



**Financial Results for  
The 1<sup>st</sup> Half of FY 2020  
(Year Ending March 31, 2020)**

**November 7, 2019 (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 from our expectations.



# I . Financial Results for The 1<sup>st</sup> Half of FY 2020 (Year Ending March 31, 2020)



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

(1/9)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half		FY 2020 1 <sup>st</sup> half		Change				Remarks
	(18/4~18/9)	% to total	(19/4~19/9)	% to total		YoY			
<b>KOITO MANUFACTURING (KMC)</b>	<b>171.3</b>	<b>34.4</b>	<b>180.7</b>	<b>35.1</b>	<b>9.4</b>	<b>105.5</b>			•Increase in sales on line-products
Japan									
KOITO Group	92.2		101.0		8.7	109.5			
KI Group	17.6		17.8		0.2	101.0			
Subtotal	109.8	22.1	118.9	23.1	9.0	108.2	The effect of Forex	Constant Forex (%)	
Overseas									
Americas	88.9		91.4		2.4	102.7	△ 2.0	105.1	•Increase at Honda
Europe	19.3		16.8		△2.5	87.0	△ 1.2	93.3	•Decrease at Nissan
China	46.9		50.1		3.1	106.8	△ 3.1	113.4	•Increase at Toyota & Mazda
Asia	56.6		54.1		△2.5	95.6	0.1	95.4	•Decrease at Suzuki
KI Group	4.5		3.3		△1.1	74.2	△ 0.2	78.8	•Decrease in railroad car equipment
Subtotal	216.5	43.5	215.8	41.8	△0.6	99.7	△ 6.4	102.7	
Total	497.7	100.0	515.5	100.0	17.8	103.6			
Elimination	△105.1		△116.5		△11.3				<Forex>      FY 2019    FY 2020 US Dollar      ¥110.7    ¥108.7 Chinese Yuan    ¥16.7    ¥15.7
<b>Consolidated</b>	<b>392.6</b>		<b>399.0</b>		<b>6.4</b>	<b>101.6</b>	<b>△ 6.4</b>	<b>103.3</b>	

**KOITO** I — (2) Consolidated Statements of Income

(2/9)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (18/4~18/9)		FY 2020 1 <sup>st</sup> half (Previous forecast) (19/4~19/9)		FY 2020 1 <sup>st</sup> half (19/4~19/9)		Change			
							YoY		from Forecast	
Net sales (Constant Forex)	392.6	100	397.0	100	399.0	100	6.4 (12.9)	101.6 (103.3)	2.0 (Δ3.5)	100.5 (99.1)
Cost of sales	323.3	82.4			333.8	83.7	10.4			
Gross profit	69.2	17.6			65.2	16.3	Δ3.9	94.2		
Selling, general and administrative expenses	22.7	5.8			23.4	5.9	0.7			
Operating income	46.5	11.8	42.0	10.6	41.7	10.5	Δ4.7	89.7	Δ0.2	99.3
Non-operating income and loss	2.3	0.6			1.0	0.3	Δ1.3			
Recurring profit	48.8	12.4	43.0	10.8	42.7	10.7	Δ6.0	87.5	Δ0.2	99.4
Extraordinary gains and losses	Δ0.5	—			Δ0.2	—	0.3			
Income before income taxes	48.2	12.3			42.4	10.6	Δ5.7	88.0		
Net income	33.1	8.4	29.0	7.3	29.1	7.3	Δ4.0	87.8	0.1	100.4

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

FY 2020 1<sup>st</sup> half (19/4~19/9)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	180.7	101.0	17.8	118.9	215.8	515.5	△116.5	399.0
Operating income	16.3	4.2	△0.6	3.5	19.0	38.8	2.8	41.7
Ratio	9.0%	4.2%	—	3.0%	8.8%	7.5%		10.5%

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

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	171.3	92.2	17.6	109.8	216.5	497.7	△105.1	392.6
Operating income	19.1	3.5	△0.1	3.3	19.6	42.1	4.3	46.5
Ratio	11.2%	3.9%	—	3.1%	9.1%	8.5%		11.8%

## Change

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	9.4	8.7	0.2	9.0	△0.6	17.8	△11.3	6.4
YoY	106%	110%	101%	108%	100%	104%		102%
Operating income	△2.8	0.6	△0.4	0.1	△0.5	△3.2	△1.5	△4.7
YoY	85%	118%	—	105%	97%	92%		90%

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

FY 2020 1<sup>st</sup> half (19/4 ~ 19/9)

(¥ billion)

	Overseas (15 companies)					Total
	Americas	Europe	China	Asia	KI Group	
Net sales	91.4	16.8	50.1	54.1	3.3	215.8
Operating income	5.8	0.6	6.3	5.4	0.7	19.0
Ratio	6.4%	3.9%	12.7%	10.1%	20.9%	8.8%

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

	Overseas (15 companies)					Total
	Americas	Europe	China	Asia	KI Group	
Net sales	88.9	19.3	46.9	56.6	4.5	216.5
Operating income	5.2	1.3	5.9	5.9	1.0	19.6
Ratio	5.9%	7.0%	12.8%	10.6%	22.4%	9.1%

## Change

	Overseas (15 companies)					Total	
	Americas	Europe	China	Asia	KI Group		
Net sales	2.4	△2.5	3.1	△2.5	△1.1	△0.6	
YoY	103%	87%	107%	96%	74%	100%	
Operating income	0.6	△0.6	0.3	△0.5	△0.3	△0.5	
YoY	112%	49%	106%	91%	69%	97%	
Constant Forex	Net sales	4.5	△1.2	6.2	△2.7	△0.9	5.8
	Operating income	0.7	△0.6	0.7	△0.6	△0.2	△0.0

(The effect of Forex: Operating income △0.5)

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

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (18/4~18/9)		FY 2020 1 <sup>st</sup> half (19/4~19/9)		Change		
							◎ Operating income <span style="float:right">Δ 4.7</span>
Net sales (Constant Forex)	392.6	100	399.0	100	6.4 (12.9)	101.6 (103.3)	▪ Increase in volume <span style="float:right">1.8</span>
Cost of sales	323.3	82.4	333.8	83.7	10.4		▪ Price competition <span style="float:right">Δ 4.7</span>
Gross profit	69.2	17.6	65.2	16.3	Δ3.9	94.2	▪ Cost down in materials <span style="float:right">4.9</span>
Selling, general and administrative expenses	22.7	5.8	23.4	5.8	0.7		▪ Development of new products <span style="float:right">Δ 1.6</span>
Operating income	46.5	11.8	41.7	10.5	Δ4.7	89.7	▪ Cost on capacity increase and production efficiency increase <span style="float:right">Δ 1.6</span>
Non-operating income and loss	2.3	0.6	1.0	0.2	Δ1.3		▪ R&D in advanced technologies <span style="float:right">Δ 1.0</span>
Recurring profit	48.8	12.4	42.7	10.7	Δ6.0	87.5	▪ U.S.'s additional tariffs on China <span style="float:right">Δ 1.0</span>
Extraordinary gains and losses	Δ0.5	—	Δ0.2	—	0.3		▪ Others <span style="float:right">Δ 1.0</span>
Income before income taxes	48.2	12.3	42.4	10.6	Δ5.7	88.0	▪ The effect of Forex <span style="float:right">Δ 0.5</span>
Net income	33.1	8.4	29.1	7.3	Δ4.0	87.8	

Δ4.2



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

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (18/4~18/9)		FY 2020 1 <sup>st</sup> half (19/4~19/9)		Change	
Net sales (Constant Forex)	392.6	100	399.0	100	6.4 (12.9)	101.6 (103.3)
Cost of sales	323.3	82.4	333.8	83.7	10.4	
Gross profit	69.2	17.6	65.2	16.3	Δ3.9	94.2
Selling, general and administrative expenses	22.7	5.8	23.4	5.8	0.7	
Operating income	46.5	11.8	41.7	10.5	Δ4.7	89.7
Non-operating income and loss	2.3	0.6	1.0	0.2	Δ1.3	
Recurring profit	48.8	12.4	42.7	10.7	Δ6.0	87.5
Extraordinary gains and losses	Δ0.5	—	Δ0.2	—	0.3	
Income before income taxes	48.2	12.3	42.4	10.6	Δ5.7	88.0
Net income	33.1	8.4	29.1	7.3	Δ4.0	87.8

  

【Decrease in operating income	Δ 4.7】
◎ Non-operating income and loss	Δ 1.3
<hr/>	
•Foreign exchange gains and losses	Δ1.1 etc.
【Decrease in recurring profit	Δ 6.0】
◎ Extraordinary gains and losses	0.3
<hr/>	
【Decrease in net income	Δ 4.0】

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

(7/9)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half		FY 2020 1 <sup>st</sup> half (Previous forecast)		FY 2020 1 <sup>st</sup> half		Change			
	(18/4~18/9)		(19/4~19/9)		(19/4~19/9)		YoY		from Forecast	
Net sales	171.3	100	178.0	100	180.7	100	9.4	105.5	2.7	101.6
Cost of sales	140.4	82.0			151.9	84.1	11.5			
Gross profit	30.8	18.0			28.8	15.9	Δ2.0	93.3		
Selling, general and administrative expenses	11.7	6.9			12.5	6.9	0.7			
Operating income	19.1	11.2	15.0	8.4	16.3	9.0	Δ2.8	85.3	1.3	108.7
Non-operating income and loss	11.7	6.8			12.9	7.2	1.2			
Recurring profit	30.8	18.0	27.0	15.2	29.2	16.2	Δ1.5	95.0	2.2	108.5
Extraprinary gains and losses	Δ0.2	—			Δ0.2	—	0.0			
Income before income taxes	30.5	17.8			29.0	16.1	Δ1.5	95.1		
Net income	23.2	13.6	21.5	12.1	23.4	13.0	0.1	100.7	1.9	109.1

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

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (18/4~18/9)		FY 2020 1 <sup>st</sup> half (19/4~19/9)		Change		
							◎ Operating income $\Delta 2.8$
<b>Net sales</b>	<b>171.3</b>	<b>100</b>	<b>180.7</b>	<b>100</b>	<b>9.4</b>	<b>105.5</b>	·Increase in volume 0.4
Cost of sales	140.4	82.0	151.9	84.1	11.5		·Price competition $\Delta 1.2$
Gross profit	30.8	18.0	28.8	15.9	$\Delta 2.0$	<b>93.3</b>	·Cost down in materials 1.7
Selling, general and administrative expenses	11.7	6.9	12.5	6.9	0.7		·Development of new products $\Delta 1.0$
<b>Operating income</b>	<b>19.1</b>	<b>11.2</b>	<b>16.3</b>	<b>9.0</b>	<b><math>\Delta 2.8</math></b>	<b>85.3</b>	·Cost on capacity increase and production efficiency increase $\Delta 0.4$
Non-operating income and loss	11.7	6.8	12.9	7.2	1.2		·R&D in advanced technologies $\Delta 0.9$
<b>Recurring profit</b>	<b>30.8</b>	<b>18.0</b>	<b>29.2</b>	<b>16.2</b>	<b><math>\Delta 1.5</math></b>	<b>95.0</b>	·Cost on retirement benefit plan etc. $\Delta 0.8$
Extraordinary gains and losses	$\Delta 0.2$	—	$\Delta 0.2$	—	0.0		·Others $\Delta 0.6$
Income before income taxes	30.5	17.8	29.0	16.1	$\Delta 1.5$	<b>95.1</b>	<b>【Decrease in operating income <math>\Delta 2.8</math>】</b>
<b>Net income</b>	<b>23.2</b>	<b>13.6</b>	<b>23.4</b>	<b>13.0</b>	<b>0.1</b>	<b>100.7</b>	

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

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (18/4~18/9)		FY 2020 1 <sup>st</sup> half (19/4~19/9)		Change		
Net sales	171.3	100	180.7	100	9.4	105.5	<b>【Decrease in operating income Δ2.8】</b>
Cost of sales	140.4	82.0	151.9	84.1	11.5		
Gross profit	30.8	18.0	28.8	15.9	Δ2.0	93.3	
Selling, general and administrative expenses	11.7	6.9	12.5	6.9	0.7		
Operating income	19.1	11.2	16.3	9.0	Δ2.8	85.3	
Non-operating income and loss	11.7	6.8	12.9	7.2	1.2		<b>【Decrease in recurring profit Δ1.5】</b>
Recurring profit	30.8	18.0	29.2	16.2	Δ1.5	95.0	
Extraordinary gains and losses	Δ0.2	—	Δ0.2	—	0.0		<b>◎ Extraordinary gains and losses 0.0</b>
Income before income taxes	30.5	17.8	29.0	16.1	Δ1.5	95.1	
Net income	23.2	13.6	23.4	13.0	0.1	100.7	

◎ Non-operating income and loss 1.2

•Increase in dividend income 2.2

•Foreign exchange gains and losses Δ0.5 etc.

◎ Extraordinary gains and losses 0.0

【Increase in net income 0.1】



## II. Forecast for FY 2020 (Year Ending March 31, 2020)

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

(million vehicles)

	FY 2018	FY 2019	YoY	FY 2020		YoY
				1 <sup>st</sup> half	2 <sup>nd</sup> half	
Japan	9.67	9.74	101%	4.74	4.77	98%
North America	17.42	17.39	100%	8.60	8.46	98%
Europe	17.29	16.86	98%	7.47	8.63	95%
China	28.96	27.04	93%	11.66	13.34	92%
ASEAN Countries	4.14	4.39	106%	2.10	2.20	98%
India	4.90	5.13	105%	2.35	2.38	92%
South America	3.30	3.32	101%	1.76	1.63	102%
Others	6.80	6.69	98%	3.28	3.33	99%
<b>Total</b>	<b>92.48</b>	<b>90.56</b>	<b>98%</b>	<b>41.96</b>	<b>44.74</b>	<b>96%</b>



## II – (2) Consolidated Net Sales (Compared to the first half of FY 2020)

(¥ billion, ratio:%)

	FY 2020 1 <sup>st</sup> half (Actual)		FY 2020 2 <sup>nd</sup> half (Forecast)		Change		Remarks				
	(19/4~19/9)	% to total	(19/10~20/3)	% to total		YoY					
<b>KOITO MANUFACTURING (KMC)</b>	<b>180.7</b>	<b>35.1</b>	<b>179.2</b>	<b>34.2</b>	<b>△ 1.5</b>	<b>99.1</b>	Decrease in sales on line-products				
Japan	KOITO Group	101.0	100.3		△ 0.6	99.3					
	KI Group	17.8	29.9		12.0	167.4	Increase in public constructions				
	Subtotal	118.9	23.1	130.2	24.9	11.3	109.6	The effect of Forex	Constant Forex	Constant Forex(%)	
Overseas	Americas	91.4		90.2		△ 1.2	98.6	△ 3.3	2.0	102.3	Increase at Honda & SUBARU
	Europe	16.8		17.1		0.3	102.4	△ 1.2	1.6	109.6	Increase at Toyota & Renault
	China	50.1		52.5		2.4	105.0	△ 4.2	6.7	113.5	Increase at Honda, Mazda & Nissan
	Asia	54.1		51.0		△ 3.0	94.4	△ 3.1	0.0	100.2	Increase at Isuzu & Honda motor cycles Decrease at Toyota
	KI Group	3.3		3.1		△ 0.2	93.5	△ 0.2	0.0	101.1	
	Subtotal	215.8	41.8	214.2	40.9	△ 1.6	99.2	△ 12.1	10.5	104.9	
	(Constant Forex)			(226.4)		(10.5)	(104.9)				
	Total	515.5	100.0	523.7	100.0	8.1	101.6				<Exchange rate> FY 2020 (Previous Forecast)    FY 2020 (1 <sup>st</sup> half)    FY 2020 (2 <sup>nd</sup> half)
	Elimination	△ 116.5		△ 114.7		1.7					US Dollar    ¥105.0    ¥108.7    ¥105.0 Chinese Yuan    ¥15.5    ¥15.7    ¥14.5
	Consolidated	399.0		408.9		9.8	102.5	△ 12.1	22.0	105.5	<Annual sensitivity per US Dollar/ 1 yen> Net sales:    ¥4.0 billion Operating income: ¥0.4 billion
	(Constant Forex)			(421.1)		(22.0)	(105.5)				

**KOITO** II — (3) Consolidated Statements of Income  
(Compared to the first half of FY 2020)

(¥ billion, ratio:%)

	FY 2020 1 <sup>st</sup> half (Actual) (19/4~19/9)		FY 2020 2 <sup>nd</sup> half (Forecast) (19/10~20/3)		Change			
							◎Operating income	0.5
Net sales (Constant Forex)	399.0	100.0	408.9 (421.1)	100.0	9.8 (22.0)	102.5 (105.5)	·Increase in volume	5.8
Cost of sales	333.8	83.7	344.1	84.2	10.3		·Price competition	△ 1.6
Gross profit	65.2	16.3	64.7	15.8	△ 0.4	99.3	·Cost down in materials	0.2
Selling, General and administrative expenses	23.4	5.9	22.5	5.5	△ 0.9		·Development of new products	△ 2.3
Operating income (Constant Forex)	41.7	10.5	42.2 (43.5)	10.3	0.5 (1.7)	101.3 (104.3)	·Cost on capacity increase and production efficiency increase	△ 1.3
Non-operating income and loss	1.0	0.3	1.9	0.5	0.9		·R&D in advanced technologies	△ 0.4
Recurring profit	42.7	10.7	44.2	10.8	1.4	103.4	·Others	1.3
Extraordinary gains or losses	△ 0.2	—	△ 0.3	—	0.0		(Constant Forex)	1.7
Income before income taxes	42.4	10.6	43.9	10.7	1.4	103.4	·The effect of Forex	△ 1.2
Net income	29.1	7.3	29.8	7.3	0.7	102.6		

△ 4.0



**KOTO** II — (3) Consolidated Statements of Income  
(Compared to the first half of FY 2020)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (Actual) (19/4~19/9)		FY 2019 2 <sup>nd</sup> half (Forecast) (19/10~20/3)		Change		
<b>Net sales</b> (Constant Forex)	<b>399.0</b>	<b>100.0</b>	<b>408.9</b>	<b>100.0</b>	<b>9.8</b>	<b>102.5</b>	【 Increase in operating income 0.5 】
<b>Cost of sales</b>	<b>333.8</b>	<b>83.7</b>	<b>344.1</b>	<b>84.2</b>	<b>10.3</b>		◎Non-operating income and loss 0.9
<b>Gross profit</b>	<b>65.2</b>	<b>16.3</b>	<b>64.7</b>	<b>15.8</b>	<b>△ 0.4</b>	<b>99.3</b>	•Foreign exchange gains or losses 0.7
Selling, General and administrative expenses	<b>23.4</b>	<b>5.9</b>	<b>22.5</b>	<b>5.5</b>	<b>△ 0.9</b>		【 Increase in recurring profit 1.4 】
<b>Operating income</b> (Constant Forex)	<b>41.7</b>	<b>10.5</b>	<b>42.2</b>	<b>10.3</b>	<b>0.5</b>	<b>101.3</b>	◎Extraordinary gains or losses 0.0
<b>Non-operating income and loss</b>	<b>1.0</b>	<b>0.3</b>	<b>1.9</b>	<b>0.5</b>	<b>0.9</b>		【 Increase in net income 0.7 】
<b>Recurring profit</b>	<b>42.7</b>	<b>10.7</b>	<b>44.2</b>	<b>10.8</b>	<b>1.4</b>	<b>103.4</b>	
Extraordinary gains or losses	<b>△ 0.2</b>	<b>—</b>	<b>△ 0.3</b>	<b>—</b>	<b>0.0</b>		
Income before income taxes	<b>42.4</b>	<b>10.6</b>	<b>43.9</b>	<b>10.7</b>	<b>1.4</b>	<b>103.4</b>	
<b>Net income</b>	<b>29.1</b>	<b>7.3</b>	<b>29.8</b>	<b>7.3</b>	<b>0.7</b>	<b>102.6</b>	

**KOITO** II — (4) Non-consolidated Statements of Income  
(Compared to the first half of FY 2020)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (Actual) (19/4~19/9)		FY 2019 2 <sup>nd</sup> half (Forecast) (19/10~20/3)		Change			
<b>Net sales</b>	<b>180.7</b>	<b>100.0</b>	<b>179.2</b>	<b>100.0</b>	<b>△ 1.5</b>	<b>99.1</b>	<b>◎Operating income</b>	<b>△ 4.6</b>
<b>Cost of sales</b>	<b>151.9</b>	<b>84.1</b>	<b>154.1</b>	<b>86.0</b>	<b>2.1</b>		▪Decrease in volume	△ 0.8
<b>Gross profit</b>	<b>28.8</b>	<b>15.9</b>	<b>25.0</b>	<b>14.0</b>	<b>△ 3.7</b>	<b>87.1</b>	▪Price competition	△ 0.9
Selling, general and administrative expenses	12.5	6.9	13.3	7.5	0.8		▪Cost down in materials	0.2
<b>Operating income</b>	<b>16.3</b>	<b>9.0</b>	<b>11.6</b>	<b>6.5</b>	<b>△ 4.6</b>	<b>71.8</b>	▪Development of new products	△ 1.8
Non-operating income and loss	12.9	7.2	8.0	4.5	△ 4.9		▪Cost on productivity enhancement	△ 0.4
<b>Recurring profit</b>	<b>29.2</b>	<b>16.2</b>	<b>19.7</b>	<b>11.0</b>	<b>△ 9.5</b>	<b>67.3</b>	▪R&D in advanced technologies	△ 0.4
Extraordinary gains or losses	△ 0.2	—	△ 0.2	—	0.0		▪Others	△ 0.5
Income before income taxes	29.0	16.1	19.4	10.8	△ 9.6	66.8		
<b>Net income</b>	<b>23.4</b>	<b>13.0</b>	<b>14.5</b>	<b>8.1</b>	<b>△ 8.9</b>	<b>62.0</b>		

} △2.6

**KOTO** II — (4) Non-consolidated Statements of Income  
(Compared to the first half of FY 2020)

(¥ billion, ratio:%)

	FY 2019 1 <sup>st</sup> half (Actual) (19/4~19/9)		FY 2019 2 <sup>nd</sup> half (Forecast) (19/10~20/3)		Change	
<b>Net sales</b>	<b>180.7</b>	<b>100.0</b>	<b>179.2</b>	<b>100.0</b>	<b>△ 1.5</b>	<b>99.1</b>
Cost of sales	151.9	84.1	154.1	86.0	2.1	
<b>Gross profit</b>	<b>28.8</b>	<b>15.9</b>	<b>25.0</b>	<b>14.0</b>	<b>△ 3.7</b>	<b>87.1</b>
Selling, general and administrative expenses	12.5	6.9	13.3	7.5	0.8	
<b>Operating income</b>	<b>16.3</b>	<b>9.0</b>	<b>11.6</b>	<b>6.5</b>	<b>△ 4.6</b>	<b>71.8</b>
Non-operating income and loss	12.9	7.2	8.0	4.5	△ 4.9	
<b>Recurring profit</b>	<b>29.2</b>	<b>16.2</b>	<b>19.7</b>	<b>11.0</b>	<b>△ 9.5</b>	<b>67.3</b>
Extraordinary gains or losses	△ 0.2	—	△ 0.2	—	0.0	
Income before income taxes	29.0	16.1	19.4	10.8	△ 9.6	66.8
<b>Net income</b>	<b>23.4</b>	<b>13.0</b>	<b>14.5</b>	<b>8.1</b>	<b>△ 8.9</b>	<b>62.0</b>

**【 Decrease in operating income △ 4.6 】**

◎Non-operating income and loss  
(Decrease in dividend) **△ 4.9**】

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**【Decrease in recurring profit △ 9.5】**

◎Extraordinary gains or losses **0.0**

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**【Decrease in net income △ 8.9】**



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

(¥ billion, ratio:%)

	FY 2019 (Actual)		FY 2020 (Forecast)		Change		Remarks			
	(18/4~19/3)	% to Total	(19/4~20/3)	% to Total		YoY				
<b>KMC</b>	<b>364.1</b>	<b>34.6</b>	<b>360.0</b>	<b>34.6</b>	<b>△ 4.1</b>	<b>98.9</b>	▪Decrease in sales on exports (components)			
Japan	KOITO Group	197.2	201.4		4.1	102.1	▪Increase in LED products and electronic components			
	KI Group	46.3	47.8		1.4	103.2	▪Increase in railway seats			
	<b>Subtotal</b>	<b>243.5</b>	<b>23.2</b>	<b>249.2</b>	<b>24.0</b>	<b>5.6</b>	<b>102.3</b>	The effect of Forex	Constant Forex	Constant Forex (%)
Overseas	Americas	190.1	181.7		△ 8.4	95.6	△ 7.6	△ 0.7	99.6	▪Increase at Honda & SUBARU ▪Decrease at GM
	Europe	39.1	34.0		△ 5.1	86.7	△ 3.3	△ 1.8	95.4	▪Decrease at Nissan
	China	93.7	102.7		8.9	109.6	△ 9.7	18.7	120.0	▪Increase at Toyota, Mazda & Nissan
	Asia	112.6	105.2		△ 7.4	93.4	△ 3.0	△ 4.3	96.1	▪Decrease at Toyota & Suzuki
	KI Group	8.2	6.5		△ 1.7	78.8	△ 0.6	△ 1.1	86.2	▪Decrease in sales on Chinese railways
	<b>Subtotal</b>	<b>443.8</b>	<b>42.2</b>	<b>430.1</b>	<b>41.4</b>	<b>△ 13.7</b>	<b>96.9</b>	<b>△ 24.5</b>	<b>10.7</b>	<b>102.4</b>
<b>(Constant Forex)</b>			<b>(454.6)</b>		<b>(10.7)</b>	<b>(102.4)</b>				
<b>Total</b>	<b>1,051.5</b>	<b>100.0</b>	<b>1,039.3</b>	<b>100.0</b>	<b>△ 12.2</b>	<b>98.8</b>				<Exchange rate> FY 2019 (Actual) FY 2020 (Forecast) US Dollar ¥111.1 ¥106.8 Chinese Yuan ¥ 16.5 ¥ 15.1
<b>Elimination</b>	<b>△ 225.3</b>		<b>△ 231.3</b>		<b>△ 5.9</b>					<Annual sensitivity per US Dollar/ 1 yen> Net sales: ¥4.0 billion Operating income: ¥0.4 billion
<b>Consolidated</b>	<b>826.2</b>		<b>808.0</b>		<b>△ 18.2</b>	<b>97.8</b>	<b>△ 24.5</b>	<b>6.2</b>	<b>100.8</b>	
<b>(Constant Forex)</b>			<b>(832.5)</b>		<b>(6.2)</b>	<b>(100.8)</b>				

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

(¥ billion, ratio:%)

	FY 2019 (Actual)		FY 2020 (Forecast)		Change				
	(18/4~19/3)		(19/4~20/3)						
								◎Operating income	△ 17.5
Net sales	826.2	100.0	808.0	100.0	△ 18.2	97.8		·Increase in volume	1.0
(Constant Forex)			(832.5)		(6.2)	(100.8)		·Price competition	△ 11.0
Cost of sales	678.7	82.1	678.0	83.9	△ 0.7			·Cost down in materials	10.0
Gross profit	147.5	17.9	130.0	16.1	△ 17.5	88.1		·Development of new products	△ 3.9
Selling, general and administrative expenses	45.9	5.6	46.0	5.7	0.0			·Cost on capacity increase and production efficiency increase	△ 4.0
Operating income	101.5	12.3	84.0	10.4	△ 17.5	82.7		·R&D in advanced technologies	△ 2.0
(Constant Forex)			(86.2)		(△15.2)	(85.0)		·U.S.'s additional tariffs on China	△ 1.0
Non-operating income and loss	3.9	0.5	3.0	0.4	△ 0.9			·Cost on retirement benefit plan etc.	△ 3.1
Recurring profit	105.4	12.8	87.0	10.8	△ 18.4	82.5		·Others	△ 1.2
Extraordinary gains or losses	△ 1.0	—	△ 0.6	—	0.4			(Constant Forex)	△ 15.2
Income before income taxes	104.4	12.6	86.4	10.7	△ 18.0	82.7		·The effect of Forex	△ 2.3
Net income	72.8	8.8	59.0	7.3	△ 13.8	80.9			

△9.9

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

(¥ billion, ratio:%)

	FY 2019 (Actual)		FY 2020 (Forecast)		Change	
	(18/4~19/3)		(19/4~20/3)			
Net sales (Constant Forex)	826.2	100.0	808.0 (832.5)	100.0	△ 18.2 (6.2)	97.8 (100.8)
Cost of sales	678.7	82.1	678.0	83.9	△ 0.7	
Gross profit	147.5	17.9	130.0	16.1	△ 17.5	88.1
Selling, general and administrative expenses	45.9	5.6	46.0	5.7	0.0	
Operating income (Constant Forex)	101.5	12.3	84.0 (86.2)	10.4	△ 17.5 (△15.2)	82.7 (85.0)
Non-operating income and loss	3.9	0.5	3.0	0.4	△ 0.9	
Recurring profit	105.4	12.8	87.0	10.8	△ 18.4	82.5
Extraordinary gains or losses	△ 1.0	—	△ 0.6	—	0.4	
Income before income taxes	104.4	12.6	86.4	10.7	△ 18.0	82.7
Net income	72.8	8.8	59.0	7.3	△ 13.8	80.9

【 Decrease in operating income △ 17.5 】

◎Non-operating income and loss      △ 0.9

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·Foreign exchange gains or losses      △ 1.1

【 Decrease in recurring profit △ 18.4 】

◎Extraordinary gains or losses      0.4

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【 Decrease in net income △ 13.8 】

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

**KOITO**

FY 2020 (Forecast) (19/4~20/3)

(¥ billion, ratio:%)

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal	Subtotal			
Net sales	360.0	201.4	47.8	249.2	430.1	1,039.3	△ 231.3	808.0
Operating income	28.0	7.5	2.8	10.3	38.0	76.3	7.7	84.0
Ratio	7.8%	3.7%	5.9%	4.1%	8.8%	7.3%	—	10.4%

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

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal	Subtotal			
Net sales	364.1	197.2	46.3	243.5	443.8	1,051.5	△ 225.3	826.2
Operating income	38.3	8.6	2.9	11.6	43.5	93.5	8.0	101.5
Ratio	10.5%	4.4%	6.5%	4.8%	9.8%	8.9%	—	12.3%

Change

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated	
		KOITO Group	KI Group	Subtotal	Subtotal				
Net sales	△ 4.1	4.1	1.4	5.6	△ 13.7	△ 12.2	△ 5.9	△ 18.2	
YoY	99%	102%	103%	102%	97%	99%	—	98%	
Operating income	△ 10.3	△ 1.1	△ 0.1	△ 1.3	△ 5.5	△ 17.2	△ 0.3	△ 17.5	
YoY	73%	87%	94%	89%	87%	82%	—	83%	
Constant Forex	Net sales	△ 4.1	4.1	1.4	5.6	10.7	12.2	△ 5.9	6.2
	Operating income	△ 10.3	△ 1.1	△ 0.1	△ 1.3	△ 3.3	△ 14.9	△ 0.3	△ 15.2

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

(¥ billion, ratio:%)

	FY 2019 (Actual)		FY 2020 (Forecast)		Change		
	(18/4~19/3)		(19/4~20/3)				
							◎Operating income <span style="float:right">Δ 10.3</span>
<b>Net sales</b>	<b>364.1</b>	<b>100.0</b>	<b>360.0</b>	<b>100.0</b>	<b>Δ 4.1</b>	<b>98.9</b>	
Cost of sales	301.3	82.8	306.1	85.0	4.7		▪Decrease in volume <span style="float:right">Δ 2.6</span>
Gross profit	62.7	17.2	53.9	15.0	Δ 8.8	86.0	▪Price competition <span style="float:right">Δ 3.3</span>
Selling, general and administrative expenses	24.3	6.7	25.9	7.2	1.5		▪Cost down in materials <span style="float:right">3.6</span>
<b>Operating income</b>	<b>38.3</b>	<b>10.5</b>	<b>28.0</b>	<b>7.8</b>	<b>Δ 10.3</b>	<b>73.0</b>	▪Development of new products <span style="float:right">Δ 1.9</span>
Non-operating income and loss	18.3	5.0	21.0	5.8	2.6		▪Cost on productivity enhancement <span style="float:right">Δ 1.1</span>
<b>Recurring profit</b>	<b>56.6</b>	<b>15.6</b>	<b>49.0</b>	<b>13.6</b>	<b>Δ 7.6</b>	<b>86.5</b>	▪R&D in advanced technologies <span style="float:right">Δ 1.9</span>
Extraordinary gains or losses	Δ 0.6	—	Δ 0.5	—	0.1		▪Cost on retirement benefit plan etc. <span style="float:right">Δ 1.8</span>
Income before income taxes	55.9	15.4	48.5	13.5	Δ 7.4	86.7	▪Others <span style="float:right">Δ 1.3</span>
<b>Net income</b>	<b>44.1</b>	<b>12.1</b>	<b>38.0</b>	<b>10.6</b>	<b>Δ 61.0</b>	<b>86.1</b>	

} Δ4.9



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

(¥ billion, ratio:%)

	FY 2019 (Actual)		FY 2020 (Forecast)		Change		
	(18/4~19/3)		(19/4~20/3)				
<b>Net sales</b>	<b>364.1</b>	<b>100.0</b>	<b>360.0</b>	<b>100.0</b>	<b>△ 4.1</b>	<b>98.9</b>	<b>【 Decrease in operating income △ 10.3 】</b>
Cost of sales	301.3	82.8	306.1	85.0	4.7		◎Non-operating income and loss 2.6
Gross profit	62.7	17.2	53.9	15.0	△ 8.8	86.0	▪Increase in interest income and dividend 2.0
Selling, general and administrative expenses	24.3	6.7	25.9	7.2	1.5		<b>【 Decrease in recurring profit △ 7.6 】</b>
<b>Operating income</b>	<b>38.3</b>	<b>10.5</b>	<b>28.0</b>	<b>7.8</b>	<b>△ 10.3</b>	<b>73.0</b>	◎Extraordinary gains or losses 0.1
Non-operating income and loss	18.3	5.0	21.0	5.8	2.6		
<b>Recurring profit</b>	<b>56.6</b>	<b>15.6</b>	<b>49.0</b>	<b>13.6</b>	<b>△ 7.6</b>	<b>86.5</b>	<b>【 Decrease in net income △ 6.1 】</b>
Extraordinary gains or losses	△ 0.6	—	△ 0.5	—	0.1		
Income before income taxes	55.9	15.4	48.5	13.5	△ 7.4	86.7	
<b>Net income</b>	<b>44.1</b>	<b>12.1</b>	<b>38.0</b>	<b>10.6</b>	<b>△ 6.1</b>	<b>86.1</b>	



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

(9/12)

FY 2020 (Forecast) (19/4~20/3)

(¥ billion, ratio:%)

	Overseas (15 companies)					
	Americas	Europe	China	Asia	KI Group	Overseas
Net sales	181.7	34.0	102.7	105.2	6.5	430.1
Operating income	11.5	1.6	13.6	10.0	1.3	38.0
Ratio	6.3%	4.7%	13.2%	9.5%	20.0%	8.8%

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

	Overseas (15 companies)					
	Americas	Europe	China	Asia	KI Group	Overseas
Net sales	190.1	39.1	93.7	112.6	8.2	443.8
Operating income	15.2	3.3	11.1	11.7	1.9	43.5
Ratio	8.0%	8.6%	11.9%	10.5%	24.2%	9.8%

Change

	Overseas (15 companies)						
	Americas	Europe	China	Asia	KI Group	Overseas	
Net sales	△ 8.4	△ 5.1	8.9	△ 7.4	△ 1.7	△ 13.7	
YoY	96%	87%	110%	93%	79%	97%	
Operating income	△ 3.7	△ 1.7	2.4	△ 1.7	△ 0.6	△ 5.5	
YoY	75%	47%	122%	85%	65%	87%	
Constant Forex	Net sales	△ 0.7	△ 1.8	18.7	△ 4.3	△ 1.1	△ 10.7
	Operating income	△ 3.2	△ 1.6	3.7	△ 1.6	△ 0.5	△ 3.3

-New plant/Plant expansion      △2.9  
-U.S.'s additional tariffs on China    △1.0

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

(¥ billion, ratio:%)

		FY 2019 (Actual) (18/4~19/3)	FY 2020 (Forecast) (19/4~20/3)	Change		Constant Forex		Remarks
A m e r i c a s	Net sales	190.1	181.7	△ 8.4	95.6	△ 0.7	99.6	◎Operating income $\Delta$ 3.2
	Operating income	15.2	11.5	△ 3.7	75.4	△ 3.2	78.8	▪Decrease in volume $\Delta$ 0.2
	Ratio	8.0	6.3					▪Price competition $\Delta$ 2.6
E u r o p e	Net sales	39.1	34.0	△ 5.1	86.7	△ 1.8	95.4	▪Cost down in materials 2.8
	Operating income	3.3	1.6	△ 1.7	47.3	△ 1.6	51.9	▪Development of new products and capacity increase cost $\Delta$ 2.4
	Ratio	8.6	4.7					▪U.S.'s additional tariffs on China $\Delta$ 0.8



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

(11 / 12)

(¥ billion, ratio:%)

		FY 2019 (Actual)	FY 2020 (Forecast)	Change		Constant Forex		Remarks
		(18/4~19/3)	(19/4~20/3)					
C h i n a	Net sales	93.7	102.7	8.9	109.6	18.7	120.0	◎Operating income <span style="float: right;">3.7</span> ▪Increase in volume <span style="float: right;">5.1</span> ▪Price competition <span style="float: right;">Δ 2.8</span> ▪Cost down in materials <span style="float: right;">1.7</span> ▪Development of new products and capacity increase cost <span style="float: right;">Δ 0.8</span> ▪Others <span style="float: right;">0.5</span>
	Operating income	11.1	13.6	2.4	121.8	3.7	133.6	
	Ratio	11.9	13.2					
A s i a	Net sales	112.6	105.2	Δ 7.4	93.4	Δ 4.3	96.1	◎Operating income <span style="float: right;">Δ 1.6</span> ▪Decrease in volume <span style="float: right;">Δ 0.7</span> ▪Price competition <span style="float: right;">Δ 1.1</span> ▪Cost down in materials <span style="float: right;">1.1</span> ▪Capacity increase cost <span style="float: right;">Δ 1.3</span> <small>(New plant at Malaysia and expansion at Indonesia)</small> ▪Others <span style="float: right;">0.4</span>
	Operating income	11.7	10.0	Δ 1.7	84.9	Δ 1.6	86.1	
	Ratio	10.5	9.5					

# KOITO II – (12) Capital Expenditures by Segment

(¥ billion, ratio:%)

		FY 2018 (17/4~ 18/3)	FY 2019 (18/4~ 19/3)	FY 2020 (Forecast)			Remarks
				FY 2020 (19/4~ 20/3)	Change from FY 2019		
					Difference	Ratio	
J a p a n	Equipment	3.6	6.3	11.1	4.8	176	•Productivity enhancement
	Molds	4.5	3.8	4.9	1.1	129	•Development of new products (New Method)
	KMC	8.1	10.1	16.0	5.9	158	
	KOITO KYUSHU	3.3	6.0	8.3	2.3	138	•Increase in new molds
	KIHD and KOITO ELECTRIC IND.	0.2	0.2	0.4	0.2	200	
	Others	2.4	5.5	2.9	△ 2.6	53	•Aoitec      Δ¥3.0 billion (3.9→ 0.9 billion)
	Subtotal	14.1	21.8	27.6	5.8	127	•NAL Brasil      Δ¥3.7 billion (4.7→ 1.0 billion)
	Americas	5.8	14.1	13.7	△ 0.4	97	•NAL      +¥3.0 billion (6.4→ 9.4 billion)
	Europe	1.9	1.5	5.3	3.8	353	•KCZ      +¥4.1 billion (1.0→ 5.1 billion)
	China	5.8	8.6	4.1	△ 4.5	48	•Fuzhou      Δ¥2.2 billion (2.8→ 0.6 billion)
	Asia	6.2	7.7	10.5	2.8	136	•Malaysia      +¥4.0 billion (0.0→ 4.0 billion)
	Subtotal	19.7	32.1	33.6	1.5	105	
	Total	33.8	54.0	61.2	7.2	113	
	(Order amount)	(52.6)	(61.2)	(48.1)	(Δ13.1)	(79)	
	Depreciation	32.2	32.0	36.8	4.8	115	Constant Forex +¥5.7 billion
	(KMC	9.1	8.4	10.6	2.2	126	)