



Technology Leader in Lighting
Valeo's LIGHT Division

2024

INTEGRATED REPORT

ICHIKOH INDUSTRIES, LTD.

ICHIKOH INDUSTRIES, LTD.

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ICHIKOH
a Valeo company

Our Mission

Our Mission

- Be the preferred partner for our customers by providing innovative and high-quality products for a **greener, safer and smarter** mobility.
- Lead the business development of VLS* with J-OEMs, leveraging ICHIKOH’s experience of the **“Japanese Way.”**
- Act as an **interface** between J-OEMs and VLS to secure successful advanced development, project management and production launches.
- Generate new business opportunities with J-OEMs through **technical breakthroughs** by promoting and adapting Valeo leading technologies and innovations.
- Increase enterprise value for our shareholders by constant improvements in our financial performance, non-negotiable **compliance and ethics, social responsibility and carbon neutrality.**

(*): VLS = Valeo Lighting Systems

Message on the Publication of the ICHIKOH INDUSTRIES, LTD. 2024 Integrated Report

At ICHIKOH, we initiated the publication of our integrated report last year to foster a deeper understanding among all our stakeholders, including shareholders and investors, regarding our initiatives aimed at enhancing sustainable corporate value. This year marks the second edition of this report.

The 2024 integrated report is grounded in ICHIKOH’s value creation process and outlines our initiatives in line with our five materialities, including growth strategies, innovation, human resource development, environmental policies, quality management, and measures aimed at realizing management practices that consider capital costs and stock prices. Through this report, we hope to convey that ICHIKOH is a company deeply committed to corporate governance, actively addressing societal challenges such as safety and security through technological innovation while also taking into account sustainability goals like social responsibility and carbon neutrality.

We remain dedicated to timely and accurate information disclosure and proactive engagement with our stakeholders. We welcome your feedback and suggestions to ensure this report serves as a valuable communication tool for enhancing ICHIKOH’s corporate value.

Lastly, we confirm that the report’s preparation process has been conducted with integrity and that the information presented is accurate. We sincerely appreciate your continued support of ICHIKOH.

Hideki Shirato

Director, Senior Managing Executive Officer & CFO
ICHIKOH INDUSTRIES, LTD.

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History of ICHIKOH

ICHIKOH celebrated its 120th anniversary in June 2023.

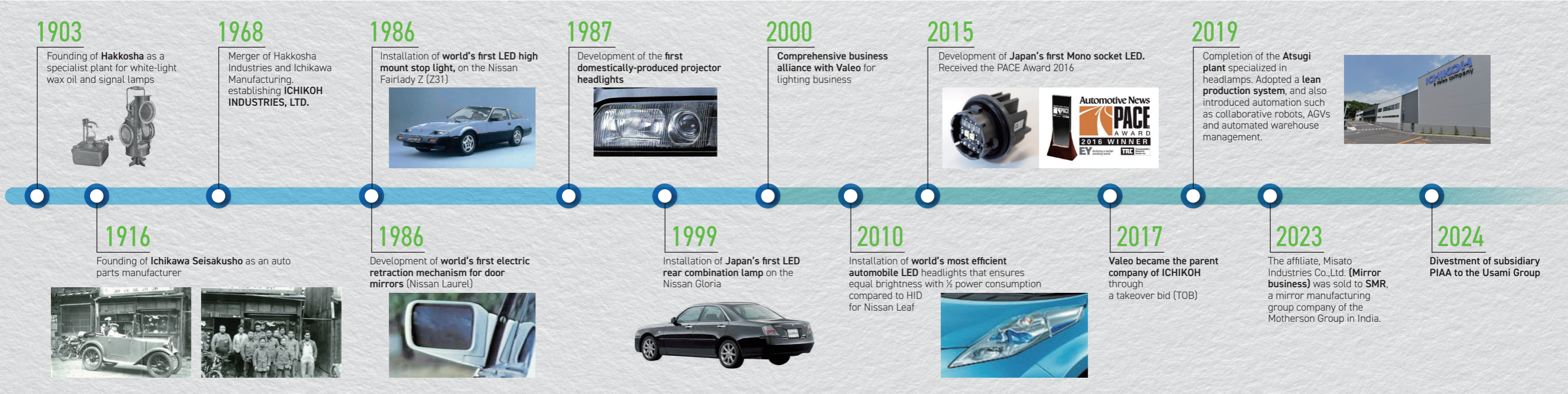
The history of ICHIKOH can be traced back to the merger of two entities: Hakkosha, founded in 1903 (Meiji 36), and Ichikawa Seisakusho, established in 1916 (Taisho 5). Their union in 1968 (Showa 43) marked the beginning of ICHIKOH, which has since experienced remarkable growth in tandem with the progression of motorization.

Throughout its journey, ICHIKOH has solidified its reputation as an innovator in manufacturing, embodying the ethos of a "Monozukuri" company. From introducing Japan's first projector headlamps to developing highly efficient LED headlamps, the

Company has consistently brought groundbreaking solutions to the market.

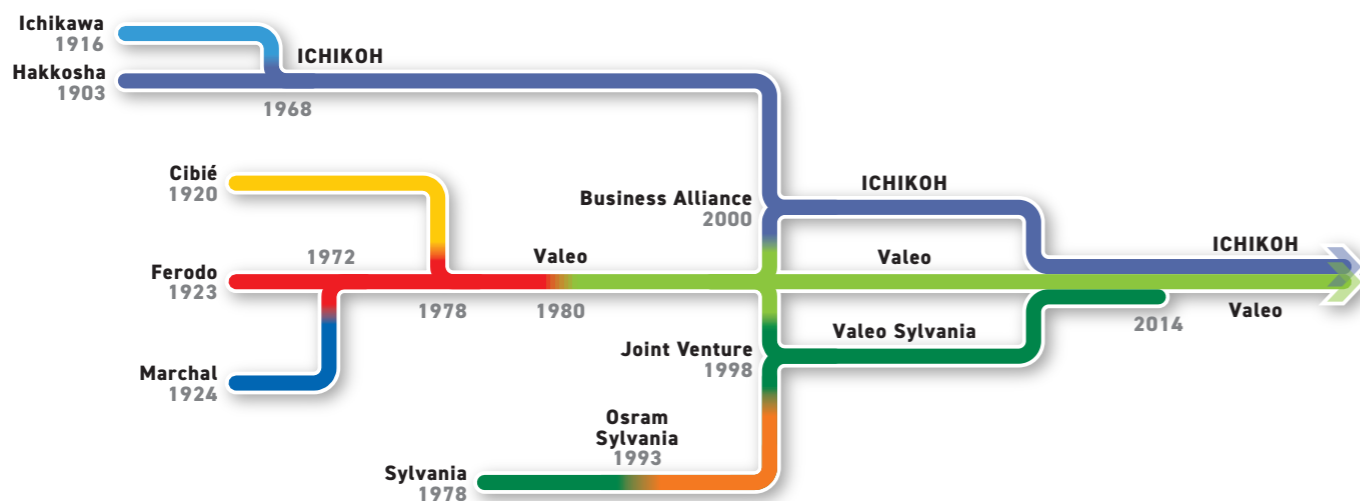
The year 2000 saw the initiation of a strategic alliance with Valeo, facilitated by the latter's capital investment in ICHIKOH. This partnership evolved in 2017 when Valeo became the majority shareholder, reinforcing the alliance while ICHIKOH maintained its market listing.

Capitalizing on its robust managerial relationship with its parent company, the Valeo Group, ICHIKOH has evolved into a pioneering system provider and a leader in technology. It is committed to delivering innovative and superior quality products, paving the way for a greener, safer, and smarter mobility society.



Alliance between ICHIKOH and Valeo

ICHIKOH's business model emphasizes maintaining independent management while being a part of the Valeo Group. We focus on innovation, valuing both uniqueness and diversity. Through this approach, we not only contribute to the growth of the Valeo Group but also deliver enhanced value to all stakeholders, including shareholders. This value is derived from our inherent corporate worth and our dedication to environmental considerations.



Synergy between Japanese and Western Approaches

Historically, Japan has been adept at importing cutting-edge technology from abroad, refining it, and then further developing it into a unique methodology. The automotive industry serves as a prime example of this tradition. Regardless of the sophistication of the technology, it will not gain traction in the market if merely implemented as is. It is crucial to tailor solutions to the specific needs of each market and its consumers.

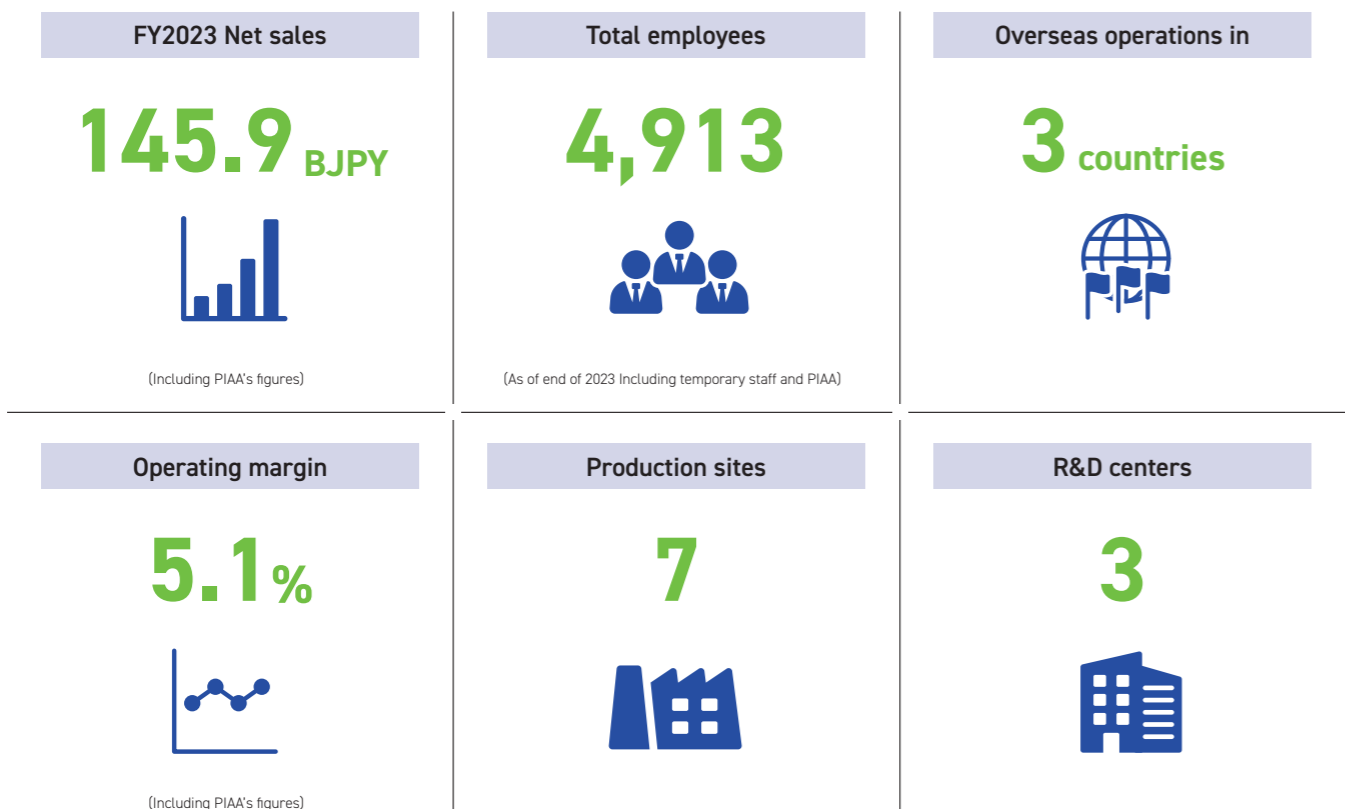
In this era of globalization, the partnership between Valeo and ICHIKOH represents a natural and necessary step in ICHIKOH's growth. Drawing from our deep-rooted experience and trustworthiness in Japan and Asia, we at ICHIKOH utilize collaborative technological advancements with Valeo to provide products that possess both innovative technology and leading-edge design, meticulously tailored for Japanese automobile manufacturers (OEMs).

Furthermore, through our collaboration with the Valeo Group's global production facilities, ICHIKOH has achieved the capacity to deliver products on a global scale. We continue to serve as a pivotal bridge between Japanese OEMs and the Valeo Group, dedicating ourselves to the art of "Monozukuri," encompassing advanced development, project management, and the initiation of production, all with the end goal of surpassing customer expectations.

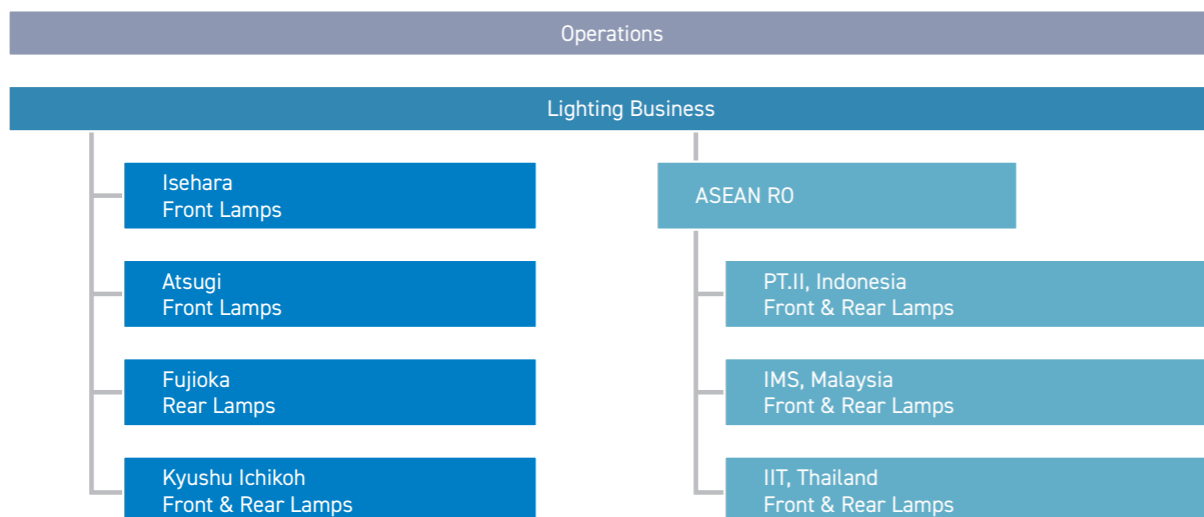
Business Overview of ICHIKOH

ICHIKOH Group

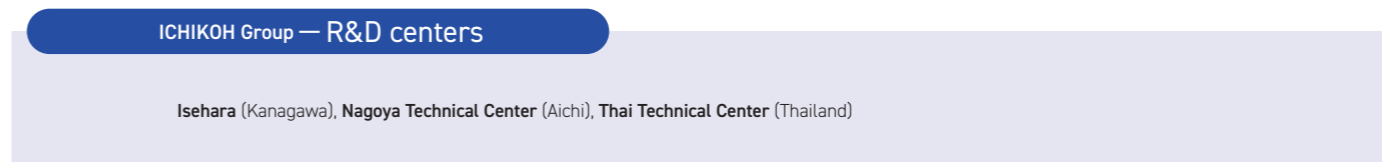
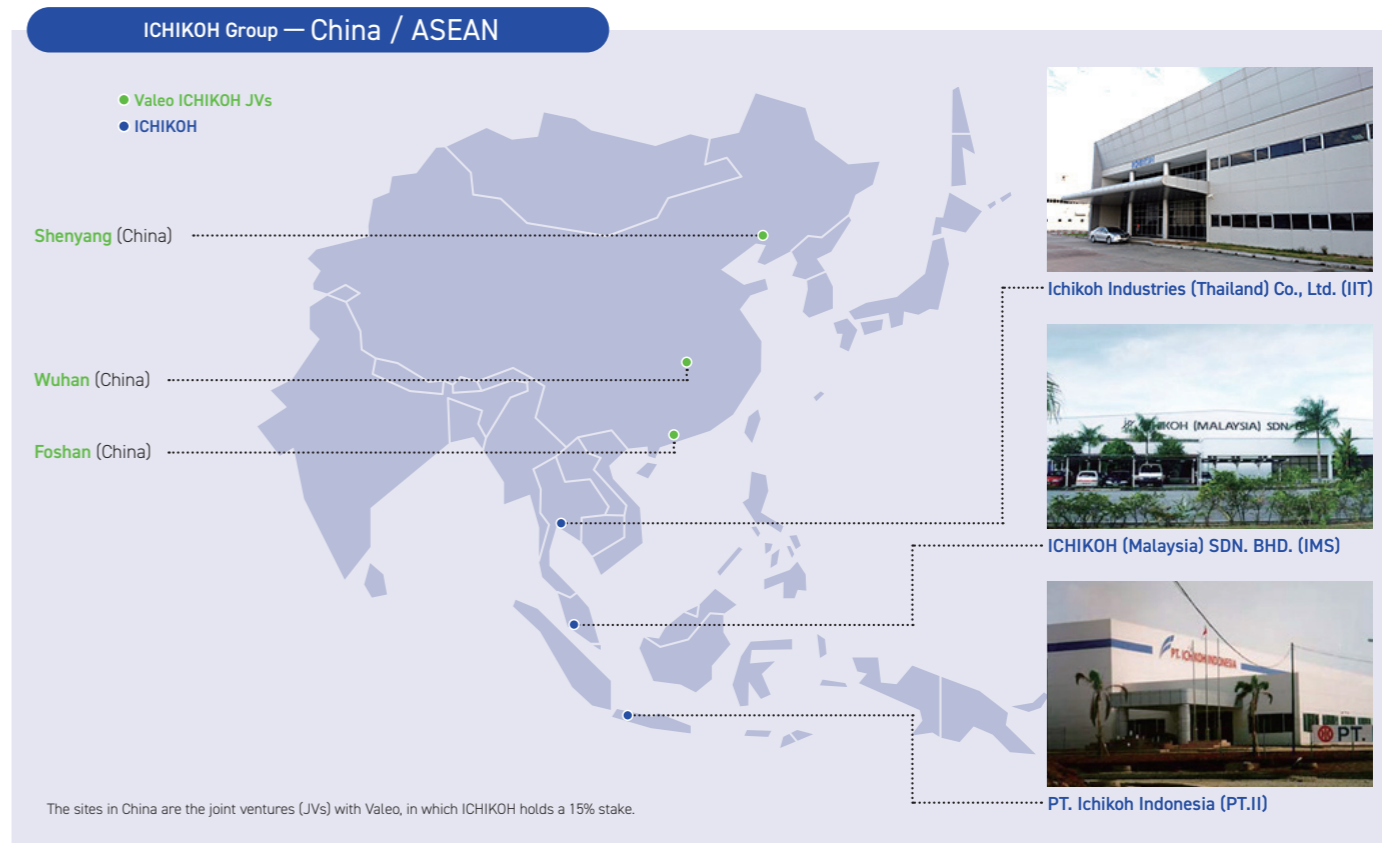
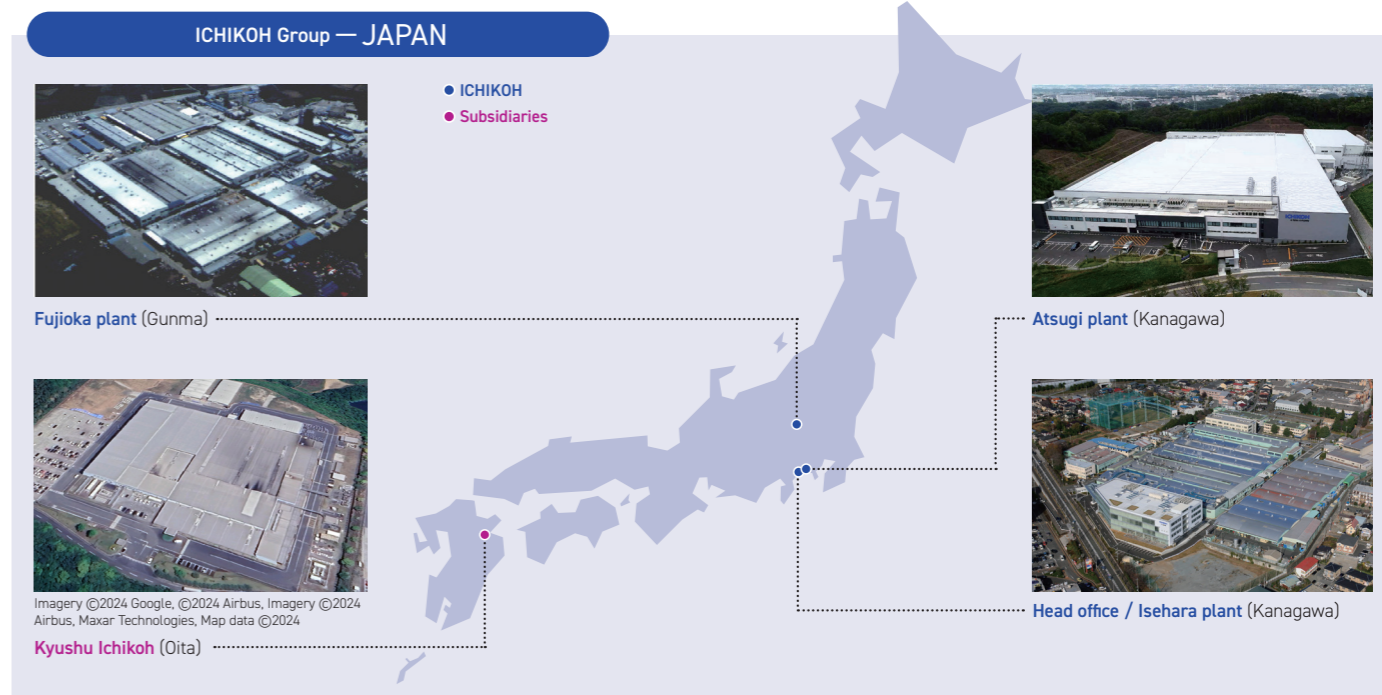
ICHIKOH primarily operates as a specialist manufacturer of automotive lamps, including headlamps, rear lamps, and more. These products are developed, designed, and manufactured both domestically and through overseas subsidiaries, and they are supplied and sold to automobile manufacturers worldwide. Guided by ICHIKOH's mission to provide innovative and high-quality products for a greener, safer and smarter mobility society, the Company continually embarks on initiatives that integrate cutting-edge technology in collaboration with their automobile manufacturer clients, thereby creating new value for society.



Operational Organization



RO = Regional Operation



ICHIKOH Group—Overview of Business Divisions

Lighting Business

Japan

FY2023 Sales Composition*1

73.6%

Net Sales

Millions of yen

Fiscal Year	Net Sales (Millions of yen)
FY2021	94,465
FY2022	94,304
FY2023	101,871

Nature of Business

Development, design, manufacturing, and sales of lighting products such as headlamps, rear lamps, and more.

Strengths and Growth Opportunities of the Business

- **Business environment:** A mature market characterized by evolving trends in automobiles, including electrification and autonomous driving.
- **Strength:** A longstanding, close relationship with customers, fostering a trust built on proven track records. Mastery in the art of “Monozukuri” craftsmanship.
- **Opportunities:** Proposing and delivering innovations to customers that align with market changes. Enhancing value as a system provider. Efficient production systems incorporating collaboration between humans and machines, etc.

*1 Excluding aftermarket business

ASEAN*2

FY2023 Sales Composition*1

26.4%

Net Sales

Millions of yen

Fiscal Year	Net Sales (Millions of yen)
FY2021	21,438
FY2022	31,770
FY2023	36,455

Nature of Business

Development, design, manufacturing, and sales of lighting products such as headlamps, rear lamps, and more.

Strengths and Growth Opportunities of the Business

- **Business environment:** From the long term point of view, an expanding market. Anticipated long-term growth in the automobiles production market due to factors such as increased income levels and demographic shifts.
- **Strength:** Close partnerships with major Japanese automobile manufacturers (OEMs). Strategic presence in the three pivotal countries of automobile production within ASEAN. Economic development site situated in Thailand.
- **Opportunities:** Resurgence of the automobile production market, notably in regions like Indonesia. Skill development and enhancement of quality through mother-daughter initiatives. Cultivation of close clientele, exemplified by Valeo.

*2 ASEAN: Thailand, Malaysia, Indonesia

(Business Portfolio Revision) Divestiture of the Aftermarket Business (Sales of the subsidiary PIAA)

We decided to sell PIAA, which operated the aftermarket business.

We signed an agreement with Usami Koyu in March 2024 and completed the transfer of 100% of PIAA's shares in August 2024.

Policy for Business Portfolio Revision

- **Strategic Focus and Concentration**
By prioritizing and channeling resources into the lighting business, we aim to bolster our competitive edge further.
- **Nurturing the Divested Business**
Securing a foundation for the medium- to long-term development of the aftermarket business by transferring the business.

FY2023 Consolidated Financial Result Highlight

FY2023 Net Sales Outperformance vs Market

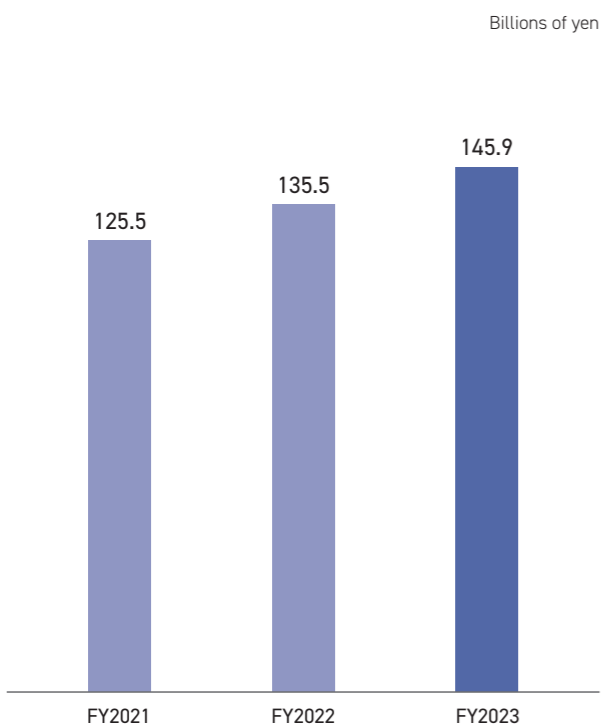
FY2022 vs FY2023	Sales increase*1	Market production volume increase	Sales outperformance vs Market production volume
Japan	15.8 %	12.7 %	+3.1 pt
ASEAN*2	13.4 %	-1.1 %	+14.5 pt

*1 Excluding tooling sales and foreign exchange rate effect
 *2 ASEAN: Thailand, Malaysia, Indonesia

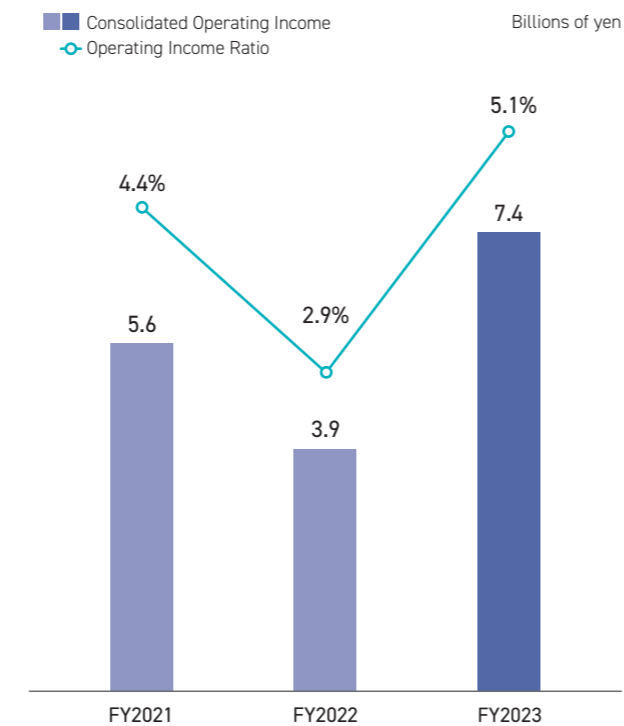
- While the Japanese market is on a recovery trend and the ASEAN market has been weak in 2023, both regions have achieved revenue growth that exceeded market growth through the introduction of new models.

Consolidated Net Sales and Operating Income (Year-on-Year)*

Consolidated Net Sales



Consolidated Operating Income

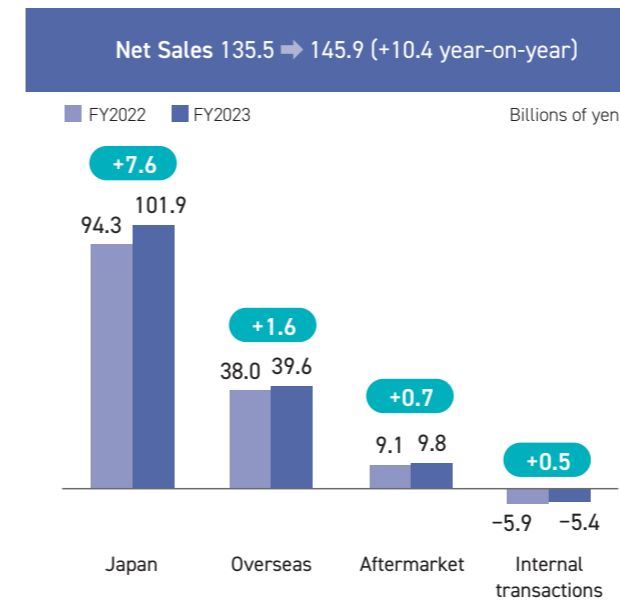


- Consolidated sales increased by 7.7% year-on-year, compensating for the decline in sales due to the sale of the mirror business.
- Consolidated operating profit increased due to increased sales, improved productivity, and the pass-through of inflation-related costs to prices.

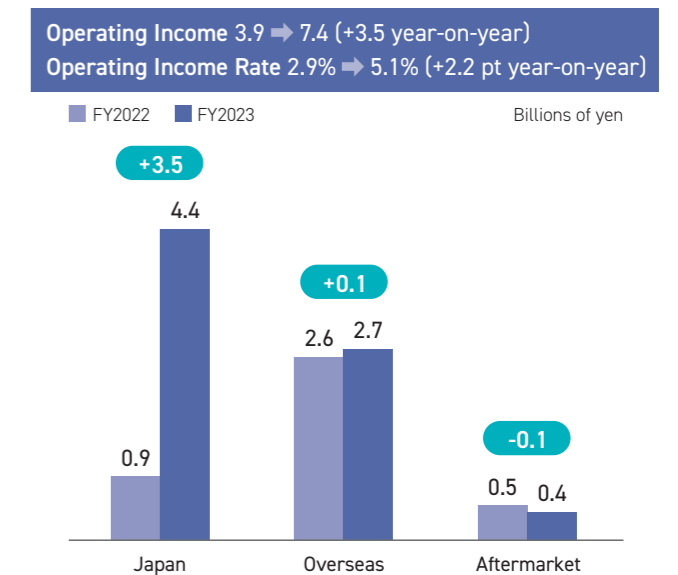
* Consolidated figures include the Mirror business.
 * Accounting standards have changed in FY2022.

Net Sales and Operating Income by Business Division and Region (Year-on-Year)*

Net Sales



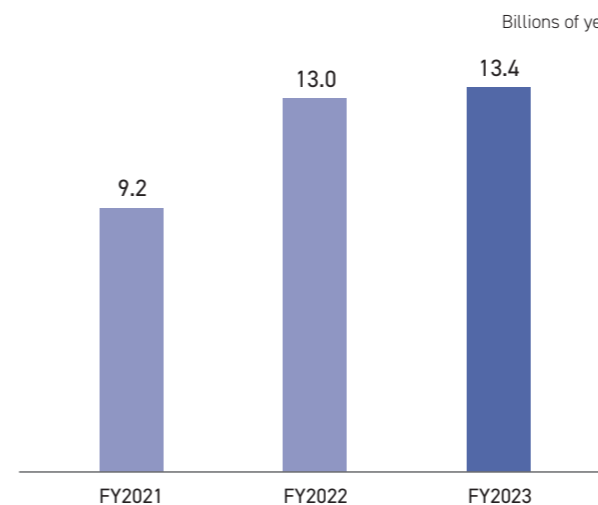
Operating Income



- Operating Income in Japan increased due to sales increase, productivity improvement at the Atsugi plant, and price pass-through of increased energy and import costs to prices due to the weak yen.
- Overseas Operating Income increased due to the contribution of new SOPs, despite the loss of sales from the Chinese subsidiary of the Mirror business and negative growth of the ASEAN market.

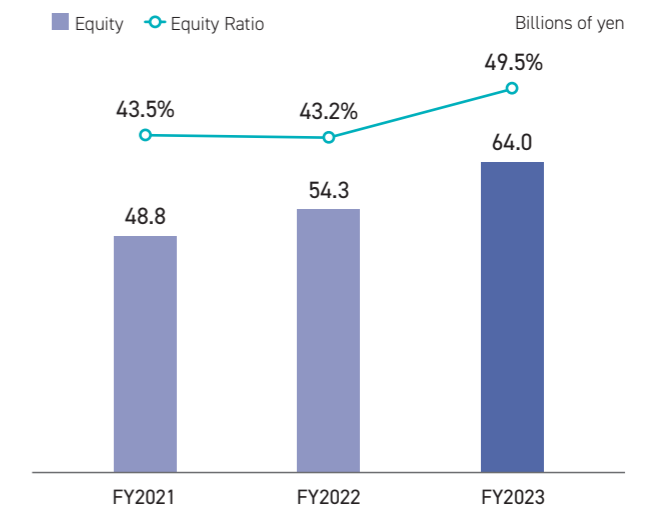
* Consolidated figures include the Mirror business

Cash Flows from Operating Activities



- Operating Cash Flow for FY2023 increased by 400 million yen year-on-year to 13.4 billion yen.

Equity Trend



- Equity steadily increased, with the equity ratio reaching just under 50%. The total equity reached 64 billion yen.

Message from the President



Unyielding Spirit: Our Continuous Challenge

Representative Director,
President & CEO
Christophe Vilatte

Strengths and Value Creation Goals

This is the second edition of our integrated report. In this report, we aim to provide a deeper understanding of ICHIKOH's unique strengths by revisiting the Company's business foundation and historical background.

ICHIKOH was established in 1968 through the merger of Hakkosha, founded in 1903, and Ichikawa Manufacturing, founded in 1916. Initially, the Company produced products such as railroad lanterns but later expanded into the automotive parts industry, focusing primarily on lamps and mirrors. Over the years, lamp materials have evolved from glass and metal to molded plastics, and light sources have transitioned from traditional bulbs to LEDs. Throughout its history, ICHIKOH has continuously pushed the boundaries, developing innovative products that were often the first of their kind in Japan or even the world. This culture of embracing challenges continues to shape our approach to technology and product development today.

Furthermore, ICHIKOH's strong relationships with automakers—our primary customers—are a key strength. The trust and deep, multi-layered relationships we have built over many years, particularly with Japanese automakers, form the cornerstone of our business foundation. As a manufacturing company, ICHIKOH's strength lies in its Monozukuri capabilities—the art of manufacturing. The passion of our employees for craftsmanship, their tireless efforts to reduce costs, and the robust supply chain for parts and raw materials that supports our manufacturing process are all critical elements of ICHIKOH's success.

Our strategic alliance with Valeo, which began in 2000, and Valeo's acquisition of ICHIKOH as its parent company in 2017, have brought significant synergies to our corporate culture and business foundations. This partnership has allowed ICHIKOH to create a unique framework for value creation. Some of the benefits realized through our collaboration with Valeo include the adoption of the 5 Axes system, a common tool used to achieve operational excellence, access to Valeo's advanced technologies and low-cost development centers in China and other regions, economies of scale through joint purchasing, the sharing of information systems, and increased efficiency through the integration of indirect departments.

By leveraging these unique corporate and management foundations, and by continuously offering new value to our customers, ICHIKOH is committed to contributing to the realization of a safe and secure mobility society for the future. This is the value creation that ICHIKOH strives to achieve.

Towards Realizing Our Long-Term Vision

ICHIKOH's mission is to become the best partner for our customers by providing innovative, high-quality lighting products that contribute to "greener, safer and smarter mobility."

In the automotive industry, characterized by rapid environmental changes and technological innovations, achieving this mission requires us to strengthen our overall organizational capabilities, foster adaptability to change, cultivate a sense of ownership, and promote a collaborative environment where teams work together seamlessly.

It goes without saying that our employees are the most crucial foundation for driving ICHIKOH's value creation. We are committed to creating an attractive workplace by thoroughly implementing compliance measures, such as preventing harassment, continuously improving working conditions and employee benefits, nurturing successors and the next generation, and fostering a diverse and inclusive environment.

In the field of sustainability, we will continue to focus on reducing greenhouse gas emissions and water consumption, steadily accumulating action items to meet our long-term goals for 2030. In particular, we have decided to strengthen our CSR-related activities by establishing a new CSR section within the Corporate Planning Department in 2024. Moving forward, we will develop our action plans step by step.

Given that Valeo is our parent company, the protection of minority shareholders remains an important priority. In this regard, we will closely monitor ICHIKOH's governance under the supervision of the Conflict of Interest Monitoring Committee, chaired by an Independent Director.

New Challenges and Business Model Transformation in Light of Changing Market Trends

The automotive industry is experiencing a significant transformation, particularly in the areas of electrification, autonomous driving, and the increasing importance of vehicle software. Electrification, driven by environmental considerations, is expected to become inevitable in the medium-to-long-term. Amid this transformation, our priority is to enhance its competitiveness by concentrating on its core lighting business, a strategy of selection and focus.

Specifically, in August 2023, we sold our mirror business, and in August 2024, we divested our aftermarket subsidiary, PIAA, to Usami Koyu, a company involved in businesses such as gas stations. Both divestitures were strategic, allowing these businesses to generate synergies under new ownership while ICHIKOH consolidated its resources.

In this integrated report, we present our financial allocation strategy for the next four years. Of the over 40 billion yen investment, about one-third is allocated to strengthening the management foundations for operational excellence to boost competitiveness. This includes investments in business continuity planning (BCP) for disaster preparedness and initiatives to achieve carbon neutrality by 2050. The remaining two-thirds will be dedicated to technological innovation and expanding into new regions. In terms of operational excellence, we are investing in labor-saving technologies, automation, and improvements in factory production systems, which have already shown promising results. In the ASEAN region, our plant in Japan acts as a mother plant, providing training and support to ASEAN plants, resulting in steady improvements in quality and other areas.

Our technological innovations focus on three key pillars: (1) adding high value to lighting functions, (2) expanding our product lineup in new areas, and (3) offering products as integrated systems. For example, we are promoting glare-free high beams, which enable continuous high-beam driving and have been shown to reduce nighttime accidents. To address pedestrian safety concerns with the quieter operation of electric vehicles, we are developing near-field projection technology, which enhances visibility in blind spots by projecting images onto the road. For autonomous vehicles, we are introducing communication lighting systems that use lighting and signage to convey the vehicle's intentions to nearby drivers and pedestrians, alleviating concerns about the lack of a human driver.

In terms of investment in new markets, we recognize that significant growth in our existing markets in Japan and ASEAN may be challenging. To address this, we are developing strategies for new market entry, with further announcements to come. At the same time, ICHIKOH's core lighting business will continue to play a variety of crucial roles in future automobiles, contributing to both safety and styling. We anticipate that growth opportunities in this area will continue to expand. Collaboration with diverse stakeholders, building upon our partnership with Valeo, will be key to driving future growth, and we are steadily making the necessary preparations for this.

Achievement of Medium-Term Management Plan

In FY2023, we reached sales of 145.9 billion yen with an operating profit margin of 5.1%. Despite the reduction in net sales due to the divestiture of our mirror business, we achieved our highest-ever consolidated net sales. While rising raw material and energy costs impacted profit margins, we still managed to secure year-on-year profit growth and achieve solid financial performance.

In the area of innovation, which is a key driver of our growth, we were honored with the Technology Development Award from Toyota Motor Corporation in 2023 for successfully increasing the output and reducing the weight of the low-beam module for the new Alphard and Vellfire models. This achievement has laid a strong foundation for securing future orders.

On the sustainability front, in 2023, we introduced solar power generation at our Kyushu Ichikoh to reduce CO₂ emissions and installed heat pumps in boilers at our Fujioka Plant. Regarding water usage, we successfully reduced consumption by approximately 70% compared to 2019 levels, largely due to the use of industrial recycled water at the Isehara Plant.

From a governance perspective, we fulfilled our commitment made during the Prime Market selection process to have one-third of our board composed of independent outside directors. This was achieved with the appointment of three independent directors, including one female director, at the General Shareholders' Meeting in March 2024.

Revision of the Medium-Term Management Plan

While we made steady progress toward our goals in 2023, we anticipate an extremely challenging business environment in 2024. Domestic automobile production is trending downward due to factors such as the vehicle certification fraud issue and delays in the development of new models. Additionally, we face rising costs of imported raw materials due to inflation and the weakening yen.

Given these difficult conditions, we have revised our medium-term management plan, setting the target year to FY2028 with goals of achieving net sales of 140 billion yen and an operating margin of over 7%. Analyzing the automotive production market, we expect a tough business environment in Japan—our core market—over the next two years, mainly due to the vehicle certification fraud issue. As a result, we are positioning the three years from FY2024 to FY2026 as a preparation period for growth, focusing on building a solid foundation for future success by reducing fixed costs, investing in emerging markets, and advancing technological innovations. We will then dedicate FY2027 and FY2028 to realizing this growth, aiming to expand both sales and profits.

Regarding our shareholder return policy, we have introduced a new target: a dividend on equity (DOE) of 2.5%, in addition to maintaining a dividend payout ratio of 30% or higher. We will gradually increase dividends with the goal of achieving one or both of these targets. The DOE, in particular, reflects returns on accumulated net assets and is designed to meet the expectations of long-term investors who seek stable dividends.

To all our stakeholders, including our customers, shareholders, and suppliers, we ask for your continued support as ICHIKOH strives to further strengthen its lighting business and pursue growth. We greatly appreciate your ongoing trust and partnership.

Value Creation Process

Value Creation of ICHIKOH

ICHIKOH invests in various forms of capital and drives value creation activities for all its stakeholders, including employees and shareholders.

Our primary goals are to provide innovative and high-quality products for a greener, safer and smarter mobility society, to achieve customer satisfaction and become the best partner for our customers through these initiatives, and to continually enhance our financial performance while ensuring uncompromising compliance, ethics, and advancing towards carbon neutrality. These guiding principles underline ICHIKOH's commitment to value creation.

The 5 Axes system, a methodology and tool designed to achieve these goals, is a system we share with Valeo. This collaborative approach empowers us to attain operational excellence*, positioning it at the heart of our operations and reinforcing our commitment to realizing our overarching management philosophy.

Tools for Advancing Management Philosophy: The 5 Axes System

The 5 Axes system is an initiative targeting all products, aiming to achieve customer satisfaction by fulfilling their fundamental expectations. The system is built on five distinct axes, regularly audited and adjusted to uphold operational excellence:

● Total Quality (TQ)

To meet customers' expectations regarding the quality of products and services, all employees and suppliers must deliver total quality.

● Employee Engagement (EE)

Operational excellence cannot be achieved without the ongoing commitment of all employees. Therefore, processes are in place aimed at creating a safe working environment that promotes employee well-being.

● Supplier Integration (SI)

In order to provide the highest quality products and services while maintaining competitiveness, the foundation is laid to integrate the most efficient suppliers in terms of innovation, quality, cost, delivery and risk management.

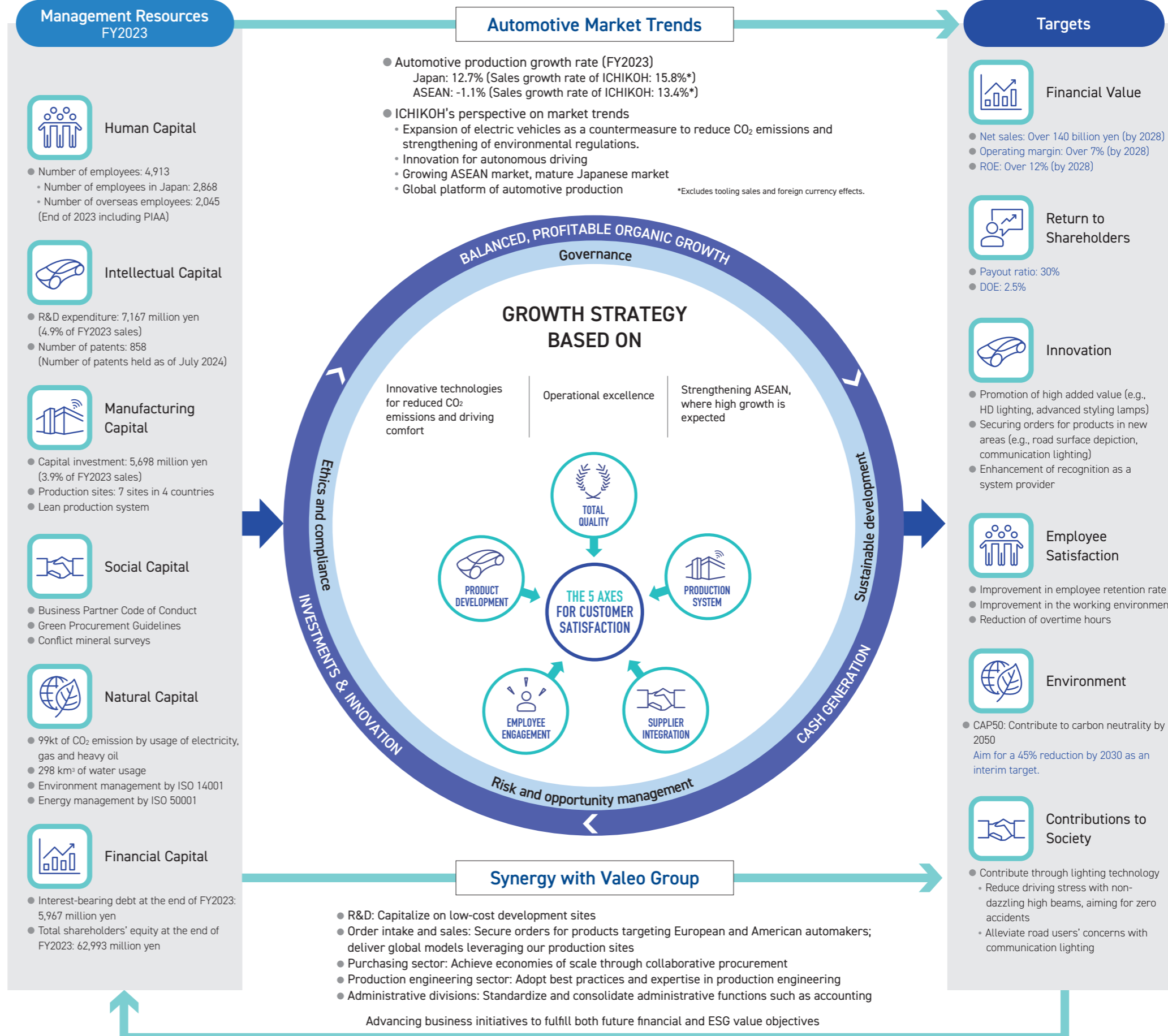
● Product Development (PD)

The R&D team works within an optimized organizational structure that combines first-class methodologies, best-in-class project management tools, specialist skills and product expertise, with the aim of ensuring product robustness and competitiveness.

● Production System (PS)

We have developed our own production system and implemented within our working environment a series of working methods, tools and state-of-the-art production processes that promote quality, performance and employee motivation.

*Operational excellence
A concept whereby a company aims for competitive advantage by thoroughly reforming its operations (management and execution processes) in the field to create value.



Materiality

ICHIKOH aims for sustainability by realizing both a sustainable society and enhanced corporate value through environmentally conscious business activities.

In terms of priority challenges (materiality) for our operations, from the 20 issues identified by ICHIKOH, after assessing the risks and opportunities in light of our business model and its impact on society and the environment, we pinpointed eight items highlighted in the table to the right as especially significant. We have further consolidated these into the five items listed below.

Five Materialities



In line with these five materialities, ICHIKOH's strategies, policies, KPIs, etc., are described on the following pages.

Of the United Nations Sustainable Development Goals (SDGs), we have identified seven sustainable development indicators where ICHIKOH can make a contribution.



Growth Strategy / Innovation
Human Resources Strategy / Diversity
Environment / Social
Quality Management
Corporate Governance

Category		Impact on society and businesses (especially those of high importance colored)	
Policy axis	Issue/Challenge	Risks	Opportunities
Innovation	Low-carbon mobility solutions	● Delays in product development to meet changing regulations and needs	● Expanded sales of products that contribute to low-carbon mobility (Use of LEDs, weight reduction, etc.)
	Autonomous driving / Connected car	● Delays in product development to meet changing regulations and needs	● Expanded sales of communication lighting products
	Computer data security	● Impact on business continuity, such as information leaks	● Reliability and efficiency by leveraging common ground with Valeo
	Resources, materials and eco-design	● Earnings pressure from price hikes	● Advantage through products that contribute to the environment and low-carbon
	Partnership in R&D	● Delays in in-house technological development ● Dependence on external technology	● Discovery of innovative technologies by leveraging diverse ideas
Employees	Promotion and respect for basic human rights	● Business continuity crisis	● Steady order acquisition and recruitment through improved reliability
	Safety and working conditions	● Business continuity risks due to accidents	● Improved employee retention rate ● Thorough workplace safety management
	Securing and retaining talent	● Business continuity risks due to resignations ● Difficulties in technological assimilation	● Business continuity stability ● Automation promotion
	Promotion of diversity	● Difficulties in new recruitments due to population decline ● Organizational divides due to diverse human resources	● Securing human resources through the active roles of women and seniors ● Improved labor environment through organizational diversity ● Organizational revitalization
Environmental Response	Energy and carbon efficiency in production	● Strengthening of environmental regulations and changing customer requirements ● Increase in natural disasters	● Cost reduction through power saving, etc. ● Enhanced image as an environmentally advanced company
	Exhaust / Waste	● Strengthening of environmental regulations	● Cost reduction through reduced emissions
	Water	● Strengthening of environmental regulations	● Cost reduction through reduced usage
	Transportation / Logistics	● Business continuity risks due to climate-related disasters ● Price hikes due to higher resource prices	● Cost reduction through modal shifts, etc.
	Biodiversity conservation	● Strengthening of environmental regulations	● Improved corporate image
Corporate Citizen Initiatives	Comprehensive quality and product safety	● Claim handling cost ● Impact on order intake due to unstable quality	● Acquisition of stable orders intake through improved reliability
	Ethics / Compliance	● Business continuity risks due to scandals	● Steady order acquisition and recruitment through improved reliability
	Procurement and sustainable development	● Purchase stop due to contract breaches ● Supplier business continuity risk	● Improved stable supply and cost competitiveness through collaboration with suppliers
	Relationship with the community	● Recruitment difficulties due to deteriorating relationships ● Failure to get understanding for operations	● Securing excellent talents through improved reliability
	Public / Regulatory policies	● Delays in responding to public policies	● Improved reputation by responding to public policies
	Alternative parts supply	● Responding to user needs	● Improved product reliability

Growth Strategy / Innovation Technology Leader: Technology Leader in Lighting Valeo's LIGHT Division

In the midst of a once-in-a-century transformation in the automotive industry, automotive lighting technology is also experiencing significant advancements.

Considering the evolving business landscape marked by automobile electrification and autonomous driving, ICHIKOH is pushing forward with product development that is more sustainable, safer, and smarter, which will help automotive manufacturers establish their own brand image.

ICHIKOH's growth driven by innovation is centered around three main pillars: (1) Enhancing the added value of lighting functions; (2) Expanding the range of components through products in new areas; (3) Offering these products as integrated systems.

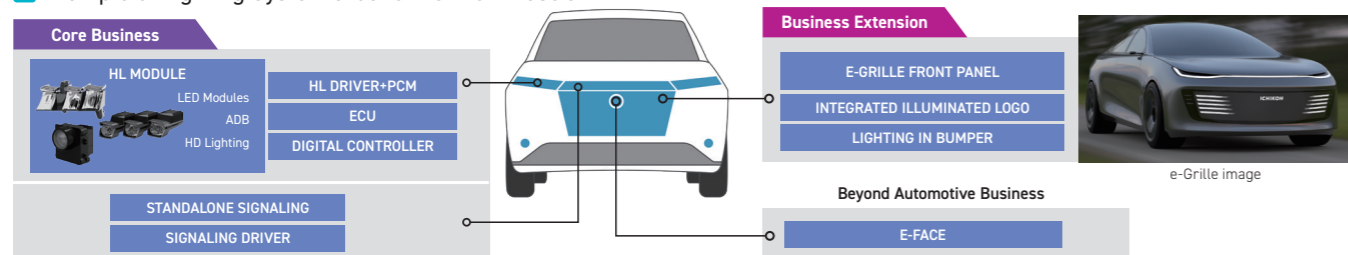
System Provider

ICHIKOH has firmly positioned itself as a system provider.

Taking the car's front fascia as an example, components like the device drivers used to illuminate the lamps were previously dependent on external procurement.

Capitalizing on the architectural changes in vehicles brought about by electrification (BEV), we aim to expand our component range and ensure added value, leveraging our collaboration with Valeo.

Example of Lighting System around the Front Fascia



<Enhanced Value> Achieving a Safe and Comfortable Driving Environment — Glare-Free High Beam (HD Lighting)

HD Lighting is a glare-free high beam system that individually controls the light divided into thousands of pixels, blocking only the minimum necessary area to eliminate glare from oncoming and preceding vehicles during high beam use. With this development, ICHIKOH is able to deliver to OEMs the full system, consisting of the hardware (lighting module with 200 thousands pixels and electronic driver) and the software to manage it. ICHIKOH's development strategy focuses on safety. This system contributes to the reduction of traffic accidents by driving with glare-free high beam at all times.

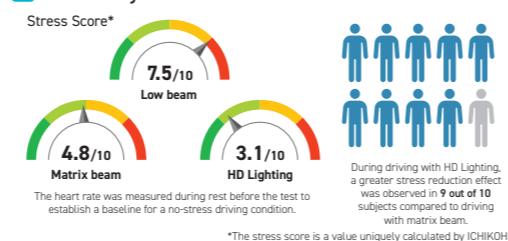
《Night-Time Driving and Driver's Stress》

ICHIKOH compared the stress levels of drivers during night-time driving using conventional ADB versus HD Lighting. The results showed that, on average, stress levels were reduced by 36% for all subjects driving under HD lighting.

This suggests that the features of HD lighting play a significant role in reducing stress levels. ICHIKOH will continue to research solutions to ensure safe and comfortable driving.



Summary of Stress Measurement Results



Column Received the Technology Development Award from a Customer — Technological Innovations Such as Power Saving

The LED low beam module installed in the new Toyota Alphard/Vellfire released in June 2023 has won the Toyota Motor Corporation's Technology Development Award. While maintaining the performance of the bright headlamps, the technological innovations of miniaturization, power saving, and cost reduction compared to the previous model were evaluated. Accumulating evaluations from customers will lead to the next order.



Technical Development Award received for our LED low beam units from Toyota Motor Corporation in 2024.

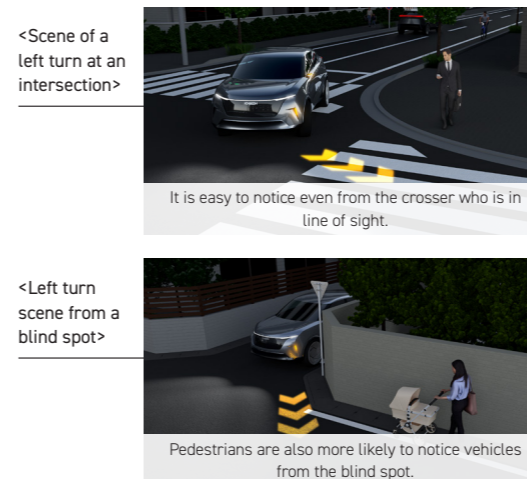
<New Field Products> Further Enhancing Safety — Projecting Light onto the Road: Near-Field Projection

Near-Field Projection is a novel safety solution that projects light onto the road surface, aiming to establish a safer and more secure traffic environment.

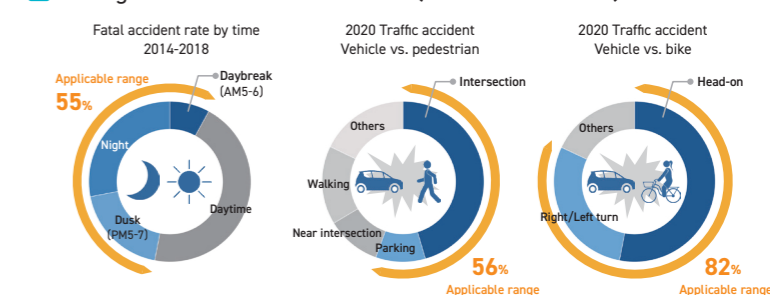
While HD lighting can project light onto the road surface, it is primarily directed forward. In contrast, near-field projection can be used for multi-directional illumination.

Near-Field Projection is designed not just for drivers but to convey information to other road users around the vehicle, such as pedestrians, cyclists, and motorcyclists.

EVs are silent, and their presence can be overlooked in blind spots. There are many reports of pedestrians getting involved in accidents at intersections and parking lots, or cyclists in residential areas. Projecting light onto the direction of travel not only illuminates the path but also serves as a preventive safety measure and a means of communication. This can help prevent accidents like entrapment during turns, collisions when parking or moving in reverse, and during truck turns.



Aiming to Reduce Traffic Accidents (Trends in Accident)



There are many situations where projection around the vehicle has the potential to contribute to accident prevention.

Source: ITALDA, e-Stat statistics, National Police Agency report, Ministry of Land, Infrastructure, Transport and Tourism Report

<New Field Products> Solution for Electrification and Automated driving — "e-Grille" "Communication lighting"

With car electrification, the radiator grille's function as an "intake for engine cooling" diminishes, making it more of a design feature, akin to a part of the front lamp.

Moreover, a global styling trend sees headlamps becoming slimmer and signal lamps growing larger, blurring the design distinction between the grille and lighting.

"e-Grille" is a product that combines grille and lighting, aligning with such styling trends and technological advancements related to vehicle electrification.

Furthermore, with the prospect of future autonomous driving, ICHIKOH also proposes the concept of "communication lighting," which enables two-way communication between vehicles and surrounding road users. During autonomous driving, the absence of a driver in the car can cause anxiety for those around it. ICHIKOH proposes communication lighting as one solution to such concerns. This system automatically communicates the vehicle's movements (intentions) to nearby drivers and pedestrians using lights, signs, etc., especially during autonomous driving.

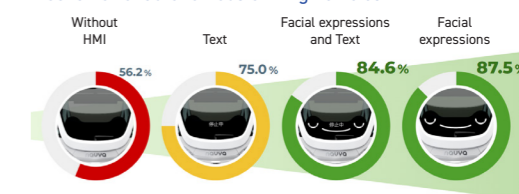
Anticipating future Level 4 autonomous driving services, in 2023 we conducted a demonstration test in Sakai Town, Ibaraki Prefecture, on an external human-machine interface (HMI) designed to facilitate communication from autonomous driving vehicles to other traffic participants, like pedestrians and drivers. We continue our research towards its practical application.

"Communication lighting" for autonomous driving vehicles



Demonstration test conducted in Sakai Town, Ibaraki Prefecture in 2023

Percentage of pedestrians who have no anxiety about the behavior of autonomous driving vehicles



A questionnaire in a demonstration test about anxiety when crossing in front of an autonomous driving bus confirmed that displaying facial expressions using e-Face* can help alleviate anxiety caused by the lack of eye contact with a driver.

* e-face: An external HMI developed by Ichikoh and Valeo



Foundation for Value Creation

Advantages of Being Part of the Valeo Group

In 2017, following a takeover bid (TOB), ICHIKOH became a subsidiary of Valeo, with Valeo holding a 61% stake. As a member of the Valeo Group, ICHIKOH enjoys numerous benefits.

Research and Development (R&D)

- **Sites:** Making use of Valeo's low-cost development bases in countries like China and India
- **Development collaboration:** Segmenting development areas and optimizing development through shared results
- **Technology:** Leveraging the electronic technologies owned by Valeo

Order Intake and Sales

- **Order intake:** Order intake for automobile manufacturers in Europe, America, and other countries with which Valeo has close relationships
- **Delivery:** Delivering products compatible with global models from Valeo production sites to automobile manufacturers

Purchasing

- **Joint purchasing:** Benefit from scale in price negotiations and partnerships with top-tier global suppliers

Production Engineering

- **Production engineering:** Optimization of production efficiency based on Valeo's production system

Indirect Costs and Administration

- **Efficiency:** Streamlining by integrating certain departments, including finance, HR, IT, etc.
- **Education and training:** Making use of educational resources from Valeo, such as e-learning programs

Monozukuri Culture

Lean Production System

ICHIKOH's Atsugi Plant, the newest in its lineup, has integrated a lean production system that does away with intermediate stock. We aim to spread this new concept to our daughter plants.

Technologies-and -Skills Handover and Automation

Ichikoh's Monozukuri is supported by the handing over of technologies and skills.

In order to maintain high productivity while minimizing investment, the key is collaboration between high technologies and skills possessed by people and automation by machines. Ichikoh realizes collaboration between humans and machines through production lines designed and constructed through advanced technical verification and operators trained by supervisors.

Mother-Daughter Activities

The Isehara and Atsugi plants serve as the mother plants for headlamps, while the Fujioka plant takes on this role for rear combination lamps. These mother plants are responsible for educating and supporting ASEAN-based plants. Enhanced operations in the ASEAN region will likely lead to a reduction in product defects.

Greener Monozukuri

We are ardently eco-conscious and consistently endeavor to minimize waste. This includes strategies like reducing raw material usage through product thinning, designing products that are properly easily recyclable, cutting down defective product rates by refining production line efficiencies, and promoting recycling by ensuring waste is properly separated.

Intellectual Property Strategy

At ICHIKOH, we position our intellectual property strategy as a vital component in securing a competitive edge. The significance of this strategy is evident in practices such as the routine reports on patent statuses presented during the Executive Directors Meeting.

ICHIKOH's Intellectual Properties (Number of properties held as of July 2024)

- **Patents:** 858 (594 in Japan + 264 overseas)
- **Designs:** 28
- **Trademarks:** 73



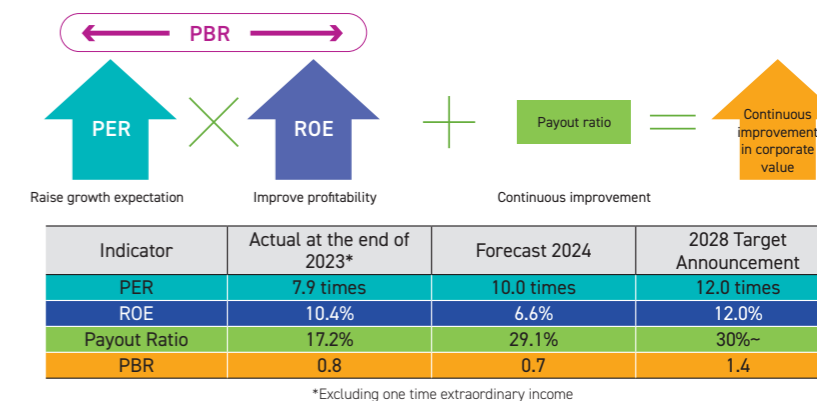
Initiatives to Enhance Corporate Value

Measures for realizing business management with consciousness of capital cost and stock price

Our PBR at the end of 2023 was 0.8, an improvement of 0.1 percentage points from 0.7 at the end of 2022. We will implement the following Growth Strategy to raise this to 1.4 by the end of 2028.

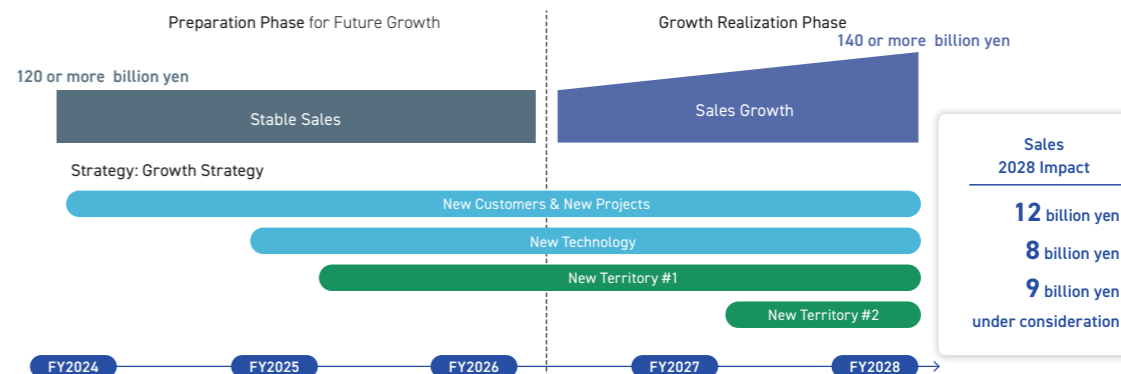
Current Status Analysis

- ROE, after excluding extraordinary income, was 10.4% in FY2023.
- PER, after excluding extraordinary income, was 7.9 times at the end of 2023, the same as at the end of 2022.
- ➔ We aim to raise the PBR above 1x through our Growth Strategy and the cash allocation strategies that will support its realization.



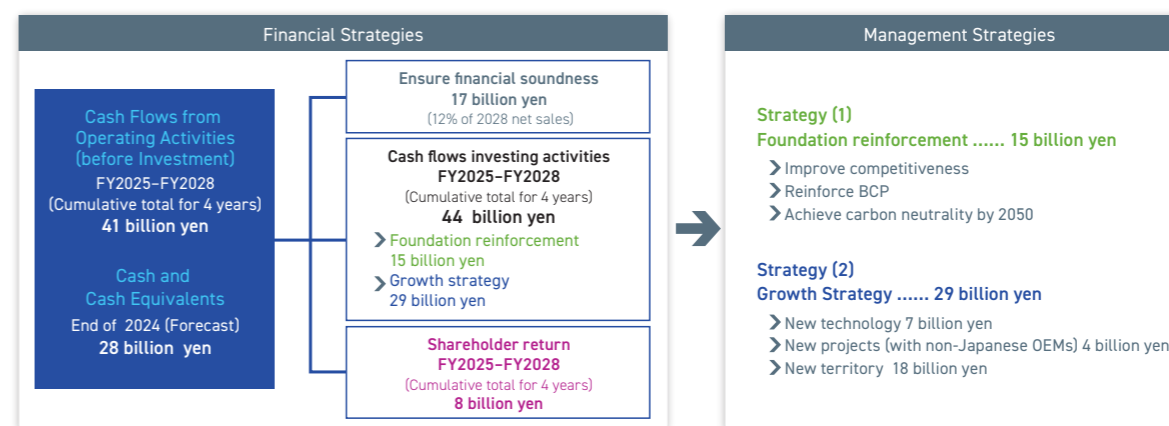
ICHIKOH Growth Strategy

- In the automobile production market within ICHIKOH's target area, Japan is regarded as a mature market with limited growth potential, while ASEAN is positioned as a growth market, though rapid expansion is not expected. Considering these market conditions, we have designated the three years from 2024 to 2026 as a "Preparation Phase for Future Growth," and established a strategy to drive growth starting in 2027.
- We aim to increase sales by 20 billion yen by 2028 and will continue to explore expansion into new regions to support further growth.



Cash Allocation Strategy

- We planned our cash allocation for the four years from 2025 to 2028. The total operating cash flow we will obtain over the four years and the cash we will have at the end of 2024 is expected to be 69 billion yen, of which we plan to allocate 44 billion yen to investments and 8 billion yen to shareholder returns.
- Regarding the investments, 15 billion yen will be allocated to strengthening our Foundation reinforcement, including improving competitiveness, BCP, and carbon neutrality, and 29 billion yen will be allocated to new technologies, new projects and new territories, in order to achieve the Growth Strategy described above.





Human Resources Strategy / Diversity

ICHIKOH's greatest asset is its human resources. It is ICHIKOH's excellent human resources that create added value for the Company.

Respect for Human Rights

ICHIKOH's top priority in human resources strategy is respect for human rights. We believe that a company cannot survive without respecting human rights.

Employee First

ICHIKOH believes that putting employees first is an important foundation. As diversity progresses, understanding that our employees vary in nationality, age, gender, disability, etc., we will strive to improve our employee engagement survey scores.

Promotion of Diversity

It is predicted that working population in Japan will decrease by 10 million in 2040, and competition for human resources will become extremely tough. create added value for the company, ICHIKOH will promote further diversity and provide more education to our employees, ensuring they can work in a comfortable environment.

Human Resources Development / Education

Developing our human resources is crucial for the growth of our employees. We will continue to enhance education, focusing on areas like well-being, diversity and inclusion, and interactions with Generation Z. This is in addition to our ongoing specialized, rank-based, and career development programs, ensuring that our commitment to putting employees first and fostering diversity and inclusion is felt throughout the workplace.

ICHIKOH's Human Resources Strategy

Education	Diversity and Inclusion	Safety and Health
<ul style="list-style-type: none"> Support for career development and reskilling Deepening of management education 	<ul style="list-style-type: none"> Fostering a corporate culture that recognizes and respects individual differences Enhancing work-life balance 	<ul style="list-style-type: none"> Commitment to achieving zero occupational accidents Strengthening support for reintegration post-illness
Improvement of Working Environment		
<ul style="list-style-type: none"> Reducing overtime and promoting the utilization of paid leave Enhancements to the workplace environment with a focus on safety and ergonomics 		
Improvement of Engagement		
<ul style="list-style-type: none"> Cultivating a culture where challenges are embraced without fear of failure Identifying and addressing areas of concern from employee engagement surveys 		
Respect for Human Rights		

ICHIKOH Basic Workforce Data

(2023 Result)

	Percentage of female managers (%)	Percentage of male employees taking childcare leave (%)	Wage disparity between male and female employees (%)
			Overall employees
Non-consolidated	2.7	36.1	66.4
Consolidated	2.4	34.0	65.8

* Women's wage when men's wage is taken to be 100%. Calculation based on the provisions of the [Act on the Promotion of Women's Active Engagement in Professional Life](Act No. 64 of 2015).

KPIs for Human Resources Strategy and Diversity

	Issue	Key indicators	2023 results	2028 targets	SDGs
Employees	Safety and Health	Accident frequency rate (FR1: Number of lost work time accidents per million working hours)	0.18	Less than 1.0	8 DECENT WORK AND ECONOMIC GROWTH
	Diversity and Inclusion*	Percentage of foreign employees	11.0 %	9.5 %	
		Percentage of disabled employees	2.40 %	2.75 %	
		Percentage of rehired staff post-retirement	66.7 %	90.0 %	
Work-life Balance*	Annual paid leave acquisition rate	58.9 %	80.0 %		

* Non-consolidated basis

Comfortable Working Environment

ICHIKOH employees have an "inquisitive spirit" and gather their knowledge to create the shape of the car of the future. We will continue to be a group with an "inquisitive spirit" that creates the shapes of future cars. To this end, we will promote the creation of a comfortable working environment.

	Issue	Item	Contents	SDGs
1	Safety and Security	Safety management (Safety and 5S, QRQC board)	ICHIKOH considers safety and health the most important corporate issue. Our philosophy is to always prioritize safety and health in our "Monozukuri"—the development, design, and manufacturing of automotive parts—and to create products safely. We aim to ensure comprehensive safety management for all employees and strive for zero accidents. Specifically, we utilize the QRQC board for managing workplace safety and the 5S principles.	8 DECENT WORK AND ECONOMIC GROWTH
		Risk hunting	Each workplace takes turns investigating hazardous areas annually. The findings are reported to the secretariat, and we implement corrective measures across all departments.	
2	Human rights, labor and diversity	Promotion of female advancement	Increasing the number of female managers and establishing a system that supports flexible working styles are challenges for ICHIKOH. There is a need to elevate employee awareness and mindset, as well as to enhance our organizational structure. At ICHIKOH, we have formulated the "General Employer Action Plan in line with the Act on Promotion of Women's Participation and Advancement in the Workplace," which we are implementing from August 1, 2020, to March 31, 2025.	5 GENDER EQUALITY
		Global human resources management	Currently, our domestic employees represent 17 nationalities, with foreign employees making up 9% of the workforce. We welcome trainees from our daughter plants in ASEAN to our mother plants in Japan, grooming them to be the future workforce of the daughter plants.	8 DECENT WORK AND ECONOMIC GROWTH
	Work-life balance	Extension of retirement age	Employees aged 60 and above are actively working as "ability employees," leveraging the expertise and skills they have acquired over the years to transfer technology to the next generation.	
		Promotion of flexible working styles	Flexible work leave and childcare leave are available.	
3	Human resources development, skill development	Reduction in total working hours	At ICHIKOH, we promote the uptake of paid leave, including continuous vacation, anniversary leave, and planned leave. We also work to reduce overtime by managing it through workplace labor councils.	8 DECENT WORK AND ECONOMIC GROWTH
		Promotion of volunteer activities	ICHIKOH supports volunteer activities through volunteer leave.	
		Telework	ICHIKOH has introduced a telework system to respond to employee requests and to reduce the burden of commuting.	
		In-house training	E-learning courses are available for everyone. Lectures are allocated based on job responsibilities, and courses can be tailored to match skill development and individual interests.	4 QUALITY EDUCATION
		External training	Members selected from various departments plan and participate in lectures at external educational institutions.	8 DECENT WORK AND ECONOMIC GROWTH



Environment

The ICHIKOH Group, following the basic policy of the "ICHIKOH Group Environmental Policy," recognizes the significance of environmental challenges and has consistently addressed them.

ICHIKOH Group Environment Policy < Basic Policy > (Partial Extract)

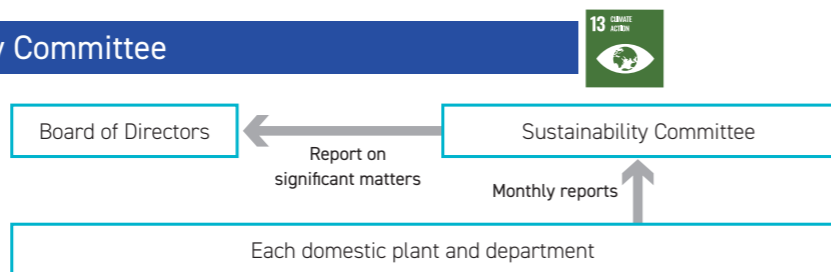
- We promote carbon neutrality through our business activities and products.
- We promote efficient use and recycling of resources, including water.
- We promote the management of chemical substances contained in products and packaging materials.
- We comply with environmental laws and other agreed requirements.
- We regularly review our environmental activities and energy performance improvement activities and promote continuous improvement.
- We widely publicize our environmental initiatives.



Specifically, regarding carbon neutrality, in February 2021, Valeo pledged to achieve carbon neutrality by 2050 and to meet 45% of that target by 2030. As a member of the Valeo Group, ICHIKOH is fully committed to working towards the realization of this goal.

Promotion System: Sustainability Committee

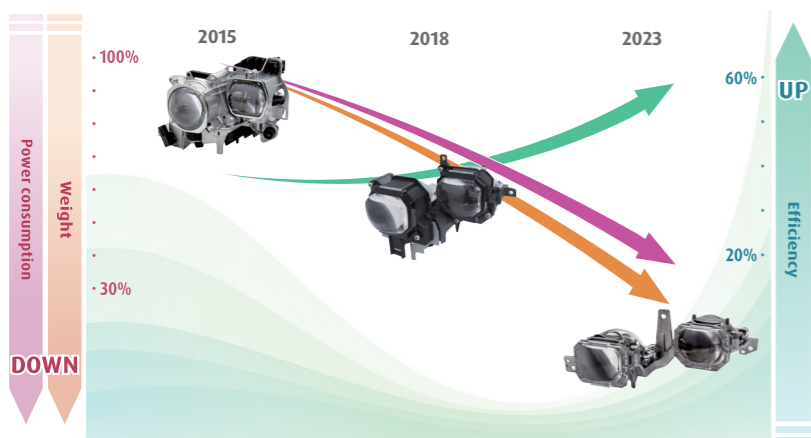
At ICHIKOH, the Sustainability Committee has been held as a general rule every month since its inception in 2021. It reports on the activities related to carbon neutrality and manages its progress by sharing information among related plants and departments.



Product Development

Key areas in product and material development for promoting low-carbonization of ICHIKOH's products are as follows:

Promoting Energy Saving	Promoting Lightweight Parts	Promoting Circular Economy
<ul style="list-style-type: none"> ● Enhance LED light source efficiency ● Improve optical efficiency (materials and design) ● Increase efficiency of electronic components like drive circuits ● Explore software and AI technologies to optimize brightness based on the surrounding environment of the vehicle 	<ul style="list-style-type: none"> ● Thinner parts ● Replace metal parts with resin ● Downsize heat dissipation parts, electronic boards, and optical modules through design optimization 	<ul style="list-style-type: none"> ● Post-consumer recycled materials ● Biomass-derived materials ● Extend product/part lifespan: <ul style="list-style-type: none"> – Design for long-life products – Disassemblable product structure – New business models by part repair and reuse



Evolution of Headlamp Units

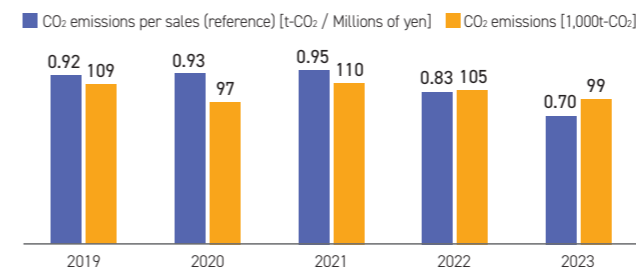
The widespread adoption of LEDs in automotive lighting has significantly reduced power consumption. ICHIKOH has enhanced the environmental performance of headlamp units, focusing on reducing weight and energy use while maintaining high illumination standards for safety. For the Toyota Alphard headlamp unit, after two model changes over eight years, optical efficiency improved by 30%, and parts were downsized through the use of resin and design optimization. This resulted in a 72% reduction in weight and 60% savings in power consumption.

Environmental KPIs

Issue	Key indicators	Benchmark	2022 results	2023 results	Targets	SDGs	
Environmental efficiency	Energy and carbon efficiency in production activities	Direct (Scope 1) and indirect (Scope 2) emissions ratio (1000 t-CO ₂)*	FY2019: 109	105	99	FY2030: Reduce by 75% (Achieved 45% of target across Scopes 1, 2, and 3)	9, 12, 13
		ISO50001 energy management certification acquisition rate (by site)*	FY2019: (0/7 sites)	57% (4/7sites)	100% (7/7 sites)	FY2030: Maintain at 100%	
	Water resources	Water usage (1,000 m ³)*	FY2019:1,108	566	298	FY2030: Reduce by 90%	

*The mirror business and former subsidiaries Life Elex and PIAA are excluded.

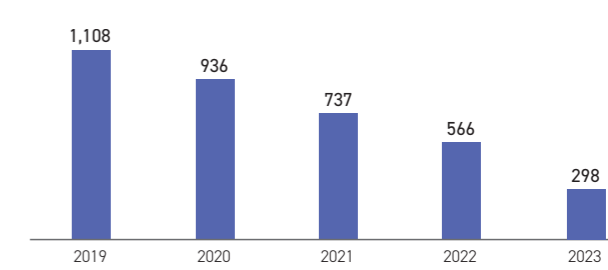
CO₂ Emissions (Scope 1 and 2)*



CO₂ emissions have decreased by 9% compared to the base year. In FY2023, while production volume increased compared to FY2022, CO₂ emissions decreased.
(Note) CO₂ emissions per sales are calculated by dividing the total CO₂ emissions, including consolidated subsidiaries, by consolidated sales, which show the amount of CO₂ emissions per million yen.

* The base year includes overseas operations. For the sake of comparison, the mirror business and former subsidiaries, Life Elex and PIAA are excluded.

Water Usage [1,000 m³]*



Water usage has been steadily decreasing since FY2019 due to the introduction of a closed-cycle wastewater system at the Isehara Plant.

Production

The main points for advancing low-carbon measures at production sites are as follows:

- 1) Creation of low-carbon items as part of on-site Kaizen activities
- 2) Introduction of solar power generation at production sites
- 3) Utilization of green electricity, etc.

At ICHIKOH, we promote low-carbon production through the aforementioned activities and report monthly CO₂ usage to the Sustainability Committee, among other measures, to advance CO₂ reduction. The energy management team at each production site is advancing technological improvement initiatives related to Monozukuri and is horizontally deploying best practices across all departments.

At the Fujioka Plant, heavy oil boilers were replaced with highly efficient heat pumps in 2023, resulting in reduced CO₂ emissions (5,573 t-CO₂/year) and energy costs. Additionally, by utilizing solar power generation in FY2024, Kyushu Ichikoh and the Fujioka Plant are expected to further reduce emissions by 378 t-CO₂/year and 252 t-CO₂/year, respectively.



Logistics

For transporting finished products, we are reducing the number of operational vehicles by using larger ones. For inbound transportation, we are focusing on promoting modal shifts, including the introduction of the milk run system and the use of railway freight.

Suppliers

At ICHIKOH, we conduct surveys with our suppliers to grasp the status and progression of their efforts towards CO₂ emissions reduction.



Environment (TCFD) / Social

Information Disclosure Efforts Aligned with TCFD Recommendations



ICHIKOH commits to ongoing disclosure and communication efforts in alignment with TCFD recommendations, including initiatives to reduce CO₂ emissions in pursuit of the carbon-neutral plan "CAP50."

1 Governance

As a standard practice, the Sustainability Committee convenes monthly. (See page 23)

2 Strategy

Within the automobile industry, a marked transition towards electric vehicles is anticipated as a countermeasure against greenhouse gas emissions.

This shift offers ICHIKOH a prime opportunity to enhance its value proposition. The evolving trend of electric vehicles complements ICHIKOH's technological trajectory, positioning us to seize numerous product order opportunities. We remain confident in the strategic options and technological diversity offered by ICHIKOH, ensuring our business model's adaptability even as the momentum towards low-carbon mobility shifts. (See pages 18 and 23)

3 Risk Management

Annually, we engage in risk identification anchored in ISO 14001 and ISO 50001 (secured at all Japanese locations, with a phased approach for overseas acquisitions). The ISO secretariat spearheads the identification of critical issues. Subsequently, individual departments pinpoint and employ suitable items in sync with their operations, streamlining risk management. This process aids in discerning and assessing risks tied to natural disasters and the broader global environment. Drawing from this risk management foundation, the Sustainability Committee meticulously tracks, evaluates, and deliberates on strategies to curtail CO₂ emissions, water usage, and energy consumption associated with climatic changes, and is horizontally deploying best practices across all departments. (See pages 23 and 24)

4 Indicator and Target

ICHIKOH champions the "CAP50" initiative, aiming for carbon neutrality by 2050.

Target	"CAP50" seeks to realize carbon neutrality by 2050, with a milestone to accomplish 45% of this target by 2030.
2023 Outcomes	Scope 1+2 CO ₂ emission stood at 99k t-CO ₂ eq (excluding the Mirror Business). Data on Scope 3 CO ₂ emissions will be unveiled in subsequent disclosures.

Supply Chain Management



ICHIKOH has set forth requirements to cultivate and enhance relationships with all its stakeholders. ICHIKOH is committed to upholding high ethical values in fulfilling its societal responsibilities and strives to solidify its social trust and further its growth.

Business Partner Code of Conduct

All business partners are mandated to establish and sign the Business Partner Code of Conduct. The primary provisions include: health and safety, human rights, prohibition of discrimination, promotion of diversity, environmental policy, continuous enhancement, equitable business practices, prevention of antitrust actions, anti-bribery measures, avoidance of conflicts of interest, commitment to quality, ensuring confidentiality, safeguarding data, identifying and preventing issues, and maintaining a code of integrity.

Green Procurement Guidelines

ICHIKOH introduced the Green Procurement Guidelines in August 2004 to source environmentally considerate components. We ask our suppliers, who provide components and materials to ICHIKOH, to commit to:

- (i) Establishment of an environmental management system
- (ii) Management of environmentally hazardous substances (chemical substances in products)
- (iii) Promotion of green procurement for office supplies

Approach to Conflict Minerals

While ICHIKOH does not directly use minerals, we have been annually assessing, since 2013, our suppliers of raw materials and components incorporated in ICHIKOH products. These assessments determine the presence of tantalum, tin, tungsten, and gold, and establish whether these minerals are sourced from conflict or high-risk areas.



Quality Management

ICHIKOH's products, including headlamps and rear lamps, are crucial safety components for vehicles. The quality management of these products is intrinsic to ICHIKOH's management and is treated as the top priority.

2024 Quality Policy

ICHIKOH achieves customer satisfaction and create value for its employees and shareholders by:

1. Consider safety, ethics, compliance and the environment as priority item in communications and actions
2. Fulfill regulations and legal requirements
3. Develop, manufacture and deliver best-in-class, robust and innovative products and services in a timely and competitively priced manner to meet the changing demands of our customers.
4. Recruit and train qualified, self-motivated team members committed to customer and ICHIKOH standards.
5. Integrate and develop suppliers in close and long-term relationships aligned with ICHIKOH's values.
6. Deploy Valeo 5 Axes based on assessment of risk and opportunity analysis, engage the entire organization under top management leadership, promote internal benchmarking and customer and stakeholder feedback.
7. Implement continuous improvement and prevention throughout the product lifecycle by QRQC and a zero-defect attitude
8. Continuously measure performance against customer needs and competitiveness, define improvement plans, and close gaps
9. Promote various CAP50 activities to achieve targets or CO₂ emissions reductions deployed at the site
10. Promote business continuity plans related to cybersecurity and energy interruption risks
11. Build on the strong AI expertise—from research to products to the creation of an applied machine learning (AML) team—this effort will be further strengthened within a project called AI4ALL
12. Involve all employees and relevant functions on the deployment of this policy

The stated content above represents the quality policy of the ICHIKOH Group for 2024.

It encompasses all facets of the company's operations, including compliance, development, risk management, reduction of CO₂ emissions, business continuity plans, and more. In order to align with this policy, a document endorsed by the senior management of relevant departments is prominently displayed within the company.

Valeo 5 Axes refers to the "5 Axis system" described in the "Value Creation Process" (See page 13). It targets all products and is an initiative to meet the fundamental expectations of customers, thereby achieving customer satisfaction.

Meanwhile, QRQC stands for "Quick Response Quality Control," a methodology employed to "immediately" address quality issues that arise in the workplace.



Certification of Quality Management System

ICHIKOH has obtained IATF 16949 certification for its head office and production locations as follows:

IATF 16949 Certification

ICHIKOH INDUSTRIES, LTD.
 (Head office, Isehara, Atsugi, Fujioka)
 PT.II (Indonesia)
 IIT (Thailand)
 IMS (Malaysia)





Corporate Governance

Internal Control Systems

Guided by our Corporate Governance Guidelines, we are committed to realizing the finest form of corporate governance that aligns well with societal norms. Our primary objectives are to consistently enhance our corporate value and foster a deep sense of trust with all our stakeholders including shareholders. In our pursuit of swift adaptability to the ever-evolving business environment and a heightened transparency in management, we have instituted the following corporate governance framework.

Board of Directors

The Company's Board of Directors consists of nine members (at the close of General Shareholders' Meeting held in March, 2024) and meets, in principle, nine times a year. The Board deliberates and makes management decisions on statutory matters, other important issues, and adheres to the "Regulations of the Board of Directors." It also oversees the business execution of the Directors. All corporate auditors attend these meetings and supervise the Directors' business execution.

The election of Directors is determined at the General Meeting of Shareholders. Candidates for the Board are selected based on their qualifications related to their work history. The Board assesses if their expertise and specialized skills will contribute to the enhancement of the corporate value the Company aspires to. Additionally, in selecting these candidates, the Company considers diversity in nationality, gender, age, work history, and skills to ensure a balanced board composition.

Concerning business execution, the Company has introduced the Executive Officer System. This system aims to separate the management's supervisory functions from business execution and to define roles and responsibilities clearly. In accordance with internal regulations, the President acts as the Chief Executive, overseeing all business operations. Important matters related to business execution are discussed in the Executive Directors Meeting, which serves as an advisory body to the President, and specific execution responsibilities are delegated to the Executive Officers. Furthermore, the Company holds Independent Officers Meetings, consisting exclusively of the five Independent Outside Directors and Independent Outside Corporate Auditors. These meetings are convened to facilitate unbiased information exchange, shared understanding, and active contributions to discussions during Board meetings. Following the election of an additional Independent Outside Director at the March 2024 General Shareholders' Meeting, the proportion of Independent Outside Directors on the Board reached one-third.

Board of Directors Members

Name	Title	Title as an Executive Officer and Responsibilities
Ali Ordoobadi	Representative Director, Chairman	Responsible for Audit Department
Christophe Vilatte	Representative Director, President	CEO / Lighting RO Director
Kazuyuki Miyashita	Representative Director, Deputy President	CTO / In charge of Development Headquarters, Project Management Headquarters, Advanced Development Headquarters Director
Hideki Shirato	Director	CFO / Senior Managing Executive Officer; In charge of Corporate Planning Department, Legal Department, Finance Headquarters
Maurizio Martinelli	Director	-
Raul Perez	Director	-
Hideo Aomatsu	Outside Director	-
Akemi Sagawa	Outside Director	-
François-Xavier Lienhart	Outside Director	-
Nobuteru Kato	Corporate Auditor (Full-time)	-
Aki Tsurumaki	Outside Corporate Auditor	-
Jean-Yves Jouas	Outside Corporate Auditor	-

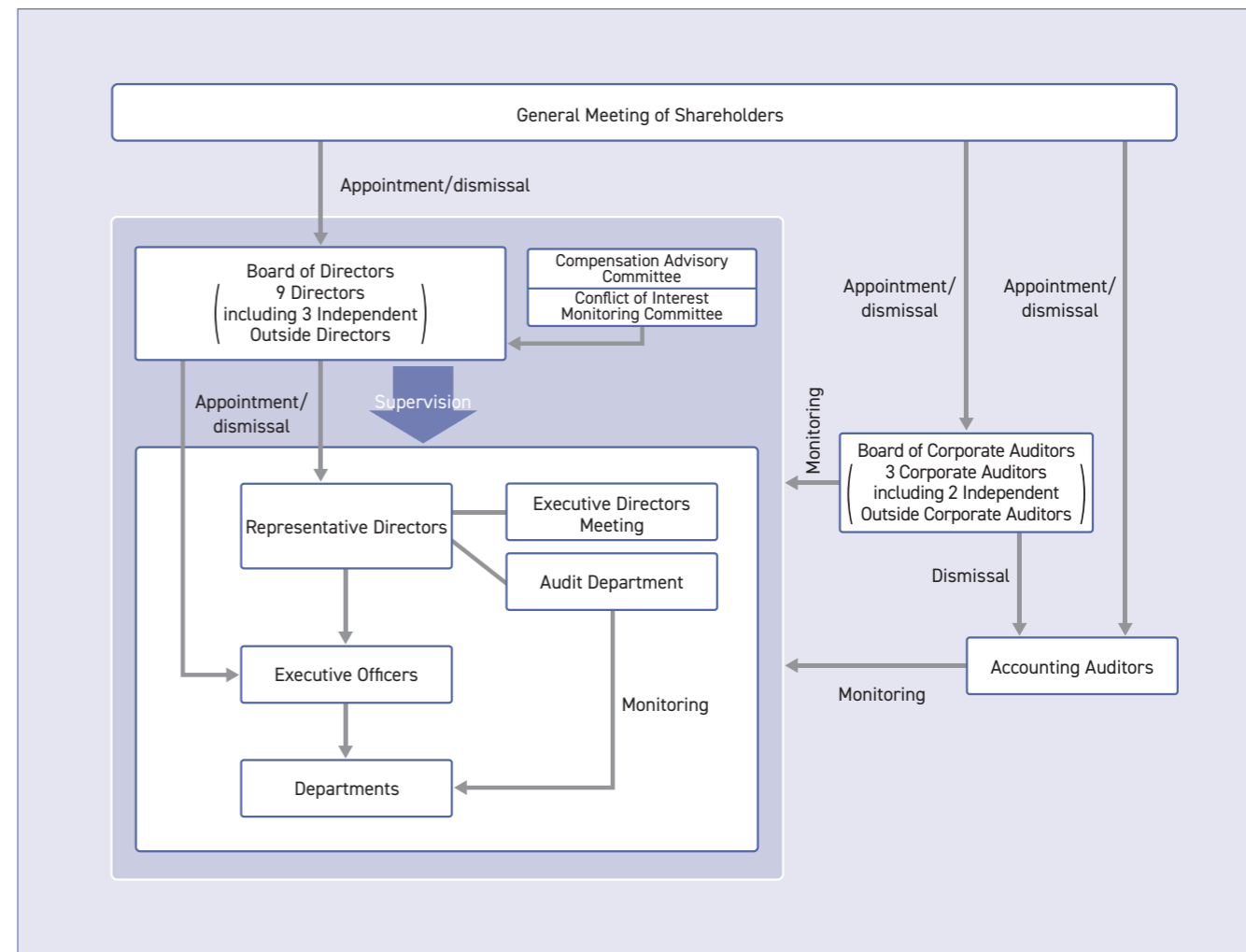
Board of Directors Skill Matrix

Name	Corporate Management	Automotive Industry Experience	Technology and Innovation	Legal, Risk Management	Finance, Accounting, M&A	ESG	Close network with Valeo	Governance	Independency	Diversity (Gender)
Ali Ordoobadi	●	●	●				●	●		
Christophe Vilatte	●	●	●		●	●	●	●		
Kazuyuki Miyashita	●	●	●			●	●			
Hideki Shirato	●			●	●			●		
Maurizio Martinelli	●	●	●			●	●	●		
Raul Perez	●	●		●	●		●			
Hideo Aomatsu	●				●			●	●	
Akemi Sagawa	●				●	●		●	●	●
François-Xavier Lienhart	●	●			●			●	●	

Board of Corporate Auditors

The Company has established a Board of Corporate Auditors, consisting of three members: one full-time Corporate Auditor and two part-time Corporate Auditors. Among them, two are Independent Outside Corporate Auditors. The Board convenes regularly. Each Corporate Auditor not only shares information during the Board of Corporate Auditors but also attends the Board of Directors and other relevant sessions based on their respective roles. They provide feedback and express opinions as necessary, ensuring continuous oversight of the Directors' business execution. Moreover, our Corporate Auditors actively collaborate and exchange insights with both the Audit Department and the Accounting Auditors to enhance the Company's audit functions.

Internal Control Structure



Executive Directors Meeting

The Executive Directors Meeting is chaired by the Representative Director & Chairman and consists of four directors. The full-time Corporate Auditor also attends the meeting. This meeting serves as an advisory body to the President and deliberates on significant matters related to business execution. The meeting is convened in principle three times a month, with a performance report on business execution presented at one of these sessions each month.

Compensation Advisory Committee

To enhance the independence, objectivity, and accountability concerning the compensation of each Director, we convene the Compensation Advisory Committee as and when needed. This voluntary committee serves as an independent consultative body to the Board of Directors. The chair of the committee is an Independent Outside Director. Its members include two Independent Directors, one Representative Director and President, one HR manager from the Valeo business group to which the Company belongs, and one HR manager for Valeo in Japan.

Conflict of Interest Monitoring Committee

To oversee potential conflicts of interest concerning transactions and other dealings between the Company, the ICHIKOH Group, and our parent company, the Valeo Group, from the perspective of shareholders outside of Valeo, we have established the Conflict of Interest Monitoring Committee. The committee is chaired by an Independent Outside Director and comprises an additional Independent Outside Director, a Senior Managing Executive Officer, and an Executive Officer. As a general rule, the committee convenes four times a year. It investigates transactions between the Valeo Group and the Group, as well as other matters, through interviews with each division head and confirmation of transaction records. The committee then reports the results of its investigation to the Board of Directors.



Corporate Governance

Directors and Corporate Auditors

Directors						Corporate Auditors		
Ali Ordoobadi	Christophe Vilatte	Kazuyuki Miyashita	Hideki Shirato	Maurizio Martinelli	Raul Perez	Nobuteru Kato		
Hideo Aomatsu <small>Independent Outside</small>	Akemi Sagawa <small>Independent Outside</small>	François-Xavier Lienhart <small>Independent Outside</small>					Aki Tsurumaki <small>Independent Outside</small>	Jean-Yves Jouas <small>Independent Outside</small>

Efforts for Compliance

Compliance Promotion System

We actively promote adherence to compliance and CSR regulations, and administer a whistle-blowing system. Progress on compliance promotion activities is monitored through the actions of both the Compliance/CSR Committee and the Global Compliance Committee. We also provide training to heighten awareness of legal compliance among our executives and employees. Additionally, we conduct regular internal audits to ensure alignment with laws, regulations, and our Articles of Incorporation.

Whistle-Blowing System (Hotline)

ICHIKOH offers the following three consultation desks:

- **Harassment/Human Relations Hotline:** This is centered on harassment issues and covers a broad spectrum of cases, including those where it is unclear if a compliance violation exists.
- **Valeo Whistle-Blowing System:** This is used for reporting crimes and legal violations via the Valeo Group Hotline.
- **ICHIKOH Hotline:** A comprehensive desk addressing all compliance violations.

Risk Management

ICHIKOH recognizes risk management as a critical priority in our mission to contribute to a richer societal development. We allocate as many management resources as possible to control risks, ensuring the continuity and stable growth of ICHIKOH, and thereby fulfilling our social responsibilities.

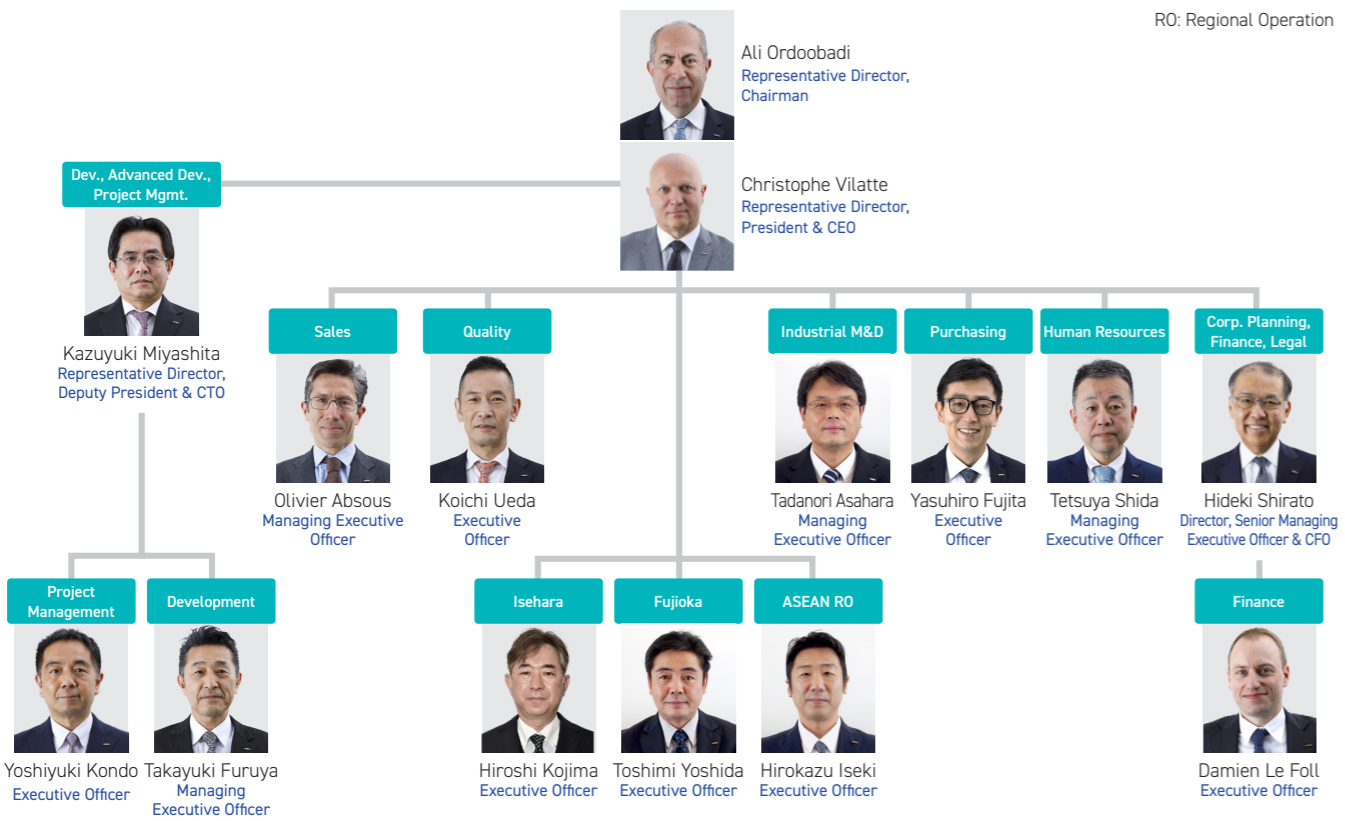
Risk Control

ICHIKOH ensures that group companies and all departments adhere to an annual risk management cycle (PDCA) based on following risk definition and classification. The process of identifying risks, as well as evaluating the results of countermeasures, are deliberated at the Executive Directors Meeting and subsequently reported at the Board of Directors' meetings.

Risk Definition and Classification

Risks for ICHIKOH are defined as internal or external factors that could potentially inhibit our aim to fulfill our social responsibility. This includes factors that might affect the consistent and appropriate manufacturing and sales of automotive lamps and other products. These risks, which can have a significant impact both within and outside the company, are managed from the standpoint of four major categories: strategic risks, financial risks, hazard risks, and operational risks. These categories encompass a total of 100 items and we manage risk from these viewpoints.

Business Execution System



Information Security

As a company committed to fulfilling its social responsibilities, ICHIKOH believes it is imperative to take robust and effective measures against the risk of information leaks, ensuring the safe management and utilization of the information assets we hold. To this end, we have established information management-related regulations, such as the "Information Management Regulations." By building an information security framework based on these regulations, we strive to enhance and improve our confidential information management system.

Methods for Advancing Information Security

To ensure the proper maintenance of the information security related to the confidential information held by the ICHIKOH, we have established the following regulations and guidelines. By doing so, we aim to enhance our confidential information management system:

- **Prevention of information leaks by executives and employees:** "Information Management Regulations"
- **Safeguarding of information assets managed within information systems:** "Information Security Management Guidelines"
- **Maintenance and management of information terminal security:** "PC Operation Management Procedures"

Information Security Training

Employees of ICHIKOH undergo regular training on information security through e-learning courses, including topics such as "Cyber Security."

Risk Management System

As a key player in the automobile industry's supply chain, ICHIKOH has established the "Business Continuity Management Rules" to ensure thorough consideration of business continuity. In line with this, we have also set up the BCM Committee. This committee is responsible for overseeing the management structure of our emergency response headquarters, providing recommendations for prompt recovery, and monitoring progress.

Major Financial Data

Consolidated Balance Sheets

(Millions of Yen)

	FY2022	FY2023		FY2022	FY2023
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	8,631	8,937	Notes and accounts payable-trade	18,666	15,724
Notes and accounts receivable-trade	27,121	24,401	Electronically recorded obligations	18,315	16,956
Electronically recorded monetary claims-operating	388	379	Short-term loans payable	1,400	1,150
Merchandise and finished goods	5,438	4,172	Current portion of long-term loans payable	2,022	920
Work in progress	2,776	782	Lease obligations	541	640
Raw materials and supplies	5,284	4,427	Income taxes payable	453	1,376
Short-term loans	10,841	21,648	Accrued expenses	5,112	5,480
Other	2,857	2,671	Accounts payable	3,857	3,770
Allowance for doubtful accounts	(60)	(82)	Provision for bonuses	1,113	910
Total current assets	63,280	67,337	Provision for directors' bonuses	36	25
Noncurrent assets			Provision for product warranties	1,983	1,764
Property, plant and equipment			Other	4,983	5,191
Buildings and structures	29,693	23,707	Total current liabilities	58,485	53,910
Less: accumulated depreciation	(17,361)	(12,903)	Noncurrent liabilities		
Buildings and structures, net	12,332	10,803	Long-term loans payable	920	—
Machinery, equipment and vehicles	45,261	40,642	Lease obligations	2,892	3,257
Less: accumulated depreciation	(27,507)	(23,304)	Deferred tax liabilities	153	—
Machinery, equipment and vehicles, net	17,753	17,337	Retirement benefits	8,182	7,296
Tools, furniture and fixtures	14,363	11,524	Asset retirement obligations	172	26
Less: accumulated depreciation	(11,729)	(9,252)	Provision for environmental measures	23	—
Tools, furniture and fixtures, net	2,633	2,271	Other	76	195
Land	2,788	2,302	Total noncurrent liabilities	12,421	10,775
Lease assets	7,397	7,503	Total liabilities	70,907	64,686
Less: accumulated depreciation	(4,413)	(4,120)	Net Assets		
Lease assets, net	2,983	3,383	Shareholders' equity		
Construction in progress	3,164	3,602	Common stock	8,986	8,996
Total property, plant and equipment	41,656	39,701	Capital surplus	2,505	2,515
Intangible assets			Retained earnings	44,660	51,536
Other	859	123	Treasury stock	(55)	(55)
Total intangible assets	859	123	Total shareholders' equity	56,096	62,993
Investments and other assets			Accumulated other comprehensive income		
Investment securities	2,268	2,958	Valuation difference on available-for-sale securities	91	89
Long-term loans receivable	1,128	737	Foreign currency translation adjustments	41	2,014
Investment in affiliates	9,477	10,527	Retirement benefit adjustments	(1,895)	(1,058)
Net defined benefit asset	303	1,556	Total accumulated other comprehensive income	(1,762)	1,044
Deferred tax assets	5,569	4,804	Non-controlling interests		
Other	1,374	1,673		673	692
Allowance for doubtful accounts	(3)	(2)	Total net assets	55,007	64,730
Total investments and other assets	20,118	22,255	Total liabilities and net assets	125,915	129,417
Total noncurrent assets	62,634	62,079			
Total assets	125,915	129,417			

Consolidated Statements of Income

(Millions of Yen)

	FY2022	FY2023
Net sales	135,451	145,897
Cost of sales	112,253	118,172
Gross profit	23,198	27,724
Selling, general and administrative expenses	19,260	20,301
Operating income	3,937	7,422
Non-operating income		
Interest income	144	215
Dividend income	42	10
Equity in earnings of affiliates	1,575	1,024
Other	164	22
Total non-operating income	1,926	1,273
Non-operating expenses		
Interest expenses	165	130
Commission fee	7	6
Foreign exchange losses	288	368
Other	51	60
Total non-operating expenses	512	565
Ordinary income	5,351	8,130
Extraordinary income		
Gain on disposal of non-current assets	0	3,971
Total extraordinary income	0	3,971
Extraordinary loss		
Loss on disposal of non-current assets	578	651
Impairment loss	—	40
Loss on sales of stocks of affiliates	—	1,261
Business structure improvement expenses	365	341
Total extraordinary losses	943	2,295
Income before income taxes	4,408	9,806
Income taxes-current	1,083	1,647
Income taxes-deferred	(1,177)	266
Total income taxes	(94)	1,914
Net income	4,502	7,891
Net income attributable to non-controlling interests	78	53
Net income attributable to owners of the parent	4,423	7,838

Consolidated Statements of Changes in Shareholders' Equity

(Millions of Yen)

FY2022

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	8,986	2,505	40,073	(54)	51,511	80	(1,277)	(1,393)	(2,590)	603	49,523
Cumulative effect of changes in accounting policies			932		932						932
Balance at the beginning of the period reflecting changes in accounting policies	8,986	2,505	41,005	(54)	52,443	80	(1,277)	(1,393)	(2,590)	603	50,456
Changes of items during the period											
Net income attributable to owners of the parent			4,423		4,423						4,423
Dividend of surplus			(768)		(768)						(768)
Acquisition of treasury stock				(1)	(1)						(1)
Net changes of items other than shareholders' equity						11	1,318	(502)	828	70	898
Total changes of items during the period	—	—	3,654	(1)	3,653	11	1,318	(502)	828	70	4,551
Balance at end of the period	8,986	2,505	44,660	(55)	56,096	91	41	(1,895)	(1,762)	673	55,007

FY2023

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	8,986	2,505	44,660	(55)	56,096	91	41	(1,895)	(1,762)	673	55,007
Changes of items during the period											
Net income attributable to owners of the parent			7,838		7,838						7,838
Issuance of new shares	10	10			20						20
Dividend of surplus			(961)		(961)						(961)
Acquisition of treasury stock				(0)	(0)						(0)
Net changes of items other than shareholders' equity						(2)	1,972	836	2,807	18	2,825
Total changes of items during the period	10	10	6,876	(0)	6,897	(2)	1,972	836	2,807	18	9,722
Balance at end of the period	8,996	2,515	51,536	(55)	62,993	89	2,014	(1,058)	1,044	692	64,730

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2022	FY2023
Net income	4,502	7,891
Other comprehensive income		
Valuation difference on available-for-sale securities	11	(2)
Foreign currency translation adjustments	741	1,283
Retirement benefit adjustments	(502)	836
Share of other comprehensive income of associates accounted for using equity method	624	706
Other comprehensive income	875	2,825
Comprehensive income	5,378	10,716
Comprehensive income attributable to		
Owners of the parent	5,251	10,645
Non-controlling interests	126	71

Consolidated Cash Flows

(Millions of Yen)

	FY2022	FY2023
Cash flows from operating activities		
Income before income taxes	4,408	9,806
Depreciation and amortization	5,684	5,814
Increase (decrease) in allowance for doubtful accounts	38	14
Increase (decrease) in provision for bonuses	49	(32)
Increase (decrease) in provision for product warranties	503	(131)
Increase (decrease) in net retirement benefit liabilities	(226)	400
Interest and dividends income	(186)	(226)
Interest expenses	165	131
Equity in losses (earnings) of affiliates	(1,575)	(1,024)
Loss (gain) on disposal of noncurrent assets	577	(3,319)
Impairment loss	—	40
Loss (gain) on sale of shares of subsidiaries and affiliates	—	1,261
Decrease (increase) in notes and accounts receivable-trade	(1,584)	1,697
Decrease (increase) in inventories	(1,015)	2,528
Decrease (increase) in other current assets	64	(1,738)
Increase (decrease) in notes and accounts payable-trade	7,217	(2,129)
Increase (decrease) in other current liabilities	543	2,694
Others, net	(1,062)	(1,488)
Subtotal	13,600	14,297
Interest and dividends income received	1,299	195
Interest expenses paid	(200)	(133)
Income taxes paid	(1,694)	(988)
Net cash provided by (used in) operating activities	13,005	13,372
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,351)	(5,305)
Proceeds from sales of property, plant and equipment	0	4,516
Payments acquisition of intangible fixed assets	(11)	(18)
Purchase of investment securities	(11)	(12)
Proceeds from sales of investment Securities	—	1,809
Decrease (increase) in short-term loans receivable	(538)	(10,677)
Other, net	(0)	77
Net cash provided by (used in) investing activities	(5,912)	(9,609)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,100	(250)
Repayment of long-term loans payable	(4,286)	(2,022)
Cash dividends paid	(768)	(961)
Dividends paid to non-controlling interests	(56)	(52)
Repayments of lease obligations	(391)	(513)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(4,404)	(3,799)
Effect of exchange rate change on cash and cash equivalents	223	343
Net increase (decrease) in cash and cash equivalents	2,910	305
Cash and cash equivalents at beginning of period	5,720	8,631
Cash and cash equivalents at end of period	8,631	8,937

12-Year Selected Consolidated Financial Data

Terms		83rd Term	84th Term	85th Term	86th Term	87th Term	88th Term	89th Term	90th Term	91st Term	92nd Term	93rd Term	94th Term
Fiscal Years		March 2013 (12 months)	March 2014 (12 months)	March 2015 (12 months)	March 2016 (12 months)	March 2017 (12 months)	December 2017 (9 months)	December 2018 (12 months)	December 2019 (12 months)	December 2020 (12 months)	December 2021 (12 months)	December 2022 (12 months)	December 2023 (12 months)
Net sales	(Millions of yen)	85,121	88,698	94,166	102,143	113,195	94,070	140,600	133,053	113,859	125,510	135,451	145,897
Operating income	(Millions of yen)	780	290	514	2,429	4,809	3,971	9,003	6,440	2,468	5,562	3,937	7,422
Ordinary income	(Millions of yen)	2,071	1,113	3,118	3,007	5,233	4,660	9,694	7,363	5,048	6,506	5,351	8,130
Net income attributable to the parent	(Millions of yen)	1,417	665	2,363	2,505	5,916	3,792	9,756	5,214	2,857	3,983	4,423	7,838
Comprehensive income	(Millions of yen)	3,533	2,071	4,733	(663)	5,747	5,095	7,251	6,152	(428)	6,077	5,378	10,716
Net assets	(Millions of yen)	20,596	20,941	24,561	23,578	28,930	33,266	39,997	45,405	44,544	49,523	55,007	64,730
Total assets	(Millions of yen)	73,049	76,717	87,216	92,232	96,850	103,177	102,416	109,813	109,634	112,521	125,915	129,417
Net assets per share	(Yen)	189.86	192.81	237.98	230.65	288.08	332.18	403.79	460.23	453.15	508.97	565.32	666.00
Net income per share	(Yen)	14.78	6.94	24.64	26.13	61.63	39.47	101.54	54.26	29.73	41.44	46.02	81.53
Shareholders' equity ratio	(%)	24.93	24.1	26.17	23.98	28.57	30.93	37.88	40.29	39.73	43.48	43.15	49.48
Return on equity [ROE]	(%)	8.55	3.63	11.44	11.15	23.77	12.73	27.6	12.56	6.51	8.61	8.57	13.24
Price-earnings ratio [PER]	(Times)	9.34	20.18	10.51	9.41	8.92	25.41	5.46	13.99	23.21	13.18	7.89	6.21
Price book-value ratio [PBR]	(Times)	0.80	0.73	1.20	1.05	2.12	3.23	1.51	1.76	1.51	1.13	0.68	0.82
Net income to sales ratio	(%)	1.66	0.75	2.51	2.45	5.23	4.03	6.94	3.92	2.51	3.17	3.27	5.37
Asset turnover ratio	(Times)	1.17	1.16	1.08	1.11	1.17	0.91	1.37	1.21	1.04	1.12	1.08	1.13
Financial leverage	(Times)	4.01	4.15	3.82	4.17	3.50	3.23	2.64	2.48	2.52	2.30	2.32	2.02
Cash flows from operating activities	(Millions of yen)	5,435	2,634	3,388	8,814	13,029	9,029	21,630	16,122	11,219	9,209	13,005	13,372
Cash flows from investing activities	(Millions of yen)	(6,555)	(1,613)	(5,520)	(2,145)	(8,758)	(4,745)	(5,824)	(16,724)	(10,955)	(6,684)	(5,912)	(9,609)
Cash flows from financial activities	(Millions of yen)	(2,109)	(2,134)	349	557	(9,643)	(6,545)	(14,818)	(1,409)	(2,917)	(2,350)	(4,404)	(3,799)
Cash and Cash equivalents at the end of period	(Millions of yen)	12,368	11,297	10,086	17,164	11,522	9,422	10,215	8,196	5,426	5,720	8,631	8,937
Number of employees [Other, average temporary staff]		3,120 [509]	3,366 [879]	3,921 [1,058]	3,951 [956]	4,036 [1,360]	3,998 [1,538]	3,870 [2,031]	3,796 [1,808]	3,602 [1,345]	3,519 [1,436]	3,521 [1,335]	3,163 [1,750]
Dividend on equity [DOE]	(%)	—	0.78	1.26	1.30	1.39	1.20	1.73	1.52	0.77	1.38	1.59	1.65
Payout ratio	(%)	—	21.6	12.2	11.5	6.5	10.1	6.9	12.9	11.8	16.9	19.6	13.5

Stock Information (As of December 31, 2023)

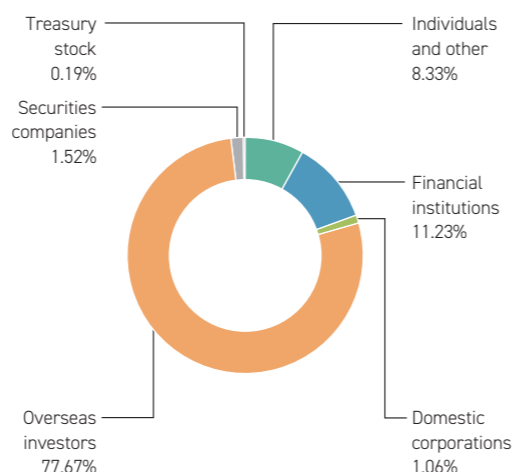
Stock Information

Number of shares issued	96,334,226 shares
Number of shares authorized	200,000,000 shares
Number of Shareholders	7,388

Major Shareholders

Shareholder	Num. of Shares (1,000 shares)	Shareholding Ratio (%)
Valeo Bayen	58,791	61.14
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,792	4.98
INVERISIS/IICS JAPAN	4,478	4.65
Custody Bank of Japan, Ltd. (Trust Account)	3,818	3.97
Nippon Life Insurance Company	988	1.02
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	777	0.80
MSIP CLIENT SECURITIES	775	0.80
NORTHERN TRUST CO. (AVFC)RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	690	0.71
JP MORGAN CHASE BANK 385781	638	0.66
Nomura Securities Co., Ltd.	612	0.63

Composition of Shareholders by Type

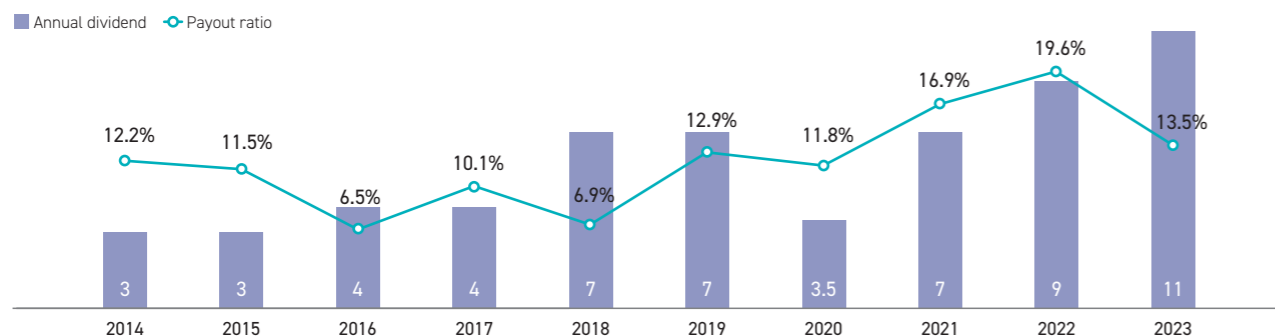


(Notes)
 1. The shareholding ratio was calculated excluding the treasury stock (180,942 shares). The figures less than the unit are rounded down.
 2. The top 10 shareholders are listed, including one major shareholder who holds one-tenth or more of the total number of issued shares.
 3. Out of the shares owned by Custody Bank of Japan, Ltd. the number of shares related to trust business is 3,818,000. shares.

Share Price Trend (Yen)



Dividend Trends (Yen / Per share)



Company Information (As of December 31, 2023)

Trade name	ICHIKOH INDUSTRIES, LTD.
Date of foundation	June 20, 1903 (Meiji 36)
Date of establishment	December 20, 1939 (Showa 14)
Capital stock	8.9 billion yen
Number of employees	Consolidated: 4,913 employees Non-consolidated: 2,266 employees (As of December 31, 2023, including average temporary staff)
Stock exchange listing	The Tokyo Stock Exchange, Prime Market
Head office	80 Itado, Isehara City, Kanagawa

Consolidated Subsidiaries*1

Company name	Address	Capital	Main business	ICHIKOH's shareholdings
Kyushu Ichikoh Industries, Ltd.	Nakatsu City Oita	50 M yen	Manufacture and sales of automotive parts	100.0 %
Ichikoh (Malaysia) SDN. BHD.	Negeri Sembilan, Malaysia	MYR 9 M	Manufacture and sales of automotive parts	70.0 %
PT. Ichikoh Indonesia	West Java, Indonesia	IDR 133,124 M	Manufacture and sales of automotive parts	100.0 %
Ichikoh Industries (Thailand) Co., Ltd.	Rayong, Thailand	THB 1,446 M	Manufacture and sales of automotive parts	99.9 %

*1 PIAA Corporation was deconsolidated on August 30, 2024, due to the sale of its shares.

*2 Reflecting capital reduction in 2023

Equity Method Companies

Company name	Address	Capital	Main business	ICHIKOH's shareholdings
Valeo Ichikoh Holding Limited	Dublin City, Ireland	EUR 15 M	Oversight of lamp business in the Chinese market	15.0 %
Valeo Ichikoh (China) Auto Lighting Co., Ltd.	Wuhan, Hubei province, China	USD 20,744 K	Manufacture and sales of automotive parts	15.0 %

Editorial Policy

This integrated report is designed to foster dialogue with stakeholders, especially shareholders and investors.

Reporting period: While the primary focus of this report is the FY2023 (from January to December 2023), it also includes the most recent information.

Scope of the report: This integrated report primarily covers the activities of ICHIKOH and its consolidated subsidiaries. However, certain sections pertain solely to ICHIKOH.

Reference guidelines: In this integrated report, we have referred to the Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC). Additionally, for sustainability-related information, we have also consulted the final report of the Task Force on Climate-related Financial Disclosures (TCFD).

Notes on forecasts

The plans, strategies, performance forecasts, and other forward-looking statements in this integrated report are based on the information currently available to us and on assumptions we deem reasonable. However, actual results may vary due to a range of factors.

Please exercise your own judgment when utilizing this information. The Company will not be held responsible for any losses arising from decisions made based on the forecasts or other statements contained herein.

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