

News Release

FOR IMMEDIATE RELEASE

Hitachi Automotive Systems to Transfer its Commercial Vehicle Steering Business to Knorr-Bremse

Tokyo, December 7, 2018 --- Hitachi Automotive Systems, Ltd. today announced that the company has signed an agreement with Knorr-Bremse AG, the German global market leader for braking systems, to transfer Hitachi Automotive Systems' commercial vehicle steering business to Knorr-Bremse. Specifically, Hitachi Automotive Systems will spin off its commercial vehicle steering business to a new company incorporated for this transaction through an absorption-type company split, and transfer all shares of the new company to Knorr-Bremse Asia Pacific (Holding) Ltd., which is a wholly owned subsidiary of Knorr-Bremse in Hong Kong.

As well as brakes and suspensions, power steering equipment supports the control of a vehicle's behavior. In the power steering business for commercial vehicles, Hitachi Automotive Systems manufactures and sells lightweight, compact and high-output hydraulic assist integral power steering gears.

The transfer of Hitachi Automotive Systems' commercial vehicle steering business will allow Hitachi Automotive Systems to focus and strengthen further its core portfolio. Moving forward, in addition to chassis products that improve vehicle driving performance such as passenger vehicle steering, brakes, and suspension, Hitachi Automotive Systems will continue to leverage its strengths in electronics and electrification technologies, and continually enhance its business lineup in electrification products such as electric motors and inverters, as well as advanced driver assistance system & autonomous driving (ADAS/AD) products.

Since its establishment in 1905, Knorr-Bremse has led the world in the field of braking systems and other safety-critical subsystems for rail and commercial vehicles.

The transfer of Hitachi Automotive Systems' commercial vehicle steering business has the business develop by utilizing Knorr-Bremse's customer base, technologies and expertise. It will enable Knorr-Bremse to contribute to integrated braking and steering control technologies, and contribute to the company's development of advanced driver assistance system & autonomous driving technologies for the commercial vehicle field and accelerate the company's global business expansion.

1. Company overview

(1) Hitachi Automotive Systems

Company Name	Hitachi Automotive Systems, Ltd.
Address	2-1, Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan
Representative	President & CEO: Brice Koch,
Business	Development, manufacture, sales and services of automotive components, transportation related components, industrial machines and systems, etc
Capital	15 billion yen (Hitachi, Ltd. 100%)
Established	July 1, 2009

(2) Knorr-Bremse

Company Name	Knorr-Bremse AG
Address	Moosacher Strasse 80 80809 Munchen, Germany
Representative	Chairman of the Executive Board: Klaus Deller
Business	Production and sales of braking systems and other safety-critical subsystems for rail and commercial vehicles including railway vehicles, trucks, and buses
Capital	161,200 thousand euros
Established	April 8, 1905

2. Schedule

Date of execution of the share transfer agreement	December 7, 2018
Date of execution of absorption-type company split agreement	Scheduled for January, 2019
Effective date of absorption-type company split and transfer date of shares	Scheduled for March 1, 2019

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/>.

About Knorr-Bremse AG

Knorr-Bremse AG is the global market leader for braking systems and a leading supplier of other safety-critical rail and commercial vehicle subsystems. Knorr-Bremse's products make a decisive contribution to greater safety and energy efficiency on rail tracks and roads around the world. For more than 110 years the company has been the industry innovator, driving innovation in mobility and transportation technologies with an edge in connected system solutions. Knorr-Bremse is one of Germany's most successful industrial companies and profits from the key global megatrends: urbanization, eco-efficiency, digitization and automated driving.

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