



**Financial Results for
The 1st Half of FY 2019
(Year Ending March 31, 2019)**

**November 7, 2018 (Wed.)
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 from our expectations.



I . Financial Results for The 1st Half of FY 2019 (Year Ending March 31, 2019)



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

(1/9)

(¥ billion, ratio:%)

	FY 2018 1 st half (17/4~17/9)		FY 2019 1 st half (18/4~18/9)		Change				Remarks									
		% to total		% to total		YoY												
KOITO MANUFACTURING (KMC)	161.7	29.7	171.3	34.4	9.6	106.0			<ul style="list-style-type: none"> Domestic automobile production volume (4.60→4.55 million vehicles 99%) LED adoption 									
Japan																		
KOITO Group	87.7		92.2		4.5	105.1												
KI Group	17.8		17.6		△0.2	98.7												
Subtotal	105.6	19.4	109.8	22.1	4.2	104.1	The effect of Forex	Constant Forex (%)										
Overseas																		
Americas	87.4		88.9		1.5	101.8	△ 1.0	103.0	•Increase at Toyota									
Europe	20.5		19.3		△1.2	94.1	0.5	91.4	•Decrease at Nissan									
China	115.7		46.9		△68.7	40.6	0.4	40.2	•Non-consolidation of SK*									
Asia	49.8		56.6		6.8	113.7	△ 0.3	114.4	•Increase at Toyota & Honda									
KI Group	3.9		4.5		0.6	115.7	0.0	114.6	•Increase in railroad car equipment									
Subtotal	277.4	50.9	216.5	43.5	△60.9	78.0	△ 0.3	78.1										
(without SK)	(198.0)				(18.4)	(109.3)		(109.5)										
Total	544.7	100.0	497.7	100.0	△47.0	91.4												
Elimination	△ 99.1		△ 105.1		△6.0													
Consolidated	445.6		392.6		△53.0	88.1	△ 0.3	88.2										
(without SK)	(366.2)				(26.3)	(107.2)		(107.3)										
									<table> <tr> <td></td> <td>FY 2018</td> <td>FY 2019</td> </tr> <tr> <td>US Dollar</td> <td>¥111.3</td> <td>¥110.7</td> </tr> <tr> <td>Chinese Yuan</td> <td>¥16.5</td> <td>¥16.7</td> </tr> </table>		FY 2018	FY 2019	US Dollar	¥111.3	¥110.7	Chinese Yuan	¥16.5	¥16.7
	FY 2018	FY 2019																
US Dollar	¥111.3	¥110.7																
Chinese Yuan	¥16.5	¥16.7																

※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.



I — (2) Consolidated Statements of Income (Compared to the previous fiscal year)

(2/9)

(¥ billion, ratio:%)

	FY 2018 1 st half		FY 2019 1 st half (Previous forecast)		FY 2019 1 st half		Change			
	(17/4~17/9)		(18/4~18/9)		(18/4~18/9)		YoY		from Forecast	
Net sales (without SK)	445.6 (366.2)	100	387.0	100	392.6	100	Δ53.0 (26.3)	88.1 (107.2)	5.6	101.4
Cost of sales	365.8	82.1			323.3	82.4	Δ42.4			
Gross profit	79.8	17.9			69.2	17.6	Δ10.6	86.7		
Selling, general and administrative expenses	30.1	6.8			22.7	5.8	Δ7.4			
Operating income (without SK)	49.6 (46.3)	11.1	46.0	11.9	46.5	11.8	Δ3.1 (0.1)	93.6 (100.3)	0.5	101.1
Non-operating income and loss	2.6	0.6			2.3	0.6	Δ0.2			
Recurring profit	52.3	11.7	48.0	12.4	48.8	12.4	Δ3.4	93.4	0.8	101.8
Extraordinary gains or losses	Δ1.9	—			Δ0.5	—	1.4			
Income before income taxes	50.3	11.3			48.2	12.3	Δ2.0	95.9		
Net income	29.1	6.5	32.0	8.3	33.1	8.4	3.9	113.7	1.1	103.6



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

(3/9)

FY 2019 1st half (18/4~18/9)

(¥ billion, ratio:%)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK			without SK	
Net sales	171.3	92.2	17.6	109.8	216.5	216.5	497.7	△105.1	392.6	392.6
Operating income	19.1	3.5	△0.1	3.3	19.6	19.6	42.1	4.3	46.5	46.5
Ratio	11.2%	3.9%	—	3.1%	9.1%	9.1%	8.5%		11.8%	11.8%

FY 2018 1st half (17/4~17/9)

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK			without SK	
Net sales	161.7	87.7	17.8	105.6	277.4	198.0	544.7	△99.1	445.6	366.2
Operating income	19.3	4.6	△0.2	4.3	23.0	19.7	46.8	2.8	49.6	46.3
Ratio	12.0%	5.2%	—	4.1%	8.3%	10.0%	8.6%		11.1%	12.7%

Change

	KMC	Japan (14 companies)			Overseas (15 companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK			without SK	
Net sales	9.6	4.5	△0.2	4.2	△60.9	18.4	△47.0	△6.0	△53.0	26.3
YoY	106%	105%	99%	104%	78%	109%	91%		88%	107%
Operating income	△0.2	△1.0	0.0	△0.9	△3.4	△0.1	△4.7	1.5	△3.1	0.1
YoY	99%	78%	—	78%	85%	99%	90%		94%	100%



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

(4/9)

FY 2019 1st half (18/4 ~ 18/9)

(¥ billion, ratio:%)

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales	88.9	19.3	46.9	46.9	56.6	4.5	216.5	216.5	
Operating income	5.2	1.3	5.9	5.9	5.9	1.0	19.6	19.6	
Ratio	5.9%	7.0%	12.8%	12.8%	10.6%	22.4%	9.1%	9.1%	

FY 2018 1st half (17/4 ~ 17/9)

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales	87.4	20.5	115.7	36.3	49.8	3.9	277.4	198.0	
Operating income	7.7	1.8	7.6	4.3	4.7	1.1	23.0	19.7	
Ratio	8.9%	8.9%	6.6%	11.9%	9.4%	28.4%	8.3%	10.0%	

Change

	Overseas (15 companies)							Total	without SK
	Americas	Europe	China	without SK	Asia	KI Group			
Net sales	1.5	△1.2	△68.7	10.6	6.8	0.6	△60.9	18.4	
YoY	102%	94%	41%	129%	114%	116%	78%	109%	
Operating income	△2.5	△0.4	△1.6	1.6	1.2	0.0	△3.4	△0.1	
YoY	67%	74%	78%	139%	127%	91%	85%	99%	
Constant Forex	Net sales	2.6	△1.7	△69.2	10.2	7.1	0.5	△60.6	18.7
	Operating income	△2.6	△0.5	△1.7	1.6	1.2	△0.1	△3.7	△0.4

(The effect of Forex: Operating income 0.2)

(¥ billion, ratio:%)

	FY 2018 1 st half (17/4~17/9)		FY 2019 1 st half (18/4~18/9)		Change			
							◎ Decrease in operating income	Δ3.1
Net sales	445.6	100	392.6	100	Δ53.0	88.1	▪ Non-consolidation of SK	Δ3.3
(without SK)	(366.2)				(26.3)	(107.2)	▪ Increase in volume	6.4
Cost of sales	365.8	82.1	323.3	82.4	Δ42.4		▪ Price competition	Δ 5.1
Gross profit	79.8	17.9	69.2	17.6	Δ10.6	86.7	▪ Cost down in materials	3.5
Selling, general and administrative expenses	30.1	6.8	22.7	5.8	Δ7.4		▪ R&D in advanced technologies	Δ 1.1
Operating income	49.6	11.1	46.5	11.8	Δ3.1	93.6	▪ Development of new products	Δ 1.8
(without SK)	(46.3)				(0.1)	(100.3)	▪ Expenses to starting-up NAL Brasil	Δ 1.1
Non-operating income and loss	2.6	0.6	2.3	0.6	Δ0.2		▪ Others	Δ 0.9
Recurring profit	52.3	11.7	48.8	12.4	Δ3.4	93.4	▪ The effect of Forex	0.2
Extraordinary gains or losses	Δ1.9	—	Δ0.5	—	1.4			
Income before income taxes	50.3	11.3	48.2	12.3	Δ2.0	95.9		
Net income	29.1	6.5	33.1	8.4	3.9	113.7		

(¥ billion, ratio:%)

	FY 2018 1 st half (17/4~17/9)		FY 2019 1 st half (18/4~18/9)		Change	
Net sales	445.6	100	392.6	100	Δ53.0	88.1
(without SK)	(366.2)				(26.3)	(107.2)
Cost of sales	365.8	82.1	323.3	82.4	Δ42.4	
Gross profit	79.8	17.9	69.2	17.6	Δ10.6	86.7
Selling, general and administrative expenses	30.1	6.8	22.7	5.8	Δ7.4	
Operating income	49.6	11.1	46.5	11.8	Δ3.1	93.6
(without SK)	(46.3)				(0.1)	(100.3)
Non-operating income and loss	2.6	0.6	2.3	0.6	Δ0.2	
Recurring profit	52.3	11.7	48.8	12.4	Δ3.4	93.4
Extraordinary gains or losses	Δ1.9	—	Δ0.5	—	1.4	
Income before income taxes	50.3	11.3	48.2	12.3	Δ2.0	95.9
Net income	29.1	6.5	33.1	8.4	3.9	113.7

【Decrease in operating income	Δ 3.1】
◎ Non-operating income	Δ 0.2
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【Decrease in recurring profit	Δ 3.4】
◎ Extraordinary gains or losses	1.4
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•FY 2018 KMC' loss related to the Act on Prohibition to Private Monopolization and maintenance of Fair Trade	1.5
•KIHD's loss on valuation of inventories	Δ0.2
【Increase in net income	3.9】



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

(7/9)

(¥ billion, ratio:%)

	FY 2018 1 st half (17/4~17/9)		FY 2019 1 st half (Previous forecast) (18/4~18/9)		FY 2019 1 st half (18/4~18/9)		Change			
							YoY		from Forecast	
Net sales	161.7	100	173.0	100	171.3	100	9.6	106.0	Δ1.6	99.0
Cost of sales	131.4	81.3			140.4	82.0	9.0			
Gross profit	30.2	18.7			30.8	18.0	0.6	102.0		
Selling, general and administrative expenses	10.9	6.7			11.7	6.9	0.8			
Operating income	19.3	12.0	18.5	10.7	19.1	11.2	Δ0.2	98.6	0.6	103.3
Non-operating income and loss	12.6	7.8			11.7	6.8	Δ0.9			
Recurring profit	32.0	19.8	29.0	16.8	30.8	18.0	Δ1.1	96.3	1.8	106.3
Extraordinary gains or losses	Δ1.8	—			Δ0.2	—	1.6			
Income before income taxes	30.1	18.6			30.5	17.8	0.4	101.4		
Net income	22.3	13.8	21.0	12.1	23.2	13.6	0.9	104.2	2.2	110.9

(¥ billion, ratio:%)

	FY 2018 1 st half (17/4~17/9)		FY 2019 1 st half (18/4~18/9)		Change			
							◎ Decrease in operating income	Δ0.2
Net sales	161.7	100	171.3	100	9.6	106.0	▪Increase in volume	2.1
Cost of sales	131.4	81.3	140.4	82.0	9.0			
Gross profit	30.2	18.7	30.8	18.0	0.6	102.0	▪Price competition	Δ0.8
Selling, general and administrative expenses	10.9	6.7	11.7	6.9	0.8		▪Cost down in materials	0.9
Operating income	19.3	12.0	19.1	11.2	Δ0.2	98.6	▪R&D in advanced technologies	Δ1.0
Non-operating income and loss	12.6	7.8	11.7	6.8	Δ0.9		▪Development of new products	Δ0.6
Recurring profit	32.0	19.8	30.8	18.0	Δ1.1	96.3	▪Others	Δ0.9
Extraordinary gains or losses	Δ1.8	—	Δ0.2	—	1.6			
Income before income taxes	30.1	18.6	30.5	17.8	0.4	101.4		
Net income	22.3	13.8	23.2	13.6	0.9	104.2		
							【Decrease in operating income Δ0.2】	

(¥ billion, ratio:%)

	FY 2018 1 st half		FY 2019 1 st half		Change		
	(17/4~17/9)	(17/9)	(18/4~18/9)	(18/9)			
Net sales	161.7	100	171.3	100	9.6	106.0	【Decrease in operating income Δ0.2】
Cost of sales	131.4	81.3	140.4	82.0	9.0		
Gross profit	30.2	18.7	30.8	18.0	0.6	102.0	◎ Non-operating income or loss
Selling, general and administrative expenses	10.9	6.7	11.7	6.9	0.8		(Decrease in dividends and others) Δ0.9
Operating income	19.3	12.0	19.1	11.2	Δ0.2	98.6	【Decrease in recurring profit Δ1.1】
Non-operating income and loss	12.6	7.8	11.7	6.8	Δ0.9		◎ Extraordinary gains and losses 1.6
Recurring profit	32.0	19.8	30.8	18.0	Δ1.1	96.3	•FY 2018 KMC' loss related to the Act on Prohibition to Private Monopolization and maintenance of Fair Trade 1.5
Extraordinary gains or losses	Δ1.8	—	Δ0.2	—	1.6		
Income before income taxes	30.1	18.6	30.5	17.8	0.4	101.4	【Increase in net income 0.9】
Net income	22.3	13.8	23.2	13.6	0.9	104.2	



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

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

(million vehicles)

	FY 2017	FY 2018	YoY	FY 2019				
				1 st half	2 nd half	YoY	Change of 1 st and 2 nd half	
Japan	9.36	9.67	103%	4.55	5.03	9.58	99%	111%
North America	18.26	17.42	95%	8.82	8.81	17.63	101%	100%
Europe	16.99	17.29	102%	8.22	9.22	17.44	101%	112%
China	28.70	28.96	101%	13.43	15.80	29.23	101%	118%
Thailand	1.92	2.03	106%	1.05	1.08	2.13	105%	103%
Indonesia	1.18	1.24	105%	0.65	0.65	1.30	105%	100%
India	4.60	4.90	107%	2.66	2.65	5.31	108%	100%
South America	2.76	3.30	120%	1.76	1.74	3.50	106%	99%
Others	7.80	7.67	98%	3.77	3.71	7.48	98%	98%
Total	91.57	92.48	101%	44.91	48.69	93.60	101%	108%

KOITO II – (2) Consolidated Net Sales

(Compared to the first half of FY 2019)

(¥ billion, ratio:%)

	FY 2019 1 st half (Actual)		FY 2019 2 nd half (Forecast)		Change		Remarks			
	(18/4~18/9)	% to total	(18/10~19/3)	% to total		Change of 1 st and 2 nd half				
KOITO MANUFACTURING (KMC)	171.3	34.4	189.6	35.2	18.3	110.7	•Domestic automobile production volume (4.55 million → 5.03 million vehicles 111%)			
Japan										
KOITO Group	92.2		104.5		12.2	113.3	•Increase in public constructions, etc.			
KI Group	17.6		27.8		10.2	158.1				
Subtotal	109.8	22.1	132.4	24.6	22.5	120.5	The effect of Forex	Constant Forex	Constant Forex (%)	
Overseas										
Americas	88.9		95.8		6.8	107.6	△ 5.2	12.0	113.6	•Increase at Honda and Nissan
Europe	19.3		16.6		△ 2.6	86.1	△ 1.3	△ 1.3	92.8	•Decrease at Toyota
China	46.9		49.5		2.5	105.4	△ 3.6	6.1	113.2	•Increase at Toyota and Mazda
Asia	56.6		50.8		△ 5.7	89.8	△ 3.2	△ 2.5	95.5	•Decrease in sales of molds
KI Group	4.5		3.1		△ 1.3	70.1	△ 0.2	△ 1.1	75.2	•Decrease in sales at CHANGZHOU KOITO
Subtotal	216.5	43.5	215.9	40.2	△ 0.5	99.8	△ 13.7	13.2	106.1	
Total	497.7	100.0	538.0	100.0	40.3	108.1				<Exchange rate> FY 2019 (1 st half) FY 2019 (2 nd half)
Elimination	△ 105.1		△ 121.6		△ 16.5					US Dollar ¥110.7 ¥105.0 Chinese Yuan ¥ 16.7 ¥ 15.5
Consolidated	392.6		416.3		23.7	106.1	△ 13.7	37.5	109.6	<Annual sensitivity per US Dollar/ 1 yen> Net sales: ¥4.0 billion Operating income: ¥0.4 billion



II – (3) Consolidated Statements of Income (Compared to the first half of FY 2019)

(3/12)

(¥ billion, ratio:%)

	FY 2019 1 st half (Actual)		FY 2019 2 nd half (Forecast)		Change			
	(18/4~18/9)		(18/10~19/3)					
							①Operating income	4.9
Net sales (Constant Forex)	392.6	100.0	416.3 (430.1)	100.0	23.7 (37.5)	106.1 (109.6)	·Increase in volume (Net sales at constant Forex +37.5)	12.3
Cost of sales	323.3	82.4	341.0	81.9	17.6			
Gross profit	69.2	17.6	75.3	18.1	6.1	108.9	·Price competition	△ 0.8
Selling, General and administrative expenses	22.7	5.8	23.8	5.7	1.1		·Cost down in materials (Including increase in the market price)	△ 1.1 △ 1.2)
Operating income (Constant Forex)	46.5	11.8	51.4 (52.9)	12.4	4.9 (6.4)	110.7 (113.9)	·R&D in advanced technologies	△ 0.6
Non-operating income and loss	2.3	0.6	0.6	0.2	△ 1.7		·Development of new products	△ 1.9
Recurring profit	48.8	12.4	52.1	12.5	3.2	106.7	·Capacity increase cost (Start-up and expansion at overseas plants)	△ 0.6
Extraordinary gains or losses	△ 0.5	—	△ 0.2	—	0.3		·Others	△ 1.0
Income before income taxes	48.2	12.3	51.9	12.5	3.6	107.6	·The effect of Forex	△ 1.4
Net income	33.1	8.4	35.8	8.6	2.6	108.1		



II – (3) Consolidated Statements of Income (Compared to the first half of FY 2019)

(3/12)

(¥ billion, ratio:%)

	FY 2019 1 st half (Actual)		FY 2019 2 nd half (Forecast)		Change		
	(18/4~18/9)		(18/10~19/3)				
Net sales	392.6	100.0	416.3	100.0	23.7	106.1	【Increase in operating income 4.9】
(Constant Forex)			(430.1)		(37.5)	(109.6)	
Cost of sales	323.3	82.4	341.0	81.9	17.6		◎Non-operating income and loss
							(Decrease in foreign exchange gains) Δ1.7
Gross profit	69.2	17.6	75.3	18.1	6.1	108.9	【Increase in recurring profit 3.2】
Selling, General and administrative expenses	22.7	5.8	23.8	5.7	1.1		
Operating income	46.5	11.8	51.4	12.4	4.9	110.7	◎Extraordinary gains or losses
(Constant Forex)			(52.9)		(6.4)	(113.9)	【Increase in net income 2.6】
Non-operating income and loss	2.3	0.6	0.6	0.2	Δ 1.7		
Recurring profit	48.8	12.4	52.1	12.5	3.2	106.7	
Extraordinary gains or losses	Δ 0.5	—	Δ 0.2	—	0.3		
Income before income taxes	48.2	12.3	51.9	12.5	3.6	107.6	
Net income	33.1	8.4	35.8	8.6	2.6	108.1	



II — (4) Non-consolidated Statements of Income (Compared to the first half of FY 2019)

(4/12)

(¥ billion, ratio:%)

	FY 2019 1 st half (Actual) (18/4~18/9)		FY 2019 2 nd half (Forecast) (18/10~19/3)		Change		
							◎Operating income Δ0.2
Net sales	171.3	100.0	189.6	100.0	18.3	110.7	
Cost of sales	140.4	82.0	157.6	83.1	17.1		▪Increase in volume 3.3
Gross profit	30.8	18.0	32.0	16.9	1.1	103.6	▪Price competition Δ0.6
Selling, general and administrative expenses	11.7	6.9	13.1	6.9	1.3		▪Cost down in materials Δ0.6 (Including increase in the market price Δ0.7)
Operating income	19.1	11.2	18.8	10.0	Δ 0.2	98.8	
Non-operating income and loss	11.7	6.8	5.2	2.8	Δ 6.4		▪R&D in advanced technologies Δ0.6
Recurring profit	30.8	18.0	24.1	12.7	Δ 6.6	78.4	▪Development of new products Δ0.6
Extraordinary gains or losses	Δ 0.2	—	Δ 0.2	—	0.0		▪Others Δ1.1
Income before income taxes	30.5	17.8	23.9	12.6	Δ 6.6	78.2	
Net income	23.2	13.6	18.7	9.9	Δ 4.5	80.3	



II — (4) Non-consolidated Statements of Income (Compared to the first half of FY 2019)

(4/12)

(¥ billion, ratio:%)

	FY 2019 1 st half (Actual)		FY 2019 2 nd half (Forecast)		Change		
	(18/4~18/9)		(18/10~19/3)				
Net sales	171.3	100.0	189.6	100.0	18.3	110.7	【Decrease in operating income Δ0.2】
Cost of sales	140.4	82.0	157.6	83.1	17.1		◎Non-operating income and loss
Gross profit	30.8	18.0	32.0	16.9	1.1	103.6	(Decrease in interest income and dividend) Δ6.4
Selling, general and administrative expenses	11.7	6.9	13.1	6.9	1.3		【Decrease in recurring profit Δ6.6】
Operating income	19.1	11.2	18.8	10.0	Δ 0.2	98.8	◎Extraordinary gains or losses 0.0
Non-operating income and loss	11.7	6.8	5.2	2.8	Δ 6.4		
Recurring profit	30.8	18.0	24.1	12.7	Δ 6.6	78.4	
Extraordinary gains or losses	Δ 0.2	—	Δ 0.2	—	0.0		【Decrease in net income Δ4.5】
Income before income taxes	30.5	17.8	23.9	12.6	Δ 6.6	78.2	
Net income	23.2	13.6	18.7	9.9	Δ 4.5	80.3	

KOITO II – (5) Consolidated Net Sales

(Compared to the previous fiscal year)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change		Remarks				
	(17/4~18/3)	% to total	(18/4~19/3)	% to total		YoY					
KMC	339.9	32.1	361.0	34.9	21.0	106.2	<ul style="list-style-type: none"> • Domestic automobile production volume (9.67 million → 9.58 million 99%) • LED adoption 				
Japan	KOITO Group	186.5	196.8		10.2	105.5	• Increase in information system, railroad equipment				
	KI Group	43.5	45.5		1.9	104.5					
	Subtotal	230.1	21.8	242.3	23.4	12.1	105.3	The effect of Forex	Constant Forex	Constsnt Forex (%)	
Overseas	Americas	178.9		184.8		5.8	103.3	△ 6.3	12.2	106.8	• Increase at Honda
	Europe	42.8		36.0		△ 6.8	84.0	△ 1.2	△ 5.6	86.9	• Decrease at Nissan
	China	153.5		96.5		△ 57.0	62.8	△ 4.6	△ 52.4	65.8	• without SK: +27.0 billion yen, 137%
	Asia	104.4		107.5		3.0	103.0	△ 5.0	8.1	107.8	• Increase at Toyota and Honda
	KI Group	7.5		7.7		0.1	101.5	△ 0.2	0.3	105.2	
	Subtotal	487.3	46.1	432.5	41.7	△ 54.8	88.7	△ 17.5	△ 37.2	92.3	
	(without SK※)	(407.9)				(24.5)	(106.0)		(42.1)	(110.3)	
	Total	1,057.4	100.0	1,035.8	100.0	△ 21.6	97.9		△ 4.1		<Exchange rate> FY 2018 (Actual) FY 2019 (Forecast) US Dollar ¥110.7 ¥107.9 Chinese Yuan ¥ 16.8 ¥ 16.1
	Elimination	△208.6		△226.8		△ 18.1					
	Consolidated	848.8		809.0		△ 39.8	95.3	△ 17.5	△ 22.2	97.4	<Annual sensitivity per US Dollar/ 1 yen> Net sales: ¥4.0 billion Operating income: ¥0.4 billion
	(without SK)	(769.4)				(39.5)	(105.1)		(57.1)	(107.4)	

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

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

(6/12)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change		
	(17/4~18/3)		(18/4~19/3)				
							◎Operating income <u>Δ5.7</u>
Net sales	848.8	100.0	809.0	100.0	Δ 39.8	95.3	(SK (Net sales Δ79.4) Δ 3.3)
(without SK)	(769.4)				(39.5)	(105.1)	<u>without SK Δ2.4</u>
Cost of sales	692.2	81.6	664.4	82.1	Δ 27.8		·Increase in volume 14.0 (Net sales at constant Forex +57.1)
Gross profit	156.6	18.4	144.6	17.9	Δ 12.0	92.3	·Price competition Δ11.0
Selling, general and administrative expenses	52.8	6.2	46.6	5.8	Δ 6.2		·Cost down in materials 5.9 (Including increase in the market price Δ4.2)
Operating income	103.7	12.2	98.0	12.1	Δ 5.7	94.4	·R&D in advanced technologies Δ2.2
(without SK)	(100.4)				(Δ2.4)	(97.6)	·Development of new products Δ5.7
Non-operating income and loss	4.1	0.5	3.0	0.4	Δ 1.1		·Capacity increase cost Δ2.5 (Start-up and expansion at overseas plants)
Recurring profit	107.9	12.7	101.0	12.5	Δ 6.9	93.6	·Others 0.4
Extraordinary gains or losses	15.7	1.9	Δ 0.8	—	Δ 16.5		·The effect of Forex Δ1.3
Income before income taxes	123.7	14.6	100.2	12.4	Δ 23.5	81.0	
Net income	83.3	9.8	69.0	8.5	Δ 14.3	82.7	



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

(6/12)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change		
	(17/4~18/3)		(18/4~19/3)				
Net sales	848.8	100.0	809.0	100.0	△ 39.8	95.3	【Decrease in operating income △5.7】
(without SK)	(769.4)				(39.5)	(105.1)	◎Non-operating income and loss △1.1
Cost of sales	692.2	81.6	664.4	82.1	△ 27.8		·SK's Non-operating income and loss (FY 2018) △1.4
Gross profit	156.6	18.4	144.6	17.9	△ 12.0	92.3	·Equity in earnings of SK (FY 2018) △0.7
Selling, general and administrative expenses	52.8	6.2	46.6	5.8	△ 6.2		【Decrease in recurring profit △6.9】
Operating income	103.7	12.2	98.0	12.1	△ 5.7	94.4	◎Extraordinary gains or losses △16.5
(without SK)	(100.4)				(△2.4)	(97.6)	·Gain on SK's capital (FY 2018) △14.6
Non-operating income and loss	4.1	0.5	3.0	0.4	△ 1.1		·Technical royalty from SK (FY 2018) △ 3.3
Recurring profit	107.9	12.7	101.0	12.5	△ 6.9	93.6	【Decrease in net income △14.3】
Extraordinary gains or losses	15.7	1.9	△ 0.8	—	△ 16.5		
Income before income taxes	123.7	14.6	100.2	12.4	△ 23.5	81.0	
Net income	83.3	9.8	69.0	8.5	△ 14.3	82.7	



II — (7) Statements of income of Japan and Overseas
before Consolidation Adjustments
(Compared to the previous fiscal year)

(7/12)

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

(¥ billion)

	KMC	Japan (14 companies)			Overseas (15companies)		Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal	without SK			without SK	
Net sales	361.0	196.8	45.5	242.3	432.5	432.5	1,035.8	△ 226.8	809.0	809.0
Operating income	38.0	8.0	2.6	10.6	41.8	41.8	90.4	7.6	98.0	98.0
Ratio	10.5%	4.1%	5.7%	4.4%	9.7%	9.7%	8.7%	—	12.1%	12.1%

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

	KMC	Japan (14 companies)			Overseas (15companies)		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 (15companies)		Total	Elimination	Consolidated		
		KOITO Group	KI Group	Subtotal	Subtotal	without SK			without SK		
Net sales	21.0	10.2	1.9	12.1	△ 54.8	24.5	△ 21.6	△ 18.1	△ 39.8	39.5	
YoY	106%	105%	104%	105%	89%	106%	98%	—	95%	105%	
Operating income	0.4	△ 1.7	0.7	△ 1.0	△ 5.5	△ 2.2	△ 6.2	0.4	△ 5.7	△ 2.4	
YoY	101%	82%	137%	91%	88%	95%	94%	—	94%	98%	
Constant Forex	Net sales	21.0	10.2	1.9	12.1	△ 37.2	42.1	△ 21.6	△ 18.1	△ 22.2	57.1
	Operating income	0.4	△ 1.7	0.7	△ 1.0	△ 4.2	△ 0.8	△ 6.2	0.4	△ 4.4	△ 1.1



II — (8) Non-consolidated Statements of Income
(Compared to the previous fiscal year)

(8/12)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change			
	(17/4~18/3)	(18/4~19/3)	(18/4~19/3)	(18/4~19/3)				
							◎Operating income	0.4
Net sales	339.9	100.0	361.0	100.0	21.0	106.2		
Cost of sales	279.3	82.2	298.1	82.6	18.7		▪Increase in volume	4.4
Gross profit	60.5	17.8	62.9	17.4	2.3	103.8	▪Price competition	Δ2.2
Selling, general and administrative expenses	22.9	6.8	24.9	6.9	1.9		▪Cost down in materials (Including increase in market price	1.2 Δ2.3)
Operating income	37.5	11.1	38.0	10.5	0.4	101.1		
Non-operating income and loss	18.1	5.4	17.0	4.7	Δ 1.1		▪R&D in advanced technologies	Δ1.9
Recurring profit	55.7	16.4	55.0	15.2	Δ 0.7	98.6	▪Development of new products	Δ1.5
Extraordinary gains or losses	24.3	7.2	Δ 0.5	—	Δ 24.8		▪Others	0.4
Income before income taxes	80.1	23.6	54.5	15.1	Δ 25.6	68.0		
Net income	62.2	18.3	42.0	11.6	Δ 20.2	67.5		



II — (8) Non-consolidated Statements of Income
(Compared to the previous fiscal year)

(8/12)

(¥ billion, ratio:%)

	FY 2018 (Actual)		FY 2019 (Forecast)		Change		
	(17/4~18/3)	(18/4~19/3)	(18/4~19/3)	(18/4~19/3)			
							【Increase in operating income 0.4】
Net sales	339.9	100.0	361.0	100.0	21.0	106.2	◎Non-operating income and loss
Cost of sales	279.3	82.2	298.1	82.6	18.7		(Decrease in interest income and dividend) $\Delta 1.1$
Gross profit	60.5	17.8	62.9	17.4	2.3	103.8	▪SK's dividends (FY 2018) $\Delta 2.3$
Selling, general and administrative expenses	22.9	6.8	24.9	6.9	1.9		【Decrease in recurring profit $\Delta 0.7$】
Operating income	37.5	11.1	38.0	10.5	0.4	101.1	◎Extraordinary gains or losses $\Delta 24.8$
Non-operating income and loss	18.1	5.4	17.0	4.7	$\Delta 1.1$		▪Gain on SK's capital (FY 2018) $\Delta 22.3$
Recurring profit	55.7	16.4	55.0	15.2	$\Delta 0.7$	98.6	▪Technical royalty from SK (FY 2018) $\Delta 3.2$
Extraordinary gains or losses	24.3	7.2	$\Delta 0.5$	—	$\Delta 24.8$		【Decrease in net income $\Delta 20.2$】
Income before income taxes	80.1	23.6	54.5	15.1	$\Delta 25.6$	68.0	
Net income	62.2	18.3	42.0	11.6	$\Delta 20.2$	67.5	



II – (9) Statements of Overseas income before Consolidation Adjustments (Compared to the previous fiscal year)

(9/12)

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

(¥ billion)

	Overseas (15 companies)							Overseas	
	Americas	Europe	China	without SK	Asia	KI Group		without SK	
Net sales	184.8	36.0	96.5	96.5	107.5	7.7	432.5	432.5	
Operating income	14.7	2.7	11.5	11.5	11.2	1.7	41.8	41.8	
Ratio	8.0%	7.5%	11.9%	11.9%	10.4%	22.1%	9.7%	9.7%	

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

	Overseas (15 companies)							Overseas	
	Americas	Europe	China	without SK	Asia	KI Group		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%	28.3%	9.7%	10.8%	

Change

	Overseas (15 companies)							Overseas	
	Americas	Europe	China	without SK	Asia	KI Group		without SK	
Net sales YoY	5.8	△ 6.8	△ 57.0	22.3	3.0	0.1	△ 54.8	24.5	
	103%	84%	63%	130%	103%	102%	89%	106%	
Operating income YoY	△ 2.7	△ 2.0	△ 0.8	2.5	0.4	△ 0.4	△ 5.5	△ 2.2	
	84%	57%	93%	128%	104%	79%	88%	95%	
Constant Forex	Net sales	12.2	△ 5.6	△ 52.4	27.0	8.1	0.3	△ 37.2	42.1
	Operating income	△ 2.4	△ 1.9	△ 0.3	3.0	0.8	△ 0.3	△ 4.2	△ 0.8

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

(10/12)

(¥ 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	184.8	5.8	103.3	12.2	106.8	◎Operating income Δ 2.4
	Operating income	17.4	14.7	Δ 2.7	84.0	Δ 2.4	86.2	▪Increase in volume 2.1 ▪Price competition Δ 3.1 ▪Cost down in materials 2.3
	Ratio	9.8	8.0					▪R&D in advanced technologies Δ 0.3 ▪Development of new products Δ 1.5 ▪Capacity increase cost Δ 1.9 (Start-up at NAL Brasil, and expansion at NAL Mexico)
E u r o p e	Net sales	42.8	36.0	Δ 6.8	84.0	Δ 5.6	86.9	◎Operating income Δ 1.9
	Operating income	4.7	2.7	Δ 2.0	57.2	Δ 1.9	59.1	▪Increase in volume Δ 0.8 ▪Price competition Δ 1.3 ▪Cost down in materials 0.4
	Ratio	11.0	7.5					▪Development of new products Δ 0.2



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

(11 / 12)

(¥ billion, ratio:%)

		FY 2018 (Actual)	FY 2019 (Forecast)	Change		Constant Forex		Remarks	
		(17/4~18/3)	(18/4~19/3)						
C h i n a	Net sales	153.5	96.5	△ 57.0	62.8	△ 52.4	65.8	◎Operating income	△0.3
	(without SK)	(74.1)		(22.3)	(130.2)	(27.0)	(136.4)	(SK	△3.3)
	Operating income	12.3	11.5	△ 0.8	93.4	△ 0.3	97.5	without SK	3.0
	(without SK)	(8.9)		(2.5)	(128.1)	(3.0)	(133.7)	▪Increase in volume	6.5
	Ratio	8.0	11.9					▪Price competition	△2.9
	(without SK)	(12.1)						▪Cost down in materials	0.7
								▪Development of new products	△1.2
								▪Capacity increase cost (Expansion at FUZHOU KOITO)	△0.1
A s i a	Net sales	104.4	107.5	3.0	103.0	8.1	107.8	◎Operating income	0.8
	Operating income	10.7	11.2	0.4	104.5	0.8	107.7	▪Increase in volume	2.0
	Ratio	10.3	10.4					▪Price competition	△1.5
								▪Cost down in materials	0.7
								▪Development of new products	△0.2
								▪Capacity increase cost (Expansion at INDONESIA KOITO)	△0.2

KOITO II – (12) Capital Expenditures by Segment

(12/12)

(¥ billion, ratio:%)

		FY 2017 (16/4~ 17/3)	FY 2018 (17/4~ 18/3)	FY 2019 (Forecast)			Remarks
				FY 2019 (18/4~ 19/3)	Change from FY 2018		
					Difference	Ratio	
J a p a n	Equipment	3.5	3.6	7.5	3.9	208	•Equipment renewal, and integration and introduction of production lines •Increase in developing capabilities
	Molds	4.9	4.5	3.8	△0.7	84	
	KMC	8.5	8.1	11.3	3.2	140	
	KOITO KYUSHU	3.2	3.3	5.7	2.4	173	•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	6.1	3.7	254	•Aoitec +3.5 billion yen (0.9→4.4 billion yen)
	Subtotal	14.0	14.1	23.4	9.3	166	
	Americas	12.0	5.8	16.6	10.8	286	•NAL Brasil +4.5 billion yen (0.1→4.6 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	8.7	2.9	150	•Hubei Koito +3.3 billion yen (1.3→4.6 billion yen)
	Asia	5.8	6.2	9.7	3.5	156	•INDONESIA KOITO +3.0 billion yen (0.8→3.8 billion yen)
	Subtotal	26.2	19.7	36.8	17.1	187	
	Total	40.2	33.8	60.3	26.5	178	
	(Order amount)	(40.2)	(52.6)	(70.1)	(17.5)	(133)	
	Depreciation	31.7	32.2	32.4	0.2	101	
	(KMC	9.7	9.1	8.5	△0.6	93)	
	(SK	1.7	0.9	0.0	△0.9	—)	