

Stock code: 7244

March 9, 2022

To Our Shareholders
Itado 80, Isehara-shi, Kanagawa-ken
ICHIKOH INDUSTRIES, LTD.
Representative Director & Chairman
Ali Ordoobadi

Notice of the 92nd Ordinary General Meeting of Shareholders

We appreciate your continuing support to our company.

This is to inform you that the 92nd Ordinary General Meeting of Shareholders of ICHIKOH INDUSTRIES, LTD will be held as described below.

You can exercise your voting rights in writing or electromagnetic means (via the Internet, etc.) instead of attending the meeting in person. Please review the “Reference Documents for the Ordinary General Meeting of Shareholders” and exercise your voting rights in accordance with “4. Information on Exercising Voting Rights” by 5:30 p.m., Thursday, March 24, 2022.

Date and Time: Friday, Mar 25, 2022 10:00 AM

Place: 348 Tanaka, Isehara-shi, Kanagawa-ken
Isehara Civic Culture Center, Small Hall on the 1st Floor

Agenda:

Matters to be Reported:

1. Business Report, the Consolidated Financial Statements and the Audit Results of the Consolidated Financial Statements for the 92nd Fiscal Year (from January 1, 2021 to December 31, 2021) by the Accounting Auditor and the Board of Auditors.
2. Report of the Non-consolidated Financial Statements for the 92nd Fiscal Year (from January 1, 2021 to December 31, 2021).

3. Matters to be Resolved:

Proposal No. 1:Disposition of Surpluses

Proposal No. 2:Partial Change of the Articles of Incorporation

Proposal No. 3: Election of Nine (9) Directors

Proposal No. 4:Election of One (1) Substitute Corporate Auditor

Proposal No. 5: Determination of Amount of Post-Issuance Type Stock Compensation for Directors

4. Information on Exercising Voting Rights

(1) Exercising Voting Rights in Writing

Please indicate your approval or disapproval on the enclosed Voting Rights Exercise form and return it so that it arrives no later than 5:30 PM on Thursday, March 24, 2022.

(2) Exercising Voting Rights via the Internet, etc.

When exercising voting rights via the Internet, etc., please refer to “Information on exercising voting rights via the Internet, etc.” on page 4 and exercise by 5:30 PM on Thursday, March 24, 2022.

(3) Exercising your voting rights twice in writing and via the Internet, etc.

The exercise of voting rights via the Internet, etc., will be taken as the validly exercised votes. If voting rights are exercised multiple times via the Internet, etc., the last one will be taken as the validly exercised votes.

 You are kindly requested to present the enclosed Voting Rights Exercise Form to the person at the reception when you attend the meeting in person.

Among the documents provided with this Notice of the Ordinary General Meeting of Shareholders, the Notes of the Consolidated Financial Statements, the Notes of the Non-consolidated Financial Statements and the Systems to Ensure the Appropriateness of Business Execution are disclosed on our website (<http://www.ichikoh.com/ir/stockholder/stock09.html>) in accordance with the relevant laws and regulations and Article 15 of the Article of Incorporation of the Company, and thus are not included in the Attached Documents. Accordingly, the Attached Documents enclosed with this Notice represent a part of the Business Report, Consolidated Financial Statements and the Non-consolidated Financial Statement audited by Corporate Auditors in preparation of Audit Report of the Board of Auditors and a part of the Consolidated Financial Statements and the Non-consolidated Financial Statement audited by Accounting Auditor in preparation of Accounting Audit Report.

If any changes are made in any of the Reference Documents for the Ordinary General Meeting of Shareholders, the Business Report, the Consolidated Financial Statement, and the Non-Consolidated Financial Statement, such changes will be posted on our website (<http://www.ichikoh.com/>).

Infection prevention measures against Coronavirus disease 2019(COVID-19)

- On attending the General Meeting of Shareholders, please pay attention to the status of infection of new type coronavirus and your health, and, if you are not well, please

consider exercising voting rights via postal mail or the Internet instead of attending the meeting.

- Please wear a mask when you come to the place of the meeting. At the place of the meeting, we will set up the alcohol disinfectant for hands, and measure your temperature with a non-contact thermometer. If you do not cooperate in infection prevention or if you don't seem to be well, you may be requested to refrain from entering the place. Thank you in advance for your cooperation in infection prevention.
- Officers of the Company and operation staffs of the General Meeting of Shareholders will confirm their health including temperature measurement and wear a mask.
- Please note that seats are arranged with distance in the place of the meeting.
- We will strive for efficient procedures and shortening the meeting time.
- Please closely monitor the status and carefully determine whether to attend to prevent infection to yourself and others.

If there are any material changes regarding operation and place of the Ordinary General Meeting of Shareholders, we will notify them on our website (<http://www.ichikoh.com/>).

Information of Exercising Voting Rights via the Internet, etc.

When exercising voting rights via the Internet, etc., please be aware of the following matters in advance.

1. Website for exercising voting rights

- (1) Voting rights can be exercised via the Internet, etc., only by using the following website for exercising voting rights designated by the Company.
Website Address <https://www.web54.net>
 - (2) If you exercise voting rights using smartphone, please use “Smart Exercising”.
By scanning the “Login QR Code of website for Exercising Voting Rights for Smartphones” on the enclosed Voting Rights Exercise Form, you can exercise voting rights from website for exercising voting rights without entering the “Voting Rights Exercise Code” and “Password”.
Please note that you will need to scan the QR code again and enter the “Voting Rights Exercise Code” and “Password” printed on the Voting Rights Exercise Form if you want to change the content of the right you exercised after exercising your voting rights.
- * For details, please refer to the enclosed information brochure.

2. Handling of your exercise of voting rights

- (1) When exercising voting rights via the Internet, etc., please use the “Voting Rights Exercise Code” and “Password” printed on the enclosed Voting Rights Exercise form, and enter your votes following the on-screen guidance.
- (2) The deadline for exercising voting rights is 5:30 PM on Thursday, March 24, 2022, so please exercise your rights as soon as possible.
- (3) If you exercise your voting rights twice in writing and via the Internet, etc., the exercise of voting rights via the Internet, etc., will be taken as the validly exercised votes. If voting rights are exercised multiple times via the Internet, etc., the last one will be taken as the validly exercised votes.
- (4) Internet provider’s connection fee and communication fees to your telecommunication service provider (including access fees) for accessing website for exercising voting rights shall be borne by the shareholder.

3. Handling of passwords and voting rights codes

- (1) The Password is a crucial means through which to ascertain that a voting person is really a qualified shareholder. Please handle it with care as well as your personal seal and security code.
- (2) If you enter the wrong password more than a certain number of times, your password will be rendered unusable. If you would like re-issue your password, please follow the on-screen guidance.
- (3) The code for exercising voting rights on the Voting Rights Exercise Form is valid only at this general meeting.

4. For inquiries regarding the operation of personal computers

- (1) If you have any questions regarding the operation of personal computers in relation to the exercise of your voting rights, please call the number below.
Sumitomo Mitsui Trust Bank, Limited Security Agent Web Support Dedicated Dial
[Tel No.] 0120 (652) 031 (Service hours 9 : 00~21 : 00)
- (2) For other inquiries, please contact below.
 - i . Shareholders who have accounts at securities companies
The securities companies in which you have your account
 - ii .Shareholders who do not have an account at a securities companies (Shareholders who have special account)
Sumitomo Mitsui Trust Bank, Limited Security Agent Business Center
[Tel No.] 0120 (782) 031 (Service hours 9 : 00~17 : 00 excluding weekends and holidays)

5. Platform for exercising voting rights

Institutional investors who applied to exercise the voting rights using the platform operated by a joint venture (ICJ Co., Ltd.) in advance, can use such platform as a method of an electromagnetic means to exercise voting rights of the Shareholders' Meeting of the Company in addition to the above-mentioned exercise of voting rights via the Internet.

(Attached Documents)

Business Report
(January 1, 2021 through December 31, 2021)

1. Present Status of the Corporate Group

(1) Status of Business for the Current Consolidated Business Year

① Progress and Result of Business

For this consolidated fiscal year, recovery of the Japanese economy temporarily slowed due to the insufficiency of the parts supply caused by the spread of COVID-19 infection in Southeast Asia. As for the global economy, the economy in the USA recovered due to gradual normalization of the economic environment despite the rebound of COVID-19 infection, and in China, economic activities recovered as a repercussions to the decline in previous year. On the other hand, as for ASEAN, momentum for economic recovery in Malaysia, Indonesia and Thailand weakened due to implementation of strong activity restrictions such as lockdown and limits on office attendance because of the fast spread of infection of COVID-19 delta variant in summer.

As for the automotive market to which the company group belongs, despite the limitation such as global supply shortage of semiconductors, the volume of domestic car production increased compared to the volume in previous year as a repercussions to the decline of production caused by COVID-19. As for ASEAN, car production volume in Malaysia decreased while it increased in Thailand and Indonesia compared to the volume in previous year, and total car production volume of the three countries increased compared to the volume in previous year.

Under those circumstances, for this consolidated fiscal year, sales increased in three regions, Japan which is a mainstay, ASEAN and China thanks to strong sales and the increase of sales was larger than the increase of the automotive production market in the three regions. However, although the sales in the first half increased as a repercussions to the decline in previous year, sales in the second half decreased compared to previous year's sales due to worsened supply shortage of semiconductors and the rebound of COVID-19 infection and the pace of sales recovery slowed down.

As a result, sales was 125,510 million yen (10.2% increase compared to the same period of previous year), operating income became 5,562 million yen (125.3% increase compared to the same period of previous year), as a consequence of reduction of fixed costs by structural reform in recent years and improvement of productivity through capital investment despite of the impact of soaring costs of raw material such as resin. Ordinary income was 6,506 million yen (28.9% increase compared to the same period of previous year) as the result of recording of equity in earnings of affiliates in the amount of 1,333 million yen. Net income attributable to shareholders of the parent company was 3,983 million yen (39.4% increase compared to the same period of

previous year) as a result of recording of impairment loss of 190 million yen as extraordinary losses and recognition of deferred tax liabilities.

Moving to the results by each segment, for Automotive-Parts business, increase of sales of the Company was larger than the increase in the automotive production market in three regions, Japan which is a mainstay, ASEAN and China, and sales was 117,819 million yen (11.0% increase compared to the same period of previous year) and operating income was 5,079 million yen (122.5% increase compared to the same period of last year).

For After-Market business, the sales for mass retailers decreased but sales of wiper for dealer including imported car dealer increased , and sales was 8,521 million yen (5.8% increase compared to the same period of previous year) . Operating income was 435 million yen (88.8% increase compared to the same period of previous year) due to reduction in indirect cost. And the increase of both sales and profit was maintained.

Regarding the dividends, the Company considers that the achievement of the both (1) improvement of corporate value by using internal reserves to conduct research and development and capital investments, and (2) improvement of profit return to shareholders is the most important issues of the Company. Under this basic policy, as for dividend of FY2021, distribution of midterm dividends was 3.5 yen per share from the perspective of continuous return of profit to shareholders, and the year-end dividend is 3.5 yen per share comprehensively taking into consideration the brisk demand for fund for technological development to secure the competitiveness in a highly competitive environment, which result in the annual dividend of 7 yen.

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(Note) The Business Report is described under the following rules.

1. The figures shown in the unit of millions of yen are rounded down to the nearest million.
2. The shares shown in the unit of thousands are rounded down to the nearest thousand.

| Category                  | Sales in million yen | Operating Income in million yen |
|---------------------------|----------------------|---------------------------------|
| Automotive Parts Business | 117,819              | 5,079                           |
| After-market Business     | 8,521                | 435                             |
| Other Businesses          | 1,039                | 44                              |

## ② Status of Capital Investment

The total amount of capital investment in this fiscal year was 5,985 million yen, and the major investments are new products of lamps and rear-view mirrors, model changes and capital investment for newly established Atsugi plant and improvement of productivity.

③ Status of Funding

In this fiscal year, the Company did not make any new financing.

④ Status of Assignment of Business, Absorption-type Split and Incorporation-type Split

Not applicable.

⑤ Status of Taking over of Business of other Companies

Not applicable.

⑥ Status of the assignment of rights and obligations of other corporation, etc., by means of  
Absorption-type Merger or Absorption-type Split

Not applicable.

⑦ Status of Acquisition or Disposition of Other Companies' Stock and other Equity or Share  
Subscription right

Not applicable.



## (2) Status of Properties and Financial Results

| Classification                                                       | FY2018<br>89th Term | FY2019<br>90th Term | FY2020<br>91th Term | FY2021<br>92 <sup>st</sup> Term<br>(current) |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------------------|
| Net Sales (M yen)                                                    | 140,600             | 133,053             | 113,859             | 125,510                                      |
| Ordinary Income (M yen)                                              | 9,694               | 7,363               | 5,048               | 6,506                                        |
| Net profit attributable to<br>parent company shareholders<br>(M yen) | 9,756               | 5,214               | 2,857               | 3,983                                        |
| Net Income per Share (yen)                                           | 101.54              | 54.26               | 29.73               | 41.44                                        |
| Total Assets (M yen)                                                 | 102,416             | 109,813             | 109,634             | 112,521                                      |
| Net Assets (M yen)                                                   | 39,997              | 45,405              | 44,544              | 49,402                                       |
| Net Assets per Share (yen)                                           | 403.79              | 460.23              | 453.15              | 507.71                                       |

## (3) Status of Important Parent Companies and Subsidiaries

## ① Status of Parent Company

Valeo Bayen and its parent company Société de Participations Valeo, and also Valeo. S.A. the parent company of Société de Participations Valeo are the parent companies of the Company, and own 58,791 thousand shares of the Company (61.16% of shares).

At the end of this consolidated fiscal year, in order to improve fund efficiency, including the parent company group, the group of the Company has provided loans to the parent company as follows:

Loans 10,186 million yen

Matters related to the above transactions are as follows:

- i. Matters to which attention was paid to avoid impairment of interest of the Company in making the transactions  
As for borrowings and loans to and from the parent company or its affiliates, it was confirmed that the interest rate was determined considering the market interest rate.
- ii. Judgments by the Board of Directors whether or not the transaction(s) impairs the Company's interest and its reasons  
As described in (1) above
- iii. Opinion by Independent Outside Directors if it is different from the opinion of the Board of Directors  
Not applicable.

## ② Status of Important Subsidiaries

| Company Name                           | Capital Amount | Ichikoh's Share | Main Business                             |
|----------------------------------------|----------------|-----------------|-------------------------------------------|
| PIAA Corporation                       | 475 M yen      | 100.0 %         | Sales of automotive parts for aftermarket |
| PIAA Corp., USA                        | USD 6,000K     | 100.0 %         | Sales of automotive parts for aftermarket |
| Misato Industries, Ltd.                | 95 M yen       | 100.0 %         | Manufacture and sales of automotive parts |
| Kyushu Ichikoh Industries, Ltd.        | 50 M yen       | 100.0 %         | Manufacture and sales of automotive parts |
| Ichikoh (Malaysia) SDN. BHD.           | MYR 9,000 K    | 70.0 %          | Manufacture and sales of automotive parts |
| PT. Ichikoh Indonesia                  | IDR 133,124 M  | 100.0 %         | Manufacture and sales of automotive parts |
| Ichikoh Industries (Thailand) Co. Ltd. | THB 2,360 M    | 99.9 %          | Manufacture and sales of automotive parts |
| Ichikoh (Wuxi) Automotive Parts        | USD 7,000K     | 100.0 %         | Manufacture and sales of automotive parts |

(Note)The Company transferred a portion of the shares of Life Elex Inc. to a group company of Life Elex's Chinese joint venture partner on June 30, 2021.

## (4) Major Operations (as of December 31, 2021)

Major line of business of Ichikoh group is the manufacture and sales of automotive lamps and rearview mirrors as outlined below:

| Category                | Major products                                                                         |
|-------------------------|----------------------------------------------------------------------------------------|
| Lamps                   | Head Lamps (halogen, HID, LED)<br>Rear Combination Lamps(Bulb, LED)<br>Fog Lamps, etc. |
| Rearview Mirrors        | Door Mirrors, Inside Mirrors, Electronic Mirrors, etc.                                 |
| Other Automotive Parts  | Windshield Wiper Blades, etc.                                                          |
| Non-automotive Products | Lamps for railroad carriages, house apparatus, etc.                                    |

## (5) Major Sales Offices and Plants (as of December 31, 2021)

## ① Ichikoh Industries, Ltd.

| Name          | Location                 | Name               | Location           |
|---------------|--------------------------|--------------------|--------------------|
| Head Office   | Isehara-shi,<br>Kanagawa | Chubu Branch       | Nagoya-shi, Aichi  |
| Isehara Plant | Isehara-shi,<br>Kanagawa | Ota Sales Office   | Ota-shi, Gunma     |
| Atsugi Plant  | Atsugi-shi,<br>Kanagawa  | Tokyo Sales Office | Shinjuku-ku, Tokyo |
| Fujioka Plant | Fujioka-shi, Gunma       | Osaka Sales Office | Suita-shi, Osaka   |
| Mirror Plant  | Fujioka-shi, Gunma       |                    |                    |

## ② Subsidiaries

| Name                            | Location                  | Name                                          | Location                        |
|---------------------------------|---------------------------|-----------------------------------------------|---------------------------------|
| PIAA Corporation                | Bunkyo-ku, Tokyo          | Ichikoh (Malaysia)                            | Negri Sembilan,<br>Malaysia     |
| Misato Industries, Ltd.         | Fujioka-shi,<br>Gunma-ken | SDN. BHD.<br>PT. Ichikoh Indonesia            | West Java, Indonesia            |
| Kyushu Ichikoh Industries, Ltd. | Nakatsu-shi, Oita         | Ichikoh Industries (Thailand) Co. Ltd.        | Amata-city, Thailand            |
| PIAA, Corp., USA                | Oregon, USA               | Ichikoh (Wuxi )<br>Automotive Parts Co., Ltd. | Jiangsu Province,<br>P.R. China |

(Note) The Company transferred a portion of the shares of Life Elex Inc. to a group company of Life Elex's Chinese joint venture partner on June 30, 2021.

## (6) Information about Employees (as of December 31, 2021)

## ① Status of Employees of Ichikoh Group

| Number of Employees | Comparison to End of Last Fiscal Year |
|---------------------|---------------------------------------|
| 3,519 (1,435)       | Decreased by 83 (increased by 90)     |

(Note) The number of employees includes only those with no fixed term contract, exclusive of the number of employees with fixed term contract, such as part-timers and temporary workers, which is shown in parentheses by the annual average number.

## ② Status of Employees of Ichikoh

| Number of Employees | Comparison to End of Last Fiscal Year | Average Age | Average Years of Service |
|---------------------|---------------------------------------|-------------|--------------------------|
| 1,823 (875)         | Increased by 81 (increased by 72)     | 41.6        | 17.1                     |

(Note) The number of employees includes only those with no fixed term contract, exclusive of the number of employees with fixed term contract, such as part-timers and temporary workers, which is shown in parentheses by the annual average number.

(7) Information about Major Loan Providers (as of December 31, 2021)

| Loan Provider          | Balance of Loaned Amount (million yen) |
|------------------------|----------------------------------------|
| Mizuho Bank            | 1,694 Million yen                      |
| Bank of Mitsubishi UFJ | 1,521 Million yen                      |
| Valeo                  | 2,000 Million yen                      |

(8) Challenges Facing Ichikoh

The Mission of our Company group is “Reflect and Shine: Create a driving environment that feels safe, offers more protection, and provides more comfort,” and the Vision is to “continuously endeavor to become a corporation that satisfies both customers and society by pioneering the frontiers of technology and supplying optimal solutions which being ecologically minded.”

Given the prospects of the mid to long-term volume of automobile production, which is the market of our Company group, the domestic market tend to be reaching the limit due to the declining birthrate and aging society, and the demand increase coming from increased production volume can be expected in China and ASEAN. In addition, the automobile industry is at a major turning point as the needs for electric vehicles and autonomous driving are increasing due to environmental regulations and advances in IT technology. Under the circumstances, in Japan, we will achieve growth by increasing added value through development of new products which respond to electric vehicles and autonomous driving such as LED headlamp modules, HD (high definition) lighting, “e-Grille”, a new lighting product to replace the conventional Radiator Grill. Meanwhile, in overseas such as ASEAN and China, the Company group's growth strategy is to capture the demand, including that comes from increased production volume, while taking advantage of the high level technical expertise cultivated in Japan.

Recently, the functions required for automotive parts such as those required from the progress of autonomous driving technology are becoming more diversified, and it seems that big changes will happen at a faster speed than ever before. Among them, the bipolarization of components with high added value and low cost is expected to progress further, and thus we need to speed up the pace not only for research and development of products, but also for development of manufacturing technology to strengthen cost competitiveness. On the other hand, concerning preventive measures against COVID-19, the supply of parts and economy is being impacted by the spread of infections of Omicron, geopolitical risks and

costs to reduce the effects on the environment are increasing and is bringing more uncertainty in the business environment, therefore, expansion of financial foundation by Company's own efforts is also an important issue to be considered.

In order to carry out these growth strategies and to deal with the issues, we will maximally strengthen synergy with Valeo, which extends to the broad area such as utilization of the development bases in the region which has cost competitiveness, cost reduction by joint procurement and joint research taking full advantage of scale merit, improvement of productivity by introducing advanced technologies such as automation and digitalization to factories, acquisition of additional market share in the global market by expanding our customer base and strengthening geographical mutually complementary relationship, and benefits from interest rates by utilizing loan from Valeo.

As for selection of market due to the market segment reform of TSE on April 2022, the Company selected the "Prime Market" and submitted the "Plan to meet the Listing Criteria of the new market segment" to TSE. The plan is to make improvement in the below 3 fields: 1. improvement of tradable share ratio, 2. improvement of governance system, 3. actions for sustainability in 3 years until 2024.

As for improvement of governance system, in order to enhance internal control system, the Company plans to increase the composition ratio of Independent Directors in the Board of Directors, the Compensation Committee, and the Conflict of Interest Monitoring Committee. As for Sustainability field, along with policies of the parent company, the Company aims for carbon neutral in 2050, and established the Sustainability Committee on August 2021, which is an organization for promoting sustainability. The Company will create the roadmap, to achieve those targets. In addition, through enhancement of the internal control system, the company will improve compliance awareness of all people engaging in the business of our Company group to fulfill our social responsibility as a corporation by establishing and operating the internal control system to secure credibility of our financial statements, to structure the risk management system and so on.

We would appreciate your continuing support and cooperation as shareholders.

## 2. Outline of Ichikoh Industries, Ltd.

## (1) Information about Shares (as of December 31,2021)

① Total number of shares authorized to be issued: 200,000,000

② Total number of shares issued: 96,292,401

③ Number of Shareholders: 5,592

④ Major Shareholders: Major 10 shareholders

| Name of Shareholder                                                                        | Investment in Ichikoh |               |
|--------------------------------------------------------------------------------------------|-----------------------|---------------|
|                                                                                            | Number of Shares      | Holding Ratio |
| Valeo Bayen                                                                                | 58,791 thousand       | 61.16%        |
| The Master Trust Bank of Japan, Ltd.<br>(Trust Account)                                    | 5,491 thousand        | 5.71%         |
| Mizuho Bank                                                                                | 4,775 thousand        | 4.96%         |
| Custody Bank of Japan, Ltd. (Trust<br>Account)                                             | 3,156 thousand        | 3.28%         |
| Daihatsu Motor                                                                             | 2,712 thousand        | 2.82%         |
| BNP PARIBAS SEC SERVICES<br>LUXEMBOURG/ JASDEC/ ABERDEEN<br>STANDARS SICAV I CLIENT ASSETS | 1,438 thousand        | 1.49%         |
| BBH (LUX) FOR FIDELITY FUNDS<br>PACIFIC FUND                                               | 1,422 thousand        | 1.48%         |
| Nippon Life Insurance Company                                                              | 1,040 thousand        | 1.08%         |
| JP MORGAN CHASE BANK 385781                                                                | 651 thousand          | 0.67%         |
| Ichikawa Business Center Co., Ltd.                                                         | 486 thousand          | 0.50%         |

(Note) The shareholding ratio was calculated excluding the treasury stock (176,543 shares). The figures less than the unit are rounded down.

## (2) Status of Share Subscription Right (as of December 31, 2021)

Not applicable.

## (3) Status of Ichikoh's Directors and Corporate Auditors

## ① Status of Directors and Corporate Auditors (as of December 31, 2021)

| Title                                    | Name                   | HQ./Dept. in charge and status of important concurrent position                                          |
|------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| Representative<br>Director &<br>Chairman | ORDOOBADI,<br>Ali      | Oversees Audit Dept., Representative Director of Valeo Japan Co., Ltd., Director of Valeo Kapec Japan KK |
| Representative<br>Director &             | VILATTE,<br>Christophe | Lighting RO Director                                                                                     |

|                                                |                      |                                                                                                                                                                                                                                                   |
|------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| President CEO                                  |                      |                                                                                                                                                                                                                                                   |
| Representative Director & Deputy President CTO | MIYASHITA, Kazuyuki  | In charge of R&D HQ, Advanced Dev. HQ, Project Progress Control Office.<br>PM HQ Director                                                                                                                                                         |
| Director                                       | NAKANO, Hideo        | Mirror PL Director.                                                                                                                                                                                                                               |
| Director CFO                                   | SHIRATO, Hideki      | In charge of Corp. Planning Dept., Legal Dept., General Accounting HQ.                                                                                                                                                                            |
| Director                                       | URBAIN Alain         | Finance HQ Director                                                                                                                                                                                                                               |
| Director                                       | MARTINELLI, Maurizio | Valeo Visibility Systems Group President, Valeo S.p.A. Director & Legal Representative, Valeo Vision SAS President, Valeo Iluminacion S. A.U. Director & Chairman and Legal Representative, Valeo Vision Belgique Director & Legal Representative |
| Director                                       | GARNIER Rodolphe     | Valeo Visibility Systems Business Group Finance and International Development Vice-President                                                                                                                                                      |
| Director                                       | AOMATSU, Hideo       | Representative Director and President of DRC Capital, Ltd., Representative Director and CEO of JPH Co., Ltd., Director of Super Resin, Inc. , Director of Manzairaku Sake Kura Co., Ltd.                                                          |
| Director                                       | LAVIGNE Jean-Jacques | Fives Group Japan Representative                                                                                                                                                                                                                  |
| Corporate Auditor (Full Time)                  | KATO Nobuteru        |                                                                                                                                                                                                                                                   |
| Corporate Auditor                              | TSURUMAKI, Aki       | Kamijo/Tsurumaki Law Office (Attorney at Law)<br>Outside Director of BELLSYSTEM24 Holdings, Inc.                                                                                                                                                  |
| Corporate Auditor                              | SEVAISTRE, Pierre    |                                                                                                                                                                                                                                                   |

(Notes)

1. Mr. Hideo Aomatsu and Mr. Jean-Jacques Lavigne are the outside directors stipulated by Article 2-15 of the Companies Act. The Company submitted to the TSE a notice of independent officer appointing Mr. Hideo Aomatsu and Mr. Jean-Jacques Lavigne as the independent officers.
2. Corporate Auditors, Mr. Aki Tsurumaki and Mr. Pierre Sevaistre, are outside corporate auditors stipulated by Article 2-16 of the Companies Act. The Company submitted to the TSE

a notice of independent officer appointing Mr. Aki Tsurumaki and Mr. Pierre Sevaistre, both Corporate Auditors, as the independent officers.

3. Mr. Nobuteru Kato, a Corporate Auditor, has been engaged in quality-related duties for many years, and accumulated knowledge of compliance, internal control, and audit in terms of prevention of quality irregularities, and has good experience of internal audit of the Company.

② Directors and Corporate Auditors who resigned during the fiscal year

| Title at the time of resignation        | Name             | Date of resignation | Reason of resignation        | HQ./Dept. in charge and status of important concurrent position at the time of resignation |
|-----------------------------------------|------------------|---------------------|------------------------------|--------------------------------------------------------------------------------------------|
| Representative Director & President COO | SAUER Heiko      | March 25, 2021      | Expiration of term of office | N/A                                                                                        |
| Corporate Auditor (Full Time)           | HASHIMOTO Hisaki | March 25, 2021      | Expiration of term of office | N/A                                                                                        |

③ Summary of the Agreement Limiting the Liability

Mr. Hideo Aomatsu, Mr. Jean-Jacques Lavigne, Mr. Aki Tsurumaki, Mr. Pierre Sevaistre, and Nobuteru Kato, Corporate Auditors, and the Company entered into an agreement limiting the liability under Article 423-1 of the Company Act, based on our Articles of Incorporation and Article 427-1 of the Company Act. The maximum amount of the limited liability based on this agreement is as set forth in Article 425-1 of the Company Act.

④ Summary of the Agreement of Liability Insurance for Directors, etc.

The Company has the Agreement of Liability Insurance for Directors and Officers that are insured by the group of the parent company Valeo, and the insured includes Directors, Corporate Auditors and Executive Officers of Valeo and the Company group. This agreement of insurance covers damages and litigation costs when the insured receives a claim for damages in connection with the execution of its business. The insurance fee for this agreement is appropriately apportioned within and borne by the Valeo group and the Company group. In addition, in this agreement of insurance, the liability for damages against the insured person by the Company pursues is a disclaimer of insurance which is the measures to secure the appropriateness of the execution of duties of the insured person is not impaired.

⑤ Total Remuneration to Directors and Corporate Auditors (Jan. 2021 through Dec. 2021)



## Remuneration paid during the Current Business Year

| Classification                                                                                                      | Amount Paid<br>(Million yen) | Total Amount of Compensation Classified by type (Million yen) |           |           | Number of Persons |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------|-----------|-----------|-------------------|
|                                                                                                                     |                              | Base Compensation                                             | Bonus     | Others    |                   |
| Directors<br>(Outside Directors included in the above)                                                              | 295<br>(16)                  | 175<br>(12)                                                   | 86<br>(3) | 33<br>(-) | 9<br>(2)          |
| Corporate Auditors<br>(Outside Corporate Auditors included in the above)                                            | 28<br>(8)                    | 27<br>(8)                                                     | -<br>(-)  | 0<br>(-)  | 4<br>(2)          |
| Total of Directors & Corporate Auditors<br>(Outside Directors and Outside Corporate Auditors included in the above) | 323<br>(24)                  | 202<br>(20)                                                   | 86<br>(3) | 34<br>(-) | 13<br>(4)         |

(Notes)

1. The above list does not include two non-executives Directors who do not receive any remuneration.
2. The numbers for remuneration shown above were rounded down to the million.

⑥ Policy and determination method of compensation amount and calculation method of such compensation for Directors and Corporate Auditors

**【Policy to determine the compensations for an individual Director】**

The Company has adopted the base compensation (fixed monthly compensation and various allowances, if applicable), bonus, and stock compensation as compensation for Directors, and determines the content of the compensations for an individual Director at the Board of Directors after confirming the recommendation of the Compensation Advisory Committee in accordance with the determination policy for the content of the compensations for an individual Director as follows(the “Policy”) which was approved by the Board of Directors. As for the composition ratio of base compensation, bonus and stock compensation at the Company, the system is designed so that the ratio is 60%: 30%: 10% in principle. The compensation of the Company Auditor consists only of base compensation (fixed monthly compensation).

As for the composition ratio of base compensation, bonus, and stock compensation, the

system is designed with the principle ratio of 60% : 30% : 10%. The remuneration of Corporate Auditors constitutes only from the base compensation (monthly compensation).

The contents of the resolution of the Shareholders' Meeting regarding the Compensation of the Directors of the Company are as follows.

| Classification | Classification of Compensation | Date of the Resolution of the Shareholders' Meeting            | Contents of the Resolution                                                                                                                                                                                                                     | Number of Directors Pertaining to the Provisions of the Resolution                                |
|----------------|--------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Directors      | Base Compensation and Bonus    | The 82nd Ordinary Shareholders' Meeting held on June 22, 2012  | The amount of remuneration for directors is 360 million yen or less per year (including 60 million yen or less for Outside Directors, not including employee salaries for Directors who also serve as employees)                               | 8 Directors at the end of the 82nd Ordinary Shareholders' Meeting (including 2 Outside Directors) |
|                | Stock Compensation             | The 86th Ordinary Shareholders' Meeting held on June 29, 2016  | The total amount of monetary receivables paid for granting restricted stocks is up to 76 million yen per year (including up to 1 million yen for Outside Directors, not including employee salaries for Directors who also serve as employees) | 8 Directors at the end of the 86th Ordinary Shareholders' Meeting (including 4 Outside Directors) |
|                |                                | The 90th Ordinary Shareholders' Meeting held on March 26, 2020 | The total amount of base compensation for all eligible directors under this system per fiscal year is up to 40 million yen (including 6 million yen for Outside Directors)                                                                     | 8 Directors at the end of the 90th Ordinary Shareholders' Meeting (including 2 Outside Directors) |
|                |                                | The 91st Ordinary Shareholders' Meeting held on March 25, 2021 | Please refer to "(3) Policy for Stock Compensation, and Calculation Method of the Amount or the Number" below                                                                                                                                  | 8 Directors at the end of the 91st Ordinary Shareholders' Meeting (including 2 Outside Directors) |
| Auditors       | Base Compensation              | The 82nd Ordinary Shareholders' Meeting held on June 22, 2012  | The amount of compensation for Auditors is 60 million yen or less per year (including 12 million yen or less for Outside Auditors)                                                                                                             | 3 Auditors at the end of the 82nd Ordinary Shareholders' Meeting (including 2 Outside Auditors)   |

#### (1) Policy for Amount and Calculation Method of Base Compensations

As for monthly compensation out of the base compensations, the monthly compensation at the time of first appointment as Director is determined taking into account the position of executive officer which the Director additionally serves and whether the Director concurrently serve as HQ Director. After the second year, it increases or decreases each year in accordance with annual evaluation of results for the previous fiscal year, achievement level of individual target of KPI (Key Performance Index) which is set semiannually for bonus, and consumer price index.

#### (2) Policy for Performance Indicator of Bonus, and Calculation Method of the Amount or the Number

As for bonus, the KPI for 5 target items is semiannually set individually according to the role of each Director, from operating margin, amount of order intake, cash flow, ratio of

sales price reduction ratio to cost reduction ratio, profit of each development project, and ROCE (Return on Capital Employed), from the perspective of indicator linked to final corporate performance. The amount of bonus is calculated by multiplying monthly compensation by total number of evaluation month of 5 items of KPI which is according to the achievement level of each KPI: less than 100%→0 month, 100%→0.6 month, more than 100% to less than 150%→number of the month proportionally increases from 0.6 month to 0.9 month, 150% or more→0.9 month).

(3) Policy for Stock Compensation, and Calculation Method of the Amount or the Number  
The systems of stock compensation of the company are as follows.

(A) Eligible Directors

Directors eligible for this system are Executive Directors (excluding the Executive Directors who are newly elected as Directors in the year in which stock compensation is provided and had not been granted the post-issuance type stock compensation as an executive officer prior to the selection) and Outside Directors (hereinafter referred to the “Eligible Directors”).

(B) Performance Evaluation Period

The period to evaluate performance based on this system is 3 consecutive years starting from the business year during which the provision of compensation to the Eligible Directors under the system is determined in the Board of Directors meeting (hereinafter referred to the “Performance Evaluation Period”).

(C) Composition of the System and calculation method of Final Number of Stocks to be Provided

The System consists of the three portions, the portion in which the number of stocks to be provided is determined based on achievement level of target of ROA (Return on Asset) and of the operating margin in Performance Evaluation Period (hereinafter referred to the “Performance Evaluation Type Performance Share Unit”), the portion in which the number of stocks to be provided is determined qualitatively evaluating the contribution to performance of the Company by Eligible Directors in Performance Evaluation Period (hereinafter referred to the “Qualitative Evaluation Type Performance Share Unit”), and the portion in which the stocks are provided by Eligible Directors’ continuous enrollment for the period from the date of the Shareholders’ Meeting held in the business year during which the provision of compensation to the Eligible Directors under the System is determined in the Board of Directors (hereinafter referred to the “Initial Board of Directors”) to the date of the Shareholders’ Meeting first held after the expiration of the Performance Evaluation Period (hereinafter referred to the “Vesting Period”)(herein after referred to the “Restricted Stock Unit”).

(a) Base Number of Stocks to be Provided

First, at the resolution of the Initial Board of Directors, the number of stocks to be provided

if the Director's achievement level of Performance Evaluation Type Performance Share Unit and evaluation of Qualitative Evaluation Type Performance Share Unit are both 100% and also if the Director enrolled for three years (hereinafter referred to the "Base Number of Stocks to be Provided") is determined, by dividing the amount obtained by multiplying the monthly compensation amount of the next month of the appointment as a Director by 2 (however, in the event that a lower amount than such amount is determined at the Initial Board of Directors, such amount shall apply) (hereinafter referred to the "Base Compensation Amount"), by the closing price of the Company's stock at the Tokyo Stock Exchange on the business day immediately prior to the date of the said resolution of Board of Directors (if no trading is concluded on the day, the closing price on the most recent trading day preceding that date).

The total amount of Base Compensation Amount for all Eligible Directors per business year shall not exceed 40 million yen (including 6 million yen for Outside Directors), which is considered to be appropriate based on the purpose of this system, and the specific amount for the Eligible Director shall be determined at the Board of Directors in accordance with the above provisions on the Base Amount of Compensation, and if the total amount of Base Compensation Amount calculated in accordance with the above provisions exceeds the above upper limit, it shall be reasonably adjusted to fall into the upper limit at the Board of Directors.

(b) Performance Evaluation Type Performance Share Unit

50% of Base Number of Stocks to be Provided is allotted to Performance Evaluation Type Performance Share Unit (hereinafter referred to the "Number of Stocks to be allotted by Performance Evaluation"). Final Number of Stocks to be Provided regarding Performance Evaluation Type Performance Share Unit is calculated by multiplying Number of Stocks to be allotted by Performance Evaluation by Issuance rate calculated in the range of 0% to 100% as described below according to the number of years in which ROA and operation margin targets were achieved (hereinafter referred to the "Final Number of Stocks to be Provided Based on Achievement Evaluation"), from the perspective of the index highly correlated with stock prices. If the number of year in which the target was achieved is two, it's not limited to consecutive years. Targets of ROA and Operation margin are determined in every business year, in principle at the Board of Directors held within two months from the day the Ordinary Shareholders' Meeting was held in the such business year during the Performance Evaluation Period, and the level of achievement of targets of ROA and Operation margin is discussed and determined at the Board of Directors held to determine the grant of Post-issuance Type Stock Compensation based on the System.

| Issuance rate      |      | OM Achievement |     |      |      |
|--------------------|------|----------------|-----|------|------|
|                    |      | 0yr            | 1yr | 2yrs | 3yrs |
| ROA<br>Achievement | 0yr  | 0%             | 50% | 60%  | 70%  |
|                    | 1yr  | 50%            | 60% | 70%  | 80%  |
|                    | 2yrs | 60%            | 70% | 80%  | 90%  |
|                    | 3yrs | 70%            | 80% | 90%  | 100% |

(c) Qualitative Evaluation Type Performance Share Unit

25% of Base Number of Stocks to be Provided is allotted to Qualitative Evaluation Type Performance Share Unit (hereinafter referred to the “Number of Stocks to be allotted by Contribution Evaluation”). Final Number of Stocks to be Provided regarding Qualitative Evaluation Type Performance Share Unit (hereinafter referred to the “Final Number of Stocks to be Provided Based on Contribution Evaluation”). is calculated by multiplying Number of Stocks to be allotted by Contribution Evaluation by Issuance rate calculated in the range of 0% to 100% according to the contribution rate of each Eligible Director in the Performance Evaluation Period (hereinafter referred to the “Contribution Condition Issuance Rate”). Specifically, the Representative Director makes a proposal to the Compensation Advisory Committee, and through the deliberation of the Committee, it is determined by resolution of the Board of Directors held to determine the Final Number of Stocks to be Provided. However, for the Outside Directors, Contribution Condition Issuance Rate is 100%.

(d) Restricted Stock Unit

25% of Base Number of Stocks to be Provided is allotted to Restricted Stock Unit, and this is the Final Number of Stocks to be Provided if the Directors meet the following payment conditions (hereinafter referred to the “Final Number of Stocks to be Provided Based on the Enrollment”).

(e) Final Number of Stocks to be Provided

The final number of stocks to be provided is the total number of the Final Number of Stocks to be Provided Based on Achievement Evaluation, the Final Number of Stocks to be Provided Based on Contribution Evaluation and the Final Number of Stocks to be Provided Based on the Enrollment.

The number of stocks to be provided to the Eligible Directors under the System by the Company in one business year shall not exceed 20,000 stocks per Eligible Director (however, 3,000 stocks per Outside Director), and a total of 200,000 stocks for all Eligible Directors (including 10,000 stocks, for all Outside Directors). However, if the total number of issued stocks of the Company fluctuates due to consolidation of shares, split of shares, gratis allotment of stocks, etc., the upper limit and the number of shares to be delivered

to Eligible Directors will be reasonably adjusted according to its ratio.

(D) Payment Condition of Compensation under the System

Eligible Directors are subject to those who continuously serve as Directors or Executive Officers of the Company during the vesting period. In case he or she resigns the post of Director or Executive Officer in the period (excluding the case of reappointment immediately after the resignation), neither monetary compensation receivable nor the Company's Stock is provided under the System.

(4) Policy for Ratio of Each Compensations Type of Individual Compensations

Compensation for Directors of the Company consists of three types of compensations, base compensation (fixed monthly compensation and various allowances if applicable), bonus and stock compensation. As for the composition ratio of base compensation, bonus, and stock compensation, the system is designed with the principle ratio of 60% : 30% : 10%.

(5) Policy for Timing of Provision of Compensations

The base compensation is provided monthly, and the bonus is provided on July and December of each year. As for stock compensation, it is provided after the performance evaluation period, through the procedures described in the above (3).

(6) Determination Method of Individual Compensations for Directors

As for determination process of monthly compensation and bonus for Directors of the Company, the Executive Director or Executive Officer in charge of human resources who are members of the Compensation Advisory Committee make proposals to such Committee, and the Compensation Advisory Committee deliberates based on the proposals and prepare a report to the Board of Directors, and the Board of Directors which receives the report, mandates the authority to determine the compensation for the respective directors by respecting the report by the Compensation Advisory Committee and within the scope of approval at the Shareholders' Meeting to the Representative Director and Chairman/Representative Director to secure the determination after the satisfactory discussion and verification at the Compensation Advisory Committee of which the Representative Director is a member, on the condition that the report of the Compensation Advisory Committee is respected. As for KPI related to bonuses, it was confirmed that the financial targets are generally achieved by the Compensation Advisory Committee on December 2, 2021. Stock compensation is to be decided by the Board of Directors based on the recommendation by the Compensation Advisory Committee and provision of post-issuance type stock compensation this year was determined at the Compensation Advisory Committee on April 13, 2021 and then at the Board of Directors meeting on April 15, 2021. As for FY2021, issuance of stocks has not been determined because it is in the Performance Evaluation Period.

⑦ Matters regarding Outside Corporate Officers

A. Mr. Hideo Aomatsu, Director

(a) Status of Concurrent Position as a person executing business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Representative Director and President of DRC Capital Ltd., Representative Director and CEO of JPH Co., Ltd., Director of Super Resin Inc., Director of Manzairaku Sake Kura Co., Ltd.

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 8 Board meetings out of 9 meetings held during this current business year, expressing his opinions based on his abundant experience as a management executive.

(d) Content of duties performed as the role expected to be performed by Outside Directors

The Company expects his advice based on his knowledge such as experience in corporate management, statements representing the interests of minority shareholders, supervision of conflicts of interest, and he fulfilled those roles through participation in the meetings consisting of only independent officers, and meetings of Compensation Advisory Committee and Board of Directors.

B. Mr. Jean-Jacques Lavigne, Director

(a) Status of Concurrent Position as a Director Executing Business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Fives Group Japan Representative

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 9 Board meetings out of 9 meetings held during this current business year (after his inauguration in March), expressing his opinions based on his abundant experience as a management executive.

(d) Content of duties performed regarding the role expected to be performed by Outside

#### Directors

The Company expects his advice based on his knowledge such as experience in corporate management, perspective on behalf of minority shareholders, supervision of conflicts of interest, and he fulfilled those roles through participation in the meetings consisting of only independent officers, and the meetings of Compensation Advisory Committee and Board of Directors.

#### C. Mr. Aki Tsurumaki, Corporate Auditor

(a) Status of Concurrent Position as a person executing business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Kamijo • Tsurumaki Law Office, Outside Director of BELLSYSTEM24 Holdings, Inc.

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended 9 times out of 9 Board meetings held during this current business year, and 14 times out of 14 Board of Corporate Auditors' meetings during this current fiscal term, expressing his opinions from the specialized viewpoint as a lawyer.

(d) Content of duties performed as the role expected to be performed by Outside Corporate Auditors

The Company expects his advice based on his knowledge such as lawyer experience, perspective on behalf of minority shareholders, and supervision of conflicts of interest, and he fulfilled those roles through participation in meetings consisting of only independent officers and of Board of Directors.

#### D. Mr. Pierre Sevaistre, Corporate Auditor

(a) Status of Concurrent Position as a person executing business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Not applicable.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended 9 board meetings out of 9 meetings held during this current fiscal term, and all 13 times out of 14 Corporate Auditors' meetings during this current business year, expressing his opinions based on his abundant experience and knowledge of audit and



risk management.

(d) Content of duties performed regarding the role expected to be performed by Outside Corporate Auditors

The Company expects his advice based on his extensive knowledge in internal control, risk management, accounting/finance, perspective on behalf of minority shareholders, and supervision of conflicts of interest, and he fulfilled those roles through participation in meetings consisting of only independent officers and of Board of Directors.

(4) Status of Accounting Auditor

① Name of Firm: EY ShinNihon LLC

② Amount of Compensation:

|                                                                                                                             | Amount Paid    |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|
| Compensation paid to the Accounting Auditor for the Current Business Year                                                   | 70 million yen |
| Aggregate of Money and other Proprietary Interests to be paid to the Accounting Auditor by the Company and its Subsidiaries | 70 million yen |

(Notes)

1. The auditing agreement between the Company and the accounting auditor does not clearly distinguish the amount of compensation for the audit under the Company Act and that under the Financial Instruments and Exchange Act, and such distinction is practically impossible. Therefore, the amounts shown in Compensation paid to the Accounting Auditor for the current business year represent the aggregate amount of these compensations.
2. Board of Corporate Auditors gave consent on the remuneration of accounting auditor under the Section 1 of the Article 399 of the Company Act as a result of the examination of the validity of audit time and the estimates of remuneration in addition to the confirmation of the audit plan and the actual performance in the last year.

③ Policy on Decision of Dismissal or Non-reappointment of an Accounting Auditor

The Board of Corporate Auditors will make a decision on the content of the resolution to dismiss or not reappoint the accounting auditor as the agenda of the shareholders' meeting, if it determines that it is necessary to do so, e.g., in case of the inability of accounting auditor's performing his/her duties.

The Board of Corporate Auditors will dismiss the accounting auditor, by the consent of all members of the Board of Corporate Auditors, if it determines that any of the conditions stipulated in Section 1 of Article 340 of the Company Act applies to the accounting auditor. In this case, the Corporate Auditor designated by the Board of Corporate Auditors will report the dismissal of the accounting auditor with the reason of such dismissal at the shareholders' meeting that is first convened after the dismissal.

④ Status of Auditing of the company's Subsidiaries by CPAs or Audit Firm who are not the Company's Accounting Auditor

Ichikoh Malaysia SDN.BHD, PT. Ichikoh Indonesia, Ichikoh Industries (Thailand) Co. Ltd. and Ichikoh (Wuxi) Automotive Parts Co. LTD. were audited by auditors (foreign auditors with qualification equivalent to that of the Company's Accounting Auditor) other than the Company's Accounting Auditor, as required by applicable laws.

## Consolidated Balance Sheet

(as of December 31, 2021)

(Unit : Million Yen)

| Account Item                                 | Amount         | Account Item                                       | Amount         |
|----------------------------------------------|----------------|----------------------------------------------------|----------------|
| (Assets)                                     |                | (Liabilities)                                      |                |
| Current Assets                               | 48,160         | Current Liabilities                                |                |
| Cash on hand and in banks                    | 5,720          | Notes Payable & Accounts Payable-Trade             | 49,290         |
| Notes Receivable & Accounts Receivable-Trade | 19,091         | Long-term Loans which will be repaid within 1 year | 29,209         |
| Electronically recorded monetary claims      | 373            | Lease Obligations                                  | 300            |
| Finished Goods                               | 5,475          | Account Payable-Not Trade                          | 4,286          |
| Works in Process                             | 646            | Accrued Corporate Taxes                            | 249            |
| Raw Materials & Stored Goods                 | 4,771          | Accrued Expenses                                   | 3,059          |
| Short-term loans receivable                  | 10,186         | Reserve for Bonus                                  | 800            |
| Others                                       | 1,913          | Reserve for Officers' Bonus                        | 4,573          |
| Allowance for doubtful accounts              | △19            | Warranty Reserve                                   | 1,043          |
|                                              |                | Equipment related notes payable                    | 35             |
|                                              |                | Others                                             | 1,475          |
|                                              | 64,360         |                                                    | 4,257          |
| Fixed Assets                                 | 45,352         | Long-term Liabilities                              | 13,827         |
| Property, Plant & Equipment                  | 12,248         | Long-term Loans                                    | 2,942          |
| Buildings & Structures                       | 17,793         | Lease Obligations                                  | 2,173          |
| Mechanical Equipment & Transport Equipment   | 6,607          | Deferred Tax Liability                             | 148            |
| Tooling, Furniture & Fixtures                | 2,757          | Net defined benefit liability                      | 8,341          |
| Land                                         | 2,196          | Asset Retirement Obligation                        | 95             |
| Lease Assets                                 | 3,749          | Provision for environmental measures               | 93             |
| Construction in Progress                     | 995            | Others                                             | 33             |
| Intangible Assets                            |                | <b>Total Liabilities</b>                           | <b>63,118</b>  |
|                                              |                | (Net Assets)                                       |                |
|                                              | 18,013         | Shareholders' Equity                               | 51,389         |
| Investment & other Assets                    | 1,373          | Capital Stock                                      | 8,986          |
| Investment Securities                        | 1,270          | Capital Surplus                                    | 2,505          |
| Long-term Loans                              | 9,291          | Retained Earnings                                  | 39,952         |
| Investment in affiliates                     | 4,486          | Treasury Stock                                     | △54            |
| Deferred Tax Asset                           | 1,599          | Accumulated Other Comprehensive Income             | △2,590         |
| Others                                       | △7             | Other Valuation Difference on Securities           | 80             |
| Allowance for Doubtful Accounts              |                | Foreign Currency Translation Reserve               | △1,277         |
|                                              |                | Re-measurements of Defined Benefit Plans           | △1,393         |
|                                              |                | Non-controlling Interest                           | 603            |
|                                              |                | <b>Total Net Assets</b>                            | <b>49,402</b>  |
| <b>Total Assets</b>                          | <b>109,634</b> | <b>Total Liabilities &amp; Net Assets</b>          | <b>112,521</b> |

(Note) Figures under a million yen were rounded down.

## Consolidated Statement of Income

( From January 1, 2021 )  
( To December 31, 2021 )

(Unit : Million Yen)

| Account Item                                            | Amount |         |
|---------------------------------------------------------|--------|---------|
| Net Sales                                               |        | 125,510 |
| Cost of Sale                                            |        | 100,740 |
| Gross Income                                            |        | 24,770  |
| Selling, General & Administrative Expenses              |        | 19,207  |
| Operating Income                                        |        | 5,562   |
| Non-Operating Income                                    |        |         |
| Interest & Dividend Received                            | 155    |         |
| Profit on Investments by Equity Method                  | 1,333  |         |
| Gain on Sale of Investment Securities                   | 18     |         |
| Others                                                  | 19     | 1,525   |
| Non-Operating Expenses                                  |        |         |
| Interest Expenses                                       | 131    |         |
| Commission Fee                                          | 7      |         |
| Environment Measures Costs                              |        |         |
| Foreign Exchange Losses                                 | 126    |         |
| Others                                                  | 262    | 581     |
| Others                                                  | 52     |         |
| Ordinary Income                                         |        | 6,506   |
| Extraordinary Gains                                     |        |         |
| Gains on Sale of Fixed Assets                           | 11     | 11      |
| Extraordinary Losses                                    |        |         |
| Loss on disposal of noncurrent assets                   | 172    |         |
| Business Structure Improvement Expenses                 | 190    |         |
| Impairment Losses                                       | 126    | 489     |
| Income before Income Taxes & Minority Interests         |        | 6,028   |
| Income Taxes-current                                    | 1,308  |         |
| Income taxes-deferred                                   | 670    | 1,978   |
| Net Income                                              |        | 4,049   |
| Net profit attributable to non-controlling shareholders |        | 66      |
| Net profit attributable to parent company shareholders  |        | 3,983   |

(Note) Figures under a million yen were rounded down

## Consolidated Statement of Changes in Net Assets

( From January 1, 2021  
To December 31, 2021 )

(Unit : Million Yen)

|                                                                      | Shareholders' Equity |                 |                   |                |        |
|----------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|--------|
|                                                                      | Capital Stock        | Capital Surplus | Retained Earnings | Treasury Stock | Total  |
| Opening Balance                                                      | 8,986                | 2,505           | 36,692            | △45            | 48,138 |
| Change in the Term                                                   |                      |                 |                   |                |        |
| Net profit attributable to parent company shareholders               | -                    | -               | 3,983             | -              | 3,983  |
| Dividend of surplus                                                  | -                    | -               | △576              | -              | △576   |
| Acquisition of Own Shares                                            | -                    | -               | -                 | △8             | △8     |
| Changes within consolidation                                         | -                    | -               | △147              | -              | △147   |
| Current change in items other than shareholders' equity (Net Amount) | -                    | -               | -                 | -              | -      |
| Total amount of change in current term                               | -                    | -               | 3,259             | △8             | 3,251  |
| Closing Balance                                                      | 8,986                | 2,505           | 39,952            | △54            | 51,389 |

|                                                                      | Accumulated Other Comprehensive Income   |                                      |                                         |        | Non-controlling interest | Total Net Assets |
|----------------------------------------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------------|--------|--------------------------|------------------|
|                                                                      | Other Valuation Difference on Securities | Foreign Currency Translation Reserve | Remeasurements of Defined Benefit Plans | Total  |                          |                  |
| Opening Balance                                                      | 70                                       | △3,052                               | △1,597                                  | △4,578 | 984                      | 44,544           |
| Change in the Term                                                   |                                          |                                      |                                         |        |                          |                  |
| Net profit attributable to parent company shareholders               | -                                        | -                                    | -                                       | -      | -                        | 3,983            |
| Dividend of surplus                                                  | -                                        | -                                    | -                                       | -      | -                        | △576             |
| Acquisition of Own Shares                                            | -                                        | -                                    | -                                       | -      | -                        | △8               |
| Changes within consolidation                                         | -                                        | -                                    | -                                       | -      | -                        | △147             |
| Current change in items other than shareholders' equity (Net Amount) | 9                                        | 1,774                                | 204                                     | 1,988  | △381                     | 1,606            |
| Total amount of change in current term                               | 9                                        | 1,774                                | 204                                     | 1,988  | △381                     | 4,858            |
| Closing Balance                                                      | 80                                       | △1,277                               | △1,393                                  | △2,590 | 603                      | 49,402           |

(Note) Figures under a million yen were rounded down

**Balance Sheet**  
(As of December 31, 2021)

(Unit : Million Yen)

| Account Item<br>(Assets)                | Amount        | Account Item<br>(Liabilities)                      | Amount        |
|-----------------------------------------|---------------|----------------------------------------------------|---------------|
| Current Assets                          | 34,629        | Current Liabilities                                | 35,983        |
| Cash on hand and in banks               | 3,116         | Notes Payable                                      | 444           |
| Accounts Receivable-Trade               | 7             | Accounts Payable-Trade                             | 21,408        |
| Electronically recorded monetary claims | 14,669        | Short-term Loans                                   | 550           |
| Finished Goods                          | 43            | Long-term Loans which will be repaid within 1 year | 2,586         |
| Works in Process                        | 1,214         | Lease Obligations                                  | 84            |
| Raw Materials & Stored Goods            | 313           | Account Payable-Not Trade                          | 2,000         |
| Prepaid expenses                        | 2,811         | Accrued Corporate Taxes                            | 505           |
| Accounts receivable-Not Trade           | 323           | Accrued Expenses                                   | 2,594         |
| Short-term loans receivable             | 648           | Deposit Received                                   | 432           |
| Others                                  | 11,460        | Reserve for Bonus                                  | 757           |
| Allowance for doubtful accounts         | 53            | Reserve for Officers' Bonus                        | 24            |
|                                         | △31           | Warranty Reserve                                   | 1,417         |
|                                         |               | Equipment related notes payable                    | 3,175         |
|                                         |               | Others                                             | 10,566        |
| Fixed Assets                            | 52,114        | Fixed Liabilities                                  | 2,942         |
| Property, Plant & Equipment             | 32,430        | Long-term Loans                                    | 634           |
| Buildings                               | 8,279         | Lease Obligations                                  | 6,808         |
| Structures                              | 230           | Retirement Allowance                               | 88            |
| Mechanical & Equipment                  | 12,326        | Asset Retirement Obligation                        | 93            |
| Vehicles & Transport Equipment          | 101           |                                                    |               |
| Tooling & Fixtures                      | 6,225         |                                                    |               |
| Land                                    | 2,031         |                                                    |               |
| Lease Assets                            | 712           |                                                    |               |
| Construction in Progress                | 2,522         |                                                    |               |
| Intangible Assets                       | 161           |                                                    |               |
| Leasehold                               | 3             | <b>Total Liabilities</b>                           | <b>46,550</b> |
| Right of using facilities               | 14            | <b>( Net Assets )</b>                              |               |
| Software                                | 142           | Shareholders' Equity                               | 40,193        |
| Lease Assets                            | 1             | Capital Stock                                      | 8,986         |
| Investment & other Assets               | 19,522        | Capital Surplus                                    | 2,318         |
| Investment in Securities                | 45            | Capital Reserve                                    | 2,318         |
| Stocks of affiliates                    | 4,897         | Retained Earnings                                  | 28,942        |
| Investment in affiliates                | 5,384         | Other Retained Earnings                            | 28,942        |
| Long-term Loans                         | 2,770         | Unappropriated Retained Earnings                   | 28,942        |
| Long-term prepaid expenses              | 100           | Treasury Stock                                     | △54           |
| Deferred Tax Asset                      | 3,921         | Valuation and Translation Adjustments              | 0             |
| Others                                  | 2,410         | Other Valuation Difference on Securities           | 0             |
| Allowance for Doubtful Accounts         | △7            |                                                    |               |
| <b>Total Assets</b>                     | <b>86,743</b> | <b>Total Net Assets</b>                            | <b>40,193</b> |
|                                         |               | <b>Total Liabilities &amp; Net Assets</b>          | <b>86,743</b> |

(Note) Figures under a million yen were rounded down.

## Statement of Income

( From January 1, 2021 )  
( To December 31, 2021 )

(Unit : Million Yen)

| Account Item                                 | Amount |        |
|----------------------------------------------|--------|--------|
| Net Sales                                    |        | 94,465 |
| Cost of Sale                                 |        | 76,096 |
| Gross Income                                 |        | 18,368 |
| Selling, General & Administrative Expenses   |        | 14,722 |
| Operating Income                             |        | 3,646  |
| Non-Operating Income                         |        |        |
| Interest Received                            | 289    |        |
| Dividend Received                            | 2      |        |
| Fixed Assets Rent                            | 120    |        |
| Gain on Sale of Investment Securities        | 18     |        |
| Others                                       | 2      | 432    |
| Non-Operating Expenses                       |        |        |
| Interest Expenses                            | 66     |        |
| Commission Fee                               | 7      |        |
| Fixed Assets Rent Expenses                   | 91     |        |
| Environment Measures Costs                   |        |        |
| Foreign Exchange Losses                      | 126    |        |
| Others                                       | 114    | 407    |
| Ordinary Income                              |        | 3,671  |
| Extraordinary Income                         |        |        |
| Profit from the dissolution of associates    | 50     |        |
| Profit from the sales of stock of associates | 310    | 361    |
| Extraordinary Losses                         |        |        |
| Loss from the sales of fixed assets          | 139    | 139    |
| Income before Income Taxes                   |        | 3,893  |
| Income Taxes-current                         | 890    |        |
| Income taxes-deferred                        | 153    | 1,044  |
| Net Income                                   |        | 2,848  |

(Note) Figures under a million yen were rounded down

## Statement of Changes in Net Assets

( From January 1, 2021  
To December 31, 2021 )

(Unit : Million Yen)

|                                                                      | Shareholders' Equity |                 |                       |                         |                         |
|----------------------------------------------------------------------|----------------------|-----------------|-----------------------|-------------------------|-------------------------|
|                                                                      | Capital Stock        | Capital Surplus |                       | Retained Earnings       |                         |
|                                                                      |                      | Capital Reserve | Total Capital Surplus | Other Retained Earnings | Total Retained Earnings |
| Opening Balance                                                      | 8,986                | 2,318           | 2,318                 | 26,670                  | 26,670                  |
| Change in the Term                                                   |                      |                 |                       |                         |                         |
| Net Income                                                           | —                    | —               | —                     | 2,848                   | 2,848                   |
| Dividend of surplus                                                  | —                    | —               | —                     | △576                    | △576                    |
| Acquisition of Own Shares                                            | —                    | —               | —                     | —                       | —                       |
| Current change in items other than shareholders' equity (Net Amount) | —                    | —               | —                     | —                       | —                       |
| Total amount of change in current term                               | —                    | —               | —                     | 2,271                   | 2,271                   |
| Closing Balance                                                      | 8,986                | 2,318           | 2,318                 | 28,942                  | 28,942                  |

|                                                                      | Shareholders' Equity |                            | Valuation and Translation Adjustments       |                                             | Total Net Assets |
|----------------------------------------------------------------------|----------------------|----------------------------|---------------------------------------------|---------------------------------------------|------------------|
|                                                                      | Treasury Stock       | Total Shareholders' Equity | Other Valuation and Translation Adjustments | Total Valuation and Translation Adjustments |                  |
| Opening Balance                                                      | △45                  | 37,929                     | 1                                           | 1                                           | 37,930           |
| Change in the Term                                                   |                      |                            |                                             |                                             |                  |
| Net Income                                                           | —                    | 2,848                      | —                                           | —                                           | 2,848            |
| Dividend of surplus                                                  | —                    | △576                       | —                                           | —                                           | △576             |
| Acquisition of Own Shares                                            | △8                   | △8                         | —                                           | —                                           | △8               |
| Current change in items other than shareholders' equity (Net Amount) | —                    | —                          | △1                                          | △1                                          | △1               |
| Total amount of change in current term                               | △8                   | 2,263                      | △1                                          | △1                                          | 2,262            |
| Closing Balance                                                      | △54                  | 40,193                     | 0                                           | 0                                           | 40,193           |

(Note) Figures under a million yen were rounded down



**Accounting Auditor's Report Regarding the Consolidated Financial Statements****Independent Auditor's Report****Feb 22, 2021**

Ichikoh Industries, Ltd.

Board of Directors

Ernst &amp; Young ShinNihon LLC

Tokyo Office

Chihiro Yasunaga, CPA [seal]

Designated Limited Liability Partner

Executive Partner

Yuichiro Sagae, CPA [Seal]

Designated Limited Liability Partner

Executive Partner

Ryuichiro Umamo, CPA [seal]

Designated Limited Liability Partner

Executive Partner

**Opinion**

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Ichikoh Industries, Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from January 1, 2021 to December 31, 2021.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2021, in accordance with accounting principles generally accepted in Japan.

**Basis of Opinion**

We conducted our audit in accordance with generally accepted auditing standards considered as fair and appropriate in Japan. Our liability under the audit standards is described in "Auditor's Responsibility for Auditing Consolidated Financial Statements". We are independent of the company and its consolidated subsidiaries in accordance with the provisions on professional ethics in Japan, and fulfills other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

**Accounting Auditor's Report****Independent Auditor's Report****Feb 22, 2021**

Ichikoh Industries, Ltd.

Board of Directors

Ernst &amp; Young ShinNihon LLC

Tokyo Office

Chihiro Yasunaga, CPA [seal]

Designated Limited Liability Partner

Executive Partner

Yuichiro Sagae, CPA [seal]

Designated Limited Liability Partner

Executive Partner

Ryuichiro Umamo, CPA [seal]

Designated Limited Liability Partner

Executive Partner

**Opinion**

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Ichikoh Industries, Ltd. and its consolidated subsidiaries (the Group) applicable to the 92<sup>nd</sup> fiscal year from January 1, 202 to December 31, 202.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2021, in accordance with accounting principles generally accepted in Japan.

**Basis of Opinion**

We conducted our audit in accordance with generally accepted auditing standards considered as fair and appropriate in Japan. Our liability under the audit standards is described in "Auditor's Responsibility for Auditing Consolidated Financial Statements". We are independent of the company and its consolidated subsidiaries in accordance with the provisions on professional ethics in Japan, and fulfills other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the un-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the un-consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

## Audit Report of the Board of Corporate Auditors

### Audit Report

The Board of Corporate Auditors, regarding the execution of business by the Board of Directors during the 92<sup>nd</sup> business year, from January 1, 2021 to December 31, 2021, prepared this audit reports and hereby report as follows, as a result of the deliberation based on Audit Report which was prepared by each Corporate Auditor.

1. Methods and Subject of the Audit by the Corporate Auditors and Board of Corporate Auditors 1

(1) The Board of Corporate Auditors established the auditing policy and the allocation of tasks and, received reports from each Corporate Auditor regarding the status and results of audit, and further received reports from Directors, etc. and the Accounting Auditor regarding the status of performing their duties and asked for explanations when necessary.

(2) Each Auditor, in compliance with the auditing standards for the Corporate Auditors established by the Board of Corporate Auditors and in accordance with the auditing policy and allocation of tasks, communicated with the Directors, the internal auditing department, and other employees, established an environment for information collection and auditing and performed the audit as follows:

① We attended the meetings of the Board of Directors and other important meetings, received reports of the execution of business of the Directors and other employees, requested explanations when necessary, examined important documents related to the decision making, and investigated the operations and assets of headquarters and main facilities. With respect to the subsidiaries, we had communication with and exchanged information with the Directors and Corporate Auditors of the subsidiary and received reports on business from the subsidiaries, as necessary.

② With respect to the resolution by the Board of Directors regarding the implementation of a system required under Articles 100-1 and -3 of the Rules for Enforcement of the Companies Act as the system necessary for ensuring that the business executed by Directors complies with statutes and the Articles of Incorporation and also ensuring the appropriateness of the execution of business by the Company group consisting of the Company and its subsidiaries ("Internal Control system) and such Internal Control System implemented in accordance with such resolution as noted in the Business Report, each Corporate Auditor periodically received reports from Directors and other employees about the establishment and operation thereof, requested explanations when necessary, and expressed opinions.

③ We monitored and verified that the Accounting Auditor maintains its independent position and conducted fair audit, and received report on the execution of the duties from the Accounting Auditor and requested explanation as necessary. Further, we received the notice that the Accounting Auditor has been implementing the "System to Ensure the

Appropriateness of Execution of Duties” (the matters listed in the Section 131 of the Ordinance on Company Accounting) in accordance with the “Quality Control Standard on Audit” (Corporate Accounting Council October 28, 2005) and requested explanation, as necessary.

Based on the method described above, we reviewed the Business Report, the supplemental schedule thereof, financial statements (balance sheet, income statement, shareholder equity statement, and notes to the financial statements) and the supplemental schedule thereof, and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated shareholder equity statement, and notes to the consolidated financial statements) covering the current business year.

## 2. Audit Results

### (1) Results of Auditing the Business Report, etc.

① The Business Report and the supplemental schedule thereof are found to be in accordance with statutes and regulations and the Articles of Incorporation, and properly indicate the status of the Company.

② No fraudulent act nor material fact in violation of statutes, regulations, or the Articles of Incorporation was found regarding the execution of business by Directors.

③ It was found that the contents of decisions of the Board of Directors regarding the Internal Control System are proper. Further there is nothing to point out as a concern in the statements in the Business Report regarding the Internal Control System or the execution of business by the Directors.

④ It was found that the matters to which attention was paid in order to avoid damage of interest of the company regarding transactions with the parent company and the judgement by the Board of Director whether or not transaction may cause damage to company’s interest and reasons thereof are proper.

### (2) Results of Auditing the Financial Statements and the Supplemental Schedule thereof

We found that the methods of audit used by the Accounting Auditor Ernst & Young ShinNihon LLC and the results thereof are proper.

### (3) Results of Auditing the Consolidated Financial Statements

We found that the methods of audit used by the Accounting Auditor Ernst & Young ShinNihon LLC and the results thereof are proper.

February 22, 2020

Ichikoh Industries Co., Ltd.

Nobuteru Kao, Full Time Corporate Auditor [seal]

Aki Tsurumaki, Outside Corporate Auditor [seal]

Sevaistre Pierre, Outside Corporate Auditor [seal]

End



## Reference Materials for the Shareholders Meeting

### Proposal No. 1: Disposition of Surpluses

Regarding disposal of surpluses, setting improvement of the corporate value by research and development and capital investment, and improvement of the profit return to shareholders, as the basic policies, and comprehensively taking into the consideration a current highly competitive environment and security of the level of payout ratio, we propose to distribute the dividends as follows.

- (1) Class of dividend assets  
Cash
- (2) Description of distributed assets and the total amounts thereof  
3.5 yen per one Ichikoh share; total amount 336,405,503 yen.
- (3) Effective Date distribution of dividend  
March 28, 2022

### Proposal No. 2: Partial Amendment of Articles of Incorporation

#### 1. Reason for Proposal

The purpose of the proposal is to provide for the measures to an electronic provision of the information which is the contents of the reference materials for a Shareholders' Meeting, and the limitation of the scope of the items described in the document to be provided to the shareholder who requests delivery of the document due to the determination of the implementation date of electric provision measures of the reference materials of the Shareholders' Meeting provided for in the proviso of Section 1 of the Supplemental Provision of the "Act to Amend a part of the Company Act" (Law No, 70 of the year 1 of Reiwa) 2. Content of Amendment of Articles of Incorporation to be September 1, 2022.

In addition, the provisions of current obligation of internet disclosure of the Reference Material of Shareholders' Meeting and deemed provision becomes unnecessary, these provisions will be deleted and, accordingly, the Supplementary Provisions for the effective date of the relevant changes is set up.

The following are the content of amendments

(Underlined are revisions)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                               | Proposal for Amendment |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <p>Article 15 (Disclosure of Documents for Shareholders' Meeting via Internet and Deemed Distribution)</p> <p>On convocation of a Shareholders' Meeting, the Company may deem that it has distributed to shareholders reference materials, business report, financial statements and consolidated financial</p> | <p>(Delete)</p>        |

|                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>statements if it discloses such information by means of Internet pursuant to provisions set forth by the Ordinance of the Ministry of Justice.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>(Newly established)</p>                                                                                                                            | <p>Article 15 (Electronic provision measures.)</p> <p>On convocation of a Shareholders' Meeting, the Company shall take the electronic provision measures for the information which is the contents of the reference materials for Shareholders' Meeting.</p> <p>2.The Company may elect not to describe all or part of the matters which are be provided electronically and which are prescribed by the Ordinance of the Ministry of Justice in the document to be delivered to the shareholders who requests delivery of the document by the base date of voting rights.</p>                                     |
| <p>(Newly established)</p>                                                                                                                            | <p>(Supplementary Provision)</p> <p>1. Deletion of Article 15 of Articles of Incorporation prior to the amendment (Disclosure of Documents for Shareholders' Meeting via Internet and Deemed Distribution) and new establishment of Article 15 of Articles of Incorporation (Electronic providing measures, etc.) shall become effective on September 1, 2022.</p> <p>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation prior to the amendment (Disclosure of Documents for Shareholders' Meeting via Internet and Deemed Distribution) shall be still</p> |

|  |                                                                                                                                                                                                                                                                                                            |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>effective for the Shareholders' Meeting date of which is before the end of February 2023.</p> <p>3. This Supplementary Provision shall be deleted on March 1, 2023 or on the day three months after the date of the Shareholders' Meeting set forth in the preceding paragraph, whichever is later.</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Proposal No. 3: Appointment of Nine (9) Directors

The term of all of the nine (9) Directors, Ali Ordoobadi, Christophe Vilatte, Kazuyuki Miyashita, Hideo Nakano, Hideki Shirato, Alain Urbain, Maurizio Matinelli, Rodolphe Garnier, Hideo Aomatsu, and Jean-Jacques Lavigne will expires at the close of this Shareholders' Meeting. Therefore, we propose to appoint 9 Directors.

The candidates for Directors are as follows.

| Name<br>(Date of Birth)                                                             | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of Ichikoh Shares held |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate No. 1<br/>[For re-election]</p> <p>Ali Ordoobadi<br/>Nov. 15, 1960</p> | <p>June 2008: Ichikoh Director</p> <p>October 2010: Representative Director &amp; President, supervising Audit Department and Quality HQ</p> <p>June 2011: Representative Director, supervising Audit Department and R&amp;D HQ</p> <p>April 2012: Representative Director &amp; President, supervising Audit Department of the Company</p> <p>June 2017: Representative Director &amp; Chairman &amp; CEO, supervising Audit Department of the Company (to date)</p> <p>[Background with Other Companies]</p> <p>1987: Siemens Technical Center R&amp;D Engineer</p> <p>1999: Valeo Group Vice President responsible for China (Valeo China HQ)</p> <p>2007: Valeo Group Vice President responsible for East Asia, Representative Director &amp; President of Valeo Japan Co., Ltd.</p> <p>2010: Valeo Group Vice President responsible for Japan, Representative Director of Valeo Engine Cooling Japan Co., Ltd. Representative Director &amp;</p> | 64,100                        |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p>June 2017 President of Valeo Japan Co., Ltd.<br/>Representative Director &amp;<br/>President of Valeo Japan Co., Ltd.</p> <p>Mar 2018 Representative Director &amp; President<br/>of Valeo Japan Co., Ltd.<br/>Director of Valeo Kapec Japan KK<br/>(to date)</p> <p>[Important concurrent positions in other<br/>Company]<br/>Representative Director &amp; President of Valeo<br/>Japan Co., Ltd., Director of Valeo Kapec Japan<br/>KK</p> <p>Reason for Candidacy for Director<br/>Since taking the position of Representative<br/>Director in 2010, he has reinforced and improved<br/>performance of our group by focusing the business<br/>resources into our core businesses. He has also<br/>reinforced a governance system, including stronger<br/>compliance. He is continuously nominated as a<br/>candidate for a Director in order to secure<br/>sustainable growth of the Company.</p> <p>Length of service as Director (at the close of this<br/>Shareholders Meeting): 13 years and 9 months</p> |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| Name<br>(Date of Birth)                                                                                                   | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Number of Ichikoh Shares held            |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <p style="text-align: center;">Candidate<br/>No. 2</p> <p>[For re-election]<br/>Christophe Vilatte<br/>(May 28, 1972)</p> | <p>August 2011 Executive Officer Finance HQ<br/>Director of Ichikoh</p> <p>July 2012 Ichikoh Managing Executive Officer<br/>Finance HQ Director</p> <p>June 2014 Ichikoh Managing Executive Officer<br/>Lighting BU Director</p> <p>June 2017 Director &amp; Ichikoh Senior Managing<br/>Executive Officer Lighting RO<br/>Director</p> <p>March 2021 Representative Director &amp; President<br/>CEO,<br/>Lighting BU Director<br/>(to date)</p> <p>[Background with Other Companies]</p> <p>1996 Valeo Klimasysteme GmbH (ex-Siemens) Industrial &amp; Project<br/>Controller (Germany)</p> <p>2000 Zexel Valeo Climate Control<br/>Corporation, Financial Controller<br/>Overseas Divisions &amp; General<br/>Manager Management Planning<br/>Department</p> <p>2006 Valeo Climate Control (France) Cabin<br/>Air Filtration Division, Division<br/>General Manager</p> <p>2010 Valeo Climate Control (France)<br/>Product Group Aftermarket Director</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other<br/>companies from taking the position of Executive<br/>Officer of Ichikoh.</p> <p>Reason for Candidacy for Director<br/>After more than 20 years spent in the automotive<br/>industry working worldwide, he has been<br/>developing an extensive knowledge of this<br/>industry and has been also showing extraordinary<br/>performance in management. He is currently<br/>responsible for the management of Lighting<br/>Business of the Company, and he is continuously<br/>nominated as candidate for a Director because we<br/>judged that, by utilizing his insights and<br/>experiences in deliberations at the Board of<br/>Directors, he can contribute to the improvement of<br/>the corporate value of our Company group.</p> <p>Length of service as Director (at the close of this<br/>Shareholders Meeting): 4 year and 9 months</p> | <p style="text-align: center;">9,150</p> |

| Name<br>(Date of Birth)                                                                | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of Ichikoh Shares held |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Candidate<br>No. 3<br>[For re-election]<br><br>Kazuyuki<br>Miyashita<br>(Nov. 9, 1966) | April 1990: Joined Ichikoh Industries, Ltd.<br>October 2006 Manager of Start of Production Quality Assurance Section, Quality HQ<br>October 2008 GM of Project QCD Assurance Department<br>March 2009 GM of Project Management Department<br>April 2010 Executive Officer & GM of Project Management Department<br>June 2011 Managing Director, supervising Project Management Design HQ<br>April 2012 Managing Director, supervising Project Management HQ and R&D HQ<br>June 2012 Director & Managing executive Officer responsible for Project Management HQ and R&D HQ<br>April 2014 Director & Managing Executive Officer responsible for Project Management HQ and Production Division<br>February 2016 Director & Managing Executive Officer responsible for Project Management HQ/Project Progress Control Office and Production Division Manager<br>June 2016 Director & Senior Managing Executive Officer responsible for R&D HQ/Project Progress Control Office, Manager of Project Management HQ and Industrial HQ<br>April 2017 Director & Senior Managing Executive Officer responsible for R&D HQ/Adv.Dev. HQ/Project Progress Control Office, Manager of Project Management HQ and Industrial HQ<br>May 2017 Director & Senior Managing Executive Officer responsible for R&D HQ, Adv.Dev. HQ/Industrial HQ/Project Progress Control Office and General Manager of Project Management HQ<br>April 2018 Director & Senior Managing Executive Officer responsible for R&D HQ, Adv.Dev. HQ/ Process | 18,805                        |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p>Engineering HQ/Project Progress Control Office and General Manager of Project Management HQ</p> <p>February 2019 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ/ Process Engineering HQ and General Manager of Project Management HQ</p> <p>June 2020 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ and General Manager of Project Management HQ</p> <p>March 2021 Representative Director &amp; Deputy President CTO, responsible for R&amp;D HQ/, Adv.Dev. HQ, Director of Project Management HQ (to date)</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other companies since joined the Company.</p> <p>Reason for Candidacy for Director<br/>After being involved for a long time in new product project management and quality control and further overseeing design and development and production, he has been performing his duties by a high level of knowledge of manufacturing and engineering. He is continuously nominated as a candidate to continue as a Director because it is judged that continuously using his knowledge and experience is necessary to raise the value of our business.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 10 years and 9 months</p> |  |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| Name<br>(Date of Birth)                                                                 | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of Ichikoh Shares held |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate<br/>No. 4</p> <p>[For re-election]<br/>Hideo Nakano<br/>(Dec.11, 1959)</p> | <p>June 2011 Ichikoh Business Division Executive Officer</p> <p>June 2012 Ichikoh Executive Officer, Business Division General Mgr.</p> <p>June 2013 Ichikoh Executive Officer, Mirror Division General Mgr., IPS/Logistics General Mgr.</p> <p>June 2014 Ichikoh Executive Officer, Mirror Division General Mgr.</p> <p>June 2015 Ichikoh Executive Officer, Mirror Division General Mgr., ASEAN Operations Director</p> <p>June 2016 Director &amp; Senior Managing Executive Officer, Mirror Division General Mgr., ASEAN Operations Director</p> <p>June 2018 Director &amp; Senior Managing Executive Officer, Mirror Division General Mgr.<br/>(to date)</p> <p>[Background with other Companies]<br/>April 1981 Joined Honeywell Japan K.K.<br/>May 2007 Joined Valeo Japan K.K.<br/>(to date)</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other companies from taking the position of Executive Officer of Ichikoh until the present.</p> <p>Reason for Candidacy for Director<br/>He has superior insight of manufacturing operations and business, which has been developed through broad experience in the automotive parts industry, including overseas company. At present, he is pursuing operations as the person responsible for the mirror business. He is continuously nominated as a candidate for Director because it is judged that he can contribute to increase the value of our group's business by making use of such knowledge and experience in deliberations of the Board of Directors' meeting going forward.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 5 years and 9 months</p> | <p>8,150</p>                  |



| Name<br>(Date of Birth)                                                                  | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Number of Ichikoh Shares held |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate<br/>No. 5</p> <p>[For re-election]<br/>Hideki Shirato<br/>(Jun. 4,1959)</p> | <p>May 2014    Joined Ichikoh as the General Manager of Corporate Planning Department</p> <p>June 2014    Ichikoh Executive Officer, General Manager of Corporate Planning Department</p> <p>June 2016    Director &amp; Ichikoh Executive Officer responsible for Corporate Planning Department, Legal Department, Finance Headquarters and Compass GCC Department</p> <p>Jan 2017     Director &amp; Ichikoh Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters</p> <p>June 2017    Director &amp; Ichikoh Senior Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters</p> <p>March 2021   Director &amp; Senior Managing Executive Officer CFO, responsible for Corporate Planning Department, Legal Department and Finance Headquarters (to date)</p> <p>[Background with Other Companies]</p> <p>April 1983    Joined The Industrial Bank of Japan, Limited</p> <p>June 1998    Deputy General Manager, Chicago Branch of same bank</p> <p>March 2003   General Manager, Americas Office of Structured Finance Sales Dept., Mizuho Corporate Bank, Ltd.</p> <p>March 2006   General Manager, Advisory Dept. 5, Mizuho Securities Co., Ltd.</p> <p>June 2008    General Manager., Investment Bank Dept. 6 of the same company</p> <p>April 2012    President, Mizuho Americas LLC</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other companies from taking the position of General Manager of Corporate Planning Department of Ichikoh to present.</p> <p>Reason for Candidacy for Director<br/>He has superior insight regarding business operations, which has been developed through broad experience with financial institutions, including overseas company. At present,</p> | <p>24,444</p>                 |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
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|  | <p>responsible for Corporate Planning Department, Legal Department and Finance Headquarters, he is pursuing work regarding business/governance/finance strategies. He is continuously nominated as a candidate for Director because it is judged that he can contribute to increase the value of our group's business by making use of this knowledge and experience in deliberations of the Board of Directors' meetings going forward.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 5 years and 9 months</p> |  |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| Name<br>(Date of Birth)                                                                                      | Brief Profile, Positions and Responsibilities at<br>Ichikoh<br>[Status of Important concurrent positions in<br>other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number<br>of<br>Ichikoh<br>Shares<br>held |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <p>Candidate<br/>No. 6</p> <p>[For re-election]<br/>Maurizio<br/>Martinelli<br/>(September 15,<br/>1960)</p> | <p>2017 June Director, Ichikoh<br/>(to date)</p> <p>[Background with Other Companies]</p> <p>1994 Allied Signal Automotive Breaking<br/>Systems</p> <p>2000 Division general manager of Valeo<br/>Lighting Systems Italy</p> <p>2005 Director of Valeo Lighting<br/>Systems Northern Europe</p> <p>2008 Vice-President of Valeo Engine Cooling<br/>Branch</p> <p>2010 Vice-President of Thermal Powertrain,<br/>Thermal Systems Product Group</p> <p>2011 Valeo Italy Group President and Fiat –<br/>Iveco Group Customer Director</p> <p>2012 Vice President of Valeo Lighting Systems<br/>Product Group</p> <p>2014 Visibility Systems Business Group<br/>President</p> <p>- (to date)</p> <p>[Important positions in other Company]</p> <p>President of Valeo Visibility Systems Business<br/>Group, Director and Legal Representative of<br/>VALEO S.p.A., President of VALEO VISION<br/>SAS, Director &amp; Chairman and Legal<br/>Representative of VALEO ILUMINACION,<br/>S.A.U., Director and Legal Representative of<br/>VALEO VISION BELGIQUE</p> <p>Reason for Candidacy for Outside Director<br/>He has long years of experience in the<br/>automotive parts industry and excellent<br/>management capability. He is nominated as<br/>candidate for a Director because it was judged<br/>that it is ideal to have his deep insights be<br/>utilized in deliberations of the Board of Directors’<br/>meeting going forward.</p> <p>Length of service as an outside Director (at the<br/>close of this Shareholders Meeting): 4 year and 9<br/>months</p> | <p>0</p>                                  |

| Name<br>(Date of Birth)                                                                         | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of Ichikoh Shares held |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate<br/>No. 7</p> <p>[For new election]<br/>Raul Perez<br/>(December 21,<br/>1977)</p> | <p>[Background with Other Companies]<br/>1999 VW GROUP – SEAT – Trade Finance/Treasury<br/>Spain - Barcelona</p> <p>2002 VALEO SYLVANIA (JV) – Controller</p> <p>2006 VALEO – CFO China Lighting Systems<br/>China</p> <p>2008 VALEO - CFO North America Electrical<br/>Systems</p> <p>2010 VALEO – National Finance Director Mexico</p> <p>2012 VALEO – Finance Director Lighting<br/>Systems PG</p> <p>2022 VALEO - Vice-President Finance Visibility<br/>BG<br/>- (to date)</p> <p>[Important positions in other Company]<br/>VALEO - Vice-President Finance Visibility BG</p> <p>Reason for Candidacy for Director<br/>He has been engaged in Accounting and Finance for over 20 years experience in the automotive and automotive parts industry in Europe, North America, Central America and Asia, and is also demonstrating his experience and skills as a supervisor, and has thorough knowledge of Valeo Group Management. He is nominated as a candidate for a Director because it was judged that it is ideal to have his knowledge and experience utilized to supervise the management of the company group from a global perspective.</p> | 0                             |

| Name<br>(Date of Birth)                                                                                                         | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of Ichikoh Shares held |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate No.8</p> <p>[For re-election]</p> <p>[Outside Director]<br/>[Independent]<br/>Hideo Aomatsu<br/>(June 29,1954)</p> | <p>2015 June Ichikoh Director (to date)</p> <p>[Background with Other Companies]</p> <p>April 1977 Analyst, McKinsey &amp; Company,</p> <p>January 1982 Industrial Project Finance Officer, the World Bank</p> <p>September 1986 Associate, McKinsey &amp; Company, Inc.</p> <p>February 1989 Vice President M&amp;A, Manager, Guaranty Trust Bank, (Currently JP Morgan)</p> <p>May 1992 Japan Representative of N M Rothschild &amp; Sons, Ltd.</p> <p>April 1996 President of Rothschild Japan K.K.</p> <p>October 1999 Representative partner, ACTIV Investments Partners</p> <p>June 2002 Representative Director and President, ACTIV Investments Partners</p> <p>December 2005 Representative Director of DRC Capital Ltd.</p> <p>October 2018 Representative Director and CEO of JPH Co., Ltd.</p> <p>August 2019 Director of Super Resin, Inc.</p> <p>April 2020 Director of Manzairaku Sake Kura Co., Ltd. (to date)</p> <p>[Important positions in other Company]<br/>Representative Director and President of DRC Capital Ltd., Representative Director and CEO of JPH Co., Ltd., Director of Super Resin, Inc. , Director of Manzairaku Sake Kura Co., Ltd.</p> <p>Reason for Candidacy for Outside Director<br/>He has advanced knowledge regarding business operations, developed through experience in abroad with advisory companies and financial institutions, including overseas companies. Additionally, he has broad experience regarding the improvement of the businesses of investment target companies, which is gained through management of fund management companies. He is continuously nominated as a candidate of an Outside Independent Director because it is judged that it is ideal that he continues to monitor the company's business as an Outside Director.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 6 years and 9 months</p> | <p>1,900</p>                  |

| Name<br>(Date of Birth)                                                                                                                                        | Brief Profile, Positions and Responsibilities at<br>Ichikoh<br>[Status of Important concurrent positions in<br>other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number<br>of<br>Ichikoh<br>Shares<br>held |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <p>Candidate<br/>No. 9</p> <p>[For re-election]</p> <p>[Outside Director]</p> <p>[Independent]</p> <p>Jean-Jacques<br/>Lavigne<br/>(September 7,<br/>1954)</p> | <p>2020 March Director, Ichikoh<br/>(to date)</p> <p>[Background with Other Companies]</p> <p>1981 IRSID (French Siderurgy<br/>Research Institute)</p> <p>1983 Joined SGN (Nuclear<br/>Engineering)</p> <p>1987 SGN Japan (Rokkasho<br/>Reprocessing Plant)</p> <p>1996 Nuclear Counselor of French<br/>Embassy in Japan</p> <p>2002 Areva Japan Vice President</p> <p>2007 Fives Group Tokyo<br/>Representative Office<br/>Representative<br/>(to date)</p> <p>[Important positions in other Company]</p> <p>Fives Group Japan Representative</p> <p>Reason for Candidacy for Outside Director<br/>After long years of experience in the nuclear<br/>industry, since 2007, he has been a Japanese<br/>representative of Fives Group, which provides<br/>machine tools and solutions to various industries<br/>other than the automotive industry, such as<br/>logistics, energy, metals, aviation, and minerals,<br/>and he has developed extensive knowledge of<br/>industries other than the automotive industry.<br/>He is continuously nominated as a candidate of<br/>an outside Director because it is judged that it is<br/>ideal that he monitors the company's business as<br/>an Outside Director with such extensive<br/>knowledge.</p> <p>Length of service as Director (at the close of this<br/>Shareholders Meeting): 2 year</p> | <p>0</p>                                  |

## (Notes)

1. Ali Ordoobadi assumed the position of the Representative Director and President of Valeo Japan Co., Ltd. as of June 30, 2017. Valeo Japan Co., Ltd. is engaged in the same business field of Ichikoh of wiper and fog lamp.
2. There is no special interest relationship between any of the other candidates and Ichikoh.
3. Hideo Aomatsu and Jean-Jacques Lavigne are the candidates for outside Directors. They have been reported to the Tokyo Stock Exchange as independent corporate officers and, in the event that they are both re-appointed, we plan to continue to report them in the same status.
4. The Company participates in the Liability Insurance for Directors and Officers taken out by the group of the parent company Valeo and all candidates of Directors except for Raul Perez shall be continuously covered by the Insurance when they are re-elected upon approval of this Proposal, and the Agreement will be renewed during the term of

office of Directors in this proposal. Raul Perez shall be covered by the Insurance when he is elected upon approval of this Proposal and the Agreement will be renewed during his term of office of Directors. The summary of the content of the Insurance Agreement is as described in 2. Outline of Ichikoh Industries, Ltd. (3) Status of Ichikoh's Directors and Corporate Auditors (4) Summary of the Agreement of Liability Insurance for Directors, etc. of the Business Report (page 13).

5. We have executed an agreement between Hideo Aomatsu and Jean-Jacques Lavigne based on the provisions of Article 423-1 of the Companies Act, limiting his liability for damages under Article 425-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act, and in the event that they are both re-appointed, we intend to continue said agreement with them.
6. The number of shares of the Company that are held are noted is the number of shares actual held by each Director including the number of shares held through corporate officers stock ownership plan as of December 31, 2021
7. The compensation of performance share of Valeo, were provided to the candidates for Directors Ali Ordoobadi, Christophe Vilatte Kazuyuki Miyashita, Hideo Nakano, and Hideki Shirato.

(Reference) Skill Matrix of each candidates

| Candidate No. | Name                 | Knowledge/special field particularly expected of candidates for Board of Directors |                                         |                         |                       |                        |                                      |                   |                                 |                             |
|---------------|----------------------|------------------------------------------------------------------------------------|-----------------------------------------|-------------------------|-----------------------|------------------------|--------------------------------------|-------------------|---------------------------------|-----------------------------|
|               |                      | Corporate Management                                                               | Experience in Automotive Parts Industry | Technology / Innovation | Legal/Risk Management | Finance/Accounting/M&A | ESG (environment/society/governance) | Diversity(Gender) | Cooperation with Parent Company | Governance and Independence |
| 1             | Ali Ordoobadi        | ●                                                                                  | ●                                       |                         |                       |                        |                                      |                   | ●                               |                             |
| 2             | Christophe Vilatte   | ●                                                                                  | ●                                       | ●                       |                       | ●                      |                                      |                   | ●                               |                             |
| 3             | Kazuyuki Miyashita   | ●                                                                                  | ●                                       | ●                       |                       |                        |                                      |                   | ●                               |                             |
| 4             | Hideo Nakano         | ●                                                                                  | ●                                       |                         |                       |                        |                                      |                   | ●                               |                             |
| 5             | Hideki Shirato       | ●                                                                                  |                                         |                         | ●                     | ●                      |                                      |                   |                                 | ●                           |
| 6             | Maurizio Martinelli  | ●                                                                                  | ●                                       | ●                       |                       |                        |                                      |                   | ●                               |                             |
| 7             | Raul Perez           | ●                                                                                  | ●                                       |                         | ●                     | ●                      | ●                                    |                   |                                 |                             |
| 8             | Hideo Aomatsu        | ●                                                                                  |                                         |                         |                       | ●                      |                                      |                   |                                 | ●                           |
| 9             | Jean-Jacques Lavigne | ●                                                                                  |                                         |                         |                       | ●                      |                                      |                   |                                 | ●                           |

**Proposal No. 4: Appointment of One (1) Substitute Corporate Auditor**

We propose that one Substitute Corporate Auditor be appointed, in the event that the statutory number of the Corporate Auditors is not satisfied.

This proposal has been agreed to by the Board of Corporate Auditors.

The candidate for a Substitute Corporate Auditor is as follows.

| Name<br>(Date of Birth)              | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of Ichikoh Shares Held |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Shigenori Saito<br>(October 1, 1970) | 2001 Registered as an attorney (Tokyo Bar Association)<br>Joined Kamano Sogo Law Offices<br>2006 Saito Law Office<br>2016 Outside Director of Tokyo Soko Unyu Kabushikigaisha (to date)<br><br>[Important positions in other Company]<br>Saito Law Office, Outside Director of Tokyo Soko Unyu Co.,LTD.<br><br>Reason for Candidacy for Substitute Auditor<br>He has broad experience as an attorney. He is nominated as a candidate for Substitute Corporate Auditor because it is judged that it would be ideal for him to take the position of Corporate Auditor in the event that a vacancy in the Corporate Auditor occurs and actively use his advanced knowledge in overseeing the company. | 0                             |

(Notes)

1. The candidate has no special interest relationship with the Company.
2. Candidate Mr. Shigenori Saito is a candidate for substitute Outside Corporate Auditor.
3. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to register Mr. Shigenori Saito as an Independent Director as stipulated by the Tokyo Stock Exchange
4. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to execute an agreement between him and Ichikoh, based on the provisions of Article 427-1 of the Companies Act, limiting his liability for damages under Article 423-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act.
5. The Company participates in the Liability Insurance for Directors and Officers taken out by the group of the parent company Valeo. Raul Perez shall be covered by the Insurance when he inaugurates as a Corporate Auditor. The summary of the content of the Insurance Agreement is as described in 2. Outline of Ichikoh Industries, Ltd. (3) Status of Ichikoh's Directors and Corporate Auditors ④ Summary of the Agreement of Liability Insurance for Directors, etc. of the Business Report (page 13).



### **Proposal No. 5: Determination of Amount of Post-issuance Type Stock Compensation for Directors**

The compensation for Company's Directors was approved to be 360 million yen or less per year (60 million yen or less for Outside Directors, and this amount does not include salaries for employees portion of Directors who have concurrently take the roles as employees) at the 82nd Ordinary General Shareholders' Meeting held on June 22, 2012, and in addition, the content regarding the provision of post-issuance type stock compensation (hereinafter referred to as the "System") was approved at the 90th Ordinary General Shareholders' Meeting held on March 26, 2020, and partial revision of the contents of the System of setting the performance indicator target to be used for the calculation of performance condition issuance rate in every business year at the beginning of each business year was approved the 91st Ordinary General Shareholders' Meeting held on March 25, 2021 and this time, through the deliberation of the Compensation Advisory Committee, it was concluded to partially revise the content of the System that was introduced by such General Shareholders' Meeting by setting the exception to the continuous presence condition and the compensation reflecting the achievement level of the target for CSR and continue with the System, in order to conduct a compensation system more properly reflecting the situation of the company re-organization and positive involvement to CSR. Therefore, in order to define once again the partial revision related to the content of the compensation in the System approved at the 91<sup>st</sup> Ordinary Shareholders' Meeting on March 25, 2021, the Company will ask for the approval to provide the stock compensation to the Company's Executive Directors (excluding the Executive Directors who are newly elected as Directors at the Shareholders' Meeting held in the business year in which the date of the Initial Board of Directors Meeting belongs as defined bellow and had not been granted the post-issuance type stock compensation as an executive officer prior to the selection) and Outside Directors (hereinafter collectively referred to as the "Eligible Directors") based on the revised System as described below (The revised parts are underlined).

In defining the compensations of Directors, the basic concept of the company is to create a compensation system which attracts diverse and excellent human resources and to continuously improve corporate value while developing an objective and more transparent determination process of the compensation, and from this standpoint, if this proposal is approved, the Company will define the individual compensation of Directors based on the Policy described at the end of this proposal. The System is more closely linked to CSR achievement level, the calculation method is clear and more transparent than previous restricted stock compensation introduced on 2016, and is an incentive to Director for the mid-and long-term performance of the company, therefore, the company consider that it is

appropriate to continue with the system after the content is partially revised.

If proposal No. 3 is approved without modification, the number of Director will be 9 (including 2 Outside Directors) and the number of Eligible Directors will be 7 (including 2 Outside Directors).

## 【Details of the System】

### 1. Outline

The System includes following three types of stock compensation system.

(i) Performance Evaluation Type Performance Share Unit

A type of stock compensation in which the Company's common stock (hereinafter referred to the "Company's Stock") of which number is calculated in accordance with achievement level of the performance target in 3 consecutive business years (hereinafter referred to as the "Performance Evaluation Period") starting from the business year during which the provision of compensation to the Eligible Directors under the System is determined in the Board of Directors meeting (hereinafter "Initial Board of Directors Meeting") is issued after the expiration of the period from the date of the Ordinary General Shareholders' Meeting during the business year in which the Initial Board of Directors Meeting was held to the date of the Ordinary General Shareholders' Meeting first held after the expiration of the Performance Evaluation Period (hereinafter referred to as the "Vesting Period")

(ii) CSR Evaluation Type Performance Share Unit

A type of stock compensation the number of which is calculated in accordance with the achievement level of the sustainability target and diversity target issued after the Performance Evaluation Period

(iii) Restricted Stock Unit

A type of stock compensation in which the predetermined number of Company's Stock is provided after Vesting Period based on the Eligible Directors continuously serving as Directors or Executive Officers in the Vesting Period.

Specifically, in order to deliver the Company's Stock equivalent to the stock compensation of the above type (i) through (iii), the Company provides monetary compensation receivable to the Eligible Directors after the Vesting Period, and upon issuance of shares or disposition of treasury stocks, the Company provides the Company's Stocks by having them pay all the i-kind monetary compensation receivable.

Please note that, under this System, the Company's Stocks are to be provided in accordance with achievement level of performance, and sustainability target and diversity target and existence of term of office during the vesting period, and thus

whether or not the stocks are provided or not, to which Directors the stocks are provided, and the number of the stocks to be provided, are not finalized at the time of introduction of the System.

The number of stocks which the Company provides to the Eligible Directors under the System in one business year is 20,000 or less per eligible Director (however 3,000 or less per Outside Director) and the total number of stocks of all Eligible Directors is 200,000 or less (including 10,000 in total of all the Outside Directors) as an appropriate number considering the purpose of the System. However, when the total number of issued stocks increases/decreases by consolidation, split or allotment of the stocks after the date on which the proposal is approved, the maximum amount and the number of the stocks delivered to the Eligible Directors is reasonably adjusted based on its rate.

This proposal is submitted as a proposal to resolve the concrete calculation method for compensations of which the amount has not been determined, as the appropriate calculation method in light of the purpose of the System and to determine the contents of the compensation from the perspective of appropriately reflecting the facts that the amount of monetary compensation receivable provided to the Eligible Directors fluctuates according to the Company's stock price as described below, and the calculation method as the maximum of undetermined compensation and the contents of the compensation is resolved in this proposal and its operation of determining the compensation in accordance with achievement level of performance, sustainability target and diversity target and existence of term of office during the Vesting Period within that limit is delegated to the Board of Directors. The specific timing and content of provision to each Eligible Director will be determined in the Board of Directors, to which delegation is made by this resolution in the General Shareholders' Meeting.

**【The amount of monetary compensation receivable in the System】**

1. Calculation method for the amount of monetary compensation receivable

The amount of money (monetary compensation receivable) is calculated by multiplying the number of stocks which are to be provided to the Eligible Directors under the System (hereinafter referred to the "Final Number of Stocks to be Provided") by the closing price of the Company's Stock at the Tokyo Stock Exchange (if no trading is concluded on the day, the closing price on the most recent trading day preceding that date, hereinafter referred to the "Closing Price of the Company's Stock") on the business day immediately prior to the date of the resolution at the Board of Directors meeting held to determine the issuance of new shares or disposition of treasury stocks for the provision of shares (hereinafter referred to the "Resolution of Board of Directors for Provision") within a period of 2 months from the date of the end of Vesting Period to.

Amount of Money (monetary compensation receivable) to be Provided to the Eligible Directors = Final Number of Stocks to be Provided × Closing Price of the Company's Stock

## 2. Calculation Method for Final Number of Stocks to be Provided

Final Number of Stocks to be Provided is calculated by multiplying the number of stocks (however, in the event that a lower amount than such amount is determined at the Initial Board of Directors, such amount shall apply) calculated by dividing the amount which is double of monthly compensation in the month next to the month when the Director is appointed as a Director (if re-appointed as a Director, the month of immediately preceding re-appointment) for each Eligible Director (hereinafter referred to the "Base Compensation Amount") by the closing price of the Company's common stock at the Tokyo Stock Exchange (if no trading is concluded on the day, the closing price on the most recent trading day preceding that day, hereinafter referred to as the "Base Stock Price") on the business day immediately prior to the date of resolution at the Initial Board of Directors Meeting (hereinafter referred to the "Resolution of Initial Board of Directors") held at the beginning of Vesting Period by certain ratio shown in below calculation formula.

Maximum of the total amount of Base Compensation Amount for the Eligible Directors per business year is 40 million yen (including 6 million yen for Outside Directors) which is deemed appropriate based on the purpose of the System, and specific amount for each Eligible Directors is determined in Board of Directors meeting in accordance with the above provisions relating to the Base Compensation Amount. If total of the Base Compensation Amount calculated in accordance with the above provisions exceeds the above maximum amount, adjustment should be made at a Board of Directors meeting so that such total becomes less than such maximum amount.

### (Calculation Method for Final Number of Stocks to be Provided)

Final Number of Stocks to be Provided =  
 (i) Base Number of Stocks to be Provided (①) × 40% × Performance Condition Issuance Rate (②) + (ii-a) Base Number of Stocks to be Provided (①) × 5% × Sustainability Condition Issuance Rate (③) + (ii-b) Base Number of Stocks to be Provided (①) × 5% × Diversity Condition Issuance Rate (④) + (iii) Base Number of Stocks to be Provided (①) × 50%

#### ① Base Number of Stocks to be Provided :

Base Number of Stocks to be Provided is calculated by the following formula.

$$\text{Base Number of Stocks to be Provided} = \frac{\text{Base Compensation Amount for Eligible Director}}{\text{Base Stock Price}}$$

② Performance Condition Issuance Rate :

Regarding Performance Condition Issuance Rate, targets of ROA (Return on Asset) and operation margin calculated by finalized consolidated balance sheet and consolidated statement of income for the 3 business years of Performance Evaluation Period, are determined in principal at the Board of Directors Meeting held within 2 months from of the day the Ordinary Shareholders' Meeting of each business year during the Performance Evaluation Period, then it is calculated in the range of 0% to 100% as described below based on the achievement level of the targets.

| Achievement Level                                                                                                                                                                                                                                           | Delivery rate |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Achieved both targets for ROA and operating margin for 3 consecutive business years                                                                                                                                                                         | 100%          |
| Achieved one of the targets, ROA or operating margin, for 3 consecutive business years, and achieved the other indicator target for only 2 business years ( not limited to consecutive years)                                                               | 90%           |
| Achieved one of the targets, ROA or operating margin, for 3 consecutive business years, and achieved the other indicator target for only 1 business year                                                                                                    | 80%           |
| Achieved both targets for ROA and operating margin for only 2 business years (not limited to consecutive nor common years)                                                                                                                                  | 80%           |
| Achieved one of the targets, ROA or operating margin, for three consecutive business years, and did not achieved the other indicator targets in the three business years                                                                                    | 70%           |
| Achieved one of the targets, ROA or operating margin, for two business years ( not limited to consecutive years), and achieved the other indicator target for only one business year (not limited to the common business year with the above business year) | 70%           |
| Achieved one of the targets, ROA or operating margin, for 2 business years (not limited to consecutive years), and did not achieved the other indicator targets in the three business years                                                                 | 60%           |
| Achieved both targets for ROA and operating margin for only 1 business year (not limited to 1 common business year)                                                                                                                                         | 60%           |
| Achieved one of the targets, ROA or operating margin, for only 1 business year, and did not achieved the other indicator targets in the three business years                                                                                                | 50%           |
| Nothing described above applies                                                                                                                                                                                                                             | 0%            |

ROA is calculated by the following formula.

|                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------|
| $\text{ROA}(\%) = \text{Net Income Attributable to Shareholders of the Parent Company} \div \text{Total Assets} \times 100$ |
|-----------------------------------------------------------------------------------------------------------------------------|

Operating margin is calculated by the following formula.

$$\text{Operating Margin} (\%) = \text{Operating Profit} \div \text{Sales}$$

③ Sustainability Condition Issuance Rate :

Sustainability Condition Issuance Rate is 100% if the target of CO<sub>2</sub> Emissions Reduction for the 3 business years of the Performance Evaluation Period determined by a resolution of the Board of Directors held within 2 months from of the day the Ordinary Shareholders' Meeting of the business year during the Performance Evaluation Period is achieved and 0% if such target is not achieved.

④ Sustainability Condition Issuance Rate

Sustainability Condition Issuance Rate is 100% if the target of the increase in the number of female employees in the Company and its subsidiaries (in principle, the number at the end of the Performance Evaluation period should be 1.5 times of the number of the business year immediately preceding the Performance Evaluation Period) determined by a resolution of the Board of Directors held within 2 months from of the day the Ordinary Shareholders' Meeting of the business year during the Performance Evaluation Period is achieved and 0% if such target is not achieved

**【Payment Condition of Compensation under the System】**

Eligible Directors are subject to continuously serve as Directors or Executive Officers of the Company during the Vesting Period. In case the Director or Executive Officer resigns the post in the Vesting Period (excluding the case of reappointment immediately after the resignation), neither monetary compensation receivable nor the Company's Stock is provided under the System, except for the following situations.

- (1) Death: If an Eligible Director is dead during the Vesting Period then, on the condition that the Company receives the notice form his/her heir, 100% of the Restricted Stock Unit portion shall be provided within a reasonable period from the death. For the purpose of the calculation the Base Stock Price instead of Closing Price of the Company's Stock is used.
- (2) Disability: if an Eligible Director became a person of disability provided for in the Section 2 subsection 1 of the Basic Act for Persons with Disabilities and the Board of Directors judged that such Eligible Director cannot perform his/her duties, 100% of the Restricted Stock Unit portion shall be provided within a reasonable period from such judgement of the Board of Directors. For the purpose of the calculation the Base Stock Price instead of Closing Price of the Company's Stock is used.
- (3) Retirement: If an Eligible Director retires during the Vesting Period due to the expiration of his/her term or due to the reason which the Board of Directors determines justifiable, the number of stocks calculated in accordance with the calculation method the amount of monetary compensation receivable and Final Number of Stock to be Provided shall be provided after the Board of Directors

meeting to determine the provision of the post-issuance type stock compensation.

In addition, in the case that the matter such as a re-organization (a merger agreement where the Company becomes the absorbed company), stock exchange agreement or stock transfer plan where the Company becomes a wholly owned subsidiary of another company, the new established division plan where the Company becomes a division company or the absorption-type company split agreement, stock consolidation where the Company is controlled by specific stockholder, acquisition of stocks subject to wholly call, and demand for sales of stocks (hereinafter referred to the “Re-organizations”), are approved by the General Shareholders’ Meeting of the Company (or by the Board of Directors, if such Re-organizations do not require approval by the General Shareholders’ meeting) during the Vesting Period (however, this is limited to the case where the effective date of the Re-organizations is scheduled to come earlier than the date of stock delivery under the System), the stocks or money in the number or amount which is calculated by the reasonable method determined by the Board of Directors based on the above calculation method and the time period until the approval, are provided at the time determined by the Board of Directors. In such calculation, Base Stock Price is used instead of the Closing Price of the Company’s Stock.

**【Reference】**

The Company intends to continue with the same post-issuance type stock compensation system which is partially revised also for the Company’s Executive Officers on the condition that this proposal is approved.

**【Policy to determine the compensations for an individual Director】**

The Company has adopted the base compensation (fixed monthly compensation and various allowances, if applicable), bonus, and stock compensation as compensation for Directors, and established a policy to determine the content of the compensations for an individual Director (the “Policy”). The contents are as follows.

**(1) Policy for Amount and Calculation Method of Base Compensations**

As for monthly compensation out of the base compensations, the monthly compensation at the time of first appointment as Director is determined taking into account the position of executive officer which the Director additionally serves and whether the Director concurrently serve as HQ Director. After the second year, it increases or decreases each year in accordance with annual evaluation of results for the previous fiscal year, achievement level of individual target of KPI (Key Performance Index) which is set semiannually for bonus, and consumer price index.

**(2) Policy for Performance Indicator of Bonus, and Calculation Method of the Amount or the Number**

As for bonus, the KPI for 5 target items is semiannually set individually according to the role of each Director, from operating margin, amount of order intake, cash flow, ratio of sales price reduction ratio to cost reduction ratio, profit of each development project, and ROCE (Return on Capital Employed), from the perspective of indicator linked to final corporate performance. The amount of bonus is calculated by multiplying monthly compensation by total number of evaluation month of 5 items of KPI which is according to the achievement level of each KPI: less than 100%→0 month, 100%→0.6 month, more than 100% to less than 150%→number of the month proportionally increases from 0.6 month to 0.9 month, 150% or more→0.9 month).

(3) Policy for Stock Compensation, and Calculation Method of the Amount or the Number  
The systems of stock compensation of the company are as follows.

(A) Eligible Directors

Directors eligible for this system are Executive Directors (excluding the Executive Directors who are newly elected as Directors in the year in which stock compensation is provided and had not been granted the post-issuance type stock compensation as an executive officer prior to the selection) and Outside Directors (hereinafter referred to the “Eligible Directors”).

(B) Performance Evaluation Period

The period to evaluate performance based on this system is 3 consecutive years starting from the business year during which the provision of compensation to the Eligible Directors under the system is determined in the Board of Directors meeting (hereinafter referred to the “Performance Evaluation Period”).

(C) Composition of the System and calculation method of Final Number of Stocks to be Provided

The System consists of the three portions, the portion in which the number of stocks to be provided is determined based on achievement level of target of ROA (Return on Asset) and of the operating margin in Performance Evaluation Period (hereinafter referred to the “Performance Evaluation Type Performance Share Unit”), achievement level of sustainability target and diversity target in Performance Evaluation Period (hereinafter referred to the “Qualitative Evaluation Type Performance Share Unit”), and the portion in which the stocks are provided by Eligible Directors’ continuous enrollment for the period from the date of the Shareholders’ Meeting held in the business year during which the provision of compensation to the Eligible Directors under the System is determined in the Board of Directors (hereinafter referred to the “Initial Board of Directors”) to the date of the Shareholders’ Meeting first held after the expiration of the Performance Evaluation Period (hereinafter referred to the “Vesting Period”)(herein after referred to the “Restricted Stock Unit”).

(a) Base Number of Stocks to be Provided



First, at the resolution of the Initial Board of Directors, the number of stocks to be provided if the Director's achievement level of Performance Evaluation Type Performance Share Unit and CSR Evaluation Type Performance Share Unit are both 100% and also if the Director enrolled for three years (hereinafter referred to the "Base Number of Stocks to be Provided") is determined, by dividing the amount obtained by multiplying the monthly compensation amount of the next month of the appointment as a Director by 2 (however, in the event that a lower amount than such amount is determined at the Initial Board of Directors, such amount shall apply) (hereinafter referred to the "Base Compensation Amount"), by the closing price of the Company's stock at the Tokyo Stock Exchange on the business day immediately prior to the date of the said resolution of Board of Directors (if no trading is concluded on the day, the closing price on the most recent trading day preceding that date).

The total amount of Base Compensation Amount for all Eligible Directors per business year shall not exceed 40 million yen (including 6 million yen for Outside Directors), which is considered to be appropriate based on the purpose of this system, and the specific amount for the Eligible Director shall be determined at the Board of Directors in accordance with the above provisions on the Base Amount of Compensation, and if the total amount of Base Compensation Amount calculated in accordance with the above provisions exceeds the above upper limit, it shall be reasonably adjusted to fall into the upper limit at the Board of Directors.

(b) Performance Evaluation Type Performance Share Unit

50% of Base Number of Stocks to be Provided is allotted to Performance Evaluation Type Performance Share Unit (hereinafter referred to the "Number of Stocks to be allotted by Performance Evaluation"). Final Number of Stocks to be Provided regarding Performance Evaluation Type Performance Share Unit is calculated by multiplying Number of Stocks to be allotted by Performance Evaluation by Issuance rate calculated in the range of 0% to 100% as described below according to the number of years in which ROA and operation margin targets were achieved (hereinafter referred to the "Final Number of Stocks to be Provided Based on Achievement Evaluation"), from the perspective of the index highly correlated with stock prices. If the number of year in which the target was achieved is two, it's not limited to consecutive years. Targets of ROA and Operation margin are determined in every business year, in principle at the Board of Directors held within two months from the day the Ordinary Shareholders' Meeting was held in the such business year during the Performance Evaluation Period, and the level of achievement of targets of ROA and Operation margin is discussed and determined at the Board of Directors held to determine the grant of Post-issuance Type Stock Compensation based on the System.

| Issuance rate      |      | OM Achievement |     |      |      |
|--------------------|------|----------------|-----|------|------|
|                    |      | 0yr            | 1yr | 2yrs | 3yrs |
| ROA<br>Achievement | 0yr  | 0%             | 50% | 60%  | 70%  |
|                    | 1yr  | 50%            | 60% | 70%  | 80%  |
|                    | 2yrs | 60%            | 70% | 80%  | 90%  |
|                    | 3yrs | 70%            | 80% | 90%  | 100% |

(c) CSR Evaluation Type Performance Share Unit

10% of Base Number of Stocks to be Provided is allotted to CSR Evaluation Type Performance Share Unit (hereinafter referred to the “Number of Stocks to be allotted by Contribution Evaluation”). Final Number of Stocks to be Provided regarding CSR Evaluation Type Performance Share Unit (hereinafter referred to the “Final Number of Stocks to be Provided Based on Contribution Evaluation”). is calculated by multiplying 50% of the Number of Stocks to be allotted by CSR Evaluation by Issuance rate c of 100% if the sustainability target in the Performance Evaluation Period is achieved and 0% if not achieved (hereinafter referred to the “Sustainability Condition Issuance Rate”) and by multiplying 50% of the Number of Stocks to be allotted by CSR Evaluation by Issuance rate of 100% if the diversity target in the Performance Evaluation Period is achieved and 0% if not achieved (hereinafter referred to the “Diversity Condition Issuance Rate”). Specifically, the Representative Director makes a proposal to the Compensation Advisory Committee, and through the deliberation of the Committee, it is determined by resolution of the Board of Directors held to determine the Final Number of Stocks to be Provided. However, for the Outside Directors, Contribution Condition Issuance Rate is 100%.

(d) Restricted Stock Unit

50% of Base Number of Stocks to be Provided is allotted to Restricted Stock Unit, and this is the Final Number of Stocks to be Provided if the Directors meet the following payment conditions (hereinafter referred to the “Final Number of Stocks to be Provided Based on the Enrollment”).

(e) Final Number of Stocks to be Provided

The final number of stocks to be provided is the total number of the Final Number of Stocks to be Provided Based on Achievement Evaluation, the Final Number of Stocks to be Provided Based on Contribution Evaluation and the Final Number of Stocks to be Provided Based on the Enrollment.

The number of stocks to be provided to the Eligible Directors under the System by the Company in one business year shall not exceed 20,000 stocks per Eligible Director (however, 3,000 stocks per Outside Director), and a total of 200,000 stocks for all Eligible

Directors (including 10,000 stocks, for all Outside Directors) as an appropriate number considering the purpose of the System. However, if the total number of issued stocks of the Company fluctuates due to consolidation of shares, split of shares, gratis allotment of stocks, etc., the upper limit and the number of shares to be delivered to Eligible Directors will be reasonably adjusted according to its ratio.

(D) Payment Condition of Compensation under the System

Eligible Directors are subject to those who continuously serve as Directors or Executive Officers of the Company during the vesting period. In case he or she resigns the post of Director or Executive Officer in the period (excluding the case of reappointment immediately after the resignation), neither monetary compensation receivable nor the Company's Stock is provided under the System, except for the following situations.

(1) Death: If an Eligible Director is dead during the Vesting Period then, on the condition that the Company receives the notice form his/her heir, 100% of the Restricted Stock Unit portion shall be provided within a reasonable period from the death. For the purpose of the calculation the Base Stock Price instead of Closing Price of the Company's Stock is used.

(2) Disability: if an Eligible Director became a person of disability provided for in the Section 2 subsection 1 of the Basic Act for Persons with Disabilities and the Board of Directors judged that such Eligible Director cannot perform his/her duties, 100% of the Restricted Stock Unit portion shall be provided within a reasonable period from such judgement of the Board of Directors. For the purpose of the calculation the Base Stock Price instead of Closing Price of the Company's Stock is used.

(3) Retirement: If an Eligible Director retires during the Vesting Period due to the expiration of his/her term or due to the reason which the Board of Directors determines justifiable, the number of stocks calculated in accordance with the calculation method the amount of monetary compensation receivable and Final Number of Stock to be Provided shall be provided after the Board of Directors meeting to determine the provision of the post-issuance type stock compensation.

(4) Policy for Ratio of Each Compensations Type of Individual Compensations

Compensation for Directors of the Company consists of three types of compensations, base compensation (fixed monthly compensation and various allowances if applicable), bonus and stock compensation. As for the composition ratio of base compensation, bonus, and stock compensation, the system is designed with the principle ratio of 60% : 30% : 10%.

(5) Policy for Timing of Provision of Compensations

The base compensation is provided monthly, and the bonus is provided on July and December of each year. As for stock compensation, it is provided after the performance evaluation period, through the procedures described in the above (3).

(6) Determination Method of Individual Compensations for Directors

As for determination process of monthly compensation and bonus for Directors of the Company, the Executive Director or Executive Officer in charge of human resources who are members of the Compensation Advisory Committee make proposals to such Committee, and the Compensation Advisory Committee deliberates based on the proposals and prepare a report to the Board of Directors, and the Board of Directors which receives the report, mandates the authority to determine the compensation for the respective directors by respecting the report by the Compensation Advisory Committee and within the scope of approval at the Shareholders' Meeting to the Representative Director and Chairman/Representative Director and President, and the Representative Director and Chairman/Representative Director and President determine within the scope of such mandate. As for stock compensation, it is determined by the Board of Directors based on the report by the Compensation Advisory Committee.

End