

FOR IMMEDIATE RELEASE

Two Group companies to be merged to strengthen steering and propeller shaft businesses

- Acceleration of global expansion will expand sales of both businesses by 60% by fiscal 2018 -

Tokyo, December 1, 2015 --- Hitachi Automotive Systems, Ltd. announced today that it has decided to carry out an absorption-type merger of wholly owned subsidiaries Hitachi Automotive Systems Steering, Ltd. and Hitachi Automotive Systems Kyushu, Ltd. on April 1, 2016.

Society is placing many demands on cars. For example, there is a need for cars that have reduced environmental impact, can reduce traffic accidents, eliminate or alleviate traffic congestion, improve driving comfort, and offer assisted transportation for seniors. Car manufacturers and related businesses are responding through development of technologies aimed at making autonomous driving a reality. Hitachi Automotive Systems is focusing on enhancing the ADAS (Advanced Driver Assistance Systems) technologies which will be a key part of the growth of the market for autonomous driving systems. Hitachi Automotive Systems is strengthening its businesses in a wide range of recognition, control, and drive products and systems such as outside recognition sensors, electronic control units, drive actuators, and electric powertrain components that are indispensable to ADAS.

Against this backdrop, in order to use integrated management to accelerate the global deployment of steering and propeller shaft products which are important components in drive system actuation, Hitachi Automotive Systems decided to carry out the absorption-type merger of Hitachi Automotive Systems Steering and Hitachi Automotive Systems Kyushu, which are engaged in the development and production of both products.

The power steering systems manufactured by Hitachi Automotive Systems Steering are a core product of ADAS, for which, with the inclusion of control development, unit development, and materials technology, further business expansion is expected along with that of the vertically integrated business model of the Hitachi Automotive Systems Group. In addition, Hitachi Automotive Systems Kyushu manufactures propeller shafts that are light to help save energy, and for increased collision safety use carbon fiber resulting in high-value-added products that are expected to be in growing demand in overseas markets.

- more -

In the future, Hitachi Automotive Systems' integrated management will strengthen the development capabilities and quality and production technology with respect to steering and propeller shaft products, and promote the expansion of the global production system. By strengthening sales in the Americas as well as in China and other global markets, the company is aiming for sales of steering and propeller shaft products that by fiscal 2018 will each be 60% higher than those of fiscal 2014.

Summary of companies as of December 1, 2015

1. Surviving company

1.	Name	Hitachi Automotive Systems, Ltd.
2.	Location	Shin-Otemachi Building, 2-1, Otemachi 2-chome, Chiyoda-ku, Tokyo, 100-0004 Japan
3.	Name and title of representative	Hideaki Seki, President and COO
4.	Business	Development, manufacture, sales and services of automotive components, transportation related components, industrial machines and systems
5.	Capital	15,000 million yen
6.	Established	July 1, 2009
7.	Main shareholders and their holdings	Hitachi, Ltd. 100%

2. Disappearing companies

		Merged company 1	Merged company 2
1.	Name	Hitachi Automotive Systems Steering, Ltd.	Hitachi Automotive Systems Kyushu, Ltd.
2.	Location	25-10 Miyako, Namegawa, Hiki-gun, Saitama Prefecture, 355-0812 Japan	704-1 Tarumi, Koge-machi, Chikujo-gun, Fukuoka Prefecture, 871-0913 Japan
3.	Name and title of representative	Saburo Tsukagoshi, President	Masaya Takahashi, President
4.	Business	Manufacture of steering products	Manufacture of propeller shafts and pistons
5.	Capital	2,000 million yen	500 million yen
6.	Established	July 2001	April 2000
7.	Main shareholders and their holdings	Hitachi Automotive Systems, Ltd. 100%	Hitachi Automotive Systems, 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/>.

###

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
