



Financial Results for FY 2018 (Year Ending March 31, 2018)

May 10, 2018 (Thu.)
KOITO MANUFACTURING CO., LTD.



【Disclaimer with Respect to Forward-looking Statements】

This presentation contains forward-looking statements concerning KOITO MANUFACTURING CO., LTD. and its consolidated subsidiaries' future plans, strategies and performance. These forward-looking statements are not historical facts; rather they represent assumptions and beliefs based on economic, financial and competitive data currently available.

Furthermore, they are subject to a number of risks and uncertainties including, but not limited to economic conditions, worldwide competition in the automotive industry, market trends, foreign currency exchange rates, tax rules, regulations and other factors.

Koito therefore wishes to caution readers that actual results may differ materially from our expectations.



I . Financial Results for FY 2018 (Year Ending March 31, 2018)



I — (1) Consolidated Net Sales (Compared to the previous fiscal year)

(1/9)

(¥ billion, ratio:%)

	FY 2017		FY 2018		Change				Remarks
	(16/4~17/3)	% to total	(17/4~18/3)	% to total		YoY			
KOITO MANUFACTURING (KMC)	297.7	29.2	339.9	32.1	42.1	114.2			<ul style="list-style-type: none"> • Domestic automobile production volume (9.36 million → 9.58 million vehicles 102%) • LED adoption
Japan									
KOITO Group	158.2		186.5		28.3	117.9			
KI Group	41.5		43.5		2.0	104.8			
Subtotal	199.7	19.6	230.1	21.8	30.3	115.2	The effect of Forex	Constant Forex (%)	
Overseas									
Americas	177.9		178.9		0.9	100.5	3.8	98.4	• Decrease in automobile production volume (96%)
Europe	32.0		42.8		10.7	133.6	4.2	120.4	• Increase at Nissan
China	213.4		153.5		△59.8	72.0	6.2	69.0	• Non-consolidation of SK*
Asia	89.0		104.4		15.3	117.3	6.7	109.7	• Increase at Toyota
KI Group	9.3		7.5		△1.7	81.3	0.3	78.0	• Decrease in railroad car equipment
Subtotal	521.8	51.2	487.3	46.1	△34.5	93.4	21.4	89.3	
(without SK)	(379.0)		(407.9)		(28.8)	(107.6)	(18.1)	(102.8)	
Total	1,019.4	100.0	1,057.4	100.0	38.0	103.7			<Forex> FY 2017 FY 2018 US Dollar ¥108.7 ¥110.7 Chinese Yuan ¥16.1 ¥16.8
Elimination	△178.0		△208.6		△30.6				
Consolidated (without SK)	841.4		848.8		7.4	100.9	21.4	98.3	
(without SK)	(698.6)		(769.4)		(70.7)	(110.1)	(18.1)	(107.5)	

※As KOITO transferred all of the shares in Shanghai Koito Automotive Lamp Co., Ltd. (SK) in March, 2018, SK has been excluded from KOITO's scope of consolidation.

KoTo I — (2) Consolidated Statements of Income

(2/9)

(¥ billion, ratio:%)

	FY 2017 (Actual) (16/4~17/3)		FY 2018 (Previous forecast) (17/4~18/3)		FY 2018 (Actual) (17/4~18/3)		Change			
							from FY 2017		from Forecast	
Net sales (without SK)	841.4 (698.6)	100.0	840.0	100.0	848.8 (769.4)	100.0	7.4 (70.7)	100.9 (110.1)	8.8	101.1
Cost of sales	694.0	82.5			692.2	81.6	△1.8			
Gross profit	147.3	17.5			156.6	18.4	9.2	106.3		
Selling, general and administrative expenses	54.8	6.5			52.8	6.2	△2.0			
Operating income (without SK)	92.5 (85.7)	11.0	100.0	11.9	103.7 (100.4)	12.2	11.2 (14.6)	112.2 (117.1)	3.7	103.8
Non-operating income and loss	2.8	0.3			4.1	0.5	1.3			
Recurring profit	95.3	11.3	104.0	12.4	107.9	12.7	12.6	113.2	3.9	103.8
Extraordinary gains and losses	△3.7	-			15.7	1.9	19.4			
Income before income taxes	91.6	10.9			123.7	14.6	32.0	135.0		
Net income	56.6	6.7	74.0	8.8	83.3	9.8	26.7	147.1	9.3	112.7



I — (3) Statements of Income by Regions
before Consolidation Adjustments
(Compared to the previous fiscal year)

(3/9)

FY 2018 (17/4~18/3)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK
Net sales	339.9	186.5	43.5	230.1	487.3	407.9	1,057.4	△208.6	848.8	769.4
Operating income	37.5	9.7	1.9	11.6	47.3	44.0	96.6	7.1	103.7	100.4
Ratio	11.1%	5.2%	4.4%	5.1%	9.7%	10.8%	9.1%		12.2%	13.1%

FY 2017 (16/4~17/3)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK
Net sales	297.7	158.2	41.5	199.7	521.8	379.0	1,019.4	△178.0	841.4	698.6
Operating income	29.2	8.8	0.3	9.2	48.0	41.2	86.4	6.0	92.5	85.7
Ratio	9.8%	5.6%	0.8%	4.6%	9.2%	10.9%	8.5%		11.0%	12.3%

Change

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK
Net sales	42.1	28.3	2.0	30.3	△34.5	28.8	38.0	△30.6	7.4	70.7
YoY	114%	118%	105%	115%	93%	108%	104%		101%	110%
Operating income	8.3	0.8	1.5	2.4	△0.6	2.8	10.1	1.0	11.2	14.6
YoY	129%	110%	609%	127%	99%	107%	112%		112%	117%



I – (4) Statements of Income by Segments before Consolidation Adjustments (Compared to the previous fiscal year)

(4/9)

FY 2018 (17/4 ~ 18/3)

(¥ billion, ratio:%)

	Overseas (15 companies)							
	Americas	Europe	China	without SK	Asia	KI Group	Total	without SK
Net sales	178.9	42.8	153.5	74.1	104.4	7.5	487.3	407.9
Operating income	17.4	4.7	12.3	8.9	10.7	2.1	47.3	44.0
Ratio	9.8%	11.0%	8.0%	12.1%	10.3%	28.4%	9.7%	10.8%

FY 2017 (16/4 ~ 17/3)

	Overseas (15 companies)							
	Americas	Europe	China	without SK	Asia	KI Group	Total	without SK
Net sales	177.9	32.0	213.4	70.5	89.0	9.3	521.8	379.0
Operating income	20.1	3.8	13.2	6.5	8.2	2.4	48.0	41.2
Ratio	11.3%	12.0%	6.2%	9.3%	9.3%	26.4%	9.2%	10.9%

Change

	Overseas (15 companies)								
	Americas	Europe	China	without SK	Asia	KI Group	Total	without SK	
Net sales	0.9	10.7	△ 59.8	3.5	15.3	△ 1.7	△ 34.5	28.8	
YoY	101%	134%	72%	105%	117%	81%	93%	108%	
Operating income	△ 2.6	0.8	△ 0.9	2.4	2.4	△ 0.3	△ 0.6	2.8	
YoY	87%	123%	93%	137%	129%	87%	99%	107%	
Constant Forex	Net sales	△ 2.9	6.5	△ 66.1	0.4	8.6	△ 2.0	△ 55.9	10.7
	Operating income	△ 3.1	0.4	△ 1.4	2.0	1.6	△ 0.3	△ 2.9	0.6

(The effect of Forex: Operating income 2.3)

I — (5) Consolidated Statements of Income

(Compared to the previous fiscal year)

(¥ billion, ratio:%)

	FY 2017		FY 2018		Change	
	(16/4~17/3)		(17/4~18/3)		YoY	
Net sales	841.4	100.0	848.8	100.0	7.4	100.9
(without SK)	(698.6)		(769.4)		(70.7)	(110.1)
Cost of sales	694.0	82.5	692.2	81.6	Δ1.8	
Gross profit	147.3	17.5	156.6	18.4	9.2	106.3
Selling, general and administrative expenses	54.8	6.5	52.8	6.2	Δ2.0	
Operating income	92.5	11.0	103.7	12.2	11.2	112.2
(without SK)	(85.7)		(100.4)		(14.6)	(117.1)
Non-operating income and loss	2.8	0.3	4.1	0.5	1.3	
Recurring profit	95.3	11.3	107.9	12.7	12.6	113.2
Extraordinary gains and losses	Δ3.7	—	15.7	1.9	19.4	
Income before income taxes	91.6	10.9	123.7	14.6	32.0	135.0
Net income	56.6	6.7	83.3	9.8	26.7	147.1

◎ Increase in operating income	11.2
▪ SK	Δ 3.4
▪ Increase in volume	20.1
▪ Price competition (CD)	0.1
▪ R&D and depreciation	Δ 7.6
(KMC Δ3.7, Americas Δ2.8 and others)	
▪ Others	Δ0.2
▪ The effect of Forex	2.3

	FY 2017		FY 2018		Change	
	(16/4~17/3)		(17/4~18/3)		YoY	
Net sales	841.4	100.0	848.8	100.0	7.4	100.9
(without SK)	(698.6)		(769.4)		(70.7)	(110.1)
Cost of sales	694.0	82.5	692.2	81.6	△1.8	
Gross profit	147.3	17.5	156.6	18.4	9.2	106.3
Selling, general and administrative expenses	54.8	6.5	52.8	6.2	△2.0	
Operating income	92.5	11.0	103.7	12.2	11.2	112.2
(without SK)	(85.7)		(100.4)		(14.6)	(117.1)
Non-operating income and loss	2.8	0.3	4.1	0.5	1.3	
Recurring profit	95.3	11.3	107.9	12.7	12.6	113.2
Extraordinary gains and losses	△3.7	-	15.7	1.9	19.4	
Income before income taxes	91.6	10.9	123.7	14.6	32.0	135.0
Net income	56.6	6.7	83.3	9.8	26.7	147.1

【Increase in operating income	11.2】
◎Non-operating income and loss	1.3
▪Equity in earnings of SK and others	
【Increase in recurring profit	12.6】
◎Increase or decrease in extraordinary gains and loss	19.4
▪Gain on SK's capital	14.6
▪Technical royalty from SK	3.2
▪Loss related to the Act on Prohibition to Private Monopolization and Maintenance of Fair Trade (FY2017: △3.3 → FY2018: △1.6)	1.7 and others
【Increase in net income	26.7】

KOITO I — (6) Non-consolidated Statements of Income

(7/9)

(¥ billion, ratio:%)

	FY 2016 (Actual) (16/4~17/3)		FY 2017 (Previous forecast) (17/4~18/3)		FY 2017 (Actual) (17/4~18/3)		Change			
							from FY 2017		from Forecast	
Net sales	297.7	100.0	339.0	100.0	339.9	100.0	42.1	114.2	0.9	100.3
Cost of sales	247.9	83.3			279.3	82.2	31.4			
Gross profit	49.8	16.7			60.5	17.8	10.7	121.6		
Selling, general and administrative expenses	20.5	6.9			22.9	6.8	2.4			
Operating income	29.2	9.8	37.0	10.9	37.5	11.1	8.3	128.5	0.5	101.6
Non-operating income and loss	16.4	5.5			18.1	5.4	1.7			
Recurring profit	45.7	15.4	55.0	16.2	55.7	16.4	10.0	122.0	0.7	101.4
Extraordinary gains and losses	△3.4	-			24.3	7.2	27.7			
Income before income taxes	42.3	14.2			80.1	23.6	37.8	189.4		
Net income	31.1	10.4	56.0	16.5	62.2	18.3	31.1	200.1	6.2	111.1

I — (7) Non-consolidated Statements of Income

(Compared to the previous fiscal year)

(¥ billion, ratio:%)

	FY 2017		FY 2018		Change	
	(16/4~17/3)		(17/4~18/3)		YoY	
Net sales	297.7	100.0	339.9	100.0	42.1	114.2
Cost of sales	247.9	83.3	279.3	82.2	31.4	
Gross profit	49.8	16.7	60.5	17.8	10.7	121.6
Selling, general and administrative expenses	20.5	6.9	22.9	6.8	2.4	
Operating income	29.2	9.8	37.5	11.1	8.3	128.5
Non-operating income and loss	16.4	5.5	18.1	5.4	1.7	
Recurring profit	45.7	15.4	55.7	16.4	10.0	122.0
Extraordinary gains and losses	△3.4	-	24.3	7.2	27.7	
Income before income taxes	42.3	14.2	80.1	23.6	37.8	189.4
Net income	31.1	10.4	62.2	18.3	31.1	200.1

◎ Increase in operating income	8.3
▪ Increase in volume	11.3
▪ Price competition (CD)	0.7
▪ Reinforcement of R&D and others	△3.7

I — (7) Non-consolidated Statements of Income

(Compared to the previous fiscal year)

(¥ billion, ratio:%)

	FY 2017		FY 2018		Change	
	(16/4~17/3)		(17/4~18/3)		YoY	
Net sales	297.7	100.0	339.9	100.0	42.1	114.2
Cost of sales	247.9	83.3	279.3	82.2	31.4	
Gross profit	49.8	16.7	60.5	17.8	10.7	121.6
Selling, general and administrative expenses	20.5	6.9	22.9	6.8	2.4	
Operating income	29.2	9.8	37.5	11.1	8.3	128.5
Non-operating income and loss	16.4	5.5	18.1	5.4	1.7	
Recurring profit	45.7	15.4	55.7	16.4	10.0	122.0
Extraordinary gains and losses	△3.4	—	24.3	7.2	27.7	
Income before income taxes	42.3	14.2	80.1	23.6	37.8	189.4
Net income	31.1	10.4	62.2	18.3	31.1	200.1

【 Increase in operating income 8.3 】
◎ Non-operating income
(Increase in dividends and others) 1.7
<hr/> 【 Increase in recurring profit 10.0 】
◎ Extraordinary gains and losses 27.7
▪ Gain on SK's capital 22.3
▪ Technical royalty from SK 3.2
▪ Loss related to the Act on Prohibition to Private Monopolization and Maintenance of fair trade (FY2017 △3.3 → FY2018 △1.6) 1.7 and others
<hr/> 【 Increase in net income 31.1 】



Ⅱ . Forecast for FY 2019 (Year ending March 31, 2019)

KOITO II — (1) Assumption of
Global Automobile Production Volume

(million vehicles)

	FY 2017	YoY	FY 2018	YoY	FY 2019	YoY
	Japan	9.36	102%	9.58	102%	9.50
North America	18.26	101%	17.56	96%	17.70	101%
Europe	16.99	102%	17.29	102%	17.40	101%
China	28.70	115%	28.99	101%	29.20	101%
Thailand	1.92	101%	2.01	105%	2.05	102%
Indonesia	1.18	114%	1.21	103%	1.27	105%
India	4.60	110%	4.80	104%	4.94	103%
South America	2.76	100%	3.25	118%	3.52	108%
Others	7.80	96%	7.87	101%	7.82	99%
Total	91.57	106%	92.56	101%	93.40	101%

KOITO II – (2) Consolidated Net Sales (Compared to the previous fiscal year)

(2/9)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change				Remarks
	(17/4~18/3)	% to total	(18/4~19/3)	% to total		YoY			
KOITO MANUFACTURING (KMC)	339.9	32.1	356.0	34.8	16.0	104.7			• Domestic automobile production volume (9.58 million → 9.50 million vehicles 99%)
Japan									
KOITO Group	186.5		199.4		12.8	106.9			• LED adoption
KI Group	43.5		44.6		1.0	102.4			• Increase in information devices
Subtotal	230.1	21.8	244.0	23.8	13.8	106.0	The effect of Forex	Constant Forex (%)	
Overseas									
Americas	178.9		187.4		8.4	104.7	△ 19.7	115.8	• Increase at Toyota and Honda
Europe	42.8		36.0		△ 6.8	84.0	△ 1.8	88.3	• Decrease at Nissan
China	153.5		92.4		△ 61.1	60.2	△ 4.5	63.1	• without SK* (constant Forex) 130.8%
Asia	104.4		101.3		△ 3.1	97.0	△ 7.1	103.8	• Increase at Toyota and Honda
KI Group	7.5		7.2		△ 0.3	94.9	△ 0.3	99.4	
Subtotal	487.3	46.1	424.3	41.4	△ 63.0	87.1	△ 33.5	93.9	(Constant Forex)
Subtotal (without SK*)	(407.9)				(16.3)	(104.0)		(112.2)	(49.9)
Total	1,057.4	100.0	1,024.3	100.0	△ 33.1	96.9			<Exchange rate> FY 2018 (Actual) FY 2019 (Forecast)
Elimination	△ 208.6		△ 229.3		△ 20.6				US Dollar ¥110.7 ¥100.0
									Chinese Yuan ¥16.8 ¥16.0
Consolidated	848.8		795.0		△ 53.8	93.7	△ 33.5	97.6	(Constant Forex)
Subtotal (without SK)	(769.4)				(25.5)	(103.3)		(107.7)	(59.1)
									<Annual sensitivity per US Dollar / 1 yen> Net sales : ¥4.0 billion Operating income: ¥0.4 billion

*SK: Shanghai Koito Automotive Lamp Co., Ltd.

KOITO II — (3) Consolidated Statements of Income
(Compared to the previous fiscal year)

(3/9)

(¥ billion, ratio:%)

	FY 2018 (Actual) (17/4~18/3)		FY 2019 (Forecast) (18/4~19/3)		Change			
Net sales	848.8	100.0	795.0	100.0	△ 53.8	93.7	◎Operating income	△5.7
(without SK)	(769.4)				(25.5)	(103.3)	·SK	△3.3
Cost of sales	692.2	81.6	651.4	81.9	△ 40.8		·Increase in volume	13.3
Gross profit	156.6	18.4	143.6	18.1	△ 13.0	91.7	(Net sales at constant Forex +59.1)	
Selling, general and administrative expenses	52.8	6.2	45.6	5.7	△ 7.2		·Price competition	△2.6
Operating income	103.7	12.2	98.0	12.3	△ 5.7	94.4	·R&D and depreciation	△9.7
(without SK)	(100.4)				(△2.4)	(97.6)	(KMC △4.9, Americas △2.6, China △1.3 and others)	
Non-operating income and loss	4.1	0.5	2.0	0.3	△ 2.1		·The effect of Forex	△3.4
Recurring profit	107.9	12.7	100.0	12.6	△ 7.9	92.6		
Extraordinary gains and losses	15.7	1.9	△ 0.6	—	△ 16.3			
Income before income taxes	123.7	14.6	99.4	12.5	△ 24.3	80.3		
Net income	83.3	9.8	66.0	8.3	△ 17.3	79.1		

KOITO II — (3) Consolidated Statements of Income
(Compared to the previous fiscal year)

(3/9)

(¥ billion, ratio:%)

	FY 2018 (Actual) (17/4~18/3)		FY 2019 (Forecast) (18/4~19/3)		Change		
Net sales	848.8	100.0	795.0	100.0	△ 53.8	93.7	【Decrease in operating income △5.7】
(without SK)	(769.4)				(25.5)	(103.3)	◎Non-operating income and loss △2.1
Cost of sales	692.2	81.6	651.4	81.9	△ 40.8		·SK's Non-operating income and loss (FY 2018) △1.4
Gross profit	156.6	18.4	143.6	18.1	△ 13.0	91.7	·Equity in earnings of SK (FY 2018) △0.7
Selling, general and administrative expenses	52.8	6.2	45.6	5.7	△ 7.2		
Operating income	103.7	12.2	98.0	12.3	△ 5.7	94.4	【Decrease in recurring profit △7.9】
(without SK)	(100.4)				(△2.4)	(97.6)	◎Extraordinary gains and losses △16.3
Non-operating income and loss	4.1	0.5	2.0	0.3	△ 2.1		·Gain on SK's capital (FY 2018) △14.6
Recurring profit	107.9	12.7	100.0	12.6	△ 7.9	92.6	·Technical royalty from SK (FY 2018) △3.2
Extraordinary gains and losses	15.7	1.9	△ 0.6	—	△ 16.3		
Income before income taxes	123.7	14.6	99.4	12.5	△ 24.3	80.3	【Decrease in net income △17.3】
Net income	83.3	9.8	66.0	8.3	△ 17.3	79.1	

II — (4) Statements of Income by Regions before Consolidation Adjustments (Compared to the previous fiscal year)

FY 2019 (Forecast) (18/4~19/3)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK
Net sales	356.0	199.4	44.6	244.0	424.3	424.3	1,024.3	△ 229.3	795.0	795.0
Operating income	36.0	8.4	1.8	10.2	44.3	44.3	90.5	7.5	98.0	98.0
Ratio	10.1%	4.2%	4.0%	4.2%	10.4%	10.4%	8.8%	—	12.3%	12.3%

FY 2018 (Actual) (17/4~18/3)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK
Net sales	339.9	186.5	43.5	230.1	487.3	407.9	1,057.4	△ 208.6	848.8	769.4
Operating income	37.5	9.7	1.9	11.6	47.3	44.0	96.6	7.1	103.7	100.4
Ratio	11.1%	5.2%	4.4%	5.1%	9.7%	10.8%	9.1%	—	12.2%	13.1%

Change

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated		
		KOITO Group	KI Group	Subtotal	Subtotal	without SK				without SK	
Net sales	16.0	12.8	1.0	13.8	△ 63.0	16.3	△ 33.1	△ 20.6	△ 53.8	25.5	
YoY	105%	107%	102%	106%	87%	104%	97%	—	94%	103%	
Operating income	△ 1.5	△ 1.3	△ 0.1	△ 1.4	△ 3.0	0.2	△ 6.1	0.3	△ 5.7	△ 2.4	
YoY	96%	86%	95%	87%	93%	101%	94%	—	94%	98%	
Constant Forex	Net sales	16.0	12.8	1.0	13.8	△ 29.4	49.9	△ 33.1	△ 20.6	△ 20.2	59.1
	Operating income	△ 1.5	△ 1.3	△ 0.1	△ 1.4	0.3	3.6	△ 6.1	0.3	△ 2.3	0.8

KOITO II — (5) Non-consolidated Statements of Income
(Compared to the previous fiscal year)

(5/9)

(¥ billion, ratio:%)

	FY 2018 (Actual) (17/4~18/3)		FY 2019 (Forecast) (18/4~19/3)		Change		
							◎Operating income Δ1.5
Net sales	339.9	100.0	356.0	100.0	16.0	104.7	
Cost of sales	279.3	82.2	294.4	82.7	15.0		▪Increase in volume 3.6
Gross profit	60.5	17.8	61.6	17.3	1.0	101.7	▪Price competition Δ0.2
Selling, general and administrative expenses	22.9	6.8	25.6	7.2	2.6		
Operating income	37.5	11.1	36.0	10.1	Δ 1.5	95.7	▪Reinforcement of R&D and others Δ4.9 (R&D for autonomous driving technology and development of new products)
Non-operating income and loss	18.1	5.4	16.0	4.5	Δ 2.1		
Recurring profit	55.7	16.4	52.0	14.6	Δ 3.7	93.2	
Extraordinary gains and losses	24.3	7.2	Δ 0.7	—	Δ 25.0		
Income before income taxes	80.1	23.6	51.3	14.4	Δ 28.8	64.0	
Net income	62.2	18.3	37.0	10.4	Δ 25.2	59.5	

KOTO II — (5) Non-consolidated Statements of Income
(Compared to the previous fiscal year)

(5/9)

(¥ billion, ratio:%)

	FY 2018 (Actual) (17/4~18/3)		FY 2019 (Forecast) (18/4~19/3)		Change		
Net sales	339.9	100.0	356.0	100.0	16.0	104.7	【Decrease in operating income Δ1.5】
Cost of sales	279.3	82.2	294.4	82.7	15.0		◎Non-operating income and loss Δ2.1
Gross profit	60.5	17.8	61.6	17.3	1.0	101.7	▪SK's dividends (FY 2018) Δ2.2
Selling, general and administrative expenses	22.9	6.8	25.6	7.2	2.6		【Decrease in recurring profit Δ3.7】
Operating income	37.5	11.1	36.0	10.1	Δ 1.5	95.7	◎Extraordinary gains and losses Δ25.0
Non-operating income and loss	18.1	5.4	16.0	4.5	Δ 2.1		▪Gain on SK's capital (FY 2018) Δ22.3
Recurring profit	55.7	16.4	52.0	14.6	Δ 3.7	93.2	▪Technical royalty from SK (FY 2018) Δ3.2
Extraordinary gains and losses	24.3	7.2	Δ 0.7	—	Δ 25.0		【Decrease in net income Δ25.2】
Income before income taxes	80.1	23.6	51.3	14.4	Δ 28.8	64.0	
Net income	62.2	18.3	37.0	10.4	Δ 25.2	59.5	

II – (6) Statements of Income by Segments before Consolidation Adjustments (Compared to the previous fiscal year)

FY 2019 (Forecast) (18/4~19/3)

(¥ billion)

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales	187.4	36.0	92.4	92.4	101.3	7.2	424.3	424.3	
Operating income	18.7	3.5	10.4	10.4	10.4	1.3	44.3	44.3	
Ratio	10.0%	9.7%	11.3%	11.3%	10.3%	18.1%	10.4%	10.4%	

FY 2018 (Actual) (17/4~18/3)

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales	178.9	42.8	153.5	74.1	104.4	7.5	487.3	407.9	
Operating income	17.4	4.7	12.3	8.9	10.7	2.1	47.3	44.0	
Ratio	9.8%	11.0%	8.0%	12.1%	10.3%	28.3%	9.7%	10.8%	

Change

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales YoY	8.4	△ 6.8	△ 61.1	18.2	△ 3.1	△ 0.3	△ 63.0	16.3	
	105%	84%	60%	125%	97%	95%	87%	104%	
Operating income YoY	1.2	△ 1.2	△ 1.9	1.4	△ 0.3	△ 0.8	△ 3.0	0.2	
	107%	74%	84%	116%	97%	60%	93%	101%	
Constant Forex	Net sales	28.2	△ 5.0	△ 56.6	22.8	4.0	0.0	△ 29.4	49.9
	Operating income	3.2	△ 1.0	△ 1.4	1.9	0.3	△ 0.7	0.3	3.6

KOITO II — (7) Statements of Income in Americas and Europe
(Compared to the previous fiscal year)

(7/9)

(¥ billion, ratio:%)

		FY 2018 (Actual) (17/4~18/3)	FY 2019 (Forecast) (18/4~19/3)	Change		Constant Forex		Remarks
A m e r i c a s	Net sales	178.9	187.4	8.4	104.7	28.2	115.8	◎Operating income 3.2
	Operating income	17.4	18.7	1.2	106.9	3.2	118.5	▪Increase in volume 5.9 ▪Price competition Δ0.1
	Ratio	9.8	10.0					▪R&D and depreciation Δ1.6 ▪Expenses to starting-up NAL Brasil Δ1.0
E u r o p e	Net sales	42.8	36.0	Δ 6.8	84.0	Δ 5.0	88.3	
	Operating income	4.7	3.5	Δ 1.2	74.1	Δ 1.0	78.0	◎Operating income Δ1.0 ▪Decrease in volume Δ0.6
	Ratio	11.0	9.7					▪Price competition Δ0.4

KOITO II — (8) Statements of Income in China and Asia
 (Compared to the previous fiscal year)

(8/9)

(¥ billion, ratio:%)

		FY 2018 (Actual) (17/4~18/3)	FY 2019 (Forecast) (18/4~19/3)	Change		Constant Forex		Remarks
C h i n a	Net sales	153.5	92.4	△ 61.1	60.2	△ 56.6	63.1	@Operating income <u>△1.4</u>
	(without SK)	(74.1)		(18.2)	(124.7)	(22.8)	(130.8)	SK <u>△3.3</u>
	Operating income	12.3	10.4	△ 1.9	84.5	△ 1.4	88.4	without SK <u>1.9</u>
	(without SK)	(8.9)		(1.4)	(115.9)	(1.9)	(121.2)	<ul style="list-style-type: none"> •Increase in volume <u>5.1</u> •Price competition <u>△1.9</u> •Expenses to starting-up new products <u>△1.3</u>
	Ratio (without SK)	8.0 (12.1)	11.3					
A s i a	Net sales	104.4	101.3	△ 3.1	97.0	4.0	103.8	@Operating income <u>0.3</u>
	Operating income	10.7	10.4	△ 0.3	97.0	0.3	103.1	•Increase in volume <u>0.8</u>
	Ratio	10.3	10.3					•Price competition <u>△0.5</u>

KOITO II — (9) Capital Expenditures by Segment

(9/9)

(¥ billion, ratio:%)

		FY 2017 (16/4~ 17/3)	FY 2018 (17/4~ 18/3)	FY 2019 (Forecast)			Remarks
				(18/4~ 19/3)	Change from FY 2018		
					Difference	Ratio	
J a p a n	Equipment	3.5	3.6	9.5	5.9	264	•Equipment renewal, and integration and introduction of production lines
	Molds	4.9	4.5	3.8	△ 0.7	84	
	KMC	8.5	8.1	13.3	5.2	164	
	KOITO KYUSHU	3.2	3.3	5.4	2.1	164	•Increase in in-house start-up
	KIHD AND KOITO ELECTRIC IND.	0.1	0.2	0.3	0.1	150	
	Others	2.1	2.4	6.0	3.6	250	•Aoitec +3.5 billion yen (0.9 → 4.4 billion yen)
	Subtotal	14.0	14.1	25.0	10.9	177	
	Americas	12.0	5.8	16.0	10.2	276	•NAL Brasil +4.8 billion yen (0.1 → 4.9 billion yen)
	Europe	1.1	1.9	1.8	△ 0.1	95	•NAL Mexico +3.1 billion yen (0.3 → 3.4 billion yen)
	China	7.1	5.8	9.8	4.0	169	•Hubei +3.6 billion yen (1.3 → 4.9 billion yen)
	Asia	5.8	6.2	8.9	2.7	144	•Indonesia +3.1 billion yen (0.8 → 3.9 billion yen)
	Subtotal	26.2	19.7	36.5	16.8	185	
	Total	40.2	33.8	61.5	27.7	182	
	(Order amount)	(40.2)	(52.6)	(66.8)	(14.2)	(127)	
	Depreciation	31.7	32.2	32.4	0.2	101	
	(KMC	9.7	9.1	9.0	△ 0.1	99)
	(SK	1.7	0.9	0.0	△ 0.9	—)