Consolidated Financial Results for the Semi-annual Period Ended September 30, 2026
(IFRS)

October 29, 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 for submission of the Semi-annual Securities Report: November 9, 2026
Scheduled date of commencement of payment of dividends: December 1, 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 Semi-annual period ended September 2026 (April 1, 2026 to September 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	%
September 30, 2026	698,076	6.7	75,186	25.0	78,800	29.3	54,723	29.6	49,684	31.6
September 30, 2025	654,051	(1.8)	60,148	(15.7)	60,959	11.9	42,215	16.7	37,750	18.9

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
September 30, 2026	235.07	235.07
September 30, 2025	177.46	177.46

References: Share of profits (losses) of investments accounted for using the equity method September 30, 2026: ¥2,591 million September 30, 2025: ¥1,784 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	%
September 30, 2026	1,841,642	951,100	898,047	48.8
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	—	90.00			
March 31, 2027 (Projection)			—	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	1,500,000	6.7	155,000	16.6	150,000	20.7	90,000	23.0	430.14

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)

September 2026 215,115,038
March 2026 215,115,038

[2] Number of treasury shares

September 2026 7,741,957
March 2026 2,378,960

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

September 2026 211,353,931
September 2025 212,727,552

Review of the accompanying semi-annual 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.

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(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 1H of the fiscal year (April 1, 2026 to September 30, 2026), logistics disruptions, particularly in the Middle East, continued while rising energy prices and high interest rates were observed globally. On the other hand, in North America, demand was supported by infrastructure investment and energy-related construction projects. In Latin America, mining demand remained firm, particularly for hard rock minerals, supported by high commodity prices. In Europe, demand also showed signs of recovery compared to the same period of the previous year. Against the backdrop of this demand environment, consolidated revenue for the 1H reached a record high of ¥698,076 million (an increase of 6.7% year on year), reflecting increased revenue primarily in the Parts and Service business as well as the positive impact of the depreciation of the Japanese yen.

Regarding consolidated income items, despite increased costs, mainly logistics costs, income was supported by an improved sales mix due to a higher value chain ratio, particularly in the Parts and Service business, as well as the positive impact of yen depreciation. As a result, adjusted operating income increased to ¥75,186 million (an increase of 25.0% year on year). Net income attributable to owners of the parent also increased to ¥49,684 million (an increase of 31.6% year on year).

Business results by segment are described below.

[1] Construction Machinery Business
During the 1H of the fiscal year under review, revenue was ¥625,684 million (an increase of 6.3% year on year) and adjusted operating income was ¥70,913 million (an increase of 30.0% year on year), resulting in year-on-year increase in both revenue and income. Earnings were supported by sales growth in Latin America and India, as well as the positive impact of the depreciation of the Japanese yen and other factors.

[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 1H of the fiscal year under review, revenue was ¥77,984 million (an increase of 11.2% year on year), while adjusted operating income was ¥4,273 million (a decrease of 23.9% 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 figures before intersegment adjustments.

The following table summarizes consolidated net revenue by geographic area:

(Millions of yen)

	FY2026 (April 1, 2026- September 30, 2026)		FY2025 (April 1, 2025- September 30, 2025)		Increase (Decrease)	
	Revenue (A)	Proportion (%)	Revenue (B)	Proportion (%)	(A)-(B)	(A)/(B)-1 (%)
North America	145,723	20.9	144,452	22.1	1,271	0.9
Central and South America	26,200	3.8	15,582	2.4	10,618	68.1
The Americas	171,923	24.6	160,034	24.5	11,889	7.4
Europe	100,435	14.4	92,356	14.1	8,079	8.7
Russia-CIS	9,847	1.4	8,708	1.3	1,139	13.1
Africa	40,439	5.8	40,772	6.2	(333)	(0.8)
Middle East	14,654	2.1	22,012	3.4	(7,358)	(33.4)
Russia-CIS, Africa, and the Middle East	64,940	9.3	71,492	10.9	(6,552)	(9.2)
Asia	59,821	8.6	58,784	9.0	1,037	1.8
India	45,273	6.5	36,733	5.6	8,540	23.2
Oceania	144,630	20.7	121,809	18.6	22,821	18.7
Asia and Oceania	249,724	35.8	217,326	33.2	32,398	14.9
China	12,502	1.8	12,269	1.9	233	1.9
Sub-total	599,524	85.9	553,477	84.6	46,047	8.3
Japan	98,552	14.1	100,574	15.4	(2,022)	(2.0)
Total	698,076	100.0	654,051	100.0	44,025	6.7

(Rounded off to the nearest million)

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(2) Outlook for the Fiscal Year Ending March 2027

During the 1H of the fiscal year under review, demand for hydraulic excavators, particularly in North America, remains strong. However, overall uncertainty about the future persists, and we are fully factoring in the risks associated with logistics disruptions, particularly in the Middle East, rising energy prices worldwide, and high interest rates. Given this situation, we will maintain our outlook for global annual demand for hydraulic excavators, with no change from the previous forecast, and expect a slight decrease compared with the previous fiscal year.

In the mining sector, while prices for copper and gold are expected to remain firm, resource prices for coal, iron ore, and other commodities are weakening. Demand for new mining machinery is expected to remain unchanged from the previous forecast and decrease slightly compared with the previous fiscal year.

Although uncertainty regarding the demand environment remains, we have revised upward our consolidated earnings forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027), based on the solid performance in the 1H of the fiscal year.

Against this business environment, we will maintain our annual dividend plan of ¥190 per share, an increase from the previous fiscal year, in light of the recent stable cash flow. The exchange rate assumptions for this earnings forecast from the third quarter onward are as follows: ¥154 to the U.S. dollar, ¥179 to the euro, ¥23.2 to the Chinese yuan, ¥111 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	1,470,000	150,000	150,000	143,000	84,000	394.82
Forecast	1,500,000	155,000	158,000	150,000	90,000	430.14
Change	30,000	5,000	8,000	7,000	6,000	—
Change (%)	2.0	3.3	5.3	4.9	7.1	—
(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 Equity

(Assets)

Current assets amounted to ¥ 1,003,973 million, a decrease of 3.7%, or ¥ 39,078 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 38,419 million in trade receivables.

Non-current assets amounted to ¥ 837,669 million, an increase of 2.9%, or ¥ 23,399 million, from the previous fiscal year-end. This was mainly due to increases of ¥ 7,535 million in property, plant and equipment and ¥ 5,760 million in other financial assets.

As a result, total assets decreased by 0.8%, or ¥ 15,679 million, from the previous fiscal year-end to ¥ 1,841,642 million.

(Liabilities)

Current liabilities amounted to ¥ 601,127 million, a decrease of 1.2%, or ¥ 7,534 million, from the previous fiscal year-end. This was mainly due to decreases of ¥ 5,136 million in bonds and borrowings and ¥ 2,722 million in trade and other payables.

Non-current liabilities amounted to ¥ 289,415 million, a decrease of 1.2%, or ¥ 3,575 million, from the previous fiscal year-end. This was mainly due to a decrease of ¥ 4,687 million in bonds and borrowings, although there was an increase of ¥ 1,679 million in lease liabilities.

As a result, total liabilities decreased by 1.2%, or ¥ 11,109 million, from the previous fiscal year-end to ¥ 890,542 million.

(Equity)

Total equity decreased by 0.5%, or ¥ 4,570 million, from the previous fiscal year-end to ¥ 951,100 million. This was mainly due to an increase of ¥ 30,540 million in treasury stock, although retained earnings increased by ¥ 28,144 million.

[2] Analysis of the Status of Consolidated Cash Flows

Cash and cash equivalents at the end of the semi-annual period totaled ¥ 118,999 million, a decrease of ¥ 22,457 million from the beginning of the fiscal year. The status 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 semi-annual period was based on ¥ 54,723 million in net income and was mainly attributable to depreciation of ¥ 34,687 million and a decrease of ¥ 39,030 million in trade receivables and contract assets, despite an increase of ¥ 14,608 million in inventories, a decrease of ¥ 5,196 million in trade payables, and income taxes paid of ¥ 20,437 million.

As a result, net cash provided by operating activities for the semi-annual period totaled ¥ 52,385 million, a decrease in inflow of ¥ 14,212 million year on year.

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

Net cash used in investing activities for the semi-annual period amounted to ¥ 6,115 million, with cash outflows decreasing by ¥ 15,913 million year on year. This was mainly due to outlays of ¥ 21,198 million for the capital expenditures and ¥ 4,822 million for the acquisition of intangible assets, despite proceeds of ¥ 11,550 million from the sale of property, plant and equipment and ¥ 11,209 million from the sale of securities and other financial assets (including shares of subsidiaries).

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 ¥ 46,270 million.

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

Net cash used in financing activities for the semi-annual period amounted to ¥ 68,799 million. This was mainly due to the purchase of treasury stock of ¥ 30,573 million and dividends paid of ¥ 25,736 million (including dividends paid to non-controlling interests). As a result, cash for financing activities for the semi-annual period produced an increased outflow of ¥ 5,381 million year on year.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Sep. 30, 2026 (A)	As of Mar. 31, 2026 (B)	(A)-(B)
Assets			
Current assets			
Cash and cash equivalents	118,999	141,456	(22,457)
Trade receivables	258,005	296,424	(38,419)
Contract assets	659	937	(278)
Inventories	562,832	541,224	21,608
Income taxes receivable	2,930	5,538	(2,608)
Other financial assets	32,780	27,418	5,362
Other current assets	27,623	19,257	8,366
Subtotal	1,003,828	1,032,254	(28,426)
Assets held for sale	145	10,797	(10,652)
Total current assets	1,003,973	1,043,051	(39,078)
Non-current assets			
Property, plant and equipment	500,119	492,584	7,535
Right-of-use assets	70,753	67,201	3,552
Intangible assets	50,631	49,050	1,581
Goodwill	63,075	63,809	(734)
Investments accounted for using the equity method	30,551	29,133	1,418
Trade receivables	45,074	46,146	(1,072)
Deferred tax assets	28,962	26,882	2,080
Other financial assets	36,453	30,693	5,760
Other non-current assets	12,051	8,772	3,279
Total non-current assets	837,669	814,270	23,399
Total assets	1,841,642	1,857,321	(15,679)
Liabilities			
Current liabilities			
Trade and other payables	230,989	233,711	(2,722)
Lease liabilities	13,915	11,715	2,200
Contract liabilities	13,854	13,922	(68)
Bonds and borrowings	311,023	316,159	(5,136)
Income taxes payable	14,751	11,717	3,034
Other financial liabilities	11,498	16,159	(4,661)
Other current liabilities	5,097	4,285	812
Subtotal	601,127	607,668	(6,541)
Liabilities related to assets held for sale	-	993	(993)
Total current liabilities	601,127	608,661	(7,534)
Non-current liabilities			
Trade and other payables	839	1,215	(376)
Lease liabilities	60,933	59,254	1,679
Contract liabilities	9,363	8,924	439
Bonds and borrowings	176,720	181,407	(4,687)
Retirement benefit liability	22,352	22,099	253
Deferred tax liabilities	13,953	13,868	85
Other financial liabilities	650	1,712	(1,062)
Other non-current liabilities	4,605	4,511	94
Total non-current liabilities	289,415	292,990	(3,575)
Total liabilities	890,542	901,651	(11,109)
Equity			
Equity attributable to owners of the parent			
Common stock	81,577	81,577	-
Capital surplus	75,965	75,863	102
Retained earnings	642,869	614,725	28,144
Accumulated other comprehensive income	131,173	130,998	175
Treasury stock, at cost	(33,537)	(2,997)	(30,540)
Total equity attributable to owners of the parent	898,047	900,166	(2,119)
Non-controlling interests	53,053	55,504	(2,451)
Total equity	951,100	955,670	(4,570)
Total liabilities and equity	1,841,642	1,857,321	(15,679)

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated cumulative semi-annual period

Consolidated Statements of Income

(Millions of yen)

	Six months ended Sep. 30, 2026 (A)	Six months ended Sep. 30, 2025 (B)	(A)/(B)×100 (%)
Revenue	698,076	654,051	107
Cost of sales	(468,139)	(456,181)	103
Gross profit	229,937	197,870	116
Selling, general and administrative expenses	(154,751)	(137,722)	112
Adjusted operating income	75,186	60,148	125
Other income	16,065	10,796	149
Other expenses	(2,883)	(3,232)	89
Operating income	88,368	67,712	131
Financial income	2,984	3,017	99
Financial expenses	(15,143)	(11,554)	131
Share of profit of investments accounted for using the equity method	2,591	1,784	145
Income before income taxes	78,800	60,959	129
Income taxes	(24,077)	(18,744)	128
Net income	54,723	42,215	130
Net income attributable to			
Owners of the parent	49,684	37,750	132
Non-controlling interests	5,039	4,465	113
Total net income	54,723	42,215	130
EPS attributable to owners of the parent			
Net income per share (Basic) (yen)	235.07	177.46	132
Net income per share (Diluted) (yen)	235.07	177.46	132

(Rounded off to the nearest million)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended Sep. 30, 2026 (A)	Six months ended Sep. 30, 2025 (B)	(A)/(B)×100 (%)
Net income	54,723	42,215	130
Other comprehensive income			
Items that cannot be reclassified into net income			
Net gains and losses from financial assets measured at fair value through OCI	1,685	1,881	90
Remeasurements of defined benefit obligations	(394)	112	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	(2,266)	9,624	-
Cash flow hedges	(172)	(221)	78
Other comprehensive income of equity-method affiliates	527	(436)	-
Other comprehensive income, net of taxes	(620)	10,960	-
Comprehensive income	54,103	53,175	102
Comprehensive income attributable to			
Owners of the parent	49,593	48,161	103
Non-controlling interests	4,510	5,014	90

(Rounded off to the nearest million)

(3) Consolidated Statements of Changes in Equity

Consolidated cumulative semi-annual period

For the six months ended Sep. 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			49,684			
Other comprehensive income				(390)	1,685	(223)
Comprehensive income	-	-	49,684	(390)	1,685	(223)
Acquisition of treasury stock		(2)				
Dividends to stockholders of the Company			(21,274)			
Share-based payment transactions		104				
Transfer to retained earnings			(266)		266	
Transaction with owners	-	102	(21,540)	-	266	-
Balance at end of period	81,577	75,965	642,869	2,598	14,096	(276)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income		Treasury stock, at cost	Total		
	Foreign currency translation adjustments	Total				
Balance at beginning of period	115,918	130,998	(2,997)	900,166	55,504	955,670
Net income		-		49,684	5,039	54,723
Other comprehensive income	(1,163)	(91)		(91)	(529)	(620)
Comprehensive income	(1,163)	(91)	-	49,593	4,510	54,103
Acquisition of treasury stock		-	(30,571)	(30,573)		(30,573)
Dividends to stockholders of the Company		-		(21,274)	(6,961)	(28,235)
Share-based payment transactions		-	31	135		135
Transfer to retained earnings		266		-		-
Transaction with owners	-	266	(30,540)	(51,712)	(6,961)	(58,673)
Balance at end of period	114,755	131,173	(33,537)	898,047	53,053	951,100

For the six months ended Sep. 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			37,750			
Other comprehensive income				111	1,881	(230)
Comprehensive income	-	-	37,750	111	1,881	(230)
Acquisition of treasury stock						
Dividends to stockholders of the Company			(23,397)			
Share-based payment transactions		95				
Transfer to retained earnings			628		(628)	
Transaction with owners	-	95	(22,769)	-	(628)	-
Balance at end of period	81,577	75,863	595,238	2,397	11,218	(425)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income		Treasury stock, at cost	Total		
	Foreign currency translation adjustments	Total				
Balance at beginning of period	62,712	74,768	(3,033)	809,337	48,615	857,952
Net income		-		37,750	4,465	42,215
Other comprehensive income	8,649	10,411		10,411	549	10,960
Comprehensive income	8,649	10,411	-	48,161	5,014	53,175
Acquisition of treasury stock		-	(3)	(3)		(3)
Dividends to stockholders of the Company		-		(23,397)	(6,832)	(30,229)
Share-based payment transactions		-	42	137		137
Transfer to retained earnings		(628)		-		-
Transaction with owners	-	(628)	39	(23,263)	(6,832)	(30,095)
Balance at end of period	71,361	84,551	(2,994)	834,235	46,797	881,032

(4) Consolidated Statements of Cash Flows
Consolidated cumulative semi-annual period

(Millions of yen)

	Six months ended Sep. 30, 2026 (A)	Six months ended Sep. 30, 2025 (B)
Net income	54,723	42,215
Depreciation	34,687	33,741
Amortization of intangible asset	5,191	4,773
Impairment losses	450	12
(Gain) loss on business restructuring	(1,407)	1,720
Income tax expenses	24,077	18,744
Share of (profit) loss of investments accounted for using the equity method	(2,591)	(1,784)
(Gain) loss on sales of property, plant and equipment	(10,993)	(113)
Financial income	(2,984)	(3,017)
Financial expenses	15,143	11,554
(Increase) decrease in trade receivables and contract assets	39,030	29,507
(Increase) decrease in lease receivables	(1,064)	365
(Increase) decrease in inventories	(14,608)	(248)
Increase (decrease) in trade payables	(5,196)	(14,242)
Increase (decrease) in retirement benefit liability	545	501
Other	(59,138)	(40,461)
Subtotal	75,865	83,267
Interest received	2,512	2,736
Dividends received	991	1,583
Interest paid	(7,948)	(7,690)
Income taxes paid	(20,437)	(19,779)
Proceeds from insurance income	1,402	6,480
Net cash provided by (used in) operating activities	52,385	66,597
Capital expenditures	(21,198)	(19,671)
Proceeds from sale of property, plant and equipment	11,550	188
Acquisition of intangible assets	(4,822)	(4,118)
Acquisition of investments in securities and other financial assets (including investments in associates)	(830)	(513)
Sales of investments in securities and other financial assets (including investments in associates)	11,209	2,087
(Increase) decrease in short-term loan receivables, net	11	(5)
Collection of long-term loan receivables	15	15
Payments into time deposits	(2,043)	-
Other	(7)	(11)
Net cash provided by (used in) investing activities	(6,115)	(22,028)
Increase (decrease) in short-term debt, net	(3,903)	(20,785)
Proceeds from long-term debt and bonds	8,093	6,468
Payments on long-term debt and bonds	(9,694)	(11,680)
Payments on lease liabilities	(6,986)	(6,361)
Dividends paid to owners of the parent	(21,265)	(23,379)
Dividends paid to non-controlling interests	(4,471)	(5,081)
Payments for a paid-in capital reduction to non-controlling interests	-	(2,597)
Payments for purchase of treasury stock	(30,573)	(3)
Net cash provided by (used in) financing activities	(68,799)	(63,418)
Effect of exchange rate changes on cash and cash equivalents	72	2,745
Net increase (decrease) in cash and cash equivalents	(22,457)	(16,104)
Cash and cash equivalents at beginning of period	141,456	147,136
Cash and cash equivalents at end of period	118,999	131,032

(5) Notes on Consolidated Financial Statements

(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 six months ended Sep. 30, 2026

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	625,554	72,522	698,076	-	698,076
Intersegment transactions	130	5,462	5,592	(5,592)	-
Total revenues	625,684	77,984	703,668	(5,592)	698,076
Adjusted operating income	70,913	4,273	75,186	-	75,186
Operating income	84,151	4,217	88,368	-	88,368
Financial income	-	-	-	2,984	2,984
Financial expenses	-	-	-	(15,143)	(15,143)
Share of profit of investments accounted for using the equity method	2,591	-	2,591	-	2,591
Income (loss) before income taxes	86,742	4,217	90,959	(12,159)	78,800

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 six months ended Sep. 30, 2025

(Millions of yen)

	Reportable segment			Adjustments (*1,2)	Total
	Construction Machinery Business	Specialized Parts & Service Business	Total		
Revenue					
External customers	588,422	65,629	654,051	-	654,051
Intersegment transactions	40	4,498	4,538	(4,538)	-
Total revenues	588,462	70,127	658,589	(4,538)	654,051
Adjusted operating income	54,531	5,617	60,148	-	60,148
Operating income	62,075	5,637	67,712	-	67,712
Financial income	-	-	-	3,017	3,017
Financial expenses	-	-	-	(11,554)	(11,554)
Share of profit of investments accounted for using the equity method	1,784	-	1,784	-	1,784
Income (loss) before income taxes	63,859	5,637	69,496	(8,537)	60,959

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.)