



Lighting Everywhere

2025

INTEGRATED REPORT

ICHIKOH INDUSTRIES, LTD.

ICHIKOH
a Valeo company

Our Mission

Our Mission

- > Be the preferred partner for our customers by providing innovative and high-quality products for a **greener**, **safer** and **smarter** mobility.
- > Lead the business development of VLS* with J-OEMs, leveraging ICHIKOH's experience of the “**Japanese Way**.”
- > Act as an **interface** between J-OEMs and VLS to secure successful advanced development, project management and production launches.
- > Generate new business opportunities with J-OEMs through **technical breakthroughs** by promoting and adapting Valeo leading technologies and innovations.
- > Increase enterprise value for our shareholders by constant improvements in our financial performance, non-negotiable **compliance and ethics, social responsibility and carbon neutrality**.

(*): VLS = Valeo Lighting Systems

Publication of “ICHIKOH INDUSTRIES 2025 Integrated Report”

ICHIKOH created this report with the aim of deepening the understanding and promoting dialogue on our initiatives for sustainable corporate value enhancement among all stakeholders, including shareholders and investors.

In the “CFO Message,” we specifically explain our cash allocation strategy in a rapidly changing global market.

Ichikoh will continue to strive for active dialogue with all stakeholders. We hope this report will serve as a tool for enhancing corporate value for all our stakeholders, including shareholders and investors.

Finally, we declare that the process of creating this report was legitimate and that its contents are accurate. We kindly ask for your continued support of Ichikoh.

Hideki Shirato

Director , Senior Managing Executive Officer & CFO

ICHIKOH INDUSTRIES, LTD.

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CEO & CTO Message

Moving Forward, Beyond

Representative Director, President & CEO
Christophe Vilatte

As a Leading Company

ICHIKOH was established in 1968 through the merger of Hakkosha, founded in 1903, and Ichikawa Manufacturing, founded in 1916. Initially engaged in the production of railway lanterns and similar products, the Company later expanded into the automotive parts industry—focusing primarily on lamps and mirrors—where it continued to grow and evolve.

Throughout its history, ICHIKOH has consistently pushed the boundaries, developing innovative products that marked industry firsts in Japan—and even globally. This enduring culture of embracing challenges continues to shape the Company's approach to technology and product development.

ICHIKOH is committed to contributing to the realization of a safe and



Representative Director, Deputy President & CTO
Kazuyuki Miyashita

secure mobility society for the future. This is the very essence of the value creation that ICHIKOH aims to achieve.

With these perspectives in mind, and amid major transformations in the automotive industry—as well as strong headwinds such as geopolitical risks and environmental challenges—ICHIKOH is committed to:

- Continuing to deliver innovative lighting products that support its mission of realizing greener, safer and smarter mobility.
- Contributing to the industry's transformation as a system provider, in response to accelerating trends such as vehicle electrification, autonomous driving, and software-defined vehicles.
- Further enhancing synergies with Valeo by adopting cutting-edge technologies, leveraging global development resources, realizing

CEO & CTO Message

economies of scale through joint procurement, and collaborating on sustainability initiatives—enabling ICHIKOH to play a vital role on a global scale.

FY2024 Review and Growth Strategy

During this period of business model transformation, ICHIKOH's top priority has been to enhance its growth potential by concentrating on its core lighting business. As part of this strategic focus, the Company divested its mirror business in August 2023 and its aftermarket subsidiary, PIAA, in August 2024. Both divestitures were essential to streamline operations and reallocate management resources more effectively.

In response to the dramatic shifts in the business environment, ICHIKOH has committed to undertaking its own transformation. As the first step, the Company has designated the period from FY2024 to FY2026 as a phase focused on building a robust financial foundation, in preparation for a second step—driving growth from FY2027 onward.

In the first step, we are steadily advancing initiatives to further enhance operational excellence and improve R&D efficiency. At the same time, we are focused on reducing fixed costs and adjusting our break-even point in response to revenue declines stemming from recent business divestitures and a challenging market environment. Additionally, we are working to steadily lower our debt-to-equity ratio to ensure a sound financial base that will support the investments required for growth in the second step.

In FY2024, net sales totaled ¥125.5 billion, a 14% year-on-year decline, primarily due to production cuts stemming from natural

disasters and certification issues at automotive manufacturers, as well as the divestiture of certain business operations. Despite these challenges—including production adjustments, persistent inflation, and continued yen depreciation—the Company achieved an operating margin of 3.9%.

Looking ahead to FY2025, under what remains an extremely challenging market environment affecting many major industry players, we are targeting net sales of ¥121.0 billion and aiming to achieve an operating margin at the level of 4.5%.

Moving toward the second step aimed at achieving our targeted growth, we have been advancing three strategic initiatives. As outlined in last year's Integrated Report, these initiatives are as follows:

- (1) Acquisition of new customers in Japan and the ASEAN region, and development of new mobility solutions. We have set an additional revenue target of ¥12.0 billion for FY2028; of this, ¥9.0 billion has already been secured.
- (2) Promotion of high-value-added and advanced technologies. We are targeting an additional ¥8.0 billion in revenue by FY2028, and ¥5.0 billion has already been secured.
- (3) Expansion into new territories. We have made progress in our first new market: on August 5, 2024, we signed a joint venture agreement with Tata AutoComp Systems (TACO) and announced that the joint venture would acquire Valeo Lighting Systems Chennai.

Through this structure, the joint venture will be able to immediately leverage an existing operational footprint, enabling swift capture of new business opportunities. In addition to ICHIKOH's established relationships with Japanese and Korean OEMs, the

partnership with TACO will enhance access to local customers. We are confident that this joint venture will serve as our gateway into the rapidly expanding Indian market.

In this way, we are steadily preparing to translate these growth opportunities into tangible results.

ESG Initiatives

Before concluding, we would like to reaffirm ICHIKOH's company-wide commitment to sustainability, as demonstrated by our CAP50 activities focused on reducing CO₂ emissions, conserving water, and other environmental efforts. We will continue to strengthen and expand our CSR initiatives across the organization.

Message to Stakeholders

In closing, we would like to express our sincere appreciation to all our stakeholders—including customers, shareholders, and suppliers—for your continued understanding and support. As ICHIKOH sharpens its focus on the lighting business in pursuit of further growth and promotes business activities that contribute to solving social challenges as a global supplier, we respectfully ask for your continued support and partnership going forward.

CF0 Message



While strengthening the management foundation and enhancing competitiveness, we will promote growth strategies, including development of the Indian market.

Director, Senior Managing Executive Officer & CFO
Hideki Shirato

Business Environment and Performance Trends in the Fiscal Year Ending December 2025

For some of our key customers—automotive manufacturers (OEMs)—2024 was a year marked by “certification-related issues.” These challenges also affected our performance, resulting in lower-than-expected sales volumes and net sales falling short of initial forecasts. Since becoming a consolidated subsidiary of Valeo—a major French automotive parts manufacturer—in 2017, ICHIKOH has shifted toward a strategic focus on its core operations, including the divestiture of non-core operations. As a result of these measures, our overall net sales have declined compared to previous fiscal years.

With this context in mind, ICHIKOH has identified strengthening our foundation for future growth as a key priority. Since emerging from the COVID-19 pandemic, inflationary pressures have become more pronounced, increasing the cost burden on manufacturers like us. Furthermore, because we rely heavily on imported materials, the depreciation of the yen has posed a significant disadvantage. In response, we have engaged in negotiations with customers to pass on rising costs through product pricing, while also promoting structural cost reviews, rationalization measures, and productivity improvements.

For the fiscal year ending December 2025, we had anticipated some improvement in the business environment compared to the previous fiscal year. However, several manufacturers have announced restructuring plans and factory closures, while the ASEAN market has also shown a marked deceleration. As a result, our net sales have continued to fall short of initial projections for the current fiscal year.

To address these challenges, we are continuing our efforts to pass

on higher raw material and import costs to product prices. At the same time, we are placing greater focus on reducing fixed costs to mitigate the impact of lower revenues. As a result of these initiatives—including efforts to enhance our price competitiveness and strengthen our management foundation—combined with increased deliveries for newly launched vehicle models by OEMs and higher sales of tooling, we expect to achieve higher profits for the current fiscal year, despite a slight decline in net sales compared to the previous year.

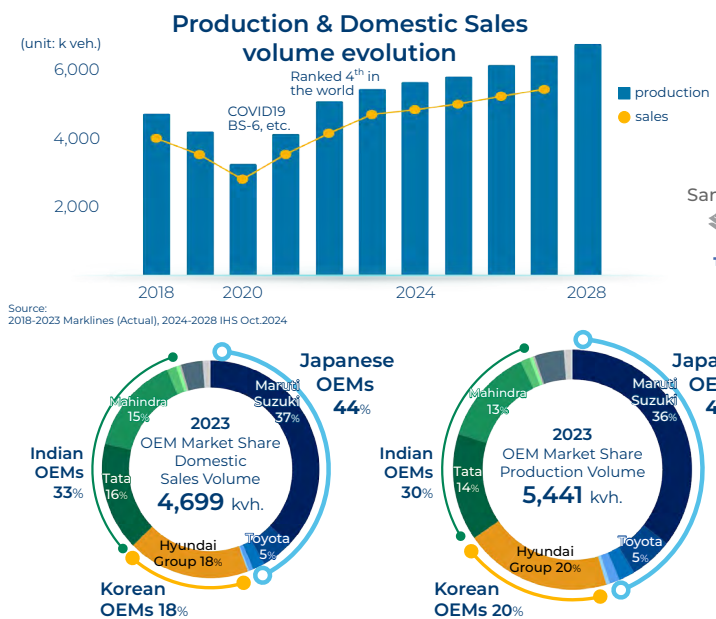
Responsibilities as CFO, the Medium-Term Management Plan, and Expansion into the Indian Market

As described above, we have advanced our strategy of focusing on core operations by divesting non-core businesses and subsidiaries. Furthermore, in 2019, we constructed the Atsugi Plant as a new factory and transferred some of the functions previously located at the Isehara Plant. As a result of this relocation, approximately one-third of the land at the Isehara Plant became vacant and was subsequently sold. As CFO, I recognize that one of my key responsibilities is to ensure the effective utilization of the cash generated from these divestitures—including the sale of businesses, subsidiaries, and land.

Naturally, many shareholders and investors have called for share buybacks and increased dividends. However, given the requirement to maintain a certain ratio of tradable shares—one of the criteria for remaining listed on the Prime Market—executing a share buyback is not straightforward from a technical standpoint. More importantly, I believe that allocating our available cash to growth strategies that

CFO Message

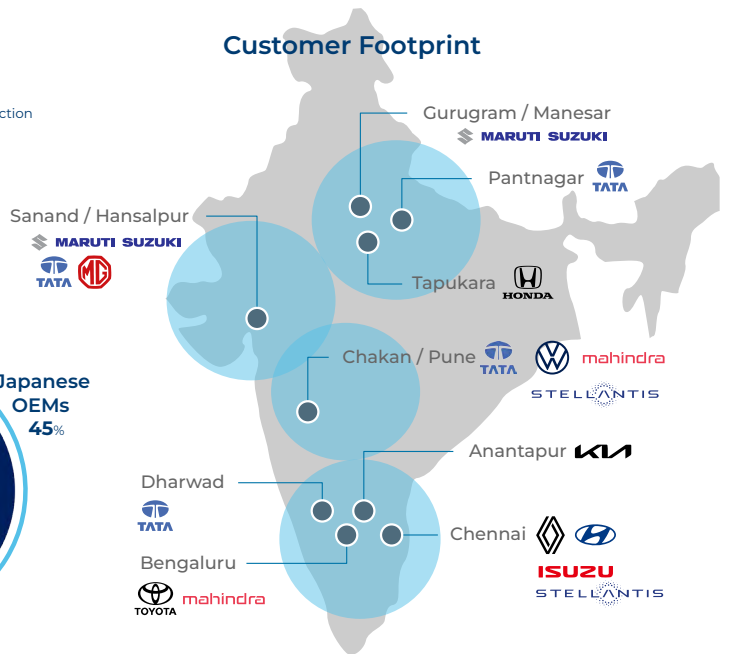
Indian Market Overview



will enhance long-term corporate value represents the most beneficial course of action for our shareholders and investors.

Under our Medium-Term Management Plan (2024–2028), we have set a target of achieving an average annual growth rate of 5.6% by 2028. To achieve this goal, we have concluded contracts totaling 9 billion yen with customers such as Ford and Hyundai, and we are actively pursuing the development of new technologies, including HD lighting and driver systems. Furthermore, although not included in the Medium-Term Management Plan, we have also launched a new initiative to enter and cultivate the Indian market.

Customer Footprint



5 August 2025, ICHIKOH announced the establishment of a 50-50 joint venture (JVC) in India with Tata AutoComp Systems (TACO), the automotive components division of the Tata Group—one of India’s largest and most prominent industrial conglomerates. India presents both high growth potential and significant challenges. The market is known for its complex business practices, difficult labor relations, and vast geographic scale, which often requires companies to establish multiple operational sites. Given these conditions, many Japanese companies have struggled to gain a foothold in India. In this context, partnering with India’s leading conglomerate gives us a considerable

strategic advantage. Taking the initiative in driving our growth strategy in the Indian market is also one of my key responsibilities as CFO.

Cash Allocation Strategy and Shareholder Returns

Given Japan’s declining birthrate and aging population, a significant increase in domestic automobile production is unlikely. Nonetheless, strong and growing demand for high value-added products remains. As mentioned earlier, succeeding in this environment will require robust investment in both strengthening our operational foundation and enhancing our competitiveness. Accordingly, our cash allocation strategy places top priority on initiatives that reinforce these two areas.

In addition, we plan to actively allocate capital toward investments that support our growth strategies, including the development of the Indian market. Our regional growth strategy extends beyond India to include the ASEAN market, which presents considerable potential. By focusing on premium, high value-added products, we believe there is room to expand profits within the Japanese market as well.

Our parent company, Valeo, is the world’s largest manufacturer of automotive lighting systems and possesses cutting-edge technologies in this domain. By strengthening joint development initiatives with the Valeo Group, we are better positioned to incorporate the latest innovations into our offerings. However, it is also important to note that lighting requirements differ between European/American and Japanese automakers. Accordingly, we recognize the need to not only

CFO message

leverage Valeo's advanced technologies, but also to adapt them to the specific needs of Japanese manufacturers.

Furthermore, shareholder returns remain a key priority within our cash allocation strategy. As previously mentioned, share buybacks are difficult to execute under current conditions. Given that the outcomes of our growth strategies may take time to materialize, we also view increased dividend payouts as a meaningful way to return value to shareholders. While many listed companies in Japan have recently adopted progressive dividend policies, ICHIKOH has consistently increased dividends over the past several years—and we are committed to continuing this trajectory moving forward.

Key Performance Indicators Prioritized as CFO and Associated Improvement Measures

While improving ROE (Return on Equity)—a key indicator of a company's earning power—is an important objective, I view our current PBR (Price-to-Book Ratio), which remains below 1.0x, as an even more pressing concern. Given the relationship expressed in the formula $PBR = PER \times ROE$, improving our PBR requires a management approach that is conscious not only of ROE but also of PER (Price-to-Earnings Ratio).

PER reflects investors' expectations for a company's future earnings growth. At present, our PER lags behind the market average. To address this, we will work to enhance PER by effectively communicating our long-term growth strategy and the concrete initiatives that underpin it. In particular, we intend to raise awareness of our joint venture with the Tata Group, which marks a strategic entry

into the Indian market.

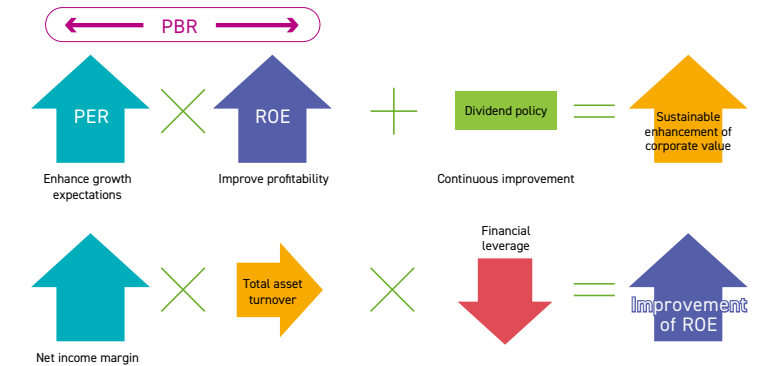
On the other hand, ROE is driven by three key factors: profit margin, asset turnover, and financial leverage (i.e., the degree to which debt is utilized). In our case, expanding financial leverage is not a practical option, as executing share buybacks remains unrealistic under current conditions. Given that we do not expect a significant increase in net sales, improving our profit margin will continue to depend on disciplined cost reductions. As for asset turnover, enhancing this metric will require a shift toward assets that generate appropriate returns.

The prevailing interpretation of our relatively low PBR and PER, compared with the market average, is that investors view ICHIKOH as a value stock. However, I personally believe we may not even be fully recognized as such. As CFO, I am committed to ensuring that we are first acknowledged as undervalued relative to our intrinsic corporate value—and then seen as having the potential to be positioned as a growth stock.

Message to Shareholders and Other Stakeholders

The Corporate Governance Code, formulated by the Tokyo Stock Exchange and the Financial Services Agency, stipulates that Prime Market-listed companies with a controlling shareholder should, in principle, ensure that a majority of their board members are independent directors. If this standard is not met, such companies are required to establish a special committee composed primarily of external members to ensure robust oversight of management.

PBR – Achieving a PBR Above 1.0 Through Growth Strategies and Profitability Enhancement



Valeo, our controlling shareholder, is a listed company in France. As ICHIKOH is also listed on the Tokyo Stock Exchange Prime Market, this results in what is commonly referred to as a "parent- subsidiary listing," a structure that inherently carries a heightened risk of conflicts of interest. Although independent directors do not currently make up a majority of our Board, we have established a Special Committee composed primarily of external members. This committee rigorously monitors any transactions or governance matters that could potentially involve conflicts of interest, thereby ensuring a high standard of transparency and accountability.

To fully leverage Valeo's strengths—such as its cutting-edge technologies and global network—while meeting the expectations of our minority shareholders, I will remain highly vigilant in my role as CFO and continue to address potential conflicts of interest with the utmost care. We sincerely appreciate your continued support and understanding as we work to steadily enhance our corporate value.

History of ICHIKOH

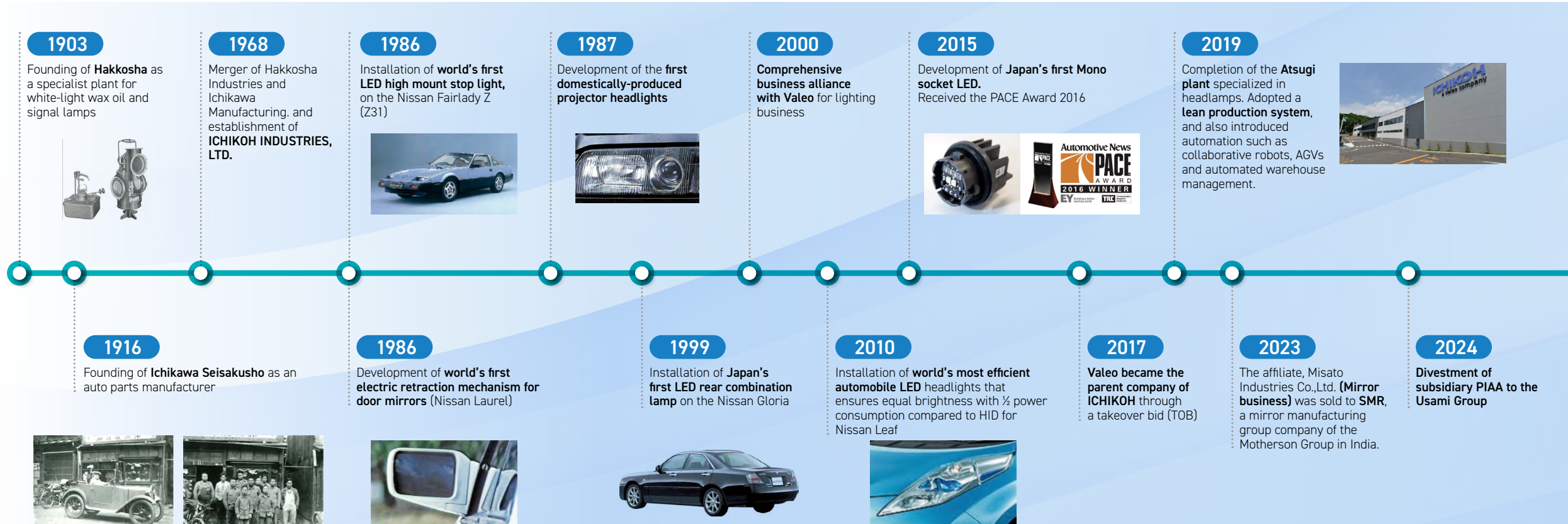
ICHIKOH celebrated its 120th anniversary in June 2023.

The history of ICHIKOH can be traced back to the merger of two entities: Hakkosha, founded in 1903 (Meiji 36), and Ichikawa Seisakusho, established in 1916 (Taisho 5). Their union in 1968 (Showa 43) marked the beginning of ICHIKOH, which has since experienced remarkable growth in tandem with the progression of motorization.

Throughout its journey, ICHIKOH has solidified its reputation as an innovator in manufacturing, embodying the ethos of a “Monozukuri” company. From introducing Japan's first projector headlamps to developing highly efficient LED headlamps, the Company has consistently brought groundbreaking solutions to the market.

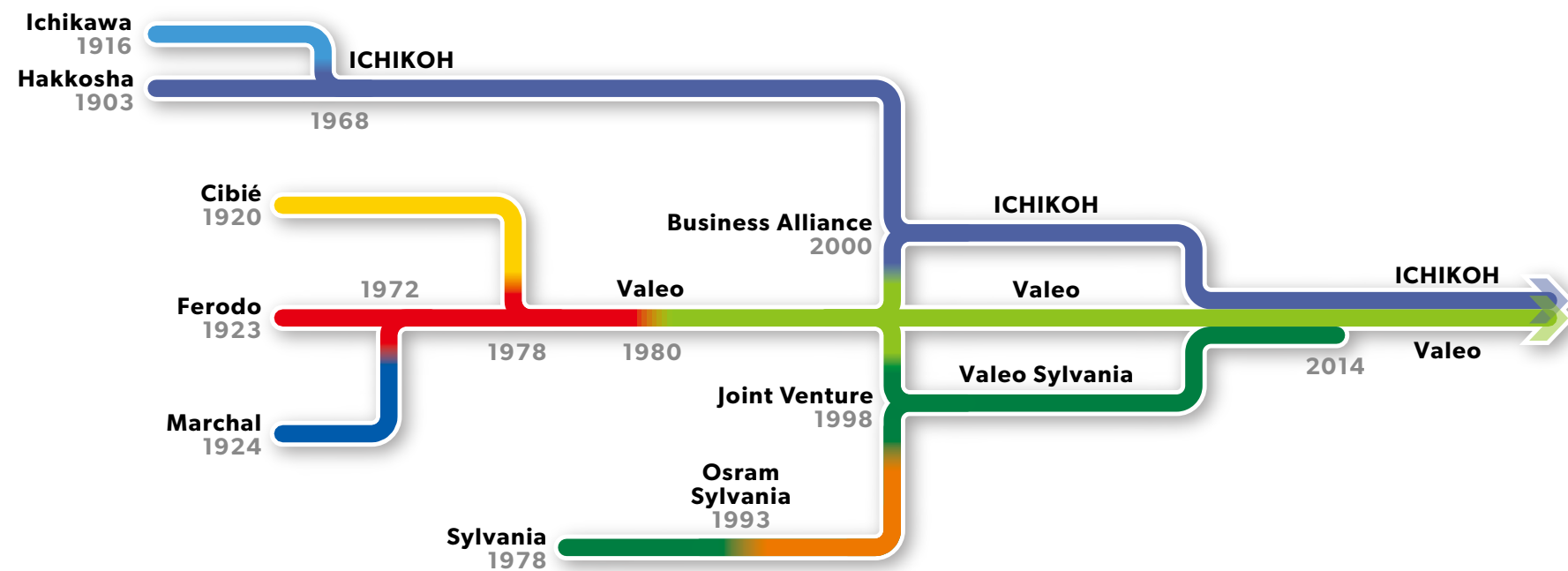
The year 2000 saw the initiation of a strategic alliance with Valeo, facilitated by the latter's capital investment in ICHIKOH. This partnership evolved in 2017 when Valeo became the majority shareholder, reinforcing the alliance while ICHIKOH maintained its market listing.

Capitalizing on its robust managerial relationship with its parent company, the Valeo Group, ICHIKOH has evolved into a pioneering system provider and a leader in technology. It is committed to delivering innovative and superior quality products, paving the way for a greener, safer, and smarter mobility society.



Alliance Between ICHIKOH and Valeo

ICHIKOH's business model emphasizes maintaining independent management while being a part of the Valeo Group. We focus on innovation, valuing both uniqueness and diversity. Through this approach, we not only contribute to the growth of the Valeo Group but also deliver enhanced value to all stakeholders, including shareholders. This value is derived from our inherent corporate worth and our dedication to environmental considerations.



Synergy Between Japanese and Western Approaches

Historically, Japan has been adept at importing cutting-edge technology from abroad, refining it, and then further developing it into a unique methodology. The automotive industry serves as a prime example of this tradition. Regardless of the sophistication of the technology, it will not gain traction in the market if merely implemented as is. It is crucial to tailor solutions to the specific needs of each market and its consumers.

In this era of globalization, the partnership between Valeo and ICHIKOH represents a natural and necessary step in ICHIKOH's growth.

Drawing from our deep-rooted experience and trustworthiness in Japan and Asia, we at ICHIKOH utilize

collaborative technological advancements with Valeo to provide products that possess both innovative technology and leading-edge design, meticulously tailored for Japanese automobile manufacturers (OEMs).

Furthermore, through our collaboration with the Valeo Group's global production facilities, ICHIKOH has achieved the capacity to deliver products on a global scale. We continue to serve as a pivotal bridge between Japanese OEMs and the Valeo Group, dedicating ourselves to the art of "Monozukuri," encompassing advanced development, project management, and the initiation of production, all with the end goal of surpassing customer expectations.

At a Glance

ICHIKOH Group

ICHIKOH primarily operates as a specialist manufacturer of automotive lamps, including headlamps, rear lamps, and more. These products are developed, designed, and manufactured both domestically and through overseas subsidiaries, and they are supplied and sold to automobile manufacturers worldwide. Guided by ICHIKOH's mission to provide innovative and high-quality products for a greener, safer and smarter mobility society, the Company continually embarks on initiatives that integrate cutting-edge technology in collaboration with their automobile manufacturer clients, thereby creating new value for society.

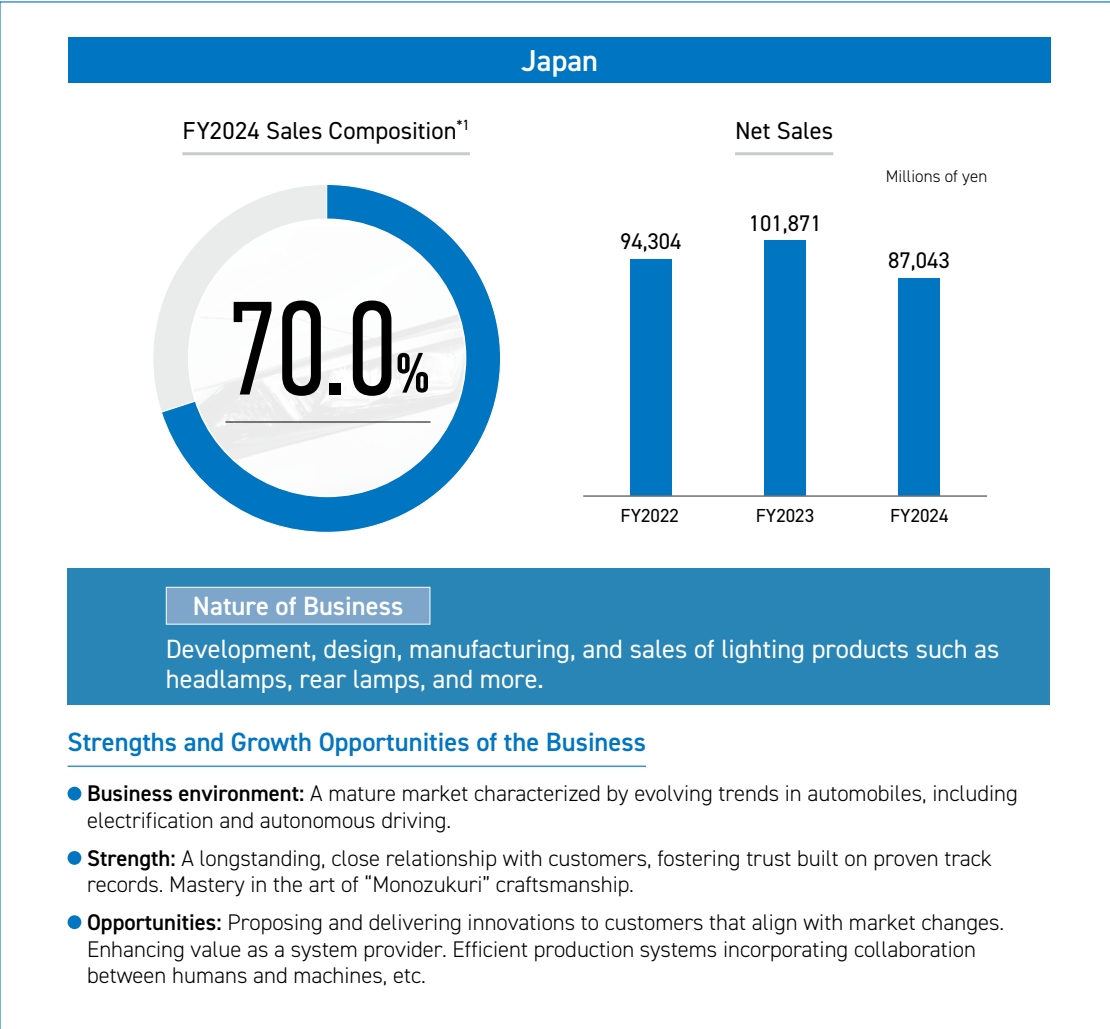


At a Glance

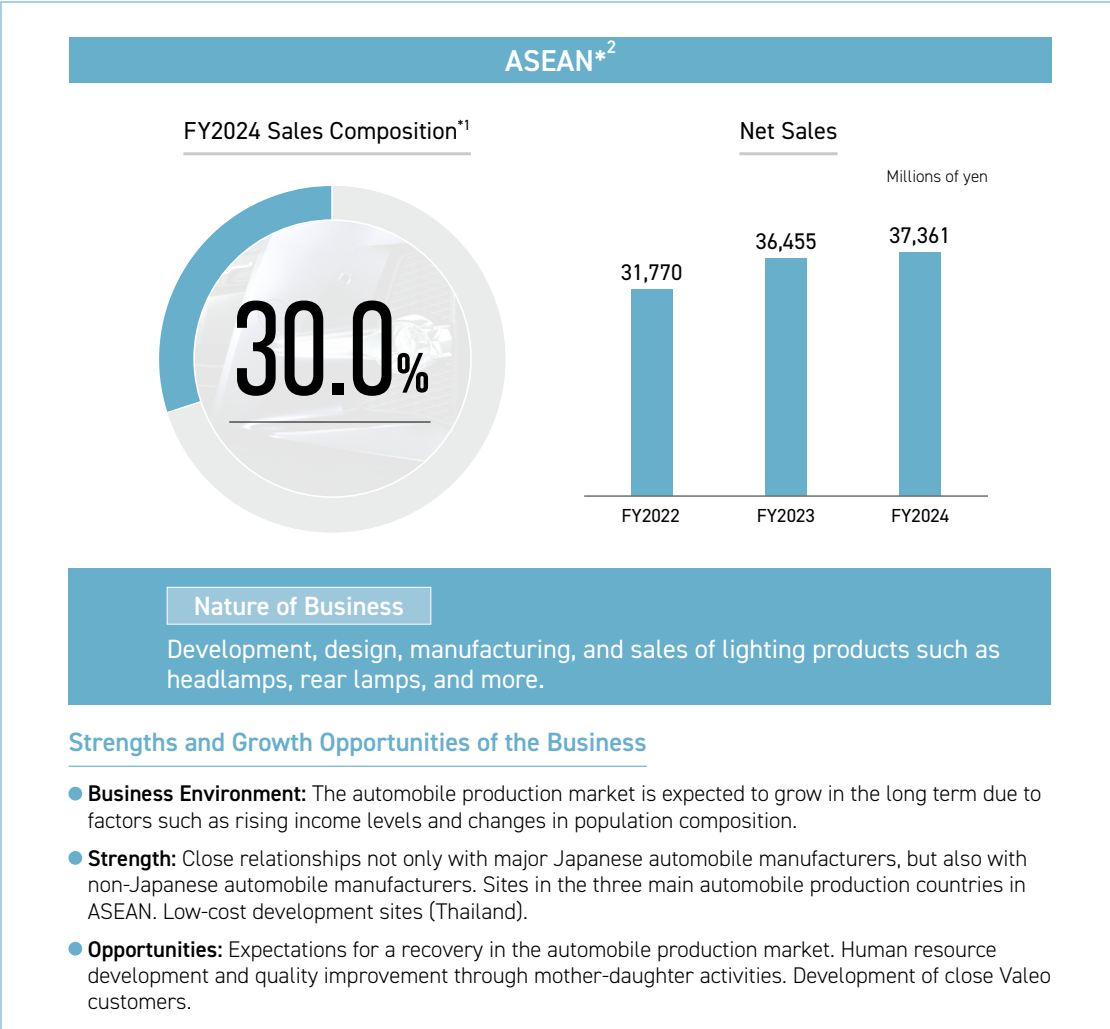


ICHIKOH Group—Overview of Business Divisions

Lighting Business



*1 Excluding aftermarket business



*2 ASEAN: Thailand, Malaysia, Indonesia

FY2024 Consolidated Financial Result Highlight

FY2024 Net Sales (excluding the mirror business) vs. Market Production Volume

FY2023 vs FY2024	Sales increase*1	Market production volume increase	Sales outperformance vs Market production volume
Total	-10.2 %	-8.9 %	-1.3 pt
Japan	-10.5 %	-6.7 %	-3.8 pt
ASEAN*2	-9.1 %	-13.7 %	4.6 pt

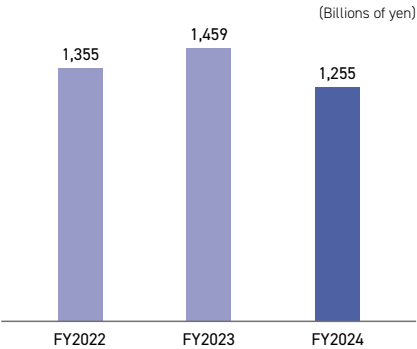
*1 Excluding tooling sales and foreign exchange rate effect
*2 ASEAN: Thailand, Malaysia, Indonesia

Sales, excluding tooling, fell 1.3 percentage points short of the market production volume:

- Domestic sales are below domestic production volume due to customer certification issues
- ASEAN sales exceed market production volume thanks to a strong customer base in Thailand

Consolidated Net Sales and Consolidated Operating Income (Year-on-Year Comparison) (consolidated basis including Mirror business and PIAA)

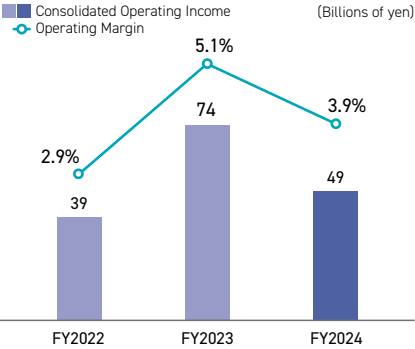
Consolidated Net Sales



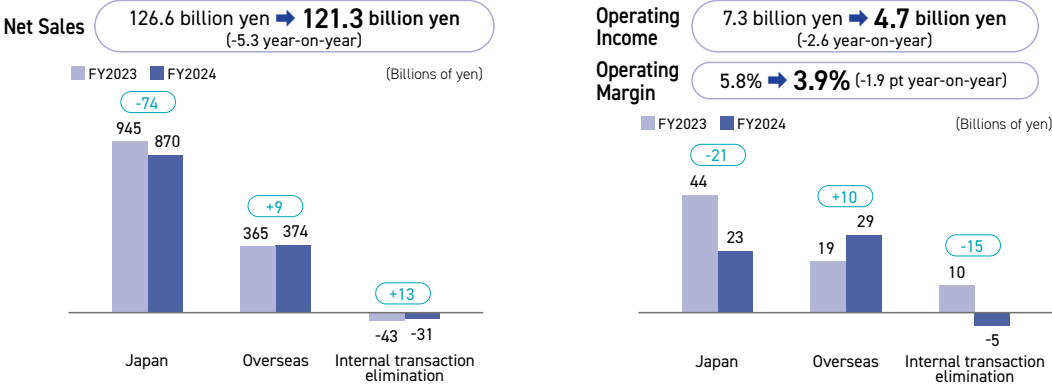
- Consolidated net sales reflect a greater focus on the core lighting business following the divestiture of the mirror business in 2023 and the PIAA subsidiary in 2024.
- Consolidated operating income declined due to lower production volumes, primarily caused by certification-related issues in Japan.

* Accounting standards have changed in FY2022.

Consolidated Operating Income

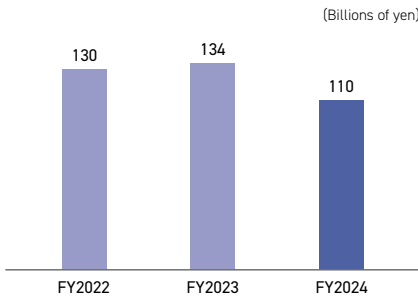


Net Sales and Operating Income by Business Division and Region (Year-on-Year Comparison) (Excluding mirror business & PIAA)



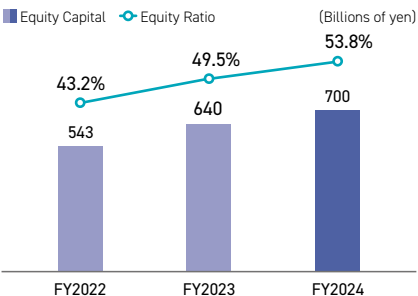
- In Japan, operating income declined due to lower production volumes and reduced tooling income, although this was partially offset by effective inflation control and improved operational efficiency.
- Overseas operating income improved, driven by enhanced productivity and effective inflation management.

Cash Flows from Operating Activities



- Operating cash flow for FY2024 was used to fund investment and financing activities, supporting the financial stability of the Company's cash allocation strategy.

Equity Trend



- Equity capital steadily increased, reaching 70 billion yen with an equity ratio of 53.8%.

Value Creation Process

Value Creation of ICHIKOH

ICHIKOH invests in various forms of capital and drives value creation activities for all its stakeholders, including employees and shareholders.

Our primary goals are to provide innovative and high-quality products for a greener, safer and smarter mobility society, to achieve customer satisfaction and become the best partner for our customers through these initiatives, and to continually enhance our financial performance while ensuring uncompromising compliance, ethics, and advancing towards carbon neutrality. These guiding principles underline ICHIKOH's commitment to value creation.

The 5 Axes system, a methodology and tool designed to achieve these goals, is a system we share with Valeo. This collaborative approach empowers us to attain operational excellence*, positioning it at the heart of our operations and reinforcing our commitment to realizing our overarching management philosophy.

Tools for Advancing Management Philosophy: The 5 Axes System

The 5 Axes system is an initiative targeting all products, aiming to achieve customer satisfaction by fulfilling their fundamental expectations. The system is built on five distinct axes, regularly audited and adjusted to uphold operational excellence:

● Employee Engagement (EE)

Operational excellence cannot be achieved without the ongoing commitment of all employees. Therefore, processes are in place aimed at creating a safe working environment that promotes employee well-being.

● Product Development (PD)

The R&D team works within an optimized organizational structure that combines first-class methodologies, best-in-class project management tools, specialist skills and product expertise, with the aim of ensuring product robustness and competitiveness.

● Production System (PS)

We have developed our own production system and implemented within our working environment a series of working methods, tools and state-of-the-art production processes that promote quality, performance and employee motivation.

● Supplier Integration (SI)

In order to provide the highest quality products and services while maintaining competitiveness, the foundation is laid to integrate the most efficient suppliers in terms of innovation, quality, cost, delivery and risk management.

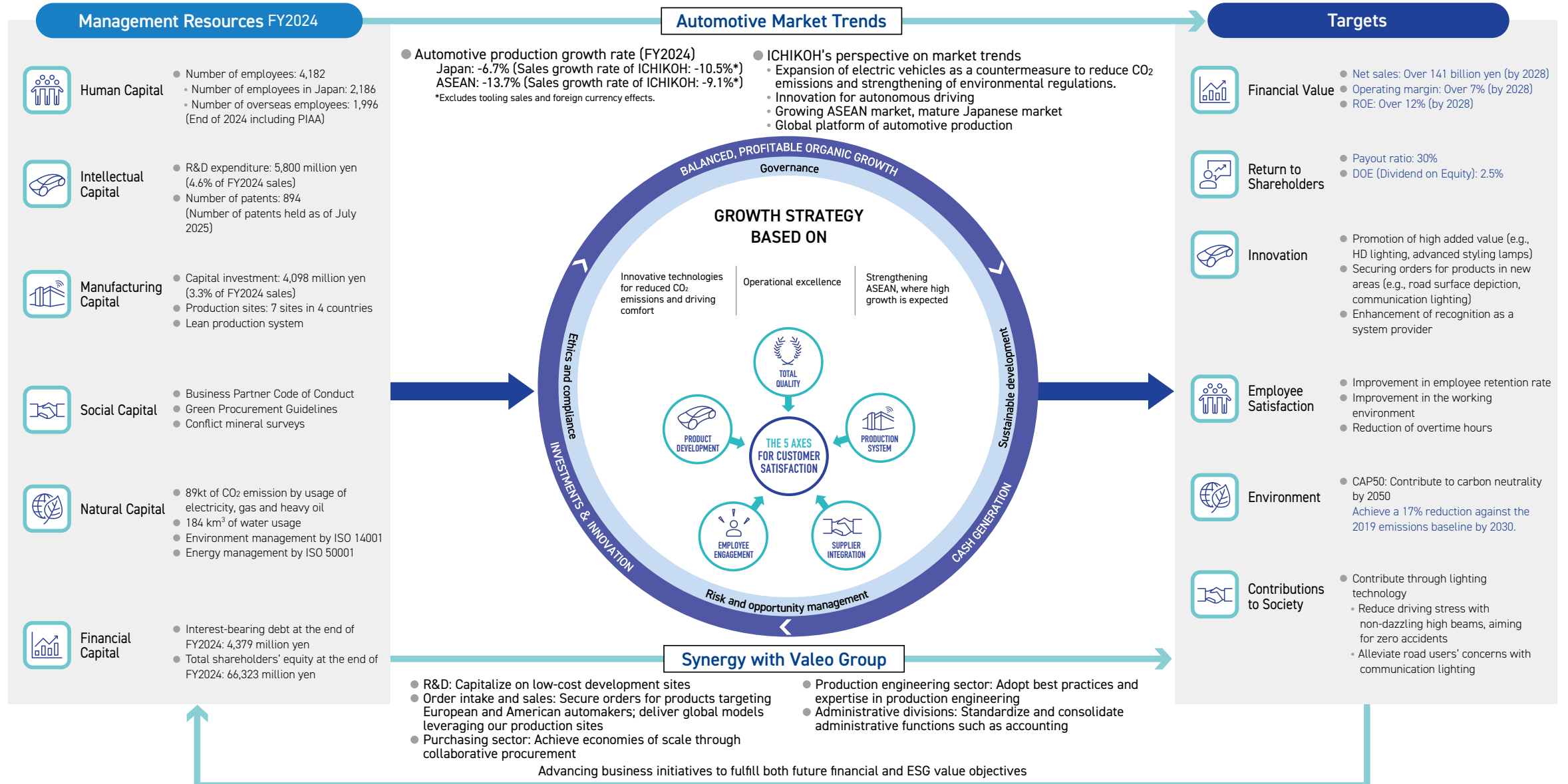
● Total Quality (TQ)

To meet customers' expectations regarding the quality of products and services, all employees and suppliers must deliver total quality.

*Operational excellence

A concept whereby a company aims for competitive advantage by thoroughly reforming its operations (management and execution processes) in the field to create value.

Value Creation Process



Foundation for Value Creation

Advantages of Being Part of the Valeo Group

In 2017, following a takeover bid (TOB), ICHIKOH became a subsidiary of Valeo, with Valeo holding a 61% stake. As a member of the Valeo Group, ICHIKOH enjoys numerous benefits.

Research and Development (R&D)

- **Sites:** Development utilizing Valeo's low-cost development sites in countries such as China and India
- **Efficiency:** Integration of Valeo's AI-powered tools to enable the development of more efficient processes in engineering, project management, knowledge management, and industrial maintenance
- **Development Collaboration:** Segmentation of development areas and development optimization through shared results
- **Technology:** Leverage electronic technologies owned by Valeo.

Order Intake and Sales

- **Order intake:** Order intake for automobile manufacturers in Europe, America, and other countries with which Valeo has close relationships
- **Delivery:** Delivering products compatible with global models from Valeo production sites to automobile manufacturers

Purchasing

- **Joint purchasing:** Benefit from scale in price negotiations and partnerships with top-tier global suppliers

Production Engineering

- **Production engineering:** Optimization of production efficiency based on Valeo's production system

Common Areas

- **Improve work efficiency:** Efficiency Improvement: Utilizing AI in daily tasks such as document creation

Monozukuri Culture

Lean Production System

ICHIKOH's Atsugi Plant, the newest in its lineup, has integrated a lean production system that does away with intermediate stock. We aim to spread this new concept to our daughter plants.

Technologies-and -Skills Handover and Automation

Ichikoh's Monozukuri is supported by the handing over of technologies and skills.

In order to maintain high productivity while minimizing investment, the key is collaboration between high technologies and skills possessed by people and automation by machines. Ichikoh realizes collaboration between humans and machines through production lines designed and constructed through advanced technical verification and operators trained by supervisors.

Mother-Daughter Activities

The Isehara and Atsugi plants serve as the mother plants for headlamps, while the Fujioka plant takes on this role for rear combination lamps. These mother plants are responsible for educating and supporting ASEAN-based plants. Enhanced operations in the ASEAN region will likely lead to a reduction in product defects.

Greener Monozukuri

We are ardently eco-conscious and consistently endeavor to minimize waste. This includes strategies like reducing raw material usage through product thinning, designing products that are properly easily recyclable, cutting down defective product rates by refining production line efficiencies, and promoting recycling by ensuring waste is properly separated.

Intellectual Property Strategy

At ICHIKOH, we position our intellectual property strategy as a vital component in securing a competitive edge. The significance of this strategy is evident in practices such as the routine reports on patent statuses presented during the Executive Directors Meeting.

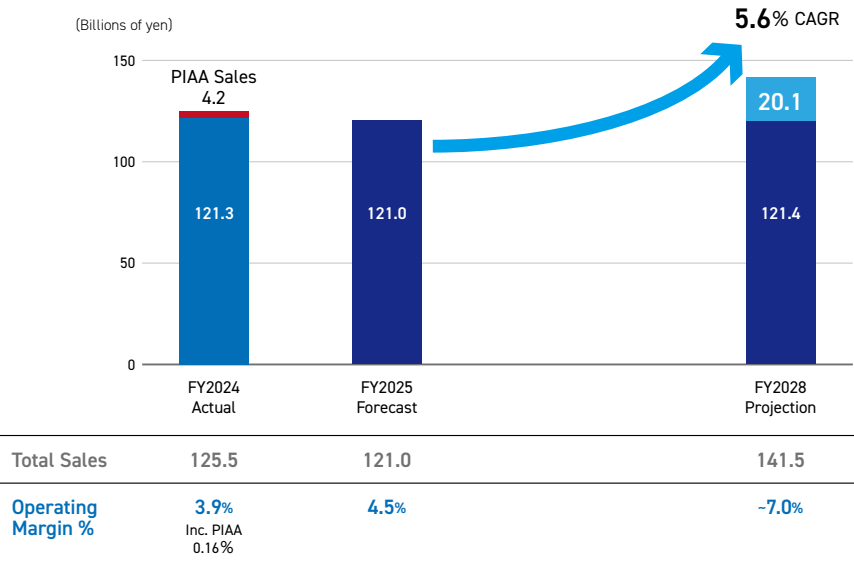
ICHIKOH's Intellectual Properties (Number of properties held as of July 2025)

- **Patents:** 894 (629 in Japan + 265 overseas)
- **Designs:** 25
- **Trademarks:** 78

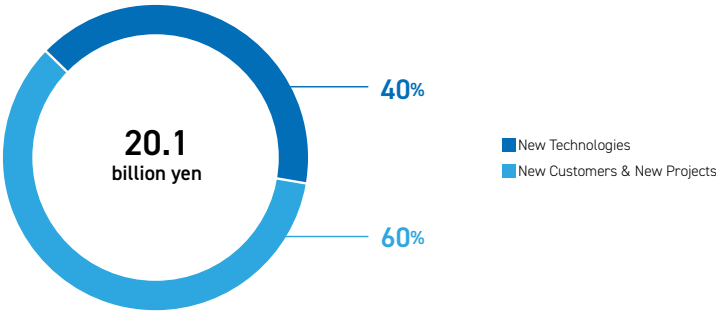
Measures to Enhance Corporate Value [Actions Aimed at Achieving Management with Awareness of Capital Costs and Share Price]

Outline of the Medium-Term Management Plan — Excluding Operations in India

While the automotive industry continues to face very difficult conditions, including US tariffs and the restructuring of some OEMs' operations, ICHIKOH is still targeting to recover growth from 2028 thanks to its growth strategy.



New Business Field

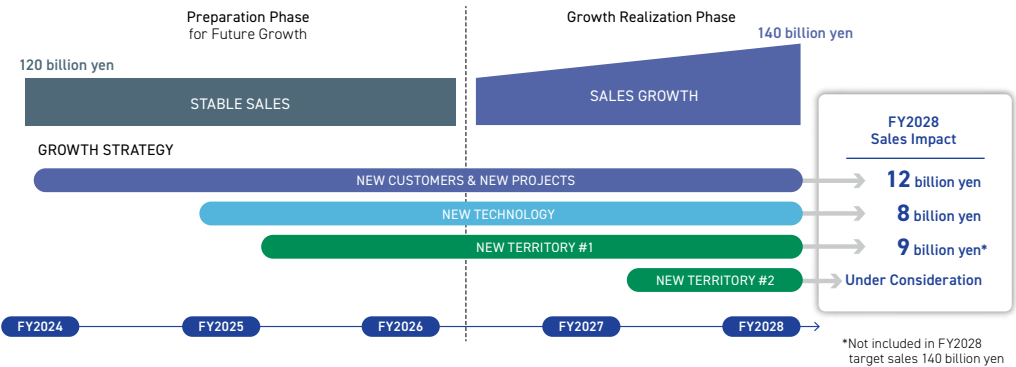


Growth Strategy: Transformation Plan

We are steadily promoting our transformation plan by positioning the first half of the medium-term management plan until 2026 as the foundation-strengthening phase, and the second half from 2027 onwards as the growth-achievement phase.

- In the foundation-strengthening phase, sales are expected to remain stable, and we are aiming to improve profit margins by enhancing the productivity of products and toolings, and expansion of high value-added products.
- In the growth-achievement phase, we will pursue sales growth by strengthening the expansion to new customers and new projects, as well as development in new territories.

Towards Recovery of Growth



WHERE DO WE STAND...

We are progressing with:

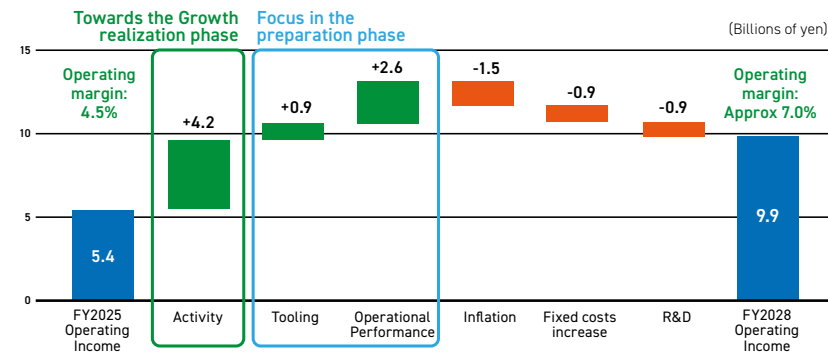
- New Customers & New Projects: 9.0 billion yen secured with Ford, Hyundai & Proton/Geely in 2028
- New Technology: 5.0 billion yen secured with HD Lighting & Drivers in 2028
- New Territory#1: JV Agreement with TACO in India officialized on August 5th to acquire VLS Chennai

Measures to Enhance Corporate Value

[Actions Aimed at Achieving Management with Awareness of Capital Costs and Share Price]

Medium-Term Outlook: Key Drivers of Operating Income (FY2025 vs. FY2028)

The main initiative's contributions in each phase are expected to be profit contributions from increased mold sales and productivity improvements in the foundation-strengthening phase, and profit contributions from increased sales in the growth achievement phase.



Growth Strategy: Transformation Plan

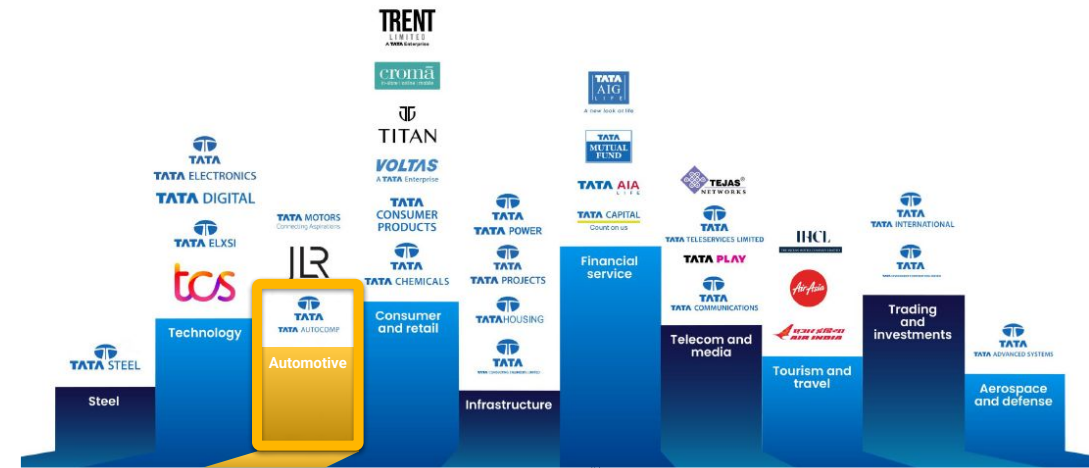
New Territory #1: **India**

Ichikoh Industries, with its foundation on the Japanese market, was focusing on the ASEAN market that is expected to grow in the future, and now entered into the rapidly growing Indian market. Thanks to the joint venture agreement with TATA AutoComp (TACO).

Goals:	<ul style="list-style-type: none">Expand business and achieve sales of 9 billion yen by 2028 high-growth potential market
Challenges:	<ul style="list-style-type: none">Responding to the rapid changes in the Indian marketAdapting to India-specific labor practices and organizational operationsExpanding business across the vast territory
Synergies through the Joint Venture:	<ul style="list-style-type: none">TACO/ Procurement capabilities and network across 12 locations in IndiaRelationship with TATA Motors, which accounts for 14% of India's production shareHigh technological capabilities and credibilityRelationships with Japanese manufacturers with 45% production share in India, and Hyundai with 20% of production share in IndiaAbsorption of Valeo India VLS business

TATA Group at a Glance

TATA AutoComp (TACO) is part of the Automotive Business Portfolio of TATA Group.
TACO is now the 2nd biggest Indian Automotive Supplier.



TATA AutoComp Overview




Materiality

ICHIKOH is committed to sustainability by contributing to a sustainable society and enhanced corporate value through environmentally conscious business activities.

In terms of priority challenges (materiality) for our operations, from the 20 issues identified by ICHIKOH, after assessing the risks and opportunities in light of our business model and its impact on society and the environment, We have further consolidated these into the five items listed below.

Five Material Issues



Growth Strategy / Innovation

P.20



Human Resources Strategy / Diversity

P.22



Environment / Social

P.23



Quality Management

P.26



Corporate Governance

P.27

In line with these five material issues, ICHIKOH's strategies, policies, KPIs, etc., are described on the following pages.

Of the United Nations Sustainable Development Goals (SDGs), we have identified seven sustainable development indicators where ICHIKOH can make a contribution.



Materiality

Growth Strategy / Innovation
Human Resources Strategy / Diversity
Environment / Social
Quality Management
Corporate Governance

Category		Impact on society and businesses (items of higher importance are highlighted in color)	
Policy axis	Issue/Challenge	Risks	Opportunities
Innovation	Low-carbon mobility solutions	● Delays in product development in response to evolving regulations and needs	● Expanded sales of products that contribute to low-carbon mobility (Use of LEDs, weight reduction, etc.)
	Autonomous driving / Connected car	● Delays in product development in response to evolving regulations and needs	● Expanded sales of communication lighting products
	Cybersecurity	● Impact on business continuity, such as data breaches	● Reliability and efficiency by leveraging common ground with Valeo
	Resources, materials, and eco-design	● Earnings pressure from price hikes	● Advantage through products that contribute to the environment and low-carbon
	R&D partnerships	● Delays in internal technological development ● Dependence on external technology	● Discovery of innovative technologies by leveraging diverse ideas
Employees	Promotion and respect for basic human rights	● Threats to business continuity	● Steady order acquisition and recruitment through improved reliability
	Safety and working conditions	● Business continuity risks due to accidents	● Improved employee retention rate ● Thorough workplace safety management
	Securing and retaining talent	● Business continuity risks due to resignations ● Difficulties in technological assimilation	● Improved business continuity ● Promotion of automation
	Promotion of diversity	● Recruitment challenges due to demographic decline ● Organizational divides due to diverse human resources	● Securing human resources through the active roles of women and seniors ● Improved labor environment through organizational diversity ● Organizational revitalization
Environmental Response	Energy and carbon efficiency in production	● Stricter environmental regulations and changing customer requirements ● Increase in natural disasters	● Cost reduction through power saving, etc. ● Enhanced image as an environmentally advanced company
	Exhaust / Waste	● Stricter environmental regulations	● Cost reduction through reduced emissions
	Water	● Stricter environmental regulations	● Cost reduction through reduced usage
	Transportation / Logistics	● Business continuity risks due to climate-related disasters ● Price hikes due to higher resource prices	● Cost reduction through modal shifts, etc.
	Biodiversity conservation	● Stricter environmental regulations	● Improved corporate image
Corporate Citizen Initiatives	Comprehensive quality and product safety	● Costs associated with claims ● Impact on order intake due to unstable quality	● Stable order acquisition through improved reliability
	Ethics / Compliance	● Business continuity risks due to scandals	● Steady order acquisition and recruitment through improved reliability
	Procurement and sustainable development	● Purchase stop due to contract breaches ● Supplier business continuity risk	● Improved stable supply and cost competitiveness through collaboration with suppliers
	Relationship with the community	● Recruitment difficulties due to deteriorating relationships ● Failure to get understanding for operations	● Securing top talent through improved reliability
	Public / Regulatory policies	● Delays in responding to public policies	● Improved reputation by responding to public policies
	Alternative parts supply	● Responding to user needs	● Improved product reliability



Growth Strategy / Innovation

Technology Leader —Technology Leader in Lighting— Valeo's LIGHT Division

The automotive industry is undergoing a once-in-a-century transformation, and automotive lighting technology is also evolving significantly.

ICHIKOH, in response to changes in the business environment such as vehicle electrification and autonomous driving, is developing products that contribute to greener, safer, and smarter mobility. These efforts support the establishment of a distinctive brand image of our automotive customers.

ICHIKOH's growth through innovation will proceed along three axes: (1) adding high value to lighting functions, (2) expanding the product lineup with new product areas, and (3) delivering these products as an integrated system.

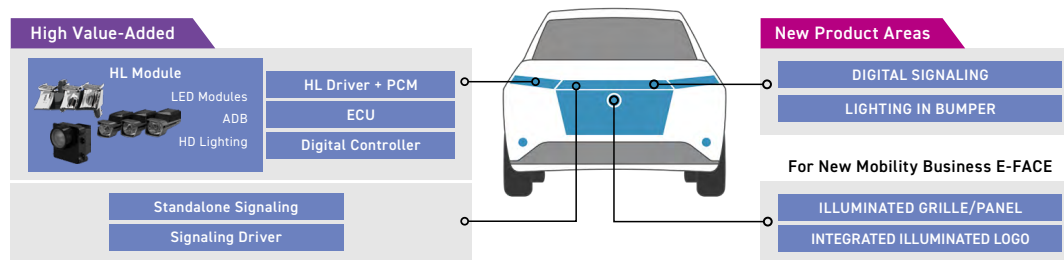
System Provider

ICHIKOH has established its position as a system provider.

For example, in the case of a vehicle's front face, components such as lamp drivers were once procured externally.

Today, we view the changes in vehicle architecture brought about by electrification (BEV) as a growth opportunity, and we aim to develop these components in-house while securing added value through collaboration and cooperation with Valeo.

Example of Front Lighting System



Column New Communication with Following Vehicles

We are developing technology to transmit information to following vehicles.

By incorporating an LED display in the rear lamp, information about the vehicle's status and the driving environment ahead can be communicated. This contributes to enhanced safety.



High Value-Added Realizing a Safe and Comfortable Driving Environment

Digitalized Lighting (HD Lighting, Digital Signaling)

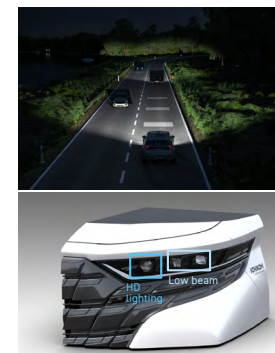
HD lighting is a glare-free high-beam system that individually controls the light divided into tens of thousands of pixels, shading only the minimum necessary areas to prevent glare for oncoming and preceding vehicles. Through this development, ICHIKOH can provide automakers with a complete system consisting of hardware (200,000 pixel lighting modules and electronic drivers) and the software that controls them.

ICHIKOH's development strategy prioritizes safety, aiming to reduce traffic accidents by enabling continuous high-beam driving without dazzling other drivers.

<Night Driving and Driver Stress>

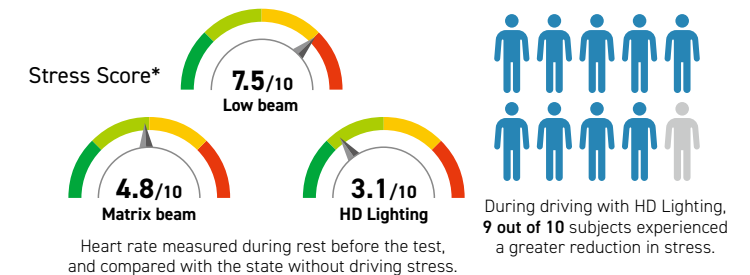
ICHIKOH has compared driver stress levels during night driving with conventional ADB and HD lighting. As a result, driver's stress levels for all subjects driving with HD lighting were reduced by an average of 36%.

This indicates that HD lighting functions make a significant contribution to reducing stress levels. ICHIKOH will continue to research solutions for realizing a safe and comfortable driving environment.



HD Lighting Demonstration Mock-Up.

Summary of Stress Measurement Results



*Stress score is a value uniquely calculated by ICHIKOH



Growth Strategy / Innovation

Technology Leader ~Technology Leader in Lighting~ Valeo's LIGHT Division

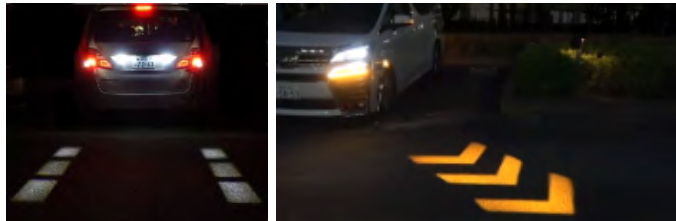
New Product Areas Further Contribution to Safety Road Surface Projection (Near-Field Projection)

Near-field projection is a new approach to safety solutions that projects light onto the road surface to help realize a safer and more secure traffic environment.

HD lighting can also be used to project light onto the road surface, but headlamps project only toward the front, whereas near-field projection can be used for multi-directional illumination.

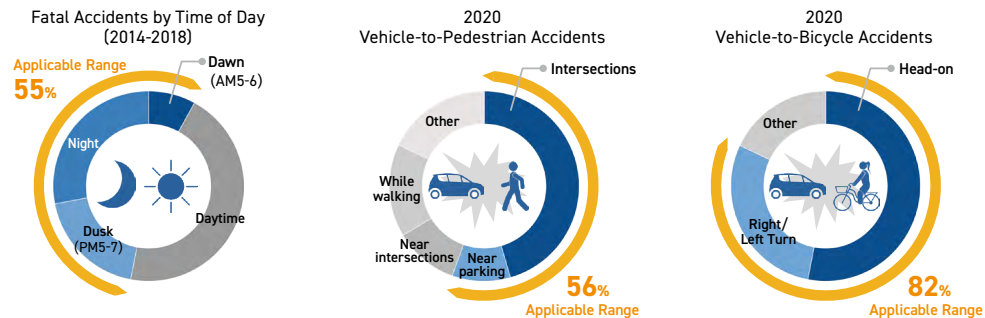
Near-field projection aims to convey information not only to drivers but also to pedestrians, cyclists, motorcyclists, and other surrounding road users.

EVs are quiet and often go unnoticed in blind spots. There are many reports of accidents involving pedestrians at intersections and parking lots, as well as cyclists in residential areas. Projecting light onto the road surface in the traveling direction can serve not only as an illumination but also as a means of preventive safety and communication. It is expected to prevent accidents such as those occurring during right or left turns, during parking or reversing, and truck right-turn collisions.



Regulations for Near-field projection linked to the reverse light were established, however, the turn signal is currently under deliberation. Approval is expected within the next year.

➤ Aiming to Reduce Traffic Accidents (from accident trends)



Vehicle-surrounding projection can help avoid accidents in many situations

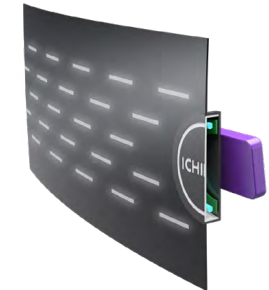
Source: ITALDA, e-Stat statistical data, National Police Agency report, Ministry of Land, Infrastructure, Transport and Tourism report

New Product Areas Development of Sensor-Integrated Technology for ADAS and Autonomous Vehicles

With the advancement of ADAS (Advanced Driver-Assistance Systems), the number of sensors installed in vehicles continues to increase.

Radar, LiDAR, and cameras are installed to prevent collisions and rear-end accidents from the front, rear, and sides; however, these sensors must be integrated without affecting the vehicle design or degrading detection performance.

ICHIKOH is developing Front Face and Rear Face lighting products, which play an important role in lighting, in collaboration with Valeo's Brain Division, which is developing sensors.





Human Resources Strategy / Diversity

Human resources are ICHIKOH's most important asset, as it is the excellence of our people that creates the added value driving the company forward.

Respect for Human Rights

Respect for human rights is the top priority in ICHIKOH's human resources strategy. We believe that no company can continue to exist without upholding human rights.

Employee First

At ICHIKOH, putting employees first is a core value. With an increasingly diverse workforce—varying in nationality, age, gender, and disability status—we are committed to improving employee engagement, as reflected in our ongoing employee engagement surveys.

Promotion of Diversity

Japan's working-age population is projected to decline by 10 million by 2040, leading to intensifying competition for talent. To prepare for this shift and strengthen our organizational resilience, ICHIKOH is actively promoting diversity. We are investing in employee development to ensure no one is left behind and to foster a work environment where everyone can thrive.

Human Resources Development and Education

Human resource development is essential for individual growth and organizational success. In addition to specialized training, rank-based programs, and career development, we are strengthening education in areas such as employee well-being, diversity and inclusion, and effective communication with Generation Z. These efforts aim to embed our "Employee-First" mindset and the values of diversity and inclusion at all levels of the organization.

ICHIKOH's Human Resources Strategy

Education	Diversity and Inclusion	Safety and Health
<ul style="list-style-type: none">Support for career development and reskillingDeepening of management education	<ul style="list-style-type: none">Fostering a corporate culture that recognizes and respects individual differencesEnhancing work-life balance	<ul style="list-style-type: none">Commitment to achieving zero occupational accidentsStrengthening support for reintegration post-illness
Improvement of Working Environment		
<ul style="list-style-type: none">Reducing overtime and promoting the utilization of paid leaveEnhancements to the workplace environment with a focus on safety and ergonomics		
Improvement of Engagement		
<ul style="list-style-type: none">Cultivating a culture where challenges are embraced without fear of failureIdentifying and addressing areas of concern from employee engagement surveys		
Respect for Human Rights		

(2024 Result)

ICHIKOH Basic Workforce Data

	Percentage of female managers (%)	Percentage of male employees taking childcare leave (%)	Wage disparity between male and female employees (%)
			Overall employees
Non-consolidated	3.6	36.4	59.8
Consolidated	3.4	32.0	57.3

* Women's wage when men's wage is taken to be 100%.
Calculation based on the provisions of the [Act on the Promotion of Women's Active Engagement in Professional Life](Act No. 64 of 2015).

KPIs for Human Resources Strategy and Diversity

	Issue	Key indicators	FY2024 results	FY2028 targets	SDGs
Employees	Safety and Health	Accident frequency rate (FR1: Number of lost work time accidents per million working hours)	0.54	Less than 0.85	
		Percentage of foreign employees	12.8 %	9.5 %	
	Diversity and Inclusion*	Percentage of disabled employees	2.54 %	2.75 %	
		Percentage of rehired staff post-retirement	78.9 %	90.0 %	
	Work-life Balance*	Annual paid leave acquisition rate	87.6 %	80.0 %	

* Non-consolidated basis

Comfortable Working Environment

ICHIKOH employees have an "inquisitive spirit" and gather their knowledge to create the shape of the car of the future. We will continue to be a group with an "inquisitive spirit" that creates the shapes of future cars. To this end, we will promote the creation of a comfortable working environment.

	Issue	Item	Contents	SDGs
1	Safety and Security	Safety management (Safety and 5S, QRQC board)	ICHIKOH considers safety and health the most important corporate issue. Our philosophy is to always prioritize safety and health in our "Monozukuri"—the development, design, and manufacturing of automotive parts—and to create products safely. We aim to ensure comprehensive safety management for all employees and strive for zero accidents. Specifically, we utilize the QRQC board for managing workplace safety and the 5S principles.	
		Risk hunting	Each workplace takes turns investigating hazardous areas annually. The findings are reported to the secretariat, and we implement corrective measures across all departments.	
2	Human rights, labor and diversity	Promotion of female advancement	We are promoting appointments of female managers and actively hiring female employees.	
		Global human resources management	Currently, our domestic employees represent 19 nationalities, with foreign employees making up 12.8% of the workforce. We welcome trainees from our daughter plants in ASEAN to our mother plants in Japan, grooming them to be the future workforce of the daughter plants.	
		Extension of retirement age	Employees aged 60 and above are actively working as "ability employees," leveraging the expertise and skills they have acquired over the years to transfer technology to the next generation.	
	Work-life balance	Promotion of flexible working styles	Flexible work leave and childcare leave are available.	
		Reduction in total working hours	At ICHIKOH, we promote the uptake of paid leave, including continuous vacation, anniversary leave, and planned leave. We also work to reduce overtime by managing it through workplace labor councils.	
		Promotion of volunteer activities	ICHIKOH supports volunteer activities through volunteer leave.	
3	Human resources development, skill development	Telework	ICHIKOH has introduced a telework system to respond to employee requests and to reduce the burden of commuting.	
		In-house training	E-learning courses are available for everyone. Lectures are allocated based on job responsibilities, and courses can be tailored to match skill development and individual interests.	
		External training	Members selected from various departments plan and participate in lectures at external educational institutions.	



Environment

The ICHIKOH Group, following the basic policy of the "ICHIKOH Group Environmental Policy," recognizes the significance of environmental challenges and has consistently addressed them.

ICHIKOH Group Environment Policy < Basic Policy > (Partial Extract)

- We promote carbon neutrality through our business activities and products.
- We promote efficient use and recycling of resources, including water.
- We promote the management of chemical substances contained in products and packaging materials.
- We comply with environmental laws and other agreed requirements.
- We regularly review our environmental activities and energy performance improvement activities and promote continuous improvement.
- We widely publicize our environmental initiatives.

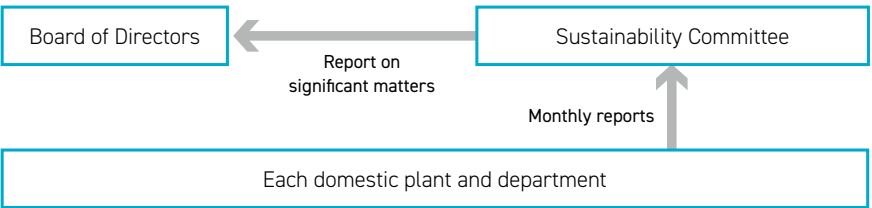


CARBON ABATEMENT
PLAN, OUR COMMITMENT
TO ACHIEVE NET ZERO
CARBON EMISSIONS BY
2050

Regarding carbon neutrality, Valeo aims to achieve carbon neutrality (Net Zero) by 2050 and reduce emissions by 17% compared to the 2019 emissions baseline by 2030. Ichikoh, as a member of the Valeo Group, is fully committed to achieving this goal.

Promotion System: Sustainability Committee

At ICHIKOH, the Sustainability Committee has met on a monthly basis since its inception in 2021. It reports on the activities related to carbon neutrality and manages its progress by acilitating information sharing among related plants and departments.



Product Development

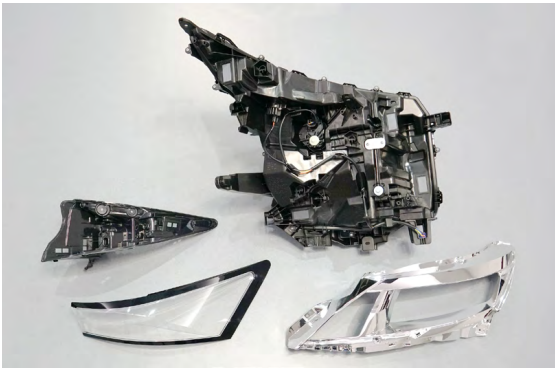


Key areas in product and material development for promoting low-carbonization of ICHIKOH's products are as follows:

Response to Scope 3 upstream	Response to Scope 3 Downstream	Measures toward a circular economy
<ul style="list-style-type: none">● Utilization of recycled materials● Utilization of biomass-derived materials● Miniaturization of heat-dissipating components through design optimization, miniaturization of electronic boards, miniaturization of optical modules● Conversion of metal components to plastic	<ul style="list-style-type: none">● Weight reduction through thinner parts● Improvement of LED light source efficiency● Enhancement of optical efficiency● Improvement of efficiency of electronic components such as drive circuits● Research on technology that uses software and artificial intelligence to control the brightness optimally according to the surrounding environment of the vehicle	<ul style="list-style-type: none">● Extension of product/component lifespan● Prolonging product life through design● Product structure that is easy to repair and disassemble● New business schemes through remanufacturing using reused components

Development of Recycled and Biomass Derived Materials

There are a variety of resin materials that compose headlamps and taillamps. Additionally, lens components require excellent optical properties and high transparency, and parts that undergo surface treatments such as aluminum vapor deposition require high surface smoothness. At Ichikoh, we develop materials using the optimal approach - using biomass-derived raw materials, mechanical recycling, or chemical recycling - so that the best characteristics can be achieved according to the application of the components. Currently, the development of recycled materials is in the final stage of product evaluation, and preparations and proposals for adoption are underway.








Environment / Social

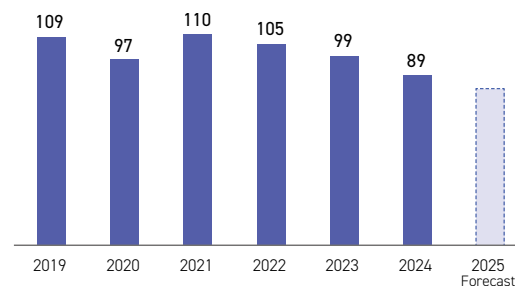
Environment

Environmental KPIs

	Issue	Key indicators	Benchmark	2023 results	2024 results	Targets	SDGs
Environmental efficiency	Energy and carbon efficiency in production activities	Direct (Scope 1) and indirect (Scope 2) emissions ratio (1000 t-CO ₂)*	FY2019: 109	99	89	CY2030 75% reduction in FY2030 (achieving -17% against the 2019 baseline for the total of Scopes 1, 2, and 3)	  
		ISO50001 energy management certification acquisition rate (by site)*	FY2019: (0/7 sites)	100% (7/7 sites)	100% (7/7 sites)	FY2030: Maintain at 100%	
	Water resources	Water usage (1,000 m ³)*	FY2019: 1,108	298	184	FY2030: Reduce by 90%	

*The mirror business and former subsidiaries Life Elex and PIAA are excluded.

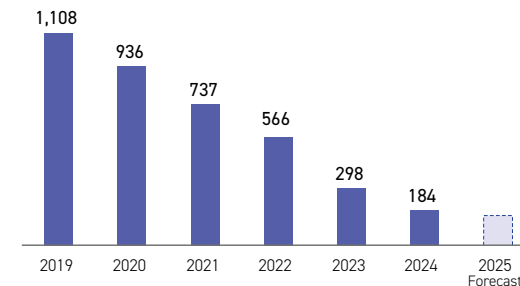
CO₂ Emissions (Scope 1 and 2)*



CO₂ emissions were reduced by approximately 20% from the base year and about 10% from the previous year.

Steady reductions are being achieved through the introduction of energy-saving equipment and continuous efforts at the work sites.

Water Usage [1,000 m³]*



Water usage was significantly reduced by approximately 80% compared to the base year and about 40% compared to the previous year.

This is largely due to the full-scale operation of the wastewater closed-loop recycling system at the Isehara plant, which has advanced the efficient reuse of water resources.

* The base year includes overseas operations. For the sake of comparison, the mirror business and former subsidiaries, Life Elex and PIAA are excluded.

Production

The main points for advancing low-carbon measures at production sites are as follows:

- 1) Creation of low-carbon items as part of on-site *Kaizen* activities
- 2) Introduction of solar power generation at production sites
- 3) Utilization of green electricity, etc.

At ICHIKOH, we promote low-carbon production through the aforementioned activities and report monthly CO₂ usage to the Sustainability Committee, among other measures, to advance CO₂ reduction. The energy management team at each production site is advancing technological improvement initiatives related to *Monozukuri* and is horizontally deploying best practices across all departments.

At the Fujioka plant, in 2023, heavy oil boilers were replaced with high-efficiency heat pumps, resulting in CO₂ emission reductions (5,573 t-CO₂/year) and lower energy costs. Additionally, in FY2025, solar power is expected to reduce CO₂ emissions by 356 t-CO₂/year at the Atsugi plant.

Ichikoh is also planning to install solar panels through on-site PPA at each production site after 2026, with power generation on a mega-solar scale to start at major domestic sites (Atsugi, Fujioka, Kyushu Ichikoh) by 2028.



Atsugi plant roof top solar panels

Logistics

In outbound logistics, we are reducing the number of trips by using larger vehicles to transport finished products. For inbound transportation, we are focusing on promoting modal shifts, including the introduction of the milk run system and the use of railway freight.

Suppliers

At ICHIKOH, we conduct surveys with our suppliers to monitor the status and progress of their CO₂ reduction initiatives.





Environment / Social

Environment (TCFD) / Social

Information Disclosure Efforts Aligned with TCFD Recommendations



ICHIKOH is committed to ongoing disclosure and communication efforts in line with TCFD recommendations, including initiatives to reduce CO₂ reduction initiatives under the carbon neutrality plan "CAP50."

1 Governance

The Sustainability Committee meets monthly in principle. (See page 23)

2 Strategy

Within the automobile industry, a significant shift toward electric vehicles is anticipated as a response to greenhouse gas emissions.

This transition presents ICHIKOH with a strong opportunity to enhance its value proposition. The ongoing evolution toward electrification aligns well with ICHIKOH's technological roadmap, positioning us to capture new product orders. We remain confident in our strategic flexibility and technological diversity, which support the adaptability of our business model amid the global shift to low-carbon mobility. (See pages 23)

3 Risk Management

Annually, we identify risks in line with ISO 14001 and ISO 50001 standards, which have been certified at all of our sites, including those overseas. The ISO Secretariat takes the lead in identifying key issues, after which each department selects and applies relevant items suited to its operations—enabling an efficient and effective risk management process. This approach enables the identification and evaluation of risks related to natural disasters and broader environmental impacts. Based on this risk management foundation, the Sustainability Committee continuously monitors, evaluates, and discusses measures to reduce CO₂ emissions, water usage, and energy consumption associated with climate change, while horizontally deploying best practices across all departments. (See pages 23 and 24)

4 Indicator and Target

ICHIKOH champions the "CAP50" initiative, aiming for carbon neutrality by 2050.

Target

"CAP50" seeks to realize carbon neutrality by 2050, Achieve a 17% reduction against the 2019 emissions baseline by 2030.

2024 Outcomes

Scope 1+2 CO₂ emission stood at 89k t-CO₂eq (excluding the Mirror Business). Data on Scope 3 CO₂ emissions will be unveiled in subsequent disclosures.

Supply Chain Management



ICHIKOH has set forth requirements to cultivate and enhance relationships with all its stakeholders. ICHIKOH is committed to upholding high ethical values in fulfilling its societal responsibilities and strives to solidify its social trust and further its growth.

Business Partner Code of Conduct

All business partners are mandated to establish and sign the Business Partner Code of Conduct. The primary provisions include: health and safety, human rights, prohibition of discrimination, promotion of diversity, environmental policy, continuous enhancement, equitable business practices, prevention of antitrust actions, anti-bribery measures, avoidance of conflicts of interest, commitment to quality, ensuring confidentiality, safeguarding data, identifying and preventing issues, and maintaining a code of integrity.

Green Procurement Guidelines

ICHIKOH introduced the Green Procurement Guidelines in August 2004 to source environmentally considerate components. We ask our suppliers, who provide components and materials to ICHIKOH, to commit to:

- (i) Establishment of an environmental management system
- (ii) Management of environmentally hazardous substances (chemical substances in products)
- (iii) Promotion of green procurement for office supplies

Approach to Conflict Minerals

While ICHIKOH does not directly use minerals, we have been annually assessing, since 2013, our suppliers of raw materials and components incorporated in ICHIKOH products. These assessments determine the presence of tantalum, tin, tungsten, and gold, and establish whether these minerals are sourced from conflict or high-risk areas.



Quality Management

Quality Management

ICHIKOH's products, such as headlamps and rear lamps, are crucial safety components for vehicles. The quality management of these products is intrinsic to ICHIKOH's management and is treated as the top priority.

2025 Quality Policy

Ichikoh is committed to achieving customer satisfaction and creating value for its employees and shareholders by:

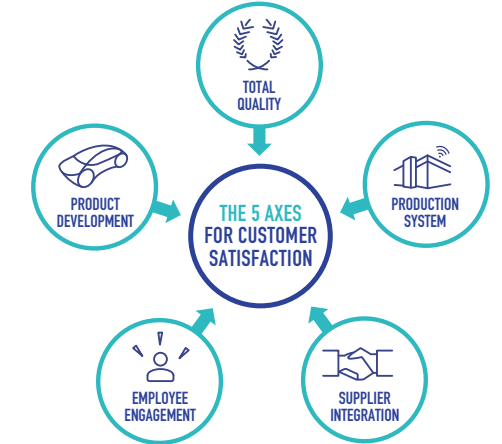
1. Considering safety, ethics, compliance, and environment as the priorities in our communication and actions.
2. Ensuring full compliance with regulatory and statutory requirements.
3. Developing, manufacturing and delivering best-in-class, robust, and innovative products and services on time and at competitive prices to meet evolving customer demands.
4. Recruiting, training, and developing autonomous team members who are qualified and committed to meeting Ichikoh and customer standards.
5. Integrating and developing suppliers aligned with Ichikoh's values through close, long-term relationships.
6. Deploying the "Valeo 5 Axes" framework based on risk and opportunity assessments, engaging the entire organization under management leadership, and promoting internal benchmarking as well as feedback from customers and stakeholders.
7. Promoting continuous improvement and preventive actions throughout the product lifecycle, ensuring compliance with corporate rules and standards, applying Quick Response Quality Control (QRQC) and a Zero-Defect mindset across all functions, and deploying these improvements and preventive measures horizontally across the organization.
8. Continuously measuring Ichikoh's performance against customer needs and competitors, defining improvement plans, and closing any gaps.
9. Promoting CAP50 initiatives, including the 4R (Robust Design, Repair, Re-manufacture, Reuse) program, to achieve site-level targets and CO₂ emission reduction goals.
10. Advancing business continuity plans related to cybersecurity and energy disruption risks.
11. Building on strong AI expertise—from research to product development and the establishment of the Applied Machine Learning (AML) team—further strengthened through the AI4ALL project.
12. Ensuring full engagement of all team members and relevant functions in implementing this policy.

The stated content above represents the quality policy of the ICHIKOH Group for FY2025.

It encompasses all facets of the company's operations, including compliance, development, risk management, reduction of CO₂ emissions, business continuity plans, and more. In order to align with this policy, a document endorsed by the senior management of relevant departments is prominently displayed within the company.

Valeo 5 Axes refers to the "5 Axis system" described in the "Value Creation Process" (See page 13). It targets all products and is an initiative to meet the fundamental expectations of customers, thereby achieving customer satisfaction.

Meanwhile, QRQC stands for "Quick Response Quality Control," a methodology employed to "immediately" address quality issues that arise in the workplace.



Certification of Quality Management System

ICHIKOH has obtained IATF 16949 certification for its head office and production locations as follows:

IATF 16949 Certification

ICHIKOH INDUSTRIES, LTD.
(Head office, Isehara, Atsugi, Fujioka)
PT.II (Indonesia)
IIT (Thailand)
IMS (Malaysia)





Corporate Governance

Internal Control Systems

Guided by our Corporate Governance Guidelines, we are committed to realizing the finest form of corporate governance that aligns well with societal norms. Our primary objectives are to consistently enhance our corporate value and foster a deep sense of trust with all our stakeholders including shareholders. In our pursuit of swift adaptability to the ever-evolving business environment and a heightened transparency in management, we have instituted the following corporate governance framework.

Board of Directors

Our Board of Directors is composed of nine members (as of the conclusion of the general shareholders' meeting in March 2025) and is basically held nine times a year. The Board deliberates and makes management decisions on statutory matters, other important issues, and adheres to the "Regulations of the Board of Directors." It also oversees the business execution of the Directors. All corporate auditors attend these meetings and supervise the Directors' business execution.

The election of Directors is determined at the General Meeting of Shareholders. Candidates for the Board are selected based on their qualifications related to their work history. The Board assesses if their expertise and specialized skills will contribute to the enhancement of the corporate value the Company aspires to. Additionally, in selecting these candidates, the Company considers diversity in nationality, gender, age, work history, and skills to ensure a balanced board composition.

Concerning business execution, the Company has introduced the Executive Officer System. This system aims to separate the management's supervisory functions from business execution and to define roles and responsibilities clearly. In accordance with internal regulations, the President acts as the Chief Executive, overseeing all business operations. Important matters related to business execution are discussed in the Executive Directors Meeting, which serves as an advisory body to the President, and specific execution responsibilities are delegated to the Executive Officers. Furthermore, the Company holds Independent Officers Meetings, consisting exclusively of the five Independent Outside Directors and Independent Outside Corporate Auditors. These meetings are convened to facilitate unbiased information exchange, shared understanding, and active contributions to discussions during Board meetings. Currently, the ratio of independent directors on the Board of Directors is one-third.

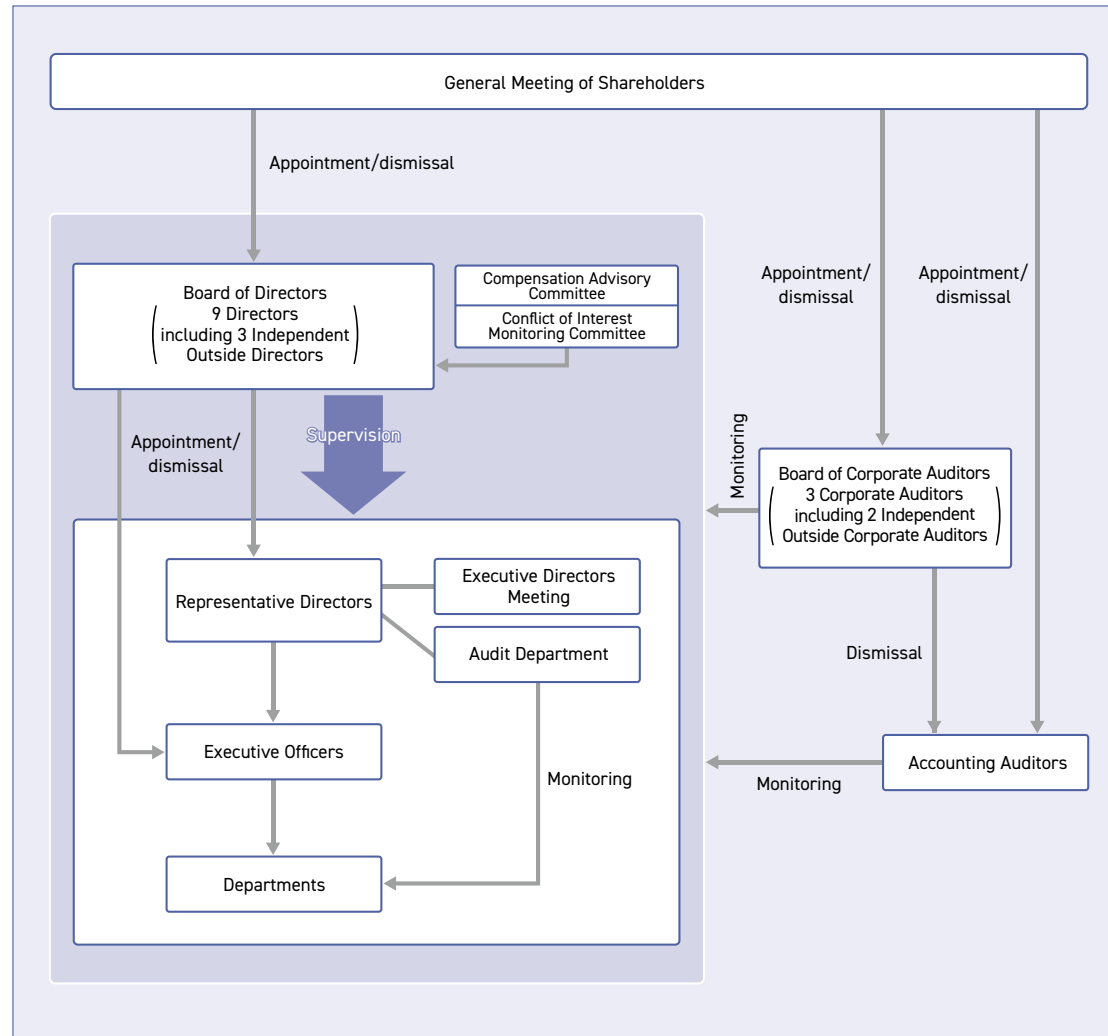
Board of Corporate Auditors

The Company has established a Board of Corporate Auditors, consisting of three members: one full-time Corporate Auditor and two part-time Corporate Auditors. Among them, two are Independent Outside Corporate Auditors. The Board convenes regularly. Each Corporate Auditor not only shares information during the Board of Corporate Auditors but also attends the Board of Directors and other relevant sessions based on their respective roles. They provide feedback and express opinions as necessary, ensuring continuous oversight of the Directors' business execution. Moreover, our Corporate Auditors actively collaborate and exchange insights with both the Audit Department and the Accounting Auditors to enhance the Company's audit functions.

Board of Directors and Corporate Auditors		
Name	Title	Title as an Executive Officer and Responsibilities
Ali Ordoobadi	Director, Chairman	-
Christophe Vilatte	Representative Director, President	CEO / Lighting RO Director / Responsible for Audit Department
Kazuyuki Miyashita	Representative Director, Deputy President	CTO In charge of Project Management Headquarters, R&D Headquarters Director, R&I Headquarters Director
Hideki Shirato	Director	CFO / Senior Managing Executive Officer; In charge of Corporate Planning Department, Legal Department, Finance Headquarters
Maurizio Martinelli	Director	-
Raul Perez	Director	-
Hideo Aomatsu	Outside Director	-
Akemi Sagawa	Outside Director	-
François-Xavier Lienhart	Outside Director	-
Masaki Takamori	Corporate Auditor	-
Aki Tsurumaki	Outside Corporate Auditor	-
Jean-Yves Jouas	Outside Corporate Auditor	-



Internal Control Structure



Executive Directors Meeting

The Executive Directors Meeting is chaired by the Representative Director & President and consists of three directors. The full-time Corporate Auditor also attends the meeting. This meeting serves as an advisory body to the President and deliberates on significant matters related to business execution. The meeting is convened in principle three times a month, with a performance report on business execution presented at one of these sessions each month.

Compensation Advisory Committee

To enhance the independence, objectivity, and accountability concerning the compensation of each Director, we convene the Compensation Advisory Committee as and when needed. This voluntary committee serves as an independent consultative body to the Board of Directors. The chair of the committee is an Independent Outside Director. Its members include two Independent Directors, one Representative Director and President, one HR manager from the Valeo business group to which the Company belongs, and one HR manager for Valeo in Japan.

Conflict of Interest Monitoring Committee










To oversee potential conflicts of interest concerning transactions and other dealings between the Company, the ICHIKOH Group, and our parent company, the Valeo Group, from the perspective of shareholders outside of Valeo, we have established the Conflict of Interest Monitoring Committee. The committee is chaired by an Independent Outside Director and comprises three Independent Outside Director, a Senior Managing Executive Officer, and an Executive Officer. As a general rule, the committee convenes four times a year. It investigates transactions between the Valeo Group and the Group, as well as other matters, through interviews with each division head and confirmation of transaction records. The committee then reports the results of its investigation to the Board of Directors.



Corporate Governance

Corporate Governance

Executives' Skills Matrix

Name / Title	Knowledge and Areas of Expertise of Directors									
	Corporate Management	Automotive Industry Experience	Technology and Innovation	Legal, Risk Management	Finance, Accounting, M&A	ESG	Close Ties with Valeo	Governance	Independency	Diversity (Gender)
 Director, Chairman Ali Ordoobadi	●	●	●				●	●		
 Representative Director, President & CEO Christophe Vilatte	●	●	●		●	●	●	●		
 Representative Director, Deputy President & CTO Kazuyuki Miyashita	●	●	●			●	●			
 Director & CFO Hideki Shirato	●			●	●			●		
 Director Maurizio Martinelli	●	●	●			●	●	●		
 Director Raul Perez	●	●		●	●		●			
 Outside Director Hideo Aomatsu	●				●			●	●	
 Outside Director Akemi Sagawa	●				●	●		●	●	●
 Outside Director François-Xavier Lienhart	●	●			●			●	●	

Corporate Auditors


Corporate Auditor
Masaki Takamori

Outside Corporate Auditor
Aki Tsurumaki

Outside Corporate Auditor
Jean-Yves Jouas

Managing Executive Officer

Olivier Absous

Tadanori Asahara

Executive Officers

Hirokazu Iseki

Damien Le Foll

Hiroshi Kojima

Koichi Ueda

Yasuhiro Fujita

Yoshiyuki Kondo

Ikuro Ichikawa



Corporate Governance

Corporate Governance

Efforts for Compliance

Compliance Promotion System

We actively promote adherence to compliance and CSR regulations, and administer a whistle-blowing system. Progress on compliance promotion activities is monitored through the actions of both the Compliance/CSR Committee and the Global Compliance Committee. We also provide training to heighten awareness of legal compliance among our executives and employees. Additionally, we conduct regular internal audits to ensure alignment with laws, regulations, and our Articles of Incorporation.

Whistle-Blowing System (Hotline)

ICHIKOH offers the following three consultation hotlines:

- **Harassment/Human Relations Hotline:** This is centered on harassment issues and covers a broad spectrum of cases, including those where it is unclear whether a compliance violation exists.
- **Valeo Whistle-Blowing System:** This is used for reporting crimes and legal violations via the Valeo Group Hotline.
- **ICHIKOH Hotline:** A comprehensive desk addressing all compliance violations.

Risk Management

ICHIKOH recognizes risk management as a critical priority in our mission to contribute to a richer societal development. We allocate as many management resources as possible to control risks, ensuring the continuity and stable growth of ICHIKOH, and thereby fulfilling our social responsibilities.

Risk Control

ICHIKOH ensures that group companies and all departments adhere to an annual risk management cycle (PDCA) based on following risk definition and classification. The process of identifying risks, as well as evaluating the results of countermeasures, are deliberated at the Executive Directors Meeting and subsequently reported at the Board of Directors' meetings.

Risk Definition and Classification

Risks for ICHIKOH are defined as internal or external factors that could potentially inhibit our aim to fulfill our social responsibility. This includes factors that might affect the consistent and appropriate manufacturing and sales of automotive lamps and other products. These risks, which can have a significant impact both within and outside the company, are managed from the standpoint of four major categories: strategic risks, financial risks, hazard risks, and operational risks. These categories encompass a total of 100 items and we manage risk from these viewpoints.

11-Year Selected Consolidated Financial Data

Terms		85th Term	86th Term	87th Term	88th Term	89th Term	90th Term	91st Term	92nd Term	93rd Term	94th Term	95th Term
Fiscal Years		March 2015 (12 months)	March 2016 (12 months)	March 2017 (12 months)	December 2017 (9 months)	December 2018 (12 months)	December 2019 (12 months)	December 2020 (12 months)	December 2021 (12 months)	December 2022 (12 months)	December 2023 (12 months)	December 2024 (12 months)
Net sales	(Millions of yen)	94,166	102,143	113,195	94,070	140,600	133,053	113,859	125,510	135,451	145,897	125,544
Operating income	(Millions of yen)	514	2,429	4,809	3,971	9,003	6,440	2,468	5,562	3,937	7,422	4,883
Ordinary income	(Millions of yen)	3,118	3,007	5,233	4,660	9,694	7,363	5,048	6,506	5,351	8,130	6,517
Net income attributable to owners of the parent	(Millions of yen)	2,363	2,505	5,916	3,792	9,756	5,214	2,857	3,983	4,423	7,838	4,470
Comprehensive income	(Millions of yen)	4,733	(663)	5,747	5,095	7,251	6,152	(428)	6,077	5,378	10,716	7,360
Net assets	(Millions of yen)	24,561	23,578	28,930	33,266	39,997	45,405	44,544	49,523	55,007	64,730	70,951
Total assets	(Millions of yen)	87,216	92,232	96,850	103,177	102,416	109,813	109,634	112,521	125,915	129,417	130,089
Net assets per share	(Yen)	237.98	230.65	288.08	332.18	403.79	460.23	453.15	508.97	565.32	666	728.29
Net income per share	(Yen)	24.64	26.13	61.63	39.47	101.54	54.26	29.73	41.44	46.02	81.53	46.48
Shareholders' equity ratio	(%)	26.17	23.98	28.57	30.93	37.88	40.29	39.73	43.48	43.15	49.48	53.85
Return on equity [ROE]	(%)	11.44	11.15	23.77	12.73	27.6	12.56	6.51	8.61	8.57	13.24	6.67
Price-earnings ratio [PER]	(Times)	10.51	9.41	8.92	25.41	5.46	13.99	23.21	13.18	7.89	6.21	8.63
Price book-value ratio [PBR]	(Times)	1.20	1.05	2.12	3.23	1.51	1.76	1.51	1.13	0.68	0.82	0.58
Net income to sales ratio	(%)	2.51	2.45	5.23	4.03	6.94	3.92	2.51	3.17	3.27	5.37	3.56
Asset turnover ratio	(Times)	1.08	1.11	1.17	0.91	1.37	1.21	1.04	1.12	1.08	1.13	0.97
Financial leverage	(Times)	3.82	4.17	3.50	3.23	2.64	2.48	2.52	2.30	2.32	2.02	1.86
Cash flows from operating activities	(Millions of yen)	3,388	8,814	13,029	9,029	21,630	16,122	11,219	9,209	13,005	13,372	11,047
Cash flows from investing activities	(Millions of yen)	(5,520)	(2,145)	(8,758)	(4,745)	(5,824)	(16,724)	(10,955)	(6,684)	(5,912)	(9,609)	(4,729)
Cash flows from financial activities	(Millions of yen)	349	557	(9,643)	(6,545)	(14,818)	(1,409)	(2,917)	(2,350)	(4,404)	(3,799)	(3,036)
Cash and Cash equivalents at end of period	(Millions of yen)	10,086	17,164	11,522	9,422	10,215	8,196	5,426	5,720	8,631	8,937	12,642
Number of employees [Other, average temporary staff]		3,921 [1,058]	3,951 [956]	4,036 [1,360]	3,998 [1,538]	3,870 [2,031]	3,796 [1,808]	3,602 [1,345]	3,519 [1,436]	3,521 [1,335]	3,163 [1,750]	2,930 [1,252]
Dividend on equity [DOE]	(%)	1.26	1.30	1.39	1.20	1.73	1.52	0.77	1.38	1.59	1.65	1.89
Payout ratio	(%)	12.2	11.5	6.5	10.1	6.9	12.9	11.8	16.9	19.6	13.5	28.0

Stock Information

(As of December 31, 2024)

Stock Information

Number of shares issued	96,363,161 shares
Number of shares authorized	200,000,000 shares
Number of Shareholders	7,026

Major Shareholders

Shareholder	Num. of Shares (1,000 shares)	Shareholding Ratio (%)
VALEO MANAGEMENT	58,791	61.12
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,086	5.28
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	4,327	4.49
Custody Bank of Japan, Ltd. (Trust Account)	3,375	3.50
GOLDMAN SACHS INTERNATIONAL	1,313	1.36
Nippon Life Insurance Company	988	1.02
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	956	0.99
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY	803	0.83
MSIP CLIENT SECURITIES	800	0.83
NORTHERN TRUST CO. (AVFC)RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	800	0.83

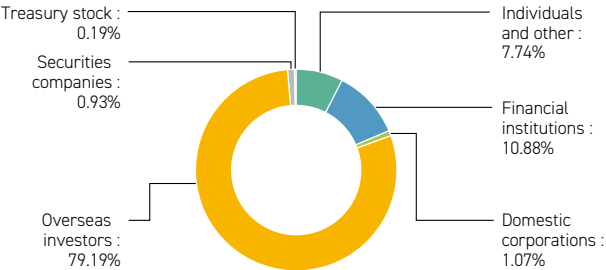
(Notes)

1. The shareholding ratio was calculated excluding the treasury stock (181,424 shares). The figures less than the unit are rounded down.

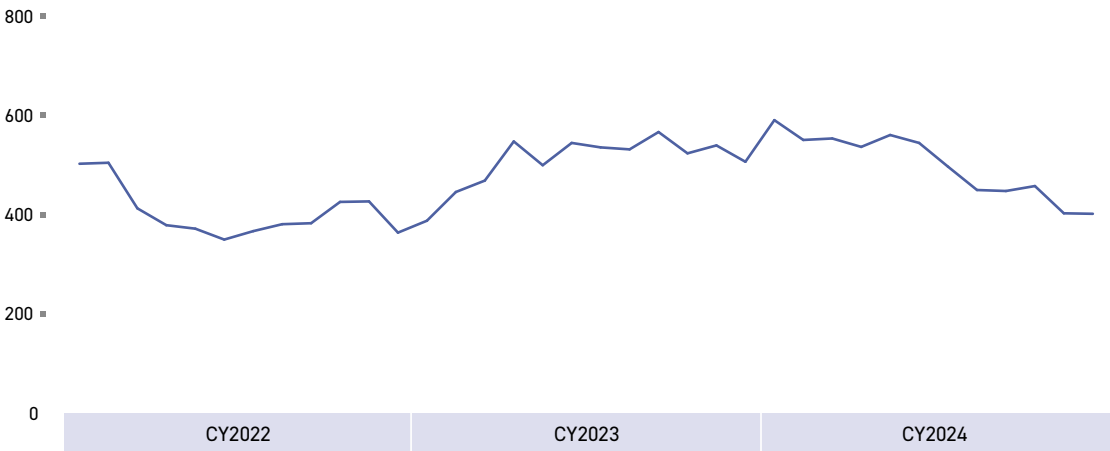
2. The top 10 shareholders are listed, including one major shareholder who holds one-tenth or more of the total number of issued shares.

3. Out of the shares owned by Custody Bank of Japan, Ltd. the number of shares related to trust business is 3,375,000. shares.

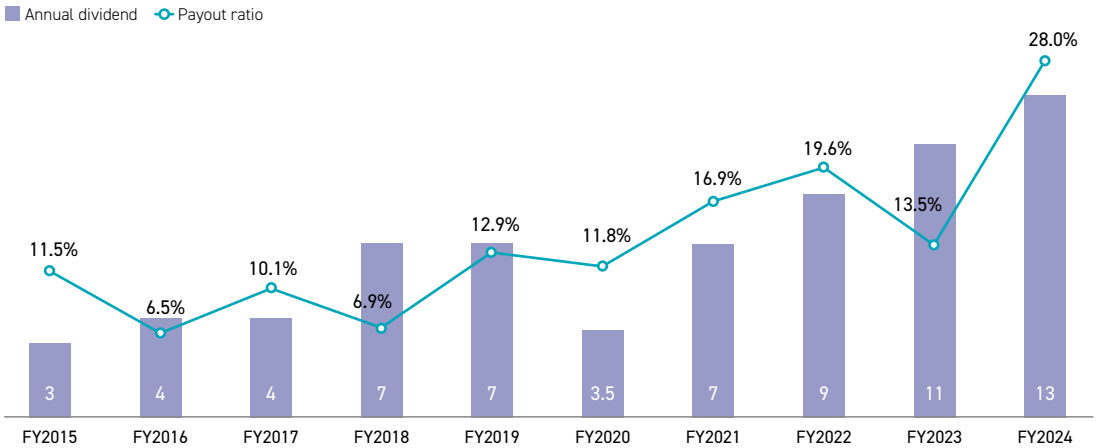
Composition of Shareholders by Type



Share Price Trend (Yen)



Dividend Trends (Yen per Share)



Company Information

(As of December 31, 2024)

Trade name	ICHIKOH INDUSTRIES, LTD.
Date of foundation	June 20, 1903 (Meiji 36)
Date of establishment	December 20, 1939 (Showa 14)
Capital stock	9 billion yen

Number of employees	Consolidated: 4,182 employees Non-consolidated: 2,186 employees (As of December 31, 2024, including average temporary staff)
Stock exchange listing	Listed on the Prime Market of the Tokyo Stock Exchange
Head office	80 Itado, Isehara City, Kanagawa

Consolidated Subsidiaries*1

Company name	Address	Capital	Main business	ICHIKOH's shareholdings
Kyushu Ichikoh Industries, Ltd.	Nakatsu City Oita	50 million yen	Manufacturing and sales of automotive parts	100.0 %
Ichikoh (Malaysia) SDN. BHD.	Negeri Sembilan, Malaysia	MYR 9 million	Manufacturing and sales of automotive parts	70.0 %
PT. Ichikoh Indonesia	West Java, Indonesia	IDR 133,124 million	Manufacturing and sales of automotive parts	100.0 %
Ichikoh Industries (Thailand) Co., Ltd.	Rayong, Thailand	THB 1,446 million	Manufacturing and sales of automotive parts	99.9 %

*1 PIAA Corporation was deconsolidated on August 30, 2024, due to the sale of its shares.

*2 Reflecting capital reduction in 2023

Equity Method Companies

Company name	Address	Capital	Main business	ICHIKOH's shareholdings	Nature of relationship
Valeo Ichikoh Holding Limited	Dublin City, Ireland	EUR 15 million	Supervision of lighting business in the Chinese market	15.0 %	Responsible for overseeing lamp business in the Chinese market. Executive positions are held concurrently
Valeo Ichikoh (China) Auto Lighting Co., Ltd.	Wuhan, Hubei Province, China	USD 20,744 thousand	Manufacture and sales of automotive parts	30.0 %	Manufactures and sells automobile parts. Executive positions are held concurrently

Editorial Policy

This integrated report is designed to foster dialogue with stakeholders, especially shareholders and investors.

Reporting period: While the primary focus of this report is the FY2024 (from January to December 2024), it also includes the most recent information.

Scope of the report: This integrated report primarily covers the activities of ICHIKOH and its consolidated subsidiaries. However, certain sections pertain solely to ICHIKOH.

Reference guidelines: In this integrated report, we referred to the Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC). Additionally, for sustainability-related information, we have also consulted the final report of the Task Force on Climate-related Financial Disclosures (TCFD).

Notes on forecasts

The plans, strategies, performance forecasts, and other forward-looking statements in this integrated report are based on the information currently available to us and we consider reasonable. However, actual results may vary due to a range of factors.

Please exercise your own judgment when utilizing this information. The Company will not be held responsible for any losses arising from decisions made based on the forecasts or other statements contained herein.

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