

- Revenue decreased by 9% compared to the previous year due to a decrease in Asia and North America, and a negative exchange impact.
- Adjusted operating income decreased by 55% compared to the previous year due to a negative exchange impact despite a reduction in overhead costs.

(billions of yen)

	FY2016 1Q	FY2015 1Q	change	
Revenue	161.3	177.4	-9%	
Adjusted operating income *1	2.4	5.5	-55%	
Operating income	3.7	4.9	-26%	
Income before income taxes	1.5	4.9	-70%	
Net income attributable to owners of the parent	-1.6	2.8	-	
EBIT *2	1.7	5.7	-70%	
F X	Rate (YEN/US\$)	108.1	121.4	-13.2
	Rate (YEN/EURO)	122.0	134.2	-12.1
	Rate (YEN/RMB)	16.5	19.6	-3.0

*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

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

- Revenue has decreased in each region excluding India, Oceania, and Europe.
- Revenue significantly decreased by 22% or 6.1 billion yen in N. America year on year, and by 31% or 5.8 billion yen in Asia compared to the Q1 of previous year.

(billions of yen)

	FY2016 1Q		FY2015 1Q		change	
		(ratio)		(ratio)	amount	%
Japan	42.2	(26%)	43.7	(25%)	-1.4	-3%
Asia	13.0	(8%)	18.7	(11%)	-5.8	-31%
India	9.6	(6%)	9.2	(5%)	0.4	4%
Oceania	20.5	(13%)	19.3	(11%)	1.1	6%
Europe	23.9	(15%)	22.2	(13%)	1.7	7%
N.America	21.5	(13%)	27.6	(16%)	-6.1	-22%
L.America	0.8	(0%)	1.7	(1%)	-1.0	-56%
Russia-CIS	3.9	(2%)	4.0	(2%)	-0.0	-1%
M.East	6.8	(4%)	6.9	(4%)	-0.2	-2%
Africa	6.9	(4%)	9.2	(5%)	-2.3	-25%
China	12.3	(8%)	14.8	(8%)	-2.5	-17%
Total	161.3		177.4		-16.1	-9%

Overseas revenue
ratio 74%

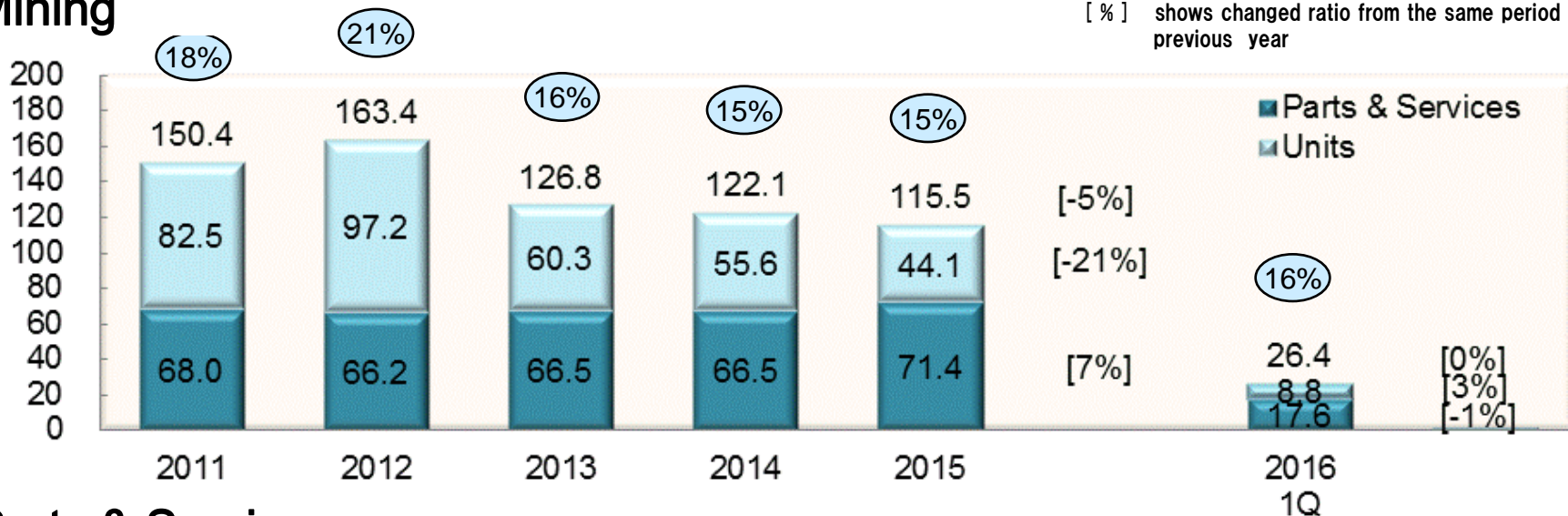
Overseas revenue
ratio 75%

(billions of yen)

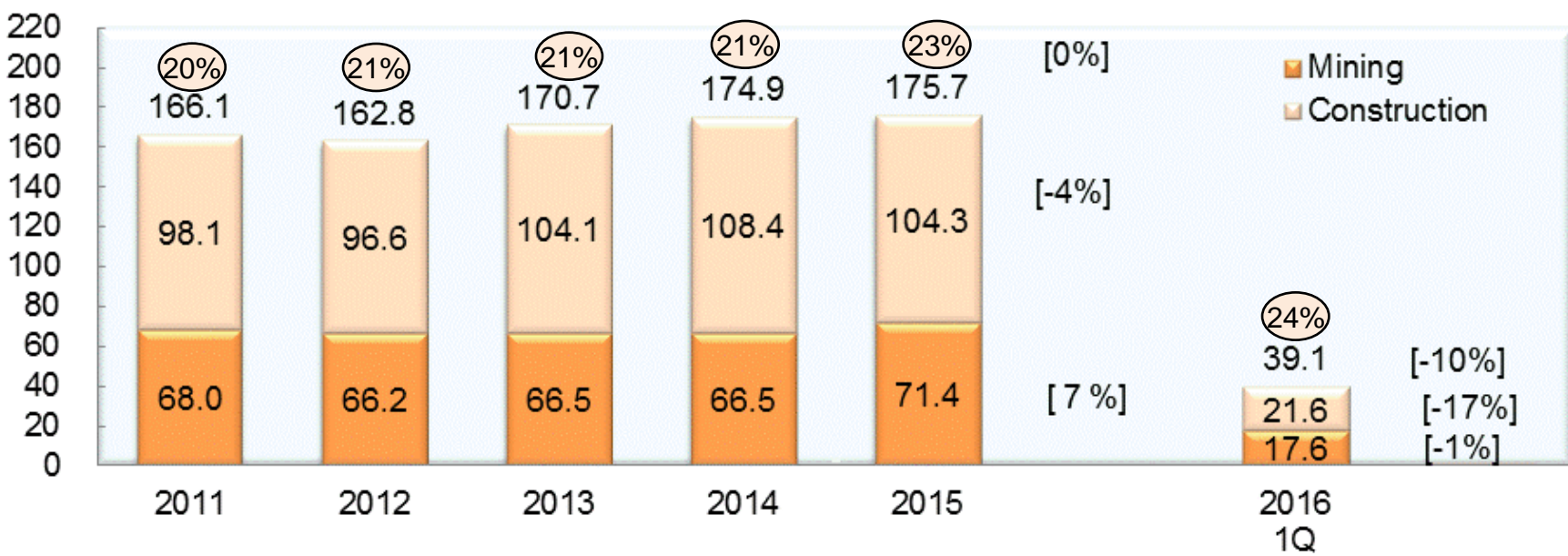
○% shows sales ratio of total company sales

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

Mining

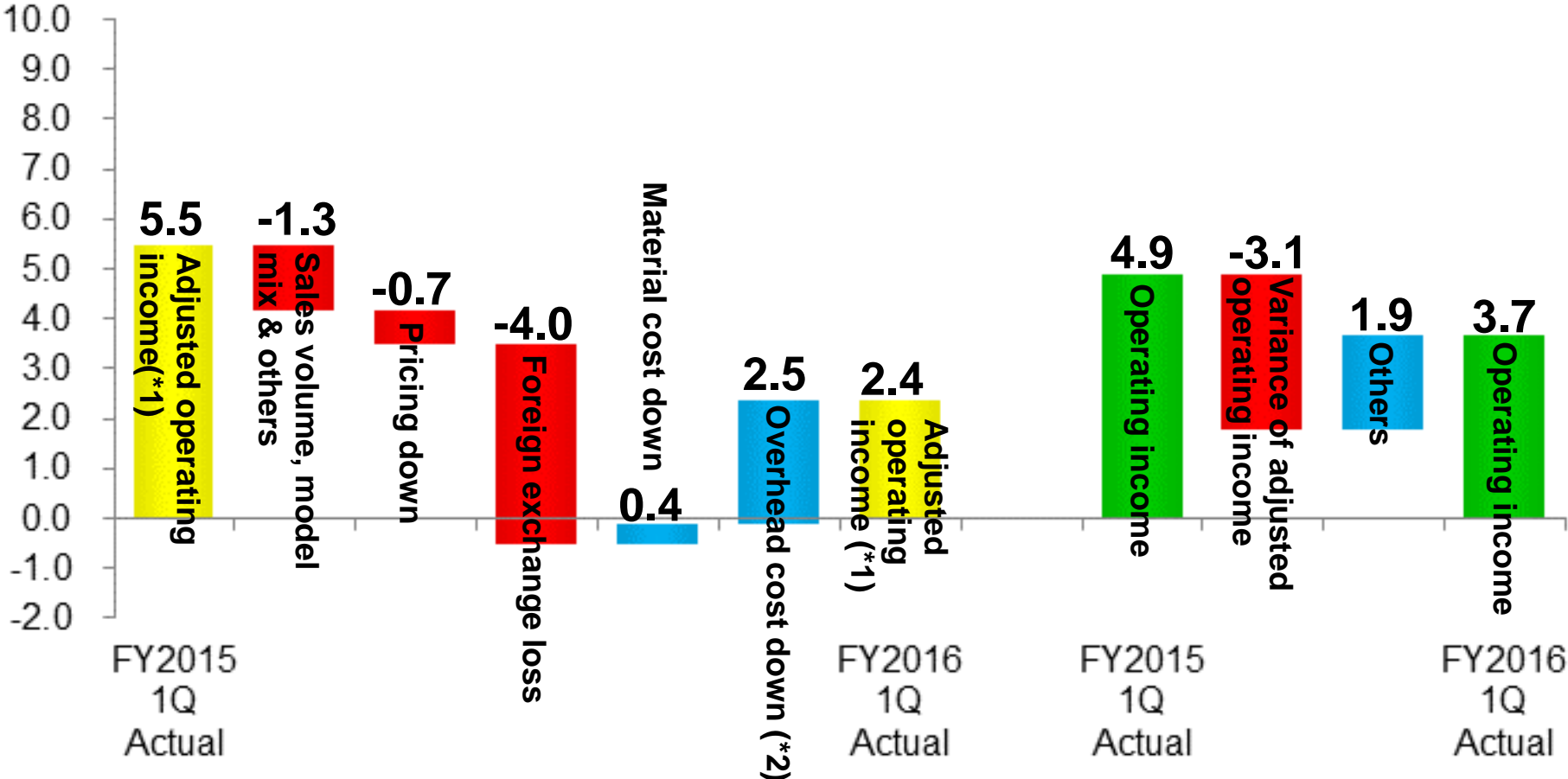


Parts & Services



Adjusted operating income has decreased 3.0 billion yen year on year due to negative impact by appreciation of the Japanese yen, despite the reduction in overhead costs and material costs.

(billions of yen)



*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

*2 included -1.5 KCM consolidation

- Adjusted operating income decreased by 3.0 billion yen to 2.4 billion yen compared to the previous year.
- Operating income decreased by 1.3 billion yen to 3.7 billion yen compared to the previous year.
- Net loss attributable to owners of the parent decreased by 4.4 billion yen to 1.6 billion yen compared to the previous year due to an increase in financial costs in addition to a decrease in operating income.

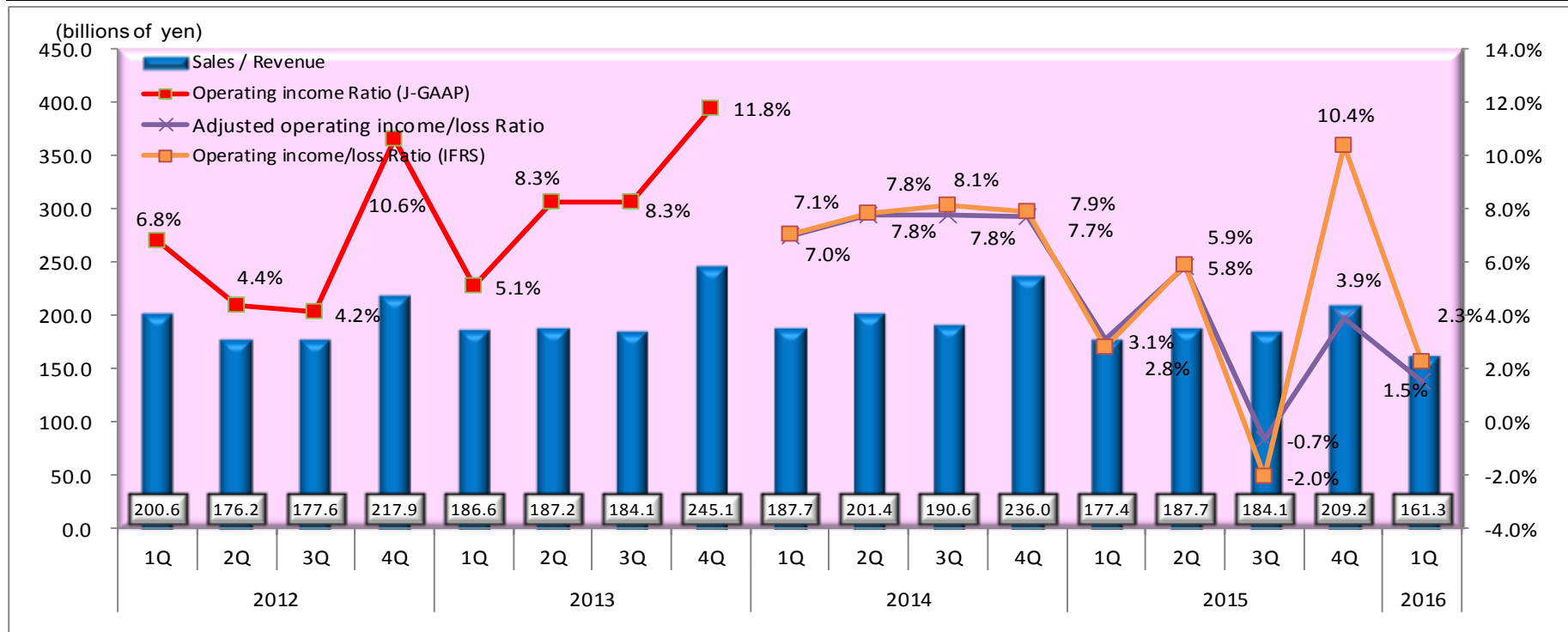
(billions of yen)

	FY2016		FY2015		change	
		1Q		1Q	amount	%
Revenue		161.3		177.4	-16.1	-9%
Cost of Sales	(77.1%)	124.3	(75.0%)	133.0	-8.7	-7%
SGA expenses	(21.4%)	34.5	(21.9%)	38.8	-4.3	-11%
Adjusted operating income *1	(1.5%)	2.4	(3.1%)	5.5	-3.0	-55%
Other Income/expenses		1.2		-0.5	1.8	-
Operating income	(2.3%)	3.7	(2.8%)	4.9	-1.3	-26%
Financial income/expenses		-2.2		-0.4	-1.8	452%
Share of profits of investments accounted for using the equity method		0.0		0.4	-0.4	-93%
Income before income taxes	(0.9%)	1.5	(2.8%)	4.9	-3.5	-70%
Income taxes		2.5		1.7	0.8	49%
Net income	(-0.6%)	-1.0	(1.8%)	3.3	-4.3	-
Net income attributable to owners of the parent	(-1.0%)	-1.6	(1.6%)	2.8	-4.4	-
Comprehensive income		-28.2		8.1	-36.3	-

*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

(billions of yen)

	2012				2013				2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Sales / Revenue	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	209.2	161.3
Operating income(J-GAAP)	13.6	7.7	7.4	23.2	9.6	15.5	15.2	28.9	11.6	13.8	13.2	15.8	/	/	/	/	/
Adjusted operating income/loss	/	/	/	/	/	/	/	/	13.1	15.7	14.8	18.3	5.5	11.0	-1.2	8.1	2.4
Operating income/loss(IFRS)	/	/	/	/	/	/	/	/	13.2	15.8	15.5	18.6	4.9	11.1	-3.8	21.8	3.7



FX rate	2012				2013				2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
US\$	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	115.5	108.1
€	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	127.2	122.0
RMB	12.7	12.4	13.0	14.9	16.1	16.2	16.5	16.9	16.4	16.9	16.8	19.1	19.6	19.3	18.9	17.6	16.5

- Total assets decreased by 57.8 billion yen compared to the previous year due to the effect of foreign currency translation adjustments.
- Days of net working capital on hand were reduced by 20 days compared to the previous year.

(billions of yen)

	(A) FY16-1Q	(B) Mar '2016	(C) FY15-1Q	(A)-(B) change
Cash and cash equivalents	78.9	79.1	65.4	-0.2
Trade receivables	144.4	182.9	194.0	-38.6
Inventories	241.3	248.6	317.3	-7.3
Total current assets	508.3	549.2	630.3	-40.9
Total non-current assets	360.4	377.4	411.9	-17.0
Total assets	868.8	926.6	1,042.2	-57.8

Trade receivables current and non-current	166.5	206.1	221.9	-39.5
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Inventories by products

Unit	64.0	62.2	100.8	1.8
Parts	87.8	96.0	112.4	-8.3
Other	89.6	90.3	104.2	-0.8
Total inventories	241.3	248.6	317.3	-7.3

On hand days(divided by revenue)

(Days)

Trade receivables	82	99	101	-17
Inventories	119	120	144	-1
Trade payables	55	54	56	1
Net working capital	143	163	186	-20

	(D) FY16-1Q	(E) Mar '2016	(F) FY15-1Q	(D)-(E) change
Trade and other payables	191.7	205.9	213.2	-14.2
Bonds and borrowings	206.3	217.9	280.1	-11.6
Total current liabilities	443.8	469.8	543.7	-26.0
(Equity attributable to owners of the parent ratio)	(42.7%)	(42.7%)	(41.4%)	(-0.1%)
Total equity	425.0	456.8	498.5	-31.8
Total liabilities and equity	868.8	926.6	1,042.2	-57.8

	(23.7%)	(23.5%)	(26.9%)	(0.2%)
Interest-bearing debt	206.3	217.9	280.1	-11.6
Cash and Cash equivalents	78.9	79.1	65.4	-0.2
Interest-bearing debt, net	(14.7%)	(15.0%)	(20.6%)	(-0.3%)
Debt	127.4	138.8	214.7	-11.4

Net D/E Ratio	0.34	0.35	0.50	-0.01
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- Net cash provided by (used in) operating activities decreased by 9.1 billion yen to a positive 20.8 billion yen compared to the previous year due to a significant decrease in net income.
- Free cash flows decreased by 19.8 billion yen to a positive 16.3 billion yen.

(billions of yen)

	FY2016		FY2015		change	
	1Q		1Q			
Net income		-1.0		3.3		-4.3
Depreciation and amortization	7.6	8.7	12.2	8.9	-4.5	-0.2
(Increase)decrease in trade/lease receivables		24.2		45.0		-20.8
(Increase)decrease in inventories		-7.6		0.3		-7.9
Increase(decrease) in trade payables	27.9	11.4	30.3	-15.1	-2.3	26.4
Others, net		-14.8		-12.5		-2.2
Net cash provided by (used in) operating activities		20.8		29.9		-9.1
Cash flow margin for operating activities		12.9%		16.9%		-4.0%
Net cash provided by (used in) investing activities		-4.6		6.2		-10.7
Free cash flows		16.3		36.1		-19.8
Net cash provided by (used in) financing activities		-10.3		-22.9		12.6

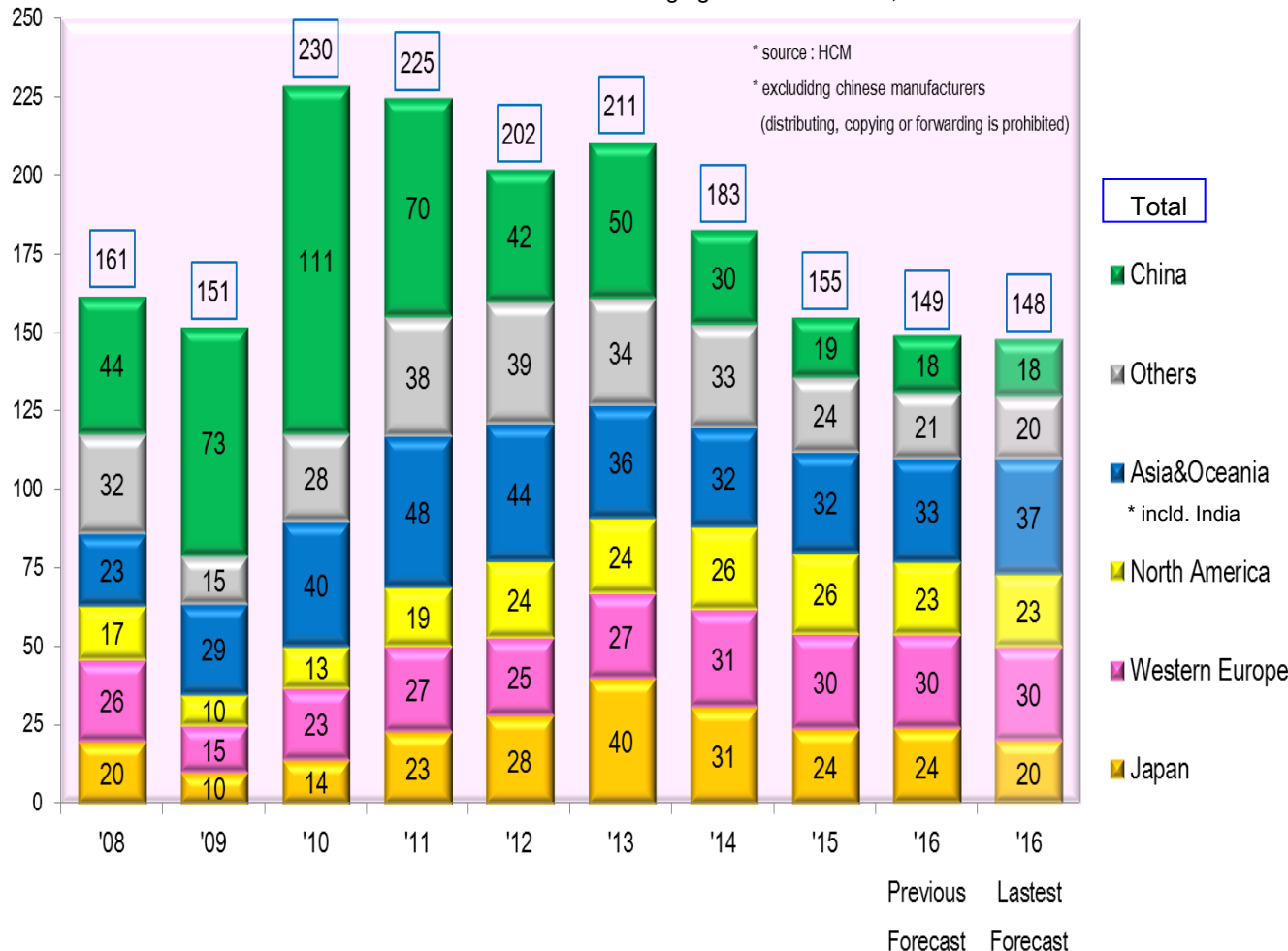
II. Consolidated earnings forecast

HCM expects FY2016 global demand for hydraulic excavators to decrease by 5% to 148K units mainly due to the decrease in Japan, the Middle East, and Latin America, despite the increase in India.

The ratio of emerging countries in FY2016 : 50%(+2% of previous year)

(in thousand of units)

*Emerging countries : China, Asia/Oceania and others



year on year change by region

	'15	'16 Previous Forecast	'16 Lastest Forecast
Total	-16%	-4%	-5%
China	-36%	-6%	-6%
Russia-CIS & E. Europe	-44%	-8%	-8%
Africa	-31%	1%	-2%
Middle East	-3%	-15%	-24%
Latin America	-38%	-8%	-20%
Others	-25%	-13%	-17%
India	+28%	+17%	+50%
Indonesia	-38%	-10%	-10%
Others	+0%	-1%	-1%
Asia & Oceania	0%	+3%	+16%
North America	-4%	-12%	-12%
Western Europe	-3%	0%	0%
Japan	-23%	0%	-17%

- HCM expects FY2016 revenue to decrease by 8% year on year due to the negative impact of appreciation of the Japanese yen.
- HCM expects the adjusted operating income to increase by 20% year on year considering the favorable impact of restructuring reform, despite the increase in negative impact by appreciation of the Japanese yen.

(billions of yen)

	FY2016 Forecast	FY2015 Actual	change	
			amount	%
Revenue	(720.0) 700.0	758.3	-58.3	-8%
Adjusted operating income	(36.0) 28.0	23.4	4.6	20%
Operating income	(30.0) 22.0	34.1	-12.1	-35%
Income before income taxes	(23.0) 15.0	24.5	-9.5	-39%
Net income attributable to owners of the parent	(8.0) 5.0	8.8	-3.8	-43%

EBIT	(26.2)	17.0	26.9	-9.9
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F X	Rate (YEN/US\$)	(110.0)	101.9	120.1	-18.2
	Rate (YEN/EURO)	(120.0)	112.7	132.4	-19.7
	Rate (YEN/RMB)	(17.0)	15.3	18.6	-3.3

Cash dividend per share (yen)	To be determined	40	-
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note : () shows previous forecast as of April 2016

Forecast rate for Q2-Q4 of FY2016	(Previous rate)	
Rate(YEN/US\$)	100.0	110.0
Rate(YEN/EURO)	110.0	120.0
Rate(YEN/RMB)	15.0	17.0

Compared with the FY2015 results, HCM forecasts a decrease in total due to sluggish demand and negative exchange impact, despite the increase in India due to increased demand.

(billions of yen)

	FY2016 Forecast		FY2015 Actual		change	
		(ratio)		(ratio)	amount	%
Japan	219.8	(31%)	232.8	(31%)	-13.0	-6%
Asia	57.2	(8%)	66.9	(9%)	-9.8	-15%
India	57.8	(8%)	40.4	(5%)	17.3	43%
Oceania	83.2	(12%)	93.5	(12%)	-10.3	-11%
Europe	81.1	(12%)	89.0	(12%)	-7.9	-9%
N.America	82.2	(12%)	93.0	(12%)	-10.8	-12%
L.America	4.2	(1%)	6.7	(1%)	-2.5	-37%
Russia-CIS	14.3	(2%)	16.9	(2%)	-2.6	-15%
M.East	24.4	(3%)	28.2	(4%)	-3.9	-14%
Africa	30.4	(4%)	37.0	(5%)	-6.7	-18%
China	45.5	(7%)	53.8	(7%)	-8.3	-15%
Total	700.0		758.3		-58.3	-8%

Overseas revenue

ratio 69%

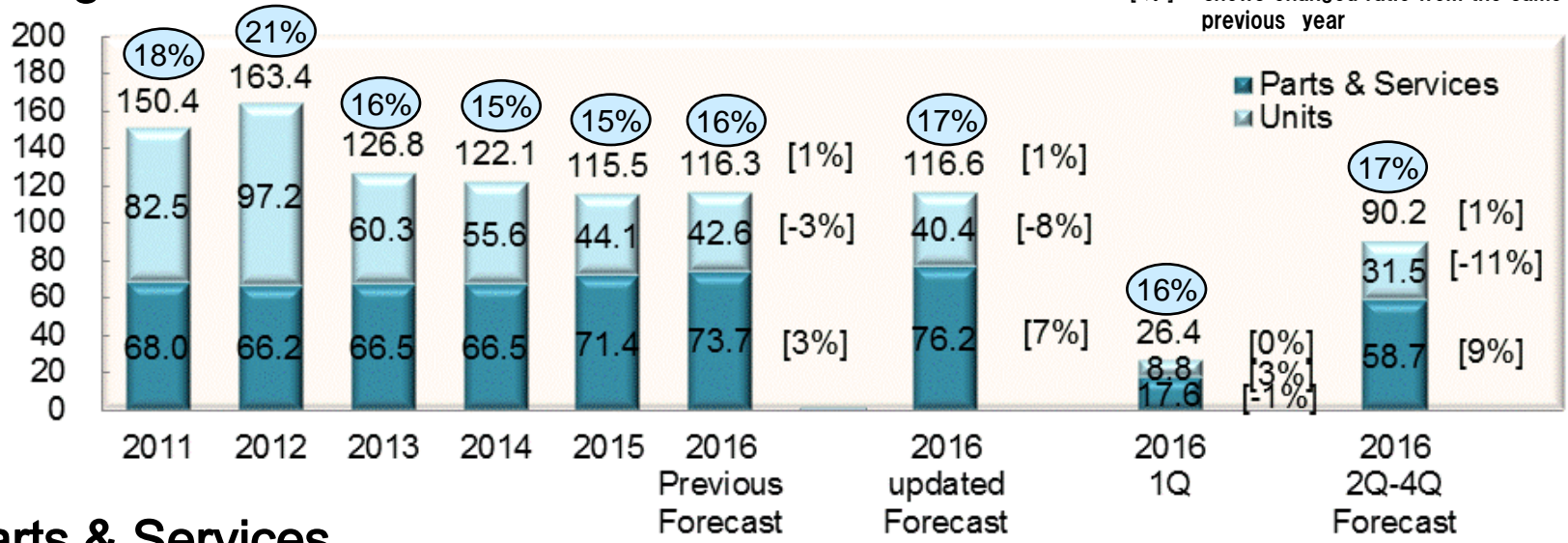
Overseas revenue

ratio 69%

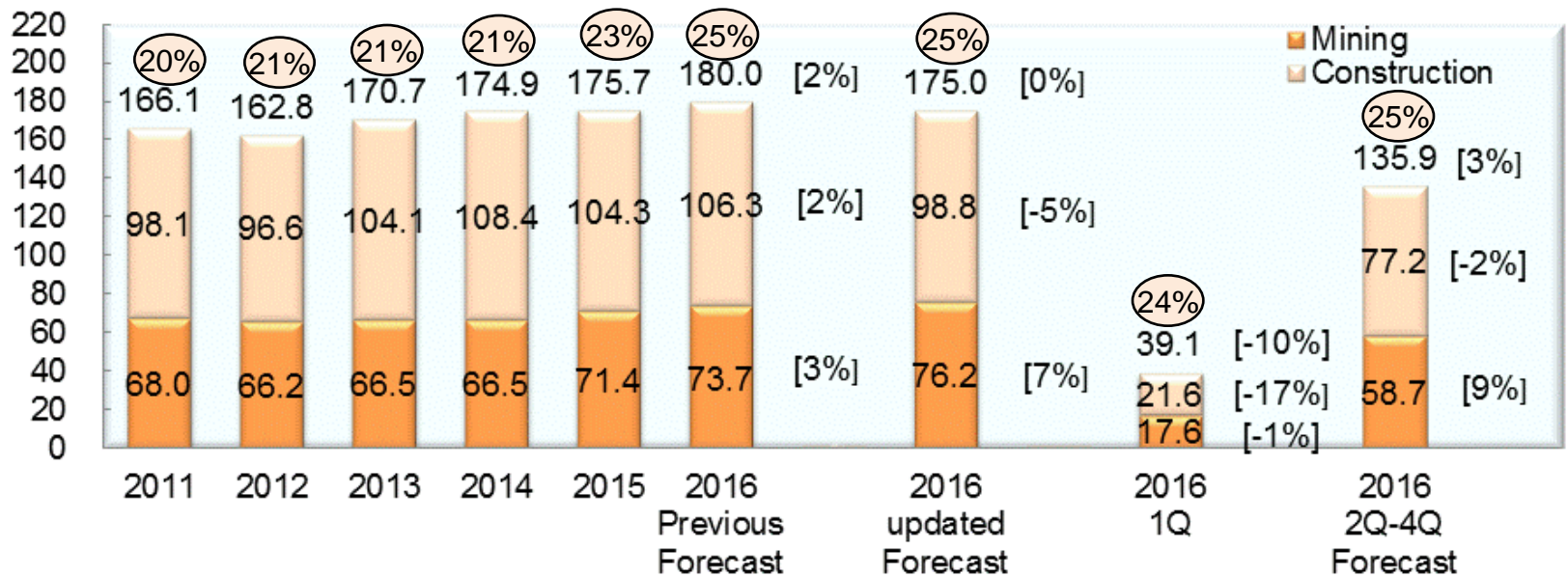
(billions of yen)

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

Mining

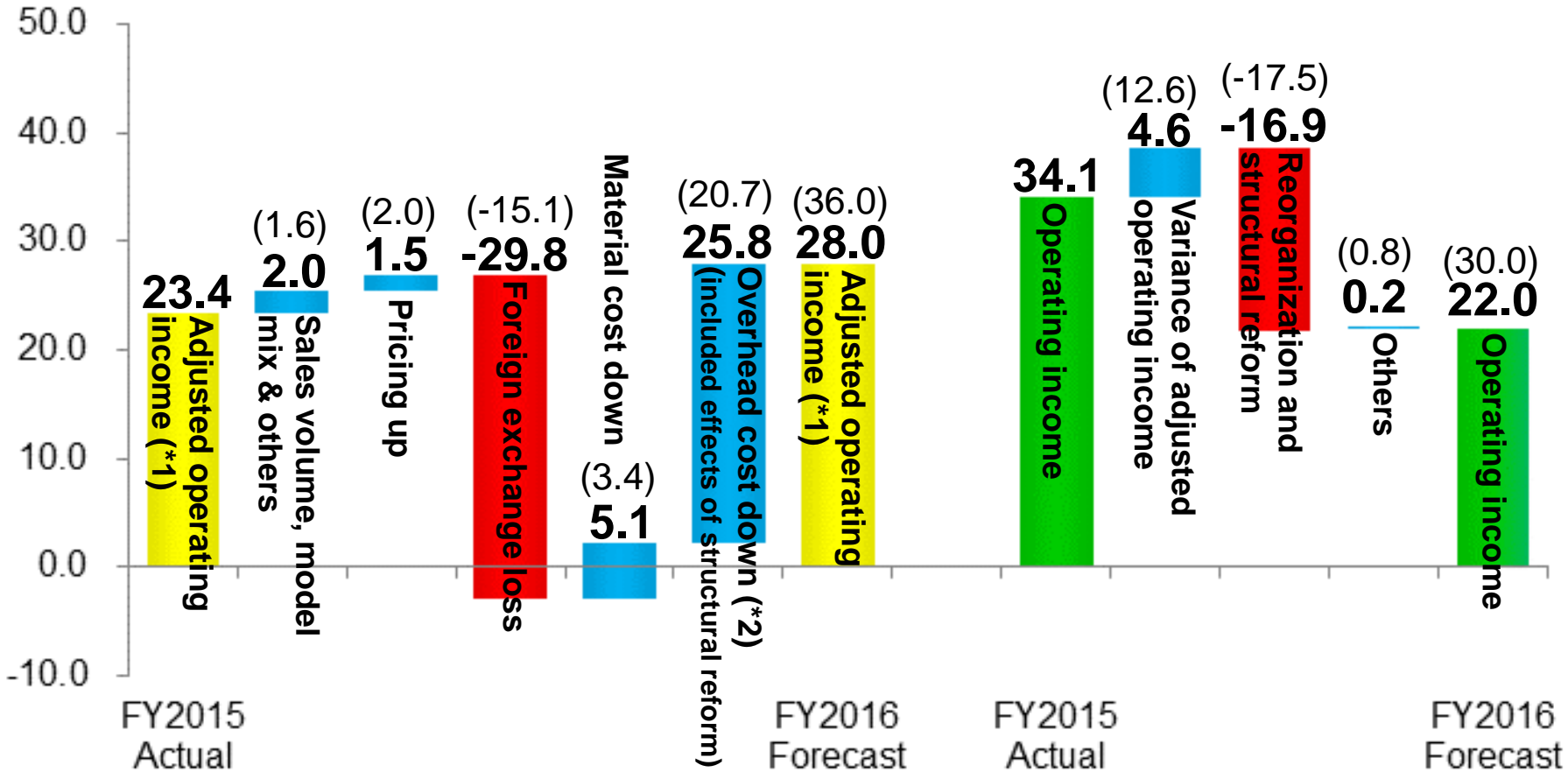


Parts & Services



HCM forecasts FY2016 adjusted operating income to increase 4.6 billion yen compared to the FY2015 due to price increase, and reduction in material costs and overhead costs including the favorable impact of restructuring performance, while it is negatively impacted by appreciation of the Japanese yen.

(billions of yen) note : () shows previous forecast as of Apr. 2016



*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

*2 included -5.5 KCM consolidation

<Appendix> Detail of mining revenue

HITACHI

Reliable solutions

(100 Million Yen)

		FY15 Result		FY16 Forecast		Diff	
		Q1	Year	Q1	Year		
		Revenue	Revenue	Revenue	Revenue	Q1	Year
America	Excavator	13	60	31	101	18	41
	Dump Truck	18	66	10	84	-8	17
	TTL	31	126	41	184	10	58
Europe, Africa and Middle East	Excavator	24	146	25	156	1	10
	Dump Truck	43	146	44	130	0	-17
	TTL	67	292	69	285	2	-7
Asia & Oceania	Excavator	145	590	119	469	-26	-121
	Dump Truck	19	139	24	202	5	63
	TTL	165	729	144	671	-21	-58
China	Excavator	0	2	4	10	4	8
	Dump Truck	0	0	1	3	1	2
	TTL	0	3	5	13	5	10
Japan	Excavator	0	5	5	13	5	7
	Dump Truck	0	0	0	0	0	0
	TTL	0	5	5	13	5	7
TTL	Excavator	183	803	185	748	3	-55
	Dump Truck	81	352	79	418	-2	66
	TTL	263	1,155	264	1,166	1	11