



September 7, 2012

To whom it may concern

Company Name: Ichikoh Industries Co., Ltd.  
Name of Representative: Ali Ordoobadi  
Representative Director & President  
(Code: 7244; TSE I)  
Contact: Daiki Shintaku, General Manager  
Corporate Planning Department  
(Phone: 0463-96-1442)

## **Announcement concerning the business alliance agreement with Valeo S.A. in the China region**

Ichikoh Industries Co., Ltd. (hereinafter referred to as "Ichikoh") has been in a business alliance with Valeo S.A. (Head office : 43 rue Bayen-75848 Paris Cedex 17, Chief Executive Officer : Jacques Aschenbroich, hereinafter referred to as "Valeo"), the French automotive parts manufacturer, since July 2000. We hereby announce that at the board of directors meeting held on September 7, 2012, a resolution was adopted to enter into a business partnership agreement with Valeo accompanied by the reorganization of Valeo and Ichikoh subsidiaries and affiliates dedicated to lighting business in China (hereinafter referred to as "Chinese Affiliates") that will strengthen their relationships under the business alliance.

Under this reorganization, Ichikoh and Valeo will contribute their respective Chinese Affiliates to a new joint holding structure Valeo Ichikoh Holding Ltd. (a corporation Incorporated in Ireland with share ownership ratios of Valeo 85% and Ichikoh 15% [meaning the ownership percentages of the outstanding shares]).

It is further announced that under such reorganization, Ichikoh will assign its shares of in its affiliate company, Foshan Ichikoh Valeo Auto Lighting Systems Co., Ltd. (hereinafter refer to as "FIV") to Valeo Ichikoh Holding Ltd.

### **1. Reasons for concluding the agreement**

Ichikoh is committed to reinforcing its management quality to enhance its global delivery network through the business alliance with its partner Valeo and simultaneously strengthen its price competitiveness and product development capabilities in order to address the challenges of an increasingly global automotive market.

In this environment, in order to maintain sustained business growth and continued customer satisfaction in the Chinese market, forecasted to enjoy continued growth, Ichikoh has decided to cooperate with Valeo and establish a regional management control center and reorganize its Affiliates in the lighting sector.

## 2. Current and post reorganization share ownership ratios for Ichikoh and Valeo

- (1) Ichikoh will assign all owned FIV shares (currently 50%) to Valeo Ichikoh Holding Ltd.
- (2) Valeo will assign all under mentioned shares to Valeo Ichikoh Holding Ltd.
  - Shares of FIV (all shares comprising 50% of company)
  - Shares of Valeo Auto Lighting (Shenyang) Co., Ltd. (hereinafter referred to as “Valeo Shenyang”) (currently 100% owned by Valeo)
  - Shares of Wuhu Valeo Automotive Lighting System Co., Ltd. (hereinafter referred to as “Ruby”) (currently 80% owned by Valeo)
  - Shares of Valeo Hubei Technical Center Co., Ltd. (hereinafter referred to as “Hubei Tech Center”) (currently 100% owned by Valeo)
- (3) There will be no change in the current shareholding ratios for Valeo Ichikoh Holding Ltd. (Valeo 85%, Ichikoh 15%).
- (4) Ichikoh will acquire 15% of the shares of Hubei Valeo Auto Lighting Co., Ltd. (hereinafter referred to as “Valeo Hubei”) which is currently 100% owned by Valeo. Furthermore, the corporate name of Valeo Hubei will be renamed Valeo Ichikoh (China) Auto Lighting Co., Ltd.
- (5) As described above, Ichikoh will obtain indirectly or directly ownership stakes in the following Valeo entities – FIV 15%, Valeo Shenyang 15%, Ruby 12%, Hubei Tech Center 15% and Valeo Hubei 15%. An additional non-substantial cash contribution will be made by Ichikoh to Valeo in order to complement the valuation differential.

## 3. Details of the Affiliates pertaining to the restructuring

### « FIV » (As of December end 2011)

(1)	Company Name	Foshan Ichikoh Valeo Auto Lighting Systems Co., Ltd.	
(2)	Address	No.7 South Huabao Road, Foshan National Hi-Tech Industrial Development Zone, Chancheng District, Foshan City, Guangdong Province, P.R. China	
(3)	Representative	Legal Representative: Ali Ordoobadi	
(4)	Description of business	Manufacturing and sales of automotive parts	
(5)	Share Capital	USD 22 Million (paid in capital)	
(6)	Date of Establishment	September 22, 2005	
(7)	Net Assets (Equity)	Yüan 170 Million	
(8)	Total Assets	Yüan 582 Million	
(9)	Shareholders and ownership ratio	Ichikoh 50% Valeo Bayen (Wholly-owned subsidiary of Valeo) 50%	
(10)	Relation with Ichikoh Industries Co., Ltd.	Capital Relationship	Ichikoh Industries Co., Ltd. owns 50% shares of this company.
		Management Involvement	Ichikoh assigns three directors.
		Related Transactions	Ichikoh supplies and purchases automotive parts from this company.
		Related Party Status	Ichikoh accounts for the Affiliate on an equity method basis.

« Valeo Ichikoh Holding Ltd. »

(1)	Company Name	Valeo Ichikoh Holding Ltd.	
(2)	Address	Dublin City, Republic of Ireland	
(3)	Representative	General Manager: Heiko Sauer	
(4)	Description of business	Established as future holding company of FIV, Valeo Shenyang, Ruby and Hubei Tech Center.	
(5)	Issued Share Capital	Euro 100	
(6)	Date of Establishment	August 9, 2012	
(7)	Net Assets (Equity)	NA (as this company is newly established)	
(8)	Total Assets	NA (as this company is newly established)	
(9)	Shareholders and ownership ratio	Ichikoh 15% Connaught Electronics Limited (100% subsidiary of Valeo) 85%	
(10)	Relation with Ichikoh Industries Co., Ltd.	Capital Relationship	Ichikoh Industries Co., Ltd. owns 15% of the outstanding shares.
		Management Involvement	Ichikoh assigns two directors to this company.
		Related Transactions	No current business dealings exist between Ichikoh and the company.
		Related Party Status	Ichikoh accounts for the Affiliate on an equity method basis.

« Valeo Hubei » (As of December end of 2011)

(1)	Company Name	Hubei Valeo Auto Lighting Co., Ltd.	
(2)	Address	No.99 Chuangye Street, Wuhan Economic and Development Zone, Wuhan, P.R. China	
(3)	Representative	Legal Representative: Edouard Arnoux de Pirey	
(4)	Description of business	Manufacturing and sales of the automotive lighting	
(5)	Share Capital	USD 20,774,478 (fully paid-in)	
(6)	Date of Establishment	February 7, 1995	
(7)	Net Assets (Equity)	Yüan 624 Million	
(8)	Gross Assets	Yüan 1,020 Million	
(9)	Shareholders and ownership ratio	Valeo International Holding BV (100% subsidiary of Valeo SA)	
(10)	Relation with Ichikoh Industries Co., Ltd.	Capital Relationship	No capital relationship with Ichikoh. Valeo indirectly owns 31.77% of the voting right of Ichikoh and accounts for Ichikoh using the equity method.
		Management Involvement	No directors are assigned from Ichikoh. Three of Ichikoh's directors are from Valeo or a group company of Valeo.
		Related Transactions	There are no transactions of note between Ichikoh and the company. Furthermore, there

			are also no transactions of note between Ichikoh and Valeo.
		Related Party Status	The company is not a related party of Ichikoh. Valeo, the indirect parent company of the company, is a related party of Ichikoh.

#### 4. Time Schedule

September 7, 2012	Board of Directors of Ichikoh to sign the joint venture master agreement
Late November, 2012 (Scheduled)	Ichikoh and Valeo assign the shares of FIV to Valeo Ichikoh Holding Ltd.
Late December, 2012 (Scheduled)	Valeo assigns the shares of Valeo Shenyang, Ruby and Hubei Tech Center to Valeo Ichikoh Holding Ltd.; and Valeo also assigns 15% of the shares of Valeo Hubei to Ichikoh.

#### 5. Anticipated Actions

We are carefully investigating the expected influence of this matter on Ichikoh's consolidated financial results for the current fiscal year ending March 2013, but expect the impact not to be significant. Ichikoh will disclose facts in a timely manner should future investigations reveal items that require disclosure.

#### 6. Detail of Valeo Group

Valeo is an independent group of companies specializing in the design, development, manufacturing and sales of automotive parts, systems and modules, and is actively partaking in efforts to reduce CO2 emissions.

Valeo is one of the world's largest automotive parts suppliers operating 127 factories, 21 research centers, 40 technical centers and 12 distribution centers and employs approximately 71,000 employees in 28 countries. A summary description of Valeo is provided below.

##### « Valeo » (As of end of December 2011)

(1)	Company Name	Valeo SA	
(2)	Address	43 rue Bayen-75848 Paris Cedex 17, France	
(3)	Representative	Chief Executive Officer : Jacques Aschenbroich	
(4)	Description of business	Design, development, manufacturing and sales of automotive parts, systems and modules	
(5)	Share Capital	Euros 238 Million (consolidated)	
(6)	Date of Establishment	February 10, 1923	
(7)	Net Assets (Equity)	Euros 2,080 Million (consolidated)	
(8)	Total Assets	Euros 8,562 Million (consolidated)	
(9)	Shareholders and ownership ratio	Fonds Stratégiques d'Investissements : 5.83% Blackrock Inc.: 4.97% Caisse des dépôts et consignations 3.04%	
(10)	Relation with	Capital	The company is a 'parent and/or other related'

(10)	Ichikoh Industries Co., Ltd.	Relationship	[expression used under TSE disclosure rules] entity of Ichikoh, owning 31.77% of the voting shares of Ichikoh and the company accounts for Ichikoh using the equity method.
		Management Involvement	Three of Ichikoh's directors are from Valeo or a group company of Valeo.
		Related Transactions	There are no business relationship to be noted between Ichikoh and this company.
		Related Party status	The company is a related party of Ichikoh.

### 7. (Reference)

Summary forecast of Consolidated Financial Statements for current fiscal year (announced on May 15, 2012) and results for period ending March 31, 2012.

Units : Million Yen

	Sales	Operating Income	Ordinary Income	Net Income
Forecast FY2012 (March 2013 End)	85,500	400	3,300	2,900
Result of FY2011 (March 2012 End)	87,839	2,905	4,426	1,416

End