



Consolidated Earnings Report for the Second Quarter of Fiscal 2023 [Japanese GAAP]

October 27, 2022

Company Name:	KOITO MANUFACTURING CO., LTD.
Stock Listing:	Prime Market, Tokyo Stock Exchange
Code Number:	7276
URL:	https://www.koito.co.jp
Representative Director:	Michiaki Kato, President
Inquiries:	Hideharu Konagaya, Senior Managing Director
Tel:	+81-3-3443-7111
Filing of Quarterly Securities Report:	November 4, 2022
Scheduled Payment of Dividends:	December 5, 2022
Supplementary explanatory materials prepared:	Yes
Explanatory meeting:	Yes

(¥ millions are rounded down)

1. Consolidated Results for the Second Quarter of Fiscal 2023 (April 1, 2022 to September 30, 2022)

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

Second Quarter	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
Fiscal 2023	415,611	17.8%	19,790	△18.1%	22,407	△14.0%	7,026	△56.0%
Fiscal 2022	352,724	21.3%	24,152	210.3%	26,050	146.6%	15,965	148.6%

Note: Comprehensive income: September 30, 2022: ¥35,165million (81.8%), September 30, 2021: ¥19,340million (106.1%)

Second Quarter	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2023	21.86	21.85
Fiscal 2022	49.66	49.65

Note: A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Net income per share” and “Net income per share (diluted)” are calculated assuming that the stock split was conducted at the beginning of the fiscal 2022.

(2) Consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
September 30, 2023	882,647	656,391	70.0	1,920.59
March 31, 2022	855,237	627,315	69.1	1,838.24

Reference: Equity: September 30, 2022: ¥617,457 million, March 31, 2022: ¥ 590,958 million

Note: A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Net assets per share” is calculated assuming that the stock split was conducted at the beginning of the fiscal 2022.

2. Dividends

	Dividend per share (¥)				
	First Quarter	Second Quarter	Third Quarter	Year End	Full Year
Fiscal 2022	—	24.00	—	30.00	54.00
Fiscal 2023	—	24.00			
Fiscal 2023 (forecast)			—	—	—

Notes (1) Revisions to recent dividend forecasts: Yes

(2) The dividend record date is March 31, as prescribed by KOITO’s Articles of Incorporation; the dividend forecast for the March 31, 2023 is currently undecided.

(3) A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. The dividends per share are the amount before the stock split.

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 (¥)
Full year	885,000	16.3%	53,500	0.1%	58,000	△4.3%	29,500	△23.1%	91.76

Notes (1) Revisions to recent consolidated business forecasts: Yes

(2) A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Net income per share” presents the amount after the stock split.

*Notes

(1) Changes to important subsidiaries during the second quarter (changes in specified subsidiaries resulting in revised scope of consolidation): None

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) 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.10 “2. Quarterly Consolidated Financial Statements and Notes (4) Note Regarding Changes in accounting policies.”

(4) Number of shares issued (common stock)

① Number of shares issued (including treasury stock):

Fiscal 2023, 2Q	321,578,872	Fiscal 2022	321,578,872
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② Number of treasury stock:

Fiscal 2023, 2Q	85,810	Fiscal 2022	97,810
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③ Average number of stock during the second quarter:

Fiscal 2023, 2Q	321,486,205	Fiscal 2022, 2Q	321,475,882
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Note: A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Number of shares issued (including treasury stock)”, “Number of treasury stock” and “Average number of stock during the second quarter” are calculated assuming that the stock split was conducted at the beginning of the fiscal 2022.

*This quarterly financial report is not subject to the quarterly audit procedure to be conducted 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\$ = ¥135.2 and 1 CNY = ¥19.7.

(Supplementary materials for financial results)

KOITO is scheduled to have an earnings release conference for securities analysts and institutional investors on November 10, 2022. Supplementary materials will be available on our website.

《 For Reference Only 》

Forecast of Non-consolidated Result 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 (¥)
Full year	308,000	4.6%	15,500	△12.7%	36,500	△5.0%	21,000	△9.7%	65.32

Notes (1) Revisions to recent non-consolidated business forecasts: Yes

(2) A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Net income per share” presents the amount after the stock split.

Table of Contents of Supplementary Materials

1. Qualitative Information Concerning Quarterly Financial Statements and Other Matters	2
(1) Explanation Regarding Consolidated Operating Results	2
(2) Explanation Regarding Consolidated Financial Position	2
(3) Explanation Regarding Forecast of Consolidated Results for Fiscal 2023 and Other Future Projections	2
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Second quarter, for the six months ended September 30	6
(3) Quarterly Consolidated Statements of Cash Flows	8
(4) Notes on Quarterly Consolidated Financial Statements	10
(Going Concern Assumption)	10
(Note Regarding Significant Changes in Shareholders' Equity)	10
(Note Regarding Changes in accounting policies)	10
(Segment Information)	11
(Significant Subsequent Events)	12

1. Qualitative Information Concerning Quarterly Financial Statements and Other Matters

(1) Explanation Regarding Consolidated Operating Results

Regarding the economic condition in Japan and overseas during the consolidated cumulative second quarter (first half), economic recovery was slow and the outlook remained uncertain due a rise in prices and geopolitical risks such as the situation in Ukraine, despite a movement toward normalization with the easing of COVID-19.

Global automobile production volume in first half is recovering, experienced growth compared with the first half of the previous fiscal year. By region, the production in Japan remained an equivalent level as the same period of previous fiscal year due to a constraint in the supply and demand of semiconductor and production suspension and adjustment caused by the lockdown in Shanghai during the first quarter, while the production in North America, China and Asia were increased compared with the same period of previous fiscal year.

Under these circumstances, net sales for the first half in Japan decreased (decreased 3.8% year-on-year) due to the clients' production suspension and adjustment. However, in North America (increased 46.7% year-on-year), China (increased 3.5% year-on-year), Asia (increased 47.9% year-on-year), net sales increased on account of the impact of foreign exchange conversions. As a result, consolidated net sales increased 17.8% year on year to ¥415.6 billion.

Regarding profits, although each group company promoted initiatives to improve and rationalize operations, operating income decreased by 18.1% to ¥19.7 billion, and recurring profit decreased by 14.0% to ¥22.4 billion year on year, due to an increase in fixed costs accompanying the sudden fluctuation in production especially in Japan and China and deteriorating employment conditions in North America, as well as a rise in various costs such as raw material costs, distribution costs, and utility costs. Net income attributable to owners of the parent decreased by 56.0% to ¥7.0 billion, mainly due to a recorded loss on valuation of investment securities during the first quarter.

(2) Explanation Regarding Consolidated Financial Position

Total assets at the end of the second quarter increased by ¥27.4 billion from the end of the previous fiscal year to ¥882.6 billion due to an increase in property, plant and equipment for equipment investment.

Total liabilities decreased by ¥1.6 billion from the end of the previous fiscal year to ¥226.2 billion due to an decreased debt.

Total net assets increased by ¥29.0 billion from the end of the previous fiscal year to ¥656.3 billion due to an increase in translation adjustments for the weak Yen.

-2. Analysis of cash flows

Cash flows from the operating activities provided ¥37.9 billion, mainly reflecting the net income before income taxes of ¥13.8 billion and depreciation of ¥19.1 billion, which secured net cash of ¥29.1 billion (second quarter of the previous fiscal year: ¥40.1 billion) after payment of taxes.

Cash flows from investing activities resulted in payments of ¥35.6 billion (second quarter of the previous fiscal year: proceeds of ¥22.0 billion) as a result of proceeds from time deposits of ¥52.1 billion, payments into time deposits of ¥60.5 billion, and acquisitions of property and equipment of ¥18.8 billion.

Cash flows from financing activities resulted in payments of ¥11.9 billion (second quarter of the previous fiscal year: payment of ¥3.8 billion), the result of mainly reflecting the dividend paid of ¥6.0 billion.

As a result, the balance of cash and cash equivalents at the end of the period decreased by ¥16.8 billion from the end of the previous fiscal year to ¥152.7 billion.

(3) Explanation Regarding Forecast of Consolidated Results for Fiscal 2022 and Other Future Projections

Since the global automobile production volume is showing a moderate recovery, the annual production volume is expected to increase in all regions compared with the previous fiscal year. However, due to the persistent constraints supply and demand for semiconductors, we anticipate the global automobile production volume will not reach that of pre-COVID-19 levels.

Regarding the KOITO's business forecast for the fiscal year 2023, the year ending March 31, 2023, net sales are expected to increase year on year due to the gradual recovery of automobile production, an increase in new orders and the effect of exchange conversions.

On the earnings front, each profit for the first quarter decreased year on year, due to an increase in fixed costs accompanying the sudden fluctuation in production and deteriorating employment conditions in North America. However, in the second quarter, each profit increased significantly compared to this first quarter and the same quarter of previous fiscal year, due to the effect of profit recovering activities such as recovery from rising costs and cost reduction activities.

In second half, we are expected to increase in each profit, compared to this first half and the previous second half, the result of reflecting increasing net sales as a recovering automobile production, optimizing personnel and improving productivity in North America segment, and continuous profit recovering activities such as recovery from rising costs and cost reduction activities that the Group has been pursuing as one.

As a result, full year operating income and recurring profit are expected to decrease year on year because of the significant impact of the lockdown in Shanghai during the consolidated cumulative second quarter and the shortage of semiconductors. Net income attributable to the owners of the parent is expected to decrease year on year due to the recording of a loss on valuation of investment securities in the first quarter.

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

Although the profit of this second quarter decreased significantly year on year, in line with the above policy, KOITO has decided to pay an interim dividend of ¥24 per share, which is the equivalent for the same period of the previous fiscal year.

The forecast for the year-end dividend this year has yet to be determined and will be announced when decided.

Looking ahead, KOITO will continue efforts to improve its business performance in order to meet the expectations of all shareholders.

Based on the latest operational trend, KOITO has revised the previous business result forecast (both consolidated and non-consolidated) for fiscal 2023 announced in the "Announcement Regarding the Revision of the Business Results Forecast" released on July 27, as follows.

Forecast of Consolidated Results

Forecast of Fiscal 2023 (April 1, 2022 to March 31, 2023)

(Rounded Down)
(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously Announced forecast (A)	874,000	59,000	62,000	35,000	108.87
Revised forecast (B)	885,000	53,500	58,000	29,500	91.76
Difference (B-A)	11,000	△5,500	△4,000	△5,500	—
Change (%)	1.3	△9.3	△6.5	△15.7	—
(Reference) Actual results for fiscal 2022	760,719	53,434	60,613	38,340	119.27

(Reference) Forecast of Non-Consolidated Results

Forecast of Fiscal 2023 (April 1, 2022 to March 31, 2023)

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously Announced forecast (A)	315,000	17,000	37,000	22,000	68.43
Revised forecast (B)	308,000	15,500	36,500	21,000	65.32
Difference (B-A)	△7,000	△1,500	△500	△1,000	—
Change (%)	△2.2	△8.8	△1.4	△4.5	—
(Reference) Actual results for fiscal 2022	294,463	17,760	38,416	23,253	72.33

Note: A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. "Net income per share" is calculated assuming that the stock split was conducted at the beginning of the fiscal 2022.

2. Quarterly Consolidated Financial Statements and Notes
(1) Quarterly Consolidated Balance Sheets

(¥ millions)

	Fiscal 2022	Second Quarter of Fiscal 2023
	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets:		
Cash and time deposits	323,943	318,798
Trade notes and accounts receivable	3,797	2,299
Electronically recorded monetary claims-operating	9,888	8,848
Accounts receivable	113,437	119,307
Contract Assets	918	2,135
Inventories	90,760	97,988
Other current assets	36,723	36,111
Allowance for doubtful accounts	△382	△392
Total current assets	579,086	585,096
Non-current assets:		
Property, plant and equipment:		
Buildings and structures (net)	55,831	58,721
Machinery and transportation equipment (net)	75,334	83,711
Fixtures, equipment and tools (net)	17,453	18,603
Land	16,181	16,764
Construction in progress	17,054	18,034
Other property, plant and equipment	752	5,004
Total property, plant and equipment	182,608	200,840
Intangible fixed assets	3,103	2,933
Investments and other assets:		
Investment securities	73,856	74,806
Claims provable in bankruptcy, claims provable in rehabilitation and other	16	14
Deferred income tax assets	10,863	13,220
Net defined assets for retirement benefits	2,804	2,827
Other investments	3,034	3,042
Allowance for doubtful accounts	△136	△135
Total investments and other assets	90,438	93,777
Total non-current assets	276,150	297,551
Total assets	855,237	882,647

(¥ millions)

	Fiscal 2022 As of March 31, 2022	Second Quarter of Fiscal 2023 As of September 30, 2022
Liabilities		
Current liabilities:		
Trade notes and accounts payable	102,641	101,588
Electronically recorded monetary obligations-operating	5,050	3,530
Short-term loans	24,531	20,307
Accrued expenses	23,781	25,557
Income taxes payable	7,319	3,259
Contract liabilities	1,872	1,684
Allowance for employees' bonuses	5,527	7,793
Reserve for product warranties	3,108	4,913
Other current liabilities	7,573	8,757
Total current liabilities	181,404	177,392
Non-current liabilities:		
Long-term debt	490	–
Deferred income tax liabilities	15,473	16,110
Allowance for directors' and corporate auditors' retirement benefits	298	296
Reserve for product warranties	5,151	4,644
Allowance for environmental strategies	10	0
Net defined liability for retirement benefits	23,097	22,722
Other non-current liabilities	1,995	5,091
Total non-current liabilities	46,517	48,864
Total liabilities	227,922	226,256
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital	13,399	13,420
Retained earnings	509,958	512,162
Treasury common stock, at cost	△49	△43
Total shareholders' equity	537,578	539,811
Accumulated other comprehensive income:		
Valuation adjustment on marketable securities	23,560	24,740
Translation adjustments	27,924	51,181
Adjustments in defined benefit plans	1,895	1,724
Total accumulated other comprehensive income	53,379	77,645
Subscription rights to shares	199	171
Non-controlling interests	36,157	38,762
Total net assets	627,315	656,391
Total liabilities and net assets	855,237	882,647

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Second quarter, for the six months ended September 30)

(¥ millions)

	Second Quarter of Fiscal 2022 April 1, 2021 to September 30, 2021	Second Quarter of Fiscal 2023 April 1, 2022 to September 30, 2022
Net sales	352,724	415,611
Cost of sales	307,816	372,480
Gross profit	44,907	43,130
Selling, general and administrative expenses	20,755	23,340
Operating income	24,152	19,790
Non-operating income:		
Interest income	656	764
Dividends	580	649
Foreign exchange losses	208	1,190
Other non-operating income	1,289	1,485
Total non-operating income	2,735	4,088
Non-operating expenses		
Interest expenses	311	667
Shares of loss of entities accounted for using equity method	304	345
Other non-operating expenses	221	458
Total non-operating expenses	837	1,471
Recurring profit	26,050	22,407
Extraordinary gains:		
Gain on sales of property and equipment	27	32
Total extraordinary gains	27	32
Extraordinary losses:		
Loss on sales and disposal of property and equipment	262	453
Loss on sales of investment securities	2	7,130
Loss on valuation of investment securities		
Impairment loss	—	609
Loss on disasters	—	374
Total extraordinary losses	264	8,567
Income before income taxes	25,812	13,872
Total income taxes	8,293	4,741
Profit	17,519	9,130
(Break down)		
Profit attributable to owners of parent	15,965	7,026
Profit attributable to non-controlling interests	1,554	2,103

(¥ millions)

	Second Quarter of Fiscal 2022 April 1, 2021 to September 30, 2021	Second Quarter of Fiscal 2023 April 1, 2022 to September 30, 2022
Other comprehensive income		
Valuation adjustment on marketable securities	2,626	1,197
Translation adjustments	△584	24,946
Adjustments in defined benefit plans	△227	△171
Share of other comprehensive income of entities accounted for using equity method	5	62
Total other comprehensive income	1,820	26,035
Comprehensive income	19,340	35,165
(Break down)		
Comprehensive income attributable to owners of parent	19,008	31,293
Comprehensive income attributable to non-controlling interests	331	3,872

(3) Quarterly Consolidated Statements of Cash Flows

(¥ millions)

	Second Quarter of Fiscal 2022 April 1, 2021 to September 30, 2021	Second Quarter of Fiscal 2023 April 1, 2022 to September 30, 2022
Cash flows from operating activities		
Income before income taxes	25,812	13,872
Depreciation	16,568	19,101
Impairment loss	—	609
Equity in earnings of affiliated companies	304	345
Provision for allowance for doubtful accounts	10	△4
Net defined liability for retirement benefits	△704	△663
Provision for reserve for bonuses	757	2,154
Reserve for product warranties	0	1,212
Interest and dividends received	△1,237	△1,413
Interest payments	311	667
Loss on valuation of marketable and investment securities	2	7,297
Loss on sale of property and equipment	234	420
Loss on disasters	—	374
Increase in trade notes and accounts receivable	33,375	2,373
Increase in inventories	△10,229	△2,403
Increase or decrease in other current assets	△3,625	5,501
Decrease in trade notes and accounts payable	△13,491	△7,422
Increase or decrease in accrued expenses and other current liabilities	1,591	△388
Others	△3,740	△3,642
Sub total	45,942	37,992
Interest and dividends received	1,234	1,411
Interest paid	△311	△667
Loss on related to the Act on Prohibition to Private Monopolization and Maintenance of Fair Trade	—	△68
Income taxes paid	△6,724	△9,543
Net cash provided by operating activities	40,141	29,124
Cash flows from investing activities		
Payments into time deposits	△43,713	△60,529
Proceeds from time deposits	35,667	52,157
Payments for purchase of marketable and investment securities	△346	△8,161
Proceeds from sale of marketable and investment securities	0	—
Acquisition of property and equipment	△13,597	△18,869
Proceeds from sale and disposal of property and equipment	285	△84
Payments for new loans	△3	△0
Proceeds from loan repayments	4	3
Others	△326	△199
Net cash used in investing activities	△22,029	△35,685

(¥ millions)

	Second Quarter of Fiscal 2022 April 1, 2021 to September 30, 2021	Second Quarter of Fiscal 2023 April 1, 2022 to September 30, 2022
Cash flows from financing activities		
Increase or decrease in short-term loans	1,857	△5,305
Increase in long-term debt	319	—
Repayment of long-term debt	△240	△635
Payments for repurchase of treasury stock	△0	—
Proceeds from exercise of share options	0	0
Dividends paid by parent company	△4,819	△4,823
Dividends paid to non-controlling interests	△988	△1,195
Net cash used in financing activities	△3,872	△11,960
Effect of exchange rate changes on cash and cash equivalents	174	1,711
Increase or decrease in cash and cash equivalents	14,414	△16,810
Cash and cash equivalents at beginning of quarter	161,855	169,581
Cash and cash equivalents at end of quarter	176,269	152,771

(4) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

None

(Note Regarding Significant Changes in Shareholders' Equity)

None

(Note Regarding Changes in accounting policies)

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

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 31, June 17, 2021, Accounting Standards Board of Japan,"), from the beginning of the fiscal 2023. The company has prospectively applied new accounting policies based on the Implementation Guidance on Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement in Article 27-2 of Accounting Standard for Fair Value Measurement. There is no impact on consolidated financial statements for fiscal 2023 by this application.

(Application of FASB Accounting Standards Codification (ASC) Topic 842, "Leases")

The Company's overseas subsidiaries that apply U.S. GAAP have adopted ASC Topic 842, "Leases," effective as of the beginning of the first quarter of the fiscal 2023. Consequently, the Company recognizes all leases as assets and liabilities on its balance sheets.

As a result, at the end of the second quarter of the fiscal 2023, "other" in property, plant and equipment increased by ¥4,017 million, "other" in current liabilities increased by ¥607 million, and "other" in noncurrent liabilities increased by ¥3,409 million. The impact on the Consolidated Statements of Income for the second quarter of the fiscal 2023 is immaterial.

(Segment Information)

【Segment Information】

I. Second Quarter of fiscal 2022 (April 1, 2021 to September 30, 2021)

Information Concerning Net Sales and Operating Income for Each Segment

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	151,402	85,048	48,828	46,575	16,265	4,603	352,724	—	352,724
Inter-segment sales and transfers	13,985	3	1,854	2,215	121	△0	18,180	(18,180)	—
Total	165,388	85,052	50,682	48,791	16,387	4,603	370,905	(18,180)	352,724
Segment operating income or loss (△)	15,759	△756	6,474	4,122	△1,902	105	23,803	349	24,152

Notes 1. The ¥349 million adjustment in segment (operating income or loss) includes ¥3,019 million in intersegment eliminations and ¥△2,670 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 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 is adjusted to operating income in the quarterly consolidated financial statements.

II. Second Quarter of fiscal 2023 (April 1, 2022 to September 30, 2022)

Information Concerning Net Sales and Operating Income for Each Segment

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	145,654	124,749	50,512	68,865	19,520	6,309	415,611	—	415,611
Inter-segment sales and transfers	12,790	50	1,023	1,759	37	—	15,661	(15,661)	—
Total	158,445	124,799	51,536	70,624	19,558	6,309	431,272	(15,661)	415,611
Segment operating income or loss (△)	9,819	△1,275	3,407	6,266	△312	418	18,323	1,466	19,790

Notes 1. The ¥1,466 million adjustment in segment (operating income or loss) includes ¥4,180 million in intersegment eliminations and ¥△2,713 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 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 is adjusted to operating income in the quarterly consolidated financial statements.

(Significant Subsequent Events)
(Stock split)

KOITO MANUFACTURING CO., LTD. (“the Company”) conducted stock split effective October 1, 2022, which has resolved at its Board of Directors held on August 29, 2022.

1. Purpose of the Stock Split

The Company aims to create investment-friendly environment and to expand its investor base by reducing the Company’s investment unit price.

2. Outline of the Stock Split

(1) Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of September 30, 2022 was split into two shares.

(2) Number of shares increased by the stock split

Total number of shares issued before the stock split	160,789,436 shares
Number of shares to be increased by the stock split	160,789,436 shares
Total number of shares issued after the stock split	321,578,872 shares
Total number of shares authorized after the stock split	640,000,000 shares

(3) Schedule of the stock split

Public notice of record date	September 14, 2022
Record date	September 30, 2022
Effective date	October 1, 2022

(4) Impact on Per Share Information

Impact on per share information stated on each part where applicable.