



October 20, 2026

PRESS RELEASE

KOITO MANUFACTURING CO., LTD.
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(Stock Code: 7276 Prime Market, TSE)
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Announcement Regarding Dissolution and Liquidation of a Consolidated Subsidiary

KOITO MANUFACTURING CO., LTD. ("KOITO") announced that, at a meeting of the Board of Directors held on September 28, 2026, it has resolved to dissolve and commence liquidation proceedings of its consolidated subsidiary Hubei Koito Automotive Lamp Co., Ltd. ("Hubei Koito"), as described below.

1. Reason for Dissolution

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

However, the Chinese market has been undergoing rapid and significant structural changes, including the accelerated shift toward EVs, the rise of local Chinese automobile manufacturers, and declining sales and market shares of Japanese automobile manufacturers, which are KOITO's major customers. As a result, our business in China continues to operate in a difficult business environment.

Under these circumstances, KOITO has implemented various rationalization and improvement measures, including the dissolution of FUZHOU KOITO in April 2025 and the consolidation of signal lamp production into GUANGZHOU KOITO in March 2026. However, the business environment has become increasingly difficult due to a further decline in sales by Japanese automobile manufacturers as well as the impact of the situation in the Middle East.

Accordingly, KOITO has determined that, in order to further improve the productivity and profitability of the KOITO Group, and enhance its competitiveness, it is appropriate to dissolve Hubei Koito, thereby optimizing its business structure and improving the efficiency of resource allocation.

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.

The KOITO Group will continue its group-wide efforts to secure profitability and achieve further growth.

2. Outline of Hubei Koito Automotive Lamp Co., Ltd.

(1) Company Name	Hubei Koito Automotive Lamp Co., Ltd.
(2) Head Office	No.1 Wenchang Road, Xiaogan National Hi-Tech Development Zone, Xiaogan City, Hubei 432100, People's Republic of China
(3) Name and Title of Representative	Hideaki Nonaka, President
(4) Business Lines	Manufacturing and marketing of automotive lighting equipment
(5) Capital	5,000 million yen
(6) Establishment Year and Month	September 2014
(7) Major Shareholders and Shareholding Ratio	KOITO MANUFACTURING CO., LTD.: 100%

3. Schedule of Dissolution and Liquidation

The liquidation is expected to be completed upon completion of the necessary procedures in accordance with local laws and regulations, however the specific timing has not yet been determined.

4. Financial Impact and Future Outlook

KOITO does not expect any significant effects on its consolidated business results for fiscal 2026, the year ending March 31, 2027. We will promptly disclose any additional information that should arise in the future.