

Hitachi, Ltd. and Sanyo Denki Co., Ltd., have agreed to an alliance regarding their AC servomotor operations.

TOKYO, Japan, June 12, 2001 - Hitachi, Ltd. (NYSE : HIT), and Sanyo Denki Co., Ltd. (TSE : 6516) have agreed to an alliance regarding their AC servomotor operations. Under the agreement, the two companies will strengthen their high-performance AC servomotor products by combining Hitachi's superior low-cogging torque and top-speed positioning control technologies with Sanyo Denki's wide-ranging product lineup. They will also consider supplementing each other's AC servomotor related products as well as the integration of their production facilities.

AC servomotors are widely used as motive units for such devices as semiconductor manufacturing equipment, component mounting devices, and transport machinery. Japan's servomotor market showed strong growth in fiscal 2000, totaling approximately ¥133.1 billion, or 135% of the previous year's value. (source: JEMA 2001)

In recent years, requirements for AC servo systems have become increasingly diverse due continual improvements in product performance, conversion to open interfaces, more economic use of wiring, and the globalization of all aspects of the industry, including service. Given these circumstances, shorter access time to market and enhanced cost competitiveness are crucial factors.

Hitachi possesses numerous basic patents covering motors and manufactures the industry's top level AC servomotors, comprising mostly high-end types. It is also proactively expanding into such business segments as energy saving solutions, FA systems solutions, and motor drive systems that combine such multiple elements as programmable controllers and general purpose inverters.

Sanyo Denki possesses a wide lineup of AC servomotor products and has solid track record in the business as well as flexible customizing capabilities. Its copious product mix also includes such products as two-, three-, and five-phase stepping motors as well as the compact AC servo system, PB, a breakthrough device that incorporates the benefits of both AC servomotors and stepping motors.

The alliance will enable the fusion of Hitachi's industry-leading AC servomotor technologies and Sanyo Denki's wide-ranging product lineup and superb manufacturing technologies as well as the rollout of a world-leading AC servomotor business in terms of both product performance and selection. Furthermore, by supplementing each other's products, Hitachi and Sanyo Denki will strive to enhance the efficiency of their operations by better meeting diversifying customer needs, strengthening solutions operations, avoiding overlapping investments and abbreviating times to market.