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Notice of Revised Earnings Forecasts

Tokyo, Japan, October 25, 2011 — Hitachi Construction Machinery Co., Ltd. today announced that it had revised its consolidated earnings forecasts for its Second Quarter cumulative (April 1 - September 30, 2011) and full Fiscal Year 2011 (April 1, 2011 - March 31, 2012), previously disclosed on July 27, 2011. Brief details are as follows.

Consolidated Earnings Forecast for the Second Quarter cumulative ended September 30, 2011
(April 1, 2011 - September 30, 2011) (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous Forecast (A)	384,000	16,500	12,500	3,800	17.97
Revised Forecast (B)	364,901	20,443	17,837	5,481	25,92
Difference (B-A)	(19,099)	3,943	5,337	1,681	–
Change (%)	(5.0)	23.9	42.7	42.2	–
Previous Second Quarter Ended Sep 30, 2010	346,100	12,261	11,983	3,104	14.68

Consolidated Earnings Forecast for the Full Year Ending March 31, 2012
(April 1, 2011 - March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous Forecast (A)	900,000	65,000	56,000	23,000	108.76
Revised Forecast (B)	860,000	65,000	56,000	23,000	108.76
Difference (B-A)	(40,000)	0	0	0	–
Change (%)	(4.4)	0	0	0	–
Previous Year Ended Mar 31, 2011	773,769	41,511	41,912	11,088	52.44

Rationale of the Revision

With regards to the performance in the First Half of FY2011 ending March 2012, while the net sales underperformed the previous forecast due to the decrease in demand in China etc., the operating income, ordinary income and net income outperformed the previous forecast thanks to the increase in sales of parts and improvement in cost reduction.

With regards to the Consolidated Earnings Forecast for the Full Year Ending March 31, 2012, although global demand for hydraulic excavators has been growing especially in Japan, Asia, etc., given the decrease in demand in China, overall demand for Fiscal 2011 is expected to decrease from the forecast previously announced on July 27, 2011 by 16,000 units to become 229,000 units.

Given the decrease in sales units in China and appreciation of the yen, net sales are expected to decrease from the previous forecast. As for the profits, with further reduction in costs and improvement in selling prices, there is no change from the previous forecast.

These projections assume exchange rates of ¥77 to the U.S. dollar, ¥105 to the euro, and ¥12.0 to the Chinese yuan in and after the third quarter. Previously, we assumed exchange rates of ¥80 to the U.S. dollar, ¥110 to the euro, and ¥12.5 to the Chinese yuan, as of July 27.

Note) 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.