

# **Explanatory Meeting for Business Results for the Third Quarter ended December 31, 2021**

January 31, 2022

## **Hidehiko Matsui**

Executive Officer, President, Marketing Group

## **Keiichiro Shiojima**

Executive Officer, CFO

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

## Changes in Shareholder Composition and Relationship with Hitachi Group

Japan Industrial Partners and ITOCHU plan to hold 26% shares to support HCM

Continue to use the Hitachi brand and no change in company name, continued to collaborate with Hitachi group in various R&D field

## Accelerate Strengthening and Change of management strategy, ensure Growth

Provide enhanced solutions at every contact with customers

Aiming for net zero emissions in collaboration with Hitachi Group and ABB

Electrification



LUMADA

Data utilization

ConSite  
Consultant Solution for Construction Sites

Strengthen value chain business

Collaborate with ITOCHU Group in logistics and finance in North America



Form highly flexible corporate structure

Strengthening of management base over the medium to long term with Japan Industrial Partners



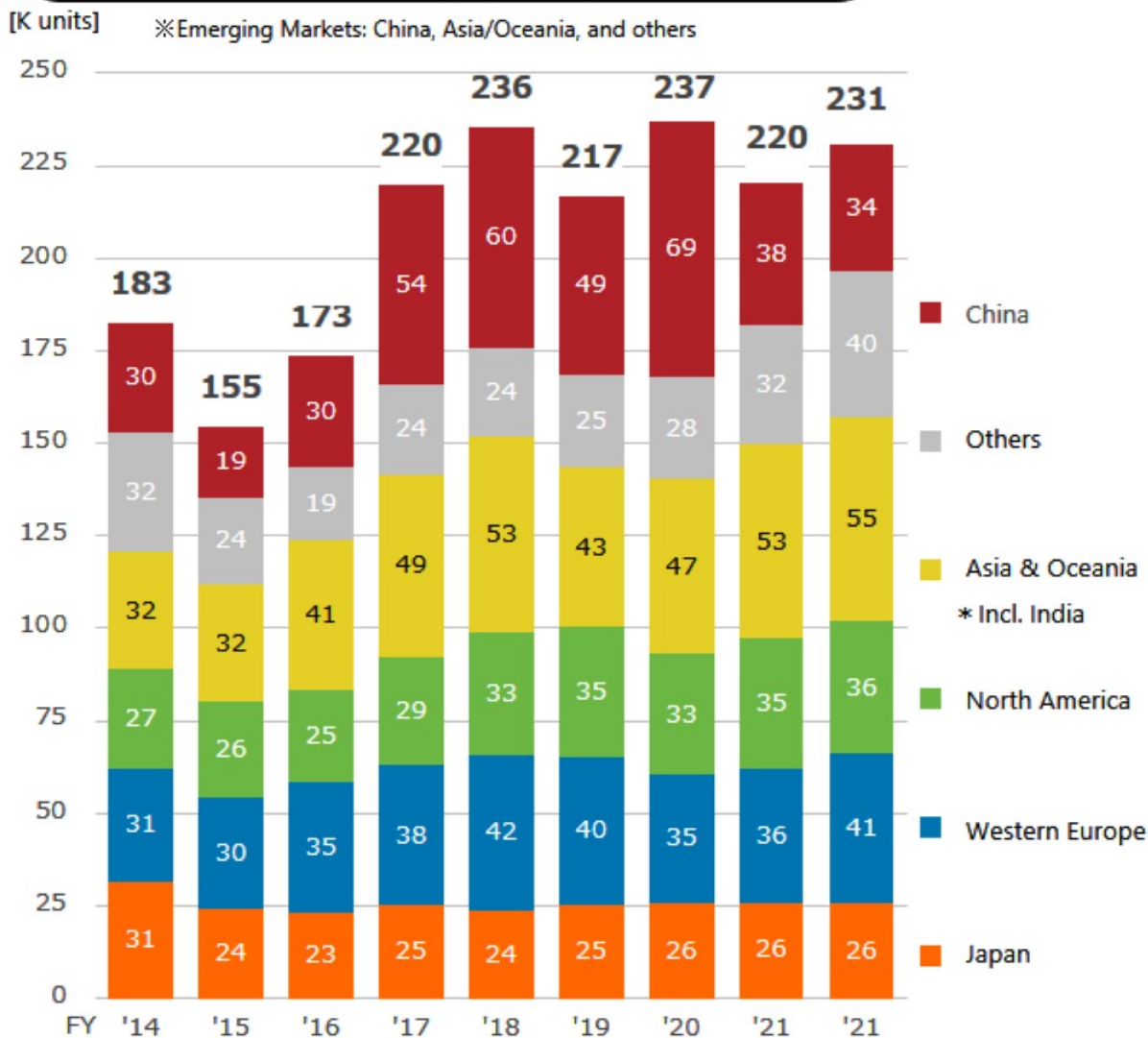
Reestablishing business in North, Central and South America, expand business aiming for over 1 trillion yen consolidated Sales Revenue or more and stable double-digit Operating Income Margin

# 1. Regional Market Environments and Projections

## **Hidehiko Matsui**

Executive Officer, President, Marketing Group

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



Previous Current  
 Outlook Outlook

## Year-on-Year Change by Region

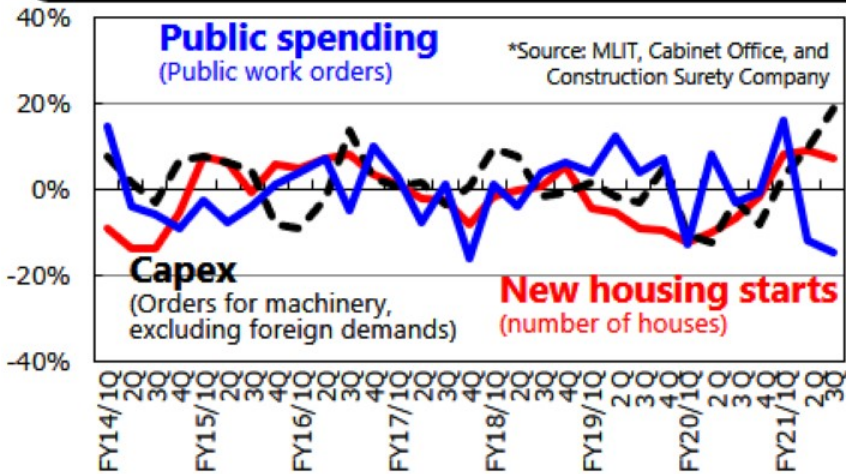
※ Estimates by HCM, Excluding Chinese manufacturers  
 ※ Distributing, copying, or forwarding prohibited

	'20	'21
Total	+9%	-3%
China	+42%	-50%
Russia, CIS, E Europe	-7%	+54%
Africa	+10%	+45%
Middle East	+10%	+55%
Latin America	+34%	+27%
Others	+11%	+43%
Asia	+12%	+24%
India	+5%	+3%
Oceania	+16%	+32%
Asia & Oceania	+9%	+16%
N America	-6%	+10%
W Europe	-14%	+17%
Japan	+3%	-2%

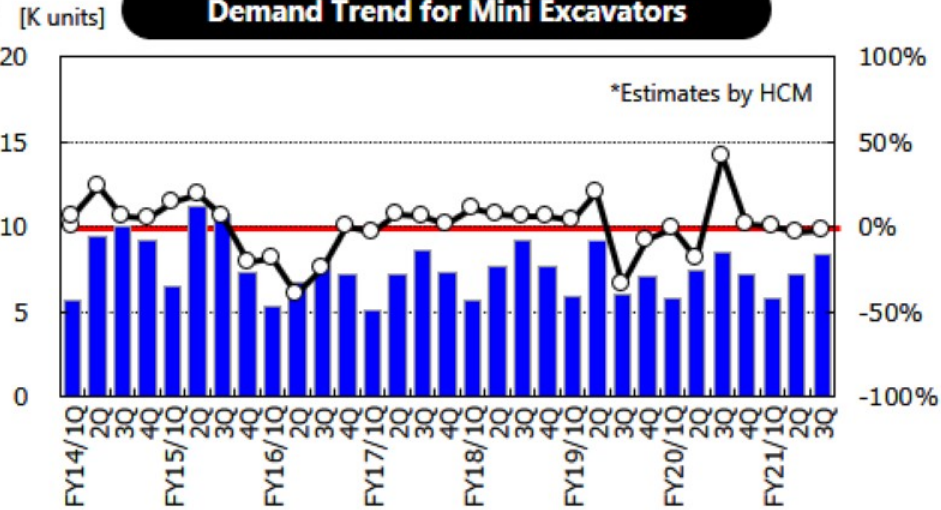


- Capital investment continues to increase and Housing investment is strong. Public investment decreased.
- Demand for hydraulic excavators slightly decreased: Hydraulic excavators -5% y-y, Mini excavators -2% y-y, Wheel loaders +12% y-y, respectively.

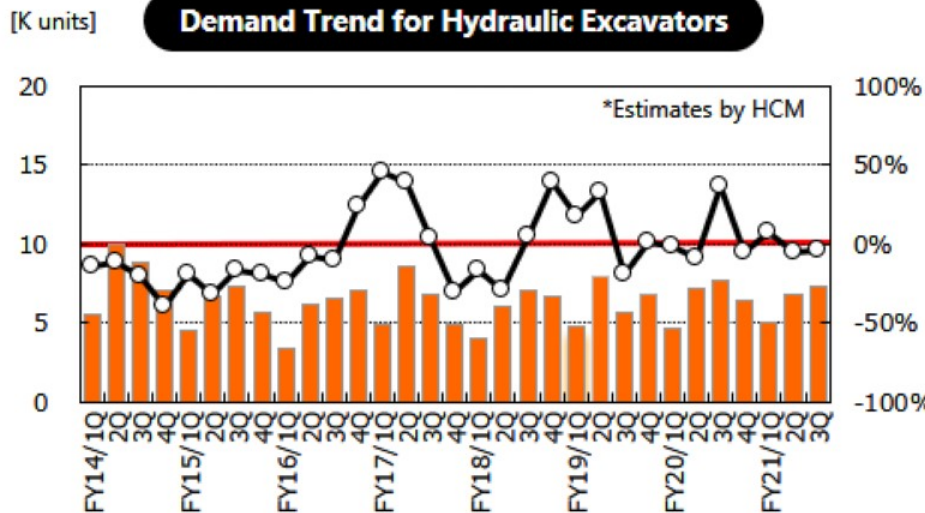
## Market Environment Housing/Public Spending and Capex (y-y)



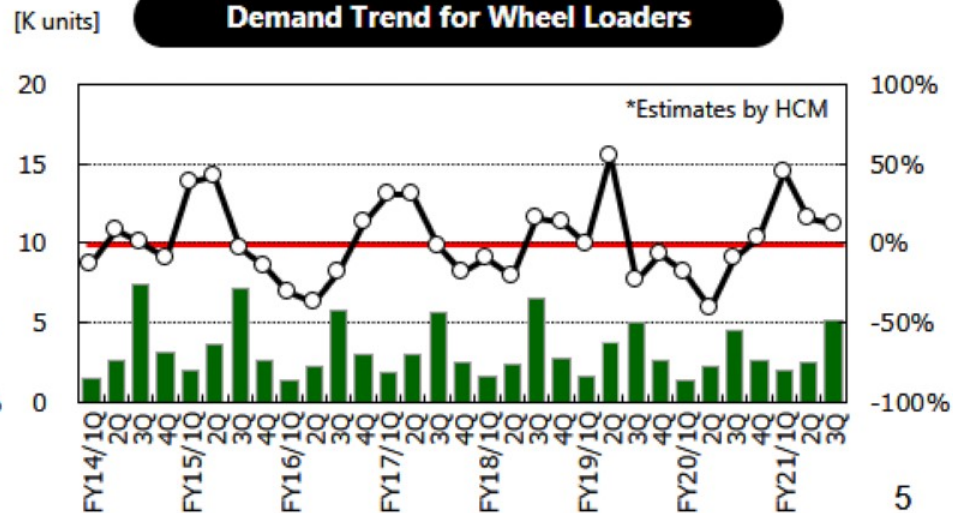
## Demand Trend for Mini Excavators



## Demand Trend for Hydraulic Excavators

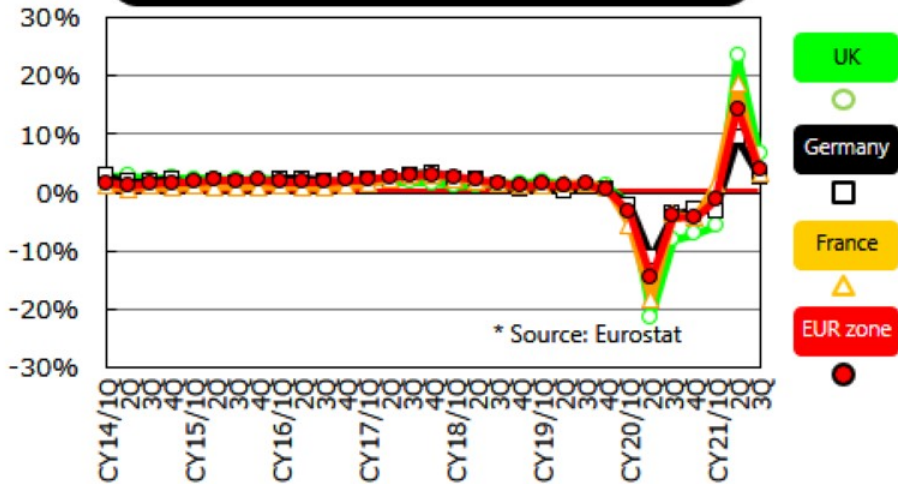


## Demand Trend for Wheel Loaders

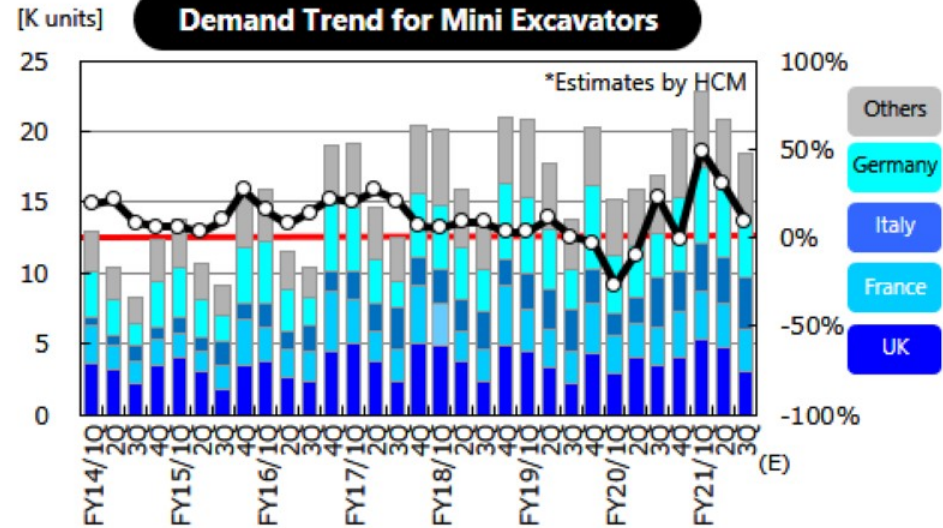


- The GDP growth rates slightly increased in all region.
- Demand for hydraulic excavators increased : Hydraulic excavators +6% y-y, Mini excavators +10% y-y, Wheel loaders -8% y-y, respectively.

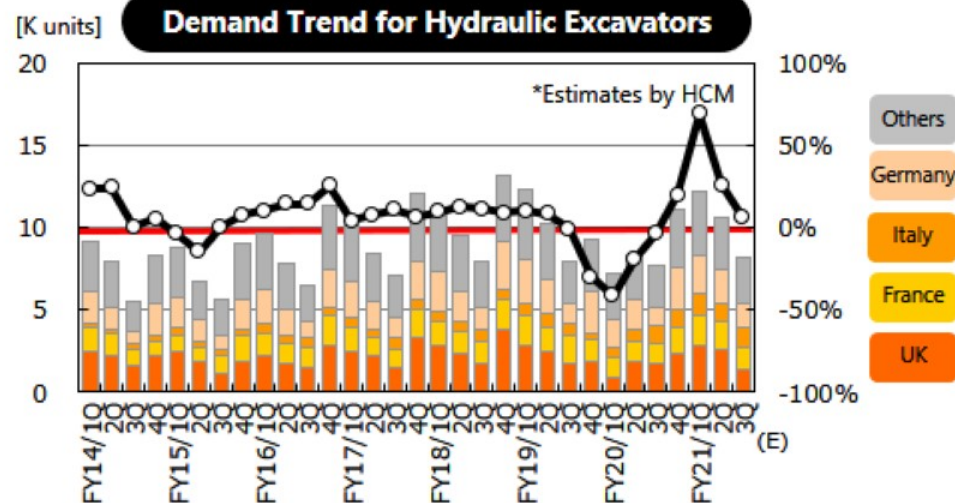
**GDP Growth Rate in Major Countries (y-y)**



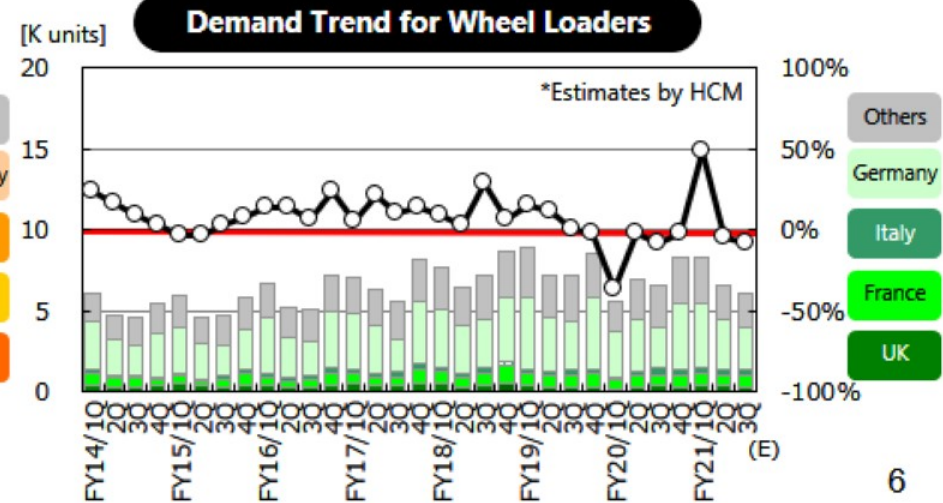
**Demand Trend for Mini Excavators**



**Demand Trend for Hydraulic Excavators**

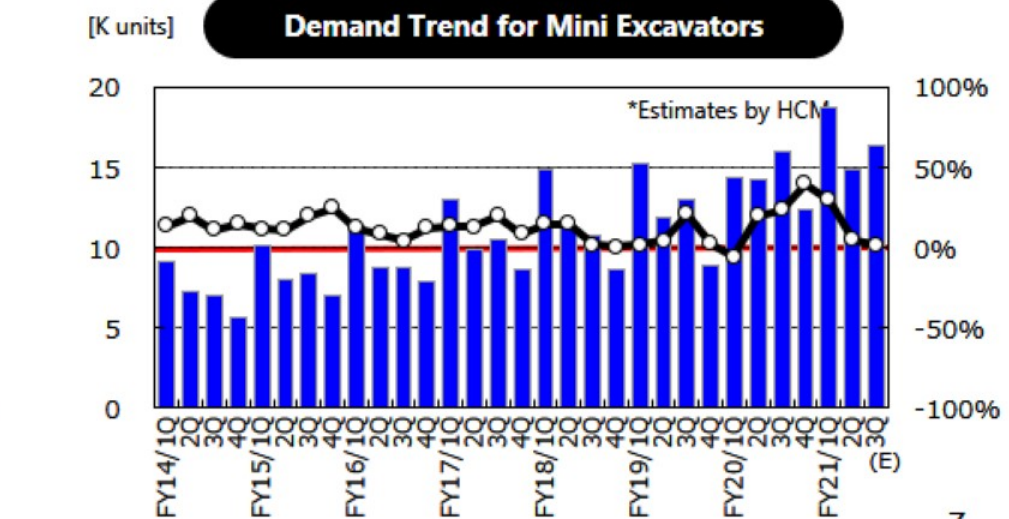
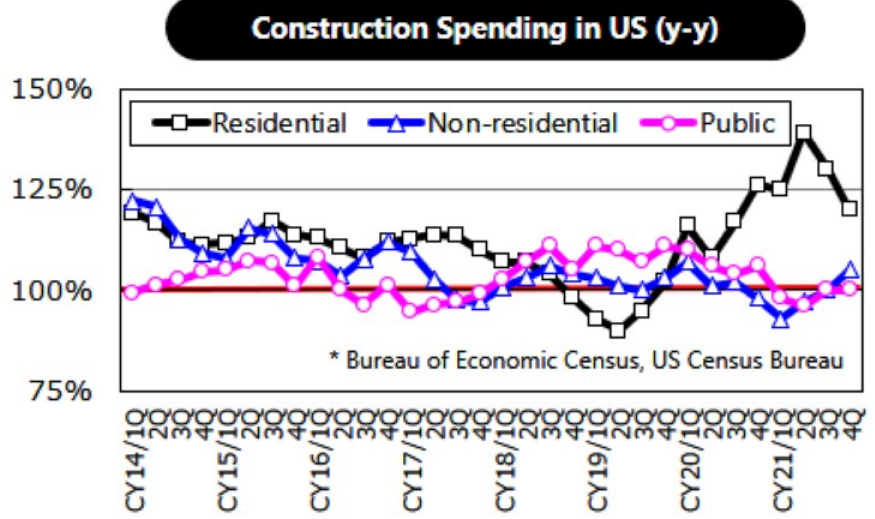
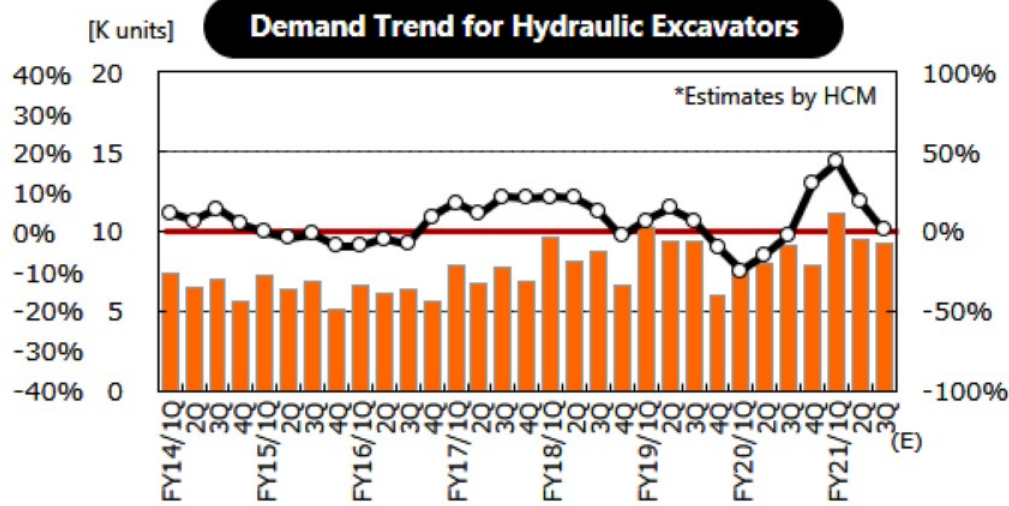
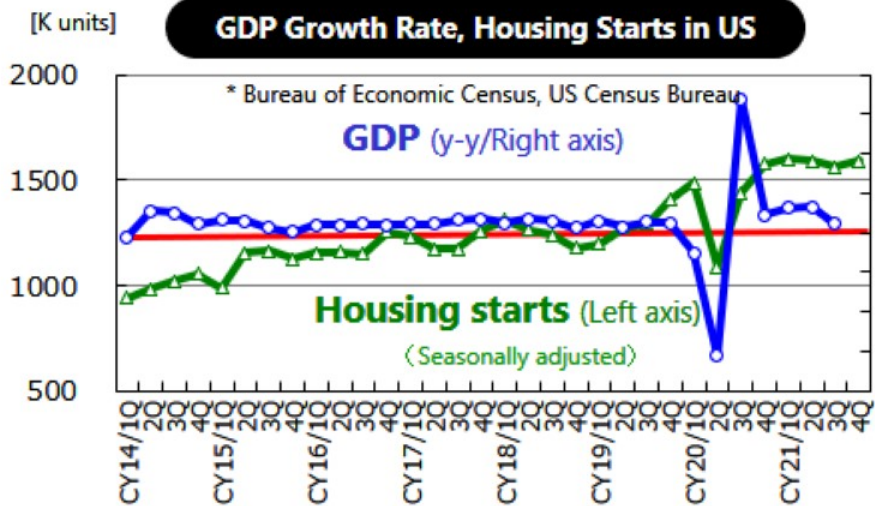


**Demand Trend for Wheel Loaders**



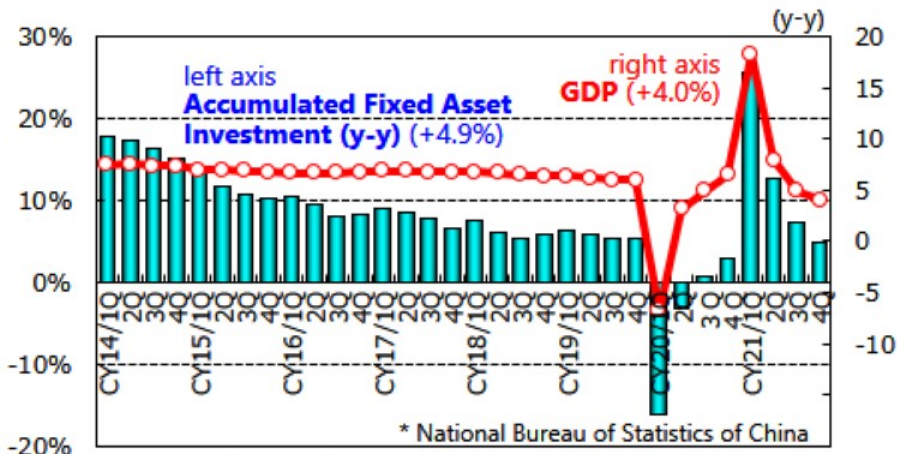


- Housing market is strong. Non-residential and public work remained at the same level of the previous year.
- Demand for hydraulic excavators slightly increased: Hydraulic excavators +1% y-y, Mini excavators +2% y-y, respectively.



- The GDP growth rate, +4.0%.
- Demand for hydraulic excavators decreased. -62% y-y, Foreign manufactures only.

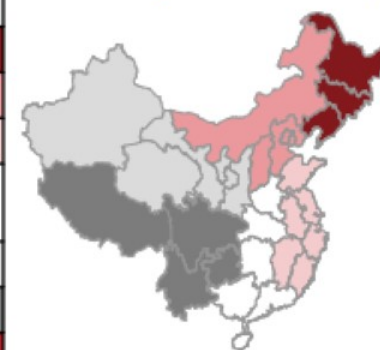
## GDP and Fixed Asset Investment



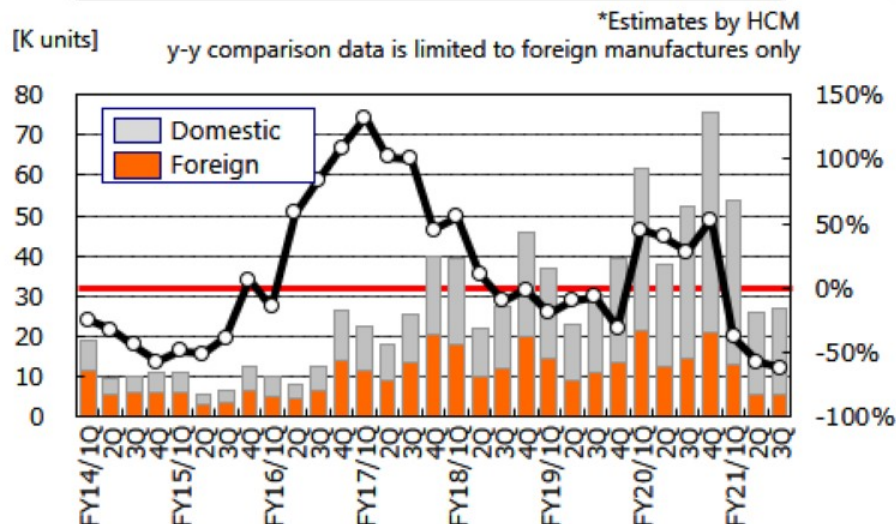
## Quarterly Demand for Hydraulic Excavators by Region (y-y)

YoY(%)	FY20		FY21	
	4Q	1Q	2Q	3Q
North East	+98	-31	-45	-40
North	+76	-20	-40	-20
East	+42	-42	-63	-65
Central South	+70	-42	-55	-69
North West	+68	-42	-62	-60
South West	+25	-35	-60	-69
<b>Total</b>	<b>+53</b>	<b>-37</b>	<b>-57</b>	<b>-62</b>

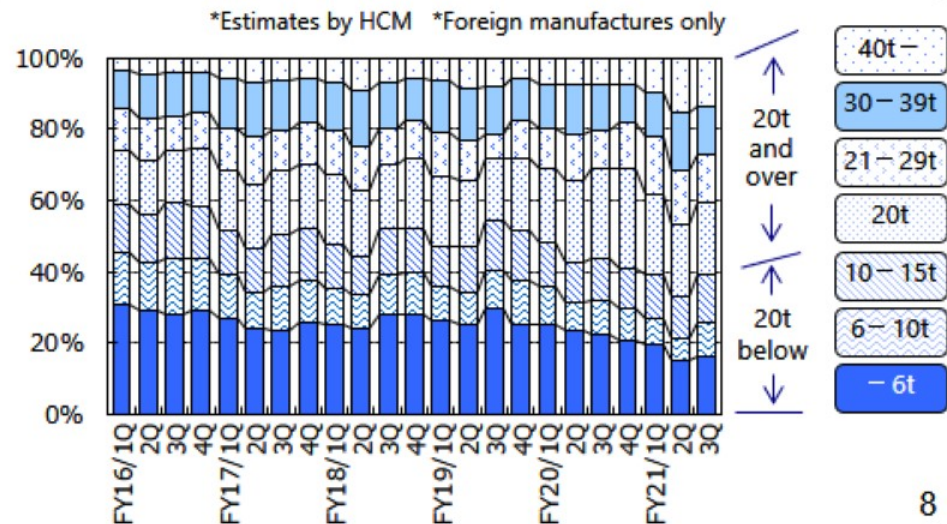
\*Estimates by HCM  
\*Foreign manufactures only



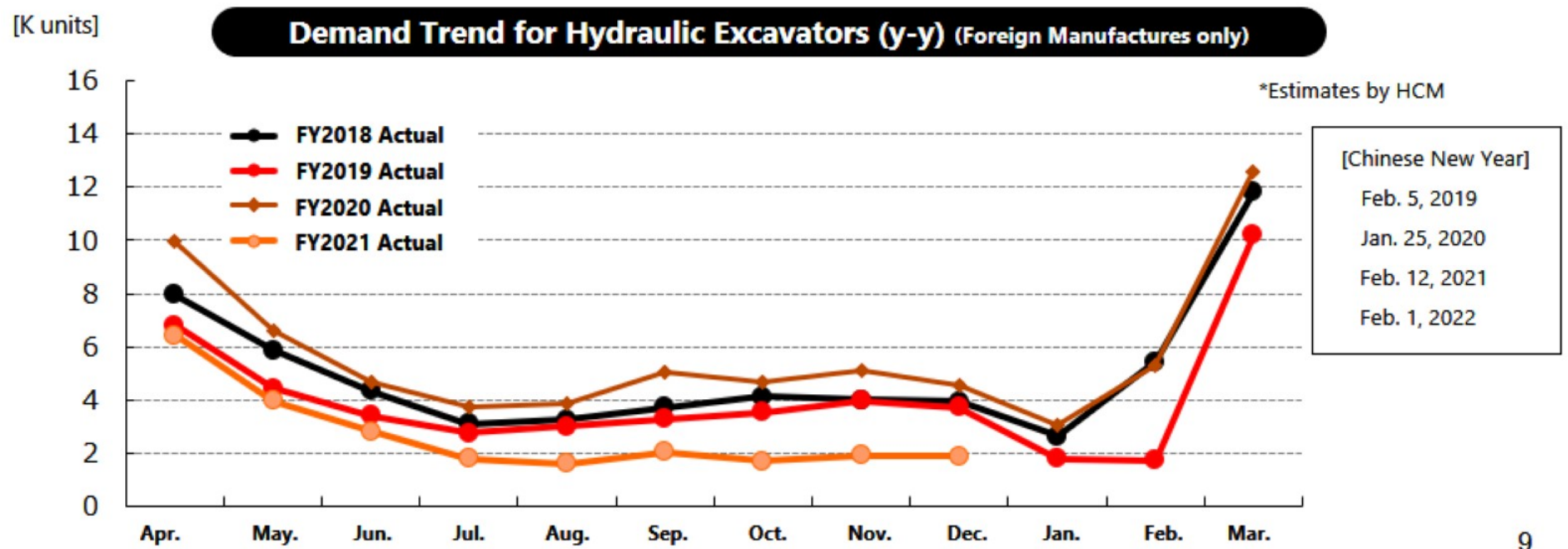
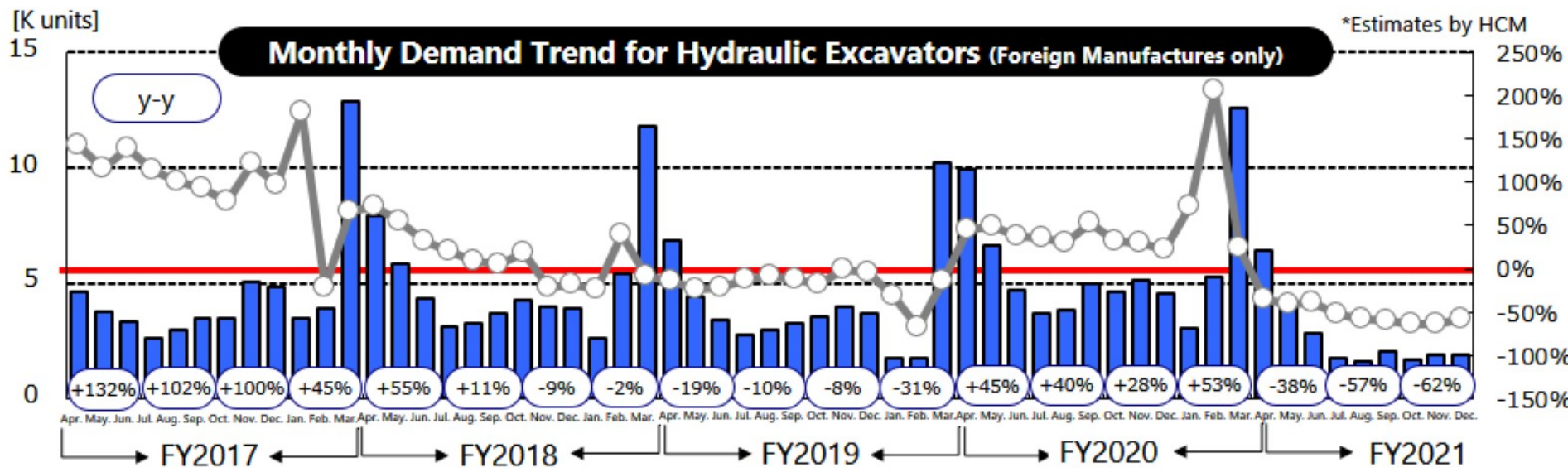
## Demand Trend for Hydraulic Excavators



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

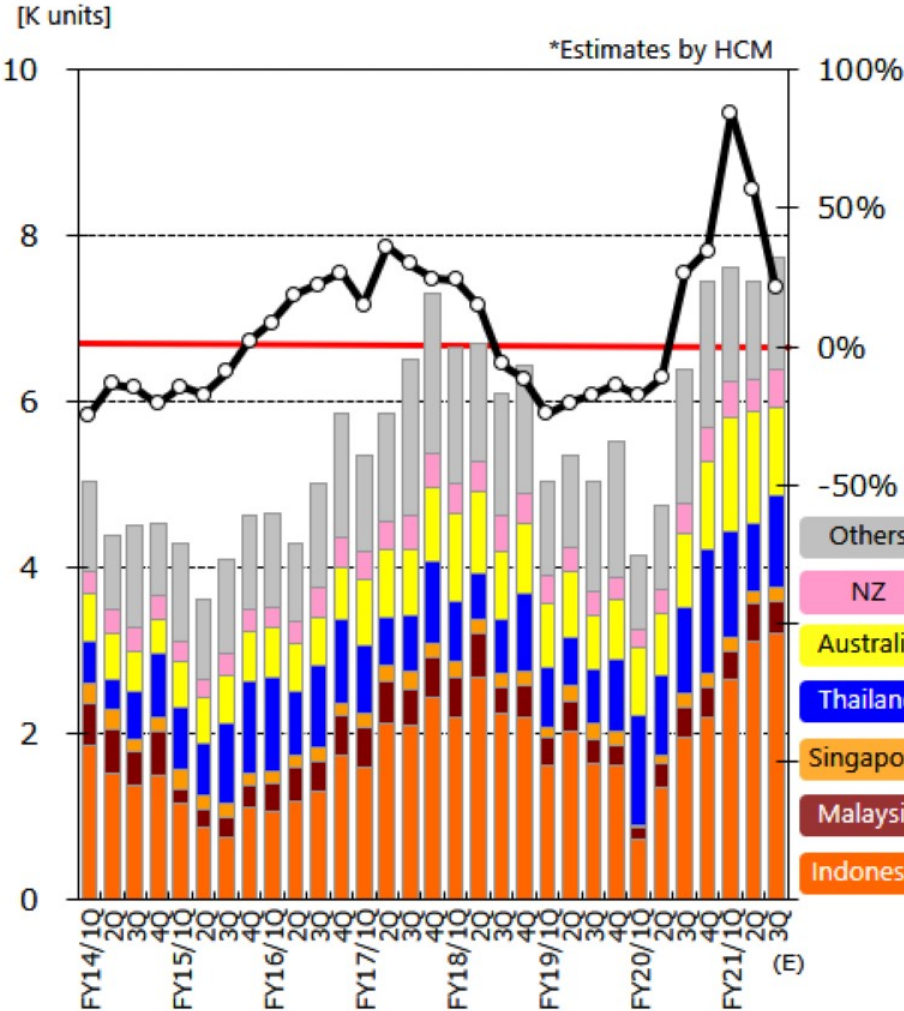






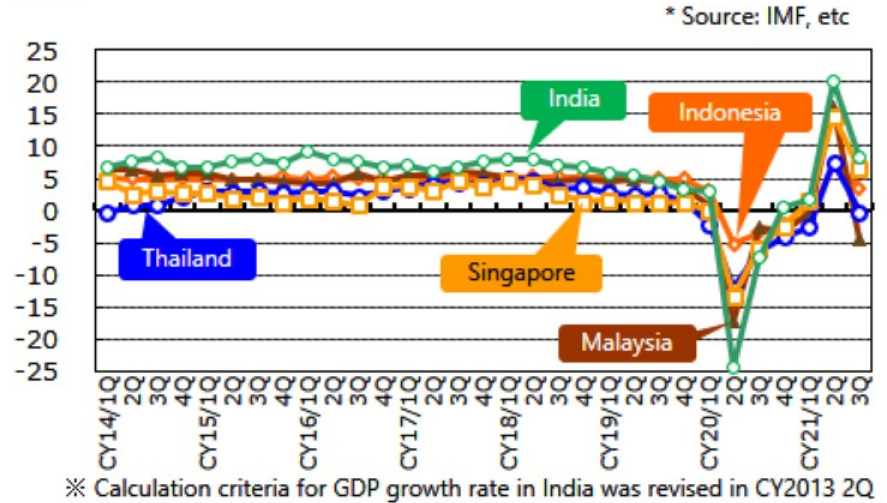
- Demand for hydraulic excavators overall in the Asia Pacific region, +21% y-y.
- Demand for hydraulic excavators in India, -18% y-y.

## Demand Trend for Hydraulic Excavators in Asia & Oceania

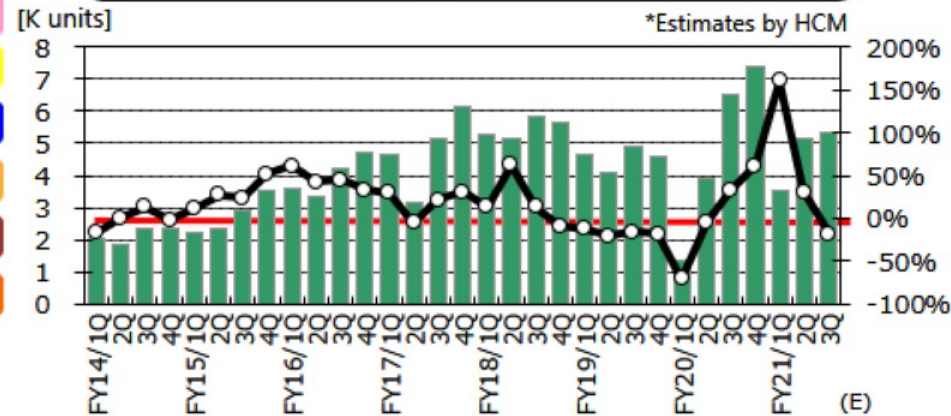


[%]

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



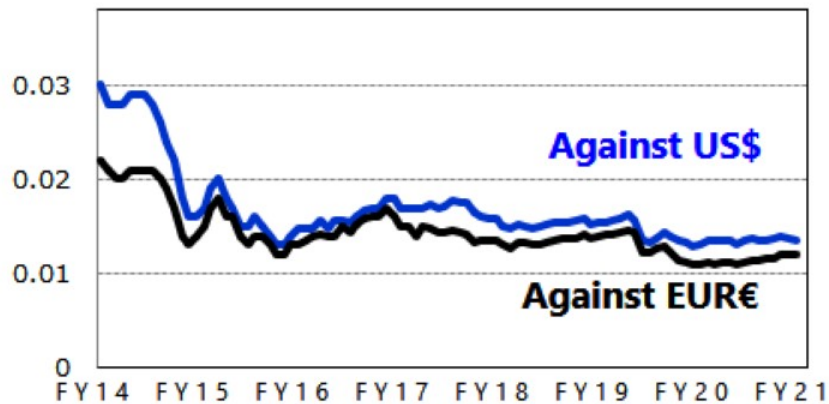
## Demand Trend for Hydraulic Excavators in India





- Demand for hydraulic excavators in Russia, +50% y-y.
- Demand for hydraulic excavators in the Middle East, +36% y-y.

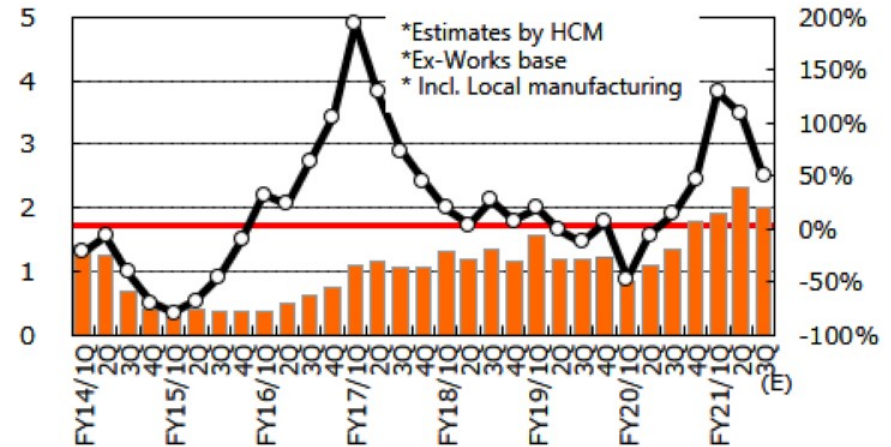
## Foreign Exchange Rate of the Ruble



\* According to HCM's research

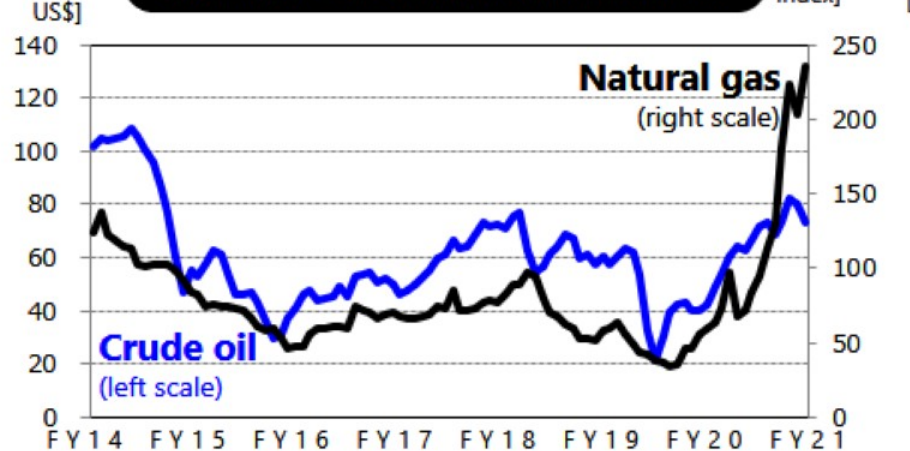
[K units]

## Demand Trend for Hydraulic Excavators in Russia



(E)

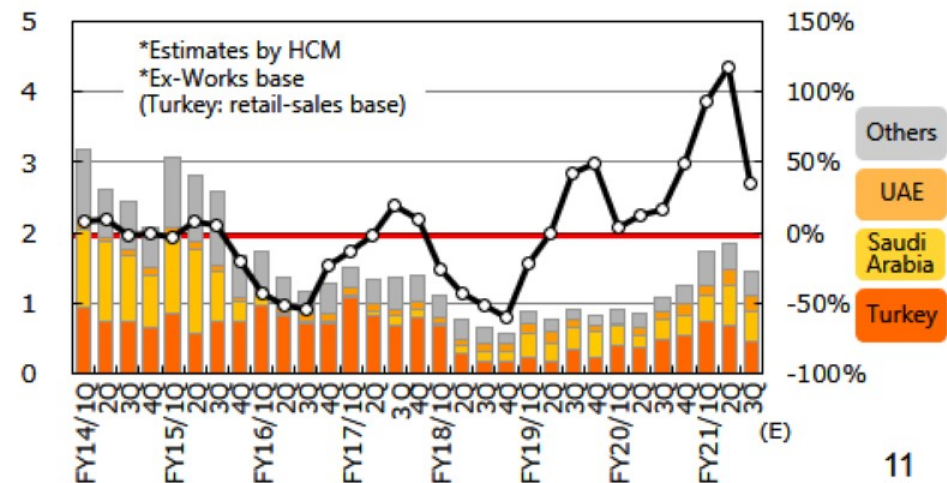
## Price Trend of Crude Oil and Natural Gas



\* Created by HCM, sourced from World Bank \* Natural Gas Index (2010 = 100)

[K units]

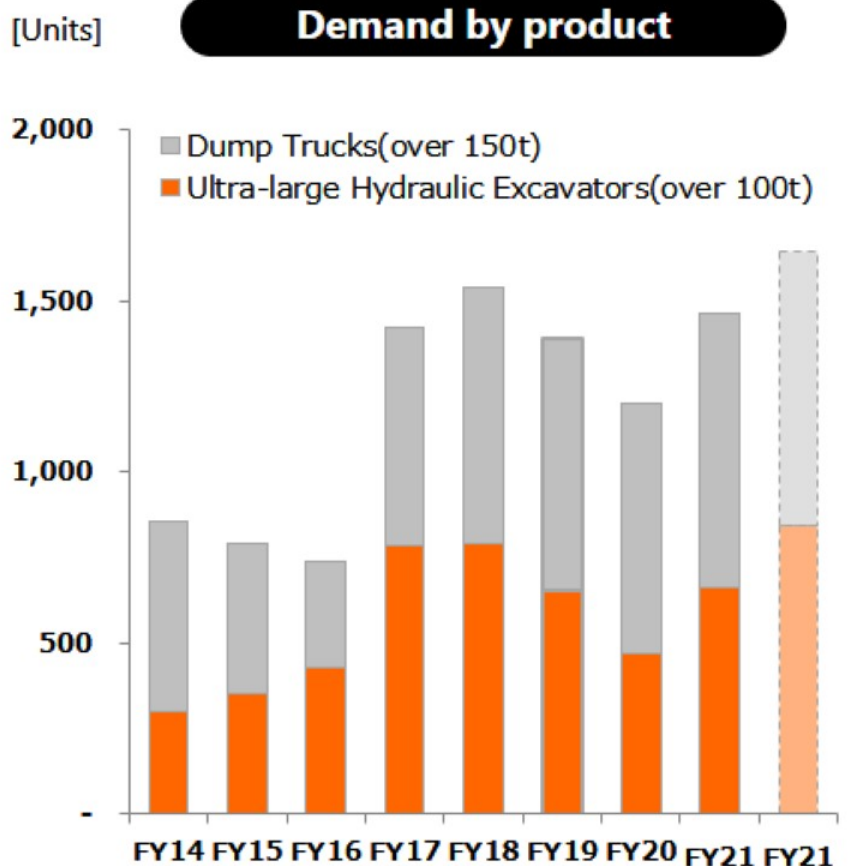
## Demand Trend for Hydraulic Excavators in the Middle East



(E)

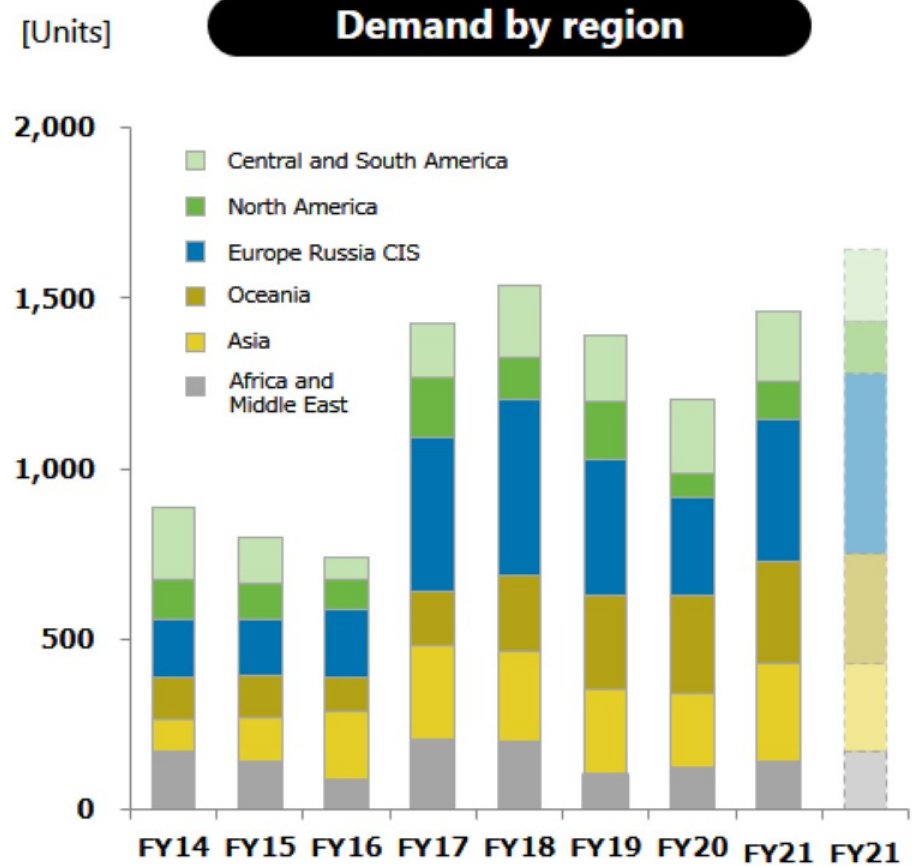
- Demand for mining in FY2021 has been revised to increase by 37% y-y due to a significant increase in demand for 100t class excavators.
- Demand for hard-rock mines and major mines remains strong.

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



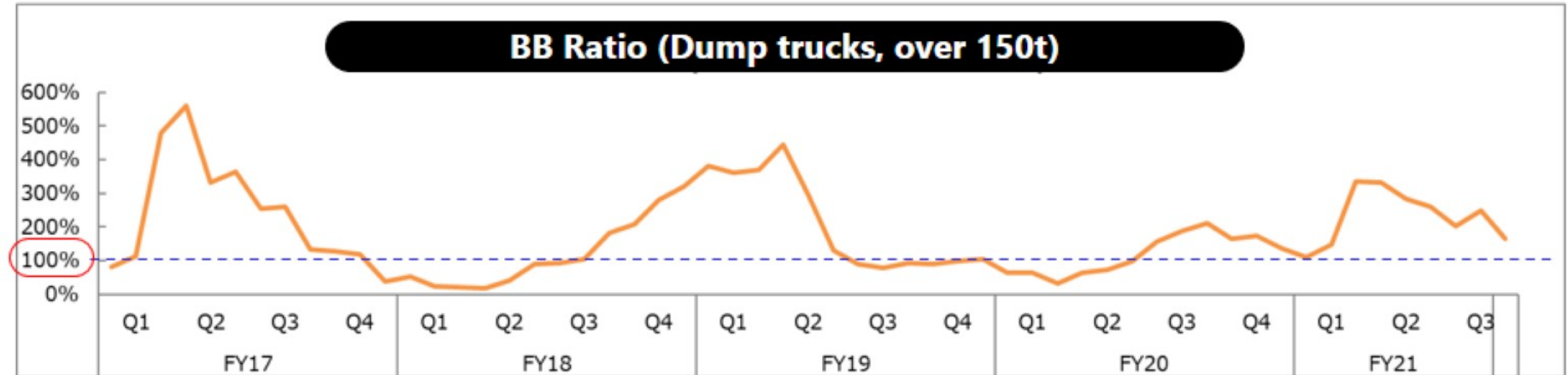
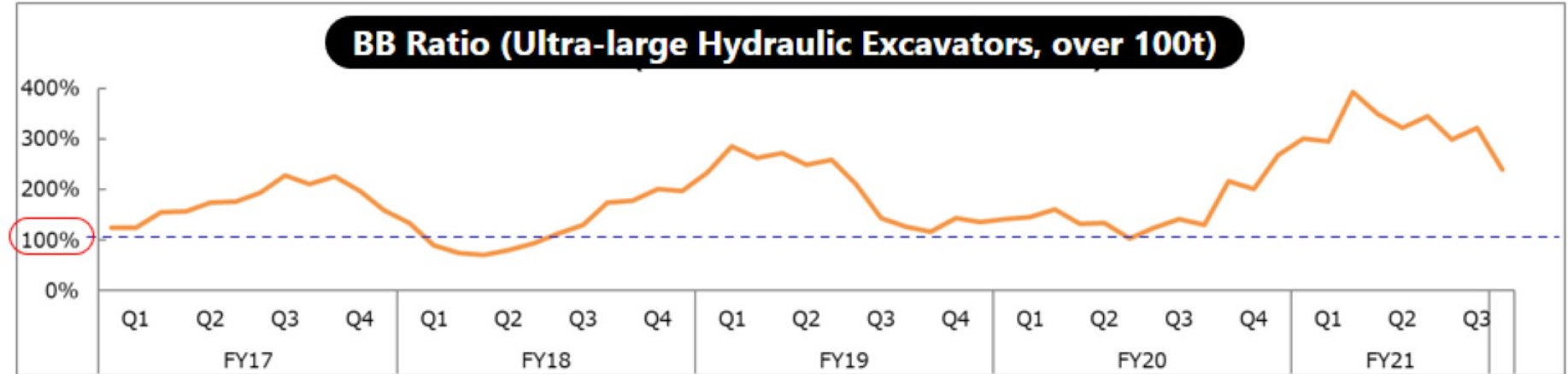
※ According to HCM's research

Previous Outlook    Current Outlook



Previous Outlook    Current Outlook





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



- Exporting the latest Hitachi brand products from major Japanese production bases to North America one after another
- Plans to expand and upgrade buildings and facilities at Hitachi Construction Machinery America, the regional headquarters for the Americas
- Reallocation of existing parts warehouses and development of a network

## Exporting the latest Hitachi brand products one after another



Development of parts supply network in North America



Hitachi Construction Machinery America Head Office Expansion and Renovation Plan

**HE PARTS INTERNATIONAL**



Utilizing H-E Parts existing base in Chile, the new machineries supply chain in South America.

- Bradken bases
- H-E Parts bases



## ZAXIS-7 series launch in Japan this spring following the European market

- The latest hydraulic system achieves both high operability and fuel efficiency, reducing fuel consumption by about 10%\*1.
- ICT-models\*2 are available in each class.



ZX135USX-7 (ICT-model)

12~13-ton class



ZX200-7

20-ton class



ZX330-7

30-ton class

## Expanded 2 options to contribute to improving safety and productivity (Japanese market only)

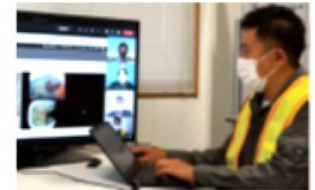


### AERIAL ANGLE STEP IV

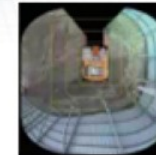
Decelerate and stop the machine when some objects are detected

### Solution Linkage Work Viewer Cloud

Records videos of front and surrounds of machine, and supports progress management from the field or office



Machine positions and recorded videos can be checked from the office.



\*1: Comparison with conventional ZX-6 series in power mode (PWR)

\*2: ICT hydraulic excavators ZX135USX-7, ZX200X-7, and ZX330X-7 for the Japanese market only.

## Integrated management of machine operation information, production, sales, and inventory information through the DX platform

- Analyze and output each data depending on the purpose by machine learning and AI.
- In collaboration with Hitachi, Ltd., will continue to contribute to the Lumada business.

## "Sales Support Application" using the DX platform will start operating in Japan, with plans to expand globally in the future.

- Application allows sales representatives to check the information of customer's machines status, transaction history, and inventory of machines and parts, all at once.
- AI presents multiple patterns for customer's machine management, based on our knowledge gained through direct communication with customers.
- Customers will be able to make more optimal choices than ever before.

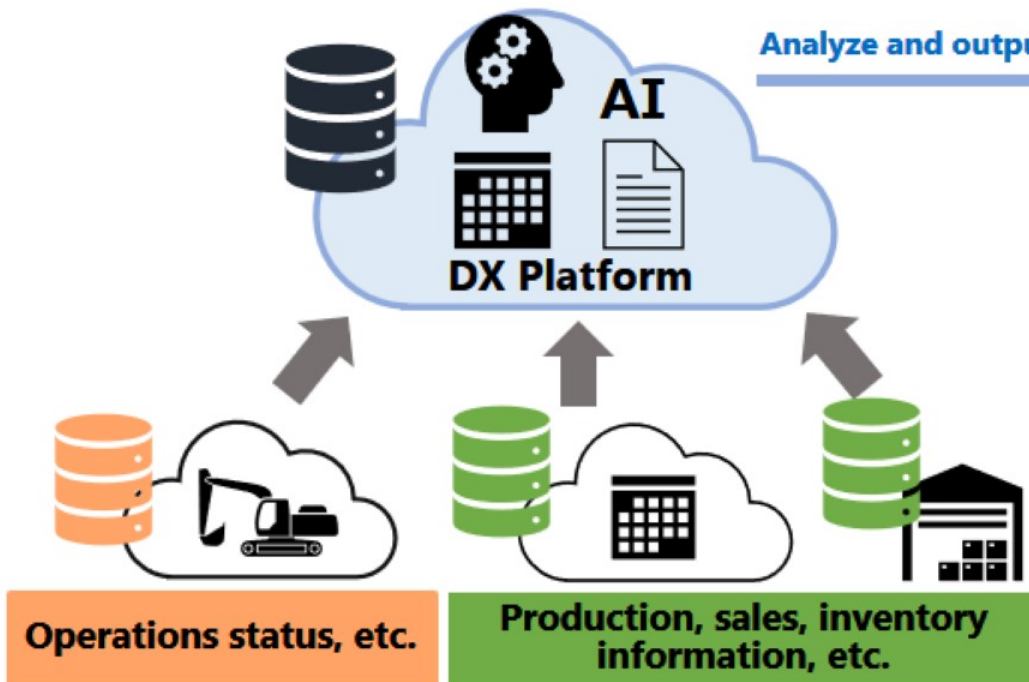


Image of "Sales Support Application" in use



## **2. Business Results for the Third Quarter ended December 31, 2021** (April 1, 2021 - December 31, 2021)

**Keiichiro Shiojima**

Executive Officer, CFO

In the 3Q of the current fiscal year, despite the impact of COVID-19, revenue increased by 29% y-y and adjusted operating income increased 235% due to the strong demand and the impact of yen depreciation.

[billions of yen]

		FY2021 1Q-3Q		FY2020 1Q-3Q		change
Revenue		720.4		558.7		29%
Adjusted operating income *1		8.5%	61.3	3.3%	18.3	235%
Operating income		8.6%	61.7	2.7%	15.2	305%
Income before income taxes		9.2%	66.3	2.1%	11.8	460%
Net income attributable to owners of the parent		6.4%	46.5	0.6%	3.1	-
EBIT *2		9.5%	68.5	2.6%	14.4	374%
FX rate	Rate (YEN/US\$)	111.2		106.1		5.1
	Rate (YEN/EURO)	130.7		122.8		7.9
	Rate (YEN/RMB)	17.2		15.4		1.8
	Rate (YEN/AU\$)	82.7		74.2		8.5

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

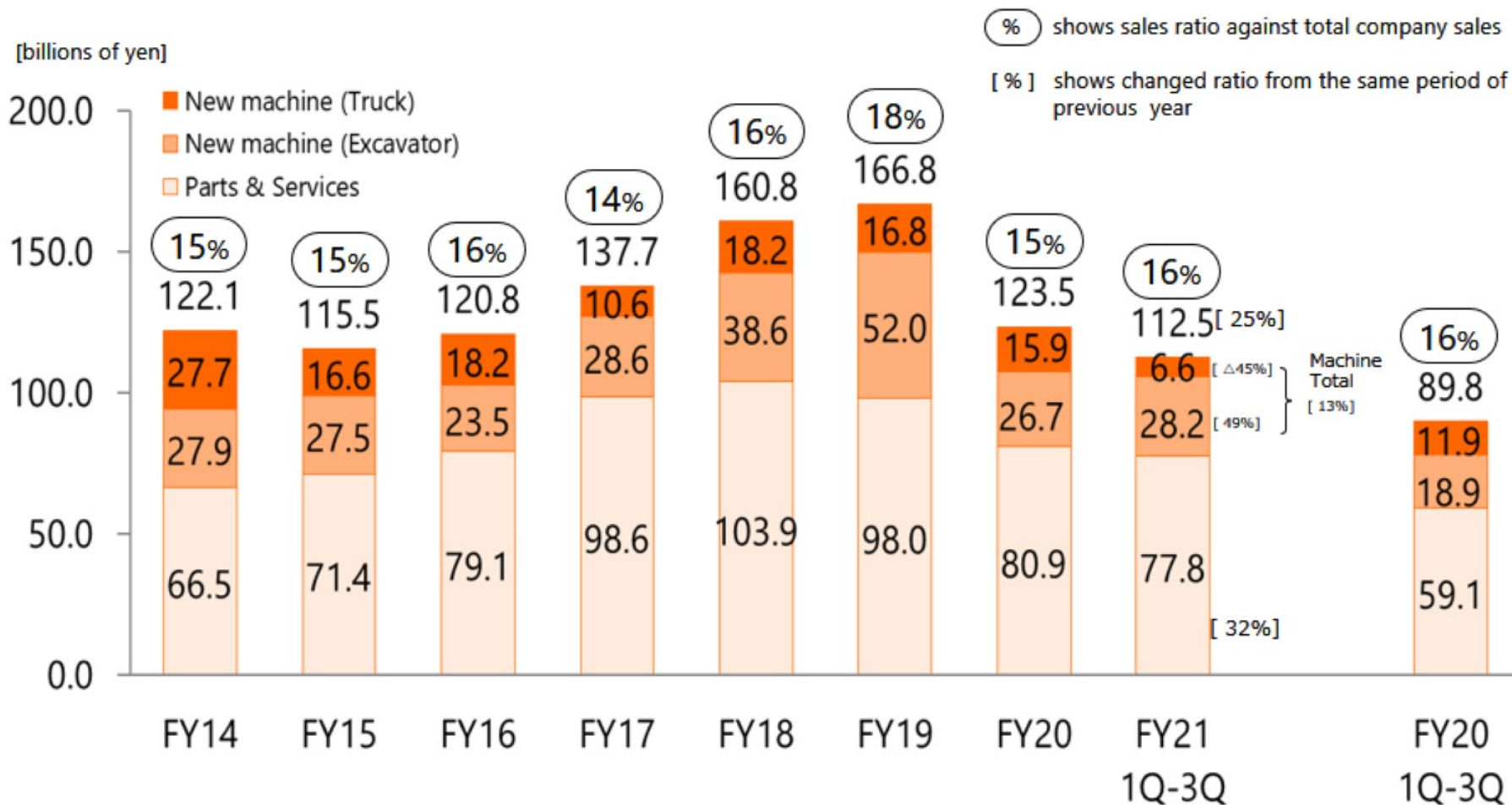
\*2 "EBIT" stands for Earnings Before Interests and Taxes, and is calculated by excluding "Interest income" and "Interest expenses" from "Income before income taxes"

Revenue increased in each region except China y-y, and consolidated revenue increased by 161.6 billion yen.

[billions of yen]

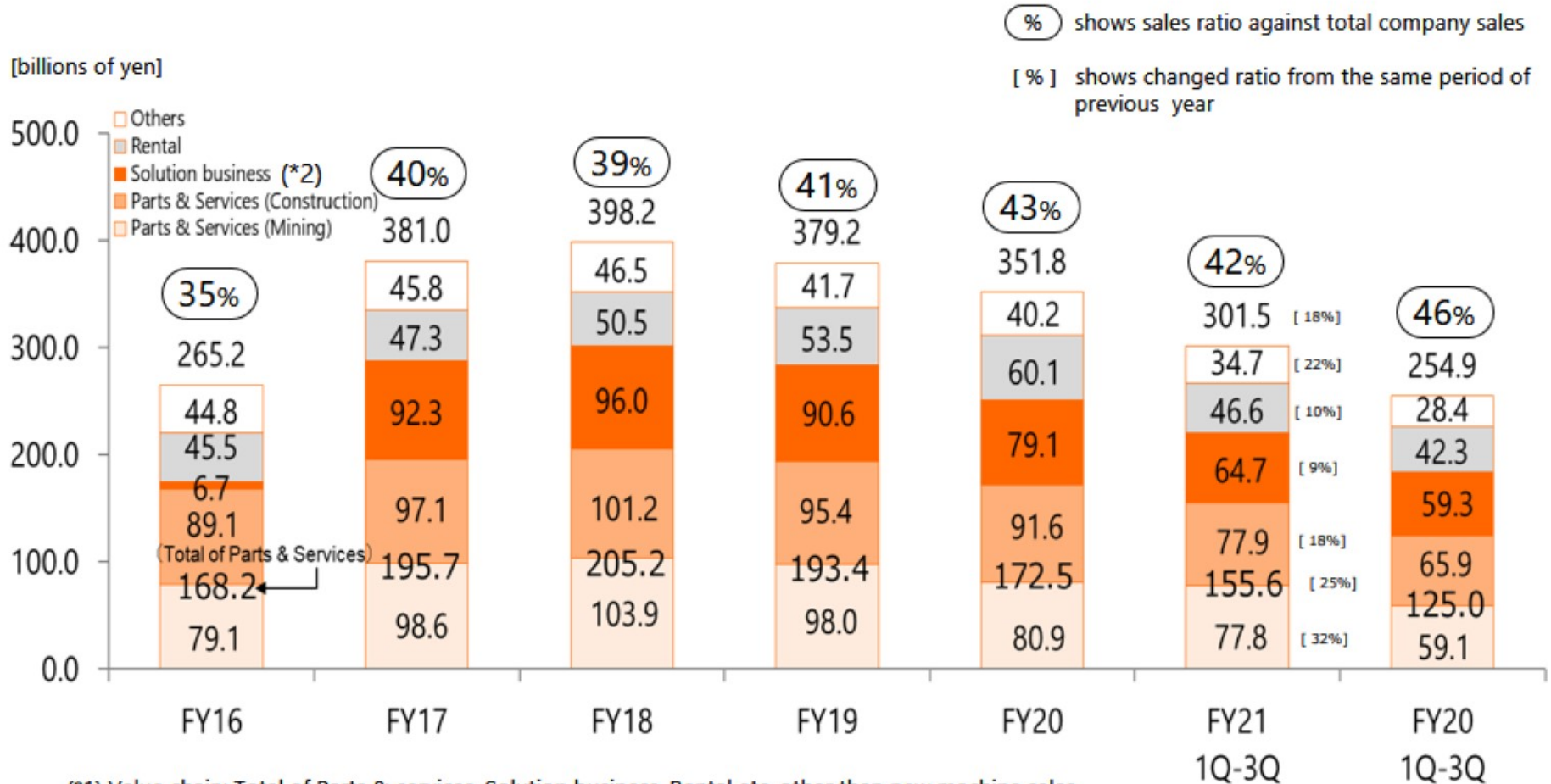
	FY2021 1Q-3Q		FY2020 1Q-3Q		change	
	amount	%	amount	%	amount	%
Japan	154.8	21%	142.6	26%	12.1	8%
Asia	58.3	8%	34.6	6%	23.7	68%
India	38.4	5%	32.3	6%	6.1	19%
Oceania	122.5	17%	102.5	18%	20.0	19%
Europe	86.8	12%	54.6	10%	32.2	59%
N.America	136.2	19%	71.4	13%	64.8	91%
L.America	15.7	2%	7.8	1%	7.9	100%
Russia-CIS	25.8	4%	17.3	3%	8.5	49%
M.East	12.7	2%	10.0	2%	2.7	27%
Africa	30.3	4%	24.1	4%	6.2	26%
China	39.0	5%	61.5	11%	-22.5	-37%
Total	720.4	100%	558.7	100%	161.6	29%
Overseas ratio	79%		74%			

Revenue of mining increased by 25% to 112.5 billion yen y-y due to strong demand of mining excavators, increased sales volume in parts and service and the impact of the depreciation of the yen.





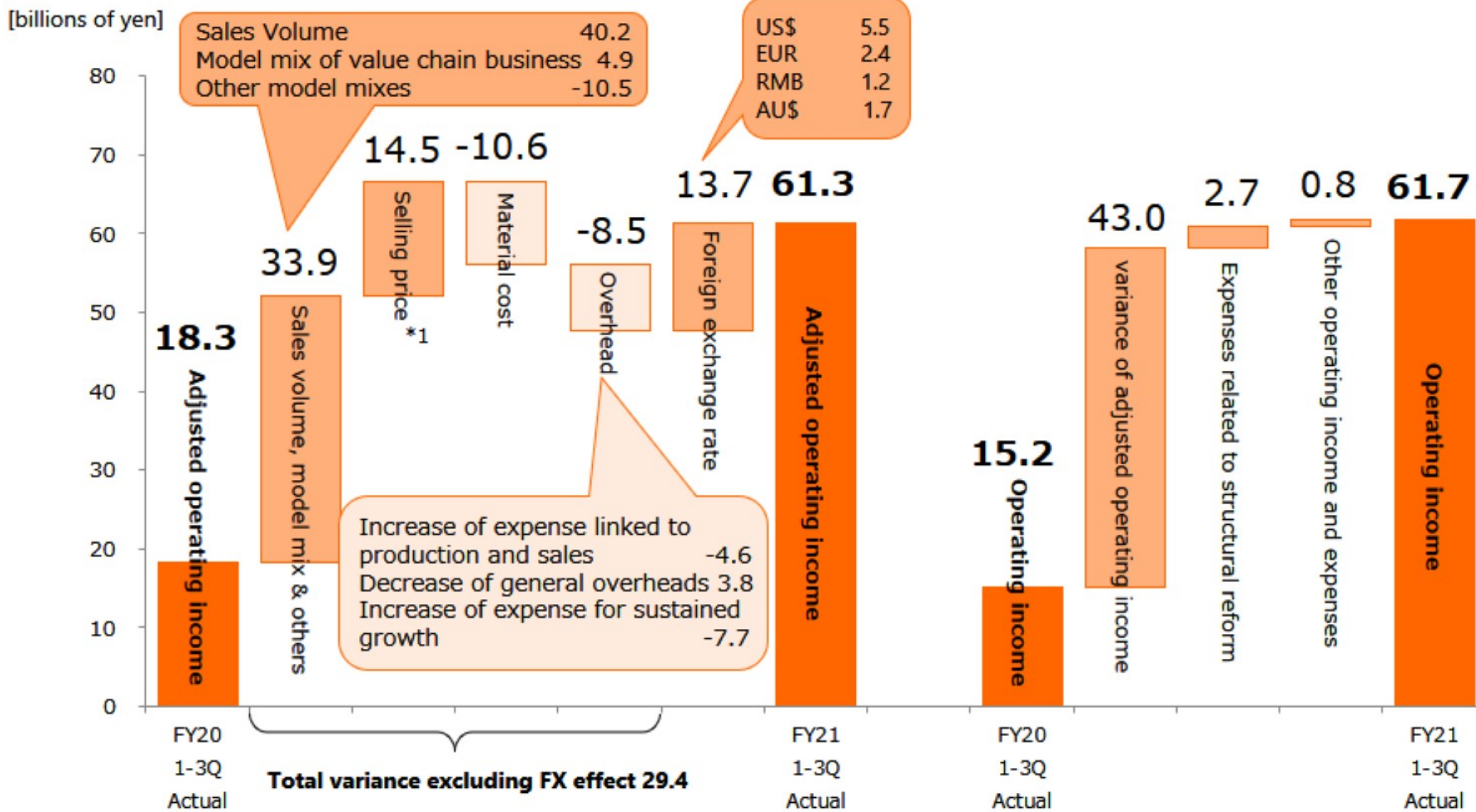
Revenue of the value chain business increased by 18% y-y to 301.5 billion yen due to increased volume in all segments and the impact of the depreciation of the yen.



(\*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.

Adjusted operating income increased by 43.0 billion yen y-y due to the impact of the increased sales volume and model mix, price increase, price adjustment in North, Central & South America and the impact of the depreciation of the yen.



\*1 Selling price: Price adjustment in North, Central and South Africa (11.1 billion yen) is included.



Net income attributable to owners of the parent increased by 43.3 billion yen to 46.5 billion yen y-y.

[billions of yen]

	FY2021		FY2020		change	
	1Q-3Q		1Q-3Q		amount	%
Revenue		720.4		558.7	161.6	29%
Cost of Sales	(72.7%)	523.8	(75.7%)	423.0	100.9	24%
SGA expenses	(18.8%)	135.2	(21.0%)	117.4	17.8	15%
Adjusted operating income *1	(8.5%)	61.3	(3.3%)	18.3	43.0	235%
Other Income/expenses		0.4		-3.1	3.5	-
Operating income	(8.6%)	61.7	(2.7%)	15.2	46.5	305%
Financial income/expenses		-1.5		-4.1	2.6	-63%
Share of profits of investments accounted for using the equity method		6.1		0.7	5.4	800%
Income before income taxes	(9.2%)	66.3	(2.1%)	11.8	54.4	460%
Income taxes		16.4		5.5	10.9	200%
Net income	(6.9%)	49.9	(1.1%)	6.4	43.5	682%
Net income attributable to owners of the parent	(6.4%)	46.5	(0.6%)	3.1	43.3	-

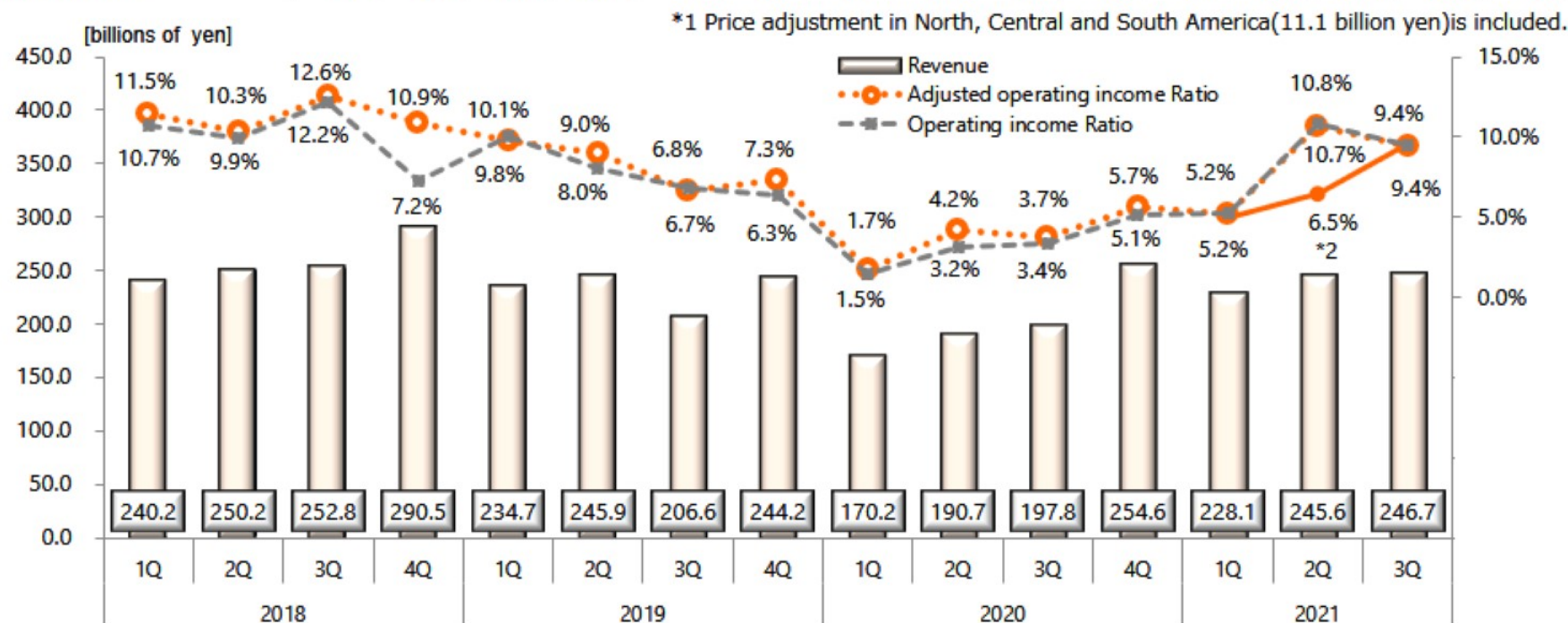
\*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

# 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	2Q <sup>*1</sup>	3Q
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	245.6	246.7
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	26.3	23.2
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	26.5	23.3



\*2 Price adjustment in North, Central and South America(11.1 billion yen) is excepted.

FX rate	2018				2019				2020				2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
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	110.1	113.7
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	129.8	130.1
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	17.0	17.8
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	80.9	82.9



Total assets increased by 81.7 billion yen y-y due to increase by inventories and property, plant and equipment.

(billions of yen)

	(A) FY21-3Q	(B) Mar '2021	(C) FY20-3Q	(A)-(B) change		(D) FY21-3Q	(E) Mar '2021	(F) FY20-3Q	(D)-(E) change
Cash and cash equivalents	81.6	80.3	68.4	1.3	Trade and other payables	218.4	199.2	174.1	19.2
Trade receivables	202.3	211.2	172.3	-9.0	Bonds and borrowings	351.2	329.5	335.2	21.7
Inventories	345.4	297.8	308.9	47.7	Total liabilities	689.9	651.3	626.6	38.5
Total current assets	679.5	617.2	586.3	62.3	(Equity attributable to owners of the parent ratio)	(42.8%)	(42.1%)	(41.6%)	(0.6%)
Total non-current assets	622.7	603.4	579.2	19.4	Total equity	612.4	569.2	539.0	43.2
Total assets	1,302.3	1,220.6	1,165.5	81.7	Total liabilities and equity	1,302.3	1,220.6	1,165.5	81.7
Trade receivables incl. non-current	242.2	252.7	210.3	-10.5					
Inventories by products									
Unit	98.8	77.3	85.1	21.5		(27.0%)	(27.0%)	(28.8%)	(-0.0%)
Parts	112.0	102.3	105.0	9.7	Interest-bearing debt	351.2	329.5	335.2	21.7
Raw materials, WIP and etc	134.6	118.2	118.7	16.4	Cash and Cash equivalents	81.6	80.3	68.4	1.3
Total inventories	345.4	297.8	308.9	47.7		(20.7%)	(20.4%)	(22.9%)	(0.3%)
On hand days(divided by revenue)				(Days)	Net interest-bearing debt	269.6	249.2	266.8	20.5
Trade receivables	91	113	96	-22					
Inventories	129	134	140	-5	Net D/E Ratio	0.48	0.48	0.55	0.00
Trade payables	50	49	44	1					
Net working capital	166	194	188	-28					

Net cash provided by (used in) operating activities totaled a positive 38.6 billion yen.

[billions of yen]

	FY2021 1Q-3Q		FY2020 1Q-3Q		change	
Net income		49.9		6.4		43.5
Depreciation and amortization	91.2	41.3	44.1	37.7	47.2	3.7
(Increase)decrease in trade/lease receivables		18.6		52.6		-34.1
(Increase)decrease in inventories	-5.2	-42.7	33.8	3.2	-38.9	-45.8
Increase(decrease) in trade payables		18.9		-22.0		40.9
Others, net		-47.4		-21.1		-26.3
Net cash provided by (used in) operating activities		38.6		56.7		-18.1
Cash flow margin for operating activities		5.4%		10.2%		-4.8%
Net cash provided by (used in) investing activities		-26.0		-23.3		-2.8
Free cash flows		12.6		33.5		-20.9
Net cash provided by (used in) financing activities		-13.8		-29.0		15.2



# Summary of consolidated earnings forecast

HITACHI

Reliable solutions

Consolidated income statement for FY2021 is revised upward from the previous forecast.

note : < > shows previous forecast as of October 2021

[billions of yen]

	FY2021		FY2020 Actual	change	
	Forecast			amount	%
Revenue	<920.0>	950.0	813.3	136.7	17%
Adjusted operating income	<8.0%>	(8.8%)	(4.0%)	(4.8%)	157%
	<74.0>	84.0	32.7	51.3	
Operating income	<8.6%>	(9.3%)	(3.5%)	(5.8%)	212%
	<79.0>	88.0	28.2	59.8	
Income before income taxes	<8.7%>	(9.3%)	(3.1%)	(6.1%)	244%
	<80.0>	88.0	25.6	62.4	
Net income attributable to owners of the parent	<5.0%>	(5.5%)	(1.3%)	(4.2%)	403%
	<46.0>	52.0	10.3	41.7	
EBIT	<82.9>	91.0	28.7	62.3	

Currency	1Q-3Q	4Q	Total	FY2020 Actual	change
	Actual	Forecast	Forecast		
Rate (YEN/US\$)	111.2	110.0	110.9	106.0	4.8
Rate (YEN/EURO)	130.7	130.0	130.5	124.6	5.9
Rate (YEN/RMB)	17.2	17.5	17.3	15.7	1.6
Rate (YEN/AU\$)	82.7	80.0	82.0	76.0	5.9
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

HITACHI

Reliable solutions

Consolidated revenue for FY2021 is expected to increase by 30.0 billion yen from the previous forecast and by 136.7 billion yen compared to the previous year.

(billions of yen)

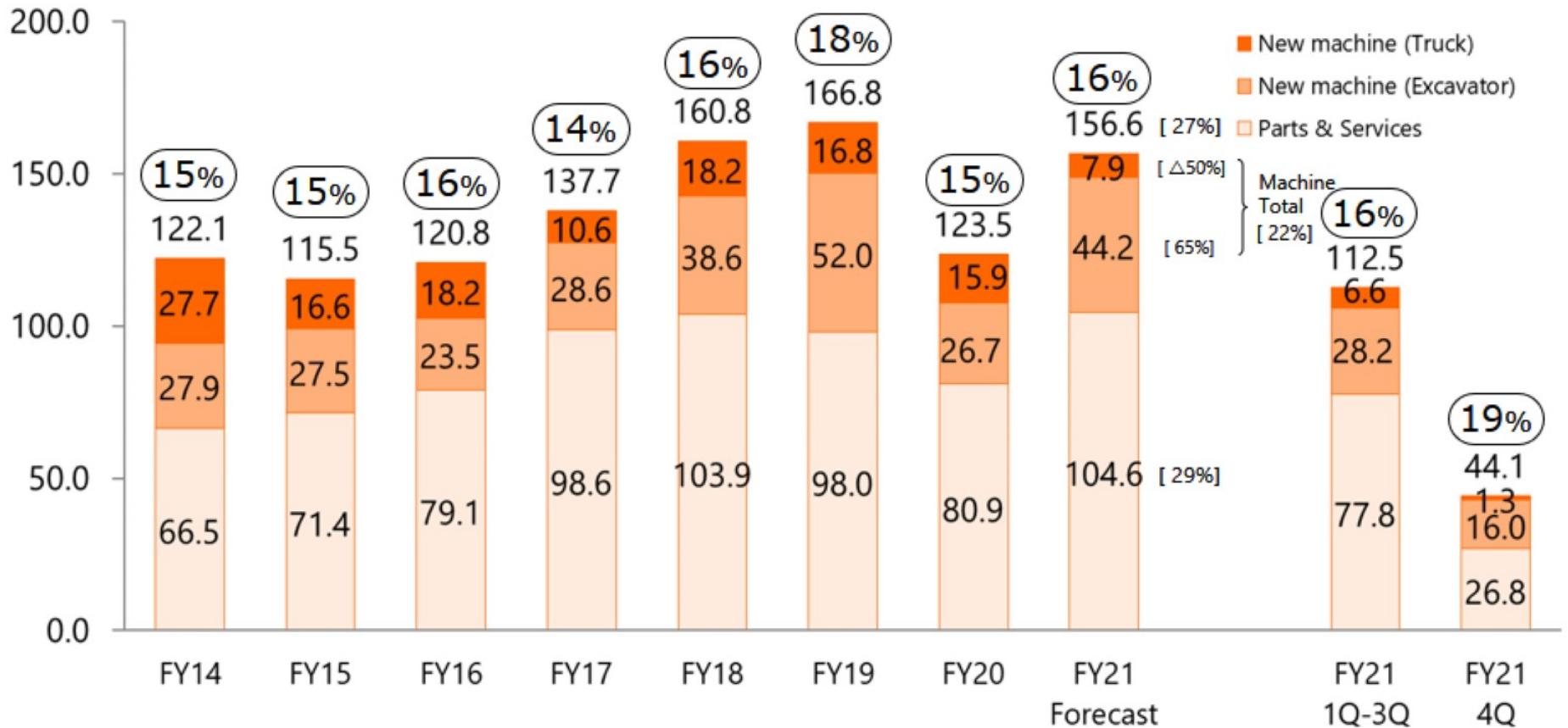
	FY2021 Forecast		FY2020 Actual		change	
	amount	%	amount	%	amount	%
Japan	206.4	22%	203.3	25%	3.1	2%
Asia	77.9	8%	52.7	6%	25.1	48%
India	54.7	6%	50.0	6%	4.7	9%
Oceania	157.3	17%	139.9	17%	17.4	12%
Europe	112.3	12%	87.8	11%	24.4	28%
N.America	170.9	18%	107.2	13%	63.7	59%
L.America	18.8	2%	10.9	1%	7.9	72%
Russia-CIS	38.6	4%	22.7	3%	15.9	70%
M.East	21.0	2%	16.1	2%	4.9	31%
Africa	39.3	4%	33.6	4%	5.7	17%
China	52.7	6%	89.1	11%	-36.3	-41%
Total	950.0	100%	813.3	100%	136.7	17%
Overseas ratio	78%		75%			



Revenue of mining in FY2021 is expected to increase by 5% from the previous forecast and by 27% compared to the previous year to 156.6 billion yen y-y.

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

[billions of yen]

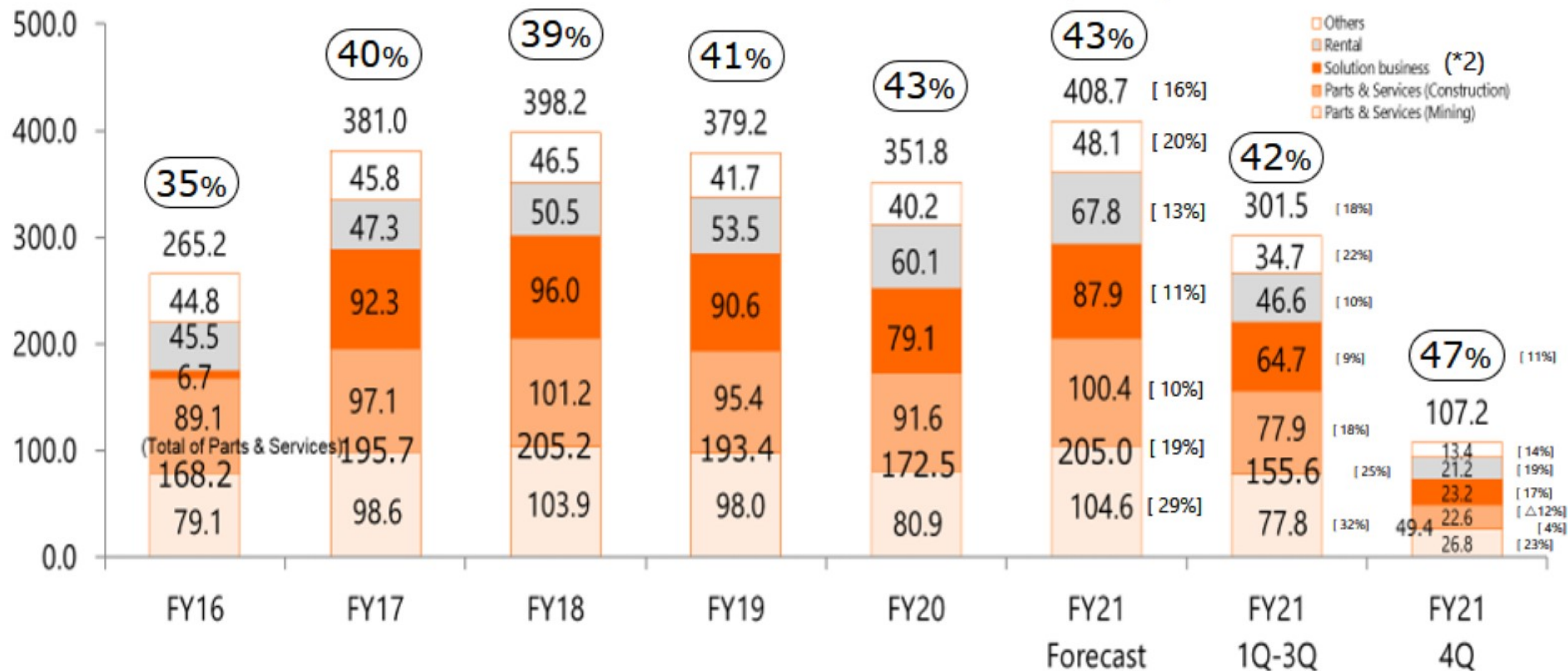


# Value chain\*1 revenue forecast

Revenue of parts and services in FY2021 is expected to increase by 5% from the previous forecast and 16% compared to the previous year to 408.7 billion yen y-y.

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

[billions of yen]



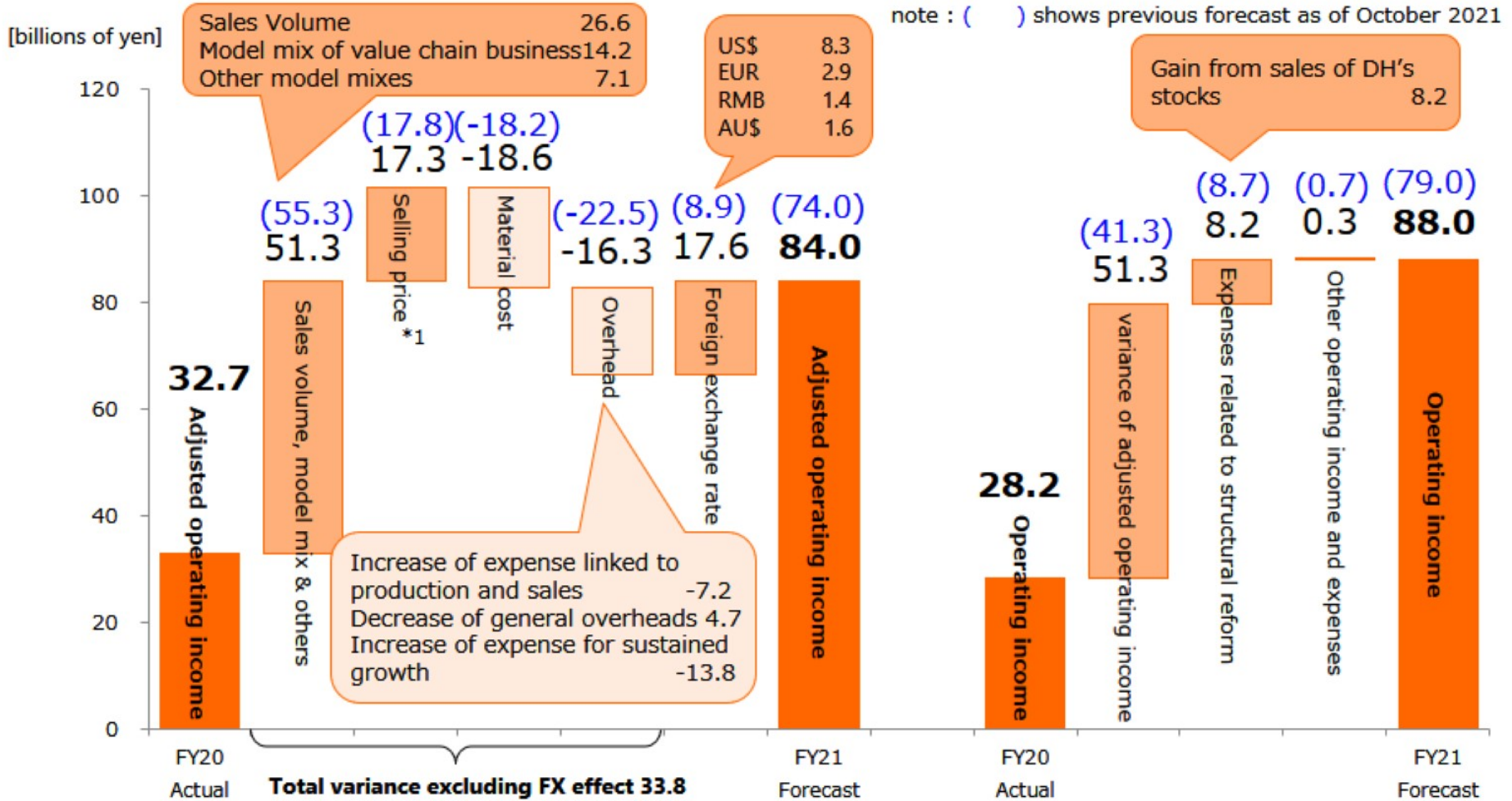
(\*1) Value chain: Total of Parts & services, Solution business, Rental etc. other than new machine sales.

(\*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

Adjusted operating income for FY2021 is expected to increase by 51.3 billion yen y-y due to the impact of the increased sales volume and model mix, price increase, price adjustment in North, Central & South America and the impact of the depreciation of the yen.



\*1 Selling price: Price adjustment in North, Central and South Africa(11.1 billion yen) is included.

The forecast exchange rate for 4Q of FY2021 was set within the expected fluctuation range for each currency.

## FX rate and FX sensitivity

[billions of yen]

Currency	FX rate				FX sensitivity (4Q)		
	FY21			FY20 Actual	Condition	Revenue	Adjusted operating income
	1Q-3Q Actual	4Q Forecast	Total Forecast				
US\$	111.2	110.0	110.9	106.0	Impact by 1 yen depreciation	0.6	0.5
EURO	130.7	130.0	130.5	124.6	Impact by 1 yen depreciation	0.2	0.2
RMB	17.2	17.5	17.3	15.7	Impact by 0.1 yen depreciation	0.1	0.0
AU\$	82.7	80.0	82.0	76.0	Impact by 1 yen depreciation	0.6	0.1



# Appendix 2: Detail of mining revenue

[billions of yen]

		FY20 Actual			FY21 Forecast			Change		
		1-3Q	4Q	Year	1-3Q	4Q	Year	1-3Q	4Q	Year
America	Excavator	7.9	2.7	10.6	7.8	0.8	8.6	-0.1	-1.9	-2.0
	Dump Truck	0.9	1.2	2.1	2.0	0.7	2.7	1.1	-0.5	0.6
	Total	8.8	3.9	12.7	9.8	1.5	11.3	1.0	-2.4	-1.4
Europe, Africa and Middle East	Excavator	10.8	4.5	15.3	18.0	10.1	28.1	7.2	5.6	12.7
	Dump Truck	9.6	2.6	12.2	12.6	4.6	17.2	3.0	1.9	4.9
	Total	20.4	7.2	27.6	30.6	14.7	45.2	10.2	7.5	17.7
Asia & Oceania	Excavator	36.3	13.4	49.6	52.8	22.7	75.5	16.5	9.3	25.9
	Dump Truck	22.7	8.1	30.8	17.9	4.7	22.6	-4.8	-3.4	-8.2
	Total	59.0	21.5	80.5	70.7	27.4	98.1	11.7	5.9	17.6
China	Excavator	0.4	0.4	0.7	0.5	0.2	0.6	0.1	-0.2	-0.1
	Dump Truck	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
	Total	0.4	0.4	0.8	0.6	0.2	0.7	0.1	-0.2	-0.1
Japan	Excavator	0.9	0.7	1.6	0.9	0.3	1.2	0.0	-0.3	-0.3
	Dump Truck	0.3	0.1	0.4	0.0	0.0	0.0	-0.3	-0.1	-0.4
	Total	1.2	0.8	2.0	0.9	0.3	1.3	-0.3	-0.4	-0.7
Total	Excavator	56.3	21.6	77.9	80.0	34.0	114.0	23.7	12.5	36.1
	Dump Truck	33.5	12.1	45.6	32.6	10.0	42.6	-1.0	-2.0	-3.0
	Total	89.8	33.7	123.5	112.5	44.1	156.6	22.7	10.4	33.1

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 FY2021 3Q, and in the 1.1 billion yen in the forecast for FY2021.

[billions of yen]

FY2021 1Q-3Q Actual	Reportable segment				Adjustments*1	Total
	Construction Machinery Business		Solution Business			
Revenue	655.7		67.2		-2.6	720.4
Adjusted operating income	8.6%	56.5	7.2%	4.8	-	8.5% 61.3

[billions of yen]

FY2021 Forecast	Reportable segment				Adjustments *1	Total
	Construction Machinery Business		Solution Business			
Revenue	862.1		87.9		0.0	950.0
Adjusted operating income	8.9%	76.7	8.3%	7.3	-	8.8% 84.0

\*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.**



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD

## **[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.

## **[Trademark notes]**

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# END

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