

## Corporate Vision

**FY2025-2Q**

 **Hitachi Construction Machinery Co., Ltd.**

Public Relations & Investor Relations Dept.  
Corporate Brand & Communications Group

## Contents

Reliable Solutions

**1**

### **Company Outline**

**2**

### **Summary of Medium-term Management Plan**

**3**

### **Explanatory Meeting Material for Business Results for the Second Quarter ended September 30, 2025**

# Hitachi Construction Machinery will become LANDCROS

HITACHI

Reliable Solutions



On April 1, 2027  
**Hitachi Construction Machinery  
will become LANDCROS**  
Solutions Beyond Machinery

# LANDCROS

The construction machines featured in this photo are for illustrative purposes only and may differ from the actual products.

# Hitachi Construction Machinery will become LANDCROS

HITACHI

Reliable Solutions

- Hitachi Construction Machinery will change its name to LANDCROS.
- Our new corporate brand will be LANDCROS.
- LANDCROS reflects our commitment, symbolizing our vision and the values we have long cherished.

The LANDCROS logo is displayed in white, bold, uppercase letters within a solid orange rectangular background.

⋮

**Ensure a prosperous land and society for the future**

⋮

**Customer Reliable Open Solutions**

We contribute toward realizing a safe and sustainable society



<div>Started the production in</div> <div>1950</div>	<div>Number of employees*<sup>1</sup></div> <div>26,101</div>	<div>Number of subsidiaries*<sup>1</sup></div> <div>83</div> <div>7 in Japan / 76 overseas</div>	<div>Number of units in operation</div> <div>Approx. 410K</div>
<div>Revenue*<sup>2</sup></div> <div>¥1,371.3billion</div>	<div>Overseas revenue ratio*<sup>2</sup></div> <div>84%</div>	<div>Adjusted operating income*<sup>2</sup></div> <div>¥145.0billion</div>	<div>Market cap*<sup>3</sup></div> <div>¥1,082.2billion</div>

\*<sup>1</sup> As of March 31, 2025 \*<sup>2</sup> FY2024 \*<sup>3</sup>As of the end of October 2025



- 1950** ● Developed cable-operated shovel and started the mass production of construction machinery.
- 1965** ● Developed the first hydraulic excavator in Japan made purely with domestic technologies.
- 1970** ● **Separated from Hitachi, Ltd.  
Established Hitachi Construction Machinery Co., Ltd.** } **First Start-up**
- 1973** ● Launched the largest Japanese-made hydraulic excavator (at the time) equipped with a proprietary technology.
- 1988** ● Started a joint venture with Deere & Company in the Americas. Launched of wheel loaders.
- 2000** ● Launched the world's first hydraulic excavator equipped with satellite communication function.
- 2008** ● Launched one of the largest Japanese-made rigid dump trucks(at the time) which employed an AC drive system driven.
- 2013** ● Launched service solution ConSite
- 2016** ● Made H-E Parts International LLC(U.S.A.), a provider of comprehensive solutions for mining machinery, a consolidated subsidiary.
- 2017** ● Made Bradken Pty.Ltd. (Australia), a manufacturer of parts for mining machinery, a consolidated subsidiary.



## History (2) Second Start-up

HITACHI

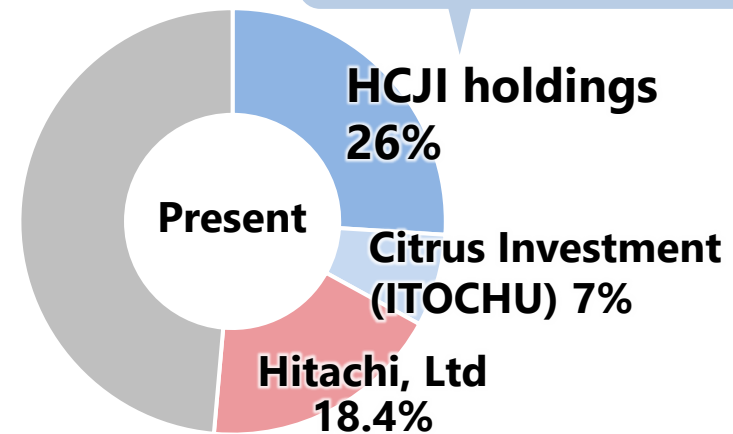
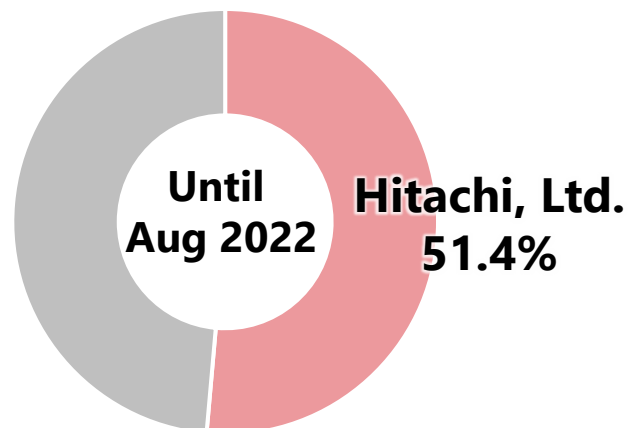
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- Mar 2022** ● **Started full-scale independent business development in the Americas**  
Dissolution of joint venture with Deere & Company
- Aug 2022** ● **Independence from Hitachi Group**  
Approximately half of the Company's shares held by Hitachi, Ltd. are sold to Japan Industrial Partners and ITOCHU Corporation
- Apr 2027 (planned)** ● **The trade name will be changed to LANDCROS Corporation**  
**Our new corporate brand will be "LANDCROS"**

**Second Start-up**

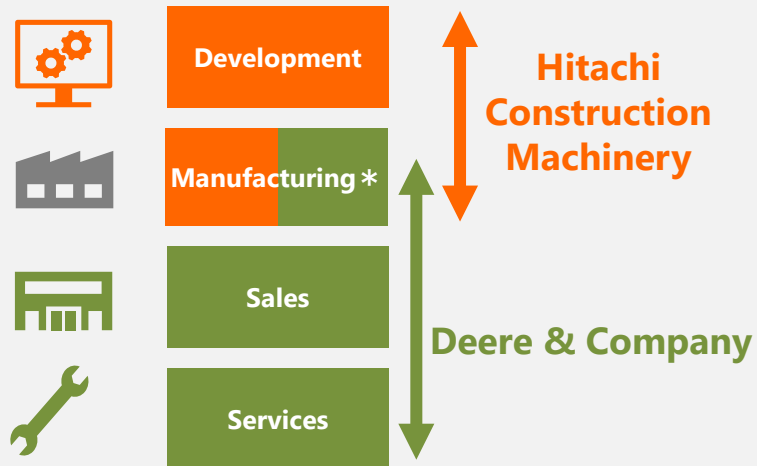
**LANDCROS**

### Changes in Shareholders



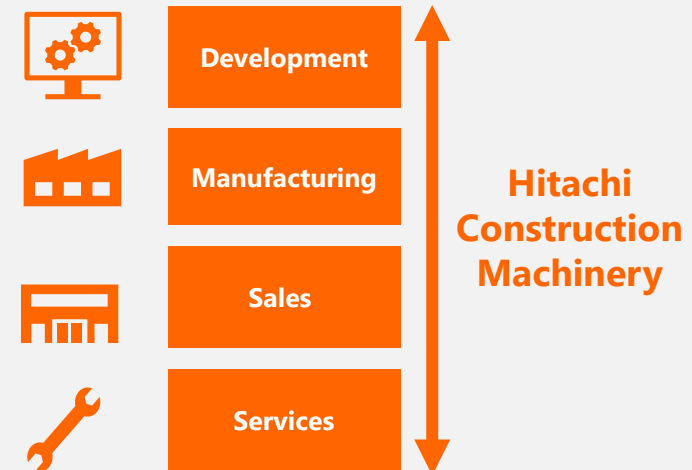
## Ended joint venture with Deere & Company Shifted to fully independent business operations covering development, sales, and services

### Until Feb 2022 : JV with Deere



\*We supplied component parts for a manufacturing JV with Deere.

### Current : Developing own business



\*Manufacturing JV transferred to Deere. OEM supply to Deere continues.

## Expanding Opportunities through developing own business

- Introduce the latest machine equipped with the new hydraulic system and ConSite
- Full-scale development of the value chain business
- Strengthen the mining business, for which after-sales service is important.



Hydraulic excavators, wheel loaders and rigid dump trucks are our main products  
Our greatest strength is full line of hydraulic excavators, from mini to ultra-large

## Compact



Mini Excavators



Mini Wheel Loaders

## Construction



Hydraulic Excavators



Wheel Loaders



Backhoe Loaders



Compaction Equipment

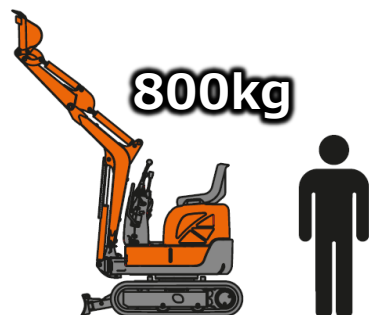
## Mining



Ultra-Large Hydraulic Excavators



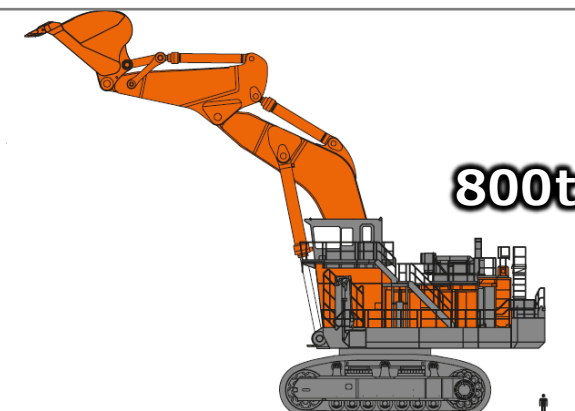
Rigid Dump Trucks



800kg



20t



800t



# Business Portfolio (1) New Machinery Sales

## Compact



## Construction



## Mining





Parts & Services

Contributes to stable machine operation



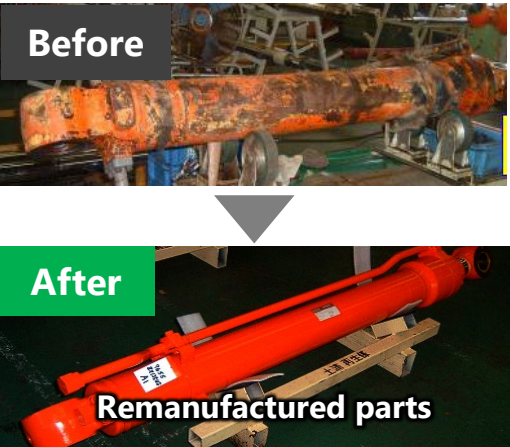
Supplying Approx. 760K type of parts



Regular maintenance



Predictive Maintenance Diagnostics



Remanufactured parts

Rental & Used Equipment

High quality as only a manufacturer can provide



Wide variety of rental models



Used equipment auction

Specialized Parts & Service

Mining-specific services and solutions

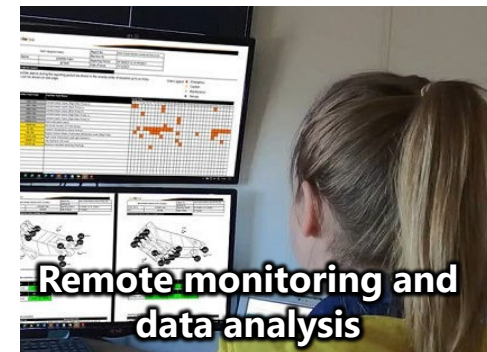
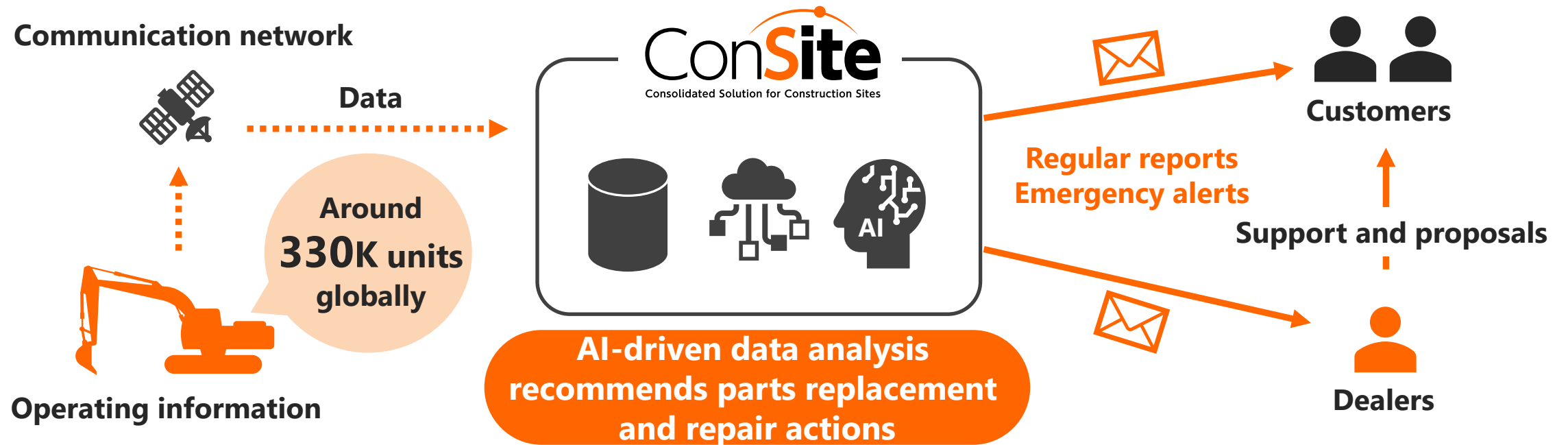


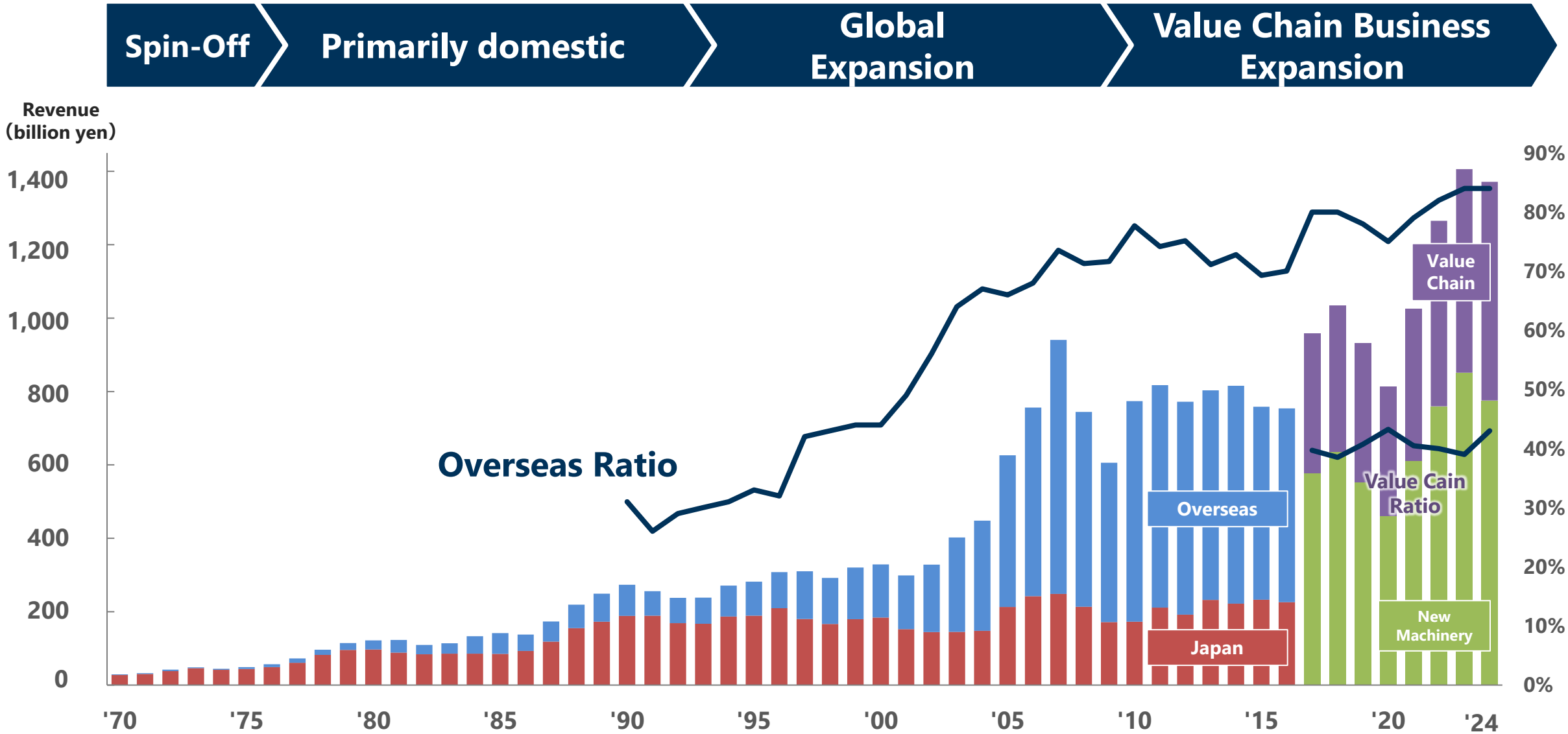
Consumable parts



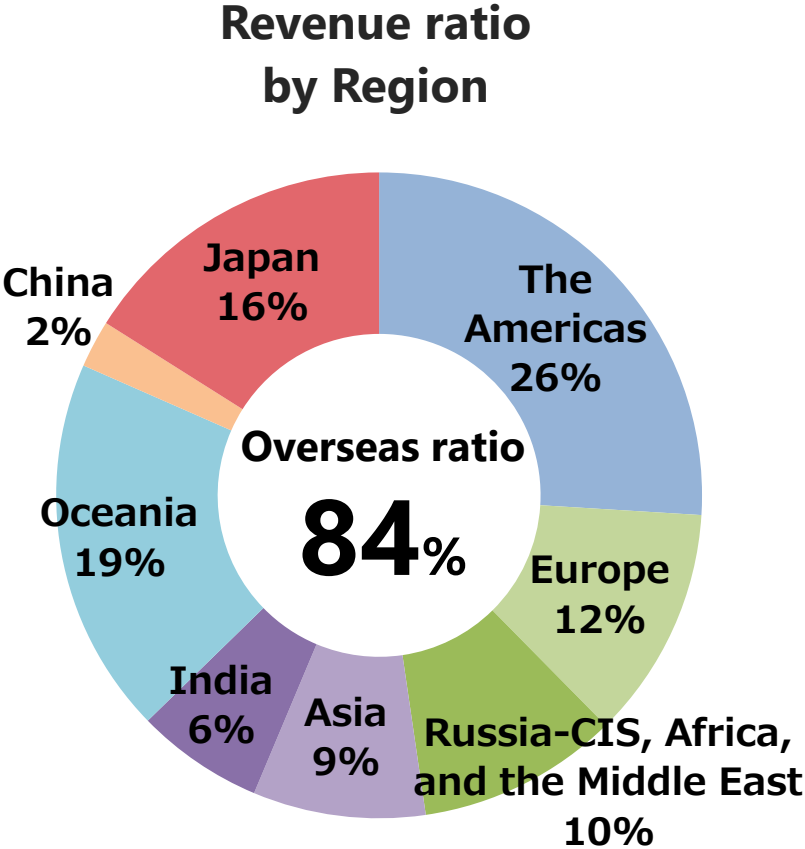
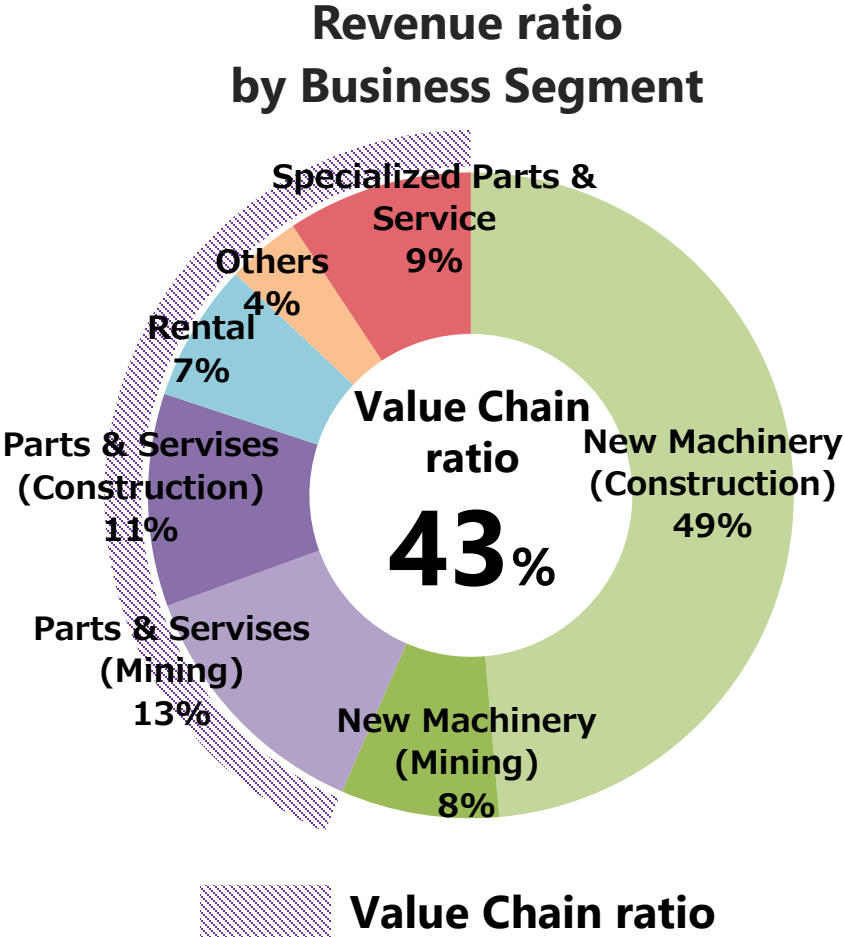
After-sales services

## Expanding value chain business through utilization of ConSite





Revenue in FY2024: 1,371.3 billion yen



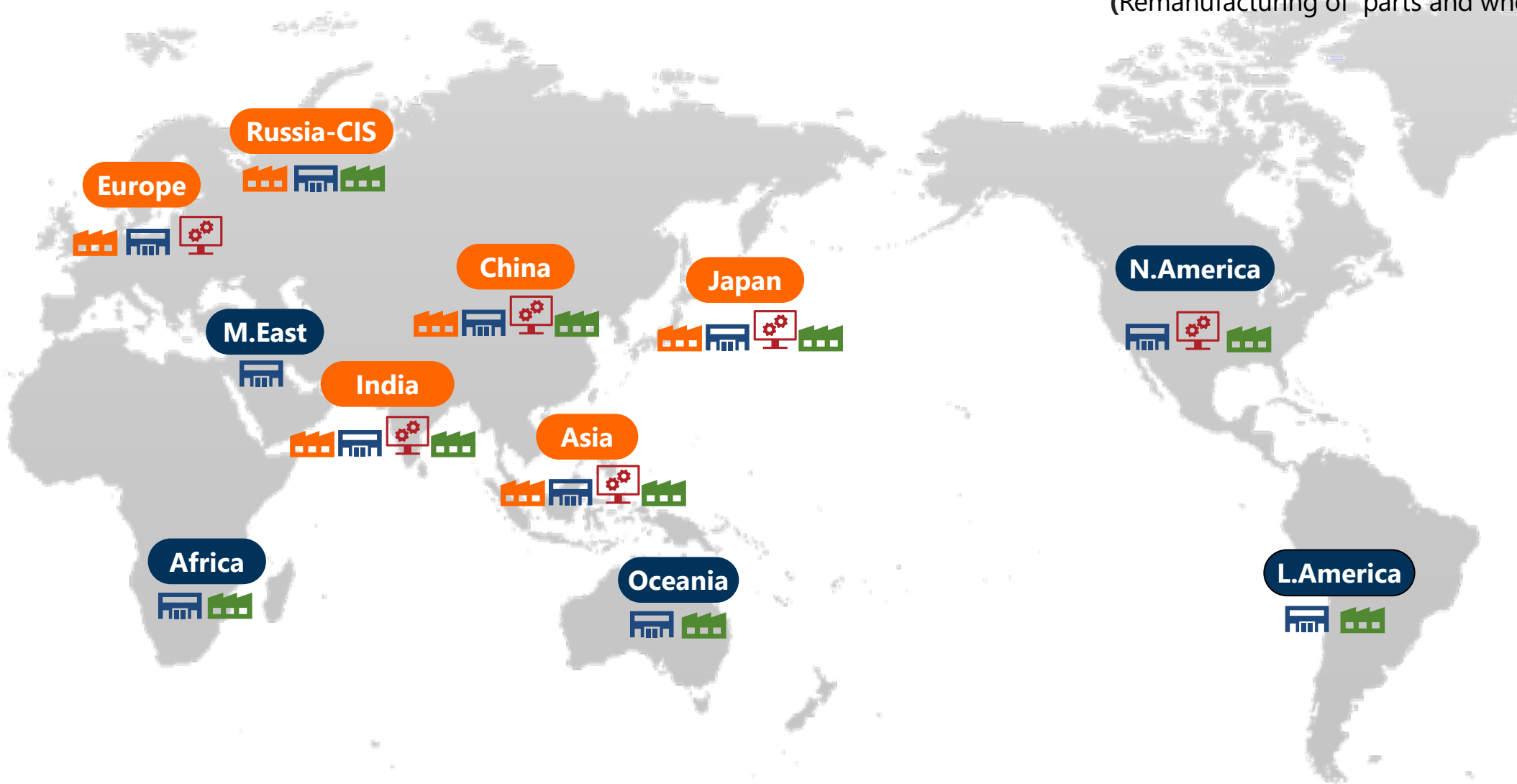


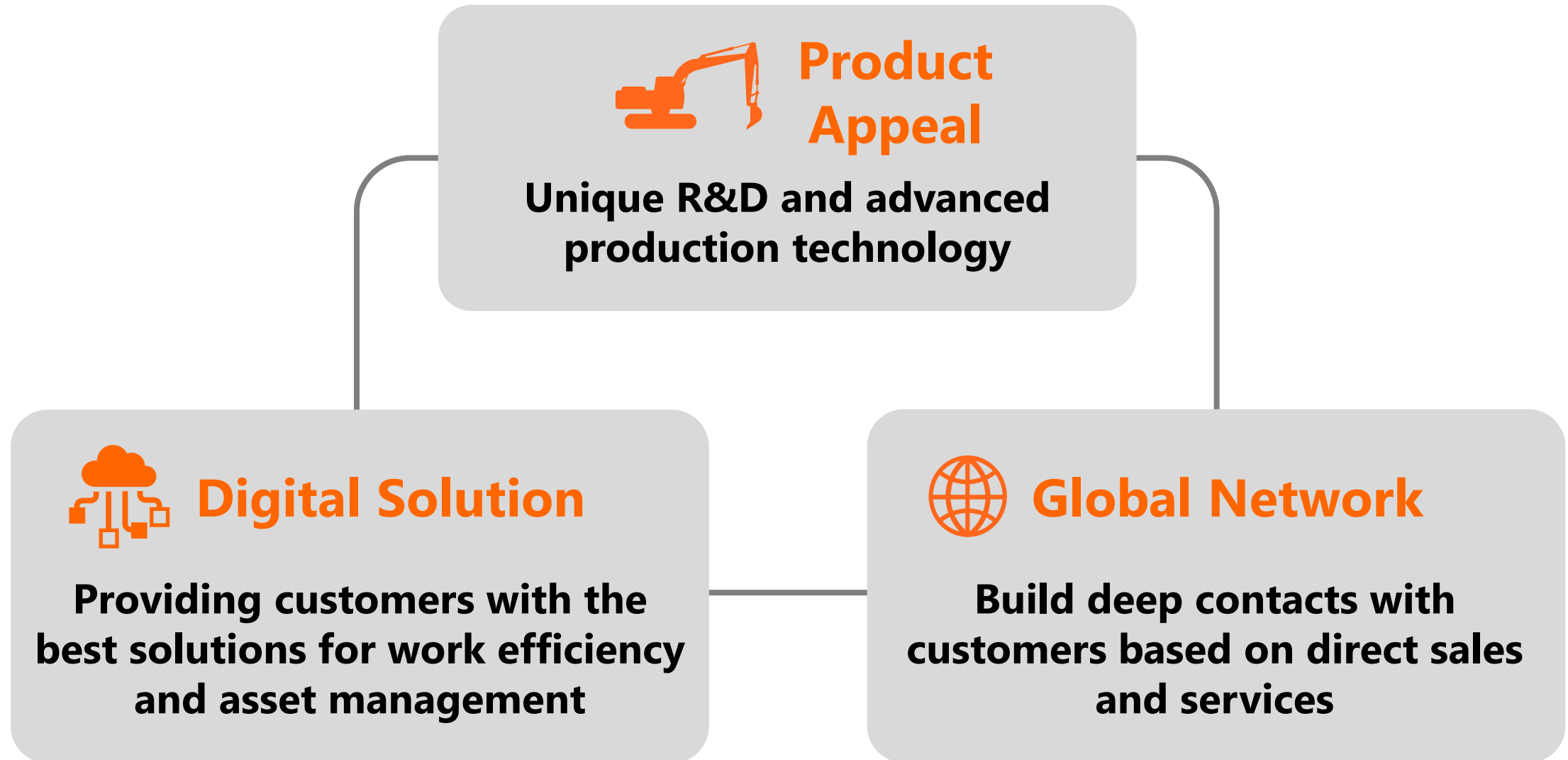
**Production Base**

**Sales & Service Office**

**R&D Base**

**Remanufacturing Base**  
(Remanufacturing of parts and whole units)





## Contents

1

Company Outline

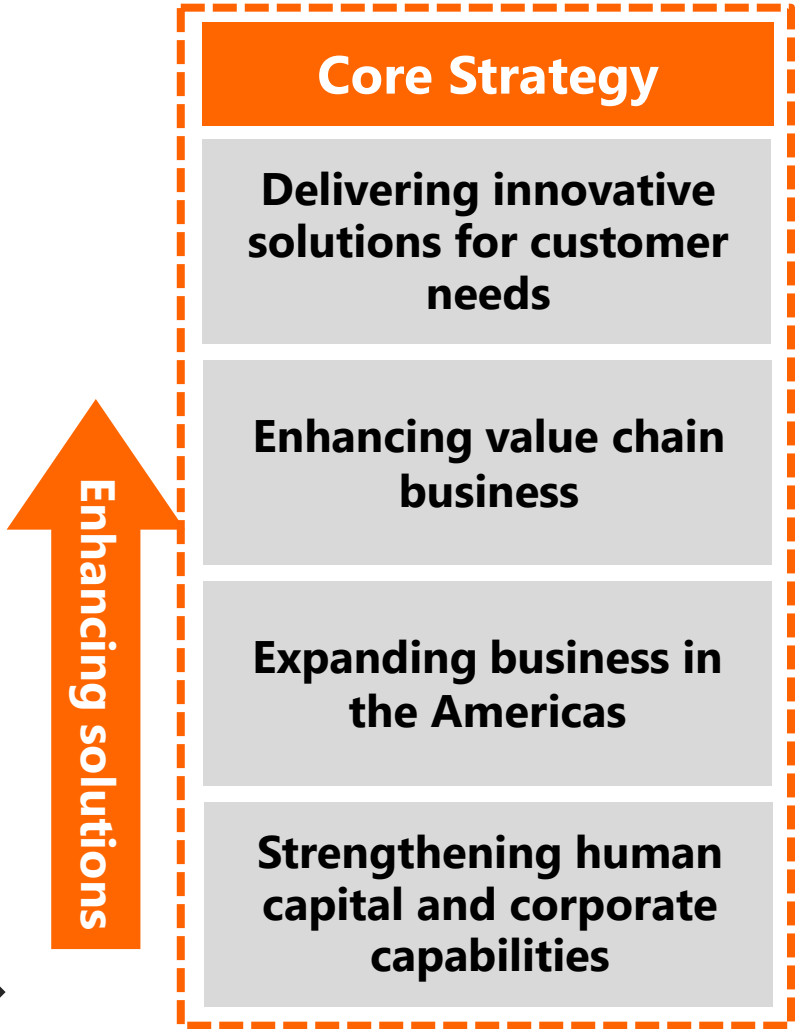
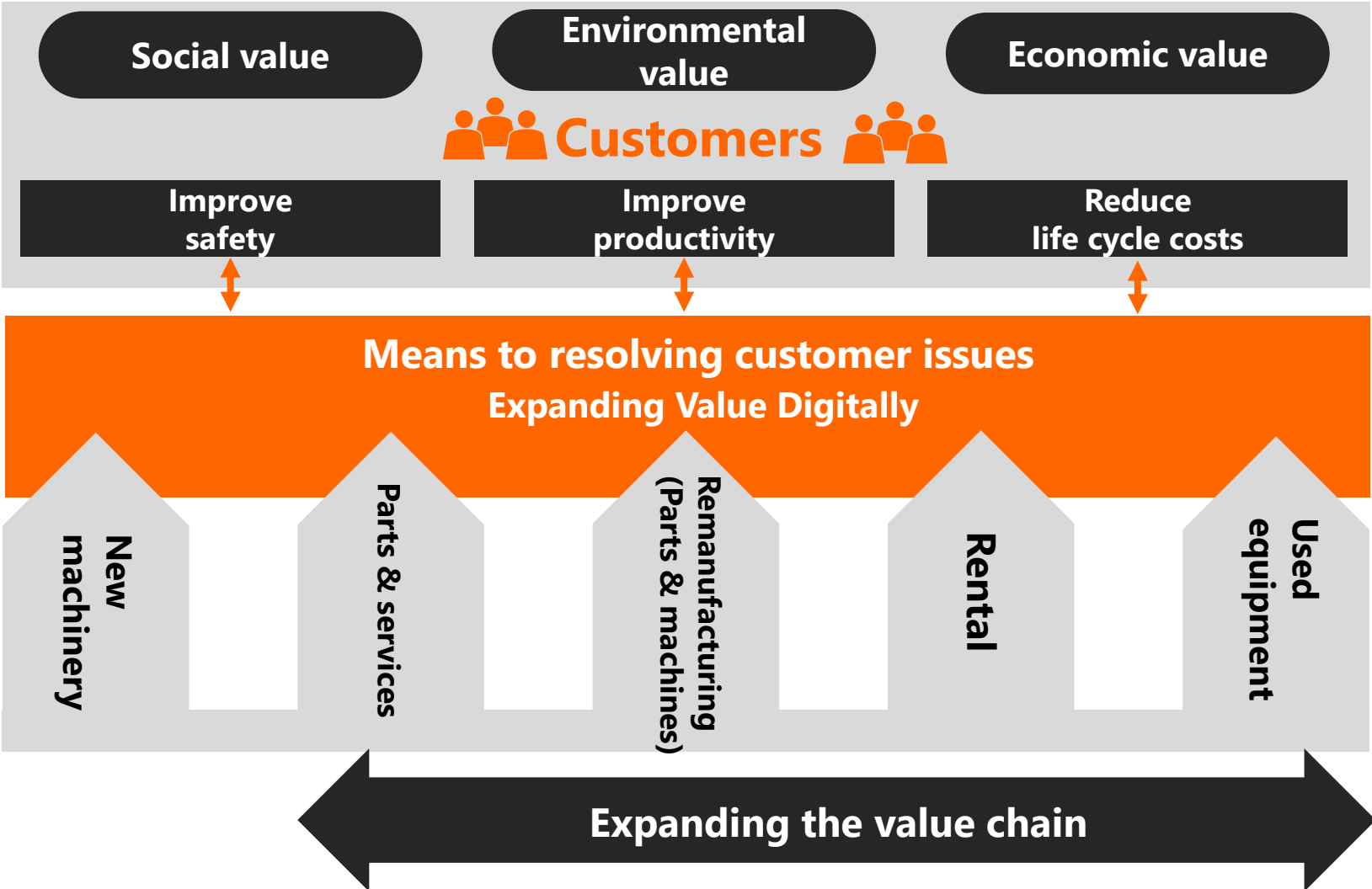
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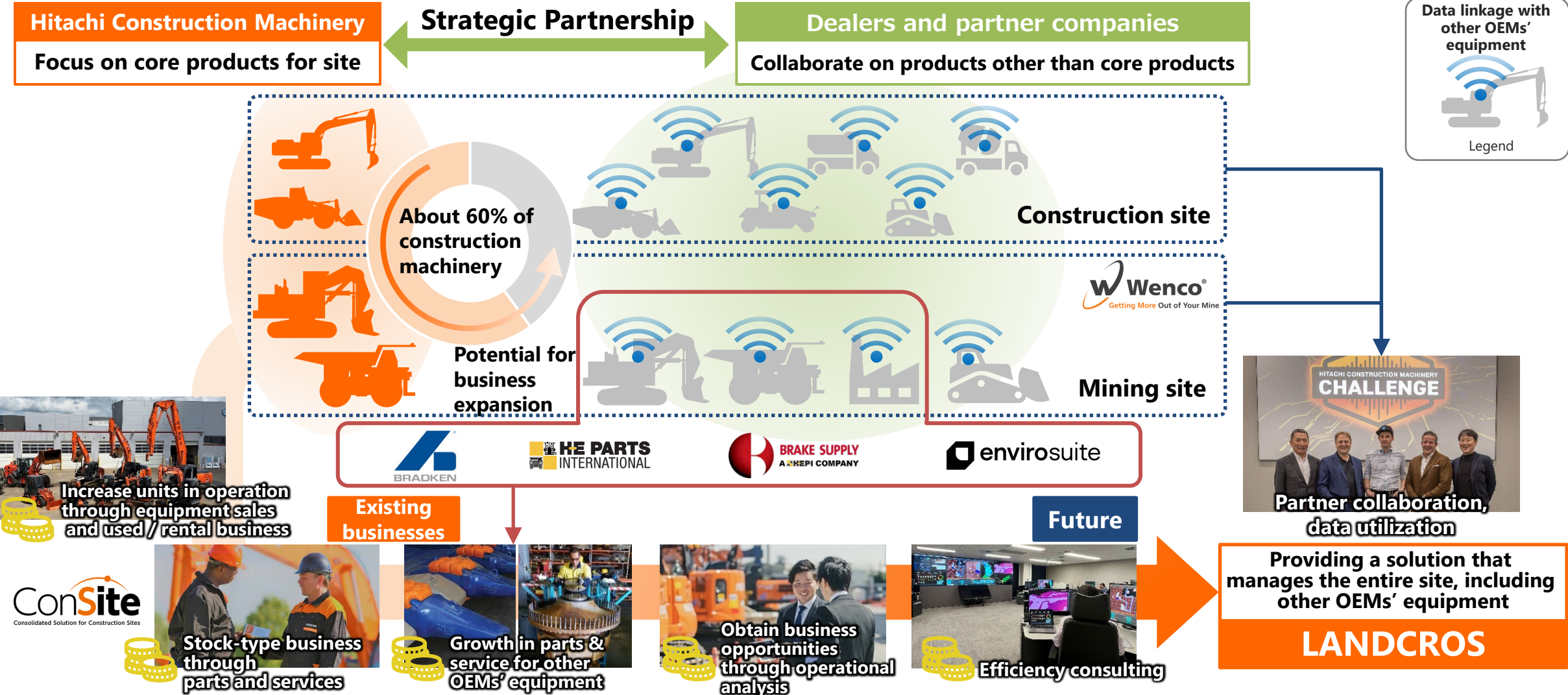
**Summary of Medium-term  
Management Plan**

3

Explanatory Meeting Material for Business Results for  
the Second Quarter ended September 30, 2025

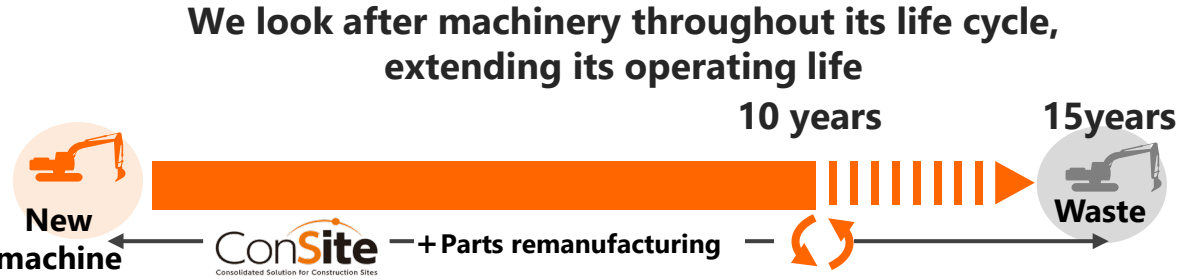
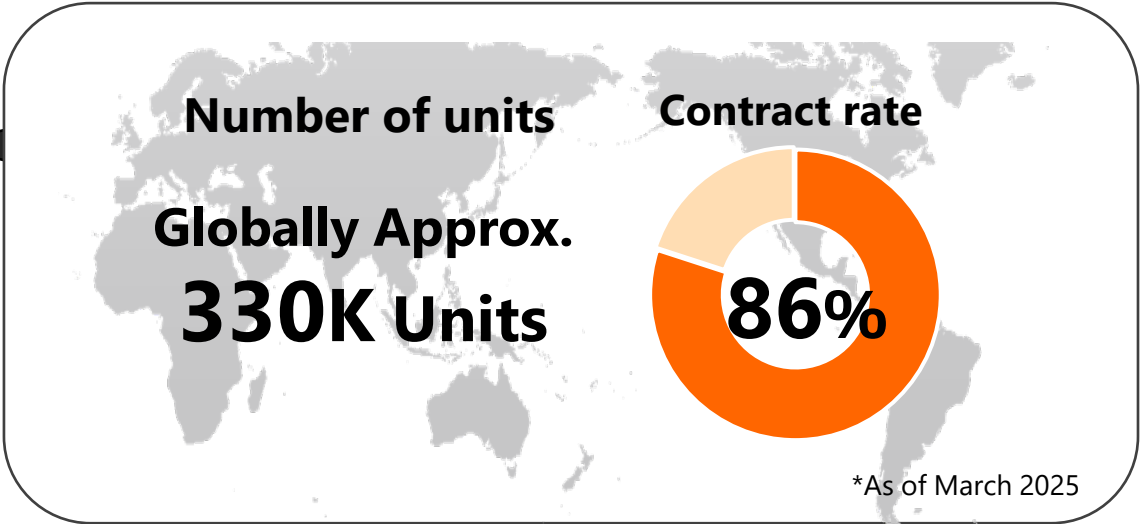
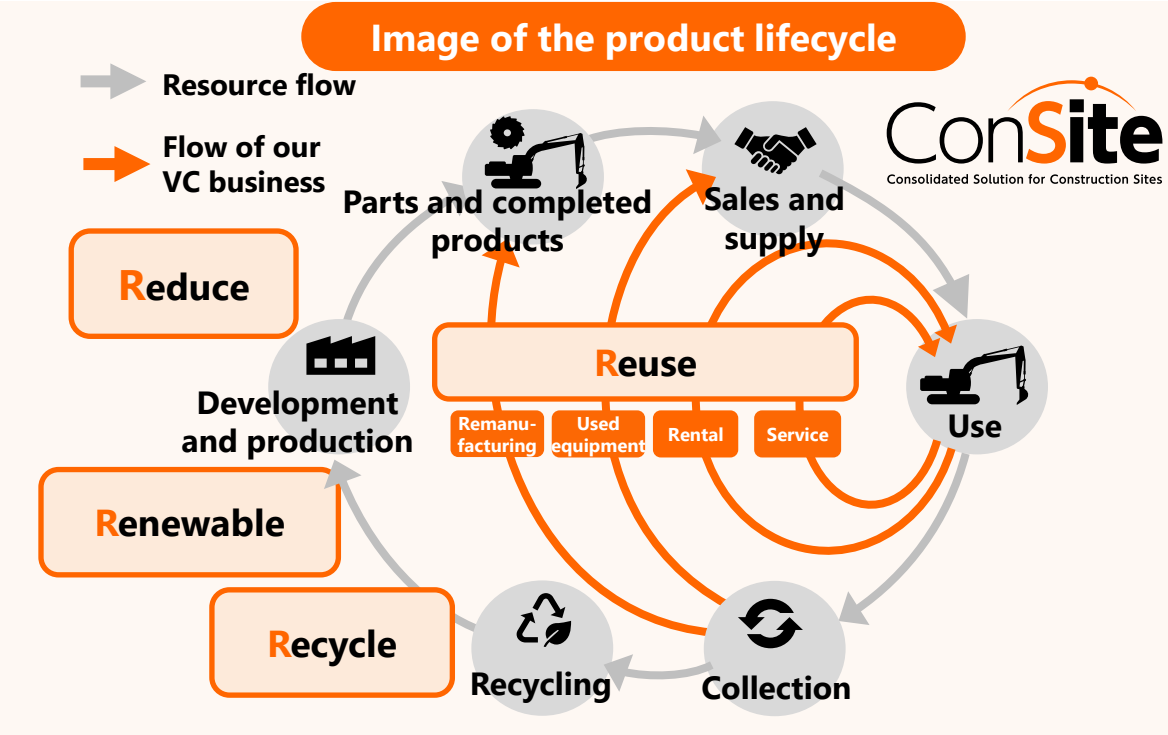
## Growing as a true solutions provider by delivering innovative solutions





Focusing on core products, we will expand our business domain without increasing assets through open collaboration with external partners

## Expanding value chain business to extend our product life cycle one and a half fold



- Oil analysis and other proprietary technologies are used to detect signs of failure. We can make maintenance proposals before a breakdown occurs.
- Reducing downtime helps maintain the asset value of the machine.
- Based on a direct sales and service system, we provide solutions from the customer's perspective.

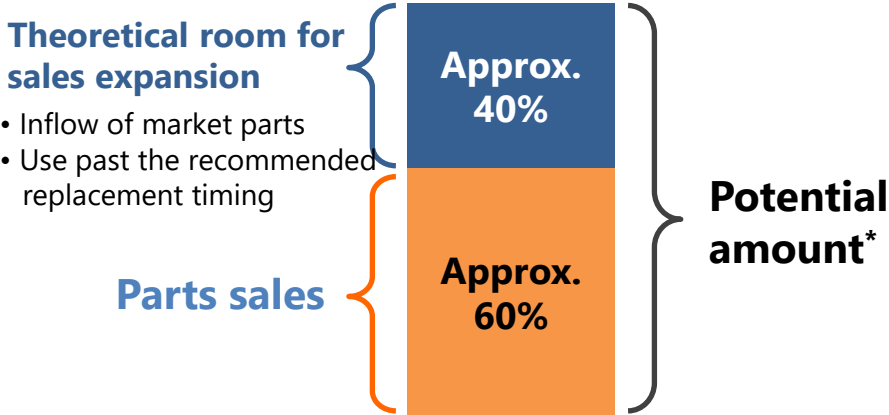


Aiming for the same capture ratio worldwide including the Americas as in the direct sales and services regions

Capture ratio (%) =  $\frac{\text{Parts sales}}{\text{Potential amount*}}$

Global average capture ratio

FY 2024 result    **Approx. 60%**

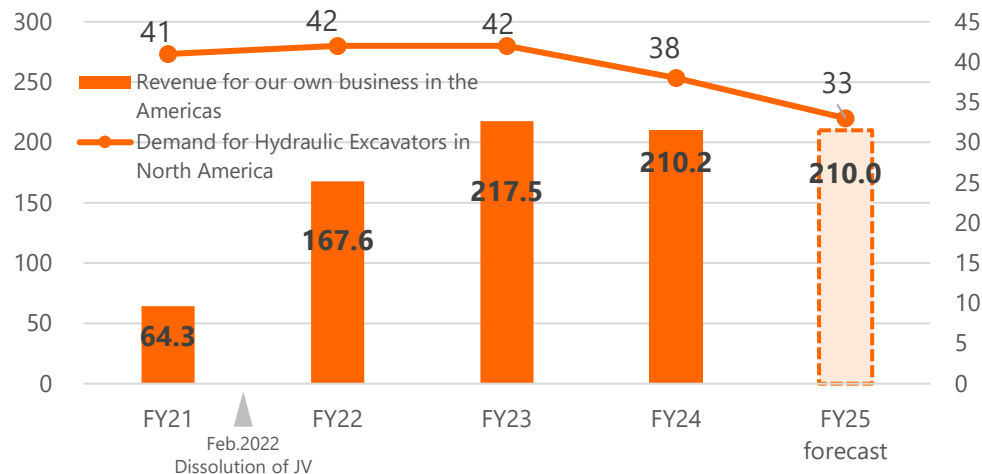


\* Parts sales that can be expected, calculated based on construction machinery operating data and replacement parts lists.

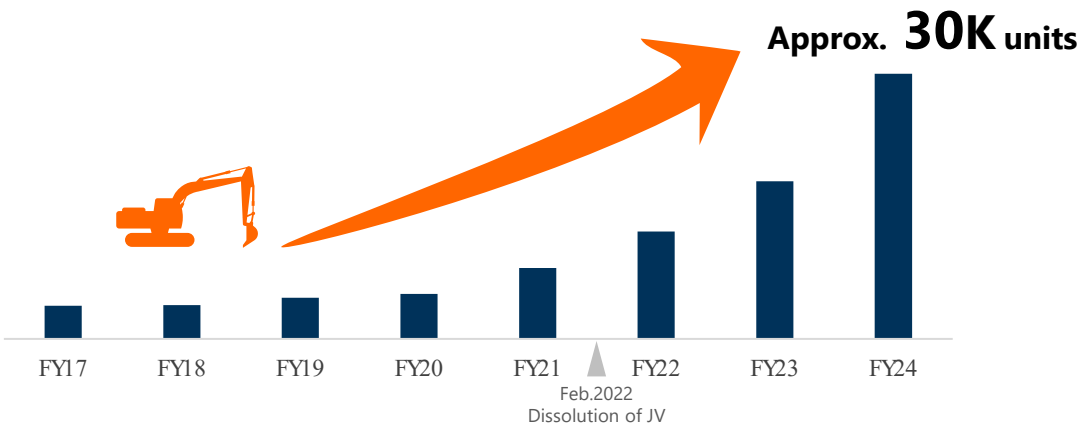
Proposals from 3 brands according to the machine years of use, application, and budget		
<div><div>Genuine parts</div><div>Hitachi Construction Machinery</div><div><b>GENUINE PARTS</b></div></div>	<div><div>Parts produced by certified suppliers</div><div>Hitachi Construction Machinery</div><div><b>SELECTED PARTS</b></div></div>	<div><div>Remanufactured parts</div><div>Hitachi Construction Machinery</div><div><b>REMANUFACTURED</b></div></div>

Increased number of units in operation due to expansion of new machinery sales.  
Further growth potential in parts & services revenue.

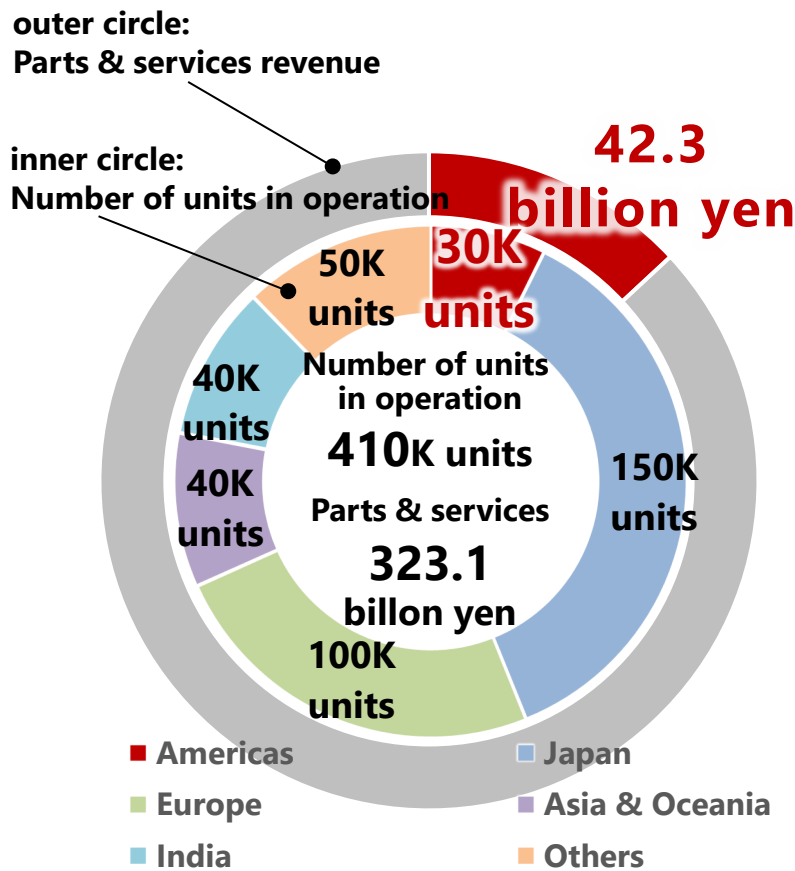
Revenue trends of our own business in the Americas



Number of our machines in operation (Americas)



Parts & services revenue and number of our machines in operation (FY2024 results)

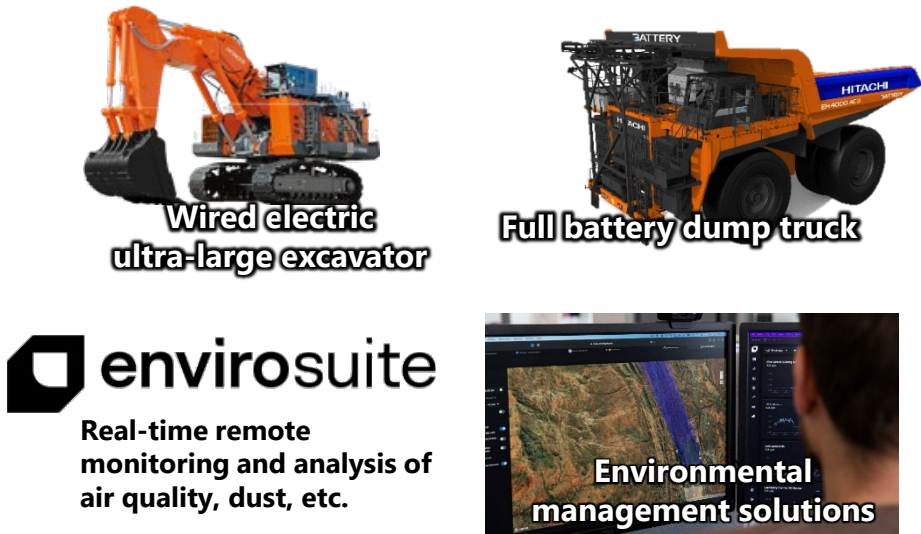


Aiming to reduce the environmental impact of construction and mining sites as a whole through collaboration with partners

## Compact and Construction



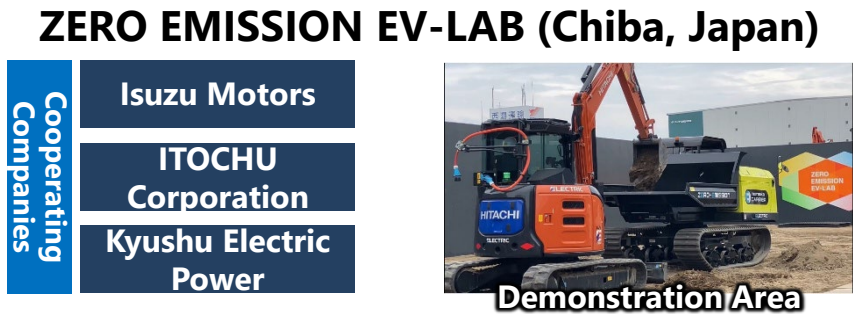
## Mining



## Mobile Energy Storage Systems

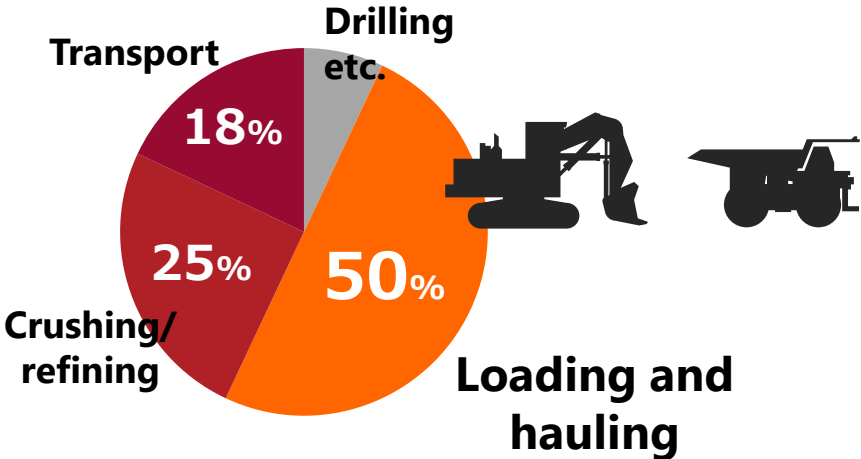


## Research sites with partners



World's first technological feasibility trial of ultra-large full battery dump truck began at mining site  
Aiming for commercialization in FY2027

## CO2 emissions by process at mining site



## Issues in electrification

- Issue 1. Heavy batteries reduce payload
- Issue 2. Increased downtime reduces utilization
- Issue 3. Investment in fast charging equipment and reduced battery life

## Comparison between diesel engine and fully electric

20h/day, 350 days of operation

Diesel fuel consumption

CO2 Emissions

Diesel engine type	fully electric type
1.2 million liter/year	0 liter/year
3,000t/year	0t/year

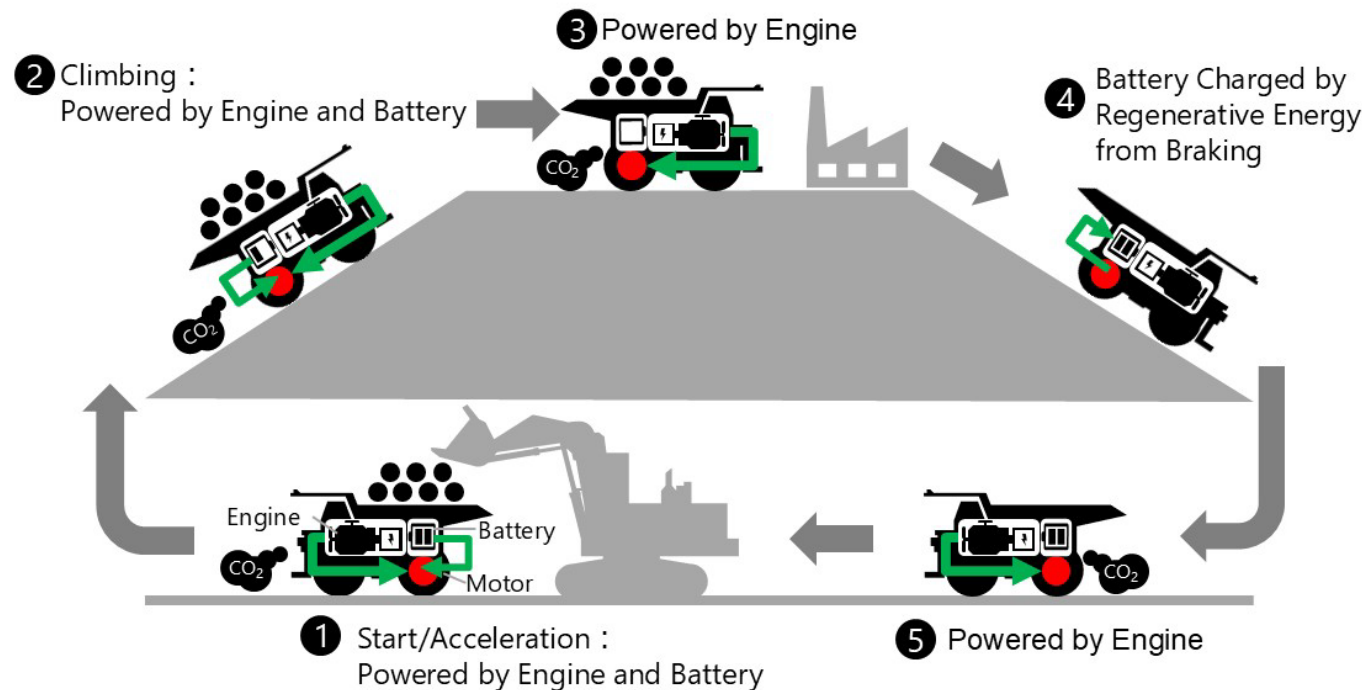


A full battery rigid dump truck based on the EH4000AC-3





## Demonstration Test of Hybrid Dump Truck Begins at South African Mine — Targeting Commercialization in FY2030

- Nov 2025 : Start of Hybrid Dump Truck Manufacturing
- Jul–Dec 2027 : Demonstration Test at South African Mine
- FY2030 : Aiming for Commercialization



Reduce both fuel consumption and CO<sub>2</sub> emissions by over 10%

### EH4000AC-3: Diesel vs. Hybrid Retrofit Comparison

	Diesel Engine Type	Hybrid Type
20 hours/day, 350 operating days		
Diesel Fuel	1.2M liters/year	Approx. 1.0M liters/year
CO <sub>2</sub> Emissions	3,000t/year	2,500t*/year



\*With HVO (Hydrotreated Vegetable Oil): approx. 300 t/year (theoretical)

Enhancing cash generation through profit structure reform. Prioritizing maintenance, reinforcement, and growth investments, while strengthening shareholder returns under a certain level of financial soundness

Basic approach

We aim to allocate one-third of operating cash flow to

- (1)Maintenance and strengthening investment
- (2)Prior investment
- (3)Shareholder return & debt payment respectively.

Investment cash flow

(1)Maintenance and strengthening investment

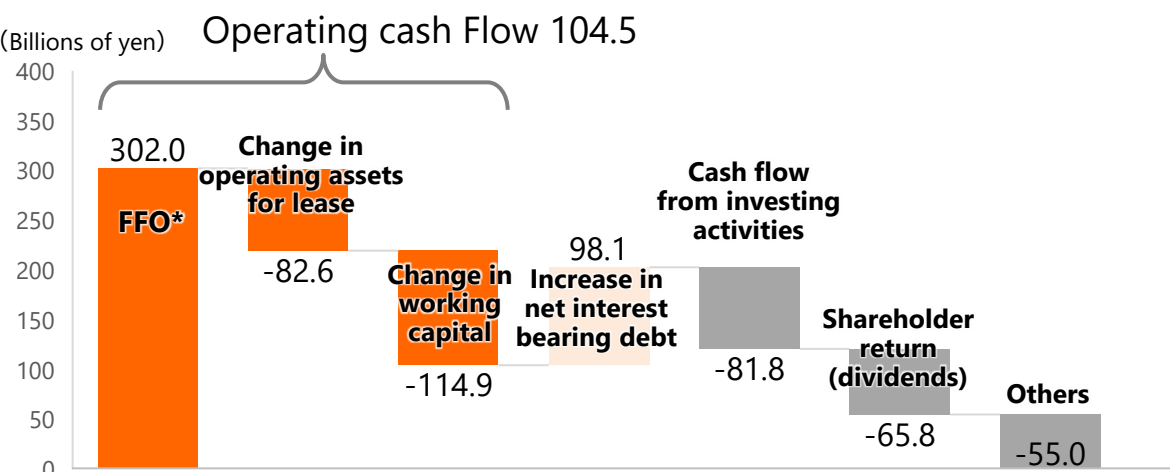
(2)Prior investment

(3)Shareholder return & debt payment

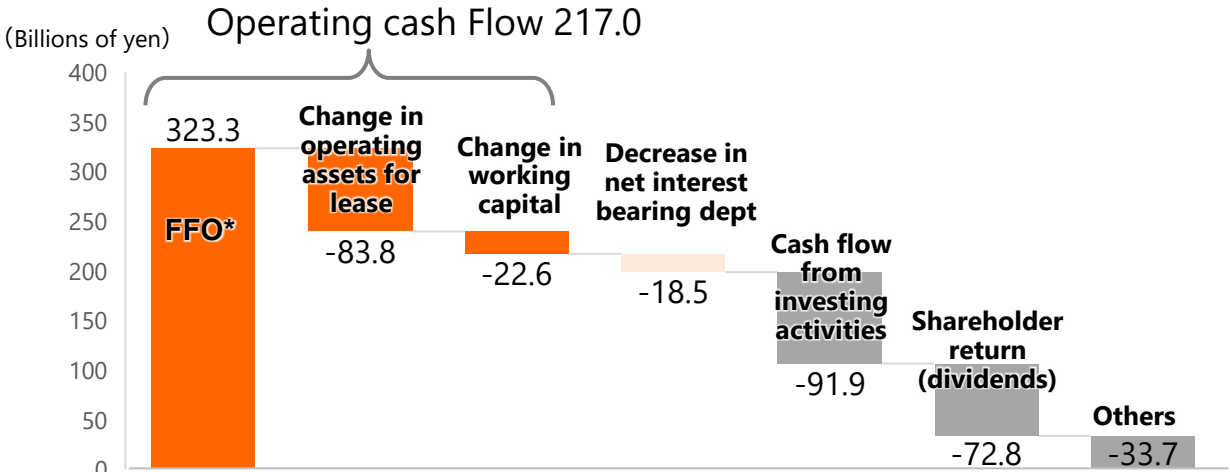
- The main focus is on maintaining and strengthening production facilities. Strict adherence to financial discipline
- Focusing on investing in key focus areas. M&A is managed using strict investment criteria
- Considering increasing dividends and share buybacks, assuming a certain level of financial soundness (maintaining credit ratings, etc.)

Previous medium-term management plan (for three years from FY2020 to FY2022)

Current medium-term management plan (For two years from FY2023 to FY2024 [results])



\*Operating Cash Flow before Working Capital Adjustments





# Targets of the Medium-term Management Plan(Financial)

KPI		Previous	Current Medium-term Management Plan			
		FY2022	FY2023	FY2024	FY2025	
		Result	Result	Result	Forecast	Target
Growth	• Value chain ratio	40%	39%	43%	47% or more	50% or more
	• Own business revenue in the Americas	182.0 Billion yen	217.5 Billion yen	210.2 Billion yen	210.0 Billion yen or more	300.0 Billion yen or more
	• R&D/Revenue ratio	1.9%	2.2%	2.7%	3% or more	3% or more
Profitability	• Adjusted operating income ratio	10.6%	12.0%	10.6%	10% or more	13% or more
	• EBITDA margin* <sup>1</sup>	14.2%	16.8%	16.1%	16% or more	18% or more
Safety	• Net D/E ratio	0.60	0.57	0.48	0.45 or less	0.40 or less
Efficiency	• Operating cash flow margin* <sup>1</sup>	-2.0%	5.2%	10.5%	13% or more	10% or more
	• ROE	11.0%	13.1%	10.4%	9% or more	13% or more
	• ROIC * <sup>1</sup> * <sup>3</sup>	8.4%	9.8%	7.5%	7% or more	9% or more
Shareholder return* <sup>2</sup>	• Consolidated dividend payout ratio	33.3%	34.2%	45.7%	40% or more	Stable and continuous implementation with a consolidated dividend payout ratio of 30%-40% as a guide

\*1: Newly established indicators in this medium-term management plan

\*2: We aim to allocate one-third of operating cash flow to maintenance and strengthening investment, prior investment, and shareholder return & debt payment respectively, based on our fund allocation policy.

\*3: The level of capital cost (WACC) to be compared in the ROIC target is recognized at about 7%.

# Targets of the Medium-term Management Plan(Non-financial)

KPI			Past	Current Medium-term Management Plan			
			FY2022	FY2023	FY2024	FY2025	
			Result	Result	Result	Forecast	Target
E S G	Reducing environmental impact and CO2 (total)	Production (Scope1+2)	-33.0%	-40.4%	-43%	-40%	-40%
		Product (Scope3)	-21.9%	-20.1%	-24%	-22%	-22%
	Diversity, equity & inclusion	Localization ratio of GM or higher in overseas group companies*1	72%	71%	72%	75%	75%
		Ratio of managers by gender (consolidated) *1	Woman 11% Men 16%	Woman 11% Men 16%	Woman 11% Men 17%	Woman 13% Men 15%	Woman 13% Men 15%

\*1: Newly established indicators in this medium-term management plan

## Contents

Reliable Solutions

1

Company Outline

2

Summary of Medium-term  
Management Plan

3

**Explanatory Meeting Material for Business Results for  
the Second Quarter ended September 30, 2025**

## H1 Results

**Despite a slight year-on-year decline in revenue, solid performance in Europe, Asia, and our own developing business in North America resulted in revenue growth on a local currency basis**

(YoY: Revenue -1.8% Adjusted operating income -15.7% Net income attributable to owners of the parent +18.9%)

- Revenue from the OEM business in the Americas and Oceania declined year on year, while Europe and Asia continued to show solid performance. Overall, revenue increased on a local currency basis.
- Despite concerns over U.S. tariffs, our own developing business in North America remained resilient, with steady growth in retail sales.
- Although some regions have shown signs of recovery in deferred mining maintenance activities, including specialized parts and services, customers continue to take a cautious approach to investment.
- Adjusted operating income declined year on year due to the stronger yen and unfavorable changes in regional and product mix. However, performance showed signs of recovery compared to the first quarter. Net income attributable to owners of the parent increased, driven by one-time other operating income and improved financial income.

## Forecast

**Based on the results of the second quarter, which showed signs of recovery, we have revised our earnings forecast upward**

(Compared to previous forecast: Revenue ¥+20 billion, Adjusted operating income ¥+2 billion, Net income attributable to owners of the parent ¥+1 billion)

- Despite ongoing uncertainty, especially surrounding U.S. tariff policies, we have raised our earnings outlook in light of the second quarter results which showed signs of recovery.
- The cost increase from tariffs, including the expanded scope of steel and aluminum tariffs, is expected to be partially offset by price increases.

## 1. **Business Results for the Second Quarter ended September 30, 2025**

(April 1, 2025 – September 30, 2025)

**Keiichiro Shiojima**

Vice President and Executive Officer, CFO

# Summary of consolidated results

In the 1H of the year, revenue increased y-y excluding the impact of the yen's appreciation, due to a strong performance in Europe, Asia and development of our own business in North America. Although profit decreased due to the region and model mix of sales, net income attributable to owners of the parent increased due to improvement of other operating income and financial income.

[billions of yen]

		FY2025 1Q-2Q		FY2024 1Q-2Q		change
Continuing operation						
	Revenue		654.1		665.7	-2%
	Adjusted operating income *1	(9.2%)	60.1	(10.7%)	71.3	-16%
	Operating income	(10.4%)	67.7	(10.6%)	70.8	-4%
	Income before income taxes	(9.3%)	61.0	(8.2%)	54.5	12%
	Net income from continuing operation	(6.5%)	42.2	(5.3%)	35.1	20%
Net income from discontinued operation			-		1.1	-
Net income attributable to owners of the parent		(5.8%)	37.8	(4.8%)	31.7	19%
EBIT *2		(10.1%)	66.2	(9.2%)	61.2	8%
FX rate	Rate (YEN/USD)		146.1		152.7	-6.6
	Rate (YEN/EUR)		168.5		166.0	2.5
	Rate (YEN/RMB)		20.2		21.1	-0.9
	Rate (YEN/AUD)		94.5		101.3	-6.8
Cash dividend per share (yen) *3			75		65	10

\*1 "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

\*2 "EBIT" stands for Earnings Before Interests and Taxes, and is calculated by excluding "Interest income" and "Interest expenses" from "Income before income taxes"

\*3 "Cash dividend per share": The Company will pay dividends linked to its consolidated business results twice, interim and year end, in the fiscal year and aim to maximize shareholder returns based on stable and continuous dividend payout ratio of approx. 30% to 40%.



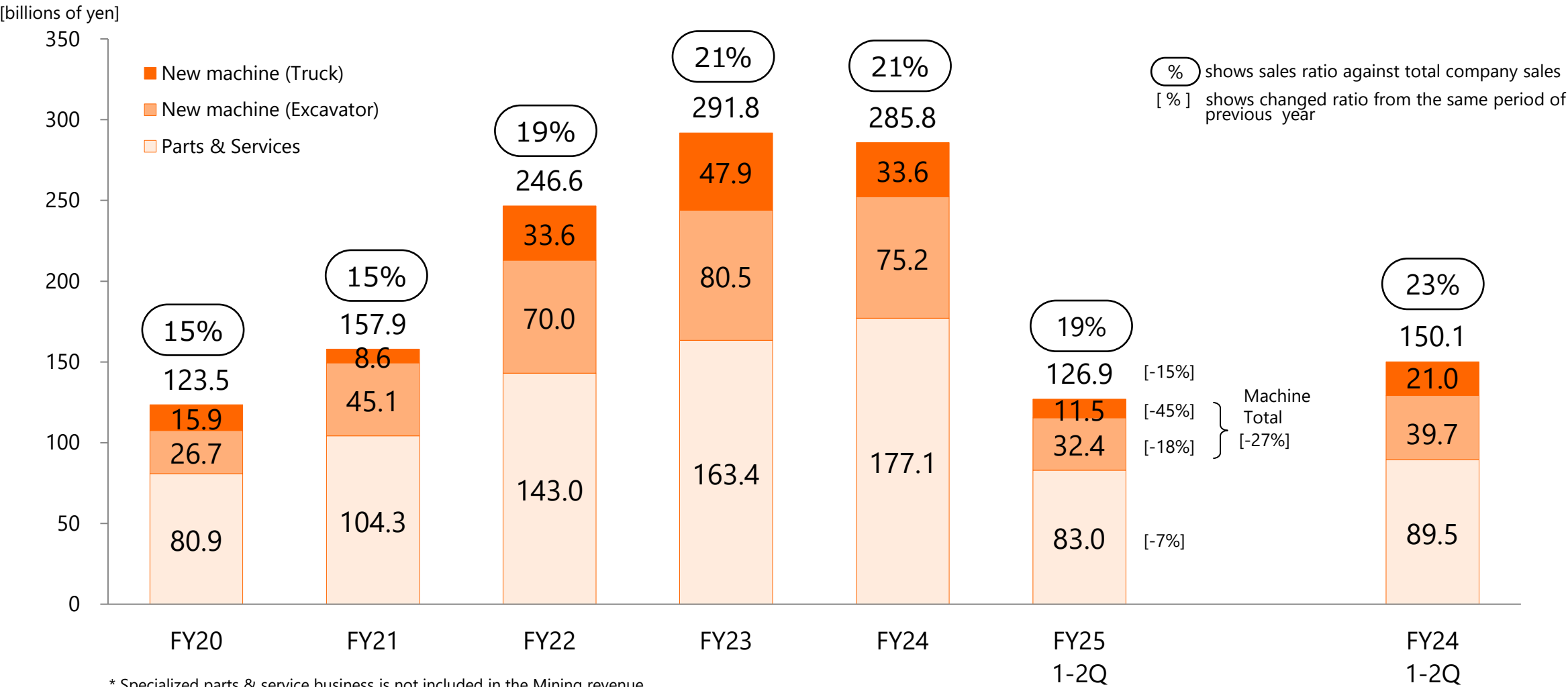
Although revenue in Oceania and China decreased y-y, revenue in Europe, Asia increased. Excluding the impact of the yen’s appreciation, revenue increased by 1%.

[billions of yen]

		FY2025 1Q-2Q		FY2024 1Q-2Q		change	
						amount	%
Japan		100.6	15%	99.8	15%	0.7	1%
Asia		58.8	9%	53.6	8%	5.2	10%
India		36.7	6%	37.1	6%	-0.4	-1%
Oceania		121.8	19%	141.2	21%	-19.4	-14%
Europe		92.4	14%	78.0	12%	14.3	18%
	N. America	144.5	22%	146.6	22%	-2.1	-1%
	L. America	15.6	2%	23.7	4%	-8.1	-34%
The Americas		160.0	24%	170.3	26%	-10.2	-6%
(Developing own business)		(100.7)	(15%)	(94.6)	(14%)	(6.0)	(6%)
Russia-CIS		8.7	1%	9.6	1%	-0.9	-9%
M. East		22.0	3%	19.9	3%	2.1	10%
Africa		40.8	6%	41.3	6%	-0.6	-1%
China		12.3	2%	14.8	2%	-2.5	-17%
Total		654.1	100%	665.7	100%	-11.7	-2%
Overseas ratio		85%		85%			

\* FY2024 revenue presented only continuing operation retroactively.  
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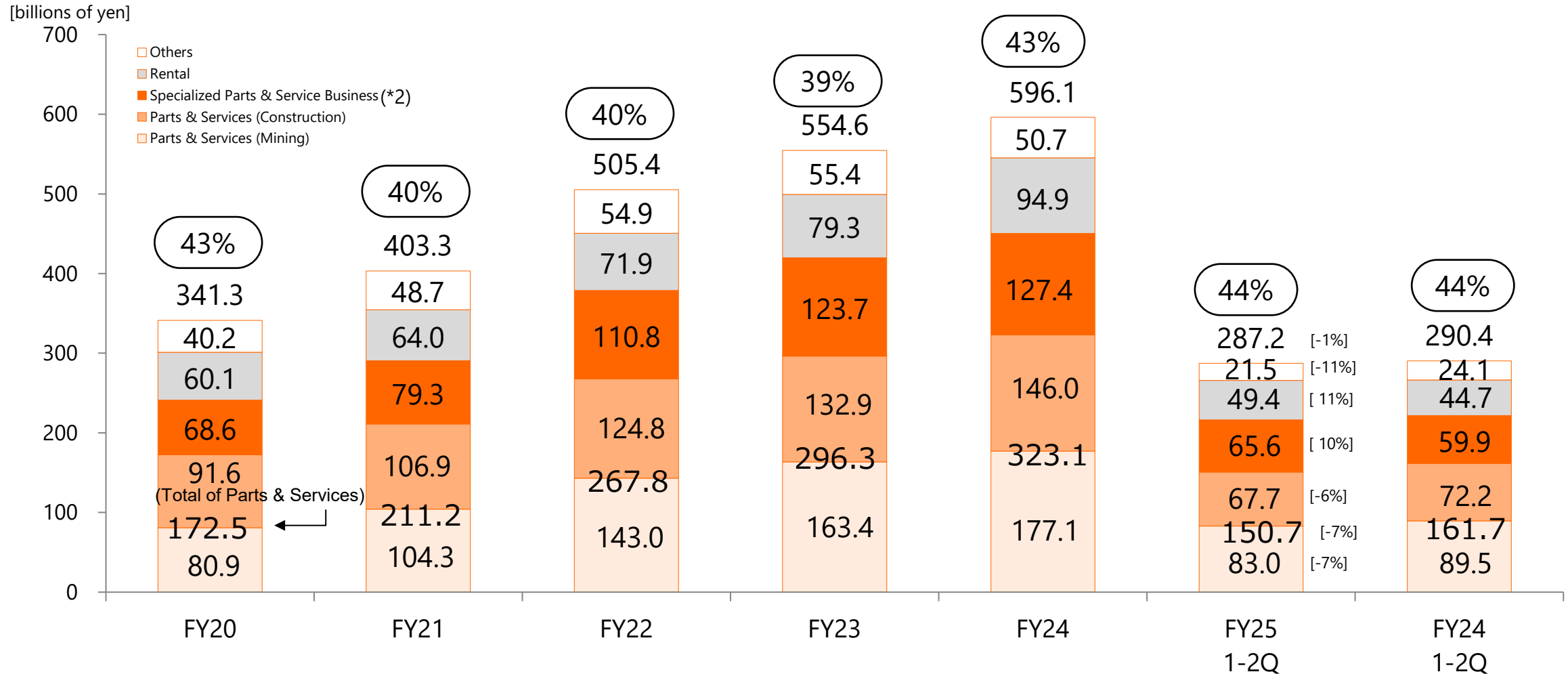
In the 1H of the year, in addition to the impact of the stronger yen, sluggish resource prices have led to a decline in revenue for both new machine sales and parts & services.



\* Specialized parts & service business is not included in the Mining revenue.

# Value chain\*1 revenue

In the 1H of the year, although revenue for parts & services decreased, revenue of the specialized parts & service business and rental increased. Excluding the impact of the yen's appreciation, revenue of the value chain business increased by 3%.

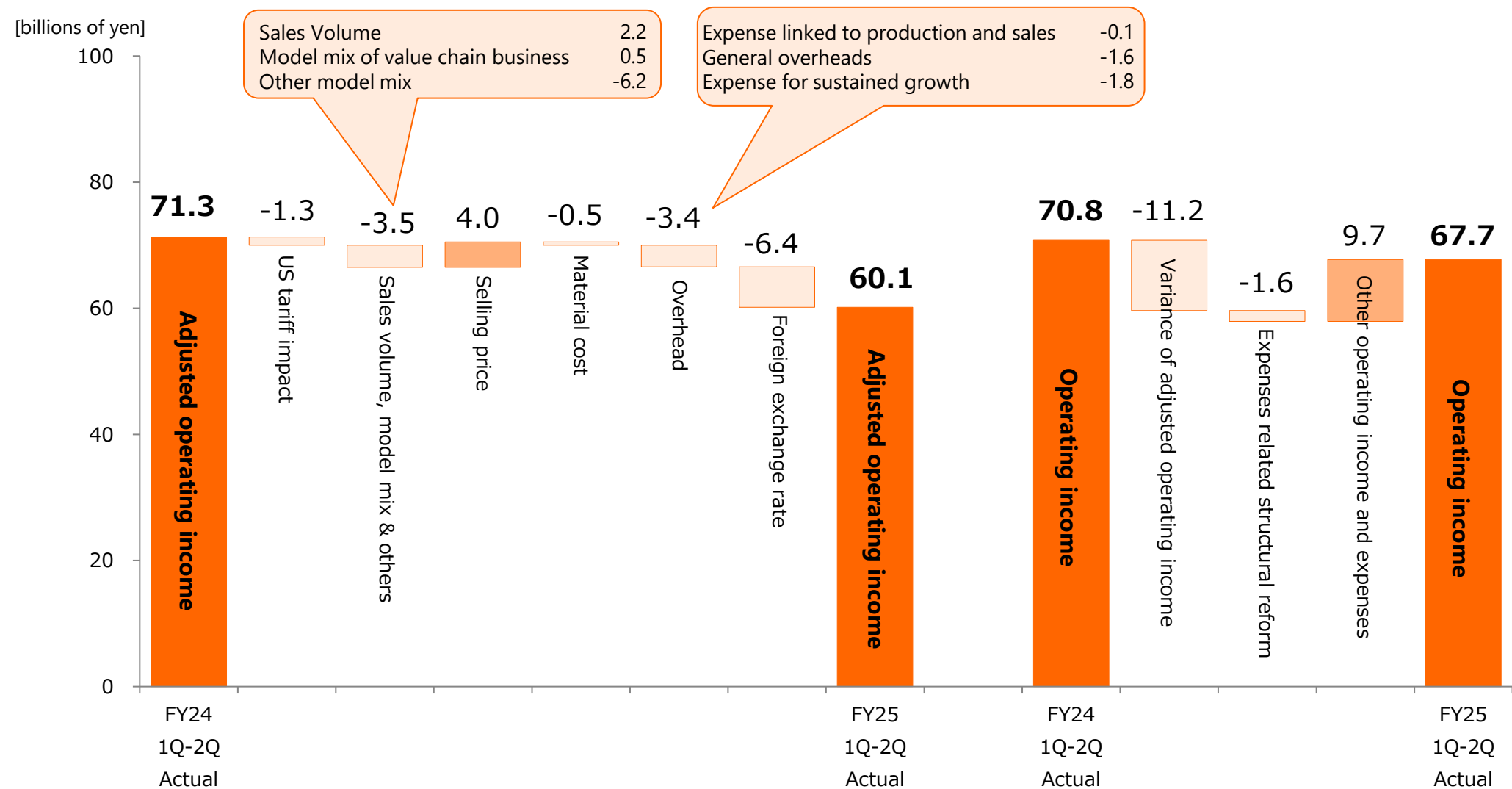


(\*1) Value chain: Total of Parts & services, Specialized parts & service business, Rental etc. other than new machine sales.

(\*2) Specialized parts & service business: The business segment primarily intends to provide development, production, distribution of parts and service solutions for mining facilities and equipment after the sales made that are not included in the construction machinery business segment.

# Comparison of consolidated income

Adjusted operating income decreased y-y due to the region and model mix and the yen's appreciation, despite the increase in sales.



# Consolidated statement of financial position

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Total assets and interest-bearing debt decreased due to the reduction of working capital.

(billions of yen)

	(A) FY25-2Q	(B) Mar '2025	(C) FY24-2Q	(A)-(B) change		(D) FY25-2Q	(E) Mar '2025	(F) FY24-2Q	(D)-(E) change
Cash and cash equivalents	131.0	147.1	144.7	-16.1	Trade and other payables	239.5	259.0	240.9	-19.5
Trade receivables	248.0	270.9	240.2	-22.9	Bonds and borrowings	520.8	537.9	554.0	-17.1
Inventories	550.0	531.2	543.4	18.8	Total liabilities	898.1	933.0	936.9	-34.8
Total current assets	986.6	1,000.8	1,003.2	-14.1	(Equity attributable to owners of the parent ratio)	(46.9%)	(45.2%)	(43.9%)	(1.7%)
Total non-current assets	792.5	790.2	750.0	2.3	Total equity	881.0	858.0	816.3	23.1
Total assets	1,779.2	1,791.0	1,753.2	-11.8	Total liabilities and equity	1,779.2	1,791.0	1,753.2	-11.8
Trade receivables incl. non-current	293.1	318.5	285.0	-25.5					
Inventories by products									
Unit	196.4	205.8	219.2	-9.4	Interest-bearing debt	(29.3%) 520.8	(30.0%) 537.9	(31.6%) 554.0	(-0.8%) -17.1
Parts	176.7	173.4	169.2	3.3	Cash and Cash equivalents	131.0	147.1	144.7	-16.1
Raw materials, WIP and etc	176.8	152.0	155.0	24.8		(21.9%)	(21.8%)	(23.4%)	(0.1%)
Total inventories	550.0	531.2	543.4	18.8	Net interest-bearing debt	389.7	390.7	409.4	-1.0
On hand days(divided by revenue)				[Days]					
Trade receivables	79	85	74	-6	Net D/E Ratio	0.47	0.48	0.53	-0.02
Inventories	148	141	141	6					
Trade payables	35	38	33	-3					
Net working capital	188	184	178	4					

In the previous third quarter, PPA for the acquisition in fiscal year 2023 was completed. As the result, the figures for the previous second quarter have been retrospectively restated to reflect the numbers after the PPA adjustment.



Free cash flow increased y-y, due to continuous improvement of operating cash flow.

[billions of yen]

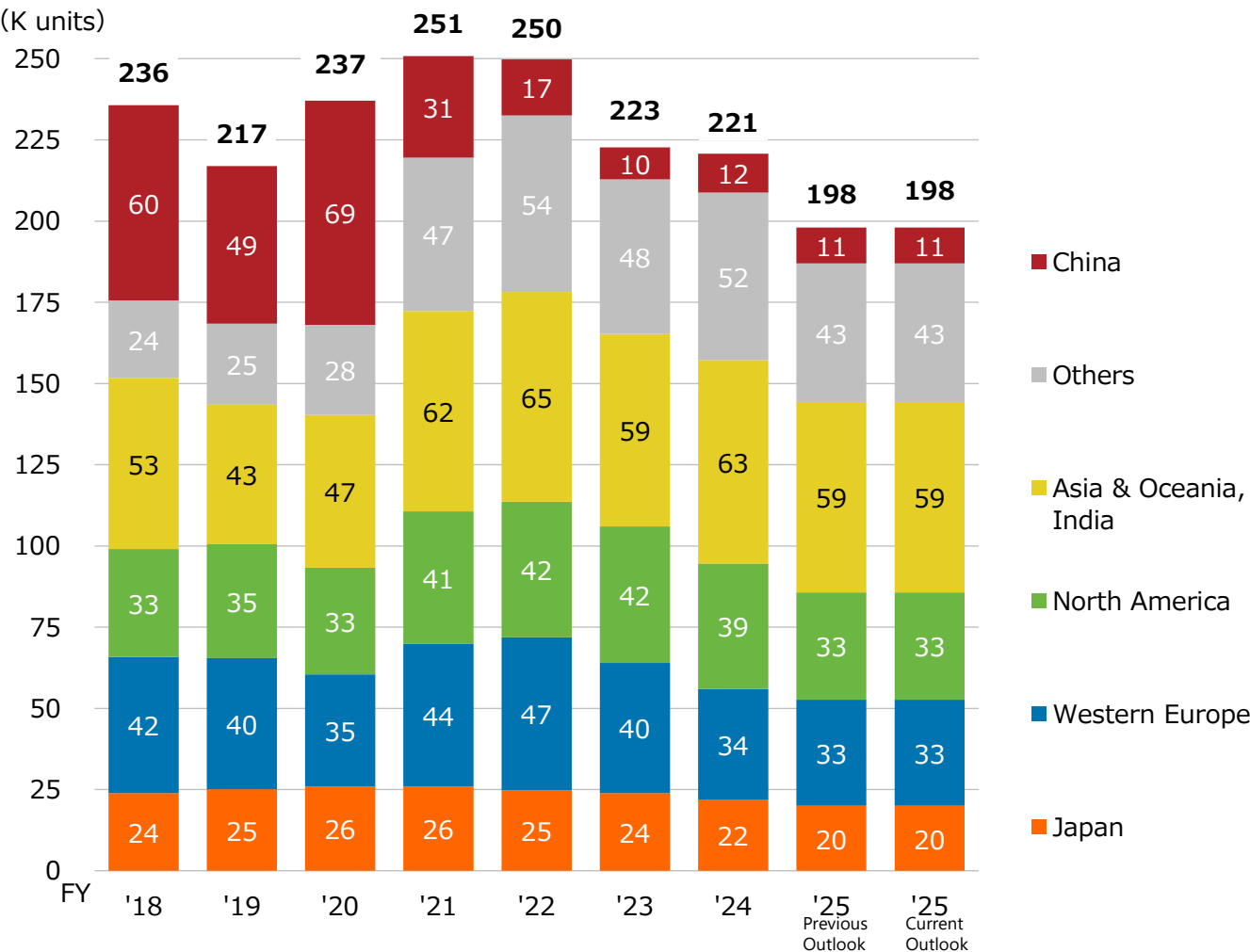
	FY2025 1Q-2Q	FY2024 1Q-2Q	change
Net income (includes discontinued operations)	42.2	36.2	6.0
Depreciation and amortization	80.7 38.5	73.0 36.9	7.7 1.6
(Increase)decrease in trade/lease receivables	29.9	63.6	-33.8
Increase(decrease) in inventories	15.4 -0.2	28.1 7.0	-12.7 -7.2
Increase(decrease) in trade payables	-14.2	-42.6	28.3
Others, net	-29.5	-36.7	7.2
Net cash provided by (used in) operating activities	66.6	64.4	2.2
Cash flow margin for operating activities	10.2%	9.7%	0.5%
Net cash provided by (used in) investing activities	-22.0	-23.3	1.3
Free cash flows	44.6	41.0	3.5
Net cash provided by (used in) financing activities	-63.4	-36.4	-27.0

\* Blue figures shows the total of each category.

# Global Demand Trend for Hydraulic Excavators

Emerging Markets ratio:  
FY25 57% ( y-y Change : ±0%)

※Emerging Markets: China, Asia & Oceania, India, and Others



\*Demand values are Hitachi Construction Machinery estimates

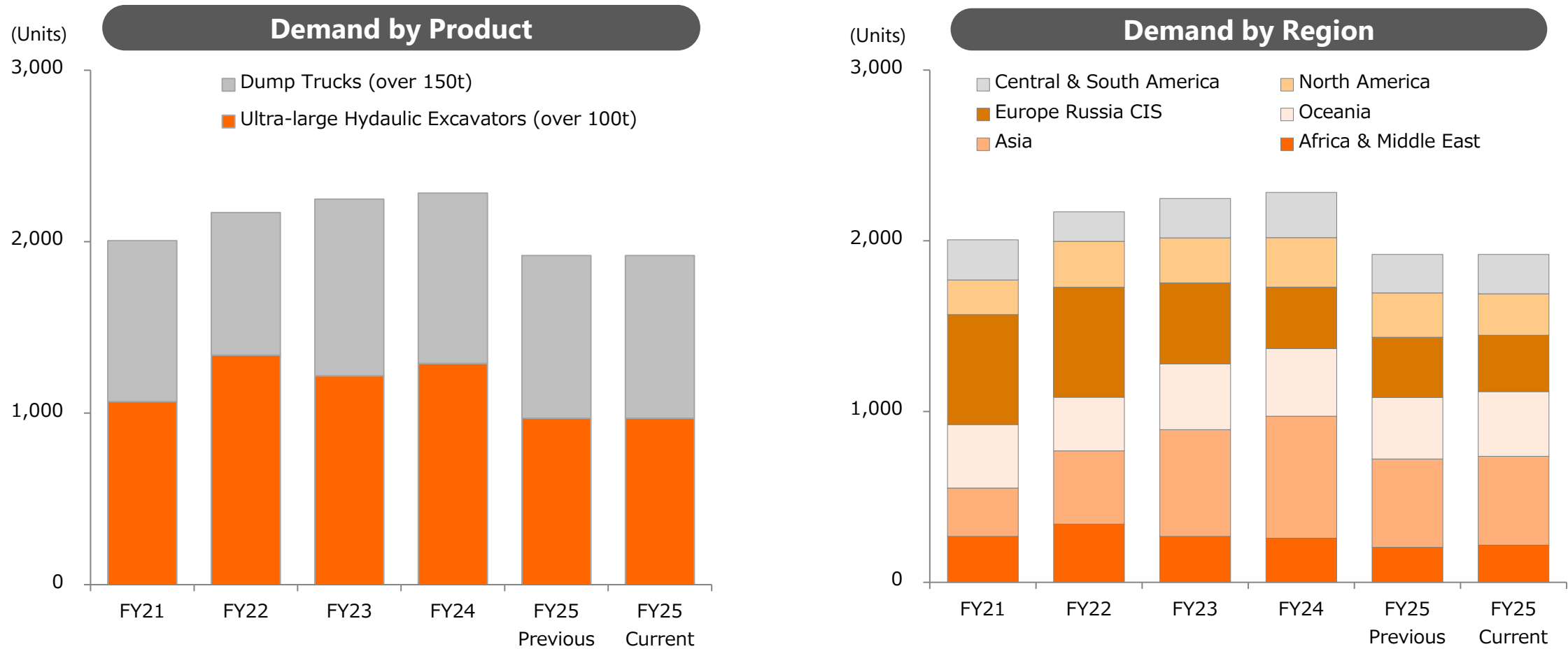
## Year-on-Year Change by Region

※Estimates by HCM, excluding Chinese manufacturers  
※Distributing, copying, or forwarding prohibited

	'24	'25
Total	-1%	-10%
China	+22%	-8%
Russia, CIS, E Europe	-21%	-3%
Africa	+55%	-24%
Middle East	±0%	-27%
Latin America	+18%	-14%
Others	+8%	-17%
Asia	+13%	-9%
India	+5%	-4%
Oceania	-26%	±0%
Asia & Oceania,India	+5%	-6%
N America	-8%	-15%
W Europe	-15%	-4%
Japan	-8%	-9%

Mining machinery demand forecast for FY2025 remains unchanged from the previous forecast at 10% to 15% decline y-y. A significant recovery for resource prices is not expected due to uncertainty over Chinese economy and US tariff policies.

## Ultra-large Hydraulic Excavators (over 100t), Dump Trucks (over 150t)



\*Demand values are Hitachi Construction Machinery estimates  
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# Summary of consolidated earnings forecast

Although the uncertainties of US tariffs and demands remain, the consolidated earnings forecast is revised upward considering the actual results of the 1st half.

[billions of yen]

	FY2025 Forecast		FY2024 Actual	change	
				amount	%
Continuing operation					
Revenue	<1,300.0>	1,320.0	1,371.3	- 51.3	- 4%
Adjusted operating income *1	<10.0%> <130.0>	(10.0%) 132.0	(10.6%) 145.0	(-0.6%) - 13.0	- 9%
Operating income	<9.8%> <128.0>	(9.8%) 130.0	(11.3%) 154.7	(-1.4%) - 24.7	- 16%
Income before income taxes	<9.2%> <119.0>	(9.2%) 121.0	(9.8%) 134.2	(-0.6%) - 13.2	- 10%
Net income from continuing operation	<82.0>	83.0	90.4	- 7.4	- 8%
Net income from discontinued operation	<0.0>	0.0	1.4	- 1.4	-
Net income attributable to owners of the parent	<5.6%> <73.0>	(5.6%) 74.0	(5.9%) 81.4	(-0.3%) - 7.4	- 9%
EBIT *2	<129.0>	131.0	147.4	- 16.4	
Currency	1Q-2Q Actual	3Q-4Q Forecast	Year Forecast	FY2024 Actual	change
Rate (YEN/USD)	146.1	142.0	143.7	152.6	- 8.9
Rate (YEN/EUR)	168.5	166.0	167.0	163.5	3.5
Rate (YEN/RMB)	20.2	19.9	20.0	21.1	- 1.1
Rate (YEN/AUD)	94.5	94.0	94.3	99.6	- 5.3
Cash dividend per share (yen) *1		175		175	0

For FX  
sensitivity,  
please refer  
to appendix 1.

\*1 "Cash dividend per share": The Company will pay dividends linked to its consolidated business results twice, interim and year end, in the fiscal year and aims to maximize shareholder returns based on a stable and continuous dividend payout ratio of approx. 30% to 40%.

\*2 Blue figures at FY2025 Forecast shows previous forecast as of July 2025.

# Consolidated revenue forecast by geographic region

Consolidated revenue for FY2025 is expected to decrease y-y in North America due to US tariff impact and the yen's appreciation, despite the revenue increase in Europe where the market is recovering.

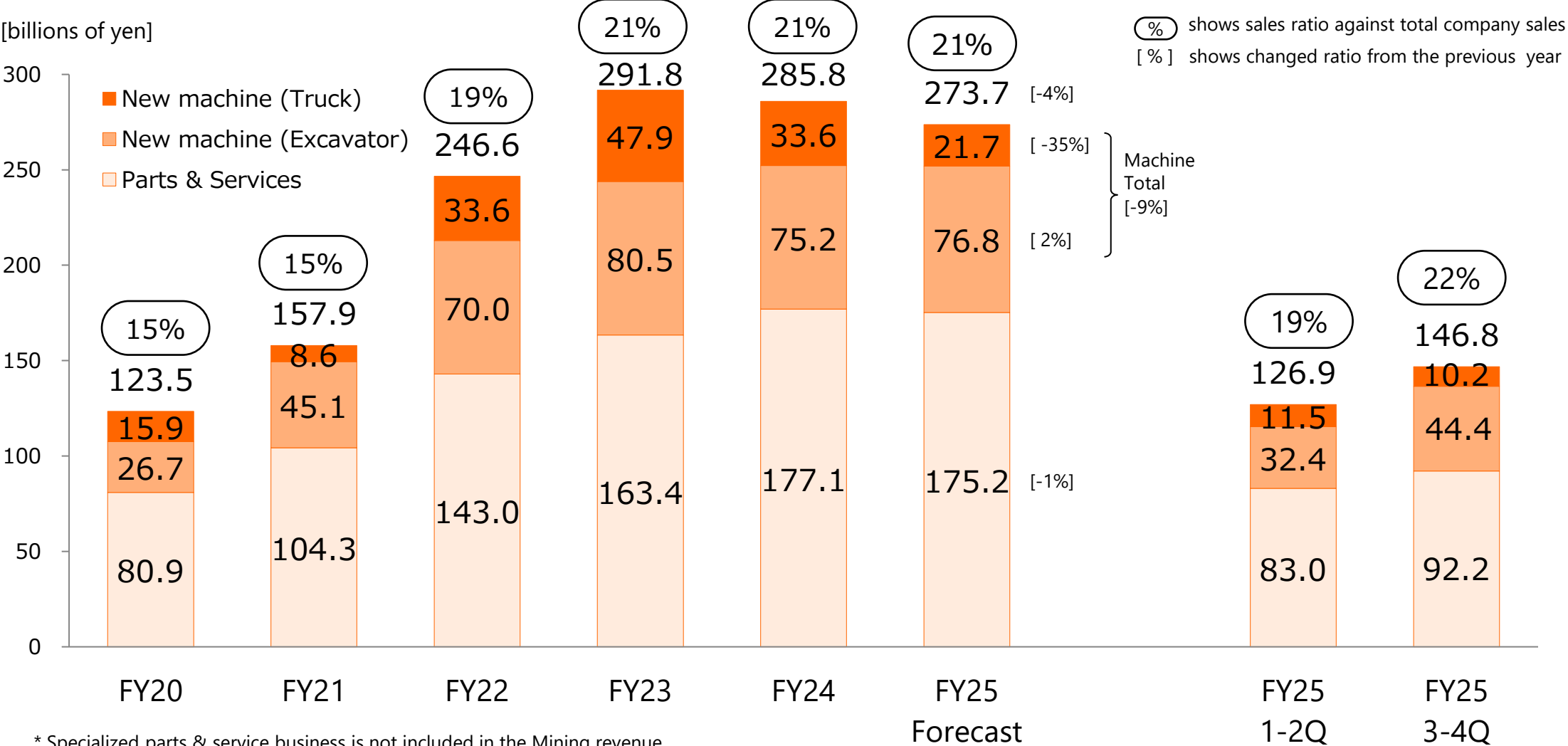
		FY2025 Forecast		FY2024 Actual		change	
						amount	%
Japan		216.2	16%	220.0	16%	-3.8	-2%
Asia		113.7	9%	118.5	9%	-4.7	-4%
India		82.1	6%	87.5	6%	-5.4	-6%
Oceania		241.6	18%	258.9	19%	-17.3	-7%
Europe		185.7	14%	159.7	12%	26.1	16%
	N. America	279.9	21%	312.4	23%	-32.5	-10%
	L. America	38.4	3%	43.8	3%	-5.3	-12%
The Americas		318.3	24%	356.1	26%	-37.8	-11%
(Developing own business)		(210.0)	(16%)	(210.2)	(15%)	(-0.2)	(-0%)
Russia-CIS		18.4	1%	19.6	1%	-1.2	-6%
M. East		34.6	3%	33.6	2%	1.0	3%
Africa		85.7	6%	85.0	6%	0.7	1%
China		23.6	2%	32.5	2%	-8.9	-27%
Total		1,320.0	100%	1,371.3	100%	-51.3	-4%
Overseas ratio		84%		84%			

\* FY2024 revenue present only continuing operation retroactively.



# Mining revenue forecast

In addition to the impact of the stronger yen, sluggish resource prices led to a decline in revenue for both new machine sales and parts & services.

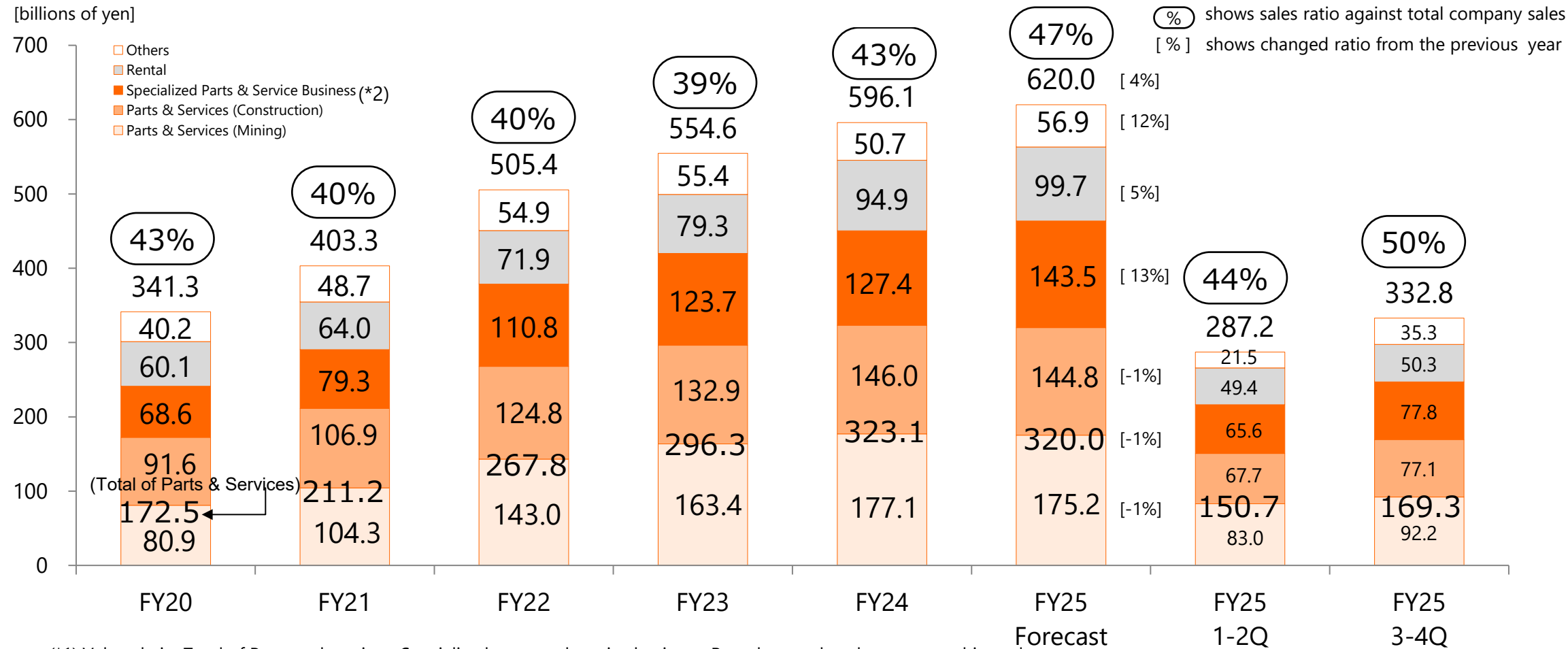


\* Specialized parts & service business is not included in the Mining revenue.

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# Value chain\*1 revenue forecast

Value chain revenue is expected to increase by 4% y-y due to increase in the specialized parts & service business and rental.

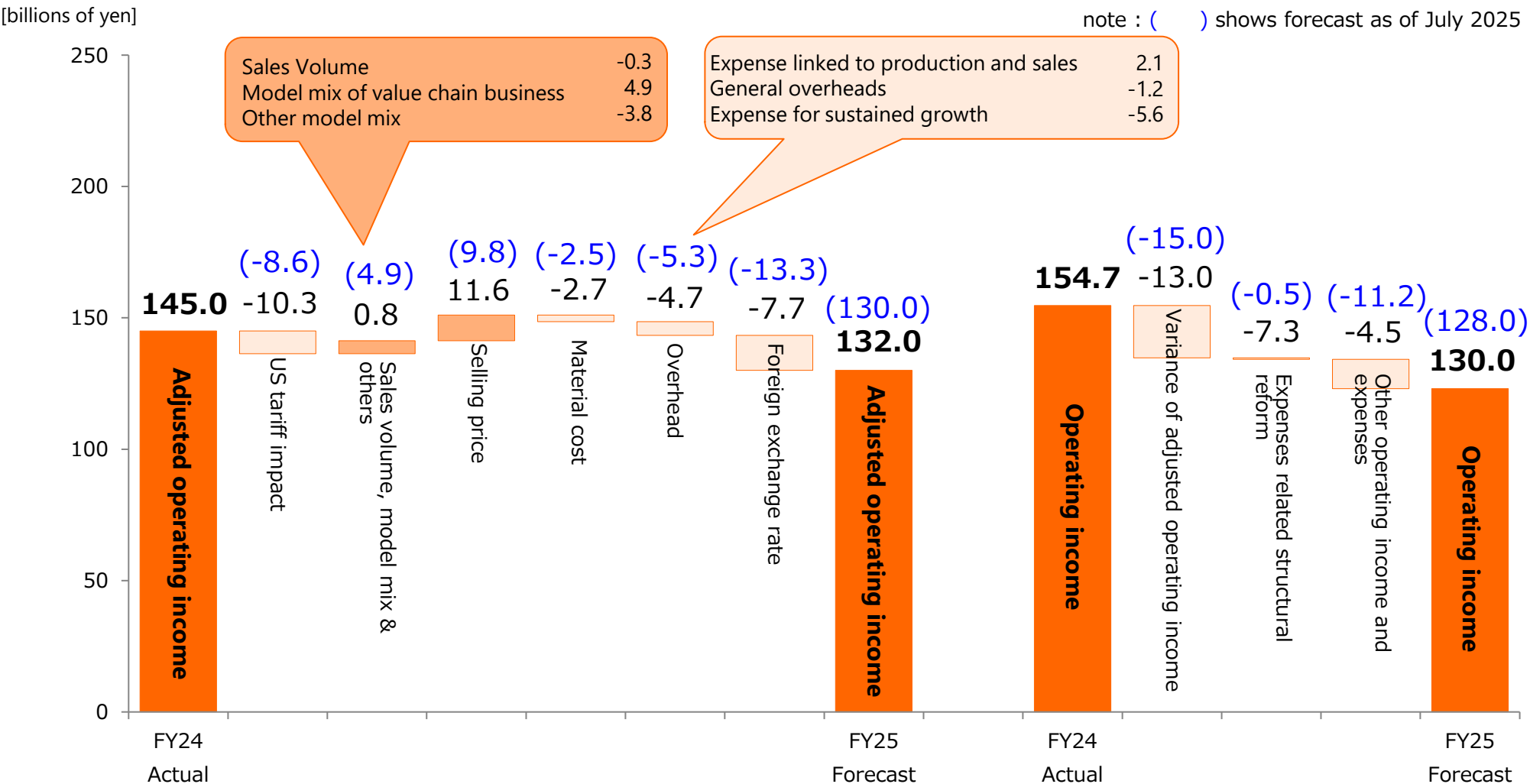


(\*1) Value chain: Total of Parts and services, Specialized parts and service business, Rental, etc. other than new machine sales.

(\*2) Specialized parts and service business: The business segment primarily intends to provide development, production, distribution of parts, and service solutions for mining facilities and equipment after the sales made that are not included in the construction machinery business segment.

# Comparison of consolidated income forecast

Adjusted operating income for FY2025 is expected to decrease by 13.0 billion yen y-y due to the upswing in costs caused by the US tariff impact, although the impact of the increase in material cost and overheads is being absorbed by the upswing in the selling price.



## Features of our US business : Mostly affected by tariffs between Japan and the US (exports from countries other than Japan are low)

- Almost 100% of finished products and parts are exported from factories in Japan. (Exports from outside Japan to the US are minimal.)
- In August 2025, finished products were newly included in the scope of derivative items subject to expanded U.S. steel and aluminum tariffs. Effective from August 18, a 50% tariff will be imposed on the purchase price of steel and aluminum materials contained in the finished product. Separately, a 15% reciprocal tariff will be applied to the price excluding steel and aluminum materials.
- In the OEM business for the US, the customer bears the tariffs.

## Tariffs impact: Newly factored in (1) Decrease in demand and sales globally and (2) Increase in cost of ¥10.3 billion

- We have fully considered the global risk of reduced demand and sales due to U.S. tariffs.
- Based on estimates that incorporate the sale of locally held inventory not subject to tariffs, we anticipate an annual cost increase of ¥10.3 billion on an adjusted operating income basis. The difference from the July announced figure (¥8.6 billion) is mainly due to the inclusion of additional steel and aluminum tariffs applied to finished products.

## Response to tariffs: Focus on passing on costs to sales prices (¥4.0 billion increase in income)

- The price increase implemented in June and October 2025 contributed ¥4.0 billion to income growth. The difference from the July announced figure (¥2.3 billion) is mainly due to the newly factored-in price increase in October.
- We continue to implement initiatives including the expansion of our rental business and cost reduction efforts.

## 2. References



# Topic 1: Collaboration with a Major Mining Company and Launch of a New Product

HITACHI

Reliable Solutions

## Start of Collaboration with Rio Tinto on the Development of Remote Operation Technologies for Ultra-Large Hydraulic Excavators (July 2025)

- Advance the development of technologies that support next-generation mining operations, based on a five-year mid-to-long-term roadmap.
- Plan to develop technologies for operator assist, remote operation, and partial autonomy of digging and loading.
- Aim to have multiple ultra-large hydraulic excavators equipped with partial autonomy functions operating by 2030.



## Launch of the EX5600-7P Ultra-Large Hydraulic Excavator (October 2025)

- Strengthen competitive advantage, focusing on the Australian market where there is a strong delivery track record.
- Improve productivity and fuel efficiency by enhancing engine and hydraulic pump performance.
- Compatible with the remote monitoring solution "LANDCROS Connect Insight."





## Topic 2: Ultra-Large Hydraulic Excavators Achieve Long Operating Hours

HITACHI

Reliable Solutions

### Ultra-large hydraulic excavators EX3600-6 achieve 100,000 operating hours at mines in Kyrgyz Republic and South Africa

- Long operating hours under harsh conditions demonstrate the machine's robustness, durability, and reliability
- Stable long-term operation supported by a strong service structure
- Maintenance and repair recommendations tailored to the machine's condition through remote monitoring solutions



#### Kyrgyz Republic



**Kumtor Gold Mine (Kumtor Gold Company)**

High-altitude areas over 4,000 meters, with winter temperatures reaching -40°C

#### South Africa



**New Vaal Mine (Seriti Holdings (Pty) Ltd.)**

Hot and humid in summer, dry and dusty in winter

The forecast exchange rate of major currencies for this fiscal year is changed from the previous announcement as of July 2025; USD for appreciation of the yen, EUR for depreciation of the yen.

[billions of yen]

Currency	FX rate				FX sensitivity(3Q-4Q)		
	FY25			FY24 Actual	Condition	Revenue	Adjusted operating income
	1Q-2Q Actual	3Q-4Q Forecast	Total Forecast				
USD	146.1	142.0	143.7	152.6	Impact by 1 yen depreciation	1.7	0.7
EUR	168.5	166.0	167.0	163.5	Impact by 1 yen depreciation	0.6	0.3
RMB	20.2	19.9	20.0	21.1	Impact by 0.1 yen depreciation	0.1	0.0
AUD	94.5	94.0	94.3	99.6	Impact by 1 yen depreciation	1.3	0.2

# Appendix 2: Detail of mining revenue

[billions of yen]

		FY25 Forecast			FY24 Actual			Change		
		1-2Q	3-4Q	Year	1-2Q	3-4Q	Year	1-2Q	3-4Q	Year
America	Excavator	14.5	20.7	35.1	15.1	20.5	35.7	-0.7	0.1	-0.5
	Dump Truck	0.1	3.5	3.6	6.8	0.9	7.7	-6.8	2.7	-4.1
	Total	14.5	24.2	38.7	22.0	21.4	43.4	-7.4	2.8	-4.6
Europe, Africa and Middle East	Excavator	15.9	22.2	38.1	14.3	16.2	30.5	1.6	5.9	7.6
	Dump Truck	18.3	14.9	33.2	24.1	20.3	44.3	-5.8	-5.4	-11.1
	Total	34.2	37.1	71.3	38.3	36.5	74.8	-4.1	0.6	-3.6
Asia & Oceania	Excavator	54.7	62.3	117.0	65.0	53.0	118.1	-10.4	9.3	-1.1
	Dump Truck	21.1	17.6	38.7	20.7	21.0	41.7	0.5	-3.4	-3.0
	Total	75.8	79.9	155.7	85.7	74.1	159.7	-9.9	5.8	-4.1
China	Excavator	2.0	4.6	6.6	3.4	3.2	6.6	-1.4	1.5	0.1
	Dump Truck	0.0	0.0	0.0	0.1	0.0	0.1	-0.1	-0.0	-0.1
	Total	2.0	4.6	6.6	3.5	3.2	6.7	-1.5	1.5	-0.1
Japan	Excavator	0.5	0.9	1.4	0.6	0.6	1.2	-0.2	0.4	0.2
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
	Total	0.5	0.9	1.4	0.6	0.6	1.2	-0.2	0.4	0.2
Total	Excavator	87.5	110.7	198.2	98.5	93.6	192.0	-11.0	17.2	6.2
	Dump Truck	39.5	36.0	75.5	51.7	42.1	93.8	-12.2	-6.1	-18.3
	Total	126.9	1,46.8	273.7	150.1	135.7	285.8	-23.2	11.0	-12.1

# Appendix 3: Segment information

The amortizations of PPA are included in the adjusted operating income of the specialized Parts & Service Business : 1.0 billion yen in FY2025 1Q-2Q, and 1.8 billion yen in the forecast for FY2025.

[billions of yen]

FY2025 1Q-2Q Actual	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	588.5	70.1	-4.5	654.1
Adjusted operating income	9.3% 54.5	8.0% 5.6	-	9.2% 60.1

[billions of yen]

FY2025 Forecast	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	1,176.5	148.0	-4.5	1,320.0
Adjusted operating income	9.9% 116.5	10.4% 15.5	-	10.0% 132.0

\*1: Adjustments represent eliminations of intersegment transactions and amounts of companies that do not belong to any operation segment.



The total capital expenditures for FY2025 are expected to expand for investment in the value chain business in Oceania and South America.

## 1.Capital Expenditure (Based on completion)

[billion of yen]

	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2025</b>	<b>FY2025</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>1Q-2Q</b>	<b>3Q-4Q</b>	<b>FY2025</b>
				<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
Capital Expenditure	75.1	58.7	51.1	22.6	42.8	65.4
Assets held for operating lease	44.2	50.3	77.3	25.6	21.6	47.2
Total	119.3	109.0	128.4	48.2	64.4	112.6

## 2.Depreciation (tangible and intangible fixed assets)

[billion of yen]

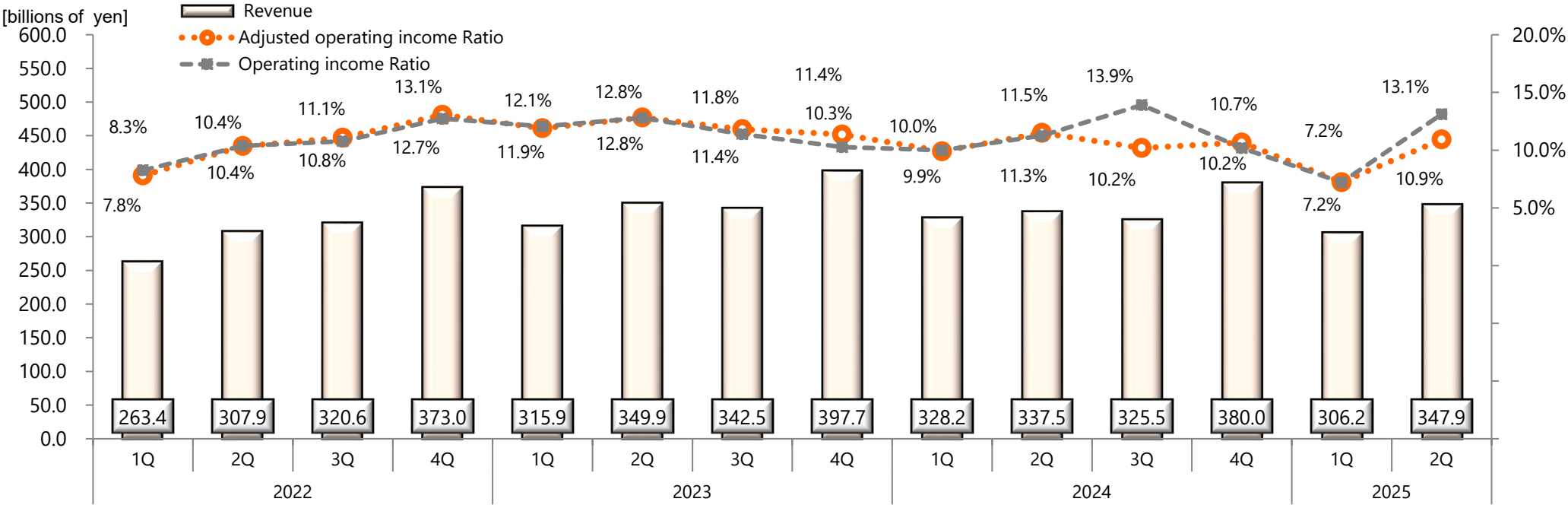
	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2025</b>	<b>FY2025</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>1Q-2Q</b>	<b>3Q-4Q</b>	<b>FY2025</b>
				<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
Capital Expenditure	40.5	43.7	47.9	23.9	24.5	48.4
Assets held for operating lease	21.6	23.5	25.9	14.6	15.7	30.3
Total	62.1	67.2	73.8	38.5	40.2	78.7

## 3.R&D expenses

[billion of yen]

	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2025</b>	<b>FY2025</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>1Q-2Q</b>	<b>3Q-4Q</b>	<b>FY2025</b>
				<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
Total of consolidation	24.4	31.4	37.5	17.5	19.1	36.6

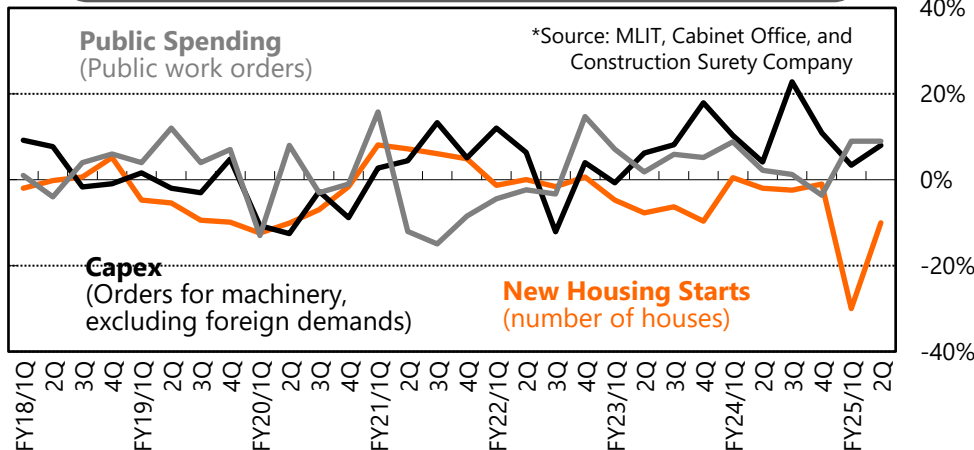
	2022				2023				2024				2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	263.4	307.9	320.6	373.0	315.9	349.9	342.5	397.7	328.2	337.5	325.5	380.0	306.2	347.9
Adjusted operating income	20.6	31.9	35.5	48.7	37.6	44.9	40.5	45.1	32.5	38.8	33.2	40.5	22.1	38.0
Operating income	21.8	31.9	34.5	47.5	38.1	44.8	39.0	40.8	32.8	38.0	45.3	38.7	22.1	45.6



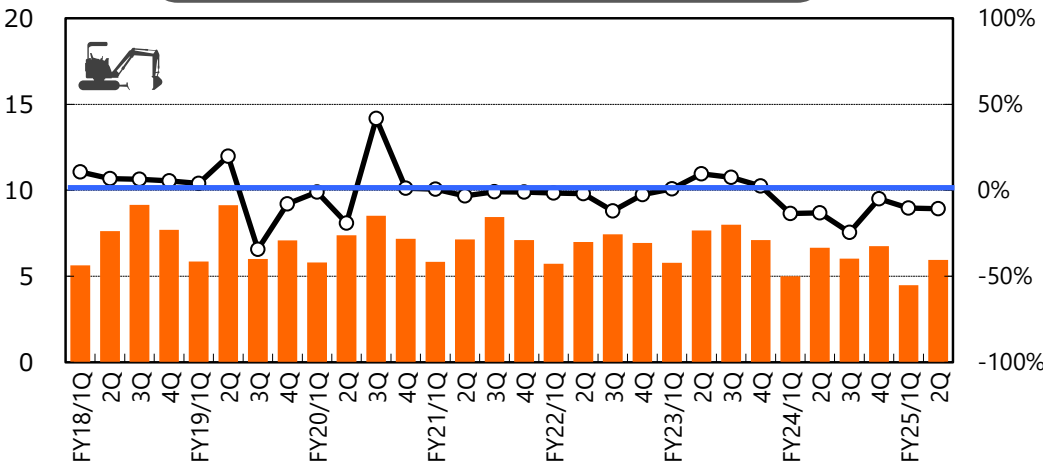
FX rate	2022				2023				2024				2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Rate (YEN/USD)	129.6	138.4	141.6	132.3	137.4	144.6	147.9	148.6	155.9	149.4	152.4	152.6	144.6	147.5
Rate (YEN/EUR)	138.1	139.3	144.3	142.1	149.5	157.3	159.1	161.3	167.9	164.0	162.6	160.5	163.8	172.3
Rate (YEN/RMB)	19.6	20.2	19.9	19.3	19.6	19.9	20.4	20.6	21.5	20.8	21.2	21.0	20.0	20.6
Rate (YEN/AUD)	92.6	94.5	92.9	90.6	91.8	94.7	96.3	97.7	102.7	100.0	99.5	95.8	92.6	96.5

- New Housing Starts decreased, Capex and Public Spending increased.
- Demand for Hydraulic Excavators significantly decreased: Hydraulic Excavators -17%, Mini Excavators -11%, Wheel Loaders -17% y-y.

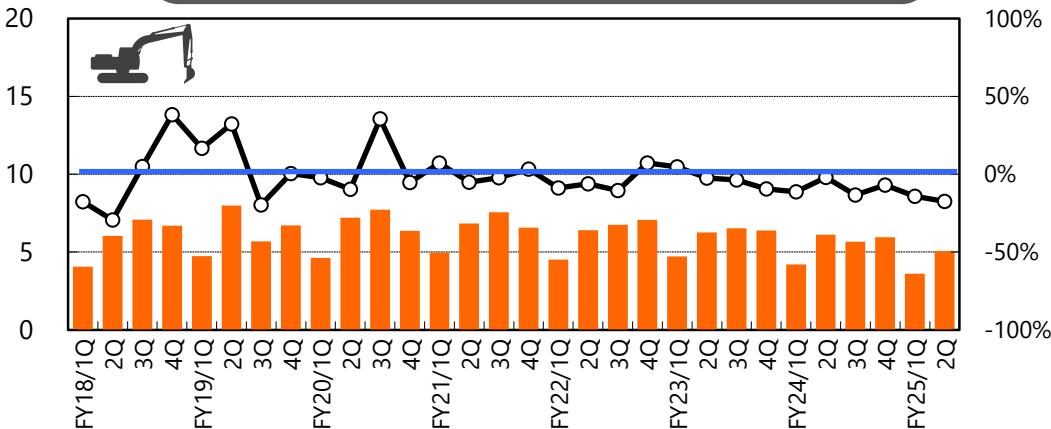
Market Environment Housing, Capex, Public Spending



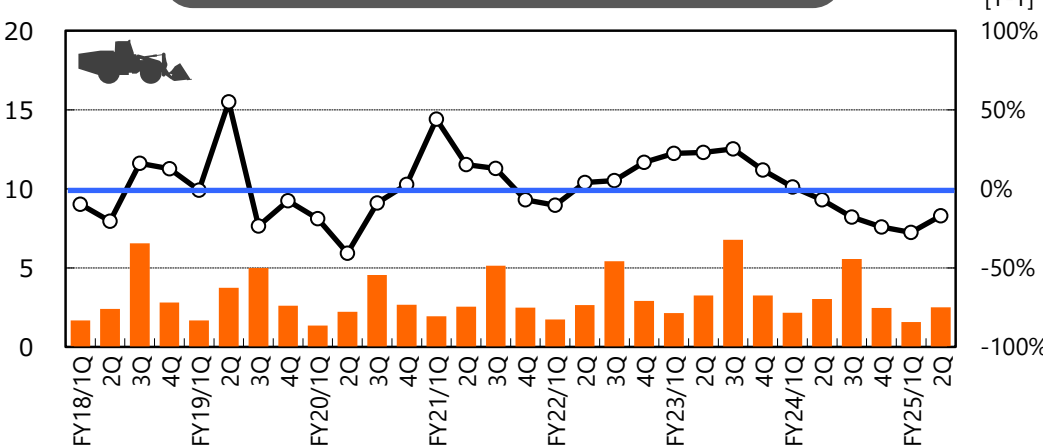
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders

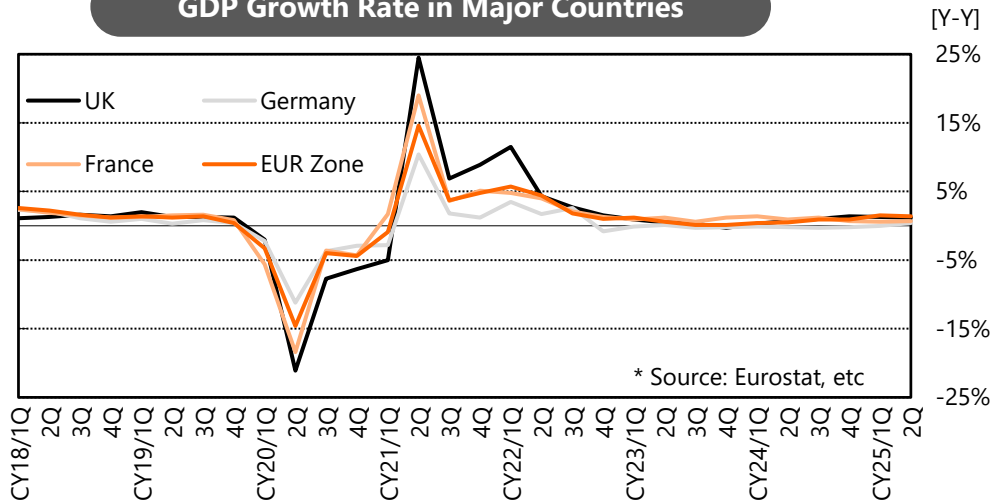


\*Demand values are Hitachi Construction Machinery estimates

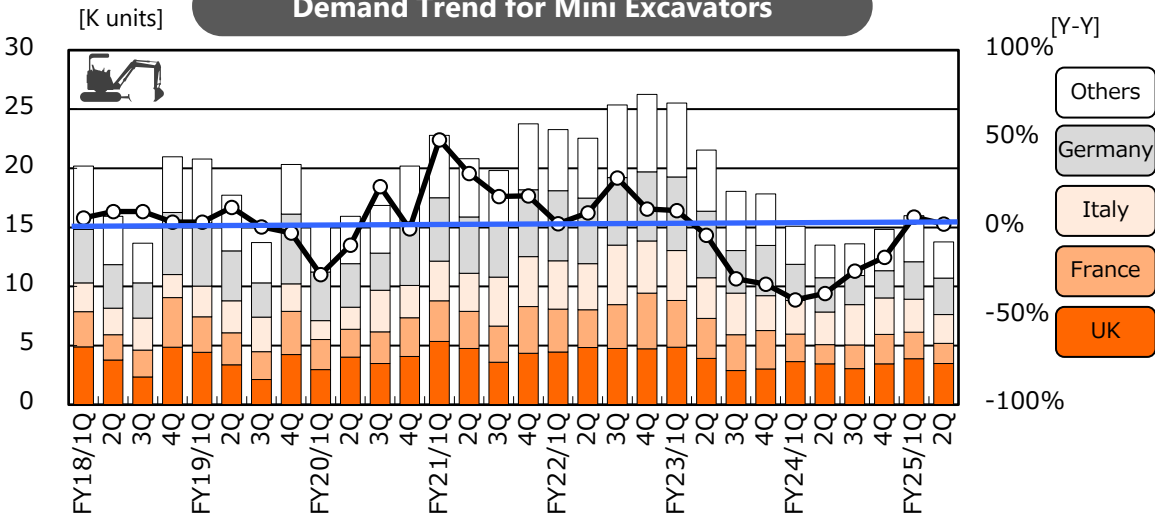
# Europe : Second Quarter (Jul to Sep 2025)

- GDP in CY25 2Q has been growing at a low rate.
- Demand for Hydraulic Excavators increased slightly: Hydraulic Excavators +1%, Mini Excavators +2%, Wheel Loaders +10 % y-y

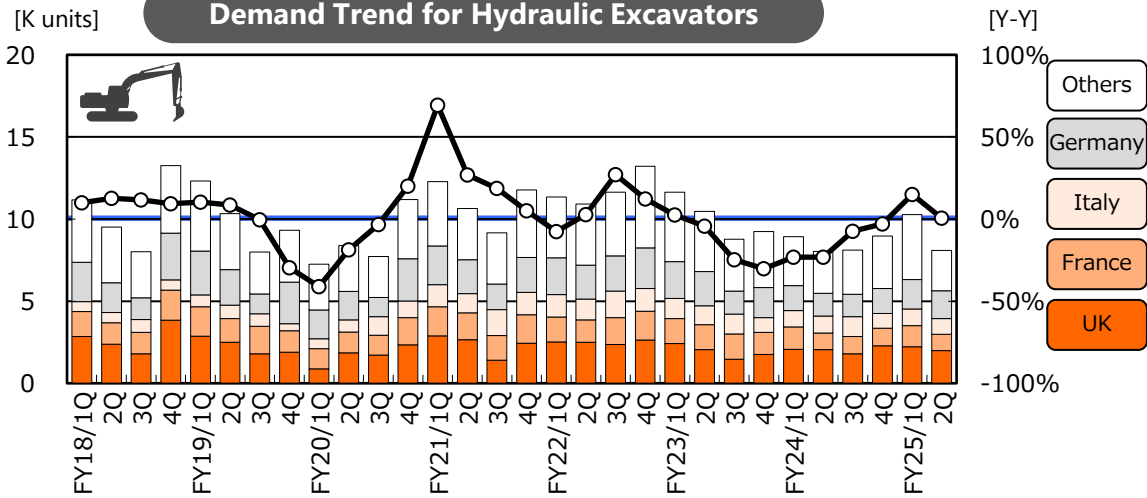
GDP Growth Rate in Major Countries



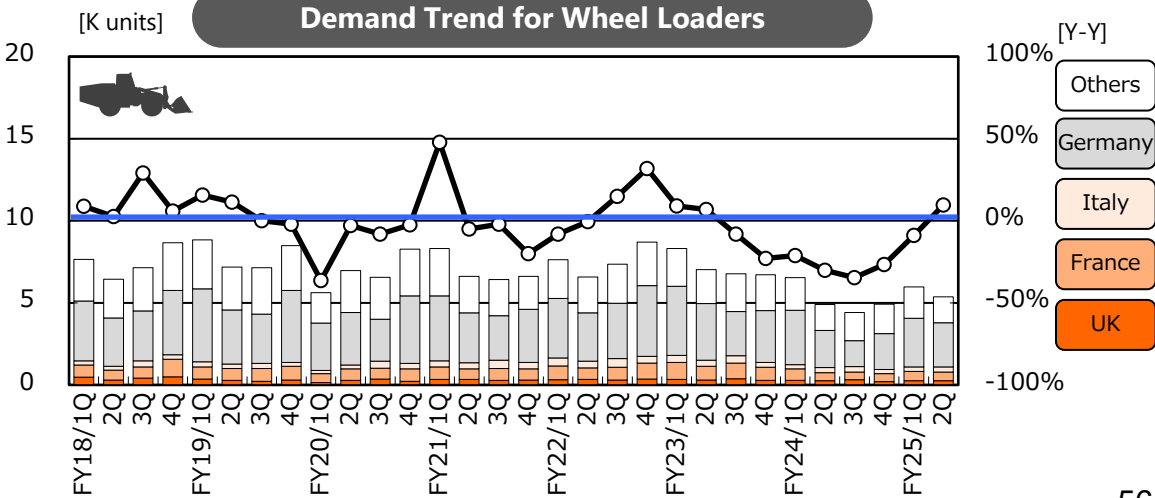
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



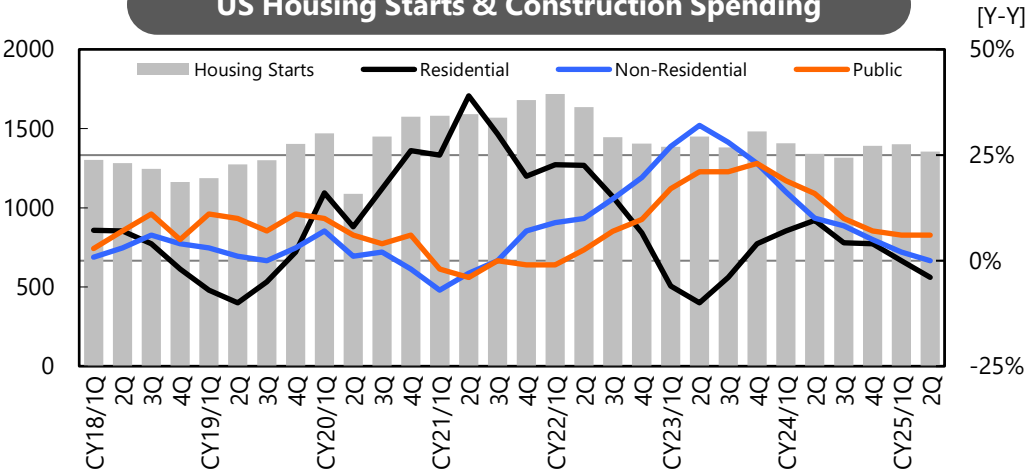
Demand Trend for Wheel Loaders



\*Demand values are Hitachi Construction Machinery estimates

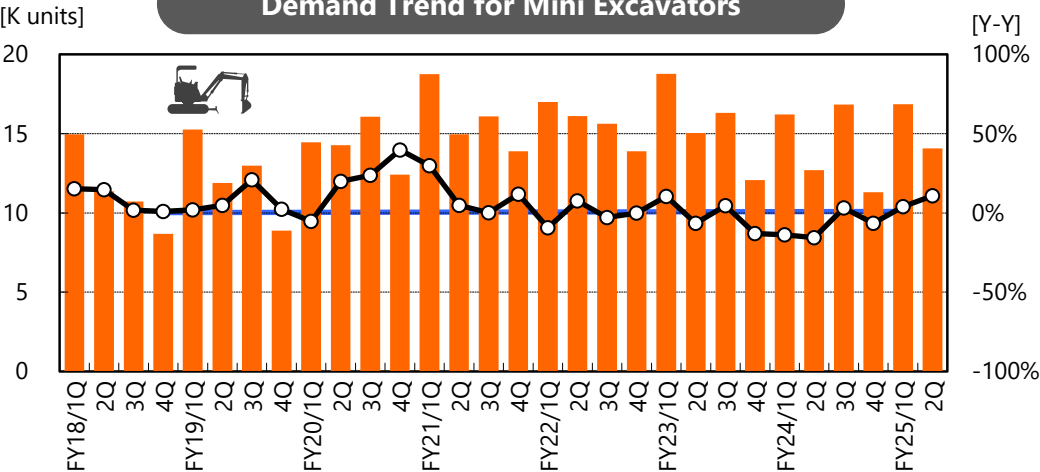
- Residential decreased, Non-Residential remained flat, Public Works increased, Housing Starts decreased slightly.
- Demand for Hydraulic Excavators decreased: Hydraulic Excavators -5%, Mini Excavators +11%, Wheel Loaders +1% y-y.

US Housing Starts & Construction Spending

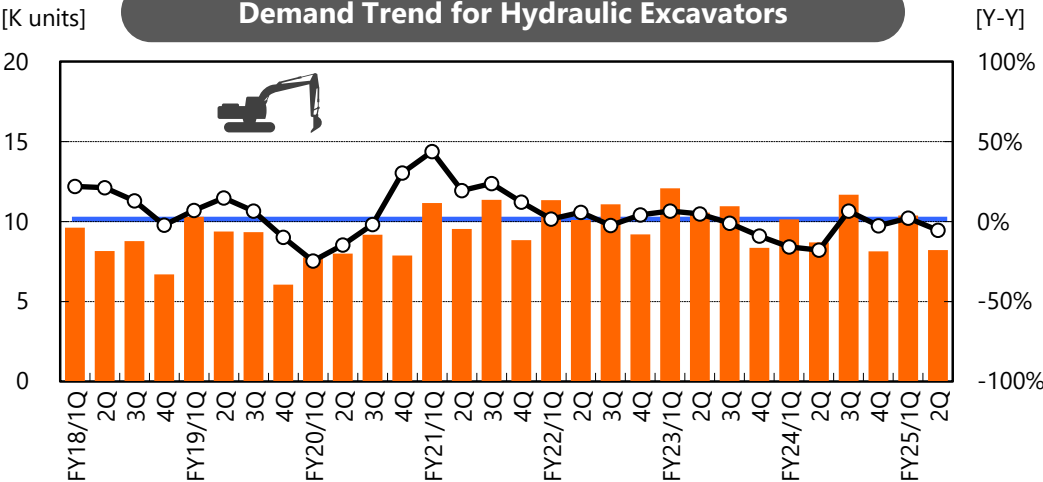


\* Bureau of Economic Census, US Census Bureau

Demand Trend for Mini Excavators

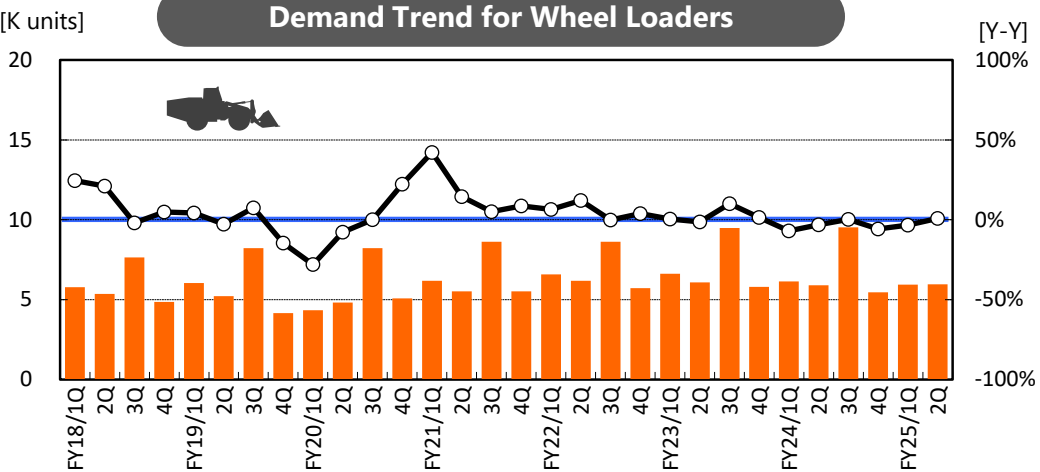


Demand Trend for Hydraulic Excavators



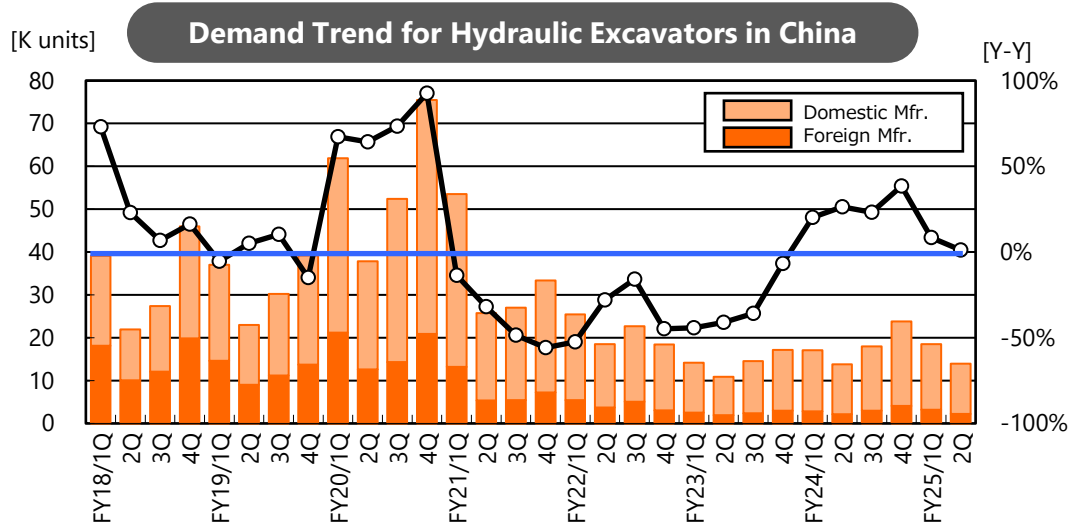
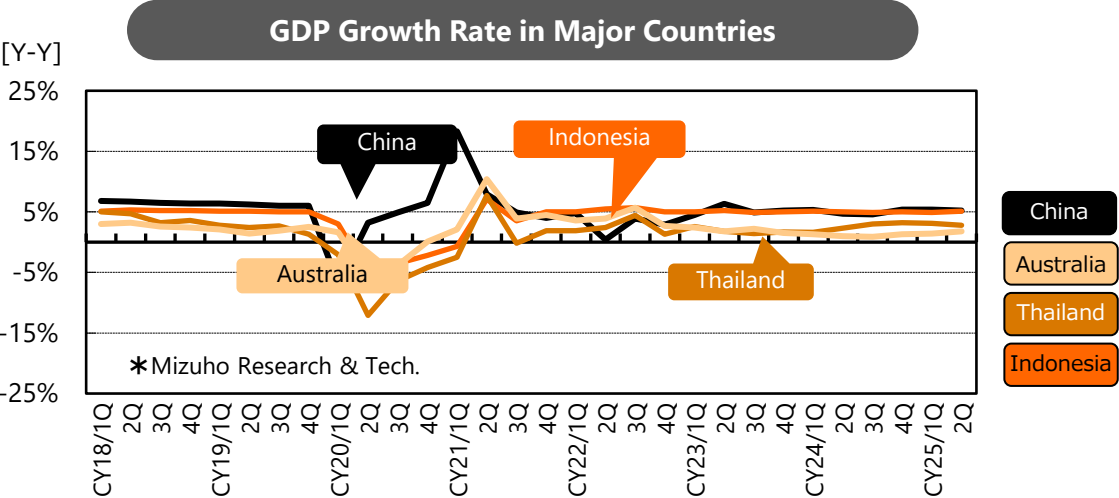
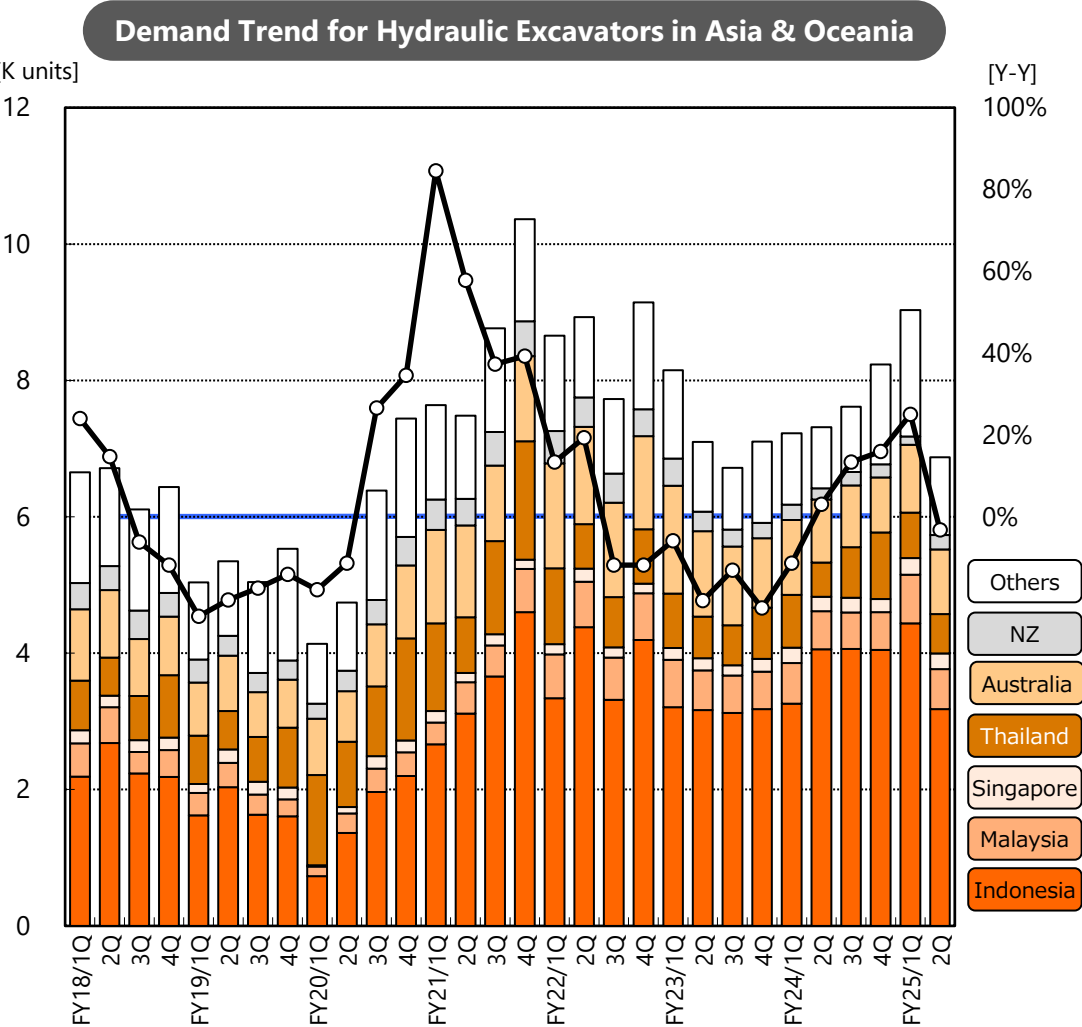
\*Demand values are Hitachi Construction Machinery estimates

Demand Trend for Wheel Loaders



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- Demand for Hydraulic Excavators in the Asia & Oceania region slightly decreased -3% y-y.
- Demand for Hydraulic Excavators in China slightly increased +1% y-y. (Domestic Mfr. :+1%, Foreign Mfr. :+3%)



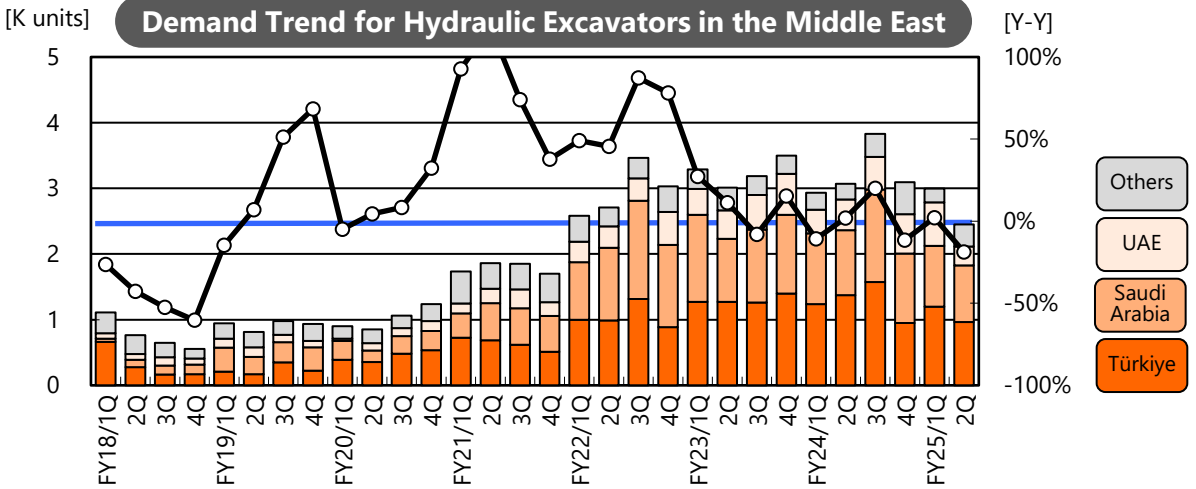
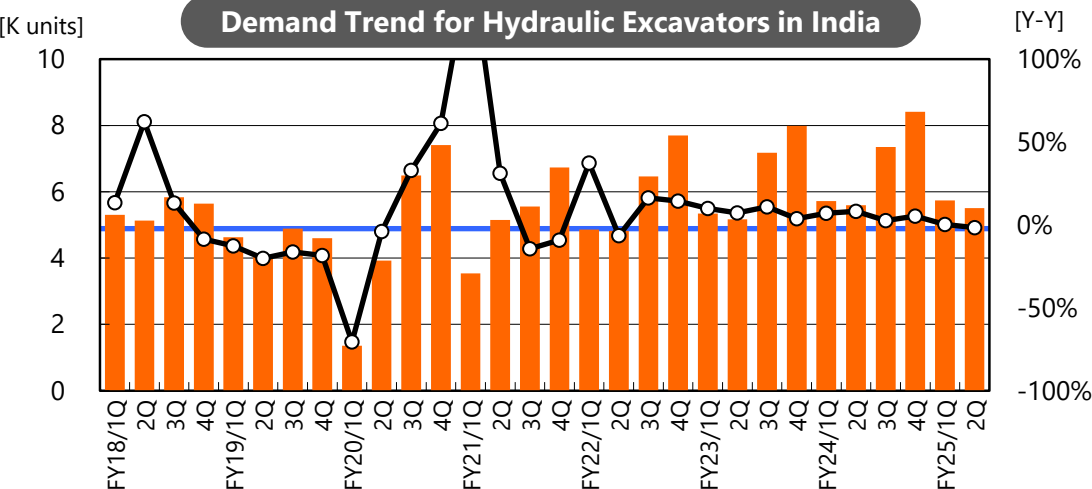
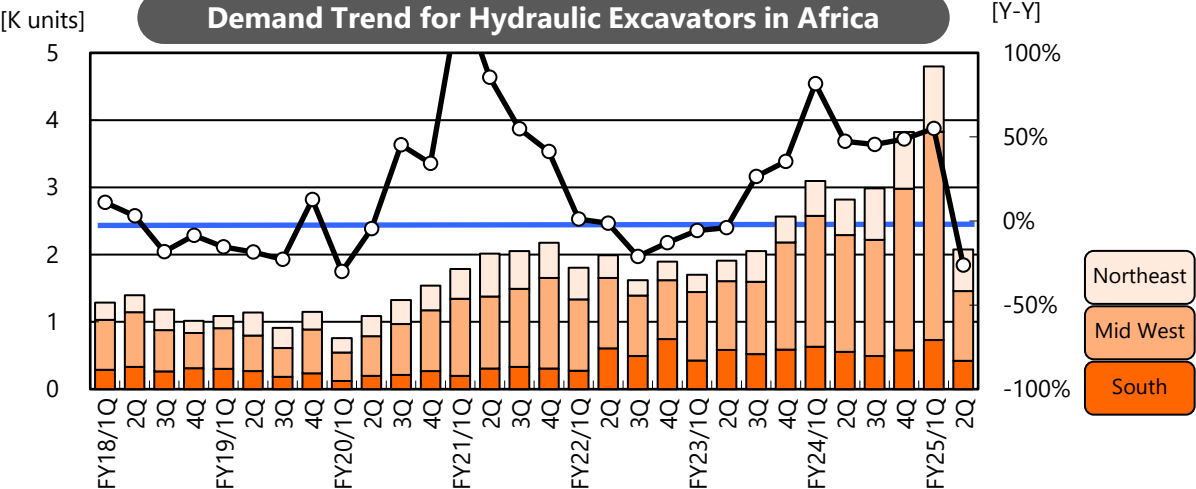
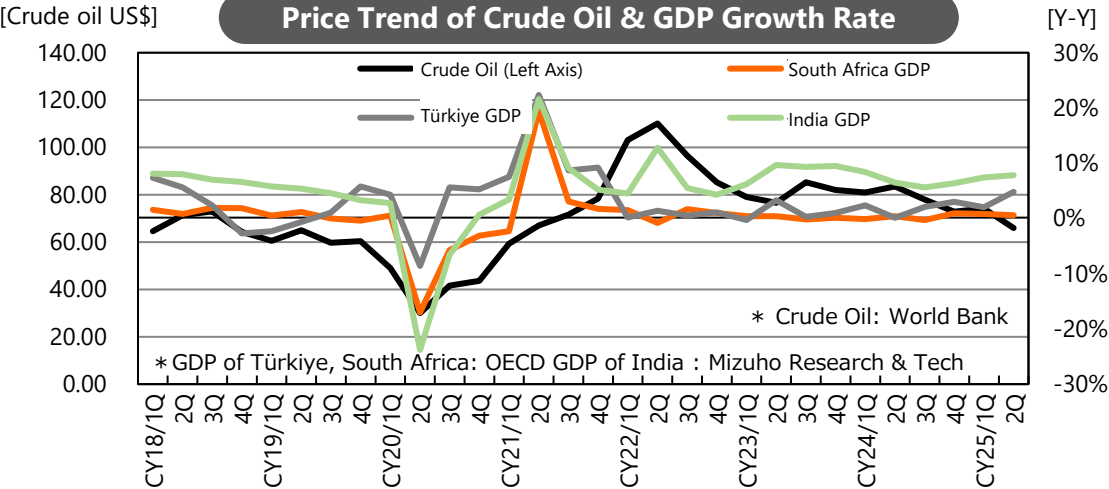
\*Demand values are Hitachi Construction Machinery estimates

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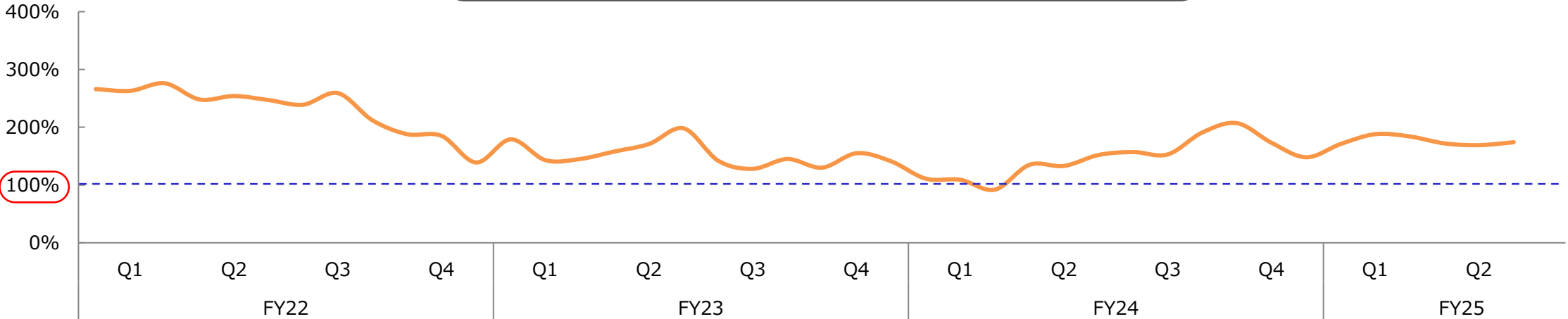
# India, Middle East, Africa: Second Quarter (Jul to Sep 2025)

- Demand for Hydraulic Excavators slightly decreased in India -2% y-y.
- Demand for Hydraulic Excavators significantly decreased in Africa -26% y-y.
- Demand for Hydraulic Excavators significantly decreased in the Middle East -19% y-y.

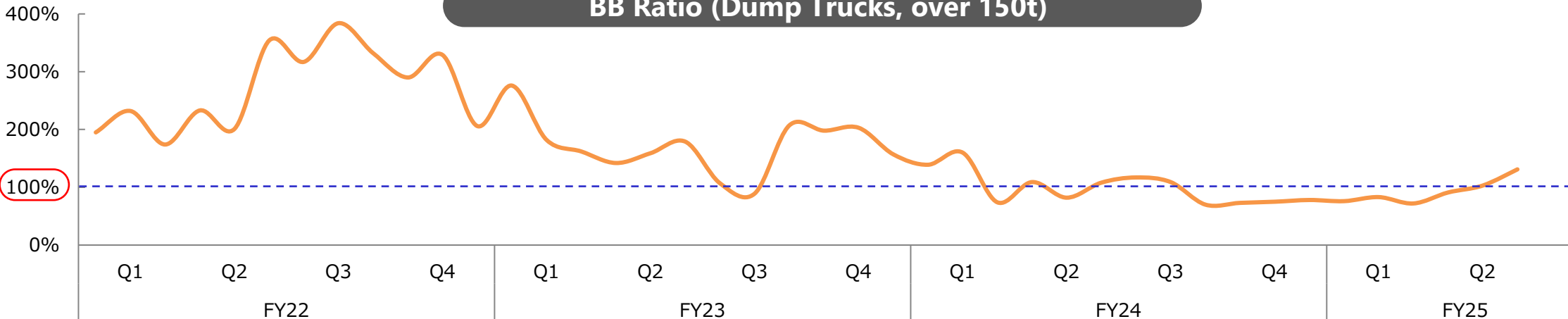


\*Demand values are Hitachi Construction Machinery estimates © Hitachi Construction Machinery Co., Ltd. 2025. All rights reserved.

BB Ratio (Ultra-large Hydraulic Excavators, over 100t)



BB Ratio (Dump Trucks, over 150t)



※Book-to-Bill(BB) Ratio = Booking (value of orders received)/Billing (value of shipments)

Non-consolidated basis (average of 6-months)

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# END

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