

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

## Summary of Financial Results for the Fiscal Year Ended March 31, 2014

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

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### 1. Consolidated Operating Results

Million yen

	FY Ended		FY Ended	
	March 31, 2014	% change	March 31, 2013	% change
Net Sales .....	37,304	34.4%	27,752	2.5%
Operating Income.....	3,161	123.9%	1,412	185.8%
Ordinary Income.....	3,171	132.8%	1,362	199.3%
Net Income .....	2,061	90.7%	1,081	571.4%

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

### 2. Overview of Business Performance

In the Japanese market, both public and private works increased against a backdrop of full-fledged earthquake disaster reconstruction and gradual economic recovery, and demand for new crawler cranes increased 57% compared to the previous year, mainly owing to the growing trend to upgrade and replace the old with the new.

In overseas markets, and particularly among industrialized nations, demand for crawler cranes practically leveled off, due to a slowdown in energy-related works in North America, even amid a gradual recovery of its economy, and an ongoing stagnant demand in Western Europe. Among newly emerging markets, demand remained roughly the same as before in the Middle East region despite political uncertainties, but increased in Asia, with the exception of China and India. Demand in China and India declined, accompanying a gradual slowdown in their economic growth.

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

In Japan, sales of new crawler cranes increased and reached 23,449 million yen during the fiscal year under review (+51% Y/Y), thanks to an increase in demand and sales of the new products for foundation construction, and also meticulous responding to customers' varied needs in the service business.

Overseas sales increased and reached 13,855 million yen during the fiscal year under review (+13% Y/Y), as a result of launching new products while we collaborated with affiliated companies and distributors around the world, such as Link-Belt Construction Equipment Company in America and Hitachi Construction Machinery Middle East Corporation FZE in Middle East, directing our efforts to supporting their sales efforts and cultivating new markets in newly emerging countries.

The world economy shows a recovery trend, however the uncertain outlook is expected to remain unchanged, and we cannot anticipate an exponential increase in global demand in the crawler crane market. However, we will pursue the following priority strategies as we continuously strive to establish a competitive and efficient business structure.

- 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 structure governed by strict internal controls