

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  
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January 30, 2013

To interested parties

**Announcement of change of a consolidated subsidiary to a wholly owned subsidiary by a simple share exchange**

We hereby announce that the board of directors of Hitachi Construction Machinery Co., Ltd. resolved at its meeting held today to conduct a share exchange (referred to as the "Share Exchange" below) to change the status of Hitachi Kenki Logistics Technology Co., Ltd (referred to as "HKL" below) from a consolidated subsidiary of Hitachi Construction Machinery, to a wholly owned subsidiary of Hitachi Construction Machinery; further, that a contract for the Share Exchange has been concluded today, as detailed below.

Please be informed that some of the matters to be disclosed are omitted because the Share Exchange is a simple share exchange to change the status from a consolidated subsidiary to a wholly owned subsidiary.

1. Purpose of the Share Exchange (changing to a wholly owned subsidiary)  
HKL carries out the logistics and related operations of Hitachi Construction Machinery Group.

The purpose of the Share Exchange is to strengthen the consolidated earnings capacity and to raise the consolidated corporate value by further enhancing the efficiency and synergy effect of operations by making HKL a wholly owned subsidiary.

2. Outline of the Share Exchange

(1) Schedule of the Share Exchange

Date of resolution of the board of directors	January 30, 2013
Date of conclusion of the contract	January 30, 2013
Date of extraordinary meeting of shareholders (HKL)	February 18, 2013 (planned)
Planned date of the Share Exchange (effective day)	April 1, 2013 (planned)

Note: The Share Exchange is planned to be carried out without obtaining approvals for the Share Exchange contract at a general meeting of the shareholders of Hitachi Construction Machinery because the Share Exchange is a simple share exchange provided for in Article 796, Paragraph 3 of the Companies Act for Hitachi Construction Machinery, which will be a wholly owning parent company in the Share Exchange.

(2) Method of the Share Exchange

The Share Exchange will be conducted with Hitachi Construction Machinery as the wholly owning parent company and HKL as the wholly owned subsidiary.

(3) Allotment pertaining to the Share Exchange

	Hitachi Construction Machinery (wholly owning parent company in the Share Exchange)	Hitachi Kenki Logistics Technology Co., Ltd (wholly owned subsidiary in the Share Exchange)
Allotment ratio for the Share Exchange	1	650

Note 1: Hitachi Construction Machinery will allot 468,000 common shares from its treasury shares for the Share Exchange, which means that the company will not issue new shares.

Note 2: Hitachi Construction Machinery will issue its shares at a ratio of 650 common shares of Hitachi Construction Machinery to one common share of HKL. However, Hitachi Construction Machinery will not issue its shares for 2,824 shares of HKL that are presently held by Hitachi Construction Machinery in the Share Exchange.

(4) Handling of warrants and warrant bonds in the Share Exchange

HKL has not issued any warrants or warrant bonds.

3. Grounds for the ratio set for the allotment pertaining to the Share Exchange  
Aoi Corporate Advisory Inc. (referred to as "Aoi" below) was selected and assigned to act as a third-party appraiser to calculate the Share Exchange ratio in order to ensure the fairness and appropriateness of the ratio. Aoi calculated the exchange ratio by comprehensively considering the results of various appraisals, and used the average market share price method to appraise the share value of Hitachi Construction Machinery in consideration of the fact that Hitachi Construction Machinery is a listed company, and used the discounted cash flow method (DCF method), the market multiples method and the adjusted net book value method to appraise the share value of HKL in consideration of the fact that HKL is an unlisted company. Referring to the result of the calculations, Hitachi Construction Machinery set the exchange ratio through prudent negotiation

and discussion with HKL.

#### 4. Outline of companies involved in the Share Exchange

	Wholly owning parent company in the Share Exchange	Wholly owned subsidiary in the Share Exchange
(1) Name	Hitachi Construction Machinery Co., Ltd.	Hitachi Kenki Logistics Technology Co., Ltd
(2) Address	2-5-1 Koraku, Bunkyo-ku, Tokyo	650 Kandatsu-machi, Tsuchiura-shi, Ibaraki
(3) Name and position of the representative	Yuichi Tsujimoto, president	Hitoshi Yanagimoto, president
(4) Business	The manufacture, sale, and servicing of construction machinery, etc.	The packaging, shipping and import/export operation of construction machinery, and management of welfare facilities, etc.
(5) Capital	¥81,577 million	¥360 million
(6) Date of establishment	October 1, 1970	December 7, 1985
(7) Number of outstanding shares	215,115,038	3,544
(8) End date of each fiscal year	March 31	March 31
(9) Major shareholders and shareholding ratio (as of March 31, 2012)	Hitachi, Ltd.: 50.22% The Master Trust Bank of Japan, Ltd. (trust): 4.16% Japan Trustee Services Bank, Ltd. (trust): 3.85%	Hitachi Construction Machinery Co., Ltd.: 79.68% HANAN Co., Ltd: 20.32%
(10) Financial conditions and operating results of previous fiscal year		
	Hitachi Construction Machinery (consolidated)	HKL
Relevant fiscal year	Fiscal year ended March 2012	Fiscal year ended March 2012
Net assets	¥368,777 million	¥8,178 million
Total assets	¥1,086,116 million	¥13,009 million
Book value per share	¥1,522.86	¥2,307,680.68
Sales	¥817,143 million	¥42,258 million
Operating income	¥54,837 million	¥2,181 million
Ordinary income	¥51,711 million	¥2,147 million
Net income	¥23,036 million	¥1,313 million
Net income per share	¥108.88	¥370,436.14

#### 5. Changes after the Share Exchange

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

6. Business prospect

We expect that the Share Exchange will cause little effect on the business results because HKL is already a consolidated subsidiary of Hitachi Construction Machinery.

Reference: Forecast of consolidated business results of this fiscal year (announced on October 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)	¥740,000 million	¥56,000 million	¥45,000 million	¥33,000 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