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PRESS RELEASE

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KOITO Expands Production to Kyushu

KOITO MANUFACTURING CO., LTD. (Head Office: Minato-ku, Tokyo: President & CEO: Takashi Ohtake) announces that it will acquire a factory site in Kyushu area to construct a production plant for automotive lighting equipment with the aims of better responding to customers' needs in Kyushu and conducting wider and more efficient business operations in Japan.

Now KOITO's domestic business operations have been carried out by five plants all located in Shizuoka area (Shizuoka, Haibara, Kikkawa, Sagara and Fujikawa) and 16 sales offices throughout Japan. To respond to the increasing automobile production in the western part of Japan, especially in Kyushu, we have decided to build a new plant in Kyushu to further enhance our efforts in quality, cost and delivery (QCD), thereby providing customer-focused products and services.

Dispersion of the production facilities which were concentrated solely in Shizuoka area will improve the delivery efficiency and distribute the risks in the event of disasters. This is expected to help improve the competitiveness and profitability of the domestic operations, which will lead to the medium- to long-term expansion of orders and business operations.

The location of the new plant will be Kuboizumi-machi, Saga City, Saga Prefecture, which has the advantages of easy access to customers and availability of quality labor, and the plant is scheduled to start production in October 2006.

According to the plan, the new plant is expected to be a state-of-the-art production base for integrated production from parts to assembly, seeking high efficiency and high quality, and it will increase the production capacity to achieve an annual production of 1 million units of automotive headlamps and tail lamps respectively by 2009.

The total amount of investment on this project is scheduled to be 10 billion yen, and the new plant will have about 800 employees. The project details are currently under deliberation.

Profile of the New Plant

1. Location: (Kuboizumi Industrial Park) 1580-6, Oaza Kamiizumi, Kuboizumi-machi, Saga City,
Saga Prefecture
2. Site Area: Approximately 80,000 m²
3. Business Lines: Manufacture and sale of automotive lighting equipment
4. Start of Production: Scheduled for October 2006