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M. 9771 — Hitachi/Honda/HIAMS/Keihin/Showa/Nissin Kogyo

SECTION 1.2

Description of the concentration

The European Commission has received notification of a proposed concentration by which Hitachi, Ltd. (HTL) and Honda Motor Co., Ltd. (Honda) acquire joint control over Hitachi Automotive Systems, Ltd (HIAMS), Keihin Corporation (Keihin), Showa Corporation (Showa) and Nissin Kogyo Co., Ltd (Nissin Kogyo) (the Proposed Transaction).

- HTL is a Japanese multinational conglomerate company headquartered in Chiyoda-ku, Tokyo, Japan, and is the ultimate parent company of the Hitachi group of companies.
- Honda is the parent company of the Honda group of companies, and is active in the production and distribution of automobiles, motorcycles and power products.
- HIAMS is wholly owned by HTL. HIAMS is active in the production and supply of automotive products and technologies.
- Keihin is a publicly-owned company, currently listed on the First Section of the Tokyo Stock Exchange. As at 31 March 2019, Honda owned 41.35% of the voting rights in Keihin. Keihin is active in the manufacture and supply of electrification systems for hybrid and electric vehicles, engine management systems for gasoline and natural gas vehicles, and products for fuel cells.
- Showa is a publically owned-company, currently listed on the First Section of the Tokyo Stock Exchange. As at 31 March 2019, Honda owned 33.5% of the voting rights in Showa. Showa is active in the manufacture and supply of components for automobiles, motorcycles and outboard motors.
- Nissin Kogyo is a publicly-owned company, currently listed on the First Section of the Tokyo Stock Exchange. As at 31 March 2019, Honda owned 34.86% of the voting rights in Nissin Kogyo. Nissin Kogyo is active in the manufacture and supply of integrated braking systems for vehicles.

Pursuant to an agreement signed on 30 October 2019, Honda will conduct tender offers for the shares it does not already own in Keihin, Showa and Nissin Kogyo. Thereafter, each of Keihin, Nissin Kogyo and Showa will be amalgamated into HIAMS to form one company (the Integrated Company). As consideration for such merger, common shares in the Integrated Company will be allotted to Honda. As a result of the Proposed Transaction, HTL will own 66.6% of the Integrated Company's voting rights, while Honda will own the remaining 33.4% of the voting rights.

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The Proposed Transaction results in the acquisition of joint control by each of HTL and Honda over the Integrated Company and therefore constitutes a notifiable concentration under Article 3(1)(b) of the Merger Regulation.