

April 1, 2025

PRESS RELEASE

KOITO MANUFACTURING CO., LTD.

Representative Director: Michiaki Kato, President

(Stock Code: 7276 Prime Market, TSE)

Inquiries: Takahito Otake, Senior Managing Corporate Officer

(Tel: +81-3-3443-7111)

Announcement Regarding Dissolution and Liquidation of a Consolidated Subsidiary

KOITO MANUFACTURING CO., LTD. ("KOITO") announced today that it has decided to dissolve and begin liquidation proceedings of its consolidated subsidiary FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD. ("FUZHOU KOITO").

1. Reason for Dissolution

Our business in China has been developed by three companies, GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. ("GUANGZHOU KOITO"), Hubei Koito Automotive Lamp Co., Ltd. ("Hubei Koito"), and FUZHOU KOITO to expand our automotive lighting business in the Chinese market.

However, the sales volume of Japanese automobile manufacturers has been slowing sharply due to major changes in the Chinese market, such as the progress of EVs since the COVID-19 pandemic, and it is difficult to foresee the timing of a recovery. Our business in China has also been suffering from a decline in profits due to the decrease in production of Japanese vehicles, and we have been vigorously promoting rationalization and improvement measures, such as halting production lines, shortening operating hours, and optimizing the number of employees.

We have decided to dissolve and liquidate FUZHOU KOITO, based on our judgment that reviewing the structure of our three bases in China, optimizing excess production capacity, and concentrating and streamlining management resources will lead to improved profitability and increased corporate value for our group.

Going forward, our business in China will be conducted by GUANGZHOU KOITO and Hubei Koito, and we will strive to increase orders from Japanese automobile manufacturers as well as local Chinese automobile manufacturers. We will also work to improve our business performance at an early stage by curbing fixed costs through mutual supply and complementation between these two companies.

We will take all due care to minimize the impact of the dissolution and liquidation on our employees and the local community, and will proceed appropriately in accordance with the various laws and regulations, as well as our collective bargaining agreement.

2. Outline of FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD.

(1) Company Name	FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD.
(2) Head Office	No.1366 Xianghongnan Road, Qingkou Town, Minhou County, Fuzhou City, Fujian 350119, People's Republic of China
(3) Name and Title of Representative	Tetsuya Moriyama, President
(4) Business Lines	Manufacturing and marketing of automotive lighting equipment
(5) Capital	9,000 thousand U.S. dollars
(6) Establishment Year and Month	December 1995
(7) Major Shareholders and Shareholding Ratio	KOITO MANUFACTURING CO., LTD.: 100%

3. Schedule of Dissolution and Liquidation

Resolution to dissolve 1st quarter of fiscal 2025, the year ending March 31, 2026 (Plan)

Completion of the liquidation 1st quarter of fiscal 2026, the year ending March 31, 2027 (Plan)

4. Financial Impact and Future Outlook

KOITO does not expect any significant effects on its consolidated business results for fiscal 2024, the year ending March 31, 2025. We will promptly disclose any additional information that should arise in the future.