

June 27, 2017

To all parties concerned

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**Announcement Concerning Resolution Approving Share Consolidation and
Partial Amendment to the Articles of Incorporation**

Hitachi Koki Co., Ltd. (the “Company”) announces as follows that the Company submitted the proposals, for the share consolidation and the partial amendment to the Articles of Incorporation as announced in the press release of the Company issued on April 26, 2017 titled “Announcement Concerning Share Consolidation, and Abolishment of Share Unit Number Provisions and Partial Amendment to the Articles of Incorporation” (the “April 26 Press Release”), and also submitted a proposal for an election of four Directors due to the expiration of the terms of office of all Directors, to an Annual General Meeting of Shareholders held today (the “Annual General Meeting of Shareholders”) and all of such proposals have been resolved as proposed.

As a result, the common shares of the Company (the “Company Shares”) will come to fall under the delisting criteria prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange. Therefore, the Company Shares will be designated as stock to be delisted for the period from June 27, 2017 to July 23, 2017 and delisted on July 24, 2017. Please note that after the delisting, the Company Shares may not be traded on the Tokyo Stock Exchange.

I. First Item (Share Consolidation)

As announced in the April 26 Press Release, the Company sought, at the Annual General Meeting of Shareholders, an approval for the share consolidation as follows (the “Share Consolidation”).

(1) Class of shares to be consolidated

Common stock

(2) Ratio of consolidation

11,264,672 shares of the Company Shares held by the shareholders entered or recorded in the register of shareholders of the Company as of the end of July 26, 2017 will be consolidated to one share on July 27, 2017.

(3) Total number of issued shares to be decreased

101,382,039 shares

(4) Total number of issued shares before the share consolidation takes effect

101,382,048 shares

Note: As the Company cancelled 21,690,728 treasury shares as of May 11, 2017 (all of the treasury shares that the Company holds as of March 31, 2017) pursuant to the

resolution at the Board of Directors meeting on April 26, 2017, the “total number of issued shares before the share consolidation takes effect” represents the total number of issued shares after such cancellation.

- (5) Total number of issued shares after the share consolidation takes effect

9 shares

- (6) Total number of authorized shares on the effective date

36 shares

- (7) Method of handling of fractions less than one share, and amount expected to be delivered to the shareholders as a result of the handling of fractions

Due to the Share Consolidation, the number of the Company Shares held by each of the shareholders other than HK Holdings Co., Ltd. (“HK Holdings”) will be a fraction less than one share.

With respect to a fraction less than one share arising from the Share Consolidation, the Company will sell the shares equivalent to the total number of such fractional shares (with such aggregate sum rounded down to the nearest whole number), and deliver the proceeds from such sale to the shareholders who hold less than one share in accordance with such fraction. Upon such sale, the Company intends to sell the shares to HK Holdings with permission from a court in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act which applies *mutatis mutandis* through Article 235, Paragraph 2 of the Companies Act, or to purchase the shares with permission from a court in accordance with the provisions of Article 234, Paragraph 2 and 4 of the Companies Act which applies *mutatis mutandis* through Article 235, Paragraphs 2 of the Companies Act.

If the permission is obtained from a court as described above, as planned, the sale price will equal to the amount that the shareholders, entered or recorded in the register of shareholders of the Company as of the end of July 26, 2017, the day immediately prior to the effective date of the Share Consolidation, may receive the amount equal to the number of the Company Shares held by them multiplied by 870 yen, the Share Purchase Price. However, if the permission is not obtained from a court, if it is necessary to adjust fractions in calculation, or if other events occur, then the amount to be actually delivered may be different from the amount described above.

II. Second Item (Partial Amendment to the Articles of Incorporation)

Due to the Share Consolidation, the Articles of Incorporation are deemed to be amended to decrease the total number of issuable Company Shares to 36 shares on July 27, 2017, the effective date of the Share Consolidation. In order to clarify such matter by reflecting it in the terms of the Articles of Incorporation, Article 6 of the Articles of Incorporation (Total Number of Shares Issuable by the Company) will be amended subject to the Share Consolidation taking effect.

If the Share Consolidation takes effect, the total number of issued shares of the Company will be 9 shares, and it is not necessary to provide for the share unit number. Therefore, in order to abolish, subject to the Share Consolidation taking effect, the share unit number provisions relating to the Company Shares pursuant to which 100 shares constitute one share unit at present, the provisions of Article 8 (Number of Shares Constituting One Unit) and Article 9 (Rights of Shareholders Holding

Shares Less Than One Unit) of the Articles of Incorporation will be entirely deleted, and the provisions will be renumbered accordingly.

The details of the aforementioned amendment to the Articles of Incorporation of the Company are prescribed in the April 26 Press Release. Such amendment will take effect on July 27, 2017, which is the effective date of the Share Consolidation, subject to the Share Consolidation taking effect.

III. Third Item (Election of Four Directors Due to the Expiration of the Terms of Office of All Directors)

The terms of office of all Directors expired at the conclusion of the Annual General Meeting of Shareholders. Accordingly, in an effort to construe the newly corporate governance system based on the change of the parent company, the Company proposed the election of Haruko Shibumura, Noboru Yamamoto, Mitsuo Takahagi and Osami Maehara as Directors of the Company.

IV. Schedule of Share Consolidation

(i)	Date of the Annual General Meeting of Shareholders	June 27, 2017
(ii)	Date of designation as stock to be delisted	June 27, 2017 (scheduled)
(iii)	Last trading date	July 21, 2017 (scheduled)
(iv)	Delisting date	July 24, 2017 (scheduled)
(v)	Effective date of the Share Consolidation	July 27, 2017 (scheduled)

End