

Press Release

KOITO MANUFACTURING CO., LTD.

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KOITO to Transfer the Shares of a Korean Subsidiary

KOITO MANUFACTURING CO., LTD. (Head Office: Minato-ku, Tokyo; President & CEO: Takashi Ohtake) today announced that it will transfer its shares in Innovative Hightech Lighting Corporation (IHL), a subsidiary in Korea, to Hyundai Mobis Co., Ltd., an automotive parts manufacturer and a member of Hyundai Motor group, as follows:

1. Reasons for the Transfer

(1)

- In July 1997, KOITO established a fifty-fifty joint venture, Inhee Lighting Co., Ltd.(now IHL), with a Korean company, Apollo Industrial Co., Ltd. (now Eco Plastic), to manufacture and sell automotive lighting equipment in Korea (and not overseas), granted IHL license, and has developed its business ever since.
- In March 2004, Hyundai Mobis acquired Apollo Industrial and became a substantial shareholder of Inhee Lighting. Later, as Apollo Industrial changed its name to Eco Plastic, Inhee Lighting changed its name to its current name IHL.
- Recently, with the globalization of Hyundai Motor's operations, Hyundai Mobis has been strongly proposing that IHL expand its operations overseas (North America, China, etc.)

(2) KOITO discussed this issue with Hyundai Mobis and reached the following conclusion:

- (i) For KOITO, the positioning of IHL remains the same as initially defined: a subsidiary exclusively intended for Korean market.
- (ii) KOITO has already built up its production and supply bases in the four poles of the world: Japan, North America, Europe, and Asia. The overseas expansion of IHL will mean overlap or double investment of business resources within the group.
- (iii) The overseas expansion of IHL may trigger unnecessary competition with KOITO's local affiliates, even if they are of the same group.

Accordingly, KOITO decided it could not agree to expanding IHL operations overseas.

On the other hand, there is a risk that, in the future, the difference of the two companies' positions on the overseas expansion of IHL could impede the smooth development and expansion of its operations in Korea. For these reasons, the two companies amicably settled that KOITO would transfer all its shares in IHL to Hyundai Mobis and terminate its technical assistance agreement with IHL.

2. Transferee: Hyundai Mobis Co., Ltd.

3. Shares transferred; Ratio of shareholding after the transfer

- (i) Number of shares transferred: 200,000 shares (50% of the shares outstanding of IHL)
- (ii) Ratio of shareholding after the transfer: KOITO's ratio of shareholding after the transfer will be zero percent.

4. Schedule of the Transfer

The procedures related to this transfer including the execution of transfer agreement will be accomplished in March 2007.

5. Profile of IHL

- (1) Company Name: Innovative Hightech Lighting Corporation
- (2) President: Jong Chan Lee
- (3) Location: 742-28, Munsan-Ri, Oedong-Eup, Kyongju-shi, Kyongbuk, Korea
- (4) Establishment: October 1993
- (5) Participation: July 1997
- (6) Business Lines: Manufacturing and marketing of automotive lighting equipment
- (7) Fiscal Year Ending: December 31
- (8) Capital: 2 billion won (0.24 billion yen, Rate/0.12 yen as of December 31, 2005)
- (9) Ratio of Holdings: KOITO MANUFACTURING 50%, Eco Plastic 50%
- (10) Sales: 198.5 billion won (23.8 billion yen, Rate/0.12 yen as of December 31, 2005)
- (11) Number of Employees: 534 (As of December 31, 2005)

6. Profile of the Transferee

- (1) Company Name: Hyundai Mobis Co., Ltd.
- (2) President: Kyu Hwan Han
- (3) Location: ING Tower, 679-4, Yeoksam-1(il)-dong, Gangnam-gu, Seoul, Korea
- (4) Establishment: July 1977
- (5) Business Lines: Manufacturing and marketing of automotive parts
- (6) Fiscal Year Ending: December 31
- (7) Capital: 432.9 billion won (51.9 billion yen, Rate/0.12 yen as of December 31, 2005)
- (8) Sales: 7,547.7 billion won (905.7 billion yen, Rate/0.12 yen as of December 31, 2005)
- (9) Number of Employees: 4,270 (As of December 31, 2005)