

HITACHI

Hitachi Construction Machinery Co., Ltd.

FACT BOOK

2008

Profile

The Hitachi Construction Machinery (“HCM”) Group traces its roots back to the 1949 development by Hitachi, Ltd. of a mechanical excavator solely utilizing Japan-produced technology. After being spun off from Hitachi, Ltd., in 1970 HCM worked to apply its exceptional technical capabilities to advance state-of-the-art construction machinery, established a network of production and supply facilities in key locations around the world and augmented its global service capabilities to ensure that customer machinery could be maintained in optimal operating condition at all times. Today, the HCM Group’s approximately 16,000 employees (consolidated basis, as of March 2008) are helping it become one of the world’s foremost construction machinery manufacturers that supplies hydraulic excavators, wheel loaders, mini-excavators, dump trucks, cranes, forklifts and other machinery all over the world.

Regional Segment

- Japan
- The Americas
- Europe, Russia-CIS, Africa, and the Middle East
- Oceania and Asia
- China

Business Segment

- Construction Machinery Business
 - Construction-related Products Business
 - Resource Development-related Products Business
 - Environment-related Products Business
 - Product Development Business
 - Rental Business
 - Used Machinery Business
 - Service Business
 - Other Software Business
- Industrial Vehicle Business
- Semiconductor Production Equipment Business

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Our Vision

“To pass on a productive environment and prosperous cities to future generations.” The corporate vision of Hitachi Construction Machinery Co., Ltd. is to contribute to the creation of congenial living spaces.

1. We are active in the evolution of “machinery” and the synergy between “human” and “business” that combines to create rich living spaces, making them more comfortable, highly developed and efficient.
2. We consistently develop and provide our customers with the technology, products and services that generate new value.
3. While maintaining profitable operations, we act as a “corporate citizen having good judgment” by staying in harmony with the environment, contributing to society and participating in cultural activities, striving for a symbiotic coexistence with society.

Basic Management Policy

1. To improve the enterprise value and shareholder value of the HCM Group through a rigorous emphasis on consolidated management. To this end, Future Inspiration Value (FIV)* management is being vigorously applied throughout the Group.
*FIV is an indicator of added value to increase corporate value based on the cost of capital formulated by Hitachi and is used by all members of the Hitachi Group.
2. To establish a firm position in global construction machinery markets by strengthening alliances both in Japan and overseas in order to provide a more comprehensive lineup of products as part of the ongoing development of global operations in the five regions comprising: Japan; the Americas; Europe, Russia-CIS, Africa and the Middle East; Oceania and Asia; and China.
3. In all areas of operation, to diversify and develop as a Group supplier of total solutions encompassing both hardware and software.

To ensure the ability to achieve these objectives Group-wide, there is a strong emphasis on developing global personnel and building a global IT strategy to implement “total management,” “accelerated decision-making of management” and “information management.”

Medium-term Management Plan “SOH 2010 – For the New Stage”

In April 2007, the HCM Group embarked upon “SOH 2010–For the New Stage,” a medium-term management plan running through to the fiscal year ending March 31, 2011. The keywords for growth are “technology creation” and “demand creation,” two challenges that have long been undertaken within HCM’s operations. Based on this consistent approach, HCM is promoting various plans to build a solid market position as one of the world’s leading comprehensive manufacturers of construction machinery in moving forward as a 21st century global company.

Basic Management Policies

Targets

- HCM will be trusted by customers worldwide as a major global player
- Realizing an industry-leading profit structure

Market Position

- To establish an unshakeable position as a comprehensive manufacturer among the world’s top three construction machinery manufacturers

Management Indicator Targets

- Net sales: Exceeding ¥1 trillion
- Ordinary income: Exceeding ¥100 billion (Profit margin exceeding 10%)

Key Points

Products

- Strengthening our already strong line of products
- Cultivating next core products with cutting-edge technology

Services

- Enhancing and strengthening the value chain

Regions

- Expanding presence in established markets
- Further strengthening position in emerging markets

Management Foundation

- Strengthening production worldwide
- Nurturing human resources throughout the Group
- Strengthening our financial structure

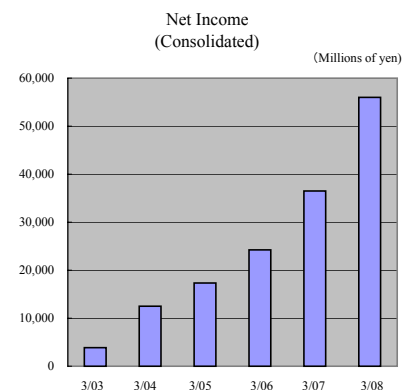
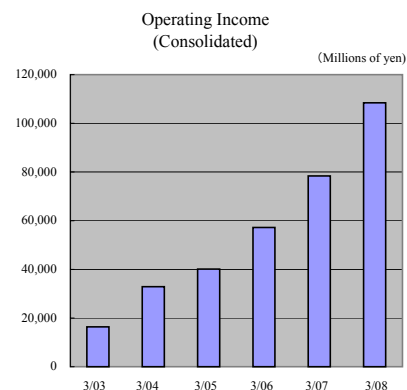
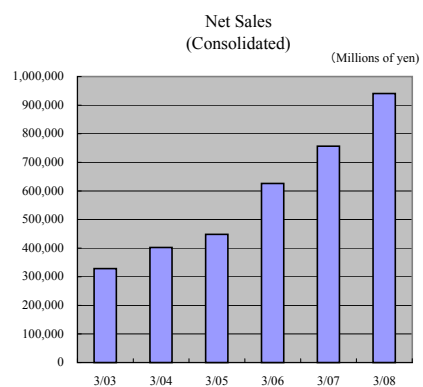
Operating Results

Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Net sales	310,441	291,863	320,127	328,854	298,766	328,496	402,195	448,043	626,457	756,453	940,537
Cost of sales	232,809	218,921	244,552	248,432	227,613	243,642	287,360	316,918	453,461	549,453	675,480
Gross profit	78,420	75,308	77,147	83,098	69,902	85,202	115,705	132,175	172,049	207,159	265,346
Selling, general and administrative expenses	63,717	63,624	71,091	73,206	73,197	68,803	82,847	92,055	114,872	128,807	156,888
Operating income (loss)	14,703	11,684	6,056	9,892	(3,295)	16,399	32,858	40,120	57,177	78,352	108,458
Ordinary income (loss)	5,553	5,950	4,016	4,947	(11,320)	9,880	26,002	33,609	45,783	70,010	100,564
Income (loss) before income taxes	5,553	5,950	4,016	(1,304)	(20,903)	6,486	21,211	31,862	46,795	70,081	100,564
Net income (loss)	1,545	1,889	1,530	(3,195)	(17,603)	3,883	12,490	17,325	24,223	36,502	55,985
Net income (loss) per share (¥)	10.75	13.14	10.64	(22.23)	(122.47)	25.90	72.62	91.05	124.37	187.43	271.00
Diluted net income per share (¥)	-	-	-	-	-	24.35	70.92	90.88	124.00	186.81	270.23
Number of consolidated subsidiaries	26	39	46	50	52	59	47	45	67	70	70
Number of affiliates	6	6	5	4	6	8	9	8	17	18	17

Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Net sales	264,299	239,482	225,146	224,617	198,913	202,174	252,988	287,357	333,451	413,404	479,922
Cost of sales	198,666	181,141	172,942	170,496	154,133	150,408	189,668	221,087	259,915	322,198	376,065
Gross profit	66,540	60,641	53,981	56,837	45,401	51,904	63,389	66,396	73,614	91,320	103,862
Selling, general and administrative expenses	53,964	51,676	49,678	46,343	43,903	39,077	45,505	52,375	56,715	62,524	69,891
Operating income	12,576	8,965	4,302	10,493	1,497	12,826	17,884	14,021	16,899	28,797	33,971
Ordinary income (loss)	5,612	5,321	3,104	6,726	(4,096)	13,103	19,153	18,017	21,746	36,938	44,258
Income (loss) before income taxes	5,230	4,832	3,104	2,713	(21,846)	2,583	11,410	14,850	21,923	38,468	43,384
Net income (loss)	2,330	1,132	1,784	1,165	(14,724)	3,544	5,554	10,001	15,826	26,673	30,942
Net income (loss) per share (¥)	16.21	7.88	12.41	8.10	(102.44)	23.71	32.37	52.56	81.25	136.96	149.78
Diluted net income per share (¥)	-	-	-	-	-	22.29	31.61	52.46	81.01	136.51	149.35

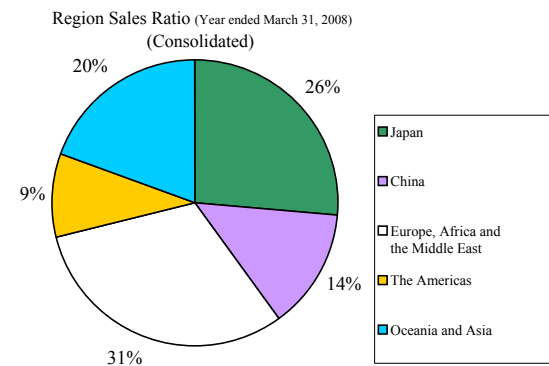
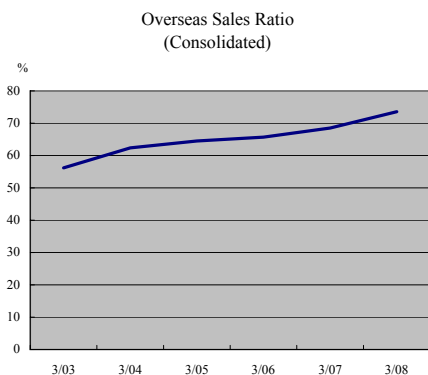
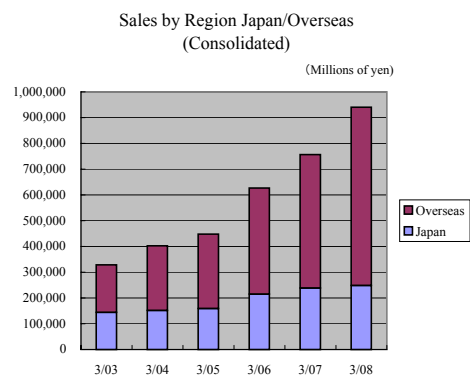


Segment Information

Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Sales by region (Total)	310,441	291,863	320,127	328,854	298,766	328,496	402,195	448,043	626,457	756,453	940,537
Japan	180,090	166,390	178,095	183,302	153,372	143,802	151,342	158,997	215,153	238,549	248,733
Overseas	130,351	125,473	142,032	145,552	145,394	184,694	250,853	289,046	411,304	517,904	691,804
China	-	-	-	-	-	43,736	65,417	38,797	67,555	71,286	127,323
Europe, Africa and the Middle East	-	-	-	-	-	37,724	63,932	92,304	132,647	195,209	291,942
The Americas	-	-	-	-	-	45,980	56,870	82,522	107,494	125,129	88,518
Oceania and Asia	-	-	-	-	-	57,254	64,634	75,423	103,608	126,280	184,021
North America	53,753	57,473	54,481	49,260	38,678	-	-	-	-	-	-
Asia	32,199	21,068	37,462	37,195	44,050	-	-	-	-	-	-
Other	44,399	46,932	50,089	59,097	62,666	-	-	-	-	-	-
Overseas sales ratio (%)	42.0	43.0	44.4	44.3	48.7	56.2	62.4	64.5	65.7	68.5	73.6
Sales by business (Total)	310,441	291,863	320,127	328,854	298,766	328,496	402,195	448,043	626,457	756,453	940,537
Construction machinery business	-	-	318,945	326,898	297,082	326,981	400,625	445,681	573,941	680,855	854,846
Industrial vehicle business	-	-	-	-	-	-	-	-	50,581	73,420	83,849
Semiconductor production equipment business	-	-	1,182	1,956	1,684	1,515	1,570	2,362	1,935	2,178	1,842

Note: Data for consolidated sales by business is available from fiscal 2000.

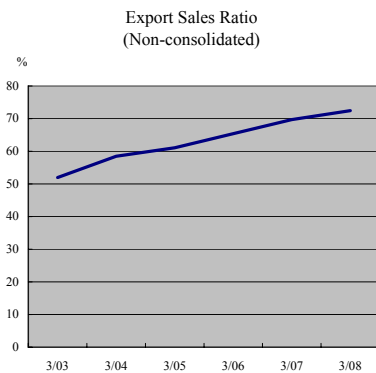
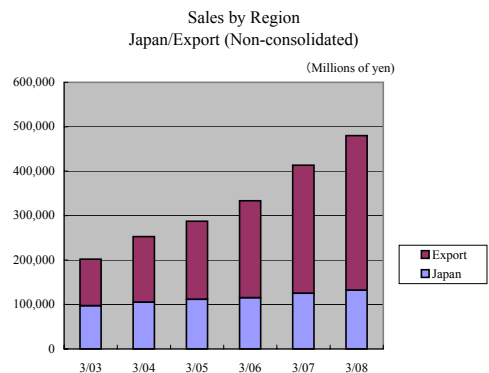


Non-consolidated basis

(¥Million)

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Sales by product (Total)	264,299	239,482	225,146	224,617	198,913	202,175	252,988	287,357	333,451	413,404	479,922
Hydraulic excavators	132,881	123,843	108,513	100,564	82,823	85,350	121,550	150,919	183,360	228,971	273,166
Mini-excavators	16,854	15,322	17,901	19,912	12,333	11,904	15,690	19,396	24,229	27,885	31,772
Dump truck	-	-	-	-	-	-	-	-	-	16,043	15,746
Crawler cranes and foundation machines	11,794	7,186	6,083	6,301	3,878	2,533	2,710	3,386	4,112	2,113	326
Wheel loaders	5,265	4,269	4,660	4,820	5,342	3,911	3,911	4,656	7,663	15,841	21,523
Industrial system products and other products	58,916	54,129	53,806	59,475	58,591	64,874	74,297	72,616	74,233	78,654	91,121
Service	38,587	34,734	34,184	33,542	35,942	33,599	34,830	36,385	39,854	43,897	46,268
Sales by region (Total)	264,299	239,482	225,146	224,617	198,913	202,174	252,988	287,357	333,451	413,404	479,922
Japan	164,570	146,641	148,091	145,384	115,523	97,112	105,033	111,680	115,265	125,452	132,257
Export	99,729	92,841	77,054	79,233	83,389	105,062	147,954	175,677	218,186	287,952	347,665
The Americas	-	-	-	-	-	30,756	41,787	61,076	72,455	78,099	43,583
Europe, Africa and the Middle East	-	-	-	-	-	30,439	47,096	60,097	75,397	129,164	189,237
Oceania and Asia	-	-	-	-	-	20,129	25,253	37,490	46,179	45,205	60,584
China	-	-	-	-	-	23,738	33,817	17,014	24,156	35,484	54,261
North America	49,804	53,834	37,181	34,083	26,801	-	-	-	-	-	-
Europe	12,120	14,641	15,891	19,090	18,307	-	-	-	-	-	-
Asia	23,979	13,540	18,313	17,908	27,060	-	-	-	-	-	-
Oceania	7,912	5,456	2,987	3,786	6,704	-	-	-	-	-	-
Latin America	3,866	3,273	1,897	2,256	978	-	-	-	-	-	-
The Middle East	1,545	1,220	617	653	1,092	-	-	-	-	-	-
Africa	501	876	167	1,456	2,447	-	-	-	-	-	-
Export sales ratio (%)	37.7	38.8	34.2	35.3	41.9	52.0	58.5	61.1	65.4	69.7	72.4

Note: Data for sales by dump truck is available from fiscal 2007.



Profitability

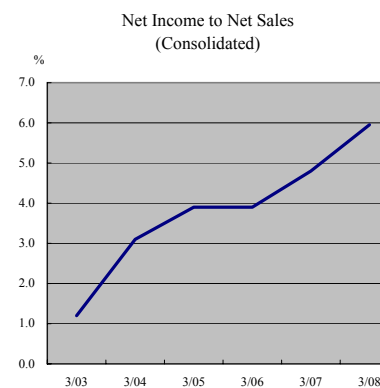
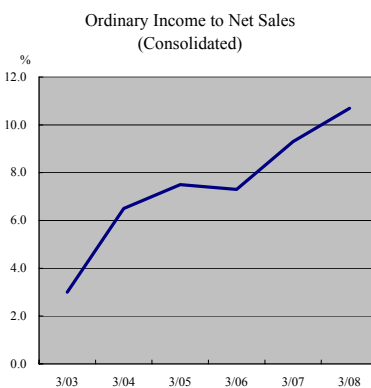
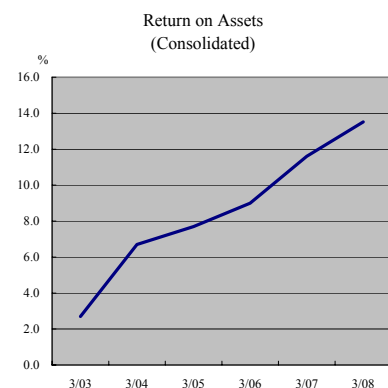
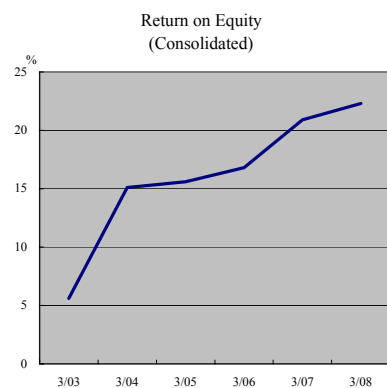
Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Return on equity	1.8	2.2	1.7	-	-	5.6	15.1	15.6	16.8	20.9	22.3
Return on assets	1.6	1.7	1.1	1.3	-	2.7	6.7	7.7	9.0	11.6	13.5
Ordinary income to net sales	1.8	2.0	1.3	1.5	-	3.0	6.5	7.5	7.3	9.3	10.7
Net income to net sales	0.5	0.6	0.5	-	-	1.2	3.1	3.9	3.9	4.8	6.0
Price/Earnings ratio (Times)	-	37.21	40.79	-19.30	-2.59	22.66	23.60	16.24	24.92	17.02	9.21

Non-consolidated basis

	98/3	99/3	00/3	01/3	02/3	03/3	04/3	05/3	06/3	07/3	08/3
Return on equity	2.8	1.3	2.0	1.3	-	4.3	5.9	8.6	11.4	17.1	14.2
Return on assets	1.9	1.9	1.1	2.3	-	5.2	4.9	6.0	6.5	10.2	10.2
Ordinary income to net sales	2.1	2.2	1.4	3.0	-	6.5	7.6	6.3	6.5	8.9	9.2
Net income to net sales	0.9	0.5	0.8	0.5	-	1.8	2.2	3.5	4.7	6.5	6.4
Price/Earnings ratio (Times)	-	62.09	34.97	52.47	-3.09	24.76	52.95	28.14	38.15	23.29	16.66

Note: Data for price/earnings ratio is available from fiscal 1999.



Financial Position

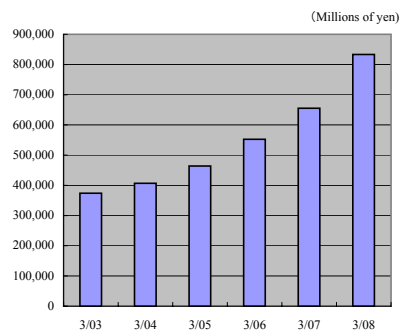
Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Total assets	342,231	348,852	369,678	372,718	360,008	373,755	407,049	463,812	552,341	655,326	833,096
Shareholders' equity	85,315	84,764	91,282	80,141	64,977	74,321	91,132	131,318	157,173	192,393	309,359
Interest-bearing debt	138,098	142,786	142,529	141,317	159,584	153,003	152,152	154,786	152,953	165,910	190,650
Shareholders' equity ratio (%)	25	24	25	22	18	20	22	28	29	29	37
Shareholders' equity per share (¥)	594	590	635	558	452	461	521	674	807	988	1,447

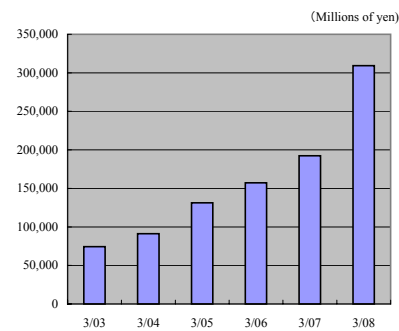
Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Total assets	288,295	283,671	284,447	289,020	249,015	259,845	275,108	328,315	339,889	387,188	482,309
Shareholders' equity	84,747	84,916	92,211	92,391	77,200	88,485	99,770	132,610	145,382	167,034	267,616
Interest-bearing debt	105,041	106,765	101,316	96,363	102,915	100,968	80,824	85,870	69,092	63,128	41,080
Shareholders' equity ratio (%)	29	30	32	32	31	34	36	40	43	43	56
Shareholders' equity per share (¥)	590	591	641	643	537	549	570	680	747	857	1,251
Issued number of shares	143,748,517	143,748,517	143,748,517	143,748,517	143,748,517	161,065,720	175,567,038	195,865,038	196,048,038	196,095,038	215,115,038

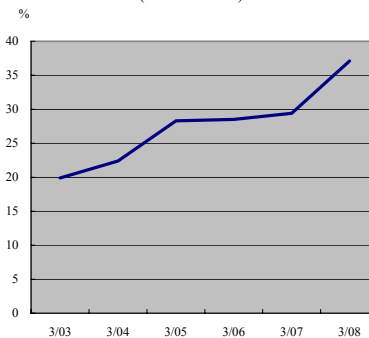
Total Assets
(Consolidated)



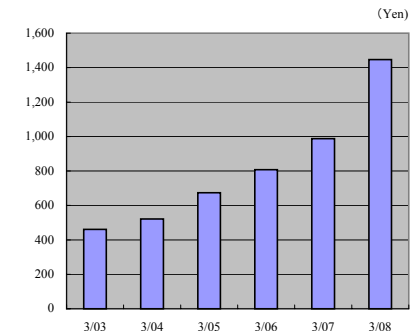
Shareholders' Equity
(Consolidated)



Shareholders' Equity Ratio
(Consolidated)



Shareholders' Equity Per Share
(Consolidated)

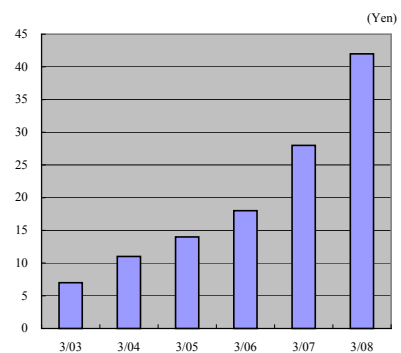


Dividend Condition

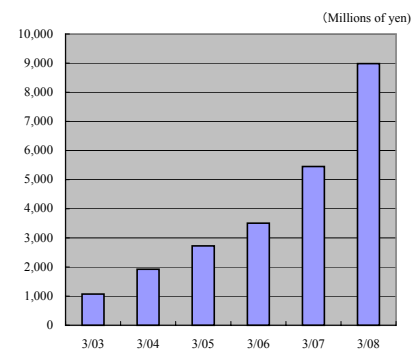
Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Cash dividends per share (¥)	6.00	6.00	6.00	6.00	0.00	7.00	11.00	14.00	18.00	28.00	42.00
Total cash dividends (¥Million)	862	862	862	862	0	1,074	1,923	2,728	3,503	5,452	8,986
Payout ratio (%)	37.00	76.17	48.33	74.03	-	29.52	33.98	26.64	22.15	20.44	28.04
Annual dividends on equity (%)	1.0	1.0	0.9	0.9	0.0	1.2	1.9	2.1	2.4	3.3	3.4
Number of shareholders	11,375	11,307	12,168	12,546	12,373	10,566	8,913	11,861	18,234	21,422	38,981

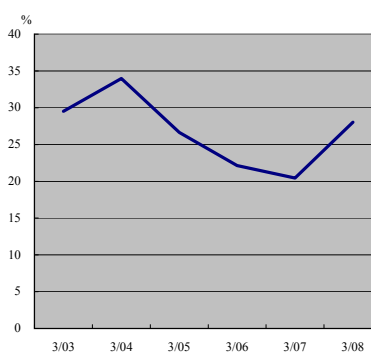
Cash Dividends per Share



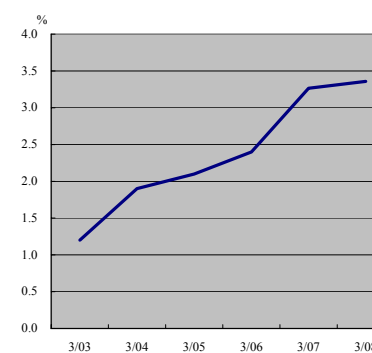
Total Cash Dividends



Payout Ratio



Annual Dividends on Equity



Stability

Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Total assets turnover (Times)	0.92	0.84	0.89	0.89	0.82	0.90	1.03	1.03	1.23	1.25	1.26
Tangible fixed assets turnover (Times)	4.26	4.45	3.72	3.79	3.38	3.50	4.17	4.49	5.26	5.18	5.19
Inventories turnover (Times)	5.40	7.55	5.34	4.93	4.17	4.37	4.89	4.47	4.96	4.85	4.95
Current ratio (%)	132.11	210.11	157.32	132.71	120.98	134.87	133.90	144.92	137.19	129.05	138.77
Fixed assets ratio (%)	124.85	124.31	134.69	158.32	210.25	181.64	108.40	115.76	118.57	112.28	88.93
Interest coverage (Times)	-	3.07	2.20	2.85	-	4.92	9.73	11.41	16.68	20.66	18.43
Debt/Equity ratio (Times)	1.6	1.7	1.6	1.8	2.5	2.1	1.7	1.2	1.0	0.9	0.6

Note: Data for consolidated interest coverage is available from fiscal 1999.

Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Total assets turnover (Times)	0.90	0.84	0.79	0.78	0.74	0.79	0.95	0.95	1.00	1.25	1.10
Tangible fixed assets turnover (Times)	4.27	3.65	3.45	3.55	3.25	3.56	4.82	5.30	5.71	5.18	6.08
Inventories turnover (Times)	6.34	6.19	7.27	7.50	7.06	7.92	10.33	11.53	11.44	4.85	13.16
Current ratio (%)	144.16	210.11	208.42	158.51	141.63	157.34	156.70	166.66	146.62	129.05	157.39
Fixed assets ratio (%)	116.87	124.09	127.43	131.64	166.36	136.55	53.50	102.52	100.79	112.28	74.61
Interest coverage (Times)	4.51	3.82	3.10	5.97	1.20	8.78	13.69	30.95	43.68	51.25	72.96
Debt/Equity ratio (Times)	1.2	1.3	1.1	1.0	1.3	1.1	0.8	0.6	0.5	0.4	0.2

Note1: Total assets turnover=Net sales/Total assets (Yearly average)

Note2: Tangible fixed assets turnover=Net sales/Tangible fixed assets (Yearly average)

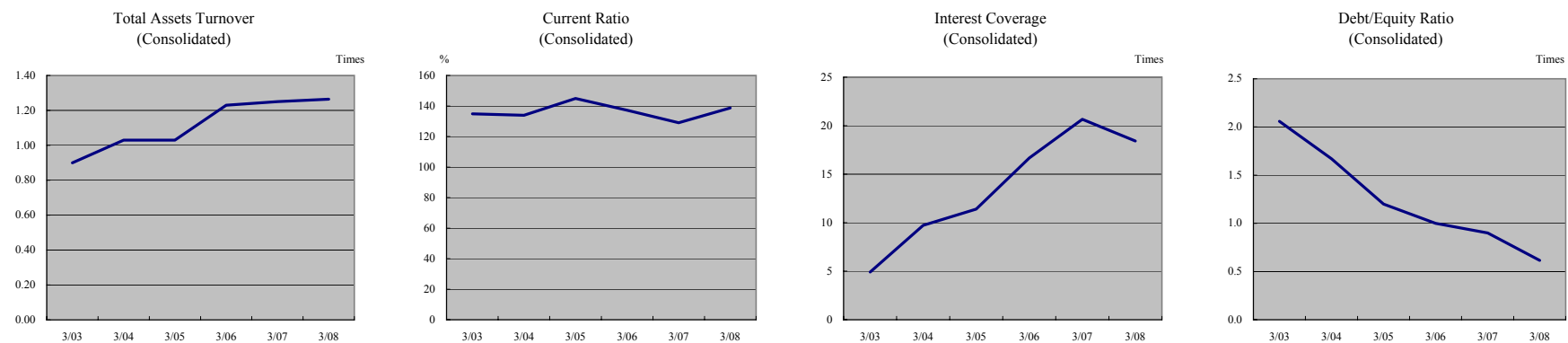
Note3: Inventories turnover=Net sales/Inventories (Yearly average)

Note4: Current ratio=Current assets/Current liabilities×100

Note5: Fixed assets ratio=Fixed assets/Shareholders' equity×100

Note6: Interest coverage=(Operating income+Interest and dividend income)/Interest expense

Note7: Debt/Equity ratio=Interest-bearing debt/Shareholders' equity



Capital Investment

Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Capital investment (Construction base)	14,100	7,300	10,117	7,329	7,548	5,612	8,650	15,069	16,185	27,144	63,374
Depreciation and amortization	6,900	10,100	10,179	10,474	9,949	10,605	12,672	14,381	19,470	24,215	30,162
R&D expenditure	-	-	9,413	12,126	8,266	7,116	8,079	11,284	13,130	13,683	13,826
R&D expenditure to net sales (%)	-	-	2.9	3.7	2.8	2.2	2.0	2.5	2.1	1.8	1.5

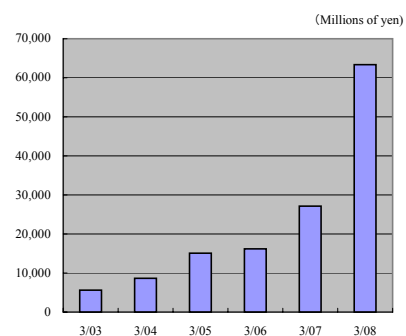
Note 1: Data for consolidated capital investment is available from fiscal 1998.

Note 2: Data for consolidated R&D expenditure is available from fiscal 2000.

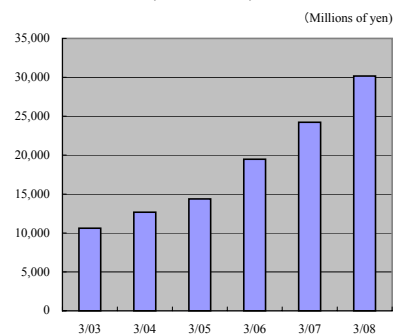
Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Capital investment (Construction base)	14,799	7,569	4,073	3,639	2,975	745	4,022	10,145	8,130	11,524	37,838
Depreciation and amortization	5,275	5,738	5,734	5,181	4,691	4,262	3,791	4,564	5,584	6,206	8,173
R&D expenditure	9,140	9,641	9,266	7,841	6,977	5,807	6,176	9,505	10,182	10,223	11,197
R&D expenditure to net sales (%)	3.5	4.0	4.1	3.5	3.5	2.9	2.4	3.3	3.1	2.5	2.3

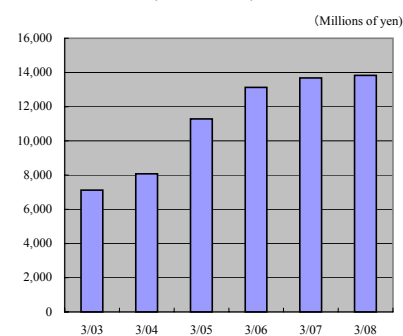
Capital Investment (Construction Base)
(Consolidated)



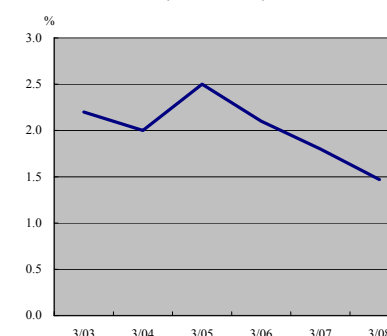
Depreciation and Amortization
(Consolidated)



R&D Expenditure
(Consolidated)



R&D Expenditure to Net Sales
(Consolidated)



Cash Flows

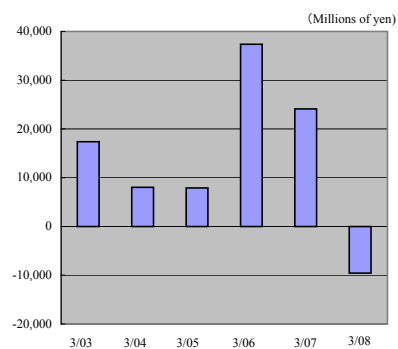
Consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Cash flows from operating activities	-	-	28,388	19,446	-23,795	17,384	8,021	7,899	37,379	24,101	-9,564
Cash flows from investing activities	-	-	-12,137	-7,287	-5,512	1,666	-8,830	-17,133	-18,572	-25,834	-51,311
Free cash flows	-	-	16,251	12,159	-29,307	19,050	-809	-9,234	18,807	-1,733	-60,875
Cash flows from financing activities	-	-	-11,025	-12,110	10,598	-7,450	-1,672	17,594	-33,113	517	91,692
Cash and cash equivalents at end of year	-	-	50,314	51,709	33,102	44,234	41,131	49,534	41,954	41,074	68,726

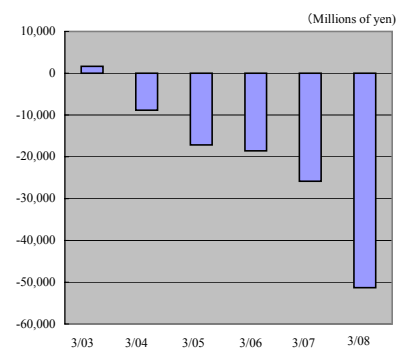
Note 1: Free cash flows=Cash flows from operating activities + Cash flows from investing activities

Note 2: Data for consolidated cash flows are available from fiscal 2000.

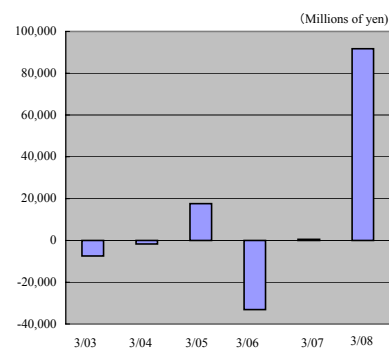
Cash Flows from Operating Activities



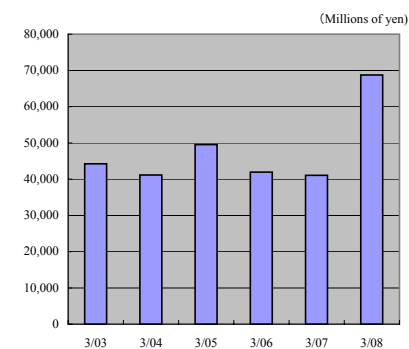
Cash Flows from Investing Activities



Cash Flows from Financing Activities



Cash and Cash Equivalents at End of Year



Per Employee Data

Consolidated basis

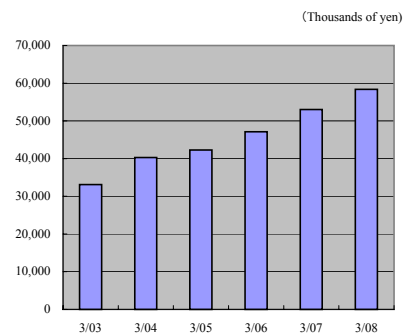
	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Net sales per employee	-	-	33,686	33,392	31,608	33,101	40,288	42,260	47,134	53,003	58,357
Ordinary income (loss) per employee	-	-	422	502	(1,197)	995	2,605	3,170	3,445	4,905	6,240
Net income (loss) per employee	-	-	161	(324)	(1,862)	391	1,251	1,634	1,823	2,558	3,474
Number of employees	-	-	9,503	9,848	9,452	9,924	9,983	10,602	13,291	14,272	16,117

Note: Data for consolidated number of employees is available from fiscal 2000.

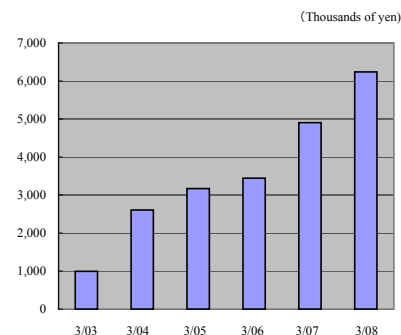
Non-consolidated basis

	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Net sales per employee	59,863	53,792	53,862	56,850	57,356	59,480	77,225	88,472	102,506	124,858	135,994
Ordinary income (loss) per employee	1,271	1,195	742	1,702	(1,181)	3,854	5,846	5,547	6,685	11,156	12,541
Net income (loss) per employee	527	254	426	294	(4,245)	1,042	1,695	3,079	4,865	8,056	8,768
Number of employees	4,415	4,452	4,180	3,951	3,468	3,399	3,276	3,248	3,253	3,311	3,529

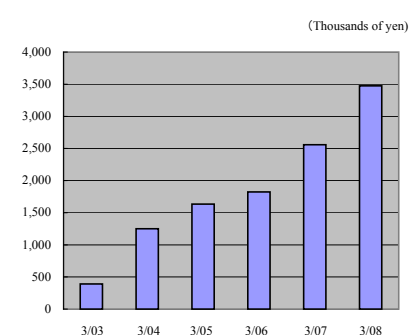
Net Sales per Employee
(Consolidated)



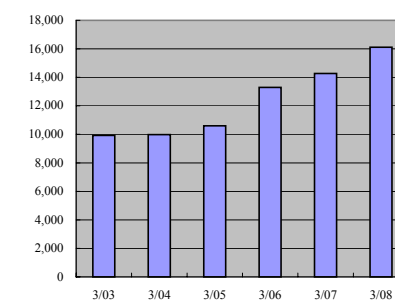
Ordinary Income (Loss) per Employee
(Consolidated)



Net Income (Loss) per Employee
(Consolidated)



Number of Employees
(Consolidated)



Reference

Shipment value of construction machinery in Japan

	(¥100 million)										
	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Domestic (A)	12,264	9,293	8,915	8,815	7,063	6,102	6,777	7,030	7,575	8,471	8,903
Overseas (B)	5,847	5,267	4,557	4,286	4,339	5,634	7,447	9,503	11,631	14,535	17,855
Total (A+B)=C	18,111	14,560	13,472	13,102	11,402	11,735	14,224	16,533	19,207	23,006	26,757
Domestic shipment ratio (A/C) (%)	67.7	63.8	66.2	67.3	61.9	52.0	47.6	42.5	39.4	36.8	33.3

Source: Japan Construction Equipment Manufacturers Association (CEMA)

Note: Figures include those of underground construction machinery, foundation machines, and spare parts.

Demand for hydraulic excavators

	(Unit)										
	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Demand in the world (Total)	97,903	89,832	95,611	99,294	87,319	96,712	123,015	133,420	154,746	178,532	220,506
Japan	37,520	30,175	32,592	31,884	21,719	18,312	22,615	25,520	28,146	31,432	33,006
Europe	20,157	25,086	29,507	31,733	27,900	26,900	28,500	35,600	37,000	42,400	51,700
North America	16,261	19,833	17,838	15,806	14,300	14,600	18,900	26,500	31,700	29,800	23,500
China	3,260	3,737	5,486	8,106	10,800	21,200	32,400	15,900	23,600	28,700	46,800
Oceania and Asia	14,046	5,751	6,447	6,580	7,400	9,800	13,200	16,700	16,500	20,800	29,100
Other	6,659	5,250	3,741	5,185	5,200	5,900	7,400	13,200	17,800	25,400	36,400
Demand in Japan (Total)	37,520	30,175	32,592	31,884	21,719	18,312	22,615	25,520	28,146	31,432	33,006
Sales	22,474	17,227	17,097	14,641	10,832	9,748	10,780	11,737	12,079	13,044	13,895
Rental	15,046	12,948	15,495	17,243	10,887	8,564	11,835	13,783	16,067	18,388	19,111

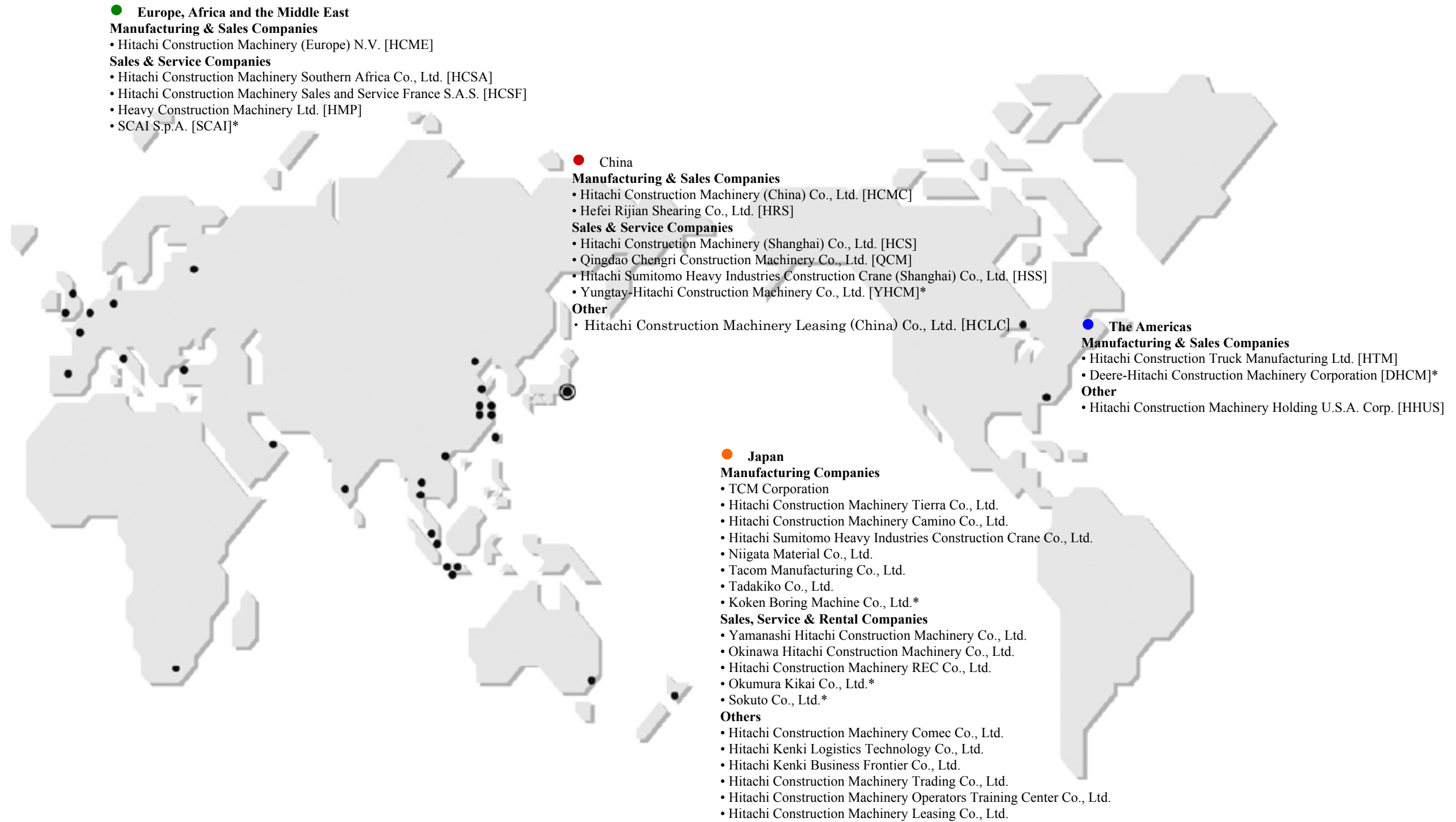
Source: Hitachi Construction Machinery Co., Ltd.

Sales unit of the Company

	(Unit)										
	3/98	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08
Sales of hydraulic excavators in Japan (Total)	9,495	8,011	8,688	8,215	5,001	3,918	4,922	5,658	5,951	6,339	7,029
Sale for users	5,245	4,440	4,393	3,716	2,739	2,389	2,643	2,940	2,953	3,185	3,492
Sale for rental companies	4,250	3,571	4,295	4,499	2,262	1,529	2,279	2,718	2,998	3,154	3,537
Share(%)	25.3	26.5	26.7	25.8	23.0	21.4	21.8	22.2	21.1	20.2	21.3
Share (sale for users only) (%)	23.3	25.8	25.7	25.4	25.3	24.5	24.5	25.0	24.4	24.4	25.1

Global Network (As of October 1, 2008)

Major Consolidated Subsidiaries and Affiliates *Affiliates



History

1949

Development of the HITACHI U05, the first cable-operated power shovel made entirely from Japanese technology



U05 cable-operated power shovel

1970

Hitachi Construction Machinery Co., Ltd. established through amalgamation of Hitachi Construction Machinery Co., Ltd. (manufacturing company) and (former) Hitachi Construction Machinery Co., Ltd.

1981

Listed in the second section of the Tokyo Stock Exchange

1987

Released the EX3500, ultra-large hydraulic excavators

1988

Moved into the wheel loader field

1989

Listed in the first section of the Tokyo Stock Exchange

1990

Listed in the first section of the Osaka Securities

2000

Released the ZAXIS series of "e-excavators"

2004

Developed the EX8000, world's largest class of ultra-large hydraulic excavators



EX8000 ultra-large hydraulic excavator

2005

TCM Corporation into our consolidated subsidiary

2006

Released the ZAXIS-3 series hydraulic excavators and ZW series wheel loaders

2007

Completed the Hitachinaka Works

2008

Completed the Hitachinaka-Rinko Works

Hitachi Construction Machinery Co., Ltd.
Corporate Communication Department
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