

News Release

Koki Holdings Co., Ltd.

Appointment of the Chairman and President, and New Initiatives

Tokyo, 2 April, 2019 - Koki Holdings Co., Ltd. announces that Atsushi Morisawa was appointed President and CEO, and Osami Maehara was appointed Chairman as of April 1, 2019.

Concurrently, the company also announces the full-scale rollout starting in April of the new global campaign called “WAVE” which was launched in Japan in March. With a set duration and theme, this inaugural company initiative promotes the themed lines of products to end users with a consistent message nationwide with trade show style.

This initiative seeks to further instill and improve the company’s brand image, while also bolstering sales and profits. Progress made in the campaign in Japan and the lessons learned will then be utilized for similar campaigns throughout the globe.

1. Message from Chairman Osami Maehara

In the five years from assuming the role of President in June 2014 until becoming Chairman on April 1, 2019, I have been involved in a variety of major efforts.

In 2016 we acquired long-established German power tool manufacturer Metabo. This was the largest M&A transaction in the history of our company, and it doubled our sales volume in Europe.

Then in 2017 we made a major decision even bigger than that. We decided to break away from the Hitachi Group. The decision was made with the future of our company in mind, but it was actually a major event that should be considered the second establishment of our company. As part of this, we also changed the company name from Hitachi Koki Co., Ltd. to Koki Holdings Co., Ltd. in June 2018. The new name combined “Koki” which our customers had grown so accustomed to during the 70 years since our founding, with “Holdings” to signify a company with several brands in its portfolio throughout the globe. We then went forward with full-scale launch of the new HiKOKI (pronounced “hai-koh-key”) brand in October 2018, for which we held a brand launch event for the media, dealer, and end users. The event was called HiKOKI Green Day, and it was held at a hotel in Tokyo. There we announced our new brand promise, “HiKOKI promises to offer evolving and superior user experiences” along with the associated tagline “Unleash the Next,” which received a tremendous response.

After Japan we then held launch events in growth markets China and India. Since this year started we have also held mass media events in Germany, France, and other locations. These exemplify the type of ambitious efforts we are currently making around the world to promote awareness of our new brand.

Having come this far, we believed it would be necessary to bring in new ideas and expertise from outside the company in order to get our new brand into the minds of even more customers around the world and further accelerate our growth strategies. Thus, we brought in highly experienced manager Atsushi Morisawa to be our new

president. We look forward to your continued support under his leadership.

2. Message from New President Atsushi Morisawa

On April 1, I assumed the role of President & representative director, CEO of Koki Holdings. I am tremendously excited to have a relationship with and ultimately join this exciting company which does not shy away from reforms in order to take on new challenges even with its long history of more than 70 years.

Since joining as Corporate advisor in February, I have been traveling to meet our business leaders, sales partners, and on-site workers in Japan and in countries around the world. In doing so, I became strongly convinced that **“The world is built by PROs. We create THE BEST for the PROs to answer their passion and trust.”** This is a very important aim that drives our growth. At the foundation of this ambitious goal is the brand promise which represents a promise to offer evolving and superior user experiences to our customers.

In the past I have worked in consulting companies, and I have served as General Manager of Mars Japan which makes chocolate products such as Snickers and M&M's, and pet foods such as Kal Kan and Pedigree. What I have gained through these various experiences, which I also consider to be the most important thing in business, is customer-centric perspective. This means always thinking about things from the perspective of the customer. I also believe in the “Four G's.” These are “Genba” (the actual place), “Genbutsu” (the actual things), “Genjitsu” (the actual situation), and “Genzai” (right now).

(1) Genba: (the actual place): I want to thoroughly eliminate unproductive ideologies. I want to take various opportunities to actually travel to the locations of our users and to our plants, distribution centers and sales locations to truly feel what things are like there and find answers accordingly.

(2) Genbutsu (the actual things): It is important to find out what our products and those of our competitors really are, and at the same time to have a company-wide understanding of how the products are used, and what actually benefits the users.

(3) Genjitsu (the actual situation): When companies get larger, things that people ambiguously say tend to take on a life of their own. This is a problem that I would like to thoroughly eliminate. Rather, I want us to listen to the opinions of our customers, think seriously about what troubles them and what they appreciate, and subsequently blaze a trail to true insight based on both Genba and Genbutsu.

(4) Genzai (right now): Rather than spending three years to improve workmanship that end users rate as 90 points to a 98-point level, I want to emphasize the approach of making immediate proposals and conducting quick testing, to be able to make improvements three times over the course of three years. It is important to act with a sense of speed, without fearing failure.

For our company to be stronger and endear ourselves to our customers even more, it is critical that each and every aspect of our operations are connected from the perspective of the end users, with a focus on PROs, based on these Four G's. This includes R&D and design, procurement and manufacturing, marketing, sales and service, as well as pricing, overhead costs, and financial strategy. Our company has lots of experts in each field for every type of occupational ability. In addition to handing on the technologies and expertise we have gained in the past, I would also like us to work together as teams to pool our expertise and experience based on the common language of “user perspective” in order to offer even better products and services. And we will be painstakingly adhere to

offering good products.

We will also commit ourselves to being there for our customers and establishing long-term relationships with them. I would like us to build even greater trust by handling all types of matters with sincerity and in timeframes that satisfy our customers, while working closely with dealer who are our important partners. By continuously doing so in an honest manner, we aim eventually to be an indispensable company for our customers.

We should continue insatiably seeking to learn new knowledge and skills, while proactively offering our customers “Superior user experience” based on free and out-of-the-box thinking. By also taking on new challenges, we will **create the markets of the future**.

This encapsulates the management philosophy that I hold dear, and it is the future direction that our company will take.

3. New Initiative: -The WAVE Campaign-

Please be informed about the first initiative to be pursued by the company since its establishment. The initiative was launched in March 2019 in Japan, with full-scale nationwide rollout starting in April. Utilizing the experience gained in Japan, the campaign will also be rolled out worldwide in the near future. Globally, this initiative is referred to as the “WAVEe Campaign.”

With a set duration and theme, the campaign spreads a unified “end user perspective” message which is consistent with the theme, to specific end users through specific sales channels. Until September 2019 the campaign will focus on carpenters who mostly do woodworking, with the theme of “Good work done easily, anywhere.” The first half up to the end of June will focus particularly on the Circular Saw, with the sub-theme of “Cutting exactly as expected, easily and anywhere.”

We will coordinate to be on the same page in terms of how products are displayed at exhibitions, how to speak to end users, and other aspects of interaction so that we continuously communicate the same message at all customer interaction locations throughout Japan. Our product display style at exhibitions will have the same visual presentation everywhere throughout Japan. In advertisements, publicity, social media, Internet, catalogs, and other public mediums we will also operate according to the same theme, communicating a consistent message.

If each different sales engineer acts on their own and talks about whatever they want like they have before when carrying out sales activities for the campaign theme, the effects will end up with being inconsistent. For that reason, we have prepared an array of case-based narratives to be able to offer consistent presentation to our diverse customers throughout Japan, and we have conducted training at each branch and sales office for putting these into practice. As a further means of facilitating this, we gathered all sales engineers from around Japan in one location in late February for training in thorough self-management in order to bolster their capabilities.

With efforts such as these we seek to establish our brand image and gain more recognition among end users while achieving business growth by creating an environment where all end users throughout Japan can receive the same information.



Product display style shared throughout Japan



Example of a banner advertisement



Landing page for the campaign

###

<Reference Info>

Profile: Atsushi Morisawa

Date of birth: May 23, 1964 (Age 54)

Highest level of education: Graduated from Kyoto University Undergraduate School of Architecture, Faculty of Engineering March 1988

Employment history: Recruit Co., Ltd., April 1988
Boston Consulting Group, January 1994
Alix Partners, January 2009
General Manager, Mars Japan Ltd., September 2010
Chief Customer Officer, Mars Global Pet Nutrition, April 2018
Joined Koki Holdings Co., Ltd. as Corporate Advisor, February 2019

Profile: Osami Maehara

Date of birth: May 25, 1955 (Age 63)

Highest level of education: Graduated from Kyushu University Faculty of Law, March 1978

Employment history: Joined our company, August 1983
Manager, Strategic Planning Department, Power Tools Business Group, August 2001
Manager, Sales Department I, International Sales Division, June 2004
Branch Manager, Hitachi Power Tools Netherlands Moscow Branch, August 2004
General Manager, Corporate Planning Division and International Sales Division, June 2006
Board Director, June 2008
Board Director, President of Hitachi Koki USA, November 2009
Vice-President & Director, June 2012
Senior Vice-President & Director, June 2013
President & Director (Currently President and CEO), June 2014

About Koki Holdings Co., Ltd.

Koki Holdings Co., Ltd. is one of the leading power tool and life science equipment manufacturers in Japan. Those products include power tools such as drivers and drills, garden tools such as brush cutters and hedge trimmers, electrical appliances such as cleaners and high-pressure washers, and ultra-centrifuge. Koki Holdings' world-class advanced technologies have produced reliable and innovative products throughout its celebrated seventy-year history. An extensive sales and service network underpins our superb reliability, with a sales network reaching into all of Japan's prefectures and over ninety-five countries throughout Europe, the Americas, Asia, Oceania, the Middle East, and Africa

Founded	December 18, 1948
Capital	17.8 billion yen*
Annual revenue	191.2 billion yen (consolidated in fiscal 2017)
Employees	6,446 (consolidated)*

*As of March 31, 2018

For press inquiries, please contact:

Marketing Communications Office,
Koki Holdings Co., Ltd.

Name: Shigeo Komatsu / Takashi Ozawa

Email: pr@koki-holdings.co.jp

Tel: +81 3-5783-0628