

**Notice of Revised Interim and Full-year Earnings Forecasts
for the Fiscal Year Ending March 31, 2007**

Consolidated and non-consolidated earnings forecasts that were announced during the reporting of financial results on April 26, 2006 have been revised.

1. Revisions to Interim Earnings Forecasts for the First Half of Fiscal 2006 (Apr. 1, 2006 – Sep. 30, 2006)

(Consolidated)

(Millions of yen; %)

	Net sales	Operating income	Ordinary income	Interim net income
Previous forecast (A)	343,700	27,600	22,600	9,400
Revised forecast (B)	341,500	33,400	27,000	12,300
[Year-on-year change (%)]	(20.4)	(29.2)	(32.7)	(27.7)
Amount of change (B)-(A)	-2,200	5,800	4,400	2,900
(Percentage change)	(-0.6)	(21.0)	(19.5)	(30.9)
For reference: Previous term results (Interim period for the year ended March 31, 2006)	283,641	25,850	20,341	9,632

(Non-Consolidated)

(Millions of yen; %)

	Net sales	Operating income	Ordinary income	Interim net income
Previous forecast (A)	180,000	6,900	6,800	5,300
Revised forecast (B)	191,000	9,700	8,500	5,700
[Year-on-year change (%)]	(28.6)	(61.0)	(64.6)	(75.7)
Amount of change (B)-(A)	11,000	2,800	1,700	400
(Percentage change)	(6.1)	(40.6)	(25.0)	(7.5)
For reference: Previous term results (Interim period for the year ended March 31, 2006)	148,522	6,024	5,164	3,245

2. Revisions to Full-year Earnings Forecasts for Fiscal 2006 (Apr. 1, 2006 – Mar. 31, 2007)

(Consolidated)	(Millions of yen; %)			
	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	710,000	66,000	56,000	29,000
Revised forecast (B)	720,000	74,000	62,000	33,000
[Year-on-year change (%)]	(14.9)	(29.4)	(35.4)	(36.2)
Amount of change (B)-(A)	10,000	8,000	6,000	4,000
(Percentage change)	(1.4)	(12.1)	(10.7)	(13.8)
For reference: Previous fiscal year results (Fiscal year ended March 31, 2006)	626,457	57,177	45,783	24,223

(Non-Consolidated)	(Millions of yen; %)			
	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	384,000	18,900	29,600	21,900
Revised forecast (B)	409,000	21,700	31,500	23,000
[Year-on-year change (%)]	(22.7)	(28.4)	(44.9)	(45.3)
Amount of change (B)-(A)	25,000	2,800	1,900	1,100
(Percentage change)	(6.5)	(14.8)	(6.4)	(5.0)
For reference: Previous fiscal year results (Fiscal year ended March 31, 2006)	333,451	16,899	21,746	15,826

*Starting with this report, operating income is also included in such disclosure reports.

<Reason for the revision>

Global demand for hydraulic excavators in most areas such as Japan, Europe/Russia/Turkey, and Oceania and Asia, including China and India, is projected to grow more than initially expected in the previous forecasts, except for the Americas, in which rate of growth is forecast to decrease.

Demand for mining equipment is also maintaining steady growth in Oceania and Asia, the Americas, and Europe/ Africa/ Middle East.

In addition, sales of our new hydraulic excavators and wheel loaders that comply with Tier III emissions regulations have been fully deployed for the current fiscal year and are being very well received in the market, leading to favorable orders.

Due to the aforementioned reasons, business performance is projected to exceed the forecasts made at the beginning of the year. Accordingly, interim and full-year earnings forecasts for the current fiscal year have been revised.

Note: The above performance forecasts were prepared on the basis of information available as of the date of this announcement. Various factors could cause actual results to differ from these forecasts.