

Notice of Revised 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 July 26, 2007 have been revised.

1. 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) | 910,000 | 96,000 | 86,000 | 48,000 |
| Revised forecast (B) | 900,000 | 101,000 | 91,000 | 52,000 |
| [Year-on-year change (%)] | [19.0] | [28.9] | [30.0] | [42.5] |
| Amount of change (B)-(A) | (10,000) | 5,000 | 5,000 | 4,000 |
| [Percentage change] | [(1.1)] | [5.2] | [5.8] | [8.3] |
| 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) | 488,000 | 37,800 | 46,000 | 33,000 |
| Revised forecast (B) | 492,500 | 38,600 | 47,100 | 33,400 |
| [Year-on-year change (%)] | [19.1] | [34.0] | [27.5] | [25.2] |
| Amount of change (B)-(A) | 4,500 | 800 | 1,100 | 400 |
| [Percentage change] | [0.9] | [2.1] | [2.4] | [1.2] |
| 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, as well as Western Europe, Russia and the Middle East is projected to increase, although demand in North America is expected to decline. Together with strong demand in Japan, aggregate world demand is anticipated to exceed the first quarter 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, interim term business performance exceeded previous forecasts and strong demand is anticipated to continue in the latter half of the year. Accordingly, 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 | Full Year | 1st Half | 2nd Half | Full Year |
| Yen/U.S. dollar | 119 | 115 | 117 | 119 | 115 | 116 |
| Yen/Euro | 160 | 155 | 158 | 160 | 155 | 157 |

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.