

Press Release

Nanterre (France), October 26, 2018

FAURECIA ACCELERATES ITS STRATEGY TO BECOME A GLOBAL LEADER IN COCKPIT ELECTRONICS SYSTEMS THROUGH A PROJECT TO ACQUIRE 100% OF CLARION

Faurecia today announced that it had reached binding agreements with Clarion and Hitachi, the controlling shareholder owning 63.8% of Clarion, for a tender offer to acquire 100% of the shares of Clarion.

Clarion is a major Japanese supplier of in-vehicle-infotainment (IVI) and full digital audio systems, HMI and advanced driver assistance systems, connectivity and cloud-based services. With its core competences in electronics and software integration, this acquisition would significantly reinforce Faurecia's offer for cockpit systems integration.

As part of this transaction, Faurecia and Hitachi Automotive Systems have also reached an agreement for a business alliance within which Clarion and Hitachi Automotive Systems would be able to combine their product offers to propose unique autonomous driving solutions to OEMs.

Patrick Koller, Faurecia Chief Executive Officer said: *"This project is very exciting for Faurecia as it would position us as a leading player for cockpit systems integration, able to offer unique user experiences. In addition, our business alliance with Hitachi Automotive Systems would enable innovative solutions for full autonomous driving to OEMs. The combined product and technology offer of Faurecia and Clarion and our complementary geographic presence and customer portfolios would create significant value for all stakeholders."*

Brice Koch, President and Chief Executive Officer of Hitachi Automotive Systems Ltd, added: *"We are convinced that Clarion will successfully continue to build its business as part of Faurecia. We at Hitachi Automotive Systems are committed to grow our activities in autonomous driving, which is one of our core businesses. In that context we look forward also to our partnership with Faurecia."*

For the fiscal year ending March 2018, Clarion, headquartered in Saitama (near Tokyo), Japan, achieved sales of 183 billion yen (€1.4 bn). It employs 7,500 people and has 7 manufacturing sites (of which 6 are in low cost countries) and a presence in 16 countries. The company has undertaken a major transformation of its product portfolio from its traditional audio/infotainment systems towards its rapidly growing advanced driver assistance and HMI systems, including driver monitoring and autonomous parking.

Faurecia is deploying its cockpit integration strategy based on its leading positions in seating and interiors. The Group's ambition is to become the leading supplier of systems for unique user experiences integrated through an electronics management system: the "Cockpit Intelligence Platform".

As part of this strategy, the Group has built a foothold in connectivity and infotainment through the acquisitions of Parrot Automotive (expert in Android solutions) and a controlling stake in Coagent Electronics in China. The acquisition of Clarion would give Faurecia critical size as a leading player in cockpit electronics and software integration with a strong global presence and a competitive industrial footprint.

The functionalities managed by the Cockpit Intelligence Platform will include advanced safety, intuitive HMI, driver information and assistance, IVI and immersive digital sound, comfort, wellness and thermal management. Creating these personalized user experiences will require occupant monitoring as well as personal and contextual information. With the addition of Clarion's complementary competences and know-how, in particular for image processing, sensing and driver information, Faurecia will be uniquely positioned to provide innovative and disruptive solutions.

Significant synergies will be realized by leveraging the combined offer for intelligent cockpit hardware and software solutions and the complementary customer, geographic and industrial footprints. For Clarion, this deal would support the expansion of their customer base particularly in Europe and accelerate their strategic transformation. Faurecia would benefit from Clarion's strong customer relationships to achieve a breakthrough in its presence with Japanese OEMs.

Faurecia intends to create a new Business Group headquartered in Japan, named "Faurecia Clarion Electronics Systems" regrouping all of Faurecia's competences in this domain. This Business Group would employ almost 9,200 people, more than 1,650 software engineers and have over €2 billion of revenues by 2022.

Faurecia will offer 2,500 yen per share representing a premium of 31.2% versus average of last 20 trading days and 10.5% versus last trading day (October 25, 2018). This corresponds to a total purchase price of 141 billion yen (around €1.1 billion), representing a transaction multiple of 5.7 times March 2018 EBITDA including run-rate synergies estimated at €90 million by 2022. These synergies would be split almost equally between revenue and cost synergies. The bridge financing related to the acquisition has been fully secured and the size of this operation is compatible with Faurecia's financial capabilities and acquisition criteria.

Following this transaction, in 2020 Faurecia sales should reach over €21 billion with EPS accretion.

The transaction is subject to customary regulatory clearances and employee representative consultations. The tender offer will be launched once appropriate merger control clearances are underway. Pursuant to the agreement signed today, Hitachi has given an undertaking to tender its shares representing 63.8% of the share capital of Clarion. Clarion also intends to recommend its shareholders to tender their shares when the tender offer is launched. Faurecia intends to implement a squeeze-out following the settlement of the tender offer. This project has received the support of

both the Hitachi and Clarion Boards of Directors. Closing of the transaction is expected during the first quarter 2019.

A conference call for financial analysts and media will be held today at 9:00am (Paris time).

Dial-in numbers are:

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About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With 290 sites including 30 R&D centers and 109,000 employees in 35 countries, Faurecia is now a global leader in its three areas of business: automotive seating, interior systems and clean mobility. Faurecia has focused its technology strategy on providing solutions for smart life on board and sustainable mobility. In 2017, the Group posted total sales of €17.0 billion. Faurecia is listed on the Euronext Paris stock exchange and is a component of the CAC Next 20 index. For more information, please visit www.faurecia.com

Disclaimer

Additional information and where to find it

The tender offer described in this communication has not yet commenced and this communication is neither an offer to purchase nor a solicitation of an offer to sell shares of Clarion. At the time the tender offer is commenced, pursuant to the Japanese tender offer regulations, the bidder will publish a tender offer statement, and Clarion will publish an opinion statement, with respect to the tender offer. Clarion shareholders and other investors are strongly advised to read the tender offer materials and the opinion statement, as they may be amended from time to time, because they will contain important information which should be read carefully before any decision is made with respect to the tender offer. The tender offer materials, as well as the opinion statement, will be made available to all Clarion shareholders at no expense to them. English translations of all tender offer materials may also be obtained at <http://www.faurecia.com/en/newsroom>

Notice to U.S. shareholders of Clarion

The bidder, a company of the Faurecia group, is a French company and the target, Clarion, is a Japanese company. Information distributed in connection with the proposed tender offer is subject to Japanese disclosure requirements that are different from those of the United States. Financial statements and financial information included in the tender offer materials are prepared in accordance with Japanese accounting standards that may not be comparable to the financial statements or financial information of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws in respect of the tender offer, since the companies are located in France and Japan, respectively. You may not be able to sue the companies or their officers or directors in a French or Japanese court for violations of the U.S. securities laws. Finally, it may be difficult to compel the companies and their affiliates to subject themselves to a U.S. court's judgment.

You should be aware that, pursuant to certain exemptions to the U.S. tender offer regulations, the bidder or its affiliates may bid for or purchase the target's shares outside the United States otherwise than pursuant to the tender offer in the U.S., such as in open market or privately negotiated purchases, at any time during the pendency of the tender offer.