

Hitachi Construction Machinery

Financial Results for the Third Quarter Ended

December 31, 2007

Consolidated Financial Results for the Third Quarter Ended December 31, 2007

Listed company: Hitachi Construction Machinery Co., Ltd. (HCM)

Stock exchange listings: Tokyo, Osaka (first section) Code number: 6305

URL <http://www.hitachi-c-m.com/>

Representative: Michijiro Kikawa, President and Chief Executive Officer

Note: U.S. Accounting Standards are not applied.

1. Cumulative consolidated results for the third quarter ended December 31, 2007 (April 1 to December 31, 2007)

(1) Consolidated results (Rounded off to the nearest million)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2007	630,158	18.1	70,928	36.0	65,434	44.8	36,921	43.7
December 31, 2006	533,737	21.9	52,141	29.0	45,200	40.9	25,693	44.9
March 31, 2007	756,453	-	78,352	-	70,010	-	36,502	-

	Net income per share	Net income per share (diluted)
	Yen	Yen
December 31, 2007	180.62	180.04
December 31, 2006	131.93	131.50
March 31, 2007	187.43	186.81

Note: Percentages indicated for net sales, operating income, ordinary income and net income are increases/(decreases) compared to the same period of the preceding fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2007	813,807	339,346	37.0	1,406.66
December 31, 2006	642,186	210,149	28.2	928.82
March 31, 2007	655,326	222,409	29.4	987.56

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financial activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2007	2,448	(43,293)	80,069	80,614
December 31, 2006	10,584	(18,785)	23,310	57,720
March 31, 2007	24,101	(25,834)	517	41,074

2. Dividends status

A report on dividends is omitted, as HCM does not pay dividends with a record date of December 31.

3. Projected consolidated results for the fiscal year ending March 2008 (April 1, 2007 to March 31, 2008)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2008	900,000	19.0	101,000	28.9	91,000	30.0

	Net income		Net income per share
	Millions of yen	%	Yen
March 31, 2008	52,000	42.5	251.72

Note:

Percentages show changes from the previous fiscal year.

Our outlook for consolidated financial results for the fiscal year ending March 31, 2008 remains unchanged from the interim financial period ended September 30, 2007. We anticipate a favorable demand environment to continue, with the exception of the United States. On the other hand, while internal production capacity is expanding steadily on the back of capital investments for production, delay in delivery of a portion of goods purchased has arisen. We will strive to realize closer relationships with suppliers and do our utmost to ensure production volume.

Regarding exchange rates, although there has been a recent strengthening of the yen since our forecast of 115 yen to the U.S. dollar and 155 yen to the euro in the interim financial results announced on October 26, 2007, we are also using forward exchange contracts to manage risk exposure, thus the impact on ordinary income is minimal.

4. Others

- (1) Change in scope of consolidation and equity method (changes involving important subsidiaries accompanying changes in the scope of consolidation): None
- (2) Adoption of simplified accounting methods: Yes
- (3) Accounting policy changes from the year ended March 31, 2007: None

Note: For detailed information, please refer to Others on page 5.

Note: Explanation on the appropriate use of results forecasts and other important items

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially.

Qualitative Information and Financial Statements

1. Qualitative Information Concerning Management Results

The business environment surrounding the HCM Group in the third quarter (April 1, 2007 to December 31, 2007) continued to be favorable, with the exception of the United States. As of December 2007, a decline in demand for construction machinery as a result of the sub-prime loan issue had not occurred in areas other than the United States. Of particular note, since the interim period ended September 30, 2007, a further growth in demand of approximately 9% is expected for hydraulic excavators in the fiscal year under review. Amidst these conditions, we are taking measures to increase production that include completion of the Hitachinaka Works, our new component production plant, in September 2007. Against a backdrop of buoyant demand for construction machinery, we are seeing tight lead times for goods purchased in some regions such as Europe where supply is unable to keep pace with demand. An overview of the Group's results by regional segment is as follows.

Japan

Sales at our directly managed rental companies have been impacted by a temporary decline in housing starts as a result of the revised Building Standard Law stemming from insufficient levels of earthquake-resistance. However, demand for new construction machinery has increased in line with ongoing improvements in stock adjustments as well as expanded applications for demolition and metal scrap operations. Net sales rose 4% to ¥178,247 million.

The Americas

The impact of a decline in housing investment has resulted in reduced demand for hydraulic excavators, particularly small and medium-sized models. Additionally, implementation of major production adjustments in the first half of the year resulted in a 38% decline in net sales for the period under review. Since the end of October 2007, both the production facilities of Deere-Hitachi Construction Machinery Corporation and sales offices have maintained inventories at appropriate levels. Net sales declined to ¥59,445 million.

Europe, Russia-CIS, Africa and the Middle East

In Europe, demand increased for hydraulic excavators, mini-excavators and wheel loaders mainly in the U.K., Germany and France. As a result, net sales rose 66% to ¥116,041 million.

In Russia-CIS, demand increased for hydraulic excavators and other construction machinery equipment supported by demand accompanying vigorous resource development as well as infrastructure investment. In Africa, mining development remained robust. Steady delivery of mining equipment also commenced to meet large-scale orders for a copper mine in Zambia. In the Middle East, demand for hydraulic excavators and cranes continued to rise amid an increase in infrastructure development and plant construction funded by petrodollars recycling. Total net sales from Russia-CIS, Africa and the Middle East regions rose 31% to ¥78,479 million.

Oceania and Asia

In Oceania and Asia, forestry and palm oil-related demand in Malaysia and Indonesia was favorable, as was resource development demand in Australia and Indonesia. Further, in India, demand for construction machinery is rapidly expanding due to brisk development of roads, airports, ports and other infrastructure. As a result, net sales in Oceania and Asia rose 30% to ¥118,133 million.

China

In China, demand for construction machinery equipment fueled by social infrastructure development grew across the entire country. From April to December 2007, demand for hydraulic excavators surged 64% compared with the same period of the previous year and sales of the ZX-60, a new type of mini-excavator introduced exclusively in the Chinese market from June 2007, have expanded. Net sales soared 75% to ¥79,813 million.

Consolidated sales by geographic area (Millions of yen)

	Third Quarter ended December 31, 2007 (A)		Third Quarter ended December 31, 2006 (B)		Change	
	Sales	Composition (%)	Sales	Composition (%)	Amount change (A)-(B)	% change
The Americas	59,445	9.4	95,393	17.9	(35,948)	(37.7)
Europe	116,041	18.4	69,821	13.1	46,220	66.2
Russia-CIS, Africa and the Middle East	78,479	12.5	60,025	11.2	18,454	30.7
Europe, Russia-CIS, Africa and the Middle East	194,520	30.9	129,846	24.3	64,674	49.8
Oceania and Asia	118,133	18.7	90,904	17.3	27,229	30.0
China	79,813	12.7	45,498	8.5	34,315	75.4
Sub-total	451,911	71.7	361,641	67.8	90,270	25.0
Japan	178,247	28.3	172,096	32.2	6,151	3.6
Total	630,158	100.0	533,737	100.0	96,421	18.1

2. Qualitative Information Concerning Consolidated Financial Statements

Status of Consolidated Cash Flows

Cash and cash equivalents at the end of the period under review totaled ¥80,614 million, an increase of ¥39,540 million from the end of the previous fiscal year. Factors relating to each cash flow category were as follows.

Cash Flows From Operating Activities

Net cash provided by operating activities was ¥2,448 million, a decrease of ¥8,136 million compared with ¥10,584 million in the same period of the previous year. Factors contributing to an increase in cash versus the same period of the previous year included income before taxes and minority interests of ¥65,434 million, an improvement of ¥20,234 million compared with the same period of the previous year, as well as an increase of ¥4,358 million in depreciation and amortization to ¥21,795 million accompanying investments to augment production facilities. The main factors contributing to a decrease in cash were an increase in inventories, up ¥26,379 million to ¥60,992 million due to still being unable to keep pace with the increase in worldwide demand especially on procurement and production fronts, as well as an increase of ¥7,600 million in income taxes paid to ¥23,562 million accompanying higher earnings in the fiscal year under review.

Cash Flows From Investing Activities

Net cash used in investing activities was ¥43,293 million. The key factor was ¥39,633 million in acquisitions of property, plant and equipment, chiefly for capital investments to increase production capacity at manufacturing bases both in Japan and overseas. As a result, free cash flows, the sum of net cash provided by operating activities and cash used in investing activities, was negative at ¥40,845 million.

Cash Flows From Financing Activities

Net cash provided by financing activities totaled ¥80,069 million. The key factor was capital investment funds required, which include an amount that will be allocated specifically for capital investments during the fiscal year under review and the following fiscal year. After the deduction of fees, combined proceeds from the capital increase garnered through the market priced public offering as well as the private placement executed in August 2007 amount to an inflow of ¥77,467 million.

3. Qualitative Information Concerning Consolidated Results Forecast

Consolidated full-year earnings forecasts for the fiscal year ending March 31, 2008 remain unchanged from the earnings forecasts announced on October 26, 2007.

4. Others

Adoption of simplified accounting methods:

Simplified methods have been used in certain cases to calculate income taxes and other expenses. These methods are also applied to some items which are not material.

5. Consolidated Financial Statements (Summary)

(1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	Third Quarter As of Dec. 31, 2007 (A)	Year-end As of Mar. 31, 2007 (B)	(A)-(B)	Third Quarter As of Dec. 31, 2006
ASSETS				
I Current assets				
1. Cash and bank deposits	51,626	41,079	10,547	58,155
2. Notes and accounts receivable	180,512	194,180	(13,668)	170,866
3. Inventories	243,014	173,335	69,679	177,537
4. Others	75,450	37,774	37,676	37,139
5. Less: Allowance for doubtful accounts	(6,875)	(7,061)	186	(8,502)
Total current assets	543,727	439,307	104,420	435,195
II Fixed assets				
(1) Property, plant and equipment				
1. Property held for lease	38,529	33,010	5,519	33,870
2. Buildings and structures	45,918	37,955	7,963	35,619
3. Machinery and equipment	34,038	28,015	6,023	26,454
4. Land	55,099	46,297	8,802	46,160
5. Others	22,787	12,533	10,254	10,187
Net property, plant and equipment	196,371	157,810	38,561	152,290
(2) Intangible assets				
1. Software	9,589	5,938	3,651	5,458
2. Others	9,473	4,313	5,160	2,772
Total Intangible assets	19,062	10,251	8,811	8,230
(3) Investments and other assets				
1. Investments in securities	30,103	27,801	2,302	28,274
2. Others	26,260	21,588	4,672	19,325
3. Less: Allowance for doubtful accounts	(1,716)	(1,431)	(285)	(1,128)
Total investments and other assets	54,647	47,958	6,689	46,471
Total fixed assets	270,080	216,019	54,061	206,991
Total assets	813,807	655,326	158,481	642,186

(Rounded off to the nearest million)

Notes: 1. Stated in order of the Period Under Review, the Previous Fiscal Year, and the Same Period of the Previous Fiscal Year.

2. Increases and decreases are comparisons of the end of the period under review and the previous fiscal year-end.

(Millions of yen)

	Third Quarter As of Dec. 31, 2007 (A)	Year-end As of Mar. 31, 2007 (B)	(A)-(B)	Third Quarter As of Dec. 31, 2006
LIABILITIES				
I Current liabilities				
1. Notes and accounts payable	174,829	159,529	15,300	153,631
2. Short-term loans	120,569	87,768	32,801	103,911
3. Commercial paper	0	5,000	(5,000)	5,000
4. Current portion of bonds	13,300	10,600	2,700	10,600
5. Others	82,054	77,519	4,535	67,285
Total current liabilities	390,752	340,416	50,336	340,427
II Long-term liabilities				
1. Bonds	2,000	15,000	(13,000)	15,300
2. Long-term loans	48,426	47,542	884	51,021
3. Retirement and severance benefits	12,370	12,410	(40)	13,041
4. Others	20,913	17,549	3,364	12,248
Total long-term liabilities	83,709	92,501	(8,792)	91,610
Total liabilities	474,461	432,917	41,544	432,037
NET ASSETS				
I Shareholders' equity				
1. Common stock	81,577	42,636	38,941	42,635
2. Capital surplus	81,084	42,143	38,941	42,142
3. Retained earnings	131,922	102,124	29,798	91,352
4. Treasury stock	(2,969)	(2,153)	(816)	(2,318)
Total shareholders' equity	291,614	184,750	106,864	173,811
II Valuation and translation adjustments				
1. Net unrealized gain on securities held	1,610	2,299	(689)	2,336
2. Gain (loss) on deferred hedge transactions	(61)	120	(181)	(477)
3. Foreign currency translation adjustments	7,595	5,224	2,371	5,182
Total valuation and translation adjustments	9,144	7,643	1,501	7,041
III Stock purchase warrants	305	122	183	41
IV Minority interests	38,283	29,894	8,389	29,256
Total net assets	339,346	222,409	116,937	210,149
Total liabilities and net assets	813,807	655,326	158,481	642,186

(Rounded off to the nearest million)

Notes: 1. Stated in order of the Period Under Review, the Previous Fiscal Year, and the Same Period of the Previous Fiscal Year.
2. Increases and decreases are comparisons of the end of the period under review and the previous fiscal year-end.

(2) Consolidated Statements of Income (Summary)

(Millions of yen)

	Third Quarter 〔 Nine months ended Dec. 31, 2007 (A) 〕	Third Quarter 〔 Nine months ended Dec. 31, 2006 (B) 〕	(A)/(B)×100 (%)	For the year 〔 Year ended Mar. 31, 2007 〕
			%	
I Net sales	630,158	533,737	118	756,453
II Cost of sales	447,256	388,829	115	549,453
Gross profit before adjustment of installment sales	182,902	144,908	126	207,000
III Installment sales adjustments	(153)	(506)	30	(159)
Gross profit	183,055	145,414	126	207,159
IV Selling, general and administrative expenses	112,127	93,273	120	128,807
Operating income	70,928	52,141	136	78,352
V Non-operating income				
1. Interest income	3,196	1,267	252	2,318
2. Interest income from installment sales	319	498	64	692
3. Dividends income	98	129	76	231
4. Gain on equity earnings of affiliated companies	2,330	515	452	400
5. Others	2,289	2,195	104	3,945
Total non-operating income	8,232	4,604	179	7,586
VI Non-operating expenses				
1. Interest expenses	4,140	2,836	146	3,949
2. Loss on disposal of inventories	779	900	87	1,221
3. Loss on evaluation of inventories	1,063	0	-	574
4. Effect of exchange rate changes	2,556	4,303	59	5,591
5. Others	5,188	3,506	148	4,593
Total non-operating expenses	13,726	11,545	119	15,928
Ordinary income	65,434	45,200	145	70,010
VII Extraordinary income				
1. Gain on sales of property, plant and equipment	0	0	-	839
2. Gain accompanying the liquidation of an overseas subsidiary	0	0	-	1,423
Total extraordinary income	0	0	-	2,262
VIII Extraordinary losses				
Restructuring costs	0	0	-	2,191
Total extraordinary losses	0	0	-	2,191
Income before income taxes and minority interests	65,434	45,200	145	70,081
Income taxes	21,324	15,511	137	27,549
Minority interests	7,189	3,996	180	6,030
Net income	36,921	25,693	144	36,502

(Rounded off to the nearest million)

Notes: 1. Stated in order of the Period Under Review, the Same Period of the Previous Fiscal Year, and the Previous Fiscal Year.

2. Stated as comparison with the same period of the previous year.

(3) Consolidated Statements of Shareholders' Equity (Summary)

Third quarter ended December 31, 2007 (April 1, 2007 - December 31, 2007)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock purchase warrants	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on securities held	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2007	42,636	42,143	102,124	(2,153)	184,750	2,299	120	5,224	7,643	122	29,894	222,409
Changes during the nine month period												
Newly issued	38,941	38,941			77,882							77,882
Cash dividends			(7,009)		(7,009)							(7,009)
Reduction in surplus through increase in consolidated subsidiaries			(121)		(121)							(121)
Effect of exclusion of affiliated companies			121		121							121
Net income			36,921		36,921							36,921
Increase in treasury stock				(1,364)	(1,364)							(1,364)
Decrease in treasury stock			(114)	548	434							434
Net increase (decrease) during the nine month period of non-shareholders' equity items					0	(689)	(181)	2,371	1,501	183	8,389	10,073
Total increase (decrease) during the nine month period	38,941	38,941	29,798	(816)	106,864	(689)	(181)	2,371	1,501	183	8,389	116,937
Balance at December 31, 2007	81,577	81,084	131,922	(2,969)	291,614	1,610	(61)	7,595	9,144	305	38,283	339,346

(Rounded off to the nearest million)

Third quarter ended December 31, 2006 (April 1, 2006 - December 31, 2006)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock purchase warrants	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on securities held	Loss on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2006	42,626	42,133	70,392	(1,876)	153,275	2,730	-	1,168	3,898	-	24,996	182,169
Changes during the nine month period												
Newly issued	9	9			18							18
Cash dividends			(4,673)		(4,673)							(4,673)
Net income			25,693		25,693							25,693
Increase in treasury stock				(831)	(831)							(831)
Decrease in treasury stock			(60)	389	329							329
Net increase (decrease) during the nine month period of non-shareholders' equity items					0	(394)	(477)	4,014	3,143	41	4,260	7,444
Total increase (decrease) during the nine month period	9	9	20,960	(442)	20,536	(394)	(477)	4,014	3,143	41	4,260	27,980
Balance at December 31, 2006	42,635	42,142	91,352	(2,318)	173,811	2,336	(477)	5,182	7,041	41	29,256	210,149

(Rounded off to the nearest million)

Fiscal year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock purchase warrants	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on securities held	Gain on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at March 31, 2006	42,626	42,133	70,392	(1,876)	153,275	2,730	-	1,168	3,898	-	24,996	182,169
Changes during the fiscal year												
Newly issued	10	10			20							20
Cash dividends			(4,673)		(4,673)							(4,673)
Net income			36,502		36,502							36,502
Increase in treasury stock				(841)	(841)							(841)
Decrease in treasury stock			(97)	564	467							467
Net increase (decrease) during the fiscal year of non-shareholders' equity items					0	(431)	120	4,056	3,745	122	4,898	8,765
Total increase (decrease) during the fiscal year	10	10	31,732	(277)	31,475	(431)	120	4,056	3,745	122	4,898	40,240
Balance at March 31, 2007	42,636	42,143	102,124	(2,153)	184,750	2,299	120	5,224	7,643	122	29,894	222,409

Note: Stated in order of the Period Under Review, the Same Period of the Previous Fiscal Year, and the Previous Fiscal Year.

(Rounded off to the nearest million)

(4) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Third Quarter [Nine months ended] Dec. 31, 2007	Third Quarter [Nine months ended] Dec. 31, 2006	Previous fiscal year [Year ended] Mar. 31, 2007
I Cash flows from operating activities			
1. Income before income taxes and minority interests	65,434	45,200	70,081
2. Depreciation and amortization	21,795	17,437	24,215
3. Increase (decrease) in allowance for doubtful accounts	69	(1,049)	(2,215)
4. Interest and dividends income	(3,294)	(1,396)	(2,549)
5. Interest expenses	4,140	2,836	3,949
6. Gain on equity earnings of affiliated companies	(2,322)	(515)	(400)
7. (Increase) decrease in notes and accounts receivable	10,864	(326)	(20,803)
8. Increase in inventories	(60,992)	(34,613)	(26,285)
9. Purchase of property held for lease	(12,809)	(15,012)	(19,328)
10. Sales of property held for lease	1,801	1,388	3,809
11. Increase in notes and accounts payable	4,964	18,430	20,329
12. Gain on sales of property, plant and equipment	(1,565)	(894)	(3,289)
13. Others	(2,075)	(4,940)	(1,947)
Sub-total	26,010	26,546	45,567
14. Income taxes paid	(23,562)	(15,962)	(21,466)
Net cash provided by operating activities	2,448	10,584	24,101
II Cash flows from investing activities			
1. Investments in time deposits	0	(443)	(47)
2. Proceeds from time deposits	5	95	462
3. Acquisitions of property, plant and equipment	(39,633)	(16,266)	(24,336)
4. Proceeds from sale of property, plant and equipment	1,509	682	1,222
5. Purchase of intangible assets	(5,903)	(3,576)	(4,999)
6. Purchase of investments in securities	(1,622)	(72)	(1,127)
7. Acquisition of subsidiaries' stock resulting in change in scope of consolidation, net	(1,893)	0	0
8. Proceeds from sale of investments in securities	52	68	70
9. Interest and dividends received	3,413	1,418	2,397
10. Interest and dividends received from affiliated companies	649	169	169
11. Other, net	130	(860)	355
Net cash used in investing activities	(43,293)	(18,785)	(25,834)
III Cash flows from financing activities			
1. Net increase in short-term debt	26,397	35,586	23,448
2. Proceeds from long-term debt	12,759	10,836	12,308
3. Repayments of long-term debt	(12,763)	(14,248)	(24,881)
4. Redemption of debentures	(10,300)	(300)	(600)
5. Interest paid	(4,514)	(2,658)	(3,996)
6. Dividends paid to shareholders	(7,009)	(4,673)	(4,673)
7. Dividends paid to minority shareholders by subsidiaries	(2,389)	(1,446)	(1,488)
8. Proceeds from issuance of stock	77,475	18	20
9. Issuance of common stock and investments by minority	1,344	697	753
10. Proceeds from sale of treasury stock	434	329	467
11. Purchase of treasury stock	(1,365)	(831)	(841)
Net cash provided by financing activities	80,069	23,310	517
IV Effect of exchange rate changes on cash and cash equivalents	279	618	297
V Net increase (decrease) in cash and cash equivalents	39,503	15,727	(919)
VI Cash and cash equivalents at beginning of year	41,074	41,954	41,954
VII Cash and cash equivalents of newly consolidated companies at beginning of year	0	39	39
VIII Cash and cash equivalents of merged non-consolidated subsidiary	37	0	0
IX Cash and cash equivalents at end of period	80,614	57,720	41,074

(Rounded off to the nearest million)

Note: Stated in order of the Period Under Review, the Same Period of Previous Fiscal Year, and the Previous Fiscal Year.

(5) Segment Information

Segment information by business category

Third quarter ended December 31, 2007

(Millions of yen)

	Construction Machinery Business	Industrial Vehicles Business	Semiconductor Production Equipment Business	Total	Elimination or Corporate	Consolidated
Net Sales and Operating Income						
Net Sales						
(1) Net Sales to Outside Customers	566,008	62,786	1,364	630,158		630,158
(2) Inter-segment Sales/Transfers	28	0	1,265	1,293	(1,293)	
Total	566,036	62,786	2,629	631,451	(1,293)	630,158
Operating Expenses	497,980	58,491	2,325	558,796	434	559,230
Operating Income	68,056	4,295	304	72,655	(1,727)	70,928

Third quarter ended December 31, 2006

(Millions of yen)

	Construction Machinery Business	Industrial Vehicles Business	Semiconductor Production Equipment Business	Total	Elimination or Corporate	Consolidated
Net Sales and Operating Income						
Net Sales						
(1) Net Sales to Outside Customers	477,899	54,612	1,226	533,737		533,737
(2) Inter-segment Sales/Transfers	22	0	944	966	(966)	
Total	477,921	54,612	2,170	534,703	(966)	533,737
Operating Expenses	430,056	50,485	2,085	482,626	(1,030)	481,596
Operating Income	47,865	4,127	85	52,077	64	52,141

Fiscal year ended March 31, 2007

(Millions of yen)

	Construction Machinery Business	Industrial Vehicles Business	Semiconductor Production Equipment Business	Total	Elimination or Corporate	Consolidated
Net Sales and Operating Income						
Net Sales						
(1) Net Sales to Outside Customers	680,855	73,420	2,178	756,453		756,453
(2) Inter-segment Sales/Transfers	28	0	1,302	1,330	(1,330)	
Total	680,883	73,420	3,480	757,783	(1,330)	756,453
Operating Expenses	605,634	68,122	3,050	676,806	1,295	678,101
Operating Income	75,249	5,298	430	80,977	(2,625)	78,352

Notes:

- 1) Business categories are based on internal segments used within HCM.
- 2) The products included in each category are as follows
 1. Construction Machinery Business: Hydraulic excavators, mini-excavators, wheel loaders and crawler cranes
 2. Industrial Vehicles Business: Forklifts, transfer cranes and container carriers
 3. Semiconductor Production Equipment Business: Ultrasonic inspection video equipment and atomic force microscope equipment
- 3) The key unallocatable costs within the "Elimination or Corporate" column of operating expenses chiefly include expenses incurred by the administrative division of TCM Corporation and its consolidated subsidiaries.