

Third ESG Explanatory Meeting

Initiatives for Sustainability and Human Capital Management

February 17, 2023

Corporate Brand & Communications Group

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Introduction

1**Value Creation Strategy
of Hitachi Construction Machinery Group****Kotaro Hirano**
Executive Officer, President & CEO**2****Initiatives for Sustainability****Atsushi Tamane**
President of Sustainability Promotion Group**3****Human Capital Management:
HR strategy for improving enterprise value****Seishi Toyoshima**
Vice President and Executive Officer, CHRO,
President of Human Capital Group

Good morning, everyone, I am Hirano, President & CEO.

First, I would like to express our heartfelt sympathy and condolences for the loss of precious lives and victims who suffer from the damages caused by the deadly Earthquakes in Turkey and Syria, where the rescue operation is still ongoing.

This is our third ESG meeting. These are the three main points of today's presentation.

First, I, Hirano explain the value creation strategy, followed by initiatives for sustainability by Mr. Tamane, President of Sustainability Promotion Group, and finally, Mr. Toyoshima, Vice President, and Executive officer, and CHRO will explain Human Capital Management.

Following the agenda, we will give the presentation.

1. Value Creation Strategy of Hitachi Construction Machinery Group

First, I will talk about the value creation strategy of Hitachi Construction Machinery Group.

Seventy Years of Contributing to Building prosperous land and society

HITACHI

Reliable solutions

Formulation of group identity for Second Start-up

Reliable Solutions

We are a reliable solutions partner with/for our customers

How we want to be

Our mission

Our code of conduct

VISION

MISSION

SPIRIT

Ensure a prosperous land and society for the future
We contribute toward realizing a safe and sustainable society

Meet expectations from customers, co-create innovative products, services, solutions and together, we continue to create new values

Challenge Customer Communication

Foundational Values : Basics and Ethics, Trust and Technology, Pride and Responsibility

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Since the launch of the mass production of construction machinery in 1950, already 70 years have passed, and this year is the year of the second start-up for us with major events including the change of shareholder structure and the full-fledged launch of our own business in Americas.

Upon the second start-up, with all group employees involved in Japan and abroad, we formulated the group identity of Hitachi Construction Machinery in December 2022.

Redefining the legacy words which have been long used in-house, more than 3,000 members including employees abroad and board members participated in formulation.

Corporate statement is Reliable Solutions, we are a reliable solutions partner with/for our customers.

Our vision, mission and code of conduct are described here.

Our vision is to ensure a prosperous land and society for the future, and to contribute toward realizing a safe and sustainable society.

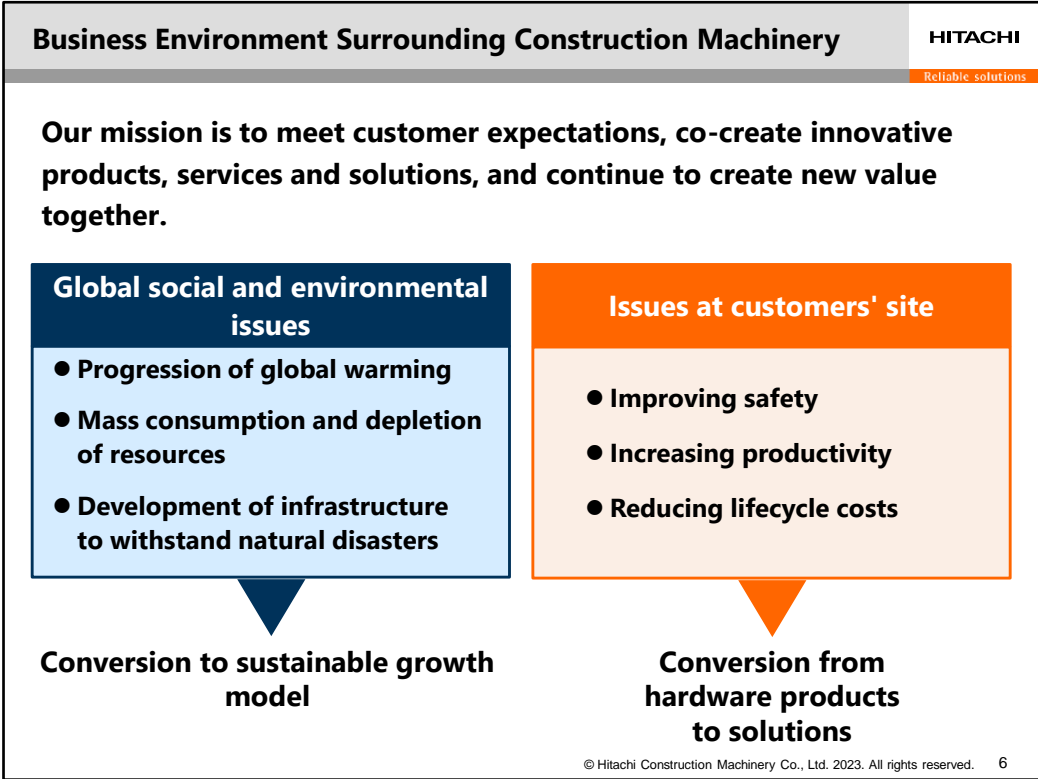
And our mission is to meet expectations from customers, co-create innovative products, services, solutions and together, we continue to create new values.

Ultimately, our mission is not only selling machineries, but to deliver high quality machineries with superb functions and to provide maintenance so that the machineries will operate without troubles.

We believe that the machineries will develop society in sustainable manner, and even at the time of unfortunate disasters, we hope to promote the recovery work from disasters.

Employees of Hitachi Construction Machinery Group called the code of conduct to realize this vision and mission the Kenkijin Spirit.

Upon the second start-up time, we updated this through thorough discussion by division after 20 years.

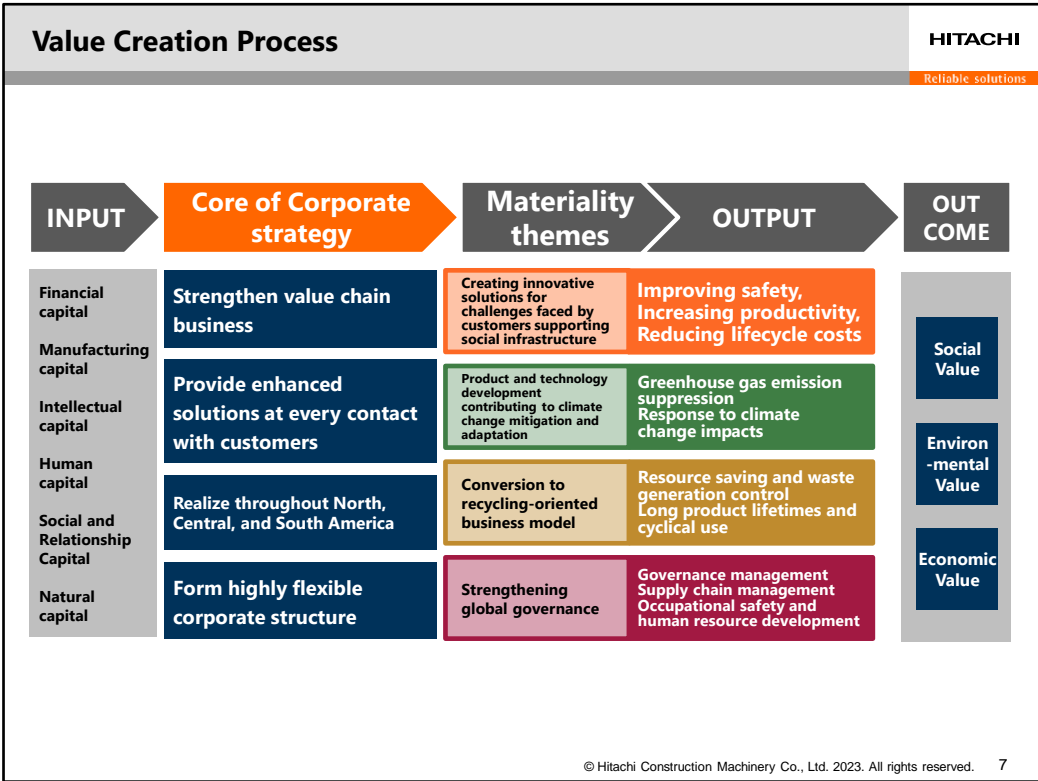


Business environment surrounding construction machinery is changing rapidly. Let me talk about our mission of a construction machinery manufacturer to meet expectations of society and customers more in detail.

It is the activities to address global social and environmental issues, through prevention of the progression of global warming, prevention of the mass consumption and depletion of resources, and contribution for the development of infrastructure to withstand natural disasters. Realizing them will lead us to convert to a sustainable growth model.

And as for issues at customers' site, improving safety, increasing productivity and reducing lifecycle costs are required.

In the mid-term business plan, with this year as the final year of the plan, we have achieved the conversion from hardware products to solutions, by leveraging digital technology in value chain business that we have been focusing on, and by deepening the solutions that we offer at every contact point with customers.



This is the value creation process for the mission to meet expectation of society.

Four cores of corporate strategy in the mid-term plan are connected to the four materiality themes, and we believe that to provide solution and ensure to deliver output in each theme is the outcome in the corporate value creation to meet the expectation.

Today, out of these four materiality themes, Mr. Tamane of the Sustainability Promotion Group will explain the progress in the items where large changes have occurred since the previous fiscal year, and Mr. Toyoshima, CHRO will explain the theme of the Human Capital Management mainly from the perspective of strengthening global governance.

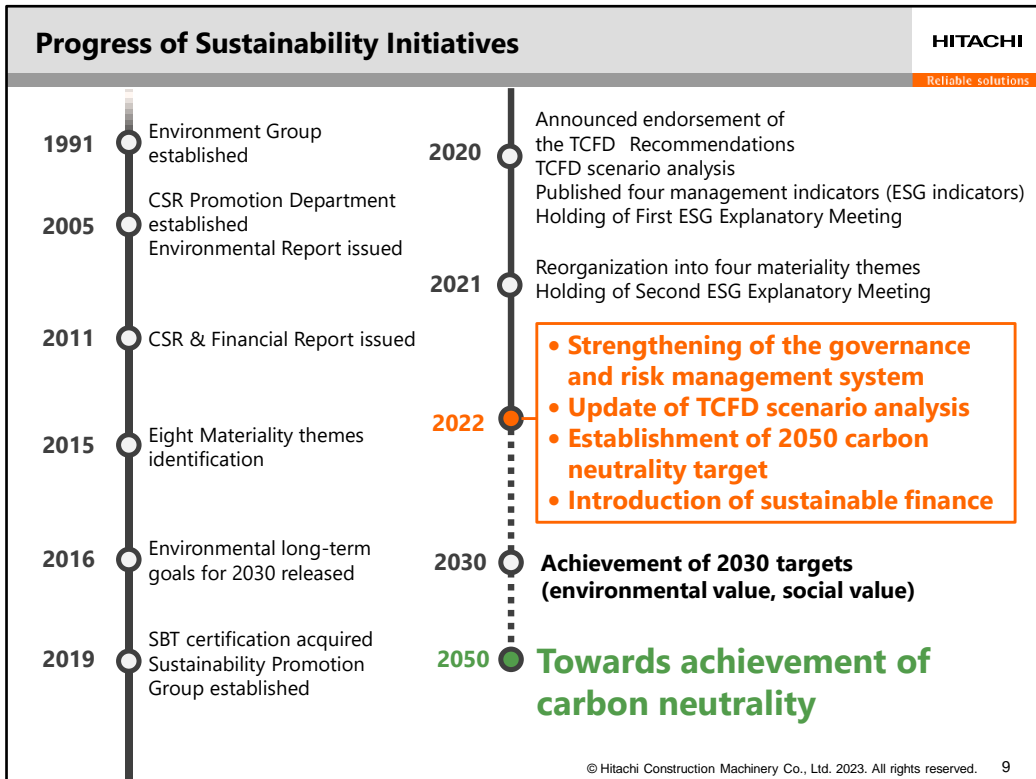
HITACHI

Reliable solutions

2. Initiatives for Sustainability

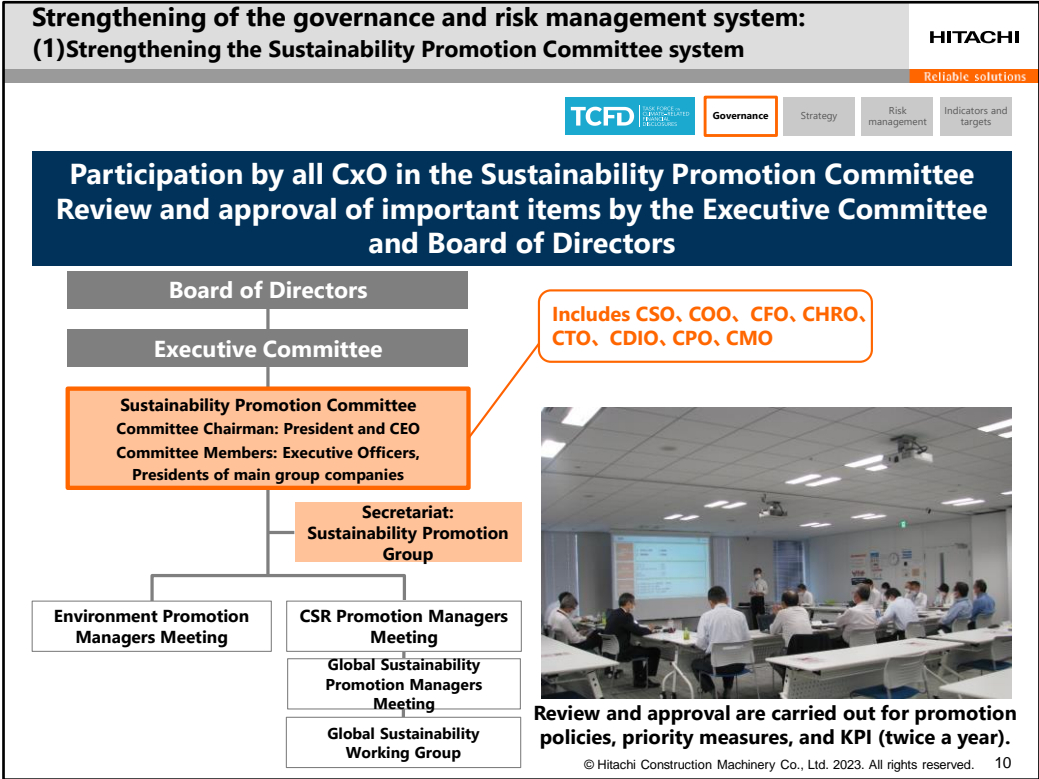
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I am Tamane of the Sustainability Promotion Group.
I will explain the progress in the initiatives for sustainability.



The major initiatives in the last one year are shown in the orange box, strengthening of the governance and risk management system, update of TCFD scenario analysis, establishment of 2050 carbon neutrality target, and introduction of sustainable finance.

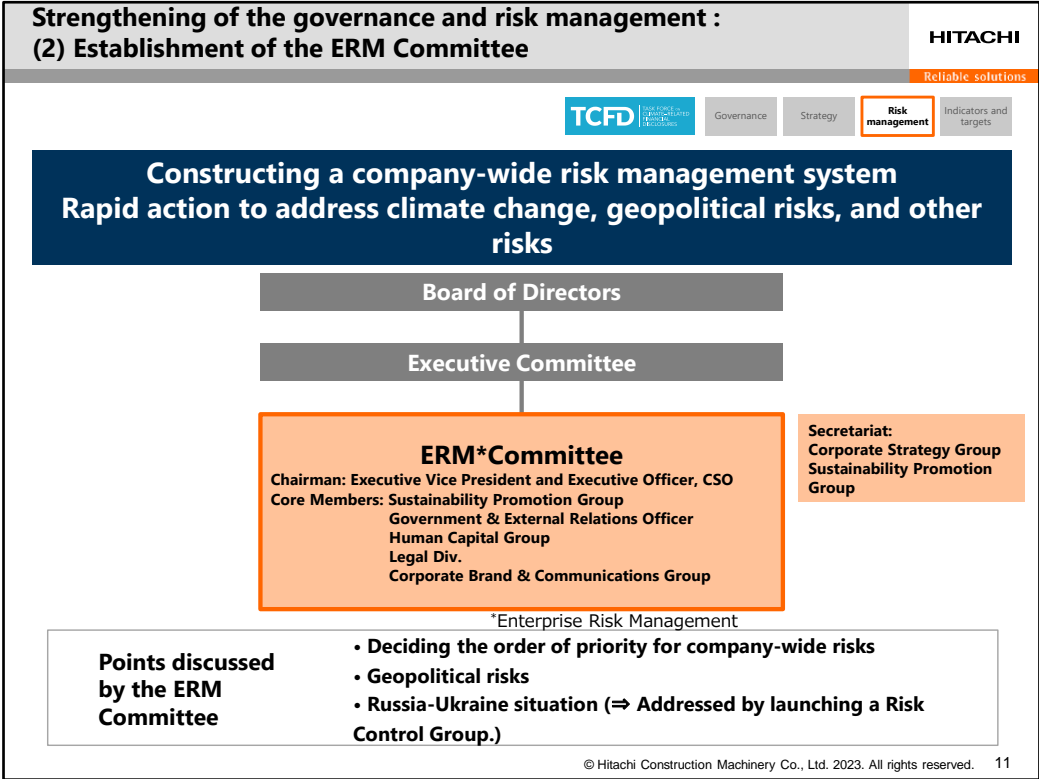
We declared the target of carbon neutrality for 2050 in August 2022.
The 2030 targets that we have been striving for will be a milestone for 2050.
I will explain the four initiatives respectively in the following pages.



As we announced the endorsement for TCFD in 2020, let me explain in accordance with the TCFD classification from this page.

As for Governance, we shifted to the structure that all CxO participate in the Sustainability Promotion Committee. And we enhanced the structure so that important items will be reviewed and approved not only by the Executive Committee but also by Board of Directors.

As for the compensation of executive officers, from FY2022, we changed the system so that the ESG evaluation and organizational health were included as a part of the performance of the entire company and the divisional targets, and that improved the effectiveness by clarifying the engagement and the responsibilities of the officers.

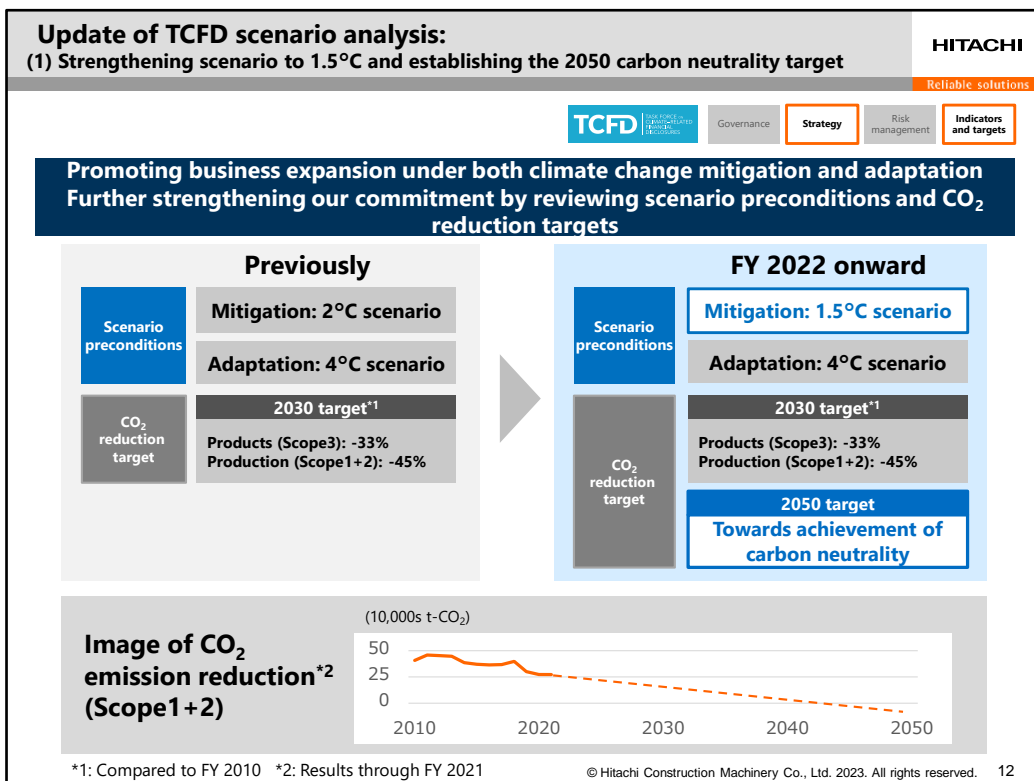


Next, as for the risk management, from April 2022, we established the ERM Enterprise Risk Management Committee for the company-wide risk management.

The objective of this committee is to manage risks, including the climate change and geopolitical risks that require the management decision beyond the divisional effort, and that shake the foundation of the global business and take rapid action.

At the time of the launch of this Committee, the Russia-Ukraine issue was highlighted.

Then, through a series of the extraordinary meetings, we established the Risk Control Group, and we made decisions of policies and the responses of the Company including group companies and responded quickly.



This slide is about strategy and indicators and targets.

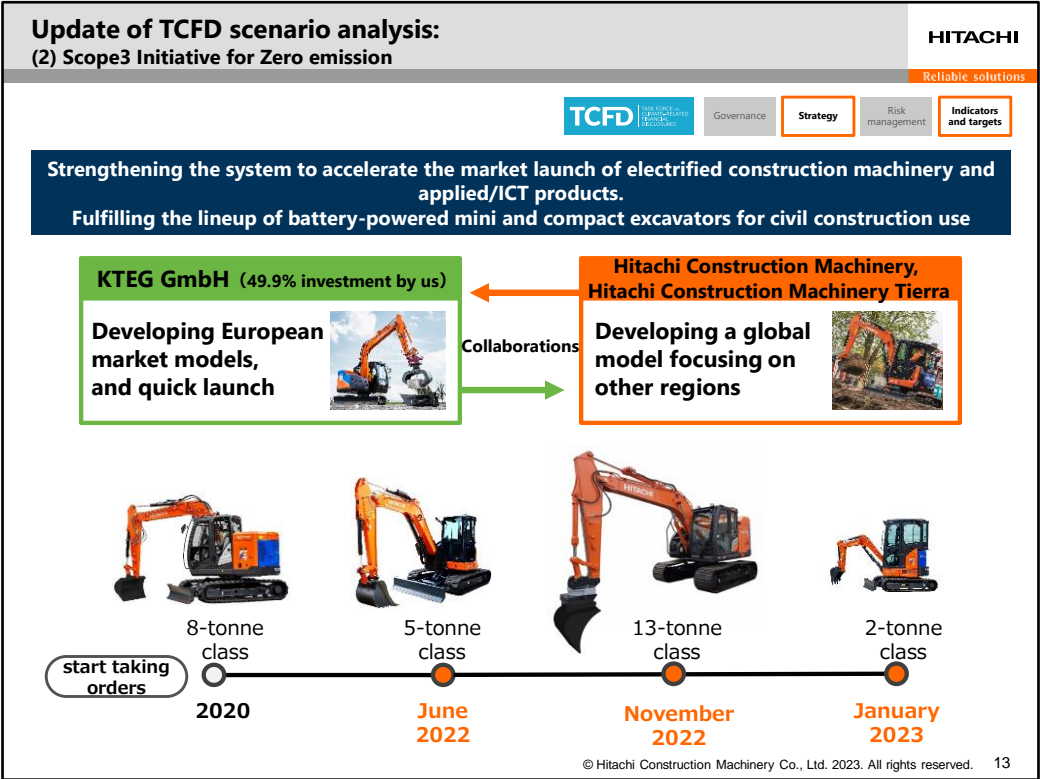
Along with the agreement in COP26, the scenario precondition was changed from previous 2 degree centigrade to the stricter standard of 1.5 degree. As for the specific strategy, we are having discussions after reorganizing the company-wide internal task force, and we are promoting the business expansion under both climate change mitigation and adaptation.

And as the ultimate goal, we are to achieve the carbon neutrality in 2050. We will further strengthen our commitment by reviewing scenario preconditions and CO₂ reduction targets.

Overview of the scenario analysis is shown in the reference materials at the end, so please refer to them later.

As CO₂ emission reduction in Scope 1 and 2 is shown by the chart below, we will progress toward zero emission in 2050.

I will explain Scope 3 in the next slide.



Scope 3 is the initiatives for zero emission by products. We have been strengthening KTEG in Europe since October 2022, and have been accelerating the product launch toward the advanced market where demand for electrified construction machinery is high.

To be more specific, we are expanding the lineup of battery-powered mini and compact excavators for urban civil construction use, and currently, Hitachi Construction Machinery Group and KTEG have launched these four models shown here.

We will continue to collaborate in Europe and Japan and contribute to solve issues of society, environment, and customers.

Introduction of sustainable finance (positive impact finance)

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Further strengthening initiatives for achieving SDGs


Over view


Contract date	Financing amount	Loan period
Dec. 2022	20.0 billion yen	9 years

Evaluation themes

13 CLIMATE ACTION


Contribution to Carbon Neutrality


Electrified products

Solar power generation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION


Minimizing Environmental Impact, Realizing a Recycling-Oriented Society


Rental and used equipment

Parts remanufacturing

8 DECENT WORK AND ECONOMIC GROWTH

Contribution to Improving Safety and Productivity at Workplaces


Utilization of IoT


ICT construction machinery

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Promotion of Global Human Resource Management

Use of global human resources

Active roles for women

* Sustainable finance is a financing scheme in which the financing field provides direction for promoting solutions to environmental and social issues. HCM has concluded an agreement for "Positive Impact Finance (type of investment and lending for companies where the uses of the funds are not restricted)" with Sumitomo Mitsui Trust Bank.

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This is the final slide of the part 2, my presentation.

We introduced Sustainable Finance for the first time in December 2022.

We adopted the positive impact finance, and we were evaluated in the four themes as shown here.

We will work steadily to achieve the target in each theme and strengthen the initiatives to achieve SDGs further. This concludes my presentation.

3. Human Capital Management: HR strategy for improving enterprise value

I am Toyoshima, CHRO.

I will present under the theme of Human Capital Management, HR strategy for improving enterprise value.

Our greatest strength is our diverse human capital who have the "Kenkijin" spirit.

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HCM Group by the numbers

<div>Number of consolidated subsidiaries</div> <div>Japan: 7 companies Overseas: 73 companies</div> <div>80 companies</div>	<div>Number of employees</div> <div>Japan: 9,893 Overseas: 15,094</div> <div>24,987</div>	<div>Ratio of overseas personnel</div> <div>60%</div>	<div>Ratio of management positions</div> <div>Women: 10% Men: 15%</div>	<div>Local personnel ratio for General Manager positions at overseas group companies</div> <div>71%</div>
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(As of March 31, 2022)

Globally active Kenkijin

Each employee is expressing their thoughts on 3C (Challenge/Customer/Communication) on the theme of "My Kenkijin Spirit."

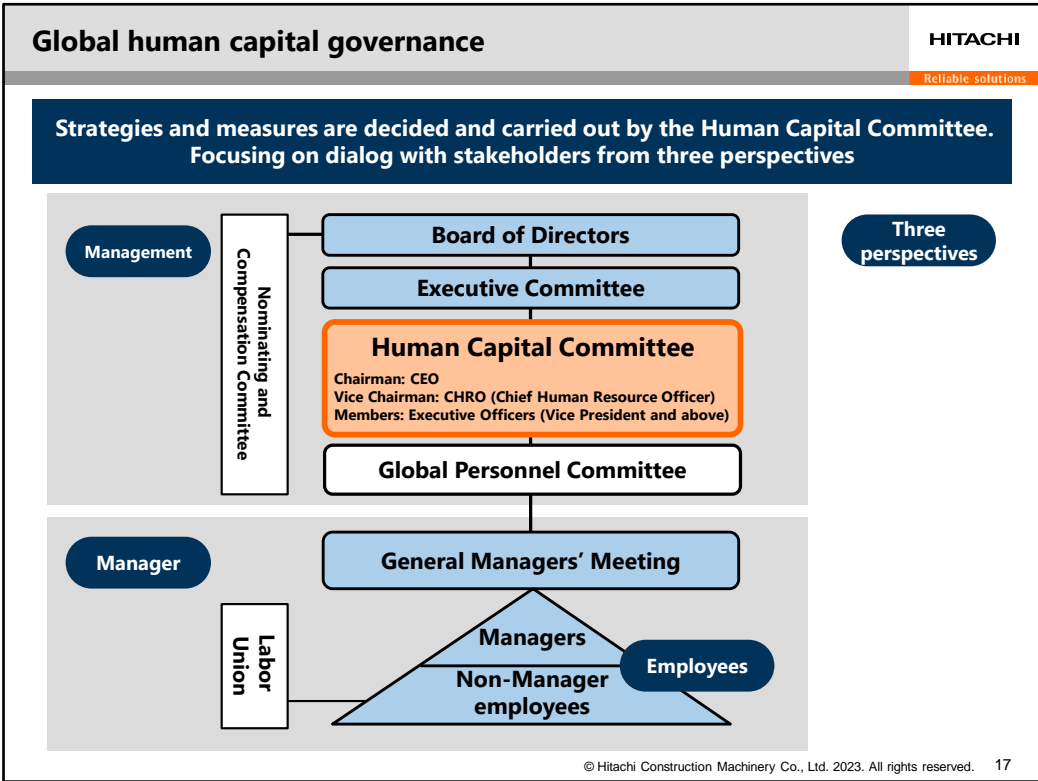
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The greatest strength of Hitachi Construction Machinery Group is our diverse human capital who have the “Kenkijin” spirit.

This is the data as of the end of the last fiscal year, but the number of employees around the world is about 25,000, ratio of overseas personnel is 60%, ratio of management positions is 10% for women, 15% for men, and the local personnel ratio for General Manager positions at overseas group companies is 71%.

As shown here, globally diverse people are working actively, but I think there is still room for further improvement in human capital management.

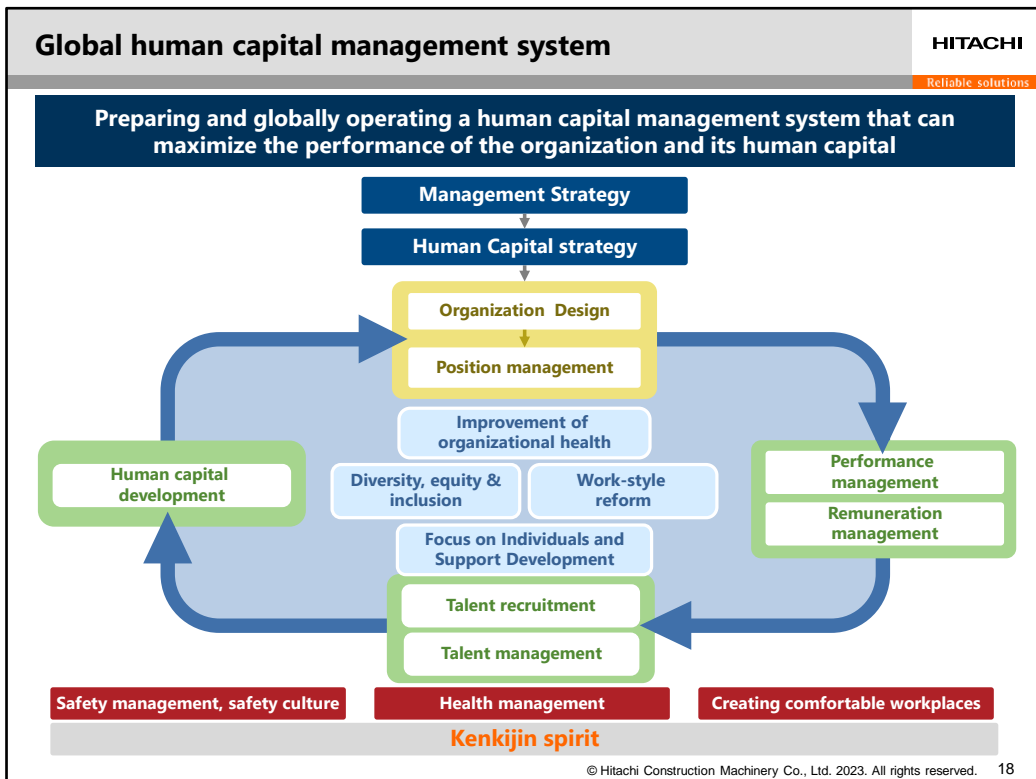
Today, I would like to explain our future initiatives as well as the initiatives already implemented.



First, I will explain our global human capital governance.

We discuss the strategies and measures regarding human capital in the Human Capital Committee, chaired by CEO Hirano.

I would like to strike the optimized balance of three perspectives from management, manager and employees in implementing HR strategies and measures.



Next slide is about the global human capital management system.

We formulated the group-wide global human resources policy in 2020, and develop and operate the human capital management system.

Previously, human capital management was carried out by company in each region, but now we prepared the foundation globally to maximize the performance of the organization and its human capital.

To be more specific, we developed the mechanism for organization design and position management, performance management, talent management, and human capital development, and implement the necessary initiatives.

And to underpin them, we enhance the improvement of the organizational health, diversity, equity & inclusion, work-style reform and the focus on individuals and support development.

And we are also striving to create safe, healthy and comfortable workplaces as the basis for all.

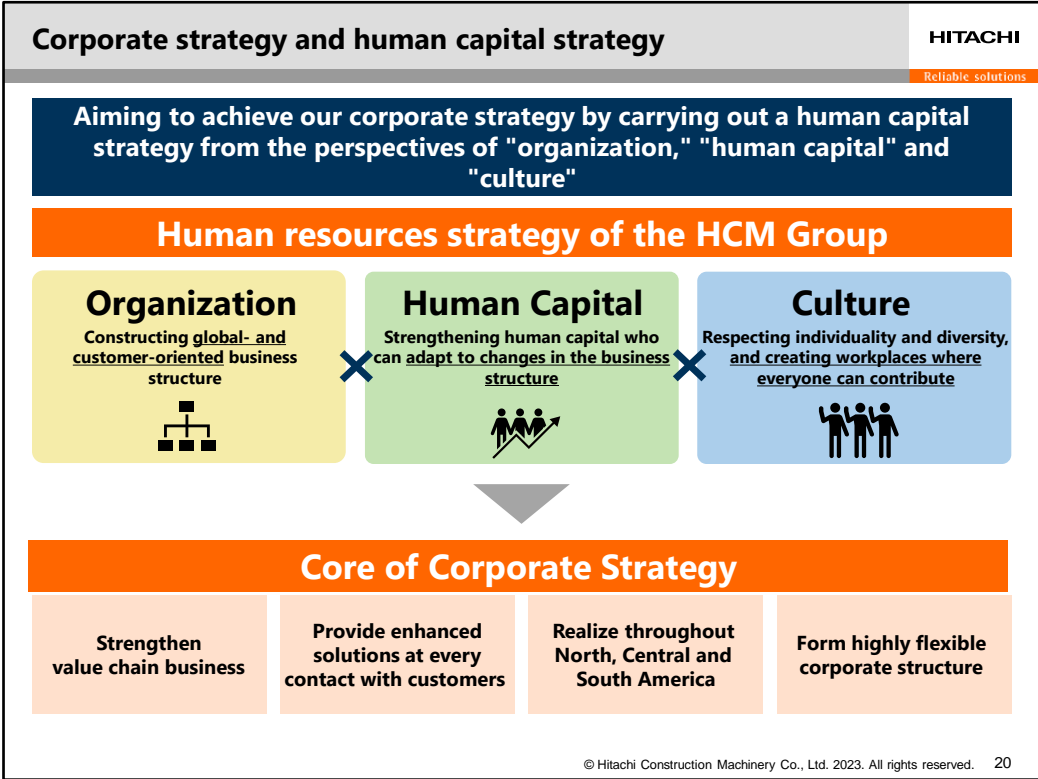
Mission of the Human Capital Group in the HCM Group		HITACHI
		Reliable solutions
Our employees are the foundation of our business. Linking the growth and the challenges of each individual to the advancement and development of the business.		
Mission	To create new value through human capital and our organization, contributing to the creation and transformation of our businesses.	
Vision	<ul style="list-style-type: none">• Organize a highly productive organization• Each individual pursues their own goals, creates new value• Prioritize safety and health, improve organizational health	
Strategy	<div>Organization × Human Capital × Culture</div>	
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Next I will explain the mission of the Human Capital Group under my oversight.

With the basic concept, our employees are the foundation of our business, linking the growth and the challenges of each individual to the advancement and development of the business, our mission is to create new value through human capital and our organization, contributing to the creation and transformation of our businesses.

We have three visions,
organize a highly productive organization with diversity,
each individual pursues their own goals, creates new value,
and prioritize safety and health, improve organizational health.

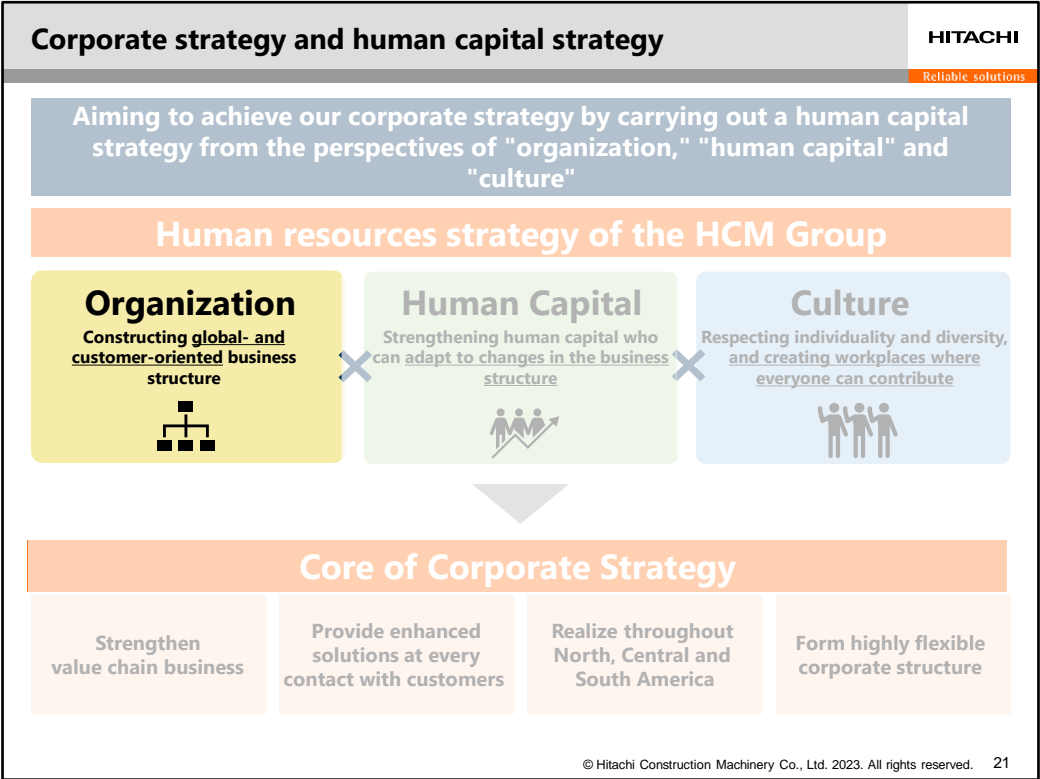
And strategy is adopted from three aspects of “organization”, “human capital” and “culture”.



Let me now explain the three aspects of the human capital strategy. What we strive for is, in "Organization," constructing a global and customer-oriented business structure, in "Human Capital", strengthening human capital who can adapt to changes in the business structure, and in "Culture", respecting individuality and diversity, and creating workplaces where everyone can contribute.

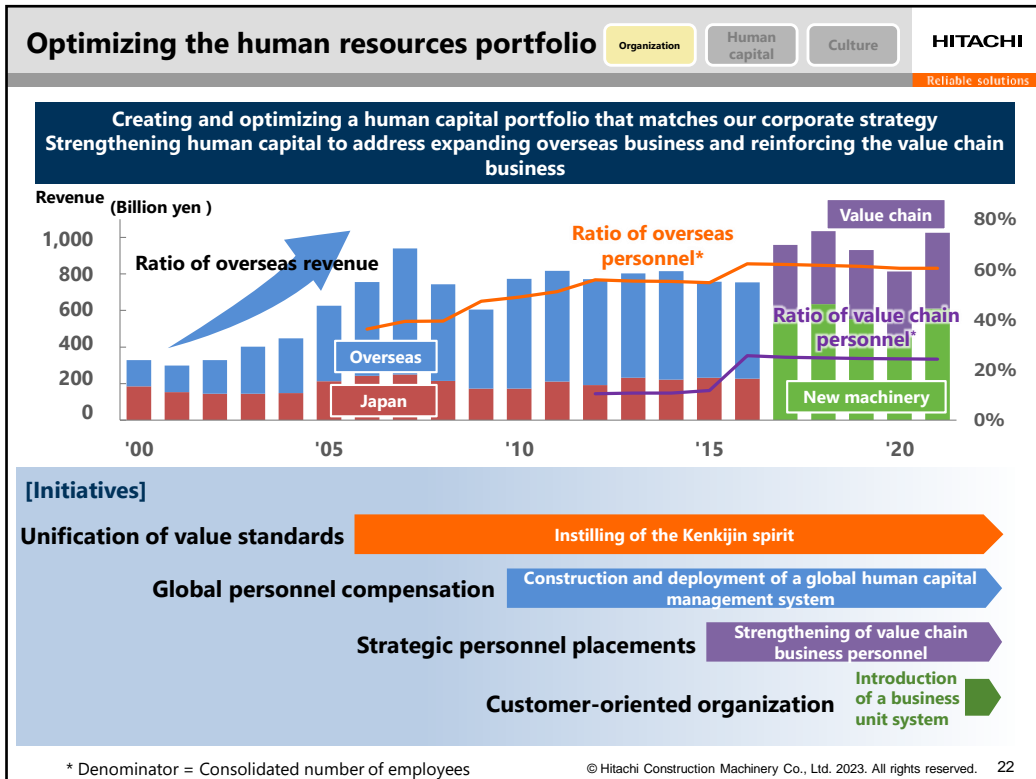
Through these three aspects, we will carry out the human capital strategy to achieve our corporate strategy.

Now I will explain these three aspects in detail.



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First aspect is "Organization".



We create and optimize a human capital portfolio that matches our corporate strategy.

Since 2000s, our overseas personnel have grown with the rapid expansion of overseas operations.

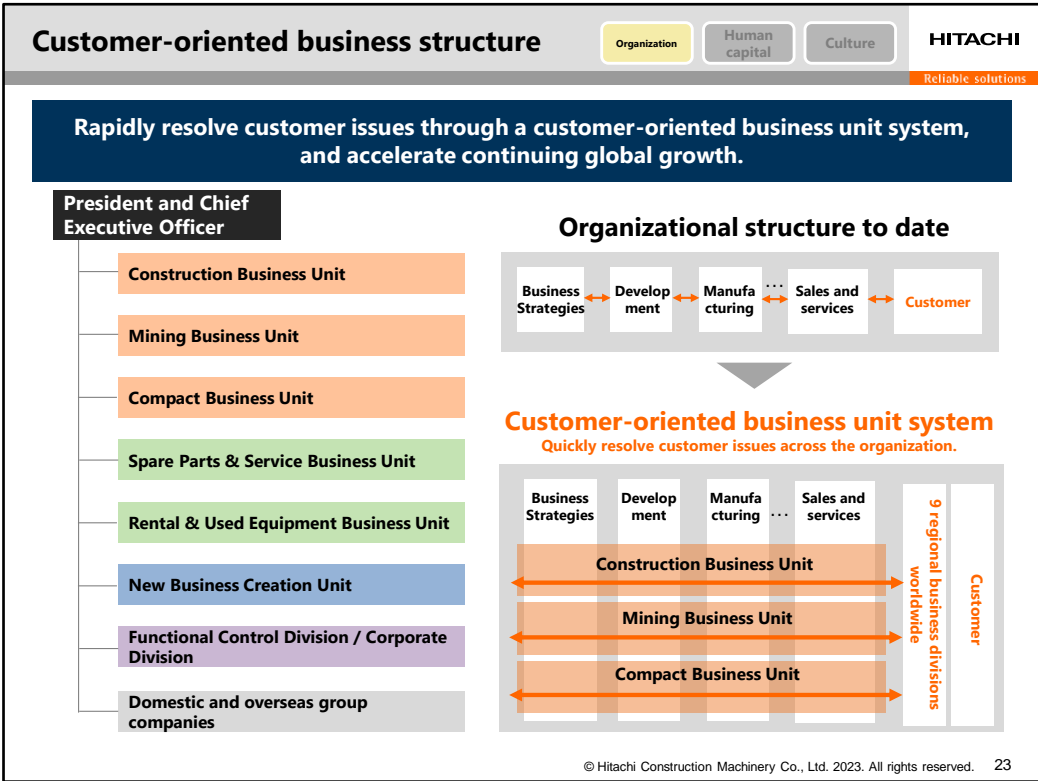
Given that circumstances, we thought it was necessary to unify the value standards of human capital and clarify the code of conduct on a global basis, and in 2008, we established the Kenkijin Spirit and launched a global campaign to promote and establish the Kenkijin Spirit.

As a result, the Kenkijin Spirit has become firmly established in the Group as our common language.

As explained in the Part 1 at the beginning, this Kenkijin Spirit has also been updated this time.

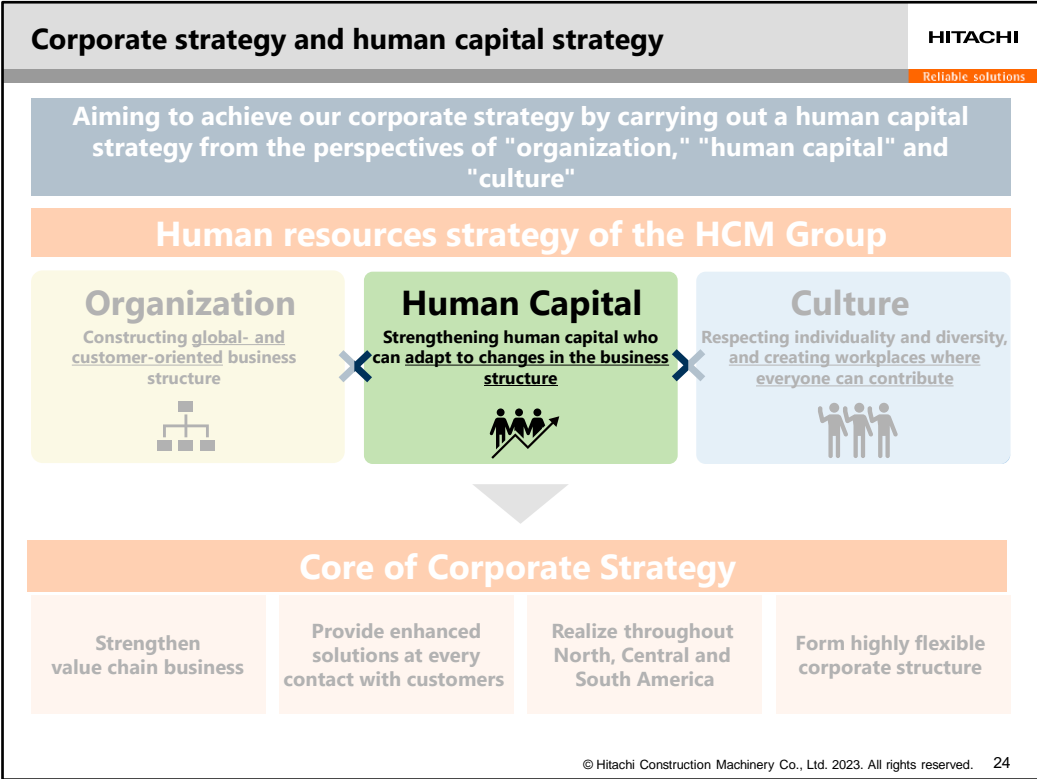
In addition, in recent years, we have been promoting strategic personnel placements to strengthen our global value chain business.

And a business unit system was introduced in April 2022. I will elaborate more on this on the next page.



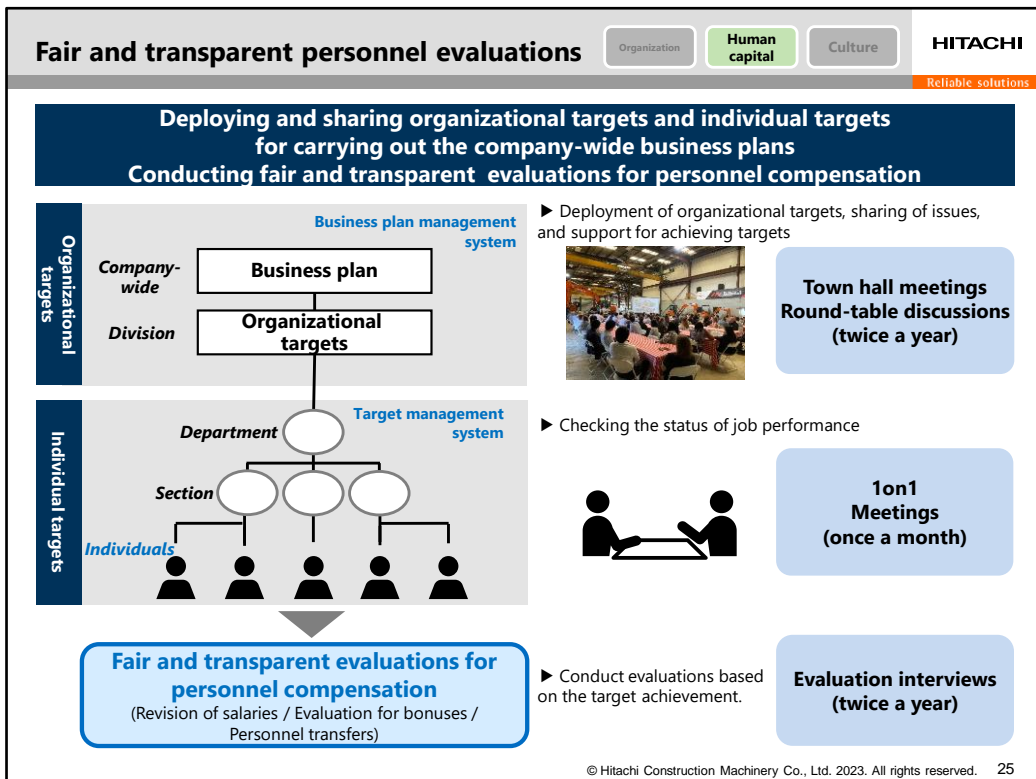
In April last year, we introduced a business unit system as a customer-oriented business structure. We redefined 3 business units of Construction, Mining, and Compact that have different customer bases and business models respectively, as well as other business units for value chain business and new business creation.

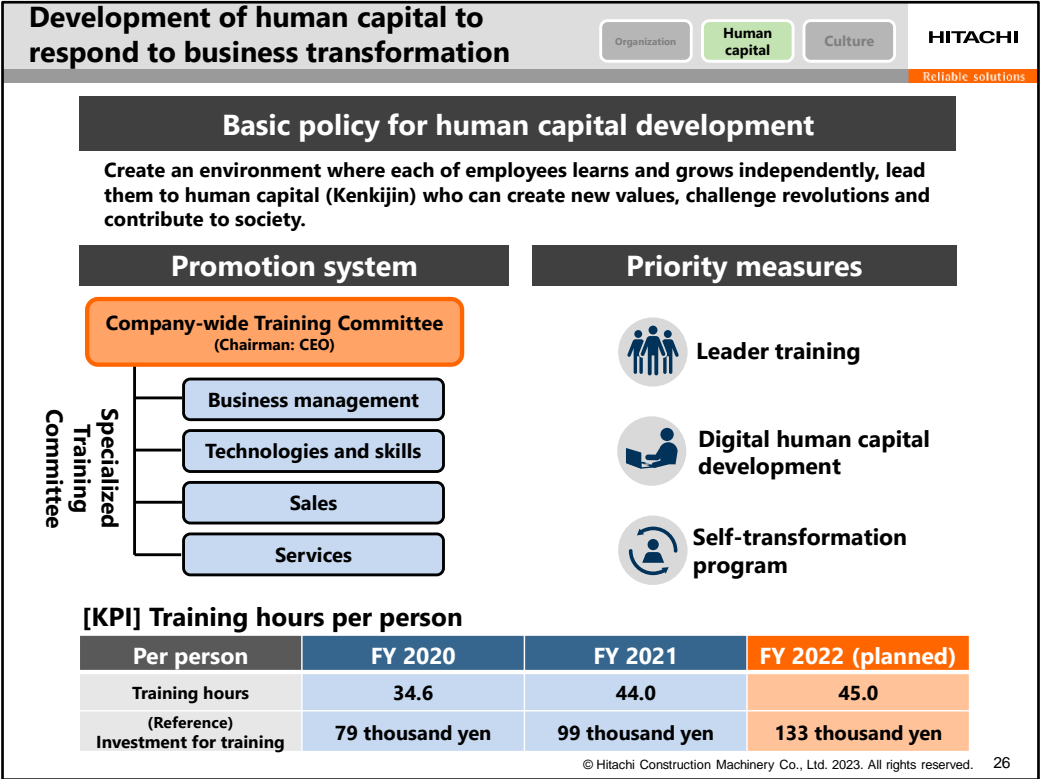
So far, we had a vertically divided organization, such as development and sales that focus on their own function, but now we have a system where business planning, development, manufacturing, sales, and services address issues cross-functionally to rapidly resolve customers issues and accelerate sustainable growth globally.



Next is about "human capital".

We are strengthening our human capital to be able to cope with changes in the business structure.





From this page, I will explain development of human capital to respond to business transformation.

Our basic policy for human capital development is to create an environment where each employee learns and grows independently, and lead them to Kenkijin who can create new values, challenge revolutions and contribute to society.

With this policy, we established the Company-wide Training Committee, chaired by the CEO, and under this committee, we set specialized training committees as shown here to promote activities.

Please refer to the "Human Resource Development System" attached as a reference material for more details.

The number of training hours per person is set as a KPI for human capital development, and it is 45 hours in the plan for FY 2022.

We have three priority measures of "Leader Training," "Digital Human Capital Development," and "Self-Transformation Program". I will explain them one by one.

Human capital development:
(1) Leader training

OrganizationHuman capitalCulture

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Systematically selecting and training “innovative leaders”
who can create new value

President Officers

Carry out business operations and deliver results as business leaders.

Division GMs

Promote to higher positions and give them the experience necessary as managers.

General managers

Select global leaders and give them the opportunity to learn management skills and mindsets.

Section managers



Participants tracing the roots of HCM
(Global Leaders 2022)



Discussion of matters including the next medium-term
management plan and group identity

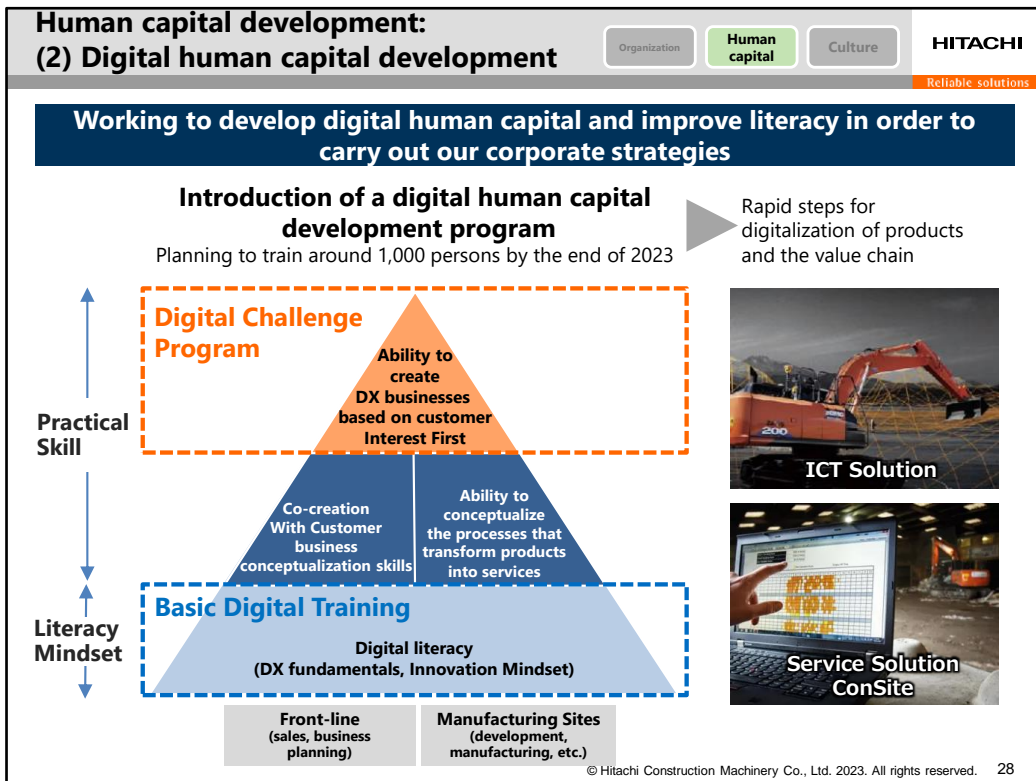
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The first measure is "Leader training".

We systematically select and train innovative leaders who can create new value.

The program is tailored to each stage of training and ultimately, they will be required to carry out business operations and deliver results as business leaders.

In the training in 2022, 10 leaders from 7 global sites got together, and discussed the next medium-term management plan and the group identity, which was still a work in process.



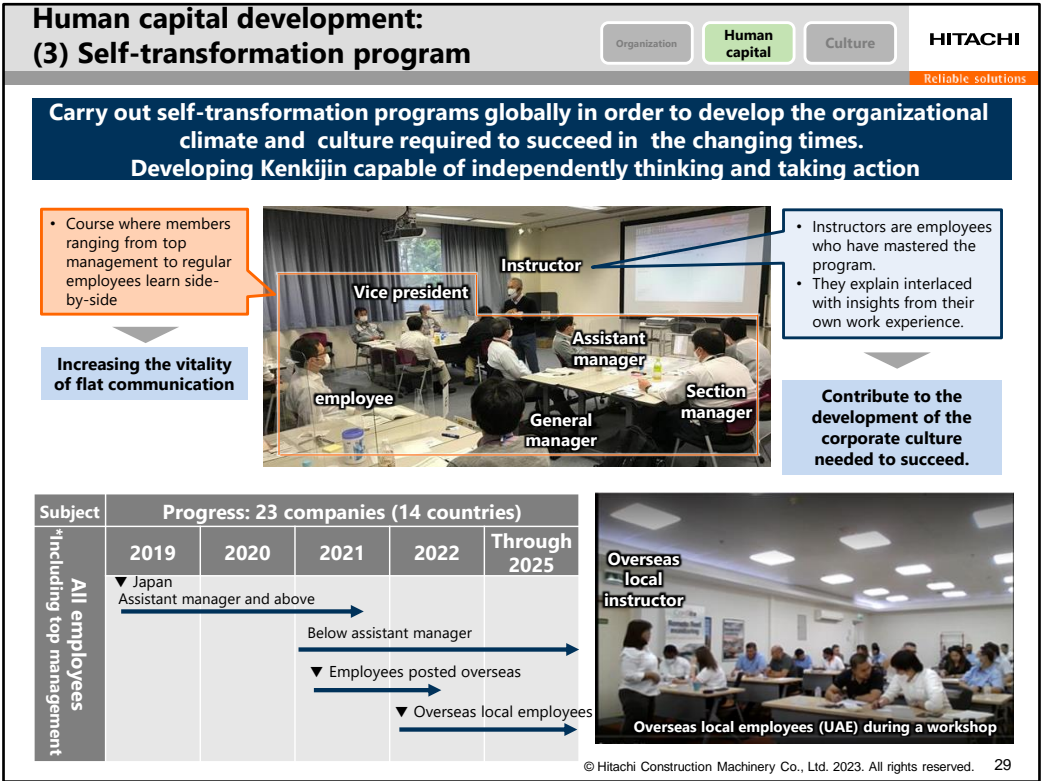
The second measure is "Digital human capital development.

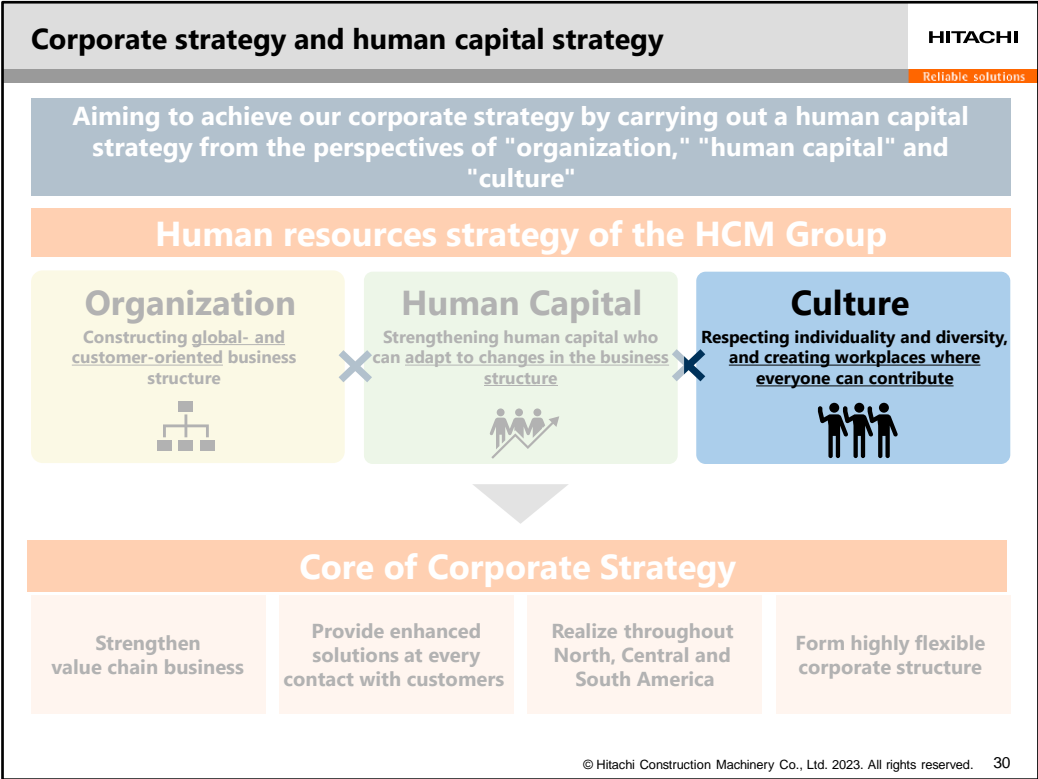
It is increasingly required to implement digitalization of construction equipment itself as well as the transformation of the entire business by digital technologies.

In order to further strengthen our digital solutions business and business process reforms, we implement two programs.

The Basic Digital Training is designed to improve digital literacy and develop more digital human capital. And the "Digital Challenge Program" is help them acquire practical skills considering the digital skills required for front-line operations and manufacturing sites respectively so that we can create DX businesses based on customer interests.

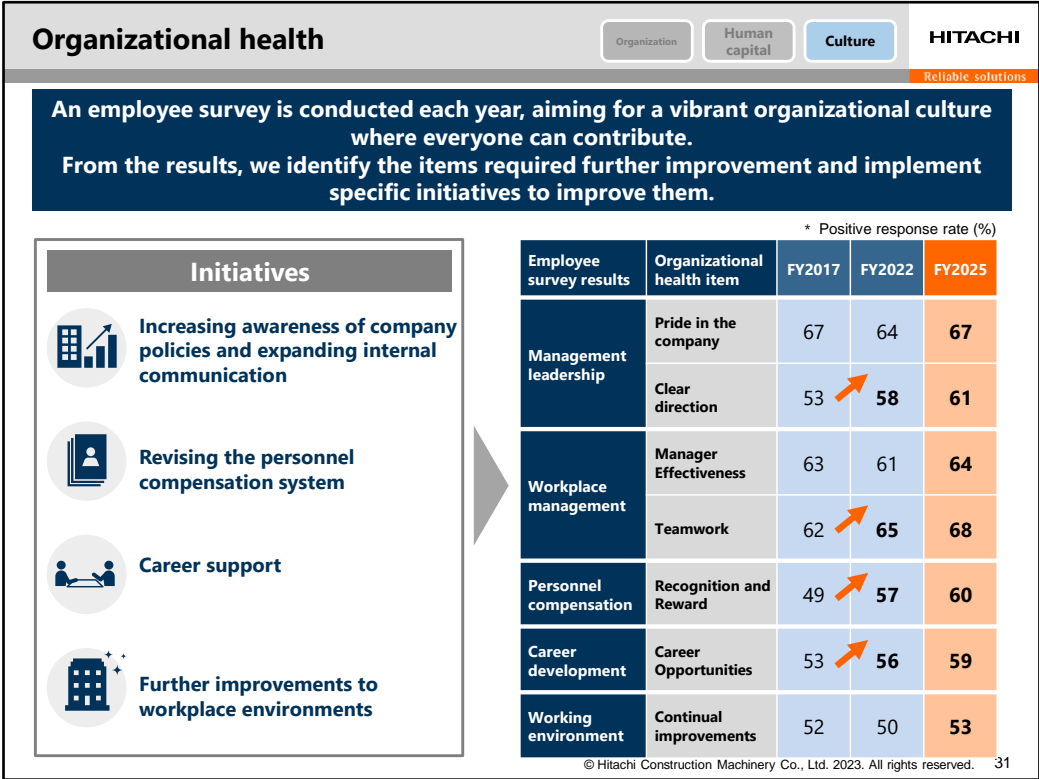
We are developing human capital to respond quickly to the increasing demand for digitalization in the future.

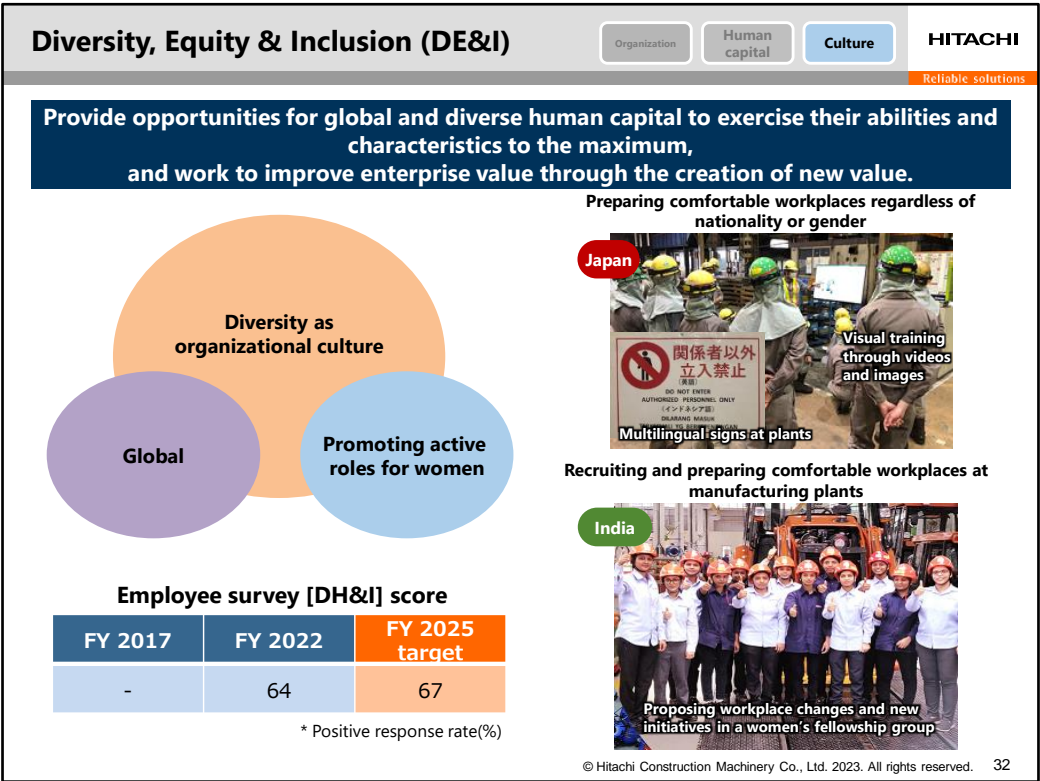




The last one is "culture".

We respect individuality and diversity, and aim to create workplaces where everyone can contribute.





Work-style reform

Organization

Human capital

Culture

HITACHI

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Working to create value and improve productivity in order to produce motivation and achieve comfortable work

Support for individual growth and self-actualization

Preparation of working environments

Motivation


Value creation and improvement of productivity

Comfortable working


Carrying out business targets and performance-based compensation

Preparation of office environments

Fully incorporating employee opinions when deciding construction concepts and project goals



Promoting communication in open spaces



Working locations can be changed according to the work contents, improving comfort and productivity.

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For the work style reform, motivation and comfortable working conditions are defined with four factors shown here.

For example, in the preparation of office environments, we are building new office buildings and other facilities at each plant in the process of reorganizing sites in Japan, and its construction concepts and project goals were decided by fully incorporating employee opinions.

Employee engagement has improved by thinking about and shaping their own office by themselves.

Furthermore, as announced at the January financial results briefing, the pension plan is scheduled to be revised this March. Specifically, the defined benefit corporate pension plan will be shifted to a risk-sharing corporate pension plan, to improve benefit levels while ensuring the sustainability of the system. This is expected to be more beneficial to our employees.

For details, please refer to the reference material in the attachment.

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The last point is respect for human rights.

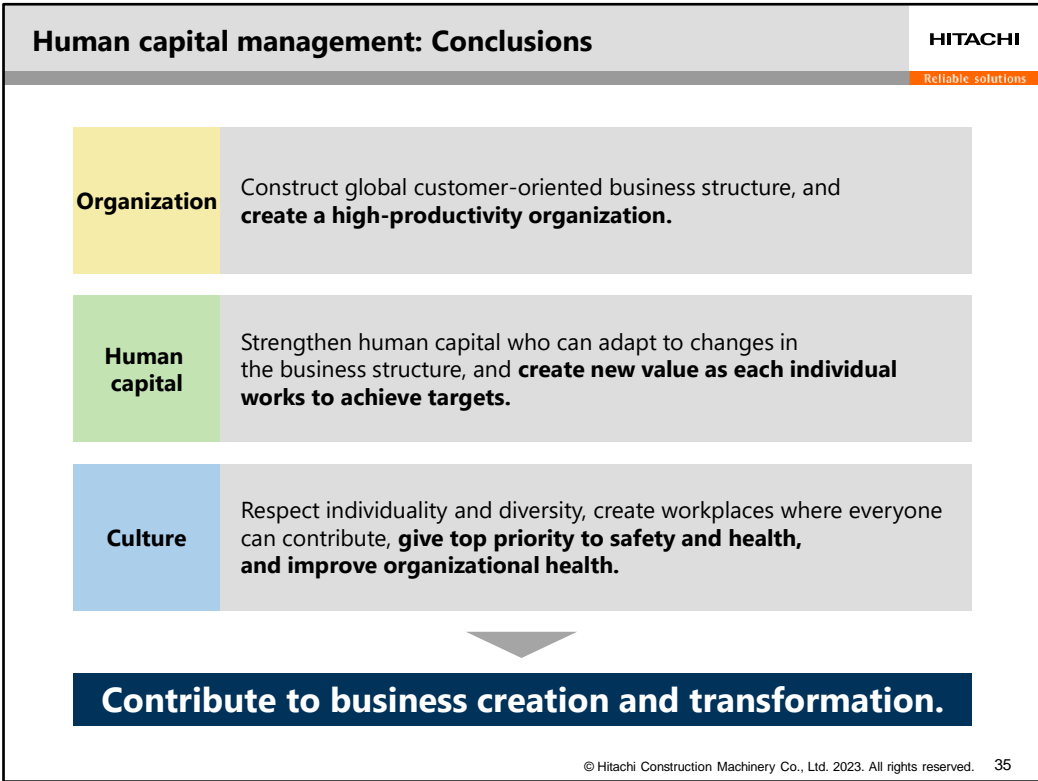
We carry out human rights due diligence globally, with measures against forced labor and immigrant labor as our top priority.

The Human Rights Due Diligence Promotion Committee, headed by the CEO, is held to work on those measures by conducting surveys and analysis of group companies and suppliers.

We started this initiative with a focus on Southeast Asia first, and have expanded the scope to other regions.

In addition, we provide trainings for employees regularly, with e-learning training enrollment rate as a KPI, and after 2024, we plan to expand the scope to individual business risks.

Please note that, our products are marketed with a basic contract clearly stating the condition that the product is to be used for peaceful purposes only.



This is a summary of my presentation.

In the human capital management at Hitachi Construction Machinery, we work on the human capital strategy based on three aspects of organization, human capital, and culture.

We will continue to contribute to creation and transformation of the business, through constructing global customer-oriented business structure, and creating a high-productivity organization; strengthening human capital who can adapt to changes in the business structure, and creating new value as each individual works to achieve targets; and respecting individuality and diversity, creating workplaces where everyone can contribute, giving top priority to safety and health, and improving organizational health.

We are now at the second start of the company, and we will strive for true globalization, and promote diversity further.

This concludes my presentation.

Reference materials

TCFD scenario analysis (overall image)



Governance

Strategy

Risk management

Indicators and targets

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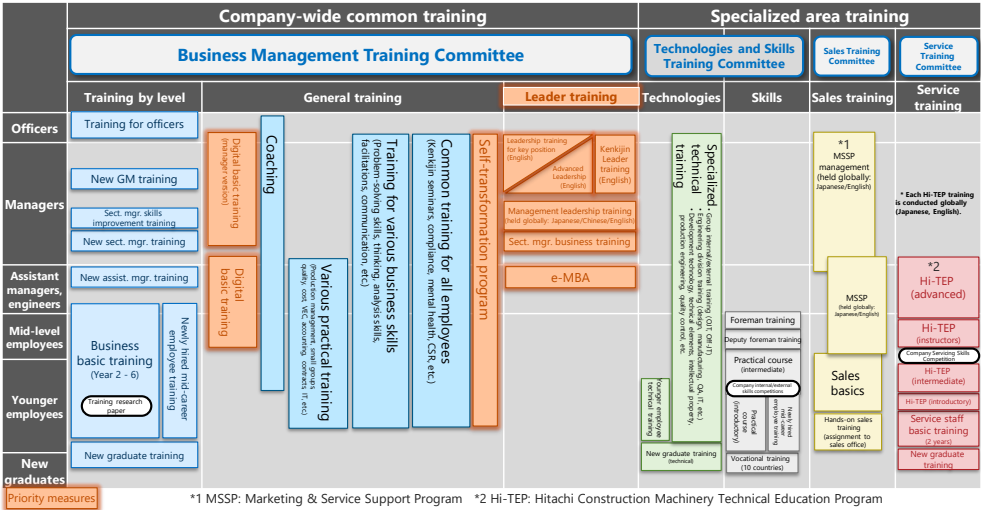
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Points strengthened from before

		Risks	Opportunities	Strategy	Targets	
1.5 °C scenario: Mitigation	Transition to a decarbonized society	Products, services, and solutions	Establishment of competitive superiority through advance development of decarbonization technologies	<ul style="list-style-type: none">Expanded investment in research and developmentExpansion of decarbonized products (such as electric construction machines)Increasing the penetration of ICT construction machineryProviding ICT and IoT solutionsExpansion of used equipment and parts remanufacturing businesses	2050 carbon neutrality	
		Supply chain	Decline in demand for coal	<ul style="list-style-type: none">Deployment of decarbonization technologies and new technologiesExpansion of the solutions business		
	Rapid increase in disasters and abnormal weather	Products and services	Increasing external pressure and loss of reputation regarding the transition to decarbonization	Decarbonization tax shields		<ul style="list-style-type: none">Carrying out thorough energy-saving and CO₂ reduction activitiesActive utilization of renewable energy
		Supply chain				
4° C scenario: Adaptation	Rapid increase in disasters and abnormal weather	Products and services	Rapid increase in and intensification of natural disasters	<ul style="list-style-type: none">Provide optimal solutions to meet demand in disaster-affected areasConclusion of cooperation agreements for disaster management, contributing to rapid recoveries	Operating businesses that are resilient to disasters and abnormal weather	
		Supply chain	Stop of production due to supply chain stops and logistics disruption	<ul style="list-style-type: none">Taking rapid action to construct a stable production systemReinforcing risk measures at our companyOptimizing product inventories, and constructing global production and procurement that are resistant to disasters		
Carrying out strategies to achieve resilient business operations						

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Human resource development system



Shift to a Risk-Sharing Corporate Pension Plan (Scheduled to be implemented on March 1, 2023)

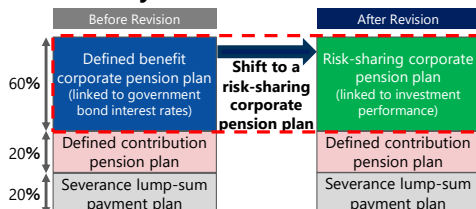
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1. Purpose of Pension Plan Revision (Shift to a Risk-Sharing Corporate Pension Plan)

To improve benefit levels while ensuring the sustainability of the system amid concerns that benefit levels will decline due to the continuing low-interest-rate environment

2. Summary of Pension Plan Revision



- Change in benefit amount from “Government bond interest rates-linked” to “Investment performance-linked”. This change increases employee benefits and the likelihood of contributing to the improvement of human capital.
- Shift from a defined benefit corporate pension plan to a risk-sharing corporate pension plan. This shift eliminates management risk due to unexpected increase in contribution burden and realizes a pension plan that is sustainable over the medium to long term.

3. Impact of Pension Plan Revision on Business Performance

- Since risk-sharing corporate pension plans are classified as defined contribution plans, the difference between the retirement benefit obligations related to the portion transferred to the revised plan and the amount of assets transferred to the revised plan corresponding to the decrease in retirement benefit obligations at the time of transition, ¥12 billion, is expected to be recognized as a settlement loss (expected to be recognized in financial results in 4Q FY22). There are no cash outflows due to this plan revision.
- The Company’s policy is not to take the above-mentioned temporary loss into account for the purpose of calculating the consolidated dividend payout ratio, since it will be a one-time treatment under the revised plan.
- The impact on consolidated results from FY23 onward is expected to be negligible, although there will be a risk reserve contribution.

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Values Beyond the Important Issues for a Sustainable Society (Targets)							HITACHI	
							Reliable solutions	
Item			Description	FY 2019 Results	FY 2020 Results	FY 2021 Result	FY 2022 Targets	FY 2030 Goals
Product and technology development contributing to climate change mitigation and adaptation	CO ₂ reduction	Products (Scope3)	CO ₂ reduction (absolute emissions) compared to fiscal 2010	-15.9%	-16.5%	-21.4%	-20%	-33%
		Production (Scope1+2)	CO ₂ reduction (absolute emissions) compared to fiscal 2010	-20.1%	-27.2%	-27.1%	-25%	-45%
		Value chain	Save CO ₂ through used equipment/parts remanufacturing	19,100 t	16,563 t	19,686 t	23,800 t	Minimize the environmental load across the entire value chain
	Disaster response, recovery, and reconstruction support		Emergency disaster and other forms of cooperation (Number of disaster agreements with local municipalities in Japan)	42 agreements	54 agreements	114 Agreements	83 Agreements	Partnerships and support for major municipalities and industry groups
Conversion to recycling-oriented business model	Resource recycling	Value chain	Waste reduction	7,700 t	6,630 t	7,868 t	9,500 t	Minimize the environmental load across the entire value chain
		Waste	Recycling rate (Japan)	89.6%	83.3%	83.9%	99.5%	Aiming for 99.5% or higher
		Water	Usage reduction (intensity)/compared to fiscal 2010	-28.9%	-36.8%	-40.2%	-28%	Advanced water recycling usage / Minimization of regional impact
	Regional coexistence through the promotion of a circular economy		Expand the parts remanufacturing business sales revenue compared to fiscal 2010	296%	308%	402%	420%	Adoption of services that meet regional needs
			Expand the used equipment business sales revenue compared to fiscal 2010	87%	90%	104%	280%	Adoption of products that meet regional needs

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Values Beyond the Important Issues for a Sustainable Society (Targets)							HITACHI
							Reliable solutions
Item	Description	FY 2019 Results	FY 2020 Results	FY 2021 Results	FY 2022 Targets	FY 2030 Goals	
Creating innovative solutions for challenges faced by customers supporting social infrastructure	Improving safety	Functionality to reduce accidents caused by Hitachi Construction Machinery's products	Expanded the functionality of the "Aerial Angle" peripheral vision display system to detect objects and restrict movement	Development of System Platform "ZCORE" for Autonomous Construction Machinery	Develop operation support systems that contribute to reduced Accidents	Achieve cooperative control between people and machinery	Contribute to "zero" overturn and fatal accidents
	Increasing productivity	Number of ICT machines adopted (target work sites)	493 units (total) (1,675 total work sites)	699 units (total) (2,579 total work sites)	1,160 units (total) (3,704 total work site)	2,800 unit (total) (5,000 total work sites)	Aiming for the standardization of automated and labor saving construction machinery
	Reducing lifecycle costs	Adoption rate of machinery status management systems (ConSite)	73%	75%	72%	90%	Aiming for "zero" downtime
	R&D system	Ratio of R&D costs to sales revenue	2.5%	3.0%	2.5%	3.0%	3.0% or higher
	Technology transfer	"Kataribe" (Storytelling) sessions	Held: 41 sessions Participants: 918	Held: 52 sessions Participants: 891	Held: 46 session Participants: 906	Quality improvement	Quality improvement
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Values Beyond the Important Issues for a Sustainable Society (Targets)

HITACHI

Reliable solutions

Item		Description	FY 2019 Results	FY 2020 Results	FY 2021 Results	FY 2022 targets	FY 2030 Goals
Strengthening global governance	Occupational hazards	Zero occupational hazards (compared to the previous FY, Japan)	-18%	-49%	157%	-50%	Aiming for zero
	Employee education	Number of e-learning participants	175% (Compared to FY2018, Total number by Hitachi Construction Machinery alone)	553% (Compared to FY2019, Japan, Hitachi Construction Machinery Group as a whole)	589% (Compared to FY2019, Japan, Hitachi Construction Machinery Group as a whole)	200% (Compared to FY2019)	500% (Compared to FY2019) Increase the total number of people by expanding enrollment opportunities
	Global leaders	Leadership training enrollment ratio (global)	60.4% (total)	78.0%(total)	88%(total)	100% (total)	100% (total)
	Diversity initiatives	Ratio of women in managerial positions (global)	Female 8.6% (Male 15.7%)	Female 8.7% (Male 16.2%)	Female 10.4% (Male 14.9%)	Female 9.4% (Male 13.3%)	Aim for an equal ratio of men and women
		Local ratio at overseas group companies (General Manager positions)	69%	67.3%	71%	72%	87%
	Fair procurement	Implement supplier of CSR surveys	83.5% (collection rate)	94%	66%	Standardized to improve the collection rate	100% Aim for a 100% collection rate by establishing the operation
	Eradicate corruption and bribery	Number of corruption and bribery legal violations	0 cases	0 cases	0 cases	0 cases	0 cases
	Corporate governance	Outside, female, and foreign national directors	Outside Directors: 3 out of 10 people Female Directors and Foreign national Directors: 1 person	Outside Director: 4 out of 10 Female and Foreign national Directors: 2 persons	Outside Director: 4 out of 10 Female and Foreign national Directors: 2 persons	Outside Director: Over 1/3 of all directors Female and Foreign national Directors: 2 or more in total	Shift to a system suitable for strengthening the business and improving governance
	Corporate ethics and behavior	Continue to provide examples and education to employees	Implement "compliance training" for roughly 10,000 employees	Conducted "Hitachi Group Corporate Ethics and Compliance Code Training" for 26,080 employees	Conducted "Hitachi Group Corporate Ethics and Compliance Code Training" for 26,783 employees	Zero compliance violations	Zero compliance violations
	Respect for human rights	Education enrollment rate in the "business and human rights" e-learning course	79%	78%	81.4%	100%	100%

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END

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