

ON ESTABLISHMENT OF A NEW COMPANY IN CZECH REPUBLIC

KOITO MANUFACTURING CO., LTD. has been undertaking its enterprise in Europe through Koito Europe Limited (KEL), a Koito's 100% subsidiary company located in U.K..

The number of orders received by the KEL has been increasing favorably. It is expected to be far beyond the company's production capacity in 2002.

To expand the capacity, Koito has been investigating carefully the location of a second base in U.K. or in European Continent, and finally Koito has decided to establish a new company and a plant in Zatec, Czech Republic where the circumstances for investment are good.

1. Overview of the new company

Company Name	Koito Czech s.r.o.
Location	Zatec, Czech Republic 90km northwest of the capital Prague (about an hour by car)
Establishment	Applied in Feb., 2001
Amount of Capital	1 million Czech crown (Kc) at the time of establishment Scheduled to be added according to the progress of plant construction and facility installations
Ratio of Holdings	KOITO MANUFACTURING CO., LTD.: 100%

2. About plant construction

Location	Zatec, Czech Republic
Business Lines	Manufacturing and marketing of Automotive Lighting Equipment; Headlamps and Signalling Lamps such as Rear Combination Lamps. Scheduled to start producing Headlamps in Sep., 2002, and Signalling Lamps in 2005.
Total Area	63,500 m ²
Construction Area	15,900 m ²
Date of Construction	Started in Jul., 2001. To be finished in May, 2002.
Production Facilities	Molding Machines, Steam-joint Facilities, and Assembly Facilities.
Date of Operation	Scheduled to start in Sep., 2002
Amount of Investment	1 billion Kc as the original budget
Production Capacity	800,000 Headlamps units per year in 2004 (expected to 1,600,000 Headlamps /year in 2005, and 1,000,000 Rear Combination Lamps /year in 2007)
Employees	Scheduled to 120 persons at the beginning of operation in Sep., 2002. (more than 200 peoples in 2004, and 400 in 2005)

Reference:Corporate Overview of Koito Europe Limited (KEL)

Location	Droitwich, Worcestershire, U.K.
Amount of Capital	15 million pounds
Chairman / Executive President	Chairman / Yutaka Furuyama President / Lewis Anthony Morgan
Business Lines	Manufacturing and marketing of Automotive Lighting Equipments (Headlamps, Rear Combination Lamps, and Signalling Lamps)
Amount of Sales	26 million pounds (Jan., 1998 - Dec., 1998) 26 million pounds (Jan., 1999 - Dec., 1999) Expected to 28 million pounds during Jan., 2000 - Dec., 2000.
Customers	RENAULT, Honda of the U.K. Mfg. Ltd., Rover Group Ltd., General Motors (U.S.A.), Mitsubishi Motors Automobili Italia (Italy), etc.
Production Capacity	800,000 Headlamps /year, 2,000,000 Rear Combination Lamps /year
Employees	450 persons