

Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2008

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Japan

Founded: July 1, 2002

Capital: 4 billion yen

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1. Consolidated Operating Results (April 1, 2007 – March 31, 2008)

	Millions of Yen		
	FY Ended March 31, 2008		FY Ended March 31, 2007
Net Sales	34,792	15.5 %	30,112
Operating Income	2,608	(5.3)%	2,755
Ordinary Income	2,478	(9.7)%	2,745
Net Income	1,404	(15.9)%	1,670

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

2. Non-consolidated Operating Results (April 1, 2007 – March 31, 2008)

	Millions of Yen		
	FY Ended March 31, 2008		FY Ended March 31, 2007
Net Sales	34,766	15.6 %	30,085
Operating Income	2,573	(6.4)%	2,749
Ordinary Income	2,452	(10.7)%	2,746
Net Income	1,336	(18.9)%	1,648
Net Income per Share (Yen).....	16,711.1		20,605.96

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

Non-consolidated Financial Position (April 1, 2007 – March 31, 2008)

	Millions of Yen	
	FY Ended March 31, 2008	FY Ended March 31, 2007
Total Assets	20,957	17,894
Shareholders' Equity.....	8,264	7,227
Shareholders' Equity Ratio	39.4%	40.4%
Shareholders' Equity per Share (Yen)	103,305.0	90,343.94

3. Projected Consolidated Results for the Fiscal Year ending March 31, 2009 (April 1, 2008 – March 31, 2009)

	Millions of Yen
	Consolidated
Net Sales	48,000
Operating Income	3,700
Ordinary Income	3,600
Net Income	2,000

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 Business Performance

There was dramatic growth in the crawler crane market in 2007. In the North American market, our main market, there was strong demand for cranes as a result of investments for the construction of airports, roads and for energy-related facilities, although U.S. economic growth has been slowed due to the impact of the sub-prime loan issue, a decline in personal consumption, etc. In the Asia area, the shipbuilding industry was very active in Korea, with steady demand across Southeast Asia. In India, there was vigorous construction in infrastructure development supported by rapid economic growth, which led to strong demand in the crane market. In China, there has been growing demand for cranes, particularly for smaller lifting capacity models. The Middle East market was continuing strong demand due to large capital investment stemming from the abundant inflow of oil money. As for Japan, despite delays in construction projects brought about from revisions in the Building Standards Law, new crane demand has been expanded due to the increase in private-sector construction projects and the introduction of new models that replaced aged machines and complied with the new gas emission regulations.

In this situation, we increased the production capacity at our main plant, Nagoya Works, drastically to meet our customers requirements. In addition to this, we launched the new production facility for large crawler cranes at Saijo Office in Sumitomo Heavy Industries' Ehime Works Saijo Factory, (Saijo City, Ehime Prefecture) in July of last year.

As for overseas operations, we have implemented many business strategies in the various regions. In North America, we promoted sales particularly for the models complying with the Tier-3 gas emission regulations through cooperation with Link-Belt Construction Equipment Company in Kentucky, USA. As for the European region, we expanded sales and service activities including the Middle East, Russia, and Africa in cooperation with Hitachi Construction Machinery (Europe) N.V. In the Asian region, which has experienced sharp demand growth, our relationships with major distributors in each

region, such as TAT HONG HEAVYEQUIPMENT PTE LTD in Singapore, KILWOO CORPORATION in Korea, Telco Construction Equipment Company Limited in India, etc, were further strengthened. We expanded our local agent network through our subsidiary company, Hitachi Sumitomo Heavy Industries Construction Crane (Shanghai) Co., Ltd, in China. With these regional business activities, overseas sales increased by 12.0% from the previous fiscal year to 20,333 million yen.

As for the Japan market, we promoted enhancing customer satisfaction with closer customer contact based on direct sales and service systems which resulted in sales increasing by 21% from the previous fiscal year to 14,459 million yen.

Sales of 34,792 million yen for the fiscal year surpassed those for the previous fiscal year by 4,680 million yen. However, income has slightly decreased due to expenses stemming from aggressive capital investment for expanding production capacity.

The outlook for the crawler crane market in the fiscal year of 2008 is bright throughout the world. On the other hand, the business environment is predicted to be uncertain with soaring prices of raw material such as steel, crude oil and parts procurement. We are aiming for further growth in the crane business, and achieving the targets of the medium-term business plan earlier than schedule by promoting the following main policies.

- 1) To increase production capacity and improve production efficiency
- 2) To improve product quality
- 3) To further enhance customer satisfaction
- 4) To continue the development of new models that meet market requirements
- 5) To reinforce the parts supply business
- 6) To improve the cash flow management system by focusing on internal controls

5. Non-Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2008		As of March 31, 2007		Change
	Amount	%	Amount	%	
<Assets>					
Current Assets					
Cash	132		2,253		(2,121)
Notes and accounts receivable	7,710		7,068		642
Inventories	8,638		5,232		3,406
Other current assets	1,084		1,055		29
Total Current Assets	17,567	83.8	15,611	87.2	1,956
Fixed Assets					
Tangible fixed assets	2,138		1,145		993
Intangible fixed assets	786		725		61
Investments and other assets	464		412		52
Total Fixed Assets	3,389	16.2	2,283	12.8	1,106
Total Assets	20,957	100.0	17,894	100.0	3,063
<Liabilities>					
Current Liabilities					
Notes and accounts payable	10,666		8,613		2,053
Other current liabilities	1,985		1,947		38
Total Current Liabilities	12,656	60.4	10,564	59.0	2,092
Long-term Liabilities					
Other liabilities	35		101		(66)
Total Long-term Liabilities	36	0.2	102	0.6	(66)
Total Liabilities	12,692	60.6	10,667	59.6	2,025
<Net Assets>					
Shareholders' Equity					
Common stock	4,000		4,000		0
Earned Surplus	4,264		3,227		1,037
Total Shareholders' Equity	8,264	39.4	7,227	40.4	1,037
Total Liabilities and Shareholders' Equity	20,957	100.0	17,894	100.0	3,063

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,					
	2008	%	2007	%	Change	%
Net Sales	34,766	100.0	30,085	100.0	4,681	15.6
Cost of sales	28,022	80.6	23,527	78.2	4,495	
Gross profit on sales.....	6,744	19.4	6,558	21.8	186	2.8
Selling, general, & administrative expenses	4,170	12.0	3,808	12.7	362	
Operating Income	2,573	7.4	2,749	9.1	(176)	(6.4)
Non-operating Income and Expenses						
Non-operating Income						
Interest and dividend income.....	10	0.0	29	0.1	(19)	
Miscellaneous income	6	0.0	7	0.0	(1)	
Non-operating Income	17	0.0	36	0.1	(19)	
Non-operating Expenses						
Miscellaneous loss	138	0.4	39	0.1	99	
Non-operating Expenses	138	0.4	39	0.1	99	
Ordinary Income	2,452	7.1	2,746	9.1	(294)	(10.7)
Extraordinary Profit and Loss						
Extraordinary Profit	--	--	--	--	--	--
Extraordinary Loss.....	--	--	--	--	--	--
Income Before Income Taxes	2,452	7.1	2,746	9.1	(294)	(10.7)
Income Taxes	1,094	3.1	1,155	3.8	(61)	
Adjustments for Income Taxes	21	0.1	(57)	(0.2)	78	
Net Income	1,336	3.8	1,648	5.5	(312)	(18.9)

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