

April 3rd, 2017

To whom it may concern

Hitachi Koki Co., Ltd.
President & Representative Executive Officer
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Second stage for the global leader

Leading global investment firm Kohlberg Kravis Roberts (hereinafter “KKR”) announced on January 13th, 2017 that HK Holdings Co., Ltd., an entity owned by investment fund controlled by KKR, intended to make a tender offer for all the existing common shares and stock acquisition rights of Hitachi Koki Co., Ltd. (hereinafter “Hitachi Koki”). Obtaining approval of shareholders, the tender offer has been successfully completed and the announcement was made on March 23rd, 2017. Since Hitachi Ltd. tendered its shares, the parent company of Hitachi Koki is now HK Holding Co., Ltd. From now on, Hitachi Koki will start second stage to become one of the global leaders with a new partner, KKR, ending the first stage as a group company of Hitachi Ltd. for 70 years since the establishment in 1948.

Many things change with the passage of time and now many companies are required transformation to react to those changes on a flexible basis. In order to survive in the intense global competition, Hitachi Koki should not depend on what its predecessors had built up but implement self-transformation to keep pace with the changing times.

Currently drastic structural improvement, development of innovative products with competitive advantages, strategic business relationship with Lowe’s, which is the major home center in the USA, and maximization of the synergy effect with Metabo which joined the Hitachi Koki group in March 2016 are being implemented to achieve the 2018 mid-term plan. All action plans are carried out successfully and it results in an improvement in performance. In order to accelerate for the further growth, it should not be satisfied with current situation but it is time for challenge with initiative and grit for sustainable disruption.

KKR, listed in New York Stock Market, is one of the world’s most experienced alternative investment firms with more than 40 years history. KKR is now investing in some 120 companies and experienced more than 50 carve-out projects. KKR’s investment philosophy is to invest from a long-term perspective in partnership with management of the acquired company and lead the invested companies with excellent business basis and high potential to become leading companies in the industry by letting them use its resources and network.

Hitachi Koki group owns various brands such as HITACHI, metabo, CARAT, SANKYO, and Tanaka. Hitachi Koki will keep these brands and continue the business as it is. KKR has many global experiences to lead companies for transformation. Those experiences and capabilities of KKR such as support for M&A and financial power, and Hitachi Koki’s R&D capabilities will be combined and it will strengthen the basis for business growth. Consequently, Hitachi Koki will win over in the intense global competition of power tools and life science instruments industries by partnership with KKR and achieve continuous growth for IPO in near future. Your continuous support and encouragement would be highly appreciated.

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