

Hitachi Automotive Systems and Honda Sign MoU Aiming to Establish Joint Venture Company for Electric Vehicle Motors

Tokyo, February 7, 2017 --- Hitachi Automotive Systems, Ltd., and Honda Motor Co., Ltd., today announced the signing of a Memorandum of Understanding (“MoU”) on Feb. 3, aiming to establish a joint venture company for the development, manufacture and sales of motors for electric vehicles. The two companies now will conduct formal discussions regarding the establishment of the new company.

Since Hitachi Automotive Systems first started selling motors for electric vehicles in 1999, it has been refining its technological and product capabilities to develop high-output, lightweight and compact electric vehicle motors. The company has delivered a high volume of these motors to vehicle manufacturers in Japan and throughout the world, and has earned high praise throughout the industry for the performance of these products and its production technology.

Since 1999, when Honda launched its first hybrid car, Insight, the company has focused on expanding its electric vehicle line-up as it continues to enhance its technological and production capabilities with respect to the motors that form the core component of electric vehicles.

Going forward, with environmental conservation measures and regulations increasing on a global scale, the market for electric vehicles is expected to continue to grow. Based on this direction, the two companies signed the MoU with the aim of using the collaboration between a vehicle manufacturer and supplier to generate technological synergy and economies of scale that will strengthen their competitive advantage and business foundation for the motors at the core of an electric vehicle system.

Subsidiary operations of the new Japan-based joint venture are planned for the United States and People’s Republic of China, each with manufacturing and sales functions. Together with the establishment of these operations, the new company will expand the global supply of motors by creating a robust response to demand from Honda and other vehicle manufacturers.

In parallel to the efforts of the new company, Hitachi Automotive Systems will continue to promote its business operations by maintaining the business relationships it has with vehicle manufacturers that receive their supply of motors from the company. Moreover, Honda will continue to focus on the global promotion of electric vehicles by using motors from the new company as well as the motors it currently manufactures itself in Japan.

Further details of the joint venture are currently under discussion by the two companies. The following are items that are currently part of the plan:

1. Overview of the Joint Venture Company (planned)

Name of company:	To be determined	
Location:	2520 Takaba, Hitachinaka City, Ibaraki Prefecture.	
Representative:	To be determined	
Business:	Development, manufacture and sales of motors for electric vehicles	
Capital:	5 billion yen	
Planned date of establishment:	July 2017	
Investment ratio:	Hitachi Automotive Systems, Ltd.	51%
	Honda Motor Co., Ltd.	49%

2. Future schedule

The signing of the definitive agreement for the establishment of the joint venture company is planned for the end of March 2017.

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 Honda Motor Co., Ltd.

Honda Motor Co. (NYSE: HMC) designs, manufactures and markets automobiles, motorcycles, power products and aviation products worldwide. A global leader in powertrain and electromotive technologies, Honda produces nearly 28 million engines annually for its three product lines. Honda and its partners build products in more than 60 manufacturing plants in 27 countries, employing more than 208,000 associates globally.

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