

To whom it may concern:

November 6, 2017

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Notice of posting extraordinary loss accompanying payment of settlement

We hereby inform you as follows that we posted extraordinary loss accompanying payment of settlement in the 2nd quarter of the Fiscal Year Ending March 31, 2018.

1. Summary of extraordinary loss

On November 2012, we received a cease-and-desist order and payment order of surcharges from the Japan Fair Trade Commission for violation of the Antimonopoly Act (unreasonable restraint of trade) in respect of transactions involving automotive radiators and electric fans. On September 2013, we reached a plea bargain deal with the U.S. Department of Justice, as agreed to violation of antitrust laws regarding sales of automotive parts (radiators and others).

Regarding these violative acts, we have been discussing damages with some customers. As a result of our comprehensive consideration of the influence of long-term negotiations on management, we have decided at the Board of Directors meeting today that we would pay approximately 1,158 million yen in settlement of the case.

We would like to refrain from disclosing the details of the settlement, because the terms contain confidentiality clauses.

2. Effect to the financial results

We posted extraordinary loss accompanying payment of settlement in the 2nd quarter of the Fiscal Year Ending March 31, 2018.

Regarding the Forecasts of Financial Performance for the Year Ending March 31, 2018, please refer to "Revisions to the Forecasts of Financial Performance for the Year Ending March 31, 2018" released on November 6, 2017.