



**Supplementary Explanatory Materials
for Fiscal 2020
(Year Ending March 31, 2020)**

**May 29, 2020 (Fri)
KOITO MANUFACTURING CO., LTD.**



【Regarding for Forecast of Results for Fiscal 2021】

The business forecast for fiscal 2021, the year ending March 31, 2021, has not been decided because it is difficult to properly and reasonably calculate the forecast amid the novel coronavirus pandemic.

We will disclose our earnings forecast in Consolidated Earnings Report for the First Quarter of Fiscal 2021 which will be disclosed at end of July.

Thank you for your understanding.



**Financial Results for FY 2020
(Year Ending March 31, 2020)**



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

(1/9)

(¥ billion, ratio:%)

	FY 2019		FY 2020		Change		Remarks		
	(18/4~19/3)	% to total	(19/4~20/3)	% to total		YoY			
KOITO MANUFACTURING (KMC)	364.1	34.6	356.5	34.6	△7.5	97.9	Decrease of domestic automobile production (9.75 → 9.45 million vehicles 97%)		
Japan									
KOITO Group	197.2		197.7		0.5	100.3			
KI Group	46.3		49.9		3.6	107.7	Increase in sales on railroad car seat		
計	243.5	23.2	247.7	24.1	4.1	101.7	The effect of Forex	Constant Forex (%)	
Overseas									
Americas	190.1		179.5		△10.5	94.4	△4.2	96.6	Decrease at Toyota
Europe	39.1		34.1		△5.0	87.2	△1.9	92.1	Decrease at Nissan
China	93.7		99.5		5.8	106.2	△5.5	112.1	Increase at Toyota and Mazda
Asia	112.6		106.5		△6.0	94.6	0.4	94.2	Decrease at Toyota
KI Group	8.2		5.0		△3.1	61.3	△0.2	64.7	Decrease at railroad car business
Subtotal	443.8	42.2	424.8	41.3	△19.0	95.7	△11.5	98.3	
Total	1,051.5	100.0	1,029.1	100.0	△22.4	97.9			
Elimination	△225.3		△228.1		△2.8				<Forex> FY 2019 FY 2020
									US Dollar ¥111.1 ¥109.0
									Chinese Yuan ¥16.5 ¥15.6
Consolidated	826.2		800.9		△25.3	96.9	△11.5	98.3	

※Americas: NAL, Mexico and Brazil Europe: KEL and KCZ China: Guangzhou, Hubei and Fuzhou
Asia: Thai, Indonesia, Ta Yih, IJL and Malaysia KI Group: KPS and Jingzhou

KOITO (2) Consolidated Statements of Income

(2/9)

Effect of the novel coronavirus pandemic (estimate)

Net sales $\Delta 14.4$ Operating income $\Delta 3.9$

(¥ billion, ratio:%)

	FY 2019 (18/4~19/3)		FY 2020 (Previous forecast) (19/4~20/3)		FY 2020 (19/4~20/3)		Change			
							YoY		from Forecast	
Net sales (Constant Forex)	826.2	100	808.0	100	800.9	100	$\Delta 25.3$ ($\Delta 13.7$)	96.9 (98.3)	$\Delta 7.0$ ($\Delta 18.4$)	99.1 (97.7)
Cost of sales	678.7	82.1			672.8	84.0	$\Delta 5.8$			
Gross profit	147.5	17.9			128.0	16.0	$\Delta 19.4$	86.8		
Selling, general and administrative expenses	45.9	5.6			45.6	5.7	$\Delta 0.3$			
Operating income	101.5	12.3	84.0	10.4	82.4	10.3	$\Delta 19.1$	81.2	$\Delta 1.5$	98.1
Non-operating income and loss	3.9	0.5			2.8	0.4	$\Delta 1.1$			
Recurring profit	105.4	12.8	87.0	10.8	85.2	10.6	$\Delta 20.2$	80.8	$\Delta 1.7$	98.0
Extraordinary gains and losses	$\Delta 1.0$	—			$\Delta 1.2$	—	$\Delta 0.1$			
Income before income taxes	104.4	12.6			84.0	10.5	$\Delta 20.3$	80.5		
Net income	72.8	8.8	59.0	7.3	58.0	7.2	$\Delta 14.8$	79.6	$\Delta 0.9$	98.3



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

(3/9)

FY 2020 (19/4~20/3)

(¥ billion)

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	Subtotal				
Net sales	356.5	197.7	49.9	247.7	424.8	1,029.1	△228.1	800.9
Operating income	25.5	7.4	3.5	11.0	38.0	74.6	7.7	82.4
Ratio	7.2%	3.8%	7.2%	4.5%	9.0%	7.3%		10.3%

FY 2019 (18/4~19/3)

	KMC	Japan (14 companies)			Overseas (15 companies)	Total	Elimination	Consolidated
		KOITO Group	KI Group	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				
Net sales	△7.5	0.5	3.6	4.1	△19.0	△22.4	△2.8	△25.3
YoY	98%	100%	108%	102%	96%	98%		97%
Operating income	△12.7	△1.1	0.5	△0.5	△5.5	△18.8	△0.2	△19.1
YoY	67%	87%	120%	95%	87%	80%		81%

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

(4/9)

FY 2020 (19/4 ~ 20/3)

(¥ billion, ratio:%)

	Overseas (15 companies)					Total
	Americas	Europe	China	Asia	KI Group	
Net sales	179.5	34.1	99.5	106.5	5.0	424.8
Operating income	11.2	2.1	14.0	10.0	0.7	38.0
Ratio	6.3%	6.2%	14.1%	9.4%	14.0%	9.0%

FY 2019 (18/4 ~ 19/3)

	Overseas (15 companies)					Total
	Americas	Europe	China	Asia	KI Group	
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)					Total	
	Americas	Europe	China	Asia	KI Group		
Net sales	△10.5	△5.0	5.8	△6.0	△3.1	△19.0	
YoY	94%	87%	106%	95%	61%	96%	
Operating income	△4.0	△1.2	2.8	△1.7	△1.2	△5.5	
YoY	74%	62%	125%	85%	36%	87%	
Constant Forex	Net sales	△6.2	△3.1	11.3	△6.4	△2.9	△7.4
	Operating income	△3.7	△1.1	3.6	△2.0	△1.2	△4.5

(The effect of Forex △1.0)

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

(¥ billion, ratio:%)

	FY 2019		FY 2020		Change			
	(18/4~19/3)		(19/4~20/3)					
							◎ Operating income	Δ 19.1
Net sales (Constant Forex)	826.2	100	800.9	100	Δ25.3 (Δ13.7)	96.9 (98.3)	▪ Decrease in volume	Δ 3.3
Cost of sales	678.7	82.1	672.8	84.0	Δ5.8		▪ Price competition	Δ 10.3
Gross profit	147.5	17.9	128.0	16.0	Δ19.4	86.8	▪ Cost down in materials	10.1
Selling, general and administrative expenses	45.9	5.6	45.6	5.7	Δ0.3		▪ Development of new products	Δ 3.6
Operating income	101.5	12.3	82.4	10.3	Δ19.1	81.2	▪ Cost on capacity increase and production efficiency increase	Δ 3.8
Non-operating income and loss	3.9	0.5	2.8	0.3	Δ1.1		▪ R&D in advanced technologies	Δ 1.9
Recurring profit	105.4	12.8	85.2	10.6	Δ20.2	80.8	▪ U.S.'s additional tariffs on China	Δ 1.0
Extraordinary gains and losses	Δ1.0	—	Δ1.2	—	Δ0.1		▪ Others	Δ 4.3
Income before income taxes	104.4	12.6	84.0	10.5	Δ20.3	80.5	▪ The effect of Forex	Δ 1.0
Net income	72.8	8.8	58.0	7.2	Δ14.8	79.6		

Δ9.3



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

(6/9)

(¥ billion, ratio:%)

	FY 2019		FY 2020		Change			
	(18/4~19/3)		(19/4~20/3)					
Net sales (Constant Forex)	826.2	100	800.9	100	Δ25.3 (Δ13.7)	96.9 (98.3)	【Decrease in operating income	Δ 19.1】
Cost of sales	678.7	82.1	672.8	84.0	Δ5.8		◎ Non-operating income and loss	Δ 1.1
Gross profit	147.5	17.9	128.0	16.0	Δ19.4	86.8		
Selling, general and administrative expenses	45.9	5.6	45.6	5.7	Δ0.3		• Foreign exchange gains and losses	Δ1.1 etc.
Operating income	101.5	12.3	82.4	10.3	Δ19.1	81.2	【Decrease in recurring profit	Δ 20.2】
Non-operating income and loss	3.9	0.5	2.8	0.3	Δ1.1		◎ Extraordinary gains and losses	Δ 0.1
Recurring profit	105.4	12.8	85.2	10.6	Δ20.2	80.8		
Extraordinary gains and losses	Δ1.0	—	Δ1.2	—	Δ0.1		【Decrease in net income	Δ 14.8】
Income before income taxes	104.4	12.6	84.0	10.5	Δ20.3	80.5		
Net income	72.8	8.8	58.0	7.2	Δ14.8	79.6		

Effect of the novel coronavirus pandemic (estimate)

Net sales $\Delta 1.8$ Operating income $\Delta 1.2$

(¥ billion, ratio:%)

	FY 2019		FY 2020		FY 2020		Change			
	(18/4~19/3)		(19/4~20/3)		(19/4~20/3)		YoY		from Forecast	
Net Sales	364.1	100	360.0	100	356.5	100	$\Delta 7.5$	97.9	$\Delta 3.4$	99.0
Cost of sales	301.3	82.8			305.7	85.8	4.3			
Gross profit	62.7	17.2			50.7	14.2	$\Delta 11.9$	81.0		
Selling, general and administrative expenses	24.3	6.7			25.1	7.1	0.8			
Operating income	38.3	10.5	28.0	7.8	25.5	7.2	$\Delta 12.7$	66.7	$\Delta 2.4$	91.3
Non-operating income and loss	18.3	5.0			21.1	5.9	2.8			
Recurring profit	56.6	15.6	49.0	13.6	46.7	13.1	$\Delta 9.9$	82.5	$\Delta 2.2$	95.3
Extraordinary gains and losses	$\Delta 0.6$	—			4.2	1.2	4.8			
Income before income taxes	55.9	15.4			50.9	14.3	$\Delta 5.0$	91.0		
Net income	44.1	12.1	38.0	10.6	41.6	11.7	$\Delta 2.4$	94.4	3.6	109.6

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

(8/9)

(¥ billion, ratio:%)

	FY 2019 (18/4~19/3)		FY 2020 (19/4~20/3)		Change		
							◎ Operating income Δ12.7
Net Sales	364.1	100	356.5	100	Δ7.5	97.9	▪Decrease in volume Δ4.0
Cost of sales	301.3	82.8	305.7	85.8	4.3		▪Price competition Δ3.1
Gross profit	62.7	17.2	50.7	14.2	Δ11.9	81.0	▪Cost down in materials 3.5
Selling, general and administrative expenses	24.3	6.7	25.1	7.1	0.8		
Operating income	38.3	10.5	25.5	7.2	Δ12.7	66.7	▪Development of new products Δ1.6
Non-operating income and loss	18.3	5.0	21.1	5.9	2.8		▪Cost on capacity increase and production Δ1.1
Recurring profit	56.6	15.6	46.7	13.1	Δ9.9	82.5	▪R&D in advanced technologies Δ1.8
Extraordinary gains and losses	Δ0.6	—	4.2	1.2	4.8		▪Cost on retirement benefit plan etc. Δ2.2
Income before income taxes	55.9	15.4	50.9	14.3	Δ5.0	91.0	▪Others Δ2.4
Net income	44.1	12.1	41.6	11.7	Δ2.4	94.4	

【Decrease in operating income Δ12.7】

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

(¥ billion, ratio:%)

	FY 2019 (18/4~19/3)		FY 2020 (19/4~20/3)		Change		
Net Sales	364.1	100	356.5	100	Δ7.5	97.9	【Decrease in operating income Δ12.7】
Cost of sales	301.3	82.8	305.7	85.8	4.3		◎ Non-operating income and loss 2.8
Gross profit	62.7	17.2	50.7	14.2	Δ11.9	81.0	
Selling, general and administrative expenses	24.3	6.7	25.1	7.1	0.8		【Decrease in recurring profit Δ9.9】
Operating income	38.3	10.5	25.5	7.2	Δ12.7	66.7	◎ Extraordinary gains and losses 4.8
Non-operating income and loss	18.3	5.0	21.1	5.9	2.8		
Recurring profit	56.6	15.6	46.7	13.1	Δ9.9	82.5	
Extraordinary gains and losses	Δ0.6	—	4.2	1.2	4.8		•Gain on reversing allowance for overseas investment 4.9 etc
Income before income taxes	55.9	15.4	50.9	14.3	Δ5.0	91.0	【Decrease in net income Δ2.4】
Net income	44.1	12.1	41.6	11.7	Δ2.4	94.4	