

March 21, 2017

To whom it may concern:

Company name: Hitachi Construction Machinery Co., Ltd.
Representative: Yuichi Tsujimoto,
President
(Stock code: 6305; First Section of the
Tokyo Stock Exchange)

**Notice on Outcome of Share Takeover Offer for the Acquisition of Shares in
Australian Corporation Bradken Limited and Change in Subsidiary**

As previously announced in the “Notice on Execution of Agreement with Regard to Acquisition of Share in Australian Corporation Bradken Limited and Scheduled Commencement of Share Takeover Offer for the Acquisition” dated October 3, 2016, and the “Notice on Commencement of Share Takeover Offer for the Acquisition of Share in Australian Corporation Bradken Limited” dated November 1, 2016, Hitachi Construction Machinery Co., Ltd. (the “**Company**”) commenced a share takeover offer (the “**Takeover Offer**”) for all issued common shares in Bradken Limited (Australian Stock Exchange: BKN; Head office: Newcastle, Australia; Chairman: Phillip Arnall; “**Bradken**”) on November 1, 2016.

The Company hereby announces that as a result of Bradken shareholders’ acceptance of the Takeover Offer, Bradken has become a consolidated subsidiary of the Company on March 20, 2017.

1. Reason for Change

Bradken has become a consolidated subsidiary of the Company on March 20, 2017 following the Takeover Offer.

The purpose of the Takeover Offer, as stated in the “Notice on Execution of Agreement with Regard to Acquisition of Share in Australian Corporation Bradken Limited and Scheduled Commencement of Share Takeover Offer for the Acquisition” dated October 3, 2016, is as follows :

“Demand for construction machinery and mining machinery has decelerated in China, Indonesia, the CIS, and other emerging countries and has stagnated in advanced countries, and the market climate continues to be austere. Faced with these conditions, the Company has promoted its “GROW TOGETHER 2016” Mid-term Management Plan and proactively sought to streamline management, including through establishing a global support framework, in order to flexibly adapt to changes in the operating environment.

In the future, the Company intends to pursue growth through alliances and acquisitions in its core business of manufacturing and distributing construction and mining equipment, together with the associated value chains. This will be

combined with an ongoing focus on streamlining operations.

Bradken's business is wide-ranging across the value chain globally. Its operations include a mining equipment business, a business for wear parts in mining, and a maintenance service business, as well as a manufacturing business of industrial products for mining and infrastructure. The Company believes that the acquisition of Bradken will complement and bolster the parts service business in the Company's mining business and expects further improvement in business income stability and profitability through mutual utilization of a global network."

2. Outline of the New Subsidiary (Bradken)

(1) Name	Bradken Limited		
(2) Address	20 McIntosh Drive, Mayfield West, New South Wales, 2304, Australia		
(3) Representative's name and title	Phillip Arnall, Chairman		
(4) Description of business	Metal casting and manufacture and distribution services for metal casting products		
(5) Stated capital	AUD 653,215 thousand (as of December 31, 2016)		
(6) Year of establishment	1922		
(7) Major shareholders and shareholding ratios	Litespeed Master Fund Ltd.: 12.9% Paradice Investment Management Pty. Ltd.: 7.8% Delta Partners, LP: 5.4% (as of October 3, 2016)		
(8) Relationship between listed company and target company			
Capital relationship	The Company and Bradken do not have any capital relationship that requires stating.		
Personnel relationship	The Company and Bradken do not have any personnel relationship that requires stating.		
Business relationship	The Company and Bradken do not have any business relationship that requires stating.		
Status as related party	Bradken is not a related party of the Company.		
(9) Business performance of Bradken for last three years (unit: millions of AUD)			
Accounting period	Business year ending June 2014	Business year ending June 2015	Business year ending June 2016
Sales	1,138	968	821
EBITDA (adjusted)*	173	136	108
EBITDA (unadjusted)	143	110	49
Net income (unadjusted)	21	(241)	(196)
Total assets	1,530	1,524	1,053
Net assets	730	539	336

* Note: Impairment and restructuring expenses are excluded.

3. Number of Shares Acquired, Acquisition Price, and Ownership Status of Shares Before and After Acquisition

(1) Number of shares owned before change *As of November 1, 2016, which is the commencement date of the Takeover Offer	0 share (Number of voting rights: 0) (Ownership ratio of voting rights: 0%)
(2) Number of shares acquired *As of March 20, 2017	115,547,578 shares (Number of voting rights: 115,547,578) (Ownership ratio of voting rights: 55.3%)
(3) Number of shares owned after change *As of March 20, 2017	115,547,578 shares (Number of voting rights: 115,547,578) (Ownership ratio of voting rights: 55.3%)

4. Date of Change

March 20, 2017

5. Future Outlook Regarding Impact on Business Performance

As announced in the “Notice of Extension of the Offer Period for Share Takeover Offer for the Acquisition of Shares in Australian Corporation Bradken Limited” dated February 2, 2017 and the notices with the same title dated February 16, 2017 and March 2, 2017, the offer period of the Takeover Offer is to expire on March 24, 2017 (provided that the Company may further extend the offer period depending on, among other factors, subsequent acceptances level). The Company will acquire all the shares of Bradken from the shareholders who have accepted the Takeover Offer. The Company will promptly disclose the outcome of the Takeover Offer after its completion.

The Company is currently assessing the effects of the change in its subsidiary on the Company’s business performance forecast for this business year. The Company will make prompt disclosure if any amendments are made to that business performance forecast.

End.