Consolidated Earnings Report for Fiscal 2007

April 24, 2007

Company Name:	**KOITO MANUFACTURING CO., LTD.**
Stock Listing:	First Section, Tokyo Stock Exchange
Code Number:	7276
URL:	http://www.koito.co.jp
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Planned Date of the General Meeting of Shareholders: June 28, 2007
Planned Date of Filing of Annual Securities Report: June 29, 2007
Planned Date of Dividends Payment: June 29, 2007

(¥ millions are rounded down)

1. Consolidated Results for Fiscal 2007 (April 1, 2006 to March 31, 2007)

(1) Consolidated Operating Results

(¥ millions; the percentage figures show changes from the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2007	452,520	13.8 %	21,328	△ 4.2 %	24,600	△ 4.1 %	13,374	5.1%
Fiscal 2006	397,509	10.0 %	22,262	23.9 %	25,640	27.9 %	12,731	40.0 %

	Net income per share (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Recurring profit to total assets ratio (%)	Operating income to net sales ratio (%)
Fiscal 2007	83.23	—	9.2	6.5	4.7
Fiscal 2006	79.39	—	9.8	7.5	5.6

Reference: Equity in earnings of affiliated companies: Fiscal 2007: ¥42 million Fiscal 2006: ¥100 million

(2) Consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
Fiscal 2007	385,300	180,434	38.8	930.54
Fiscal 2006	366,254	139,849	38.2	871.00

Reference: Equity: March 31, 2007 ¥149,553 million, March 31, 2006 ¥139,849 million

(3) Consolidated Cash Flows (¥ millions)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Fiscal 2007	38,553	△32,640	△1,814	19,996
Fiscal 2006	37,200	△30,905	△2,663	15,773

2. Dividends

	Dividend per share (¥)			Dividend paid (annual) (¥ millions)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
(Recording Date)	First half	Year-end	Full year			
Fiscal 2006	9.00	11.00	20.00	3,210	25.2	2.5
Fiscal 2007	11.00	11.00	22.00	3,535	26.4	2.4
Fiscal 2008 (forecast)	11.00	11.00	22.00		24.6	

3. Forecast of Consolidated Results for Fiscal 2008 (April 1, 2007 to March 31, 2008)

(¥ millions; the percentage figures show changes from results for same period of the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (¥)
First half	208,400	2.4%	8,600	△ 9.2%	8,700	△ 21.3%	5,000	△15.0%	31.11
Full year	447,000	△ 1.2%	24,800	16.3%	26,800	8.9%	14,400	7.7%	89.60

4. Others

(1) Changes in Scope of Consolidation of Major Consolidated Subsidiaries: Yes
（New －; Excluded 1）

(2) Changes in Accounting Principles, Standards or Procedures for Preparing Consolidated Financial Statements
① Changes in accounting standards: Yes
② Other changes: None

(3) Number of shares issued (common stock)
① Number of shares issued (including treasury stock): March 31, 2007 160,789,436, March 31, 2006 160,789,436
② Number of treasury stock: March 31, 2007 72,713, March 31, 2006 227,382

《 For Reference Only 》

Non-consolidated Earnings Report for Fiscal 2007

1. Non-consolidated Results for Fiscal 2007 (April 1, 2006 to March 31, 2007)

(1) Non-consolidated Operating Results

(¥ millions; the percentage figures show changes from the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2007	228,723	9.2%	11,699	△ 6.9%	18,150	△ 2.2%	12,014	7.2%
Fiscal 2006	209,502	17.2%	12,563	40.8%	18,554	41.5%	11,209	52.1%

	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2007	74.76	—
Fiscal 2006	69.88	—

(2) Non-consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
Fiscal 2007	215,689	128,033	59.4	796.64
Fiscal 2006	205,510	120,414	58.6	749.75

Reference: Equity: March 31, 2007 ¥128,033 million, March 31, 2006 ¥120,414 million

2. Forecast of Non-consolidated Results for Fiscal 2008 (April 1, 2007 to March 31, 2008)

(¥ millions; the percentage figures show changes from results for same period of the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (¥)
First half	112,000	3.3%	5,600	3.0%	8,400	△ 0.5%	5,100	2.0%	31.73
Full year	234,100	2.4%	14,100	20.5%	20,100	10.7%	12,200	1.5%	75.91

*The above projections are based on information available at the time of release of this report. Actual results could differ from projections due to a variety of factors.

1. Results of Operations

(1) Analysis of Operations

－1. Overview of Fiscal 2007

During fiscal 2007, the Japanese economy experienced modest expansion with improved corporate earnings due to a weakening yen, accompanied by higher capital expenditures and increased consumer spending. The world economy also grew overall, despite the slackening growth of U.S. and European economies due to such factors as persistently high crude oil and raw material prices, rising interest rates, and exchange rate and share-price fluctuations.

In the automobile industry, unit automobile production surpassed the previous year's figures, reflecting increased exports to North America, Europe and elsewhere. Overseas, automobile production in North America and Europe tended to remain level, while expanded production was reported in Asian countries such as China and Thailand. On the whole, worldwide automobile production trended upwards.

In this climate, the Koito Group is working to expand sales of automotive lighting equipment over the medium and long terms. Measures include enhancing production capacity, boosting product development capabilities and aggressively implementing initiatives to win more orders. In Japan, operations commenced in October 2006 at the state-of-the-art plant of KOITO KYUSHU LIMITED.

With respect to overseas businesses, in the Chinese market with its continuously expanding automobile production, April 2006 saw production commence at Shanghai Koito Automotive Lamp Co., Ltd.'s third plant. In March 2007, full-fledged production started at the new plant of GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. In addition, Koito plans to commence operations at the second plant at INDIA JAPAN LIGHTING PRIVATE LIMITED in Haryana, India and the fourth plant at North American Lighting, Inc. in Alabama, U.S. in the middle of 2007.

The Koito Group reported record-high consolidated net sales, up 13.8% year on year to ¥452.5 billion. This reflected a strong performance by its mainstay automotive lighting equipment segment both domestically and overseas.

Results by industry segment are outlined as follows:

〔Automotive Lighting Equipment〕

Segment sales rose 13.6% to ¥383.6 billion, fueled by greater installation of high-intensity discharge headlamps, intelligent Adaptive Front Lighting System (AFS) headlamps, LED rear combination lamps, and headlamp leveling systems in newly manufactured vehicles in Japan. Another contributing factor was steady growth of orders for both signal lamps and headlamps at overseas subsidiaries mainly in North America, Europe, China and Thailand.

〔Non-Automotive Electrical Equipment〕

Segment sales increased 8.3% to ¥38.0 billion, reflecting a steady performance by railroad car equipment, road lighting and information equipment, traffic systems, and other products.

〔Other Products & Services〕

Segment sales were ¥30.7 billion, up 24.4% from the previous fiscal year due to higher sales of aircraft seats and various components as well as automotive headlamp cleaners.

On the earnings front, amid intensifying price competition in automotive lighting equipment in Japan and overseas, both operating income and recurring profit declined year on year, despite efforts by Group companies as well as Koito to streamline operations by aggressively promoting cost-cutting measures, due mainly to increased startup costs of new production bases such as KOITO KYUSHU LIMITED and GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. and increased quality-related expenses. On the other hand, the Koito Group reported net income of ¥13.3 billion, a year-on-year increase of 5.1%, due to increased extraordinary gains mainly because of proceeds from sale of marketable and investment securities and decreased extraordinary losses. Net sales and net income therefore both increased for the fifth consecutive fiscal year.

－2. Outlook for Fiscal 2008

In fiscal 2008, the year ending March 31, 2008, the Japanese economy is expected to maintain modest growth, driven by higher capital expenditures reflecting improvements in corporate revenues and greater consumer spending. Overseas, forecasts call for continued high growth in Asian regions. Nevertheless, economic slowdowns in the U.S., Europe and elsewhere combined with multiple causes for concern including trends in crude oil and raw material prices, higher interest rates, exchange rate fluctuations are creating an unpredictable business environment for the Koito Group.

As a global supplier with a product development and manufacturing network covering the world's four key markets, the Koito Group will work to improve its mutual complementary supply network and structure, in addition to expanding orders and production capacity. The Company will also further extend cost-cutting and other measures, with the goal of further improving operating results.

In March 2007, Koito sold its shares in Innovative Hightech Lighting Corporation, a subsidiary in Korea which was consequently excluded from the scope of consolidation. In light of this, the Koito Group is forecasting a drop in consolidated net sales to ¥447.0 billion. Nevertheless, operating income, recurring profit and net income are all forecast to increase, mainly due to anticipated improved non-consolidated results, the commencement of full-fledged operations at KOITO KYUSHU LIMITED and improved earnings at KOITO INDUSTRIES, LIMITED.

(2) Analysis of Financial Position

－1. Balance sheet

Total assets rose ¥19.0 billion to ¥385.3 billion. The main reasons for the increase were an increase in inventories under current assets reflecting increased net sales, and an increase in capital investments under fixed assets.

Total liabilities rose ¥8.8 billion to ¥204.8 billion. Current liabilities increased due to increased accounts payable accompanying increased production and an increase in short-term loans, but non-current liabilities decreased reflecting repayment of long-term debt.

Total net assets increased ¥10.1 billion to ¥180.4 billion. This was mainly attributable to an increase in retained earnings due to net income of ¥13.3 billion.

−2. Cash flows

Operating activities provided net cash of ¥38.5 billion. Cash inflows of ¥48.2 billion, including income before income taxes of ¥24.7 billion and depreciation of ¥22.3 billion, were partly offset by income taxes paid.

Investing activities used net cash of ¥32.6 billion, reflecting capital investments of ¥34.9 billion, primarily to accommodate higher production and investments to raise quality of automotive lighting equipment.

Financing activities used net cash of ¥1.8 billion. This cash outflow resulted from the payment of ¥4.7 billion in dividends, partially offset by an inflow of ¥2.8 billion in loans.

As a result, cash and cash equivalents as of March 31, 2007 were ¥19.9 billion, ¥4.2 billion higher than March 31, 2006.

(3) Basic Earnings Distribution Policies and Dividend Payments for fiscal 2007 and fiscal 2008

The Koito Group views the payment of stable dividends in line with operating results and business conditions and other factors as one of its most important management policies. Koito intends to use retained earnings mainly to maintain a corporate structure capable of responding to future changes in the operating environment, and to expand its business, develop new technologies and products, and streamline operations.

For the interim period of fiscal 2007 under review, Koito paid a dividend to shareholders of ¥11 per share, which is ¥2 per share higher than the previous year. Koito plans to pay a year-end dividend of ¥11 per share, which is the same amount as the previous year. Including the interim dividend, this would result in a full year dividend of ¥22, ¥2 per share higher than the previous year, which would constitute the fifth consecutive year of dividend growth.

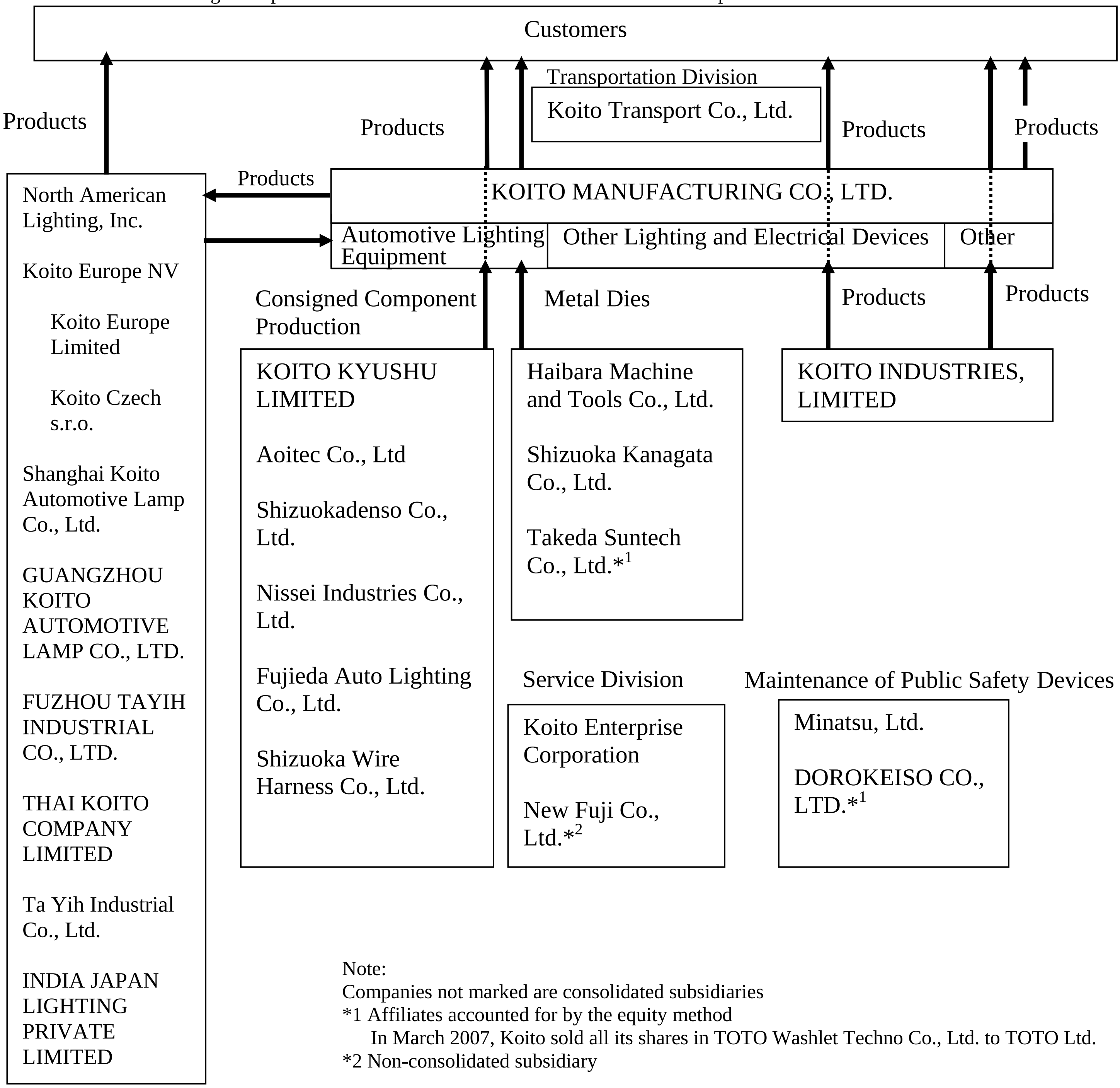
For fiscal 2008, Koito plans to pay a full year dividend of ¥22 per share, comprising an interim dividend of ¥11 and a year-end dividend of ¥11. Looking ahead, we will continue in our efforts to meet the expectations of all shareholders by achieving even higher earnings, and give consideration to returning even more value to shareholders.

2. Koito Group

The Koito Group comprises KOITO MANUFACTURING CO., LTD., its 22 subsidiaries and 3 affiliates. It manufactures and sells automotive lighting equipments, components for airplanes, trains and railways, and a variety of electrical devices and measuring equipment. The Koito Group is also involved in related financial and distribution operations.

In March 2007, Koito sold all its shares in Innovative Hightech Lighting Corporation, a subsidiary in Korea, to Hyundai Mobis Co., Ltd., an automotive parts manufacturer and a member of Hyundai Motor Group.

The following chart provides an overview of the structure of the Koito Group.



Note:
Companies not marked are consolidated subsidiaries
*1 Affiliates accounted for by the equity method
In March 2007, Koito sold all its shares in TOTO Washlet Techno Co., Ltd. to TOTO Ltd.
*2 Non-consolidated subsidiary

3. Management Policies

(1) Basic Management Policies

The Koito Group's basic management policies call for the stimulation of new customer demand for "lighting" while contributing to the progress of society and fostering mutually beneficial relationships with all stakeholders, including shareholders, customers, employees and business partners.

The Koito Group addresses global environmental issues by adopting environmental preservation measures that include adhering to the policy of "manufacturing products that put people and the environment first" in all its business activities.

(2) Management Targets

To sustain its business and pay stable dividends to shareholders, the Koito Group views net sales, operating income, recurring profit and net income as important management targets to preserve earnings. Koito also considers ROE to be an important target from the viewpoint of investment efficiency and corporate evaluation.

Koito aims to strengthen and refine its corporate structure to enable it to respond with agility to future changes in the business environment, develop new technologies and products, and streamline operations. In doing so, Koito will strive to meet shareholders' expectations by expanding its business in the medium- and long-term, improving performance and paying stable dividends.

(3) Medium- and Long-Term Management Strategies

Under its corporate slogan of "Lighting for Your Safety," the Koito Group, as a manufacturer of automotive lighting and electrical equipment, is committed to playing a part in creating a better society through the creation of new value sought by customers. Strategies for taking Koito forward are as follows:

－1. As a global supplier capable of meeting the needs of automobile manufacturers seeking to expand production, procurement and supply networks to optimal locations worldwide, the Koito Group will further reinforce the product development, manufacturing and sales functions of its overseas bases while establishing a system to respond to the world's four key regional automobile markets (Japan, North America, Europe and Asia). This will include promoting a complementary supply structure and network within the Group.

－2. The Koito Group will bring attractive products to market in good time by developing cutting-edge technologies that stay ahead of customer and market needs, and commercializing products at the earliest opportunity.

－3. The Koito Group will reinforce its corporate and earnings structure by acquiring and effectively allocating resources.

－4. The Koito Group will pursue the highest standards of quality and safety, and enforce strict environmental safeguards.

These four undertakings encapsulate Koito's commitment to providing satisfaction to shareholders, customers, employees and business partners, while fulfilling its vital mission of helping to preserve the environment.

(4) Key Issues

As a global supplier, the Koito Group is working to realign and reinforce its management framework and organization to be able to respond flexibly to worldwide trends in the automobile industry, to establish development, production and sales systems, and enhance internal controls on corporate activities.

In this context, Koito is building a stronger management structure. Key to this will be developing innovative new technologies and products that anticipate market and customer needs, shortening development times, increasing environmental preservation measures, ramping up production capacity to respond to increased orders, and implementing cost cutting measures throughout the Group. Improving quality, allocating resources effectively and establishing a complementary structure for doing so are also of paramount importance.

As regards internal controls, to ensure that the Koito Group remains trusted by shareholders and all other stakeholders, Koito recognizes the importance of corporate ethics, and is enhancing corporate governance and strengthening compliance to ensure sound management, and transparent and fair management decision-making and business execution.

4. Consolidated financial statements

Consolidated Balance Sheets

(¥ millions)

Item \ Period	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006	Change
Assets			
Current assets:			
Cash and time deposits	12,624	10,214	2,409
Trade notes and accounts receivable	98,092	97,432	660
Marketable securities	16,603	12,432	4,171
Inventories	38,547	30,034	8,512
Deferred income tax assets	6,036	6,053	△ 16
Other current assets	9,107	10,651	△ 1,543
Less: Allowance for doubtful receivables	△ 1,127	△ 1,082	△ 44
Total current assets	179,885	165,736	14,149
Fixed assets:			
Property, plant and equipment			
Buildings and structures	32,877	29,926	2,950
Machinery and transportation equipment	36,607	32,024	4,582
Fixtures, equipment and tools	15,160	14,849	311
Land	12,415	12,862	△ 446
Construction in progress	5,985	4,830	1,154
Total property, plant and equipment	103,045	94,493	8,552
Intangible fixed assets	966	783	183
Investments and other assets:			
Investment securities	97,716	101,795	△ 4,078
Loans	529	781	△ 251
Other investments	3,399	2,912	487
Less: Allowance for doubtful accounts	△ 242	△ 247	5
Total investments and other assets	101,403	105,241	△ 3,838
Total fixed assets	205,415	200,518	4,897
Total assets	385,300	366,254	19,046

(¥ millions)

Item \ Period	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006	Change
Liabilities			
Current liabilities:			
Trade notes and accounts payable	80,395	73,099	7,296
Short-term loans	36,313	24,470	11,843
Accrued expenses	18,229	19,020	△ 790
Income taxes payable	5,126	4,932	194
Allowance for employees’ bonuses	4,482	4,442	39
Allowance for directors’ and corporate auditors’ bonuses	280	270	10
Reserve for product warranties	1,400	1,400	—
Other current liabilities	9,474	10,107	△ 632
Total current liabilities	155,703	137,743	17,960
Non-current liabilities:			
Long-term debt	19,936	28,826	△ 8,890
Allowance for employees’ retirement benefits	26,107	25,431	675
Allowance for directors’ and corporate auditors’ retirement benefits	1,582	1,334	248
Deferred income taxes	861	2,069	△ 1,207
Other non-current liabilities	675	563	111
Total non-current liabilities	49,162	58,224	△ 9,062
Total liabilities	204,866	195,968	8,897
Net assets			
Shareholders’ equity:			
Common stock	14,270	—	14,270
Additional paid-in capital	17,107	—	17,107
Retained earnings	99,299	—	99,299
Treasury stock, at cost	△ 54	—	△ 54
Total shareholders’ equity	130,624	—	130,624
Revaluations and translation adjustments:			
Valuation adjustment on investment securities	17,731	—	17,731
Translation adjustments	1,196	—	1,196
Total revaluations and translation adjustments	18,928	—	18,928
Minority interests	30,881	—	30,881
Total net assets	180,434	—	180,434
Total liabilities and net assets	385,300	—	385,300
Minority interests	—	30,436	△ 30,436
Equity			
Common stock		14,270	△ 14,270
Additional paid-in capital	—	17,107	△ 17,107
Retained earnings	—	89,548	△ 89,548
Valuation adjustment on investment securities	—	18,679	△ 18,679
Translation adjustments	—	382	△ 382
Treasury stock, at cost	—	△ 140	140
Total equity	—	139,849	△ 139,849
Total liabilities, minority interests and equity	—	366,254	△ 366,254

Consolidated Statements of Income

(¥ millions)

Item \ Period	Fiscal 2007 April 1, 2006 to March 31, 2007		Fiscal 2006 April 1, 2005 to March 31, 2006		Y-o-Y change	
		%		%		%
Net sales	452,520	100.0	397,509	100.0	55,010	13.8
Cost of sales	395,650	87.4	342,504	86.2	53,146	
Gross profit	56,869	12.6	55,005	13.8	1,864	
Selling, general and administrative expenses	35,540	7.9	32,743	8.2	2,797	
Operating income	21,328	4.7	22,262	5.6	△ 933	△4.2
Non-operating income	5,091		4,901		189	
Interest income and dividends	(1,893)		(2,286)		(△ 393)	
Equity in earnings of affiliates	(42)		(100)		(△ 58)	
Other non-operating income	(3,155)		(2,514)		(641)	
Non-operating expenses	1,819		1,523		296	
Interest expenses and discounts	(1,387)		(1,025)		(361)	
Other non-operating expenses	(432)		(498)		(△ 65)	
Recurring profit	24,600	5.4	25,640	6.5	△ 1,039	△4.1
Extraordinary gains	1,035		44		990	
Extraordinary losses	837		2,407		△ 1,570	
Income before income taxes	24,799	5.5	23,277	5.9	1,521	
Income taxes	10,411		9,497		913	
Income tax adjustment	△ 789		△ 419		△ 369	
Total	9,622		9,078		543	
Minority interest in consolidated subsidiaries	△ 1,802		△ 1,468		△ 334	
Net income	13,374	3.0	12,731	3.2	643	5.1

Consolidated Changes in Shareholders' Equity

Fiscal 2007 (April 1, 2006 to March 31, 2007) (¥ millions)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balances as of March 31, 2006	14,270	17,107	89,548	△ 140	120,786
Changes in the fiscal year					
Dividends from retained earnings	—	—	△ 3,534	—	△ 3,534
Net income for the fiscal year	—	—	13,374	—	13,374
Purchases of stock	—	—	—	△ 6	△ 6
Disposal of treasury stock	—	—	0	92	92
Other	—	—	△ 88	—	△ 88
Net change in non-shareholders' equity items for the fiscal year	—	—	—	—	—
Total changes for the fiscal year	—	—	9,751	85	9,837
Balances as of March 31, 2007	14,270	17,107	99,299	△ 54	130,624

	Revaluations and translation adjustments			Minority interests	Total net assets
	Valuation adjustment on investment securities	Translation adjustments	Total revaluations and translation adjustments		
Balances as of March 31, 2006	18,679	382	19,062	30,436	170,285
Changes in the fiscal year					
Dividends from retained earnings	—	—	—	—	△ 3,534
Net income for the fiscal year	—	—	—	—	13,374
Purchases of treasury stock	—	—	—	—	△ 6
Disposal of treasury stock	—	—	—	—	92
Other	—	—	—	—	△ 88
Net change in non-shareholders' equity items for the fiscal year	△ 948	814	△ 133	444	311
Total changes for the fiscal year	△ 948	814	△ 133	444	10,148
Balances as of March 31, 2007	17,731	1,196	18,928	30,881	180,434

Consolidated Statements of Retained Earnings

(¥ millions)

Item \ Period	Fiscal 2006 April 1, 2005 to March 31, 2006
Additional paid-in capital	
I Additional paid-in capital at beginning of period	17,107
II Additional paid-in capital at end of period	17,107
Retained earnings	
I Retained earnings at beginning of period	79,912
II Increase in retained earnings	
Net income	12,731
III Appropriations	
Dividends	2,564
Directors' and corporate auditors' bonuses	205
Loss on disposal of treasury stock	4
Decrease in unfunded pension liabilities associated with pension accounting at overseas subsidiaries	159
Other	162
IV Retained earnings at end of period	89,548

Consolidated Statements of Cash Flows

(¥ millions)

Item \ Period	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2006 to March 31, 2007
I. Cash flows from operating activities		
Income before income taxes	24,799	23,277
Depreciation	22,347	19,920
Equity in earnings of affiliated companies	△42	△ 100
Provision for allowance for doubtful accounts	82	△ 191
Provision for accrued retirement benefits	1,892	1,447
Provision for reserve for bonuses	39	227
Interest and dividends received	△1,893	△ 2,286
Interest payments	1,387	1,025
Loss on sale and revaluation of marketable securities	△882	△ 127
Loss on revaluation of golf memberships	—	31
Loss on sale and disposal of property and equipment	428	285
Changes in trade notes and accounts receivable	△2,910	△ 7,834
Changes in inventories	△8,498	△ 5,123
Changes in other current assets	2,124	△ 1,814
Changes in trade notes and accounts payable	9,825	11,310
Changes in accrued expenses and other current liabilities	△145	4,992
Directors’ and corporate auditors’ bonuses paid	△270	△ 205
Sub total	48,283	44,834
Interest and dividends received	1,893	2,286
Interest paid	△1,387	△ 1,025
Income taxes paid	△10,236	△ 8,895
Net cash provided by operating activities	38,553	37,200
II. Cash flows from investing activities		
Payments into time deposits	△452	△ 688
Proceeds from time deposits	356	583
Payments for purchase of marketable and investment securities	△29,592	△34,897
Proceeds from sale of marketable and investment securities	32,523	30,725
Payments for purchase of property and equipment	△34,988	△ 28,895
Proceeds from sale of property and equipment	404	1,483
Payments for new loans	△461	△ 563
Proceeds from loan repayments	488	569
Other payments relating to investments	△918	778
Net cash used in investing activities	△32,640	△ 30,905
III. Cash flows from financing activities		
Decrease in short-term loans	△961	△ 4,912
Increase in long-term debt	4,548	6,126
Repayment of long-term debt	△727	△ 148
Payments for repurchase of treasury stock	△7	△ 12
Proceeds from sale of treasury stock	93	317
Dividends paid by parent company	△3,532	△ 2,564
Dividends paid to minority shareholders	△1,228	△ 1,470
Net cash provided by or used in financing activities	△1,814	△ 2,663
IV. Effect of exchange rate changes on cash and cash equivalents	159	216
V. Change in cash and cash equivalents	4,258	3,848
VI. Cash and cash equivalents at beginning of year	15,773	11,925
VII. Decrease in cash and cash equivalents due to exclusion at a previously consolidated subsidiary	△35	—
VIII. Cash and cash equivalents at end of year	19,996	15,773

Significant Accounting Policies Used in Preparation of Consolidated Financial Statements

1. Scope of Consolidation
Number of consolidated subsidiaries: 22
In March 2007, Koito sold all its shares in Innovative Hightech Lighting Corporation(South Korea).

2. Application of the Equity Method
Number of affiliates accounted for using the equity method: 2
Non-consolidated subsidiary New Fuji Co., Ltd. has been excluded from the scope of affiliated companies accounted for by the equity method as it has a negligible effect on the consolidated net income and retained earnings of the Koito Group.
In March 2007, Koito sold all its shares in TOTO Washlet Techno Co., Ltd.

3. Fiscal Year of Consolidated Subsidiaries
The fiscal year end of consolidated subsidiaries KOITO INDUSTRIES, LIMITED, Koito Transport Co., Ltd., Minatsu, Ltd., KOITO KYUSHU LIMITED and INDIA JAPAN LIGHTING PRIVATE LIMITED is March 31, the same as for the parent company. Consolidated financial statements are prepared assuming an accounting period ending March 31 for the other consolidated subsidiaries (Aoitec Co., Ltd. and 16 other companies).

4. Summary of Significant Accounting Policies
(1) Valuation standards and accounting treatment for important assets
(a) Marketable securities

① Securities held for trading	Market Value (the selling price is determined mainly by the moving average method)
② Securities held to maturity	Depreciable cost method (straight-line method)
③ Other securities	
Listed securities	Market Value, determined by the market price as of the end of the period, with unrealized gains or losses reported in shareholders' equity and the selling price determined by the moving average method.
Non-listed	cost determined by the moving average method.
(b) Derivatives	Market Value
(c) Specified money trusts	Market Value

(d) Inventories
At the Company and its domestic subsidiaries, finished products, semi-finished products and work-in-progress are stated at cost, cost being determined by the gross-average method, whereas raw materials and supplies are stated at cost determined by the moving-average method. At overseas consolidated subsidiaries, inventories are stated at the lower of cost or market, determined by the moving-average method.

(2) Method for depreciating and amortizing important assets
(a) Property, plant and equipment:
At the Company and its domestic consolidated subsidiaries, assets are depreciated using the declining-balance method in accordance with Japan's corporate tax laws. At overseas consolidated subsidiaries, assets are depreciated using the straight-line method. Buildings purchased by domestic consolidated subsidiaries on or after April 1, 1998, excluding fixtures, are depreciated using the straight-line method.

Estimated useful lives are as follows:

Buildings and structures	7 – 50 years
Machinery and transportation equipment	3 – 7 years

(b) Intangible fixed assets:
The Company and its domestic subsidiaries amortize intangible fixed assets using the straight-line method. At overseas consolidated subsidiaries, intangible fixed assets are amortized using the straight-line method in accordance with the accounting principles generally accepted in each country.

(3) Accounting for allowances
(a) Allowance for doubtful accounts:
The allowance for doubtful accounts provides for possible losses arising from default on accounts receivable. The allowance comprises two components: the estimated credit loss for doubtful receivables based on an individual assessment of each account, and a general reserve for accounts receivable calculated based on historical default rates. Overseas consolidated subsidiaries provide for the estimated credit loss for certain doubtful receivables based on an individual assessment of each account.

(b) Allowance for bonuses:
At the Company and its domestic consolidated subsidiaries, the allowance for employees' bonuses is based on the estimated requirements for the fiscal year. The amount recorded is that applicable to the full period.

(c) Allowance for directors' and corporate auditors' bonuses
At the Company and some of its domestic consolidated subsidiaries, an allowance is provided to pay bonuses to directors and corporate auditors as decided at the General Meeting of Shareholders.

(d) Reserve for product warranties
The reserve for product warranties is provided to cover payments in response to possible liability claims made under product warranties based on historical claim rates.

(e) Allowance for employees' retirement benefits
At the Company and its consolidated subsidiaries, an allowance for retirement benefits is provided to adequately cover the pension costs of employees. The retirement benefit allowance is determined as of the end of the period on the basis of projected retirement benefit liabilities and pension assets at the fiscal year balance sheet date.

Actuarial gains or losses are amortized from the accounting period following the period in which actuarial gains or losses arise, using the straight-line method over a fixed number of years (5 to 10 years), but no more than the average remaining years of service of employees in the accounting period in which actuarial gains or losses arise.

(f) Allowance for directors' and corporate auditors' retirement benefits
The Company and its domestic consolidated subsidiaries provide an allowance for directors' and corporate auditors' retirement benefits to adequately cover payments of such benefits during the period under review, as prescribed by Company regulations.

(4) Accounting for foreign currency denominated transactions
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date and included in income. Assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing at the balance date, while revenues and costs at overseas subsidiaries are translated into Japanese yen at the average exchange rate prevailing during the accounting period. Gains or losses on such foreign currency translations are listed under minority interests and reported in shareholders' equity as translation adjustments.

(5) Accounting for leases
Finance leases, other than those that transfer ownership of the leased assets to the lessees, are treated in the same way as ordinary operating leases for accounting purposes by the Company and domestic consolidated subsidiaries, and are treated by certain overseas subsidiaries as ordinary transactions.

(6) Accounting for hedging
Unrealized gains and losses arising from hedge transactions are recognized when the underlying hedge contracts are concluded and are included in income during the applicable accounting period.

(7) Accounting treatment of consumption tax
Financial statements are prepared exclusive of consumption taxes.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries
Assets and liabilities of consolidated subsidiaries are valued at market price.

6. Amortization of Goodwill and Negative Goodwill
Goodwill is amortized by the straight-line method over a 5-year period.

7. Scope of Cash and Cash Equivalents in the Statement of Cash Flows
Cash and cash equivalents in the statement of cash flows comprise cash on hand, demand deposits, and highly liquid short-term investments with maturities of less than 3 months that can be readily converted into cash and carry little risk of fluctuation in value.

Significant Changes to Accounting Policies Used in Preparation of Consolidated Financial Statements

Accounting standard relating to the presentation of net assets in balance sheets

Starting this accounting period, Koito has adopted the "Accounting Standard Relating to the Presentation of Net Assets in Balance Sheets" (Financial Accounting Standard No. 5, December 9, 2005 and "Implementation Guidance for the Accounting Standard Relating to the Presentation of Net Assets in Balance Sheets" (Financial Accounting Standard Implementation Guidance No. 8, December 9, 2005). The net assets section of the consolidated balance sheets has been prepared in accordance with the revised regulations relating to consolidated financial statements.

Notes

(¥ millions)

	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006
1. Cumulative depreciation of property, plant and equipment	182,515	175,410
2. Liabilities for guarantees	14	27

3. Selling, general and administrative expenses

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2006 to March 31, 2007
(1) Selling expenses		
Freight expenses	3,058	2,496
Employee salaries	5,306	5,516
Packaging expenses	1,763	1,679
Transfer to allowance for bonuses	560	589
Retirement benefit expenses	719	767
(2) General and administrative expenses		
Employee salaries	6,397	5,915
Fringe benefits expenses	1,687	1,623
Transfer to allowance for bonuses	444	424
Transfer to allowance for directors' bonuses	280	270
Retirement benefit expenses	630	715
Transfer to allowance for directors' retirement benefits	296	197

4. Reconciliation between balance sheet accounts and term-end balance of cash and cash equivalents

(¥ millions)

	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006
Cash and deposits	12,624	10,214
Time deposits with maturities exceeding three months	△ 470	△ 489
Marketable securities redeemable within three months	7,842	6,048
Cash and cash equivalents	19,996	15,773

Segment Information

(1) Industry Segment Information

Fiscal 2007 (April 1, 2006 to March 31, 2007) (¥ millions)

	Automotive Lighting Equipment	Non-Automotive Electrical Equipment	Other Products & Services	Total	Corporate and elimination	Consolidated total
I. Sales and operating income						
Net Sales						
(1) Sales to outside customers	383,668	38,071	30,780	452,520	—	452,520
(2) Inter-segment sales and transfers	93,916	984	3,400	98,302	(98,302)	—
Total	477,585	39,055	34,181	550,822	(98,302)	452,520
Operating expenses	455,715	38,395	34,368	528,479	(97,287)	431,191
Operating income or loss	21,870	660	△ 187	22,343	(1,014)	21,328
II. Assets, depreciation, impairment losses and capital expenditures						
Assets	228,785	49,406	56,639	334,830	50,470	385,300
Depreciation	20,596	944	766	22,306	41	22,347
Capital expenditures	33,283	688	518	34,489	—	34,489

Fiscal 2006 (April 1, 2005 to March 31, 2006) (¥ millions)

	Automotive Lighting Equipment	Non-Automotive Electrical Equipment	Other Products & Services	Total	Corporate and elimination	Consolidated total
I. Sales and operating income						
Net Sales						
(1) Sales to outside customers	337,604	35,160	24,745	397,509	—	397,509
(2) Inter-segment sales and transfers	80,229	1,228	3,093	84,551	(84,551)	—
Total	417,833	36,389	27,838	482,061	(84,551)	397,509
Operating expenses	394,569	37,445	26,583	458,599	(83,351)	375,247
Operating income or loss	23,264	△ 1,056	1,255	23,462	(1,200)	22,262
II. Assets, depreciation, impairment losses and capital expenditures						
Assets	209,631	50,502	51,361	311,494	54,760	366,254
Depreciation	17,981	984	911	19,876	44	19,920
Impairment losses	—	—	—	—	413	413
Capital expenditures	23,537	834	564	24,935	—	24,935

Notes:
1. Industry segment figures are based on sales categories.
2. Major products of each division
   (1)Automotive Lighting Equipment Division: Headlamps, miscellaneous car lamps, discharge headlamp systems, rear lamps, high-mount stop lamps, halogen bulbs, various miniature bulbs and other lighting products.
   (2)Non-automotive Electrical Equipment Division: Control systems for rail transport, road traffic signals, and traffic control systems.
   (3)Other Products & Services: Aircraft equipments and electronic components, special-feature seats, environmental control systems, transportation, finance and insurance services.
3. Significant components of corporate and elimination. (¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006	Significant Items
Unallocated operating expenses in corporate and elimination of inter-segment items	3,454	3,339	Expenses related to the General Affairs Department of the parent company’s head office

4. Assets at March 31, 2007 include ¥50,470 million that was included in corporate and elimination of inter-segment items as corporate assets. These comprise mainly surplus operational funds at the parent company (cash, deposits and marketable securities), long-term investments (investment securities) and assets relating to administrative divisions.

(2) Geographical Segment Information

Fiscal 2007 (April 1, 2006 to March 31, 2007) (¥ millions)

	Japan	North America	Asia	Europe	Total	Corporate and elimination	Consolidated total
I. Sales and operating income							
Net sales							
(1) Sales to outside customers	282,668	55,525	89,317	25,009	452,520	—	452,520
(2) Inter-segment sales and transfers	70,817	—	3,107	24,377	98,302	(98,302)	—
Total	353,485	55,525	92,425	49,386	550,822	(98,302)	452,520
Operating expenses	337,634	52,985	88,788	49,071	528,479	(97,287)	431,191
Operating income or loss	15,851	2,540	3,637	314	22,343	(1,014)	21,328
II. Assets	225,826	24,793	58,060	26,151	334,830	50,470	385,300

Fiscal 2006 (April 1, 2005 to March 31, 2006) (¥ millions)

	Japan	North America	Asia	Europe	Total	Corporate and elimination	Consolidated total
I. Sales and operating income							
Net sales							
(1) Sales to outside customers	252,825	51,418	72,118	21,146	397,509	—	397,509
(2) Inter-segment sales and transfers	60,940	—	2,842	20,769	84,551	(84,551)	—
Total	313,765	51,418	74,961	41,916	482,061	(84,551)	397,509
Operating expenses	296,503	49,255	70,954	41,885	458,599	(83,351)	375,247
Operating income or loss	17,261	2,162	4,006	30	23,462	(1,200)	22,262
II. Assets	206,969	24,012	58,678	21,835	311,494	54,760	366,254

Notes:
1. Country and regional segments are based on geographic proximity.
2. Countries and regions included in each segment:
   (1) North America: United States
   (2) Asia: China, Taiwan, South Korea, Thailand and India
   (3) Europe: United Kingdom, Czech Republic and Belgium
3. Significant components of corporate and elimination

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006	Significant Items
Unallocated operating expenses in corporate and elimination of inter-segment items	3,454	3,339	Expenses related to the General Affairs Department of the parent company's head office

(3) Overseas Net Sales

Fiscal 2007 (April 1, 2006 to March 31, 2007) (¥ millions)

	North America	Asia	Europe	Total
I. Overseas net sales	59,990	88,346	27,378	175,714
II. Consolidated net sales				452,520
III. Overseas net sales ratio (%)	13.3	19.5	6.0	38.8

Fiscal 2006 (April 1, 2005 to March 31, 2006) (¥ millions)

	North America	Asia	Europe	Total
I. Overseas net sales	55,046	70,742	21,902	147,690
II. Consolidated net sales				397,509
III. Overseas net sales ratio (%)	13.8	17.8	5.5	37.2

Note:
1. Countries and regional segments are based on geographic proximity.
2. Countries and regions included in each segment:
   (1) North America: United States
   (2) Asia: China, Taiwan, South Korea, Thailand and India
   (3) Europe: United Kingdom, Czech Republic and Belgium
3. Overseas net sales are those of the parent company and its consolidated subsidiaries to countries and regions other than the country or region in which each is based.

Lease Transactions

1. Finance leases that do not transfer ownership of leased property to lessee

① Acquisition cost, accumulated depreciation and balance equivalents of leased assets as of the fiscal year-end

(¥ millions)

		Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Acquisition cost equivalents	Buildings	2,495	2,495
	Machinery and transportation equipment	1,645	1,434
	Tools and equipment	928	967
	Total	5,070	4,897
Accumulated depreciation equivalents	Buildings	296	233
	Machinery and transportation equipment	889	696
	Tools and equipment	617	570
	Total	1,803	1,500
Year-end balance equivalents	Buildings	2,199	2,262
	Machinery and transportation equipment	755	737
	Tools and equipment	311	397
	Total	3,266	3,397

Note: Acquisition cost equivalents constituted an immaterial portion of year-end balances of property, plant and equipment. Consequently, acquisition cost equivalents are accounted for by the paid interest method.

② Year-end balances of outstanding lease commitments

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Within one year	440	468
More than one year	2,826	2,929
Total	3,266	3,397

Note: Outstanding lease commitments constituted an immaterial portion of year-end balances of property, plant and equipment. Consequently, outstanding lease commitments are accounted for by the paid interest method.

③ Lease charge payable and depreciation equivalents

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Lease charge payable	531	495
Depreciation equivalents	531	495

④Accounting method for depreciation equivalents

Depreciation equivalents are accounted for by the straight-line method, assuming the lease period to be the useful lives and the residual value to be zero.

2. Operating lease transactions

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Outstanding lease commitments		
Within one year	372	163
More than one year	127	232
Total	500	396

Transactions with Related Parties

Fiscal 2007 (April 1, 2006 to March 31, 2007)

(1) Parent company and major corporate shareholders (¥ millions)

Related party	Name of related company	Address	Paid-in capital or investment	Principal business or occupation	Controlling or controlled voting rights	Joint directors	Relationship	Business relationship	Volume of transactions	Description of transactions	Resulting account balances
Major corporate shareholder	Toyota Motor Corporation	Toyota City, Aichi prefecture	397,049	Manufacture and marketing of automobiles and automotive parts; marketing of industrial vehicles; manufacturing and marketing of housing.	(Controlled) Direct: 20%	–	Supply of automotive lighting equipment	Supply of automotive lighting equipment;	99,205	Trade Receivables	13,766
								Purchase of materials	6,292	Trade payables	1,286

Note: Resulting account balances are exclusive of consumption tax

(2) Subsidiaries (¥ millions)

Related party	Name of related company	Address	Paid-in capital or investment	Principal business or occupation	Controlling or controlled voting rights	Joint directors	Relationship	Business relationship	Volume of transactions	Description of transactions	Resulting account balances
Affiliates	Takeda Suntech Co., Ltd.	Shizuoka City, Shizuoka Prefecture	15	Manufacture of dies for resin molded parts	Direct control: 20%	Directors: 2	Purchase of dies for resin moldings	Purchase of dies for resin moldings	1,707	Trade payables	357
								Supply of materials	97	Trade receivables -Other	2
	DORO KEISO CO., LTD.	Chofu City, Tokyo	40	Installation and maintenance of axle weight measuring systems	Indirect control: 29.1%	–	–	–	–	–	–

Note: Resulting account balances are exclusive of consumption tax

Deferred Tax Accounting

Significant components of deferred tax assets and liabilities (¥ millions)

	Fiscal 2007 As of March 31, 2007
Deferred tax assets	
Surplus in bonus reserve	1,854
Surplus in employees' retirement benefit reserve	9,689
Allowance for directors' and corporate auditors' retirement benefits	633
Excess accelerated depreciation	2,271
Loss on revaluation of investment securities	551
Loss on revaluation of land	478
Reserve for liability claims	899
Reserve for product warranties	528
Other	150
Total deferred tax assets	17,053
Deferred tax liabilities	
Reserve for reduction of asset costs	△ 541
Securities valuation adjustment	△ 11,336
Total deferred tax liabilities	△ 11,878
Net deferred tax assets (liabilities)	5,175

Marketable Securities (Fiscal 2007 as of March 31, 2007)

1. Securities held for trading purposes (¥ millions)

Book Value on consolidated financial statements	Unrealized gains/losses included in/charged to income in the current accounting period of consolidation
3,160	2

2. Securities held to maturity (¥ millions)

	Type of security	Book Value	Market Value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Japanese government bonds and municipal bonds	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	20,387	20,538	151
	Subtotal	20,387	20,538	151
Securities with unrealized losses carried on consolidated balances sheets	(1) Japanese government bonds and municipal bonds	991	980	△ 11
	(2) Corporate bonds	—	—	—
	(3) Others	38,500	37,451	△ 1,048
	Subtotal	39,491	38,431	△ 1,059
Total		59,878	58,970	△ 907

3. Other listed securities (¥ millions)

	Type of security	Acquisition cost	Book Value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Equity securities	9,423	37,571	28,148
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	600	603	3
	③ Other bonds	490	494	4
	(3) Other securities	3,358	3,453	94
	Subtotal	13,872	42,122	28,250
Securities with unrealized losses carried on consolidated balances sheets	(1) Equity securities	66	55	△ 10
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	—	—	—
	③ Other bonds	2,494	2,396	△ 97
	(3) Other securities	3,430	3,298	△ 132
	Subtotal	5,991	5,750	△ 240
Total		19,863	47,873	28,010

4. Other securities sold during fiscal 2007 (¥ millions)

Sales	Total gains on sales	Total losses on sales
9,572	1,097	201

5. Schedule of non-listed securities (¥ millions)

Type of security	Book Value	Details
(1) Bonds held to maturity Foreign bonds without market quotation	83	
(2) Other securities Equity securities without market quotation (excluding OTC market securities)	2,975	
Investments	350	
Total	3,408	

6. Maturities of securities with maturities and securities held to maturity (¥ millions)

Type of security	Within 1 year	1-5 years	5-10 years	Over 10 years
1. Bonds				
(1) Japanese government bonds and municipal bonds	—	991	—	—
(2) Corporate bonds	—	—	—	—
(3) Other bonds	18,260	10,708	—	32,104
2. Other securities	1,877	2,400	—	2,309
Total	20,138	14,100	—	34,414

Marketable Securities (Fiscal 2006 as of March 31, 2006)

1. Securities held for trading purposes (¥ millions)

Book Value on consolidated financial statements	Unrealized gains/losses included in/charged to income in the current accounting period of consolidation
4,334	△ 3

2. Securities held to maturity (¥ millions)

	Type of security	Book Value	Market Value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Japanese government bonds and municipal bonds	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	16,111	16,465	354
	Subtotal	16,111	16,465	354
Securities with unrealized losses carried on consolidated balances sheets	(1) Japanese government bonds and municipal bonds	991	972	△ 19
	(2) Corporate bonds	—	—	—
	(3) Others	35,700	33,449	△ 2,250
	Subtotal	36,691	34,421	△ 2,270
Total		52,803	50,887	△ 1,915

3. Other listed securities (¥ millions)

	Type of security	Acquisition cost	Book Value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Equity securities	10,400	39,938	29,537
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	—	—	—
	③ Other bonds	—	—	—
	(3) Other securities	4,538	4,670	132
	Subtotal	14,938	44,608	29,670
Securities with unrealized losses carried on consolidated balances sheets	(1) Equity securities	73	72	0
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	—	—	—
	③ Other bonds	2,400	2,227	△ 172
	(3) Other securities	4,080	3,990	△ 90
	Subtotal	6,553	6,290	△ 262
Total		21,492	50,899	29,407

4. Other securities sold during fiscal 2006 (¥ millions)

Sales	Total gains on sales	Total losses on sales
57	39	—

5. Schedule of non-listed securities (¥ millions)

Type of security	Book Value	Details
(1) Bonds held to maturity		
Foreign bonds without market quotation	160	
(2) Other securities		
Equity securities without market quotation (excluding OTC market securities)	5,756	
Investments	274	
Total	6,190	

6. Maturities of securities with maturities and securities held to maturity (¥ millions)

Type of security	Within 1 year	1-5 years	5-10 years	Over 10 years
1. Bonds				
(1) Japanese government bonds and municipal bonds	—	991	—	—
(2) Corporate bonds	—	—	—	—
(3) Other bonds	8,352	16,518	—	27,965
2. Other securities	760	2,959	—	2,659
Total	9,113	20,470	—	30,625

Retirement Benefits

1. Retirement benefit plan

Retirement benefit plans adopted by the Company and its consolidated subsidiaries

The Company and its consolidated subsidiary KOITO INDUSTRIES, LIMITED offer defined benefit plans that include a fund-type corporate pension plan and lump-sum retirement benefit plan. Other domestic consolidated subsidiaries offer a tax qualified pension plan and lump-sum retirement benefit plan. Certain overseas subsidiaries offer defined contribution plans or defined benefit plans.

2. Matters concerning retirement benefit obligations (¥ millions)

	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006
a. Retirement benefit obligations	△ 57,056	△ 55,549
b. Plan assets	28,389	25,534
c. Unfunded pension liabilities (a+b)	△ 28,666	△ 30,014
d. Unrecognized net transition obligation	—	—
e. Unrecognized actuarial differences	2,559	4,582
f. Accrued retirement benefits on balance sheet (c+d+e)	△ 26,107	△ 25,431
g. Allowance for retirement benefits	△ 26,107	△ 25,431

Note: Certain subsidiaries use the simplified method to calculate their retirement benefit obligations.

3. Matters concerning retirement benefit expenses (¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
a. Service cost *1 *2	2,233	2,188
b. Interest cost	1,127	1,262
c. Expected return on plan assets	△ 551	△ 581
d. Amortization of transitional obligation	—	—
e. Actuarial loss	2,257	2,307
f. Net periodic cost (a+b+c+d+e)	5,066	5,176

Notes:

*1 Excludes employees' contributions to the fund-type corporate pension plan.

*2 Retirement benefit expenses of consolidated subsidiaries using the simplified method are recorded in service cost.

4. Basis of calculation of retirement benefit obligations

a. Method of distribution of estimated retirement benefit costs	Fixed amount
b. Discount rate	2.0%
c. Expected rate of return	2.0%
d. Duration of amortization of past period liabilities	Certain number of years (5-10), not exceeding average residual years to retirement
e. Duration of amortization of actuarial differences	Certain number of years (5-10), not exceeding average residual years to retirement
f. Duration of amortization of net transitional obligation	–

Per Share Information

	Fiscal 2007	Fiscal 2006
Net assets per share	¥930.54	¥871.00
Net income per share	¥ 83.23	¥ 79.39

Net income per share after adjustment for dilution is not shown for both fiscal 2007 and fiscal 2006 because although treasury-stock stock options were introduced and there is treasury stock, after adjustment there is no dilution effect.

Note: The following shows the basis for calculation of net income per share.

	Fiscal 2007	Fiscal 2006
Net income	¥13,374 million	¥12,731 million
Amount not attributable to common stock	–	–
Net income associated with common stock	¥13,374 million	¥12,731 million
Average number of shares outstanding during the period	160,695,880 shares	160,371,366 shares

Going Concern Assumption

None

5. Non-consolidated financial statements

Non-consolidated Balance Sheets

(¥ millions)

Item \ Period	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006	Change
Assets			
Current assets:			
Cash and time deposits	962	1,375	△413
Notes receivable	513	746	△233
Accounts receivable	49,175	45,183	3,991
Marketable securities	7,590	6,896	694
Finished and semi-finished products	4,565	3,617	947
Work in progress	978	923	54
Raw materials and supplies	2,958	2,889	68
Accrued income	3,609	3,201	408
Deferred income tax assets	2,818	2,862	△43
Other current assets	151	345	△194
Less: Allowance for doubtful receivables	△123	△132	8
Total current assets	73,198	67,908	5,290
Fixed assets:			
Property, plant and equipment			
Buildings	12,724	10,845	1,878
Structures	1,056	833	222
Machinery	5,401	5,101	300
Vehicles	232	235	△3
Tools and equipment	6,890	7,556	△665
Land	6,309	6,363	△53
Construction in progress	–	938	△938
Total property, plant and equipment	32,614	31,873	741
Intangible fixed assets	138	133	5
Investments and other assets:			
Investment securities	85,214	83,962	1,251
Subsidiary stock	23,551	20,651	2,900
Other investments	1,181	1,195	△14
Less: Allowance for doubtful receivables	△209	△214	4
Total	109,737	105,594	4,142
Total fixed assets	142,490	137,601	4,889
Total assets	215,689	205,510	10,179

(¥ millions)

Item \ Period	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006	Change
Liabilities			
Current liabilities:			
Trade notes and accounts payable	44,290	40,848	3,441
Payables	2,578	3,800	△1,222
Accrued expenses	9,503	10,325	△822
Allowance for employees' bonuses	3,414	3,386	28
Allowance for directors' and corporate auditors' bonuses	280	270	10
Reserve for product warranties	1,400	1,400	—
Income taxes payable	4,421	4,212	209
Other current liabilities	576	556	19
Total current liabilities	66,465	64,800	1,664
Non-current liabilities:			
Allowance for employees' retirement benefits	16,148	14,413	1,735
Allowance for directors' and corporate auditors' retirement benefits	1,218	991	227
Allowance for losses on overseas investments	1,500	1,500	—
Deferred income taxes	2,320	3,387	△1,066
Others	2	2	0
Total non-current liabilities	21,190	20,294	895
Total liabilities	87,655	85,095	2,559
Net assets			
Shareholders' equity:			
Common stock	14,270	—	14,270
Additional paid-in capital			
Capital reserve	17,107	—	17,107
Total additional paid-in capital	17,107	—	17,107
Retained earnings			
Profit reserve	3,567	—	3,567
Other retained earnings			
Reserve for reductions of asset costs	847	—	847
Other reserve	62,000	—	62,000
Retained earnings brought forward	13,217	—	13,217
Total retained earnings	79,632	—	79,632
Treasury stock	△54	—	△54
Total shareholders' equity	110,957	—	110,957
Revaluations and translation adjustments:			
Valuation adjustment on investment securities	17,076	—	17,076
Total revaluations and translation adjustments	17,076	—	17,076
Total net assets	128,033	—	128,033
Total liabilities and net assets	215,689		215,689
Equity			
Common stock			
Additional paid-in capital			
Capital reserve	—	14,270	△14,270
Retained earnings			
Profit reserve	—	17,107	△17,107
Reserve for reductions of asset costs	—	3,567	△3,567
Other reserve	—	920	△920
Unappropriated retained earnings	—	55,000	△55,000
(Interim/full year net income)	—	11,663	△11,663
Total retained earnings	—	71,152	△71,152
Valuation adjustment on investment securities	—	18,003	△18,003
Treasury stock, at cost	—	△120	120
Total equity	—	120,414	△120,414
Total liabilities and equity	—	205,510	△205,510

Non-consolidated Statements of Income

(¥ millions)

Item \ Period	Fiscal 2007 April 1, 2006 to March 31, 2007		Fiscal 2006 April 1, 2005 to March 31, 2006		Y-o-Y Change	
		%		%		%
Net sales	228,723	100.0	209,502	100.0	19,220	9.2
Cost of sales	198,786	86.9	179,361	85.6	19,425	
Gross profit	29,936	13.1	30,141	14.4	△ 205	
Selling, general and administrative expenses	18,236	8.0	17,578	8.4	658	
Operating income	11,699	5.1	12,563	6.0	△ 863	△6.9
Non-operating income	6,505		6,054		451	
Interest and dividend income	(3,088)		(3,664)		(△ 575)	
Other	(3,416)		(2,390)		(1,026)	
Non-operating expenses	54		63		△ 8	
Recurring profit	18,150	7.9	18,554	8.9	△ 403	△2.2
Extraordinary gains	1,758		3		1,754	
Gains on sales of marketable securities	(1,728)		(—)		(1,728)	
Gains on sales of property, plant and equipment	(29)		(3)		(26)	
Extraordinary losses	277		182		94	
Losses on sales and disposal of property, plant and equipment	(266)		(182)		(83)	
Losses on revaluation of landholdings	(11)		(—)		(11)	
Income before income taxes	19,631	8.6	18,375	8.8	1,256	6.8
Income taxes-current	8,047		7,307		740	
Income taxes-deferred	△ 430		△ 141		△ 289	
Total income taxes	7,617		7,166		450	
Net income	12,014	5.3	11,209	5.4	805	7.2
Retained earnings brought forward	—		1,902		△ 1,902	
Interim dividend	—		1,443		△ 1,443	
Loss on disposal of treasury stock	—		4		△ 4	
Unappropriated retained earnings	—		11,663		△ 11,663	

Non-consolidated Changes in Shareholders' Equity

Fiscal 2007 (April 1, 2006 to March 31, 2007) (¥ millions)

	Shareholders' equity									
		Additional paid-in capital		Retained earnings						
					Other retained earnings					
	Common stock	Capital reserve	Total additional paid-in capital	Profit reserve	Reduction of assets cost	Other reserve	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2006	14,270	17,107	17,107	3,567	920	55,000	11,663	71,152	△ 120	102,411
Changes in the fiscal year										
Reversal of reduction of assets cost (previous year)	–	–	–	–	△ 54	–	54	–	–	–
Reversal of reduction of assets cost (current year)	–	–	–	–	△ 23	–	23	–	–	–
Provision for reduction of assets cost	–	–	–	–	3	–	△ 3	–	–	–
Provision of other reserve	–	–	–	–	–	7,000	△ 7,000	–	–	–
Dividends from retained earnings	–	–	–	–	–	–	△ 3,534	△ 3,534	–	△ 3,534
Net income for the fiscal year	–	–	–	–	–	–	12,014	12,014	–	12,014
Purchases of treasury stock	–	–	–	–	–	–	–	–	△ 6	△ 6
Disposal of treasury stock	–	–	–	–	–	–	0	0	72	72
Net change in non-shareholders' equity items for the fiscal year	–	–	–	–	–	–	–	–	–	–
Total change for the fiscal year	–	–	–	–	△ 73	7,000	1,553	8,479	66	8,546
Balances as of March 31, 2007	14,270	17,107	17,107	3,567	847	62,000	13,217	79,632	△ 54	110,957

	Revaluations and translation adjustments		
	Valuation adjustment on investment securities	Total revaluations and translation adjustments	Total net assets
Balances as of March 31, 2006	18,003	18,003	120,414
Changes in the fiscal year			
Reversal of reduction of assets cost (previous year)	–	–	–
Reversal of reduction of assets cost (current year)	–	–	–
Provision for reduction of assets cost	–	–	–
Provision of other reserve	–	–	–
Dividends from retained earnings	–	–	△ 3,534
Net income for the fiscal year	–	–	12,014
Purchases of treasury stock	–	–	△ 6
Disposal of treasury stock	–	–	72
Net change in non-shareholders' equity items for the fiscal year	△ 926	△ 926	△ 926
Total change for the fiscal year	△ 926	△ 926	7,619
Balances as of March 31, 2007	17,076	17,076	128,033

Non-consolidated Statements of Appropriation

(¥ millions)

Item / Period	Fiscal 2006 April 1, 2005 to March 31, 2006
Unappropriated retained earnings	11,663
Withdrawal from reserve for deferred gains on replacement of assets	54
Total	11,718
To be appropriated as follows:	
Dividends	1,766 (¥ 11 / per share)
General reserve	7,000
Retained earnings carried forward	2,951

Note: Koito declared an interim dividend of ¥9 per share (Dividend amount: ¥1,443 million) on December 9, 2005.

Breakdown of Non-consolidated Net Sales

(¥ millions)

Item / Period	Fiscal 2007 April 1, 2006 to March 31, 2007		Fiscal 2006 April 1, 2005 to March 31, 2006		Y-o-Y Change	
		(component ratio) %		(component ratio) %		(component ratio) %
Automotive Lighting Equipment	219,876	96.1	201,010	96.0	18,866	9.4
Aircraft Equipment	3,087	1.4	2,779	1.3	308	11.1
Others	5,759	2.5	5,712	2.7	47	0.8
Total	228,723	100.0	209,502	100.0	19,220	9.2
(Portion accounted for by exports)	(24,592)	(10.8)	(22,777)	(10.9)	(1,815)	(8.0)

Significant Accounting Policies Used in Preparation of Financial Statements

1. Marketable securities

①Securities held for trading	Market Value (the selling price is mainly determined by the moving average method)
②Securities held to maturity	Depreciable-cost (straight-line method)
③Securities of subsidiaries and affiliates	Cost as determined by the moving-average method
④Other marketable securities	
Listed securities	Market Value, determined by the market price as of the end of the period, with unrealized gains or losses reported in shareholders' equity and the selling price determined by the moving-average method
Non-listed	Cost determined by the moving-average method

2. Derivatives and other instruments

①Derivatives:	Market Value
②Money trusts:	Market Value

3. Inventories

(1) Finished and semi-finished products and work in progress:	Cost, determined mainly by the gross-average method
(2) Raw materials and supplies:	Cost, determined by the moving-average method

4. Method for depreciating and amortizing property, plant and equipment
(1) Property, plant and equipment are depreciated using the declining-balance method, based on the estimated useful lives of the assets as permitted by the corporate tax laws. Estimated useful lives are as follows:

Buildings and structures	7 –50 years
Machinery and transportation equipment	3 – 7 years

(2) Intangible fixed assets: straight-line method.

5. Accounting for translation of foreign currency transactions
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the end of the period with gains and losses included in income.

6. Standards for reserves
(1) Allowance for doubtful receivables
The allowance for doubtful receivables provides for possible losses arising from default on accounts receivable. The allowance is made up of two components: a reserve for general receivables calculated based on historical default rates, and the estimated credit loss for doubtful receivables based on an individual assessment of each account.

(2) Allowances for bonuses
Provisions for employees' bonuses are based on the estimated requirements for the fiscal year.

(3) Allowance for directors' and corporate auditors' bonuses
The Company provides an allowance for directors' and corporate auditors' bonuses to adequately cover payments of such bonuses during the accounting period under review. These bonus payments are subject to approval at the regular general meeting of shareholders.

(4) Reserve for product warranties
The Company provides for a reserve for possible expenses related to quality assurance issues.

(5) Allowance for retirement benefits
An allowance for retirement benefits is provided to adequately cover the pension costs of employees. The allowance is determined as of the end of the period on the basis of projected retirement benefit liabilities and pension assets at the fiscal year balance sheet date.
Actuarial gains or losses are amortized from the accounting period following the period in which actuarial gains or losses arise, using the straight-line method over a fixed number of years (5 years), but no more than the average remaining years of service of employees in the accounting period in which actuarial gains or losses arise.

(6) Allowance for directors' and corporate auditors' retirement benefits
The Company provides an allowance for directors' and corporate auditors' retirement benefits to adequately cover estimated payments of such benefits during the accounting period under review, as prescribed by company regulations.

(7) Allowance for losses on overseas investments
The allowance for losses on overseas investments provides for possible losses, and takes into account the estimated credit loss for investment losses based on an individual assessment of country risk, foreign exchange risk and the financial soundness of overseas affiliates.

7. Accounting for leases
Finance leases, other than those that transfer ownership of the leased assets to the lessees, are treated in the same way as ordinary operating leases for accounting purposes.

8. Accounting for hedging
Unrealized gains and losses arising from hedge transactions are recognized when the underlying hedge contracts are concluded and are included in income during the applicable accounting period.

9. Accounting treatment of consumption taxes: exclusive of consumption taxes and regional consumption taxes.

Significant Changes to Accounting Policies Used in Preparation of Financial Statements

（Accounting standard relating to the presentation of net assets in balance sheets）

Starting this accounting period, Koito has adopted the “Accounting Standard Relating to the Presentation of Net Assets in Balance Sheets” (Financial Accounting Standard No. 5, December 9, 2005 and “Implementation Guidance for the Accounting Standard Relating to the Presentation of Net Assets in Balance Sheets” (Financial Accounting Standard Implementation Guidance No. 8, December 9, 2005). The net assets section of the balance sheets has been prepared in accordance with the revised regulations relating to financial statements.

Notes

(¥ millions)

	Fiscal 2007 As of March 31, 2007	Fiscal 2006 As of March 31, 2006
1. Cumulative depreciation of property, plant and equipment	96,918	98,163
2. Guarantees	31,428	29,201

3. Selling, general and administrative expenses

(¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
(1) Selling expenses		
Freight expenses	4,233	3,989
Employee salaries	2,266	2,346
Packaging expenses	1,392	1,447
Transfer to allowance for bonuses	325	335
Retirement benefit expenses	308	328
(2) General and administrative expenses		
Employee salaries	2,270	2,235
Employee benefit expenses	1,102	1,116
Transfer to allowance for bonuses	344	328
Provision for allowance for directors’ bonuses	280	270
Transfer to allowance for retirement benefits	337	416
Research expenses	181	180
Transfer to allowance for directors’ and corporate auditors’ retirement benefits	227	135

Lease Transactions

1. Finance leases that do not transfer ownership of leased property to the lessee

① Acquisition cost, accumulated depreciation and balance equivalents of leased assets as of the term-end.

(¥ millions)

		Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Acquisition cost equivalents	Machinery and transportation equipment	459	459
	Tools and equipment	72	94
	Total	531	553
Accumulated depreciation equivalents	Machinery and transportation equipment	357	306
	Tools and equipment	40	85
	Total	397	392
Year-end balance equivalents	Machinery and transportation equipment	102	153
	Tools and equipment	31	8
	Total	134	161

Note: Acquisition cost equivalents constituted an immaterial portion of year-end balances of property, plant and equipment. Consequently, acquisition cost equivalents are accounted for by the paid interest method.

②Year-end balance of outstanding lease commitments (¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Within one year	59	59
More than one year	75	102
Total	134	161

Note: Outstanding lease commitments constituted an immaterial portion of year-end balances of property, plant and equipment. Consequently, outstanding lease commitments are accounted for by the paid interest method.

③ Lease charge payable and depreciation equivalents (¥ millions)

	Fiscal 2007 April 1, 2006 to March 31, 2007	Fiscal 2006 April 1, 2005 to March 31, 2006
Lease charge payable	66	75
Depreciation equivalents	66	75

④ Accounting method for depreciation equivalents

Depreciation equivalents are accounted for by the straight-line method, assuming the lease period to be the useful lives and the residual value to be zero.

Marketable Securities （Fiscal 2007 as of March 31, 2007）

Shares held by subsidiaries and affiliated companies with market quotations

(¥ millions)

	Book Value	Market Value	Gain
① Subsidiaries	7,370	8,941	1,571
② Affiliated companies	1,332	2,564	1,232
Total	8,702	11,506	2,803

Fiscal 2006 as of March 31, 2006
Shares held by subsidiaries and affiliated companies with market quotations

(¥ millions)

	Book Value	Market Value	Gain
① Subsidiaries	7,370	12,247	4,877
② Affiliated companies	1,332	2,564	1,232
Total	8,702	14,811	6,109

Deferred Tax Accounting

Significant components of deferred tax assets and liabilities (¥ millions)

	Fiscal 2007 As of March 31, 2007
Deferred tax assets	
Surplus in bonus reserve	1,424
Surplus in employees’ retirement benefit reserve	4,956
Allowance for director’s and corporate auditor’s retirement benefits	482
Excess accelerated depreciation	2,114
Allowance for losses on overseas investments	556
Loss on revaluation of investment securities	551
Loss on revaluation of land	478
Reserve for liability claims	735
Reserve for product warranties	528
Other	129
Total deferred tax assets	11,957
Deferred tax liabilities	
Reserve for reduction of asset costs	△ 541
Securities valuation adjustment	△ 10,917
Total deferred tax liabilities	△ 11,459
Net deferred tax assets (liabilities)	497

Changes in Directors Scheduled for June 28, 2007

1. Changes in representative directors

Name: Takashi Ohtake	Position nominated: Chairman & CEO	(Current position: President & CEO)
Name: Masahiro Ohtake	Position nominated: President	(Current position: Executive Vice President)
Name: Shuichi Goto	Position nominated: Executive Vice President	(Current position: Executive Senior Managing) (Director)

Junsuke Kato, whose current position is Chairman, will become a director, senior executive advisor to the Board

2. Other changes of directors

(1) Nominees for promotion to director

Name: Ikusaburo Kashima	Position nominated: Director (Part-time)	(Current position: Executive Managing Director, Matsushita Electric Industrial Co., Ltd.)
Name: Osami Takikawa	Position nominated: Director	(Current position: General Manager of Sagara Plant and Administration Division)
Name: Takao Yamanashi	Position nominated: Director	(Current position: President, Koito Czech s.r.o.)
Name: Masami Uchiyama	Position nominated: Director	(Current position: General Manager of Human Resources Division)
Name: Atsushi Inoue	Position nominated: Director	(Current position: General Manager of Business Planning Division and Deputy General Manager of General Affairs Division)

(2) Directors scheduled to retire

Name: Akira Koito	Current position: Executive Vice President (Scheduled to become an advisor, and Chairman of KOITO INDUSTRIES, LIMITED)
Name: Shigeki Okuma	Current position: Executive Managing Director (Scheduled to become an advisor, and Vice President of KOITO KYUSHU LIMITED)
Name: Mikio Ito	Current position: Director (Part-time)
Name: Mikio Tsuruta	Current position: Director (Scheduled to become an advisor to General Affairs Division)

(3) Directors scheduled to be promoted

Name: Toshiharu Suzuki	Position nominated: Executive Senior Managing Director	(Current position: Executive Managing Director)
Name: Koichi Sakakibara	Position nominated: Executive Managing Director	(Current position: Director)
Name: Kazuo Ueki	Position nominated: Executive Managing Director	(Current position: Director)

Changes in Responsibilities of Directors Scheduled for June 28, 2007

New position	Old position	Continuing positions	Name
Executive Vice President; Managing Director, International Division	(Executive Senior Managing Director; Deputy Managing Director, International Division)	Managing Director, Technology Division; Manager of Overseas Planning Division and Intellectual Assets Division	Shuichi Goto
Manager, Safe and Healthy Environment Division		Executive Senior Managing Director; Managing Director, Production Division; Manager of Shizuoka Plant, Logistics Division and Aircraft & AP Businesses Division	Hiroshi Koishihara
Managing Director, Accounting Division: Manager, Personnel Division	(Deputy Manager, Human Resources Division)	Executive Senior Managing Director; Manager of General Affairs Division, Related Businesses Division and Cost Management Division	Mizuo Yamamuro
Managing Director, Marketing Division; Manager of Marketing Administration Division	(Deputy Managing Director, Production Division; Deputy Manager, Shizuoka Plant; Manager of KPS Improvements Division and No.1 & No.2 Manufacturing Divisions, Shizuoka Plant)	Executive Senior Managing Director; President, KOITO KYUSHU LIMITED	Mitsuo Kikuchi
Executive Senior Managing Director; Manager of Light Source Division and Electronic Technology Division	(Executive Managing Director; Manager of System Product Planning Office; Managing Director, Light Source Division)	Deputy General Manager, Technology Division; Manager of Research Institute and New Business Promotion Division	Toshiharu Suzuki
Manager of Osaka Branch	(Managing Director of Osaka Branch)	Executive Managing Director; Deputy General Manager, Marketing Division; Manager of Toyota Branch and Hiroshima Branch; Deputy Manager of Aircraft & AP Businesses Division	Isao Sano
	(Deputy Manager of New Business Promotion Division)	Executive Managing Director; Deputy Managing Director, Marketing Division; Managing Director, Aircraft & AP Businesses Division; Manager of Tokyo Branch	Yoshihisa Ogawa
Manager of Toyota Design Division and System Product Planning Office	(Manager of Information Systems Division)	Executive Managing Director; Deputy General Manager, Technology Division; Manager of Development Promotion Division	Yuji Yokoya
Manager of Information Systems Division		Executive Managing Director; Manager of Procurement Department and Shizuoka General Affairs Division; Deputy Manager, Cost Management Division	Yohei Kawaguchi
	(Managing Director, Asia Division)	Executive Managing Director; Deputy General Manager, International Division; Manager of International Administration Division and Asia Division; Deputy Manager, Overseas Planning Division	Hiroshi Mihara
Executive Managing Director; Manager of Electronic Manufacturing Division and Quality Assurance Division	(Director; Manager of Sagara Plant)	Deputy Managing Director, Production Division; General Manager, Haibara Plant	Koichi Sakakibara
Executive Managing Director; Deputy General Manager, Shizuoka Plant; Manager of KPS Improvements Division, Assembly Technology Division and Production Technology Division	(Director; Manager of No.3 Manufacturing Division, Shizuoka Plant; Deputy Manager, Safe and Healthy Environment Division; Manager, Production Administration Division)	Deputy Managing Director, Production Division; Deputy Managing Director, International Division; Manager of Kikkawa Manufacturing Division	Kazuo Ueki
Director (Part-time)		Executive Managing Director, Matsushita Electric Industrial Co., Ltd.	Ikusaburo Kashima
		Director; Deputy Managing Director, Marketing Division; Deputy Manager, New Business Promotion Division; Manager, Marketing Administration Division	Kiminori Nagakura
Manager of Shizuoka Design Division; Deputy Manager, Overseas Planning Division	(Manager of Toyota Design Division)	Director; Deputy Managing Director, Technology Division; Manager, Product Development Division	Kenji Arima
	Manager, Toyota Office, International Administration Division	Director; Deputy Managing Director, Marketing Division; Deputy Managing Director, International Division; Manager, Toyota Branch	Michiaki Kato
Deputy Manager, Overseas Planning Division	(Manager of Euro-American Division)	Director; Deputy Managing Director, International Division; Manager, Euro-American Division; Vice President, Koito Europe NV (KENV)	Jun Toyoda

Director; Deputy Managing Director, Production Division; Manager of Fujikawa Industrial Machinery Division		Manager, Sagara Plant	Osami Takikawa
Director; President, Koito Europe NV (KENV)		President, Koito Czech, s.r.o. (KCZ)	Takao Yamanashi
Director; Deputy Manager of Shizuoka General Affairs Division and Safe and Healthy Environment Division		Manager, Human Resources Division	Masami Uchiyama
Director; Manager, General Affairs Division	(Deputy Manager, General Affairs Division)	Manager, Business Planning Division	Atsushi Inoue