



January 30, 2020

**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 Absorption-type Merger of Wholly-owned Subsidiary  
(Simplified Merger and Short-form Merger)**

KOITO MANUFACTURING CO., LTD. (“KOITO”) announces that at the meeting of the Board of Directors held on January 30, 2020, it resolved to implement an absorption-type merger (the “Merger”) of its wholly-owned subsidiary, KI HOLDINGS CO., LTD. (“KIHD”), with April 1, 2020, as the effective date, as described below.

As the Merger will be an absorption-type merger involving a wholly-owned subsidiary of KOITO, some items and details are omitted in this release.

**1. Purpose of the Merger**

For the purposes of realizing synergies, such as business expansion in the autonomous driving field, enhancing cooperation in other fields, integrating the operations of the KOITO Group, reducing indirect costs, and accelerating decision-making, KOITO has conducted a tender offer for common shares of KIHD for the period from April 24, 2019 to June 12, 2019, and made KIHD its wholly-owned subsidiary as of August 1, 2019. KOITO has been restructuring its group organization in such way.

Under these circumstances, as a result of additional and repeated consideration, KOITO has determined that the merger of KOITO and KIHD will enable us to further proceed with realizing the synergies referenced above, through efficiency based on the centralized management of assets and liabilities of both companies and rationalizing a management system, and has decided to conduct the Merger.

**2. Summary of the Merger**

**(1) Schedule of the Merger**

Resolution of the Board of Directors	January 30, 2020
Date of signing the Merger agreement	January 30, 2020
Effective date of the Merger	April 1, 2020 (scheduled)

**(2) Method of the Merger**

The Merger is an absorption-type merger in which KOITO is the surviving company and KIHD is the disappearing company.

As the Merger falls under a simplified merger as prescribed in Article 796, paragraph 2 of the Companies Act in relation to KOITO, and a short-form merger as prescribed in Article 784, paragraph 1 of the same act in relation to KIHD, the Merger will be conducted without convening general meetings of shareholders to obtain approval for the absorption-type merger agreement.

**(3) Details of Allocation Related to the Merger**

As the Merger will be an absorption-type merger involving a wholly-owned subsidiary of KOITO, no new shares will be issued and no money etc. will be allocated.

**(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Relation to the Disappearing Company**

Not applicable.

### 3. Overview of the Companies Involved in the Merger

	Surviving Company of the Absorption-type Merger	Disappearing Company of the Absorption-type Merger																								
(1) Company Name	KOITO MANUFACTURING CO., LTD.	KI HOLDINGS CO., LTD.																								
(2) Head Office	4-8-3, Takanawa, Minato-ku, Tokyo	100, Maeda-cho, Totsuka-ku, Yokohama, Kanagawa																								
(3) Name and Title of Representative	Hiroshi Mihara, President	Tsuneo Yamaguchi, President																								
(4) Business Purpose	Automotive lighting equipment-related business, electrical equipment-related business, and other businesses	Manufacturing and marketing seats for aircraft, and other businesses																								
(5) Paid-in Capital	¥14,270 million (As of March 31, 2019)	¥9,214 million (As of September 30, 2019)																								
(6) Establishment	April 1, 1936	September 22, 1947																								
(7) Number of Shares Issued	160,789,436 shares	41,587,061 shares																								
(8) Fiscal Year End	March 31	March 31 *																								
(9) Major Shareholders and Their Holding Ratios (as of September 30, 2019)	<table border="0"> <tr> <td>TOYOTA MOTOR CORPORATION</td> <td>20.0%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust account)</td> <td>5.9%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust account)</td> <td>3.9%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>3.4%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.3%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>3.2%</td> </tr> <tr> <td>The Dai-ichi Life Insurance Company, Limited</td> <td>2.5%</td> </tr> <tr> <td>JPMC OPPENHEIMER</td> <td>2.2%</td> </tr> <tr> <td>JASDEC ACCOUNT</td> <td></td> </tr> <tr> <td>DENSO CORPORATION</td> <td>1.9%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505223</td> <td>1.9%</td> </tr> </table>	TOYOTA MOTOR CORPORATION	20.0%	The Master Trust Bank of Japan, Ltd. (Trust account)	5.9%	Japan Trustee Services Bank, Ltd. (Trust account)	3.9%	Sumitomo Mitsui Banking Corporation	3.4%	Nippon Life Insurance Company	3.3%	MUFG Bank, Ltd.	3.2%	The Dai-ichi Life Insurance Company, Limited	2.5%	JPMC OPPENHEIMER	2.2%	JASDEC ACCOUNT		DENSO CORPORATION	1.9%	STATE STREET BANK AND TRUST COMPANY 505223	1.9%	<table border="0"> <tr> <td>KOITO MANUFACTURING CO., LTD.</td> <td>100.0%</td> </tr> </table>	KOITO MANUFACTURING CO., LTD.	100.0%
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(10) Business Results and Financial Condition for the Previous Fiscal Year																										
	KOITO MANUFACTURING CO., LTD. (Consolidated)	KI HOLDINGS CO., LTD. (Non-consolidated)																								
	Fiscal year ended March 2019	Fiscal year ended September 2019																								
Net Assets	¥503,564 million	¥8,821 million																								
Total Assets	¥738,175 million	¥23,412 million																								
Net Assets per Share	¥2,870.24	¥212.92																								
Net Sales	¥826,257 million	¥20 million																								
Operating Income	¥101,534 million	¥△1,032 million																								
Recurring Profit	¥105,494 million	¥1,967 million																								
Net Income Attributable to Owners of Parent	¥72,895 million	¥1,925 million																								
Net Income per Share	¥453.52	¥46.47																								
Dividends per Share	¥92.00	—																								

Note: KIHD has changed its fiscal year end date from September 30 to March 31 due to a change in Articles of Incorporation on November 20, 2019.

**4. Conditions after the Merger**

After the Merger, there will be no change to KOITO's company name, head office address, name and title of representative, business purpose, paid-in capital, or fiscal year end.

**5. Future Outlook**

Regarding the Merger, KOITO does not expect any significant effects on its consolidated business results for the fiscal year ending March 31, 2020. If an event which requires disclosure arises, KOITO will promptly announce it.