

**Press Release**

Munich, December 7, 2018

**Knorr-Bremse acquires the commercial vehicle steering business of Hitachi Automotive Systems, Ltd. in Japan and Thailand and expands its steering systems business**

- **Knorr-Bremse today signed an agreement to acquire the commercial vehicle steering business (“Integral Power Steering” (IPS)) from Hitachi Automotive Systems, Ltd. in Japan and Thailand**
- **IPS will establish Knorr-Bremse as a relevant supplier of power steering parts for commercial vehicles**
- **In 2017, Hitachi Automotive Systems’ division generated a turnover close to 100 million euros**
- **The division is the market leading manufacturer of steering systems in Japan**
- **Knorr-Bremse is setting a further milestone on its way to systems solutions for driver assistance and highly automated driving**

**Munich, December 7, 2018 – Knorr-Bremse, the global market leader for braking systems and a leading supplier of other rail and commercial vehicle subsystems, today signed an agreement to acquire the commercial vehicle steering business (IPS) from Hitachi Automotive Systems, Ltd. in Japan and Thailand. The division is the leading supplier of power steering parts for commercial vehicles in Japan. With this transaction, Knorr-Bremse takes a further step towards supplying its customers with highly integrated systems, as well as new functionalities in the field of driver assistance and automated driving. The acquisition is subject to approval by the anti-trust authorities and is expected to be completed in the first quarter 2019.**

“Knorr-Bremse has global experience with commercial vehicles in the fields of vehicle dynamics, driver assistance systems and the main related actuators, which means brakes and steering. The take-over of the commercial vehicle steering business from Hitachi will expand Knorr-Bremse’s steering system portfolio and further enhance Knorr-Bremse’s future potential as a global supplier for driver assistance and highly automated driving solutions”, explains Dr. Peter Laier, Member of the Executive Board of Knorr-Bremse AG responsible for the Commercial Vehicle Systems division.

“With the expertise of Hitachi Automotive Systems on recirculating ball steering (RCB) gears and the torque overlay steering (TOS), Knorr-Bremse will strengthen the cooperation with Japanese commercial vehicle manufacturers through providing further support for their future highly automated driving vehicles. We also see good potential to use the acquired technology to support Chinese customers”, adds BaoPing Xu, Member of the Board of Directors of Knorr-Bremse Asia-Pacific (Holding) in charge of the Commercial Vehicle Systems business.

With this transaction, Knorr-Bremse expects to become the leading supplier of recirculating ball steering (RCB) gears for commercial vehicles in Japan and executes the next step to become a global supplier for commercial vehicle steering systems. This will create a solid global basis for subsequent introduction of torque overlay systems (TOS) for automated driving functions. In addition, Knorr-Bremse will gain a better access to the Japanese and the Southeast Asian market and will have the opportunity to also provide further products of the business segment for commercial vehicles in these regions.

Hitachi Automotive Systems' commercial vehicle steering business is one of the world leading developers and suppliers of competitive, high-performance steering technology and manufactures hydraulic power steering for commercial vehicles ranging from pickup to heavy trucks to heavy-duty trucks. In 2017, the IPS business generated a turnover close to 100 million euros and has strong business relationships to Japanese OEMs. The sites in Japan and Thailand comprising a workforce of around 350 employees.

**Caption 1:** "The take-over of the commercial vehicle steering business from Hitachi will expand Knorr-Bremse's steering system portfolio and further enhance Knorr-Bremse's future potential as a global supplier for driver assistance and highly automated driving solutions." | © Knorr-Bremse

**Caption 2:** Signing of the agreement between Knorr-Bremse and Hitachi Automotive Systems, Ltd. (from left): BaoPing Xu, Member of the Board of Directors of Knorr-Bremse Asia-Pacific (Holding) in charge of the Commercial Vehicle Systems business; Hiroshi Hasegawa, Vice President, Executive Officer, General Manager, Corporate Strategy & Planning Division, Hitachi Automotive Systems, Ltd. | © Hitachi Automotive Systems, Ltd.

**Knorr-Bremse** 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.

Approximately 29,000 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. Localization is a central focus of Knorr-Bremse's strategy. Knorr-Bremse delivers braking, entrance, control and auxiliary power supply systems, HVAC and driver assistance systems for rail vehicles, as well as braking, steering, powertrain and transmission control solutions, and driver assistance systems for commercial vehicles.

In 2017, Knorr-Bremse's two divisions together generated revenues of EUR 6.2 billion (IFRS). A comprehensive aftermarket & services business with high entry barriers gives these revenues increasingly cyclically independent stability. The company benefits from strong, entrepreneurial and experienced management. Technical excellence, reliability, passion and responsibility are deeply embedded in its corporate culture.

**Hitachi Automotive Systems** 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.

**Contact:**

Alexandra Bufe  
Knorr-Bremse AG  
Tel: +49 (0)89 3547 1402  
E-mail: [alexandra.bufe@knorr-bremse.com](mailto:alexandra.bufe@knorr-bremse.com)

## Important Information

This release may contain forward-looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("**forward-looking statements**"). These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of Knorr-Bremse and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements only speak as at the date of this release. We undertake no obligation, and do not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. We accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.

Knorr-Bremse expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Notwithstanding the above, Knorr-Bremse will of course continue to comply with its disclosure obligations in accordance with all applicable laws and regulations.