《 For Reference Only 》

Consolidated Earnings Report for Fiscal 2002 May 10, 2002

Company Name: KOITO MANUFACTURING CO., LTD.
Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
Code Number: 7276
(URL http://www.koito.co.jp)
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Meeting of the Board of Directors for the Approval of Results: May 10, 2002
U.S. GAAPs Applied: No (Rounded down to million yen)

1. Consolidated Results of Operations for Fiscal 2002 (April 1, 2001 – March 31, 2002)

(1) Consolidated Business Results (¥ millions)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2002	301,141	1.3%	9,779	(11.0)%	10,249	(10.9)%	2,784	(9.4)%
Fiscal 2001	297,280	6.5%	10,991	18.3%	11,497	37.0%	3,072	(10.0)%

	Net income per share	Net income per share (diluted)	Return on equity	Recurring profit to total capital ratio	Recurring profit ratio
Fiscal 2002	¥17.38	—	2.7%	3.4%	3.4%
Fiscal 2001	¥19.11	—	3.1%	4.0%	3.9%

Notes:

① Returns on investments under the equity method: Fiscal 2002: ¥119 million Fiscal 2001: ¥6 million

② Weighted average number of shares outstanding (consolidated) in the FY ended March 2002: 160,207,069
FY ended March 2001: 160,789,163

③ No changes in accounting standards were applicable to the above figures

④ The percentage figures accompanying net sales, operating income, recurring profit and net income represent year-on-year change.

(2) Consolidated Financial Situation

	Total assets (¥ millions)	Shareholders' equity (¥ millions)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
March 31, 2002	295,097	101,738	34.5	637.36
March 31, 2001	306,084	102,532	33.5	637.68

Note: Number of shares outstanding (consolidated): as of March 2002: 159,625,197; as of March 2001: 160,788,941

(3) Consolidated Cash flow Situation (\ millions)

	Operating activities	Investing activities	Financing activities	End of year cash and cash equivalents
Fiscal 2002	13,609	(13,055)	(7,336)	15,449
Fiscal 2001	28,046	(34,575)	7,850	21,956

(4) Extent of Consolidation and Adoption of the Equity Method
Consolidated subsidiaries 21、Non-consolidated subsidiaries accounted for by the equity method 0、
Affiliates accounted for by the equity method 3

(5) Changes in Extent of Consolidation and Affiliates Accounted for Under the Equity Method
Consolidated subsidiaries : New 0、Excluded 0
Affiliates accounted for under equity method : New 1、Excluded 0

2. Consolidated Outlook for Fiscal 2003 (April 1, 2002 - March 31, 2003) (¥ millions)

	Net sales	Recurring profit	Net income
Interim	139,600	2,200	900
Entire year	313,600	11,000	4,200

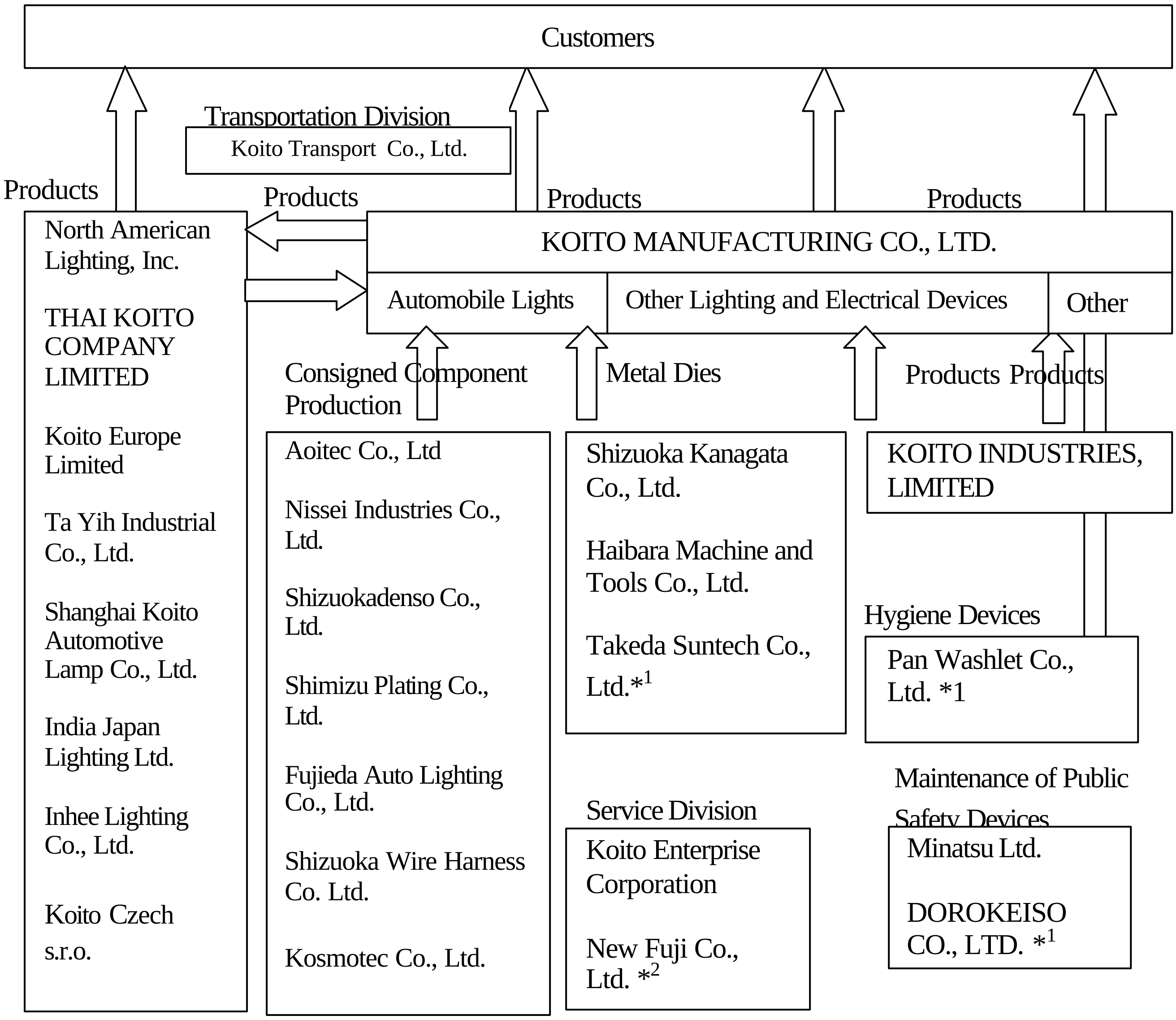
Reference – Predicted net income per share for the entire year: ¥26.31

The assumptions on which management's forecasts are based are provided in page 5 of the attached notes to the financial statements.

Structure of the Koito Group

The Koito Group is composed of KOITO MANUFACTURING CO., LTD., its 21 subsidiaries and 4 affiliates. It manufactures and retails automobile lights, components for airplanes, trains and railways, a wide variety of electrical devices and measuring equipment. It is also involved in related financial and distribution operations.

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



Note:
Companies not marked are consolidated subsidiaries
*1 Affiliate accounted for by the equity method
*2 Affiliate not accounted for by the equity method

Management Policies

(1) Basic Management Policies

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 among shareholders, customers, employees and business partners.

Koito Group is also well aware of the importance of environmental issues. Accordingly, the Koito Group's environmental policy sets an ambitious program of environmental stewardship for all business activities under the banner of "manufacturing products that put people first."

(2) Basic Earnings Distribution Policies

Koito Group views the payment of stable dividends in line with operating results and business conditions as one of its most important management policies. Maintaining a corporate structure capable of responding with agility to future changes in market conditions is vital. Accordingly, Koito intends to build up retained earnings to expand its business, develop new technologies and products, streamline operations and lower costs. The overriding goal is to improve earnings and meet shareholders' expectations.

The Koito Group set an interim dividend of ¥4 per share in December 2001 and plans to pay an additional year-end dividend of ¥4 per share.

(3) Medium- and Long-Term Management Strategies

As a first-rate manufacturer of automotive lighting and electrical equipment, Koito Group is committed to creating value for customers while remaining steadfast to its polestar of "Entrusting safety to light." Koito Group will implement the following strategies targeted at expanding its business.

① As a global supplier capable of meeting the needs of automobile manufacturers seeking to establish overseas production bases and the expansion of procurement to optimal locations worldwide, Koito Group will reinforce the product development and manufacturing functions of its overseas bases while promoting a structure of complementarity within the Group. This will enable the Group to respond effectively to market needs in four regions, namely Japan, the U.S., Asia, and Europe.

② Amid rapid advancement in information technology, Koito Group will formulate timely and appropriate responses to Intelligent Transport System (ITS)-related fields. Koito Group will bring attractive products to market by developing cutting-edge technologies that stay ahead of customer and market needs and commercializing products at the earliest opportunity.

③ Koito Group will reform its corporate structure by optimally allocating and utilizing resources with the aim of establishing a powerful earnings structure.

④ Koito Group will strive to earn the trust of corporate clients by pursuing the highest standards of quality and enforcing 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 preserve the environment.

Results of Operations

(1) Outline of Fiscal 2002

In fiscal 2002, the year ended March 31, 2002, Japan's deflationary economy showed virtually no signs of recovery. Capital expenditures were scaled back due to the downturn in the IT industry and related sectors, and corporate earnings suffered from a decline in production and sales. Making matters worse was the continuing slump in consumer spending, prolonged by a worsening employment picture, evidenced by a high jobless rate.

Asian economies feeling the brunt of a downturn in the U.S. economy were dealt an additional blow with the September 11 terrorist attacks in the U.S., prompting fears of a global recession.

The domestic car industry saw the total number of automobiles manufactured decrease 2.4% year on year to 9.8 million units, reflecting weak domestic sales and a drop in exports, particularly to Europe and Asia.

The total number of automobiles manufactured by the global car industry fell 3.9% in 2001 to 55.8 million units, dragged down partly by the U.S. economic downturn. (Data from the International Organization Of Motor Vehicle Manufacturers-OICA)

Under these conditions, the Koito Group's net sales edged up 1.3% year on year to ¥301.1 billion, lifted by the launch of new products, especially new discharge headlamps in the automotive lighting segment.

Results by business segment are outlined below.

Automotive Lighting Equipment Segment

Sales in this segment increased 2.9% year on year to ¥221.7 billion. Activities focused on boosting product development to win more orders. Koito worked to expand sales of large, multi-functional headlamps, and benefited from stronger domestic demand arising from greater use of discharge headlamps in Japan.

Non-Automotive Electrical Equipment

Sales in this segment decrease 5.8% year on year to ¥57.1 billion. Weak demand for railway car equipment and traffic was outweighed by brisk sales of road traffic signals and other products. In October 2000, the company separated its washlet toilet business, transferring operations to Pan Washlet Co., Ltd.

Other Products Segment

Sales in this segment rose 4.8% year on year to ¥22.2 billion. Solid sales of headlamp cleaners, card readers, railroad car and airplane seats countered lower demand for power-window regulators.

On the earnings front, recurring profit fell 10.9% to ¥10.2 billion due to a number of factors. Amid escalating price competition, the Koito Group advanced bold cost cutting initiatives to streamline operations. However, cost savings were outweighed by an increase in product development costs and start-up costs for the launch of new products, needed to keep pace with active model changes by automobile manufacturers.

Net income decreased 9.4% year on year to ¥2.7 billion. This result partly reflected losses on revaluation of marketable and investment securities brought on by falling stock prices.

(2) Cash Flows
Net cash provided by operating activities was ¥13.6 billion. The major component included income before income taxes of ¥6.2 billion, depreciation of ¥17.4 billion and income taxes payable of ¥7.9 billion.

Net cash used in investing activities was held at ¥13.0 billion. Capital investments of ¥20.3 billion were offset by proceeds from the sale of investment securities and other components.

Net cash used in financing activities was ¥7.3 billion, reflecting the repayment of debt of ¥4.6 billion, the repurchase of treasury stock and the payment of dividends.

As a result, cash and cash equivalents at the end of the year declined ¥6.5 billion from a year earlier to ¥15.4 billion.

(3) Outlook for Fiscal 2003
The U.S. economy is showing signs of recovering from the downturn precipitated by the Sept. 11 terrorist attacks. However, Japan's economy is likely to face mounting difficulties, as corporate earnings and consumer spending, mirroring employment and personal income levels, are projected to remain depressed.

In the automobile industry, domestic sales are expected to be weak in fiscal 2002. Buoyed by attractive financing schemes offered by U.S. car manufacturers, however, there is some hope that the U.S. market may turn around. Furthermore, the outlook for the aircraft industry is cloaked in uncertainty, after demand for air travel sharply declined in the wake of the Sept. 11 terrorist attacks.

Due to these factors, the Koito Group is boosting product development in the Automotive Lighting Segment to win more orders over the medium-and long-term. Koito presently has in place a 4-base global R&D system, following the completion of a new technology center in China, run by Shanghai Koito Automotive Lamp Co., Ltd. The other global R&D bases include North American Lighting, Inc. (NAL)'s Technology Center in the U.S., Koito Europe Technical Center in Belgium and Koito Manufacturing's Technology Center in Japan. On the manufacturing front, production capacity is expected to jump dramatically upon completion in NAL's third manufacturing plant in June 2002 and the construction in of a new plant operated by Koito Czech s.r.o. in fall 2002. We are also redoubling efforts to ensure the long-term growth of the Koito Group. Those efforts include aggressive measures to shorten the product development cycle, advance cost-cutting initiatives to strengthen competitiveness, and to raise operating efficiency. The goals of the Group are to expand global market share and to secure overseas earnings.

Consolidated forecasts for fiscal 2003 are as follows:
Net sales: ¥313.6 billion
Recurring profit: ¥11.0 billion
Net income: ¥4.2 billion

Consolidated Balance Sheets

At March 31 (\ millions)

Item \ Period	Fiscal 2002	Fiscal 2001	YoY change
Assets			
Current assets:			
Cash and time deposits	10,567	12,916	(2,349)
Notes and accounts receivables-trade	77,105	78,961	(1,856)
Marketable securities	21,430	24,392	(2,962)
Inventories	19,943	18,306	1,637
Deferred income taxes	5,501	3,736	1,765
Other current assets	6,131	7,358	(1,227)
Less: Allowance for doubtful receivables	(1,112)	(1,181)	69
Total current assets	139,565	144,490	(4,925)
Fixed assets:			
Property, plant and equipment			
Buildings and structures	31,614	31,055	559
Fixtures and transportation equipment	24,715	22,734	1,981
Machinery, equipment and tools	12,818	11,065	1,753
Land	12,891	13,392	(501)
Construction in progress	2,638	4,060	(1,422)
Property, plant and equipment, net	84,678	82,309	2,369
Intangible fixed assets	511	647	(136)
Investments and other assets:			
Investment securities	59,038	69,924	(10,886)
Long-term loans	1,969	1,871	98
Deferred income taxes	3,727	184	3,543
Other investments	5,755	6,788	(1,033)
Less: Allowance for doubtful receivable	(150)	(132)	(18)
Total investments and other assets	70,341	78,637	(8,296)
Total fixed assets	155,531	161,594	(6,063)
Total assets	295,097	306,084	(10,987)

At March 31 (\ millions)

Item / Period	Fiscal 2002	Fiscal 2001	YoY change
Liabilities			
Current liabilities:			
Notes and account payable-trade	55,576	60,952	(5,376)
Short-term loans	25,613	34,732	(9,119)
Bonds with maturities of one year or less	2,000	–	2,000
Accrued expenses	13,758	13,920	(162)
Income taxes payable	1,436	4,284	(2,848)
Provisions for Employees' Bonuses	4,783	4,790	(7)
Other current liabilities	8,486	9,086	(600)
Total current liabilities	111,654	127,766	(16,112)
Non-current liabilities:			
Bond and convertible bond	3,571	5,565	(1,994)
Long-term debt	28,008	22,359	5,649
Retirement benefit reserve	21,829	19,388	2,441
Officers' retirement benefit reserve	1,265	1,498	(233)
Other non-current liabilities	793	941	(148)
Total non-current liabilities	55,469	49,753	5,716
Total liabilities	167,123	177,520	(10,397)
Minority interests	26,235	26,031	204
Shareholders' equity:			
Common stock	14,270	14,270	—
Additional paid-in capital	17,107	17,107	—
Retained earnings	64,373	62,786	1,587
Securities valuation differences	6,719	9,454	(2,735)
Foreign exchange translation adjustment account	4	(1,088)	1,092
Total	102,475	102,532	(57)
Treasury stock	(736)	(0)	(736)
Subsidiary stake in parent company	—	—	—
Total shareholders' equity	101,738	102,532	(794)
Total liabilities, minority interests and shareholders' equity	295,097	306,084	(10,987)

Consolidated Statements of Income

For the years ended March 31 (\ millions)

Item \ Period	Fiscal 2002	%	Fiscal 2001	%	YoY change	%
Net sales	301,141	100.0	297,280	100.0	3,861	1.3
Cost of sales	259,378	86.1	253,840	85.4	5,538	
Gross profit	41,762	13.9	43,440	14.6	(1,678)	
Selling, general and administrative expenses	31,982	10.7	32,449	10.9	(467)	
Operating income	9,779	3.2	10,991	3.7	(1,212)	(11.0)
Non-operating income	2,754		2,544		210	
Interest income and dividends	(614)		(825)		(△ 211)	
Income from affiliates (under equity method)	(119)		(6)		(113)	
Other non-operating income	(2,021)		(1,713)		(308)	
Non-operating expenses	2,285		2,038		247	
Interest expenses and discounts	(1,075)		(931)		(144)	
Other non-operating expenses	(1,209)		(1,107)		(102)	
Recurring profit	10,249	3.4	11,497	3.9	(1,248)	(10.9)
Extraordinary gains	132		355		(223)	
Extraordinary losses	4,089		5,662		(1,573)	
Income before income taxes	6,292	2.1	6,190	2.1	102	
Income taxes	5,136		3,280		1,856	
Income tax adjustment	(2,619)		(804)		(1,815)	
Total	2,516		2,476		40	
Minority interest in consolidated subsidiaries	(991)		(642)		(349)	
Net income	2,784	0.9	3,072	1.0	(288)	(9.4)

Consolidated Statements of Retained Earnings At March 31

For the years ended March 31 (\ millions)

Item / Period	Fiscal 2002	Fiscal 2001
Consolidated retained earnings at beginning of period	62,786	61,469
Increases in consolidated retained earnings	228	—
Increase due to increase in number of affiliates accounted for by the equity method	6	—
Increase due to changes in equity in consolidated subsidiaries	222	—
Decreases in consolidated retained earnings	1,425	1,755
Dividend	1,281	1,607
Bonuses to directors and corporate auditors	144	147
Net income	2,784	3,072
Ending balance	64,373	62,786

Consolidated Statements of Cash Flows

For the year ended March 31 (¥ millions)

	Fiscal 2002	Fiscal 2001
I. Cash flows from operating activities		
Income before income taxes	6,292	6,190
Depreciation	17,493	17,513
Minority interests in consolidated subsidiaries	(119)	(6)
Provided for allowance for doubtful accounts	(120)	(97)
Provided for accrued severance indemnities	2,236	6,750
Provided for reserve for bonuses	(7)	135
Interest and dividends received	(614)	(825)
Interest payments	1,075	931
Loss on sale and revaluation of marketable securities	960	176
Loss on sale and disposal of property and equipment	429	317
Notes and accounts receivable—trade	1,992	(5,488)
Inventories	(1,538)	273
Other receivables	1,441	3,706
Notes and accounts payable—trade	(5,896)	2,692
Accrued expenses and other liabilities	(1,418)	(671)
Directors' bonuses paid	(164)	(170)
Sub total	22,042	31,426
Interest and dividends received	614	825
Interest payments	(1,075)	(931)
Income taxes	(7,972)	(3,274)
Net cash provided by operating activities	13,609	28,046
II. Cash flows from investing activities		
Payments into time deposits	(470)	(1,108)
Proceeds from time deposits	1,059	1,213
Payments for purchase of marketable and investment securities	(30,729)	(71,277)
Proceeds from sale of marketable and investment securities	35,842	58,059
Payments for purchase of property and equipment	(20,363)	(20,350)
Proceeds from sale of property and equipment	635	1,068
Payments for new loans	(134)	(807)
Proceeds from loan repayments	36	258
Other payments relating to investments	1,069	(1,631)
Net cash used in investing activities	(13,055)	(34,575)
III. Cash flows from financing activities		
(Decrease) increase in short-term loans	(9,575)	5,163
Increase in long-term debt	10,498	14,233
Repayment of long-term debt	(5,535)	(9,427)
Payments for purchase of treasury stock	(734)	(—)
Dividends paid by parent company	(1,281)	(1,607)
Dividends paid to minority shareholders	(709)	(512)
Net cash (used in) provided by investing activities	(7,336)	7,850
IV. Effect of exchange rate changes on cash and cash equivalents	275	350
V. Change in cash and cash equivalents	(6,507)	1,671
VI. Cash and cash equivalents at beginning of year	21,956	20,285
VII. Cash and cash equivalents at end of year	15,449	21,956

Significant Accounting Policies Used in Preparation of Consolidated Financial Statements

1. Scope of Consolidation
Number of consolidated subsidiaries: 21

2. Application of the Equity Method
Number of affiliates accounted for using the equity method: 3 (Pan Washlet Co., Ltd. was established in October 2001)
The influence on consolidated income and retained earnings of affiliate New Fuji Co., Ltd., which is not accounted for using the equity method, is considered immaterial.

3. Fiscal Year of Consolidated Subsidiaries
The fiscal year end of consolidated subsidiaries KOITO INDUSTRIES, LIMITED, Koito Transport Co., Ltd., Minatsu, Ltd. and India Japan Lighting Ltd., 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	Stated at 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	Stated at 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	Stated at cost determined by the moving average method.
(b) Derivatives	Stated at market value
(c) Specified money trusts	Stated at market value

(d) Inventories
Finished products, semi-finished products and work-in-progress are stated at cost, cost being determined by the weighted-average method. 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 in accordance with the accounting principles generally accepted in each country. 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 consolidated 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 is made up by 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 employees' retirement benefits

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.

Certain listed subsidiaries amortize the transitional obligation arising from a change in accounting standards for retirement benefits in equal amounts over a period of five years.

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.

(d) Allowance for directors' retirement benefits

The Company and its domestic consolidated subsidiaries provide an allowance for directors' retirement benefits to adequately cover payments of such benefits during the accounting period under review, as prescribed by company regulations governing such payments.

(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 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. 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, and are treated by certain overseas subsidiaries as ordinary transactions.

(6) Accounting for hedging

Cash flows and 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.

① Hedging methods and hedge targets

The Company employs foreign exchange forward contracts and interest swap transactions as hedging methods. The hedge targets are transactions denominated in foreign currencies subject to exchange rate fluctuations, and loans bearing fixed or variable interest rates that are subject to interest rate fluctuations.

② Hedging policy

Koito Group does not enter into hedge transactions for trading purposes. The Company employs foreign exchange forward contracts and interest rate swap transactions that are fixed to hedge any risk anticipated from underlying transactions.

③ Evaluation of hedging effectiveness

Hedging effectiveness is determined based on a comparison of the exposure of hedge targets and hedging methods to market fluctuations and the effect on cash flows that arise as a consequence.

(7) Accounting Treatment of Consumption Tax

Financial statements are prepared exclusive of consumption tax.

5. Matters Concerning Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries are valued at market.

6. Amortization of Consolidated Adjustment Account

Consolidation adjustment account is amortized in equal installments over a 5-year period. Small amounts are amortized in the financial year in which they have accrued, and charged to income.

7. Matters Concerning Appropriation of Retained Earnings

The statement of consolidated retained earnings is prepared on the basis of appropriation of retained earnings approved by consolidated subsidiaries in the consolidated accounting period.

8. 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.

Notes

(¥ millions)

	Fiscal 2002 As of March 31, 2002	Fiscal 2001 As of March 31, 2001
1. Cumulative depreciation of property, plant and equipment	137,960	134,786
2. Liabilities for guarantees	56	65

3. Accounting treatment for promissory notes maturing on the balance sheet date
As the consolidated companies balance sheet dates fell on a bank holiday, promissory notes due on those dates were treated as having been settled on those dates, with details as follows.

(¥ millions)

	Fiscal 2002 As of March 31, 2002	Fiscal 2001 As of March 31, 2001
Notes receivable – trade	505	298
Notes payable – trade	1,734	423

4. Selling, general and administrative expenses

(¥ millions)

	Fiscal 2002	Fiscal 2001
(1) Selling expenses		
Freight expenses	1,881	1,802
Employee salaries	6,522	6,714
Packaging expenses	1,664	1,746
Transfer to allowance for bonuses	735	723
Transfer to allowance for retirement benefits	542	683
(2) General and administrative expenses		
Employee salaries	5,748	5,641
Fringe benefits expenses	1,078	1,094
Transfer to allowance for bonuses	475	410
Transfer to allowance for retirement benefits	485	583
Transfer to allowance for directors' retirement benefits	288	225

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

(¥ millions)

	Fiscal 2002 As of March 31, 2002	Fiscal 2001 As of March 31, 2001
Cash and deposits	10,567	12,916
Time deposits with maturities exceeding three months	(519)	(1,108)
Marketable securities redeemable within three months	5,401	10,148
Cash and cash equivalents	15,449	21,956

Segment Information

(1) Industry Segment Information

Fiscal year ended March 31, 2002 (¥ millions)

	Lighting Equipment Division	Other Electric Equipment Division	Others	Total	Corporate and elimination of inter-segment items	Consolidated total
I. Sales and operating income						
(1) Sales to outside customers	221,718	57,130	22,291	301,141	−	301,141
(2) Inter-segment sales and transfers	42,845	—	2,785	45,630	(45,630)	−
Total	264,563	57,130	25,077	346,771	(45,630)	301,141
Operating expenses	255,813	54,982	24,666	335,462	(44,101)	291,361
Operating income	8,750	2,148	410	11,309	(1,529)	9,779
II. Assets, depreciation and capital expenditures						
Assets	149,965	60,081	53,996	264,042	31,055	295,097
Depreciation	15,371	1,169	891	17,431	62	17,493
Capital expenditures	19,145	561	1,024	20,730	−	20,730

Fiscal year ended March 31, 2001 (¥ millions)

	Automotive Lighting Equipment Division	Other Electric Equipment Division	Others	Total	Corporate and elimination of inter-segment items	Consolidated total
I. Sales and operating income						
(1) Sales to outside customers	215,381	60,628	21,270	297,280	−	297,280
(2) Inter-segment sales and transfers	46,484	—	2,794	49,278	(49,278)	−
Total	261,865	60,628	24,064	346,558	(49,278)	297,280
Operating expenses	251,580	59,321	23,210	334,111	(47,823)	286,288
Operating income	10,284	1,307	854	12,446	(1,455)	10,991
II. Assets, depreciation and capital expenditures						
Assets	141,490	68,425	58,662	268,577	37,507	306,084
Depreciation	15,298	1,257	899	17,454	59	17,513
Capital expenditures	18,720	458	1,172	20,350	−	20,350

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, all-glass sealed beam lamp units, rear lamps, indicators, high-mount stop lamps and halogen bulbs, large-scale rear reflectors, etc.
   (2) Other Electric Equipment Division
   Road traffic signals, traffic control systems, sanitary equipment and control systems for rail transport
   (3) Others
   Aircraft lights, electronic components, special-feature seats, environmental control systems, air conditioning equipment, various electric applications equipment, various special equipment, transportation, finance and insurance

3. Significant components of corporate and elimination of inter-segment items. (¥ millions)

	Year ended March 31, 2002	Year ended March 31, 2001	Significant Items
Unallocated operating expenses in corporate and elimination of inter-segment items	2,632	2,672	Expenses related to the General Affairs Department of the parent company's head office

4. Assets at March 31, 2002 include ¥31,055 million that was included in corporate and elimination of inter-segment items as corporate assets. These comprise mainly cash equivalents (cash, deposits and marketable securities), long - term investments (investment securities) and assets relating to administrative divisions.

(2) Geographical Segment Information

Fiscal year ended March 31, 2002 (¥ millions)

	Japan	North America	Asia	Europe	Total	Corporate and elimination	Consolidated total
I. Sales and operating income							
Sales							
(1) Sales to outside customers	220,967	40,979	33,927	5,267	301,141	—	301,141
(2) Inter-segment sales	44,851	—	767	11	45,630	(45,630)	—
Total	265,818	40,979	34,695	5,278	346,772	(45,630)	301,141
Operating expenses	255,859	40,531	32,471	6,601	335,462	(44,101)	291,361
Operating income (loss)	9,959	448	2,223	(1,322)	11,309	(1,529)	9,779
II . Assets	199,965	23,766	30,373	9,937	264,042	31,055	295,097

Fiscal year ended March 31, 2001 (¥ millions)

	Japan	North America	Asia	Europe	Total	Corporate and elimination	Consolidated total
I. Sales and operating income							
Sales							
(1) Sales to outside customers	220,425	39,830	32,370	4,652	297,280	—	297,280
(2) Inter-segment sales	48,652	—	626	—	49,278	(49,278)	—
Total	269,077	39,830	32,996	4,652	346,558	(49,278)	297,280
Operating expenses	257,776	39,728	30,890	5,714	334,111	(47,823)	286,288
Operating income (loss)	11,301	102	2,105	(1,062)	12,446	(1,455)	10,991
II. Assets	211,661	22,469	26,878	7,569	268,577	37,507	306,084

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, Korea, Thailand, India
   (3) Europe: United Kingdom, Czech Republic
3. Significant components of corporate and elimination of inter-segment items

(¥ millions)

	Year ended March 31, 2002	Year ended March 31, 2001	Significant Items
Unallocated operating expenses in corporate and elimination of inter-segment items	2,632	2,672	Expenses related to the General Affairs Department of the parent company's head office

(3) Overseas Sales

Fiscal year ended March 31, 2002 (¥ millions)

	North America	Asia	Europe	Total
I. Overseas sales	45,827	34,106	3,366	83,300
II. Consolidated sales				301,141
III. Overseas sales ratio (%)	15.2%	11.3%	1.1%	27.7%

Fiscal year ended March 31, 2001 (¥ millions)

	North America	Asia	Europe	Total
I. Overseas sales	45,714	33,412	1,894	81,020
II. Consolidated sales				297,280
III. Overseas sales ratio (%)	15.4%	11.2%	0.6%	27.3%

Note:

1. Countries and regions are classified according to their proximity.
2. The breakdown of regions in each segment is as follows:
   (1) North America: United States
   (2) Asia: China, Taiwan, Korea, Thailand, India
   (3) Europe: United Kingdom, Czech Republic
3. Overseas 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 equivalents, accumulated depreciation equivalents and balance equivalents of leased assets as of the end of the accounting period of consolidation

(¥ millions)

		Year ended March 31, 2002	Year ended March 31, 2001
Acquisition cost equivalents	Machinery and transportation equipment	1,563	1,365
	Tools and equipment	1,423	1,443
	Total	2,987	2,808
Accumulated depreciation equivalents	Machinery and transportation equipment	712	505
	Tools and equipment	811	791
	Total	1,524	1,297
Term-end balance equivalents	Machinery and transportation equipment	850	859
	Tools and equipment	612	652
	Total	1,462	1,511

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

(2) Balance of outstanding lease commitments

(¥ millions)

	Year ended March 31, 2002	Year ended March 31, 2001
Within one year	392	429
More than one year	1,070	1,081
Total	1,462	1,511

Note: Outstanding lease commitments constituted an immaterial portion of term-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)

	Year ended March 31, 2002	Year ended March 31, 2001
Lease charge payable	549	581
Depreciation equivalents	549	581

(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.

2. Operating lease transactions

(¥ millions)

	Year Ended March 31, 2002	Year Ended March 31, 2001
Outstanding lease commitments		
Within one year	449	799
More than one year	287	612
Total	736	1,412

Transactions with Related Parties

Year Ended March 31, 2002

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

Related party	Name of related company	Address	Paid-in capital or investment	Principal business or occupation	Controlling or controlled voting rights (%) (Note 1)	Relationship	Joint directors	Business relationship	Description of transactions	Volume of transactions	Account Resulting account balances
Corporation · Major shareholder	Toyota Motor Corp	Toyoda City, Aichi prefecture	397,049	Manufacture and marketing of automobiles and automobile parts; marketing of industrial vehicles; manufacturing and marketing of housing.	Controlled (Direct: 20%)	-	Supply of automobile lighting equipment	Supply of automobile lighting equipment;	75,165	Trade payables	10,585
								Purchase of materials	899	Trade receivables	122

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 (%) (Note 1)	Relationship	Joint directors	Business relationship	Description of transactions	Volume of transactions	Account Resulting account balances
Affiliates	Takeda Suntech Co., Ltd.	Shimizu 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	1,378	Trade payables	323
								Supply of materials	66	Trade receivables-Other	0
	DORO KEISO Co., Ltd.	Chofu City, Tokyo	40	Instillation and maintenance of axle weight measuring systems	Indirect control: 34%	-	-	-	-	-	-
	Pan Washlet Co., Ltd.	Kita Kyushu City, Fukuoka Prefecture	400	Manufacture of hygiene equipment	Indirect control 24.5%	-	-	-	-	-	-

Note: Resulting account balances are exclusive of consumption tax

Deferred Tax Accounting

Significant components of deferred tax assets and liabilities

(¥ millions)

	As of March 31, 2002
Deferred tax assets	
Surplus in bonus reserve	1,444
Surplus in employees' retirement benefit reserve	4,585
Officers' retirement benefit reserve	528
Excess accelerated depreciation	4,671
Loss on revaluation of investment securities	493
Other	2,554
Total deferred tax assets	14,275
Deferred tax liabilities	
Reserve for reduction of asset costs	(567)
Securities valuation differences	(4,479)
Total deferred tax liabilities	(5,046)
Net deferred tax assets	9,229

Marketable Securities

Fiscal 2002 (As of March 31,2002)

(1) Securities

Book value on consolidated financial statements. \7,313 million

Unrealized gains/losses included in included/charged to income in the current accounting period of consolidation. \0 million

(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	505	505	0
	(3) Others	1,997	1,998	1
	Subtotal	2,502	2,503	1
Securities with unrealized losses carried on consolidated balances sheets	(1) Japanese government bonds and municipal bonds	—	—	—
	(2) Corporate bonds	1,009	1,004	(5)
	(3) Others	8,874	8,766	(108)
	Subtotal	9,883	9,770	(113)
Total		12,385	12,273	(112)

(3) Other securities with market quotations (¥ millions)

	Type of security	Acquisition cost	Book value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Equity securities	3,860	16,747	12,887
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	—	—	—
	③ Other bonds	1,998	2,008	10
	(3) Other securities	1,800	1,808	8
	Subtotal	7,658	20,563	12,905
Securities with unrealized losses carried on consolidated balances sheets	(1) Equity securities	2,982	2,289	(693)
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	1,201	1,200	(1)
	③ Other bonds	28,683	27,840	(843)
	(3) Other securities	2,702	2,513	(189)
	Subtotal	35,568	33,842	(1,726)
Total		43,226	54,405	11,179

(4) Other securities sold during fiscal 2002 (¥ millions)

Proceeds from sales	Total gain on sale	Total loss on sale
46,815	118	6

(5) Schedule of securities without market quotations (¥ millions)

Type of security	Book value	Remarks
(1) Bonds held to maturity		
Foreign bonds without market quotations	454	
Other	90	
(2) Other securities		
Equity securities without market quotations (Excluding OTC registered securities)	876	
Investments	217	
Total	1,637	

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

Type of security	Less than 1 year	1-5 years	5-10 years	Over 10 years
1. Bonds				
(1) Japanese government bonds and municipal bonds	—	—	—	—
(2) Corporate bonds	1,154	2,014	—	—
(3) Other bonds	13,905	23,155	3,251	—
Other securities	2,305	594	1,918	—
Total	17,364	25,763	5,169	—

Fiscal 2001 (As of March 31,2001)

(1) Securities

Book value on consolidated financial statements. \3,963 million

Unrealized gains/losses included in included/charged to income in the current accounting period of consolidation. \8million

(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	0	1	1
	(2) Corporate bonds	1,348	1,349	1
	(3) Others	1,795	1,797	2
	Subtotal	3,144	3,148	4
Securities with unrealized losses carried on consolidated balances sheets	(1) Japanese government bonds and municipal bonds	—	—	—
	(2) Corporate bonds	507	506	(1)
	(3) Others	1,195	1,195	0
	Subtotal	1,702	1,701	(1)
Total		4,847	4,850	3

(3) Other securities with market quotations

(¥ millions)

	Type of security	Acquisition cost	Book value	Difference
Securities with unrealized gains carried on consolidated balance sheets	(1) Equity securities	5,522	22,323	16,801
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	4,519	4,556	37
	③ Other bonds	21,958	22,039	81
	(3) Other securities	14,703	14,740	37
	Subtotal	46,703	63,660	16,957
Securities with unrealized losses carried on consolidated balances sheets	(1) Equity securities	2,163	1,973	(190)
	(2) Bonds			
	① Japanese government bonds, municipal bonds	—	—	—
	② Corporate bonds	7,506	7,037	(469)
	③ Other bonds	9,000	8,552	(448)
	(3) Other securities	1,030	917	(113)
	Subtotal	19,701	18,481	(1,220)
Total		66,404	82,141	15,737

(4) Other securities sold during the current accounting period of consolidation (4.1.2000 – 3.31.2001)

(¥ millions)

Proceeds from sales	Total gain on sale	Total loss on sale
20,583	50	—

(5) Schedule of securities without market quotations

(¥ millions)

Type of security	Book value	Remarks
(1) Bonds held to maturity		
Foreign bonds without market quotations	0	
(2) Other securities		
Equity securities without market quotations (Excluding OTC registered securities)	3,132	
Investments	233	
Total	3,365	

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

(¥ millions)

Type of security	Less than 1 year	1-5 years	5-10 years	Over 10 years
(1) Bonds				
① Japanese government bonds, municipal bonds	0	—	—	—
② Corporate bonds	5,429	2,787	24	—
③ Other bonds	16,126	18,455	—	—
(2) Other securities				
Investment trusts	—	2,708	1,001	—
Total	21,556	23,951	1,025	—

Derivative Transactions

For fiscal 2002 and fiscal 2001, the Company used derivative instruments, principally comprising foreign exchange forward contracts and currency swap transactions. Information is not disclosed since the company applies hedge accounting.

Retirement Benefits

1. Retirement benefit system

(1) Retirement benefit systems of the Company and its consolidated subsidiaries

The Company and its consolidated subsidiary Koito Industries Co. Ltd. offer defined benefit plans that include an Employees' Welfare Insurance Pension Plan, Qualified Pension Plan and Lump-sum Retirement Benefit Plan. Other domestic consolidated subsidiaries offer a Qualified Retirement Pension Plan and Lump-sum Retirement Benefit Plan. Certain overseas subsidiaries offer Defined Contribution Plans.

2. Matters concerning retirement benefit liabilities (\ millions)

	As of March 31, 2002	As of March 31, 2001
Retirement benefit liabilities	(80,987)	(84,419)
Pension fund assets	53,333	58,744
Unfunded pension liabilities	(27,654)	(25,675)
Unamortized difference at the time of applying new standards	4,715	6,287
Unrecognized liabilities	1,109	—
Net liabilities carried on the balance sheet	(21,829)	(19,388)
Retirement benefit reserve	(21,829)	(19,388)

Notes:

1. Includes the component managed by Employees Welfare Annuity Fund.
2. Certain subsidiaries use the simplified method in calculating the retirement benefit obligation.

3. Matters concerning retirement benefit expenses (\ millions)

	Fiscal 2002	Fiscal 2001
Service cost	2,845	4,317
Interest expense	2,735	2,792
Expected management returns	(1,789)	(2,030)
Amortization of differences arising out of changes in accounting standards	1,571	2,505
Amortization of amounts resulting from actuarial differences	277	(588)
Retirement benefit expenses	5,639	6,996

Notes:

1. Excludes employees' contribution to Employees Welfare Annuity Fund.
2. Retirement benefit expenses of consolidated subsidiaries using the simplified method are recorded in service cost.
3. Difference from estimated pension fund assets in previous period.

4. Basis of calculation of retirement benefit obligations

Method of distribution of estimated retirement benefit costs	Fixed amount
Discount rate	3.5%
Expected rate of return	3.5%
Duration of amortization of past period liabilities	Certain number of years (5-10), not exceeding average residual years to retirement
Duration of amortization of actuarial differences	Certain number of years (5-10), not exceeding average residual years to retirement
Amortization of differences arising at the time of changes in accounting standards	The Company: 1 year. Certain listed subsidiaries: 5 years

《 For Reference Only 》

Non-Consolidated Earnings Report for Fiscal 2002 May 10, 2002

Company Name: KOITO MANUFACTURING CO., LTD.
Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
Code Number: 7276
(URL http://www.koito.co.jp)
Head Office: 4-8-3, Takanawa, Minato-ku, Tokyo 108-8711
Inquiries: Masahiro Ohtake, Executive Senior Managing Director, (03) 3443-7111
Meeting of the Board of Directors for the Approval of Results: May 10, 2002
Interim Dividend System: Yes
Regular General Shareholders' Meeting to be held: June 27, 2002
Trading Unit: 1,000 shares

1. Results of Operations for Fiscal 2002 (April 1, 2001 – March 31, 2002)

(\ millions, rounded down)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2002	156,130	0.5%	4,388	(25.5)%	6,791	(18.5)%	3,560	(16.5)%
Fiscal 2001	155,349	5.0%	5,886	31.5%	8,335	16.5%	4,264	15.6%

	Net income per share	Net income per share (diluted)	Return on equity	Ratio of recurring profit to total capital	Recurring profit ratio
Fiscal 2002	¥22.23	-	4.1%	4.6%	4.3%
Fiscal 2001	¥26.52	-	5.2%	6.0%	5.4%

Notes: (1) Weighted average number of shares outstanding in the FY ended March 2002: 160,207,316
FY ended March 2001: 160,789,436
(2) No changes in accounting methods were applicable to the above figures
(3) The percentage figures accompanying net sales, operating profit, recurring profit and net income represent year-on-year change.

2. Dividends (April 1, 2001 – March 31, 2002)

	Dividend per share			Dividend paid (anuual)	Payout ratio	Dividend ratio to shareholders' equity
		Interim	Year-end			
Fiscal 2002	\8.00	\4.00	\4.00	1,277	35.9%	1.5%
Fiscal 2001	\8.00	\4.00	\4.00	1,286	30.2%	1.6%

3. Financial Situation

	Total assets (¥ millions)	Shareholders' equity (¥ millions)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
March 31, 2002	145,289	86,569	59.6%	542.33
March 31, 2001	148,084	87,648	59.2%	545.11

Notes:
①Number of shares outstanding: as of March 2002: 159,625,197
as of March 2001: 160,789,436
②Treasury stock: as of March 31, 2002: 1,164,239 shares

4. Outlook for Fiscal 2003 (April 1, 2002 – March 31, 2003)

	Net sales (¥ millions)	Recurring profit (¥ millions)	Net income (¥ millions)	Annual dividend per share (\)		
				Interim	Year-end	
Interim	76,500	3,000	1,600	4.00	-	-
Entire year	156,500	7,000	4,000	-	4.00	8.00

Reference – Predicted net income per share for the entire year: ¥ 25.06

The assumptions on which management's forecasts are based are provided in page 5 of the attached notes to the financial statements.

Non-Consolidated Balance Sheets

At March 31 (¥ millions)

Item \ Period	Fiscal 2002	Fiscal 2001	YoY Change
Assets			
Current assets:			
Cash and time deposits	1,807	1,835	(28)
Notes receivable	1,387	1,870	(483)
Accounts receivable–trade	28,025	26,463	1,562
Marketable securities	12,118	5,258	6,860
Finished and semi-finished products	3,669	2,943	726
Work in progress	902	728	174
Raw materials and supplies	1,580	1,641	(61)
Accrued income	1,542	1,473	69
Deferred income taxes	1,769	1,402	367
Other current assets	317	318	(1)
Less: Allowance for doubtful receivables	(139)	(130)	(9)
Total current assets	52,980	43,806	9,174
Fixed assets:			
Property, plant and equipment			
Buildings	13,542	13,493	49
Structures	1,014	1,085	(71)
Machinery	5,234	5,051	183
Vehicles	251	261	(10)
Tools and equipment	6,569	7,221	(652)
Land	6,293	6,294	(1)
Construction in progress	11	319	(308)
Property, plant and equipment, net	32,917	33,728	(811)
Intangible fixed assets	203	358	(155)
Investments and other assets:			
Investment securities	34,035	47,115	(13,080)
Subsidiary stock	20,307	19,896	411
Deferred income taxes	1,673	—	1,673
Other investments	3,306	3,296	10
Less: Allowance for doubtful receivables	(134)	(116)	(18)
Total	59,188	70,191	(11,003)
Total fixed assets	92,308	104,277	(11,969)
Total assets	145,289	148,084	(2,795)

At March 31 (¥ millions)

Item / Period	Fiscal 2002	Fiscal 2001	YoY Change
Liabilities			
Current liabilities:			
Notes and accounts payable–trade	27,182	26,740	442
Payables	1,802	2,358	(556)
Accrued expenses	8,288	8,236	52
Employees' deposits	1,360	1,391	(31)
Provisions for Employees' Bonuses	3,240	3,142	98
Income taxes payable	963	2,418	(1,455)
Other current liabilities	545	647	(102)
Total current liabilities	43,381	44,935	(1,554)
Non-current liabilities:			
Reserve for retirement allowances	14,009	13,034	975
Reserve for directors' retirement allowances	776	907	(131)
Reserve for losses on overseas investments	550	550	—
Deferred income taxes	—	1,005	(1,005)
Others	2	2	—
Total non-current liabilities	15,337	15,500	(163)
Total liabilities	58,719	60,435	(1,716)
Shareholders' equity:			
Common stock	14,270	14,270	—
Legal reserves			
Additional paid-in capital	17,107	17,107	—
Profit reserve	3,567	3,567	—
Total legal reserves	20,675	20,675	—
Retained earnings			
Repurchased assets reduction reserve	851	870	(19)
General reserve	40,300	37,500	2,800
Unappropriated retained earnings	4,390	5,013	(623)
(Net income)	(3,560)	(4,264)	(△704)
Total retained earnings	45,542	43,383	2,159
Securities valuation adjustment.	6,816	9,318	(2,502)
Treasury stock	(736)	—	(736)
Total shareholders' equity	86,569	87,648	(1,079)
Total liabilities and shareholders' equity	145,289	148,084	(2,795)

Consolidated Statements of Income

For the year ended March 31 (¥ millions, rounded down)

Item / Period	Fiscal 2002		Fiscal 2001		YoY Change	
		%		%		%
(Recurring profit)						
(Operating)						
Operating revenues						
Net sales	156,130	100.0	155,349	100.0	781	0.5
Operating expenses						
Cost of sales	134,967	86.4	132,595	85.4	2,372	
Selling, general and administrative expenses	16,775	10.8	16,867	10.8	(92)	
Operating income	4,388	2.8	5,886	3.8	(1,498)	(25.5)
Non-operating income (expenses)						
Non-operating income	2,506		2,508		(2)	
Interest and dividend income	(959)		(1,108)		(△ 149)	
Other	(1,546)		(1,399)		(147)	
Non-operating expenses	102		59		43	
Interest expenses	(6)		(6)		(0)	
Other	(95)		(52)		(43)	
Recurring profit	6,791	4.3	8,335	5.4	(1,544)	(18.5)
Extraordinary gains/losses						
Extraordinary gains	62		236		(174)	
Extraordinary losses	921		1,465		(544)	
Revaluation of investment securities	(775)		(4)		(771)	
Lump-sum amortization of shortfall in retirement benefit obligation	(–)		(933)		(△933)	
Revaluation of golf club membership	(–)		(155)		(△155)	
Reserve for losses on overseas investments	(–)		(100)		(△100)	
Losses on sales and disposal of property, plant and equipment	(146)		(272)		(△126)	
Income before income taxes	5,933	3.8	7,106	4.6	(1,173)	(16.5)
Income taxes-current	3,750		3,797		(47)	
Income taxes-deferred	(1,378)		(955)		(423)	
Total income taxes	2,372		2,842		(470)	
Net income	3,560	2.3	4,264	2.7	(704)	(16.5)
Retained earnings b/fwd.	1,468		1,391		77	
Dividend reserve	638		643		(5)	
Unappropriated retained earnings	4,390		5,013		(623)	

Non-Consolidated Statements of Appropriation

For the years ended March 31 (¥ millions)

Item \ Period	Fiscal 2002	Fiscal 2001
Unappropriated retained earnings	4,390	5,013
Withdrawal from reserve for reduction of asset cost	17	18
Total	4,408	5,031
To be appropriated as follows		
Dividends	638	643
	・ ¥ 4 / common share	・ ¥ 4 / common share
Bonuses to directors and corporate auditors	113	120
(corporate auditors)	(13)	(10)
General reserve	2,200	2,800
Retained earnings carried forward	1,457	1,468

Note:

1. The Company declared a ¥4 interim dividend (Dividend amount: ¥638 million) on December 10, 2001.

Breakdown of Non-Consolidated Net Sales

For the year ended March 31 (¥ millions)

	Fiscal 2002		Fiscal 2001		YoY Change	
	¥ million	%	¥ million	%	¥ million	%
Automobile Lighting Equipment	147,490	94.5	146,958	94.6	532	0.4
Aircraft Lights	3,097	2.0	2,933	1.9	164	5.6
Others	5,542	3.5	5,457	3.5	85	1.6
Total	156,130	100.0	155,349	100.0	781	0.5
(Proportion accounted for by exports)	(11,002)	(7.0)	(12,682)	(8.2)	(△ 1,680)	(△ 13.2)

Matters Concerning Significant Accounting Practices

1. Standards and methods for valuing marketable securities

①Securities held for trading:	Stated at market value (the selling price is mainly determined by the moving average method)
②Securities held to maturity:	Depreciable cost method (straight-line method)
③Securities of subsidiaries and affiliates:	Cost as determined by the moving average method
④Other marketable securities:	
Listed securities	Stated at 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	Stated at cost determined by the moving average method.

2. Standards and methods for valuing derivatives and other instruments

①Derivatives:	Stated at market value
②Money trusts:	Stated at market value

3. Standards and methods for valuing inventories

(1) Finished and semi-finished products and work in progress:	Stated at cost, determined mainly by the weighted-average method
(2) Raw materials and supplies	Sated at cost, determined by the moving-average method

4. Method for depreciating and amortizing important assets

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

(2) Allowances for bonuses

Provisions for employees' bonuses are based on the estimated requirements for the fiscal year.

(3) 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.

(4) Allowance for directors' retirement benefits

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

(5) Reserve for losses on overseas transactions

The allowance for losses on overseas investments is made up by the estimated credit loss for investment losses based on an individual assessment of country risk and the financial soundness of overseas affiliates.

7. Accounting for leases
Finance leases, other than those that transfer ownership to lessees, are treated in the same way as operating leases.

8. Accounting for hedging
Hedge accounting methods
Cash flows and 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.
①Hedging methods and hedge targets
The Company employs foreign exchange forward contracts and interest swap transactions as hedging methods. The hedge targets are transactions denominated in foreign currencies subject to exchange rate fluctuations, and loans bearing fixed or variable interest that are subject to interest rate fluctuations.
②Hedging policy
The Company does not enter into hedge transactions for trading purposes. The Company employs foreign exchange forward contracts and interest rate swap transactions that are fixed to hedge any risk anticipated from underlying transactions.
③Evaluation of hedging effectiveness
Hedging effectiveness is judged based on a comparison of the exposure of hedge targets and hedge methods to market fluctuations and the effect on cash flows that arise as a consequence.
9. Financial statements are prepared exclusive of consumption tax.

Notes

(¥ millions)

	Year ended March 31, 2002	Year ended March 31, 2001
1. Cumulative depreciation of property, plant and equipment	93,382	93,853
2. Guarantees	5,031	11,036

3. Accounting treatment for promissory notes maturing at the end of the full-year accounting period
As the Company's balance date at the end of the full-year fell on a bank holiday, promissory notes due on this date were treated as having been settled on this date, with details as follows

(¥ millions)

	As of March 31, 2002	As of March 31, 2001
Notes receivable – trade	227	207

4. Selling, general and administrative expenses (¥ millions)

	Year Ended March 31, 2002	Year Ended March 31, 2001
(1)Selling expenses		
Freight expenses	3,225	3,213
Employee salaries	2,421	2,439
Packaging expenses	1,345	1,447
Transfer to allowance for bonuses	340	316
Transfer to allowance for retirement benefits	227	480
(2)General and administrative expenses		
Employee salaries	2,743	2,675
Fringe benefits expenses	684	720
Transfer to allowance for bonuses	364	336
Transfer to allowance for retirement benefits	284	524
Research expenses	231	285
Transfer to allowance for directors' retirement benefits	97	104

Lease Transactions

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

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

(¥ millions)

		Year ended March 31, 2002	Year ended March 31, 2001
Acquisition cost equivalents	Machinery and transportation equipment	459	459
	Tools and equipment	226	104
	Total	686	563
Accumulated depreciation equivalents	Machinery and transportation equipment	102	51
	Tools and equipment	107	57
	Total	209	108
Balance equivalents	Machinery and transportation equipment	357	408
	Tools and equipment	119	47
	Total	476	455

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

(2) Balance of outstanding lease commitments (¥ millions)

	Year ended March 31, 2002	Year ended March 31, 2001
Within one year	101	70
More than one year	374	384
Total	476	455

Note: Outstanding lease commitments constituted an immaterial portion of term-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)

	Year ended March 31, 2002	Year ended March 31, 2001
Lease charge payable	101	70
Depreciation equivalents	101	70

(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

As of March 31, 2002

Shares held by subsidiaries and affiliated companies with market quotations (¥ millions)

	Book Value	Market value	Gain (loss)
1. Subsidiaries	7,370	5,864	(1,506)
2. Affiliated companies	1,332	1,274	(58)
Total	8,702	7,138	(1,564)

As of March 31, 2001

Shares held by subsidiaries and affiliated companies with market quotations (¥ millions)

	Book Value	Market value	Gain (loss)
1. Subsidiary companies	7,370	5,988	(1,382)
2. Affiliated companies	1,332	1,690	358
Total	8,702	7,678	(1,024)

Deferred Tax Accounting

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

	Current accounting period of consolidation (as of March 31, 2002)
Deferred tax assets	
Surplus in bonus reserve	896
Surplus in employees' retirement benefit reserve	2,643
Officers' retirement benefit reserve	324
Excess accelerated depreciation	3,827
Reserve for losses on overseas investments	220
Loss on revaluation of investment securities	380
Other	260
Total deferred tax assets	8,553
Deferred tax liabilities	
Reserve for reduction of asset costs	(567)
Securities valuation differences	(4,544)
Total deferred tax liabilities	(5,111)
Net deferred tax assets	3,442