

This is the English translation for reference purposes only

Stock code: 7244

March 11, 2024

(Starting date of measures for electronic provision March 5, 2024)

To Our Shareholders

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

### Notice of the 94th Ordinary General Meeting of Shareholders

We appreciate your continuing support to our company.

This is to inform you that the 94th Ordinary General Meeting of Shareholders of ICHIKOH INDUSTRIES, LTD will be held as described below.

For this General Meeting of Shareholders, we are taking the measures for electronic provision and the matters on the measures for electronic provision are published as “Notice of the 94th Ordinary General Meeting of Shareholders” on the following website on the Internet.

<http://www.ichikoh.com/>

Please review the material by selecting “For Inventors,” “IR Library,” “Notice of Shareholders Meeting” in the above website of our company.

In addition to the website above, information on the measures for electronic provision is also published on the website of the Tokyo Stock Exchange (TSE). Please access the website below and enter and search the issue name (company name) or securities code, and select “basic information” and “Inspection documents/PR information” and confirm Website of TSE (TSE listed company information service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

You can exercise your voting rights in writing or electromagnetic means (via the Internet, etc.) instead of attending the meeting in person. Please review the “Reference Documents for the Ordinary General Meeting of Shareholders” which is published in the matters on electronic provision measures and exercise your voting rights in accordance with “4. Decisions made in convening the meeting” by 5:30 p.m., Tuesday, March 26, 2024.

Date and Time: Wednesday, Mar 27, 2024 10:00 AM

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

#### 3. Agenda:

Matters to be Reported:

1. Business Report, the Consolidated Financial Statements and the Audit Results of the Consolidated Financial Statements for the 94th Fiscal Year (from January 1, 2023 to December 31, 2023) by the Accounting Auditor and the Board of Auditors.
2. Report of the Non-consolidated Financial Statements for the 94th Fiscal Year (from January 1, 2023 to December 31, 2023).

Matters to be Resolved:

- Proposal No. 1: Disposition of Surpluses
- Proposal No. 2: Election of Nine (9) Directors
- Proposal No. 3: Election of Two (2) Corporate Auditors
- Proposal No. 4: Election of One (1) Substitute Corporate Auditor

#### 4. Decisions made in Convening the meeting

(1) Exercising Voting Rights in Writing

Please indicate your approval or disapproval on the enclosed Voting Rights Exercise

Form and return it so that it arrives no later than 5:30 PM on Tuesday, March 26, 2024.

- (2) Exercising Voting Rights via the Internet, etc.  
When exercising voting rights via the Internet, etc., please refer to “Information on exercising voting rights via the Internet, etc.” on page 3 and exercise by 5:30 PM on Tuesday, March 26, 2024.
- (3) Exercising your voting rights twice in writing and via the Internet, etc.  
The exercise of voting rights via the Internet, etc., will be taken as the validly exercised votes. If voting rights are exercised multiple times via the Internet, etc., the last one will be taken as the validly exercised votes.
- (4) If there is no indication of approval or disapproval for each proposal on the Voting Rights Exercise Form that you send back to us, it is treated as an indication of approval.
- (5) Based on laws and regulations and the provisions of Article 15 of the Company’s Articles of Incorporation, the following matters among the measures for electronic provision are not stated in the documents delivered to shareholders who request delivery of documents. Therefore, the documents delivered to shareholders who request delivery of documents constitute only by a part of the documents subject to audit by the Corporate Auditor and the Accounting Auditor when preparing the audit report.
1. Matters on the business report  
“Status of Accounting Auditor” and “Systems to ensure appropriate business execution and status of execution”
  2. Matters on the Consolidated Financial Statements  
“Consolidated statements of changes in shareholders’ equity,” “Notes of the Consolidated Financial Statements,” “Accounting Auditor’s Report Regarding the Consolidated Financial Statements” and “Audit Report of the Board of Corporate Auditors”
  3. Matters on Non-Consolidated Financial Statements  
“Non-Consolidated statements of changes in shareholders’ equity,” “Notes of the Non-consolidated Financial Statements,” “Accounting Auditor’s Report” and “Audit Report of the Board of Corporate Auditors”

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

If any changes are made in the matters on the measures for electronic provision, they will be published on the website, which publishes the matters on the measures electronic provision.

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

## Information of Exercising Voting Rights via the Internet, etc.

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

### 1. Website for exercising voting rights

- (1) Voting rights can be exercised via the Internet, etc., only by using the following website for exercising voting rights designated by the Company.

Website Address <https://www.web54.net>

- (2) If you exercise voting rights using smartphone, please use “Smart Exercising”. By scanning the “Login QR Code of website for Exercising Voting Rights for Smartphones” on the enclosed Voting Rights Exercise Form, you can exercise voting rights from website for exercising voting rights without entering the “Voting Rights Exercise Code” and “Password”.

Please note that you will need to scan the QR code again and enter the “Voting Rights Exercise Code” and “Password” printed on the Voting Rights Exercise Form if you want to change the content of the right you exercised after exercising your voting rights.

\* For details, please refer to the enclosed information brochure.

### 2. Handling of your exercise of voting rights

- (1) When exercising voting rights via the Internet, etc., please use the “Voting Rights Exercise Code” and “Password” printed on the enclosed Voting Rights Exercise form, and enter your votes following the on-screen guidance.
- (2) The deadline for exercising voting rights is 5:30 PM on Tuesday, March 26, 2024, so please exercise your rights as soon as possible.
- (3) If you exercise your voting rights twice in writing and via the Internet, etc., the exercise of voting rights via the Internet, etc., will be taken as the validly exercised votes. If voting rights are exercised multiple times via the Internet, etc., the last one will be taken as the validly exercised votes.
- (4) Internet provider’s connection fee and communication fees to your telecommunication service provider (including access fees) for accessing website for exercising voting rights shall be borne by the shareholder.

### 3. Handling of passwords and voting rights codes

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

### 4. For inquiries regarding the operation of personal computers

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

5. Platform for exercising voting rights

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

## Reference Materials for the Shareholders Meeting

### Proposal No. 1: Disposition of Surpluses

Regarding disposal of surpluses, aiming the sustainable improvement of the corporate value, recognizing the growth strategy through research and development and capital investment, and the improvement of the return of profit to shareholders as the basic policies, and comprehensively taking into consideration the level of payout ratio, we propose to increase dividends as follows.

Description regarding year-end dividends

- (1) Class of dividend assets  
Cash
- (2) Description of distributed assets and the total amounts thereof  
5.5 yen per one Ichikoh share; total amount 528,843,062 yen.
- (3) Effective Date distribution of dividend  
March 28, 2024

**Proposal No. 2: Appointment of Nine (9) Directors**

The term of all of the eight (8) Directors, Ali Ordoobadi, Christophe Vilatte, Kazuyuki Miyashita, Hideki Shirato, Maurizio Matinelli, Raul Perez, Hideo Aomatsu, and Jean-Jacques Lavigne will expires at the close of this Shareholders' Meeting. Therefore, we propose to appoint nine(9) Directors.

The candidates for Directors are as follows.

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
1	[For re-election]  Ali Ordoobadi Nov. 15, 1960 [Male]	<p>June 2008: Ichikoh Director October 2010: Representative Director &amp; President, supervising Audit Department and Quality HQ June 2011: Representative Director, supervising Audit Department and R&amp;D HQ April 2012: Representative Director &amp; President, supervising Audit Department of the Company June 2017: Representative Director &amp; Chairman &amp; CEO, supervising Audit Department of the Company March 2021: Representative Director &amp; Chairman, supervising Audit Department of the Company (to date)</p> <p>[Background with Other Companies] 1987: Siemens Technical Center R&amp;D Engineer 1999: Valeo Group Vice President responsible for China (Valeo China HQ) 2007: Valeo Group Vice President responsible for East Asia, Representative Director &amp; President of Valeo Japan Co., Ltd. 2010: Valeo Group Vice President responsible for Japan, Representative Director of Valeo Engine Cooling Japan Co., Ltd. Representative Director &amp; President of Valeo Japan Co., Ltd. June 2017: Representative Director &amp; President of Valeo Japan</p>	65,485

		<p>Co., Ltd.  Mar 2018 Representative Director &amp;  President of Valeo Japan  Co., Ltd.  Director of Valeo Kapec Japan KK  (to date)</p> <p>[Important concurrent positions in other  Company]  Representative Director &amp; President of  Valeo Japan Co., Ltd., Director of Valeo  Kapec Japan KK</p> <p>Reason for Candidacy for Director  Since taking the position of Representative  Director in 2010, he has reinforced and  improved performance of our group by  focusing the business resources into our  core businesses. He has also reinforced a  governance system, including stronger  compliance. He is continuously nominated  as a candidate for a Director in order to  secure sustainable growth of the Company.</p> <p>Length of service as Director (at the close  of this Shareholders Meeting): 15 years  and 9 months</p>	
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Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
2	[For re-election] Christophe Vilatte (May 28, 1972) [Male]	<p>August 2011 Executive Officer Finance HQ Director of Ichikoh</p> <p>July 2012 Ichikoh Managing Executive Officer Finance HQ Director</p> <p>June 2014 Ichikoh Managing Executive Officer Lighting BU Director</p> <p>June 2017 Director &amp; Ichikoh Senior Managing Executive Officer Lighting RO Director</p> <p>March 2021 Representative Director &amp; President CEO, Lighting BU Director (to date)</p> <p>[Background with Other Companies]</p> <p>1996 Valeo Klimasysteme GmbH (ex-Siemens) Industrial &amp; Project Controller (Germany)</p> <p>2000 Zexel Valeo Climate Control Corporation, Financial Controller Overseas Divisions &amp; General Manager Management Planning Department</p> <p>2006 Valeo Climate Control (France) Cabin Air Filtration Division, Division General Manager</p> <p>2010 Valeo Climate Control (France) Product Group Aftermarket Director</p> <p>[Important positions in other Company] Has held no other important positions in other companies from taking the position of Executive Officer of Ichikoh.</p> <p>Reason for Candidacy for Director After more than 20 years spent in the automotive industry working worldwide, he has been developing an extensive knowledge of this industry and has been also showing</p>	13,758



		<p>extraordinary performance in management. He is currently responsible for the management of Lighting Business of the Company, and he is continuously nominated as candidate for a Director because we judged that, by utilizing his insights and experiences in deliberations at the Board of Directors, he can contribute to the improvement of the corporate value of our Company group.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 6 years and 9 months</p>	
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Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
3	<p>[For re-election]</p> <p>Kazuyuki Miyashita (Nov. 9, 1966) [Male]</p>	<p>April 1990: Joined Ichikoh Industries, Ltd.</p> <p>October 2006 Manager of Start of Production Quality Assurance Section, Quality HQ</p> <p>April 2010 Executive Officer &amp; GM of Project Management Department</p> <p>June 2011 Managing Director, supervising Project Management Design HQ</p> <p>June 2012 Director &amp; Managing executive Officer responsible for Project Management HQ and R&amp;D HQ</p> <p>April 2014 Director &amp; Managing Executive Officer responsible for Project Management HQ and Production Division</p> <p>June 2016 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/Project Progress Control Office, Manager of Project Management HQ and</p>	21,290

		<p>May 2017 Industrial HQ Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/Adv.Dev. HQ/ Industrial HQ /Project Progress Control Office, Manager of Project Management HQ</p> <p>April 2018 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ/ Process Engineering HQ /Project Progress Control Office and General Manager of Project Management HQ</p> <p>February 2019 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ/ Process Engineering HQ and General Manager of Project Management HQ</p> <p>June 2020 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ and General Manager of Project Management HQ</p> <p>March 2021 Representative Director&amp; Deputy President CTO responsible for R&amp;D HQ/, Adv.Dev. HQ and General Manager of Project Management HQ</p> <p>January 2023 Representative Director &amp; Deputy President CTO, responsible for R&amp;D HQ/, Adv.Dev. HQ, General Manager of Project Management HQ and Adv.Dev. HQ (to date)</p> <p>[Important positions in other Company] Has held no other important positions in other companies since joined the Company.</p> <p>Reason for Candidacy for Director After being involved for a long time in new product project management and</p>	
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		<p>quality control and further overseeing design and development and production, he is currently performing his duties as Representative Director, Deputy President &amp; CTO and supervisor of division of development, project management and advanced development with a high level of knowledge of manufacturing and engineering. He is continuously nominated as a candidate to continue as a Director because it is judged that continuously using his knowledge and experience is necessary to raise the value of our business.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 12 years and 9 months</p>	
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Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
4	[For re-election] Hideki Shirato (Jun. 4,1959) [Male]	<p>May 2014 Joined Ichikoh as the General Manager of Corporate Planning Department</p> <p>June 2014 Ichikoh Executive Officer, General Manager of Corporate Planning Department</p> <p>June 2016 Director &amp; Ichikoh Executive Officer responsible for Corporate Planning Department, Legal Department, Finance Headquarters and Compass GCC Department</p> <p>Jan 2017 Director &amp; Ichikoh Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters</p> <p>June 2017 Director &amp; Ichikoh Senior Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters</p> <p>March 2021 Director &amp; Senior Managing Executive Officer CFO, responsible for Corporate Planning Department, Legal Department and Finance Headquarters (to date)</p> <p>[Background with Other Companies]</p> <p>April 1983 Joined The Industrial Bank of Japan, Limited</p> <p>June 1998 Deputy General Manager, Chicago Branch of same bank</p> <p>March 2003 General Manager, Americas Office of Structured Finance Sales Dept., Mizuho Corporate Bank, Ltd.</p> <p>March 2006 General Manager, Advisory Dept. 5, Mizuho Securities Co., Ltd.</p>	31,993

		<p>June 2008 General Manager., Investment Bank Dept. 6 of the same company</p> <p>April 2012 President, Mizuho Americas LLC</p> <p>[Important positions in other Company] Has held no other important positions in other companies from taking the position of General Manager of Corporate Planning Department of Ichikoh to present.</p> <p>Reason for Candidacy for Director He has superior insight regarding business operations, which has been developed through broad experience with financial institutions, including overseas company. At present, responsible for Corporate Planning Department, Legal Department and Finance Headquarters, he is pursuing work regarding business/governance/finance strategies. He is continuously nominated as a candidate for Director because it is judged that he can contribute to increase the value of our group's business by making use of this knowledge and experience in deliberations of the Board of Directors' meetings going forward.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 7 years and 9 months</p>	
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Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
5	<p>[For re-election]</p> <p>Maurizio Martinelli (September 15, 1960) [Male]</p>	<p>2017 June Director, Ichikoh (to date)</p> <p>[Background with Other Companies]</p> <p>1994 Allied Signal Automotive Breaking Systems</p> <p>2000 Division general manager of Valeo Lighting Systems Italy</p> <p>2005 Director of Valeo Lighting Systems Northern Europe</p> <p>2008 Vice-President of Valeo Engine Cooling Branch</p> <p>2010 Vice-President of Thermal Powertrain, Thermal Systems Product Group</p> <p>2011 Valeo Italy Group President and Fiat – Iveco Group Customer Director</p> <p>2012 Vice President of Valeo Lighting Systems Product Group</p> <p>2014 Visibility Systems Business Group President</p> <p>- (to date)</p> <p>[Important positions in other Company]</p> <p>President of Valeo Visibility Systems Business Group, Director and Legal Representative of VALEO S.p.A., President of VALEO VISION SAS, Director &amp; Chairman and Legal Representative of VALEO España S.A.U., Director and Legal Representative of VALEO VISION BELGIQUE</p> <p>Reason for Candidacy for Outside Director</p> <p>He has long years of experience in the automotive parts industry and excellent management capability. He is nominated as candidate for a Director because it was judged that it is ideal to have his deep insights be utilized in deliberations of the Board of Directors' meeting going forward.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 6 years and 9 months</p>	0

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
6	<p>[For re-election] Raul Perez (December 21, 1977) [Male]</p>	<p>2022 March Director, Ichikoh (to date) [Background with Other Companies] 1999 VW GROUP – SEAT S.A. 2002 Controller of VALEO SYLVANIA (America) 2006 CFO of VALEO China Lighting Systems (China) 2008 CFO of VALEO North America Electrical Systems 2010 VALEO National Finance Director (Mexico)  2012 Finance Director of VALEO Lighting Systems PG 2022 Vice President responsible for Finance of VALEO Visibility BG - (to date)</p> <p>[Important positions in other Company] Vice President responsible for Finance of VALEO Visibility BG</p> <p>Reason for Candidacy for Director He has been engaged in Accounting and Finance for over 20 years' experience in the automotive and automotive parts industry in Europe, North America, Central America and Asia, and is also demonstrating his experience and skills as a supervisor, and has thorough knowledge of Valeo Group Management. He is nominated as a candidate for a Director because it was judged that it is ideal to have his knowledge and experience utilized to supervise the management of the company group from a global perspective.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 2 years</p>	0

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
7	<p>[For re-election]</p> <p>[Outside Director] [Independent]</p> <p>Hideo Aomatsu (June 29, 1954) [Male]</p>	<p>2015 June Ichikoh Director (to date)</p> <p>[Background with Other Companies]</p> <p>April 1977 Analyst, McKinsey &amp; Company,</p> <p>January 1982 Industrial Project Finance Officer, the World Bank</p> <p>September 1986 Associate, McKinsey &amp; Company, Inc.</p> <p>February 1989 Vice President M&amp;A, Manager, Guaranty Trust Bank, (Currently JP Morgan)</p> <p>May 1992 Japan Representative of N M Rothschild &amp; Sons, Ltd.</p> <p>April 1996 President of Rothschild Japan K.K.</p> <p>October 1999 Representative partner, ACTIV Investments Partners</p> <p>June 2002 Representative Director and President, ACTIV Investments Partners</p> <p>December 2005 Representative Director of DRC Capital Ltd.</p> <p>February 2011 Director of KOJITUSANSO CO.,Ltd.</p> <p>October 2018 Representative Director and CEO of JPH Co., Ltd.</p> <p>August 2019 Director of Super Resin, Inc.</p> <p>April 2020 Director of Manzairaku Sake Kura Co., Ltd. (to date)</p> <p>[Important positions in other Company] Representative Director and President of DRC Capital Ltd., Director of KOJITUSANSO CO.,Ltd., Director and CEO of JPH Co., Ltd., Director of Super Resin, Inc., and Director of Manzairaku Sake Kura Co., Ltd.</p> <p>Reason for Candidacy for Outside Director He has advanced knowledge regarding</p>	3,596



		<p>business operations, developed through experience abroad with advisory companies and financial institutions, including overseas companies. Additionally, he has broad experience regarding the improvement of the businesses of investment target companies, which is gained through management of fund management companies. He is continuously nominated as a candidate of an Outside Independent Director because it is judged that it is ideal that he continues to monitor the company's business as an Outside Director.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 8 years and 9 months</p>	
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Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
8	<p>[For new election] [Outside] [Independent]</p> <p>Akemi Sagawa (January 1, 1962) [Female]</p>	<p>[Background with Other Companies]</p> <p>1985 Daiwa Securities, Research Analyst for automotive/electronics industry</p> <p>1991 Microsoft Corporation Product Manager (Tokyo/Seattle)</p> <p>2001 Open Interface North America, President &amp; CEO</p> <p>2008 Kamy International, President</p> <p>2017 Five Senses Foundation, President (to date)</p> <p>[Important positions in other Company]</p> <p>She has held no other important positions in other companies.</p> <p>Reason for Candidacy for Outside Director</p> <p>Having experience as a research analyst in the auto parts and electronics industries, and development and sales of software products, further in supporting Japanese start-up companies to develop in the United States, she has deep knowledge of corporate operations and management. In addition, she is recently working on promoting the universal value of Japanese traditional culture in the United States, and has insight into ESG and diversity. She is nominated as a candidate of an Outside Director because it is judged that it is ideal that she monitors the company's business as an Outside Director from such a diverse perspective.</p>	0

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
9	<p>[For new election] [Outside] [Independent]</p> <p>François-Xavier Lienhart (April 26th, 1966) [Male]</p>	<p>[Background with Other Companies]</p> <p>1989 Banque Indosuez Japan, Trader, Forex Options</p> <p>1990 Morgan-Stanley UK</p> <p>1991 Sanofi France, Financial Analyst</p> <p>1996 Saint Gobain, (France Financial controller ~Brazil CFO~Japan CFO~ Country Representative)</p> <p>2008 French External Trade Advisor, Japan Committee President since March 2021(to date) Board Member of the French Chamber of Commerce in Japan(to date)</p> <p>2015 LIXIL Kitchen Technology Japan, CEO</p> <p>2016 Buffet Crampon Japan, CEO,</p> <p>2019 ARaymond Japan, CEO</p> <p>[Important positions in other Company]</p> <p>He has held no other important positions in other companies.</p> <p>Reason for Candidacy for Director He has experience as a management team member in Japan in various industries such as building materials, housing equipment, musical instruments, and automobile parts. He is nominated as a candidate of an outside Director because it is judged that it is ideal that he monitors the company's business as an Outside Director with such extensive knowledge.</p>	0

## (Notes)

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

this proposal. The summary of the content of the Insurance Agreement is as described in 2. Outline of Ichikoh Industries, Ltd. (3) Status of Ichikoh's Directors and Corporate Auditors ④ Summary of the Agreement of Liability Insurance for Directors, etc. of the Business Report.

5. We have executed an agreement between Hideo Aomatsu based on the provisions of Article 423-1 of the Companies Act, limiting his liability for damages under Article 425-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act, and in the event that he is re-elected, we intend to continue said agreement with them. If Akemi Sagawa and François-Xavier Lienhart are elected, we intend to enter into said agreement with them.
6. The number of shares of the Company that are held are noted is the number of shares actual held by each Director including the number of shares held though corporate officers stock ownership plan as of December 31, 2023.
7. The compensation of performance share of Valeo, was provided to the candidates for Directors Ali Ordoobadi, Christophe Vilatte, Kazuyuki Miyashita, and Hideki Shirato.

(Reference) Skill Matrix of each candidates

Candidate No.	Name	Knowledge/special field particularly expected of candidates for Board of Directors									
		Corporate Management	Experience in Automotive Parts Industry	Technology / Innovation	Legal / Risk Management	Finance / Accounting / M&A	ESG	Cooperation with Parent Company	Governance	Independency	Diversity (Gender)
1	Ali Ordoobadi	•	•	•				•	•		
2	Christophe Vilatte	•	•	•		•	•	•	•		
3	Kazuyuki Miyashita	•	•	•			•	•			
4	Hideki Shirato	•			•	•		•			
5	Maurizio Martinelli	•	•	•			•	•	•		
6	Raul Perez	•	•		•	•		•			
7	Hideo Aomatsu	•				•			•	•	
8	Akemi Sagawa	•				•	•		•	•	•
9	François-Xavier Lienhart	•	•			•			•	•	

**Proposal No. 3: Appointment of Two (2) Corporate Auditors**

The term of all of the two (2) Corporate Auditors, Aki Tsurumaki and Pierre Sevaistre will expire at the close of this Shareholders' Meeting. Therefore, we propose to appoint two (2) Corporate Auditors. This proposal has been agreed to by the Board of Corporate Auditors. The candidates for Corporate Auditors are as follows.

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important positions in other companies]	Number of Ichikoh Shares Held
1	<p>[For re-election] [Outside] [Independent]</p> <p>Aki Tsurumaki (Nov. 17, 1968) [Male]</p>	<p>June 2012: Ichikoh Auditor (to date)</p> <p>[Background with Other Companies] April 1997 Registered as an attorney (Tokyo Bar Association) Joined Koga Law Office (currently Kasumi Sogo Law Office)</p> <p>September 2002 Formed Kamijo and Tsurumaki</p> <p>May 2016 Outside Director, BELLSYSTEM24 Holdings, Inc.</p> <p>August 2023 Outside Corporate Auditor, JPH Co., Ltd. (to date)</p> <p>[Status of Other Important Positions Held] Outside Director, BELLSYSTEM24 Holdings, Inc. Outside Corporate Auditor, JPH Co., Ltd.</p> <p>Reason for Candidacy for Outside Auditor He has broad experience as an attorney handling corporate legal matters and, since 2012, has been actively performing his duties as an Ichikoh Outside Corporate Auditor. Because it is judged that it would be ideal for him to continue to use his advanced knowledge as an outside corporate auditor, he has been chosen as a candidate for re-election as Outside Corporate Auditor.</p> <p>Length of service as Outside Corporate Auditor (at the close of this Shareholders Meeting): 11 years and 9 months</p>	0

Candidate No.	Name (Date of Birth) [Gender]	Brief Profile, Positions and Responsibilities at Ichikoh [Status of Important concurrent positions in other companies]	Number of Ichikoh Shares held
2	<p>[For new election] [Outside] [Independent]</p> <p>Jean-Yves Jouas (January 25, 1969) [Male]</p>	<p>[Background with Other Companies]</p> <p>November, 1993 Snecma (Safran)</p> <p>September, 1999 Renault, Powertrain, Engine Purchasing Project Manager</p> <p>December, 2004 Nissan, Alliance Purchasing Organization, Global Account Manager</p> <p>April, 2009 Arysta Life Science, Global Purchasing, China Supply Chain General Manager</p> <p>April, 2011 Consolis, Group, Purchasing Director, Rail division Asia Pacific Director</p> <p>November, 2016 McKinsey Consulting, Expert Consultant</p> <p>March, 2019 Wizdom Consulting, Consultant SASU (France), Wizdom Consulting, Consultant K.K. (To Date)</p> <p>[Important positions in other Company]</p> <p>He has held no other important positions in other companies.</p> <p>Reason for Candidacy for Outside Auditor He has long experience in the purchasing department of the automobile and railway industries, and currently works as a consultant for R&amp;D, purchasing, project management and partnership and particularly for the railway division of Talano Technologies. He also has knowledge of accounting and finance. He is nominated as a candidate of Outside Corporate Auditor because it is judged that it is ideal for him to utilize his insight in our audits.</p>	0

## Notes

1. None of the candidates has a special interest relationship with the Company.
2. Candidates Aki Tsurumaki and Jean-Yves Jouas are candidates for Outside Corporate Auditor. Aki Tsurumaki has been reported to the Tokyo Stock Exchange as an independent corporate officer and, in the event that he is re-elected, we plan to continue to report them in the same status. If Jean-Yves Jouas is elected, we plan to report him as an independent corporate officer.
3. There is an agreement between Aki Tsurumaki and the Company, based on the provisions of Article 425-1 of the Companies Act, limiting his liability for damages under Article 423-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act and, in the event that he is re-elected, we intend to continue said agreement with him. And if Jean-Yves Jouas is elected, we intend to enter into said agreement with him.
4. The Company participates in the Liability Insurance for Directors and Officers taken out by the group of the parent company Valeo and all candidates of Directors shall be covered by the Insurance when they are re-elected or elected upon approval of this Proposal, and the Agreement will be renewed during the term of office of Company Auditor in this proposal. The summary of the content of the Insurance Agreement is as described in 2. Outline of Ichikoh Industries, Ltd. (3) Status of Ichikoh's Directors and Corporate Auditors ④ Summary of the Agreement of Liability Insurance for Directors, etc. of the Business Report.

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

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

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

The candidate for a Substitute Corporate Auditor is as follows.

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

## (Notes)

1. The candidate has no special interest relationship with the Company.

2. Candidate Mr. Shigenori Saito is a candidate for substitute Outside Corporate Auditor.
3. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to register Mr. Shigenori Saito as an Independent Director as stipulated by the Tokyo Stock Exchange
4. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to execute an agreement between him and Ichikoh, based on the provisions of Article 427-1 of the Companies Act, limiting his liability for damages under Article 423-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act.
5. The Company participates in the Liability Insurance for Directors and Officers taken out by the group of the parent company Valeo. Mr. Shigenori Saito shall be covered by the Insurance when he inaugurates as a Corporate Auditor. The summary of the content of the Insurance Agreement is as described in 2. Outline of Ichikoh Industries, Ltd. (3) Status of Ichikoh's Directors and Corporate Auditors ④ Summary of the Agreement of Liability Insurance for Directors, etc. of the Business Report.



Business Report  
(January 1, 2023 through December 31, 2023)

1. Present Status of the Corporate Group
  - (1) Status of Business for the Current Consolidated Business Year
    - ① Progress and Result of Business

The Japanese economy of this consolidated fiscal year demonstrated a mild recovery, as shown by improvement in personal consumption and corporate earnings assisted by normalization of business activities due to gradual recovery from the COVID-19 pandemic. Particularly, wage increase and the development of the pass-through of costs to prices are providing the base to overcome deflation. On the other hand, heightened tension in the Middle East and Ukraine, and yen depreciation caused concerns about the future of the Japanese economy.

As for the automotive industry to which the company group belongs, automotive production volume increased year on year in Japan due to the normalization of production reflecting mitigation of effects from semiconductor shortages and also, due to increase in the competitiveness in the exports market driven by yen depreciation. In China, automotive production volume significantly increased supported by price reductions by car manufacturers. In ASEAN, automotive production volume in Malaysia increased year on year but decreased in Indonesia and Thailand, and the total of the three countries decreased year on year.

Under these circumstances, the increase rate of non-consolidated sales for this consolidated fiscal year in our mainstay country Japan fell short of the rate of the Japanese automotive production market due to the effect of transferring the mirror business to SMR Automotive Mirrors UK Limited (hereinafter referred to as “SMR”) on August 1, 2023. However, total sales for the three ASEAN subsidiaries increased by the effects of the start-up of new products while market growth rates in the three ASEAN countries were negative. As a result, sales increased to 145,897 million yen (up 7.7% year-on-year) on a consolidated basis despite the transfer of the mirror business. Operating income was 7,422 million yen (up 88.5% year-on-year) due to the effects of increased sales and progress in pass-through of the sharp rise in raw material costs to prices. Ordinary income was 8,130 million yen (up 51.9% year-on-year) including the recording of 1,024 million yen in the earnings from the equity method. The net income attributable to shareholders of the parent company increased to 7,838 million yen (up 77.2% year on-year) impacted by recording 3,971 million yen income from fixed assets resulting from a partial sale of the land of the Isehara Plant.

For Automotive-Parts business, increase rate of non-consolidated sales for this consolidated fiscal year in our mainstay country Japan fell short of the rate of the Japanese automotive production market due to the effect of transferring the mirror business to SMR. However, total sales for the three ASEAN subsidiaries increased by the effects of the start-up of new products while market growth rates in the three ASEAN countries were negative. As a result, sales were 137,839 million yen (up 7.7% year-on-year) and operating income was 7,063 million yen (up 104.1% year-on-year).

For the after-market business, sales increased to 9,827 million yen (up 8.3% year-on-year) due to strong sales of lighting products and filters to mass retailers, as well as sales of dealer options and the sales through the Internet. Operating income decreased to 357 million yen (down 24.4% year-on-year) due to an increase in purchasing costs caused by inflation and yen depreciation.

Regarding the dividends, the Company considers that the achievement of both (1) improvement of corporate value by using internal reserves to conduct research and development and capital investments, and (2) improvement of profit return to shareholders is the most important issue of the Company. Under this basic policy, as

for dividend of FY2023, distribution of midterm dividends was 5.5 yen per share from the perspective of continuous return of profit to shareholders. The year-end dividend is 5.5 yen per share, comprehensively taking into consideration the brisk demand for the investment to technological development to secure the competitiveness in a highly competitive environment, which resulted in the annual dividend of 11 yen, increasing by 2 yen per share.

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

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

| Category                  | Sales in million yen | Operating Income in million yen |
|---------------------------|----------------------|---------------------------------|
| Automotive Parts Business | 137,839              | 7,063                           |
| After-market Business     | 9,827                | 357                             |

#### ② Status of Capital Investment

The total amount of capital investment in this fiscal year was 5,698 million yen, and the major investments are new products of lamps, model changes and capital investment for expansion of facilities of Atsugi plant and improvement of productivity.

#### ③ Status of Funding

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

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

The mirror business of the company (including the Ichikoh (Wuxi) Automotive Parts Co., Ltd.) were succeeded by Misato Industries Co., Ltd. by the method of company split as of March 1, 2023 and then the all the shares of Misato Industries Co., Ltd. were transferred to SMR as of August 1, 2023.

#### ⑤ Status of Taking over of Business of other Companies

Not applicable.

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

Not applicable.

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

Not applicable.

## (2) Status of Properties and Financial Results

| Classification                                                 | FY2020<br>91st Term | FY2021<br>92nd Term | FY2022<br>93rd Term | FY2023<br>94th Term<br>(current) |
|----------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| Net Sales (M yen)                                              | 113,859             | 125,510             | 135,451             | 145,897                          |
| Ordinary Income (M yen)                                        | 5,048               | 6,506               | 5,351               | 8,130                            |
| Net profit attributable to parent company shareholders (M yen) | 2,857               | 3,983               | 4,423               | 7,838                            |
| Net Income per Share (yen)                                     | 29.73               | 41.44               | 46.02               | 81.53                            |
| Total Assets (M yen)                                           | 109,634             | 112,521             | 125,915             | 129,417                          |
| Net Assets (M yen)                                             | 44,544              | 49,523              | 55,007              | 64,730                           |
| Net Assets per Share (yen)                                     | 453.15              | 508.97              | 565.32              | 666.00                           |

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

## ① Status of Parent Company

Valeo Bayen and its parent company Société de Participations Valeo, and also Valeo. S.E. the parent company of Société de Participations Valeo are the parent companies of the Company, and own 58,791 thousand shares of the Company (61.14% of shares).

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

Loans 21,648 million yen

Borrowings 1,150 million yen

Matters related to the above transactions are as follows:

i. Matters to which attention was paid to avoid impairment of interest of the Company in making the transactions

As for borrowings and loans to and from the parent company or its affiliates, it was confirmed that the interest rate was determined considering the market interest rate.

ii. Judgments by the Board of Directors whether or not the transaction(s) impairs the Company's interest and its reasons

As described in (i) above

iii. Opinion by Independent Outside Directors if it is different from the opinion of the Board of Directors

Not applicable.

## ② Status of Important Subsidiaries

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

(Note) .

All the shares of Misato Industries Co., Ltd. and Ichikoh (Wuxi) Automotive Parts Co., Ltd., that were our subsidiaries, were transferred to SMR as of August 1, 2023.

## (4) Major Operations (as of December 31, 2023)

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

| Category                | Major products                                          |
|-------------------------|---------------------------------------------------------|
| Lamps                   | Head Lamps<br>Rear Combination Lamps<br>Fog Lamps, etc. |
| Other Automotive Parts  | Wiper, etc.                                             |
| Non-automotive Products | Lamps for railroad carriages, house apparatus, etc.     |

(Note) We no longer manufacture rearview mirrors because we transferred the mirror business to SMR..

## (5) Major Sales Offices and Plants (as of December 31, 2023)

## ① Ichikoh Industries, Ltd.

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

(Note) The mirror business was succeeded by our subsidiary, Misato Industries Co.Ltd., by company split as of March 1, 2023.

## ② Subsidiaries

| Name                               | Location                    | Name                                      | Location                |
|------------------------------------|-----------------------------|-------------------------------------------|-------------------------|
| PIAA<br>Corporation                | Bunkyo-ku, Tokyo            | PT. Ichikoh Indonesia                     | West Java,<br>Indonesia |
| Kyushu Ichikoh<br>Industries, Ltd. | Nakatsu-shi, Oita           | Ichikoh Industries<br>(Thailand) Co. Ltd. | Amata-city,<br>Thailand |
| Ichikoh<br>(Malaysia) SDN.<br>BHD. | Negri Sembilan,<br>Malaysia |                                           |                         |

(Note) All the shares of Misato Industries Co., Ltd. and Ichikoh (Wuxi) Automotive Parts Co., Ltd., that were our subsidiaries, were transferred to SMR as of August 1, 2023.

## (6) Information about Employees (as of December 31, 2023)

## ① Status of Employees of Ichikoh Group

| Number of Employees | Comparison to End of Last Fiscal Year |
|---------------------|---------------------------------------|
| 3,163 (1,750)       | Decreased by 358 (415)                |

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

## ② Status of Employees of Ichikoh

| Number of Employees | Comparison to End of Last Fiscal Year | Average Age | Average Years of Service |
|---------------------|---------------------------------------|-------------|--------------------------|
| 1,521 (745)         | Decreased by 219<br>(decreased by 57) | 41.6        | 16.6                     |

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

## (7) Information about Major Loan Providers (as of December 31, 2023)

| Loan Provider          | Balance of Loaned Amount (million yen) |
|------------------------|----------------------------------------|
| Mizuho Bank            | 250 Million yen                        |
| Bank of Mitsubishi UFJ | 217 Million yen                        |
| Valeo                  | 1,150 Million yen                      |

## (8) Issues to be Addressed

The Mission of our Company group is “Create a driving environment that feels safe, offers more protection, and provides more comfort,” and the Vision is to “continuously endeavor to become a corporation that satisfies both customers and society by pioneering the frontiers of technology and supplying optimal solutions which being ecologically minded.” The Company group completed the transfer of mirror business in August 2023 and will work to further strengthen our competitiveness by concentrating management resources on the lighting business.

Given the prospects of the mid to long-term volume of automobile production, which is the market of our Company group, the domestic market tends to be reaching the limit due to the declining birthrate and aging society, and the demand increase coming from increased production volume can be expected in emerging ASEAN markets. In addition, the automobile industry is at a major turning point as the needs for electric vehicles and autonomous driving are increasing due to environmental regulations and advances in IT technology.

Following such a market trend, we will pursue growth centering 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. Specifically, we will promote the development of new products that meet market needs, such as LED headlamp modules, HD (high definition) lighting, and “e-Grille,” which combines radiator grilles and lighting. In ASEAN, we will improve operations and quality by mother-daughter activities in which plants in Japan serve as mother plants and educate and support ASEAN plants, and capture demand including an increase in the number of automotive production volume in the market taking advantage of the high technological capabilities cultivated in Japan.

In addition to strengthening product technology capability such as research and development, we also need to accelerate the development of manufacturing technology to strengthen cost competitiveness. Improving our financial base through cost reduction and self-help efforts is also an important issue because the bipolarization between high-added value and low cost of parts is expected to progress further, and the business environment is becoming increasingly uncertain, including increased geopolitical risks and increased costs for efforts to reduce environmental impact.

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

The Company selected the “Prime Market,” submitted the “Plan to meet the Listing Criteria of the new market segment” to TSE and announced in it that the Company will improve three fields of ① improvement of tradable share ratio, ② developing a governance systems, and ③ efforts for sustainability by 2024. We achieved prime market criteria of tradable share ratio in 2022. As for governance, we submit proposals regarding the election of directors that includes three independent directors at the general meeting of shareholders of this year in order to increase the ratio of independent directors on the Board of Directors to one-third (including one female), and to make a majority of the compensation

advisory committee consist of independent directors and external experts. Regarding sustainability, we published an integrated report including TCFD disclosure in December 2023.

The TSE, based on the discussions at the “Council of Experts Concerning the Follow-up of Market Restructuring,” has been advancing a framework which aims to motivate listed companies to autonomously pursue medium- to long-term enhancements in corporate value, emphasizing aspects like management conscious with the cost of capital cost. 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) increase returns to our shareholders, and will focus on improvement.

In addition, through enhancement of the internal control system, the company will improve compliance awareness of all people engaging in the business of our Company group to fulfill our social responsibility as a corporation by establishing and operating the internal control system to secure credibility of our financial statements, to structure the risk management system

We thank our shareholders for their ongoing support and understanding.

## 2. Outline of Ichikoh Industries, Ltd.

## (1) Information about Shares (as of December 31,2023)

- ① Total number of shares authorized to be issued: 200,000,000  
 ② Total number of shares issued: 96,334,226  
 ③ Number of Shareholders: 7,388  
 ④ Major Shareholders: Major 10 shareholders

| Name of Shareholder                                                                   | Investment in Ichikoh |               |
|---------------------------------------------------------------------------------------|-----------------------|---------------|
|                                                                                       | Number of Shares      | Holding Ratio |
| Valeo Bayen                                                                           | 58,791 thousand       | 61.14%        |
| The Master Trust Bank of Japan, Ltd.<br>(Trust Account)                               | 4,792 thousand        | 4.98%         |
| INVERSIS / IICS JAPAN                                                                 | 4,478 thousand        | 4.65%         |
| Custody Bank of Japan, Ltd.<br>(Trust Account)                                        | 2,875 thousand        | 2.99%         |
| Nihon Life Insurance                                                                  | 988 thousand          | 1.02%         |
| BNP PARIBAS LUXEMBOURG / 2S /<br>JASDEC / FIM / LUXEMBOURG FUNDS<br>/ UCITS ASSETS    | 777 thousand          | 0.80%         |
| MSIP CLIENT SECURITIES                                                                | 775 thousand          | 0.80%         |
| NORTHERN TRUST CO.(AVFC) RE<br>IEDU UCITS CLIENTS NON LENDING<br>15 PCT TREATYACCOUNT | 690 thousand          | 0.71%         |
| JP MORGAN CHASE BANK 385781                                                           | 638 thousand          | 0.66%         |
| Nomura Securities Co., Ltd.                                                           | 612 thousand          | 0.63%         |

(Note) The shareholding ratio was calculated excluding the treasury stock (180,942 shares).  
 The figures less than the unit are rounded down.

## (2) Status of Share Subscription Right (as of December 31, 2023)

Not applicable.

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

## ① Status of Directors and Corporate Auditors (as of December 31, 2023)

| Title                                          | Name                | HQ./Dept. in charge and status of important concurrent position                                                                                                                                                                              |
|------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative Director & Chairman             | Ali Ordoobadi       | Oversees Audit Dept., Representative Director of Valeo Japan Co., Ltd., Director of Valeo Kapec Japan KK                                                                                                                                     |
| Representative Director & President CEO        | Christophe Vilatte  | Lighting RO Director                                                                                                                                                                                                                         |
| Representative Director & Deputy President CTO | Kazuyuki Miyashita  | In charge of R&D HQ, Project Progress Control Office<br>PM HQ and Advanced Dev. HQ Director                                                                                                                                                  |
| Director CFO                                   | Hideki Shirato      | In charge of Corp. Planning Dept., Legal Dept., Finance HQ                                                                                                                                                                                   |
| Director                                       | Maurizio Martinelli | Valeo Visibility Systems Group President, Valeo S.p.A. Director & Legal Representative, Valeo Vision SAS President, VALEO España S. A.U. Director & Chairman and Legal Representative, Valeo Vision Belgique Director & Legal Representative |
| Director                                       | Raul Perez          | Vice President responsible for Finance of VALEO Visibility BG                                                                                                                                                                                |

|                               |                      |                                                                                                                                                                                                                            |
|-------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director                      | Hideo Aomatsu        | Representative Director and President of DRC Capital, Ltd., Director of KOJITUSANSO CO.,Ltd., Representative Director and CEO of JPH Co., Ltd., Director of Super Resin, Inc. , Director of Manzairaku Sake Kura Co., Ltd. |
| Director                      | LAVIGNE Jean-Jacques |                                                                                                                                                                                                                            |
| Corporate Auditor (Full Time) | KATO Nobuteru        |                                                                                                                                                                                                                            |
| Corporate Auditor             | TSURUMAKI, Aki       | Kamijo/Tsurumaki Law Office (Attorney at Law) Outside Director of BELLSYSTEM24 Holdings, Inc., Outside Corporate Auditor of JPH Co., Ltd                                                                                   |
| Corporate Auditor             | SEVAISTRE, Pierre    |                                                                                                                                                                                                                            |

(Notes)

1. Hideo Aomatsu and Jean-Jacques Lavigne are the outside directors stipulated by Article 2-15 of the Companies Act. The Company submitted to the TSE a notice of independent officer appointing Hideo Aomatsu and Jean-Jacques Lavigne as the independent officers.
2. Corporate Auditors, Aki Tsurumaki and Pierre Sevaistre, are outside corporate auditors stipulated by Article 2-16 of the Companies Act. The Company submitted to the TSE a notice of independent officer appointing Aki Tsurumaki and Pierre Sevaistre, both Corporate Auditors, as the independent officers.
3. Nobuteru Kato, a Corporate Auditor, has been engaged in quality-related duties for many years, and accumulated knowledge of compliance, internal control, and audit in terms of prevention of quality irregularities, and has good experience of internal audit of the Company.

② Director who resigned during the fiscal year

| Title at the time of resignation | Name         | Date of resignation | Reason of resignation        | HQ./Dept. in charge and status of important concurrent position at the time of resignation                                |
|----------------------------------|--------------|---------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Director                         | Hideo Nakano | March 24, 2023      | Expiration of term of office | Senior Managing Executive Officer, Mirror PL Director, Representative Director & President of Misato Industries Co., Ltd. |

③ Summary of the Agreement Limiting the Liability

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

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

The Company has the Agreement of Liability Insurance for Directors and Officers that are insured by the group of the parent company Valeo, and the insured includes Directors, Corporate Auditors and Executive Officers of Valeo and the Company group. This agreement of insurance covers damages and litigation costs when the insured receives a claim for damages in connection with the execution of its business. The insurance fee for this agreement is appropriately apportioned within and borne by the Valeo group and the Company group. In addition, in this agreement of insurance, the



liability for damages against the insured person by the Company pursues is a disclaimer of insurance which is the measures to secure the appropriateness of the execution of duties of the insured person is not impaired.

⑤ Total Remuneration to Directors and Corporate Auditors (Jan. 2023 through Dec. 2023)  
Remuneration paid during the Current Business Year

| Classification                                                                                                   | Amount Paid (Million yen) | Total Amount of Compensation Classified by type (Million yen) |        |        | Number of Persons |
|------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------|--------|--------|-------------------|
|                                                                                                                  |                           | Base Compensation                                             | Bonus  | Others |                   |
| Directors (Outside Directors included in the above)                                                              | 195 (19)                  | 134 (17)                                                      | 26 (0) | 34 (1) | 7 (2)             |
| Corporate Auditors (Outside Corporate Auditors included in the above)                                            | 27 (8)                    | 26 (8)                                                        | - (-)  | 1 (-)  | 3 (2)             |
| Total of Directors & Corporate Auditors (Outside Directors and Outside Corporate Auditors included in the above) | 223 (27)                  | 161 (26)                                                      | 26 (0) | 35 (1) | 10 (4)            |

(Notes)

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

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

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

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

As for the composition ratio of base compensation, bonus, and stock compensation, the system is designed with the principle ratio of 60% : 30% : 10%. The remuneration of Corporate Auditors consists only from the base compensation (monthly compensation) and is determined after deliberation by the Board of Corporate Auditors. .

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

| Classification | Classification of Compensation | Date of the Resolution of the Shareholders' Meeting | Contents of the Resolution | Number of Directors Pertaining to the Provisions of the Resolution |
|----------------|--------------------------------|-----------------------------------------------------|----------------------------|--------------------------------------------------------------------|
|----------------|--------------------------------|-----------------------------------------------------|----------------------------|--------------------------------------------------------------------|

|           |                             |                                                                |                                                                                                                                                                                                                                                |                                                                                                   |
|-----------|-----------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Directors | Base Compensation and Bonus | The 82nd Ordinary Shareholders' Meeting held on June 22, 2012  | The amount of remuneration for directors is 360 million yen or less per year (including 60 million yen or less for Outside Directors, not including employee salaries for Directors who also serve as employees)                               | 8 Directors at the end of the 82nd Ordinary Shareholders' Meeting (including 2 Outside Directors) |
|           | Stock Compensation          | The 86th Ordinary Shareholders' Meeting held on June 29, 2016  | The total amount of monetary receivables paid for granting restricted stocks is up to 76 million yen per year (including up to 1 million yen for Outside Directors, not including employee salaries for Directors who also serve as employees) | 8 Directors at the end of the 86th Ordinary Shareholders' Meeting (including 4 Outside Directors) |
|           |                             | The 90th Ordinary Shareholders' Meeting held on March 26, 2020 | The total amount of base compensation for all eligible directors under this system per fiscal year is up to 40 million yen (including 6 million yen for Outside Directors)                                                                     | 8 Directors at the end of the 90th Ordinary Shareholders' Meeting (including 2 Outside Directors) |
|           |                             | The 91st Ordinary Shareholders' Meeting held on March 25, 2021 | Those who are newly elected as directors in the year in which stock compensation is granted, and who did not receive post issuance type stock compensation as an executive officer prior to the election are excluded from Eligible Directors. | 8 Directors at the end of the 91st Ordinary Shareholders' Meeting (including 2 Outside Directors) |
|           |                             | The 92nd Ordinary Shareholders' Meeting held on March 25, 2022 | Please refer to "(3) Policy for Stock Compensation, and Calculation Method of the Amount or the Number" below                                                                                                                                  | 7 Directors at the end of the 92nd Ordinary Shareholders' Meeting (including 2 Outside Directors) |
| Auditors  | Base Compensation           | The 82nd Ordinary Shareholders' Meeting held on June 22, 2012  | The amount of compensation for Auditors is 60 million yen or less per year (including 12 million yen or less for Outside Auditors)                                                                                                             | 3 Auditors at the end of the 82nd Ordinary Shareholders' Meeting (including 2 Outside Auditors)   |

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

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

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

As for bonus, the KPI for 5 target items is semiannually set individually according to the role of each Director, from operating margin, amount of order intake, cash flow, ratio of sales price reduction ratio to cost reduction ratio, profit of each development project, and ROCE (Return on Capital Employed), from the perspective of indicator linked to final

corporate performance. The amount of bonus is calculated by multiplying monthly compensation by total number of evaluation month of 5 items of KPI which is according to the achievement level of each KPI: less than 100%→0 month, 100%→0.6 month, more than 100% to less than 150%→number of the month proportionally increases from 0.6 month to 0.9 month, 150% or more→0.9 month).

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

(A) Eligible Directors

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

(B) Performance Evaluation Period

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

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

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

(a) Base Number of Stocks to be Provided

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

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

upper limit at the Board of Directors.

(b) Performance Evaluation Type Performance Share Unit

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

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

(c) Qualitative Evaluation Type Performance Share Unit

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

(d) Restricted Stock Unit

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

(e) Final Number of Stocks to be Provided

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

The number of stocks to be provided to the Eligible Directors under the System by the Company in one business year shall not exceed 20,000 stocks per Eligible Director

(however, 3,000 stocks per Outside Director), and a total of 200,000 stocks for all Eligible Directors (including 10,000 stocks, for all Outside Directors). However, if the total number of issued stocks of the Company fluctuates due to consolidation of shares, split of shares, gratis allotment of stocks, etc., the upper limit and the number of shares to be delivered to Eligible Directors will be reasonably adjusted according to its ratio.

(D) Payment Condition of Compensation under the System

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

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

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

(5) Policy for Timing of Provision of Compensations

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

(6) Determination Method of Individual Compensations for Directors

As for determination process of monthly compensation and bonus for Directors of the Company, the Executive Directors, Executive Officer in charge of human resources who are members of the Compensation Advisory Committee makes proposals to such Committee, and the Compensation Advisory Committee deliberates based on the proposals and prepare a report to the Board of Directors, and the Board of Directors which receives the report, mandates the authority to determine the compensation for the respective Directors to the Representative Director and Chairman Ordoodi Ali /Representative Director Vilatte Christophe, on the condition that it respects the report by the Compensation Advisory Committee and within the scope of approval at the Shareholders' Meeting, because they best understand directors' performance in terms of business execution the best.. Stock compensation is to be decided by the Board of Directors based on the recommendation by the Compensation Advisory Committee.

⑦ Matters regarding Outside Corporate Officers

A. Hideo Aomatsu, Director

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

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

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

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

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 11 Board meetings out of 11 meetings held during this current business year, expressing his opinions based on his abundant experience as a management executive.

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

The Company expects his advice based on his knowledge such as experience in

corporate management, statements representing the interests of minority shareholders, supervision of conflicts of interest, and he fulfilled those roles through participation in the meetings consisting of only independent officers, and meetings of Compensation Advisory Committee, Conflict of Interest Monitoring Committee and Board of Directors.

B. Jean-Jacques Lavigne, Director

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

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

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 11 Board meetings out of 11 meetings held during this current business year (after his inauguration in March), expressing his opinions based on his abundant experience as a management executive.

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

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

C. Aki Tsurumaki, Corporate Auditor

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

Kamijo • Tsurumaki Law Office, Outside Director of BELLSYSTEM24 Holdings, Inc., Outside Corporate Auditor of JPH Co., Ltd

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

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

Not applicable.

(c) Main Activities During the Current Business Year

He attended 11 times out of 11 Board meetings held during this current business year, and 16 times out of 16 Board of Corporate Auditors' meetings during this current fiscal term, expressing his opinions from the specialized viewpoint as a lawyer.

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

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

D. Pierre Sevaistre, Corporate Auditor

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

Not applicable.

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

Not applicable.

(c) Main Activities During the Current Business Year

He attended 11 board meetings out of 11 meetings held during this current fiscal term,

and all 16 times out of 16 Corporate Auditors' meetings during this current business year, expressing his opinions based on his abundant experience and knowledge of audit and risk management.

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

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

(4) Status of Accounting Auditor

① Name of Firm: EY ShinNihon LLC

② Amount of Compensation:

|                                                                                                                             | Amount Paid    |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|
| Compensation paid to the Accounting Auditor for the Current Business Year                                                   | 79 million yen |
| Aggregate of Money and other Proprietary Interests to be paid to the Accounting Auditor by the Company and its Subsidiaries | 79 million yen |

(Notes)

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

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

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

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

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

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

**3. System to Ensure Appropriateness of Business Execution and Status of its Operation**  
**(1) System to ensure that execution of duties by Directors of the Company conforms to laws and the Articles of Incorporation and the other system to ensure appropriateness of the business operations**

An outline of matters resolved at a meeting of the Board of Directors as a system for the Company to ensure appropriate business operations is shown below:

- ① System to ensure that execution of duties by Directors of the Company conforms to laws and the Articles of Incorporation:

Ichikoh Group Code of Conduct shall be implemented and each Director shall take initiative in complying with such Code. In addition, the Conflict of Interest Committee shall investigate transactions between the Parent Company and report the result to the Board of Directors. And also, awareness of the compliance with laws and the Articles of Incorporation by the Directors shall be enhanced through training of Directors and regular report from Compliance·CSR Committee and Global Compliance Committee at the Board of Directors meetings, participation of Outside Directors in Board of Directors meetings, and activities of Independent Directors meeting.

- ② System to maintain and control the information relating to the execution of duties by the Directors of the Company:

The internal rules shall be implemented respectively for the minutes of the shareholders' meeting, Board of Directors meeting and other important meetings as well as important decision making documents, and, such minutes and documents shall be appropriately and properly managed and maintained according to such internal rules as well as the "Information Management Rules."

- ③ The rules and other system to manage risks for losses of the Company:

Management system for the risk for the emergency situation and daily activities shall be established through the activities of identifying, analyzing and evaluating risks foreseeable in the corporate management, based on the Risk Management Rules. In particular, in case of an emergency situation, the Company will secure the continuity of business through the "Business Continuity Management Rules," disaster countermeasures manual and emergency communication network in preparation of a disaster and the person in charge of a disaster which the Company established.

- ④ System to ensure efficient execution of duties by Directors of the Company:

The materials for the Board of Directors meeting shall be described well in advance and thus enough time to review the subject shall be secured. The Directors who execute business shall also take the position of executive officer and the area of responsibility of each such Director shall be determined and the business is executed by each such Director. The yearly budget and mid-term management plan shall be prepared and deployed, and the business is executed.

- ⑤ System to ensure that execution of duties by employees of the Company conforms to laws and the Articles of Incorporation:

Thorough observation to the "Compliance Rules" and the "CSR Rules" shall be promoted, and internal "whistle blow" system has been operated Awareness by individual employee of compliance to laws shall have been enhanced by monitoring



the activities of the Company and employees and providing training as the activities of the Compliance·CSR Committee and Global Compliance Committee.

- ⑥ System to ensure appropriateness of the operation of Corporate Group consisting of the Company and its subsidiaries:

The soundness and effectiveness of the corporate management of subsidiaries shall be checked and, as necessary, corrective action and guidance shall be provided to subsidiaries by implementing "Affiliate Companies Management Rules" and other rules relating to the affiliated companies.

- ⑥ 1) The matters relating to the report to the Company on the execution of the duties by Directors (and the equivalent) of the subsidiaries of the Company:

The status of the execution of the duties by Directors of the subsidiaries shall be supervised by both appointing Directors of the subsidiary and having submitted the minutes of the Board of Directors meetings to the Company. Any important matters shall be timely and properly reported to the Company by the subsidiaries in accordance with the "Affiliated Companies Management Rules" and other rules relating to the affiliated companies.

- ⑥ 2) The rules and other system to manage risks for losses of the subsidiaries of the Company:

The system for risk management as a corporate group shall be implemented by having the subsidiaries establish the risk management rules, regularly obtaining the information of the risks of the subsidiaries and analyzing and evaluating such risks.

- ⑥ 3) System to ensure efficient execution of duties by Directors of the subsidiaries of the Company:

The authority of the Directors of the subsidiary shall be established in the "Affiliated Company Management Rules" and the scope and policy of the business of each subsidiary shall be made clear in the mid-term plan.

- ⑥ 4) System to ensure that execution of duties by Directors and employees of the subsidiaries of the Company conforms to laws and the Articles of Incorporation:

Ichikoh Group Code of Conduct and "Compliance Rules" shall be deployed to each subsidiary and internal whistle blow system shall be implemented. The activities for compliance by each subsidiary shall be reported in the Compliance·CSR Committee and Global Compliance Committee.

- ⑦ The matters relating to employee assigned to provide assistance to the duties of the Corporate Auditor, when the Corporate Auditor requests such employee:

When a Corporate Auditor requests to assign an employee who provides assistance to the duty of the Corporate Auditor, the company shall have Audit Department and other organization provide such assistance.

- ⑧ The matters relating to the independency of the employee who should provide assistance to the duties of the Corporate Auditor from Directors of the Company:

In the case of personal change of the person who should provide assistance to the

duties of the Corporate Auditor, the Company shall in advance consult with the Corporate Auditor and makes decision taking into account the opinion of the Corporate Auditor.

- ⑨ The matter to ensure the efficient execution of the instruction from the Corporate Auditor to the person who should provide assistance to the Corporate Auditor:

Directors should not intervene in the instruction by the Corporate Auditor to the person who should provide assistance to the duties of the Corporate Auditor. The job description of the Audit Department should clearly state the assistance to the duties of the Corporate Auditor.

- ⑩ System for reporting to the Corporate Auditors of the Company:

Directors and employees shall report the status of execution of business and provide other information in the Board of Directors meetings and other important internal meetings where the Corporate Auditor is present. Directors will fully cooperate in the audit pursuant to the audit plan prepared by Corporate Auditors and provide information.

- ⑩ 1 ) System for reporting by Directors and employees to the Corporate Auditor.

Directors and employees of the Company shall make report to the Corporate Auditor in the Board of Directors meetings, Management Committee meetings and other important meetings where the Corporate Auditor is present, directly during audit, the opportunity for the communication with President, Accounting Auditor and any other opportunities depending on the importance of the subject.

- ⑩ 2 ) System for reporting to the Corporate Auditor of the Company by Directors (and equivalent) and employees of the subsidiaries of the Company and the person who receives the report from such Directors and employees.

The Corporate Auditor of the Company shall receive reports from the Directors, employees of the subsidiaries of the Company and the person who receives the report from such Directors and employees through information exchange with the corporate auditor of the subsidiaries and audit of the subsidiaries. In addition, the Corporate Auditor shall directly receive whistle blow notice in the internal Whistle Blow system.

- ⑪ System to ensure that the person who makes a report to the Corporate Auditor of the Company shall not be adversely treated because of making such a report.

The rules relating to the internal Whistle Blow system clearly prohibits the adverse treatment to the person who makes the whistle blow notice because of making such whistle blow notice.

- ⑫ The matters relating to policy of the procedure for the advance payment or repayment of the expenses incurred as a result of performance of the duties by the Corporate Auditor of the Company and for the other processing of the expenses or the debt incurred as a result of such performance of the duties.

The Company shall not refuse the payment of the expenses necessary for the performance of the duties by the Corporate Auditor. When requested by the Corporate Auditor, such request shall be processed in accordance with the laws and procedure for the processing of expenditure and payment schedule of the Company.

⑬ Other system to ensure efficient audit by Corporate Auditors of the Company:

The Company shall respect "Rules for the Board of Auditors," "Rules for the Audit by the Corporate Auditor" and "Standard for the Audit by the Corporate Auditor" and cooperate the execution of the audit plan.

(February 22, 2022)

**(2) The status of the operation of the system to ensure the appropriateness of business operations**

Overview of the implementation status of the system to ensure the appropriateness of the Company's business operations in the current fiscal year is as follows.

① Actions taken in relation to compliance

The Company hold the meetings of the Compliance · CSR Committee, which is chaired by the Officer in charge of Corporate Planning Department, 4 times this year, in accordance with the Compliance · CSR Committee Management Guidelines. The Committee has conducted maintenance of internal rules, such as Rules for Prevention of Insider Trading, education for non-Japanese managers, investigation whether there is any anti-social forces in our customers, report on the contact with competitors to secretariat office of the Compliance · CSR Committee and survey on status of compliance with laws and regulations using a tool by an external service provider. For internal reporting system, among other things, by including the Corporate Auditor as a recipient of the report, the Company has been trying to thoroughly eliminate the disadvantageous treatment of whistleblowers. In addition, the company also regularly conducts education for compliance awareness on a group-wide basis such as training of legal responsibility and Corporate Ethics for non-Japanese officers and training for foreign subsidiaries. Furthermore, the Conflict of Interest Monitoring Committee has been examining the conditions of the transactions with Valeo group companies and reported the result to the Board of Directors 2 times.

② Activities on risk management

Based on the Company's risk management regulations, the company has been extracting the significant risks including those of the Group companies and has been planning the way to reduce the risk, and the follow-up including the progress of the plan has been made in the management meeting in which the President participates. In addition, in particular, with regard to hazard risks, such as the earthquake and the typhoon, the BCM committee meetings were held 3 times a year, and an annual activity plan has been followed up in the meetings where the executives participate.

③ Activities on subsidiary management

Reporting and approval system is secured in accordance with the Affiliated Company Management Rules and the Overseas Affiliated Company Management Rules, activities of ASEAN foreign subsidiaries management have been reviewed on a monthly basis with participation by the President, and the activities of domestic subsidiaries have been followed up by the responsible business unit. In addition, in the current fiscal year, the business plans for all group companies have been reported and shared by holding Leaders (policy presentation) in which the President of subsidiaries also participated. Furthermore, the Global Compliance Committee meeting was held 4 times this year to develop and strengthen the Group compliance system.

④ Audit by Corporate Auditors

The Company's Board of Corporate Auditors is composed of three auditors, including two outside auditors and, for this fiscal year, meetings of the Board of Corporate Auditors were held 16 times. Corporate Auditors attended the meetings of the Board of Directors on the basis of the audit plan, participated as observers in the Compliance · CSR

Committee meetings, and shared information with the accounting auditor. In addition to above activities as auditors, full-time corporate auditor also utilized supporting employees, attended the Management Committee meetings, participated as observers in the Global Compliance Committee meetings, had the conference with the internal audit department, made visiting audits to domestic and overseas subsidiaries and the individual audit, and all through these activities, he gathered various information. By all these means, the Corporate Auditors audit whether or not performance of duties of the Board of Directors violates the laws and regulations and the Articles of Incorporation of this company.

## Consolidated Balance Sheet

( as of December 31, 2023 )

( Unit : Million Yen )

| Account Item<br>( Assets )                 | Amount         | Account Item<br>( Liabilities )                    | Amount         |
|--------------------------------------------|----------------|----------------------------------------------------|----------------|
| <b>Current Assets</b>                      | <b>67,337</b>  | <b>Current Liabilities</b>                         | <b>53,910</b>  |
| Cash on hand and in banks                  | 8,937          | Notes Payable & Accounts Payable-Trade             | 15,724         |
| Notes, and accounts receivable-trade       | 24,401         | Electronically recorded obligations                | 16,956         |
| Electronically recorded monetary claims    | 379            | Short-term Loans                                   | 1,150          |
| Finished Goods                             | 4,172          | Long-term Loans which will be repaid within 1 year | 920            |
| Works in Process                           | 782            | Lease Obligations                                  | 640            |
| Raw Materials & Stored Goods               | 4,427          | Accounts payable                                   | 3,770          |
| Short-term loans receivable                | 21,648         | Accrued Corporate Taxes                            | 1,376          |
| Others                                     | 2,671          | Accrued Expenses                                   | 5,480          |
| Allowance for doubtful accounts            | △82            | Reserve for Bonus                                  | 910            |
|                                            |                | Reserve for Officers' Bonus                        | 25             |
|                                            |                | Warranty Reserve                                   | 1,764          |
|                                            |                | Others                                             | 5,191          |
| <b>Fixed Assets</b>                        | <b>62,079</b>  | <b>Long-term Liabilities</b>                       | <b>10,775</b>  |
| Property, Plant & Equipment                | 39,701         | Lease Obligations                                  | 3,257          |
| Buildings & Structures                     | 10,803         | Retirement benefits                                | 7,296          |
| Mechanical Equipment & Transport Equipment | 17,337         | Asset Retirement Obligation                        | 26             |
| Tooling, Furniture & Fixtures              | 2,271          | Others                                             | 195            |
| Land                                       | 2,302          |                                                    |                |
| Lease Assets                               | 3,383          |                                                    |                |
| Construction in Progress                   | 3,602          |                                                    |                |
| Intangible Assets                          | 123            | <b>Total Liabilities</b>                           | <b>64,686</b>  |
| <b>Investment &amp; other Assets</b>       | <b>22,255</b>  | ( Net Assets )                                     |                |
| Investment Securities                      | 2,958          | <b>Shareholders' Equity</b>                        | <b>62,993</b>  |
| Long-term Loans                            | 737            | Capital Stock                                      | 8,996          |
| Investment in affiliates                   | 10,527         | Capital Surplus                                    | 2,515          |
| Retirement benefit assets                  | 1,556          | Retained Earnings                                  | 51,536         |
| Deferred Tax Assets                        | 4,804          | Treasury Stock                                     | △55            |
| Others                                     | 1,673          | <b>Accumulated Other Comprehensive Income</b>      | <b>1,044</b>   |
| Allowance for Doubtful Accounts            | △2             | Other Valuation                                    | 89             |
|                                            |                | Difference on Securities                           | 2,014          |
|                                            |                | Foreign currency translation adjustment            | △1,058         |
|                                            |                | Adjustment retirement benefits                     | 692            |
|                                            |                | <b>Minority interests</b>                          | <b>692</b>     |
| <b>Total Assets</b>                        | <b>129,417</b> | <b>Total Net Assets</b>                            | <b>64,730</b>  |
|                                            |                | <b>Total Liabilities &amp; Net Assets</b>          | <b>129,417</b> |

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

## Consolidated Statement of Income

( From January 1, 2023  
To December 31, 2023 )

( Unit : Million Yen )

| Account Item                                             | Amount |                |
|----------------------------------------------------------|--------|----------------|
| <b>Net Sales</b>                                         |        | <b>145,897</b> |
| <b>Cost of Sale</b>                                      |        | <b>118,172</b> |
| <b>Gross Income</b>                                      |        | <b>27,724</b>  |
| <b>Selling, General &amp; Administrative Expenses</b>    |        | <b>20,301</b>  |
| <b>Operating Income</b>                                  |        | <b>7,422</b>   |
| <b>Non-Operating Income</b>                              |        |                |
| Interest & Dividend Received                             | 226    |                |
| Profit on Investments by Equity Method                   | 1,024  |                |
| Others                                                   | 22     | 1,273          |
| <b>Non-Operating Expenses</b>                            |        |                |
| Interest Expenses                                        | 130    |                |
| Commission Fee                                           | 6      |                |
| Foreign Exchange Losses                                  | 368    |                |
| Others                                                   | 60     | 565            |
| <b>Ordinary Income</b>                                   |        | <b>8,130</b>   |
| <b>Extraordinary Gains</b>                               |        |                |
| Gains on Sale of Fixed Assets                            | 3,971  | 3,971          |
| <b>Extraordinary Losses</b>                              |        |                |
| Loss on disposal of noncurrent assets                    | 651    |                |
| Impairment loss                                          | 40     |                |
| Loss on sales of stocks of affiliates                    | 1,261  |                |
| Business structure improvement expenses                  | 341    | 2,295          |
| <b>Income before income taxes and minority interests</b> |        | <b>9,806</b>   |
| Income taxes-current                                     | 1,647  |                |
| Income taxes-deferred                                    | 266    | 1,914          |
| <b>Income before minority interests</b>                  |        | <b>7,891</b>   |
| Minority interests in income                             |        | 53             |
| <b>Net income</b>                                        |        | <b>7,838</b>   |

(Note) Figures under a million yen were rounded down

## Consolidated Statement of Changes in Net Assets

( From January 1, 2023  
To December 31, 2023 )

( Unit : Million Yen )

|                                                                      | Shareholders' Equity |                 |                   |                |        |
|----------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|--------|
|                                                                      | Capital Stock        | Capital Surplus | Retained Earnings | Treasury Stock | Total  |
| Opening Balance                                                      | 8,986                | 2,505           | 44,660            | △55            | 56,096 |
| Change in the Term                                                   |                      |                 |                   |                |        |
| Net profit attributable to parent company shareholders               | -                    | -               | 7,838             | -              | 7,838  |
| share issuance                                                       | 10                   | 10              | —                 |                | 20     |
| Dividend of surplus                                                  | -                    | -               | △961              | -              | △961   |
| Acquisition of Own Shares                                            | -                    | -               | -                 | △0             | △0     |
| Current change in items other than shareholders' equity (Net Amount) | -                    | -               | -                 | -              | -      |
| Total amount of change in current term                               | 10                   | 10              | 6,876             | △0             | 6,897  |
| Closing Balance                                                      | 8,996                | 2,515           | 51,536            | △55            | 62,993 |

|                                                                      | Accumulated Other Comprehensive Income   |                                      |                                         |        | Non-controlling interest | Total Net Assets |
|----------------------------------------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------------|--------|--------------------------|------------------|
|                                                                      | Other Valuation Difference on Securities | Foreign Currency Translation Reserve | Remeasurements of Defined Benefit Plans | Total  |                          |                  |
| Opening Balance                                                      | 91                                       | 41                                   | △1,895                                  | △1,762 | 673                      | 55,007           |
| Change in the Term                                                   |                                          |                                      |                                         |        |                          |                  |
| Net profit attributable to parent company shareholders               | -                                        | -                                    | -                                       | -      | -                        | 7,838            |
| share issuance                                                       |                                          |                                      |                                         |        |                          | 20               |
| Dividend of surplus                                                  | -                                        | -                                    | -                                       | -      | -                        | △961             |
| Acquisition of Own Shares                                            | -                                        | -                                    | -                                       | -      | -                        | △0               |
| Current change in items other than shareholders' equity (Net Amount) | △2                                       | 1,972                                | 836                                     | 2,807  | 18                       | 2,825            |
| Total amount of change in current term                               | △2                                       | 1,972                                | 836                                     | 2,807  | 18                       | 9,722            |
| Closing Balance                                                      | 89                                       | 2,014                                | △1,058                                  | 1,044  | 692                      | 64,730           |

(Note) Figures under a million yen were rounded down

## ■Notes to the Consolidated Financial Statements

### Notes pertaining to significant items which are the basis for the preparation of the Consolidated Financial Statements

#### 1. Scope of consolidation

##### (1) Status of consolidated subsidiaries

|                                          |                                                                                                                                                         |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of consolidated subsidiaries:     | 5                                                                                                                                                       |
| Name of major consolidated subsidiaries: | PIAA Corporation<br>Kyushu Ichikoh Industries, Ltd.<br>Ichikoh (Malaysia) SDN. BHD.<br>PT. Ichikoh Indonesia<br>Ichikoh Industries (Thailand) Co., Ltd. |

Misato Industries Co., Ltd. and Ichikoh (Wuxi) Automotive Parts Co., Ltd., which were the consolidated subsidiary of the Company, were excluded from the scope of consolidation following the sale of the all shares and equity interest.

#### 2. Application of the equity method

##### (1) Status of equity method affiliates

|                                     |                                                                                    |
|-------------------------------------|------------------------------------------------------------------------------------|
| Number of equity method affiliates: | 2                                                                                  |
| Name of equity method affiliates:   | Valeo Ichikoh Holding Ltd.<br>Foshan Ichikoh Valeo Auto Lighting Systems Co., Ltd. |

(2) Non-consolidated subsidiaries/affiliates not covered by the equity method  
N/A

#### 3. Matters relating to Fiscal years of consolidated subsidiaries

The closing date of the consolidated subsidiaries is the same as the consolidated closing date.



#### 4. Summary of accounting policies

##### (1) Standards and methods for valuation of significant assets

###### ① Marketable securities

Other marketable securities:

- Shares other than the ones without market price, etc.

Marked value method based on the market value (etc.) as of settlement date

(all differences in valuation are fully included in the net asset method, and sales costs are calculated by the moving average method)

- Shares without market price, etc.

Cost method on the moving average method

###### ② Inventories

Product, raw materials and work in progress:

Cost method with FIFO

(Balance sheet values are calculated by the book value devaluation method based on lowered profitability)

Stored goods

Cost method on moving average method

##### (2) Depreciation method for important depreciable assets

###### ① Tangible fixed assets

By the straight-line method.

Estimated useful lives for major assets are as follows:

|                          |                |
|--------------------------|----------------|
| Buildings and structures | 10 to 50 years |
|--------------------------|----------------|

|                                             |               |
|---------------------------------------------|---------------|
| Mechanical, equipment & transport equipment | 4 to 12 years |
|---------------------------------------------|---------------|

|                    |               |
|--------------------|---------------|
| Tooling & fixtures | 2 to 10 years |
|--------------------|---------------|

###### ② Intangible fixed assets

Software (for internal use) is depreciated under the straight-line method over its expected available period (5 years).

###### ③ Leased assets

Leased assets subject to finance leases without title transfer

Leased assets of this type are depreciated using the straight-line method with no residual value and with the lease term as a useful life

##### (3) Accounting standard for significant allowances/reserves

###### ① Allowance for bad debt

Allowance is provided at an estimated uncollectible amount by historical loss experience with regard to receivables in general, and by collectability determined for each receivable with regard to specific receivables of questionable collectability, in order to prepare for loss on bad debt from sales receivables, loans outstanding, etc.

###### ② Reserve for bonuses

The amount to be paid in this consolidated fiscal year from the estimated amount of the bonuses is provided to prepare for the payment of bonuses to their employees.

③ Reserve for directors' bonuses

The Company and its consolidated domestic subsidiaries provided the estimated amount of the bonuses to be paid as of the end of the current consolidated fiscal year to prepare for the payment of bonuses to their directors and corporate auditors.

④ Warranty reserve

Warranty reserve is provided at the estimated amount calculated by actual rate in the past experience with regard to products in general and, at the estimated amount individually calculated for each case with regard to certain specific products in order to prepare for the loss on the expenditure for product warranties.

(4) Retirement Benefit Accounting

① Period allocation of expected retirement benefit amounts to fiscal years

In calculating retirement benefit payables, we use the benefit formula standard as the formula to allocate expected amounts of retirement benefits up through the end of this consolidated fiscal year.

② Method of expensing actuarial differences

Actuarial differences are expensed from the subsequent consolidated fiscal year in the prorated amount using a straight-line method over a number of years (11 years) that is within the average number of remaining service years of employees when incurred.

(5) Principal Accounting standard for significant income and expenses

Details of major obligations and the usual timing of satisfaction of such obligations (ordinary timing of revenue recognition) for major products related to revenue arising from contracts with customers of the Company and its consolidated subsidiaries, are as follows.

a. Automotive parts

This business mainly manufactures and sells automotive parts and the customers are domestic and overseas automotive manufacturers and automotive parts manufacturers. The Group recognizes that the main obligation is to deliver finished products to customers, and revenue from sales of such products is recognized upon delivery of each product to the customer or upon acceptance by the customer.

Revenue is measured by deducting returned goods, discounts, rebates, etc. from the consideration promised in the contract with the customer.

The consideration for the transaction was received within one year after satisfying the obligation and does not include a significant financial component.

b. Molds which are sold to the customers

Revenue from molds collected from customers over a certain period from the start of mass production based on contracts with customers is recognized on the start of mass production.

Revenue is measured by deducting returned goods, discounts, rebates, etc. from the consideration promised in the contract with the customer.

### **Change in presentation**

(As for Consolidated Balance Sheet)

“Retirement benefit assets” which was included in “Others” under “Investment & other Assets” in the previous consolidated fiscal year, is stated separately in the same consolidated fiscal year because its importance has increased.

“Electronically recorded obligations” which was included in “Notes Payable & Accounts Payable-Trade” under “Current assets” in the previous consolidated fiscal year, is stated separately in the same consolidated fiscal year because its importance has increased.

### **Notes to Accounting Estimates**

Provision for product warranties

(1) The Amount recorded on the consolidated financial statement for the current consolidated fiscal year

| (Unit: Million yen)              | The Current fiscal year |
|----------------------------------|-------------------------|
| Provision for product warranties | 1,764                   |

(2) Information concerning significant accounting estimates relating to identified items  
To prepare the payment for product warranties, in addition to the recording of estimates of the expected amount based on historical data, the provisions for the product warranties for specific products that could be incurred due to market measures is recorded by the method of individual estimation when the possibility of market measures is high and when the reasonable estimation is possible. The amount of such provisions is estimated on the basis of currently available information and historical record of the quantity of repair and replacement and in consideration with the number of units subject to repair and replacement, repair and replace costs per unit, and the liability ratio determined depending on the cause of problem and, if applicable, coverage of insurance for collection costs of the products is recorded.

We have concluded that our estimates as assumption for condition precedent relating to the calculation of the provision for product warranties is reasonable. However, since these estimates contain uncertainty, unpredictable changes in such assumptions could cause deviation in the actual product warranties from the estimate, which could lead to a modification to provision for product warranties.

**Notes to Consolidated Balance Sheet**

**1. Cumulative amount of depreciation of tangible fixed assets** 49,581 Million yen

**2. Discounts to Electronically Recorded Monetary Claim**

Discounts to Electronically Recorded Monetary Claim 2,116 Million yen

**Notes to Statement of Consolidated Changes in Shareholders' Equity****1. Total number and type of shares issued as of end of consolidated fiscal year:**

Common stock 96,334,226 shares

**2. Dividends****(1) Dividends paid to shareholders**

| Resolution approved                                         | Types of shares | Source of dividends | Amount (million yen) | Amount of dividend per share (yen) | Record date       | Effective date    |
|-------------------------------------------------------------|-----------------|---------------------|----------------------|------------------------------------|-------------------|-------------------|
| Annual general meeting of shareholders as of March 24, 2023 | Common stock    | Retained earnings   | 432                  | 4.5                                | December 31, 2022 | March 27, 2023    |
| Board of directors meeting as of August 8, 2023             | Common stock    | Retained earnings   | 528                  | 5.5                                | June 30, 2023     | September 5, 2023 |

**(2) Dividends with a shareholders' cut-off date within the current consolidated fiscal year but an effective date within the subsequent consolidated fiscal year**

| Resolution approved                                                     | Types of shares | Source of dividends | Amount (millions yen) | Amount of dividend per share (yen) | Record date       | Effective date |
|-------------------------------------------------------------------------|-----------------|---------------------|-----------------------|------------------------------------|-------------------|----------------|
| Annual general meeting of shareholders as of March 27, 2024 (scheduled) | Common stock    | Retained earnings   | 528                   | 5.5                                | December 31, 2023 | March 28, 2024 |

## Notes Regarding Financial Instruments

### 1. Status of financial instruments

The Company group, in principle, limits their fund management to short-term deposits and funds procurement mainly by borrowings from banks and Valeo. Derivatives are used to avoid interest rate fluctuation risk and exchange fluctuation risk for borrowings, and the Company will not engage in speculative transactions.

Regarding such customer credit risk items as notes receivables, accounts receivable and electronically recorded monetary claims, the Company seeks to reduce such risk through the management of due date and balances due for each counterparty. Investments in securities are mostly stocks, and the fair market values of listed stocks are recorded quarterly.

Borrowings are used for working capital (mainly short-term) and capital investment (long-term).

### 2. Items relating to the fair market values of financial instruments

Summarized below are the amounts in the consolidated balance sheet, fair market values and differences as of December 31, 2023 (settlement date of this fiscal year).

(Unit: Million yen)

|                                                                    | Consolidated<br>balance<br>sheet<br>amount | Fair market<br>value | Difference |
|--------------------------------------------------------------------|--------------------------------------------|----------------------|------------|
| Securities and investments in securities                           |                                            |                      |            |
| Other securities                                                   | 276                                        | 276                  | -          |
| Total Assets                                                       | 276                                        | 276                  | -          |
| Long-term loan                                                     |                                            |                      |            |
| (Including the loan scheduled to be repaid within one year)        | 920                                        | 920                  | -          |
| Lease obligations                                                  |                                            |                      |            |
| (Including the obligations scheduled to be repaid within one year) | 3,897                                      | 3,847                | △50        |
| Total Liability                                                    | 4,817                                      | 4,767                | △50        |

(Note 1) “Cash on hand and in banks” “Notes and accounts receivable-trade” “Electronically recorded monetary claims” “Short-term loans receivable” “Notes and accounts payable trade” “Electronically recorded obligations” and “Short-term loan” has been omitted because they are cash and because the fair value approximates the book value due to the settlement in a short period.

(Note 2) Non Marketable securities, etc. are not included in the table above.  
Recorded amount of such financial instruments to consolidated balance sheet amounts are as follows.

| Classification        | Recorded amount to consolidated balance sheet (Unit: Million yen) |
|-----------------------|-------------------------------------------------------------------|
| Non-listed securities | 13,209                                                            |

### 3. Items relating to the breakdown, etc. on each level of the market values of financial instruments

The market value of financial instruments is classified into the following three levels according to the observability and materiality of the inputs used in the calculation of the market value.

Level 1 : Market value calculated from (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 : Market value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3: Market value calculated using significant unobservable inputs

If multiple inputs that have a significant impact on the same market value calculation are used, the market value is classified into the level with the lowest priority in the calculation of the market value among the levels to which each of these inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheet at the market value

| Classification        | Market value (million yen) |         |         |       |
|-----------------------|----------------------------|---------|---------|-------|
|                       | Level 1                    | Level 2 | Level 3 | Total |
| Investment securities |                            |         |         |       |
| Other securities      |                            |         |         |       |
| Stocks                | 276                        | -       | -       | 276   |
| Total assets          | 276                        | -       | -       | 276   |

(2) Financial instruments other than the ones which recorded on the consolidated balance sheet at the market value

| Classification                                                                | Market value (million yen) |         |         |       |
|-------------------------------------------------------------------------------|----------------------------|---------|---------|-------|
|                                                                               | Level 1                    | Level 2 | Level 3 | Total |
| Long-term loans(including the loans which will be repaid within 1 year)       | -                          | 920     | -       | 920   |
| Lease obligation(including the obligation which will be repaid within 1 year) | -                          | 3,847   | -       | 3,847 |
| Total liabilities                                                             | -                          | 4,767   | -       | 4,767 |

(Note)Description for valuation techniques used in the calculation of the market value and inputs related to the calculation of the market value

Investment securities

Listed stocks are valued using quoted market prices. Listed stocks are classified as Level 1 market prices because they are traded in an active market.

Long-term loan and lease obligation

These market values are calculated using the discounted present value method based on the total amount of principal and interest, the interest rate that takes into account the remaining term of the debt and credit risk, and are classified as level 2 market values.

## Notes on revenue recognition

### 1. Information that disaggregates revenue from contracts with customers

(million yen)

|                                       | Reporting segment |             | Total   |
|---------------------------------------|-------------------|-------------|---------|
|                                       | Automotive parts  | Aftermarket |         |
| Sales                                 |                   |             |         |
| Japan                                 | 100,283           | 7,310       | 107,594 |
| Overseas                              | 37,537            | 765         | 38,302  |
| Revenue from contracts with customers | 137,820           | 8,076       | 145,897 |
| Other revenue                         | -                 | -           | -       |
| Sales to outside customers            | 137,820           | 8,076       | 145,897 |

### 2. Basic information to understand the revenue from contracts with customers

Basic information to understand the revenue from contracts with customers is as stated in “Notes on Important Matters for Preparing Consolidated Financial Statements 4. Matters Concerning Accounting Policies (5) Accounting Standards for Significant Income and Expenses”

### 3. Information to understand the amount of revenue at the current consolidated fiscal year and from the next consolidated fiscal year onwards

#### (1) Balance of contract assets and contract liabilities, etc.

Contract assets and contract liabilities of the Company and its consolidated subsidiaries are omitted because the balance is insignificant and there have been no significant changes.

#### (2) Transaction price allocated to remaining obligations

In regard to the transaction price allocated to the remaining obligations, the Company and its consolidated subsidiaries do not have any significant transactions with an expected contract period exceeding one year. There are no significant amounts that have not been included in the transaction price.

## Notes on business combinations, etc.

### Transfer of consolidated subsidiary shares

Rights and obligations of the mirror business of the company were succeeded by Misato Industries Co., Ltd., consolidated subsidiary of the Company, by the method of company split (absorption-type split) and then all the shares of Misato Industries Co., Ltd. were transferred to SMR Automotive Mirrors UK Limited.

#### 1. Overview of business divestiture

##### ① Name of successor and transferrer of the business by company split

##### i) Name of successor of the business

Misato Industries Co., Ltd.

##### ii) Name of transferrer of the business



SMR Automotive Mirrors UK Limited

② Business content that was succeeded

Business related to the design, development, manufacturing and sale of automotive mirrors

③ Reason for transfer

The Company decided to transfer the shares because our group determined that an even stronger competitiveness can be secured by the selection, concentration and allocation of the limited management resources to the remaining lighting business etc.

④ Date of business divestiture

i) Company split date

March 1, 2023

ii) Share transfer date

August 1, 2023

⑤ Other matters related to the transaction including legal form

i) Company split

Absorption-type split (simplified split) method in which the Company is the splitting company and Misato Industries CO., Ltd. is the successor company.

ii) Share transfer

Consideration for the share transfer only received by assets such as cash

2. Summary of accounting treatments

① Amount of gain or loss on transfer

Loss on sale of affiliated company shares 1,261 million yen

② Assets, appropriate book value of liabilities and breakdown related to the transferred subsidiary

|                     |                           |
|---------------------|---------------------------|
| Current assets      | 8,968 million yen         |
| Fixed asset         | 4,227 million yen         |
| Total assets        | <u>13,195 million yen</u> |
| Current liabilities | 6,922 million yen         |
| Fixed liabilities   | <u>1,220 million yen</u>  |
| Total debt          | 8,143 million yen         |

③ Accounting treatment

The difference between the consolidated book value and sale price of the transferred shares is recorded as extraordinary loss "loss on sale of affiliated company shares." As for the share transfer price, the above amount is a provisional amount as there is a price adjustment clause in the transfer agreement. The final share transfer price will change as price adjustments are expected in the future.

3. Name of the report segment that the business of the transferred shares was included

Auto parts business

4. Profit and loss related to the transferred subsidiary recorded in the consolidated statement of

income for the current consolidated fiscal year

Approximate amount

Amount of sales 11,237 million yen

Operating loss 247 million yen

**Net assets, net income per share**

Net assets per share 666.00 yen

Net income per share 81.53 yen

## Balance Sheet

( As of December 31, 2023 )

( Unit : Million Yen )

| Account Item<br>( Assets )              | Amount        | Account Item<br>( Liabilities )                    | Amount        |
|-----------------------------------------|---------------|----------------------------------------------------|---------------|
| <b>Current Assets</b>                   | <b>50,385</b> | <b>Current Liabilities</b>                         | <b>38,887</b> |
| Cash on hand and in banks               | 3,212         | Accounts payable                                   | 7,902         |
| Accounts receivable                     | 18,954        | Electronically recorded obligations                | 14,594        |
| Electronically recorded monetary claims | 35            | Short-term Loans                                   | 550           |
| Finished Goods                          | 1,505         | Long-term Loans which will be repaid within 1 year | 920           |
| Works in Process                        | 638           | Lease Obligations                                  | 241           |
| Raw Materials & Stored Goods            | 2,181         | Account Payable-Not Trade                          | 3,466         |
| Prepaid expenses                        | 272           | Accrued Corporate Taxes                            | 1,109         |
| Accounts receivable-Not Trade           | 1,405         | Accrued Expenses                                   | 3,394         |
| Short-term loans receivable             | 22,258        | Deposit Received                                   | 1,961         |
| Others                                  | 9             | Reserve for Bonus                                  | 577           |
| Allowance for doubtful accounts         | △88           | Reserve for Officers' Bonus                        | 15            |
|                                         |               | Warranty Reserve                                   | 1,716         |
|                                         |               | Others                                             | 2,437         |
| <b>Fixed Assets</b>                     |               | <b>Fixed Liabilities</b>                           |               |
| Property, Plant & Equipment             |               |                                                    |               |
| Buildings                               | 7,613         | Lease Obligations                                  | 2,315         |
| Structures                              | 188           | Retirement Allowance                               | 5,427         |
| Mechanical & Equipment                  | 10,806        | Asset Retirement Obligation                        | 26            |
| Vehicles & Transport Equipment          | 81            |                                                    |               |
| Tooling & Fixtures                      | 1,715         |                                                    |               |
| Land                                    | 1,518         |                                                    |               |
| Lease Assets                            | 2,488         |                                                    |               |
| Construction in Progress                | 2,822         |                                                    |               |
| Intangible Assets                       | 27            |                                                    |               |
| Leasehold                               |               |                                                    |               |
| Right of using facilities               | 13            |                                                    |               |
| Software                                | 9             |                                                    |               |
|                                         |               | <b>Total Liabilities</b>                           |               |
| <b>Investment &amp; other Assets</b>    | <b>14,637</b> | ( Net Assets )                                     |               |
| Investment Securities                   |               | Shareholders' Equity                               | 45,626        |
| Stocks of affiliates                    | 4,802         | Capital Stock                                      | 8,996         |
| Investment in affiliates                | 1,908         | Capital Surplus                                    | 2,328         |
| Long-term Loans                         | 737           | Capital Reserve                                    | 2,328         |
| Long-term prepaid expenses              | 319           | Retained Earnings                                  | 34,356        |
| Prepaid pension costs                   | 2,179         | Other Retained Earnings                            | 34,356        |
| Deferred Tax Asset                      | 3,373         | Unappropriated Retained Earnings                   | 34,356        |
| Others                                  | 1,272         | Treasury Shares                                    | △55           |
| Allowance for Doubtful Accounts         | △2            | <b>Total Net Assets</b>                            | <b>45,626</b> |
| <b>Total Assets</b>                     | <b>92,284</b> | <b>Total Liabilities &amp; Net Assets</b>          |               |

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

## Statement of Income

( From January 1, 2023  
To December 31,  
2023 )

( Unit : Million Yen )

| Account Item                                          | Amount |              |
|-------------------------------------------------------|--------|--------------|
| <b>Net Sales</b>                                      |        | 101,871      |
| <b>Cost of Sale</b>                                   |        | 84,102       |
| <b>Gross Income</b>                                   |        | 17,769       |
| <b>Selling, General &amp; Administrative Expenses</b> |        | 13,891       |
| <b>Operating Income</b>                               |        | 3,877        |
| <b>Non-Operating Income</b>                           |        |              |
| Interest Received                                     | 479    |              |
| Dividend Received                                     | 123    |              |
| Fixed Assets Rent                                     | 72     |              |
| Others                                                | 4      | 679          |
| <b>Non-Operating Expenses</b>                         |        |              |
| Interest Expenses                                     | 103    |              |
| Commission Fee                                        | 6      |              |
| Fixed Assets Rent Expenses                            | 70     |              |
| Foreign Exchange Losses                               | 279    | 459          |
| <b>Ordinary Income</b>                                |        | <b>4,097</b> |
| <b>special profit</b>                                 |        |              |
| Gain on disposal of fixed assets                      | 3,965  | <b>3,965</b> |
| <b>Extraordinary Losses</b>                           |        |              |
| Loss from the sales of fixed assets                   | 643    |              |
| Impairment loss                                       | 235    |              |
| Loss on sale of affiliated company stocks             | 969    |              |
| Business Structure Improvement Expenses               | 341    | 2,189        |
| Income before Income Taxes                            |        | <b>5,873</b> |
| Income Taxes-current                                  | 1,357  |              |
| Income taxes-deferred                                 | 443    | 1,800        |
| Net Income                                            |        | <b>4,072</b> |

(Note) Figures under a million yen were rounded down

## Statement of Changes in Net Assets

( From January 1, 2023  
To December 31, 2023 )

( Unit : Million Yen )

|                                           | Shareholders' Equity |                 |                                  |                         |                         |
|-------------------------------------------|----------------------|-----------------|----------------------------------|-------------------------|-------------------------|
|                                           | Capital Stock        | Capital Surplus |                                  | Retained Earnings       |                         |
|                                           |                      | Capital Reserve | Total Capital Surplus            | Other Retained Earnings | Total Retained Earnings |
|                                           |                      |                 | Unappropriated Retained Earnings |                         |                         |
| Opening Balance                           | 8,986                | 2,318           | 2,318                            | 31,245                  | 31,245                  |
| Cumulative effect of an accounting change | -                    | -               | -                                | -                       | -                       |
| Change in the Term                        |                      |                 |                                  |                         |                         |
| Net Income                                | -                    | -               | -                                | 4,072                   | 4,072                   |
| New stock issue                           | 10                   | 10              | 10                               | -                       | -                       |
| Dividend of surplus                       | -                    | -               | -                                | △961                    | △961                    |
| Acquisition of Own Shares                 | -                    | -               | -                                | -                       | -                       |
| Total amount of change in current term    | 10                   | 10              | 10                               | 3,111                   | 3,111                   |
| Closing Balance                           | 8,996                | 2,328           | 2,328                            | 34,356                  | 34,356                  |

|                                           | Shareholders' Equity |                            | Valuation and Translation Adjustments       |                                             | Total Net Assets |
|-------------------------------------------|----------------------|----------------------------|---------------------------------------------|---------------------------------------------|------------------|
|                                           | Treasury Stock       | Total Shareholders' Equity | Other Valuation and Translation Adjustments | Total Valuation and Translation Adjustments |                  |
| Opening Balance                           | △55                  | 42,494                     | -                                           | -                                           | 42,494           |
| Cumulative effect of an accounting change | -                    | -                          | -                                           | -                                           | -                |
| Change in the Term                        |                      |                            |                                             |                                             |                  |
| Net Income                                | -                    | 4,072                      | -                                           | -                                           | 4,072            |
| New stock issue                           | -                    | 20                         |                                             |                                             | 20               |
| Dividend of surplus                       | -                    | △961                       | -                                           | -                                           | △961             |
| Acquisition of Own Shares                 | △0                   | △0                         | -                                           | -                                           | △0               |
| Total amount of change in current term    | △0                   | 3,131                      | -                                           | -                                           | 3,131            |
| Closing Balance                           | △55                  | 45,626                     | -                                           | -                                           | 45,626           |

(Note) Figures under a million yen were rounded down

## ■Notes to the Non-consolidated Financial Statements

### Summary of significant accounting policies

#### 1. Standards and methods for valuation of significant assets

- (1) Marketable securities
  - ① Stocks of subsidiaries and affiliated companies  
Cost method on the moving average method (moving average)
  - ② Other marketable securities  
-Shares without market price, etc.  
Cost method on moving average method
- (2) Inventories
  - ① Product, raw materials and work in progress  
Cost method with FIFO  
(Balance sheet values are calculated by the book value devaluation method based on lowered profitability)
  - ② Stored goods  
Cost method on moving average method

#### 2. Depreciation method for important depreciable assets

- (1) Tangible fixed assets (excluding leased assets)  
Tangible fixed assets  
By the straight-line method.  
Estimated useful lives for major asset classes are as follows:
 

|                                            |                |
|--------------------------------------------|----------------|
| Buildings and structures                   | 10 to 50 years |
| Mechanical equipment & transport equipment | 4 to 12 years  |
| Tooling & fixtures                         | 2 to 10 years  |
- (2) Intangible fixed assets (excluding leased assets)
  - Software for internal use  
Software for internal use is depreciated under the straight-line method over its expected available period (5 years).
  - Other intangible fixed assets  
Intangible fixed assets are depreciated under the straight-line method.
- (3) Leased assets  
Leased assets subject to finance leases without title transfer  
Leased assets of this type are depreciated using the straight-line method with no residual value and with the lease term as a useful life.

#### 3. Accounting for allowances/reserves

- (1) Allowance for bad debts  
Allowance is provided at an estimated uncollectible amount by historical loss experience with regard to receivables in general, and by collectability determined for each receivable with regard to specific receivables of questionable collectability, in order to prepare for loss on bad debt from sales receivables, loans outstanding, etc.

- (2) Reserve for bonuses  
The Company provided the amount to be paid in this consolidated fiscal year from the estimated amount of the bonuses to prepare for the payment of bonuses to the employees.
- (3) Reserve for directors' bonuses  
The Company and its consolidated domestic subsidiaries provided the estimated amount of the bonuses to be paid as of the end of the current consolidated fiscal year to prepare for the payment of bonuses to their directors and corporate auditors.
- (4) Warranty reserve  
Warranty reserve is provided at the estimated amount calculated by actual rate in the past experience with regard to products in general and, at the estimated amount individually calculated for each case with regard to certain specific products in order to prepare for the loss on the expenditure for product warranties
- (5) Allowance for retirement benefits  
An allowance for retirement benefits is recorded based on the projected retirement benefit payables and pension assets as of the end of the current consolidated fiscal year, in order to provide for the employees' retirement benefits.  
Our method of accounting for retirement benefit allowances and retirement benefit expenses is as follows.
- ① Period allocation of expected retirement benefit amounts to fiscal years  
In calculating retirement benefit payables, we use the benefit formula standard as the formula to allocate expected amounts of retirement benefits up through the end of this consolidated fiscal year.
  - ② Method of expensing actuarial differences  
Actuarial differences are expensed from the subsequent consolidated fiscal year in the prorated amount using a straight-line method over a number of years (11 years) that is within the average number of remaining service years of employees when incurred.  
The treatment of the unrecognized actuarial differences in the non-consolidated balance sheet is different from the treatment in the consolidated balance sheet.

#### 4 . Accounting standard for significant income and expenses

Details of major obligations and the usual timing of satisfaction of such obligations (ordinary timing of revenue recognition) for major products related to revenue arising from contracts with customers of the Company are as follows.

##### a. Automotive parts

This business mainly manufactures and sells automotive parts and the customers are domestic and overseas automotive manufacturers and automotive parts manufacturers. The Group recognized that the main obligation is to deliver finished products to customers and the revenue from sales of such products is

recognized upon delivery of each product to the customer or upon acceptance by the customer.

Revenue is measured by deducting returned goods, discounts, rebates, etc. from the consideration promised in the contract with the customer.

The consideration for the transaction was received within one year after satisfying the obligation and does not include a significant financial component.

b. Mold which are sold to the customers

Revenue from molds collected from customers over a certain period from the start of mass production based on contracts with customers is recognized on the start of mass production.

Revenue is measured by deducting returned goods, discounts, rebates, etc. from the consideration promised in the contract with the customer.



**Change in presentation**

(As for Balance Sheet)

“Prepaid pension costs” which was included in “Others” under “Investment & other Assets” in the previous fiscal year, is stated separately in the same fiscal year because its importance has increased.

“Electronically recorded obligations” which was included in “Accounts payable” under “Current liabilities” in the previous fiscal year, is stated separately in the same fiscal year because its importance has increased.

**Notes to Accounting Estimates**

Provision for product warranties

(1) the Amount recorded on the Non-consolidated financial statement for the current fiscal year

(Unit: Million yen)

|                                  | The Current fiscal year |
|----------------------------------|-------------------------|
| Provision for product warranties | 1,716                   |

(2) Information concerning significant accounting estimates relating to identified items  
To prepare the payment for product warranties, in addition to the recording of estimates of the expected amount based on historical data, the provisions for the product warranties for specific products that could be incurred due to market measures is recorded by the method of individual estimation when the possibility of market measures is high and when the reasonable estimation is possible. The amount of such provisions is estimated on the basis of currently available information and historical record of the quantity of repair and replacement and separately calculated in consideration with the number of units subject to repair and replacement, repair and replace costs per unit, and the liability ratio determined depending on the cause of problem and, if applicable, coverage of insurance for collection costs of the products, and is recorded

We have concluded that our estimates as an assumption for calculating the provision for product warranties is reasonable. However, since these estimates contain uncertainty, unpredictable changes in such assumptions could cause deviation in the actual product warranties from the estimate, which could lead to a modification to provision for product warranties.

**Notes to Balance Sheet**

1. Accumulated depreciation of tangible fixed assets                      30,423 Million yen
  
2. Amount of Discount Electronically Recorded receivables                      2,045 Million yen
  
3. Account receivables from and account payables to the affiliated companies
 

|                                 |                    |
|---------------------------------|--------------------|
| Short-term monetary receivables | 23,537 Million yen |
| Long-term monetary receivables  | 737 Million yen    |
| Short-term monetary payables    | 4,762 Million yen  |
  
4. Guarantee Obligations

We guarantee the lease and loan obligations of the following affiliated company.

| Guarantee                              | Balance (Million yen) | Content of guaranty           |
|----------------------------------------|-----------------------|-------------------------------|
| Ichikoh Industries (Thailand) Co. Ltd. | 127                   | Guaranty of lease obligations |

### Notes to Income Statement

Transactions with related parties

(Unit: Million yen)

|                                               |        |
|-----------------------------------------------|--------|
| Sales                                         | 1,381  |
| Purchases                                     | 21,508 |
| Selling, general and administrative expenses  | 627    |
| Transactions other than business transactions | 608    |

### Note to Statement of Change in Shareholders' Equity

Total number and type of treasury stocks as of end of the fiscal year:

|              |                |
|--------------|----------------|
| Common stock | 180,942 shares |
|--------------|----------------|

### Notes regarding deferred tax accounting

Breakdowns of occurrences of deferred tax assets and deferred tax liabilities by cause

(Unit: Million yen)

Deferred tax assets

|                                                  |       |
|--------------------------------------------------|-------|
| Reserve for retirement benefits                  | 1,659 |
| Variation loss of stocks of affiliated companies | 1,949 |
| Undetermined liabilities                         | 1,318 |
| Warranty reserve                                 | 524   |
| Reserve for bonuses                              | 176   |
| Inventory                                        | 216   |
| Fixed assets (impairment)                        | 146   |

|       |     |
|-------|-----|
| Other | 205 |
|-------|-----|

|                             |       |
|-----------------------------|-------|
| Deferred tax asset subtotal | 6,198 |
|-----------------------------|-------|

|                     |        |
|---------------------|--------|
| Valuation allowance | △2,157 |
|---------------------|--------|

|                           |       |
|---------------------------|-------|
| Total deferred tax assets | 4,040 |
|---------------------------|-------|

Deferred tax liabilities

|                                                      |   |
|------------------------------------------------------|---|
| Tangible fixed assets (asset retirement obligations) | 0 |
|------------------------------------------------------|---|

|                      |     |
|----------------------|-----|
| Prepaid pension cost | 666 |
|----------------------|-----|

|                                |     |
|--------------------------------|-----|
| Total deferred tax liabilities | 666 |
|--------------------------------|-----|

|                         |       |
|-------------------------|-------|
| Net deferred tax assets | 3,373 |
|-------------------------|-------|

## Notes regarding related party transactions

### 1. Parent company and major shareholder etc.

(Unit: million yen)

| Relation       | Party      | Ichikoh's share of voting rights | Relevant transaction types | Transaction description   | Transaction amount | Line item                 | EOY balance |
|----------------|------------|----------------------------------|----------------------------|---------------------------|--------------------|---------------------------|-------------|
| Parent company | Valeo S.A. | 61.14% Indirectly owned          | Loan / Fund settlement     | Loan (Note)1              | 10,600             | Short-term loans          | 18,600      |
|                |            |                                  |                            | Interest Received (Note)2 | 0                  |                           |             |
|                |            |                                  |                            | Fund settlement (Note)3   | 668                | Current Liabilities Other | 1,360       |

Policies for determining transactions and their terms, etc.

(Note)1. Regarding the transaction amount for loan and fund collection, the amount of net increase/decrease from the end of the previous fiscal year to the end of the current fiscal year is stated.

(Note)2. For the loan to Valeo, the interest rate is determined in consideration of market interest rate.

(Note) 3. Fund settlement is conducted to improve efficiency of a group-wide deposit/withdrawal transaction with a third party outside the group. The amount of net increase/decrease from the end of the previous fiscal year to the end of the current fiscal year is stated.

### 2. Subsidiaries, affiliates, etc.

(Unit: million yen)

| Relation   | Party                           | Ichikoh's share of voting rights | Relevant transaction types                                                                                                        | Transaction description                                                        | Transaction amount | Line item           | EOY balance |
|------------|---------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------|---------------------|-------------|
| Subsidiary | Kyushu Ichikoh Industries, Ltd. | 100.0%, direct                   | Purchase of products and components; Paid supply; Executives taking concurrent position                                           | Purchase of components and products (Note )1                                   | 2,496              | Accounts payables   | 2,242       |
|            |                                 |                                  |                                                                                                                                   | Fix asset rental (Note )1                                                      | 70                 |                     |             |
| Subsidiary | PT.Ichikoh Indonesia            | 99.9%,direct, 0.1% indirect      | Purchase and sale of components and products; Technical support; Royalty Agreement: Executives taking concurrent position<br>Loan | Sales of components and products, Technical support, Royalty agreement (Note)1 | 818                | Accounts receivable | 202         |
|            |                                 |                                  |                                                                                                                                   | Funds collection (Note)2                                                       | 212                | Short-term loans    | 3,658       |
|            |                                 |                                  |                                                                                                                                   | Interest income (Note )3                                                       | 315                | accounts receivable | 133         |

|           |                            |               |                                                         |                          |       |                          |     |
|-----------|----------------------------|---------------|---------------------------------------------------------|--------------------------|-------|--------------------------|-----|
| Affiliate | Valeo Ichikoh Holding Ltd. | 15.0%, direct | Supervision of automotive lamp business in China market | Fund collection (Note)2  | 1,000 | Long-term loans          | 737 |
|           |                            |               |                                                         | Interest income (Note )3 | 118   | Current asset and others | 75  |

Policies for determining transactions and their terms, etc.

(Note) 1. The prices and other terms of transactions are determined through negotiations, based on the considerations calculated by the Company, taking into account market prices, etc..

(Note)2. Regarding the transaction amount for loan and fund collection, the amount of net increase/decrease from the end of the previous fiscal year to the end of the current fiscal year is stated.

(Note) 3. For loan to PT. Ichikoh Indonesia and Valeo Ichikoh Holding Ltd., the interest rate is determined in consideration of a market interest rate.

#### **Net assets, net income per share**

|                      |            |
|----------------------|------------|
| Net assets per share | 474.52 yen |
| Net income per share | 42.36 yen  |

#### **Notes on revenue recognition**

The information that forms the basis for understanding revenue generated from contracts with customers is omitted because the same information is provided in the notes to consolidated financial statements "Notes on revenue recognition"

**Accounting Auditor's Report Regarding the Consolidated Financial Statements  
Omitted:**

Accounting Auditor's Report  
Omitted:

## Audit Report of the Board of Corporate Auditors

### Audit Report

The Board of Corporate Auditors, regarding the execution of business by the Board of Directors during the 94th business year, from January 1, 2023 to December 31, 2023, prepared this audit reports and hereby report as follows, as a result of the deliberation based on Audit Report which was prepared by each Corporate Auditor.

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

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

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

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

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

③ We monitored and verified that the Accounting Auditor maintains its independent position and conducted fair audit, and received report on the execution of the duties from the Accounting Auditor and requested explanation as necessary. Further, we received the notice that the Accounting Auditor has been implementing the “System to Ensure the Appropriateness of Execution of Duties” (the matters listed in the Section 131 of the Ordinance on Company Accounting) in accordance with the “Quality Control Standard on Audit” (Corporate Accounting Council October 28, 2005) and requested explanation, as necessary.

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

#### 2. Audit Results

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

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

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

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

statements in the Business Report regarding the Internal Control System or the execution of business by the Directors.

- ④ It was found that the matters to which attention was paid in order to avoid damage of interest of the company regarding transactions with the parent company and the judgment by the Board of Director whether or not transaction may cause damage to company's interest and reasons thereof are proper.
- (2) Results of Auditing the Financial Statements and the Supplemental Schedule thereof  
We found that the methods of audit used by the Accounting Auditor Ernst & Young ShinNihon LLC and the results thereof are proper.
- (3) Results of Auditing the Consolidated Financial Statements  
We found that the methods of audit used by the Accounting Auditor Ernst & Young ShinNihon LLC and the results thereof are proper.

February 26, 2024

Ichikoh Industries Co., Ltd.

Nobuteru Kao, Full Time Corporate Auditor [seal]

Aki Tsurumaki, Outside Corporate Auditor [seal]

Sevaistre Pierre, Outside Corporate Auditor [seal]

End