

Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2009

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Japan

Founded: July 1, 2002

Capital: 4 billion yen

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1. Consolidated Operating Results

Millions of Yen

	FY Ended March 31, 2009		FY Ended March 31, 2008
Net Sales	47,000	(35.1)%	34,792
Operating Income.....	3,909	(49.9)%	2,608
Ordinary Income.....	3,798	(53.3)%	2,478
Net Income	2,317	(65.0)%	1,404

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

2. Non-consolidated Operating Results

Millions of Yen

	FY Ended March 31, 2009		FY Ended March 31, 2008
Net Sales	47,313	(36.1)%	34,766
Operating Income.....	3,793	(47.4)%	2,573
Ordinary Income.....	3,681	(50.1)%	2,452
Net Income	2,201	(64.7)%	1,336
Net Income per Share (Yen).....	27,512.64		16,711.06

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

Non-consolidated Financial Position

Millions of Yen

	FY Ended March 31, 2009	FY Ended March 31, 2008
Total Assets	22,878	20,957
Shareholders' Equity.....	10,065	8,264
Shareholders' Equity Ratio.....	44.0%	39.4%
Shareholders' Equity per Share (Yen)	125,817.65	103,305.01

Non-consolidated Cash Flow (April 1, 2008 – March 31, 2009)

Millions of Yen

	FY Ended March 31, 2009	FY Ended March 31, 2008
Operating Cash Flow.....	2,377	(1,699)
Cash Flow from Investments.....	(694)	(1,386)
Cash Flow from Financial Activities.....	(522)	963
Balance of Cash and Cash Equivalents at Year End.....	1,292	132

3. Overview of Business Performance

The world demand for crawler cranes was steady by the middle of the fiscal year under review. However, as the economy has deteriorated sharply since last fall due to the financial crisis, orders in the second half decreased significantly. Although the price of some materials was in a downward trend for the second half of the year, in general, a higher price level was maintained. In the foreign exchange market, the yen appreciated higher than expected, placing a severe strain on our business.

In the North American Market — our major market, demand has fallen sharply as a result of the decrease in housing construction and capital investment since last fall due to the financial contraction. In the Asian market, we also experienced a sharp fall in demand caused by the financial contraction and the depreciation of Asian currencies. The decline in crude oil prices also had a negative effect, with many private and public projects suspended or cancelled in the Middle East and emerging countries such as India and China, which had enjoyed active investment in infrastructure.

In the domestic market, some construction projects in the private sector were cancelled or suspended in the second half of the fiscal year in addition to the decrease in public construction projects, which adversely affected demand. However, we also saw steady demand thanks to the replacement of aging machines.

Under such market conditions we promoted production and sales based on an ample backlog of orders booked at the beginning of the fiscal year, and adjusted production as required in response to the fluctuation in worldwide demand in the second half. We also made efforts to control material costs and reduce fixed costs. As a result, sales, operating income, ordinary income, and net income were significantly higher than in the previous fiscal year.

To promote overseas sales, we collaborated with our distribution networks such as Link-Belt Construction Equipment Company in North America, Hitachi Construction Machinery (Europe) N.V. in Europe, and our subsidiary, Hitachi Construction Machinery (Shanghai) Co., Ltd. in China. As a result, overseas sales were 27,809 million yen (+37% Y/Y).

In Japan, we continued our efforts to improve customer satisfaction under the direct sales and service system. As a result, domestic sales reached 19,191 million yen (+33% Y/Y), achieving the top market share.

As uncertainty in the world economy is expected to continue for the time being, we cannot expect a sharp recovery in the crawler crane market during the next fiscal year. However, we aim to establish a streamlined business system with strong competitiveness by promoting the following important policies:

- 1) Promoting cost reduction;
- 2) Enhancing collaboration with affiliated companies and distributors for further improvement in customer satisfaction;
- 3) Continuing the development of new machines that meet market needs;
- 4) Strengthening the parts service business;
- 5) Improving the cash flow and enhancing the corporate culture based on the internal control system.

4. Non-Consolidated Balance Sheets

	Millions of Yen				
	As of March 31, 2009		As of March 31, 2008		Change
	Amount	%	Amount	%	
<Assets>					
Current Assets					
Cash.....	1,292		132		1,160
Notes and accounts receivable.....	7,747		7,710		37
Inventories.....	9,119		8,638		481
Other current assets.....	1,383		1,076		307
Total Current Assets	19,550	85.5	17,567	83.8	1,983
Fixed Assets					
Tangible fixed assets.....	2,178		2,138		40
Intangible fixed assets.....	679		786		(107)
Investments and other assets.....	469		464		5
Total Fixed Assets.....	3,327	14.5	3,389	16.2	(62)
Total Assets.....	22,878	100.0	20,957	100.0	1,921
<Liabilities>					
Current Liabilities					
Notes and accounts payable.....	10,765		10,666		99
Other current liabilities.....	1,982		1,968		14
Total Current Liabilities.....	12,757	55.8	12,656	60.4	101
Long-term Liabilities					
Other liabilities.....	54		35		19
Total Long-term Liabilities.....	55	0.2	36	0.2	19
Total Liabilities.....	12,812	56.0	12,692	60.6	120
<Net Assets>					
Shareholders' Equity					
Common stock.....	4,000		4,000		0
Earned Surplus.....	6,065		4,264		1,801
Total Shareholders' Equity.....	10,065	44.0	8,264	39.4	1,801
Total Liabilities and Shareholders' Equity.....	22,878	100.0	20,957	100.0	1,921

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

5. Non-Consolidated Statements of Income

	Millions of Yen				
	Fiscal Year ended March 31				
	2009	%	2008	%	Change
Net Sales	47,313	100.0	34,766	100.0	12,547
Cost of sales	39,217	82.9	28,022	80.6	11,195
Gross profit on sales.....	8,096	17.1	6,744	19.4	1,352
Selling, general, & administrative expenses	4,301	9.1	4,170	12.0	131
Operating Income	3,793	8.0	2,573	7.4	1,220
Non-operating Income and Expenses					
Non-operating Income					
Interest and dividend income.....	20		10		10
Miscellaneous income.....	18		6		12
Non-operating Income	38		17		21
Non-operating Expenses					
Miscellaneous loss	151		138		13
Non-operating Expenses	151		138		13
Ordinary Income	3,681	7.8	2,452	7.1	1,229
Extraordinary Profit and Loss					
Extraordinary Profit	-		-		-
Extraordinary Loss	-		-		-
Income Before Income Taxes	3,681	7.8	2,452	7.1	1,229
Income Taxes	1,662		1,094		568
Adjustments for Income Taxes	(182)		21		(203)
Net Income	2,201	4.7	1,336	3.8	865

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