

Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2007

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Founded: July 1, 2002

Capital: 4 billion yen

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1. Consolidated Operating Results (April 1, 2006 – March 31, 2007)

	Millions of Yen		
	FY Ended March 31, 2007		FY Ended March 31, 2006
Net Sales	30,112	22.9%	24,509
Operating Income	2,755	20.9%	2,279
Ordinary Income	2,745	22.7%	2,238
Net Income	1,670	26.8%	1,317

Note: Percentages indicate increases/ (decreases) compared to the previous fiscal year.

2. Non-consolidated Operating Results (April 1, 2006 – March 31, 2007)

	Millions of Yen		
	FY Ended March 31, 2007		FY Ended March 31, 2006
Net Sales	30,085	32.5%	22,713
Operating Income	2,749	42.9%	1,924
Ordinary Income	2,746	45.8%	1,883
Net Income	1,648	50.6%	1,094
Net Income per Share (Yen).....	20,605.96		13,682.70

Note: Percentages indicate increases/ (decreases) compared to the previous fiscal year.

Non-consolidated Financial Position (April 1, 2006 – March 31, 2007)

	Millions of Yen	
	FY Ended March 31, 2007	FY Ended March 31, 2006
Total Assets	17,894	14,538
Shareholders' Equity.....	7,227	5,779
Shareholders' Equity Ratio	40.4%	39.8%
Shareholders' Equity per Share (Yen)	90,343.94	72,237.97

3. Projections for the Full Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Millions of Yen	
	Consolidated	Non-consolidated
Net Sales	37,500	37,100
Operating Income	3,000	2,900
Ordinary Income	3,000	2,900
Net Income	1,650	1,600

Note: The projections shown above are prepared based on information available as of the issuing date of this report, and therefore the actual results may differ from the projected figures due to various unknown factors.

4. Overview of Results

In the fiscal year under review, the crawler crane market experienced an impressive expansionary trend both overseas and domestically, far exceeding the previous year's demand. In North America, a key market for HSC, plant construction and capital investment continued to increase, leading to a major surge in demand. Capital investment is also robust in the Middle East markets, which still enjoy a strong flow of oil money. The Asia market continued to expand as well, with active ship-building in South Korea and Singapore. Following China, where demand is expanding on the back of continued economic growth, demand also increased in India, as infrastructure and plant construction gain momentum. In Japan domestic market, the number of operation of the machinery has increased owing to an increase in private-sector capital investment and urban redevelopment projects. In addition, demand for machinery replacements to meet the new gas emission regulations and upgrades for aging machinery also sent demand up significantly.

To meet this global surge in demand, HSC strove to expand its production capacity of its Nagoya Works by means of hiring more employees, making a capital investment and developing a global scale outsourcing system. On the sales front, we strengthened relations with overseas affiliates and representatives, and introduced new models to markets. Also, we invested an additional 1 million dollars in Hitachi Sumitomo Heavy Industries Construction Crane (Shanghai) Co., Ltd. to reinforce business in China (total equity after the capital increase amounted to 9 million RMB). We established a technical training center at our Nagoya Works to further augment services and employee training. As a result, sales and profit in this fiscal year exceeded the previous fiscal year.

In North America, we carried out marketing research in cooperation with Link-Belt Construction Equipment Company, and developed new medium-sized crawler cranes. Marketing and service activities throughout Europe and the Middle East were expanded through the Hitachi Construction Machinery (Europe) N.V.'s sales network. Further, as a result of vigorous marketing activities with major representatives in the Asian region and with our Chinese subsidiary in Shanghai, China, our overseas sales increased by 45% to 18,115 million yen.

In Japan, HSC pushed forward its marketing activities to enhance customer satisfaction through its direct sales and direct service system, and worked to acquire a new customer base in foundation machinery and special harbor cranes. As a result domestic sales increased by 17% to 11,997 million yen.

HSC has established a medium-term plan through 2010 to address additional challenges in its business. In fiscal 2007, the first year of the plan, we will focus on the reinforcement of comprehensive production capacity at the Nagoya Works, and will promote the following policies.

- 1) Enhance production capacity
- 2) Improve quality.
- 3) Promote business strategies suitable for the various global markets.
- 4) Enhance the R&D.
- 5) Reinforce parts service.
- 6) Pursue cash flow management and build up internal control system.

5. Non-Consolidated Balance Sheets

	Millions of Yen				
	As of March 31, 2007		As of March 31, 2006		Change
	Amount	%	Amount	%	
<Assets>					
Current Assets					
Cash	2,253		1,546		707
Notes and accounts receivable.....	7,068		7,540		(472)
Inventories.....	5,232		3,630		1,602
Other current assets.....	1,055		733		322
Total Current Assets	15,611	87.2	13,453	92.5	2,158
Fixed Assets					
Tangible fixed assets.....	1,145		653		492
Intangible fixed assets.....	725		157		568
Investments and other assets	412		274		138
Total Fixed Assets	2,283	12.8	1,084	7.5	1,199
Total Assets.....	17,794	100.0	14,538	100.0	3,356
<Liabilities>					
Current Liabilities					
Notes and accounts payable.....	8,613		6,814		1,799
Other current liabilities	1,947		1,709		238
Total Current Liabilities	10,564	59.0	8,527	58.7	2,037
Long-term Liabilities					
Other liabilities	101		231		(130)
Total Long-term Liabilities	102	0.6	231	1.6	(129)
Total Liabilities.....	10,667	59.6	8,759	60.2	1,908
<Net Assets>					
Shareholders' Equity					
Common stock.....	4,000		4,000		
Earned Surplus	3,227		1,779		1,448
Total Shareholders' Equity	7,227	40.4	5,779	39.8	1,448
Total Liabilities and Shareholders' Equity.....	17,894	100.0	14,538	100.0	3,356

Note: All numbers are rounded down to the nearest million yen.

6. Non-Consolidated Statements of Income

	Millions of Yen					
	Fiscal Year ended March 31,					
	2007	%	2006	%	Change	%
Net Sales	30,085	100.0	22,713	100.0	7,372	32.5
Cost of sales	23,527	78.2	18,182	80.1	5,345	
Gross profit on sales.....	6,558	21.8	4,531	19.9	2,027	44.7
Selling, general, & administrative expenses	3,808	12.7	2,606	11.5	1,202	
Operating Income	2,749	9.1	1,924	8.5	825	42.9
Non-operating Income and Expenses						
Non-operating Income						
Interest and dividend income.....	29	0.1	0	0.0	29	
Miscellaneous income	7	0.0	1	0.0	6	
Non-operating Income	36	0.1	2	0.0	34	
Non-operating Expenses						
Miscellaneous loss	39	0.1	43	0.2	(4)	
Non-operating Expenses	39	0.1	43	0.2	(4)	
Ordinary Income	2,746	9.1	1,883	8.3	863	45.8
Extraordinary Profit and Loss						
Extraordinary Profit	--	--	--	--	--	--
Extraordinary Loss	--	--	--	--	--	--
Income Before Income Taxes	2,746	9.1	1,883	8.3	863	45.8
Income Taxes	1,155	3.8	935	4.1	220	
Adjustments for Income Taxes	(57)	(0.2)	(146)	(0.6)	89	
Net Income	1,648	5.5	1,094	4.8	554	50.6

Note: All numbers are rounded down to the nearest million yen.