

FOR IMMEDIATE RELEASE**Future Business Strategies after Change in the Largest Shareholder**

Tokyo, January 14, 2022 – Hitachi Construction Machinery Co., Ltd. (TSE:6305) today announced that Hitachi, Ltd. (Headquarters: Chiyoda-ku, Tokyo; President & COO: Keiji Kojima; “Hitachi”), the parent company of Hitachi Construction Machinery Co., Ltd. (the “Company”), and HCJI Holdings G.K. (“JIP Consortium SPC”), which will be jointly funded by (i) a special purpose company, whose interests are wholly owned by a fund which Japan Industrial Partners, Inc. (Headquarters: Chiyoda-ku, Tokyo; Chief Executive Officer: Hidemi Moue; “Japan Industrial Partners”) manages, operates and provides information to and (ii) a special purpose company, whose interests are wholly owned by ITOCHU Corporation (Headquarters: Minato-ku, Tokyo; President and COO: Keita Ishii; “ITOCHU”), agreed to transfer 55,290,000 shares of common stock of the Company held by Hitachi (the ownership ratio of the voting rights attached to such shares, calculated based on the number of voting rights of total shareholders (2,125,317) as of September 30, 2021, is 26.0%) to JIP Consortium SPC (the “Share Transfer”). The Share Transfer is expected to result in changes in the Company’s parent company and the largest shareholder.

Further, in connection therewith, the Company has, subject to the consummation of the Share Transfer, determined to form a capital alliance with JIP Consortium SPC (the “Capital Alliance”), and on January 14, 2022, the Board of Directors of the Company resolved to enter into a capital alliance agreement with the JIP Consortium SPC (the “Capital Alliance Agreement”).

(For details of this scheme, please refer to the “Notice regarding Secondary Offering of Shares, Changes in the Parent Company, Other Affiliated Company and the Largest Shareholder that is a Major Shareholder, and Capital Alliance” filed with the Tokyo Stock Exchange today.)

The Company’s group, as a familiar and reliable partner, has engaged in providing reliable solutions to solve customers’ issues and, in line with its vision “To pass on a productive environment and prosperous cities to future generations,” has contributed to worldwide prosperity, made efforts to solve problems for a sustainable society, and been successfully growing.

In August 2021, the Company agreed with Deere & Company (Headquarters: Moline, Illinois, U.S.A.; Chairman of the Board and CEO: John C. May; “Deere”) to dissolve the joint venture relationship in North, Central and South America.

Following the announcement of the dissolution of the joint venture relationship with Deere, the Company has received a series of inquiries from trading companies and large-scale

distributors relating to mining to small and medium-sized distributors mainly relating to construction in the Americas. Currently, the Company is steadily developing its sales and service network pursuant to new contracts.

In October, the Company renamed Hitachi Construction Machinery Loaders America, Inc. (headquarters: Newnan, Georgia, USA), which was the Company's US-based consolidated subsidiary in charge of the manufacturing and sales of Hitachi branded wheel loaders in North America, making it the headquarters in the Americas. The new company name is Hitachi Construction Machinery Americas Inc. Hitachi Construction Machinery Americas Inc. is strengthening its structure with a focus on the sales and service sectors, as the regional headquarters handling all Hitachi Construction Machinery products, including wheel loaders, which have been continuously traded, compact and construction-sized hydraulic excavators, ultra-large mining excavators, and mining dump trucks.

Currently, Hitachi Construction Machinery Americas Inc. has generally agreed with 16 sales dealers which cover mid-to-wide areas in the Americas to commence new transactions, and a sales structure that covers most areas of the America markets is expected to be put in place. Existing distributors of wheel loaders, transactions with whom have previously continued, are also preparing for the expansion of Hitachi branded products, which will start in March, in order to expand their lineups of compact and construction-sized hydraulic excavators. In the mining business, active business negotiations are expected to be held in the North, Central and South American markets through collaboration with group companies engaged in mining-related business in the Americas.

In order to oversee these developments, Sonosuke Ishii, Senior Vice President and Executive Officer, President of Mining Group of the Company, has also served as General Manager of America Business Div. of the Company and Chairman of the Board of Hitachi Construction Machinery Americas Inc. since October, and the Company established the Americas Business Expansion Support Office and has promoted the strengthening of the structure for supporting the North, Central and South America business through the Company's group. In November, the first Hitachi branded construction-sized hydraulic excavator was shipped from Japan to North America.

Amid such serious challenges, the Company has decided to accept the capital participation by Japan Industrial Partners and ITOCHU.

Japan Industrial Partners states that its business purpose is to cooperate with entrepreneurs and management who are willing to transform existing businesses and industries while respecting the corporate culture, and, by formulating new businesses and industries that meet the needs of the times, assist in fully drawing out potential and original strengths in the relevant businesses and industries.

The Company believes that Japan Industrial Partners, by holding the Company's shares for

the mid-to-long term after the agreement, will utilize its experience, know-how, and broad network of experts to support the Company in formulating business strategies and strengthening the management foundations required to execute the business strategies, and to contribute in enhancing the efficiency of the Company's financial base. In addition, the Company believes that Japan Industrial Partners will, based on its abundant experience in finance business, provide optimal advice in respect of the management and operation of the Company's rental assets and other related support together with ITOCHU group, which has a proven track record of collaboration with the Company in finance business.

ITOCHU has formed business relationships in the construction machinery business with the Company in the areas of export trade finance projects and business operations of a joint venture established with the Company, and other various business relationships with the Company. In particular, ITOCHU and the Company have been operating a joint venture in the fields of manufacture, sales and finance in Indonesia for the past 30 years. ITOCHU has distribution networks including land and sea transportation spanning between Japan and the United States, and warehouses and logistics and materials centers in North America, and a customer network of construction machinery rental companies in the United States that has been established by a manufacturing and sales company specializing in small-sized construction machinery and an on-line construction machinery rental company. In addition, ITOCHU and its group company each own companies providing finance services in the United States. The Company will extensively consider collaboration in finance business with ITOCHU group in North America in financing arranged for both sales agents and retailers.

In this way, through the new capital relationship with the partners, the Company will further solidify its business development in the North America markets, the world's largest markets. At the same time, the Company will continue to collaborate with existing business partners around the world, including those in the South America market, to accelerate its global growth strategy.

As a result of this agreement, the Company will cease to be a consolidated subsidiary of Hitachi and will turn into an equity method affiliate; however, the Company's strategy to expand its components and service business, widely recognized as a part of the Lumada business, on which the Hitachi group focuses, remains unchanged after the removal from the scope of consolidation of Hitachi.

The Company's group will continue to display the Hitachi brand, collaborate with Hitachi and the Hitachi group in various fields of R&D, including IoT, and contribute to the enhancement of the value of the Hitachi brand, as well as procure certain parts and components from the Hitachi group, mainly in the mining business.

In addition, the Company will globally contribute to realization of net zero emissions in the

mining market as a member of the Hitachi group, by providing engineless full electric dump trucks, which are jointly under development with ABB Ltd (Headquarters: Zurich, Switzerland; CEO: Bjorn Rosenglen; “ABB”). In this way, the Company will continue collaboration with Hitachi and the Hitachi group in various fields of R&D, including IoT, and contribute to the enhancement of the value of the Hitachi brand.

While collaborating with Hitachi, Japan Industrial Partners and ITOCHU, the Company will, for its stable and steady growth, continue to engage in solution business with a unique multi-channel that contributes to solving issues of customers in the business related to sale of new vehicles, rental, used equipment, parts and services in North, Central and South America and around the world.

About Hitachi Construction Machinery Co., Ltd.

Hitachi Construction Machinery Co., Ltd. (TSE: 6305), headquartered in Tokyo, Japan, is a construction machinery manufacturer. The company engages in the development, manufacturing, sales, and service operations around the world for hydraulic excavators, wheel loaders, road construction machines, and mining machinery. Hitachi Construction Machinery is strengthening its focus on value chain businesses other than new machinery sales, such as parts and services, rentals, used equipment, and parts recycling, and is utilizing digital technologies to provide deeper solutions at all points of contact with customers. Hitachi Construction Machinery employs approximately 25,000 people worldwide. In fiscal year 2020 (ended March 2021), the consolidated sales revenue was ¥813 billion and the percentage of overseas sales revenue was approximately 75%. For details, visit the company's website (<https://www.hitachicm.com/global/>).

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.