

## **Explanatory Meeting for Business Results for the First Quarter ended June 30, 2021**

July 28, 2021

**Hidehiko Matsui**

Executive Officer, President, Marketing Div.

**Keiichiro Shiojima**

Executive Officer, CFO

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

# 1. Regional Market Environments and Projections

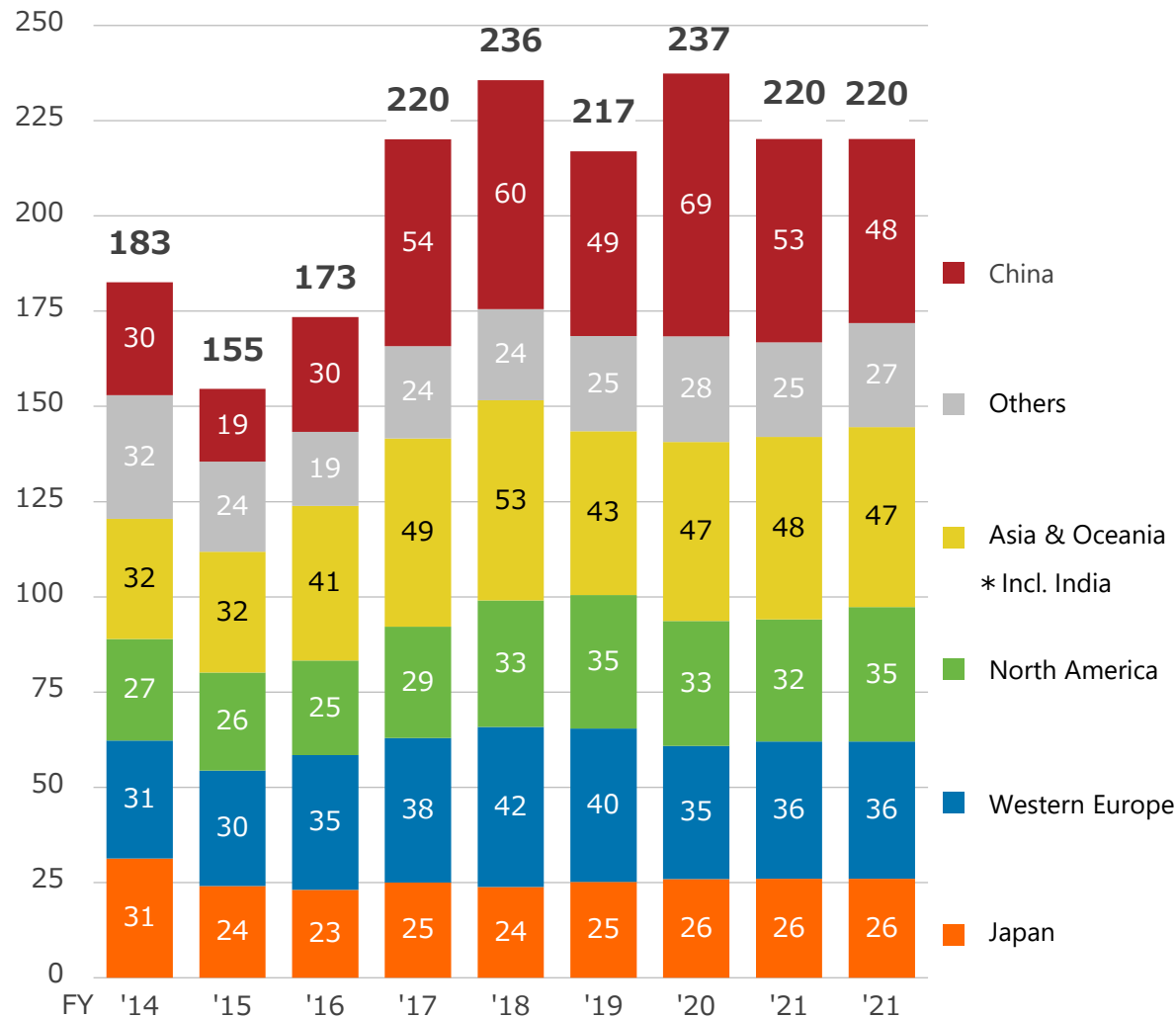
**Hidehiko Matsui**

Executive Officer, President, Marketing Div.

**Emerging Markets ratio :**  
**FY2021 : 56% ( y-y Change : -5% )**

[K units]

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



Previous Current  
Outlook Outlook

## Year-on-Year Change by Region

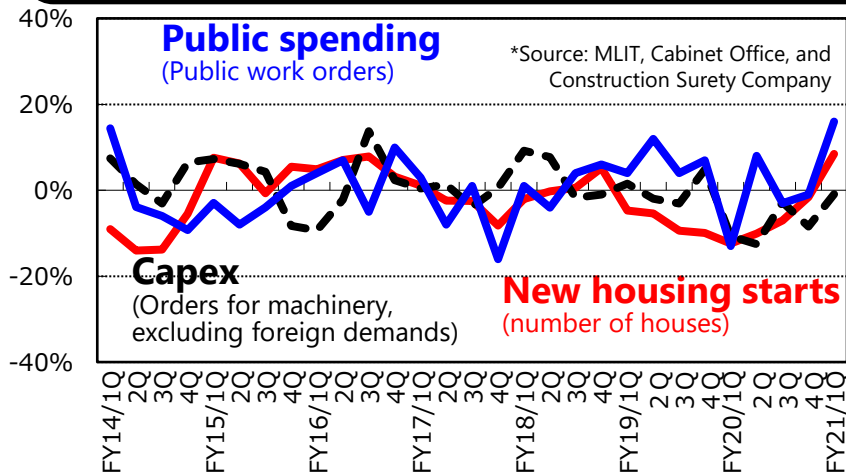
※Estimates by HCM, Excluding Chinese manufacturers

※Distributing, copying, or forwarding prohibited

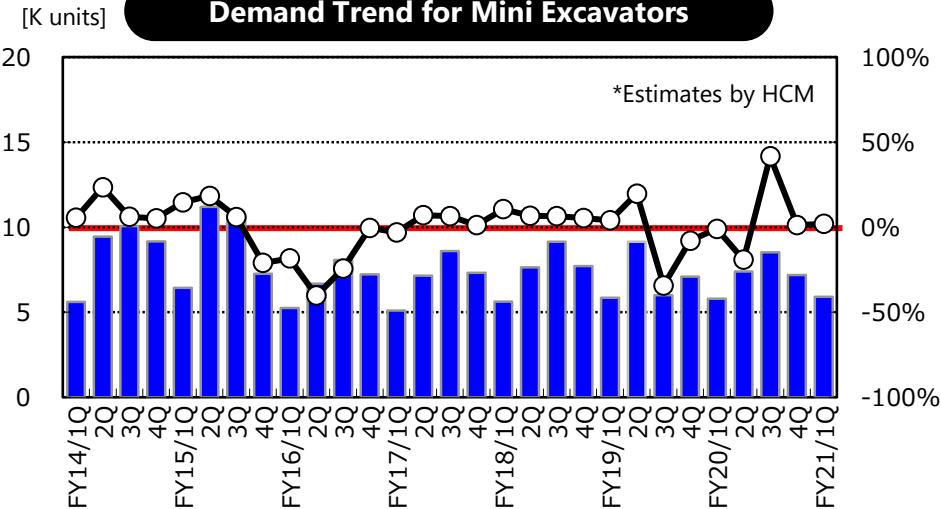
	'20	'21
Total	+9%	-7%
China	+42%	-30%
Russia,CIS, E Europe	-7%	+0%
Africa	+10%	-10%
Middle East	+10%	+0%
Latin	+34%	-0%
Others	+11%	-2%
Asia	+12%	+5%
India	+5%	-4%
Oceania	+16%	-1%
Asia & Oceania	+9%	+1%
N America	-6%	+8%
W Europe	-13%	+3%
Japan	+3%	+0%

- Housing investment and public investment increased. Capital investment improved at the level of the last FY.
- Demand increased: Hydraulic excavators +6% y-y, Mini excavators +2% y-y, Wheel loaders +17% y-y, respectively.

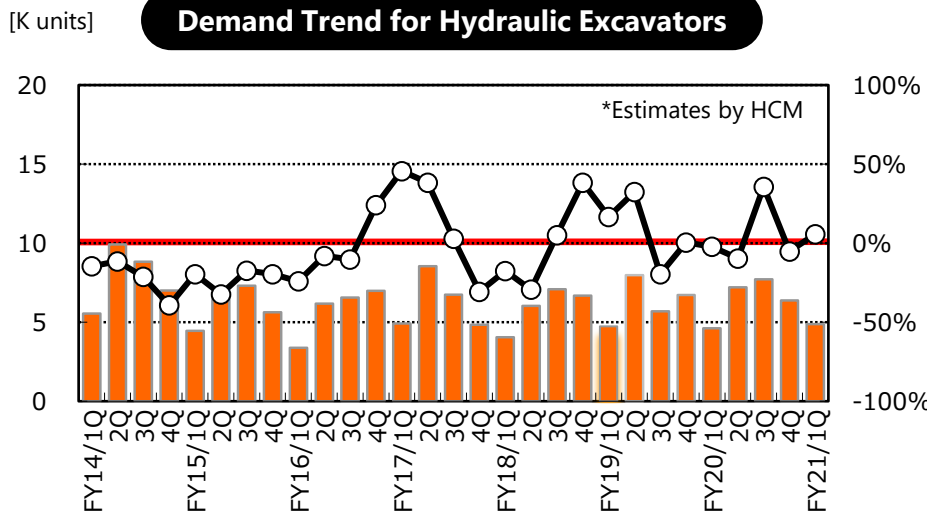
Market Environment Housing/Public Spending and Capex (y-y)



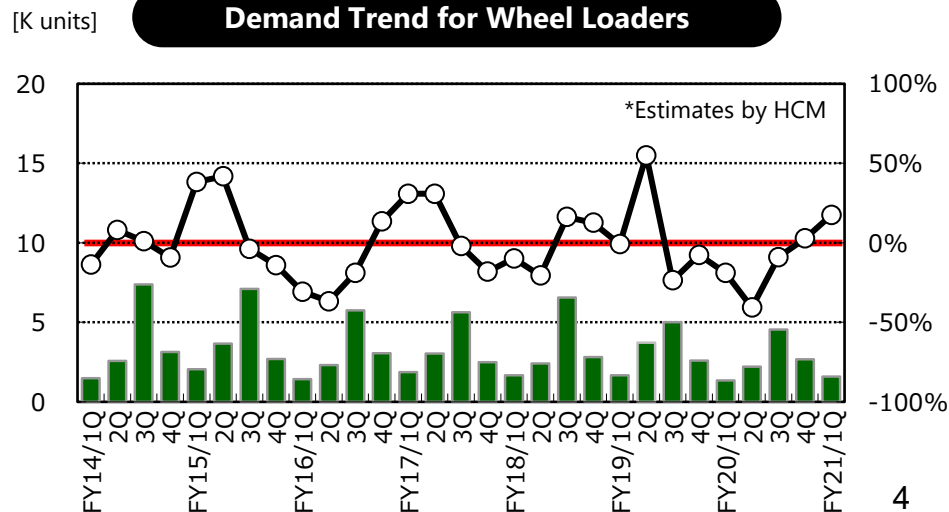
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators

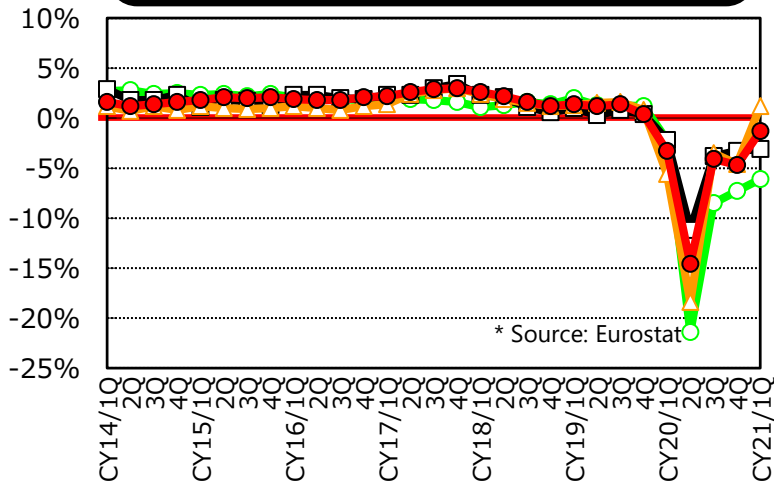


Demand Trend for Wheel Loaders

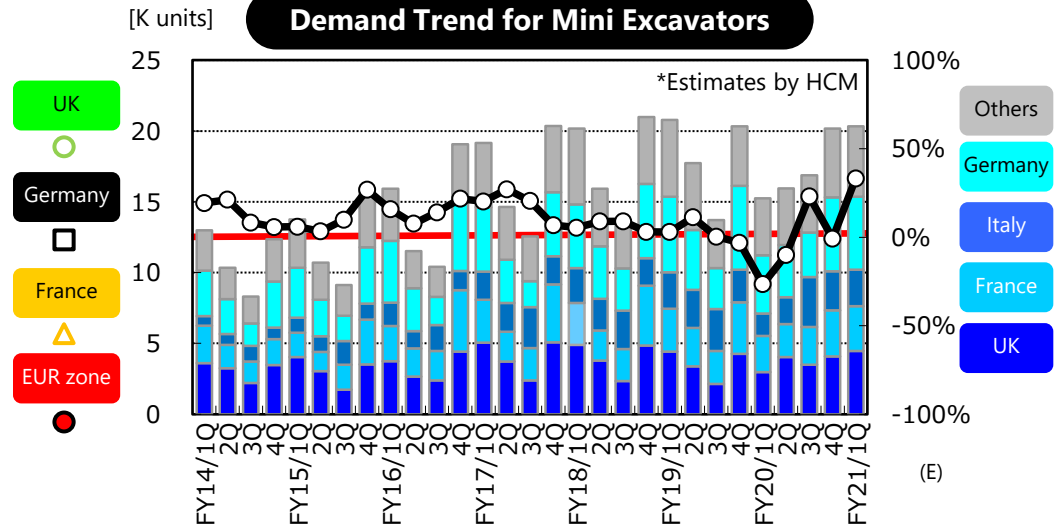


- Throughout the Eurozone, GDP growth rates have been on an improving trend.
- Demand increased significantly: Hydraulic excavators +33% y-y, Mini excavators +33% y-y, Wheel loaders +32% y-y, respectively.

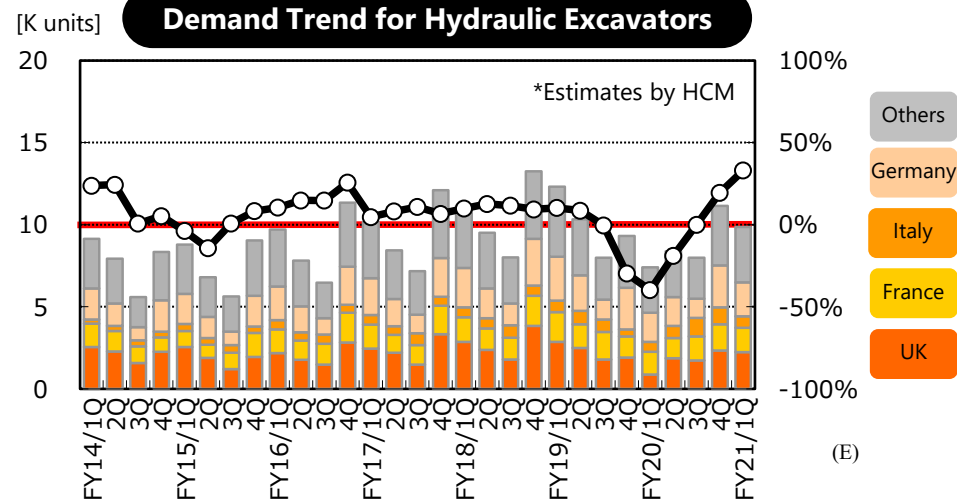
**GDP Growth Rate in Major Countries (y-y)**



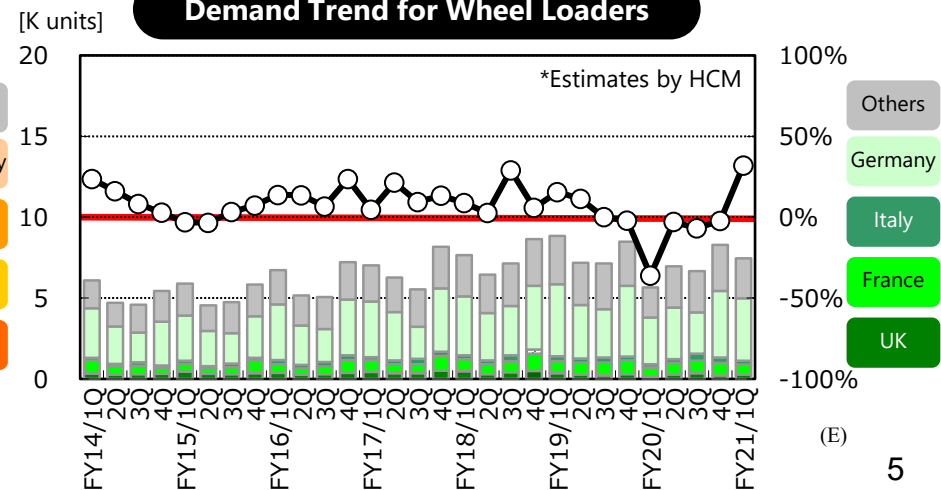
**Demand Trend for Mini Excavators**



**Demand Trend for Hydraulic Excavators**



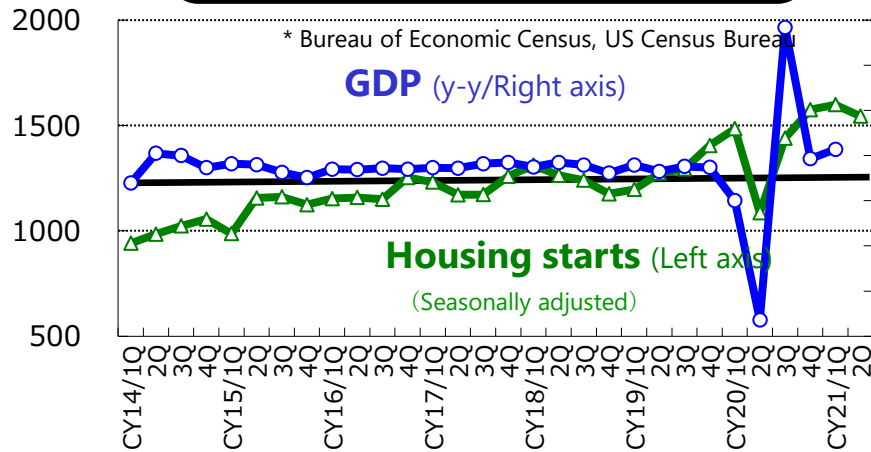
**Demand Trend for Wheel Loaders**



- Housing starts and construction spending in residential were upward trend. Non-residential and public work remained at the same level of the previous year.
- Demand significantly increased: Hydraulic excavators +37% y-y, Mini excavators +28% y-y, respectively.

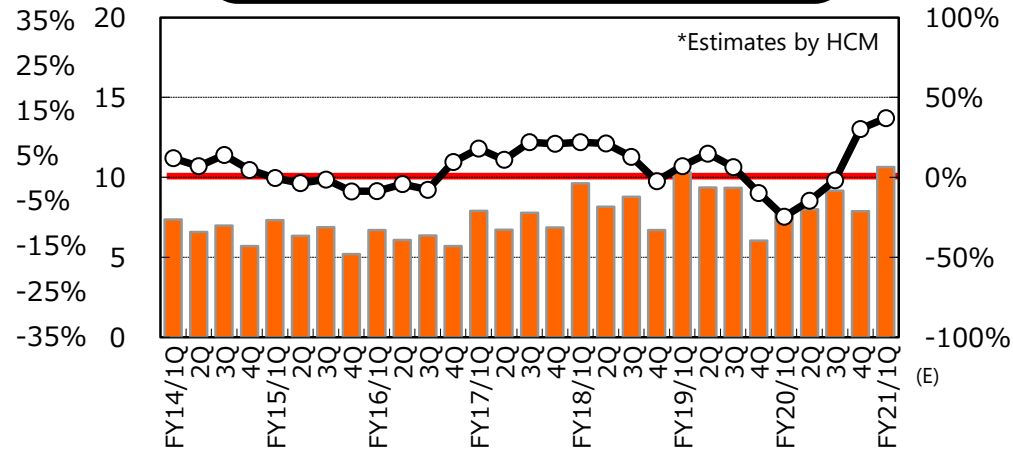
[K units]

**GDP Growth Rate, Housing Starts in US**

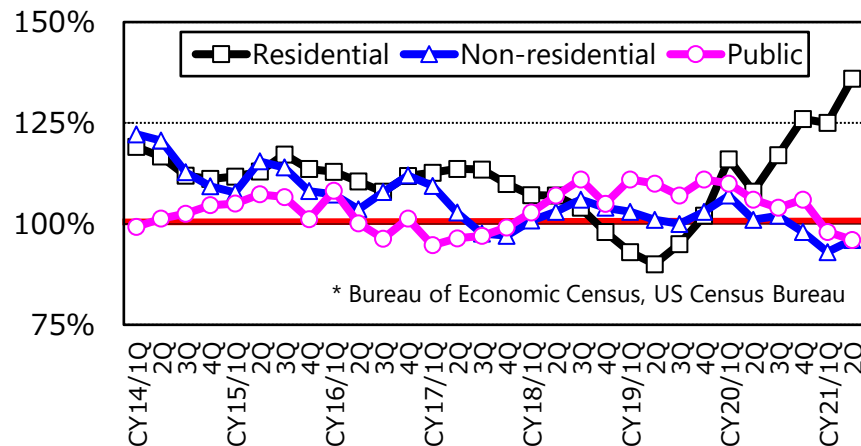


[K units]

**Demand Trend for Hydraulic Excavators**

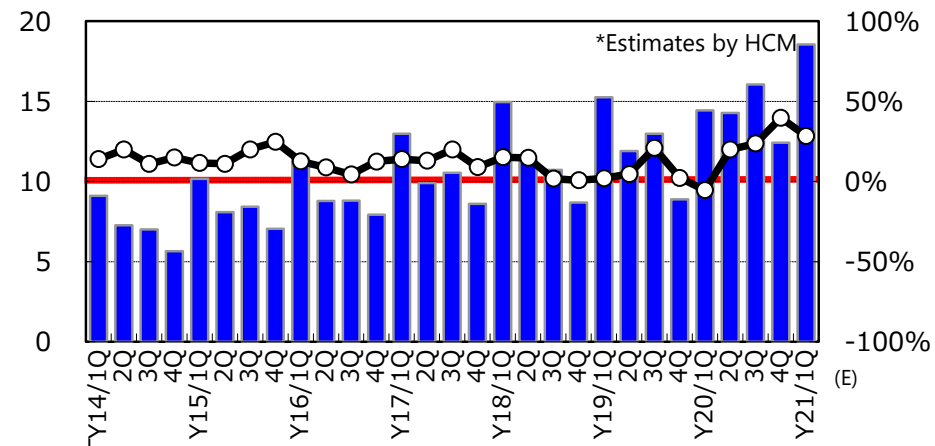


**Construction Spending in US (y-y)**



[K units]

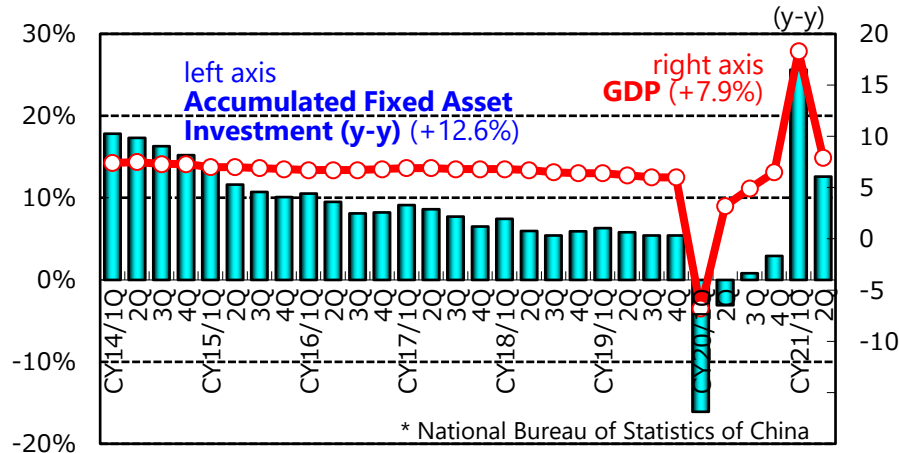
**Demand Trend for Mini Excavators**



- The GDP growth rate was +7.9%.
- Demand for hydraulic excavators in China decreased. -37% y-y, Foreign manufactures only.

## GDP and Fixed Asset Investment

[%]

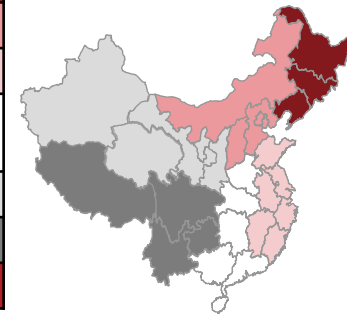


## Quarterly Demand for Hydraulic Excavators by Region (y-y)

FY20	2Q	3Q	4Q	1Q
North East	+112	+27	+98	-31%
North	+40	+23	+76	-20%
East	+57	+36	+42	-42%
Central South	+22	+22	+70	-42%
North West	+64	+27	+68	-42%
South West	+21	+26	+25	-35%
Total	+40	+28	+53	-37%

\*Estimates by HCM

\*Foreign manufactures only

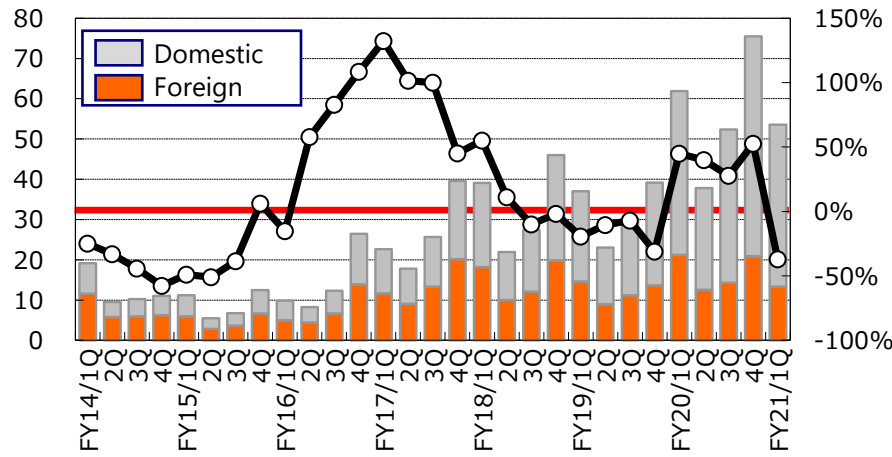


## Demand Trend for Hydraulic Excavators

[K units]

\*Estimates by HCM

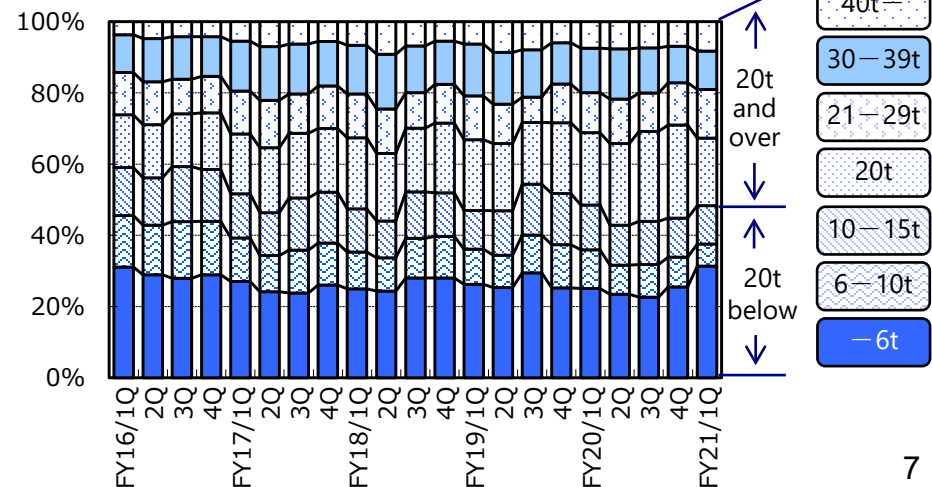
y-y comparison data is limited to foreign manufactures only

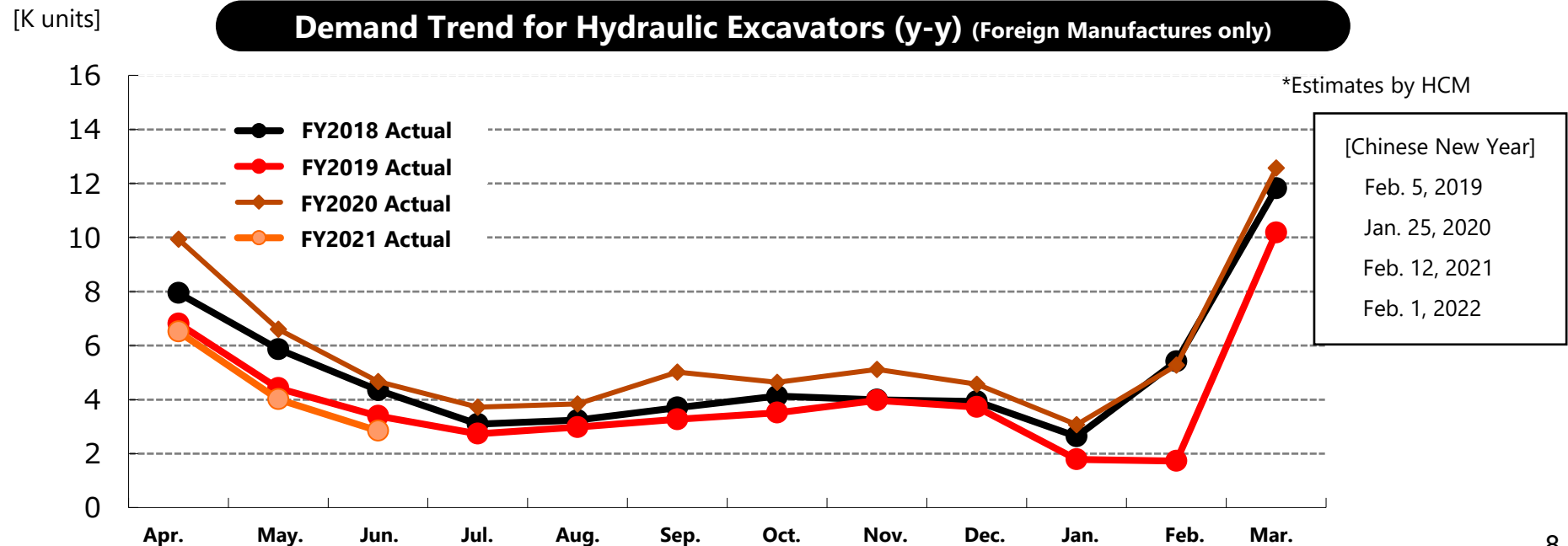
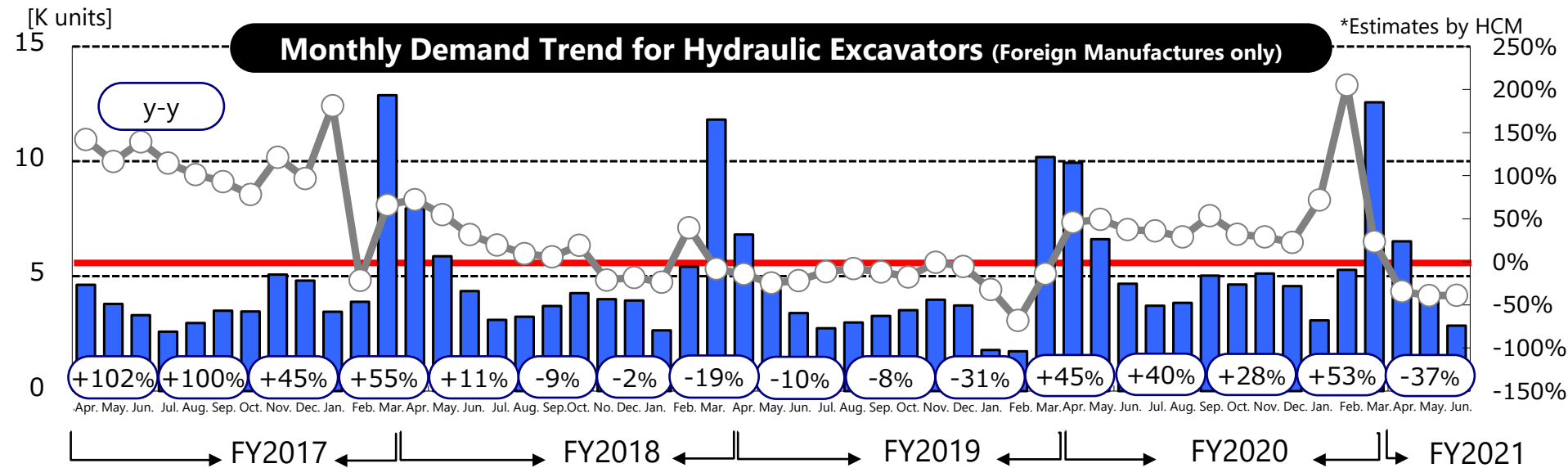


## Demand Composition by Class for Mini Excavators and Hydraulic Excavators

\*Estimates by HCM

\*Foreign manufactures only

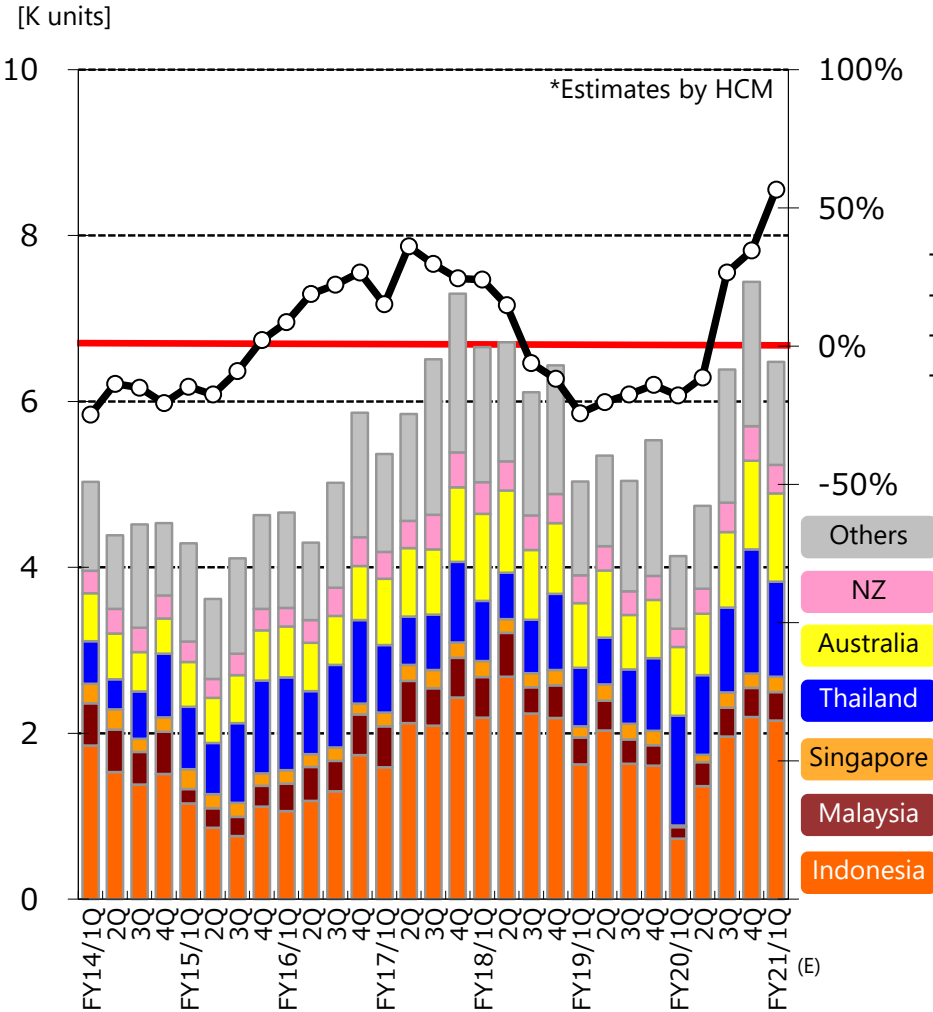




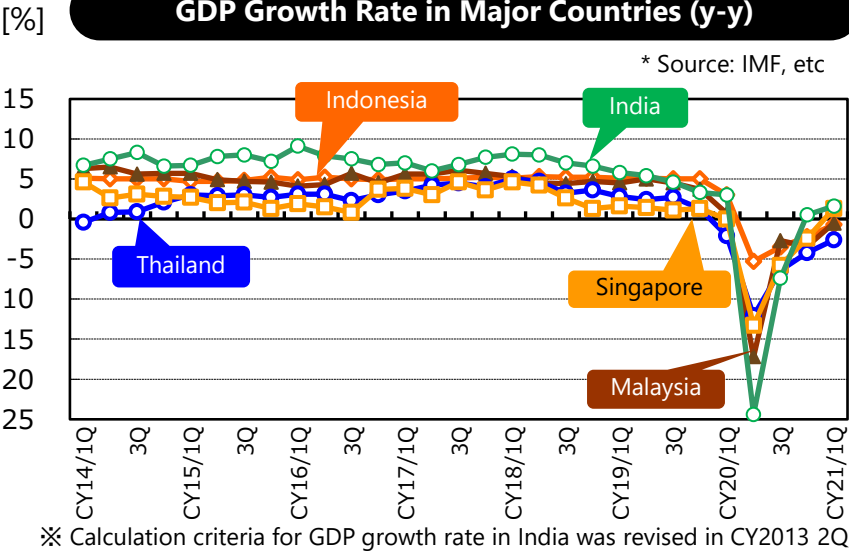


- Demand for hydraulic excavators increased overall in the Asia Pacific region, +57%.
- Demand for hydraulic excavators in India was +107%.

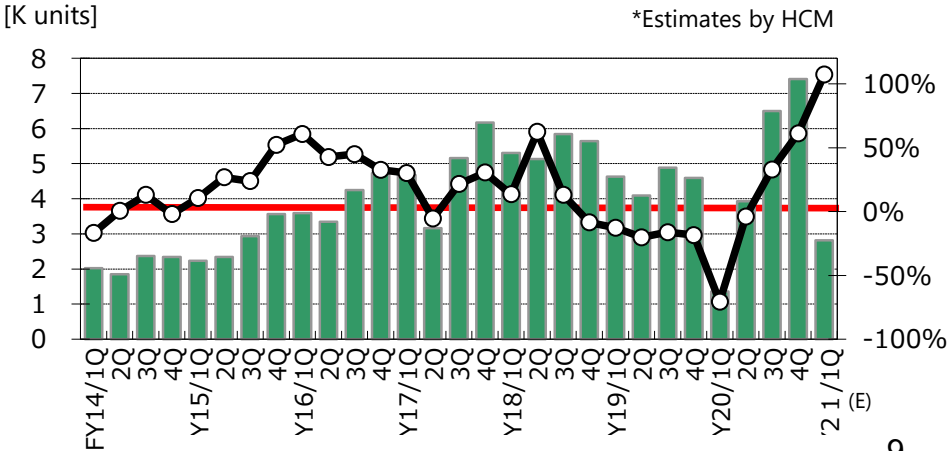
Demand Trend for Hydraulic Excavators in Asia & Oceania



GDP Growth Rate in Major Countries (y-y)

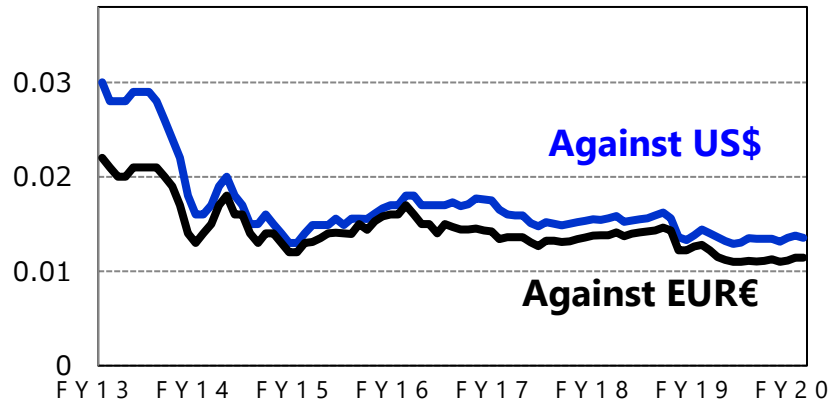


Demand Trend for Hydraulic Excavators in India



- Demand for hydraulic excavators in Russia was +38%.
- Demand for hydraulic excavators in the Middle East was +23%.

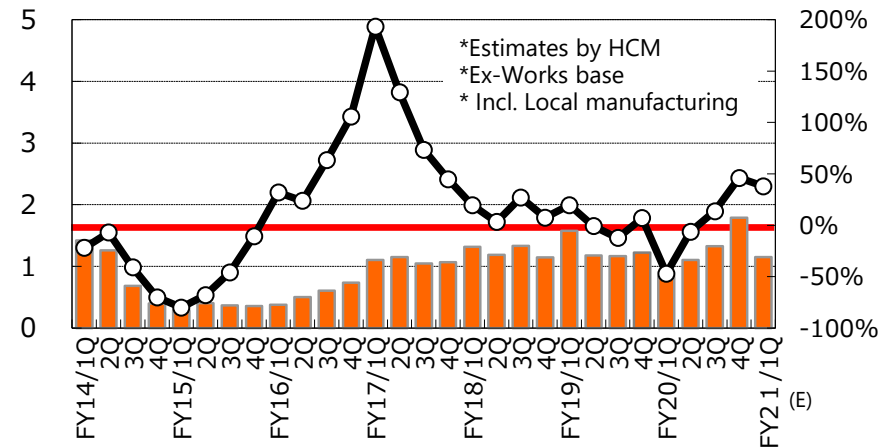
Foreign Exchange Rate of the Ruble



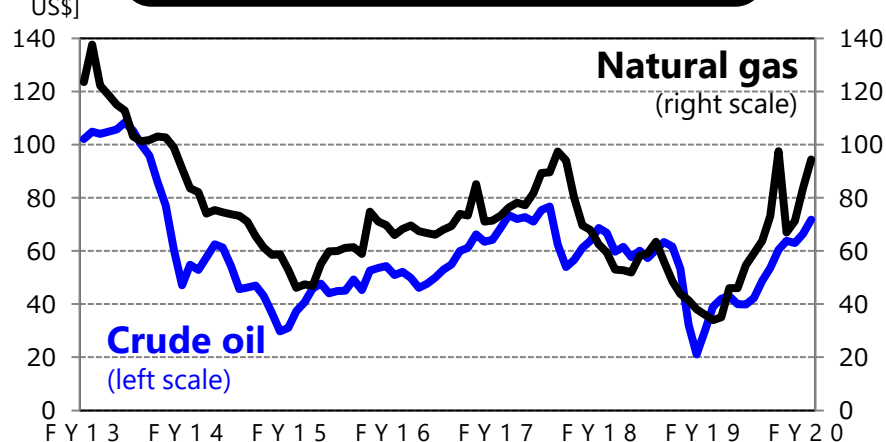
\* According to HCM's research

[K units]

Demand Trend for Hydraulic Excavators in Russia



Price Trend of Crude Oil and Natural Gas

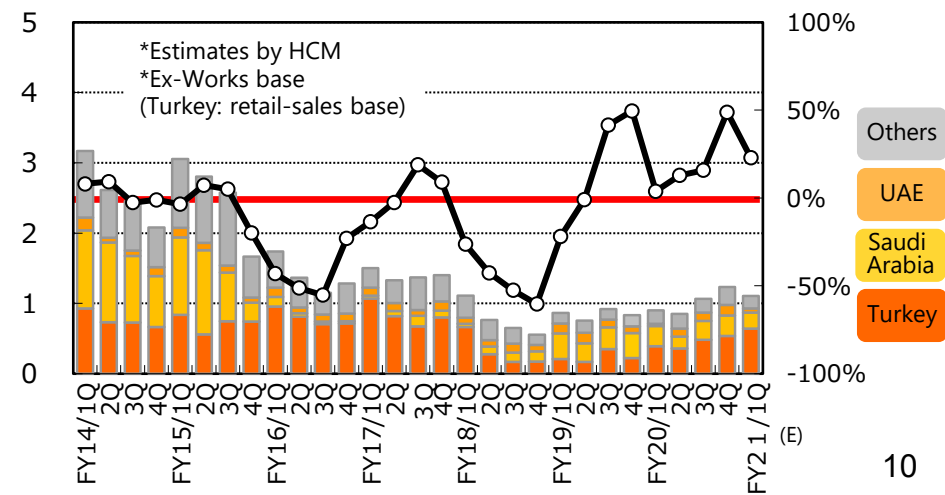


\* Created by HCM, sourced from World Bank

\* Natural Gas Index (2010 = 100)

[K units]

Demand Trend for Hydraulic Excavators in the Middle East

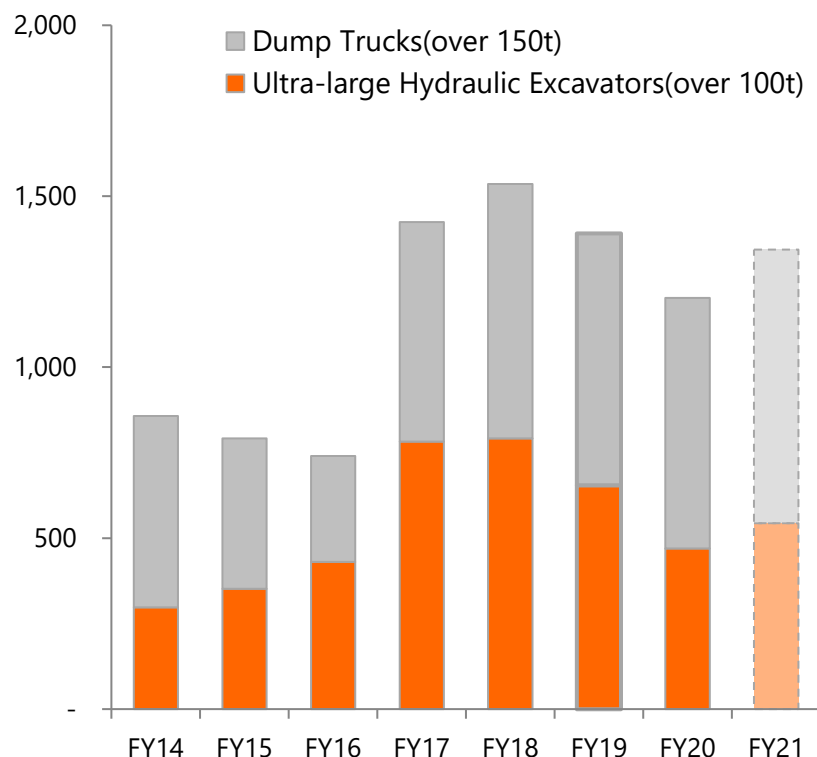


- Demand forecast for mining machinery in FY2021 is expected to increase +15% y-y.
- Demand from hard-rock mines has been solid. Demand for hydraulic excavator over 100t increased for small and medium sized mines and constructors.

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

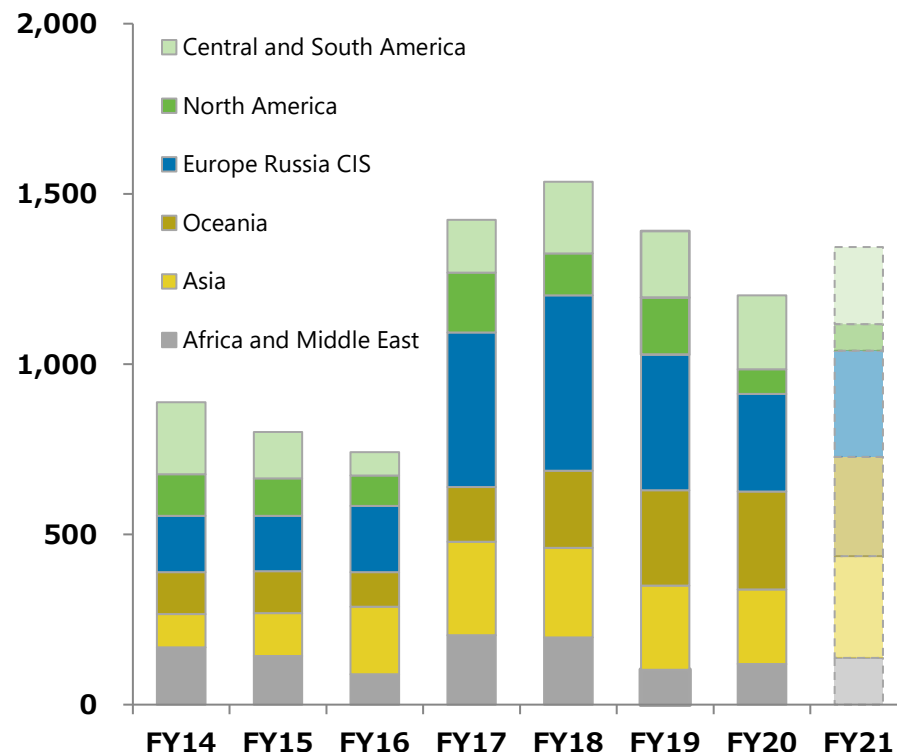
[Units]

### Demand by product

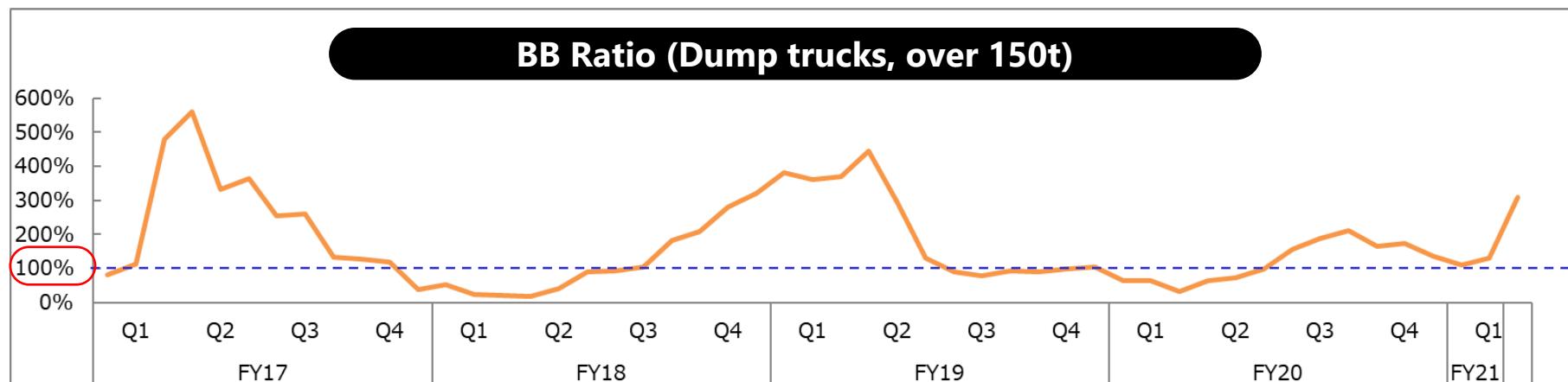
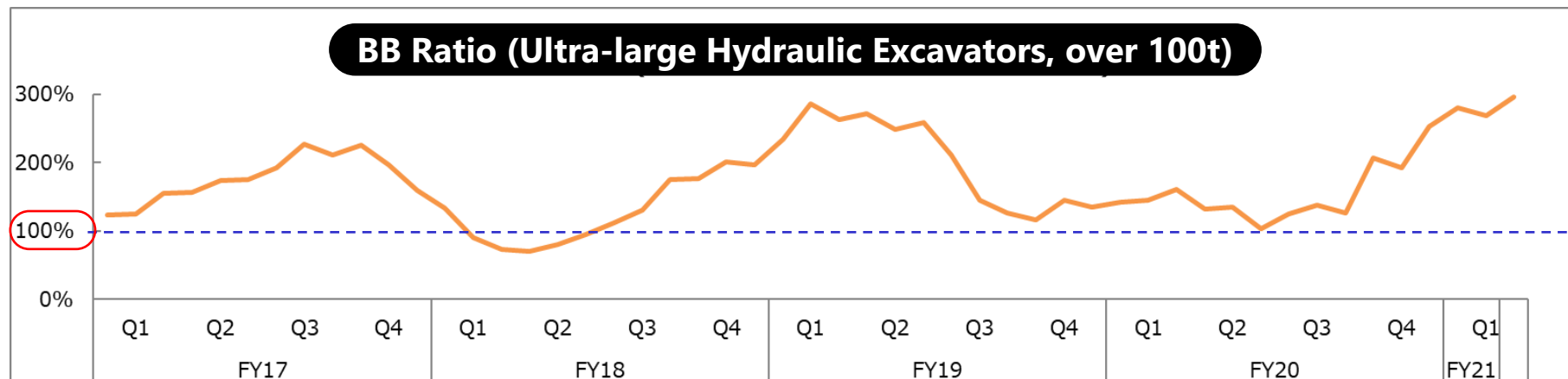


[Units]

### Demand by region



※ According to HCM's research



\* Book-to-Bill(BB) Ratio = Bookings (Orders received)/Billings (Value of shipment )

Non-consolidated basis (average of 6 months)

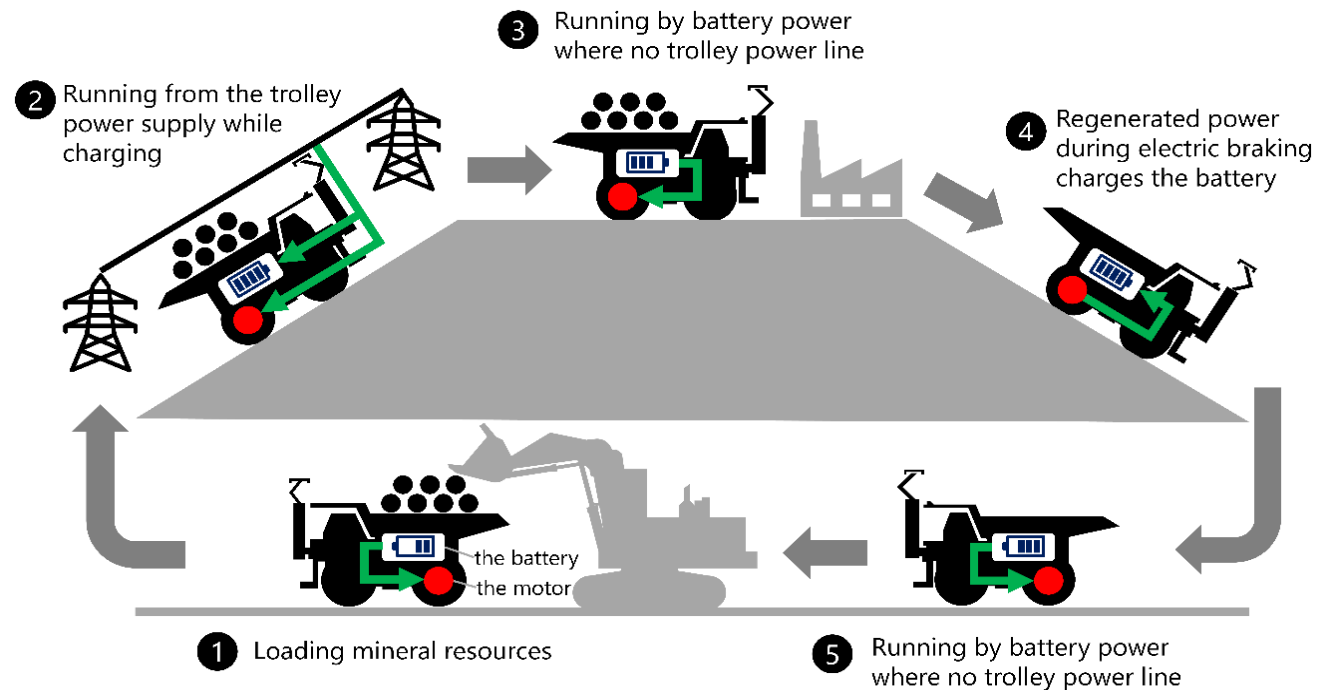
## Toward realization of "Net Zero Emissions Mining," aiming to start experiments at a customer's mine by mid-2024

### Limit the volume of batteries by a trolley charging system

- Control initial and lifecycle costs
- Reduce vehicle weight to maximize payload capacity.
- No need to stop for recharging; realize a high operating rate.

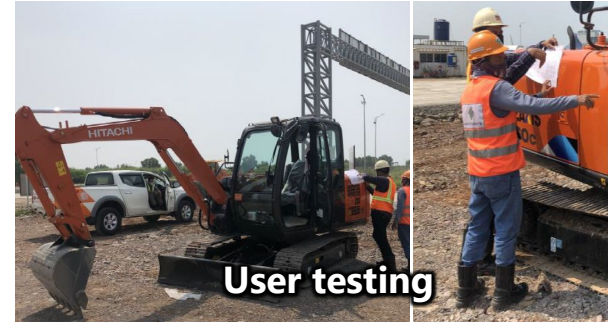


Rigid dump truck model with trolley



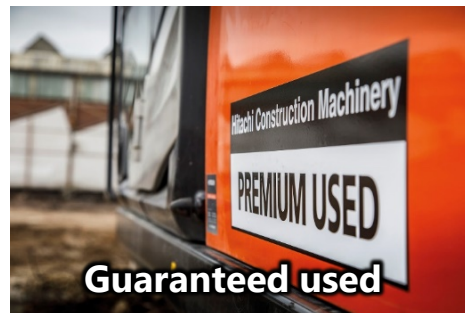
### User testing of the excavators for civil construction use is underway from April 2021.

- Considering the best-suited specifications and structure for urban civil construction
- Reflecting the voices of local customers in product development


**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

### Accelerating the expansion of used equipment businesses, and deepening value chain business

- Procuring local used equipment and expanding them as our guaranteed and refurbished ones
- Creating high-quality used equipment from our rental machines
- ConSite® provides manufacturer-quality maintenance and service after the sale

**Refurbished used****Guaranteed used****12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

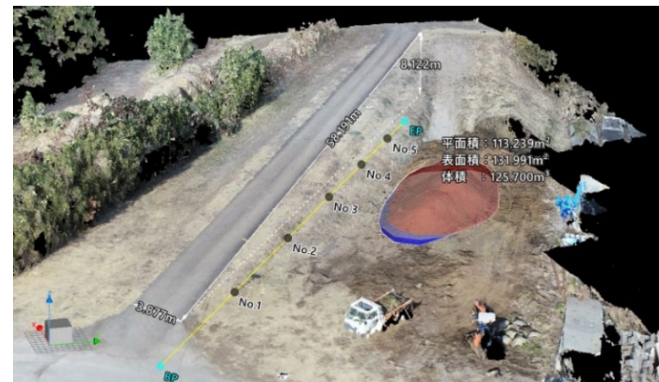
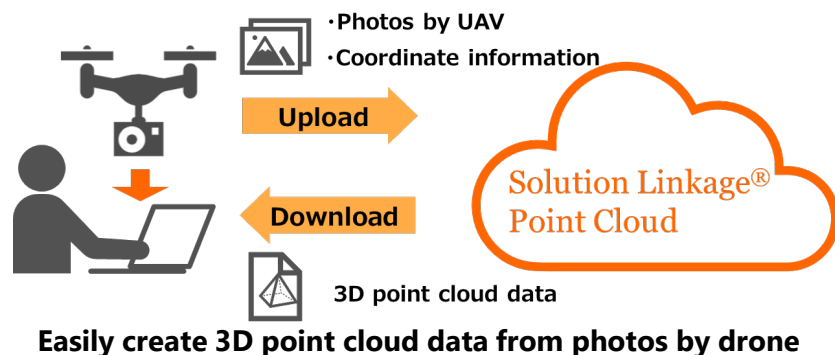
#### 【 Area of Coverage 】

 **Guaranteed and refurbished used equipment**  
(PREMIUM USED + REFURBISHED USED)

 **Rental business** (PREMIUM RENTAL)

## Launch of Solution Linkage® Point Cloud

Possible to create 3D point cloud data from photos by drone with processing in the cloud



ICT and IoT solutions “Solution Linkage®” solve the customer's issues of “improving safety,” “increasing productivity,” and “reducing lifecycle costs”.

## Solution Linkage® Series

### Solution Linkage® Assist

ICT construction machinery



### Solution Linkage® Cloud

Applications portal



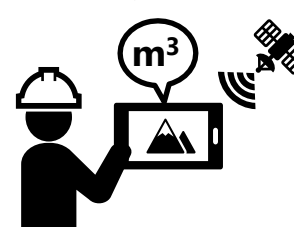
### Solution Linkage® Mobile

Operation management of dump trucks and others



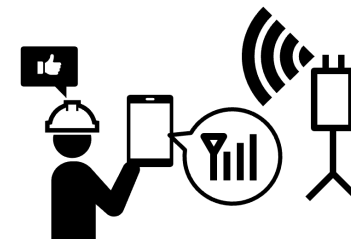
### Solution Linkage® Survey

Calculation of earthwork volume by smartphone



### Solution Linkage® Wi-Fi

Building an internet environment on sites





## Yukie Nakayama, Japanese Representative of Clay Target Shooting at Tokyo 2020. She Will Compete in Trap Women and Trap Mixed.



### Profile

Joined the company in 1997. After playing softball until high school, switched to clay target shooting when she joined the company. Participating in clay target shooting for 24 years and now competing in her fifth Olympics.

## Please cheer for Nakayama!



### Our information magazine 「TIERRA+」 Vol.134

["Recommendations for watching clay target shooting"](#)

Introducing the appeal of clay target shooting events. Please take a look. (Japanese Only)



## **2. Business Results for the First Quarter ended June 30, 2021**

(April 1, 2021 - June 30, 2021)

**Keiichiro Shiojima**

Executive Officer, CFO

In the first quarter of the current fiscal year, despite the impact of COVID-19, revenue increased by 34% y-y and adjusted operating income increased by 303%, partly due to the impact of yen depreciation of 14.5 billion yen.

[billions of yen]

		FY2021 1Q	FY2020 1Q	change
Revenue		228.1	170.2	34%
Adjusted operating income *1		5.2% 11.8	1.7% 2.9	303%
Operating income		5.2% 11.9	1.5% 2.5	374%
Income before income taxes		5.3% 12.0	1.1% 1.8	572%
Net income attributable to owners of the parent		3.1% 7.1	0.1% 0.2	-
EBIT *2		5.5% 12.7	1.6% 2.7	369%
FX rate	Rate (YEN/US\$)	109.5	107.6	1.9
	Rate (YEN/EURO)	132.0	118.5	13.5
	Rate (YEN/RMB)	17.0	15.2	1.8
	Rate (YEN/AU\$)	84.3	70.7	13.7

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

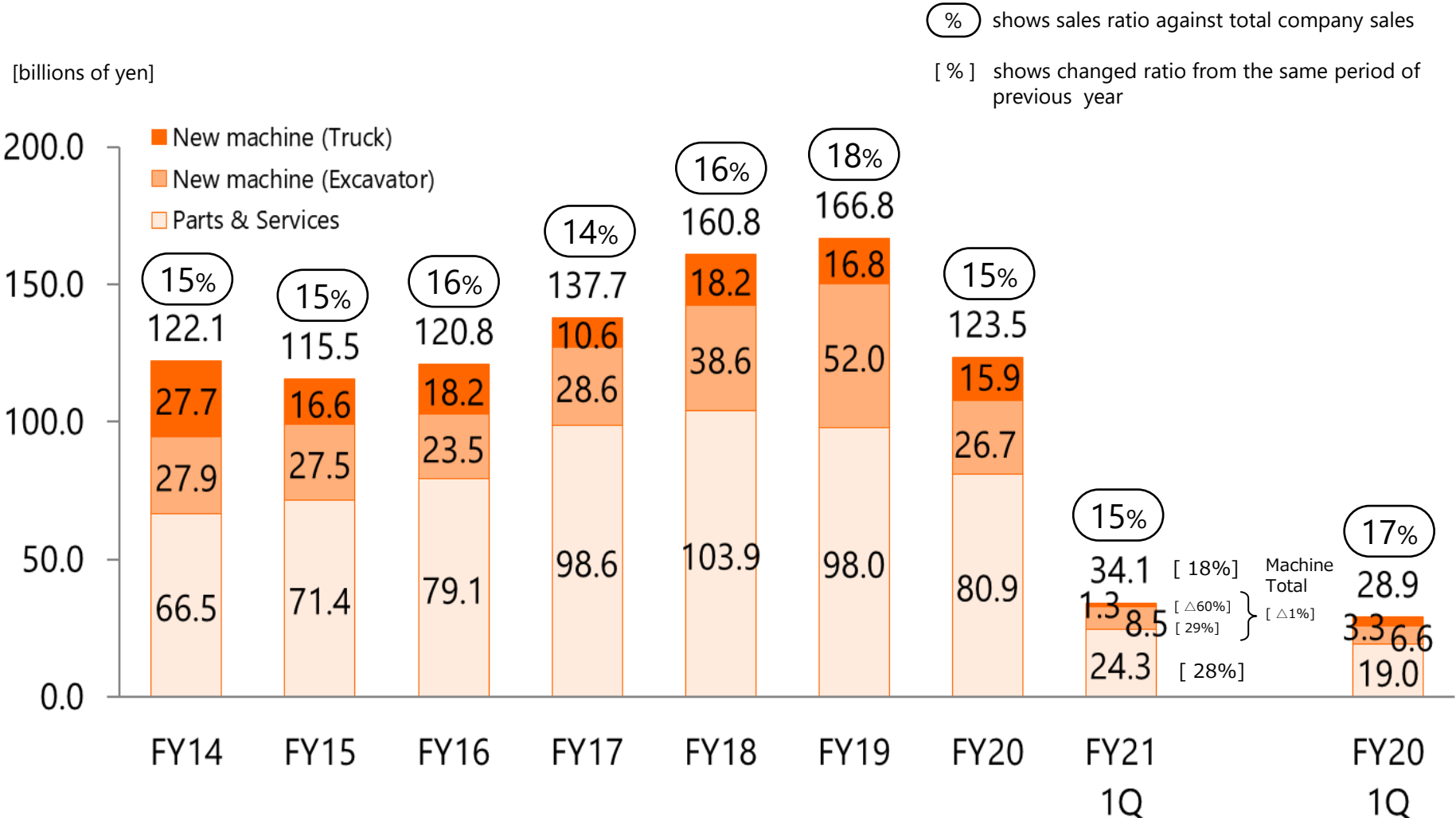
\*2 "EBIT" stands for Earnings Before Interests and Taxes, and is calculated by excluding "Interest income" and "Interest expenses" from "Income before income taxes"

Revenue increased in each region except China y-y; consolidated revenue increased by 58.0 billion yen.

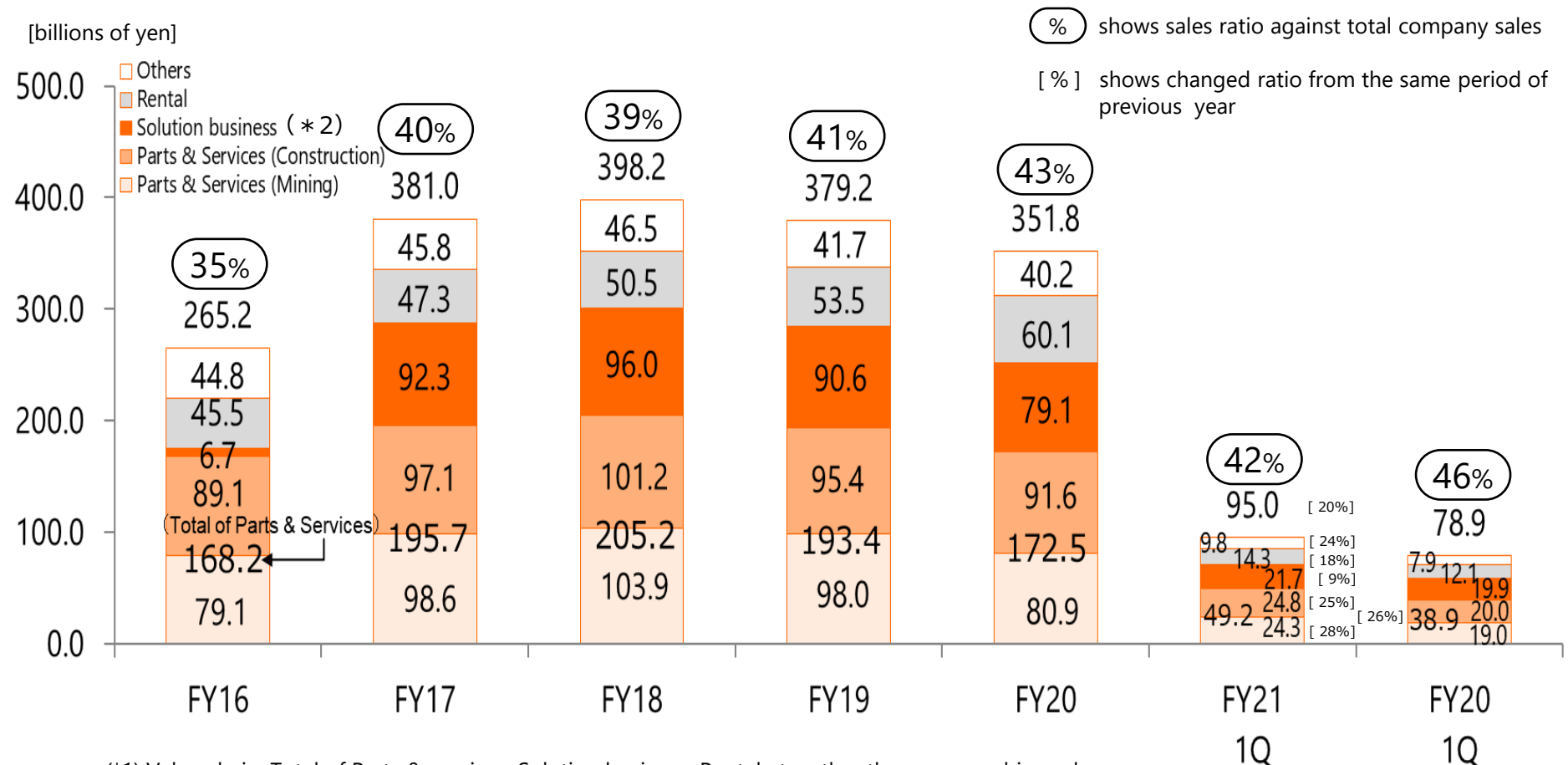
[billions of yen]

	FY2021 1Q		FY2020 1Q		change	
					amount	%
Japan	43.2	19%	39.9	23%	3.3	8%
Asia	16.3	7%	9.2	5%	7.1	77%
India	9.9	4%	4.8	3%	5.1	107%
Oceania	39.7	17%	33.1	19%	6.6	20%
Europe	31.4	14%	13.5	8%	17.9	132%
N.America	42.1	18%	27.9	16%	14.2	51%
L.America	4.7	2%	2.8	2%	1.9	67%
Russia-CIS	7.6	3%	4.3	3%	3.3	77%
M.East	6.5	3%	3.3	2%	3.2	95%
Africa	9.3	4%	6.2	4%	3.1	49%
China	17.5	8%	25.1	15%	-7.5	-30%
Total	228.1	100%	170.2	100%	58.0	34%
Overseas ratio	81%		77%			

Revenue of mining in FY2021 1Q increased by 18% to 34.1 billion yen y-y, partly due to the impact of depreciation of the yen, which accounted for 3.2 billion yen.



Revenue of the value chain business in FY2021 1Q increased by 20% to 95.0 billion yen y-y, partly due to the impact of depreciation of the yen, which accounted for 7.0 billion 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.

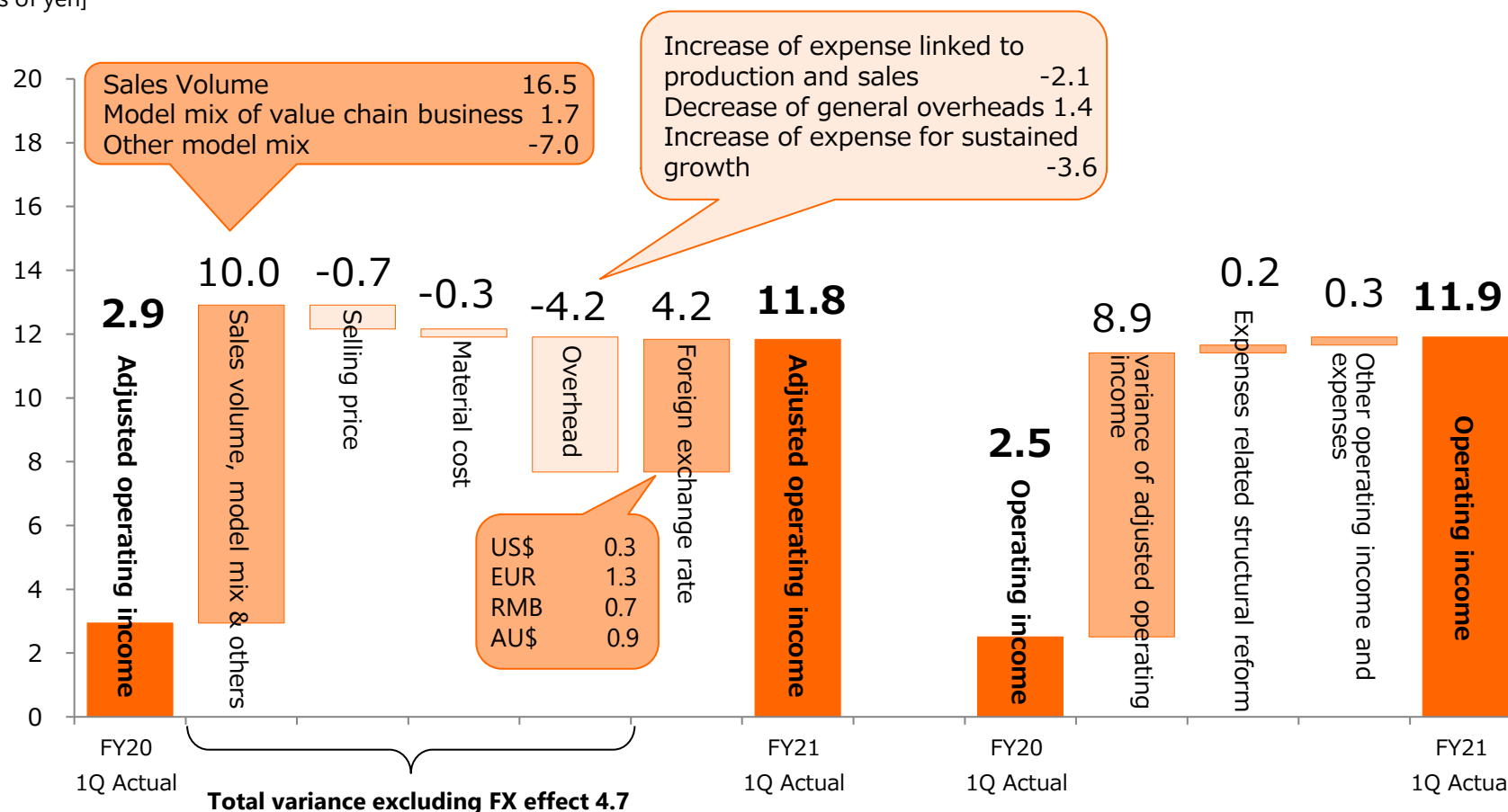
# Comparison of consolidated income

HITACHI

Reliable solutions

Adjusted operating income increased by 8.9 billion yen y-y due to the impact of increased sales volume and model mix, despite increased overheads.

[billions of yen]



SG&A expenses increased by 7.6 billion yen to 44.2 billion yen y-y.

[billions of yen]

	FY2021 1Q		FY2020 1Q		change	
					amount	%
Revenue		228.1		170.2	58.0	34%
Cost of Sales	(75.4%)	172.1	(76.7%)	130.6	41.5	32%
SGA expenses	(19.4%)	44.2	(21.5%)	36.6	7.6	21%
Adjusted operating income *1	(5.2%)	11.8	(1.7%)	2.9	8.9	303%
Other Income/expenses		0.1		-0.4	0.5	-
Operating income	(5.2%)	11.9	(1.5%)	2.5	9.4	374%
Financial income/expenses		-1.1		-0.8	-0.2	29%
Share of profits of investments accounted for using the equity method		1.2		0.1	1.1	-
Income before income taxes	(5.3%)	12.0	(1.1%)	1.8	10.2	572%
Income taxes		4.2		0.6	3.6	602%
Net income	(3.4%)	7.8	(0.7%)	1.2	6.7	557%
Net income attributable to owners of the parent	(3.1%)	7.1	(0.1%)	0.2	6.9	-

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

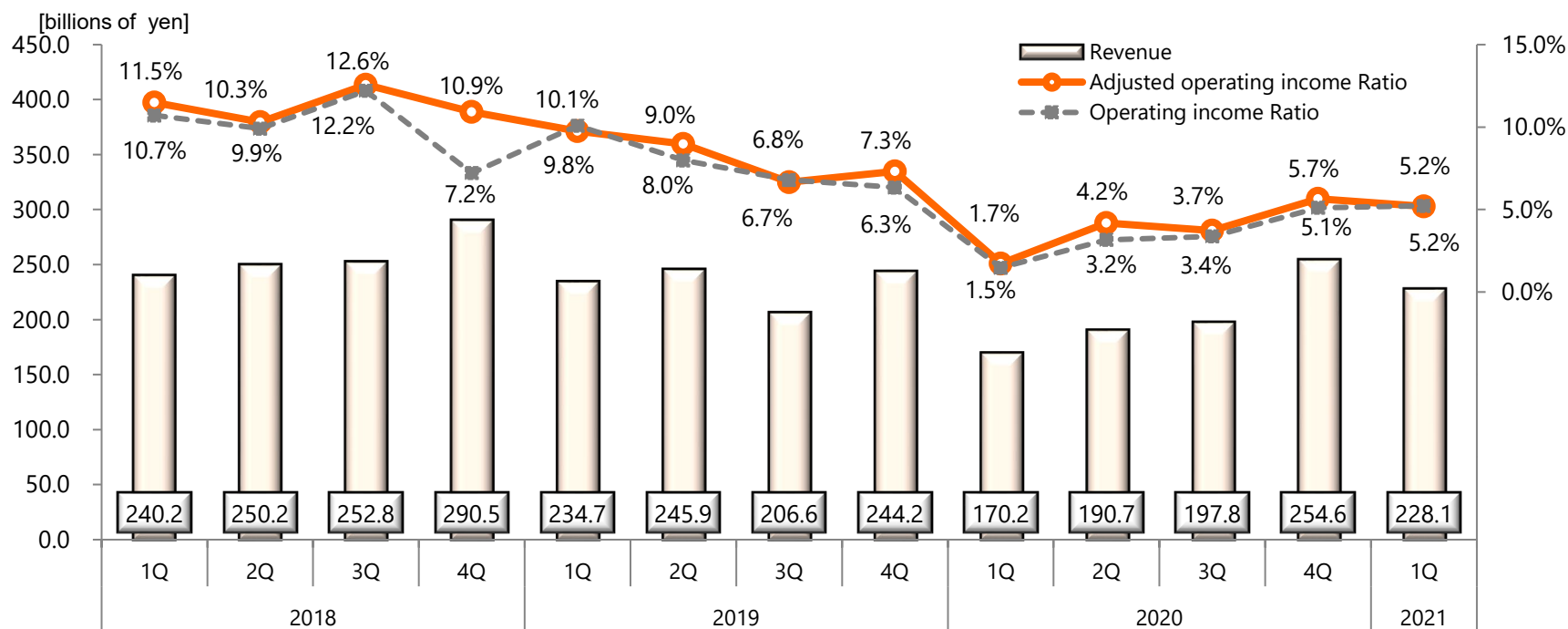
# Summary of quarterly consolidated revenue and operating income (ratio)

HITACHI

Reliable solutions

[billions of yen]

	2018				2019				2020				2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	240.2	250.2	252.8	290.5	234.7	245.9	206.6	244.2	170.2	190.7	197.8	254.6	228.1
Adjusted operating income	27.6	25.8	31.8	31.7	22.9	22.1	13.8	17.9	2.9	8.0	7.4	14.4	11.8
Operating income	25.7	24.8	30.8	21.0	23.7	19.6	14.1	15.5	2.5	6.0	6.7	13.0	11.9



FX rate	2018				2019				2020				2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Rate (YEN/US\$)	109.1	111.5	112.9	110.2	109.9	107.4	108.8	108.9	107.6	106.2	104.5	105.9	109.5
Rate (YEN/EURO)	130.1	129.6	128.8	125.2	123.5	119.3	120.3	120.1	118.5	124.1	124.5	127.7	132.0
Rate (YEN/RMB)	17.1	16.4	16.3	16.3	16.1	15.3	15.5	15.6	15.2	15.4	15.8	16.4	17.0
Rate (YEN/AU\$)	82.6	81.5	81.1	78.5	76.9	73.6	74.3	71.8	70.7	75.9	76.3	81.8	84.3



# Consolidated statement of financial position

HITACHI

Reliable solutions

Total current assets decreased by 4.8 billion yen y-y due to a decrease of 16.0 billion yen in trade receivables.

[billions of yen]

	(A) FY21-1Q	(B) Mar '2021	(C) FY20-1Q	(A)-(B) change		(D) FY21-1Q	(E) Mar '2021	(F) FY20-1Q	(D)-(E) change
Cash and cash equivalents	72.7	80.3	71.0	-7.7	Trade and other payables	191.9	199.2	166.6	-7.3
Trade receivables	195.2	211.2	176.2	-16.0	Bonds and borrowings	328.3	329.5	343.9	-1.2
Inventories	308.3	297.8	310.3	10.5	Total liabilities	646.8	651.3	626.5	-4.5
Total current assets	612.3	617.2	593.3	-4.8	(Equity attributable to owners of the parent ratio)	(42.6%)	(42.1%)	(41.2%)	(0.5%)
Total non-current assets	612.2	603.4	562.6	8.8	Total equity	577.7	569.2	529.4	8.5
Total assets	1,224.5	1,220.6	1,155.9	4.0	Total liabilities and equity	1,224.5	1,220.6	1,155.9	4.0
Trade receivables incl. non-current	236.0	252.7	215.3	-16.6					
Inventories by products									
Unit	84.4	77.3	83.5	7.1		(26.8%)	(27.0%)	(29.8%)	(-0.2%)
Parts	104.3	102.3	108.4	2.0	Interest-bearing debt	328.3	329.5	343.9	-1.2
Raw materials, WIP and etc	119.6	118.2	118.4	1.3	Cash and Cash equivalents	72.7	80.3	71.0	-7.7
Total inventories	308.3	297.8	310.3	10.5	Net interest-bearing debt	(20.9%)	(20.4%)	(23.6%)	(0.5%)
On hand days(divided by revenue)				(Days)	Debt	255.6	249.2	272.9	6.4
Trade receivables	99	113	91	-14					
Inventories	129	134	131	-5	Net D/E Ratio	0.49	0.48	0.57	0.01
Trade payables	47	49	40	-3					
Net working capital	178	194	178	-16					

Net cash provided by (used in) operating activities increased to a positive 6.7 billion yen.

[billions of yen]

	FY2021 1Q		FY2020 1Q		change	
Net income		7.8		1.2		6.7
Depreciation and amortization	21.2	13.3	12.9	11.8	8.2	1.6
(Increase)decrease in trade/lease receivables		18.6		41.9		-23.3
(Increase)decrease in inventories		-10.3		-2.8		-7.5
Increase(decrease) in trade payables	9.1	0.9	19.9	-19.2	-10.7	20.1
Others, net		-23.6		-11.4		-12.3
Net cash provided by (used in) operating activities		6.7		21.4		-14.8
Cash flow margin for operating activities		2.9%		12.6%		-9.7%
Net cash provided by (used in) investing activities		-8.2		-9.3		1.1
Free cash flows		-1.5		12.2		-13.7
Net cash provided by (used in) financing activities		-6.6		-4.3		-2.3

# Summary of consolidated earnings forecast

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FY2021 Consolidated Statement of Income is expected to be the same as the previous forecast.

[billions of yen]

	FY2021 Forecast			FY2020 Actual	change	
					amount	%
Revenue	880.0			813.3	66.7	8%
Adjusted operating income	(7.0%) 62.0			(4.0%) 32.7	(3.0%) 29.3	90%
Operating income	(6.6%) 58.0			(3.5%) 28.2	(3.1%) 29.8	105%
Income before income taxes	(6.4%) 56.0			(3.1%) 25.6	(3.2%) 30.4	119%
Net income attributable to owners of the parent	(3.7%) 32.3			(1.3%) 10.3	(2.4%) 22.0	212%
EBIT	58.8			28.7	30.0	
Currency	1Q Actual	2Q-4Q Forecast	Total Forecast	FY2020 Actual	change	For FX sensitivity, please refer to appendix 1.
Rate (YEN/US\$)	109.5	105.0	106.0	106.0	0.0	
Rate (YEN/EURO)	132.0	125.0	126.9	124.6	2.3	
Rate (YEN/RMB)	17.0	16.0	16.2	15.7	0.5	
Rate (YEN/AU\$)	84.3	80.0	81.0	76.0	5.0	
Cash dividend per share (yen) *1	to be determined			20	-	

For FX sensitivity, please refer to appendix 1.

\*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.

# Consolidated revenue forecast by geographic region

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Consolidated revenue for FY2021 is expected to increase by 66.7 billion yen y-y, due to an increase in other regions, although decreasing in China, India, and Africa.

(billions of yen)

	FY2021 Forecast		FY2020 Actual		change	
					amount	%
Japan	211.5	24%	203.3	25%	8.1	4%
Asia	68.9	8%	52.7	6%	16.2	31%
India	46.8	5%	50.0	6%	-3.3	-7%
Oceania	145.0	16%	139.9	17%	5.0	4%
Europe	99.0	11%	87.8	11%	11.2	13%
N.America	149.4	17%	107.2	13%	42.2	39%
L.America	14.2	2%	10.9	1%	3.4	31%
Russia-CIS	34.7	4%	22.7	3%	12.0	53%
M.East	20.5	2%	16.1	2%	4.5	28%
Africa	30.3	3%	33.6	4%	-3.3	-10%
China	59.6	7%	89.1	11%	-29.5	-33%
Total	880.0	100%	813.3	100%	66.7	8%
Overseas ratio	76%		75%			

# Mining revenue forecast

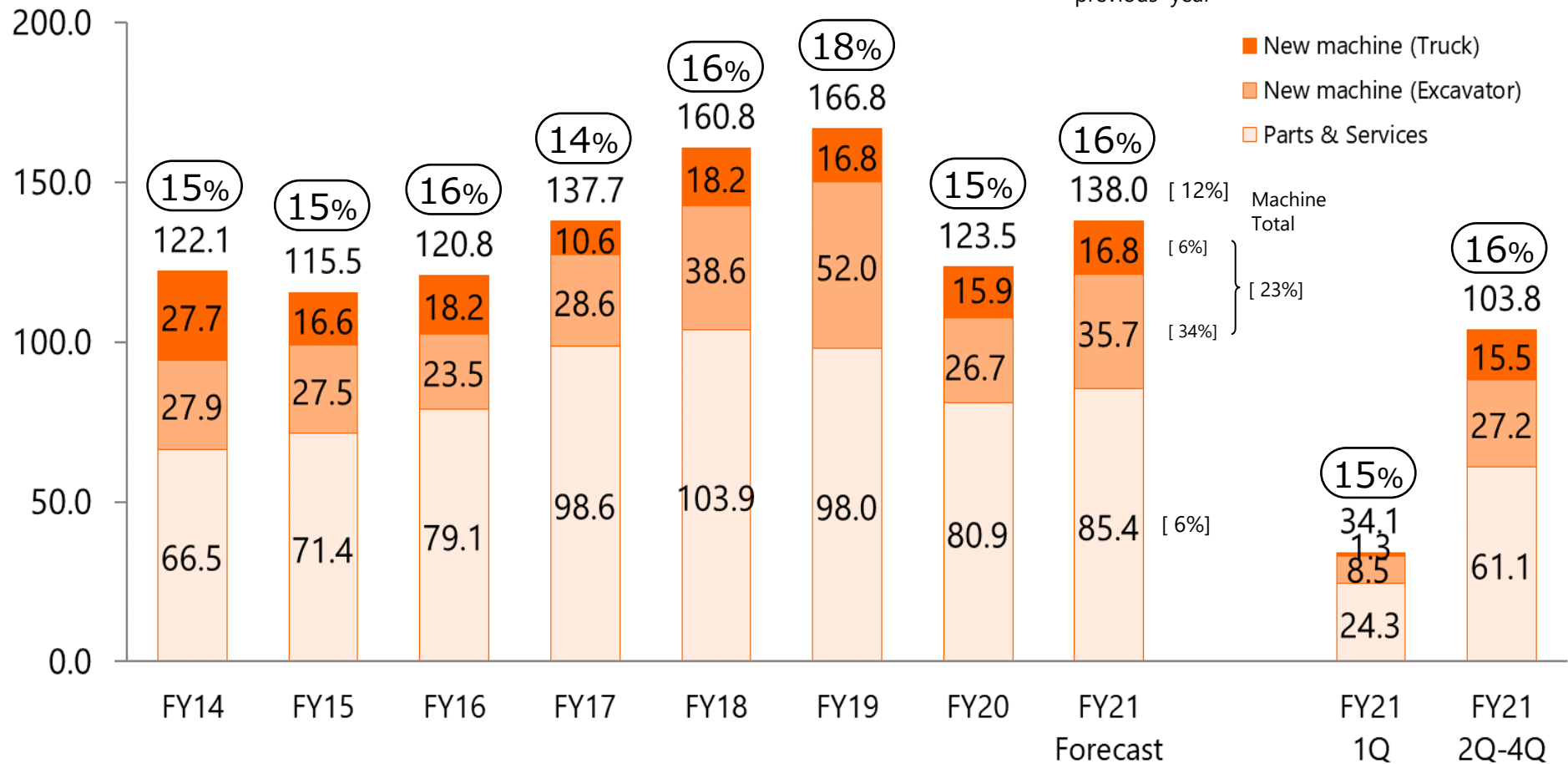
HITACHI

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Revenue of mining in FY2021 is expected to increase by 12% to 138.0 billion yen y-y, the same as the previous forecast.

[billions of yen]

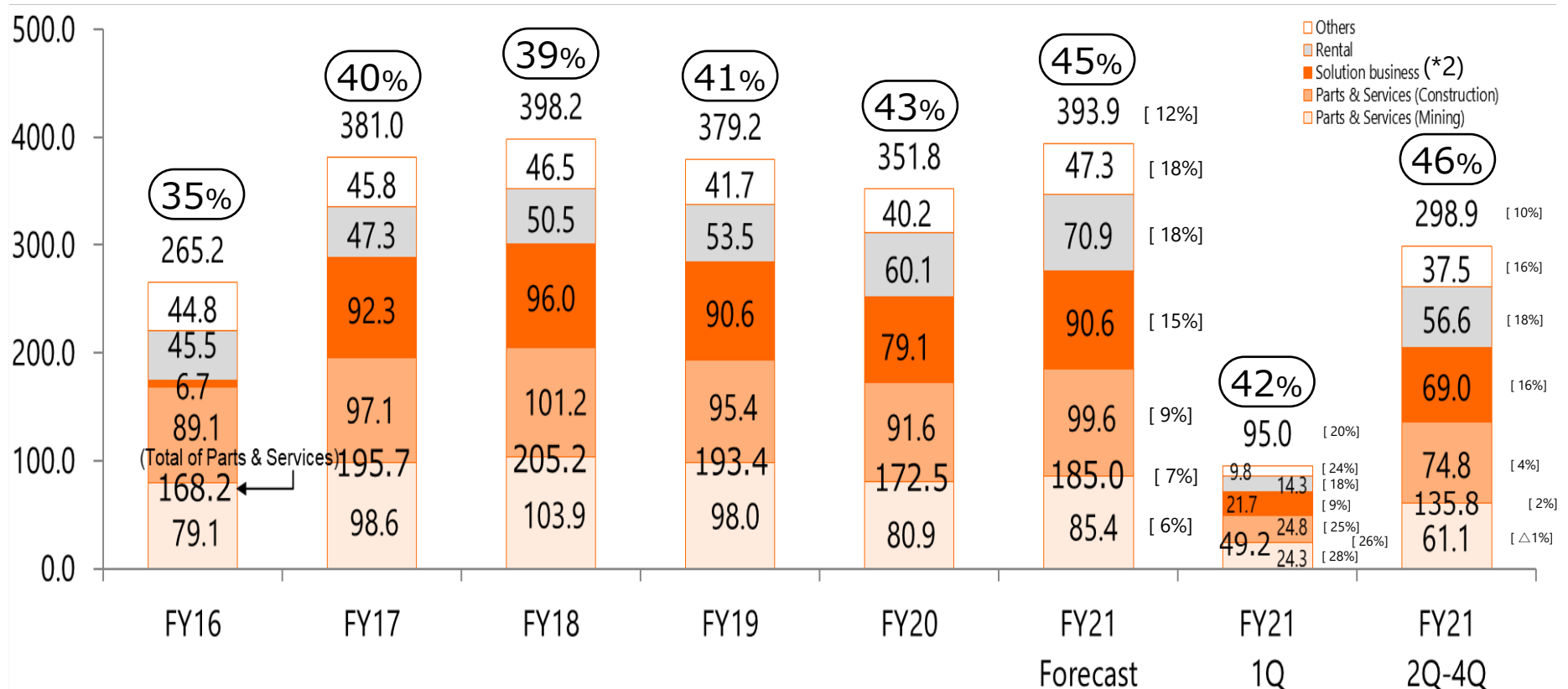
(%) shows sales ratio against total company sales  
[ % ] shows changed ratio from the same period of previous year



Revenue of parts and services in FY2021 is expected to increase by 7% to 185.0 billion yen y-y, the same as the previous forecast.

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

[billions of yen]



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

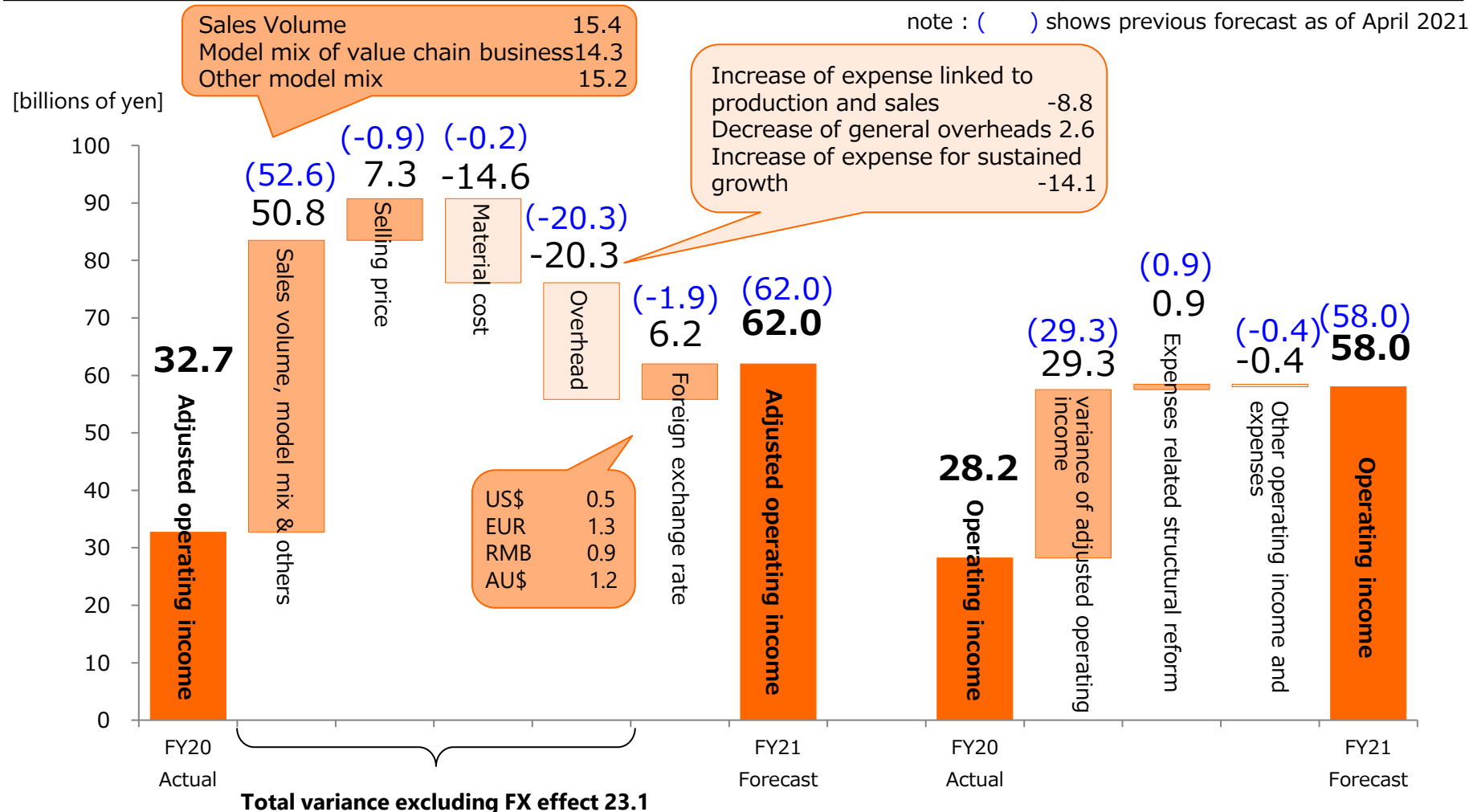
(\*2) Solution business: The business segment primarily intends to provide development, production, distribution of parts and service solutions for mining facilities and equipment after the sales made that are not included in the construction machinery business segment.

# Comparison of consolidated income forecast

HITACHI

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Adjusted operating income for FY2021 is expected to increase by 29.3 billion yen y-y due to an increase in sales volume and model mix and depreciation of the yen, although there is an increase in material costs and overheads costs.



The forecast exchange rate for FY2021 was set within the expected fluctuation range for each currency.

## FX rate and FX sensitivity

[billions of yen]

Currency	FX rate				FX sensitivity (2Q-4Q)		
	FY21			FY20 Actual	Condition	Revenue	Adjusted operating income
	1Q Actual	2Q-4Q Forecast	Total Forecast				
US\$	109.5	105.0	106.0	106.0	Impact by 1 yen depreciation	1.7	1.3
EURO	132.0	125.0	126.9	124.6	Impact by 1 yen depreciation	0.5	0.4
RMB	17.0	16.0	16.2	15.7	Impact by 0.1 yen depreciation	0.3	0.1
AU\$	84.3	80.0	81.0	76.0	Impact by 1 yen depreciation	1.6	0.2



# Appendix 2: Detail of mining revenue

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[billions of yen]

		FY20 Actual			FY21 Forecast			Change		
		1Q	2-4Q	Year	1Q	2-4Q	Year	1Q	2-4Q	Year
America	Excavator	3.2	7.3	10.6	1.9	4.8	6.8	-1.3	-2.5	-3.8
	Dump Truck	0.3	1.8	2.1	0.7	1.8	2.5	0.4	0.0	0.4
	Total	3.5	9.1	12.7	2.6	6.6	9.2	-0.9	-2.5	-3.4
Europe, Africa and Middle East	Excavator	3.2	12.1	15.3	6.2	14.7	20.8	2.9	2.6	5.5
	Dump Truck	2.0	10.3	12.2	3.7	10.2	13.9	1.8	-0.1	1.7
	Total	5.2	22.4	27.6	9.9	24.8	34.7	4.7	2.5	7.2
Asia & Oceania	Excavator	11.9	37.7	49.6	16.2	48.4	64.6	4.3	10.7	15.0
	Dump Truck	7.7	23.1	30.8	5.1	21.4	26.5	-2.6	-1.7	-4.3
	Total	19.7	60.8	80.5	21.4	69.8	91.1	1.7	8.9	10.7
China	Excavator	0.2	0.5	0.7	0.2	0.4	0.6	-0.0	-0.1	-0.1
	Dump Truck	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1
	Total	0.2	0.6	0.8	0.2	0.5	0.7	-0.0	-0.0	-0.1
Japan	Excavator	0.3	1.3	1.6	0.1	1.5	1.6	-0.1	0.2	0.0
	Dump Truck	0.0	0.4	0.4	0.0	0.6	0.6	-0.0	0.2	0.2
	Total	0.3	1.7	2.0	0.1	2.0	2.1	-0.2	0.3	0.2
Total	Excavator	18.9	59.0	77.9	24.6	69.8	94.4	5.8	10.8	16.5
	Dump Truck	10.0	35.6	45.6	9.5	34.0	43.6	-0.5	-1.6	-2.0
	Total	28.9	94.6	123.5	34.1	103.8	138.0	5.3	9.2	14.5

The amortizations of PPA are included in the adjusted operating income of the solution business. The amounts of 0.3 billion yen are included in the first quarter of FY2021, and in the 1.1 billion yen in the forecast for FY2021.

[billions of yen]

FY2021 1Q Actual	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Solution Business		
Revenue	206.5	22.5	-0.9	228.1
Adjusted operating income	4.9% 10.1	7.5% 1.7	-	5.2% 11.8

[billions of yen]

FY2021 Forecast	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Solution Business		
Revenue	789.4	90.6	0.0	880.0
Adjusted operating income	6.9% 54.3	8.4% 7.7	-	7.0% 62.0

\*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.**