



December 13, 2021

To whom it may concern

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**Notice regarding selection of the Prime Market
of Tokyo Stock Exchange (TSE) New Market Segments and Submission of
“Plan to meet the Listing Criteria of the new market segment”**

Ichikoh Industries, Ltd. (“the Company”) hereby announces that the Company resolved at the Board of Directors held today to select the “Prime Market” in accordance with market restructure of TSE in April, 2022.

At present, the Company does not meet the listing criteria for the Prime Market only in the “tradable share ratio”. So we submitted the attached “Plan to meet the Listing Criteria of the new market segment” with the application form to select the Prime Market.

We will continue to further strengthen our corporate governance and strive to enhance corporate value over the mid-to-long term.

End.



Plan to meet the Listing Criteria of the new market segment

December 13, 2021

Vision in motion

Outline of the Plan



Select the Prime Market

Consider impacts on stock price, brand image of the Company, employment, employee's motivation and Company's credibility

Aim for sustainable growth and medium- to long-term enhancement of corporate value driven by "constructive dialogue with investors"

1

Achievement of Listing Criteria (Prime)

Ensure tradable shares ratio 35%:

- 1) Sales in the market, or
- 2) Request of declaration that the shareholding is for pure investment purpose

2

Development of Governance Systems

Ratio of independent director: raise from 20% to 1/3

Compensation Committee (established) : Have majority of the member be independent directors and outside advisor

Conflicts of Interest Monitoring Committee (established) : Add the independent directors as member

Nominating Committee (not established) : Item to be explained

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Efforts for Sustainability

Efforts and disclosure of sustainability: Prepare Integrated Report (Disclosure equivalent level to TCFD)

Diversity of BOD: Disclosure of skill matrix

Achievement of Listing Criteria (Prime)

— Conformity status and plan to each market segment of standard and prime

		Standard		Prime		Ichikoh
Number of shareholders	✓	400		—		4,449
Number of circulating shares	✓	2,000 units	✓	20,000 units		268,267 units
Total amount of Tradable shares	✓	1,000 M Yen	✓	10,000 M Yen		19,547 M Yen
Tradable share ratio	✓	25%	✗	35%		27.8%
Average daily trading value		—	✓	20 M Yen		117 M Yen

(Note) Total amount of circulating shares: Based on 728.6 yen, the average value of the final price from April to June, 2021

Plan to secure tradable share ratio:
 (Potential Sellers) About 15 companies (financial institution, etc) at maximum
 (Method)
 1) Sales in the market, or
 2) Request of declaration that the shareholding is for pure investment purpose
 (Schedule) Over 30% by the end of 2022 / Over 35% by the end of 2023

Development of Governance Systems

Item	Status	Plan	Note
BOD Members:% of Independent Outside Directors	2 Independent Directors out of 10members (20%)	3 Independent Directors out of 9 (1/3)	Plan to achieve in Shareholders Meeting in March, 2023 (Principle 4-8)
Compensation Committee	3 Independent Directors out of 6 (50%)	4 of Independent Directors and outside advisor out of 7 (Majority)	Plan to achieve after the Shareholders Meeting in March, 2023 (Supplementary Principle 4-8③) Disclose responsibilities of the committee in 2022 (Supplementary Principle 4-10①)
Conflicts of Interest Monitoring Committee	No Independent Director out of 3	2 Independent Directors out of 5	Plan to achieve in 2022 (Supplementary Principle 4-10①)
Nominating Committee	Not established	Not establish (Explain)	Reasons: (Supplementary Principle 4-10①) <ol style="list-style-type: none"> 1. BOD will respect the recommendation of the major shareholder with regard to the nomination of the senior management in order to secure and enhance synergies with the major shareholder, 2. BOD will have a due discussion about the nomination based on the recommendation from the major shareholder, and 3. In order to secure minority shareholders' interest, Conflict of Interest Monitoring Committee is strengthened and will oversee this nomination

Efforts for Sustainability 1/2

Item	Status	Plan	Note
Integrated Report	Not issued	Issue by the end of 2023	Disclose sustainability measures, investments in human capital and intellectual properties (Supplementary Principle 3-1③) Oversee progress of sustainability measures (Supplementary Principle 2-3①) Determine Basic Policy for sustainability Oversee allocation of management resources and business portfolio (Supplementary Principle 4-2②)
Disclosure of effects of climate change	Not disclosed	Disclose by 2024	Disclose based on TCFD framework etc. (Supplementary Principle 3-1③) in Integrated Report or Annual Securities Report
Disclosure of Skill Matrix	Not disclosed	Disclose in March, 2022	Plan to disclose in Notice of Shareholders Meeting (Principle 4-11, Supplementary Principle 4-11①)
Disclosure of diversity and training of personnel resources	Not disclosed	Disclose by 2023	(Supplementary Principle 2-4①)

Efforts for Sustainability 2/2

Item	Status	Plan	Note
Supervision of operation of Internal Audit Department	Not executed	During 2022	Start the report by Internal Audit Department (Supplementary Principle 4-3④, Supplementary Principle 4-13③)
Engagement with shareholders	Not executed	During 2022	Interview with shareholders by Outside Directors and Corporate Auditors (Supplementary Principle 5-1①)
Electrical Voting Platform	Not participated	Implement from Shareholders Meeting in March, 2022	Supplementary Principle 1-2④

Schedule



ICHIKOH
a Valeo company