss on sale and disposal of property and equipment	(62)	(244)	(2,594)
Other, net	(4,488)	(4,438)	(47,187)
Income before income taxes and noncontrolling interests	27,093	33,004	350,919
Income taxes	10,599	11,812	125,592
Income before noncontrolling interests income	16,493	21,192	225,326
Noncontrolling interests income in consolidated subsidiaries	3,102	4,566	48,548
Net income	¥ 13,391	¥ 16,625	\$ 176,767
Noncontrolling interests income in consolidated subsidiaries	3,102	4,566	48,548
Income before noncontrolling interests income	16,493	21,192	225,326
Other comprehensive income			
Valuation adjustment on investment securities	2,550	9,911	105,380
Translation adjustments	944	10,062	106,985
Total other comprehensive income	3,495	19,973	212,365
Comprehensive income	¥ 19,989	¥ 41,166	\$ 437,703
Attributable to:			
Shareholders of the parent company	¥ 16,525	¥ 33,119	\$ 352,142
Noncontrolling interests	¥ 3,463	¥ 8,047	\$ 85,560

	Yen		U.S. dollars
	2012	2013	2013
Per share:			
Net income	¥ 83.33	¥ 103.46	\$ 1.09
Cash dividends	19	22	0.23
Average total number of shares during the year (thousands of shares)	160,700	160,698	160,698

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries

For the years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
KOITO MANUFACTURING CO., LTD. shareholders' equity			
Common stock:			
Beginning balance	¥ 14,270	¥ 14,270	\$ 151,727
Ending balance	¥ 14,270	¥ 14,270	\$ 151,727
Additional paid-in capital:			
Beginning balance	¥ 17,107	¥ 17,108	\$ 181,903
Disposal of treasury common stock	0	–	–
Ending balance	¥ 17,108	¥ 17,108	\$ 181,903
Retained earnings:			
Beginning balance	¥117,139	¥127,638	\$1,357,129
Net income	13,391	16,625	176,767
Deductions:			
Cash dividends applicable to the year	(2,892)	(3,213)	(34,162)
Other	–	(461)	(4,901)
Ending balance	¥127,638	¥140,588	\$1,494,821
Treasury stock	¥ (76)	¥ (78)	\$ (829)
KOITO MANUFACTURING CO., LTD. shareholders' equity	¥158,940	¥171,889	\$1,827,634
Total accumulated other comprehensive income			
Valuation adjustment on investment securities	4,014	13,297	141,382
Translation adjustments	(2,676)	4,534	48,208
	¥ 1,338	¥ 17,831	\$ 189,590
Noncontrolling interests	¥ 22,638	¥ 28,410	\$ 302,073
Total equity	¥182,916	¥218,131	\$2,319,308

CONSOLIDATED STATEMENTS OF CASH FLOWS

KOITO MANUFACTURING CO., LTD. and Consolidated Subsidiaries

For the years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Cash flows from operating activities:			
Net income	¥ 13,391	¥ 16,625	\$ 176,767
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	19,517	17,827	189,548
Noncontrolling interests in consolidated subsidiaries	3,102	4,566	48,548
Provision for allowance for doubtful accounts	(252)	(99)	(1,052)
Provision for accrued retirement benefits	545	996	10,590
(Profit) loss on revaluation of marketable securities	2,949	3,031	32,227
Loss on sale and disposal of property and equipment	51	233	2,477
Changes in operating assets and liabilities:			
Trade notes and accounts receivable	(20,744)	2,970	31,578
Inventories	3,509	987	10,494
Prepaid expenses and others	(14)	(9,347)	(99,383)
Trade notes and accounts payable	8,791	2,800	29,771
Accrued expenses and other current liabilities	6,851	6,697	71,206
Others, net	(5,624)	(5,148)	(54,736)
Net cash provided by operating activities	32,074	42,138	448,038
Cash flows from investing activities:			
Decrease in time deposits and other due over three months, net	(3,852)	(17,826)	(189,537)
Purchase of marketable and investment securities	(2,408)	(16)	(170)
Proceeds from sale of marketable and investment securities	1,758	2,256	23,987
Acquisition of property and equipment	(22,933)	(27,103)	(288,176)
Proceeds from sale of property and equipment	219	149	1,584
Increase in long-term loans	53	40	425
Decrease in other investments and other assets	(22)	553	5,879
Net cash used in investing activities	(27,185)	(41,947)	(446,007)
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans	997	1,723	18,320
Increase (decrease) in long-term bank loans	(973)	960	10,207
(Increase) decrease in treasury stock	(2)	(1)	(10)
Cash dividend	(4,626)	(5,494)	(58,415)
Net cash used in financing activities	(4,604)	(2,812)	(29,898)
Foreign currency translation adjustment on cash and cash equivalents	30	1,396	14,843
Change in cash and cash equivalents	315	(1,225)	(13,024)
Cash and cash equivalents at beginning of the year	22,902	23,217	246,858
Cash and cash equivalents at end of the year	¥ 23,217	¥ 21,992	\$ 233,833

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation

KOITO MANUFACTURING CO., LTD. (the "Company") and its subsidiaries maintain their accounts in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their accounts in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan.

In preparing the consolidated financial statements, certain rearrangements and reclassifications have been made and certain additional financial information has been included in the consolidated financial statements issued in Japan for the convenience of our non-Japanese readers.

2. Summary of significant accounting policies

- (1) **The accompanying consolidated financial statements for the years ended March 31, 2013 and 2012 include the accounts for the Company and the 28 subsidiaries and the 27 subsidiaries, respectively, listed below:**

Names of consolidated subsidiaries for the year ended March 31, 2013	Equity ownership percentage (*) %
KOITO KYUSHU LIMITED	100
Koito Transport Co., Ltd.	100
Aoitec Co., Ltd.	70
Shizuokadenso Co., Ltd.	100
Nissei Industries Co., Ltd.	62
Fujieda Auto Lighting Co., Ltd.	100
Shizuoka Wire Harness Co., Ltd.	100
Haibara Machine and Tools Co., Ltd.	100
Shizuoka Kanagata Co., Ltd.	40
Koito Insurance Services Co., Ltd.	100
KI HOLDINGS CO., LTD.	50
KOITO ELECTRIC INDUSTRIES, LTD.	100
Minatsu, Ltd.	100
Okayama Industry Co., Ltd.	51
North American Lighting, Inc.	100
North American Lighting Mexico, S.A. de C.V. (Note)	100
Koito Europe NV	100
Koito Europe Limited	100
Koito Czech s.r.o.	100
Shanghai Koito Automotive Lamp Co., Ltd.	45
GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	100
FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD.	100
THAI KOITO COMPANY LIMITED	62
PT. INDONESIA KOITO	90
Ta Yih Industrial Co., Ltd.	33
INDIA JAPAN LIGHTING PRIVATE LIMITED	50
KPS N.A., INC.	100
CHANGZHOU KOITO JINCHUANG TRANSPORTATION EQUIPMENT CO., LTD.	50

(*) Represents ownership at March 31, 2013 and includes shares owned through consolidated subsidiaries.

Note: North American Lighting Mexico, S.A. de C.V. was established in December 2012 and became the company's subsidiary from fiscal 2013.

(2) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The excess of the costs over the underlying net equity of investments in the consolidated subsidiaries is amortized over five years.

Investments in one affiliate (owned 20% to 50%) are stated at cost plus equity in their undistributed earnings.

Consolidated net income or loss includes the Company's equity in the current net income or loss of such companies, after the elimination of unrealized intercompany profits.

(3) Translation of foreign currency financial statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into yen at the rate of exchange in effect at the balance sheet date, except for the components of shareholders' equity, which are translated at exchange rates in effect at acquisition dates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year.

Foreign currency translation adjustments are included in noncontrolling interests and shareholders' equity in the accompanying consolidated financial statements.

(4) Inventories

Inventories are stated principally at cost. The cost of finished products and work in process are determined primarily by the weighted average method.

Raw materials and supplies are determined by the moving-average method. Inventories in the consolidated foreign subsidiaries are stated at the lower of cost or market as determined by the moving-average method.

(5) Securities

Securities for the year are valued by type of security as follows:

Securities held for trading	Market value
Securities held to maturity	Depreciable cost
Other securities	
Where there is a market quotation	Market value as determined by the quoted price at the end of the fiscal year
Where there is no market quotation	Cost as determined by the moving-average method
Specified money trusts	Market value

(6) Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is computed with the declining-balance method or straight-line method, at rates based on the estimated useful lives of the assets.

Machinery held by the Company is depreciated over useful lives estimated by the Company, which are between 3 to 7 years. Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(7) Accrued retirement benefits

Under the terms of the retirement plans of the Company, certain employees are entitled to severance payments upon retirement or termination from the Company. The amount of the payment is based on the length of service, salary at the time of severance, and the cause of the severance.

The Company has a non-contributory funded pension plan which covers substantially all of the benefits at the retirement age under the above retirement plan.

Accrued retirement benefits are recorded based on the amount that would be required if all eligible employees retired at the balance sheet date less the amount funded by plan assets.

Consolidated subsidiary KI HOLDINGS CO., LTD. has two types of defined benefit retirement plan: a fund-type corporate pension plan and a lump-sum retirement benefit plan. Other domestic consolidated subsidiaries have qualified retirement plans and lump-sum retirement benefit plans. Certain overseas subsidiaries have defined contribution retirement plans or defined benefit retirement plans.

The directors and corporate auditors of the Company are covered by a retirement benefit plan which allows retiring directors and corporate auditors to receive lump-sum retirement benefits. The amount of such benefits is determined based on the length of service and the level of remuneration at the time of retirement.

The amount of the retirement benefits for directors and auditors is recorded in other non-current liabilities.

(8) Income taxes

The Company and its subsidiaries adopt tax-effect accounting and account for income taxes using the asset and liability method. Under this method deferred tax assets and deferred tax liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities using enacted rates.

(9) Appropriation of retained earnings

Under the Corporation Law of Japan, proposals by the Board of Directors for the appropriation of retained earnings (principally the payment of annual cash dividends) should be approved by a shareholders' meeting that must be held within three months of the end of each financial year. In addition to such appropriation, the Law permits the Board of Directors to distribute cash to shareholders at an interim date (interim dividend). The appropriation of retained earnings reflected in the accompanying consolidated financial statements for each financial year represents the appropriation which was approved by a shareholders' meeting or by the Board of Directors and disposed of during that year.

(10) Research and development costs

Research and development costs are charged to income as incurred.

(11) Net income and dividends per share

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share represent dividends, including "interim dividends" declared, as applicable to the respective periods.

(12) Cash equivalents

Cash and cash equivalents include time deposits and readily marketable securities with original maturities of three months or less.

(13) Consumption tax

Consumption tax is imposed at the flat rate of 5% on all domestic consumption of goods and services with certain exceptions. The consumption tax withheld on sales and consumption tax paid by the Companies on the purchases of goods and services is not included in the amounts of respective income or costs and expenses in the accompanying consolidated statements of income, but is recorded as an asset or a liability, as the case may be, and the net balance is included in other current liabilities.

(14) Derivative transactions

The Company utilizes foreign exchange forward contracts and interest rate swap agreements designated as hedges. The hedge transactions are only utilized on foreign exchange forward transactions and interest rate swap transactions when the transactions are fixed to hedge any risk anticipated from these transactions and to fix the cash flows value resulting from future transactions denominated in foreign currencies and loans bearing interest. Due to the nature of the hedging arrangements, no significant losses are anticipated.

3. U.S. dollar amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥94.05 = US\$1, the approximate rate of exchange at March 31, 2013, has been used. This translation should not be construed as a representation that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4. Short-term loans and long-term debt

At March 31, 2012 and 2013, short-term loans consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Loans, principally from banks			
To the Company	¥ –	¥ –	\$ –
To consolidated subsidiaries	22,854	27,297	290,239
Total	<u>¥22,854</u>	<u>¥27,297</u>	<u>\$290,239</u>

At March 31, 2012 and 2013, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Loans, principally from banks			
To the Company	¥ –	¥ –	\$ –
To consolidated subsidiaries	2,883	2,800	29,771
Total	<u>¥2,883</u>	<u>¥2,800</u>	<u>\$29,771</u>

5. Employee retirement benefits

Retirement benefit obligations at March 31, 2012 and 2013 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Projected benefit obligations	¥(55,851)	¥(53,779)	\$(571,812)
Plan assets	24,706	23,813	253,195
Unfunded pension liabilities	(31,145)	(29,965)	(318,607)
Unrecognized net transition obligation	–	–	–
Unrecognized actuarial differences	1,831	(154)	(1,637)
Accrued retirement benefits on balance sheet	<u>¥(29,313)</u>	<u>¥(30,120)</u>	<u>\$(320,255)</u>

Net periodic cost for the fiscal years ended March 31, 2012 and 2013 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Service cost	¥2,467	¥2,470	\$26,262
Interest cost	1,081	1,045	11,111
Expected return on plan assets	(492)	(483)	(5,135)
Amortization of transition obligation	–	–	–
Actuarial loss	1,125	1,248	13,269
Total	<u>¥4,183</u>	<u>¥4,281</u>	<u>\$45,518</u>

6. Income taxes

The Company and its domestic subsidiaries are subject to Japanese national and local taxes based on income, which in the aggregate resulted in a normal statutory tax rate of approximately 40%.

Foreign subsidiaries are subject to income taxes of the countries in which they operate.

(a) The significant components of deferred tax assets and liabilities at March 31, 2012 and 2013 were as follows:

At March 31	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Deferred income tax assets:			
Excess accrued bonus	¥ 1,588	¥ 1,658	\$ 17,628
Excess accrued retirement benefits	10,346	10,507	111,717
Disallowed retirement allowance to directors	492	535	5,688
Excess depreciation	86	—	—
Loss on revaluation of investment securities, other	4,447	5,133	54,577
Reserve for liability claims	1,679	1,827	19,425
Loss on revaluation of land	583	582	6,188
Reserve for product warranties	634	671	7,134
Excess allowance for doubtful account	305	311	3,306
Tax loss carryforward	7,412	7,800	82,934
Others	3,695	3,303	35,119
	<u>31,271</u>	<u>32,332</u>	<u>343,774</u>
Less valuation allowance	(15,196)	(14,460)	(153,748)
Deferred income tax assets total	<u>¥ 16,074</u>	<u>¥ 17,872</u>	<u>\$ 190,026</u>
Deferred tax liabilities:			
Depreciation	¥ —	¥ (919)	\$ (9,771)
Reserve for reduction of asset costs	(436)	(430)	(4,572)
Valuation adjustment on investment securities	(2,208)	(7,268)	(77,278)
Deferred income tax liabilities total	<u>¥ (2,644)</u>	<u>¥ (8,619)</u>	<u>\$ (91,642)</u>
Net deferred income tax assets (liabilities)	<u>¥ 13,430</u>	<u>¥ 9,253</u>	<u>\$ 98,383</u>

(b) The net deferred income tax assets and liabilities at March 31, 2012 and 2013 were included in the balance sheets as follows:

At March 31	Millions of yen		Thousands of U.S. dollars
	2012	2013	2013
Deferred income tax assets—current	¥ 3,029	¥3,370	\$35,832
Deferred income tax assets—non-current	10,401	5,882	62,541
Net deferred income tax assets (liabilities)	<u>¥13,430</u>	<u>¥9,253</u>	<u>\$98,383</u>

7. Segment information

REPORTING SEGMENT INFORMATION

The Company has manufacturing operations in Japan and other countries, mainly producing automotive lighting equipment, and supplies products all over the world. Each of the Group companies located in its respective area is an independent management unit, and conducts business activities in line with a comprehensive business plan for its respective area. Segment information of the Company is therefore presented by region, based on the geographical distribution of manufacturing and sales operations. The segments are Japan, North America, China, Asia, and Europe. Some segments include manufacturing and sales operations of control systems for rail transports, aircraft equipment, and aircraft and train seats, in addition to the mainstay automotive lighting equipment.

	Millions of yen						Adjustments	Consolidated Total
	Japan	North America	China	Asia	Europe	Total		
For the year ended March 31, 2013								
Sales:								
Sales to outside customers . . .	¥261,568	¥62,869	¥94,070	¥42,798	¥11,536	¥472,843	¥ -	¥472,843
Inter-area sales and transfers	112,629	6	1,593	4,515	12,721	131,466	(131,466)	-
Total	¥374,197	¥62,876	¥95,663	¥47,314	¥24,258	¥604,310	¥(131,466)	¥472,843
Segment income (loss)	¥ 26,790	¥ 1,188	¥ 6,155	¥ 4,294	¥ (928)	¥ 37,500	¥ 167	¥ 37,668
Segment assets	¥192,126	¥38,179	¥72,676	¥38,885	¥11,880	¥353,749	¥ 64,338	¥418,087
Others								
Depreciation	¥ 10,575	¥ 2,074	¥ 2,519	¥ 2,017	¥ 569	¥ 17,757	¥ 69	¥ 17,827
Increase in fixed assets and intangible assets	¥ 8,320	¥ 3,680	¥ 2,208	¥ 7,249	¥ 826	¥ 22,285	¥ -	¥ 22,285

	Thousands of U.S. dollars						Adjustments	Consolidated Total
	Japan	North America	China	Asia	Europe	Total		
For the year ended March 31, 2013								
Sales:								
Sales to outside customers . . .	\$2,781,158	\$668,463	\$1,000,212	\$455,055	\$122,658	\$5,027,570	\$ -	\$5,027,570
Inter-area sales and transfers	1,197,543	63	16,937	48,006	135,257	1,397,830	(1,397,830)	-
Total	\$3,978,702	\$668,538	\$1,017,150	\$503,072	\$257,926	\$6,425,412	\$(1,397,830)	\$5,027,570
Segment income (loss)	\$ 284,848	\$ 12,631	\$ 65,443	\$ 45,656	\$ (9,867)	\$ 398,724	\$ 1,775	\$ 400,510
Segment assets	\$2,042,807	\$405,943	\$ 772,737	\$413,450	\$126,315	\$3,761,286	\$ 684,082	\$4,445,369
Others								
Depreciation	\$ 112,440	\$ 22,052	\$ 26,783	\$ 21,446	\$ 6,049	\$ 188,803	\$ 733	\$ 189,548
Increase in fixed assets and intangible assets	\$ 88,463	\$ 39,128	\$ 23,476	\$ 77,076	\$ 8,782	\$ 236,948	\$ -	\$ 236,948

8. Subsequent events

At the general shareholders' meeting held by the Company on June 27, 2013, appropriations of retained earnings were duly approved as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥12 per share (\$127.59 per 1,000 shares)	¥1,928	\$20,499

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENT AUDIT AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors
KOITO MANUFACTURING CO., LTD.

(Financial statement audit)

MEIJI AUDIT CORPORATION (We, hereinafter) have examined the consolidated balance sheets of KOITO MANUFACTURING CO., LTD. and its subsidiaries at March 31, 2012 and 2013, and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for the years ended March 31, 2012 and 2013, all expressed in Japanese yen. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KOITO MANUFACTURING CO., LTD. and its subsidiaries at March 31, 2012 and 2013, and the consolidated results of their operations and their cash flows for the years ended March 31, 2012 and 2013, in conformity with generally accepted accounting principles in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

(Internal control audit)

We also have audited the accompanying Internal Control Report of KOITO MANUFACTURING CO., LTD. and its subsidiaries at March 31, 2013. The design and operation of the internal control over financial reporting and the preparation of the Internal Control Report are the responsibility of the Company's management and our responsibility is to independently express an opinion on the Internal Control Report based on our audit. The internal control over financial reporting may not completely prevent or detect financial misstatements.

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan.

MEIJI AUDIT CORPORATION

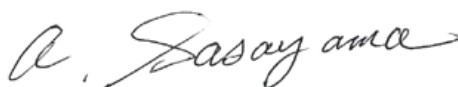
Responsible Auditor
Certified Public Accountant

Responsible Auditor
Certified Public Accountant

Responsible Auditor
Certified Public Accountant



M. Yoshii



A. Sasayama



H. Nikaido

June 28, 2013

CORPORATE INFORMATION

As of March 31, 2013

KOITO MANUFACTURING CO., LTD.

Head office: 4-8-3, Takanawa, Minato-ku, Tokyo 108-8711, Japan

Founded: April 1, 1915

Incorporated: April 1, 1936

Capital: ¥14,270 million

Employees: 17,163 (Consolidated)
4,176 (Non-consolidated)

Common stock:

Authorized: 320,000,000 shares

Issued: 160,789,436 shares

Number of shareholders: 5,548

Principal shareholders:

TOYOTA MOTOR CORPORATION
Japan Trustee Services Bank, Ltd. (Trust account 9)
The Master Trust Bank of Japan, Ltd. (Trust account)
Nippon Life Insurance Company
Japan Trustee Services Bank, Ltd. (Trust account)
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Dai-ichi Life Insurance Company, Limited
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account
DENSO CORPORATION

Transfer agent:

Contact address of account management agent for special accounts:

Mitsubishi UFJ Trust and Banking Corporation
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081, Japan
Phone: 81-3-3212-1211

For further information, please contact:

KOITO MANUFACTURING CO., LTD.
4-8-3, Takanawa, Minato-ku, Tokyo 108-8711, Japan
Phone: 81-3-3443-7111
Facsimile: 81-3-3447-1520
Or via our website at: <http://www.koito.co.jp/english>

CORPORATE DIRECTORY

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Tokyo 108-8711, Japan
Phone: 81-3-3443-7111
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INTERNATIONAL OPERATIONS HEADQUARTERS

Administration Dept.-International Ops.

Phone: 81-3-3447-5171
Facsimile: 81-3-3447-5173

American Operations

Phone: 81-3-3447-5166
Facsimile: 81-3-3447-5173

European Operations

Phone: 81-54-345-4416
Facsimile: 81-54-345-4959

China Operations

Phone: 81-3-3447-5165
Facsimile: 81-3-3447-5173

Asia Operations

Phone: 81-54-345-2593
Facsimile: 81-54-345-4959

PLANTS

Shizuoka Plant (Shizuoka Pref.)

Phone: 81-54-345-2251
Facsimile: 81-54-346-9174

Haibara Plant (Shizuoka Pref.)

Sagara Plant (Shizuoka Pref.)

Fujikawa Tooling Plant (Shizuoka Pref.)

LABORATORY

Laboratory (Shizuoka Pref.)

DOMESTIC BUSINESS NETWORK

Tokyo Branch (Tokyo)

Phone: 81-3-3447-5161
Facsimile: 81-3-3447-1660

Kitakanto Branch (Tochigi Pref.)

Phone: 81-28-636-4066
Facsimile: 81-28-636-4050

Toyota Branch (Aichi Pref.)

Phone: 81-565-28-1129
Facsimile: 81-565-29-1217

Osaka Branch (Osaka Pref.)

Phone: 81-6-6391-6731
Facsimile: 81-6-6395-1154

Hiroshima Branch (Hiroshima Pref.)

Phone: 81-82-893-1281
Facsimile: 81-82-893-1341

Sapporo Sales Office (Hokkaido Pref.)

Sendai Sales Office (Miyagi Pref.)

Kitakanto Sales Office (Tochigi Pref.)

Tokyo Sales Office (Tokyo)

Nagoya Sales Office (Aichi Pref.)

Osaka Sales Office (Osaka Pref.)

Fukuoka Sales Office (Fukuoka Pref.)

OVERSEAS REPRESENTATIVE OFFICES

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Facsimile: 1-248-553-6454

Seattle Office (U.S.A.)

c/o Sojitz Corporation of America Columbia Center,
Suite 1160, 701 5th Avenue,
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Phone: 1-206-386-5624
Facsimile: 1-206-386-5640

GLOBAL NETWORK

OVERSEAS SUBSIDIARIES AND AFFILIATES

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Facsimile: 1-217-465-6607

North American Lighting Mexico, S.A. de C.V.

Av. Santiago Poniente no. 109
Parque Industrial Colinas de San Luis
Ciudad Satélite – Zona Industrial
Delegación Villa de Pozos, S.L.P., México
C.P. 78423

Koito Europe NV

Vaartdijk 59, 3018 Leuven (Wijgmaal), Belgium
Phone: 32-16-7213-00
Facsimile: 32-16-7213-01

Koito Europe Limited

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Hampton Lovett Industrial Estate,
Droitwich, Worcestershire WR9 0QH, U.K.
Phone: 44-1905-790-800
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Koito Czech s.r.o.

Na Astre 3001, 438 01 Zatec, Czech Republic
Phone: 420-415-930-111
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Shanghai Koito Automotive Lamp Co., Ltd.

767 Ye-cheng RD. Jia Ding South Door,
Shanghai, 201821, People's Republic of China
Phone: 86-21-5916-1899
Facsimile: 86-21-5916-2899

GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.

No. B01, Transnational Industry Park,
Yuexi Village, Shilou Town, Panyu District,
Guangzhou City, Guangdong 511447,
People's Republic of China
Phone: 86-20-3930-7000
Facsimile: 86-20-3930-7020

FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD.

South East Motor Zone, Qingkou, Minhou,
Fujian 350119, People's Republic of China
Phone: 86-591-2276-5266
Facsimile: 86-591-2276-7466

THAI KOITO COMPANY LIMITED

370 Moo 17 Tambol Bangsaothong
Amphur Bangsaothong,
Samutprakarn 10540, Thailand
Phone: 66-2-706-7900
Facsimile: 66-2-315-3281

PT. INDONESIA KOITO

Kawasan Industri Indotaisei Sektor 1A Blok P-3,
Kota Bukit Indah, Kalihurip-Cikampek,
Karawang, Jawa Barat, 41373, Indonesia
Phone: 62-264-837-1088
Facsimile: 62-264-837-1075

Ta Yih Industrial Co., Ltd.

No.11 Shin-Shin Road, An-Ping Industrial District,
Tainan 702, Taiwan, Republic of China
Phone: 886-6-261-5151
Facsimile: 886-6-264-4614

INDIA JAPAN LIGHTING PRIVATE LIMITED

No.1, Puduchathram, (Via) Tirumazhisai,
Tiruvellore High Road,
Tamilnadu 602-107, India
Phone: 91-44-3910-6151
Facsimile: 91-44-3910-6106

KPS N.A., INC.

149 Wheeler Ave., Pleasantville, NY 10570, U.S.A.
Phone: 1-914-747-8035
Facsimile: 1-914-747-8038

CHANGZHOU KOITO JINCHUANG TRANSPORTATION EQUIPMENT CO., LTD.

Industrial Park, Yaoguan Town, Wujin District,
Changzhou City, Jiangsu 213011,
People's Republic of China
Phone: 86-519-8837-6007
Facsimile: 86-519-8837-6006

OVERSEAS TECHNICAL ASSOCIATES

North American Lighting, Inc. (U.S.A.)

KPS N.A., INC. (U.S.A.)

North American Lighting Mexico, S.A. de C.V. (Mexico)

Hella Automotive Mexico S.A. de C.V. (Mexico)

Industrias Arteb S.A. (Brazil)

Koito Europe NV (Belgium)

Koito Europe Limited (U.K.)

Automotive Lighting UK Ltd. (U.K.)

Koito Czech s.r.o. (Czech Republic)

HELLA KGaA HUECK & CO. (Germany)

Senalizacion y Accesorios del Automovil Yorka, S.A. (Spain)

Farba Otomotiv Aydinlatma ve Plastik Fabrikalari A.S. (Turkey)

Automotive Lighting Italia S.p.A. (Italy)

AVTOSVET Limited Liability Company (Russia)

Shanghai Koito Automotive Lamp Co., Ltd. (China)

GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. (China)

FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD. (China)

Chongqing Koito Automotive Lamp Co., Ltd. (China)

CHANGZHOU KOITO JINCHUANG TRANSPORTATION EQUIPMENT CO., LTD. (China)

Shanghai TanDa Railway Vehicle Seat System Co., Ltd. (China)

AMS Co., Ltd. (Korea)

THAI KOITO COMPANY LIMITED (Thailand)

Bangkok Diecasting and Injection Co., Ltd. (Thailand)

PT. INDONESIA KOITO (Indonesia)

Ta Yih Industrial Co., Ltd. (Taiwan)

INDIA JAPAN LIGHTING PRIVATE LIMITED (India)

Hella Australia Pty Ltd. (Australia)

Hella-Phil., Inc. (Philippines)

Lumotech (Pty.) Ltd. (South Africa)

EP Polymers (M) Sdn. Bhd. (Malaysia)

AuVitronics Limited (Pakistan)

DOMESTIC SUBSIDIARIES AND AFFILIATES

KOITO KYUSHU LIMITED (Saga Pref.)

Business lines: Manufacturing and marketing of automotive lighting equipment

Koito Transport Co., Ltd. (Shizuoka Pref.)

Business lines: Transportation services and logistics

Aoitec Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of electronic components, electrical devices, telecommunications equipment and precision machinery

Shizuokadenso Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of automotive lighting equipment

Nissei Industries Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of miniature bulbs and electrical equipment

Fujieda Auto Lighting Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of automotive lighting equipment

Shizuoka Wire Harness Co., Ltd.

(Shizuoka Pref.)

Business lines: Manufacturing and marketing of automotive lighting equipment

Haibara Machine and Tools Co., Ltd.

(Shizuoka Pref.)

Business lines: Manufacturing and marketing of resin metal molds

Shizuoka Kanagata Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of resin metal molds

Koito Insurance Services Co., Ltd. (Tokyo)

Business lines: Insurance agent

Takeda Suntech Co., Ltd. (Shizuoka Pref.)

Business lines: Manufacturing and marketing of resin metal molds

New Fuji Co., Ltd. (Shizuoka Pref.)

Business lines: Service businesses

KI HOLDINGS CO., LTD. (Kanagawa Pref.)

Business lines: Manufacturing and marketing of seats for aircraft

KOITO ELECTRIC INDUSTRIES, LTD.

(Shizuoka Pref.)

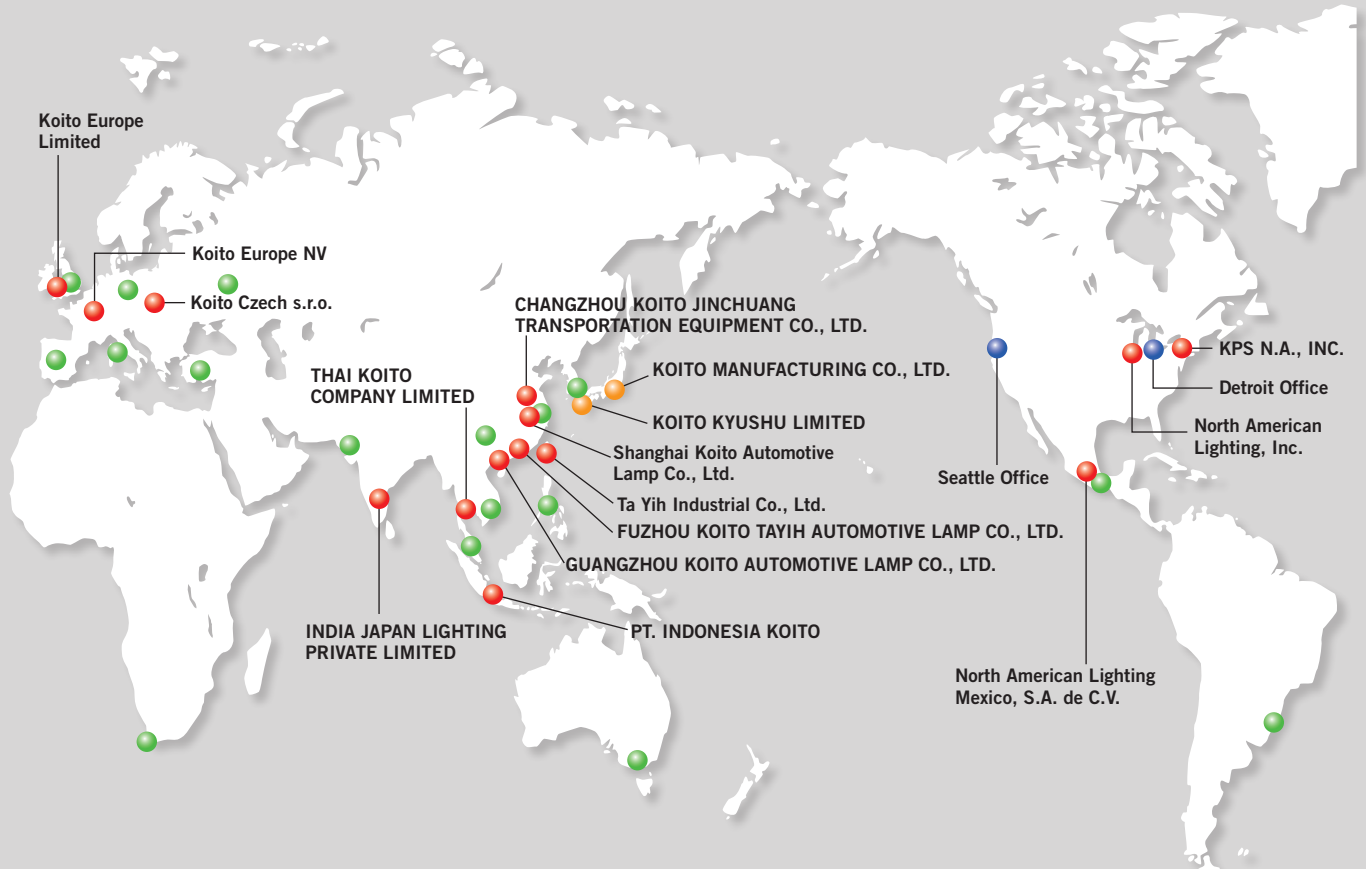
Business lines: Manufacturing and marketing of railroad car electrical components, seats for railroad cars, road information system equipment and road traffic signals

Minatsu, Ltd. (Kanagawa Pref.)

Business lines: Maintenance of traffic signals and safety equipment, and road information equipment

Okayama Industry Co., Ltd. (Gunma Pref.)

Business lines: Manufacturing and marketing of railroad car seats



Koito Europe Limited

Koito Europe NV

Koito Czech s.r.o.

THAI KOITO COMPANY LIMITED

INDIA JAPAN LIGHTING PRIVATE LIMITED

CHANGZHOU KOITO JINCHUANG TRANSPORTATION EQUIPMENT CO., LTD.

KOITO MANUFACTURING CO., LTD.

KOITO KYUSHU LIMITED

Shanghai Koito Automotive Lamp Co., Ltd.

Ta Yih Industrial Co., Ltd.

FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD.

GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.

PT. INDONESIA KOITO

Seattle Office

North American Lighting Mexico, S.A. de C.V.

KPS N.A., INC.

Detroit Office

North American Lighting, Inc.

- OVERSEAS SUBSIDIARIES AND AFFILIATES
- OVERSEAS TECHNICAL ASSOCIATES
- OVERSEAS REPRESENTATIVE OFFICES



KOITO MANUFACTURING CO., LTD.

