

Company name: Hitachi Construction Machinery Co., Ltd.
Representative: Yuichi Tsujimoto
President
Stock code: 6305, first section of the Tokyo Stock
Exchange and Osaka Securities Exchange
Contact person: Kotaro Hirano (Mr.)
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July 25, 2012

To interested parties

Announcement of a merger (simple merger, short-form merger) with a consolidated subsidiary

We hereby announce that the board of directors of Hitachi Construction Machinery Co., Ltd. Resolved at its meeting held on July 25, 2012 that Hitachi Construction Machinery is to merge with TUKUBA TEC Co., Ltd. (referred to as “TUKUBA TEC” below), a wholly owned subsidiary of Hitachi Construction Machinery (referred to as the “Merger” below), on October 1, 2012. The details of the Merger are as stated below.

Please be informed that some of the matters to be disclosed are omitted because the Merger is a simple merger of a wholly owned consolidated subsidiary.

1. Purpose of the Merger

TUKUBA TEC carries out manufacturing and sales of attachments and parts for products of Hitachi Construction Machinery .

The purpose of the Merger is to concentrate management resources and raise operation efficiency as well as to improve safety, quality, cost and delivery by merging with the manufacturing division of Hitachi Construction Machinery, in order to secure a firm position in an increasingly competitive construction machinery market .

2. Outline of the Merger

(1) Schedule of the Merger

Date of resolution of the board of directors	July 25, 2012
Date of conclusion of the contract	July 25, 2012
Planned date of the Merger (effective day)	October 1, 2012 (planned)

Note: The Merger is planned to be carried out without obtaining approvals for the Merger contract at a general meeting of the shareholders of Hitachi Construction Machinery nor at a general meeting of the shareholders of TUKUBA TEC because the Merger is

a simple merger provided for in Article 796, Paragraph 3 of the Companies Act for Hitachi Construction Machinery, which will be the surviving company in the Merger, and because the Merger is a short-form merger provided for in Article 784, Paragraph 1 of the Companies Act for TUKUBA TEC, which will be the extinct company in the Merger.

(2) Method of the Merger

The Merger will be conducted with Hitachi Construction Machinery as the surviving company and TUKUBA TEC will be dissolved.

(3) Allotment pertaining to the Merger

New shares will not be issued nor will the capital be increased as a consequence of the Merger, because TUKUBA TEC is a wholly owned subsidiary of Hitachi Construction Machinery.

(4) Handling of warrants and warrant bonds in the Merger

TUKUBA TEC has not issued any warrants or warrant bonds.

3. Outline of companies involved in the Merger (as of March 31, 2012)

	Surviving company in the Merger	Extinct company in the Merger
(1) Name	Hitachi Construction Machinery Co., Ltd.	TUKUBA TEC Co., Ltd.
(2) Address	2-5-1 Koraku, Bunkyo-ku, Tokyo	6793 Shibasaki, Inashiki-shi, Ibaraki
(3) Name and position of the representative	Yuichi Tsujimoto, president	Noboru Takamoto, president
(4) Business	The manufacture, sale, and servicing of construction machinery, etc.	The manufacture and sale of attachments and parts of transporting machine, civil engineering and construction machine
(5) Capital	¥81,577 million	¥35 million
(6) Date of establishment	October 1, 1970	June 1, 1977
(7) Number of outstanding shares	215,115,038 shares	70,000 shares
(8) End date of each fiscal year	March 31	March 31
(9) Major shareholders and shareholding ratio	Hitachi, Ltd.: 50.22% Japan Trustee Services Bank, Ltd. (trust): 4.16% The Master Trust Bank of Japan, Ltd. (trust): 3.85%	Hitachi Construction Machinery: 100%

(10) Financial conditions and operating results of previous fiscal year		
	Hitachi Construction Machinery (consolidated)	TUKUBA TEC
Relevant fiscal year	Fiscal year ended March 2012	Fiscal year ended March 2012
Net assets	¥368,777 million	¥128 million
Total assets	¥1,086,116 million	¥827 million
Book value per share	¥1,522.86	¥1,823.76
Sales	¥817,143 million	¥1,437 million
Operating income	¥54,837 million	¥49 million
Ordinary income	¥51,711 million	¥60 million
Net income	¥23,036 million	¥32 million
Net income per share	¥108.88	¥452.26

4. Changes after the Merger

The Merger will not cause any change to the name, address, representative, capital or the end date of the fiscal year of Hitachi Construction Machinery.

5. Business prospect

We expect that the Merger will cause little effect on the business results because TUKUBA TEC is already a consolidated subsidiary of Hitachi Construction Machinery.

Reference: Forecast of consolidated business results of this fiscal year (announced on July 25, 2012) and consolidated business results of the previous year

	Consolidated sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Forecast of consolidated business results of this fiscal year (fiscal year ending March 2013)	¥820,000 million	¥72,000 million	¥62,000 million	¥40,000 million
Consolidated business results of the previous year (fiscal year ended March 2012)	¥817,143 million	¥54,837 million	¥51,711 million	¥23,036 million