

Consolidated Earnings Report for Fiscal 2024

[Japanese GAAP]

April 24, 2025

Company Name: **KOITO MANUFACTURING CO., LTD.**
 Stock Listing: Prime Market, Tokyo Stock Exchange
 Code Number: 7276
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 Planned Date of the General Meeting of Shareholders: June 27, 2025
 Scheduled Payment of Dividends: June 30, 2025
 Filing of Securities Report: June 26, 2025
 Supplementary explanatory materials prepared: Yes
 Explanatory meeting: Yes

(¥ millions are rounded down)

1. Consolidated Results for Fiscal 2024 (April 1, 2024 to March 31, 2025)

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

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal 2024	916,709 \triangle 3.5%	44,873 \triangle 19.9%	49,147 \triangle 22.3%	46,240 13.1%
Fiscal 2023	950,295 9.9%	55,995 19.5%	63,265 30.4%	40,879 37.8%

Note: Comprehensive income: Fiscal 2024: ¥27,184 million (\triangle 72.3%), Fiscal 2023: ¥98,108 million (84.6%)

	Net income per share (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Ordinary profit to total assets ratio (%)	Operating profit to net sales ratio (%)
Fiscal 2024	156.49	156.47	7.1	5.3	4.9
Fiscal 2023	130.93	130.90	6.3	6.8	5.9

Reference: Equity in earnings of affiliated companies: Fiscal 2024: ¥△7 million, Fiscal 2023: ¥△358 million

(2) Consolidated Financial Position

(¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
March 31, 2025	889,952	679,865	70.5	2,210.09
March 31, 2024	965,595	719,270	69.6	2,182.85

Reference: Equity: March 31, 2025: ¥ 627,105 million, March 31, 2024: ¥ 671,825 million

(3) Consolidated Cash Flows

(¥ millions)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Fiscal 2024	88,363	\triangle 40,995	\triangle 78,348	101,265
Fiscal 2023	96,370	\triangle 50,155	\triangle 59,677	134,560

2. Dividends

	Dividend per share (¥)					Dividend paid (annual) (¥ millions)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Year end	Full year			
Fiscal 2023	—	25.00	—	28.00	53.00	16,312	40.5	2.6
Fiscal 2024	—	28.00	—	28.00	56.00	16,221	35.8	2.6
Fiscal 2025 (forecast)	—	28.00	—	28.00	56.00		72.2	

3. Forecast of Consolidated Results for Fiscal 2025 (April 1, 2025 to March 31, 2026)

(¥ millions; percentage figures represent year-on-year changes)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (¥)
Second half	417,300 △6.0%	12,600 △30.3%	15,500 △22.0%	6,500 △42.4%	22.91
Full year	868,000 △5.3%	37,000 △17.5%	43,000 △12.5%	22,000 △52.4%	77.53

*Notes

(1) Changes to important subsidiaries during fiscal 2024 (changes in specified subsidiaries resulting in revised scope of consolidation): Yes

Newly included: 1 company

(Company name) Cepton Technologies, Inc.

Excluded: None

(Company name) None

(2) Changes in accounting principles, accounting estimates and restatements

①Changes in accounting policies in conjunction with revisions to accounting standards: Yes

②Other changes : None

③Changes in accounting estimates : None

④Restatements : None

Note: For the details, please refer to page 13 of the attached documents, section “3. Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Note to Changes of Accounting Policies)”.

(3) Number of shares issued (common stock)

①Number of shares issued (including treasury stock): (shares)

March 31, 2025	307,833,172	March 31, 2024	307,833,172
March 31, 2025	24,086,647	March 31, 2024	58,653
Fiscal 2024	295,477,385	Fiscal 2023	312,231,307

③Average number of shares during the year:

*This consolidated earnings report is not subject to the auditing procedures by certified public accountants or auditing firms.

*Explanations concerning proper use of business forecasts and other noteworthy matters

(Notes on future assumptions)

The above forecasts are based on information available, and certain assumptions that are judged to be reasonable, at the time of the release of this report. KOITO is not promising that the Company will achieve these forecasts. Actual results could differ from forecasts due to a variety of factors.

The exchange conversion rate based on the business forecast for fiscal 2025, the year ending March 2026 is calculated as 1.0 US\$ = ¥140.0 and 1.0 CNY = ¥19.0.

(Supplementary materials for financial results)

Supplementary materials will be available on our website.

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

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1. Outline of Consolidated Results

(1) Outline of Consolidated Results in Fiscal 2024

The economic situation in fiscal 2024 showed a gradual recovery trend against the backdrop of improving corporate earnings and improving the employment and income environment in Japan and robust consumer spending in the U.S. On the other hand, the outlook remained generally uncertain due to the stalling of the Chinese economy, the impact of monetary tightening in response to soaring prices in various countries, high resource prices and geopolitical risks.

The global automobile production volume decreased slightly compared to the previous fiscal year due to sluggish sales of Japanese vehicles in China as the shift to EVs progresses, the impact of certification issues for car manufacturers in Japan, and rising interest rates and stricter loan screening in Thailand and Indonesia resulting in a 3.5% year-on-year decline in the consolidated net sales to ¥916.7 billion.

The results by segment are as follows.

[Japan]

Net sales decreased by 2.8% year-on-year to ¥351.6 billion due to reduced vehicle production as a result of the impact of certification issues at car manufacturers and the suspension of production and shipments due to disasters at suppliers.

[North America]

Despite automobile production decreased due to parts supply problems at automobile manufacturers, net sales increased by 3.7% to ¥297.1 billion due to new orders as well as the effect of foreign exchange translation.

[China]

Automobile production increased due to growth in sales by local manufacturers as a result of progress in the shift to EVs, but sales volume decreased 29.2% year on year to ¥58.3 billion due to the continued sluggish sales of Japanese vehicles, which account for a high percentage of sales volume.

[Asia]

Although there was an increase in demand in India due to economic growth, overall vehicle production in Asia decreased due to sluggish sales in Thailand and Indonesia, mainly as a result of rising interest rates. Net sales increased by 1.4% year-on-year to ¥155.5 billion due to currency translation, despite the impact of production cuts.

[Europe]

Net sales decreased by 27.3% year-on-year to ¥36.1 billion, due to a decrease in vehicle production against a backdrop of weak personal consumption and other factors, as well as the impact of production termination of ordered models.

[Others]

Net sales increased by 8.8% year-on-year to ¥17.9 billion, mainly due to increased vehicle production in line with increased demand, as well as the impact of new orders.

Regarding profits, there were impacts from production and shipment suspensions, and one-time expenses such as quality response costs were incurred. Additionally, investments related to the LiDAR business increased due to the consolidation of Cepton Technologies, Inc. in the U.S. as a subsidiary starting from the fourth quarter of the current fiscal year. In this situation, despite the KOITO Group's concerted efforts to improve productivity and other streamlining activities, operating profit decreased by 19.9% year-on-year to ¥44.8 billion and ordinary profit decreased 22.3% year-on-year to ¥49.1 billion. Profit attributable to owners of the parent increased by 13.1% to ¥46.2 billion due to extraordinary gains, including the sale of shares held under policy and compensation received.

(2) Outline of Financial Position in Fiscal 2024

-1. Assets, liabilities and net assets

Total assets at the end of fiscal 2024 under review amounted to ¥889.9 billion, a decrease of ¥75.6 billion compared to the end of the previous year, mainly due to a decrease in cash and time deposits as a result of the acquisition of treasury shares and a decrease in investment securities.

Total liabilities decreased by ¥36.2 billion to ¥210.0 billion compared to the end of the previous fiscal year, mainly due to a decrease in loans and a decrease in deferred tax liabilities as a result of changes in share prices.

Total net assets decreased by ¥39.4 billion to ¥679.8 billion compared to the end of the previous year, mainly due to the acquisition of treasury shares.

-2. Cash flows

Cash flow from operating activities was ¥92.0 billion, mainly as a result of income before income taxes of ¥64.5 billion and depreciation of ¥43.7 billion, we secured ¥88.3 billion (the previous fiscal year: ¥96.3 billion) after payment income taxes.

Cash flows from investing activities resulted in expenditure of ¥40.9 billion (the previous fiscal year: expenditure of ¥50.1 billion) due to proceeds from the sale and redemption of investment securities amounting to ¥9.4 billion, and capital expenditures of ¥48.2 billion.

Cash flows from financing activities resulted in expenditure of ¥78.3 billion (the previous fiscal year: expenditure of ¥59.6 billion), primarily due to the repurchase of ¥50.0 billion of treasury stock and the payment of ¥18.2 billion in dividends.

As a result, the balance of cash and cash equivalents at the end of the fiscal 2024 decreased by ¥33.2 billion from the previous fiscal year to ¥101.2 billion.

(3) Forecasts for Fiscal 2025

Overall global automobile production for the fiscal year ending March 2026 is expected to decline slightly due to the economic slowdown in China and other factors. However, the outlook remains uncertain due to concerns over the impact of the U.S. tariff policies and other factors.

Consolidated sales are projected to decrease compared to the previous fiscal year, despite new orders in Japan and North America, due to reduced automobile production, continued weak sales of Japanese vehicles in China, and discontinuation of production of ordered vehicle models in Europe.

Regarding profits, although we will vigorously promote rationalization activities across the group, including the restructuring of our Chinese business, the global reorganization of production framework to match production volumes, and improvements in productivity and fixed cost reductions, we expect operating profit, ordinary profit, and profit attributable to owners of the parent to decrease compared to the previous fiscal year due to investments in new orders and increased research and development investments for the future.

The business environment surrounding KOITO, particularly the tariff policies of the U.S., contains many uncertain factors, and future policy developments could significantly impact KOITO's performance.

(4) Basic Earnings Distribution Policies and Dividend Payments for Fiscal 2024 and Fiscal 2025

KOITO is committed to further increasing its corporate value and enhancing returns to shareholders through business investment for sustainable growth. Regarding dividends, KOITO's policy is to continuously pay stable dividends to shareholders based on the comprehensive evaluation of our present business results, business climate, etc. with a target consolidated dividend payout ratio of 40% or more.

On the basis of the above policies, the year-end dividend is scheduled to be ¥28 per share same amount as at the end of the previous fiscal year. The full year dividend for this fiscal year, including the interim dividend, is scheduled to be ¥56 per share which is ¥3 higher than the previous fiscal year.

Regarding the forecast of dividends of fiscal 2025, although we are facing a challenging business environment in which we expect a decline in net sales and profits, we maintain to pay an interim dividend of ¥28 per share and a year-end dividend of ¥28 per share, for a full year dividend of ¥56 per share.

Looking ahead, KOITO will continue efforts to achieve higher earnings to meet the expectations of all shareholders.

2. Basic Approach in Selection of Accounting Standard

KOITO applies generally accepted account principles (GAAP) of Japan as its accounting standard, mainly to ensure its financial statements are comparable with past years.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(¥ millions)	
	Fiscal 2023	Fiscal 2024
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets:		
Cash and time deposits	302,874	270,845
Trade notes	6,382	1,103
Electronically recorded monetary claims-operating	8,699	8,909
Accounts receivable	127,597	132,507
Contract Assets	1,468	2,385
Marketable securities	—	5,302
Inventories	95,796	95,100
Other current assets	40,040	30,280
Allowance for doubtful accounts	△360	△72
Total current assets	582,498	546,361
Non-current assets:		
Property, plant and equipment:		
Buildings and structures (net)	59,416	59,240
Machinery and transportation equipment (net)	85,024	81,038
Fixtures, equipment and tools (net)	20,226	19,343
Land	19,078	20,052
Construction in progress	16,424	23,399
Other property, plant and equipment	6,136	6,568
Total property, plant and equipment	206,305	209,643
Intangible fixed assets		
Goodwill	—	9,740
Other intangible fixed assets	2,482	5,874
Total intangible fixed assets	2,482	15,614
Investments and other assets:		
Investment securities		
Marketable Securities	147,537	100,620
Claims provable in bankruptcy, claims provable in rehabilitation and other	452	444
Deferred income tax assets	19,563	10,309
Net defined assets for retirement benefits	3,677	4,114
Other investments	3,646	3,390
Allowance for doubtful accounts	△568	△547
Total investments and other assets	174,308	118,332
Total non-current assets	383,096	343,590
Total assets	965,595	889,952

(¥ millions)

	Fiscal 2023 As of March 31, 2024	Fiscal 2024 As of March 31, 2025
Liabilities		
Current liabilities:		
Trade notes and accounts payable	103,100	100,990
Electronically recorded monetary obligations-operating	3,036	3,734
Short-term loans	14,295	5,728
Accrued expenses	28,613	29,924
Income taxes payable	9,857	2,878
Contract Liabilities	3,110	3,731
Allowance for employees' bonuses	6,720	6,372
Reserve for product warranties	3,246	2,540
Provision for loss on business liquidation	—	842
Other current liabilities	20,497	16,616
Total current liabilities	192,479	173,359
Non-current liabilities:		
Deferred income tax liabilities	27,879	14,183
Allowance for directors' and corporate auditors' retirement benefits	312	363
Reserve for product warranties	3,436	2,899
Net defined liability for retirement benefits	16,253	13,312
Other non-current liabilities	5,963	5,967
Total non-current liabilities	53,845	36,726
Total liabilities	246,324	210,086
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital	13,188	13,235
Retained earnings	524,380	553,720
Treasury common stock, at cost	△148	△49,941
Total shareholders' equity	551,691	531,285
Accumulated other comprehensive income:		
Other Valuation adjustment on marketable securities	43,791	28,113
Foreign currency translation adjustments	71,499	62,671
Adjustments in defined benefit plans	4,843	5,033
Total accumulated other comprehensive income	120,133	95,819
Subscription rights to shares	106	97
Non-controlling interests	47,338	52,663
Total net assets	719,270	679,865
Total liabilities and net assets	965,595	889,952

(2) Consolidated Statements of Income and Comprehensive Income

(¥ millions)

	Fiscal 2023 April 1, 2023 to March 31, 2024	Fiscal 2024 April 1, 2024 to March 31, 2025
Net sales	950,295	916,709
Cost of sales	843,620	820,037
Gross profit	106,674	96,671
Selling, general and administrative expenses:		
Selling expenses	16,835	17,937
General and administrative expenses	33,843	33,860
Selling, general and administrative expenses	50,679	51,798
Operating profit	55,995	44,873
Non-operating profit:		
Interest income	3,514	4,773
Dividends	1,659	1,819
Foreign exchange gains	2,473	—
Other non-operating profit	2,330	2,168
Total non-operating profit	9,977	8,761
Non-operating expenses:		
Interest expenses	548	336
Shares of loss of entities accounted for using equity method	358	7
Foreign exchange losses	—	996
Loss on investment partnership management	360	712
Share acquisition-related expenses	454	733
Other non-operating expenses	987	1,701
Total non-operating expenses	2,708	4,487
Ordinary profit	63,265	49,147
Extraordinary gains:		
Gain on sales of property and equipment	163	102
Gain on sales of investment securities	4,192	4,962
Compensation received	—	8,624
Gain on step acquisition	—	3,869
Other extra ordinary gains	197	1,226
Total extraordinary gains	4,553	18,784
Extraordinary losses:		
Loss on sales and disposal of property and equipment	881	2,132
Loss on valuation of investment securities	331	—
Impairment loss	681	262
Provision for loss on business restructuring	—	842
Compensation payment for damages	5,913	68
Other extra ordinary losses	520	42
Total extraordinary losses	8,329	3,349
Income before income taxes	59,489	64,583
Income tax, inhabitant tax and business tax	16,404	11,986
Income taxes for prior periods	3,455	—
Income tax adjustment	△5,240	1,730
Total income taxes	14,619	13,717
Profit	44,870	50,865
(Breakdown)		
Profit attributable to owners of parent	3,990	4,625
Profit attributable to non-controlling interests	40,879	46,240

	(¥ millions)	
	Fiscal 2023 April 1, 2023 to March 31, 2024	Fiscal 2024 April 1, 2024 to March 31, 2025
Other comprehensive income or loss		
Valuation adjustment on marketable securities	18,866	△15,623
Translation adjustments	31,629	△8,248
Adjustments in defined benefit plans	2,731	190
Share of other comprehensive income of entities accounted for using equity method	10	0
Total other comprehensive income	53,238	△23,681
Comprehensive income	98,108	27,184
(Breakdown)		
Comprehensive income attributable to non-controlling Interests	7,169	5,258
Comprehensive income attributable to owners of parent	90,939	21,925

(3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(¥ 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	13,420	530,939	△45	558,585
Changes during fiscal year					
Dividends from retained earnings	—	—	△12,838	—	△12,838
Profit attributable to owners of parent	—	—	40,879	—	40,879
Purchases of treasury stock	—	—	—	△35,000	△35,000
Disposal of treasury stock	—	△8	—	73	64
Cancellation of treasury stock	—	△34,823	—	34,823	—
Transfer from retained earnings to additional paid-in capital	—	34,598	△34,598	—	—
Others	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	△232	△6,558	△103	△6,894
Balance at fiscal year-end	14,270	13,188	524,380	△148	551,691

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	24,942	43,019	2,111	70,073	171	41,675	670,506
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△12,838
Profit attributable to owners of parent	—	—	—	—	—	—	40,879
Purchases of treasury stock	—	—	—	—	—	—	△35,000
Disposal of treasury stock	—	—	—	—	—	—	64
Cancellation of treasury stock	—	—	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	18,848	28,479	2,731	50,060	△64	5,663	55,658
Total changes during fiscal year	18,848	28,479	2,731	50,060	△64	5,663	48,764
Balance at fiscal year-end	43,791	71,499	4,843	120,133	106	47,338	719,270

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	13,188	524,380	△148	551,691
Changes during fiscal year					
Dividends from retained earnings	—	—	△16,894	—	△16,894
Profit attributable to owners of parent	—	—	46,240	—	46,240
Purchases of treasury stock	—	—	—	△50,000	△50,000
Disposal of treasury stock	—	△5	—	206	201
Cancellation of treasury stock	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	5	△5	—	—
Others	—	47	—	—	47
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	47	29,339	△49,793	△20,405
Balance at fiscal year-end	14,270	13,235	553,720	△49,941	531,285

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	43,791	71,499	4,843	120,133	106	47,338	719,270
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△16,894
Profit attributable to owners of parent	—	—	—	—	—	—	46,240
Purchases of treasury stock	—	—	—	—	—	—	△50,000
Disposal of treasury stock	—	—	—	—	—	—	201
Cancellation of treasury stock	—	—	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	47
Changes in items other than shareholders' equity during fiscal year (net)	△15,677	△8,827	190	△24,314	△9	5,324	△18,999
Total changes during fiscal year	△15,677	△8,827	190	△24,314	△9	5,324	△39,404
Balance at fiscal year-end	28,113	62,671	5,033	95,819	97	52,663	679,865

(4) Consolidated Statements of Cash Flows

(¥ millions)

	Fiscal 2023 April 1, 2023 to March 31, 2024	Fiscal 2024 April 1, 2024 to March 31, 2025
Cash flows from operating activities		
Income before income taxes	59,489	64,583
Depreciation	44,000	43,716
Depreciation of goodwill	—	253
Impairment loss	681	262
Gain on step acquisition	—	△3,869
Equity in earnings of affiliated companies	358	7
Increase or decrease in allowance for doubtful accounts	236	△304
Net defined assets and liability for retirement benefits	△1,560	△2,751
Provision for reserve for bonuses	139	△353
Reserve for product warranties	△1,172	△1,152
Provision for loss on business restructuring	—	842
Interest and dividends received	△5,173	△6,592
Compensation received	—	△8,624
Insurance claim received	△37	—
Interest payments	548	336
Gain or loss on sale of marketable and investment securities	△4,192	△4,962
Gain or loss on valuation of marketable and investment securities	691	712
Gain or loss on sale of property and equipment	718	2,030
Compensation payment for damages	5,913	68
Increase or decrease in trade notes and accounts receivable	11,986	△1,459
Increase or decrease in inventories	5,678	△812
Increase or decrease in other current assets	△698	7,957
Increase or decrease in trade notes and accounts payable	△9,338	△1,004
Increase or decrease in accrued expenses and other current liabilities	1,890	2,150
Others	△972	997
Subtotal	109,189	92,031
Interest and dividend received	5,080	6,530
Interest paid	△548	△336
Compensation payment for damages paid	△20	△68
Compensation received	—	8,624
Received from damages	37	—
Income taxes paid	△17,368	△18,418
Cash flows from operating activities	96,370	88,363

(¥ millions)

	Fiscal 2023 April 1, 2023 to March 31, 2024	Fiscal 2024 April 1, 2024 to March 31, 2025
Cash flows from investing activities		
Payments into time deposits	△139,049	△210,649
Proceeds from the redemption of time deposits	145,585	211,733
Payments for purchase of marketable and investment securities	△27,756	△360
Proceeds from sale of marketable and investment securities	6,388	9,474
Acquisition of property and equipment	△37,115	△48,286
Gain or loss on sale of property and equipment	△210	△912
Payments for new loans	△8	△3
Proceeds from loan repayments	5	5
Proceeds from investments in affiliated companies resulting in changes in the scope of consolidation	—	495
Others	2,005	△2,493
Cash flows from investing activities	△50,155	△40,995
Net cash used in investing activities		
Increase or decrease in short-term loans	△9,899	△8,661
Payments for repurchase of treasury stock	△35,000	△50,000
Proceeds from exercise of stock options	0	0
Dividends paid by parent company	△12,834	△16,889
Dividends paid to non-controlling shareholders	△1,426	△1,380
Others	△516	△1,416
Net cash used in financing activities	△59,677	△78,348
Effect of exchange rate changes on cash and cash equivalents	2,224	△2,314
Increase in cash and cash equivalents	△11,237	△33,295
Cash and cash equivalents at beginning of year	145,798	134,560
Cash and cash equivalents at end of year	134,560	101,265

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

None

(Note to Changes of Accounting Policies)

(Application of “the Accounting Standard for Current Income Taxes”)

“The Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc. (ASBJ Guidance No. 27, October 28, 2022),” and other standards have been applied since the beginning of fiscal 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on these consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of this fiscal year. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment Information)**【Segment Information】****1. Overview of Reporting Segments**

The KOITO Group produces primarily automotive lighting equipment in Japan and overseas, and supplies products to countries around the world as a global supplier. Each local subsidiary is an independent business entity, and the Group does business by establishing a comprehensive plan for each region. The Company's six reporting segments are therefore geographical segments based on production and sales structures, comprising Japan, North America, China, Asia, Europe and Other regions.

Within each of these geographical segments are segments that produce and sell automotive lighting equipment, railroad car control equipment, aircraft components, and seats for railroad cars and aircraft.

2. Calculation for Net Sales, Segment Income or Loss, Assets, Liabilities and Others of Reporting Segments

Accounting treatment for reporting segments are same as Consolidated Financial Statements.

Profit of reporting segments is based on operating profit.

Inter-segment sales and transfers are based on general market prices.

3. Information Concerning Net Sales and Operating Profit or Loss for Each Segment**I Fiscal 2023 (April 1, 2023 to March 31, 2024)**

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	361,784	286,582	82,351	153,317	49,802	16,457	950,295	—	950,295
Inter-segment sales and transfers	24,730	3	4,860	3,008	59	—	32,663	(32,663)	—
Total	386,515	286,586	87,211	156,326	49,862	16,457	982,958	(32,663)	950,295
Segment operating profit or loss	33,959	442	△519	15,022	2,170	1,761	52,838	3,157	55,995
Segment assets	190,921	155,610	102,464	156,026	34,425	20,928	660,377	305,218	965,595
Other items									
Depreciation	18,108	11,075	4,514	7,117	2,626	402	43,844	155	44,000
Depreciation of goodwill	—	—	—	—	—	—	—	—	—
Impairment loss	135	—	311	—	234	—	681	—	681
Increase in property, plant and equipment and intangible fixed assets	17,742	11,831	5,562	5,735	1,032	623	42,527	—	42,527

Notes: 1. Adjustments are as follows:

- (1) The ¥3,157 million adjustment in segment operating profit includes ¥9,675 million in intersegment eliminations and ¥△6,517 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) The ¥305,218 million adjustment in segment assets includes ¥△1,296 million in intersegment eliminations, ¥146,363 million in surplus operational funds at the parent company (cash and time deposits), ¥154,488 million in long-term investments (investment securities, etc.) and ¥5,663 million in the parent company's Head Office building, etc.
- (3) The ¥155 million adjustment of depreciation expenses are the fixed assets amortization expenses for the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

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

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

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside Customers	351,640	297,157	58,303	155,522	36,182	17,903	916,709	—	916,709
Inter-segment sales and transfers	20,039	596	10,926	351	212	0	32,126	(32,126)	—
Total	371,679	297,754	69,229	155,874	36,394	17,903	948,835	(32,126)	916,709
Segment operating profit or loss	22,657	3,783	△1,106	16,909	△792	1,503	42,955	1,918	44,873
Segment assets	211,663	169,901	89,894	170,686	31,953	25,909	700,008	189,944	889,952
Other items									
Depreciation	16,626	12,072	5,055	7,136	2,270	432	43,593	122	43,716
Depreciation of goodwill	—	253	—	—	—	—	253	—	253
Impairment loss	—	—	—	—	262	—	262	—	262
Increase in property, plant and equipment and intangible fixed assets	20,917	13,831	3,547	5,959	1,427	684	46,368	—	46,368

Notes: 1. Adjustments are as follows:

- (1) Adjustment in segment operating profit includes ¥8,085 million in intersegment eliminations and ¥△6,167 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) Adjustments to segment assets include all corporate assets that are not allocated to each reportable segment. These assets mainly relate to Head Office functions.
- (3) The adjustment amount for depreciation and amortization is depreciation and amortization of fixed assets at the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

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

References: Net sales and Segment operating profit or loss in sensor business in above consolidated financial statements is as follows:

Sensor business: Net Sales (Sales to outside Customers)	¥328 million
Segment operating loss	¥△5,598 million

(Per Share Information)

Fiscal 2023 April 1, 2023 to March 31, 2024		Fiscal 2024 April 1, 2024 to March 31, 2025	
Net assets per share	¥2,182.85	Net assets per share	¥2,210.09
Net income per share	¥130.93	Net income per share	¥156.49
Profit per share after adjustment for dilution	¥130.90	Profit per share after adjustment for dilution	¥156.47

The following shows the basis for calculation of profit per share, and profit per share after adjustment for dilution.

	Fiscal 2023 April 1, 2023 to March 31, 2024	Fiscal 2024 April 1, 2024 to March 31, 2025
(1)Net income per share	¥130.93	¥156.49
(Basis for calculation)		
Profit attributable to owners of parent	¥40,879 million	¥46,240 million
Amount not attributable to common stock	—	—
Profit attributable to shareholders of common stock of parent	¥40,879 million	¥46,240 million
Average number of shares outstanding during the period (thousand shares)	312,231	295,477
(2)Profit per share after adjustment for dilution	¥130.90	¥156.47
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common stocks (thousand shares)	52	42
Stock acquisition rights (thousand shares)	52	42
Details of material change from the end of previous fiscal year for latent stocks without a dilution effect, which were not included in the calculation of profit per share after adjustment for dilution	—	—

(Significant Subsequent Events)

None