

News Release

FOR IMMEDIATE RELEASE

Hitachi Automotive Systems to Strengthen its Global Organizational Structure

--Aiming for Global Leadership and True Value Creation for Stakeholders--

Tokyo, March 12, 2019 --- Hitachi Automotive Systems, Ltd. today announced a strengthening of its global organizational structure effective from April 1, 2019, to achieve its ambitions of global leadership and being a true value creator for stakeholders.

Previously, Business Divisions were responsible for business accountability in Japan, while Regional Headquarters were responsible for business accountability outside Japan. However, from April, business accountability will be owned by global product-based Business Divisions and Business Units. In addition, Hitachi Automotive Systems will optimize operations in Regions and strengthen its Global Functions. By doing so, we will increase the value provided to customers and accelerate the creation of innovative products and services.

In recent years, the environment surrounding the automotive industry has undergone significant changes, with intensified competition to develop new technologies such as electrification and AD/ADAS. In addition, new competitors are entering the automotive market, and the worldwide demand for car sharing and mobility services has also increased. In this rapidly changing business environment, automotive suppliers must generate and speedily deliver new solutions, new technologies, and higher value-added products. In response to these market requirements, Hitachi Automotive Systems will promote business optimization through portfolio reorganization and a new corporate strategy to improve global competitiveness.

Based on the new corporate strategy, Hitachi Automotive Systems will strengthen its global organizational structure in three domains to achieve agile and efficient business operations.

Domain 1: Business Divisions & Business Units — Consolidate Business Accountability into Business Divisions

Previously, Business Divisions were responsible for business accountability in Japan, while Regional Headquarters were responsible for business accountability outside

Japan. However, from April, business accountability will be owned by globally focused Business Divisions and Business Units, divided by product area. In addition, a Software Division will be newly established, current divisions will be reorganized into the Powertrain & Safety Systems Division and Chassis Division, and the Aftermarket Division will be strengthened. For Divisions that contain Business Units, execution of cross-Business Unit strategies will drive speedy and efficient business operations. Furthermore, each Business Units will own Sales functions that will accelerate creation of innovative solutions meeting customers' future needs.

Domain 2: Regions – Optimize Regional Operations

A Japan Region will be newly established in addition to a Europe Region, China Region, Asia Region, and Americas Region. Regions will concentrate on execution of operational excellence across plants and Business Units, optimizing operations in each Region.

Domain 3: Strengthened Global Functions

Hitachi Automotive Systems will strengthen global governance to provide service and support for efficient business operations through scale, driving consistency in standards and policies.



Figure: Change of Organizational Structure

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 powertrain systems, electric powertrain systems, and integrated vehicle control systems. For more information, please visit the company's website at <http://www.hitachi-automotive.co.jp/en/>.

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