

PRESS RELEASE

KOITO MANUFACTURING CO., LTD.
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Stock exchange code: 7276
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Updating of Operating Results and Dividends

In view of the recent business trends, the business standing of KOITO MANUFACTURING CO., LTD. which was predicted and announced on November 6, 2002 is now updated as follows:

Updated Operating Results

1. Updated Prediction of Non-consolidated Koito Operating Results for Fiscal 2003 (April 1, 2002 to March 31, 2003)

(1) Summary of Predicted Operating Results

(Unit: ¥million, %)

	Net sales	Operating income	Recurring profit	Net income
Previous prediction A (Nov. 6, 2002)	155,300	3,400	6,000	6,300
Updated prediction B	157,000	5,200	7,600	6,400
Increase (B - A)	1,700	1,800	1,600	100
Year-on-year change (%)	1.1	52.9	26.7	1.6
Results of preceding term (Fiscal 2002)	156,130	4,388	6,791	3,560

(2) Reasons for Updated Operating Results

The non-consolidated net sales of KOITO MANUFACTURING CO., LTD. is now expected to exceed the November 2002 prediction by ¥1.7 billion, led by the sales of automotive products. Thanks to a ¥1.2 billion cost cut through improved productivity and also due to reductions in personnel costs and depreciations on slackened capital investment, updating shows a 53% surge in the predicted operating income and a 27% rise in the predicted recurring profit. Additionally an extraordinary gain will generate from the commissioned management of employees' pension funds despite the deteriorating financial market conditions. As a result the updated net income will show a moderate advance over the prediction made last November.

2. Comparison of Non-consolidated Koito Operating Results with the Preceding Term

(1) Comparison with the Preceding Term

(Unit: ¥million, %)

	Net sales	Operating income	Recurring profit	Net income
Results of preceding term (Fiscal 2002)	156,130	4,388	6,791	3,560
Updated prediction B	157,000	5,200	7,600	6,400
Increase (B - A)	870	812	809	2,840
Year-on-year change (%)	0.6	18.5	11.9	79.8

(2) Factors for the Advance over the Preceding Term

A moderate increase in net sales over the preceding term is predicted because of the expanding use of discharge headlamps in new motor vehicles. Operating incomes and recurring profits will also grow from the preceding term mainly for two reasons: 1) a ¥2 billion cut through the reduction of defects in production process, streamlining of operations, and paring down of personnel expenses and 2) a ¥0.9 billion cut in depreciation costs due to slowed capital investment. As for extraordinary gains and losses, an extraordinary gain of ¥5.3 billion will generate from the commissioned management of employees' pension funds and will be more than enough to cover the predicted ¥1.5 billion loss on the appraised value of landholdings. Consequently the net income is anticipated to surge over the preceding term by a large margin.

3. Change in Year-end Dividends for Fiscal 2003 (April 1, 2002 to March 31, 2003)

Following the uprevision of the operating result prediction, the dividends to be paid by Koito will be increased to ¥6 per share from the ¥4 per share predicted last November, pending the final decision at the board of directors meeting scheduled for the latter part of April.

(Unit: ¥ per share)

	Interim dividend	Year-end dividend	Full-year dividend
Previous prediction A (Nov. 6, 2002)	4.00	4.00	8.00
Updated prediction B	4.00	6.00	10.00
Increase (B - A)	-	2.00	2.00
Results of preceding term (Fiscal 2002)	4.00	4.00	8.00

4. Updated Prediction of Consolidated Koito Operating Results for Fiscal 2003 (April 1, 2002 to March 31, 2003)

In addition to the favorable solo performance of KOITO MANUFACTURING CO., LTD. as reported above, overseas orders and production activities are moving at a brisk pace. Accordingly the consolidated operating results for the current term are anticipated to record a strong advance over the preceding term and also over the initial projection for the current term. In the presence of some uncertain elements, however, the consolidated operating results will be announced when all the details will have been confirmed.