

FOR IMMEDIATE RELEASE

**Hitachi Vehicle Energy's Design and Research & Development
Operations to be Transferred and Integrated into
Hitachi Automotive Systems' Operations**

*Move Expected to Maximize Synergies on Both Sides, and further Strengthen
and Expand the Electric Powertrain Business*

Tokyo, February 27, 2014 – Hitachi Automotive Systems, Ltd. (“Hitachi Automotive Systems”) and Hitachi Vehicle Energy, Ltd. (“Hitachi Vehicle Energy”) today announced that the two companies have decided to transfer and integrate Hitachi Vehicle Energy's design and research & development operations into Hitachi Automotive Systems on April 1, for further growth and expansion of the electric powertrain business and optimization of the business structure. Hitachi Vehicle Energy will continue to strengthen its production technology, quality and other monozukuri capabilities as a manufacturer of lithium-ion batteries.

1. Purpose

With environmental regulations being strengthened globally and automotive technology aiming to achieve greater sustainability, hybrid and electric drive vehicles are expected to become increasingly widespread to utilize energy that is clean as well as reproducible and sustainable. Attaining the wider use of electric drive vehicles requires the development of revolutionary technology for delivering performance that exceeds that of gasoline engines. Key to that is improving the performance of lithium-ion batteries (for quicker charging, longer drive distance and higher capacity), while at the same time optimizing the components of the electric powertrain such as the motor and inverter.

While the aim of the transfer and integration move is to optimize synergies involved in the development and design of electric powertrains, at the same time it will strengthen the ability to develop technologies for improving battery performance, and the fusion of Hitachi Vehicle Energy's battery control technology with Hitachi Automotive Systems' electric drive vehicle system control technology will also enhance the ability to provide more optimized solutions proposals.

Specifically, Hitachi Automotive Systems' electronics, control and software technologies will also be utilized in the development of battery management systems, for more sophisticated battery control, and to improve the pace and efficiency of next-generation battery development as well as battery performance and quality. Hitachi Automotive Systems will also continue to strongly promote ways of combining products optimized for its customers, using functionally and efficiently integrated control of the motors and the inverters as well as the batteries that are the key components of electric drive vehicles and various electronic control system products.

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2. Business areas to be transferred

Business planning and design and research & development operations relating to lithium-ion batteries for hybrid electric vehicles and electric vehicles.

3. Planned schedule

Date for business integration: April 1, 2014

4. Outline of Hitachi Automotive Systems and Hitachi Vehicle Energy

Company name	Hitachi Automotive Systems, Ltd.	Hitachi Vehicle Energy, Ltd.
Location	2-1, Otemachi 2-chome, Chiyoda-ku, Tokyo	1410 Inada Hitachinaka-shi Ibaraki
Representative	Kunihiko Ohnuma, Chairman and CEO	Yoshiharu Katsuta, President
Description of business	Development, manufacture, sales and services of automotive components, transportation related components, and industrial machines and systems	Marketing, development and manufacture of lithium-ion batteries for hybrid-electric vehicles, etc.
Capital	15,000 million yen	7,500 million yen
Date of establishment	July 1, 2009	July 1, 2004
Shareholder structure	Hitachi, Ltd. 100%	Hitachi, Ltd. 100%

■About Hitachi Automotive Systems, Ltd

Hitachi Automotive Systems, Ltd is a wholly owned subsidiary of Hitachi, Ltd., headquartered in Tokyo, Japan. The company is engaged in the development, manufacture, sales and services of automotive components, transportation related components, industrial machines and systems, and offers a wide range of automotive systems including engine management systems, electric power train systems, drive control systems and car information systems. For more information, please visit the company's website at <http://www.hitachi-automotive.co.jp/en/>.

■About Hitachi Vehicle Energy, Ltd

Hitachi Vehicle Energy, Ltd. is a subsidiary of Hitachi, Ltd., headquartered in Ibaraki Prefecture, Japan. The company is developing state-of-the-art battery technology focused on lithium-ion battery technology for automotive application and expanding the scale of the mass production by strongly cooperating with Hitachi Automotive Systems, Ltd. For more information, please visit the company's website at <http://www.hitachi-ve.co.jp/en/>.

■About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com/>.

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