

I. Summary of consolidated results

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HITACHI

Reliable solutions

- Overall revenue decreased by 5% compared to the previous year mainly due to a large decrease in revenue in China.
- Operating profit decreased by 72% compared to the previous year due to a sales volume decrease and restructuring cost.

(billions of yen)

	FY2015 1Q-3Q	FY2014 1Q-3Q	change
Revenue	549.1	579.8	-5%
Operating profit	12.3	44.5	-72%
Income before income taxes	4.5	41.4	-89%
Net income attributable to owners of the parent	-0.0	20.8	-

F X	Rate (YEN/US\$)	121.7	107.2	14.5
	Rate (YEN/EURO)	134.4	140.1	-5.7
	Rate (YEN/RMB)	19.3	17.2	2.1

- Overall revenue decreased compared to the previous year except in Japan, India and the Middle East.
- Especially, there was a significant decrease of 20.3 billion yen (YoY 64%) in China.

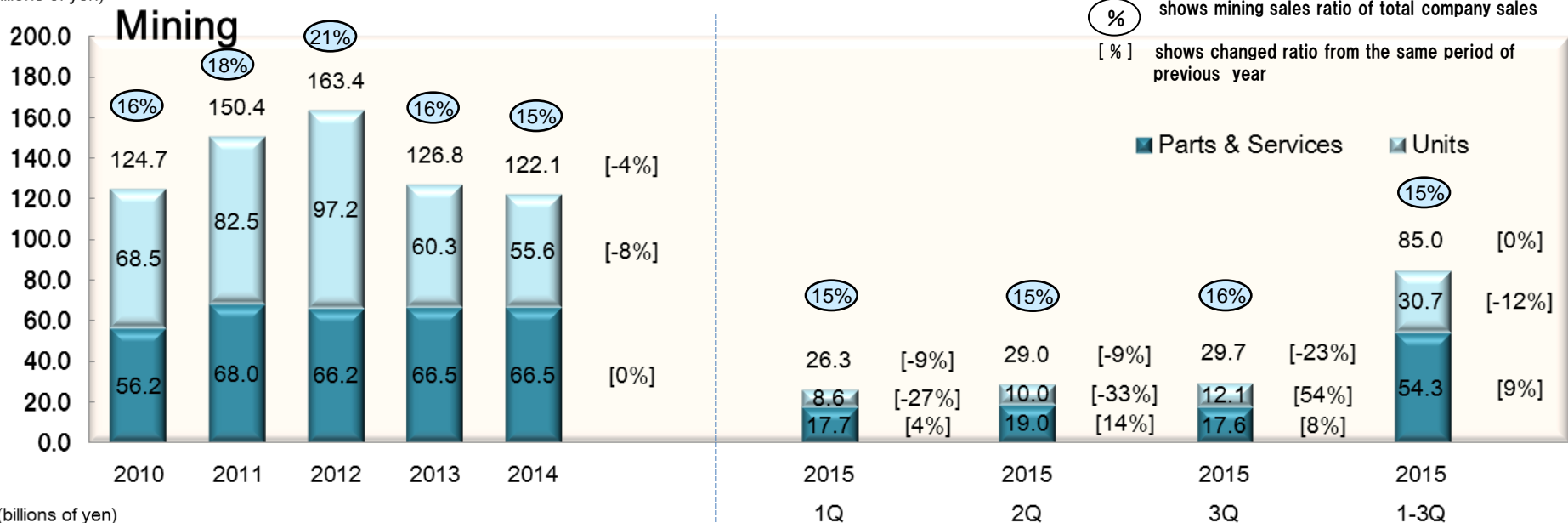
(billions of yen)

	FY2015 1Q-3Q		FY2014 1Q-3Q		increase (decrease)	
		(ratio)		(ratio)	amount	%
Japan	167.6	(31%)	160.0	(28%)	7.6	5%
Asia	49.4	(9%)	56.6	(10%)	-7.2	-13%
India	28.7	(5%)	23.3	(4%)	5.4	23%
Oseania	69.4	(13%)	77.0	(13%)	-7.6	-10%
Europe	62.4	(11%)	62.6	(11%)	-0.2	0%
N.America	69.5	(13%)	73.0	(13%)	-3.5	-5%
L.America	5.2	(1%)	4.6	(1%)	0.7	15%
Russia CIS	13.4	(2%)	24.3	(4%)	-10.9	-45%
M.East	20.7	(4%)	13.2	(2%)	7.5	57%
Africa	27.2	(5%)	29.2	(5%)	-2.0	-7%
China	35.7	(7%)	56.0	(10%)	-20.3	-36%
Total	549.1		579.8		-30.6	-5%

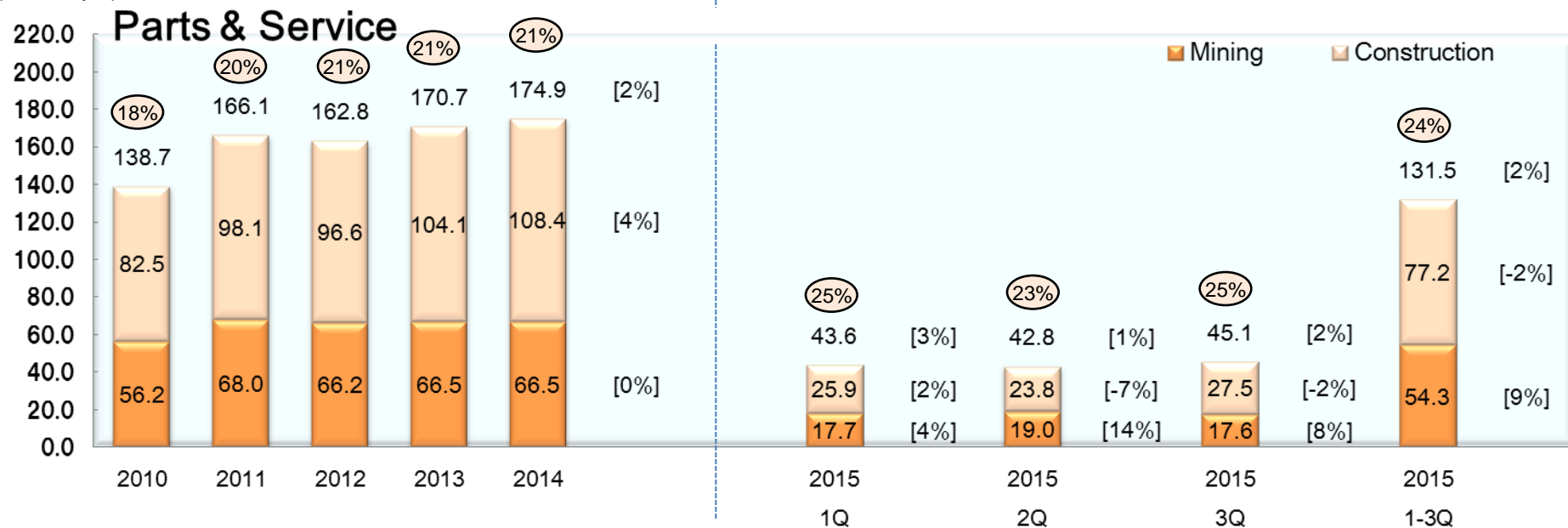
Overseas revenue
ratio 69%

Overseas revenue
ratio 72%

(billions of yen)



(billions of yen)



- Operating profit decreased by 72% (12.3 billion yen) compared to that of FY2014 due to the sales volume decrease and acceleration of structural improvement.
- Net income attributable to owners of the parent company also decreased significantly to -37 million yen mainly due to the tax effect.

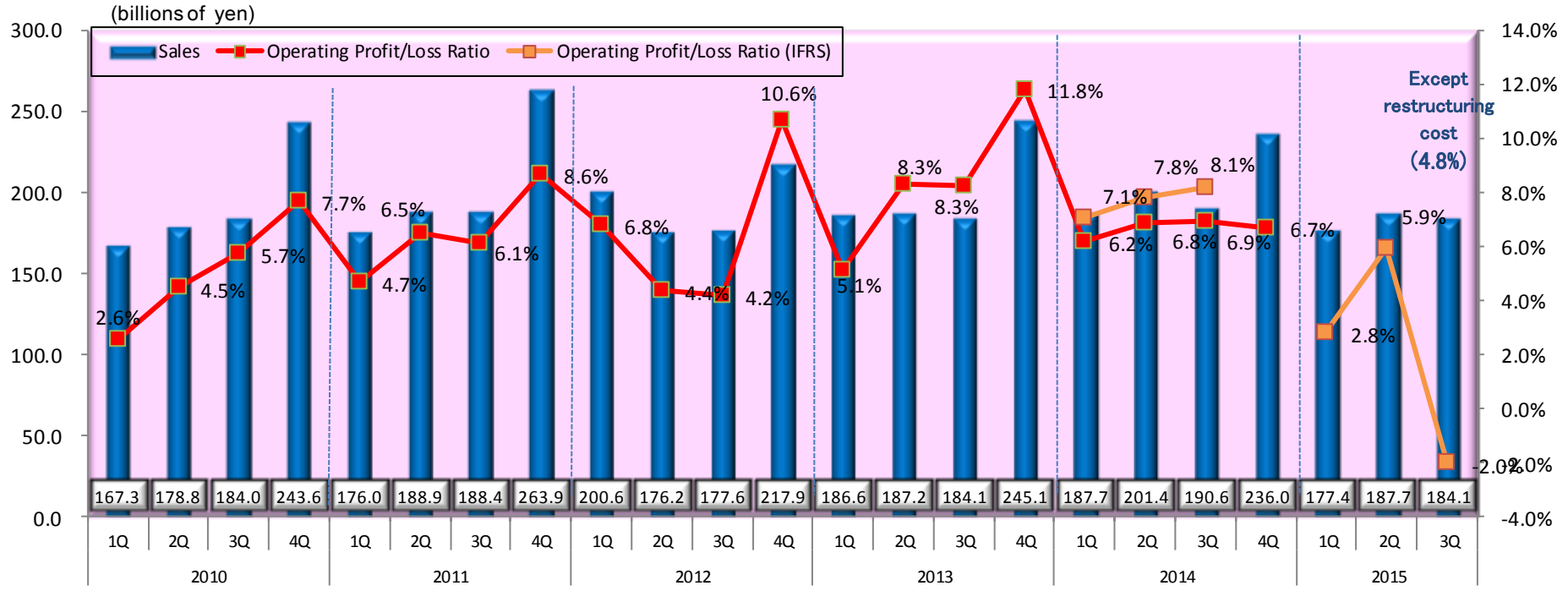
(billions of yen)

	FY2015		FY2014		increase (decrease)	
		1Q-3Q		1Q-3Q	amount	%
Revenue		549.1		579.8	-30.6	-5%
Cost of Sales	(75.7%)	415.7	(72.3%)	419.4	-3.8	-1%
SGA expenses	(21.5%)	118.2	(20.1%)	116.7	1.6	1%
Other Income/expenses		-3.0		0.9	-3.8	-
Operating profit	(2.2%)	12.3	(7.7%)	44.5	-32.3	-72%
Financial income/expenses		-8.0		-3.8	-4.2	112%
Share of profits of investments accounted for using the equity method		0.3		0.6	-0.3	-53%
Income before income taxes	(0.8%)	4.5	(7.1%)	41.4	-36.8	-89%
Income taxes		3.7		17.2	-13.5	-78%
Net income	(0.1%)	0.8	(4.2%)	24.1	-23.3	-97%
Net income attributable to owners of the parent	(-0.0%)	-0.0	(3.6%)	20.8	-20.9	-100%
Comprehensive income		-13.9		56.9	-70.8	-124%

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

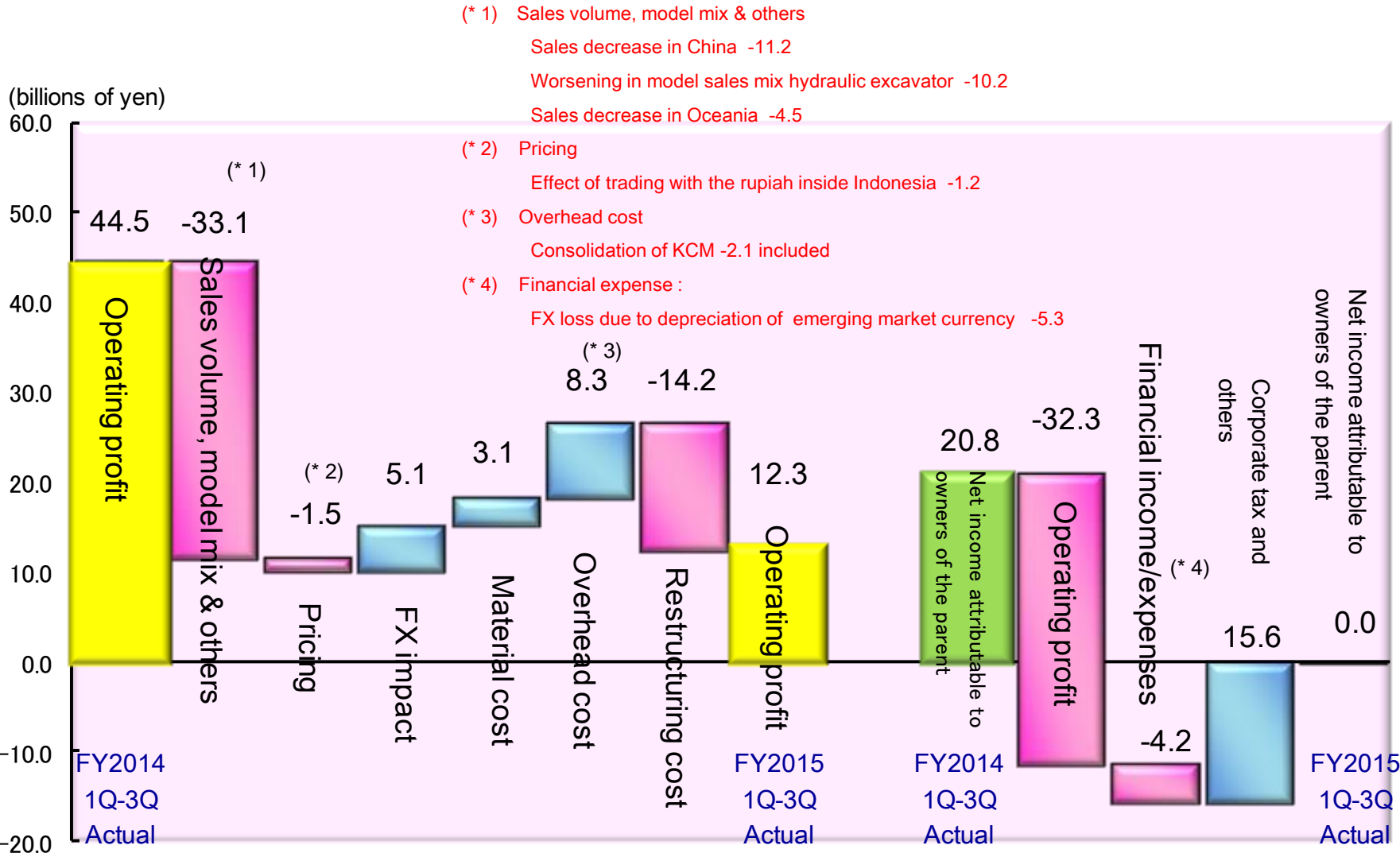
(billions of yen)

	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	3Q
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	184.1
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	15.5		4.9	11.1	-3.8



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	3Q
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	121.5
€	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	133.0
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	18.9

•Structural improvement expense in the 3rd quarter was 14.2 billion yen.



- Total assets decreased by 67.4 billion yen compared to the end of FY2014 despite the increase stemming from the consolidation of KCM by 26.4 billion yen.
- Inventory decreased by 18.5 billion yen compared to the end of FY2014 despite the effect of KCM by 12.1 billion yen.

(billions of yen)

	(A) FY2015	(B) Mar '2015	(C) FY2014	(A)-(B) change
Cash and cash equivalents	73.0	51.4	89.0	21.6
Trade receivables	167.6	231.5	221.6	-63.9
Inventories	295.0	313.5	355.2	-18.5
Total current assets	589.0	639.0	713.4	-50.0
Total non-current assets	408.3	425.7	444.0	-17.4
Total assets	997.3	1,064.7	1,157.5	-67.4

Trade receivables inc. non-current	193.2	261.6	267.4	-68.3
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Inventories by products

Unit	87.4	101.5	117.7	-14.1
Parts	104.8	110.7	118.6	-6.0
Raw materials, WIP and etc	102.8	101.3	118.9	1.6
Total inventories	295.0	313.5	355.2	-18.5

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

Trade receivables	90	117	124	-27
Inventories	137	140	157	-3
Trade payables	59	62	70	-3
Net working capital	166	193	210	-28

	(D) FY2015	(E) Mar '2015	(F) FY2014	(D)-(E) change
Trade and other payables	217.5	230.4	241.4	-12.9
Bonds and borrowings	261.0	287.7	366.6	-26.7
Total current liabilities	528.1	566.8	657.6	-38.6
(Equity attributable to owners of the parent ratio)	[40.7%]	[40.5%]	[37.3%]	[0.2%]
Total equity	469.1	497.9	499.8	-28.8
Total liabilities and equity	997.3	1,064.7	1,157.5	-67.4

Interest-bearing debt	[26.2%]	[27.0%]	[31.7%]	[-0.9%]
Cash and Cash equivalents	261.0	287.7	366.6	-26.7
Interest-bearing debt, net	73.0	51.4	89.0	21.6
Debt	[18.8%]	[22.2%]	[24.0%]	[-3.3%]
	188.0	236.2	277.6	-48.3

Net D/E Ratio	0.46	0.55	0.64	-0.09
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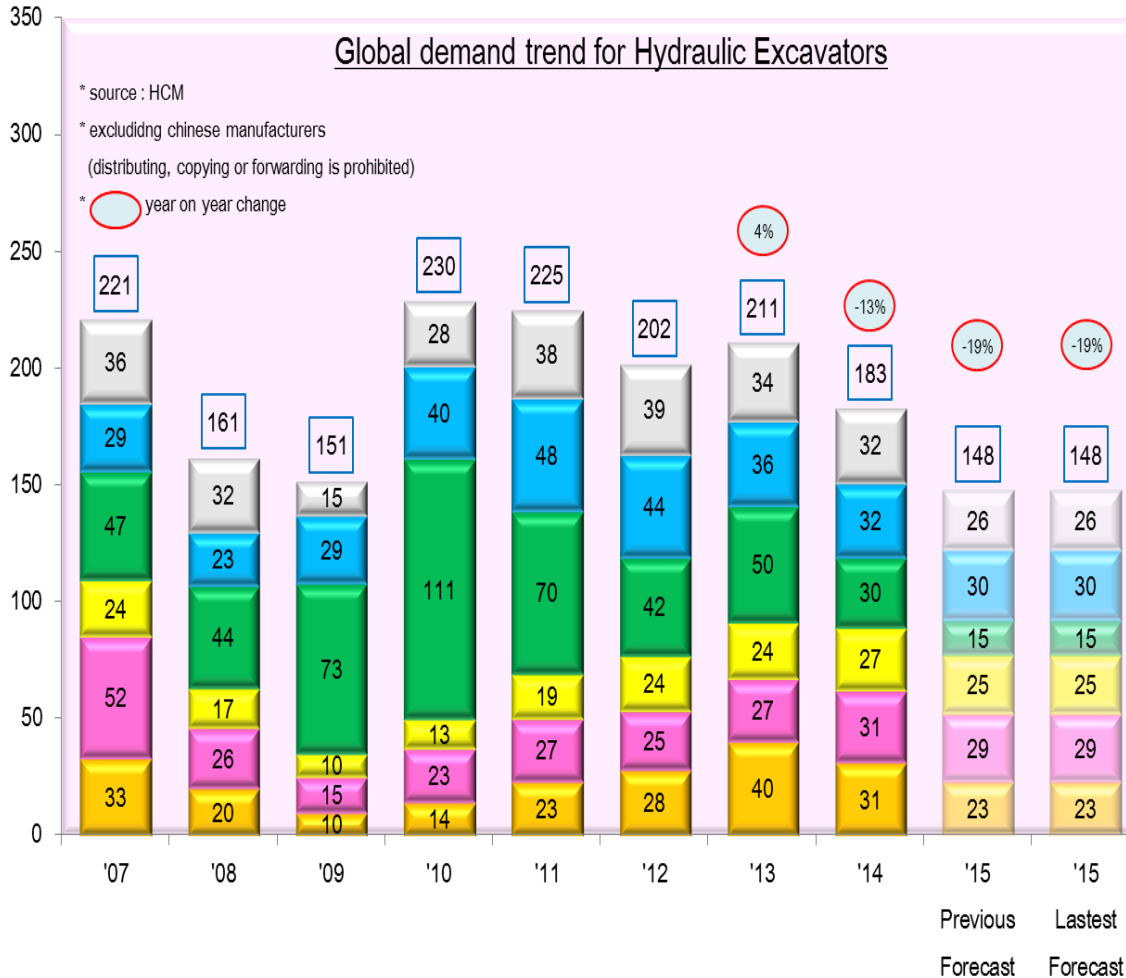
Though quarterly profit decreased, operating cash flow increased by 10.5 billion yen year on year due to the improvement in working capital.

(billions of yen)

	FY2015		FY2014		change	
	1Q-3Q		1Q-3Q			
Net income		0.8		24.1		-23.3
Depreciation and amortization	28.2	27.4	51.9	27.8	-23.7	-0.3
(Increase)decrease in trade/lease receivables		72.6		56.6		15.9
(Increase)decrease in inventories		22.1		-15.6		37.7
(Increase)decrease in trade payables	89.2	-5.5	45.5	4.5	43.7	-10.0
Others, net		-23.3		-13.7		-9.6
Net cash provided by (used in) operating activities		94.1		83.7		10.5
Cash flow margin for operating activities		17.1%		14.4%		2.7%
Net cash provided by (used in) investing activities		-9.1		-14.5		5.5
Free cash flows		85.1		69.2		15.9

• Global demand for hydraulic excavators in FY2015 moved downwards 19% from that of FY2014 to 148,000 units, the same as the previous forecast.

(in thousand of units)



year on year change by region

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

Operating profit maintained the previous level due to the reduction of overheads.
Sales revenue, net income before tax and net income attributable to owners of the parent company have been downwardly revised against the previous forecast.

(billions of yen)

		FY2015 Forecast	FY2014 Actual	increase (decrease)	
				amount	%
Revenue		(780.0) 760.0	815.8	-55.8	-7%
Operating profit		(30.0) 30.0	63.1	-33.1	-52%
income taxes		(21.0) 19.5	59.0	-39.5	-67%
owners of the parent		(13.0) 9.5	26.0	-16.5	-63%
F X	Rate (YEN/US\$)	(120.9) 121.3	110.5	10.8	
	Rate (YEN/EURO)	(132.4) 133.1	138.3	-5.2	
	Rate (YEN/RMB)	(19.2) 19.2	17.6	1.6	

Cash dividend per share (yen)	(60) ※1 Not decided	60	-
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note : () shows previous forecast as of October 2015

※1 interim dividend: 30 yen, year-end dividend: not decided

Exchange rate for 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 the FY2014 results, overall revenue is forecasted to increase by 11.0 billion yen in the Middle East, 7.2 billion yen in India and 6.2 billion yen in Japan.
On the other hand, revenue is forecasted to decrease by 27.1 billion yen in China, 14.8 billion yen in Oceania and 11.9 billion yen in North America.

	FY2015 Lastest Forecast		FY2015 Previous Forecast		FY2014 Actual		VS. FY2014 Actual		VS. Previous Forecast	
		(ratio)		(ratio)		(ratio)	amout	%	amout	%
Japan	228.0	(30%)	234.7	(30%)	221.8	(27%)	6.2	3%	-6.8	-3%
Asia	70.4	(9%)	71.6	(9%)	80.0	(10%)	-9.6	-12%	-1.2	-2%
India	40.2	(5%)	41.9	(5%)	33.0	(4%)	7.2	22%	-1.7	-4%
Oseania	95.3	(13%)	96.4	(12%)	110.2	(14%)	-14.8	-13%	-1.1	-1%
Europe	91.7	(12%)	94.3	(12%)	93.4	(11%)	-1.7	-2%	-2.5	-3%
N.America	94.2	(12%)	100.2	(13%)	106.1	(13%)	-11.9	-11%	-6.0	-6%
L.America	7.3	(1%)	8.8	(1%)	6.5	(1%)	0.8	12%	-1.5	-17%
Russia CIS	19.0	(2%)	18.2	(2%)	28.9	(4%)	-9.9	-34%	0.8	5%
M.East	32.6	(4%)	35.0	(4%)	21.5	(3%)	11.0	51%	-2.4	-7%
Africa	35.6	(5%)	35.2	(5%)	41.7	(5%)	-6.0	-14%	0.5	1%
China	45.8	(6%)	43.9	(6%)	72.9	(9%)	-27.1	-37%	1.9	4%
Total	760.0		780.0		815.8		-55.8	-7%	-20.0	-3%

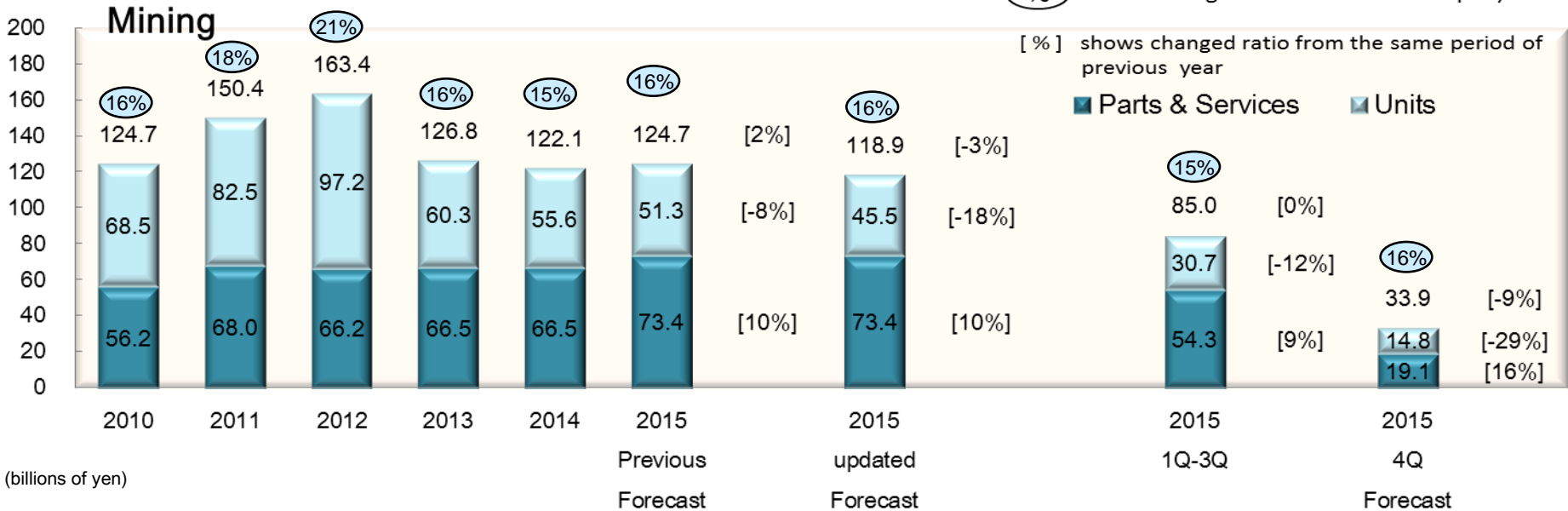
Overseas revenue
ratio 70%

Overseas revenue
ratio 70%

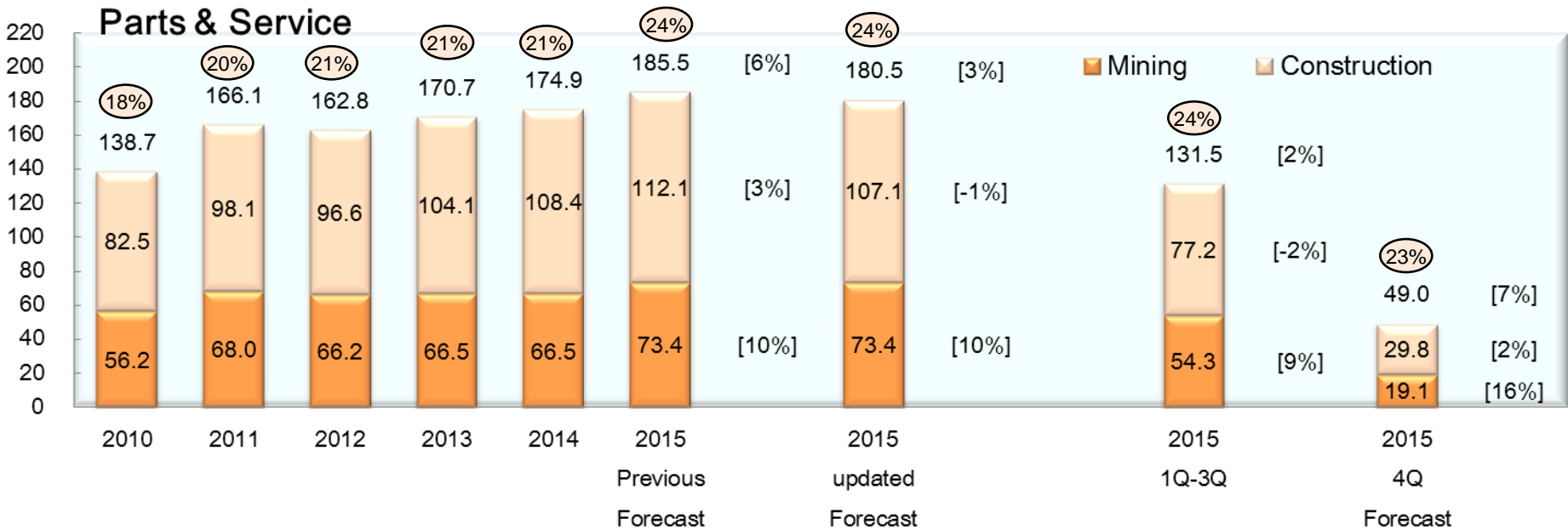
Overseas revenue
ratio 73%

Mining / Parts & Service sales forecast

(billions of yen)



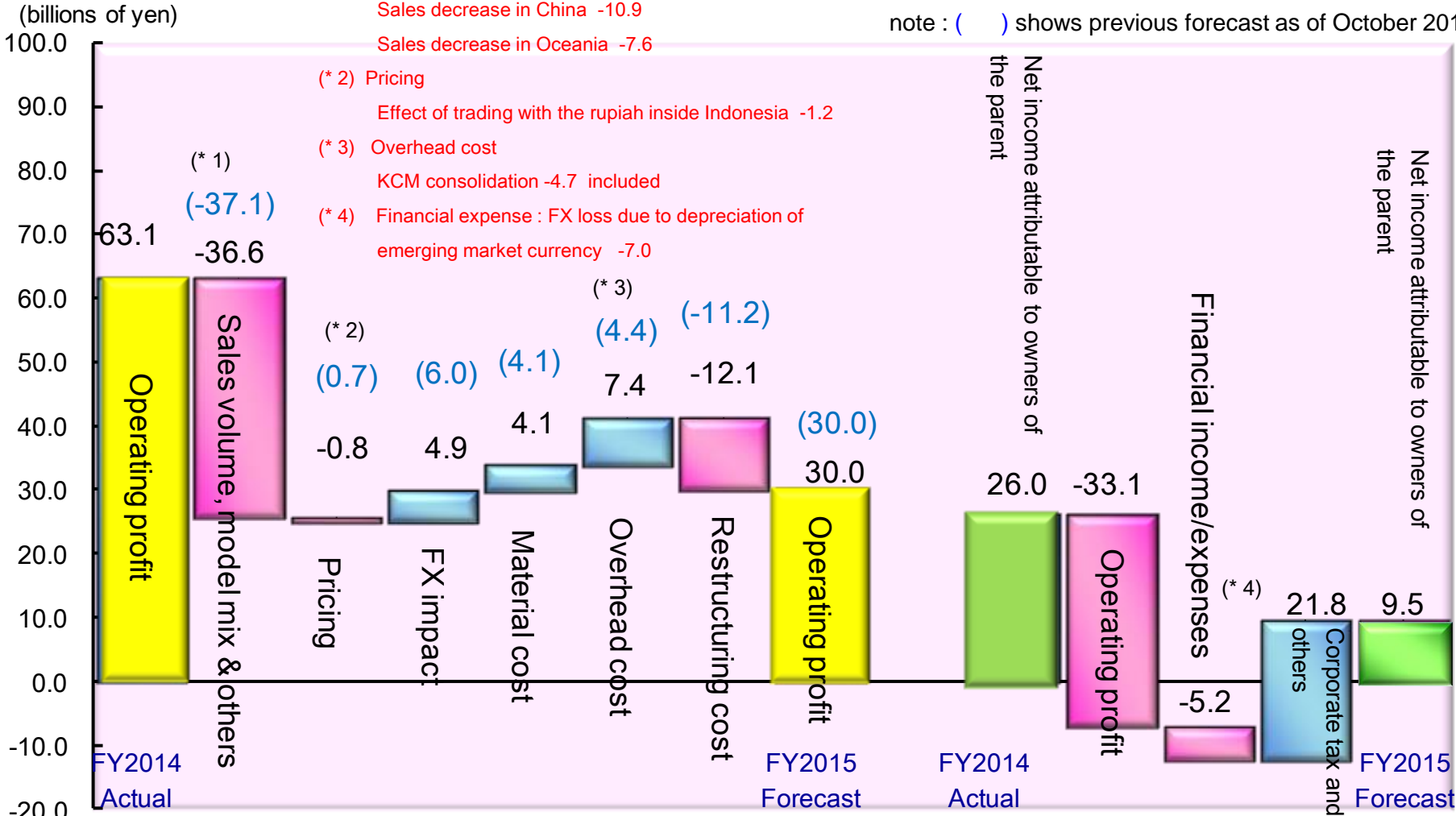
(billions of yen)



Though currency and sales price changed for the worse against the last forecast, operating profit hasn't change due to the reduction of overheads.

- (* 1) Sales volume, model mix & others
 - Worsening in model sales mix hydraulic excavator -11.7
 - Sales decrease in China -10.9
 - Sales decrease in Oceania -7.6
- (* 2) Pricing
 - Effect of trading with the rupiah inside Indonesia -1.2
- (* 3) Overhead cost
 - KCM consolidation -4.7 included
- (* 4) Financial expense : FX loss due to depreciation of emerging market currency -7.0

note : () shows previous forecast as of October 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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For further inquiries:

 **Hitachi Construction Machinery Co., Ltd**

Public Relations Strategy office

TEL : 03-3830-8065

FAX : 03-3830-8224

