

# **Explanatory Meeting for Business Results for the First Quarter ended June 30, 2022**

July 28, 2022

**Keiichiro Shiojima**

Vice President and Executive Officer & CFO

**Hidehiko Matsui**

Executive Officer & CMO

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

# 1. Regional Market Environments and Projections

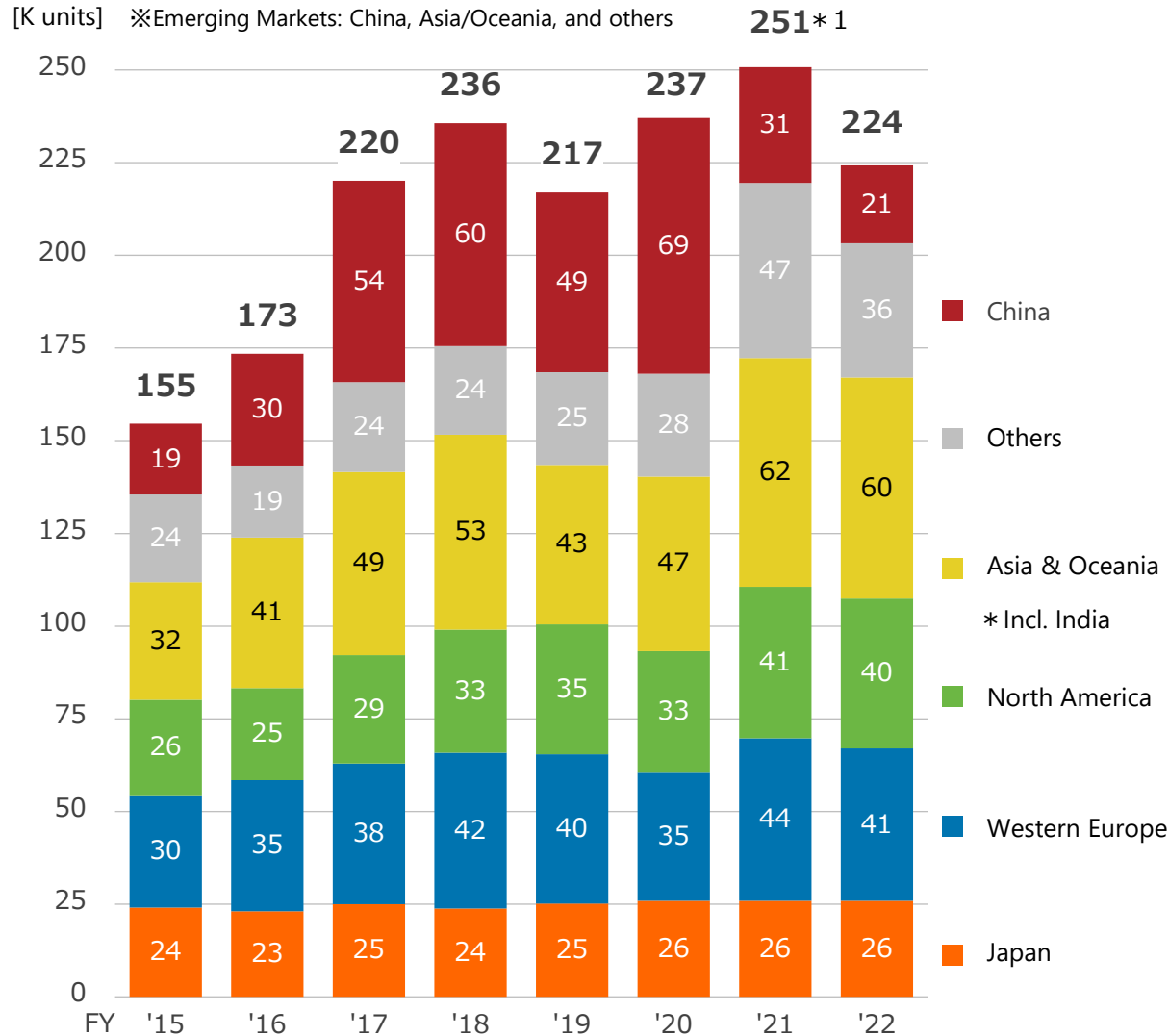
**Hidehiko Matsui**  
Executive Officer & CMO

# Global Demand Trend for Hydraulic Excavators

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Reliable solutions

**Emerging Markets ratio:**  
**FY2022 52% ( y-y Change : -4%)**



## Year-on-Year Change by Region

※Estimates by HCM, Excluding Chinese manufacturers  
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	'21	'22
Total	+6%	-11%
China	-55%	-33%
Russia,CIS, E Europe	+81%	-47%
Africa	+70%	-14%
Middle East	+77%	-0%
Latin America	+59%	-15%
Others	+70%	-23%
Asia	+47%	-3%
India	+9%	-5%
Oceania	+43%	-3%
Asia & Oceania	+31%	-3%
N America	+25%	-1%
W Europe	+27%	-6%
Japan	+0%	-0%

\*1:FY2021 has been revised from estimated demand to actual demand. (As of April: 243K units)

\*Demand is Hitachi Construction Machinery estimates.

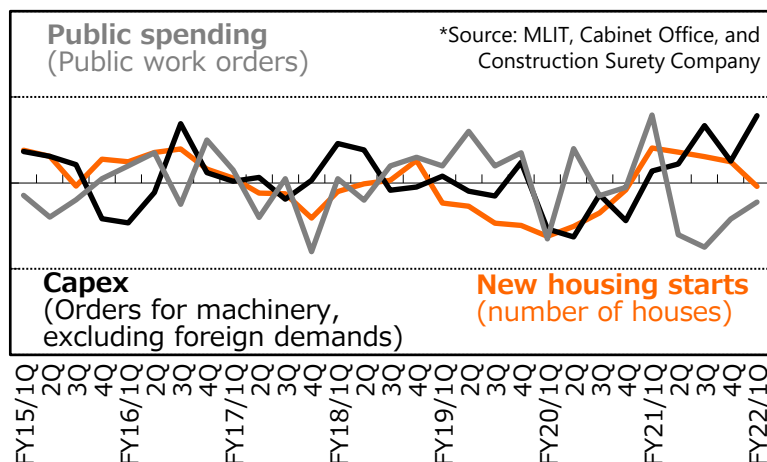
# Japan: First Quarter (April to June 2022)

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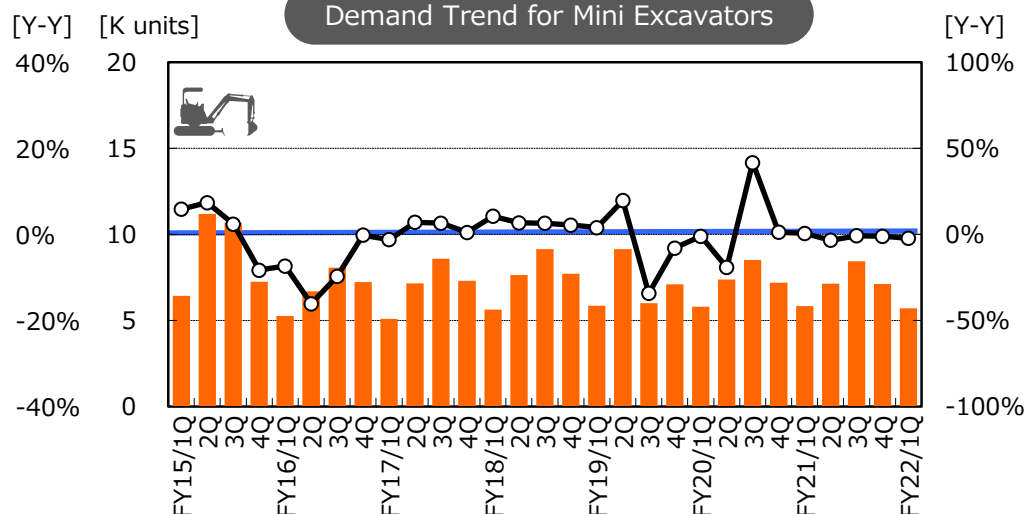
Reliable solutions

- Housing investment & Public spending remain strong. Capex continues to increase.
- Demand for Hydraulic excavators decreased: Hydraulic Excavators -9%, Mini Excavators -2%, Wheel Loaders -9% y-y, respectively.

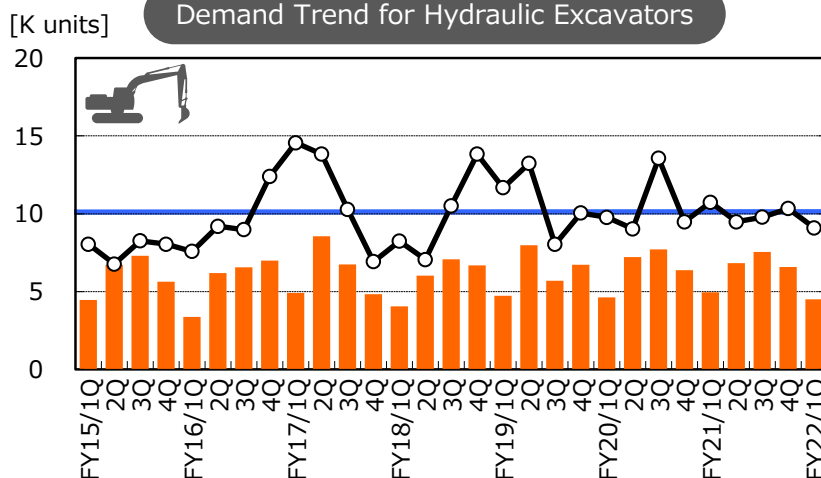
Market Environment Housing, Capex, Public Spending



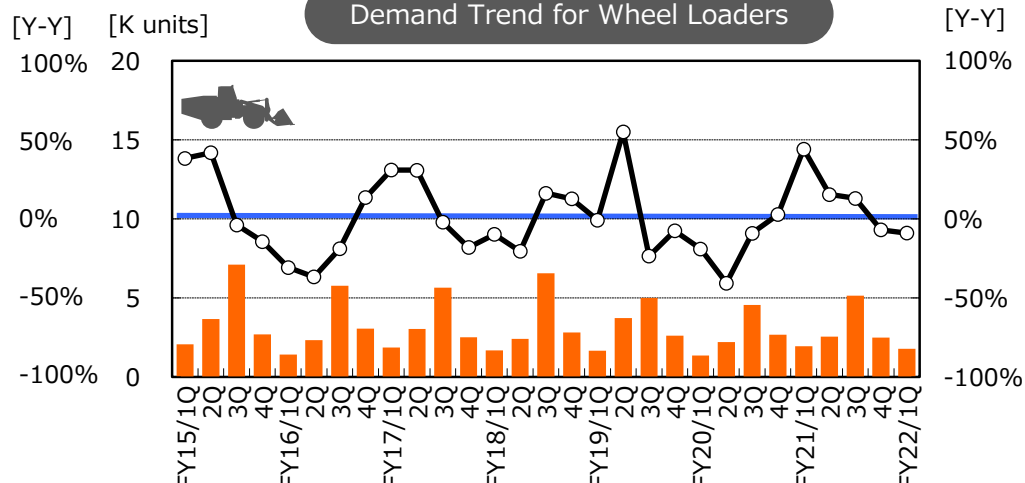
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



# Europe: First Quarter (April to June 2022)

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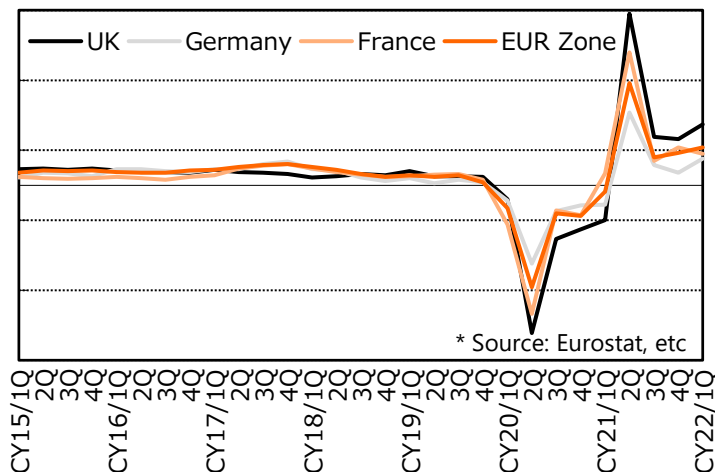
Reliable solutions

- GDP growth rate in CY22 1Q increased.
- Demand for Hydraulic excavators decreased: Hydraulic Excavators -12%, Mini Excavators -9%, Wheel Loaders -17% y-y, respectively.

GDP Growth Rate in Major Countries

[Y-Y]

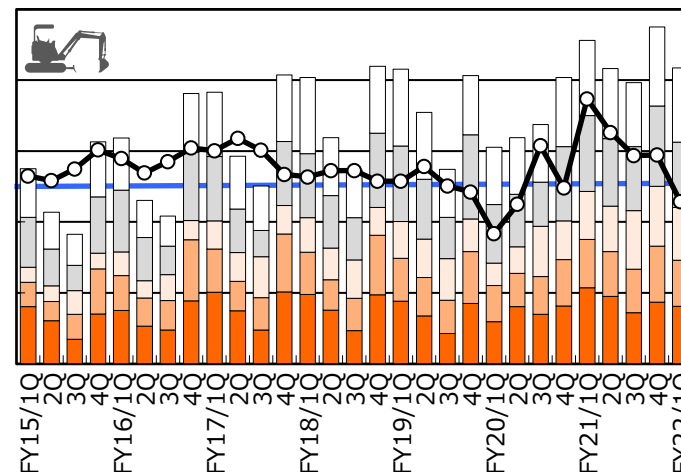
25%  
15%  
5%  
-5%  
-15%  
-25%



Demand Trend for Mini Excavators

[K units]

25  
20  
15  
10  
5  
0

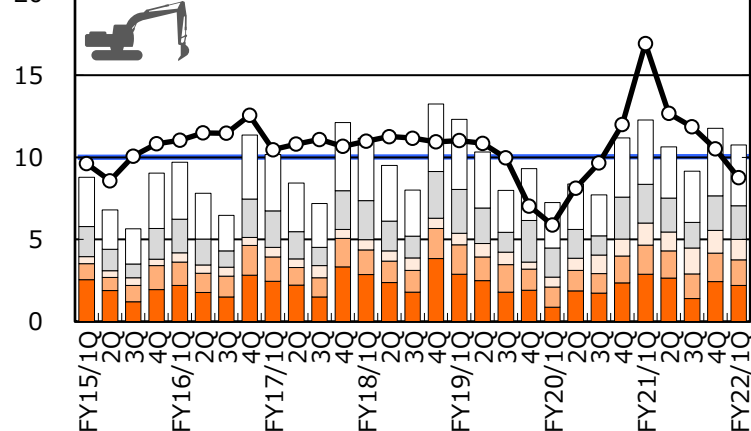


[Y-Y]

100%  
50%  
0%  
-50%  
-100%

Demand Trend for Hydraulic Excavators

[K units]

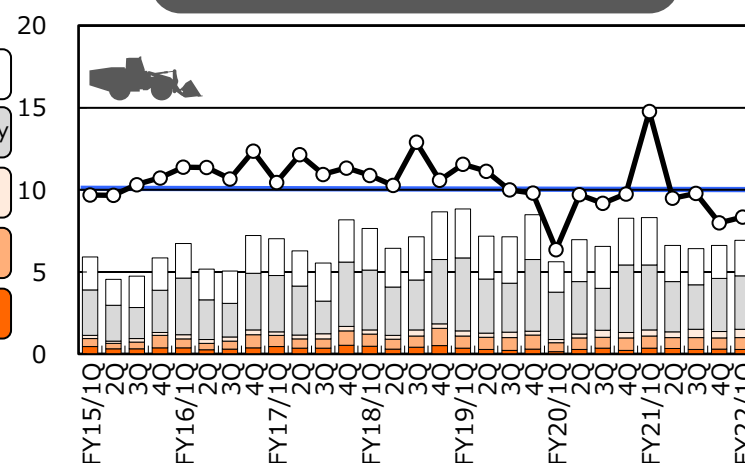


[Y-Y]

100%  
50%  
0%  
-50%  
-100%

Demand Trend for Wheel Loaders

[K units]



[Y-Y]

100%  
50%  
0%  
-50%  
-100%

\*Demand: Hitachi Construction Machinery estimates

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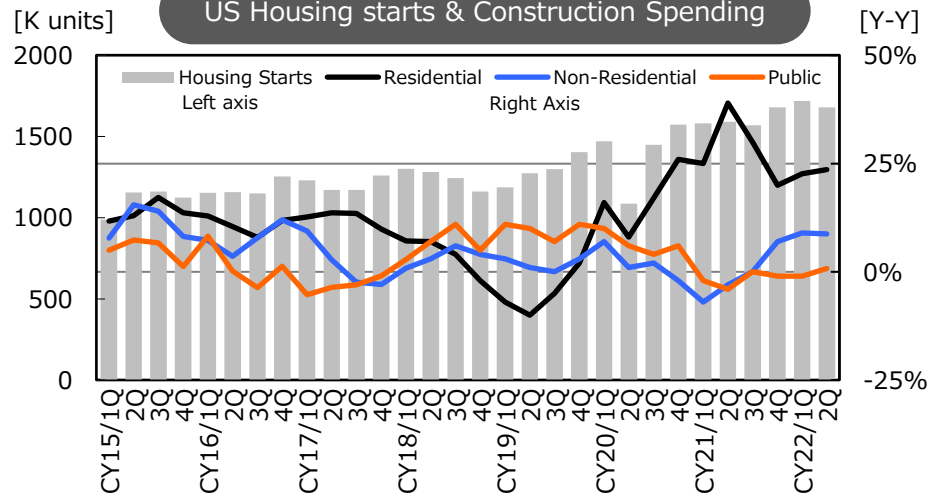
# North America: First Quarter (April to June 2022)

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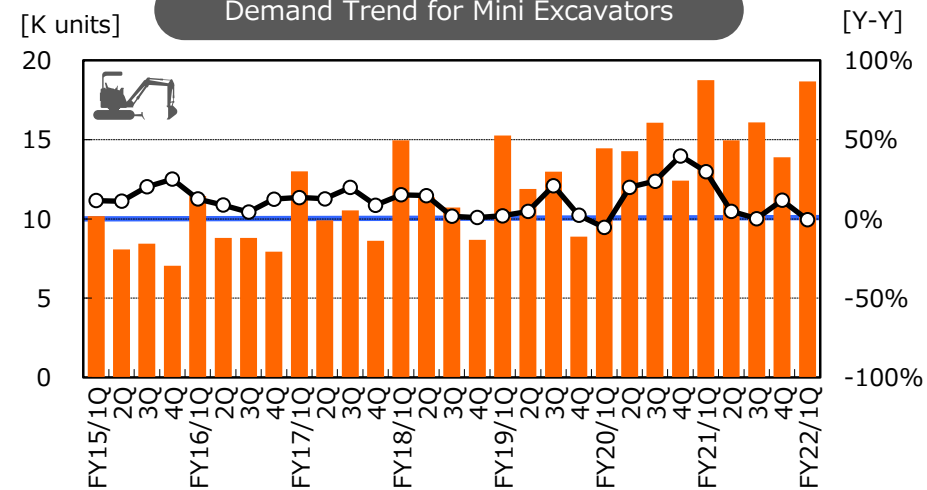
Reliable solutions

- Housing market remains strong. Construction spending increased in Non-residential, stayed flat in Public.
- Demand for Hydraulic excavators remained strong: Hydraulic Excavators 0%, Mini Excavators -1%, Wheel Loaders +2% y-y, respectively.

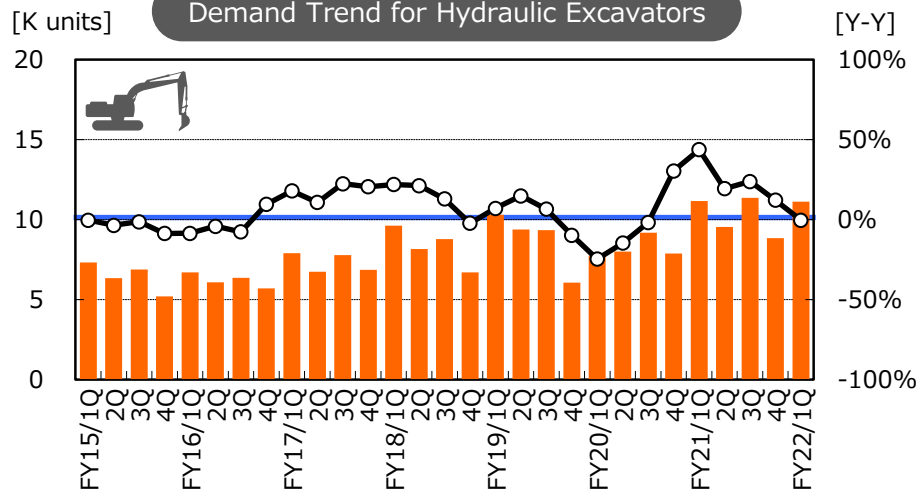
US Housing starts & Construction Spending



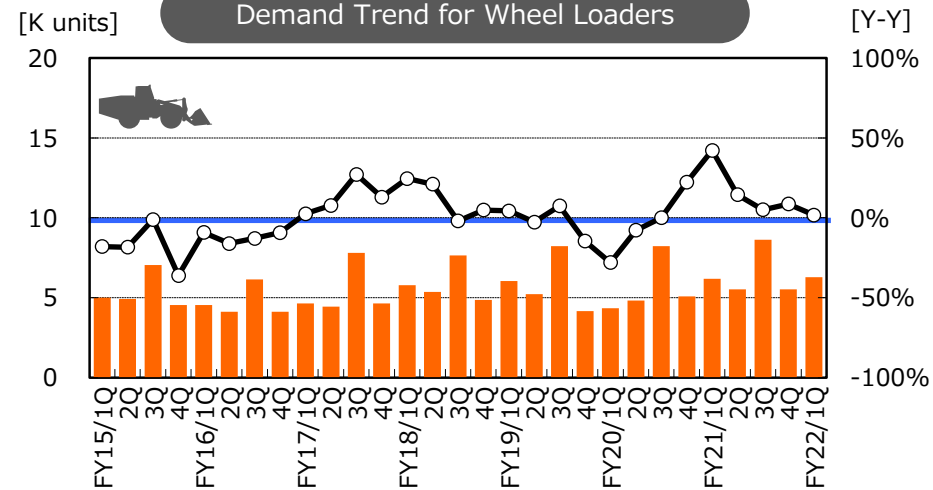
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



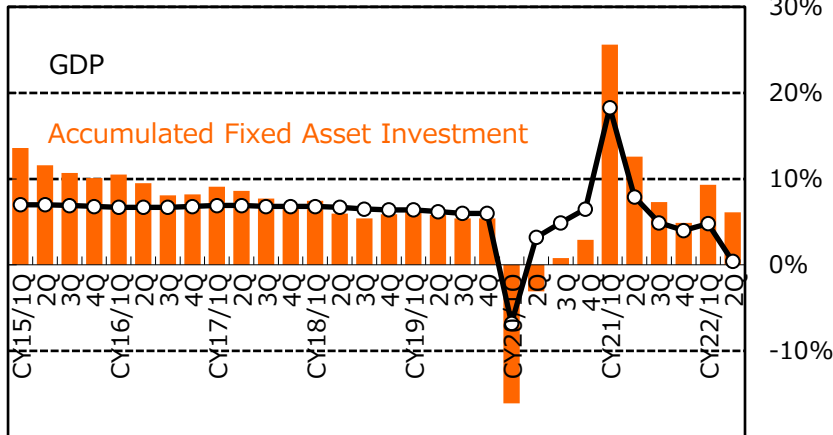
\*Demand: Hitachi Construction Machinery estimates

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# China: First Quarter (April to June 2022)

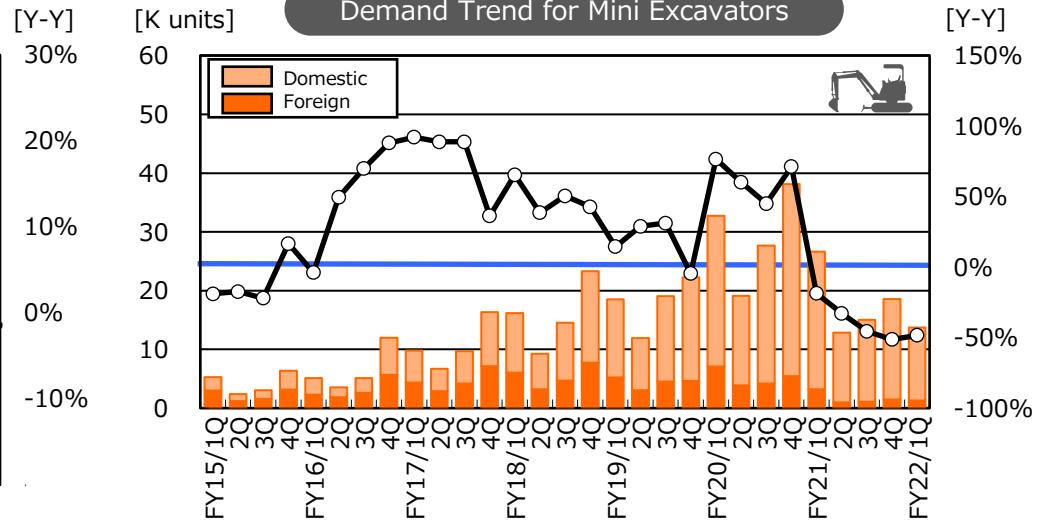
- GDP growth rate slowed to +0.4%.
- Demand for Hydraulic excavators decreased significantly: Hydraulic Excavators -48%, Mini Excavators -48% y-y, respectively. (Includes domestic manufactures)

GDP and Fixed Asset Investment

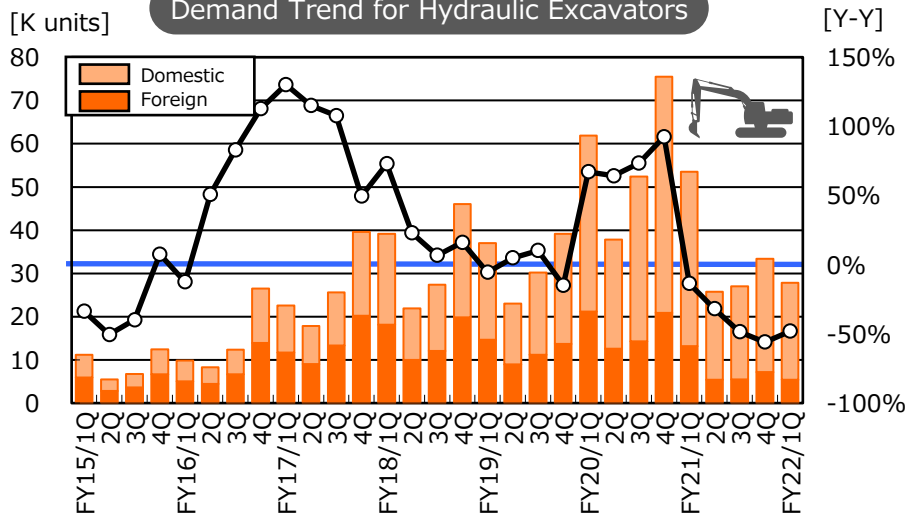


\* National Bureau of Statistics of China

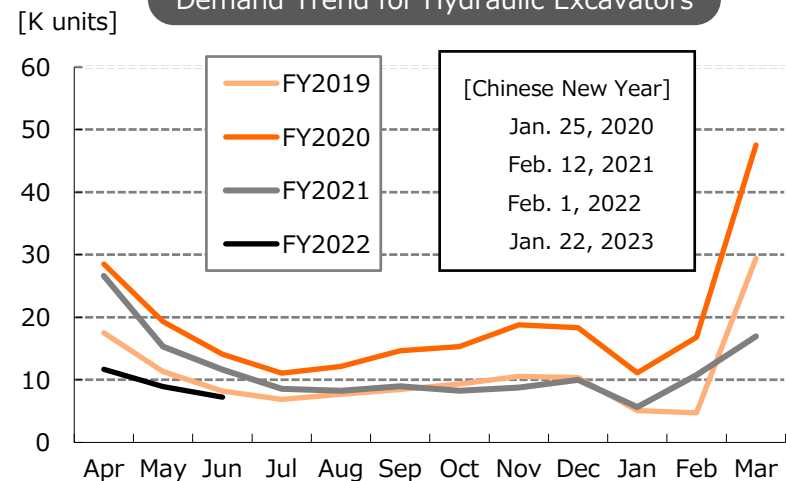
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators

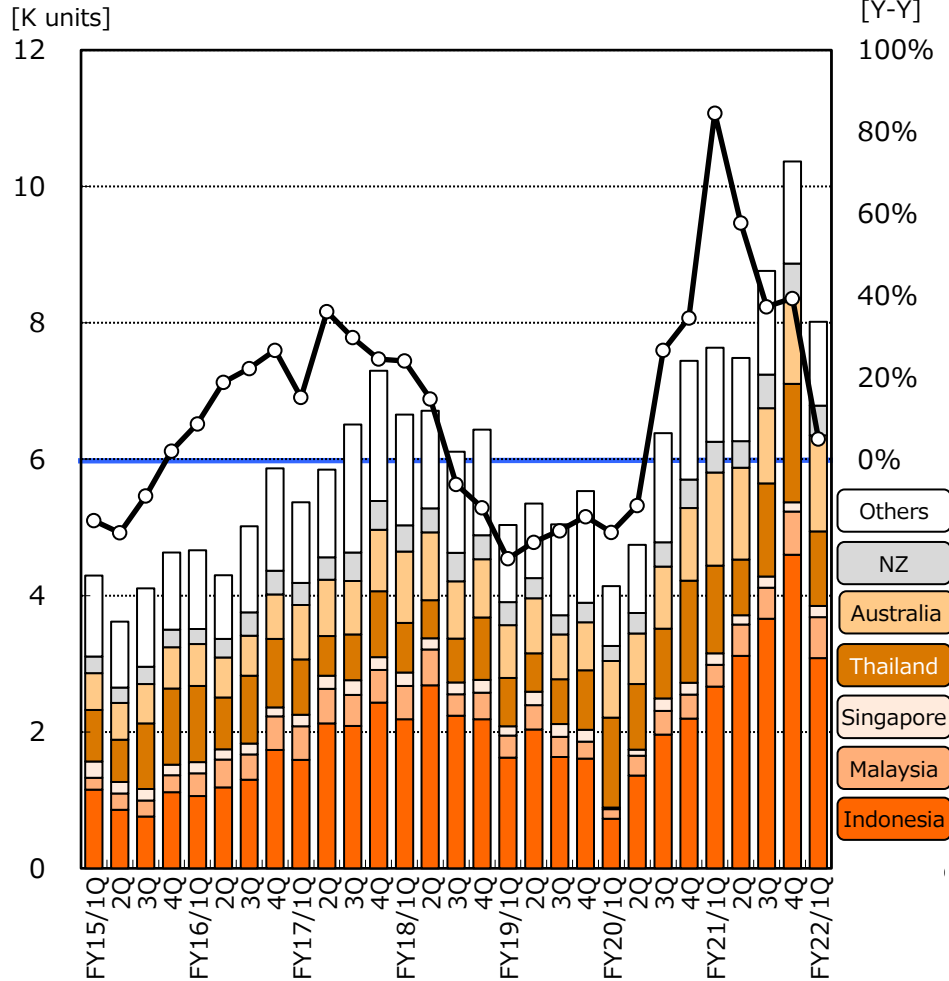


Demand Trend for Hydraulic Excavators

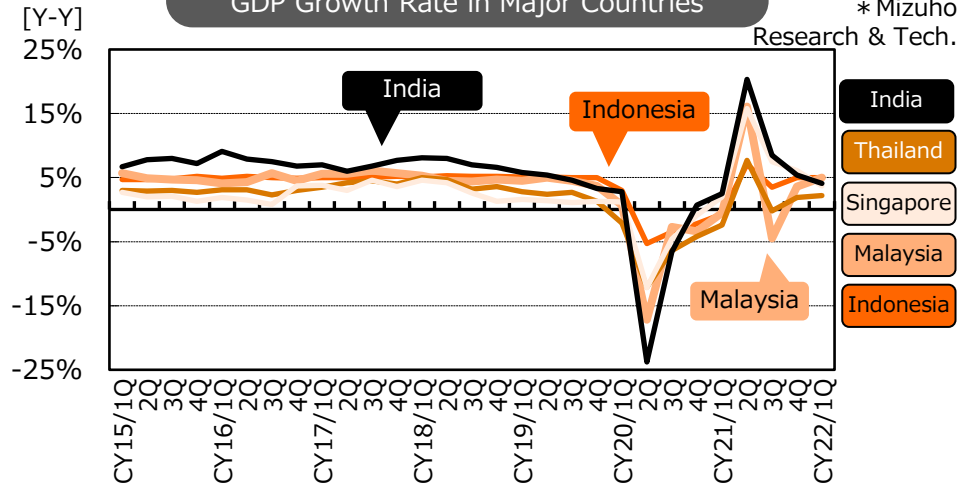


■ Demand for Hydraulic excavators increased in the Asia & Oceania region +5%, India +27% y-y, respectively.

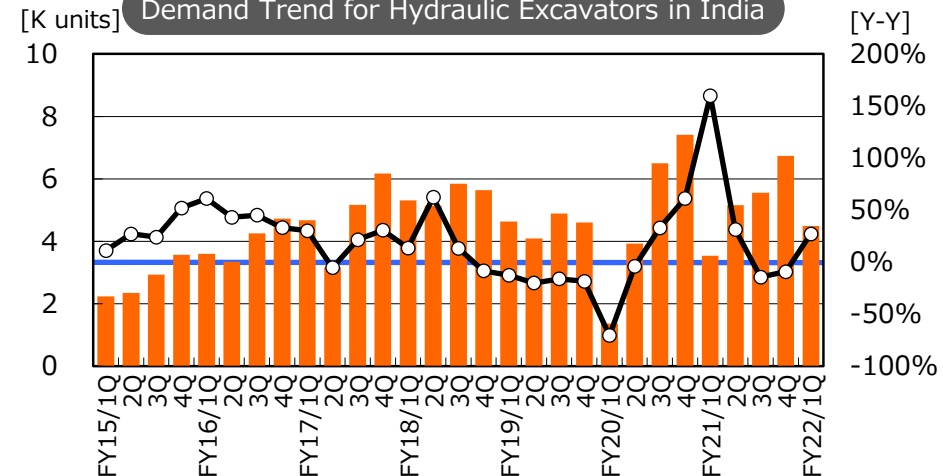
Demand Trend for Hydraulic Excavators in Asia & Oceania



GDP Growth Rate in Major Countries



Demand Trend for Hydraulic Excavators in India



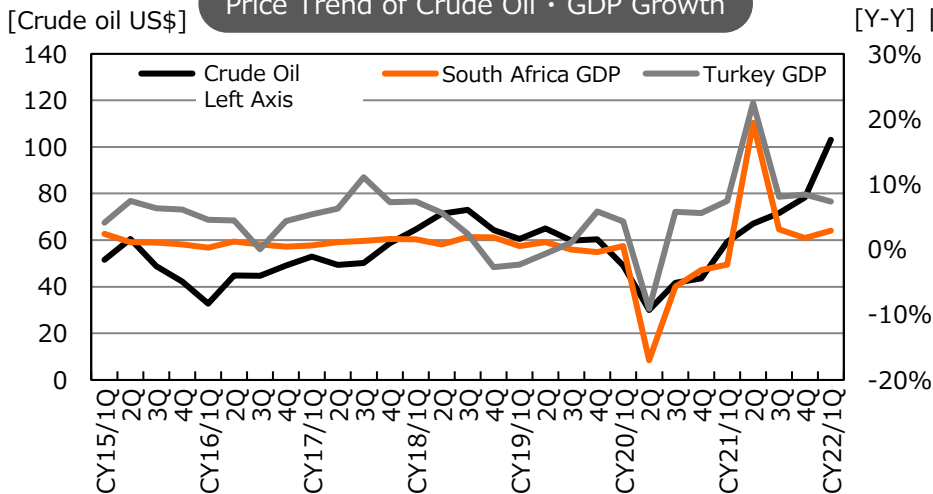
# Russia, Middle East, Africa: First Quarter (April to June 2022)

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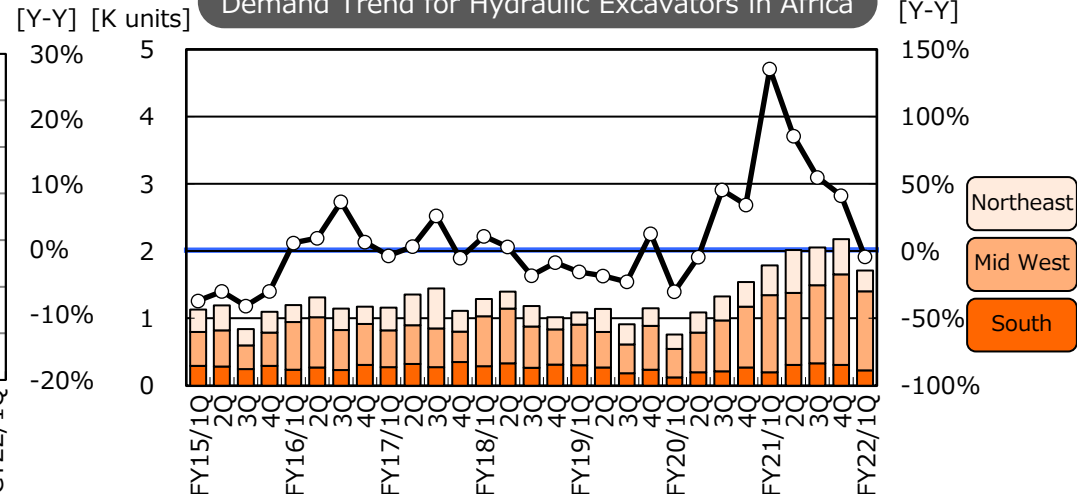
Reliable solutions

- Demand for Hydraulic excavators decreased in Russia -60%, Africa -4% y-y, respectively
- Demand for Hydraulic excavators increased in the Middle East +7% y-y

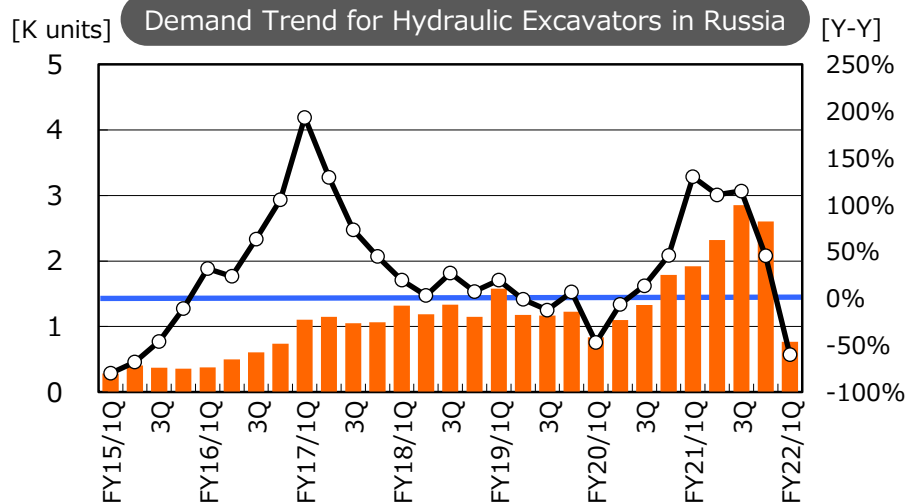
Price Trend of Crude Oil · GDP Growth



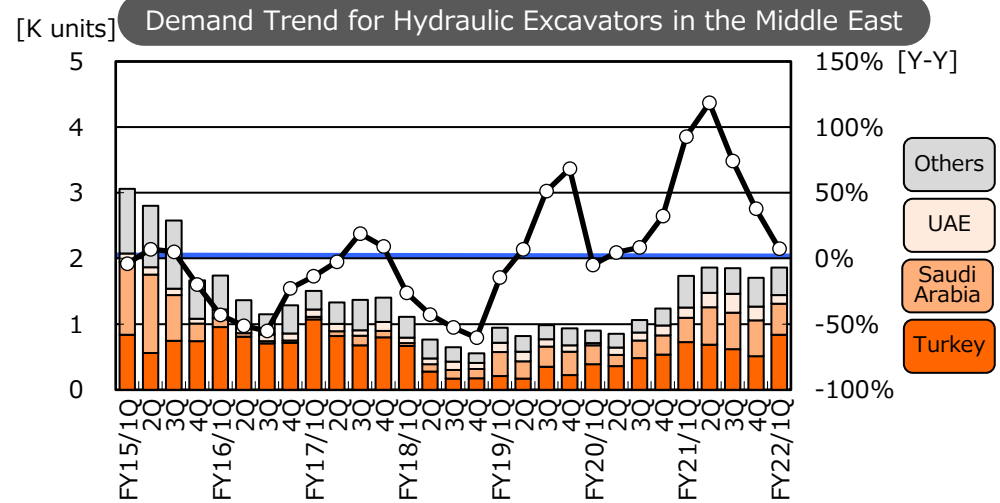
Demand Trend for Hydraulic Excavators in Africa



Demand Trend for Hydraulic Excavators in Russia



Demand Trend for Hydraulic Excavators in the Middle East

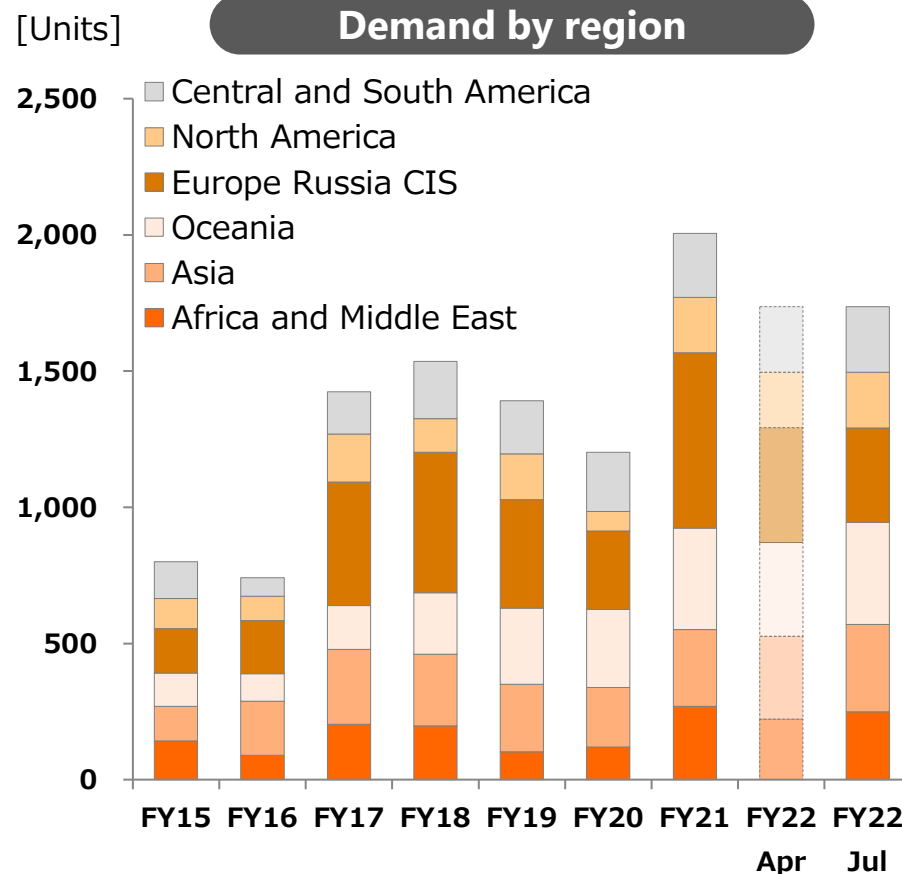
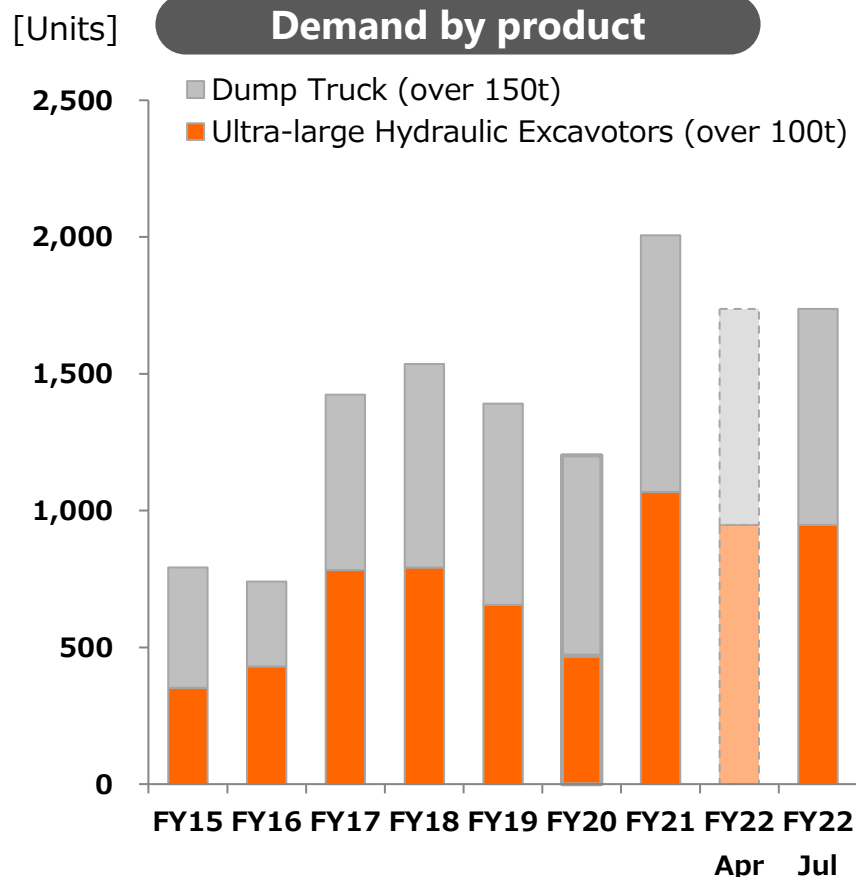


\*Demand: Hitachi Construction Machinery estimates

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- Demand increased in Oceania & Asia. Export restrictions have resulted in a large decrease in demand in Russia.
- FY2022 forecasts have not changed since our previous forecasts in April.  
(FY2021 demand has been revised up from estimates to actual results.  
As a result, FY2022 demand forecast vs FY2021 demand changed from -5% to -10 ~ -15%.)

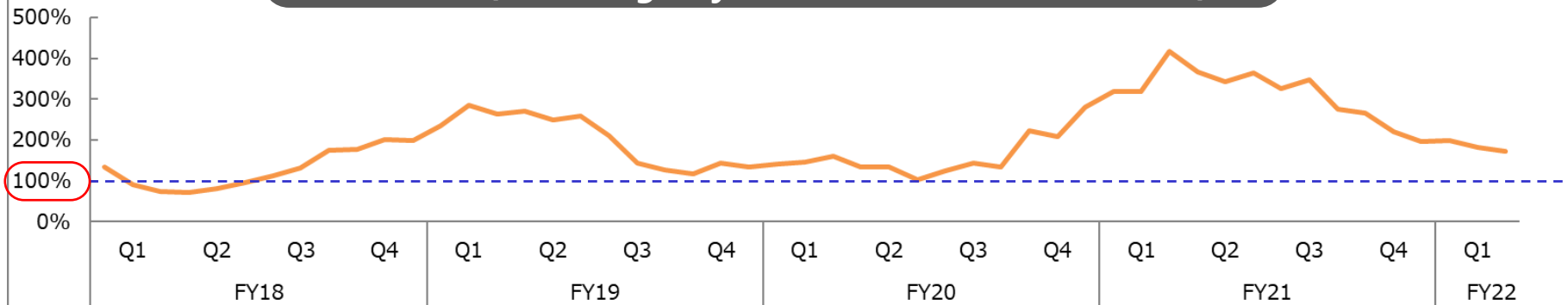
## Ultra-large Hydraulic Excavators (over 100t), Dump Trucks(over 150t)



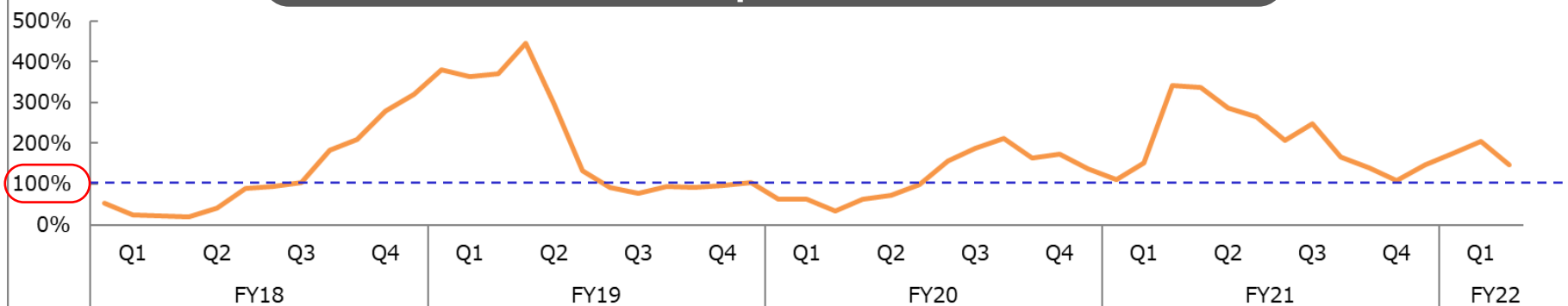
\*1: FY2021 has been revised from estimated demand to actual demand.

\*Demand is Hitachi Construction Machinery estimates.

## 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)

## Promoting efficiency in parts supply in the Americas and globally

- In North America, Jackson Parts Warehouse has begun operation to supply parts throughout the Americas.
- In Japan, Ami Parts Center is in operation to supply mining service parts globally.



In cooperation with parts centers in Japan  
Service parts are being supplied throughout the Americas.

- 
- Regional headquarters  
(Locations supplying parts)
- 
- Main remanufacturing works

**We are expanding parts and service business globally in collaboration with regional headquarters' parts depots in each region.**

## Promoting advertising campaigns for North America

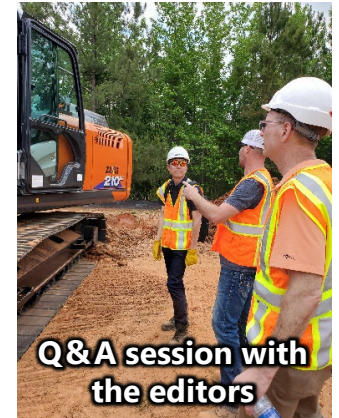
- Commenced under the slogan **"REPUTATIONS ARE BUILT ON IT."**
- The market reputation and reliability\* gained from the wheel loaders are being rolled out to all products.

\* The ConSite adoption rate in North America is over 95% (as of the end of March 2022)



## Events for dealers and the media

- Kick-off events between North American dealers and our top management are being held to deepen mutual understanding of market needs.
- Industry media were introduced to the new products and were interested in the differences from previous models and the latest communication technologies.



**Full-scale sales activities are being launched, publicizing our reputation in other regions, the advanced nature of the technology, and ConSite.**

## Auction of the 1980s UH063 hydraulic excavator from the UK market, with proceeds donated (conducted from June to July 2022)

- Sales of £35,000 (approx. ¥5.6 million) were donated to charity such as those supporting construction workers.
- UH063, restored to its original appearance, will be displayed in the office of the highest bidder.



## Sponsorship of the Kasumigaura Marathon and International Blind Marathon 2022 (to be held in April 2022)

- Hitachi Construction Machinery has been a special sponsor since 2006 as a local company.
- 320 employees support the marathon operation.



## **2. Business Results for the First Quarter ended June 30, 2022**

(April 1, 2022 - June 30, 2022)

**Keiichiro Shiojima**

Vice President and Executive Officer & CFO

In 1Q of the year, the impact of COVID-19 diminished, capturing strong demand expect China, and, due to depreciation of the yen, revenue increased by 17% y-y and adjusted operating income increased by 74%.

[billions of yen]

		FY2022 1Q		FY2021 1Q		change
Revenue		267.5		228.1		17%
Adjusted operating income *1		7.7%	20.6	5.2%	11.8	74%
Operating income		8.1%	21.8	5.2%	11.9	83%
Income before income taxes		10.1%	27.0	5.3%	12.0	125%
Net income attributable to owners of the parent		6.9%	18.6	3.1%	7.1	161%
EBIT *2		10.5%	28.1	5.5%	12.7	122%
FX rate	Rate (YEN/USD)	129.6		109.5		20.1
	Rate (YEN/EUR)	138.1		132.0		6.2
	Rate (YEN/RMB)	19.6		17.0		2.6
	Rate (YEN/AUD)	92.6		84.3		8.3

\*1 "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

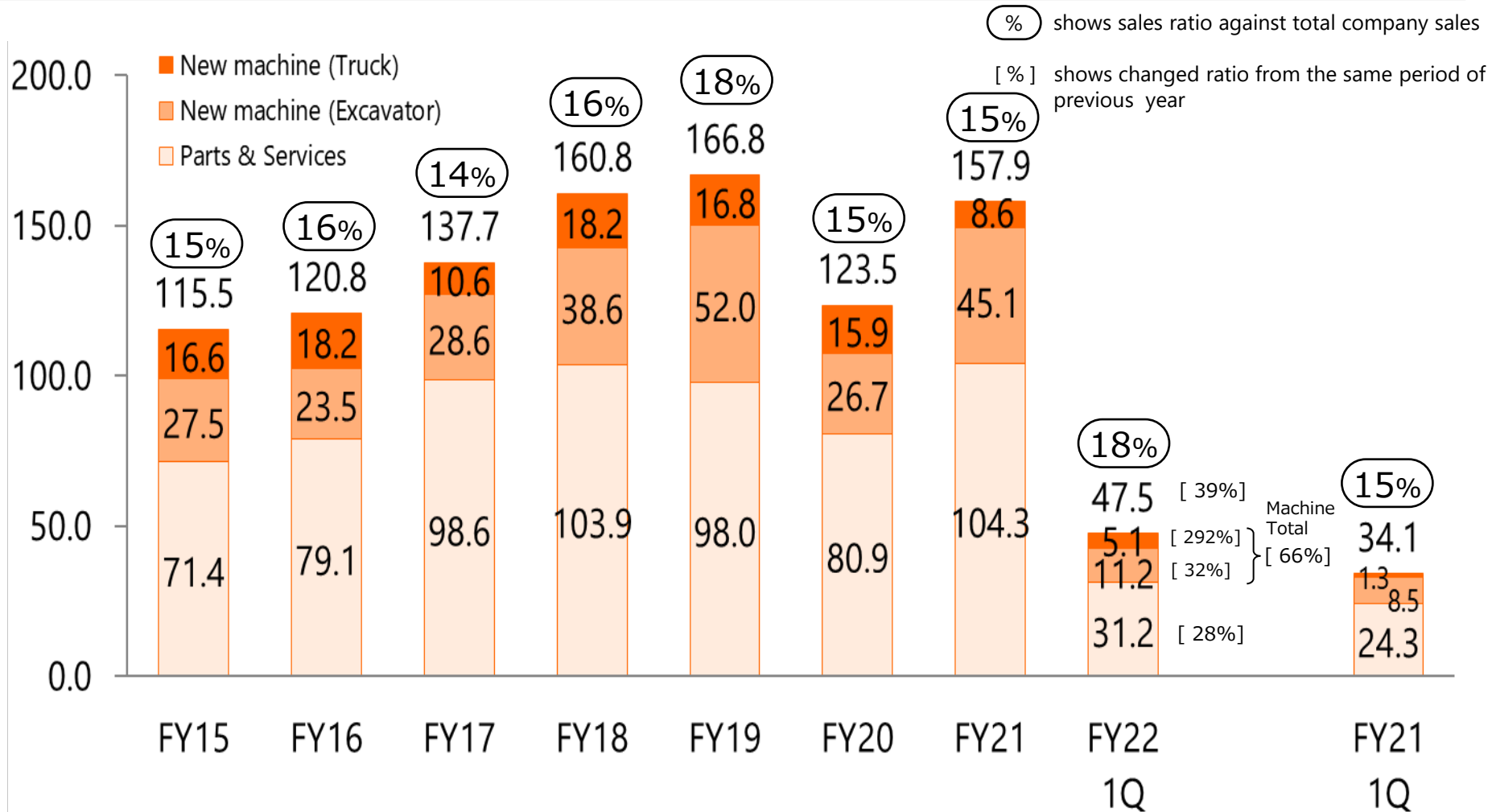
\*2 "EBIT" stands for Earnings Before Interests and Taxes, and is calculated by excluding "Interest income" and "Interest expenses" from "Income before income taxes"

Revenue increased in each region y-y, except China, M.East, and Japan, and consolidated revenue increased by 39.4 billion yen.

[billions of yen]

	FY2022 1Q		FY2021 1Q		change	
					amount	%
Japan	43.0	16%	43.2	19%	-0.2	-1%
Asia	23.3	9%	16.3	7%	7.1	43%
India	13.3	5%	9.9	4%	3.4	34%
Oceania	50.1	19%	39.7	17%	10.5	26%
Europe	38.8	15%	31.4	14%	7.4	24%
N.America	53.9	20%	42.1	18%	11.8	28%
L.America	7.3	3%	4.7	2%	2.6	55%
Russia-CIS	12.0	4%	7.6	3%	4.4	58%
M.East	6.0	2%	6.5	3%	-0.5	-8%
Africa	10.0	4%	9.3	4%	0.8	8%
China	9.9	4%	17.5	8%	-7.7	-44%
Total	267.5	100%	228.1	100%	39.4	17%
Overseas ratio	84%		81%			

Revenue of mining increased by 39% to 47.5 billion yen y-y due to strong demand for new machinery, increased sales volume in parts and service, and depreciation of the yen.

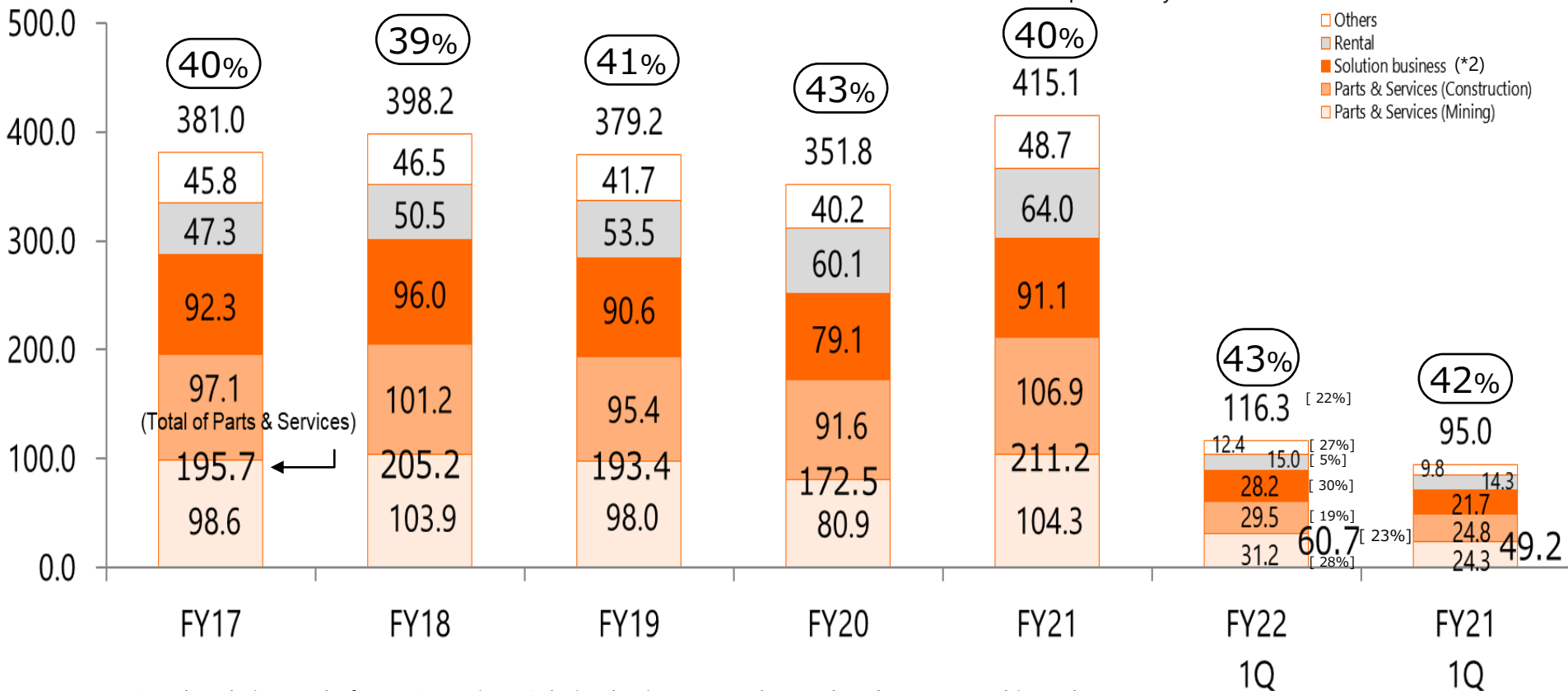


Revenue of the value chain business increased by 22% to 116.3 billion yen y-y due to increased sales volume in all segments and depreciation of the yen.

[billions of yen]

(%) shows sales ratio against total company sales

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



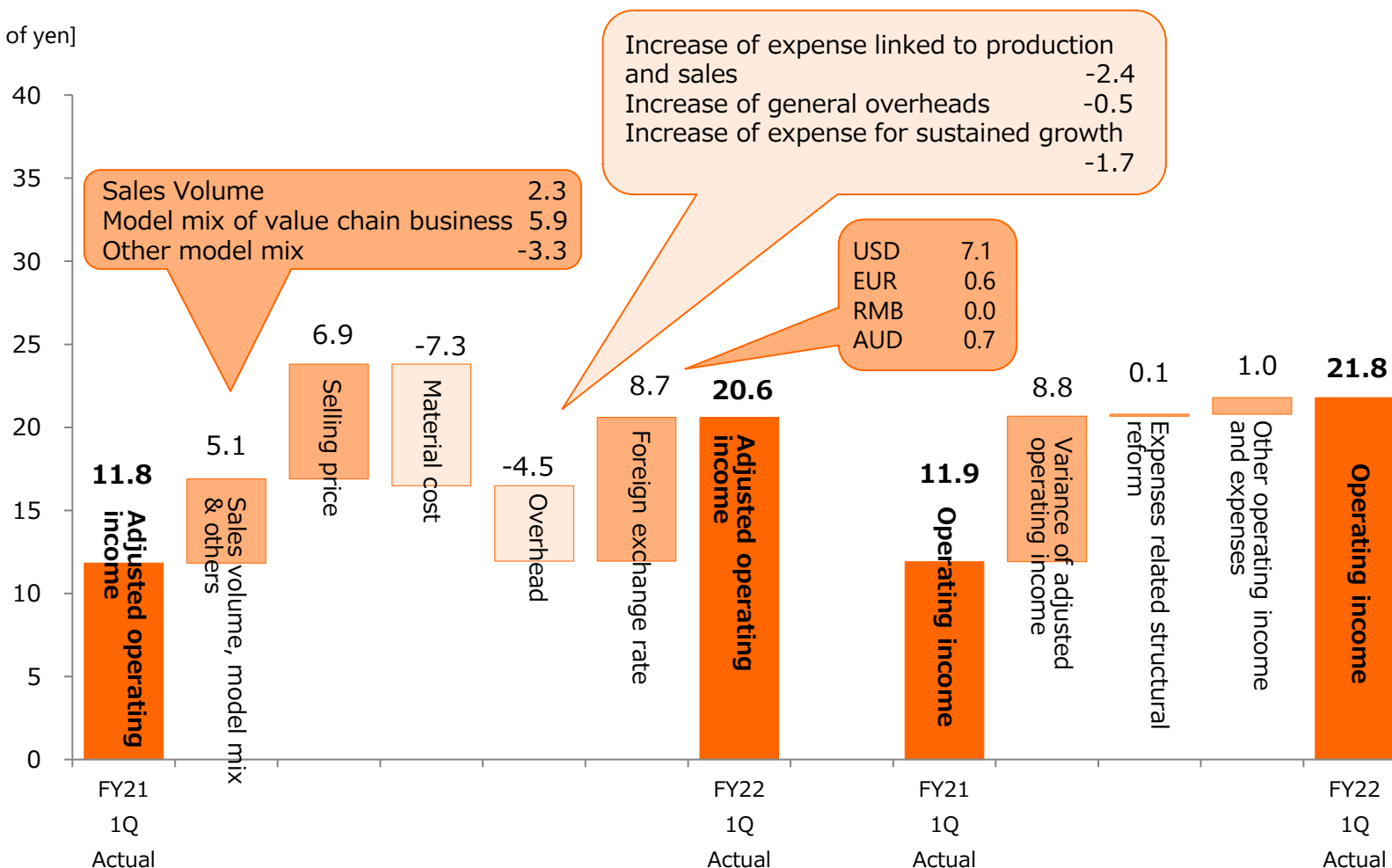
(\*1) Value chain: Total of Parts & services, Solution business, Rental etc. other than new machine sales.

(\*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

Adjusted operating income increased by 8.8 billion yen y-y due to increased sales volume and model mix, price increase, and depreciation of the yen.

[billions of yen]



Net income attributable to owners of the parent increased by 11.4 billion yen to 18.6 billion yen y-y.

[billions of yen]

	FY2022 1Q		FY2021 1Q		change	
					amount	%
Revenue		267.5		228.1	39.4	17%
Cost of Sales	(72.5%)	193.9	(75.4%)	172.1	21.9	13%
SGA expenses	(19.8%)	53.0	(19.4%)	44.2	8.8	20%
Adjusted operating income *1	(7.7%)	20.6	(5.2%)	11.8	8.8	74%
Other Income/expenses		1.2		0.1	1.1	-
Operating income	(8.1%)	21.8	(5.2%)	11.9	9.9	83%
Financial income/expenses		4.6		-1.1	5.7	-
Share of profits of investments accounted for using the equity method		0.6		1.2	-0.6	-51%
Income before income taxes	(10.1%)	27.0	(5.3%)	12.0	14.9	125%
Income taxes		7.4		4.2	3.3	78%
Net income	(7.3%)	19.5	(3.4%)	7.8	11.7	149%
Net income attributable to owners of the parent	(6.9%)	18.6	(3.1%)	7.1	11.4	161%

\*Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

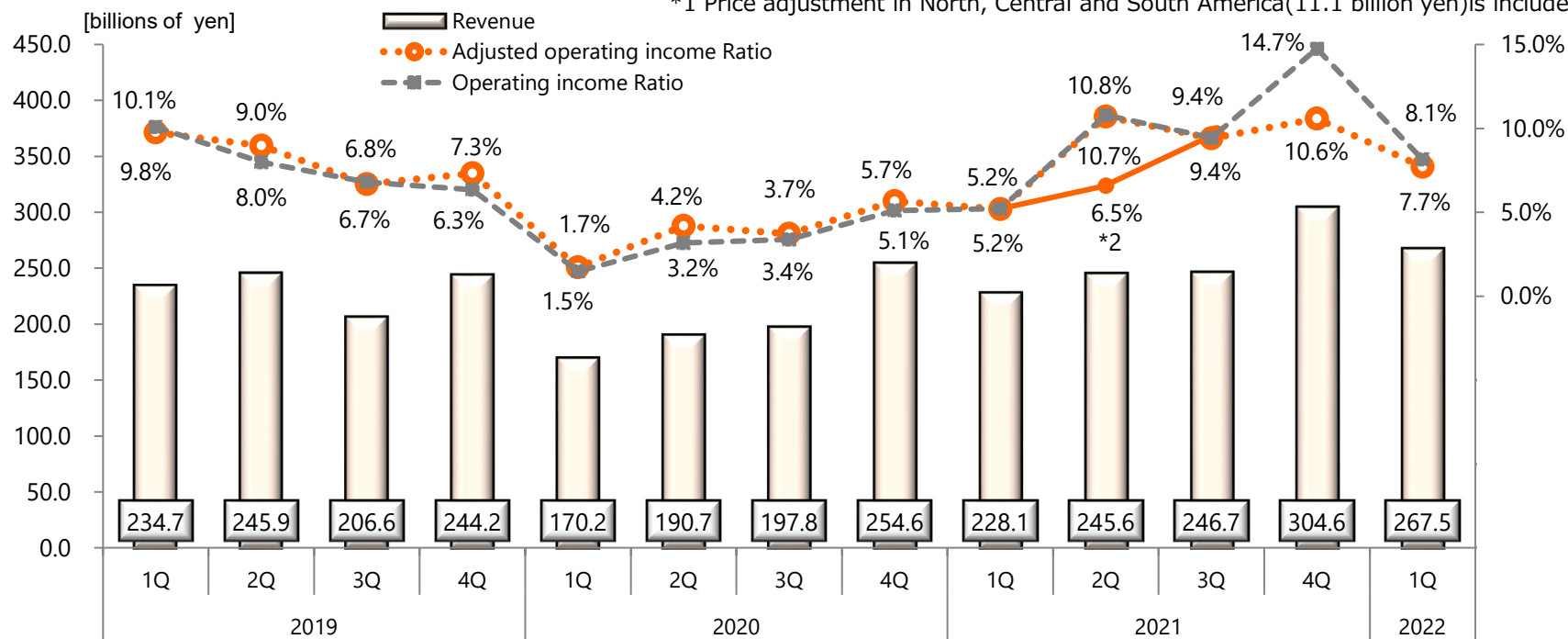
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[billions of yen]

	2019				2020				2021				2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q*1	3Q	4Q	1Q
Revenue	234.7	245.9	206.6	244.2	170.2	190.7	197.8	254.6	228.1	245.6	246.7	304.6	267.5
Adjusted operating income	22.9	22.1	13.8	17.9	2.9	8.0	7.4	14.4	11.8	26.3	23.2	32.2	20.6
Operating income	23.7	19.6	14.1	15.5	2.5	6.0	6.7	13.0	11.9	26.5	23.3	44.9	21.8

\*1 Price adjustment in North, Central and South America(11.1 billion yen) is included.



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

FX rate	2019				2020				2021				2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Rate (YEN/USD)	109.9	107.4	108.8	108.9	107.6	106.2	104.5	105.9	109.5	110.1	113.7	116.2	129.6
Rate (YEN/EUR)	123.5	119.3	120.3	120.1	118.5	124.1	124.5	127.7	132.0	129.8	130.1	130.4	138.1
Rate (YEN/RMB)	16.1	15.3	15.5	15.6	15.2	15.4	15.8	16.4	17.0	17.0	17.8	18.3	19.6
Rate (YEN/AUD)	76.9	73.6	74.3	71.8	70.7	75.9	76.3	81.8	84.3	80.9	82.9	84.0	92.6

# Consolidated statement of financial position

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Total assets increased by 123.6 billion yen y-y due to increase in cash and cash equivalents and inventories.

[billions of yen]

	(A) FY22-1Q	(B) Mar '2022	(C) FY21-1Q	(A)-(B) change		(D) FY22-1Q	(E) Mar '2022	(F) FY21-1Q	(D)-(E) Change
Cash and cash equivalents	148.9	94.3	72.7	54.6	Trade and other payables	245.4	252.2	191.9	-6.8
Trade receivables	251.7	266.3	195.2	-14.6	Bonds and borrowings	437.3	353.1	328.3	84.2
Inventories	419.1	368.3	308.3	50.8	Total liabilities	831.4	741.6	646.8	89.8
Total current assets	861.7	764.4	612.3	97.4	(Equity attributable to owners of the parent ratio)	(41.8%)	(43.4%)	(42.6%)	(-1.6%)
Total non-current assets	671.4	645.2	612.2	26.2	Total equity	701.7	667.9	577.7	33.8
Total assets	1,533.1	1,409.6	1,224.5	123.6	Total liabilities and equity	1,533.1	1,409.6	1,224.5	123.6
Trade receivables incl. non-current	295.4	309.0	236.0	-13.6					
Inventories by products									
Unit	123.4	108.9	84.4	14.5		(28.5%)	(25.1%)	(26.8%)	(3.5%)
Parts	141.4	132.6	104.3	8.8	Interest-bearing debt	437.3	353.1	328.3	84.2
Raw materials, WIP and etc	154.3	126.8	119.6	27.5	Cash and Cash equivalents	148.9	94.3	72.7	54.6
Total inventories	419.1	368.3	308.3	50.8	Net interest-bearing debt	(18.8%)	(18.4%)	(20.9%)	(0.4%)
On hand days(divided by revenue)				(Days)	Debt	288.4	258.9	255.6	29.6
Trade receivables	101	110	99	-9					
Inventories	144	131	129	13	Net D/E Ratio	0.45	0.42	0.49	0.03
Trade payables	51	51	47	-1					
Net working capital	190	186	178	4					

Free cash flows increased by 1.1 billion yen y-y.

[billions of yen]

	FY2022 1Q		FY2021 1Q		change	
Net income		19.5		7.8		11.7
Depreciation and amortization	34.4	14.9	21.2	13.3	13.3	1.6
(Increase)decrease in trade/lease receivables		42.8		18.6		24.2
(Increase)decrease in inventories		-25.8		-10.3		-15.5
Increase(decrease) in trade payables	14.0	-2.9	9.1	0.9	4.9	-3.8
Others, net		-38.3		-23.6		-14.6
Net cash provided by (used in) operating activities		10.2		6.7		3.5
Cash flow margin for operating activities		3.8%		2.9%		0.9%
Net cash provided by (used in) investing activities		-10.6		-8.2		-2.4
Free cash flows		-0.4		-1.5		1.1
Net cash provided by (used in) financing activities		46.6		-6.6		53.2

# Summary of consolidated earnings forecast

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The consolidated income statement for FY2022 is expected to increase sales by 15.0 billion yen y-y due to depreciation of the yen at the forecast exchange rate despite incorporating Russian business risk.

[billions of yen]

note : < > shows previous forecast as of April 2022

	FY2022 Forecast		FY2021 Actual	change	
				amount	%
Revenue	<960.0>	1,040.0	1,025.0	15.0	1%
Adjusted operating income	<8.3%> <80.0>	(9.0%) 94.0	(9.1%) 93.5	(-0.1%) 0.5	1%
Operating income	<7.9%> <76.0>	(8.7%) 90.0	(10.4%) 106.6	(-1.7%) -16.6	-16%
Income before income taxes	<7.7%> <74.0>	(8.7%) 90.0	(10.8%) 110.9	(-2.2%) -20.9	-19%
Net income attributable to owners of the parent	<4.7%> <45.0>	(5.5%) 57.0	(7.4%) 75.8	(-1.9%) -18.8	-25%
EBIT	<76.8>	95.0	114.0	-19.0	
Currency	1Q Actual	2Q-4Q Forecast	Total Forecast	FY2021 Actual	change
Rate (YEN/USD)	129.6	130.0	129.9	112.6	17.3
Rate (YEN/EUR)	138.1	140.0	139.5	130.6	8.9
Rate (YEN/RMB)	19.6	19.5	19.5	17.5	2.1
Rate (YEN/AUD)	92.6	90.0	90.6	83.0	7.6
Cash dividend per share (yen) *1	to be determined			110	-

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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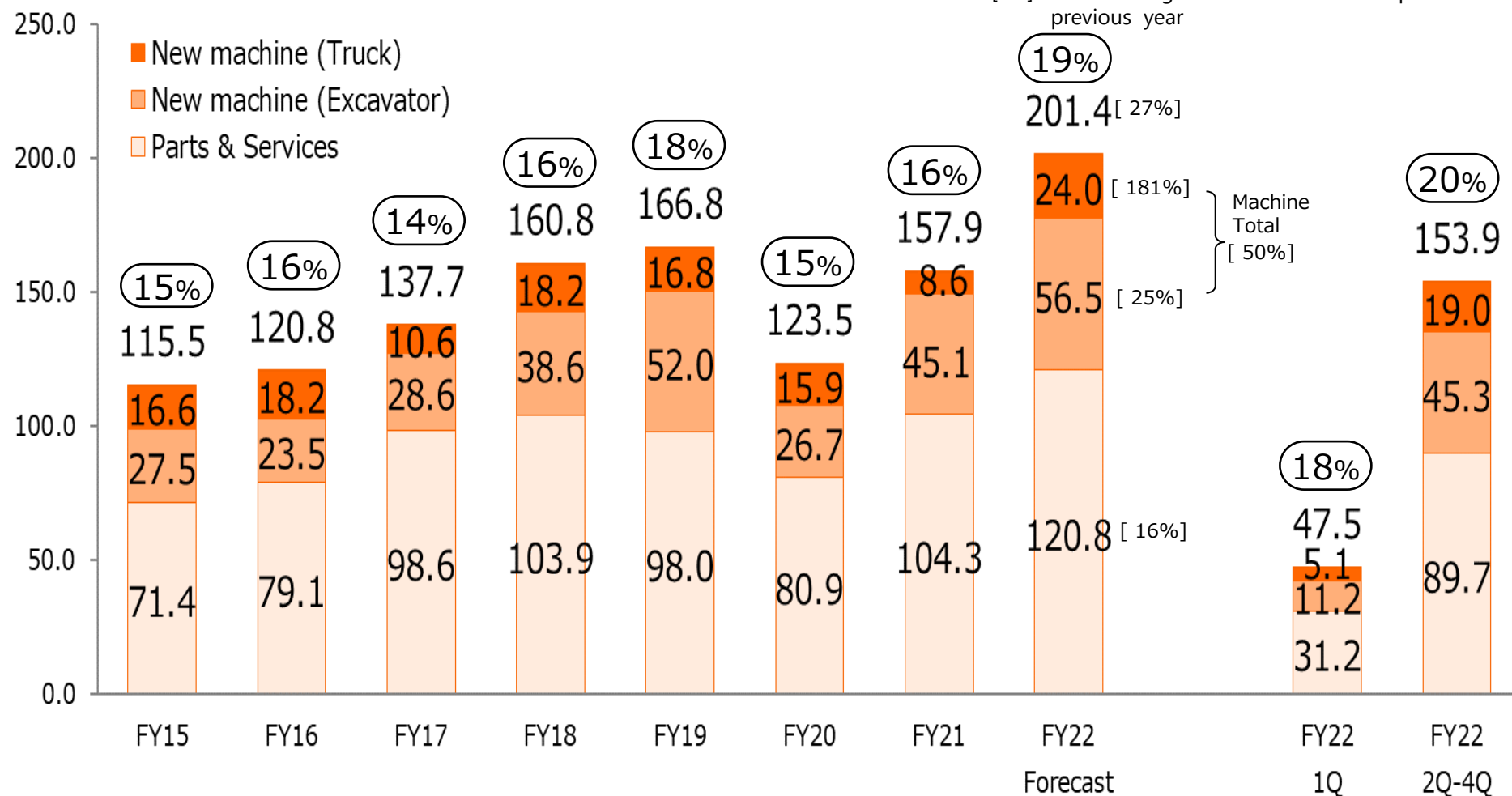
Consolidated revenue for FY2022 is expected to decrease significantly in Russia/CIS and China.

(billions of yen)

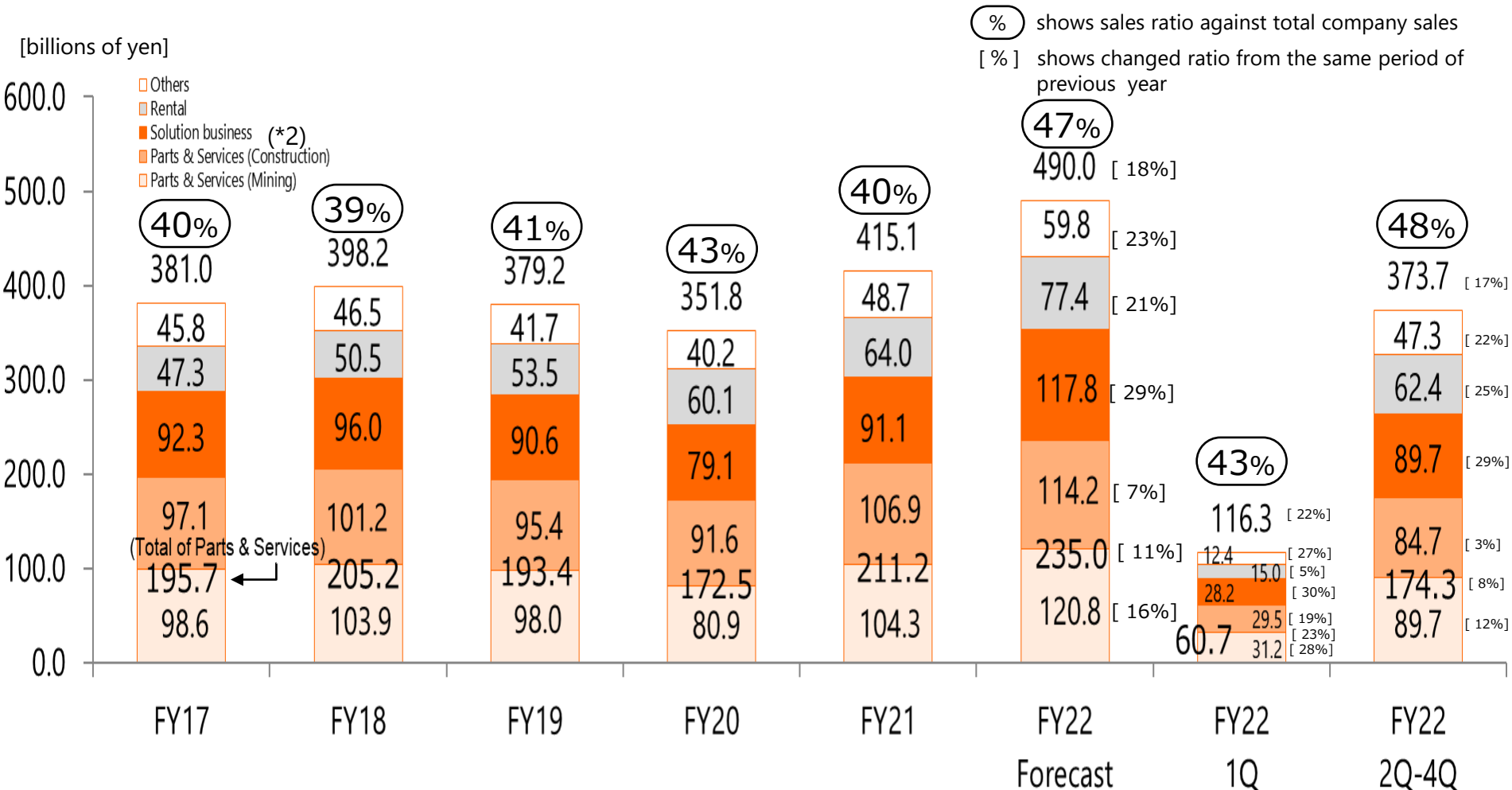
	FY2022 Forecast		FY2021 Actual		change	
					amount	%
Japan	202.2	19%	216.9	21%	-14.7	-7%
Asia	101.8	10%	86.4	8%	15.3	18%
India	58.1	6%	57.2	6%	0.9	2%
Oceania	185.9	18%	167.7	16%	18.2	11%
Europe	121.5	12%	124.2	12%	-2.7	-2%
N.America	230.8	22%	196.4	19%	34.4	17%
L.America	25.9	2%	22.7	2%	3.2	14%
Russia-CIS	19.7	2%	38.6	4%	-19.0	-49%
M.East	18.7	2%	19.2	2%	-0.4	-2%
Africa	45.4	4%	43.5	4%	1.9	4%
China	30.1	3%	52.1	5%	-22.0	-42%
Total	1,040.0	100%	1,025.0	100%	15.0	1%
Overseas ratio	81%		79%			

Revenue of mining in FY2022 is expected to increase by 27% to 201.4 billion yen y-y.

[billions of yen]



Revenue of the value chain in FY2022 is expected to increase by 18% to 490.0 billion yen y-y.



(\*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

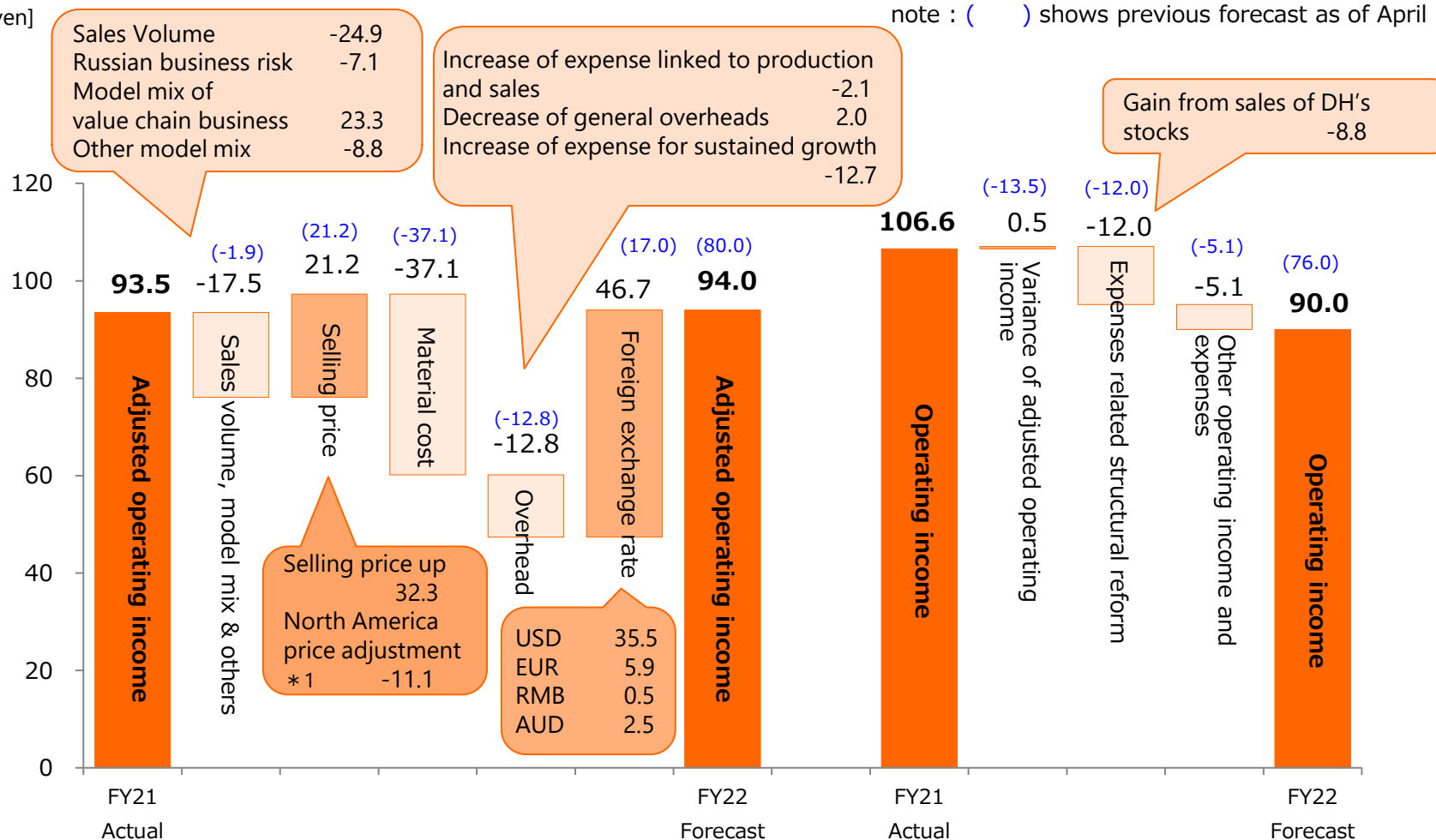
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Adjusted operating income for FY2022 is expected to increase by 500 million yen y-y due to depreciation of the yen despite incorporating procurement risk, business risk by the Russian and Ukrainian situation, and increasing material costs.

[billions of yen]

note : ( ) shows previous forecast as of April 2022



\*1 Temporary price adjustment between HCM and John Deere does not occur in FY2022.

The forecast exchange rate of major currencies for FY2022 is set to depreciate the yen from the previous forecast in consideration of the current financial situation.

## FX rate and FX sensitivity

[billions of yen]

Currency	FX rate				FX sensitivity (2Q-4Q)		
	FY22			FY21 Actual	Condition	Revenue	Adjusted operating income
	1Q Actual	2Q-4Q Forecast	Total Forecast				
USD	129.6	130.0	129.9	112.6	Impact by 1 yen depreciation	2.4	1.6
EUR	138.1	140.0	139.5	130.6	Impact by 1 yen depreciation	0.6	0.5
RMB	19.6	19.5	19.5	17.5	Impact by 0.1 yen depreciation	0.2	0.1
AUD	92.6	90.0	90.6	83.0	Impact by 1 yen depreciation	1.9	0.2

# Appendix 2: Detail of mining revenue

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[billions of yen]

		FY22 Forecast			FY21 Actual			Change		
		1Q	2-4Q	Year	1Q	2-4Q	Year	1Q	2-4Q	Year
America	Excavator	5.8	20.8	26.5	1.9	7.5	9.4	3.9	13.3	17.1
	Dump Truck	0.9	3.9	4.8	0.7	1.9	2.6	0.2	2.0	2.2
	Total	6.7	24.6	31.3	2.6	9.4	12.0	4.1	15.2	19.3
Europe, Africa and Middle East	Excavator	8.0	19.5	27.5	6.2	21.3	27.5	1.9	-1.8	0.1
	Dump Truck	4.7	14.6	19.3	3.7	14.1	17.8	1.0	0.5	1.5
	Total	12.7	34.2	46.8	9.9	35.4	45.3	2.8	-1.2	1.6
Asia & Oceania	Excavator	18.3	67.3	85.5	16.2	59.4	75.6	2.0	7.9	9.9
	Dump Truck	9.3	27.0	36.3	5.1	17.9	23.1	4.1	9.1	13.2
	Total	27.5	94.3	121.8	21.4	77.3	98.7	6.2	17.0	23.1
China	Excavator	0.2	0.5	0.6	0.2	0.4	0.6	-0.0	0.1	0.0
	Dump Truck	0.0	0.1	0.1	0.0	0.1	0.1	-0.0	0.0	-0.0
	Total	0.2	0.6	0.7	0.2	0.5	0.7	-0.0	0.1	0.0
Japan	Excavator	0.4	0.2	0.7	0.1	1.2	1.3	0.3	-0.9	-0.6
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
	Total	0.4	0.2	0.7	0.1	1.2	1.3	0.3	-0.9	-0.6
Total	Excavator	32.6	108.3	140.9	24.6	89.7	114.4	8.0	18.5	26.6
	Dump Truck	14.8	45.6	60.5	9.5	34.0	43.6	5.3	11.6	16.9
	Total	47.5	153.9	201.4	34.1	123.8	157.9	13.3	30.1	43.4

## Appendix 3: Segment information

The amortizations of PPA are included in the adjusted operating income of the solution business ; 0.3 billion yen in FY2022 1Q and 1.2 billion yen in the forecast for FY2022.

[billions of yen]

FY2022 1Q Actual	Reportable segment		Adjustments*1	Total
	Construction Machinery Business	Solution Business		
Revenue	239.4	29.1	-1.0	267.5
Adjusted operating income	7.8% 18.7	6.6% 1.9	-	7.7% 20.6

[billions of yen]

FY2022 Forecast	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Solution Business		
Revenue	922.2	117.8	0.0	1,040.0
Adjusted operating income	9.0% 82.6	9.7% 11.4	-	9.0% 94.0

\*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

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