

March 31, 2011
Hitachi Koki Co., Ltd.

Impact of and Response to the Earthquake off the Pacific Coast of the Tohoku (Second Announcement)

We offer our deepest sympathy to those affected by the earthquake off the Pacific coast of the Tohoku region, and pray for the earliest possible recovery of the affected area.

Although Hitachi Koki Co., Ltd. (hereafter, "Hitachi Koki") suspended operations at its factories in Ibaraki and Fukushima prefectures due to the impact of the earthquake that occurred on March 11 off the Pacific coast of Tohoku, certain operations have restarted. The status of the Hitachi Koki Group, as ascertained between the release of information on March 15 and now, follows below.

We apologize for the inconvenience and concern we have caused our customers and other related parties, and ask for your understanding and cooperation.

1. Status of Operating Bases

(1) Production Bases

At the Katsuta Plant, which conducts development, quality assurance, manufacturing of life-science instruments and other operations, and the Sawa Plant, which manufactures power tools (both Hitachinaka-shi, Ibaraki Prefecture), building damage and toppled or dislodged production equipment have been confirmed. Restoration is under way, with the resumption of electric power, gas and water, and shipments of existing inventories of products, parts and accessories started on March 22. Production partially restarted on March 30. Currently, the entire company is working to speed restoration toward operation of all production lines on April 11. Receipt of supplies from suppliers of materials and from processing subcontractors restarted on March 24. We will proceed toward full-scale production while consulting with individual suppliers about their circumstances.

Hitachi Koki Haramachi Co., Ltd. (hereafter, the "Haramachi Plant"), a consolidated subsidiary that mainly produces large woodworking machinery, is located in Minamisoma-shi, Fukushima Prefecture. Operations there have halted and resumption is expected to take time. Please note that sales of the Haramachi Plant for the previous fiscal year (ended March 31, 2010) accounted for 1.1% of consolidated net sales of the Hitachi Koki Group.

(2) Sales Bases

The Tohoku Branch (Sendai-shi, Miyagi Prefecture) sustained damage including loss

of electric power and water and destruction of some equipment, but shipments of products and parts restarted on March 22. We are making every effort to meet the requirements of our customers to the greatest extent possible.

2. Status of Employees

The safety of all Hitachi Koki Group employees has been confirmed, including those at the Haramachi Plant, which sustained substantial damage. Hitachi Koki is continuing to confirm the status of its employees' families.

3. Impact on Business Performance

The cost of damage due to the earthquake and the impact on business performance are currently unclear. Hitachi Koki will quickly disclose the impact on business performance if it is expected to be large.

4. Support for Victims

(1) Monetary Donations

To provide relief to the persons affected by the earthquake off the Pacific coast of Tohoku and to assist the recovery of the affected area, Hitachi Koki has decided to make donations of ¥10 million through the Central Community Chest of Japan and ¥5 million to Minamisoma-shi, Fukushima Prefecture, where the Haramachi Plant is located.

(2) Provision of Company Housing/Dormitories

Hitachi Koki provides company housing or dormitories free of charge to employees and their families who have been forced to evacuate, in order of application.

(3) Interest-free Loans for Immediately Available Funds

For employees who require immediately available funds due to the disaster, Hitachi Koki has established an "Emergency Disaster Relief Loan System" to provide interest-free loans up to ¥3 million per household in addition to the existing disaster payment.

(4) Collection of Monetary Donations from Employees

Hitachi Koki is collecting monetary donations from its employees in coordination with its labor union. The funds collected will be donated on behalf of the entire company.