

Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2012

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Founded: July 15, 2002

Capital: 4 billion yen

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1. Consolidated Operating Results

	Millions of yen		
	FY Ended March 31, 2012	% change	FY Ended March 31, 2011
Net Sales	27,068	16.9%	23,150
Operating Income.....	494	-	(2,238)
Ordinary Income.....	455	-	(2,311)
Net Income	161	-	(2,316)

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

2. Overview of Business Performance

Demand for crawler cranes during the fiscal year ended March 2012 expanded throughout the world as a whole over the previous fiscal year. Despite the sense of uncertainty regarding the global economy stemming from financial problems in Europe, demand increased mainly in newly emerging countries and regions, and signs of recovery were seen in some advanced countries and regions. Nevertheless, the business environment continued to be challenging through the year, due to the persistently strong yen and the rising cost of materials.

In the Japanese market, demand showed signs of picking up, albeit gradually, owing to an increase in reconstruction demand and private capital investment as the economic shock of the earthquake waned to a minimum. In fact, demand for new crawler cranes increased 4% compared to the previous year.

In overseas markets, demand for new crawler cranes shifted to a gradual recovery trend in the United States given an upturn in its economy, but continued to falter in Western Europe due to financial problems in the region. Among newly developing countries and regions, the surge in demand that was seen in China as a result of the Chinese government's tight monetary policies in the wake of the Lehman shock leveled off somewhat, while demand in India and other Asian regions marked an increase. On the whole, worldwide demand thus increased from the previous year, but at the smaller scale, recovery in demand varied widely according to country and region.

Under such market conditions, we achieved the following operating results in the fiscal year under review after taking measures to reduce costs, fixed expenses, and inventories.

In Japan, sales of new crawler cranes decreased compared to the previous year but reached 13,169 million yen during the fiscal year under review (+12% Y/Y), as a result of efforts to sell relatively high-priced models and to expand sales of service parts.

Overseas sales for the fiscal year under review grew to 13,899 million yen (+21% Y/Y) as a result of collaborating with distributors around the world, such as Link-Belt Construction Equipment Company in North America, Hitachi Construction Machinery (Europe) N.V. in Europe and our subsidiary Hitachi Sumitomo Heavy Industries Construction Crane (Shanghai) Co., Ltd. in China, and directing our efforts to supporting their sales efforts and cultivating new markets in newly emerging countries.

The outlook of the global economy remains uncertain, but we expect to see a gradual recovery trend in world demand for crawler cranes accompanying an increase in post-earthquake reconstruction demand in Japan, growth in energy-related demand in North America, and the development of markets in newly emerging countries mainly in Asia.

Under this situation, we will pursue the following priority policies as we continuously strive to establish a competitive and efficient business culture.

- 1) Thorough cost-reduction measures
- 2) Development of new models that satisfy market needs
- 3) Further improvement of customer satisfaction through stronger collaboration with affiliated companies and distributors
- 4) Continuous reduction of fixed expenses
- 5) Cash flow improvement
- 6) Establishment of a strong corporate culture governed by strict internal controls