

23rd July, 2024

To

BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai: 400 001	National Stock Exchange, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai: 400051
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Scrip Code: BSE: 523398, NSE: JCHAC
ISIN: INE782A01015

Dear Sir / Madam,

Sub: Intimation pursuant to Clause 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

It has come to our knowledge that Joint Venture partners of our Promoter Company [Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (“JCH”)] viz., Johnson Controls International plc (JCI) and Hitachi Global Life Solutions, Inc. (HGLS) holding 60% and 40% shareholding respectively in the JCH JV have agreed to divest their respective stakes to Germany based Robert Bosch Group (Bosch) in JCH JV including the stake in **Johnson Controls-Hitachi Air Conditioning India Limited**, more particularly, as referenced in the respective Press Releases attached herewith.

For Johnson Controls-Hitachi Air Conditioning India Limited

Parag Dave
Company Secretary

Johnson Controls to Sell Residential and Light Commercial HVAC Businesses

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Divestiture Advances Johnson Controls' Transformation into a Pure-Play Provider of Comprehensive Solutions for Commercial Buildings

Transaction Valued At \$8.1 Billion; JCI Consideration of \$6.7 Billion

Company Provides Preliminary 2024 Third Fiscal Quarter Earnings Update

CORK, Ireland, July 23, 2024 /PRNewswire/ -- Johnson Controls International plc (NYSE: JCI) ("Johnson Controls" or the "Company"), the global leader in smart, healthy, safe and sustainable buildings, today announced it has reached a definitive agreement to sell its Residential and Light Commercial (R&LC) HVAC business in an all-cash transaction to the Bosch Group ("Bosch"). The transaction includes the North America Ducted business and global Residential joint venture with Hitachi, Ltd. ("Hitachi"), of which Johnson Controls owns 60% and Hitachi owns 40%. The total transaction is valued at \$8.1 billion, and the Company's portion of the consideration is approximately \$6.7 billion. As part of the transaction, Hitachi will retain certain ductless HVAC assets located in Shimizu, Japan.



unmatched service and digital offerings that improve commercial building efficiency and reduce operational costs through its OpenBlue digital platform. The transaction represents a significant portion of the Company's previously announced strategic evaluation of non-core product lines.

"We are pleased to have reached this pivotal milestone, which accelerates our transformation and positions Johnson Controls as a simpler, higher-growth company," said Johnson Controls Chairman and CEO George Oliver. "Johnson Controls is already benefiting from our transformation, which enables the unparalleled value proposition we provide to customers, and exposure to rapidly accelerating demand in the data center market and other key macro-economic tailwinds. We believe Johnson Controls is well-positioned for its next phase of growth to deliver enhanced, long-term value to shareholders."

Johnson Controls' R&LC HVAC business, which is reported in the Global Products segment, engineers and manufactures ducted and ductless HVAC equipment and components globally for both residential and light commercial applications. In fiscal 2023, the R&LC HVAC business generated approximately \$4.5 billion in consolidated revenue. Following the close of the transaction, the R&LC HVAC business will continue to provide residential and light commercial HVAC products under the York and Hitachi brands as well as Coleman, Champion, Luxaire, Guardian, Evcon, TempMaster and others.

Christian Fischer, the deputy chairman of the board of management of Robert Bosch GmbH, said: "Johnson Controls' Residential & Light Commercial business has a consistent track record of excellence within the HVAC industry. Together with our future colleagues in the acquired business, we want to seize the huge opportunities offered by the market for the further growth of this new unit. The acquired entities will strengthen Bosch's Home Comfort Group in an extremely attractive segment and will become part of the Bosch core business."

Transaction Details and Use of Proceeds

The total consideration of approximately \$6.7 billion to Johnson Controls includes approximately \$4.6 billion for its North America Ducted business representing a multiple of 16.7x fiscal 2023 EBITDA and includes approximately \$2.1 billion for its interest in the Johnson Controls-Hitachi Air Conditioning joint venture representing a



after tax and transaction-related expenses.

Consistent with its capital allocation policy, Johnson Controls expects to pay down debt to the extent required to retain its investment grade rating with the remaining proceeds available to be returned to shareholders.

In conjunction with its ongoing transformation and this transaction, the Company has begun working on a comprehensive restructuring plan to minimize dilution post-close. The plan will utilize the work that has been done on functionalization over the past few quarters and leveraging a more streamlined business model focused on growing the Company's commercial buildings solutions franchise.

The transaction is expected to close in approximately 12 months, subject to required regulatory approvals and other customary closing conditions. The Company expects to report the operating results of the R&LC HVAC business in discontinued operations beginning in the fourth fiscal quarter of 2024.

Johnson Controls Fiscal Q3 2024 Earnings Update

Johnson Controls expects 2024 third fiscal quarter adjusted earnings per share to be slightly ahead of its previously issued guidance range. The Company will report third fiscal quarter earnings on July 31, 2024.

Advisors

Centerview Partners and Citi served as financial advisors to Johnson Controls, Simpson Thacher served as legal advisor, and Joele Frank served as investor relations advisor.

Preliminary Information

Information concerning 2024 third fiscal quarter adjusted earnings per share presented in this press release is preliminary and may change. Johnson Controls financial closing procedures with respect to the preliminary financial information provided in this press release is not yet complete, and as a result, Johnson Controls final adjusted earnings per share may vary materially from the preliminary outlook included in this press release. Johnson Controls undertakes no obligation to update or supplement the information provided in this press release until Johnson Controls releases its financial statements for the three and nine months ended June 30, 2024. The preliminary



and is not necessarily indicative of the results to be achieved for any future periods. This preliminary outlook could be impacted by the effects of financial closing procedures, final adjustments, and other developments.

Non-GAAP Financial Information

This press release contains disclosures regarding adjusted earnings per share, which is a non-GAAP performance measure. Management believes that adjusted earnings per share is useful to investors in understanding period-over-period operating results and business trends of Johnson Controls. Management may also use adjusted earnings per share as a guide in forecasting, budgeting and long-term planning processes and for compensation purposes. Adjusted earnings per share should be considered in addition to, and not as replacements for, GAAP EPS the most comparable GAAP measure.

Johnson Controls International plc Cautionary Statement Regarding Forward-Looking Statements

Johnson Controls International plc has made statements in this press release that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include, among other things, statements relating to the sale of the RL&C business, the satisfaction of closing conditions and the likelihood of consummation of the transaction, the expected time period to consummate the transaction, the anticipated benefits of the transaction, Johnson Controls strategy, the anticipated use of proceeds from the transaction, Johnson Controls restructuring plans and Johnson Controls future financial performance. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, that could cause its actual results and performance, including the expected impact of the divestiture of the RL&C business, to differ materially from those expressed or implied by such forward-looking statements, include, among others, risks related to the ability to realize the anticipated benefits of the divestiture, including the possibility that expected benefits of portfolio simplification will not be realized or will



significant transaction costs; and other unknown liabilities.

Other factors that could cause Johnson Controls' actual results to differ materially from those expressed include, among others, risks related to: Johnson Controls ability to develop or acquire new products and technologies that achieve market acceptance and meet applicable quality and regulatory requirements; the ability to manage general economic, business and capital market conditions, including the impact of recessions, economic downturns and global price inflation; fluctuations in the cost and availability of public and private financing for its customers; the ability to innovate and adapt to emerging technologies, ideas and trends in the marketplace, including the incorporation of technologies such as artificial intelligence; the ability to manage macroeconomic and geopolitical volatility, including shortages impacting the availability of raw materials and component products and the conflicts between Russia and Ukraine and Israel and Hamas; managing the risks and impacts of potential and actual security breaches, cyberattacks, privacy breaches or data breaches, including business, service, or operational disruptions, the unauthorized access to or disclosure of data, financial loss, reputational damage, increased response and remediation costs, legal, and regulatory proceedings or other unfavorable outcomes; Johnson Controls ability to remediate its material weakness; maintaining and improving the capacity, reliability and security of Johnson Controls enterprise information technology infrastructure; the ability to manage the lifecycle cybersecurity risk in the development, deployment and operation of Johnson Controls digital platforms and services; changes to laws or policies governing foreign trade, including economic sanctions, tariffs, foreign exchange and capital controls, import/export controls or other trade restrictions; fluctuations in currency exchange rates; changes or uncertainty in laws, regulations, rates, policies, or interpretations that impact Johnson Controls business operations or tax status; the ability to adapt to global climate change, climate change regulation and successfully meet Johnson Controls public sustainability commitments; risks and uncertainties related to the settlement with a nationwide class of public water systems concerning the use of AFFF; the outcome of litigation and governmental proceedings; the risk of infringement or expiration of intellectual property rights; Johnson Controls ability to manage disruptions caused by catastrophic or geopolitical events, such as natural disasters, armed conflict, political change, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; the ability of Johnson Controls to drive organizational improvement; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions; the ability to hire and retain senior management and other key personnel; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; labor



business is included in the section entitled "Risk Factors" in Johnson Controls Annual Report on Form 10-K for the 2023 fiscal year filed with the SEC, which is available at www.sec.gov and www.johnsoncontrols.com under the "Investors" tab. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this press release are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this press release.

About Johnson Controls

At Johnson Controls (NYSE: JCI), we transform the environments where people live, work, learn and play. As the global leader in smart, healthy and sustainable buildings, our mission is to reimagine the performance of buildings to serve people, places and the planet.

Building on a proud history of nearly 140 years of innovation, we deliver the blueprint of the future for industries such as healthcare, schools, data centers, airports, stadiums, manufacturing and beyond through OpenBlue, our comprehensive digital offering.

Today, with a global team of 100,000 experts in more than 150 countries, Johnson Controls offers the world's largest portfolio of building technology and software as well as service solutions from some of the most trusted names in the industry.

Visit www.johnsoncontrols.com for more information and follow @Johnson Controls on social platforms.

About the Bosch Group*

The Bosch Group is a leading global supplier of technology and services. It employs roughly 429,000 associates worldwide (as of December 31, 2023). The company generated sales of 91.6 billion euros in 2023. Its business operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. Through its business operations, the company wants to help give technological shape to universal trends such as automation, electrification,



Bosch uses its proven expertise in sensor technology, software, and services to offer customers cross-domain solutions from a single source. It also applies its expertise in connectivity and artificial intelligence in order to develop and manufacture user-friendly, sustainable products. With technology that is "Invented for life," Bosch wants to help improve quality of life and conserve natural resources. The Bosch Group comprises Robert Bosch GmbH and its roughly 470 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. Bosch's innovative strength is key to the company's further development. At 136 locations across the globe, Bosch employs some 90,000 associates in research and development, of which nearly 48,000 are software engineers.

About Hitachi, Ltd.*

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the 3 business sectors of "Digital Systems & Services" – supporting our customers' digital transformation; "Green Energy & Mobility" – contributing to a decarbonized society through energy and railway systems, and "Connective Industries" – connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company's revenues as 3 sectors for fiscal year 2023 (ended March 31, 2024) totaled 8,564.3 billion yen, with 573 consolidated subsidiaries and approximately 270,000 employees worldwide.

For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

* Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. While these third-party sources are believed to be reliable, Johnson Controls does not give any representation or warranty as to the accuracy, adequacy, timeliness or completeness of any of such information, assumes no responsibility for independent verification of such information, and expressly disclaims any responsibility or liability thereof.

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News Release

FOR IMMEDIATE RELEASE

Hitachi to Announce Capital Reorganization of Air Conditioning Joint Venture

Hitachi to transfer its shares to Bosch together with joint venture partner Johnson Controls to establish a global partnership in the air conditioning business.

Tokyo, July 23, 2024—Hitachi Global Life Solutions, Inc. (“Hitachi GLS”), a subsidiary of Hitachi, Ltd. (TSE:6501, “Hitachi”) have reached an agreement with Johnson Controls International plc (“JCI”), and Germany-based Robert Bosch GmbH (“Bosch”), regarding the transfer of shares in Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (“JCH”), and entered into share purchase agreements. JCH is an air conditioning joint venture established with JCI.

To enhance its competitiveness in the global air conditioning industry, which is undergoing consolidation, Hitachi, and Hitachi GLS, together with JCI, identified Bosch as the best partner to enable further growth of the global air conditioning business due to its footprint in Europe and its track record in heating business, and have decided to sell all shares in JCH to Bosch. Based on this agreement, Hitachi GLS will transfer all its 40% stake in JCH to Bosch (Purchase price of USD 1.4billion / JPY 195 billion*). The new company, with its new shareholder Bosch, will also concurrently enter into a brand license agreement with Hitachi GLS to continue providing Hitachi-branded air conditioning equipment globally. In addition, Hitachi GLS will acquire JCH’s Shimizu Factory, a development and manufacturing base for commercial air conditioning equipment. This will enable Hitachi GLS to operate the entire process in Japan, from development and manufacturing to sales and maintenance services, while developing highly competitive products that meet the needs of the market.

The transaction is expected to be close before the end of the first quarter of fiscal year ending March 31, 2026 subject to regulatory approvals and other customary closing conditions. If this transaction is closed during the fiscal year ending March 31, 2026, Hitachi expects to post a gain on business reorganization of approximately 125.0 billion yen as other income in its consolidated financial statements for the fiscal year ending March 31, 2026.

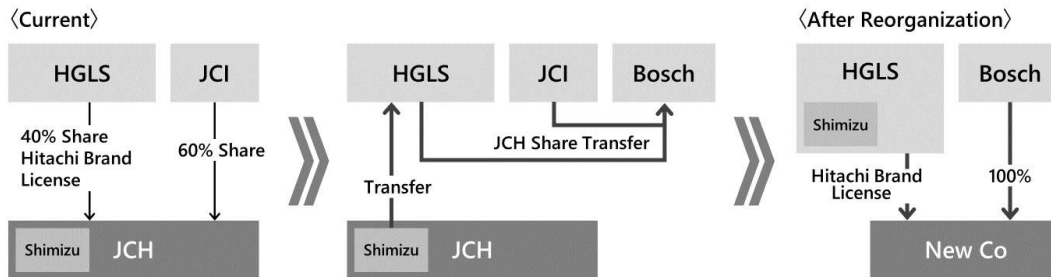
Hitachi will strive to further enhance its corporate value by improving capital efficiency through leveraging the funds obtained from this share transfer for investment in growth opportunities and shareholder returns.

* 140 yen to the U.S. dollar

■Main Points in the Contracts

- All of Hitachi GLS’s 40% stake in JCH will be transferred to Bosch*. Concurrently, JCH’s Shimizu Factory, a development and manufacturing base for commercial air conditioning equipment, will be transferred to Hitachi GLS. Hitachi GLS will operate the commercial air conditioning business in Japan from development and manufacturing to sales and maintenance services in an integrated manner.
- The new company, with its new shareholder Bosch, and Hitachi GLS will enter into a brand license agreement for the new company to continue providing Hitachi-branded air conditioning equipment globally. For room air conditioners for Japan, JCH will continue to provide Hitachi brand products and sell them in cooperation with Hitachi GLS.

* All of JCI’s 60% stake in JCH will be transferred to Bosch, and Bosch will own 100% of JCH shares.



Summary of Reorganization

■ **Aim of Hitachi Group**

1. Building a new partnership with Bosch and the new company

Hitachi GLS will provide the new company, in which Bosch will be a new shareholder, with the Hitachi brand and will also continue to provide support for the new company’s R&D and manufacturing bases globally through the Shimizu Factory. In addition to the above, Hitachi GLS will leverage Bosch’s footprint in Europe to strengthen the global rollout of highly competitive Hitachi-branded air conditioning equipment through Bosch and the new company.

2. Accelerating the development of green products and solutions for growth areas

By transferring the Shimizu Factory, which has high technological capabilities, to Hitachi GLS and integrating the development, manufacturing, sales and maintenance services of the commercial air conditioning business in Japan, Hitachi GLS will be able to develop highly competitive products that meet market needs.

In addition, it will enable Hitachi to provide cooling and heating solutions consistently by combining Hitachi GLS's commercial air conditioning equipment with the Hitachi Group’s IT, OT (Operational Technology) and products. This will enable Hitachi and Hitachi GLS, through global collaboration and co-creation with Bosch, to accelerate the delivery of green solutions in growth areas such as data centers, where demand is expanding in line with the rapid spread of generative AI, and green buildings, where demand is growing due to shortages of power supplies.

■ **Comment from Jun Abe, Representative Executive Officer, Executive Vice President and Executive Officer, General Manager of Connective Industries Division, Hitachi**

I am very pleased to conclude the agreement with JCI and Bosch for further growth of our air conditioning business. Hitachi Group aims to contribute to the realization of a sustainable society through the "Social Innovation Business", which leverages Hitachi’s strengths in IT, OT, and products to solve issues for customers and society. With global boiling, power shortages and the rapid spread of generative AI, the demand for heating & cooling products is increasing in all sectors, including data centers, green buildings, and cold chains, and the air conditioning business is in a strategically important position for the Hitachi Group. In the future, Hitachi will leverage Bosch’s extensive footprint to globally deliver Lumada solutions that combine high-efficiency, low-environmental impact air conditioning equipment and digital solutions under the Hitachi brand to contribute to the conservation of the global environment.

■ **Comment from Hideki Osumi, President, Hitachi GLS**

Hitachi GLS strives to provide products and solutions that contribute to solving social issues, such as reducing environmental impact. Bosch and Hitachi GLS will strengthen the global expansion of Hitachi-branded air conditioning equipment through the new company with the strong partnership. In the commercial air conditioning business in Japan, we will further promote the creation of added value by integrating the development, manufacturing, sales, and maintenance services. In addition, Hitachi will accelerate the development of green solutions by combining digital solutions with products such as the air conditioning IoT solution "exiida*" and Hitachi group products and services.

* "exiida" is a registered trademark of Hitachi Global Life Solutions, Inc. in Japan.

■Comment from Dr. Christian Fischer, the deputy chairman of the board of management, Bosch

With this transaction, Bosch will accelerate its growth – not only in Japan and Asia, but also beyond. JCH and Bosch complement each other perfectly, both regionally and in terms of products. We are honored to be allowed to license the prestigious and highly esteemed Hitachi brand and will ensure that the exceptional quality and renowned standards are maintained. In addition, we will strive to consistently develop the business further – for the benefit of our customers, employees and other stakeholders.

■Comment from David W. Budzinski, President, Residential & Light Commercial, JCI and CEO of JCH(He will continue to lead the business through the transition)

Together with the Bosch team, we are creating a global scale leader in residential & light commercial air and water technologies. Our combined portfolio of industry leading brands, channels to market, and new technologies create a unique value proposition that delivers on the needs of our customers. This combination allows us to streamline operations and positions us to lead the transition to electrification that will create a more sustainable world.

■About JCH

Name	Johnson Controls-Hitachi Air Conditioning
Established	October 1, 2015
Address	1-16-1 Kaigan, Minato-ku, Tokyo * Main office of Johnson Controls-Hitachi Air Conditioning
Representative	CEO: David W. Budzinski
Business Overview	Designing, manufacturing, and distribution of air conditioning and refrigeration products, VRF, residential air conditioning, large- and small-tonnage chillers, and compressors
Number of Employees (Consolidated)	Approximatel.11,000 (as of September 2023)
URL	http://www.jci-hitachi.com

■About Bosch

Name	Robert Bosch GmbH
Established	1886
Headquarters	Gerlingen, Germany
Representative	Dr. Stefan Hartung (Chairman of the board of management)
Revenue	€91.59 billion (2023)
Business Overview	Designing, selling and providing services of automotive parts, power tools, security systems, home appliances, engineering, electronics, cloud computing, IoT
Number of Employees (Consolidated)	429,000 (as of December 31 2023)
URL	https://www.bosch.com/

■About JCI

Name	Johnson Controls International plc
Established	1885
Headquarters	Cork, Ireland
Representative	George Oliver (Chairman, CEO)
Revenue	US\$26.8 billion (2023)
Business Overview	Designing, selling, installing, and providing services of heating, ventilating, air conditioning, controls, building management, refrigeration, integrated electronic security, integrated fire detection and suppression systems, security products, energy efficiency solutions, and smart building solutions
Number of Employees (Consolidated)	Approximately 100,000 (2023)
URL	https://www.johnsoncontrols.com/

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About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the 3 business sectors of "Digital Systems & Services" – supporting our customers' digital transformation; "Green Energy & Mobility" – contributing to a decarbonized society through energy and railway systems, and "Connective Industries" – connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company's revenues as 3 sectors for fiscal year 2023 (ended March 31, 2024) totaled 8,564.3 billion yen, with 573 consolidated subsidiaries and approximately 270,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

About Hitachi GLS

With home appliances and air conditioning businesses as its core products, Hitachi GLS engages in the sales of home appliances, air conditioning equipment, and facility equipment, as well as the provision of engineering and maintenance services, and focuses on offering product solutions that utilize digital technology.

Toward the realization of a better society, Hitachi GLS creates life solutions that contribute to improving the quality of life (QoL) of consumers, focusing on the four areas of "enrichment of daily life," "advancement and enhancement of medical care," "recycle-based society," and "low environmental impact," with the business slogan, "Happiness 360° - Joyous life for each and all," through innovation leveraging the business foundation the company has developed to date, the combined strengths of the Hitachi Group, and digital technology. Hitachi GLS will also accelerate the overseas sales of Hitachi brand products and the overseas expansion of the life solution

business by strengthening global alliances. For more information, please visit the company's website at <https://corp.hitachi-gls.co.jp/>.

Cautionary Statement

Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- credit conditions of Hitachi's customers and suppliers;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi's ability to respond to tightening of regulations to prevent climate change;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- the possibility of disruption of Hitachi's operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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.

Bosch acquires residential and light commercial HVAC business from Johnson Controls and Hitachi Home Comfort business will nearly double

July 23, 2024

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- ▶ Bosch chairman Stefan Hartung: “Biggest transaction in Bosch history and important milestone in the implementation of our corporate strategy for 2030.”
- ▶ Bosch deputy chairman Christian Fischer: “Acquired entities will strengthen Home Comfort in an extremely attractive segment, and will become part of Bosch core business.”
- ▶ Expansion of presence in the U.S. and Asia.
- ▶ Innovative, energy-efficient solutions for the move to alternative energy and for helping to mitigate global warming.
- ▶ Bosch Home Comfort Group sales revenue to increase from roughly 5 billion euros to 9 billion euros.
- ▶ Integrated unit will then have workforce of more than 26,000 and complementary portfolio at the interface between heating and cooling.

Stuttgart, Germany – Bosch, the supplier of technology and services, is continuing its growth course with a strategic acquisition. For its Energy and Building Technology business sector, the Bosch Group plans to take over the global HVAC solutions business for residential and light commercial buildings from Johnson Controls. As part of this transaction, Bosch also intends to acquire 100 percent of the Johnson Controls-Hitachi Air Conditioning (JCH) joint venture, including Hitachi’s 40 percent stake. The Bosch shareholders and supervisory board have approved the transaction. Binding agreements on the acquisitions were signed by the parties involved today. The acquisition is subject to approvals from the antitrust authorities. The purchase price for the acquired businesses is 8 billion dollars (7.4 billion euros). The acquisition is expected to be closed in approximately 12 months.

“As the biggest acquisition in Bosch history, this is an important milestone in the systematic implementation of our strategy for 2030. We are dynamically pushing ahead with the strong development of Bosch, and will achieve a globally leading position in the promising HVAC market with this acquisition,” says Stefan Hartung, chairman of the board of management of Robert Bosch GmbH. “In taking this step, moreover, we will strengthen our presence in the U.S. and Asia and achieve a better balance among our business sectors. This is also part of our strategy. In this way, we will open up further growth opportunities and put the company as a whole on a firmer footing.”

Together with JCH, the businesses Bosch intends to acquire generated sales revenue totaling roughly 4 billion euros in 2023, and employ some 12,000 people worldwide. The transaction includes 16 manufacturing sites and 12 engineering locations in more than 30 countries. The product portfolio covers the entire spectrum of HVAC solutions for residential and light commercial buildings, and includes well-known brands such as York and Coleman in the U.S. and Hitachi in Asia, for which Bosch will be granted a long-term license.

Christian Fischer, the deputy chairman of the board of management of Robert Bosch GmbH who is responsible for the Bosch Group’s strategic growth initiatives, and thus for this planned acquisition, adds: “With this acquisition, Bosch will accelerate its growth and nearly double its sales revenue in the HVAC market to roughly 9 billion euros. Together with our future colleagues, we want to seize the huge opportunities offered by the market for the further growth of this new unit.” The company expects the global HVAC market to grow 40 percent by 2030, driven by technological progress, the fight against climate change, and new regulations. “The acquired businesses will become part of the Bosch core business – and this will benefit customers, installation partners, and associates,” Fischer adds. “We have proved several times in the past that we can successfully integrate brands, take them forward through investments, and strengthen them.”

In the words of George Oliver, CEO of Johnson Controls: “Our leading residential and light commercial business and its world-class team perfectly complement the Bosch portfolio. We are confident that under Bosch’s leadership the business will continue to excel and deliver innovative products and service to its customers. We look forward to seeing their continued success.”

Jun Abe, executive officer and executive vice president at Hitachi, and executive officer and general manager of the Hitachi Connective Industries division, says: “The new partnership with Bosch to establish a global air-conditioning business is an important step. The market is dynamic, and is flourishing. I firmly believe

that a global supplier such as Bosch, with its strong European presence and many years of experience in the heating business, is the optimum partner for further expanding the global air-conditioning business of the longstanding Hitachi brand.”

Innovative, energy-efficient solutions for mitigating global warming and the move to alternative energy

The current transformation in technologies and market conditions in the field of HVAC solutions opens up huge opportunities for supplying innovative and energy-efficient solutions for mitigating global warming and the move to alternative energy. Heating technology is moving away from fossil fuels such as oil and gas toward heat pumps and heat pump-hybrid solutions. At the same time, air-conditioning technology is growing in importance both in Europe and worldwide. Frank Meyer, the Bosch management board member responsible for the Energy and Building Technology business sector, and thus also for the Bosch Home Comfort Group and the integration of the new unit, says: “It is Bosch’s aim to play an active part in shaping the innovative and growing market for energy and building technology, and to occupy a globally leading position. With this acquisition, we are improving our position, especially in air conditioning. In addition, we will be able to globally expand our heat-pump business and achieve greater economies of scale. With our technology and our products, we can work together to make a bigger contribution to energy efficiency and to more comfort and a better quality of life for many people in light of global warming. That’s ‘Invented for life’ in its truest sense.”

Complementary portfolio, established brands, and a strong team

Bosch intends to integrate the acquired businesses into the Home Comfort Group. The 14,600 associates of the existing Bosch Home Comfort Group generated sales of roughly 5 billion euros in 2023. Home Comfort is excellently positioned in the major segments of the heating market, of the heat-pump market, and of the market for heat pump-hybrid solutions, which comprise a heat pump and a fossil fuel-fired boiler for peak loads. Following the transaction, the new unit will have a workforce of more than 26,000 and be able to benefit considerably from economies of scale and a complementary portfolio at the interface between heating and cooling. Jan Brockmann, president of the Bosch Home Comfort Group, says: “With our successful heating technology in Europe, we already have a strong team and a sound foundation. Now is the right time for a bold step toward a global presence. Demand for air-conditioning solutions is growing especially fast.” In the U.S., for example, Bosch expects to see more than 50 percent growth by the end of the decade, and in Europe as well, strong growth of approximately 30 percent is forecast up to 2030. Together, we will be able to build on strong, well-established brands. We are looking forward to

shaping the future of the Bosch Home Comfort Group with our future colleagues and their innovations and ideas,” Brockmann adds.

The HVAC business Bosch plans to acquire from Johnson Controls has an especially strong presence in the United States and Asia. In the United States, its portfolio focuses on ducted solutions in which air passes from a central source through ducts in order to heat or cool all rooms at the same time. In Asia, it especially sells ductless solutions, where interior units in each room can heat or cool individually, as well as modern air-conditioning systems based on variable refrigerant flow (VRF) systems. This technology is used in commercial applications ranging from light commercial premises such as retail stores to large projects such as hotels and hospitals. The portfolio in these regions is supplemented by efficient air-water heat pumps, which Johnson Controls offers above all in Europe.

Press photographs and infocharts are available on the Bosch Media Service at www.bosch-press.com.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 429,000 associates worldwide (as of December 31, 2023). The company generated sales of 91.6 billion euros in 2023. Its operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. With its business activities, the company aims to use technology to help shape universal trends such as automation, electrification, digitalization, connectivity, and an orientation to sustainability. In this context, Bosch's broad diversification across regions and industries strengthens its innovativeness and robustness. Bosch uses its proven expertise in sensor technology, software, and services to offer customers cross-domain solutions from a single source. It also applies its expertise in connectivity and artificial intelligence in order to develop and manufacture user-friendly, sustainable products. With technology that is "Invented for life," Bosch wants to help improve quality of life and conserve natural resources. The Bosch Group comprises Robert Bosch GmbH and its roughly 470 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. Bosch's innovative strength is key to the company's further development. At 136 locations across the globe, Bosch employs some 90,000 associates in research and development, of which nearly 48,000 are software engineers.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-four percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The remaining shares are held by Robert Bosch GmbH and by a corporation owned by the Bosch family. The majority of voting rights are held by Robert Bosch Industrietreuhand KG. It is entrusted with the task of safeguarding the company's long-term existence and in particular its financial independence – in line with the mission handed down in the will of the company's founder, Robert Bosch.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com.