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PRESS RELEASE

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Posting of Extraordinary Loss and the Revision of Business Results Forecast

KOITO MANUFACTURING CO., LTD. (“the Company”) announces that the Company has posted an extraordinary loss for the year ending March 2010 (April 1, 2009 – March 31, 2010) and, based on the recent operational trends, revised its business results forecast for the year ending March 31, 2010, which was released on October 27, 2009, as follows:

1. Posting of an Extraordinary Loss

The Company has been led to believe that the principal of corporate investment funds held by the Company and Koito Enterprise Corporation, a consolidated subsidiary of the Company (“Koito Enterprise”), and of bonds held by Koito Enterprise has been lost and that most of these securities will not be repaid. Accordingly, the Company has posted a provision for bad debts of 12.1 billion yen as an extraordinary loss.

As to the circumstances that led to this loss and the related facts, please refer to the news release “Expected Loss Relating to Securities Holding.”

The securities for which the provision for bad debts was posted are as follows:

- (i) Corporate investment funds held by the Company: 1 billion yen
- (ii) Corporate investment funds held by Koito Enterprise: 1.6 billion yen
- (iii) Bonds held by Koito Enterprise: 9.5 billion yen

2. Revision of Figures in the Full-Year Business Results Forecast for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Revision of forecast figures

-1. Consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	379,000	17,500	19,000	6,000	37.34
Revised forecast (B)	402,800	27,800	29,800	6,200	38.58
Difference (B-A)	23,800	10,300	10,800	200	—
Change (%)	6.3	58.9	56.8	3.3	—
(Ref.) Actual results for year ended March 31, 2009	400,232	9,131	9,275	4,042	25.16

-2. Non-consolidated Results

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously-announced forecast (A)	198,000	7,000	11,700	7,500	46.67
Revised forecast (B)	212,000	13,800	19,100	2,600	16.18
Difference (B-A)	14,000	6,800	7,400	△4,900	—
Change (%)	7.1	97.1	63.2	△65.3	—
(Ref.) Actual results for year ended March 31, 2009	214,471	6,421	13,166	5,600	34.85

(2) Reasons for the Revision of Business Forecast

While the Company strived to streamline its business by restricting investment in equipment, taking cost-cutting measures and so on, the production of “eco vehicles” increased around the world, governments’ measures to promote car sales started to take effect, and the fall in automobile production volume has slowed. This is expected to boost our sales beyond those forecasted previously. Operating income and recurring profit will increase significantly.

Net income will remain at about the same level as the previously-announced forecast due to the posting of a provision for bad debts (extraordinary loss) relating to the loss of principal of securities holding, etc.

Meanwhile, non-consolidated net income is expected to decline as we have posted an extraordinary loss of 14.6 billion yen to cover the debts of Koito Enterprise.

Accordingly, for the year ending March 31, 2010, the full-year business results have been revised.

3. Internal Punishments for the Loss of Principal of Securities Holding

The results of the investigation by the investigation committee did not hold the persons involved in the Company legally responsible, but they have a substantial managerial, supervisory, and moral responsibility for allowing a loss of 12.1 billion yen. Therefore, the meeting of the Board of Directors held today decided to punish the directors concerned by reducing their remuneration by 30% to 5%, for five months starting February 2010.

(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.