



January 13, 2017

To all parties concerned

Company Name: Hitachi Koki Co., Ltd.
President & Representative Executive officer: Osami Maehara
(Securities Code 6581 First Section of the Tokyo Stock Exchange)
Contact: General Manager, Public Relations Strategy Office Yasunori Miyane
(TEL: +81-3-5783-0601)

**Announcement of the Issuance of Dividends (the Special Dividend),
the Establishment of the Record Date for the Issuance of Dividends (the Special Dividend) and
Amendments to the Predicted Dividends for the Period Ending March 31, 2017**

Hitachi Koki Co., Ltd. (the “Company”) announces that, with regard to the Tender Offer (the “Tender Offer”) to be commenced on January 30, 2017 by HK Holdings Co., Ltd. (the “Offeror”) for the common shares of the Company (the “Company Shares”) and the share options issued based on the resolutions passed at the Board of Directors meeting on July 28, 2016 (the “Share Options”) described in the “Announcement of Opinion Regarding the Tender Offer for the Shares of Hitachi Koki Co., Ltd. by HK Holdings Co., Ltd.” separately released today (the “Opinion Press Release”), the Board of Directors of the Company has issued a resolution at a meeting held today to the effect that the Company will issue a special dividend (the “Special Dividend”) and that it has established the record date of the Special Dividend and amended the predicted dividends for the fiscal year ending March 2017 (95th fiscal period).

With regard to the Tender Offer and the Special Dividend, please refer to the Opinion Press Release.

1. Special Dividend Information

Record date	January 29, 2017
Dividend per share	580 yen
Total dividends	58.8 billion yen
Effective date	March 31, 2017
Dividend source	retained earnings

Note: The Special Dividend is subject to the completion of the Tender Offer.

Note: Company shareholders acquiring Company Shares following the record date described above will not be entitled to receive the Special Dividend with respect to such Company Shares. Further, Share Option holders who have become Company shareholders by exercising the Share Options and acquiring Company Shares following the record date described above will not be entitled to receive the Special Dividend regarding such Company Shares.

Note: As the Special Dividend is subject to the completion of the Tender Offer, in the event that the tender offer period of the Tender Offer is extended, it is intended that the effective date of the Special Dividend will also be extended to a day following the conclusion of the extended tender offer period.

2. Establishment of the Record Date for the Special Dividend

In order to issue the Special Dividend, the Company sets January 29, 2017 as the record date, and designates the shareholders and registered pledgees of shares entered or recorded in the current register of shareholders as of January 29, 2017 to be the persons who are entitled to receive the payment of the Special Dividend.

- (1) Record Date: January 29, 2017 (Sunday)
- (2) Public Notice Date: January 13, 2017 (Friday)
- (3) Method of Public Notice: Electronic public notice

(to be posted on the Company's website <http://www.hitachikoki.co.jp/koukoku/index.html>)

3. Amendments to the Predicted Dividends for the Fiscal Year Ending March 2017 (95th Fiscal Period)

Record Date	Amount of Dividend Over A Year			
	Second Quarter End	January 29, 2017 (Special Dividend)	Year End	Total
Previous Forecast (as of October 26, 2016)			To be determined	To be determined
Revised Forecast		580 yen	0 yen	592 yen
Actual Amount Paid This Fiscal Year	12 yen			
Actual Amount Paid Last Fiscal Year (Fiscal Year Ending March 2016)	12 yen		12 yen	24 yen

4. Reasoning

At today's Board of Directors meeting, the Board of Directors has issued a resolution, in its judgment based on present circumstances, supporting the Tender Offer and leaving the decision of whether or not to tender into the Tender Offer once the Tender Offer has been commenced to the Company's shareholders and Share Option holders. This resolution of the Board of Directors of the Company was adopted on the assumptions that the Offeror intends to make the Company a wholly-owned subsidiary of the Offeror after the Tender Offer and the series of procedures to be conducted thereafter, and that the delisting of the Company Shares would be contemplated.

In connection with the Tender Offer, taking into account the proposal from the Offeror, the distributable amount of the Company, the reserves held by the Company and the levels of reserves needed to continue operating the business of the Company, based on the discussion with the Tender Offeror, the Board of Directors of the Company has issued a resolution setting January 29, 2017 as the record date and issuing the Special Dividend conditioned upon the success of the Tender Offer. In addition, it is intended that the Special Dividend be issued promptly after the commencement date of the Tender Offer.

Since the Tender Offer is planned to be commenced on January 30, 2017 and the Special Dividend is to be paid around the end of the fiscal year ending March 2017, the Company determined it reasonable that the Special Dividend should be issued, taking into the account the amount of the dividend for the fiscal year ending March 2017, and agreed with the Offeror that the Company will not make a distribution of dividends other than the Special Dividend, in principal. Accordingly, the Board of Directors of the Company resolved at a meeting held today that it has amended the predicted dividends for the fiscal year ending March 2017 and will not make a distribution of dividends at the end of the fiscal year ending March 2017.

Since the Special Dividend is planned to be issued on the condition that the Tender Offer will be completed, if it becomes clear that such condition would not be satisfied, the Company will promptly determine the future dividend policy (including the policy for the dividend at the end of the fiscal year ending March 2017) and announce the revision of the dividend forecast.

End.