



**Financial Results for  
The 1<sup>st</sup> Half of FY 2017  
(Year Ending March 31, 2017)**

**November 11, 2016 (Fri.)  
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 The 1<sup>st</sup> Half of FY 2017 (Year Ending March 31, 2017)



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

(1/9)

(¥ billion)

	FY 2016 1 <sup>st</sup> half		FY 2017 1 <sup>st</sup> half		Change		Remarks				
	(15/4~15/9)	% to total	(16/4~16/9)	% to total		YoY					
<b>KOITO MANUFACTURING (KMC)</b>	<b>125.7</b>	<b>27.8</b>	<b>137.5</b>	<b>29.6</b>	<b>11.7</b>	<b>109.4</b>	▪Domestic automobile production volume (4.44 million → 4.37 million vehicles 98%) ▪Increase in unit price led by LED adoption				
Japan	KOITO Group	63.3	71.7		8.4	113.3	▪Increase in unit price led by LED adoption				
	KI Group	17.7	17.5		Δ0.2	98.9	▪Decrease in information board, etc.				
	<b>Subtotal</b>	<b>81.1</b>	<b>17.9</b>	<b>89.2</b>	<b>19.2</b>	<b>8.1</b>	<b>110.1</b>	The effect of Forex	without Forex		
Overseas	North America	79.6	81.7		2.0	102.6	Δ14.0	120.2	▪Increase at Toyota and Honda		
	Europe	17.4	15.5		Δ1.8	89.3	Δ3.1	107.4	▪Increase at Toyota and Suzuki		
	China	100.8	94.5		Δ6.3	93.8	Δ22.0	115.6	▪Increase at VW and Nissan		
	Asia	41.5	39.9		Δ1.5	96.2	Δ6.7	112.5	▪Increase at Toyota and Suzuki		
	KI Group	6.0	5.8		Δ0.1	96.8	Δ1.3	119.4	▪Increase in railroad car equipment		
	<b>Subtotal</b>	<b>245.5</b>	<b>54.3</b>	<b>237.7</b>	<b>51.2</b>	<b>Δ7.8</b>	<b>96.8</b>	<b>Δ47.4</b>	<b>116.1</b>		
<b>Total</b>	<b>452.4</b>	<b>100.0</b>	<b>464.5</b>	<b>100.0</b>	<b>12.0</b>	<b>102.7</b>	<b>Δ47.4</b>	<b>113.2</b>	〈Forex〉		
Elimination	Δ69.1		Δ80.7		Δ11.6				FY 2016	FY 2017	
<b>Consolidated</b>	<b>383.3</b>		<b>383.7</b>		<b>0.4</b>	<b>100.1</b>	<b>Δ47.4</b>	<b>112.5</b>	US Dollar	¥121.7	¥105.4
									Chinese Yuan	¥19.6	¥15.9



# I — (2) Consolidated Statements of Income

## (Compared to the previous fiscal year)

(2/9)

(¥ billion)

	FY 2016 1 <sup>st</sup> half (Actual)		FY 2017 1 <sup>st</sup> half (Previous forecast)		FY 2017 1 <sup>st</sup> half (Actual)		Change			
	(15/4~15/9)		(16/4~16/9)		(16/4~16/9)		from FY 2016		from Forecast	
Net sales	383.3	100	380.0	100	383.7	100	0.4	100.1	3.7	101.0
(without Forex)							(47.8)	(112.5)	(0.0)	(100.2)
Cost of sales	323.6	84.4			317.8	82.8	Δ5.8			
Gross profit	59.6	15.6			65.9	17.2	6.2	110.5		
Selling, general and administrative expenses	27.2	7.1			26.1	6.8	Δ1.1			
Operating income	32.3	8.5	36.0	9.5	39.7	10.4	7.3	122.7	3.7	110.4
Non-operating income and loss	0.4	0.1			Δ0.1	—	Δ0.5			
Recurring profit	32.8	8.6	36.0	9.5	39.6	10.3	6.7	120.6	3.6	110.0
Extraordinary gains and losses	Δ9.7	—			Δ1.1	—	8.6			
Income before income taxes	23.1	6.0			38.5	10.0	15.3	166.5		
(Profit or loss attributable to non-controlling interests)	(Δ1.0)	—			(3.6)	—	(4.7)			
Net income	14.1	3.7	20.0	5.3	22.9	6.0	8.7	161.8	2.9	114.6

**KOITO** I — (3) Consolidated Statements of Income by Companies  
(Compared to the previous fiscal year)

(3/9)

FY 2017 (16/4~16/9)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidation
		KOITO Group	KI Group	Subtotal				
Net sales	137.5	71.7	17.5	89.2	237.7	464.5	△80.7	383.7
Operating income	12.7	3.8	△0.8	3.0	21.3	37.1	2.6	39.7
ratio	9.2%	5.3%	—	3.4%	9.0%	8.0%		10.4%

FY 2016 (15/4~15/9)

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidation
		KOITO Group	KI Group	Subtotal				
Net sales	125.7	63.3	17.7	81.1	245.5	452.4	△69.1	383.3
Operating income	8.5	2.7	△1.2	1.5	20.1	30.2	2.1	32.3
ratio	6.8%	4.3%	—	1.9%	8.2%	6.7%		8.5%

Change

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidation
		KOITO Group	KI Group	Subtotal				
Net sales	11.7	8.4	△0.2	8.1	△7.8	12.0	△11.6	0.4
YoY	109%	113%	99%	111%	97%	103%		100%
Operating income	4.1	1.1	0.4	1.5	1.2	6.8	0.4	7.3
YoY	148%	140%	—	200%	106%	123%		123%



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

(4/9)

(¥ billion)

FY 2017 (16/4 ~ 16/9)

	Overseas (14 companies)					
	North America	Europe	China	Asia	KI Group	Total
Net sales	81.7	15.5	94.5	39.9	5.8	237.7
Operating income	7.4	1.7	6.4	4.1	1.6	21.3
ratio	9.1%	11.5%	6.8%	10.3%	28.0%	9.0%

FY 2016 (15/4 ~ 15/9)

	Overseas (14 companies)					
	North America	Europe	China	Asia	KI Group	Total
Net sales	79.6	17.4	100.8	41.5	6.0	245.5
Operating income	6.2	1.6	6.8	3.6	1.7	20.1
ratio	7.8%	9.4%	6.8%	8.9%	28.4%	8.2%

Change

	Overseas (14 companies)						
	North America	Europe	China	Asia	KI Group	Total	
Net sales	2.0	△1.8	△6.3	△1.5	△0.1	△7.8	
YoY	103%	89%	94%	96%	96%	97%	
Operating income	1.1	0.1	△0.4	0.4	0.0	1.2	
YoY	119%	109%	93%	111%	97%	106%	
without Forex	Net sales	16.1	1.2	15.7	5.1	1.1	39.5
	Operating income	2.6	0.4	1.0	1.0	0.3	5.5

(The effect of exchange rate: Operating income △4.3)

**KOITO I — (5) Consolidated Statements of Income**  
**(Compared to the previous fiscal year)**

(5/9)

(¥ billion)

	FY 2016 1st half		FY 2017 1st half		Change	
	(15/4~15/9)		(16/4~16/9)		YoY	
<b>Net sales</b>	<b>383.3</b>	<b>100</b>	<b>383.7</b>	<b>100</b>	<b>0.4</b>	<b>100.1</b>
(without Forex)			(431.1)		(47.8)	112.5
Cost of sales	323.6	84.4	317.8	82.8	Δ5.8	
Gross profit	59.6	15.6	65.9	17.2	6.2	110.5
Selling, general and administrative expenses	27.2	7.1	26.1	6.8	Δ1.1	
<b>Operating income</b>	<b>32.3</b>	<b>8.5</b>	<b>39.7</b>	<b>10.4</b>	<b>7.3</b>	<b>122.7</b>
Non-operating income and loss	0.4	0.1	Δ0.1	—	Δ0.5	
Recurring profit	32.8	8.6	39.6	10.3	6.7	120.6
Extraordinary gains and losses	Δ9.7	—	Δ1.1	—	8.6	
Income before income taxes	23.1	6.0	38.5	10.0	15.3	166.5
(Profit or loss attributable to non-controlling interests)	(Δ1.0)	—	(3.6)	—	(4.7)	
<b>Net income</b>	<b>14.1</b>	<b>3.7</b>	<b>22.9</b>	<b>6.0</b>	<b>8.7</b>	<b>161.8</b>

  

<b>Increase in operating income</b>	<b>7.3</b>
▪ Increase in volume	11.8
▪ Cost down in materials	6.2
▪ Price competition	Δ6.4
▪ Depreciation and R&D	Δ1.0
▪ Others	1.0
▪ The effect of Forex	Δ4.3



**KOTO** I — (5) Consolidated Statements of Income  
(Compared to the previous fiscal year)

(6/9)

(¥ billion)

	FY 2016 1 <sup>st</sup> half (15/4~15/9)		FY 2017 1 <sup>st</sup> half (16/4~16/9)		Change			
						YoY		
								<b>【Increase in operating income 7.3】</b>
Net sales	383.3	100	383.7	100	0.4	100.1		Increase or decrease in
(without Forex)			(431.1)		(47.8)	112.5		non-operating income and loss <b>Δ0.5</b>
Cost of sales	323.6	84.4	317.8	82.8	Δ5.8			
Gross profit	59.6	15.6	65.9	17.2	6.2	110.5		<b>【Increase in recurring profit 6.7】</b>
Selling, general and administrative expenses	27.2	7.1	26.1	6.8	Δ1.1			Increase or decrease in
Operating income	32.3	8.5	39.7	10.4	7.3	122.7		extraordinary gains or losses <b>8.6</b>
Non-operating income and loss	0.4	0.1	Δ0.1	—	Δ0.5			• Allowance for expenses for damages of KIHD <b>9.9</b>
Recurring profit	32.8	8.6	39.6	10.3	6.7	120.6		• Loss on disaster in IJL Δ9 and others <b>Δ1.3</b>
Extraordinary gains and losses	Δ9.7	—	Δ1.1	—	8.6			<b>【Increase in net income 8.7】</b>
Income before income taxes	23.1	6.0	38.5	10.0	15.3	166.5		
(Profit or loss attributable to non-controlling interests)	(Δ1.0)	—	(3.6)	—	(4.7)			
Net income	14.1	3.7	22.9	6.0	8.7	161.8		



# I — (6) Non-consolidated Statements of Income (Compared to the previous fiscal year)

(7/9)

(¥ billion)

	FY 2016 1 <sup>st</sup> half (Actual) (15/4~15/9)		FY 2017 1 <sup>st</sup> half (Previous forecast)		FY 2017 1 <sup>st</sup> half (Actual) (16/4~16/9)		Change			
							from FY 2016		from Forecast	
Net sales	125.7	100	137.0	100	137.5	100	11.7	109.4	0.5	100.4
Cost of sales	107.2	85.3			114.8	83.5	7.5			
Gross profit	18.4	14.7			22.6	16.5	4.2	123.0		
Selling, general and administrative expenses	9.8	7.8			9.9	7.3	0.1			
Operating income	8.5	6.8	9.0	6.6	12.7	9.2	4.1	147.9	3.7	141.1
Non-operating income and loss	10.3	8.2			10.3	7.5	Δ0.0			
Recurring profit	18.9	15.1	20.0	14.6	23.0	16.7	4.0	121.6	3.0	115.1
Extraordinary gains and losses	0.1	0.1			Δ0.8	—	Δ0.9			
Income before income taxes	19.0	15.1			22.1	16.1	3.1	116.4		
Net income	13.6	10.9	14.0	10.2	16.4	12.0	2.7	120.3	2.4	117.4



I — (7) Non-consolidated Statements of Income  
(Compared to the previous fiscal year)

(8/9)

(¥ billion)

	FY 2016 1st half		FY 2017 1st half		Change	
	(15/4~15/9)		(16/4~16/9)		YoY	
<b>Net sales</b>	<b>125.7</b>	<b>100</b>	<b>137.5</b>	<b>100</b>	<b>11.7</b>	<b>109.4</b>
Cost of sales	107.2	85.3	114.8	83.5	7.5	
Gross profit	18.4	14.7	22.6	16.5	4.2	123.0
Selling, general and administrative expenses	9.8	7.8	9.9	7.3	0.1	
<b>Operating income</b>	<b>8.5</b>	<b>6.8</b>	<b>12.7</b>	<b>9.2</b>	<b>4.1</b>	<b>147.9</b>
Non-operating income and loss	10.3	8.2	10.3	7.5	Δ0.0	
<b>Recurring profit</b>	<b>18.9</b>	<b>15.1</b>	<b>23.0</b>	<b>16.7</b>	<b>4.0</b>	<b>121.6</b>
Extraordinary gains and losses	0.1	0.1	Δ0.8	-	Δ0.9	
Income before income taxes	19.0	15.1	22.1	16.1	3.1	116.4
<b>Net income</b>	<b>13.6</b>	<b>10.9</b>	<b>16.4</b>	<b>12.0</b>	<b>2.7</b>	<b>120.3</b>

  

Increase in operating income	4.1
▪ Increase in volume	2.8
▪ Cost down in materials	1.5
▪ Price competition	Δ0.6
▪ Depreciation and R&D	Δ0.6
▪ Others	1.0

I — (7) Non-consolidated Statements of Income  
(Compared to the previous fiscal year)

(9/9)

(¥ billion)

	FY 2016 1 <sup>st</sup> half		FY 2017 1 <sup>st</sup> half		Change	
	(15/4~15/9)		(16/4~16/9)			YoY
Net sales	125.7	100	137.5	100	11.7	109.4
Cost of sales	107.2	85.3	114.8	83.5	7.5	
Gross profit	18.4	14.7	22.6	16.5	4.2	123.0
Selling, general and administrative expenses	9.8	7.8	9.9	7.3	0.1	
Operating income	8.5	6.8	12.7	9.2	4.1	147.9
Non-operating income and loss	10.3	8.2	10.3	7.5	Δ0.0	
Recurring profit	18.9	15.1	23.0	16.7	4.0	121.6
Extraordinary gains and losses	0.1	0.1	Δ0.8	—	Δ0.9	
Income before income taxes	19.0	15.1	22.1	16.1	3.1	116.4
Net income	13.6	10.9	16.4	12.0	2.7	120.3

【 Increase in operating income 4.1 】

Increase and decrease  
in non-operating income Δ0.0

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【 Increase in recurring profit 4.0 】

Increase and decrease  
in extraordinary gains and losses Δ0.9

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•Loss on valuation of stock caused by  
disaster in IJL Δ0.7, and others

【 Increase in net income 2.7 】



## II . Forecast for FY 2017 (Year ending March 31, 2017)

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

(million vehicles)

	FY 2013	FY 2014	FY 2015	FY 2016	Change				
					1 <sup>st</sup> half	2 <sup>nd</sup> half	FY 2017	from previous year	of 1 <sup>st</sup> and 2 <sup>nd</sup> half
Japan	9.55	9.91	9.59	9.19	4.37	4.74	9.10	99%	108%
North America	15.82	16.36	17.52	18.02	9.18	9.06	18.24	101%	99%
Europe	16.05	15.78	16.42	16.59	8.20	8.55	16.75	101%	104%
China	19.88	22.62	24.03	24.88	12.25	13.05	25.30	102%	107%
Thailand	2.66	2.25	1.89	1.89	0.95	0.95	1.90	100%	99%
Indonesia	1.07	1.24	1.23	1.04	0.52	0.52	1.04	100%	100%
India	3.99	3.76	3.82	4.19	2.18	2.18	4.36	104%	100%
Others	12.05	12.49	11.68	10.92	5.19	5.22	10.41	95%	101%
<b>Total</b>	<b>81.08</b>	<b>84.42</b>	<b>86.19</b>	<b>86.72</b>	<b>42.84</b>	<b>44.26</b>	<b>87.10</b>	<b>100%</b>	<b>103%</b>

# KOITO II — (2) Consolidated Net Sales (Compared to the first half of FY 2017)

(¥ billion)

	FY 2017 1 <sup>st</sup> half (Actual)		FY 2017 2 <sup>nd</sup> half (Forecast)		Change				Remarks
	(16/4~16/9)	% to total	(16/10~17/3)	% to total		YoY			
<b>KOITO MANUFACTURING (KMC)</b>	<b>137.5</b>	<b>29.6</b>	<b>150.4</b>	<b>30.6</b>	<b>12.9</b>	<b>109.4</b>			• Domestic automobile production volume (4.37 million → 4.74 million vehicles 108%)
Japan									
KOITO Group	71.7		78.9		7.1	110.0			
KI Group	17.5		26.7		9.2	152.5			• Increase in public constructions etc.
Subtotal	<b>89.2</b>	<b>19.2</b>	<b>105.7</b>	<b>21.5</b>	<b>16.4</b>	<b>118.4</b>	The effect of Forex	without Forex	
Overseas									
North America	81.7		85.4		3.7	104.6	△4.6	110.2	• Increase at Toyota and Mazda
Europe	15.5		14.6		△0.8	94.3	△1.3	103.3	• Increase at Suzuki
China	94.5		88.9		△5.6	94.1	△5.2	99.6	
Asia	39.9		41.4		1.4	103.6	△2.7	110.4	• Increase at Toyota
KI Group	5.8		5.3		△0.5	90.6	△0.3	95.9	• Decrease in railroad car equipment
Subtotal	<b>237.7</b>	<b>51.2</b>	<b>235.7</b>	<b>47.9</b>	<b>△1.9</b>	<b>99.2</b>	<b>△14.3</b>	<b>105.2</b>	
(without the effect of exchange rate)			<b>(250.1)</b>		<b>(12.4)</b>	<b>(105.2)</b>			
Total	<b>464.5</b>	<b>100.0</b>	<b>491.9</b>	<b>100.0</b>	<b>27.4</b>	<b>105.9</b>	<b>△14.3</b>	<b>109.0</b>	<Exchange rate>
Elimination	<b>△80.7</b>		<b>△88.7</b>		<b>△7.9</b>				
Consolidated (without the effect of exchange rate)	<b>383.7</b>		<b>403.2</b>		<b>19.5</b>	<b>105.1</b>	<b>△14.3</b>	<b>108.8</b>	
			<b>(417.5)</b>		<b>(33.9)</b>	<b>(108.8)</b>			
									FY 2017 (first half)    FY 2017 (second half) US Dollar            ¥105.4            ¥100.0 Chinese Yuan        ¥ 15.9            ¥15.0 <Annual sensitivity per US Dollar/1yen> Net sales: ¥4.5 billion Operating income: ¥0.4 billion



## II — (3) Consolidated Statements of Income (Compared to the first half of FY2017)

(3/12)

(¥ billion)

	FY 2017 1 <sup>st</sup> half (Actual) (16/4~16/9)		FY 2017 2 <sup>nd</sup> half (Forecast) (16/10~17/3)		Change		
						YoY	
<b>Operating income</b>							<b>2.5</b>
·Increase in volume							8.1
·Cost down in materials							0.3
·Price competition							Δ0.9
·Depreciation and R&D							Δ2.5
·Others							Δ1.2
·The effect of Forex							Δ1.3
<b>【 Increase in operating income</b>							<b>2.5】</b>
<b>Non-operating income and loss</b>							<b>1.2</b>
<b>【 Increase in recurring profit</b>							<b>3.7】</b>
<b>Recurring profit</b>							<b>0.7</b>
·Loss on disaster in IJL							0.6
(First half Δ0.9 → Second half Δ0.3)							
<b>【 Increase in net income</b>							<b>3.1】</b>
<b>Net income</b>							
Net sales	383.7	100.0	403.2	100.0	19.5	105.1	
(without Forex)			(417.6)		(33.9)	(108.8)	
Cost of sales	317.8	82.8	337.3	83.7	19.5		
Gross profit	65.9	17.2	65.8	16.3	0.0	99.9	
Selling, general and administrative expenses	26.1	6.8	23.6	5.9	Δ2.5		
Operating income	39.7	10.4	42.4	10.5	2.5	106.8	
(without Forex)			(43.6)		(3.8)	(109.7)	
Non-operating income and loss	Δ0.1	-	1.1	0.3	1.2		
Extraordinary gains and losses	Δ1.1	-	Δ0.3	-	0.7		
Income before income taxes	38.5	10.0	42.9	10.7	4.4	111.6	





## II — (4) Non-consolidated Statements of Income (Compared to the first half of FY2017)

(4/12)

(¥ billion)

	FY 2017 1 <sup>st</sup> half (Actual)		FY 2017 2 <sup>nd</sup> half (Forecast)		Change	
	(16/4~16/9)		(16/10~17/3)		YoY	
<b>Net sales</b>	<b>137.5</b>	<b>100.0</b>	<b>150.4</b>	<b>100.0</b>	<b>12.9</b>	<b>109.4</b>
Cost of sales	114.8	83.5	127.5	84.8	12.7	
Gross profit	22.6	16.5	22.9	15.2	0.2	101.1
Selling, general and administrative expenses	9.9	7.3	10.6	7.1	0.6	
<b>Operating income</b>	<b>12.7</b>	<b>9.2</b>	<b>12.2</b>	<b>8.2</b>	<b>Δ0.4</b>	<b>96.8</b>
Non-operating income and loss	10.3	7.5	4.6	3.1	Δ5.6	
<b>Recurring profit</b>	<b>23.0</b>	<b>16.7</b>	<b>16.9</b>	<b>11.3</b>	<b>Δ6.0</b>	<b>73.8</b>
Extraordinary gains and losses	Δ0.8	-	Δ0.1	-	0.7	
Income before income taxes	22.1	16.1	16.8	11.2	Δ5.3	76.0
<b>Net income</b>	<b>16.4</b>	<b>12.0</b>	<b>11.5</b>	<b>7.7</b>	<b>Δ4.8</b>	<b>70.3</b>

  

<b>Operating income</b>	<b>Δ0.4</b>
•Increase in volume	3.1
•Cost down in materials	0.3
•Price competition	Δ0.6
•Depreciation and R&D	Δ2.3
•Others	Δ0.9
<b>【Decrease in operating income Δ0.4】</b>	
<b>Non-operating income</b>	
(decrease in interest income and dividend)	Δ5.6
<b>【Decrease in recurring profit Δ6.0】</b>	
<b>Extraordinary gains and losses</b>	<b>0.7</b>
•Loss on valuation of stock caused by disaster in IJL	0.7
<b>【Decrease in net income Δ4.8】</b>	

# KOITO II — (5) Consolidated Net Sales (Compared to the previous fiscal year)

(¥ billion)

		FY 2016 (Actual)		FY 2017 (Forecast)		Change		Remarks		
		(15/4~16/3)	%	(16/4~17/3)	%		YoY			
<b>KMC</b>		<b>270.8</b>	<b>28.0</b>	<b>288.0</b>	<b>30.1</b>	<b>17.1</b>	<b>106.3</b>	▪Domestic automobile production volume (9.19 million → 9.10 million vehicles 99%)		
Japan	KOITO Group	138.5		150.7		12.1	108.8	▪Increase in unit price led by LED adoption		
	KI Group	43.9		44.3		0.3	100.8	▪Increase in public related business		
Subtotal		182.4	18.9	195.0	20.4	12.5	106.9	The effect of Forex	without Forex	
Overseas	North America	169.0		167.2		△1.8	98.9	△30.4	116.9	▪Increase at Toyota and Subaru
	Europe	35.2		30.2		△5.0	85.6	△6.8	105.0	▪Increase at Suzuki
	China	211.5		183.5		△28.0	86.8	△41.7	106.5	▪Increase at Nissan and VW
	Asia	84.2		81.4		△2.8	96.7	△14.0	113.3	▪Increase at Toyota and Honda
	KI Group	13.0		11.2		△1.8	86.0	△2.5	105.5	▪Increase in railroad car equipment
Subtotal		513.0	53.1	473.5	49.5	△39.5	92.3	△95.6	110.9	
(without Forex)				(569.1)		(56.1)	(110.9)			
Total		966.3	100.0	956.5	100.0	△9.8	99.0	△95.6	108.9	<Exchange rate> FY 2017 (first half)    FY 2017 (second half) US Dollar    ¥120.2    ¥102.7 Chinese Yuan    ¥18.9    ¥15.4 <Annual sensitivity per US Dollar/1yen> Net sales: ¥4.5 billion Operating income: ¥0.4 billion
Elimination		△152.8		△169.5		△16.6				
Consolidated (without Forex)		813.4		787.0		△26.4	96.7	△95.6	108.5	
				(882.6)		(69.2)	(108.5)			



## II — (6) Consolidated Statements of Income (Compared to the previous fiscal year)

(6/12)

(¥ billion)

	FY 2016 (Actual)		FY 2017 (Forecast)		Change	
	(15/4~16/3)		(16/4~17/3)		YoY	
<b>Net sales</b> (without Forex)	<b>813.4</b>	<b>100.0</b>	<b>787.0</b>	<b>100.0</b>	<b>△26.4</b>	<b>96.7</b>
			<b>(882.6)</b>		<b>(69.2)</b>	<b>(108.5)</b>
<b>Cost of sales</b>	<b>676.5</b>	<b>83.2</b>	<b>655.2</b>	<b>83.3</b>	<b>△21.3</b>	
<b>Gross profit</b>	<b>136.9</b>	<b>16.8</b>	<b>131.8</b>	<b>16.7</b>	<b>△5.1</b>	<b>96.3</b>
Selling, general and administrative expenses	<b>54.7</b>	<b>6.7</b>	<b>49.8</b>	<b>6.3</b>	<b>△4.9</b>	
<b>Operating income</b> (without Forex)	<b>82.2</b>	<b>10.1</b>	<b>82.0</b>	<b>10.4</b>	<b>△0.2</b>	<b>99.7</b>
			<b>(90.7)</b>		<b>(8.5)</b>	<b>(110.4)</b>
Non-operating income and loss	<b>2.0</b>	<b>0.3</b>	<b>1.0</b>	<b>0.1</b>	<b>△1.0</b>	
<b>Recurring profit</b>	<b>84.2</b>	<b>10.4</b>	<b>83.0</b>	<b>10.5</b>	<b>△1.2</b>	<b>98.5</b>
Extraordinary gains and losses	<b>△9.5</b>	<b>—</b>	<b>△1.5</b>	<b>—</b>	<b>8.0</b>	
Net income before income taxes	<b>74.7</b>	<b>9.2</b>	<b>81.5</b>	<b>10.4</b>	<b>6.7</b>	<b>109.1</b>
<b>Net income</b>	<b>46.3</b>	<b>5.7</b>	<b>49.0</b>	<b>6.2</b>	<b>2.6</b>	<b>105.8</b>

  

<b>Operating income</b>	<b>△0.2</b>
·Increase in volume	14.9
·Cost down in materials	12.8
·Price competition	△13.8
·Depreciation and R&D	△4.4
·Others	△0.9
·The effect of Forex	△8.8
<b>【Decrease in operating income</b>	<b>△0.2】</b>
<b>Non-operating income and loss</b>	<b>△1.0</b>
<b>【Decrease in recurring profit</b>	<b>△1.2】</b>
<b>Extraordinary gains and losses</b>	<b>8.0</b>
·Allowance for expenses for damages of KIHD	8.9
·Loss on disaster in IJL	△1.2
<b>【Increase in net income</b>	<b>2.6】</b>



## II — (7) Non-consolidated Statements of Income (Compared to the previous fiscal year)

(7/12)

(¥ billion)

	FY 2016 (Actual)		FY 2017 (Forecast)		Change	
	(15/4~16/3)		(16/4~17/3)		YoY	
<b>Net sales</b>	<b>270.8</b>	<b>100.0</b>	<b>288.0</b>	<b>100.0</b>	<b>17.1</b>	<b>106.3</b>
<b>Cost of sales</b>	<b>229.9</b>	<b>84.9</b>	<b>242.4</b>	<b>84.2</b>	<b>12.4</b>	
<b>Gross profit</b>	<b>40.9</b>	<b>15.1</b>	<b>45.6</b>	<b>15.8</b>	<b>4.6</b>	<b>111.4</b>
Selling, general and administrative expenses	19.3	7.2	20.6	7.2	1.2	
<b>Operating income</b>	<b>21.5</b>	<b>8.0</b>	<b>25.0</b>	<b>8.7</b>	<b>3.4</b>	<b>116.0</b>
Non-operating income and loss	15.4	5.7	15.0	5.2	△0.4	
<b>Recurring profit</b>	<b>36.9</b>	<b>13.7</b>	<b>40.0</b>	<b>13.9</b>	<b>3.0</b>	<b>108.2</b>
Extraordinary gains and losses	△3.1	-	△1.0	-	2.1	
Income before income taxes	33.7	12.5	39.0	13.5	5.2	115.4
<b>Net income</b>	<b>21.8</b>	<b>8.0</b>	<b>28.0</b>	<b>9.7</b>	<b>6.1</b>	<b>128.4</b>

  

<b>Operating income</b>	<b>3.4</b>
▪ Increase in volume	4.1
▪ Cost down in materials	3.3
▪ Price competition	△1.8
▪ Depreciation and R&D	△1.6
▪ Others	△0.6
<b>【 Increase in operating income</b>	<b>3.4】</b>
<b>Non-operating income and loss</b>	
(decrease in interest income and others)	△0.4
<b>【 Increase in recurring profit</b>	<b>3.0】</b>
<b>Extraordinary gains and losses</b>	<b>2.1</b>
▪ Loss on valuation of stock in IJL	3.2
▪ Loss on valuation of stock caused by disaster in IJL	△0.7
<b>【 Increase in net income</b>	<b>6.1】</b>

II — (8) Statements of income of Japan and Overseas  
before Consolidation Adjustments  
(Compared to the previous fiscal year)

(8/12)



FY 2017 (Forecast) (16/4~17/3)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	288.0	150.7	44.3	195.0	473.5	956.5	△169.5	787.0
Operating income	25.0	7.6	1.0	8.6	43.7	77.3	4.7	82.0
Ratio	8.7%	5.0%	2.3%	4.4%	9.2%	8.1%	—	10.4%

FY 2016 (Actual) (15/4~16/3)

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	270.8	138.5	43.9	182.4	513.0	966.3	△152.8	813.4
Operating income	21.5	6.6	0.2	6.8	47.6	76.0	6.2	82.2
Ratio	8.0%	4.8%	0.5%	3.8%	9.3%	7.9%	—	10.1%

Change

	KMC	Japan (14 companies)			Overseas (14 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	17.1	12.1	0.3	12.5	△39.5	△9.8	△16.6	△26.4
YoY	106%	109%	101%	107%	92%	99%	—	97%
Operating income	3.4	0.9	0.8	1.7	△3.9	1.2	△1.5	△0.2
YoY	116%	114%	500%	125%	92%	102%	—	100%

## II — (9) Statements of Income by Segments before



## Consolidation Adjustments (Compared to the previous fiscal year)

FY 2017 (Forecast) (16/4~17/3)

(¥ billion)

	Overseas (14 companies)					Total
	North America	Europe	China	Asia	KI Group	
Net sales	167.2	30.2	183.5	81.4	11.2	473.5
Operating income	16.6	3.6	12.4	7.9	3.2	43.7
Operating income ratio	9.9%	11.9%	6.8%	9.7%	28.6%	9.2%

FY 2016 (Actual) (15/4~16/3)

	Overseas (14 companies)					Total
	North America	Europe	China	Asia	KI Group	
Net sales	169.0	35.2	211.5	84.2	13.0	513.0
Operating income	16.7	4.0	14.9	7.9	3.8	47.6
Operating income ratio	9.9%	11.5%	7.1%	9.5%	29.9%	9.3%

## Change

	Overseas (14 companies)					Total	
	North America	Europe	China	Asia	KI Group		
Net sales	△1.8	△5.0	△28.0	△2.8	△1.8	△39.5	
YoY	99%	86%	87%	97%	86%	92%	
Operating income	△0.1	△0.4	△2.5	0.0	△0.6	△3.9	
YoY	99%	89%	83%	99%	82%	92%	
without Forex	Net sales	28.6	1.7	13.7	11.2	0.7	56.1
	Operating income	3.0	0.2	0.2	1.3	0.0	4.8

**KOITO** II — (10) Statements of Income in North America and Europe  
(Compared to the previous fiscal year)

(¥ billion)

		FY 2016 (Actual) (15/4~16/3)	FY 2017 (Forecast) (16/4~17/3)	Change		without Forex		Remarks
					YoY			
A m e r i c a	Net sales	169.0	167.2	Δ1.8	98.9	28.6	116.9	<b>Operating income</b> <b>3.0</b>
	Operating income	16.7	16.6	Δ0.1	99.2	3.0	118.2	•Increase in volume 4.5 •Cost down in materials 2.6 •Price competition Δ3.1
	ratio	9.9	9.9					•Increase in employees Δ1.0 (sales and development)
E u r o p e	Net sales	35.2	30.2	Δ5.0	85.6	1.7	105.0	<b>Operating income</b> <b>0.2</b>
	Operating income	4.0	3.6	Δ0.4	88.8	0.2	105.4	•Increase in volume 0.3 •Cost down in materials 0.5
	ratio	11.5	11.9					•Price competition Δ0.6



## II — (11) Statements of Income in China and Asia (Compared to the previous fiscal year)

(11/12)

(¥ billion)

		FY 2016 (Actual) (15/4~16/3)	FY 2017 (Forecast) (16/4~17/3)	Change		without Forex		Remarks	
					YoY				
C h i n a	Net sales	211.5	183.5	Δ28.0	86.8	13.7	106.5	<b>Operating income</b>	<b>0.2</b>
	Operating income	14.9	12.4	Δ2.5	83.1	0.2	101.6	•Increase in volume	4.6
	ratio	7.1	6.8					•Cost down in materials	4.6
								•Price competition	Δ7.5
								•Depreciation etc. (Hubei Koito)	Δ1.5
A s i a	Net sales	84.2	81.4	Δ2.8	96.7	11.2	113.3	<b>Operating income</b>	<b>1.3</b>
	Operating income	7.9	7.9	0.0	98.8	1.3	116.5	•Increase in volume	1.5
	ratio	9.5	9.7					•Cost down in materials	1.2
								•Price competition	Δ0.8
								•Depreciation and R&D (Including disasters in IJL)	Δ0.6



# KOITO II – (12) Capital Expenditures by Segment

(¥ billion)

		FY 2015 (14/4~ 15/3)	FY 2016 (15/4~ 16/3)	FY 2017 (Forecast)			
				FY 2017 (Forecast) (16/4~ 17/3)	Change from FY 2016		
					Difference	Ratio	Remarks
J a p a n	Equipment	5.2	5.8	3.6	Δ2.2	62	•Layout change for kaizen activities Δ2 billion yen (2 →0 billion yen)
	Molds	4.9	5.3	4.9	Δ0.4	92	
	<b>KMC</b>	<b>10.1</b>	<b>11.2</b>	<b>8.5</b>	<b>Δ2.7</b>	<b>76</b>	
	KOITO KYUSHU	2.8	2.5	3.5	1.0	140	•Increase in number of molds
	KIHD and KOITO ELECTRIC IND.	0.1	0.2	0.2	0.0	100	
	Others	2.0	2.3	2.1	Δ0.2	91	
	<b>Subtotal</b>	<b>15.0</b>	<b>16.3</b>	<b>14.3</b>	<b>Δ2.0</b>	<b>88</b>	
	North America	16.8	9.0	11.5	2.5	128	•NAL +3.7 billion yen (6.9 →10.6 billion yen)
	Europe	1.6	1.0	1.8	0.8	180	•KEL +0.5 billion yen (0.6 → 1.1 billion yen)
	China	9.7	8.8	8.8	0.0	100	
	Asia	5.1	6.0	4.9	Δ1.1	82	•THAI KOITO Δ1.1 billion yen (3.0 →1.9 billion yen)
	Brazil	0.0	0.0	0.8	0.8	—	•Land
	<b>Subtotal</b>	<b>33.4</b>	<b>24.9</b>	<b>27.8</b>	<b>2.9</b>	<b>112</b>	
	<b>Total</b>	<b>48.4</b>	<b>41.3</b>	<b>42.1</b>	<b>0.8</b>	<b>102</b>	
	Depreciation	25.9	31.7	31.3	Δ0.4	99	
	(KOITO MANUFACTURING	6.9	9.1	9.9	0.8	109	)