

Corporate Vision FY2025-1Q

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

Public Relations & Investor Relations Dept.

Corporate Brand & Communications Group

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Company Outline

2

Summary of Medium-term Management Plan

3

Explanatory Meeting Material for Business Results for the First Quarter ended June 30, 2025

Our Vision

Ensure a prosperous land and society for the future

We contribute toward realizing a safe and sustainable society

Started the production in 1950	Number of employees^{*1} 26,101	Number of subsidiaries^{*1} 83 7 in Japan / 76 overseas	Number of units in operation Approx. 410K
Revenue^{*2} ¥1,371.3billion	Overseas revenue ratio^{*2} 84%	Adjusted operating income^{*2} ¥145.0billion	Market cap^{*3} ¥944.4billion

^{*1} As of March 31, 2025 ^{*2} FY2024

^{*3} As of the end of July 2025

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- 1950** ● Developed cable-operated shovel and started the mass production of construction machinery.
- 1965** ● Developed the first hydraulic excavator in Japan made purely with domestic technologies.
- 1970** ● **Separated from Hitachi, Ltd.
Established Hitachi Construction Machinery Co., Ltd.** } **First Start-up**
- 1973** ● Launched the largest Japanese-made hydraulic excavator (at the time) equipped with a proprietary technology.
- 1988** ● Started a joint venture with Deere & Company in the Americas. Launched of wheel loaders.
- 2000** ● Launched the world's first hydraulic excavator equipped with satellite communication function.
- 2008** ● Launched one of the largest Japanese-made rigid dump trucks(at the time) which employed an AC drive system driven.
- 2013** ● Launched service solution ConSite
- 2016** ● Made H-E Parts International LLC(U.S.A.), a provider of comprehensive solutions for mining machinery, a consolidated subsidiary.
- 2017** ● Made Bradken Pty.Ltd. (Australia), a manufacturer of parts for mining machinery, a consolidated subsidiary.



2022
Mar

Started full-scale independent business development in the Americas

Dissolution of joint venture with Deere & Company

Aug

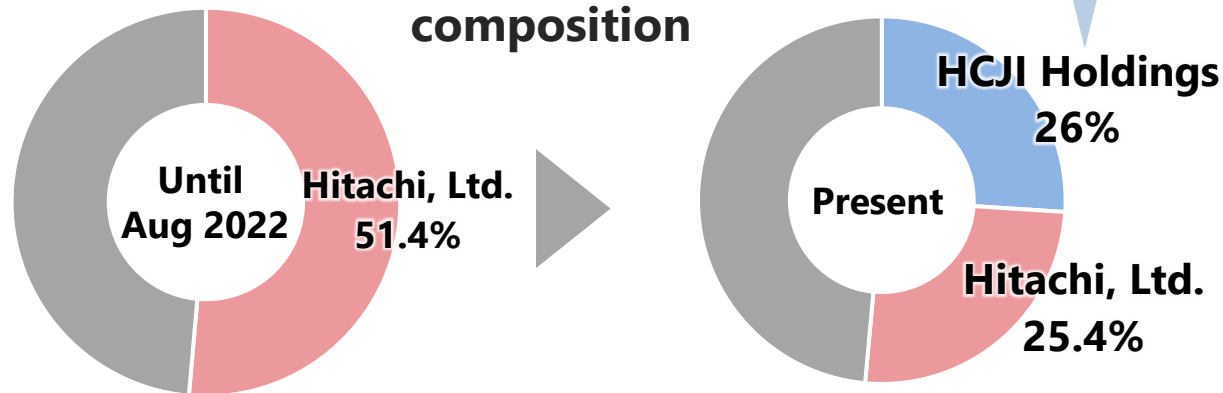
Independence from Hitachi Group

Approximately half of the Company's shares held by Hitachi, Ltd. are sold to Japan Industrial Partners and ITOCHU Corporation

Second Start-up

Independence from Hitachi Group

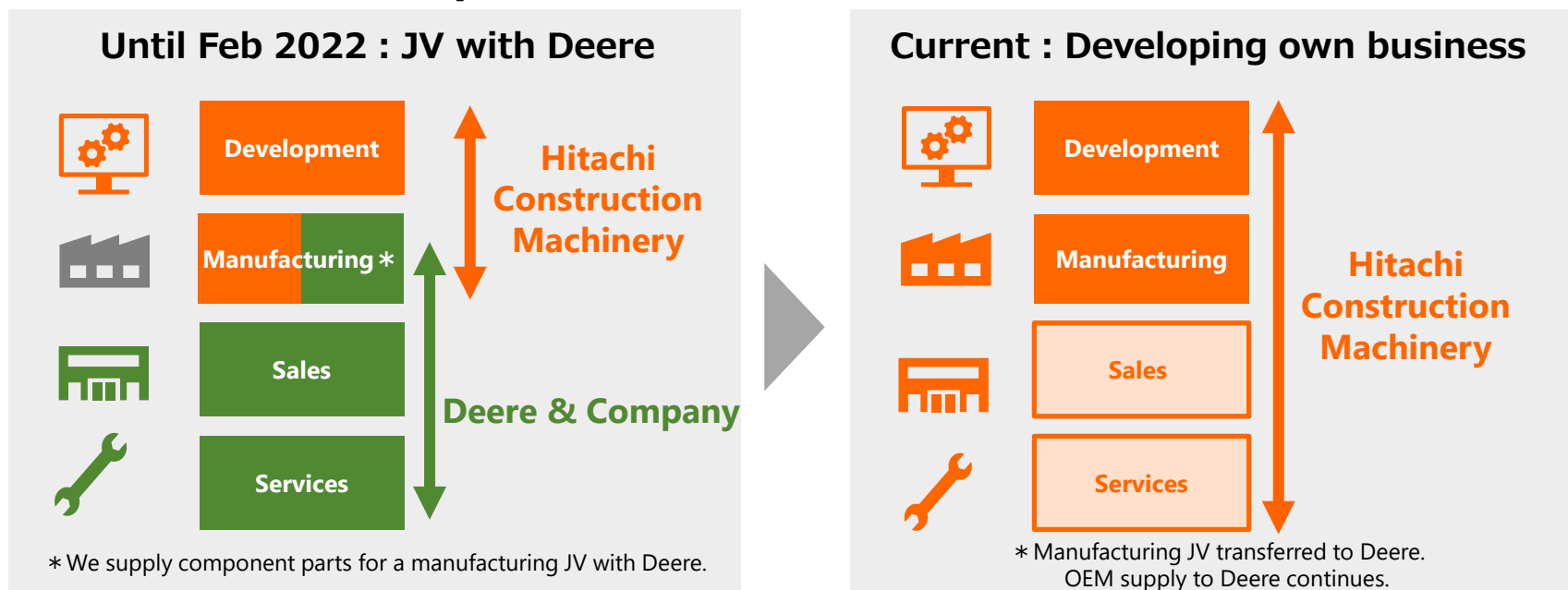
Change in shareholder composition



Details

- ✓ Working with new partners in North America and various other areas
- ✓ Continued use of Hitachi brand
- ✓ Continued collaboration with Hitachi Group in R&D and parts trading, including IoT

Dissolution of JV with Deere & Company, a major U.S. agricultural machinery manufacturer. Shifting to a business structure that integrates all processes from development to sales and services on its own



Expanding Opportunities through developing own business

- Introduce the latest machine equipped with the new hydraulic system and ConSite
- Full-scale development of the value chain business
- Strengthen the mining business, for which after-sales service is important.

Proof of our desire to provide innovative solutions as a true solution provider

LANDCROS

⋮

VISION

**Ensure a prosperous land
and society for the future**

We contribute toward realizing a safe
and sustainable society

⋮

Customer **Reliable** Open **Solutions**

Solution Provider



Hydraulic excavators, wheel loaders and large dump trucks are our main products
Our greatest strength is full line of hydraulic excavators, from mini to ultra-large

Compact



Mini Excavators



Mini Wheel
Loaders

Construction



Medium & Large
Hydraulic Excavators



Compaction
Equipment



Medium & Large
Wheel Loaders

Mining



Ultra-Large Hydraulic
Excavators



Rigid Dump Trucks



20t



800t



Business Portfolio 1) New Machinery Sales

HITACHI

Reliable Solutions

Compact

Urban Engineering



Snow Removal



Landscape Gardening



Agriculture



Construction

General Civil Engineering



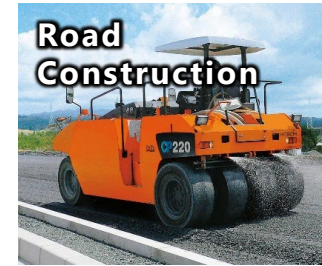
Forestry



Demolition



Road Construction



Resource Recycling



Animal Husbandry



Ironworks



Port Construction



Mining

Quarrying



Oil Sands



Mine Development



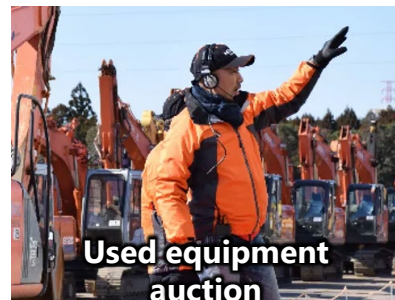
Parts & Services

Contributes to stable machine operation



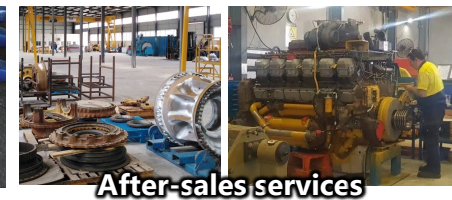
Rental & Used Equipment

High quality as only a manufacturer can provide

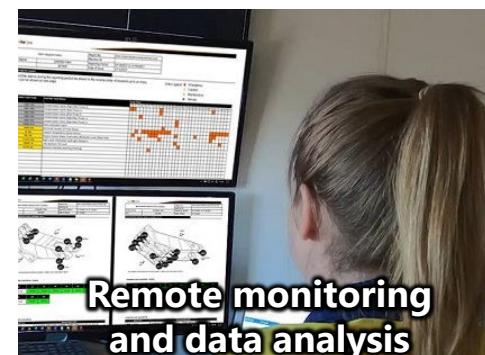
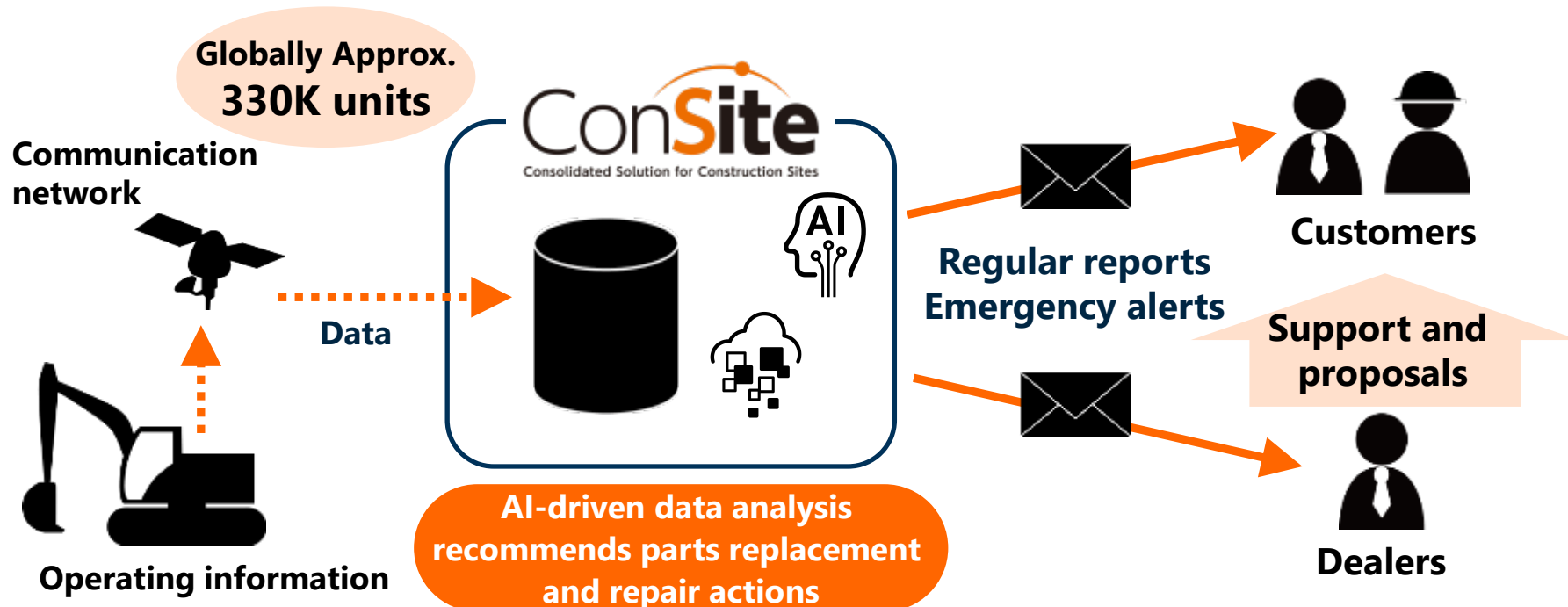


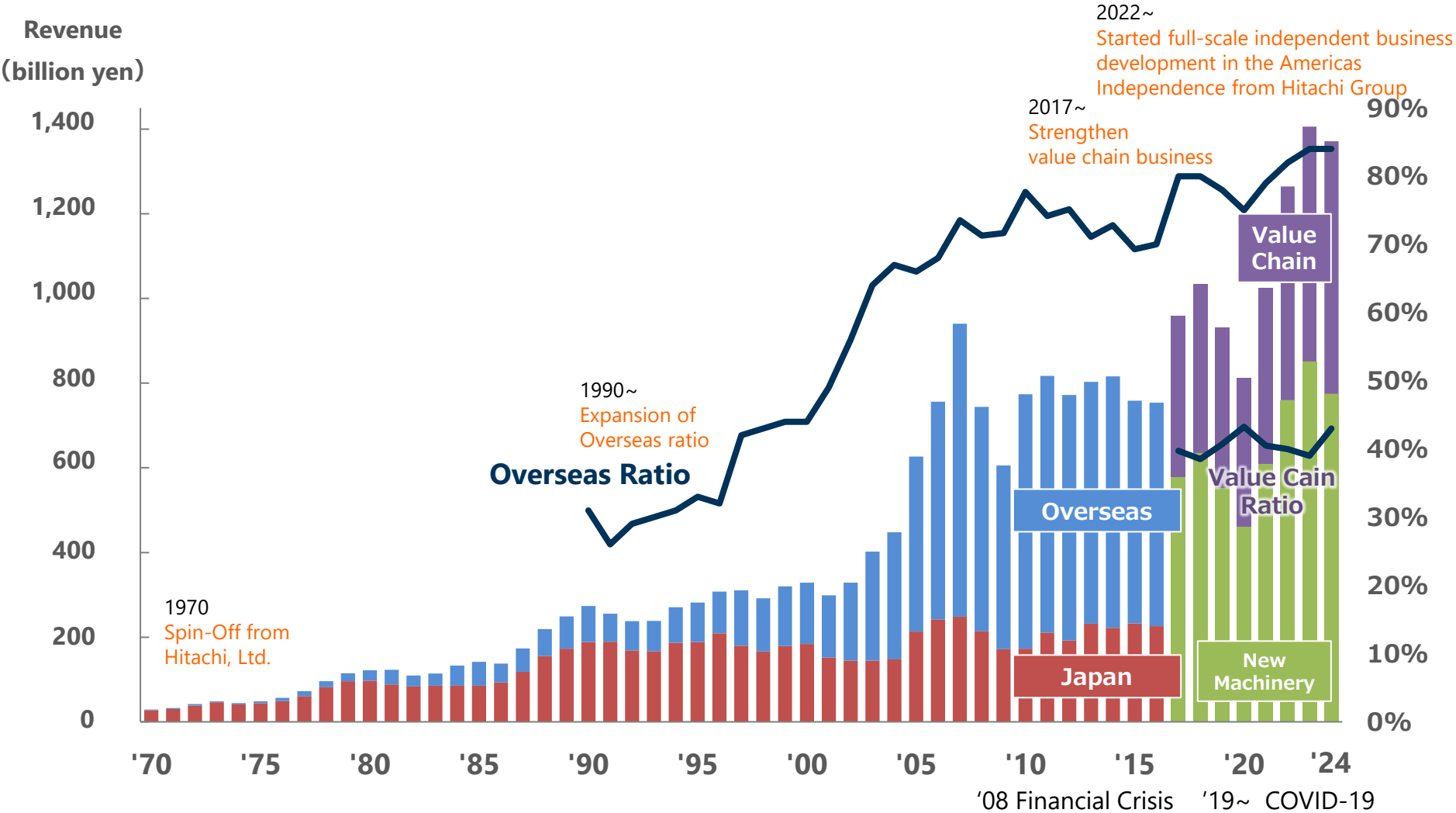
Specialized Parts & Service

Mining-specific services and solutions



Expanding value chain business through utilization of ConSite

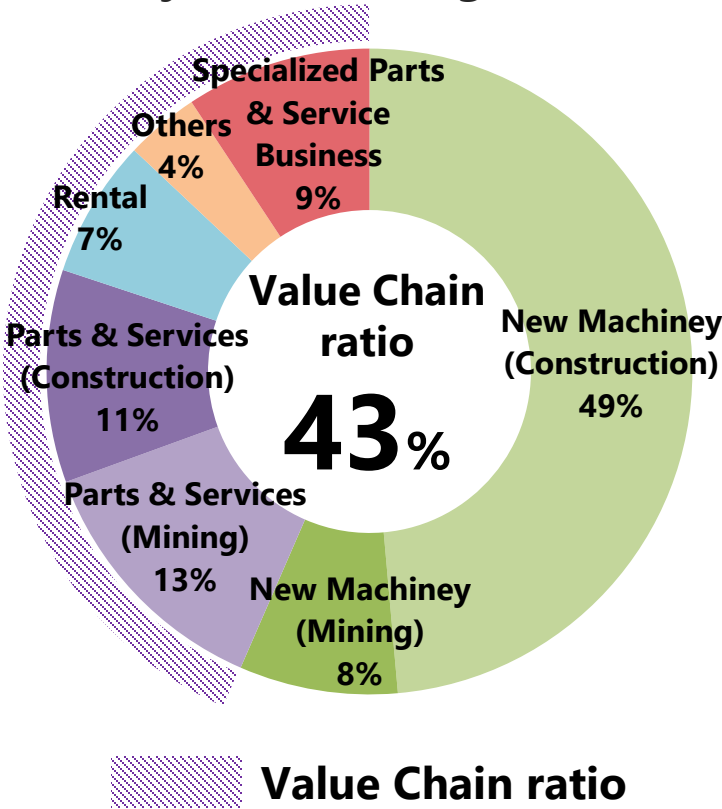




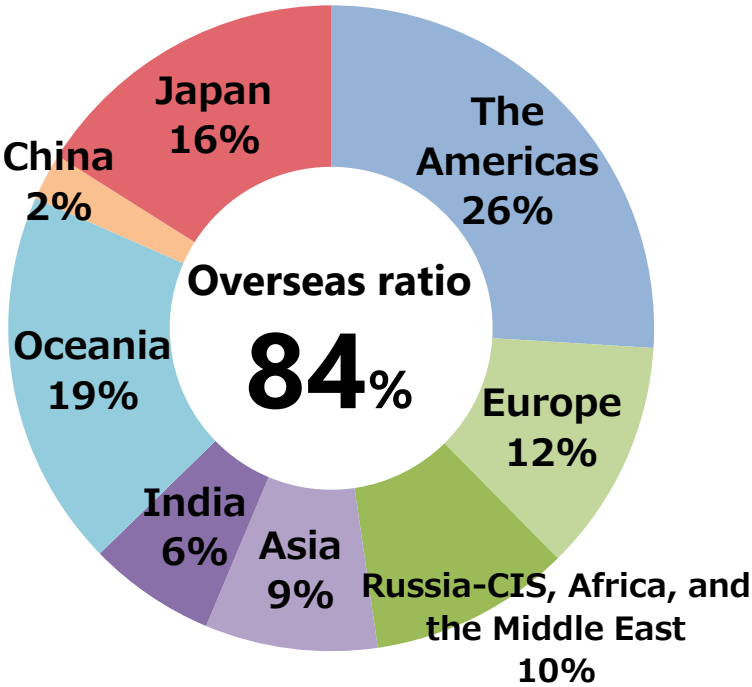
* Value chain: Businesses other than new machinery sales, such as parts and service, specialized parts & service business, rental, and used equipment

Revenue in FY2024: 1,371.3 billion yen

Revenue ratio
by Business Segment



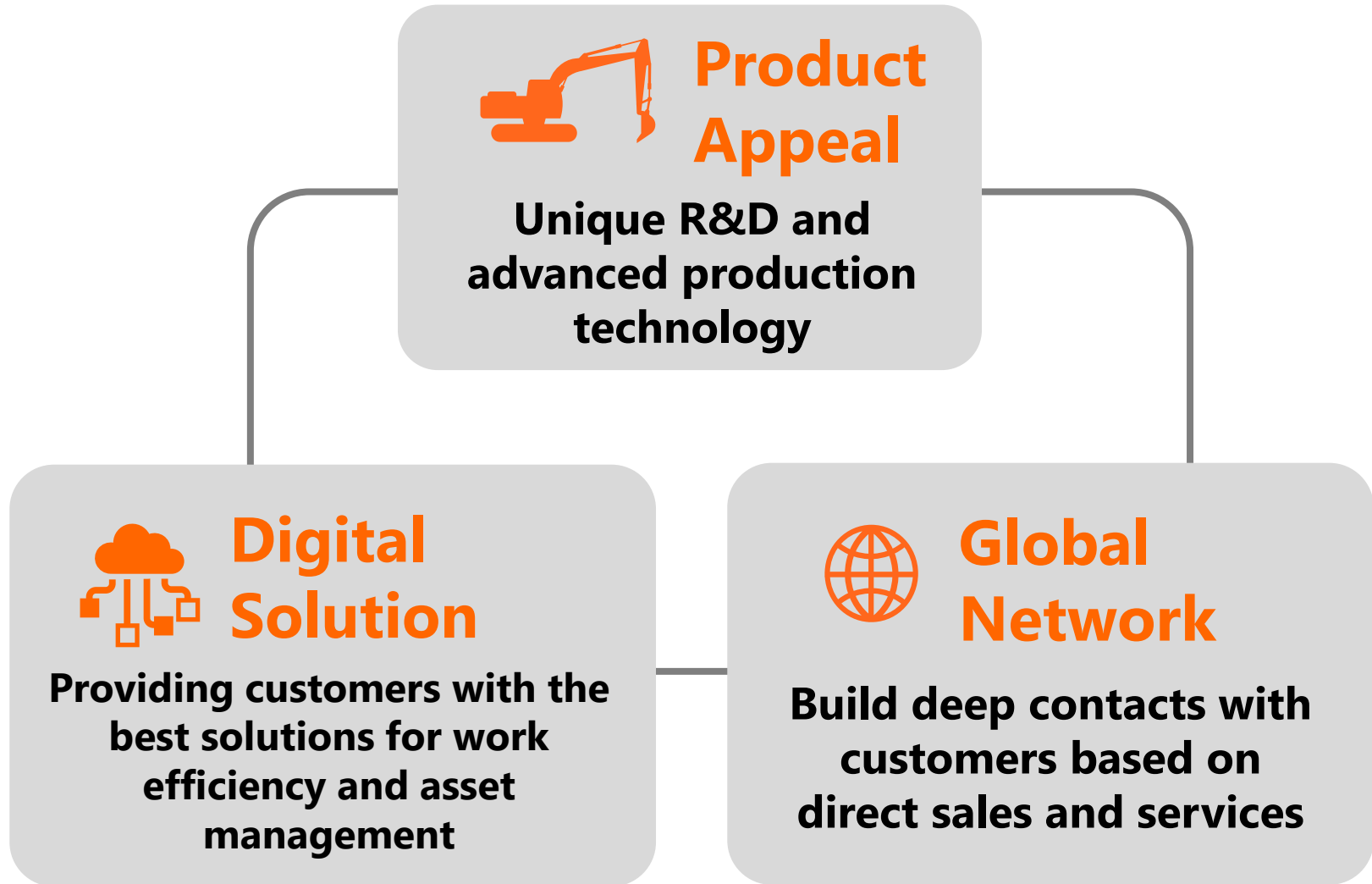
Revenue ratio
by Region



**Production Base****Sales & Service Office****R&D Base****Remanufacturing Base ***

*Remanufacturing of parts and bodies





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Company Outline

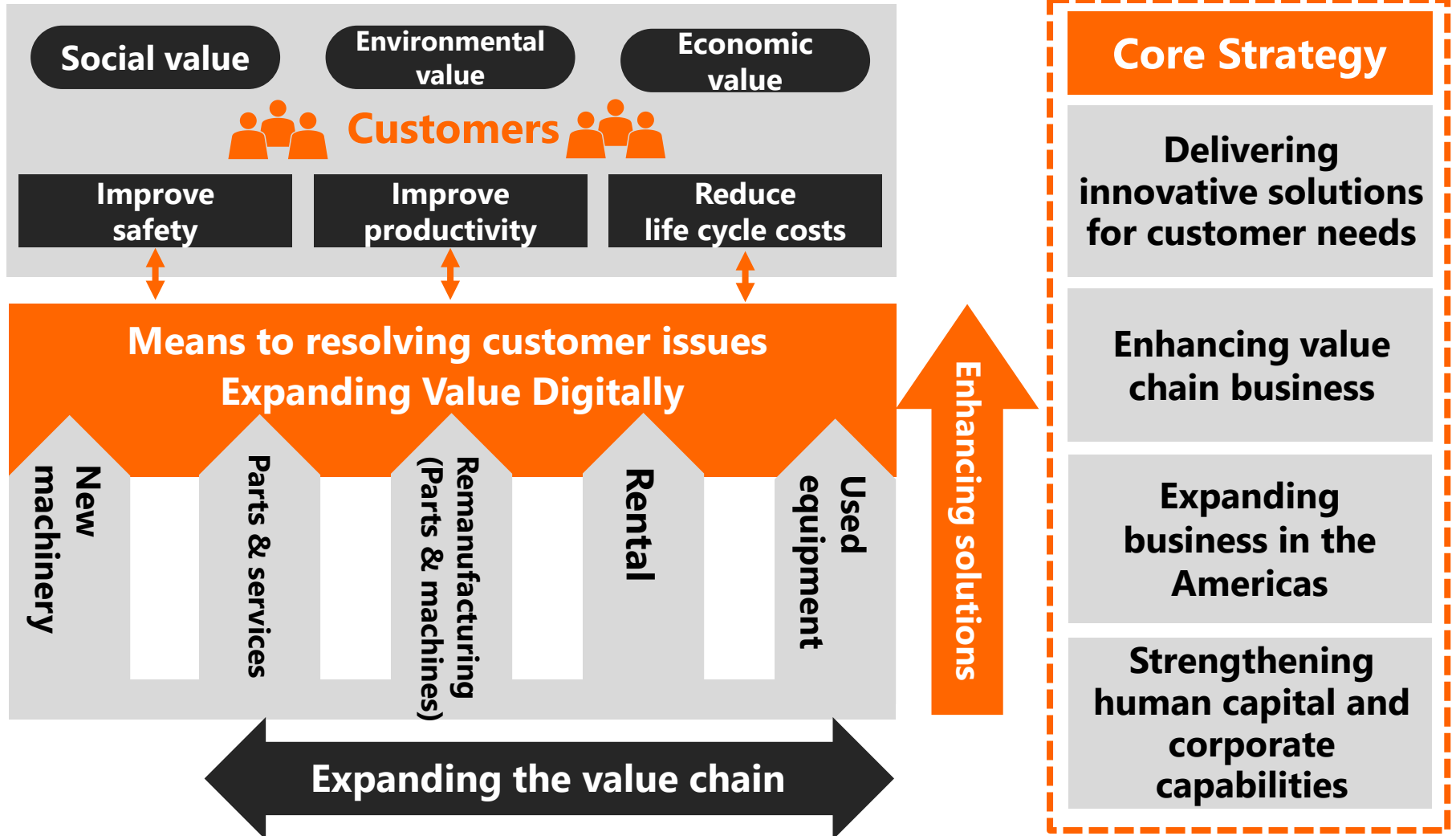
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Summary of Medium-term Management Plan

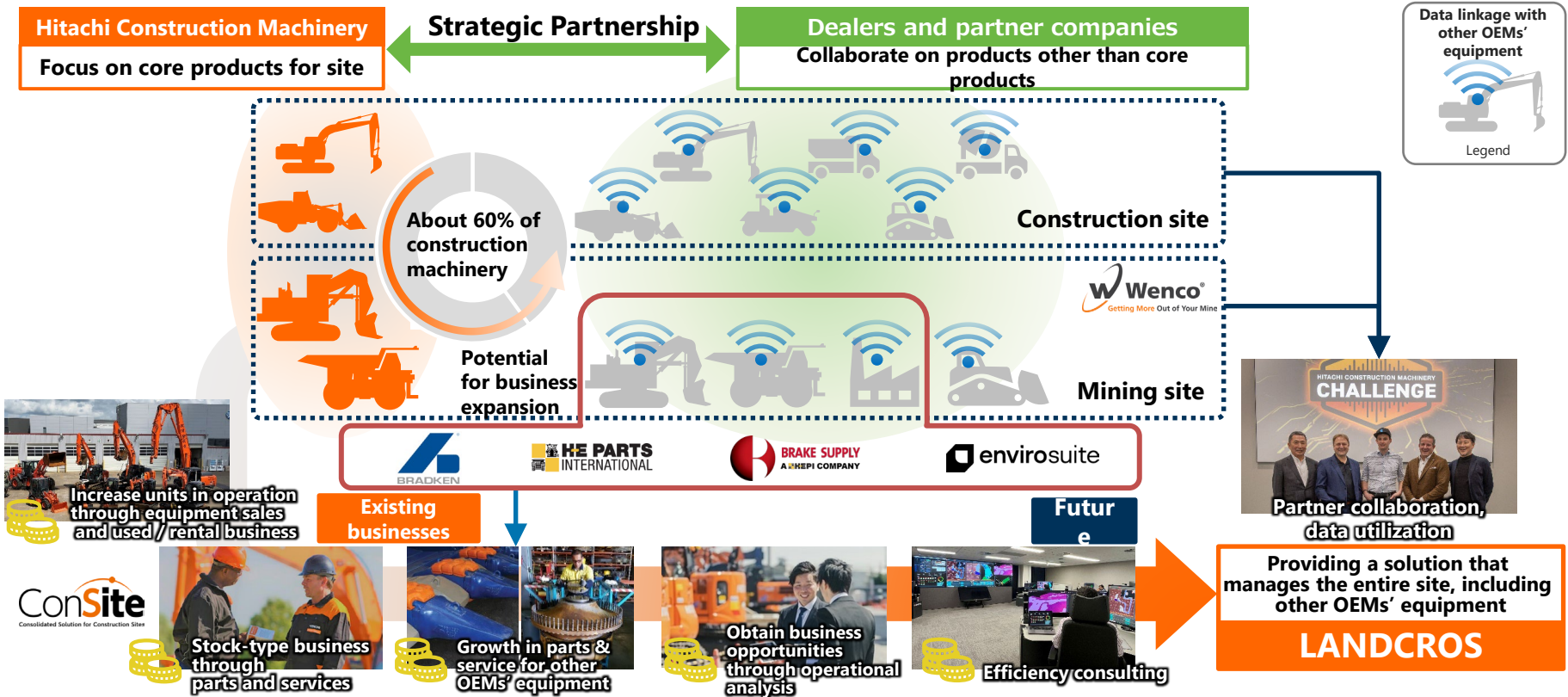
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Explanatory Meeting Material for Business Results for the First Quarter ended June 30, 2025

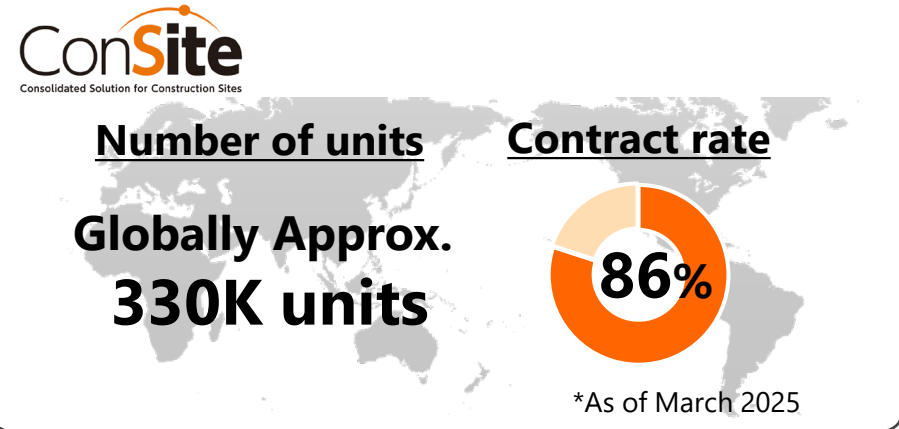
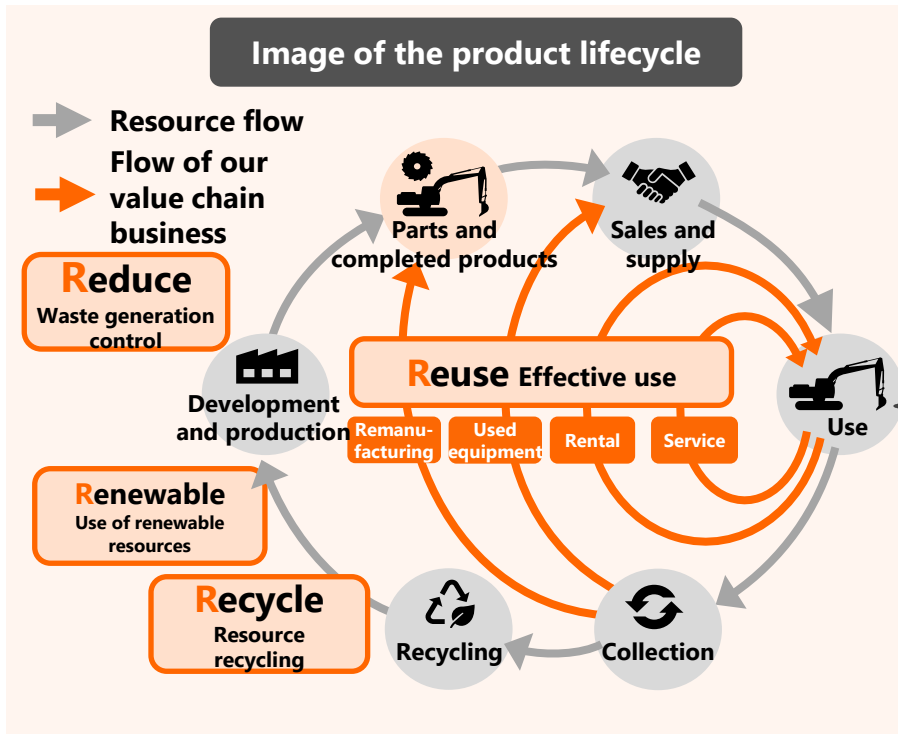
Growing as a true solutions provider by delivering innovative solutions



Focusing on core products, we will expand our business domain without increasing assets through open collaboration with external partners



Expanding value chain business to extend our product life cycle one and a half fold



We look after machinery throughout its life cycle, extending its operating life



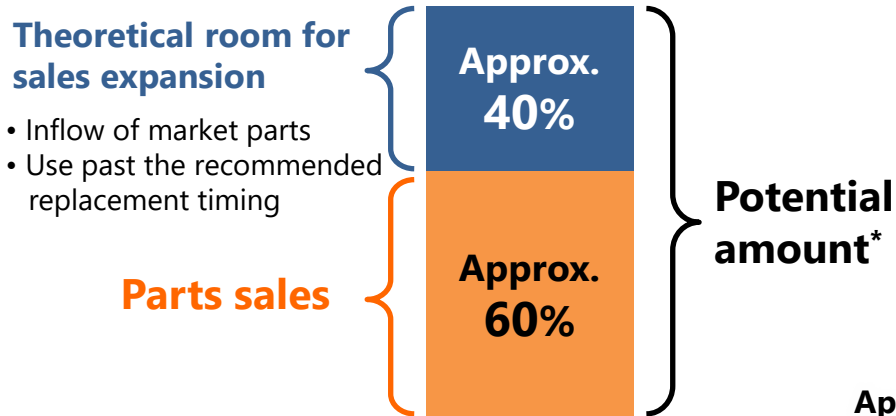
- Oil analysis and other proprietary technologies are used to detect signs of failure. We can make maintenance proposals before a breakdown occurs.
- Reducing downtime helps maintain the asset value of the machine.
- Based on a direct sales and service system, we provide solutions from the customer's perspective.

Aiming for the same capture ratio worldwide including the Americas as in the direct sales and services regions

$$\text{Capture ratio (\%)} = \frac{\text{Parts sales}}{\text{Potential amount}^*}$$

Global average capture ratio

FY 2024 result **Approx. 60%**



Direct sales and services regions

13 sites in Japan, Southeast Asia, Oceania, Africa, and elsewhere

Approx. 70%

Independent sales and services regions

Approx. 300 dealers Approx. 40%

* Parts sales that can be expected, calculated based on construction machinery operating data and replacement parts lists.

Proposals from 3 brands according to the machine years of use, application, and budget

Genuine parts

Hitachi Construction Machinery

GENUINE PARTS

Parts produced by certified suppliers

Hitachi Construction Machinery

SELECTED PARTS

Remanufactured parts

Hitachi Construction Machinery

REMANUFACTURED

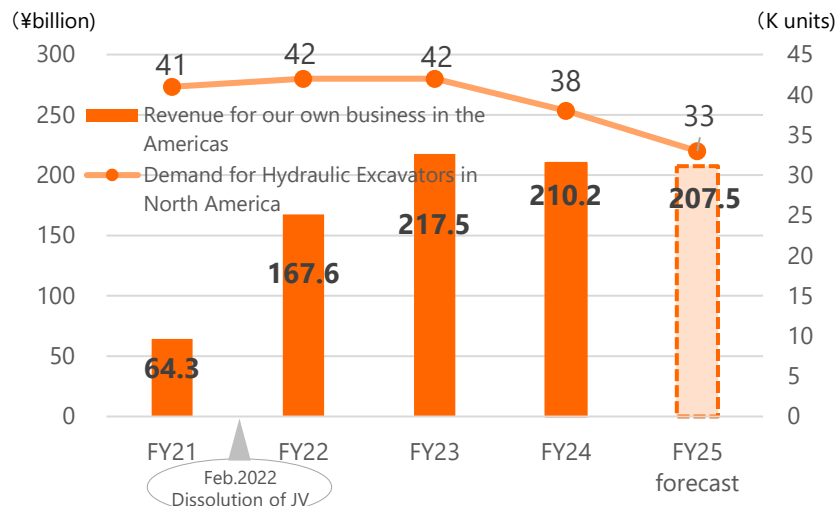
Expanding business in the Americas: Developing our own business in the Americas

HITACHI

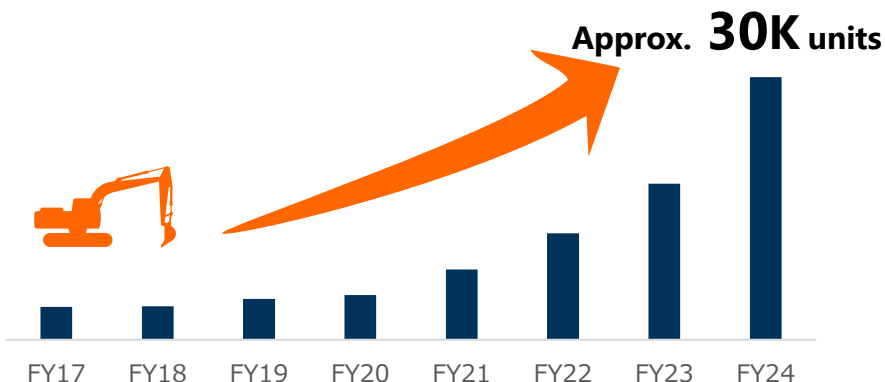
Reliable Solutions

**Increased number of units in operation due to expansion of new machinery sales.
Further growth potential in parts & services revenue.**

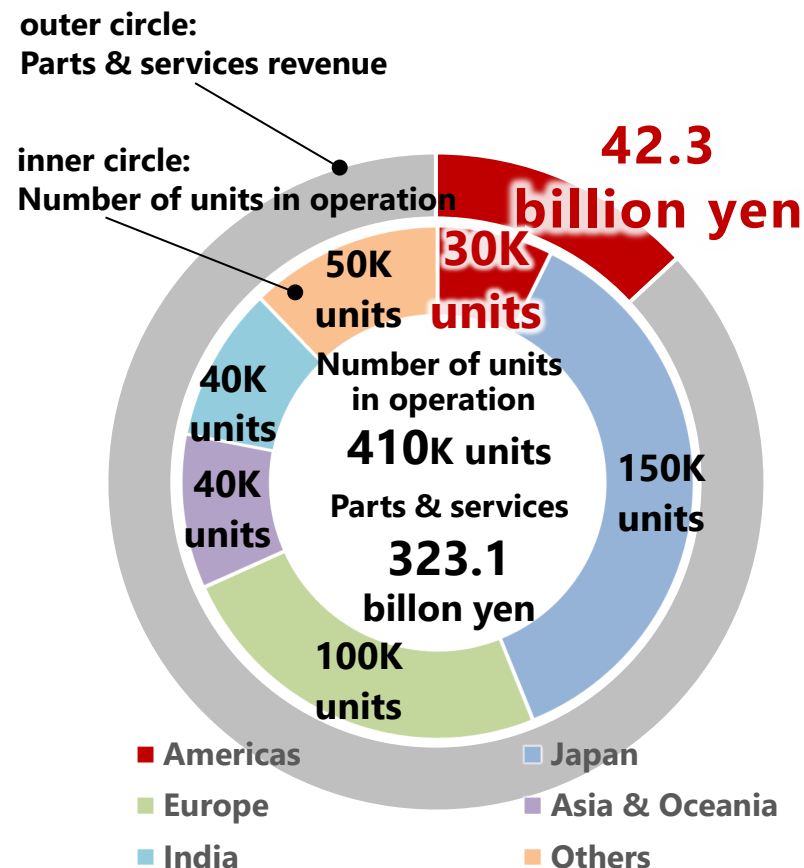
Revenue trends of our own business in the Americas



Number of Hitachi units in operation (Americas)



Parts & services revenue and number of units in operation (FY2024 results)



Aiming to reduce the environmental impact of construction and mining sites as a whole through collaboration with partners

Compact and Construction

Electric Construction machinery Lineup



2t class

(Under development
in cooperation with Dimaag-AI, Inc. (U.S.))



5t class



8t class



13t class

Mobile Energy Storage Systems



Cooperation with
Alfen B.V. (Netherlands)
and ITOCHU Corporation
(for European Market)



Collaboration with
Kyushu Electric Power
(for Japanese Market)

Mining



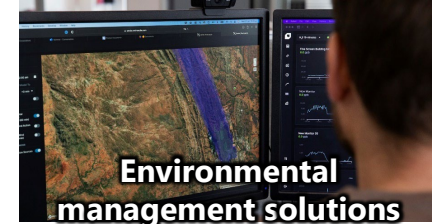
Wired electric
ultra-large excavator



Full battery dump truck



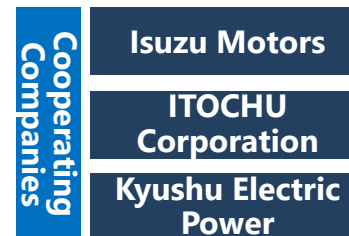
Real-time remote
monitoring and analysis of
air quality, dust, etc.



Environmental
management solutions

Research sites with partners

ZERO EMISSION EV-LAB (Chiba, Japan)



⋮



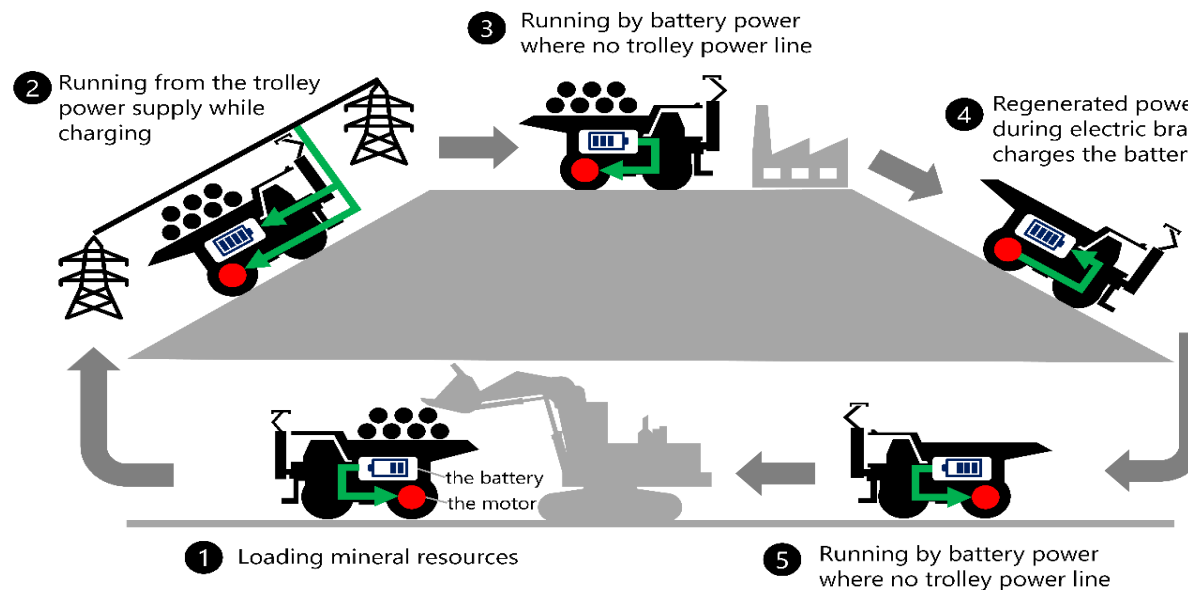
Demonstration Area

Beginning joint development of a full battery dump truck with ABB

January 2024 : Completed a prototype dump truck

June 2024 : Started PoC at customer's mine

FY2027 : Aiming for commercialization

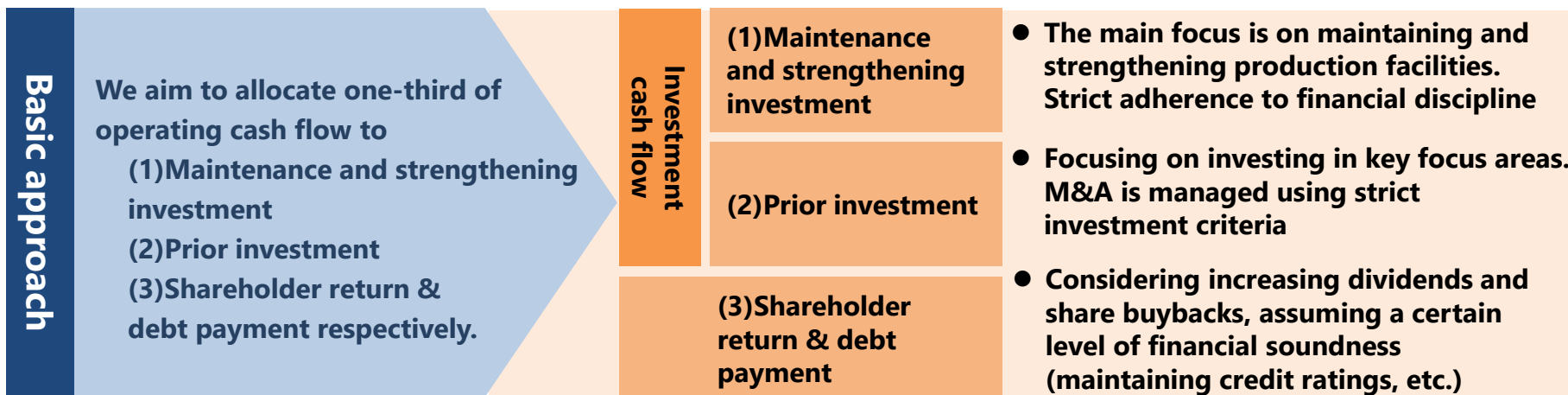


Full battery dump truck

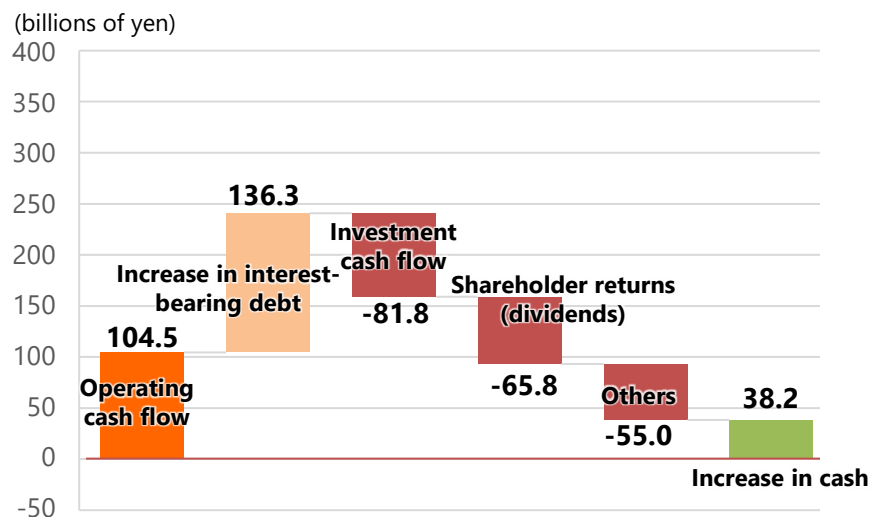


Digital mining promoted by ABB

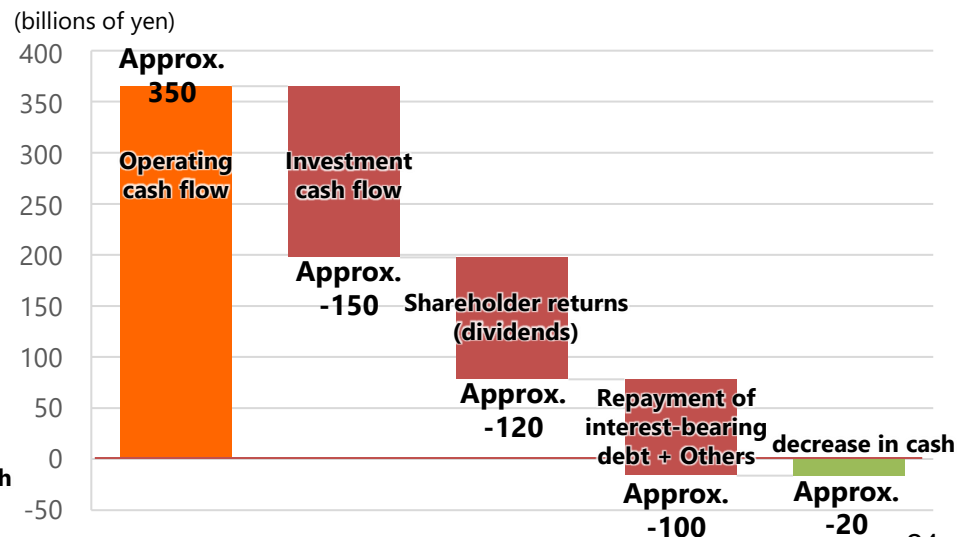
Prioritizing maintenance, reinforcement, and growth investments, while strengthening shareholder returns under a certain level of financial soundness



Previous medium-term management plan (FY20-FY22)



Current medium-term management plan (FY23-FY25 [plan])



Targets of the Medium-term Management Plan(Financial)

KPI		Previous	Current Medium-term Management Plan			
		FY2022	FY2023	FY2024	FY2025	
		Result	Result	Result	Forecast	Target
Growth	• Value chain ratio	40%	39%	43%	48% or more	50% or more
	• Own business revenue in the Americas	182.0 Billion yen	217.5 Billion yen	210.2 Billion yen	207.5 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%	10% or more	13% or more
	• EBITDA margin*1	14.2%	16.8%	16.1%	16% 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%	13% or more	10% or more
	• ROE	11.0%	13.1%	10.4%	9% or more	13% or more
	• ROIC *1*3	8.4%	9.8%	7.5%	7% 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%.

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

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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%	Women 11%	Women 11%	Women 13%	Women 13%
			Men 16%	Men 16%	Men 17%	Men 15%	Men 15%

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

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Explanatory Meeting Material for Business Results for the First Quarter ended June 30, 2025

Q1 Results

Revenue and adjusted operating income decreased year on year mainly due to sluggish market conditions in North America and the impact of the strong yen

(YoY: Revenue -6.7% Adjusted operating income -31.9% Net income attributable to owners of the parent -54.1%)

- Sales in Asia and Europe remain steady year on year, while lower sales in North America and a strong yen pushed down earnings.
- Market conditions for general construction machinery in Japan and Oceania deteriorated compared to initial forecasts. Additionally there is a growing tendency to postpone mining maintenance, including the specialized parts and services business.
- Amid growing uncertainty due to U.S. tariffs, although revenue from our own business in the Americas declined year on year, the retail market share in North America increased.

Forecast

This time, the earnings forecast has been revised for the first time to reflect the impact of U.S. tariffs

(Compared to previous forecast: Revenue ¥-75 billion, Adjusted operating income ¥-21 billion, Net income attributable to owners of the parent ¥-10 billion)

- With rising uncertainty, especially in North America, we are factoring in the risk of a global slowdown in demand and sales of general construction machinery due to U.S. tariffs.
- We will incorporate the recent slowdown in orders into our mining business outlook.
- Regarding the increased costs associated with the application of U.S. tariffs, we expect to absorb a certain portion through price increases.
- We will maintain our annual dividend plan of ¥175 per share in light of the recent stable cash flow.

1. Business Results **for the First Quarter ended June 30, 2025** (April 1, 2025 – June 30, 2025)

Summary of consolidated results

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In 1Q of the year, revenue decreased by 7% y-y, adjusted operating income decreased by 32% y-y, and net income attributable to owners of the parent decreased by 54% y-y, mainly due to the downturn in sales volume in the Americas and also the yen's appreciation.

[billions of yen]

		FY2025 1Q		FY2024 1Q		change
Continuing operation						
	Revenue	306.2		328.2		-7%
	Adjusted operating income *1	7.2%	22.1	9.9%	32.5	-32%
	Operating income	7.2%	22.1	10.0%	32.8	-33%
	Income before income taxes	6.4%	19.7	11.9%	39.1	-50%
	Net income from continuing operation	4.4%	13.4	7.9%	26.0	-48%
Net income from discontinued operation		-		0.7		-
Net income attributable to owners of the parent		3.7%	11.3	7.5%	24.6	-54%
EBIT *2		7.2%	22.2	12.9%	42.4	-48%
FX rate	Rate (YEN/USD)	144.6		155.9		-11.3
	Rate (YEN/EUR)	163.8		167.9		-4.1
	Rate (YEN/RMB)	20.0		21.5		-1.5
	Rate (YEN/AUD)	92.6		102.7		-10.1

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

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

Revenue by geographic region (consolidated)

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Although revenue in Europe and Asia increased y-y, revenue in North America, Oceania, Latin America, and Japan decreased.

[billions of yen]

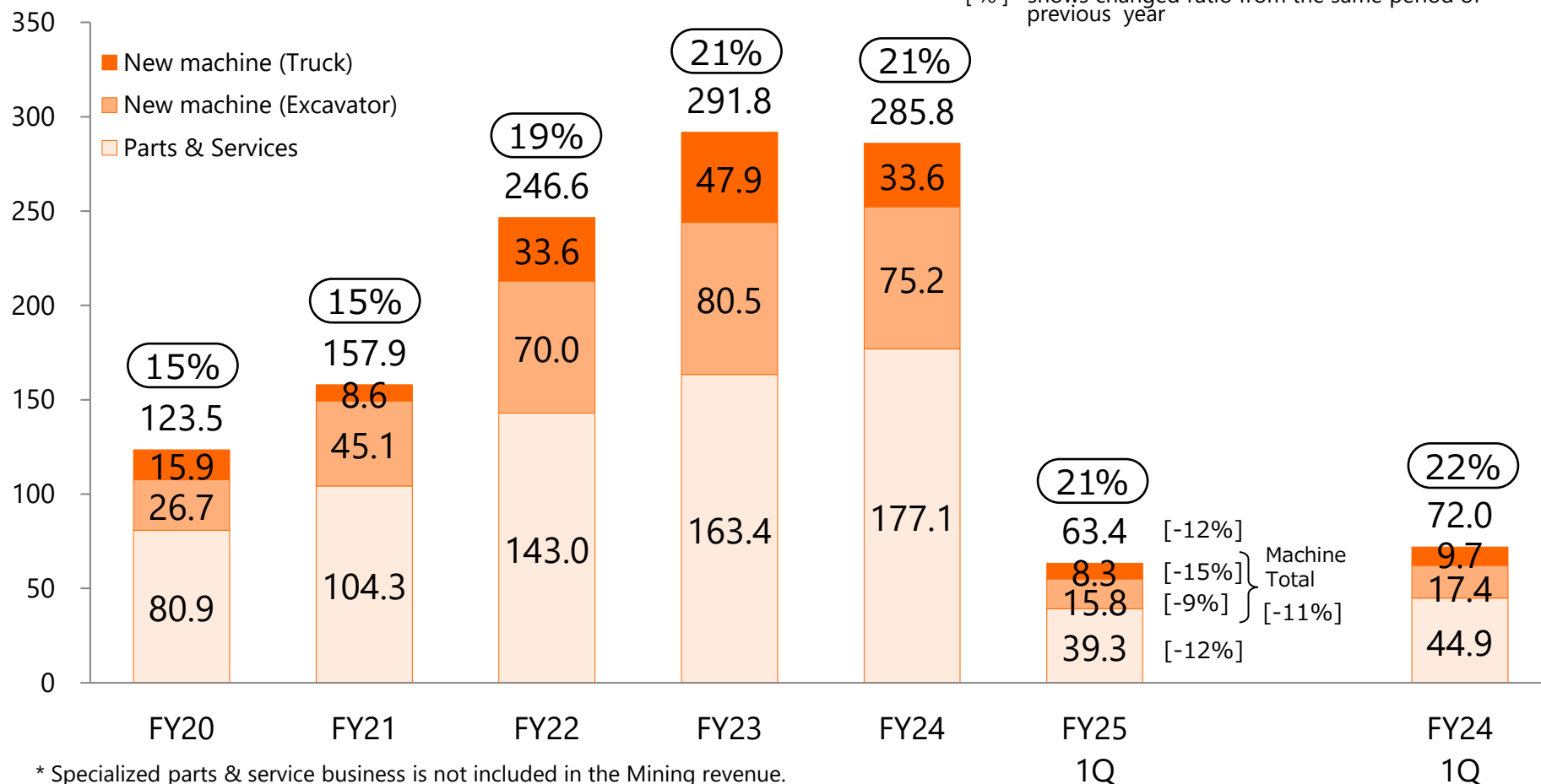
		FY2025 1Q		FY2024 1Q		change	
						amount	%
Japan		40.2	13%	42.6	13%	-2.4	-6%
Asia		27.5	9%	23.7	7%	3.8	16%
India		17.5	6%	19.0	6%	-1.6	-8%
Oceania		59.7	19%	68.8	21%	-9.1	-13%
Europe		42.6	14%	38.4	12%	4.1	11%
The Americas	N. America	71.2	23%	81.5	25%	-10.3	-13%
	L. America	6.8	2%	13.0	4%	-6.3	-48%
		78.0	25%	94.5	29%	-16.6	-18%
(Developing own business)		(49.0)	(16%)	(53.4)	(16%)	(-4.4)	(-8%)
Russia-CIS		4.3	1%	4.6	1%	-0.3	-7%
M. East		12.6	4%	11.3	3%	1.3	11%
Africa		17.1	6%	18.2	6%	-1.1	-6%
China		6.9	2%	7.1	2%	-0.2	-3%
Total		306.2	100%	328.2	100%	-22.1	-7%
Overseas ratio		87%		87%			

* FY2024 revenue presented only continuing operation retroactively.

In addition to the impact of the stronger yen, sluggish resource prices have led to a decline in revenue for both new machine sales and parts & services.

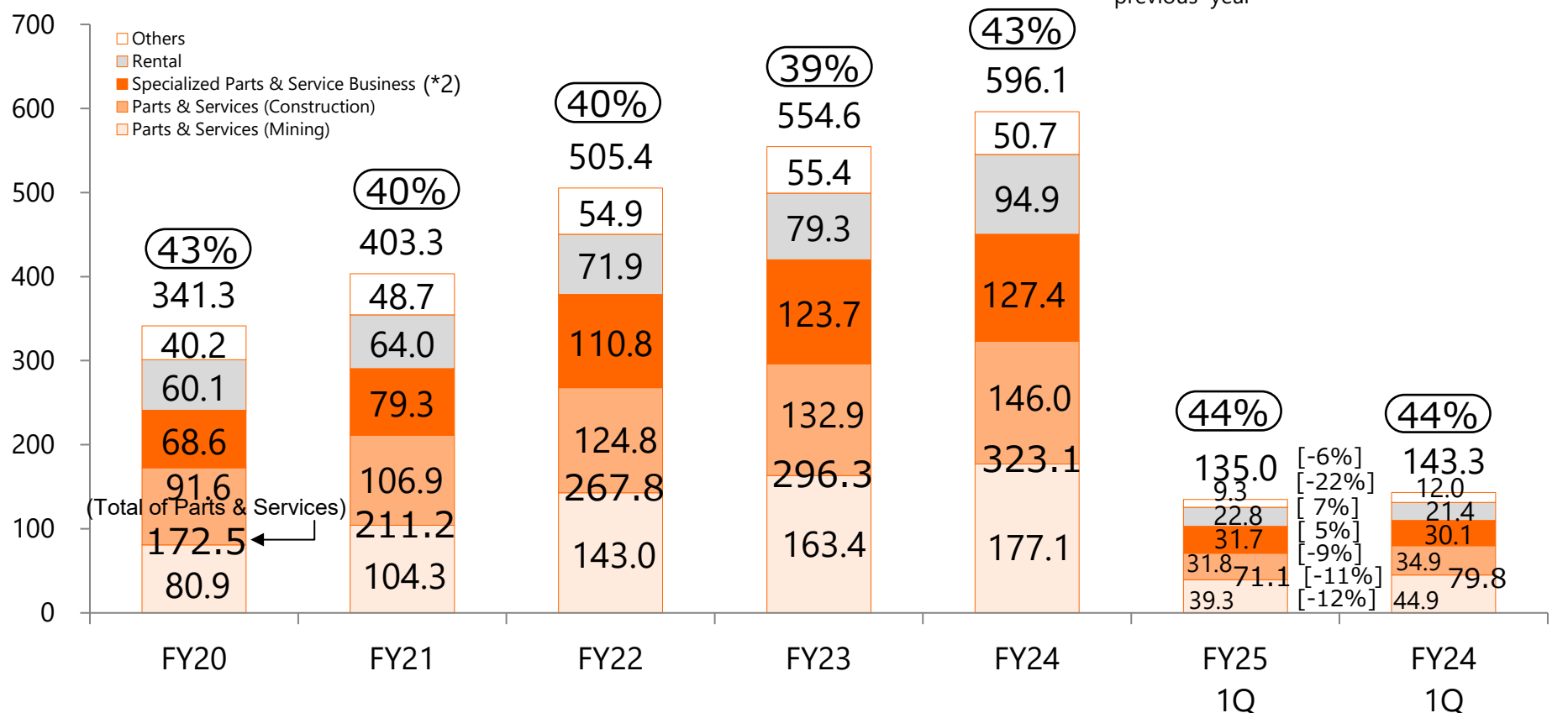
[billions of yen]

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



Excluding the impact of the yen's appreciation, revenue remained at the same level y-y.

[billions of yen]

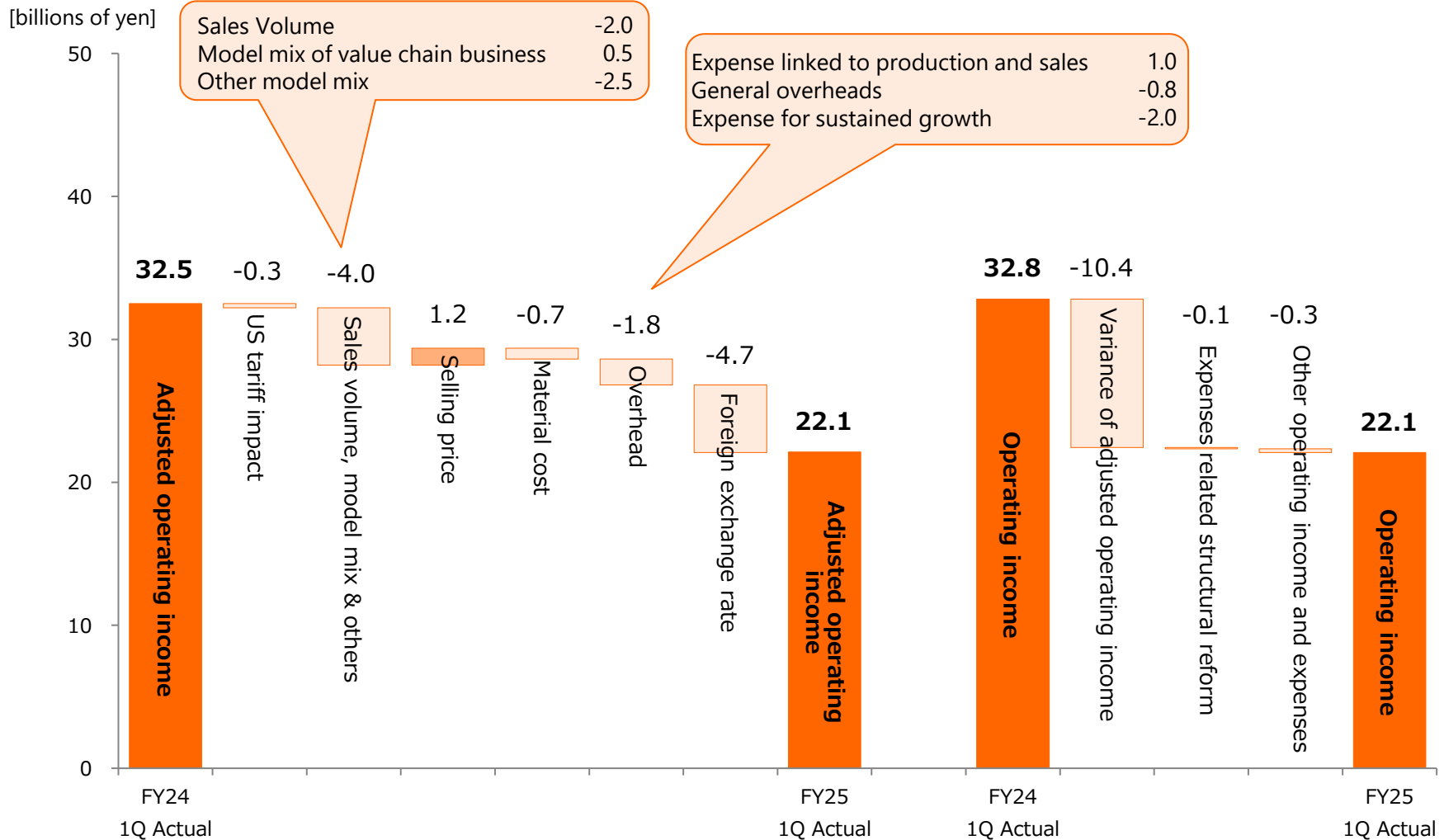


(*1) Value chain: Total of Parts & services, Specialized parts & service business, Rental etc. other than new machine sales.

(*2) Specialized parts & service business: The business segment primarily intends to provide development, production, distribution of parts and service solutions for mining facilities and equipment after the sales made that are not included in the construction machinery business segment.

Comparison of consolidated income

Adjusted operating income decreased y-y due to the downturn in sales volume, region and model mix, and the yen's appreciation.



Consolidated statement of financial position

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Total assets decreased by 13.4 billion yen from the end of the last fiscal year due to the reduction of working capital.

(billions of yen)

	(A) FY25-1Q	(B) Mar '2025	(C) FY24-1Q	(A)-(B) change		(D) FY25-1Q	(E) Mar '2025	(F) FY24-1Q	(D)-(E) change
Cash and cash equivalents	150.7	147.1	156.2	3.6	Trade and other payables	239.2	259.0	265.8	-19.9
Trade receivables	244.3	270.9	276.8	-26.6	Bonds and borrowings	561.7	537.9	619.2	23.8
Inventories	546.8	531.2	601.0	15.7	Total liabilities	934.6	933.0	1,043.1	1.6
Total current assets	995.8	1,000.8	1,119.8	-5.0	(Equity attributable to owners of the parent ratio)	(44.6%)	(45.2%)	(42.3%)	(-0.6%)
Total non-current assets	781.8	790.2	785.3	-8.4	Total equity	843.0	858.0	862.1	-14.9
Total assets	1,777.6	1,791.0	1,905.2	-13.4	Total liabilities and equity	1,777.6	1,791.0	1,905.2	-13.4
Trade receivables incl. non-current	288.9	318.5	323.9	-29.6					
Inventories by products									
Unit	205.9	205.8	262.8	0.1		(31.6%)	(30.0%)	(32.5%)	(1.6%)
Parts	173.1	173.4	180.1	-0.3	Interest-bearing debt	561.7	537.9	619.2	23.8
Raw materials, WIP and etc	167.8	152.0	158.2	15.9	Cash and Cash equivalents	150.7	147.1	156.2	3.6
Total inventories	546.8	531.2	601.0	15.7		(23.1%)	(21.8%)	(24.3%)	(1.3%)
On hand days(divided by revenue)				[Days]	Net interest-bearing debt	411.0	390.7	463.0	20.3
Trade receivables	78	85	83	-7					
Inventories	148	141	155	7	Net D/E Ratio	0.52	0.48	0.57	0.04
Trade payables	38	38	42	-0					
Net working capital	184	184	193	0					

In the previous third quarter, PPA for the acquisition in fiscal year 2023 was completed. As the result, the figures for the previous first quarter have been retrospectively restated to reflect the numbers after the PPA adjustment.

Free cash flow remained at 10.0 billion due to improved operating cash flow.

[billions of yen]

	FY2025 1Q		FY2024 1Q		change	
Net income (includes discontinued operations)		13.4		26.7		-13.3
Depreciation and amortization	32.4	19.0	45.0	18.3	-12.7	0.6
(Increase)decrease in trade/lease receivables		30.7		43.3		-12.6
Increase(decrease) in inventories	14.4	-12.3	12.7	-17.7	1.7	5.4
Increase(decrease) in trade payables		-4.0		-12.9		9.0
Others, net		-23.7		-49.4		25.7
Net cash provided by (used in) operating activities		23.0		8.3		14.7
Cash flow margin for operating activities		7.5%		2.5%		5.0%
Net cash provided by (used in) investing activities		-13.0		-12.5		-0.5
Free cash flows		10.0		-4.2		14.2
Net cash provided by (used in) financing activities		-5.9		7.7		-13.6

* Blue figures shows the total of each category.

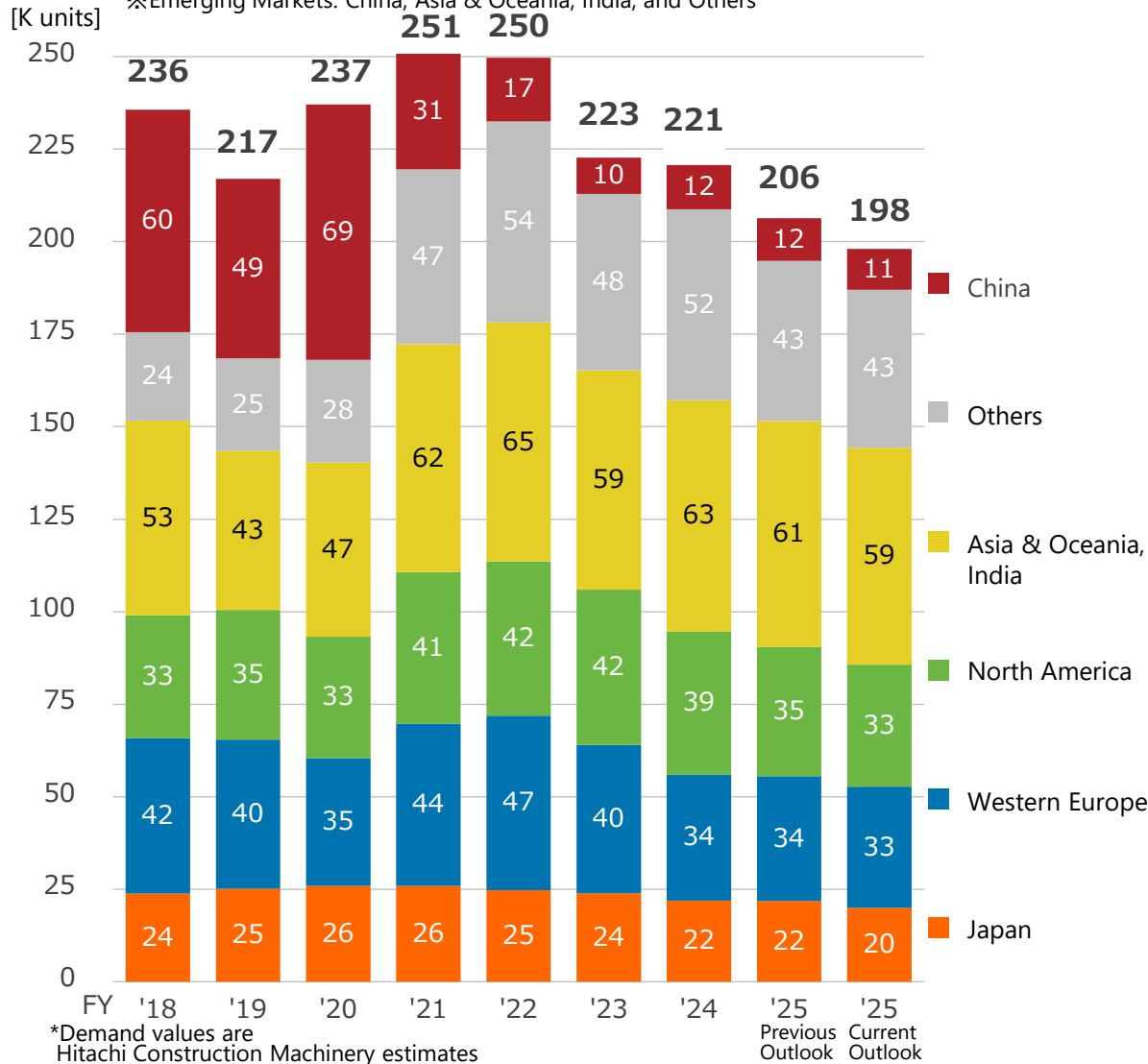
Global Demand Trend for Hydraulic Excavators

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Reliable Solutions

**Emerging Markets ratio:
FY25 57% (y-y Change : ±0%)**

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



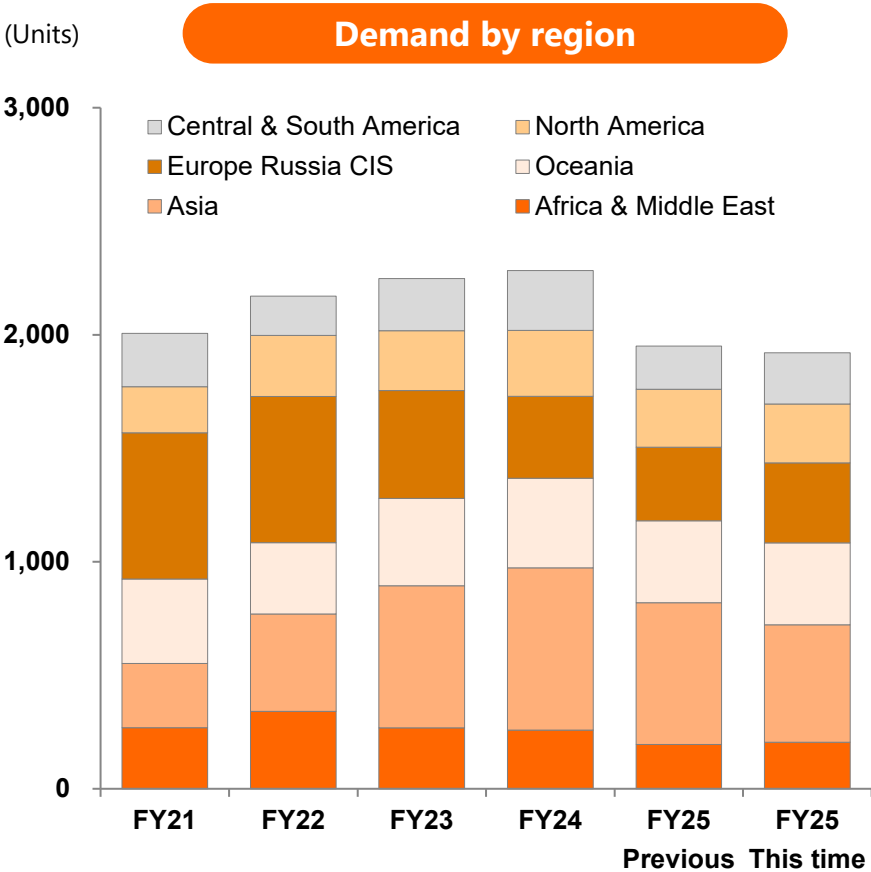
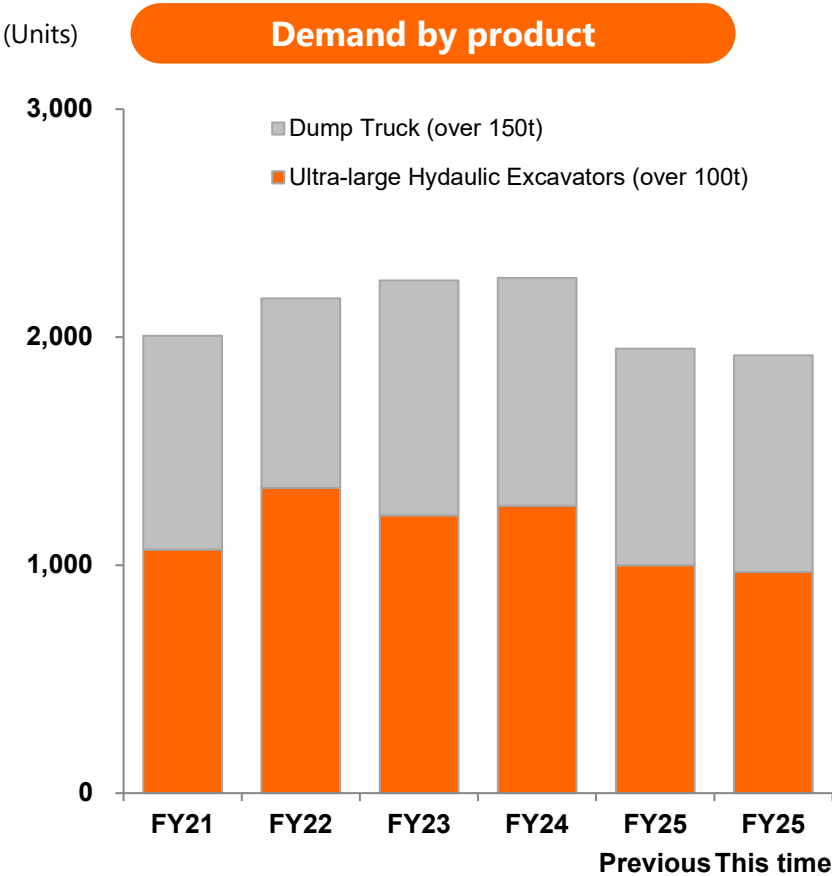
Year-on-Year Change by Region

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

	'24	'25
Total	-1%	-10%
China	+22%	-8%
Russia, CIS, E Europe	-21%	-3%
Africa	+55%	-24%
Middle East	±0%	-27%
Latin America	+18%	-14%
Others	+8%	-17%
Asia	+13%	-9%
India	+5%	-4%
Oceania	-26%	±0%
Asia & Oceania, India	+5%	-6%
N America	-8%	-15%
W Europe	-15%	-4%
Japan	-8%	-9%

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 Excavator (over 100t), Dump Trucks New (over 150t)



*Demand is Hitachi Construction Machinery's estimate

Summary of consolidated earnings forecast

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Consolidated revenue is expected to decrease by 75.0 billion yen from the previous announcement as of April 2025 due to the upswing in costs and slowdown of demands caused by the US tariff impact. Adjusted operating income is expected to decrease by 21.0 billion yen, and net income attributable to owners of the parent by 10.0 billion yen.

(billions of yen)

	FY2025		FY2024		change	
	Forecast		Actual		amount	%
Continuing operation						
Revenue	<1,375.0>	1,300.0	1,371.3		-71.3	-5%
Adjusted operating income	<11.0%> <151.0>	(10.0%) 130.0	(10.6%) 145.0		(-0.6%) -15.0	-10%
Operating income	<10.8%> <149.0>	(9.8%) 128.0	(11.3%) 154.7		(-1.4%) -26.7	-17%
Income before income taxes	<9.8%> <135.0>	(9.2%) 119.0	(9.8%) 134.2		(-0.6%) -15.2	-11%
Net income from continuing operation	<92.0>	82.0	90.4		-8.4	-9%
Net income from discontinued operation	<0.0>	0.0	1.4		-1.4	-
Net income attributable to owners of the parent	<6.0%> <83.0>	(5.6%) 73.0	(5.9%) 81.4		(-0.3%) -8.4	-10%
EBIT	<150.0>	129.0	147.4		-18.4	
Currency	1Q Actual	2Q-4Q Forecast	Year Forecast	FY2024 Actual	change	
Rate (YEN/USD)	144.6	145.0	144.9	152.6	-7.7	
Rate (YEN/EUR)	163.8	155.0	156.7	163.5	-6.8	
Rate (YEN/RMB)	20.0	19.9	19.9	21.1	-1.2	
Rate (YEN/AUD)	92.6	94.0	93.7	99.6	-5.9	
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%.

*2 Blue figures at FY2025 Forecast shows previous forecast as of April 2025.

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Consolidated revenue forecast by geographic region

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Consolidated revenue for FY2025 is expected to decrease mainly in the Americas, Japan, and Oceania due to the slowdown of demands caused by the US tariff impact.

(billions of yen)

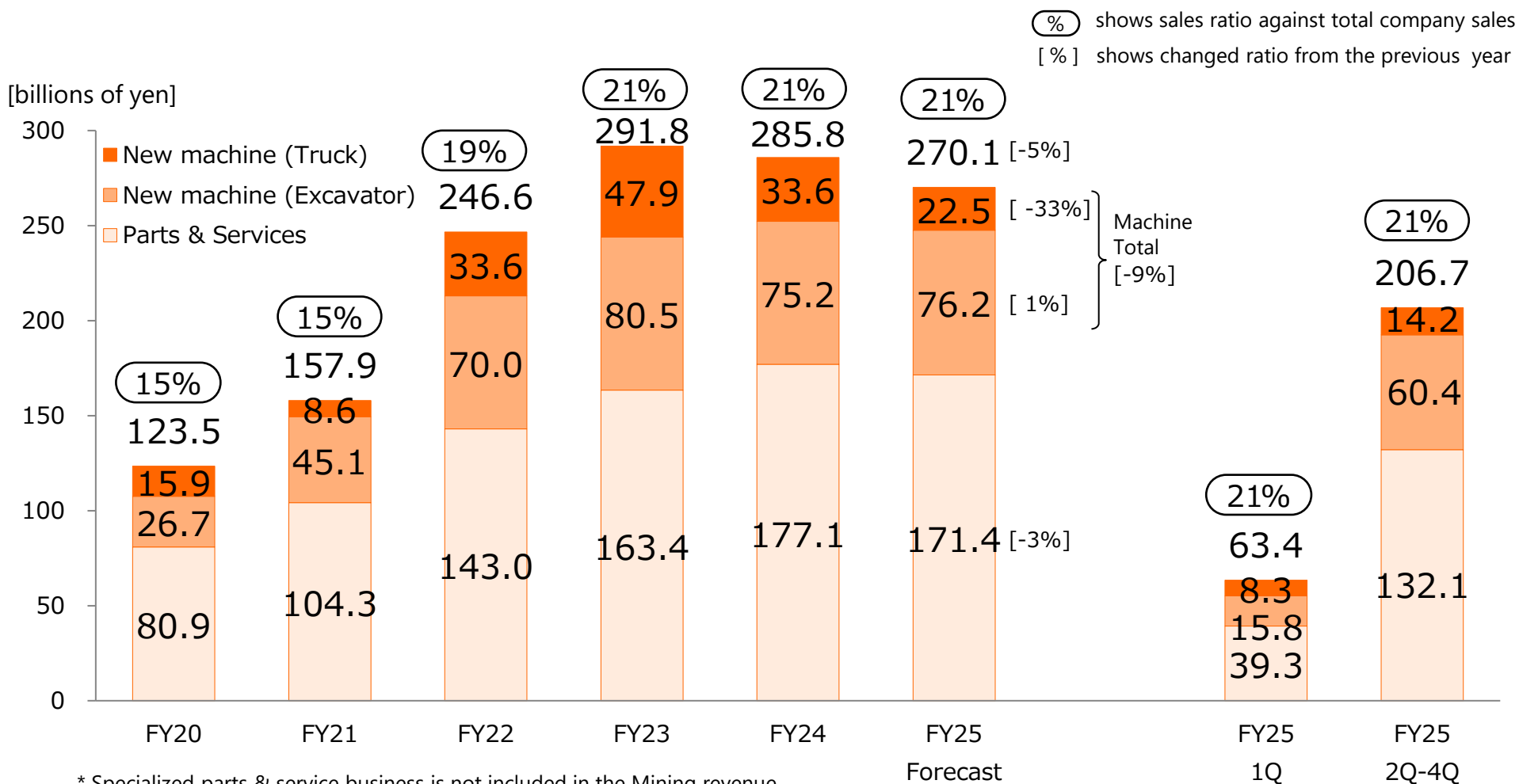
		FY2025 Forecast		FY2024 Actual		change	
						amount	%
Japan		209.9	16%	220.0	16%	-10.1	-5%
Asia		115.0	9%	118.5	9%	-3.5	-3%
India		80.2	6%	87.5	6%	-7.3	-8%
Oceania		246.1	19%	258.9	19%	-12.7	-5%
Europe		172.2	13%	159.7	12%	12.5	8%
America	N. America	274.0	21%	312.4	23%	-38.4	-12%
	L. America	41.0	3%	43.8	3%	-2.7	-6%
		315.0	24%	356.1	26%	-41.1	-12%
(Developing own business)		(207.5)	(16%)	(210.2)	(15%)	(-2.7)	(-1%)
Russia-CIS		20.0	2%	19.6	1%	0.4	2%
M. East		31.6	2%	33.6	2%	-2.0	-6%
Africa		82.0	6%	85.0	6%	-3.0	-4%
China		28.1	2%	32.5	2%	-4.4	-14%
Total		1,300.0	100%	1,371.3	100%	-71.3	-5%
Overseas ratio		84%		84%			

* FY2024 revenue present only continuing operation retroactively.

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Mining revenue forecast

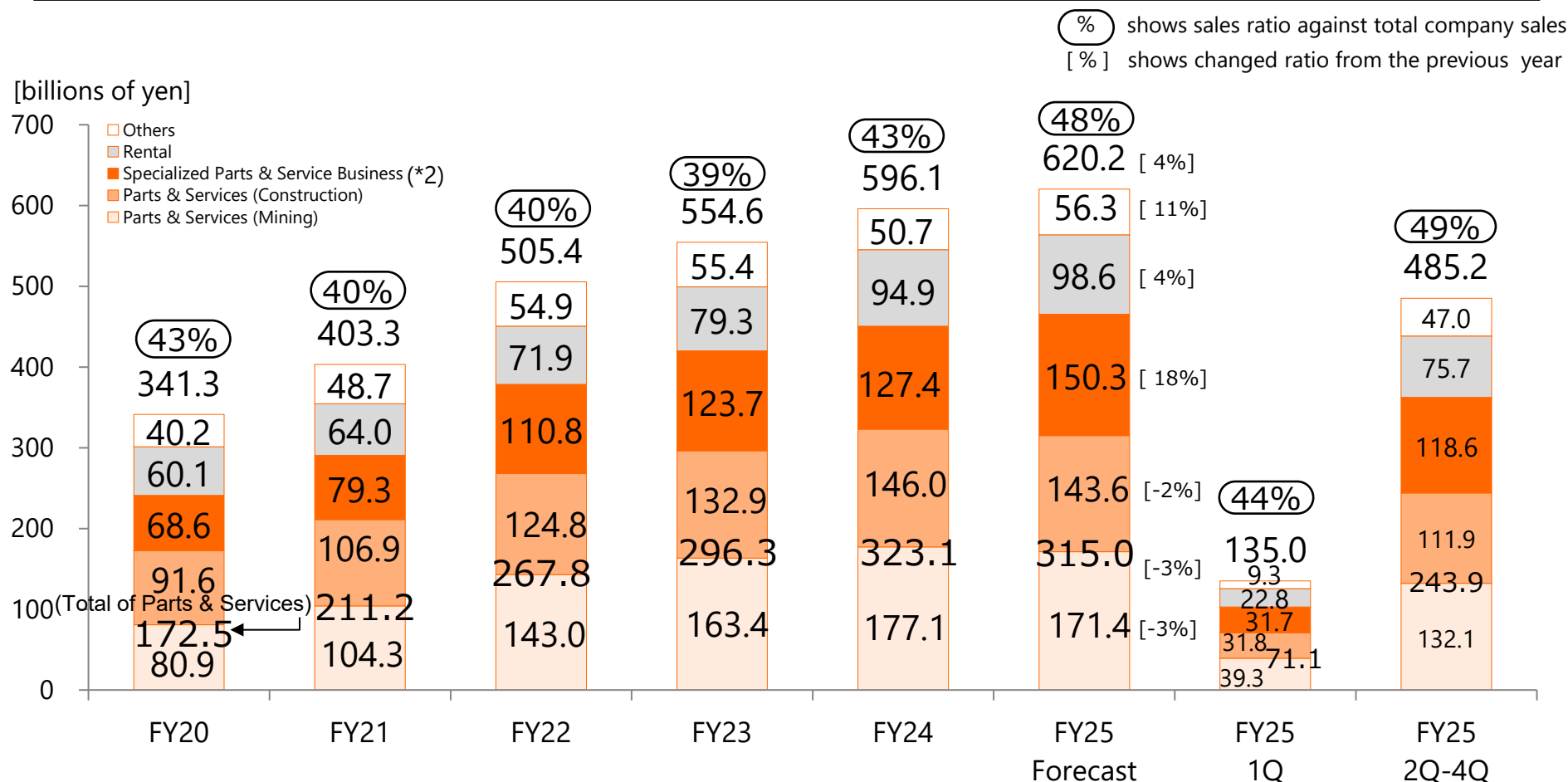
Mining revenue is expected to decrease by 5% considering the slowdown of demand due to the US tariff impact.



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

Value chain*1 revenue forecast

Value chain revenue is expected to increase by 4% y-y due to the increase in the specialized parts and service business and rental.



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

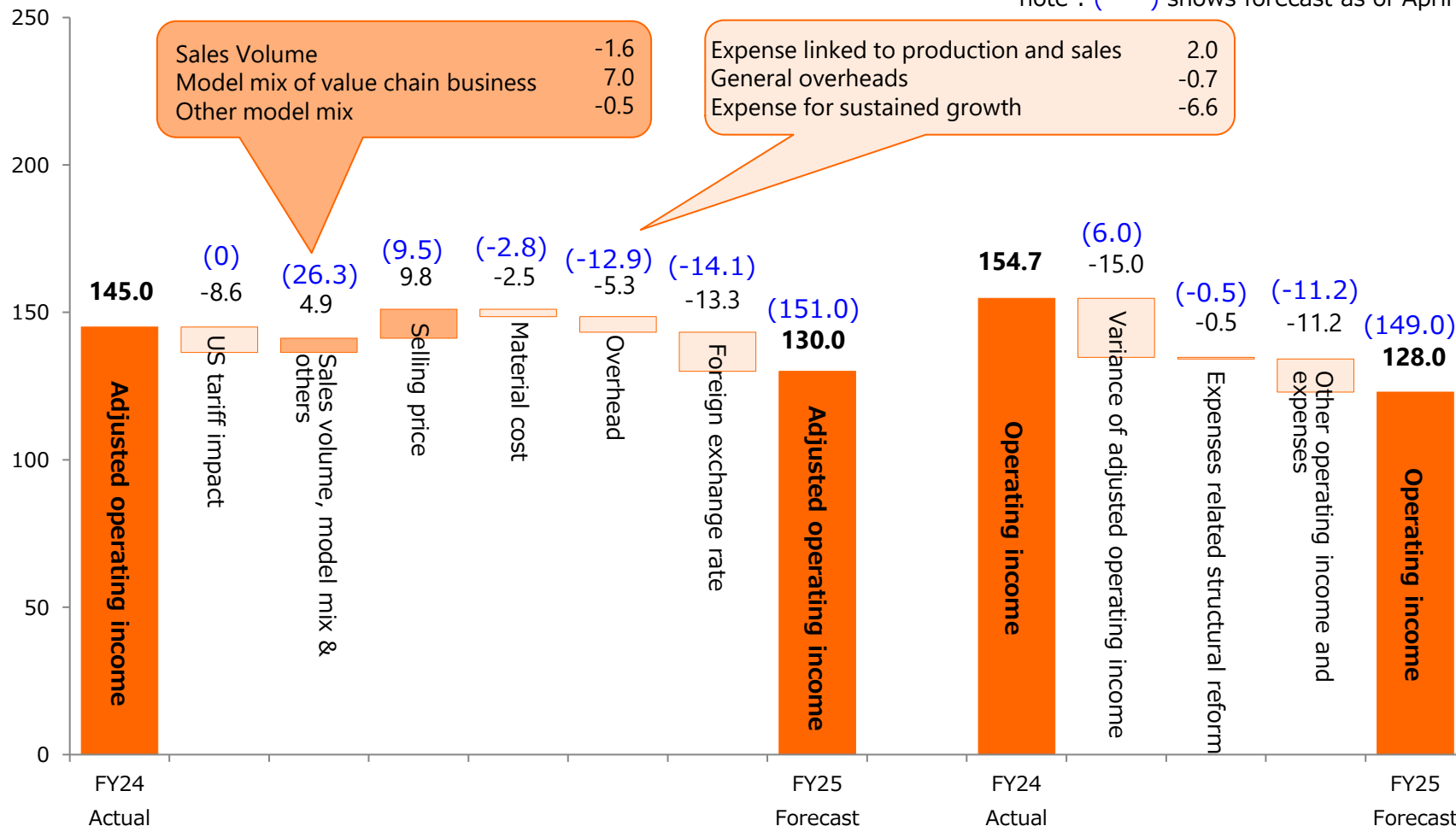
(*2) Specialized parts and service business: The business segment primarily intends to provide development, production, distribution of parts, and service solutions for mining facilities and equipment after the sales made that are not included in the construction machinery business segment.

Comparison of consolidated income forecast

Adjusted operating income for FY2025 is expected to decrease by 15.0 billion yen y-y due to the downturn in sales volume and upswing in costs caused by the US tariff impact, although the impact of the increase in material cost and overheads is being absorbed by the upswing in the selling price.

[billions of yen]

note : () shows forecast as of April 2025



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).

Tariffs impact: Newly factored in (1) Decrease in demand and sales globally and (2) Increase in cost of ¥8.6 billion

- We have fully considered the global risk of reduced demand and sales due to U.S. tariffs.
- Based on estimates that incorporate the sale of locally held inventory not subject to tariffs, we anticipate an annual cost increase of ¥8.6 billion on an adjusted operating income basis. (For shipments from Japan, the calculation is based on an assumed tariff rate of 10% from April to July, and 15% from August onward.)

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

- The price increase implemented in June 2025 contributed ¥2.3 billion to income growth, partially offsetting the rise in costs.
- We are considering further gradual increases in sales prices going forward; however, due to heightened uncertainty about the future, this has not been factored into the current earnings forecast.
- We continue to implement initiatives including the expansion of our rental business and cost reduction efforts.

2. References

Zambia Remanufacturing Center Doubled in Size with ¥2.5 Billion Investment (June 2025)

- New storage warehouse for remanufactured parts and workshop for rebuilding engines launched.
- Established support framework to meet after-sales demand from major orders in Zambia and neighboring countries.



Aerial View of the Remanufacturing Facility



Commemorative Ceremony Attended by the President of Zambia

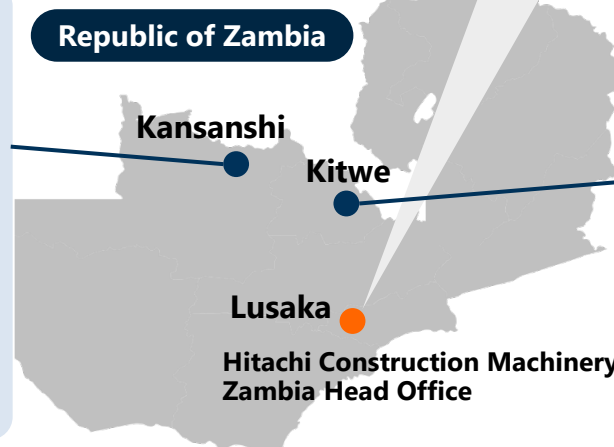


Workshop for rebuilding engines

Advancing Human Resource Development and Technological Innovation



Technological Feasibility Trial of an Ultra-Large Full Battery Dump Truck at the Kansanshi Copper Mine



Joint Efforts with UNIDO to Train Equipment Operators

Appendix 1: FX rate and FX sensitivity

The forecast exchange rate of major currencies for 2Q-4Q of this fiscal year is unchanged from the previous announcement as of April 2025.

FX rate and FX sensitivity

(billions of yen)

Currency	FX rate				FX sensitivity (2Q-4Q)		
	FY25			FY24 Actual	Condition	Revenue	Adjusted operating income
	1Q Actual	2Q-4Q Forecast	Total Forecast				
USD	144.6	145.0	144.9	152.6	Impact by 1 yen depreciation	2.5	1.1
EUR	163.8	155.0	156.7	163.5	Impact by 1 yen depreciation	0.7	0.4
RMB	20.0	19.9	19.9	21.1	Impact by 0.1 yen depreciation	0.2	-0.0
AUD	92.6	94.0	93.7	99.6	Impact by 1 yen depreciation	2.0	0.3

Appendix 2: Detail of mining revenue

(billions of yen)

		FY25 Forecast			FY24 Actual			Change		
		1Q	2-4Q	Year	1Q	2-4Q	Year	1Q	2-4Q	Year
America	Excavator	7.5	28.1	35.6	8.4	27.3	35.7	-0.8	0.8	-0.0
	Dump Truck	0.5	4.2	4.7	3.9	3.8	7.7	-3.3	0.4	-3.0
	Total	8.1	32.3	40.3	12.3	31.1	43.4	-4.2	1.2	-3.0
Europe, Africa and Middle East	Excavator	7.1	31.6	38.6	6.4	24.1	30.5	0.7	7.5	8.1
	Dump Truck	8.1	22.7	30.8	11.1	33.2	44.3	-3.0	-10.5	-13.6
	Total	15.2	54.3	69.4	17.5	57.3	74.8	-2.4	-3.1	-5.4
Asia & Oceania	Excavator	26.5	88.4	114.9	30.4	87.7	118.1	-3.9	0.7	-3.2
	Dump Truck	11.8	25.2	37.0	9.8	31.9	41.7	2.1	-6.7	-4.6
	Total	38.4	113.6	151.9	40.1	119.6	159.7	-1.8	-6.0	-7.8
China	Excavator	1.5	5.5	7.0	1.7	4.8	6.6	-0.2	0.6	0.5
	Dump Truck	0.0	0.0	0.0	0.1	0.1	0.1	-0.1	-0.0	-0.1
	Total	1.5	5.5	7.0	1.8	4.9	6.7	-0.2	0.6	0.4
Japan	Excavator	0.3	1.1	1.4	0.3	0.9	1.2	-0.0	0.2	0.2
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
	Total	0.3	1.1	1.4	0.3	0.9	1.2	-0.0	0.2	0.2
Total	Excavator	42.9	154.6	197.6	47.2	144.8	192.0	-4.2	9.8	5.6
	Dump Truck	20.5	52.1	72.6	24.8	69.0	93.8	-4.3	-16.9	-21.3
	Total	63.4	206.7	270.1	72.0	213.8	285.8	-8.6	-7.1	-15.7

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

Appendix 3: Segment information

The amortizations of PPA are included in the adjusted operating income of the specialized Parts & Service Business : 0.5billion yen in FY2025 1Q, and 1.8billion yen in the forecast for FY2025.

[billions of yen]

FY2025 1Q Actual	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	274.5	34.1	-2.4	306.2
Adjusted operating income	7.2% 19.6	7.2% 2.5	-	7.2% 22.1

[billions of yen]

FY2025 Forecast	Reportable segment		Adjustments *1	Total
	Construction Machinery Business	Specialized Parts & Service Business		
Revenue	1,149.7	152.7	-2.4	1,300.0
Adjusted operating income	9.5% 109.7	13.3% 20.3	-	10.0% 130.0

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

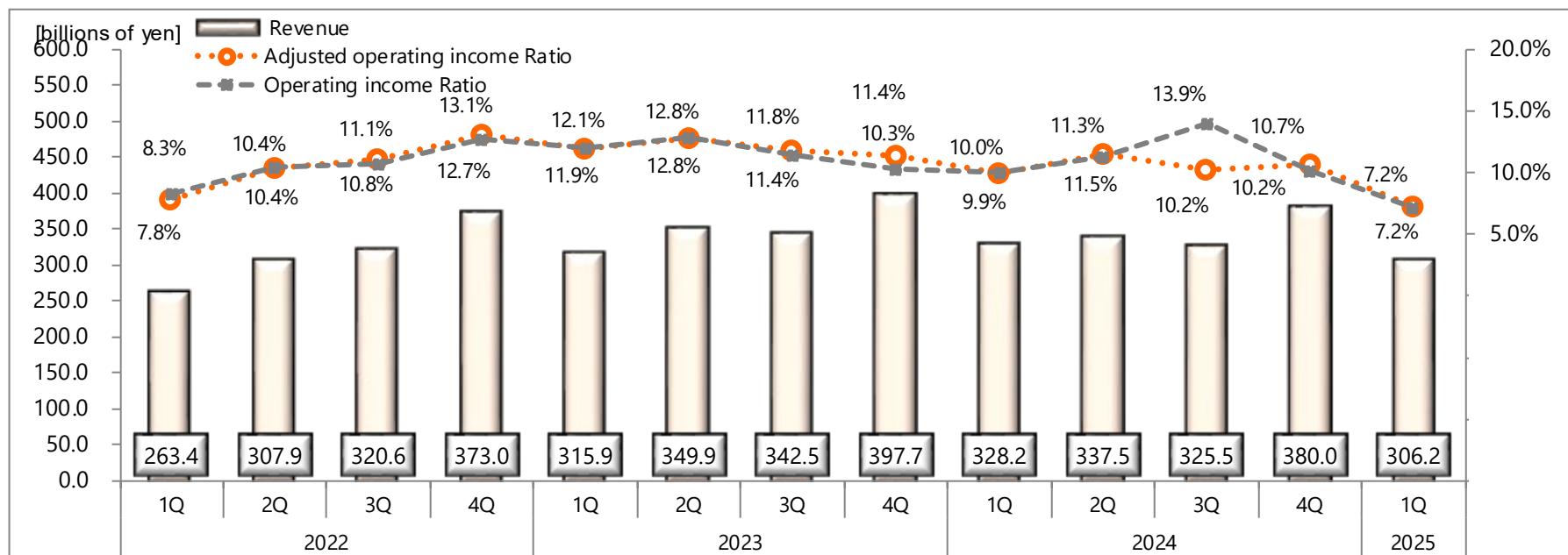
Appendix4 : Summary of quarterly consolidated revenue and operating income (ratio)

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[billions of yen]

	2022				2023				2024				2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	263.4	307.9	320.6	373.0	315.9	349.9	342.5	397.7	328.2	337.5	325.5	380.0	306.2
Adjusted operating income	20.6	31.9	35.5	48.7	37.6	44.9	40.5	45.1	32.5	38.8	33.2	40.5	22.1
Operating income	21.8	31.9	34.5	47.5	38.1	44.8	39.0	40.8	32.8	38.0	45.3	38.7	22.1



FX rate	2022				2023				2024				2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Rate (YEN/USD)	129.6	138.4	141.6	132.3	137.4	144.6	147.9	148.6	155.9	149.4	152.4	152.6	144.6
Rate (YEN/EUR)	138.1	139.3	144.3	142.1	149.5	157.3	159.1	161.3	167.9	164.0	162.6	160.5	163.8
Rate (YEN/RMB)	19.6	20.2	19.9	19.3	19.6	19.9	20.4	20.6	21.5	20.8	21.2	21.0	20.0
Rate (YEN/AUD)	92.6	94.5	92.9	90.6	91.8	94.7	96.3	97.7	102.7	100.0	99.5	95.8	92.6

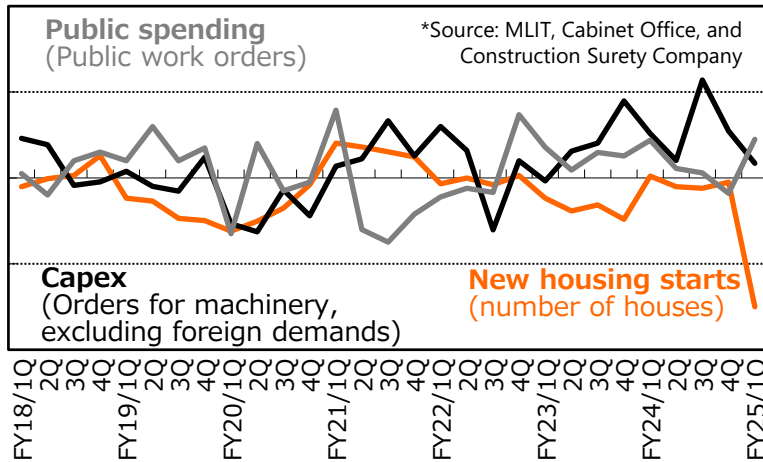
From FY2022, revenue, adjusted operating income and operating income presented only continuing operation retroactively.

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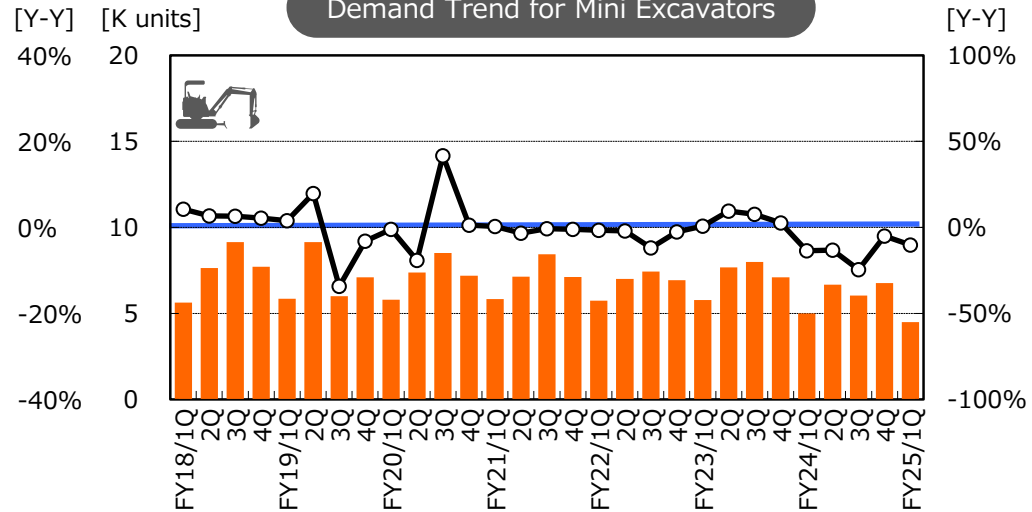
Japan: First Quarter (Apr to Jun 2025)

- New Housing Starts significantly decreased, Capex and Public Spending increased.
- Demand for Hydraulic excavators decreased:
Hydraulic Excavators -14%, Mini Excavators -10%, Wheel Loaders -28% y-y.

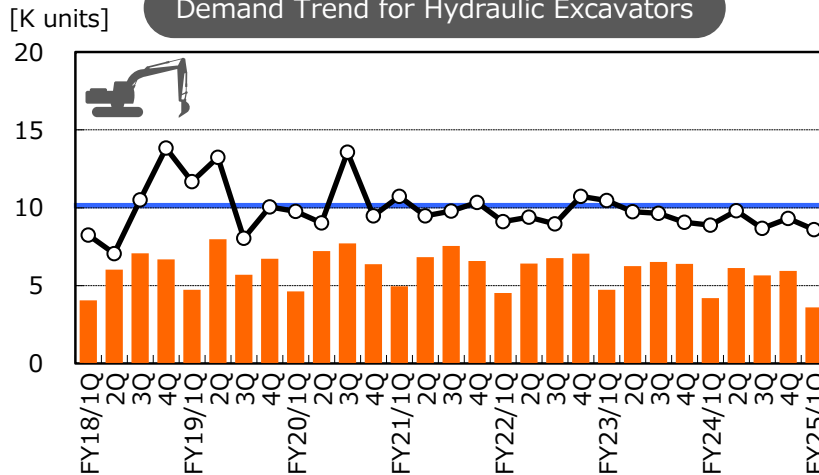
Market Environment Housing, Capex, Public Spending



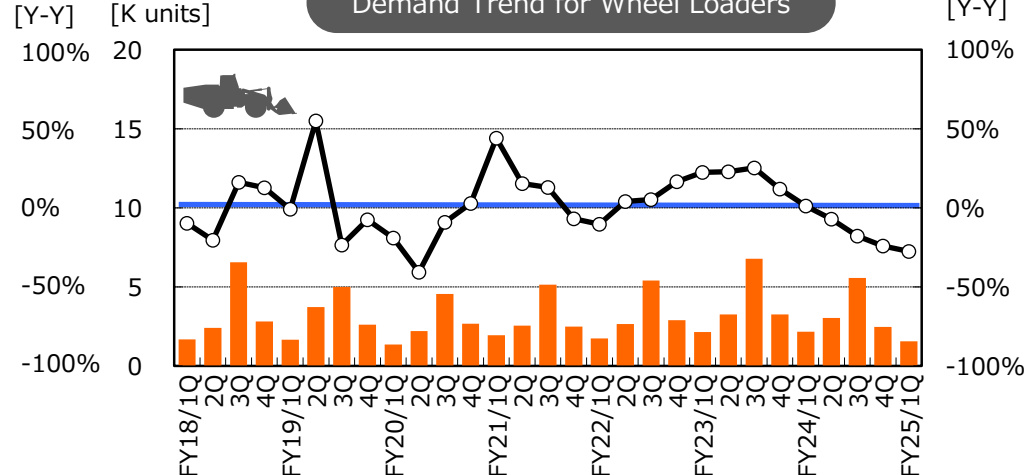
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



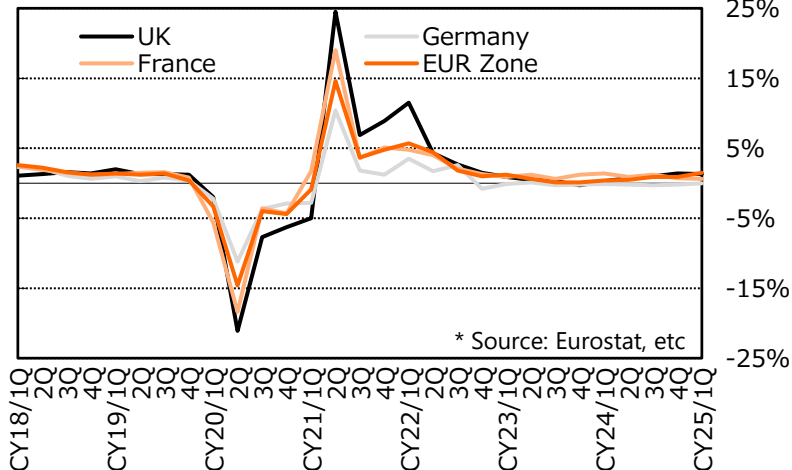
Demand Trend for Wheel Loaders



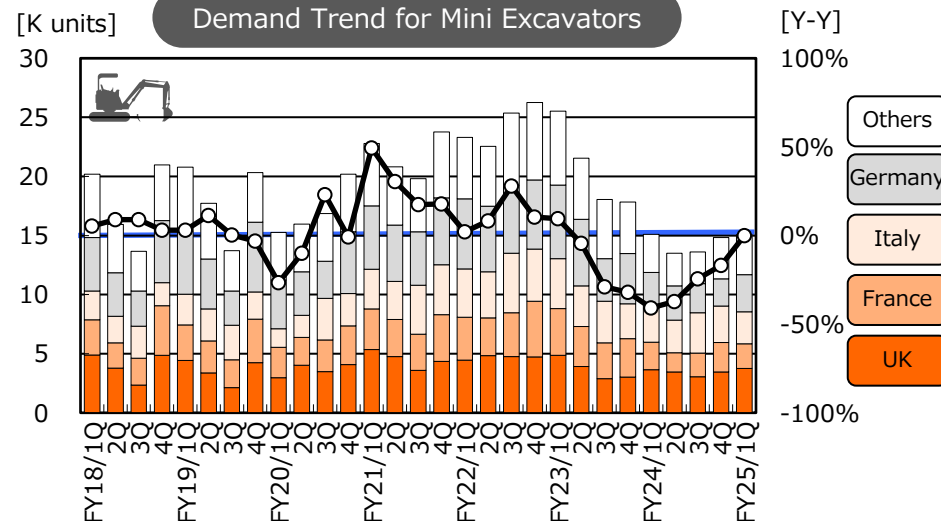
*Demand values are Hitachi Construction Machinery estimates

- GDP in CY25 1Q has been growing at a low rate.
- Demand for Hydraulic excavators increased slightly:
Hydraulic Excavators +1%, Mini Excavators ±0%, Wheel Loaders -11 % y-y.

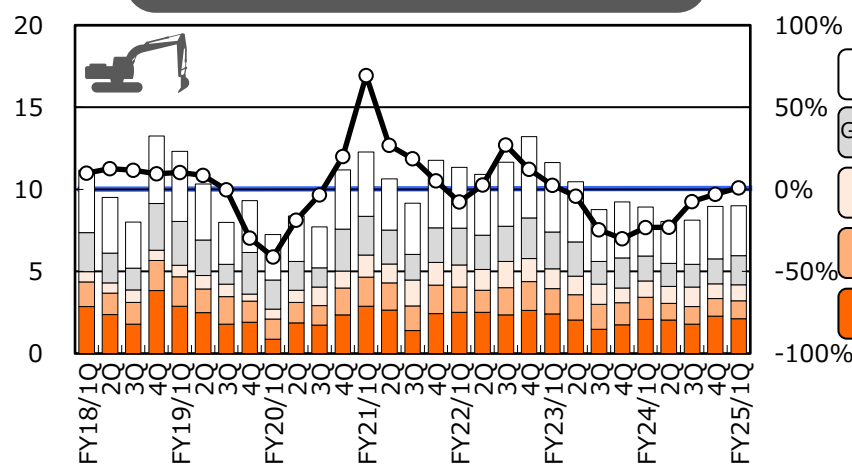
GDP Growth Rate in Major Countries



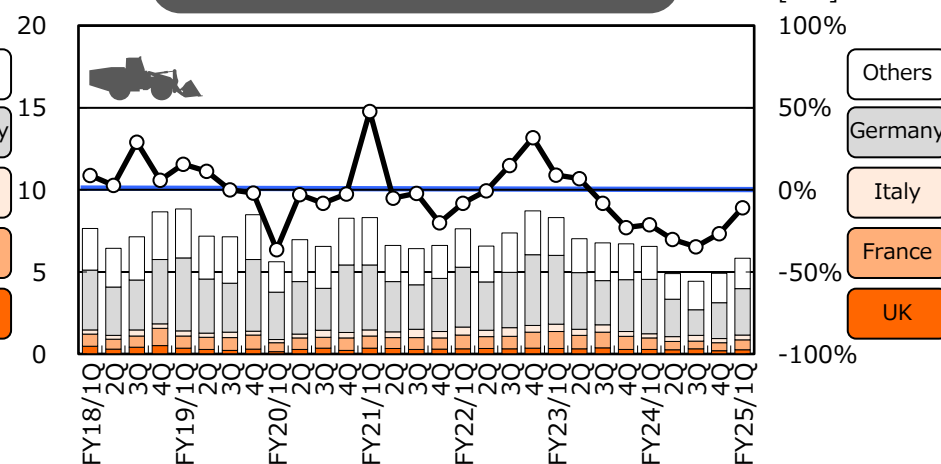
Demand Trend for Mini Excavators



[K units] Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



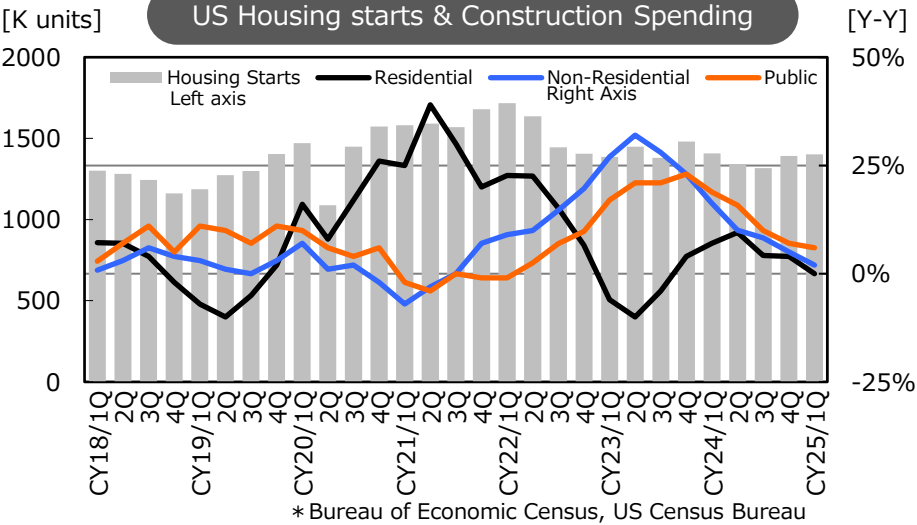
*Demand values are
Hitachi Construction Machinery estimates

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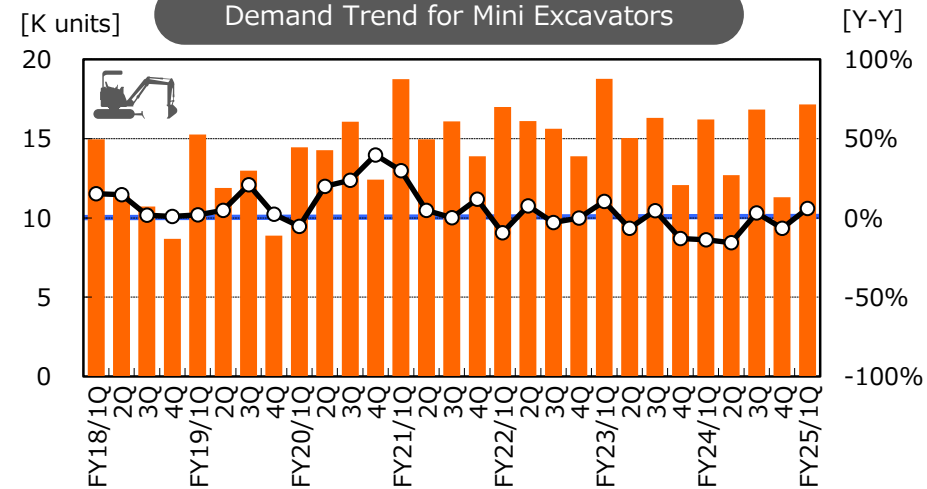
North America: First Quarter (Apr to Jun 2025)

- Residential remained flat, Non-Residential slightly increased, Public Works increased, Housing Starts remained flat.
- Demand for Hydraulic excavators slightly decreased:
Hydraulic Excavators -3%, Mini Excavators +6%, Wheel Loaders +2% y-y.

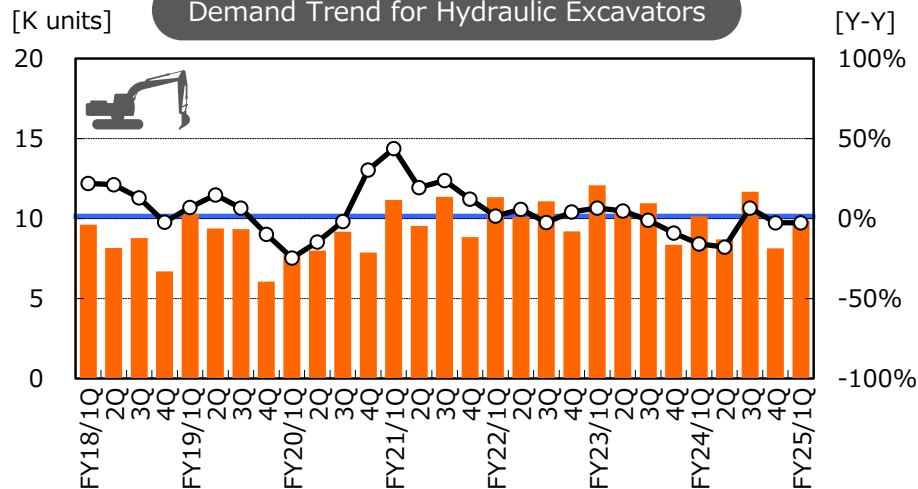
US Housing starts & Construction Spending



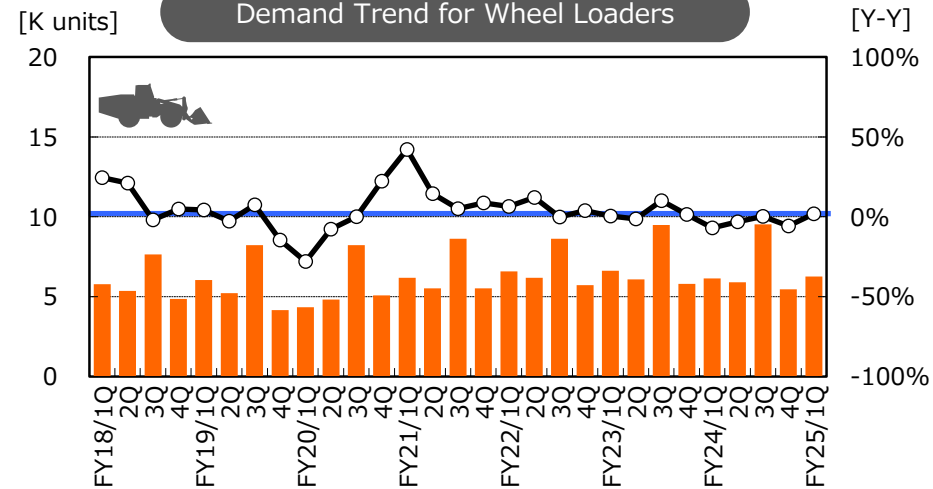
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



*Demand values are
Hitachi Construction Machinery estimates

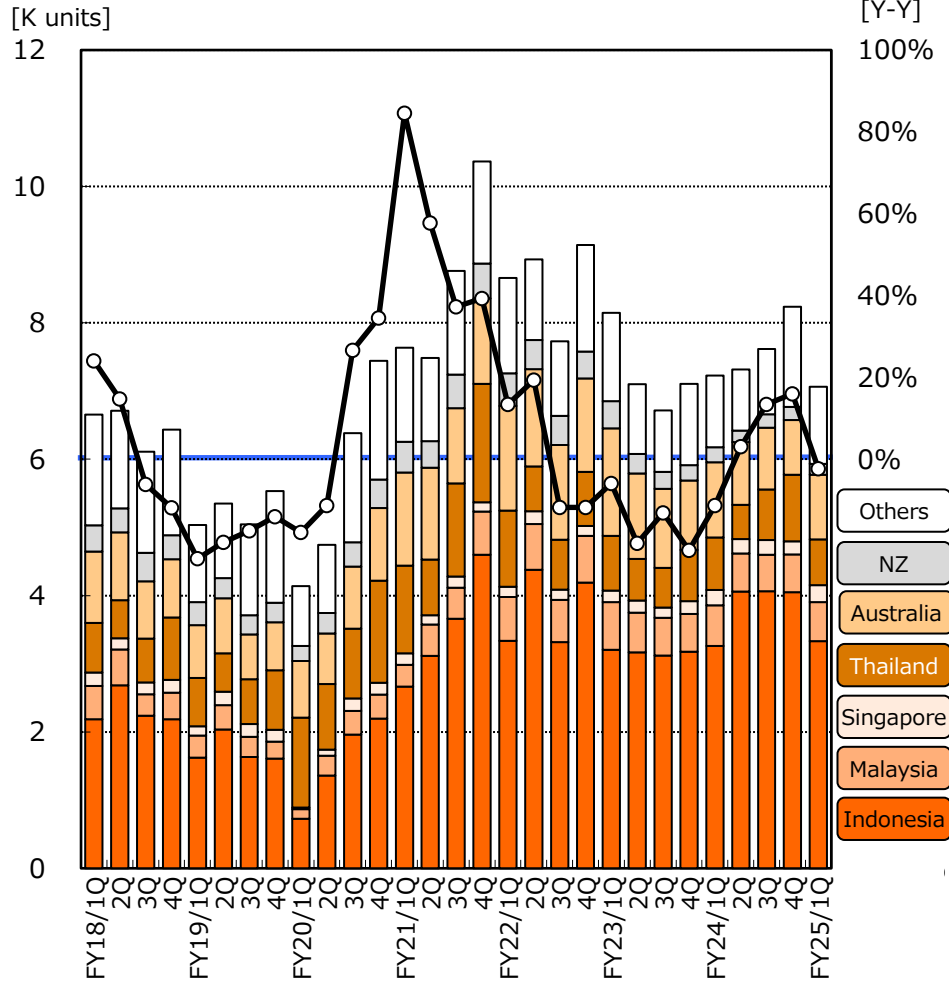
Asia Pacific & China: First Quarter (Apr to Jun 2025)

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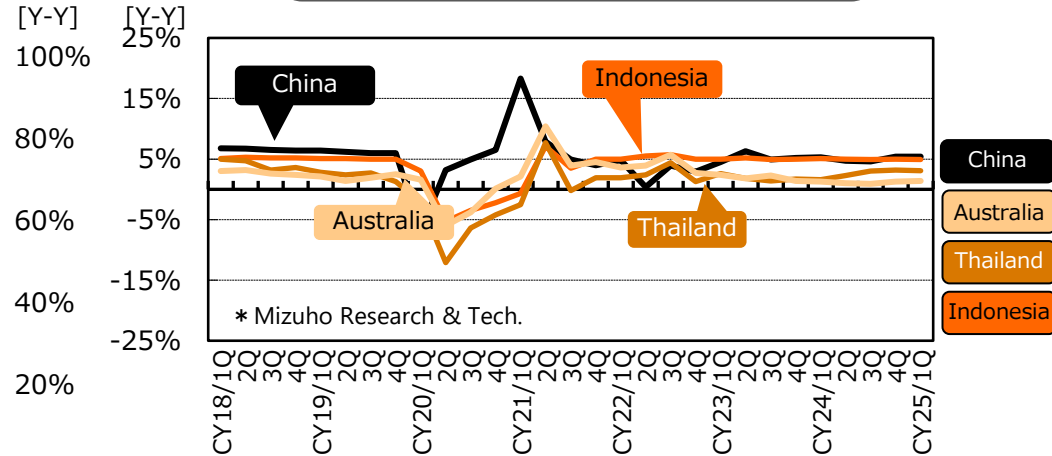
- Demand for Hydraulic excavators in the Asia & Oceania region slightly decreased -2% y-y.
- Demand for Hydraulic excavators in China increased +4% y-y. (Domestic :+3%, Foreign :+8%)

Demand Trend for Hydraulic Excavators in Asia & Oceania

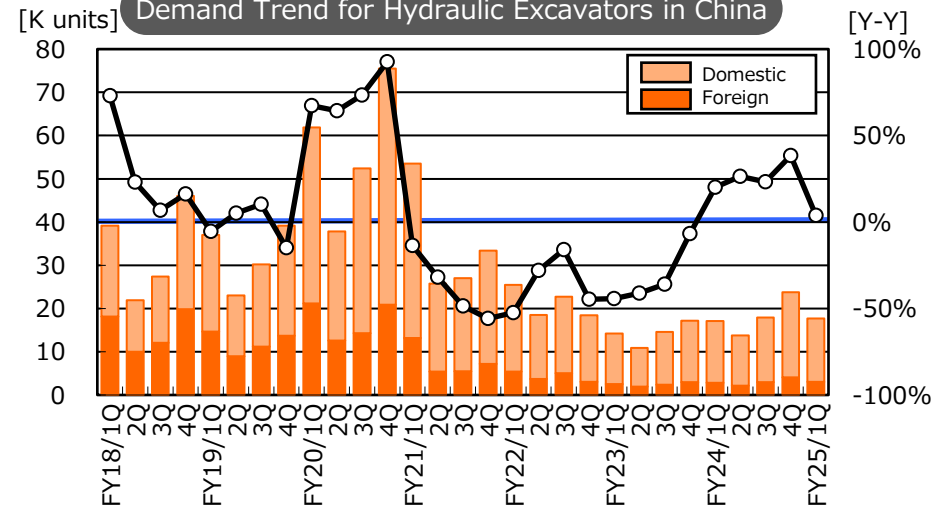


*Demand values are Hitachi Construction Machinery estimates

GDP Growth Rate in Major Countries



Demand Trend for Hydraulic Excavators in China



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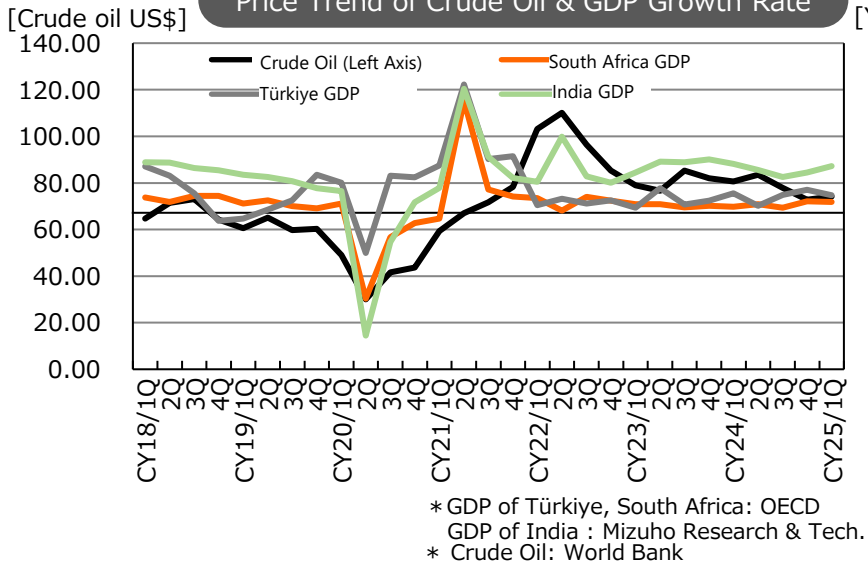
India, Middle East, Africa: First Quarter (Apr to Jun 2025)

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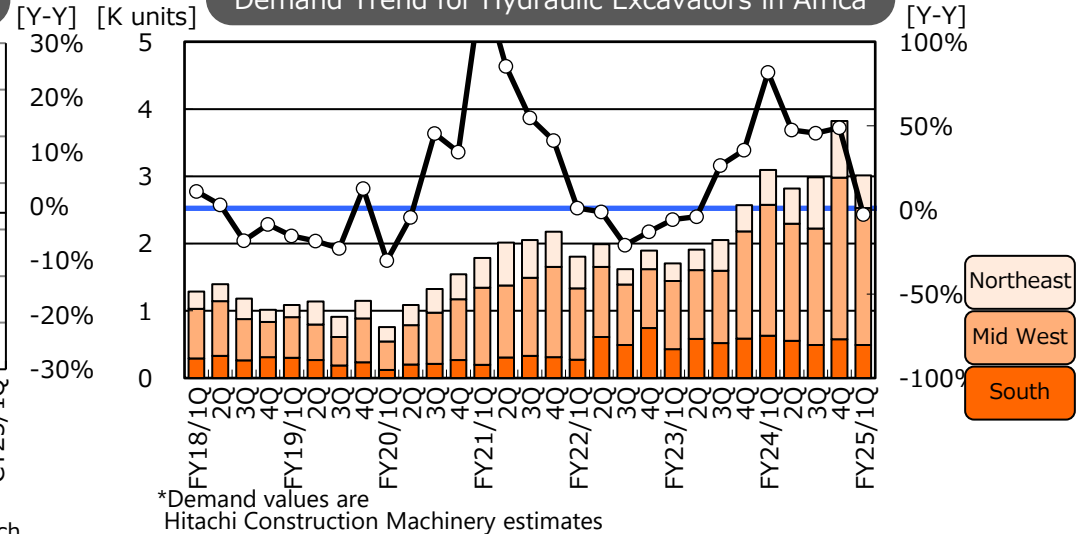
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- Demand for Hydraulic excavators increased in India +7% y-y.
- Demand for Hydraulic excavators slightly decreased in Africa -3% y-y.
- Demand for Hydraulic excavators decreased in the Middle East -6% y-y.

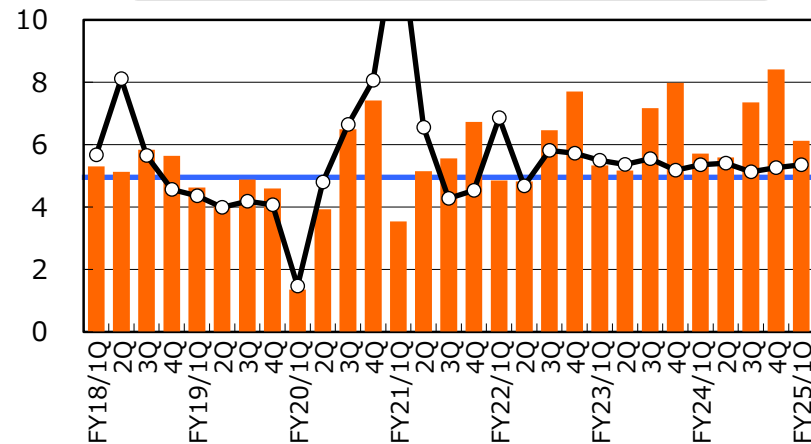
Price Trend of Crude Oil & GDP Growth Rate



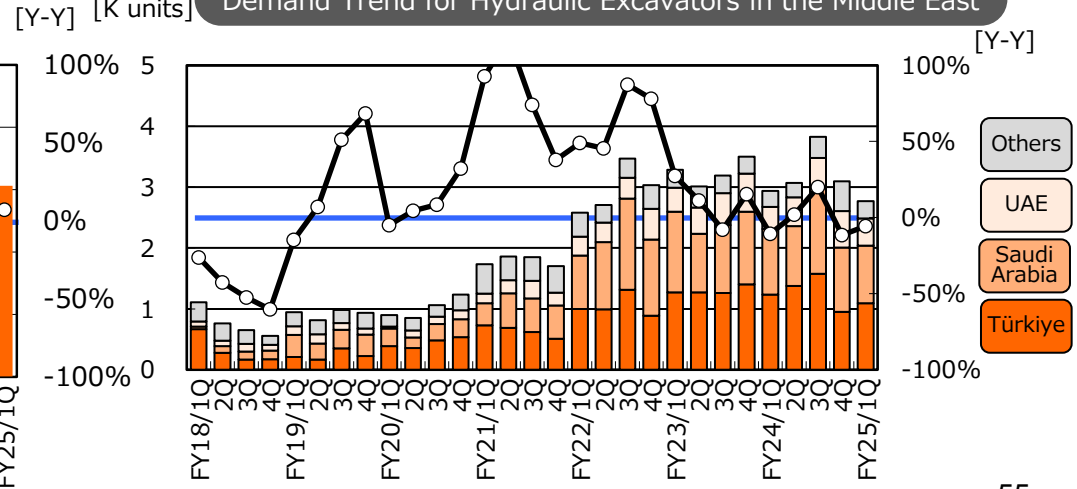
Demand Trend for Hydraulic Excavators in Africa



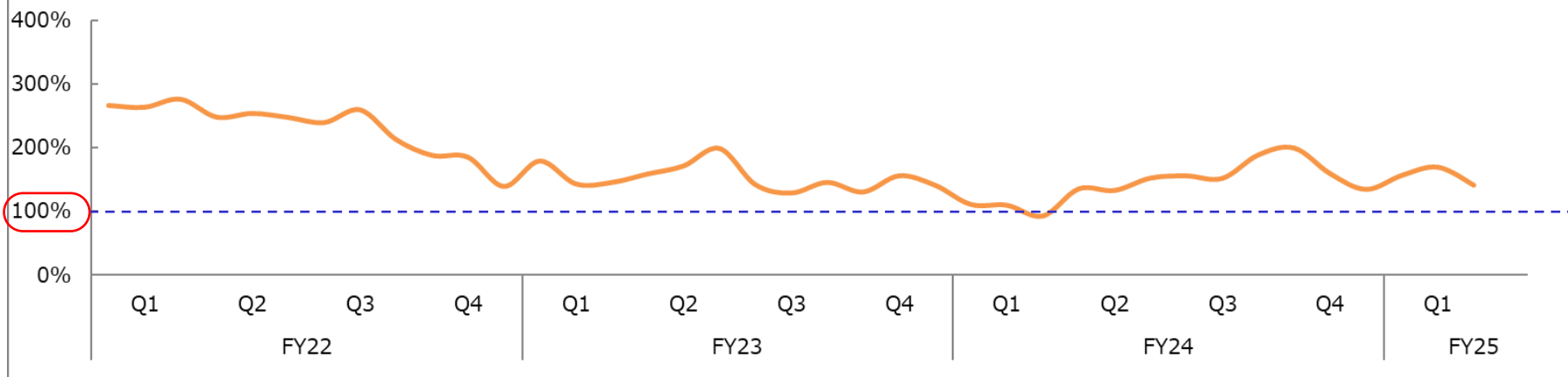
Demand Trend for Hydraulic Excavators in India



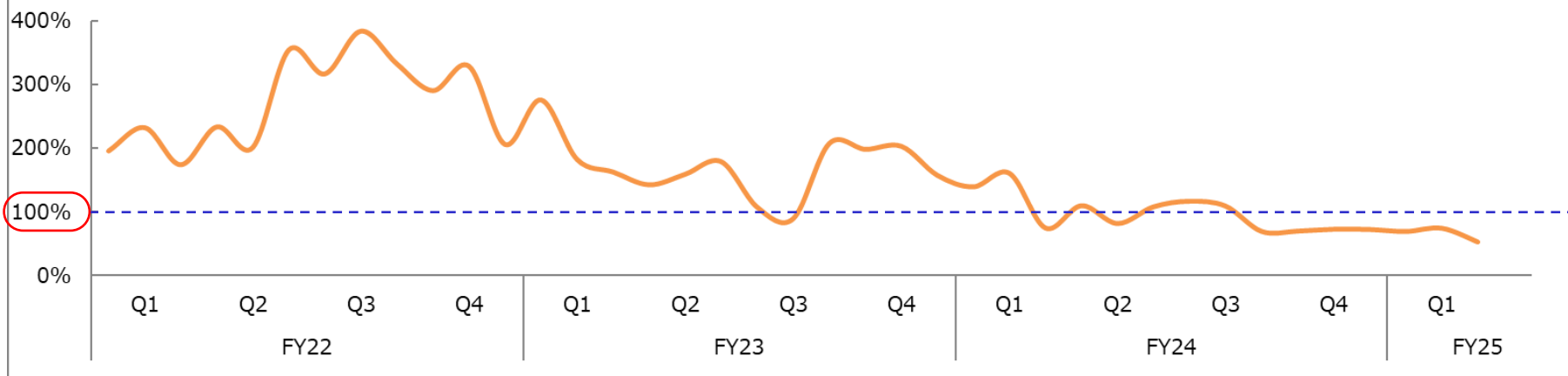
Demand Trend for Hydraulic Excavators in the Middle East



BB Ratio (Ultra-large Hydraulic Excavators, over 100t)



BB Ratio (Dump Trucks, over 150t)



※Book-to-Bill(BB) Ratio = Booking (value of orders received)/Billing (value of shipments)

Non-consolidated basis (average of 6-months)

Hitachi Construction Machinery Group

LANDCROS

Japanese Excellence—Reliable Solutions

Solutions Beyond Machinery

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

END

Cautionary Statement

This material contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results, and business strategies. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in the economic conditions in the Company's principal markets; changes in demand for the Company's products, changes in exchange rates, and the impact of regulatory changes and accounting principles and practices.

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