

Summary of the Proposed Combination

**[In terms of Regulation 13 (1A) of the Competition Commission of India
(Procedure in regard to the transaction of business relating to combinations),
2011, as amended]**

A. Name of the parties to the combination

1. The Parties to the proposed combination are:
 - a. Honda Motor Co., Ltd. (“**HAMCL**”),
 - b. Keihin Corporation (“**KC**”),
 - c. Nissin Kogyo Co., Ltd. (“**NKCL**”),
 - d. SHOWA Corporation (“**SC**”), and
 - e. Hitachi Automotive Systems, Ltd. (“**HIAMS**”),jointly referred to as the “**Parties**”.

B. The nature and purpose of the combination

2. The transaction entails HAMCL acquiring additional shares to convert its affiliates KC, NKCL and SC as its wholly owned subsidiaries (“**Step 1**”). Post Step 1, KC, NKCL and SC will amalgamate into HIAMS (which is a wholly owned subsidiary of Hitachi Ltd. (“**HL**”)) to form the Integrated Company (“**Step 2**”). Step1 and Step 2 jointly form the **Proposed Combination**. By way of the Proposed Combination, HAMCL and HL will jointly control the Integrated Company.

3. By way of the Proposed Combination, the Parties will integrate the complementary strengths of the Parties to the Proposed Combination to provide globally competitive solutions to the automotive and two-wheeled vehicle industry by combining resources and research efforts, to (i) create social, economic and environmental value, (ii) improve the safety and comfort of mobility, and (iii) advance the automotive and motorcycle industry towards the next generation.

C. The products, services and business(es) of the parties to the combination

4. **HAMCL:** HAMCL is a limited liability, joint stock corporation incorporated in Japan. HAMCL develops, manufactures and markets motorcycles, scooters, automobiles and power products globally. In India, HAMCL is primarily engaged in the business of automobiles and two-wheeled motor vehicles.
5. **KC:** KC was incorporated in 1956 in Japan. KC develops and manufactures automobile components and systems globally. In India, KC is engaged in R&D, manufacture and sale of automotive and motorcycle components.
6. **NKCL:** NKCL was incorporated in 1953 in Japan for the purpose of making vehicle brake parts from a factory. In India, NKCL is engaged in the manufacture and supply of integrated braking systems for vehicles.
7. **SC:** SC was incorporated as the Showa Aircraft Precision Works, Ltd. to manufacture aircraft components in 1938. Its current business is segmented into motorcycle and hydraulic components, automotive components, drivetrain components, and steering systems components. In India, SC is engaged in the manufacturing of shock absorbers for automobiles and two-wheeled motor vehicles.

8. **HIAMS:** HIAMS was incorporated in 2009 by HL splitting off its auto parts business functions. HIAMS is engaged in the business of developing, manufacturing, selling and service of powertrain systems, chassis systems and advanced driver assistance systems, etc. In India, HIAMS, acting through its subsidiaries, is engaged in the manufacture, marketing, sale and service of automotive components including components for braking systems.

D. Respective markets in which the parties operate

9. The activities of the Parties do not pose any risks of appreciable adverse effect on competition in any relevant market(s), howsoever they may be defined. However, for aiding Hon'ble Commission's assessment, the Parties submit that the relevant markets may be defined as the market for:

- a. manufacture and sale of brake master cylinders for two-wheeled motor vehicles in India,
- b. manufacture and sale of calipers for two-wheeled motor vehicles in India
- c. manufacture and sale of calipers for automobiles in India, and
- d. manufacture and sale of hydraulic combined braking system units in India.