

# Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

## Summary of Financial Results for the Fiscal Year Ended March 31, 2013

Head Office: Sumitomo Fudosan Ueno Building No.8  
9-3, Higashi-Ueno 6-chome, Taito-Ku, Tokyo 110-0015, Japan

Founded: July 15, 2002

Capital: 4 billion yen

Website: <http://www.hsc-crane.com>

President and Representative Director: Yoshimi Iwase

Contact: Kazuhisa Ishida, Corporate Planning Department

Telephone: +81-3-3845-1386

### 1. Consolidated Operating Results

	Million yen		FY Ended March 31, 2012
	FY Ended March 31, 2013	% change	
Net Sales .....	27,752	2.5%	27,068
Operating Income.....	1,412	185.8%	494
Ordinary Income.....	1,362	199.3%	455
Net Income .....	1,081	571.4%	161

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

### 2. Overview of Business Performance

Demand for crawler cranes worldwide during the fiscal year ended March 2013 was basically unchanged. Amidst the rising sense of uncertainty regarding the global economy, which stemmed from the ongoing slump in Europe's economy and the slowdown in the economic growth of countries such as China and India, demand was higher compared with the prior fiscal year in Japan, North America and other advanced countries and regions, but began to fall in newly developing countries and regions.

In the Japanese market, sales remained strong, driven by an increase in public works in the context of earthquake disaster reconstruction and a gradual recovery in private sector construction, and demand for new crawler cranes increased 36% compared to the previous year.

In overseas markets, demand for new crawler cranes shifted back to growth in North America, a key market, reflecting the gradual recovery of the economy and the upturn in energy-related works. Demand remained lackluster in Western Europe, however, due to the financial problems in the region. Among newly developing countries and regions, on the other hand, demand in China and India was flat or declined as a result of the gradual deceleration in those countries' economic growth. Demand in other regions of Asia, however, followed a rising trend.

Under such severe market conditions, we achieved the following operating results in the fiscal year under review as the result of taking measures to develop new products and reduce costs and fixed expenses.

In Japan, sales of new crawler cranes increased and reached 15,503 million yen during the fiscal year under review (+17% Y/Y), thanks to an increase in demand and sales of the latest models that meet emissions regulations, and as a result of responding to customers' varied needs in the service business.

Overseas sales were hampered by the severe exchange rate environment and slipped to 12,249 million yen during the fiscal year under review (-11% Y/Y), although we collaborated 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, directing our efforts to supporting their sales efforts and cultivating new markets in newly emerging countries, and also launched new products in overseas markets, encompassing models that satisfy emissions regulations and models for newly developing countries.

The uncertain outlook for the world economy is expected to remain unchanged, and we cannot anticipate a rapid recovery in global demand in the crawler crane market. However, 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