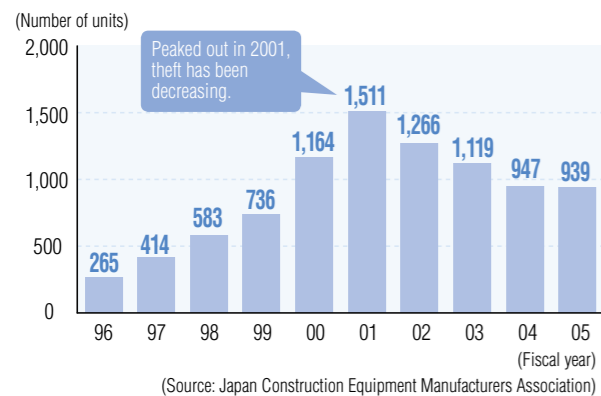


# Theft Deterrent Measures of Construction Machinery Making High Level Security Common for Construction Machinery

Since the late 1990's, thefts of construction machinery for the purpose of resale have drastically increased. Moreover, some of the stolen machines were used for the destruction and robbery of ATM machines, which has become a social issue.

To address this problem, Hitachi Construction Machinery strengthened basic security including an electronic key lock system. Furthermore, in 2002, the first theft-prevention system for construction machinery, "e-Guard" was developed in the industry. Taking advantage of this function, the company has responded to requests for investigations by the police.

The number of stolen construction machines

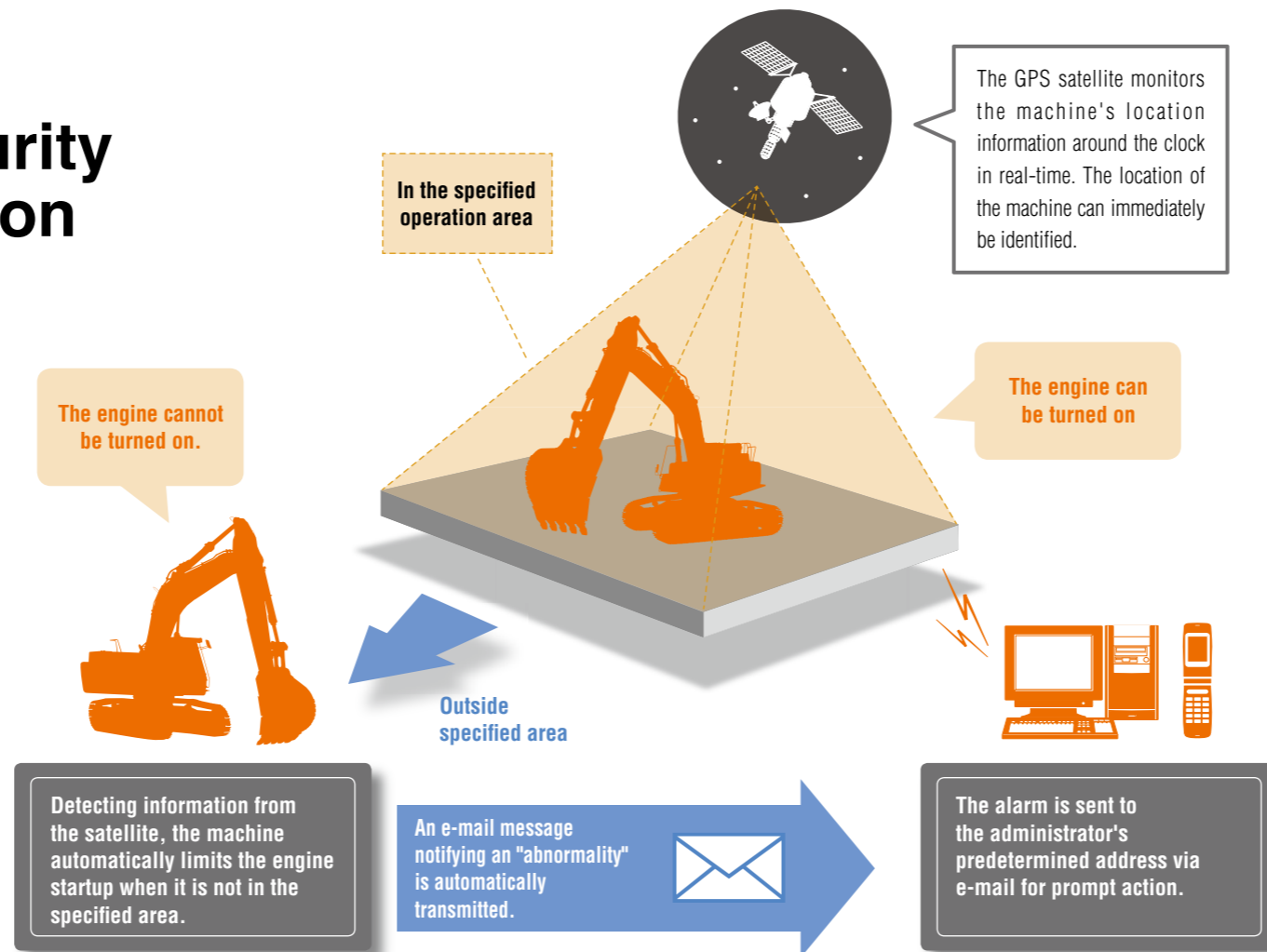


## Improved Basic Security Functions

In the past, on-site convenience was emphasized, and machines were operated with a few keys; however, a sharp increase in theft required drastic measures.

Considering that part of manufacturer's responsibilities are prevention of thefts from the viewpoint of customers and prevention of ATM robberies from the viewpoint of society, Hitachi Construction Machinery started to offer electronic key lock systems and ten-key lock systems as options.

In 2003, the company replaced conventional keys with a few dozen NS (New Standard) keys, following the "Guidelines on Theft Prevention Devices" specified by the Japan Construction Equipment Manufacturers Association. The company made a thorough review of security of construction machinery and improved measures and functions to prevent theft.



## Fundamental Countermeasures to Prevent Theft

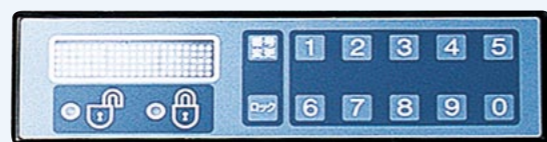
### Electronic Key Lock System

Special electronic key embedded with an IC chip. It is used in the same way as that of ordinary keys, but the system employs a mechanism where after the key is inserted, the IC chip authenticates the key identification code of the machine.



### Ten-keys Lock System

The engine doesn't start up unless a registered 5-digit password is inputted. If a wrong password is repeatedly inputted, an alarm will be issued.



## Theft Prevention Taking Advantage of Information Technology

In 2002, Hitachi Construction Machinery became the first Japanese manufacturer to provide "e-Guard," a service to prevent thefts taking advantage of information technology. Another function is that, once the operational area is preset, the engine of the machine cannot be started up out of an area for theft prevention. If the construction machine is moved out of the preset area, the occurrence of abnormality is reported to the specified e-mail address of an administrator. The current location of the machine can also be traced. Though the ZAXIS series machines in operation are covered by this optional service there are only about 10% of those in the field, this service has already contributed to actual theft prevention.

Since 2002 when the service started, the number of stolen construction machinery has steadily been reduced. This has resulted from efforts of the individual construction machinery manufacturers on crime prevention as well as awareness-raising activities by the police and users of the Japan Construction Equipment Manufacturers Association. We have also contributed to this goal through the development and supply of the "ZAXIS Guard" (e-Guard, electronic key lock systems and ten-key lock systems.)

## Responding to Police Requests for Investigation Assistance

Using the "ZAXIS Guard" systems, Hitachi Construction Machinery has assisted the police in investigations on cases of construction machinery theft based on their request. In Fiscal 2005, the company received testimonials of gratitude in two cases.

### Testimonial from the Kyoto Prefectural Police Department

On September 28, the Kyoto Prefectural Police Department gave testimony to the West Japan Div. and REC Kansai OKG for their assistance including checks of scenes of hydraulic excavator thefts and free-of-charge storage of stolen articles in the past five years.



### Testimonial from the Chiba Prefectural Police Department

On November 22, the company received a testimonial from the Chiba Prefectural Police Department. The reason was due to our assistance, many stolen construction machines had been found, and a group of thieves were arrested.



## Strengthening Standard Security Functions from the Machines Launched in 2006 and Beyond

In order to further improve countermeasures, Hitachi Construction Machinery employed the automatic key lock and ten-key lock systems for the ZAXIS-3 series launched in 2006 as standard and added the position detection function of the "e-Guard" as part of e-service (refer to page 26 for details.) A high level of security is a matter of course for construction machinery now and in the future. The company believes that it can further contribute to crime busting.