

Notice of Revised Interim and Full-year Earnings Forecasts for the Fiscal Year Ending March 31, 2008

Consolidated and non-consolidated earnings forecasts that were announced during the reporting of financial results on April 25, 2007 have been revised.

1. Revisions to Interim Earnings Forecasts for the Interim Period Ending September 2007 (Apr. 1, 2007 – Sep. 30, 2007)

(Consolidated)	(Millions of yen; %)			
	Net sales	Operating income	Ordinary income	Interim net income
Previous forecast (A)	423,500	40,600	36,300	16,200
Revised forecast (B)	432,000	46,000	42,300	21,200
[Year-on-year change (%)]	(22.8)	(29.7)	(40.5)	(54.7)
Amount of change (B)-(A)	8,500	5,400	6,000	5,000
(Percentage change)	(2.0)	(13.3)	(16.5)	(30.9)
For reference: Previous term results (Interim period ended September 30, 2006)	351,890	35,479	30,114	13,704

(Non-Consolidated)	(Millions of yen; %)			
	Net sales	Operating income	Ordinary income	Interim net income
Previous forecast (A)	225,000	12,500	13,700	9,400
Revised forecast (B)	234,000	19,000	20,000	13,200
[Year-on-year change (%)]	(23.9)	(70.8)	(102.3)	(93.9)
Amount of change (B)-(A)	9,000	6,500	6,300	3,800
(Percentage change)	(4.0)	(52.0)	(46.0)	(40.4)
For reference: Previous term results (Interim period ended September 30, 2006)	188,905	11,122	9,886	6,807

2. Revisions to Full-year Earnings Forecasts for the Fiscal Year Ending March 2008 (Apr. 1, 2007 – Mar. 31, 2008)

(Consolidated)	(Millions of yen; %)			
	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	870,000	90,000	80,000	43,000
Revised forecast (B)	910,000	96,000	86,000	48,000
[Year-on-year change (%)]	(20.3)	(22.5)	(22.8)	(31.5)
Amount of change (B)-(A)	40,000	6,000	6,000	5,000
(Percentage change)	(4.6)	(6.7)	(7.5)	(11.6)
For reference: Previous fiscal year results (Fiscal year ended March 31, 2007)	756,453	78,352	70,010	36,502

(Non-Consolidated)

(Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	476,500	31,300	41,000	30,000
Revised forecast (B)	488,000	37,800	46,000	33,000
[Year-on-year change (%)]	(18.0)	(31.3)	(24.5)	(23.7)
Amount of change (B)-(A)	11,500	6,500	5,000	3,000
(Percentage change)	(2.4)	(20.8)	(12.2)	(10.0)
For reference: Previous fiscal year results (Fiscal year ended March 31, 2007)	413,404	28,797	36,938	26,673

<Reason for the revision>

Global demand for hydraulic excavators in most areas such as Oceania and Asia, including China and India, Western Europe, Russia and the Middle East is projected to exceed initial forecasts. In North America, public investment and commercial facilities investment is favorable, although the impact of sluggish housing investment is expected to be greater than initially expected. Together with strong demand in Japan, aggregate world demand is forecast to increase more than initially forecast.

Demand for mining equipment is also expected to remain strong in Oceania and Asia, the Americas, and Europe/Africa/Middle East.

Due to the aforementioned demand environment, as well as the impact of the weak yen, business performance is projected to exceed forecasts announced at the beginning of the fiscal year. Accordingly, interim and full-year earnings forecasts for the current fiscal year have been revised. As for exchange rates in the latter half of the current fiscal year, we forecast 115 yen to the U.S. dollar and 155 yen to the euro. In the event that a fluctuating exchange rate or other factors will impact business performance, our forecasts will be disclosed in a timely manner.

For reference, exchange rates are forecast as follows.

	Previous Forecast		Revised Forecast	
	1st Half	2nd Half	1st Half	2nd Half
Yen/US dollar	115	115	119	115
Yen/Euro	150	150	160	155

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.