

October 26, 2007
Hitachi Construction Machinery Co., Ltd.

Notice Concerning Payment of Cash Dividends and Revision of Dividend Forecast

Based on a resolution made at a meeting of the Board of Directors of Hitachi Construction Machinery Co., Ltd. (HCM) on October 26, 2007, the payment of cash dividends will be made as indicated below, with September 30, 2007 as the record date. The Company also revised its year-end dividend forecast.

1. Details concerning Dividends

	Details regarding resolution for issuance of cash dividends	Latest forecast (announced on April 25, 2007)	Interim results for the fiscal year ended March 31, 2007
Record date	September 30, 2007	Same as on left	September 30, 2006
Cash dividends per share	¥20.00	¥18.00	¥14.00
Total dividends paid	¥4,281 million	-	¥2,724 million
Effective date	December 6, 2007	-	December 7, 2006
Dividend resource	Retained earnings	-	Retained earnings

2. Reasons for the Revision

As a basic policy under its Principles regarding Appropriation of Earnings and Dividends, HCM has set its target dividend payout ratio at 15-20% of consolidated net income.

Given the backdrop of a favorable business environment, profits for the interim period of the fiscal year ending March 31, 2008 have exceeded previously announced forecasts on both a consolidated and non-consolidated basis. Further, we are projecting an increase in sales and income for the full fiscal year ending March 31, 2008 for the sixth consecutive year, as well as record earnings for the fifth consecutive year.

Consequently, in accordance with the aforementioned basic policy, HCM has decided to increase interim dividends by ¥2.00 to ¥20.00. We also expect to raise year-end dividends to ¥20.00, representing an increase of ¥2.00 versus the initial forecast. Accordingly, annual dividends per share will be ¥40.00, representing an increase of ¥4.00.

In addition, the annual dividend payout ratio according to the above forecast is expected to be 16% of consolidated net income.

Dividend Forecast

Record date	Cash dividends per share		
	Interim	Year-end	Annual
Previous forecast (announced on April 25, 2007)	¥18.00	¥18.00	¥36.00
Revised forecast	¥20.00	¥20.00	¥40.00
(Reference) Results for the fiscal year ended March 31, 2007	¥14.00	¥14.00	¥28.00