

I. Summary of consolidated results

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HITACHI

Reliable solutions

- Revenue decreased by 6% compared to the previous year mainly due to a large decrease in revenue in China.
- Operating profit, income before income tax and net income attributable to owners of the parent company decreased compared to the previous year due to a sales volume decrease and the regional & model sales mix.

(billions of yen)

	FY2015 1Q-2Q	FY2014 1Q-2Q	change
Revenue	(380.0) 365.1	389.1	-6%
Operating profit	(18.5) 16.0	29.0	-45%
Income before income taxes	(15.5) 10.9	28.2	-61%
Net income attributable to owners of the parent	(5.5) 6.8	13.2	-48%

F X	Rate (YEN/US\$)	121.8	103.0	18.7
	Rate (YEN/EURO)	135.1	138.8	-3.8
	Rate (YEN/RMB)	19.5	16.6	2.9

Cash dividend per share (yen)	30	30	0
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note : () shows previous forecast as of July 2015

- Overall revenue decreased compared to the previous year due to significant decrease of 17.1 billion yen (YoY 59%) in China, 11.4 billion yen (79%) in Oceania and 10.4 billion yen (44%) in Russia CIS.
- On the other hand, revenue increased by 6.5 billion yen (107%) in Japan, 5.7 billion yen (156%) in the Middle East, 4.2 billion yen (109%) in North America and 3.6 billion yen (125%) in India.

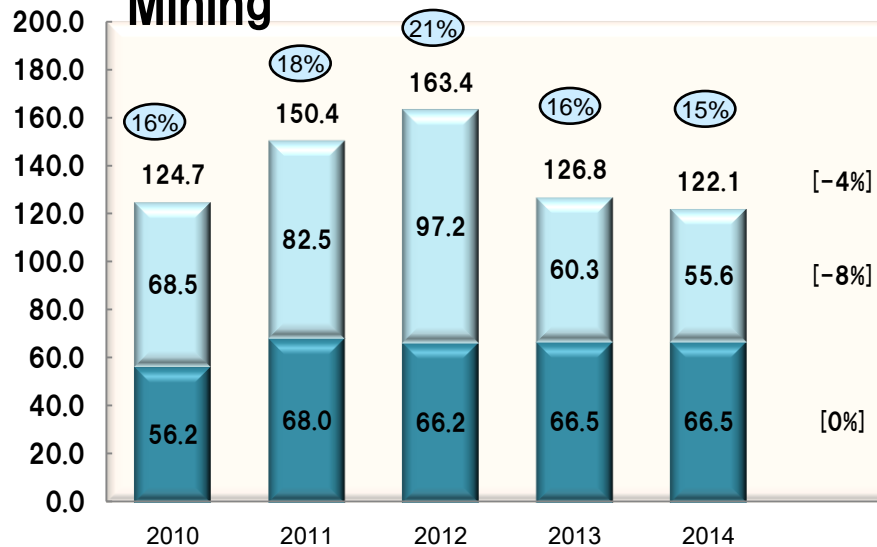
	FY2015 1Q-2Q		FY2014 1Q-2Q		(billions of yen) increase (decrease)	
		(ratio)		(ratio)	amount	%
Japan	106.0	(29%)	99.5	(26%)	6.5	7%
Asia	34.9	(10%)	36.2	(9%)	-1.3	-4%
India	18.1	(5%)	14.4	(4%)	3.6	25%
Oseania	43.9	(12%)	55.3	(14%)	-11.4	-21%
Europe	43.6	(12%)	45.8	(12%)	-2.2	-5%
N.America	48.9	(13%)	44.7	(11%)	4.2	9%
L.America	3.6	(1%)	3.2	(1%)	0.4	13%
Russia CIS	8.1	(2%)	18.5	(5%)	-10.4	-56%
M.East	15.8	(4%)	10.1	(3%)	5.7	56%
Africa	17.8	(5%)	19.9	(5%)	-2.1	-10%
China	24.5	(7%)	41.6	(11%)	-17.1	-41%
Total	365.1		389.1		-24.1	-6%

Overseas revenue
ratio 71%

Overseas revenue
ratio 74%

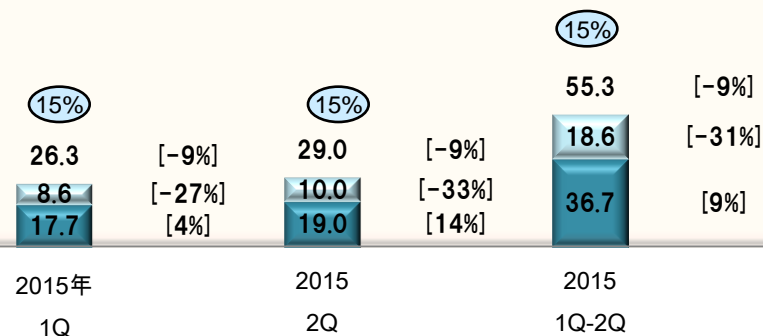
(billions of yen)

Mining



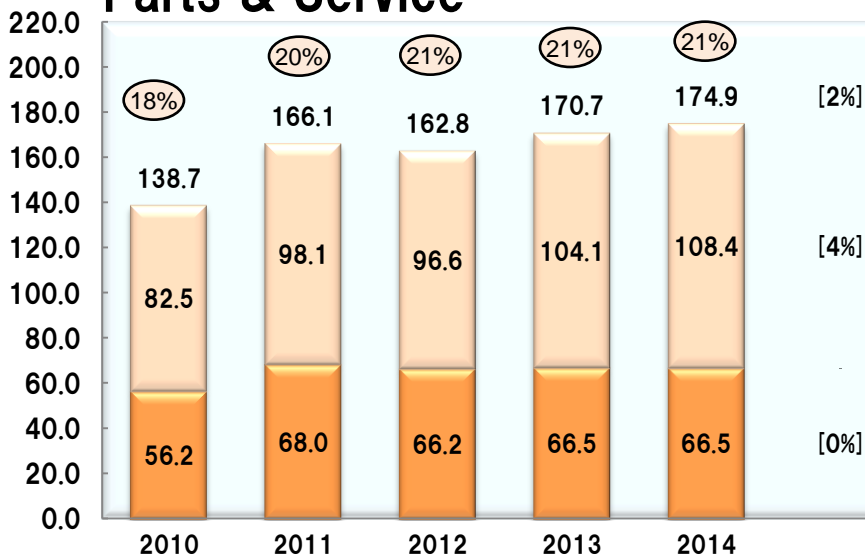
(%) shows mining sales ratio of total company sales
 [%] shows changed ratio from the same period of previous year

■ Parts & Services ■ Units

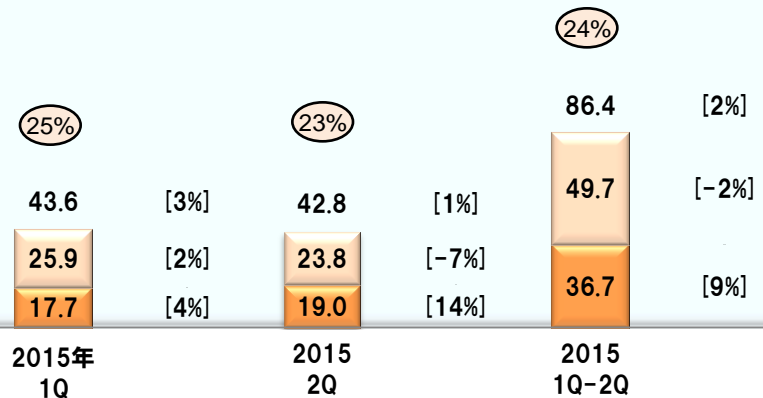


(billions of yen)

Parts & Service



■ Mining ■ Construction



- Operating profit in FY2015 1H decreased by 45% (13 billion yen) compared to that of FY2014 due to the sales volume decrease and the regional & model sales mix.
- Net income attributable to owners of the parent company also decreased by 48% to 6.8 billion yen due to an increase in financial expenses caused by depreciation of emerging-market currencies.

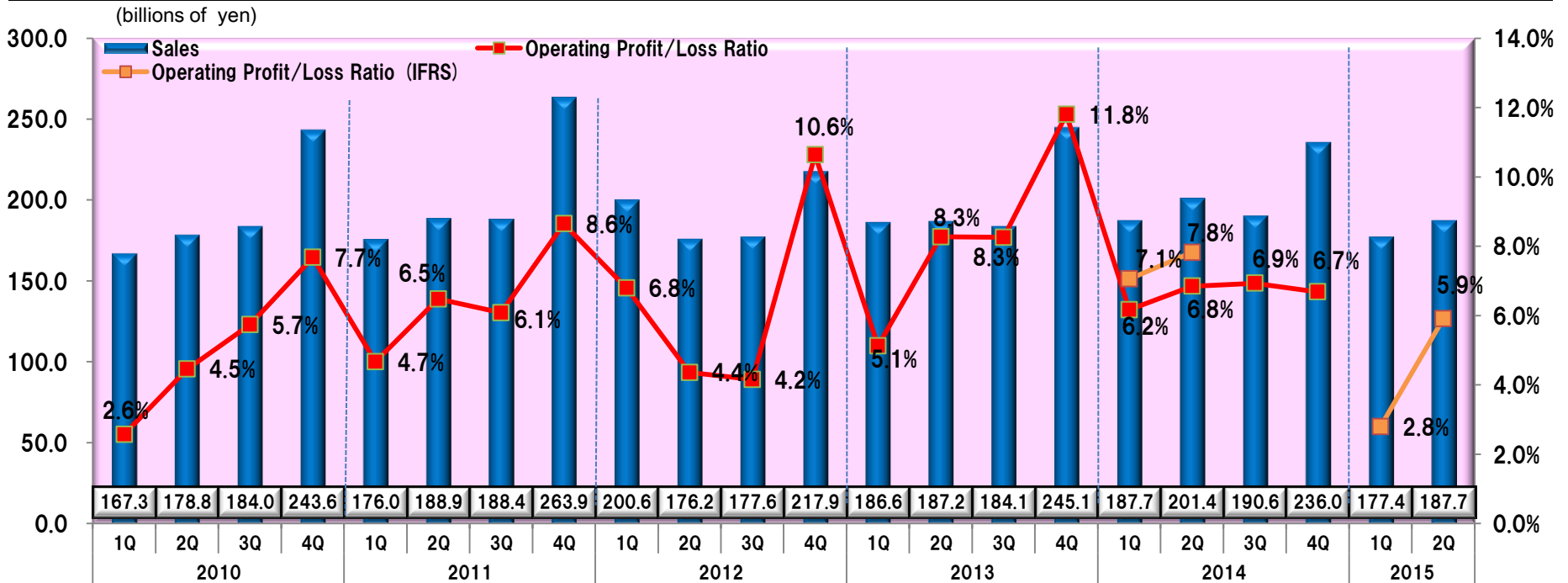
(billions of yen)

	FY2015		FY2014		increase (decrease)	
		1Q-2Q		1Q-2Q	amount	%
Revenue		365.1		389.1	-24.1	-6%
Cost of Sales	(74.4%)	-271.8	(73.2%)	-284.9	13.1	-5%
SGA expenses	(21.1%)	-76.9	(19.4%)	-75.5	-1.4	2%
Other Income/expenses		-0.4		0.2	-0.6	-
Operating profit	(4.4%)	16.0	(7.5%)	29.0	-13.0	-45%
Financial income/expenses		-6.3		-1.5	-4.8	318%
Share of profits of investments accounted for using the equity method		1.2		0.7	0.5	69%
Income before income taxes	(3.0%)	10.9	(7.2%)	28.2	-17.3	-61%
Income taxes		-2.9		-12.1	9.2	-76%
Net income	(2.2%)	8.0	(4.1%)	16.0	-8.1	-50%
Net income attributable to owners of the parent	(1.9%)	6.8	(3.4%)	13.2	-6.4	-48%
Comprehensive income		-4.0		27.8	-31.8	-114%

Summary of quarterly consolidated revenue and operating profit/loss (ratio)

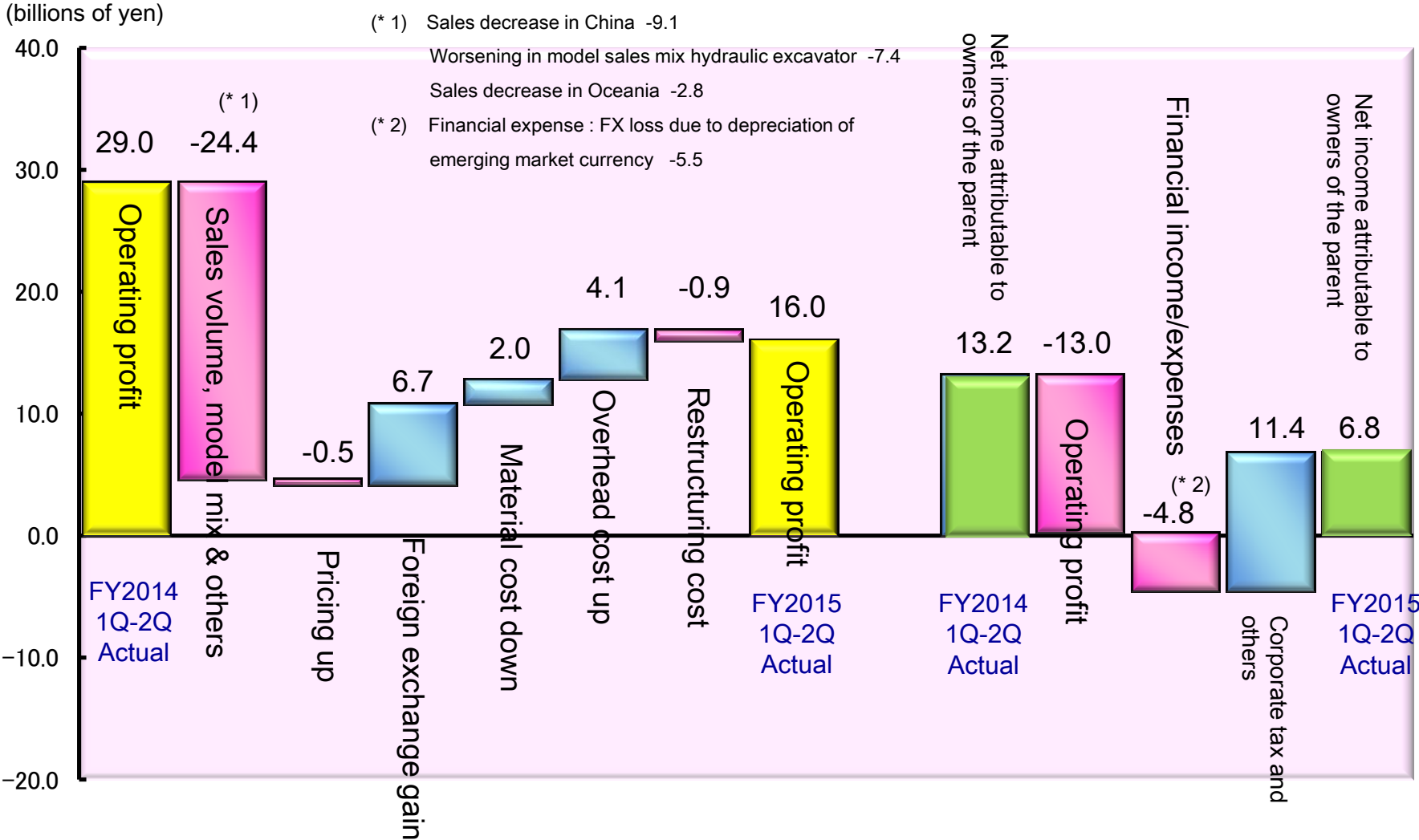
(billions of yen)

	2010				2011				2012				2013				2014				2015	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	167.3	178.8	184.0	243.6	176.0	188.9	188.4	263.9	200.6	176.2	177.6	217.9	186.6	187.2	184.1	245.1	187.7	201.4	190.6	236.0	177.4	187.7
Operating profit/loss	4.3	8.0	10.6	18.7	8.2	12.2	11.5	22.8	13.6	7.7	7.4	23.2	9.6	15.5	15.2	28.9	11.6	13.8	13.2	15.8	/	/
Operating profit/loss (IFRS)	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	13.2	15.8	/	/	4.9	11.1



FX rate	2010				2011				2012				2013				2014				2015	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
US\$	92.0	85.9	82.6	82.3	81.7	77.9	77.4	79.3	80.2	78.6	81.2	92.4	98.8	99.0	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2
€	117.0	110.7	112.2	112.6	117.4	110.2	104.3	104.0	102.9	98.4	105.3	122.0	129.0	131.1	136.7	140.8	140.1	137.8	143.1	134.2	134.2	136.0
RMB	13.4	12.6	12.4	12.5	12.6	12.1	12.2	12.6	12.7	12.4	13.0	14.9	16.1	16.2	16.5	16.9	16.4	16.9	16.9	19.1	19.6	19.3

• Operating profit decreased by 13 billion yen compared to that of the previous year due to the decreased sales volume and the regional & model sales mix, despite favorable foreign exchange rates and reduction of overhead costs.



- Total assets decreased by 59.5 billion yen and equity attributable to the owners of the parent ratio improved by 1.4% from the end of March 2015 to 41.9%.
- Interest bearing debt that excludes cash and cash equivalents decreased by 38 billion yen from the end of March 2015.

(billions of yen)

	(A) FY15-2Q	(B) Mar '2015	(C) FY14-2Q	(A)-(B) change
Cash and cash equivalents	66.4	51.4	69.4	15.0
Trade receivables	187.2	231.5	221.2	-44.2
Inventories	295.8	313.5	327.8	-17.7
Total current assets	603.4	639.0	664.1	-35.6
Total non-current assets	401.8	425.7	447.4	-23.9
Total assets	1,005.2	1,064.7	1,111.6	-59.5

Trade receivables inc. non-current	214.2	261.6	278.3	-47.4
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Inventories by products

Unit	90.7	101.5	106.6	-10.8
Parts	104.6	110.7	110.7	-6.1
Raw materials, WIP and etc	100.5	101.3	110.6	-0.8
Total inventories	295.8	313.5	327.8	-17.7

On hand days(divided by net sales) (Days)

Trade receivables	99	117	124	-18
Inventories	136	140	146	-4
Trade payables	55	62	64	-8
Net working capital	179	193	206	-15

	(D) FY15-2Q	(E) Mar '2015	(F) FY14-2Q	(D)-(E) change
Trade and other payables	210.0	230.4	227.8	-20.4
Bonds and borrowings	264.6	287.7	359.4	-23.0
Total current liabilities	519.8	566.8	634.5	-47.0
(Equity attributable to owners of the parent ratio)	(41.9%)	(40.5%)	(37.2%)	(1.4%)
Total equity	485.4	497.9	477.1	-12.5
Total liabilities and equity	1,005.2	1,064.7	1,111.6	-59.5

Interest-bearing debt	(26.3%)	(27.0%)	(32.3%)	(-0.7%)
Cash and Cash equivalents	66.4	51.4	69.4	15.0
Interest-bearing debt, net	(19.7%)	(22.2%)	(26.1%)	(-2.5%)
Debt	198.2	236.2	290.0	-38.0

Net D/E Ratio	0.47	0.55	0.70	-0.08
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Net cash provided by operating activities increased by 0.7 billion yen year on year to a positive 51.9 billion yen. The improvement in working capital compensated for the significant decline of the profit of the first half year.

(billions of yen)

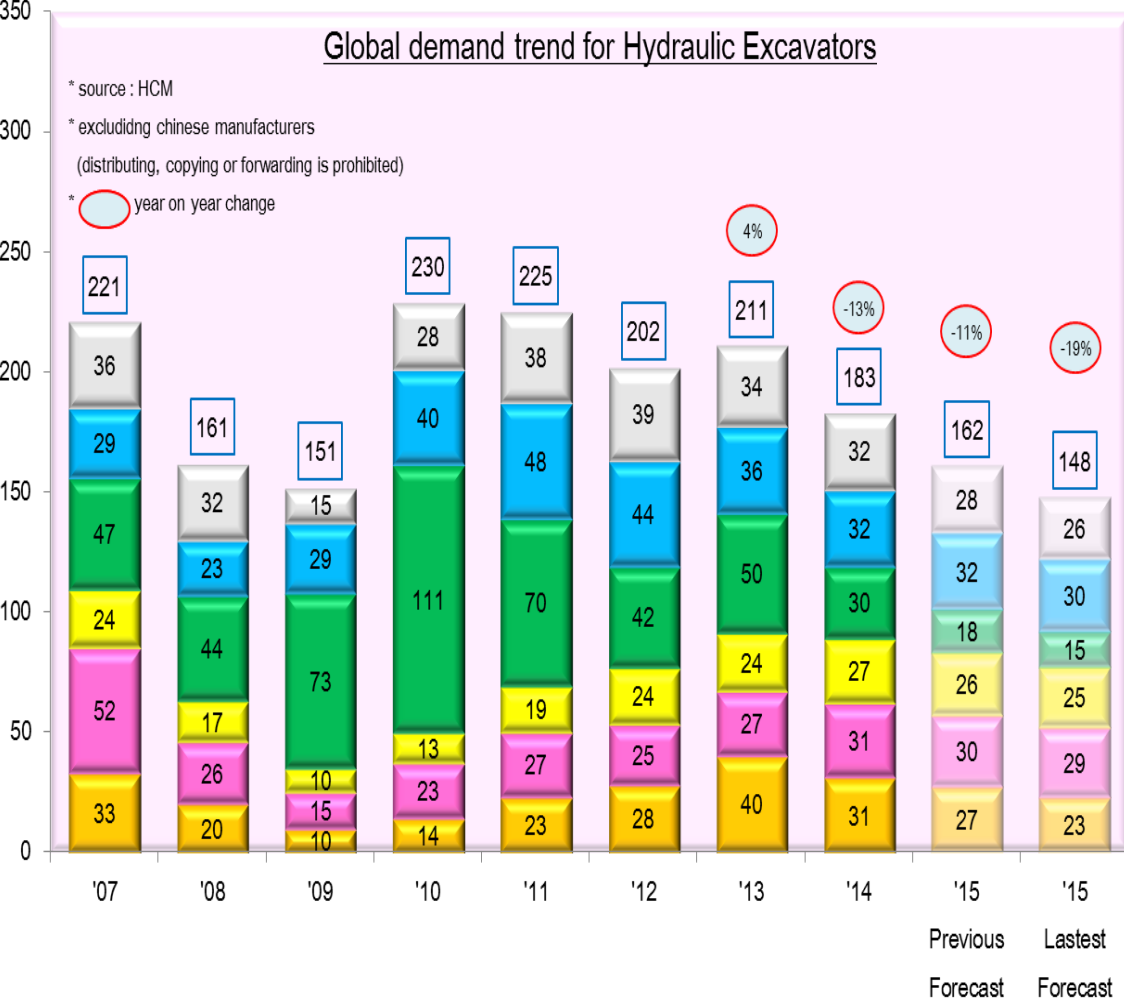
	FY2015 1Q-2Q		FY2014 1Q-2Q		change	
Net income		8.0		16.0		-8.1
Depreciation and amortization	25.7	17.7	34.6	18.5	-8.9	-0.9
(Increase)decrease in trade/lease receivables		44.7		31.2		13.5
(Increase)decrease in inventories		8.8		-1.4		10.2
(Increase)decrease in trade payables	42.4	-11.1	26.7	-3.0	15.7	-8.0
Others, net		-16.1		-10.0		-6.1
Net cash provided by (used in) operating activities		51.9		51.3		0.7
Cash flow margin for operating activities		14.2%		13.2%		1.0%
Net cash provided by (used in) investing activities		1.6		-9.3		10.9
Free cash flows		53.5		42.0		11.6

II. Consolidated earnings forecast

Global demand for hydraulic excavator in FY2015 moved downwards 19% from the FY2014 actual to 148,000 units mainly due to a decrease in China, which is down 49% year on year to 15,000 units.

(in thousand of units)

Global demand trend for Hydraulic Excavators



year on year change by region

	'14	'15 Previous Forecast	'15 Lastest Forecast
Total	-13%	-11%	-19%
Russia-CIS & E.Europe	-22%	-36%	-49%
Africa	+7%	0%	-6%
Middle East	+4%	-3%	-1%
Latin America	-3%	-18%	-31%
Others	-6%	-13%	-19%
India	-1%	+14%	+15%
Indonesia	-29%	-21%	-39%
Others	-10%	+2%	-5%
Asia & Oceania	-11%	0%	-6%
China	-40%	-39%	-49%
North America	+13%	-4%	-7%
Western Europe	+15%	-3%	-6%
Japan	-23%	-13%	-26%

- Others
- Asia & Oceania
* incl. India
- China
- North America
- Western Europe
- Japan

The financial forecast for FY2015 has been downwardly revised due to an additional decline in worldwide hydraulic excavator demand forecast and expected restructuring cost.

(billions of yen)

		FY2015 Forecast	FY2014 Actual	increase (decrease)	
				amount	%
Revenue		(810.0) 780.0	815.8	-35.8	-4%
Operating profit		(54.0) 30.0	63.1	-33.1	-52%
income taxes		(49.0) 21.0	59.0	-38.0	-64%
owners of the parent		(27.0) 13.0	26.0	-13.0	-50%
F X	Rate (YEN/US\$)	(120.3) 120.9	110.5	10.4	
	Rate (YEN/EURO)	(131.0) 132.4	138.3	-5.9	
	Rate (YEN/RMB)	(19.1) 19.2	17.6	1.6	

Cash dividend per share (yen)	(60)	60	60	0
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note : () shows previous forecast as of July 2015

Exchange rate for 3Q – 4Q of FY15

	() : previous rate
Yen / US\$	120.0 (120.0)
Yen / EURO	130.0 (130.0)
Yen / RMB	19.0 (19.0)

Sales forecast by geographic region (consolidated) (11)

- Compared with FY2014 results, revenue is forecasted to increase by 13.0 billion yen in Japan and 13.4 billion yen in the Middle East.
- On the other hand, revenue is forecasted to decrease by 29.0 billion yen in China, 13.8 billion yen in Oceania, and 10.7 billion yen in Russia CIS.

(billions of yen)

	FY2015 Lastest Forecast		FY2015 Previous Forecast		FY2014 Actual		VS. FY2014 Actual		VS. Previous Forecast	
	amount	(ratio)	amount	(ratio)	amount	(ratio)	amount	%	amount	%
Japan	234.7	(30%)	236.5	(29%)	221.8	(27%)	13.0	6%	-1.8	-1%
Asia	71.6	(9%)	80.5	(10%)	80.0	(10%)	-8.4	-10%	-8.9	-11%
India	41.9	(5%)	42.6	(5%)	33.0	(4%)	8.9	27%	-0.8	-2%
Oseania	96.4	(12%)	101.1	(12%)	110.2	(14%)	-13.8	-13%	-4.7	-5%
Europe	94.3	(12%)	96.0	(12%)	93.4	(11%)	0.9	1%	-1.7	-2%
N.America	100.2	(13%)	105.1	(13%)	106.1	(13%)	-5.9	-6%	-4.9	-5%
L.America	8.8	(1%)	7.1	(1%)	6.5	(1%)	2.3	36%	1.7	24%
Russia CIS	18.2	(2%)	21.7	(3%)	28.9	(4%)	-10.7	-37%	-3.5	-16%
M.East	35.0	(4%)	31.6	(4%)	21.5	(3%)	13.4	62%	3.4	11%
Africa	35.2	(5%)	33.1	(4%)	41.7	(5%)	-6.5	-16%	2.1	6%
China	43.9	(6%)	54.7	(7%)	72.9	(9%)	-29.0	-40%	-10.8	-20%
Total	780.0		810.0		815.8		-35.8	-4%	-30.0	-4%

Overseas revenue
ratio 70%

Overseas revenue
ratio 71%

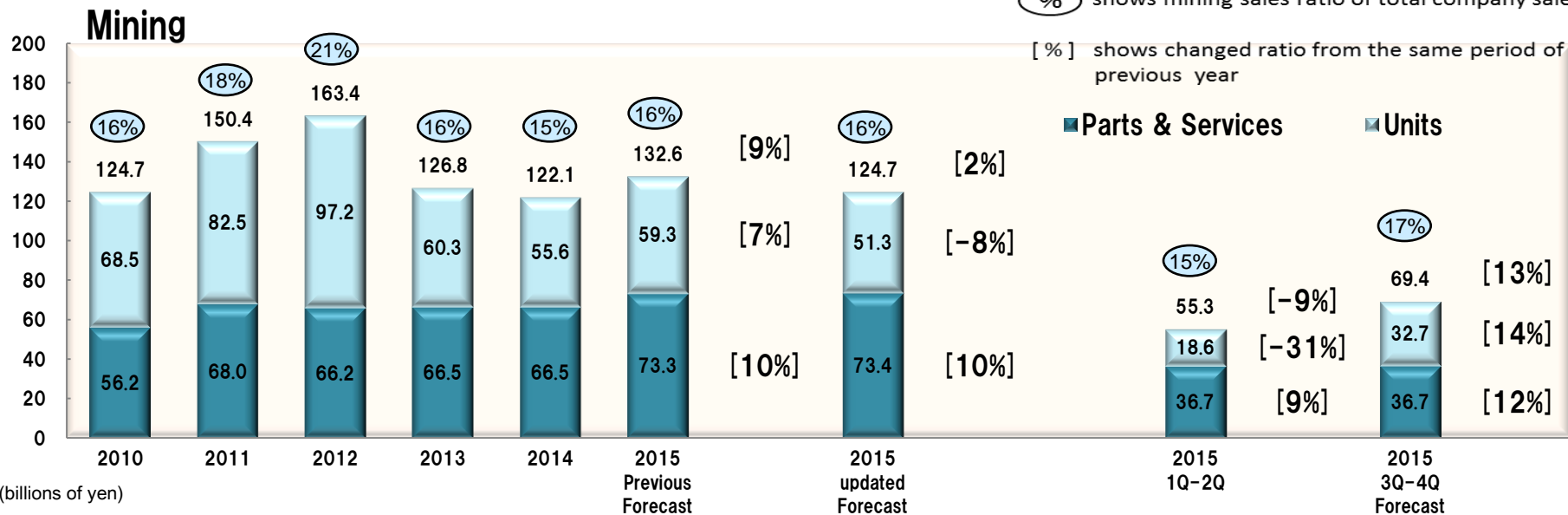
Overseas revenue
ratio 73%

(billions of yen)

○% shows mining sales ratio of total company sales

[%] shows changed ratio from the same period of previous year

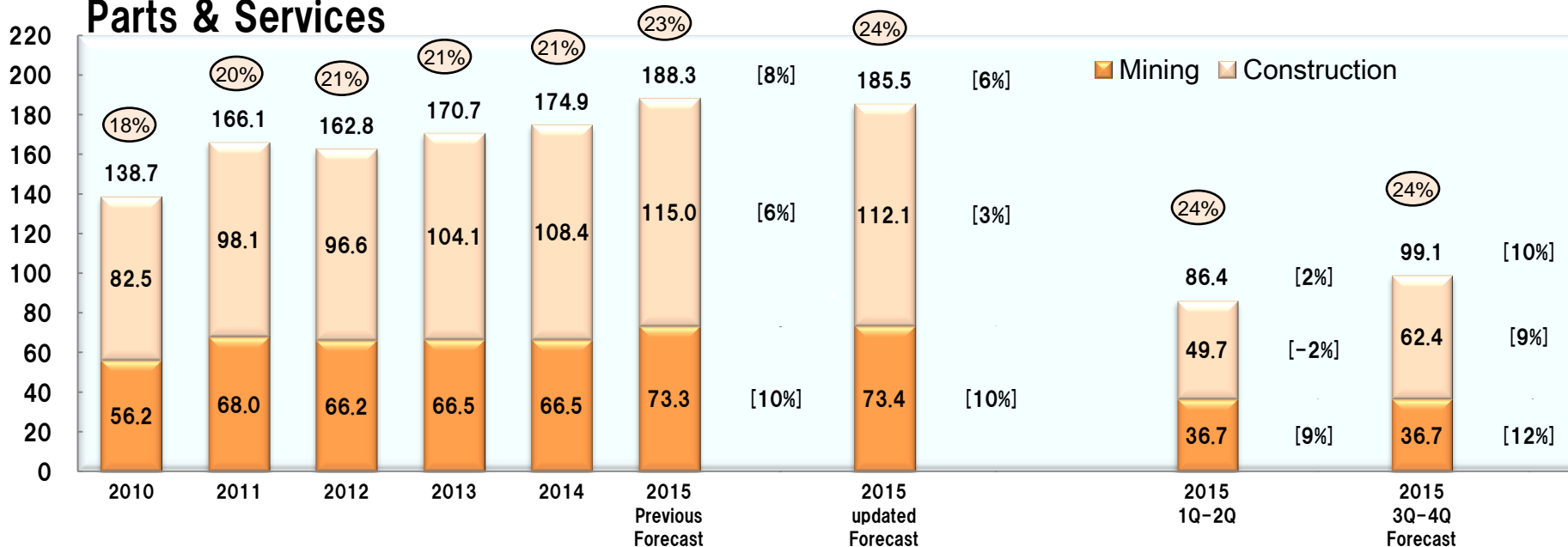
■ Parts & Services ■ Units



(billions of yen)

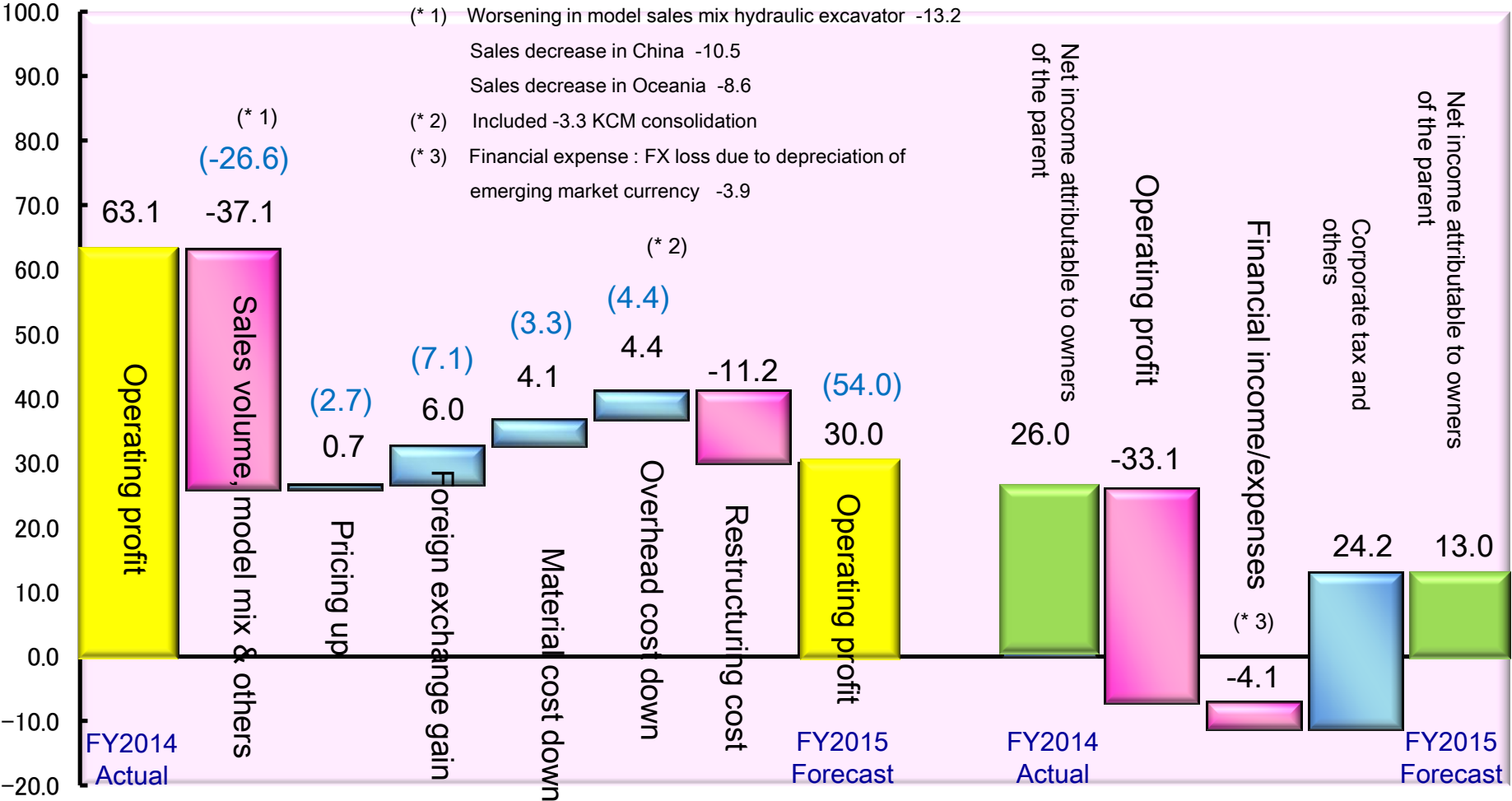
Parts & Services

■ Mining ■ Construction



Operating profit of FY2015 is forecasted to decrease to 30 billion yen, a year-on-year decline of 33.1 billion yen, due to a large decrease in sales volume, worsening in product mix and restructuring cost of -11.2 billion yen, despite a reduction of material cost and overhead cost.

(billions of yen) note : () shows previous forecast as of July 2015



[Cautionary Statement]

This material contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results, and business strategies. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in the economic conditions in the Company's principal markets; changes in demand for the Company's products, changes in exchange rates, and the impact of regulatory changes and accounting principles and practices.

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