

[Translation]

March 7, 2019

To whom it may concern:

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Announcement Concerning the Decision on the Demand for the Sale of Shares for Shares of the Company by Hennape Six SAS (Subsidiary of Faurecia), the Approval of the Demand for the Sale of Shares, and Delisting of Shares of the Company

As Clarion Co., Ltd. (the “Company”) announced in the “Announcement Concerning the Results of the Tender Offer for Shares of the Company by Hennape Six SAS (Subsidiary of Faurecia) and Changes in the Parent Company and the Largest Shareholder among the Major Shareholders” dated March 1, 2019, Hennape Six SAS (“Hennape Six”), which is a subsidiary of Faurecia S.E. (“Faurecia”, collectively together with its affiliates, “Faurecia Group”), conducted the tender offer (the “Tender Offer”) of which the tender offer period was from January 30, 2019 through February 28, 2019, targeting the stock of the Company (the “Company Shares”). As a result of the Tender Offer, Hennape Six has become an owner of 53,699,041 Company Shares (Ownership Ratio of Voting Rights (note): 95.28%) and has become a special controlling shareholder of the Company (the “Special Controlling Shareholder”) as stipulated in Article 179, Paragraph 1 of the Companies Act (Act No.86 of 2005, as amended) (the “Companies Act”) since the commencement date of settlement for the Tender Offer, March 7, 2019.

Since the total number of voting rights represented by shares held by Hennape Six reached not less than 90% of the total number of voting rights of all shareholders of the Company, for the purpose of making the Company a wholly-owned subsidiary of Hennape Six by acquiring all of the Company Shares (except for the Company Shares held by Hennape Six and the treasury shares held by the Company), Hennape Six decided today to require all shareholders of the Company (excluding Hennape Six and the Company) (the “Shareholders Subject to the Demand for the Sale of Shares”) to sell all their Company Shares (the “Shares Subject to the Demand for the Sale of Shares”) to Hennape Six in accordance with Article 179, Paragraph 1 of the Companies Act (the “Demand for the Sale of Shares”), as described in the section titled “(5) Matters relating to ‘Two-Step Acquisition’” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the press release “Announcement Concerning Opinion on Tender Offer by Hennape Six SAS (Subsidiary of Faurecia)” dated January 29, 2019 (the “Opinion Press Release”). The Company hereby announces that the Company received today a notice of the Demand for the Sale of Shares from Hennape Six and determined to approve the Demand for the Sale of Shares.

Additionally, with the approval of Demand for the Sale of Shares, the Company Shares will meet the stock delisting criteria of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”), and will be designated as securities to be delisted from today through March 24, 2019, and delisted as of March 25, 2019 (the last trading date: March 22, 2019). The Company also hereby announces that after delisting, the Company Shares will no longer be traded on the Tokyo Stock Exchange.

Note: “Ownership Ratio of Voting Rights”, here and throughout this press release, is the ratio of voting rights owned by a shareholder to the number of voting rights (563,612 rights) represented by the number of shares (56,361,277 shares) obtained by deducting the number of the treasury shares (187,560 shares) as of December 31 2018 from the total number of issued and outstanding Company Shares (56,548,837 shares) as of December 31, 2018, as stated in the third quarterly report for the 79th financial year of the Company submitted on February 12, 2019 (the “Company Third Quarterly Report”) (rounded up or down to two decimal places).

1. Outline of the Demand for the Sale of Shares

(1) Outline of the Special Controlling Shareholder

(i) Name	Hennape Six SAS
(ii) Location	23-27 avenue des Champs Pierreux, 92000 Nanterre, France
(iii) Title and Name of Representative	Nolwenn Delaunay, President
(iv) Type of Business	Acquisition and management of shares, etc.
(v) Amount of Capital	€ 10,000 (¥ 1,261,000) (Note)
(vi) Date of Incorporation	December 22, 2016
(vii) Large Shareholders and Shareholding Ratio	Faurecia S.E.: 100%
(viii) Relationship between the Company and the Special Controlling Shareholder	
Capital Relationship	As of today, the Special Controlling Shareholder holds 53,699,041 Company Shares (Ownership Ratio of Voting Rights: 95.28%).
Personnel Relationship	N/A
Business Relationship	N/A
Status as a Related Party	The Special Controlling Shareholder is the parent company of the Company, and therefore, the Special Controlling Shareholder is a related party of the Company.

Note: Converted at Telegraphic Transfer Middle Rate of Mitsui Sumitomo Bank as of February 28, 2019, 1 euro = 126.13 yen.

(2) Schedule for the Demand for the Sale of Shares

Date of the demand for the sale of shares	Thursday, March 7, 2019
Date of approval on the demand for the sale of shares	Thursday, March 7, 2019
Last trading date	Friday, March 22, 2019
Date of delisting	Monday, March 25, 2019
Acquisition Date	Thursday, March 28, 2019

(3) Consideration for the Demand for the Sale of Shares

¥ 2,500 per share of common stock

2. Details of the Demand for the Sale of Shares

Hennape Six, as the Special Controlling Shareholder of the Company, determined to require the Shareholders Subject to the Demand for the Sale of Shares to sell all Shares Subject to the Demand for the Sale of Shares to Hennape Six. The Company received today a notice of the Demand for the Sale of Shares from Hennape Six. The details of the notice are as follows:

- (1) When choosing not to make the Demand for the Sale of Shares to a wholly-owned subsidiary of the Special Controlling Shareholder, to that effect and the name of such wholly-owned subsidiary of the Special Controlling Shareholder (Article 179-2, Paragraph 1, Item 1 of the Companies Act);

N/A

- (2) The amount of money to be delivered to the Shareholders Subject to the Demand for the Sale of Shares as the consideration for the Shares Subject to the Demand for the Sale of Shares and matters related to allotment thereof (Article 179-2, Paragraph 1, Item 2 and 3 of the Companies Act);

Hennape Six will allot and deliver cash, at a ratio of ¥ 2,500 per share of the Shares Subject to the Demand for the Sale of Shares, as the consideration for the Shares Subject to the Demand for the Sale of Shares (the “Consideration for the Demand for the Sale of Shares”), to the Shareholders Subject to the Demand for the Sale of Shares.

- (3) Matters related to a demand for the sale of share acquisition rights (Article 179-2, Paragraph 1, Item 4 of the Companies Act);

N/A

- (4) The date when the Special Controlling Shareholder acquires the Shares Subject to the Demand for the Sale of Shares (the “Acquisition Date”) (Article 179-2, Paragraph 1, Item 5 of the Companies Act);

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- (5) The way to secure funding for paying the Consideration for the Demand for the Sale of Shares (Article 179-2, Paragraph 1, Item 6 of the Companies Act, Article 33- 5, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act); and

Hennape Six intends to provide the Consideration for the Demand for the Sale of Shares using funds borrowed from Faurecia, and obtained a commitment letter (the “Commitment Letter”) from Faurecia on March 5, 2019, as proof of the borrowing, to the effect that Faurecia is prepared to extend to Hennape Six a loan facility of up to the equivalent of JPY 6,656 million.

- (6) Other terms and conditions of the Demand for the Sale of Shares (Article 179-2, Paragraph 1, Item 6 of the Companies Act, Article 33-5, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Companies Act)

The Consideration for the Demand for the Sale of Shares will be delivered within a reasonable period after the acquisition, at addresses of the Shareholders Subject to the Demand for the Sale of Shares which are recorded or registered on the last shareholder’s registry of the Company as of the day immediately preceding the Acquisition Date, or places which are notified to the Company by the Shareholders Subject to the Demand for the Sale of Shares, in the same manner as the method of delivery of dividend property by the Company. However, if it can not be delivered by the method, the Consideration for the Demand for the Sale of Shares will be paid to the Shareholders Subject to the Demand for the Sale of Shares, at the location of the head office of the Company, by the method designated by the Company (or, in cases where there is any other place and method designated by Hennape Six with respect to the delivery of the Consideration for the Demand for the Sale of Shares, at the place by the method).

3. Grounds and reasons, etc. for the decision regarding approval of the Demand for the Sale of Shares
 - (1) Grounds and reasons for the decision regarding approval

The Demand for the Sale of Shares is undertaken as part of a series of transactions aimed at making the Company a wholly-owned subsidiary of Hennape Six by acquiring all of the issued and outstanding Company Shares (excluding treasury shares held by the Company) (such transaction, the “Transaction”). The Consideration for the Demand for the Sale of Shares has been set to the same price (¥ 2,500 per share of common stock) as the offer price for the Tender Offer (the “Tender Offer Price”).

As stated in the section titled “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” under “(2) Grounds and reasons for the opinion” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release, the Company carefully discussed and examined the terms and conditions regarding the Transaction with the objective of strengthening the competitiveness and enhancing the corporate value of the Company and, concurrently with the discussions with Faurecia, examined candidates for the best partner to enhance the Company’s corporate value. As a result, the Company has come to the conclusion that an alliance with Faurecia will further accelerate the Company’s growth and enhance its corporate value, and therefore, Faurecia is the best partner. In addition, the Company has come to the conclusion that, in order to enhance the Company’s corporate value in the competitive environment which is expected to intensify, it is essential that the Company will become a wholly-owned subsidiary of Faurecia Group and the global cockpit electronics business of Faurecia Group and that of the Company will be integrated to make the fourth business group of Faurecia Group, in order to realize the transformation to a “solution provider for in-vehicle information systems,” for which the Company aims.

Also, with respect to the Tender Offer Price (2,500 yen), the Company determined that the Tender Offer will provide the shareholders of the Company a reasonable opportunity to sell the shares in light of the fact that, among others, (i) the Tender Offer Price exceeds the upper range of the calculation results based on the market share price method and is within the range of the calculation results of the discounted cash flow method (the “DCF Method”) among the calculation results of the share value of the Company Shares provided by Daiwa Securities Co. Ltd. (“Daiwa Securities”) as described in “(ii) Outline of the calculation” of “(3) Matters regarding calculation” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release; (ii) the Tender Offer Price represents a price which respectively adds (a) a premium of 10.47% (rounded off to the second two decimal points; the same applies for calculations of premium rates hereinafter) on ¥ 2,263, the closing price of the Company Shares on the Tokyo Stock Exchange as of October 25, 2018, which is the business day immediately preceding the date of the announcement of the Tender Offer (October 26, 2018), (b) a premium of 31.16% on ¥ 1,906, the simple average closing price for the most recent 1-month period immediately preceding the date of the announcement (rounded off to the nearest one yen; the same applies for calculations of the simple average closing price hereinafter), (c) a premium of 49.43% on ¥ 1,673, the simple average closing price for the most recent 3-month period immediately preceding the date of the announcement, and (d) a premium of 58.63% on ¥ 1,576, the simple average closing price for the most recent 6-month period immediately preceding the date of the announcement; and it can be considered as a price with a proper amount of premium added compared to the past cases of tender offer for share certificates, etc. by person other than the issuer; (iii) it is found that each measure to ensure the fairness of the Tender Offer as described in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release is taken, and the interests of minority shareholders

have been taken into consideration; and (iv) the Tender Offer Price is a price that was determined after each measure to ensure the fairness of the Tender Offer was taken.

Thus, the Company determined that the Transaction, including the Tender Offer conducted by Hennape Six, will contribute to enhancing the corporate value of the Company and that, based on (i) through (iv) above, the Tender Offer Price is reasonable.

Based on the above factors, the Company resolved at a meeting of the board of directors held on October 26, 2018 that, as the then opinion of the Company, it expresses an opinion supporting the Tender Offer and recommends that the shareholders of the Company tender their shares in the Tender Offer when the Tender Offer is commenced, as well as executing a TOB Agreement (the "TOB Agreement") with Hennape Six and Faurecia setting forth matters in relation to the cooperation between the Company and Hennape Six for the implementation of the Transactions as of October 26, 2018.

In addition, the Company was notified by Hennape Six that all of the necessary procedures and actions under the competition laws of Japan and other countries will possibly be completed by January 30, 2019, and that Hennape Six planned to commence the Tender Offer with January 30, 2019 as the commencement date, in the case of the other conditions precedent for commencement of the Tender Offer (the "Conditions Precedent") stated in "(1) Overview of the Tender Offer" under "1. Purpose of the Tender Offer, etc." of the "Announcement regarding Commencement of Tender Offer for Common Shares of Clarion Co., Ltd. (Code: 6796)" released by Hennape Six on January 29, 2019, being satisfied. The Company, after carefully reexamining the terms and conditions regarding the Tender Offer, determined that there have been no changes in the Company's opinion from October 26, 2018 to January 29, 2019, and resolved at a meeting of the board of directors held on January 29, 2019, to express its opinion that it supports the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

Subsequently, on March 1, 2019, the Company received a report from Hennape Six on the results of the Tender Offer, indicating that 53,699,041 Company Shares were tendered in the Tender Offer and Hennape Six would acquire all of such tendered shares. As a result of this, Ownership Ratio of Voting Rights represented by Company Shares held by Hennape Six has been 95.28%, and Hennape Six has become the Special Controlling Shareholder of the Company.

Through these backgrounds, the Company received today a notice of the Demand for the Sale of Shares from Hennape Six, in accordance with Article 179, Paragraph 1 of the Companies Act, as part of the Transaction, as stated in the section titled "(5) Matters relating to 'Two-Step Acquisition'" under "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release.

Upon receipt of the notification, the Company has carefully examined whether or not to approve the Demand for the Sale of Shares.

As a result, the Company determined to approve the Demand for the Sale of Shares, concluding that the Demand for the Sale of Shares has taken into consideration the interests of the Shareholders Subject to the Demand for the Sale of Shares and the terms and conditions, etc. of the Demand for the Sale of Shares are appropriate, in light of the following considerations:

- a. it is determined that Faurecia is the best partner and, to enhance the Company's corporate value, it is essential that the Company will become a wholly-owned subsidiary of Faurecia Group through the Transaction;

- b. ¥ 2,500, the Consideration for the Demand for the Sale of Shares, is appropriate for the Shareholders Subject to the Demand for the Sale of Shares and has been carefully taken into consideration the interests of minority shareholders, since, among others, it is the same price as the Tender Offer Price, and as stated in the section below titled “(4) Measures to ensure the fairness and avoid conflicts of interest”, measures to ensure the fairness of the Transaction and to avoid conflicts of interest has been taken;
- c. Hennape Six plans to pay the Consideration for the Demand for the Sale of Shares, using the borrowed funds from Faurecia, which are funded with the borrowing under a facility agreement entered into on October 25, 2018 between Credit Agricole Corporate & Investment Bank (the “Credit Agricole”) as a lender and Faurecia as a borrower, and Faurecia’s cash and deposits on hand, and the Company has confirmed Hennape Six’s way to secure funding by confirming a commitment letter issued by Credit Agricole to Faurecia on January 25, 2019, the Commitment Letter issued by Faurecia to Hennape Six on March 5, 2019, and Faurecia’s financial statements, etc.; in addition, according to Hennape Six, there has not been any event that would adversely affect the payment of the Consideration for the Demand for the Sale of Share, and currently, the possibility that any such event will occur in the future has not been recognized and therefore, it is determined that the preparation status for, and the way to secure funding for, paying the Consideration for the Demand for the Sale of Shares are adequate, and the Consideration for the Demand for the Sale of Shares is expected to be delivered; and
- d. The Consideration for the Demand for the Sale of Shares will be delivered within a reasonable period after the acquisition, at addresses of the Shareholders Subject to the Demand for the Sale of Shares which are recorded or registered on the latest shareholder’s registry of the Company as of the day immediately preceding the Acquisition Date, or places which are notified to the Company by the Shareholders Subject to the Demand for the Sale of Shares, in the same manner as the method of delivery of dividend property by the Company, and if it could not be delivered by the method, the Consideration for the Demand for the Shares will be paid to the Shareholders Subject to the Demand for the Sale of Shares, at the location of the head office of the Company, by the method designated by the Company (or, in cases where there is any other place and method designated by Hennape Six with respect to the delivery of the Consideration for the Demand for the Sale of Shares, at the place by the method); since there are not any unreasonable points regarding the period until the Consideration for the Demand for the Sale of Shares will be delivered and the payment method for the Consideration for the Demand for the Sale of Shares, it is determined that the terms and conditions of the Demand for the Sale of Shares are appropriate.

(2) Matters Regarding Calculation

The Company has not re-obtained a share valuation report for making decision of approving the Demand for the Sale of Shares, because the Demand for the Sale of Shares is conducted as the second step of the “Two-Step Acquisition,” and the Consideration for the Demand for the Sale of Shares is equal to the Tender Offer Price.

(3) Possibility of delisting

The Company Shares are listed on the First Section of the Tokyo Stock Exchange as of today. However, with the approval of Demand for the Sale of Shares, the Company Shares will meet the stock delisting criteria of the Tokyo Stock Exchange, and will be designated as securities to be delisted from today through March 24, 2019, and delisted as of March 25, 2019 (the last trading date: March 22, 2019). After delisting, the Company Shares will no longer be traded on the Tokyo Stock Exchange.

(4) Measures to ensure the fairness and avoid conflicts of interest

The Demand for the Sale of Shares is conducted as the second step of the “Two-Step Acquisition” after the Tender Offer. As described in the section titled “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure fairness of the Tender Offer” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release, the Company has taken the following measures in order to ensure the fairness of the Tender Offer and to avoid conflicts of interest.

(i) The Company’s procurement of a share valuation report from an independent financial advisor

In determining the Company’s opinion concerning the Tender Offer, the Company requested Daiwa Securities, which is a financial advisor independent from the Company, Hitachi, Ltd. (“Hitachi”) Group and Faurecia Group, to calculate the value of the Company Shares. Daiwa Securities is not a related party of the Company, Hitachi Group or Faurecia Group, and does not have any material interest in the Transaction.

Daiwa Securities calculated the per-share value of the Company Shares by using the market share price method and the DCF Method, and submitted the share valuation report (the “Share Valuation Report”) to the Company on October 25, 2018. After examining which method to adopt to calculate the value of the Company Shares among various methods, Daiwa Securities, based on the understanding that evaluating the value of the Company Shares from multiple aspects would be appropriate on the premise of the Company being a going-concern, adopted the market share price method, which considers the trend of market price of the Company Shares, because the Company Shares have their market price as a listed share on the First Section of the Tokyo Stock Exchange, and the DCF Method in order to reflect the details and forecasts etc., of the Company’s business performance into evaluation. The Company has not obtained a fairness opinion on the Tender Offer Price from Daiwa Securities. According to the Share Valuation Report, the range of per-share value of the Company Shares calculated based on the above-mentioned each method is as follows:

Market share price method:	¥ 1,576 to ¥ 2,263
DCF Method:	¥ 2,231 to ¥ 3,162

Based on the market share price method, using October 25, 2018, the business day before the date on which the implementation of the Tender Offer was announced, as the reference date of calculation (the “Reference Date”), the per-share value of the Company Shares has been calculated to range from ¥ 1,576 to ¥ 2,263, based on the closing price (¥ 2,263) on the First Section of the Tokyo Stock Exchange as of the Reference Date, and the simple average closing price for the most recent 1-month period immediately preceding the date of the announcement (¥ 1,906), the most recent 3-month period immediately preceding the date of the announcement (¥ 1,673), and the most recent 6-month period immediately preceding the date of the announcement (¥ 1,576) on the Tokyo Stock Exchange.

Based on the DCF Method, the corporate value of the Company and the value of the Company Shares have been analyzed, by taking the future cash flows projected to be generated by the Company based on the future earnings forecast and the investment plan described in the Company’s business plan (for 5 years, the fiscal years ending March 2019 through March 2023), conducting an interview with the Company, examining publicly disclosed information and other various factors, and determining the present value of such future cash flows by discounting them by a certain discount rate, such that the per-share value of the Company Shares has been calculated to range from ¥ 2,231 to ¥ 3,162.

The business plan of the Company, which was used as the basis of the DCF Method contains fiscal years being expected to result in significant increase or decrease in earnings compared with the preceding fiscal year. Specifically, the operating profit in the fiscal year ending March 2019 is expected to decrease by more than 30% compared to the preceding fiscal year, due to the expected reduction of production by auto makers, the Company's customers, the deceleration of growth of the safety and information system business, which is the field the Company is focusing on, and other causes, in relation to the business environment, as well as the cost for business portfolio restructuring to expedite the business operation as "solution provider for in-vehicle information systems." On the other hand, the operating profit in the fiscal years ending March 2020 through March 2022 are respectively expected to increase by more than 30% compared to the preceding fiscal year, due to the business portfolio restructuring including the consolidation of operation resources into the growing field, such as HMI, and the business expansion in the global market by focusing on each growing field depending on the geographical area. Also, such business plan is not made on the premise of the implementation of the Transaction.

As described in the "Notice on the Revision of Full-Year Earnings Forecast" released on January 29, 2019 (the "Company Forecast Revision Press Release"), the Company has announced a revision of its consolidated full-year earnings forecast against the backdrop of recent sales decline and one-off expenses caused by the temporary factors. Among the stated items, Net Sales are expected to decrease since, among others, new car sales have slowed down on a global basis, in particular the Chinese market's slump has caused our Chinese local customers to suffer, and our sales have also declined, and prolonged stagnation of bus sales in Japan and the delay of launch of the traffic control system business utilizing traffic data have pushed down our related products sales. The Company sees those sales decline as being temporary because the market itself is expected to recover on and after the next fiscal year, the Company has successfully been diversifying its customer base in the Chinese market and plans to enhance businesses in South East Asia and Brazil, and the above-mentioned traffic control system business in Japan is expected to come back on track. With respect to the Adjusted Operating Income, the Company has implemented a series of cost reduction measures in a short period of time and has transformed itself to a leaner cost structure that has enabled itself to cope with market fluctuation going forward. Those cost reduction measures include rationalization of production facilities, global staff reduction, continuous material cost reduction, and unit price reduction of parts by revising product design. As a consequence, the amount of Adjusted Operating Income decline is expected to be contained to a limited extent despite of its sales decline. In addition, the Company has successfully lowered the breakeven point through the above mentioned cost reduction measures and is confident that it can benefit higher profit margin in a sales recovery phase on and after the next fiscal year. The decline of the Profit Before Tax and the Net Income can be largely explained by the influence of currency weakening in emerging countries such as the Chinese Yuan and Mexican Peso, and one-off costs, such as expenses associated with the Tender Offer and structure transforming expenses due to the above mentioned rationalization of production facilities and staff reduction, except for the impact from the Adjusted Operating Income decline. Based on the above, the Company believes that this earnings forecast revision will not have a material impact on the Company's future business plan. The board of directors of the Company has confirmed, by obtaining the share valuation report (the "Updated Share Valuation Report") as of January 28, 2019, which is based on the Company's business plan reflecting this earnings forecast revision, from Daiwa Securities, that the results of the calculation provided in the Share Valuation Report will not be materially changed, even taking into consideration the latest circumstances since the board of directors meeting on October 26, 2018 until January 29, 2019. According to the Updated Share Valuation Report, there is no change from the results of the calculation provided in the Share Valuation Report based on the market share price method, as the reference date of calculation has not been changed. Based on the DCF Method, the range of per-share value of the Company Shares is calculated as ¥ 2,339 to

¥ 3,350, reflecting the revision of its consolidated full-year earnings forecast and the slide of the reference date of calculation.

- (ii) The Company has established an independent committee and obtained its opinion

On September 20, 2018, the Company established an independent committee for the purpose of avoiding arbitrariness and ensuring the fairness, transparency and objectivity of the Company's decision-making process concerning the Transaction, including the Tender Offer. The Independent Committee is comprised of three members, who are independent from the Company, Hitachi Group and Faurecia Group, i.e., Mr. Masahito Kamijo (outside director of the Company and independent executive), and Mr. Hidetaka Nishina (attorney-at-law, Nakamura, Tsunoda & Matsumoto) and Mr. Omou Yamazaki (certified public accountant and tax accountant, GG Partners Co., Ltd.), outside experts. The Company requested the Independent Committee to advise the Company as to (i) the rationality of the purpose of the Transaction (including whether the Transaction contributes to the enhancement of corporate value of the Company), (ii) the fairness and reasonableness of the terms and conditions of the Transaction, (iii) the transparency and fairness of the procedures in the Transaction, (iv) whether it is appropriate that the board of directors of the Company express an opinion supporting the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer, and (v) whether the Transaction is not disadvantageous to the minority shareholders of the Company (collectively, the "Matters of Inquiry").

The Independent Committee has met 6 times from September 20, 2018 to October 25, 2018 to discuss and consider the Matters of Inquiry. Specifically, the Independent Committee collected information regarding the Transaction for consideration and discussion as follows: (i) the Independent Committee (a) requested that the Company and Daiwa Securities explain the Company's understanding of its current business and the influence of the Transaction on the Company, and the progress of the negotiations between the Company, Hitachi and Faurecia, etc., and (b) conducted a question-and-answer session, (ii) the Independent Committee requested Daiwa Securities to explain the results of its share value calculations, and conducted a question-and-answer session, and (iii) related information regarding the Transaction, etc. was submitted.

Based on these considerations, the Independent Committee deliberated on and examined the Matters of Inquiry. As a result, as of October 25, 2018, the Independent Committee unanimously approved and submitted the report (the "Independent Committee Report") to the board of directors of the Company stating its opinion as follows: as a result of deliberating on and examining (i) the rationality of the purpose of the Transaction (including whether the Transaction contributes to the enhancement of the corporate value of the Company), (ii) the fairness and reasonableness of the terms and conditions of the Transaction, (iii) the transparency and fairness of the procedures in the Transaction, (iv) whether it is appropriate that the board of directors of the Company express an opinion supporting the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer, and (v) whether the Transaction is not disadvantageous to the minority shareholders of the Company, "(i) the purpose of the Transaction is deemed reasonable, (ii) the fairness and reasonableness of the terms and conditions of the Transaction are deemed to have been ensured, (iii) the transparency and fairness of the procedures in the Transaction are deemed to have been ensured, (iv) it is appropriate that the board of directors of the Company expresses an opinion supporting the Tender Offer and recommending the shareholders of the Company to tender their shares in the Tender Offer at the time of the announcement of the Tender Offer, and (v) the Transaction is deemed not to be disadvantageous to the minority shareholders of the Company; provided, however, that with respect to (ii) and (iv) above, because there is expected to be a certain period of time between the announcement and the commencement of the Tender Offer, if any changes occur, such as those in which the market price of the

Company Shares exceeds the Tender Offer Price during the period until the commencement of the Tender Offer, different consideration may be required.”

According to the Independent Committee Report received from the Independent Committee, the main factors considered by the Independent Committee in submitting the above-mentioned opinion were as follows:

(i) Nothing unreasonable was found in the explanations received from the Company regarding the reasons for the implementation of the Transaction (including the matters stated in “(ii) Background, purpose and decision-making process leading to Hennape Six’s decision to conduct the Tender Offer, and management policy following the Tender Offer” and “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” of “(2) Grounds and reasons for the opinion” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release) and the Transaction will contribute to solving the Company’s current problems. Thus it is deemed that the Transaction will contribute to the enhancement of the corporate value of the Company and the purpose of the Transaction is reasonable.

(ii) Regarding the transparency and fairness of the procedures in the Transaction, considering the following matters, the interest of the minority shareholders of the Company has been respected through fair procedures, and the procedures in the Transaction are deemed to be transparent and fair:

(a) Adequate and precise disclosure has been made in the Company’s press release, respecting the interest of the minority shareholders of the Company and shareholders who oppose the Transaction.

(b) The Company established the Independent Committee as an advisory body to the board of directors of the Company, and requested the Independent Committee to advise the Company as to the Matters of Inquiry.

(c) At the board of directors meeting which will express its opinion on the Tender Offer, the Company will take a two-stage procedure. Firstly, the board of directors of the Company will consider the matter and unanimously resolve it at an earlier board of directors meeting with only two out of the six directors of the Company (i.e., excluding Mr. Hidetoshi Kawamoto, Mr. Atsushi Kawabata, Mr. Kazumichi Fujimura, and Mr. Hiroyuki Okada, all of whom have disclosed their interest in Hitachi Group). Subsequently, in order to secure the quorum required for a resolution of the board of directors meeting, all six directors, including Mr. Hidetoshi Kawamoto, Mr. Atsushi Kawabata, Mr. Kazumichi Fujimura, and Mr. Hiroyuki Okada, will consider the matter and unanimously resolve it at a later board of directors meeting.

(d) The Company appointed Nishimura & Asahi as a legal advisor that is independent from the Company, Hitachi Group and Faurecia Group, and has been receiving necessary legal advice from such law firm at the discussions and negotiations with Faurecia, and consideration, regarding the terms and conditions of the Transaction.

(e) The Company requested Daiwa Securities, which is a financial advisor independent from the Company, Hitachi Group and Faurecia Group, to calculate the value of the Company Shares, and obtained the Share Valuation Report from Daiwa Securities.

(f) There is expected to be a certain period of time between the announcement and the commencement of the Tender Offer because it is necessary to deal with the anti-trust laws of each relevant country. Such certain period of time prior to the

commencement of the Tender Offer will provide each shareholder of the Company with an adequate deliberation period to consider whether to tender its shares in the Tender Offer, and ensures that a potential purchaser other than Hennape Six would have an opportunity to make a competing tender offer for the Company Shares objectively.

(g) Although the TOB Agreement between the Company, Hennape Six, and Faurecia provides provisions which restrict such competing transaction as stated in “(ii) TOB Agreement” of “4. Matters Regarding Material Agreements Regarding the Tender Offer” of the Opinion Press Release, it also provides a Fiduciary Out provision (Note), and does not always prohibit the Company from negotiating with a potential purchaser other than Hennape Six in the case where a reasonable competing offer has been made.

(Note) Fiduciary Out provision : generally, a provision in the M&A agreement where the target company or the seller will be released from its obligations under the M&A Agreement subject to certain conditions if certain events occur including a superior competing offer from a third party or a competing offer which increases the corporate value of the target company that has been made from a third party to the target company or the seller after entering into the M&A Agreement.

(iii) Regarding the fairness and reasonableness of the terms and conditions of the Transaction, Considering the following matters, the fairness and reasonableness of the terms and conditions of the whole Transaction are deemed to have been ensured:

(a) Based on the results of the hearing of the Company regarding the process of, and method for, preparing the Company’s business plan, and on Daiwa Securities’ explanations regarding the calculation method for, and evaluation process of, the Company Shares, and examination process of the share valuation, Daiwa Securities’ calculation method of the Company Shares value, and the result thereof are sufficiently reliable to be a basis for the determination.

(b) The Share Valuation Report by Daiwa Securities states that the range of per-share value of the Company Shares is ¥ 1,576 to ¥ 2,263 by the market share price method, and ¥ 2,231 to ¥ 3,162 by the DCF Method, and the Tender Offer Price (2,500 yen per share) exceeds the upper range of the calculation results of per-share value of the Company Shares based on the market share price method and is within the range of the calculation results of per-share value of the Company Shares based on the DCF Method. Therefore, the Tender Offer Price reaches the level which is not disadvantageous for the minority shareholders.

(c) The Tender Offer Price represents a price which respectively adds (i) a premium of 10.47% on ¥ 2,263, the closing price of the Company Shares on the Tokyo Stock Exchange as of October 25, 2018 (the “Latest Date Preceding Announcement”), (ii) a premium of 31.16% on ¥ 1,906, the simple average closing price for the most recent 1-month period from the Latest Date Preceding Announcement, (iii) a premium of 49.43% on ¥ 1,673, the simple average closing price for the most recent 3-month period from the Latest Date Preceding Announcement, and (iv) a premium of 58.63% on ¥ 1,576, the simple average closing price for the most recent 6-month period from the Latest Date Preceding Announcement. Based on the above, the standard of premiums which is comparable to that of the recent other tender offers (delisting cases) has been ensured.

(d) In the Transaction, it has been ensured that the minority shareholders will receive consideration equivalent to the Tender Offer Price, whether through the Tender Offer, or the Demand for the Sale of Shares or a consolidation of the Company Shares.

However, because there is expected to be a certain period of time between the announcement and the commencement of the Tender Offer, if any changes occur, such as those in which the market price of the Company Shares exceeds the Tender Offer Price during the period until the commencement of the Tender Offer, different consideration may be required.

(iv) As a result of deliberating on (i) through (iii) above, the Independent Committee does not consider that the Matters of Inquiry (i) through (iii) are problematic, thus, it is reasonable that the board of directors of the Company expresses, as of the announcement of the Tender Offer, its opinion supporting the Tender Offer and recommending the shareholders of the Company to tender their shares in the Tender Offer. However, there is expected to be a certain period of time between the announcement and the commencement of the Tender Offer, if any changes occur, such as those in which the market price of the Company Shares exceeds the Tender Offer Price during the period until the commencement of the Tender Offer, different consideration may be required. For the same reasons, the Independent Committee also considers that the Transaction is not disadvantageous for the minority shareholders of the Company based on the circumstances as of the submission of the Independent Committee Report.

In addition, the Company had requested, on January 18, 2019, the Independent Committee to examine at the commencement of the Tender Offer whether there had been any changes to the content that the Independent Committee reported to the board of directors on October 25, 2018, and, if there had been no changes, to state so, and, if there had been changes, to state the Independent Committee's new opinion. As a result of examining such request, the Independent Committee confirmed that there were no circumstances that necessitated changing the content of the opinion expressed in the Independent Committee Report, even taking into consideration the circumstances from October 25, 2018 to January 28, 2019 (including the content described in the Company Forecast Revision Press Release and in the Updated Share Valuation Report) and has submitted a report to the Company's board of directors on January 28, 2019 to the effect that there are no changes to the opinion that the Independent Committee had previously expressed on October 25, 2018 (further, that its opinion of "it is appropriate that the board of directors of the Company expresses an opinion supporting the Tender Offer and recommending the shareholders of the Company to tender their shares in the Tender Offer" to "(iv) whether it is appropriate that the board of directors of the Company express an opinion supporting the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer" of the Matters of Inquiry means to express an opinion to the effect that the Company's opinion of supporting the Tender Offer and the recommendation to the shareholders of the Company to tender their shares in the Tender Offer is deemed not to be disadvantageous to the minority shareholders of the Company).

(iii) The Company has obtained the advice of an independent law firm

In order to ensure the transparency and rationality of the decision-making process concerning the Transaction, including the Tender Offer, the Company appointed Nishimura & Asahi as a legal advisor that is independent from the Company, Hitachi Group and Faurecia Group. The Company has been receiving necessary legal advice from such law firm concerning the method and process of decision-making regarding the Transaction, including the Tender Offer, and other considerations.

Nishimura & Asahi is not a related party of the Company, Hitachi Group or Faurecia Group, and does not have any material interest in relation to the Transaction.

- (iv) The Transaction has received the unanimous approval of the Company's directors with no conflict of interest

The board of directors of the Company has carefully discussed and examined the terms and conditions regarding the Transaction, including the Tender Offer, taking into considerations the details of the Share Valuation Report obtained from Daiwa Securities and the legal advice from Nishimura & Asahi and other related materials, as well as giving the utmost consideration to the Independent Committee Report obtained from the Independent Committee.

As a result, the Company, as stated in "(1) Grounds and reasons for the decision regarding approval" above, has concluded that the Transaction, including the Tender Offer conducted by Hennape Six, will contribute to enhancing the corporate value of the Company, and that the Tender Offer Price is reasonable, and the Company resolved at its board of directors meeting held on October 26, 2018 that, as the Company's then opinion, it expresses an opinion in support of the Tender Offer and recommends that the Company's shareholders tender their Company Shares in response to the Tender Offer when the Tender Offer is commenced.

Furthermore, as stated in "(1) Grounds and reasons for the decision regarding approval" above, the Company was notified by Hennape Six, on January 17, 2019, that all of the necessary procedures and actions under the competition laws of Japan and other countries will possibly be completed by January 30, 2019, and that Hennape Six planned to commence the Tender Offer with January 30, 2019 as the commencement date of tender offer, in the case of the Conditions Precedent to the Tender Offer being satisfied. As a result of carefully reexamining the terms and conditions regarding the Tender Offer, the Company determined that there have been no changes in the Company's opinion from October 26, 2018 to January 29, 2019, and resolved at a meeting of the board of directors held on January 29, 2019 to express its opinion that it supports the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

At both of the above board of directors meetings, because the Company considers that none of the Company's directors fall under the scope of directors who should be excluded from the deliberation and resolution by the Company's board of directors regarding the Tender Offer and the discussions with Faurecia regarding the Tender Offer, due to their potential conflicts of interest on the Tender Offer, no directors were excluded from the discussions with Faurecia regarding the Tender Offer. However, in consideration of the fact that Mr. Atsushi Kawabata, Mr. Kazumichi Fujimura, and Mr. Hiroyuki Okada, who are originally from Hitachi, Mr. Kazumichi Fujimura, who is also an incumbent director of Hitachi Automotive Systems Ltd. ("Hitachi Automotive Systems"), which is a wholly-owned subsidiary of Hitachi, and Mr. Hidetoshi Kawamoto, who, although not originally from Hitachi or an incumbent officer and/or employee of Hitachi or Hitachi Automotive Systems, had concurrently worked as an officer and/or employee of Hitachi Automotive Systems in the past, the Company has taken a two-stage procedure in order to take the utmost care and to avoid any doubt about any conflict of interest concerning the Transaction, including the Tender Offer. Firstly, the board of directors of the Company considered the matter and unanimously made the above-mentioned resolution at an earlier board of directors meeting with only two out of the six directors of the Company (i.e., excluding Mr. Hidetoshi Kawamoto, Mr. Atsushi Kawabata, Mr. Kazumichi Fujimura, and Mr. Hiroyuki Okada). Subsequently, in order to secure the quorum required for a resolution of the board of directors meeting, all the six directors, including Mr. Hidetoshi Kawamoto, Mr. Atsushi Kawabata, Mr. Kazumichi Fujimura, and Mr. Hiroyuki Okada, considered the matter and unanimously made the above-mentioned resolution at a later board of directors meeting

(v) Measures to ensure tender opportunities from other tender offerors

Hennape Six has set the Tender Offer Period at 21 business days. While it is comparatively short, the Company believes that the long period from the announcement until the commencement of the Tender Offer has provided each shareholder of the Company with an appropriate opportunity to consider whether to tender its shares in the Tender Offer, and ensures that a potential purchaser other than Hennape Six would have an opportunity to make a competing tender offer for the Company Shares.

Also, as stated in “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” of “(2) Grounds and reasons for the opinion” under “3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer” of the Opinion Press Release, when deliberating on the Company’s long-term business structure and capital policy, the Company examined candidates for new partners globally from broad business areas, and approached multiple candidates which it believes have strategic rationalities. Faurecia Group has been selected as the final tender candidate by comparison with other candidates under a certain competitive environment. Therefore, the Company believes that there has already been sufficient opportunity for a purchaser other than Hennape Six to make a tender offer for the Company Shares.

As stated in “(ii) TOB Agreement” of “4. Matters Regarding Material Agreements Regarding the Tender Offer” of the Opinion Press Release, although the TOB Agreement provides certain deal-protection provisions, if (i) a certain competing offer is made by a third party other than Hennape Six and (ii) the Company’s board of directors determines on reasonable grounds that announcement and maintenance of the opinion to support the Tender Offer and to recommend the shareholders of the Company to tender their shares in the Tender Offer would lead to a breach of the duty of care of a good manager of the directors and executive officers of the Company, and (iii) Hennape Six has not revised the terms in relation to the Transaction to the ones no less favorable than the competing offer, then, the board of directors of the Company may withdraw its opinion to support the Tender Offer and express its opinion to support such competing offer made by the third party. Therefore, the Company believes that the tender opportunities from a potential purchaser other than Hennape Six have been ensured.

Hennape Six also believes that the long period from the announcement until the commencement of the Tender Offer has provided each shareholder of the Company with an appropriate opportunity to consider whether to tender its shares in the Tender Offer, and ensures that a potential purchaser other than Hennape Six would have an opportunity to make a competing tender offer for the Company Shares.

4. Future outlook

Regarding the arrangement, policy and plan etc. of the management structure of the Company after the approval of the Demand for the Sale of Shares, the Company, Faurecia and Hennape Six are under discussion and will announce promptly once determined.

5. Matters Concerning Transactions, etc. with the Controlling Shareholder

(1) Applicability of the transactions, etc. with the controlling shareholder and status of compliance with the policy on measures to protect minority shareholder interests

Since Hennape Six is the Company’s controlling shareholder (the parent company), the approval of the Demand for the Sale of Shares by the Company will fall under “transactions, etc. with controlling shareholders”.

“The Policy on Measures to Protect the Minority Shareholder Interests When Conducting Transactions, etc. with the Controlling Shareholder” indicated in the Corporate Governance Report which was disclosed by the Company on June 29, 2018, states, “In order to avoid transactions that favor the controlling shareholder over others, the Company has established a system to determine the terms and conditions of transactions, etc. pursuant to basic agreements or internal rules. Further, in order to avoid transactions, etc. that have the possibility of causing conflicts of interests between the controlling shareholder, etc. and minority shareholders of the Company, the Company has been making its decisions through appropriate procedures pursuant to internal rules.”

While the Company’s controlling shareholder (the parent company) has changed from Hitachi to Hennape Six, the Company, in the decision-making process for approval of the Demand for the Sale of Shares, considered in the same way as the above-mentioned policy and took measures to ensure the fairness and avoid conflicts of interest as described in the section titled “(4) Measures to ensure the fairness and avoid conflicts of interest” under “3. Grounds and reasons, etc. for the decision regarding approval of the Demand for the Sale of Shares” above, which the Company believes conforms with the above-mentioned policy.

- (2) Matters regarding measures to ensure the fairness and avoid conflicts of interest

Please refer to the description in the section titled “(4) Measures to ensure the fairness and avoid conflicts of interest” under “3. Grounds and reasons, etc. for the decision regarding approval of the Demand for the Sale of Shares” above.

- (3) Outline of opinion that such transaction, etc. is not disadvantageous to the minority shareholders of the Company obtained from parties having no interest with the controlling shareholder

The Company has received an opinion from the Independent Committee, dated as of October 25, 2018, to the effect that the Transaction (including the Company’s approval of the Demand for the Sale of Shares) is not disadvantageous to the minority shareholders of the Company. The Company has also received an opinion on January 28, 2019 to the effect that there are no changes to the content of the above-mentioned opinion. For details, please refer to the description in “(ii) The Company has established an independent committee and obtained its opinion” under “(4) Measures to ensure the fairness and avoid conflicts of interest” under “3. Grounds and reasons, etc. for the decision regarding approval of the Demand for the Sale of Shares” above. Since the both of the above-mentioned reports of the Independent Committee are related to the Transaction including the approval of the Demand for the Sale of Shares, the Company has not reobtained opinion from parties having no interest with the controlling shareholder, in approving the Demand for the Sale of Shares.

End

Note: This is an English translation of the Japanese press release issued through the Tokyo Stock Exchange. If there is any inconsistency between the English and the Japanese versions of this release, the Japanese-language document will prevail.