

# Consolidated Financial Results for the Semi-annual Period Ended September 30, 2025 (IFRS)

October 28, 2025

Listed company: Hitachi Construction Machinery Co., Ltd. (HCM)

Stock exchange: Tokyo (Prime Market) Code number: 6305

URL: <https://www.hitachicm.com/global/en/>

Representative: Masafumi Senzaki, President and Executive Officer, COO

Scheduled date for submission of the Semi-annual Securities Report: November 10, 2025

Scheduled date of commencement of payment of dividends: December 1, 2025

Supplementary materials to the financial statements have been prepared: Yes

Presentation will be held to explain the financial statements: Yes (for institutional investors, analysts and journalists)

(Rounded off to the nearest million)

## 1. Consolidated results for the Semi-annual period ended September 2025 (April 1, 2025 to September 30, 2025)

### (1) Consolidated results

(The percentages indicated show changes from the same period of the previous fiscal year)

	Revenue		Adjusted operating income		Income before income taxes		Net income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	654,051	(1.8)	60,148	(15.7)	60,959	11.9	42,215	16.7	37,750	18.9
September 30, 2024	665,737	(0.0)	71,314	(13.5)	54,493	(35.7)	36,182	(42.3)	31,747	(44.8)

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

	Net income attributable to owners of the parent per share (basic)	Net income attributable to owners of the parent per share (diluted)
	Yen	Yen
September 30, 2025	177.46	177.46
September 30, 2024	149.26	149.26

References: Share of profits (losses) of investments accounted for using the equity method September 30, 2025: ¥1,784 million September 30, 2024: ¥542 million

"Net income attributable to owners of parent per share (basic)" and "Net income attributable to owners of parent per share (diluted)" are calculated based on "Net income attributable to owners of parent".

From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations in line with IFRS accounting standards. As a result, for the previous fiscal year, revenue, adjusted operating income, operating income, and income before income taxes are presented in amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operation.

### (2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2025	1,779,160	881,032	834,235	46.9
March 31, 2025	1,791,006	857,952	809,337	45.2

## 2. Dividends status

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2025	—	65.00	—	110.00	175.00
March 31, 2026	—	75.00			
March 31, 2026 (Projection)			—	100.00	175.00

Note: Changes involving the dividend states for the fiscal year ending March 2026: None

(English translation of "KESSAN TANSIN" originally issued in the Japanese language.)

### 3. Consolidated earnings forecast for the full year ending March 2026 (April 1, 2025 to March 31, 2026)

(The percentages indicated show changes from the same period of the previous fiscal year)

	Revenue		Adjusted operating income		Income before income taxes		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2026	1,320,000	(3.7)	132,000	(9.0)	121,000	(9.8)	74,000	(9.1)	347.86

Notes: Changes in consolidated earnings forecast: Yes

#### \*Notes

(1) Important changes in the scope of the consolidation during period: None

(2) Changes in accounting policies; changes in accounting estimates

[1] Changes in accounting policies required by IFRS None

[2] Changes in accounting policies other than those in [1] None

[3] Changes in accounting estimates None

(3) Number of outstanding shares (common shares)

[1] Number of outstanding shares (including treasury shares)

September 2025 215,115,038

March 2025 215,115,038

[2] Number of treasury shares

September 2025 2,378,273

March 2025 2,411,476

[3] Average number of common shares outstanding during the fiscal year (shares)

September 2025 212,727,552

September 2024 212,695,324

Review of the accompanying semi-annual consolidated financial statements by a certified public accountant or auditing firm

None

Explanation on the appropriate use of results forecasts and other important items

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially.

Please refer to “1. Management Performance and Financial Conditions, (2) Outlook for the Fiscal Year Ending March 2026” of the attachment for conditions serving as assumptions for results forecasts.

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## **1. Management Performance and Financial Conditions**

### **(1) Management Results**

Under the three-year medium-term management plan “BUILDING THE FUTURE 2025,” which concludes in the fiscal year ending March 31, 2026, the Company is committed to sustainable growth and enhancement of corporate value through four management strategies: [1]Delivering innovative solutions for customer needs; [2]Enhancing value chain business; [3]Expanding business in the Americas; and [4]Strengthening human capital and corporate capabilities.

During the 1H of the fiscal year (April 1, 2025 to September 30, 2025), revenue slightly decreased year on year to ¥654,051 million (a decrease of 1.8% year on year). While sales declined in the Americas OEM business and Oceania, sales remained strong in Europe, Asia, and our own developing business in North America. Revenue exceeded that of the previous year when excluding the impact of foreign exchange.

As for consolidated income items, increased volume, cost reductions, and continued price increases supported income. However, the yen's appreciation and unfavorable changes in the regional and model mix acted as downward pressures. As a result, the adjusted operating income decreased to ¥60,148 million (a decrease of 15.7% year on year), although performance showed signs of recovery compared to the first quarter. Net income attributable to owners of the parent increased to ¥37,750 million (an increase of 18.9% year on year), supported by one-time non-operating income and improved financial income and expenses. Additionally, operating cash flow and free cash flow increased year on year due to the increase in net income.

As a note, from the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations in line with IFRS accounting standards. As a result, for the 1H of the previous fiscal years, revenue, adjusted operating income, operating income, and income before income taxes are presented in amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operation.

Business results by segment are described below.

#### **[1] Construction Machinery Business**

During the 1H of the fiscal year under review, revenue was ¥588,462 million (a decrease of 2.9% year on year) and adjusted operating income was ¥54,531 million (a decrease of 15.2% year on year), resulting in a decrease in both revenue and income compared to the same period of the previous year. Sales in Europe, Asia and our own developing business in North America remained steady, but the earnings were impacted by the yen's appreciation and unfavorable changes in the regional and model mix.

## [2] Specialized Parts & Service Business

This segment consists primarily of Bradken Pty Limited and its subsidiaries, which are engaged in the parts and services business in the after-sales of mining facilities and machinery, and H-E Parts International LLC and its subsidiaries, which provide service solutions.

During the 1H of the fiscal year under review, revenue was ¥70,127 million (an increase of 8.8% year on year), while adjusted operating income was ¥5,617 million (a decrease of 19.8% year on year). The increase in revenue was primarily due to the acquisition of U.S.-based Brake Supply Co., Inc. in December 2024. However, the adjusted operating income decreased due to the impact of yen appreciation and investment restraint by some major customers and intensifying competitive conditions.

The above revenues of segments [1] and [2] are figures before intersegment adjustments.

The following table summarizes consolidated net revenue by geographic area:

(Millions of yen)

		FY2025 (April 1, 2025- September 30, 2025)		FY2024 (April 1, 2024- September 30, 2024)		Increase (Decrease)	
		Revenue (A)	Proportion (%)	Revenue (B)	Proportion (%)	(A)-(B)	(A)/(B)-1 (%)
	North America	144,452	22.1	146,595	22.0	(2,143)	(1.5)
	Central and South America	15,582	2.4	23,677	3.6	(8,095)	(34.2)
The Americas		160,034	24.5	170,272	25.6	(10,238)	(6.0)
Europe		92,356	14.1	78,023	11.7	14,333	18.4
	Russia-CIS	8,708	1.3	9,613	1.4	(905)	(9.4)
	Africa	40,772	6.2	41,345	6.2	(573)	(1.4)
	Middle East	22,012	3.4	19,933	3.0	2,079	10.4
Russia-CIS, Africa, and the Middle East		71,492	10.9	70,891	10.6	601	0.8
	Asia	58,784	9.0	53,631	8.1	5,153	9.6
	India	36,733	5.6	37,134	5.6	(401)	(1.1)
	Oceania	121,809	18.6	141,191	21.2	(19,382)	(13.7)
Asia and Oceania		217,326	33.2	231,956	34.8	(14,630)	(6.3)
China		12,269	1.9	14,765	2.2	(2,496)	(16.9)
Sub-total		553,477	84.6	565,907	85.0	(12,430)	(2.2)
Japan		100,574	15.4	99,830	15.0	744	0.7
Total		654,051	100.0	665,737	100.0	(11,686)	(1.8)

(Rounded off to the nearest million)

Note: From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the 1H of the previous fiscal years, revenues are presented in amounts for continuing operations excluding discontinued operations.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

## (2) Outlook for the Fiscal Year Ending March 2026

During the 1H of the fiscal year under review, demand for hydraulic excavators, particularly in North America, is expected to exceed forecasts and remains strong. However, overall uncertainty about the future persists, and we are fully factoring in the risks associated with the potential impact of U.S. tariff policies not only on the U.S., but also on other regions. Given this situation, we will maintain our cautious outlook for global annual demand for hydraulic excavators, with no change from the previous forecast.

In the mining sector, while prices for copper and gold are expected to remain firm, resource prices for coal, iron ore, and other commodities are weakening due to heightened caution regarding a global economic slowdown. Demand for new mining machinery is also expected to decrease year on year, with no change to the forecast. Although the tendency among mining customers to postpone maintenance has shown signs of improvement in certain regions, they continue to maintain a cautious investment stance.

Although uncertainty regarding the demand environment remains, we have revised upward our consolidated earnings forecast for the fiscal year ending March 2026 (April 1, 2025 to March 31, 2026), based on the solid performance in the second quarter, which shows signs of recovery. Regarding the increased costs associated with the application of U.S. tariffs policies, including the expansion of steel and aluminum tariffs, we expect to absorb a certain portion through price increases.

Although the business environment surrounding the Company remains uncertain, we will maintain our annual dividend plan of ¥175 per share, the same as the previous year, in light of the recent stable cash flow. The exchange rate assumptions for this earnings forecast from the third quarter and beyond are set to the US dollar at ¥142, euro at ¥166, Chinese yuan at ¥19.9, Australian dollar at ¥94.

### Consolidated Earnings Forecast for the Full Year Ending March 31, 2026

	Revenue	Adjusted operating income	Operating income	Income before income taxes	Net income attributable to owners of the parent	Net income attributable to owners of the parent per share (basic)
Previous Forecast	Millions of yen 1,300,000	Millions of yen 130,000	Millions of yen 128,000	Millions of yen 119,000	Millions of yen 73,000	Yen 343.15
Forecast	1,320,000	132,000	130,000	121,000	74,000	347.86
Change	20,000	2,000	2,000	2,000	1,000	—
Change (%)	1.5	1.5	1.6	1.7	1.4	—
(Reference) FY2024	1,371,285	144,989	154,730	134,168	81,428	382.83

(Rounded off to the nearest million)

Notes:

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors may cause actual results to differ materially.

### **(3) Analysis of Financial Condition**

#### **[1] Status of Assets, Liabilities, and Net Assets**

##### **(Assets)**

Current assets amounted to ¥ 986,636 million, a decrease of 1.4%, or ¥ 14,119 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 22,913 million in trade receivables although there was an increase of ¥ 18,790 million in inventories.

Non-current assets amounted to ¥ 792,524 million, an increase of 0.3%, or ¥ 2,273 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 3,829 million in property, plant and equipment although there was a decrease of ¥ 2,584 million in trade receivables.

As a result, total assets decreased by 0.7%, or ¥ 11,846 million, from the previous fiscal year-end to ¥ 1,779,160 million.

##### **(Liabilities)**

Current liabilities amounted to ¥ 581,532 million, a decrease of 5.2%, or ¥ 31,724 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 14,990 million in bonds and borrowings and ¥ 16,658 million in trade and other payables.

Non-current liabilities amounted to ¥ 316,596 million, a decrease of 1.0%, or ¥ 3,202 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 2,111 million in bonds and borrowings and ¥ 1,340 million in lease liabilities.

As a result, total liabilities decreased by 3.7%, or ¥ 34,926 million, from the previous fiscal year-end to ¥ 898,128 million.

##### **(Equity)**

Total equity increased by 2.7%, or ¥ 23,080 million, from the previous fiscal year-end to ¥ 881,032 million. This was mainly due to retained earnings.

## **[2] Analysis of the Status of Consolidated Cash Flows**

Cash and cash equivalents at the end of semi-annual period totaled ¥ 131,032 million, a decrease of ¥ 16,104 million from the beginning of the fiscal year. Statement and factors relating to each cash flow category are as follows:

### **(Net cash provided by (used in) operating activities)**

Net cash provided by operating activities for the semi-annual period based on ¥ 42,215 million in net income, and included ¥ 33,741 million in depreciation, a ¥ 29,507 million decrease in trade receivables and contract assets, while a ¥ 14,242 million decrease in trade payables and a ¥ 19,779 million income tax paid as cash outflow.

As a result, net cash provided by operating activities for the semi-annual period totaled to an inflow of ¥ 66,597 million, an increase inflow of ¥ 2,235 million year on year.

### **(Net cash (provided by) used in investing activities)**

Net cash used in investing activities for the semi-annual period amounted to ¥ 22,028 million, a decrease of ¥ 1,285 million year on year. This was mainly due to an outlay of ¥ 19,671 million for capital expenditures.

As a result, free cash flows, the sum of net cash provided by operating activities and net cash used in investing activities, amounted to an inflow of ¥ 44,569 million.

### **(Net cash (provided by) used in financing activities)**

Net cash used in financing activities for the semi-annual period amounted to ¥ 63,418 million. This was mainly due to a decrease of ¥ 20,785 million in short-term debt, net and a ¥ 28,460 million dividends paid (including dividends paid to non-controlling interests)

As a result, cash for financing activities for the semi-annual period produced an increased outflow of ¥ 27,019 million year on year.



## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of Sep. 30, 2025 (A)	As of Mar. 31, 2025 (B)	(A)-(B)
<b>Assets</b>			
Current assets			
Cash and cash equivalents	131,032	147,136	(16,104)
Trade receivables	247,346	270,259	(22,913)
Contract assets	645	623	22
Inventories	549,973	531,183	18,790
Income tax receivables	2,208	2,745	(537)
Other financial assets	27,635	31,324	(3,689)
Other current assets	27,797	17,485	10,312
Total current assets	986,636	1,000,755	(14,119)
Non-current assets			
Property, plant and equipment	489,860	486,031	3,829
Right-of-use-asset	65,876	67,328	(1,452)
Intangible assets	46,983	46,703	280
Goodwill	59,005	58,540	465
Investments accounted for using the equity method	26,234	25,968	266
Trade receivables	45,063	47,647	(2,584)
Deferred tax assets	24,764	25,438	(674)
Other financial assets	27,615	26,296	1,319
Other non-current assets	7,124	6,300	824
Total non-current assets	792,524	790,251	2,273
<b>Total assets</b>	<b>1,779,160</b>	<b>1,791,006</b>	<b>(11,846)</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	217,108	233,766	(16,658)
Lease liabilities	11,442	12,166	(724)
Contract liabilities	12,403	14,647	(2,244)
Bonds and borrowings	311,703	326,693	(14,990)
Income taxes payable	9,173	9,622	(449)
Other financial liabilities	14,832	11,918	2,914
Other current liabilities	4,871	4,444	427
Total current liabilities	581,532	613,256	(31,724)
Non-current liabilities			
Trade and other payables	1,622	2,317	(695)
Lease liabilities	59,059	60,399	(1,340)
Contract liabilities	8,364	8,284	80
Bonds and borrowings	209,054	211,165	(2,111)
Retirement and severance benefit	21,109	20,404	705
Deferred tax liabilities	12,120	11,861	259
Other financial liabilities	1,230	1,143	87
Other non-current liabilities	4,038	4,225	(187)
Total non-current liabilities	316,596	319,798	(3,202)
<b>Total liabilities</b>	<b>898,128</b>	<b>933,054</b>	<b>(34,926)</b>
<b>Equity</b>			
Equity attributable to owners of the parent			
Common stock	81,577	81,577	-
Capital surplus	75,863	75,768	95
Retained earnings	595,238	580,257	14,981
Accumulated other comprehensive income	84,551	74,768	9,783
Treasury stock, at cost	(2,994)	(3,033)	39
Total Equity attribute to owners of the parent	834,235	809,337	24,898
Non-controlling interests	46,797	48,615	(1,818)
<b>Total equity</b>	<b>881,032</b>	<b>857,952</b>	<b>23,080</b>
<b>Total liabilities and equity</b>	<b>1,779,160</b>	<b>1,791,006</b>	<b>(11,846)</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated cumulative semi-annual period

#### Consolidated Statements of Income

(Millions of yen)

	Six months ended Sep. 30, 2025 (A)	Six months ended Sep. 30, 2024 (B)	(A)/(B)×100 (%)
Continuing operations			
Revenue	654,051	665,737	98
Cost of sales	(456,181)	(455,367)	100
Gross profit	197,870	210,370	94
Selling, general and administrative expenses	(137,722)	(139,056)	99
Adjusted operating income	60,148	71,314	84
Other income	10,796	2,568	420
Other expenses	(3,232)	(3,093)	104
Operating income	67,712	70,789	96
Financial income	3,017	3,232	93
Financial expenses	(11,554)	(20,070)	58
Share of profits of investments accounted for using the equity method	1,784	542	329
Income before income taxes	60,959	54,493	112
Income taxes	(18,744)	(19,401)	97
Net income from continuing operations	42,215	35,092	120
Discontinued operations			
Net income from discontinued operations	-	1,090	-
Net income	42,215	36,182	117
Net income attributable to			
Owners of the parent	37,750	31,747	119
Non-controlling interests	4,465	4,435	101
Total net income	42,215	36,182	117
EPS attributable to owners of the parent			
Continuing operations	177.46	144.14	123
Discontinued operations	-	5.12	-
Net income per share (Basic) (yen)	177.46	149.26	119
Continuing operations	177.46	144.14	123
Discontinued operations	-	5.12	-
Net income per share (Diluted) (yen)	177.46	149.26	119

(Rounded off to the nearest million)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended Sep. 30, 2025 (A)	Six months ended Sep. 30, 2024 (B)	(A)/(B)×100 (%)
Net income	42,215	36,182	117
Other comprehensive income			
Items that cannot be reclassified into net income			
Net gains and losses from financial assets measured at fair value through OCI	1,881	172	1,094
Remeasurements of defined benefit obligations	112	-	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	9,624	(12,567)	-
Cash flow hedges	(221)	(50)	442
Other comprehensive income of equity method associates	(436)	(702)	62
Other comprehensive income, net of taxes	10,960	(13,147)	-
Comprehensive income	53,175	23,035	231
Comprehensive income attributable to			
Owners of the parent	48,161	20,036	240
Non-controlling interests	5,014	2,999	167

(Rounded off to the nearest million)

**(3) Consolidated Statements of Changes in Equity**  
**Consolidated cumulative semi-annual period**  
**For the six months ended Sep. 30, 2025**

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,768	580,257	2,286	9,965	(195)
Net income			37,750			
Other comprehensive income				111	1,881	(230)
Comprehensive income	-	-	37,750	111	1,881	(230)
Acquisition of treasury stock						
Dividends to stockholders of the Company			(23,397)			
Share-based payment transactions		95				
Transfer to retained earnings			628		(628)	
Change in liabilities for written put options over non-controlling interests						
Transaction with owners	-	95	(22,769)	-	(628)	-
Balance at end of period	81,577	75,863	595,238	2,397	11,218	(425)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income		Treasury stock, at cost	Total		
	Foreign currency translation adjustments	Total				
Balance at beginning of period	62,712	74,768	(3,033)	809,337	48,615	857,952
Net income		-		37,750	4,465	42,215
Other comprehensive income	8,649	10,411		10,411	549	10,960
Comprehensive income	8,649	10,411	-	48,161	5,014	53,175
Acquisition of treasury stock		-	(3)	(3)		(3)
Dividends to stockholders of the Company		-		(23,397)	(6,832)	(30,229)
Share-based payment transactions		-	42	137		137
Transfer to retained earnings		(628)		-		-
Change in liabilities for written put options over non-controlling interests		-		-		-
Transaction with owners	-	(628)	39	(23,263)	(6,832)	(30,095)
Balance at end of period	71,361	84,551	(2,994)	834,235	46,797	881,032

**For the six months ended Sep. 30, 2024**

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,965	526,307	(396)	8,660	(194)
Net income			31,747			
Other comprehensive income				-	172	29
Comprehensive income	-	-	31,747	-	172	29
Acquisition of treasury stock						
Dividends to stockholders of the Company			(13,824)			
Share-based payment transactions		104				
Transfer to retained earnings						
Change in liabilities for written put options over non-controlling interests		17				
Transaction with owners	-	121	(13,824)	-	-	-
Balance at end of period	81,577	76,086	544,230	(396)	8,832	(165)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income		Treasury stock, at cost	Total		
	Foreign currency translation adjustments	Total				
Balance at beginning of period	74,530	82,600	(3,069)	763,380	51,033	814,413
Net income		-		31,747	4,435	36,182
Other comprehensive income	(11,912)	(11,711)		(11,711)	(1,436)	(13,147)
Comprehensive income	(11,912)	(11,711)	-	20,036	2,999	23,035
Acquisition of treasury stock		-	(2)	(2)		(2)
Dividends to stockholders of the Company		-		(13,824)	(7,421)	(21,245)
Share-based payment transactions		-	40	144		144
Transfer to retained earnings		-		-		-
Change in liabilities for written put options over non-controlling interests		-		17	(16)	1
Transaction with owners	-	-	38	(13,665)	(7,437)	(21,102)
Balance at end of period	62,618	70,889	(3,031)	769,751	46,595	816,346

#### (4) Consolidated Statements of Cash Flows

##### Consolidated cumulative semi-annual period

(Millions of yen)

	Six months ended Sep. 30, 2025 (A)	Six months ended Sep. 30, 2024 (B)
Net income	42,215	35,092
Net income from discontinued operations	-	1,090
Depreciation	33,741	32,266
Amortization of intangible asset	4,773	4,601
Impairment losses	12	63
Income tax expense	18,744	19,468
Equity in net earnings of associates	(1,784)	(542)
(Gain) loss on sales of property, plant and equipment	(113)	(484)
Financial income	(3,017)	(3,232)
Financial expense	11,554	20,089
(Increase) decrease in trade receivables and contract assets	29,507	61,296
(Increase) decrease in lease receivables	365	2,348
Increase (decrease) in inventories	(248)	6,974
(Increase) decrease in trade payables	(14,242)	(42,558)
Increase (decrease) in retirement and severance benefit	501	(363)
Other	(32,261)	(42,027)
<b>Subtotal</b>	<b>89,747</b>	<b>94,081</b>
Interest received	2,736	2,827
Dividends received	1,583	867
Interest paid	(7,690)	(9,005)
Income tax paid	(19,779)	(24,408)
<b>Net cash provided by (used in) operating activities</b>	<b>66,597</b>	<b>64,362</b>
Capital expenditures	(19,671)	(16,981)
Proceeds from sale of property, plant and equipment	188	821
Acquisition of intangible assets	(4,118)	(6,175)
Acquisition of investments in securities and other financial assets (including investments in associates)	(513)	(975)
Sales of investments in securities and other financial assets (including investments in associates)	2,087	-
Increase (decrease) in short-term loan receivables, net	(5)	(29)
Collection of long-term loan receivables	15	40
Other	(11)	(14)
<b>Net cash (provided by) used in investing activities</b>	<b>(22,028)</b>	<b>(23,313)</b>
(Increase) decrease in short-term debt, net	(20,785)	(5,657)
Proceeds from long-term debt and bond	6,468	42,245
Payments on long-term debt and bond	(11,680)	(43,007)
Payments on lease payables	(6,361)	(8,487)
Dividends paid to owners of the parent	(23,379)	(13,815)
Dividends paid to non-controlling interests	(5,081)	(4,053)
Payments for acquisition of shares of subsidiaries from non-controlling interests	-	(3,623)
Payments for a paid-in capital reduction to non-controlling interests	(2,597)	-
Other	(3)	(2)
<b>Net cash (provided by) used in financing activities</b>	<b>(63,418)</b>	<b>(36,399)</b>
Effect of exchange rate changes on cash and cash equivalents	2,745	(3,508)
<b>Net (increase) decrease in cash and cash equivalents</b>	<b>(16,104)</b>	<b>1,142</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>147,136</b>	<b>143,530</b>
<b>Cash and cash equivalents at end of period</b>	<b>131,032</b>	<b>144,672</b>

## **(5) Notes on Consolidated Financial Statements**

(Notes on the Preconditions for a Going Concern)

There are no relevant items.

(Segment Information)

### **1) Overview of business segments**

The operating segments of the Group are the components for which separate financial information is available and that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The reportable segments are determined based on the operating segment.

Taking into consideration the nature of products and services as well as categories, types of customers, and economic characteristics in a comprehensive manner, the Company determines to classify two reportable segments as follows: The Construction Machinery Business Segment primarily intends to provide customers with a series of total life cycle solutions related to construction machinery such as the manufacture and sale of hydraulic excavators, ultra-large hydraulic excavators, and wheeled loaders, as well as the sale of parts related to these products. The Specialized Parts Service Business Segment primarily intends to provide services, production, and distribution parts that are not included in the Construction Machinery Business Segment.

From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the semi-annual period of previous fiscal year, we only have presented amounts of continuing operations excluding amounts of discontinued operations.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

2) Revenue, profit or loss, and other items of business segments

For the six months ended Sep. 30, 2025

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	588,422	65,629	654,051	-	654,051
Intersegment transactions	40	4,498	4,538	(4,538)	-
Total revenues	588,462	70,127	658,589	(4,538)	654,051
Adjusted operating income	54,531	5,617	60,148	-	60,148
Operating income	62,075	5,637	67,712	-	67,712
Financial income	-	-	-	3,017	3,017
Financial expenses	-	-	-	(11,554)	(11,554)
Share of profits of investments accounted for using the equity method	1,784	-	1,784	-	1,784
Income (loss) before income taxes	63,859	5,637	69,496	(8,537)	60,959

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

Note (\*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)



For the six months ended Sep. 30, 2024

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	605,806	59,931	665,737	-	665,737
Intersegment transactions	23	4,543	4,566	(4,566)	-
Total revenues	605,829	64,474	670,303	(4,566)	665,737
Adjusted operating income	64,312	7,002	71,314	-	71,314
Operating income	64,006	6,783	70,789	-	70,789
Financial income	-	-	-	3,232	3,232
Financial expenses	-	-	-	(20,070)	(20,070)
Share of profits of investments accounted for using the equity method	542	-	542	-	542
Income (loss) before income taxes	64,548	6,783	71,331	(16,838)	54,493

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

Note (\*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

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