

Supplemental Explanation Regarding Financial Results for the Year Ended March 31, 2008

Consolidated Financial Results for the year ended March 31, 2008 announced today at 15:00 at the Tokyo Stock Exchange include results of a 15-month period, from January 2007 to March 2008, of 12 Hitachi Construction Machinery Co., Ltd. subsidiaries (names stated below) with the settlement date on December 31 (January 2007 to December 2007). The reason for the change in consolidation reporting period is as follows.

Consequently, from the perspective of a basic consideration to continuity, we will for reference disclose principal figures on the basis of prior reporting.

[Reason]

Previously, 12 consolidated subsidiaries with different settlement dates than that of the parent company were accounted for based in the fiscal year consolidated financial statements for each of these companies because the difference between the settlement dates for these subsidiaries and the consolidated settlement date were within three months.

However, with quarterly reporting becoming legally mandatory, beginning in the fiscal year ended March 31, 2008, HCM changed its method of consolidation on the financial statements by making provisional account settlements for the 12 subsidiaries on the same settlement date as that of the parent company. This change was made for the purpose of unifying the settlement dates of the parent company and these consolidated subsidiaries and ensuring appropriate disclosure of consolidated financial information.

Figures affected by the change in the settlement periods of subsidiaries (Millions of yen)

		Net sales	Operating income	Ordinary income	Net income
Fiscal year ended March 31, 2008	(1)	940,537	108,458	100,564	55,985
The effect of the change (results between January and March 2008)	(2)	36,914	3,246	2,976	1,527
Results for fiscal year ended March 31, 2008 after excluding the effects of the change	(3)=(1)-(2)	903,623	105,212	97,588	54,458

(Reference) (Millions of yen)

Fiscal year ended March 31, 2007	A	756,453	78,352	70,010	36,502
Ratio from previous fiscal year (%)	(1)/A	124	138	144	153
	(3)/A	119	134	139	149

The 12 consolidated subsidiaries for which 15-month period results were used are as follows:

- 1) Qingdao Chengri Construction Machinery Co., Ltd.
- 2) Hitachi Sumitomo Heavy Industries Construction Crane (Shanghai) Co., Ltd.
- 3) PT. Hexindo Adiperkasa Tbk.
- 4) PT. Hitachi Construction Machinery Indonesia
- 5) Hitachi Construction Machinery (Thailand) Co., Ltd.
- 6) Hitachi Construction Machinery Leasing (Thailand) Co., Ltd.
- 7) Siam-Hitachi Construction Machinery Service Co., Ltd.
- 8) Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
- 9) Hitachi Construction Machinery France S.A.S.
- 10) Heavy Construction Machinery Ltd.
- 11) Hitachi Construction Machinery Southern Africa Co., Ltd.
- 12) Hitachi Construction Truck Manufacturing Ltd.