

- Revenue decreased by 1% year on year due to the negative exchange impact of appreciation of the Japanese yen despite the revenue in India and China increasing compared to the previous year.
- Adjusted operating income increased by 21% year on year due to the reduction in overheads.

(billions of yen)

	FY2016 Actual		FY2015 Actual	change	
Revenue	(700.0)	753.9	758.3	-1%	
Adjusted operating income *1	(28.0)	28.3	23.4	21%	
Operating income	(22.0)	23.6	34.1	-31%	
Income before income taxes	(15.0)	23.9	24.5	-3%	
Net income attributable to owners of the parent	(5.0)	8.0	8.8	-9%	
EBIT *2	(16.5)	24.7	26.9	-8%	
F X	Rate (YEN/US\$)	(104.8)	108.7	120.1	-11.4
	Rate (YEN/EURO)	(115.5)	118.9	132.4	-13.5
	Rate (YEN/RMB)	(15.6)	16.2	18.6	-2.4
Cash dividend per share (yen) *3	(TBD)	12	40	-28	

note : () shows previous forecast as of Jan 2017

*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

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

*3 "Cash dividend per share": Under the company's policy for stable distribution of retained earnings linked to consolidated performance, the company aims for its consolidated dividend payout ratio to be around 30% or more.

- Revenue in India and in China has increased compared to the previous year despite the negative exchange impact.
- On the other hand, the revenue significantly decreased by 16% or 14.5 billion yen in North America year on year, by 3% or 6.8 billion yen in Japan year on year, and by 19% or 5.5 billion yen in the Middle East year on year.

(billions of yen)

	FY2016 Actual		FY2015 Actual		change	
	amount	(ratio)	amount	(ratio)	amount	%
Japan	226.0	(30%)	232.8	(31%)	-6.8	-3%
Asia	62.2	(8%)	66.9	(9%)	-4.7	-7%
India	48.6	(6%)	40.4	(5%)	8.1	20%
Oceania	96.4	(13%)	93.5	(12%)	2.9	3%
Europe	87.6	(12%)	89.0	(12%)	-1.4	-2%
N.America	78.5	(10%)	93.0	(12%)	-14.5	-16%
L.America	7.0	(1%)	6.7	(1%)	0.3	4%
Russia-CIS	19.5	(3%)	16.9	(2%)	2.6	15%
M.East	22.7	(3%)	28.2	(4%)	-5.5	-19%
Africa	34.1	(5%)	37.0	(5%)	-3.0	-8%
China	71.5	(9%)	53.8	(7%)	17.7	33%
Total	753.9		758.3		-4.4	-1%

Overseas revenue
ratio 70%

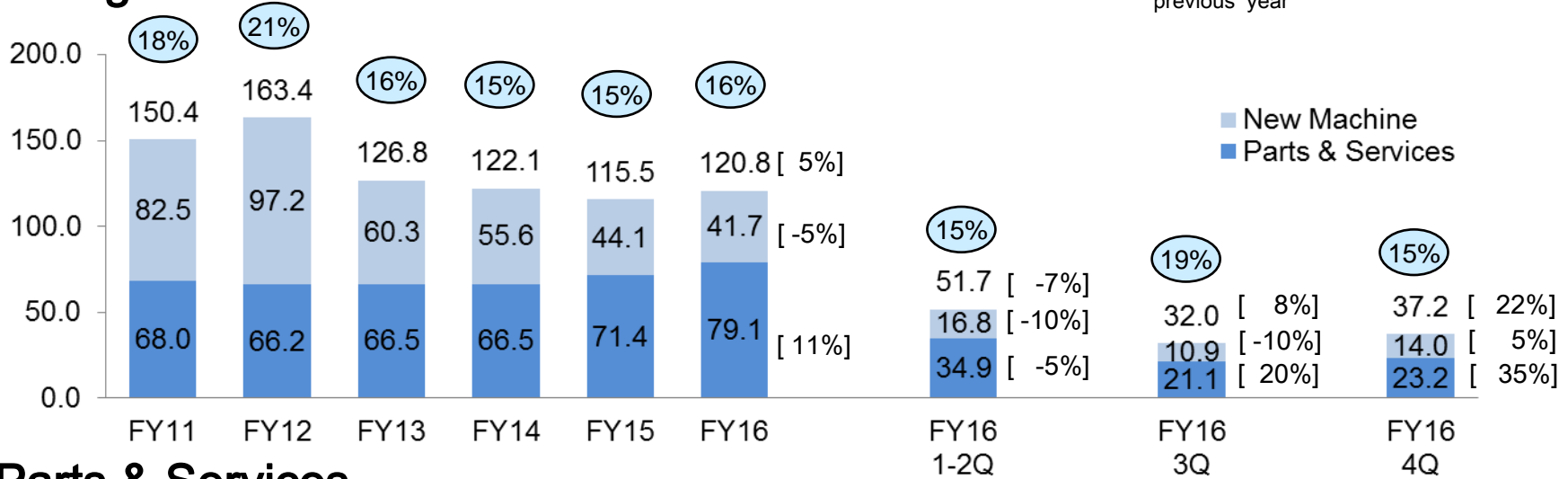
Overseas revenue
ratio 69%

(billions of yen)

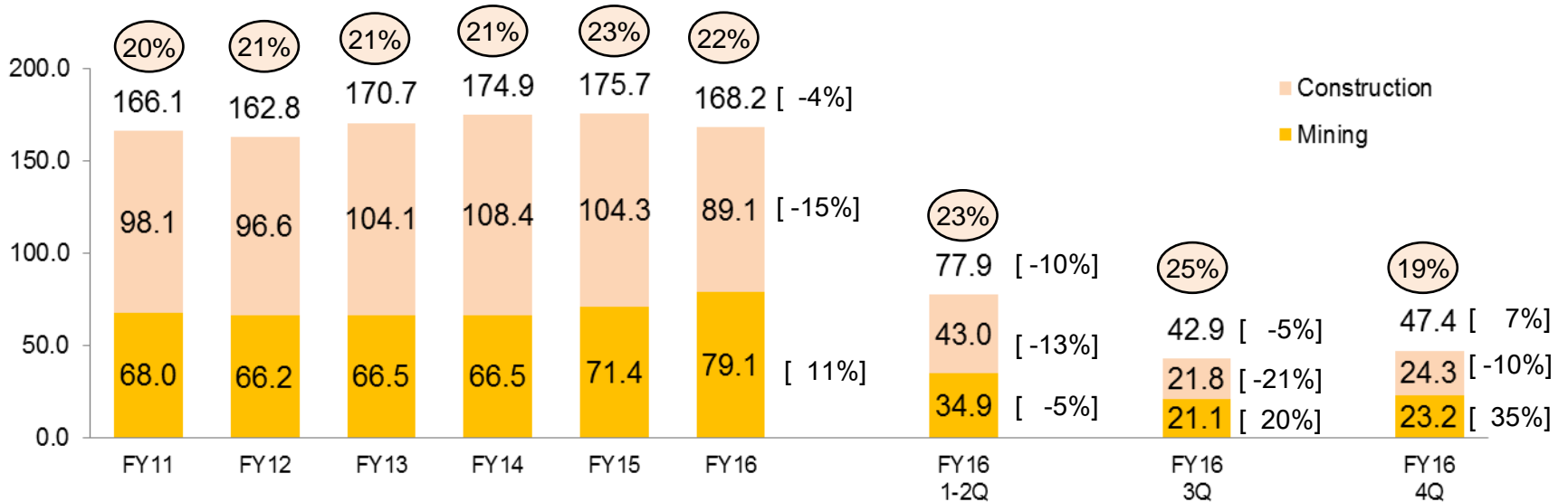
(%) shows sales ratio against total company sales

[%] shows changed ratio from the same period of previous year

Mining

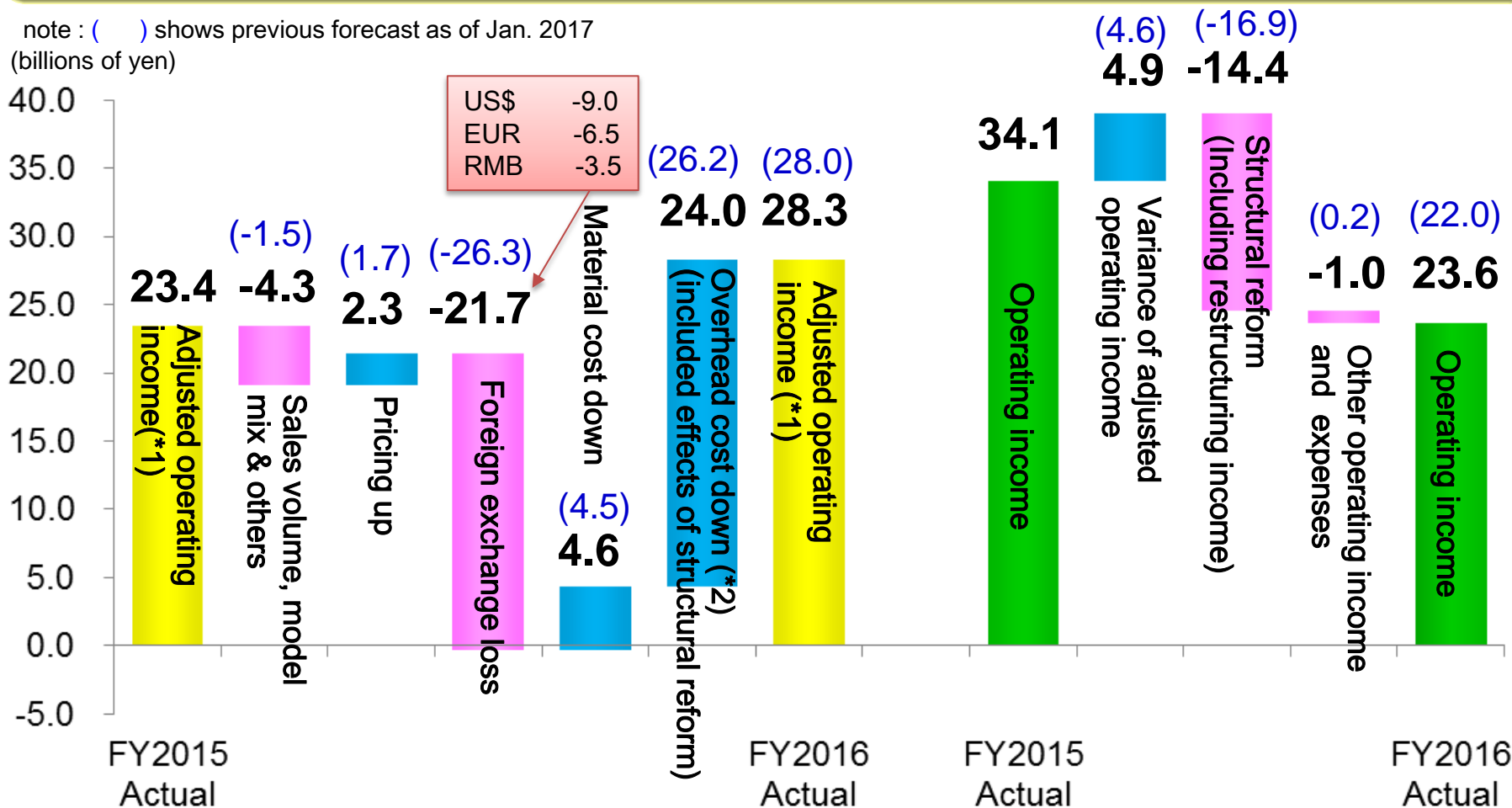


Parts & Services



Adjusted operating income has increased by 4.9 billion yen year on year owing to the reduction in overheads and material costs, and the increase in selling price, while it was negatively influenced by appreciation of the Japanese yen.

note : () shows previous forecast as of Jan. 2017
(billions of yen)



*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

*2 Overhead cost : Including +5.5billion by KCM and +2.0billion by H-E-Parts group companies consolidation.

- Adjusted operating income increased by 4.9 billion yen to 28.3 billion yen due to the reduction in overheads compared to the previous year.
- Operating income decreased by 10.4 billion yen to 23.6 billion yen due to the decreased gain on business restructuring compared to the previous year.
- Net income attributable to owners of the parent decreased by 0.8 billion yen to 8 billion yen compared to the previous year by the reduction of financial costs despite the decrease in operating income.

(billions of yen)

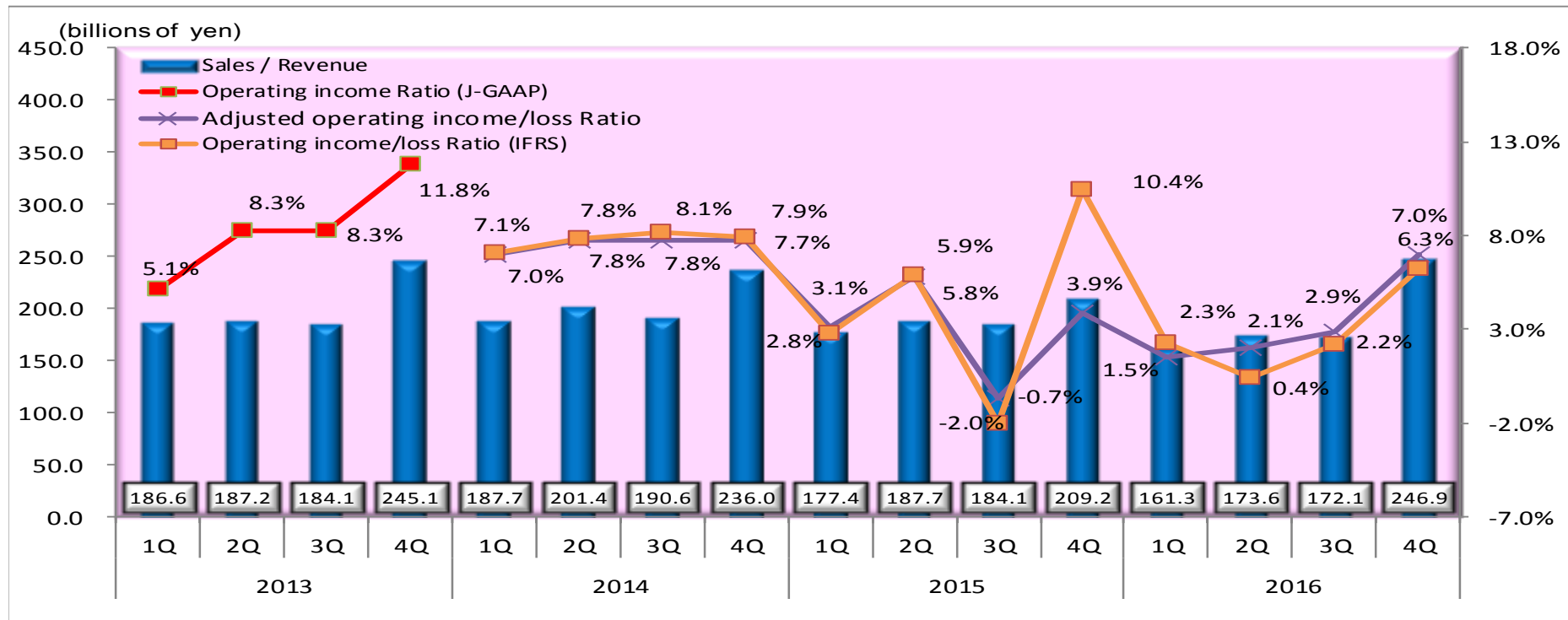
	FY2016 Actual	FY2015 Actual	change	
			amount	%
Revenue	753.9	758.3	-4.4	-1%
Cost of Sales	(77.3%) 583.0	(76.3%) 578.7	4.3	1%
SGA expenses	(18.9%) 142.7	(20.6%) 156.2	-13.6	-9%
Adjusted operating income *1	(3.7%) 28.3	(3.1%) 23.4	4.9	21%
Other Income/expenses	-4.6	10.7	-15.3	-
Operating income	(3.1%) 23.6	(4.5%) 34.1	-10.4	-31%
Financial income/expenses	0.5	-9.8	10.3	-
Share of profits of investments accounted for using the equity method	-0.3	0.2	-0.5	-
Income before income taxes	(3.2%) 23.9	(3.2%) 24.5	-0.7	-3%
Income taxes	9.7	14.2	-4.5	-32%
Net income	(1.9%) 14.2	(1.4%) 10.3	3.9	38%
Net income attributable to owners of the parent	(1.1%) 8.0	(1.2%) 8.8	-0.8	-9%
Comprehensive income	11.7	-26.1	37.8	-

*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

Summary of quarterly consolidated revenue and operating income/loss (ratio) 6

(billions of yen)

	2013				2014				2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales / Revenue	186.6	187.2	184.1	245.1	187.7	201.4	190.6	236.0	177.4	187.7	184.1	209.2	161.3	173.6	172.1	246.9
Operating income(J-GAAP)	9.6	15.5	15.2	28.9	11.6	13.8	13.2	15.8	/	/	/	/	/	/	/	/
Adjusted operating income/loss	/	/	/	/	13.1	15.7	14.8	18.3	5.5	11.0	-1.2	8.1	2.4	3.6	5.0	17.3
Operating income/loss(IFRS)	/	/	/	/	13.2	15.8	15.5	18.6	4.9	11.1	-3.8	21.8	3.7	0.7	3.8	15.5



FX rate	2013				2014				2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Rate (YEN/US\$)	98.8	99.0	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2	121.5	115.5	108.1	102.4	109.3	113.6
Rate (YEN/EURO)	129.0	131.1	136.7	140.8	140.1	137.8	143.1	134.2	134.2	136.0	133.0	127.2	122.0	114.3	117.8	121.1
Rate (YEN/RMB)	16.1	16.2	16.5	16.9	16.4	16.9	16.8	19.1	19.6	19.3	18.9	17.6	16.5	15.4	16.0	16.6

- Total Assets increased by 73 billion yen compared with previous year.
- increase: the consolidation of H-E Parts (25.5 billion yen) and Bradken (80.3 billion yen)
- decrease: inventory and Hitachi Sumitomo Crane (19.6 billion yen, from consolidated to equity method)
- Days of net working capital on hand were reduced by 12 days compared to the previous fiscal year-end.

(billions of yen)

	(A) Mar '2017	(B) Mar '2016	(A)-(B) change
Cash and cash equivalents	65.5	79.1	-13.7
Trade receivables	184.5	182.9	1.5
Inventories	232.4	248.6	-16.2
Total current assets	527.0	549.2	-22.2
Total non-current assets	472.6	377.4	95.2
Total assets	999.6	926.6	73.0

Trade receivables incl. non-current	215.7	206.1	9.7
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Inventories by products

Unit	49.8	62.2	-12.4
Parts	94.1	96.0	-2.0
Raw materials, WIP and etc	88.5	90.3	-1.8
Total inventories	232.4	248.6	-16.2

On hand days(divided by net sales) (Days)

Trade receivables	104	99	5
Inventories	112	120	-8
Trade payables	64	54	10
Net working capital	151	163	-12

	(D) Mar '2017	(E) Mar '2016	(D)-(E) change
Trade and other payables	227.3	205.9	21.5
Bonds and borrowings	248.7	217.9	30.8
Total current liabilities	549.2	469.8	79.4
(Equity attributable to owners of the parent ratio)	(40.0%)	(42.7%)	(-2.8%)
Total equity	450.4	456.8	-6.4
Total liabilities and equity	999.6	926.6	73.0

Interest-bearing debt	(24.9%)	(23.5%)	(1.4%)
Cash and Cash equivalents	65.5	79.1	-13.7
Interest-bearing debt, net Debt	(18.3%)	(15.0%)	(3.4%)
	183.2	138.8	44.5

Net D/E Ratio	0.46	0.35	0.11
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- Net cash provided by (used in) operating activities decreased by 26.9 billion yen to a positive 88 billion yen compared to the previous year.
- Free cash flows were a positive 13.4 billion yen despite the acquisition of shares of H-E Parts group companies of 19.3 billion yen and Bradken group companies of 36.8 billion yen.

(billions of yen)

	FY2016		FY2015		change	
	Actual		Actual			
Net income		14.2		10.3		3.9
Depreciation and amortization	48.2	34.0	45.7	35.4	2.4	-1.5
(Increase)decrease in trade/lease receivables		-6.2		52.4		-58.6
(Increase)decrease in inventories		29.0		59.8		-30.8
Increase(decrease) in trade payables	43.3	20.6	97.6	-14.7	-54.2	35.2
Others, net		-3.5		-28.4		24.9
Net cash provided by (used in) operating activities		88.0		114.9		-26.9
Cash flow margin for operating activities		11.7%		15.1%		-3.5%
Net cash provided by (used in) investing activities		-74.6		18.3		-92.9
Free cash flows		13.4		133.1		-119.8
Net cash provided by (used in) financing activities		-25.8		-98.2		72.3

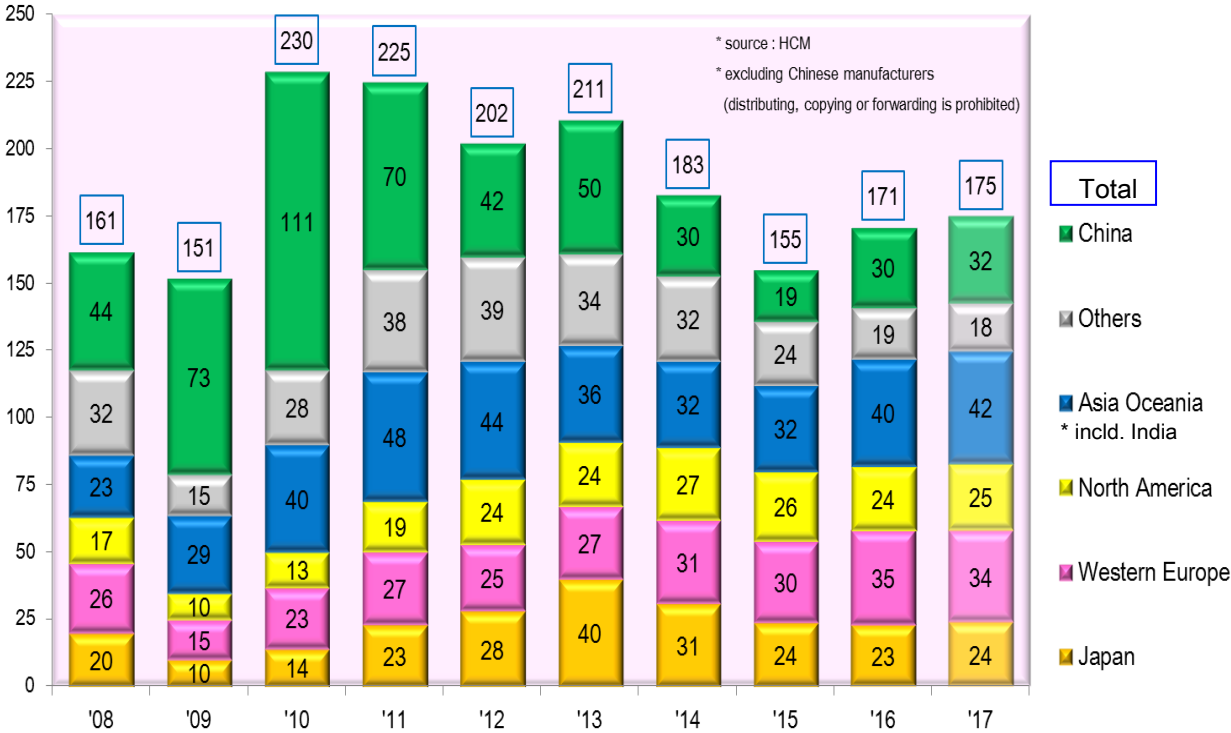
II. Consolidated earnings forecast

- HCM expects the FY2017 global demand for hydraulic excavators to grow modestly by 2% to 175K units year on year.

The ratio of emerging countries in FY2017 : 53%(+1% of previous year)

*Emerging countries : China, Asia/Oceania and others

(in thousand of units)



year on year change by region

	'15	'16	'17
Total	-15%	+10%	+2%
China	-36%	+58%	+6%
Russia-CIS & E.Europe	-46%	+16%	-8%
Africa	-34%	6%	-6%
Middle East	-2%	-42%	-3%
Latin America	-38%	-20%	+4%
Others	-25%	-21%	-5%
India	+29%	+47%	+13%
Indonesia	-38%	+35%	+14%
Others	+0%	+11%	-5%
Asia & Oceania	0%	+25%	+5%
North America	-4%	-8%	+4%
Western Europe	-3%	17%	-3%
Japan	-23%	-4%	+4%

1. Increase

Company name	Reason of change	Date of transfer	location	Principal activity	Revenues (FY2017 forecast)
H-E Parts International LLC and its 26 group companies	new acquisition	December 21, 2016	Delaware, USA	Provider of services related to mining and construction machines, manufacturing, development, and the sale of aftermarket parts	89.6 billion Yen
Bradken Limited and its 17 group companies	new acquisition	March 20, 2017	NSW, Australia	Metal casting and manufacture and distribution services for metal casting products	

2. Decrease

Company name	Transfer	Date of transfer	location	Principal activity	Revenues (FY2016 Actual)
Hitachi Sumitomo Heavy Industries Construction Crane Co.,Ltd.	To be an equity-method affiliate	March 31, 2017	Tokyo, Japan	Manufacture, repair and sales of construction equipment such as crawler cranes, and other auxiliary equipment	41.8 billion Yen

- HCM expects revenue for FY2017 to increase by 7% year on year due to the increase in demand and the consolidation of H-E Parts group companies and Bradken group companies despite the negative impact of appreciation of the Japanese yen.
- Adjusted operating income is to increase by 63% year on year considering the increase in revenues and favorable impact of restructuring reform.

(billions of yen)					
	FY2017 Forecast	FY2016 Actual		Change	
				amount	%
Revenue	810.0	753.9	56.1	7%	
Adjusted operating income *1	(5.7%) 46.0	(3.7%) 28.3	17.7	63%	
Operating income	(5.4%) 44.0	(3.1%) 23.6	20.4	86%	
Income before income taxes	(4.6%) 37.0	(3.2%) 23.9	13.1	55%	
Net income attributable to owners of the parent	(2.2%) 18.0	(1.1%) 8.0	10.0	124%	
EBIT *2	40.7	24.7	16.1		
F X	Rate (YEN/US\$)	105.0	108.7	-3.7	
	Rate (YEN/EURO)	110.0	118.9	-8.9	
	Rate (YEN/RMB)	15.0	16.2	-1.2	
Cash dividend per share (yen) *3	to be determined	12	-		
FX sensitivity of adjusted operating income (Year) (Impact by 1 yen for US\$ and EURO, 0.1 yen for RMB depreciation)					
US\$ (1.0)	1.1				
EURO (1.0)	0.6				
RMB (0.1)	0.2				

*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

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

*3 "Cash dividend per share": Under the company's policy for stable distribution of retained earnings linked to consolidated performance, the company aims for its consolidated dividend payout ratio to be around 30% or more.

- Compared with the previous fiscal year, HCM forecasts an increase in revenue in North America and Oceania considering the impact of consolidation of H-E Parts group companies and Bradken group companies, and an increase in total revenues for FY2017 despite the decrease in revenue in Japan, Europe, and Russia-CIS.

(billions of yen)

	FY2017 Forecast		FY2016 Actual		VS. FY2016	
					amount	%
Japan	194.2	(24%)	226.0	(30%)	-31.8	-14%
Asia	65.8	(8%)	62.2	(8%)	3.6	6%
India	57.6	(7%)	48.6	(6%)	9.0	19%
Oceania	129.3	(16%)	96.4	(13%)	32.9	34%
Europe	82.5	(10%)	87.6	(12%)	-5.0	-6%
N.America	113.3	(14%)	78.5	(10%)	34.8	44%
L.America	11.0	(1%)	7.0	(1%)	4.0	57%
Russia-CIS	17.6	(2%)	19.5	(3%)	-1.9	-10%
M.East	22.2	(3%)	22.7	(3%)	-0.5	-2%
Africa	42.4	(5%)	34.1	(5%)	8.3	25%
China	74.1	(9%)	71.5	(9%)	2.7	4%
Total	810.0	(100%)	753.9	(100%)	56.1	7%

Overseas revenue ratio

76%

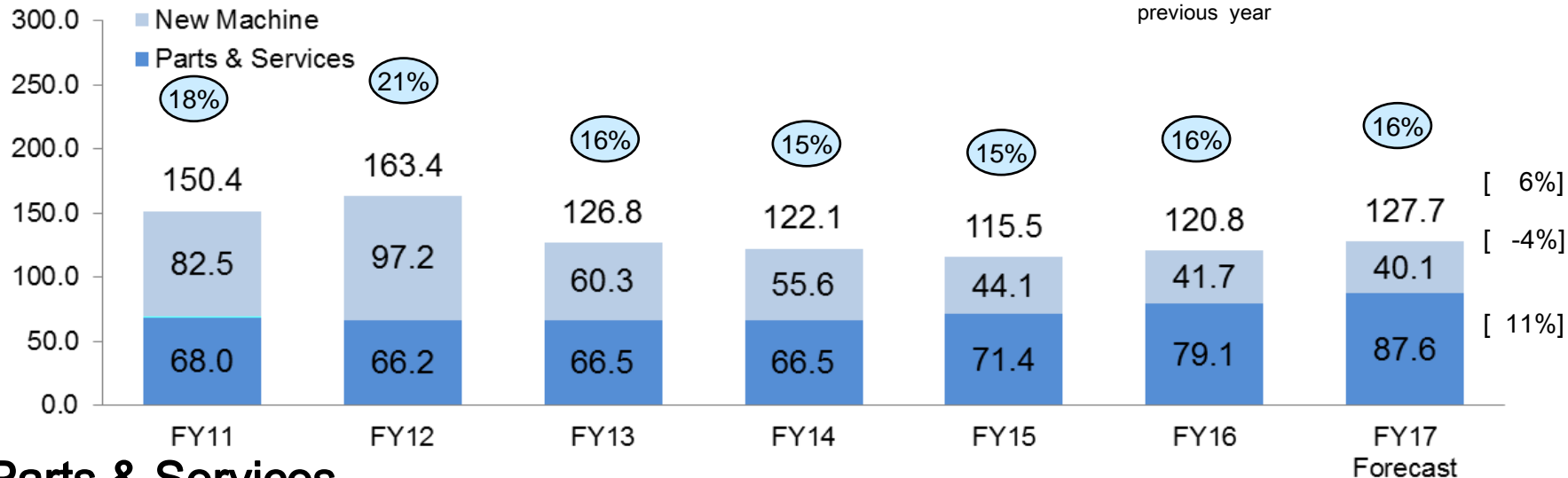
70%

(billions of yen)

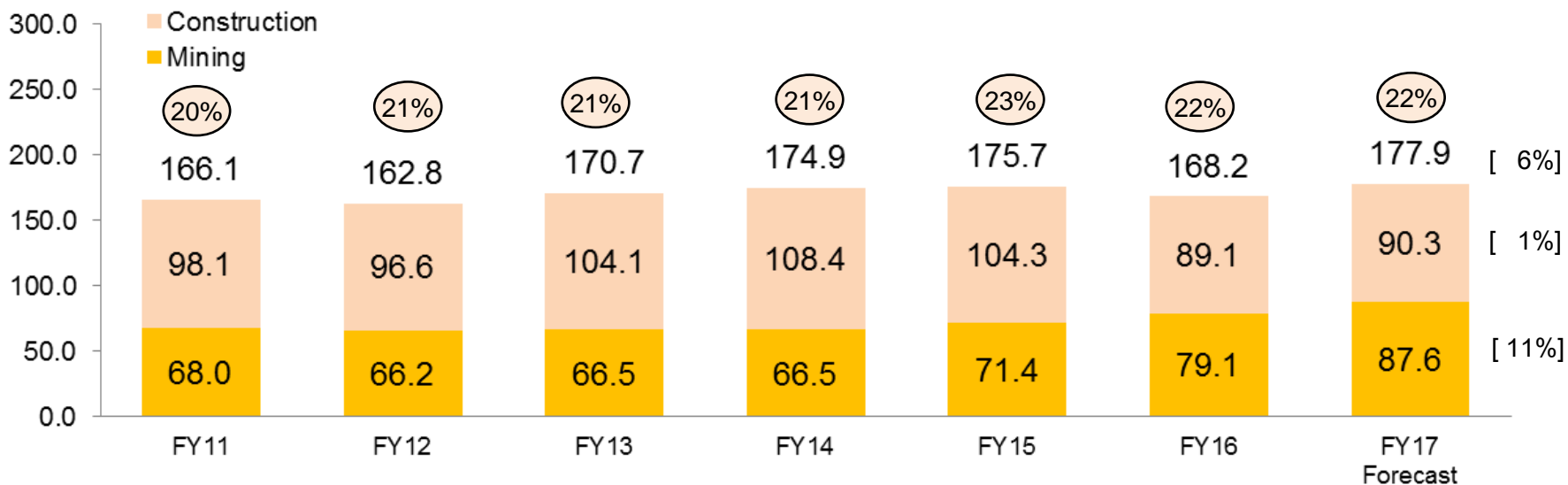
(%) shows sales ratio against total company sales

[%] shows changed ratio from the same period of previous year

Mining

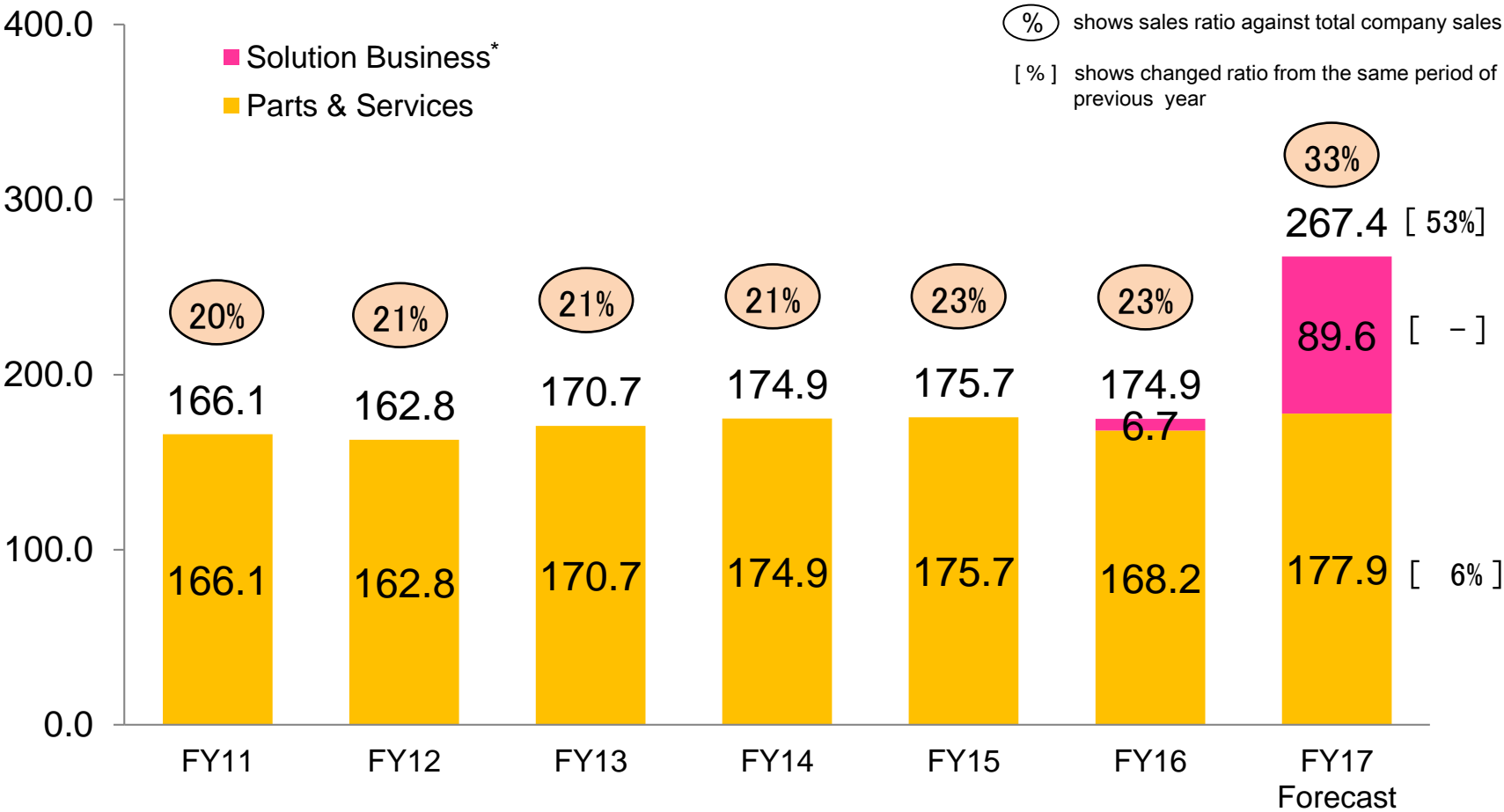


Parts & Services



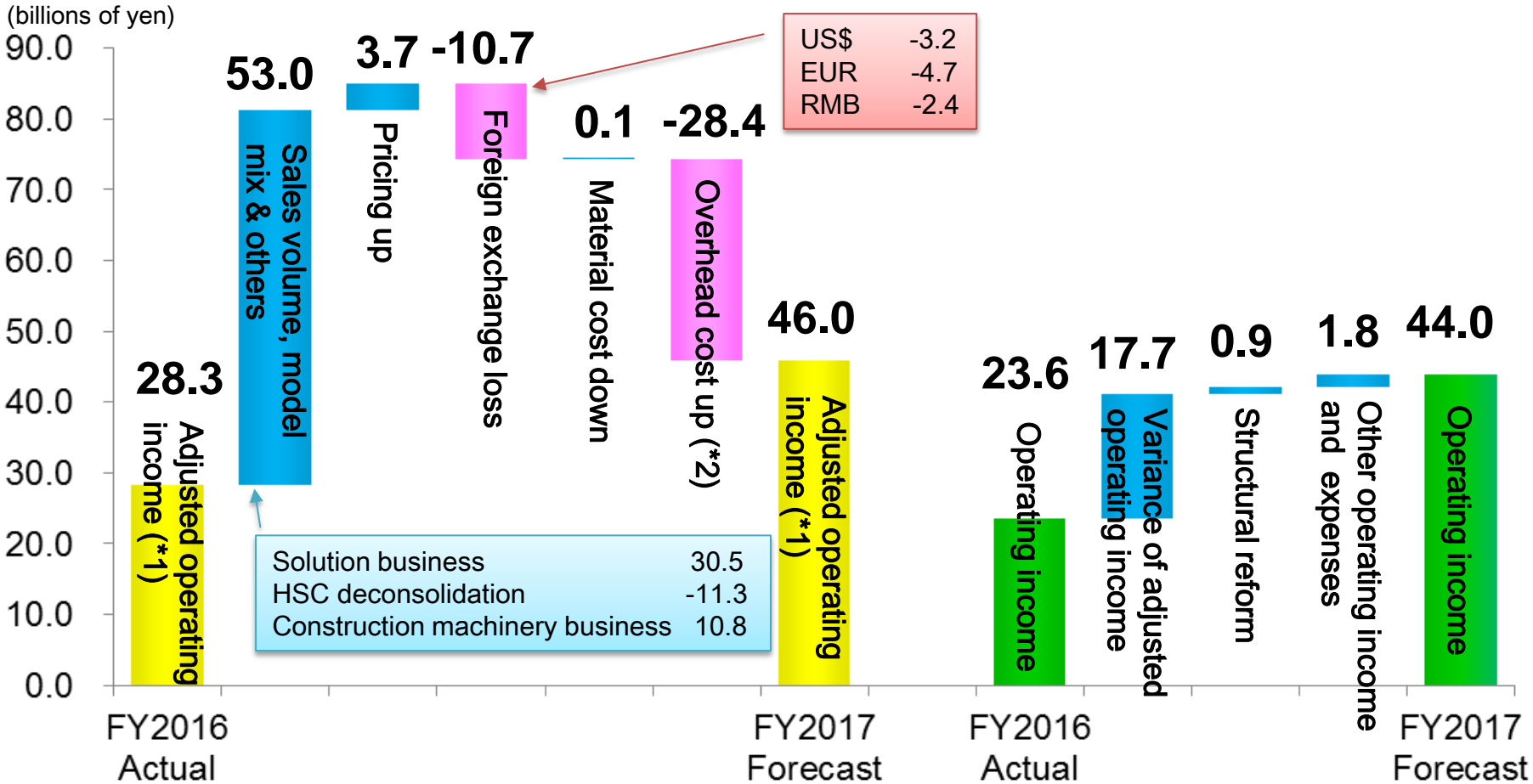
• HCM forecasts a large FY2017 sales increase of 53% compared to FY2016 due to the addition of solution business, which is composed of H-E Parts group companies and Bradken group companies.

(billions of yen)



*Solution business: Primarily intend to manufacture and sell aftermarket parts, and provide services are not included in the construction machinery business segment.

· HCM forecasts FY2017 adjusted operating income to increase by 17.7 billion yen compared to FY2016 due to the consolidation of H-E Parts group companies and Bradken group companies, as well as sales volume increase in hydraulic excavators, while it is negatively influenced by appreciation of the Japanese yen.



*1 "Adjusted operating income" is calculated by excluding "Other income" and "Other expenses" from "Operating Income" listed in Consolidated Statements of Income.

*2 Overhead cost: Including +20.6 billion by Bradken and H-E Parts group companies consolidation and -6.2 billion by HSC conversion into an equity-method affiliate.

<Appendix> Detail of mining revenue

HITACHI

Reliable solutions

(billions of yen)

		FY15 Result			FY16 Result			Change from FY15			FY17 Forecast	Change from FY16
		1-2Q	3-4Q	Year	1-2Q	3-4Q	Year	1-2Q	3-4Q	Year	Year	Year
America	Excavator	2.8	3.2	6.0	5.2	4.9	10.1	2.4	1.7	4.1	10.1	0.0
	Dump Truck	2.1	4.6	6.6	2.3	3.7	6.0	0.3	-0.9	-0.6	8.5	2.5
	Total	4.9	7.8	12.6	7.6	8.6	16.1	2.7	0.8	3.5	18.7	2.5
Europe, Africe and Middle East	Excavator	6.0	8.6	14.6	4.8	10.5	15.3	-1.2	1.8	0.7	15.1	-0.2
	Dump Truck	8.3	6.3	14.6	9.1	9.6	18.6	0.7	3.3	4.0	18.5	-0.2
	Total	14.3	14.9	29.2	13.9	20.0	33.9	-0.4	5.1	4.7	33.6	-0.4
Asia and Oceania	Excavator	28.6	30.4	59.0	19.8	27.3	47.1	-8.8	-3.0	-11.9	50.5	3.3
	Dump Truck	7.5	6.4	13.9	9.0	12.2	21.1	1.5	5.8	7.3	22.3	1.1
	Total	36.1	36.8	72.9	28.8	39.5	68.3	-7.3	2.7	-4.6	72.7	4.5
China	Excavator	0.0	0.2	0.2	0.6	0.6	1.2	0.6	0.4	0.9	1.2	0.0
	Dump Truck	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.0
	Total	0.0	0.3	0.3	0.7	0.7	1.4	0.7	0.4	1.1	1.3	0.0
Japan	Excavator	0.0	0.5	0.5	0.7	0.4	1.1	0.7	-0.1	0.6	1.4	0.2
	Dump Truck	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total	0.0	0.5	0.5	0.7	0.4	1.1	0.7	-0.1	0.6	1.4	0.2
Total	Excavator	37.4	42.9	80.3	31.2	43.7	74.8	-6.3	0.7	-5.5	78.2	3.4
	Dump Truck	17.9	17.3	35.2	20.5	25.5	46.0	2.6	8.2	10.9	49.5	3.4
	Total	55.3	60.2	115.5	51.7	69.2	120.8	-3.6	9.0	5.3	127.7	6.8

<Appendix> Actual and forecast of consolidated capital expenditures, depreciation, and R&D expenses

1.Capital Expenditure (Based on completion) (billion of yen)

	FY2014	FY2015	FY2016	FY2017
	Actual	Actual	Actual	Forecast
HCM	4.1	6.4	2.9	4.8
Subsidiaries	12.4	14.6	11.2	20.8
Subtotal	16.5	21.0	14.1	25.6
Assets held for operating lease	15.9	14.1	16.5	18.0
Total	32.4	35.2	30.7	43.6

2.Depreciation (tangible and intangible fixed assets) (billion of yen)

	FY2014	FY2015	FY2016	FY2017
	Actual	Actual	Actual	Forecast
HCM	13.4	11.3	10.5	10.3
Subsidiaries	13.8	12.4	11.9	11.0
Subtotal	27.2	23.7	22.4	21.2
Assets held for operating lease	11.5	11.8	11.5	11.7
Total	38.7	35.4	34.0	32.9

3.R&D (billion of yen)

	FY2014	FY2015	FY2016	FY2017
	Actual	Actual	Actual	Forecast
HCM	15.4	16.2	15.8	23.2
Subsidiaries	2.5	2.6	3.5	3.8
Total	17.8	18.8	19.3	27.0