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Reliable Solutions

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

July 30, 2025

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Masafumi Senzaki, President and Executive Officer, COO

Keiichiro Shiojima, Vice President and Executive Officer, CFO

LANDCROS Japanese Excellence—Reliable Solutions

FY2025 Q1 Earnings Highlights		HITACHI
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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%)	
	<ul style="list-style-type: none"> 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)	
	<ul style="list-style-type: none"> 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. 	
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Thank you very much for joining us today for our earnings call.

My name is Senzaki, and I am the President of the company. To begin, I would like to walk you through the key highlights of our financial results for this quarter.

In the first quarter, both revenue and income declined year on year. While sales in Asia and Europe remained solid, the downturn in the North American market and the impact of yen appreciation have been key factors weighing down our performance. Compared to our initial forecast, demand for general construction machinery in Japan and Oceania has been below expectations. Furthermore, there is a noticeable tendency among our mining customers, including specialized parts and services, to delay their maintenance schedules. On the other hand, operating hours for mining machinery remain steady, which gives us some optimism for a future recovery. Our own business in the Americas, which is a key focus area, also saw a year-on-year decline in revenue. However, our retail market share in North America increased compared to the same period last year. Despite the challenging market environment, we believe that our business foundation in the Americas is steadily strengthening.

Next, I will explain the outlook for the fiscal year.

We have incorporated the impact of tariffs into our earnings forecast for the first time, which was not included in the previous forecast. Due to these tariffs, uncertainty has increased, particularly in North America, and we are factoring in the potential decline in demand and sales for general construction machinery globally as a major risk. We are also reflecting the recent slowdown in orders in the mining sector. Although tariffs will lead to increased costs, we expect to partially offset this through price increases.

In this revision, we have fully incorporated the uncertainty caused by tariffs into our forecast as a potential decline in demand and sales. Dealers and customers in North America remain cautious, and the market environment continues to be highly uncertain. Moreover, the impact of tariffs is not limited to North America—it may spread to other regions in the form of an overall economic slowdown, potentially dampening global demand. While we are taking a cautious approach based on this uncertainty, we remain committed to maintaining a double-digit adjusted operating income margin of 10%, with a company-wide effort.

Cash flow continues to be solid, and from the perspective of enhancing shareholder returns, we plan to maintain our annual dividend forecast of ¥175 per share. We will continue to strive for stable and sustainable shareholder returns.

Details will now be explained by Shiojima. Thank you.

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

Keiichiro Shiojima

Vice President and Executive Officer, CFO

Our financial results in FY2025Q1 and forecast for FY2025 are explained by Keiichiro Shiojima, Vice President and Executive Officer, CFO.

Summary of consolidated results					HITACHI
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.					Reliable Solutions
[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		-11.3
	Rate (YEN/EUR)		163.8		-4.1
	Rate (YEN/RMB)		20.0		-1.5
	Rate (YEN/AUD)		92.6		-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"

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This slide explains the summary of consolidated results for FY2025Q1.

Revenue in FY2025Q1 was ¥306.2 billion, a decrease of 7% from the previous year, due to a decline in sales in the Americas and the negative impact of the appreciation of the yen.

Adjusted operating income decreased by 32% year on year to ¥22.1 billion, resulting in an adjusted operating income margin of 7.2%. Operating income was ¥22.1 billion, resulting in an operating income margin of 7.2%.

Net income attributable to owners of the parent decreased by 54% year on year to ¥11.3 billion.

Due to concerns over U.S. tariff policies, market conditions for general construction machinery—primarily in North America—deteriorated. In addition, maintenance demand in the mining sector tended to be postponed. As a result, compared to the previous year, which marked a record high for the first quarter, revenue declined. Furthermore, due to a decline in sales volume and regional and product mix, adjusted operating income and below also decreased year on year.

In non-operating income as well, the significant impact was due to the absence of foreign exchange valuation gains, which were one-off in the previous fiscal year. The yen appreciated by ¥11.3 to the U.S. dollar, by ¥4.1 to the euro, by ¥1.5 to the Chinese yuan, and by ¥10.1 to the Australian dollar compared with the previous year.

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%
	N. America	71.2	23%	81.5	25%	-10.3	-13%
	L. America	6.8	2%	13.0	4%	-6.3	-48%
The Americas		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.

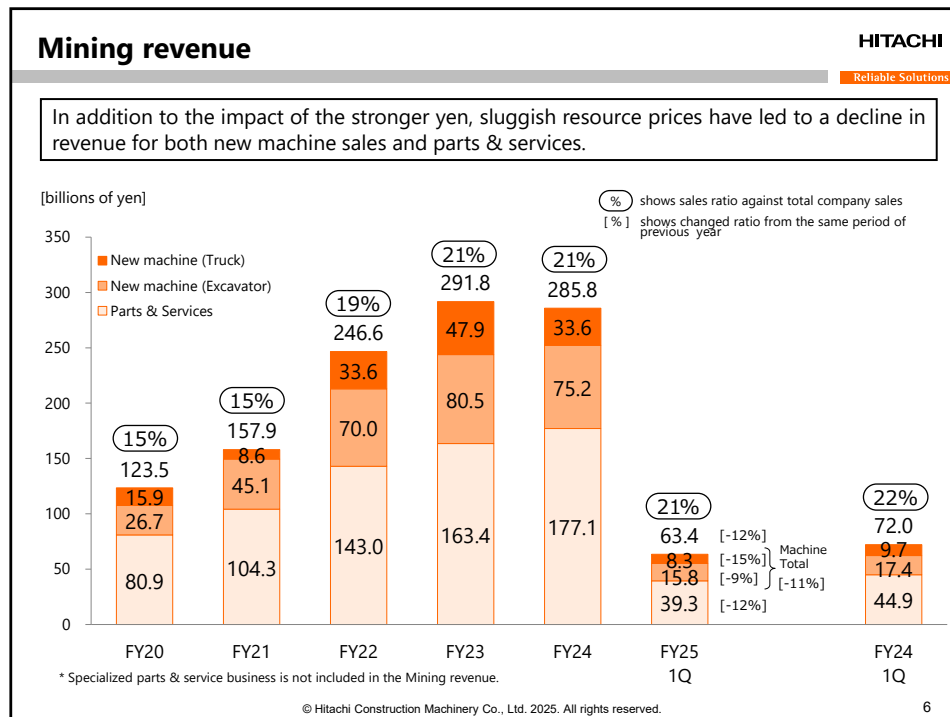
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This slide explains revenue by geographic region for FY2025Q1. Revenue in FY2025Q1 decreased by ¥22.1 billion year on year. Included in this figure is a decrease of ¥18.2 billion in revenue due to appreciation of the yen.

By region, revenue increased year on year mainly in Asia and Europe, while it declined in the Americas, as well as in Oceania and Japan. The decrease in the Americas was particularly significant due to lower sales of OEM supply. The ratio of overseas revenue to total revenue was 87%, the same level as the previous year.



This slide explains the mining revenue.

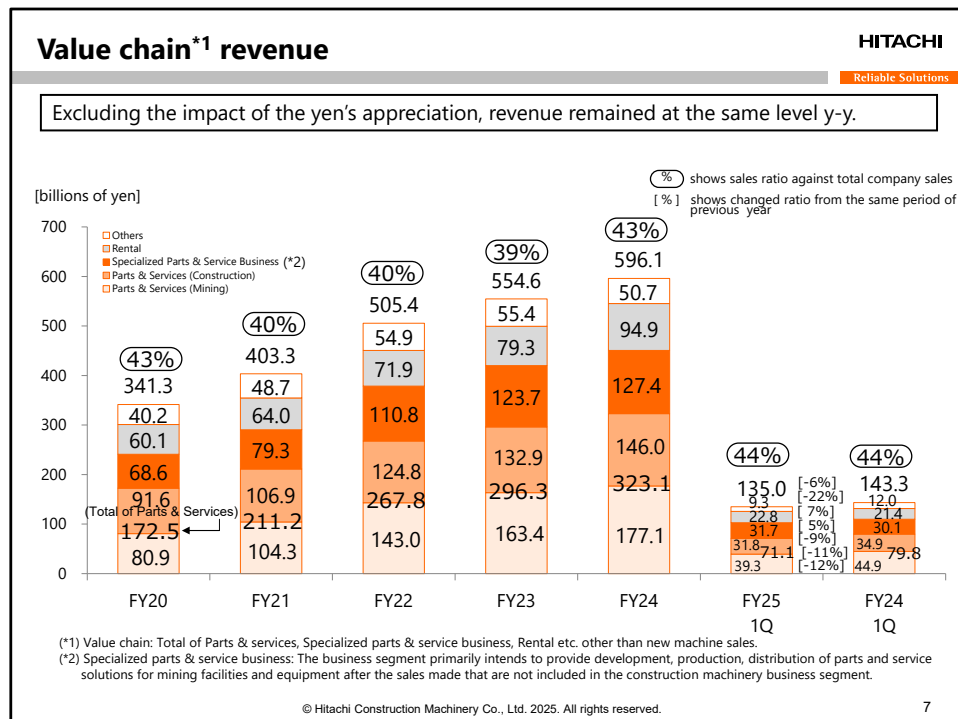
Mining revenue in FY2025Q1 was ¥63.4 billion, a 12% decrease over the previous year, as shown in the second bar graph from the right.

Excluding the impact of yen appreciation, revenue declined by 4% on a local currency basis.

In terms of new machinery sales, truck revenue declined by 15% year on year, mainly due to the absence of large-scale deliveries to Africa and Latin America seen in the previous fiscal year. Excavator sales also fell by 9%.

Additionally, parts and services revenue decreased by 12%, reflecting a trend of deferred maintenance in Australia and Asia.

Mining revenue accounted for 21% of consolidated revenue, down 1 percentage point year on year.

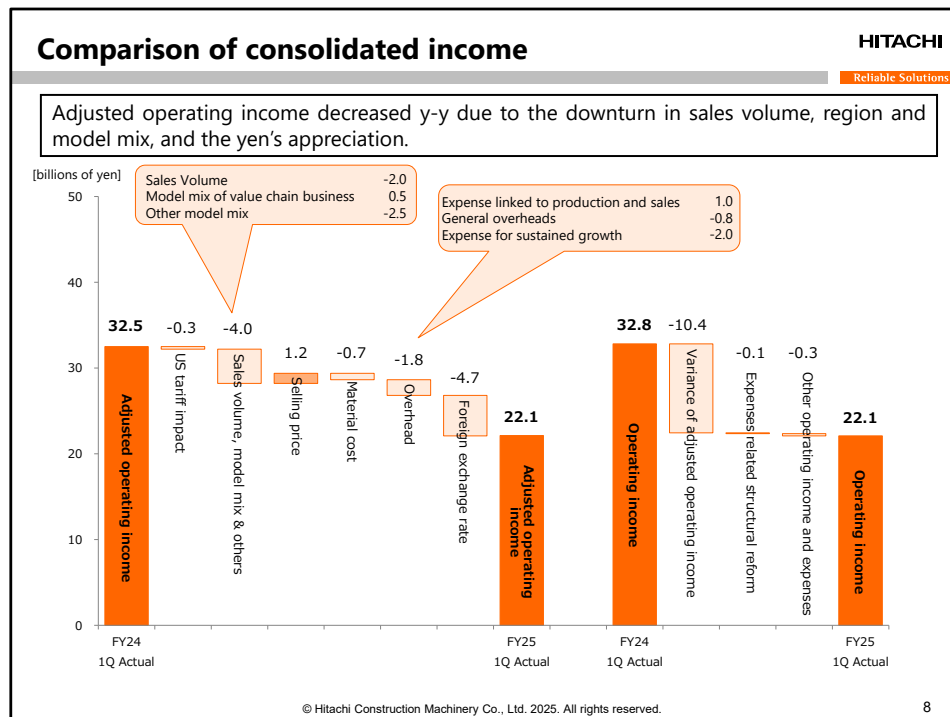


This slide explains the value chain revenue.
Please refer to the second bar graph from the right.

Revenue from the value chain in FY2025Q1 decreased by 6% year on year to ¥135.0 billion.

While parts and services revenue declined by 11%, a 7% increase in the rental business and a 5% increase in specialized parts and services business helped maintain revenue at a comparable level to the previous year on a local currency basis, which marked a record high for the first quarter.

The value chain accounted for 44% of consolidated revenue, the same level as the previous year.



This slide explains the comparison of consolidated income for FY2025Q1.

I will explain the factors behind the ¥10.4 billion decrease in adjusted operating income compared to the previous year.

From the left side of the page, we attribute a ¥0.3 billion decline in income to increased costs resulting from U.S. tariff policies, and a ¥4.0 billion negative impact to sales volume, model mix, and others.

As indicated in the note, the breakdown includes a ¥2.0 billion loss due to lower sales volume, and a ¥0.5 billion gain from improved mix driven by increased value chain revenue. Additionally, a ¥2.5 billion negative impact was mainly due to regional and product mix changes, primarily stemming from reduced OEM sales in the Americas.

On the other hand, although a ¥1.2 billion improvement was achieved through price increases, it was not sufficient to offset the ¥0.7 billion increase in material costs and the ¥1.8 billion rise in overhead costs, mainly driven by strategic investments such as personnel expenses and R&D.

In addition, the negative impact of yen appreciation amounting to ¥4.7 billion further weighed on performance, resulting in adjusted operating income of ¥22.1 billion.

As shown on the right-hand side of the page, Operating income also declined year on year by

¥10.7 billion, reflecting the decrease in adjusted operating income, resulting in a total of ¥22.1 billion.

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	Interest-bearing debt	(31.6%)	(30.0%)	(32.5%)	(1.6%)
Parts	173.1	173.4	180.1	-0.3		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.

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This slide explains the consolidated balance sheet as of the end of June 2025. Compared with the end of the previous fiscal year, while trade receivables decreased by ¥29.6 billion, inventories increased by ¥15.7 billion, mainly due to higher levels of production stock and used equipment inventory. Non-current assets also decreased by ¥8.4 billion due to restrained investment in rental assets, resulting in total assets of ¥1,777.6 billion, a reduction of ¥13.4 billion compared to the end of the previous fiscal year.

In terms of the days on hand, trade receivables shortened by 7 days to 78 days compared to the end of the previous fiscal year, while inventories extended by 7 days to 148 days. As a result, the net working capital days remained unchanged at 184 days.

On the right-hand side, Interest-bearing debt increased by ¥23.8 billion from the previous fiscal year-end, and net interest-bearing debt rose by ¥20.3 billion to ¥411.0 billion.

Total equity was ¥843.0 billion and the equity attributable to owners of the parent ratio was 44.6%. The net D/E ratio was 0.52.

Consolidated cash flow

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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.

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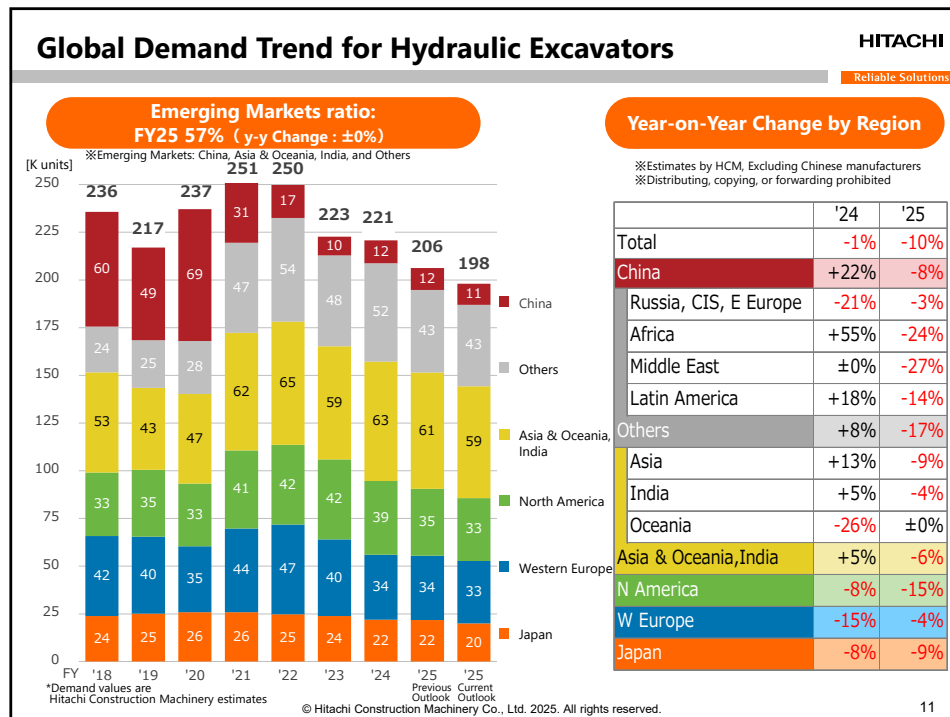
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This slide explains consolidated cash flow for FY2025Q1.

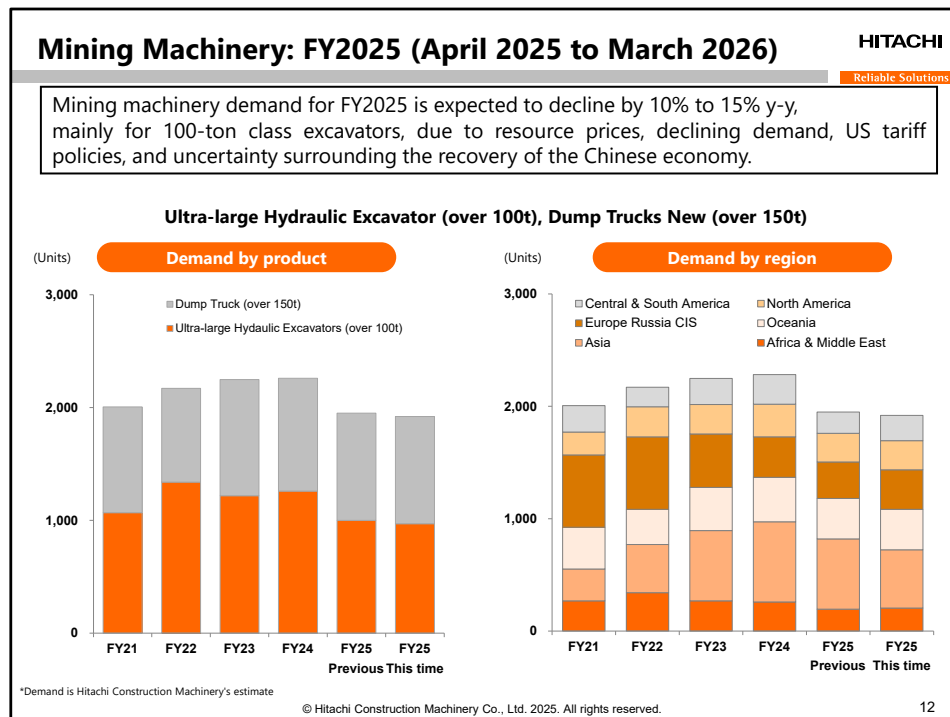
Operating cash flow for FY2025Q1 was positive at ¥23.0 billion. FFO (Funds From Operations, before changes in working capital) decreased by ¥12.7 billion year on year to ¥32.4 billion. However, working capital was reduced by ¥1.7 billion, as the increase in inventories was offset by improved collection of trade receivables. In addition, restrained purchases and sales of rental assets had a positive impact.

In net cash used in investing activities, despite strategic capital expenditure remaining steady at ¥13.0 billion, free cash flow was maintained at ¥10.0 billion.



We have revised the demand forecast for FY2025 downward to 198 thousand units, a further decrease of 8 thousand units from the previous forecast in April. This represents a 10% decline compared to the previous year.

Considering the impact of U.S. tariffs, uncertainty is increasing, particularly in North America. We anticipate a decline in global demand, including Japan and Western Europe.



I will explain the demand forecast 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.

In FY2025, resource prices are expected to remain sluggish, and various uncertainties—including U.S. tariff policies and the slowdown of the Chinese economy—are likely to affect resource demand. As a result, total demand for mining machinery is projected to decline by approximately 10% to 15% compared to the previous year.

Summary of consolidated earnings forecast						HITACHI
						Reliable Solutions
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		
Operating income	<10.8%> <149.0>	(9.8%) 128.0	(11.3%) 154.7	(-1.4%) -26.7	-10%	
Income before income taxes	<9.8%> <135.0>	(9.2%) 119.0	(9.8%) 134.2	(-0.6%) -15.2	-17%	
Net income from continuing operation	<9.2%> <92.0>	82.0	90.4	-8.4	-11%	
Net income from discontinued operation	<0.0%> <0.0>	0.0	1.4	-1.4	-9%	
Net income attributable to owners of the parent	<6.0%> <83.0>	(5.6%) 73.0	(5.9%) 81.4	(-0.3%) -8.4	-	
EBIT	<150.0>	129.0	147.4	-18.4	-10%	
Currency	1Q Actual	2Q-4Q Forecast	Year Forecast	FY2024 Actual	change	
Rate (YEN/USD)	144.6	145.0	144.9	152.6	-7.7	For FX sensitivity, please refer to appendix 1.
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	

*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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I will explain the FY2025 full-year earnings forecasts.

Taking into account the current demand environment and the actual performance over the past three months of this quarter, we have decided to revise our full-year earnings forecast downward. This revision reflects risks that were not incorporated in the previous forecast released in April, particularly the impact of U.S. tariff policies. These include increased tariff-related costs and a decline in demand and sales for general construction machinery.

As outlined in this slide, we now forecast revenue of ¥1,300 billion, adjusted operating income of ¥130 billion, and net income attributable to owners of the parent of ¥73 billion. The adjusted operating income margin has also been revised to 10%.

Regarding foreign exchange rate assumptions for the second quarter onward, we have maintained the same rates as in the previous forecast: ¥145 to the U.S. dollar, ¥155 to the euro, ¥19.9 to the Chinese yuan, and ¥94 to the Australian dollar.

While we have factored in a certain level of absorption of increased costs through price increases, concerns in the market regarding U.S. tariff policies remain strong. Therefore, we have fully considered the potential global decline in demand and sales for general construction machinery as a major risk.

There is no change to our annual dividend forecast of ¥175 per share. Please refer to Appendix 1 for reference. Currency sensitivity, which affects revenue and adjusted operating income, is presented on page 21.

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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* FY2024 revenue present only continuing operation retroactively.

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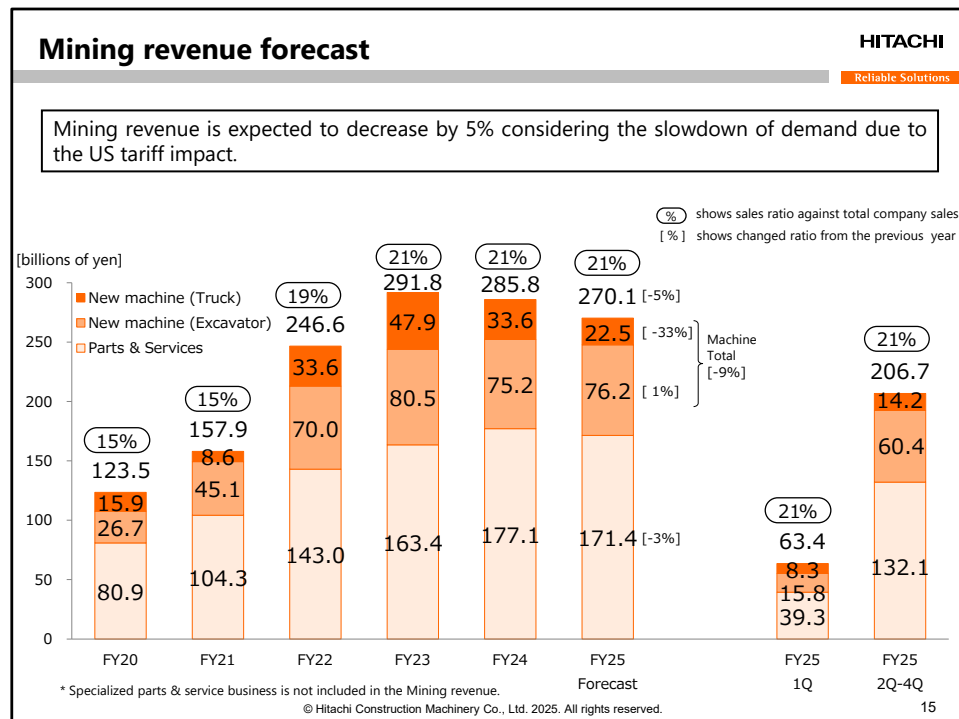
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This slide explains the consolidated revenue forecast by geographic region.

We have revised our revenue forecast for the current fiscal year to ¥1,300 billion, representing a decrease of ¥71.3 billion, or 5%, compared to the previous year. This revision includes a negative impact of ¥65.5 billion due to foreign exchange rate assumptions.

In light of the impact of U.S. tariff policies, we have lowered our sales outlook globally, with North America being particularly affected. In Japan and Oceania, the revision also reflects the actual performance of this quarter. Even in regions such as Europe and Asia, where performance has remained solid, we have conservatively factored in potential risks and made corresponding downward adjustments.

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



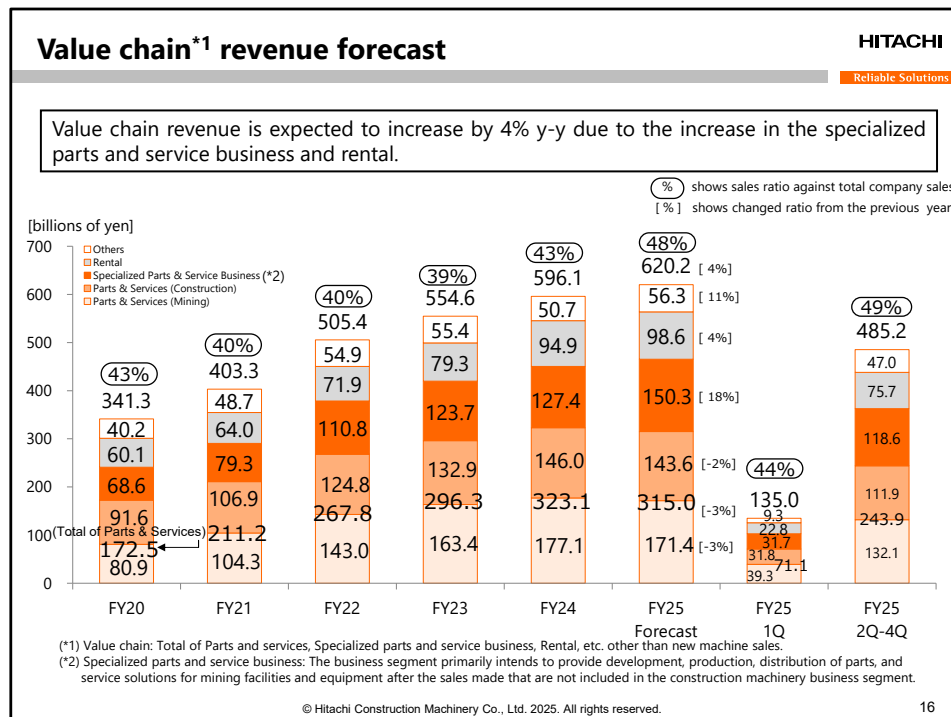
This slide explains the mining revenue forecast.

For the current fiscal year, mining revenue is expected to reach ¥270.1 billion, representing a 5% decrease compared to the previous year. Excluding the impact of yen appreciation, revenue in local currency terms is projected to remain at the same level as the previous year. However, we have incorporated a downward revision of ¥16 billion from the April forecast.

For new machinery sales, we expect a 9% year-on-year decline in revenue for both trucks and excavators combined, and a 3% decrease in parts and services.

The sales composition ratio for mining is projected to remain at the same level as the previous year, at 21%.

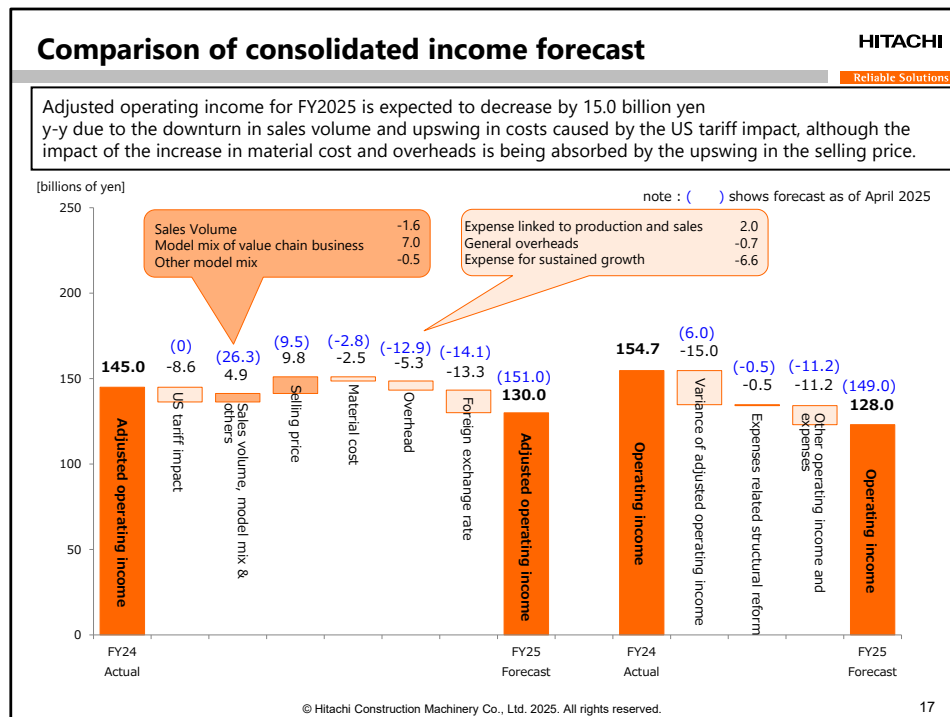
Please refer to "Appendix 2: Details of mining revenue" on page 22.



This slide explains the value chain revenue forecast.

For FY2025, value chain revenue is projected to increase by 4% year on year, reaching ¥620.2 billion. Compared to the forecast in April, we are incorporating a downward revision of ¥20.6 billion in revenue, mainly from parts and services. Nevertheless, we continue to aim for record-high earnings

Specialized parts & service business revenue is forecast to rise by 18% to ¥150.3 billion. Rental revenue is projected to grow by 4% to ¥98.6 billion. The sales composition ratio is expected to increase by 5 percentage points year on year, reaching 48%.



This slide provides a comparison of consolidated income forecasts for FY2025.

I will explain the factors behind the forecast ¥15.0 billion year-on-year decrease in adjusted operating income from the previous year to ¥130.0 billion.

First, on the far left, we incorporate a cost increase of ¥8.6 billion due to U.S. tariff policies as a factor contributing to reduced profit.


We anticipate an increase of ¥4.9 billion due to sales volume, model mix, and others. This includes a ¥1.6 billion loss due to changes in sales volume, offset by a ¥7.0 billion gain from the model mix of the value chain business.

Additionally, we expect a ¥9.8 billion improvement from selling price changes, which will largely offset the increase in material costs (¥2.5 billion) and overhead costs (¥5.3 billion).

Although we anticipate a negative impact of ¥13.3 billion due to the stronger yen in our exchange rate assumptions, adjusted operating income is expected to decrease by ¥15.0 billion year on year.

As for the operating income shown on the right side of the page, while the decrease in adjusted operating income contributes a ¥15.0 billion decline, the absence of one-time gains recorded in the previous fiscal year also contributes to the decrease. As a result, we expect ¥26.7 billion year-on-year decrease, bringing the forecast to ¥128.0 billion.

About tariffs (as of July 30, 2025)



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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.

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Lastly, I would like to explain the U.S. reciprocal tariffs, which we have incorporated into our earnings forecast for the first time.

At this stage, we have incorporated a cost impact of ¥8.6 billion due to the implementation of tariffs.

In our previous forecast, we estimated an external cost of approximately ¥30 billion as the total additional tariffs on products shipped from Japan to the U.S. this fiscal year. However, due to changes in the implementation month and tariff rate, as well as the consideration of local inventory sales not subject to tariffs, we have recalculated the cost increase to be reflected this fiscal year as ¥8.6 billion.

As previously explained, we have incorporated the maximum possible risk globally related to the decline in demand and sales caused by U.S. tariff policies.

On the other hand, against the cost increase of ¥8.6 billion, we have factored in ¥2.3 billion of absorption through the selling price increase implemented since June. While we are considering further phased price increases going forward, they are not included in the current forecast.

In parallel with price adjustments, we will continue to implement countermeasures such as strengthening our rental business and reducing costs, in order to minimize the overall impact.

Please refer to the supplementary materials from P.19 onward for further details.

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2. References

Topic : Strengthening After-Sales Service in the Mining Business





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



Republic of Zambia
Kansanshi
Kitwe
Lusaka
Hitachi Construction Machinery Zambia Head Office



Joint Efforts with UNIDO to Train Equipment Operators

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We would like to introduce our initiatives to strengthen the after-sales service in the mining business.

Hitachi Construction Machinery Zambia has recently invested approximately ¥2.5 billion (around USD 17.2 million) to expand its remanufacturing facility for mining machinery components and parts. A new storage warehouse for remanufactured parts and a workshop for rebuilding engines have been established, doubling the site area to 40,000 m².

This expansion was driven by large-scale orders for mining machinery in the Republic of Zambia and neighboring countries.

As the number of operating machines is expected to increase significantly, the demand for machines repair, maintenance, and parts remanufacturing is also projected to grow.

To meet this demand, we have established a flexible support framework that enables timely and effective service delivery.

In addition, Hitachi Construction Machinery Zambia is actively engaged in an employment promotion project through operator training, in collaboration with organizations such as the United Nations Industrial Development Organization (UNIDO).

Furthermore, we are continuing a technological feasibility trial of a full battery dump truck at a mining site in Zambia, as part of our efforts to advance innovation.

Moving forward, we aim to contribute to local communities not only by enhancing the after-sales service for mining machinery, but also through human resource development and technological innovation.

Appendix 1: FX rate and FX sensitivity

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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

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(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

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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.

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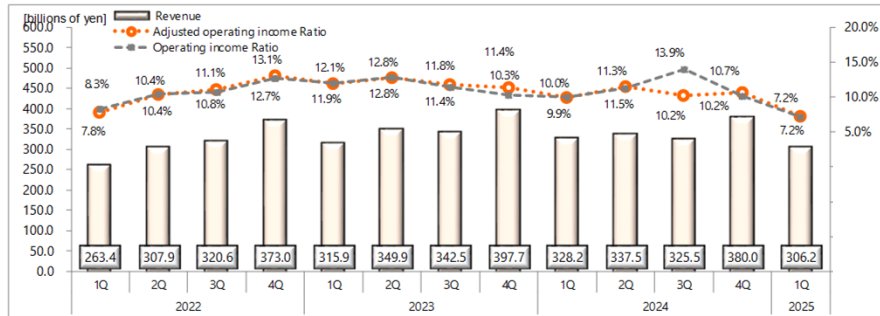
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Appendix4 : Summary of quarterly consolidated revenue and operating income (ratio)

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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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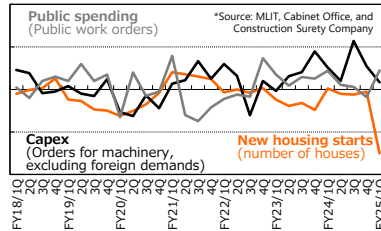
Japan: First Quarter (Apr to Jun 2025)

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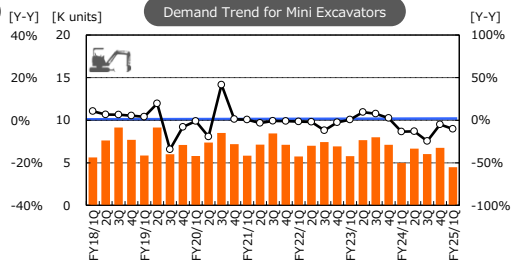
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- New Housing Starts significantly decreased, Capex and Public Spending increased.
- Demand for Hydraulic excavators decreased:
Hydraulic Excavators -14%, Mini Excavators -10%, Wheel Loaders -28% y-y.

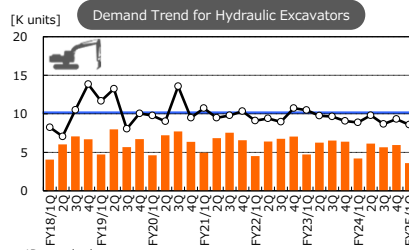
Market Environment Housing, Capex, Public Spending



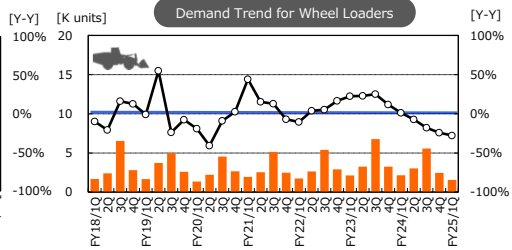
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



*Demand values are Hitachi Construction Machinery estimates

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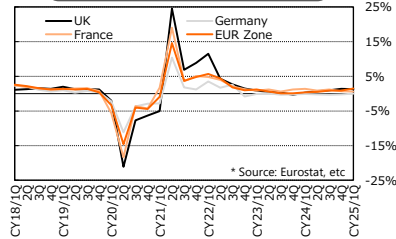
Europe: First Quarter (Apr to Jun 2025)

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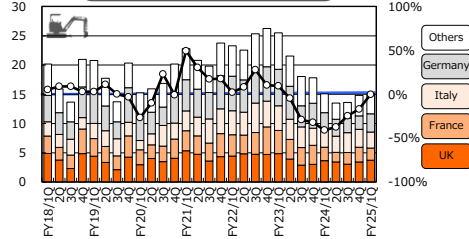
Reliable Solutions

- 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.

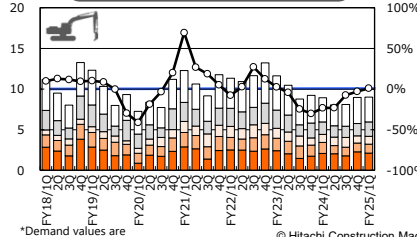
GDP Growth Rate in Major Countries



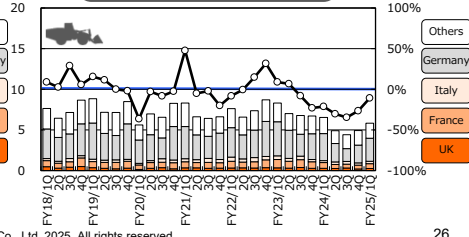
Demand Trend for Mini Excavators



Demand Trend for Hydraulic Excavators



Demand Trend for Wheel Loaders



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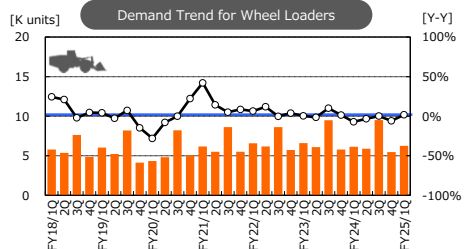
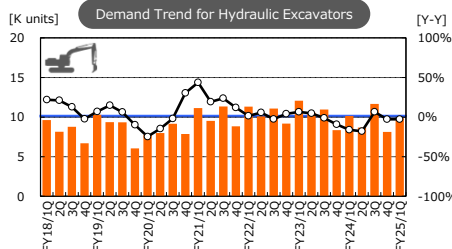
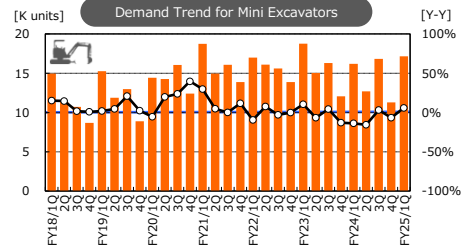
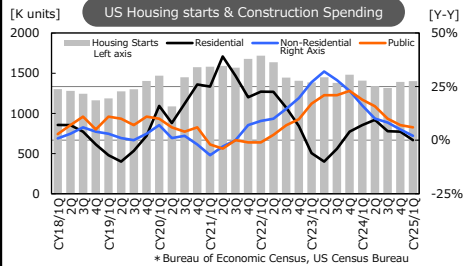
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North America: First Quarter (Apr to Jun 2025)

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- 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.



* Demand values are Hitachi Construction Machinery estimates

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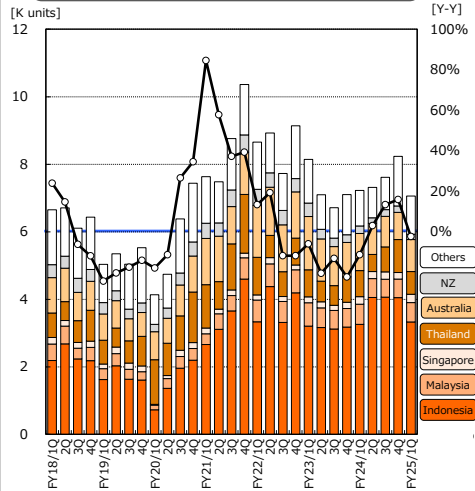
Asia Pacific & China: First Quarter (Apr to Jun 2025)

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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%)

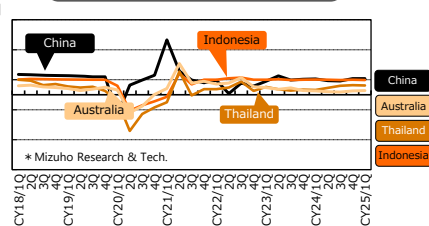
Demand Trend for Hydraulic Excavators in Asia & Oceania



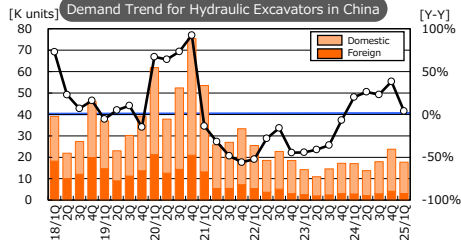
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GDP Growth Rate in Major Countries



Demand Trend for Hydraulic Excavators in China



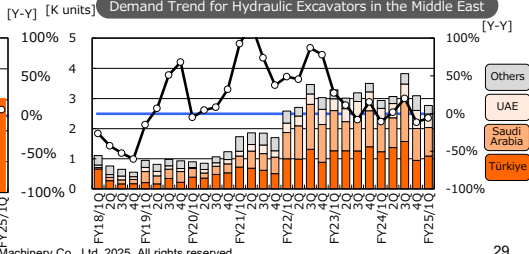
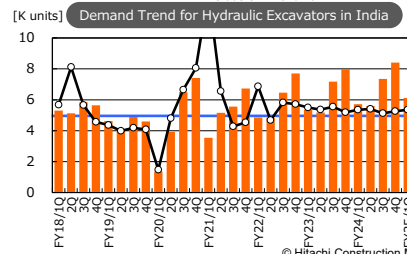
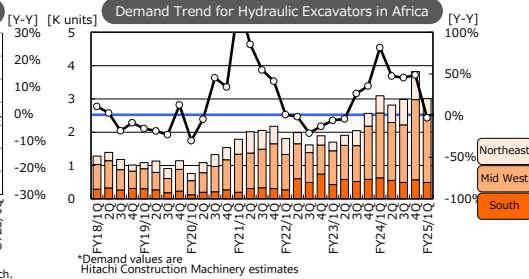
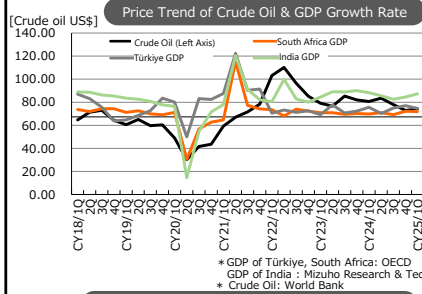
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India, Middle East, Africa: First Quarter (Apr to Jun 2025)

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- 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.



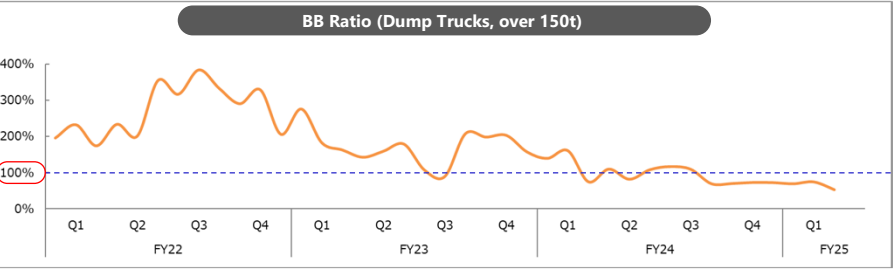
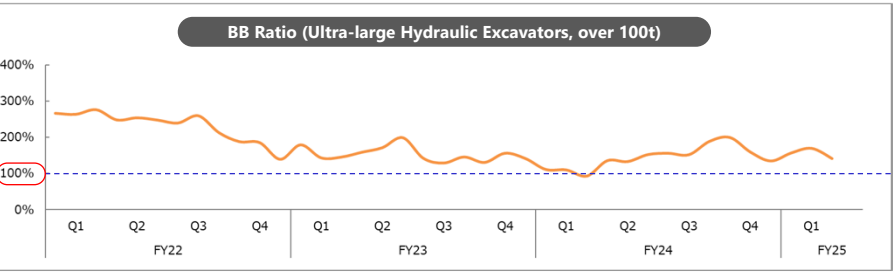
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BB Ratio

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※Book-to-Bill(BB) Ratio = Booking (value of orders received)/Billing (value of shipments)
Non-consolidated basis (average of 6-months)

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END

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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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