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PRESS RELEASE

KOITO MANUFACTURING CO., LTD.
Representative Director: Masahiro Ohtake, President
(Stock Code: 7276 First Section, TSE)
Inquiries: Atsushi Inoue, Director
General Affairs Dept.
(Tel: 03-3443-7111)

Extraordinary Loss, Reversal of Deferred Income Tax Assets, and Revision of Business Results Forecast

KOITO MANUFACTURING CO., LTD. (the Company) announces that the Company revised the full-year business results forecast for the year ending March 31, 2012 published on October 27, 2011 (consolidated and non-consolidated), which is due to an extraordinary loss, reversal of deferred income tax assets, and recent operating trends, as shown below:

1. Extraordinary Losses for the Third Quarter of the Year Ending March 31, 2012 (from October 1 to December 31, 2011)

-1. Loss on revaluation of investment securities

As a result of recent falling stock prices and deteriorating market conditions, the Company has posted an extraordinary loss of 1 billion yen as a loss on revaluation of investment securities it holds.

-2. Loss on revaluation of investment in subsidiaries

In view of the financial conditions of overseas subsidiaries as of the end of December 2011, the Company has posted an extraordinary loss of 6.6 billion yen as a loss on revaluation of investment in its subsidiaries.

However, this loss does not affect the consolidated business results because it is subject to inter-company writing off in consolidated accounting.

2. Reversal of Deferred Income Tax Assets

Corporate tax rates will change with effect from April 1, 2012 in accordance with the laws related to reduction in corporate income tax rates promulgated on December 2, 2011. In line with this measure, the Company has reversed deferred income tax assets and posted corporate income tax adjustments of 2 billion yen and 1.8 billion yen for consolidated and non-consolidated results, respectively.

3. Revision of Full-Year Business Results Forecast for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Details of Revision

-1. Consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	428,000	33,000	32,000	15,000	93.34
Revised forecast (B)	428,000	32,000	30,500	14,500	90.23
Difference (B-A)	—	△1,000	△1,500	△500	—
Change (%)	—	△3.0	△4.7	△3.3	—
(Ref.) Actual results for the year ended March 31, 2011	428,977	37,434	34,319	10,012	62.30

-2. Non-consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	215,000	15,000	22,000	14,000	87.12
Revised forecast (B)	217,000	16,000	23,000	8,000	49.78
Difference (B-A)	2,000	1,000	1,000	△6,000	—
Change (%)	0.9	6.7	4.5	△42.9	—
(Ref.) Actual results for the year ended March 31, 2011	215,663	15,836	22,085	5,076	31.59

(2) Reasons for the Revision

Production by Japanese automakers, which fell heavily both in Japan and abroad following the Great East Japan Earthquake, had started to recover thanks to the restoration efforts of automakers, but then plunged again following heavy flooding in Thailand in October 2011. Although production is likely to increase in the fourth quarter, the Company's net sales are expected to remain at the same level as the previously-announced forecast.

In terms of profit, in spite of incentive streamlining efforts such as cost cutting measures and curbing capital expenditure, the Company's operating income and recurring profit are both expected to decrease due to a greater burden of fixed costs as a result of the repeated sudden decrease and increase in auto production, together with increased costs associated with the operation of new plants at overseas subsidiaries. Although corporate tax income adjustments have been posted because of the extraordinary loss and reversal of deferred income tax assets, the net income is expected to decrease only slightly due to the adjustment of items which are not included in corporate income tax effect accounting.

Regarding non-consolidated results, the net sales, operating income and recurring profit are expected to increase from the previously-announced forecast thanks to the forecast recovery of automobile production in the fourth quarter. Net income, however, is expected to decrease as a result of extraordinary losses posted.

(Note) The above projections are based on information available at the time of release of this news. Actual results could differ from projections due to a variety of factors.