

Consolidated Financial Results for the Year Ended March 31, 2025 (IFRS)

April 25, 2025

Listed company: Hitachi Construction Machinery Co., Ltd.

Stock exchange: Tokyo (Prime Market) Code number: 6305

URL <https://www.hitachim.com/global/en/>

Representative: Masafumi Senzaki, President and Executive Officer, COO

Scheduled date of ordinary General Meeting of Shareholders: June 23, 2025

Scheduled date of commencement of payment of dividends: May 30, 2025

Scheduled date for submission of Securities Report: June 24, 2025

Supplementary materials to the financial statements have been prepared: Yes

Presentation will be held to explain the financial statements: Yes (for institutional investors, analysts and journalists)

(Rounded off to the nearest million)

1. Consolidated results for the year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated results

(%: Changes from the same period of the previous fiscal year)

	Revenue		Adjusted operating income		Income before income taxes		Net income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	1,371,285	(2.5)	144,989	(13.7)	134,168	(16.4)	91,794	(12.1)	81,428	(12.7)
March 31, 2024	1,405,928	11.1	168,028	23.0	160,476	39.5	104,467	38.0	93,294	32.9

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

	Net income attributable to owners of the parent per share (basic)	Net income attributable to owners of the parent per share (diluted)	Profit on equity attributable to owners of the parent	Ratio of income before income taxes	Operating income to revenue
	Yen	Yen	%	%	%
March 31, 2025	382.83	382.83	10.4	7.4	11.3
March 31, 2024	438.68	438.68	13.1	9.3	11.6

References: Share of profits (losses) of investments accounted for using the equity method; March 31, 2025: ¥3,239 million, March 31, 2024: ¥3,442 million

"Net income attributable to owners of parent per share (basic)" and "Net income attributable to owners of parent per share (diluted)" are calculated based on "Net income attributable to owners of parent".

Beginning with the 4Q of the previous fiscal year, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, revenue, adjusted operating income and income before income taxes are presented in amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operations.

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,791,006	857,952	809,337	45.2	3,805.00
March 31, 2024	1,835,672	814,413	763,380	41.6	3,589.46

(3) Consolidated cash flows

	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	143,932	(52,833)	(85,371)	147,136
March 31, 2024	73,035	(39,035)	(8,917)	143,530

2. Dividends status

	Cash dividends per share					Dividends paid (Total)	Dividend payout ratio (Consolidated)	Dividend attributable to owners of the parent (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	85.00	—	65.00	150.00	31,901	34.2	4.5
March 31, 2025	—	65.00	—	110.00	175.00	37,223	45.7	4.7
March 31, 2026 (Projection)	—	75.00	—	100.00	175.00		44.9	

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

3. Consolidated earnings forecast for the full year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Revenue		Adjusted operating income		Income before income taxes		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2026	1,375,000	0.3	151,000	4.1	135,000	0.6	83,000	1.9	390.22

*Notes

(1) Important changes in the scope of the consolidation during period: None

(2) Changes in accounting policies; changes in accounting estimates

[1] Changes in accounting policies required by IFRS None

[2] Changes in accounting policies other than those in [1] None

[3] Changes in accounting estimates None

(3) Number of outstanding shares (common shares)

[1] Number of outstanding shares (including treasury shares)

March 2025 215,115,038

March 2024 215,115,038

[2] Number of treasury shares

March 2025 2,411,476

March 2024 2,442,175

[3] Average number of common shares outstanding during the fiscal year (shares)

March 2025 212,699,280

March 2024 212,669,833

(Reference) Non-consolidated Financial Results

1. Non-consolidated results for the year ended March 2025(April 1, 2024 to March 31, 2025)

(1) Non-consolidated results

(%: Changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	723,660	(10.7)	2,186	(86.6)	68,274	(10.5)	91,118	38.6
March 31, 2024	810,556	11.5	16,328	(45.5)	76,261	32.4	65,754	34.5

	Net income per share	Net income per share (Diluted)
	Yen	Yen
March 31, 2025	428.39	428.39
March 31, 2024	309.18	309.18

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	928,265	482,443	52.0	2,268.15
March 31, 2024	924,054	418,012	45.2	1,965.52

(Reference) Total equity at fiscal year-end March 2025: ¥482,442 million March 2024: ¥418,012 million

Indication of audit procedure implementation status

This earnings report is exempt from audit procedure.

Explanation on the appropriate use of results forecasts and other important items

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially. Please refer to “1. Management Performance and Financial Conditions, (2) Outlook for the Fiscal Year Ending March 2026” of the attachment for conditions serving as assumptions for results forecasts.

Other

During the third quarter of the fiscal year ending March 31, 2025, the Company finalized the provisional accounting treatment for business combinations. Revision of the initial allocated amounts of acquisition cost is reflected in the consolidated balance sheets as of March 2024. For details, please refer to the attached document “3. Consolidated Financial Statements (6) Notes on Consolidated Financial Statements, (Business combination).”

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1. Management Performance and Financial Conditions

(1) Management Results

Under the three-year medium-term management plan “BUILDING THE FUTURE 2025,” which concludes in the fiscal year ending March 31, 2026, the Company is committed to the sustainable growth and enhancement of corporate value through four management strategies: [1] Delivering innovative solutions for customer needs; [2] Enhancing the value chain business; [3] Expanding business in the Americas; and [4] Strengthening human capital and corporate capabilities.

During the fiscal year under review (April 1, 2024 to March 31, 2025), revenue decreased compared to the same period of the previous fiscal year, primarily in North America and Europe, where demand for new hydraulic excavators declined due to the prolonged high interest rates. In the Americas, where we are focusing on our independent development, while the market share in the North American market based on retail sales to end customers increased year on year, revenue decreased due to factors such as a slowdown in the buildup of dealer inventory amid weak demand. However, despite weak new machinery demand, the parts and services business, which has been a focus area, continued to perform steadily, supported by robust maintenance demand. As a result, consolidated revenue for the fiscal year ended March 31, 2025, was ¥1,371,285 million (a decrease of 2.5% year on year), marking a decline in revenue.

As for consolidated income items, the continued reduction of production costs and increase in sales prices, as well as the impact of the weakening yen, supported income. On the other hand, factors such as a decline in sales volume due to deteriorating market conditions, increased expenses related to growth investments such as R&D and personnel expenses, and proactive sales promotion activities aimed at expanding market share in North America resulted in an adjusted operating income of ¥144,989 million (a decrease of 13.7% year on year). Net income attributable to owners of the parent decreased to ¥81,428 million (a decrease of 12.7% year on year) due to factors such as foreign exchange losses and increased interest payments. On the other hand, operating cash flow and free cash flow increased year on year due to efforts to reduce accounts receivable and inventory.

As a note, from the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations in line with IFRS accounting standards. As a result, for the current and previous fiscal years, revenue, adjusted operating income, operating income, and income before income taxes are presented in amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operations.

Business results by segment are described below.

[1] Construction Machinery Business

During the fiscal year under review, revenue was ¥1,244,000 million (a decrease of 3.0% year on year) and adjusted operating income was ¥129,856 million (a decrease of 15.4% year on year), respectively.

In both the construction and mining businesses, the value chain business centered on parts and services performed well, but revenue and adjusted operating income declined, mainly due to the decrease in sales volume in North America and Europe as well as higher R&D expenses and personnel expenses, and an increase in sales promotion expenses in the North American market, which is a key focus area.

[2] Specialized Parts & Service Business

This segment consists primarily of Bradken Pty Limited and its subsidiaries, which are engaged in the parts and services business in the after-sales of mining facilities and machinery, and H-E Parts International LLC and its subsidiaries, which provide service solutions.

During the fiscal year under review, revenue was ¥135,642 million (an increase of 4.4% year on year), and adjusted operating income was ¥15,133 million (an increase of 4.4% year on year), resulting in increased revenue and income, mainly due to the Impact of H-E Parts International LLC's acquisition of the business of Brake Supply Co., INC. in the United States.

The above revenues of segments [1] and [2] are the figures before intersegment adjustments.

The following table summarizes consolidated net revenue by geographic area:

	FY2024 (April 1, 2024- March 31, 2025)		FY2023 (April 1, 2023- March 31, 2024)		Increase (Decrease)	
	Revenue (A)	Proportion (%)	Revenue (B)	Proportion (%)	(A)-(B)	(A)/(B)-1 (%)
North America	312,367	22.8	334,391	23.8	(22,024)	(6.6)
Central and South America	43,768	3.2	40,856	2.9	2,912	7.1
The Americas	356,135	26.0	375,247	26.7	(19,112)	(5.1)
Europe	159,656	11.6	182,893	13.0	(23,237)	(12.7)
Russia-CIS	19,585	1.4	23,429	1.7	(3,844)	(16.4)
Africa	84,960	6.2	70,376	5.0	14,584	20.7
Middle East	33,590	2.4	34,721	2.5	(1,131)	(3.3)
Russia-CIS, Africa, and the Middle East	138,135	10.1	128,526	9.1	9,609	7.5
Asia	118,493	8.6	127,047	9.0	(8,554)	(6.7)
India	87,456	6.4	85,009	6.0	2,447	2.9
Oceania	258,853	18.9	251,089	17.9	7,764	3.1
Asia and Oceania	464,802	33.9	463,145	32.9	1,657	0.4
China	32,527	2.4	29,236	2.1	3,291	11.3
Sub-total	1,151,255	84.0	1,179,047	83.9	(27,792)	(2.4)
Japan	220,030	16.0	226,881	16.1	(6,851)	(3.0)
Total	1,371,285	100.0	1,405,928	100.0	(34,643)	(2.5)

(Rounded off to the nearest million)

Note: Beginning with the 4Q of the previous fiscal year, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the current and previous fiscal years, revenue are presented in amounts for continuing operations excluding discontinued operations.

(2) Outlook for the Fiscal Year Ending March 2026

In the fiscal year ending March 2026, we expect the challenging new machinery sales environment to persist, particularly in North America, due to the continued impact of high interest rates and other factors. On the other hand, new machinery demand is beginning to recover in Southeast Asia. In the mining sector, while the outlook for resource prices such as coal and iron ore remain uncertain due to the global economic slowdown, copper prices are expected to remain firm. Given these circumstances, we expect overall demand for new mining machinery to decline, while demand for maintenance of operating units is expected to remain firm.

Despite the continued challenging business environment characterized by a decline in new machinery demand and increased material costs due to inflation, we are advancing cost reduction and price increases, while our value chain business centered on parts and services remains firm, supporting earnings. Taking these factors into consideration, we project a slight increase in both revenue and adjusted operating income for the fiscal year ending March 2026 (April 1, 2025, to March 31, 2026) year on year. However, operating income is expected to decrease due to the inclusion of one-time improvements in other operating income in the previous fiscal year, while net income attributable to owners of the parent is projected to increase.

The business environment surrounding our company is becoming increasingly uncertain. However, based on the above performance outlook and considering the recent situation where we expect a certain degree of improvement in performance and continue to generate stable cash flows, we plan to pay an annual dividend of ¥175 per share for the fiscal year ending March 2026, the same as the previous year.

We are focusing on expanding our own business in the Americas, mining business, and value chain business. In particular, during the previous fiscal year, we implemented measures to accelerate the expansion of our mining business in Latin America, including the establishment of a mining machinery sales and service company in Brazil in collaboration with Marubeni Corporation and the establishment of a regional headquarters company in Chile. Going forward, we will continue to pursue sustainable growth in our core businesses to further transition toward a more stable profit structure less dependent on new machinery demand. These forecasts are based on the following exchange rates: ¥145 to the US dollar, ¥155 to the euro, ¥19.9 to the Chinese yuan, and ¥94 to the Australian dollar.

Consolidated Earnings Forecast for the Full Year Ending March 31, 2026

	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)
Forecast	Millions of yen 1,375,000	Millions of yen 151,000	Millions of yen 149,000	Millions of yen 135,000	Millions of yen 83,000	Yen 390.22
Change	3,715	6,011	(5,730)	832	1,572	—
Change (%)	0.3	4.1	(3.7)	0.6	1.9	—
(Reference) FY2024	1,371,285	144,989	154,730	134,168	81,428	382.83

(Rounded off to the nearest million)

Notes:

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors may cause actual results to differ materially.

Please note that while we have estimated the impact of U.S. tariff policies on the demand for machinery and the amount of tariffs themselves based on certain assumptions, we have not factored these into our earnings forecast at this time due to the fluid nature of policy developments. Since the Company manufactures and exports the majority of its products for the U.S. market in Japan, it is not significantly affected by tariffs on exports to the U.S. from countries other than Japan due to the fact that the supply chain for U.S.-bound products does not span multiple countries. On the other hand, tariffs will be imposed on imports of completed machinery from Japan, but the Company will strive to mitigate the impact through appropriate adjustments to selling prices and various cost reduction measures.

(3) Analysis of Financial Condition

[1] Status of Assets, Liabilities, and Net Assets

(Note) During the third quarter of the fiscal year ending March 31, 2025, the Company finalized the provisional accounting treatment for business combinations. Revision of the initial allocated amounts of acquisition cost is reflected in the consolidated balance sheets as of March 2024.

(Assets)

Current assets amounted to ¥ 1,000,755 million, a decrease of 7.1%, or ¥ 76,405 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 34,920 million in trade receivables and ¥ 21,136 million in inventories.

Non-current assets amounted to ¥ 790,251 million, an increase of 4.2%, or ¥ 31,739 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 20,422 million in property, plant and equipment.

As a result, total assets decreased by 2.4%, or ¥ 44,666 million, from the previous fiscal year-end to ¥ 1,791,006 million.

(Liabilities)

Current liabilities amounted to ¥ 613,256 million, a decrease of 15.8%, or ¥ 114,946 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 69,609 million in bonds and borrowings and ¥ 28,618 million in trade and other payables.

Non-current liabilities amounted to ¥ 319,798 million, an increase of 9.1%, or ¥ 26,741 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 31,885 million in bonds and borrowings.

As a result, total liabilities decreased by 8.6%, or ¥ 88,205 million, from the previous fiscal year-end to ¥ 933,054 million.

(Equity)

Total equity increased by 5.3%, or ¥ 43,536 million, from the previous fiscal year-end to ¥ 857,952 million. This was mainly due to an accumulation of retained earnings.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

[2] Analysis of the Status of Consolidated Cash Flows

Cash and cash equivalents at the end of the fiscal year totaled ¥ 147,136 million, an increase of ¥ 3,606 million from the beginning of the fiscal year. Statement and factors relating to each cash flow category are as follows:

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities for the fiscal year based on ¥ 90,364 million in net income, and included ¥ 64,546 million in depreciation, a ¥ 35,679 million decrease in trade receivables and contract assets, while a ¥ 47,102 million in income tax paid as cash outflow.

As a result, net cash provided by operating activities for the fiscal year totaled to an inflow of ¥ 143,932 million, an increase inflow of ¥ 70,897 million year on year.

(Net cash (provided by) used in investing activities)

Net cash used in investing activities for the fiscal year amounted to ¥ 52,833 million, an increase of ¥ 13,798 million year on year. This was mainly due to an outlay of ¥ 32,348 million for capital expenditures and ¥ 15,946 million in payments for transfer of business.

As a result, free cash flows, the sum of net cash provided by operating activities and net cash used in investing activities, amounted to an inflow of ¥ 91,099 million.

(Net cash (provided by) used in financing activities)

Net cash used in financing activities for the fiscal year amounted to ¥ 85,371 million. While there was an increase of ¥ 69,226 million in proceeds from long-term debt and bond, this was mainly due to ¥ 81,941 payments on long-term debt and bond and a ¥ 35,262 million dividends paid (including dividends paid to non-controlling interests)

As a result, cash for financing activities for the fiscal year produced an increased outflow of ¥ 76,454 million year on year.

(Reference) The following table describes cash flow indicator indices:

	March 2025	March 2024	March 2023
Equity attributable to owners of the parent ratio (%)	45.2	41.6	40.6
Equity attributable to owners of the parent ratio on a market price basis (%)	46.9	52.4	40.2
Interest-bearing debt to operating cash flow ratio (%)	3.7	7.9	(19.4)
Interest coverage ratio (times)	7.9	4.9	(3.0)

Notes:

Equity attributable to owners of the parent ratio: Equity attributable to owners of the parent/total assets

Equity attributable to owners of the parent ratio on a market price basis: Share market price/total assets

Interest-bearing debt to operating cash flow ratio: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/interest paid

1. Indices are calculated using consolidated figures.
2. The share market price is calculated by multiplying the closing price at the end of the period by the number of outstanding shares at the end of the period (after excluding treasury stock).
3. Cash flows from operating activities reflect cash flows from operating activities as detailed in the Consolidated Statements of Cash Flows. Interest-bearing debt reflects all debt for which the Company is paying interest as detailed in the Consolidated Balance Sheets. Interest payments reflect interest paid as detailed in the Consolidated Statements of Cash Flows.

(4) Dividend Policy

The Company will work to bolster its internal reserves while giving well-balanced consideration to the maintenance and strengthening of its financial structure and implementation plans for upfront investments, including investments for technology development and facilities based on medium- and long-term business strategies. At the same time, the Company will, in principle, pay dividends of surplus linked to its consolidated business results twice a fiscal year as interim and fiscal year-end dividends and aim to maximize shareholder returns based on a stable and continuous dividend payout ratio of 30% to 40% on a consolidated basis.

With the aim of enabling the execution of a flexible capital policy, the Company will acquire treasury stock in consideration of necessity, financial conditions, and stock price movement, etc.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

2. Our Fundamental Position Concerning Selection of Accounting Standards Policy

The Company has been actively promoting global business development and aims to further increase its enterprise value by building a management foundation that can accelerate management visualization and management enhancement as well as governance reinforcement. As part of these efforts and for the purpose of improving the international comparability of financial statements in the capital markets by introducing IFRS, which is a global standard, and unifying the accounting methods within the Group, the Company voluntarily adopts the International Financial Reporting Standards (IFRS) from the presentation of the consolidated financial statements in its annual securities report for the fiscal year ended March 31, 2015.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2025 (A)	As of Mar. 31, 2024 (B)	(A)-(B)
Assets			
Current assets			
Cash and cash equivalents	147,136	143,530	3,606
Trade receivables	270,259	305,179	(34,920)
Contract assets	623	552	71
Inventories	531,183	552,319	(21,136)
Income tax receivables	2,745	2,994	(249)
Other financial assets	31,324	33,538	(2,214)
Other current assets	17,485	19,200	(1,715)
Subtotal	1,000,755	1,057,312	(56,557)
Assets held for sale	-	19,848	(19,848)
Total current assets	1,000,755	1,077,160	(76,405)
Non-current assets			
Property, plant and equipment	486,031	465,609	20,422
Right-of-use-asset	67,328	66,973	355
Intangible assets	46,703	43,630	3,073
Goodwill	58,540	58,271	269
Investments accounted for using the equity method	25,968	23,844	2,124
Trade receivables	47,647	47,196	451
Deferred tax assets	25,438	26,222	(784)
Other financial assets	26,296	21,177	5,119
Other non-current assets	6,300	5,590	710
Total non-current assets	790,251	758,512	31,739
Total assets	1,791,006	1,835,672	(44,666)
Liabilities			
Current liabilities			
Trade and other payables	233,766	262,384	(28,618)
Lease liabilities	12,166	11,711	455
Contract liabilities	14,647	14,314	333
Bonds and borrowings	326,693	396,302	(69,609)
Income taxes payable	9,622	15,210	(5,588)
Other financial liabilities	11,918	19,164	(7,246)
Other current liabilities	4,444	3,679	765
Subtotal	613,256	722,764	(109,508)
Liabilities held for sale	-	5,438	(5,438)
Total current liabilities	613,256	728,202	(114,946)
Non-current liabilities			
Trade and other payables	2,317	3,720	(1,403)
Lease liabilities	60,399	62,531	(2,132)
Contract liabilities	8,284	9,439	(1,155)
Bonds and borrowings	211,165	179,280	31,885
Retirement and severance benefit	20,404	22,505	(2,101)
Deferred tax liabilities	11,861	9,581	2,280
Other financial liabilities	1,143	629	514
Other non-current liabilities	4,225	5,372	(1,147)
Total non-current liabilities	319,798	293,057	26,741
Total liabilities	933,054	1,021,259	(88,205)
Equity			
Equity attributable to owners of the parent			
Common stock	81,577	81,577	-
Capital surplus	75,768	75,965	(197)
Retained earnings	580,257	526,307	53,950
Accumulated other comprehensive income	74,768	82,600	(7,832)
Treasury stock, at cost	(3,033)	(3,069)	36
Total Equity attribute to owners of the parent	809,337	763,380	45,957
Non-controlling interests	48,615	51,033	(2,418)
Total equity	857,952	814,413	43,539
Total liabilities and equity	1,791,006	1,835,672	(44,666)

(2) Consolidated Statements of Income

(Millions of yen)

	For the year ended Mar. 31, 2025 (A)	For the year ended Mar. 31, 2024 (B)	(A)/(B)×100 (%)
Continuing operations			
Revenue	1,371,285	1,405,928	98
Cost of sales	(942,641)	(970,758)	97
Gross profit	428,644	435,170	99
Selling, general and administrative expenses	(283,655)	(267,142)	106
Adjusted operating income	144,989	168,028	86
Other income	22,590	5,175	437
Other expenses	(12,849)	(10,513)	122
Operating income	154,730	162,690	95
Financial income	6,196	11,557	54
Financial expenses	(29,997)	(17,213)	174
Share of profits of investments accounted for using the equity method	3,239	3,442	94
Income before income taxes	134,168	160,476	84
Income taxes	(43,804)	(44,186)	99
Net income from continuing operations	90,364	116,290	78
Discontinued operations			
Net income from discontinued operations	1,430	(11,823)	-
Net income	91,794	104,467	88
Net income attributable to			
Owners of the parent	81,428	93,294	87
Non-controlling interests	10,366	11,173	93
Total net income	91,794	104,467	88
EPS attributable to owners of the parent			
Continuing operations	376.11	494.27	76
Discontinued operations	6.72	(55.59)	-
Net income per share (Basic) (yen)	382.83	438.68	87
Continuing operations	376.11	494.27	76
Discontinued operations	6.72	(55.59)	-
Net income per share (Diluted) (yen)	382.83	438.68	87

(Rounded off to the nearest million)

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended Mar. 31, 2025 (A)	For the year ended Mar. 31, 2024 (B)	(A)/(B)×100 (%)
Net income	91,794	104,467	88
Other comprehensive income			
Items that cannot be reclassified into net income			
Net gains and losses from financial assets measured at fair value through OCI	1,312	2,153	61
Remeasurements of defined benefit obligations	2,838	188	1,510
Other comprehensive income of equity method associates	12	11	109
Items that can be reclassified into net income			
Foreign currency translation adjustments	(12,337)	40,810	-
Cash flow hedges	90	130	69
Other comprehensive income of equity method associates	(867)	1,889	-
Other comprehensive income, net of taxes	(8,952)	45,181	-
Comprehensive income	82,842	149,648	55
Comprehensive income attributable to			
Owners of the parent	73,768	133,958	55
Non-controlling interests	9,074	15,690	58

(Rounded off to the nearest million)

(4) Consolidated Statements of Changes in Equity
Year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,965	526,307	(396)	8,660	(194)
Net income			81,428			
Other comprehensive income				2,847	1,312	(1)
Comprehensive income	-	-	81,428	2,847	1,312	(1)
Acquisition of treasury stock						
Dividends to stockholders of the Company			(27,650)			
Share-based payment transactions		104				
Decrease in capital of consolidated subsidiaries		(318)				
Transfer to retained earnings			172	(165)	(7)	
Change in liabilities for written put options over non-controlling interests		17				
Transaction with owners	-	(197)	(27,478)	(165)	(7)	-
Balance at end of period	81,577	75,768	580,257	2,286	9,965	(195)

(Millions of yen)

	Equity attributable to owners of the parent					
	Accumulated other comprehensive income		Treasury stock, at cost	Total	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Total				
Balance at beginning of period	74,530	82,600	(3,069)	763,380	51,033	814,413
Net income		-		81,428	10,366	91,794
Other comprehensive income	(11,818)	(7,660)		(7,660)	(1,292)	(8,952)
Comprehensive income	(11,818)	(7,660)	-	73,768	9,074	82,842
Acquisition of treasury stock			(4)	(4)		(4)
Dividends to stockholders of the Company				(27,650)	(7,454)	(35,104)
Share-based payment transactions			40	144		144
Decrease in capital of consolidated subsidiaries				(318)	(4,022)	(4,340)
Transfer to retained earnings		(172)		-		-
Change in liabilities for written put options over non-controlling interests				17	(16)	1
Transaction with owners	-	(172)	36	(27,811)	(11,492)	(39,303)
Balance at end of period	62,712	74,768	(3,033)	809,337	48,615	857,952

Year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,724	463,174	(666)	7,182	(206)
Net income			93,294			
Other comprehensive income				270	2,153	12
Comprehensive income	-	-	93,294	270	2,153	12
Acquisition of treasury stock						
Dividends to stockholders of the Company			(30,836)			
Share-based payment transactions		47				
Change in scope of consolidation						
Transfer to retained earnings			675		(675)	
Change in liabilities for written put options over non-controlling interests		194				
Transaction with owners	-	241	(30,161)	-	(675)	-
Balance at end of period	81,577	75,965	526,307	(396)	8,660	(194)

(Millions of yen)

	Equity attributable to owners of the parent					
	Accumulated other comprehensive income		Treasury stock, at cost	Total	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Total				
Balance at beginning of period	36,301	42,611	(3,094)	659,992	41,048	701,040
Net income		-		93,294	11,173	104,467
Other comprehensive income	38,229	40,664		40,664	4,517	45,181
Comprehensive income	38,229	40,664	-	133,958	15,690	149,648
Acquisition of treasury stock		-	(6)	(6)		(6)
Dividends to stockholders of the Company		-		(30,836)	(6,232)	(37,068)
Share-based payment transactions		-	31	78		78
Change in scope of consolidation		-		-	620	620
Transfer to retained earnings		(675)		-		-
Change in liabilities for written put options over non-controlling interests		-		194	(93)	101
Transaction with owners	-	(675)	25	(30,570)	(5,705)	(36,275)
Balance at end of period	74,530	82,600	(3,069)	763,380	51,033	814,413

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended Mar. 31, 2025 (A)	For the year ended Mar. 31, 2024 (B)
Net income	90,364	116,290
Net income from discontinued operations	1,430	(11,823)
Depreciation	64,546	59,693
Amortization of intangible asset	9,301	8,428
Impairment losses	2,222	11,786
Gains or loss on business restructuring	1,501	4,211
Income tax expense	43,871	44,684
Equity in net earnings of associates	(3,239)	(3,442)
(Gain) loss on sales of property, plant and equipment	(1,147)	(406)
Financial income	(6,196)	(11,557)
Financial expense	30,021	17,210
(Increase) decrease in trade receivables and contract assets	35,679	(4,171)
(Increase) decrease in lease receivables	75	6,635
(Increase) decrease in inventories	29,422	(63,738)
(Increase) decrease in trade payables	(27,514)	1,037
(Increase) decrease in retirement and severance benefit	(1,975)	745
Other	(83,087)	(33,543)
Subtotal	185,274	142,039
Interest received	5,562	3,593
Dividends received	1,672	1,328
Interest paid	(18,300)	(15,012)
Income tax paid	(47,102)	(58,913)
Proceeds from compensation	16,826	-
Net cash provided by (used in) operating activities	143,932	73,035
Capital expenditures	(32,348)	(45,728)
Proceeds from sale of property, plant and equipment	2,312	716
Acquisition of intangible assets	(12,726)	(9,875)
Acquisition of investments in securities and other financial assets(including investments in associates)	(2,359)	14,647
Sales of investments in securities and other financial assets (including investments in associates)	2	1,234
(Increase) decrease in short-term loan receivables, net	(9)	(15)
Collection of long-term loan receivables	61	35
Payments for transfer of business	(15,946)	-
Proceeds from sale of discontinued operations	8,207	-
Other	(27)	(49)
Net cash (provided by) used in investing activities	(52,833)	(39,035)
(Increase) decrease in short-term debt, net	(17,136)	27,926
Proceeds from long-term debt and bond	69,226	53,476
Payments on long-term debt and bond	(81,941)	(39,268)
Payments on lease payables	(15,040)	(12,890)
Dividends paid to owners of the parent	(27,640)	(30,816)
Dividends paid to non-controlling interests	(7,622)	(6,747)
Payments for acquisition of shares of subsidiaries from non-controlling interests	(3,623)	(592)
Payments for a paid-in capital reduction to non-controlling interests	(1,591)	-
Other	(4)	(6)
Net cash (provided by) used in financing activities	(85,371)	(8,917)
Effect of exchange rate changes on cash and cash equivalents	(2,122)	6,455
Net increase (decrease) in cash and cash equivalents	3,606	31,538
Cash and cash equivalents at beginning of period	143,530	111,992
Cash and cash equivalents at end of period	147,136	143,530

(6) Notes on Consolidated Financial Statements

(Notes on the Preconditions for a Going Concern)

There are no relevant items.

(Changes to accounting policies)

There are no relevant items.

(Important matters for compiling consolidated financial statements)

1. Scope of consolidation

Numbers of consolidated subsidiaries: 83

(1) Main consolidated subsidiaries

- 1) Hitachi Construction Machinery Japan Co., Ltd.
- 2) Hitachi Construction Machinery Tierra Co., Ltd.
- 3) Hitachi Construction Machinery Camino Co., Ltd.
- 4) Hitachi Construction Machinery (China) Co., Ltd.
- 5) Hitachi Construction Machinery Distribution (China) Co., Ltd.
- 6) Tata Hitachi Construction Machinery Company Private Limited.
- 7) Hitachi Construction Machinery Asia and Pacific Pte. Ltd.
- 8) P.T. Hitachi Construction Machinery Indonesia
- 9) Hitachi Construction Machinery (Europe) N.V.
- 10) Hitachi Construction Machinery Americas Inc.
- 11) Hitachi Construction Truck Manufacturing Ltd.
- 12) H-E Parts International LLC
- 13) Bradken Pty Limited

(2) Number of companies included in consolidation during the fiscal year ended March 31, 2025: 5

1) Increase by newly established: 5

Hitachi Construction Machinery Latin America SpA

Hitachi Construction Machinery Development Center INDIA Private Limited.

Others: 3

(3) Number of companies excluded from consolidation during the fiscal year ended March 31, 2025: 8

1) Decrease by liquidation: 3

2) Decrease by Merger: 3

2) Decrease by sales of shares: 2

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

2. Application of the equity method

Numbers of affiliates accounted for by the equity method: 17

(1) Main affiliates subject to the equity method

- 1) P.T. Hexa Finance Indonesia
- 2) HTC Leasing Company Limited

(2) Number of companies excluded from equity-method affiliates during the fiscal year ended March 31, 2025: 2

- 1) Increase by newly established: 2

(3) Number of affiliates not accounted for by the equity method: 3

3. Date of settlement of accounts for consolidated subsidiaries

Below is a list of the consolidation subsidiaries that settle their accounts on a date different from the rest of the consolidated group.

- 1) Hitachi Construction Machinery (China) Co., Ltd.
 - 2) Hitachi Construction Machinery Distribution (China) Co., Ltd.
- Others: 18

To create the consolidated financial statement, which is made by provisional account settlement as of March 31, 2025, the Company uses the financial statements of these subsidiaries.

(Segment Information)

1. Reportable segment information

1) Overview of business segments

The operating segments of the Group are the components for which separate financial information is available and that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The reportable segments are determined based on the operating segment.

Taking into consideration the nature of products and services as well as categories, types of customers, and economic characteristics in a comprehensive manner, the Company determines to classify two reportable segments as follows: The Construction Machinery Business Segment primarily intends to provide customers with a series of total life cycle solutions related to construction machinery such as the manufacture and sale of hydraulic excavators, ultra-large hydraulic excavators, and wheeled loaders, as well as the sale of parts related to these products. The Specialized Parts Service Business Segment primarily intends to provide services, production, and distribution parts that are not included in the Construction Machinery Business Segment.

Due to the reclassification of non-core business that was previously included in the Specialized Parts & Service business segment to discontinued operations, we only have presented amounts of continuing operations excluding amounts of discontinued operations.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

2) Revenue, profit or loss, and other items of business segments

For the year ended March. 31, 2025

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	1,243,914	127,371	1,371,285	-	1,371,285
Intersegment transactions	86	8,271	8,357	(8,357)	-
Total revenues	1,244,000	135,642	1,379,642	(8,357)	1,371,285
Adjusted operating income	129,856	15,133	144,989	-	144,989
Operating income	140,590	14,140	154,730	-	154,730
Financial income	-	-	-	6,196	6,196
Financial expenses	-	-	-	(29,997)	(29,997)
Share of profits of investments accounted for using the equity method	3,239	-	3,239	-	3,239
Income before income taxes	143,829	14,140	157,969	(23,801)	134,168
Segment assets	1,607,347	185,325	1,792,672	△1,666	1,791,006
Segment liabilities	845,748	88,972	934,720	△1,666	933,054
Other items:					
Depreciation and amortization	△66,774	△7,073	△73,847	-	△73,847
Impairment losses	△815	-	△815	-	△815
Business structure reform expenses	△497	△967	△1,464	-	△1,464
Investments accounted for using the equity method	25,968	-	25,968	-	25,968

Note (*1): Adjustments represent eliminations of intersegment transactions and amounts of companies that do not belong to any operating segment.

Note (*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

For the year ended March. 31, 2024

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	1,282,273	123,655	1,405,928	-	1,405,928
Intersegment transactions	59	6,234	6,293	(6,293)	-
Total revenues	1,282,332	129,889	1,412,221	(6,293)	1,405,928
Adjusted operating income	153,538	14,490	168,028	-	168,028
Operating income	148,346	14,344	162,690	-	162,690
Financial income	-	-	-	11,557	11,557
Financial expenses	-	-	-	(17,213)	(17,213)
Share of profits of investments accounted for using the equity method	3,442	-	3,442	-	3,442
Income before income taxes	151,788	14,344	166,132	(5,656)	160,476
Segment assets	1,643,254	175,090	1,818,344	(1,961)	1,816,383
Segment liabilities	925,879	91,903	1,017,782	(1,961)	1,015,821
Other items:					
Depreciation and amortization	(61,251)	(5,942)	(67,193)	-	(67,193)
Impairment losses	(518)	-	(518)	-	(518)
Business structure reform expenses	(4,769)	(32)	(4,801)	-	(4,801)
Investments accounted for using the equity method	23,844	-	23,844	-	23,844

Note (*1): Adjustments represent eliminations of intersegment transactions and amounts of companies that do not belong to any operating segment.

Note (*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

2. Information on products and services

The following tables show revenue from outside customers by product and service for the year ended March 31, 2025, and 2024.

(Millions of yen)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Mining machinery	285,848	291,792
Construction machinery and others	1,085,437	1,114,136
Total	1,371,285	1,405,928

(Note on consolidated statements of income)

The main components of other income for the year ended March 31, 2025, and 2024 are as follows:

(Millions of yen)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on sales of property, plants, and equipment	1,318	598
Subsidy income	428	449
Gain on business restructuring	-	648
Compensation income (*1)	16,826	-
Other	4,018	3,480
Total	22,590	5,175

Note (*1):

Compensation income for the year ended March 31, 2025 is compensation from a supplier for losses caused by the violation of domestic laws and regulations in domestic certification relating to the emissions performance of engines.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

The main components of other expenses for the year ended March 31, 2025 and 2024 are as follows:

(Millions of yen)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss on sales of property, plants, and equipment	171	192
Loss on disposal of property, plants, and equipment	2,129	1,759
Impairment losses	815	518
Business structure reform expenses (*1)	1,464	4,801
Domestic engine certification-related loss (*2)	4,514	-
Other	3,756	3,243
Total	12,849	10,513

Note (*1): Business structure reform expenses

Business structure reform expenses recognized for the year ended March 31, 2024 include a ¥2,481 million loss on debt forgiveness due to sales of shares in consolidated subsidiaries and a ¥2,019 million cost related to the resolution of disputes against ACME Business Holdco, LLC (hereinafter ACME) and other related parties.

Note (*2): Domestic engine certification-related loss

Domestic engine certification-related loss for the year ended March 31, 2025 is caused by the violation of domestic laws and regulations in domestic certification relating to the emissions performance of engines of a supplier and was mainly attributable to the disposal of related inventories.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

(Business combination)

(Allocation of the acquisition cost to the acquired assets and liabilities from the acquisition of ACME was completed.)

On March 12, 2024, the Company acquired additional shares of ACME through Hitachi Construction Machinery Investment U.S.A. Corporation, a consolidated subsidiary of the Company, and made ACME a 100% subsidiary. The Company completed the allocation of the acquisition cost in the third quarter ended December 31, 2024, although it recognized the amounts of acquired assets and liabilities on a provisional basis since the allocation of the acquisition cost was not completed in the previous fiscal year. Consideration of the share acquisition of ACME and fair value of assets acquired and liabilities assumed are as follows.

(Millions of yen)

Category	Total amount
Cash and cash equivalents	18,166
Trade receivables	2,083
Other current assets	147
Non-current assets (except goodwill)	27,071
Total assets	47,467
Current liabilities	2,200
Non-current liabilities	62,027
Total liabilities	64,227
Consideration paid (cash)	—
Fair value of shares that the Company had already had upon acquisition of control	172
Total consideration of acquisition	172
Goodwill	16,932

The goodwill primarily reflects excess earning power and synergies with existing operations.

The Company retroactively revised the figures on the consolidated balance sheet as of March 2024 which are disclosed as comparative information. The goodwill on the acquisition date was increased by ¥6,532 million as the main component of the revision from the provisional amount. This was due to a ¥5,506 million decrease in property, plants, and equipment, a ¥441 million increase in other current liabilities, a ¥378 million increase in other non-current liabilities, and a ¥207 million increase in deferred tax liabilities.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

(Earnings per share)

A calculation of the basic and diluted earnings per share (attributable to owners of the parent) for the years ended March 31, 2025 and 2024 are as follows:

(Millions of yen)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net income attributable to owners of the parent	81,428	93,294
Net income attributable to owners of the Parent (diluted)	81,428	93,294

(Number of shares)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of common shares outstanding	212,699,280	212,669,833
Dilutive effect of stock options	-	-
Weighted average number of common shares outstanding - diluted	212,699,280	212,669,833

(Yen)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net income attributable to owners of the parent per share (basic)		
Continuing operations	376.11	494.27
Discontinued operations	6.72	(55.59)
Total	382.83	438.68
Net income attributable to owners of the parent per share (diluted)		
Continuing operations	376.11	494.27
Discontinued operations	6.72	(55.59)
Total	382.83	438.68

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Summary of dilutive shares not included the calculation of diluted earnings per share (attributed to owners of the parent) due to no dilutive effect	-	-

(Important subsequent events)

There are no relevant items.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)