

Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2015

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Founded: July 15, 2002

Capital: 4 billion yen

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1. Consolidated Operating Results

Million yen

	FY Ended		FY Ended	
	March 31, 2015	% change	March 31, 2014	% change
Net Sales	42,876	14.9%	37,304	34.4%
Operating Income.....	5,764	82.3%	3,161	123.9%
Ordinary Income.....	5,803	83.0%	3,171	132.8%
Net Income	2,895	40.5%	2,061	90.7%

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

2. Overview of Business Performance

In the Japanese market, sales of medium and large-sized crawler cranes grew, such that demand for new crawler cranes increased 9% compared to the previous year by our estimation, owing to the increasing trend in both public and private works that has continued from the previous year against a backdrop of full-fledged earthquake disaster reconstruction and gradual economic recovery.

In overseas markets, and particularly among industrialized countries, demand for crawler cranes increased only slightly, due to the continued economic slowdown in Western Europe, even while North America saw a gradual recovery of its economy. In newly emerging markets, demand increased steadily in Asia, with the exception of China, where it decreased accompanying a slowdown in the country's economy and pushed down demand in Asia as a whole.

The cost of materials continued to rise owing to the above market environments, as well as to the further weakening of the yen from last autumn, but we achieved the aforementioned performance during the fiscal year under review, as a result of structural strengthening measures, including initiatives to reduce initial and fixed costs.

In Japan, sales of crawler cranes increased and reached 24,614million yen during this fiscal year (+5% y/y), thanks to an increase in demand for new crawler cranes, and also to meticulous efforts to expand our service business.

Overseas sales totaled 18,262 million yen during this fiscal year (+32% y/y), as a result of collaborating with affiliated companies and distributors around the world, such as Link-Belt Construction Equipment Company in America, Hitachi Construction Machinery (Europe) N.V. in Europe and Hitachi Construction Machinery Middle East Corporation FZE in the Middle East, and directing our efforts to support their sales and services and cultivating new markets in newly emerging countries.

During the next fiscal year, North America, Japan and other industrialized countries are expected to see a gradual growth in their economy, while a deceleration of economy is forecast in new emerging countries. Amid this situation, coupled with the declining value of resources and geopolitical risks in each region, global demand for crawler cranes is likely to remain uncertain. Moreover, given the instability of global demand as a whole, we predict that the demand for crawler cranes will remain unchanged or decline slightly compared to this fiscal year.

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, and enhancement of development capability
- 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