

Q&A regarding the Financial Results Briefing for Analysts dated November 28
(Accounts for Q2 of the year ending March, 2018)

Q. What is the reason for the decline in the operating income of the North American and the automotive seating businesses in the revised plan, as opposed to the initial plan?

A. The automotive seating business of North America and some of the factories in Japan is greatly influenced by the reduction in the volume and model type of vehicles. Further, with regard to the North American business, there is a shift in the demand of cars from sedans to SUVs affecting not only our automotive seating, but the automotive suspension spring business as well, given the fact that our major products are intended for sedans.

Q. Were the capital investments for Hungary and semiconductor manufacturing equipment parts that were released to the press included in the medium-term management plan?

A. Although capital investments for Hungary were included in the medium-term management plan, those for semiconductor manufacturing equipment parts as well as for Nippatsu Mizushima Co., Ltd. were unplanned.

Q. What is the reason for deficit with regard to the North American business in the first half of the fiscal year, but a recovery to black is planned in the second half?

A. Recovery in the second half is expected due to the increase in sales following the increase in volume as well as the resumption of the development costs shifting to the second half.

Q. What sorts of parts are required for the semiconductor manufacturing equipment?

A. Said parts, such as the cooling plate and heaters, are assembled in the semiconductor manufacturing equipment, and are used for the heating and cooling of circuit boards in the etching and deposition processes, during the upstream process of manufacturing wafers.