

PRESS RELEASE

KOITO MANUFACTURING CO., LTD.
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Updated Prediction of Operating Results for the First Half of Fiscal 2004

In view of the recent business trends, the business standing of KOITO MANUFACTURING CO., LTD which was predicted and announced on April 24, 2003 is now updated as follows:

Updated Operating Results

1. Updated Prediction of Consolidated Koito Operating Results for the First Half of Fiscal 2004 (April 1, 2003 to September 30, 2003)

(1) Summary of Predicted Operating Results

(Unit: ¥million, %)

	Net sales	Recurring profit	Net income
Previous prediction A (April 24, 2003)	139,100	2,300	1,100
Updated prediction B	145,600	3,600	1,600
Increase (B-A)	6,500	1,300	500
Change (%)	4.7	56.5	45.5

(2) Reasons for Updated Operating Results

The consolidated net sales for the first half of fiscal 2004 are now expected to exceed the initial prediction by ¥6.5 billion, mainly led by the sales of Koito products. Thanks to the contributions from cost reductions and improved productivity for the entire group as well as the profit on sales of readily marketable securities in Koito, the profit is expected to show an advance over the prediction made last April.

2. Comparison of Consolidated Koito Operating Results for the First Half of Fiscal 2004 (April 1, 2003 to September 30, 2003) with the Preceding Term

(1) Comparison with the Preceding Term

(Unit: ¥million, %)

	Net sales	Recurring profit	Net income
Results of preceding term (First half of fiscal 2003)	138,643	2,891	1,052
Updated prediction B	145,600	3,600	1,600
Increase (B-A)	6,957	709	548
Change (%)	5.0	24.5	52.1

(2) Factors for the Advance over the Preceding Term

In comparison to the preceding term, net sales are expected to exceed those of the preceding term by ¥6.9 billion. Similar to the reasons for updated operating results, the profit is expected to grow from the preceding term thanks to cost reductions and improved productivity for the entire group as well as the profit on sales of readily marketable securities in Koito and the reduction in foreign exchange loss for the preceding term.

3. Updated Prediction of Non-consolidated Koito Operating Results for the First Half of Fiscal 2004 (April 1, 2003 to September 30, 2003)

(1) Summary of Predicted Operating Results

(Unit: ¥million, %)

	Net sales	Recurring profit	Net income
Previous prediction A (April 24, 2003)	75,600	3,100	1,800
Updated prediction B	79,500	3,700	2,200
Increase (B-A)	3,900	600	400
Change (%)	5.2	19.4	22.2

(2) Reasons for Updated Operating Results

The non-consolidated net sales for the first half of fiscal 2004 are now expected to exceed the initial prediction by ¥3.9 billion, mainly due to the sales of workhorse automotive lighting products. As to profit, both recurring profit and net income are expected to show an advance over the initial prediction, thanks to the effect of cost reduction measures and the contribution of profit on the sale of readily marketable securities in addition to increased net sales.

4. Comparison of Non-consolidated Koito Operating Results for the First Half of Fiscal 2004 (April 1, 2003 to September 30, 2003) with the Preceding Term

(1) Comparison with the Preceding Term

(Unit: ¥million, %)

	Net sales	Recurring profit	Net income
Results of preceding term (First half of fiscal 2003)	75,772	2,975	1,817
Updated prediction B	79,500	3,700	2,200
Increase (B-A)	3,728	725	383
Change (%)	4.9	24.4	21.1

(2) Factors for the Advance over the Preceding Term

In comparison to the preceding term, both recurring profit and net income for the current term are expected to be higher thanks to the increase in profit by the sale of readily marketable securities during the first half of this term in addition to increased net sales mainly in automotive lighting products and various cost reduction measures (reductions in material costs, expenditure, depreciation by suppression of capital investment), similar to the reasons for updated operating results.

5. Updated Prediction of Koito Operating Results for Fiscal 2004 (April 1, 2003 to March 31, 2004)

A prediction of the consolidated and non-consolidated operating results throughout fiscal 2004 will be provided at the time of reporting the earnings for the first half of fiscal 2004.

(Note) The above prediction was made based on information available as of the date of issuing this press release. The actual operating results may differ from the predicted values due to various reasons in the future.