

INCJ to make joint investment in Hitachi Vehicle Energy A manufacturer of lithium-ion batteries for automobile

- Joint investment with Maxell and Hitachi Automotive Systems in Hitachi Vehicle Energy
- New structure to promote the domestic development of cutting-edge lithium-ion batteries for hybrid-electric vehicles
- Future goal is the creation of a new battery group with international competitiveness

Tokyo, December 25, 2018 — INCJ Ltd. ('INCJ'), Maxell Holdings, Ltd. ('Maxell') and Hitachi Automotive Systems, Ltd. ('Hitachi Automotive Systems') have concluded Basic Agreement and Share Purchase Agreement for investment in Hitachi Vehicle Energy, Ltd. ('Hitachi Vehicle Energy'), a manufacturer of lithium-ion batteries for automobile.

INCJ and Maxell will acquire all Hitachi Vehicle Energy's common stocks held by Hitachi, Ltd. In addition, INCJ will underwrite new common stock issued by Hitachi Vehicle Energy, and Maxell will underwrite newly issued preferred stock. Hitachi Automotive Systems will also underwrite new common stock issued by Hitachi Vehicle Energy in return for a carve-out of the part of its business. As a result, the investment ratio of INCJ, Maxell, and Hitachi Automotive Systems will be 47:47:6, and the voting rights ratio will be 76:14:10 respectively. Hitachi Vehicle Energy will use the funds as a growth capital to make capital investments necessary for future business development.

Japanese manufacturers have achieved a leading position in the lithium-ion automotive battery market by high level of technology, but global competition has been intensifying with the recent emergence of Chinese and Korean manufacturers. INCJ, Maxell, and Hitachi Automotive Systems decided to invest in Hitachi Vehicle Energy in order to help Japanese manufacturers secure the advantage in the battery market, and maintain and strengthen their competitiveness, understanding the necessity to form the development structure of next-generation batteries through gathering Japanese technologies.

As full-scale penetration of electric vehicle is expected to take time, the demand for hybrid-electric vehicle is predicted to increase in the future both in domestic and overseas market. Furthermore, manufacturing lithium-ion batteries for hybrid-electric vehicles has high entry-barrier, thus suppliers

are limited in the market. Consequently, as a leading lithium-ion battery manufacturer for hybrid-electric vehicles, Hitachi Vehicle Energy is expected to expand its business. Utilizing Maxell Group's technology and know-how, INCJ's knowledge and network, and Hitachi Automotive Systems' strong relationships with OEM, three shareholders aim to construct a strong global position for Hitachi Vehicle Energy's lithium-ion battery business, and help developing next-generation battery technology that will continue to drive Japanese battery industry.

About Hitachi Vehicle Energy, Ltd.

Established: July 2004
Headquarters: Hitachinaka City, Ibaraki
Representative: Shoji Saibara
Business outline: Manufacture of lithium-ion batteries for hybrid-electric vehicles

About Maxell Holdings, Ltd.

Established: September 1960
Headquarters: Minato-ku, Tokyo
Representative: Yoshiharu Katsuta
Business outline: Planning of group management strategy and overall management of group companies

About Hitachi Automotive Systems, Ltd.

Established: July 2009
Headquarters: Chiyoda-ku, Tokyo
Representative: Brice Koch
Business outline: Development, manufacture, sales and servicing of automotive components, transportation related components, industrial machines and systems

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations, and the company has changed its name to Japan Investment Corporation (JIC) and begun new activities. INCJ, Ltd. will continue the activities of INCJ, engaging in "Value Up" activities such as overseeing additional investments, milestone investments and exits from investments in portfolio companies until March 2025.
URL : <https://www.incj.co.jp/english/>

<p><Press Contacts> Japan Investment Corporation Communications Office: Irie, Sakai Tel. (03) 5218-7202</p>

Overview of New Investment Decision

Target: Hitachi Vehicle Energy

Established: July 2004

Headquarters: Hitachinaka City, Ibaraki

Representative: Shoji Saibara

Business outline: Manufacture of lithium-ion batteries for hybrid-electric vehicles

Overview of investment

Authorized investment: JPY10.5 billion (maximum)

Amount invested: JPY10.1 billion (expected)

Co-investors: Maxell Holdings, Ltd., Hitachi Automotive Systems, Ltd.

Shareholding ratio: (Ratio of investment amount)

INCJ: 47%, Maxell: 47%, Hitachi Automotive Systems: 6%

(Ratio of voting rights)

INCJ: 76%, Maxell: 14%, Hitachi Automotive Systems: 10%

Investment structure outline: See appendix

Significance of investment

Supporting social needs

- Hitachi Vehicle Energy will promote the development of next-generation battery technology and contribute to develop domestic technology.
- As hybrid-electric vehicles are expected as a realistic solution for environmental issues, Hitachi Vehicle Energy will address the growing needs.

Growth Potential

- Hitachi Vehicle Energy will promote the development and manufacturing of world-leading high power lithium-ion batteries for hybrid-electric vehicles.
- Related Japanese material manufacturing companies, which possess high share in the battery material market, can expect positive impact through the growth of battery business.

Innovation

- In addition to its joint investment in Hitachi Vehicle Energy, INCJ will promote to cooperate with other battery manufacturers / related companies and accumulate advanced battery technology.

Comment from the Minister of Economy, Trade, and Industry

Through this investment, INCJ aims to support Hitachi Vehicle Energy's acquisition of advanced battery technology in order to strengthen the supply of batteries for automobile, which contributes to increase the environmental performance of the domestic and overseas car industries through electrification, and to create a system to develop next-generation batteries in Japan.

Moreover, when considering exits from investments, such as a share transfer, the ministry will seek close cooperation with INCJ and endeavor to preserve these benefits.

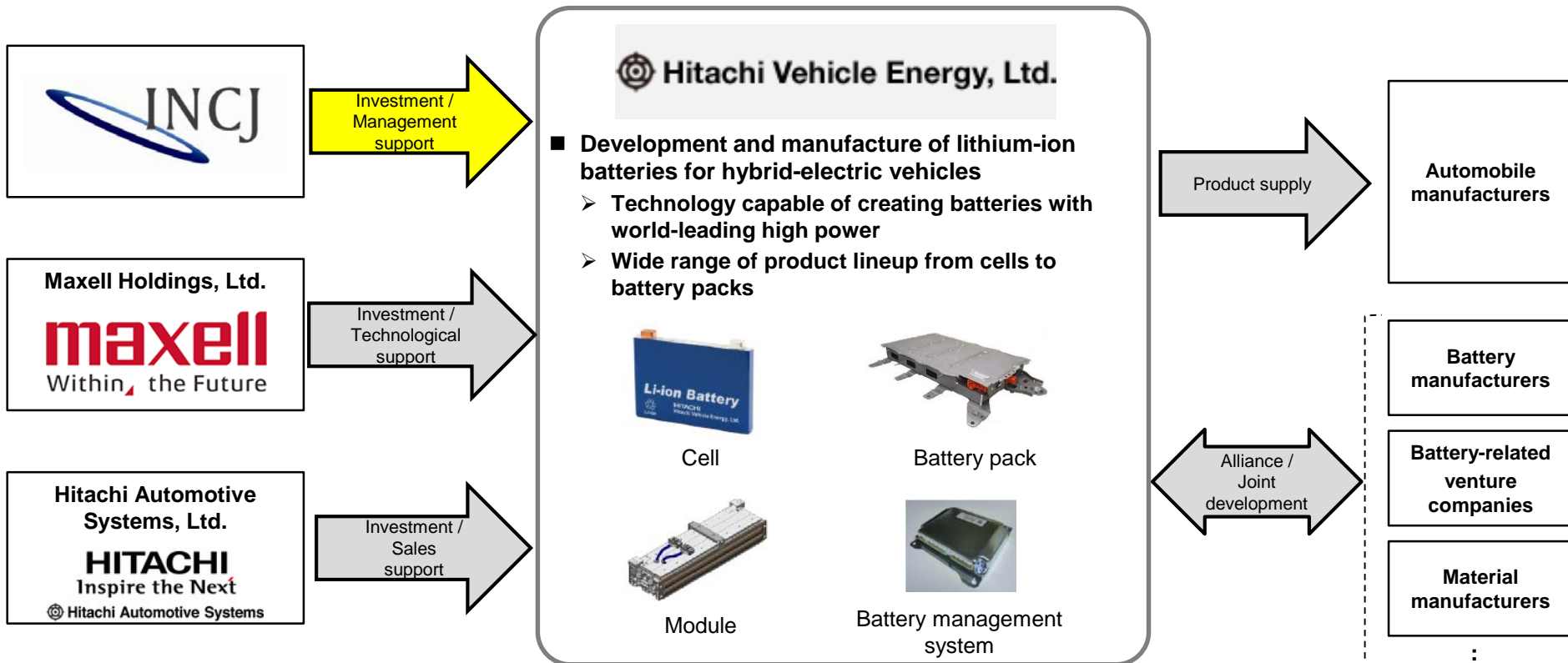
Hitachi Vehicle Energy

Target: Hitachi Vehicle Energy, Ltd.

Business outline: Manufacture of lithium-ion batteries for hybrid-electric vehicles

Authorized investment: JPY10.5 billion (maximum)

Date of Announcement: December 25, 2018



- A new group that can effectively mobilize cutting-edge domestic technology and know-how to promote development of advanced battery technology
- Building a globally competitive group with other battery-related companies, which enables to develop next-generation battery