

February 1, 2008  
ShinMaywa Industries, Ltd.

## Notification of Report to the Ministry of Land, Infrastructure, Transport and Tourism, and the Accompanying Announcement, Concerning Deficient Final Inspection of Automobiles that Received Model Designation

ShinMaywa Industries, Ltd. has, today, reported to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) that it has ascertained the fact that automobiles of its manufacture which had received model designation were being shipped from its factory upon final inspections with certain items omitted, and the ministry has made a public announcement about it in response. The following is a notification concerning this case.

### 1. Particulars leading up to the report and announcement

ShinMaywa Industries manufactures compact dump trucks which had received model designation from the MLIT at the Shonan Plant of our Special Purpose Truck Division (in Samukawa Town, Kanagawa Prefecture). Recently, the Ministry instructed us to make an in-depth study to determine whether or not our inspection of finished vehicles at the plant was deficient and report the findings to it. As a result of this study, we ascertained that inspections of vehicles manufactured at the plant over a period of about 31 months from July 2004 to January 2007 had been deficient, in that they did not include proper inspection of the braking power and the speedometer. In response, we reported this fact, today, to the MLIT. Upon reception of this report, the MLIT made a public announcement of it and related matters.

### 2. Our action on vehicles receiving deficient final inspection

The plant produced a total of 24,116 finished compact dump trucks over the period in which the deficient final inspections were made. Another 5,005 such finished trucks were produced over the period from February to December 2007, for which we have not been able to verify with certainty to date that the aforementioned inspection was not deficient. We are going to narrow down vehicles to undergo voluntary inspection by excluding those which have already undergone renewal motor vehicle inspections or have been brought in for inspection thus far from the sum total of 29,121 trucks in the above two groups and carrying out voluntary checks of the braking power and speedometer of those trucks at our own expense.

3. Action against the company in connection with this matter

As of this writing, the MLIT had not determined any disciplinary action to be taken against our in connection with this matter. We shall disclose this action as soon as it has been determined.

4. Impact on our financial results

At the present time, it is not clear what effect this matter will have on our financial results. We shall disclose information on this effect at the proper time while monitoring future developments. As things now stand, we are projecting that the direct cost of measures related to this matter will come to about 300 million yen.

We have additionally posted an outline of this matter on our website (<http://www.shinmaywa.co.jp/>)

We deeply apologize for the grave apprehensions and inconvenience we have caused to all concerned parties. We are taking the aforementioned fact very seriously, and are committed to implementing rigorous measures to prevent recurrence while reinforcing our arrangements to assure compliance with laws and regulations, and otherwise making earnest efforts to recover our trustworthiness in the eyes of all.