

(Translation)

December 16, 2017

To: All Shareholders

Name of Company: Kuroda Electric Co., Ltd.
(Securities Code 7517, Tokyo Stock Exchange, First Section)
Name of Representative: Koichi Hosokawa, President
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**Announcement of the Results of the Tender Offer for the Shares of Kuroda Electric Co., Ltd.
by KM Holdings Co., Ltd.,
and the Changes to the Parent Company and the Largest Shareholder of the Principal Shareholders**

Kuroda Electric Co., Ltd. (the "Company") hereby announces that the tender offer (the "Tender Offer") for the common shares of the Company (the "Company's Common Shares") conducted by KM Holdings Co., Ltd., (the "Tender Offeror") since November 2, 2017 has ended on December 15, 2017.

The Company also announces that the Tender Offer will result in the changes to the parent company and the largest shareholder of the principal shareholders of the Company as of December 22, 2017 (scheduled).

1. Results of the Tender Offer

The Company received a report on December 16, 2017 from the Tender Offeror regarding the results of the Tender Offer as described in "Notice Concerning Result of Tender Offer for Shares, etc. of Kuroda Electric Co., Ltd. (Securities Code: 7517)".

2. Changes to the Parent Company and the Largest Shareholder of the Principal Shareholders

(1) Scheduled Date of Change

December 22, 2017 (the commencement date of payments for the Tender Offer) (the "Commencement Date of Payments")

(2) Background to the Changes

The Company received a report on December 16, 2017 from the Tender Offeror regarding the results of the Tender Offer that 25,709,019 shares of the Company's Common Shares were tendered, and as this exceeded the minimum number of share scheduled to be tendered (18,918,900 shares), the Tender Offeror will purchase all such Company's Common Shares. As a result, in the case where the payment for the Tender Offer is made, as the shareholding ratio (Note1) (Note2) of the Tender Offeror against the voting rights of all shareholders of the Company will exceed 50% as of December 22, 2017, the Tender Offeror will newly become the Company's parent company and the largest shareholder of the principal shareholders.

(Note 1) The shareholding ratio has been calculated based on the number of voting rights (376,348) attached to the number (37,634,831 shares) obtained by deducting the number of treasury shares held by the Company as of

September 30, 2017 as stated in the "Earnings Release for the Second Quarter of the Year Ending March 2018 (Japan GAAP) (Consolidated)" published by the Company on October 31, 2017 (the "Company's 2Q Earnings Release") (1,811,331 shares) from the number of total issued shares as of September 30, 2017 (39,446,162 shares) as stated in the Company's 2Q Earnings Release.

(Note 2) The shareholding ratio has been rounded to the second decimal place.

(3) Outline of the Shareholder that Will Newly Become the Parent Company and the Largest Shareholder of the Principal Shareholders

(1)	Name	KM Holdings Co., Ltd
(2)	Address	10-3, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
(3)	Name of Representative	Kenichiro Kagasa, Representative Director
(4)	Business Purpose	(i) management consulting business; (ii) acquisition, holding, and purchase and sale of securities; and (iii) any and all businesses incidental or related to each of the foregoing
(5)	Capital Amount	JPY 5,000
(6)	Date of Foundation	October 6, 2017
(7)	Major Shareholders and Shareholding Ratio	MBK Partners JC IV, L.P (100%)
(8)	Relationship between the Company and the Tender Offeror	
	Capital Relationship	The Tender Offeror owns 1 Company's Common Shares as of the date hereof (Shareholding Ratio: 0.00%).
	Personal Relationship	NA
	Business Relationship	NA
	Related Party Relationship	NA

(4) Number of Voting Rights and Shareholding Ratio Before and After the Change

(a) KM Holdings Co., Ltd

	Category	Number of voting rights (shareholding ratio)			Major shareholder ranking
		Directly held	Aggregate	Total	
Before change	-	- (-%)	- (-%)	- (-%)	-
After change	Parent company and the largest shareholder of the principal shareholders	257,090 (68.31%)	- (-%)	257,090 (68.31%)	No. 1

(5) Presence or Absence of Change of Unlisted Parent Company etc. to Be Disclosed

As a result of the Tender Offer, the Tender Offeror will become the unlisted parent company of the Company, and will be subject to disclosure as the unlisted parent company of the Company.

(6) Future Outlook

As stated above, even though 25,709,019 shares of the Company's Common Shares were subscribed to the Tender Offer, as the Tender Offeror failed to acquire all of the Company's Common Shares (excluding the Company's

Common Shares held by the Tender Offeror and the treasury shares held by the Company) through the Tender Offer, the Tender Offeror plans to acquire all of the Company's Common Shares (excluding the Company's Common Shares held by the Tender Offeror and the treasury shares held by the Company) in accordance with a series of procedures provided in "(5) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")" of "3. Details on the Content, Grounds and Reasons for the Company's Opinion for the Tender Offer" of a press release of October 31, 2017 with the title "Announcement of Opinion regarding the Tender Offer for the Shares of Kuroda Electric Co., Ltd. by KM Holdings Co., Ltd." following completion of either (i) the tender offer to the treasury shares announced in a press release of October 31, 2017 with the title "Announcement of Repurchase of Shares and Scheduled Commencement of Repurchase Tender Offer" (the "Press Release on the Scheduled Repurchase Tender Offer") or (ii) as described in the Press Release on the Scheduled Repurchase Tender Offer, the Second Tender Offer if the Stock Pledge has been created under the Stock Pledge Agreement, and the Bridge Lender has exercised the Stock Pledge against the Shares To Be Tendered by Ms. Nomura and Shares to be Tendered in the Repurchase Tender Offer and has acquired the Shares To Be Tendered by Ms. Nomura and the Shares to be Tendered in the Repurchase Tender Offer.

As a result, the Company's Common Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria established by the Tokyo Stock Exchange, Inc. (the "TSE"). After delisting, the Company's Common Shares can no longer be traded on the TSE.

Concrete procedures, timing of implementation and the like will be announced promptly after they are decided upon discussion with the Tender Offeror.