



September 26, 2022

To whom it may concern

Company Name: Ichikoh Industries, Ltd.
Name of Representative: Christophe Vilatte
Representative Director, President & CEO
(Code: 7244; TSE Prime Market)
Contact: Masaki Takamori
General Manager
Corporate Planning Department
(Phone: 0463-96-1442)

Notice Concerning the Business transfer to subsidiary through Company Split (Simplified Absorption-Type Company Split) and the Sale of its shares

According to the resolution at the Board of Directors held today, Ichikoh Industries, Ltd.(the Company) decided to sell Mirror Business of its group to SMR, with the objectives 1) to establish a development infrastructure for medium- to long-term Mirror Business, and 2) to select and concentrate on Lighting Business of the Company group. (Please find the detail as below.)

The process for this reorganization will involve the sale of the shares of its wholly owned domestic mirror business subsidiary, Misato Industries Co., Ltd.(hereinafter referred to the "Misato") to SMR Automotive Mirrors UK Limited, one of the group companies of Samvardhana Motherson International Limited (hereinafter collectively referred to the "Motherson Group") *1, after splitting to and absorbing by Misato the Company's business related to the design, development, manufacture and sale of automotive mirrors with the equity interests of Ichikoh(Wuxi) Automotive Parts Co.,Ltd., a specified subsidiary that operates mirror business in China (hereinafter referred the "Business").

In addition, since the simplified absorption-type company split transfers the "Business" to a 100% subsidiary, some disclosure items and details are omitted.

*1: SMR Automotive Mirrors UK Limited is a subsidiary of Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited, India ("MSSL")), indirectly owned through Samvardhana Motherson Automotive Systems Group BV ("SMRPBV").

【 1 】 Business transfer to the Subsidiary of the Company through Absorption-Type Company Split (simplified split)

1. Purpose of the Company Split

By splitting the "Business" with a company split (absorption-type company split) method and transferring it to Misato, the Company realizes the spin-off the Business. After that, the Company will sell the Business by selling all the shares of Misato to SMR Automotive Mirrors UK Limited. Besides, the business related to the manufacturing and sales of automotive mirrors in ASEAN (Thailand and Malaysia) will also be intended to transfer to the Motherson Group.

The Company considers that Misato, which operates the Business, will enhance its global capability and ability to develop new products such as next-generation electronic mirrors, and will build a foundation for mid- to long-term development by selling the Business to the Motherson Group. In addition, the Company group will secure even stronger competitiveness by promoting selection and concentration on the remaining Lighting businesses, etc. and the prioritized allocation of limited management resources.

2. Outline of the Company Split

(1) Schedule of company split

Date of the resolution of the Board of Directors	September 26, 2022
Date of execution of absorption-type company Split Agreement	September 26, 2022
Scheduled date of implementation (Effective date)	March 1, 2023 (Scheduled)

(Note)The absorption-type company split is implemented by resolution of the Board of Directors because a resolution of the shareholders meeting is not required pursuant to the provisions of Article 784, Paragraph 2 of the Companies Act.

(2) Type of company split

An absorption-type company split (simplified split) in which the Company is the splitting company and the Company's wholly owned subsidiary Misato is the succeeding company.

(3) Details of the allocation pertaining to the company split

As the Company owns all shares of succeeding company, there will be no new allocation as a result of the absorption-type company split.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights on the split

The Company as the splitting company has not issued stock acquisition rights or bonds with stock acquisition rights.

(5) Increase or decrease in the capital as a result of the company split

No increase or decrease in the capital is expected as a result of the absorption-type company split.

(6) Rights and obligations taken over by the succeeding company

The succeeding company shall succeed to the rights and obligations including the assets, the liabilities, and agreements in connection with the succeeded businesses as of the effective date pursuant to the conditions of the absorption-type company split agreement as of September 26, 2022.

All succession of the liabilities shall be done adopting the method of assumption of obligations without specific liabilities.

(7) Estimates of the fulfillment of liabilities

No issues, which would adversely affect the fulfillment of liabilities to be incurred by the succeeding company, are expected to occur.

3. Summary of the Companies Concerned with the Company Split

	Splitting Company	Succeeding Company
(1) Corporate Name	Ichikoh Industries, Ltd.	Misato Industries Co., Ltd.
(2) Address	80 Itado, Isehara-shi, Kanagawa-ken	1360 Fujioka, Fujioka-shi, Gunma-ken
(3) Title and Name of Representative	Representative Director, President & CEO Christophe Vilatte	Representative Director & President Shigeo Tomaru
(4) Business	Manufacturing and sale of automotive electrical components (lamps), mirrors, other automotive accessories and developed products	Production of side mirrors for trucks and side turn lamps, etc.
(5) Capital	8,986 million yen	95 million yen
(6) Date of Establishment	December 20, 1939	October 6, 1978
(7) Number of Issued shares	96,292,401	190,000
(8) Accounting Period	December	December
(9) Number of Employees	(Non-consolidated)2,698	(Non-consolidated) 9
(10) Main Customer	Toyota Motor Corporation Nissan Motor Corporation, etc.	Ichikoh Industries, Ltd.
(11) Main Bank	Mizuho Bank, Ltd., MUFG Bank, Ltd.	—
(12) Major Shareholders and Shareholding Ratios	Valeo Bayen SAS 61%	Ichikoh Industries, Ltd. 100%
(13) Relationship between Related Companies		
Capital Relationship	Succeeding company is splitting company's wholly owned subsidiary	

Personal Relationship	Officers of the splitting company have been dispatched to the succeeding company (serving concurrently)					
Business Relationship	Employees of the succeeding company have been engaged in a business of the mirror plant of splitting company					
Status of relationship with related parties	Related					
(14) Financial Results and Condition of the Most Recent Three Years						
Accounting Period	Ichikoh Industries, Ltd.(Consolidated)			Misato Industries Co., Ltd.(Non-consolidated)		
	FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
Net Assets	45,405	44,544	49,402	852	858	752
Total Assets	109,813	109,634	112,521	1,348	1,277	787
Net Assets per Share (yen)	460.23	453.15	507.71	4,488	4,516	3,957
Net Sales	133,053	113,859	125,510	2,180	1,411	297
Operating Income	6,440	2,468	5,562	40	5	35
Ordinary Income	7,363	5,048	6,506	43	10	36
Net Income Attributable to Shareholders of the Parent Company	5,214	2,857	3,983	27	5	△106
Net Income per Share (yen)	54.26	29.73	41.44	141.40	28.32	△558.95
Dividend per Share(yen)	7.00	3.50	7.00	-	-	-

(Unless otherwise specified, the table is shown in units of million yen)

(Note) Misato transferred the side turn lamp molding and assembly business to Ichikoh in January 2021 and on April 1, 2021, the business related to the inner mirror molding and assembly business and projectors lens molding has been sold to the supplier company by the method of company split (absorption-type split).

[Summary of Business Department to be Split]

(1) Business of the department to be Split

Business for design, development, manufacturing and sale of automotive mirrors of the Company, and the equity interests of our Chinese mirror business subsidiary, Ichikoh (Wuxi) Automotive Parts Co., Ltd.

(2) Business results of department to be split

Accounting Period	(Unit: million yen)		
	FY2019	FY2020	FY2021
Net Sales	18,315	13,083	13,061

(Note) The business results related to the equity interest of Ichikoh (Wuxi) Automotive Parts Co., Ltd. described in (3) are not included.

(3) Details of equity interests included in the Business to be split

The assets to be split include the equity interests of Ichikoh (Wuxi) Automotive Parts Co., Ltd., a subsidiary in China engaging in mirror business, and the details of the equity interests to be split and the company profile are as follows.

(i) The equity interests of Ichikoh (Wuxi) Automotive Parts Co., Ltd.

(1)	Ratio of Holding Equity Interests before Transfer	100%
(2)	Ratio of Equity Interests to be transferred	100%
(3)	Ratio of Equity Interests after Transfer	None

(ii) Summary of Ichikoh (Wuxi) Automotive Parts Co., Ltd.

(1)	Corporate Name	Ichikoh (Wuxi) Automotive Parts Co., Ltd.		
(2)	Address	No.69,Xue Dian North Road, New Wu District, Wuxi City, Jiang Su Province, China		
(3)	Title and Name of Representative	General Manager Pulin Xu		
(4)	Business	Manufacturing and sale of mirrors and other automotive accessories and developed products		
(5)	Capital	7 million US dollars		
(6)	Date of Establishment	July 1, 2003		
(7)	Major Shareholders and Shareholding Ratios	Ichikoh Industries, Ltd. 100%		
(8)	Relationship between the listed company and the relevant company	Capital Relationship	Wholly owned subsidiary of Ichikoh Industries, Ltd.	
		Personal Relationship	Officers of Ichikoh Industries, Ltd. have been dispatched (serving concurrently)	
		Business Relationship	Support for sales and production and purchasing transactions for parts and raw materials, etc. by Ichikoh Industry Co., Ltd.	
(9)	Financial Results and Condition of the Most Recent Three Years			
	Accounting Period	FY2019	FY2020	FY2021
	Net Assets	2,389	2,520	2,929
	Total Assets	4,445	4,595	5,096
	Net Assets per Share (yen)	-	-	-
	Net Sales	4,785	4,367	5,309
	Operating Income	△112	93	51
	Ordinary Income	△113	159	74
	Net Income	△102	103	33
	Net Income per Share (yen)	-	-	-
	Dividend per Share(yen)	-	-	-

(Unless otherwise specified, the table is shown in units of million yen)

(4) Items and book value of assets and liabilities to be split or succeeded

1. Assets

(1) Current assets 2,904 million yen

(2) Noncurrent assets 4,881 million yen

2. Liabilities

(1) Current liabilities 3,276 million yen

(2) Noncurrent liabilities 1,398 million yen

(Note) Book value as of December 31, 2021. The effective date of the company split is scheduled for March 1, 2023, and the book value is expected to fluctuate.

4. Conditions after the Company Split

	Splitting Company
(1) Corporate Name	Ichikoh Industries, Ltd.
(2) Address	80 Itado, Isehara-shi, Kanagawa-ken
(3) Title and Name of Representative	Representative Director, President & CEO Christophe Vilatte
(4) Business	Manufacturing and sale of automotive electrical components (lamps) and other automotive accessories and developed products
(5) Capital	8,986 million yen
(6) Accounting Period	December

[Summary of Succeeding Company in an absorption-type split]

	Succeeding Company
(1) Corporate Name	Misato Industries Co., Ltd.
(2) Address	1360 Fujioka, Fujioka-shi, Gunma-ken
(3) Title and Name of Representative	Representative Director & President Shigeo Tomaru
(4) Business	Manufacturing and sale of mirrors and other related automotive accessories and developed products
(5) Capital	95 million yen
(6) Accounting Period	December

【2】 Sale of Shares of the Subsidiary

1. Reason for the sale of shares

As described in 【1】 above, by selling all the shares of Misato, which succeeded the Business consisting of the Company's mirror business and the Chinese mirror business subsidiary, to the Motherson Group, the sale of the Business will be realized.

2. Summary of subsidiaries to be transferred

(1) Misato Industries Co., Ltd.

(1)	Corporate Name	Misato Industries Co., Ltd.		
(2)	Address	1360 Fujioka, Fujioka-shi, Gunma-ken		
(3)	Title and Name of Representative	Representative Director & President Shigeo Tomaru		
(4)	Business	Manufacturing and sale of mirrors and other automotive accessories and developed products		
(5)	Capital	95 million yen		
(6)	Date of Establishment	October 6, 1978		
(7)	Major Shareholders and Shareholding Ratios	Ichikoh Industries, Ltd. 100%		
(8)	Relationship between the listed company and the relevant company	Capital Relationship	Wholly owned subsidiary of Ichikoh Industries, Ltd.	
		Personal Relationship	Officers of Ichikoh Industries, Ltd. have been dispatched (serving concurrently)	
		Business Relationship	Employees have been engaged in a business of the mirror plant of Ichikoh Industries, Ltd.	
(9)	Financial Results and Condition of the Most Recent Three Years			
	Accounting Period	FY2019	FY2020	FY2021
	Net Assets	852	858	752
	Total Assets	1,348	1,277	787
	Net Assets per Share (yen)	4,488	4,516	3,957
	Net Sales	2,180	1,411	297
	Operating Income	40	5	35
	Ordinary Income	43	10	36
	Net Income	27	5	△106
	Net Income per Share (yen)	141.40	28.32	△558.95
	Dividend per Share(yen)	-	-	-

(Unless otherwise specified, the table is shown in units of million yen)

(Note) The assets described in 【1】 Business transfer to the Subsidiary of the Company through Absorption-Type Company Split will be added to the above figures in the chart.

(2) Ichikoh(Wuxi) Automotive Parts Co.,Ltd.

Since equity interests of Ichikoh(Wuxi) Automotive Parts Co.,Ltd. is included in the assets of Misato after the company split, by the sale of shares of Misato, transfer of designated subsidiary occurs. Summary of Misato is stated as above.

3. Summary of the company that acquires the shares and the equity interests

(1)	Corporate Name	SMR Automotive Mirrors UK Limited
(2)	Address	Castle Trading Estate, East Street PO16 9SD, Portchester United Kingdom
(3)	Title and Name of Representative	Director Rajat Jain
(4)	Business	Manufacturing and sale of rear view mirrors.
(5)	Capital	£ 2

(6)	Date of Establishment	January 11, 2000	
(7)	Net Assets	€14,112 (in thousand Euro)	
(8)	Total Assets	€48,652 (in thousand Euro)	
(9)	Major Shareholders and Shareholding Ratios	100 % shares hold by SMR Automotive Mirrors Parts and Holding UK Ltd.	
(10)	Relationship between the listed company and the relevant company	Capital Relationship	None
		Personal Relationship	None
		Business Relationship	None
		Status of relationship with related parties	None

4. Details of the shares and the equity interests

(1) Shares of Misato Industries Co., Ltd.

(1)	Number of Holding Shares before Transfer	190,000 (Number of Voting Rights : 190) (Ownership ratio of voting rights: 100%)
(2)	Number of Shares to be Sold	190,000 (Number of Voting Rights : 190)
(3)	Selling Price	The enterprise value will be 5.2 billion yen and it will be adjusted according to such as the change of amount of assets and liabilities until the share transfer.
(4)	Number of Holding Shares after Transfer	None

5. Schedule

(1)	Date of the resolution of the Board of Directors	September 26, 2022
(2)	Date of execution of Share Purchase Agreement	September 26, 2022
(3)	Date of share transfer	May 1, 2023 (Scheduled)

【3】 Intended Transfer of ASEAN Mirror Business

1. Reason for Intended Business Transfer

Intended Transfer of the business related to the manufacturing and sale of automotive mirrors in ASEAN (Thailand and Malaysia) as described **【1】** above.

2. Summary of Intended Business Transfer

(1) Details of ASEAN mirror business department

1) Thailand

Net Sales 1,019 million yen
Fixed Assets to be Transferred 25 million yen

2) Malaysia

Net Sales 29 million yen
Fixed Assets to be Transferred 4 million yen

(2) Transfer Price and Payment Method

Transfer Price: Based on book value of the assets to be transferred.

Consideration: In cash.

3. Summary of the Other Party

SMR Automotive System (Thailand) Limited

4. Schedule

Date of execution of the Business Transfer Agreement and effective date of business transfer is undetermined.

【4】 Future Forecast

Until the completion of entire transfer of the Business and ASEAN Business to the Motherson Group, the Company will proceed with a smooth business transition, such as concluding support agreements.

The forecast of the Company's consolidated results is as written in (Reference1) and there is no change from the announcement on May 12, 2022. In addition, the impact on earnings is expected to become apparent in the fiscal year ending December 31, 2023, and the figures are yet to be forecasted.

End

(Reference 1) Consolidated Earnings Forecast of FY2022 (announced on May 12, 2022) and Consolidated Results of FY2021

	Consolidated Net Sales	Consolidated Operating Income	Consolidated Ordinary Income	Net Income Attributable to Shareholders of the Parent Company
Consolidated Earnings Forecast (FY2022)	134,400	5,800	6,900	5,100
Consolidated Results (FY2021)	125,510	5,562	6,506	3,983

(million yen)

(Reference 2)

We would like to inform you that today, Samvardhana Motherson International Limited, the acquiring company group, disclosed as below, which was the revenue and EBITDA of Misato Industries Co.,Ltd. reflected the company split (after taking over the mirror business of Ichikoh Industries) and Ichikoh (Wuxi) Automotive Parts Co., Ltd., which was deducted internal transactions based on International Financial Reporting Standards.

The information disclosed by the Company is based on Japanese Generally Accepted Accounting Principles, and there are differences in the applicable accounting standards.

As per IFRS	FY2019	FY2020	FY2021
Revenue	22.0	15.5	15.8
EBITDA	2.3	1.1	1.3

(billion yen)