



HITACHI

**Business Results for FY2011
ended March 31, 2012**

April 25, 2012

Hitachi Construction Machinery Co., Ltd.



EX8000-6 delivered to Africa for the first time

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I . Summary of Consolidated Results

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Billions of yen

	Mar'12 Actual (A)	Mar'11 Actual (B)	Change (B/A)
Net sales	817.1	773.8	106%
Operating income	54.8	41.5	132%
Ordinary income	51.7	41.9	123%
Net income	23.0	11.1	208%
<div>F</div> <div>X</div>	Exchange rate (YEN/USD)	78.58	85.38
	Forward exchange rate(YEN/USD)	79.28	86.75
	Exchange rate (YEN/EUR)	108.49	112.13
	Forward exchange rate (YEN/EUR)	110.78	115.29
Cash dividends per share (yen)	30	20	10

Note: The numbers in parenthesis show the previous forecast as of Jan '12

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● Profit lines were not achieved due to mixed accounts although a significant drop in profit of China was covered by other regions. However, net sales increased 6% year-on-year despite the influence of appreciation of the yen.

● Operating income increased over 30% year-on-year.

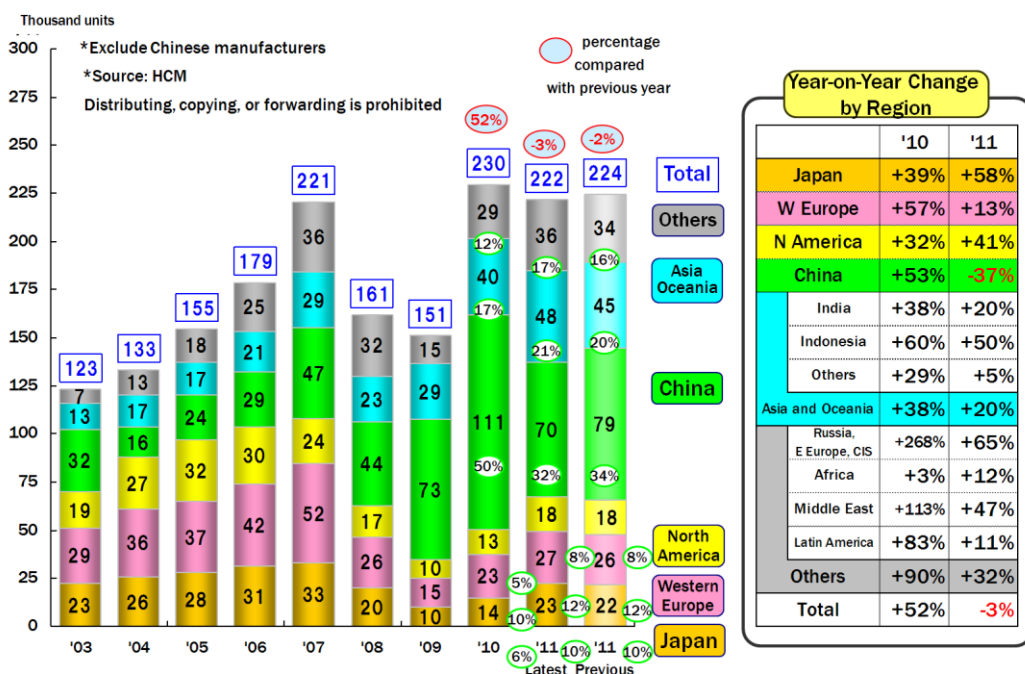
● The net income doubled that of the previous year.

● Annual cash dividend per share is 30 yen.

Global Demand Trend for Hydraulic Excavator

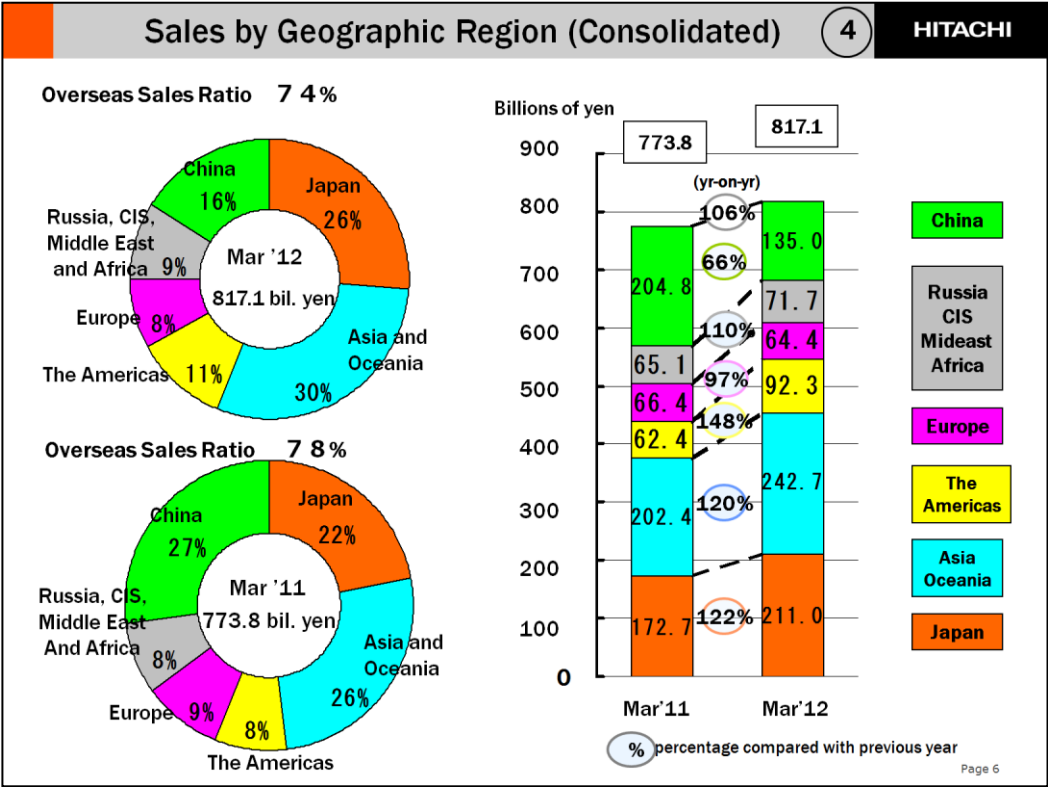
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HITACHI



Billions of yen

	Mar'12	Mar'11	Increase (Decrease)	
			Amount	%
Net sales	817.1	773.8	43.4	106%
Cost of sales	606.6	588.0	18.7	103%
Selling, general and administrative expenses	155.7	144.3	11.4	108%
Operating income	54.8	41.5	13.3	132%
Non-operating income(loss)	(3.1)	0.4	(3.5)	-
Ordinary income	51.7	41.9	9.8	123%
Extraordinary losses	(1.6)	(6.2)	4.6	-
Income taxes	19.6	15.5	4.1	126%
Minority interests	(7.5)	(9.2)	1.6	82%
Net income	23.0	11.1	11.9	208%



- Overseas sales ratio decreased by 4 points year-on-year to 74%.
- Although sales in China decreased 34% from the previous year due to the decreasing demand and sales in Europe also declined 3% from the previous year, sales in other markets remained solid.

Billions of yen

	Mar'12		Mar'11		Increase (Decrease)	
					Amount	%
Net sales	817.1		773.8		43.4	106%
Cost of sales	(74.2%) 606.6		(76.0%) 588.0		18.7	103%
Selling, general and administrative expenses	(19.0%) 155.7		(18.6%) 144.3		11.4	108%
Operating income	(6.7%) 54.8		(5.4%) 41.5		13.3	132%
Non-operating income(loss)	(3.1)		0.4		(3.5)	-
Ordinary income	51.7		41.9		9.8	123%
Extraordinary losses	(1.6)		(6.2)		4.6	-
Income taxes	19.6		15.5		4.1	126%
Minority interests	(7.5)		(9.2)		1.6	82%
Net income	23.0		11.1		11.9	208%

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● Despite the impact of the yen appreciation, the cost rate improved 1.8 points thanks to the reduction of costs and increasing sales of parts and services.

● Operating profit ratio increased by 1.3 points from the previous year.

Billions of yen

	Mar'12	Mar'11	Change
Dividends/Interest income and expenses	(7.7)	(4.6)	(3.1)
Gain (loss) on equity earnings of affiliated companies	0.5	1.1	(0.6)
Foreign exchange gains, net	0.9	3.2	(2.3)
Others	3.2	0.7	2.5
Total	(3.1)	0.4	(3.5)

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● Dividends/Interest income and expenses decreased 3.1 billion yen due to increased interest expenses by leasing in China.

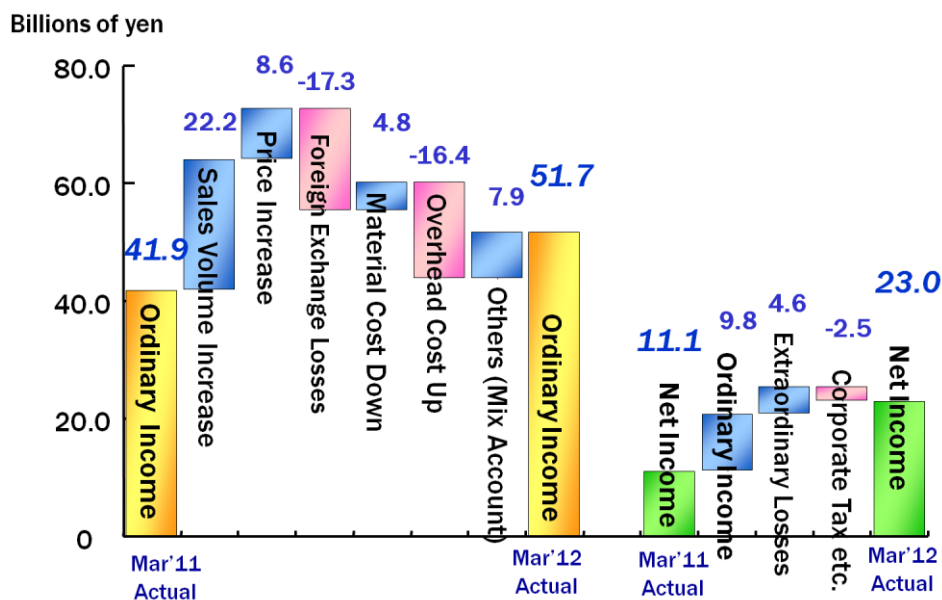
Billions of yen

	Mar'12		Mar'11		Increase (Decrease)	
					Amount	%
Net sales		817.1		773.8	43.4	106%
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Selling, general and administrative expenses	(19.0%)	155.7	(18.6%)	144.3	11.4	108%
Operating income	(6.7%)	54.8	(5.4%)	41.5	13.3	132%
Non-operating income(loss)		(3.1)		0.4	(3.5)	-
Ordinary income	(6.3%)	51.7	(5.4%)	41.9	9.8	123%
Extraordinary losses		(1.6)		(6.2)	4.6	-
Income taxes		19.6		15.5	4.1	126%
Minority interests		(7.5)		(9.2)	1.6	82%
Net income	(2.8%)	23.0	(1.4%)	11.1	11.9	208%

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● Ordinary income increased 23% and the profit rate improved 0.9 point year-on-year.

● Net income increased 108% and the profit rate improved 1.4 points year-on-year.



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● Total of sales volume increase and the overhead cost up covering the sales volume increase resulted in 5.8 billion yen profit.

● While profit increased 13.4 billion yen by price increase and material cost down, the foreign exchange fluctuation led to a loss of 17.3 billion yen.

● Despite such losses, a profit of 7.9 billion yen from the change in product mix (increase in sales of part and services) and other factors contributed to the ordinary income of 51.7 billion yen, a 9.8 billion yen increase from the same period of the previous year.

Consolidated Balance Sheets

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Billions of yen

	(A) Mar'12	(B) Mar'11	(A-B) Change		(D) Mar'12	(E) Mar'11	(D-E) Change
Cash and bank deposits	72.8	67.7	5.2	Notes and accounts payable	192.9	150.3	42.6
Notes and accounts receivable	238.5	184.5	54.0	Others	327.2	226.5	100.7
Lease receivables and investment assets	120.3	130.1	(9.8)	Total current liabilities	520.1	376.8	143.2
Inventories	268.9	192.8	76.1	Total non-current liabilities	197.3	218.6	(21.3)
Others	51.8	50.6	1.2	Total liabilities	717.3	595.4	122.0
Total current assets	752.3	625.7	126.6	Minority interests	45.4	42.1	3.3
Property, plant and equipment	244.9	224.4	20.5	Common stock, Capital surplus,	349.8	332.0	17.8
Intangible assets	40.8	46.3	(5.5)	Others	(26.4)	(25.1)	(1.3)
Others	48.2	48.0	0.2	Shareholders' equity ratio	(29.7%)	(32.4%)	(-2.7%)
Total fixed assets	333.8	318.7	15.1	Total net assets	368.8	349.0	19.8
Total assets	1086.1	944.4	141.7	Total liabilities and net assets	1086.1	944.4	141.7

On hand days (Divided by net sales) unit: Day

*1

Notes and accounts receivable	16.0	14.8	1.2
Inventories	12.0	9.1	2.9
Notes and accounts payable	8.6	7.1	1.5
Working capital, net	19.4	16.8	2.6

*1 On hand days for notes and account receivable are calculated including lease receivable and investment assets.

*2 Include a deposit (the numbers underneath) to Hitachi Ltd under the Hitachi Pooling Group.

Interest-bearing debt	(35.8%)	(34.7%)	(1.1%)
	388.9	327.8	61.1
Cash and cash equivalents	81.2	74.7	6.5
(Deposit)	(8.4)	(7.1)	(1.3)
Interest-bearing debt, net	(28.3%)	(26.8%)	(1.5%)
	307.7	253.1	54.7
Net D/E Ratio	0.95	0.83	0.13

*2

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Consolidated Cash Flows

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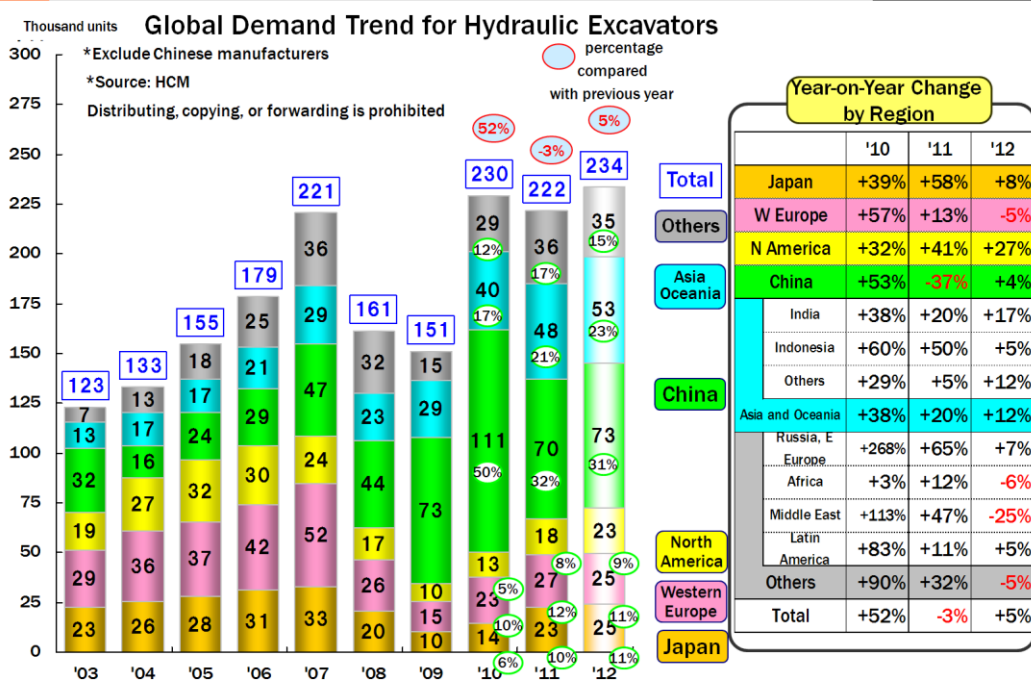
Billions of yen

	Mar'12	Mar'11	Increase (Decrease)
Income before income taxes and minority interests	50.1	35.7	14.4
Depreciation and amortization	89.7	73.8	15.9
(Increase) decrease in notes and accounts receivable	(53.5)	(30.9)	(22.6)
(Increase) decrease in lease receivables and investment assets	12.8	(42.7)	55.5
(Increase) decrease in inventories	(76.2)	5.3	(81.5)
(Increase) decrease in notes and accounts payable	(72.9)	(30.4)	(42.5)
Income taxes paid	(17.0)	(13.9)	(3.1)
Others, net	11.3	(2.1)	13.4
Net cash provided by operating activities	11.1	27.4	(16.3)
Acquisitions of property, plant and equipment	(33.5)	(17.7)	(15.8)
Proceeds from sale of property, plant and equipment	0.3	0.2	0.1
Purchase of investment in securities	(3.2)	(1.6)	(1.6)
Proceeds from sale of investments in securities	0.1	0.1	0
Other, net	(2.7)	(1.8)	(0.9)
Net cash used in investing activities	(39.0)	(20.8)	(18.2)
Free Cash Flows	(28.0)	6.6	(34.6)
Net increase (decrease) in short-term loans	39.0	6.2	32.8
Net increase (decrease) in long-term loans	19.7	28.3	(8.6)
Repayment of bonds	58.5	33.0	25.5
Dividends paid to shareholders	(9.1)	(6.7)	(2.4)
Proceeds from disposal and purchase of treasury stock	0	0.1	(0.1)
Interest paid, others	(23.6)	(18.4)	(5.2)
Net cash provided by (used in) financing activities	34.9	14.6	20.3
Effect of exchange rate changes on cash and cash equivalents	(0.6)	(3.9)	3.3
Net increase in cash and cash equivalents	6.3	17.4	(11.1)
Cash and cash equivalents at beginning of year	74.7	57.3	17.4
Cash and cash equivalents at end of year	81.1	74.7	6.4

II. Consolidated Earnings Forecast

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Summary of Consolidated Earnings Forecasts

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Billions of yen

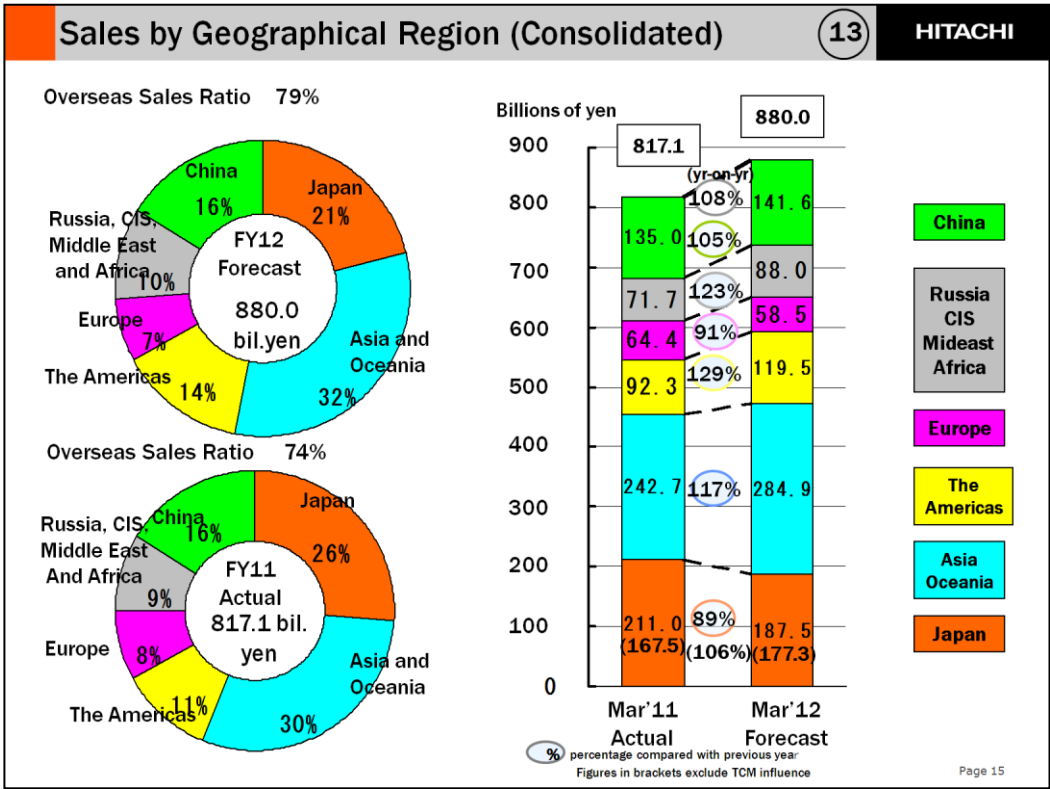
	Mar.'12	Mar.'11	Change
Net sales	880.0	817.1	108%
Operating income	78.0	54.8	142%
Ordinary income	68.0	51.7	132%
Net income	35.0	23.0	152%
F Exchange rate (YEN/USD)	78.00	78.58	
X Forward exchange rate (YEN/USD)	78.00	79.28	
Exchange rate (YEN/EUR)	105.00	108.49	
Forward exchange rate (YEN/EUR)	105.00	110.78	
Cash dividends per share (yen)	40	30	10

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● As for the outlook for fiscal 2012, TCM Co., Ltd. is included as an affiliated company accounted for using the equity method from the second quarter. Although this may cause a decrease of 59.0 billion yen in sales of industrial vehicles business mainly forklifts, we forecast an 8% increase in total net sales year-on-year.

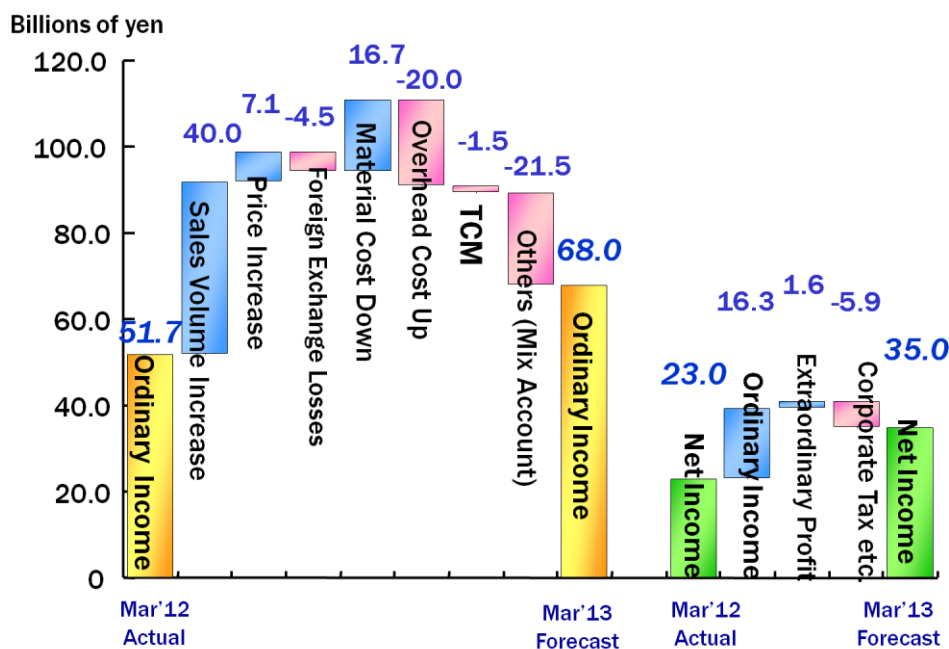
● These projections assume exchange rates of 78 yen to the U.S. dollar, 105 yen to the euro, and 12.5 yen to the Chinese yuan.

● The planned annual cash dividend per share is 40 yen at present.



- The overseas sales ratio is forecasted at 79%, an increase of 5 points from the previous year.

- As for the sales by geographic region, we forecast at 91%, a decrease of 9 points in Europe from the previous year but increases in other regions.
(For Japan, we forecast at 106% excluding TCM influence, an increase of 9 points from the previous year.)



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● We expect 40 billion yen of sales volume increase thanks to an increase in demand in Asia, Oceania and the Americas and expect 4.5 billion of foreign exchange losses.

● Despite an increase in overhead costs covering the sales volume increase, ordinary income will be 68.0 billion yen, an increase of 16.3 million yen, thanks to an increase in profit as a result of the improvement of sales prices and cost reduction.

END



For further inquiries:

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