

## **Arçelik And Hitachi Global Life Solutions Launch A New Joint Venture, Arçelik Hitachi Home Appliances**

**Arçelik Hitachi Home Appliances, the new joint venture will play a major role in the Asia-Pacific region and will expand global sales of Hitachi branded products (excluding Japan)**

ISTANBUL and TOKYO – (July 1<sup>st</sup>, 2021) – Today Arçelik A.Ş. (ARCLK:IST, “Arçelik”) and Hitachi Global Life Solutions, Inc. (“Hitachi GLS”) announced the launch of a new joint venture company, Arçelik Hitachi Home Appliances B.V. The new joint venture, established by transferring 11 subsidiaries outside Japan (two manufacturing and nine sales companies) of Hitachi GLS, is operationally based in Bangkok, Thailand. Arçelik Hitachi Home Appliances provides manufacturing, sales, and after-sales service for Hitachi branded home appliances (refrigerators, washing machines and vacuum cleaners, etc.) outside Japan.

Arçelik has consistently expanded its home appliance business to 150 countries around the world. The company has grown significantly in Europe and achieved strong growth in South Asia over the last decade. Hitachi GLS has been operating its home appliance business mainly in Southeast Asia and the Middle East, where it enjoys a high-end brand image.

Arçelik Hitachi Home Appliances, the result of the collaboration between the two companies, will leverage their strengths such as supply chain and technological capabilities to build a competitive and innovative offer to market. The newly assigned CEO will be Zafer Üstüner, was the former Regional Head of APAC and General Manager of Thailand at Beko. Under his leadership, the new joint venture will combine the sales networks of both companies to expand the sales regions of Hitachi brand products to Europe, North Africa and other regions, as well as to integrate business bases such as production systems and procurement to strengthen our competitiveness. In the field of R&D, Arçelik and Hitachi GLS will also integrate the knowledge of both parties to create new value such as connected home appliances.

Sustainability is at the core of both Arçelik’s and Hitachi GLS’s strategies. Through their combined leadership in energy efficiency and sustainable solutions related to the home, the partnership will increase competitiveness around these key issues in the broader market.

### **Comments from Arçelik’s and Hitachi GLS’s leaders**

**Fatih Kemal Ebiçlioğlu, Consumer Durables Group President, Koç Holding (Arçelik’s parent company):**

“We are thrilled to announce the launch of Arçelik Hitachi Home Appliances today. For the past couple of months, we have been working tirelessly and diligently with the Hitachi GLS team to establish this joint venture, which is a significant milestone in our Silk Road strategy. Arçelik Hitachi Home Appliances provides both companies with an

excellent opportunity to leverage successes in the Asia-Pacific home appliances market that holds a growing middle-class population, emerging retail channels, increasing household income and developing lifestyles. The company will leverage both companies' robust market position, global expertise, and Hitachi's brand heritage to deliver global and local market needs."

**Hakan Bulgurlu, CEO, Arçelik:**

"We are delighted to launch our new joint venture with Hitachi GLS, Arçelik Hitachi Home Appliances. This is a major step for us in achieving our global expansion ambitions and goals to become one of the world's top home appliances companies. The venture will have the chance to utilize complementary product portfolio and operational footprints of Arçelik. In the next few years, we will see Hitachi brand products covering full major domestic appliance need of customers and growing both in existing markets and new ones (geographies) by the support of Arçelik companies."

**Keiji Kojima, President and COO, Hitachi, Ltd. (Hitachi GLS's parent company):**

"We are delighted to establish today this new joint venture company with Arçelik – a company who is recognized for its high-quality products and excellent management efficiency. The Hitachi Group aims to contribute to people's Quality of Life (QoL) through its Social Innovation Business, which solves social issues. Our aim is to realize a sustainable society by focusing on areas that promote the three values of "Security and Safety," "Environment," and "Resilience". The home appliances business is strategically important for the Hitachi Group, as it is the first point of contact for our brand with people – especially while demand for connected home appliances using digital technology is increasing. Through this collaboration with Arçelik, we will provide safe and secure living through Hitachi-brand home appliances to many more regions and contribute to improving people's QoL globally."

**Jun Taniguchi, President, Hitachi Global Life Solutions, Inc.:**

"Today, we are pleased to introduce Arçelik Hitachi Home Appliances - our new joint venture company with Arçelik. I am confident that by strengthening the complementary sales networks and product strategies of both companies, Arçelik Hitachi Home Appliances will gain a competitive edge and become a market leader in the global home appliances market. In addition, by combining the distinctive technologies of both companies, such as environmental resistance and digital technology, we will contribute to improving the QoL of consumers and develop products and services that will realize a sustainable society."

**Zafer Üstüner, CEO, Arçelik Hitachi Home Appliances:**

"Today marks a new and exciting journey for Arçelik Hitachi Home Appliances, which is created to address the evolving needs for APAC market and tap into their economic growth. This company brings together global strategies from both businesses, obtains product synergies, and makes a targeted investment in brand and promotion to accelerate growth across all geographies and fulfil its growth potential. The company will also create strong efficiency gains through new procurement and manufacturing synergies gained from the partnership. Additionally, the new venture leverages Hitachi

GLS's strong presence in APAC and its high-end home appliances in the rapidly growing Asian market to make the new venture a success. Our teams have been working extremely hard on this strategic joint venture and are looking forward to seeing Arçelik Hitachi Home Appliances grow and develop in the coming years."

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### **About Arçelik Hitachi Home Appliances**

Arçelik Hitachi Home Appliances was established on July 1st, 2021 as a joint venture between Arçelik A.Ş. and Hitachi Global Life Solutions, Inc to manufacture, sell and provide after-sales services of Hitachi branded home appliances including refrigerators, washing machines, vacuum cleaners globally (outside of the Japanese market). Arçelik acquired 60% ownership in the new company while Hitachi Global Life Solutions, Inc. continues as a 40% shareholder of the company. Through this joint venture, Arçelik AŞ and Hitachi GLS, Inc. have combined their expertise in other key areas such as R&D, procurement and production systems to optimize the joint venture's global supply chain and strengthen its competitive positioning in the market.

[www.arcelik-hitachi-homeappliances.com](http://www.arcelik-hitachi-homeappliances.com)

### **About Arçelik**

Arçelik is a multinational household appliances manufacturer that operates with 12 brands (Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Altus, Dawlance, Voltas Beko) and employs over 40,000 people worldwide. Arçelik's global operations include sales and marketing offices in 46 countries, and 26 production facilities in 9 countries. As Europe's second largest white goods company by market share (based on volumes), Arçelik reached a consolidated turnover of 5 billion Euros in 2020. Arçelik's R&D and Design Centers across the globe, are home to over 1,600 researchers and hold more than 3,000 international patent applications to date. Arçelik is named the "Industry Leader" in the Durable Home Appliances category for the 2<sup>nd</sup> year in a row in Dow Jones Sustainability Index 2020 and, in accordance with PAS 2060 Carbon Neutrality Standard, became carbon-neutral in global production plants in 2019 and 2020 fiscal years with its carbon credits.

[www.arcelikglobal.com](http://www.arcelikglobal.com)

### **About Hitachi GLS**

Headquartered in Tokyo, Japan, Hitachi Global Life Solutions, Inc., is a wholly owned subsidiary of Hitachi, Ltd. And Hitachi GLS is responsible for sale of (and provision of engineering and maintenance services for) home appliances, air conditioning equipment and other equipment and devices; and provision of products and solutions utilizing digital technologies. Based on the idea of "More smiles to life for one and all. A more comfortable tomorrow for people and society. With innovations that deliver happiness to the world, we open new doors to the future. ", we seek to gain a closer understanding of customer lifestyles. By resolving individual customer lifestyle issues, through well-designed and sophisticated products and services utilizing of the Hitachi Group's value chain and digital technologies, we aspire to be a company that contributes to improving the quality of life for customers around the world.

[www.hitachi-gls.com](http://www.hitachi-gls.com)

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