

Notice Regarding Results of Implementation of Early Retirement Incentive Program

Hitachi Construction Machinery Co., Ltd. (hereafter referred to as the “Company”) have completed all process of the Early Retirement Incentive Program (hereafter referred to as the “Program”) announced on 29th September, 2015. Following are the results thereof, along with the Program’s effect on business performance:

1. Outline of the Program

- (1) Subject: Employees of the Company or employees of its subsidiary company in Japan who are age 35 or above, and “senior employees” who has the re-employed contract.
- (2) Target number to be applied: Not specified
- (3) Application period: From 16th November, 2015 to 26th February, 2016
- (4) Termination date: From 20th January to 20th March, 2016
- (5) Benefit: Special retirement allowance will be added to the general severance allowance and the outplacement service is provided.

2. Recruitment Results

Number of those who have decided to use the Program: 489

3. Future Outlook

Expenses incurred in the process of the Early Retirement Incentive Program (special severance payment, reemployment funding), are expected to amount to approximately 6 billion yen in “other expenses” as the expenses for business structural reform in the consolidated statement for the March 2016 period. It is anticipated that there will be a reduction in annual personnel cost of approximately 4 billion yen, with the completion of this Program. Also, the effect on consolidated business performance has been taken into consideration for the business performance for the March 2016 period that was announced on 28th January, 2016.

Information for reference:

Consolidated Financial Forecasts for the Fiscal Year Ending 31st March, 2016 (announced on 28th January, 2016), and Financial Results in the Previous Fiscal Year Ended 31st March, 2015.

(Million yen)

	Revenue	Operating profit	Income before income taxes	Net income attributable to owners of the parent
March, 2016 (Forecast)	760,000	30,000	19,500	9,500
March 2015	815,792	63,131	58,953	26,023