

November 9, 2022

PRESS RELEASE

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Announcement Regarding KOITO VISION and Management Plan 2030

KOITO MANUFACTURING CO., LTD. (“KOITO”) announces the formulation of its new KOITO VISION as “Lighting the Way for Our Sustainable Future” to continuously contribute to safety and security for the society under the corporate message “Lighting for Your Safety”.

In addition, KOITO has set the “Management Plan 2030” aiming to strive hard for realizing this KOITO VISION.

Please check the attached materials for detail information.



KOITO VISION

Management Plan 2030

November 9, 2022
KOITO MANUFACTURING CO., LTD.

KOITO VISION

Lighting for Your Safety

Koito

- Contribute to a safe and secured society based on “manufacturing and human-development” under our corporate message “Lighting for Your Safety”
- Formulate KOITO VISION, “**Lighting the Way for Our Sustainable Future**” for increasing our corporate value and contributing to a society with a theme of “Light” during a time of significant changes of the business climate



KOITO VISION

~Lighting the Way for Our Sustainable Future~

【Enforcement of Corporate Foundation】

Strengthening and reforming “manufacturing and human-development”,
enhancement of BCP framework and corporate governance

【Sustainable Growth】

Launch attractive products promptly

【Lighting Equipment Business】

Develop world leading advanced technologies,
increase new orders

【New Mobility Business】

Create new business which contributes to a
safety for a next-generation mobility society

【Coexistence with the Earth and Society】

Be a essential company for all

【Global Environment】

Reduction of environmental impact substance
throughout product life cycle

【People, Corporate culture】

Respect for each values, creation of culture
and system that enable continuous challenges

KOITO VISION

Lighting for Your Safety



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Enforcement of Corporate Foundation (1/2) **Koito**

Strengthening and reforming “manufacturing and human-development”

【Manufacturing】

- **Realize a next-generation manufacturing** by combining skills as a manufacturer cultivated by *Sangen-syugi* principles and cutting edge IT technologies
- **Actualize the best quality by thoroughly improving on-site capabilities**

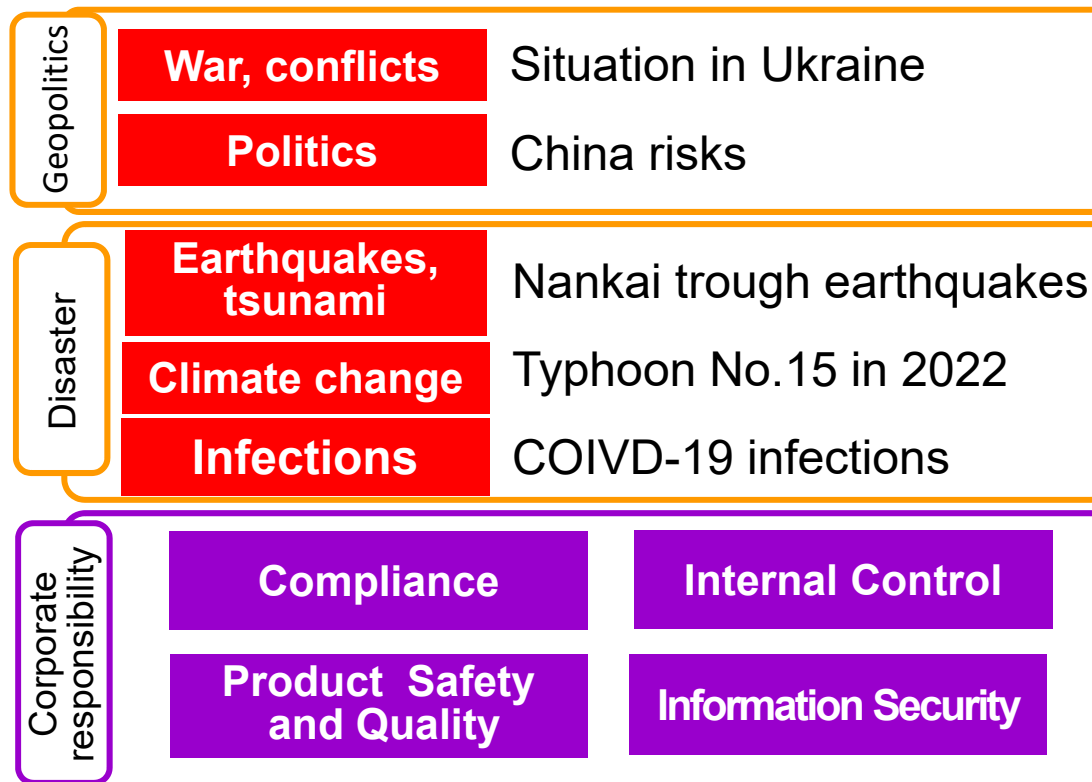
【Human-development】

- **Provide human development and education enable to realize the growth of KOITO Group**
(Educate and increase AI/IT human resources)

Enforcement of Corporate Foundation (2/2) **Koito**

Enhancement of BCP framework and corporate governance

- **Enforcement of BCP framework** to respond to geopolitical risks and disaster risks, etc.
- **Enhancement of corporate governance** to establish reliability from all stakeholders



Enforcement of BCP
framework

Enhancement of
corporate governance

KOITO VISION

Lighting for Your Safety

Koito

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Sustainable Growth

[Lighting Equipment Business] (1 / 5)

- Growing as a leading company of automotive lighting equipment business

2007 World's first LED headlamp

By using LED, it enables to illuminate instantaneously to enhance safety in addition to realize lower power consumption and downsizing



2012 Japan's first ADB (Adaptive Driving Beam)

By automatically controlling the lighting range, it enhances driver's visibility at night without glaring oncoming and preceding vehicles



2019 World's first BladeScan ADB

Realizing high-resolution high beam with fewer number of LED



Sustainable Growth

[Lighting Equipment Business] (2/5)

- We will continuously make efforts to deliver safety and security to people around the world by getting new orders with cutting edge technologies which lead the world, and expand ADB penetration which contributes to the reduction of traffic accidents, etc.

【Main strategies】

- **Expand global share**
- **Sales promotion of ADB which contributes to reduction of traffic accidents**
- **Expand motorcycle share**

Sustainable Growth

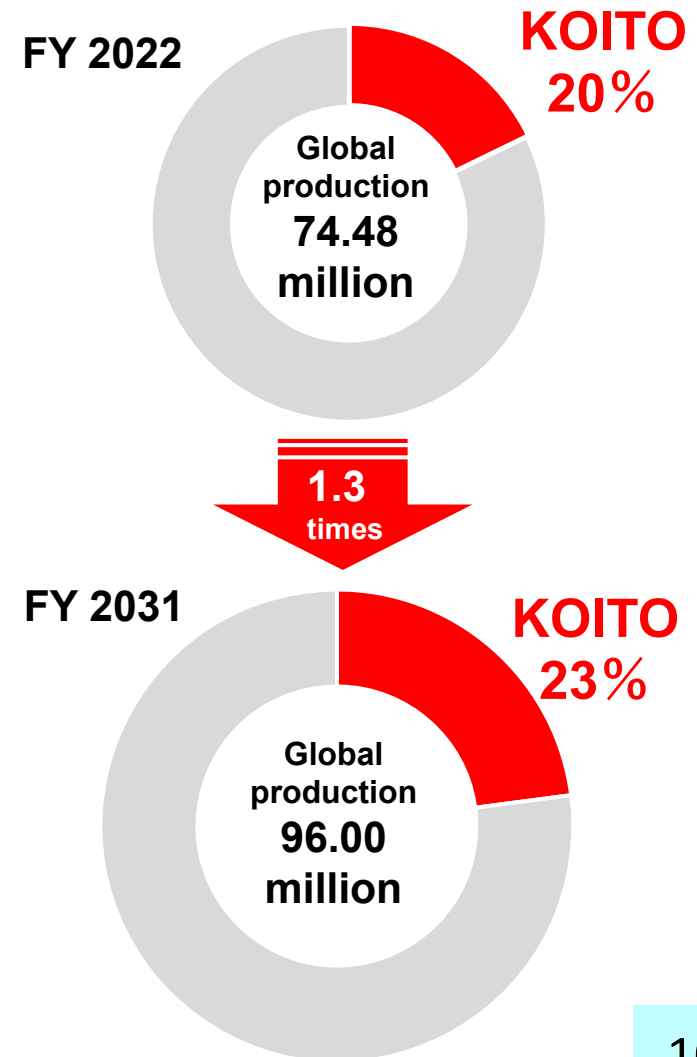
[Lighting Equipment Business] (3/5)

– Expand global share

- **Expand the sales** promotion structure, enforce global production and development system targeting for Japanese and **non-Japanese OEM**

Global share
FY 2022 20% ⇒
FY 2031 Target 23%

[Global automobile production volume and KOITO's global share]



Sustainable Growth

[Lighting Equipment Business] (4/5)

– Sales promotion of ADB which contributes to reduction of traffic accidents

- Enhance **ADB** product variations by developing higher functions and reducing cost
- **Expand global adoption** from luxury vehicles to mini-vehicles, as a **safety component**

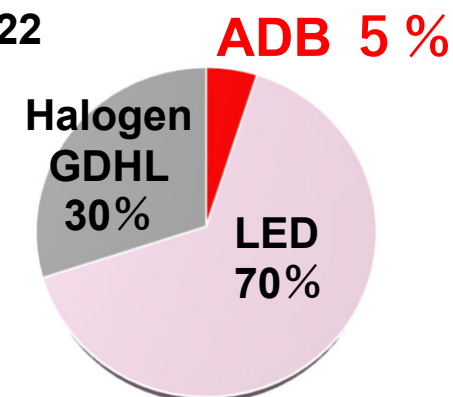
Global adoption ratio

FY 2022 5%

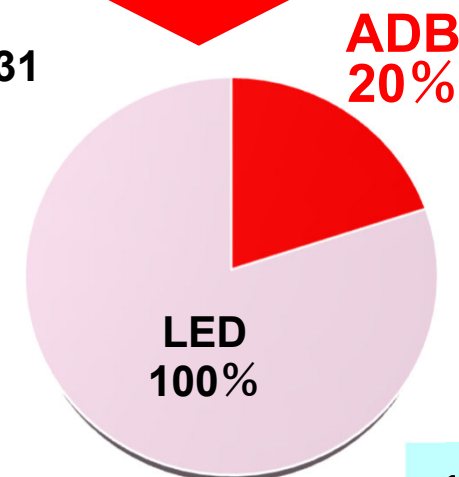
⇒ FY 2031 Target Over 20%

[ADB adoption ratio in KOITO's products]

FY 2022



FY 2031



Sustainable Growth

[Lighting Equipment Business] (5/5)

— Expand motorcycle share

- Increasing motorcycle production in developing countries as important means of transportation
- Expand new orders globally by applying our leading technologies in automobile to motorcycle products

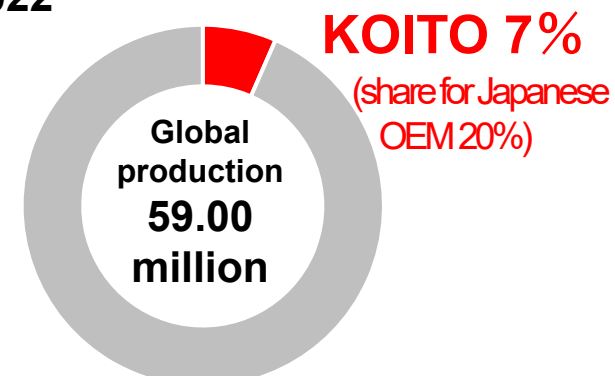
Global share

FY 2022 7%

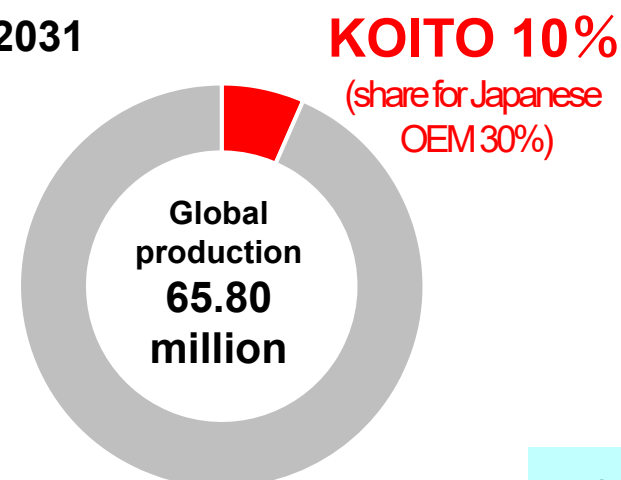
⇒ FY 2031 Target Over 10%

[Global motorcycle production volume and KOITO's global share]

FY 2022



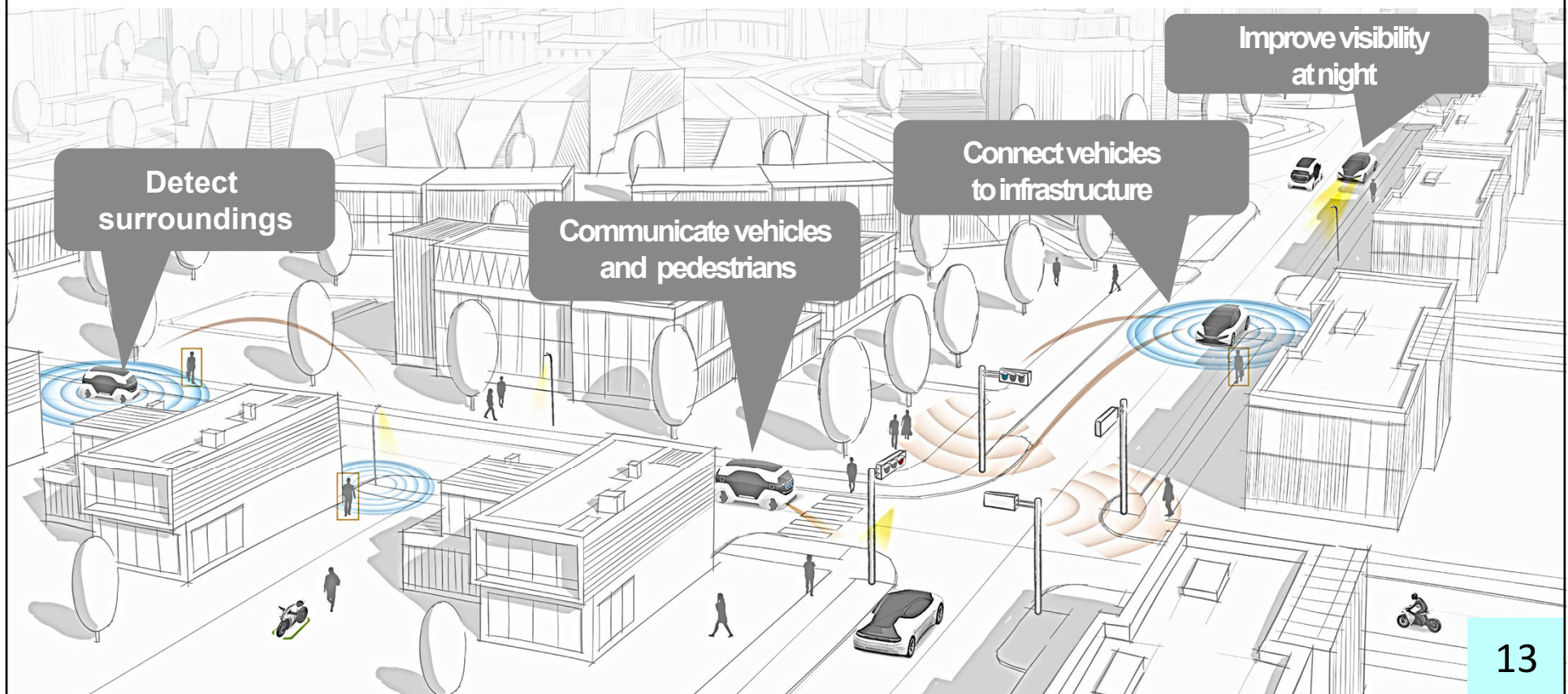
FY 2031



Sustainable Growth

[Mobility New Business] (1/5)

- In the next-generation mobility society, the products and technologies are required which enables **autonomous driving vehicles to detect surroundings**, and **synchronize with pedestrians and traffic infrastructures**

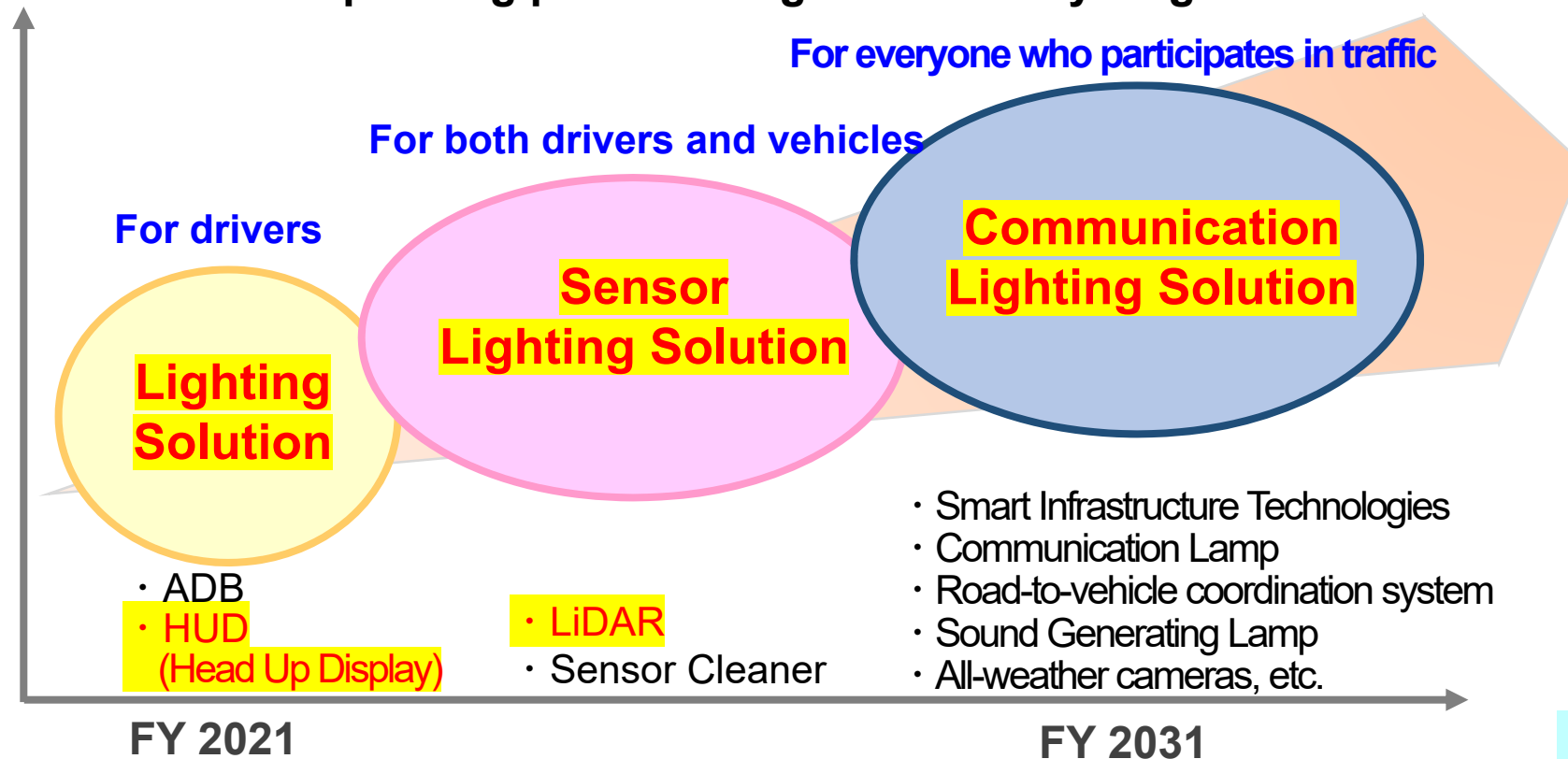


Sustainable Growth

[Mobility New Business] (2/5)

- Create new business which contributes to the safety for the next-generation mobility society
- Realize mobility new business by collaboration with venture enterprises (including M&A)

Expanding product ranges themed by “Light”



Sustainable Growth

[Mobility New Business] (3/5)

< Sensor Lighting Solution >

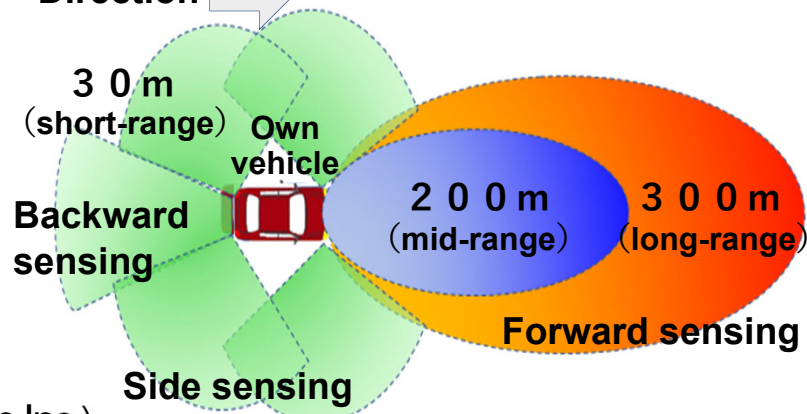
- FY 2024 start mass production (mid-range LiDAR)
- Enhance product variations expand market share
Develop long-, short-range LiDAR for from luxury to mini-vehicles
(strengthen the relationship and co-development with Cepton Inc.)
- Establish production system capable of mass production

FY 2024 market launch, mass production
⇒ **FY 2031 Target over 30% share**

LiDAR

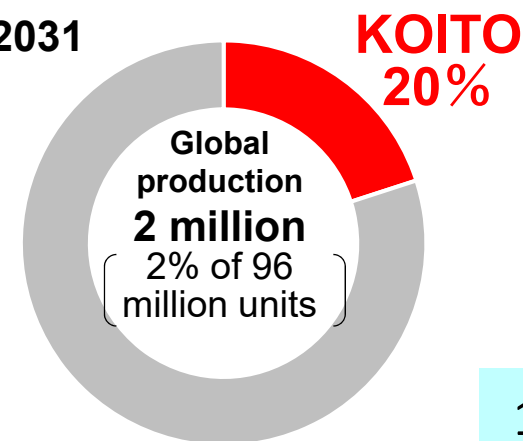
Sensing range

Direction →



[Number of LiDAR units installed and KOITO's market share]

FY 2031



Sustainable Growth

[Mobility New Business] (4/5)

Lighting for Your Safety

KOITO

< Lighting Solution > **HUD**

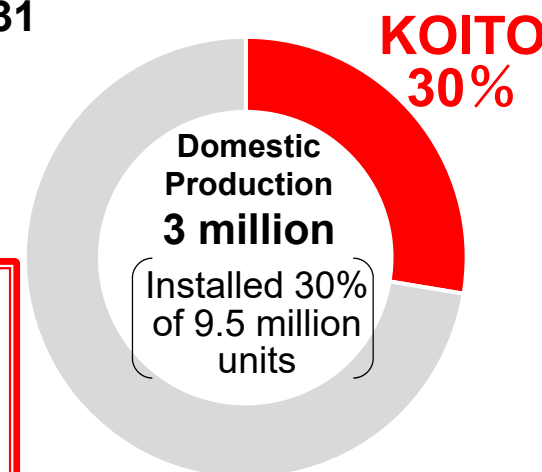
- The structure is similar to headlamp unit
- **Realize the world's smallest, lightest and cost-competitive product** by using lamp technologies (optics and structures) as well as materials and parts in common with lamp
- Gaining market share for both domestic and global



Reduce the driver's eye movement and safely check navigation information

[Domestic HUD adoption ratio and KOITO's share]

FY 2031

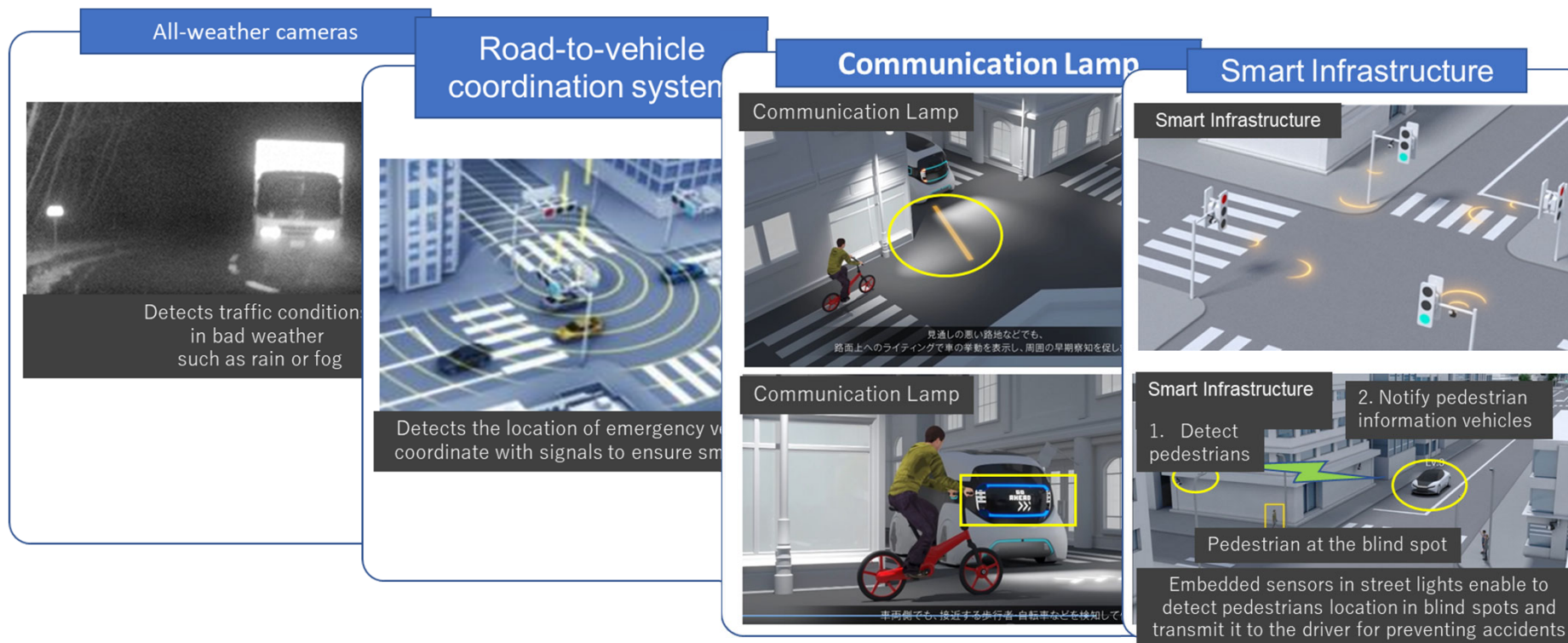


FY2026 market launch, mass production

⇒ **FY2031 Target: Domestic over 30%**

< Communication Lighting Solution >

- Contribute to solving social issues such as reduction of traffic accidents and traffic congestion



Strengthening activities of discovering new mobility business themes and early commercialization

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Coexistence with the Earth and Society

[Global environment] (1 / 2)

- **Manufacturing** with energy-saving facilities by integrated process or line
- **Delivering** products with high loading rate in effective route
- **Supplying** energy-saving and light-weight products for users

Manufacturing



Delivering



Supplying

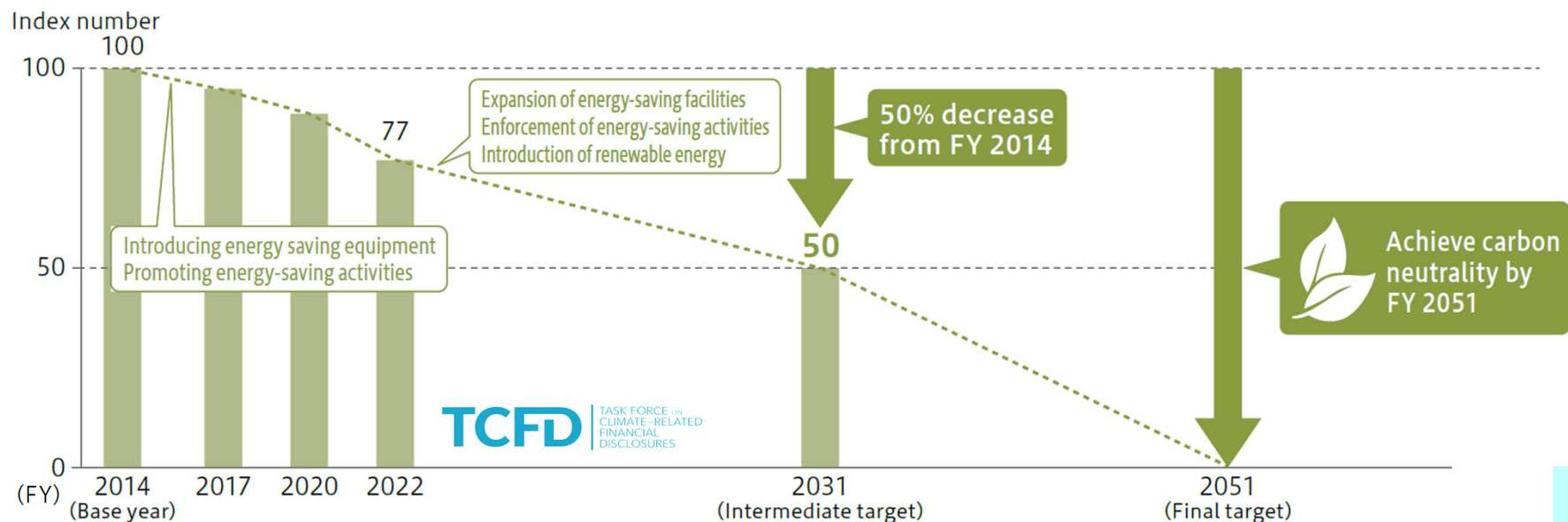


Coexistence with the Earth and Society

[Global environment] (2/2)

- Reduce CO₂ emissions by 50% in FY 2031 compared to FY 2014
- Achieve carbon neutrality by FY 2051
- Promote eco-friendly business **by reducing environmental impact substances throughout the product life cycle** and by securing water resource, etc.

2021 November Formulated the target of CO₂ reduction
2021 December Signed up to TCFD
2022 October Established CN (Carbon Neutrality) Committee,” and
“Sustainability Promotion Office”



Coexistence with the Earth and Society

[People, Corporate culture]

Lighting for Your Safety



- Contribute to realizing SDGs theme such as “leave no one behind”, “well-being for all”
- Facilitate to **create corporate culture and systems** globally that **enable employees to strive for continuous challenge** with motivation, thus promote diversity and reform the way of work

[Targets to secure diversified human resources]

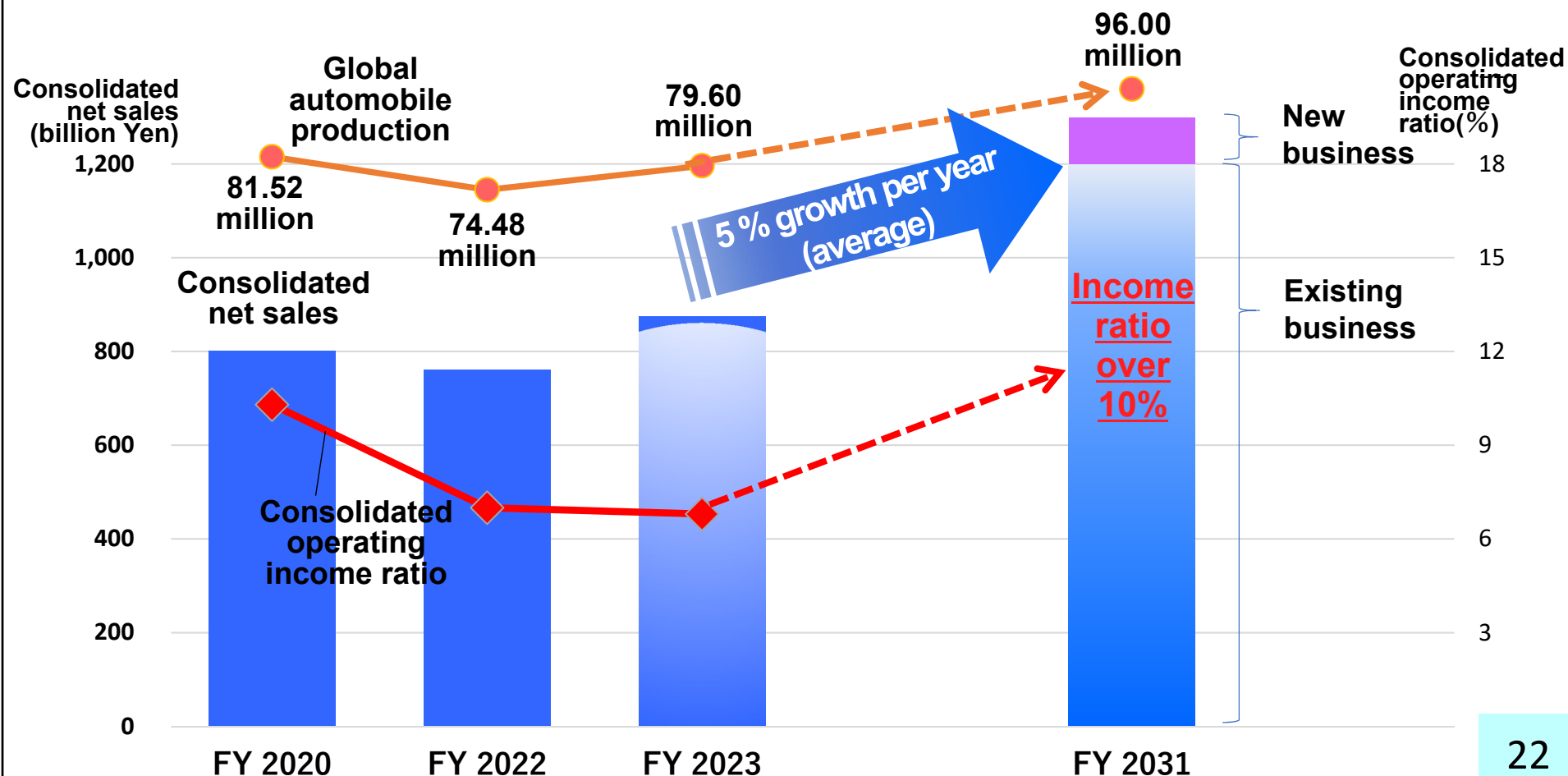
	FY 2022 Result	FY 2031 Target
Percentage of women in senior management	1.4%	10.0%
Percentage of foreign nationals in senior management	0.3%	2.0%
Percentage of mid-career hires in senior management	7.5%	15.0%

Management Plan 2030

Lighting for Your Safety

Koito

- Consolidated net sales **average growth 5% per year (average)**
- Consolidated operating income ratio **over 10%**





KOITO VISION

Lighting the Way for Our Sustainable Future



Disclaimer

The forecasts and forward-looking statements regarding Koito and its affiliated companies shown in this document are based on assumptions from available information at the present moment.

This includes risks and uncertain situation as economic trends, intensified competition in the automobile industry, market trends, exchange conversion rate, taxation and other regulatory.

Please be aware that the actual performance may differ from this Forecasts.