



FOR IMMEDIATE RELEASE

Johnson Controls and Hitachi sign definitive agreement to form global HVAC joint venture

New partnership expands already unmatched air conditioning products and technology portfolio

MILWAUKEE and TOKYO – (January 21, 2015, EST) – Today, Johnson Controls, Hitachi, Ltd. and Hitachi Appliances, Inc. entered into a definitive agreement for their global joint venture while at the World Economic Forum in Davos. The new Johnson Controls-Hitachi joint venture will allow both companies to deliver the most diverse technology portfolio in the heating, ventilation, air conditioning and refrigeration industry.

Through the agreement, Johnson Controls will obtain a 60 percent ownership stake in Hitachi Appliances' more than ¥300 billion sales (approximately \$2.6 billion) global air conditioning business, excluding sales and service operations in Japan. The Johnson Controls-Hitachi joint venture will bring customers a full range of air conditioning products, including world-class variable refrigerant flow (VRF) technology, leading-edge inverter technology based room air conditioners and absorption chillers – on top of existing Johnson Controls products that meet global customer demands.

With approximately 13,800 employees and 24 manufacturing plants, the joint venture will build on both organizations' technology, research and development leadership, as well as their expanding marketing channels. The transaction is expected to close later this year, subject to regulatory approvals and satisfaction of other customary conditions.

"For Johnson Controls, this partnership reflects our strategic commitment to our buildings business as a growth platform," said Alex Molinaroli, chairman and chief executive officer, Johnson Controls. "The joint venture will propel us forward with superior products, enabling Johnson Controls to deliver the most diverse technology portfolio in the industry to meet customer demands across the changing global marketplace."

The Johnson Controls-Hitachi joint venture management team will be led by Franz Cerwinka, chief executive officer. He has been with Johnson Controls for almost 20 years, having spent four years in Japan as vice president of finance for the Johnson Controls automotive business, including experience with more than 10 joint ventures.

Johnson Controls is a global multi-industrial company with 130 years of history in supplying heating, ventilation, air-conditioning, building controls, refrigeration and security systems for buildings. Through its Building Efficiency business, the company delivers solutions that increase energy efficiency and lower operating costs for over a million customers who are served through nearly 700 offices in more than 150 countries.

"The worldwide HVAC market is continuing to grow steadily, and the demand for energy efficient air conditioning systems with state-of-the-art technologies is expanding. As air conditioning systems are a key building block for building solutions, we believe this partnership will allow Hitachi and Johnson Controls to deliver the best solutions for our customers. Furthermore, in addition to air conditioning systems, we will be able to provide other building solutions that will enhance efficiencies throughout buildings, as well as surrounding areas," said Hiroaki Nakanishi, Chairman & CEO, Hitachi, Ltd.

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A global home appliances and air conditioning solutions provider, Hitachi Appliances, a wholly owned subsidiary of leading global electronics and infrastructure solutions provider Hitachi, Ltd., supplies high quality, efficient and reliable air conditioning solutions across the globe, from residential room air conditioners to variable refrigerant flow systems, and other air conditioning equipment for commercial and industrial use. Hitachi Appliances will continue to provide Hitachi branded HVAC products in the Japanese market after this transaction.

About Johnson Controls

Johnson Controls is a global diversified technology and industrial leader serving customers in more than 150 countries. Our 170,000 employees create quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and interior systems for automobiles. Our commitment to sustainability dates back to our roots in 1885, with the invention of the first electric room thermostat. Through our growth strategies and by increasing market share we are committed to delivering value to shareholders and making our customers successful. In 2014, *Corporate Responsibility* magazine recognized Johnson Controls as the #12 company in its annual “100 Best Corporate Citizens” list. For additional information, please visit <http://www.johnsoncontrols.com> or follow [@johnsoncontrols](#) on Twitter.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Hitachi Appliances, Inc.

Hitachi Appliances, Inc., headquartered in Tokyo, was established in April 1, 2006, through the merger of Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Home & Life Solutions, Inc. that were both wholly owned by Hitachi, Ltd. Its consolidated sales for fiscal year ended March 31, 2014, totaled 656 billion yen (approximately \$6.4 billion). The company supplies eco-friendly, comfortable home appliances and air conditioning products around the world capitalizing on its cutting-edge technologies.

For more information on Hitachi Appliances, please visit <http://www.hitachi-ap.com/index.html>

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
