

Koito Group's consolidated net sales decreased 2.7% year on year to ¥826bn (€7.06bn, \$7.8bn). This was attributable to a decrease in the automobile production volume and the status change of Shanghai Koito from a consolidated company to a company accounted for by the equity-method in the end of September 2017, and its non-consolidation in the end of March 2018.

Operating income decreased 2.2% year on year to ¥101bn (€863m, \$950m), and recurring profit decreased 2.3% to ¥105bn (€897m, \$988m), an effect of non-consolidation of Shanghai Koito and increased R&D expenses.



Production volumes are expected to remain flat in the fiscal year ending 31 March 2020; net sales are expected to decrease slightly due to the effect of currency exchange. As to earnings: compared to the previous fiscal year, operating income, recurring profit, and profit attributable to owners of parent are all expected to decrease due mainly to the effect of currency exchange, an increase in R&D expenses and the increase in depreciation cost for strengthening of development capability.

Koito currently conduct business activities across 33 companies located in 13 countries. They are aggressively developing high-value products, such as LED headlamps and ADB. At the same time, they are also developing headlamps for low-priced vehicles in emerging countries, and other products to meet respective market needs. Competition is expected to intensify due to changes in mobility, such as connectivity, autonomous driving, sharing, and electric vehicles, so Koito are collecting information on ADAS and AV technologies, as well as developing next-generation lamps. Aside from vehicle lights, Koito also provide road traffic control systems, LED displays, and electronic aircraft components.