



November 13, 2015

To whom it may concern

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Announcement Regarding Acquisition of Subsidiary (metabo Aktiengesellschaft)

Tokyo, November 13, 2015 --- Hitachi Koki Co., Ltd. ("Hitachi Koki") today announced that Hitachi Koki made the resolution, in the Board of Directors held today, that Hitachi Koki would acquire 100% ownership of metabo Aktiengesellschaft ("metabo"), headquarters is in Nürtingen, Germany, that has an established reputation as "metabo" brand for its high-quality products centered in European market, aiming for strengthening of power tool business and expansion of its business scale; by acquisition of a parent company, Power Tool Invest B.V. ("PTI"), headquarters is in Schiphol, the Netherlands, and of all minority shareholders' interest owned by founding family and executives & employees of metabo.

1. Background of acquisition

In addition to offering innovative, high-performance and high-quality products and service that result in a high level of customer satisfaction, Hitachi Koki Group has been considered methods to expand the scale of our businesses with M&A as an important strategy, and continued careful selection of candidates whose synergy could be expected.

Regarding share of metabo, PTI, holding company of metabo, owns its 80 percent, founding family owns its 10 percent and executives & employees of metabo own its 10 percent. Hitachi Koki and Chequers Capital Partners S.A., investing company, headquarter is in Paris, France, agreed that Hitachi Koki acquires 80% of shares of metabo by doing an acquisition of PTI, as a result of negotiation. Additionally, Hitachi Koki would acquire 100% ownership of metabo by acquisition of rest of 20% share from founding family and executives & employees of metabo at the same time.

Metabo is a company that has world-class high-level technologies and a global company of manufacturing and selling of power tools, with the brand of "metabo." Having sales offices in 25 countries, in particular strong sales channel in Germany and other countries in Europe, metabo established a firm position in the market. Metabo has advantages in products such as high-power Li-ion battery mounted products based on its high output cell, metal processing products including disk grinder.

While Hitachi Koki has high market share in Japan and potent sales channel through DIY store in US, Hitachi Koki is aiming further expansion of its sales in big market Europe which Hitachi Koki regards as prior strategic region. Hitachi Koki is rolling out series of products developed pursuing miniaturization, weight saving and high efficiency such as AC brushless motor mounted products, long lifetime and high-capacity Li-ion battery mounted products. Pneumatic tools such as nailer are

Hitachi Koki's advantages in the market as well.

Hitachi Koki would obtain strong brand of metabo and potent sales channel in Europe such as Germany. At the same time Hitachi Koki could enhance procurement ability in European region, which contribute to reducing EURO exchange risk that has been long-standing issue. Additionally, Hitachi Koki and metabo could expect synergy such as strengthening product line-up of metabo brand by supplying Hitachi Koki's technology, development efficiency improvement by utilizing metabo's development capabilities of high output power tools, and further sales expansion of products with both brand through mutual utilization of sales and service network of both parties.

Hitachi Koki and metabo have mutually complementary relation in terms of complementing development and sales capabilities and product line-up each other by strengths of each company. Hitachi Koki considers metabo as the best partner for improvement of its enterprise value.

Hitachi Koki Group aims for achieving quickly its management target of an operating margin of 10% or higher, by expansion of business scale and acceleration of strengthening of earning capacity through ensuring those various synergies.

2. Outline of subsidiary (PTI and metabo) to be acquired

Power Tool Invest B.V.

(1)	Company name	Power Tool Invest B.V.		
(2)	Head office	Schiphol Boulevard 407, 1118 BK Schiphol, The Netherlands		
(3)	Representatives	A: S.Mulard, K. Hartmann B: M.Stoop, W. Beezemer		
(4)	Description of business	Holding company		
(5)	Capital	8,000,000 Euro		
(6)	Establishment date	June 5, 2012		
(7)	Shareholders and shareholdings	Chequers Capital XVI FCPR		98.25%
		Equity Finance S.A.		1.51%
		Others (8 people)		0.24%
(8)	Relationship between Hitachi Koki and PTI	Capital Relationships	There are no relationships to be noted.	
		Personnel Relationships	There are no relationships to be noted.	
		Business Relationships	There are no relationships to be noted.	
(9)	Historical business results and financial position of PTI (in millions of Euro)			
	Accounting period	Fiscal year ended December 2012 (Netherlands standards)	Fiscal year ended December 2013 (Netherlands standards)	Fiscal year ended December 2014 (IFRS)
	Net assets	8.9	7.1	19.5
	Total assets	181.2	180.3	215.0
	Revenues	109.6	339.4	360.0
	Operating income	2.3	10.1	10.8
	Net income attributable to Power Tool Invest B.V. stockholders	△2.5	△0.1	1.1

Notes: There are two cases of ownership for the representation right, 1) board of directors which is consisted by 4 directors own, or 2) 2 members, one member from group A of directors and one member

from group B of directors jointly own.

metabo Aktiengesellschaft

(1)	Company name	metabo Aktiengesellschaft		
(2)	Head office	Metabo-Allee 1, 72622 Nürtingen		
(3)	Representative	Horst Garbrecht (CEO)		
(4)	Description of business	Manufacturing and sales of power tools.		
(5)	Capital	10,000,000 Euro		
(6)	Establishment date	August 25, 2000		
(7)	Shareholders and shareholdings	Power Tool Invest B.V.	80.00%	
		Horst Garbrecht, Others (33 people)	20.00%	
(8)	Relationship between Hitachi Koki and metabo Aktiengesellschaft	Capital Relationships	There are no relationships to be noted.	
		Personnel Relationships	There are no relationships to be noted.	
		Business Relationships	There are no relationships to be noted.	
(9)	Historical business results and financial position of PTI (in millions of Euro)			
	Accounting period	Fiscal year ended December 2012 (German standards)	Fiscal year ended December 2013 (German standards)	Fiscal year ended December 2014 (IFRS)
	Net assets	22.0	17.7	25.6
	Total assets	181.1	177.1	216.9
	Revenues	331.6	339.4	360.0
	Operating income	10.9	8.4	13.2
	Net income attributable to metabo Aktiengesellschaft stockholders	25.5	△2.5	2.6

3. Outline of company from which subsidiary is acquired

Power Tool Invest B.V.

(1)	Company name	Chequers Capital XVI FCPR (<i>Fonds Commun de Placement à Risques</i>)	
(2)	Head office	48 bis, avenue Montaigne, F-75008 Paris, France	
(3)	Applicable law for the company	French law	
(4)	Purpose of establishment	Investing medium-sized company	
(5)	Establishment date	July 12, 2011	
(6)	Outline of organization to perform operations	Name	Chequers Partenaires S.A.
		Location	France
		Representative	Denis Metzger (CEO)
		Description of business	Managing fund
(7)	Outline of Japanese agent	Name	Not applicable
		Location	Not applicable
		Representative	Not applicable
		Description of business	Not applicable
		Capital	Not applicable
(8)	Relationship between Hitachi Koki and Chequers Capital	Relationship between Hitachi Koki and Chequers Capital XVI	There are no relationships to be noted.

XVI FCPR	FCPR	
	Relationship between Hitachi Koki and Chequers Partenaires S.A.	There are no relationships to be noted.
	Relationship between Hitachi Koki and Japanese agent	There are no relationships to be noted.

(1)	Company name	Equity Finance S.A. (a public limited liability company (société nonyme))	
(2)	Head office	48 bis, avenue Montaigne, F-75008 Paris, France	
(3)	Representative	Denis Metzger (Managing Director)	
(4)	Description of business	Investing medium-sized company	
(5)	Established	1992	
(6)	Relationship between Hitachi Koki and Equity Finance S.A.	Capital Relationships	There are no relationships to be noted.
		Personnel Relationships	There are no relationships to be noted.
		Business Relationships	There are no relationships to be noted.
		Status to related parties	Not applicable

metabo Aktiengesellschaft

(1)	Name	Horst Garbrecht, Others (33 people)
(2)	Address	Ostelsheim, Germany and others
(3)	Relationship between Hitachi Koki and Horst Garbrecht and other 33 people	There are no capital, personnel and business relationships to be noted.

4. Acquired stocks, acquisition price and stock situation before and after acquisition

(1)	Shares owned before the acquisition	PTI : 0 share, metabo : 0 share (Number of voting rights : PTI : 0, metabo : 0) (Ratio of voting rights : PTI : 0%, metabo : 0%)
(2)	Shares acquired	PTI : 8,000,000 shares, metabo : 8,000,000 shares (including indirect trading) (Number of voting rights : PTI : 8,000,000, metabo : 8,000,000)
(3)	Acquisition price	PTI common stocks : 130.3 million Euro (16.9 billion yen) metabo common stocks : 34.8 million Euro (4.5 billion yen) Fees to be paid to advisors (Estimated) : 0.7 billion yen Total (Estimated) : 22.1 billion yen
(4)	Shares owned after the acquisition	PTI : 8,000,000 shares, metabo : 8,000,000 shares (including indirect trading) (Number of voting rights : PTI : 8,000,000, metabo : 8,000,000) (Ratio of voting rights : PTI : 100%, metabo : 100%)

Notes: The above acquisition price for the shares of metabo is account for 20% of the total shares of metabo

which are held by minority shareholders, and excluding 80% of the total shares held by PTI. The foreign exchange rate for the acquisition price is converted at the rate of 130.00 Japanese yen to the Euro.

5. Schedule

(1)	Board resolution date	November 13, 2015
(2)	Execution date of share purchase agreement	November 13, 2015
(3)	Execution date of share transfer	March 1, 2016 (scheduled)

Notes: There is possibility to delay the closing date than above scheduled date because of procedure for competitive low in foreign counties and other reasons.

6. Future outlook

This acquisition will have little effect on the group consolidated earnings for the period ending March 31, 2016 and will be expected to contribute from the following fiscal period ending March 31, 2017.

(Reference)

Forecast of fiscal year 2015 ending March 31, 2016 (released on October 27, 2015) and actual consolidated financial results for fiscal year 2014 ended March 31, 2015.

(in millions of JPY)

	Revenues	Operating income	Income before income taxes	Net income attributable to Hitachi Koki Co., Ltd. stockholders
FY 2015 ending March31, 2016 (Forecast)	144,500	7,000	6,900	4,900
FY 2014 ended March31, 2015 (Actual)	135,849	6,388	6,272	3,513