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KKR Completes Tender Offer for Hitachi Kokusai

TOKYO--(BUSINESS WIRE)-- Global investment firm [KKR](#) and Hitachi Kokusai Electric Inc. ("Hitachi Kokusai" or the "Company"; TSE stock code 6756) today announced the completion of a tender offer by HKE Holdings G.K. (the "Offeror"), an entity owned by KKR investment funds, for the common shares of Hitachi Kokusai (excluding the 51.67% of its shares that are owned by Hitachi, Ltd. ("Hitachi")). Approximately 25.55% of the common shares have been tendered through the tender offer and will be acquired by the Offeror.

In connection with the tender offer, the Offeror has entered into an agreement (the "Agreement") with Hitachi, the lead shareholder in Hitachi Kokusai, and HVJ Holdings Co., Ltd., ("HVJ"), an entity backed by funds managed/ serviced by Japan Industrial Partners, Inc. ("JIP"). Under the terms of the Agreement, following a share consolidation after the tender offer, Hitachi Kokusai will acquire Hitachi's 51.67% holding of Hitachi Kokusai's common shares in a share repurchase. Thereafter, Hitachi Kokusai will conduct an absorption-type company split pursuant to which the Offeror will succeed to 100% of the Company's Thin-Film Process Solutions business. Subsequently, the Offeror will transfer 20% of the shares of Hitachi Kokusai to each of Hitachi and HVJ, resulting in 60%, 20%, and 20% ownership of Hitachi Kokusai's Video and Communication Solutions business for the Offeror, Hitachi and HVJ, respectively.

Hitachi Kokusai operates two business segments: A Video and Communication Solutions business engaged in video security, IoT high-reliability wireless, and railroad solutions, and a Thin-Film Process Solutions business focusing on semiconductor manufacturing equipment as well as systems maintenance and sales of parts and used equipment.

Mr. Hiro Hirano, Member of KKR and CEO of KKR Japan, said, "We are pleased with this result and are excited to begin our partnership with Hitachi and JIP to strengthen Hitachi Kokusai's business. We are confident that by leveraging KKR's global network, experience and resources, we will help Hitachi Kokusai achieve its growth goals and strengthen its position as a worldwide industry leader."

KKR makes its investment predominantly from its Asian III Fund.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic manager partnerships, hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside its partners' capital and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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