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Date of sending by postal mail: June 9, 2026

Start date of measures for electronic provision: June 1, 2026

To our shareholders:

Michiaki Kato

President

KOITO MANUFACTURING CO., LTD.

Sumitomo Fudosan Osaki Twin Bldg. East, 5-1-18 Kitashinagawa, Shinagawa-ku, Tokyo

NOTICE OF THE 126TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 126th Ordinary General Meeting of Shareholders of KOITO MANUFACTURING CO., LTD. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the website by using the Internet address shown below to review the information.

“General Meeting of Shareholders” on the Company’s website

<https://www.koito.co.jp/ir/info/generalmeeting/> (in Japanese)

In addition to posting items subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the website by using the Internet address shown below to review the information.

The Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the Internet address shown above, enter the Company’s name or securities code “7276,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”)

Exercising Voting Rights

[For those attending the meeting]

Please bring the voting form with you and present it at the reception desk on the day of the meeting.

[For those exercising voting rights by mail]

Please use the voting form to indicate your approval or disapproval and resend it so it reaches us by 5:00 p.m., Thursday, June 25, 2026 (Japan Standard Time), the day before the Ordinary General Meeting of Shareholders.

[For those exercising voting rights by the Internet]

Please access the voting website (<https://evote.tr.mufg.jp/>) to submit votes of approval or disapproval.

Votes can be submitted until 5:00 p.m., Thursday, June 25, 2026 (Japan Standard Time).

Meeting Details

1. **Date and time:** Friday, June 26, 2026 at 10:00 a.m. (Japan Standard Time)
*Reception desk opens at 9:00 a.m.
2. **Venue:** Shinagawa Prince Hotel, Main Tower 24th floor, Crystal 24
4-10-30, Takanawa, Minato-ku, Tokyo
3. **Agenda of the General Meeting of Shareholders:**

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 126th Term (from April 1, 2025 to March 31, 2026), as well as the results of audit of the Consolidated Financial Statements by the Independent Auditors and the Audit and Supervisory Board.
2. Financial Statements for the 126th Term (from April 1, 2025 to March 31, 2026)

Items to be resolved:

- Proposal 1:** Dividends of surplus
- Proposal 2:** Election of thirteen (13) Directors
- Proposal 3:** Election of Independent Auditor

For this general meeting of shareholders, we have delivered this convocation notice and the reference documents for the general meeting of shareholders to shareholders who have not requested delivery of paper-based documents. Shareholders who have requested the delivery of paper-based documents will additionally receive documents containing the Business Report, Consolidated Financial Statements, Financial Statements, and Audit Report. However, among the items subject to measures for electronic provision, the items listed below are not described in such documents in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company.

- (i) “Subscription rights to shares, etc. of the Company,” “System for ensuring appropriate business execution” and “Summary of operation of system for ensuring appropriate business execution” of the Business Report
- (ii) “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
- (iii) “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Financial Statements” in the Financial Statements

These items are included in the Business Report, the Consolidated Financial Statements audited by the Audit and Supervisory Board Members in preparing the Audit Report and the Independent Auditor in preparing the Accounting Audit Report.

* If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s website and the TSE website.

Attention physically or otherwise disabled shareholders:

Please do not hesitate to ask the staff if you require assistance with your wheelchair or getting to your seat or the restrooms.

Note regarding gifts:

There will be no gifts provided for the shareholders who attend this meeting. Thank you for your understanding.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends of surplus

By making business investments aimed at sustainable growth, the Company works to further improve its corporate value while also enhancing return of profit to its shareholders. As for dividends, the Company's policy is to continuously pay stable dividends to shareholders based on the comprehensive evaluation of our present business results, business climate, etc.

Regarding business results for fiscal 2025, profit attributable to owners of parent decreased year-on-year due to factors such as the recognition of impairment losses related to the LiDAR business and operations in China. However, as a result of consideration based on the above policies, the year-end dividend of this term is scheduled to be ¥28 per share, which is the same amount as the previous fiscal year.

The full year dividend for this term, including the interim dividend, is scheduled to be ¥56 per share, which is the same amount as the previous fiscal year.

Matters related to year-end dividend

1. Type of dividend property:

Cash

2. Allocation of dividend property and total amount thereof

¥28 per common share of the Company

Total amount: ¥7,370,269,480

3. Effective date of distribution of dividends of surplus

June 29, 2026

Proposal 2: Election of thirteen (13) Directors

The tenure of all the incumbent thirteen (13) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. In that regard, the Company proposes the election of thirteen (13) Directors.

The candidates for Directors are as follows:

No.		Name	Position	In charge of/ Important positions concurrently held	Attendance at the Board of Directors Meetings
1	Up for re-election	Masahiro Otake	Chairman		All 12 meetings (100.0%)
2	Up for re-election	Michiaki Kato	President		All 12 meetings (100.0%)
3	Up for re-election	Masami Uchiyama	Executive Vice President	Production Headquarters Shizuoka Plant Aircraft Equipment Division General Affairs Department, Shizuoka	All 12 meetings (100.0%)
4	Up for re-election	Hideharu Konagaya	Executive Vice President	Procurement Headquarters General Affairs Department Internal Audit Department	All 12 meetings (100.0%)
5	Up for re-election	Jun Toyota	Executive Vice President	Sales Headquarters	All 12 meetings (100.0%)
6	Up for re-election	Katsuyuki Kusakawa	Senior Managing Director	Compliance Department Personnel Department Cost Administration Department	All 12 meetings (100.0%)
7	Up for re-election	Eisuke Shibata	Senior Managing Director	International Operations Headquarters, Sales Headquarters	All 10 meetings (100.0%)
8	Up for re-election	Takahito Otake	Senior Managing Director	Finance & Accounting Headquarters Public Relations Department	All 10 meetings (100.0%)
9	Up for re-election Outside Independent executive	Haruya Uehara	Director (Outside) (Independent executive)	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation	All 12 meetings (100.0%)
10	Up for re-election Outside Independent executive	Kingo Sakurai	Director (Outside) (Independent executive)	Certified public accountant	All 12 meetings (100.0%)
11	Up for re-election Outside Independent executive Female	Chika Igarashi	Director (Outside) (Independent executive)	Attorney, Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo)	All 12 meetings (100.0%)

12	Up for re-election Outside Independent executive Female	Risa Tanaka	Director (Outside) (Independent executive)	President, The Graduate School of Project Design, Advanced Academic Agency Outside Director, IMURAYA GROUP CO., LTD. Outside Director, ALSOK CO., LTD. Outside Director, The Akita Bank, Ltd.	All 12 meetings (100.0%)
13	Up for re-election Outside Independent executive	Yoshimasa Kawata	Director (Outside) (Independent executive)	Vice-President, Research Institute of Electronics, Shizuoka University Representative Director, The Optical Society of Japan Managing Director, The Laser Society of Japan	All 10 meetings (100.0%)

Notes:

1. Mr. Eisuke Shibata, Mr. Takahito Otake and Mr. Yoshimasa Kawata were appointed at the 125th Ordinary General Meeting of Shareholders held on June 27, 2025, and therefore the number of Board of Directors meetings they have attended differs from that of other Directors.
2. If this proposal is approved and adopted, the number of female Directors will be two (ratio of female directors: 15.4%).

No. 1	Masahiro Otake (born on March 15, 1947)	Up for re-election
Number of shares of the Company held: 191,700 shares Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held April 1977 Joined the Company June 1987 Director June 1993 Managing Director June 1999 Senior Managing Director June 2005 Executive Vice President June 2007 President June 2015 Chairman (present position)	

Reasons for nomination as candidate for Director

Mr. Masahiro Otake has acquired extensive experience and a high level of insight through previously serving as President. He has also been involved with the Company's management as a Director, and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No.2

Michiaki Kato (born on June 23, 1959)

Up for re-election

Number of shares of the Company held:	Career history, position and responsibility, and important positions concurrently held	
44,300 shares	April 1982	Joined the Company
	October 2004	General Manager of Euro-American Operations
Attendance at the Board of Directors Meetings	June 2005	Director
All 12 meetings (100.0%)	June 2011	Managing Director
	June 2012	Managing Corporate Officer
	June 2013	Director and Managing Corporate Officer
	June 2017	Senior Managing Director
		Sales Headquarters
		International Operations Headquarters
	June 2021	President (present position)

Reasons for nomination as candidate for Director

Mr. Michiaki Kato has acquired extensive experience and a high level of insight through serving as President and in other positions. He has also been involved with the Company's management as a Director and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No.3

Masami Uchiyama (born on May 12, 1959)

Up for re-election

Number of shares of the Company held: 25,200 shares	Career history, position and responsibility, and important positions concurrently held	
	April 1983	Joined the Company
	June 2005	General Manager of Personnel Department
Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	June 2007	Director
	June 2011	Managing Director
	June 2012	Director and Managing Corporate Officer
	June 2017	Senior Managing Director
	June 2021	Executive Vice President (present position)
		Production Headquarters Shizuoka Plant Aircraft Equipment Division In charge of General Affairs Department, Shizuoka (present position)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Masami Uchiyama has acquired extensive experience and a high level of insight through serving as Head of Production Headquarters and in other positions. He has also been involved with the Company's management as a Director, and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No.4	Hideharu Konagaya (born on June 17, 1963)	Up for re-election
Number of shares of the Company held: 49,500 shares	Career history, position and responsibility, and important positions concurrently held	
Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	April 1987 April 2006 June 2009 June 2012 June 2013 June 2015 June 2017 June 2023	Joined the Company General Manager of Accounting Department Director Corporate Officer Managing Corporate Officer Director and Managing Corporate Officer Senior Managing Director Executive Vice President (present position) Procurement Headquarters In charge of General Affairs Department Internal Audit Department (present position)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Hideharu Konagaya has acquired extensive experience and a high level of insight through serving as Head of Finance & Accounting Headquarters, Procurement Headquarters and in other positions. He has also been involved with the Company's management as a Director, and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No.5	Jun Toyota (born on August 24, 1959)		Up for re-election
Number of shares of the Company held: 25,800 shares	Career history, position and responsibility, and important positions concurrently held		
	April 1983	Joined the Company	
	January 2005	Director, Koito Europe NV (KENV)	
Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	June 2005	Director, the Company	
	June 2012	Corporate Officer	
	June 2013	Managing Corporate Officer	
	June 2015	President, North American Lighting, Inc. (NAL)	
	June 2017	Director and Managing Corporate Officer	
	June 2021	Senior Managing Director	
	June 2022	Senior Managing Corporate Officer	
	June 2023	Senior Managing Director	
	June 2025	Executive Vice President (present position)	
		Sales Headquarters (present position)	

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Jun Toyota has acquired extensive experience and a high level of insight through serving as Head of International Operations Headquarters, Sales Headquarters and in other positions. He has also been involved with the Company's management as a Director, and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No.6	Katsuyuki Kusakawa (born on July 30, 1956)	Up for re-election
Number of shares of the Company held: 38,300 shares Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held	
	April 1980 January 2009 March 2011 June 2011 June 2012 June 2019	Joined Toyota Motor Co., Ltd. (currently TOYOTA MOTOR CORPORATION) Seconded to Toyota Motor Sales, U.S.A., Inc. Standing Adviser, the Company Managing Director Director and Managing Corporate Officer Senior Managing Director (present position) In charge of Compliance Department Personnel Department Cost Administration Department (present position)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Katsuyuki Kusakawa has acquired extensive experience and a high level of insight through serving as Deputy Head of Engineering Headquarters and in other positions. He has also been involved with the Company's management as a Director, and has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

No. 7	Eisuke Shibata (born on March 10, 1977)	Up for re-election
Number of shares of the Company held: 10,500 shares Attendance at the Board of Directors Meetings All 10 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held	
	April 1999 April 2016 April 2019 June 2019 June 2021 June 2023 June 2025	Joined the Company Deputy Manager of American Department - North American Region General Manager of American Department - North American Region Corporate Officer Managing Corporate Officer Senior Managing Corporate Officer Senior Managing Director (present position) International Operations Headquarters, Sales Headquarters (present position)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Eisuke Shibata has acquired extensive experience and a high level of insight through serving as Head of International Operations Headquarters and in other positions. He has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

Note: Mr. Eisuke Shibata was appointed at the 125th Ordinary General Meeting of Shareholders held on June 27, 2025, and therefore the number of Board of Directors meetings he has attended differs from that of other Directors.

No.8	Takahito Otake (born on October 5, 1977)	Up for re-election
Number of shares of the Company held: 11,500 shares	Career history, position and responsibility, and important positions concurrently held	
Attendance at the Board of Directors Meetings All 10 meetings (100.0%)	April 2005 October 2008 April 2015 January 2019 June 2019 June 2021 June 2023 June 2025	Joined Daiwa Securities SMBC Co. Ltd. Seconded to Daiwa Capital Markets Singapore Ltd. Deputy General Manager, Global Equity Sales Division No. 1 , Daiwa Securities Co. Ltd. Standing Adviser, the Company Corporate Officer Managing Corporate Officer Senior Managing Corporate Officer Senior Managing Director (present position) Finance & Accounting Headquarters, In charge of Public Relations Department (present position)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Takahito Otake has acquired extensive experience and a high level of insight through serving as Head of Finance & Accounting Headquarters and in other positions. He has contributed significantly to the improvement of the Company's performance and corporate value.

The Company proposes his re-election as a Director so that his knowledge and experience may be reflected in the Company's management.

Note: Mr. Takahito Otake was appointed at the 125th Ordinary General Meeting of Shareholders held on June 27, 2025, and therefore the number of Board of Directors meetings he has attended differs from that of other Directors.

No.9	Haruya Uehara (born on July 25, 1946)	Up for re-election Outside Independent executive
Number of shares of the Company held: 0 shares	Career history, position and responsibility, and important positions concurrently held	
Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	April 1969	Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
	June 1996	Director
	June 1998	Managing Director
	June 2001	Senior Managing Director
	June 2002	Director, Deputy President
	April 2004	President
	October 2005	President, Mitsubishi UFJ Trust and Banking Corporation
	June 2008	Chairman
	April 2012	Senior Advisor (present position)
	June 2013	Outside Director, the Company (present position)
	July 2018	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation
	(Significant concurrent positions outside the Company)	
	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation	

Reasons for nomination as candidate for Outside Director and summary of expected role

Mr. Haruya Uehara has served as President and Chairman of Mitsubishi UFJ Trust and Banking Corporation, among other roles, and possesses extensive experience and deep expertise in the financial markets. He applies this knowledge and experience to the Company's management, fulfilling his supervisory function with an objective perspective, and plays a key role in formulating the Company's capital policy.

In particular, with regard to the capital policy disclosed in March 2024, he provided advice from an investor's perspective, which enabled us to formulate highly effective measures aimed at optimizing our balance sheet. This was well received by the market. His advice serves as an extremely important guide for us in enhancing our corporate value.

His tenure has spanned 13 years since June 2013, and with the Company currently in a transitional phase toward a management structure that prioritizes capital efficiency, his deep insight and market-oriented management oversight are indispensable to ensuring that this transformation is fully ingrained in the next generation of Directors and other Outside Directors, and to bringing it to a successful and solid conclusion. The Company believes that his irreplaceable contributions and expertise are essential to our sustainable growth, and therefore proposes his re-election as an Outside Director.

No.10	Kingo Sakurai (born on May 5, 1943)	Up for re-election Outside Independent executive
Number of shares of the Company held: 20,000 shares	Career history, position and responsibility, and important positions concurrently held	
Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	March 1972 June 1983 June 2009 July 2009 June 2017	Registered as certified public accountant Independent Auditor, the Company Resigned Independent Auditor Adviser (part time), the Company Outside Director, (present position)
	Reasons for nomination as candidate for Outside Director and summary of expected role	

Mr. Kingo Sakurai possesses sophisticated professional expertise gained through his career as a certified public accountant. While incorporating his knowledge and experience to the Company's management, he performs an effective supervisory function from an objective perspective.

In addition to providing advice on strengthening the Company's financial position, he has consistently proposed specific measures to improve profit margins, including cost reduction and appropriate price pass-through. Furthermore, by optimizing the consolidated accounting process and conducting rigorous profitability assessments of strategic investment projects, he has significantly contributed to improving the quality of the Company's management decisions.

The Company believes that he will continue to contribute to the sustainable enhancement of its corporate value by leveraging his precise analytical skills and professional expertise, and therefore proposes his re-election as an Outside Director.

Mr. Sakurai has never been involved with a company's management other than being an Outside Director. However, for the reasons mentioned above, the Company believes that he can perform the duties of an Outside Director properly.

No.11	Chika Igarashi (born on March 26, 1971)	Up for re-election Outside Independent executive Female
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Number of shares of the Company held: 0 shares Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held April 1997 Registered as an attorney Joined a law firm in Tokyo July 2006 Joined Asahi Law Office (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))(present position) June 2007 Registered as an attorney at law in New York State, The U.S. June 2022 Outside Director, the Company (present position) March 2023 Committee Member, Council on Customs, Tariff, Foreign Exchange and Other Transactions, Ministry of Finance (present position)
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(Significant concurrent positions outside the Company)
Partner attorney, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)

Reasons for nomination as candidate for Outside Director and summary of expected role

Qualified as an attorney-at-law in Japan and the State of New York, the U.S., Ms. Chika Igarashi has been engaged in corporate legal affairs in Japan and overseas for many years. At Nishimura & Asahi (Gaikokuho Kyodo Jigyo), she possesses practical experience under laws and regulations and regulatory environments in diverse countries and regions, mainly in the regulatory response, compliance, risk management, and governance areas in Japan and overseas.

In addition, Ms. Igarashi is also involved in corporate restructuring and M&A transactions, etc. handled by the said firm, with a primary focus on the above-mentioned perspectives of regulatory response, compliance and other matters, and has practical and multi-faceted insights on legal and regulatory risks associated with international business expansion and capital transactions.

Through such experience, Ms. Igarashi has fulfilled the role of verifying and supervising the validity and appropriateness regarding important decision-making and business execution of the Board of Directors from an independent standpoint, while confirming whether management is taking risks appropriately, from the perspectives of legal affairs, compliance, risk management, and governance.

Furthermore, also based on insights on institutional and policy trends relating to international capital and economic/financial transactions, Ms. Igarashi has taken an overarching view of management issues and potential risks in light of the Company's global business environment including the overseas segment, contributing to enhancing the effectiveness of the supervisory function of the Board of Directors.

Combining expertise in the legal, compliance, and governance areas with a deep understanding of the international business environment, Ms. Igarashi is a rare professional who can strengthen the monitoring function of the Board of Directors from the perspective of ensuring management soundness and transparency. She is expected to continue to contribute, as an Outside Director, to the sustainable enhancement of the

Company's corporate value by supervising its management from an independent and objective standpoint.

Given her sharp legal insight, the Company believes Ms. Igarashi will continue to make significant contributions to its sustainable growth and the strengthening of its governance structure., and therefore proposes her re-election as an Outside Director.

Ms. Igarashi has never been involved with a company's management other than being an Outside Director. However, for the reasons mentioned above, the Company believes that she can perform the duties of an Outside Director properly.

Ms. Igarashi is a partner at Nishimura & Asahi (Gaikokuho Kyodo Jigyo). The Company has a business relationship with Nishimura & Asahi (Gaikokuho Kyodo Jigyo) concerning legal services. However, the Company and said law office have not entered into an advisory agreement. Furthermore, she has not been involved in any of the cases for which legal services were commissioned.

The average amount of legal fees paid by the Company over the past three fiscal years to Nishimura & Asahi (Gaikokuho Kyodo Jigyo) including Nishimura & Asahi LPC with which said law office conducts joint legal operations, amounted to less than 1% of the Company's net sales and less than 2% of said law office's total revenue. Therefore, there is no risk of a conflict of interest with general shareholders and Ms. Igarashi's independence is unaffected.

No.12	Risa Tanaka (born on November 14, 1966)	Up for re-election Outside Independent executive Female
Number of shares of the Company held: 0 shares Attendance at the Board of Directors Meetings All 12 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held April 1993 Joined Sendenkaigi Co., Ltd. November 2008 Director, Vice President, and Head of Editorial Office June 2014 Director (Outside), JAPAN POST Co., Ltd. April 2016 President, The Graduate School of Project Design, Advanced Academic Agency (present position) March 2020 External Director, Broadleaf Co., Ltd. April 2021 Executive Director (part-time) and Executive Vice President, Mie University (present position) June 2021 Outside Director, IMURAYA GROUP CO., LTD. (present position) June 2024 Outside Director, the Company (present position) Outside Director, SOHGO SECURITY SERVICES CO., LTD. (currently ALSOK CO., LTD.) (present position) Outside Director, The Akita Bank, Ltd. (present position)	

(Significant concurrent positions outside the Company)

President, The Graduate School of Project Design, Advanced Academic Agency

Outside Director, IMURAYA GROUP CO., LTD.

Outside Director, ALSOK CO., LTD.

Outside Director, The Akita Bank, Ltd.

Reasons for nomination as candidate for Outside Director and summary of expected role

Ms. Risa Tanaka previously served as Director, Vice President, and Head of the Editorial Office of Sendenkaigi Co., Ltd., a publisher of public relations, advertising, and marketing magazines. Her current positions include President of the Graduate School of Project Design at the Advanced Academic Agency, Executive Director and Executive Vice President of Mie University, and a member of various councils at government ministries, including the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Finance. She possesses an extremely broad and advanced network and expertise spanning industry, government, and academia. While incorporating her extensive network and insights into the Company's management, she performs an effective supervisory function from an objective perspective.

In addition to providing valuable advice on our PR strategy, taking into account changes in the automotive parts industry and trends in business models, she has contributed significantly to enhancing our ability to communicate effectively and improve the quality of our dialogue with stakeholders by strengthening our public relations framework through industry-government-academia collaboration, fostering talent development, and offering guidance on boosting our visibility, particularly among younger audiences

The Company believes that Ms. Tanaka will continue to leverage her extensive expertise and broad network spanning industry, government, and academia to deepen relationships with stakeholders and contribute to the enhancement of our corporate value and sustainable growth, and therefore proposes her re-election as an Outside Director.

Ms. Risa Tanaka serves as Outside Director at ALSOK CO., LTD. Although the Company has a business relationship with ALSOK CO., LTD. for the outsourcing of

security and other services, the amount paid by the Company to ALSOK CO., LTD. on average over the past three fiscal years has been less than 1% of the Company's net sales and less than 2% of ALSOK CO., LTD.'s net sales. Therefore, there is no risk of a conflict of interest with general shareholders and Ms. Tanaka's independence is unaffected.

No.13	Yoshimasa Kawata (born on August 25, 1963)	Up for re-election Outside Independent executive
Number of shares of the Company held: 0 shares Attendance at the Board of Directors Meetings All 10 meetings (100.0%)	Career history, position and responsibility, and important positions concurrently held April 1992 Assistant , School of Engineering, The University of Osaka April 1997 Assistant Professor, Faculty of Engineering, Shizuoka University April 2005 Professor, Faculty of Engineering April 2013 Professor, Graduate School of Engineering Professor, Research Institute of Electronics April 2015 Professor, College of Engineering Deputy Dean, Faculty of Engineering April 2017 Dean, Faculty of Engineering Dean, College of Engineering April 2021 Trustee/Vice-President April 2025 Vice-President, Research Institute of Electronics (present position) June 2025 Outside Director, the Company (present position) (Significant concurrent positions outside the Company) Vice-President, Research Institute of Electronics, Shizuoka University Representative Director, The Optical Society of Japan Managing Director, The Laser Society of Japan	

Reasons for nomination as candidate for Outside Director and summary of expected role

Mr. Yoshimasa Kawata served as a Trustee/Vice-President at Shizuoka University, a National University Corporation, and has engaged in engineering education and research as a professor for many years; he therefore possesses sophisticated professional expertise in technological development and cultivation of scientific talent. While incorporating these extensive insights into the Company’s management, he performs an effective supervisory function from an objective perspective.

Drawing on his deep expertise in optical engineering, gained through his work at organizations such as the Optical Society of Japan, he provides expert guidance on the technological development of the Company’s core products, such as automotive lighting equipment. He also offers advice on industry-academia collaboration aimed at generating new research themes, including introducing the Company to national and public universities engaged in research on various cutting-edge technologies. In addition, drawing on his extensive experience in university administration, he provides advice on recruiting top talent.

The Company believes that his expertise in technological development and cultivation of scientific talent will continue to contribute to strengthening the Company’s

competitiveness and facilitating sustainable growth, and therefore proposes his re-election as an Outside Director.

Mr. Kawata has never been involved with a company's management other than being an Outside Director. However, for the reasons mentioned above, the Company believes that he can perform the duties of an Outside Director properly.

He serves as Vice-President at the Research Institute of Electronics of Shizuoka University, a National University Corporation. While the Company makes donations to the university, the average amount donated over the past three fiscal years represents less than 1% of the Company's net sales and less than 2% of the university's total donations. Therefore, there is no risk of a conflict of interest with general shareholders, and Mr. Kawata's independence is unaffected.

Note: Mr. Yoshimasa Kawata was appointed at the 125th Ordinary General Meeting of Shareholders held on June 27, 2025, and therefore the number of Board of Directors meetings he has attended differs from that of other Directors.

Notes:

1. There is no particular business or other relationship between all candidate and the Company.
2. Mr. Uehara, Mr. Sakurai, Ms. Igarashi, Ms. Tanaka and Mr. Kawata are the candidate for Outside Director.
3. The Company has submitted a notice to the Tokyo Stock Exchange that Mr. Uehara, Mr. Sakurai, Ms. Igarashi, Ms. Tanaka and Mr. Kawata have been designated as an independent executive in accordance with the regulations of this exchange. If their re-elections are approved, the Company plans for their appointment as an independent executive to continue.
4. At the conclusion of this meeting, Mr. Uehara's tenure as Outside Director of the Company will have been thirteen years, Mr. Sakurai's tenure as Outside Director of the Company will have been nine years, Ms. Igarashi's tenure as Outside Director of the Company will have been four years, Ms. Tanaka's tenure as Outside Director of the Company will have two years, Mr. Kawata's tenure as Outside Director of the Company will have a year.
5. Liability limitation agreements with Outside Directors
To enable Outside Directors to perform their duties as expected, current Articles of Incorporation provide for agreements that limit the liability of Outside Directors for matters specified by laws and regulations concerning liability in Article 423, paragraph 1 of the Companies Act and in accordance with Article 427, paragraph 1 of this act. These agreements limit the monetary liability to the minimum liability amount specified by laws and regulations. The Outside Director candidate Mr. Uehara, Mr. Sakurai, Ms. Igarashi, Ms. Tanaka and Mr. Kawata have established the agreement with the Company. If They are re-elected, the Company plans to renew the agreement with them.
6. Directors and officers liability insurance policies covering the Director candidates
The Company has taken out a directors and officers liability insurance policy with an insurance company in accordance with Article 430-3, paragraph 1 of the Companies Act, and uses this insurance policy to cover any damages incurred by the insured parties including Directors of the Company should they receive a claim related their assumption or pursuit of responsibilities in connection with the performance of their duties, and bears the expense of all insurance premiums.
If the candidates are elected as Directors, they will be included among the persons insured by this insurance policy. Moreover, the Company plans to renew the policy with the same policy details at the next policy renewal date.

<Reference>

Under the corporate message “Lighting for Your Safety,” we have established the KOITO VISION—“Lighting the Way for Our Sustainable Future”—to ensure that we remain committed to safety, security, and contributing to society. We have also set management goals for fiscal 2030 to guide our efforts toward achieving this vision.

In pursuit of these goals, the Company’s Board of Directors is working to enhance its effectiveness by implementing improvement initiatives such as strengthening its function as the highest decision-making body for management and streamlining the process of management decision-making.

The reasons for selecting skills required of Directors are as follows:

Corporate Management	To capitalize on the experience of Directors and other executives in corporate management and make prompt management decisions in a rapidly changing environment
Sales, Purchasing	To improve the KOITO Group’s profitability by implementing sales strategies that anticipate market needs and optimizing procurement costs
Engineering, R&D	By promptly and accurately identifying trends among clients and in domestic and international technology, to pursue strategic technology and product development that anticipates customer needs, and to expand market share and develop new markets
Production, Quality Management, Safe & Environment	To optimize production systems and promote innovation in manufacturing; to strengthen quality assurance structures that meet regulatory requirements, adapt to environmental changes, and satisfy customer quality demands; and to establish a health and safety management system
Overseas Segment	To formulate international strategies that address the globalization and borderless nature of the global market, and to plan, promote, and control our overseas segment
Finance, Accounting, Capital Policy	To ensure accurate financial reporting, maintain financial soundness, and make effective use of the Company’s capital, including optimizing the balance sheet by leveraging financial expertise
Legal, Risk Management	Based on legal affairs and risk management expertise, to enhance governance and compliance so that the KOITO Group can build, maintain, and strengthen relationships of trust with all stakeholders

Skill Matrix of Board of Directors

	Name	Corporate Management	Sales, Purchasing	Engineering, R&D	Production, Quality Management, Safe & Environment	Overseas segment	Finance, Accounting, Capital Policy	Legal, Risk Management
1	Masahiro Otake	○	○			○	○	○
2	Michiaki Kato	○	○			○		○
3	Masami Uchiyama	○	○		○	○		○
4	Hideharu Konagaya	○	○			○	○	○
5	Jun Toyota	○	○			○		○
6	Katsuyuki Kusakawa	○		○	○	○		○
7	Eisuke Shibata	○	○			○		○
8	Takahito Otake	○				○	○	○
9	Haruya Uehara	○				○	○	○
10	Kingo Sakurai						○	○
11	Chika Igarashi					○		○
12	Risa Tanaka	○	○					○
13	Yoshimasa Kawata			○				○

Note : Above chart does not represent every skill of each directors.

Proposal 3: Election of Independent Auditor

At the conclusion of this Ordinary General Meeting of Shareholders, the Company’s Independent Auditor, ARK LLC, will complete its term of office and step down.

Accordingly, the Company proposes and requests approval for the appointment of Deloitte Touche Tohmatsu LLC as its new Independent Auditor.

This proposal is submitted for consideration in accordance with a decision by the Audit and Supervisory Board.

The Audit and Supervisory Board selected Deloitte Touche Tohmatsu LLC as a candidate for Independent Auditor because the current Independent Auditor has been in place for a long period of time, and an audit from a new perspective could be beneficial. Furthermore, after a comprehensive review taking into account Deloitte Touche Tohmatsu LLC’s robust global audit infrastructure, which ensures that audits are conducted appropriately with expertise, independence, and quality control systems, as well as the reasonable level of audit fees, the Audit and Supervisory Board determined that the firm is well-suited to serve as the Company’s Independent Auditor.

The candidate for Independent Auditor is as follows.

(As of the end of March 2026)

Name	Deloitte Touche Tohmatsu LLC		
Principal office	Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo		
History	May 1968	Tohmatsu Awoki & Co. established	
	May 1975	Joined Touche Ross International (TRI) (currently Deloitte Touche Tohmatsu Limited (DTTL)) alliance	
	February 1990	Changed company name to Tohmatsu & Co.	
	July 2009	Converted to a limited liability company and changed company name to Deloitte Touche Tohmatsu LLC	
Outline (As of the end of February 2026)	Capital	¥1,241 million	
	Number of	Partners (certified public accountants)	453
		Specified partners	25
		Certified public accountants	2,402
		Successful candidates of CPA examination (including assistants to certified public accountants)	1,130
		Other experts	2,149
		Administrative staff	82
		Total	6,241
Audit clients (As of the end of May 2025)	3,125		

BUSINESS REPORT (from April 1, 2025 to March 31, 2026)

1. Matters related to the KOITO Group

1) Performance and results of business activities

During the fiscal year under review, the Japanese economy showed signs of a moderate recovery overall; however, personal consumption remained sluggish due to the impact of rising prices.

Overseas, the business environment became increasingly uncertain due to factors such as U.S. tariff policies, sluggish domestic demand in China, prolonged high interest rates in Asian countries, and rising geopolitical risks, including the situation in the Middle East.

Global automobile production increased compared with the previous fiscal year, supported by increased production by local OEMs in China under government subsidy programs. In contrast, automobile production declined in Japan and the Americas—our principal markets—due to sluggish sales at certain automobile manufacturers and disruptions in the supply of electronic components. Under these circumstances, consolidated net sales increased by 3.4% year on year to ¥947.6 billion, due to factors including new orders in each region, increased demand for hybrid vehicles in the Americas, and increased sales of ordered vehicle models in connection with customers' sales promotion campaigns.

Operating profit increased by 14.6% year on year to ¥51.4 billion, despite the impact of U.S. tariffs and increased fixed cost burdens in the LiDAR business, mainly due to increased sales volumes in Japan and the Americas, as well as the promotion of rationalization measures, including productivity improvements in each region. Ordinary profit increased by 19.6% year on year to ¥58.7 billion.

On the other hand, profit attributable to owners of parent decreased by 64.2% year on year to ¥16.5 billion, mainly due to the recording of extraordinary losses (impairment losses) related to LiDAR business and China operations.

In the regional segments, net sales increased year on year in all regions except China and Europe, partly due to the impact of foreign exchange translation. Operating profit benefited from rationalization measures, resulting in operating profitability in all regions and year-on-year increases in profit.

Results by each segment are outlined as follows:

Japan	<p>Automobile production decreased slightly due to sluggish sales at certain automobile manufacturers and a decrease in production for export. However, net sales increased by 4.6% year on year to ¥367.8 billion, due to new orders and increased sales of ordered vehicle models.</p> <p>Operating profit increased by 9.6% year on year to ¥24.8 billion, supported by increased sales volumes as well as improvement and rationalization measures.</p>	<p>Composition of sales 38.8%</p>
Americas	<p>Automobile production decreased due to disruptions in the supply of electronic components and sluggish sales at certain automobile manufacturers. Nevertheless, net sales increased by 4.3% year on year to ¥328.6 billion, due to increased demand for hybrid vehicles and increased volumes of ordered vehicle models in connection with customers' sales promotion campaigns.</p> <p>Operating profit amounted to ¥3.5 billion, representing a year-on-year decrease of 33.1%, as the impact of tariffs and other factors outweighed improvement effects from the promotion of automation and other initiatives.</p>	<p>Composition of sales 34.7%</p>
China	<p>Automobile production increased as production by local OEMs remained firm. However, net sales decreased by 8.5% year on year to ¥53.3 billion, as a result of continued sluggish sales of Japanese vehicles which account for a high proportion of our sales.</p> <p>Operating profit amounted to ¥0.5 billion, despite a decrease in sales volumes, due to a reduction in fixed cost burdens associated with a review of the regional production structure (operating loss of ¥1.1 billion in the previous fiscal year).</p>	<p>Composition of sales 5.6%</p>
Asia	<p>Automobile production in Southeast Asia remained sluggish due to prolonged high interest rates, while demand increased in India amid economic growth, resulting in an overall increase in Asia. Net sales increased by 4.6% year on year to ¥162.6 billion, reflecting new orders mainly in India and increased sales of ordered vehicle models.</p> <p>Operating profit increased by 12.1% year on year to ¥18.9 billion, supported by increased sales volumes.</p>	<p>Composition of sales 17.2%</p>
Europe	<p>Automobile production decreased slightly due to sluggish economic conditions in the region. Net sales decreased by 2.9% year on year to ¥35.1 billion, partly due to the transfer of the U.K. subsidiary in November 2025.</p> <p>Operating profit amounted to ¥0.8 billion, due to a reduction in fixed cost burdens associated with the transfer of the U.K. subsidiary (operating loss of ¥0.7 billion in the previous fiscal year).</p>	<p>Composition of sales 3.7%</p>

2) Capital expenditures

Capital expenditures totaled ¥61.5 billion. Outlays were centered on the automotive lighting equipment segment, primarily for equipment, molds, factory expansion, and structures for adapting to new products and model changes, factory expansion and investments for carbon neutrality in Japan and overseas.

3) Financing

The Company used internal funds and loans for the funds required for substantial investments in overseas business and other activities.

4) Key issues

The KOITO Group's key issues are to respond flexibly to rapid changes in the management environment, such as the advance of electrification and autonomous driving for next-generation mobility, to increase our corporate value, and to contribute to the realization of a sustainable society. To meet these challenges, we have formulated the KOITO VISION, "Lighting the Way for Our Sustainable Future," under which we are working towards "Enforcement of Corporate Foundation," "Sustainable Growth," and "Coexistence with the Earth and Society."

For "Enforcement of Corporate Foundation," we aim to nurture the human resources that will drive the Group's development and strengthen and transform manufacturing and personnel development. Furthermore, we have been working to enhance our corporate governance to earn the trust of all stakeholders by ensuring product quality, complying with laws and regulations, and strengthening internal controls and information security.

For "Sustainable Growth," we will work to expand the adoption and accelerate the market launch of products such as ADB (Adaptive Driving Beam) headlights, which contribute to reducing traffic accidents, and communication lamps compatible with next-generation traffic infrastructure systems. At the same time, we will intensify our search for new products and create unprecedented value, so as to deliver safety and peace of mind to people around the world, thereby earning customer satisfaction and trust.

For "Coexistence with the Earth and Society," we are stepping up activities aimed at reducing our CO2 emissions 50% (compared to fiscal 2015) by fiscal 2030 and achieving carbon neutrality by fiscal 2050. At the same time, we are promoting "Eco-friendly Manufacturing for People and the Earth," mainly by reducing the use of substances that are harmful to the environment. Moreover, in addition to promoting initiatives that respect human rights, we will aim to become a company where each and every employee can work to their full potential.

In March 2024, as the first step toward achieving KOITO VISION, we formulated the 1st Medium-Term Management Plan for the three-year period from FY2024 to FY2026, and have been working to achieve our management targets through investments in automation of production lines and other investments for future growth and rationalization.

However, since the announcement of our plan, our business environment has undergone significant changes due to various factors, including certification issues among automakers in Japan, the impact of U.S. tariff policies, and sluggish sales resulting from rising interest rates in Asia and other regions. As a result, global automobile production volumes have remained significantly below our initial projections. Accordingly, we have revised our management targets for the final year (FY2026) of our 1st Medium-Term Management Plan.

Although we find ourselves in challenging circumstances, the entire Company will work together as one to achieve our goals.





The 1st Medium-Term Management Plan

	FY2024 Actual results	FY2025 Actual results	Revised plan (announced in October 2025)	FY2026 Forecast of consolidated results (announced in May 2026)
Net sales	¥916.7 billion	¥947.6 billion	¥930.0 billion	¥933.0 billion
Operating profit	¥44.8 billion	¥51.4 billion	¥56.0 billion	¥60.0 billion
Operating profit margin	4.9%	5.4%	6.0%	6.4%

Under the corporate message of “Lighting for Your Safety,” the KOITO Group will contribute as a global supplier to the safety and peace of mind of the transport society. We ask our shareholders for their continued understanding and support.

(Reference) The KOITO Group's materiality

We have identified priority issues (materiality) that we will focus on through our business activities and formulated a declaration of initiatives from the perspectives of "environment," "safety / peace of mind," and "corporate foundation," aiming to become a company that coexists with the Earth and contributes to a sustainable society by resolving social issues, including the SDGs.

	Materiality	Relevant SDGs	Declaration of KOITO's initiatives
Environment	<ul style="list-style-type: none"> Prevention of global warming Reduction of environmental impact substances and waste Conservation of water resources 		<ul style="list-style-type: none"> We will promote reduction of CO2 emissions and environmental impact substances, and resource recycling guided by the theme of "Eco-friendly Manufacturing for People and the Earth." We will contribute to the reduction of CO2 emissions by further improving the light emission efficiency and reducing the weight of mainstay products.
	<ul style="list-style-type: none"> Reduction of traffic accidents Technological development contributes to materialize a sustainable society Enhancement of product quality 		<ul style="list-style-type: none"> We will strive to achieve sustainable growth and resolve social issues by developing and providing socially beneficial and safe products and services. Looking ahead to autonomous driving society, we will promote product development of sensors (LiDARs and cameras). We will gain customers' satisfaction and trust through developing and providing safe and high-quality products and services.
Corporate foundation	<ul style="list-style-type: none"> Compliance Corporate governance 		<ul style="list-style-type: none"> We will enhance corporate governance and strengthen compliance to establish sound management system.
	<ul style="list-style-type: none"> Information security 		<ul style="list-style-type: none"> We will strive to protect information assets by preparing for risks on information security.
	<ul style="list-style-type: none"> Human resource development Healthy and safe working environment Workstyle reform 		<ul style="list-style-type: none"> We will strive to provide a healthy and safe workplace environment in which all employees can make the best use of their capabilities and fulfill their potential.
	<ul style="list-style-type: none"> Protection of human rights 		<ul style="list-style-type: none"> We will promote initiatives to respect the human rights of all persons.
	<ul style="list-style-type: none"> Disaster prevention 		<ul style="list-style-type: none"> We will strengthen our disaster prevention system throughout the supply chain.

5) Changes in assets and profit (loss)

	million yen (except per share amounts)			
	123rd Term	124th Term	125th Term	126th Term
	April 1, 2022 – March 31, 2023	April 1, 2023 – March 31, 2024	April 1, 2024 – March 31, 2025	April 1, 2025 – March 31, 2026
Net sales	864,719	950,295	916,709	947,610
Profit attributable to owners of parent	29,660	40,879	46,240	16,539
Net income per share (yen)	92.26	130.93	156.49	60.23
Total assets	905,909	965,595	889,952	906,201
Net assets	670,506	719,270	679,865	676,086

Notes:

1. Net income per share is based on the average number of shares issued in each fiscal year after deducting treasury stock.
2. The Company conducted a 2-for-1 share split of common shares, effective as of October 1, 2022.

6) Significant subsidiaries

i. Significant subsidiaries

1) Domestic subsidiaries

Company name	Capital or investments (million yen)	Equity ownership percentage	Description of principal businesses
KOITO KYUSHU LIMITED	3,000	100.0%	Manufacturing and marketing of automotive lighting equipment
Koito Transport Co., Ltd.	40	100.0%	Transportation services and logistics
Aoitec Co., Ltd.	100	98.0%	Manufacturing and marketing of electronic components, electrical devices, telecommunications equipment and precision machinery
Shizuokadenso Co., Ltd.	76	100.0% (35.1%)	Manufacturing and marketing of automotive lighting equipment
Nissei Industries Co., Ltd.	51	61.8% (12.4%)	Manufacturing and marketing of miniature bulbs and electrical equipment
Fujieda Auto Lighting Co., Ltd.	100	100.0% (50.0%)	Manufacturing and marketing of automotive lighting equipment
Shizuoka Wire Harness Co., Ltd.	100	100.0% (50.0%)	Manufacturing and marketing of automotive lighting equipment
Haibara Machine and Tools Co., Ltd.	50	100.0% (55.0%)	Manufacturing and marketing of resin metal molds
Shizuoka Kanagata Co., Ltd.	20	40.0%	Manufacturing and marketing of resin metal molds
Koito Insurance Services Co., Ltd.	10	100.0%	Insurance agent
KOITO ELECTRIC INDUSTRIES, LTD.	90	100.0%	Manufacturing and marketing of railroad car control equipment, road traffic signals and traffic control systems, and seats for railroad cars, etc.
Minatsu, Ltd.	40	100.0%	Maintenance and upkeep of traffic signals and safety equipment
Okayama Industry Co., Ltd.	50	51.0%	Manufacturing and marketing of railroad car seats, etc.

Note:

Percentages in parentheses represent the equity ownership percentage for subsidiaries and are included in the total.

2) Overseas subsidiaries

Company name	Capital or investments	Equity ownership percentage	Description of principal businesses
North America			
North American Lighting, Inc.	130,000 thousands of U.S. dollars	100.0%	Manufacturing and marketing of automotive lighting equipment
North American Lighting Mexico, S.A. de C.V.	750 millions of Mexican peso	90.0% (30.0%)	Manufacturing and marketing of automotive lighting equipment
Cepton Technologies, Inc	200,411 thousands of U.S. dollars	97.0% (97.0%)	Development of LiDAR-related technologies
South America			
NAL do Brasil Indústria e Comércio de Componentes de Iluminação Ltda.	533,000 thousands of Brazilian Real	95.0% (11.4%)	Manufacturing and marketing of automotive lighting equipment
Europe			
Koito Czech s.r.o.	1,000 millions of Czech koruna	100.0%	Manufacturing and marketing of automotive lighting equipment
China			
GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	4,000 million yen	100.0%	Manufacturing and marketing of automotive lighting equipment
Hubei Koito Automotive Lamp Co., Ltd.	5,000 million yen	100.0%	Manufacturing and marketing of automotive lighting equipment
FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	78,684 thousands of U.S. dollars	100.0% (88.6%)	Manufacturing and marketing of automotive lighting equipment
Asia			
THAI KOITO COMPANY LIMITED	365,200 thousands of Thai baht	61.8%	Manufacturing and marketing of automotive lighting equipment
PT. INDONESIA KOITO	60,000 thousands of U.S. dollars	90.0%	Manufacturing and marketing of automotive lighting equipment
Ta Yih Industrial Co., Ltd.	762,300 thousands of New Taiwan dollar	32.5%	Manufacturing and marketing of automotive lighting equipment
INDIA JAPAN LIGHTING PRIVATE LIMITED	4,099 millions of Indian rupee	100.0%	Manufacturing and marketing of automotive lighting equipment
KOITO MALAYSIA SDN. BHD.	200 millions of Malaysian ringgit	90.0%	Manufacturing and marketing of automotive lighting equipment

Note:

1. Percentages in parentheses represent the equity ownership percentage for subsidiaries and are included in the total.
2. Koito Europe Limited, which was a consolidated subsidiary as of the end of the previous fiscal year, has been excluded from the scope of consolidated subsidiaries following the transfer of all shareholdings to Shapers' Group Limited in November 2025.
3. FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD., one of the Company's consolidated subsidiaries, passed a resolution for dissolution in May 2025 and is scheduled to have its liquidation completed in the first quarter of the fiscal year ending March 31, 2027.

ii. Technology alliances

The Company has technology alliances primarily with the following companies.

1) Agreements to provide technological support

Company name	Country
Farba Otomotiv A.S.	Turkey
Lumotech (Pty.) Ltd.	South Africa
AuVitronics Limited	Pakistan
SHAPERS' TECHNICAL SOLUTIONS UK LTD.	United Kingdom

2) Agreements to receive technological support

Company name	Country
PTI Technologies Inc.	USA

7) Description of principal businesses (as of March 31,2026)

Segments	Main products
Automotive lighting equipment segment	LED headlamps, headlights and auxiliary lamps, signaling lamps, high-mount stop lamps, halogen lamps, other miniature bulbs, other lighting equipment
Electrical equipment segment excluding automotive lighting equipment segment	Railroad car electric components, road traffic signals, highway information systems
Sensor business	Sensor systems (LiDAR)
Other products and services	Aircraft components, electronics components, seats for railroad cars, climate control equipment, transportation services and logistics, insurance service

8) Main offices and plants (as of March 31, 2026)

i. The Company

Office name	Location	Office name	Location
Head office	Shinagawa-ku, Tokyo	Tokyo Sales Office	Shinagawa -ku, Tokyo
Sendai Branch	Miyagino-ku, Sendai City	Atsugi Sales Office	Atsugi City, Kanagawa Pref.
Kitakanto Branch	Utsunomiya City, Tochigi Pref.	Shizuoka Sales Office	Shimizu-ku, Shizuoka City
Tokyo Branch	Shinagawa -ku, Tokyo	Nagoya Sales Office	Toyota City, Aichi Pref.
Toyota Branch	Toyota City, Aichi Pref.	Osaka Sales Office	Yodogawa-ku, Osaka City
Osaka Branch	Yodogawa-ku, Osaka City	Fukuoka Sales Office	Hakata-ku, Fukuoka City
Hiroshima Branch	Aki-gun, Hiroshima Pref.	Shizuoka Plant	Shimizu-ku, Shizuoka City
Sapporo Sales Office	Higashi-ku, Sapporo City	Haibara Plant	Makinohara City, Shizuoka Pref.
Sendai Sales Office	Miyagino-ku, Sendai City	Sagara Plant	Makinohara City, Shizuoka Pref.
Kitakanto Sales Office	Utsunomiya City, Tochigi Pref.	Fujikawa Tooling Plant	Fuji City, Shizuoka Pref.
Ota Sales Office	Ota City, Gunma Pref.	Koito Parts Center	Shimizu-ku, Shizuoka City

ii. Subsidiaries

1) Domestic subsidiaries

Company name	Location	Company name	Location
KOITO KYUSHU LIMITED	Saga City, Saga Pref.	Haibara Machine and Tools Co., Ltd.	Makinohara City, Shizuoka Pref.
Koito Transport Co., Ltd.	Shimizu-ku, Shizuoka City	Shizuoka Kanagata Co., Ltd.	Fujieda City, Shizuoka Pref.
Aoitec Co., Ltd.	Chuo-ku, Hamamatsu City	Koito Insurance Services Co., Ltd.	Shinagawa -ku, Tokyo
Shizuokadenso Co., Ltd.	Shimizu-ku, Shizuoka City	KOITO ELECTRIC INDUSTRIES, LTD.	Sunto-gun, Shizuoka Pref.
Nissei Industries Co., Ltd.	Shimizu-ku, Shizuoka City	Minatsu, Ltd.	Totsuka-ku, Yokohama City
Fujieda Auto Lighting Co., Ltd.	Fujieda City, Shizuoka Pref.	Okayama Industry Co., Ltd.	Ora-gun, Gunma Pref.
Shizuoka Wire Harness Co., Ltd.	Shimizu-ku, Shizuoka City		

Note: The location of Koito Insurance Services Co., Ltd. changed from Shinagawa-ku, Tokyo to Shimizu-ku, Shizuoka City, effective from April 1, 2026.

2) Overseas subsidiaries

Company name		Location
North American Lighting, Inc.	Head Office (Paris) / Paris Plant	Illinois
	Flora Plant	Illinois
	Salem Plant	USA Illinois
	Alabama Plant	Alabama
	Indiana Tooling Plant	Indiana
	Technical Center	Michigan
North American Lighting Mexico, S.A. de C.V.	Mexico	San Luis Potosí
Cepton Technologies, Inc	USA	California
NAL do Brasil Indústria e Comércio de Componentes de Iluminação Ltda.	Brazil	San Paulo
Koito Czech s.r.o.	Czech Republic	Zatec City
GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	China	Guangzhou City
Hubei Koito Automotive Lamp Co., Ltd.	China	Xiaogan City
FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	China	Fuzhou City
THAI KOITO COMPANY LIMITED	Bangplee Plant Prachinburi Plant	Thailand Samut Prakarn Prachinburi
PT. INDONESIA KOITO	Indonesia	West Java
Ta Yih Industrial Co., Ltd.	Taiwan	Tainan City
INDIA JAPAN LIGHTING PRIVATE LIMITED	Chennai Plant Bawal Plant Gujarat Plant	India Tamil Nadu Haryana Gujarat
KOITO MALAYSIA SDN. BHD.	Malaysia	Negeri Sembilan

9) Employees (as of March 31, 2026)

Segment	Number of employees	Change from previous fiscal year
Japan	7,356	+41
Americas	6,762	-1,151
China	1,440	-482
Asia	4,849	+16
Europe	1,010	-253
Corporate	90	+4
Total	21,507	-1,825

Note: The number of employees listed under “Corporate” belong to the administration departments of the head office.

10) Principal lenders (as of March 31, 2026)

Lender	Outstanding amount of loan (million yen)
The Shizuoka Bank, Ltd.	780

2. Shares (as of March 31, 2026)

1) Total number of shares authorized to be issued	640,000,000 shares
2) Total number of shares issued	307,833,172 shares
3) Number of shareholders	17,795
4) Principal shareholders	

Shareholders	Number of shares held (thousand shares)	Ratio of shares held (%)
TOYOTA MOTOR CORPORATION	55,169	21.0
The Master Trust Bank of Japan, Ltd. (Trust account)	28,194	10.7
STATE STREET BANK AND TRUST COMPANY 505001	13,362	5.1
GOLDMAN SACHS INTERNATIONAL	11,525	4.4
Nippon Life Insurance Company	9,688	3.7
Custody Bank of Japan, Ltd. (Trust account)	8,913	3.4
The Dai-ichi Life Insurance Company, Limited	8,001	3.0
Sumitomo Mitsui Banking Corporation	5,442	2.1
SUMITOMO LIFE INSURANCE COMPANY	4,794	1.8
NICHIA CORPORATION	4,000	1.5

Note:

1. The Company holds 44,609,262 treasury stock, but these are excluded from the above list of principal shareholders.
2. Ratio of shares held is calculated by deducting treasury stock.

<Reference> Distribution by owners

Foreign corporation, etc.	28.1%
Financial institution	27.3%
Other domestic corporation	23.4%
Individual, etc.	21.2%

5) The status of shares delivered during the fiscal year under review to executives of the Company as compensation for the execution of their duties

	Number of shares	Number of eligible executives
Directors (excluding Outside Directors)	87,300 shares	9

Note:

1. Details regarding the Company's stock compensation are provided in the Business Report under "3. 2) Remuneration, etc. to Directors and Audit and Supervisory Board Members."
2. The above also includes shares delivered to directors who have resigned.

6) Other significant matters concerning shares

Acquisition of treasury stock

Based on the resolution of the Board of Directors held on May 29, 2025, the Company carried out the acquisition of treasury stock as described below.

Class of shares acquired	Common shares
Total number of shares acquired	20,685,400 shares
Acquisition price	¥47,752,263,900
Acquisition period	From June 2, 2025 to March 31, 2026
Method of acquisition	Market purchase on the Tokyo Stock Exchange

3. Subscription rights to shares, etc. of the Company

Subscription rights to shares issued to/held by executives of the Company as compensation for the execution of their duties as of the fiscal year end

Name	First Issue of Subscription Rights to Shares (Stock compensation-type stock options)
Date of issuance resolution	June 26, 2015
Status of subscription rights to shares held by executives	Number of holders: 6 Directors (except Outside Directors)
Number of subscription rights to shares	170
Type and number of shares subject to subscription rights to shares	Common shares 34,000 shares
Amount to be paid upon exercise of subscription rights to shares	One (1) yen per share
Exercise period of subscription rights to shares	July 30, 2015 - July 29, 2045
Primary condition for exercise of subscription rights to shares	Once an individual is no longer the Company's Director or Corporate Officer, any subscription rights to shares held can be exercised only during the 10-day period starting on the next day following the day the Company's position ended.

4. Company's executives

1) Directors and Audit and Supervisory Board Members (as of March 31, 2026)

Position	Name	In charge of/Important positions concurrently held
Chairman	Masahiro Otake	
President	Michiaki Kato	
Executive Vice President	Masami Uchiyama	Production Headquarters Shizuoka Plant Aircraft Equipment Division General Affairs Department, Shizuoka
Executive Vice President	Hideharu Konagaya	Procurement Headquarters General Affairs Department Internal Audit Department
Executive Vice President	Jun Toyota	Sales Headquarters
Senior Managing Director	Katsuyuki Kusakawa	Quality Assurance Department Compliance Department Personnel Department Cost Administration Department
Senior Managing Director	Eisuke Shibata	International Operations Headquarters, Sales Headquarters
Senior Managing Director	Takahito Otake	Finance & Accounting Headquarters, Public Relations Department
Director (Outside) (Independent executive)	Haruya Uehara	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation
Director (Outside) (Independent executive)	Kingo Sakurai	Certified public accountant
Director (Outside) (Independent executive)	Chika Igarashi	Attorney, Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Director (Outside) (Independent executive)	Risa Tanaka	President, The Graduate School of Project Design, Advanced Academic Agency Outside Director, IMURAYA GROUP CO., LTD. Outside Director, ALSOK CO., LTD. Outside Director, The Akita Bank, Ltd.
Director (Outside) (Independent executive)	Yoshimasa Kawata	Vice-President, Research Institute of Electronics, Shizuoka University Representative Director, The Optical Society of Japan Managing Director, The Laser Society of Japan

Position	Name	In charge of/Important positions concurrently held
Standing Audit and Supervisory Board Member	Mitsuo Kikuchi	
Standing Audit and Supervisory Board Member	Koichi Sakakibara	
Audit and Supervisory Board Member (Outside) (Independent executive)	Hiroshi Kimeda	Attorney, Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Audit and Supervisory Board Member (Outside) (Independent executive)	Hidemi Yamaguchi	Certified tax accountant Audit and Supervisory Board Member, Koito Insurance Services Co., Ltd. Outside Director (Audit & Supervisory Committee Member), TOYO DRILUBE CO., LTD.

Notes:

1. Director Haruya Uehara, Kingo Sakurai, Chika Igarashi, Risa Tanaka and Yoshimasa Kawata are Outside Directors.
2. Audit and Supervisory Board Members Hiroshi Kimeda and Hidemi Yamaguchi are Outside Audit and Supervisory Board Members.
3. Audit and Supervisory Board Member Hidemi Yamaguchi is a certified tax accountant who has considerable expertise in the fields of finance and accounting.
4. The Company has submitted a notice to the Tokyo Stock Exchange that Director Haruya Uehara, Kingo Sakurai, Chika Igarashi, Risa Tanaka, Yoshimasa Kawata, Audit and Supervisory Board Member Hiroshi Kimeda and Hidemi Yamaguchi have been designated as independent executive in accordance with the regulations of this exchange.
5. Mr. Takayuki Katsuta resigned from Senior Managing Director on February 28, 2026. At the time of his resignation, he was serving as Deputy Head of Engineering Headquarters.
6. On the basis of the stipulations of Article 427, paragraph 1 of the Companies Act, the Company and its Outside Directors and its Outside Audit and Supervisory Board Members have concluded an agreement limiting restitution liability for Article 423, paragraph 1 of the same act. These agreements limit the monetary liability to the minimum liability amount specified by laws and regulations.
7. The Company has taken out a directors and officers liability insurance policy with an insurance company in accordance with Article 430-3, paragraph 1 of the Companies Act.
The scope of insured persons under this policy covers Directors, Audit and Supervisory Board Members, and Corporate Officers of the Company, and the Company bears the expense of all insurance premiums.
This insurance policy covers damages incurred by the insured parties should they receive a claim or pursuit of responsibilities in connection with the performance of their duties.
However, in order to ensure that the appropriateness of an insured party's execution of his or her duties is not impaired, the policy does not cover claims for damages arising from willful misconduct or gross negligence.

2) Remuneration, etc. to Directors and Audit and Supervisory Board Members

i. Matters related to the policy for decisions pertaining to the content of individual remuneration, etc. for Directors

The policy for determining remuneration, etc. for Directors has been decided by the Board of Directors, as follows.

It was approved at the 125th Ordinary General Meeting of Shareholders held on June 27, 2025 that the amount of remuneration, etc. for the Company's Directors shall be no more than ¥1.5 billion a year. In addition, apart from the amount of remuneration, etc. for Directors mentioned above, the same General Meeting of Shareholders approved the total amount of monetary remuneration claims to be paid as remuneration, etc. related to the Restricted Shares, at no more than ¥500 million a year (of which, the annual amount of remuneration for Outside Directors is to be no more than ¥100 million).

The Directors' remuneration system consists of fixed remuneration paid monthly, performance-linked remuneration and stock compensation. Based on the Company's internal standards on Director's remuneration, the Company comprehensively determines the amount of remuneration by taking several factors into account: corporate performance, the amount of dividends to shareholders, remuneration amount of other companies, the amount of employees' salaries, as well as the Director's management capabilities, achievements, and their contributions.

The fixed remuneration amount is calculated by setting a basic amount based on the size of the role of each Director and their position, and then setting the upper and lower limit amount for each position, the status difference by position, and the difference by the number of years in the position.

Performance-linked remuneration is evaluated and decided based on the belief that it is important to comprehensively consider the goals and achievements of each fiscal year's performance (net sales, profits, etc.) and each Director's contribution.

Stock compensation is determined based on the amounts of fixed remuneration and performance-linked remuneration, using TSR (Total Shareholder Return: a comparison of the Company's actual results with a pre-established comparison group regarding total shareholder return) and ESG (the degree of achievement of the Company's environmental, social and governance goals) for each fiscal year as metrics.

The Board of Directors consults the Remuneration Committee regarding the policy for determining remuneration, etc. and the policy, etc. for determining the remuneration for individual Directors.

The remuneration for individual Directors is determined by the Board of Directors based on the deliberations and decisions of the Remuneration Committee.

For Outside Directors, only fixed remuneration is paid, and no performance-linked remuneration or stock compensation is paid.

In determining the content of individual remuneration, etc. for Directors, the Company's Board of Directors discusses the matter through consultation based on the determination policy for remuneration, etc. of Directors, and the Company judges that the contents are in line with the determination policy.

ii. The remuneration of Audit and Supervisory Board Members

The remuneration of each Audit and Supervisory Board Members has been determined by consultations among Audit and Supervisory Board Members. For Audit and Supervisory Board Members, only fixed remuneration is paid, and no performance-linked remuneration is paid.

iii. Matters related to the General Meeting of Shareholders' resolution regarding remuneration, etc. of Directors and Audit and Supervisory Board Members

The amount of monetary remuneration for Directors was resolved by the 125th Ordinary General Meeting of Shareholders, held on June 27, 2025, to be no more than ¥1.5 billion a year (of which, the annual amount of remuneration for Outside Directors is to be no more than ¥100 million). At the conclusion of that Ordinary General Meeting of Shareholders, there were fourteen (14) Directors (including five (5) Outside Directors).

In addition, apart from the monetary remuneration, the amount of monetary remuneration claims to be paid as remuneration, etc. related to the Restricted Shares was resolved at the same General Meeting of Shareholders, to be no more than ¥500 million a year (excluding Outside Directors). At the conclusion of that Ordinary General Meeting of Shareholders, there were nine (9) Directors (excluding Outside Directors).

The amount of monetary remuneration for Audit and Supervisory Board Members was resolved by the 112th Ordinary General Meeting of Shareholders, held on June 28, 2012, to be no more than ¥120 million a year. At the conclusion of that Ordinary General Meeting of Shareholders, there were four (4) Audit and Supervisory Board Members.

iv. Matters related to delegation of the authority pertaining to deciding the content of individual remuneration, etc. for Directors

The content of individual remuneration, etc. for Directors is decided by the Board of Directors and is not delegated to Directors or other third parties.

v. Total remuneration, etc. to Directors and Audit and Supervisory Board Members

	Number of eligible officers	Total amount of remuneration, etc. by type (million yen)			Total amount of remuneration, etc. (million yen)
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
For Directors	14	624	243	111	978
For Audit and Supervisory Board Members	4	107	—	—	107
Total	18	731	243	111	1,085

Notes:

1. The above table includes one resigned Director on February 28, 2026
2. Aggregate remuneration for the Outside Directors and Outside Audit and Supervisory Board Members, a total of seven individuals, was ¥90 million. (Fixed remuneration only.)
3. Besides the above, one Outside Audit and Supervisory Board Member have received executives' remuneration of ¥0 million from Koito Insurance Services Co., Ltd., a subsidiary of the Company.
4. For Performance-linked remuneration, recurring profit is used as an indicator since it reflects the overall results of the Company's management activities, and the remuneration is calculated giving consideration to the year-on-year change in this indicator. The amounts listed for recurring profit for the fiscal year under review and for the previous fiscal year are the amounts presented in the non-consolidated statements of income.
5. The non-monetary remuneration consists of the Company's shares, with terms and conditions for allocation as outlined in "3. 2) i Matters related to the policy for decisions pertaining to the content of individual remuneration, etc. for Directors," and the amount recognized as an expense for the fiscal year under review. Also, the delivery status for the fiscal year under review is described in "2. 5) The status of shares delivered during the fiscal year under review to executives of the Company as compensation for the execution of their duties."

3) Outside executives

- i. Significant positions at other companies, etc. and the Company's relationship with these companies, etc.

Director Haruya Uehara is a Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation.

Director Chika Igarashi is a Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo). The

Company has a business relationship with Nishimura & Asahi (Gaikokuho Kyodo Jigyo) concerning legal services.

Director Risa Tanaka is a President, The Graduate School of Project Design, Advanced Academic Agency, Outside Director, IMURAYA GROUP CO., LTD., Outside Director, ALSOK CO., LTD. and Outside Director and The Akita Bank, Ltd. The Company has a business relationship with ALSOK CO., LTD. for the outsourcing of security and other services.

Director Yoshimasa Kawata is Vice-President, Research Institute of Electronics, Shizuoka University, Representative Director, The Optical Society of Japan, Managing Director, The Laser Society of Japan.

The Company donates ¥0 million annually to Shizuoka University, a National University Corporation.

Audit and Supervisory Board Member Hiroshi Kimeda is a Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo). The Company has a business relationship with Nishimura & Asahi (Gaikokuho Kyodo Jigyo) concerning legal services.

Audit and Supervisory Board Member Hidemi Yamaguchi is an Audit and Supervisory Board Member of Koito Insurance Services Co., Ltd., which is a subsidiary of the Company and Outside Director (Audit & Supervisory Committee Member), TOYO DRILUBE CO., LTD. The Company has a business relationship related to insurance agency services with Koito Insurance Services Co., Ltd.

ii. Major activities during the fiscal year ended March 2026

	Name	Attendance at the Board of Directors Meetings	Attendance at the Audit and Supervisory Board Meetings	Major activities and status of duties conducted in relation to expected role as Outside Director
Outside Director	Haruya Uehara	All 12 meetings (100.0%)	–	<p>Mr. Haruya Uehara played an appropriate role in ensuring the adequacy and appropriateness of decisions by the Board of Directors, such as providing opinions and other information based on his knowledge and experience concerning corporate management.</p> <p>He also performed a supervisory function, such as sharing information through meetings with the audit department.</p>
Outside Director	Kingo Sakurai	All 12 meetings (100.0%)	–	<p>Mr. Kingo Sakurai played an appropriate role in ensuring the adequacy and appropriateness of decisions by the Board of Directors, such as providing opinions and other information based on his knowledge and experience as a certified public accountant.</p> <p>He also performed a supervisory function, such as sharing information through meetings with the audit department.</p>
Outside Director	Chika Igarashi	All 12 meetings (100.0%)	–	<p>Ms. Chika Igarashi played an appropriate role in ensuring the adequacy and appropriateness of decisions by the Board of Directors, such as proactively providing opinions from a professional perspective based on her insights on legal affairs, compliance, and other matters in Japan and overseas in addition to her knowledge and experience as an attorney.</p> <p>She also performed a supervisory function, such as sharing information through meetings with the audit department.</p>

	Name	Attendance at the Board of Directors Meetings	Attendance at the Audit and Supervisory Board Meetings	Major activities and status of duties conducted in relation to expected role as Outside Director
Outside Director	Risa Tanaka	All 12 meetings (100.0%)	-	Ms. Risa Tanaka played an appropriate role in ensuring the adequacy and appropriateness of decisions by the Board of Directors, such as providing opinions from a professional perspective based on her knowledge of marketing and experience serving as president of an academic corporation and as a committee member for various government ministries. She also performed a supervisory function, such as sharing information through meetings with the audit department.
Outside Director	Yoshimasa Kawata	All 10 meetings (100.0%)	-	Mr. Yoshimasa Kawata played an appropriate role in ensuring the adequacy and appropriateness of decisions by the Board of Directors, such as proactively providing opinions from a professional perspective based on his expertise in optical engineering and experience serving as a trustee/vice-president at a National University Corporation. He also performed a supervisory function, such as sharing information through meetings with the audit department.
Outside Audit and Supervisory Board Member	Hiroshi Kimeda	All 12 meetings (100.0%)	All 9 meetings (100.0%)	Mr. Hiroshi Kimeda provided opinions primarily by using his legal expertise and performed other activities for verifying the adequacy and appropriateness of decisions by the Board of Directors, etc. and offering other advice and ideas.
Outside Audit and Supervisory Board Member	Hidemi Yamaguchi	All 12 meetings (100.0%)	All 9 meetings (100.0%)	Mr. Hidemi Yamaguchi provided opinions primarily by using his financial and tax practice expertise and performed other activities for verifying the adequacy and appropriateness of decisions by the Board of Directors, etc. and offering other advice and ideas.

Note: The record for Director Yoshimasa Kawata covers the period after his appointment on June 27, 2025.

5. Independent Auditors

1) Name of Independent Auditors

ARK LLC

2) Remuneration, etc. to the Independent Auditors

	Amount paid (million yen)
1. Amount of remuneration, etc. paid by the Company	90
2. Total amount of money and other property benefits paid by the Company and its subsidiaries	95

Notes:

1. In the auditing contract with the Independent Auditors, there is no separation of the amount of remuneration, etc. for audits in accordance with the Companies Act and the amount for audits in accordance with the Financial Instruments and Exchange Act. Furthermore, since it is impractical to separate these two items, the amount in item 1. is the sum for these two audits.
2. Audit and Supervisory Board, acting in accordance with the “Business Guidance relating to Cooperation with Independent Auditors” issued by the Public Interest Incorporated Association Japan Audit & Supervisory Board Members Association, received the necessary materials and completed its hearing of the report from the relevant internal departments and from Independent Auditors. As a result of discussing the content of the audit plan of Independent Auditors, the execution of the operational responsibilities in previous business years and the basis of the calculation of the remuneration projections, Audit and Supervisory Board has defined that the amount of remuneration, etc. in item 1. was reasonable, and consented in accordance with Article 399, paragraph 1 of the Companies Act.

3) Policy regarding decisions about dismissal or non-reappointment of the Independent Auditors

- i. In cases where the Independent Auditors fall under any of the grounds set forth in each item of Paragraph 1 of Article 340 of the Companies Act and the dismissal is deemed appropriate, Audit and Supervisory Board shall decide to dismiss the Independent Auditors based on the consent of all the Audit and Supervisory Board Members of the Company.
- ii. In cases where it is found that a reason that hinders the Independent Auditors from performing proper audits has arisen, Audit and Supervisory Board shall decide on the content of drafts to be submitted to the General Meeting of Shareholders for dismissal or non-reappointment of the Independent Auditors.

4) Audits of the Company's subsidiaries' financial statements by certified public accountants or auditing firms other than the Company's Independent Auditors

Overseas subsidiaries of the Company are audited by certified public accountants or auditing firms other than the Company's Independent Auditors.

6. System for ensuring appropriate business execution

This section explains the summary of decisions in regard to systems for ensuring that Directors execute their duties in compliance with laws and regulations and the Company's Articles of Incorporation and that other operations of the Company are conducted properly.

1) System ensuring that Directors and employees execute their duties in compliance with laws and regulations and the Company's Articles of Incorporation

The Compliance Committee, Compliance Department, Internal Audit Department, whistle-blower internal reporting system and other organizations and systems, as well as the Code of Corporate Ethics and other relevant regulations, will be developed and enhanced based on the KOITO Group Corporate Behavior Charter. At the same time, the Company's Directors, Corporate Officers and employees will receive education familiarizing them with the organizations, systems and regulations.

2) System for the preservation and administration of information on Directors executing their duties

Regulations will be developed and enhanced to appropriately preserve and administer the minutes of the General Meeting of Shareholders, Board of Directors, Managing Committee, and other information on Directors executing their duties.

3) Regulations and other systems for managing the risk of loss

Risk Management Regulations and other regulations and systems for managing risk will be developed to avoid and eliminate material risks that could threaten the Company's survival, and minimize the impact when they arise. At the same time, the Company's Directors, Corporate Officers and employees will receive education and training on risk management.

4) System for ensuring the efficient execution of duties by Directors

Board of Directors and Managing Committee will be held regularly. Meanwhile, Board of Directors Regulations, Managing Committee Regulations and other regulations pertaining to the execution of duties by Directors, as well as the Corporate Officer system and other organizations and systems, will be developed and enhanced to ensure the efficient execution of duties by Directors. At the same time, business will be executed according to specific plans the divisions develop each year based on the President's policy.

5) System for ensuring appropriate business execution by the corporate group comprising the Company and its subsidiaries

The Company and its Group companies will subscribe together to the KOITO Group Corporate Behavior Charter and develop a system for ensuring and administering the properness of operations.

- i) Based on the Affiliates Management Regulations, etc., the Company will specify matters to be reported, enhance the Group's reporting system, and ensure that Group companies file periodical reports to the Company.
- ii) Based on the Affiliates Management Regulations, etc., the Company will keep watching on risks to the Group as a whole in a comprehensive and centralized manner. Whenever it finds insufficiency in a Group company's action, etc., the Company will give it guidance or take other corrective measures.
- iii) The Company will ensure that Group companies prepare and keep their regulations, organizations, and systems to ensure periodical holding of Board of Directors meetings and Directors' execution of their duties.

For significant Group companies, executives of the Company may concurrently hold offices of executives of such Group companies.

- iv) Based on the KOITO Group Corporate Behavior Charter, etc., the Company will ensure that Group companies achieve compliance with laws and regulations, and the Company's administrative units and Internal Audit Department conduct Group companies' operational and accounting audits. Further, based on the Affiliates Management Regulations, etc., the Company will specify matters subject to the Company's approval, and ensure that Group companies first obtain the Company's approval before carrying out such matters.

6) Matters pertaining to the status of certain employees, their independence from Directors, and ensuring the viability of instruction in the event Audit and Supervisory Board Members request for such employees to assist in the execution of their duties

An Audit and Supervisory Board Members' Office will be established to help the Audit and Supervisory Board Members execute their duties under the instruction and order of the Audit and Supervisory Board Members and the Audit and Supervisory Board.

Moreover, assignment of personnel to the Audit and Supervisory Board Members' Office shall be decided upon approval by the Audit and Supervisory Board to ensure independence from Directors.

7) System for Directors and employees of the Company and its subsidiaries to report to Audit and Supervisory Board Members of the Company, and for preventing unfair treatment of the Directors and employees for reporting to the Audit and Supervisory Board Members of the Company

Directors, Corporate Officers and employees of the Company and its Group companies shall report to the Audit and Supervisory Board Members of the Company when they learn of matters of material impact on the Company, serious violations of laws and regulations and the Company's Articles of Incorporation, and other issues of compliance.

Moreover, each Audit and Supervisory Board Member shall exercise their own discretion in reporting the findings from such reports to the Audit and Supervisory Board.

Meanwhile, the Company's organization and systems will be developed and enhanced to rigorously prevent the unfair treatment of the directors, corporate officers and employees for reporting to the Audit and Supervisory Board Members.

8) Policy on expenses arising from the Audit and Supervisory Board Members of the Company executing their duties, and system for enabling the Audit and Supervisory Board Members to conduct effective audits

The Company shall pay all necessary expenses involved in the Audit and Supervisory Board Members executing their duties.

The Audit and Supervisory Board Members shall monitor and audit the execution of business by means that include attending meetings of the Board of Directors, Managing Committee, Compliance Committees and other relevant meetings and committees, and examining important documents.

The Audit and Supervisory Board Members shall exchange opinions periodically, or as necessary, with Directors, Corporate Officers, Independent Auditors, and the Internal Audit Department, among others.

7. Summary of operation of system for ensuring appropriate business execution

1) Compliance system

To strengthen our compliance system, the Company has established the Compliance Committee, Compliance Department, Internal Audit Department, and whistle-blower internal reporting desks (corporate ethics consulting desks).

In addition to ensuring thorough awareness of the “KOITO Group Corporate Behavior Charter”, which is our highest-level compliance guideline, and related rules and regulations, we are conducting a comprehensive review of our internal systems and taking steps to address changes in legislation, all while taking into account social trends and societal demands.

The Compliance Committee meets regularly to confirm and follow up on the activity plans and results of the Compliance Department and Internal Audit Department, the operation status of the corporate ethics consulting desks, and responses to risks, among others.

The Compliance Department continuously implements measures to enhance employees’ compliance awareness by: conducting compliance training programs by hierarchy and by topics such as the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and preventing harassment; conducting awareness surveys regarding the KOITO Group Corporate Behavior Charter and compliance; and promoting use of the corporate ethics consulting desks.

The Internal Audit Department conducts periodic compliance audits regarding the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment, and other relevant laws.

Corporate ethics consulting desks have been established both internally and externally (at a law firm). All employees, affiliated companies, suppliers (including freelancers), and job applicants are informed of the contact information for the corporate ethics consulting desks, and internal regulations are in place to protect the privacy of informants and to ensure that they are not disadvantaged in the workplace, thereby aiming to improve its viability. The operational situation of the corporate ethics consulting desks is also regularly reported to the Board of Directors and other relevant bodies.

2) System concerning the execution of duties by Directors

At the Company, based on the Company’s regulations, management decisions and supervision are conducted by the Board of Directors, the execution of duties is conducted by Directors and Corporate Officers, and the execution of duties is audited by Audit and Supervisory Board Members. The Board of Directors, which comprises 13 Directors (including 5 Outside Directors), in principle meets once per month and is attended by Directors and Audit and Supervisory Board Members. It reports on progress in the execution of duties and makes decisions on important matters.

The Managing Committee, comprising Full-Time Directors and Corporate Officers, is a body to aid the Board of Directors. The committee meets in principle 3 times per month and reports on progress in the execution of duties and follows up on it.

3) Risk management system

The Company has Risk Management Regulations in order to be prepared for a quick and accurate response in the event of a risk that has a serious impact on business operations. Risk factors involving laws and regulations, the start of overseas operations, product quality, information security, natural disasters and other items are examined by every business unit and there are measures to maintain and improve risk management system.

4) System for management of Group companies

The Company holds briefing sessions such as “Group Company Business Report Conference” aimed at providing guidance and training for Group companies with the aim of ensuring that the operations of its Group companies run more smoothly and that their management functions are properly regulated. For important matters, there are preliminary discussions by respective Group companies and the Company’s relevant departments based on Affiliates Management Regulations. Next, the subject is submitted to the Company’s Managing Committee and Board of Directors for approval. The Company’s Internal Audit Department performs periodic audits concerning the status of development and operation of internal control systems at Group companies. These audits are used to identify problems early so that actions can be taken to prevent losses. They also result in suggestions and guidance for improvements.

5) System concerning Audit and Supervisory Board Members

In addition to attending Board of Directors meetings, Audit and Supervisory Board Members also make best use of the specialized knowledge and experience that they have accumulated in their individual working environments, and as such they audit the Directors’ execution of their duties as well as the validity and appropriateness of the Company’s decision-making. Also, in addition to the site visits, interviews with various departments and other measures that the Audit and Supervisory Board Members personally undertake, as well as through their participation in audits undertaken by the Independent Auditors and the Internal Audit Department, they cooperate with related parties, including Outside Directors, by means of appropriately exchanging information in an effort to improve the effectiveness of audits.

After the fiscal year has ended, an evaluation of the effectiveness of the Audit and Supervisory Board is conducted to identify issues in an effort to improve its effectiveness in the following fiscal year.

8. Basic policy concerning corporate control

1) Explanation of basic policy

The Company believes that individuals who control decisions about financial and business policies must be capable of fully understanding the Company's finances and business operations as well as the sources of the Company's corporate value and achieving consistent and sustainable growth in corporate value and eventually the common interests of shareholders.

The Company's shares are traded on financial markets. The Company respects the freedom of investors to buy and sell its stock on these markets. Therefore, the Company does not necessarily reject all attempts by one or more parties to purchase a large volume of the Company stock as long as these purchases are aimed at protecting and contributing to the growth of the Group's corporate value and the common interests of shareholders. Furthermore, the Company believes that shareholders should make the final decision about whether or not to accept a proposal for a large purchase of the Company stock.

However, there may be proposal for purchasing a large volume of stock that poses the danger of damaging the Group's corporate value and the common interests of shareholders. For example, a proposal may create the risk of being unable to maintain sound relationships with the Group's stakeholders. Other proposals may not sufficiently reflect the value of the Group or may not supply enough information to allow shareholders to make a final decision.

In the event of these types of proposals, the Company believes that the Board of Directors, to fulfill its responsibilities to shareholders, must secure enough time and information for shareholders, hold discussions with the party planning to purchase a large volume of stock and take other actions as needed.

2) Initiative to enhance corporate value

Under its corporate message, "Lighting for Your Safety," the KOITO Group, as an automotive lighting and electrical equipment manufacturer, is committed to create new value sought by customers. Moreover, we will continue to contribute to the development of the automotive industry and of the society through providing safe, reliable, and trustworthy products and services.

Strategies for taking KOITO forward are as follows:

- i. To address the automobile industry's expansion of globally optimal production systems, the Group will work to enhance its system to respond to the five major regions of the world (Japan, America, Europe, China and Asia). To this end, the Group will further reinforce the product development, manufacturing and sales functions of its overseas bases, among other measures.

- ii. The KOITO Group will respond to the future changes in the mobility, such as connectivity, autonomous driving, sharing, and electric vehicles. The Group will also develop cutting-edge technologies that stay ahead of customer and market needs, and commercialize products at the earliest opportunity. Moreover, we will bring attractive products to market in a timely manner.
- iii. The KOITO Group aims to pursue the highest quality and safety standards, while advancing the protection of the environment and strengthening compliance.
- iv. The KOITO Group plans to further reinforce its profit structure and operations by securing and effectively allocating resources.

The Group believes that implementing these measures on a continuous basis will contribute to the effective utilization of the Group's resources, maintaining and further improving good relationships with all stakeholders, and achieving growth of the Group's corporate value as well as the common interests of shareholders. These initiatives were formulated for the purpose of achieving consistent and sustainable growth in the Group's corporate value. As a result, the Board of Directors believes that these initiatives are consistent with the basic policy in item 1) of this section and that these initiatives are not detrimental to the common interests of shareholders and do not have the goal of protecting the positions of the Company's executives.

Monetary figures and numbers of shares in this business report are rounded down to the units shown.
All ratios are rounded off to the units shown. (Except for the part of the references)

FINANCIAL STATEMENTS, ETC.
Consolidated Balance Sheet

(¥ millions)

	Fiscal 2024 As of March 31, 2025	Fiscal 2025 As of March 31, 2026
Assets		
Current assets:		
Cash and time deposits	270,845	264,918
Trade notes	1,103	3,520
Electronically recorded monetary claims-operating	8,909	8,836
Accounts receivable	132,507	143,055
Contract Assets	2,385	2,766
Marketable securities	5,302	9,600
Inventories	95,100	96,671
Other current assets	30,280	28,167
Allowance for doubtful accounts	(72)	(84)
Total current assets	546,361	557,452
Non-current assets:		
Property, plant and equipment:		
Buildings and structures (net)	59,240	75,072
Machinery and transportation equipment (net)	81,038	81,310
Fixtures, equipment and tools (net)	19,343	17,555
Land	20,052	22,183
Construction in progress	23,399	18,666
Other property, plant and equipment	6,568	7,630
Total property, plant and equipment	209,643	222,419
Intangible fixed assets		
Goodwill	9,740	—
Other intangible fixed assets	5,874	5,973
Total intangible fixed assets	15,614	5,973
Investments and other assets:		
Investment securities		
Marketable Securities	100,620	98,256
Claims provable in bankruptcy, claims provable in rehabilitation and other	444	3
Deferred tax assets	10,309	10,494
Net defined assets for retirement benefits	4,114	6,981
Other investments	3,390	4,723
Allowance for doubtful accounts	(547)	(102)
Total investments and other assets	118,332	120,356
Total non-current assets	343,590	348,749
Total assets	889,952	906,201

Note: Yen in millions, rounded down

(¥ millions)

	Fiscal 2024 As of March 31, 2025	Fiscal 2025 As of March 31, 2026
Liabilities		
Current liabilities:		
Trade notes and accounts payable	100,990	96,128
Electronically recorded monetary obligations-operating	3,734	3,868
Short-term loans	5,728	1,920
Accrued expenses	29,924	36,088
Income taxes payable	2,878	9,959
Contract Liabilities	3,731	14,152
Provision for employees' bonuses	6,372	7,305
Reserve for product warranties	2,540	2,141
Provision for loss on business liquidation	842	—
Other current liabilities	16,616	21,910
Total current liabilities	173,359	193,474
Non-current liabilities:		
Deferred income tax liabilities	14,183	15,714
Allowance for directors' and corporate auditors' retirement benefits	363	277
Reserve for product warranties	2,899	2,168
Net defined liability for retirement benefits	13,312	10,313
Other non-current liabilities	5,967	8,165
Total non-current liabilities	36,726	36,640
Total liabilities	210,086	230,115
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital	13,235	13,277
Retained earnings	553,720	554,495
Treasury stock	(49,941)	(97,357)
Total shareholders' equity	531,285	484,687
Accumulated other comprehensive income:		
Other Valuation adjustment on marketable securities	28,113	33,721
Foreign currency translation adjustments	62,671	91,444
Adjustments in defined benefit plans	5,033	6,893
Total accumulated other comprehensive income	95,819	132,058
Subscription rights to shares	97	78
Non-controlling interests	52,663	59,261
Total net assets	679,865	676,086
Total liabilities and net assets	889,952	906,201

Note: Yen in millions, rounded down

Consolidated Statement of Income

(¥ millions)

	Fiscal 2024 April 1, 2024 to March 31, 2025	Fiscal 2025 April 1, 2025 to March 31, 2026
Net sales	916,709	947,610
Cost of sales	820,037	836,125
Gross profit	96,671	111,485
Selling, general and administrative expenses:		
Selling expenses	17,937	19,129
General and administrative expenses	33,860	40,917
Selling, general and administrative expenses	51,798	60,046
Operating profit	44,873	51,438
Non-operating profit:		
Interest income	4,773	4,626
Dividend income	1,819	1,705
Shares of profit of entities accounted for using equity method	—	0
Foreign exchange gains	—	84
Other non-operating profit	2,168	2,751
Total non-operating profit	8,761	9,167
Non-operating expenses:		
Interest expenses	336	125
Shares of loss of entities accounted for using equity method	7	—
Foreign exchange losses	996	—
Loss on investment partnership management	712	175
Share acquisition-related expenses	733	306
Other non-operating expenses	1,701	1,206
Total non-operating expenses	4,487	1,814
Ordinary profit	49,147	58,791
Extraordinary gains:		
Gain on sales of property and equipment	102	668
Gain on sales of investment securities	4,962	3,553
Gain on revision of retirement benefit plan	—	438
Compensation received	8,624	—
Gain on step acquisition	3,869	—
Other extra ordinary gains	1,226	165
Total extraordinary gains	18,784	4,825
Extraordinary losses:		
Loss on sales and disposal of property and equipment	2,132	2,660
Impairment loss	262	21,550
Loss on sales of shares of subsidiaries and associates	—	556
Loss on business liquidation	—	1,592
Provision for loss on business restructuring	842	—
Compensation for damages	68	733
Other extra ordinary losses	42	242
Total extraordinary losses	3,349	27,336
Income before income taxes	64,583	36,281
Income tax, inhabitant tax and business tax	11,986	18,451
Income tax adjustment	1,730	(2,815)
Total income taxes	13,717	15,635
Profit	50,865	20,645
(Breakdown)		
Profit attributable to owners of parent	4,625	4,105
Profit attributable to non-controlling interests	46,240	16,539

Note: Yen in millions, rounded down

Consolidated Statement of Changes in Shareholders' Equity

Fiscal 2024 (April 1, 2024 to March 31, 2025)

(¥ 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	13,235	553,720	(49,941)	531,285
Changes during fiscal year					
Dividends from retained earnings	—	—	(15,714)	—	(15,714)
Profit attributable to owners of parent	—	—	16,539	—	16,539
Purchases of treasury stock	—	—	—	(47,752)	(47,752)
Disposal of treasury stock	—	(49)	—	337	287
Transfer from retained earnings to additional paid-in capital	—	49	(49)	—	—
Change in ownership interest of parent due to transactions with non-controlling interests	—	(90)	—	—	(90)
Others	—	131	—	—	131
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	41	774	(47,415)	(46,598)
Balance at fiscal year-end	14,270	13,277	554,495	(97,357)	484,687

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	28,113	62,671	5,033	95,819	97	52,663	679,865
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	(15,714)
Profit attributable to owners of parent	—	—	—	—	—	—	16,539
Purchases of treasury stock	—	—	—	—	—	—	(47,752)
Disposal of treasury stock	—	—	—	—	—	—	287
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—	—
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	(90)
Others	—	—	—	—	—	—	131
Changes in items other than shareholders' equity during fiscal year (net)	5,607	28,772	1,859	36,239	(18)	6,598	42,819
Total changes during fiscal year	5,607	28,772	1,859	36,239	(18)	6,598	(3,779)
Balance at fiscal year-end	33,721	91,444	6,893	132,058	78	59,261	676,086

Note: Yen in millions, rounded down

Notes to consolidated financial statements

1. Significant basis of preparation for consolidated financial statements

(1) Scope of consolidation

i. Consolidated subsidiaries

Number of consolidated subsidiaries: 32

Names of primary consolidated subsidiaries:

13 domestic subsidiaries including KOITO KYUSHU LIMITED

19 overseas subsidiaries including North American Lighting, Inc.

Changes in the scope of consolidation:

Koito Europe Limited (KEL) was excluded from the scope of consolidation in the fiscal year under review, as the Company transferred all of the shares of KEL to Shapers' Group Limited in November 2025.

ii. Non-consolidated subsidiary

Name of primary non-consolidated subsidiary: New Fuji Co., Ltd.

Reason for exclusion from the scope of consolidation:

The non-consolidated subsidiary is excluded from the scope of consolidation because the exclusion has a minimal impact on total assets, net sales, profit (loss), retained earnings, and others, and they have no importance as a whole.

(2) Application of the equity method

i. Equity-method affiliates

Number of affiliates to which the equity method was applied: 1 company

Company name: Takeda Suntech Co., Ltd.

ii. Non-consolidated subsidiary to which the equity method was not applied

Name of primary non-consolidated subsidiary: New Fuji Co., Ltd.

Reason for not applying the equity method:

The non-consolidated subsidiary is excluded from application of the equity method because the exclusion has a minimal impact on profit (loss), retained earnings, and others, and they have no importance as a whole.

(3) Matters related to the business year of consolidated subsidiaries

The fiscal year of a total of 13 companies—including KOITO ELECTRIC INDUSTRIES, LTD., KOITO KYUSHU LIMITED, Koito Transport Co., Ltd., Minatsu, Ltd., Okayama Industry Co. Ltd., INDIA JAPAN LIGHTING PRIVATE LIMITED, and Cepton Technologies, Inc. (seven companies)—ends on March 31.

For other consolidated subsidiaries (19 companies including Aoitec Co., Ltd.), the Company made consolidated financial statements based on provisional statements of accounts as of March 31.

(4) Accounting policy

i. Valuation basis and methods for significant assets

a. Securities being held for trading: Market value method (Sales cost of securities is principally determined by the moving-average method)

b. Bonds being held to maturity: Cost amortization method (straight-line method)

c. Other securities:

Securities other than shares without market value, etc.

Market value method based on market price as of the closing date (Unrealized gains and losses are reported in net assets section. Sales cost of securities is principally determined by the moving-average method.)

Shares without market value, etc.

Cost method based on the moving-average method

For investments in investment limited partnerships, an amount corresponding to the equity in the partnership assets is recognized as “marketable securities” under investments and other assets, and an amount corresponding to the share of profit or loss of the investment limited partnership is recognized as profit or loss.

d. Derivatives: Market value method

e. Money trusts for investments: Market value method

f. Inventories:

The Company and its consolidated subsidiaries in Japan state inventories principally at cost as determined by the weighted average method (book values of inventories are lowered in accordance with declines in profitability). Foreign consolidated subsidiaries state inventories at the lower of cost or market as determined by the moving-average method.

ii. Depreciation and amortization method for principal assets

a. Property, plant and equipment (excluding leased assets):

The Company and its consolidated subsidiaries in Japan compute depreciation with the declining-balance method and foreign consolidated subsidiaries use the straight-line method.

However, consolidated subsidiaries in Japan use the straight-line method for buildings (excluding attached facilities) that were acquired on or after April 1, 1998, and facilities attached to buildings and structures that were acquired on or after April 1, 2016.

b. Intangible fixed assets (excluding leased assets):

The Company and its consolidated subsidiaries in Japan compute depreciation with the straight-line method and foreign consolidated subsidiaries use the straight-line method in accordance with the accounting standards of the countries where they are located.

c. Leased assets: Leased assets under finance lease transactions that do not transfer ownership

Leased assets are depreciated with the straight-line method with the lease term regarded as the useful life and a residual value of zero.

iii. Significant allowances

a. Allowance for doubtful accounts:

The allowance for doubtful accounts for the Company and its consolidated subsidiaries in Japan is calculated by using the actual loss ratio for ordinary receivables and recording an estimate of the amount that cannot be recovered for specific doubtful receivables after determining the likelihood of collection. Foreign consolidated subsidiaries primarily record estimated amounts that cannot be recovered for specific receivables.

b. Allowance for employees' bonuses:

The allowance for employees' bonuses for the Company and some of its consolidated subsidiaries is the estimated amount of bonuses to be paid to employees based on their services provided during the fiscal year.

c. Reserve for product warranties:

Reserve for product warranties for the Company and some of its consolidated subsidiaries is the estimated amount of expenses associated with product warranties in accordance with the designated standards.

d. Allowance for directors' and corporate auditors' retirement benefits:

Some consolidated subsidiaries in Japan recorded the amount of required payments at the end of the fiscal year in accordance with the benefit rules, to cover the payment of executive retirement bonuses paid at the time of retirement.

e. Provision for loss on business liquidation:

To prepare for the losses arising from business liquidation of some overseas consolidated subsidiaries, the Company has recorded the estimated amount of provision for loss on business liquidation.

iv. Recognition of significant revenues and expenses

The following is a summary of the principal performance obligations of the Company and its consolidated subsidiaries' principal businesses relating to revenue from contracts with customers and the usual time at which such performance obligations are satisfied (the usual time at which revenue is recognized).

- Automotive lighting equipment segment

This segment's main business is manufacturing and marketing of automotive lighting equipment. For the sale of products, revenue is recognized when the products are delivered to the customer or inspected by the customer.

Revenue is measured at the consideration promised in the contract with the customer, less returns, discounts, etc.

The consideration for transactions is received within one year of satisfaction of the performance obligation and does not include significant financial elements.

v. Standard for conversions into yen of major assets and liabilities denominated in foreign currencies

Foreign currency-denominated assets and liabilities are converted into yen using the spot exchange rate at the end of the fiscal year and any differences are recorded as gains or losses.

At foreign consolidated subsidiaries, assets and liabilities are converted into yen using the spot exchange rate at the end of the fiscal year and income and expenses are converted into yen using the average fiscal year exchange rate. Differences are included in foreign currency translation adjustments and non-controlling interests, which are part of net assets.

vi. Principal methods of hedge accounting

a. Methods of hedge accounting:

In principle, the deferral hedge accounting is applied. Exceptional accounting method is applied to interest rate swaps that meet the requirements.

b. Hedging instruments and hedged items:

Items to be hedged are exchange rate fluctuation risks in transactions denominated in foreign currencies and interest rate fluctuation risks in loans. The Company adopts foreign exchange contracts to hedge exchange rate fluctuation risks and interest rate swap agreements to hedge interest rate fluctuation risks.

c. Hedging policy:

The Company carries out hedging to avoid risks from foreign exchange and interest rate fluctuations pertaining to the hedged items. The Company in principle refrains from using hedges for the purpose of speculative transactions.

d. Hedge effectiveness evaluation methods:

In individual hedging transactions, the Company judges the hedging efficiency by directly weighing changes in market prices or cash flows of the hedged items and hedging instruments, based on internal regulations about management policy at and after the start of hedges.

vii. Amortization method and amortization period for goodwill:

Goodwill is amortized over ten years on a straight-line method.

However, if the goodwill amount is minimal, it is treated as profit or loss in the fiscal year of occurrence.

viii. Other important basis of preparation for consolidated financial statements

Accounting method associated with retirement benefits:

To prepare for net defined assets and liability for retirement benefits to employees, provision has been made based on an estimate of the projected retirement benefit liability at the end of the fiscal year under review minus the fair value of the pension fund assets. When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated retirement benefits to the period up to this fiscal year-end. Actuarial gains and losses are amortized by the straight-line method over a certain period (mainly five years), which is within the average remaining service period of employees at the time of recognition, starting from the fiscal year following the respective fiscal year of recognition. Past service costs are amortized by the straight-line method over a certain period (mainly five years), which is within the average remaining service period of employees at the time of recognition. In calculating retirement benefits, part of consolidated subsidiaries uses the simplified method of assuming their benefit obligations

to be equal to the benefits payable that would be required if all employees retired at fiscal year-end.

2. Note on changes in accounting policies

Not applicable.

3. Notes concerning accounting estimates

The items recorded in the Consolidated Financial Statements for the fiscal year under review based on accounting estimates and that may have a significant impact on the Consolidated Financial Statements for the next fiscal year are as follows.

- Expenses for a product recall and other market treatment related to specific vehicle models

(1) Amounts recorded on the consolidated financial statements

	Fiscal 2025 (As of March 31, 2026)
Expenses for a product recall and other market treatment related to specific vehicle models included in accrued expenses	¥14,346 million

(2) Information on significant accounting estimates related to identified items

- i. Method of calculating the amount recorded on the consolidated financial statements for the fiscal year under review

Expenses are calculated by an individual estimation method when such expenses are highly likely to be incurred and can be reasonably estimated.

- ii. Key assumptions when calculating the amount to be recorded on the consolidated financial statements for the fiscal year under review

The Company records the amount based on assumptions about likelihood of occurrence, cost burden ratio, and other factors.

- iii. Impact on the consolidated financial statements for the next fiscal year

The estimates of these liabilities involve uncertainties. Therefore, if actual incurrence differs from the estimates due to a change in preconditions for the estimates or other factors, this could have a significant impact on the consolidated financial statements from the next fiscal year on.

4. Notes to consolidated balance sheets

- Accumulated depreciation of property, plant and equipment: ¥543,072 million

5. Notes to consolidated statements of changes in equity

(1) Total number of shares issued

Type of shares	Number of shares at the beginning of fiscal 2025	Increase	Decrease	Number of shares at the end of fiscal 2025
Common shares	307,833	—	—	307,833

(2) Type and number of treasury stock

(thousand shares)

Type of shares	Number of shares at the beginning of fiscal 2025	Increase	Decrease	Number of shares at the end of fiscal 2025
Common shares	24,086	20,687	164	44,609

Notes:

1. The increase in the number of treasury stock is due to the purchase of 20,685 thousand shares of treasury stock, an increase of 0 thousand shares resulting from the Company's purchase of fractional shares less than one unit, and the gratuitous acquisition of 1 thousand restricted shares for the employee stock ownership plan.
2. The decrease in the number of treasury stock is due to a decrease of 8 thousand shares resulting from the exercise of stock options and the disposal of 156 thousand shares of treasury stock as the restricted-share remuneration.

(3) Dividends of surplus

i. Cash dividends

- a. Matters concerning dividends based on resolutions at the 125th General Meeting of Shareholders (June 27, 2025)

Type of shares	Common shares
Aggregate dividends	¥7,944 million
Dividend per share	¥28
Record date	March 31, 2025
Effective date	June 30, 2025

- b. Matters concerning dividends based on resolutions at the Board of Directors Meeting (October 28, 2025)

Type of shares	Common shares
Aggregate dividends	¥7,770 million
Dividend per share	¥28
Record date	September 30, 2025
Effective date	December 5, 2025

- ii. Of the dividends whose record date falls within fiscal 2025, the following is a dividend whose effective date will fall within fiscal 2026

The Company plans to present a proposal on that dividend as follows for resolution at the 126th General Meeting of Shareholders to be held on June 26, 2026.

Type of shares	Common shares
Aggregate dividends	¥7,370 million
Funds for the dividend	Retained earnings
Dividend per share	¥28
Record date	March 31, 2026
Effective date	June 29, 2026

- (4) Type and number of shares subject to subscription rights to shares in the end of the fiscal year under review (excluding subscription rights to shares for which the first day of the exercise period has not yet arrived)

Common shares 34,000 shares

6. Notes to financial instruments

(1) Financial instruments

The KOITO Group places emphasis on safe investments of funds, prioritizing the preservation of principal. The Group has a policy of raising necessary funds by internal funds and bank loans. Trade receivables—trade notes, electronically recorded monetary claims-operating, and accounts receivable—are exposed to credit risks in relation to customers. The Group lowers those risks by performing maturity date management and balance management for each business partner.

Investment securities face risks of market price fluctuations, but they are mainly shares related to companies in business alliances and debt securities purchased with surplus funds, and the Group regularly monitors market prices of those securities.

Trade payables—trade notes and accounts payable, electronically recorded monetary obligations-operating, accrued expenses, and income taxes payable—have payment terms within one year. Among loans payable, short-term loans primarily represent fund raising related to operating transactions, and long-term debt mainly concern fund raising related to capital expenditure. Trade payables and loans payable are exposed to liquidity risks. The Group manages those risks by making cash management plans. The Group utilizes derivative transactions for the purpose of reducing risks of foreign exchange and interest rate fluctuations and refrains from speculative transactions.

(2) Fair value of financial instruments

The following table shows amounts recognized on the consolidated balance sheets, fair values, and the differences between them on March 31, 2026.

	Balance sheet amount	Fair value	Difference
			(million yen)
(1) Securities and investment securities	101,407	100,320	(1,087)
Bonds being held to maturity	46,500	45,412	(1,087)
Other securities	54,907	54,907	–
(2) Claims provable in bankruptcy, claims provable in rehabilitation and other	3	–	3
Allowance for doubtful accounts (*2)	(3)	–	(3)
	–	–	–
Total assets	101,407	100,320	(1,087)

(*1) Notes for “Cash” are omitted. Also, notes for “Time deposits,” “Trade notes,” “Electronically recorded monetary claims-operating,” “Accounts receivable,” “Trade notes and accounts payable,” “Electronically recorded monetary obligations-operating,” “Short-term loans,” “Accrued expenses,” and “Income taxes

payable,” are omitted as they are settled in short terms and therefore their fair values are roughly equal to their book values.

(*2) Allowance for doubtful accounts on claims provable in bankruptcy, claims provable in rehabilitation and other has been deducted.

Note:

Explanation of valuation techniques and inputs used to determine fair value

The fair values of financial instruments are classified into the following three levels according to the observability and importance of inputs used to determine fair value.

Level 1 Fair Value: Fair value calculated using quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Fair Value: Fair value calculated using observable inputs other than Level 1 inputs to the calculation of fair value, either directly or indirectly.

Level 3 Fair Value: Fair value calculated using significant unobservable inputs related to the calculation of fair value.

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

Marketable securities

Listed stocks are valued using quoted market prices. Because listed stocks are traded in active markets, their fair values are classified as Level 1 fair value. Debt securities are valued using reference prices published by the Japan Securities Dealers Association or quoted market prices provided by financial institutions, or using the discounted present value method based on their future cash flows, government bond yields, etc., and are classified as Level 2 fair value. Unlisted stocks with no market value (consolidated balance sheet amount: ¥2,260 million) and investments in investment partnerships (¥4,188 million) are not included. Furthermore, for investment in limited partnerships, etc., the measures provided for in Implementation Guidance on Accounting Standard for Fair Value Measurement, paragraph 24-16 are applied and no notes are provided concerning matters set forth in Implementation Guidance on Disclosures about Fair Value of Financial Instruments, paragraph 4 (1).

(1) Financial instruments recorded on the Consolidated Balance Sheets at fair value
Fiscal 2025 (As of March 31, 2026)

(¥ millions)

Segments	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities	–	–	–	–
Shares	53,907	–	–	53,907
Bonds	–	1,000	–	1,000
Total assets	53,907	1,000	–	54,907

(2) Financial instruments other than those recorded on the Consolidated Balance Sheets at fair value
Fiscal 2025 (As of March 31, 2026)

(¥ millions)

Segments	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Bonds being held to maturity	–	–	–	–
Corporate bonds	–	45,412	–	45,412
Total assets	–	45,412	–	45,412

7. Notes to revenue recognition

(1) The information on disaggregation of revenue from contracts with customers

Net sales of the Group consist mainly of the revenue recognized from contracts with customers. The following table shows the disaggregation of net sales of each reporting segment based on type of goods or services.

Fiscal 2025 (April 1, 2025 to March 31, 2026)

(¥ millions)

	Japan	Americas	China	Asia	Europe	Total
Automotive lighting equipment segment	308,696	326,545	53,332	162,338	35,125	886,039
Others	59,130	2,095	–	345	–	61,570
Revenue from contracts with customers	367,826	328,641	53,332	162,683	35,125	947,610
Other revenue	–	–	–	–	–	–
Sales to outside customers	367,826	328,641	53,332	162,683	35,125	947,610

Note: (Changes in presentation)

From fiscal 2025, previous categories of “North America” and “Others” have been consolidated into the “Americas” in line with the review of business management categories within the Group.

(2) Information on basis for understanding revenues

Information on basis for understanding revenues is as described in “1. Significant basis of preparation for consolidated financial statements (4) Accounting policy (iv) Recognition of significant revenues and expenses.”

(3) Information for understanding the amount of revenue in fiscal 2025 and fiscal 2026

i. Balance of contract assets and contract liabilities, etc.

Contract assets are in principle a right of revenue recognized over a certain period for a portion of transactions of subsidiaries.

Contract liabilities are in principle the consideration received from the customer before the product delivery.

The remaining balance of contract liabilities at the end of fiscal 2024 of ¥3,731 million has been generally recognized as revenue in fiscal 2025.

ii. Transaction price allocated to the remaining performance obligations

Information on amounts of revenue from existing contracts expected to be recognized in fiscal 2026 or later has been omitted due to its immateriality.

Moreover, practical expedients have been applied for contracts with periods initially expected to be within one year, and that information has been omitted.

8. Notes to per share information

(1) Net assets per share ¥2,343.05

(2) Net income per share ¥60.23

9. Notes concerning significant subsequent events

Not applicable.

10. Notes to impairment loss

During fiscal 2025, the Group has recorded impairment loss on the following asset groups.

Asset group	Use	Type	Location	Amount
LiDAR Business	Business assets	Machinery and transportation equipment	Shizuoka Prefecture California, U.S., etc.	¥4,957 million
LiDAR Business	Other	Goodwill	–	¥9,347 million
Hubei Koito Automotive Lamp Co., Ltd.	Business assets Idle assets	Machinery and transportation equipment	Hubei Province, China	¥5,187 million
FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	Idle assets	Machinery and transportation equipment	Fujian Province, China	¥1,482 million
GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD.	Idle assets	Machinery and transportation equipment	Guangdong Province, China	¥575 million
Total				¥21,550 million

When applying impairment accounting, the Group, in principle, groups its assets by division or plant.

Regarding the assets in the LiDAR business, the Company calculated the recoverable amount of the relevant cash-generating unit during the current fiscal year based on the latest business plan. As a result, it was determined that the recoverable amount was less than the book value, and impairment losses were recorded as special losses in the amounts of ¥4,957 million for “Machinery and transportation equipment” and ¥9,347 million for “Goodwill.”

For certain assets at Hubei Koito Automotive Lamp Co., Ltd., FUZHOU KOITO AUTOMOTIVE LAMP CO., LTD., and GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD., the book value was written down to the recoverable amount due to the inability to expect recovery of the investment amount caused by declining profitability and other factors. Impairment losses were recorded as special losses in the amount of ¥7,244 million for “Machinery and transportation equipment.”

In any asset group, the recoverable amount is measured based on net selling value. For assets that can be sold, it is measured based on a valuation reasonably estimated by a third party. Assets that are difficult to repurpose or sell are valued at a nominal amount or zero.

Non-consolidated Balance Sheets

(¥ millions)

	Fiscal 2025 As of March 31, 2025	Fiscal 2026 As of March 31, 2026
Assets		
Current assets:		
Cash and time deposits	87,781	66,042
Electronically recorded monetary claims-operating	6,368	6,509
Accounts receivable	48,412	50,386
Marketable securities	5,302	9,600
Finished products	8,064	6,706
Work in progress	1,602	1,170
Raw materials and supplies	14,133	10,673
Accrued income	6,602	7,217
Other current assets	2,404	898
Less: Allowance for doubtful receivables	(10)	(5)
Total current assets	180,663	159,200
Non-current assets:		
Property, plant and equipment:		
Buildings (net)	13,080	14,829
Structures (net)	663	861
Machinery (net)	8,048	6,313
Transportation equipment (net)	210	188
Fixtures, equipment and tools (net)	4,757	3,416
Land	9,791	11,017
Construction in progress	1,957	2,636
Total property, plant and equipment	38,510	39,264
Intangible fixed assets:		
Telephone subscription rights	37	37
Other intangible fixed assets	1,974	4,277
Total intangible fixed assets	2,011	4,315
Investments and other assets:		
Investment securities	70,486	62,402
Shares of affiliated companies	92,818	90,345
Investments in affiliated companies	47,687	31,592
Long-term loans of affiliated companies	9,600	9,600
Claims provable in bankruptcy, claims provable in rehabilitation and other	6	3
Deferred income tax assets	3,206	2,468
Other investments	647	579
Less: Allowance for doubtful accounts	(106)	(100)
Total investments and other assets	224,346	196,891
Total non-current assets	264,868	240,470
Total assets	445,531	399,671

Note: Yen in millions, rounded down

(¥ millions)

	Fiscal 2025 As of March 31, 2025	Fiscal 2026 As of March 31, 2026
Liabilities		
Current liabilities:		
Accounts payable	60,320	50,628
Accrued amount payable	4,857	4,197
Accrued expenses	11,860	16,607
Income taxes payable	274	4,009
Contract liabilities	869	7,792
Allowance for employees' bonuses	3,447	3,691
Reserve for product warranties	1,533	1,060
Other current liabilities	401	2,004
Total current liabilities	83,564	89,991
Non-current liabilities:		
Allowance for retirement benefits	8,123	5,264
Reserve for product warranties	2,465	311
Other non-current liabilities	311	5,264
Total non-current liabilities	10,900	7,260
Total liabilities	94,464	97,252
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital		
Capital reserve	17,107	17,107
Total additional paid-in capital	17,107	17,107
Retained earnings		
Profit reserve	3,567	3,567
Other retained earnings		
Reserve for reductions of asset costs	891	857
Other reserve	100,000	100,000
Retained earnings brought forward	237,252	230,529
Total retained earnings	341,710	334,955
Treasury common stock, at cost	(49,941)	(97,357)
Total shareholders' equity	323,148	268,977
Revaluations and translation adjustments:		
Valuation adjustment on marketable securities	27,821	33,362
Total revaluations and translation adjustments	27,821	33,362
Subscription rights to shares	97	78
Total net assets	351,066	302,418
Total liabilities and net assets	445,531	399,671

Note: Yen in millions, rounded down

Non-consolidated Statement of Income

(¥ millions)

	Fiscal 2025 April 1, 2024 to March 31, 2025	Fiscal 2026 April 1, 2025 to March 31, 2026
Net sales	324,038	336,468
Cost of sales	292,951	303,458
Gross profit	31,086	33,010
Total selling, general and administrative expenses	24,057	24,728
Operating income	7,029	8,281
Non-operating income:		
Interest income	877	751
Interest on securities	254	245
Dividend income	14,689	16,066
Royalty income, other	8,755	9,370
Rent income	205	205
Miscellaneous income	484	298
Total non-operating income	25,265	26,938
Non-operating expenses:		
Foreign exchange losses	406	201
Commission for purchase of treasury stock	157	2
Loss on investment partnership management	712	175
Loss on abandonment of inventories	8	92
Cost of real estate lease revenue	94	89
Commission expenses	122	122
Miscellaneous expenses	644	187
Total non-operating expenses	2,145	870
Recurring profit	30,149	34,349
Extraordinary gains:		
Gain on sale of fixed assets	17	7
Gain on sale of investment securities	4,962	3,551
Compensation income	8,624	—
Gain on revision of retirement benefit plan	—	438
Other extraordinary gains	17	—
Total extraordinary gains	13,622	3,998
Extraordinary losses:		
Loss on sale and disposal of fixed assets	1,240	418
Impairment loss	—	1,872
Loss on valuation of stock in affiliated companies	—	5,368
Loss on valuation of investment in affiliated companies	677	16,530
Compensation payment for damages	68	894
Other extraordinary losses	42	17
Total extraordinary losses	2,029	25,102
Income before income taxes	41,742	13,245
Income taxes	3,171	6,543
Income tax adjustment	76	(2,307)
Total income taxes	3,248	4,235
Net income	38,494	9,009

Note: Yen in millions, rounded down

Non-Consolidated Statement of Changes in Shareholders' Equity
Fiscal 2025 (April 1, 2024 to March 31, 2025)

(¥ millions)

	Shareholders' equity								
	Common stock	Additional paid-in capital				Retained earnings			
		Legal capital surplus	Other additional paid-in capital	Total additional paid-in capital	Retained earnings	Other retained earnings			Total retained earnings
						Reserve for reduction of asset costs	General reserve	Retained earnings brought forward	
Balance at beginning of year	14,270	17,107	—	17,107	3,567	891	100,000	237,252	341,710
Changes during fiscal year									
Reversal of reserve for reduction of asset costs	—	—	—	—	—	(33)	—	33	—
Dividends from retained earnings	—	—	—	—	—	—	—	(15,714)	(15,714)
Profit	—	—	—	—	—	—	—	9,009	9,009
Purchases of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	(49)	(49)	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	49	49	—	—	—	(49)	(49)
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—	—	—	—	—
Total changes during fiscal Year	—	—	—	—	—	(33)	—	(6,722)	(6,755)
Balance at fiscal year-end	14,270	17,107	—	17,107	3,567	857	100,000	230,529	334,955

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to share	Total net assets
	Treasury stock	Total shareholders' equity	Valuation adjustment on investment securities	Total valuation and Translation adjustments		
Balance at beginning of year	(49,941)	323,148	27,821	27,821	97	351,066
Changes during fiscal year						
Reversal of reserve for reduction of asset costs	—	—	—	—	—	—
Dividends from retained earnings	—	(15,714)	—	—	—	(15,714)
Profit	—	9,009	—	—	—	9,009
Purchases of treasury stock	(47,752)	(47,752)	—	—	—	(47,752)
Disposal of treasury stock	337	287	—	—	—	287
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	—	—	5,541	5,541	(18)	5,523
Total changes during fiscal year	(47,415)	(54,170)	5,541	5,541	(18)	(48,647)
Balance at fiscal year-end	(97,357)	268,977	33,362	33,362	78	302,418

Note: Yen in millions, rounded down

Notes to non-consolidated financial statements

1. Significant accounting policies

(1) Valuation basis and methods for securities

- i. Shares of subsidiaries and affiliates: Cost method based on the moving-average method
- ii. Bonds being held to maturity: Cost amortization method (straight-line method)
- iii. Other securities:

Securities other than shares without market value, etc.

Market value method based on market price as of the closing date (Unrealized gains and losses are reported in net asset section. Sales cost of securities is determined by the moving-average method)

Shares without market value, etc.

Cost method based on the moving-average method

For investments in investment limited partnerships, an amount corresponding to the equity in the partnership assets is recognized as “marketable securities” under investments and other assets, and an amount corresponding to the share of profit or loss of the investment limited partnership is recognized as profit or loss.

(2) Valuation basis and methods for derivatives and others

- i. Derivatives: Market value method
- ii. Money trusts for investments: Market value method

(3) Valuation basis and methods for inventories

The Company states inventories principally at cost as determined by the weighted average method (book values of inventories are lowered in accordance with declines in profitability).

(4) Depreciation and amortization method for non-current assets

- i. Property, plant and equipment: Declining-balance method

The useful lives of property, plant and equipment are as follows.

Buildings and structures: 7-50 years

Machinery and transportation equipment: 3-7 years

Fixtures, equipment and tools: 2-20 years

- ii. Intangible fixed assets

Software: For amortization of software, the straight-line method based on the estimated internal use period (five years) is used.

Other intangible fixed assets: Straight-line method

(5) Standard for conversions into yen of assets and liabilities denominated in foreign currencies

Foreign currency-denominated assets and liabilities are converted into yen using the spot exchange rate at the end of the fiscal year and any differences are recorded as gains or losses.

(6) Allowances

- i. Allowance for doubtful receivables

The allowance for doubtful receivables for the Company is calculated by using the actual loss ratio for ordinary receivables and recording an estimate of the amount that cannot be recovered for specific doubtful receivables after determining the likelihood of collection.

ii. Allowance for employees' bonuses

The allowance for employees' bonuses for the Company is the estimated amount of bonuses to be paid to employees based on estimated bonus payments this fiscal year.

iii. Reserve for product warranties

Reserve for product warranties is the estimated amount of expenses associated with product warranties in accordance with the designated standards.

iv. Allowance for retirement benefits

To prepare for allowance for retirement benefits to employees, provision has been made based on an estimate of the projected retirement benefit liability at the end of the fiscal year under review and the estimated value of the pension fund assets.

When calculating retirement benefit obligation, the benefit formula basis is used to allocate estimated retirement benefits to the period up to this fiscal year-end. Actuarial gains and losses are amortized by the straight-line method over a certain period (five years), which is within the average remaining service period of employees at the time of recognition, starting from the fiscal year following the respective fiscal year of recognition. Past service costs are amortized by the straight-line method over a certain period (five years), which is within the average remaining service period of employees at the time of recognition.

(7) Recognition of significant revenues and expenses

The following is the summary of the principal performance obligations of the Company's principal businesses relating to revenue from contracts with customers and the usual time at which such performance obligations are satisfied (the usual time at which revenue is recognized).

- Automotive lighting equipment segment

This segment's main business is manufacturing and marketing of automotive lighting equipment. For the sale of products, revenue is recognized when the products are delivered to the customer or inspected by the customer. Note that revenue is recognized upon shipment for cases when the period from shipment of the product, etc. to transfer of control of it to the customer is a standard period.

Revenue is measured at the consideration promised in the contract with the customer, less returns, discounts, etc.

The consideration for transactions is received within one year of satisfaction of the performance obligation and does not include significant financial elements.

(8) Method of hedge accounting

In principle, the deferral hedge accounting is applied. Exceptional accounting method is applied to interest rate swaps that meet the requirements.

(9) Other important basis of preparation for financial statements

Accounting standard for retirement benefits

The accounting method for unrecognized items regarding retirement benefits is different from that in the consolidated financial statements.

2. Notes concerning accounting estimates

The items recorded in the Non-consolidated Financial Statements for the fiscal year under review based on accounting estimates and that may have a significant impact on the Non-consolidated Financial Statements for the next fiscal year are as follows.

- Expenses for a product recall and other market treatment related to specific vehicle models

(1) Amounts recorded on the non-consolidated financial statements

	Fiscal 2025 (As of March 31, 2026)
Expenses for a product recall and other market treatment related to specific vehicle models included in accrued expenses	¥11,403 million

(2) Information on significant accounting estimates related to identified items

- i. Method of calculating the amount recorded on the non-consolidated financial statements for the fiscal year under review

Expenses are calculated by an individual estimation method when such expenses are highly likely to be incurred and can be reasonably estimated.

- ii. Key assumptions when calculating the amount to be recorded on the non-consolidated financial statements for the fiscal year under review

The Company records the amount based on assumptions about likelihood of occurrence, cost burden ratio, and other factors.

- iii. Impact on the non-consolidated financial statements for the next fiscal year

The estimates of these liabilities involve uncertainties. Therefore, if actual incurrence differs from the estimates due to a change in preconditions for the estimates or other factors, this could have a significant impact on the non-consolidated financial statements from the next fiscal year on.

3. Notes to non-consolidated balance sheets

(1) Accumulated depreciation of property, plant and equipment: ¥127,890 million

(2) Contingent liabilities

- Guarantee liabilities

The Company guarantees following loans obtained by affiliates.

North American Lighting, Inc. ¥79,940 million

NAL do Brasil Indústria e Comércio de Componentes
de Iluminação Ltda. ¥11,945 million

Total ¥91,885 million

(3) Following is the total amount of credits and debits to affiliates, respectively.

i. Short-term credits	¥28,090 million
ii. Short-term debits	¥12,396 million

4. Note to non-consolidated statements of income

Transactions with affiliates

i. Net sales	¥148,857 million
ii. Purchase of goods	¥178,594 million
iii. Other business transactions	¥7,708 million
iv. Transactions excluding business transaction	¥24,626 million

5. Note to non-consolidated statements of changes in equity

Type and number of treasury stock

Type of shares	Number of shares at the beginning of fiscal 2025	Increase	Decrease	(thousand shares)
				Number of shares at the end of fiscal 2025
Common shares	24,086	20,687	164	44,609

Notes:

1. The increase in the number of treasury stock is due to the purchase of 20,685 thousand shares of treasury stock, an increase of 0 thousand shares resulting from the Company's purchase of fractional shares less than one unit, and the gratuitous acquisition of 1 thousand restricted shares for the employee stock ownership plan.
2. The decrease in the number of treasury stock is due to a decrease of 8 thousand shares resulting from the exercise of stock options and the disposal of 156 thousand shares of treasury stock as the restricted-share remuneration.

6. Note to tax effect accounting

Breakdown of main causes of deferred income tax assets and deferred income tax liabilities

Deferred income tax assets

Allowance for employees' bonuses	¥1,162 million
Allowance for retirement benefits	¥1,658 million
Directors' and corporate auditors' retirement payments	¥97 million
Excess amount of depreciation	¥5,291 million
Loss on valuation of investment securities	¥9,261 million
Claim expenses	¥3,592 million
Reserve for product warranties	¥864 million
Allowance for doubtful receivables	¥33 million
Work-in-progress development expenses	¥3,632 million
Gains on stock transfers for corporate tax purposes	¥1,210 million
Impairment loss	¥589 million
Others	¥2,288 million
Deferred income tax assets subtotal	¥29,683 million
Valuation allowance	¥(11,417) million
Deferred income tax assets total	¥18,266 million

Deferred income tax liabilities

Reserve for reduction of asset costs	¥(394) million
Valuation adjustment on marketable securities	¥(14,827) million
Others	¥(576) million
Deferred income tax liabilities total	¥(15,798) million
Net deferred income tax assets (liabilities)	¥2,468 million

7. Notes to transactions with related parties

(1) Parent companies and major corporate shareholders

Relationship	Company name	Location	Capital or investments	Description of businesses or job	Voting rights holding	Relationship with related parties		Description of transactions	Transaction amount (¥ millions)	Account	Ending balance (¥ millions)
						Interlocking of officers	Business relationships				
Other affiliate	TOYOTA MOTOR CORPORATION	Toyota City, Aichi Prefecture	¥635,402 million	Manufacturing and marketing of motor vehicles and automobile parts, marketing of industrial vehicles, manufacturing and marketing of houses, and others	(Owned) Directly held 21%	-	Marketing of automotive lighting equipment	Marketing of automotive lighting equipment	128,481	Electronically recorded monetary claims-operating	4,207
										Accounts receivable	13,043
								Receipt of materials	3,069	Accounts payable	538

(2) Subsidiaries

Relationship	Company name	Location	Capital or investments	Description of businesses or job	Voting rights holding	Relationship with related parties		Description of transactions	Transaction amount (¥ millions)	Account	Ending balance (¥ millions)
						Interlocking of officers	Business relationships				
Consolidated subsidiary	KOITO KYUSHU LIMITED	Saga City, Saga Prefecture	¥3,000 million	Manufacturing and marketing of automotive lighting equipment	(Ownership) Directly holding 100%	There are concurrent services of officers	Manufacturing of the Company's products	Purchase of the subsidiary's products	58,311	Accounts payable	5,380
								Supply of materials	29,194	Accrued income	1,130
Consolidated subsidiary	Aoitec Co., Ltd.	Hamamatsu City, Shizuoka Prefecture	¥100 million	Manufacturing and marketing of electronic components, electrical devices, telecommunications equipment and precision machinery	(Ownership) Directly holding 98%	-	Manufacturing of the Company's products	Purchase of the subsidiary's products	44,007	Accounts payable	2,584
								Supply of materials	31,280	Accrued income	951
Consolidated subsidiary	Shizuokadenso Co., Ltd.	Shizuoka City, Shizuoka Prefecture	¥76 million	Manufacturing and marketing of automotive lighting equipment	(Ownership) Directly holding 65%	-	Manufacturing of the Company's products	Purchase of the subsidiary's products	33,940	Accounts payable	1,467
								Supply of materials	26,622	Accrued income	817
Consolidated subsidiary	North American Lighting, Inc.	Illinois, U.S.	130,000 thousands of U.S. dollars	Manufacturing and marketing of automotive lighting equipment	(Ownership) Directly holding 100%	There are concurrent services of officers	Manufacturing and marketing of the subsidiary's products mainly in the U.S. There is a technological support agreement Debt guarantee	Debt guarantee	79,940	-	-
Consolidated subsidiary	NAL do Brasil Indústria e Comércio de Componentes de Iluminação Ltda.	San Paulo, Brazil	533,000 thousand Brazilian reals	Manufacturing and marketing of automotive lighting equipment	(Ownership) Directly holding 84%	-	Manufacturing and marketing of the subsidiary's products mainly in Brazil. There is a technological support agreement Debt guarantee	Debt guarantee	11,945	Long-term loans of affiliated companies	9,600
								Receiving interest	141	-	-
Consolidated subsidiary	THAI KOITO COMPANY LIMITED	Samut Prakan, Thailand	365,200 thousand Thai baht	Manufacturing and marketing of automotive lighting equipment	(Ownership) Directly holding 62%	-	Manufacturing and marketing of the subsidiary's products mainly in Thailand. There is a technological support agreement	Receiving dividend	4,792	-	-

Notes:

- The terms and conditions of the above transactions and their decision policy
As in general transactions, the Company takes market prices and total costs into consideration in determining the transactions.
- The Company provides guarantees for loans from financial institutions and receives guarantee fees decided through consultation. The transaction amount specifies the maximum limit of guarantee liabilities.
- For loans receivable, the Company takes market interest rates into consideration in determining the interest rate.
- The receipt of dividends is determined through consultations in consideration of subsidiaries' performance and internal reserves.

(3) Officers and major individual shareholders

Relationship	Name	Description of businesses or job	Voting rights holding	Description of transactions	Transaction amount (¥ millions)	Account	Ending balance (¥ millions)
Close relative of officer	Takashi Ohtake	Senior Adviser of the Company	(Owned) Directly held 0%	Remuneration as Senior Adviser	¥102 million	–	–

Note:

He has long been involved in corporate management as Representative Director, President, and Chairman of the Company, and currently holds important positions such as CEO of the Company's largest consolidated subsidiary, North American Lighting, Inc., as well as Chairman of THAI KOITO COMPANY LIMITED. The Company has entrusted duties of a Senior Adviser to him to provide various forms of guidance and advice to the management team, drawing on his many years of experience, expertise, and extensive network. The amount of remuneration has been reported to the Company's Board of Directors.

8. Notes to revenue recognition

Notes are omitted as the same information is presented in the Notes to consolidated financial statements (7. Notes to revenue recognition) regarding information on the basis for understanding revenue.

9. Notes to per share information

(1) Net assets per share	¥1,148.60
(2) Net income per share	¥32.81

10. Notes concerning significant subsequent events

Not applicable.

11. Notes to impairment loss

During fiscal 2025, the Company has recorded impairment loss on the following asset groups.

Asset group	Use	Type	Location	Amount
LiDAR Business	Business assets	Machinery, etc.	Shizuoka Prefecture	¥1,872 million

When applying impairment accounting, the Company, in principle, groups its assets by division or plant.

Regarding the assets in the LiDAR business, the Company calculated the recoverable amount of the relevant cash-generating unit during the current business year based on the latest business plan. As a result, it was determined that the recoverable amount was less than the book value, and impairment losses were recorded as special losses in the amount of ¥1,872 million for "Machinery, etc."

The recoverable amount is measured based on net selling value and is valued at a nominal amount or zero due to the difficulty of repurposing or selling them.

Independent Auditor's Report

May 23, 2026

The Board of Directors
KOITO MANUFACTURING CO., LTD.

ARK LLC
Tokyo Head Office

Reiji Yonekura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Norikazu Shibuya
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Norihito Uryu
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the consolidated financial statements of KOITO MANUFACTURING CO., LTD., which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements applicable to the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of KOITO MANUFACTURING CO., LTD. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2025 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Statements

Other statements consist of the Business Report and its supporting schedules. Management is responsible for the preparation and disclosure of the other statements. Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other statements.

The subject of our audit opinion on the consolidated financial statements does not include other statements, and we express no opinion on them.

Our responsibility in the audit of the consolidated financial statements is to read the other statements in full and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the consolidated financial statements or knowledge we acquired in the course of the audit, and to pay attention to whether there is any indication of material errors in the other statements other than such material differences.

Based on the work we performed, if it is determined that there are material errors in the other statements, we are required to report those facts.

With respect to the other statements, there are no matters we should report.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, countermeasures have been established to eliminate obstruction factors to our independence or safeguards have been applied to reduce these obstruction factors to allowable levels.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Independent Auditor's Report

May 23, 2026

The Board of Directors
KOITO MANUFACTURING CO., LTD.

ARK LLC
Tokyo Head Office

Reiji Yonekura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Norikazu Shibuya
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Norihito Uryu
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of KOITO MANUFACTURING CO., LTD. (“the Company”), which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders’ equity and the notes to financial statements, and the supporting schedules (“Financial Statements and Others”) applicable to the 125th business year from April 1, 2024 through March 31, 2025.

In our opinion, the Financial Statements and Others referred to above present fairly, in all material respects, the financial position and results of operations, applicable to the business year ended March 31, 2025 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities) , and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Statements

Other statements consist of the Business Report and its supporting schedules. Management is responsible for the preparation and disclosure of the other statements. Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for

overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other statements.

The subject of our audit opinion on the Financial Statements and Others does not include other statements, and we express no opinion on them.

Our responsibility in the audit of the Financial Statements and Others is to read the other statements in full and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the Financial Statements and Others or knowledge we acquired in the course of the audit, and to pay attention to whether there is any indication of material errors in the other statements other than such material differences.

Based on the work we performed, if it is determined that there are material errors in the other statements, we are required to report those facts.

With respect to the other statements, there are no matters we should report.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the Financial Statements and Others in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the Financial Statements and Others that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements and Others, management is responsible for assessing whether it is appropriate to prepare the Financial Statements and Others with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements and Others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements and Others based on our audit from an independent point of view.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Financial Statements and Others.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements and Others, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by

- management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements and Others with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements and Others or, if the notes to the Financial Statements and Others on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements and Others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate whether the presentation of the Financial Statements and Others and notes to the Financial Statements and Others are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements and Others, including the related notes thereto, and whether the Financial Statements and Others fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, countermeasures have been established to eliminate obstruction factors to our independence or safeguards have been applied to reduce these obstruction factors to allowable levels.

Conflicts of Interest

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

AUDIT REPORT

Regarding the execution of Directors' duties during the 125th business year from April 1, 2024 to March 31, 2025, we, the Audit and Supervisory Board of KOITO MANUFACTURING CO., LTD. ("the Company"), hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit and Supervisory Board Members.

1. Method and details of audit

(1) We, the Audit and Supervisory Board, established the auditing policies and allocation of duties, received reports regarding the status of audits and the results thereof from each Audit and Supervisory Board Member, as well as reports regarding the status of the execution of duties from Directors, etc. and Independent Auditors, and requested explanations as necessary.

(2) In compliance with the auditing rules of the Audit and Supervisory Board and pursuant to the auditing plans and the assigned tasks and others, each Audit and Supervisory Board Member communicated with Directors, officials at the Internal Audit Department and other relevant personnel, endeavored to collect necessary information and improve the auditing environment, and conducted the audit in accordance with the following methods.

i) Each Audit and Supervisory Board Member also attended meetings of the Board of Directors and other meetings as deemed important, received reports from Directors and employees on their performance of duties, requested additional explanations as necessary, perused the documents whereby the important decisions were made, and examined the business and financial conditions at the head office and the principal offices.

Meanwhile, each Audit and Supervisory Board Member communicated and exchanged information with Directors, Audit and Supervisory Board Members, and others of subsidiaries and, when necessary, received reports concerning business activities of the subsidiaries.

ii) Each Audit and Supervisory Board Member monitored and reviewed the substance of the Board of Directors' resolutions to establish a system to ensure the conformity of the execution of duties by the Directors with laws and regulations and with the Articles of Incorporation, and other arrangements prescribed in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act as necessary for ensuring the integrity of corporate groups comprised of stock companies and their subsidiaries, as well as the establishment and operation of a system (internal control system) being developed in accordance with such resolutions.

iii) Each Audit and Supervisory Board Member examined the substance of the basic policies on those who control the decision of the Company's financial and operational policies and specific measures taken to implement the said policies.

iv) In addition to monitoring and examining whether the Independent Auditor maintained an independent position and performed auditing appropriately, we received reports from the Independent Auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the Independent Auditor that "The systems for ensuring the proper performance of duties" (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in equity, notes to consolidated financial statements), financial statements (balance sheets, statements of income, statement of changes in equity, notes to financial statements), supporting schedules for the fiscal year under review.

2. Results of audit

(1) Results of audit of business report, etc.

i) In our opinion, the business report and supporting schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.

ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any Directors or Executive Officers in carrying out their duties.

iii) We find the Board of Directors' resolutions concerning the internal control system are appropriate and there are no matters to be pointed out with respect to the establishment and operation of the said internal control system.

iv) There are no matters to be pointed out with respect to the basic policies on those who control the decision of the Company's financial and operational policies and specific measures taken to implement the said policies.

(2) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the Independent Auditor ARK LLC. are appropriate.

(3) Results of audit of financial statements and supporting schedules

In our opinion, the audit method and audit results received from the Independent Auditor ARK LLC. are appropriate.

May 25, 2026

Audit and Supervisory Board of KOITO MANUFACTURING CO., LTD.

Standing Audit and Supervisory Board Member
Mitsuo Kikuchi (Seal)

Standing Audit and Supervisory Board Member
Koichi Sakakibara (Seal)

Outside Audit and Supervisory Board Member
Hiroshi Kimeda (Seal)

Outside Audit and Supervisory Board Member
Hidemi Yamaguchi (Seal)