

Hitachi Construction Machinery Co., Ltd.

55th Annual Shareholder's Meeting



Hirano:

Good morning, Ladies and Gentlemen.

I'm Kotaro Hirano, President of Hitachi Construction Machinery Co. Ltd.

Thank you for taking time out of your busy schedules to attend today.

I should now like to open the 55th Annual Shareholder's Meeting of Hitachi Construction Machinery.

Today, I will act as Chairman of the Annual Shareholder's Meeting, in accordance with the provisions of Article 12 of our Articles of Incorporation.

The purposes of the Annual Shareholder's Meeting are as described on page 1 of the Notice for the convocation for the 55th Annual Shareholder's Meeting. Shareholders' questions will be taken after the reports and explanation of matters for resolution, and your cooperation for proceedings would be appreciated.

Also, when raising a question, please show the pink side of the attendance card you were given at Reception and wait to be appointed by the Chairman. Then, please state your attendance number and your name before making your statement.

Numbers of today's attendance of shareholders and the exercise of voting rights with Voting Cards or electromagnetic means, meet the resolution requirements for all of the agenda items of this Annual Shareholder's Meeting, and I would like, therefore, to move to the agenda.

Before starting the reports, I would like to have Mr. Sakurai from the Audit Committee to report the results of consolidated audit and the individual audit for Hitachi Construction Machinery for the 55th fiscal year.

Mr. Sakurai, if you please.

Audit Report

Accounting Auditor's Audit Report

Consolidated **p41**

Non-Consolidated **p42**

Audit Committee's Audit Report

**Consolidated –
Non Consolidated** **p43**

Sakurai:

I am Toshikazu Sakurai from the Audit Committee.

Firstly, with regard to the consolidated financial statements for the 55th fiscal year, as stated in the transcript of the Accounting Auditor's Audit Report on consolidated financial statements, on page 41 of the Notice for the convocation for the 55th Annual Shareholder's Meeting, the Accounting Auditor, Ernst & Young Shin Nihon & Co., have reported that our financial position and results of operations have been fairly presented, in all material respects.

Next, as described in the transcript of the Audit Committee's Audit Report, on page 43 of the Notice for the convocation for the 55th Annual Shareholder's Meeting, with regard to the audit of the consolidated financial statements, the Audit Committee certifies that the auditing methods of Ernst & Young Shin Nihon & Co., and the results of their audit are proper and correct.

Further, with regard to the Audit Committee's audit of directors' and executive officers' execution of their duties for the 55th fiscal year, the business report and attached detailed statements fairly present the status of the Company in accordance with the related regulations and the Articles of Incorporation, and we certify that the auditing methods of the Accounting Auditor and the results of their audit with regard to the business report and attached detailed statements are proper and correct.

That concludes my report.

Thank you.

Reports

The Business Report, the Consolidated Financial Statements, the results of audits of the Consolidated Financial Statements by the Accounting Auditor, the results of audits of the Consolidated Financial Statements by the Audit Committee and Non-Consolidated Financial Statements, for the 55th fiscal year (from April 1, 2018 to March 31, 2019)

Hirano:

We will now present the Reports, which are,

the Business Report for the 55th period, the consolidated financial statements, Accounting Auditor's consolidated financial statements audit results and the Audit Committee's consolidated financial statements audit results and the Company's Non-consolidated financial statements.

The details of the Business Report, consolidated financial statements, financial statements and audit reports are as given on pages 11 to 43 of the Notice for the convocation for the 55th Annual Shareholder's Meeting, as well as the Internet report of the 55th Annual Shareholder's Meeting that appears on the Company's website.

We will present an overview explanation of these.

Also, as Mr. Sakurai reported just now, the audit of the consolidated financial statements have been confirmed as fair by the Accounting Auditor and Audit Committee.

We will now present an overview explanation of the reports with narration.

Business Report



Narration:

As an outline of the Business Report, we will take a look at the progress and results of the consolidated Group's businesses in fiscal 2018.

- Promote management measures listed in Mid-term management plan “CONNECT TOGETHER 2019” from fiscal 2017
- Promote development and provision of solutions that use ICT and IoT as “Solution Linkage”, connecting to customer issues of “better safety”, “better productivity”, and “life cycle cost reduction”



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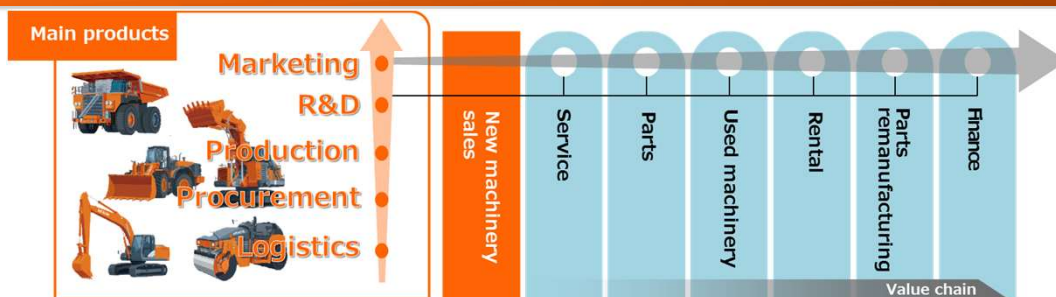
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The consolidated group is promoting the management measures that were part of Mid-term management plan “CONNECT TOGETHER 2019” which started from the fiscal 2017.

We have positioned solutions as “Solution Linkage” that leverage ICT and IoT and connect to our customers’ concerns of “better safety”, “better productivity” and “life cycle cost reduction”, which refers to the customers’ total costs, inclusive of fuel costs, maintenance and repair costs, etc., and we are promoting the development and provision of these solutions.

- Efforts to strengthen parts service business in after-sales of mining equipment and machinery
- Full-scale entry into North American rental business through investment in Acme
- Rental company Synergy Hire has been established in UK

● Promoting the deepening of our value chain in order to grow profits in areas other than new machinery sales ●



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Also, in addition to our conventional parts service business, there was an initiative to strengthen our parts and service business between mining equipment and machinery after sales business which is provided by H-E Parts and Bradken which became a consolidated subsidiary in fiscal 2016, and our investment in Acme marked our full-scale entry in the North American rental market. Then, we established a rental company, Synergy Hire, in the UK in January, 2019, and, in order to grow profits in businesses other than new machinery sales, we are working on the deepening of our value chain, which comprises the other business areas of parts service, solutions business and rental, etc.

- We have added “ConSite OIL” to the ConSite menu, a global first in the construction industry in which oil statuses can be detected remotely by sensors, allowing engine and hydraulic equipment faults to be predicted.

**Contributing to reduction in our
customers’ life cycle costs**



Within our parts service business, we have added ConSite Oil to the ConSite service menu. This is a global first in the construction industry, in which sensors will remotely detect oil statuses, allowing failures in engines and hydraulic equipment to be predicted, thereby reducing our customers’ life cycle costs.

- **ICT hydraulic excavator to be launched in overseas markets**
- **Opened ICT demonstration sites where customers can try out ICT construction at the Amsterdam factory of Hitachi Construction Machinery Europe**

Working to spread the use of ICT construction in Europe



*Overview of ICT demonstration sites at Hitachi Construction Machinery Europe.

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In order to promote solutions that leverage ICT and IoT, we decided to launch ICT hydraulic excavators into overseas markets for the first time. At the Amsterdam factory of Hitachi Construction Machinery Europe, we have established an ICT demo site, where customers can try out ICT construction, and with this and other initiatives we are working to spread ICT construction in Europe as well as in Japan.

- **In Europe, in anticipation of the emergence of an electric construction equipment market, we and our dealer in Germany have established a new joint venture company, EAC, for the electrification of construction equipment and the development of special application products.**

Developed 8t class and 2t class electric excavator concept machines



*Prototype displayed at Bauma 2019, International Trade Fair for Construction Machinery

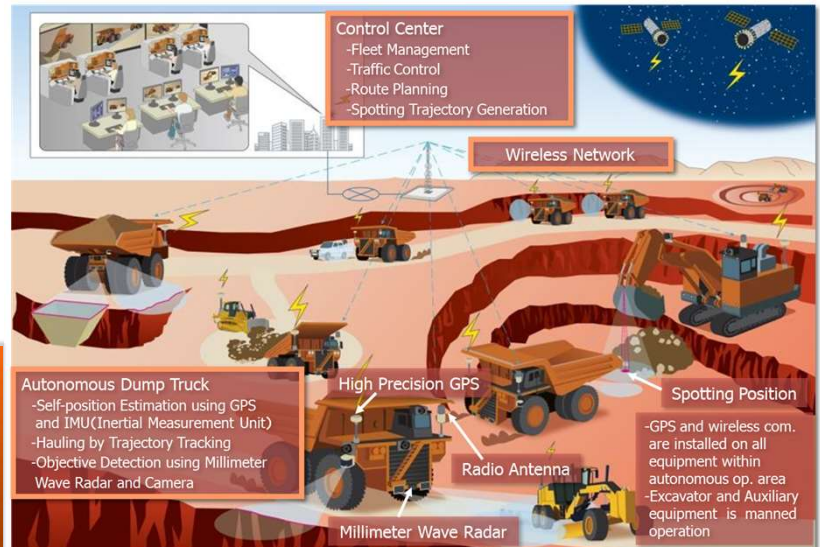
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In Europe, where environmental regulations are very strict, we anticipate the emergence of a market for electronic construction machinery. With an dealer and a newly established company, EAC, in Germany, we will be developing electric construction equipment and special application products. As part of that, we have developed 8t class and 2t class electric excavator concept machines.

- In the mining business, working to expand sales of the rigid dump truck AC-3 series that realizes advanced chassis stabilization control.
- Working actively on the provision of operation management systems and the development of autonomous haulage technology.

**Promoting collaboration
with Whitehaven in
Australia**



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In the mining business, we are working to expand sales of the AC-3 series rigid dump truck that has advanced chassis stability jointly realized with Hitachi Group, as well as working actively on the development of operation control systems for mining equipment, and autonomous haulage technology, all of which will contribute to greater efficiency in mining operations. To that end, we are currently moving ahead with our collaboration with the Australian company, Whitehaven.

- **Aiming to enhance global product development capabilities and competitiveness, wide ranging reorganization of major development and production bases in Japan**
- **Realizing a production system that is efficient and resilient to market change**
- **Realization of future capital investment optimization and fixed cost reduction**



- **Working to establish a highly profitable business structure that is resilient to change**



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With the aim of enhance our global product development capabilities and competitiveness, we are undertaking extensive reorganization of major development and production bases in Japan in order to realize a production system that is efficient and resilient to market change, as well as optimizing future capital investment and reducing fixed costs in order to establish a highly profitable business structure that is resilient to change.

- **Recognized for efforts to give visibility to electrification using IoT technology at five factory within Ibaraki prefecture and to improve energy productivity**

FY2018 Energy Conservation Grand Prize

(Sponsor: The Energy Conservation Center ,Japan)

Awarded The Energy Conservation Center Director's Prize in the Energy Conservation Case Study category of the 2018 Energy Conservation Grand Prize



* Initiatives being carried out at our Tsuchiura factory

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In addition, our efforts to give visibility to electrification using IoT at five factories within Ibaraki prefecture, as well as to improve energy productivity, have been recognized, and the Company was awarded the Energy Conservation Center Director's Prize in the Energy Conservation Case Study category of the 2018 Energy Conservation Grand Prize, held by the Energy Conservation Center Japan.

Consolidated results for the current period

HITACHI

Reliable solutions

***The Company has been preparing its consolidated financial statements based on International Financial Reporting Standards (IFRS) since the period ending March, 2015.**

(Figures rounded off)

Sales revenue

1,033.7 billion yen Compared to previous period **108%**

Operating income

102.3 billion yen Compared to previous period **107%**

Pre-tax income

102.7 billion yen Compared to previous period **107%**

Net income attributable to owners of parent company

68.5 billion yen Compared to previous period **114%**

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As a result of the above, the consolidated results for the current period are as follows.

For sales revenue,

in particular there was growth in both new machinery sales and the value chain, centered on our parts services, in North America, Asia-Pacific and Europe, resulting in 1,033.7 billion yen as 108% compared to the previous period.

Operating income posted 102.3 billion yen as 107% compared to the previous period, thanks to reductions in the cost of sales ratio, and the contributions of parts service and mining.

Pre-tax income marked 102.7 billion yen as 107% compared to the previous period,

And net income attributable to the owners of the parent company grew substantially at 68.5 billion yen as 114% compared to the previous period.

Sales revenue by region

HITACHI

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Region	Sales revenue	Compared to previous period
Japan	206.1 billion yen	106.7%
The Americas	185.7 billion yen	121.9%
Europe	111.6 billion yen	107.2%
Russia, CIS, Africa, Middle-East	89.9 billion yen	94.3%
Asia and Oceania	320.4 billion yen	109.6%
China	119.9 billion yen	98.6%

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Now, we will take a look at the consolidated group sales revenue by region

Japan

Sales revenue grew at 206.1 billion yen as 106.7% compared to the previous period

The Americas

Sales revenue grew at 185.7 billion yen as 121.9% compared to the previous period.

Europe

Sales revenue grew at 111.6 billion yen as 107.2% compared to the previous period

Russia, CIS, Africa, Middle-East

Sales revenue grew at 89.9 billion yen as 94.3% compared to the previous period

Asia and Oceania

Sales revenue grew at 320.4 billion yen as 109.6% compared to the previous period

China

Sales revenue grew at 119.9 billion yen as 98.6% compared to the previous period

Construction machinery business



We will now move on to examine the status of individual business segments of the consolidated Group.

First is the Construction machinery business.

Hydraulic excavator demand increased over previous year in all regions except Japan, Middle-East and Africa

Mining machinery demand exceeded previous year due to increased investment by mining companies

- **Consolidated sales revenue saw growth both in construction and mining, due to new machinery sales and in the value chain around parts services.**

- **Sales growing in Japan, Oceania, North America and Asia**



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In the fiscal year under review, hydraulic excavators demand increased over the previous year in all regions except Japan, the Middle-East, and Africa.

In addition, mining machinery demand has exceeded the previous year's level due to increased investment by mining companies. Consolidated sales revenue has grown both in construction and mining, due to new machinery sales and in the value chain around parts services. By region, sales increased in Japan, Oceania, North America and Asia, and although sales were affected by the depreciation of the euro and emerging market currencies,

Sales revenue

937.7 billion yen

Compared to
previous period

108%

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Sales grew at 937.7 billion yen as 108% compared to the previous period.

Solutions Business



Now let's take a look at the Solutions Business.



Parts service business for after sales of mining equipment and machinery



Provides service solutions business for mining, quarrying and construction machinery and equipment

Sales for mining equipment are solid in North America, Europe and Russia CIS



※Consumable parts for crushers, one of mining production equipment manufactured by Bradken

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This business segment comprises Bradken Corporation mainly engaged in parts and services for after sales of mining equipment and machinery, and H-E Parts, which operates a services solutions business. Both Companies became a consolidated subsidiary in fiscal 2016.

Consolidated sales revenue for mining machinery in the Americas, Europe, Russia CIS, etc. grew at a solid pace.

Sales revenue

96.8 billion yen

Compared to
previous period

105%

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Sales revenue was up to 96.8 billion yen as 105% compared to the previous period.

Consolidated financial statements



Now, we will move on to take an overview of the consolidated financial statements.

Consolidated statement of financial position

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(Unit: billion yen)

Current assets **673.9**

Non-current assets **511.4**

Total assets **1,185.3**

Current liabilities **470.6**

Non-current liabilities **172.0**

Total liabilities **642.6**

Parent company equity **486.4**

Non-controlling equity **56.3**

Total capital **542.7**

Total liabilities and capital resources **1,185.3**

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In terms of the consolidated statement of financial position,

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

<div> <div> <div>+76.1</div> <div>Current assets</div> <div>673.9</div> </div> <div> <div>Non-current assets</div> <div>511.4</div> </div> <div> <div>Total assets</div> <div>1,185.3</div> </div> </div>		<div> <div>Current liabilities</div> <div>470.6</div> </div> <div> <div>Non-current liabilities</div> <div>172.0</div> </div> <div> <div>Total liabilities</div> <div>642.6</div> </div>
		<div> <div>Parent company equity</div> <div>486.4</div> </div> <div> <div>Non-controlling equity</div> <div>56.3</div> </div> <div> <div>Total capital</div> <div>542.7</div> </div> <div> <div>Total liabilities and capital resources</div> <div>1,185.3</div> </div>

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In the assets section,

Current assets increased by 76.1 billion yen, compared to the end of the previous period, to 673.9 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets **673.9**

Non-current assets **511.4**

+19.4

Total assets **1,185.3**

Current liabilities **470.6**

Non-current liabilities **172.0**

Total liabilities **642.6**

Parent company equity **486.4**

Non-controlling equity **56.3**

Total capital **542.7**

Total liabilities and capital resources **1,185.3**

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Non-current assets increased by 19.4 billion yen, compared to the end of the previous period, to 511.4 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets **673.9**

Non-current assets **511.4**

+95.5
Total assets **1,185.3**

Current liabilities **470.6**

Non-current liabilities **172.0**

Total liabilities **642.6**

Parent company equity **486.4**

Non-controlling equity **56.3**

Total capital **542.7**

Total liabilities and capital resources **1,185.3**

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As a result, total assets grew by 95.5 billion yen compared to the previous period, to 1,185.3 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets	673.9	Current liabilities	470.6
			+104.2
Non-current assets	511.4	Non-current liabilities	172.0
		Total liabilities	642.6
Total assets	1,185.3	Parent company equity	486.4
		Non-controlling equity	56.3
		Total capital	542.7
		Total liabilities and capital resources	1,185.3

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If we look now at the liabilities section,
current liabilities grew 104.2 billion yen compared to the previous period, to 470.6 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets	673.9	Current liabilities	470.6
Non-current assets	511.4	Non-current liabilities	172.0
			▲46.4
Total assets	1,185.3	Total liabilities	642.6
		Parent company equity	486.4
		Non-controlling equity	56.3
		Total capital	542.7
		Total liabilities and capital resources	1,185.3

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Non-current liabilities were down by 46.4 billion yen compared to the previous period, to 172 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets 673.9

Non-current assets 511.4

Total assets 1,185.3

Current liabilities 470.6

Non-current liabilities 172.0

Total liabilities 642.6

+57.8

Parent company equity 486.4

Non-controlling equity 56.3

Total capital 542.7

Total liabilities and capital resources 1,185.3

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As a result, total liabilities grew 57.8 billion yen, compared to the previous period, to 642.6 billion yen.

Consolidated statement of financial position

HITACHI

Reliable solutions

(Unit: billion yen)

Current assets	673.9	Current liabilities	470.6
Non-current assets	511.4	Non-current liabilities	172.0
Total assets	1,185.3	Total liabilities	642.6
		Parent company equity	486.4
		Non-controlling equity	56.3
		Total capital	542.7
		Total liabilities and capital resources	1,185.3

+37.6

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Next, under capital,

Total capital grew 37.6 billion yen, compared to the end of the previous period, to 542.7 billion yen.

Consolidated profit and loss statement

HITACHI

Reliable solutions

Item	Amount	Compared to previous period
Sales revenue	1,033.7billion yen	108%
Operating income	102.3billion yen	107%
Pre-tax income	102.7billion yen	107%
Net income attributable to owners of parent company	68.5billion yen	114%

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In the consolidated profit and loss statement,

Consolidated profit and loss statement

HITACHI

Reliable solutions

Item	Amount	Compared to previous period
Sales revenue	1,033.7billion yen	108%
Operating income	102.3billion yen	107%
Pre-tax income	102.7billion yen	107%
Net income attributable to owners of parent company	68.5billion yen	114%

Sales revenue as reported in the Business Report, grew at 1,033.7 billion yen as 108% compared to previous period.

Consolidated profit and loss statement

HITACHI

Reliable solutions

Item	Amount	Compared to previous period
Sales revenue	1,033.7billion yen	108%
Operating income	102.3billion yen	107%
Pre-tax income	102.7billion yen	107%
Net income attributable to owners of parent company	68.5billion yen	114%

In terms of profit, operating income grew at 102.3 billion yen as 107% compared to previous period.

Consolidated profit and loss statement

HITACHI

Reliable solutions

Item	Amount	Compared to previous period
Sales revenue	1,033.7billion yen	108%
Operating income	102.3billion yen	107%
Pre-tax income	102.7billion yen	107%
Net income attributable to owners of parent company	68.5billion yen	114%

Pre-tax income grew at 102.7billion yen as 107% compared to previous period.

Consolidated profit and loss statement

HITACHI

Reliable solutions

Item	Amount	Compared to previous period
Sales revenue	1,033.7billion yen	108%
Operating income	102.3billion yen	107%
Pre-tax income	102.7billion yen	107%
Net income attributable to owners of parent company	68.5billion yen	114%

Net income attributable to owners of parent company was up to 68.5billion yen as 114% compared to the previous period.

Company Standalone Financial Statements

As shown from p38 of the “Notice for the convocation for the 55th Annual Shareholder’s Meeting”

The Company’s non-consolidated financial statements are as shown from page 38 of the Notice for the convocation for the 55th Annual Shareholder’s Meeting.

Policy relating to decisions regarding payment of dividends, etc.

- Maintain and strengthen financial structure.
- Bolster internal reserves, taking implementation plans for upfront investments, including investments for technology development and facilities into account.
- Stable payment of dividends, linked to consolidated performance.
- Aim for a consolidated payout ratio of around 30% or even higher.

FY2018 Results

Interim dividend **43**yen/ share + Year-end dividend **57**yen/ share

Annual dividend: 100yen/ share

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Further, we began paying out a year-end dividend for the current term of 57 yen per ordinary share from May 31, 2019. Combined with the interim dividend payout of November 30, 2018, this makes an annual dividend payout of 100 yen per share.

This concludes our presentation of the consolidated Group's business progress and results for fiscal 2018.

Issues to be addressed



Hirano:

And now, as Chairman, I would like to explain the issues to be addressed that face us, described on page 16 of the Notice for the convocation for the 55th Annual Shareholder's Meeting.

Construction machinery demand

- Demand for hydraulic excavators stronger than in the previous year in all areas except Japan, Middle-East and Africa.

Mining machinery demand

- Demand stronger than in the previous year due to increased investment by mining companies.

In terms of the business environment facing us in fiscal 2018, in construction machinery, hydraulic excavators demand was stronger than in the previous year in all regions except Japan, Middle-East and Africa.

Mining machinery demand was also stronger than in the previous year due to increased investment by mining companies

HITACHI

CONNECT TOGETHER 2019

Through the value chain that spreads across the entire life cycle of construction machinery, we provide Reliable solutions that exceed the expectations of society and our customers.

- Interactive after-sales including parts, service, used, rental and finance
- Expand wheel loader and dump truck business using our excavator expertise

Continue to provide “Reliable Solutions” that exceed customer’s expectations, and build the top three global manufacturers of construction machinery

Under these circumstances, the consolidated Group will promote the establishment of corporate structure with high adaptability to changes

and the reaping of fruit of the growth strategy with the following four strategies at the core under the mid-term management plan “CONNECT TOGETHER 2019.”

The Group strives to earn unwavering trust from customers and build a solid position as one of the top three global manufacturers of construction machinery by continuing to provide “Reliable solutions” that exceed customers’ expectations in the entire value chain.

Specific numerical targets

HITACHI

Reliable solutions

CT2019

Ending March, 2020

Operating profit margin excluding other income and expenses

9% or higher

ROE

9% or higher

Net D/E ratio

0.4 or lower

Dividend payout policy

Around 30%
or even higher

Ending March, 2020 Preconditions

Sales revenue	850 billion yen	Exchange rate	\$ 100 yen/€110 yen/CNY 15 yen
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As regards the specific numerical targets of our mid-term management plan “CONNECT TOGETHER 2019”,

in terms of profitability, we want to see an operating profit margin excluding other income and expenses of 9% or higher.

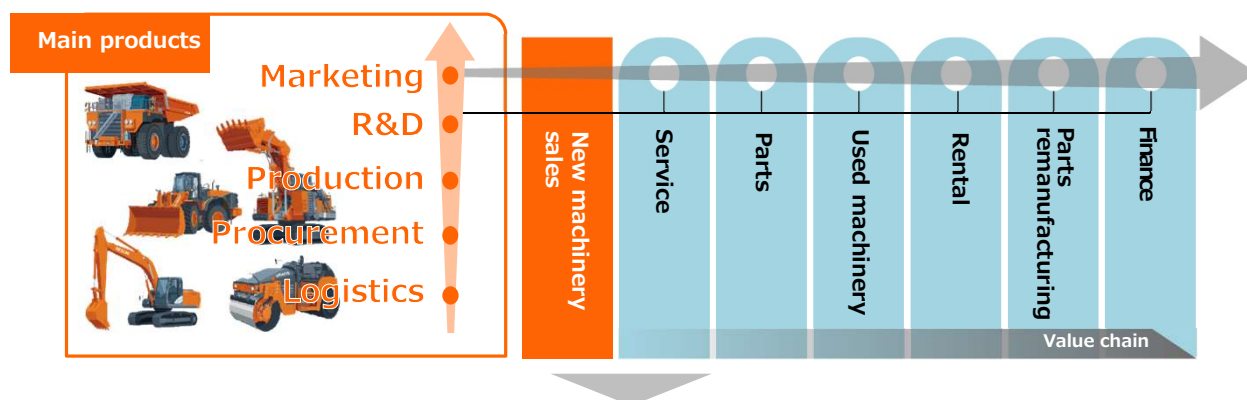
In terms of our efficiency, our target ROE is 9% or higher.

We are aiming for a net D/E ratio of 0.4 or lower.

We will aim for a consolidated payout ratio of around 30% or more for return to shareholders.

The exchange rates on which the above numerical targets are based are US \$ 100 yen, Euro 110 yen, and CNY 15 yen.

Deepening the value chain



**Provide valuable Service and Solutions
and improve customer satisfaction**

Lets move on to talk about our four business strategies.

The first is the deepening of the value chain.

The Group's business is characterized by a long life cycle that starts with research, development and production and involves sale of new machinery and provision of rental and services to customers as well as handling of used machines at the time of renewal. The Group will improve customer satisfaction by offering more valuable services and solutions than ever to customers.

Enhance presence of wheel loaders and dump trucks

Wheel loaders

- Develop models that meet exhaust emission regulations
- Enhance production efficiency and cost reduction
- Strengthen global sales and service structure



Dump trucks

- Expand sales of models for high altitude use and for trolley use
- Full-scale commercial use of Autonomous Haulage System



H-E PARTS
INTERNATIONAL

BRADKEN

W Wenco®

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The second management strategy is the enhancement of our wheel loaders and dump trucks presence.

In addition to hydraulic excavators, which are the Group’s flagship product and have global and top-level product appeal, the Group also makes efforts to enhance competitiveness in aspects of development and sales capabilities for wheel loaders and dump trucks, aiming to achieve growth of these products as the second and third core products.

For wheel loaders, the Group advances development of models that meet exhaust emission regulations, while increasing sales efficiency by vigorously promoting the enhancement of production efficiency and cost reduction and strengthening the global sales service structure on the sales side.

For dump trucks, the Group focuses on expanding sales of models for high altitude use that already have a product line and those for trolley use that enable low-fuel consumption and improvement of operating efficiency; puts Autonomous Haulage System into full-scale commercial use; and further generates a synergy with H-E Parts and Bradken, which are in charge of the mining area, as well as a synergy with Wenco, which is a member of the Group and provides Fleet Management System.

Strengthening development of ICT/IoT Solutions



- Hitachi Group's broad ranging advanced technologies
- Business partners' expert technologies

Resolution of customer issues

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The third strategy is to strengthen development of ICT/IoT solutions.

The Group accelerates the development of “Solution Linkage” ICT/IoT solutions that address the improvement of safety and productivity and a reduction in life cycle costs, which are issues for customers, by leveraging a broad range of the Hitachi Group's advanced technologies and open innovation that integrates business partners' expert technologies.

As well as engaging in development for operational performance, higher fuel efficiency, etc. of machinery, the Group further evolves and offers solutions that contribute to efficiency of customers' entire construction process and optimization of site operation, and “ConSite” service solution that leads to stable operation of machinery and a reduction in life cycle costs.

Development and provision of environmentally conscious products

Of the 17 target sustainable development goals (SDGs), there are 10 priority targets set by Hitachi Construction Machinery Group



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The fourth management strategy is the development and provision of environmentally conscious products.

The Group is working on the development and provision of low carbon emission products, such as hybrid and electric machinery, in order to contribute to a reduction in the environmental impact of our products across the whole product life cycle.

CO₂ emissions at the product usage stage account for about 90% of the volume of emissions throughout the whole product life cycle. Lower fuel consumption not only reduces the customer's running costs, but also helps to alleviate the climate change that is caused by global warming.

In addition, it is expected that electrical products, which have a great potential to cut CO₂ emissions, can be effective as products that will drive de-carbonization.

Moving forward, we will continue to realize further fuel efficiency and electrification, through innovation.

That completes the overview of the Reports.

Agenda

Election of Ten (10) Directors Due to expiration of terms of office of all Directors

We will now move on to the matters to be resolved.

The agenda item: Election of 10 Directors Due to expiration of terms of office of all Directors, will now be discussed.

The terms of office of all the Directors will terminate at the close of this Annual Shareholder's Meeting. Accordingly, it is proposed that 10 Directors be elected.

Election of Ten (10) Directors Due to expiration of terms of office of all Directors

Kazushige OKUHARA



Haruyuki TOYAMA



Junko HIRAKAWA



As the Board of Directors, we propose the election of the following ten Directors, in accordance with the election proposal of the Nomination Committee.

Kazushige Okuhara,
Haruyuki Toyama,
Junko Hirakawa,

Election of 10 Directors Due to expiration of terms of office of all Directors

Tetsuo KATSURAYAMA



Toshikazu SAKURAI



Koji SUMIOKA



Tetsuo Katsurayama,
Toshikazu Sakurai,
Koji Sumioka,

Election of 10 Directors Due to expiration of terms of office of all Directors

Hideaki TAKAHASHI



Seishi TOYOSHIMA



Toshitake HASUNUMA



Kotaro HIRANO



Hideaki Takahashi,
Seishi Toyoshima,
Toshitake Hasunuma, and myself, Kotaro Hirano.

Election of 10 Directors Due to expiration of terms of office of all Directors

Kazushige OKUHARA*	Haruyuki TOYAMA*	Junko HIRAKAWA*
Tetsuo KATSURAYAMA	Toshikazu SAKURAI	Koji SUMIOKA
Hideaki TAKAHASHI	Seishi TOYOSHIMA	Toshitake HASUNUMA
Kotaro HIRANO		

* Mr. Okuhara, Mr. Toyama and Ms. Hirakawa are candidates for the posts of Outside Directors, in accordance with the provisions of the Companies Act Enforcement Regulations

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We hope that you will see fit to elect all ten of the proposed candidates.

Also, Kazushige Okuhara, Haruyuki Toyama and Junko Hirakawa are all Outside Director candidates, in accordance with the Companies Act Enforcement Regulations.

The profiles of the candidate Directors, the reasons for their selection and details of the lengths of the terms of office of the Outside Directors are as given on pages 5 to 10 of the Notice for the convocation for the 55th Annual Shareholder's Meeting.

And that completes the details of the Resolutions.

If you have a question,

Please raise and show the pink side of your attendance card.

Please wait until you have been invited to speak by the Chairman.

Please state your Attendance Number and Name.

Please keep your questions concise.

We are now ready to take questions.

If you would like to ask a question, please show me the pink side of the attendance card that you were given at Reception. When I invite you to speak, the nearest staff member will hand you the microphone. Please state your attendance number and name, and state your question.

Thank you for your cooperation.

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Chairman

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20	Executive Officer Moriaki KADOYA	7	Director	Toshikazu SAKURAI	1	Representative Executive Officer President and Executive Officer, Director	Kotaro HIRANO	14	Vice President and Executive Officer	Seishi TOYOSHIMA
21	Executive Officer Masafumi SENZAKI	8	Outside Director	Kazushige OKUHARA	2	Representative Executive Officer Executive Vice-President and Executive Officer, Director	Koji SUMIOKA	15	Senior Vice President and Executive Officer, Director	Tetsuo KATSURAYAMA
22	Executive Officer Kazunori NAKAMURA	9	Outside Director	Haruyuki TOYAMA	3	Executive Vice President and Executive Officer	Yasushi OCHIAI	16	Executive Officer	Yusuke KAJITA
23	Executive Officer Masaaki HIROSE	10	Outside Director	Junko HIRAKAWA	4	Senior Vice President and Executive Officer	Michifumi TABUCHI	17	Vice President and Executive Officer	Takaharu IKEDA
24	Executive Officer Hidehiko MATSUI	11	Director	Koji TANAKA	5	Senior Vice President and Executive Officer	Naoyoshi YAMADA	18	Vice President and Executive Officer	Sonosuke ISHII
25	Executive Officer Makoto YAMAZAWA	12	Director	Tatsuro ISHIZUKA	6	Vice President and Executive Officer	Hideshi FUKUMOTO	19	Executive Officer	David HARVEY
		13	Director	Hirotoyo FUJII						

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[please refer to “Summary of Q&A Session in the 55th Shareholder’s Meeting” on the WEB Site of Hitachi Construction Machinery Co., Ltd.]

Election of Ten (10) Directors upon completion of terms of office of all current Directors

Kazushige OKUHARA*	Haruyuki TOYAMA*	Junko HIRAKAWA*
Tetsuo KATSURAYAMA	Toshikazu SAKURAI	Koji SUMIOKA
Hideaki TAKAHASHI	Seishi TOYOSHIMA	Toshitake HASUNUMA
Kotaro HIRANO		

* Mr. Okuhara, Mr. Toyama and Ms. Hirakawa are candidates for the posts of Outside Directors, in accordance with the provisions of the Companies Act Enforcement Regulations

With regard to the proposal to elect 10 Directors upon completion of terms of office of all current Directors, I would ask all those shareholders in favor to clap their hands.

Thank you. Since we have obtained a majority of votes, including those exercised in written form and by electromagnetic means, the motion is carried as per the original proposal.

Appointment of new Directors

Hideaki TAKAHASHI



Seishi TOYOSHIMA



Toshitake HASUNUMA



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The following three Directors have been appointed as new Directors.

Mr. Hideaki Takahashi,
Mr. Seishi Toyoshima,
and Mr. Toshitake Hasunuma

Hitachi Construction Machinery Co., Ltd.

55th Annual Shareholder's Meeting



This completes all of today's proceedings, and I declare the Hitachi Construction Machinery Co., Ltd. 55th Annual Shareholder's Meeting closed.

Please accept our most sincere thanks for your attendance today.