

Consolidated Earnings Report for the Third Quarter of Fiscal 2009

January 28, 2009

| | |
|--|---|
| Company Name: | KOITO MANUFACTURING CO., LTD. |
| Stock Listing: | First Section, Tokyo Stock Exchange |
| Code Number: | 7276 |
| URL: | http://www.koito.co.jp |
| Representative Director: | Masahiro Ohtake, President |
| Inquiries: | Mizuo Yamamuro, Executive Senior Managing Director |
| Tel: | + 81-3-3443-7111 |
| Filing of Quarterly Securities Report: | January 29, 2009 |

(¥ millions are rounded down)

1. Consolidated Results for the Third Quarter of Fiscal 2009 (April 1, 2008 to December 31, 2008)

(1) Consolidated Operating Results (¥ millions; the percentage figures represent year-on-year changes)

| Third Quarter, | Net sales | | Operating income | | Recurring profit | | Net income | |
|----------------|-----------|-------|------------------|--------|------------------|--------|------------|-------|
| Fiscal 2009 | 315,434 | — | 9,045 | — | 8,338 | — | 3,315 | — |
| Fiscal 2008 | 338,039 | 5.4 % | 17,516 | 38.5 % | 18,422 | 23.2 % | 9,769 | 22.5% |

| Third Quarter, | Net income per share (¥) | Net income per share (diluted) (¥) |
|----------------|-----------------------------|---------------------------------------|
| Fiscal 2009 | 20.63 | — |
| Fiscal 2008 | 60.79 | — |

(2) Consolidated Financial Position

(¥ millions)

| | Total assets | Net assets | Equity ratio (%) | Net assets per share (¥) |
|------------------------------|--------------|------------|---------------------|-----------------------------|
| Third Quarter of Fiscal 2009 | 354,592 | 171,086 | 39.6 | 874.85 |
| Fiscal 2008 | 388,585 | 184,348 | 39.0 | 944.01 |

Reference: Equity: December 31, 2008: ¥140,595 million; March 31, 2008: ¥151,713 million

2. Dividends

| (Recording Date) | Dividend per share (¥) | | | | |
|------------------------|------------------------|----------------|---------------|----------|-----------|
| | First Quarter | Second Quarter | Third Quarter | Year-end | Full year |
| Fiscal 2008 | — | 11.00 | — | 12.00 | 23.00 |
| Fiscal 2009 | — | 12.00 | | | |
| Fiscal 2009 (forecast) | | | | 12.00 | 24.00 |

Note: Revisions to dividend forecasts during third quarter: None

3. Forecast of Consolidated Results for Fiscal 2009 (April 1, 2008 to March 31, 2009)

(¥ millions; the percentage figures represent changes over the corresponding period of the previous fiscal year)

| | Net sales | Operating income | Recurring profit | Net income | Net income per share (¥) |
|-----------|---------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| Full year | 414,200 \triangle 12.0% | 9,500 \triangle 67.2% | 9,200 \triangle 69.7% | 3,400 \triangle 78.2% | 21.16 |

Note: Revisions to forecast of consolidated results during third quarter: None

4. Others

- (1) Changes to important subsidiaries during the third quarter (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None
- (2) Application of simplified accounting methods, and of special accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements (Described in Significant Changes to Accounting Policies Used in Preparation of Quarterly Consolidated Financial Statements):
- ① Changes in accounting standards: Yes
 - ② Other changes: None

Note: For details, please refer to “4. Others”, under “Qualitative Information Concerning Financial Statements and Other Matters”

(4) Number of shares issued (common stock)

- ① Number of shares issued (including treasury stock):
December 31, 2008 160,789,436, March 31, 2008 160,789,436
- ② Number of treasury shares:
December 31, 2008 81,648, March 31, 2008 77,449
- ③ Average number of shares during the third quarter:
Fiscal 2009 third quarter 160,710,377, Fiscal 2008 third quarter 160,715,141

*Explanations concerning proper use of forecast of operating results and other noteworthy matters

1. The above forecasts are based on information available at the time of release of this report. Actual results could differ from forecasts due to a variety of factors.
2. Effective from fiscal 2009, Koito has applied the “Accounting Standard for Quarterly Financial Statements” (ASBJ Standard No. 12) and the “Implementation Guidance for Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). Quarterly consolidated financial statements are also prepared in accordance with specific rules governing the presentation of quarterly financial statements in Japan.

《 For Reference Only 》

Forecast of Non-consolidated Results for Fiscal 2009 (April 1, 2008 to March 31, 2009)

(¥ millions; the percentage figures represent changes over the corresponding period of the previous fiscal year)

| | Net sales | | Operating income | | Recurring profit | | Net income | | Net income per share (¥) |
|-----------|-----------|-------|------------------|--------|------------------|--------|------------|--------|--------------------------|
| Full year | 227,100 | △8.4% | 6,300 | △58.1% | 13,300 | △37.4% | 7,800 | △39.4% | 48.53 |

Note: Revisions to forecast of non-consolidated results during third quarter: None

*Explanations concerning proper use of forecast of operating results and other noteworthy matters

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

Qualitative Information Concerning Financial Statements and Other Matters

1. Qualitative Information Concerning Consolidated Operating Results

During the third quarter of fiscal 2009, the nine months ended December 31, 2008, the period under review, the mounting weakness in the global economy intensified. Worldwide financial instability, largely triggered by the business failure of a major U.S. securities firm, coupled with plummeting share prices, foreign exchange rate volatility, high commodity prices and a number of other factors, caused the economies of advanced industrial nations like Japan, the U.S. and Europe to fall into recession. This trend, in turn, led to sluggish economic growth in China and other newly developing countries.

In the auto industry, domestic production saw lower demand, reflecting the impact of economic recession in Japan and overseas. In this context, exports – which typically lead this sector – also declined, resulting in a year-on-year drop in production volume. The situation was similar overseas, as a shift to lower production gained momentum in every region, including across Asia, from the summer onward. Production took a particularly large tumble in North America and Western Europe, resulting in an overall decline in automobile production volume worldwide.

In this climate, the Koito Group for the third quarter, the nine-month period under review, reported consolidated net sales of ¥315.4 billion, down 6.7% year on year. Although performance in non-automotive operations was relatively steady, sales from the mainstay automotive lighting equipment segment declined sharply due to decreased automobile production.

Results by business segment are outlined as follows:

[Automotive Lighting Equipment]

Segment sales declined 11.6% to ¥256.4 billion, as order volume across the Group dropped dramatically due to sharp and sudden cutbacks in automobile production, most notably in Japan, North America and Europe from the second quarter.

[Non-Automotive Electrical Equipment]

Segment sales increased 10.6% to ¥25.4 billion, reflecting growing sales of railroad car equipment, including bullet train equipment, which offset lower sales of information systems equipment and lighting equipment.

[Other Products & Services]

Segment sales were ¥33.5 billion, up 34.9% from the previous fiscal year due mainly to growth in orders for bullet train and aircraft seats, as well as automotive headlamp cleaners.

On the earnings front, Koito reported operating income of ¥9.0 billion, down 48.4% year on year. This downturn reflected an adverse business environment characterized by lower automobile production in Japan and elsewhere, coupled with more intense price competition. Lower earnings also came despite efforts of Koito in conjunction with Group companies to enact quality improvement programs, curtail capital investments, and streamline operations, including through robust promotion of measures to cut unit costs. Similarly, Koito reported recurring profit of ¥8.3 billion, down 54.7% year on year, and net income for the period of ¥3.3 billion, down 66.1% from a year earlier.

The percent change relative to the same period in the previous year is listed for reference.

2. Qualitative Information Concerning Consolidated Financial Position

– 1. Analysis of assets, liabilities and net assets

Total assets decreased ¥33.9 billion from March 31, 2008 to ¥354.5 billion, the result mainly of a decrease in property, plant and equipment accompanying lower capital investments, and a decrease in fixed assets, mainly from a decline in investment securities stemming from lower valuation. These declines all came amid a drop in trade notes and accounts receivable and other current assets due to sharply lower sales triggered by declining automobile production.

Total liabilities decreased ¥20.7 billion from March 31, 2008 to ¥183.5 billion, reflecting a decrease in notes and accounts payable.

Total net assets decreased ¥13.2 billion from March 31, 2008 to ¥171.0 billion. This was mainly attributable to a decrease in retained earnings due to net income of ¥3.3 billion for the period, the payment of dividends, and a decline in revaluations and translation adjustments.

—2. Analysis of cash flows

Operating activities provided net cash of ¥28.2 billion. Cash of ¥37.6 billion, mainly reflecting income before income taxes of ¥7.0 billion and depreciation of ¥19.6 billion, was partly offset by income taxes paid.

Investing activities used net cash of ¥25.5 billion, mainly reflecting capital investments of ¥22.3 billion, and ¥3.6 billion in proceeds from the sale of marketable and investment securities.

Financing activities used net cash of ¥2.4 billion, the result mainly of a ¥5.3 billion total dividend payment.

As a result, cash and cash equivalents as of December 31, 2008 were ¥16.6 billion, virtually unchanged from the figure as of March 31, 2008.

3. Qualitative Information Concerning Forecast of Consolidated Results for Fiscal 2009

In fiscal 2009, ending March 31, 2009, economic conditions in and outside of Japan will reflect the impact of a serious worldwide recession triggered by the global financial crisis, significantly lower share prices, and exchange rate fluctuations (particularly a weaker U.S. dollar). Consequently, the Koito Group faces an extremely adverse business environment unprecedented in scope for the year.

In these conditions, the Koito Group will enhance efforts to expand orders, boost production capacity, and improve its mutual complementary supply network and structure. The Company will also pursue further downsizing to properly align the scale of operations with that of production, and assertively develop measures designed to reduce unit costs, as it strives to improve operating performance going forward.

For fiscal 2009, the Koito Group is projecting a substantial drop in net sales year on year, with the impact of lower domestic and overseas automobile production expected to overshadow a projected increase in orders for products used in new models of automobiles, and efforts to boost sales of new products.

As regards earnings, operating income, recurring profit and net income are each projected to decline year on year. In addition to earnings erosion caused by sharply lower sales resulting from declines in automobile production, this downturn will likely reflect an increase in fixed costs from bringing online the second plant at KOITO KYUSHU LIMITED.

At the end of the interim period, Koito decided a dividend to shareholders of ¥12 per share, up ¥1 from the previous year. For the year-end dividend, the Company will propose the payment of a dividend in the same amount of ¥12. Despite the severe operating outlook projected, Koito intends to pay this amount in line with its dividend policy, which includes a commitment to the payment of a stable dividend for the year.

As a result, Koito plans to pay a full-year dividend (including the interim dividend) of ¥24 per share. This payment is an increase of ¥1 from the previous year, and represents the seventh consecutive year in which the Company has increased its annual dividend. Going forward, Koito stands committed to efforts to further raise earnings in order to meet the expectations of its shareholders.

4. Others

(1) Changes to important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation):

None

(2) Application of simplified accounting methods, and of special accounting methods in the preparation of quarterly consolidated financial statements:

None

(3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements:

Effective from fiscal 2009, Koito has applied the “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and the “Implementation Guidance for Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). Quarterly consolidated financial statements are also prepared in accordance with specific rules governing the presentation of quarterly financial statements in Japan.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(¥ millions)

| | Third Quarter of Fiscal 2009 As of December 31, 2008 | Fiscal 2008 As of March 31, 2008 |
|--|---|-------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and time deposits | 15,023 | 11,609 |
| Trade notes and accounts receivable | 67,348 | 95,951 |
| Marketable securities | 8,269 | 13,107 |
| Finished products | 13,806 | 15,385 |
| Semi-finished products | 2,953 | 2,094 |
| Work in progress | 9,291 | 10,593 |
| Raw materials | 9,753 | 7,205 |
| Supplies | 4,831 | 4,532 |
| Deferred income tax assets | 6,691 | 6,365 |
| Other current assets | 13,542 | 12,587 |
| Less: Allowance for doubtful accounts | △1,404 | △936 |
| Total current assets | 150,107 | 178,494 |
| Fixed assets: | | |
| Property, plant and equipment | | |
| Buildings and structures (net) | 34,939 | 34,096 |
| Machinery and transportation equipment (net) | 35,532 | 36,598 |
| Fixtures, equipment and tools (net) | 11,917 | 13,180 |
| Land | 12,857 | 12,591 |
| Construction in progress | 2,575 | 5,211 |
| Total property, plant and equipment | 97,822 | 101,677 |
| Intangible fixed assets | 954 | 972 |
| Investments and other assets: | | |
| Investment securities | 91,729 | 98,921 |
| Loans | 679 | 598 |
| Deferred income tax assets | 10,883 | 3,502 |
| Other investments | 2,645 | 4,644 |
| Less: Allowance for doubtful accounts | △230 | △227 |
| Total investments and other assets | 105,707 | 107,440 |
| Total fixed assets | 204,484 | 210,090 |
| Total assets | 354,592 | 388,585 |

(¥ millions)

| | Third Quarter of Fiscal 2009 As of December 31, 2008 | Fiscal 2008 As of March 31, 2008 |
|--|---|-------------------------------------|
| Liabilities | | |
| Current liabilities: | | |
| Notes and accounts payable | 62,227 | 78,378 |
| Short-term loans | 35,560 | 33,846 |
| Accrued expenses | 17,738 | 17,948 |
| Income taxes payable | 464 | 5,101 |
| Allowance for employees' bonuses | 4,922 | 4,865 |
| Allowance for directors' and corporate auditors' bonuses | 292 | 397 |
| Reserve for product warranties | 1,400 | 1,400 |
| Other current liabilities | 10,738 | 9,745 |
| Total current liabilities | 133,342 | 151,681 |
| Non-current liabilities: | | |
| Long-term debt | 20,767 | 23,513 |
| Allowance for employees' retirement benefits | 26,789 | 26,549 |
| Allowance for directors' and corporate auditors' retirement benefits | 1,697 | 1,543 |
| Other non-current liabilities | 909 | 948 |
| Total non-current liabilities | 50,163 | 52,554 |
| Total liabilities | 183,505 | 204,236 |
| Net assets | | |
| Shareholders' equity: | | |
| Common stock | 14,270 | 14,270 |
| Additional paid-in capital | 17,107 | 17,107 |
| Retained earnings | 108,525 | 110,980 |
| Treasury common stock, at cost | △65 | △61 |
| Total shareholders' equity | 139,838 | 142,297 |
| Revaluations and translation adjustments: | | |
| Valuation adjustment on investment securities | 3,459 | 10,292 |
| Translation adjustments | △2,702 | △876 |
| Total revaluations and translation adjustments | 757 | 9,415 |
| Minority interests | 30,491 | 32,635 |
| Total net assets | 171,086 | 184,348 |
| Total liabilities and net assets | 354,592 | 388,585 |

(2) Consolidated Statement of Income for Third Quarter of Fiscal 2009
(Third quarter, for the nine months ended December 31, 2008)

(¥ millions)

| | Third Quarter of Fiscal 2009 April 1, 2008 to December 31, 2008 |
|--|--|
| Net sales | 315,434 |
| Cost of sales | 278,754 |
| Gross profit | 36,679 |
| Selling, general and administrative expenses | 27,634 |
| Operating income | 9,045 |
| Non-operating income: | |
| Interest income and dividends | 2,000 |
| Equity in earnings of affiliates | 5 |
| Other non-operating income | 1,822 |
| Total non-operating income | 3,829 |
| Non-operating expenses: | |
| Interest expenses | 974 |
| Foreign exchange loss | 3,336 |
| Other non-operating expenses | 225 |
| Total non-operating expenses | 4,536 |
| Recurring profit | 8,338 |
| Extraordinary gains: | |
| Gain on sale of investment securities | 98 |
| Others | 31 |
| Total extraordinary gains | 129 |
| Extraordinary losses: | |
| Loss on sale and disposal of property, plant and equipment | 338 |
| Loss on sale of marketable securities | 457 |
| Provision of allowance for doubtful accounts | 600 |
| Other | 5 |
| Total extraordinary losses | 1,401 |
| Income before income taxes | 7,066 |
| Income taxes | 5,828 |
| Income tax adjustment | △3,086 |
| Total income taxes | 2,741 |
| Minority interest in consolidated subsidiaries | 1,009 |
| Net income | 3,315 |

Consolidated Statement of Cash Flows

(¥ millions)

Third Quarter of Fiscal 2009
April 1, 2008 to December 31, 2008

| | |
|---|----------------|
| Cash flows from operating activities | |
| Income before income taxes | 7,066 |
| Depreciation | 19,674 |
| Equity in earnings of affiliated companies | △5 |
| Provision for allowance for doubtful accounts | 540 |
| Provision for accrued retirement benefits | 422 |
| Provision for reserve for bonuses | 351 |
| Interest and dividends received | △2,000 |
| Interest payments | 974 |
| Loss on sale of marketable and investment securities | 458 |
| Loss on revaluation of marketable and investment securities | △19 |
| Loss on sale of property and equipment | 338 |
| Changes in trade notes and accounts receivable | 26,453 |
| Changes in inventories | △3,230 |
| Changes in other current assets | △2,526 |
| Changes in trade notes and accounts payable | △12,780 |
| Changes in accrued expenses and other current liabilities | 579 |
| Directors' and corporate auditors' bonuses paid | △397 |
| Others | 1,731 |
| Sub total | 37,628 |
| Interest and dividends received | 2,000 |
| Interest paid | △974 |
| Income taxes paid | △10,408 |
| Net cash provided by operating activities | 28,246 |
| Cash flows from investing activities | |
| Payments into time deposits | △1,021 |
| Proceeds from time deposits | 172 |
| Payments for purchase of marketable and investment securities | △16,724 |
| Proceeds from sale of marketable and investment securities | 13,060 |
| Payments for purchase of property and equipment | △22,363 |
| Proceeds from sale of property and equipment | 197 |
| Payments for new loans | △509 |
| Proceeds from loan repayments | 397 |
| Others | 1,275 |
| Net cash used in investing activities | △25,516 |
| Cash flows from financing activities | |
| Increase in short-term loans | 4 |
| Increase in long-term debt | 6,799 |
| Repayment of long-term debt | △3,911 |
| Payments for repurchase of treasury stock | △4 |
| Dividends paid by parent company | △3,658 |
| Dividends paid to minority shareholders | △1,668 |
| Net cash provided by or used in financing activities | △2,438 |
| Effect of exchange rate changes on cash and cash equivalents | △329 |
| Change in cash and cash equivalents | △37 |
| Cash and cash equivalents at beginning of quarter | 16,709 |
| Cash and cash equivalents at end of quarter | 16,671 |

Effective from fiscal 2009, Koito has applied the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Implementation Guidance for Accounting Standards for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Quarterly consolidated financial statements are also prepared in accordance with specific rules governing the presentation of quarterly financial statements in Japan.

(4) Going Concern Assumption

None

(5) Segment Information

a. Industry Segment Information

Third quarter of Fiscal 2009 (April 1, 2008 to December 31, 2008)

(¥ millions)

| | Automotive Lighting Equipment | Non-Automotive Electrical Equipment | Other Products & Services | Total | Corporate and elimination | Consolidated total |
|---------------------------------------|-------------------------------|-------------------------------------|---------------------------|---------|---------------------------|--------------------|
| Sales | | | | | | |
| (1) Sales to outside customers | 256,465 | 25,440 | 33,528 | 315,434 | — | 315,434 |
| (2) Inter-segment sales and transfers | 80,239 | 1,012 | 12,517 | 93,769 | (93,769) | — |
| Total | 336,704 | 26,453 | 46,045 | 409,203 | (93,769) | 315,434 |
| Operating expenses | 328,323 | 25,941 | 43,962 | 398,228 | (91,839) | 306,388 |
| Operating income or loss | 8,380 | 511 | 2,083 | 10,975 | (1,930) | 9,045 |

b. Geographical Segment Information

Third quarter of Fiscal 2009 (April 1, 2008 to December 31, 2008)

(¥ millions)

| | Japan | North America | Asia | Europe | Total | Corporate and elimination | Consolidated total |
|---------------------------------------|---------|---------------|--------|--------|---------|---------------------------|--------------------|
| Sales | | | | | | | |
| (1) Sales to outside customers | 204,115 | 35,439 | 61,580 | 14,298 | 315,434 | — | 315,434 |
| (2) Inter-segment sales and transfers | 73,152 | 55 | 7,282 | 13,279 | 93,769 | (93,769) | — |
| Total | 277,267 | 35,495 | 68,862 | 27,577 | 409,203 | (93,769) | 315,434 |
| Operating expenses | 267,759 | 36,162 | 63,866 | 30,439 | 398,228 | (91,839) | 306,388 |
| Operating income or loss | 9,508 | △667 | 4,996 | △2,861 | 10,975 | (1,930) | 9,045 |

c. Overseas Sales

Third quarter of Fiscal 2009 (April 1, 2008 to December 31, 2008)

(¥ millions)

| | North America | Asia | Europe | Total |
|-------------------------------|---------------|--------|--------|---------|
| I. Overseas sales | 41,016 | 60,105 | 15,094 | 116,215 |
| II. Consolidated sales | — | — | — | 315,434 |
| III. Overseas sales ratio (%) | 13.0 | 19.0 | 4.8 | 36.8 |

(6) Significant changes in shareholders' equity

None

《 For Reference Only 》
Financial Statements for Previous Third Quarter

(1) Consolidated Statement of Income for the Third Quarter of Fiscal 2008
(April 1, 2007 to December 31, 2007)

(¥ millions)

| Item | Third Quarter of Fiscal 2008 April 1, 2007 to December 31, 2007 | |
|--|--|-------|
| | | % |
| Net sales | 338,039 | 100.0 |
| Cost of sales | 292,934 | 86.7 |
| Gross profit | 45,105 | 13.3 |
| Selling, general and administrative expenses | 27,589 | 8.1 |
| Operating income | 17,516 | 5.2 |
| Non-operating income | 3,611 | |
| Interest income and dividends | (1,778) | |
| Equity in earnings of affiliates | (△ 3) | |
| Other non-operating income | (1,836) | |
| Non-operating expenses | 2,704 | |
| Interest expenses and discounts | (1,035) | |
| Other non-operating expenses | (1,669) | |
| Recurring profit | 18,422 | 5.4 |
| Extraordinary gains | 47 | |
| Extraordinary losses | 217 | |
| Income before income taxes | 18,252 | 5.4 |
| Income taxes | 6,869 | |
| Income tax adjustment | 212 | |
| Total income taxes | 7,082 | |
| Minority interest in consolidated subsidiaries | △1,400 | |
| Net income | 9,769 | 2.9 |

(2) Consolidated Statement of Cash Flows for the Third Quarter of Fiscal 2008
(April 1, 2007 to December 31, 2007)

(¥ millions)

| | Third Quarter of Fiscal 2008 April 1, 2007 to December 31, 2007 |
|---|--|
| I. Cash flows from operating activities | |
| Income before income taxes | 18,252 |
| Depreciation | 18,299 |
| Equity in earnings of affiliated companies | 3 |
| Provision for allowance for doubtful accounts | △75 |
| Provision for accrued retirement benefits | 448 |
| Provision for reserve for bonuses | 322 |
| Interest and dividends received | △1,778 |
| Interest payments | 1,035 |
| Loss on sale and revaluation of marketable securities | △41 |
| Loss on sale of property and equipment | 179 |
| Changes in trade notes and accounts receivable | 13,796 |
| Changes in inventories | △5,278 |
| Changes in other current assets | △4,997 |
| Changes in trade notes and accounts payable | △4,648 |
| Changes in accrued expenses and other current liabilities | 1,676 |
| Directors' and corporate auditors' bonuses paid | △280 |
| Sub total | 36,913 |
| Interest and dividends received | 1,778 |
| Interest paid | △1,035 |
| Income taxes paid | △10,235 |
| Net cash provided by operating activities | 27,421 |
| II. Cash flows from investing activities | |
| Payments into time deposits | △290 |
| Proceeds from time deposits | 462 |
| Payments for purchase of marketable and investment securities | △27,385 |
| Proceeds from sale of marketable and investment securities | 21,030 |
| Payments for purchase of property and equipment | △20,509 |
| Proceeds from sale of property and equipment | 357 |
| Payments for new loans | △535 |
| Proceeds from loan repayments | 242 |
| Other payments relating to investments | △959 |
| Net cash used in investing activities | △27,587 |
| III. Cash flows from financing activities | |
| Decrease in short-term loans | △960 |
| Proceeds from long-term debt | 240 |
| Repayment of long-term debt | △692 |
| Payments for repurchase of treasury stock | △8 |
| Proceeds from sale of treasury stock | 1 |
| Dividends paid by parent company | △3,307 |
| Dividends paid to minority shareholders | △834 |
| Net cash provided by or used in financing activities | △5,560 |
| IV. Effect of exchange rate changes on cash and cash equivalents | 118 |
| V. Change in cash and cash equivalents | △5,608 |
| VI. Cash and cash equivalents at beginning of period | 19,996 |
| VII. Cash and cash equivalents at end of period | 14,388 |

(3) Segment Information**【Industry Segment Information】**

Third quarter of Fiscal 2008 (April 1, 2007 to December 31, 2007)

(¥ millions)

| | Automotive Lighting Equipment | Non-Automotive Electrical Equipment | Other Products & Services | Total | Corporate and elimination | Consolidated total |
|---------------------------------------|-------------------------------------|---|---------------------------------|---------|------------------------------|-----------------------|
| Sales | | | | | | |
| (1) Sales to outside customers | 290,185 | 22,998 | 24,854 | 338,039 | — | 338,039 |
| (2) Inter-segment sales and transfers | 93,217 | 428 | 4,580 | 98,225 | (98,225) | — |
| Total | 383,402 | 23,426 | 29,435 | 436,264 | (98,225) | 338,039 |
| Operating expenses | 365,123 | 22,935 | 29,613 | 417,671 | (97,148) | 320,523 |
| Operating income or loss | 18,279 | 491 | △178 | 18,592 | (1,076) | 17,516 |

【Geographical Segment Information】

Third quarter of Fiscal 2008 (April 1, 2007 to December 31, 2007)

(¥ millions)

| | Japan | North America | Asia | Europe | Total | Corporate and elimination | Consolidated total |
|---------------------------------------|---------|------------------|--------|--------|---------|---------------------------------|-----------------------|
| Sales | | | | | | | |
| (1) Sales to outside customers | 209,145 | 42,742 | 66,862 | 19,289 | 338,039 | — | 338,039 |
| (2) Inter-segment sales and transfers | 73,391 | — | 5,942 | 18,890 | 98,225 | (98,225) | — |
| Total | 282,536 | 42,742 | 72,805 | 38,179 | 436,264 | (98,225) | 338,039 |
| Operating expenses | 269,179 | 40,963 | 69,309 | 38,218 | 417,671 | (97,148) | 320,523 |
| Operating income or loss | 13,357 | 1,778 | 3,495 | △38 | 18,592 | (1,076) | 17,516 |