

October 26, 2021

Corporate name	Hitachi Construction Machinery Co., Ltd. (Code: 6305, First Section of the Tokyo Stock Exchange)
Name of representative	Kotaro Hirano Executive Officer, President & CEO
Our parent company	Hitachi, Ltd. (Code: 6501)
Name of representative	Keiji Kojima Executive Officer, President & COO

Revisions to the Consolidated Earnings Forecast

Hitachi Construction Machinery Co., Ltd. hereby announces its revisions to the consolidated earnings forecast for the fiscal year of March 2022 (April 1, 2021 – March 31, 2022) published on April 27, 2021. The details are as follows.

Consolidated earnings for FY2021 (April 1, 2021 to March 31, 2022)

	Revenue	Adjusted operating income	Operating income	Income before income taxes	Net income attributable to owners of the parent	Net income attributable to owners of the parent per share (basic)
Previous forecast (A)	¥Millions 880,000	¥Millions 62,000	¥Millions 58,000	¥Millions 56,000	¥Millions 32,300	Yen 151.89
Forecast (B)	920,000	74,000	79,000	80,000	46,000	216.32
Amount of increase/decrease (B-A)	40,000	12,000	21,000	24,000	13,700	—
Rate of increase/decrease (%)	4.5	19.4	36.2	42.9	42.4	—
(Reference) FY 2020	¥Millions 813,331	¥Millions 32,710	¥Millions 28,235	¥Millions 25,578	¥Millions 10,340	Yen 48.62

Reason for the revisions

With regard to the consolidated earnings forecast for the fiscal year ending March 2022 (April 1, 2021 to March 31, 2022), we expect an increase in both revenue and income compared to the previous forecast.

This was due to the following:

[1]The value chain business, which is focused on parts and services, is expected to increase with the recovery of market conditions in regions other than China.[2]There has been an impact of the yen's depreciation on actual results.[3]In conjunction with a decision to terminate and dissolve the joint venture relationship with Deere & Company announced in August, the sales prices for the Americas, which had been provisionally recorded during the period of the discussion, were determined, and therefore ¥11.1 billion was recorded in revenue and the respective income items.[4]We expect to recognize a gain of approximately ¥8.0 billion by the transfer of our shareholdings in joint ventures with Deere & Company (Deere-Hitachi Construction Machinery Corporation and Deere-Hitachi Máquinas de Construção do Brasil S.A.). On the other hand, taking into account [5]a further increase in steel prices and [6]an impact related to temporary increase in inventory for own business development in the Americas, we have revised the consolidated earnings forecast for the fiscal year ending March 2022 (April 1, 2021 to March 31, 2022) announced on April 27, 2021.

The assumed foreign exchange rates applied after October onward are unchanged from the announcement of the forecast of financial results for the fiscal year ending March 31, 2022 on July 28, 2021: 105 yen to one US dollar, 125 yen to one euro, 16 yen to one Chinese yuan, and 80 yen to one Australian dollar.