Hitachi, Johnson Controls tie up in auto batteries

YURI KAGEYAMA - AP Business Writer - Associated Press

Japanese electronics company Hitachi is tying up with a U.S. battery-maker in developing and making batteries for green vehicles, both sides said Monday.

The deal, signed last month with Johnson Controls Inc., based in Milwaukee, Wisconsin, centers around lithium-ion batteries — already widely used in laptops and other gadgets but starting to take off in auto technology such as hybrids and electric vehicles.

Terms of the deal and other details were not released.

The companies' business models are similar because neither is tied with a single automaker, unlike rival Panasonic Corp. which exclusively supplies hybrid auto batteries to Toyota Motor Corp., the world's biggest automaker, said Hitachi spokesman Atsushi Konno.

Hitachi, which has produced 1.2 million lithium-ion automotive battery cells for hybrid buses and trucks, supplies Japanese truckmaker Isuzu Motors, and plans to supply General Motors Corp.

Johnson Controls is a major lead-acid auto battery manufacturer.

"By combining our complementary strengths, Hitachi and Johnson Controls have a great opportunity to help shape and lead the development of this emerging industry," said Alex Molinaroli, president of Johnson Controls Power Solutions.

Such partnerships may increase in hybrids and other green cars. NEC Corp. of Japan supplies Nissan Motor Co. But others like GS Yuasa Corp. and Sanyo Electric Co., a subsidiary of Panasonic, supply various automakers.

Hitachi makes everything from home appliances to nuclear reactors but has been restructuring its operations, and ecological batteries are a device that can feed into its growth businesses.

Hiroaki Nakanishi, Hitachi president since April, has said a focus on green businesses such as hybrid railways and batteries will be key in an effort to return to profitability for the fiscal year through April 2011, from the red ink the previous year.

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