HITACHI

Reliable Solutions

Explanatory Meeting for Business Results for the Year ended March 31, 2025

April 25, 2025

Hitachi Construction Machinery Co., Ltd.

Masafumi Senzaki, President and Executive Officer, COO

Keiichiro Shiojima, Vice President and Executive Officer, CFO

LANDCROS Japanese Excellence—Reliable Solutions

HITACHI

Reliable Solutions

1. Business Results for the Year ended March 31, 2025

(April 1, 2024 – March 31, 2025)

Keiichiro Shiojima

Vice President and Executive Officer, CFO

Our Business Results in FY2024 and forecast for FY2025 are explained by Keiichiro Shiojima, Vice President and Executive Officer, CFO.

Summary of consolidated results

HITACHI

Reliable Solutions

This current fiscal year, revenue decreased by 2% y-y. Adjusted operating income decreased by 14% y-y due to the impact of sales volume decrease, region and model mix, and increase in policy overheads. Net income attributable to owners of the parent decreased by 13%.

Note : < >shows previous forecast as of January 2025

[billions of yen]

			FY2024 Actual		FY2023 Actual	change
Continuing operation						
Revenue	< 1,350.0 >		1,371.3		1,405.9	-2%
Adjusted operating income *1	< 151.0 >	(10.6%)	145.0	(12.0%)	168.0	-14%
Operating income	< 162.0 >	(11.3%)	154,7	(11.6%)	162.7	-5%
Income before income taxes	< 135.0 >	(9.8%)	134.2	(11.4%)	160.5	-16%
Net income from continuing operation		(6.6%)	90.4	(8.3%)	116.3	-22%
Net income from discontinued operation			1.4		-11.8	-
Net income attributable to owners of the parent	< 84.0 >	(5.9%)	81.4	(6.6%)	93.3	-13%
EBIT *2	< 149.5 >	(10.8%)	147.4	(11.9%)	167.5	-12%
FX rate: Rate (YEN/USD)	< 148.3 >		152.6		144.8	7.8
FX rate: Rate (YEN/EUR)	< 161.4 >		163.5		157.0	6.5
FX rate: Rate (YEN/RMB)	< 20.7 >		21.1		20.1	1.0
FX rate: Rate (YEN/AUD)	< 99.6 >		99.6		95.0	4.5
Cash dividend per share (yen) *3	< 175 >		175		150	25

*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%.

3

This slide explains the summary of consolidated results for FY2024.
Revenue in FY2024 was ¥1,371.3 billion, a decrease of 2% from the previous year, due to a decline in the sales of new machinery caused by a drop in demand in major markets, particularly in North America, Europe, and Asia.

Adjusted operating income decreased by 14% year on year to ¥145.0 billion, resulting in an adjusted operating income margin of 10.6%.
Operating income was ¥154.7 billion, resulting in an operating income margin of 11.3%.

Net income attributable to owners of the parent decreased by 13% year on year to ¥81.4 billion.

The yen depreciated by ¥7.8 to the U.S. dollar, by ¥6.5 to the euro, by ¥1.0 to the yuan, and by ¥4.5 to the Australian dollar compared with the previous year.

In addition, the annual dividend for the current fiscal year was resolved at today's Board of Directors meeting to be ¥175 per share, the same amount as the forecast announced at the beginning of the fiscal year.
This exceeds the dividend payout ratio policy of "30-40% on a stable basis" stated in the 2024 Integrated Report. This represents an increase of ¥25 from the previous year and the highest dividend amount in history.

Revenue by geographic region (consolidated)

HITACHI
Reliable Solutions

Although revenue in Africa and Oceania increased y-y, revenue in Europe, North America, and Asia decreased. Consolidated revenue decreased by 34.6 billion yen.

[billions of yen]

		FY2024 Actual		FY2023 Actual		change amount	change %
Japan		220.0	16%	226.9	16%	-6.9	-3%
Asia		118.5	9%	127.0	9%	-8.5	-7%
India		87.5	6%	85.0	6%	2.5	3%
Oceania		258.9	19%	251.1	18%	7.8	3%
Europe		159.7	12%	182.9	13%	-23.2	-13%
	N. America	312.4	23%	334.4	24%	-22.0	-7%
	L. America	43.8	3%	40.9	3%	2.8	7%
The Americas		356.1	26%	375.2	27%	-19.1	-5%
Developing own business		(210.2)	(15%)	(217.5)	(15%)	(-7.3)	(-3%)
Russia-CIS		19.6	1%	23.4	2%	-3.8	-16%
M. East		33.6	2%	34.7	2%	-1.1	-3%
Africa		85.0	6%	70.4	5%	14.6	21%
China		32.5	2%	29.2	2%	3.3	11%
Total		1.371.3	100%	1,405.9	100%	-34.6	-2%
Overseas ratio		84%		84%			

* FY2023 & FY2024 revenue presented only continuing operation retroactively.

4

This slide explains revenue by geographic region for FY2024.
Revenue in FY2024 decreased by 2% year on year.
Included in this figure is an increase of ¥48.4 billion in revenue due to depreciation of the yen.

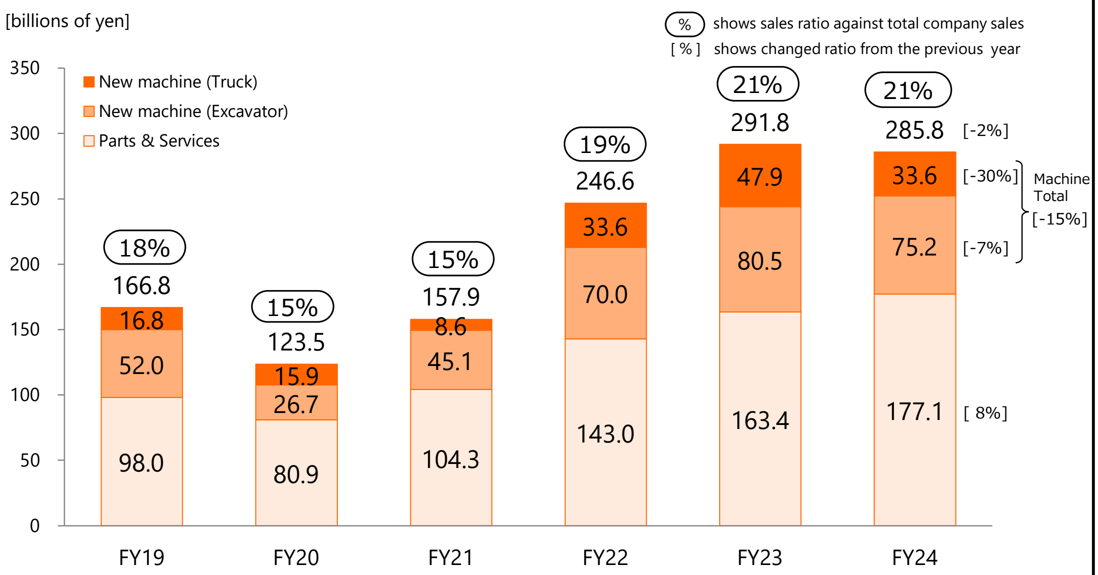
By region, revenue increased in Africa and Oceania due to strong mining demand, while revenue decreased in North America, Europe, and Asia.
Regarding our own developing business in the Americas, revenue decreased compared to the previous year, when sales had grown significantly, due to a lull in demand for the accumulation of dealer inventories, but the North American market share based on retail sales steadily increased.

The ratio of overseas revenue to total revenue was 84%, the same level as the previous year.

Mining revenue

HITACHI
Reliable Solutions

Revenue of trucks and excavators decreased; however, revenue of parts and services increased.



* Specialized parts & service business is not included in the Mining revenue.

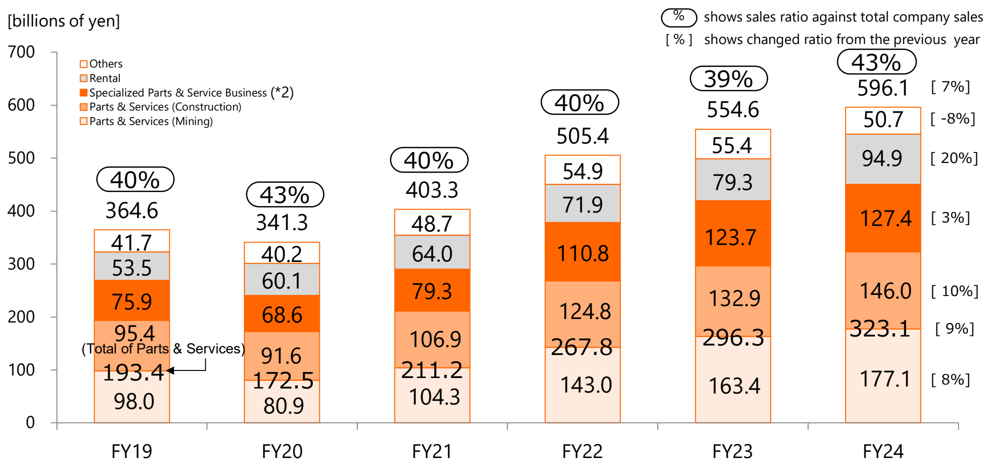
This slide explains the mining revenue.
Mining revenue in FY2024 was ¥285.8 billion, a 2% decrease over the previous year, as shown in the second bar graph from the right. Although we did not achieve record revenue, we continued to maintain a high level of revenue.

Revenue of new excavators and trucks decreased by 15% year on year due to the absence of the large-scale truck orders received in Indonesia and North America in the previous year. On the other hand, revenue from parts & services increased by 8% due to strong performances in Oceania and Africa, where we have a robust presence.
Mining revenue accounted for 21% of consolidated revenue, the same level as the previous year.

Value chain*1 revenue

HITACHI
Reliable Solutions

Revenue of the value chain business increased in parts and services and rental significantly, and there was renewed record-high revenue.



(*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.

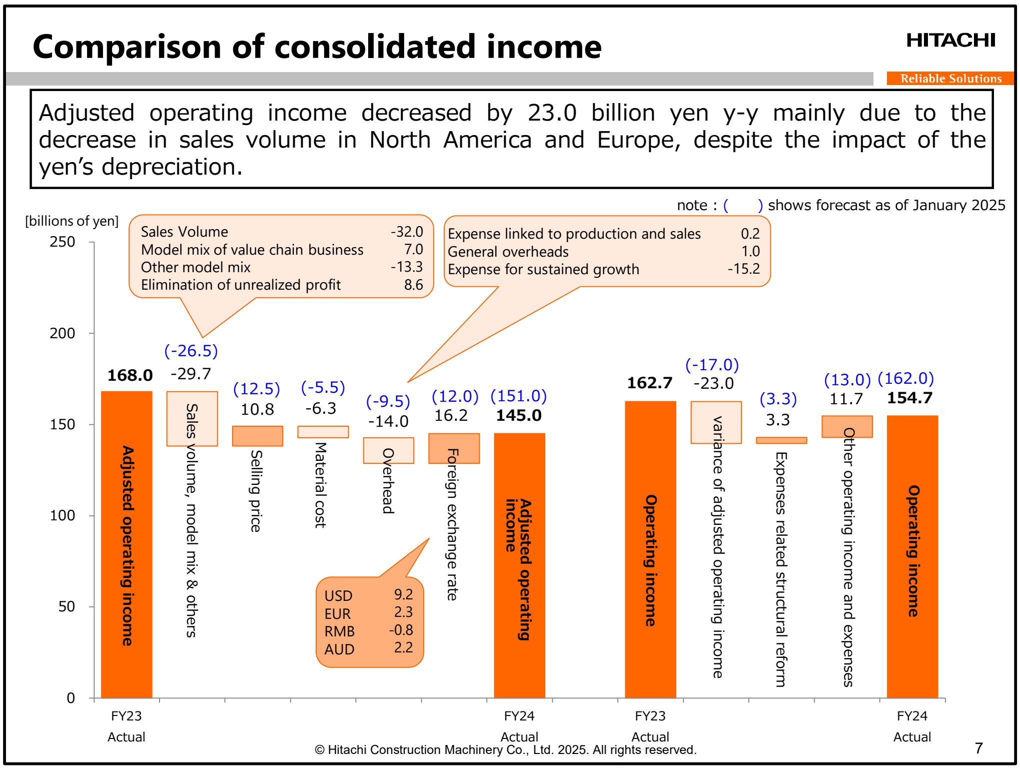
6

This slide explains the value chain revenue.
Please refer to the second bar graph from the right.

Revenue from the value chain in FY2024 rose 7% year on year to ¥596.1 billion.
As a result, value chain revenue reached a record high.

Parts & services revenue increased 9% year on year. Rental revenue and
specialized parts & services revenue also increased 20% and 3%, respectively.

The value chain accounted for 43% of consolidated revenue, up 4 percentage points from the previous year.



This slide explains the comparison of consolidated income for FY2024.
I will explain the factors behind the ¥23.0 billion decrease in adjusted operating income compared to the previous year.

From the left side of the page, we analyze the factors behind the decrease in income of ¥29.7 billion as sales volume, model mix, and others.
As indicated in the footnote, adjusted operating income decreased by ¥32.0 billion due to a decrease in sales volume.
Although there was an increase in income of ¥7.0 billion due to the model mix of the value chain business, there was a decrease in income of ¥13.3 billion due to a decrease in other model mixes resulting from lower sales volume in the construction's main markets of North America, Europe, Asia and Japan.

On the other hand, we realized a ¥10.8 billion improvement in selling price, which absorbed a ¥6.3 billion increase in material costs and a ¥14.0 billion increase in overheads mainly due to expense for sustained growth such as personnel and R&D expenses.
As a result of these factors, although the company enjoyed a ¥16.2 billion increase in income due to the impact of the yen depreciation, adjusted operating income decreased by ¥23.0 billion year on year to ¥145.0 billion.

As shown on the right-hand side of the page, in terms of operating income, the recording of large compensation income as other operating income reduced the decline in adjusted operating income, resulting in a year-on-year decrease of ¥8.0 billion to ¥154.7 billion.

Consolidated statement of financial position

HITACHI
Reliable Solutions

Total assets decreased by 44.7 billion yen from the end of the last fiscal year due to the decrease in trade receivables and inventories. The net D/E ratio also improved to 0.48.

[billions of yen]

	(A) Mar '2024	(B) Mar '2023	(A)-(B) change
Cash and cash equivalents	147.1	143.5	3.6
Trade receivables	270.9	305.7	-34.8
Inventories	531.2	552.3	-21.1
Total current assets	1,000.8	1,077.2	-76.4
Total non-current assets	790.2	758.5	31.7
Total assets	1,791.0	1,835.7	-44.7
Trade receivables incl. non-current	318.5	352.9	-34.4
Inventories by products			
Unit	205.8	229.7	-23.9
Parts	173.4	172.8	0.6
Raw materials, WIP and etc	152.0	149.9	2.1
Total inventories	531.2	552.3	-21.1
On hand days(divided by revenue)			[Days]
Trade receivables	85	92	-7
Inventories	141	143	-2
Trade payables	38	44	-6
Net working capital	184	187	-3

	(C) Mar '2024	(D) Mar '2023	(C)-(D) change
Trade and other payables	259.0	289.9	-30.9
Bonds and borrowings	537.9	575.6	-37.7
Total liabilities	933.0	1,021.3	-88.3
(Equity attributable to owners of the parent ratio)	(45.2%)	(41.6%)	(3.6%)
Total equity	858.0	814.4	43.6
Total liabilities and equity	1,791.0	1,835.7	-44.7
	(30.0%)	(31.4%)	(-1.4%)
Interest-bearing debt	537.9	575.6	-37.7
Cash and Cash equivalents	147.1	143.5	3.6
	(21.8%)	(23.5%)	(-1.7%)
Net interest-bearing debt	390.7	432.1	-41.4
Net D/E Ratio	0.48	0.57	-0.09

In the third quarter, due to the completion of PPA, the figures for the end of fiscal year 2023 have been retrospectively restated to reflect the numbers after the PPA adjustment.

 8

This slide explains the consolidated balance sheet as of the end of March 2025.
Compared with the end of the previous fiscal year, trade receivables and inventories decreased by ¥34.8 billion and ¥21.1 billion, respectively.
Non-current assets increased by ¥31.7 billion due to investments in rental assets for business expansion in North America. On the other hand, total assets decreased by ¥44.7 billion from the end of the previous fiscal year to ¥1,791.0 billion.

In terms of the days on hand, trade receivables were reduced by 7 days to 85 days and inventories were reduced by 2 days to 141 days from the end of the previous fiscal year.
As a result, the number of days of net working capital on hand was 184 days, a decrease of 3 days compared to the end of the previous fiscal year.

Interest-bearing debt on the right-hand side decreased by ¥37.7 billion from the end of the previous fiscal year, and net interest-bearing debt decreased by ¥41.4 billion to ¥390.7 billion
Total equity was ¥858.0 billion and the equity attributable to owners of the parent ratio was 45.2%. The net D/E ratio improved to 0.48.

Consolidated cash flow

HITACHI
Reliable Solutions

Operating cash flow and free cash flow improved significantly y-y due to improved working capital. The cash flow margin for operating activities was also maintained at 10.5%.

[billions of yen]

	FY2024 Actual (total)	FY2024 Actual	FY2023 Actual (total)	FY2023 Actual	change (total)	change
Net income (incudes discontinued operations)		91.8		104.5		-12.7
Depreciation and amortization	165.6	73.8	172.6	68.1	-7.0	5.7
(Increase)decrease in trade/lease receivables		35.8		2.5		33.3
(Increase)decrease in inventories	37.7	29.4	-60.2	-63.7	97.9	93.1
Increase(decrease) in trade payables		-27.5		1.0		-28.5
Others, net		-59.4		-39.3		-20.1
Net cash provided by (used in) operating activities		143.9		73.0		70.9
Cash flow margin for operating activities		10.5%		5.2%		5.3%
Net cash provided by (used in) investing activities		-52.8		-39.0		-13.8
Free cash flows		91.1		34.0		57.1
Net cash provided by (used in) financing activities		-85.4		-8.9		-76.5

* Blue figures shows the total of each category.

This slide explains consolidated cash flow for FY2024.
Operating cash flow for FY2024 was positive at ¥143.9 billion due to working capital reduction, resulting in an improvement of ¥70.9 billion compared to the previous year.

Investment cash flow was an outflow of ¥52.8 billion, an increase of ¥13.8 billion year on year, due in part to the acquisition of the Brake Supply Co., Inc. to expand the business of specialized parts & services in the Americas.

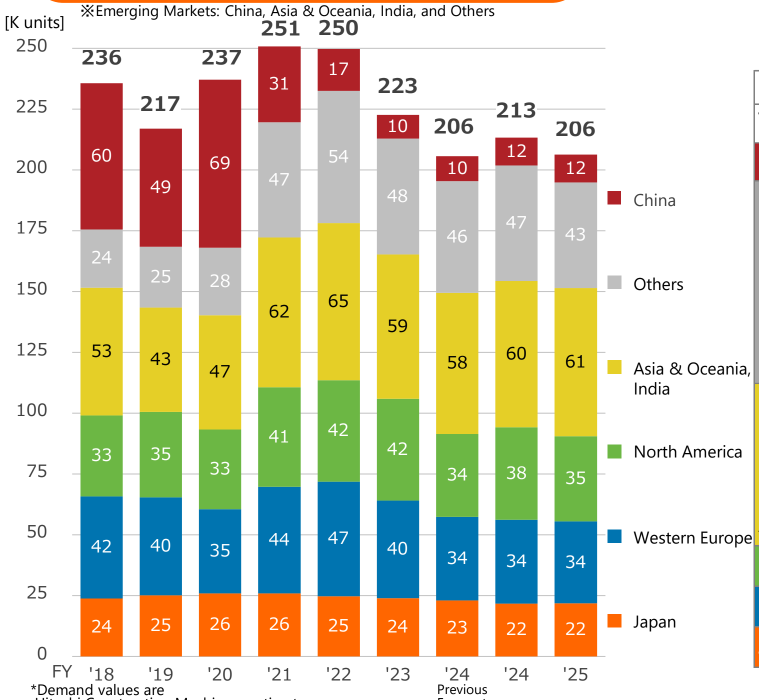
As a result, we were able to secure ¥91.1 billion in free cash flow, an improvement of ¥57.1 billion year on year.

Global Demand Trend for Hydraulic Excavators

HITACHI
Reliable Solutions

Emerging Markets ratio:
FY24 56%（y-y Change : +4%）

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



*Demand values are Hitachi Construction Machinery estimates

Year-on-Year Change by Region

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

	'24	'25
Total	-4%	-3%
China	+17%	±0%
Russia, CIS, E Europe	-19%	-2%
Africa	+34%	-9%
Middle East	-17%	-9%
Latin America	+14%	-13%
Others	±0%	-9%
Asia	+4%	+2%
India	+5%	±0%
Oceania	-23%	+4%
Asia & Oceania,India	+1%	+1%
N America	-9%	-8%
W Europe	-14%	-2%
Japan	-9%	±0%

I will explain the global demand trend for hydraulic excavators.

The actual demand for FY2024 increased by 7,000 units compared to the previous forecast in January. However, this still represents a decrease of 10,000 units, or 4%, year on year.

Demand declined in North America, as well as in Western Europe and Japan. For FY2025, we expect a further decrease of 7,000 units compared to the previous year.

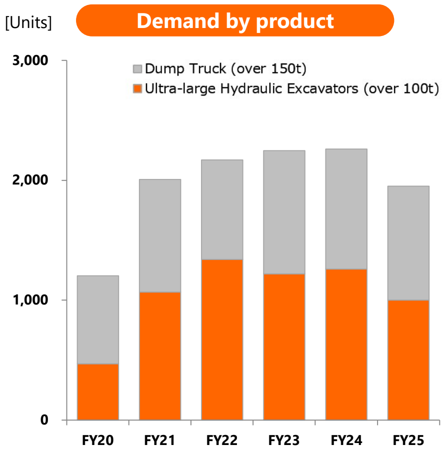
This decline is mainly anticipated in North America, Latin America, and the CIS region. As a result, the total global demand is projected to be 206,000 units, a 3% decrease year on year.

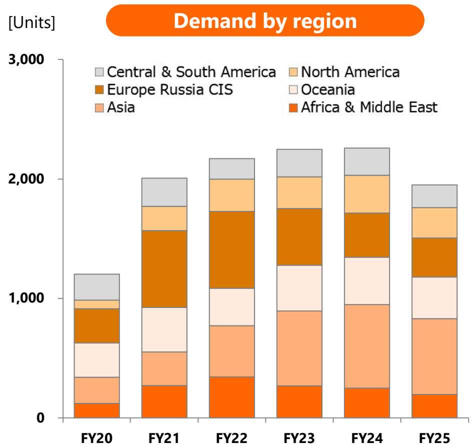
Mining Machinery: FY2025 (April 2025 to March 2026)

HITACHI
Reliable Solutions

Mining machinery demand for FY2025 is expected to decline by 10% to 15% y-y, mainly for 100-ton class excavators, due to resource prices, declining demand, US tariff policies, and uncertainty surrounding the recovery of the Chinese economy.

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





*Demand values are Hitachi Construction Machinery estimates

11

I will explain the demand outlook for mining machinery.

In FY2024, demand declined due to falling resource prices and the impact of elections in India and Indonesia. However, increased demand for excavators in China and trucks in North America offset the decline, resulting in overall demand remaining roughly flat compared to the previous year.

For FY2025, we expect a decrease of approximately 10% to 15% year on year. This is due to several uncertainties that could affect resource demand, including persistently low resource prices, U.S. tariff policies, and a slowdown in the Chinese economy.

Summary of consolidated earnings forecast

HITACHI
Reliable Solutions

Consolidated revenue is expected to remain at the same level as the previous fiscal year. Adjusted operating income is expected to increase due to the increase in value chain revenue and expansion of our own deploying business in the Americas. The impact of US tariffs has not been factored into this forecast.

(billions of yen)

	FY2025 Forecast	FY2024 Actual	change amount	change %
Continuing operation				
Revenue	1,375.0	1,371.3	3.7	0%
Adjusted operating income	(11.0%) 151.0	(10.6%) 145.0	(0.4%) 6.0	4%
Operating income	(10.8%) 149.0	(11.3%) 154.7	(-0.4%) -5.7	-4%
Income before income taxes	(9.8%) 135.0	(9.8%) 134.2	(0.0%) 0.8	1%
Net income from continuing operation	92.0	90.4	1.6	2%
Net income from discontinued operation	0.0	1.4	-1.4	-
Net income attributable to owners of the parent	(6.0%) 83.0	(5.9%) 81.4	(0.1%) 1.6	2%
EBIT	150.0	147.4	2.6	

Currency	FY2025 Forecast	FY2024 Actual	change
Rate (YEN/USD)	145.0	152.6	-7.6
Rate (YEN/EUR)	155.0	163.5	-8.5
Rate (YEN/RMB)	19.9	21.1	-1.2
Rate (YEN/AUD)	94.0	99.6	-5.6
Cash dividend per share (yen) *1	175	175	0

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%.

I will explain the FY2025 full-year earnings forecasts.
In light of the results for FY2024 and the demand environment that we have explained, we forecast revenue of ¥1,375 billion, adjusted operating income of ¥151 billion, and net income attributable to owners of the parent of ¥83 billion for the current fiscal year. We expect an adjusted operating margin of 11.0%.

Regarding the assumed exchange rates, we set the exchange rates as follows: US dollar: ¥145, euro: ¥155, Chinese yuan: ¥19.9, and Australian dollar: ¥94.

In addition to the decline in hydraulic excavator demand and under the assumption of a stronger yen exchange rate, we expect to maintain revenue at the same level as the previous year through expansion of our own deploying business in the Americas and value chain businesses. Furthermore, we anticipate an increase in adjusted operating income due to an improved model mix.
We also plan to maintain an annual dividend of ¥175 per share.

Regarding the impact of reciprocal tariffs in the United States, due to many uncertainties such as the timing of implementation, this outlook does not factor in those effects.
At the end of this presentation, we will separately explain the potential impacts on our business and performance that can be anticipated at this stage.
Please refer to Appendix 1 for reference. Currency sensitivity, which affects revenue and adjusted operating income, is presented on page 30.

Consolidated revenue forecast by geographic region

HITACHI
Reliable Solutions

Consolidated revenue for FY2025 is expected to increase due to the sales growth in Europe, Asia, China, and expansion of our own deploying business in the Americas.

(billions of yen)

		FY2025 Forecast		FY2024 Actual		change amount	change %
Japan		221.2	16%	220.0	16%	1.2	1%
Asia		123.5	9%	118.5	9%	5.0	4%
India		86.0	6%	87.5	6%	-1.5	-2%
Oceania		251.8	18%	258.9	19%	-7.1	-3%
Europe		174.4	13%	159.7	12%	14.7	9%
America	N. America	299.1	22%	312.4	23%	-13.3	-4%
	L. America	44.7	3%	43.8	3%	0.9	2%
		343.8	25%	356.1	26%	-12.3	-3%
(Developing own business)		(234.8)	(17%)	(210.2)	(15%)	(24.6)	(12%)
Russia-CIS		21.3	2%	19.6	1%	1.7	9%
M. East		31.0	2%	33.6	2%	-2.6	-8%
Africa		84.8	6%	85.0	6%	-0.2	-0%
China		37.2	3%	32.5	2%	4.7	14%
Total		1,375.0	100%	1,371.3	100%	3.7	0%
Overseas ratio		84%		84%			

* FY2023 & FY2024 revenue present only continuing operation retroactively.

13

This slide explains the consolidated revenue forecast by geographic region.
For FY2025, we forecast revenue to increase by ¥3.7 billion year on year, reaching ¥1,375.0 billion. This includes a negative impact of ¥70.1 billion due to foreign exchange rate assumptions.

Regarding our independent business in the Americas, we will continue to expand our business by strengthening operations in Latin America, including the establishment of new companies in Brazil and Chile. However, considering the current economic conditions in the United States, we aim to achieve the medium-term revenue target of ¥300 billion in the next fiscal year.

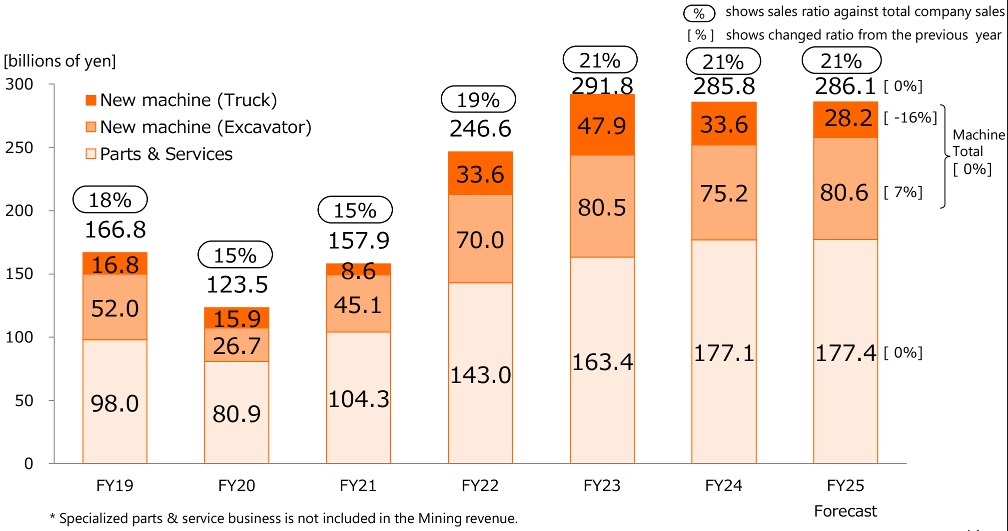
In addition to the expansion of our independent business in the Americas, we also expect increased revenue in Europe—which showed signs of recovery in the previous quarter—as well as in Asia and China.

The overseas sales ratio is projected to remain at 84%, the same level as the previous year.

Mining revenue forecast

HITACHI
Reliable Solutions

Although a decrease in truck sales is expected, sales of excavators, parts, and service are expected to increase. The mining revenue total is expected to remain at the same level as the previous fiscal year.



* Specialized parts & service business is not included in the Mining revenue.

14

This slide explains the mining revenue forecast.
For FY2025, mining revenue is projected to remain at the same level as the previous year, at ¥286.1 billion.
This includes a negative impact of ¥14.7 billion due to foreign exchange rate assumptions; therefore, on a local currency basis, we expect an increase in revenue.

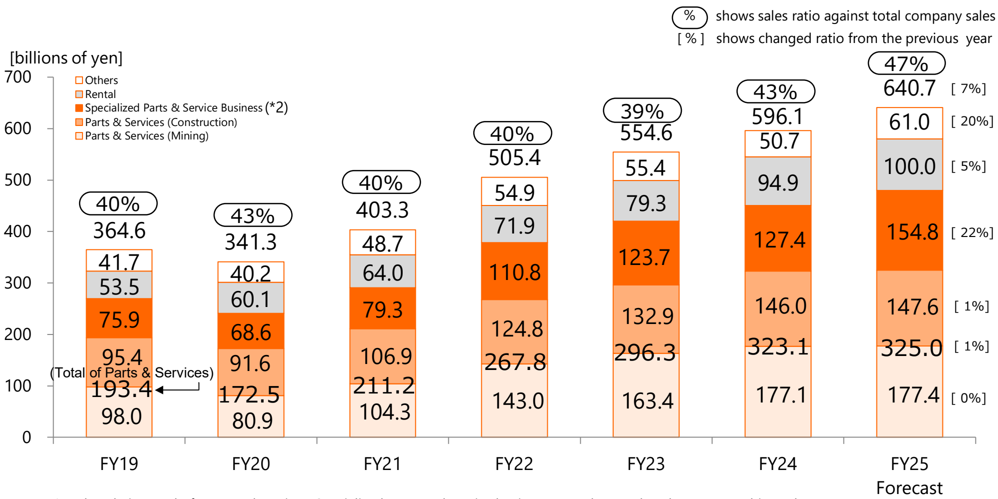
We anticipate that the total volume of new machinery sales for trucks and excavators, as well as parts & services, will remain at the same level as the previous year. The sales composition ratio is also expected to remain unchanged at 21%.

Please refer to "Appendix 2: Details of mining revenue" on page 31.
While revenue is expected to decline in Asia/Oceania and EMEA, we anticipate growth in the Americas and China.

Value chain*1 revenue forecast

HITACHI
Reliable Solutions

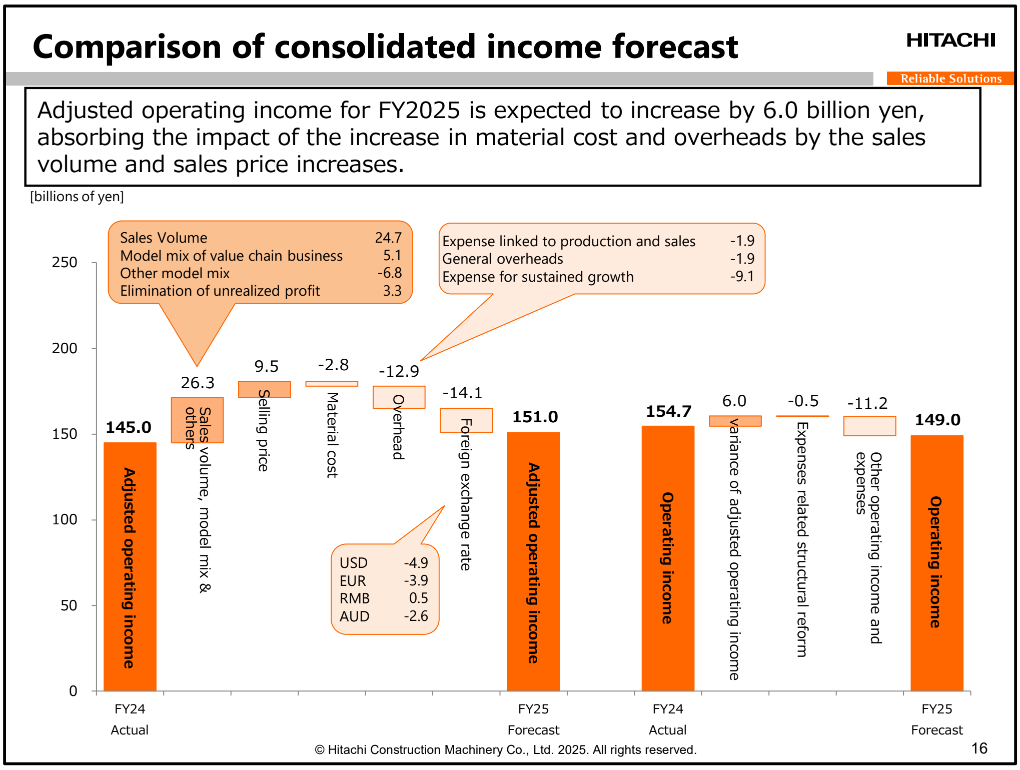
Value chain revenue is expected to renew record-high revenue due to the increase in specialized parts and service, and the rental business in the Americas.



(*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.

This slide explains the value chain revenue forecast.
For FY2025, value chain revenue is projected to increase by 7% year on year, reaching ¥640.7 billion, aiming to set a new record high. This includes a negative impact of ¥30.4 billion due to foreign exchange rate assumptions.

Parts & services revenue for both construction and mining is expected to increase by 1% year on year, reaching ¥325.0 billion.
Rental revenue is projected to grow by 5% to ¥100.0 billion.
Specialized parts & service business revenue is forecast to rise by 22% to ¥154.8 billion.
The sales composition ratio is expected to increase by 4 percentage points year on year, reaching 47%.



This slide provides a comparison of consolidated income forecasts for FY2025.
I will explain the factors behind the forecast ¥6.0 billion year-on-year increase in adjusted operating income from the previous year to ¥151.0 billion.

We anticipate an increase of ¥26.3 billion due to sales volume, model mix, and others.
This includes a ¥24.7 billion gain from sales volume and a ¥5.1 billion gain from the model mix of the value chain business.
On the other hand, we expect a ¥6.8 billion decrease due to other model mixes, including a decline in the OEM supply volume to the U.S.

Additionally, we expect a ¥9.5 billion improvement from selling price changes, which will largely offset the increase in material costs (¥2.8 billion) and overhead costs (¥12.9 billion).

Although we anticipate a negative impact of ¥14.1 billion due to the stronger yen in our exchange rate assumptions, adjusted operating income is expected to increase by ¥6.0 billion year on year.

As for the operating income shown on the right side of the page, while the increase in adjusted operating income contributes a ¥6.0 billion uplift, the absence of one-time gains recorded in the previous fiscal year results in a ¥5.7 billion year-on-year decrease, bringing the forecast to ¥149.0 billion.

About tariffs

HITACHI
Reliable Solutions

Features of our US business：Mostly affected by tariffs between Japan and the US (exports from countries other than Japan are low)

- Almost 100% of finished products and parts are exported from factories in Japan (Exports from outside Japan to the US are minimal).
- In the OEM business for the US, the customer bears the tariffs. (in principle, there is no impact).

Impact of tariff implementation: Approx. 30 billion yen (impact on shipments in FY 2025)

- Impact amount: The impact on shipments in FY 2025 is estimated to be approximately 30 billion yen based on adjusted operating income. (Calculated based on the estimated shipment amount from Japan, assuming 10% from April to June and 24% from July onwards)

Response to tariffs: Focus on passing on costs to sales prices

- Countermeasures: Passing on costs to sales prices, strengthening rental business, reducing costs, etc.

 17

Lastly, I would like to explain the U.S. reciprocal tariffs, which are not included in the current outlook.
As there are still many uncertainties regarding the implementation of the U.S. tariffs, we have not factored them into our earnings forecast. Instead, we have provisionally estimated the potential risk as an external factor.

Our U.S.-bound business primarily consists of exports of finished products and parts from Japan, and there is minimal impact on exports from countries other than Japan.

Furthermore, in our OEM supply business to the U.S., the contractual terms stipulate that the customer bears the tariff costs, so we are not fundamentally affected.

At this stage, the estimated impact of the tariffs is approximately ¥30 billion in additional duties on products scheduled to be shipped from Japan to the U.S. during this fiscal year.
However, we plan to implement countermeasures such as passing on costs through price adjustments, strengthening our rental business, and reducing production costs to minimize the overall impact.
Please refer to the supplementary materials from P.28 onward for further details.

HITACHI

Reliable Solutions

2. Achieving the Mid-term Management Plan FY2025 Targets

Masafumi Senzaki

President and Executive Officer, COO

I am Senzaki, President and COO.

I will explain the progress of the Mid-term Management Plan ""BUILDING THE FUTURE 2025.""

Targets of the Medium-term Management Plan(Financial)

HITACHI
Reliable Solutions

KPI		Previous	Current Medium-term Management Plan			
		FY2022	FY2023	FY2024	FY2025	
		Result	Result	Result	Forecast	Target
Growth	• Value chain ratio	40%	39%	43%	47%or more	50% or more
	• Own business revenue in the Americas	182.0 Billion yen	217.5 Billion yen	210.2 Billion yen	234.8 Billion yen or more	300.0 Billion yen or more
	• R&D/Revenue ratio	1.9%	2.2%	2.7%	3% or more	3% or more
Profitability	• Adjusted operating income ratio	10.6%	12.0%	10.6%	11% or more	13% or more
	• EBITDA margin*1	14.2%	16.8%	16.1%	17% or more	18% or more
Safety	• Net D/E ratio	0.60	0.57	0.48	0.45 or less	0.40 or less
Efficiency	• Operating cash flow margin*1	-2.0%	5.2%	10.5%	11% or more	10% or more
	• ROE	11.0%	13.1%	10.4%	10% or more	13% or more
	• ROIC *1*3	8.4%	9.8%	7.5%	8% or more	9% or more
Shareholder return *2	• Consolidated dividend payout ratio	33.3%	34.2%	45.7%	40% or more	Stable and continuous implementation with a consolidated dividend payout ratio of 30%-40% as a guide

*1: Newly established indicators in this medium-term management plan
*2: We aim to allocate one-third of operating cash flow to maintenance and strengthening investment, prior investment, and shareholder return & debt payment respectively, based on our fund allocation policy.
*3: The level of capital cost (WACC) to be compared in the ROIC target is recognized at about 7%.

 19

First, here are the quantitative targets, financial results, and outlook of the current Mid-term Management Plan(MTP).

I will particularly explain the current forecast and MTP target for FY2025, the final year of the current MTP.

The current forecast shows improvement over FY2024 results for each KPI, but due to changes in the assumed business environment, there are predictions of not meeting the MTP targets at this point.
However, we do not perceive a significant gap with the MTP targets, and we will strive to achieve them as a united company over the next year.

Targets of the Medium-term Management Plan(Non-financial)

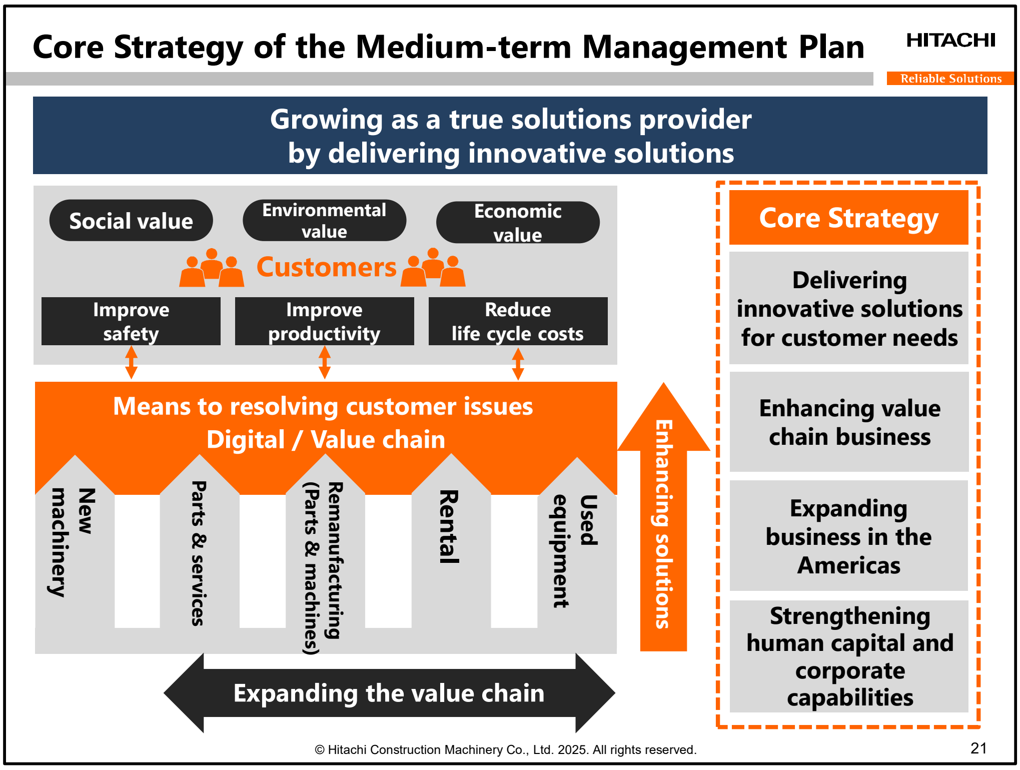
HITACHI
Reliable Solutions

KPI			Past	Current Medium-term Management Plan			
			FY2022	FY2023	FY2024	FY2025	
			Result	Result	Result	Forecast	Target
E S G	Reducing environmental impact and CO_2 (total)	Production (Scope 1+2)	-33.0%	-40.4%	Scheduled to be published in "Integrated Report 2025"	-40%	-40%
		Product (Scope 3)	-21.9%	-20.1%		-22%	-22%
	Diversity, equity & inclusion	Localization ratio of GM or higher in overseas group companies*1	72%	71%	72%	75%	75%
		Ratio of managers by gender (consolidated) *1	Women 11% Men 16%	Women 11% Men 16%	Women 11% Men 17%	Women 13% Men 15%	Women 13% Men 15%

*1: Newly established indicators in this medium-term management plan

Next, the quantitative non-financial targets.

For ESG items, we forecast to meet the MTP targets for KPI such as CO2 reduction and diversity, and we intend to proceed according to the plan.



This is a summary of the core strategies in the current MTP that we show every time.

Among the four core strategies, we particularly focus on ""delivering innovative solutions for customer needs"" to become a true solutions provider.

From the next page, we will introduce specific examples of initiatives for each core strategy.

Initiatives of current Medium-term Management Plan

HITACHI
Reliable Solutions

Core Strategy	Progress (FY2023,FY2024)	Initiatives (FY2025)
Delivering innovative solutions for customer needs	**Topic 1** ● **New Concept LANDCROS** **Topic 3** ● **Fully Battery Dump Truck**	**Topic 2** **Promoting technology and product development in an open collaboration.**
Enhancing value chain business	● Brake Supply's Mining Machinery Component Remanufacturing Business ● Mining Machinery Component Remanufacturing Plant in Kazakhstan	Expansion of Zambia's remanufacturing plant. Improved production and supply capacity at mill liner plant in Peru.
Expanding business in the Americas	● Strengthening the parts supply system in the Americas ● Strengthen North American business, expand into South America	**Topic 4** **Strengthening business foundation in Latin America**
Strengthening human capital and corporate capabilities	● Establishes New Development Company in India ● Indonesia to Begin Mass Production of 120-ton Class Ultra-large Hydraulic Excavators	Carefully select investments in core products and growth areas. Strict control of fixed costs and fixed assets.

This fiscal year is the final year of the current MTP.
This table summarizes the achievements of the past two years and the initiatives for FY2025.

In this, we will particularly introduce the topics highlighted in red on the following pages,
but I will also touch on other initiatives.

Regarding ""Enhancing the Value Chain Business,"" we are strengthening initiatives that contribute to realizing a circular economy, such as acquiring Brake Supply in the U.S. and operating a mining machinery component remanufacturing plant in Kazakhstan.

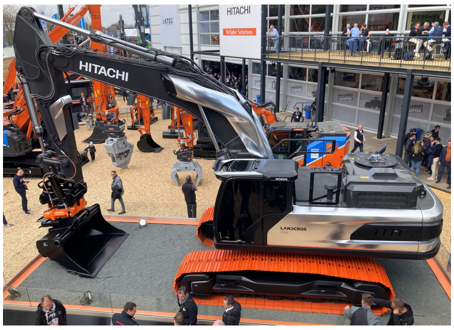
Regarding ""Strengthening Human Capital and Corporate Capabilities,"" we are enhancing the product development capabilities of the entire Hitachi Construction Machinery Group, such as establishing a development company in India.
We are also strengthening global supply capabilities, such as starting mass production of 120t class ultra-large hydraulic excavators in Indonesia.

Topic 1 **New Concept LANDCROS**

HITACHI
Reliable Solutions

New services and concept models to promote the embodiment of LANDCROS

Displayed the concept model ""LANDCROS One"" at ""bauma2025,"" the world's largest construction machinery exhibition held in April 2025.
Released the first service under the LANDCROS brand, ""LANDCROS Connect.""



"LANDCROS One"

"LANDCROS Connect"

Introduction of Topic 1, the new concept LANDCROS.

Last July, Hitachi Construction Machinery announced the new concept ""LANDCROS"" as a testament to the group's desire to provide innovative solutions to all stakeholders.
In April this year, at bauma, the world's largest construction machinery exhibition, we displayed ""LANDCROS One,"" which embodies the vision of LANDCROS in the form of a hydraulic excavator, and it received a great response.
We also released the service tool ""LANDCROS Connect.""

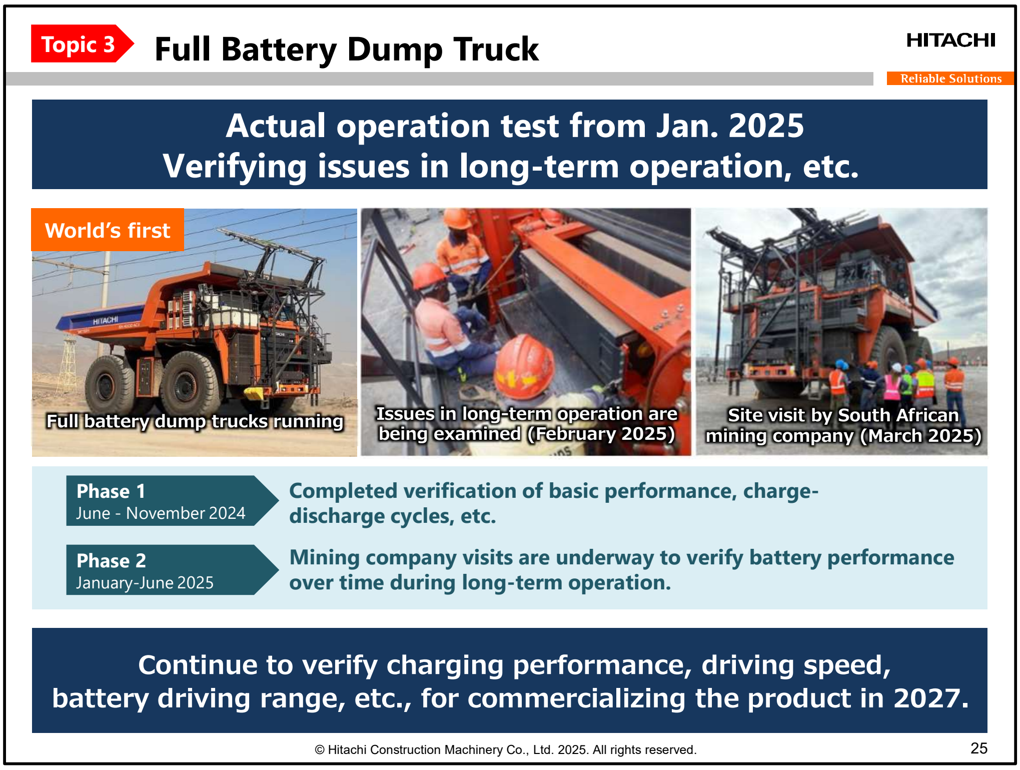
LANDCROS is a concept that symbolizes the future direction of Hitachi Construction Machinery, and we will continue to promote it globally.

Topic 2 introduces specific examples of LANDCROS as a case of promoting technology and product development in an open framework.

First, regarding the provision of the ""LANDCROS Connect fleet management system"" shown in the above photo.
This system addresses the need to centrally manage not only our construction machinery but also machines from various manufacturers owned by customers,
It is a specific example of our ""open"" and ""digital"" strategy, and it is an innovative tool that contributes to the efficient operation of all customer-owned machines and the improvement of productivity at construction sites.

The photo below relates to the ""Open Source & Technology Partnerships"" strategy.
We held the ""Hitachi Construction Machinery Challenge 2024"" in the U.S. to solicit ideas from startups and are considering collaboration with the winning companies selected there,
We are accelerating activities to create new value openly beyond corporate boundaries.

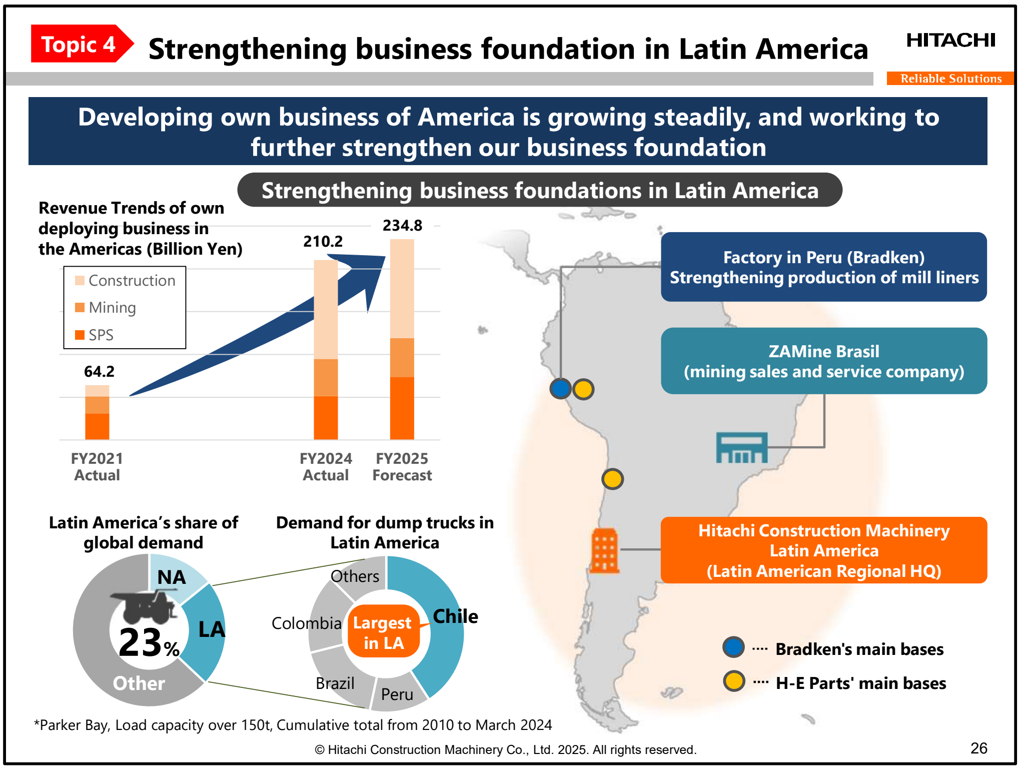
We will continue to expand our ""open"" and ""digital"" strategies and aim to provide innovative solutions.



Next is Topic 3, the progress of the full battery dump truck.

In June 2024, we started the world's first demonstration test of an ultra-large full battery dump truck at a mining site in Zambia. The test is progressing smoothly, with verification of basic performance and charge-discharge cycles completed, and since January this year, we have been conducting actual driving tests, moving to Phase 2 to examine battery aging in long-term operation.

We will make full use of the insights gained from these proof-of-concept experiments to advance the verification of charging performance, travel speed, and battery range for commercialization in FY2027.



Finally, as the fourth topic, we introduce the strengthening of the business foundation in Latin America, which is part of the strategic pillar of 'Expansion of Business in the Americas.'

The top left graph shows the revenue trend from independent business expansion in the Americas, from the 2021 results before the expansion to the current forecast for 2025.
After the independent expansion, sales in construction, mining, and SPS have each grown significantly.

Meanwhile, in the Latin American business, as shown in the pie chart on the bottom left, Latin America's share of global demand for dump trucks accounts for 23% of the cumulative units from 2010 to 2024, with Chile and Peru making up more than half of that.

In this region, further expansion of demand is expected, centered on mineral resources such as copper, iron ore, and gold.
Therefore, as part of strengthening our business foundation in Latin America, as shown on the map to the right, we have established 'Hitachi Construction Machinery Latin America' as the regional headquarters in Chile,
and in Brasil, we have established ‘ZAMine Brasil,' a mining sales and service company in collaboration with Marubeni Corporation, to respond quickly to dealer and customer needs.

Furthermore, in the SPS business, as indicated by the blue and yellow circles on the map to the right, Bradken is strengthening mill liner production, and H-E Parts is enhancing two key sites to further expand revenue.

Hitachi Construction Machinery Group
LANDCROS
Japanese Excellence—Reliable Solutions

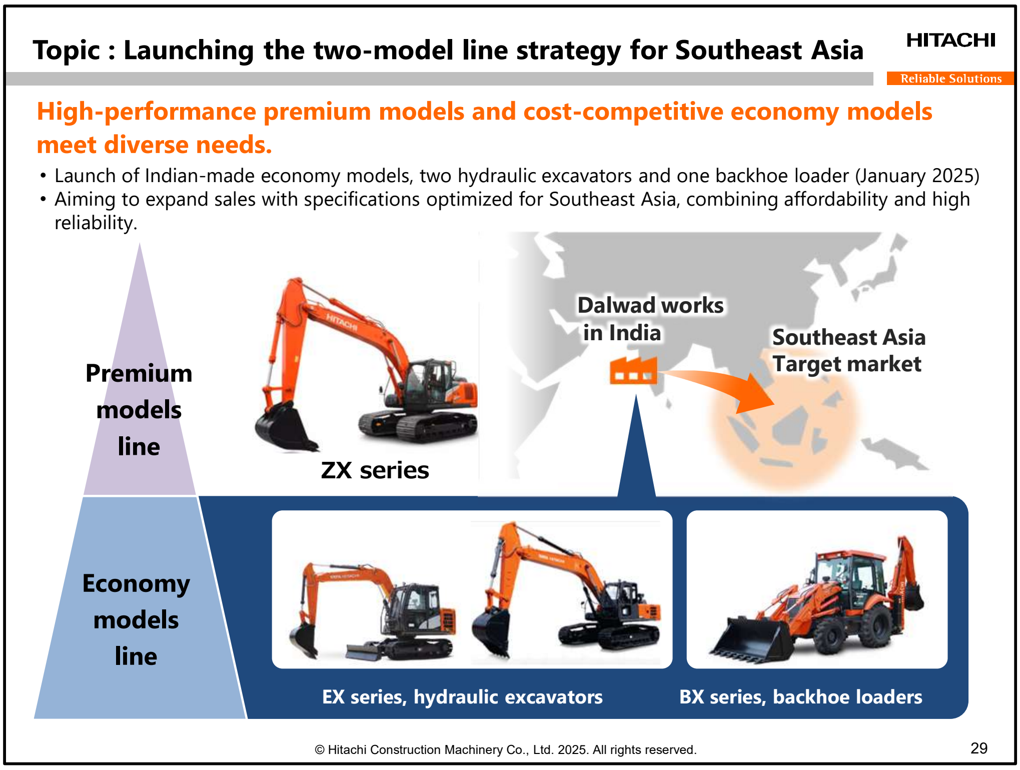
Solutions Beyond Machinery

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

HITACHI

Reliable Solutions

3. References



Here we explain the launching of the two-model line strategy for Southeast Asia.
Hitachi Construction Machinery has offered high-performance premium models for many years, but in January 2025 it began selling Indian-made economy models, two hydraulic excavators and one backhoe loader, for the Southeast Asian market.

The economy models are optimized for Southeast Asia and designed for general civil engineering and light-duty applications.
To expand our market presence, we also launched our backhoe loader for the first time in Southeast Asia, which can perform multiple tasks efficiently with a single machine.

All three models are manufactured in India, where they are highly cost-competitive, offering both affordability and high reliability.
Since sales began, orders have been received from dealers in Indonesia, Thailand, the Philippines, Vietnam, and other countries, and the products have gotten off to a good start.

Going forward, we will increase the number of machines in operation through new machinery sales and increase touchpoints with customers by utilizing ConSite, with the aim of expanding profits in our value chain business, including parts and services.

Appendix 1: FX rate and FX sensitivity

HITACHI
Reliable Solutions

The forecast exchange rate of major currencies for FY2025 was set within the expected fluctuation range for each currency.

FX rate and FX sensitivity (billions of yen)

Currency	FX rate		FX sensitivity (1Q-4Q)		
	FY25 Forecast	FY24 Actual	Condition	Revenue	Adjusted operating income
USD	145.0	152.6	Impact by 1 yen depreciation	3.4	1.6
EUR	155.0	163.5	Impact by 1 yen depreciation	0.9	0.5
RMB	19.9	21.1	Impact by 0.1 yen depreciation	0.2	0.0
AUD	94.0	99.6	Impact by 1 yen depreciation	2.7	0.5

Appendix 2: Detail of mining revenue

HITACHI
Reliable Solutions

(billions of yen)

		FY24 Actual(A)	FY23 Actual(B)	Change (A)-(B)	FY25 Forecast(C)	Change (C)-(A)
America	Excavator	35.7	36.2	-0.6	38.1	2.5
	Dump Truck	7.7	10.9	-3.2	7.1	-0.6
	Total	43.4	47.1	-3.8	45.2	1.8
Europe, Africa and Middle East	Excavator	30.5	34.3	-3.8	41.2	10.6
	Dump Truck	44.3	35.6	8.7	32.2	-12.1
	Total	74.8	70.0	4.9	73.4	-1.5
Asia & Oceania	Excavator	118.1	120.1	-2.0	116.8	-1.3
	Dump Truck	41.7	50.8	-9.2	38.6	-3.0
	Total	159.7	170.9	-11.1	155.5	-4.3
China	Excavator	6.6	2.5	4.1	10.4	3.9
	Dump Truck	0.1	0.0	0.1	0.1	0.0
	Total	6.7	2.5	4.2	10.6	3.9
Japan	Excavator	1.2	0.9	0.3	1.6	0.4
	Dump Truck	0.0	0.4	-0.4	0.0	-0.0
	Total	1.2	1.3	-0.1	1.6	0.3
Total	Excavator	192.0	194.0	-2.0	208.1	16.0
	Dump Truck	93.8	97.8	-4.0	78.1	-15.8
	Total	285.8	291.8	-5.9	286.1	0.3

* Specialized parts & service business is not included in the Mining revenue.

Appendix 3: Segment information

HITACHI
Reliable Solutions

The amortizations of PPA are included in the adjusted operating income of the specialized Parts & Service Business : 1.5billion yen in FY2024, and 1.8billion yen in the forecast for FY2025.

[billions of yen]

FY2024 Actual	Reportable segment				Adjustments *1	Total	
	Construction Machinery Business		Specialized Parts & Service Business				
Revenue		1,244.0		135.6	-8.4		1,371.3
Adjusted operating income	10.4%	129.9	11.2%	15.1	-	10.6%	145.0

[billions of yen]

FY2025 Forecast	Reportable segment				Adjustments *1	Total	
	Construction Machinery Business		Specialized Parts & Service Business				
Revenue		1,220.2		154.8	-		1,375.0
Adjusted operating income	10.7%	130.3	13.3%	20.7	-	11.0%	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

HITACHI
Reliable Solutions

The total capital expenditures for FY2025 are expected to expand for investment in the value chain business in Oceania and South America.

1. Capital Expenditure （Based on completion）

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Capital Expenditure	45.3	75.1	58.7	51.1	72.6
Assets held for operating lease	44.3	44.2	50.3	77.3	49.8
Total	89.6	119.3	109.0	128.4	122.4

2. Depreciation (tangible and intangible fixed assets)

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Capital Expenditure	36.9	40.5	43.7	47.9	51.2
Assets held for operating lease	17.9	21.6	23.5	25.9	29.5
Total	54.8	62.1	67.2	73.8	80.7

3. R&D expenses

[billion of yen]

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Total of consolidation	25.5	24.4	31.4	37.5	38.3

Appendix5 : Summary of quarterly consolidated revenue and operating income (ratio)

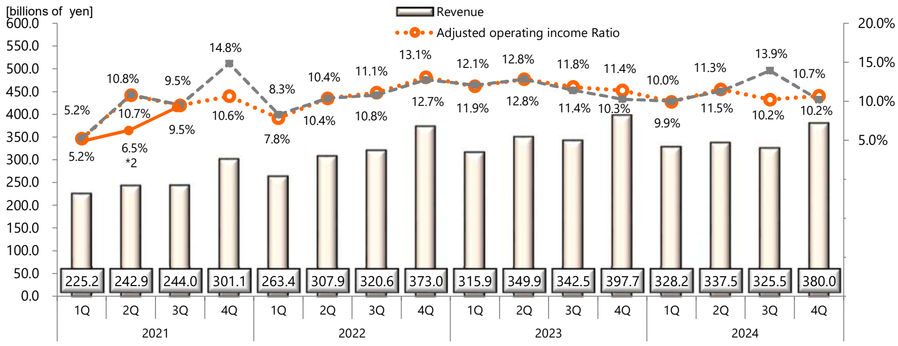
HITACHI

Reliable Solutions

[billions of yen]

	2021				2022				2023				2024			
	1Q	2Q*1	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	325.5	380.0
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	33.2	40.5
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	45.3	38.7

*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	2021				2022				2023				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	152.4	152.6
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	162.6	160.5
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	21.2	21.0
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	99.5	95.7

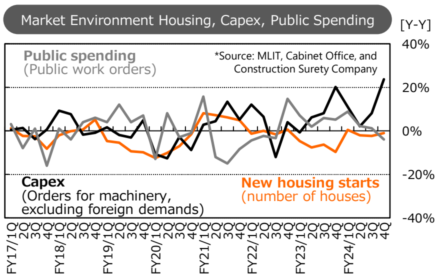
From FY2021, revenue, adjusted operating income and operating income presented only continuing operation retroactively.

Japan: Fourth Quarter (Jan to Mar 2025)

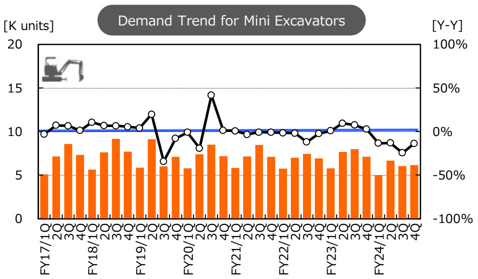
HITACHI
Reliable Solutions

- New Housing Starts slightly decreased, Capex significantly increased, Public Spending decreased.
- Demand for Hydraulic excavators decreased:
  Hydraulic Excavators -10%, Mini Excavators -14%, Wheel Loaders -24% y-y.

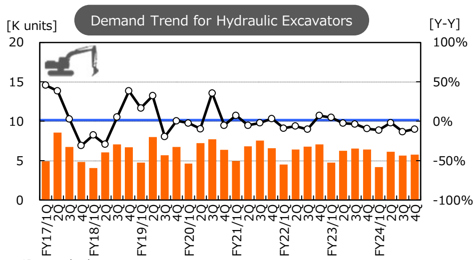
Market Environment Housing, Capex, Public Spending



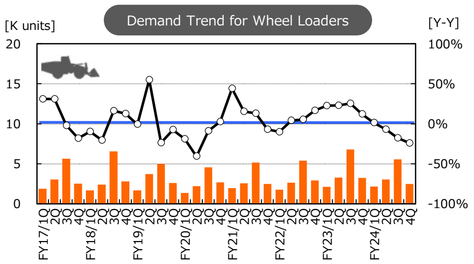
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



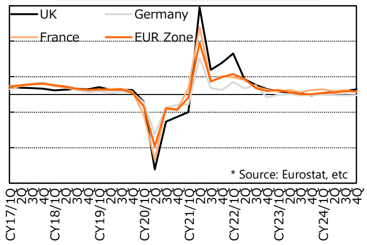
*Demand values are Hitachi Construction Machinery estimates

Europe: Fourth Quarter (Jan to Mar 2025)

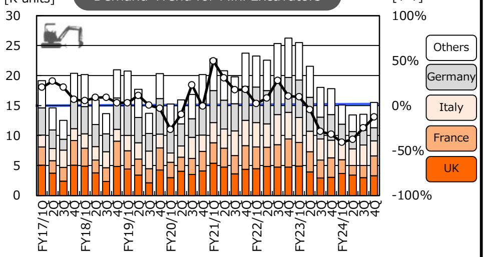
HITACHI
Reliable Solutions

- GDP in CY24 4Q has been growing at a low rate.
- Demand for Hydraulic excavators increased slightly:
  Hydraulic Excavators +1%, Mini Excavators -13%, Wheel Loaders -17 % y-y.

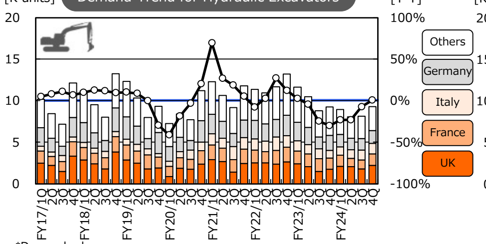
GDP Growth Rate in Major Countries



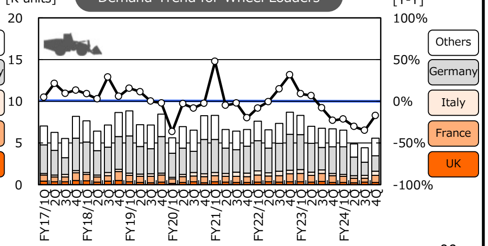
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders

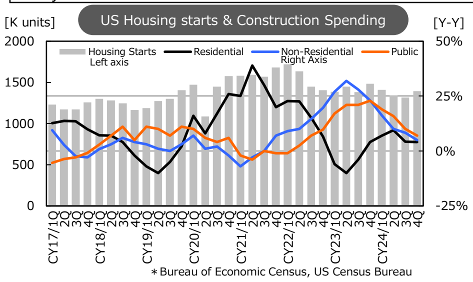


*Demand values are Hitachi Construction Machinery estimates

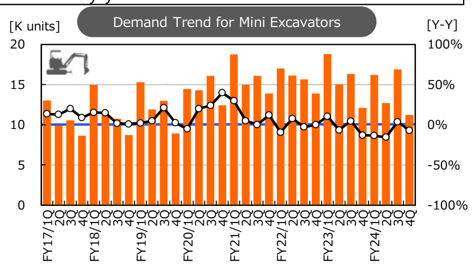
North America: Fourth Quarter (Jan to Mar 2025)

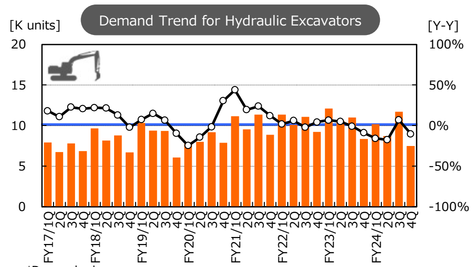
HITACHI
Reliable Solutions

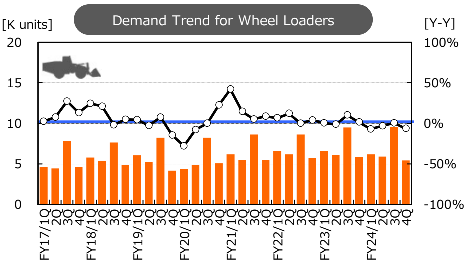
- Residential increased. Non-Residential and Public Works increased, but the margin of increase was narrowing. Housing Starts increased.
- Demand for Hydraulic excavators decreased:
  Hydraulic Excavators -10%, Mini Excavators -7%, Wheel Loaders -6% y-y.



＊Bureau of Economic Census, US Census Bureau







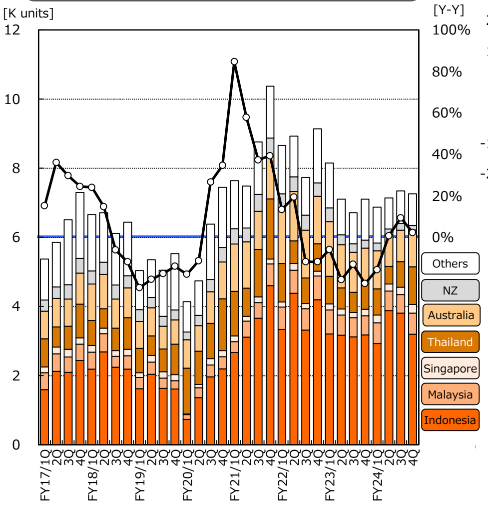
*Demand values are Hitachi Construction Machinery estimates

Asia Pacific & China: Fourth Quarter (Jan to Mar 2025)

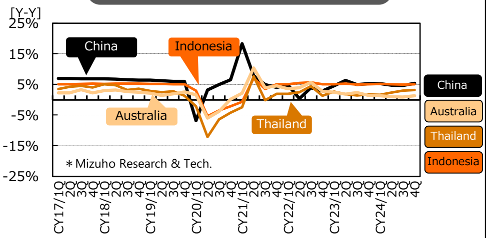
HITACHI
Reliable Solutions

- Demand for Hydraulic excavators in the Asia & Oceania region increased +2% y-y.
- Demand for Hydraulic excavators in China increased +24% y-y. (Domestic :+24%, Foreign :+22%)

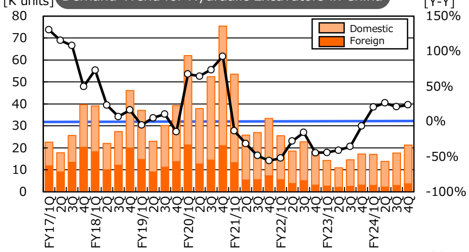
Demand Trend for Hydraulic Excavators in Asia & Oceania



GDP Growth Rate in Major Countries



Demand Trend for Hydraulic Excavators in China



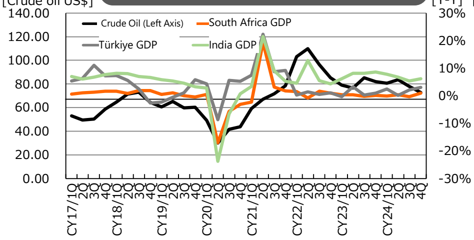
*Demand values are Hitachi Construction Machinery estimates

India, Middle East, Africa: Fourth Quarter (Jan to Mar 2025)

HITACHI
Reliable Solutions

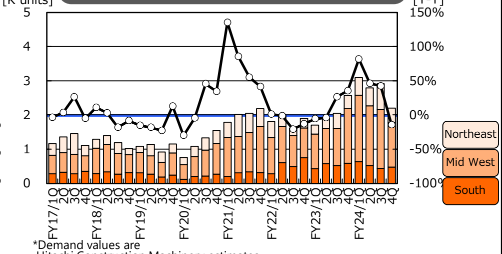
- Demand for Hydraulic excavators increased in India +4% y-y.
- Demand for Hydraulic excavators decreased in Africa -14% y-y.
- Demand for Hydraulic excavators decreased in the Middle East -38% y-y.

Price Trend of Crude Oil & GDP Growth Rate



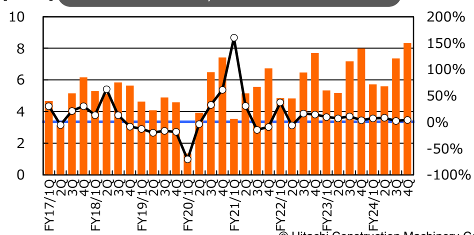
＊GDP of Türkiye, South Africa: OECD
GDP of India : Mizuho Research & Tech.
＊ Crude Oil: World Bank

Demand Trend for Hydraulic Excavators in Africa

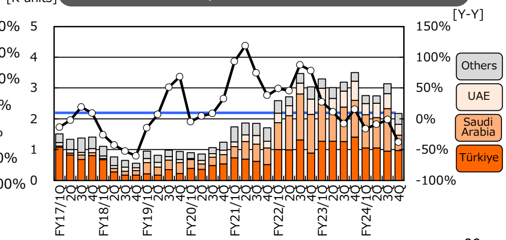


*Demand values are
Hitachi Construction Machinery estimates

Demand Trend for Hydraulic Excavators in India

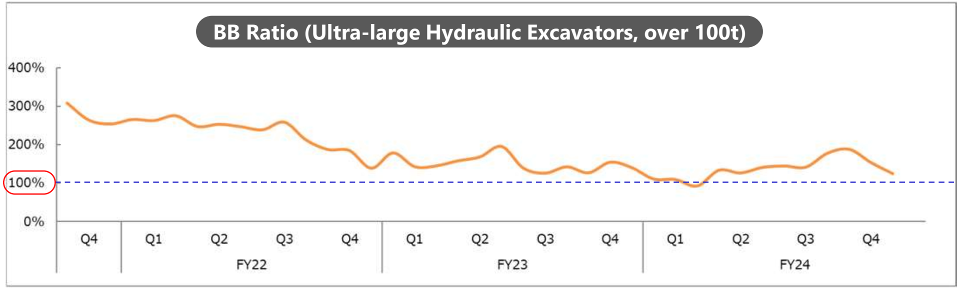


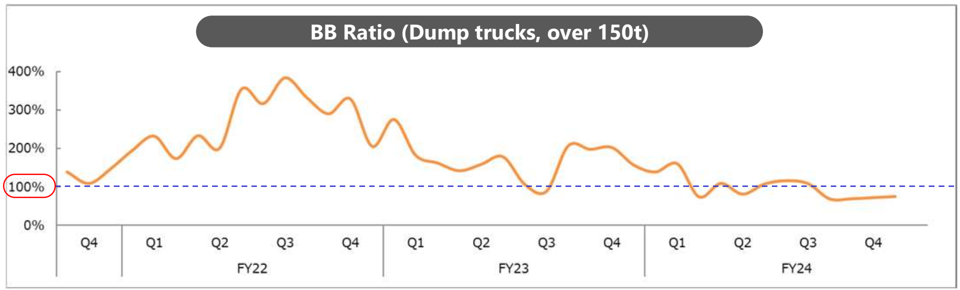
Demand Trend for Hydraulic Excavators in the Middle East



BB Ratio

HITACHI
Reliable Solutions





* Book-to-Bill(BB) Ratio = Booking (Value of Orders received)/Billing(Value of shipment)

Non-consolidated basis (average of 6 months)

HITACHI

Reliable Solutions

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.

Trademark notice
LANDCROS, AERIAL ANGLE, ConSite, Solution Linkage and ZCORE are registered trademark of Hitachi Construction Machinery Co., Ltd.

April 25, 2025

Hitachi Construction Machinery Co., Ltd.