

**HITACHI**

Reliable Solutions

# **Explanatory Meeting for Business Results for the Second Quarter ended September 30, 2024**

October 25, 2024

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

## 1. Regional Market Environments and Projections

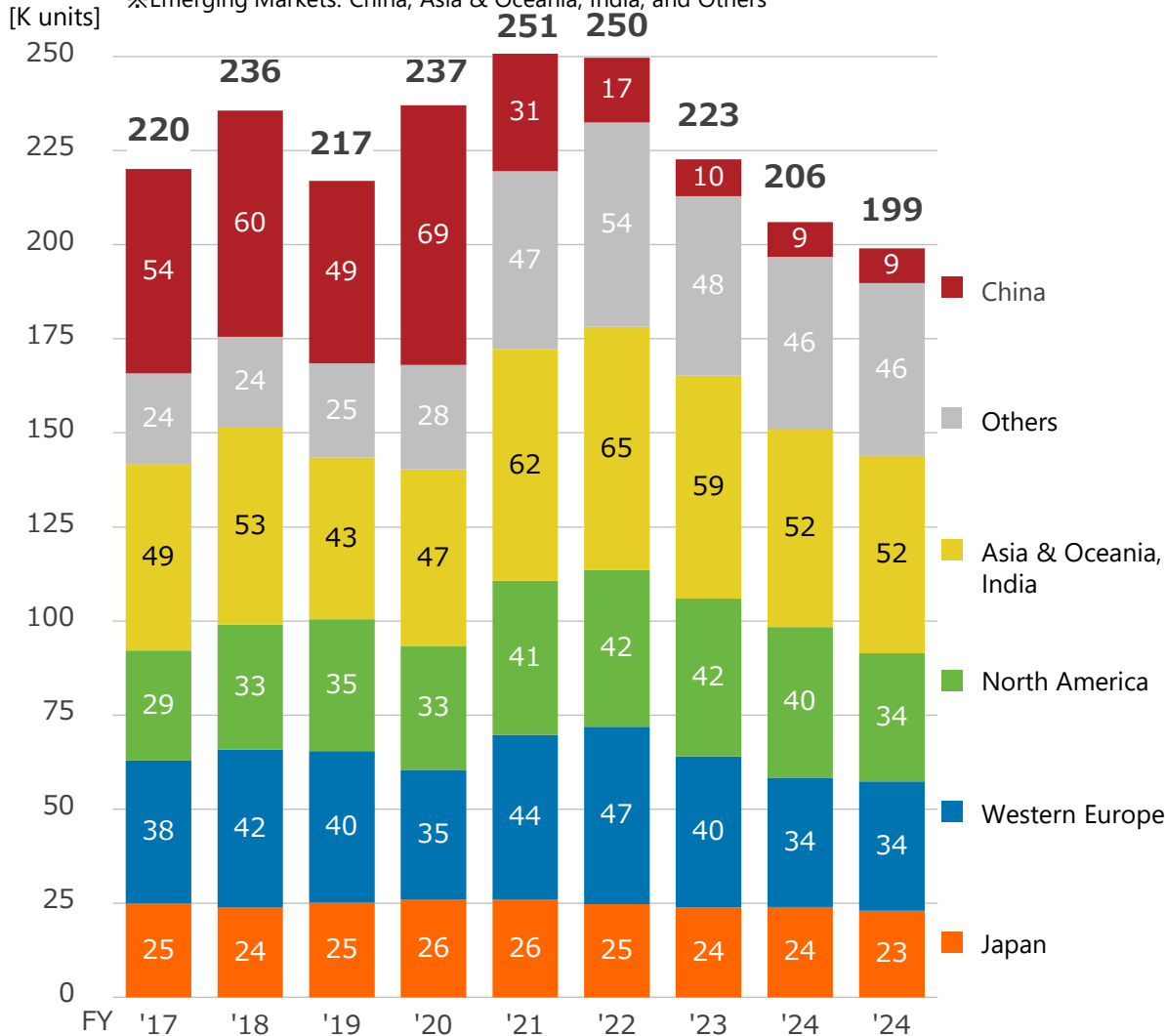
**Hidehiko Matsui**

Vice President and Executive Officer, CMO

# Global Demand Trend for Hydraulic Excavators

**Emerging Markets ratio:  
FY24 54% ( y-y Change : +2%)**

※Emerging Markets: China, Asia & Oceania, India, and Others



\*Demand values are Hitachi Construction Machinery estimates

Previous Outlook Current Outlook

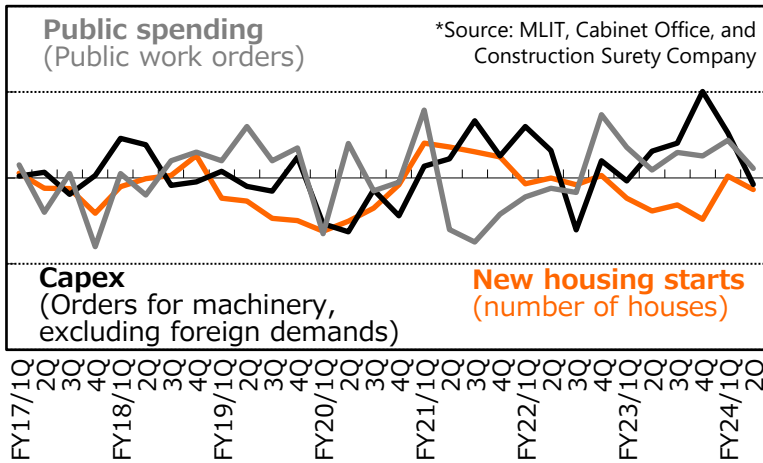
## Year-on-Year Change by Region

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

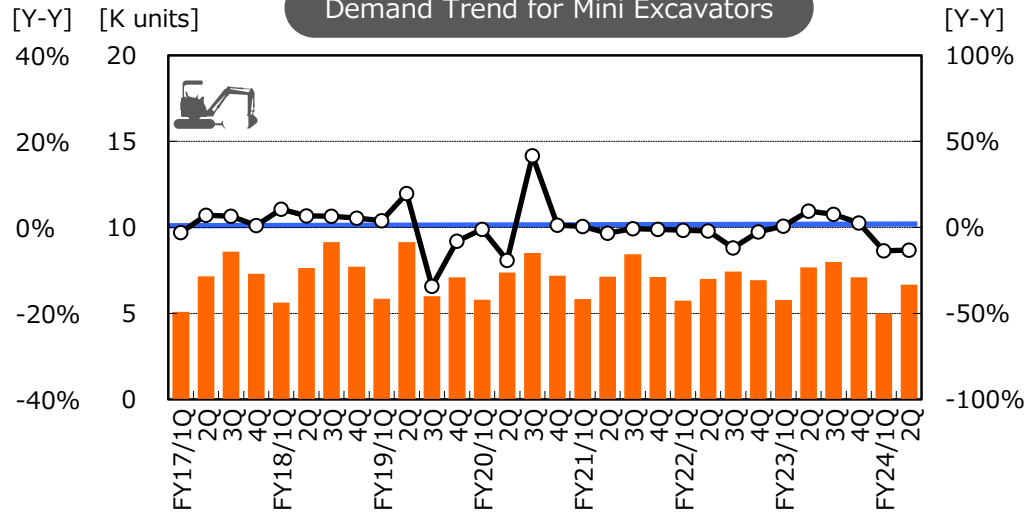
	'23	'24
Total	-11%	-11%
China	-43%	-6%
Russia, CIS, E Europe	-16%	-4%
Africa	+13%	-15%
Middle East	+10%	-13%
Latin America	-33%	+14%
Others	-12%	-4%
Asia	-17%	-8%
India	+8%	-16%
Oceania	-18%	-10%
Asia & Oceania, India	-8%	-12%
N America	+1%	-19%
W Europe	-15%	-14%
Japan	-3%	-4%

- New Housing Starts and Capex slightly decreased, Public Spending slightly increased.
- Demand for hydraulic excavators was narrowing decrease margin:  
Hydraulic Excavators -2%, Mini Excavators -13%, Wheel Loaders -7% y-y.

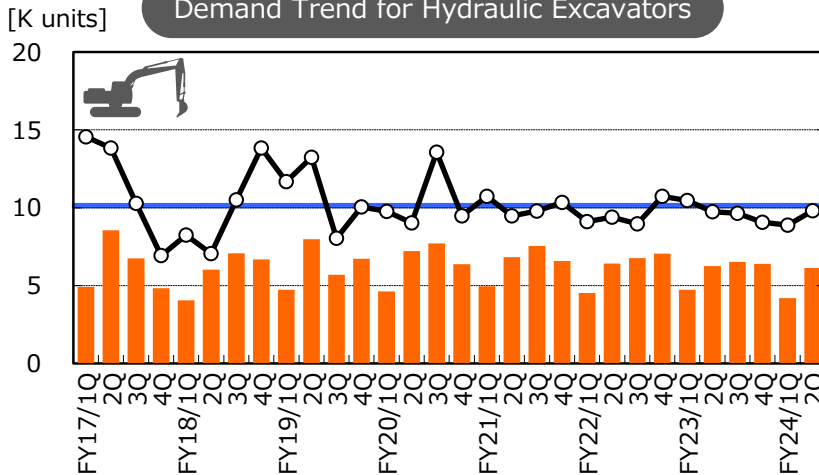
Market Environment Housing, Capex, Public Spending



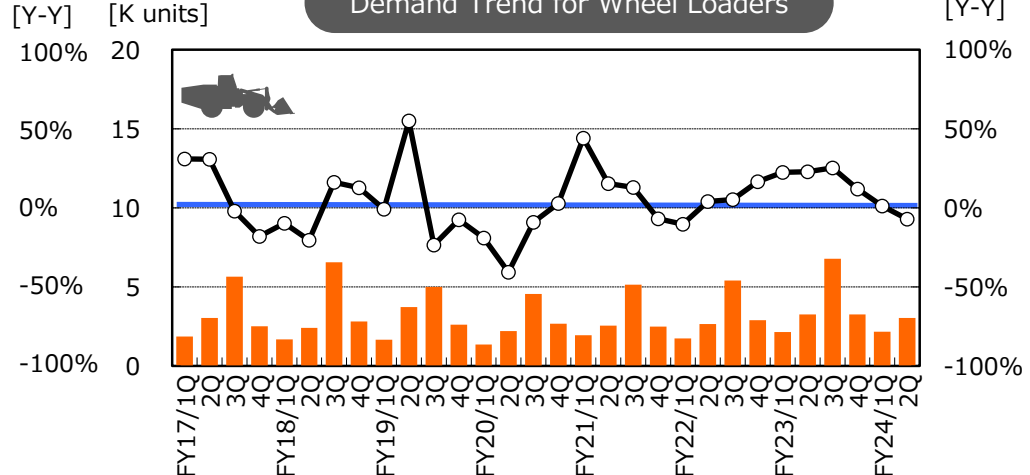
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders

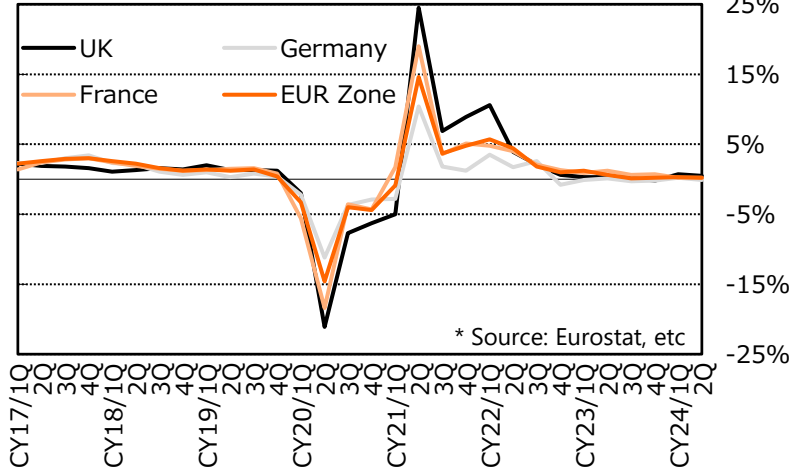


\*Demand values are Hitachi Construction Machinery estimates

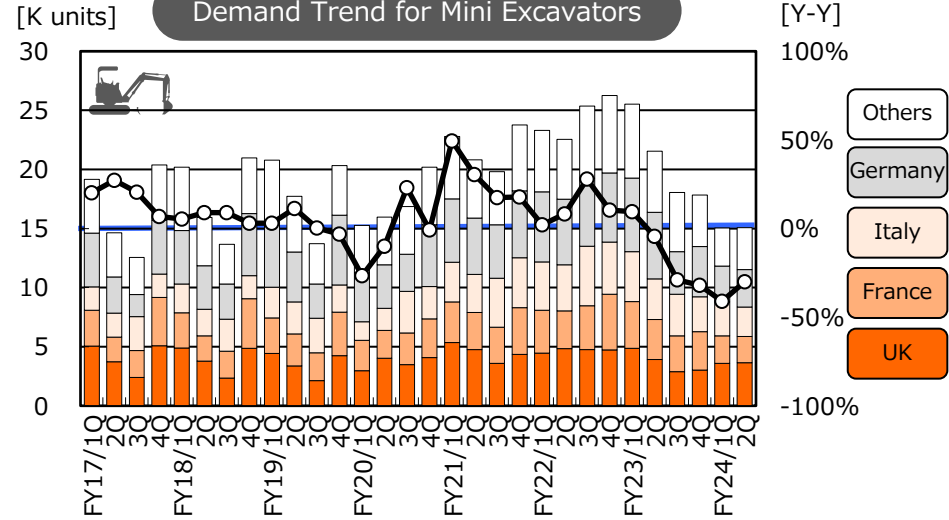
# Europe: Second Quarter (July to Sep 2024)

- GDP in CY24 2Q has been growing at a low rate.
- Demand for hydraulic excavators decreased significantly:  
Hydraulic Excavators -22%, Mini Excavators -30%, Wheel Loaders -21% y-y.

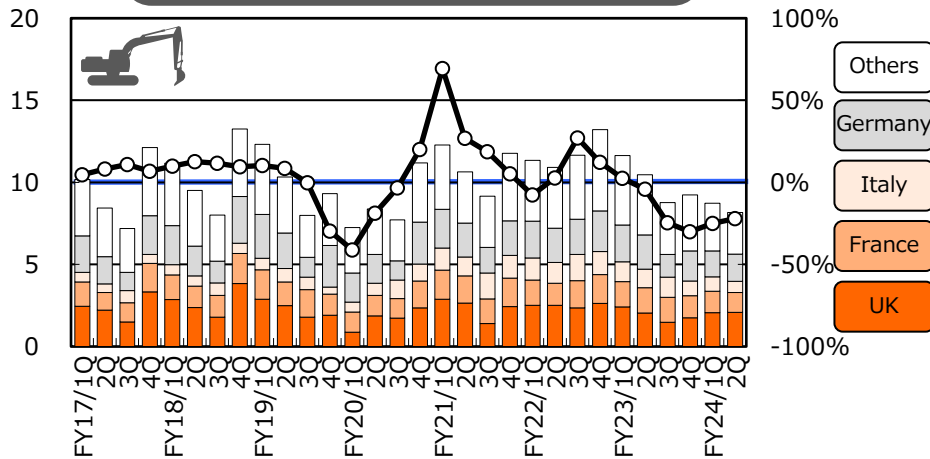
GDP Growth Rate in Major Countries



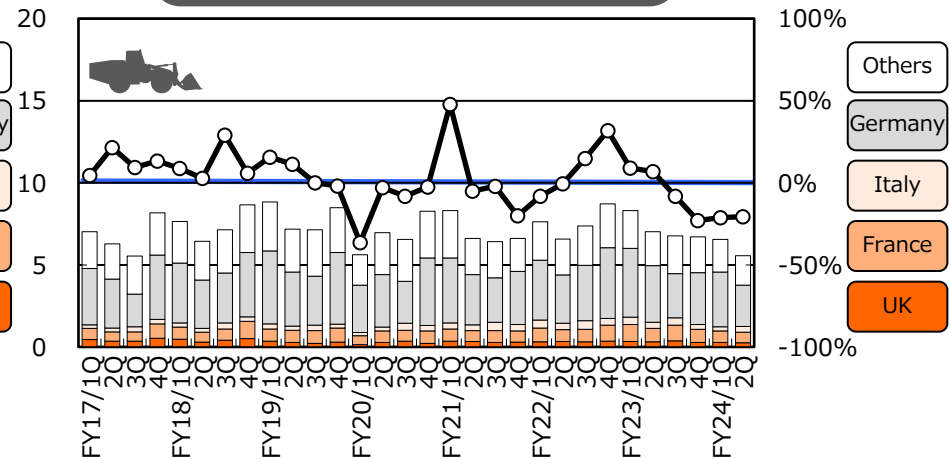
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



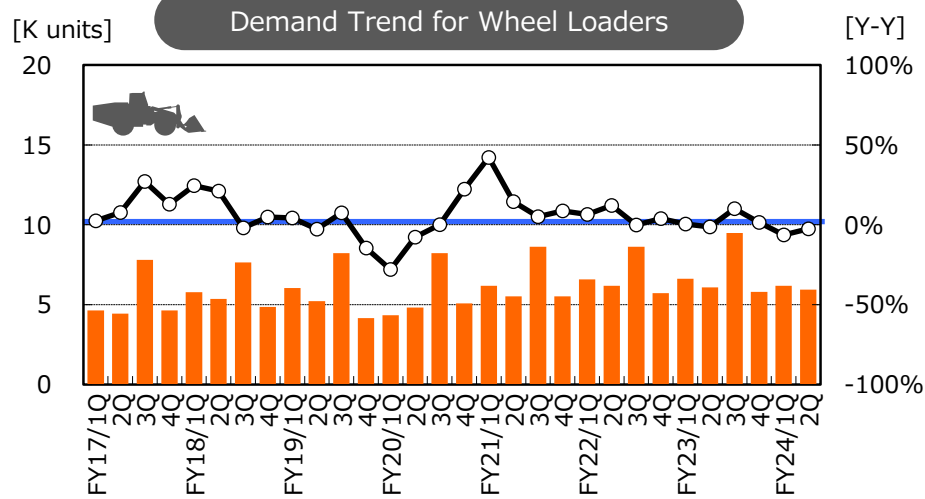
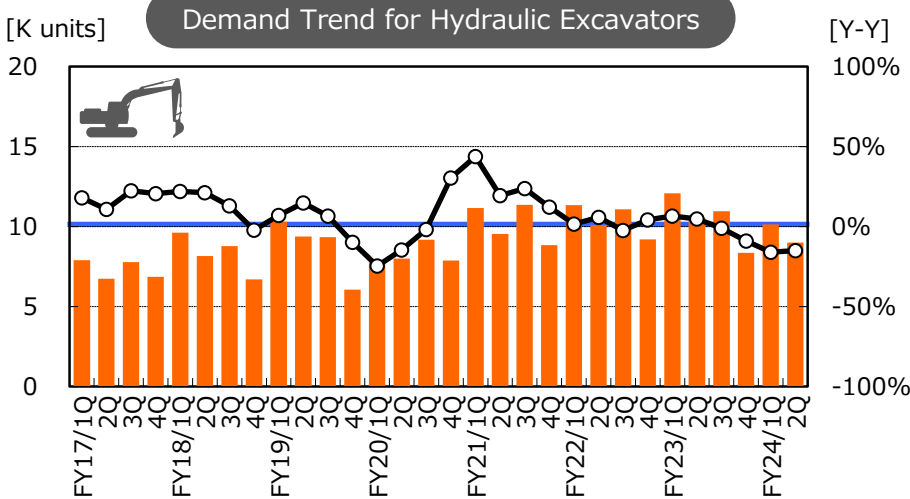
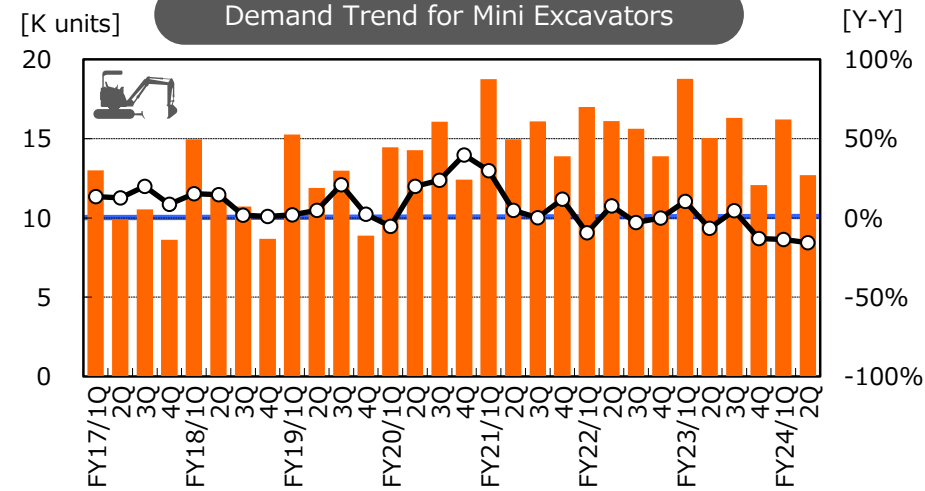
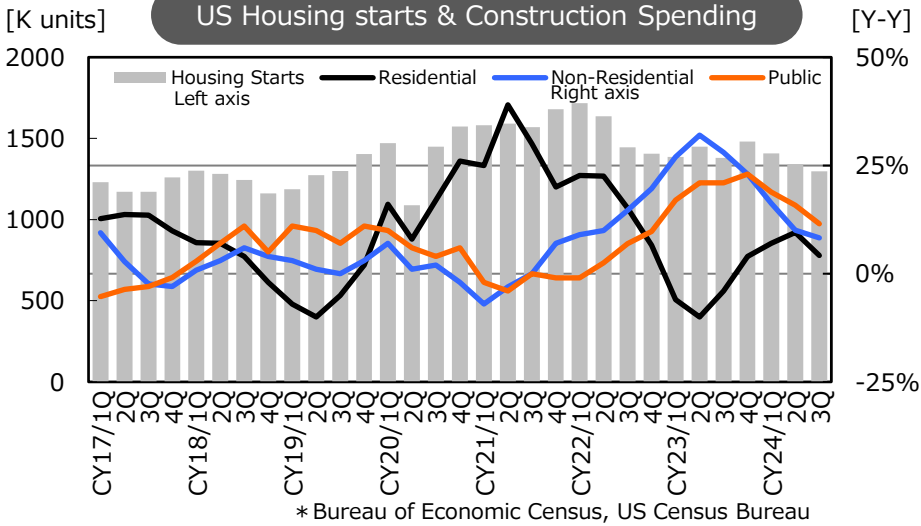
Demand Trend for Wheel Loaders



\*Demand values are Hitachi Construction Machinery estimates

# North America: Second Quarter (July to Sep 2024)

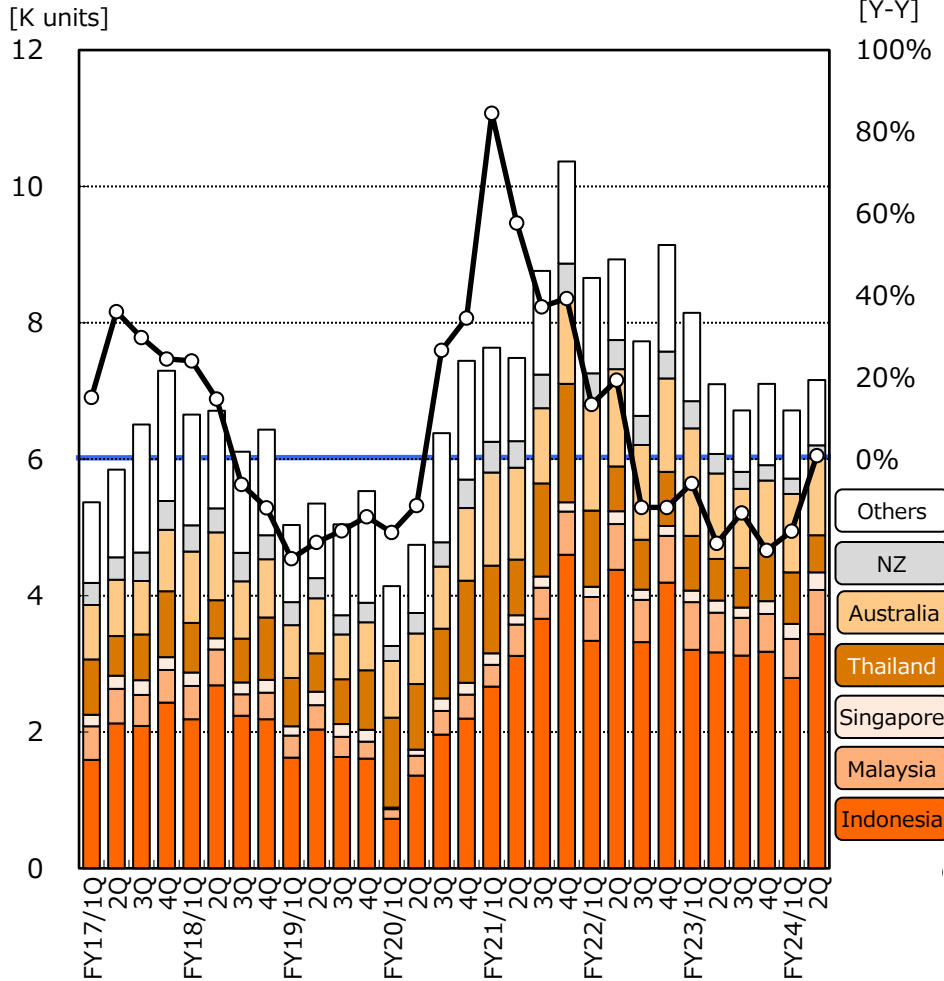
- Although Residential and Non-Residential, Public Works increased, the margin of increase was narrowing. Housing Starts decreased.
- Demand for hydraulic excavators decreased: Hydraulic Excavators -15%, Mini Excavators -16%, Wheel Loaders -3% y-y.



\*Demand values are Hitachi Construction Machinery estimates

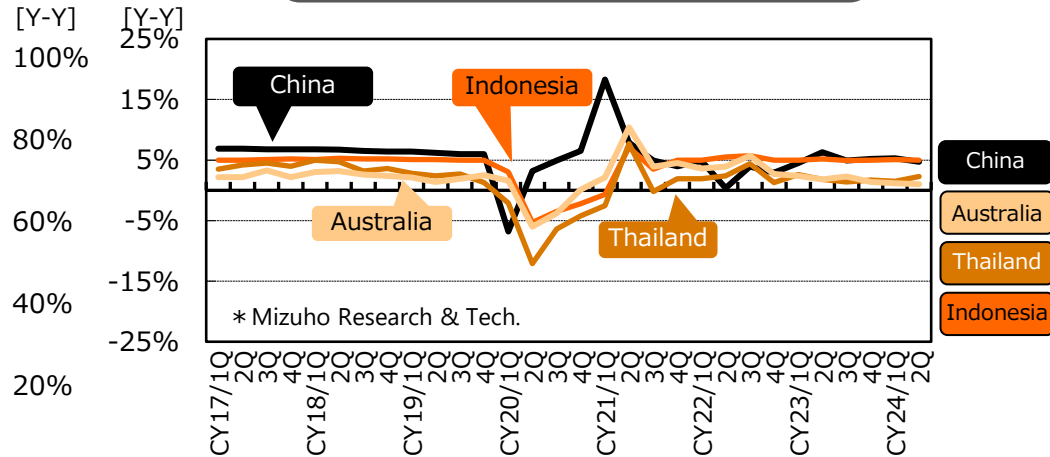
- Demand for hydraulic excavators in the Asia & Oceania region decreased +1% y-y.
- Demand for hydraulic excavators in China increased +5% y-y. (Domestic :+8%, Foreign :-6%)

Demand Trend for Hydraulic Excavators in Asia & Oceania



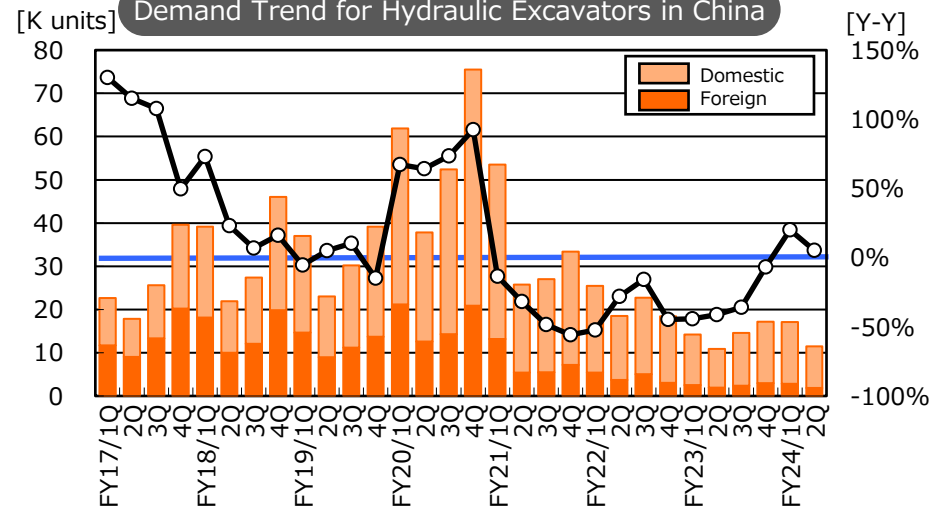
\*Demand values are Hitachi Construction Machinery estimates

GDP Growth Rate in Major Countries



\* Mizuho Research & Tech.

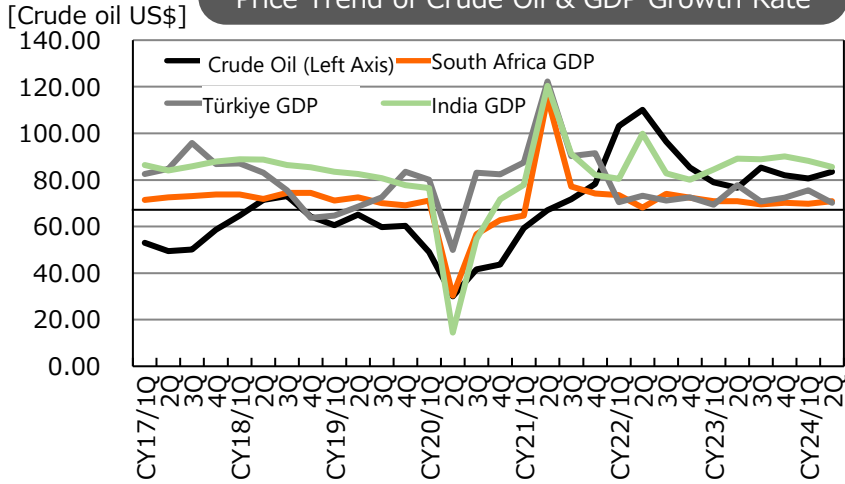
Demand Trend for Hydraulic Excavators in China



# India, Middle East, Africa: Second Quarter (July to Sep 2024)

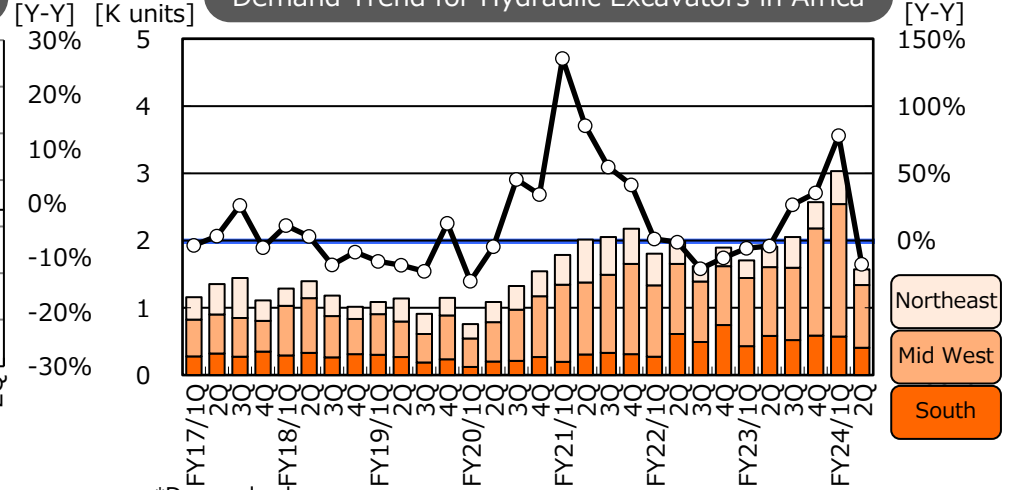
- Demand for hydraulic excavators increased in India -1% y-y.
- Demand for hydraulic excavators increased in Africa -18% y-y.
- Demand for hydraulic excavators decreased in the Middle East -4% y-y.

Price Trend of Crude Oil & GDP Growth Rate



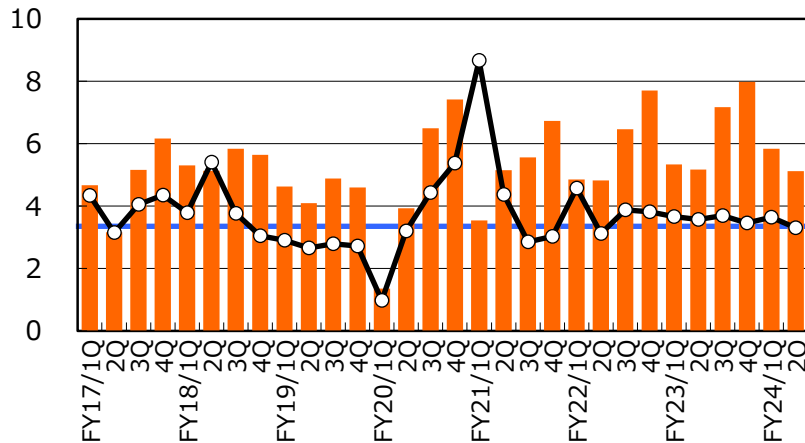
\* GDP of Türkiye, South Africa: OECD  
 \* GDP of India : Mizuho Research & Tech.  
 \* Crude Oil: World Bank

Demand Trend for Hydraulic Excavators in Africa

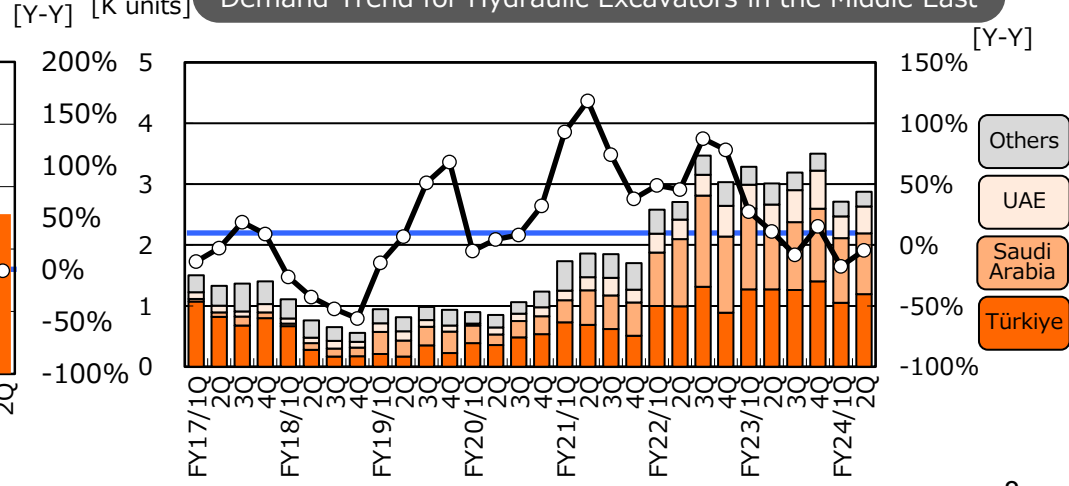


\*Demand values are Hitachi Construction Machinery estimates

Demand Trend for Hydraulic Excavators in India



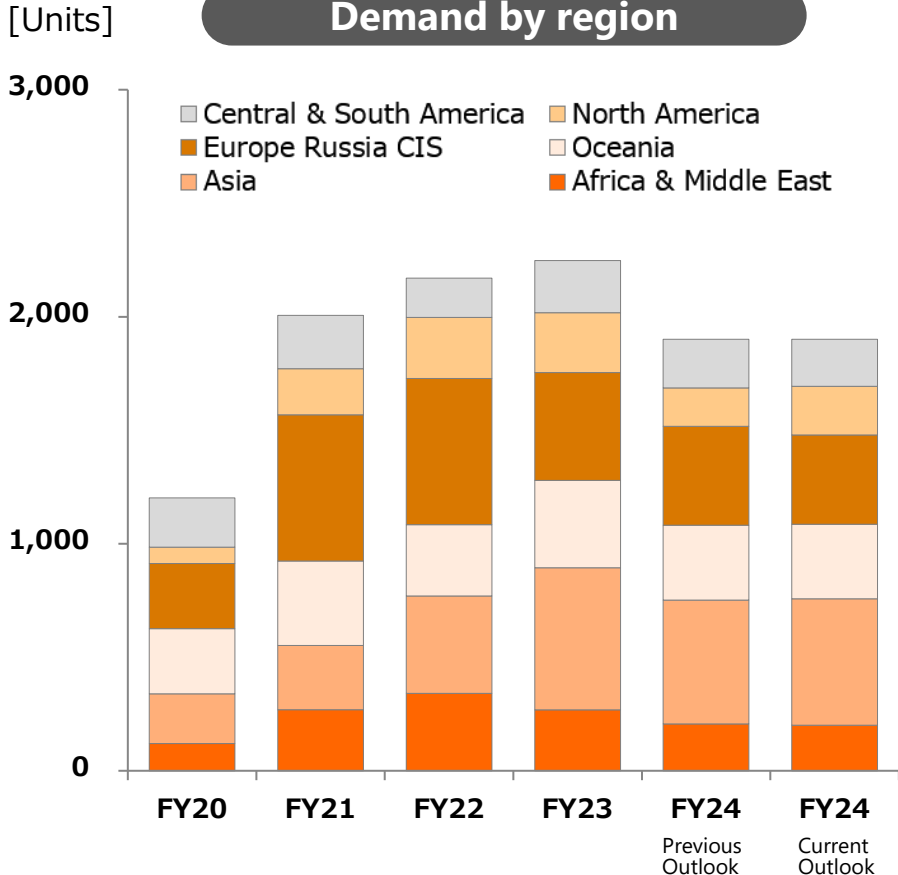
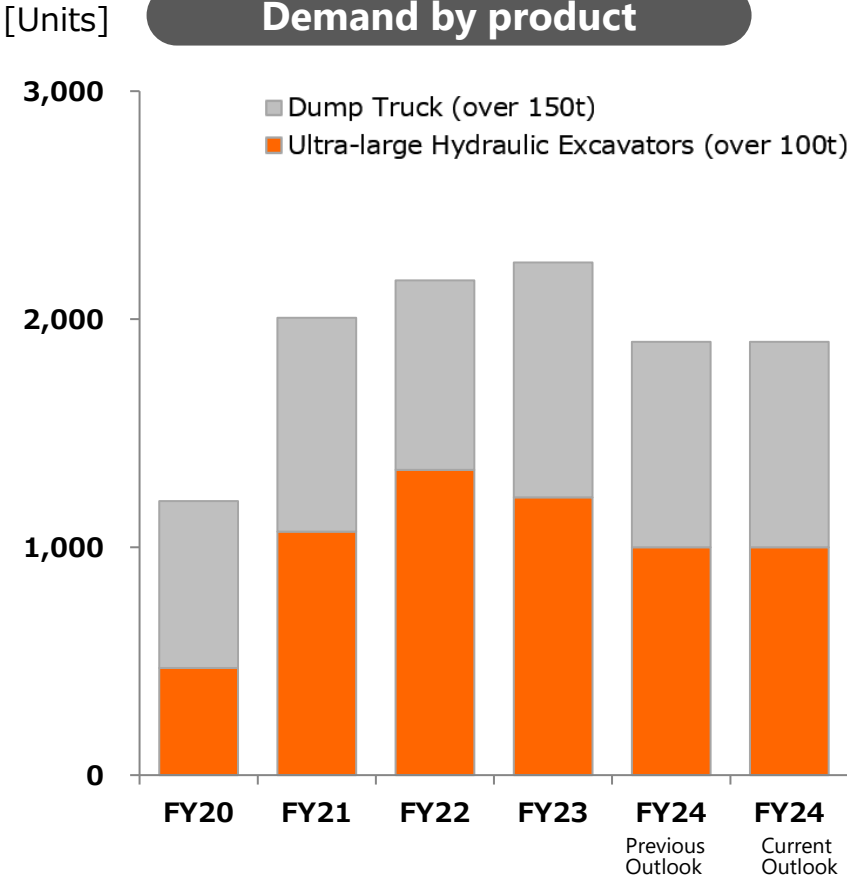
Demand Trend for Hydraulic Excavators in the Middle East



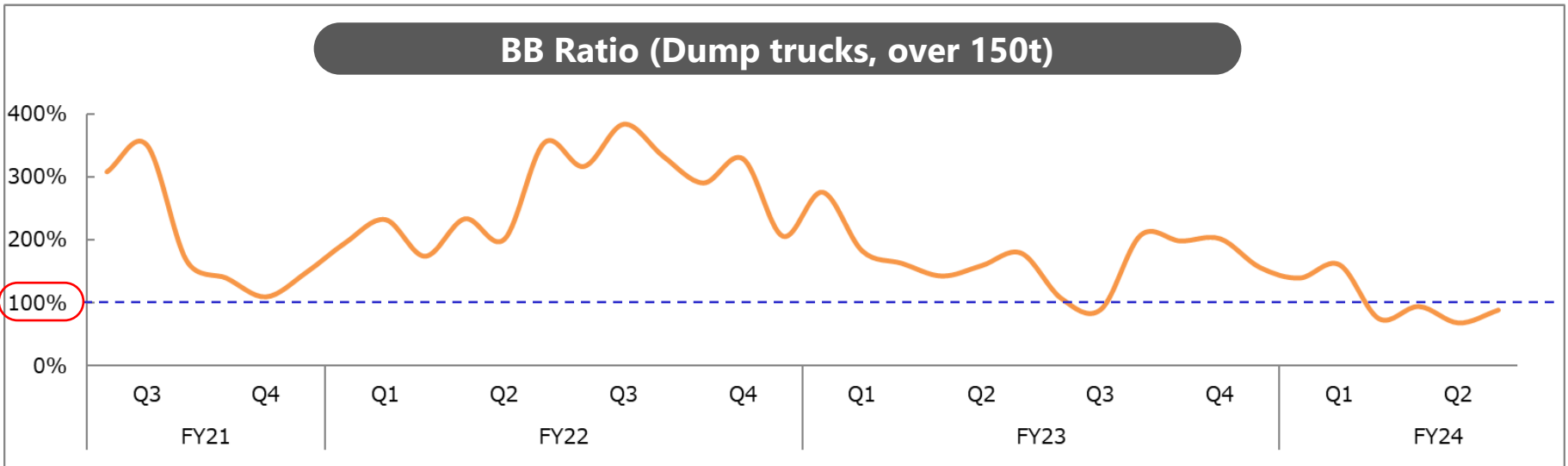
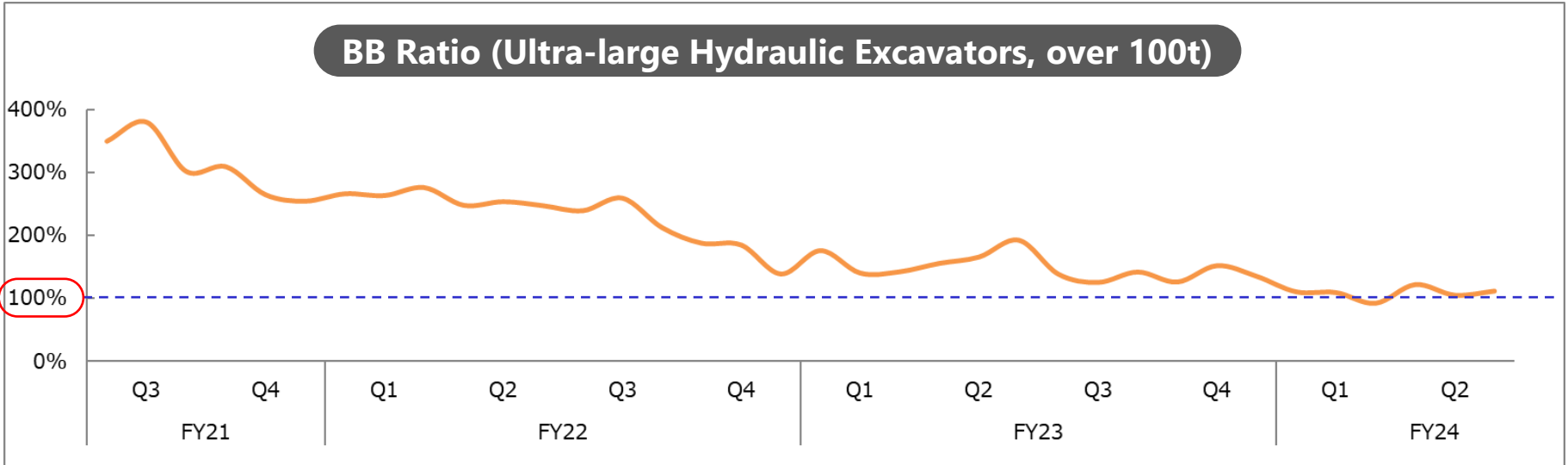


■ The demand forecast for mining in FY24 remains unchanged. (“-5% to -15%” y-y)  
 ■ Demand in China remains steady, centered around the 100t class excavators, and decrease in demand in Indonesia has bottomed out.

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



\*Demand values are Hitachi Construction Machinery estimates



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

Non-consolidated basis (average of 6 months)

## Begin operation of Salt Lake City Parts Warehouse in Western North America (October 2024)

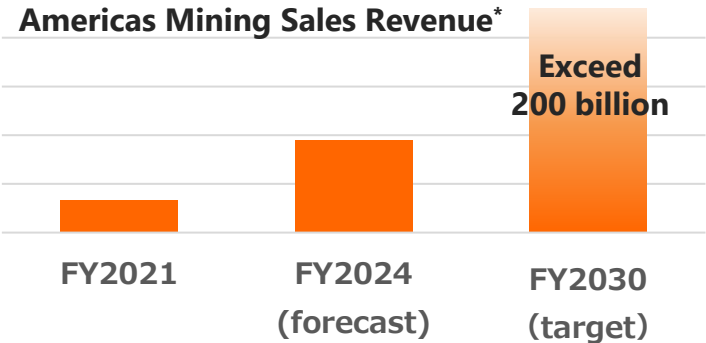
- In the Eastern North American region, consolidate from two locations into the Jackson Parts Warehouse to improve efficiency



## Establish a joint venture with Marubeni for sales and service of mining machinery in Brazil (scheduled for January 2025)

- Expanding the mining business in South America, starting with Brazil with its wealth of delivery records of ultra-large hydraulic excavators

<p><b>Hitachi Construction Machinery</b></p>	<p><b>Marubeni</b></p>
<p>Impeccable maintenance service based on operational data</p>	<p>Business know-how customer network</p>
	<p>A track record of 80 deliveries</p>



\*Total of Main Bodies (Excavators, Dump Trucks) + Parts & Services + Specialized Parts & Service Business

## Exhibiting at MINExpo 2024, the World's Largest Mining Machinery Trade Show (September 2024)

- First exhibition after own operation in the Americas, and started spread of the new concept "LANDCROS"
- Panel discussions with customers and industry stakeholders to explore "Open Solutions"



## Started operation of mining machinery component remanufacturing plant in Kazakhstan (October 2024)

- Hitachi Construction Machinery, certified as a remanufacturing plant, is also strengthening the parts & service business in the Central Asia market
- Aiming to reduce lead times and establish a resource-recycling business model through the use of recycled parts

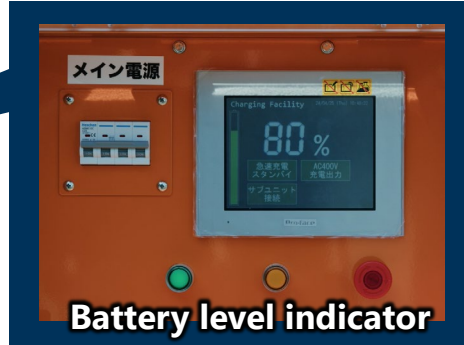


## Start sales of battery-powered excavators and mobile energy storage system in Japan (September 2024)

- Leveraging our expertise as the market leader in Europe\*, provide solutions to achieve zero emissions at work sites



**ZE85 (8-ton class) and mobile energy storage system**



**Battery level indicator**



**ZX55U-6EB (5-ton class)**

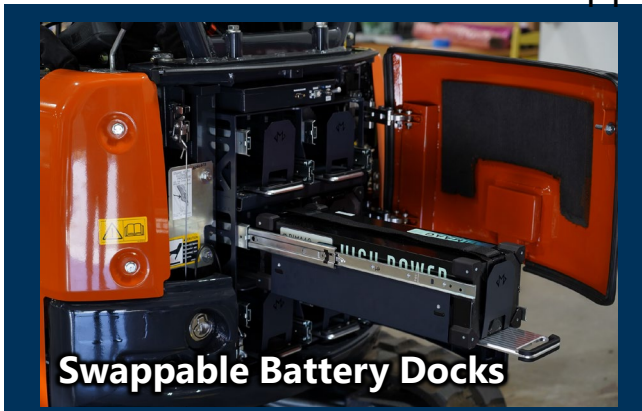


**ZE135 (13-ton class)**

\*Source: Off-Highway Research, CY23 Crawler excavators of 7-ton and over class

## Development of 1.7-ton class battery-powered excavator with U.S.-based Dimaag-AI (September 2024)

- The versatile high-power swappable battery modules and chargers can be used for various Electric Vehicles and Industrial applications



**Swappable Battery Docks**



**1.7-ton class prototype**

## **2. Business Results** **for the Second Quarter ended September 30, 2024** (April 1, 2024 – September 30, 2024)

**Keiichiro Shiojima**

Vice President and Executive Officer, CFO

# Summary of consolidated results

In 2Q of the year, revenue remained at the same level. However, adjusted operating income decreased by 13% y-y due to region and model mix, increase in policy overhead. Net income attributable to owners of the parent decreased by 45% due to deterioration in the financial profit and loss from the impact of appreciation of the yen at the end of September.

[billions of yen]

		FY2024 1Q-2Q		FY2023 1Q-2Q		change
Continuing operation						
	Revenue		665.7		665.8	-0%
	Adjusted operating income *1	10.7%	71.3	12.4%	82.4	-13%
	Operating income	10.6%	70.8	12.4%	82.9	-15%
	Income before income taxes	8.2%	54.5	12.7%	84.8	-36%
	Net income from continuing operation	5.3%	35.1	9.4%	62.7	-44%
Net income from discontinued operation			1.1		0.0	-
Net income attributable to owners of the parent		4.8%	31.7	8.6%	57.5	-45%
EBIT *2		9.2%	61.2	13.5%	90.0	-32%
FX rate	Rate (YEN/USD)		152.7		140.9	11.8
	Rate (YEN/EUR)		166.0		153.5	12.5
	Rate (YEN/RMB)		21.1		19.7	1.4
	Rate (YEN/AUD)		101.3		93.3	8.1
Cash dividend per share (yen) *3			65		85	-20

\*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"

\*3 "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 maximize shareholder returns based on stable and continuous dividend payout ratio of approx. 30% to 40%.

# Revenue by geographic region (consolidated)

Although revenue in Oceania and Africa increased y-y, revenue in Europe, Asia, and North America decreased. Consolidated revenue remained at the same level y-y.

[billions of yen]

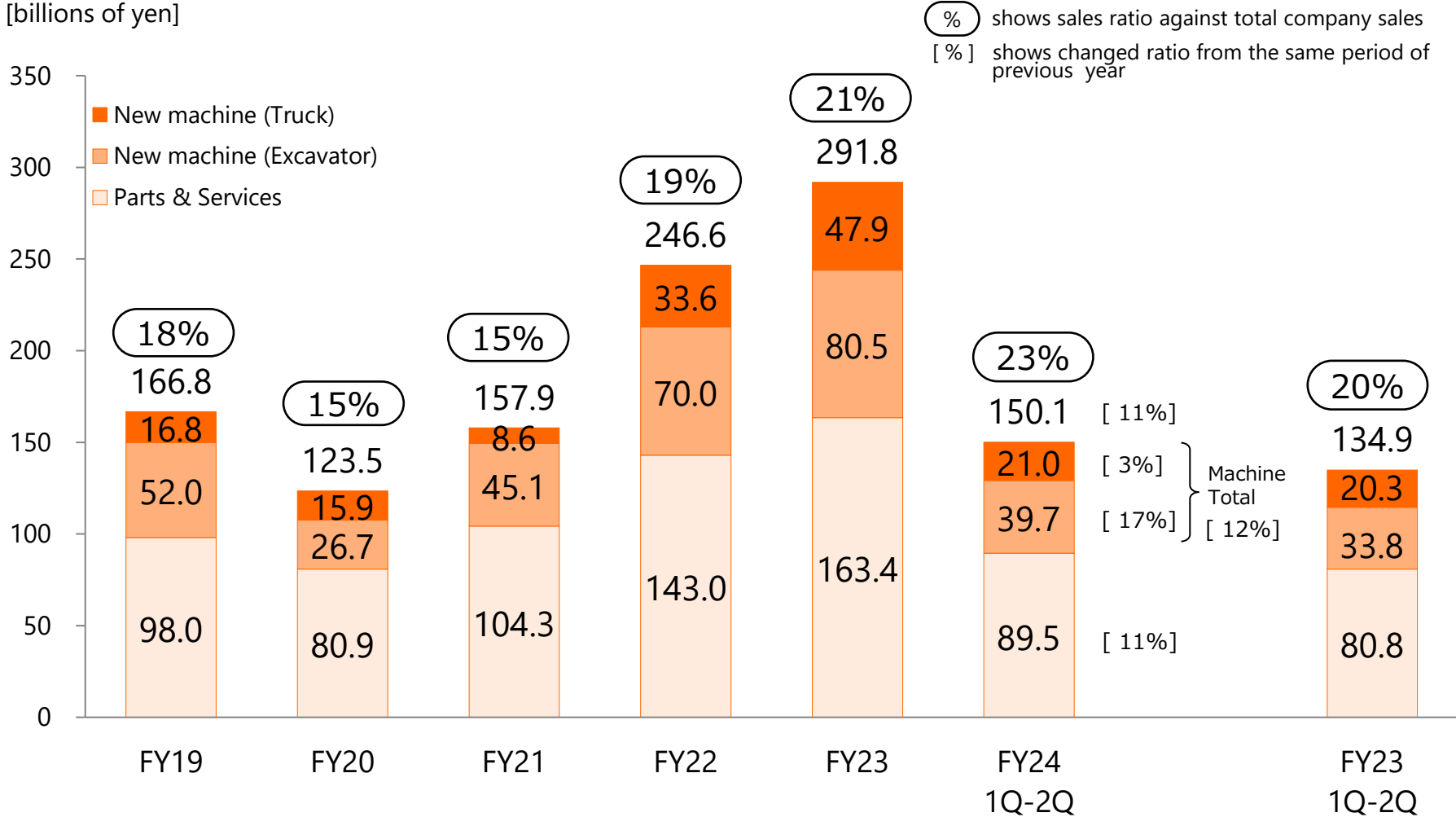
		FY2024 1Q-2Q		FY2023 1Q-2Q		change	
						amount	%
Japan		99.8	15%	102.2	15%	-2.3	-2%
Asia		53.6	8%	61.9	9%	-8.2	-13%
India		37.1	6%	35.5	5%	1.6	4%
Oceania		141.2	21%	128.8	19%	12.4	10%
Europe		78.0	12%	90.7	14%	-12.6	-14%
N. America		146.6	22%	154.7	23%	-8.1	-5%
L. America		23.7	4%	18.8	3%	4.9	26%
The Americas		170.3	26%	173.4	26%	-3.2	-2%
(Developing own business)		(94.6)	(14%)	(99.2)	(15%)	(-4.5)	(-5%)
Russia-CIS		9.6	1%	13.4	2%	-3.8	-29%
M. East		19.9	3%	15.5	2%	4.4	29%
Africa		41.3	6%	29.1	4%	12.2	42%
China		14.8	2%	15.3	2%	-0.5	-3%
Total		665.7	100%	665.8	100%	-0.0	-0%
Overseas ratio		85%		85%			

\* FY2023 & FY2024 revenue presented only continuing operation retroactively.



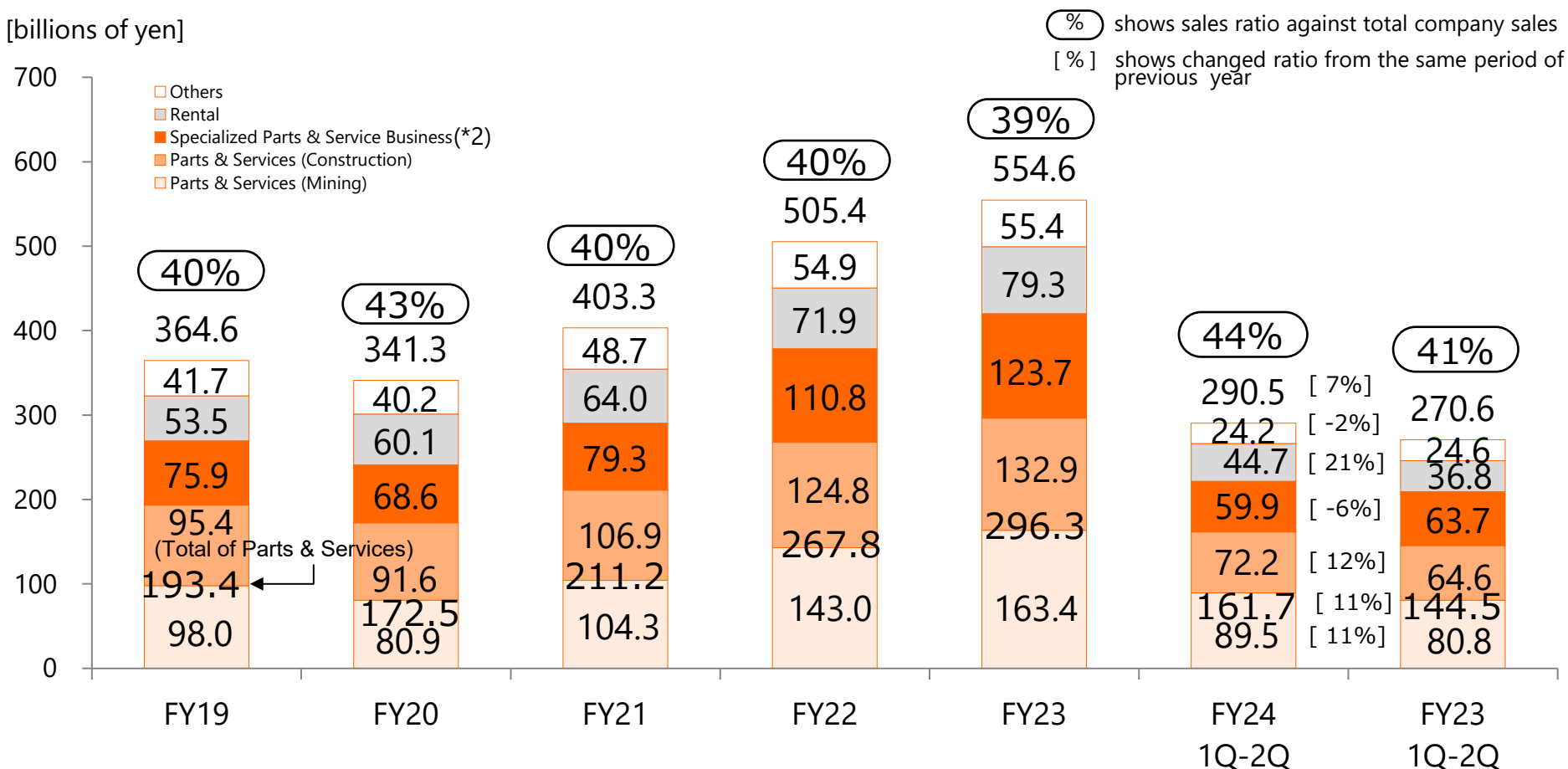
Revenue of mining increased in all the categories, trucks, excavators and parts & services.

[billions of yen]



Revenue of the value chain business increased in parts & services and rental significantly.

[billions of yen]



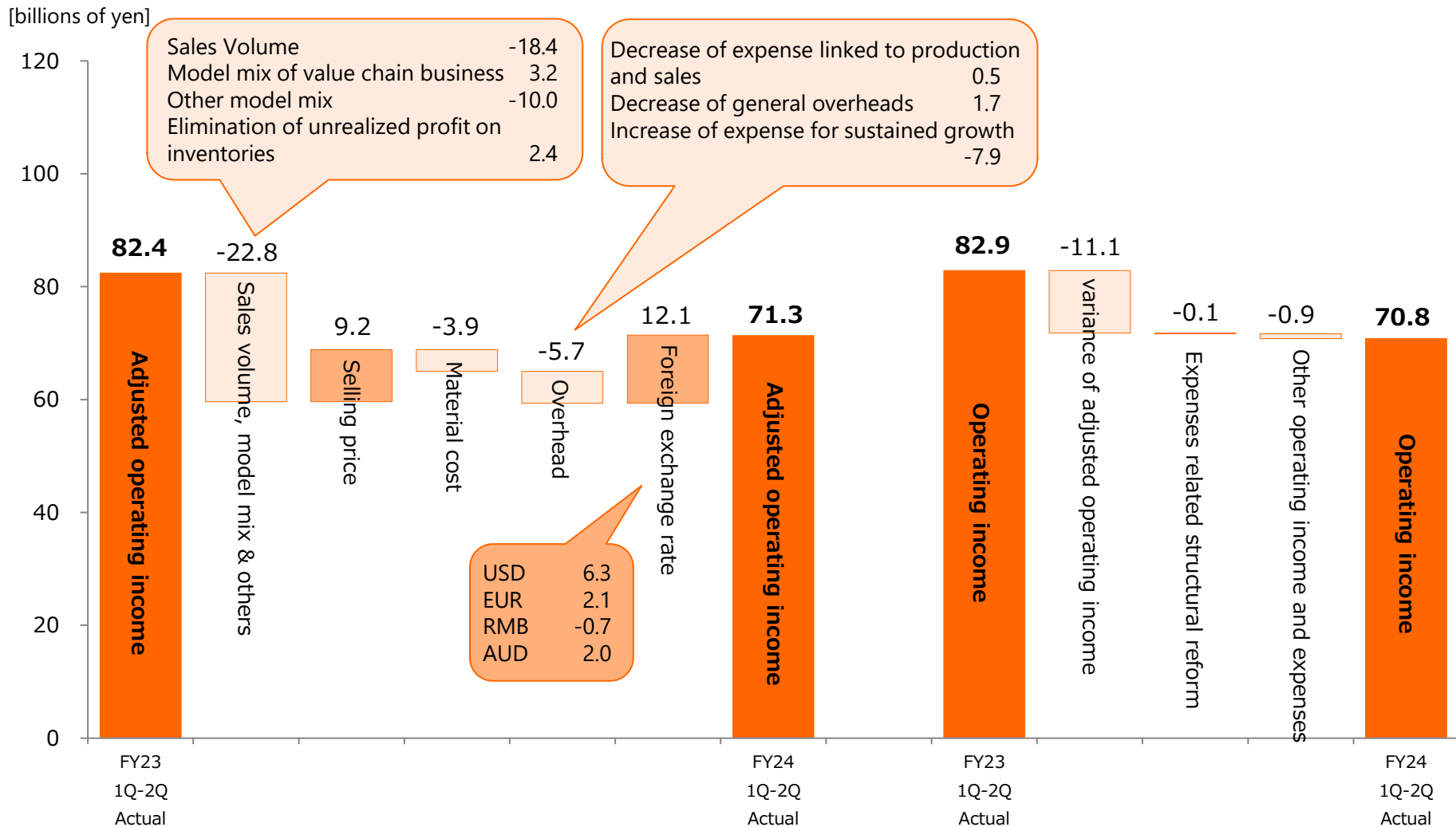
(\*1) Value chain: Total of Parts & services, Specialized parts & service business, Rental etc. other than new machine sales.

(\*2) Specialized parts & service 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.

From FY2019, revenue presented only continuing operation retroactively.

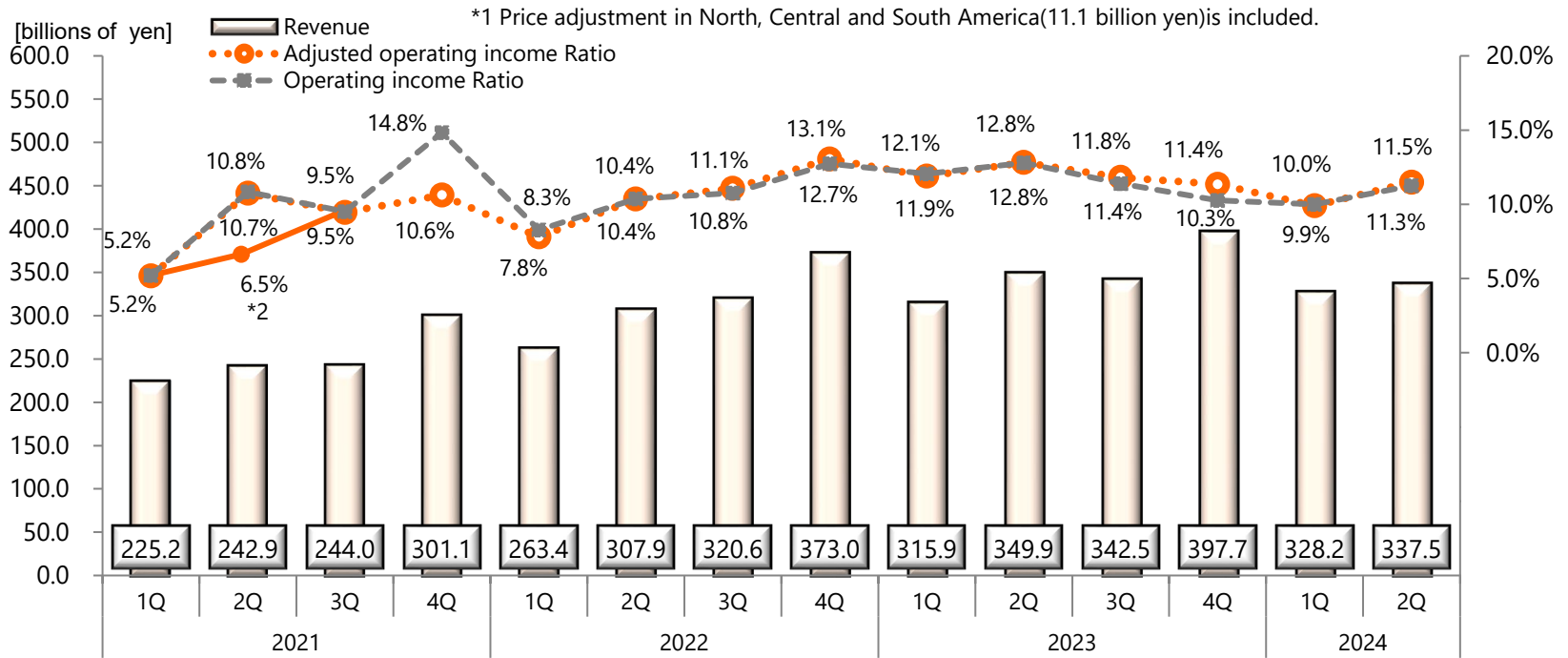
# Comparison of consolidated income

Adjusted operating income decreased due to the impact of sales volume decrease, region and model mix, and so forth, although the increase in material and overhead costs was absorbed by the sales price increase.



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

	2021				2022				2023				2024	
	1Q	2Q*1	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	225.2	242.9	244.0	301.1	263.4	307.9	320.6	373.0	315.9	349.9	342.5	397.7	328.2	337.5
Adjusted operating income	11.7	26.1	23.1	32.0	20.6	31.9	35.5	48.7	37.6	44.9	40.5	45.1	32.5	38.8
Operating income	11.7	26.3	23.2	44.7	21.8	31.9	34.5	47.5	38.1	44.8	39.0	40.8	32.8	38.0



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

FX rate	2021				2022				2023				2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Rate (YEN/USD)	109.5	110.1	113.7	116.2	129.6	138.4	141.6	132.3	137.4	144.6	147.9	148.6	155.9	149.4
Rate (YEN/EUR)	132.0	129.8	130.1	130.4	138.1	139.3	144.3	142.1	149.5	157.3	159.1	161.3	167.9	164.0
Rate (YEN/RMB)	17.0	17.0	17.8	18.3	19.6	20.2	19.9	19.3	19.6	19.9	20.4	20.6	21.5	20.8
Rate (YEN/AUD)	84.3	80.9	82.9	84.0	92.6	94.5	92.9	90.6	91.8	94.7	96.3	97.7	102.7	100.0

From FY2021, revenue, adjusted operating income and operating income presented only continuing operation retroactively.

# Consolidated statement of financial position

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Total assets decreased by 82.5 billion yen from the end of last fiscal year due to a decrease in trade receivables and inventories, an effect of appreciation of the yen.

[billions of yen]

	(A) FY24-2Q	(B) Mar '2024	(C) FY23-2Q	(A)-(B) change		(D) FY24-2Q	(E) Mar '2024	(F) FY23-2Q	(D)-(E) change
Cash and cash equivalents	144.7	143.5	104.7	1.1	Trade and other payables	240.4	289.4	291.9	-49.0
Trade receivables	240.2	305.7	285.0	-65.5	Bonds and borrowings	554.0	575.6	537.0	-21.5
Inventories	543.4	552.3	552.0	-8.9	Total liabilities	936.2	1,020.6	981.3	-84.4
Total current assets	1,003.6	1,077.6	1,000.1	-74.0	(Equity attributable to owners of the parent ratio)	(43.9%)	(41.6%)	(41.8%)	(2.3%)
Total non-current assets	749.0	757.5	760.7	-8.5	Total equity	816.3	814.4	779.5	1.9
Total assets	1,752.5	1,835.0	1,760.8	-82.5	Total liabilities and equity	1,752.5	1,835.0	1,760.8	-82.5
Trade receivables incl. non-current	285.0	352.9	329.4	-67.9					
Inventories by products									
Unit	219.2	229.7	201.9	-10.4	Interest-bearing debt	(31.6%)	(31.4%)	(30.5%)	(0.2%)
Parts	169.2	172.8	172.8	-3.6	Cash and Cash equivalents	144.7	143.5	104.7	1.1
Raw materials, WIP and etc	155.0	149.9	177.2	5.1	Net interest-bearing debt	(23.4%)	(23.5%)	(24.6%)	(-0.2%)
Total inventories	543.4	552.3	552.0	-8.9	Debt	409.4	432.1	432.4	-22.7
On hand days(divided by revenue)				[Days]					
Trade receivables	74	92	87	-18	Net D/E Ratio	0.53	0.57	0.59	-0.03
Inventories	141	143	147	-2					
Trade payables	33	44	45	-11					
Net working capital	178	187	184	-9					

Operating cash flow and free cash flow were positive and improved significantly y-y.

[billions of yen]

	FY2024 1Q-2Q		FY2023 1Q-2Q		change	
Net income		36.2		62.7		-26.5
Depreciation and amortization	73.0	36.9	95.6	32.9	-22.5	4.0
(Increase)decrease in trade/lease receivables		63.6		33.0		30.7
(Increase)decrease in inventories	28.1	7.0	-33.7	-67.6	61.8	74.5
Increase(decrease) in trade payables		-42.6		0.9		-43.4
Others, net		-36.7		-33.7		-3.1
Net cash provided by (used in) operating activities		64.4		28.1		36.2
Cash flow margin for operating activities		9.7%		4.2%		5.4%
Net cash provided by (used in) investing activities		-23.3		-27.0		3.7
Free cash flows		41.0		1.1		39.9
Net cash provided by (used in) financing activities		-36.4		-12.9		-23.5

# Summary of consolidated earnings forecast

Consolidated revenue for this fiscal year is changed downward from the previous one as of July and revenue is expected to decrease by 4% y-y, adjusted operating income by 10% y-y, and net income attributable to owners of the parent by 14% y-y.

(billions of yen)

	FY2024		FY2023		change	
	Forecast		Actual		amount	%
Continuing operation						
Revenue	<1,370.0>	1,350.0	1,405.9		-55.9	-4%
Adjusted operating income	<12.0%> <165.0>	(11.2%) 151.0	(12.0%) 168.0		(-0.8%) -17.0	-10%
Operating income	<11.8%> <161.0>	(11.1%) 150.0	(11.6%) 162.7		(-0.5%) -12.7	-8%
Income before income taxes	<11.0%> <151.0>	(9.4%) 127.0	(11.4%) 160.5		(-2.0%) -33.5	-21%
Net income from continuing operation	<106.4>	89.0	116.3		-27.3	-23%
Net income from discontinued operation	<0.7>	0.0	-11.8		11.8	-
Net income attributable to owners of the parent	<7.2%> <98.0>	(5.9%) 80.0	(6.6%) 93.3		(-0.7%) -13.3	-14%
EBIT	<165.4>	139.8	167.5		-27.6	
Currency	1Q-2Q	3Q-4Q	Year	FY2023	change	
	Actual	Forecast	Forecast	Actual		
Rate (YEN/USD)	152.7	141.0	145.5	144.8	0.7	
Rate (YEN/EUR)	166.0	155.0	159.9	157.0	2.9	
Rate (YEN/RMB)	21.1	19.8	20.4	20.1	0.2	
Rate (YEN/AUD)	101.3	96.0	98.7	95.0	3.6	
Cash dividend per share (yen) *1			175	150	25	

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 aims to maximize shareholder returns based on a stable and continuous dividend payout ratio of approx. 30% to 40%.

# Consolidated revenue forecast by geographic region

The forecast is changed downward from the previous one as of July in North America and Oceania.

(billions of yen)

		FY2024 Forecast		FY2023 Actual		change	
						amount	%
Japan		223.0	17%	226.9	16%	-3.9	-2%
Asia		117.6	9%	127.0	9%	-9.5	-7%
India		86.9	6%	85.0	6%	1.9	2%
Oceania		257.1	19%	251.1	18%	6.0	2%
Europe		146.4	11%	182.9	13%	-36.4	-20%
America	N. America	320.6	24%	334.4	24%	-13.8	-4%
	L. America	41.4	3%	40.9	3%	0.5	1%
		362.0	27%	375.2	27%	-13.3	-4%
(Developing own business)		(224.6)	(17%)	(217.5)	(15%)	(7.2)	(3%)
Russia-CIS		22.2	2%	23.4	2%	-1.2	-5%
M. East		30.7	2%	34.7	2%	-4.1	-12%
Africa		73.6	5%	70.4	5%	3.2	5%
China		30.5	2%	29.2	2%	1.3	4%
Total		1,350.0	100%	1,405.9	100%	-55.9	-4%
Overseas ratio		83%		84%			

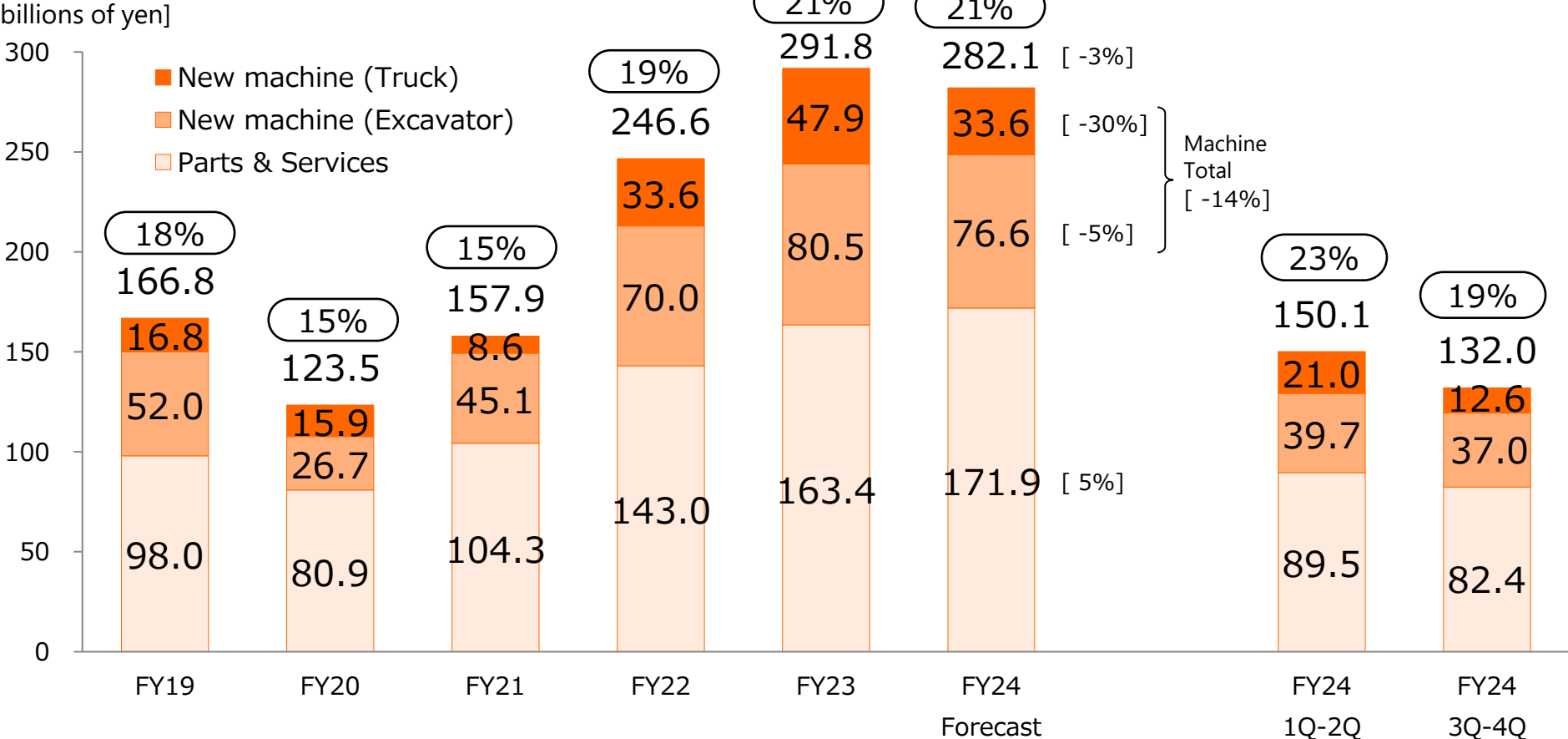
\* FY2023 & FY2024 revenue presented only continuing operation retroactively.



# Mining revenue forecast

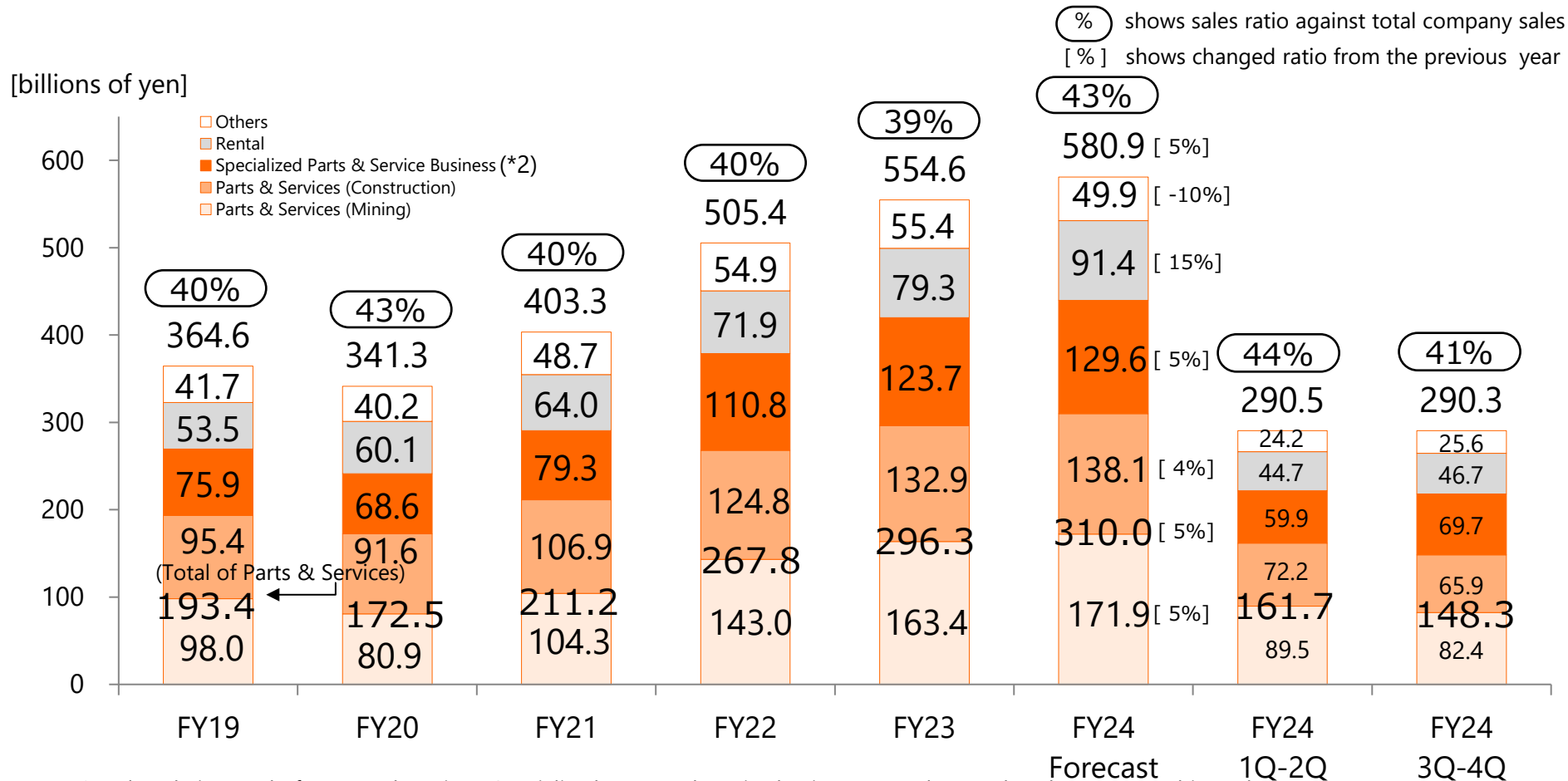
Revenue forecast of parts and service is changed upward from the previous one as of July .  
 Revenue forecast of mining trucks and excavators is changed downward.

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



# Value chain\*1 revenue forecast

Value chain revenue forecast is changed upward from the previous one as of July. Revenue from parts & services, specialized parts & service business, and rental is expected to increase.



(\*1) Value chain: Total of Parts and services, Specialized parts and service business, Rental, etc. other than new machine sales.

(\*2) Specialized parts and service 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.

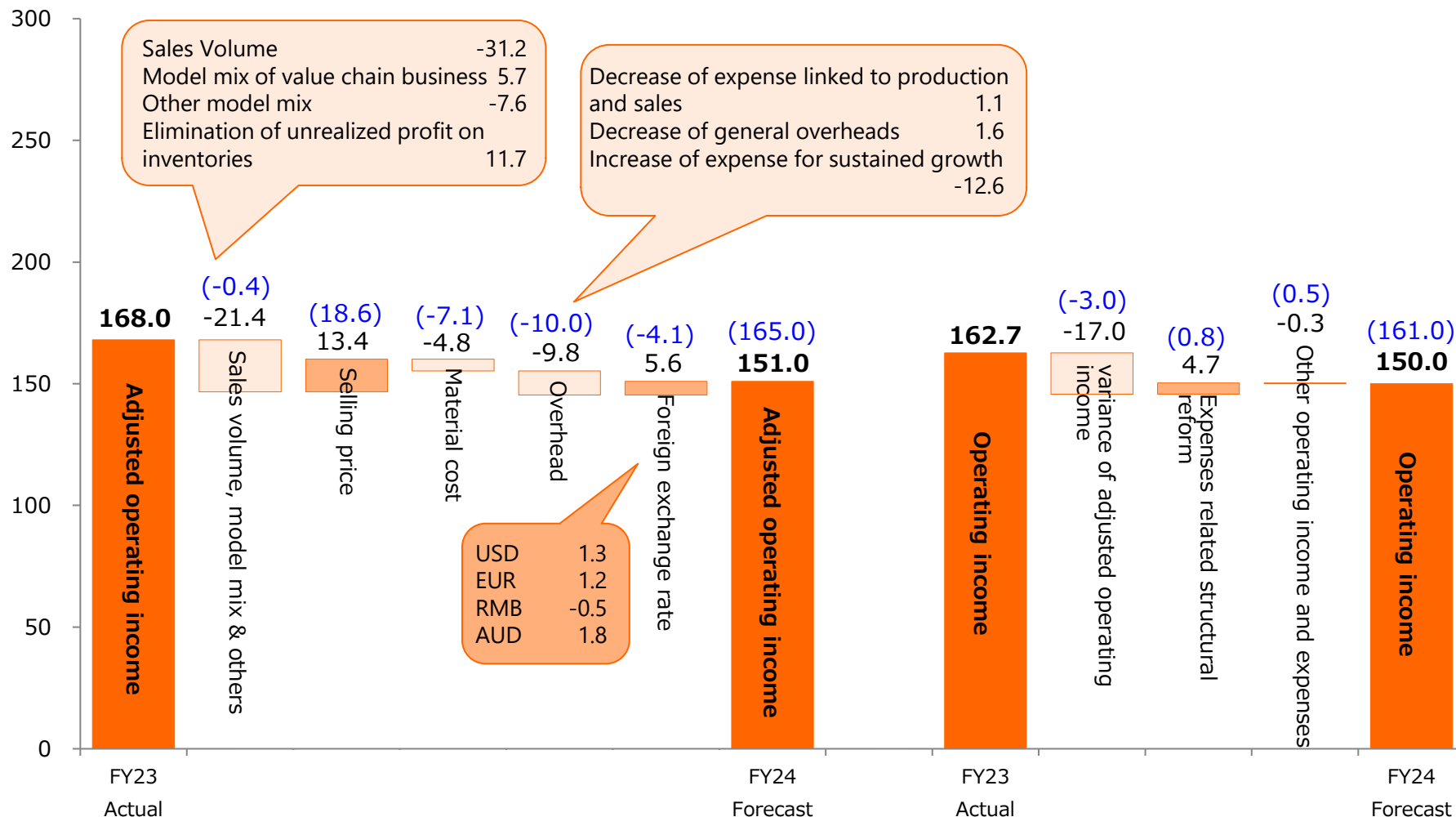
From FY2019, revenue presented only continuing operation retroactively.

# Comparison of consolidated income forecast

Adjusted operating income decreased due to the impact of sales volume decrease, model mix, and decrease in sales price up from the previous forecast as of July, despite the growth of the value chain business.

[billions of yen]

note : ( ) shows forecast as of July 2024





**Please take a look.**  
**You can download the entire report from the following URL.**

Japanese edition : <https://www.hitachicm.com/global/jp/sustainability/download/>

English edition will be soon : <https://www.hitachicm.com/global/en/sustainability/download/>

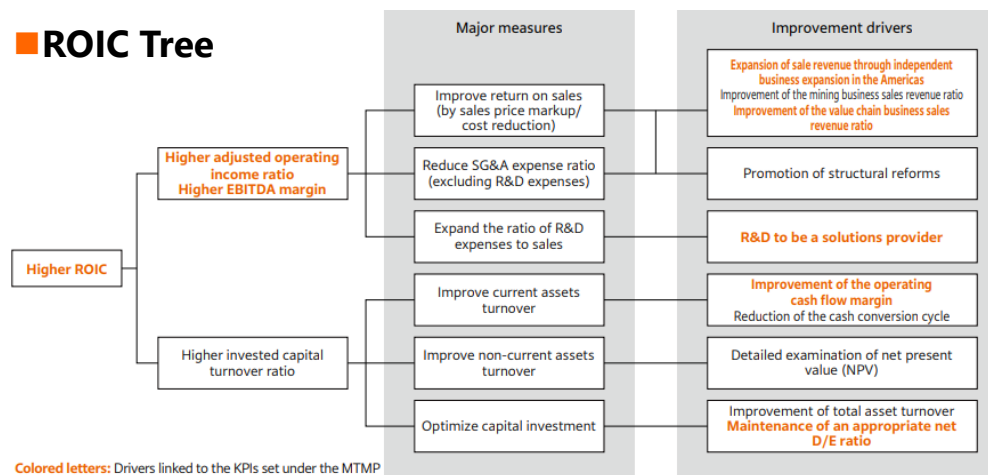
## ■ CFO Message

Based on the recognition that we can increase our corporate value by improving our capital productivity, we will work for the full implementation of our financial and capital strategies in line with the medium-term management plan.

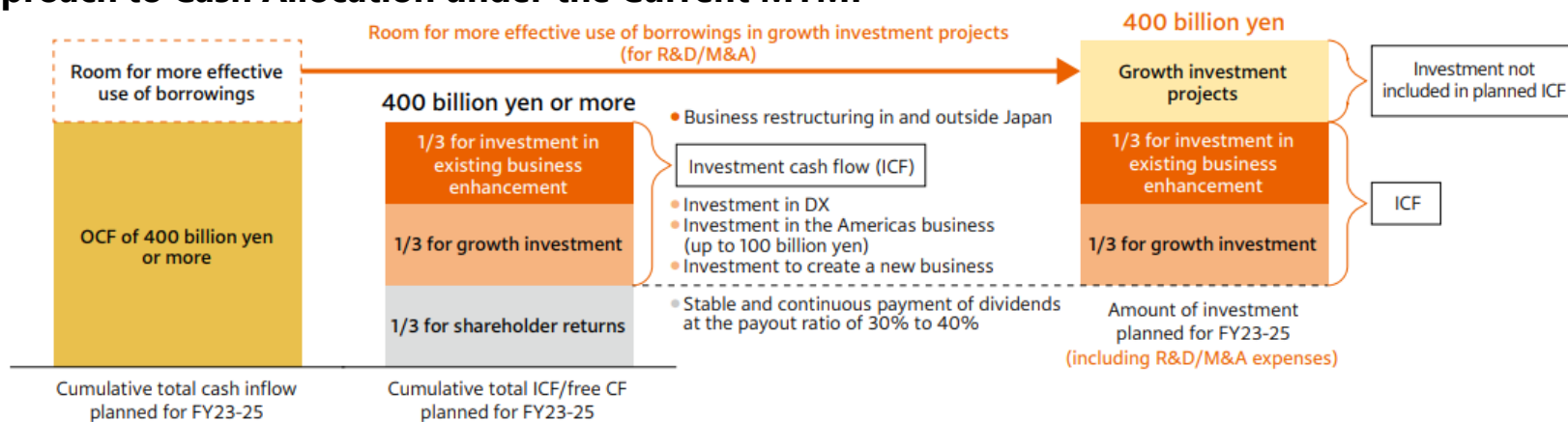
Vice President and Executive Officer,  
 Director and CFO  
 President of Financial Strategy Group  
 Keiichiro Shiojima



## ■ ROIC Tree



## ■ Approach to Cash Allocation under the Current MTMP



# Appendix 1: FX rate and FX sensitivity

The forecast exchange rate of major currencies for this fiscal year is changed from the previous announcement as of July 2024. EUR and AUD for depreciation of the yen, CNY for appreciation of the yen.

## FX rate and FX sensitivity

(billions of yen)

Currency	FX rate				FX sensitivity (3Q-4Q)		
	FY24			FY23 Actual	Condition	Revenue	Adjusted operating income
	1Q-2Q Actual	3Q-4Q Forecast	Total Forecast				
USD	152.7	141.0	145.5	144.8	Impact by 1 yen depreciation	1.8	1.1
EUR	166.0	155.0	159.9	157.0	Impact by 1 yen depreciation	0.4	0.2
RMB	21.1	19.8	20.4	20.1	Impact by 0.1 yen depreciation	0.1	0.0
AUD	101.3	96.0	98.7	95.0	Impact by 1 yen depreciation	1.3	0.2

# Appendix 2: Detail of mining revenue

(billions of yen)

		FY24 Forecast			FY23 Actual			Change		
		1-2Q	3-4Q	Year	1-2Q	3-4Q	Year	1-2Q	3-4Q	Year
America	Excavator	15.1	21.0	36.1	14.1	22.1	36.2	1.0	-1.1	-0.1
	Dump Truck	6.8	3.5	10.4	4.0	7.0	10.9	2.9	-3.4	-0.5
	Total	22.0	24.5	46.5	18.1	29.1	47.1	3.9	-4.5	-0.6
Europe, Africa and Middle East	Excavator	14.3	17.5	31.8	13.7	20.6	34.3	0.6	-3.1	-2.5
	Dump Truck	24.1	15.8	39.8	12.7	22.9	35.6	11.4	-7.2	4.2
	Total	38.3	33.3	71.6	26.4	43.6	70.0	12.0	-10.3	1.7
Asia & Oceania	Excavator	65.0	51.4	116.5	60.9	59.1	120.1	4.1	-7.7	-3.6
	Dump Truck	20.7	18.9	39.5	28.4	22.5	50.8	-7.7	-3.6	-11.3
	Total	85.7	70.3	156.0	89.3	81.6	170.9	-3.6	-11.3	-14.9
China	Excavator	3.4	3.4	6.8	0.7	1.8	2.5	2.7	1.6	4.3
	Dump Truck	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
	Total	3.5	3.5	7.0	0.7	1.8	2.5	2.8	1.6	4.5
Japan	Excavator	0.6	0.4	1.0	0.5	0.4	0.9	0.2	-0.0	0.1
	Dump Truck	0.0	0.0	0.0	0.0	0.4	0.4	0.0	-0.4	-0.4
	Total	0.6	0.4	1.0	0.5	0.8	1.3	0.2	-0.4	-0.3
Total	Excavator	98.5	93.8	192.2	89.8	104.2	194.0	8.6	-10.4	-1.8
	Dump Truck	51.7	38.2	89.9	45.0	52.7	97.8	6.6	-14.5	-7.9
	Total	150.1	132.0	282.1	134.9	156.9	291.8	15.2	-24.9	-9.7

# Appendix 3: Segment information

The amortizations of PPA are included in the adjusted operating income of the specialized parts & service business : 0.6 billion yen in FY2024 2Q, and 1.2 billion yen in the forecast for FY2024.

[billions of yen]

FY2024 1Q-2Q Actual	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	605.8	64.5	-4.6	665.7
Adjusted operating income	10.6% 64.3	10.9% 7.0	-	10.7% 71.3

[billions of yen]

FY2024 Forecast	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	1,220.4	134.2	-4.6	1,350.0
Adjusted operating income	11.0% 133.8	12.8% 17.2	-	11.2% 151.0

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

# Appendix4 : Actual and forecast of consolidated capital expenditures, depreciation, and R&D expenses

The total capital expenditures for FY2024 are expected to expand for the reorganization of factories in Japan.

## 1.Capital Expenditure (Based on completion)

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 1Q-2Q Actual	FY2024 3Q-4Q Forecast	FY2024 Forecast
Capital Expenditure	45.3	75.1	58.7	24.0	43.2	67.2
Assets held for operating lease	44.3	44.2	50.3	29.2	54.1	83.3
Total	89.6	119.3	109.0	53.3	97.2	150.5

## 2.Depreciation (tangible and intangible fixed assets)

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 1Q-2Q Actual	FY2024 3Q-4Q Forecast	FY2024 Forecast
Capital Expenditure	36.9	40.5	43.7	24.1	23.7	47.7
Assets held for operating lease	17.9	21.6	23.5	12.8	13.7	26.5
Total	54.8	62.1	67.2	36.9	37.3	74.2

## 3.R&D expenses

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 1Q-2Q Actual	FY2024 3Q-4Q Forecast	FY2024 Forecast
Total of consolidation	25.5	24.4	31.4	17.2	18.2	35.4



**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.**



Hitachi Construction Machinery Group

# LANDCROS

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## **Solutions Beyond Machinery**

**LANDCROS is our desire:  
delivering innovative solutions for all stakeholders.**

# END

### **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.

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October 25, 2024

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