



## Consolidated Earnings Report for Fiscal 2022 [Japanese GAAP]

April 27, 2022

Company Name:	<b>KOITO MANUFACTURING CO., LTD.</b>
Stock Listing:	Prime Market, Tokyo Stock Exchange
Code Number:	7276
URL:	<a href="https://www.koito.co.jp">https://www.koito.co.jp</a>
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Planned Date of the General Meeting of Shareholders:	June 29, 2022
Planned Date of Dividends Payment:	June 30, 2022
Planned Date of Filing of Annual Securities Report:	June 30, 2022
Supplementary explanatory materials prepared:	Yes
Explanatory meeting:	Yes

(¥ millions are rounded down)

### 1. Consolidated Results for Fiscal 2022 (April 1, 2021 to March 31, 2022)

#### (1) Consolidated Operating Result (¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
Fiscal 2022	760,719	7.7%	53,434	△5.8%	60,613	△0.8%	38,340	1.9%
Fiscal 2021	706,376	△11.8%	56,707	△31.2%	61,107	△28.3%	37,612	△35.2%

Note: Comprehensive income: Fiscal 2022: ¥67,558 million (△1.3%), Fiscal 2021: ¥68,457 million (65.9%)

	Net income per share (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Recurring profit to total assets ratio (%)	Operating income to net sales ratio (%)
Fiscal 2022	238.53	238.46	6.8	7.4	7.0
Fiscal 2021	234.00	233.93	7.4	8.1	8.0

Note: Equity in earnings of affiliated companies: Fiscal 2022: ¥△656 million, Fiscal 2021: ¥△595 million

#### (2) Consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
March 31, 2022	855,237	627,315	69.1	3,676.47
March 31, 2021	782,163	569,438	68.7	3,344.65

Note: Equity: March 31, 2022: ¥590,958 million, March 31, 2021: ¥537,605 million

#### (3) Consolidated Cash Flows (¥ millions)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Fiscal 2022	65,707	△52,151	△8,491	169,581
Fiscal 2021	74,962	△1,093	△18,324	161,855

### 2. Dividends

	Dividend per share (¥)					Dividend paid (annual) (¥ millions)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Year end	Full year			
Fiscal 2021	—	20.00	—	30.00	50.00	8,036	21.4	1.6
Fiscal 2022	—	24.00	—	30.00	54.00	8,679	22.6	1.5
Fiscal 2023 (forecast)	—	—	—	—	—		—	

Notes: Forecasts of dividends for fiscal 2023 are currently undecided.

### 3. Forecast of Consolidated Results for Fiscal 2023 (April 1, 2022 to March 31, 2023)

(¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent		Net income per share (¥)
First half	414,000	17.4%	27,000	11.8%	28,000	7.5%	18,000	12.7%	111.98
Full year	871,000	14.5%	67,000	25.4%	69,000	13.8%	46,000	20.0%	286.18

#### \*Notes

(1) Changes to important subsidiaries during fiscal 2022 (changes in specified subsidiaries resulting in revised scope of consolidation): None

(2) Changes in accounting principles, accounting estimates and restatements

① Changes in accounting policies in conjunction with revisions to accounting standards: Yes

② Other changes : None

③ Changes in accounting estimates : None

④ Restatements : None

Note: For details, please refer to the attached material P.13 “2. Quarterly Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Note Regarding Changes in accounting policies).”

(3) Number of shares issued (common stock)

① Number of shares issued

(including treasury stock):

② Number of treasury stocks:

③ Average number of shares during the year:

(shares)

March 31, 2022	160,789,436	March 31, 2021	160,789,436
March 31, 2022	48,905	March 31, 2021	53,614
Fiscal 2022	160,739,179	Fiscal 2021	160,734,989

《 For Reference Only 》

Non-consolidated Earnings Report for Fiscal 2022

1. Non-consolidated Results for Fiscal 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated Business Results (¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2022	294,463	△5.7%	17,760	△16.0%	38,416	0.6%	23,253	△38.9%
Fiscal 2021	312,201	△12.4%	21,138	△17.3%	38,185	△18.3%	38,048	△8.6%

	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2022	144.66	144.62
Fiscal 2021	236.72	236.64

(2) Non-consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
March 31, 2022	475,170	379,654	79.9	2,360.67
March 31, 2021	469,849	365,178	77.7	2,270.53

Note: Equity: March 31, 2022: ¥379,455 million, March 31, 2021: ¥364,955 million

2. Forecast of Non-consolidated Results for Fiscal 2023 (April 1, 2022 to March 31, 2023)

(¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (¥)
First half	151,000	3.3%	7,500	△27.8%	21,000	△12.2%	17,000	△11.7%	105.76
Full year	326,000	10.7%	19,500	9.8%	38,500	0.2%	29,000	24.7%	180.41

\*This consolidated earnings report is not subject to the auditing procedures by certified public accountants or auditing firms.

\*Explanations concerning proper use of business forecasts and other noteworthy matters (Notes on future assumptions)

The above forecasts are based on information available, and certain assumptions that are judged to be reasonable, at the time of the release of this report. KOITO is not promising that the Company will achieve these forecasts. Actual results could differ from forecasts due to a variety of factors.

The exchange conversion rate based on the business forecast for fiscal 2023, the year ending March 2023 is calculated as 1.00 US\$ = ¥115.0 and 1 CNY = ¥18.0.

(Supplementary materials for financial results)

KOITO is scheduled to have an earnings release conference for securities analysts and institutional investors on May 13, 2022. Supplementary materials will be available on our website.

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## 1. Outline of Consolidated Results

### (1) Outline of Consolidated Results in Fiscal 2022

Although recovery from the effect of COVID-19 was expected, the outlook of the economic conditions of Japan and overseas in this period remained uncertain due to the slow economic recovery caused by the geopolitical risks, such as the volatile situation in Ukraine, in addition to the effects of the re-spreading of infections, shortage of semiconductors, and a rise in resource and raw material costs.

The automobile production volume also decreased three consecutive periods in Japan due to the drastic fluctuations in production, caused by the confusion of the supply chains. The overseas production volume decreased four consecutive periods as well.

In this climate, the consolidated net sales in Japan decreased year on year due to the decrease in the automobile production. However, overseas, the net sales increased year on year due to new orders in North America and Asia, a shift in automobile lamps to LED, and effect from the exchange conversion, where the net sales increased 7.7% year on year to ¥760.7 billion.

The results by segment are as follows.

#### [Japan]

The net sales decreased 8.4% year on year to ¥312.3 billion due to a decrease in the automobile production volume.

#### [North America]

While the automobile production volume remained at the same level as the previous period, the net sales increased 29.4% year on year to ¥185.5 billion due to new orders and a shift in automobile lamps to LED.

#### [China]

Although the automobile production volume decreased, the net sales increased 6.3% year on year to ¥109.9 billion due to the effect of the exchange conversion.

#### [Asia]

The net sales increased 28.0% year on year to ¥110.4 billion due to an increase in the automobile production volume, new orders, and a shift in automobile lamps to LED.

#### [Europe]

Although the automobile production volume decreased, the net sales increased 20.7% year on year to ¥33.3 billion due to the effect of the exchange conversion.

#### [Others]

The net sales increased 97.9% year on year to ¥9.0 billion due to an increase in the automobile production volume, new orders, and a shift in automobile lamps to LED.

Regarding profits, while the net sales has increased, the operating income decreased 5.8% year on year to ¥53.4 billion, and recurring profit decreased 0.8% year on year to ¥60.6 billion, due to an increase in the fixed costs accompanying the sudden fluctuation in production, a rise in raw material and electronic component costs, activities to receive new orders, and investment in R&D for the future. The net income attributable to the owners of the parent increased 1.9% year on year to ¥38.3 billion, due to the gain on sale of investment securities.

### (2) Outline of Financial Position in Fiscal 2021

#### -1. Assets, liabilities and net assets

Total assets as of March 31, 2022 increased by ¥73.0 billion from the previous year to ¥855.2 billion which is mainly due to an increase in cash, time deposits and investments in securities .

Total liabilities as of March 31, 2022 is ¥227.9 billion, same level as the previous year.

Net assets as of March 31, 2022 increased by ¥57.8 billion year on year to ¥627.3 billion due to an increase in the retained earnings led by the net income attributable to the owners of the parent, and an increase in translation adjustment caused by weaken Yen.

#### -2. Cash flows

Cash flow by the operating activities resulted in ¥65.7 billion (previous fiscal year: ¥74.9billion), mainly reflecting income before income taxes of ¥61.1 billion and depreciation of ¥35.8 billion.

Investment activities used net cash of ¥52.1billion (previous fiscal year: payment of ¥1.0 billion) as a result of proceeds from time deposits of ¥133.6 billion, payments into time deposits of ¥141.3 billion, and equipment investment of ¥28.9 billion.

Financing activities used net cash of ¥8.4 billion (previous fiscal year: payment of ¥18.3 billion), mainly reflecting the dividends paid of ¥9.6 billion.

As a result, the cash and cash equivalent as of March 31, 2022 were ¥169.5 billion, ¥7.7 billion higher than on March 31, 2021.

### (3) Forecasts for Fiscal 2023

Although the global automobile production for fiscal year ending March 2023 remains uncertain, the effect of COVID-19 and shortage of semiconductors is expected to continue in the first half and gradually recover in the second half and later. Therefore, for the full fiscal year, production is expected to increase compared to the previous fiscal year in all regions.

Regarding the business performance, the net sales is expected to increase year on year in all regions, due to new orders received mainly in Japan and North America and a shift in automobile lamps to LED, in addition to the recovery of automobile production, where the consolidated net sales is expected to achieve the highest ever result.

On the earnings front, we are planning to increase investment to meet new orders, R&D activities for the future and carbon neutrality. However, due to continuous improvements and rationalization activities, in addition to an increase in profit, all of the operating income, recurring profit, and net income attributable to the owners of the parent are expected to increase year on year.

### (4) Basic Earnings Distribution Policies and Dividend Payments for Fiscal 2021 and Fiscal 2022

KOITO's policy is to continuously pay stable dividends to shareholders based on the comprehensive evaluation of our present business results, business climate, etc.

On the basis of the above policy, the year-end dividend is scheduled to be ¥30 per share which is the same amount as the previous year end.

Accordingly, the full year dividend, including the interim dividend, is scheduled to be ¥54 per share which is ¥4 higher than the previous fiscal year.

Looking ahead, KOITO will continue efforts to achieve higher earnings to meet the expectations of all shareholders.

The differences between the actual results for fiscal 2022 herein and the previous forecasts (consolidated and non-consolidated) issued in the "Consolidated Earnings Report for the Third Quarter of Fiscal 2022" dated January 27, 2022, are as follows:

(¥ millions are rounded down)

#### Consolidated Results for Fiscal 2022

(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously announced forecast (A)	743,000	52,000	56,000	35,000	217.74
Actual results for fiscal 2022 (B)	760,719	53,434	60,613	38,340	238.53
Difference (B-A)	17,719	1,434	4,613	3,340	—
Change (%)	2.4	2.8	8.2	9.5	—
(Reference) Actual results for previous year (fiscal 2021)	706,376	56,707	61,107	37,612	234.00

#### (Reference) Non-Consolidated Results for Fiscal 2022

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously announced forecast (A)	298,000	17,500	37,000	28,000	174.19
Actual results for fiscal 2022 (B)	294,463	17,760	38,416	23,253	144.66
Difference (B-A)	△3,536	260	1,416	△4,746	—
Change (%)	△1.2	1.5	3.8	△17.0	—
(Reference) Actual results for previous year (fiscal 2021)	312,201	21,138	38,185	38,048	236.72

## **2. Basic Approach in Selection of Accounting Standard**

KOITO applies generally accepted account principles (GAAP) of Japan as its accounting standard, mainly to ensure its financial statements are comparable with past years.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(¥ millions)

	Fiscal 2021 As of March 31, 2021	Fiscal 2022 As of March 31, 2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	303,887	323,943
Trade notes and accounts receivable	115,950	—
Trade notes	—	3,797
Electronically recorded monetary claims-operating	12,957	9,888
Accounts receivable	—	113,437
Contract Assets	—	918
Inventories	73,751	90,760
Other current assets	32,239	36,723
Allowance for doubtful accounts	△370	△382
<b>Total current assets</b>	<b>538,416</b>	<b>579,086</b>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures (net)	53,493	55,831
Machinery and transportation equipment (net)	69,993	75,334
Fixtures, equipment and tools (net)	14,391	17,453
Land	15,561	16,181
Construction in progress	17,457	17,054
Other property, plant and equipment	718	752
<b>Total property, plant and equipment</b>	<b>171,615</b>	<b>182,608</b>
<b>Intangible fixed assets</b>	<b>3,125</b>	<b>3,103</b>
<b>Investments and other assets:</b>		
Investment securities	56,570	73,856
Claims provable in bankruptcy, claims provable in rehabilitation and other	18	16
Deferred income tax assets	7,755	10,863
Net defined assets for retirement benefits	2,556	2,804
Other investments	2,244	3,034
Allowance for doubtful accounts	△139	△136
<b>Total investments and other assets</b>	<b>69,005</b>	<b>90,438</b>
<b>Total non-current assets</b>	<b>243,747</b>	<b>276,150</b>
<b>Total assets</b>	<b>782,163</b>	<b>855,237</b>



(¥ millions)

	Fiscal 2021 As of March 31, 2021	Fiscal 2022 As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	95,989	102,641
Electronically recorded monetary obligations-operating	7,867	5,050
Short-term loans	20,715	24,531
Accrued expenses	23,366	23,781
Income taxes payable	5,267	7,319
Allowance for employees' bonuses	5,420	5,527
Reserve for product warranties	2,622	3,108
Other current liabilities	10,679	9,445
<b>Total current liabilities</b>	<b>171,928</b>	<b>181,404</b>
<b>Non-current liabilities:</b>		
Long-term debt	230	490
Deferred income tax liabilities	7,938	15,473
Allowance for directors' and corporate auditors' retirement benefits	275	298
Reserve for product warranties	5,641	5,151
Allowance for environmental strategies	17	10
Net defined liability for retirement benefits	24,701	23,097
Other non-current liabilities	1,991	1,995
<b>Total non-current liabilities</b>	<b>40,796</b>	<b>46,517</b>
<b>Total liabilities</b>	<b>212,724</b>	<b>227,922</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	14,270	14,270
Additional paid-in capital	13,380	13,399
Retained earnings	480,214	509,958
Treasury common stock, at cost	△52	△49
<b>Total shareholders' equity</b>	<b>507,813</b>	<b>537,578</b>
<b>Accumulated other comprehensive income:</b>		
Valuation adjustment on marketable securities	23,690	23,560
Translation adjustments	4,291	27,924
Adjustments in defined benefit plans	1,810	1,895
<b>Total accumulated other comprehensive income</b>	<b>29,792</b>	<b>53,379</b>
<b>Subscription rights to shares</b>	<b>222</b>	<b>199</b>
<b>Non-controlling interests</b>	<b>31,610</b>	<b>36,157</b>
<b>Total net assets</b>	<b>569,438</b>	<b>627,315</b>
<b>Total liabilities and net assets</b>	<b>782,163</b>	<b>855,237</b>

**(2) Consolidated Statements of Income and Comprehensive Income**

(¥ millions)

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
<b>Net sales</b>	706,376	760,719
Cost of sales	609,132	664,669
<b>Gross profit</b>	97,244	96,050
Selling, general and administrative expenses:		
Selling expenses	13,688	14,937
General and administrative expenses	26,848	27,678
Selling, general and administrative expenses	40,537	42,615
<b>Operating income</b>	56,707	53,434
Non-operating income:		
Interest income	1,190	1,329
Dividends	1,050	1,271
Foreign exchange gains	10	1,793
Gain on operation of Investment Business Association	—	1,092
Royalty income, other	475	553
Subsidies for employment adjustment	676	350
Other non-operating income	2,697	2,766
Total non-operating income	6,100	9,157
Non-operating expenses:		
Interest expenses	581	781
Shares of loss of entities accounted for using equity method	595	656
Other non-operating expenses	524	539
Total non-operating expenses	1,700	1,978
<b>Recurring profit</b>	61,107	60,613
Extraordinary gains:		
Gain on sales of property and equipment	41	49
Gain on sales of investment securities	220	1,067
Gain on sales of shares in subsidiaries	2	—
Total extraordinary gains	265	1,117
Extraordinary losses:		
Loss on sales and disposal of property and equipment	567	479
Loss on sales of investment securities	2	0
Loss on valuation of investment securities	—	10
Loss related to the Act on Prohibition to Private Monopolization and Maintenance of Fair Trade	41	68
Impairment loss	1,331	—
Total extraordinary losses	1,943	558
<b>Income before income taxes</b>	59,429	61,172
Income tax, inhabitant tax and business tax	15,430	16,511
Refund of income taxes	△994	—
Income tax adjustment	4,532	2,676
Total income taxes	18,969	19,188
Profit	40,460	41,984
(Breakdown)		
Profit attributable to owners of parent	37,612	38,340
Profit attributable to non-controlling interests	2,848	3,644

(¥ millions)

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
Other comprehensive income or loss		
Valuation adjustment on marketable securities	8,884	△154
Translation adjustments	15,688	25,623
Adjustments in defined benefit plans	3,418	84
Share of other comprehensive income of entities accounted for using equity method	5	20
Total other comprehensive income	<u>27,997</u>	<u>25,574</u>
Comprehensive income	<u>68,457</u>	<u>67,558</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	63,523	61,955
Comprehensive income attributable to non-controlling interests	4,934	5,603

### (3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal 2021 (April 1, 2020 to March 31, 2021)

(¥ millions)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of year	14,270	13,373	449,031	△53	476,622
Cumulative effects of changes in accounting policies	—	—	—	—	—
Restated balance	14,270	13,373	449,031	△53	476,622
Changes during fiscal year					
Dividends from retained earnings	—	—	△6,429	—	△6,429
Profit attributable to owners of parent	—	—	37,612	—	37,612
Purchases of treasury stock	—	—	—	△1	△1
Disposal of treasury stock	—	7	—	1	9
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	7	31,182	0	31,190
Balance at fiscal year-end	14,270	13,380	480,214	△52	507,813

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	14,822	△9,333	△1,608	3,880	231	32,789	513,524
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—
Restated balance	14,822	△9,333	△1,608	3,880	231	32,789	513,524
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△6,429
Profit attributable to owners of parent	—	—	—	—	—	—	37,612
Purchases of treasury stock	—	—	—	—	—	—	△1
Disposal of treasury stock	—	—	—	—	—	—	9
Changes in items other than shareholders' equity during fiscal year (net)	8,867	13,625	3,418	25,911	△9	△1,178	24,723
Total changes during fiscal year	8,867	13,625	3,418	25,911	△9	△1,178	55,914
Balance at fiscal year-end	23,690	4,291	1,810	29,792	222	31,610	569,438

Fiscal 2022 (April 1, 2021 to March 31, 2022)

(¥ millions)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of year	14,270	13,380	480,214	△52	507,813
Cumulative effects of changes in accounting policies	—	—	83	—	83
Restated balance	14,270	13,380	480,297	△52	507,897
Changes during fiscal year					
Dividends from retained earnings	—	—	△8,679	—	△8,679
Profit attributable to owners of parent	—	—	38,340	—	38,340
Purchases of treasury stock	—	—	—	△1	△1
Disposal of treasury stock	—	18	—	4	23
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	18	29,660	3	29,681
Balance at fiscal year-end	14,270	13,399	509,958	△49	537,578

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	23,690	4,291	1,810	29,792	222	31,610	569,438
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	83
Restated balance	23,690	4,291	1,810	29,792	222	31,610	569,522
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△8,679
Profit attributable to owners of parent	—	—	—	—	—	—	38,340
Purchases of treasury stock	—	—	—	—	—	—	△1
Disposal of treasury stock	—	—	—	—	—	—	23
Changes in items other than shareholders' equity during fiscal year (net)	△129	23,632	84	23,587	△23	4,546	28,110
Total changes during fiscal year	△129	23,632	84	23,587	△23	4,546	57,792
Balance at fiscal year-end	23,560	27,924	1,895	53,379	199	36,157	627,315

**(4) Consolidated Statements of Cash Flows**

(¥ millions)

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	59,429	61,172
Depreciation	37,962	35,811
Impairment loss	1,331	—
Equity in earnings of affiliated companies	595	656
Provision for allowance for doubtful accounts	△79	△11
Net defined assets and liability for retirement benefits	519	△1,679
Provision for reserve for bonuses	59	70
Reserve for product warranties	△49	△5
Interest and dividends received	△2,241	△2,601
Interest payments	581	781
Loss on sale of marketable and investment securities	△217	△1,067
Loss on valuation of marketable and investment securities	—	10
Loss on sale of property and equipment	525	429
Gain on sales of shares in subsidiaries	△2	—
Loss on related to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	41	68
Increase or decrease in trade notes and accounts receivable	△7,796	7,213
Increase in inventories	△8,429	△10,191
Increase or decrease in other current assets	3,231	△2,531
Increase or decrease in trade notes and accounts payable	7,635	△1,892
Increase or decrease in accrued expenses and other current liabilities	1,522	△1,246
Others	△4,612	△7,703
Subtotal	90,006	77,286
Interest and dividend received	2,236	2,596
Interest paid	△581	△781
Lost related to the Act on Prohibition to Private	△40	—
Expenses for damages	△91	—
Income taxes paid	△16,567	△13,392
<b>Net cash provided by operating activities</b>	74,962	65,707
<b>Cash flows from investing activities</b>		
Payments into time deposits	△124,085	△141,365
Proceeds from the redemption of time deposits	153,186	133,651
Payments for purchase of marketable and investment securities	△348	△16,221
Proceeds from sale of marketable and investment securities	1,139	1,606
Proceeds from sale of shares in subsidiaries resulting in revised scope of consolidation	2,221	—
Acquisition of property and equipment	△33,533	△28,932
Proceeds from sale and disposal of property and equipment	512	445
Payments for new loans	△4	△6
Proceeds from loan repayments	5	5
Others	△185	△1,336
<b>Net cash used in investing activities</b>	△1,093	△52,151

(¥ millions)

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
<b>Cash flows from financing activities</b>		
Increase in short-term loans	△301	1,241
Increase in long-term debt	216	336
Repayment of long-term debt	△9,416	△383
Payments for repurchase of treasury stock	△1	△1
Proceeds from exercise of stock options	0	0
Dividends paid by parent company	△6,432	△8,684
Dividends paid to non-controlling shareholders	△2,388	△998
<b>Net cash used in financing activities</b>	<u>△18,324</u>	<u>△8,491</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	2,108	2,661
<b>Increase in cash and cash equivalents</b>	<u>57,652</u>	<u>7,726</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>104,202</u>	<u>161,855</u>
<b>Cash and cash equivalents at end of year</b>	<u>161,855</u>	<u>169,581</u>

**(5) Notes to Consolidated Financial Statements**

(Going Concern Assumption)

None

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, Accounting Standards Board of Japan”), etc. from the beginning of the fiscal 2022.

As a result, for some transactions of subsidiaries, revenue will be recognized for a certain period of time for performance obligations that are satisfied over a certain period of time.

The Company has applied the Accounting Standard for Revenue Recognition transitionally, in accordance with the proviso in Article 84 of the standard. The cumulative effect amount, applying with the new accounting policy retrospectively prior to the beginning of the first quarter was adjusted to retained earnings at the beginning of the fiscal 2022 and the Company has applied the new policy to the balance at the beginning of the fiscal 2022. In addition, there is not any significant impact on the consolidated financial statement by application of the Revenue Recognition Accounting Standard, etc.

“Notes and accounts receivable – trade” is included in and presented as part of “Notes and accounts receivable -trade, and contract assets”. In accordance with the transitional treatment stipulated in paragraph 89-2 of the Accounting Standard for Revenue Recognition, the amounts reported in the previous fiscal year ended March 31, 2021 are not reclassified using the new presentation method.

(Application of Accounting Standard, etc. for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, Accounting Standards Board of Japan,”), from the beginning of the fiscal 2022. The company has prospectively applied new accounting policies based on the Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of “Accounting Standard for Financial Instruments,” (ASBJ Statement No.10, July 4, 2019). There is no impact on consolidated financial statements for fiscal 2022 by this application.



## (Segment Information)

### 1. Overview of Reporting Segments

The KOITO Group produces primarily automotive lighting equipment in Japan and overseas, and supplies products to countries around the world as a global supplier. Each local subsidiary is an independent business entity, and the Group does business by establishing a comprehensive plan for each region. The Company's six reporting segments are therefore geographical segments based on production and sales structures, comprising Japan, North America, China, Asia, Europe and Other regions.

Within each of these geographical segments are segments that produce and sell automotive lighting equipment, railroad car control equipment, aircraft components, and seats for railroad cars and aircraft.

### 2. Calculation for Net Sales, Segment Income or Loss, Assets, Liabilities and Others of Reporting Segments

Accounting treatment for reporting segments are same as Consolidated Financial Statements.

Income of reporting segments is based on operating income.

Inter-segment sales and transfers are based on general market prices.

### 3. Information Concerning Net Sales and Operating Income or Loss for Each Segment

#### I Fiscal 2021 (April 1, 2020 to March 31, 2021)

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	341,038	143,420	103,400	86,254	27,668	4,594	706,376	—	706,376
Inter-segment sales and transfers	21,978	207	5,212	5,212	25	—	32,636	(32,636)	—
Total	363,016	143,628	108,613	91,467	27,693	4,594	739,013	(32,636)	706,376
Segment operating income or loss	36,536	670	15,218	6,267	△1,285	△892	56,514	192	56,707
Segment assets	187,332	104,774	90,423	104,932	29,721	7,798	524,982	257,180	782,163
Other items									
Depreciation	19,512	6,933	3,710	5,919	1,541	229	37,847	115	37,962
Impairment loss	—	—	—	1,331	—	—	1,331	—	1,331
Increase in property, plant and equipment and intangible fixed assets	16,591	5,956	3,470	8,599	2,591	678	37,887	—	37,887

Notes: 1. Adjustments are as follows:

- (1) The ¥192 million adjustment in segment operating income includes ¥5,744 million in intersegment eliminations and ¥△5,551 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) The ¥257,180 million adjustment in segment assets includes ¥△7,474 million in intersegment eliminations, ¥194,086 million in surplus operational funds at the parent company (cash and time deposits), ¥64,347 million in long-term investments (investment securities, etc.) and ¥6,221 million in the parent company's Head Office building, etc.
- (3) The ¥115 million adjustment of depreciation expenses are the fixed assets amortization expenses for the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

3. Segment operating income or loss is adjusted to operating income in the consolidated financial statements.

II Fiscal 2022 (April 1, 2021 to March 31, 2022)

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	312,366	185,529	109,938	110,413	33,382	9,089	760,719	—	760,719
Inter-segment sales and transfers	28,000	8	3,261	3,652	139	0	35,063	(35,063)	—
Total	340,367	185,537	113,199	114,065	33,522	9,089	795,782	(35,063)	760,719
Segment operating income or loss	30,713	286	13,597	9,988	△2,680	△75	51,830	1,604	53,434
Segment assets	181,085	118,277	112,064	120,122	29,026	11,622	572,199	283,038	855,237
Other items									
Depreciation	15,515	7,755	4,039	6,057	2,126	260	35,755	56	35,811
Impairment loss	—	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible fixed assets	14,984	6,204	5,113	5,189	3,041	309	34,842	—	34,842

Notes: 1. Adjustments are as follows:

- (1) The ¥1,604 million adjustment in segment operating income includes ¥6,826 million in intersegment eliminations and ¥△5,222 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) The ¥283,038 million adjustment in segment assets includes ¥△8,412 million in intersegment eliminations, ¥203,659 million in surplus operational funds at the parent company (cash and time deposits), ¥81,941 million in long-term investments (investment securities, etc.) and ¥5,850 million in the parent company's Head Office building, etc.
- (3) The ¥56 million adjustment of depreciation expenses are the fixed assets amortization expenses for the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

3. Segment operating income or loss is adjusted to operating income in the consolidated financial statements.

**(Per Share Information)**

Fiscal 2021 April 1, 2020 to March 31, 2021		Fiscal 2022 April 1, 2021 to March 31, 2022	
Net assets per share	¥3,344.65	Net assets per share	¥3,676.47
Net income per share	¥234.00	Net income per share	¥238.53
Profit per share after adjustment for dilution	¥233.93	Profit per share after adjustment for dilution	¥238.46

The following shows the basis for calculation of profit per share, and profit per share after adjustment for dilution.

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
(1)Net income per share	¥234.00	¥238.53
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	¥37,612 million	¥38,340 million
Amount not attributable to common stock	—	—
Profit attributable to shareholders of common stock of parent	¥37,612 million	¥38,340 million
Average number of shares outstanding during the period (thousand shares)	160,734	160,739
(2)Profit per share after adjustment for dilution	¥233.93	¥238.46
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common stock (thousand shares)	48	46
Details of material change from the end of previous fiscal year for latent stocks without a dilution effect, which were not included in the calculation of profit per share after adjustment for dilution	—	—

**(Significant Subsequent Events)**

None.

## 4. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(¥ millions)

	Fiscal 2021 As of March 31, 2021	Fiscal 2022 As of March 31, 2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	194,086	203,659
Notes receivable	638	480
Electronically recorded monetary claims-operating	10,994	8,027
Accounts receivable-trade	50,333	42,708
Finished products	8,268	7,239
Work in progress	1,061	1,159
Raw materials and supplies	7,338	8,814
Accrued income	6,607	6,427
Other current assets	1,660	830
Less: Allowance for doubtful receivables	△243	△159
<b>Total current assets</b>	<b>280,745</b>	<b>279,186</b>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings (net)	11,902	11,783
Structures (net)	829	722
Machinery (net)	5,988	5,067
Transportation equipment (net)	150	177
Fixtures, equipment and tools (net)	3,215	3,483
Land	7,260	7,314
Construction in progress	2,008	2,344
<b>Total property, plant and equipment</b>	<b>31,355</b>	<b>30,892</b>
<b>Intangible fixed assets:</b>		
Telephone subscription rights	37	37
Other intangible fixed assets	1,694	1,693
<b>Total intangible fixed assets</b>	<b>1,731</b>	<b>1,730</b>
<b>Investments and other assets:</b>		
Investment securities	34,898	47,351
Shares of affiliated companies	85,791	91,224
Investments in affiliated companies	26,333	21,118
Long-term loans of affiliated companies	110	122
Claims provable in bankruptcy, claims provable in rehabilitation and other	18	16
Deferred income tax assets	8,425	3,269
Other investments	681	510
Less: Allowance for doubtful accounts	△242	△251
<b>Total investments and other assets</b>	<b>156,017</b>	<b>163,360</b>
<b>Total non-current assets</b>	<b>189,104</b>	<b>195,984</b>
<b>Total assets</b>	<b>469,849</b>	<b>475,170</b>

(¥ millions)

	Fiscal 2021 As of March 31, 2021	Fiscal 2022 As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	60,244	53,042
Electronically recorded monetary obligations-operating	3,058	1,286
Accrued amount payable	1,168	2,337
Accrued expenses	7,692	5,544
Income taxes payable	385	3,528
Allowance for employees' bonuses	3,429	3,438
Reserve for product warranties	2,281	2,688
Other current liabilities	1,523	531
<b>Total current liabilities</b>	<b>79,782</b>	<b>72,396</b>
<b>Non-current liabilities:</b>		
Allowance for retirement benefits	15,949	14,302
Allowance for losses on overseas investments	2,687	3,250
Reserve for product warranties	5,302	4,688
Allowance for environmental strategies	17	10
Other non-current liabilities	932	869
<b>Total non-current liabilities</b>	<b>24,888</b>	<b>23,119</b>
<b>Total liabilities</b>	<b>104,671</b>	<b>95,516</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	14,270	14,270
Additional paid-in capital		
Capital reserve	17,107	17,107
Other additional paid-in capital	192	211
Total additional paid-in capital	<b>17,300</b>	<b>17,319</b>
Retained earnings		
Profit reserve	3,567	3,567
Other retained earnings		
Reserve for reductions of asset costs	910	894
Other reserve	100,000	100,000
Retained earnings brought forward	205,427	220,018
Total retained earnings	<b>309,906</b>	<b>324,480</b>
Treasury common stock, at cost	△52	△49
<b>Total shareholders' equity</b>	<b>341,425</b>	<b>356,020</b>
<b>Revaluations and translation adjustments:</b>		
Valuation adjustment on marketable securities	23,530	23,434
<b>Total revaluations and translation adjustments</b>	<b>23,530</b>	<b>23,434</b>
<b>Subscription rights to shares</b>	<b>222</b>	<b>199</b>
<b>Total net assets</b>	<b>365,178</b>	<b>379,654</b>
<b>Total liabilities and net assets</b>	<b>469,849</b>	<b>475,170</b>

**(2) Non-consolidated Statements of Income**

(¥ millions)

	Fiscal 2021 April 1, 2020 to March 31, 2021	Fiscal 2022 April 1, 2021 to March 31, 2022
<b>Net sales</b>	312,201	294,463
Cost of sales	269,398	255,217
<b>Gross profit</b>	42,802	39,246
Selling, general and administrative expenses:		
Selling expenses	9,711	9,817
General and administrative expenses	11,952	11,667
Total selling, general and administrative expenses	21,663	21,485
<b>Operating income</b>	21,138	17,760
Non-operating income:		
Interest income	87	110
Interest on securities	36	44
Dividend income	10,988	11,587
Royalty income, other	5,859	7,009
Rent income	351	350
Foreign exchange gains	176	990
Miscellaneous income	665	1,527
Total non-operating income	18,164	21,620
Non-operating expenses:		
Reserve for allowance for overseas investment loss	671	563
Miscellaneous expenses	447	402
Total non-operating expenses	1,118	965
<b>Recurring profit</b>	38,185	38,416
Extraordinary gains:		
Gain on sale of fixed assets	4	8
Gain on sale of investment securities	220	1,067
Gain on sales of shares in subsidiaries	783	—
Total extraordinary gains	1,008	1,075
Extraordinary losses:		
Loss on sale and disposal of fixed assets	361	377
Loss on sales of investment securities	2	0
Loss on valuation of investment securities	—	10
Loss on extinguishment of tie-in shares	68	—
Loss on valuation of investment in affiliated companies	—	5,215
Loss related to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	41	68
Total extraordinary losses	473	5,671
<b>Income before income taxes</b>	38,719	33,820
Income taxes	4,503	6,646
Income tax adjustment	△3,832	3,920
Total income taxes	671	10,566
<b>Net income</b>	38,048	23,253