[Translation]

October 26, 2018

Company name: Hennape Six SAS
Name of representative: Nolwenn Delaunay
President

Announcement regarding Tender Offer for Common Shares of Clarion Co., Ltd. (Code: 6796)

We announce that today Hennape Six SAS ("**Offeror**" or "**we**") has resolved to acquire the common shares (the "**Target Company Shares**") of Clarion Co., Ltd. (Securities Code: 6796, First Section of Tokyo Stock Exchange) (the "**Target Company**") through a tender offer (the "**Tender Offer**") in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the "**Act**") and relevant laws and regulations as follows.

We intend to commence the Tender Offer promptly once we complete the necessary procedures and actions under the competition laws of Japan and other countries or confirm that such procedures and actions can be completed and if the Preconditions (as defined in "(1) Overview of the Tender Offer" of "1. Purpose of the Tender Offer" below) have been satisfied (or waived by the Offeror). As of today, the Offeror aims to commence the Tender Offer in January 2019. However, it is difficult to anticipate accurately how long the procedures with competition authorities of Japan and other countries will take, we will inform you of the timetable of the Tender Offer promptly once decision has been made.

1. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Offeror is a simplified corporation incorporated in France on December 22nd, 2016, the primary goal of which is to acquire the Target Company Shares through the Tender Offer and hold the Target Company Shares following completion of the Tender Offer. As of today, all issued shares of the Offeror are owned by Faurecia S.A. ("**Faurecia**", together with its affiliates, the "**Faurecia Group**"). As of today, neither the Offeror nor Faurecia owns any Target Company Shares.

The Offeror decided today to conduct the Tender Offer, as part of transactions for acquiring all of the Target Company Shares (excluding treasury shares held by the Target Company), such that the Target Company will become a wholly-owned subsidiary of the Offeror (such transactions, the "**Transactions**") once we complete the necessary procedures and actions under the competition laws of Japan and other countries or confirm that such procedures and actions can be completed and if the conditions precedents for commencement of the Tender Offer set out in the Tender Offer Agreement (Note 1) details of which are set out in Note 2 and the conditions precedents for commencement of the Tender Offer set out in the TOB Agreement

(Note 3) detail of which are set out in Note 4 (collectively, the "**Preconditions**") have been satisfied (or the Offeror has waived such Preconditions).

(Note 1) The Offeror, Faurecia and Hitachi, Ltd. ("**Hitachi**"), the parent company of the Target Company, executed a tender offer agreement (the "**Tender Offer Agreement**") as of today pursuant to which Hitachi will tender all of its Target Company Shares (35,963,034 shares, representing an ownership percentage (Note 5) of 63.80% of the Target Company) ("**Hitachi Tendered Shares**") in the Tender Offer. For details regarding the Tender Offer Agreement, please refer to "(4) Material agreements pertaining to the Tender Offer" below.

(Note 2) The Tender Offer Agreement sets forth the following conditions for commencement of the Tender Offer: (i) the resolution that expresses support of the Tender Offer shall have been approved at the meeting of the board of directors of the Target Company and not revoked and no resolution of the Target Company's board of directors has been made to extend the Tender Offer Period, (ii) the representations and warranties of Hitachi shall have been true and correct in all material respects, (iii) each of the obligations of Hitachi to be performed under the Tender Offer Agreement shall have been duly performed in all material respects, (iv) the TOB Agreement and the agreements in relation to provisions of the transition services and the business partnership as described in "(4) Material agreements pertaining to the Tender Offer" shall remain in effect and all conditions precedent for the Offeror to commence the Tender Offer under the TOB Agreement (Note 4) have been satisfied or waived by the Offeror, (v) no temporary restraining order, preliminary or permanent injunction or any other decision preventing the consummation of the Tender Offer shall have been in effect; no laws shall have been enacted or shall be deemed applicable to the Tender Offer which makes the consummation of the Tender Offer illegal and (vi) the Offeror shall have no material undisclosed information regarding the Target Company which falls within the scope of the information listed under Article 166 of the Act.

(Note 3) The Offeror, Faurecia and the Target Company executed a TOB agreement (the "**TOB Agreement**") as of today setting forth matters in relation to the cooperation between the Offeror and the Target Company for the implementation of the Transactions. For details regarding the TOB Agreement, please refer to "(4) Material agreements pertaining to the Tender Offer" below.

(Note 4) The TOB Agreement sets forth the following conditions for commencement of the Tender Offer: (i) the resolution that expresses support of the Tender Offer shall have been approved at the meeting of the board of directors of the Target Company and not revoked and no resolution of the Target Company's board of directors has been made to extend the Tender Offer Period, (ii) the representations and warranties of the Target Company shall have been true and correct in all material respects, (iii) each of the obligations of the Target Company required to be performed under the TOB Agreement shall have been duly performed in all material respects, (iv) the Tender Offer Agreement and the agreements in relation to provisions of the transition services and the business partnership as described in "(4) Material agreements pertaining to the Tender Offer" shall remain in effect and all conditions precedent for the Offeror to commence the Tender Offer under the Tender Offer Agreement (Note 2) have been satisfied or waived by the Offeror, (v) no temporary restraining order, preliminary or permanent injunction or any other decision preventing the consummation of the Tender Offer shall have been in effect; no laws shall have been enacted or shall be deemed applicable to the Tender Offer which makes the consummation of the Tender Offer illegal and (vi) the Offeror shall have no material undisclosed information regarding the Target Company which falls within the scope of the information listed under Article 166 of the Act.

(Note 5) The ownership percentage is the ratio against the number of Target Company Shares (56,364,034 shares) obtained by deducting the Adjusted Number of Treasury Shares (Note 6) (184,803 shares) from the Adjusted Total Number of Target Company Shares (Note 6) (56,548,837 shares) and rounding up or down to the nearest second decimal place. Same applies to the following statements regarding the ownership percentage.

(Note 6) The Target Company consolidated the Target Company Shares with effect from October 1, 2018 at the rate of five to one. Adjusted Total Number of Target Company Shares is the number of shares (56,548,837 shares), which was stated as the number of total issued shares of the Target Company as of September 30, 2018 assuming that the consolidation of shares became effective as of the beginning of the fiscal year in the Consolidated Financial Results for the Second Quarter Ending March 31, 2019 [IFRS] of the Target Company announced on October 25, 2018 (the "**Target Company 2Q2019 Financial Information**"). Adjusted Number of Treasury Shares is the number of shares (184,803 shares), which was stated as the number of treasury shares owned by the Target Company as of September 30, 2018 assuming that the consolidation of shares became effective as of the beginning of the fiscal year in the Target Company 2Q2019 Financial Information. Same applies to the following statements regarding Adjusted Total Number of Target Company Shares and Adjusted Number of Treasury Shares.

The Offeror has set 37,576,000 shares (representing an ownership percentage of 66.67% (Note 7) of the Target Company) as the minimum number of shares to be purchased in the Tender Offer. If the total number of the Target Company Shares tendered by shareholders in the Tender Offer (the "**Tendered Shares**") is less than the minimum number of shares to be purchased in the Tender Offer (37,576,000 shares), then the Offeror will not purchase any of the Tendered Shares. The Offeror has not set a maximum number of shares to be purchased in the Tender Offer, because the Offeror intends for the Target Company to become a wholly-owned subsidiary of the Offeror, and if the total number of Tendered Shares is equal to or exceeds the minimum threshold of 37,576,000 shares, the Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased in the Tender Offer (37,576,000 shares) has been calculated by multiplying two-thirds (375,760) of the number of voting rights (563,640) corresponding to the number of shares (56,364,034 shares) obtained by the Adjusted Total Number of Target

Company Shares (56,548,837 shares) minus Adjusted Number of Treasury Shares (184,803 shares), by 100, the number of shares of the Target Company per unit.

(Note 7) The minimum number of shares to be purchased is a tentative figure based on information available as of today. Changes, etc. from today may result in a different figure as the actual minimum number of shares to be purchased in the Tender Offer. The minimum number of shares to be purchased will be finally determined before the commencement of the Tender Offer, taking into account the latest number of treasury shares owned by the Target Company available at the date of the commencement of the Tender Offer.

If the Offeror is unable to acquire all of the Target Company Shares (other than the treasury shares held by the Target Company) in the Tender Offer, then, following successful completion of the Tender Offer, the Offeror intends to undertake a series of procedures to become the sole shareholder of the Target Company (for details, see "(5) Policy for organizational restructuring after the Tender Offer (matters relating to 'Two-Step Acquisition')").

The Offeror intends to obtain the necessary funds for settlement of the Tender Offer by receiving the necessary funding from Faurecia, through a capital investment and loan (the "**Faurecia Equity and Loan**"). The Offeror intends to obtain the Faurecia Equity and Loan by the two (2) business days prior to the commencement of settlement for the Tender Offer, subject to conditions including the successful completion of the Tender Offer.

According to "Announcement Concerning Opinion on Tender Offer by Hennape Six SAS (Subsidiary of Faurecia)" issued by the Target Company today (the "**Target Press Release**"), at a meeting held today, the Target Company's Board of Directors adopted a resolution that, as the current opinion of Target Company, the Target Company expresses an opinion supporting the Tender Offer and recommend its shareholders to tender their shares into the Tender Offer once the Tender Offer has been commenced, and at the time the Tender Offer is commenced, the Target Company will re-announce its opinion in relation to the Tender Offer. For details of the resolution of the Target Company's Board of Directors, please refer to the Target Press Release as well as "④ Approval by all directors of the Target Company with no conflict of interest" of "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below.

(2) Background, purpose and decision-making process of the Offeror leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer

The background, purpose and decision-making process leading to the Offeror's decision to conduct the Tender Offer as well as the management policy following the Tender Offer are described below. The description of the Target Company included below is based on publicly available information and explanations received from the Target Company.

[Translation]

① The Business Environment of the Target Company

The Target Company was formed as a manufacturing company of battery-operated household radios in December 1940, and since the earliest days of in-vehicle devices, it has consistently been providing epoch-making products, such as by launching Japan's first car radio as well as Japan's first car stereo and other devices. At present, the Target Company mainly engages in development, manufacture, sales of, and provision of services related to system products such as in-vehicle information systems, in-vehicle audio equipment, safety and information systems and cloud information network services for automobiles. The Target Company has also been endeavoring to expand its business as a consolidated subsidiary of Hitachi since 2006.

The Target Company listed its shares on the Second Section of the Tokyo Stock Exchange in August 1962 and was upgraded to the First Section of the Tokyo Stock Exchange in February 1970 where it continues to be listed at present.

Currently, the Target Company has 30 sites in 16 countries worldwide and has established a system enabling timely supply of optimal products and services to clients worldwide through advanced value chains covering markets based on region/customer/product with four regions, Japan, North, Central and South America, Europe and Asia/Oceania, respectively having controlling functions. Above all, its production system with technological capabilities and high flexibility has earned favorable evaluation from the global market, and especially as an original equipment manufacturer (OEM) that delivers genuine equipment to clients, the Target Company has established strong relationships of trust with global automobile manufacturers (such as Renault-Nissan and Ford) over a long time.

In the automotive industry surrounding the Target Company, technological innovations such as Connected (external/mutual connectivity), Autonomous (realization of autonomous driving), Sharing (response to the needs such as car sharing), and Electric (electrification) progress, and new growth opportunities have been expanding together with the structural changes in the markets and increasingly fierce global competition. Under this market environment, in line with the Target Company's corporate philosophy of "contributing to enrichment of society by seeking to develop the relationship between sound, information, and human interaction, and by creating products that have value," it has been seeking a business transformation from a former "in-vehicle device manufacturer" to a "solution provider for in-vehicle information systems" that provides added value by "connecting" a vehicle with information under the concept of Smart Cockpit® that integrates four core technologies of sound technology, integrated HMI (human machine interface (Note 1)) technology, cloud and edge computing technology (Note 2), as well as an automatic parking technology centered on camera and sensing technology (Note 3) that have been built to date.

(Note 1) Human machine interface: measures by which humans manipulate machines, or machines inform humans of the current status and results, and tools therefor

(Note 2) Edge computing technology: technology that enables faster processing of recognition, judgments, real-time updates of cloud data and the like through advanced data processing on a terminal device

(Note 3) Sensing technology: technology to accurately understand own-vehicle position and peripheral information by use of a sensor (detector) or the like (key technology to realize autonomous driving)

② Discussions between Faurecia, the Target Company and Hitachi, and the decision-making process of Faurecia

Faurecia which owns entire outstanding shares in the Offeror is headquartered in Nanterre in France and its shares are listed on the Euronext Paris. Faurecia is a consolidated subsidiary of Peugeot S.A. which owns 46.34% of its shares and 63.11% voting rights (as of September 30, 2018). Faurecia Group, one of the top 10 worldwide automotive supplier in respect of revenue amount (*Crain Communications Inc. as of 25 June 2018 Automotive News*), owns three strategic businesses: Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility that engages in lightweighting and fuel economy solutions for ICE and hybrid engines, emissions reduction for passenger cars and commercial vehicles, solutions for electric vehicles and fuel cell vehicles. Faurecia Group client base is diversified with clients from all geographies, and with sales of 17 billion euro (approximately 2.2 trillion JPY (using Telegraphic Transfer Middle Rate of Mitsui Sumitomo Bank as of October 22, 2018, 1 euro = 129.33 JPY), same applies to the following) in 2017, Faurecia Group has 50% of its revenue in Europe, 26% in North America, 17% in Asia, 5% in South America and 2% for the rest of the world.

Faurecia Group's profitability has been continuously improving including its increase in operating income from 2013 (3% of revenues with 538 million euro (approximately 69.6 billion JPY)) to 2017 (6.9% of revenues with 1,170 million euro (approximately 151.3 billion JPY)). Faurecia Group has a global wide footprint with 300 sites in 35 countries of which approximately 30 R&D sites. Faurecia has approximately 109,000 employees globally.

With 7.1 billion euro (approximately 918.2 billion JPY) of product sales, Faurecia Seating develops and produces seat systems that optimize the comfort and safety of occupants (solutions for comfortable thermal in vehicle and driving postural, care for health of persons on board and advanced safety) while offering premium quality to its customers. With 5.4 billion euro (approximately 698.4 billion JPY) of product sales, Faurecia Interiors develops and produces full interior systems including instrument panels, door panels, center consoles as well as smart surfaces (combination of decorative surface material and additional functionalities such as lighting, touch control etc.), aiming at providing solutions for Human Machine Interfaces which can be operated by integrating smartphone or voice-activated control, etc. and comfortable cabin climate that addresses the needs of each person on board. The new focus for development is to introduce new devices of communication between the vehicle and the occupants (HMI) to provide comfortable seating position and right temperature and lighting in-vehicle infotainment etc. for comfortable driving or moving. Being present in both Seating and Interiors, Faurecia Group provides smart life on board which includes solutions such as automatic adjustment of seat position, automotive adjustment of in-vehicle temperature based on smart surface, connectivity of in-vehicle infotainment (Note 1) and HMI systems, advanced safety, health and wellness as well as the fully-integrated cockpit. With 4.5 billion euro (approximately 582 billion JPY) of product sales, Faurecia Clean

Mobility develops and supplies innovative solutions to improve drive mobility and industry toward zero emissions of Nox and CO2. Its solutions for improving emission of clean air, energy efficiency and acoustic performance and facilitating engine electrification leads the high horsepower engine applications and address the needs of vehicles manufacturers, surrounding industries as well as cities and fleet operators such as bus operators and transport companies.

(Note 1) In-vehicle infotainment; product that offers a wide range of functions of "information" and "entertainment" to cars. It includes, among others, car navigation, location information service, voice communication, Internet connection, access to multimedia playback such as music and movies, news, e-mail access, search function and everything that appears on the displays in a vehicle.

Following the 100% acquisition of the French company Parrot Automotive ("**Parrot**") and the acquisition of 50.1% shares in the Chinese company Jiangxi Coagent Electronics Co., Ltd. (current name is "Faurecia Coagent Electronics S&T Co., Ltd.") ("**Coagent**") both of which are companies that engage in in-vehicle infotainment, based on a strategy to become a leading global player in cockpit solutions, including software integration in the field of automotive interior, Faurecia Group entered the IVI (in-vehicle infotainment system, next generation in-vehicle information and communication systems) market since December 2016. As Faurecia Group was searching for a candidate to collaborate in a mutually complementary form with Faurecia having Parrot and Coagent in order to establish a leading position in IVI, connectivity (Note 2) and cockpit solutions, Faurecia highly evaluated the Target Company's technological capabilities in HMI, connectivity solutions, sound design, information systems and safety systems, especially in technological capabilities in in-vehicle infotainment, sound management, automated parking, cloud information management and strong positions for automated parking in the Japanese market and for in-vehicle infotainment (display audio and navigation) and audio system in the U.S. market and determined that the Target Company is a company with high complementary and strategic compatibility with Faurecia.

(Note 2) Connectivity; communication between the car and all kind of equipment inside the car, with infrastructure, broadcast equipment and other vehicles.

Since the second half of October 2017, Faurecia and the Target Company have deepened both companies' understanding through discussions for technical cooperation in the fields of cockpit and sound tuning, etc. Therefore, Faurecia initially approached Hitachi, the Target Company's parent company, in the first half of May 2018 regarding a capital and business alliance, including sale of the Target Company's shares, and Hitachi introduced it to Hitachi Automotive Systems, Ltd., which is Hitachi's subsidiary and works with the Target Company on the automotive business in the Hitachi group ("**Hitachi Automotive Systems**"). Through the discussion with Hitachi and Hitachi Automotive Systems in the second half of July 2018, to further understand both parties' business and objectives, Faurecia considered the acquisitions of 100% shares of the Target Company will create a powerful combination of global cockpit electronics business, fully integrating the resources and technical capabilities of the Target Company and Faurecia including Parrot and Coagent, which enables to respond to the demand of car users and car manufacturers. In late July 2018, Faurecia made an initial proposal (the "**Initial**

Proposal") to the Target Company, Hitachi and Hitachi Automotive Systems regarding the acquisition of 100% shares of the Target Company Shares as well as expected concrete synergies (such as developing IVI business building on the regional strengths of the Target Company and Faurecia Group) and the Target Company's position as the fourth business group in the Faurecia Group after the acquisition.

Triggered by the Initial Proposal from Faurecia, the Target Company, Hitachi and Hitachi Automotive Systems initiated concrete discussions and considerations for the Tender Offer with Faurecia from first half August 2018. Based on the discussions and considerations and the result of due diligence conducted from mid-September 2018 to the first half of October 2018, Faurecia presented an acquisition proposal to the Target Company, Hitachi and Hitachi Automotive Systems in early October 2018 (the "**Final Proposal**"). Following the Final Proposal, Faurecia held discussions and negotiations with the Target Company, Hitachi, and Hitachi Automotive Systems on the terms and conditions of the Transactions. As a result, since Faurecia reached agreement with the Target Company, Hitachi and Hitachi Automotive Systems on the terms and conditions of the Transaction including offer price for the Tender Offer (the "**Tender Offer Price**") in second half of October 2018, Faurecia and the Offeror executed the Tender Offer Agreement with Hitachi and executed the TOB Agreement with the Target Company respectively as of today. Faurecia has determined to conduct the Tender Offer when the Offeror completes the necessary procedures and actions under the competition laws of Japan and other countries or confirms that such procedures and actions can be completed and the Preconditions are fulfilled (or waived by the Offeror).

The objective of the Transaction of Faurecia that has the vision to provide consumers with "safe, sustainable, productive & enhance mobility freedom", is to integrate the global activities in cockpit electronics (Note 3) including Faurecia Group's existing business and to create a fourth business group based in Japan in addition to current three groups, interiors, seating, and clean mobility business groups. After the Transaction, Faurecia Group would reinforce its technological superiority in in-vehicle infotainment, connectivity and cloud solution, comfort and safety related driver assistance system, sound management, HMI solutions (Note 4), and CV (commercial vehicle) and Fleet management solution, that can be leveraged by Faurecia Group to develop its "smart life on board" (concept of the company describing the future benefits of infotainment, connectivity, autonomous driving and artificial intelligence on passengers and drivers in the car) and "sustainable mobility" (concept of the company describing the aim to develop mobility solution less impacting for the environment such as reducing CO_2 and pollutant emission) solutions linked to its seating and interiors activities. If Target Company becomes a wholly-owned subsidiary, the Offeror considers it will create a powerful combination with the Target Company and both companies can develop and deliver to the customers selling proposals for the cockpit of the future which the Offeror think best for the customers. By combining the strengths and businesses of Faurecia Group and the Target Company in in-vehicle infotainment, a high global presence in the field of the cockpit electronics would be established and with Faurecia Group's diversified customer base and the current cooperative relationship with European and US OEMs, Faurecia Group would accelerate the Target Company's business growth with global customers and strengthen the competitiveness and enhance the corporate value of the Target Company.

(Note 3) Cockpit electronics; electronic systems that will manage cockpit functions such as in-vehicle infotainment, HMI, seat adjustment, thermal comfort and control software used for cockpit.

(Note 4) HMI solutions; solutions regarding interaction of human and machine (human machine interface) such as voice activation, touch screens, buttons, switches, camera recognition.

③ The decision-making process and reasons of the Target Company

As described in "② Discussions between Faurecia, the Target Company and Hitachi, and the decision-making process of Faurecia" the Target Company, received and considered a sounding with respect to Faurecia's intent to acquire the Target Company Shares with the objective of strengthening the competitiveness and enhancing the corporate value of the Target Company, carefully discussed and examined the terms and conditions regarding the Transaction, including the Tender Offer, (a) after taking each measure described in "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, (b) taking into consideration the details of the share valuation report (the "**Share Valuation Report**") obtained from an independent financial advisor, Daiwa Securities Co. Ltd. ("**Daiwa Securities**") and legal advice from an independent legal advisor, Nishimura & Asahi, and (c) giving the utmost consideration to the report (the "**Independent Committee Report**") obtained from the Independent Committee established as an advisory body to the board of directors of the Target Company to examine Faurecia's proposal concerning the acquisition of 100% of the Target Company Shares (for constituents of committee and specific consulted matters etc., please refer to "②Establishment of an independent committee of the Target Company and its opinion" of "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below).

The Target Company received the Initial Proposal from Faurecia in late July 2018, and requested that Faurecia explain the expected synergies and its post-tender offer management policy. As a result, considering that there was a good possibility that the Initial Proposal would enhance the Target Company's corporate value because certain synergies stated below could be expected, the Target Company decided to accept a due diligence conducted by Faurecia from mid-September 2018. Following that, in early October 2018, the Target Company, Hitachi and Hitachi Automotive Systems received from Faurecia the Final Proposal based on the results of the due diligence, and discussed and negotiated with Faurecia the terms and conditions of the Transaction. Also, when deliberating on the Target Company's long-term business structure and capital policy, the Target Company examined candidates for new partners instead of Hitachi group globally from broad business areas. The Target Company approached, for the alliance with the Target Company, multiple candidates which it believes have strategic rationalities, and concurrently with the discussions with Faurecia, examined candidates for the best partner to enhance the Target Company's corporate value. Consequently, the Target Company has come to the conclusion that an alliance with Faurecia will further accelerate the Target Company's growth and enhance its corporate value as a result of (i) developing and introducing integrated systems and services that create new value, (ii) reinforcing sales and marketing strategies by which customers will recognize the advanced technological advantages to cockpit electronics products represented by audio equipment and HMI solutions which the Target Company has cultivated, and (iii) transforming production development systems and sales and service systems of the Target Company, and therefore, Faurecia is the best partner. More specifically, the following points can be enumerated as synergies with Faurecia Group: (i) the expansion of the sales network as a result of both companies having a mutual complementarity regarding the regions and client base; (ii) the fact that by participating in Faurecia Group, which provides cockpit solutions integrated seamlessly in connection with both of software and hardware, it will be possible to deal with OEM customers' needs which have been highly upgraded in recent years; (iii) reduction of costs and fusion of technology and know-how by sharing production and development bases and resources with Parrot and Coagent, which are responsible for the IVI business at Faurecia Group, etc.

With respect to the strategic cooperative relationships with Hitachi Group in the areas of the safety and information system business, developing leading-edge technology of high-level safe driving systems utilizing information, and the business of cloud information network services for automotive use, although the details are still under discussion, the Target Company plans to continue them based on an agreement on the basic framework for such relationships because such relationships are important from the Target Company's business operational perspective.

In order to deal with the competitive environment in the automotive industry, the intensity of which is increasing globally, and new business opportunities, and to continue to provide customers with the Target Company's unique added value, the Target Company believes that it is essential to reestablish conventional development, production, sales and service systems, and to realize the transformation to a "solution provider for in-vehicle information systems," to continuously enhance its corporate value. However, it will require certain costs and time for such reestablishment and transformation to yield results. Further, because it is necessary to flexibly implement additional investments, there are concerns about the possibility that such reestablishment and transformation will entail a risk that business performance will temporarily deteriorate due to prior investment burdens, and the Target Company considers that it is likely that such reestablishment and transformation, together with the ongoing fierce competitive environment, will also adversely affect share prices and bring disadvantages for shareholders of the Target Company. In order for the Target Company to grow in the changing of the market structures and in the ongoing fierce global competitive environment, client development and ensuring development resources have become urgent problems. The Target Company believes that cooperating with Faurecia Group's client and business base, and with Parrot's and Coagent's (both of which are under the umbrella of Faurecia Group) resources and technical capabilities is the best way to solve such problems. In order to promptly realize it, as stated in "②Discussions between Faurecia, the Target Company and Hitachi, and the decision-making process of Faurecia" above, it is necessary to integrate the global cockpit electronics business of Faurecia Group that include Parrot and Coagent with that of the Target Company, and make it the fourth business group of Faurecia Group. The Target Company has decided that it is essential that the Target Company will become a wholly-owned-subsidiary of Faurecia Group so as to implement such integration

For the above reasons, the Target Company has come to the conclusion that, in order to enhance the Target Company's corporate value in the competitive environment which is expected to intensify, it is essential to implement the above measures now to realize the transformation to a "solution provider for in-vehicle information systems," for which the Target Company aims.

Also, in respect of the Tender Offer Price (2,500 JPY), the Target Company determined that the Tender Offer will provide the shareholders of the Target 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 Target Company Shares provided by Daiwa Securities as described in "① Share valuation report from an independent third-party financial advisor" of "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below; (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 JPY, the closing price of the Target 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 (today), (b) a premium of 31.16% on 1,906 JPY, the simple average closing price for the most recent one-month period (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 JPY, the simple average closing price for the most recent three-month period, and (d) a premium of 58.63% on 1,576 JPY, the simple average closing price for the most recent six-month period; 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 "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below 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 Target Company believes that the Transaction, including the Tender Offer conducted by the Offeror, will contribute to enhancing the corporate value of the Target Company and that, based on (i) through (iv) above, the Tender Offer Price is reasonable.

As a result of such consideration, the Target Company resolved at a meeting of the board of directors held today that, as the current opinion of the Target Company, it expresses an opinion supporting the Tender Offer and recommends that the shareholders of the Target Company tender their shares in the Tender Offer when the Tender Offer is commenced, as well as executing the TOB Agreement as of today.

Furthermore, although the Tender Offer will promptly be commenced when the Offeror completes the necessary procedures and actions under the competition laws of Japan and other countries or confirms that such procedures and actions can be completed and the Preconditions are fulfilled (or waived by the Offeror) and, as of today, the Offeror expects to commence the Tender Offer in January 2019, since it is difficult to accurately predict the time period for the procedures, etc. required by foreign and domestic competition authorities and the Independent Committee established by the Target Company expressed the opinion which stated that if any changes occur, such as those in which the market price of the Target Company Shares exceeds the Tender Offer Price during a period until the commencement of the Tender Offer, different consideration may be required, as stated in "② Establishment of an independent committee of the Target Company and its opinion" of "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, the board of directors above has decided to, upon commencement of the Tender Offer, request that the Independent Committee examine whether there are any changes in the opinion they expressed to the board of directors as of October 25, 2018, and if there is no change, state to such effect, and if there are changes, state their new opinion to the board of directors of the Target Company, and re-express the opinion of the board of directors concerning the Tender Offer based on such opinion of the Independent Committee.

For details regarding the resolution by the meeting of board of directors of the Target Company, please refer to "④ Approval by all directors of the Target Company with no conflict of interest" of "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below.

④ Post-Tender Offer management policy

Faurecia Group commits to invest in the Target Company's technology and R&D actively to maintain and develop its superiority in competitiveness in cockpit electronics field, and contribute to further development of the business of the Target Company by developing links with the rest of the business of Faurecia Group so as to benefit from synergies and leading the business transformation of the Target Company. Faurecia and the Target Company plan to discuss the appointment of directors nominated by Faurecia Group. Regarding the employees of the Target Company after the Tender Offer, in principle it is expected that their current treatment will be maintained.

(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest

Due to the fact that the Offeror has entered into the Tender Offer Agreement with Hitachi, the parent of the Target Company, the Target Company has implemented the following measures to ensure the fairness of the Tender Offer. Even though the Offeror has not set a minimum number of shares corresponding to the so-called "Majority of Minority" to be purchased, the Offeror believes that the interests of the Target Company's minority shareholders have been adequately considered, because the following measures ① to ⑤ have been implemented.

① Share valuation report from an independent third-party financial advisor

According to the Target Press Release, in order to ensure the fairness of the decision-making process concerning the total amount of the Tender Offer Price presented by Faurecia, the Target Company obtained the Share Valuation Report from Daiwa Securities, a third-party financial advisor independent from the Target Company, Hitachi group and Faurecia Group. Daiwa Securities is not a related party of the Target Company, the Hitachi group or the Offeror and does not have any material interest in the Transaction.

Daiwa Securities calculated the per-share value of the Target Company Shares by using the market share price method and the DCF Method, and submitted the Share Valuation Report to the Target Company on October 25, 2018. After examining which method to adopt to calculate the value of the Target Company Shares among various methods, Daiwa Securities, based on the understanding that evaluating the value of the Target Company Shares from multiple aspects would be appropriate on the premise of the Target Company being a going-concern, adopted the market share price method, which considers the trend of market price of the Target Company Shares, because the Target 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 Target Company's business performance into evaluation. The Target 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 Target Company Shares calculated based on the above-mentioned each method is as follows:

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

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 Target Company Shares has been calculated to range from 1,576 JPY to 2,263 JPY, based on the closing price (2,263 JPY) 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 (1,906 JPY), the most recent 3-month period (1,673 JPY), and the most recent 6-month period (1,576 JPY) on the First Section of the Tokyo Stock Exchange.

Based on the DCF Method, the corporate value of the Target Company and the value of the Target Company Shares have been analyzed, by taking the future cash flows projected to be generated by the Target Company based on the future earnings forecast and the investment plan described in the Target Company's business plan (for 5 years, the fiscal years ending March 2019 through March 2023), conducting an interview with the Target 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 Target Company Shares has been calculated to range from 2,231 JPY to 3,162 JPY.

The business plan of the Target 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 Target Company's customers, the deceleration of growth of the safety and information system business, which is the field the Target 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.

② Establishment of an independent committee of the Target Company and its opinion

According to the Target Press Release, on September 20, 2018, the Target Company established an independent committee (the "**Independent Committee**") for the purpose of eliminating arbitrariness in decision-making for the Transaction including the Tender Offer and ensuring the fairness, transparency, and objectivity of the Target Company's decision-making process. The Independent Committee is comprised of three members who are independent from the Target Company, Hitachi group or Faurecia Group. The members of the Independent Committee are: Mr. Masahito Kamijo (outside director and independent officer of the Target Company); Mr. Hidetaka Nishina (attorney-at-law, Nakamura, Tsunoda & Matsumoto); and Mr. Omou Yamazaki (certified public accountant, certified tax accountant and member of GG Partners Co., Ltd.). The Target Company requested that the Independent Committee advise the Target Company as to (i) the rationality of the purpose of the Transaction (including whether the Transaction contributes to enhance its enterprise value); (ii) the fairness and reasonableness of the terms and conditions of the Transaction; (iii) the fairness and transparency of the procedures in the Transaction; (iv) its Board of Directors expressing an opinion supporting the Tender Offer and recommending the shareholders of the Target Company to tender their shares in the Tender Offer; and (v) whether the Transaction is not disadvantageous to the minority shareholders of the Target Company (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: (a) the Independent Committee requested that the Target Company and Daiwa Securities explain the Target Company's current understanding of its business and the influence of the Transaction on the Target Company, and the progress of the negotiations between the Target Company, Hitachi and Faurecia, etc, and (b) the Independent Committee requested Daiwa Securities to explain the results of its share value calculations, and conducted a question-and-answer session, and (c) 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 Independent Committee Report to the board of directors of the Target 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 Target 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 Target Company express an opinion supporting the Tender Offer and recommend the shareholders of the Target Company to tender their shares in the Tender Offer, and (v) whether the Transaction is not disadvantageous to the minority shareholders of the Target 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 Target Company expresses an opinion supporting the Tender Offer and recommending the shareholders of the Target 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 Target 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 Target Company Shares exceeds the Tender Offer Price during a 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 Target Company regarding the reasons for the implementation of the Transaction (including the matters stated in "(2) Background, purpose and decision-making process of the Offeror leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" above) and the Transaction will contribute to solving the Target Company’s current problems. Thus it is deemed that the Transaction will contribute to the enhancement of the corporate value of the Target 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 Target 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 Target Company's press release, respecting the interest of the minority shareholders of the Target Company and shareholders who oppose the Transaction.

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

(c) At the board of directors meeting which will express its opinion on the Tender Offer, the Target Company will take a two-stage procedure. Firstly, the board of directors of the Target 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 Target 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 Target Company appointed Nishimura & Asahi as a legal advisor that is independent from the Target 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 Target Company requested Daiwa Securities, which is a financial advisor independent from the Target Company, Hitachi group and Faurecia Group, to calculate the value of the Target 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 Target 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 the Offeror would have an opportunity to make a competing tender offer for the Target Company Shares.

(g) Although the TOB Agreement among the Target Company, the Offeror and Faurecia provides provisions which restrict such competing transaction as stated in "② TOB Agreement" of "(4) Material agreements pertaining to the Tender Offer" below, it also provides a Fiduciary Out provision, and does not always prohibit the Target Company from negotiating with a potential purchaser other than the Offeror in the case where a reasonable competing offer has been made.

(iii) 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 Target Company regarding the process of, and method for, preparing the Target Company's business plan, and on Daiwa Securities' explanations regarding the calculation method for, and evaluation process of, the Target Company Shares, and examination process of the share valuation, Daiwa Securities' calculation method of the Target 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 Target Company Shares is 1,576 JPY to 2,263 JPY by the market share price method, and 2,231 JPY to 3,162 JPY by the DCF Method, and the Tender Offer Price (2,500 JPY per share) exceeds the upper range of the calculation results of per-share value of the Target Company Shares based on the market share price method and is within the range of the calculation results of per-share value of the Target 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 JPY, the closing price of the Target Company Shares on the Tokyo Stock Exchange as of October 25, 2018 (the "**Latest Date**"), (ii) a premium of 31.16% on 1,906 JPY, the simple average closing price for the most recent one-month period from the Latest Date, (iii) a premium of 49.43% on 1,673 JPY, the simple average closing price for the most recent three-month period from the Latest Date, and (iv) a premium of 58.63% on 1,576 JPY, the simple average closing price for the most recent six-month period from the Latest Date. Based on the above, the standard of premiums which is comparable to that of the recent other tender offer (the tender offer transaction followed by the delisting of the target company shares) 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 Demand for the Sale of Shares or the Share Consolidation. 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 Target Company Shares exceeds the Tender Offer Price during a 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 Target Company expresses, as of the announcement of the Tender Offer, its opinion supporting the Tender Offer and recommending the shareholders of the Target 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 Target Company Shares exceeds the Tender Offer Price during a period until the commencement of the Tender Offer, different consideration may be required. For the same reasons, considering the circumstances as of the date of Independent Committee Report, the Independent Committee also considers that the Transaction is not disadvantageous for the minority shareholders of the Target Company.

③ Seeking advice of independent and outside law firm to the Target Company

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

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

④ Approval by all directors of the Target Company with no conflict of interest

According to the Target Press Release, the board of directors of the Target 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, as set forth in the above section entitled "③ The decision-making process and reasons of the Target Company" of "(2) Background, purpose and decision-making process of the Offeror leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer", the Target Company has concluded that the Transaction, including the Tender Offer conducted by the Offeror, will contribute to enhancing the corporate value of the Target Company, and that the Tender Offer Price is reasonable, and the Target Company resolved at its board of directors meeting held today that, as the Target Company's current opinion, it expresses an opinion in support of the Tender Offer and recommends that the Target Company's shareholders tender their Target Company Shares in response to the Tender Offer once the Tender Offer has been commenced.

Since the Target Company considers that none of the Target Company's directors falls under the scope of directors who should be excluded from the deliberation and resolution by the Target 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 director has been excluded from the discussions with Faurecia regarding the Tender Offer. However, at the above board of directors meeting, 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, 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 Target 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 Target 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 Target 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.

⑤ Measures to ensure tender opportunities from other tender offerors

The Offeror intends for the period of the Tender Offer (the "**Tender Offer Period**") to be set at 20 business days. While it is comparatively short, the Offeror expects to commence the Tender Offer in January 2019 and the Target Company believes that the long period prior to the commencement of the Tender Offer will provide each shareholder of the Target Company with an opportunity to consider whether to tender its shares in the Tender Offer, and ensures that a potential purchaser other than the Offeror would have an opportunity to make a competing tender offer for the Target Company Shares.

Also, as stated in "③ The decision-making process and reasons of the Target Company" of "(2) Background, purpose and decision-making process of the Offeror leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" above, when deliberating on the Target Company's long-term business structure and capital policy, the Target 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. Therefore, the Target Company believes that there has already been sufficient opportunity for a purchaser other than the Offeror to make a tender offer for the Target Company Shares.

As stated in "② TOB Agreement" of "(4) Material agreements pertaining to the Tender Offer", although there is certain deal protection clause in the TOB Agreement, the Target Company considers that opportunities for a third party other than the Offeror to purchase the Target Company Shares are secured since the Target Company can withdraw its opinion to support the Tender Offer and support the tender offer by a third party if a competing offer is made by a third party other than the Offeror and the Target Company's board of directors determines on reasonable grounds that Endorsement and maintenance of it could lead to a breach of the duty of care of a good manager of the directors and executive officers of the Target Company and the Offeror has not revised the terms in relation to the Transaction to the ones equivalent to or better than the competing offer.

(4) Material agreements pertaining to the Tender Offer

① Tender Offer Agreement

As of today, the Offeror and Hitachi have executed the Tender Offer Agreement pursuant to which Hitachi will tender Hitachi Tendered Shares (35,963,034 shares, representing an ownership percentage of 63.80% of the Target Company) in the Tender Offer. Also, under the Tender Offer Agreement, Hitachi is, directly or indirectly, prohibited from inducing, recommending to, negotiating with, agreeing with, or supplying information to any party other than Faurecia Group in relation to the investment in the Target Company, the disposition of the Hitachi Tendered Shares held by Hitachi, or the disposition of the business or material assets of the Target Company. Provided, however, that the above will not apply if (i) (a) a competing offer is made by a third party other than the Offeror before the closing date of the Tender Offer Period and (b) consummation of such competing offer, if successful, would result in the third party owning, directly or indirectly, all the Target Company Shares, and (ii) Hitachi's board of directors determines on reasonable grounds, including the offer price and other relevant factors, with respect to such competing offer and the Tender Offer that the tender to the Tender Offer could lead to a breach of the duty of care of a good manager of the directors and executive officers of Hitachi under applicable laws considering the Competing Offer, and (iii) the Offeror has not revised the terms in relation to the Transaction to the ones equivalent to or better than the competing offer.

The Tender Offer Agreement provides the following conditions precedent for Hitachi to tender its shares in the Tender Offer: (i) the Tender Offer has commenced and the Offeror shall have duly performed all obligations required to be performed by it under applicable laws in connection with the Tender Offer; (ii) no temporary restraining order, preliminary or permanent injunction or any other decision preventing the consummation of the Tender Offer shall be in effect (iii) no law or regulation applicable to the Tender Offer shall have been enacted which makes the consummation of the Tender Offer illegal; (iv) the Offeror has performed, in all material respects, its obligations under the Tender Offer Agreement to be performed or complied with (Note 1); and (v) the representations and warranties of the Offeror (Note 2) are true and correct in all material respects. However, even if all or part of the above conditions precedent are not satisfied, there is no restriction preventing Hitachi from waiving any of the conditions and tendering in the Tender Offer at its decision. If the Tender Offer is completed and settlement has occurred, and a shareholders' meeting of the Target Company is held (with a record date of exercising rights on or before the date immediately preceding the commencement date of settlement of the Tender Offer), Hitachi has the obligation regarding the exercise of its voting rights for each Tendered Share and all other rights at such shareholders' meeting to either, as elected by the Offeror, (i) grant a comprehensive authority of representation to a third party (including the Offeror) designated by the Offeror comprehensive or (ii) exercise voting rights as instructed by the Offeror.

(Note 1) The Offeror owes, under the Tender Offer Agreement, an obligation to commence the Tender Offer, an obligation to to make all appropriate filings required by the merger control laws with respect to the Tender Offer, an obligation of confidentiality, an obligation to bear expenses that it incurs in connection with the Tender Offer Agreement and an obligation not to transfer its rights or obligations thereunder.

(Note 2) The Offeror's representations and warranties under the Tender Offer Agreement address the following matters: (i) due and valid existence and establishment of the Offeror; (ii) authority of the Offeror to execute the Tender Offer Agreement, and completion of all necessary procedures; (iii) validity and enforceability of the Tender Offer Agreement; (iv) absence of conflict with laws or regulations; and (vi) the Offeror or Faurecia has cash available or has existing borrowing facilities which together are sufficient to enable it to consummate the Offer.

② TOB Agreement

As of today, the Offeror, Faurecia and the Target Company have executed the TOB Agreement.

The TOB Agreement provides that once the Tender Offer has been commenced, the Target Company shall express an opinion (the "**Endorsement**") supporting the Tender Offer and (unless it would lead to a breach of the duty of care of a good manager of the directors and executive officers of Target Company) recommending its shareholders to tender their shares into the Tender Offer and maintain the Endorsement during the Offer Period and shall not support a tender offer commenced by any third party. Also, under the TOB Agreement, the Target Company is, directly or indirectly, prohibited from inducing, recommending to, negotiating with, agreeing with, or supplying information to any party other than Faurecia Group in relation to the investment in the Target Company, the disposition of the Hitachi Tendered Shares held by Hitachi, or the disposition of the business or material assets of the Target Company. Provided, however, that the above will not apply if (i) (a) a competing offer is made by a third party other than the Offeror before the closing date of the Tender Offer Period and (b) consummation of such competing offer, if successful, would result in the third party owning, directly or indirectly, all the Target Company Shares, and (ii) the Target Company's board of directors determines on reasonable grounds, including the offer price and other relevant factors, with respect to such competing offer and the Tender Offer that expression and maintenance of the Endorsement could lead to a breach of the duty of care of a good manager of the directors and executive officers of the Target Company under applicable laws considering the Competing Offer, and (iii) the Offeror has not revised the terms in relation to the Transaction to the ones equivalent to or better than the competing offer.

The TOB Agreement provides the following conditions precedent for the Target Company to express the Endorsement: (i) the Tender Offer has commenced and the Offeror shall have duly performed all obligations required to be performed by it under applicable laws in connection with the Tender Offer; (ii) the representations and warranties of the Offeror (Note 1) are true and correct in all material respects; (iii) the Offeror has performed, in all material respects, its obligations under the TOB Agreement to be performed or complied with (Note 2); (iv) no temporary restraining order, preliminary or permanent injunction or any other decision preventing the consummation of the Tender Offer shall be in effect; and (v) no law or regulation applicable to the Tender Offer shall have been enacted which makes the consummation of the Tender Offer illegal. However, even if all or part of the above conditions precedent are not satisfied, there is no restriction preventing the Target Company from waiving any of the conditions and expressing the Endorsement at its decision.

Also, the Target Company has agreed, as it obligations in relation to the Tender Offer, such as (i) to conduct its business in the ordinary and usual course, and to the extent consistent therewith after the date of TOB Agreement and prior to the commencement date of settlement of the Tender Offer, (ii) to provide to the Offeror or the competition authorities the information necessary for the procedures under the competition laws, (iii) not to conduct the significant actions such as consolidations of shares, merger, distribution of dividends or dissolution, (iv) to disclose the insider information promptly after the Target Company acknowledges it prior to the commencement date of the Tender Offer (v) to use its commercially reasonable efforts to procure the written consents from the third parties required under certain contracts with third parties with respect to the consummation of the transactions contemplated under the TOB Agreement before the commencement date of settlement for the Tender Offer, (vi) to provide cooperation necessary for the procedures for the Offeror to acquire all the Target Company Shares if the Tender Offer has been consummated, (vii) an obligation of confidentiality and (viii) an obligation not to transfer its rights or obligations thereunder.

(Note 1) The Offeror's representations and warranties under the TOB Agreement address the following matters: (i) due and valid existence and establishment of the Offeror; (ii) authority of the Offeror to execute the TOB Agreement, and completion of all necessary procedures; (iii) validity and enforceability of the TOB Agreement; and (iv) absence of conflict with laws or regulations.

(Note 2) The Offeror owes, under the TOB Agreement, an obligation to commence the Tender Offer, an obligation of confidentiality and an obligation not to transfer its rights or obligations thereunder.

③ Agreements in relation to provisions of the transition services and business partnership

According to the Target Press Release, if the Tender Offer has been consummated, the Target Company will cease to be the Hitachi's subsidiary and there will be no capital tie between the Target Company and Hitachi. However, in order to continue the Target Company's operation smoothly, the relevant parties will enter into the agreements in relation to provisions of the transition services from Hitachi to the Target Company and the business partnership.

(5) Policy for organizational restructuring after the Tender Offer (matters relating to the "Two-Step Acquisition")

As stated in "(1) Purpose of the Tender Offer," the objective of the Tender Offer is for the Target Company to become a wholly-owned subsidiary of the Offeror, and, in the event that the Offeror is unable to obtain all of the Target Company Shares (except treasury shares owned by the Target Company) through the Tender Offer, then, after the successful completion of the Tender Offer, the Offeror intends to take the following actions to obtain all of the Target Company Shares (except for the treasury shares owned by the Target Company).

Specifically, if the Offeror comes to own 90% or more of the total voting rights in the Target Company after successful completion of the Tender Offer and becomes a special controlling shareholder of the Target Company as stipulated in Article 179, paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), the Offeror intends, promptly following the settlement of the Tender Offer, to require all shareholders of the Target Company (excluding the Offeror and the Target Company) (the "**Selling Shareholders**") to sell their Target Company Shares to the Offeror (the "**Demand for the Sale of Shares**"), pursuant to Part II, Chapter 2, Section 4-2 of the Companies Act.

A Demand for the Sale of Shares will provide that each of the Target Company Shares owned by each Selling Shareholder (excluding the Offeror and the Target Company) will be exchanged for cash consideration equal to the Tender Offer Price. In such an event, the Offeror will notify the Target Company of the Demand for the Sale of Shares, and seek the Target Company's approval thereof. If the Target Company approves the Demand for the Sale of Shares by a resolution of the Board of Directors, then, in accordance with the procedures under applicable law, and without the consent of individual shareholders of the Target Company, on the date of acquisition stipulated by the Demand for the Sale of Shares, the Offeror will acquire all Target Company Shares held by shareholders of the Target Company. The Offeror intends to deliver to each Selling Shareholder an amount of cash consideration per share held by such shareholder equal to the Tender Offer Price. According to the Target Press Release, if the Target Company receives a notice from the Offeror of its intention to issue a Demand for the Sale of Shares and of the matters stipulated in Article 179-2, paragraph 1 of the Companies Act, the Target Company's Board of Directors intends to approve the Demand for the Sale of Shares by the Offeror.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to which the Demand for the Sale of Shares relates, a Selling Shareholders will be able to file a petition with the court for a determination of the sale price for its Target Company Shares in accordance with Article 179-8 of the Companies Act and other applicable laws and regulations. In such a case, the sale price will be finally determined by the court.

Alternatively, if the Offeror comes to own less than 90% of the total voting rights in the Target Company after successful completion of the Tender Offer, the Offeror intends to request either that an extraordinary shareholders' meeting of the Target Company be convened (the "**Extraordinary Shareholders' Meeting**") the agenda for which include among other things the following proposals or that the Target Company include the following proposals in the agenda for the ordinary shareholders' meeting of the Target Company to be held in June 2019 (the "**Ordinary Shareholders' Meeting**" and, this or the Extraordinary Shareholders' Meeting, the "**Shareholders' Meeting**"): (i) a consolidation of the Target Company Shares (the "**Share Consolidation**"); and (ii) an amendment to the Target Company's articles of incorporation to abolish the share unit number provisions, subject to the Share Consolidation taking effect. The date of the Extraordinary Shareholders' Meeting has not been determined as of today in case it is convened. The Offeror intends to approve such proposals at the Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Shareholders' Meeting, the shareholders of the Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares corresponding to the ratio of the Share Consolidation that is approved at the Shareholders' Meeting. If, due to the Share Consolidation, a fraction less than one share emerges, shareholders of the Target Company will receive amounts of cash obtained by selling the Target

Company Shares equivalent to the total number of such fractional shares (with such aggregate sum rounded down to the nearest whole number) to the Offeror or the Target Company as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. Regarding the purchase price for the aggregate sum of such fractional shares in the Target Company, it is intended that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Target Company) would be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each such shareholder. The Target Company will request permission from the court to authorize the purchase of such Target Company Shares on this basis.

Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of the date hereof, it is intended that shareholders (excluding the Offeror and the Target Company) who did not tender in the Tender Offer would have their shares classified as fractional shares in order for the Offeror to become the sole owner of all of the Target Company Shares (excluding treasury shares held by the Target Company).

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to which the Share Consolidation relates, if the Share Consolidation occurs and there are fractional shares as a result, shareholders of the Target Company may request that the Target Company purchase all such fractional shares that they hold at a fair price, and such shareholders may file petitions with the court to determine the price of the Target Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act, and other applicable laws and regulations. As stated above, all shareholders of the Target Company who do not tender their Target Company Shares in the Tender Offer (excluding the Offeror and the Target Company) will hold fractional shares; accordingly, as stipulated in Article 182-4 and Article 182-5 of the Companies Act and other related laws and regulations, any shareholders of the Target Company who object to the Share Consolidation will be able to file a petition to determine the price of the Target Company Shares. In the event that such petition is filed, the acquisition price will be finally determined by the court.

With regard to the above procedure, it is possible that, depending on amendments to the relevant laws and regulations, the interpretation of the relevant laws and regulations by authorities, and the shareholding percentage of the Offeror after the Tender Offer and the ownership of Target Company Shares by shareholders of the Target Company other than the Offeror, more time may be required or alternative methods that have substantially the same effect may be utilized to implement the Transactions.

However, even in such a case, we intend to use a method whereby the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company) will ultimately receive cash consideration, in which case the amount to be delivered to each such shareholder will be calculated to equal the number of Target Company Shares held by each such shareholder multiplied by the Tender Offer Price.

Specific procedures and time schedule relating to such cases will be discussed with the Target Company and, once determined, will be promptly announced by the Target Company.

Please note that, by the Tender Offer, shareholders of the Target Company will not be solicited to agree to the proposals at the Shareholders' Meeting. All shareholders of the Target Company are solely responsible for seeking their own specialist tax advice with regard to the tax consequences of tendering into the Tender Offer or participating in the procedures outlined above.

(6) Delisting plans and the grounds for such delisting

The Target Company Shares are currently listed on the First Section of the Tokyo Stock Exchange. However, since the Offeror has not set a maximum limit on the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange, depending on the results of the Tender Offer.

Additionally, even in the event that the delisting criteria are not met upon completion of the Tender Offer, the Offeror intends to acquire all Target Company Shares (except for the treasury shares) as stated above in "(5) Policy for organizational restructuring after the Tender Offer (matters relating to the 'Two-Step Acquisition')" after successful completion of the Tender Offer. In such case, if the procedures stated in "(5) Policy for organizational restructuring after the Tender Offer (matters relating to the 'Two-Step Acquisition')" have been executed by the Target Company, the Target Company Shares will be delisted through the prescribed procedures. After delisting, the Target Company Shares will no longer be traded on the Tokyo Stock Exchange.

2. Overview of the Tender Offer

(1) Overview of the Target Company

1. Name	Clarion Co., Ltd.	
2. Address	7-2 Shintoshin, Chuo-ku, Saitama, Saitama	
3. Name and title of representative	President / CEO Atsushi Kawabata	
4. Description of business	Safety and Information System, Cloud Information Network Services for Automobile, Operation Control system for Business vehicle, Car Navigation System, Car Audio	
5. Capital	20,346 million yen (As of 30 June 2018)	
6. Date of incorporation	18 December 1940	
7. Major shareholders and their shareholding ratios (as of June 30, 2013) (Note)	Hitachi, Ltd.	63.80%
	Japan Trustee Services Bank, Ltd.	3.38%
	The Master Trust Bank of Japan, Ltd.	2.11%
	CREDIT SUISSE SECURITIES (USA) LCC SPCL. FOR EXCL. BEN (Standing Proxy: CREDIT SUISSE GROUP AG)	1.79%
	GOLDMAN, SACHS& CO. REG (Standing Proxy: Nomura Securities Co., Ltd.)	1.71%

	NOMURA PB NOMINESS LIMITED OMNIBUS-MARGIN (CASHPB)	1.23%
	CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW (Standing Proxy: Mizuho Bank, Ltd.)	0.95%
	Japan Trustee Services Bank, Ltd.(Trust Account 5)	0.71%
	BARCLAYS CAPITAL SECURITIES LIMITED A/C CAYMAN CLIENTS (Standing Proxy: Barclays Bank PLC)	0.66%
	Japan Trustee Services Bank, Ltd. (Trust Account 1)	0.58%
8. Relationship between Offeror and the Target Company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Transactional relationship	Not applicable
	Status as a related party	Not applicable

(Note) Major shareholders and their shareholding ratios (as of June 30, 2018) have been extracted from the section "Major Shareholders" of the securities report for the 78th financial year that the Target Company submitted on June 25, 2018.

(2) Schedule, etc.

The Offeror intends to commence the Tender Offer promptly once the Offeror completes the necessary procedures and actions under the competition laws of Japan and other countries or confirms that such procedures and actions can be completed and if the Preconditions have been satisfied (or waived by the Offeror). As of today, the Offeror aims to commence the Tender Offer in January 2019. However, it is difficult to anticipate accurately how long the procedures with competition authorities of Japan and other countries will take, we will inform you of the timetable of the Tender Offer promptly once decision has been made.
The Offeror intends to set the Tender Offer Period to be 20 business days.

(3) Tender offer price

2,500 JPY per share of common stock

(4) Basis for determining the Tender Offer Price

① Basis of valuation

In determining the Tender Offer Price, Faurecia conducted a comprehensive and multifaceted analysis of the Target Company’s business and financial status based on the Target Company’s disclosed financial information and the results of the due diligence with respect to the Target Company conducted from mid-September 2018 to first half of October 2018. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, Faurecia also referred to (i) the closing price (2,263 JPY) of the Target Company Shares on the First Section of the Tokyo Stock Exchange as of October 25, 2018, and (ii) the simple average closing prices of the Target Company Shares during the one-month, three-month and six-month periods prior to October 25, 2018 (1,906 JPY, 1,673 JPY and 1,576 JPY, respectively) and (iii) the closing price (1,915 JPY) of the Target Company Shares on the First Section of the Tokyo Stock Exchange as of the business day immediately preceding October 18, 2018 when a news media made a speculation report (Note 2). By also comprehensively taking into consideration premium paid when determining the prices of other similar precedents of tender offer transactions (aiming to make target companies become wholly-owned subsidiary) with the Tender Offer, the likelihood of obtaining the Target Company's endorsement of the Tender Offer and the prospects for successful completion of the Tender Offer, and upon consultation and negotiations with Hitachi and the Target Company, today, Faurecia and the Offeror determined the Tender Offer Price of 2,500 JPY. As Faurecia and the Offeror have determined the Tender Offer Price by comprehensively taking into consideration the factors described above, as well as its consultation and negotiations with Hitachi and the Target Company, Faurecia and the Offeror have not obtained a share valuation report from any third-party financial advisor.

The Tender Offer Price of 2,500 JPY represents (i) a premium of 10.47% on 2,263 JPY, the closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange on October 25, 2018, which was the business day immediately preceding the date of the announcement of the Tender Offer (today), (ii) a premium of 31.16% on 1,906 JPY, the one-month average closing price through October 25, 2018, (iii) a premium of 49.43% on 1,673 JPY, the three-month simple average closing price through October 25, 2018, and (iv) a premium of 58.63% on 1,576 JPY, the six-month simple average closing price through October 25, 2018, and (v) a premium of 30.55% on 1,915 JPY, the closing price as of the business day immediately preceding October 18, 2018 when a news media made a speculation report.

(Note 1) The Target Company consolidated the Target Company Shares at a ratio of five to one with effect from October 1, 2018. The share price prior to September 26, 2018, which was the ex rights date of share consolidation, were adjusted by multiplying 5.

(Note 2) The contents of the report was that the sale process of the Target Company Shares held by Hitachi is approaching the final phase.

② Valuation process

Faurecia initially approached Hitachi, the Target Company's parent company, in the first half of May 2018 regarding a capital and business alliance, including sales of the Target Company's shares, and Hitachi introduced it to Hitachi Automotive Systems. Through the discussion with Hitachi and Hitachi Automotive Systems in the second half of July 2018, to further understand both parties' business and objectives, Faurecia considered the acquisitions of 100% shares of the Target Company will create a powerful combination of global cockpit electronics business, fully integrating the resources and technical capabilities of the Target Company and Faurecia including Parrot and Coagent, which enables to respond to the demand of car users and car manufacturers. In late July 2018, Faurecia made the Initial Proposal to the Target Company, Hitachi and Hitachi Automotive Systems regarding the acquisition of 100% shares of the Target Company Shares as well as expected concrete synergies (such as developing IVI business building on the regional strengths of the Target Company and Faurecia Group) and the Target Company's position as its fourth business group in the Faurecia Group after the acquisition.

Triggered by the Initial Proposal from Faurecia, the Target Company, Hitachi and Hitachi Automotive Systems initiated concrete discussions and considerations for the Tender Offer with Faurecia from first half August 2018. Based on the discussions and considerations and the result of due diligence conducted from mid-September 2018 to the first half of October 2018, Faurecia presented the Final Proposal to the Target Company, Hitachi and Hitachi Automotive Systems in early October 2018.

Following the Final Proposal, Faurecia held discussions and negotiations with the Target Company, Hitachi, and Hitachi Automotive Systems on the terms and conditions of the Transactions. As a result, since Faurecia reached agreement with the Target Company, Hitachi and Hitachi Automotive Systems on the terms and conditions of the Transaction including the Tender Offer Price in second half of October 2018, the Offeror and Faurecia executed the Tender Offer Agreement with Hitachi and executed the TOB Agreement with the Target Company respectively as of today. Faurecia has determined to conduct the Tender Offer once the Offeror completes the necessary procedures and actions under the competition laws of Japan and other countries or confirms that such procedures and actions can be completed and if the Preconditions are fulfilled (or waived by the Offeror), and also has decided that for the Tender Offer the appraisal value per Target Company Share is set as 2,500 JPY.

In determining the Tender Offer Price, Faurecia conducted a comprehensive and multifaceted analysis of the Target Company's business and financial status based on the Target Company's disclosed financial information and the results of the due diligence with respect to the Target Company conducted from mid-September 2018 to first half of October 2018. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, Faurecia also referred to (i) the closing price (2,263 JPY) of the Target Company Shares on the First Section of the Tokyo Stock Exchange as of October 25, 2018, (ii) the simple average closing prices of the Target Company Shares during the one-month, three-month and six-month periods prior to October 25, 2018 (1,906 JPY, 1,673 JPY and 1,576 JPY, respectively), and (iii) the closing price (1,915 JPY) as of the business day immediately preceding October 18, 2018 when a news media made a speculation report. By also comprehensively taking into consideration premium paid when determining the prices of other similar precedents of tender offer transactions (aiming to make target companies become wholly-owned subsidiary) with the Tender Offer, the likelihood of obtaining the Target Company's endorsement of the Tender Offer and the prospects for successful completion of the Tender Offer, and upon consultation and negotiations with Hitachi and the Target Company, today, Faurecia and the Offeror finally determined the Tender Offer Price of 2,500 JPY.

(5) Number of shares to be acquired

Number of shares to be acquired	Minimum number of shares to be acquired	Maximum number of shares to be acquired
56,364,034 shares	37,576,000 shares	- shares

(Note 1) If the total number of Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (37,576,000 shares), then the Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or exceeds the minimum threshold of 37,576,000 shares, the Offeror will purchase all of the Tendered Shares.

(Note 2) Shares of less than one unit (the Target Company changed the number of shares comprising one unit from 1,000 to 100 with effect from October 1, 2018) are also subject to the Tender Offer. If any shareholder exercises the appraisal right for shares of less than one unit pursuant to the Companies Act, the Target Company may purchase its own shares in the legally prescribed manner during the Tender Offer Period.

(Note 3) The Offeror does not plan to acquire the Target Company's treasury shares through the Tender Offer.

(Note 4) The Offeror has not set a maximum number of shares to be purchased in the Tender Offer. Accordingly, the "number of shares to be acquired" box shows the maximum number of Target Company Shares to be acquired through the Tender Offer (56,364,034 shares). The maximum number (56,364,034 shares) is equal to the Adjusted Total Number of Target Company Shares (56,548,837 shares) minus Adjusted Number of Treasury Shares (184,803 shares).

(Note 5) The minimum number of shares to be purchased is a tentative figure based on information available as of today. Changes from today may result in a different figure as the actual minimum number of shares to be purchased in the Tender Offer. The minimum number of shares to be purchased will be finally determined before the commencement of the Tender Offer, taking into account the latest number of treasury shares owned by the Target Company available at the date of the commencement of the Tender Offer.

(6) Changes to percentage of shares held as a result of acquisition of tendered shares

Number of voting rights attached to shares held by the Tender Offeror prior to the acquisition	-	(-% of shares held prior to the acquisition)
Number of voting rights attached to shares held by special related parties prior to the acquisition	Unknown	(Unknown% of shares held prior to the acquisition)
Number of voting rights attached to shares held by the Tender Offeror after the acquisition	563,640	(100.00% of shares held after the acquisition)
Number of voting rights attached to shares held by special related parties after the acquisition	-	(-% of shares held after the acquisition)
Number of voting rights held by all of the Target Company's shareholders	280,958	

(Note 1) "Number of voting rights attached to shares held by the Tender Offeror after the acquisition" indicates the number of voting rights attached to the number of Target Shares to be purchased through the Tender Offer (56,364,034 shares).

(Note 2) "Number of voting rights attached to shares held by special related parties prior to the acquisition" and "Number of voting rights attached to shares held by special related parties after the acquisition" show the aggregate numbers of voting rights attaching to the shares held by special related parties (but excluding those who are excluded from special related parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer in the calculation of the Ownership Ratio of Share Certificates, etc. of the items in Article 27-2, Paragraph 1 of the Act).

(Note 3) "Number of voting rights held by all of the Target Company's shareholders" is the number of voting rights held by all shareholders as of June 30, 2018 listed in the Target Company's first quarterly report for 79th financial year submitted on August 19, 2018 by the Target Company. However, because the Target Company consolidated shares at the ratio of five to one and changed the number of shares comprising one unit from 1,000 to 100 with effect from October 1, 2018, and because the shares of less than one unit are also subject to the Tender Offer, the "percentage of shares held prior to the acquisition" and "percentage of shares held after the acquisition" were calculated by setting as the denominator the number of voting rights (563,640) attaching to the number of Target Shares obtained by deducting Adjusted Number of Treasury Shares (184,803 shares) from the Adjusted Total Number of Target Company Shares (56,548,837 shares).

(Note 4) "Percentage of shares held prior to the acquisition" and "percentage of shares held after the acquisition" are rounded to the second two decimal points.

(7) Tender Offer amount

140,910,085,000 JPY

(Note) The Tender Offer amount was calculated by multiplying the number of shares to be acquired (56,364,034 shares) by the Tender Offer Price (2,500 JPY per share).

(8) Other purchase terms, conditions, and procedures

"Other purchase terms, conditions and procedures" and "method of settlement" other than the items set out in ① below will be announced as soon as decisions have been made, together with "(2) Schedule, etc." above.

①Existence of conditions referred to in the items set out in Article 27-13, Paragraph 4 of the Act and their contents

If the total number of Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (37,576,000 shares), then the Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or exceeds the minimum threshold, the Offeror will purchase all of the Tendered Shares.

(9) Agent for the Tender Offer

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

3. Post-Tender Offer policy and future outlook

(1) Post-Tender Offer policy

For Post-Tender Offer policy and prospect, please see "(2) Background, purpose and decision-making process of the Offeror leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer ", "(5) Policy for organizational restructuring after the Tender Offer (matters relating to the "Two-Step Acquisition")", and "(6) Delisting plans and the grounds for such delisting" of "1. Purpose of the Tender Offer" above.

4. Other matters

(1) Agreements between the Offeror and the Target Company or its officers and the terms thereof

① Support to the Tender Offer

According to the Target Press Release, at a meeting held today, the Target Company's Board of Directors adopted a resolution that, as of today, the Target Company intends to support the Tender Offer and recommend its shareholders to tender their shares into the Tender Offer once the Tender Offer has been commenced, and at the time the Tender Offer is commenced, the Target Company will re-announce its opinion in relation to the Tender Offer.
For the details of such decision made by the Target Company, please see the Target Press Release and "1. Purpose of the Tender Offer", "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", of ④ Approval by all directors of the Target Company with no conflict of interest".

② TOB Agreement
③ Agreements in relation to provisions of the transition services and business partnership

For details of agreements ② to ③ above, please refer to "(4) Material agreements pertaining to the Tender Offer" of "1. Purpose of the Tender Offer" above.

(2) Other information deemed necessary for investors to decide whether or not to tender shares

① Consolidated Financial Results for the Second Quarter Ending March 31, 2019 [IFRS]

The Target Company announced "Consolidated Financial Results for the Second Quarter Ending March 31, 2019 [IFRS]" on October 25, 2018. For details, see the contents of such announcement.

② Dividend forecast for the fiscal year ending March 31, 2019

At a meeting held today, the Board of Directors of the Target Company adopted a resolution not to make a dividend for the fiscal year ending March 31, 2019 subject to successful completion of the Tender Offer. For details, see the Target Company's press release, dated as of today, "Announcement concerning the revision of the dividend forecast for the fiscal year ending March 31, 2019".

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanatory Statement for the Tender Offer, as it may be amended from time to time, and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of or be relied on in connection with any agreement thereof.

Although the Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act, these procedures and standards may differ from the procedures and information disclosure standards in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “U.S. Securities Exchange Act of 1934”), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. The financial information contained in this press release may not necessarily be comparable to the financial statements of U.S. companies. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Offeror and the Target Company are incorporated outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

Unless otherwise specified, all procedures relating to the Tender Offer shall be conducted entirely in Japanese. While some or all of the documentation relating to the Tender Offer will be prepared in English, if there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail. English translations of the Tender Offer materials may also be obtained at http://www.faurecia.com/en/newsroom.

This press release contains "forward-looking statements." Known or unknown risks, uncertainties and other factors could cause actual results to differ substantially from the projections and other matters expressly or impliedly set forth herein as “forward-looking statements.” None of the Offeror, the Target Company or any of their respective affiliates assures that such express or implied projections set forth herein as "forward-looking statements" will eventually prove to be correct. The "forward-looking statements" contained in this press release have been prepared based on the information held by the Offeror and the Target Company as of the date hereof and, unless otherwise required under applicable laws and regulations, none of the Offeror, the Target Company or any of their respective affiliates assumes any obligation to update or revise this press release to reflect any future events or circumstances.

Some countries or regions may impose restrictions on the announcement, issue or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.

The financial advisor and the agent for the Tender Offer (including their affiliates) to the Offeror may purchase shares in the Target Company for its own account or for the account of its clients or take actions for such purchase prior to the Tender Offer or during the Tender Offer Period outside the Tender Offer to the extent permitted under Japanese and U.S. securities laws and regulations. Such purchase may be made at the market price through market transactions, or at a price determined by negotiation outside the market.