

Consolidated Financial Results for the Year Ended March 31, 2026 (IFRS)

April 24, 2026

Listed company: Hitachi Construction Machinery Co., Ltd.

Stock exchange: Tokyo (Prime Market) Code number: 6305

URL <https://www.hitachim.com/global/en/>

Representative: Masafumi Senzaki, President and Executive Officer, COO

Scheduled date of ordinary General Meeting of Shareholders: June 29, 2026

Scheduled date of commencement of payment of dividends: May 29, 2026

Scheduled date for submission of Securities Report: June 23, 2026

Supplementary materials to the financial statements have been prepared: Yes

Presentation will be held to explain the financial statements: Yes (for institutional investors, analysts and journalists)

(Rounded off to the nearest million)

1. Consolidated results for the year ended March 31, 2026(April 1, 2025 to March 31, 2026)

(1) Consolidated results

(%: Changes from the same period of the previous fiscal year)

	Revenue		Adjusted operating income		Income before income taxes		Net income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,405,493	2.5	132,951	(8.3)	124,226	(7.4)	82,688	(9.9)	73,193	(10.1)
March 31, 2025	1,371,285	(2.5)	144,989	(13.7)	134,168	(16.4)	91,794	(12.1)	81,428	(12.7)

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

	Net income attributable to owners of the parent per share (basic)	Net income attributable to owners of the parent per share (diluted)	Profit on equity attributable to owners of the parent	Ratio of income before income taxes	Operating income to revenue
	Yen	Yen	%	%	%
March 31, 2026	344.06	344.06	8.6	6.8	9.3
March 31, 2025	382.83	382.83	10.4	7.4	11.3

References: Share of profits (losses) of investments accounted for using the equity method; March 31, 2026: ¥3,576 million, March 31, 2025: ¥3,239 million

"Net income attributable to owners of parent per share (basic)" and "Net income attributable to owners of parent per share (diluted)" are calculated based on "Net income attributable to owners of parent". From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the previous fiscal years, revenue, adjusted operating income and income before income taxes are presented in amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing operations and discontinued operations.

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,857,321	955,670	900,166	48.5	4,231.37
March 31, 2025	1,791,006	857,952	809,337	45.2	3,805.00

(3) Consolidated cash flows

	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	164,223	(46,728)	(136,322)	141,456
March 31, 2025	143,932	(52,833)	(85,371)	147,136

2. Dividends status

	Cash dividends per share					Dividends paid (Total)	Dividend payout ratio (Consolidated)	Dividend attributable to owners of the parent (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	65.00	—	110.00	175.00	37,223	45.7	4.7
March 31, 2026	—	75.00	—	100.00	175.00	37,229	50.9	4.4
March 31, 2027 (Projection)	—	90.00	—	100.00	190.00		50.5	

(English translation of "KESSAN TANSIN" originally issued in the Japanese language.)

3. Consolidated earnings forecast for the full year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(The percentages indicated show changes from the same period of the previous fiscal year)

	Revenue		Adjusted operating income		Income before income taxes		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2027	1,430,000	1.7	140,000	5.3	133,000	7.1	80,000	9.3	376.06

*Notes

(1) Important changes in the scope of the consolidation during period: None

(2) Changes in accounting policies; changes in accounting estimates

[1] Changes in accounting policies required by IFRS None

[2] Changes in accounting policies other than those in [1] None

[3] Changes in accounting estimates None

(3) Number of outstanding shares (common shares)

[1] Number of outstanding shares (including treasury shares)

March 2026 215,115,038

March 2025 215,115,038

[2] Number of treasury shares

March 2026 2,378,960

March 2025 2,411,476

[3] Average number of common shares outstanding during the fiscal year (shares)

March 2026 212,731,686

March 2025 212,699,280

(Reference) Non-consolidated Financial Results

1. Non-consolidated results for the year ended March 2026(April 1, 2025 to March 31, 2026)

(1) Non-consolidated results

(%: Changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	689,441	(4.7)	4,022	83.9	72,702	6.4	27,879	(69.4)
March 31, 2025	723,660	(10.7)	2,186	(86.6)	68,274	(10.5)	91,118	38.6

	Net income per share	Net income per share (Diluted)
	Yen	Yen
March 31, 2026	131.05	131.05
March 31, 2025	428.39	428.39

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	896,080	472,632	52.7	2,221.68
March 31, 2025	928,265	482,443	52.0	2,268.15

(Reference) Total equity at fiscal year-end March 2026: ¥472,632 million March 2025: ¥482,442 million

Indication of audit procedure implementation status

This earnings report is exempt from audit procedure.

Explanation on the appropriate use of results forecasts and other important items

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially. Please refer to “1. Management Performance and Financial Conditions, (2) Outlook for the Fiscal Year Ending March 2027” of the attachment for conditions serving as assumptions for results forecasts.

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1. Management Performance and Financial Conditions

(1) Management Results

Under the three-year medium-term management plan “BUILDING THE FUTURE 2025,” which concludes in the fiscal year ending March 31, 2026, the Company was committed to the sustainable growth and enhancement of corporate value through four management strategies:

[1] Delivering innovative solutions for customer needs; [2] Enhancing the value chain business; [3] Expanding business in the Americas; and [4] Strengthening human capital and corporate capabilities.

During the fiscal year under review (April 1, 2025 to March 31, 2026), a decrease in sales in the Americas OEM business and Oceania weighed on revenue. On the other hand, demand remained firm in Europe and our own developing business in the Americas, resulting in revenue exceeding the previous fiscal year in each area. As a result, revenue increased year on year to ¥1,405,493 million (an increase of 2.5% year on year).

As for consolidated income items, although selling price increases contributed positively, the impact was more than offset by higher costs related to U.S. tariffs, growth investments, and an unfavorable regional and product mix. As a result, adjusted operating income decreased to ¥132,951 million (a decrease of 8.3% year on year). Furthermore, net income attributable to owners of the parent was ¥73,193 million (a decrease of 10.1% year on year) due to the decrease in an adjusted operating income. On the other hand, operating cash flow and free cash flow increased year on year due to efforts to reduce inventory.

Note that, from the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations in line with IFRS accounting standards. As a result, for the previous fiscal year, revenue, adjusted operating income, operating income, and income before income taxes are presented as amounts for continuing operations excluding discontinued operations, while net income and net income attributable to owners of the parent are presented as the sum of continuing and discontinued operations.

Business results by segment are described below.

[1] Construction Machinery Business

During the fiscal year under review, revenue was ¥1,268,594 million (an increase of 2.0% year on year) and adjusted operating income was ¥121,481 million (a decrease of 6.4% year on year). Sales were solid in Europe and our own developing business in the Americas, and selling price increases helped support both revenue and adjusted operating income. Nevertheless, cost increases—including those related to U.S. tariffs—together with the unfavorable regional and product mix negatively impacted results.

[2] Specialized Parts & Service Business

This segment consists primarily of Bradken Pty Limited and its subsidiaries, which are engaged in parts and services in the after-sales market for mining facilities and machinery, and H-E Parts International LLC and its subsidiaries, which provide service solutions for mining equipment.

During the fiscal year under review, revenue was ¥145,226 million (an increase of 7.1% year on year), while adjusted operating income was ¥11,470 million (a decrease of 24.2% year on year). The increase in revenue was primarily due to the acquisition of U.S.-based Brake Supply Co., Inc. in December 2024. However, adjusted operating income decreased due to the impact of U.S. tariffs, investment restraint by some major customers and intensifying competitive conditions.

The revenues for segments [1] and [2] are presented before intersegment adjustments.

The following table summarizes consolidated net revenue by geographic area:

	FY2025 (April 1, 2025- March 31, 2026)		FY2024 (April 1, 2024- March 31, 2025)		Increase (Decrease)	
	Revenue (A)	Proportion (%)	Revenue (B)	Proportion (%)	(A)-(B)	(A)/(B)-1 (%)
North America	302,503	21.5	312,367	22.8	(9,864)	(3.2)
Central and South America	42,019	3.0	43,768	3.2	(1,749)	(4.0)
The Americas	344,522	24.5	356,135	26.0	(11,613)	(3.3)
Europe	201,875	14.4	159,656	11.6	42,219	26.4
Russia-CIS	15,924	1.1	19,585	1.4	(3,661)	(18.7)
Africa	92,713	6.6	84,960	6.2	7,753	9.1
Middle East	38,481	2.7	33,590	2.4	4,891	14.6
Russia-CIS, Africa, and the Middle East	147,118	10.5	138,135	10.1	8,983	6.5
Asia	119,904	8.5	118,493	8.6	1,411	1.2
India	92,608	6.6	87,456	6.4	5,152	5.9
Oceania	248,996	17.7	258,853	18.9	(9,857)	(3.8)
Asia and Oceania	461,508	32.8	464,802	33.9	(3,294)	(0.7)
China	26,438	1.9	32,527	2.4	(6,089)	(18.7)
Sub-total	1,181,461	84.1	1,151,255	84.0	30,206	2.6
Japan	224,032	15.9	220,030	16.0	4,002	1.8
Total	1,405,493	100.0	1,371,285	100.0	34,208	2.5

(Rounded off to the nearest million)

Note: From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the previous fiscal year, revenue are presented in amounts for continuing operations excluding discontinued operations.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

(2) Outlook for the Fiscal Year Ending March 2027

The Company has newly formulated the three-year mid-term management plan entitled “LANDCROS 2028”, which concludes in the fiscal year ending March 31, 2029. To establish a position among the top three in the industry over the medium to long term, the Company will continue to pursue sustainable growth and the enhancement of corporate value by focusing on four key businesses:

[1] North American Business; [2] Latin American Business; [3] Mining Business;
[4] Parts and Service Business.

In the fiscal year ending March 2027, demand for hydraulic excavators is expected to decline slightly in some regions, including Africa and Asia, as a reaction to strong demand in the previous year. Conversely, demand in key regions such as North America and Europe is expected to remain robust, maintaining the strong levels seen in the previous year. Globally, overall demand is projected to remain generally in line with the previous year.

In the mining sector, demand is expected to remain at the same level as the previous year, similar to hydraulic excavator demand. By region, although a slowdown is anticipated, particularly in Indonesia, demand in Australia is forecast to remain strong. By mineral type, demand for coal and iron ore is expected to be weak amid significant uncertainty, while demand for copper and gold mines is expected to remain solid, continuing the trend from the previous year.

Based on the above business environment, in the consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027), we expect revenue to increase slightly year on year. Although increased costs are anticipated due to U.S. tariffs and expenses associated with the brand change, adjusted operating income to increase year on year due to improvements in regional and model mix, cost reduction initiatives, and price increases. Furthermore, given the highly fluid nature of the situation, we have not factored the potential impact of the escalating tensions in the Middle East into our earnings forecast at this time.

The business environment surrounding the Company continues to grow increasingly uncertain. However, based on the above performance outlook and considering the recent situation, where we expect a certain degree of improvement in performance and continued stable cash-flow generations, we plan a record-high annual dividend of ¥190 per share for the fiscal year ending March 2027.

These forecasts are based on the following exchange rates: ¥150 to the US dollar, ¥178 to the euro, ¥22.1 to the Chinese yuan, and ¥107 to the Australian dollar.

In April 2027, Hitachi Construction Machinery is scheduled to change its name to “LANDCROS Corporation” and our new corporate brand will be “LANDCROS”. Even after the trade name changes to “LANDCROS Corporation” the company will continue as always to directly address customer issues and provide high-quality products and services to realize the company's long-stated vision. We will continue to grow together with customers as a solutions provider that offers innovative solutions to customers.

Consolidated Earnings Forecast for the Full Year Ending March 31, 2027

	Revenue	Adjusted operating income	Operating income	Income before income taxes	Net income attributable to owners of the parent	Net income attributable to owners of the parent per share (basic)
Forecast	Millions of yen 1,430,000	Millions of yen 140,000	Millions of yen 140,000	Millions of yen 133,000	Millions of yen 80,000	Yen 376.06
Change	24,507	7,049	9,856	8,774	6,807	—
Change (%)	1.7	5.3	7.6	7.1	9.3	—
(Reference) FY2025	1,405,493	132,951	130,144	124,226	73,193	344.06

(Rounded off to the nearest million)

Notes:

Any forward-looking statements in the report, including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors may cause actual results to differ materially.

(3) Analysis of Financial Condition

[1] Status of Assets, Liabilities, and Net Assets

(Assets)

Current assets amounted to ¥ 1,043,051 million, an increase of 4.2%, or ¥ 42,296 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 26,165 million in trade receivables and ¥ 10,041 million in inventories.

Non-current assets amounted to ¥ 814,270 million, an increase of 3.0%, or ¥ 24,019 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 6,553 million in property, plant and equipment and ¥ 5,269 million in goodwill.

As a result, total assets increased by 3.7%, or ¥ 66,315 million, from the previous fiscal year-end to ¥ 1,857,321 million.

(Liabilities)

Current liabilities amounted to ¥ 608,661 million, a decrease of 0.7%, or ¥ 4,595 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 10,534 million in bonds and borrowings although there was an increase of ¥ 4,241 million in other financial liabilities.

Non-current liabilities amounted to ¥ 292,990 million, a decrease of 8.4%, or ¥ 26,808 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 29,758 million in bonds and borrowings.

As a result, total liabilities decreased by 3.4%, or ¥ 31,403 million, from the previous fiscal year-end to ¥ 901,651 million.

(Equity)

Total equity increased by 11.4%, or ¥ 97,718 million, from the previous fiscal year-end to ¥ 955,670 million. This was mainly due to retained earnings and upturn in foreign currency translation adjustments.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

[2] Analysis of the Status of Consolidated Cash Flows

Cash and cash equivalents at the end of the fiscal year totaled ¥ 141,456 million, a decrease of ¥ 5,680 million from the beginning of the fiscal year. Statement and factors relating to each cash flow category are as follows:

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities for the fiscal year based on ¥ 82,688 million in net income, and included ¥ 68,282 million in depreciation, ¥ 51,815 million decrease in inventories, while ¥ 41,478 million in income tax paid as cash outflow.

As a result, net cash provided by operating activities for the fiscal year totaled to an inflow of ¥ 164,223 million, an increase inflow of ¥ 20,291 million year on year.

(Net cash (provided by) used in investing activities)

Net cash used in investing activities for the fiscal year amounted to ¥ 46,728 million, a decrease of ¥ 6,105 million year on year. This was mainly due to an outlay of ¥ 40,968 million for capital expenditures and ¥ 8,065 million in acquisition of intangible assets.

As a result, free cash flows, the sum of net cash provided by operating activities and net cash used in investing activities, amounted to an inflow of ¥ 117,495 million.

(Net cash (provided by) used in financing activities)

Net cash used in financing activities for the fiscal year amounted to ¥ 136,322 million. While there was a decrease of ¥ 18,907 million in proceeds from long-term debt and bond, this was mainly due to ¥ 52,023 million decrease in short-term debt, net and a ¥ 47,320 million dividends paid (including dividends paid to non-controlling interests)

As a result, cash for financing activities for the fiscal year produced an increased outflow of ¥ 50,951 million year on year.

(Reference) The following table describes cash flow indicator indices:

	March 2026	March 2025	March 2024
Equity attributable to owners of the parent ratio (%)	48.5	45.2	41.6
Equity attributable to owners of the parent ratio on a market price basis (%)	60.4	46.9	52.4
Interest-bearing debt to operating cash flow ratio (%)	3.0	3.7	7.9
Interest coverage ratio (times)	10.2	7.9	4.9

Notes:

Equity attributable to owners of the parent ratio: Equity attributable to owners of the parent/total assets

Equity attributable to owners of the parent ratio on a market price basis: Share market price/total assets

Interest-bearing debt to operating cash flow ratio: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/interest paid

1. Indices are calculated using consolidated figures.
2. The share market price is calculated by multiplying the closing price at the end of the period by the number of outstanding shares at the end of the period (after excluding treasury stock).
3. Cash flows from operating activities reflect cash flows from operating activities as detailed in the Consolidated Statements of Cash Flows. Interest-bearing debt reflects all debt for which the Company is paying interest as detailed in the Consolidated Balance Sheets. Interest payments reflect interest paid as detailed in the Consolidated Statements of Cash Flows.

(4) Dividend Policy

The Company will give well-balanced consideration to the maintenance and strengthening of its financial structure and implementation plans for upfront investments, including investments for technology development and facilities based on medium- and long-term business strategies. At the same time, the Company will, in principle, pay surplus dividends linked to its consolidated business results twice per fiscal year as interim and fiscal year-end dividends and aim to maximize shareholder returns based on a stable and continuous dividend payout ratio of 40% or more on a consolidated basis.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

2. Our Fundamental Position Concerning Selection of Accounting Standards Policy

The Company has been actively promoting global business development and aims to further increase its enterprise value by building a management foundation that can accelerate management visualization and management enhancement as well as governance reinforcement. As part of these efforts and for the purpose of improving the international comparability of financial statements in the capital markets by introducing IFRS, which is a global standard, and unifying the accounting methods within the Group, the Company voluntarily adopts the International Financial Reporting Standards (IFRS) from the presentation of the consolidated financial statements in its annual securities report for the fiscal year ended March 31, 2015.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2026 (A)	As of Mar. 31, 2025 (B)	(A)-(B)
Assets			
Current assets			
Cash and cash equivalents	141,456	147,136	(5,680)
Trade receivables	296,424	270,259	26,165
Contract assets	937	623	314
Inventories	541,224	531,183	10,041
Income tax receivables	5,538	2,745	2,793
Other financial assets	27,418	31,324	(3,906)
Other current assets	19,257	17,485	1,772
Subtotal	1,032,254	1,000,755	31,499
Assets held for sale	10,797	-	10,797
Total current assets	1,043,051	1,000,755	42,296
Non-current assets			
Property, plant and equipment	492,584	486,031	6,553
Right-of-use-asset	67,201	67,328	(127)
Intangible assets	49,050	46,703	2,347
Goodwill	63,809	58,540	5,269
Investments accounted for using the equity method	29,133	25,968	3,165
Trade receivables	46,146	47,647	(1,501)
Deferred tax assets	26,882	25,438	1,444
Other financial assets	30,693	26,296	4,397
Other non-current assets	8,772	6,300	2,472
Total non-current assets	814,270	790,251	24,019
Total assets	1,857,321	1,791,006	66,315
Liabilities			
Current liabilities			
Trade and other payables	233,711	233,766	(55)
Lease liabilities	11,715	12,166	(451)
Contract liabilities	13,922	14,647	(725)
Bonds and borrowings	316,159	326,693	(10,534)
Income taxes payable	11,717	9,622	2,095
Other financial liabilities	16,159	11,918	4,241
Other current liabilities	4,285	4,444	(159)
Subtotal	607,668	613,256	(5,588)
Liabilities held for sale	993	-	993
Total current liabilities	608,661	613,256	(4,595)
Non-current liabilities			
Trade and other payables	1,215	2,317	(1,102)
Lease liabilities	59,254	60,399	(1,145)
Contract liabilities	8,924	8,284	640
Bonds and borrowings	181,407	211,165	(29,758)
Retirement and severance benefit	22,099	20,404	1,695
Deferred tax liabilities	13,868	11,861	2,007
Other financial liabilities	1,712	1,143	569
Other non-current liabilities	4,511	4,225	286
Total non-current liabilities	292,990	319,798	(26,808)
Total liabilities	901,651	933,054	(31,403)
Equity			
Equity attributable to owners of the parent			
Common stock	81,577	81,577	-
Capital surplus	75,863	75,768	95
Retained earnings	614,725	580,257	34,468
Accumulated other comprehensive income	130,998	74,768	56,230
Treasury stock, at cost	(2,997)	(3,033)	36
Total Equity attribute to owners of the parent	900,166	809,337	90,829
Non-controlling interests	55,504	48,615	6,889
Total equity	955,670	857,952	97,718
Total liabilities and equity	1,857,321	1,791,006	66,315

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the year ended Mar. 31, 2026 (A)	For the year ended Mar. 31, 2025 (B)	(A)/(B)×100 (%)
Continuing operations			
Revenue	1,405,493	1,371,285	102
Cost of sales	(988,077)	(942,641)	105
Gross profit	417,416	428,644	97
Selling, general and administrative expenses	(284,465)	(283,655)	100
Adjusted operating income	132,951	144,989	92
Other income	20,885	22,590	92
Other expenses	(23,692)	(12,849)	184
Operating income	130,144	154,730	84
Financial income	6,424	6,196	104
Financial expenses	(15,918)	(29,997)	53
Share of profits of investments accounted for using the equity method	3,576	3,239	110
Income before income taxes	124,226	134,168	93
Income taxes	(41,538)	(43,804)	95
Net income from continuing operations	82,688	90,364	92
Discontinued operations			
Net income from discontinued operations	-	1,430	-
Net income	82,688	91,794	90
Net income attributable to			
Owners of the parent	73,193	81,428	90
Non-controlling interests	9,495	10,366	92
Total net income	82,688	91,794	90
EPS attributable to owners of the parent			
Continuing operations	344.06	376.11	91
Discontinued operations	-	6.72	-
Net income per share (Basic) (yen)	344.06	382.83	90
Continuing operations	344.06	376.11	91
Discontinued operations	-	6.72	-
Net income per share (Diluted) (yen)	344.06	382.83	90

(Rounded off to the nearest million)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended Mar. 31, 2026 (A)	For the year ended Mar. 31, 2025 (B)	(A)/(B)×100 (%)
Net income	82,688	91,794	90
Other comprehensive income			
Items that cannot be reclassified into net income			
Net gains and losses from financial assets measured at fair value through OCI	2,808	1,312	214
Remeasurements of defined benefit obligations	643	2,838	23
Other comprehensive income of equity method associates	(6)	12	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	54,974	(12,337)	-
Cash flow hedges	158	90	176
Other comprehensive income of equity method associates	2,529	(867)	-
Other comprehensive income, net of taxes	61,106	(8,952)	-
Comprehensive income	143,794	82,842	174
Comprehensive income attributable to			
Owners of the parent	130,051	73,768	176
Non-controlling interests	13,743	9,074	151

(Rounded off to the nearest million)

(3) Consolidated Statements of Changes in Equity

For the year ended Mar. 31, 2026

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,768	580,257	2,286	9,965	(195)
Net income			73,193			
Other comprehensive income				702	2,808	142
Comprehensive income	-	-	73,193	702	2,808	142
Acquisition of treasury stock						
Dividends to stockholders of the Company			(39,353)			
Share-based payment transactions		95				
Decrease in capital of consolidated subsidiaries						
Transfer to retained earnings			628		(628)	
Change in liabilities for written put options over non-controlling interests						
Transaction with owners	-	95	(38,725)	-	(628)	-
Balance at end of period	81,577	75,863	614,725	2,988	12,145	(53)

(Millions of yen)

	Equity attributable to owners of the parent					
	Accumulated other comprehensive income		Treasury stock, at cost	Total	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Total				
Balance at beginning of period	62,712	74,768	(3,033)	809,337	48,615	857,952
Net income		-		73,193	9,495	82,688
Other comprehensive income	53,206	56,858		56,858	4,248	61,106
Comprehensive income	53,206	56,858	-	130,051	13,743	143,794
Acquisition of treasury stock		-	(6)	(6)		(6)
Dividends to stockholders of the Company		-		(39,353)	(6,854)	(46,207)
Share-based payment transactions		-	42	137		137
Decrease in capital of consolidated subsidiaries		-		-		-
Transfer to retained earnings		(628)		-		-
Change in liabilities for written put options over non-controlling interests		-		-		-
Transaction with owners	-	(628)	36	(39,222)	(6,854)	(46,076)
Balance at end of period	115,918	130,998	(2,997)	900,166	55,504	955,670

For the year ended Mar. 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income		
				Remeasurements of defined benefit obligations	Net gains and losses from financial assets measured at fair value through OCI	Cash flow hedges
Balance at beginning of period	81,577	75,965	526,307	(396)	8,660	(194)
Net income			81,428			
Other comprehensive income				2,847	1,312	(1)
Comprehensive income	-	-	81,428	2,847	1,312	(1)
Acquisition of treasury stock						
Dividends to stockholders of the Company			(27,650)			
Share-based payment transactions		104				
Decrease in capital of consolidated subsidiaries		(318)				
Transfer to retained earnings			172	(165)	(7)	
Change in liabilities for written put options over non-controlling interests		17				
Transaction with owners	-	(197)	(27,478)	(165)	(7)	-
Balance at end of period	81,577	75,768	580,257	2,286	9,965	(195)

(Millions of yen)

	Equity attributable to owners of the parent					
	Accumulated other comprehensive income		Treasury stock, at cost	Total	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Total				
Balance at beginning of period	74,530	82,600	(3,069)	763,380	51,033	814,413
Net income		-		81,428	10,366	91,794
Other comprehensive income	(11,818)	(7,660)		(7,660)	(1,292)	(8,952)
Comprehensive income	(11,818)	(7,660)	-	73,768	9,074	82,842
Acquisition of treasury stock			(4)	(4)		(4)
Dividends to stockholders of the Company				(27,650)	(7,454)	(35,104)
Share-based payment transactions			40	144		144
Decrease in capital of consolidated subsidiaries				(318)	(4,022)	(4,340)
Transfer to retained earnings		(172)		-		-
Change in liabilities for written put options over non-controlling interests				17	(16)	1
Transaction with owners	-	(172)	36	(27,811)	(11,492)	(39,303)
Balance at end of period	62,712	74,768	(3,033)	809,337	48,615	857,952

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended Mar. 31, 2026 (A)	For the year ended Mar. 31, 2025 (B)
Net income	82,688	90,364
Net income from discontinued operations	-	1,430
Depreciation	68,282	64,546
Amortization of intangible asset	9,571	9,301
Impairment losses	1,172	2,222
Gains or loss on business restructuring	12,777	1,501
Income tax expense	41,538	43,871
Equity in net earnings of associates	(3,576)	(3,239)
(Gain) loss on sales of property, plant and equipment	(577)	(1,147)
Financial income	(6,424)	(6,196)
Financial expense	15,918	30,021
Increase (decrease) in trade receivables and contract assets	(8,222)	35,679
(Increase) decrease in lease receivables	1,065	75
(Increase) decrease in inventories	51,815	29,422
(Increase) decrease in trade payables	(9,617)	(27,514)
Increase (decrease) in retirement and severance benefit	1,004	(1,975)
Other	(59,541)	(83,485)
Subtotal	197,873	184,876
Interest received	5,606	5,562
Dividends received	2,577	1,672
Interest paid	(16,036)	(18,300)
Income tax paid	(41,478)	(47,102)
Proceeds from compensation	9,147	16,826
Proceeds from insurance income	6,534	398
Net cash provided by (used in) operating activities	164,223	143,932
Capital expenditures	(40,968)	(32,348)
Proceeds from sale of property, plant and equipment	1,168	2,312
Acquisition of intangible assets	(8,065)	(12,726)
Acquisition of investments in securities and other financial assets (including investments in associates)	(1,591)	(2,359)
Sales of investments in securities and other financial assets (including investments in associates)	2,452	2
(Increase) decrease in short-term loan receivables, net	182	(9)
Collection of long-term loan receivables	245	61
Payments for transfer of business	-	(15,946)
Proceeds from sale of discontinued operations	-	8,207
Other	(151)	(27)
Net cash (provided by) used in investing activities	(46,728)	(52,833)
(Increase) decrease in short-term debt, net	(52,023)	(17,136)
Proceeds from long-term debt and bond	18,907	69,226
Payments on long-term debt and bond	(39,804)	(81,941)
Payments on lease payables	(13,479)	(15,040)
Dividends paid to owners of the parent	(39,343)	(27,640)
Dividends paid to non-controlling interests	(7,977)	(7,622)
Payments for acquisition of shares of subsidiaries from non-controlling interests	-	(3,623)
Payments for a paid-in capital reduction to non-controlling interests	(2,597)	(1,591)
Other	(6)	(4)
Net cash (provided by) used in financing activities	(136,322)	(85,371)
Effect of exchange rate changes on cash and cash equivalents	13,147	(2,122)
Net (increase) decrease in cash and cash equivalents	(5,680)	3,606
Cash and cash equivalents at beginning of period	147,136	143,530
Cash and cash equivalents at end of period	141,456	147,136

(English translation of "KESSAN TANSIN" originally issued in the Japanese language.)

(5) Notes on Consolidated Financial Statements

(Notes on the Preconditions for a Going Concern)

There are no relevant items.

(Changes to accounting policies)

There are no relevant items.

(Important matters for compiling consolidated financial statements)

1. Scope of consolidation

Numbers of consolidated subsidiaries: 81

(1) Main consolidated subsidiaries

- 1) Hitachi Construction Machinery Japan Co., Ltd.
- 2) Hitachi Construction Machinery Tierra Co., Ltd.
- 3) Hitachi Construction Machinery Camino Co., Ltd.
- 4) Hitachi Construction Machinery (China) Co., Ltd.
- 5) Hitachi Construction Machinery Distribution (China) Co., Ltd.
- 6) Tata Hitachi Construction Machinery Company Private Limited.
- 7) Hitachi Construction Machinery Asia and Pacific Pte. Ltd.
- 8) P.T. Hitachi Construction Machinery Indonesia
- 9) Hitachi Construction Machinery (Europe) N.V.
- 10) Hitachi Construction Machinery Americas Inc.
- 11) Hitachi Construction Truck Manufacturing Ltd.
- 12) H-E Parts International LLC
- 13) Bradken Pty Limited

(2) Number of companies included in consolidation during the fiscal year ended March 31, 2026: 1

1) Increase by newly established: 1

LANDCROS Development Center Europe GmbH

(3) Number of companies excluded from consolidation during the fiscal year ended March 31, 2026: 3

1) Decrease by liquidation: 3

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

2. Application of the equity method

Numbers of affiliates accounted for by the equity method: 17

(1) Main affiliates subject to the equity method

- 1) P.T. Hexa Finance Indonesia
- 2) HTC Leasing Company Limited

(2) Number of affiliates not accounted for by the equity method: 3

3. Date of settlement of accounts for consolidated subsidiaries

Below is a list of the consolidation subsidiaries that settle their accounts on a date different from the rest of the consolidated group.

- 1) Hitachi Construction Machinery (China) Co., Ltd.
 - 2) Hitachi Construction Machinery Distribution (China) Co., Ltd.
- Others: 17

To create the consolidated financial statement, which is made by provisional account settlement as of March 31, 2026, the Company uses the financial statements of these subsidiaries.

(English translation of “KESSAN TANSIN” originally issued in the Japanese language.)

(Segment Information)

1. Reportable segment information

1) Overview of business segments

The operating segments of the Group are the components for which separate financial information is available and that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The reportable segments are determined based on the operating segment.

Taking into consideration the nature of products and services as well as categories, types of customers, and economic characteristics in a comprehensive manner, the Company determines to classify two reportable segments as follows: The Construction Machinery Business Segment primarily intends to provide customers with a series of total life cycle solutions related to construction machinery such as the manufacture and sale of hydraulic excavators, ultra-large hydraulic excavators, and wheeled loaders, as well as the sale of parts related to these products. The Specialized Parts Service Business Segment primarily intends to provide services, production, and distribution parts that are not included in the Construction Machinery Business Segment.

From the 4Q of the fiscal year ended March 31, 2024, the non-core businesses in the Specialized Parts & Service business segment are classified as discontinued operations. As a result, for the end of previous fiscal year, we only have presented amounts of continuing operations excluding amounts of discontinued operations.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

2) Revenue, profit or loss, and other items of business segments

For the year ended March. 31, 2026

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	1,268,519	136,974	1,405,493	-	1,405,493
Intersegment transactions	75	8,252	8,327	(8,327)	-
Total revenues	1,268,594	145,226	1,413,820	(8,327)	1,405,493
Adjusted operating income	121,481	11,470	132,951	-	132,951
Operating income	119,286	10,858	130,144	-	130,144
Financial income	-	-	-	6,424	6,424
Financial expenses	-	-	-	(15,918)	(15,918)
Share of profits of investments accounted for using the equity method	3,576	-	3,576	-	3,576
Income before income taxes	122,862	10,858	133,720	(9,494)	124,226
Segment assets	1,618,782	229,592	1,848,374	△1,850	1,846,524
Segment liabilities	791,782	110,726	902,508	△1,850	900,658
Other items:					
Depreciation and amortization	△69,882	△7,971	△77,853	-	△77,853
Impairment losses	△1,095	△77	△1,172	-	△1,172
Business structure reform expenses	△4,970	△553	△5,523	-	△5,523
Loss on business restructuring	(7,254)	-	(7,254)	-	(7,254)
Investments accounted for using the equity method	29,133	-	29,133	-	29,133

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

Note (*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

For the year ended March. 31, 2025

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	1,243,914	127,371	1,371,285	-	1,371,285
Intersegment transactions	86	8,271	8,357	(8,357)	-
Total revenues	1,244,000	135,642	1,379,642	(8,357)	1,371,285
Adjusted operating income	129,856	15,133	144,989	-	144,989
Operating income	140,590	14,140	154,730	-	154,730
Financial income	-	-	-	6,196	6,196
Financial expenses	-	-	-	(29,997)	(29,997)
Share of profits of investments accounted for using the equity method	3,239	-	3,239	-	3,239
Income before income taxes	143,829	14,140	157,969	(23,801)	134,168
Segment assets	1,607,347	185,325	1,792,672	(1,666)	1,791,006
Segment liabilities	845,748	88,972	934,720	(1,666)	933,054
Other items:					
Depreciation and amortization	(66,774)	(7,073)	(73,847)	-	(73,847)
Impairment losses	(815)	-	(815)	-	(815)
Business structure reform expenses	(497)	(967)	(1,464)	-	(1,464)
Loss on business restructuring	-	-	-	-	-
Investments accounted for using the equity method	25,968	-	25,968	-	25,968

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

Note (*2): Intersegment transactions are recorded at the same prices used in arm's length transactions.

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

2. Information on products and services

The following tables show revenue from outside customers by product and service for the year ended March 31, 2026, and 2025.

(Millions of yen)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Mining machinery	272,029	285,848
Construction machinery and others	1,133,464	1,085,437
Total	1,405,493	1,371,285

(Note on consolidated statements of income)

The main components of other income for the year ended March 31, 2026, and 2025 are as follows:

(Millions of yen)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on sales of property, plants, and equipment	844	1,318
Subsidy income	412	428
Compensation income (*1)	9,786	16,826
Insurance claim income (*2)	6,613	815
Other	3,230	3,203
Total	20,885	22,590

Note (*1):

Compensation income for the year ended March 31, 2025 and for the year ended March 31, 2026 is compensation from a supplier for losses caused by the violation of domestic laws and regulations in domestic certification relating to the emissions performance of engines.

Note (*2):

Insurance claim income for the year ended March 31, 2026 includes insurance proceeds received for fire damage sustained by the Company on July 4, 2024.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

The main components of other expenses for the year ended March 31, 2026 and 2025 are as follows:

(Millions of yen)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss on sales of property, plants, and equipment	267	171
Loss on disposal of property, plants, and equipment	1,273	2,129
Impairment losses	1,172	815
Business structure reform expenses (*1)	5,523	1,464
Domestic engine certification-related loss (*2)	4,960	4,514
Loss on business restructuring (*3)	7,254	-
Other	3,243	3,756
Total	23,692	12,849

Note (*1): Business structure reform expenses

Business structure reform expenses for the fiscal year ended March 31, 2025 and for the fiscal year ended March 31, 2026 includes a special severance payment and so forth.

Note (*2): Domestic engine certification-related loss

Domestic engine certification-related loss for the year ended March 31, 2025 and for the year ended March 31, 2026 is caused by the violation of domestic laws and regulations in domestic certification relating to the emissions performance of engines of a supplier and was mainly attributable to the disposal of related inventories.

Note (*3): Loss on business restructuring

Loss on business restructuring for the fiscal year ended March 31, 2026 includes estimated losses related to the planned sale of ECCO Equipment Company, LLC, a consolidated subsidiary of the Company, based on the Company's resolution to proceed with the sale.

(English translation of "KESSAN TANSHIN" originally issued in the Japanese language.)

(Earnings per share)

A calculation of the basic and diluted earnings per share (attributable to owners of the parent) for the years ended March 31, 2026 and 2025 are as follows:

(Millions of yen)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Net income attributable to owners of the parent	73,193	81,428
Net income attributable to owners of the Parent (diluted)	73,193	81,428

(Number of shares)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Weighted average number of common shares outstanding	212,731,686	212,699,280
Dilutive effect of stock options	-	-
Weighted average number of common shares outstanding - diluted	212,731,686	212,699,280

(Yen)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Net income attributable to owners of the parent per share (basic)		
Continuing operations	344.06	376.11
Discontinued operations	-	6.72
Total	344.06	382.83
Net income attributable to owners of the parent per share (diluted)		
Continuing operations	344.06	376.11
Discontinued operations	-	6.72
Total	344.06	382.83

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Summary of dilutive shares not included the calculation of diluted earnings per share (attributed to owners of the parent) due to no dilutive effect	-	-

(Important subsequent events)

There are no relevant items.

(English translation of “KESSAN TANSHIN” originally issued in the Japanese language.)