[Translation]

TENDER OFFER EXPLANATORY STATEMENT

January, 2019

Hennape Six SAS

(Target Company: Clarion Co., Ltd.)

TENDER OFFER EXPLANATORY STATEMENT

The Tender Offer pursuant to this Statement is subject to Chapter II-2, Section 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended). This Statement is prepared in accordance with Article 27-9 of the Financial Instruments and Exchange Act.

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Notes

(1) The "**Offeror**" refers to Hennape Six SAS.

(2) The "**Target Company**" refers to Clarion Co., Ltd.

(3) If figures referred in this document have been rounded off or rounded down, total amounts shall not necessarily correspond with the aggregated amounts of the relevant figures.

(4) The "**Act**" refers to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

(5) The "**Order**" refers to Order for Enforcement of the Financial Instruments and Exchange Act (Act No. 321 of 1965, as amended).

(6) The "**Ordinance** " refers to the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ministry of Finance Order No. 38 of 1990, as amended).

(7) The "**Shares, Etc.**" refers to right related to share.

(8) The "**Business Day**" refers to the day except on the day prescribed in Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).

(9) In the case where there is any statement regarding the number of days or date and hour referred in this document, they mean the number of days or date and hour in Japan unless otherwise indicated.

(10) Although a tender offer related to submission of this Statement (the "**Tender Offer**") will be conducted in accordance with the procedures and information disclosure standards prescribed in the 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 Statement and reference documents of this Statement 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.

(11) 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.

(12) This Statement and reference documents of this Statement contain "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 Statement and reference documents of this Statement 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 Statement and reference documents of this Statement to reflect any future events or circumstances.

(13) 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. When the information regarding the offer is disclosed in Japan, the information would be disclosed in the website of the person who offered or other way of disclosure in English.

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PART I. TERMS AND CONDITIONS OF THE TENDER OFFER

1. Name of the Target Company

Clarion Co., Ltd.

2. Class of Shares, Etc., to be Purchased

Common shares

3. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Offeror is a simplified corporation (Note 1) incorporated in France on December 22, 2016, the primary goal of which is to acquire the Target Company common Shares (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.E. (Note 2) ("**Faurecia**", together with its affiliates, the "**Faurecia Group**"). As of today, neither the Offeror nor Faurecia owns any Target Company Shares.

As announced in "Announcement regarding Tender Offer for Common Shares of Clarion Co., Ltd. (Code: 6796)" as of October 26, 2018 (the "**Offeror Press Release dated October 26, 2018**", the Offeror decided to acquire the Target Company Shares by way of 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 within the period of the Tender Offer (the "**Tender Offer Period**") and if the conditions precedents (Note 4) for commencement of the Tender Offer set out in the Tender Offer Agreement (Note 3) and the conditions precedents (Note 6) for commencement of the Tender Offer set out in the TOB Agreement (Note 5) (collectively, the "**Tender Offer Preconditions**") have been satisfied (or the Offeror has waived such Tender Offer Preconditions). Since the Offeror Press Release dated October 26, 2018, the Offeror has progressed with the necessary procedures and actions under the competition laws of Japan and other countries to launch the Tender Offer. Moreover, since the Offeror had completed the necessary procedures and actions under the competition laws in 7 countries, including Japan in relation to the share acquisition by the Tender Offer, and the Tender Offer Preconditions have been satisfied, the Offeror decided as of January 29, 2019 to commence the Tender Offer from January 30, 2019 as part of the Transactions.

(Note 1) A simplified corporation ("*société par actions simplifiée*") is a company by shares under French law, with no minimum capital regulation. Such company form is the most frequent form for French non-listed companies by shares. Governance is freely organized by shareholders in the by-laws of such companies. The Offeror is managed and represented by a *Président* (executive officer) and has one shareholder only, which is Faurecia S.E.

(Note 2) Faurecia S.A. became Faurecia S.E. by entity conversion on December 26, 2018.

(Note 3) 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 October 26, 2018 pursuant to which Hitachi will tender all of its Target Company Shares (35,963,034 shares, representing an ownership percentage (Note 7) of 63.81% 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 4) 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 6) 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 Offeror, Faurecia and the Target Company executed a TOB agreement (the "**TOB Agreement**") as of October 26, 2018 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 6) 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 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 7) The ownership percentage is the ratio against the number of Target Company Shares (56,361,277 shares) obtained by deducting the number of treasury shares (187,560 shares) as of December 31, 2018 from the total number of outstanding Target Company Shares (56,548,837 shares) as of December 31, 2018 (as stated in Consolidated Financial Results for the Third Quarter of Financial Year Ending March 31, 2019 [IFRS] of the Target Company announced on January 29, 2019 (the "**Target Company 3Q2019 Financial Information**")) and rounding up or down to the nearest second decimal place. Same applies to the following statements regarding the ownership percentage.

The Offeror has set 37,574,200 shares (representing an ownership percentage of 66.67% 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 (37,574,200 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 37,574,200 shares, the Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased in the Tender Offer (37,574,200 shares) has been calculated by multiplying two-thirds (375,742) of the number of voting rights (563,612) corresponding to the number of shares (56,361,277 shares) obtained by the total number of outstanding Target Company Shares (56,548,837 shares as of December 31, 2018 (as stated in the Target Company 3Q2019 Financial Information)) minus number of treasury shares (187,560 shares) as of the same date, by 100, the number of shares of the Target Company per unit.

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 will obtain the necessary funds for settlement of the Tender Offer by receiving the necessary funding from Faurecia, through a loan (the "**Faurecia Loan**"). Please see "(2) Deposits or Borrowings Available to Applied as Funds Required for the Purchase" of "8. Funds Required for the Purchase" below for more information. The Offeror will obtain the Faurecia Loan no later than the two (2) Business Days prior to the commencement date 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 on October 26, 2018, at a meeting held on October 26, 2018, the Target Company's board of directors adopted a resolution that, as the opinion of Target Company on the same day, 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 re-announce its opinion in relation to the Tender Offer.

In addition, according to the "Announcement Concerning Opinion on Tender Offer by Hennape Six SAS (Subsidiary of Faurecia)" issued by the Target Company on the January 29, 2019 (hereinafter referred to as "**Target Press Release**" together with "Announcement Concerning Opinion on Tender Offer by Hennape Six SAS (Subsidiary of Faurecia)" issued by the Target Company on October 26, 2018), the Target Company was notified by the Offeror on January 17, 2019 that all of the necessary procedures and actions under the competition laws of Japan and other countries may be completed before January 30, 2019 and that the Offeror planned to commence the Tender Offer with January 30, 2019 as the commencement date, in case of the Tender Offer Preconditions being satisfied, and as a result of careful consideration of the various conditions concerning the Tender Offer, as below "

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, at a meeting held on January 29, 2019, the Target Company's board of directors adopted a resolution that, as the 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.

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.

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 information 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 December 31, 2018). Faurecia Group, one of the top 10 worldwide automotive suppliers 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 2.1 trillion JPY (using Telegraphic Transfer Middle Rate of Mitsui Sumitomo Bank as of January 25, 2019, 1 euro = 124.10 JPY), same applies to the following except for (2) Financial condition of 1. In the Case Where the Offeror is a Corporation of PART II. INFORMATION ON THE OFFEROR) 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 66.8 billion JPY)) to 2017 (6.9% of revenues with 1,170 million euro (approximately 145.2 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 881.1 billion JPY) of product sales in 2017, 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 670.1 billion JPY) of product sales in 2017, 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 558.5 billion JPY) of product sales in 2017, 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 October 26, 2018. Faurecia 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 within the Tender Offer Period and the Tender Offer Preconditions are fulfilled (or waived by the Offeror).

And now, since the necessary procedures and actions under the competition laws of Japan and other countries have been completed and the Tender Offer Preconditions have been satisfied, the Offeror considered that it became possible to launch the Tender Offer and decided to commence the Tender Offer from January 30, 2019.

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 CO2 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

(i) Process and reasons leading to the board resolution for the expression of opinion as of October 26, 2018

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 as of October 25, 2018 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, there is an agreement on the basic framework for such relationships following completion of the Tender Offer because such relationships are important from the Target Company's business operational perspective. For the details, please see "③ Agreements in relation to Provisions of Transition Services and Business Partnership" of "(4) Material agreements pertaining to the Tender Offer".

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 "② Discussions 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 before the date of the preceding announcement of the Tender Offer (October 26, 2018), (b) a premium of 31.16% on 1,906 JPY, the simple average closing price for the most recent one-month period before the date of the preceding announcement of the Tender Offer (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 before the date of the preceding announcement of the Tender Offer, and (d) a premium of 58.63% on 1,576 JPY, the simple average closing price for the most recent six-month period before the date of the preceding announcement of the Tender Offer; 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 decided 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 on October 26, 2018 that, as the opinion of the Target Company as of October 26, 2018, 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 October 26, 2018.

(ii) Process and reasons leading to the board resolution for the expression of opinion as of January 29, 2019

The Target Company was notified by the Offeror on January 17, 2019 that all of the necessary procedures and actions under the competition laws of Japan and other countries may be completed before January 30, 2019 and that the Offeror planned to commence the Tender Offer with the commencement date of January 30, 2019, in case of the Tender Offer Preconditions being satisfied, and the Target Company requested that the Independent Committee established by the Target Company examine whether there are any changes in the opinion they expressed to the board of directors as of January 18, 2019, 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. As a result of examining such request, the Independent Committee confirmed that there were no circumstances that necessitated changing the content of the opinion expressed in the Independent Committee Report, even taking into consideration the circumstances from October 25, 2018 to January 28, 2019 (including the content described in the Target Company Forecast Revision Press Release issued by the Target Company on January 29, 2019 ("**Target Company Forecast Revision Press Release**") and in the Updated Share Valuation Report (as defined 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")), and has submitted a report to the Target Company's board of directors on January 28, 2019 to the effect that there are no changes to the opinion that the Independent Committee had previously expressed on October 25, 2018 (further, that its opinion of "it is appropriate that the board of directors of the 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" to "(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" of the Matters of Inquiry (as defined in "(ii) The Target Company has established an independent committee and obtained 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") means to express an opinion to the effect that the Target Company’s opinion of supporting the Tender Offer and the recommendation to the shareholders of the Target Company to tender their shares in the Tender Offer is deemed not to be disadvantageous to the minority shareholders of the Target Company). The Target Company, based on this opinion and after carefully reexamining the terms and conditions regarding the Tender Offer, confirmed that there were no material changes to the business conditions of the Target Company and the environment surrounding the Transactions from October 25, 2018 to January 29, 2019, determined that there have been no changes in the Target Company's opinion from October 26, 2018 to January 29, 2019, and resolved at a meeting of the board of directors held on January 29, 2019 to express its opinion that it supports the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details regarding the resolution by the meeting of board of directors of the Target Company dated October 26, 2018 mentioned above and January 29, 2019 respectively, 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

Following successful completion of the Tender Offer, 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 and the share valuation report as of January 28, 2019 (the "**Updated 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 before the date of the preceding announcement of the Tender Offer (1,906 JPY), the most recent 3-month period before the date of the preceding announcement of the Tender Offer (1,673 JPY), and the most recent 6-month period before the date of the preceding announcement of the Tender Offer (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.

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

Valuation Report based on the market share price method, as the Reference Date of calculation has not been changed. Based on the DCF Method, the range of per-share value of the Target Company Shares is calculated as 2,339 JPY to 3,350 JPY, reflecting the revision of its consolidated full-year earnings forecast and the slide of the Reference Date of calculation.

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 objectively.

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

(a) Based on the results of the hearing of the 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 Preceding Announcement**"), (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 Preceding Announcement, (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 Preceding Announcement, 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 Preceding Announcement. 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 (as defined in (5) Policy for organizational restructuring after the Tender Offer (matters relating to the "Two-Step Acquisition") below.) or the Share Consolidation (as defined in (5) Policy for organizational restructuring after the Tender Offer (matters relating to the "Two-Step Acquisition") below.). 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.

(Note) Fiduciary Out provision generally means that a provision in the M&A agreement where the target company or the seller will be released from its obligations under the M&A Agreement subject to certain conditions if certain events occur including but not limited to a superior competing offer or a competing offer which increases a corporate value of the target company has been made from a third party to the target company or the seller after entering into the M&A agreement.

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

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 on October 26, 2018 that, as the Target Company’s opinion on the same date, 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.

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 was notified by the Offeror on January 17, 2019 that all of the necessary procedures and actions under the competition laws of Japan and other countries may be completed before January 30, 2019 and that the Offeror planned to commence the Tender Offer with the commencement date of January 30, 2019, in case of the Tender Offer Preconditions being satisfied, and as a result of careful consideration of the various conditions concerning the Tender Offer, at a meeting held on January 29, 2019, the Target Company's board of directors determined that there have been no changes in the Target Company's opinion from October 26, 2018 to the date hereof, and adopted a resolution that, as the 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.

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 sets the Tender Offer Period at 21 Business Days. While it is comparatively short, the Target Company believes that the long period from the announcement of the Tender Offer to the commencement of the Tender Offer has provided 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 (as defined in "② TOB Agreement" of "(4) Material agreements pertaining to the Tender Offer".) 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.

The Offeror also believes that the long period from the announcement of the Tender Offer to the commencement of the Tender Offer has provided 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.

(4) Material agreements pertaining to the Tender Offer

① Tender Offer Agreement

As of October 26, 2018, the Offeror and Hitachi executed the Tender Offer Agreement pursuant to which Hitachi will tender Hitachi Tendered Shares (35,963,034 shares, representing an ownership percentage of 63.81% 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 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 October 26, 2018, the Offeror, Faurecia and the Target Company 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, (i) the Target Company, Hitachi, Hitachi Automotive Systems, and Faurecia entered into the Transition Services Agreement, and (ii) Hitachi, Hitachi Automotive Systems, and Faurecia entered into the Partnership Agreement, as of January 28, 2019, in relation to provisions of the transition services from Hitachi to the Target Company and the business partnership.

The Transition Services Agreement provides, with respect to the acquisition of the Target Company Share by Faurecia, (i) the transition services provided by Hitachi to the Target Company during the certain period after the completion of the Tender Offer regarding IT and joint procurement, (ii) the handling of the transition of HR matters, the usage of the Hitachi brand, financing, and insurance, and other related matters.

The Partnership Agreement provides, among others, (i) the license of IP that are owned by Hitachi or Hitachi Automotive Systems and that are used in the core business of the Target Company, (ii) the establishment of the partnership among Faurecia, Hitachi, and Hitachi Automotive Systems in the area of autonomous driving solutions, (iii) the transfer of specific know-how from Hitachi Automotive Systems to the Target Company, (iv) continuance of the project implemented between the Target Company and Hitachi R&D Department.

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

As stated in "(1) Overview 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 "**Companies Act**"), 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 (including a decision by the executive officer based on delegation 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 (including the executive officer delegated by a resolution of the 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.

4. <u>Purchase Period, Price and Number of Shares, Etc., to Be Purchased</u>

(1) <u>Purchase Period</u>

① <u>Purchase Period as of the Time of Filing the Tender Offer</u>

Purchase Period	From January 30, 2019 (Wednesday) to February 28, 2019 (Thursday) (21 Business Days)
Date of Public Notice	January 30, 2019 (Wednesday)
Newspaper Publishing Public Notice	Public notice will be made electronically, and a notice thereof will be published in the Nihon Keizai Shimbun. URL of electronic disclosure: (http://disclosure.edinet-fsa.go.jp/)

② <u>Possibility of Extension at the Target Company's Request</u>

If the position statement which demands expansion of the term of the Tender Offer from the Target Company is submitted under Article 27-10, Paragraph 3 of the Act, the term of the Tender Offer will be until March 13, 2019 (Wednesday) (for 30 Business Days).

③ <u>Contact Information to Confirm Extension Period</u>

Contact Information: Baker & McKenzie (Gaikokuho Joint Enterprise)

Ark Hills Sengokuyama Mori Twr. 28F
1-9-10 Roppongi, Minato-ku, Tokyo
Attorney-in-Fact Masahiro Inaba
Telephone Number +81-3-6271-9509

Reception Time: From 10 a.m. to 5 p.m. on weekdays

(2) <u>Purchase Price</u>

Shares	2,500 JPY per share of common stock

Stock Acquisition Rights	--
Bonds with Stock Acquisition Rights	--
Trust Beneficiary Certificates of Shares, Etc. ( )	--
Depository Receipts for Shares, Etc. ( )	--
Basis for the Calculation	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, as of October 26, 2018, 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 before the date of the preceding announcement of the Tender Offer (October 26, 2018), (ii) a premium of 31.16% on 1,906 JPY, the simple average closing price for the most recent one-month period before the date of the preceding announcement of the Tender Offer , (iii) a premium of 49.43% on 1,673 JPY, the simple average closing price for the most recent three-month period before the date of the preceding announcement of the Tender Offer, and (iv) a premium of 58.63% on 1,576 JPY, the simple average closing price for the most recent six-

	month period before the date of the preceding announcement of the Tender Offer, (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 and (vi) a premium of 0.40% on 2,490 JPY, closing price on January 29, 2019, the preceding Business Day of submission date of this Statement. (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.
Background of the calculation	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 October 26, 2018. 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 within the tender offer period and if the Tender Offer 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, as of October 26, 2018, Faurecia and the Offeror finally determined the Tender Offer Price of 2,500 JPY.

(3) Number of shares to be purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
56,361,277 shares	37,574,200 shares	－ shares

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (37,574,200 shares), then the Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is equal to or exceeds the minimum number of shares to be purchased (37,574,200 shares), the Offeror will purchase all of the Tendered Shares.

(Note 2) The Tender Offer also applies to fractional units of shares (With effect from October 1, 2018, the Target Company changed its fractional unit from 1,000 shares to 100 shares.). If the right to request a sale of fractional shares is utilized pursuant to the Companies Act, the Target Company may purchase such fractional shares during the Tender Offer Period in accordance with applicable legal procedures.

(Note 3) There is no plan to acquire the treasury shares of the Target Company through the Tender Offer.

(Note 4) Since there is no maximum number of shares to be purchased in the Tender Offer, the maximum number of Target Company Shares (56,361,277 shares) to be acquired by the Offeror in the Tender Offer is stated as the number of shares to be purchased. Such maximum numbers (56,361,277 shares) is calculated by the total number of the outstanding Target Company Shares (56,548,837 shares) as of December 31, 2018 described in the Target Company 3Q2019 Financial Information minus the number of treasury shares as of same date (187,560 shares).

5. Ownership Ratio of Shares, Etc., After the Tender Offer

Category	Number of Voting Rights
(a) Number of voting rights pertaining to Shares, Etc., to be purchased	563,612
(b) Number of voting rights pertaining to dilutive Shares, Etc., included in (a)	--
(c) Number of voting rights pertaining to trust beneficiary certificates of Shares, Etc., and depository receipts for Shares, Etc., indicating the rights of shares included in (b)	--
(d) Number of voting rights pertaining to Shares, Etc., owned by the Offeror (as of January 30, 2019)	--
(e) Number of voting rights pertaining to dilutive Shares, Etc., included in (d)	--
(f) Number of voting rights pertaining to trust beneficiary certificates of Shares, Etc., and depository receipts for Shares, Etc., indicating the rights of shares included in (e)	--
(g) Number of voting rights pertaining to Shares, Etc., owned by specially related parties (as of January 30, 2019)	--
(h) Number of voting rights pertaining to dilutive Shares, Etc., included in (g)	--
(i) Number of voting rights pertaining to trust beneficiary certificates of Shares, Etc., and depository receipts for Shares, Etc., indicating the rights of shares included in (h)	--
(j) Number of voting rights of all shareholders of the Target Company (as of September 30, 2018)	280,948
Ratio of the number of voting rights pertaining to Shares, Etc., to be purchased to the number of voting rights of all shareholders of the Target Company ((a)/(j)) (%)	100.00
Ownership ratio of Shares, Etc., after the purchase ((a+d+g)/(j+(b-c)+(e-f)+(h-i))×100) (%)	100.00

(Note 1) "Number of voting rights pertaining to Shares, Etc., to be purchased (a)" is the number of voting rights given to the number of Shares to be Purchased (56,361,277 shares).

(Note 2) "Number of voting rights of all shareholders of the Target Company" (as of September 30, 2018) (j) is the number of voting rights held by all of the Target Company's shareholders stated in the 79th Fiscal Period Second Quarter Securities Report of the Target Company filed on November 8, 2018. However, because the Target Company consolidated the Target Company Shares at a 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 the shares of less than one unit are also subject to the Tender Offer, the " Ratio of the number of voting rights pertaining to Shares, Etc., to be purchased to the number of voting rights of all shareholders of the Target Company" and "Ownership ratio of Shares, Etc., after the purchase" are calculated by setting as the denominator the number of voting rights (563,612) attaching to the number of Target Company Shares (56,361,277 shares) obtained by deducting number of treasury shares as of December 31, 2018 (187,560 shares) from the total number of the outstanding Target Company Shares as of same date stated in Target Company 3Q2019 Financial Information (56,548,837 shares).

(Note 3) "Ratio of the number of voting rights pertaining to Shares, Etc., to be purchased to the number of voting rights of all shareholders of the Target Company" and "Ownership ratio of Shares, Etc., after the purchase" are rounded off to the second decimal points.

6. Permissions, Etc., in connection with Acquisition of Shares, Etc.

(1) Type of Shares, Etc.

Common shares

(2) Underlying Laws

① Act on Prohibition of Private Monopolization and Maintenance of Fair Trade

The Offeror shall submit, pursuant to the provisions of Article 10, Paragraph 2 of Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended ("**Anti-Monopoly Act**"), the plan regarding the Share Acquisition to Japan Fair Trade Commission in advance (it has been referred to the "**Advance Notification**"). It is not allowed to acquire any shares of the Target Company until the expiration of the thirty-day waiting period (it may be shortened.) from the date of acceptance of the said Advance Notification under Article 10, Paragraph 8 ("**Waiting Period**").

Article 10, Paragraph 1 of the Anti-Monopoly Act prohibits the acquisition of shares that result in substantially restraining competition in any particular field of trade, and Japan Fair Trade Commission can order necessary measures to eliminate relating to the violation (the Article 17-2, Paragraph 1, it refers to "**Cease and Desist Order**"). If the Advance Notification is filed and Cease and Desist Order will be issued, the Japan Fair Trade Commission shall notify the addressee of contents of the planned Cease and Desist Orders, etc. (the Article 49, Paragraph 5, "**Advance Notification of Cease and Desist Order**"). On the other hand, if the Japan Fair Trade Commission decides not to issue a Advance Notification of Cease and Desist Order, it shall notify the addressee to that effect ("**Notification Not to Issue Cease and Desist Order**") (Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rule No. 1 of 1953)).

The Offeror submitted the Advance Notification related to this Share Acquisition to the Japan Fair Trade Commission on November 20, 2018, and it was accepted on the same day. The Offeror received the Notification Not to Issue Cease and Desist Order from the Japan Fair Trade Commission on December 14, 2018, and the period during which the Advance Notification of Cease and Desist Order may be issued ended without the Advance Notification of Cease and Desist Order. Also, the Waiting Period of the Share Acquisition ended on December 20, 2018.

② Chinese Antimonopoly Law

The Offeror shall, pursuant to the Chinese Antimonopoly Law, submit an advance notification prior to the Share Acquisition to the State Administration for Market Regulation of the People's Republic of China ("**SAMR**"). Before SAMR formally accepts the filing, the case handler will review the notification for completeness first. Once the filing is accepted "as complete", SAMR shall decide within a 30 calendar day review period from the acceptance of the advance notification whether they approve the Share Acquisition or conduct a more detailed review ("**Phase 2 Review**"). If SAMR decides to conduct the Phase 2 Review, the Offeror may conduct the Share Acquisition once SAMR approves it within 90 days review period (this period can be extended up to 60 days) from the day when SAMR determines that Phase 2 Review is required.

The Offeror submitted the advance notification related to this Share Acquisition to SAMR on November 6, 2018 (local time), and it was accepted as complete on December 10, 2018 (local time). SAMR issued the clearance notice on January 7, 2019 (local time).

③ Hart-Scott-Rodino Antitrust Improvements Act (1976)

The Offeror was required to submit, pursuant to Hart-Scott-Rodino Antitrust Improvements Act (1976) ("**U.S. Antitrust Law**", as amended from time to time), an advance notification in relation to the Share Acquisition prior to the Share Acquisition to the Department of Justice's Antitrust Division in the U.S. and the U.S. Federal Trade Commission (hereinafter collectively referred to as the "**US Antitrust Authority**"). The Offeror is permitted to consummate the Share Acquisition after 15 days have passed from the date of notification unless an additional information request from the US Antitrust Authority ("**Second Request**") had been issued prior to the passage of that 15th day (if that day is Saturday, Sunday or public holiday, the next day after lapse).

The Offeror submitted the advance notification related to this Share Acquisition to the US Antitrust Authority on November 20, 2018 (local time), and it was accepted on the same day. The waiting period expired on December 5, 2018 (local time) without receipt of any Second Request, granting clearance to the parties to consummate the transaction.

④ German Act Against Restraints of Competition

The Offeror shall, pursuant to Act against Restraints of Competition of Federal Republic of Germany ("**German Competition Law**"), submit an advance notification in relation to the Share Acquisition prior to the Share Acquisition to the German Federal Cartel Office. It is prohibited to consummate the Share Acquisition during 1 month waiting period from the notification in principle, but the Offeror may conduct the Share Acquisition without elapse of the waiting period in relation to the German Competition Law if they obtain a letter from German Federal Cartel Office during the waiting period stating that (i) the Share Acquisition does not fall under the matters prohibited by the German Competition Law and (ii) the Share Acquisition can be consummated.

The Offeror submitted the advance notification to the German Federal Cartel Office on October 30, 2018 (local time), and it was confirmed as received on the same day. The German Federal Cartel Office issued the letter which states that the Share Acquisition does not fall under the prohibited causes and thus it can be conducted on November 22, 2018 (local time), and the Offeror received the letter on November 23, 2018 (local time) and confirmed the approval of the Share Acquisition on the same day.

⑤ Mexico Federal Law of Economic Competition

The Offeror shall, pursuant to Mexico Federal Law of Economic Competition, submit an advance notification regarding combination of enterprises prior to the Share Acquisition to the Federal Economic Competition Commission. Federal Economic Competition Commission shall request to provide additional information within 10 business days after the notification is accepted. Federal Economic Competition Commission has 15 business days from the submission date of the response to the request of information, to issue a second request for information. Resolution relating to the Share Acquisition shall be issued within 60 business days after the response to the first, or if applicable, second request, is submitted.

The advance notification regarding the Share Acquisition was filed before the Federal Economic Competition Commission on November 14, 2018 (local time). The Federal Economic Competition Commission issued a request for information on November 27, 2018 (local time), which was fully responded on December 20, 2018 (local time). After then, the Federal Economic Competition Commission issued the notification which approves the Share Acquisition on January 24, 2019 (local time). The Offeror received the notification on January 25, 2019 (local time) and confirmed the approval of the Share Acquisition on the same day.

⑥ Brazilian Competition Protection Law

The Offeror shall, pursuant to Brazilian Competition Protection Law, submit an advance notification regarding business combination prior to the Share Acquisition to the Administrative Council for Economic Defence. The Administrative Council for Economic Defence shall decide whether they approve the Share Acquisition within 240 days after they accept the notification (this examination period can be extended up to 90 days.).

The advance notification regarding the Share Acquisition was accepted by the Administrative Council for Economic Defence on November 26, 2018 (local time). The Offeror received the notification which approved the Share Acquisition on December 4, 2018 (local time). On December 21, 2018 (local time), the Administrative Council for Economic Defence issued a certificate attesting that the term to appeal the clearance decision has expired and that the clearance decision has become final and enforceable.

⑦ Act on the Prohibition of Unfair and Restrictive Market Practices

The Offeror shall, pursuant to Act on the Prohibition of Unfair and Restrictive Market Practices, submit an advance notification regarding the Share Acquisition before its implementation to the Hungarian Competition Authority.

The Hungarian Competition Authority shall decide within 8 days from the official receipt of the notification whether or not to review the transaction. If the Hungarian Competition Authority decides to conduct the review, they will decide within a 30-day review period (this period can be extended up to 20 days) from that day whether they approve the Share Acquisition or conduct more detailed second phase review. If the Hungarian Competition Authority decides to conduct the second phase review, they will decide within a 4-month review period (this period can be extended for up to 2 months) from that day whether they approve or prohibit the Share Acquisition.

The advance notification regarding the Share Acquisition was accepted by the Hungarian Competition Authority on November 19, 2018 (local time). After then, the Hungarian Competition Authority issued the certificate which approved the Share Acquisition on November 22, 2018 (local time). The Offeror received the certificate and confirmed the approval of the Share Acquisition on the same day.

(3) Date and Number of Permissions, Etc.

Name of Country or Area	Name of Authorization approved	Date of approval, etc. (local time)	Numbers of Approval, etc.
Japan	Japan Fair Trade Commission	December 14, 2018 (Receipt of the Notification not to conduct Cease and desist orders)	No. 943
People's Republic of China	State Administration for Market Regulation	January 7, 2019	[2019] No.9
U.S.	U.S. Federal Trade Commission	December 5, 2018	20190363
Germany	German Federal Cartel Office	November 22, 2018	B9-180/18
Mexico	Federal Economic Competition Commission	January 24, 2019	CNT-168-2018
Brazil	Administrative Council for Economic Defence	December 4, 2018	08700.006652/2018-18
Hungary	Hungarian Competition Commission	November 22, 2018	B/881-6/2018

7. Method of Tendering Shares, Etc., and Cancellation of Agreements

(1) Method of Tendering Shares, Etc.

① Tender Offer Agent

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

② Shareholders who accept an offer to purchase, or apply to sell Shares, Etc., in the Tender Offer ("**Tendering Shareholders**") will be required to fill out a prescribed Tender Offer Application Form provided by the tender offer agent and submit it to the head office or any branch of the tender offer agent in Japan by 15:30 on the last day of the Tender Offer Period. However, since the business hours of each branch office vary, they should confirm the business hours of the branch in advance and make sure to complete the necessary procedures by the end of those business hours. When tendering, each Tendering Shareholder is requested to bring its seal.

Tendering Shareholders who wish to tender online (https://trade.smbcnikko.co.jp/) ("**Nikko EZ Trade**") will be required to log in to Nikko EZ Trade, confirm the "Nikko EZ Trade Tender Offer Transaction Rules" on the screen, enter the necessary items, and complete the tendering by 15:30 on the last day of the Tender Offer Period. For the tender through Nikko EZ Trade to be accepted, it is necessary for the applicable Tendering Shareholder to apply to use Nikko EZ Trade with an account opened under its own name with the tender offer agent (the "**Tendering Shareholder's Account**").

③ When tendering, the Tendered Shares must be recorded in the Tendering Shareholder's Account.

④ In the Tender Offer, tenders through financial instruments business operators other than the tender offer agent will not be accepted.

⑤ If a Tendering Shareholder does not have an account with the tender offer agent, it is necessary for such Tendering Shareholder to open an account with the tender offer agent. In order to open such an account, the Tendering Shareholder will need to submit identification documents and provide its individual identification number (so-called "My Number") or corporate number (Note 1).

⑥ Shareholders (including corporate shareholders) residing outside Japan ("**Foreign Shareholders**") must tender through their standing proxies in Japan ("**Standing Proxies**"). Foreign Shareholders will need to submit identification documents (Note 1). In Nikko EZ Trade, tenders by Foreign Shareholders will not be accepted.

⑦ In the case of individual shareholders residing in Japan, any surplus between the consideration for the Shares, Etc., purchased in the Tender Offer and the purchase price for such Shares will, in principle, be subject to separate self-assessed capital gain taxation on the transfer of Shares (Note 2).

⑧ If Shares, Etc., are recorded in accounts opened with financial instruments business operators other than the tender offer agent (including where Shares, Etc., are recorded in a special account with Tokyo Securities Transfer Agent Co., Ltd. the custodian of the Target Company's special accounts), the applicable Tendering Shareholder must complete the transfer of such Tendered Shares to its Tendering Shareholder's Account with the tender office agent. The tender of such Tendered Shares will be accepted only after the tender offer agent confirms that the transfer of the Tendered Shares to the Tendering Shareholder's Account with the tender office agent has been completed and that such Tendered Shares have been recorded in the Tendering Shareholder's Account with the tender office agent. These processes may take several days. Please note that if the Tendered Shares are transferred from a special account, such Tendered Shares cannot be recorded again in the special account.

(Note 1) Submission of identification documents and notification of individual identification numbers (so-called "My Number") or corporate numbers

Tendering Shareholders who are opening a new account with the tender offer agent and Foreign Shareholders who are opening a new account with the tender offer agent and tendering through their Standing Proxies must submit the following identification documents and identification number confirmation documents. Please provide current documents if they have an effective term and documents issued within the prior six months if they have no effective term (except Notification card). For details regarding the identification documents and identification number confirmation documents, please inquire with the tender offer agent.

<Individuals>

	My Number card (both sides) (*1)

<table>
<tr><td rowspan="2">A. Identification number confirmation documents (any document listed on the right)</td><td colspan="2">Notification card</td></tr>
<tr><td colspan="2">Copy of residence certificate (with individual identification number) (*2)</td></tr>
<tr><td rowspan="10">B. Identification documents either one document with a photo or two documents without a photo)</td><td rowspan="5">With a photo</td><td>Driver's license</td></tr>
<tr><td>Resident card (alien registration card)</td></tr>
<tr><td>Special permanent resident certificate</td></tr>
<tr><td>Passport (*3)</td></tr>
<tr><td>Welfare book</td></tr>
<tr><td rowspan="5">Without a photo</td><td>Health insurance card (*4)</td></tr>
<tr><td>Public officers mutual aid association membership card</td></tr>
<tr><td>National pension book</td></tr>
<tr><td>Certificate of registered seal</td></tr>
<tr><td>Copy of residence certificate (*2)</td></tr>
</table>

<Corporations>

<table>
<tr><td rowspan="2">A. Identification documents
(any document listed on the right)</td><td>Certificate of full registry records</td></tr>
<tr><td>Certificate of current registry records</td></tr>
<tr><td rowspan="2">B. Identification number confirmation documents
(any document listed on the right)</td><td>Corporate number assignment notice</td></tr>
<tr><td>Corporate number information (*5)</td></tr>
<tr><td rowspan="5">C. Identification documents of the person in charge of transactions who opened a bank account (representative, etc.)
(any document listed on the right)</td><td>Driver's license</td></tr>
<tr><td>My Number card (front side)</td></tr>
<tr><td>Health insurance card (*4)</td></tr>
<tr><td>Public officers mutual aid association membership card (*4)</td></tr>
<tr><td>Passport (*3)</td></tr>
</table>

(*1) When a My Number card is provided as an identification number confirmation document, no identification document needs to be provided.

(*2) Any copy of a residence certificate must contain the seal of the issuer and the issuance date.

(*3) The page containing the official seal of the Minister of Foreign Affairs is also necessary.

(*4) Please confirm that the card includes the individual's address.

(*5) For corporate number information, please print the screen on which the relevant corporate number is shown on the "Corporate Number Website" of the National Tax Administration Agency.

<Foreign Shareholders>

Please submit all of the following documents:

- Identification documents (the same as those above) for the Standing Proxy;
- A copy of the proxy assigned to the Standing Proxy or a standing proxy agreement entered into with the Standing Proxy, which must include the Foreign Shareholder's name and address outside of Japan and the name of its representative; and
- If the Standing Proxy is not a financial institution, documents that are deemed equivalent to the identification documents for residents of Japan issued by a foreign government or competent international organization approved by the Japanese government or other documents similar thereto.

(Note 2) Separate self-assessed capital gains taxation on the transfer of Shares (for individual shareholders residing in Japan)

Individual shareholders will, in principle, be subject to separate self-assessed capital gains taxation on the transfer of Shares. Please consult with a tax accountant or other expert on taxation matters and make your own decision with respect to specific tax matters.

(2) Method for Cancellation of Agreements

A tendering shareholder may cancel any contract in connection with the Tender Offer at any time during the Tender Offer Period.

If a tendering shareholder cancels a contract, he/she is required to deliver or send a document stating his/her intention to cancel a contract for the Tender Offer ("**Written Cancellation**") to the person/entity designated below by 15:30 Japan Time on the last day of the Tender Offer Period (the business hours differ for each branch; please complete the procedures after confirming the business hours of the branch that the tendering shareholder intends to use in advance). However, in the case of sending a Written Cancellation, the Written Cancellation must arrive at the person/entity designated below by 15:30 Japan Time on the last day of the Tender Offer Period (the business hours differ for each branch; please complete the procedures after confirming the business hours of the branch that the tendering shareholder intends to use in advance).

In order to cancel a contract for shares tendered through Nikko EZ Trade, please log into Nikko EZ Trade and complete the cancellation procedures by 15:30 Japan Time on the last day of the Tender Offer Period in accordance with the instructions as displayed on the screen.

Person/entity who has the authority to receive written cancellations

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo
(other domestic branches of SMBC Nikko Securities Inc.)

(3) Method for Return of Shares, Etc.

If a Tendering Shareholder cancels its agreement for the Tender Offer in the manner described in above "(2) Method for Cancellation of Agreements," the Tendered Shares will be returned without delay after the completion of the cancellation procedures, in accordance with the method indicated in "(4) Method for Return of Shares, Etc." in "10. Method of Settlement" below.

(4) Name and Address of Head Office of Financial Instruments Business Operator or Banks in Charge of Keeping Custody of and Returning Shares, Etc.

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

8. Funds Required for the Purchase

(1) Funds Required for the Purchase

(a) Purchase price (JPY)	140,903,192,500 JPY
Type of consideration other than cash	--
Total amount of consideration other than cash	--
(b) Purchase commission	130,000,000 JPY
(c) Others	12,000,000 JPY
Total (a)+(b)+(c)	141,045,192,500 JPY

(Note 1) Section "(a) Purchase price (JPY)" is calculated by multiplying the number of shares to be acquired (56,361,277 shares) by the Tender Offer Price (2,500 JPY per share).

(Note 2) Section "(b) Purchase commission" is estimated amount of commission to be paid to the tender offer agent.

(Note 3) Section "(c) Others" is estimated amount of posting fee of notification of the public notice of the commencement of tender offer regarding the Tender Offer and printing costs of necessary documents, such as tender offer explanatory statement, etc.

(Note 4) Consumption tax, etc. is not included in the above amount.

(Note 5) The other amounts to be paid to tender offer agent and attorney's fee, etc. are not yet determined until the end of the Tender Offer.

(2) Deposits or Borrowings Available to Applied as Funds Required for the Purchase

① Deposits as of One or Two Days prior to the Filing Date

Type of deposit	Amount (thousand yen)
--	--
Total (a)	--

② Borrowings prior to the Filing Date

A. Financial Institutions

	Lender's Business Category	Name of Lender	Terms of Loan Agreement	Amount (thousand yen)
1	--	--	--	--
2	--	--	--	--
Total				--

B. Others

Lender's Business Category	Name of Lender	Terms of Loan Agreement	Amount (thousand yen)
--	--	--	--
--	--	--	--
Total			--

③ Funds to be borrowed on or after the filing date

A. Financial institutions

	Lender's Business Category	Name of Lender	Terms of Loan Agreement	Amount (thousand yen)
1	-	-	-	-
2	-	-	-	-
Total (b)				-

B. Non-Financial Institutions

Business Type of Lender	Name of Lender	Terms of Loan Agreement	Amount (thousand yen)
Manufacture of automobile parts	Faurecia S.E. 23-27, avenue des Champs Pierreux , 92000 Nanterre, France	Loan necessary for completing the Tender Offer	141,550,000
-	-	-	-
Total (c)			141,550,000

(Note 1) The Offeror obtained commitment letter from Faurecia whereby Faurecia, the parent company of the Offeror, commits to provide loans up to 1.110 billion Euro (correspond to

141.550 billion JPY in hedge foreign currency exchange) ("**Faurecia Facility**") to the Offeror as of January 29, 2019 as an evidence of the above loan.

(Note 2) For extending the loan in the amount above, Faurecia plans to borrow up to 750.42 million Euro (About 93.1 billion JPY) ("**Crédit Agricole Facility**") from Crédit Agricole Corporate and Investment Bank. Faurecia received, as the proof of the funding above, the loan certificate which shows that Crédit Agricole Corporate and Investment Bank is prepared to extend the loan up to 750.42 million Euro (About 93.1 billion JPY) based on the conditions stated in the loan certificate on January 25, 2019. The Offeror has confirmed through Faurecia's financial statements etc. that Faurecia owns sufficient cash and deposits on hand to fill in the gap between the Faurecia Facility and the Crédit Agricole Facility.

④ Other Funding Sources

Details	Amount (thousand yen)
-	-
Total (d)	-

⑤ Total amount of Deposits or Borrowings Available to be Applied as Funds Required for Purchase

141,550,000 thousand JPY ((a)+(b)+(c)+(d))

(3) Relationship between the Issuer of Securities Offered as Consideration for Purchase and the Offeror

Not applicable.

9. Status of the Issuer of Securities Offered as Consideration for Purchase

Not applicable.

10. Method of Settlement

(i) Name and address of head office of the financial services provider, bank, etc., in charge of settlement of purchase, etc.

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

(ii) Commencement date of settlement

March 7, 2019 (Thursday)

(Note) If, under Article 27-10, Paragraph 3 of the Act, the position statement stating that it requests extension of the Tender Offer Period is submitted by the Target Company, the commencement date of the settlement will be March 20, 2019 (Wednesday).

(iii) Method of settlement

A written notice regarding the purchase under the Tender Offer will be mailed to the address of the Tendering Shareholders (or the Standing Proxies in the case of the Foreign Shareholders) without delay after the expiration of the Tender Offer Period. If the Tendering Shareholders tendered their shares through Nikko EZ Trade, the notice will be delivered by electromagnetic means.

The purchase will be settled in cash. The tender offer agent will, in accordance with the instructions given by the Tendering Shareholders (or the Standing Proxies in the case of the Foreign Shareholders) and without delay on or after the commencement date of settlement, remit the purchase price with regard to the shares purchased to the address designated by the Tendering Shareholders (or the Standing Proxies in the case of the Foreign Shareholders).

(iv) Method of return of shares

If the Offeror decides not to purchase all of the Tendered Shares based on the conditions stated in "(i) Details regarding the existence and content of the conditions set forth in the items of paragraph (4) of Article 27-13 of the Act" or "(ii) Details regarding the existence and content of conditions for withdrawal of the Tender Offer, and disclosure method of withdrawal" under "11. Other purchase conditions and methods" below, the tender offer agent will return the shares that are required to be returned, by reverting records of the Tendering Shareholders' Accounts with the tender offer agent to their state immediately prior to the tendering (the "state immediately prior to the tendering" means the state where execution of the tendering orders has been cancelled) on the second Business Day after the last day of the Tender Offer Period (or the day of withdrawal in the case of withdrawal of the Tender Offer).

11. Other Purchase Conditions and Methods

(i) Details regarding the existence and content of the conditions set forth in the items of paragraph (4) of Article 27-13 of the Act

If the total number of Tendered Shares is less than the minimum number of shares to be purchased (37,574,200 shares), then none of the Tendered Shares will be purchased. If the total number of Tendered Shares is equal to or exceeds the minimum number of shares to be purchased (37,574,200 shares), then all of the Tendered Shares will be purchased.

(ii) Details regarding the existence and content of conditions for withdrawal of the Tender Offer, and disclosure method of withdrawal

If any of the circumstances set forth in Article 14, paragraph (1), item (i), sub-items (a) through (i) and (l) through (r); item (iii), sub-items (a) through (h) and (j); and paragraph (2), items (iii) through (vi) of the Order arises, the Offeror may withdraw the Tender Offer.

In the Tender Offer, "facts equivalent to those set forth in sub-item (a) to sub-item (i)" set forth in sub-item (j) of item (iii) of paragraph (1) of Article 14 of the Order means the cases (i) where it has become clear that the legal disclosure documents submitted by the Target Company in the past included a false statement regarding an important matter or omitted a statement regarding an important matter that should have been stated therein, and (ii) where any of the facts set forth in sub-item (a) through (g) of that item arises with respect to any of the Target Company's important subsidiaries.

If the Offeror intends to withdraw the Tender Offer, it will give public notice electronically and will post notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such withdrawal by the method set forth in Article 20 of the Ordinance and will give public notice immediately thereafter.

(iii) Details regarding the existence and content of conditions for lowering the purchase price, and disclosure method thereof

Pursuant to Article 27-6, paragraph (1), item (i) of the Act, if the Target Company conducts an act falling under any of those acts set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the Offeror may lower the purchase price in accordance with the standards set forth in Article 19, paragraph (1) of the Ordinance.

If the Offeror intends to lower the purchase price, it will give public notice electronically and will post notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such lowering by the method set forth in Article 20 of the Ordinance and will give public notice immediately thereafter.

Where the purchase price is lowered, the Tendered Shares tendered prior to the day on which such public notice is made will be purchased at the lowered purchase price.

(iv) Matters regarding the right of the tendering shareholders to cancel contracts

A Tendering Shareholder may cancel any contract in connection with the Tender Offer at any time during the Tender Offer Period. Cancellation shall be handled pursuant to the method described in "(2) Method for Cancellation of Agreements" of "7. Method of Tendering Shares, Etc., and Cancellation of Agreements" above.

The Offeror will not request that the Tendering Shareholders pay damages or penalties in connection with their cancellation of contracts. The expenses required for returning the Tendered Shares will be borne by the Offeror.

(v) Disclosure method in the case of changes to the purchase conditions

Other than the cases where it is prohibited by Article 27-6, paragraph (1) of the Act and Article 13 of the Order, the Offeror may change the purchase conditions during the Tender Offer Period.

If the Offeror intends to change the purchase conditions, it will give public notice regarding the details of the changes electronically and will post notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such changes by the method set forth in Article 20 of the Ordinance and will give public notice immediately thereafter.

Where any changes are made to the purchase conditions, the Tendered Shares prior to the day on which such public notice is made will be purchased based on the changed purchased conditions.

(vi) Disclosure method where an amended statement is submitted

Where the Offeror submits an amended statement to the Director General of the Kanto Local Finance Bureau (except for the case set forth in the proviso clause of paragraph (11) of Article 27-8 of the Act), it will immediately announce the information stated in the amended statement that was stated in the public notice of commencement of the Tender Offer by the method set forth in Article 20 of the Ordinance. In addition, the Offeror will immediately amend the Tender Offer Explanatory Statement; and for the Tendering Shareholders to whom the Tender Offer Explanatory Statement has already been delivered, it will make such amendment by delivering the amended Tender Offer Explanatory Statement to them. However, if the scope of the amendment is limited, the Offeror will make such amendment by preparing a document stating the reasons for the amendment, the amended matters, and the content after amendment and by delivering such document to the Tendering Shareholders.

(vii) Disclosure method of the results of the Tender Offer

The Offeror will announce the results of the Tender Offer by the method set forth in Article 9-4 of the Order and Article 30-2 of the Ordinance on the day following the last day of the Tender Offer Period.

PART II. INFORMATION ON THE OFFEROR

1. In the Case Where the Offeror is a Corporation

(1) Company overview

① Company history

Month/Year	Details
December 2016	The Offeror was incorporated with the name of Henappe Six SAS, which has its registered office at 2, rue Hennape, 92000 Nanterre, France and has capital amount of 10,000
November 2018	Change of the address of the head office to 23-27 avenue des Champs Pierreux, 92000 Nanterre, France

② Company purpose and content of business

Company purpose:

The Offeror' purpose is to conduct the matters below directly or indirectly in France and any other country;

1. acquire shareholdings or interests in any businesses of any kind, under any corporate form, established or to be established, and, consequently, the management of a portfolio of interests or securities, as well as the transactions relating thereto,

2. acquire and manage any real-estate assets and property rights, including in particular the acquisition, the management and the operation, notably through lease or lease purchase arrangement, of any plant, factory, office or premise and, on an ancillary basis, the sale of any capital goods, fixed, mobile or wheeled equipment, machines or tools, as well as any land or marine vehicles or aircrafts,

3. assess, create, promote, operate, run and manage any commercial, industrial, real estate or financial businesses or operations,

4. provide any kind of services to any businesses,

5. and, in general, carry out any real estate, industrial, commercial or financial transactions that relate directly or indirectly to the aforesaid company purpose or any similar, ancillary or supplementary purpose.

Content of business:

Acquisition of shareholdings or interests in any businesses of any kind, under any corporate form, established or to be established, and the management of a portfolio of interests or securities, as well as the transactions relating thereto

③ Amount of capital and total number of issued shares

As of January 30, 2019

Amount of Capital (Euro)	Total Number of Issued Shares (shares)
10,000	1,000

④ Major shareholders

As of January 30, 2019

Name	Address or Location	Number of Shares Owned (shares)	Shares Owned as Percentage of Total Issued Shares except for the treasury shares (%)
Faurecia S.E.	23-37 avenue des Champs Pierreux, 92000 Nanterre, France	1,000	100.00
Total	-	1,000	100.00

⑤ Professional background of, and number of shares owned by, directors and officers

As of January 30, 2019

Title	Position	Name	Date of Birth	Professional Background	Number of Shares Owned (shares)
President	-	Nolwenn Delaunay	October 28, 1976	December 2002 to August 2007, lawyer at Simmons & Simmons Paris (law firm) September 2007 to February 2015, legal director for project finance and innovative contracts at Airbus Group Since March 2015, Group General Counsel at Faurecia Group Since March 2016, secretary to the board of directors of Faurecia Since December 2016, the Offeror's President (Current)	-

				Since January 2018, Chief Compliance Officer, at Faurecia Group (current)	
Total					

(2) Financial condition

Financial statements of the Offeror have been prepared in accordance with the generally accepted accounting principles in France and audited by the auditor.

The final Telegraphic Transfer Middle Rate of MUFG Bank, Ltd. as of December 31, 2017 (1 euro = 134.94 JPY) is used for the purpose of converting Euro into JPY in this section.

Although the Offeror's last fiscal year is 2018, the financial statements for fiscal year 2017 have been attached since the financial statements for fiscal year 2018 have not been prepared as of the submission date.

Since the Offeror was incorporated on December 22, 2016, our accounting period for financial year 2017 started from December 22, 2016 and ended on December 31, 2017.

① Balance Sheets

BALANCE SHEET - ASSETS	FY 2017					
	(EURO)			(JPY)		
	GROSS	DEPRECIATION, AMORTIZATION	NET	GROSS	DEPRECIATION, AMORTIZATION	NET
Capital subscribed but not called (i)						
Preliminary expenses Development expenditure Concessions, patents & similar Purchased goodwill Other intangible assets Payments on account - intangible assets						
Total Intangible assets						
Land Buildings Industrial and technical plant Other plant and equipment PP&E under construction Payments on account - PP&E						
Total Property, plant and equipment						
Equity affiliates Other equity investments Loans to equity investments Other long-term investment securities Loans Other long-term investments						
Total Long-term investments						
Total Non-Current Assets (II)						
Raw materials & supplies Work in process - goods Work in process - services Semi-finished and finished goods Bought-in goods						
Total Inventories						
Advances and prepayments on orders						
Trade receivables and related accounts Other receivables Capital subscribed and called but not paid in						
Total Receivables						
Marketable securities (of which treasury shares)						

Cash at bank and in hand	9,004		9,004	1,215,000		1,215,000
Total Cash and cash equivalents	9,004		9,004	1,215,000		1,215,000
Prepayments						
Total Current Assets (III)	9,004		9,004	1,215,000		1,215,000
Deferred charges (IV)						
Bond redemption premiums (V)						
Unrealized foreign exchange losses (VI)						
GRAND TOTAL (I through VI)	9,004		9,004	1,215,000		1,215,000

Balance Sheet – Equity & Liabilities	FY 2017	
	（EURO）	（JPY）
Share capital (of which paid in:) Additional paid-in capital Revaluation reserve (of which equity accounting revaluation)	10,000	1,349,400
Legal reserve Reserves required under the bylaws or contractually Tax-driven reserves (of which reserves for price fluctuation:) Other reserves (of which reserve for purchases of original works of artists:)		
Total Reserves		
Retained earnings		
NET INCOME (LOSS) FOR THE PERIOD	(4,525)	(610,604)
Investment subsidies Tax-driven provisions		
TOTAL SHAREHOLDERS' EQUITY (I)	5,475	738,797
Proceeds from issues of participating securities Subordinated loans		
TOTAL EQUITY EQUIVALENTS (II)		
Provisions for contingencies Provisions for losses		
TOTAL PROVISIONS FOR CONTINGENCIES AND LOSSES (III)		
Convertible bonds Other bonds Bank borrowings Other borrowings (of which participative loans:)		
Total Borrowings		
Payments received on account for work in process Trade payables and related accounts Tax and employee-related liabilities Amounts payable in respect of fixed assets and related a/cs Other liabilities	3,529	476,203
Total Operating liabilities	3,529	476,203

Deferred income		
TOTAL LIABILITIES (IV)	3,529	476,203
Unrealized foreign exchange gains (V)		
GRAND TOTAL (I through V)	9,004	1,215,000

② Statements of Income

Income Statement	FY 2017			
	France	Export	Total	
			(EURO)	(JPY)
Sales of bought-in goods				
Sales of own goods				
Sales of own services				
Revenue				
Change in inventories of own production of goods and services				
Own production of goods and services capitalized				
Operating subsidies				
Reversals of depreciation, amortization and provisions, expense reclassifications				
Other revenue				
Total operating revenue (I)				
Purchases of bought-in goods (including customs duties)				
Change in inventories of bought-in goods				
Purchases of raw materials and other supplies (including customs duties)				
Change in inventories of raw materials and supplies				
Other purchases and external charges			4,384	591,577
Duties and taxes other than income tax			141	19,027
Wages and salaries				
Employee welfare contributions and similar charges				
Depreciation, amortization & charges to provisions (operating):				
On non-current assets: depreciation and amortization				
On non-current assets: charges to provisions				
On current assets: charges to provisions				
For contingencies and losses: charges to provisions				
Other charges				
Total operating expenses (II)			4,525	610,604
OPERATING INCOME (LOSS)			(4,525)	(610,604)
Profits transferred in or losses transferred out (III)				

Profits transferred out or losses transferred in (IV)		
Financial income from investments		
Revenues from other marketable securities and long-term loans		
Other interest and similar income		
Reversals of provisions and expense reclassifications		
Foreign exchange gains		
Net proceeds from sales of marketable securities		
Total financial income (V)		
Amortization and charges to provisions for financial items		
Interest and similar charges		
Foreign exchange losses		
Net charges on sales of marketable securities		
Total financial expenses (VI)		
NET FINANCIAL INCOME (V - VI)		
NET INCOME FROM ORDINARY ACTIVITIES BEFORE TAX (I-II+III-IV+V-VI)	(4,525)	(610,604)

Income Statement (continued)	FY 2017	
	(EURO)	(JPY)
Exceptional income from non-capital transactions		
Exceptional income from capital transactions		
Reversals of provisions and expense reclassifications		
Total exceptional income (VII)		
Exceptional charges on non-capital transactions		
Exceptional charges on capital transactions		
Exceptional depreciation, amortization and charges to provisions		
Total exceptional charges (VIII)		
NET EXCEPTIONAL ITEMS (VII -VIII)		
Statutory employee profit-sharing (IX)		
Income tax expense (X)		
TOTAL INCOME (I + III + V + VII)		
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	4,525	610,604
NET INCOME OR LOSS (total income – total expenses)	(4,525)	(610,604)

③ Statements of Changes in Net Assets

(EURO)

Position at the beginning of the year	Amount
Shareholders' equity before appropriation of prior-year earnings	
Appropriation of prior-year earnings	

Shareholders' equity after appropriation of prior-year earnings		
Changes during the year	Decrease	Increase
Change in share capital		10,000
Change in additional paid-in capital		
Change in reserves		
Net income (loss) for the year	4,525	
Change in tax-driven provisions		
Other changes		
BALANCE		5,475
Position at the beginning of the year		Amount
Shareholders' equity before appropriation		5,475

(JPY)

Position at the beginning of the year		Amount
Shareholders' equity before appropriation of prior-year earnings Appropriation of prior-year earnings Shareholders' equity after appropriation of prior-year earnings		
Changes during the year	Decrease	Increase
Change in share capital		1,349,400
Change in additional paid-in capital		
Change in reserves		
Net income (loss) for the year	610,604	
Change in tax-driven provisions		
Other changes		
BALANCE		738,797
Position at the beginning of the year		Amount
Shareholders' equity before appropriation		738,797

Accounting policies

Ⅰ – MAJOR EVENTS OF THE YEAR AND POST-BALANCE SHEET EVENTS

There were no major events during the fiscal year.

Ⅱ – ACCOUNTING POLICIES

The financial statements are prepared and presented in accordance with general principles for the preparation and presentation of financial statements (Regulation no. 2014-03 issued by the French Accounting Standards Authority (ANC) on the French General Chart of Accounts, as amended by regulations issued by the French Accounting Regulation Committee (CRC) and the ANC).

General accounting methods were applied in accordance with the principles of prudence and the following fundamental accounting concepts aimed at presenting a true and fair view of the company's activities:

1. going concern,
2. consistency,
3. accruals, and
4. the rules governing the preparation and presentation of financial statements.

The financial statements were prepared on a historical cost basis.

The presentation of withholding tax on dividends was changed. It is now presented as a deduction from financial income.

There were no material changes in measurement method during the fiscal year.

2.1 Long-term investments

The gross value of long-term investments is equal to the contribution value or acquisition cost.

Equity investments are systematically tested for impairment at the reporting date and a provision recognized if the value in use falls below the entry value. Value in use is determined based on the re-estimated net assets of the subsidiary, profitability and future outlook.

Where the future sale of the company is envisaged, value in use is also determined with reference to any past transactions.

2.2 Receivables and liabilities

Receivables and liabilities are measured at nominal value.

Doubtful receivables are provided individually, based on the estimated non-recoverable amount.

2.3 Foreign currency-denominated transactions

Unhedged foreign currency-denominated income and expense items are recorded in the income statement at the transaction date exchange rate. Foreign currency-denominated liabilities, receivables and cash balances are recorded in the balance sheet at the closing exchange rate. Any differences resulting from the re-statement of liabilities and receivables at the closing exchange rate are recorded in unrealized exchange gains or losses in the balance sheet.

Hedged foreign-currency denominated transactions are recognized at the hedge rate and the net amount of any foreign exchange gains or losses is recorded in financial assets or liabilities as appropriate.

A contingency provision is recognized in respect of unrealized foreign exchange losses.

2.4 Provisions for contingencies and losses

Provisions are recognized when the company has a legal, regulatory or contractual obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.5 Net exceptional items

Unusual or non-recurring items are included in exceptional income and expenses and notably reversals of provisions on securities sold.

Ⅲ– MAJOR POST-BALANCE SHEET EVENTS

There have been no major events since the reporting date.

Debt maturity analysis

(EURO)

LIABILITIES	Gross Value	1 year or less	1 to 5 years	More than 5 years
Trade payables and related accounts Employee and related accounts Social security and other social welfare organizations	3,529	3,529		
TOTAL LIABILITIES	3,529	3,529		

(JPY)

LIABILITIES	Gross Value	1 year or less	1 to 5 years	More than 5 years
Trade payables and related accounts Employee and related accounts Social security and other social welfare organizations	476,203	476,203		
TOTAL LIABILITIES	476,203	476,203		

Additional information

On receivables

None

On Statutory Audit fees

Statutory audit fees for the audit of the financial statements totaled 3,529 euro (476,203 JPY).

Accrued income

None

Accrued expenses

	Amount	
	(EURO)	(JPY)
Purchase invoice accruals	3,529	476,203
TOTAL	3,529	476,203

Breakdown of share capital

	Number of shares at the start of the year	Shares created during the year	Shares redeemed during the year	Number as of 12/31/2017	Par value	
					(EURO)	(JPY)
Ordinary shares	1,000			1,000	10	1,349
Total	1,000			1,000		

Deferred income and prepaid expenses

None

Exceptional income and expenses

None

Breakdown of the income tax expense

The taxable income of the Company is included in the taxable income of the Faurecia SE tax group.

As the Group parent company has elected for the tax consolidation regime, the income tax expense is calculated as if the Company were not consolidated for tax purposes.

The Company is liable to tax at a rate of 34.43% in 2017 as follows:

- corporate income tax rate of 33.33% calculated on taxable profits,
- 3.3% social contribution calculated on the income tax expense up to a cap.

(EURO)

Breakdown	Net income before tax	Income tax payable	Net income after tax
Net income from ordinary activities Net exceptional items Statutory employee profit-sharing	(4,525)		(4,525)
ACCOUNTING NET INCOME	(4,525)		(4,525)

（JPY）

Breakdown	Net income before tax	Income tax payable	Net income after tax
Net income from ordinary activities Net exceptional items Statutory employee profit-sharing	(610,604)		(610,604)
ACCOUNTING NET INCOME	(610,604)		(610,604)

Impact of application of tax rules on net income for the year

	（EURO）	（JPY）
Net income for the year	(4,525)	(610,604)
Charges to tax-driven provisions		
Reversals of tax-driven provisions		
Reduction in deferred tax due to the difference in tax-driven provisions between charges and reversals		
Corrected net income for the year	(4,525)	(610,604)
Including corrected exceptional net income		
Exceptional net income		
Income tax rate (%)	34.43	34.43

As of December 31, 2017, timing differences between the tax and accounting treatment of income and expenses represent deferred tax assets/liabilities of €0.

Financial commitments given and received

Financial commitments

None

Retirement benefit & pension commitments

None

Related companies: items concerning several balance sheet and income statement accounts

Related companies are companies of Faurecia Group and Peugeot S.A. group, with which the Offeror has business relations and which are fully consolidated in the consolidated financial statements of these two groups.

No material transactions, other than on an arm’s length basis, were entered into by the company with related parties or their management, members of their families or companies they control.

Subsidiaries and equity investments

None

(3) Continuous disclosure by the Offeror

① Documents filed by the Offeror

A. Annual securities reports and attachments thereto

B. Quarterly reports or semi-annual reports

C. Amendment reports

② Place where copies of above documents are kept for public inspection

2. In the Case Where the Offeror is an Entity other than a Corporation

Not applicable

3. In the Case Where the Offeror is an Individual

Not applicable

PART III. STATUS OF OWNERSHIP AND TRADING OF SHARES, ETC., BY THE OFFEROR AND SPECIALLY RELATED PARTIES

1. Status of Ownership of Shares, Etc.

(1) Total Shares, Etc., Owned by the Offeror and Specially Related Parties

Not applicable

(2) Shares, Etc., Owned by the Offeror

Not applicable

(3) Shares, Etc., Owned by Specially Related Parties (Total Number of Shares, Etc., Owned by Specially Related Parties)

Not applicable

(4) Shares, Etc., Owned by Specially Related Parties (Breakdown by Each Specially Related Party)

Not applicable

2. Status of Trading of Shares, Etc.

(1) Trading During 60-day Period Preceding Filing Date

Not applicable

3. Material Agreements Executed with respect to Shares, Etc.

Not applicable

4. Agreements Providing for Purchase of Shares, Etc., Subsequent to Filing Date of this Statement

Not applicable

PART IV. TRANSACTIONS BETWEEN THE OFFEROR AND THE TARGET COMPANY

1. Existence of Transactions Between the Offeror and the Target Company or its Officers; Details Thereof

Not applicable.

2. Details Regarding the Existence and Content of Agreements Between the Offeror and the Target Company and Their Respective Officers

(1) Supporting the Tender Offer

According to the Target Press Release, at a meeting held on October 26, 2018, the Target Company's board of directors adopted a resolution that, as the opinion of Target Company on the same day, 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 re-announce its opinion in relation to the Tender Offer.

In addition, according to the Target Press Release, at a meeting held on January 29, 2019, the Target Company's board of directors adopted a resolution that, as the opinion of Target Company, the Target Company expresses an opinion supporting the Tender Offer and recommends its shareholders to tender their shares into 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" of "3 Purpose of the Tender Offer" of "Part I Terms and Conditions of the Tender Offer" above.

(2) TOB Agreement

The Offeror, Faurecia and the Target Company executed the TOB Agreement as of October 26, 2018. For the details of the TOB Agreement, please see "(2) TOB Agreement" of "(4) Material agreements pertaining to the Tender Offer" of "3 Purpose of the Tender Offer" of "Part I Terms and Conditions of the Tender Offer" above.

(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, (i) the Target Company, Hitachi, Hitachi Automotive Systems, and Faurecia entered into the Transition Services Agreement, and (ii) Hitachi, Hitachi Automotive Systems, and Faurecia entered into the Partnership Agreement, as of January 28, 2019, in relation to provisions of the transition services from Hitachi to the Target Company and the business partnership. For the details of such agreements, please see "③ Agreements in relation to provisions of the transition services and business partnership" of "(4) Material agreements pertaining to the Tender Offer" of "3 Purpose of the Tender Offer" of "Part I Terms and Conditions of the Tender Offer" above.

PART V. INFORMATION ON THE TARGET COMPANY

1. Status of Profit and Loss, Etc., for the Most Recent Three Fiscal Years

(1) Status of profit and loss

Fiscal Year Ended	-	-	-
Revenue	-	-	-
Cost of Sales	-	-	-
Selling, General and Administrative Expenses	-	-	-
Non-operating Income	-	-	-
Non-operating Expenses	-	-	-
Net Income (Loss)	-	-	-

(2) Status on per–share basis

Fiscal Year Ended	-	-	-
Net Profit or Loss per Share	-	-	-
Dividend per Share	-	-	-
Net Assets per Share	-	-	-

2. Status of Share Price

Name of Financial Instruments Exchange or Authorized Financial Instruments Business Association	First Section of the Tokyo Stock Exchange						
Month	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019
Maximum Share Price (JPY)	313	325	332 1,783	2,470	2,494	2,499	2,499
Minimum Share Price (JPY)	278	292	304 1,643	1,726	2,459	2,469	2,484

(Note 1) As for the share price in January 2019, only share price by January 29, 2019 is taken into account.

(Note 2) The Target Company consolidated the Target Company Shares with effect from October 1, 2018 at the rate of five to one. Regarding maximum share price and minimum share price in September 2018, the upper half is the price before the ex-rights due to the consolidation of shares and the lower half is the price after the ex-rights. The following is the maximum share price and the minimum share price taking into account the ex-rights due to the consolidation of shares.

(Reference Information)

Name of Financial Instruments Exchange or Authorized Financial Instruments Business Association	First Section of the Tokyo Stock Exchange						
Month	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019
Maximum Share Price (JPY)	1,565 (*)	1,625 (*)	1,660 (*) 1,783	2,470	2,494	2,499	2,499
Minimum Share Price (JPY)	1,390 (*)	1,460 (*)	1,520 (*) 1,643	1,726	2,459	2,469	2,484

(Note 1) As for the share price in January 2019, only share price by January 29, 2019 is taken into account.

(Note 2) The Target Company consolidated the Target Company Shares with effect from October 1, 2018 at the rate of five to one. Price with (*) is the price that is equal to the maximum share price and minimum share price before ex-rights due to the consolidation of shares multiplied by 5.

3. Status of Shareholders

(1) Status by shareholder category

as of _________

Category	Status of Shares (1 unit = Shares)								Status of Shares Less than 1 Unit (Shares)
	Government and Local Government	Financial Institutions	Financial Instruments Business Operators	Other Entities	Foreign Shareholders		Individual and Others	Total	
					Entities and Others	Individuals			
Number of Shareholders	-	-	-	-	-	-	-	-	-
Number of Shares Owned (Units)	-	-	-	-	-	-	-	-	-

Ownership Ratio of Shares (%)	-	-	-	-	-	-	-	-	-

(2) Number of shares owned by major shareholders and officers

① Major shareholders

as of __________

Name	Address or Location	Number of Shares Owned (Shares)	Shares Owned as Percentage of Total Issued Shares except for the treasury shares (%)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	-	-	-

② Officers

as of __________

Name	Title	Position	Number of Shares Owned (Shares)	Shares Owned as Percentage of Total Issued Shares except for the treasury shares (%)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

4. Continuous Disclosure by the Target Company

(1) Documents filed by the Target Company

① Annual securities reports and attachments thereto

77th fiscal year (from April 1, 2016 to March 31, 2017) filed on June 26, 2017 to the Kanto Local Financial Bureau

78th fiscal year (from April 1, 2017 to March 31, 2018) filed on June 25, 2018 to the Kanto Local Financial Bureau

② Quarterly reports or semi-annual reports

79th Second Quarter (from July 1, 2018 to September 30, 2018) filed on November 8, 2018 to the Kanto Local Financial Bureau

79th Third Quarter (from October 1, 2018 to December 31, 2018) to be filed on February 12, 2018 to the Kanto Local Financial Bureau

③ Extraordinary reports

Not applicable

④ Amendment reports

Not applicable

(2) Place where copies of above documents are kept for public inspection

Clarion Co., Ltd.
(7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama)

Tokyo Stock Exchange, Inc.
(2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

5. Details of Information Received About Facts of the Tender Offer, Etc.

Not applicable

6. Other

(1) Dividend forecast for the fiscal year ending March 31, 2019

At a meeting held on October 26, 2018, 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 October 26, 2018, "Announcement concerning the revision of the dividend forecast for the fiscal year ending March 31, 2019".

(2) Consolidated Financial Results for the Third Quarter Ending March 31, 2019 [IFRS]

The Target Company announced "Consolidated Financial Results for the Third Quarter Ending March 31, 2019 [IFRS]" on January 29, 2018. The status of profits and losses of the Target Company during such period based on the announcements is as follows. The content has not been subject to the quarterly review by an auditor pursuant to the Article 193-2, Paragraph 1 of the Act. Also the following summary of the announcement is excerption of the contents announced by the Target Company and neither the Offeror nor Faurecia is not in a position to independently review its accuracy and truthfulness and have actually not performed such review. For details, see the contents of such announcement.

i. Status of profits and losses (Consolidated)

Accounting period	The third cumulative quarterly consolidated accounting period Ending March 31, 2019 (from April 1, 2018 to December 31, 2018)
Revenue	113,826 million JPY
Cost of Sales	97,211 million JPY
Selling, General and Administrative Expenses	15,535 million JPY
Other Income	410 million JPY
Other Expenses	779 million JPY
Quarterly Profit attributable to owners of the parent	△686 million JPY

ii. Status per share (Consolidated)

Accounting period	The third cumulative quarterly consolidated accounting period Ending March 31, 2019
Quarterly Profit attributable to owners of the parent per share	△12.18 JPY
Dividend amount per share	-

(3) Disclosure of Notice on the Revision of Full-Year Earnings Forecast

The Target Company released the "Notice on the Revision of Full-Year Earnings Forecast" as of January 29, 2019. The outline of the announcements is as follows. Also the following summary of the announcement is excerption of the contents announced by the Target Company and the Offeror is not in a position to independently review its accuracy and truthfulness and have actually not performed such review. For details, see the contents of such announcement.

Revision of Full-Year Earnings Forecast Ending on March 31, 2019 (from April 1, 2018 to March 31, 2019)

Units: Millions of JPY	Revenue	Adjusted operating profit	Profit before tax	Profit attributable to owners of the parent	Profit attributable to owners of the parent per share
Previous forecasts (A)	165,000	3,000	2,400	1,700	30.16 JPY
Revised forecasts(B)	150,000	2,500	0	△500	△18.87 JPY
Amount of change (B-A)	△15,000	△500	△2,400	△2,200	-
Percentage change (%)	△9.1	△16.7	-	-	-
[Reference] Results for the previous fiscal year ended March 31, 2018	183,056	7,353	4,545	2,079	36. 89 JPY

*Adjusted Operating profit is calculated by Revenue, minus Cost of Sales, minus Selling, General and Administrative Expenses.

(Note) The Target Company consolidated the Target Company Shares at the rate of five to one with effect from October 1, 2018. Full-Year Profit attributable to owners of the parent per share was calculated assuming that the consolidation of the Target Company Shares became effective as of beginning of last consolidated accounting period.

Changes in Major Management Indices for the Target Company

(1) Consolidated management indices, etc.

Fiscal Year		IFRS				
		74th business term	75th business term	76th business term	77th business term	78th business term
Year end		March 2014	March 2015	March 2016	March 2017	March 2018
Revenue	(million JPY)	191,368	198,632	216,227	194,841	183,056
Net income before income taxes	(million JPY)	4,568	6,131	10,495	10,992	4,515
Net income attributable to owners of the parent	(million JPY)	3,985	4,875	7,743	7,727	2,079
Comprehensive income attributable to owners of the parent	(million JPY)	7,567	8,869	3,438	6,871	2,066
Total owners of the parent's equity	(million JPY)	25,963	34,823	37,688	43,709	44,921
Total Assets	(million JPY)	123,716	129,498	131,031	129,413	126,755
Earnings per share attributable to interest of owners of the parent	(JPY)	92.10	123.54	133.72	155.08	159.40
Net income attributable to owners of the parent per share						
Earnings per share, Basic	(JPY)	14.14	17.30	27.47	27.42	7.38
Earnings per share, Diluted	(JPY)	–	–	–	–	–
Total owners of the parent's equity ratio	(%)	21.0	26.9	28.8	33.8	35.4
Return on equity for interests of owners of the parent	(%)	18.0	16.0	21.4	19.0	4.7
Price earnings ratio	(times)	11.5	19.1	12.7	16.8	45.0
Net cash provided by operating activities	(million JPY)	11,801	13,344	19,465	19,964	8,328
Net cash used in investing activities	(million JPY)	(10,729)	(12,303)	(10,993)	(9,003)	(4,811)
Net cash provided by (used in) financing activities	(million JPY)	(504)	(6,908)	(1,583)	(6,632)	(1,826)
Cash and cash equivalents at end of year	(million JPY)	13,411	8,257	14,326	18,763	20,376

Number of employees (persons)	9,667	9,413	8,967	8,402	7,648

(Notes)

1 Our consolidated financial statements have been prepared in conformity with IFRS since the 75th business term.

2 Revenue does not include consumption tax, etc.

3 Diluted Net income attributable to owners of the parent for the period per share is not stated because there were no dilutive shares after the dilution.

Fiscal Year		J-GAAP	
		74th business term	75th business term
Year End		March 2014	March 2015
Revenues	(million JPY)	191,337	198,627
Business Profits	(million d JPY)	4,441	4,255
Net income attributable to owners of the parent	(million JPY)	3,342	2,304
Comprehensive Income	(million JPY)	7,158	6,283
Total Equity	(million JPY)	27,881	34,154
Total Assets	(million JPY)	125,384	129,292
Net assets per share	(JPY)	98.31	120.56
Amount of Net income per share, basic	(JPY)	11.86	8.18
Amount of Net income per share, diluted	(JPY)	–	–
Capital Ratio	(%)	22.1	26.3
Return on Equity	(%)	13.5	7.5
Price earnings ratio	(times)	13.7	40.5
Net cash provided by operating activities	(million JPY)	10,418	10,838
Net cash used in investing activities	(million JPY)	(9,683)	(3,611)
Net cash provided by (used in) financing activities	(million JPY)	(959)	(6,275)
Cash and cash equivalents at end of year	(million JPY)	6,486	8,049
Number of employees	(persons)	9,667	9,413

(Notes)

1 Revenues do not include consumption taxes, etc.

2 Amount of Net income per share, diluted is not stated because there were no dilutive shares.

3 The numerical data for the 75th business term was not audited according to the provisions of Paragraph 1, Article 193-2 of the Financial Instruments and Exchange Act.

(2) Management indices for the Target Company

Fiscal Year		74th business term	75th business term	76th business term	77th business term	78th business term
Year End		March 2014	March 2015	March 2016	March 2017	March 2018
Revenues	(million JPY)	137,129	135,862	150,071	135,254	115,634
Ordinary income	(million JPY)	2,928	2,196	3,932	4,866	1,649
Net income	(million JPY)	4,121	2,389	3,246	4,085	972
Capital stock	(million JPY)	26,100	20,346	20,346	20,346	20,346
Number of issued shares	(shares)	282,744	282,744	282,744	282,744	282,744
Total net assets	(million JPY)	21,713	24,346	26,962	30,227	29,650
Total assets	(million JPY)	109,046	104,204	102,602	99,273	94,210
Net assets per share	(JPY)	77.02	86.37	95.66	107.25	105.21
Dividends per share (interim dividends per share)	(JPY)	– (−)	2.00 (−)	3.00 (−)	3.00 (−)	2.00 (−)
Amount of Net income per share, basic	(JPY)	14.62	8.48	11.52	14.50	3.45
Amount of Net income per share, diluted	(JPY)	–	–	–	–	–
Capital Ratio	(%)	19.9	23.4	26.3	30.4	31.5
Return on equity	(%)	20.6	10.4	12.7	14.3	3.2
Price earnings ratio	(times)	11.1	39.0	30.4	31.7	96.2
Dividend payout ratio	(%)	–	23.6	26.0	20.7	58.0
Number of employees	(persons)	1,512	1,523	1,481	1,456	1,382

(Notes)

1 Revenues do not include consumption tax, etc.

2 Amount of Net income per share, diluted is not stated because there were no dilutive shares.