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For further information, contact:

Kenneth P. Quinn at:

+1 (202) 663-8898

+1 (202) 468-1056

kquinn@pillsburylaw.com

KOITO PLEDGES SUPPORT IN RESPONSE TO FAA, EASA AIRWORTHINESS DIRECTIVES ON AIRCRAFT SEATS

Yokohama, Japan – June 2, 2011 - In response to the final airworthiness directives (ADs) issued by the U.S. Federal Aviation Administration (FAA) and European Aviation Safety Agency (EASA) in the past day, Koito Industries, Ltd. (Koito) said through a spokesman: “We’re glad to be turning the page on this unfortunate chapter and working closely with the JCAB, FAA, and EASA to implement responsible regulatory steps, out of an abundance of caution, to confirm the safety and continued airworthiness of Koito aircraft seats.”

“Ensuring safety for the traveling public is our highest priority,” said Koito President Takashi Kakegawa, “and we’ll continue to do everything we can to assist our airline customers meet strict safety testing requirements, obtain replacement parts, and comply fully with these airworthiness directives.”

The ADs will become effective on August 1, 2011, and require a determination of whether affected seats and seating systems (and their components) are compliant with certain FAA and EASA criteria related to flammability, static strength, and dynamic strength. If compliance with the specified regulations is not established, the ADs require removal of the non-compliant seats and seating systems from the affected fleet.

To demonstrate compliance, the agencies accepted Koito’s request to permit the use of new-build test articles, especially for static strength and flammability, and to build-in flexibility on a case-by-case basis for carriers demonstrating that an extended compliance time or alternative method will result in an acceptable level of safety. The EASA AD, unlike the FAA AD, will have a maximum limit of 10 years for replacement of affected materials installed on in-service aircraft, even if seats pass all requirements.

Both ADs envision allowing Koito to provide direct spare parts on the existing fleet, with Koito using its existing FAA Technical Standard Orders (TSO) letters of design approval for Boeing aircraft and, upon EASA’s reinstatement, Koito’s production organization approval (POA) for Airbus aircraft.

The ADs permit the use of new Koito seats with the same part number to be installed for any removed seats. To further reduce airlines’ and aircraft firms’ economic burden, the agencies accepted Koito’s suggestion that affected parties will be able to rely on certain seat groupings, in a similarity analysis being worked on with Boeing, Koito, and Airbus, to demonstrate compliance.

The time limits for determining whether seats and seating systems comply with FAA regulations range between two and six years, depending on the particular TSO letters of design approval involved and the applicable certification bases of the seats in question. The AD sets forth acceptable methods of testing for determining compliance, but additionally provides for flexibility in testing by allowing Alternative Methods of Compliance (AMOCs) to be approved by the FAA.

Affected Koito seat and seating system models are those generally approved under TSO-C39b, TSO-C39c, or TSO-C127a, and installed on airplanes manufactured by Airbus, Boeing, McDonnell Douglas, Mitsubishi Heavy Industries, and Fokker Services.

Koito long ago expressed regret over its employees' actions that contributed to the necessity of issuing the ADs, and has overhauled its management, quality assurance systems, training, and procedures to prevent a repeat of such actions. Koito dedicated significant resources and worked diligently to implement a comprehensive testing program to validate the safety and airworthiness of the seats subject to the AD.

For the past year, Koito has been working diligently and cooperatively with the JCAB, FAA, EASA, Boeing and Airbus to address safety and compliance issues. Because the AD contemplates flexibility on how to demonstrate a number of compliance requirements, Koito indicated it will continue discussions with such regulators and aircraft manufacturers to ensure safety while alleviating as much as possible the burden on affected airlines.

The complete texts of the ADs can be found at the FAA and EASA web links listed below:

http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgAD.nsf/0/368C0927439386AD862578A3004F4406?OpenDocument

<http://ad.easa.europa.eu/ad/2011-0098>