



2023

INTEGRATED REPORT

ICHIKOH INDUSTRIES, LTD.

ICHIKOH
a Valeo company

Our Mission

Our Mission

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

(*): VLS = Valeo Lighting Systems

Contents

Introduction	
Our Mission	1
History of ICHIKOH / Alliance between ICHIKOH and Valeo	3
Business Overview of ICHIKOH	5
ICHIKOH Group—Overview of Business Divisions	7
FY2022 Consolidated Financial Result Highlight	9
Message from the President	11
Value Creation and Materiality	
Value Creation Process	13
Materiality	15
Growth Strategy	
Growth Strategy / Innovation — Technology Leader: Lighting Everywhere	17
Growth Strategy / Innovation — Foundation for Value Creation	19
Growth Strategy / Innovation — Initiatives to Enhance Corporate Value	20
Sustainability	
Human Resources Strategy / Diversity	Human Resources Strategy / Diversity 21
Environment / Social	Environment 23
Environment / Social	Environment (TCFD) / Social 25
Quality Management	Quality Management 26
Corporate Governance	Corporate Governance 27
Corporate Data	
Major Financial Data	31
10-Year Selected Consolidated Financial Data	35
Stock Information	37
Company Information, Editorial Policy	38



History of ICHIKOH

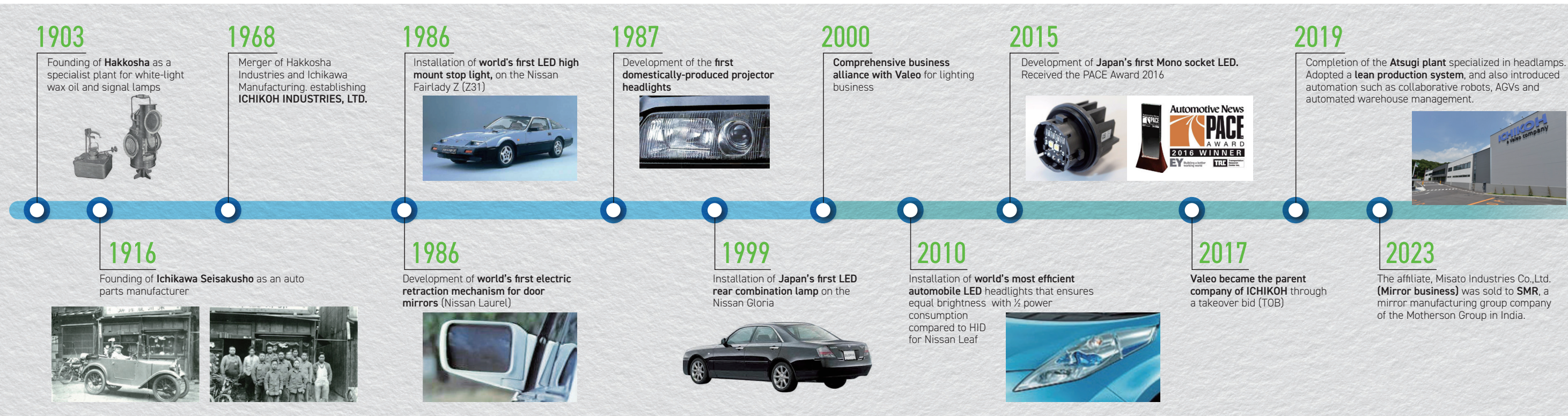
ICHIKOH celebrated its 120th anniversary in June 2023.

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

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

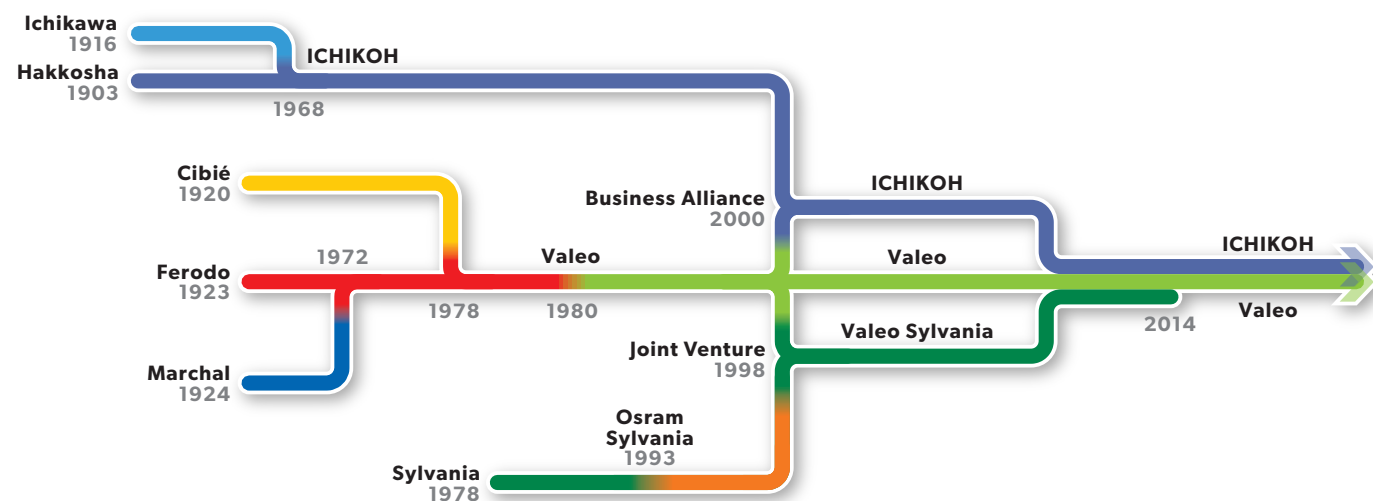
The year 2000 saw the initiation of a strategic alliance with Valeo, facilitated by the latter's capital investment in ICHIKOH. This partnership evolved in 2017 when Valeo became the majority shareholder, reinforcing the alliance while ICHIKOH maintained its market listing.

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



Alliance between ICHIKOH and Valeo

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



Synergy between Japanese and Western Approaches

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

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

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

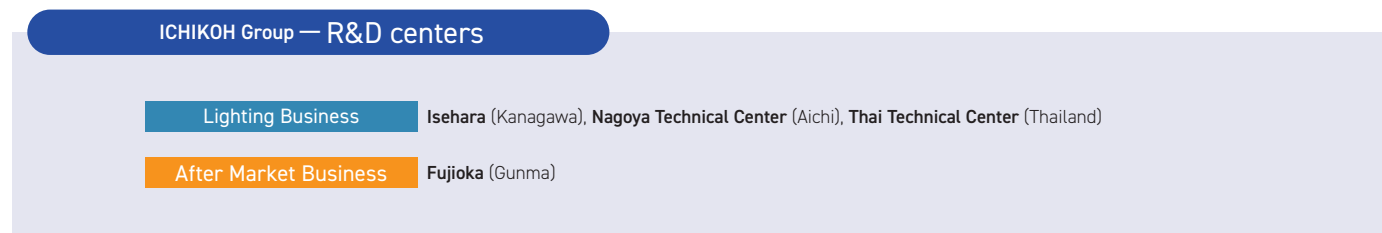
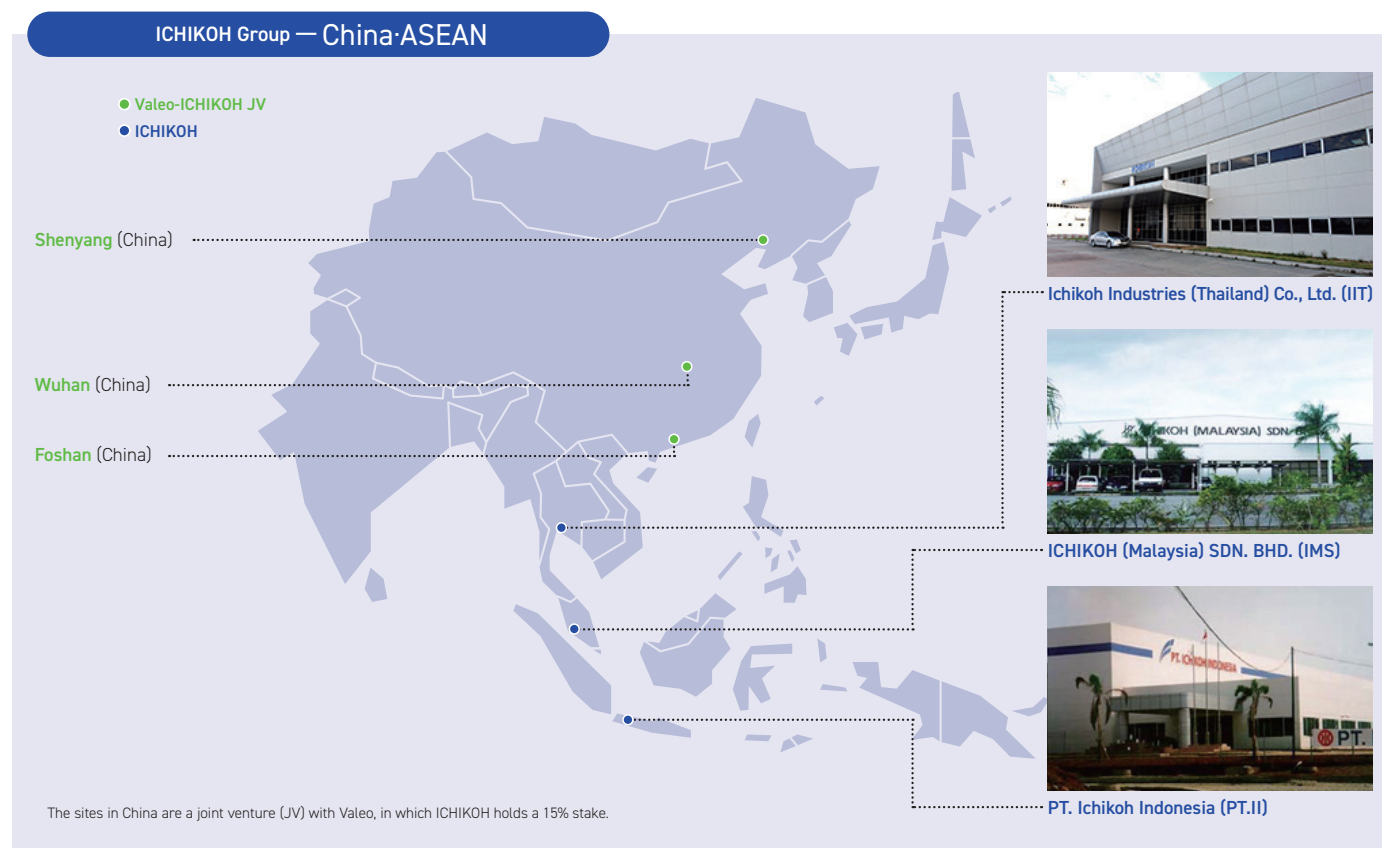
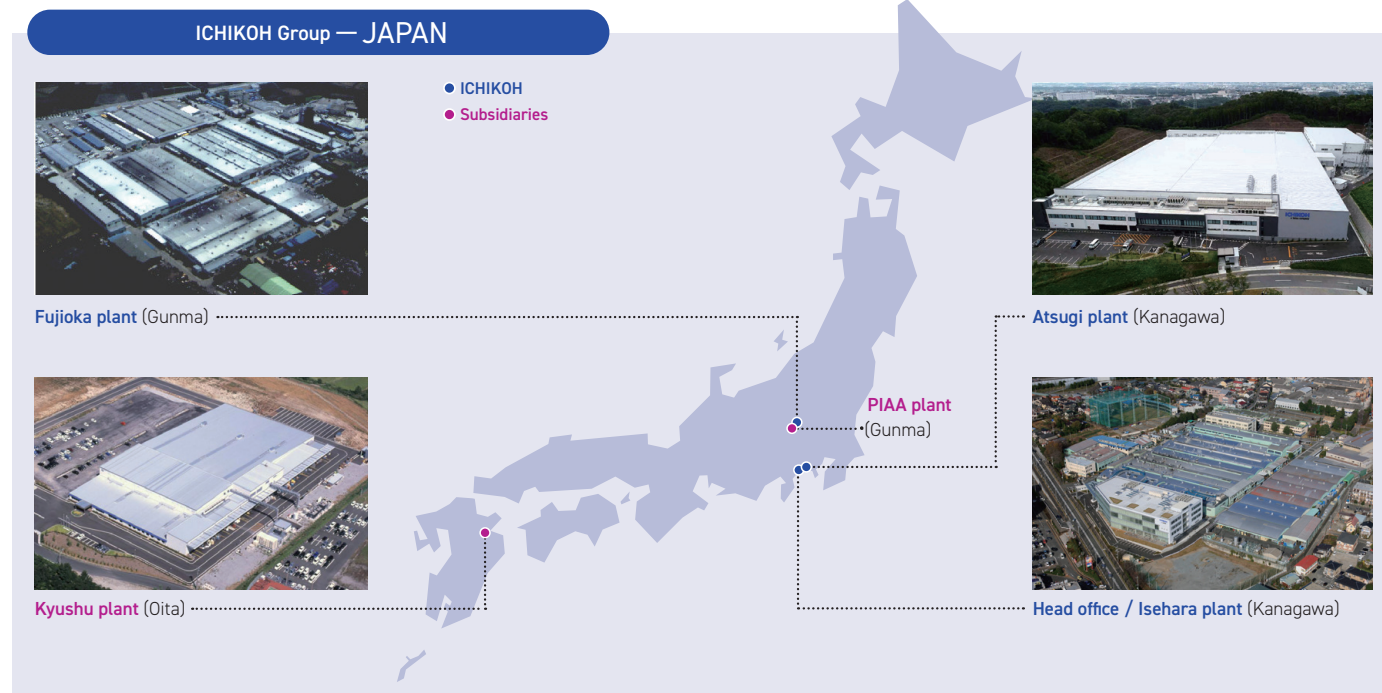
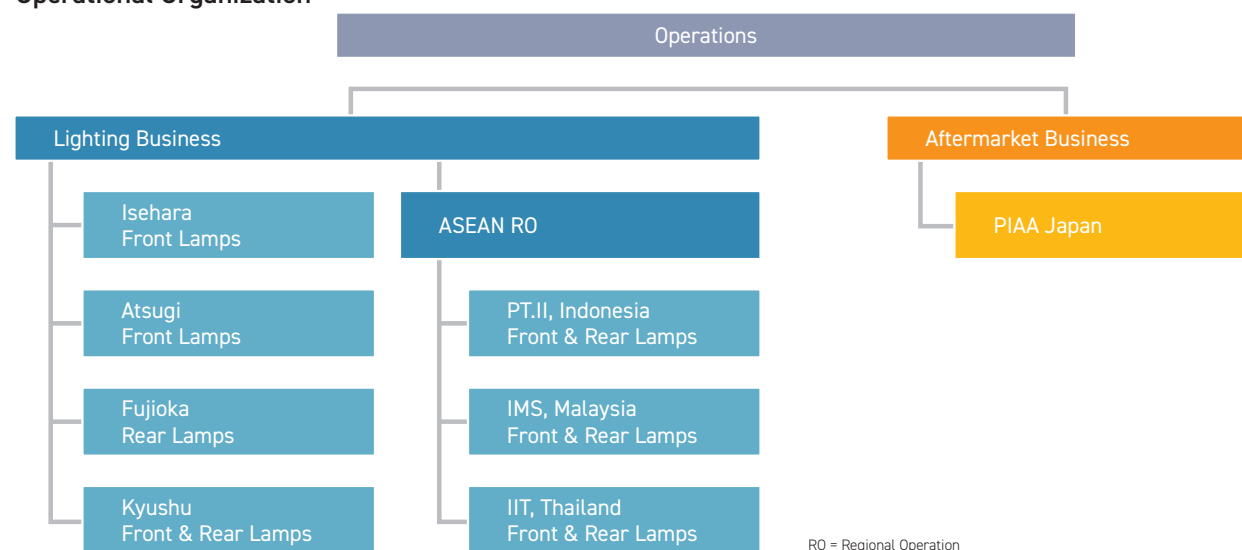
Business Overview of ICHIKOH

ICHIKOH Group

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

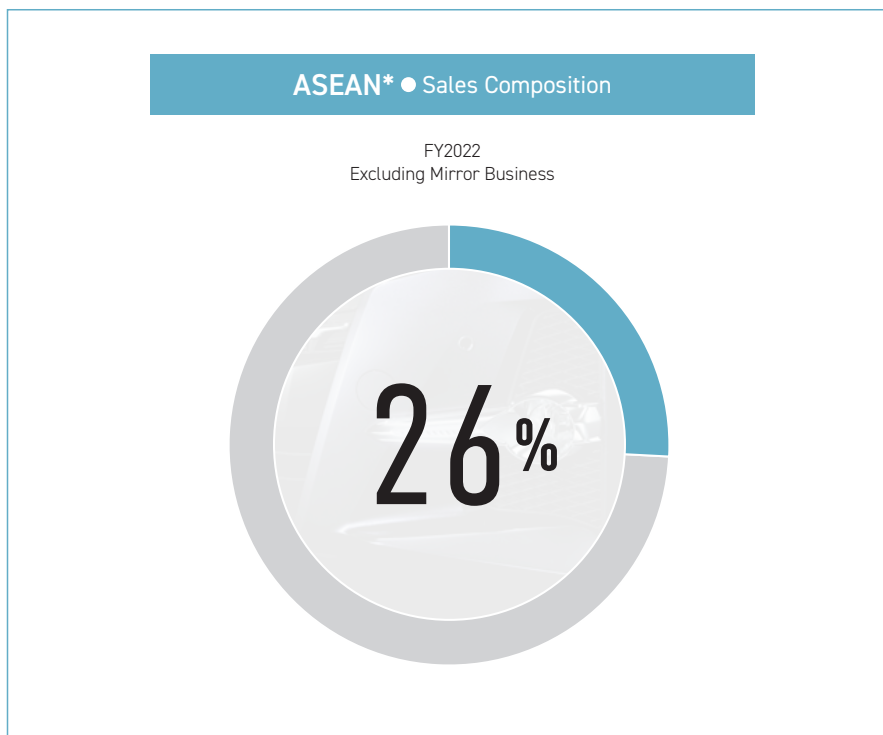
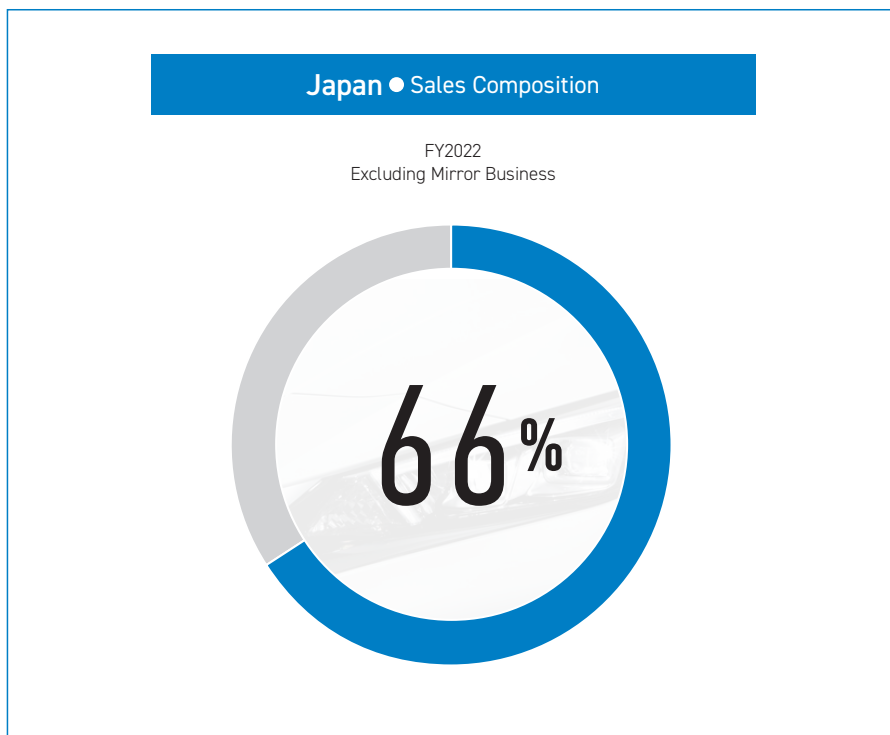


Operational Organization

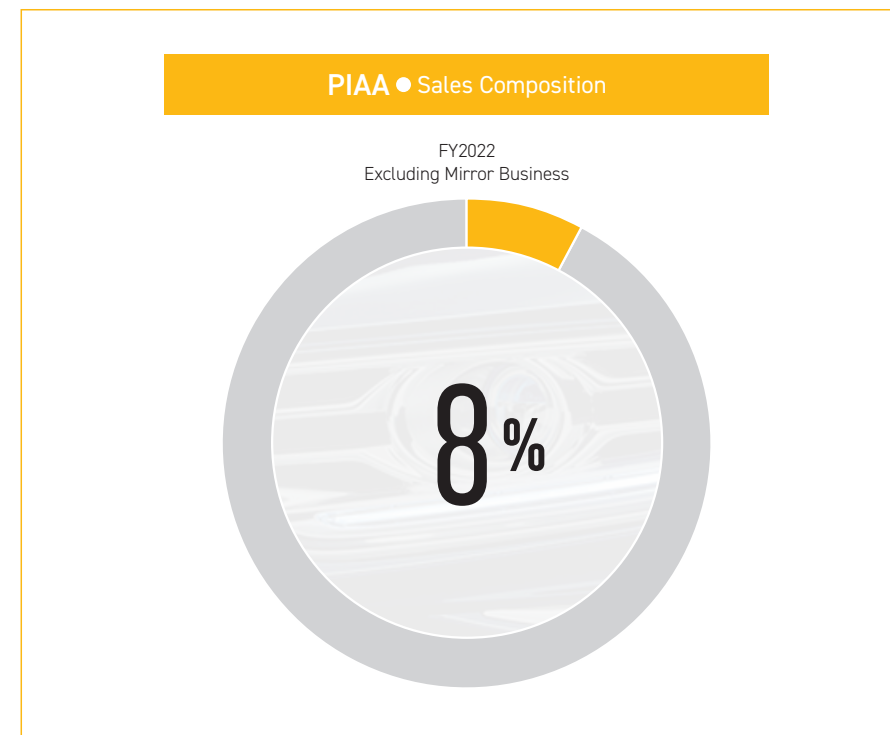


ICHIKOH Group—Overview of Business Divisions

Lighting Business



Aftermarket Business



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

Nature of Business
Plan, development, manufacture, and sale of aftermarket parts for automobiles such as wipers and lamps, and of dealer option products.

Strengths and Growth Opportunities of the Business

- **Business environment:** A mature market characterized by evolving trends in automobiles, including electrification and autonomous driving.
- **Strength:** A longstanding, close relationship with customers, fostering a trust built on proven track records. Mastery in the art of "Monozukuri" craftsmanship. (See page 19)
- **Opportunities:** Proposing and delivering innovations to customers that align with market changes. Enhancing value as a system provider. Efficient production systems incorporating collaboration between humans and machines, etc.. (See pages 17 and 19)

Strengths and Growth Opportunities of the Business

- **Business environment:** An expanding market. Anticipated long-term growth in the automobiles production market due to factors such as increased income levels and demographic shifts.
- **Strength:** Close partnerships with major Japanese automobile manufacturers (OEMs). Strategic presence in the three pivotal countries of automobile production within ASEAN. Economical development site situated in Thailand.
- **Opportunities:** Resurgence of the automobile production market, notably in regions like Indonesia. Skill development and enhancement of quality through mother-daughter initiatives. (See page 19) Cultivation of close clientele, exemplified by Valeo.

*ASEAN: Thailand, Malaysia, Indonesia

Strengths and Growth Opportunities of the Business

- **Business environment:** Aftermarket in Japan is mature market.
- **Strength:** Well-known brands such as "PIAA." Domestic sales and distribution channel for automotive accessories. Development and provision of high-quality genuine optional products for automobile manufacturers. Flexible product development that responds to customer needs.
- **Opportunities:** Expansion in market share and development of new customers by proposing new products. Expansion in sales through new distribution channels (e-commerce).

(Business Portfolio Revision) Divestiture of the Mirror Business

ICHIKOH made the decision to divest its long-established mirror business. An agreement was reached with the Motherson Group in September 2022, and the business transfer was finalized in August 2023.

*Due to the divestiture of the mirror business, some contents of this integrated report are presented excluding the mirror business.

Policy for Business Portfolio Revision upon Mirror Business Sale

- **Strategic Focus and Concentration**
By prioritizing and channeling resources into the lighting business, we aim to bolster our competitive edge further.
- **Nurturing the Divested Business**
We aim to establish a solid foundation for the medium- to long-term growth of the separated mirror business.

FY2022 Consolidated Financial Result Highlight

FY2022 Net Sales Outperformance vs Market

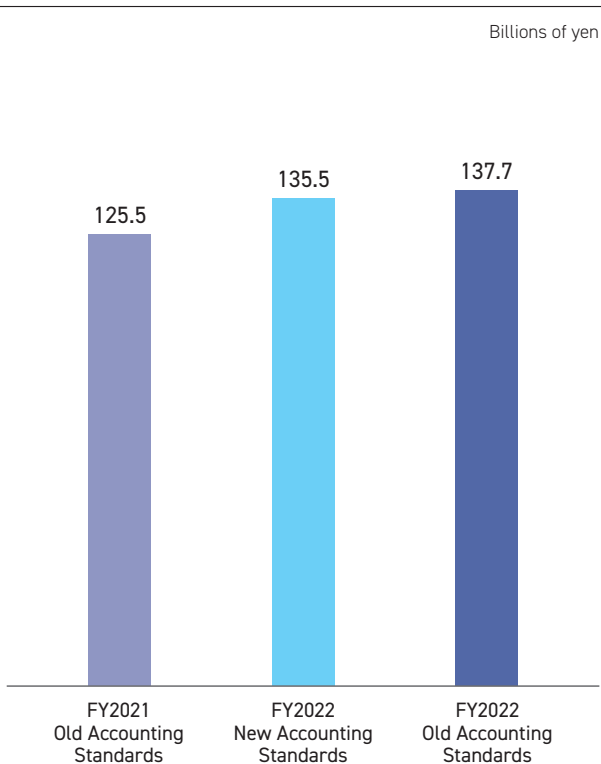
FY2022 vs FY2021	Sales increase*	Market production volume increase	Sales outperformance vs Market production volume
Japan	4.1 %	0.8 %	3.3 pt
ASEAN	39.9 %	23.3 %	16.6 pt

*Excluding tooling sales and foreign exchange rate effect

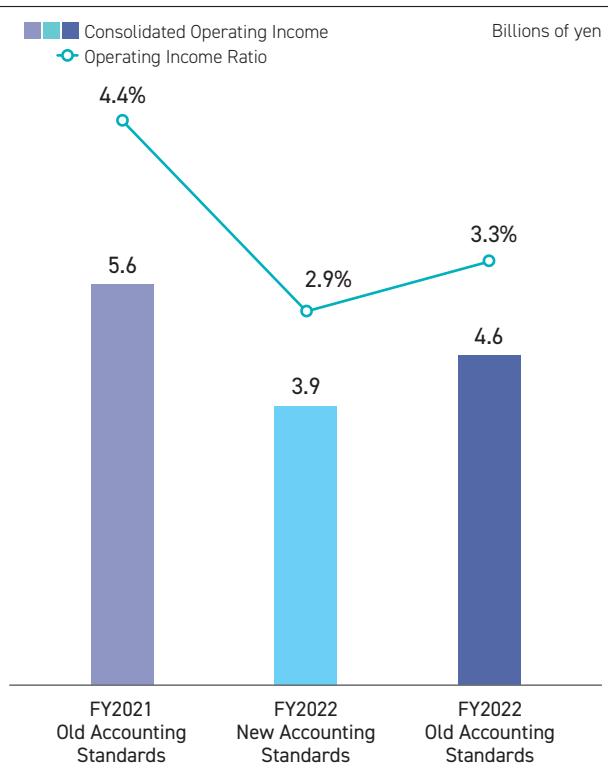
- Sales increase in Japan and ASEAN outperform the market, especially ASEAN is Growth Engine

Consolidated Net Sales and Operating Income (YEAR-ON-YEAR)*1

Consolidated Net Sales



Consolidated Operating Income

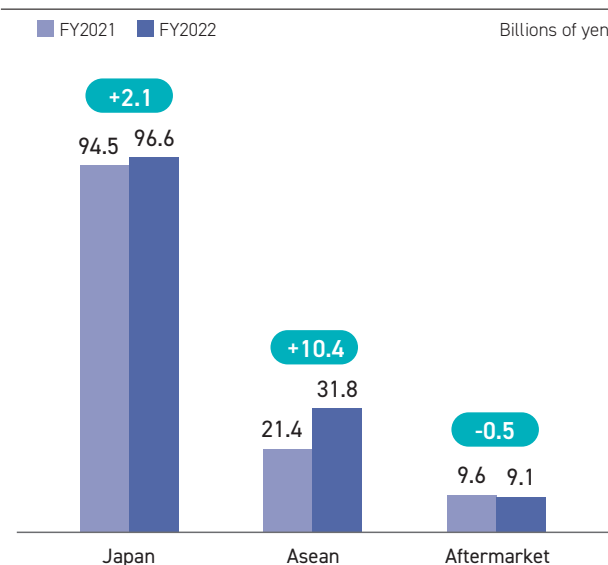


- Significant Growth achieved with +9.7%*2 higher Sales vs FY2021
- Operating Income impacted by the changes of global economy: adverse effect of inflation on energy and raw materials as well as weakening of the JPY deteriorating competitiveness of imported components

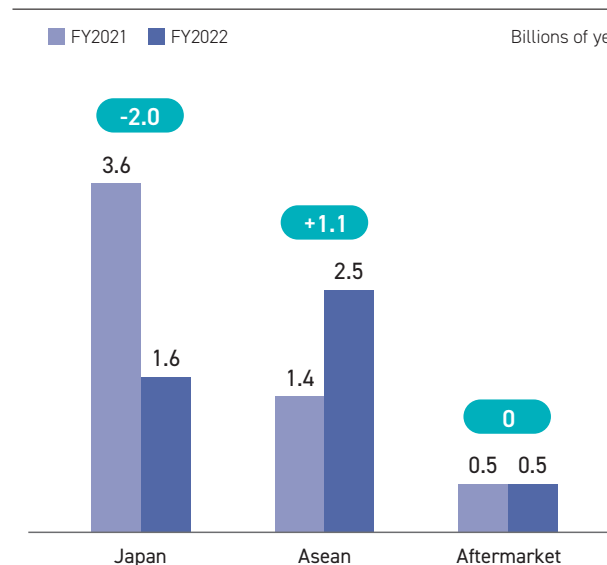
*1 Consolidated basis including mirror business.
For the changes in accounting standards in 2022, old accounting standards are also shown.
*2 Based on old accounting standards

Net Sales and Operating Income by Business Division and Region (YEAR-ON-YEAR)*

Net Sales



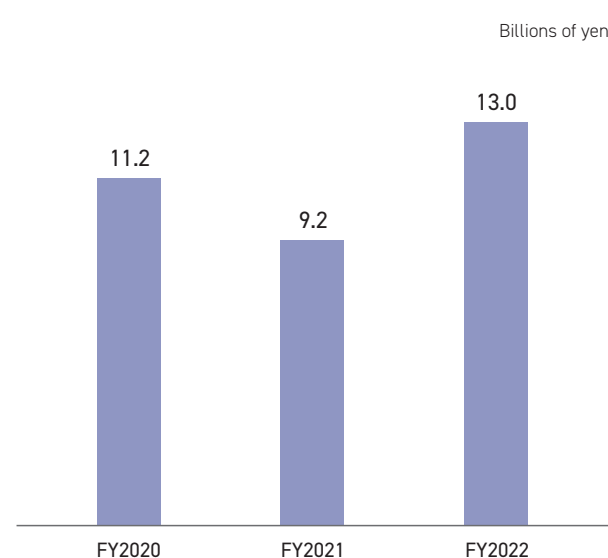
Operating Income



*Comparison based on old accounting standards
Including the Mirror business in Japan
Excluding the Mirror business in China

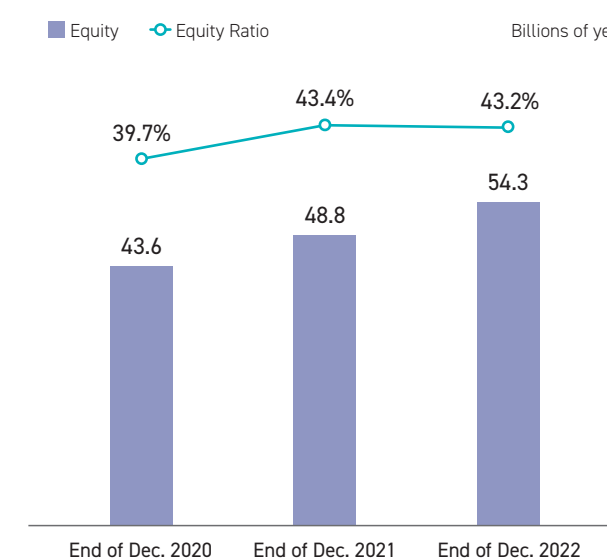
- As for Operating Income, partially compensated with ASEAN increase though Japan deteriorated due to inflation and weaker yen

Cash Flows from Operating Activities



- Cash flows from operating activities in FY2022 increased by 3.8 billion yen from the previous year to 13 billion yen

Equity Trend



- Equity has steadily increased and equity ratio has remained above 40%

Message from the President



Unyielding Spirit: Our Continuous Challenge

Representative Director,
President & CEO

Christophe Vilatte

The Direction ICHIKOH Should Take

This June, ICHIKOH celebrated its 120th anniversary and has decided to release its first Integrated Report. First, I wish to convey our management philosophy to all our stakeholders, including shareholders and investors.

What will the automotive industry landscape look like a decade from now? It is undeniable that we are on the brink of significant transformations, such as the proliferation of autonomous vehicles and Battery Electric Vehicles (BEVs) and shifts in car ownership models. Anticipating these changes, ICHIKOH has been making pivotal decisions.

One such decision was the divestment of our mirror business. While ICHIKOH has grown as a specialist manufacturer of automotive lamps and mirrors, we resolved to sell our mirror division on September 26, 2022. Despite its storied history, including pioneering the world's first "electric retractable mirror," we chose to focus our managerial resources on bolstering our position in the lighting sector.

In alignment with the principles of the Corporate Governance Code, we have also been proactive in efficiently leveraging our assets. This includes completing the sale of all our cross-shareholdings in publicly listed companies in 2020 and, in 2023, divesting a portion of the factory grounds where our head office is located.

In these transformative times, it is imperative to adapt proactively and flexibly. Moving forward, ICHIKOH is expected to strategically deploy the resources we have amassed through our business decisions, embracing change as we go. Aligned with ICHIKOH's mission to deliver "greener, safer and smarter" innovative and quality products, we believe it is crucial to meticulously yet audaciously prioritize new strategies with agility in this era of change.

Human Resources: The Backbone of ICHIKOH

Throughout its 120-year history, ICHIKOH has not only established itself as a manufacturing enterprise but has also consistently demonstrated that its corporate culture—or its very DNA—is rooted in swiftly bringing innovation and cutting-edge technologies to fruition. At the heart of this culture and our operations are our employees. They are pivotal for ICHIKOH to continue showcasing its prowess as a system provider and to remain a high-quality manufacturing entity. While it is undeniably crucial to meet the expectations of our customers, the automotive manufacturers, and to be a company that garners high acclaim, it is the dedication and capability of our employees that truly drive customer satisfaction. Needless to say, human resources are an invaluable asset to ICHIKOH.

In our commitment to our workforce, we persistently enhance working conditions and welfare benefits. We nurture the next generation of leaders and place a strong emphasis on bolstering diversity—be it in terms of gender, disability, cultural background, or age—ensuring fairness and inclusivity at every step. Our aim is to evolve into a company that is not only appealing but also offers a fulfilling work environment. In doing so, we believe we can adeptly navigate the challenges of a contracting labor market.

Enhancing Corporate Value to Become the Best Lighting Company

In December 2021, ICHIKOH opted for a listing on the Tokyo Stock Exchange (TSE) Prime Market and transitioned to this market in April 2022. By the end of that year, we met the tradable share ratio criteria, which we had previously not achieved, thereby fulfilling all the listing requirements of the Prime Market.

Subsequently, the TSE, drawing from discussions at the "Council of Experts Concerning the Follow-up of Market Restructuring," has been advancing a framework. This framework aims to motivate listed companies to autonomously pursue medium- to long-term enhancements in corporate value, emphasizing aspects like capital cost-aware management.

Regrettably, our Price Book-value Ratio (PBR), highlighted as a key metric within this framework, remains low. To address this, we recognize the need to: (1) consistently elevate our earnings, (2) provide clarity on our growth strategy, and (3) amplify returns to our shareholders.

To rectify this situation, we have set ambitious targets: by 2030, we aim to achieve sales of over 150 billion yen and an operating margin exceeding 8%. Our strategy revolves around three focal points: (1) Achieving customer satisfaction across quality, cost, and innovation, (2) Tapping into the rapid growth in the ASEAN region, (3) Benefiting from our collaboration with Valeo.

Notably, boosting sales and profitability hinges on a steady influx of orders. This, in turn, is contingent upon continually refining the quality of our current product lineup and securing our customers' trust. We are committed to this endeavor.

Regarding sustainability, we have charted a course towards carbon neutrality by 2050 and aim to realize 45% of this goal by 2030. Additionally, we are striving to slash our water consumption by a significant 90% (compared to 2019 levels) by 2030. We are also initiating discussions on how to engage more deeply with societal challenges, such as bolstering local educational ecosystems and facilitating a work-life balance for our female employees.

We aim to ensure that our stakeholders fully recognize our strategies for enhancing profitability and growth, as well as our efforts towards sustainability. By diligently executing these strategies, we are determined to enhance shareholder value, specifically aiming to uplift our PBR (ROE x PER).

Enhancing Governance

ICHIKOH operates with Valeo as its publicly listed parent company, resulting in a parent-subsidiary listing structure. A crucial point of attention is the potential for conflicts of interest with our parent company, Valeo. To oversee this, we have established a Conflict of Interest Monitoring Committee, led by an outside director.

The growth and increased profitability of ICHIKOH will naturally contribute to the enhanced profitability of Valeo, our consolidated parent company. We believe it is possible for both entities to align their objectives and move in the same direction. While it is essential to diligently monitor potential conflicts of interest, we are convinced that our primary focus should be on maximizing synergies with our parent company to meet the expectations of our stakeholders.

Transforming Ourselves for a Future of Change

Considering societal expectations and the implications for our business model, we have identified five key areas of materiality for ICHIKOH's operations: Growth Strategy and Innovation, Human Resource Strategy and Diversity, Environment and Society, Quality Management, and Corporate Governance. We believe that by establishing a robust business foundation now, with a vision for the next decade, we are laying the groundwork for ICHIKOH's growth in the century to come, as we celebrate our 120th anniversary.

To realize this vision, we must embrace change without hesitation. We are committed to exploring and implementing the next strategic initiatives. We invite you to join us in anticipating and sharing in ICHIKOH's forthcoming endeavors.

Value Creation Process

Value Creation of ICHIKOH

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

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

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

Tools for Advancing Management Philosophy: The 5 Axes System

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

● Total Quality (TQ)

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

● Employee Engagement (EE)

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

● Supplier Integration (SI)

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

● Product Development (PD)

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

● Production System (PS)

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

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

Management Resources FY2022



Human Capital

- Number of employees: 4,856
- Number of employees in Japan: 3,149
- Number of overseas employees: 1,707



Intellectual Capital

- R&D expenditure: 6,310 million yen (4.7% of FY2022 sales)
- Number of patents: 868 (Number of application from January 2013 to December 2022)



Manufacturing Capital

- Capital investment: 4,176 million yen (3.1% of FY2022 sales)
- Production sites: 8 sites in 4 countries
- Lean production system



Social Capital

- Business Partner Code of Conduct
- Green Procurement Guidelines
- Conflict mineral surveys



Natural Capital

- 105kt of CO₂ emission by usage of electricity, gas and heavy oil
- 570 km³ of water usage
- Environment management by ISO 14001
- Energy management by ISO 50001



Financial Capital

- Interest-bearing debt at the end of FY2022: 7,775 million yen
- Total shareholders' equity at the end of FY2022: 56,096 million yen

Automotive Market Trends

- Automotive production growth rate (FY2022)
Japan: 0.8% (Sales growth rate of ICHIKOH: 4.1%*)
ASEAN: 23.3% (Sales growth rate of ICHIKOH: 39.9%*)
- ICHIKOH's perspective on market trends
 - Expansion of electric vehicles as a countermeasure to reduce CO₂ emissions and strengthening of environmental regulations.
 - Innovation for autonomous driving
 - Growing ASEAN market, mature Japanese market
 - Global platform of automotive production

*Excludes tooling sales and foreign currency effects.

Created Value FY2022



Financial Value Creation

- Operating margin: 2.9%
- ROE: 8.6%



Return to Shareholders

- Payout ratio: 19.6%



Value Creation for Nature

- Reduction in water usage
- Reduction in CO₂ emissions

Targets



Financial Value

- Net sales: Over 150 billion yen (by 2030)
- Operating margin: Over 8% (by 2030)
- ROE: Over 12% (by 2030)



Return to Shareholders

- Payout ratio: over 25% (by 2024)
Continuously increasing from 2024 onwards



Innovation

- Promotion of high added value (e.g., HD lighting, advanced styling lamps)
- Securing orders for products in new areas (e.g., road surface depiction, communication lighting)
- Enhancement of recognition as a system provider



Employee Satisfaction

- Improvement in employee retention rate
- Improvement in the working environment
- Reduction of overtime hours



Environment

- CAP50: Achieve carbon neutrality by 2050
Aim for a 45% reduction by 2030 as an interim target.



Contributions to Society

- Contribute through lighting technology
 - Reduce driving stress with non-dazzling high beams, aiming for zero accidents
 - Alleviate road users' concerns with communication lighting



Synergy with Valeo Group

- R&D: Capitalize on low-cost development sites
- Order intake and sales: Secure orders for products targeting European and American automakers; deliver global models leveraging our production sites
- Purchasing sector: Achieve economies of scale through collaborative procurement
- Production engineering sector: Adopt best practices and expertise in production engineering
- Administrative divisions: Standardize and consolidate administrative functions such as accounting

Advancing business initiatives to fulfill both future financial and ESG value objectives

Materiality

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

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

Five Materialities



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

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



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

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

Growth Strategy / Innovation Technology Leader: Lighting Everywhere

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

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

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

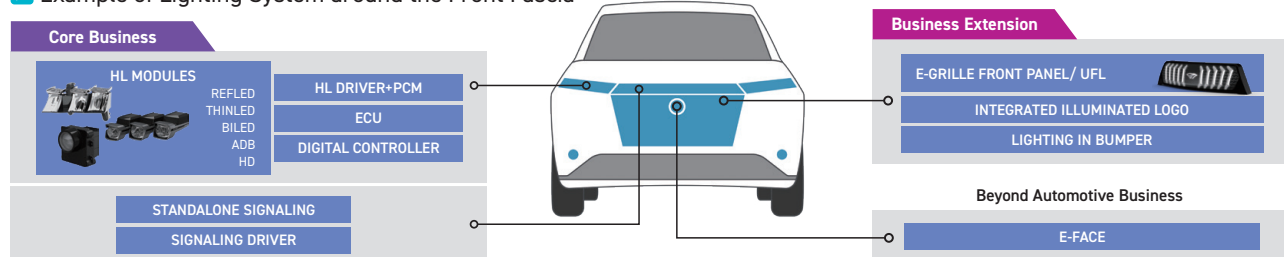
System Provider

ICHIKOH has firmly positioned itself as a system provider.

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

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

Example of Lighting System around the Front Fascia



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

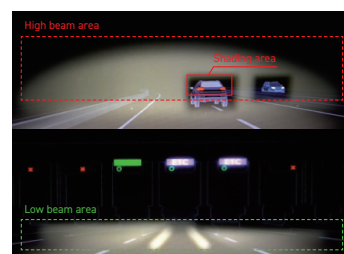
ICHIKOH has developed HD Lighting, a glare-free high beam that individually controls light split into tens of thousands of pixels, shading only the essential areas to prevent blinding oncoming and preceding vehicles. Additionally, these headlamps can assist drivers by projecting patterns, like lines, onto the road surface.

It has been noted that driving at night with high beams can help reduce the occurrence of traffic accidents.

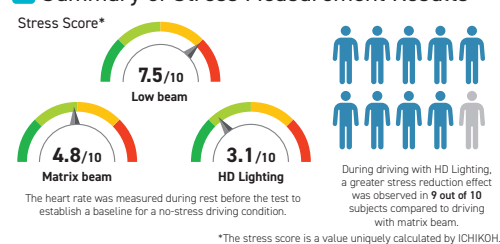
《Night-Time Driving and Driver's Stress》

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

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



Summary of Stress Measurement Results



<Enhanced Value> Establishing Brand Image — Advanced Styling through Innovative Technology

Innovative technology is essential for advanced styling.

ICHIKOH has achieved a world-first design expression in which distinctive graphics emerge clearly from the blacked-out rear lamps.

This digitally-inspired, advanced styling that symbolizes the next generation of EVs provides an optimal design for global vehicle models.



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

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

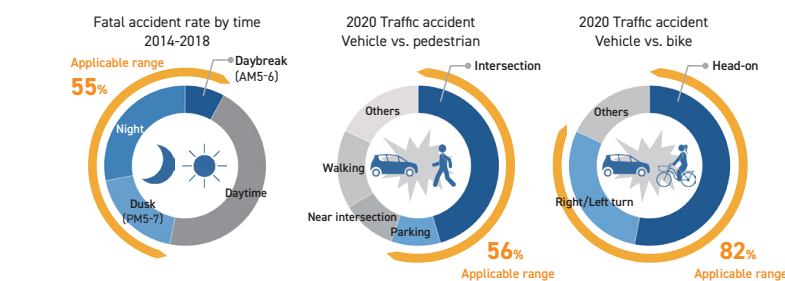
While HD lighting can project light onto the road surface, it is primarily directed forward. In contrast, near-field projection can be used for multi-directional illumination.

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

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



Aiming to Reduce Traffic Accidents (Trends in Accident)



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

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

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

"What will change when cars are electrified and become autonomous?" That question was the starting point for our backcasting.

With car electrification, the radiator grille's function as an "intake for engine cooling" diminishes, making it more of a design feature, akin to a part of the front lamp. Moreover, a global styling trend sees headlamps becoming slimmer and signal lamps growing larger, blurring the design distinction between the grille and lighting.

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

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

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

"e-Grille" for EV, "Communication lighting" for AV





Foundation for Value Creation

Advantages of Being Part of the Valeo Group

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

Research and Development (R&D)

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

Order Intake and Sales

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

Purchasing

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

Production Engineering

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

Indirect Costs and Administration

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

Monozukuri Culture

Lean Production System

ICHIKOH's Atsugi Plant, the newest in its lineup, has integrated a lean production system that does away with intermediate stock. The efficiency of the production line that was transferred from the Isehara Plant has seen significant improvements. We aim to spread this new concept to our daughter plants.

Technologies-and -Skills Handover and Automation

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

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

Mother-Daughter Activities

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

Greener Monozukuri

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

Intellectual Property Strategy

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

ICHIKOH's Intellectual Properties (Application Date: January 1, 2013 – December 31, 2022)

- Patents: 868 (593 in Japan + 275 overseas)
- Designs: 24
- Trademarks: 72



Initiatives to Enhance Corporate Value

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

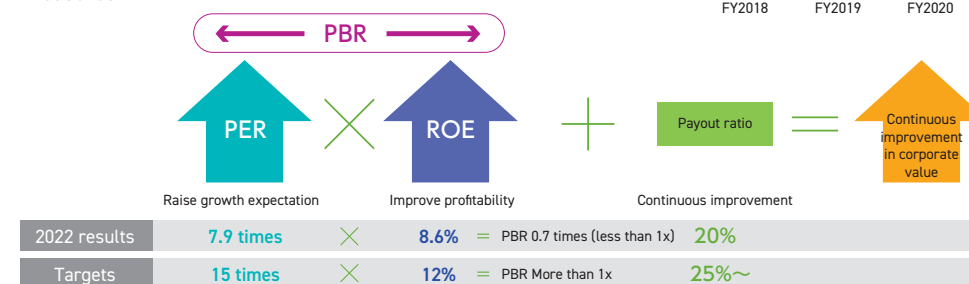
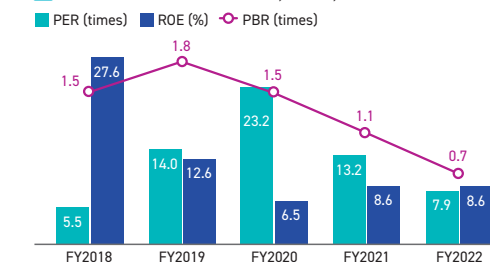
ICHIKOH is committed to improving the Price-to-Book Ratio (PBR) by focusing on both Price-to-Earnings Ratio (PER) measures and Return on Equity (ROE) measures. In terms of PER, we will contemplate growth strategies anchored in three investment pillars aimed at medium- to long-term growth. For ROE, our approach centers on enhancing profitability.

Current Status Analysis

- While the cost of capital stands at approximately 10%, ROE has been below 10% since 2020
- PER has exhibited a declining trend from 2020, registering 7.9 times in 2022
- PBR, reflecting the trends of both PER and ROE, has shown a downward trajectory from 2019 to 2022

➔ We aim to elevate PBR to more than 1x through the following improvement measures.

5-Year Trends in PBR, ROE, and PER



1. Measures to Improve PER (Enhancing Growth Potential) – Three Pillars

1. Enlightened Growth Strategy

- We plan to expand our business investments to harness the robust growth of the Indonesian market further.
- We intend to venture into new regions where significant growth is anticipated.
- We will reinvigorate synergies with Valeo's advanced technology and global base, establishing a competitive edge on the global platform.

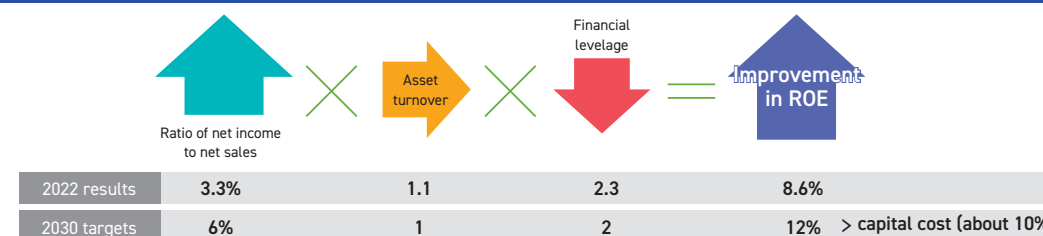
2. R&D Investments for Developing Distinctive High-Value Products

- We aim to create products that bolster the unique brand images of our customers.
- We will seize growth opportunities spurred by the revolutions in electrification and autonomous driving.

3. Commitment to Carbon Neutrality and Investment in Human Capital

- We remain dedicated to educating and investing in all personnel within the ICHIKOH Group, fostering outstanding talent, and ensuring the organization's sustained progress.
- As we uphold our corporate responsibility in addressing climate change, we look forward to reaping the benefits of carbon neutrality and energy-saving initiatives.

2. Measures to Improve ROE (Improvement in Profitability)



Achieving Growth Strategy through Investment + Improved Productivity ➔ ROE Target of 12%

- **Net income to sales ratio:** Alongside productivity enhancements, we aim for increased profitability by boosting sales with innovative and differentiated products.
- **Asset turnover ratio:** While we will be proactively investing, we anticipate the asset turnover ratio to stay roughly the same by efficiently utilizing surplus funds.
- **Financial leverage:** With the goal of further bolstering our equity through higher profitability, we foresee a reduction in our financial leverage.



Human Resources Strategy / Diversity

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

Respect for Human Rights

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

Employee First

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

Promotion of Diversity

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

Human Resources Development / Education

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

ICHIKOH's Human Resources Strategy

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

ICHIKOH Basic Workforce Data

(2022 Result)

	Percentage of female managers (%)	Percentage of male employees taking childcare leave (%)	Wage disparity between male and female employees (%)
			Overall employees
Non-consolidated	2.1	20.6	67.1
Consolidated	2.0	23.9	66.3

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

KPIs for Human Resources Strategy and Diversity

	Issue	Key indicators	2022 results	2028 targets	SDGs
Employees	Safety and Health	Accident frequency rate (FR1: Number of lost work time accidents per million working hours)	0.65	Less than 1.0	
	Diversity and Inclusion*	Percentage of foreign employees	7.0 %	9.5 %	
		Percentage of disabled employees	2.50 %	2.75 %	
		Percentage of rehired staff post-retirement	65.9 %	90.0 %	
Work-life Balance*	Annual paid leave acquisition rate	69.8 %	80.0 %		

* Non-consolidated basis

Comfortable Working Environment

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

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



Environment

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

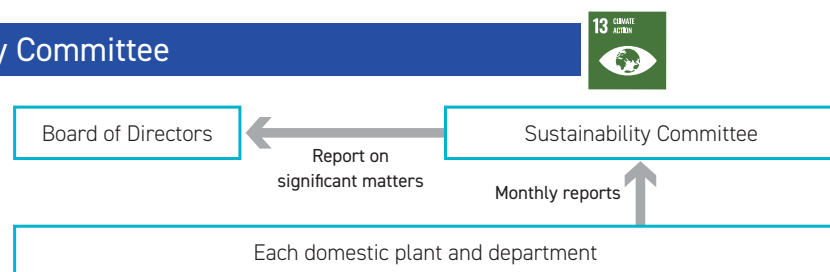
ICHIKOH Group Environment Policy < Basic Policy > (Partial Extract)

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

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

Promotion System: Sustainability Committee

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



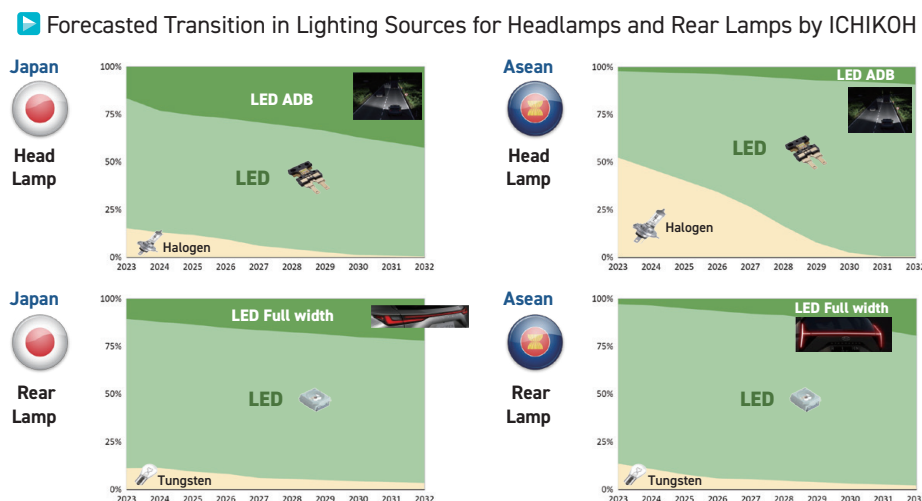
Product Development

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

1) Power saving	2) Optimization of the use / Re-use of material	3) Use of materials with high environmental performance
<ul style="list-style-type: none"> ● LED being now the mostly widely used light sources, ICHIKOH continues to optimize energy consumption with : <ul style="list-style-type: none"> - Enhancement of LED light source efficiency - Power-saving modifications in electronic components, such as drive circuits - Improvements in optical efficiency (both material and design improvements) - Brightness optimization based on the vehicle's surrounding environment using software and artificial intelligence 	<ul style="list-style-type: none"> ● Reduction of weight, thickness, and new design & production processes ● Think about whole lifecycle : <ul style="list-style-type: none"> - dismantlability, re-furbishment, re-use 	<ul style="list-style-type: none"> ● Bio-derived materials ● Recycled materials, including plastics and metals ● Dry surface treatments

Light Sources evolution

Including in ASEAN, the shift toward LED has now been made. The 65 % power consumption saving between LED and tungsten / halogen bulbs allowed already significant reduction of carbon emissions. ICHIKOH continues its activities with smarter sources and electronics to propose high-value-added products, including road safety continuous improvement, and simultaneously aim for lower carbon emissions.

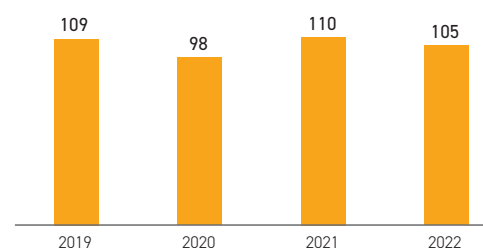


Environmental KPIs

Issue	Key indicators	Benchmark	2021 results	2022 results	Targets	SDGs	
Environmental efficiency	Energy and carbon efficiency in production activities	Direct (Scope 1) and indirect (Scope 2) emissions ratio (1000 t-CO ₂)*	FY2019: 109	110	105	FY2030: Reduce by 75% (Achieved 45% of target across Scopes 1, 2, and 3)	9, 12, 13
		ISO50001 energy management certification acquisition rate (by site)*	FY2019:0% (0/7 sites)	0% (0/7sites)	57% (4/7 sites)	FY2030: Maintain at 100%	
Water resources	Water usage (1,000 m ³)*	FY2019:1,112	742	570	FY2030: Reduce by 90%		

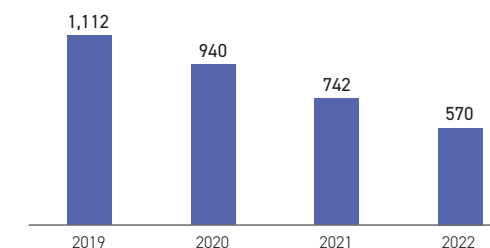
*Excluding mirror business

CO₂ Emissions (Scope 1 and 2) [1,000 t-CO₂]*



CO₂ emissions in 2022 decreased compared to the base year of 2019. 2021 saw a slight increase over the base year due to the recovery in sales.

Water Usage [1,000 m³]*



Water usage has been steadily decreasing since 2019. This is due to the restructuring of the Isehara manufacturing site and measures to prevent water leakage.

* Base including overseas. For the sake of comparison, the mirror business and the former subsidiary Life Elex, Inc. have been excluded.

Production

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

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

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

Obtained ISO 50001 certification (Energy Management System)

By 2022, all domestic production sites have been certified. We are currently working towards certification in ASEAN for 2023.

Logistics

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

Suppliers

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



Environment (TCFD) / Social

Information Disclosure Efforts Aligned with TCFD Recommendations



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

1 Governance

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

2 Strategy

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

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

3 Risk Management

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

4 Indicator and Target

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

Target	"CAP50" seeks to realize carbon neutrality by 2050, with a milestone to accomplish 45% of this target by 2030.
2022 Outcomes	Scope 1+2 CO ₂ emission stood at 105k t-CO ₂ e (mirror business excluded). Data on Scope 3 CO ₂ emissions will be unveiled in subsequent disclosures.

Supply Chain Management



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

Business Partner Code of Conduct

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

Green Procurement Guidelines

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

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

Approach to Conflict Minerals

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



Quality Management

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

2023 Quality Policy

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

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

The stated content above represents the quality policy of the ICHIKOH Group for 2023.

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

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

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



Certification of Quality Management System

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

IATF 16949 Certification

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





Corporate Governance

Internal Control Systems

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

Board of Directors

The Company's Board of Directors consists of eight members (at the close of General Shareholders' Meeting held in March,2023) and meets, in principle, nine times a year. The Board deliberates and makes management decisions on statutory matters, other important issues, and adheres to the "Regulations of the Board of Directors." It also oversees the business execution of the Directors. All corporate auditors attend these meetings and supervise the Directors' business execution.

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

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

Board of Directors Members

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

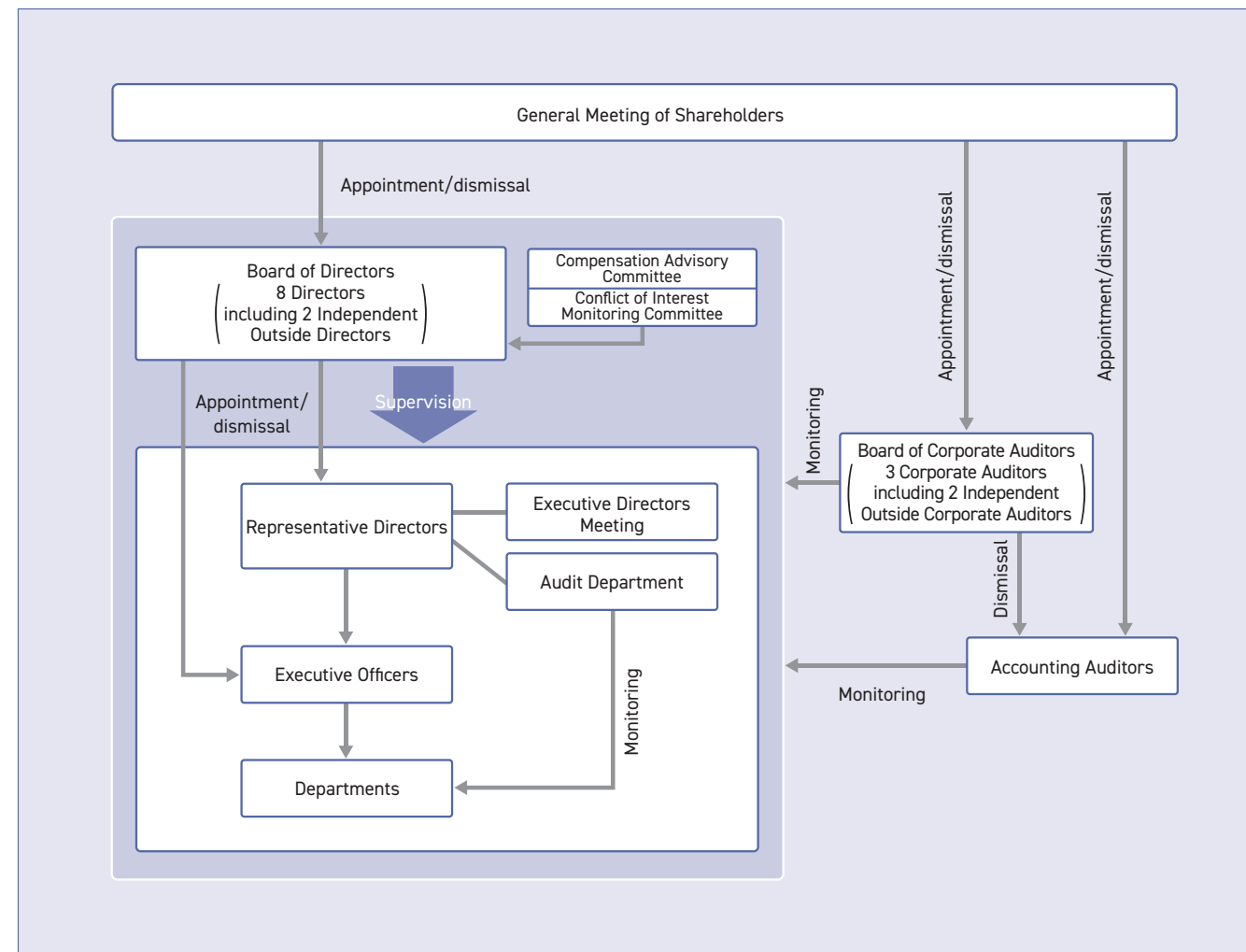
Board of Directors Skill Matrix

Name	Corporate Management	Automotive Industry Experience	Technology and Innovation	Legal, Risk Management	Finance, Accounting, M&A	ESG	Close network with Valeo	Governance	Independency
Ali Ordoobadi	●	●	●				●	●	
Christophe Vilatte	●	●	●		●	●	●	●	
Kazuyuki Miyashita	●	●	●			●	●		
Hideki Shirato	●			●	●			●	
Maurizio Martinelli	●	●	●			●	●	●	
Raul Perez	●	●		●	●		●		
Hideo Aomatsu	●				●			●	●
Jean-Jacques LAVIGNE	●							●	●

Board of Corporate Auditors

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

Internal Control Structure



Executive Directors Meeting

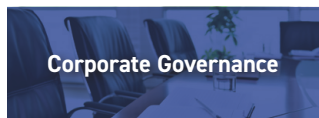
The Executive Directors Meeting is chaired by the Representative Director & Chairman and consists of four directors. The full-time Corporate Auditor also attends the meeting. This meeting serves as an advisory body to the President and deliberates on significant matters related to business execution.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

Compensation Advisory Committee

To enhance the independence, objectivity, and accountability concerning the compensation of each Director, we convene the Compensation Advisory Committee as and when needed. This voluntary committee serves as an independent consultative body to the Board of Directors. The chair of the committee is an Independent Outside Director. Its members include the Representative Director & President, an Independent Outside Director, the Managing Executive Officer in charge of Human Resources, the Director responsible for Human Resources at Valeo, and one external expert. Should an Independent Outside Director be appointed at the regular General Meeting of Shareholders in March 2024 and join the Compensation Advisory Committee, independent members will then constitute a majority of the committee.

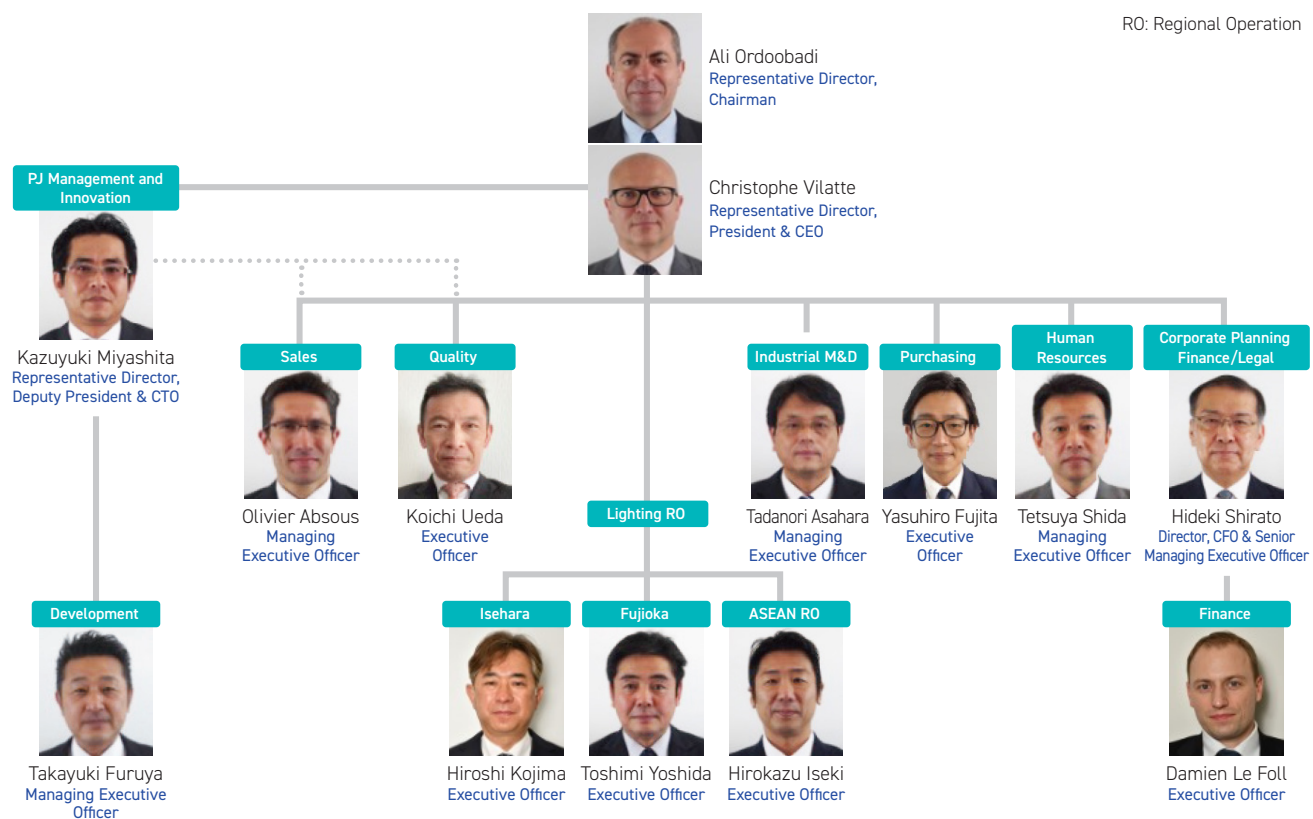
Conflict of Interest Monitoring Committee

To oversee potential conflicts of interest concerning transactions and other dealings between the Company, the ICHIKOH Group, and our parent company, the Valeo Group, from the perspective of shareholders outside of Valeo, we have established the Conflict of Interest Monitoring Committee. The committee is chaired by an Independent Outside Director and comprises an additional Independent Outside Director, a Senior Managing Executive Officer, and an Executive Officer. As a general rule, the committee convenes four times a year. During these sessions, hearings are conducted with the respective HQ Directors regarding transactions between the Valeo Group and the ICHIKOH Group. The findings from these investigations are then reported to the Board of Directors.



Corporate Governance

Business Execution System



Risk Management System

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

Business Continuity Measures

In emergencies or when anticipating a disaster, we establish a Business Continuity Response Headquarters at our head office or an Emergency Response Headquarters at each of our production sites, following the "Business Continuity Measures Guidelines." We then implement the subsequent actions:

- (1) **Preventive measures:** Actions taken to prevent potential damage, such as ensuring human safety and avoiding delivery delays, in order to maintain ongoing business operations.
- (2) **Emergency measures:** Immediate actions during emergencies to ensure human safety, verify the safety, and prevent further damage.
- (3) **Recovery measures:** Identification of damage to production equipment and efforts to promptly restore production capabilities.

Principles for Business Continuity Measures

- (1) Prioritize human safety above all.
- (2) Prevent further damage.
- (3) Strive to restore production facilities and systems.
- (4) Engage and collaborate with local communities.

Response to Business Continuity and Production Recovery

From the perspective of business continuity and the responsibility to supply to our customers, we established the "Business Continuity and Production Recovery Guidelines" to clarify procedures for emergency production recovery in the event that production functions at our sites are halted due to disasters, etc.

Efforts for Compliance

Compliance Promotion System

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

Whistle-Blowing System (Hotline)

ICHIKOH offers the following three consultation desks:

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

Risk Management

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

Risk Control

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

Risk Definition and Classification

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

Information Security

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

Methods for Advancing Information Security

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

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

Information Security Training

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

Major Financial Data

Consolidated Balance Sheets

(Millions of Yen)

	FY2021	FY2022		FY2021	FY2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	5,720	8,631	Notes and accounts payable-trade	29,209	36,982
Notes and accounts receivable-trade	19,091	27,121	Short-term loans payable	300	1,400
Electronically recorded monetary claims-operating	373	388	Current portion of long-term loans payable	4,286	2,022
Merchandise and finished goods	5,475	5,438	Lease obligations	249	541
Work in progress	646	2,776	Income taxes payable	800	453
Raw materials and supplies	4,771	5,284	Accrued expenses	4,573	5,112
Short-term loans	10,186	10,841	Accounts payable	3,059	3,857
Other	1,913	2,857	Provision for bonuses	1,043	1,113
Allowance for doubtful accounts	(19)	(60)	Provision for directors' bonuses	35	36
Total current assets	48,160	63,280	Provision for product warranties	1,475	1,983
Noncurrent assets			Other	4,257	4,983
Property, plant and equipment			Total current liabilities	49,290	58,485
Buildings and structures	28,974	29,693	Noncurrent liabilities		
Less: accumulated depreciation	(16,725)	(17,361)	Long-term loans payable	2,942	920
Buildings and structures, net	12,248	12,332	Lease obligations	2,173	2,892
Machinery, equipment and vehicles	44,246	45,261	Deferred tax liabilities	148	153
Less: accumulated depreciation	(26,452)	(27,507)	Retirement benefits	8,220	8,182
Machinery, equipment and vehicles, net	17,793	17,753	Asset retirement obligations	95	172
Tools, furniture and fixtures	23,846	14,363	Provision for environmental measures	93	23
Less: accumulated depreciation	(17,238)	(11,729)	Other	33	76
Tools, furniture and fixtures, net	6,607	2,633	Total noncurrent liabilities	13,706	12,421
Land	2,757	2,788	Total liabilities	62,997	70,907
Lease assets	6,303	7,397	Net Assets		
Less: accumulated depreciation	(4,106)	(4,413)	Shareholders' equity		
Lease assets, net	2,196	2,983	Common stock	8,986	8,986
Construction in progress	3,749	3,164	Capital surplus	2,505	2,505
Total property, plant and equipment	45,352	41,656	Retained earnings	40,073	44,660
Intangible assets			Treasury stock	(54)	(55)
Other	995	859	Total shareholders' equity	51,511	56,096
Total intangible assets	995	859	Accumulated other comprehensive income		
Investments and other assets			Valuation difference on available-for-sale securities	80	91
Investment securities	1,373	2,268	Foreign currency translation adjustments	(1,277)	41
Long-term loans receivable	1,270	1,128	Retirement benefit adjustments	(1,393)	(1,895)
Investment in affiliates	9,291	9,477	Total accumulated other comprehensive income	(2,590)	(1,762)
Net defined benefit asset	543	303	Non-controlling interests		
Deferred tax assets	4,486	5,569		603	673
Other	1,056	1,374	Total net assets	49,523	55,007
Allowance for doubtful accounts	(7)	(3)	Total liabilities and net assets	112,521	125,915
Total investments and other assets	18,013	20,118			
Total noncurrent assets	64,360	62,634			
Total assets	112,521	125,915			

Consolidated Statements of Income

(Millions of Yen)

	FY2021	FY2022
Net sales	125,510	135,451
Cost of sales	100,740	112,253
Gross profit	24,770	23,198
Selling, general and administrative expenses	19,207	19,260
Operating income	5,562	3,937
Non-operating income		
Interest income	144	144
Dividend income	10	42
Gain on securities sold	18	—
Equity in earnings of affiliates	1,333	1,575
Other	19	164
Total non-operating income	1,525	1,926
Non-operating expenses		
Interest expenses	131	165
Commission fee	7	7
Environmental measures costs	126	—
Foreign exchange losses	262	288
Other	52	51
Total non-operating expenses	581	512
Ordinary income	6,506	5,351
Extraordinary income		
Gain on disposal of non-current assets	11	0
Total extraordinary income	11	0
Extraordinary loss		
Loss on disposal of non-current assets	172	578
Impairment loss	190	—
Loss on sales of stocks of affiliates	126	—
Business structure improvement expenses	—	365
Total extraordinary losses	489	943
Income before income taxes	6,028	4,408
Income taxes-current	1,308	1,083
Income taxes-deferred	670	(1,177)
Total income taxes	1,978	(94)
Net income	4,049	4,502
Net income attributable to non-controlling interests	66	78
Net income attributable to owners of the parent	3,983	4,423

Consolidated Statements of Changes in Shareholders' Equity

(Millions of Yen)

FY2021

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	8,986	2,505	36,692	(45)	48,138	70	(3,052)	(1,597)	(4,578)	984	44,544
Cumulative effect of changes in accounting policies			121		121						121
Balance at the beginning of the period reflecting changes in accounting policies	8,986	2,505	36,813	(45)	48,259	70	(3,052)	(1,597)	(4,578)	984	44,665
Changes of items during the period											
Net income attributable to owners of the parent			3,983		3,983						3,983
Dividend of surplus			(576)		(576)						(576)
Acquisition of treasury stock				(8)	(8)						(8)
Changes in scope of consolidation			(147)		(147)						(147)
Net changes of items other than shareholders' equity						9	1,774	204	1,988	(381)	1,606
Total changes of items during the period	—	—	3,259	(8)	3,251	9	1,774	204	1,988	(381)	4,858
Balance at end of the period	8,986	2,505	40,073	(54)	51,511	80	(1,277)	(1,393)	(2,590)	603	49,523

FY2022

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

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2021	FY2022
Net income	4,049	4,502
Other comprehensive income		
Valuation difference on available-for-sale securities	9	11
Foreign currency translation adjustments	605	741
Retirement benefit adjustments	204	(502)
Share of other comprehensive income of associates accounted for using equity method	1,209	624
Other comprehensive income	2,027	875
Comprehensive income	6,077	5,378
Comprehensive income attributable to		
Owners of the parent	5,971	5,251
Non-controlling interests	105	126

Consolidated Cash Flows

(Millions of Yen)

	FY2021	FY2022
Cash flows from operating activities		
Income before income taxes	6,028	4,408
Depreciation and amortization	8,345	5,684
Increase (decrease) in allowance for doubtful accounts	(21)	38
Increase (decrease) in provision for bonuses	13	49
Increase (decrease) in provision for product warranties	(120)	503
Increase (decrease) in net retirement benefit liabilities	164	(226)
Interest and dividends income	(155)	(186)
Interest expenses	131	165
Equity in losses (earnings) of affiliates	(1,333)	(1,575)
Loss (gain) on sales of investment securities	(18)	—
Loss (gain) on disposal of noncurrent assets	161	577
Impairment loss	190	—
Loss (gain) on sale of shares of subsidiaries and affiliates	126	—
Decrease (increase) in notes and accounts receivable-trade	3,388	(1,584)
Decrease (increase) in inventories	(2,906)	(1,015)
Decrease (increase) in other current assets	(285)	64
Increase (decrease) in notes and accounts payable-trade	(764)	7,217
Increase (decrease) in other current liabilities	(668)	543
Others, net	(569)	(1,062)
Subtotal	11,708	13,600
Interest and dividends income received	155	1,299
Interest expenses paid	(131)	(200)
Income taxes paid	(2,523)	(1,694)
Net cash provided by (used in) operating activities	9,209	13,005
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,055)	(5,351)
Proceeds from sales of property, plant and equipment	32	0
Payments acquisition of intangible fixed assets	(43)	(11)
Purchase of investment securities	(12)	(11)
Proceeds from sales of investment securities	57	—
Decrease (increase) in short-term loans receivable	(766)	(538)
Other, net	103	(0)
Net cash provided by (used in) investing activities	(6,684)	(5,912)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	300	1,100
Proceeds from long-term loans payable	300	—
Repayment of long-term loans payable	(2,045)	(4,286)
Cash dividends paid	(576)	(768)
Dividends paid to non-controlling interests	—	(56)
Repayments of lease obligations	(327)	(391)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(2,350)	(4,404)
Effect of exchange rate change on cash and cash equivalents	119	223
Net increase (decrease) in cash and cash equivalents	293	2,910
Cash and cash equivalents at beginning of period	5,426	5,720
Cash and cash equivalents at end of period	5,720	8,631

10-Year Selected Consolidated Financial Data

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

Stock Information (As of December 31, 2022)

Stock Information

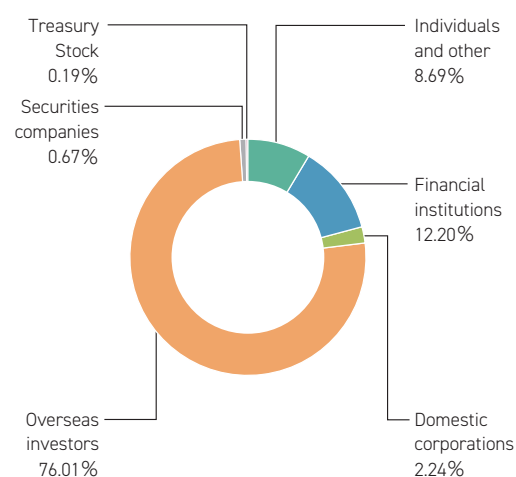
Number of shares issued	96,292,401 shares
Number of shares authorized	200,000,000 shares
Number of Shareholders	6,626

Major Shareholders

Shareholder	Num. of Shares (1,000 shares)	Holding Ratio (%)
Valeo Bayen	58,791	61.16
Custody Bank of Japan, Ltd. (Trust Account)	5,448	5.66
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,271	4.44
INVERSIS/IICS JAPAN	4,115	4.28
BBH (LUX) FOR FIDELITY FUNDS PACIFIC FUND POOL	1,548	1.61
Daihatsu Motor	1,076	1.11
Nippon Life Insurance Company	988	1.02
JP MORGAN CHASE BANK 385781	651	0.67
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	583	0.60
BNP PARIBAS LUXEMBOURG / 2S / JASDEC SECURITIES/ UCITTS ASSETS	532	0.55

(Notes)
 1. The shareholding ratio was calculated excluding the treasury stock (179,414 shares). The figures less than the unit are rounded down.
 2. The top 10 shareholders are listed, including one major shareholder who holds one-tenth or more of the total number of issued shares.
 3. Out of the shares owned by Custody Bank of Japan, Ltd. the number of shares related to trust business is 5,448,000. shares.

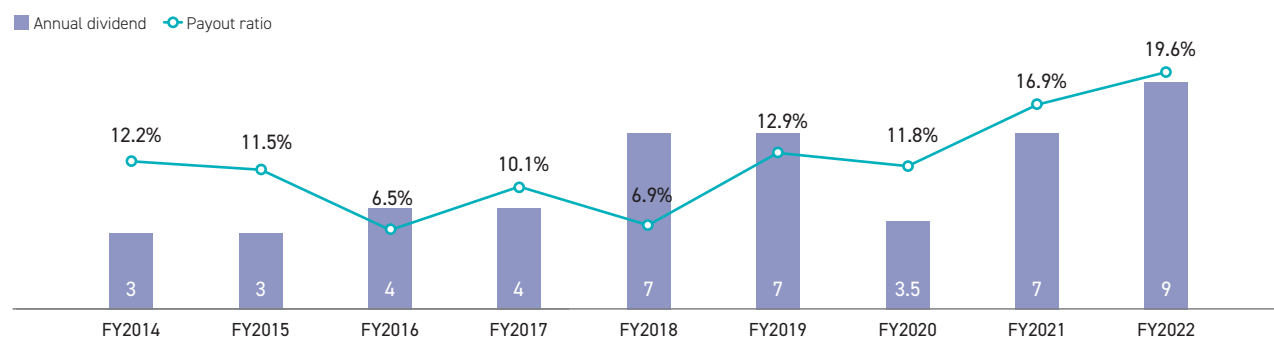
Composition of Shareholders by Type



Share Price Trend (Yen)



Dividend Trends (Yen / Per share)



Company Information (As of December 31, 2022)

Trade name	ICHIKOH INDUSTRIES, LTD.
Date of foundation	June 20, 1903 (Meiji 36)
Date of establishment	December 20, 1939 (Showa 14)
Capital stock	8.9 billion yen
Number of employees	Consolidated: 4,856 employees Non-consolidated: 2,542 employees (As of December 31, 2022, including average temporary staff)
Stock exchange listing	The Tokyo Stock Exchange, Prime Market
Head office	80 Itado, Isehara City, Kanagawa

Consolidated Subsidiaries*1

Company name	Address	Capital	Main business	Ichikoh's shareholdings
PIAA Corporation	Bunkyo-ku Tokyo	475 M yen	Sales of automotive parts for aftermarket	100.0 %
Kyushu Ichikoh Industries, Ltd.	Nakatsu City Oita	50 M yen	Manufacture and sales of automotive parts	100.0 %
Ichikoh (Malaysia) SDN. BHD.	Negeri Sembilan, Malaysia	MYR 9 M	Manufacture and sales of automotive parts	70.0 %
PT. Ichikoh Indonesia	West Java, Indonesia	IDR 133,124 M	Manufacture and sales of automotive parts	100.0 %
Ichikoh Industries (Thailand) Co., Ltd.	Rayong, Thailand	THB 1,446 M*2	Manufacture and sales of automotive parts	99.9 %

*1 Excluding mirror business subsidiaries
 *2 Reflecting capital reduction in 2023

Equity Method Companies

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

Editorial Policy

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

Reporting period: While the primary focus of this report is the fiscal year 2022 (from January to December 2022), it also includes the most recent information.

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

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

Notes on forecasts

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

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

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