Consolidated Earnings Report for the First Quarter of Fiscal 2026
[Japanese GAAP]

July 29, 2026

Company Name:	**KOITO MANUFACTURING CO., LTD.**
Stock Listing:	Prime Market, Tokyo Stock Exchange
Code Number:	7276
URL:	https://www.koito.co.jp/english/
Representative Director:	Michiaki Kato, President
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Scheduled Payment of Dividends:	—
Supplementary explanatory materials prepared:	Yes
Explanatory meeting:	Yes

(Millions of yen are rounded down)

1. Consolidated Results for the First Quarter of Fiscal 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (Millions of yen; percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal 2026 first 3 months	240,883	9.6%	16,557	39.1%	18,475	46.6%	14,657	44.8%
Fiscal 2025 first 3 months	219,725	△4.4%	11,907	31.6%	12,605	6.1%	10,120	38.7%

Note: Comprehensive income: June 30, 2026: ¥19,709 million (114.4%), June 30, 2025: ¥9,192 million (△56.9%)

	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2026 first 3 months	55.77	55.77
Fiscal 2025 first 3 months	35.72	35.71

(2) Consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Equity ratio (%)
June 30, 2026	915,162	681,809	68.3
March 31, 2026	906,201	676,086	68.1

Reference: Equity: June 30, 2026: ¥624,631 million, March 31, 2026: ¥616,745 million

2. Dividends

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Year end	Full year
Fiscal 2025	—	28.00	—	28.00	56.00
Fiscal 2026	—				
Fiscal 2026 (forecast)		28.00	—	30.00	58.00

Notes: Revisions to recent dividend forecasts: None

3. Forecast of Consolidated Results for Fiscal 2026 (April 1, 2026 to March 31, 2027)

(Millions of yen; percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share (¥)
First half	455,000	1.8%	25,000	25.9%	27,500	20.7%	16,000	35.1%	60.97
Full year	933,000	△1.5%	60,000	16.6%	65,500	11.4%	39,500	138.8%	150.53

Notes: Revisions to recent consolidated business forecasts: None

***Notes**

(1) Significant Changes in the Scope of Consolidation during the Period: None

(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Principles, Changes in Accounting Estimates and Restatements

①Changes in accounting policies in conjunction with revisions to accounting standards: None

②Other changes : Yes

③Changes in accounting estimates : None

④Restatements : None

Note: Since the first quarter of this fiscal year, KOITO changed its method of depreciation. As this change is considered a case in which it is difficult to distinguish a change in accounting policy from a change in an accounting estimate. For further details, please refer to page 9 of the attached documents, "2. Consolidated Financial Statements and Notes, (4) Notes to the Consolidated Financial Statements (Changes in Accounting Policies That Are Difficult to Differentiate from Changes in Accounting Estimates)".

(4) Number of Shares Issued (common stock)

(Shares)

①Number of stocks issued(including treasury stock):	Fiscal 2026, 1Q	307,833,172	Fiscal 2025	307,833,172
②Number of treasury stocks at the end of period:	Fiscal 2026, 1Q	45,425,935	Fiscal 2025	44,609,262
③Average number of stocks during the first quarter:	Fiscal 2026, 1Q	262,815,587	Fiscal 2025, 1Q	283,358,680

*Review of accompanying Quarterly Consolidated Financial Statements by Certified Public Accountants or Auditing Firms: None

*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 we will achieve these forecasts. Actual results may differ from forecasts due to a variety of factors.

The exchange conversion rate based on the business forecast for fiscal 2026, the year ending March 2027 is calculated as 1 US$ = ¥150.0 and 1 CNY = ¥22.0.

(Supplementary materials for financial results)

Supplementary materials will be available on our website.

(https://www.koito.co.jp/english/ir/)

Table of Contents of Supplementary Materials

1. Outline of Consolidated Results

(1) Outline of Consolidated Results for the First Quarter of Fiscal 2026

During the first quarter of fiscal 2026, the domestic economy recovered gradually, supported by improvements in employment and income conditions, although weakness in personal consumption was observed in some areas due to the impact of rising prices. Overseas, uncertainty over the economic outlook intensified further and the business environment remained highly unpredictable, due to concerns over naphtha supply and fluctuations in raw material and energy prices resulting from the worsening situation in the Middle East, growing concerns about the expanding impact of U.S. tariff policies on the global economy, and the slowdown of the Chinese economy.

Global automobile production volume remained largely unchanged from the previous year. While production was supported by the launch of new vehicle models in Japan and other Asian countries, as well as continued market expansion in India, these positive factors were offset by a decline in demand following the surge in purchases ahead of the application of automobile tariffs in the Americas in the previous year, and by reduced demand in China resulting from the economic slowdown and reductions in EV subsidies.

Under these circumstances, consolidated net sales for the first quarter of fiscal 2026 increased by 9.6% year on year to ¥240.8 billion, as decreases in China and Europe due to business restructuring and other measures were more than offset by the weaker yen, new orders in Japan, the Americas, and Asia, and increased sales of vehicle models for which KOITO had won orders.

Regarding profits, despite the impact of rising raw material prices resulting from the worsening situation in the Middle East and the effects of U.S. tariff policies, operating profit increased by 39.1% year on year to ¥16.5 billion, ordinary profit rose by 46.6% to ¥18.4 billion, supported by increased sales volumes and the promotion of productivity improvement in each region, and profit attributable to owners of the parent grew by 44.8% to ¥14.6 billion, due to the recording of gains on the sale of cross-shareholdings as extraordinary income.

(2) Outline of Financial Position for the First Quarter of Fiscal 2026

ー1. Analysis of Assets, Liabilities, and Net Assets

Total assets at the end of the first quarter increased by ¥8.9 billion from the end of the previous fiscal year to ¥915.1 billion, mainly due to an increase in current assets, including cash and time deposits.

Total liabilities increased by ¥3.2 billion from the end of the previous fiscal year to ¥233.3 billion, mainly due to an increase in provision for employee’ bonuses.

Total net assets increased by ¥5.7 billion from the end of the previous fiscal year to ¥681.8 billion, mainly due to an increase in retained earnings.

ー2. Analysis of Cash Flows

Cash flows from operating activities amounted to ¥37.1 billion, as a result of income before income taxes of ¥20.8 billion and depreciation of ¥10.0 billion. After the payment of income taxes and others, ¥29.5 billion was secured (first quarter of the previous fiscal year: ¥33.7 billion).

Cash flows from investing activity resulted in expenditure of ¥26.4 billion (first quarter of the previous fiscal year: proceeds of ¥29.5 billion), mainly net expenditures of ¥21.0 billion from deposits and withdrawals of time deposits and capital expenditures of ¥12.2 billion.

Cash flows from financing activities resulted in expenditure of ¥13.7 billion (first quarter of the previous fiscal year: ¥17.8 billion), due to the repurchase of treasury stocks of ¥2.2 billion and the dividend paid of ¥10.7 billion.

As a result, the balance of cash and cash equivalents at the end of the period decreased by ¥9.3 billion from the end of the previous fiscal year to ¥115.9 billion.

(3) Explanation Regarding Forecast for Fiscal 2026 and Other Future Projections

Looking ahead to the second quarter and beyond, the business environment is expected to remain increasingly uncertain due to concerns over reduced production volumes resulting from the prolonged situation in the Middle East, rising raw material and energy prices, and potential slowdowns in the global economy, including in the United States and China.

Under these circumstances, the KOITO Group will continue to optimize its global production structure and pursue rationalization initiatives, including productivity improvements and reductions in fixed costs. However, given the continued uncertainty surrounding the business environment, the consolidated earnings forecast for the fiscal year ending March 31, 2027 remains unchanged from that announced on May 13, 2026. Although consolidated net sales is expected to decline from the previous fiscal year, profit is projected to increase at all levels.

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

(Millions of yen)

	Fiscal 2025 As of March 31, 2026	First Quarter of Fiscal 2026 As of June 30, 2026
Assets		
Current assets:		
Cash and time deposits	264,918	277,499
Trade notes	3,520	2,462
Electronically recorded monetary claims-operating	8,836	8,387
Accounts receivable	143,055	129,147
Contract assets	2,766	2,699
Marketable securities	9,600	12,100
Inventories	96,671	100,610
Other current assets	28,167	30,505
Allowance for doubtful accounts	△84	△81
Total current assets	557,452	563,331
Non-current assets:		
Property, plant and equipment:		
Buildings and structures (net)	75,072	76,147
Machinery and transportation equipment (net)	81,310	81,419
Fixtures, equipment and tools (net)	17,555	18,748
Land	22,183	22,332
Construction in progress	18,666	20,986
Other property, plant and equipment	7,630	7,696
Total property, plant and equipment	222,419	227,330
Intangible fixed assets	5,973	6,725
Investments and other assets:		
Investment securities	98,256	85,269
Claims provable in bankruptcy, claims provable in rehabilitation and others	3	2
Deferred tax assets	10,494	10,905
Net defined assets for retirement benefits	6,981	16,942
Other investments and other assets	4,723	4,759
Allowance for doubtful accounts	△102	△102
Total investments and other assets	120,356	117,776
Total non-current assets	348,749	351,831
Total assets	906,201	915,162

(Millions of yen)

	Fiscal 2025 As of March 31, 2026	First Quarter of Fiscal 2026 As of June 30, 2026
Liabilities		
Current liabilities:		
Trade notes and accounts payable	96,128	90,576
Electronically recorded monetary obligations-operating	3,868	3,462
Short-term loans	1,920	1,620
Accrued expenses	36,088	36,922
Income taxes payable	9,959	7,602
Contract liabilities	14,152	15,412
Provision for employees' bonuses	7,305	10,838
Provision for product warranties	2,141	2,203
Other current liabilities	21,910	21,970
Total current liabilities	193,474	190,608
Non-current liabilities:		
Deferred tax liabilities	15,714	12,215
Provision for directors' and corporate auditors' retirement benefits	277	280
Provision for product warranties	2,168	2,191
Net defined liability for retirement benefits	10,313	20,045
Other non-current liabilities	8,165	8,011
Total non-current liabilities	36,640	42,743
Total liabilities	230,115	233,352
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital	13,277	13,282
Retained earnings	554,495	561,760
Treasury stock	△97,357	△99,604
Total shareholders' equity	484,687	489,708
Accumulated other comprehensive income:		
Valuation adjustment on available-for-sale securities	33,721	29,984
Foreign currency translation adjustments	91,444	98,457
Adjustments in defined retirement benefit plans	6,893	6,480
Total accumulated other comprehensive income	132,058	134,922
Subscription rights to shares	78	78
Non-controlling interests	59,261	57,099
Total net assets	676,086	681,809
Total liabilities and net assets	906,201	915,162

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	First Quarter of Fiscal 2025 April 1, 2025 to June 30, 2025	First Quarter of Fiscal 2026 April 1, 2026 to June 30, 2026
Net sales	219,725	240,883
Cost of sales	192,889	210,079
Gross profit	26,836	30,804
Selling, general and administrative expenses	14,929	14,246
Operating profit	11,907	16,557
Non-operating profit:		
Interest income	1,276	893
Dividend income	786	784
Foreign exchange gains	—	109
Other non-operating profit	445	449
Total non-operating profit	2,507	2,236
Non-operating expenses:		
Interest expenses	18	27
Shares of loss of entities accounted for using equity method	1	1
Foreign exchange losses	1,449	—
Loss on investment partnership management	65	96
Other non-operating expenses	274	192
Total non-operating expenses	1,809	318
Ordinary profit	12,605	18,475
Extraordinary gains:		
Gain on sales of property, plant and equipment	8	40
Gain on sales of investment securities	90	2,627
Gain on revision of retirement benefit plan	438	—
Total extraordinary gains	537	2,667
Extraordinary losses:		
Loss on sales and disposal of property, plant and equipment	204	184
Loss on business liquidation	152	—
Other extraordinary losses	42	76
Total extraordinary losses	398	260
Income before income taxes	12,744	20,882
Total income taxes	1,659	4,626
Profit	11,084	16,255
(Breakdown)		
Profit attributable to non-controlling interests	964	1,597
Profit attributable to owners of parent	10,120	14,657

(Millions of yen)

	First Quarter of Fiscal 2025 April 1, 2025 to June 30, 2025	First Quarter of Fiscal 2026 April 1, 2026 to June 30, 2026
Other comprehensive income or loss		
Valuation adjustment on available-for-sale securities	△1,172	△3,706
Foreign currency translation adjustments	△297	7,573
Adjustments in defined retirement benefit plans	△422	△412
Share of other comprehensive income of entities accounted for using equity method	0	—
Total other comprehensive income	△1,892	3,454
Comprehensive income	9,192	19,709
(Breakdown)		
Comprehensive income attributable to non-controlling Interests	1,944	2,188
Comprehensive income attributable to owners of parent	7,248	17,521

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First Quarter of Fiscal 2025 April 1, 2025 to June 30, 2025	First Quarter of Fiscal 2026 April 1, 2026 to June 30, 2026
Cash flows from operating activities		
Income before income taxes	12,744	20,882
Depreciation	10,162	10,014
Amortization of goodwill	240	—
Gain on revision of retirement benefit plan	△438	—
Loss on business liquidation	152	—
Increase or decrease in provision for loss on business liquidation	△812	—
Shares of loss of entities accounted for using equity method	1	1
Increase or decrease in allowance for doubtful accounts	7	△5
Increase or decrease in net defined assets and liability for retirement benefits	△654	△837
Increase or decrease provision for bonuses	3,563	3,499
Increase or decrease provision for product warranties	46	60
Interest and dividend income	△2,062	△1,677
Interest expenses	18	27
Gain or loss on sales of marketable and investment securities	△90	△2,627
Gain or loss on valuation of marketable and investment securities	65	100
Gain or loss on sales and disposal of property, plant and equipment	195	143
Increase or decrease in trade notes and accounts receivable	17,993	17,016
Increase or decrease in inventories	△476	△2,491
Increase or decrease in other current assets	667	△1,283
Increase or decrease in trade notes and accounts payable	△6,243	△6,675
Increase or decrease in accrued expenses	367	447
Others	1,088	511
Subtotal	36,535	37,108
Interest and dividends received	2,062	1,677
Interest paid	△18	△27
Payments for business liquidation	△20	—
Income taxes paid	△4,829	△9,230
Cash flows from operating activities	33,730	29,528
Cash flows from investing activities		
Payments into time deposits	△11,160	△47,145
Proceeds from the redemption of time deposits	56,973	26,046
Payments for purchase of marketable and investment securities	△33	△48
Proceeds from sale or redemption of marketable and investment securities	1,550	7,814
Acquisition of property, plant and equipment	△16,556	△12,296
Proceeds from or payments into sales or disposal of property, plant and equipment	△117	38
Payments for loans receivable	△0	△0
Proceeds from collection of loans receivable	0	3
Others	△1,060	△909
Cash flows from investing activities	29,596	△26,497

(Millions of yen)

	First Quarter of Fiscal 2025 April 1, 2025 to June 30, 2025	First Quarter of Fiscal 2026 April 1, 2026 to June 30, 2026
Cash flows from financing activities		
Increase or decrease in short-term loans payable	△4,652	△310
Payments for repurchase of treasury stock	△2,742	△2,247
Dividends paid by parent company	△7,359	△6,876
Dividends paid to non-controlling interests	△3,010	△3,909
Others	△107	△397
Cash flows from financing activities	△17,871	△13,740
Effect of exchange rate changes on cash and cash equivalents	87	1,442
Increase or decrease in cash and cash equivalents	45,541	△9,267
Cash and cash equivalents at beginning of the period	101,265	125,271
Increase or decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	△33
Cash and cash equivalents at end of the period	146,807	115,970

(4) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

None

(Note Regarding Significant Changes in Shareholders' Equity)

KOITO resolved at a meeting of the Board of Directors held on May 29, 2025, the matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act. KOITO proceeded with the acquisition of own shares from June 2, 2025 to May 29, 2026, with a maximum number of 37 million shares to be repurchased and a total amount of ¥50.0 billion. As a result, KOITO acquired approximately 810 thousand of its own shares, equivalent to about ¥2.2 billion during the first quarter of this fiscal year. As a result, treasury stock amounted to ¥99.6 billion at the end of the first quarter of this fiscal year.

(Changes in Accounting Policies That Are Difficult to Differentiate from Changes in Accounting Estimates)

(Change in Depreciation Method for Buildings and Structures)

Previously, KOITO applied the declining-balance method for depreciating its buildings and structures, however KOITO has changed its depreciation method to the straight-line method from the first quarter of this fiscal year.

This change was made following a review of the utilization of property, plant, and equipment in connection with KOITO's expansion into the Tohoku region and consideration of a new plant. As a result of this review, KOITO concluded that its buildings and structures are used over the long term in a stable manner and that the economic benefits derived from these assets are realized consistently over their useful lives. Accordingly, KOITO determined that the straight-line method more appropriately reflects the economic substance of the use of these assets.

As a result of above change, depreciation expense for this first quarter consolidated period decreased compared with the previous method, resulting in increases of ¥156 million in operating profit, ordinary profit, and income before income taxes.

(Notes on Segment Information)

【Segment Information】

I First Quarter of Fiscal 2025 (April 1, 2025 to June 30, 2025)

1. Information Concerning Net Sales and Operating Profit or Loss for Each Segment

(Millions of yen)

	Japan	Americas	China	Asia	Europe	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales								
Sales to outside customers	82,857	77,409	13,715	37,235	8,507	219,725	－	219,725
Inter-segment sales and transfers	4,087	65	3,497	24	26	7,702	(7,702)	－
Total	86,944	77,474	17,213	37,259	8,534	227,427	(7,702)	219,725
Segment operating profit or loss	3,805	2,735	661	4,209	△69	11,343	563	11,907

Notes: 1. The adjustment in segment operating profit or loss (operating profit) includes ¥2,206 million in intersegment eliminations and ¥△1,643 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative 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) Americas: United States, Mexico and Brazil
   (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
   (3) Europe: United Kingdom and Czech Republic

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

II First Quarter of Fiscal 2026 (April 1, 2026 to June 30, 2026)

1. Information Concerning Net Sales and Operating Profit or Loss for Each Segment

(Millions of yen)

	Japan	Americas	China	Asia	Europe	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales								
Sales to outside customers	86,850	91,130	10,584	44,996	7,321	240,883	―	240,883
Inter-segment sales and transfers	6,156	83	1,504	328	58	8,131	(8,131)	―
Total	93,007	91,214	12,088	45,325	7,380	249,015	(8,131)	240,883
Segment operating Profit or loss	5,635	3,982	△139	6,436	1	15,916	640	16,557

Notes: 1. The adjustment in segment operating profit and loss (operating profit) includes ¥2,283 million in intersegment eliminations and ¥△1,642 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative 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) Americas: United States, Mexico and Brazil
   (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
   (3) Europe: Czech Republic

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

2. Notes Concerning Changes for Each Segment

(Change in Depreciation Method for Buildings and Structures)

As described in (Changes in Accounting Policies that are Difficult to Differentiate from Changes in Accounting Estimates), KOITO previously applied the declining-balance method for depreciating its buildings and structures, however KOITO has changed its depreciation method to the straight-line method from the first quarter of this fiscal year.

As a result of above change in the depreciation method, segment profit for this cumulative first quarter consolidated period increased by ¥151 million in the “Japan” segment and by ¥5 million in “Adjustment.”

(Reference) Net sales and segment operating profit or loss for each business segment are as follows.

I First Quarter of Fiscal 2025 (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Automotive lighting equipment business	Non-automotive electrical equipment business	Sensor business	Other business	Total	Adjustment	Amount recorded on consolidated financial statements
Net sales							
Sales to outside customers	208,530	6,587	422	4,184	219,725	―	219,725
Inter-segment sales or transfers	4	2	―	1,018	1,025	(1,025)	―
Total	208,535	6,590	422	5,203	220,751	(1,025)	219,725
Segment operating profit or loss	15,345	△232	△2,003	435	13,545	(1,638)	11,907

Note: Principal products for each segment

(1) Automotive lighting equipment business:
LED headlamps, headlamps, auxiliary lamps, signaling lamps and other lighting equipment, etc.

(2) Non-automotive electrical equipment business:
Controlling devices for railroad cars, traffic signals and traffic controlling systems, etc.

(3) Sensor business: Sensor system (LiDAR)

(4) Other business: Aviation products, headlamp cleaners, seats for railroad cars and transportation service, etc.

II First Quarter of Fiscal 2026 (From April 1, 2026 to June 30, 2026)

(Millions of yen)

	Automotive lighting equipment business	Non-automotive electrical equipment business	Sensor business	Other business	Total	Adjustment	Amount recorded on consolidated financial statements
Net sales							
Sales to outside customers	228,888	6,658	79	5,257	240,883	—	240,883
Inter-segment sales or transfers	1	0	—	1,050	1,051	(1,051)	—
Total	228,889	6,658	79	6,307	241,935	(1,051)	240,883
Segment operating profit or loss	18,940	△234	△1,341	832	18,197	(1,639)	16,557

Note: Principal products for each segment

(1) Automotive lighting equipment business:
LED headlamps, headlamps, auxiliary lamps, signaling lamps and other lighting equipment, etc.

(2) Non-automotive electrical equipment business:
Controlling devices for railroad cars, traffic signals and traffic controlling systems, etc.

(3) Sensor business: Sensor system (LiDAR)

(4) Other business: Aviation products, headlamp cleaners, seats for railroad cars and transportation service, etc.