



# **2024 First Semester Financial Performance & Sustainable Corporate Value Enhancement**

**September 12, 2024  
Ichikoh Industries, Ltd.**

VISION IN MOTION



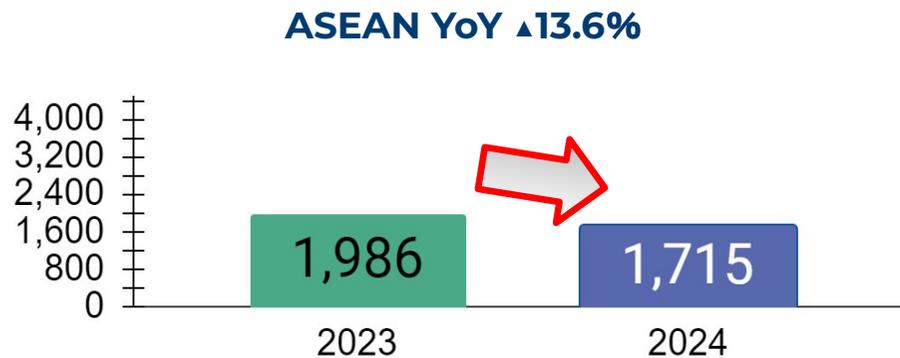
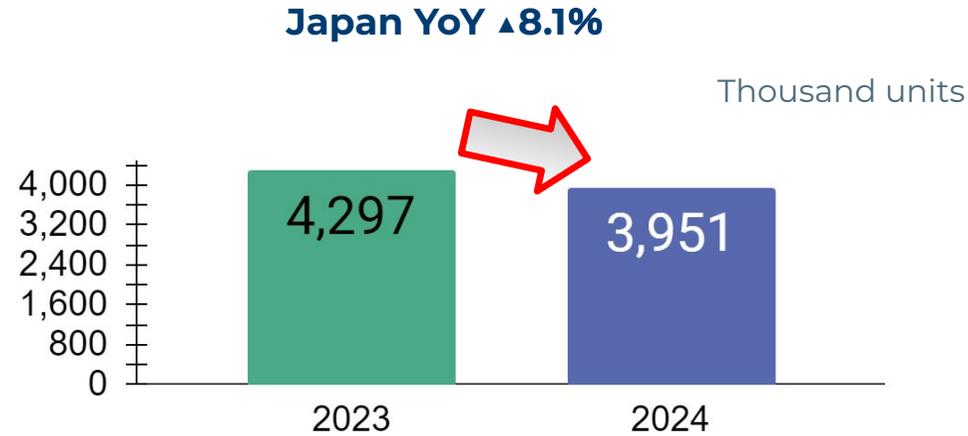
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# 01 FY2024 First Semester Financial Results (January~June 2024)

# SALES OUTPERFORMANCE VS MARKET

## FY 2024 First Semester Production Volume per Market \*



\*Production volumes from Marklines

## FY2024 First Semester Sales (Excluding Mirror) Outperformance vs Market Excluding Forex Effect

2024 vs 2023	Sales Evolution	Market Production Volume Evolution	Sales Outperformance
Ichikoh Group	▲8.9%	▲9.8%	0.9 pt

2024 vs 2023	Sales Evolution	Market Production Volume Evolution	Sales Outperformance
Japan	▲9.8%	▲8.1%	▲1.7 pt
ASEAN	▲6.6%	▲13.6%	7.1 pt

- Ichikoh Group : Japan+ASEAN
- Japan: Ichikoh non-consolidated
- ASEAN: Malaysia, Indonesia, Thailand

**Sales outperforming the market by +0.9pts in S1 YTD 2024, mainly driven by ASEAN (+7.1pts)**

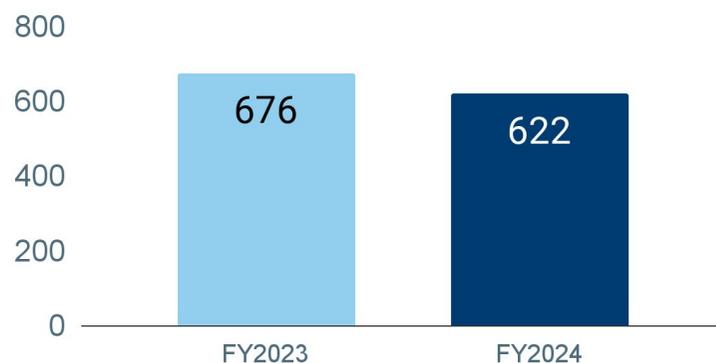
# FY2024 FIRST SEMESTER (YEAR-ON-YEAR) - excluding MIRROR

- ◆ **Activity slow down** vs S1 2023 mostly from Japan impacted by certification issues etc.
- ◆ On top of the activity slow down, **adverse impact from weakening Japanese yen** is doing more than offsetting the **operational improvements achieved in Asean (Non Quality costs)**, resulting in a lowered profitability level in S1 2024.

Hundreds million yen

	FY2023 (Jan.~Jun. 2023)	FY2024 (Jan.~Jun. 2024)	Increase/Decrease (vs. previous year)		Increase /Decrease %
<b>Sales</b>	<b>676</b>	<b>622</b>	①	<b>▲55</b>	<b>▲8.1%</b>
<b>Operating Income</b>	<b>40</b>	<b>18</b>	②	<b>▲23</b>	<b>▲56.3%</b>
<b>Operating Margin (%)</b>	<b>6.0%</b>	<b>2.8%</b>	②/①	<b>41.3%</b>	<b>▲3.1 pt.</b>

**Sales**



**Operating Income**



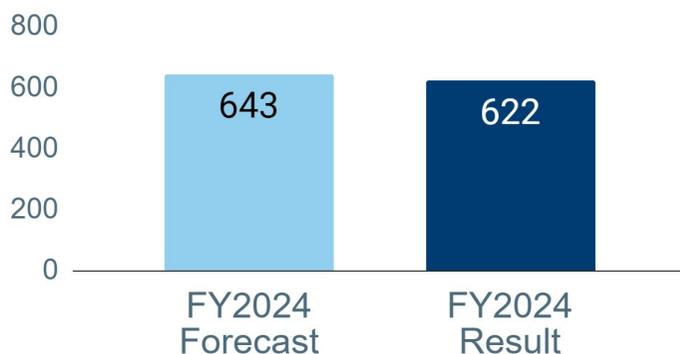
# FY2024 FIRST SEMESTER vs TSE Projection

- ◆ **Activity slow down mostly from Japan** impacted by certification issues etc.
- ◆ **On top of low activity, adverse FX impact** from sharp weakening of the JPY and worse Freight and NQC remaining behind target despite real progress, are dragging down the Operating income.

Hundreds million yen

	FY2024 TSE Projection (Jan.~Jun. 2024)	FY2024 RESULT (Jan.~Jun. 2024)	Increase /Decrease (vs. forecast)		Increase /Decrease %
<b>Sales</b>	<b>643</b>	<b>622</b>	①	▲21	▲3.3%
<b>Operating Income</b>	<b>30</b>	<b>18</b>	②	▲12	▲41.4%
<b>Operating Margin (%)</b>	<b>4.7%</b>	<b>2.8%</b>	②/①	<b>58.6%</b>	<b>▲1.8 pt.</b>
<b>Ordinary Income</b>	<b>35</b>	<b>23</b>		▲12	▲33.5%
<b>Net Income Attributable to the Parent Company</b>	<b>22</b>	<b>14</b>		▲8	▲37.2%

**Sales**



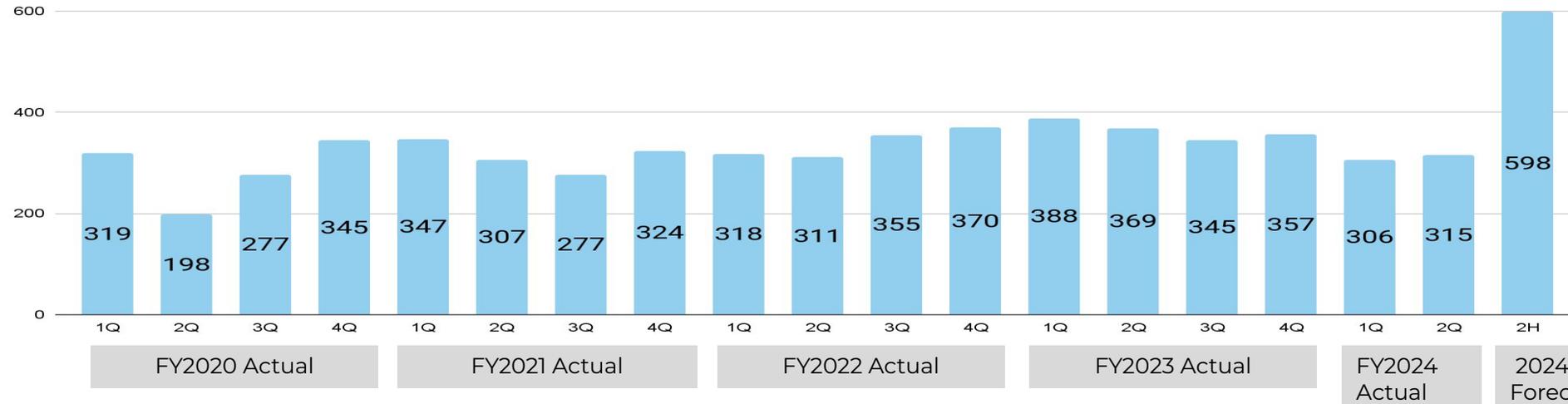
**Operating Income**



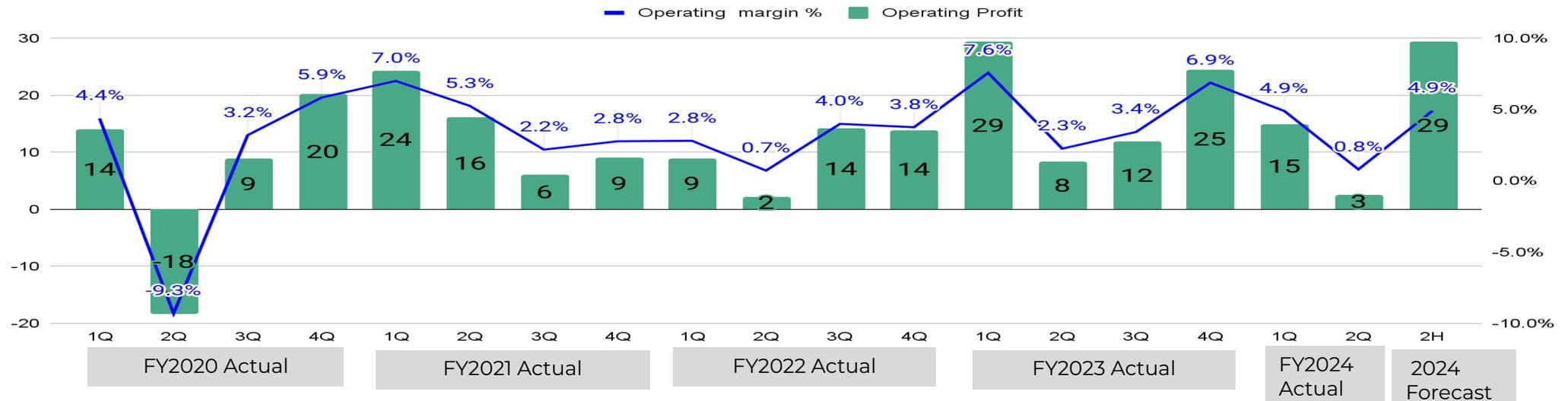
# TREND IN QUARTERLY FINANCIAL RESULTS

## Sales

Hundreds million yen



## Operating Income



# FY2024 FIRST SEMESTER RESULTS BY REGION vs FY2023 - excluding MIRROR

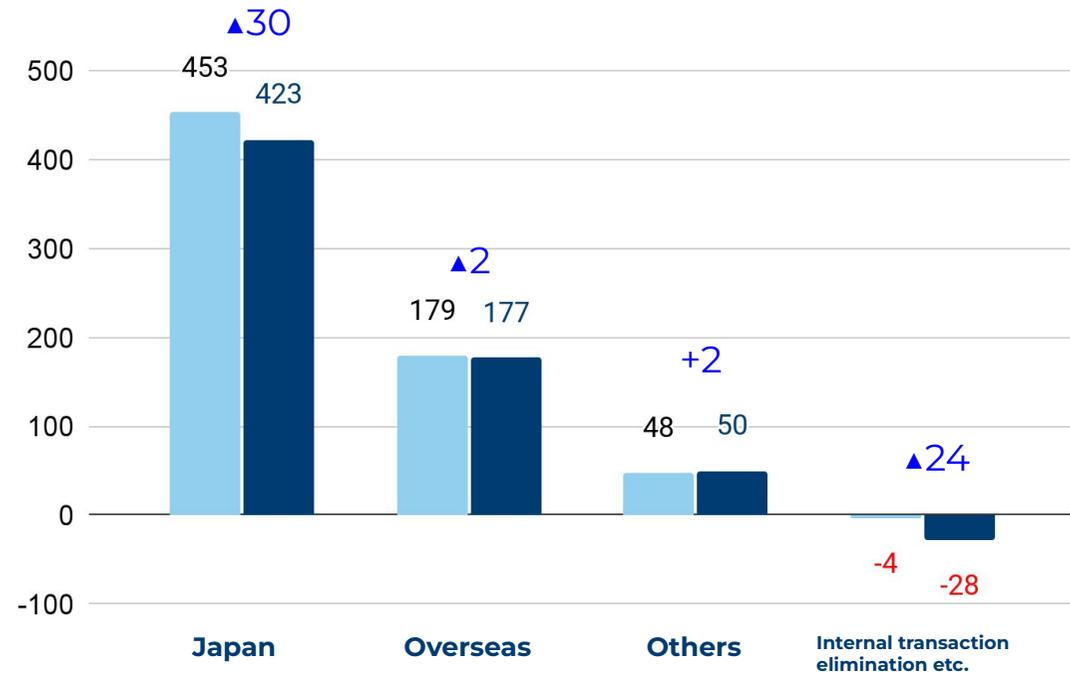
- ◆ **Japan** : Activity negatively affected by the certification issues etc., on top of what weak Japanese yen is penalizing the profitability through higher import material costs.
- ◆ **Overseas** : Sales are almost in line with last year with FX impact offsetting volume slow down in Indonesia, but Operating Income is negatively affected by higher R&D costs doing more than offsetting Non Quality costs improvements and productivities achieved on operational side.

■ FY2023 1st Semester      ■ FY2024 1st Semester

Hundreds million yen

Sales 676 ⇒ 622 (YoY ▲55)

Operating Income 40 ⇒ 18 (YoY ▲23)  
 Operating Margin % 6.0% ⇒ 2.8% (YoY ▲3.1 pt.)



Japan: Ichikoh non-consolidated (Isehara·Fujioka·HQ) and Kyushu Ichikoh (Only Operating Income)  
 Overseas : Malaysia·Indonesia·Thailand  
 Others : PIAA

# FY2024 FIRST SEMESTER FINANCIAL RESULTS POINTS (YEAR-ON-YEAR) - excluding MIRROR 【Operating Income】

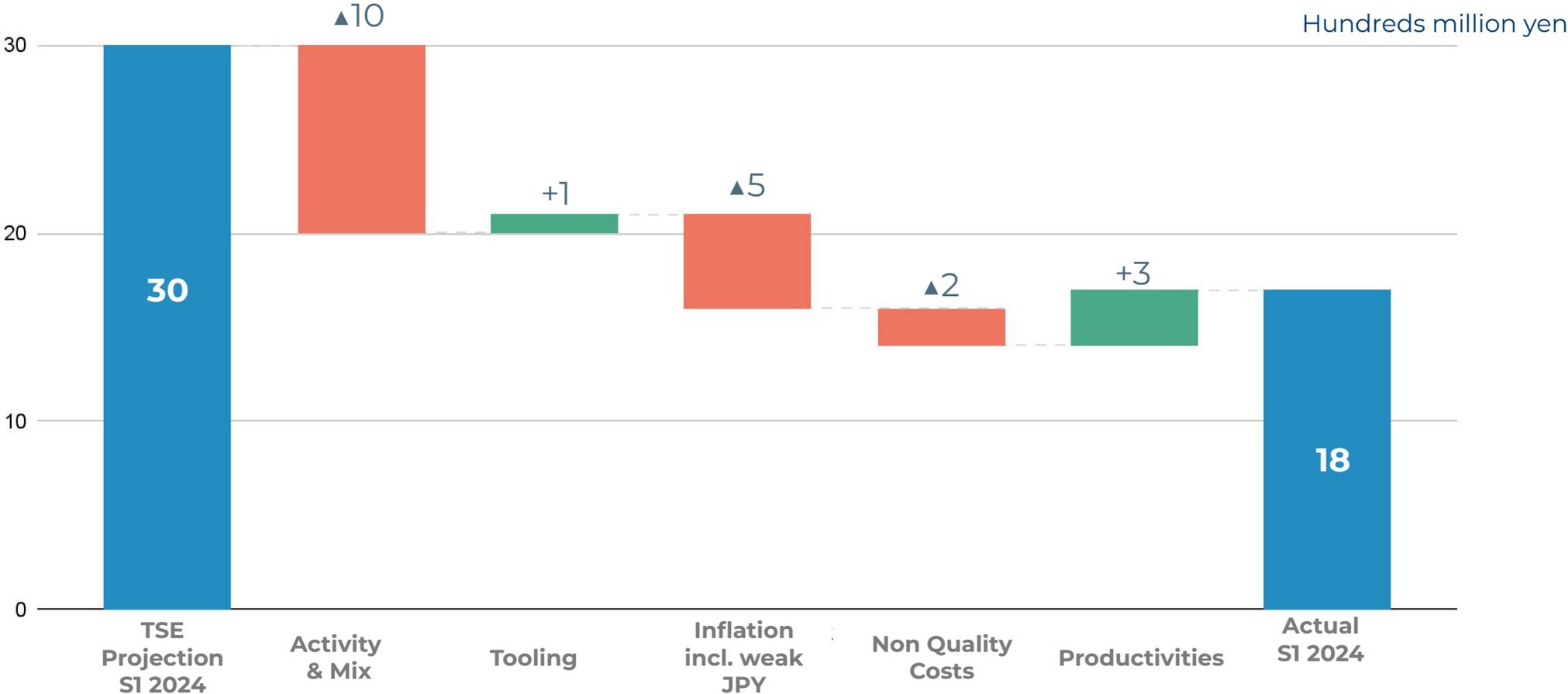
- ◆ Despite **improvement on quality and productivity**, Operating income is penalized by **low activity** following certification issues etc. and **adverse impact from weakening Japanese yen**.



# FY2024 FIRST SEMESTER FINANCIAL RESULTS POINTS (TSE Projection vs Result)

## 【Operating Income】

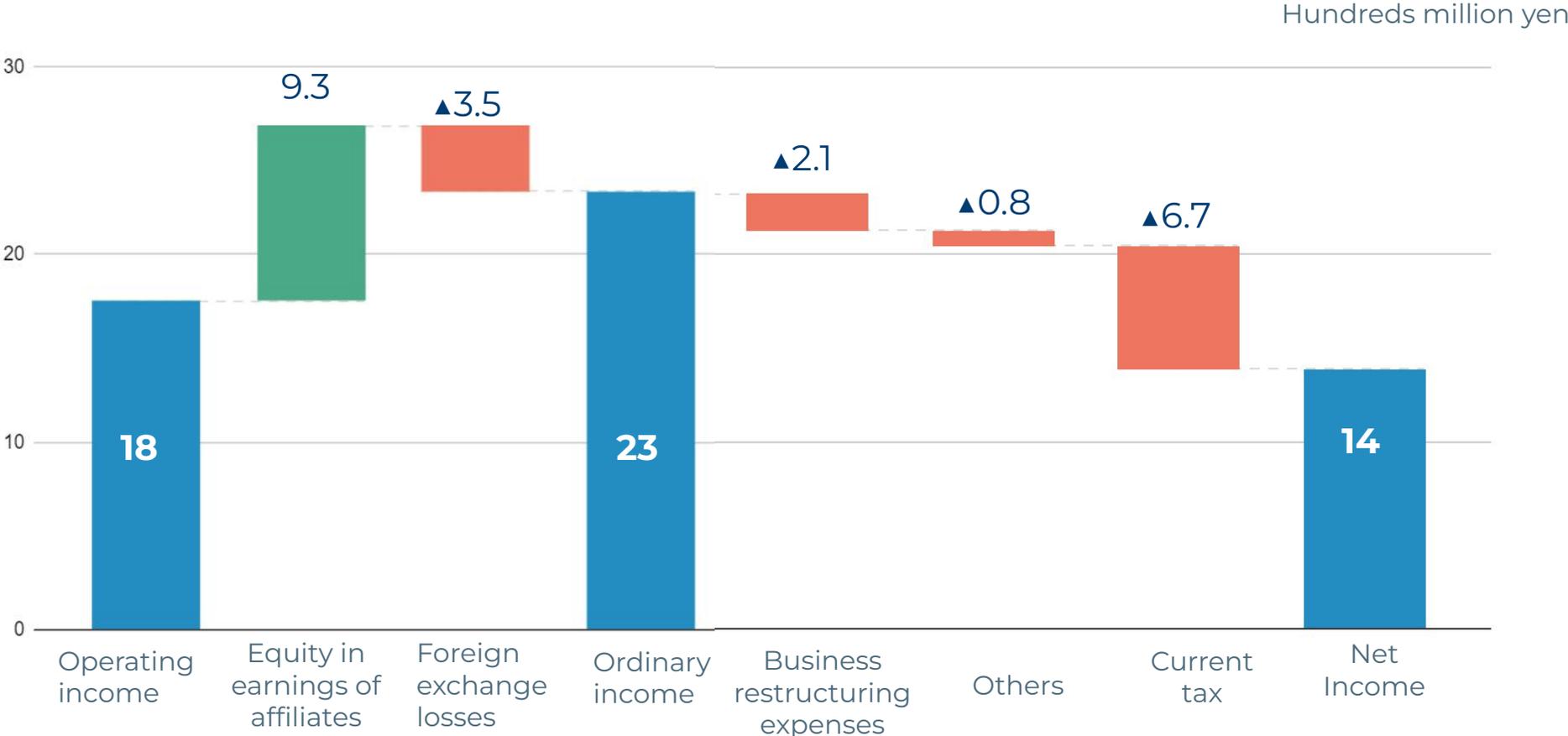
- ◆ Despite **operational improvements** and **efficient cost control**, Operating income is penalized by **low activity** (Certification issue etc.), **weakening JPY** impacting import material costs while Non Quality Costs remain behind target despite significant progress.



# FY2024 FIRST SEMESTER FINANCIAL RESULTS POINTS

【Operating Income~Ordinary Income~Net Income】

- ◆ Positive impact from equity income of affiliates in China



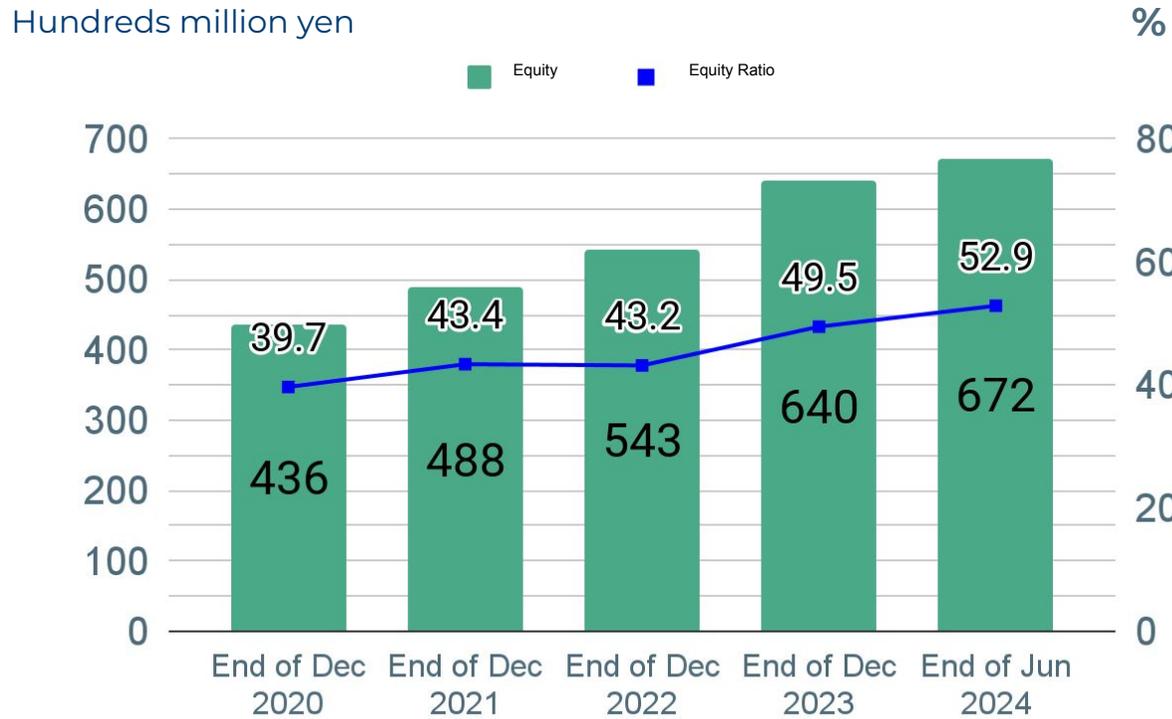
## CONSOLIDATED BALANCE SHEET (COMPARISON WITH PREVIOUS PERIOD)

Hundreds million yen

	2023/12	2024/6	Inc/Dec
Cash and equivalents	89	98	9
Inventory	94	95	2
Tangible and Intangible Fixed Assets	398	390	▲8
Others	713	688	▲24
<b>Total Assets</b>	<b>1,294</b>	<b>1,272</b>	<b>▲22</b>
Interest Bearing Debt	60	46	▲14
Other Liabilities	587	546	▲41
<b>Total Liabilities</b>	<b>647</b>	<b>592</b>	<b>▲55</b>
Shareholders' Equity	630	639	9
Accumulated other comprehensive income	10	34	23
Minority Interest	7	8	1
<b>Net Assets</b>	<b>647</b>	<b>680</b>	<b>33</b>

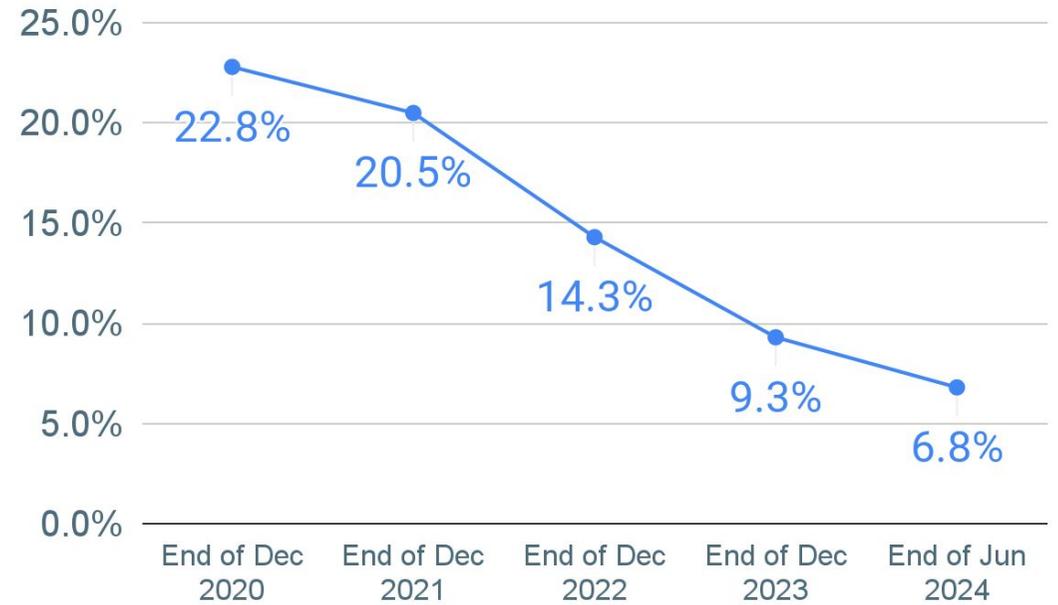
# EQUITY RATIO AND D/E RATIO

## Equity ratio increasing above 50%



\*Equity=Net Assets-Minority Interest

## D/E ratio steadily improving



# 02 FY2024 Financial Forecast (January ~ December 2024)

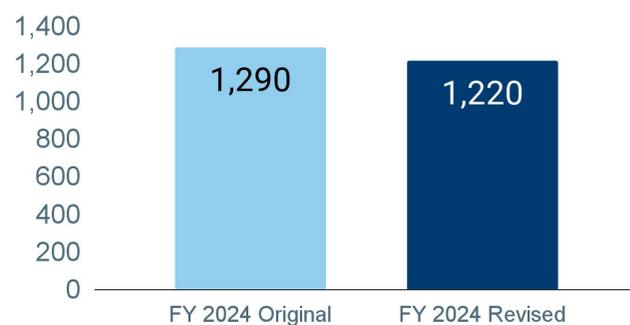
# FY2024 FULL YEAR FORECAST Revision

- ◆ Sales impacted by **divestment of Aftermarket subsidiary (PIAA)** and **deteriorated activity in SI** from certification issues, etc...
- ◆ Profitability affected by **volume impact** and **weakening of the JPY against USD**.

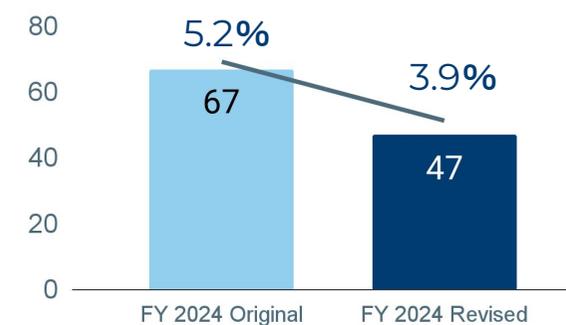
Hundreds million yen

	FY2024 TSE Projection Original Feb.2024 (Jan.~Dec. 2024)	FY2024 TSE Projection Revised (Jan.~Dec. 2024)		Increase /Decrease (vs. forecast)	Increase /Decrease %
<b>Sales</b>	<b>1,290</b>	<b>1,220</b>	①	<b>-70</b>	<b>-5.4%</b>
<b>Operating Income</b>	<b>67</b>	<b>47</b>	②	<b>-20</b>	<b>-29.9%</b>
<b>Operating Margin (%)</b>	<b>5.2%</b>	<b>3.9%</b>	②/①	<b>28.6%</b>	<b>▲1.3 pt.</b>
<b>Ordinary Income</b>	<b>75</b>	<b>57</b>		<b>-18</b>	<b>-24.0%</b>
<b>Net Income belonging to Parent company's shareholder</b>	<b>50</b>	<b>43</b>		<b>-7</b>	<b>-14.0%</b>

**Sales**



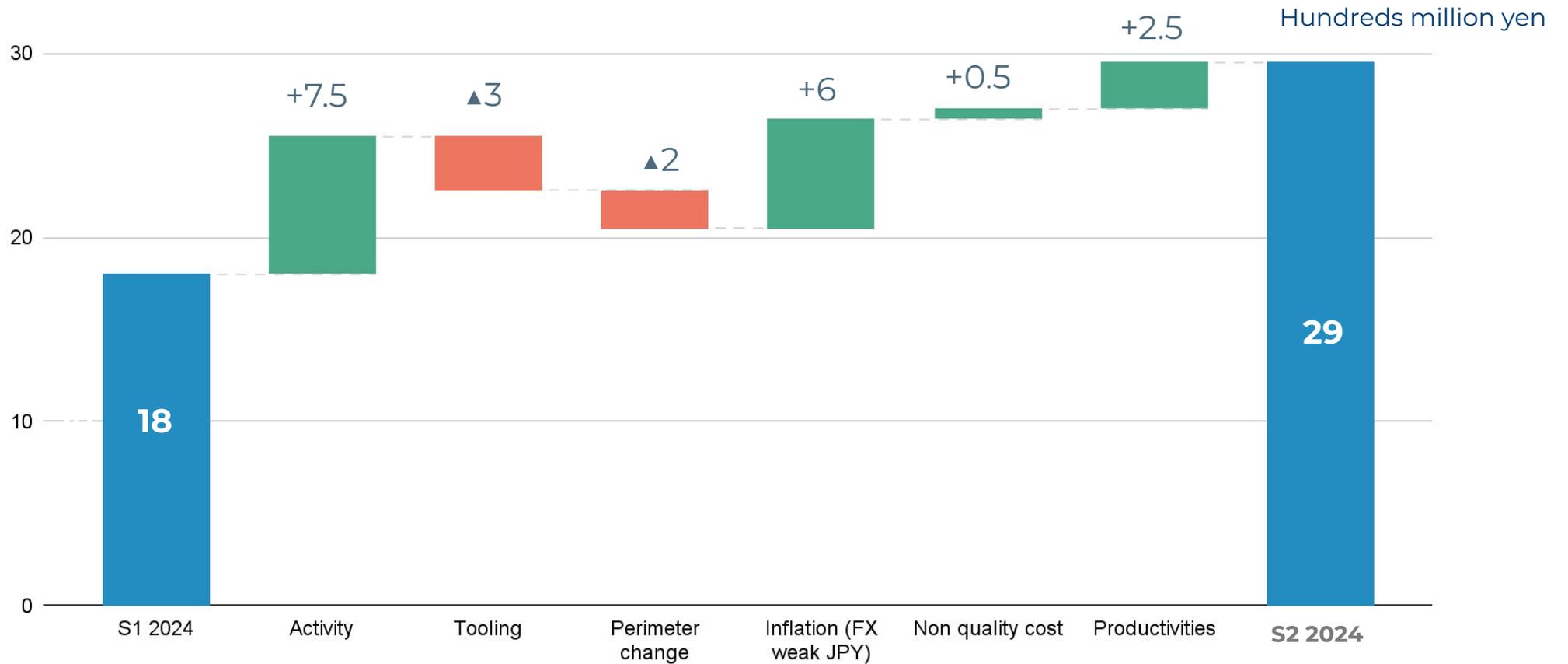
**Operating Income**



# FY2024 S1 vs S2

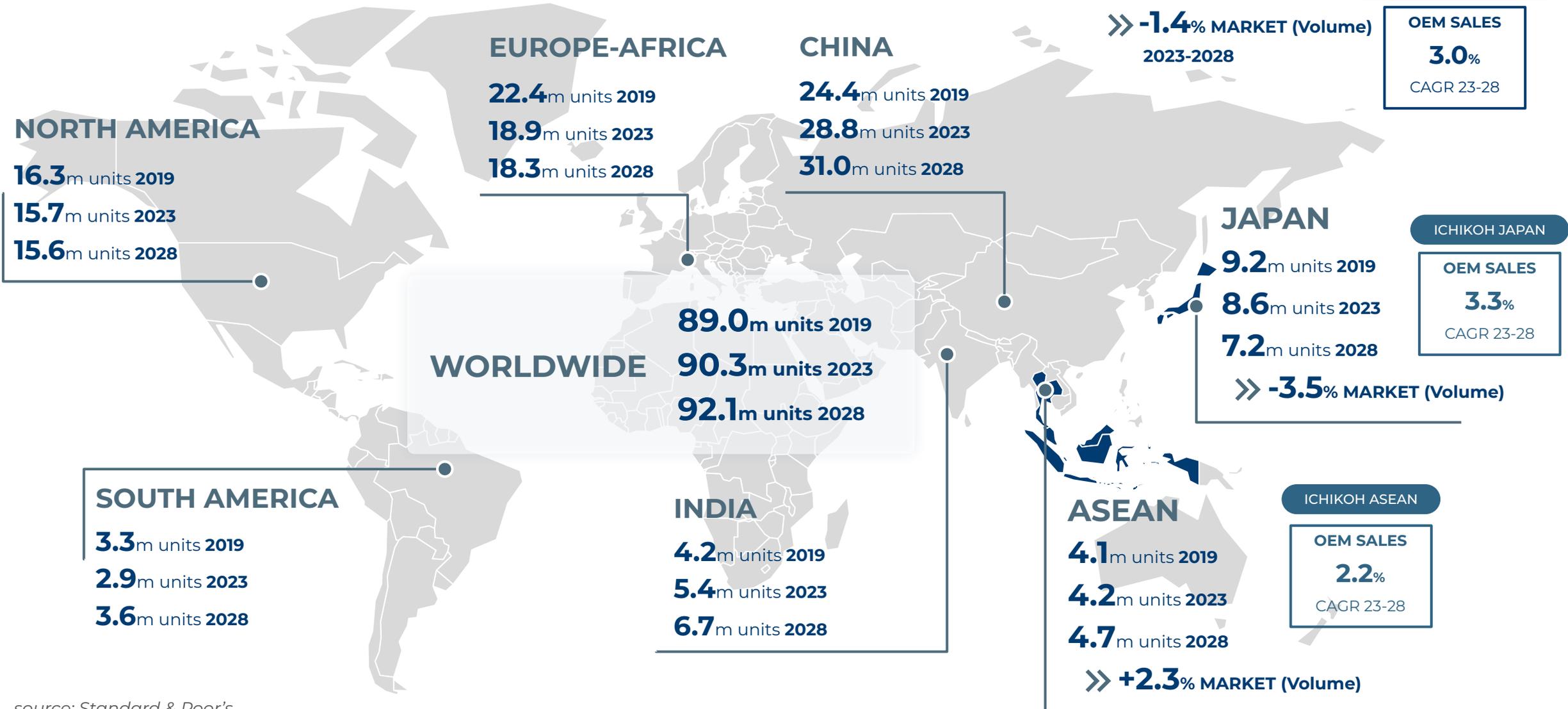
## 【Operating Income】

- ◆ **Strong increase of profitability** driven by **activity recovery** in Japan, **FX compensation** secured in Passthrough, and further **operational improvements** doing more than offsetting **lower income from tooling** and less contribution related to **perimeter change**.



# 03 Towards Sustainable Enhancement of Corporate Value

# GLOBAL MARKET GROWTH 2023-2028



source: Standard & Poor's

# ICHIKOH GROWTH STRATEGY

## PREPARATION PHASE for Future Growth

120~ billion JPY



STABLE SALES

STRATEGY: Growth Strategy



NEW CUSTOMERS & NEW PROJECTS



NEW TECHNOLOGY

## GROWTH REALIZATION PHASE

140~ billion JPY



SALES GROWTH

Sales  
2028 Impact

**12** billion JPY

**8** billion JPY

FY2024

FY2025

FY2026

FY2027

FY2028

# MOBILITY REVOLUTION



## ELECTRIFICATION

Accelerated electrification of vehicles



## AUTOMATION

Acceleration of ADAS and automated driving technologies



## SOFTWARE-DEFINED VEHICLE

Creating a software-first user experience

**Electrification, automation, and SDVs create new opportunities and solutions**

# IN THIS REVOLUTION **LIGHTING IS EVERYWHERE**



## ELECTRIFICATION



### APPEALING

Creative and advanced signaling systems that enhance the vehicle's brand identity



## AUTOMATION



### SAFER

Provides maximum visibility to drivers  
Lighting systems that communicate vehicle movement to road users



## SOFTWARE-DEFINED VEHICLE



### SYSTEM

Drivers to control various lighting units and signaling functions

# APPEALING > High performance signal lights utilizing styling design

## e-GRILLE

(Illumination front panel)



### → Creating Brand Identity

Lighting spread across the entire front face provides a new signature for the next generation of mobility

## New signaling for signature

(Signal lights representing signatures)



### → Expression of progress and differentiation

Highly advanced signal light signature with delicate luminescence technology.  
Electronic control of animation improves user experience

# SAFER > Visibility optimization for drivers and road users

## HD LIGHTING

(High Definition Adaptive Driving Beam)

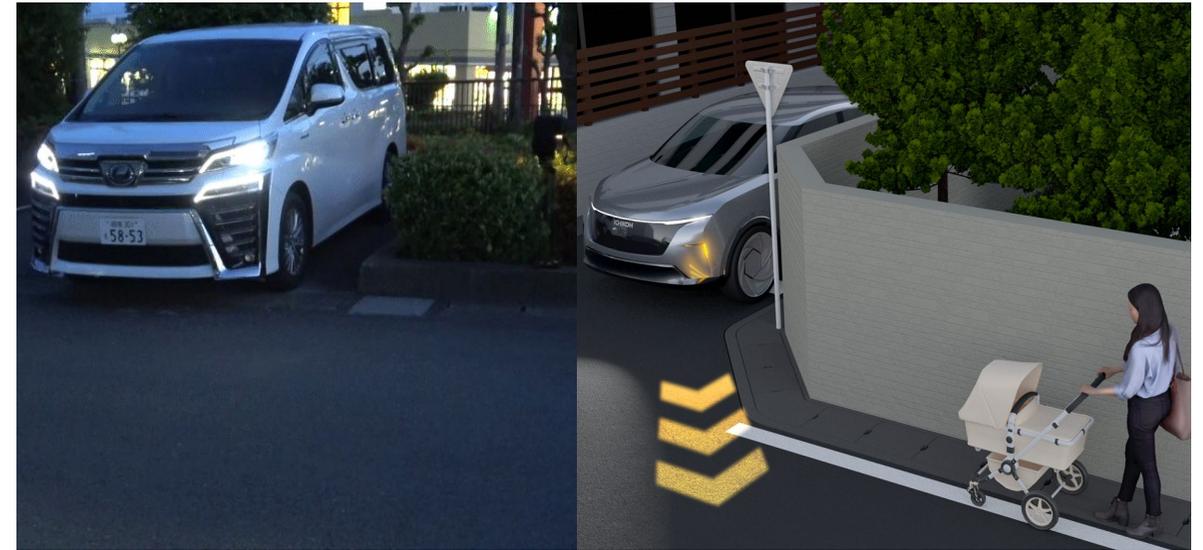


### ➔ Technology to maximize driver visibility at night

The illumination range divided into tens of thousands of pixels is individually controlled to improve driver visibility during nighttime contributing to safety and reducing driver stress.

## SIGNAL ROAD PROJECTION

(Lighting that draws on the road surface)



### ➔ Helps prevent collisions with road users

Provides road users (vulnerable road users) with easy-to-understand information about the presence of vehicles and the dangers they face in advance, thereby contributing to a reduction in the number of collisions.

Effective even for electric vehicles with reduced noise

# COMMUNICATION > Solutions for ADAS vehicles and automated driving

## HD PICTURE LIGHTING

(Lighting to be rendered on the road surface in high definition)



### ➔ Providing information in lighting

Provides information to occupants and surrounding drivers by displaying road surface conditions and vehicle movement with high-resolution red lights

## e-Face

(External HMI for automated vehicles)



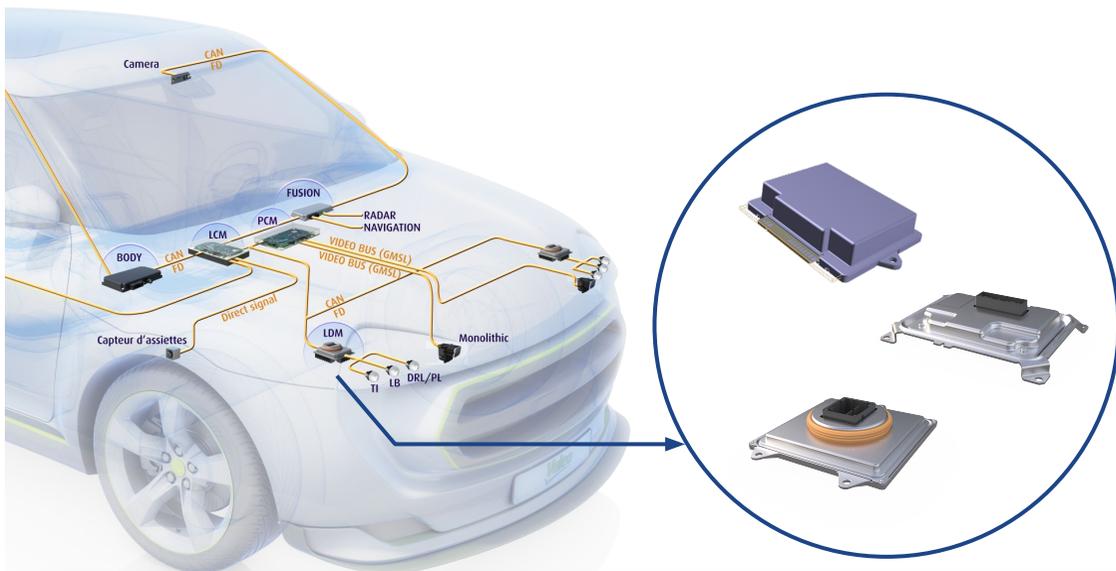
### ➔ Information display by signal lights and displays

Even in Level 4 automated driving services where the driver is not present, e-Face is used for appropriate communication to ensure safe, secure, and smooth operation for both passengers and traffic users

# SYSTEM > Integration of controllers and sensors to control various lighting functions

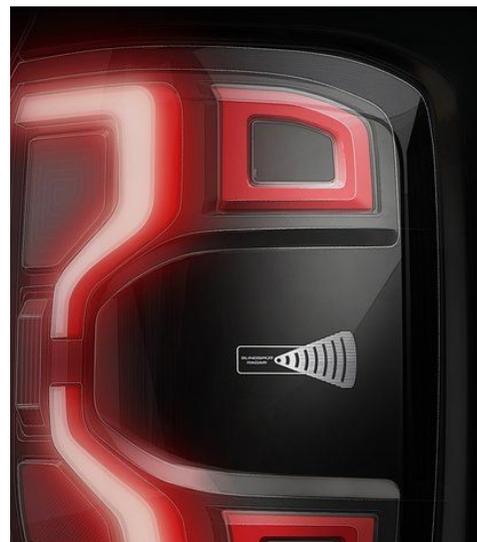
## CONTROLLER

(Driver for LED headlamp module)



## SENSOR INTEGRATION

(Lamp with built-in sensor)



Ford Ranger rear lamp



### ➔ LED DRIVERS

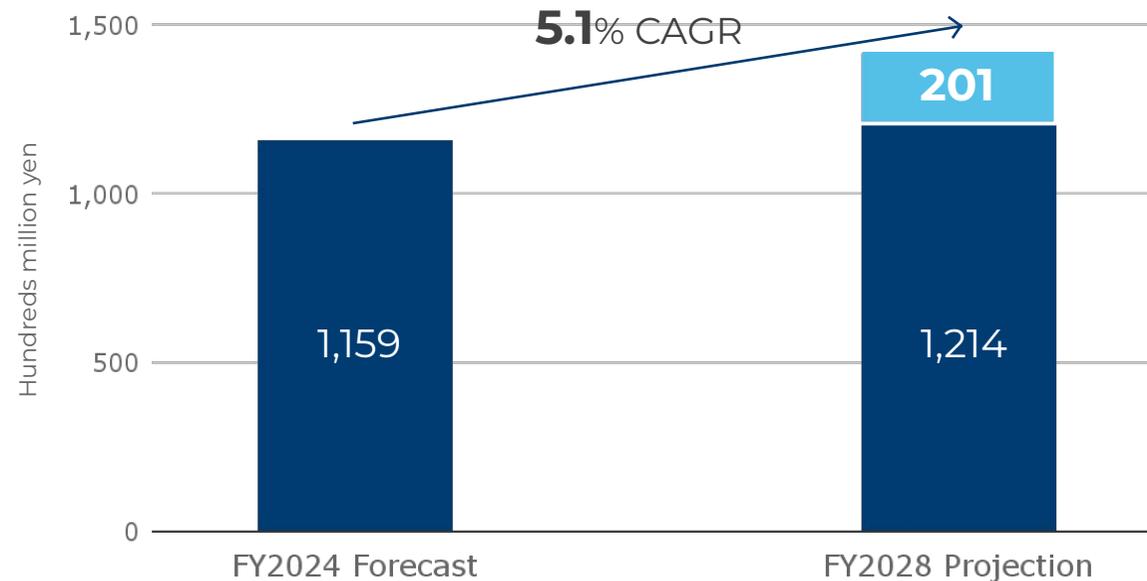
LDMs and ECUs that control increasingly complex lighting are provided as lighting systems

### ➔ Lighting with built-in radar/camera

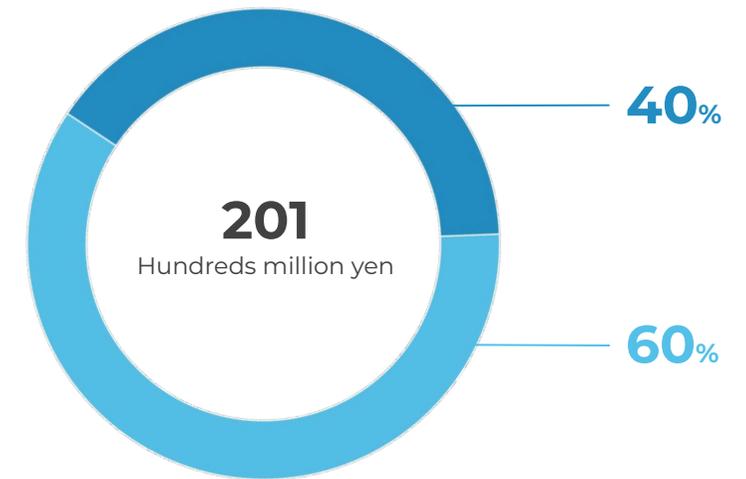
Integration of radar and cameras for front/rear sensing into lighting products.  
Space saving, prevention of deterioration of detection ability due to dirt, etc., and improved design

# OUTLINE OF MEDIUM-TERM PLAN

Although the current external environment continues to be extremely challenging, we are drawing growth by acquiring new business fields.



## New Business Field



<b>Total Sales</b>	<b>1,159</b>	<b>1,415</b>
<b>Operating Margin %</b>	<b>3.9%</b>	<b>~7.0%</b>

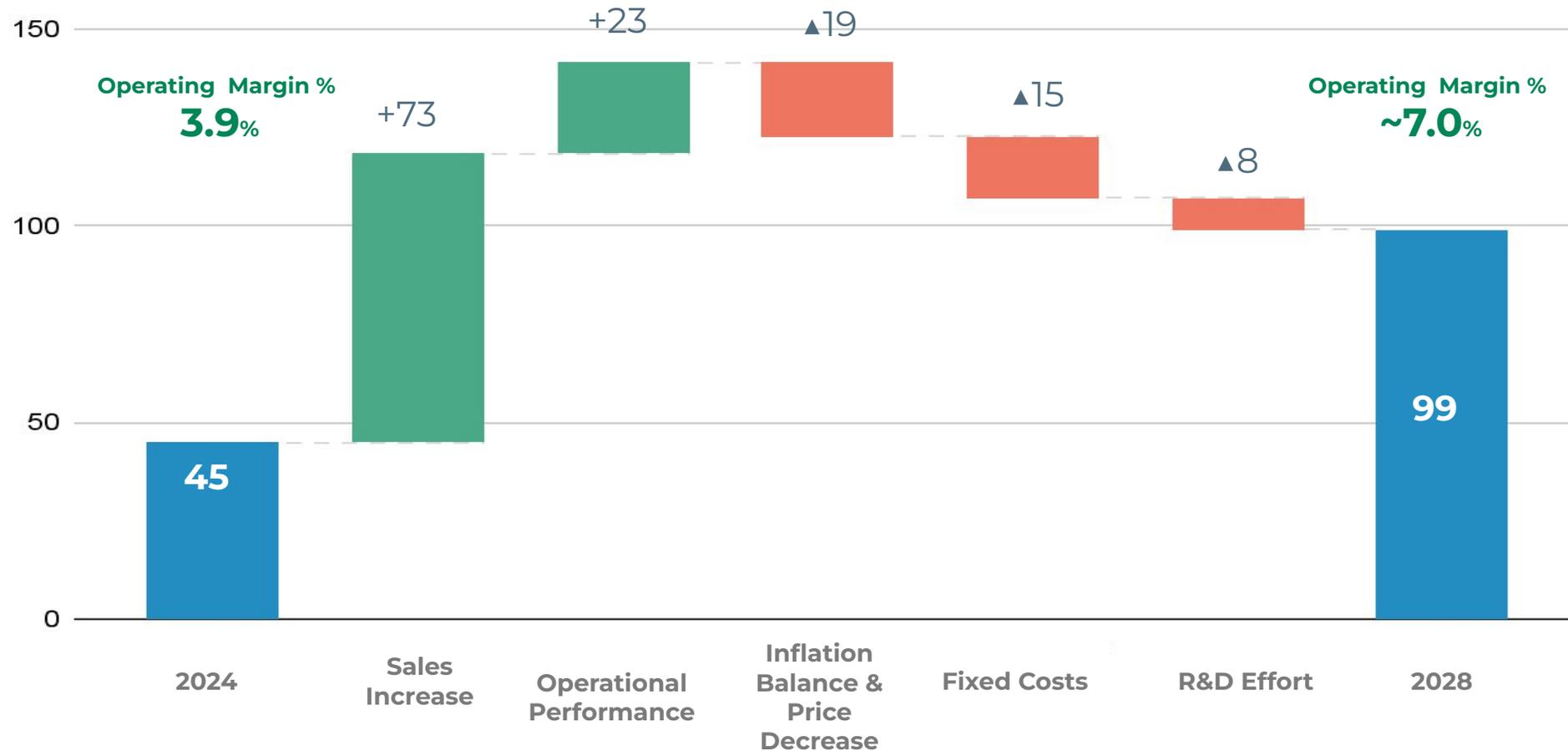
- New Technologies
- New Customers & New Projects

# MID-TERM PROFITABILITY ROADMAP (2024 -> 2028)

## 【Operating Income】

- ◆ Profitability increase driven by profitable growth and operational performance doing more than absorbing inflation & Price decrease to customer, Fixed costs increase and R&D effort.

Hundreds million yen



# ICHIKOH GROWTH STRATEGY

## PREPARATION PHASE for Future Growth

120~ billion JPY

STABLE SALES

STRATEGY: Growth Strategy

NEW CUSTOMERS & NEW PROJECTS

NEW TECHNOLOGY

NEW TERRITORY #1

NEW TERRITORY #2

FY2024

FY2025

FY2026

FY2027

FY2028

## GROWTH REALIZATION PHASE

140~ billion JPY

SALES GROWTH

Sales  
2028 Impact

**12** billion JPY

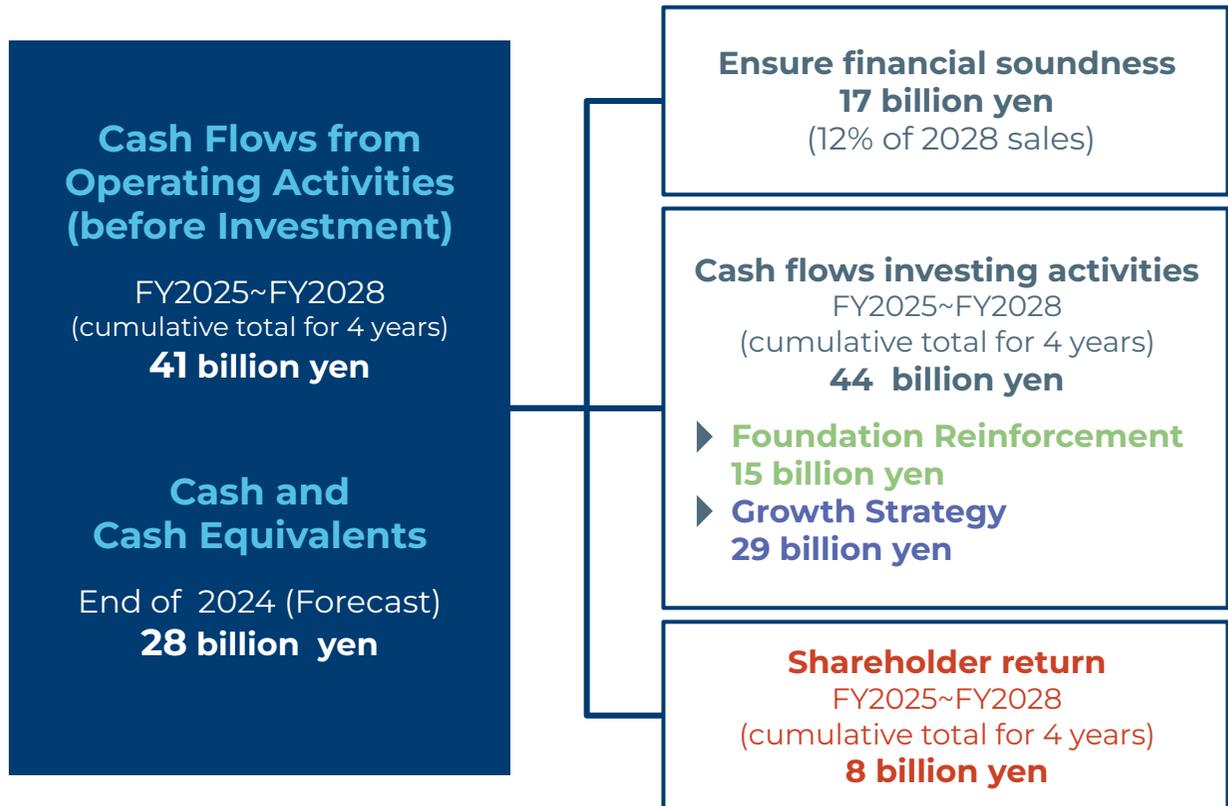
**8** billion JPY

**9** billion JPY

Under Consideration

# CASH ALLOCATION STRATEGY

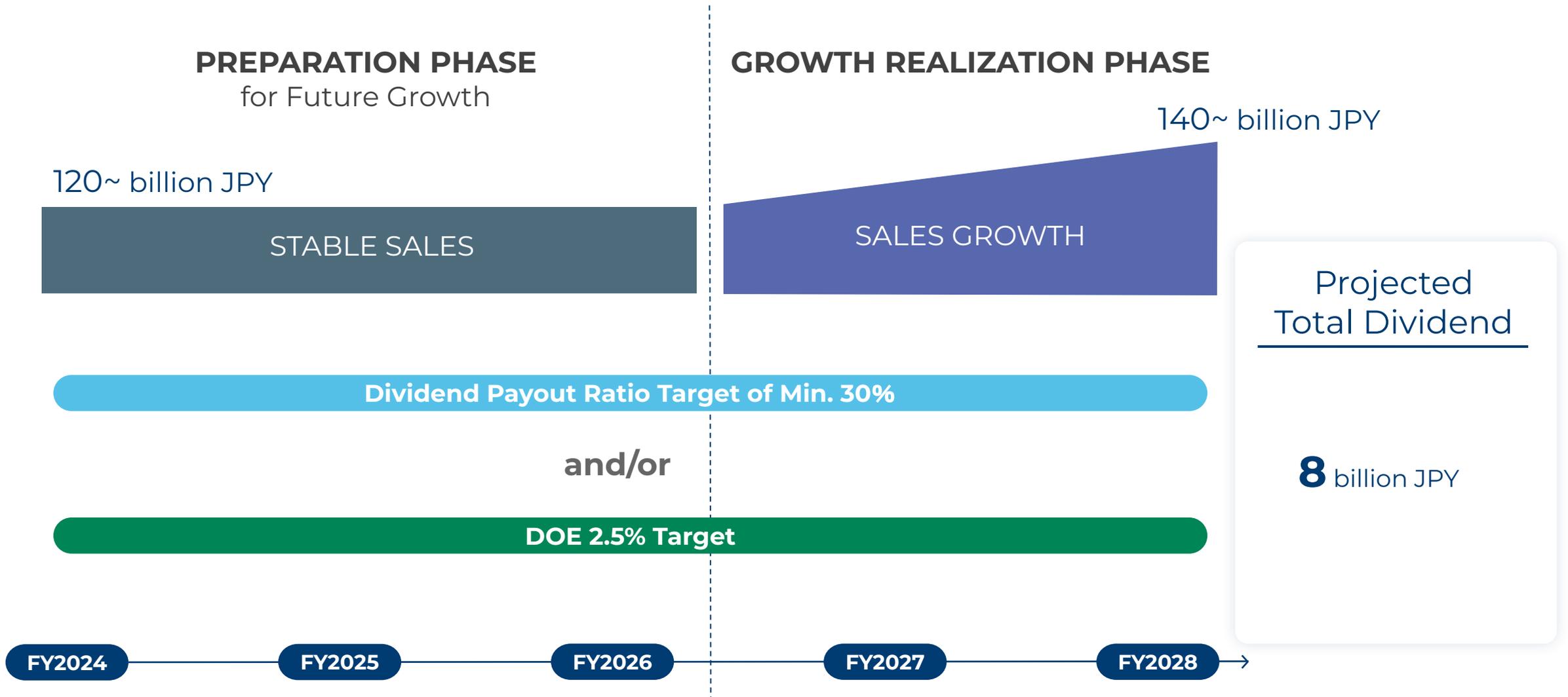
## Financial Strategies



## Management Strategies

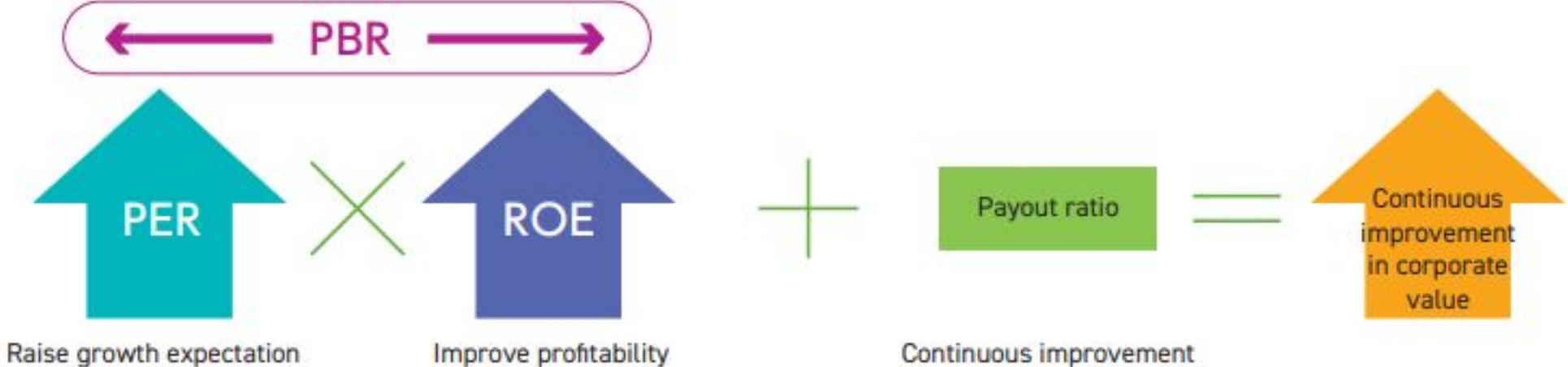
- Strategy (1)**  
**Foundation Reinforcement 15 billion yen**
- ▶ Improve Competitiveness
  - ▶ Reinforce BCP
  - ▶ Achieve Carbon Neutrality by 2050
- Strategy (2)**  
**Growth Strategy 29 billion yen**
- ▶ New Technology 7 billion yen
  - ▶ New Projects (with Non J-OEMs) 4 billion yen
  - ▶ New Territory 18 billion yen

# SHAREHOLDERS RETURN STRATEGY



# 04 PBR

# PBR - Achieve PBR > 1 by Growth Strategy and Profit Enhancement



Indicator	*Actual at the end of 2023	Forecast 2024	2028 Target Announcement
PER	7.9 times	10.0 times	<b>12.0 times</b>
ROE	10.4%	6.6%	<b>12.0%</b>
Payout Ratio	17.2%	29.1%	<b>30%~</b>
PBR	0.8	0.7	<b>1.4</b>

\*Excluding one time extraordinary profit

# Disclaimer regarding forecasted figures

- Material contained in this presentation such as financial projections that are predictive in nature are based on information available at the current date and assumptions judged to be reasonable; and therefore, actual performance may differ due to numerous factors.
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