

## Achieving the Mid-term Management Plan FY2025 Targets



**Masafumi Senzaki**  
President and Executive Officer, COO

# Targets of the Medium-term Management Plan(Financial)

KPI		Previous	Current Medium-term Management Plan			
		FY2022	FY2023	FY2024	FY2025	
		Result	Result	Result	Forecast	Target
Growth	• Value chain ratio	40%	39%	43%	47% or more	50% or more
	• Own business revenue in the Americas	182.0 Billion yen	217.5 Billion yen	210.2 Billion yen	234.8 Billion yen or more	300.0 Billion yen or more
	• R&D/Revenue ratio	1.9%	2.2%	2.7%	3% or more	3% or more
Profitability	• Adjusted operating income ratio	10.6%	12.0%	10.6%	11% or more	13% or more
	• EBITDA margin <sup>*1</sup>	14.2%	16.8%	16.1%	17% or more	18% or more
Safety	• Net D/E ratio	0.60	0.57	0.48	0.45 or less	0.40 or less
Efficiency	• Operating cash flow margin <sup>*1</sup>	-2.0%	5.2%	10.5%	11% or more	10% or more
	• ROE	11.0%	13.1%	10.4%	10% or more	13% or more
	• ROIC <sup>*1*3</sup>	8.4%	9.8%	7.5%	8% or more	9% or more
Shareholder return <sup>*2</sup>	• Consolidated dividend payout ratio	33.3%	34.2%	45.7%	40% or more	Stable and continuous implementation with a consolidated dividend payout ratio of 30%-40% as a guide

\*1: Newly established indicators in this medium-term management plan

\*2: We aim to allocate one-third of operating cash flow to maintenance and strengthening investment, prior investment, and shareholder return & debt payment respectively, based on our fund allocation policy.

\*3: The level of capital cost (WACC) to be compared in the ROIC target is recognized at about 7%.

# Targets of the Medium-term Management Plan(Non-financial)

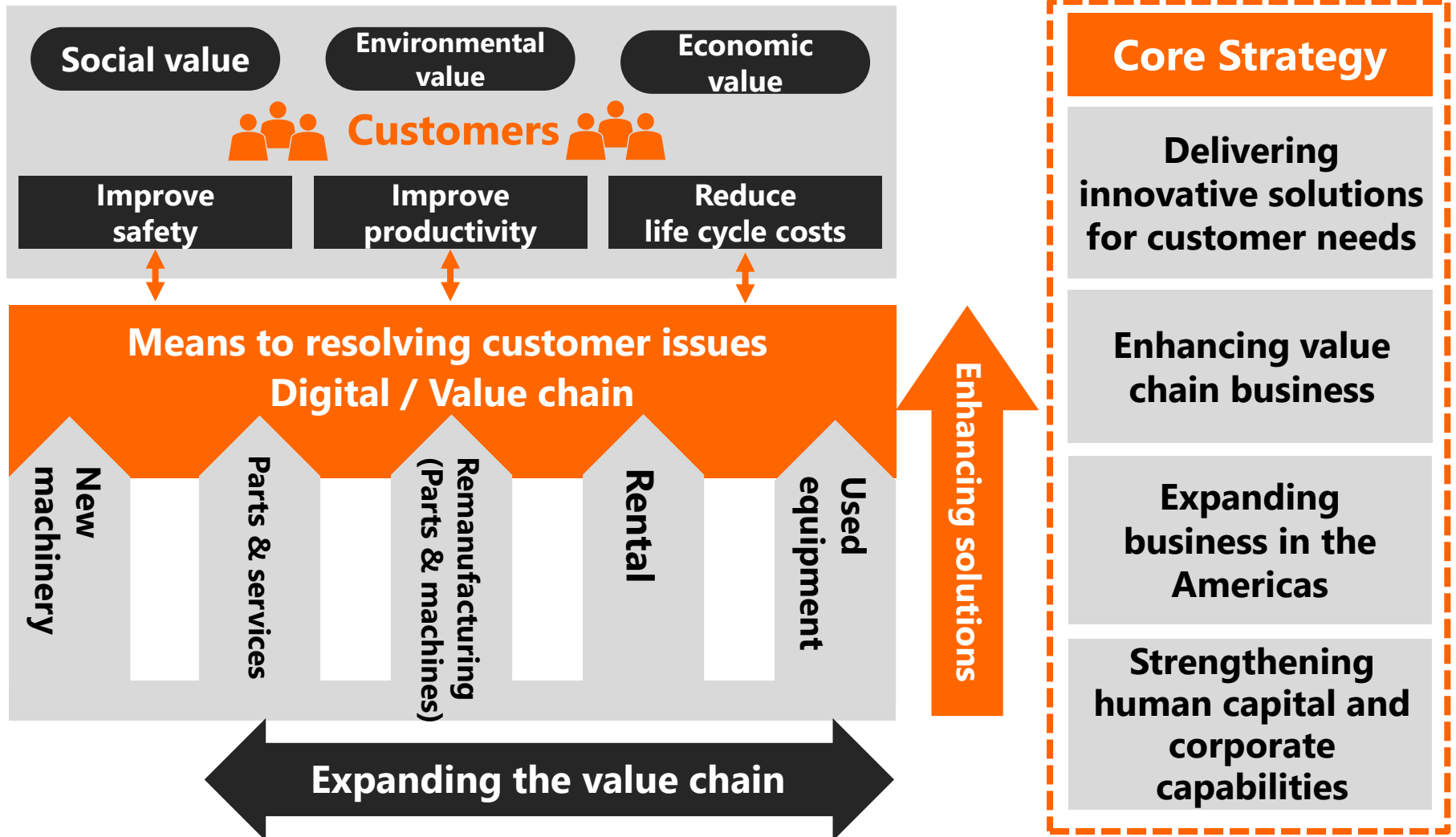
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Reliable Solutions

KPI			Past	Current Medium-term Management Plan			
			FY2022	FY2023	FY2024	FY2025	
			Result	Result	Result	Forecast	Target
E S G	Reducing environmental impact and CO <sub>2</sub> (total)	Production (Scope 1+2)	-33.0%	-40.4%	Scheduled to be published in "Integrated Report 2025"	-40%	-40%
		Product (Scope 3)	-21.9%	-20.1%		-22%	-22%
	Diversity, equity & inclusion	Localization ratio of GM or higher in overseas group companies*1	72%	71%	72%	75%	75%
		Ratio of managers by gender (consolidated) *1	Women 11% Men 16%	Women 11% Men 16%	Women 11% Men 17%	Women 13% Men 15%	Women 13% Men 15%

\*1: Newly established indicators in this medium-term management plan

## Growing as a true solutions provider by delivering innovative solutions



# Initiatives of current Medium-term Management Plan

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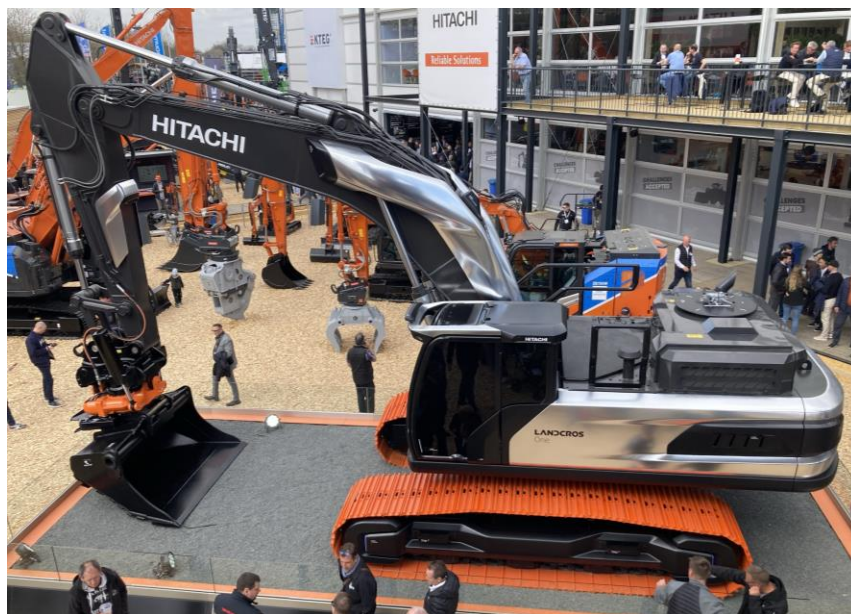
Reliable Solutions

Core Strategy	Progress (FY2023,FY2024)	Initiatives (FY2025)
Delivering innovative solutions for customer needs	<p><b>Topic 1</b></p> <ul style="list-style-type: none"> <li>● New Concept LANDCROS</li> </ul> <p><b>Topic 3</b></p> <ul style="list-style-type: none"> <li>● Fully Battery Dump Truck</li> </ul>	<p><b>Topic 2</b></p> <p>Promoting technology and product development in an open collaboration.</p>
Enhancing value chain business	<ul style="list-style-type: none"> <li>● Brake Supply's Mining Machinery Component Remanufacturing Business</li> <li>● Mining Machinery Component Remanufacturing Plant in Kazakhstan</li> </ul>	<p>Expansion of Zambia's remanufacturing plant. Improved production and supply capacity at mill liner plant in Peru.</p>
Expanding business in the Americas	<ul style="list-style-type: none"> <li>● Strengthening the parts supply system in the Americas</li> <li>● Strengthen North American business, expand into South America</li> </ul>	<p><b>Topic 4</b></p> <p>Strengthening business foundation in Latin America</p>
Strengthening human capital and corporate capabilities	<ul style="list-style-type: none"> <li>● Establishes New Development Company in India</li> <li>● Indonesia to Begin Mass Production of 120-ton Class Ultra-large Hydraulic Excavators</li> </ul>	<p>Carefully select investments in core products and growth areas. Strict control of fixed costs and fixed assets.</p>

## New services and concept models to promote the embodiment of LANDCROS

Displayed the concept model "LANDCROS One" at "bauma2025," the world's largest construction machinery exhibition held in April 2025.

Released the first service under the LANDCROS brand, "LANDCROS Connect."



**"LANDCROS One"**



**"LANDCROS Connect"**



## Provide solutions that maximize the use of digital data



Pitch Event "Hitachi Construction Machinery Challenge 2024" Held in the U.S. Creating New Value with Startups



## Actual operation test from Jan. 2025 Verifying issues in long-term operation, etc.

World's first



Full battery dump trucks running



Issues in long-term operation are being examined (February 2025)



Site visit by South African mining company (March 2025)

### Phase 1

June - November 2024

Completed verification of basic performance, charge-discharge cycles, etc.

### Phase 2

January-June 2025

Mining company visits are underway to verify battery performance over time during long-term operation.

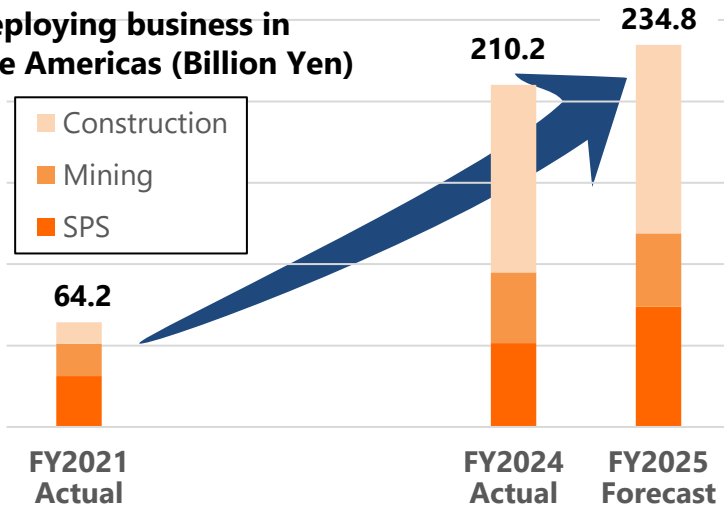
Continue to verify charging performance, driving speed, battery driving range, etc., for commercializing the product in 2027.



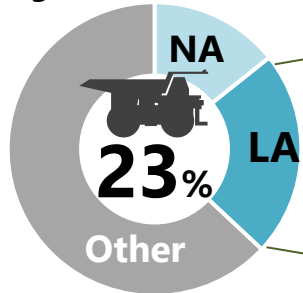
## Developing own business of America is growing steadily, and working to further strengthen our business foundation

### Strengthening business foundations in Latin America

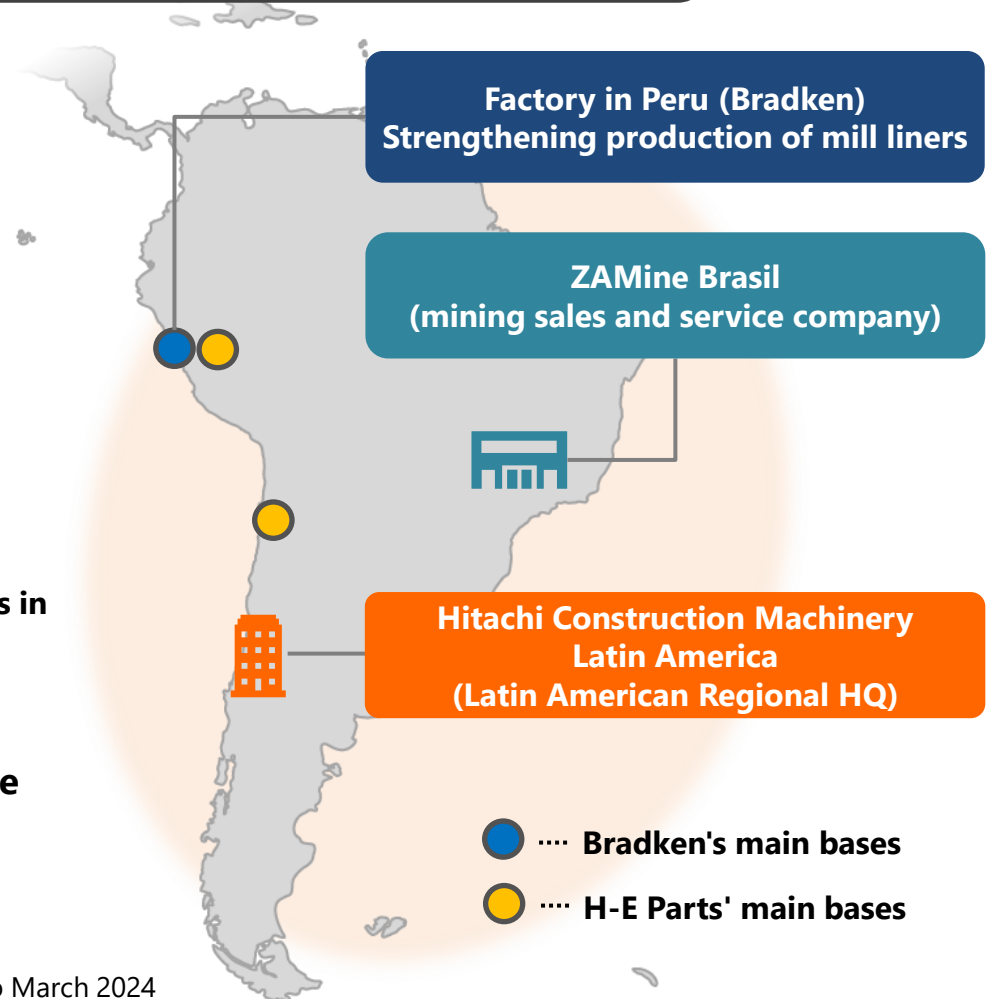
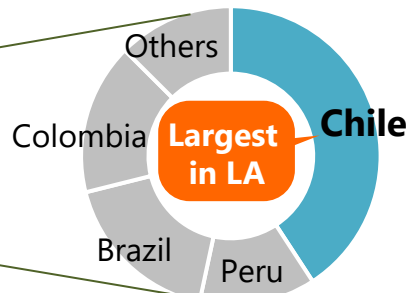
Revenue Trends of own  
deploying business in  
the Americas (Billion Yen)



Latin America's share of  
global demand



Demand for dump trucks in  
Latin America



\*Parker Bay, Load capacity over 150t, Cumulative total from 2010 to March 2024

Hitachi Construction Machinery Group

**LANDCROS**

Japanese Excellence—Reliable Solutions

## **Solutions Beyond Machinery**

**LANDCROS is our desire:  
delivering innovative solutions for all stakeholders.**