

HITACHI

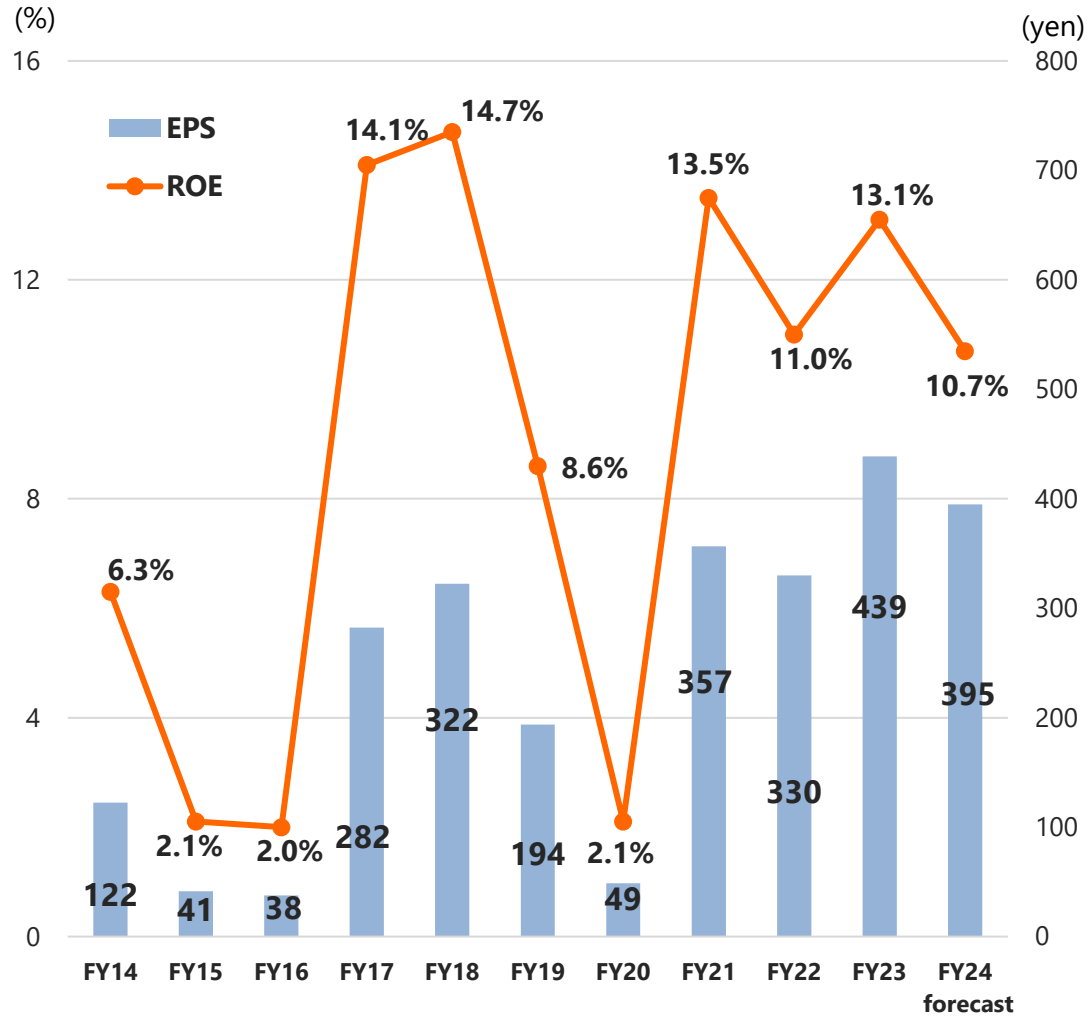
Reliable Solutions

Toward Enhancing Corporate Value

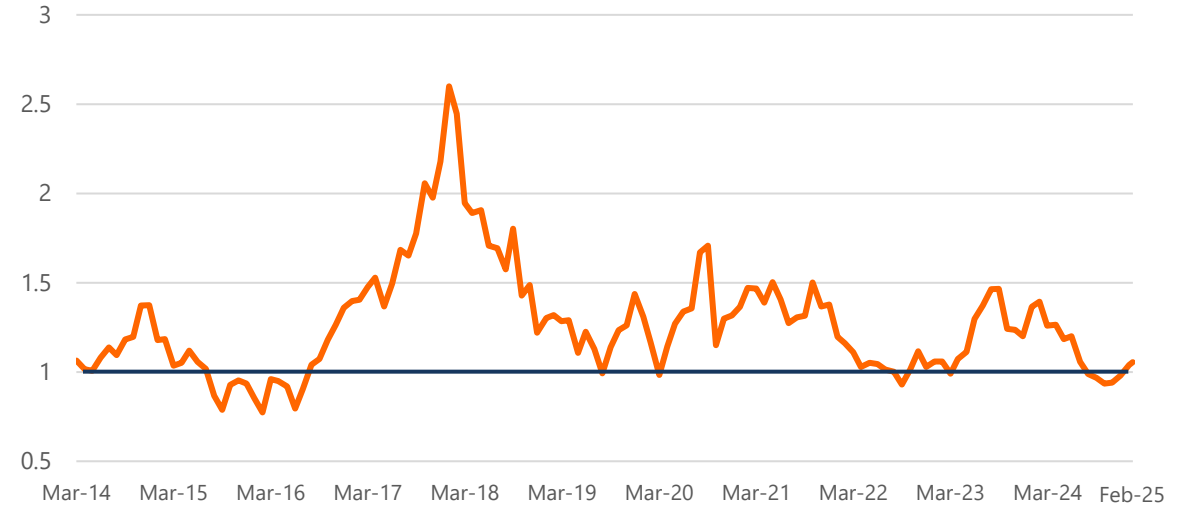
10th March 2025

🌐 Hitachi Construction Machinery Co., Ltd.

ROE/EPS



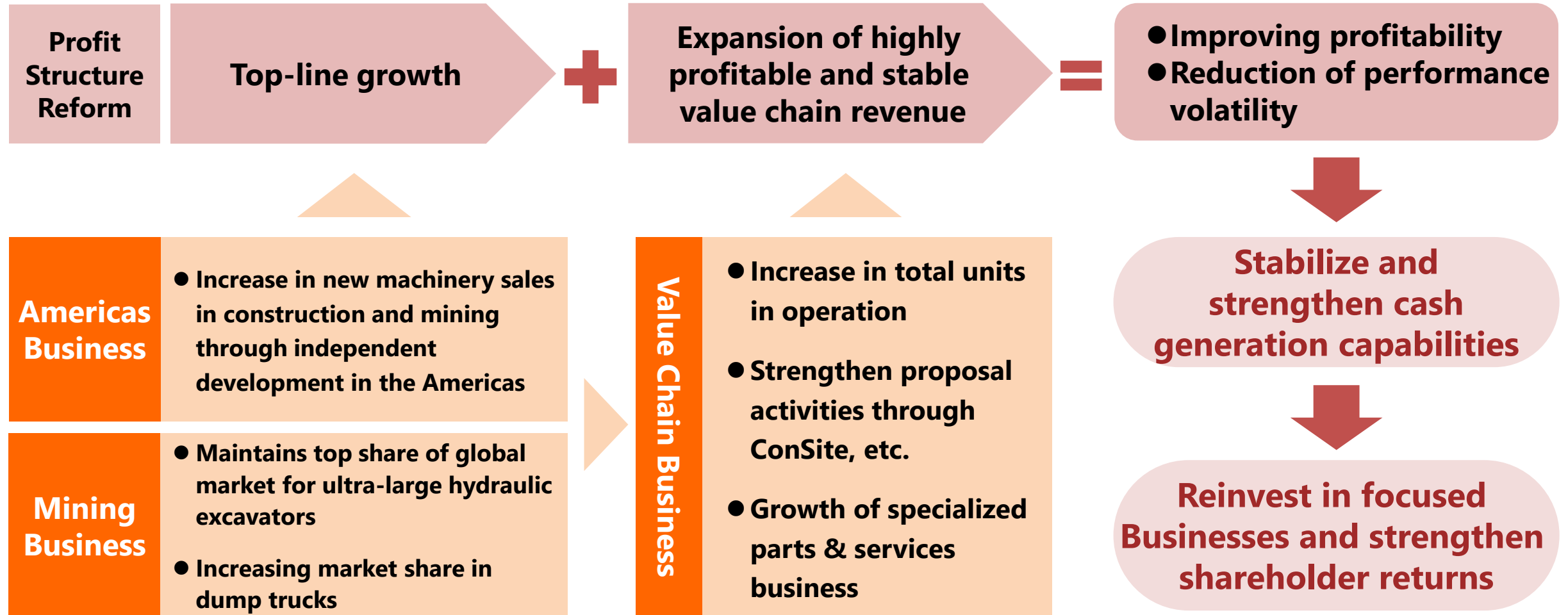
PBR



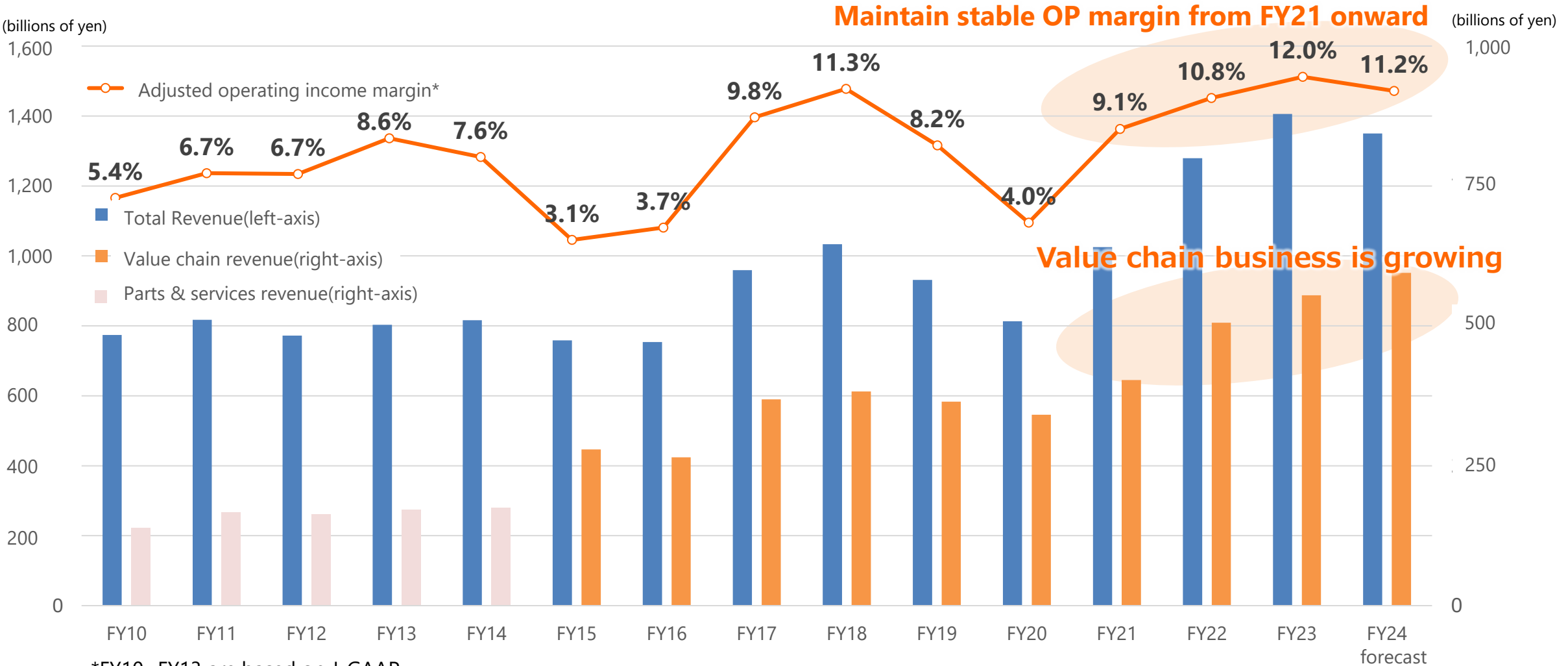
PER



Promoting the transition to a stock-based business model based on total operating units through the growth of three key focus areas

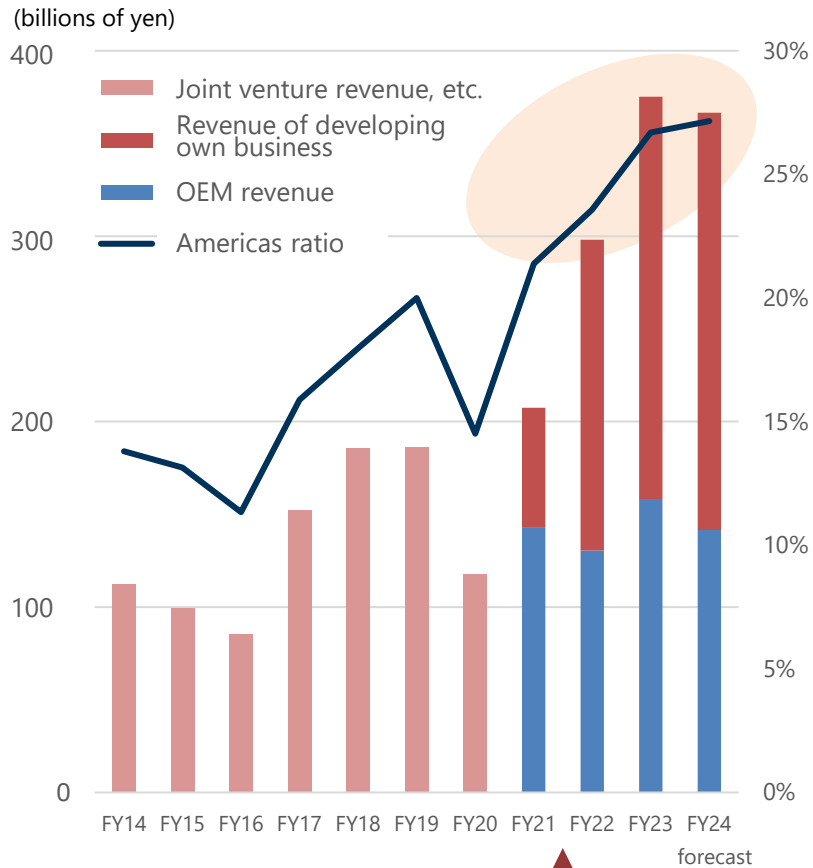


Transforming the profit structure to ensure stable income margins through the growth of value chain business



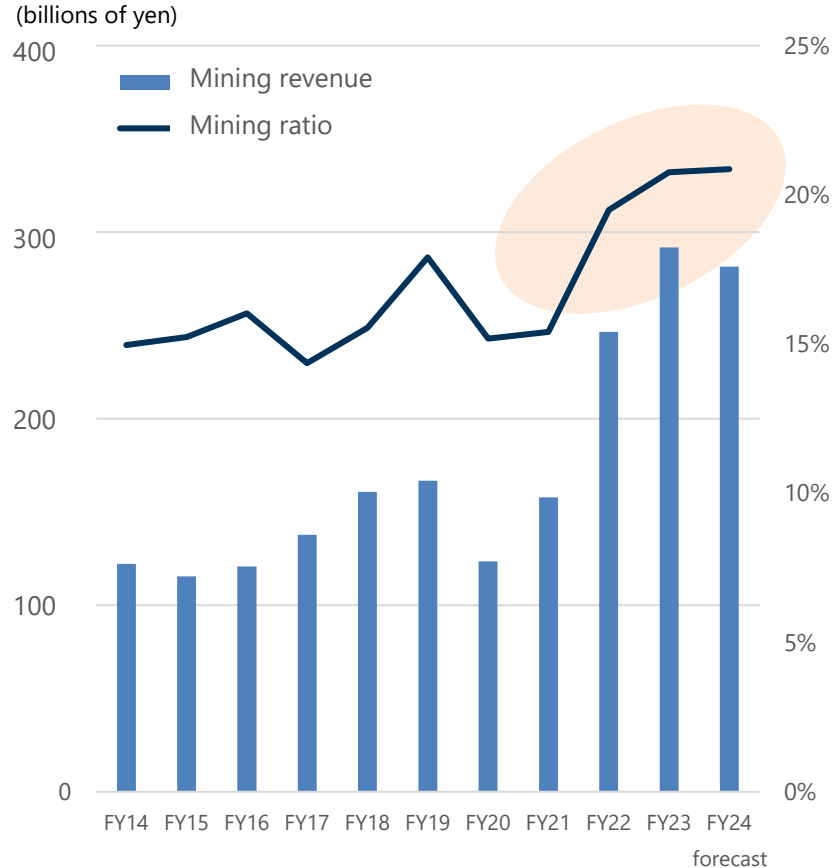
While new machinery sales are expected to be weak, the mining and value chain business is expected to remain at a record high level.

Americas business

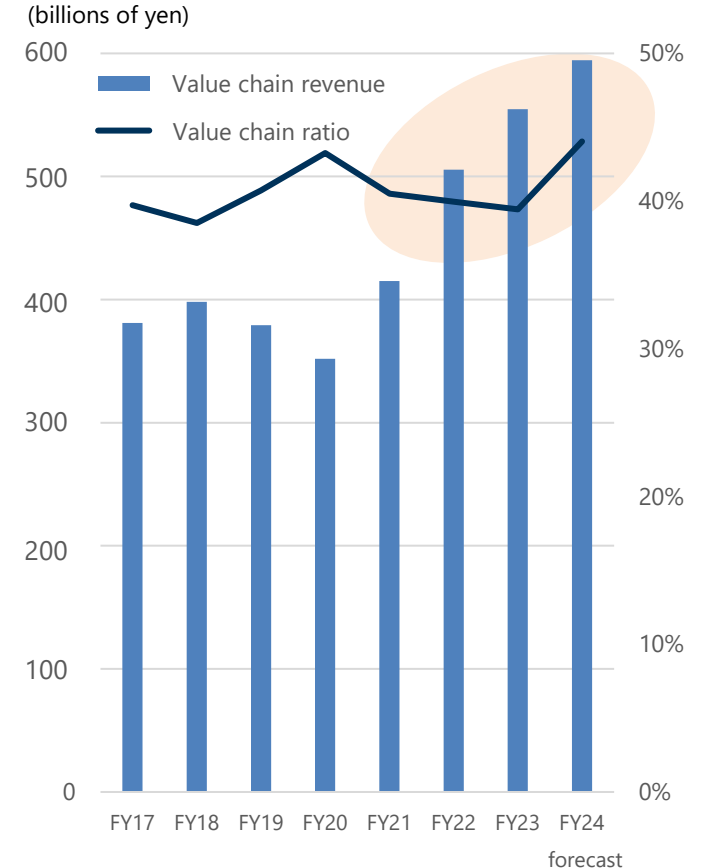


Termination of joint venture in February 2022

Mining business



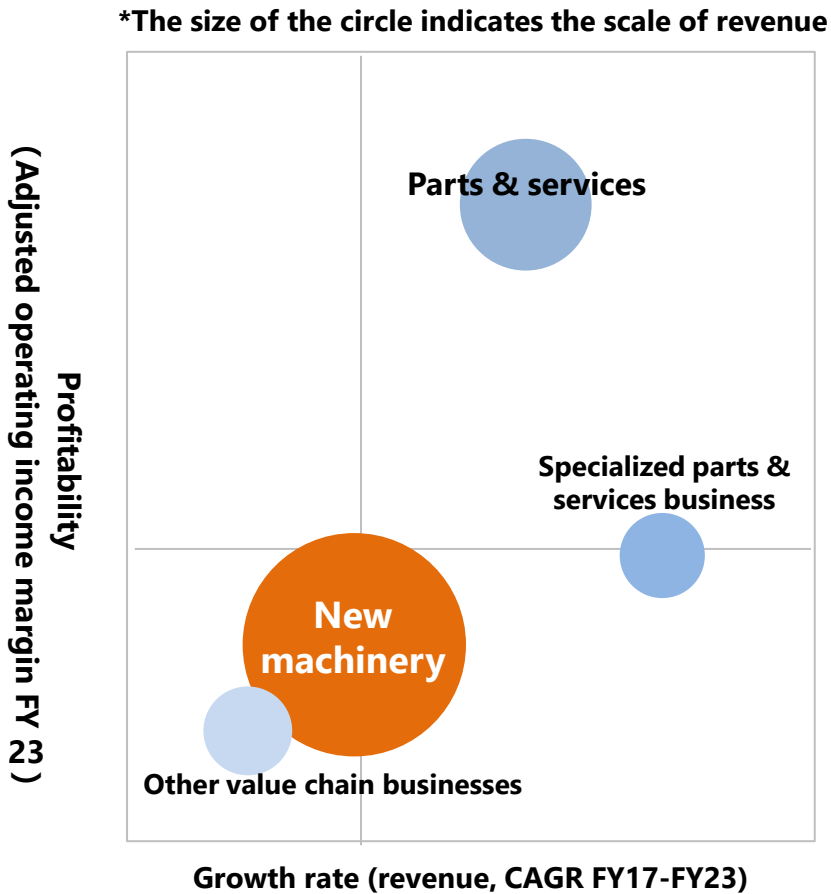
Value chain business



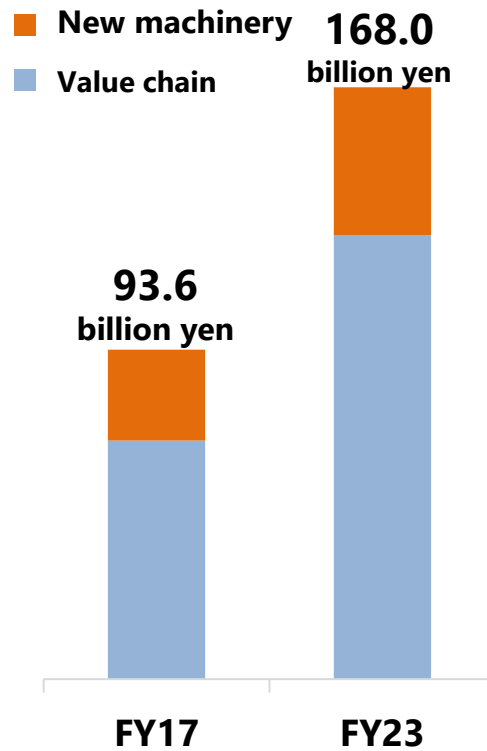
The value chain business, centered on parts and services, contributes to profits. New machinery sales, rentals, and used equipment business serve as its source

Profitability by business

Approach by business



Trends in adjusted operating income

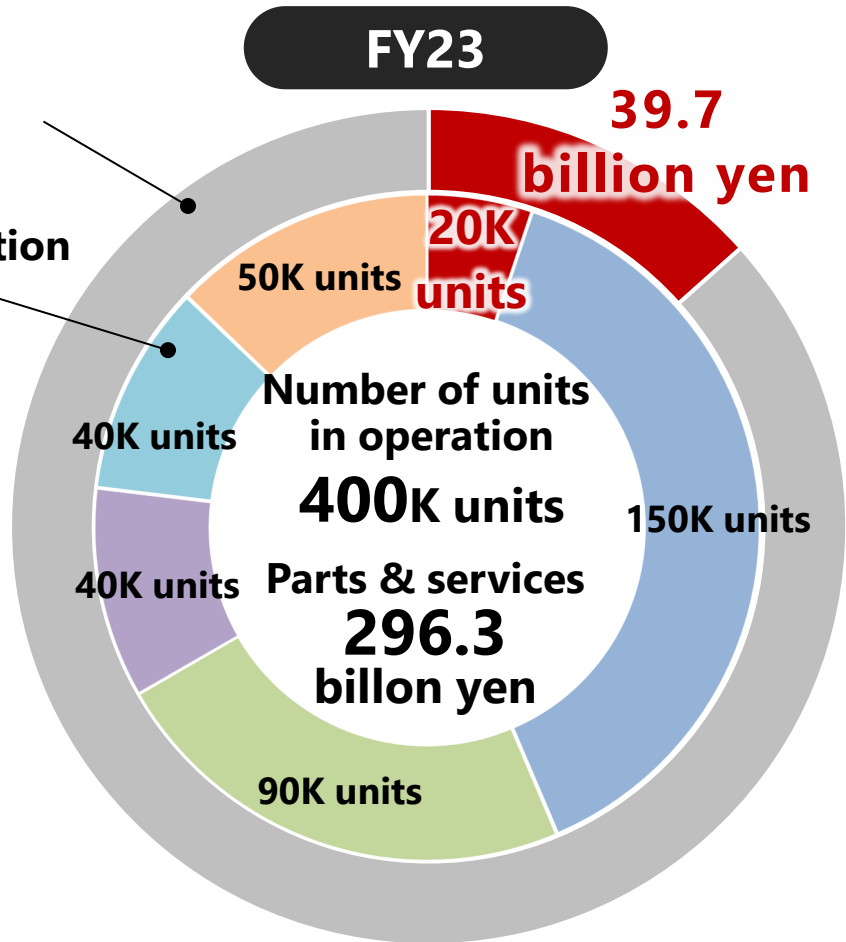


Business	Approach
New machinery	<ul style="list-style-type: none"> With an increase in the number of units in operation, it becomes a source of parts & services business.
Rental and used equipment	<ul style="list-style-type: none"> Contributing to an increase in the number of units in operation through a different approach to new machinery. It becomes a source of parts & services business.
Parts & services	<ul style="list-style-type: none"> With high profitability and stability, it is the main source of profit.
Specialized parts & services	<ul style="list-style-type: none"> Approach to other OEM's machinery and mineral processing fields. Expand the scope of our value chain business

The number of units in operation is increasing due to an expansion of market share in the Americas. Parts & services business is also expected to grow

outer circle:
Parts & services revenue

inner circle:
Number of units in operation



■ Americas ■ Japan ■ Europe ■ Asia & Oceania ■ India ■ Others

Americas

Number of units in operation **20K units**

Parts & services revenue

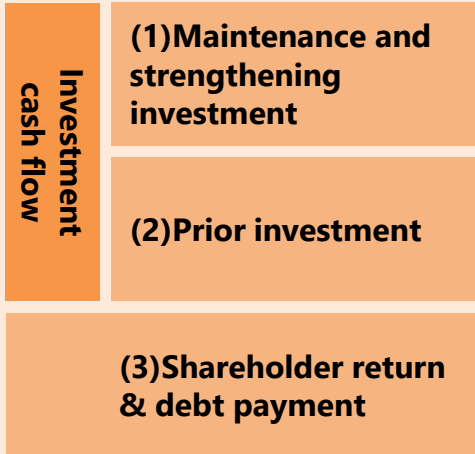
construction	14.7 billion yen
mining	25.1 billion yen

FY30 to reach 70K units

Enhancing cash generation through profit structure reform. Prioritizing maintenance, reinforcement, and growth investments, while strengthening shareholder returns under a certain level of financial soundness

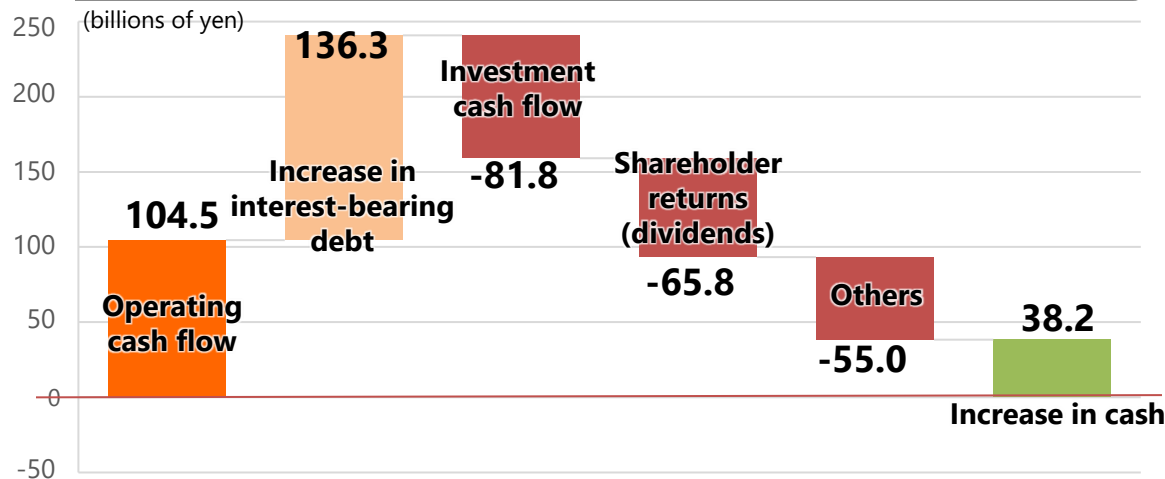
Basic approach

We aim to allocate one-third of operating cash flow to
 (1) Maintenance and strengthening investment
 (2) Prior investment
 (3) Shareholder return & debt payment respectively.

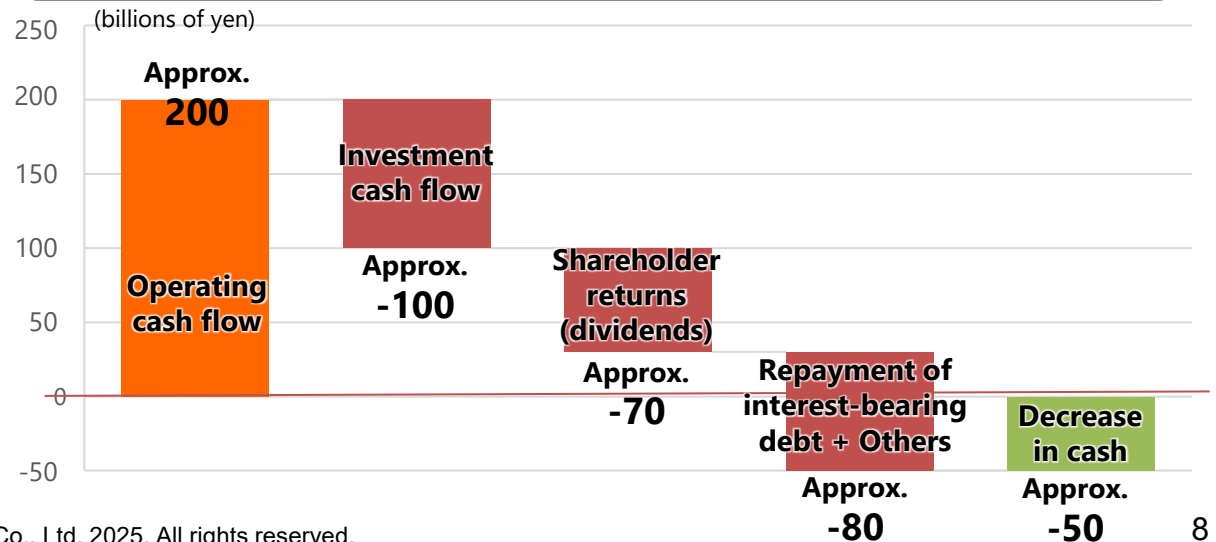


- The main focus is on maintaining and strengthening production facilities. Strict adherence to financial discipline
- Focusing on investing in key focus areas. M&A is managed using strict investment criteria
- Considering increasing dividends and share buybacks, assuming a certain level of financial soundness (maintaining credit ratings, etc.)

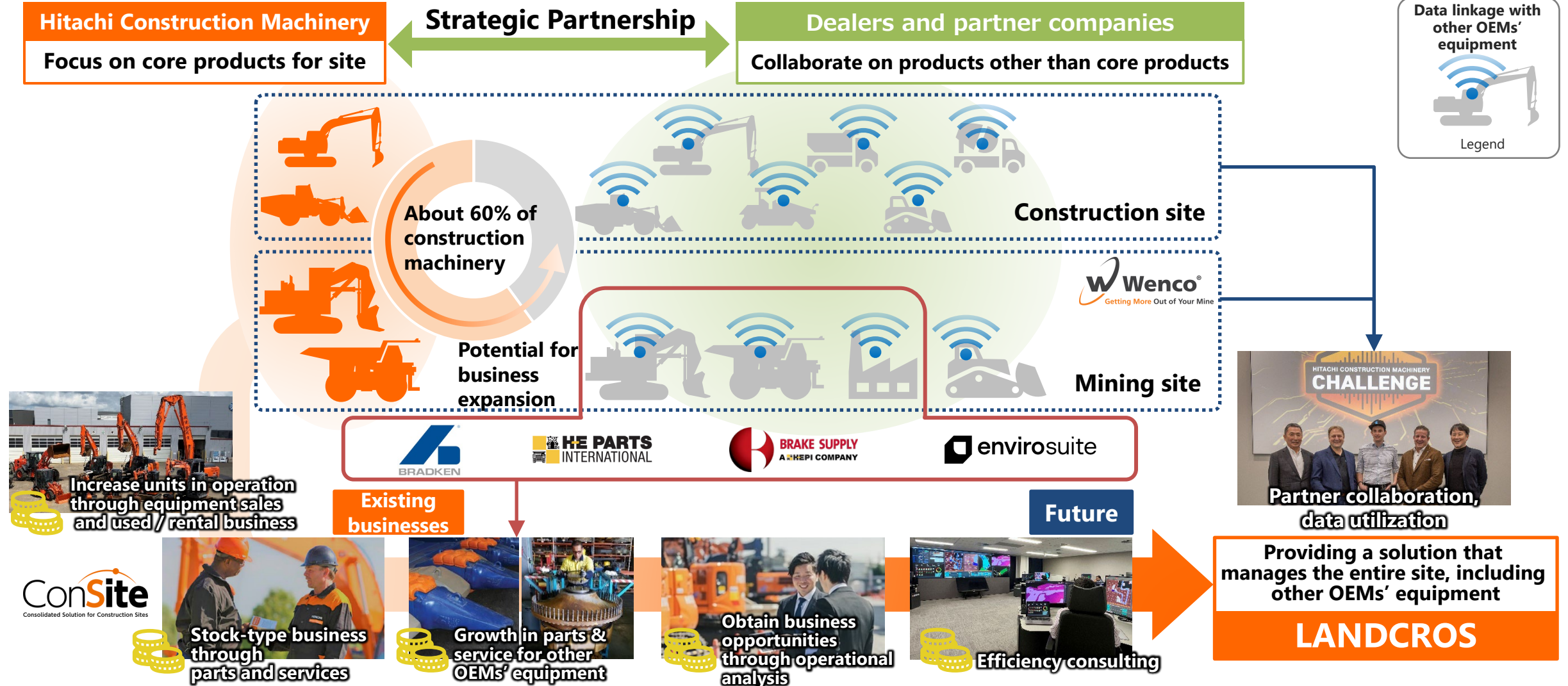
Previous medium-term management plan (3-year total FY20~FY22)



Current medium-term management plan (2-year total: FY23-FY24 [plan])



Transforming into a Solution Provider



Focusing on core products, we will expand our business domain without increasing assets through open collaboration with external partners

END

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.

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