

Corporate name: Hitachi Construction Machinery Co., Ltd.
(Code: 6305, First Section of the Tokyo Stock Exchange)

Name of representative: Yuichi Tsujimoto
President and Chief Executive Officer

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General Manager, Public Relations Strategy Office

May 22, 2015

Acceptance of transfer of business by our subsidiary

Hitachi Construction Machinery Co., Ltd. (hereinafter referred to as "HCM") today announced that at its Board of Directors Meeting held, the Board approved the transfer to Hitachi Construction Machinery Japan Co., Ltd. (hereinafter referred to as "HCMJ"), which is a subsidiary of HCM, of the sales and servicing business in Japan of wheel loaders and snow removal machines from KCMJ Corporation (hereinafter referred to as "KCMJ"), and that HCM and Kawasaki Heavy Industries, Ltd. (hereinafter referred to as "KHI") have agreed to the transfer, as detailed below.

1. Reason for the acceptance of the transfer of the business

On November 28, 2014, KHI and HCM agreed to make KCM Corporation (hereinafter referred to as "KCM"), which is currently a subsidiary of KHI, into a wholly owned subsidiary of HCM on October 1, 2015 (planned), to expand and strengthen the wheel loader business and to raise customer satisfaction by combining the technologies of the two companies and increasing production efficiency. Further, KHI and HCM have agreed that HCMJ will accept the transfer of the sales and servicing business in Japan of wheel loaders and snow removal machines from KCMJ, which is a subsidiary of KCM, on the same day as the day of the transfer of the stock of KCM.

2. Outline of the company transferring the business

(1) Corporate name	KCMJ Corporation	
(2) Address	509-1 Tsuchiyama, Hiraoka-cho, Kakogawa City , Hyogo Prefecture, Japan	
(3) Name and position of the representative	President: Tadashi Mikawauchi	
(4) Business	Sales and servicing of wheel loaders, snow removal machines, etc.	
(5) Capital	¥300 million	
(6) Date of establishment	January 5, 2009	
(7) Net assets	¥1,601 million (as of the fiscal year that ended March 2015)	
(8) Total assets	¥8,671 million (as of the fiscal year that ended March 2015)	
(9) Major shareholders and shareholding ratio	KCM: 100%	
(10) Relationship between the listed company and the relevant company	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Related entity or unrelated entity	A subsidiary of an associated company (KCM) of HCM.

3. Outline of the company accepting the transfer of the business

(1) Corporate name	Hitachi Construction Machinery Japan Co., Ltd.	
(2) Address	33-25 Benten 5-chome, Soka City, Saitama Prefecture, Japan	
(3) Name and position of the representative	President: Toshikazu Sakurai	
(4) Business	Rental, sales and servicing of hydraulic excavators, wheel loaders, etc.	
(5) Capital	¥5,000 million	
(6) Date of establishment	April 1, 2012	
(7) Net assets	¥37,020 million (as of the fiscal year that ended March 2015)	
(8) Total assets	¥121,671 million (as of the fiscal year that ended March 2015)	
(9) Major shareholders and shareholding ratio	HCM: 100%	
(10) Relationship between the listed company and the relevant company	Capital relationship	HCM holds 100% of the stock of the company.
	Personnel relationship	One of the HCM executive officers concurrently holds the position of a director in the company.
	Business relationship	HCM sells hydraulic excavators, wheel loaders, etc., to the company.

4. Schedule

(1) Date of resolution of the board of directors	May 22, 2015
(2) Date of contract conclusion	May 25, 2015
(3) Date of acceptance of the transfer of the business	October 1, 2015 (planned)

5. Prospect

The effect caused by accepting the transfer of the business on the consolidated business results of this fiscal year was taken into consideration in the consolidated business results forecast for the fiscal year ending in March 2016, which is in a brief report on the settlement of accounts that was announced on April 27, 2015.

[Information for reference]

Forecast of the consolidated business results of this fiscal year (announced on April 27, 2015)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the Parent
Forecast of the consolidated business results of this fiscal year (Fiscal year ending March 2016)	¥810,000 million	¥54,000 million	¥49,000 million	¥27,000 million