

Explanatory Meeting for Business Results for the Third Quarter ended December 31, 2025

January 29, 2026

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

Masafumi Senzaki, President and Executive Officer, COO

Keiichiro Shiojima, Vice President and Executive Officer, CFO

Q1-Q3 Results

Although revenue and income declined year on year, sales were strong in Europe and Asia, and in our own developing business in North America

(YoY: Revenue -1.2% Adjusted operating income -11.4% Net income attributable to owners of the parent -9.2%)

- While revenue declined year on year in the Americas OEM business and in Oceania, Europe and Asia remained solid. Excluding foreign exchange effects, revenue was flat year on year, supported in part by higher selling prices.
- Our own developing business in North America also remained resilient; however, uncertainty remains high due to selling price increases implemented to offset tariff impacts.
- Mining customers continued to take a cautious approach toward maintenance-related investments.
- Adjusted operating income decreased year on year due to higher costs associated with U.S. tariffs and growth investments, the unfavorable regional and product mix, and the impact of a stronger yen.

Forecast

We have revised our earnings forecast upward, reflecting stronger-than-expected demand, reductions in material costs, and the foreign exchange environment

(Compared to previous forecast: Revenue ¥+50 billion, Adjusted operating income ¥+5 billion, Net income attributable to owners of the parent ¥+4 billion)

- Although uncertainty surrounding U.S. tariffs remains, current demand trends are solid. Taking into account reductions in material costs—including cost-down initiatives—and the foreign exchange environment, we have revised our forecast upward.
- The cost increase associated with U.S. tariffs is expected to be partially offset through selling price adjustments.

1. Business Results for the Third Quarter ended December 31, 2025

(April 1, 2025 –December 31, 2025)

Keiichiro Shiojima

Vice President and Executive Officer, CFO

In 3Q of the year, revenue was at the same level y-y excluding the impact of the yen's appreciation, due to a strong performance in Europe and Asia despite the decrease in revenue of the Americas OEM business. Net income attributable to owners of the parent decreased y-y due to the decrease in adjusted operating income despite improvements in financial income and expenses.

[billions of yen]

	FY2025 1Q-3Q	FY2024 1Q-3Q	change
Continuing operation			
Revenue	979.3	991.3	-1%
Adjusted operating income *1	9.5% 92.6	10.5% 104.5	-11%
Operating income	10.0% 98.2	11.7% 116.1	-15%
Income before income taxes	9.4% 92.0	10.1% 100.2	-8%
Net income from continuing operation	6.5% 63.2	6.9% 67.9	-7%
Net income from discontinued operation	-	1.4	-
Net income attributable to owners of the parent	5.7% 56.2	6.2% 61.9	-9%
EBIT *2	10.2% 100.0	11.2% 110.6	-10%
FX rate	Rate (YEN/USD)	148.7	152.6
	Rate (YEN/EUR)	171.8	164.9
	Rate (YEN/RMB)	20.7	21.1
	Rate (YEN/AUD)	96.6	100.8

*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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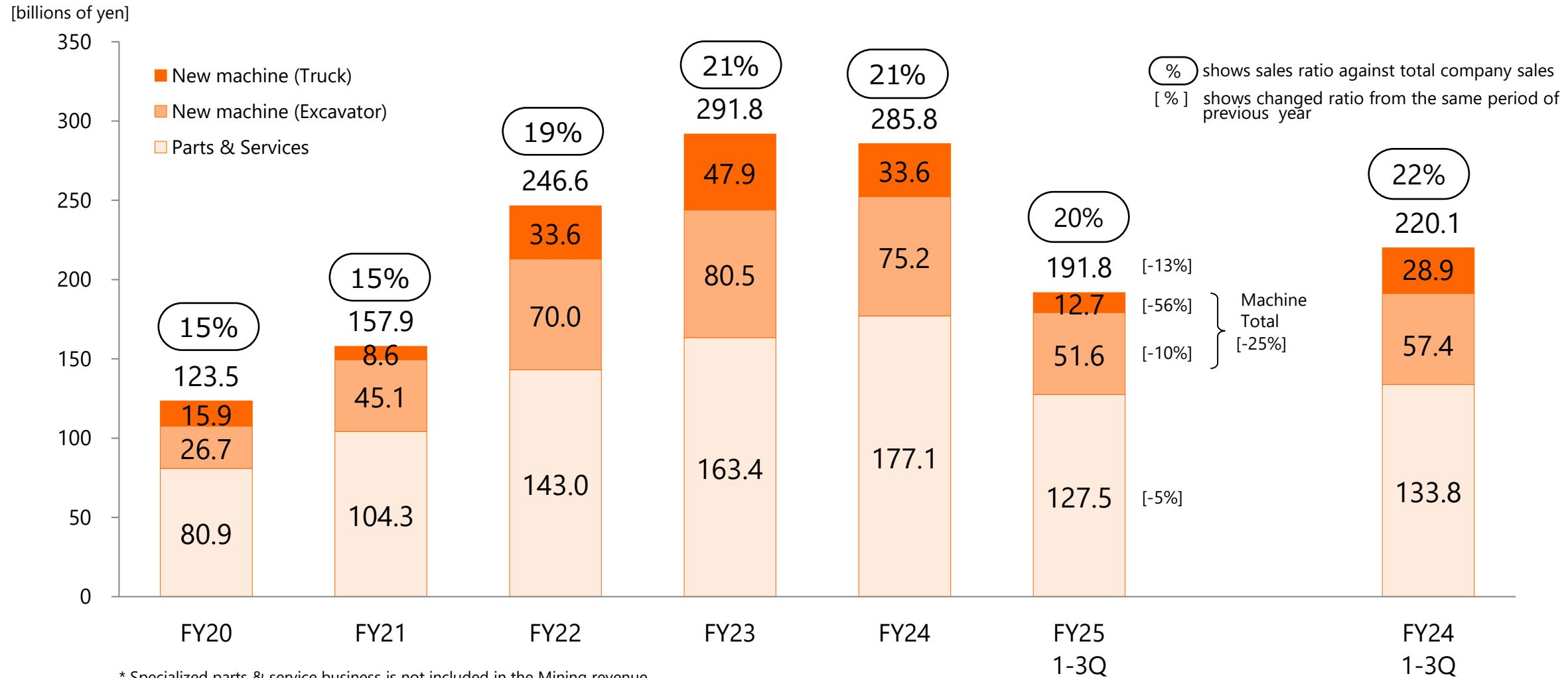
Revenue was at the same level y-y excluding the impact of the yen's appreciation, due to the increase in revenue in Europe, our own developing business in North America, and Asia.

[billions of yen]

	FY2025 1Q-3Q	FY2024 1Q-3Q	change	
			amount	%
Japan	156.5	16%	156.8	16%
Asia	89.8	9%	84.3	9%
India	62.1	6%	60.8	6%
Oceania	181.7	19%	203.3	21%
Europe	133.2	14%	109.0	11%
	N. America	211.8	22%	217.9
	L. America	26.0	3%	33.7
The Americas	237.9	24%	251.6	25%
(Developing own business)	(150.1)	(15%)	(140.5)	(14%)
Russia-CIS	11.2	1%	12.9	1%
M. East	26.7	3%	24.5	2%
Africa	62.3	6%	64.5	7%
China	18.0	2%	23.8	2%
Total	979.3	100%	991.3	100%
Overseas ratio	84%		84%	

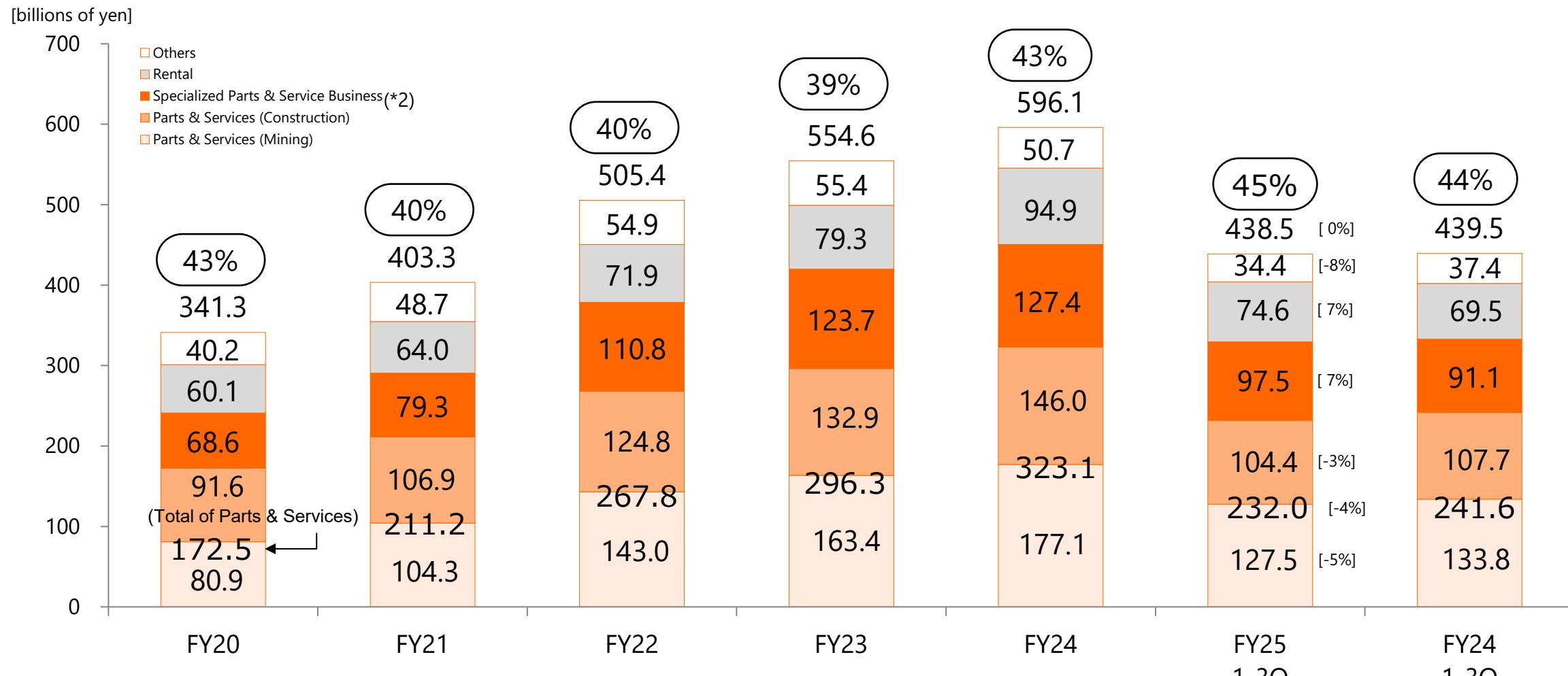
* FY2024 revenue presented only continuing operation retroactively.

In 3Q of the year, 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.



Value chain^{*1} revenue

In 3Q of the year, although revenue for parts & services decreased, revenue of the specialized parts & service business and rentals increased. Excluding the impact of the yen's appreciation, revenue of the value chain business increased by 1%.

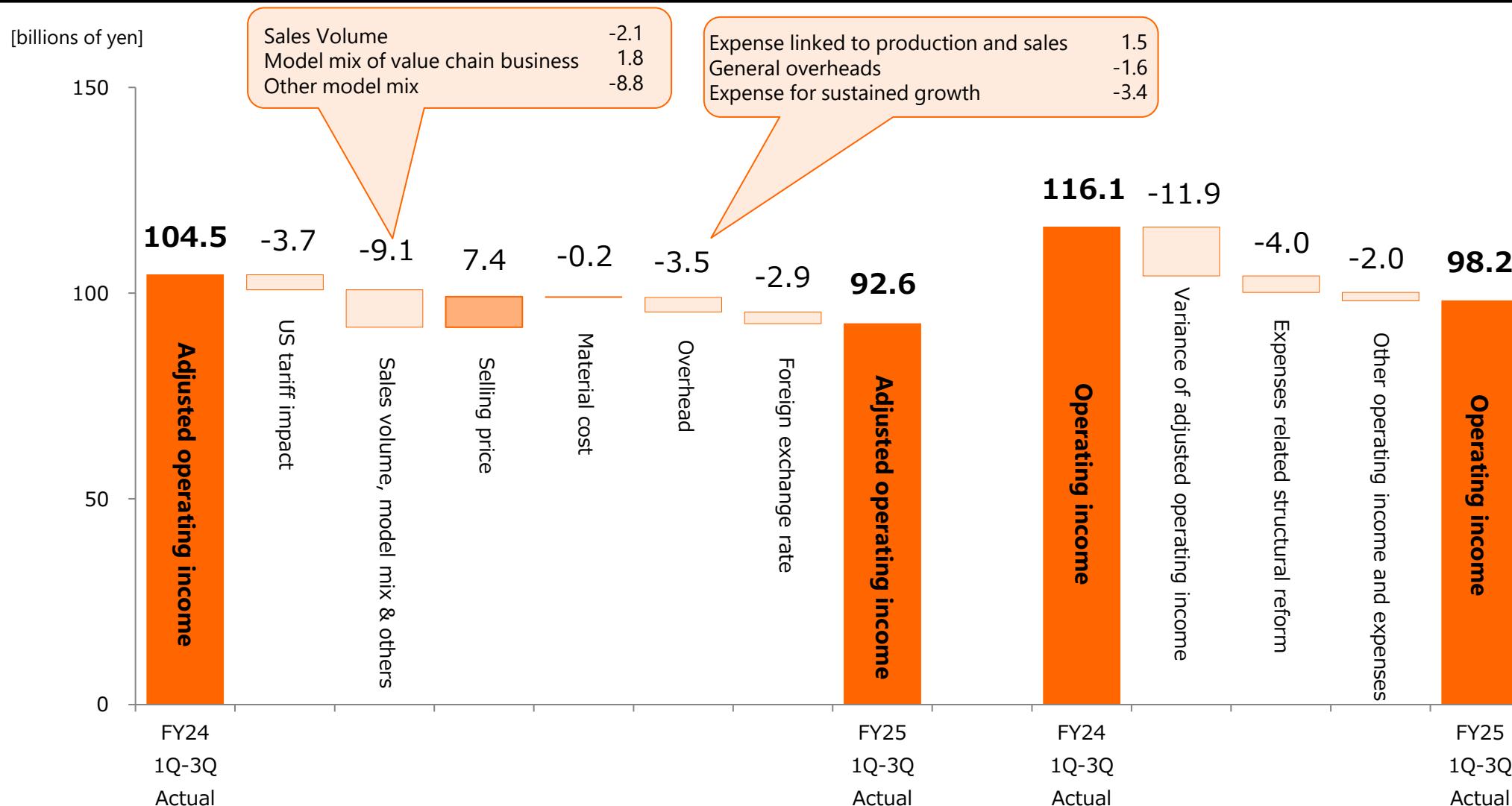


(*) Value chain: Total of Parts & services, Specialized parts & service business, Rental etc. other than new machine sales.

(*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 sales volume down, region and model mix, and the yen's appreciation despite the upswing in the selling price.



Consolidated statement of financial position

At the end of 3Q of the year, total assets increased by 62.9 billion yen from the end of the last fiscal year, due to the increase in inventory and the big impact of the weaker yen. The net D/E ratio improved to 0.46.

	(billions of yen)							
	(A) FY25-3Q	(B) Mar '2025	(C) FY24-3Q	(A)-(B) change	(D) FY25-3Q	(E) Mar '2025	(F) FY24-3Q	(D)-(E) change
Cash and cash equivalents	127.4	147.1	143.2	-19.7	251.1	259.0	256.1	-7.9
Trade receivables	252.6	270.9	247.0	-18.3	525.8	537.9	602.0	-12.0
Inventories	588.4	531.2	583.5	57.3	930.7	933.0	1,009.6	-2.3
Total current assets	1,026.6	1,000.8	1,064.3	25.8	(Equity attributable to owners of the parent ratio)	(47.0%)	(45.2%)	(1.8%)
Total non-current assets	827.4	790.2	803.3	37.2	Total equity	923.2	858.0	857.9
Total assets	1,853.9	1,791.0	1,867.6	62.9	Total liabilities and equity	1,853.9	1,791.0	1,867.6
Trade receivables incl. non-current	296.6	318.5	293.3	-21.9				
Inventories by products					Interest-bearing debt	(28.4%)	(30.0%)	(32.2%)
Unit	219.2	205.8	240.5	13.4	Cash and Cash equivalents	525.8	537.9	602.0
Parts	182.8	173.4	176.4	9.4		127.4	147.1	143.2
Raw materials, WIP and etc	186.5	152.0	166.6	34.5	Net interest-bearing debt	(21.5%)	(21.8%)	(24.6%)
Total inventories	588.4	531.2	583.5	57.3		398.4	390.7	458.9
On hand days(divided by revenue)					Net D/E Ratio	0.46	0.48	0.57
Trade receivables	80	85	77	-5				-0.03
Inventories	158	141	153	17				
Trade payables	38	38	39	0				
Net working capital	196	184	188	12				

In 3Q of the year, the cash flow margin for operating activities was secured at 10.3%. Free cash flow increased significantly y-y.

	FY2025 1Q-3Q	FY2024 1Q-3Q	change	[billions of yen]
Net income (includes discontinued operations)	63.2	69.3	-6.2	
Depreciation and amortization	122.0	58.8	124.6	55.3 -2.7 3.5
(Increase)decrease in trade/lease receivables	36.6	67.6	-31.0	
Increase(decrease) in inventories	21.4	-10.6	41.4	-1.4 -20.0 -9.1
Increase(decrease) in trade payables	-4.6	-24.8	20.2	
Others, net	-42.7	-82.9	40.2	
Net cash provided by (used in) operating activities	100.7	83.2	17.5	
Cash flow margin for operating activities	10.3%	8.4%	1.9%	
Net cash (provided by) used in investing activities	-33.4	-51.9	18.6	
Free cash flows	67.3	31.2	36.1	
Net cash (provided by) used in financing activities	-98.5	-33.3	-65.1	

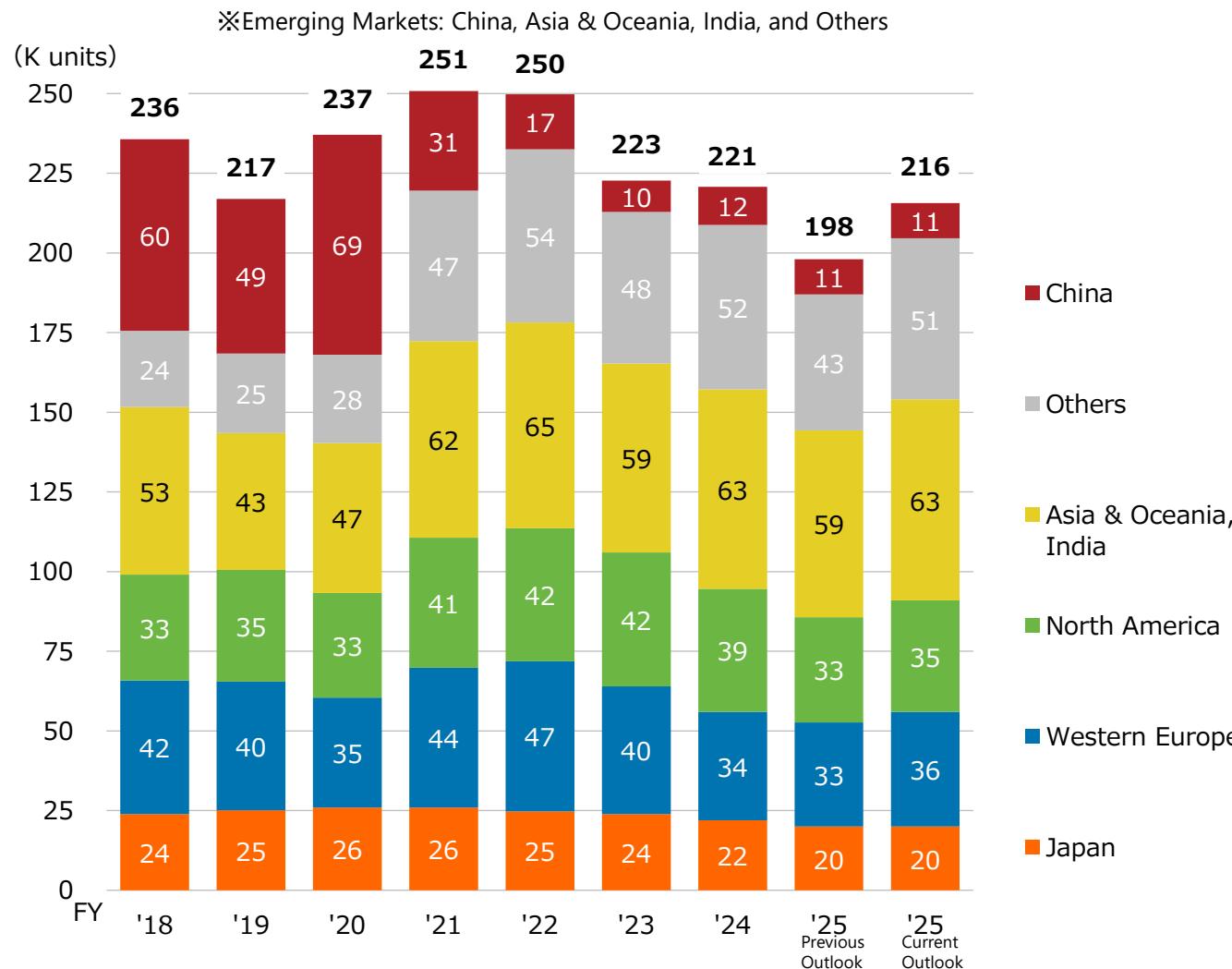
* Blue figures shows the total of each category.

Global Demand Trend for Hydraulic Excavators

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Emerging Markets ratio: FY25 58% (y-y Change : +1%)



*Demand values are Hitachi Construction Machinery estimates

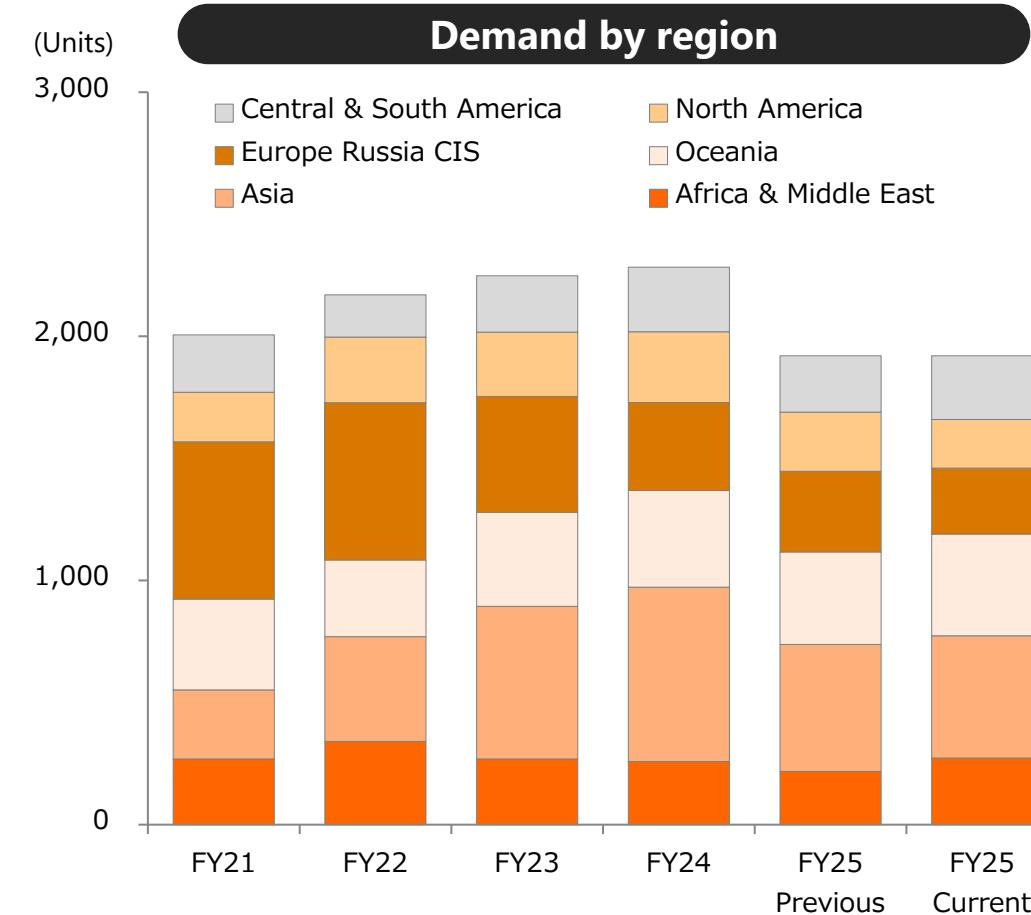
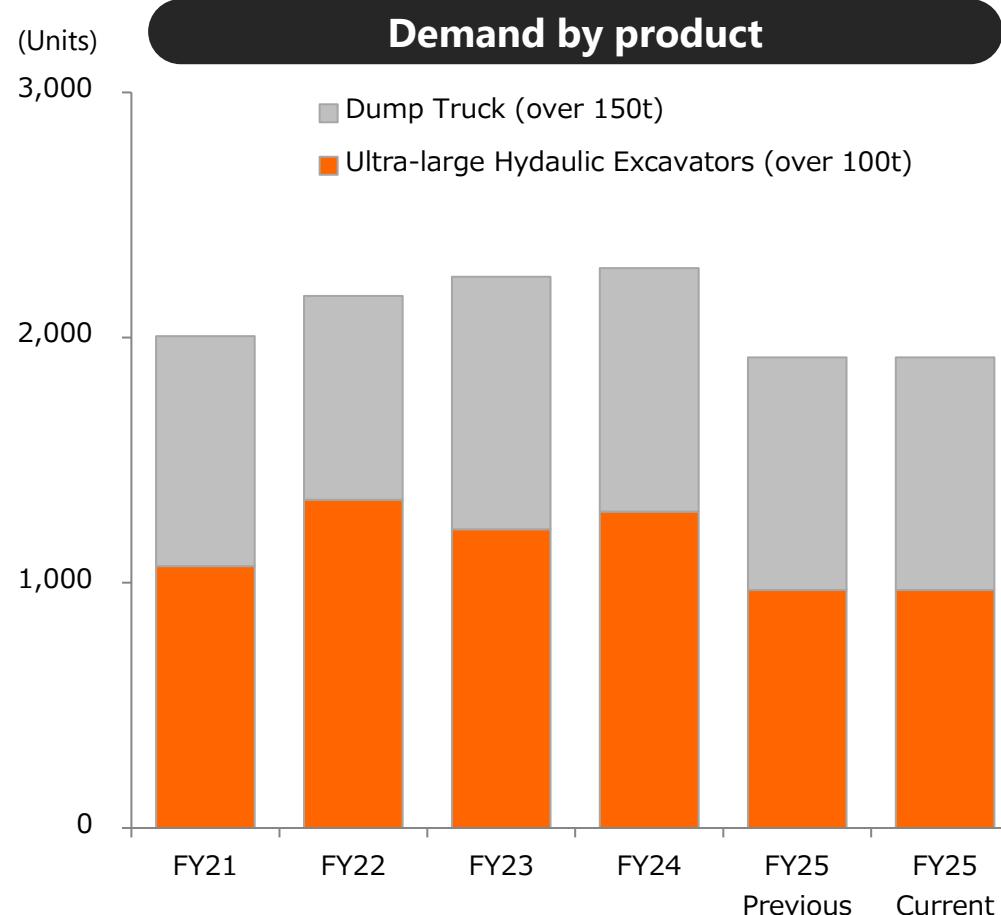
Year-on-Year Change by Region

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

	'24	'25
Total	-1%	-2%
China	+22%	-8%
Russia, CIS, E Europe	-21%	-1%
Africa	+55%	+16%
Middle East	±0%	-11%
Latin America	+18%	-9%
Others	+8%	-2%
Asia	+13%	+5%
India	+5%	-4%
Oceania	-26%	±0%
Asia & Oceania, India	+5%	+1%
N America	-8%	-9%
W Europe	-15%	+6%
Japan	-8%	-9%

The mining machinery demand forecast for FY2025 remains unchanged from the previous forecast at a 10% to 15% decline y-y. Demand for coal declined due to adjustments in Chinese production and imports, while demand for copper and gold remains strong due to favorable resource prices.

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



*Demand values are Hitachi Construction Machinery estimates

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Summary of consolidated earnings forecast

Although the uncertainties of US tariffs remain, the consolidated earnings forecast is revised upward considering the demand environment of hydraulic excavators and the current exchange rate, following the previous announcement in October 2025.

		FY2025 Forecast		FY2024 Actual	change	
					amount	%
Continuing operation						
Revenue		<1,320.0>	1,370.0	1,371.3	-1.3	-0%
Adjusted operating income *1		<10.0%>	(10.0%)	(10.6%)	(-0.6%)	
Operating income		<9.8%>	(10.0%)	(11.3%)	(-1.3%)	
Income before income taxes		<130.0>	137.0	154.7	-17.7	-11%
Net income from continuing operation		<121.0>	128.0	134.2	(-0.4%)	-5%
Net income from discontinued operation		<83.0>	87.4	90.4	-3.0	-5%
Net income attributable to owners of the parent		<0.0>	0.0	1.4	-1.4	-
EBIT *2		<131.0>	138.5	147.4	-8.9	
Currency		1Q-3Q Actual	4Q Forecast	Year Forecast	FY2024 Actual	change
Rate (YEN/USD)		148.7	150.0	149.1	152.6	-3.5
Rate (YEN/EUR)		171.8	178.0	174.1	163.5	10.5
Rate (YEN/RMB)		20.7	21.3	20.9	21.1	-0.2
Rate (YEN/AUD)		96.6	99.0	97.3	99.6	-2.3
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 October 2025.

Consolidated revenue forecast by geographic region

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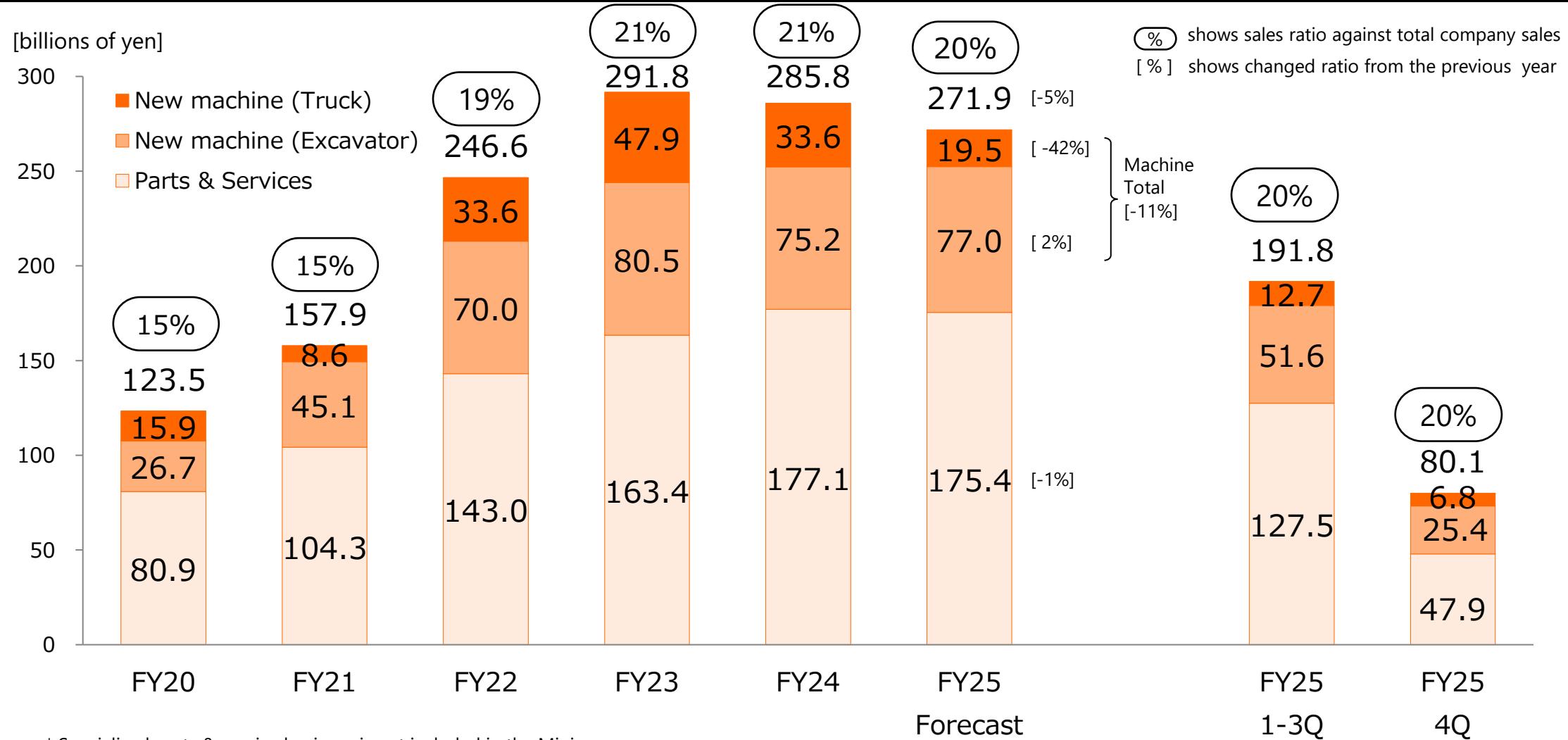
Consolidated revenue for FY2025 is expected to increase by 1% y-y excluding the impact of the yen's appreciation, driven by the revenue increase in Europe and Asia.

[billions of yen]

	FY2025 Forecast		FY2024 Actual	change	
				amount	%
Japan	216.3	16%	220.0	16%	-3.7 -2%
Asia	121.1	9%	118.5	9%	2.6 2%
India	85.8	6%	87.5	6%	-1.7 -2%
Oceania	249.8	18%	258.9	19%	-9.0 -3%
Europe	200.7	15%	159.7	12%	41.1 26%
	N. America	293.0	21%	312.4	23%
	L. America	38.7	3%	43.8	3%
The Americas	331.7	24%	356.1	26%	-24.4 -7%
(Developing own business)	(220.3)	(16%)	(210.2)	(15%)	(10.1) (5%)
Russia-CIS	17.2	1%	19.6	1%	-2.4 -12%
M. East	35.1	3%	33.6	2%	1.5 4%
Africa	87.7	6%	85.0	6%	2.7 3%
China	24.6	2%	32.5	2%	-7.9 -24%
Total	1,370.0	100%	1,371.3	100%	-1.3 -0%
Overseas ratio	84%		84%		

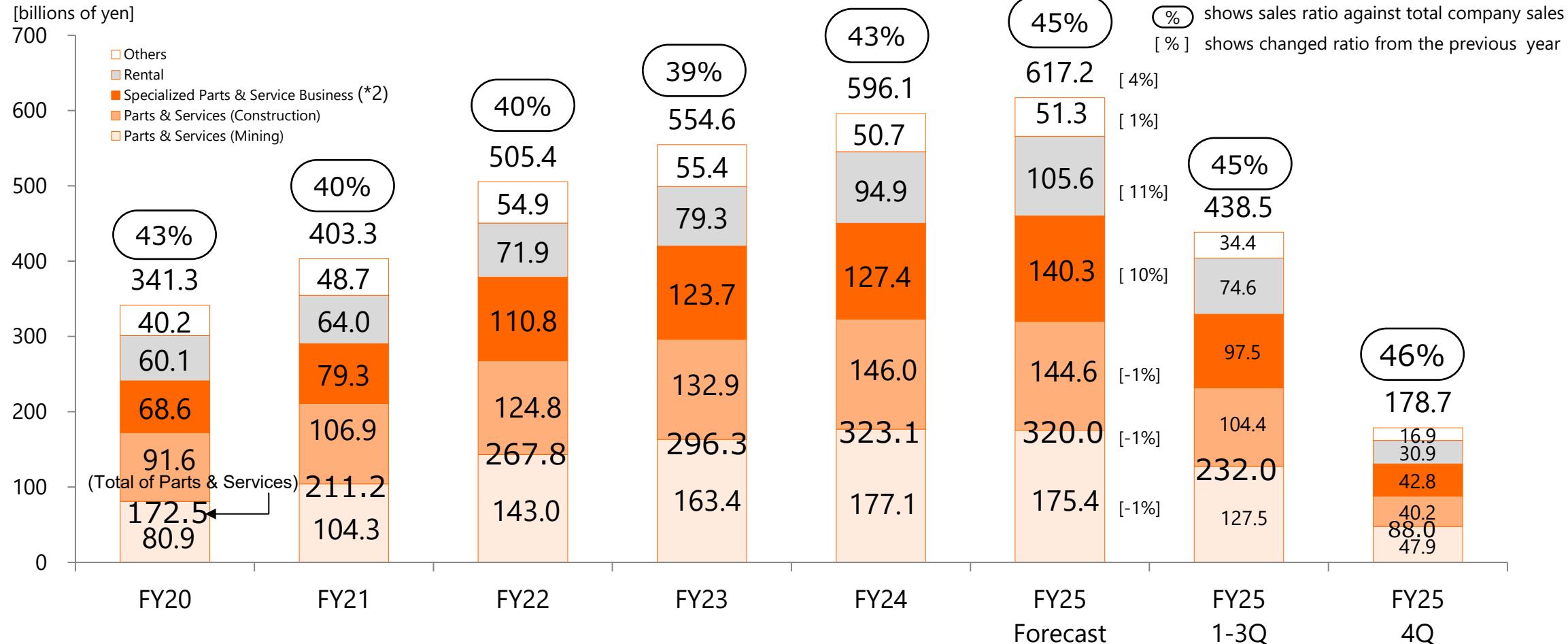
* FY2024 revenue present only continuing operation retroactively.

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



Value chain*1 revenue forecast

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

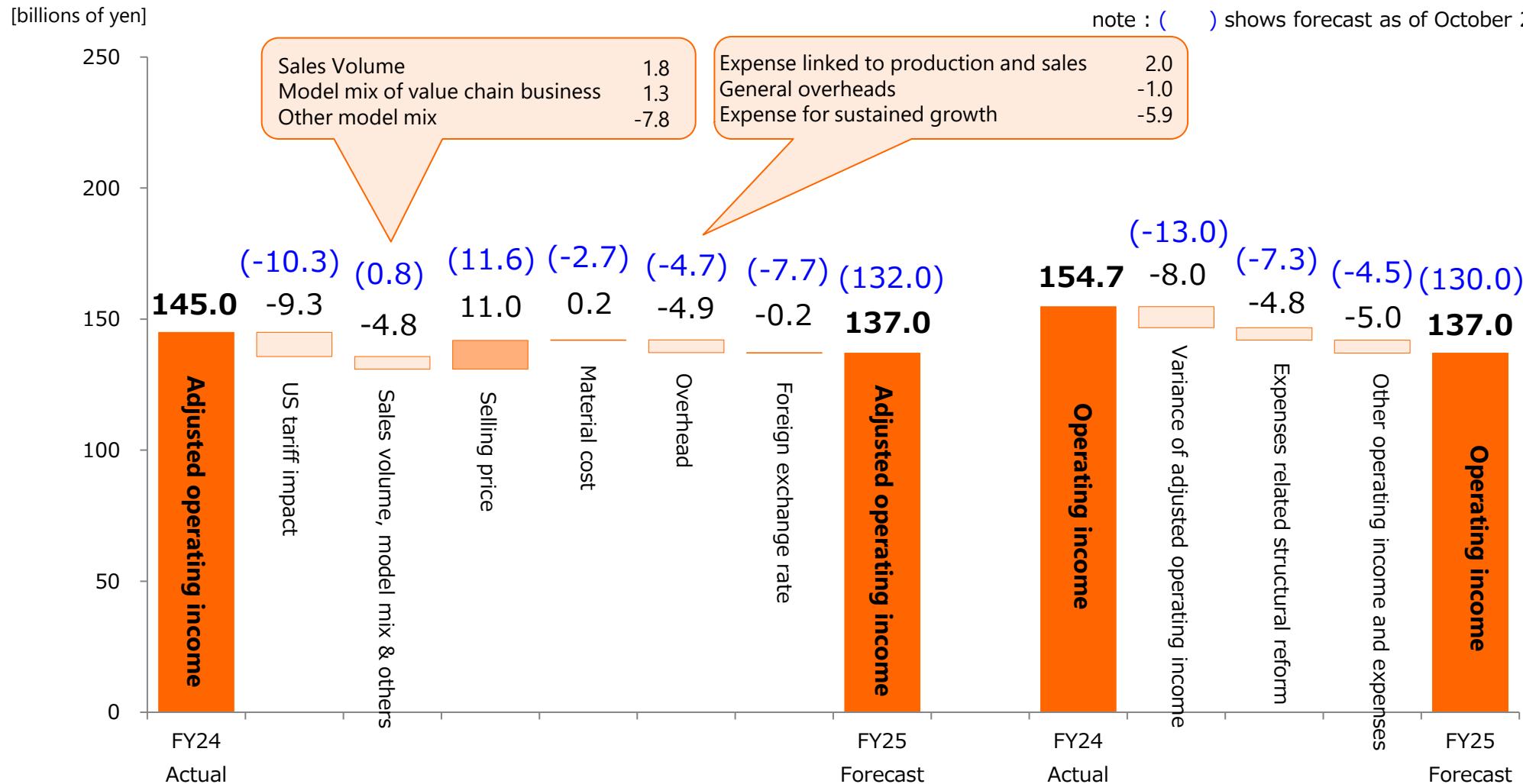


(*1) Value chain: Total of Parts and services, Specialized parts and service business, Rental, etc. other than new machine sales.

(*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 y-y due to the upswing in costs caused by the US tariff impact, although the impact of the increase in overheads is being absorbed by the sales volume increase and upswing in the selling price.



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 August 2025, finished products were newly included in the scope of derivative items subject to expanded U.S. steel and aluminum tariffs. Effective August 18, a 50% tariff has been imposed on the purchase price of steel and aluminum materials contained in the finished product. Separately, a 15% reciprocal tariff is applied to the price excluding steel and aluminum materials.
- In the OEM business for the US, the customer bears the tariffs.

Tariffs impact: Reflecting ¥9.3 billion in cost increases

- Based on estimates that incorporate the sale of locally held inventory not subject to tariffs, we anticipate an annual cost increase of ¥9.3 billion on an adjusted operating income basis. The difference from the figure announced in October (¥10.3 billion) is mainly due to changes in the product mix

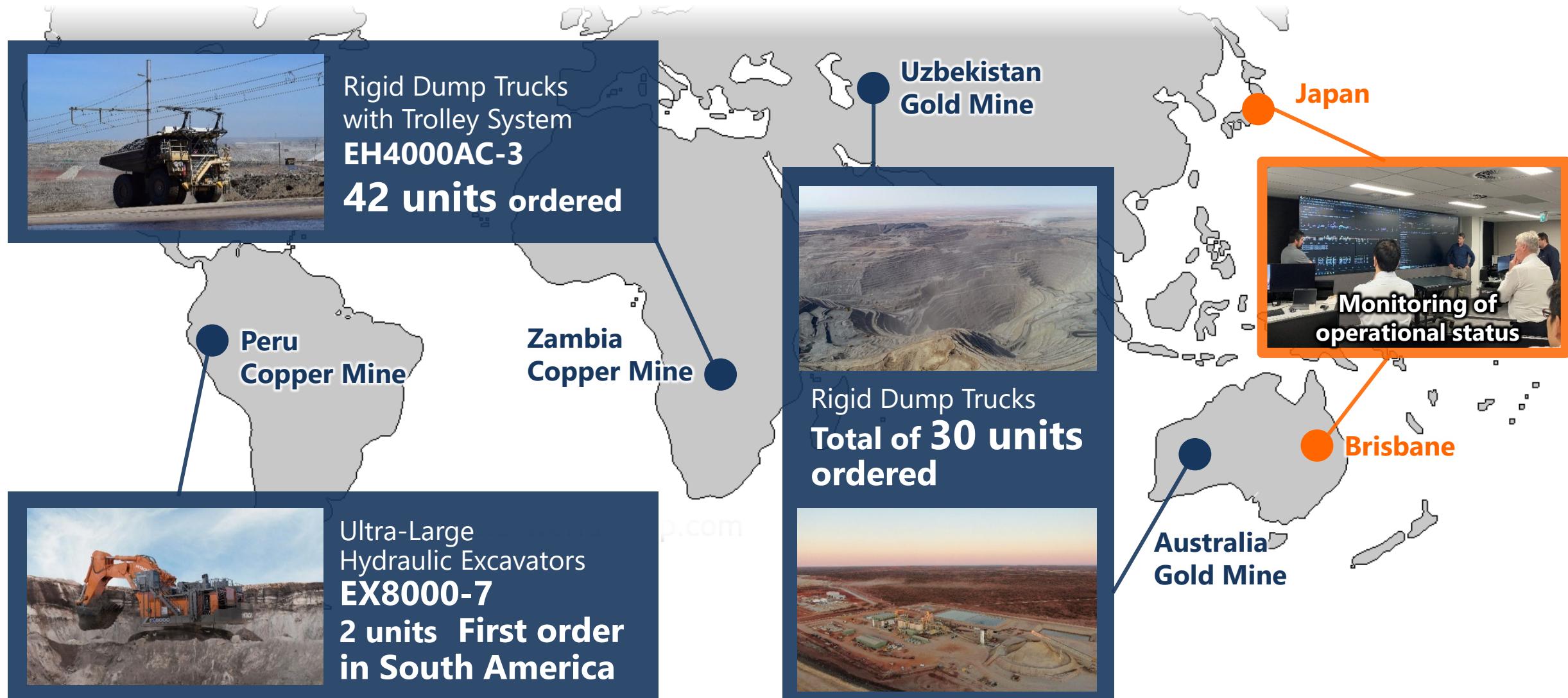
Response to tariffs: Focus on passing on costs to sales prices (¥5.0 billion increase in income)

- Selling price increases are expected to contribute ¥5.0 billion to income, ¥1.0 billion higher than the October estimate, mainly due to the additional price increase implemented in January 2026.
- We continue to implement initiatives including the expansion of our rental business and cost reduction efforts.

2. References

Topic 1: Major Orders Secured from Mines Worldwide

Starting in FY2026, deliveries to gold and copper mines—primarily dump trucks—will roll out in stages



Establishment of "LANDCROS Development Center Europe GmbH" in Germany (January 2026)

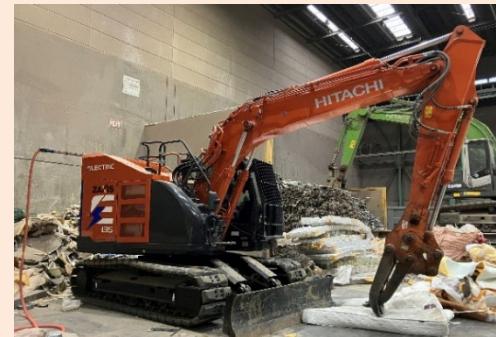
- Strengthen development capabilities for battery-powered excavators, ICT-compatible products, and solutions
- First new company to bear the "LANDCROS" name after the announcement of the trade name and brand transition plan
- Rapidly provide higher performance products and solutions in collaboration with development partners



Enhancing Proposal Capabilities for Practical On-Site Operation Through battery-powered excavators Demonstration Tests (November–December 2025)



Testing stable operation and efficient charging of the battery-powered excavator and mobile power vehicle.



Demonstrating that the battery-powered excavator power load can be leveled during operation.



Joining test of the battery-powered excavator operation flow in the quiet-required Kyoto Gyoen.



Appendix 1: FX rate and FX sensitivity

The forecast exchange rate of the USD, EUR, RMB, and AUD for the 4Q of this fiscal year is changed from the previous announcement as of October 2025 for depreciation of the yen.

Currency	FX rate				FY24 Actual	FX sensitivity(4Q)			
	FY25			Total Forecast		Condition	Revenue	Adjusted operating income	
	1Q-3Q Actual	4Q Forecast							
USD	148.7	150.0	149.1	152.6	Impact by 1 yen depreciation	0.8	0.4		
EUR	171.8	178.0	174.1	163.5	Impact by 1 yen depreciation	0.3	0.1		
RMB	20.7	21.3	20.9	21.1	Impact by 0.1 yen depreciation	0.0	-0.0		
AUD	96.6	99.0	97.3	99.6	Impact by 1 yen depreciation	0.7	0.1		

Appendix 2: Detail of mining revenue

[billions of yen]

		FY25 Forecast			FY24 Actual			Change		
		1-3Q	4Q	Year	1-3Q	4Q	Year	1-3Q	4Q	Year
America	Excavator	23.6	10.7	34.3	24.8	10.9	35.7	-1.2	-0.1	-1.3
	Dump Truck	0.2	0.4	0.5	8.3	-0.6	7.7	-8.1	0.9	-7.1
	Total	23.8	11.1	34.9	33.1	10.3	43.4	-9.2	0.8	-8.5
Europe, Africa and Middle East	Excavator	23.6	13.5	37.1	21.6	9.0	30.5	2.0	4.5	6.6
	Dump Truck	25.8	10.4	36.3	35.1	9.3	44.3	-9.2	1.2	-8.1
	Total	49.4	23.9	73.3	56.6	18.2	74.8	-7.2	5.7	-1.5
Asia & Oceania	Excavator	85.4	32.6	118.1	93.1	25.0	118.1	-7.7	7.7	-0.0
	Dump Truck	29.3	8.8	38.2	31.2	10.5	41.7	-1.9	-1.6	-3.5
	Total	114.7	41.5	156.2	124.3	35.5	159.7	-9.5	6.0	-3.5
China	Excavator	3.1	3.1	6.2	5.2	1.4	6.6	-2.1	1.7	-0.3
	Dump Truck	0.0	-0.0	0.0	0.1	0.0	0.1	-0.1	-0.0	-0.1
	Total	3.1	3.1	6.2	5.3	1.4	6.7	-2.2	1.7	-0.4
Japan	Excavator	0.8	0.4	1.2	0.8	0.4	1.2	-0.1	0.1	-0.0
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
	Total	0.8	0.4	1.2	0.9	0.4	1.2	-0.1	0.1	-0.0
Total	Excavator	136.5	60.4	196.9	145.5	46.6	192.0	-9.0	13.9	4.9
	Dump Truck	55.3	19.6	75.0	74.6	19.2	93.8	-19.3	0.4	-18.8
	Total	191.8	80.1	271.9	220.1	65.8	285.8	-28.3	14.3	-14.0

Appendix 3: Segment information

The amortizations of PPA are included in the adjusted operating income of the specialized Parts & Service Business : 1.5 billion yen in FY2025 1Q-3Q, and 1.9 billion yen in the forecast for FY2025.

FY2025 1Q-3Q Actual	Reportable segment		Adjustments *1	[billions of yen]	
	Construction Machinery Business	Specialized Parts & Service Business		Total	
Revenue	881.9	103.7	-6.3	979.3	
Adjusted operating income	9.6%	85.0	7.4%	7.6	92.6

FY2025 Forecast	Reportable segment		Adjustments *1	[billions of yen]	
	Construction Machinery Business	Specialized Parts & Service Business		Total	
Revenue	1,229.7	146.6	-6.3	1,370.0	
Adjusted operating income	10.1%	123.9	8.9%	13.1	10.0% 137.0

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

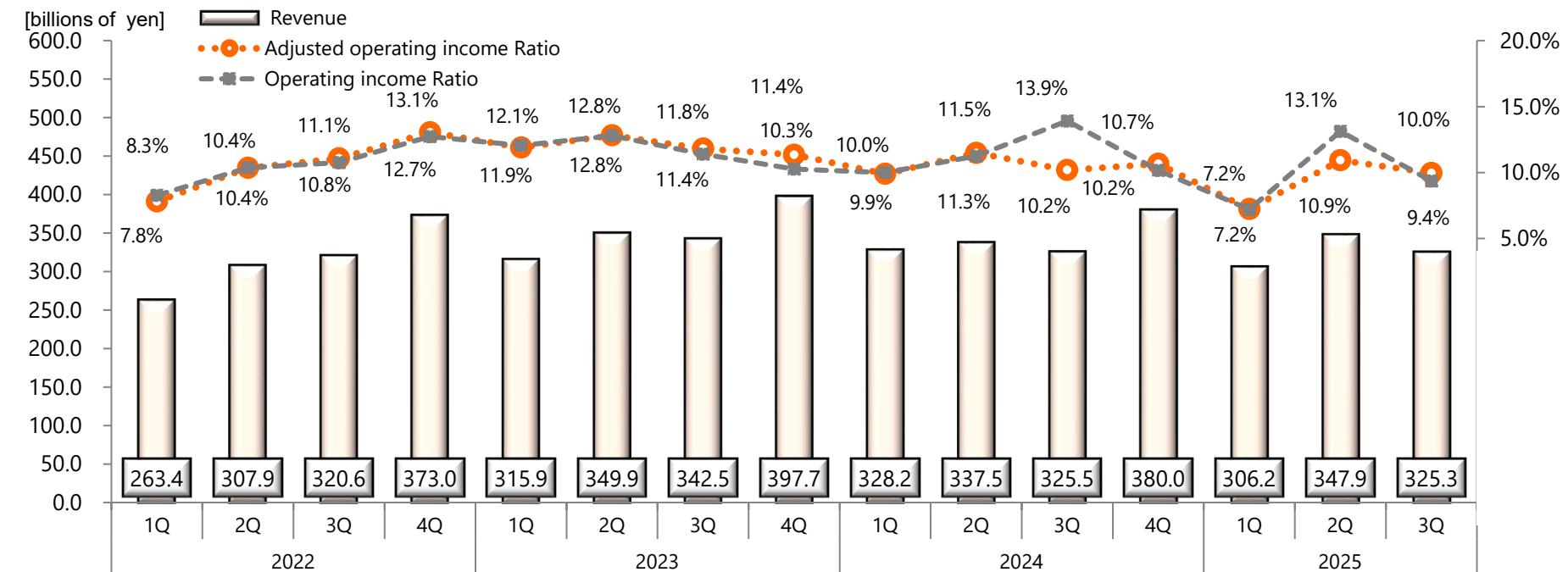
Appendix4 : Summary of quarterly consolidated revenue and operating income (ratio)

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[billions of yen]

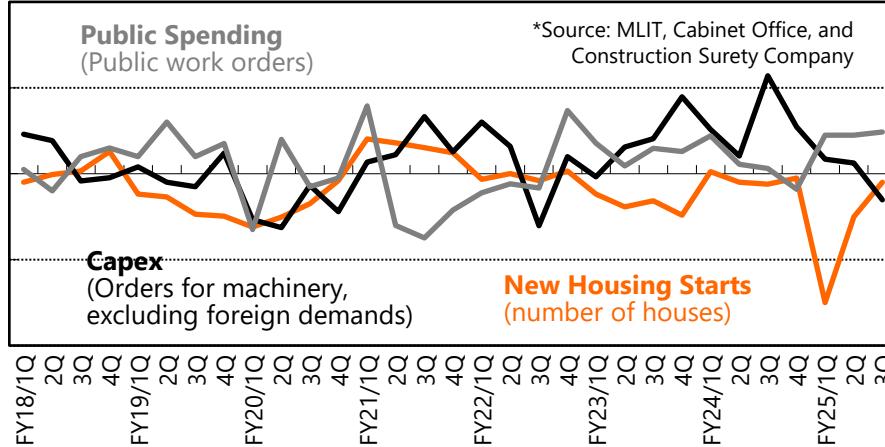
	2022				2023				2024				2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	263.4	307.9	320.6	373.0	315.9	349.9	342.5	397.7	328.2	337.5	325.5	380.0	306.2	347.9	325.3
Adjusted operating income	20.6	31.9	35.5	48.7	37.6	44.9	40.5	45.1	32.5	38.8	33.2	40.5	22.1	38.0	32.4
Operating income	21.8	31.9	34.5	47.5	38.1	44.8	39.0	40.8	32.8	38.0	45.3	38.7	22.1	45.6	30.4



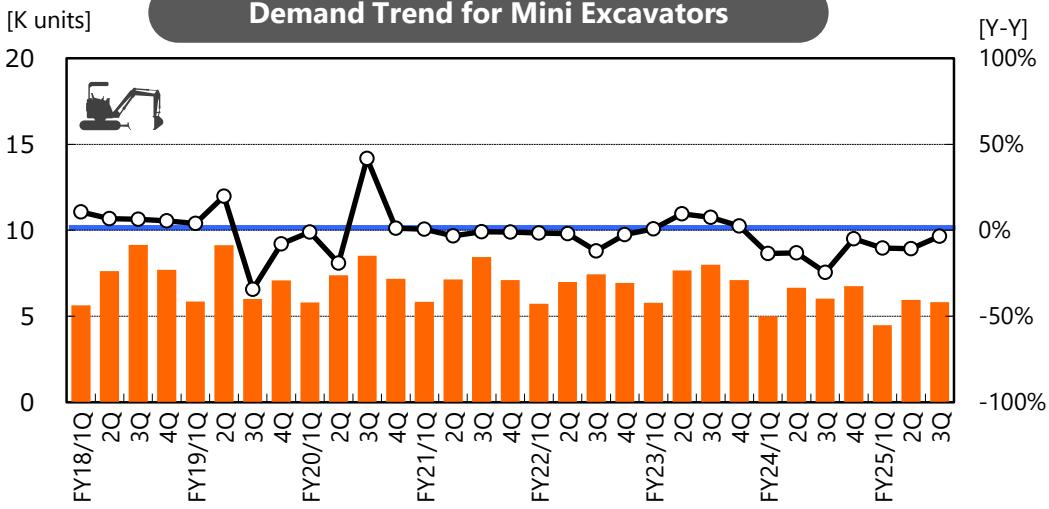
FX rate	2022				2023				2024				2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Rate (YEN/USD)	129.6	138.4	141.6	132.3	137.4	144.6	147.9	148.6	155.9	149.4	152.4	152.6	144.6	147.5	154.2
Rate (YEN/EUR)	138.1	139.3	144.3	142.1	149.5	157.3	159.1	161.3	167.9	164.0	162.6	160.5	163.8	172.3	179.4
Rate (YEN/RMB)	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	20.6	21.7
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	96.5	101.2

- New Housing Starts slightly decreased, Capex decreased and Public Spending increased.
- Demand for Hydraulic Excavators decreased: Hydraulic Excavators -14%, Mini Excavators -4%, Wheel Loaders -3% y-y.

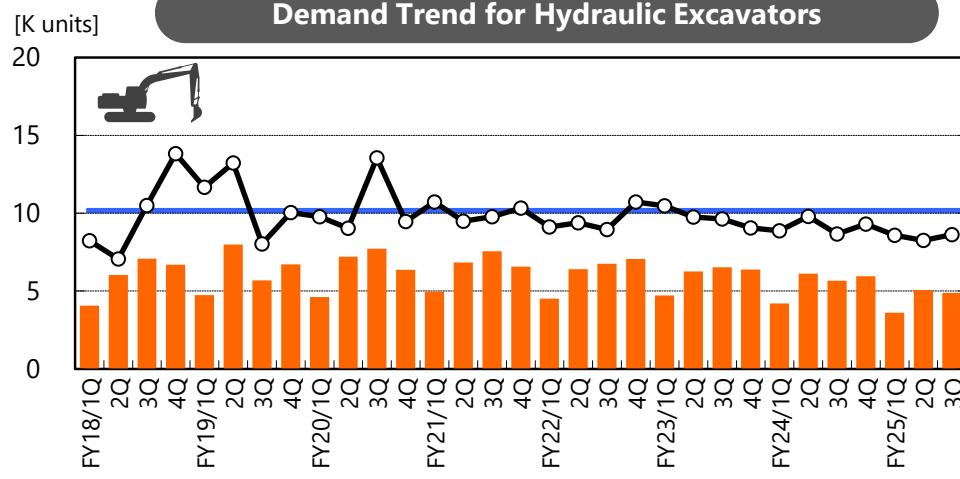
Market Environment Housing, Capex, Public Spending



Demand Trend for Mini Excavators

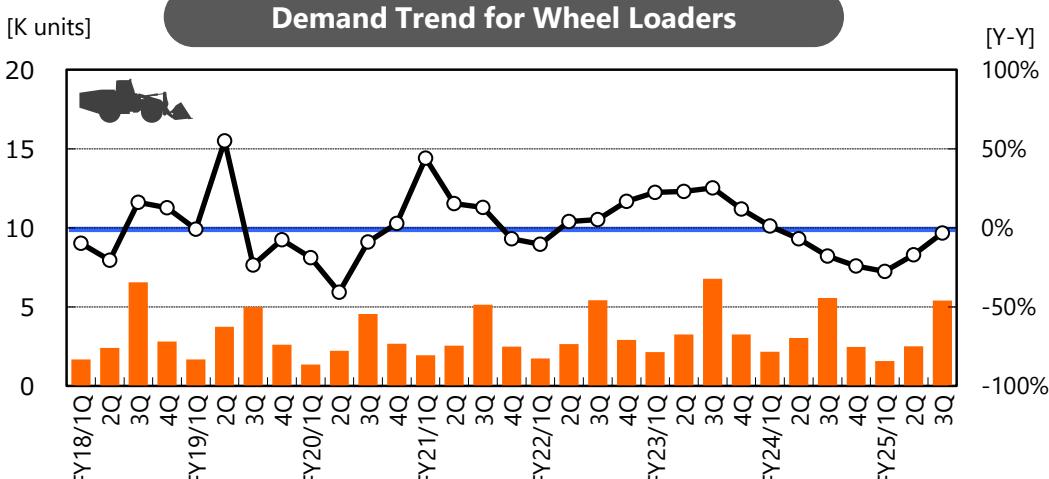


Demand Trend for Hydraulic Excavators

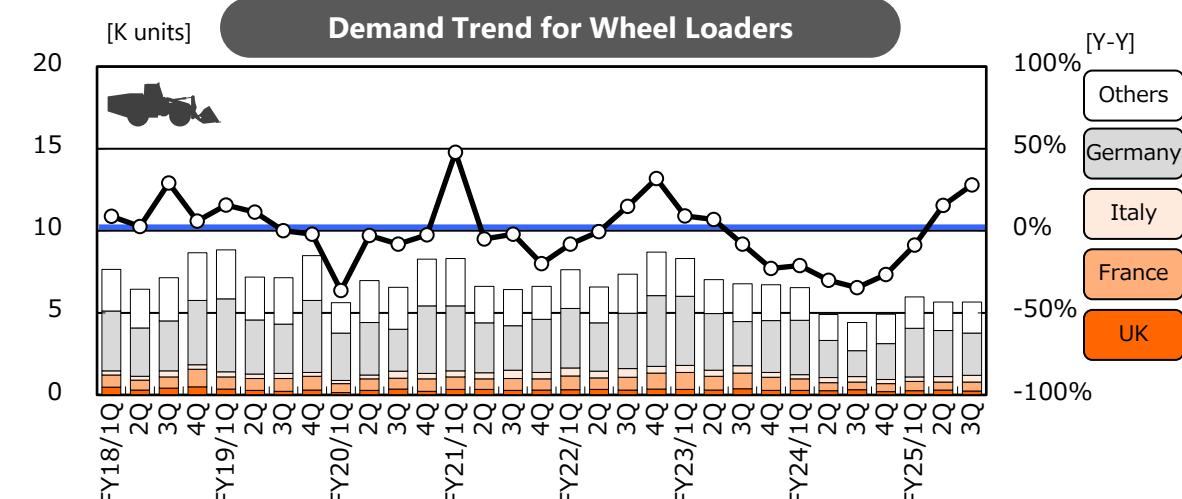
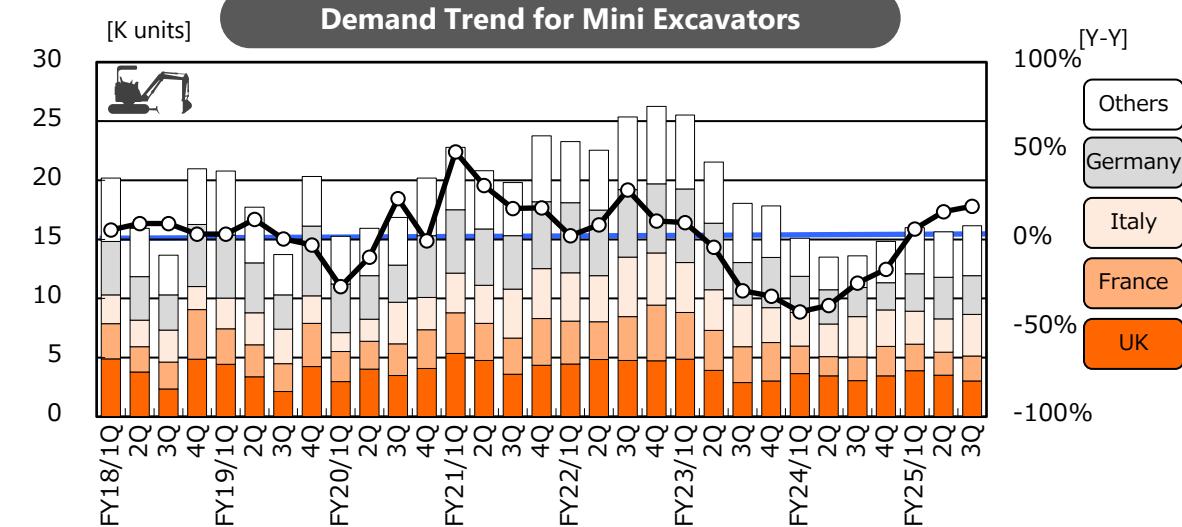
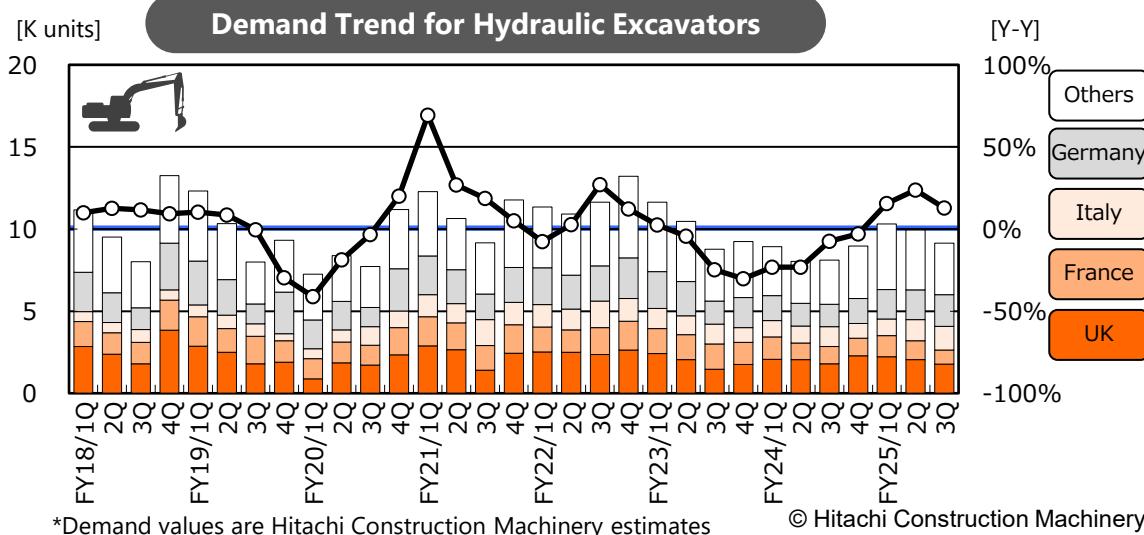
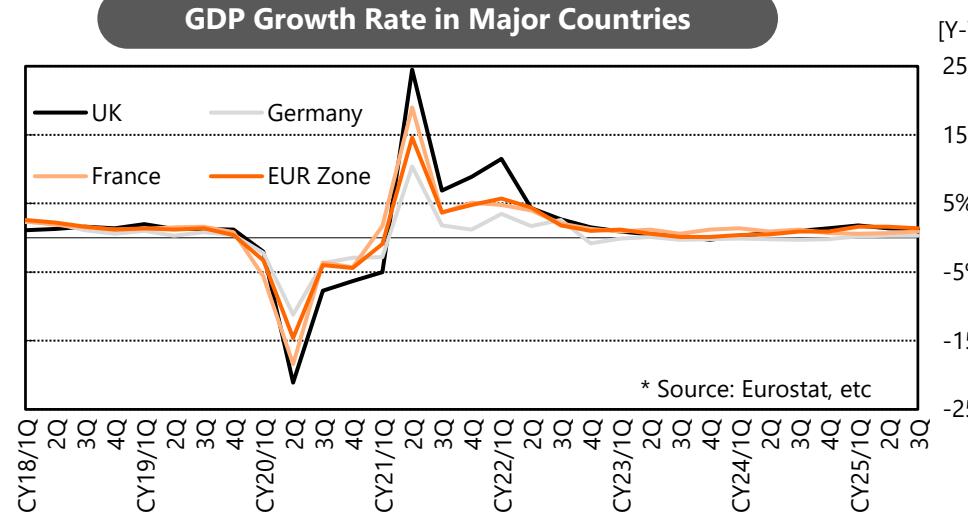


*Demand values are Hitachi Construction Machinery estimates

Demand Trend for Wheel Loaders

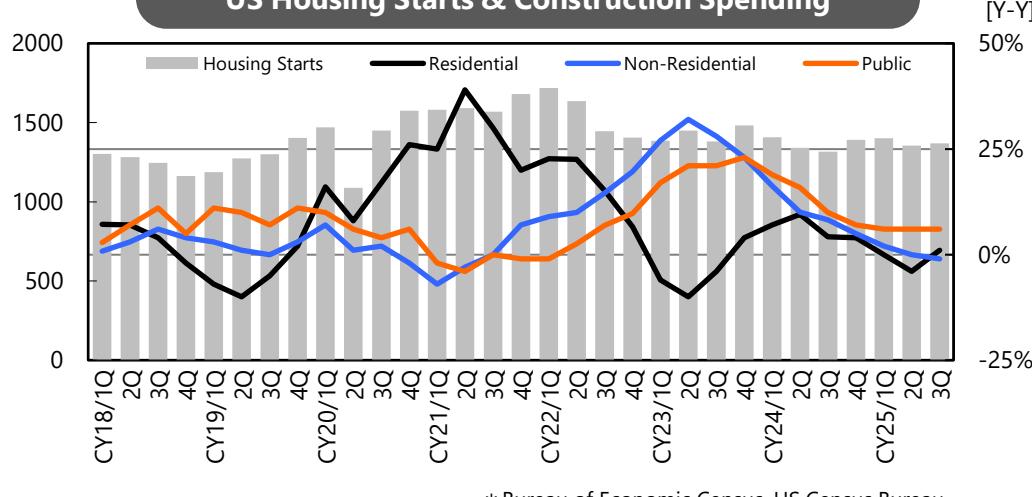


- GDP in CY25 3Q has been growing at a low rate.
- Demand for Hydraulic Excavators increased: Hydraulic Excavators +13%, Mini Excavators +19%, Wheel Loaders +28 % y-y



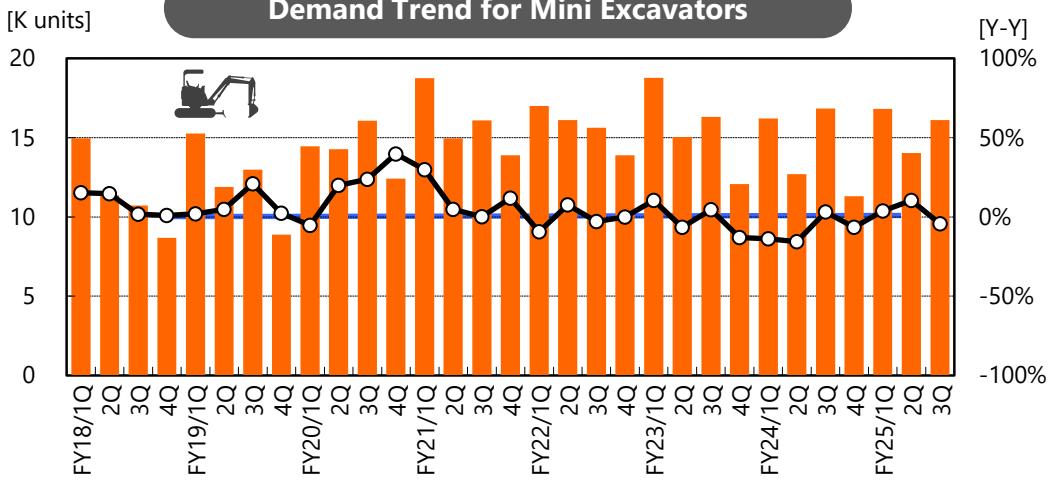
- Residential slightly increased, Non-Residential slightly decreased, Public Works increased, Housing Starts slightly increased.
- Demand for Hydraulic Excavators slightly increased: Hydraulic Excavators +1%, Mini Excavators -4%, Wheel Loaders +6% y-y.

US Housing Starts & Construction Spending

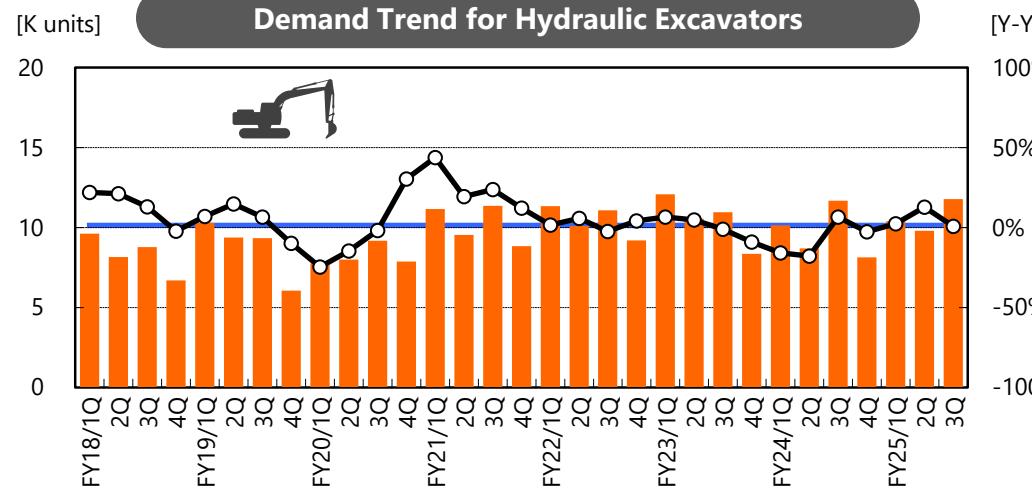


* Bureau of Economic Census, US Census Bureau

Demand Trend for Mini Excavators

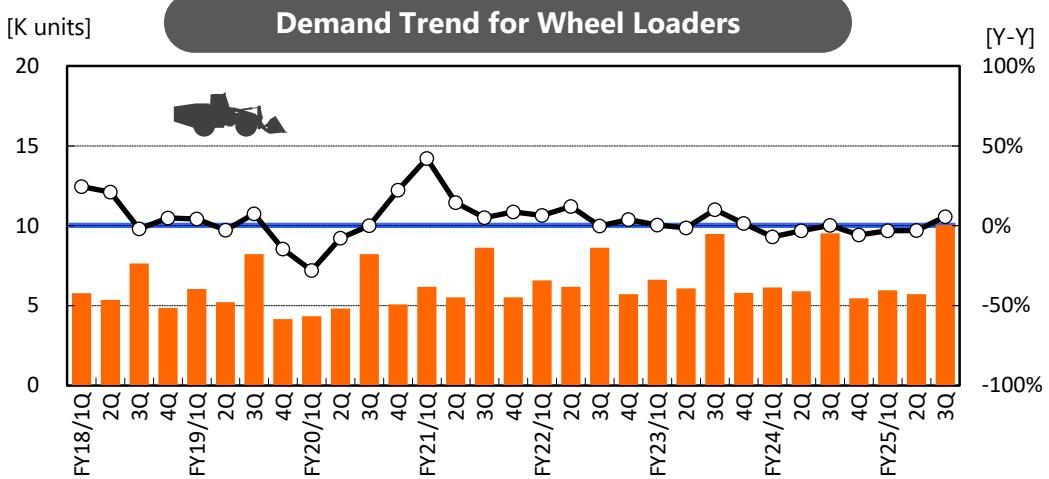


Demand Trend for Hydraulic Excavators



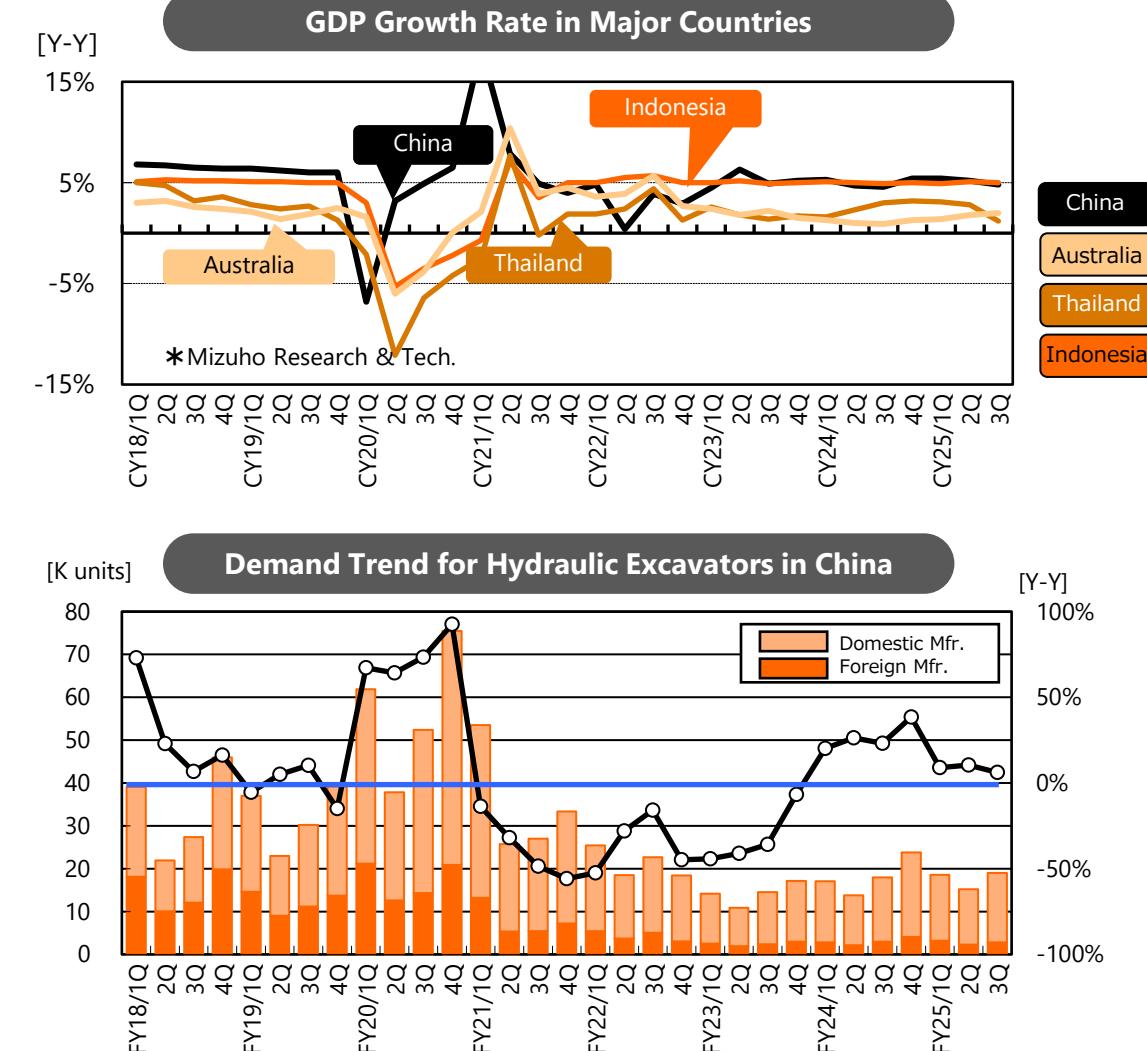
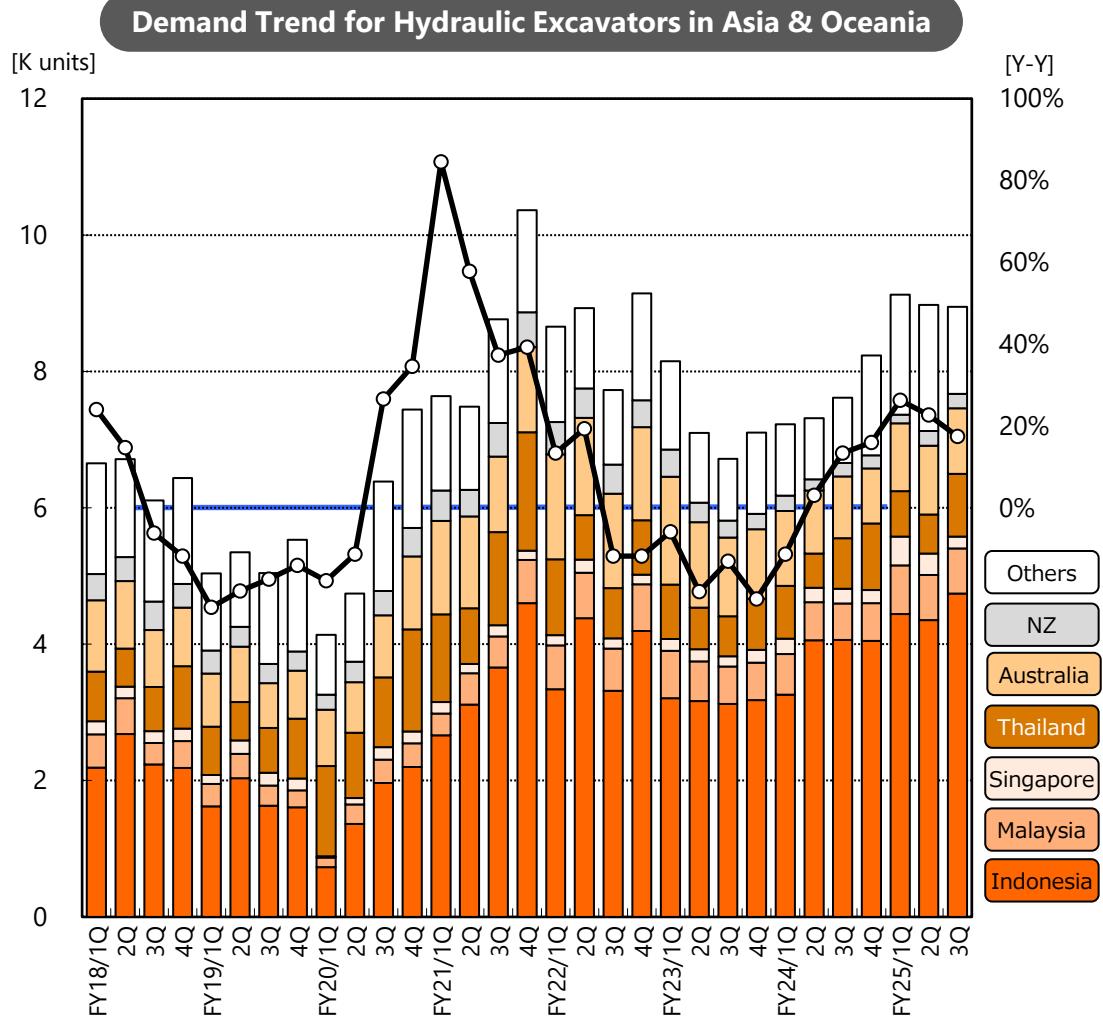
*Demand values are Hitachi Construction Machinery estimates

Demand Trend for Wheel Loaders



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- Demand for Hydraulic Excavators in the Asia & Oceania region slightly decreased +17% y-y.
- Demand for Hydraulic Excavators in China slightly increased +6% y-y. (Domestic Mfr. :+8%, Foreign Mfr. :-4%)

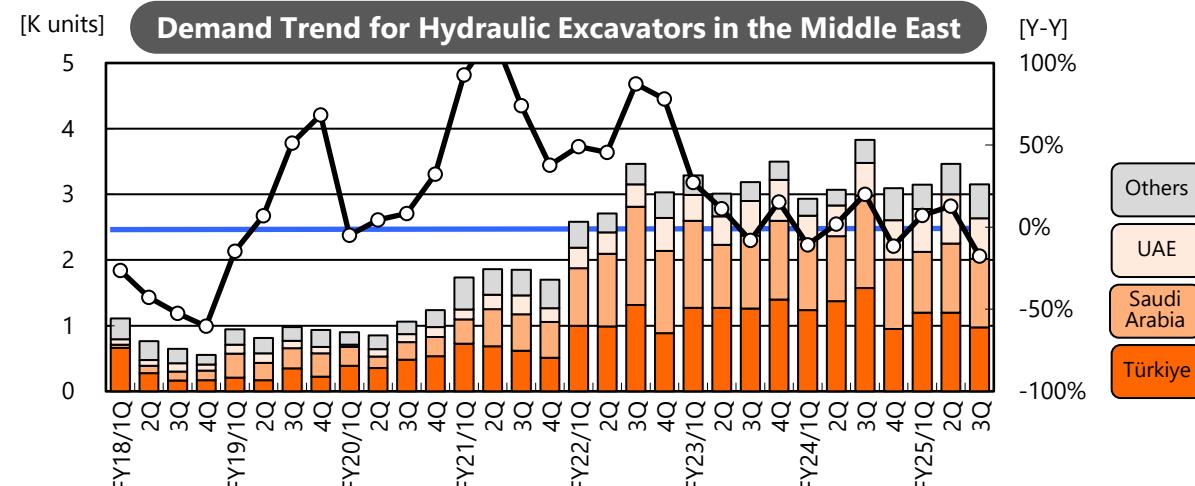
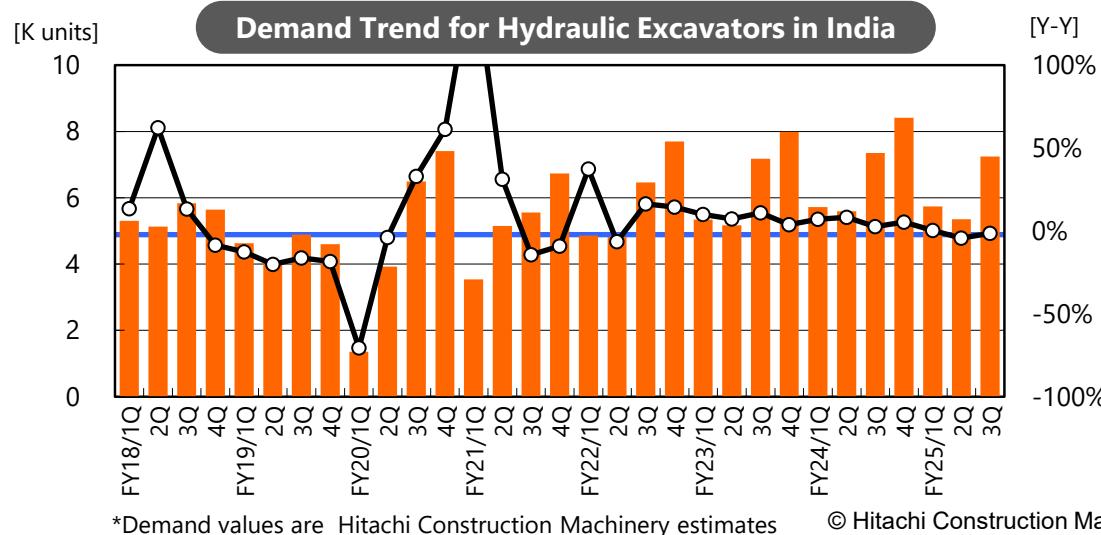
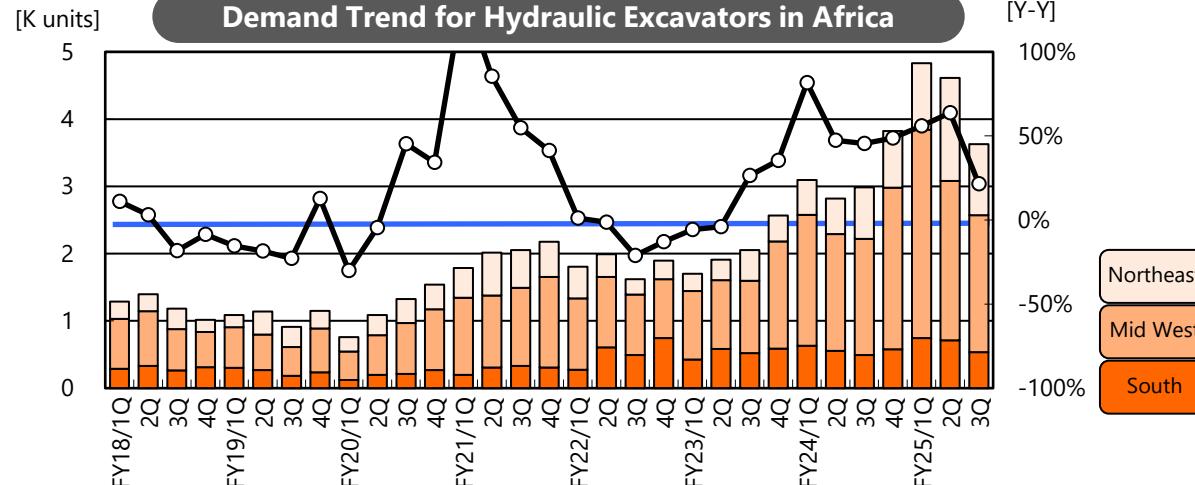
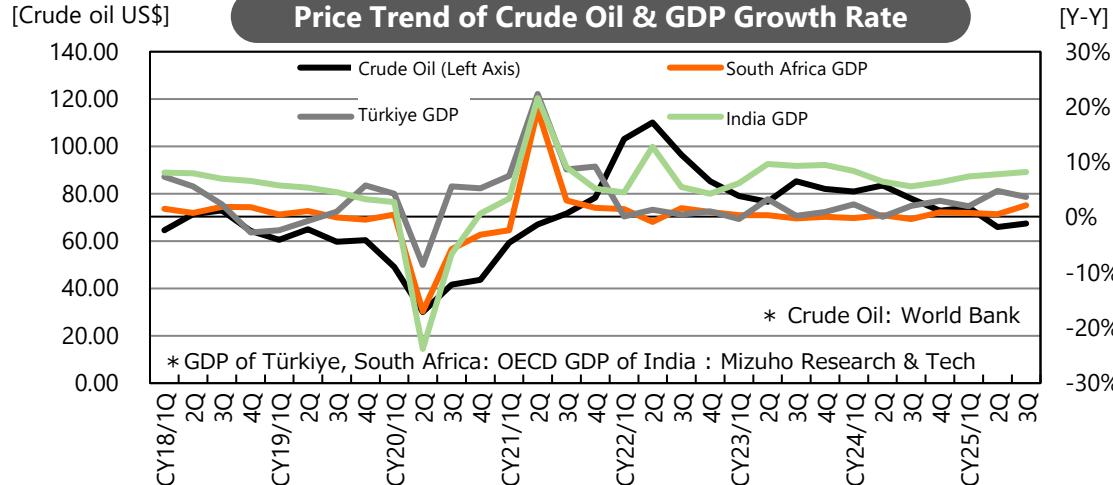


India, Middle East, Africa: Third Quarter (Oct to Dec 2025)

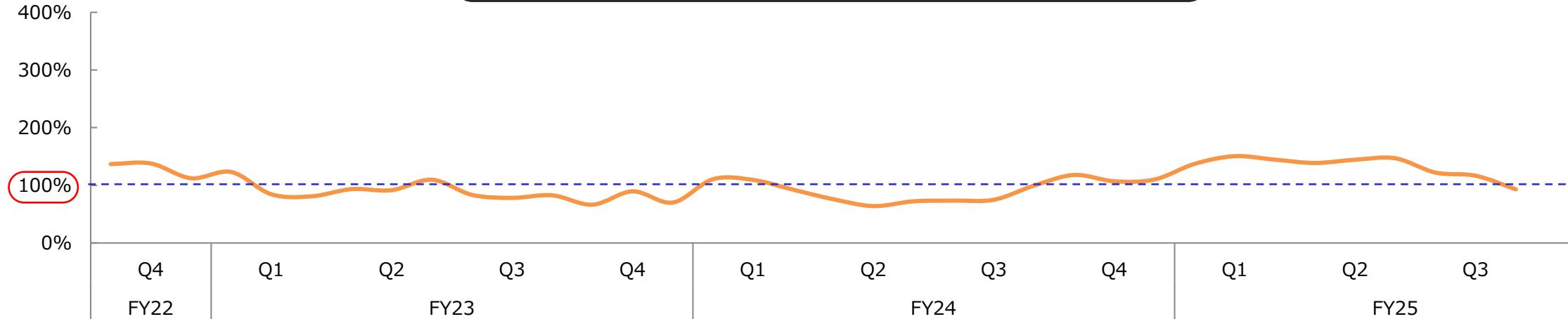
HITACHI

Reliable Solutions

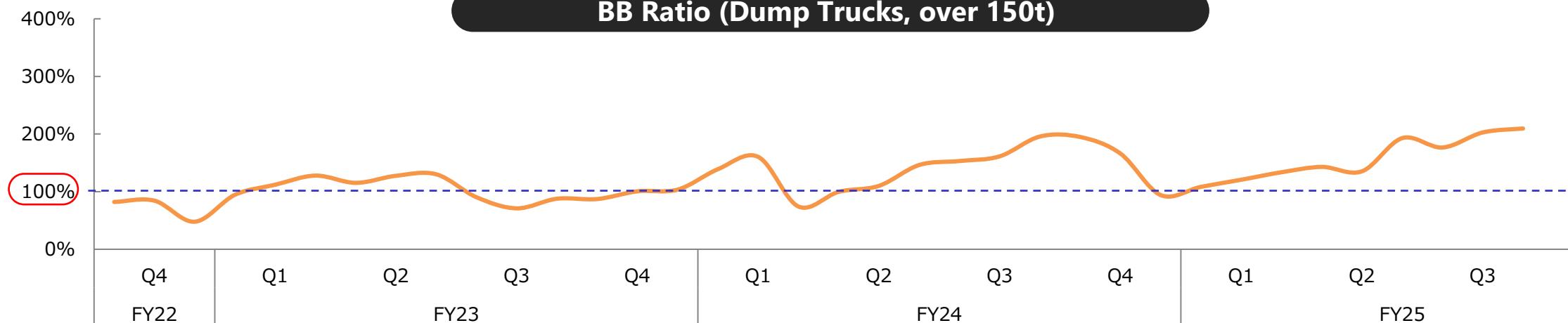
- Demand for Hydraulic Excavators slightly decreased in India -2% y-y.
- Demand for Hydraulic Excavators significantly increased in Africa +21% y-y.
- Demand for Hydraulic Excavators significantly decreased in the Middle East -18% y-y.



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)

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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January 29, 2026

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