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## PRESS RELEASE

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# Extraordinary Loss and Difference Between the Forecast and Actual Business Results

KOITO MANUFACTURING CO., LTD. (the Company) announces the difference between the business results for the year ending March 31, 2011 (consolidated and non-consolidated) released today and the forecast released on January 27, 2011 due to an extraordinary loss and the influences of the Great East Japan Earthquake.

### 1. Extraordinary loss

#### -1. Provision for loss on investment abroad, etc.

In view of the financial conditions, etc. of the overseas subsidiaries at the end of March 31, 2011, the Company has posted a provision for loss on investment abroad, etc. of 5.6 billion yen as an extraordinary loss.

This entry does not affect the consolidated results, because it is eliminated when consolidated.

#### -2. Provision for indemnity and loss on valuation of inventory assets, etc. relating to aircraft seats

As payment of indemnity and penalties to customers due to prolonged delays in delivering aircraft seats is foreseeable in the future at our subsidiary, Koito Industries, Limited, the Company has posted a provision for indemnity of 1.4 billion yen as an extraordinary loss.

Further, regarding cancelled orders for aircraft seats, the Company has posted a loss of valuation of inventory assets, etc. of 0.6 billion yen.

### 2. Full-Year Business Results Forecast for the Year Ending March 31, 2011(April 1, 2010–March 31, 2011)

#### (1) Details of the differences

##### -1. Consolidated results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	437,000	39,500	36,200	11,000	68.45
Actual Results (B)	428,977	37,434	34,319	10,012	62.30
Difference (B-A)	△8,023	△2,066	△1,881	△988	—
Change (%)	△1.8	△5.2	△5.2	△9.0	—
(Ref.) Actual results for year ended March 31, 2010	408,430	36,054	35,983	6,217	38.69

-2. Non-consolidated results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	223,800	17,300	23,300	11,000	68.45
Actual Results (B)	215,663	15,836	22,085	5,076	31.59
Difference (B-A)	△8,137	△1,464	△1,215	△5,924	—
Change (%)	△3.6	△8.5	△5.2	△53.9	—
(Ref.) Actual results for year ended March 31, 2010	213,499	15,381	21,064	4,820	30.00

(2) Reasons for the difference between the forecast and actual business results

Due to the impact of the Great East Japan Earthquake on March 11, 2011, domestic vehicle production has been halted or severely reduced, causing the Company's sales to fall short of the previously announced forecast.

The income did not meet the forecast either, due to the decrease in revenue, despite great efforts to streamline its business by curbing investment in equipment, cutting costs, and so on.

For similar reasons, the income and revenue in the non-consolidated results fell short of the previously released forecasts. The net income substantially decreased due to the extraordinary loss posted.