

# Financial Results for FY2024

## Quantitative Review of the Management Results for FY2024

- Sales revenue decreased by 2% compared to the record-high performance of the previous year, due to a decline in new machine sales caused by weakened demand in major markets.
- Adjusted operating income decreased by 14% year-on-year, and net income attributable to parent company shareholders decreased by 13% year-on-year.

(Billions of yen)

		FY2024 results	FY2023 results	Year-on-year comparison
Continuing operations	Sales revenue	1,371.3	1,405.9	-2%
	Adjusted operating income <sup>*1</sup>	145.0	168.0	-14%
	Operating income	154.7	162.7	-5%
	Income before income taxes	134.2	160.5	-16%
	Profit from continuing operations	90.4	116.3	-22%
	Loss from discontinued operations	1.4	-11.8	—
	Net income attributable to owners of the parent	81.4	93.3	-13%
	EBIT <sup>*2</sup>	147.4	167.5	-12%
	Dividend per share <sup>*3</sup>	175 yen	150 yen	25 yen

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

\*2: "EBIT" is an indicator calculated by subtracting interest income from and adding interest expenses to profit before income taxes.

(EBIT stands for earnings before interest and taxes.)

\*3: We pay dividends twice per fiscal year as interim and year-end dividends based on the principle that we distribute surplus funds in accordance with consolidated business results. We will work to maximize shareholder returns by continuing to pay dividends at the consolidated payout ratio of 30% to 40%.

## Qualitative Review of the Management Results for FY2024

<b>Delivering innovative solutions for customer needs</b>	<ul style="list-style-type: none"> <li>■ Realization of LANDCROS through a new service and a concept model               <ul style="list-style-type: none"> <li>• In July 2024, established the new "LANDCROS" concept as a proof of our desire to deliver innovative solutions.</li> <li>• Displayed the "LANDCROS One" concept model at the world's largest construction machinery exhibition, "bauma2025," held in April 2025. Released the first service under the LANDCROS brand, "LANDCROS Connect."</li> </ul> </li> <li>■ Full battery dump truck demonstration tests               <ul style="list-style-type: none"> <li>• In June 2024, launched demonstration tests of the world's first ultra-large full battery dump truck at a mining site in Zambia to verify the battery charging performance as well as the truck's running speed and cruising distance, with commercialization in FY2027 as the target.</li> </ul> </li> <li>■ Provision of solutions that make maximum use of digital data               <ul style="list-style-type: none"> <li>• In April 2025, started to provide customers with LANDCROS Connect for the central management of their machines, as opposed to limiting the system to machines made by Hitachi Construction Machinery.</li> <li>• Held Hitachi Construction Machinery Challenge 2024 in the United States in November 2024, in which startups competed based on ideas, and promoted the open development of technologies and products, including exploring a collaboration with the first prize winner at the competition.</li> </ul> </li> </ul>
<b>Enhancing the value chain business</b>	<ul style="list-style-type: none"> <li>■ Enhancement of measures to contribute to a circular economy mainly at the overseas bases.               <ul style="list-style-type: none"> <li>• Acquired Brake Supply's mining machinery component remanufacturing business.</li> <li>• Opened a mining machinery component remanufacturing plant in Kazakhstan.</li> </ul> </li> </ul>
<b>Expanding business in the Americas</b>	<ul style="list-style-type: none"> <li>■ Enhancement of the system to supply service parts across North America</li> <li>■ Enhancement of business in North America and expansion of business to Central and South America               <ul style="list-style-type: none"> <li>• Established Hitachi Construction Machinery Latin America SpA as the regional headquarters for Latin America in Chile.</li> <li>• Established a sales and service company for the mining business (ZAMine Service Brasil LTDA) in Brazil, jointly with Marubeni Corporation.</li> </ul> </li> </ul>
<b>Strengthening human capital and corporate capabilities</b>	<ul style="list-style-type: none"> <li>■ Enhancement of the entire Group's product development capabilities               <ul style="list-style-type: none"> <li>• Established Hitachi Construction Machinery Development Center India Private Limited in Hubballi, Karnataka, India, as a construction machinery development and design company.</li> <li>• Started the mass production of 120 ton-class ultra-large hydraulic excavators in Indonesia.</li> </ul> </li> </ul>

\*Includes some activities conducted in FY2025.

## Financial Results for FY2024

## Consolidated sales revenue by region

Our sales revenue increased in Africa and Oceania due to brisk demand from mining companies but decreased in Europe, North America and Asia. Although sales revenue from our own business expansion in the Americas decreased relative to the previous year, in which we had substantially increased revenue, we have steadily been expanding our share in the North American market for retail sales.

(Billions of yen)

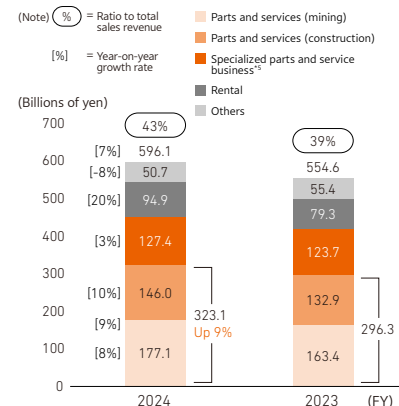
		FY2024 results		FY2023 results		Year-on-year comparison	
						Amount	Change
Japan		220.0	16%	226.9	16%	-6.9	-3%
Asia		118.5	9%	127.0	9%	-8.5	-7%
India		87.5	6%	85.0	6%	2.5	3%
Oceania		258.9	19%	251.1	18%	7.8	3%
Europe		159.7	12%	182.9	13%	-23.2	-13%
The Americas	North America	312.4	23%	334.4	24%	-22.0	-7%
	Central and South America	43.8	3%	40.9	3%	2.8	7%
Gained through expansion on our own		356.1 (210.2)	26% (15%)	375.2 (217.5)	27% (15%)	-19.1 (-7.3)	-5% (-3%)
Russia & CIS		19.6	1%	23.4	2%	-3.8	-16%
Middle East		33.6	2%	34.7	2%	-1.1	-3%
Africa		85.0	6%	70.4	5%	14.6	21%
China		32.5	2%	29.2	2%	3.3	11%
Total		1,317.3	100%	1,405.9	100%	-34.6	-2%
Overseas sales revenue ratio		84%	—	84%	—	—	—

## Changes in Sales Revenue in the Value Chain Business\*4

In FY2024, sales revenue increased by 7% year on year to 596.1 billion yen, reaching a record high. Revenue in the parts and services business increased by 9% year on year. Also, revenue increased by 20% and by 3% in the rental business and the specialized parts and services business, respectively. The ratio of the value chain business in consolidated sales revenue was 43%, up four percentage points year on year.

\*4: The value chain business is composed of all businesses other than the sale of new equipment and includes the sale of parts and services. It also includes the specialized parts and service business and the rental business.

\*5: The specialized parts and service business manages the development, manufacture, and sales of parts and offers service solutions as part of our after-sale services for mining equipment and machines outside of the construction machinery business segment.



## Consolidated cash flow

For FY2024, operating cash flow was positive at 143.9 billion yen. For cash flow related to investment activities, the amount that we spent investing increased by 13.8 billion yen year on year to 52.8 billion yen, which was partially due to the acquisition of Brake Supply's business for the expansion of the specialized parts and services business in the Americas. Free cash flow including the amount spent on investment was also positive at 91.1 billion yen.

(Billions of yen)

	FY2024 results	FY2023 results	Year-on-year change
Cash flow from operating activities	143.9	73.0	70.9
Operating cash flow margin	10.5%	5.2%	5.3%
Cash flow related to investment activities	-52.8	-39.0	-13.8
Free cash flow	91.1	34.0	57.1
Cash flow related to financial activities	-85.4	-8.9	-76.5