

Direction of our Medium-term Corporate Strategy (FY 2020-2022)

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Executive Officer, President & CEO

🌐 **Hitachi Construction Machinery Co., Ltd.**



Changes caused by COVID-19

Due to lack of market transparency,

- Further diversification of customer needs such as ownership, rentals or used equipment
- Increasing and accelerating need for remote operations to avoid the 3Cs (closed spaces, crowded places, close contact)
- Increased need for improved safety and productivity at construction sites and mining operations, and reduction of life cycle costs

Our initiatives

- Promote the expansion of options such as rental and used equipment
- Accelerate the development and provision of ICT machinery and development of remotely operated construction machinery to respond to remote operation needs
- Enhance product and service menu (ConSite[®]) and expand the parts remanufacturing business to avoid machine downtime and increase operating rates at construction sites. In the mining business, promote advancements by combining AHS and digital technology

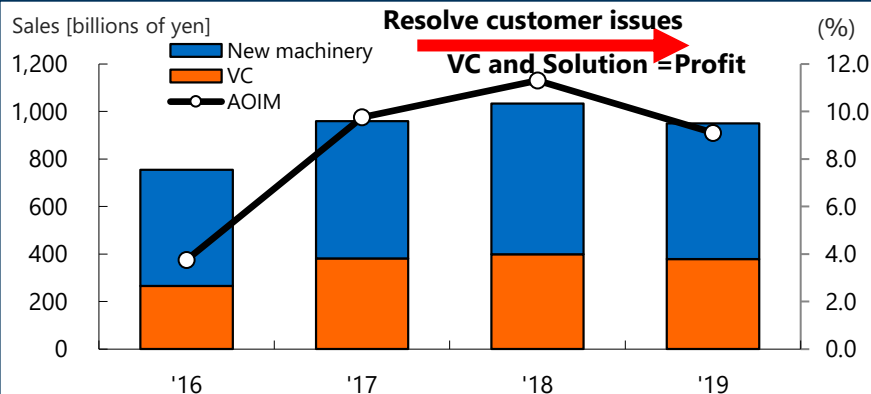
CONNECT TOGETHER 2019

Deepen the value chain

- Parts and service (ConSite®)
- Acquisition of Bradken /H-E Parts
- US & UK : start of rental business
- Certified used equipment

Global Restructuring

Efficiency at overseas sites



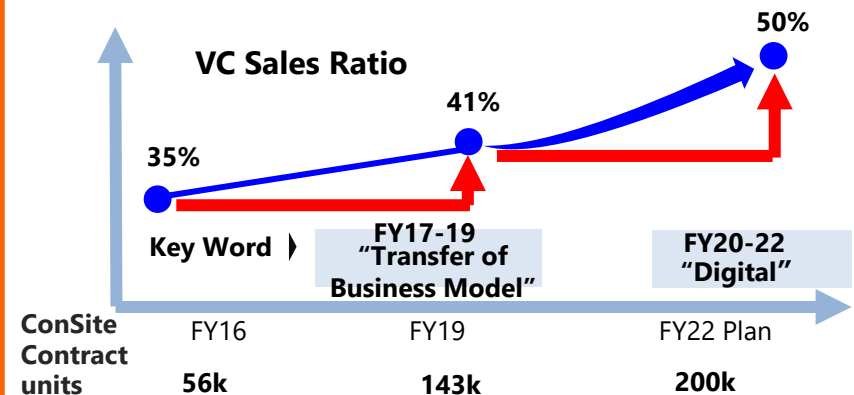
Realizing Tomorrow's Opportunities 2022

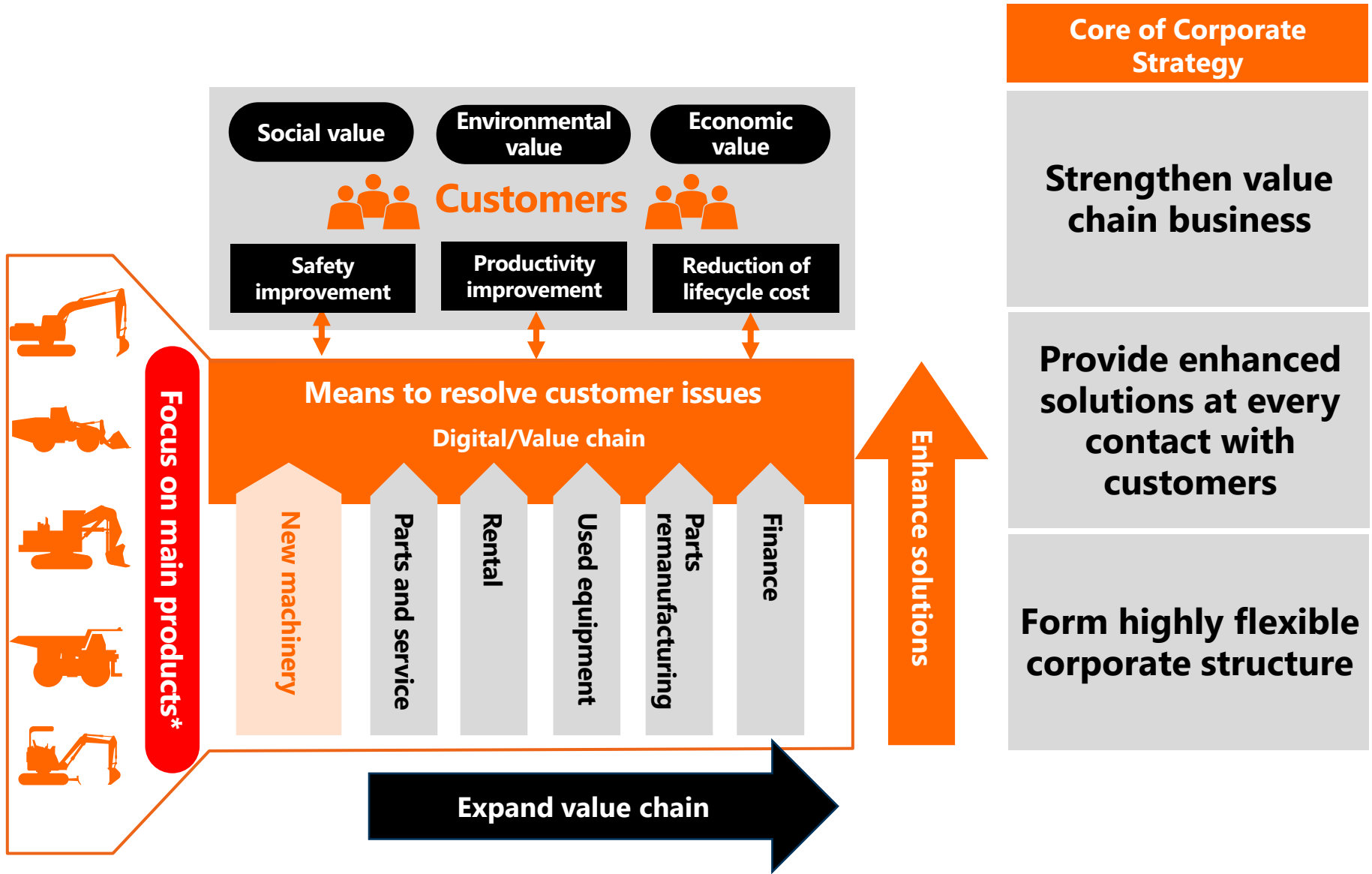
Value chain + digital Enhance solutions

- Parts and service (ConSite® + parts remanufacturing + Bradken /H-E Parts)
- Digital Mining
- Rental + used equipment → Global

Efficiency in development, marketing and production

Global corporation



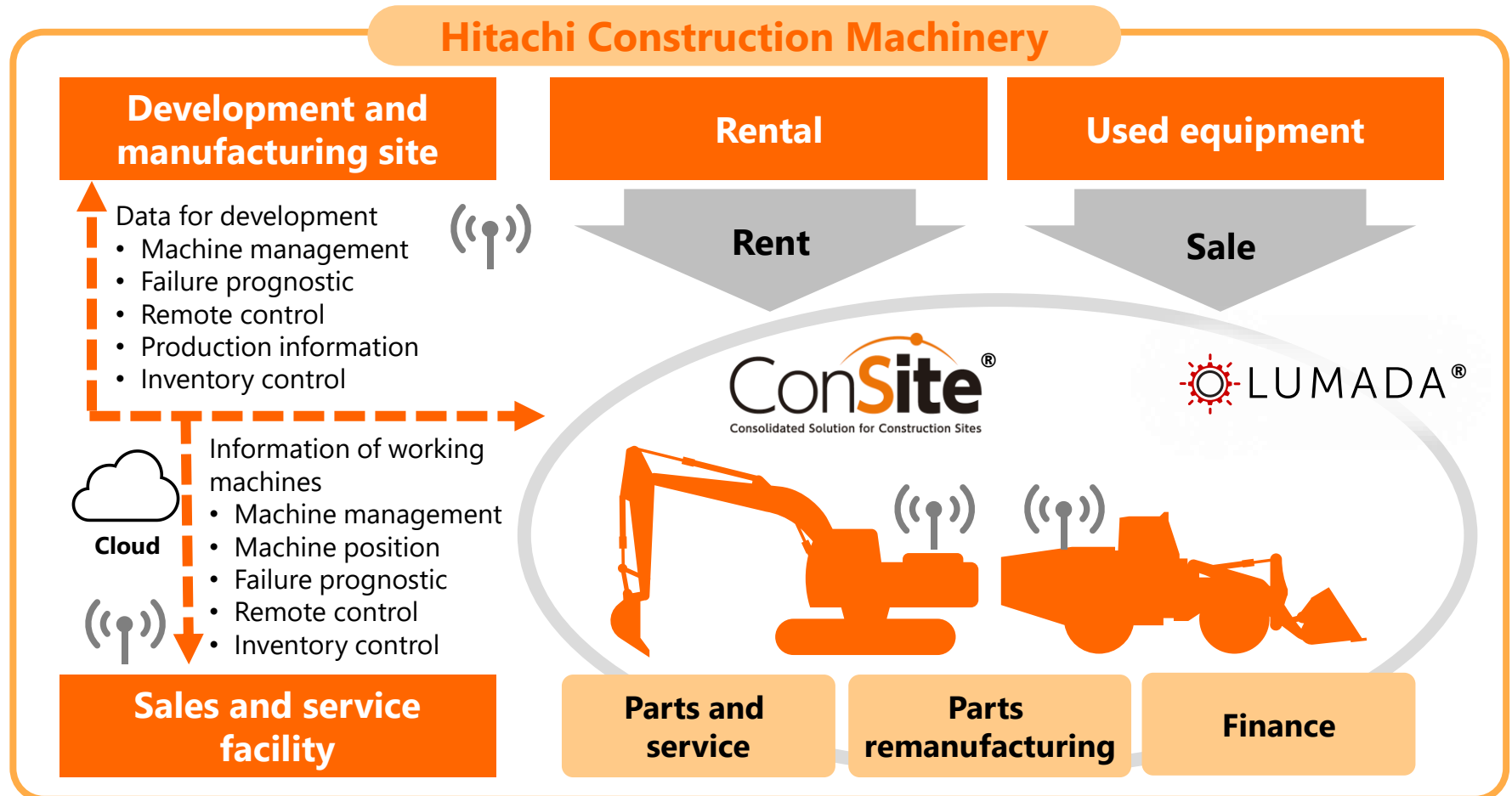


*Other product group: Backhoe loader, Crawler crane, Bulldozer, Skid-steer loader

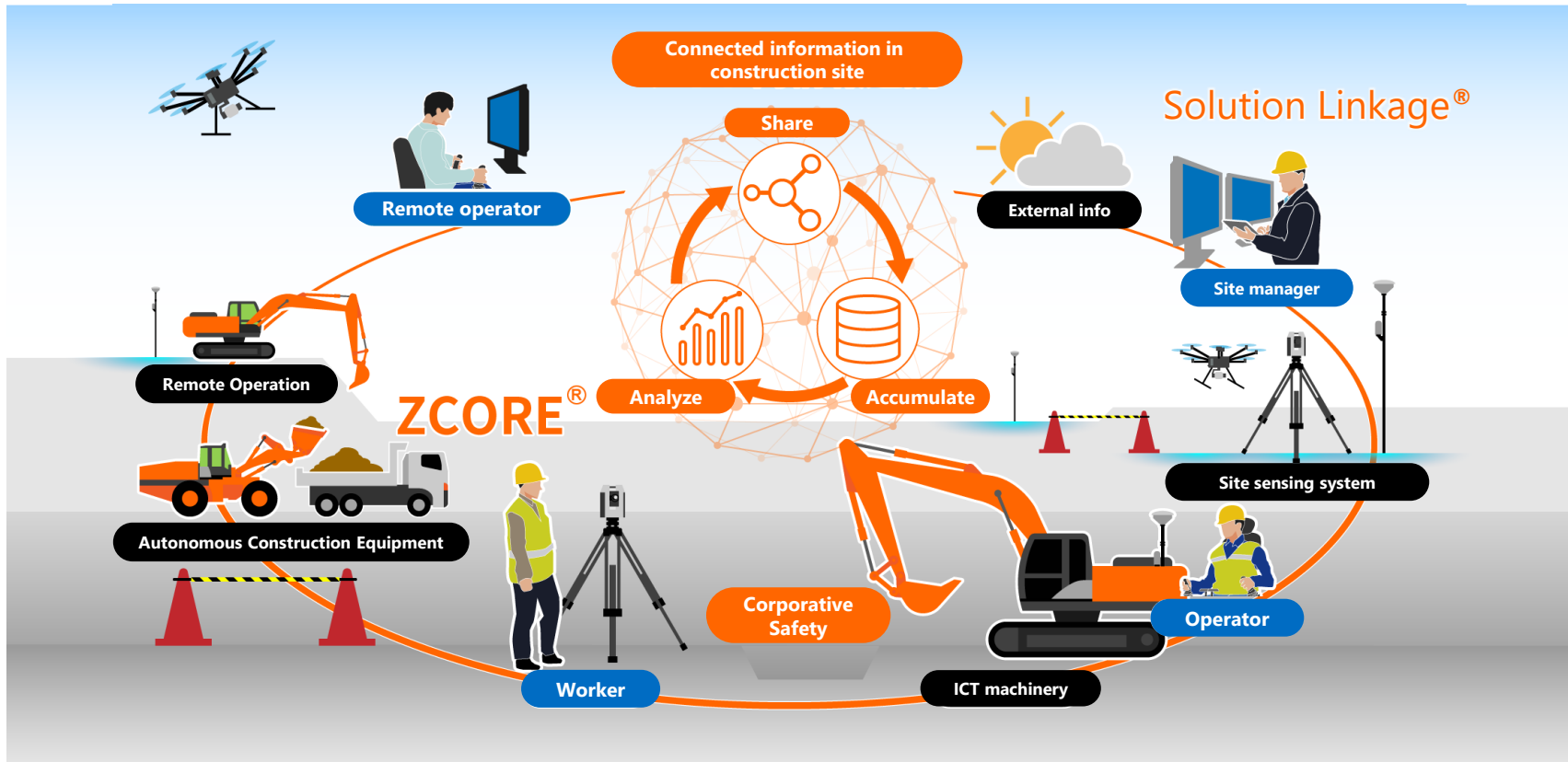
Provide machinery in the best condition utilizing machine operation data

Grasp information at all stages of machine lifecycles, and utilize the data for development, manufacturing, service

Contribute to the resolution of customer issues by providing high-quality machines with manufacturer warranty, and providing failure prognostic



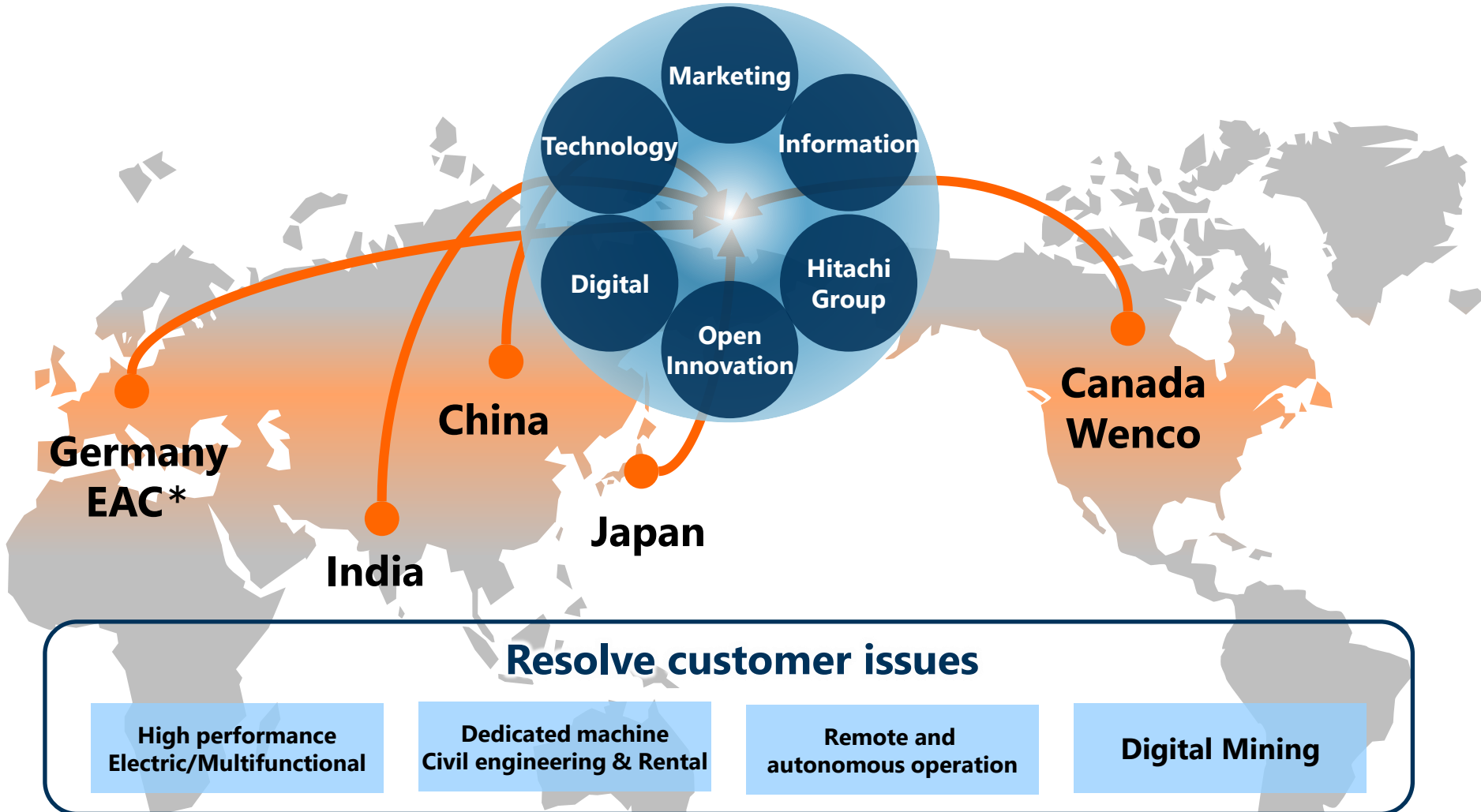
The vision of Hitachi Construction Machinery... Safe and productive sites by Information sharing of people, machines and construction environments



Development of a System Platform "ZCORE®" for Autonomous Construction Equipment

- Easy addition and customization of functions
- Utilization on the autonomous hydraulic excavators, wheel loaders and rigid dump trucks.

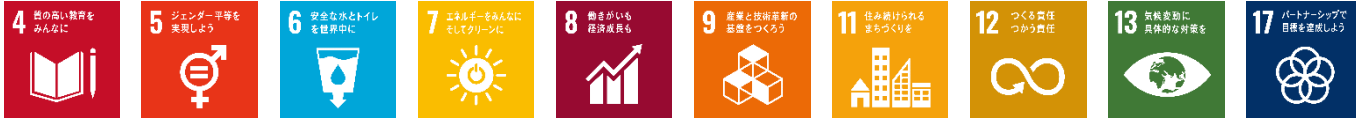
Promoting a global collaboration system for marketing, development, information and digital



* EAC : European Application Center

Corporate vision

To pass on a productive environment and prosperous cities to future generations



2030 social value

Provide solutions that offer **safety, productivity, and life cycle cost reductions** to the global infrastructure development

Safety improvement

Contribute to zero deaths due to falls or contact accidents

Productivity improvement

Standardize automation, labor-saving construction machines

Reduction of life cycle cost

Aim for zero downtime

2030 environmental value

Provide **low-carbon technology** to the global infrastructure development

Preventing global warming

Product life cycle CO₂ reductions: Aim for
Products -33%;
Production -45%

2022 management goals (social value)

Safety improvement

Achieve contact prevention technology
Commercialize human-machine cooperative control technology

Productivity improvement

Promote ICT Machinery 2800 units*

*Applicable worksites: Over 5,000 sites

Reduction of life cycle cost

Operating status management system dissemination rate: 90%

Applicable units: 200,000 units

(Environmental value)

Preventing global warming

Reduce CO₂ emissions
products CO₂ -20%
Production CO₂ -25%

Applicable units: 500,000 units

Cautionary Statement

This material contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results, and business strategies. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in the economic conditions in the Company's principal markets; changes in demand for the Company's products, changes in exchange rates, and the impact of regulatory changes and accounting principles and practices.

END

For further inquiries:

Corporate Brand & Communications Div.

 Hitachi Construction Machinery Co., Ltd.