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PRESS RELEASE

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**Extraordinary Loss and Difference Between the Forecast and Actual Business Results
in the First Two Quarters of the Year Ending March 31, 2011 and Revision of the
Forecast of Full-Year Business Results**

KOITO MANUFACTURING CO., LTD. (The Company) announces the differences between the business results for the first two quarters of the year ending March 31, 2011 (consolidated and non-consolidated) released today and the forecast released on July 26, 2010 due to an extraordinary loss.

In view of recent operating trends, the Company revised the forecast of the full-year business results for the year ending March 31, 2011 published on July 26, 2010 (consolidated and non-consolidated) as follow:

1. Extraordinary Losses

-1. Loss on valuation of securities

The Company took a write down on the securities it holds in response to the decline of market conditions and posted an extraordinary loss of 1.1 billion yen.

In the non-consolidated statement, the Company posted an extraordinary loss of 5.4 billion yen including a loss on valuation of shares of its affiliated companies it holds.

-2. Provision for Indemnity and Loss on Valuation of Inventory Assets Relating to Aircraft Seats

As the payment of indemnity and penalties to customers due to delays in delivering aircraft seats is foreseeable in the future at its subsidiary, Koito Industries, Limited, the Company has posted a provision for indemnity of 6.7 billion yen as an extraordinary loss.

Further, for orders of aircraft seats cancelled, the Company posted a loss on valuation of inventory assets of 1.4 billion yen.

2. Difference between the Forecast Business Results and Actual Results of the First Two Quarters (April 1 to September 30, 2010)

(1) Details of Difference

-1. Consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Quarterly net income	Quarterly net income per share (¥)
Previously-announced forecast (A)	211,000	17,500	15,000	5,500	34.22
Actual results (B)	210,906	19,340	17,011	3,691	22.97
Difference (B-A)	△94	1,840	2,011	△1,809	—
Change (%)	0.0	10.5	13.4	△32.9	—
(Ref.) Actual results for the first two quarters of the previous year	173,411	5,631	6,080	△556	△3.46

-2. Non-consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Quarterly net income	Quarterly net income per share (¥)
Previously-announced forecast (A)	112,500	8,500	13,000	7,300	45.43
Actual results (B)	112,763	9,157	13,261	5,058	31.47
Difference (B-A)	263	657	261	△2,242	—
Change (%)	0.2	7.7	2.0	△30.7	—
(Ref.) Actual results for the first two quarters of the previous year	91,841	2,045	4,720	3,501	21.79

(2) Reasons for Difference

In the consolidated business results, the Company's profit improved as it strived to streamline its business by curbing investment in equipment, taking cost-cutting measures and so on, while automobile production increased as the production of eco-friendly cars increased around the world and government measures to boost car sales started to take effect.

On the other hand, the consolidated and non-consolidated quarterly net income decreased due to the extraordinary losses posted.

3. Revision of Forecast of Full-Year Business Results for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Details of Revision

-1. Consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	425,000	35,500	30,000	13,000	80.89
Revised forecast (B)	432,000	37,000	33,000	10,000	62.23
Difference (B-A)	7,000	1,500	3,000	△3,000	—
Change (%)	1.6	4.2	10.0	△23.1	—
(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)	222,000	15,500	22,000	12,800	79.65
Revised forecast (B)	222,000	16,600	22,500	10,500	65.34
Difference (B-A)	0	1,100	500	△2,300	—
Change (%)	0.0	7.1	2.3	△18.0	—
(Ref.) Actual results for year ended March 31, 2010	213,499	15,381	21,064	4,820	30.00

(2) Reason for the Revision

The Company's profit is expected to increase as it implements streamlining measures, while global automobile production is increasing. The consolidated and non-consolidated net income is expected to decrease from the previously published forecast 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.