

PRESS RELEASE

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Announcement Regarding Revision of the 1st Medium-Term Management Plan

KOITO MANUFACTURING CO., LTD. (“KOITO”) announces that, based on its latest operational trend, it has revised its numerical targets for the fiscal year ending March 31, 2027, which is the final year of the 1st Medium-Term Management Plan, which was announced on March 28, 2024, as shown below:

Since the announcement of its 1st Medium-Term Management Plan in March 2024, our business environment has undergone significant changes due to various factors, including certification issues among automobile manufacturers 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.

With regard to our consolidated business performance, net sales is expected to fall below our previously announced plan, due to a decline in global automobile production volumes and a significant loss of market share for Japanese vehicles in China, driven by the rapid shift toward EVs.

Although profits are projected to fall short of the initial plan, we are seeing a positive trend in profitability. This is due to ongoing efforts to improve efficiency and streamline operations, including investments in automation and the restructuring of production systems in line with demand, particularly in China and other regions.

While the business environment surrounding KOITO Group remains uncertain, we will continue to respond promptly and appropriately to changes in the external environment, aiming to strengthen our solid earnings base and enhance our corporate value over the medium- to long-term.

	Actual result for FY2024	Initial plan for FY2026 (announced in March 2024)	Revised plan for FY2026 (announced in October 2025)	Differences	
Global Automobile Production volume (million vehicles)	88.34	92.00	86.60	△5.40	94%
China Production (Japanese vehicles)	32.22 (2.99)	30.70 (3.40)	30.30 (2.70)	△0.40 (△0.70)	99% (79%)
Net Sales (Billion yen)	916.7	1,050.0	930.0	△120.0	89%
Operating Profit (Billion yen)	44.8	83.5	56.0	△27.5	67%
(OP margin)	(4.9%)	(8.0%)	(6.0%)	(△2.0%)	

(Note) The above projections are based on information available at the time of release of this news and are not intended as a guarantee that they will be realized. Actual results may differ from projections due to changes in future business operations as well as internal and external conditions, such as foreign exchange rate fluctuations.