

Company Name: KOITO MANUFACTURING CO., LTD.
 Representative Director: Takashi Ohtake, President & CEO
 (Stock Listings: First Section, Tokyo Stock Exchange; Code Number: 7276)
 Inquiries: Masahiro Ohtake, Executive Senior Managing Director, (03)3443-7111

Outlook of Operating Results for the First Half of Fiscal 2005

1. Outlook of Consolidated Operating Results for the First Half of Fiscal 2005 (April 1, 2004 to September 30, 2004)

(1) Summary of Operating Results (Unit: ¥million)

	First half of fiscal 2004 (April 1, 2003 – September 30, 2003)	First half of fiscal 2005 (April 1, 2004 – September 30, 2004)	Increase		Reference	
				(%)	Initial prediction (April 26)	Updated prediction (July 27)
Net sales	145,633	163,429	17,796	112.2%	153,900	162,500
Operating income	2,821	5,685	2,864	201.5%	4,100	5,600
Recurring profit	3,508	6,388	2,880	182.1%	4,400	6,300
Net income	1,543	3,116	1,573	201.9%	1,900	2,900

(2) Factors for the Increase Compared to the Same Term of Fiscal 2004

* In comparison to the same term of fiscal 2004, ¥17.7 billion (112%) increase in the net sales is expected. A regional breakdown of such increase includes, primarily, Japan ¥5.0 billion (105%) increase, Europe ¥3.5 billion (168%) increase, China ¥1.8 billion (124%) increase and Thailand ¥1.3 billion (138%) increase. Sales in the other Asian countries and the United States also show gains.

* The operating income is expected to rise to as much as ¥5.6 billion, which is double the figure recorded for the same term of fiscal 2004. This ¥2.8 billion increase in the operating income is mainly broken down into ¥1.3 billion (205%) increase in Japan, ¥0.6 billion (374%) increase in North America and ¥0.2 billion (134%) increase in China. The operating income in Europe is slightly less than the prediction; nevertheless, a great improvement from the same term of fiscal 2004 can be expected with an increase of a little more than ¥0.7 billion.

As factors for the ¥2.8 billion increase in the operating income, the growth in sales and the improved productivity are expected to contribute ¥1.8 billion and ¥1.0 billion respectively. More specifically, the growth in sales attributable to a growing volume of vehicle production by manufacturers such as Toyota is the main factor in Japan. As for Koito's overseas bases, the improved productivity brought about by the complete start-up of North American Lighting's 3rd plant is expected to yield ¥0.4 billion increase in North America, and the full operation of Koito Czech s.r.o. as well as the improved productivity of Koito Europe Limited is also expected to generate ¥0.4 billion increase in Europe.

2. Outlook of Non-Consolidated Operating Results for the First Half of Fiscal 2005 (April 1, 2004 to September 30, 2004)

(1) Summary of Operating Results

(Unit: ¥million)

	First half of fiscal 2004 (April 1, 2003 – September 30, 2003)	First half of fiscal 2005 (April 1, 2004 – September 30, 2004)	Increase		Reference	
				(%)	Initial prediction (April 26)	Updated prediction (July 27)
Net sales	79,660	84,994	5,334	106.7%	80,100	83,900
Operating income	1,707	3,150	1,443	184.5%	1,800	2,900
Recurring profit	3,845	5,305	1,460	138.0%	3,800	4,900
Net income	2,267	3,157	890	139.3%	2,300	2,900

3. Others

* A prediction of the consolidated and non-consolidated operating results throughout fiscal 2005 will be provided at the time of reporting the earnings for the first half of fiscal 2005. Taking into consideration the current steady growth both in Japan and overseas, Koito believes that such prediction will exceed the initial prediction by a large margin.

* Factors expected to contribute to better operating results in the near future include the sales growth and profit improvement achieved by commercial production of lamps for IMV vehicles in Thailand, by expansion and improvement of production in Asian countries such as China and by winning of new orders in Europe.