



July 21, 2017

To whom it may concern

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Disclosure of Financial Results of Valeo
including information of the Company

We would like to announce that the information of financial results (sales figures) of the Company, as described below, are included in the financial results for the first half of 2017 (January-June) disclosed yesterday by Valeo, the parent company of Ichikoh.

However, such figures disclosed by Valeo cannot be directly compared with the figures disclosed by Ichikoh due to the following reasons: (1) consolidated sales figures of Valeo are constituted of five months, from February to June, (2) IFRS is adopted as the accounting standard in Valeo which differs from the Japanese standard adopted by the Company.

As for the settlement figures of the Japanese standard which is undergoing now, it will be disclosed as a summary of the settlement of accounts as soon as it finished.

(Disclosure content by Valeo related to financial figures of the Company)

“Ichikoh contributed 419 million of euros to consolidated sales in first-half 2017(to Valeo).”

Note: The whole disclosure content related to the Company is as shown in the attachment.

End

2.1.1 Ichikoh

On November 22, 2016, Valeo announced the launch of a partial takeover bid for the shares of Ichikoh, a Japanese company listed on the First Section of the Tokyo Stock Exchange. Valeo acquired an initial block of Ichikoh shares on April 27, 2000.

Valeo offered to buy shares from Ichikoh's shareholders at a price of 408 Japanese yen per share, subject to Valeo obtaining at least 50.09% of Ichikoh's capital (including the shares it already holds), with Valeo's stake being capped at 55.08% of the capital in order to maintain the liquidity of the Ichikoh share, which will continue to be listed on the Tokyo Stock Exchange.

On completion of the takeover bid, which ran from November 24, 2016 to January 12, 2017, Valeo announced that 32,383,612 shares had been tendered by other Ichikoh shareholders. As the offer was oversubscribed, the financial intermediaries reduced the shares to be acquired by Valeo on a prorated basis, by approximately 30.26%.

On December 12, 2016, Valeo announced that it had obtained the necessary approvals from the relevant antitrust authorities to proceed with the transaction.

As of settlement-delivery on January 20, 2017 following Valeo's takeover bid for 22,583,000 shares after the prorated reduction, the Group holds 55.08% of Ichikoh's capital (compared with 31.58% of its capital previously) and takes control of one of Japan's leading automotive lighting companies. As the period between the takeover date of January 20, 2017 and the date of February 1, 2017 was not deemed to be material, Ichikoh has been fully consolidated by Valeo, mainly within the Visibility Systems Business Group, since February 1, 2017.

The takeover resulted in (i) recognizing at fair value the Group's previously-held equity-accounted interest, and (ii) recognizing Ichikoh's assets and liabilities in full. Remeasuring the previously-held equity interest technically gave rise to a disposal gain of 14 million euros, which was recognized under "Share in net earnings of equity-accounted companies".

Given how recently the acquisition was finalized, the purchase price has been allocated to Ichikoh's assets and liabilities on a provisional basis over first-half 2017, in accordance with IFRS 3. Provisional goodwill resulting from the acquisition amounts to 57 million euros. The Group expects to identify the identifiable assets acquired and liabilities assumed and measure them at their acquisition-date fair values in the second half of 2017. The allocation will be finalized within 12 months of the acquisition date, i.e., no later than January 2018.

The main impacts of this acquisition are as follows:

<i>(in millions of euros)</i>	Allocation at June 30, 2017
PURCHASE PRICE (including the fair value of the previously-held equity interest)	145
Carrying amount of acquired net assets at the acquisition date	88
Other individually non-material remeasurements to fair value	-
FAIR VALUE OF IDENTIFIABLE NET ASSETS	88
PROVISIONAL GOODWILL ARISING ON THE ACQUISITION	57

<i>(in millions of euros)</i>	Allocation at June 30, 2017
Net cash and cash equivalents acquired	86
Consideration paid	(62)
Acquisition costs paid during the period	(3)
NET CASH FLOWS RESULTING FROM THE ACQUISITION	21

The purchase of additional shares in Ichikoh also increased Valeo's indirect ownership interest in the six entities of the China Lighting Alliance, jointly held by Valeo (85%) and Ichikoh (15%) and already fully consolidated by the Group prior to the takeover of Ichikoh. In accordance with IFRS 3, this portion of the transaction is classified as a transaction between shareholders and has been considered for accounting purposes as having generated an additional cash outflow of 14 million euros.

Ichikoh contributed 419 million euros to consolidated sales in first-half 2017.