

Hitachi Koki Co., Ltd.

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Revisions of Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2011

Hitachi Koki Co., Ltd. announced revisions to Company's consolidated business forecasts for fiscal year 2010, ending March 31, 2011, which were announced on April 26, in light of recent business performance.

1. Revisions of Consolidated Business Forecasts for the first half of Fiscal Year 2010 (From April 1 to September 30, 2010)

	Net Sales	Operating Income	Ordinary Income	Quarterly net income	Quarterly net income per share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	67,000	4,200	4,000	2,500	24.65
Revised Forecast (B)	63,000	2,100	2,000	1,000	9.86
(B - A)	△4,000	△2,100	△2,000	△1,500	—
Change %	△6.0	△50.0	△50.0	△60.0	—
First half of fiscal year 2009 Ended September 30, 2009	58,295	2,738	2,812	1,638	16.16

2. Revisions of Consolidated Business Forecasts for Fiscal Year 2010 (From April 1 to March 31, 2011)

	Net Sales	Operating Income	Ordinary Income	Quarterly net income	Quarterly net income per share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	140,000	10,000	9,500	6,000	59.17
Revised Forecast (B)	134,000	7,800	7,500	4,600	45.36
(B - A)	△6,000	△2,200	△2,000	△1,400	—
Change %	△4.3	△22.0	△21.1	△23.3	—
Fiscal year 2009 Ended March 31, 2010	119,166	5,184	5,169	3,333	32.88

3. Reasons for Revisions

Hitachi Koki Group's consolidated sales for the first quarter exceeded the result of same period of previous fiscal year, trying to strengthen tie with home centers and major regional retail outlets that have selling power and expand sales in emerging nations. However operating income of the first quarter was well below than originally expected, due to factors including intensifying competition in the Japanese and U.S. markets and the appreciation of the yen's value against the Euro originating with the financial crisis in Greece.

To increase profit, we will proactively work on expanding sales of outdoor power equipments and Li-ion battery operated products, the commencing of business in Brazil, reconsidering optimal location for production, thorough cost reduction and so on. However we have revised the previous consolidated business forecasts for the first half of fiscal year 2010 and for the fiscal year 2010, due to unpredictable economic condition, such as the significant deviation between our assumed and the actual rate of Euro conversion, the financial crisis in Europe, exposure of China risk and so on.

For further exchange rate, we expect 90 yen per U.S. dollar and 110 yen per Euro.

Note:

The forecasts shown above is based on the information available at the time they were prepared and certain assumptions we consider reasonable.

Actual consolidated performance may differ sharply from our forecasts owing to a wide range of factors, including shifts in economic conditions in major markets, changes in foreign currency exchange rates, and changes in raw material prices.

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