

MAHLE acquires Kokusan Denki

Stuttgart, June 17, 2015 – MAHLE now holds around 90 percent of the shares in Kokusan Denki, a company listed on the Tokyo Stock Exchange, after a successful public tender offer. It is thereby further strengthening its presence in the mechatronics sector.

The Japanese company Kokusan Denki was founded in 1931. It now achieves sales of approximately EUR 130 million with over 800 employees. Kokusan Denki has locations in Numazu, Gotemba, and Akita in Japan and in Samut Prakan in Thailand, as well as financial participations in China and India. In 2013, MAHLE's holding was 30.82 percent; this share was then increased to 38.87 percent at the start of 2014. Now that the relevant antitrust authorities have given their approval for the takeover and the control over the company has been secured, Kokusan Denki is to be fully integrated in the group as the "Electric Drives and Applications 2" profit center.

Mechatronics specialist Kokusan Denki develops and manufactures electric DC motors for ABS and ESC (Electronic Stability Control) units, as well as BLDC motors for steering assistance (brushless DC motors). Kokusan Denki also develops electric motors for additional applications in MAHLE's core markets for passenger cars, commercial vehicles, and industrial applications.

A second major division of Kokusan Denki comprises ignition components, alternators, and fuel injection systems for small engines, which are essentially used in motorcycles, small commercial vehicles, and recreational vehicles. The market for

these two-, three-, and four-wheeled vehicles is already extremely large and will continue to grow in coming years.

Kokusan Denki thus perfectly complements the activities of MAHLE Letrika. The Letrika Group was acquired by MAHLE in the fall of 2014 and now forms the “Electric Drives and Applications” profit center within the MAHLE Group.

With this new branch of activity in Asia, MAHLE is expanding its footprint and product portfolio in the strategically important growth area of mechatronics, where sales of EUR 500 million are targeted in the medium term. In MAHLE’s core markets, the demand for emission-reducing technologies is increasing constantly. Alongside the optimization of conventional powertrains, mechatronic and electrical components are taking on an ever more important role.

“MAHLE and Kokusan Denki have already successfully collaborated on several projects. As a globally positioned group, MAHLE can now continue to drive forward the further development of the products and portfolio of Kokusan Denki as well as the access to new markets,” commented Prof. Heinz K. Junker, Chairman of the Management Board.

About MAHLE

As a leading global development partner for the automotive and engine industry, MAHLE offers unique systems competence in the areas of engine systems, filtration, electrics/mechatronics, and thermal management. In the original equipment industry, MAHLE provides technologically innovative solutions for automotive, commercial vehicle, machinery, and other industrial applications. The Aftermarket business unit also serves the independent parts market with MAHLE products in OE quality.

MAHLE has a local presence in all major world markets. In 2014, some 66,000 employees at approximately 150 production locations generated sales of almost EUR 10 billion. At ten major research and development centers in Germany, Great Britain, the

USA, Brazil, Japan, China, and India, almost 5,000 development engineers and technicians are working on forward-looking concepts, products, and systems.

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