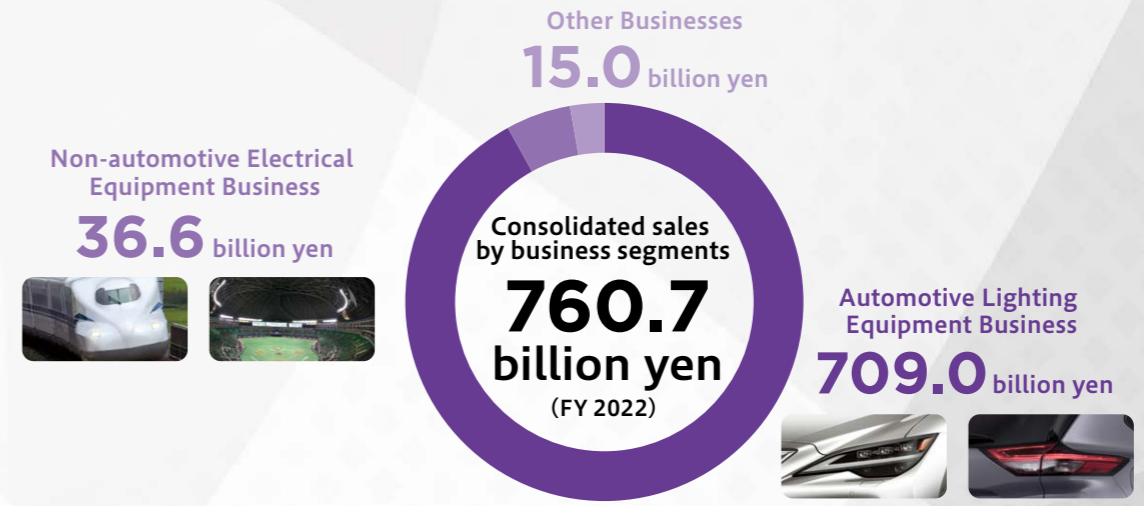


# Business Overview

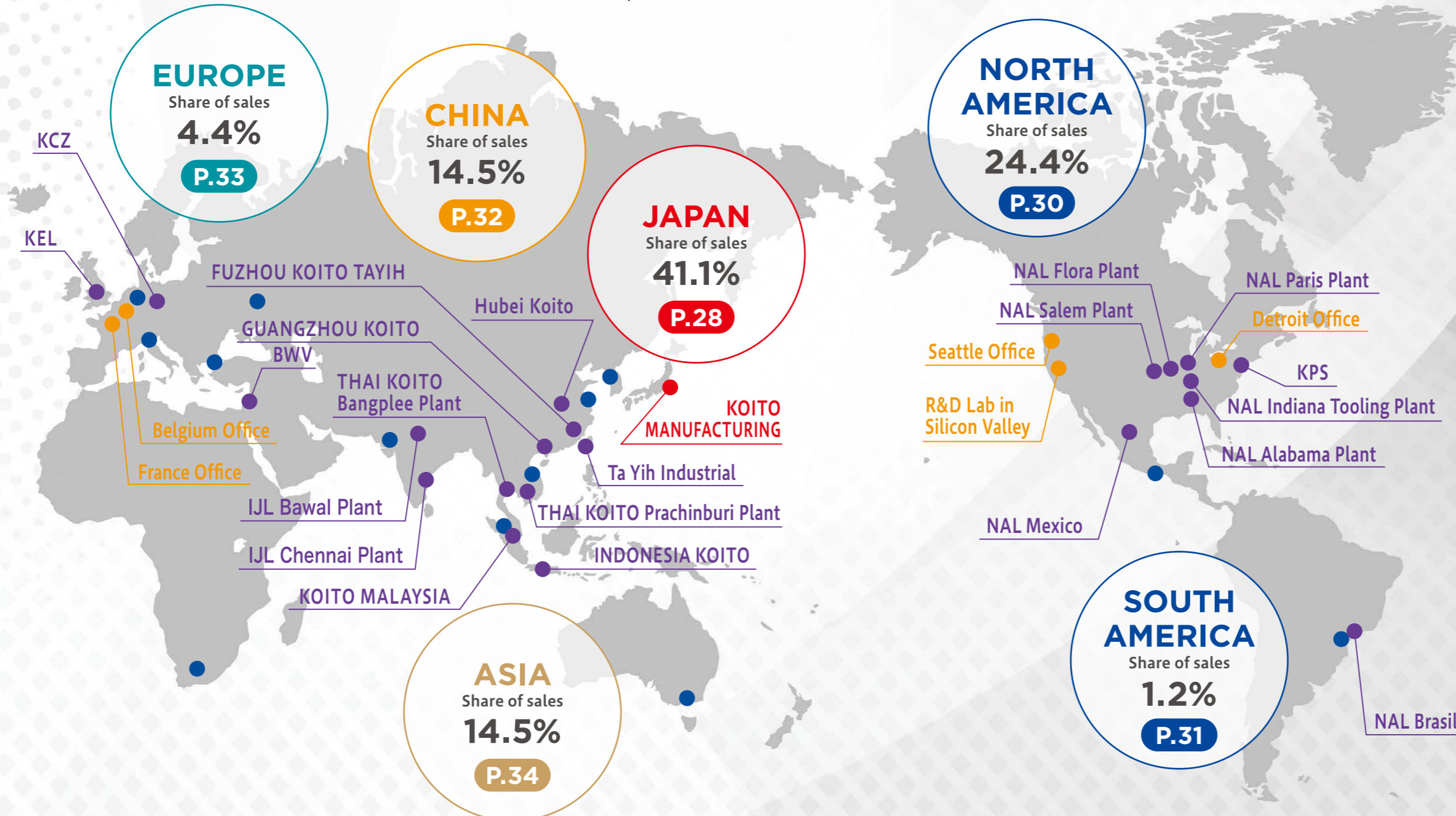
The KOITO Group consists of a total of 31 companies, including 16 domestic companies and 15 overseas companies in 12 countries. We provide products and services to customers all over the world, through our global network led by five major regions of the world (Japan, Americas, China, Europe and Asia).

By accurately capture the customer needs in different countries, with its global perspective, all companies in the KOITO Group are expanding its development and production system. Based on the stance of “customer-first,” KOITO continues to pursue better operations to keep Quality, Cost, Delivery and Development (QCDD) to the highest level.

Through our mutually complementary supply network among affiliated companies that leverage our global network, we are stably providing products and services to customers worldwide even amid the COVID-19 pandemic.



● Head Office ● Overseas Subsidiaries and Affiliates  
● Overseas Technical Associates ● Overseas Representative Offices



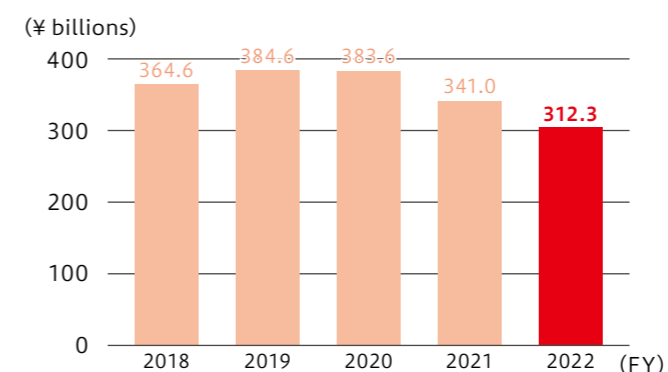
BUSINESS OVERVIEW

## JAPAN

In FY 2022, domestic automobile production declined for the third consecutive year due to the impact of COVID-19 and semiconductor shortage.

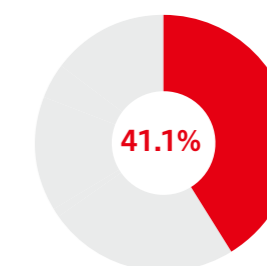
Sales in Japan decreased 8.4% year on year to ¥312.3 billion due to a decrease in the automobile production volume.

### Net sales



### Share of net sales

[Japan]  
FY 2022



## KOITO MANUFACTURING

KOITO manufactures and supplies automotive lighting equipment at four plants in Shizuoka Prefecture, centered on the Shizuoka Plant. We have introduced a production system that can efficiently operate every phase from production to distribution, and have established a production system that incorporates our unique know-how in high-variety and low-volume manufacturing.

The Shizuoka Plant has an integrated production system from development of light sources to assembly and quality assurance. Centering Shizuoka Plant as our mother plant, we are deploying our own production systems at all domestic and overseas bases. We are striving to maintain and improve outstanding productivity and high-quality. In R&D, the Technical Center within the Shizuoka Plant plays a central role in the KOITO Group's R&D structure. In addition to development, design and testing, we are developing new light sources and advanced technology for advanced driving systems and autonomous driving in the Technical Center. To further enhance quality, cost, delivery, and development and improve our response to the sophistication and complexity of product functions, we have opened the Koito Development Center in Aichi Prefecture in 2020. Collaborating with the Technical Center, we are strengthening product development functions.



Head Office



Shizuoka Plant



Haibara Plant



Sagara Plant



Fujikawa Tooling Plant



Technical Center



KOITO Development Center

## KOITO KYUSHU LIMITED

KOITO KYUSHU was established in 2005 to strengthen KOITO's supply system to automobile manufacturers in the Kyushu and Chugoku regions. The plant has commenced operations in 2006, and has expanded in 2008 to produce and supply automotive lighting equipment.

Throughout mutually complementary supply network and structure through collaboration with KOITO, KOITO KYUSHU is strengthening QCD by improving production efficiency and reducing logistics costs, as well as being responsible for risk diversification in the event of disasters.



KOITO KYUSHU Head Office and Plant

## Other Domestic Affiliated Companies

Other domestic affiliates are engaged in transportation and other businesses in addition to automotive lighting-related businesses, such as manufacturing rear combination lamps and subsidiary lamps, various light bulbs, and electronic components, as well as molds.

In addition to automotive lighting business, KOITO ELECTRIC INDUSTRIES and other companies are engaged in the railway vehicle equipment business, including seats and control equipment for railway cars, as well as transportation systems business, including traffic lights and traffic control systems. KOITO ELECTRIC INDUSTRIES is a leading company in the domestic traffic light business, with a top domestic market share of approximately 30%.



KOITO ELECTRIC INDUSTRIES Head Office and Fuji Nagaizumi Plant

## NORTH AMERICA

In FY 2022, automobile production in North America remained sluggish at the 13 million unit level, continuing from the previous fiscal year.

In North America, KOITO operates automotive lighting equipment business in the U.S.A. and Mexico.

While the automobile production volume remained unchanged from the previous fiscal year, sales in North America increased 29.4% year on year to ¥185.5 billion due to an increase in new orders and a shift in automobile lamps to LED.

### United States

NAL conducts production operations at four plants: Paris, Flora and Salem in Illinois, and a plant in Alabama. As the largest independent lighting equipment manufacturer in North America, NAL supplies automotive lighting equipment to U.S.-based automotive manufacturers and to local plants of Japanese automotive manufacturers. NAL also produces dies for plastic moldings at a tooling plant in Indiana. In research and development, NAL develops products at the Technical Center in Michigan. At the R&D lab in Silicon Valley, they are researching and gathering information on advanced driving support systems (ADAS) and autonomous driving technologies.

In the non-automotive electrical equipment business, KPS N.A., INC. manufactures and sells electrical components for railroad cars.



■ NAL Head Office (Paris)



■ NAL Paris Plant



■ NAL Flora Plant



■ NAL Salem Plant



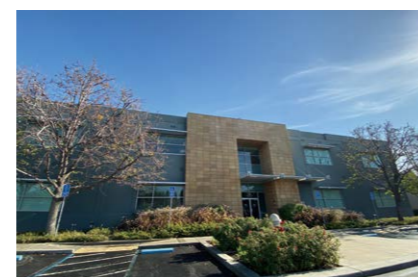
■ NAL Alabama Plant



■ NAL Indiana Tooling Plant

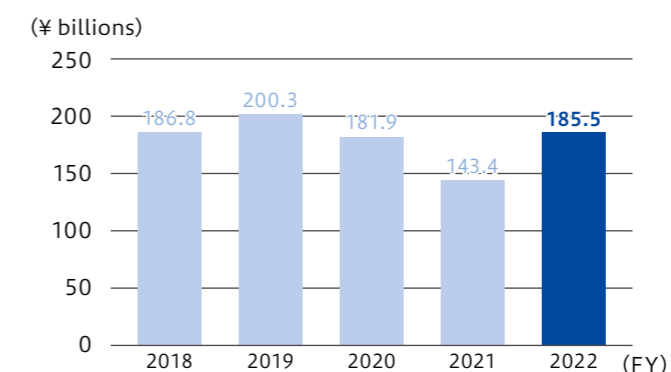


■ NAL Technical Center



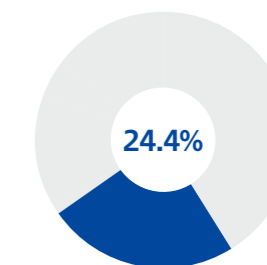
■ NAL R&D Lab in Silicon Valley

### Net sales



### Share of net sales

[North America]  
FY 2022



### Mexico

North American Lighting Mexico, S.A. de C.V. (NAL Mexico), which commenced its operations in September 2014, responds to the expanding automotive production in Mexico.



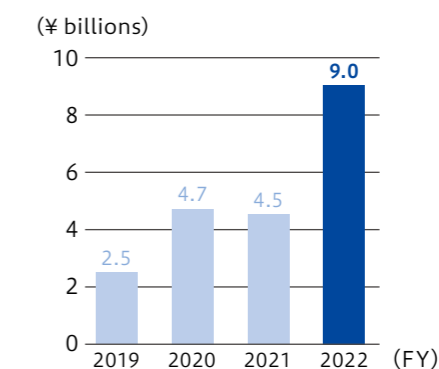
■ NAL Mexico

## SOUTH AMERICA

In FY 2022, automobile production in South America increased year on year to the 2.6 million unit level.

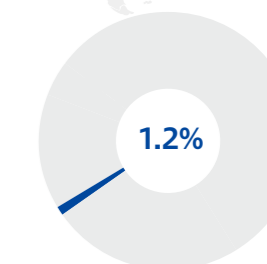
Sales in South America increased 97.9% year on year to ¥9.0 billion due to an increase in automobile production, new orders, and a shift in automobile lamps to LED.

### Net sales



### Share of net sales

[South America]  
FY 2022



### Brazil

In order to respond to the growing automotive market in South America, in January 2017, the KOITO Group established NAL do Brasil (NAL Brasil), a manufacturing subsidiary in São Paulo State, Brazil. The subsidiary commenced operations in May 2018.



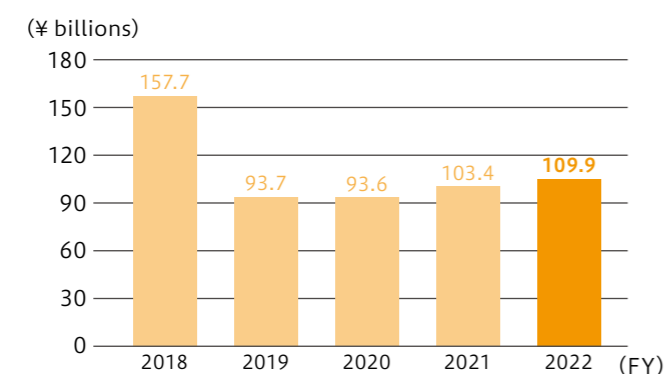
■ NAL Brasil

## CHINA

Automobile production in China decreased from previous fiscal year to the 26 million unit level in FY 2022.

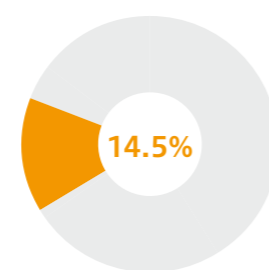
Although automobile production declined, sales in China increased 6.3% year on year to ¥109.9 billion.

### Net sales



### Share of net sales

[China]  
FY 2022

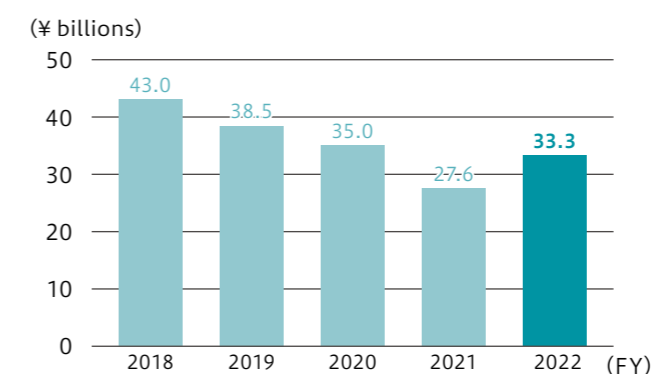


## EUROPE

Automobile production in Europe decreased from the previous fiscal year to 11 million units in FY 2022. In Europe, KOITO operates businesses in the U.K. and Czech Republic.

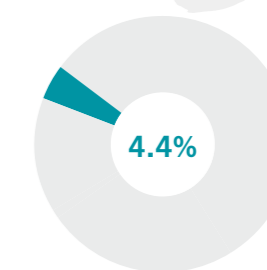
Although automobile production declined, sales in Europe increased 20.7% year on year to ¥33.3 billion due to the impact of foreign currency exchange and other factors.

### Net sales



### Share of net sales

[Europe]  
FY 2022



KOITO has been developing its automotive lighting equipment business in China through 3 companies: GUANGZHOU KOITO AUTOMOTIVE LAMP CO., LTD. (GUANGZHOU KOITO), Hubei Koito Automotive Lamp Co., Ltd. (Hubei Koito), and FUZHOU KOITO TAYIH AUTOMOTIVE LAMP CO., LTD. (FUZHOU KOITO TAYIH).

In research and development, we will strengthen our response to local needs by opening a technical center in GUANGZHOU KOITO in September 2022.



GUANGZHOU KOITO



GUANGZHOU KOITO Technical Center  
(scheduled to commence operations in September 2022)



Hubei Koito



FUZHOU KOITO TAYIH

## United Kingdom

In the U.K., KOITO has been producing automobile lighting equipment at Koito Europe Limited (KEL) since 1996, as KOITO's first production base in Europe.



KEL

## Czech Republic

In the Czech Republic, KOITO produces automobile lighting equipment at Koito Czech s.r.o. (KCZ). To respond to increasing new orders, KOITO expanded its plant in KCZ, and commenced operations in May 2020.

R&D activities are conducted at its Technical Section, and a wide range of businesses are being carried out, from gathering technological information to developing and designing for local and Japanese automakers.



KCZ



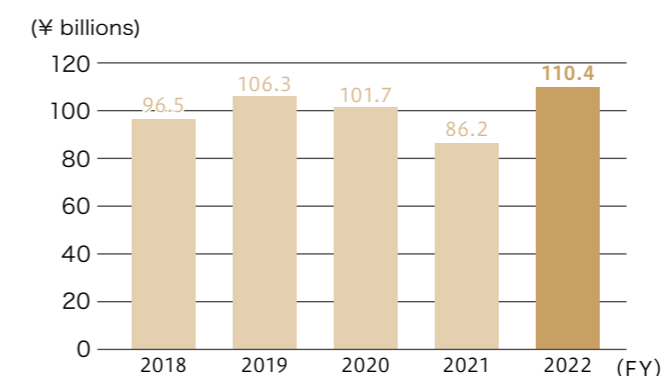
KCZ Technical Section

## ASIA

In FY 2022, as automobile production volume increased in Thailand, Indonesia, India, and other countries, automobile production in Asia as a whole increased year on year. In Asia, KOITO's business is conducted in Thailand, Indonesia, Taiwan, India and Malaysia.

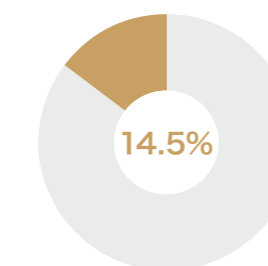
Sales in Asia increased 28.0% year on year to ¥110.4 billion due to an increase in automobile production, new orders, and a shift in automobile lamps to LED.

### Net sales



### Share of net sales

[Asia]  
FY 2022



### Thailand

In Thailand, which is the center of the Asian automotive industry, KOITO supplies automotive lighting equipment to all local Japanese automotive manufacturers. The products are manufactured in 2 plants in THAI KOITO COMPANY LIMITED (THAI KOITO): Bangplee Plant and Prachinburi Plant. Furthermore, KOITO is strengthening its development systems in the Asian region led by THAI KOITO Technical Center.



THAI KOITO Bangplee Plant



THAI KOITO Prachinburi Plant



THAI KOITO Technical Center

### India

In India, where the automotive industry is expected to grow in the long term, KOITO is conducting business in INDIA JAPAN LIGHTING PRIVATE LIMITED (IJL). IJL manufactures automotive lighting equipment at 2 plants: Chennai Plant and Bawal Plant.



IJL Chennai Plant



IJL Bawal Plant

### Indonesia

In Indonesia, KOITO produces lamps for automobiles and motorcycles at PT. INDONESIA KOITO. In March 2019, KOITO expanded plants in Indonesia to respond to increasing orders.



INDONESIA KOITO

### Taiwan

In Taiwan, operations are conducted by Ta Yih Industrial Co., Ltd. (Ta Yih Industrial), in which KOITO took an equity interest in 1988.



Ta Yih Industrial

### Malaysia

In Malaysia, which is the third largest automotive production country in the ASEAN regions, the KOITO Group established KOITO MALAYSIA SDN. BHD. (KOITO MALAYSIA) in October 2017. The subsidiary commenced operations in November 2019.



KOITO MALAYSIA