

MESSAGE

Contributing to a Sustainable Society as a Global Leader in Mobility Solutions

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Countries and companies around the globe are increasingly committed to achieving the United Nations' Sustainable Development Goals (SDGs), which aim to overcome the common challenges facing the world today. In the automotive industry, where there is a need to address climate change, Hitachi Astemo, Ltd. is creating solutions for a sustainable mobility society that is safe, secure, and comfortable as well as environmentally friendly. We are innovating technologies in the areas of CASE: "connected," "autonomous," "service & shared," and "electric" mobility, in which change is rapid and the impact on society is profound. The name Astemo is derived from our mission to provide advanced sustainable technologies for mobility to improve safety, sustainability, and comfort through technologies.

With these ambitions Hitachi Astemo was created to become an independent technology company and a world leader in mobility solutions. The company was formed on January 1, 2021 with the integration of Hitachi Automotive Systems, Ltd., Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd. and also includes Chassis Brakes International B.V. and seneos GmbH, which were acquired by Hitachi Automotive Systems in 2019 and 2020 respectively.

As the automotive industry transitions from transportation to connected mobility, we are able to craft automobiles to address a much broader array of societal issues, but as

we do so, the demand for scale and the complexity of the industry is equally compounded.

Hitachi Astemo is an independent global technology company with approximately 90,000 employees in 27 countries worldwide. We provide services primarily to original equipment manufacturer (OEM) automobile and motorcycle companies through a network that puts us close to our customers in every major automobile manufacturing location globally.

Because the integrated companies were each pursuing the same technologies, it was a natural fit in our research and development (R&D) ambitions to massively grow the scale and deepen our investment in core areas, as well as to use overlapping resources to accelerate key developments or shift them to other areas.

As a part of Hitachi Group, Hitachi Astemo also benefits from Hitachi's advanced technologies in connected services and other digital technologies. Hitachi Astemo is fully aligned with Hitachi Group toward providing social and environmental value through mobility solutions based on advanced technologies. In terms of its global network and depth of R&D talent and resources, Hitachi Astemo has the scale to compete as a global leader and define the mobility solutions of tomorrow.

A crucial part of our strategy to meet our environmental goals relies on our electrification technologies. In line with



national targets for carbon neutrality and zero emissions, automobile manufacturers are accelerating their investments in electrification and setting similar targets for electric-only vehicle sales. With CASE as the central pillar of our strategy, technologies such as our electric motors and inverters are at the core of this exciting and important strategic business.

In March 2021, Hitachi was awarded the Ichimura Prize in Industry Against Global Warming for Distinguished Achievement for the development of its compact and highly efficient 800 V high-power inverter. By creating technologies that improve electric cars, we are directly contributing to the adoption of electric vehicles.

With a major motorcycle business as a part of our portfolio, we are able to leverage our electrification technologies in automobiles for advancing our motorcycle offerings, which are expected to become increasingly electrified in the future.

We anticipate that for the next several years most automobiles and motorcycles sold worldwide will still rely on internal combustion engine and hybrid technologies. But even here, Astemo is making social and environmental contributions. By improving engine powertrain technologies, Hitachi Astemo is reducing the weight and boosting the efficiencies of its existing product base and thereby reducing the environmental impact.

In terms of social value, we are developing cutting-edge technologies in autonomous driving and advanced driver-assistance systems (AD/ADAS), integrated vehicle control, and connected services. Technologies for autonomous driving are rapidly progressing globally with practical trials underway and legal systems and physical infrastructure changing to adapt. In addition to a strong product lineup that includes stereo cameras and autonomous driving electronic control units (AD-ECUs), we have the unique advantage of being able to develop all the core chassis components supported by integrated software capabilities.

In developing integrated vehicle control technologies, Hitachi draws on its capabilities as a Tier 1 supplier of chassis and undercarriage technologies for braking, suspension, and steering to deliver a safe and comfortable motor-ing experience by coordinating various control technologies. Meanwhile, in the connected services business, work is ongoing across the Hitachi Group to deliver solutions for automotive cybersecurity and the other new challenges confronting the world of mobility, with the establishment of an Internet of Vehicles (IoV) platform playing a central role.

As a global mobility solutions provider that contributes to a sustainable society, Hitachi will continue working to enhance people's quality of life (QoL) and the corporate value of its customers.