

**Notice of Revised Interim and Year-end Dividends Forecasts  
for the Fiscal Year Ending March 31, 2007**

Based on a resolution made at a meeting of the Board of Directors of Hitachi Construction Machinery Co., Ltd. (HCM) on August 29, 2006, the dividends forecasts for the fiscal year ending March 31, 2007 that were announced during the reporting of financial results on April 26, 2006 have been revised.

**1. Reason for the revision**

As a Basic Policy on the Distribution of Earnings, HCM sets its target dividends payout ratio at 15-20% of consolidated net income.

Earnings for the current fiscal year are proceeding favorably and are expected to exceed the previously announced forecasts on both a consolidated and non-consolidate basis as a result of an increase in demand in both domestic and overseas markets. We are projecting an increase in sales and income for the fifth consecutive year, as well as record earnings for the fourth consecutive year.

Consequently, dividends per share forecasts will be increased by ¥3.00 to ¥14.00 for the respective interim and year-end periods, representing an overall increase of ¥6.00 amounting to ¥28.00 for the fiscal year versus the previous forecasts.

In addition, the dividends payout ratio according to the above forecasts would be 16.5%.

**2. Revised dividends per share forecasts**

	Interim	Year-end	Total cash dividends per share for the fiscal year
Previous forecast (announced on April 26, 2006)	¥11.00	¥11.00	¥22.00
<b>Revised forecast</b>	<b>¥14.00</b>	<b>¥14.00</b>	<b>¥28.00</b>
For reference: Previous fiscal year ended March 31, 2006	¥8.00	¥10.00	¥18.00