



September 28, 2016

PRESS RELEASE

KOITO MANUFACTURING CO., LTD.
Representative Director: Hiroshi Mihara, President
(Stock Code: 7276 First Section, TSE)
Inquiries: Atsushi Inoue, Managing Corporate Officer
General Affairs Dept.
(Tel: +81-3-3443-7111)

Announcement Regarding Establishment of a Production Subsidiary in Brazil

KOITO MANUFACTURING CO., LTD. announces that, at the Board of Directors on September 28, 2016, it was resolved to establish a production subsidiary in Federative Republic of Brazil, as follows:

1. Objective

In South America, with its large population (approx. 400 million) and the current ratio of persons per vehicle (5.3 persons per vehicle), the automotive production is expected to increase in the medium- to long-term perspective. Above all, Brazil, having the world's fifth largest population (approx. 200 million) is a center of automobile industry where Japanese, European and American automakers locate their production bases.

A production base in Brazil will enable KOITO to better respond to the automobile market in South America that is expected to grow further. Thus, KOITO will continue making efforts to gain new businesses and improve profitability as KOITO Group by strengthening its global production structure.

2. Profile of a Subsidiary

- (1) Name : NAL do Brasil Indústria e Comércio de Componentes de Iluminação Ltda.
- (2) Location : Sorocaba City, Sao Paulo State, Federative Republic of Brazil
(100km west from Sao Paulo city)
- (3) Representative : Will be transferred from KOITO Group
- (4) Establishment Date : Scheduled for November 2016
- (5) Business Activities : Manufacture and sale of automotive lighting equipment
- (6) Fiscal Year End : The end of December
- (7) Initial Capital : 56 million real (approx. 1.8 billion yen when converted at rate of 1 real = 32 yen)
Will be increased later for plant construction and equipment installation.

3. Profile of a Plant

- (1) Plant Scale : Land area 96,200 m² / Building area 17,900 m²
- (2) Investment : 8 billion yen
- (3) Production Capacity : headlamps for 250,000 car-units and signal lamps for 250,000 car-units per year
(planned capacity at start of production)
- (4) Number of Employees : 160 employees (planned for the end of 2018)
- (5) Start of Production : Scheduled for May 2018

4. Financial Impact

From this establishment, KOITO does not expect any significant effects on its consolidated business results for the fiscal year ending March 2017.