With the aim of enhancing our corporate value and resolving social issues throughout our business activities, the KOITO Group is strengthening initiatives in the respective value chain of R&D, procurement, production, quality management and marketing.

R&D





The KOITO Group makes full use of optics, electronics and other cutting-edge technologies in the pursuit of safety and reliability, and conducts research and development of innovative and environmentally friendly system products.

The KOITO Group's R&D activities are broadly categorized into basic research and product development.

Centered upon technical center in Japan, the KOITO Group conducts research to commercialize a new generation of products anticipating market needs through further evolution of our core technologies such as optics, electronics, machinery, and structures.

The KOITO Group not only proposes new technologies to automotive manufacturers and other customers, but also develops products accommodating development plans and required specifications.

• Global R&D network in five major regions of the world

• Clear understanding of needs through partnerships with

organizations, and its implementation to the products

• Provision of safe and reliable products such as Adaptive

Contributions to prevent global warming through energy

• Rapid response to technical challenges based on a wealth

• Educational system to develop and strengthen diverse

• Promotion of research and development themes adapting

to rapidly changing technical and market needs as well as

a fiercer development race from connectivity, autono-

mous driving, sharing and electric vehicles (CASE) to mo-

including the promotion of a transition to LEDs

of knowledge and experience

human resources in technical fields

efficiency as well as smaller and light-weight reductions,

Driving Beam (ADB) headlamps to provide better visibili-

customers, suppliers, external agencies and other such

(Japan, Americas, China, Europe and Asia)

The KOITO Group procures parts by selecting material and component suppliers necessary for production.

This selection of suppliers is determined based on component specifications, monthly quantities, unit prices, estimated price of molds and other factors. In addition, we audit and approve supplier plants when engaging in new procurement.

We formulate and manage procurement plans for materials and components according to the KOITO Group's production

ty at night

- Global procurement system that allows local sourcing from suitable procurement sites
- Enhancement of local procurement to mitigate the impact related to foreign exchange fluctuations
- Sustaining and strengthening of good relationships with suppliers
- Realization of high-level Quality, Cost, Delivery and Development (QCDD) through ongoing improvement activities with the cooperation of suppliers
- Establishment of a BCP system to quickly grasp the level of damage and problems faced by suppliers when disasters strike and to cooperate with suppliers to take the necessary action
- Promotion of CSR/ESG activities throughout the entire supply chain to materialize a sustainable society, such as preventing global warming
- Stable procurement by securing a flexible supply and strengthening the effectiveness of Business Continuity Plans (BCP) in the supply chain
- Optimization of supplier portfolios (thorough cooperation across industries and elements of competition)

bility as a service (MaaS) • Development of monitoring sensors such as LiDAR and all-weather cameras that contribute to safety and security under ADAS (Advanced Driver Assistance System) and autonomous driving

- More efficient product development through the use of various simulations and promotion of digital transforma-
- Training and securing engineers to pass down and evolve technologies
- Promotion of advanced technical development that helps materialize a safe and reliable automotive society, and achieve carbon neutrality
- Enhancement of CSR/ESG activities throughout the entire supply chain
- Strengthening supply chain activities to achieve carbon neutrality

Production and Quality Management



Marketing



The KOITO Group manufactures the products it develops and designs using the materials and products purchased from subsidiaries and suppliers. We audit plants when starting the manufacture of new products or when changing manufacturing processes at subsidiaries.

We formulate delivery plans based on order estimates from automotive manufacturers and other customers as well as subsidiaries (unofficial monthly, yearly, mid-term and other plans) in addition to confirmed orders as well as production plans taking applicable inventory and other plans into account.

KOITO engages in quality management operations to assure quality throughout the entire Group and formulates quality inspection criteria and quality control methods. Everyone involved in manufacturing engages in quality control activities based on the criteria and quality control methods.

The KOITO Group understands global customer needs, realizes cooperation with relevant departments and conducts proposal and marketing activities through presentations.

We make proposals of next-generation products that contribute to safety, reliability and reduction of environmental impact based on good customer relationships founded in trust, aiming to expand its sales channels and profit.

- Appropriate production system established by the KOITO Production System (KPS)
- Global production and quality assurance system in all five major regions of the world
- Designation of the KOITO Shizuoka District as the mother plant and support for launching overseas production sites/products and measures to address various problems
- Drills and training to pass down and improve the technical abilities and skills of employees throughout the entire Group
- Strengthening and continuation of improvement activities for production sites
- Global information gathering and sales system in all five major regions of the world
- Global top share sales capabilities
- Clear understanding of changing and diverse customer needs as well as specific sales capabilities
- Sustaining and strengthening of good, strong relationships based on close communication with customers
- Product proposals of light sources and lighting technology cultivated in the automotive lighting equipment business for adoption in aviation, railway and infrastructure-related products
- Strengthening of competitiveness by improving global QCDD
- Strengthening of quality management that adapts to more advanced and complex products
- Enhancement of productivity through the use of AI, IoT and other technologies, such as the realization of smart factories
- Strengthening of BCP at production sites, such as more resistant buildings and equipment and better complimentary supply capabilities
- Strengthening of marketing systems that reflect customer and market needs
- Higher customer satisfaction
- Education and training to foster and strengthen compliance awareness

• Shift to production equipment and processes that contribute substances and effectively use resources

• Proposals of attractive products that help materialize a safe, reliable automotive society and resolve social issues

to achieve carbon neutrality, reduce environmental impact

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Tasks Addressed to Deep Value Chain **Business Issues**

Our Strength

Social Issues