Consolidated Financial Results for the First Quarter Ended June 30, 2026 (IFRS)

July 30, 2026

Listed company: Hitachi Construction Machinery Co., Ltd. (HCM)
Stock exchange: Tokyo (Prime Market) Code number: 6305
URL: https://www.hitachicm.com/global/en/
Representative: Masafumi Senzaki, President and Executive Officer, COO
Scheduled date of commencement of payment of dividends: —
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 first quarter ended June 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated results

(The percentages indicated show 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	%
June 30, 2026	329,130	7.5	34,439	55.7	43,968	123.3	30,301	126.1	28,037	148.6
June 30, 2025	306,152	(6.7)	22,123	(31.9)	19,686	(49.6)	13,400	(49.8)	11,280	(54.1)

Note: "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)
	Yen	Yen
June 30, 2026	131.78	131.78
June 30, 2025	53.03	53.03

References: Share of profits (losses) of investments accounted for using the equity method; June 30, 2026: ¥1,157 million, June 30, 2025: ¥954 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".

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2026	1,880,790	979,395	920,647	49.0
March 31, 2026	1,857,321	955,670	900,166	48.5

2. Dividends status

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2026	—	75.00	—	100.00	175.00
March 31, 2027	—				
March 31, 2027 (Projection)		90.00	—	100.00	190.00

Note: Changes involving the dividend states for the fiscal year ending March 2027: None

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

3. Consolidated earnings forecast for the full year ending March 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	1,470,000	4.6	150,000	12.8	143,000	15.1	84,000	14.8	394.82

Notes: Changes in consolidated earnings forecast: Yes

*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)

June	2026	215,115,038
March	2026	215,115,038

[2] Number of treasury shares

June	2026	2,354,657
March	2026	2,378,960

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

June	2026	212,748,185
June	2025	212,720,481

Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm :None

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.

Index of the Attachment

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

1. Management Performance and Financial Conditions

(1) Management Results

Under the three-year medium-term management plan “LANDCROS 2028,” which concludes in the fiscal year ending March 31, 2029, the Company is committed to the sustainable growth and enhancement of corporate value, with the aim of becoming one of the top three in the industry over the medium to long term, by focusing on four key businesses:
[1] North American Business; [2] Latin American Business; [3] Mining Business; [4] Parts and Service Business.

During the first quarter of the fiscal year (April 1, 2026 to June 30, 2026), deterioration in market conditions, logistics disruptions particularly in the Middle East, and rising transportation costs were observed. On the other hand, in North America, demand remained firm, supported by infrastructure investment despite uncertainty surrounding U.S. tariff policies. In Europe, demand showed signs of recovery, although customers remained cautious in some areas. In the mining sector, demand also remained firm, particularly for hard rock minerals in Latin America and other regions, supported by high commodity prices. Against the backdrop of a demand environment at a level similar to that of the previous fiscal year, consolidated revenue for the first quarter reached a record high of ¥329,130 million (an increase of 7.5% year on year), reflecting increased revenue primarily in the Parts and Service business as well as the impact of the weaker yen.

As for consolidated income items, although costs increased mainly due to higher logistics expenses, increased sales volume in the Parts and Service business, continued cost reduction efforts, and price increases supported earnings. Together with the positive impact of yen depreciation, adjusted operating income increased to ¥34,439 million (an increase of 55.7% year on year). As a result, net income attributable to owners of the parent increased to ¥28,037 million (an increase of 148.6% year on year), also reflecting the recording of other income associated with the sale of fixed assets.

Business results by segment are described below.

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

[1] Construction Machinery Business

During the first quarter of the fiscal year under review, revenue was ¥293,112 million (an increase of 6.8% year on year) and adjusted operating income was ¥32,481 million (an increase of 65.2% year on year). The increase in revenue and profit was mainly attributable to solid demand for hydraulic excavators in North America and Europe, continued strong mining-related demand in Latin America and other regions, increased revenue in the Parts and Service business, and the positive impact of the depreciation of the Japanese yen.

[2] Specialized Parts & Service Business

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

During the first quarter of the fiscal year under review, revenue was ¥38,373 million (an increase of 12.6% year on year), while adjusted operating income was ¥1,958 million (a decrease of 20.5% year on year). Although revenue increased, supported by the positive impact of the depreciation of the Japanese yen, adjusted operating income decreased due to investment restraint by customers and intensifying competitive conditions.

The above revenues of segments [1] and [2] are the figures before intersegmental adjustments.

The following table summarizes consolidated net revenue by geographic area:

(Millions of yen)

	FY2026 (April 1, 2026- June 30, 2026)		FY2025 (April 1, 2025- June 30, 2025)		Increase (Decrease)	
	Revenue (A)	Proportion (%)	Revenue (B)	Proportion (%)	(A)-(B)	(A)/(B)-1 (%)
North America	65,900	20.0	71,198	23.3	(5,298)	(7.4)
Central and South America	15,226	4.6	6,770	2.2	8,456	124.9
The Americas	81,126	24.6	77,968	25.5	3,158	4.1
Europe	48,721	14.8	42,557	13.9	6,164	14.5
Russia-CIS	5,592	1.7	4,253	1.4	1,339	31.5
Africa	22,185	6.7	17,066	5.6	5,119	30.0
Middle East	10,493	3.2	12,613	4.1	(2,120)	(16.8)
Russia-CIS, Africa, and the Middle East	38,270	11.6	33,932	11.1	4,338	12.8
Asia	28,700	8.7	27,473	9.0	1,227	4.5
India	19,828	6.0	17,459	5.7	2,369	13.6
Oceania	66,305	20.1	59,659	19.5	6,646	11.1
Asia and Oceania	114,833	34.9	104,591	34.2	10,242	9.8
China	6,846	2.1	6,877	2.2	(31)	(0.5)
Sub-total	289,796	88.0	265,925	86.9	23,871	9.0
Japan	39,334	12.0	40,227	13.1	(893)	(2.2)
Total	329,130	100.0	306,152	100.0	22,978	7.5

(Rounded off to the nearest million)

(2) Outlook for the Fiscal Year Ending March 2027

In the fiscal year ending March 2027, although uncertainty surrounding the global economy is expected to persist, partly due to heightened geopolitical tensions in the Middle East, both the construction machinery market and the mining market are expected to remain generally firm. By region, demand is expected to remain solid in the Americas, India, and Oceania, while the Company maintains a cautious outlook for other regions. As a result, global demand is expected to be slightly higher than the previous forecast but modestly lower than the previous fiscal year.

In the mining sector, while prices of copper and gold remain firm, prices of commodities such as coal and iron ore have softened amid a slowdown in the global economy. Accordingly, the Company has maintained its previous forecast for new mining machinery demand and expects overall demand to be slightly lower than the previous fiscal year.

Under these business conditions, as foreign exchange rates have remained weaker than initially assumed against the Japanese yen, our consolidated earnings forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027) has been revised upward.

In addition to rising logistics costs in the Middle East, increases in material and other costs associated with higher global crude oil prices are expected. These impacts, which were not included in the forecast announced in April, have been newly reflected.

Although the business environment surrounding the Company remains uncertain, we will maintain our annual dividend plan of ¥190 per share, an increase from the previous year, in light of the recent stable cash flow. The exchange rate assumptions for this earnings forecast from the second quarter onward are as follows: ¥154 to the U.S. dollar, ¥181 to the euro, ¥23.1 to the Chinese yuan, and ¥112 to the Australian dollar.

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)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast	1,430,000	140,000	140,000	133,000	80,000	376.06
Forecast	1,470,000	150,000	150,000	143,000	84,000	394.82
Change	40,000	10,000	10,000	10,000	4,000	—
Change (%)	2.8	7.1	7.1	7.5	5.0	—
(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 ¥ 1,045,113 million, an increase of 0.2%, or ¥ 2,062 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 41,280 million in inventories and an increase of ¥ 10,560 million in other current assets, despite a decrease of ¥ 42,937 million in trade receivables.

Non-current assets amounted to ¥ 835,677 million, an increase of 2.6%, or ¥ 21,407 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 7,446 million in property, plant and equipment.

As a result, total assets increased by 1.3%, or ¥ 23,469 million, from the previous fiscal year-end to ¥ 1,880,790 million.

(Liabilities)

Current liabilities amounted to ¥ 612,627 million, an increase of 0.7%, or ¥ 3,966 million, from the previous fiscal year-end. This was mainly due to an increase of ¥ 7,172 million in bonds and borrowings and an increase of ¥ 2,971 million in other financial liabilities, despite a decrease of ¥ 9,222 million in trade and other payables.

Non-current liabilities amounted to ¥ 288,768 million, a decrease of 1.4%, or ¥ 4,222 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 6,189 million in bonds and borrowings.

As a result, total liabilities decreased by 0.0%, or ¥ 256 million, from the previous fiscal year-end to ¥ 901,395 million.

(Equity)

Total equity increased by 2.5%, or ¥ 23,725 million, from the previous fiscal year-end to ¥ 979,395 million. This was mainly due to increases in retained earnings and foreign currency translation adjustments.

[2] Analysis of the Status of Consolidated Cash Flows

Cash and cash equivalents at the end of the first quarter totaled ¥ 130,831 million, a decrease of ¥ 10,625 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 first quarter was based on ¥ 30,301 million in net income and was mainly attributable to depreciation of ¥ 17,449 million and a decrease of ¥ 48,171 million in trade receivables and contract assets, despite an increase of ¥ 25,032 million in inventories and income taxes paid of ¥ 12,833 million.
As a result, net cash provided by operating activities for the first quarter totaled to an inflow of ¥ 17,316 million, a decrease in inflow of ¥ 5,704 million year on year.

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

Net cash used in investing activities for the first quarter amounted to ¥ 1,588 million, with cash outflows decreasing by ¥ 11,392 million year on year. This was mainly due to proceeds from the sale of property, plant and equipment of ¥ 11,437 million, despite an outlay of ¥ 8,837 million for capital expenditures.
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 ¥ 15,728 million.

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

Net cash used in financing activities for the first quarter amounted to ¥ 28,641 million. This was mainly due to payments on long-term debt and bond of ¥ 5,846 million and dividends paid of ¥ 21,504 million (including dividends paid to non-controlling interests), despite increases in short-term debt, net of ¥ 558 million and proceeds from long-term debt and bond of ¥ 1,539 million.
As a result, cash for financing activities for the first quarter produced an increased outflow of ¥ 22,791 million year on year.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Jun. 30, 2026 (A)	As of Mar. 31, 2026 (B)	(A)-(B)
Assets			
Current assets			
Cash and cash equivalents	130,831	141,456	(10,625)
Trade receivables	253,487	296,424	(42,937)
Contract assets	1,112	937	175
Inventories	582,504	541,224	41,280
Income tax receivables	2,383	5,538	(3,155)
Other financial assets	33,388	27,418	5,970
Other current assets	29,817	19,257	10,560
Subtotal	1,033,522	1,032,254	1,268
Assets held for sale	11,591	10,797	794
Total current assets	1,045,113	1,043,051	2,062
Non-current assets			
Property, plant and equipment	500,030	492,584	7,446
Right-of-use-assets	69,641	67,201	2,440
Intangible assets	50,900	49,050	1,850
Goodwill	64,785	63,809	976
Investments accounted for using the equity method	29,656	29,133	523
Trade receivables	45,780	46,146	(366)
Deferred tax assets	29,009	26,882	2,127
Other financial assets	32,692	30,693	1,999
Other non-current assets	13,184	8,772	4,412
Total non-current assets	835,677	814,270	21,407
Total assets	1,880,790	1,857,321	23,469
Liabilities			
Current liabilities			
Trade and other payables	224,489	233,711	(9,222)
Lease liabilities	12,575	11,715	860
Contract liabilities	14,450	13,922	528
Bonds and borrowings	323,331	316,159	7,172
Income taxes payable	10,981	11,717	(736)
Other financial liabilities	19,130	16,159	2,971
Other current liabilities	6,038	4,285	1,753
Subtotal	610,994	607,668	3,326
Liabilities held for sale	1,633	993	640
Total current liabilities	612,627	608,661	3,966
Non-current liabilities			
Trade and other payables	973	1,215	(242)
Lease liabilities	61,109	59,254	1,855
Contract liabilities	9,426	8,924	502
Bonds and borrowings	175,218	181,407	(6,189)
Retirement and severance benefit	22,172	22,099	73
Deferred tax liabilities	14,354	13,868	486
Other financial liabilities	826	1,712	(886)
Other non-current liabilities	4,690	4,511	179
Total non-current liabilities	288,768	292,990	(4,222)
Total liabilities	901,395	901,651	(256)
Equity			
Equity attributable to owners of the parent			
Common stock	81,577	81,577	-
Capital surplus	75,967	75,863	104
Retained earnings	621,488	614,725	6,763
Accumulated other comprehensive income	144,583	130,998	13,585
Treasury stock, at cost	(2,968)	(2,997)	29
Total equity attributable to owners of the parent	920,647	900,166	20,481
Non-controlling interests	58,748	55,504	3,244
Total equity	979,395	955,670	23,725
Total liabilities and equity	1,880,790	1,857,321	23,469

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated cumulative quarter

Consolidated Statements of Income

(Millions of yen)

	Three months ended Jun. 30, 2026 (A)	Three months ended Jun. 30, 2025 (B)	(A)/(B)×100 (%)
Revenue	329,130	306,152	108
Cost of sales	(218,043)	(215,739)	101
Gross profit	111,087	90,413	123
Selling, general and administrative expenses	(76,648)	(68,290)	112
Adjusted operating income	34,439	22,123	156
Other income	11,920	1,063	1,121
Other expenses	(1,196)	(1,105)	108
Operating income	45,163	22,081	205
Financial income	1,737	1,588	109
Financial expenses	(4,089)	(4,937)	83
Share of profits of investments accounted for using the equity method	1,157	954	121
Income before income taxes	43,968	19,686	223
Income taxes	(13,667)	(6,286)	217
Net income	30,301	13,400	226

Net income attributable to			
Owners of the parent	28,037	11,280	249
Non-controlling interests	2,264	2,120	107
Total net income	30,301	13,400	226

EPS attributable to owners of the parent			
Net income per share (Basic) (yen)	131.78	53.03	249
Net income per share (Diluted) (yen)	131.78	53.03	249

(Rounded off to the nearest million)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended Jun. 30, 2026 (A)	Three months ended Jun. 30, 2025 (B)	(A)/(B)×100 (%)
Net income	30,301	13,400	226
Other comprehensive income			
Items that cannot be reclassified into net income			
Net gains and losses from financial assets measured at fair value through OCI	101	277	36
Items that can be reclassified into net income			
Foreign currency translation adjustments	14,334	(4,890)	-
Cash flow hedges	(3)	(51)	6
Other comprehensive income of equity method associates	133	(385)	-
Other comprehensive income, net of taxes	14,565	(5,049)	-
Comprehensive income	44,866	8,351	537
Comprehensive income attributable to			
Owners of the parent	41,622	6,904	603
Non-controlling interests	3,244	1,447	224

(Rounded off to the nearest million)

(3) Consolidated Statements of Changes in Equity
Consolidated cumulative quarter
For the three months ended Jun. 30, 2026

(Millions of yen)

	Equity attributable to owners of the parent					
				Accumulated other comprehensive income		
	Common stock	Capital surplus	Retained earnings	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	75,863	614,725	2,988	12,145	(53)
Net income			28,037			
Other comprehensive income				-	101	(79)
Comprehensive income	-	-	28,037	-	101	(79)
Acquisition of treasury stock						
Dividends to stockholders of the Company			(21,274)			
Share-based payment transactions		104				
Transaction with owners	-	104	(21,274)	-	-	-
Balance at end of period	81,577	75,967	621,488	2,988	12,246	(132)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income					
	Foreign currency translation adjustments	Total	Treasury stock, at cost	Total		
Balance at beginning of period	115,918	130,998	(2,997)	900,166	55,504	955,670
Net income		-		28,037	2,264	30,301
Other comprehensive income	13,563	13,585		13,585	980	14,565
Comprehensive income	13,563	13,585	-	41,622	3,244	44,866
Acquisition of treasury stock		-	(2)	(2)		(2)
Dividends to stockholders of the Company		-		(21,274)		(21,274)
Share-based payment transactions		-	31	135		135
Transaction with owners	-	-	29	(21,141)	-	(21,141)
Balance at end of period	129,481	144,583	(2,968)	920,647	58,748	979,395

For the three months ended Jun. 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
				Accumulated other comprehensive income		
	Common stock	Capital surplus	Retained earnings	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			11,280			
Other comprehensive income				-	277	2
Comprehensive income	-	-	11,280	-	277	2
Acquisition of treasury stock						
Dividends to stockholders of the Company			(23,397)			
Share-based payment transactions		95				
Transaction with owners	-	95	(23,397)	-	-	-
Balance at end of period	81,577	75,863	568,140	2,286	10,242	(193)

(Millions of yen)

	Equity attributable to owners of the parent					
	Accumulated other comprehensive income					
	Foreign currency translation adjustments	Total	Treasury stock, at cost	Total	Non-controlling interests	Total equity
Balance at beginning of period	62,712	74,768	(3,033)	809,337	48,615	857,952
Net income		-		11,280	2,120	13,400
Other comprehensive income	(4,655)	(4,376)		(4,376)	(673)	(5,049)
Comprehensive income	(4,655)	(4,376)	-	6,904	1,447	8,351
Acquisition of treasury stock		-	-	-		-
Dividends to stockholders of the Company		-		(23,397)		(23,397)
Share-based payment transactions		-	42	137		137
Transaction with owners	-	-	42	(23,260)	-	(23,260)
Balance at end of period	58,057	70,392	(2,991)	792,981	50,062	843,043

(4) Consolidated Statements of Cash Flows
Consolidated cumulative quarter

(Millions of yen)

	Three months ended Jun. 30, 2026 (A)	Three months ended Jun. 30, 2025 (B)
Net income	30,301	13,400
Depreciation	17,449	16,557
Amortization of intangible asset	2,520	2,407
Impairment losses	6	10
(Gain) loss on business restructuring	444	123
Income tax expense	13,667	6,286
Equity in net earnings of associates	(1,157)	(954)
(Gain) loss on sales of property, plant and equipment	(10,989)	(89)
Financial income	(1,737)	(1,588)
Financial expense	4,089	4,937
(Increase) decrease in trade receivables and contract assets	48,171	29,910
(Increase) decrease in lease receivables	(521)	751
(Increase) decrease in inventories	(25,032)	(12,325)
Increase (decrease) in trade payables	194	(3,973)
Increase (decrease) in retirement and severance benefit	(44)	422
Other	(46,067)	(19,180)
Subtotal	31,294	36,694
Interest received	1,448	1,290
Dividends received	954	805
Interest paid	(3,626)	(3,695)
Income tax paid	(12,833)	(12,105)
Proceeds from insurance income	79	31
Net cash provided by (used in) operating activities	17,316	23,020
Capital expenditures	(8,837)	(10,823)
Proceeds from sale of property, plant and equipment	11,437	145
Acquisition of intangible assets	(1,961)	(2,277)
Acquisition of investments in securities and other financial assets(including investments in associates)	(126)	(45)
(Increase) decrease in short-term loan receivables, net	8	13
Collection of long-term loan receivables	9	12
Payments into time deposits	(2,043)	-
Other	(75)	(5)
Net cash provided by (used in) investing activities	(1,588)	(12,980)
Increase (decrease) in short-term debt, net	558	25,361
Proceeds from long-term debt and bond	1,539	4,277
Payments on long-term debt and bond	(5,846)	(6,246)
Payments on lease liabilities	(3,386)	(3,190)
Dividends paid to owners of the parent	(21,278)	(23,401)
Dividends paid to non-controlling interests	(226)	(54)
Payments for a paid-in capital reduction to non-controlling interests	-	(2,597)
Other	(2)	-
Net cash provided by (used in) financing activities	(28,641)	(5,850)
Effect of exchange rate changes on cash and cash equivalents	2,288	(620)
Net increase (decrease) in cash and cash equivalents	(10,625)	3,570
Cash and cash equivalents at beginning of period	141,456	147,136
Cash and cash equivalents at end of period	130,831	150,706

(5) Notes on Consolidated Financial Statements

(Accounting standards complied with)
While the Company's quarterly financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows) have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc., certain disclosures and notes required by IAS 34 have been omitted. Therefore, these financial statements are not a set of condensed financial statements in accordance with IAS 34.

(Notes on the Preconditions for a Going Concern)
There are no relevant items.

(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.

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

For the three months ended Jun. 30, 2026

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	293,036	36,094	329,130	-	329,130
Intersegment transactions	76	2,279	2,355	(2,355)	-
Total revenues	293,112	38,373	331,485	(2,355)	329,130
Adjusted operating income	32,481	1,958	34,439	-	34,439
Operating income	43,257	1,906	45,163	-	45,163
Financial income	-	-	-	1,737	1,737
Financial expenses	-	-	-	(4,089)	(4,089)
Share of profits of investments accounted for using the equity method	1,157	-	1,157	-	1,157
Income (loss) before income taxes	44,414	1,906	46,320	(2,352)	43,968

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.

For the three months ended Jun. 30, 2025

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	274,445	31,707	306,152	-	306,152
Intersegment transactions	32	2,376	2,408	(2,408)	-
Total revenues	274,477	34,083	308,560	(2,408)	306,152
Adjusted operating income	19,660	2,463	22,123	-	22,123
Operating income	19,563	2,518	22,081	-	22,081
Financial income	-	-	-	1,588	1,588
Financial expenses	-	-	-	(4,937)	(4,937)
Share of profits of investments accounted for using the equity method	954	-	954	-	954
Income (loss) before income taxes	20,517	2,518	23,035	(3,349)	19,686

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.