

Explanatory Meeting for Business Results for the Third Quarter ended December 31, 2019

- 1. Regional Market Environments and Projections**
- 2. Business Results Outline**

Tetsuo Katsurayama

Senior Vice President, Executive Officer, CFO

Masafumi Senzaki

Executive Officer President, Marketing Div.

January 29, 2020

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

1. Regional Market Environments and Projections

Masafumi Senzaki

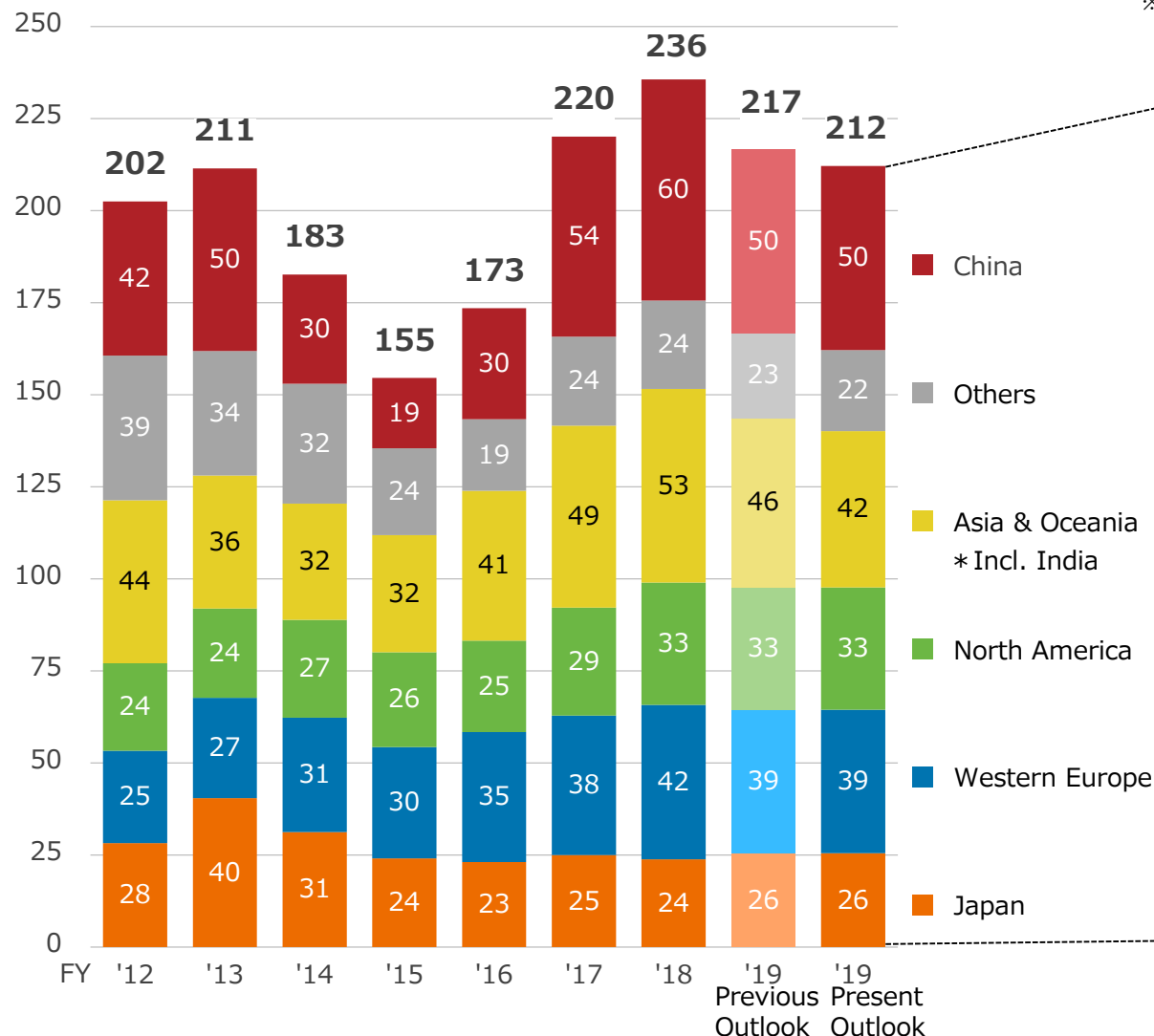
Executive Officer President, Marketing Div.

Global Demand Trend for Hydraulic Excavators

HITACHI

Reliable solutions

(K units)



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

Year-on-Year Change

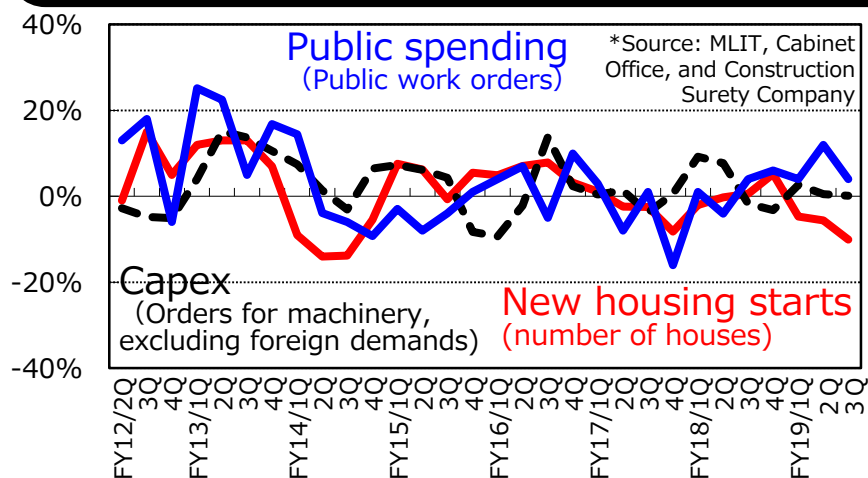
	'18	'19
Total	+7%	-10%
China	+11%	-17%
Russia,CIS, E Europe	+31%	-6%
Africa	-4%	-20%
Middle East	-45%	-2%
Latin	+5%	-5%
Others	-1%	-8%
India	+14%	-21%
Indonesia	+13%	-25%
Others	-3%	-16%
Asia & Oceania	+6%	-19%
N America	+13%	-0%
W Europe	+11%	-7%
Japan	-5%	+7%

■ Emerging Countries ratio FY2019 : 54% (Y-o-Y Change:-4%)

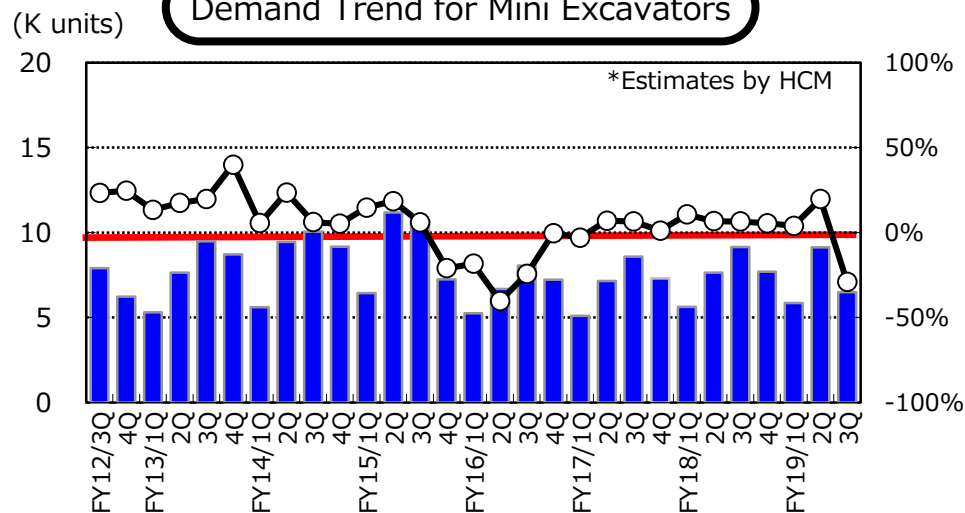
※Emerging Countries: China, Asia/Oceania, and others

- Housing investment decreased, but public investment increased.
Capital investment remained at the same level as the same period of the previous fiscal year.
- Demand for hydraulic excavators, mini excavators and wheel loaders decreased (-17%, -29%, and -28% y-o-y, respectively).

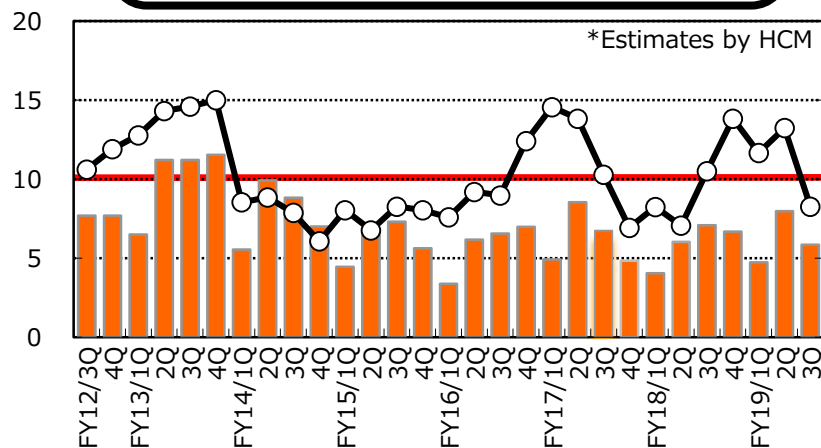
Market Environment: Housing/Public Spending and Capex (y-o-y)



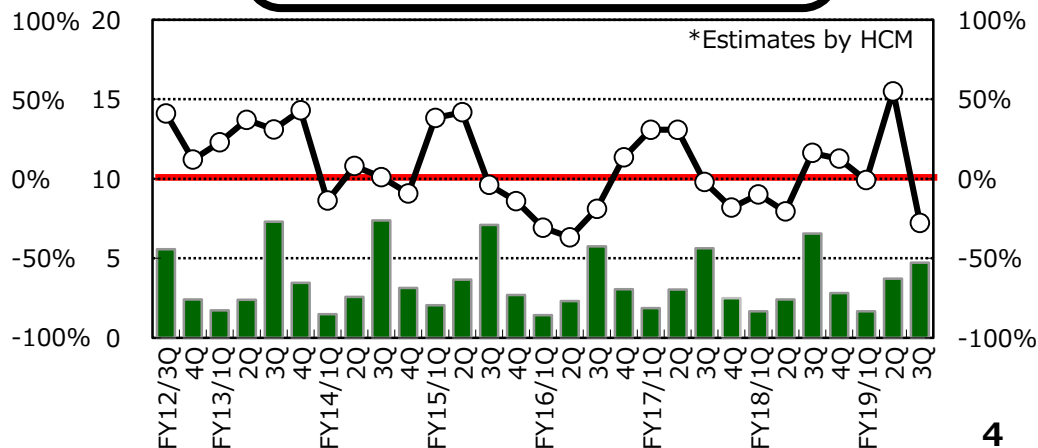
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators

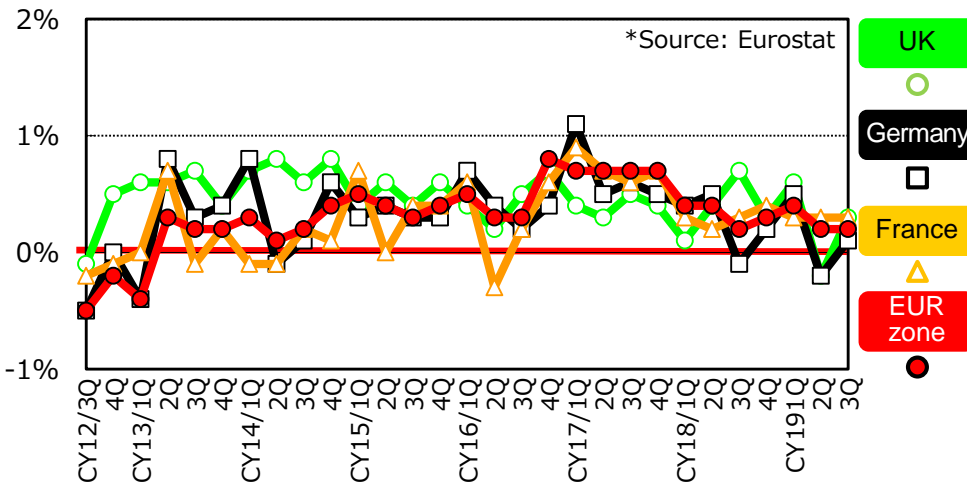


Demand Trend for Wheel Loaders

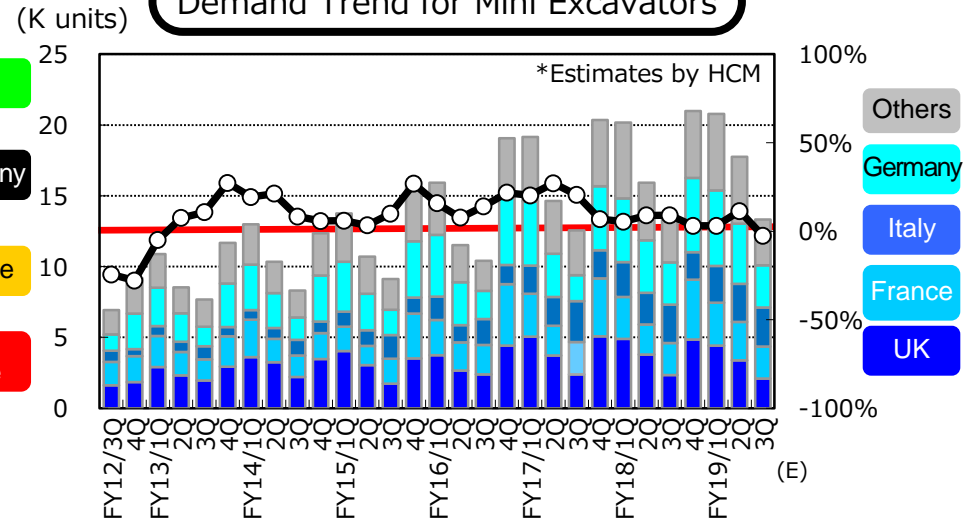


- Throughout the Eurozone, GDP growth rate increased slightly.
- Demand for hydraulic excavators and wheel loaders decreased, while demand for mini excavators decreased slightly (-5%, -5%, and -3% y-o-y , respectively).

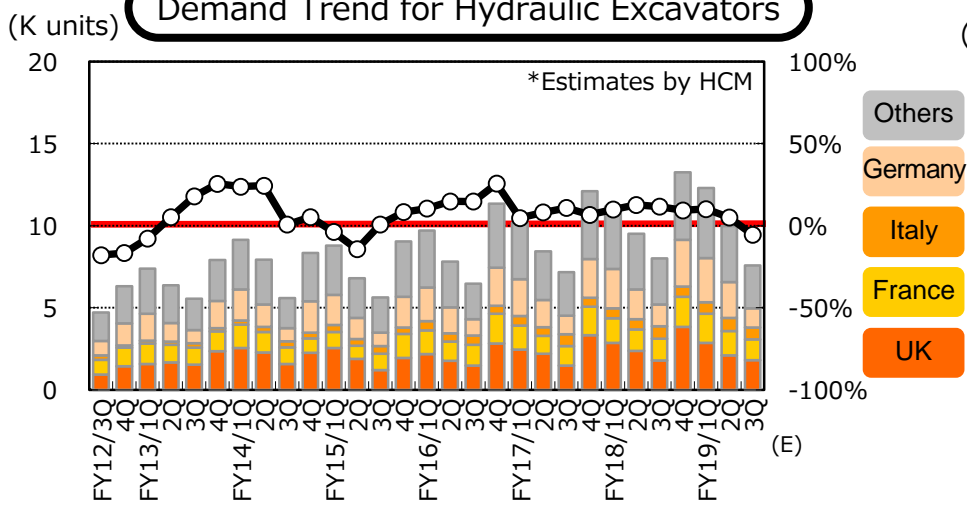
GDP Growth Rate in Major Countries (y-o-y)



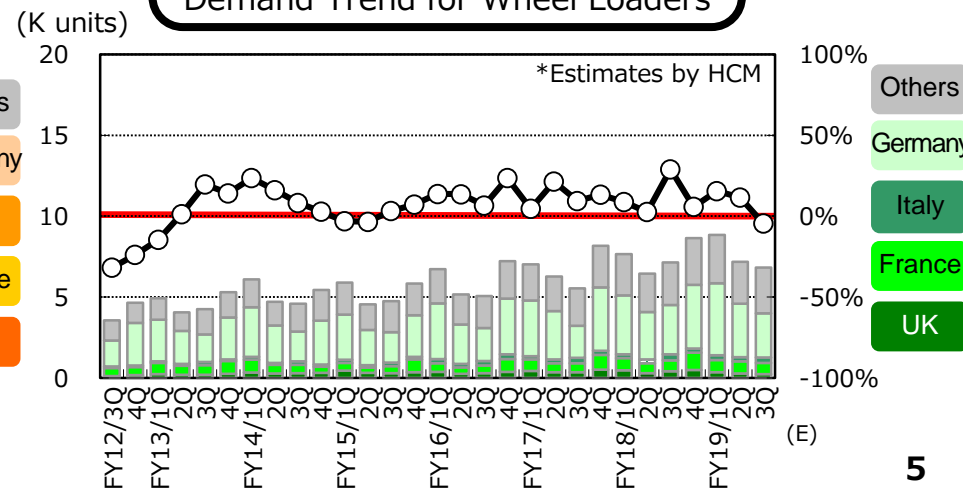
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators

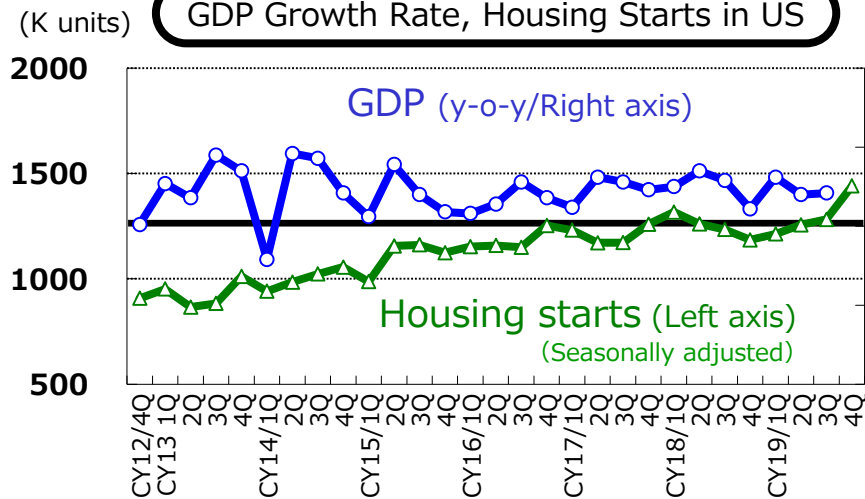


Demand Trend for Wheel Loaders



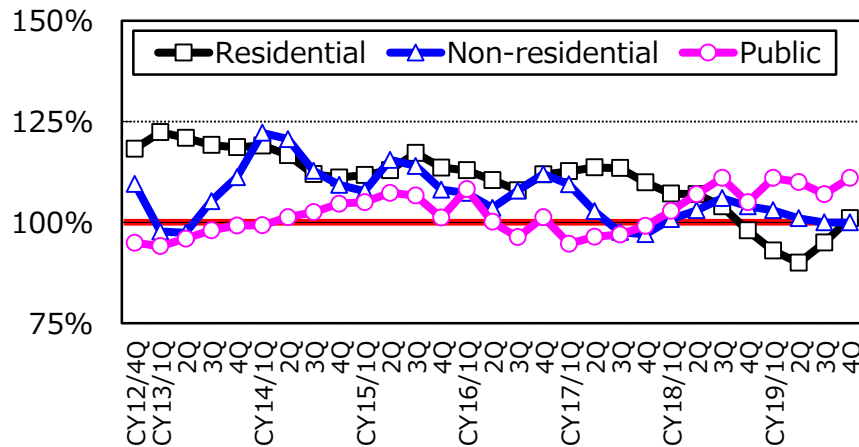
- The U.S. GDP is firm, housing starts are trending strongly, and construction investment continues to increase in public works.
- Demand for hydraulic excavators decreased slightly, while demand for mini excavators increased slightly (-2% and +2% y-o-y , respectively).

GDP Growth Rate, Housing Starts in US



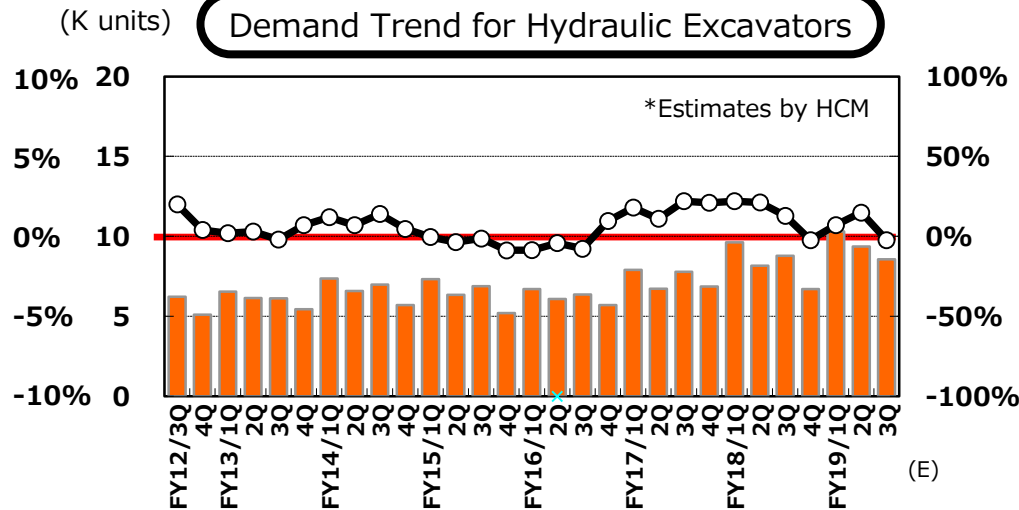
* Bureau of Economic Census, US Census Bureau

Construction Spending in US (y-o-y)

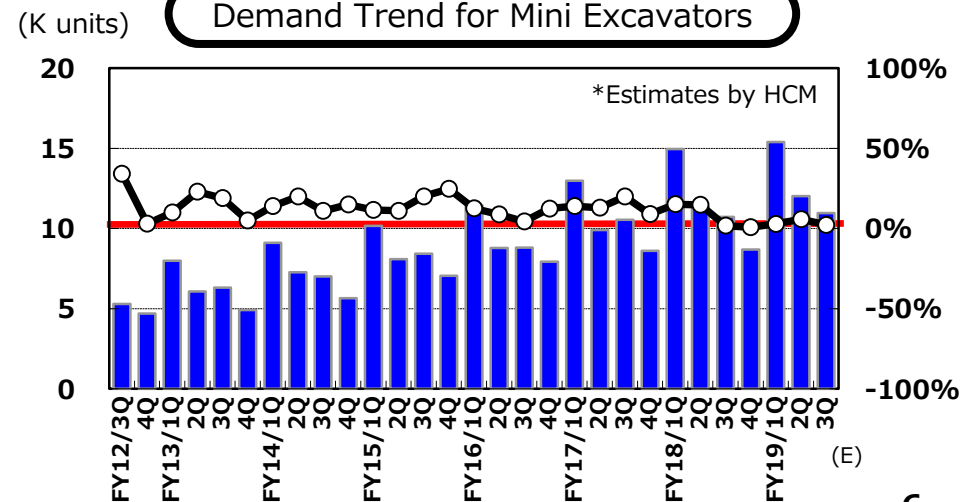


* Bureau of Economic Census, US Census Bureau

Demand Trend for Hydraulic Excavators

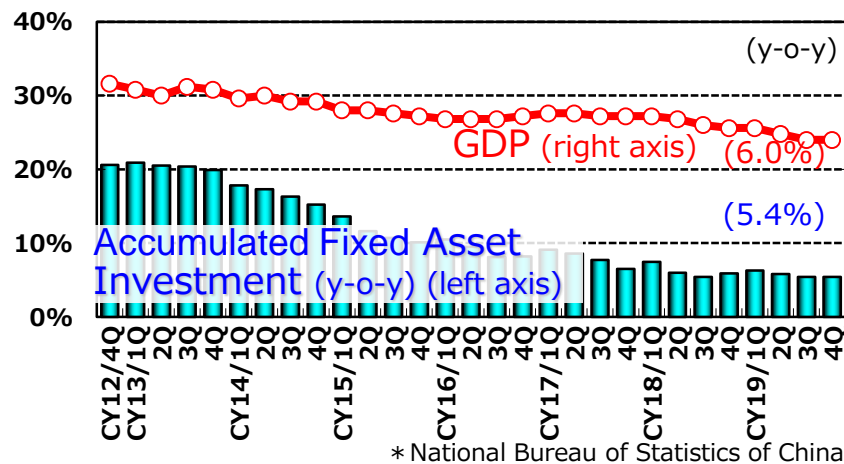


Demand Trend for Mini Excavators

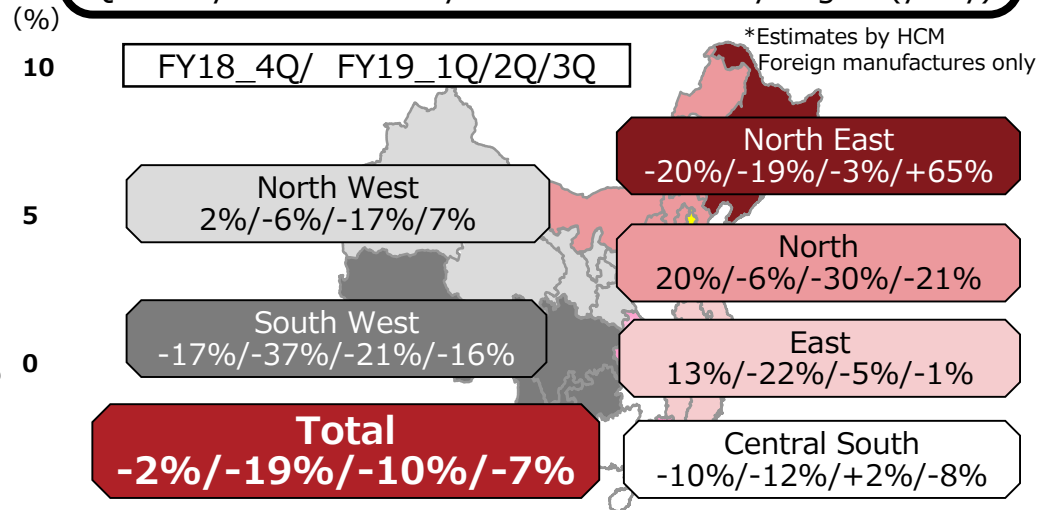


- GDP growth rate was 6.0%
- Demand for hydraulic excavators decreased (-7% y-o-y, Foreign Manufactures only).

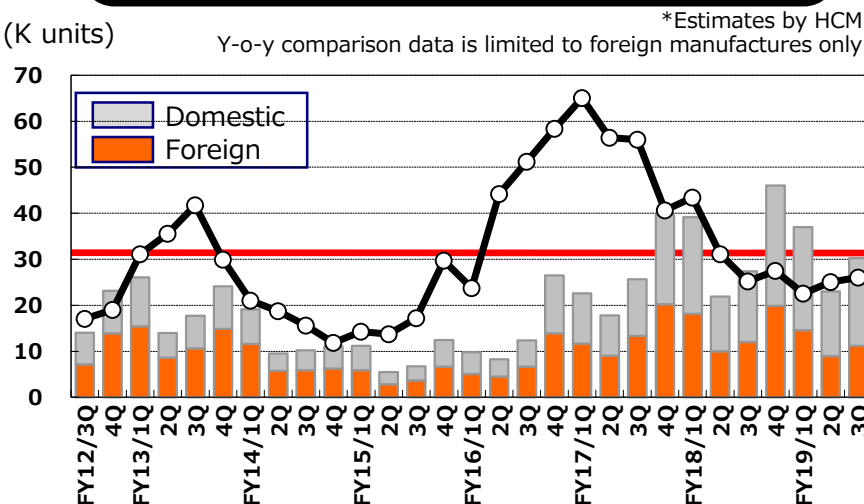
GDP and Fixed Asset Investment



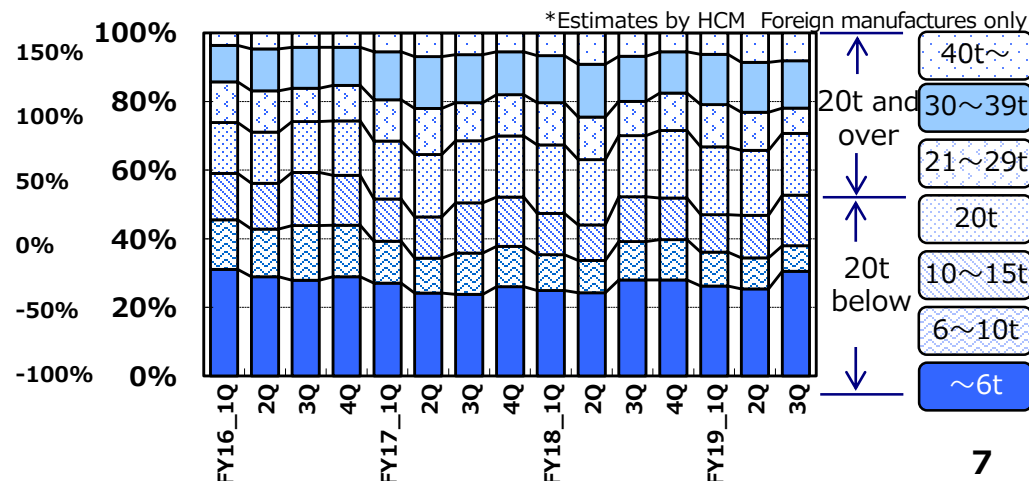
Quarterly Demand for Hydraulic Excavators by Region (y-o-y)



Demand Trend for Hydraulic Excavators



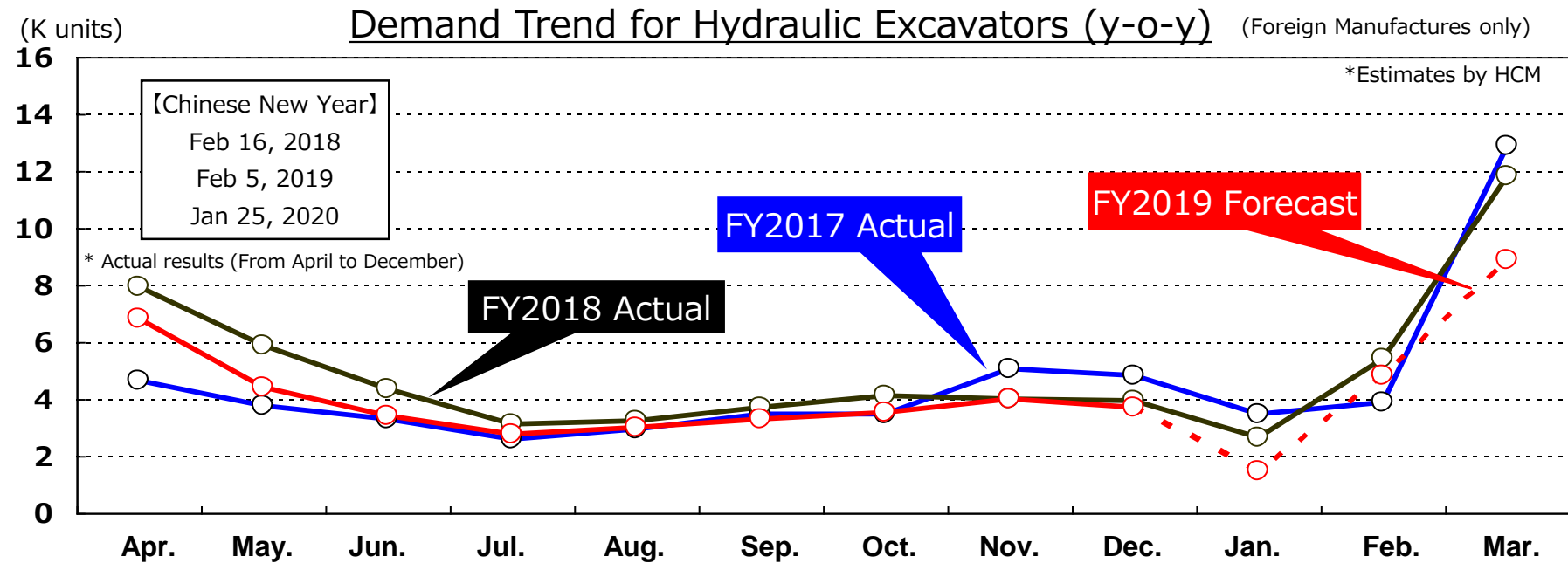
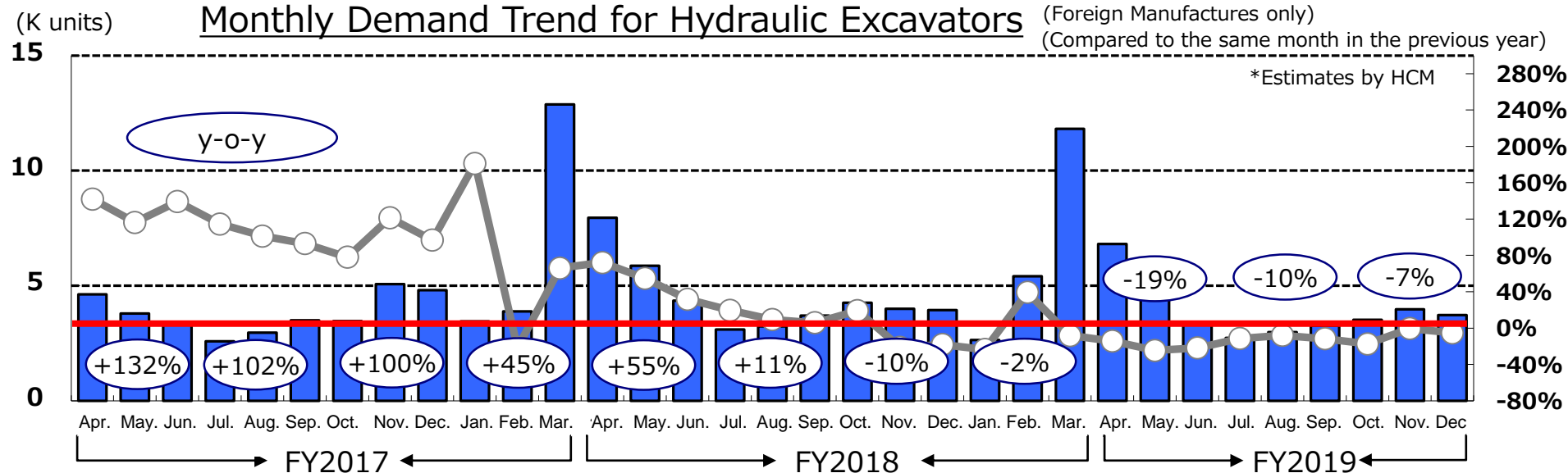
Demand Composition by Class for Mini Excavators and Hydraulic Excavators



<(Supplementary Information) China>

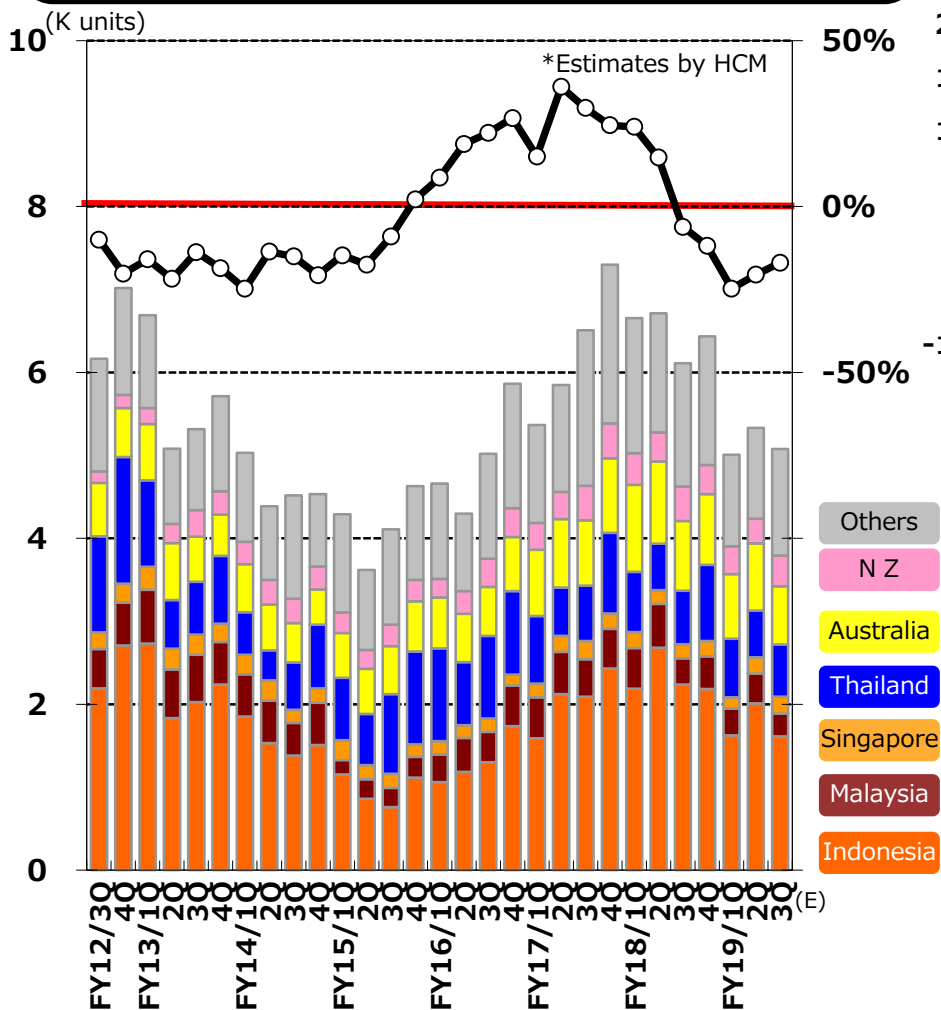
HITACHI

Reliable solutions

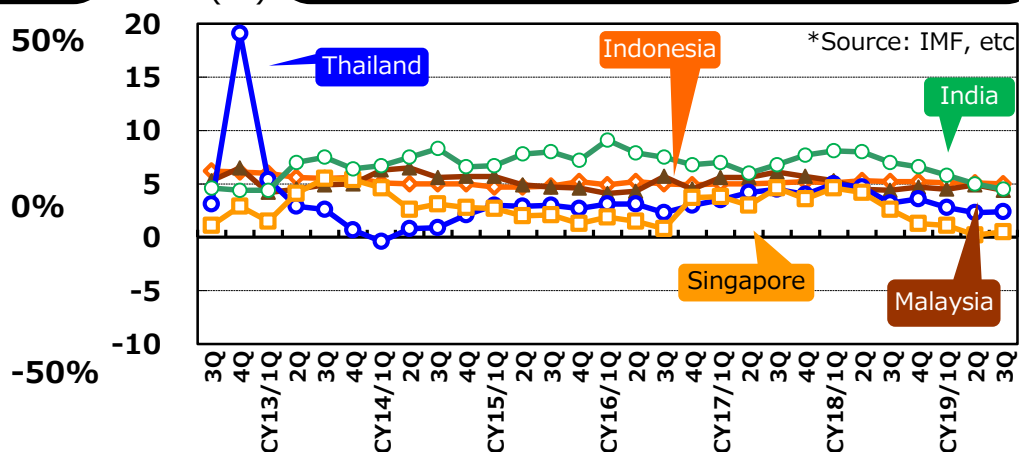


- Demand for hydraulic excavators decreased overall in the Asia Pacific region (-17% y-o-y).
- Demand for hydraulic excavators decreased in India (-29% y-o-y).

Demand Trend for Hydraulic Excavators in Asia & Oceania

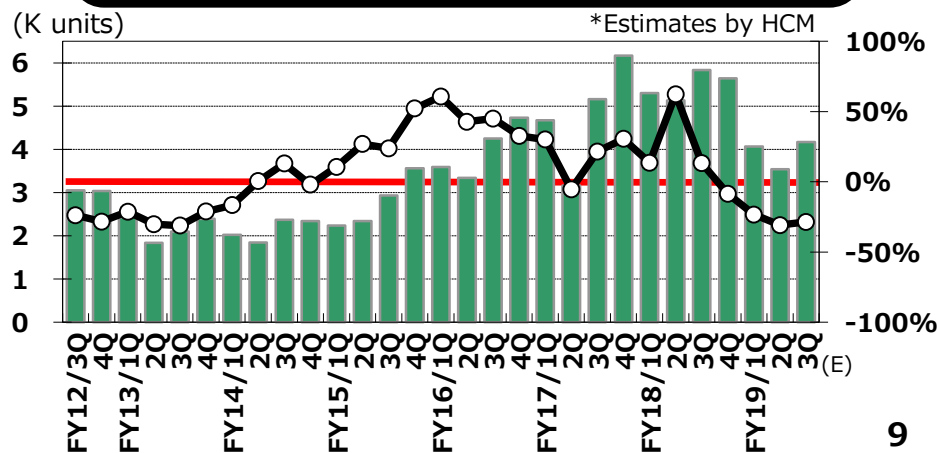


GDP Growth Rate in Major Countries (y-o-y)



* Calculation criteria for GDP growth rate in India was revised in CY2013 2Q

Demand Trend for Hydraulic Excavators in India



<Russia and the Middle East>

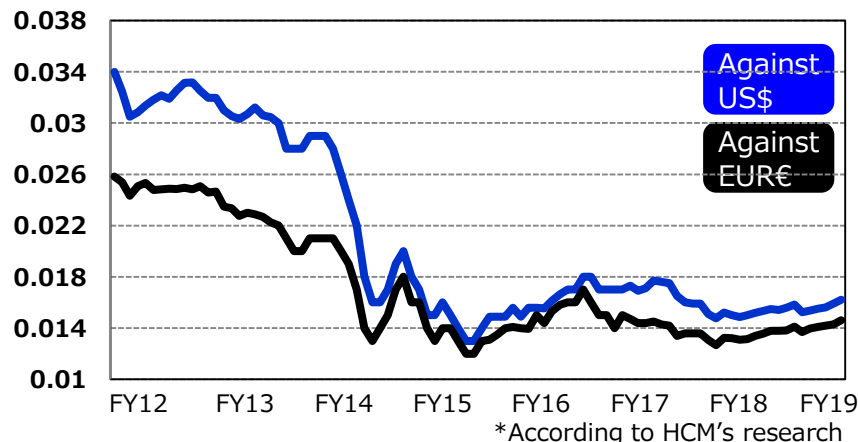
Third Quarter
(from October to December 2019)

HITACHI

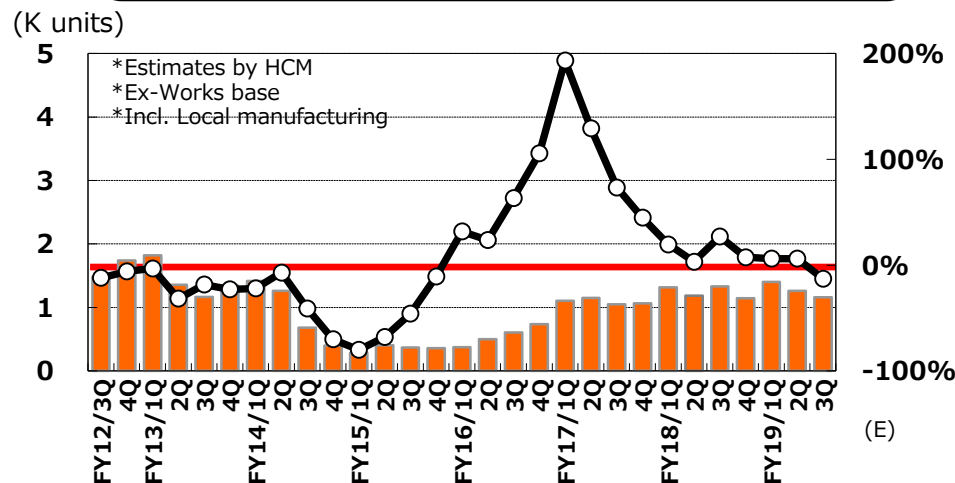
Reliable solutions

- Demand for hydraulic excavators decreased (-13% y-o-y) in Russia.
- Demand for hydraulic excavators in the Middle East has turned upward.

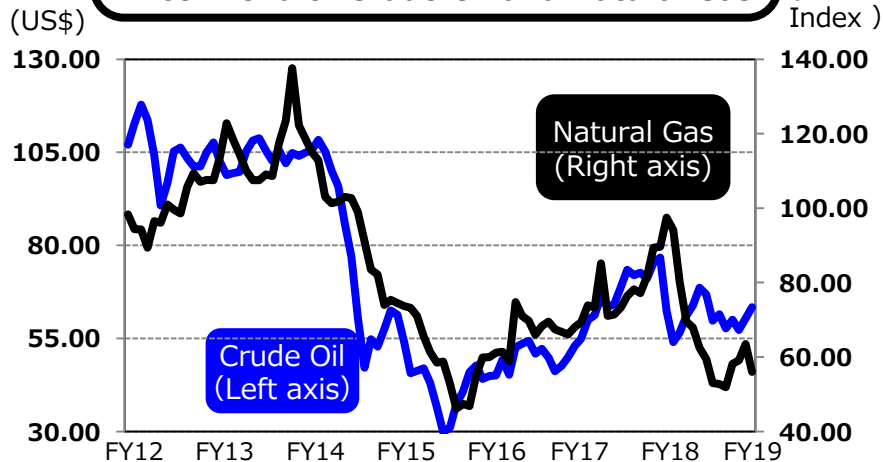
Foreign Exchange Rate of the Ruble



Demand Trend for Hydraulic Excavators in Russia



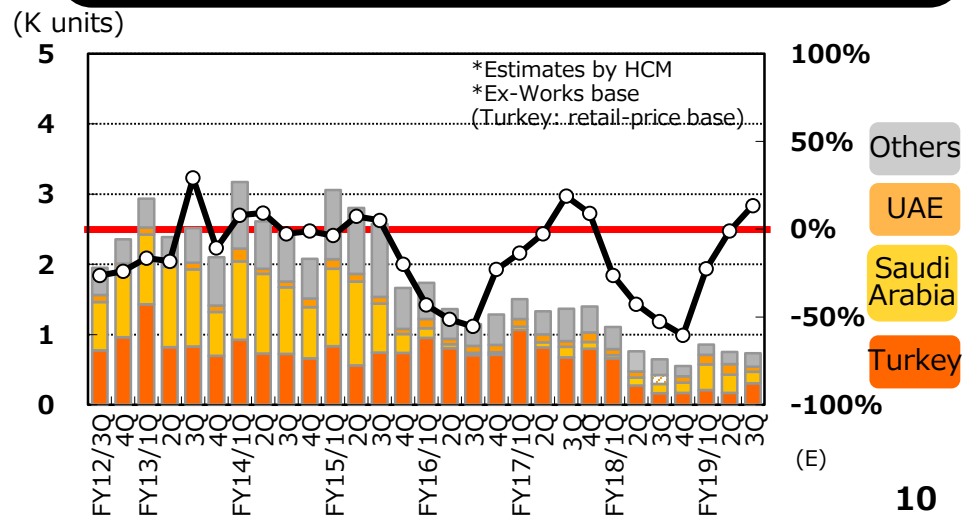
Price Trend of Crude Oil and Natural Gas



*Created by HCM, sourced from World Bank

*Natural Gas Index (2010=100)

Demand Trend for Hydraulic Excavators in the Middle East

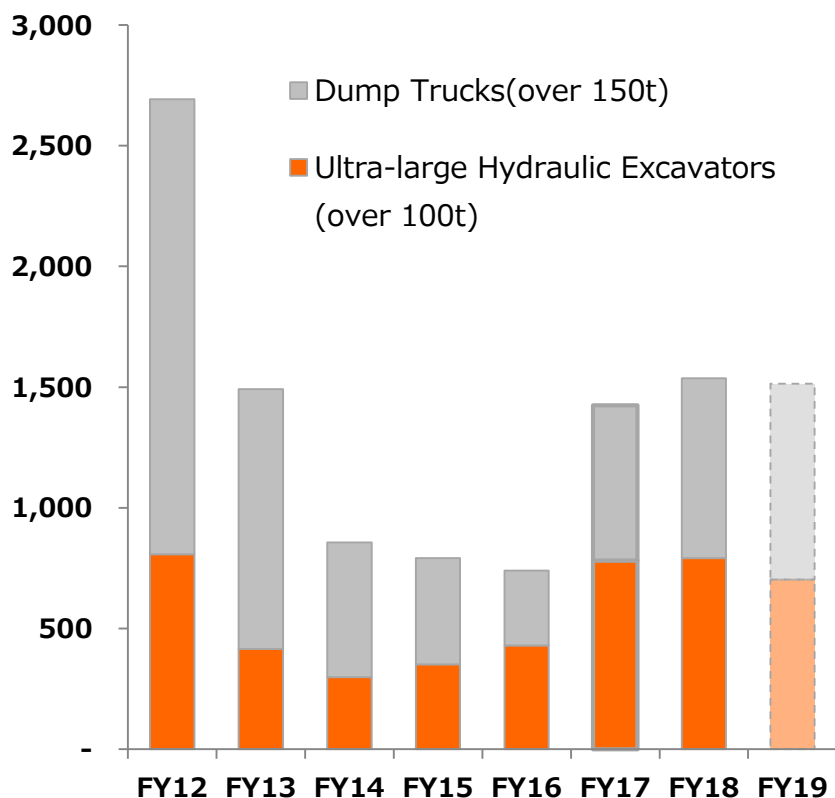


- Demand for mining machinery in FY2019 is expected to be almost flat without significantly rising or falling.
- Demand for ultra-large hydraulic excavators (operating weight 100t-250t) for medium and small sized mining sites and contractors is expected to decrease, while the sentiment for ultra-large hydraulic excavators (over 300t) and dump trucks (payload over 150t) for major mining companies is bullish.

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

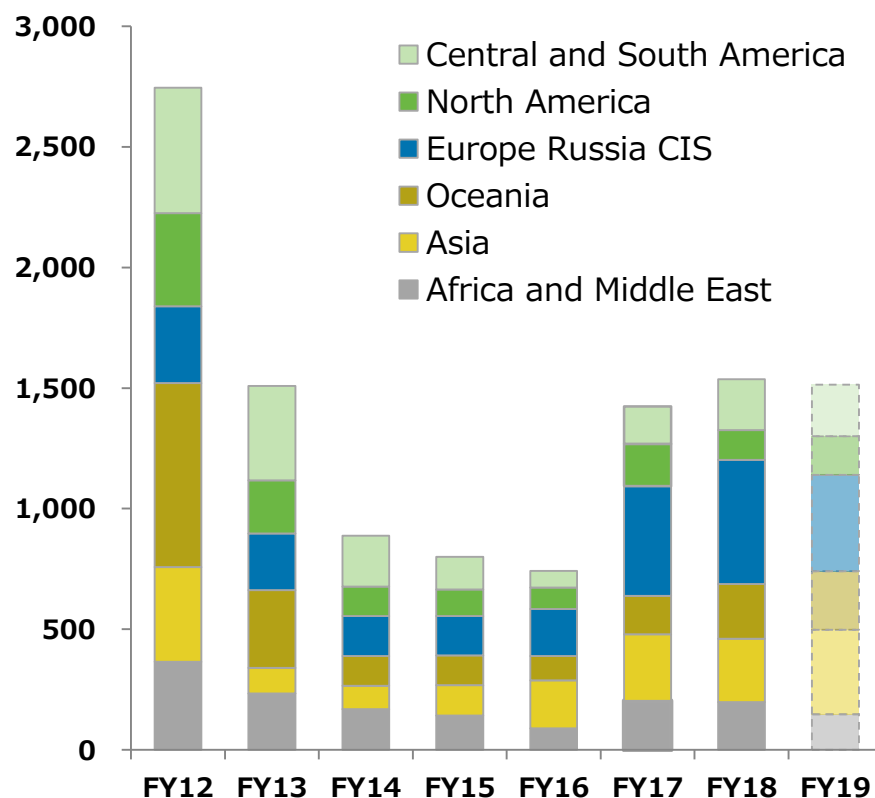
(Units)

Demand by product

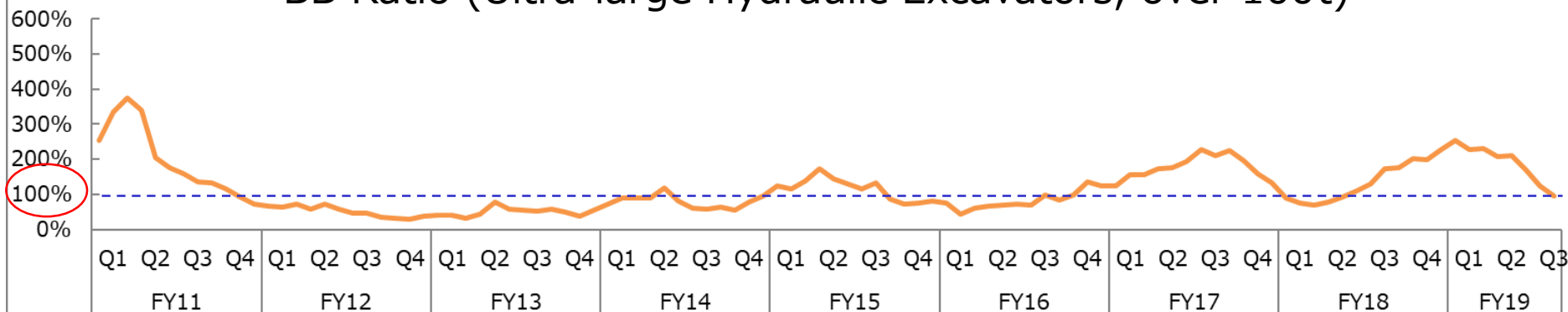


(Units)

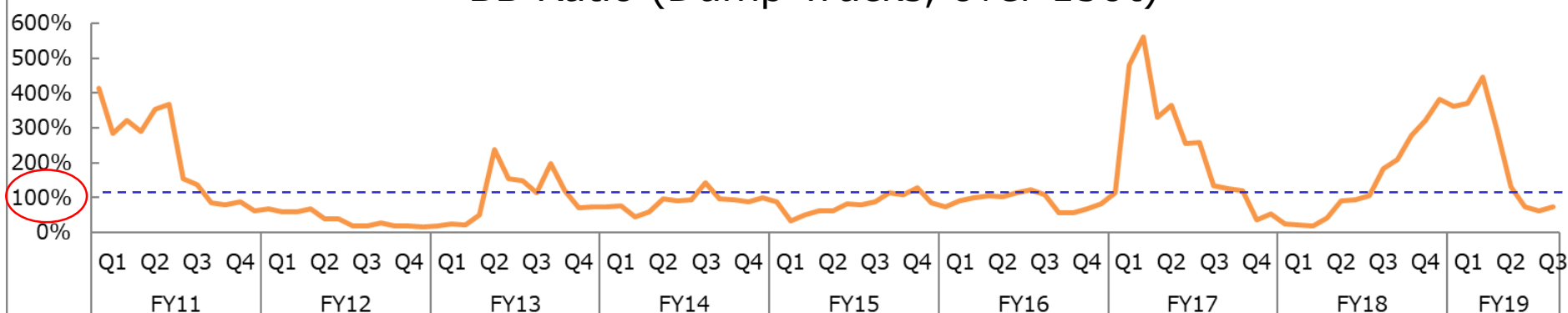
Demand by region



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



BB Ratio (Dump Trucks, over 150t)



※ Book-to-Bill(BB)Ratio = Bookings (Orders received)/Billings (Value of shipment)
Non-consolidated basis (average of 6 months)

Hitachi Construction Machinery Thailand handover HITACHI EX3600E-6LD 7 Units to Italian-Thai Development



Our excavator EX2500E has been operating continuously over the past 25 years, and we have received these orders for its durability and services.



On 14th January 2020, a delivery ceremony was held at the Mae Moh Mine owned by Electricity Generating Authority of Thailand



■ Developed a prototype battery-driven mini excavator at Hitachi Construction Machinery Tierra

- Developed environmentally friendly electric construction equipment in collaboration between Japan and Europe (European Application Center GmbH Corporation *¹)
- Characteristics are that it can combine a battery power supply with a commercial power supply.
- Aiming for compact size development to fit it into the same size as the engine model with miniaturizing the battery system.

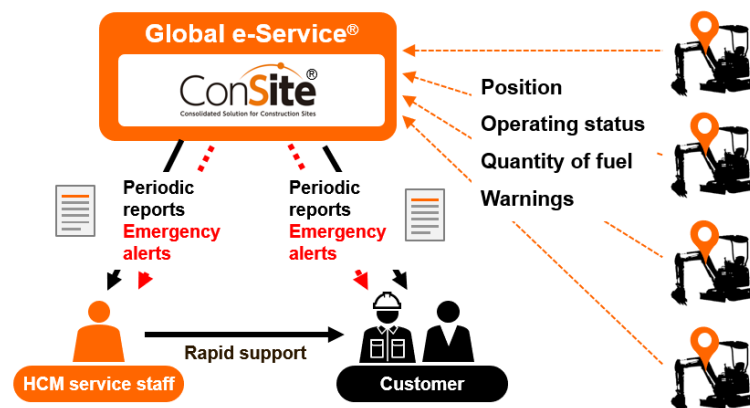
*¹: Hitachi Construction Machinery and KTEG, a subsidiary of Kiesel, a distributor in Europe, established joint venture in 2018 to develop electric construction machinery and applied development products.



Battery-driven 5t class short swing design prototype

■ Start offering ConSite® for mini excavators from FY2020

- Apply service solutions for protecting construction machinery through remote monitoring to mini excavators as well
- Know the position, operating status, etc. of multiple machines in real time through the wireless service
- Reduces life cycle costs and provides high convenience when managing many machines



Global e-Service®: service which allows customers to view operational and position information for construction machinery

Yukie Nakayama of the Hitachi Construction Machinery Clay Firing Department ^{*1} won a copper medal in the women's trap competition at 14th Asian Championship^{*2} .
Based on the results, the participation in the Tokyo Olympics will be announced.



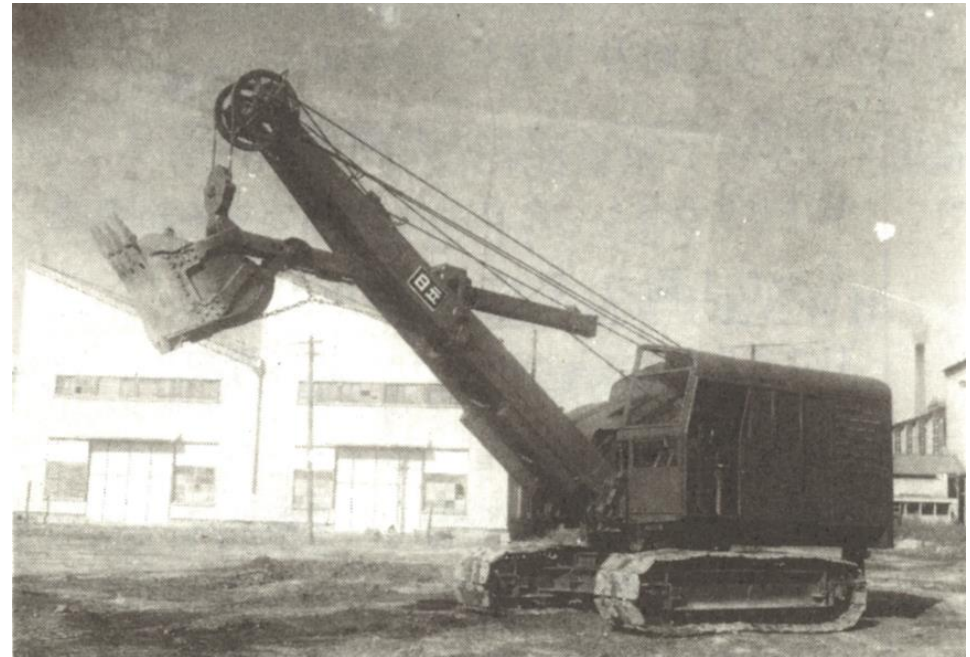
We look forward to your warm support.

*1: Foundation 1997, Cray Shooting is Our Symbol Sport

*2: Held in Qatar (Doha) in November 2019

In 2020, we will mark **the 70th anniversary**^{*1} of the start of full-scale manufacturing of construction machinery.

In appreciation of our customers and other stakeholders, we will continue to take on the challenge of achieving further growth.



U06 mechanical excavators developed using **pure domestic technology**

^{*1}: With the start of full-scale production in 1950 as the driving force behind Japan's post-war national land reconstruction

2. Business Results for the Third Quarter ended December 31, 2019

(April 1-December 31, 2019)

Tetsuo Katsurayama

Senior Vice President, Executive Officer, CFO

Revenue decreased by 8% and adjusted operating income decreased by 31% compared to the previous year due to the negative exchange impact of appreciation of the Japanese yen and decrease in sales volume.

(billions of yen)						
		FY2019 1Q-3Q		FY2018 1Q-3Q		change
Revenue		687.2		743.2		-8%
Adjusted operating income *1		8.5%	58.7	11.5%	85.1	-31%
Operating income		8.3%	57.4	10.9%	81.3	-29%
Income before income taxes		8.1%	55.8	10.6%	78.9	-29%
Net income attributable to owners of the parent		5.1%	35.1	6.9%	51.3	-32%
EBIT *2		8.6%	59.3	10.9%	81.0	-27%
FX rate	Rate (YEN/US\$)	108.6		111.3		-2.7
	Rate (YEN/EURO)	121.1		129.5		-8.4
	Rate (YEN/RMB)	15.7		16.7		-1.0
	Rate (YEN/AU\$)	74.9		81.7		-6.8

*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 by geographic region (consolidated)

HITACHI

Reliable solutions

Revenue decreased compared to the previous year due to the 28.1 billion yen of the negative exchange impact of appreciation of the Japanese yen despite the revenue increase in Asia, N.America and Russia-CIS compared to the previous year.

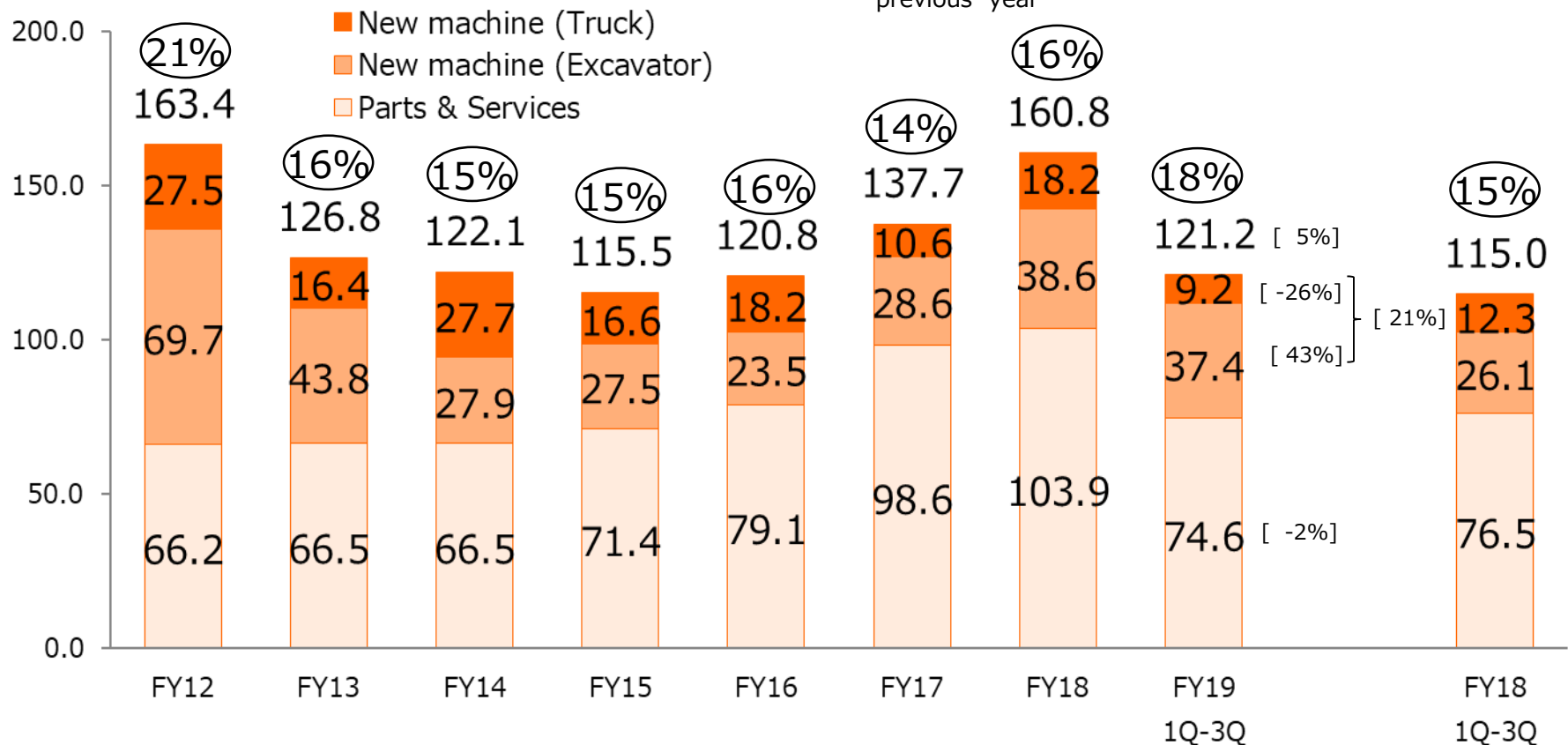
(billions of yen)						
	FY2019 1Q-3Q		FY2018 1Q-3Q		change	
					amount	%
Japan	145.4	21%	145.5	20%	-0.1	0%
Asia	64.1	9%	62.5	8%	1.6	2%
India	38.6	6%	49.7	7%	-11.1	-22%
Oceania	108.4	16%	126.0	17%	-17.6	-14%
Europe	73.6	11%	76.7	10%	-3.1	-4%
N.America	130.0	19%	124.2	17%	5.8	5%
L.America	10.2	1%	13.0	2%	-2.9	-22%
Russia-CIS	25.0	4%	24.3	3%	0.7	3%
M.East	4.9	1%	9.0	1%	-4.1	-46%
Africa	28.3	4%	29.8	4%	-1.4	-5%
China	58.7	9%	82.4	11%	-23.7	-29%
Total	687.2	100%	743.2	100%	-56.0	-8%
Overseas ratio	79%		80%			

- Revenue of mining in the FY2019 3Q increased by 5% to 121.2 billion yen year on year despite the impact of the strong exchange rate of the yen, 7.8 billion yen.
- In particular, revenue of new mining machinery increased by 21% year on year.

(billions of yen)

(%) shows sales ratio against total company sales

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

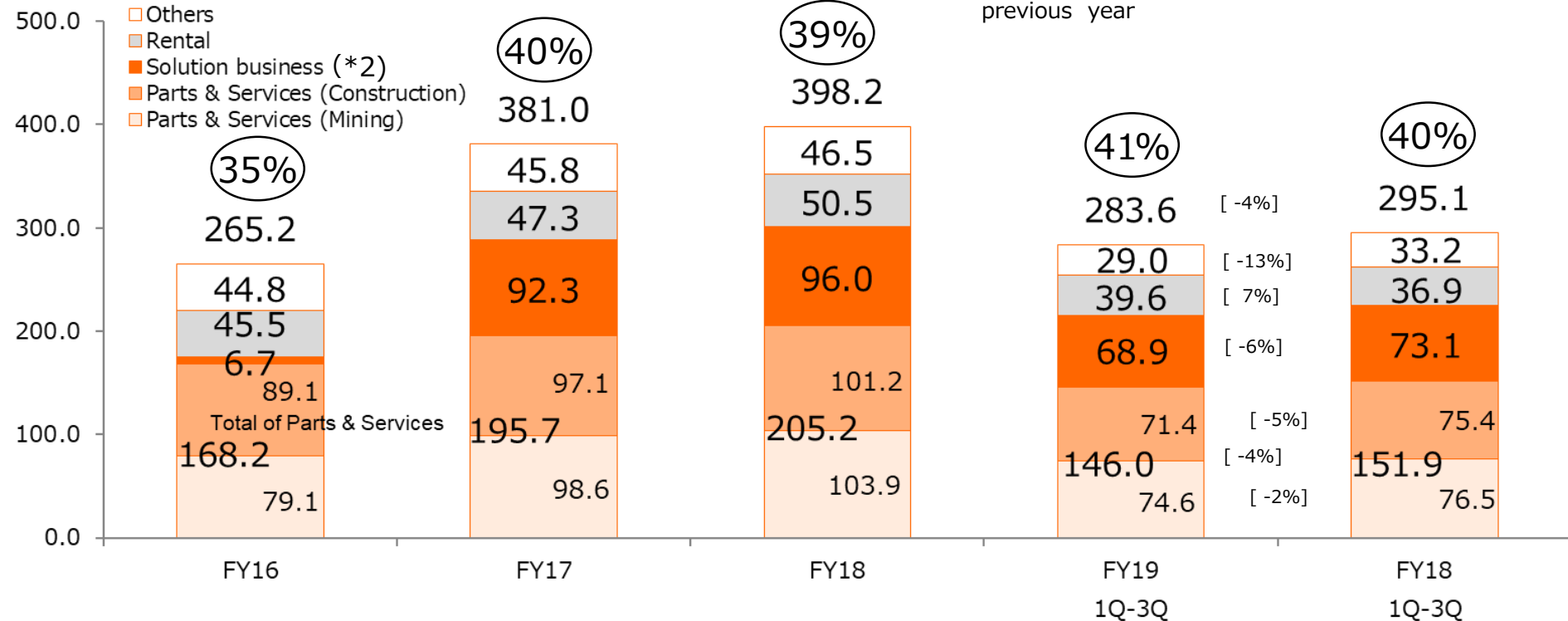


Revenue of the value chain business in the FY2019 3Q decreased by 4% to 283.6 billion yen year on year due to the impact of the strong exchange rate of the yen, -13.4 billion yen.

(billions of yen)

(%) shows sales ratio against total company sales

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



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

(*2) Solution 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.

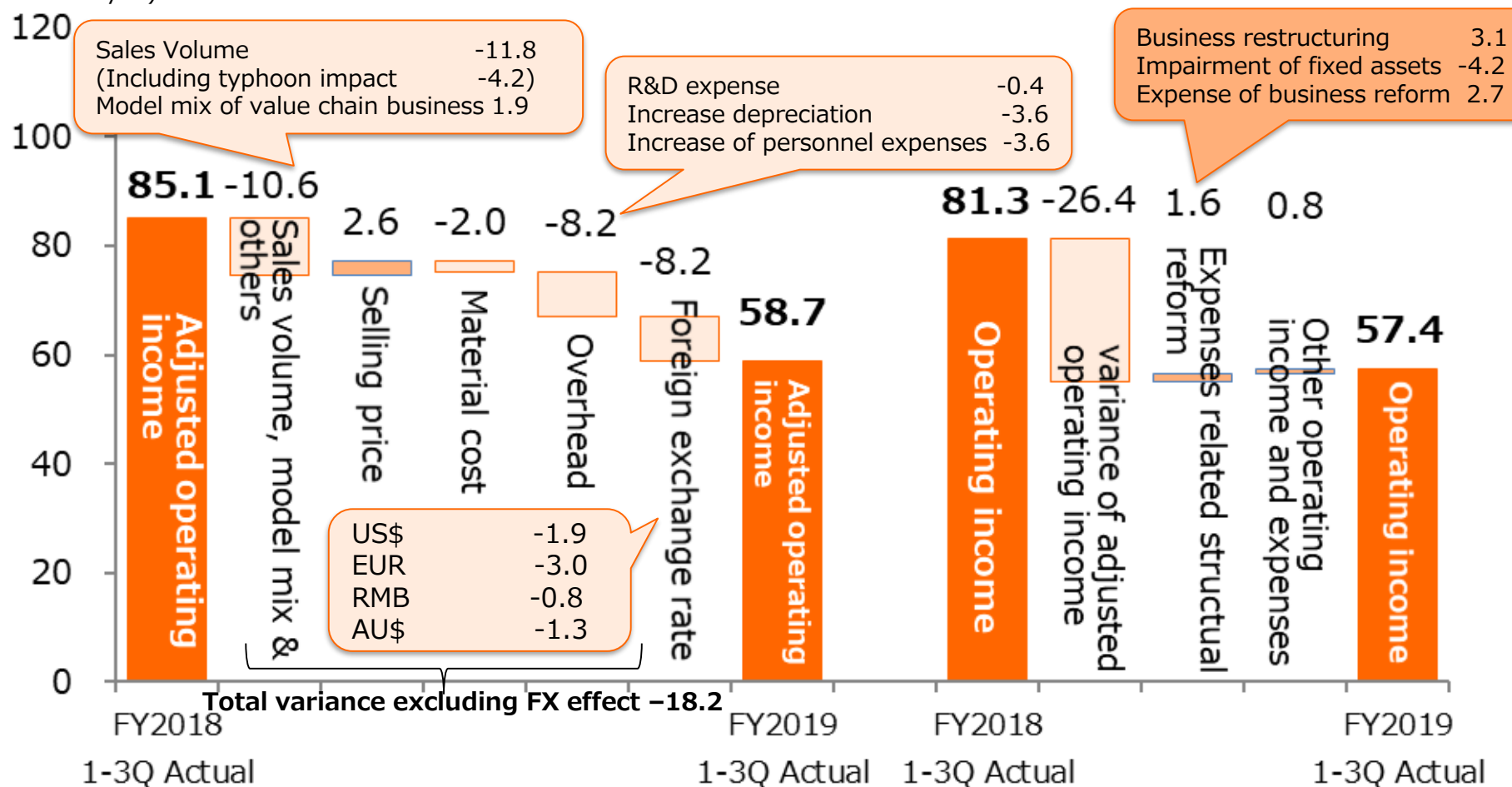
Comparison of consolidated income

HITACHI

Reliable solutions

Adjusted operating income decreased by 26.4 billion yen year on year due to the impact of the decreased sales volume and model mix including the impact of the typhoon damage on suppliers, increased overheads, increased material costs and the strong exchange rate of the yen despite the improved selling price.

(billions of yen)



Consolidated statement of income

HITACHI

Reliable solutions

- Operating income decreased by 29% or 24.0 billion yen to 57.4 billion yen year on year.
- Net income attributable to owners of the parent decreased by 32% or 16.2 billion yen to 35.1 billion yen year on year.

(billions of yen)

	FY2019 1Q-3Q		FY2018 1Q-3Q		change	
					amount	%
Revenue		687.2		743.2	-56.0	-8%
Cost of Sales	(72.3%)	496.5	(70.7%)	525.3	-28.8	-5%
SGA expenses	(19.2%)	131.9	(17.9%)	132.8	-0.9	-1%
Adjusted operating income *1	(8.5%)	58.7	(11.5%)	85.1	-26.4	-31%
Other Income/expenses		-1.4		-3.8	2.4	-63%
Operating income	(8.3%)	57.4	(10.9%)	81.3	-24.0	-29%
Financial income/expenses		-4.3		-5.5	1.2	-23%
Share of profits of investments accounted for using the equity method		2.7		3.0	-0.3	-11%
Income before income taxes	(8.1%)	55.8	(10.6%)	78.9	-23.0	-29%
Income taxes		16.3		20.9	-4.6	-22%
Net income	(5.8%)	39.5	(7.8%)	57.9	-18.4	-32%
Net income attributable to owners of the parent	(5.1%)	35.1	(6.9%)	51.3	-16.2	-32%

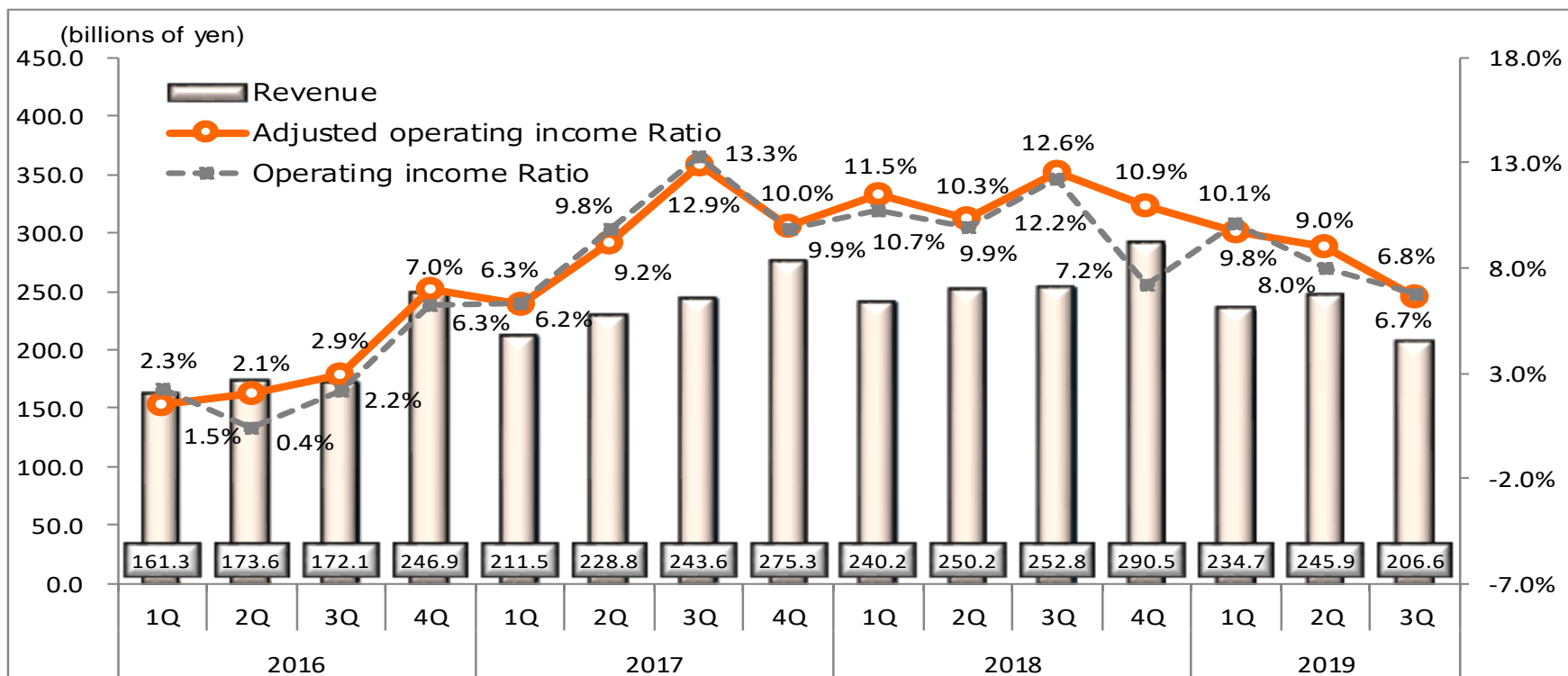
*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

Summary of quarterly consolidated revenue and operating income (ratio)

HITACHI

Reliable solutions

	2016				2017				2018				2019		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	161.3	173.6	172.1	246.9	211.5	228.8	243.6	275.3	240.2	250.2	252.8	290.5	234.7	245.9	206.6
Adjusted operating income	2.4	3.6	5.0	17.3	13.2	21.0	31.5	27.5	27.6	25.8	31.8	31.7	22.9	22.1	13.8
Operating income	3.7	0.7	3.8	15.5	13.4	22.5	32.4	27.1	25.7	24.8	30.8	21.0	23.7	19.6	14.1



FX rate	2016				2017				2018				2019		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Rate (YEN/US\$)	108.1	102.4	109.3	113.6	111.1	111.0	113.0	108.3	109.1	111.5	112.9	110.2	109.9	107.4	108.8
Rate (YEN/EURO)	122.0	114.3	117.8	121.1	122.2	130.4	133.0	133.2	130.1	129.6	128.8	125.2	123.5	119.3	120.3
Rate (YEN/RMB)	16.5	15.4	16.0	16.6	16.2	16.6	17.1	17.1	17.1	16.4	16.3	16.3	16.1	15.3	15.5
Rate (YEN/AU\$)	80.6	77.6	81.9	86.2	83.4	87.6	86.8	85.3	82.6	81.5	81.1	78.5	76.9	73.6	74.3

Consolidated statement of financial position

HITACHI

Reliable solutions

Total assets increased by 23.3 billion yen year on year due to lease assets increased by 42.2 billion yen from the previous year end due to the impact of the adoption IFRS 16 and increased 18.5 billion yen due to inventories, although decreasing by 56.5 billion yen due to trade receivables and non-current assets.

(billions of yen)

	(A) FY19-3Q	(B) Mar '2019	(C) FY18-3Q	(A)-(B) change		(D) FY19-3Q	(E) Mar '2019	(F) FY18-3Q	(D)-(E) change
Cash and cash equivalents	63.7	67.3	59.7	-3.6	Trade and other payables	198.6	278.1	252.7	-79.5
Trade receivables	189.7	238.2	204.8	-48.5	Bonds and borrowings	342.2	304.8	307.1	37.4
Inventories	343.4	324.8	325.9	18.5	Total liabilities	662.9	642.6	615.5	20.3
Total current assets	645.2	673.9	645.0	-28.7	(Equity attributable to owners of the parent ratio)	(40.5%)	(41.0%)	(41.0%)	(-0.5%)
Total non-current assets	563.4	511.4	497.6	52.0	Total equity	545.7	542.7	527.2	3.1
Total assets	1,208.6	1,185.3	1,142.6	23.3	Total liabilities and equity	1,208.6	1,185.3	1,142.6	23.3
Trade receivables incl. non-current	226.1	282.6	245.1	-56.5					
Inventories by products									
Unit	100.8	89.3	99.4	11.5		(28.3%)	(25.7%)	(26.9%)	(2.6%)
Parts	112.9	102.2	101.7	10.8	Interest-bearing debt	342.2	304.8	307.1	37.4
Raw materials, WIP and etc	129.6	133.3	124.9	-3.7	Cash and Cash equivalents	63.7	67.3	59.7	-3.6
Total inventories	343.4	324.8	325.9	18.5		(23.0%)	(20.0%)	(21.7%)	(3.0%)
On hand days(divided by net sales)				(Days)	Net interest-bearing debt	278.5	237.5	247.4	41.0
Trade receivables	84	100	88	-16					
Inventories	128	115	117	13	Net D/E Ratio	0.57	0.49	0.53	0.08
Trade payables	46	57	54	-11					
Net working capital	164	155	147	9					

Net cash provided by (used in) operating activities improved by 69.6 billion yen to positive 20.5 billion yen year on year due to improved working capital.

	(billions of yen)					
	FY2019 1Q-3Q		FY2018 1Q-3Q		change	
Net income		39.5		57.9		-18.4
Depreciation and amortization	72.7	33.2	85.3	27.4	-12.6	5.8
(Increase)decrease in trade/lease receivables		50.9		8.0		42.9
(Increase)decrease in inventories		-23.5		-78.9		55.5
Increase(decrease) in trade payables	-6.0	-33.4	-98.6	-27.7	92.6	-5.8
Others, net		-46.2		-35.9		-10.3
Net cash provided by (used in) operating activities		20.5		-49.2		69.6
Cash flow margin for operating activities		3.0%		-6.6%		9.6%
Net cash provided by (used in) investing activities		-28.5		-19.8		-8.7
Free cash flows		-8.1		-69.0		60.9
Net cash provided by (used in) financing activities		5.4		49.7		-44.3

Summary of consolidated earnings forecast

HITACHI

Reliable solutions

The FY2019 consolidated statement of income forecast remains unchanged from the previous forecast.

(billions of yen)

	FY2019 Forecast			FY2018 Actual	change	
					amount	%
Revenue	950.0			1,033.7	-83.7	-8%
	(9.1%)			(11.3%)	(-2.3%)	
Adjusted operating income	86.0			116.8	-30.8	-26%
	(8.6%)			(9.9%)	(-1.3%)	
Operating income	82.0			102.3	-20.3	-20%
	(8.4%)			(9.9%)	(-1.5%)	
Income before income taxes	80.0			102.7	-22.7	-22%
	(5.1%)			(6.6%)	(-1.6%)	
Net income attributable to owners of the parent	48.0			68.5	-20.5	-30%
EBIT	83.5			105.6	-22.1	
Currency	1Q-3Q	4Q	Total	FY2018 Actual	change	
	Actual	Forecast	Forecast			
Rate (YEN/US\$)	108.6	100.0	106.4	111.0	-4.6	For FX sensitivity, please refer to appendix 1.
Rate (YEN/EURO)	121.1	110.0	117.9	127.9	-10.0	
Rate (YEN/RMB)	15.7	14.5	15.3	16.6	-1.3	
Rate (YEN/AU\$)	74.9	70.0	73.7	80.9	-7.3	
Cash dividend per share (yen) *1	to be determined			100	-	

*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 aim to achieve a consolidated dividend payout ratio of approx. 30% or more.

HCM forecasts a decrease in FY2019 total revenue by 83.7 billion yen compared to the previous year due to the 50.0 billion yen of the negative impact of foreign exchange.

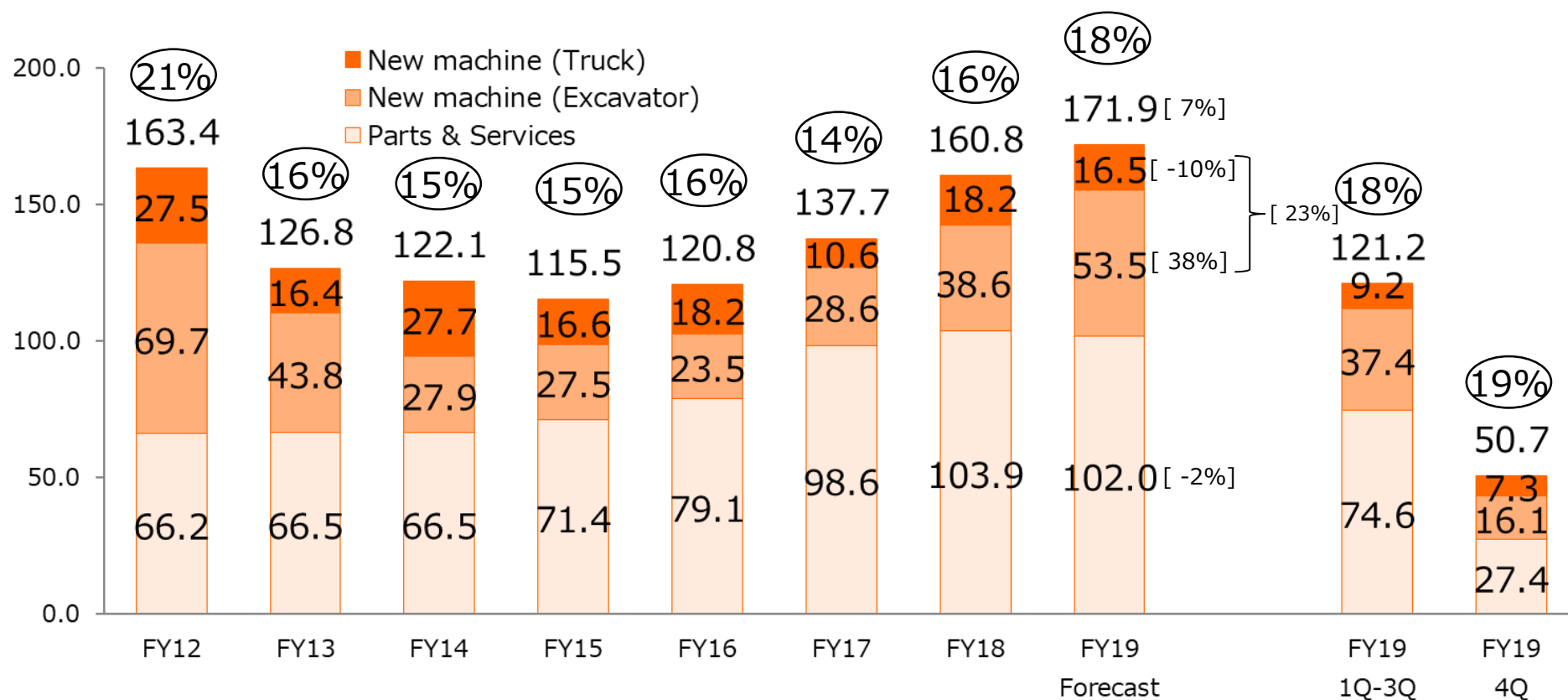
(billions of yen)

	FY2019 Forecast		FY2018 Actual		change	
					amount	%
Japan	217.1	23%	206.1	20%	11.1	5%
Asia	84.3	9%	88.5	9%	-4.2	-5%
India	58.1	6%	67.9	7%	-9.9	-15%
Oceania	147.4	16%	163.9	16%	-16.5	-10%
Europe	94.6	10%	111.6	11%	-17.0	-15%
N.America	172.1	18%	168.7	16%	3.4	2%
L.America	14.6	2%	17.1	2%	-2.5	-15%
Russia-CIS	32.4	3%	34.4	3%	-2.0	-6%
M.East	6.2	1%	11.8	1%	-5.5	-47%
Africa	35.2	4%	43.8	4%	-8.5	-20%
China	88.0	9%	119.9	12%	-31.9	-27%
Total	950.0	100%	1,033.7	100%	-83.7	-8%
Overseas ratio	77%		80%			

HCM forecasts an increase in FY2019 mining revenue by 7% to 171.9 billion yen year on year despite the expected strong appreciation of the yen.

(billions of yen)

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



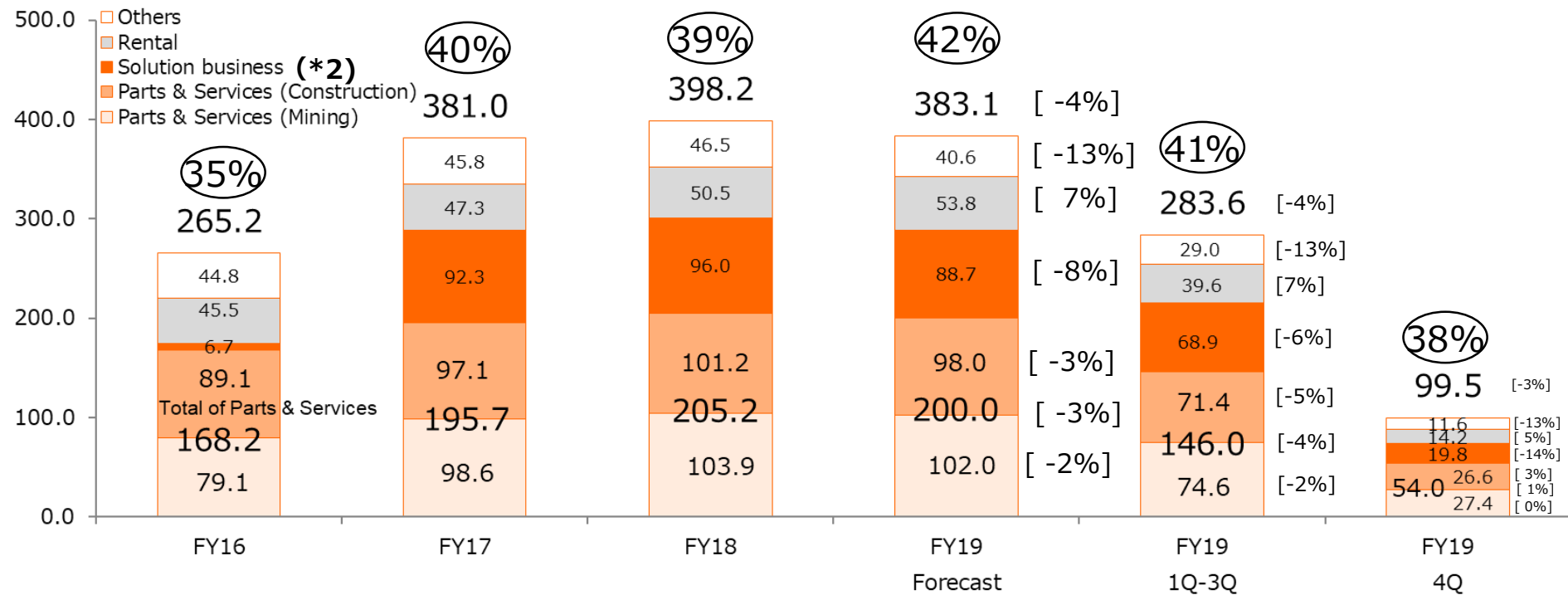
Value chain revenue forecast^(*1)

HITACHI

Reliable solutions

HCM forecasts a decrease in FY2019 sales of the value chain business by 4% compared to the previous year due to the expected strong appreciation of the yen despite the increase in the rental revenue.

(billions of yen)



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

(*2) Solution 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.

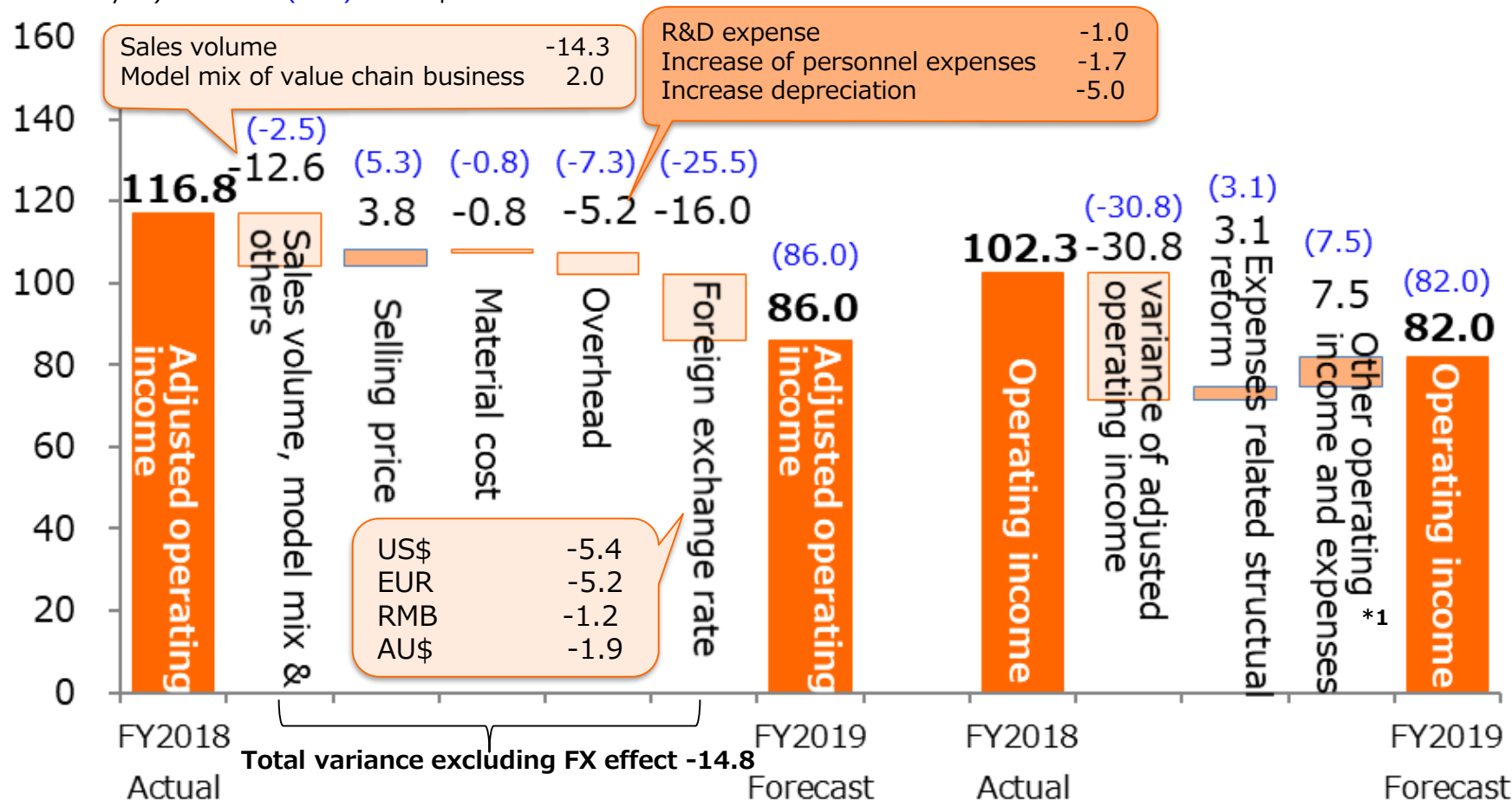
Comparison of consolidated income forecast

HITACHI

Reliable solutions

Adjusted operating income for FY2019 remains unchanged from the previous forecast due to a decrease in sales volume, increase in overheads and the negative impact of yen appreciation on the expected exchange rate, despite the recovery from the delay in production and shipment caused by the typhoon.

(billions of yen) note : () shows previous forecast as of Oct. 2019



*1 Other operating income and expenses :FY18 includes 8.8 billion yen of provision to the duplicated payment of value added tax in China.

The forecast exchange rate for FY2019 was set based on the lower limit of the forecasted fluctuation range for each currency.

FX rate and FX sensitivity

(billions of yen)

Currency	FX rate				FX sensitivity (4Q)		
	FY19			FY18 Actual	Condition	Revenue	Adjusted operating income
	1Q-3Q Actual	4Q Forecast	Total Forecast				
US\$	108.6	100.0	106.4	111.0	Impact by 1 yen depreciation	0.5	0.4
EURO	121.1	110.0	117.9	127.9	Impact by 1 yen depreciation	0.2	0.2
RMB	15.7	14.5	15.3	16.6	Impact by 0.1 yen depreciation	0.2	0.0
AU\$	74.9	70.0	73.7	80.9	Impact by 1 yen depreciation	0.5	0.1

<Appendix2> Detail of mining revenue

HITACHI

Reliable solutions

(billions of yen)

		FY18 Actual			FY19 Forecast			Change		
		1-3Q	4Q	Year	1-3Q	4Q	Year	1-3Q	4Q	Year
America	Excavator	9.8	4.7	14.6	11.2	5.3	16.4	1.3	0.5	1.9
	Dump Truck	5.6	1.4	7.0	3.0	1.1	4.1	-2.6	-0.3	-2.9
	Total	15.5	6.1	21.6	14.2	6.4	20.6	-1.3	0.2	-1.0
Europe, Africa and Middle East	Excavator	17.5	7.2	24.8	16.8	7.7	24.5	-0.8	0.5	-0.2
	Dump Truck	10.7	6.3	17.0	9.9	3.0	13.0	-0.8	-3.3	-4.1
	Total	28.3	13.5	41.8	26.7	10.8	37.5	-1.6	-2.7	-4.3
Asia & Oceania	Excavator	45.4	18.4	63.8	57.1	21.6	78.7	11.7	3.2	14.9
	Dump Truck	24.2	7.3	31.5	21.3	11.3	32.5	-2.9	3.9	1.0
	Total	69.5	25.7	95.3	78.3	32.9	111.2	8.8	7.1	15.9
China	Excavator	0.7	0.3	1.0	0.6	0.3	0.8	-0.2	-0.0	-0.2
	Dump Truck	0.1	0.0	0.1	0.1	0.0	0.1	-0.0	-0.0	-0.0
	Total	0.8	0.3	1.1	0.7	0.3	0.9	-0.2	-0.0	-0.2
Japan	Excavator	0.9	0.1	1.0	1.3	0.5	1.8	0.4	0.3	0.8
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0
	Total	0.9	0.2	1.0	1.3	0.5	1.8	0.4	0.3	0.7
Total	Excavator	74.3	30.8	105.1	86.9	35.3	122.2	12.6	4.6	17.1
	Dump Truck	40.7	15.0	55.7	34.3	15.4	49.7	-6.3	0.4	-6.0
	Total	115.0	45.8	160.8	121.2	50.7	171.9	6.2	4.9	11.2

The amortizations of PPA are included in the adjusted operating income of the solution business. The amounts of 0.8 billion yen are included in the third quarter of 2019, and in the 1.1 billion yen forecast for FY2019.

(billions of yen)

<Actual> FY2019 1Q-3Q	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Solution Business		
Revenue	618.3	70.2	-1.3	687.2
Adjusted operating income	8.5% 52.4	9.1% 6.4	-	8.5% 58.7

(billions of yen)

<Forecast> FY2019	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Solution Business		
Revenue	862.6	88.7	-1.3	950.0
Adjusted operating income	9.0% 77.7	9.4% 8.3	-	9.1% 86.0

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

We have chosen to align our activities with 10 of the 17 SDG's. Topics in this explanatory material are shown together with their corresponding SDG icon.



[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.

END

For further inquiries:

Corporate Brand & Communications Div.

Ⓒ Hitachi Construction Machinery Co., Ltd.

TEL : +81-3-5826-8152

FAX : +81-3-5826-8209



Received 2019 IR Prime Business Award
from Japan Investor Relations Association
November 2019