# **Human Capital Report 2025**



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## **Overview**

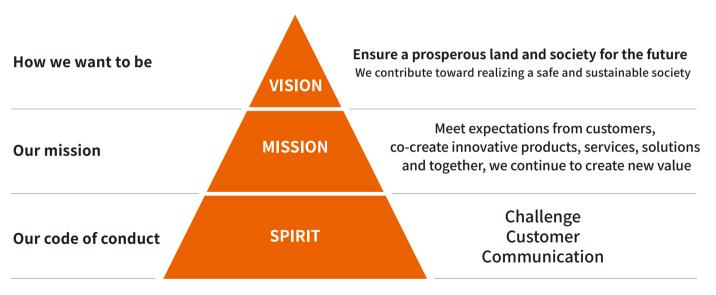
- The Vision of Hitachi Construction Machinery Group
- Strengthening the Link between Management Strategy and Human Capital Strategy
- Human Capital for a Prosperous Future

# **Chapter 1**

## The Vision of Hitachi Construction Machinery Group

Hitachi Construction Machinery Group envisions "Ensure a prosperous land and society for the future; We contribute toward realizing a safe and sustainable society" Driven by the Kenkijin Spirit, we continuously create new value to achieve this vision.

## **Group Identity**



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

#### Kenkijin Spirit

A value standard and code of conduct that serves as a foundation for every Group employee who understands Hitachi Construction Machinery's aspirations and takes initiative to realize them.

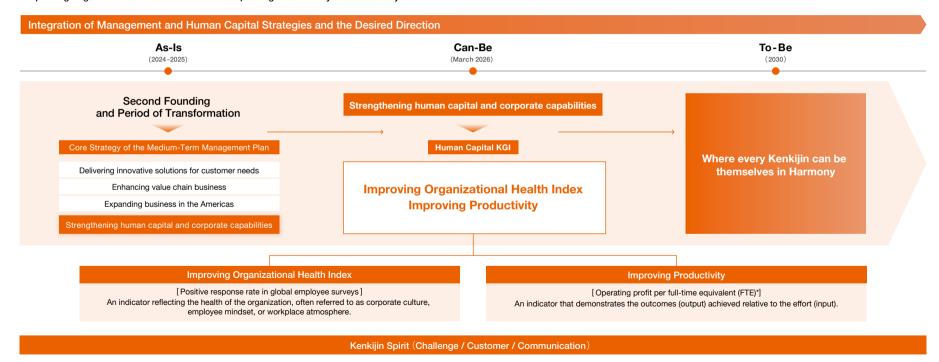
Challenge

Customer

Communication

## Strengthening the Link between Management Strategy and Human Capital Strategy

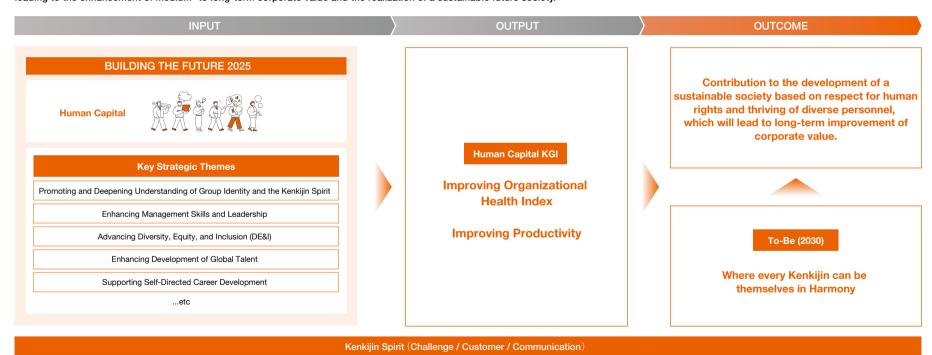
In the Medium-Term Management Plan, which concludes this fiscal year, one of the key pillars of our management strategy is "Strengthening human capital and corporate capabilities" to adapt to the evolving business environment. This approach clearly aligns our management strategy with our human capital strategy. We aim to achieve our Human Capital KGIs— "Improving Organizational Health Index" and "Improving Productivity" and ultimately realize our desired future state.



<sup>\*</sup> Full-Time Equivalent (FTE) is a theoretical workforce value of the workforce calculated by dividing the "Total annual working hours of all employees" by the "Annual scheduled working hours of a full-time employee.

## **Human Capital for a Prosperous Future**

To build a framework for strengthening human capital, we are systematically implementing human capital initiatives based on our Key Strategic Themes. Through progress management using Key Performance Indicators (KPIs) established for each theme, we aim to achieve our Human Capital KGIs, leading to the enhancement of medium- to long-term corporate value and the realization of a sustainable future society.





## Message

- Message from the President and Executive Officer, COO
- Message from the CHRO

# **Chapter 2**

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## Message from the President and Executive Officer, COO

#### Deepening Human Capital Management to Pioneer the Future

Under the banner of "LANDCROS," Hitachi Construction Machinery Group is promoting transformation aimed at solving social issues and creating value for the future. In April 2027, we will change our company name to "LANDCROS Corporation" and take a new step toward the next 100 years, evolving into a solutions provider. To ensure this progress, it is essential that every Kenkijin continues to challenge themselves and grow, and to accelerate co-creation with diverse stakeholders.

Supporting the challenge of transformation is the Kenkijin Spirit's 3Cs (Challenge, Customer, Communication), which serve as the starting point guiding judgment and action in daily operations. We are supporting the practice of the 3Cs through strengthening the development of global talent and advancing Diversity, Equity, and Inclusion (DE&I). Furthermore, by combining on-site capabilities with digital power, and utilizing generative AI, data, and open technology platforms, we are advancing the creation of an environment that maximizes creativity and fosters innovation.

Human capital is the foundation supporting sustainable corporate growth in an era of change and the source of competitive advantage that pioneers the future. Towards further leaps in the next stage, we will build a corporate culture that supports the challenges of every Kenkijin and continues to provide new value to society, without ever stopping growth and deepening.

Representative Executive Officer, President and Executive Officer, Director, COO

Masafumi Senzaki

#### Our Promise to Society "LANDCROS"



**Prosperous Land** 

Customer

Reliable

Open

Solutions

LANDCROS is a commitment to society that incorporates 'LAND', representing our vision 'Ensure a prosperous land and society for the future', and the words we have cherished: 'Customer', 'Reliable', 'Open,' and 'Solutions'.

Under the new brand 'LANDCROS', we will respond more speedily and flexibly to requests from customers and society through open partnerships, thereby earning greater trust and striving to further enhance corporate value.

Chapter 1 Chapter 2 Chapter 3 Chapter 4 Message from the President and Executive Officer, COO Message from the CHRO

## Message from the CHRO

#### Creating a Virtuous Cycle of Enhancing Corporate Value and Expanded Reinvestment in Kenkijin

Due to rapid changes in the social, technological, and economic environment, the business environment surrounding companies is undergoing significant transformation. In this context, we believe that empowering Kenkijin and maximizing their potential are the source of our competitiveness and the driving force for growth. While respecting diverse personalities, strengths, and autonomy, we are advancing a comprehensive process of recruitment, compensation, talent development, and allocation based on our global HR Management Policy.

We are continuously working to strengthen and improve human capital initiatives that contribute to our Human Capital KGIs. These efforts include promoting Diversity, Equity, and Inclusion (DE&I), actively appointing young and mid-career employees to key positions, developing global talent, supporting self-directed career development, and advancing talent development that enhances creativity and innovation. We aim to foster an organizational culture of "Winning as a Team," where each Kenkijin practices "Challenge"—one of our core values in the Kenkijin Spirit—with initiative, and the company supports individual growth while fusing diverse strengths to co-create new value.

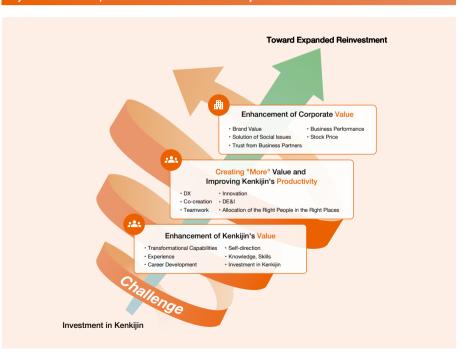
Moving forward, through investment in Kenkijin and the execution of initiatives linked to Human Capital KGIs, we will maximize the potential of each individual, improve productivity, and enhance corporate value, striving to create a virtuous cycle leading to expanded reinvestment.



Executive Officer, CHRO, President of Human Capital Group

#### Makoto Sawada

#### Cycle Model of Expanded Reinvestment in Kenkijin





## **Theme & Actions**

- Key Strategic Themes
- Major Initiatives

# **Chapter 3**

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Key Strategic Themes Major Initiatives

## **Key Strategic Themes**

We have established Key Performance Indicators (KPIs) for each Key Strategic Theme to achieve our Human Capital KGIs and realize our envisioned goals. By managing each theme both quantitatively and qualitatively, we monitor the progress of our initiatives and continuously strive for further improvement.

## **Enhancing Corporate Value**



Chapter 3 Chapter 4 Chapter 1 Chapter 2 Key Strategic Themes Major Initiatives

## Promoting and Deepening Understanding of Group Identity and the Kenkijin Spirit

KPI

Positive Response Rate for "Clarity Direction" and "Top Management Leadership" in Global Employee Surveys

In the current phase, which we position as our "Second Founding," we regard the group-wide dissemination of the Group Identity and Kenkijin Spirit as a key strategic theme, promoting a sense of unity and the sharing of our philosophy across the entire Group. Additionally, we have redefined the Kenkijin Spirit as our "code of conduct" and are striving to instill working to foster understanding and empathy among all employees.

#### **Current Status**

KPIs related to this theme are generally trending upward or maintaining a steady level, and we recognize that the progress of related initiatives is generally favorable.

Specific Initiatives 1 Dissemination of Embedding Group Identity and Kenkijin Spirit

We developed e-learning materials and videos that clearly explain the content of the Group Identity and Kenkijin Spirit, available in 12 languages. As a result of conducting training for employees across the entire Group, the global participation rate reached 97% (100% in Japan, 94% overseas) in August 2025. We are also building a system to regularly monitor progress in collaboration with each site.

## Specific Initiatives (2)

Deployment to Promote Understanding of the Medium-Term Management Plan

Through message dissemination from senior management and town hall meetings, we clarify the link between the "Vision" and the "Kenkijin Spirit," By promoting dialogue and sharing at the departmental level, we support integrated understanding of our philosophy and strategy.

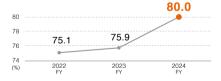
#### **KPI**

Items	Scope	Unit	2022FY	2023FY	2024FY
Positive Response Rate for "Clarity Direction"	Global consolidated	%	64.3	64.9	68.0
Positive Response Rate for "Top Management Leadership"	Global consolidated	%	54.7	57.0	60.6

#### Home page of the e-learning materials



#### Positive Response Rate for "Clear understanding of Group Identity and Kenkijin Spirit" (Global Consolidated)



#### **Future Direction**

The materials, know-how, and data analysis methods gained through these initiatives can also be utilized to promote future measures for the dissemination of LANDCROS. We will further strengthen the embedding of our philosophy and actions across the Group, leading to value creation as one united Group.

Chapter 1 Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiatives

## **Enhancing Management Skills and Leadership**

To support the growth of Kenkijin with a self-directed mindset and proactive capabilities, we have clarified the roles, responsibilities, and required skills at each level and established a structured training system for systematic development.

Positive Response Rate for "Manager Effectiveness" and "Teamwork" in Global Employee Surveys

#### **Current Status**

**KPI** 

KPIs related to this theme are generally trending upward or maintaining a steady level, and we recognize that the progress of related initiatives is generally favorable.

## Specific Initiatives 1 Strengthening Leadership through "Coaching Training"

Since 2023, we have been conducting coaching training aimed at improving communication through active listening and questioning, while equipping participants with skills to support their subordinates in achieving qoals.

#### Specific Initiatives 2 Initiatives to Enhance Project Management Skills

To strengthen project management capabilities, we offer support for obtaining the PMP\* certification and conduct training to quickly develop team-building skills.

\*PMP (Project Management Professional): An international certification in project management accredited by the Project Management Institute, Inc.

#### Specific Initiatives 3 Formation of Learning Communities

We support activities where employees sharing similar challenges and interests can form "communities" across organizational boundaries to learn from one another.

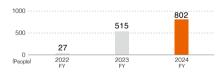
#### **KPI**

Items	Scope	Unit	2022FY	2023FY	2024FY
Positive Response Rate for "Manager Effectiveness"	Global consolidated	%	65.8	67.0	71.7
Positive Response Rate for "Teamwork"	Global consolidated	%	70.1	70.0	71.6

#### **Coaching Training**



## Cumulative Trends in the Number of Participants in Coaching Training (Section Managers and Above)



#### **Future Direction**

Quantitative analysis of global employee surveys revealed challenges such as fostering a mindset for accepting diversity, creating opportunities for communication across organizational and functional boundaries, and instilling and practicing a customer-centric mindset and a spirit of challenge among members. We will execute further initiatives toward the realization of the next Medium-Term Management Plan and LANDCROS.

thapter 1 Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiatives

## Advancing Diversity, Equity, and Inclusion (DE&I)

#### KPI

#### Positive Response Rate for "DE&I Index" in Global Employee Surveys

Operating globally, including Japan and the Americas, requires deep local expertise to meet stakeholder needs. We strive to build a "One Team" organization by attracting diverse talent and fostering a culture of mutual respect.

#### **Current Status**

KPIs related to this theme are generally trending upward or maintaining a steady level, and we recognize that the progress of related initiatives is generally favorable.

#### Specific Initiatives 1

#### **Diversification of Talent to Lead Global Business Operations**

Since 2011, Hitachi Construction Machinery Group has been developing succession plans for key positions across the organization and implementing a scheme to nurture future executive leaders. Since FY2021, we have maintained a localization rate of over 70% for positions at the department head level or higher within overseas group companies.

#### Specific Initiatives 2

#### Career Support for Women and Promoting Understanding of DE&I

As part of our management commitment, we are fostering an environment where women can actively build their careers. We aim to narrow the gender gap in management positions to 13% women and 15% men by FY2025. Hitachi Construction Machinery alone is proactively recruiting women while supporting career development and return to work after childcare.

In March 2025, coinciding with International Women's Day, we invited Ms. Hiromi Ozaki (Sputnikol), Representative Director of Cradle Inc., to speak on the importance of DE&I for business growth, helping employees deepen their understanding and shift their mindsets.

#### **KPI**

Items	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY
Positive Response Rate for "DE&I Index"	Global consolidated	%	64.0	64.1	66.6

#### **Related Data**

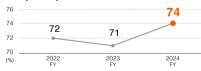
1	Items	Scope	Unit	2022FY	2023FY	2024 <sub>FY</sub>
	Number of Employees Taking Childcare Leave	Hitachi Construction Machinery (standalone)	People	73	122	138
	Paternity Leave Uptake Rate	Hitachi Construction Machinery (standalone)	%	26.2	39.1	50.0

#### **DE&I Seminar**

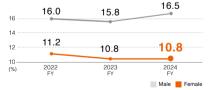


Guest Speaker Sputniko! discussing the importance of DE&I

## Localization Rate of Department Head-Level and Above Positions in Overseas Group Companies



## Ratio of Female Managers (Global Consolidated)



#### **Future Direction**

Toward the realization of the next Medium-Term Management Plan and LANDCROS, we will consider measures regarding "clarification and dissemination of the significance and purpose of inclusion and diversity." creating opportunities to know each other and build relationships," and "improving forums for managers to listen to employee opinions." apter 1 Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiatives

## **Enhancing Development of Global Talent**

**KPI** 

**Total Costs for Talent Development and Training** 

We are promoting the development of global talent with the skills necessary to execute our management strategy across the entire organization.

#### **Current Status**

KPIs related to this theme are generally maintaining an upward trend, and we recognize that the progress of related initiatives is overall favorable. Investment in talent development and training is expanding in each region, and efforts to enhance employee skills and support career development are steadily progressing.

## Specific Initiatives 1

**Development of Global Business Leaders** 

To achieve sustainable growth and enhance competitiveness, we have established a system to strategically develop management leaders capable of operating globally. We clearly define the expected roles and provide programs to help leaders acquire the necessary skills and mindset.

## Specific Initiatives 2

Group-wide Global Workshop: "Self-Transformation Program"

We are conducting a workshop, the "Self-Transformation Program," for all employees globally, aimed at creating an organizational culture to succeed in an era of transformation. This program also serves as the foundation for developing digital talent. In addition to conducting training on digital literacy through the "Digital Talent Development Program" launched in FY2022, we are implementing a program to cultivate "Digital Promotion Leaders" through practical experience by forming teams between business departments and the DX department.

As of March 2025, the cumulative number of participants is 6,871 for the "Self-Transformation Program" and 1,302 for digital-related training.

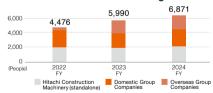
#### KPI

Items	Scope	Unit	2022FY	2023FY	2024 <sub>FY</sub>
Total developing and training costs	Hitachi Construction Machinery (standalone)	Million Yen	756	1,217	1,239

#### **Business Leader Development Program**

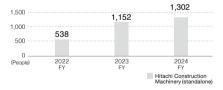


## Cumulative Number of Participants in the "Self-Transformation Program"



# A CONTROL

## Trends in the Number of Participants in Digital-Related Training



#### **Future Direction**

The insights and know-how gained through these initiatives serve as an important foundation for promoting future measures to instill LANDCROS, and we will accelerate the sharing and anchoring of our philosophy across the entire Group.

Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiative

## **Supporting Self-Directed Career Development**

#### KPI

#### **Training Hours per Employee**

We are now living in what is referred to as the "100-Year Life Era," a time characterized by unpredictability and uncertainty about the future. In such circumstances, developing flexibility and adaptability to respond to change is crucial for leading a fulfilling life.

We are committed to supporting career development initiatives that align with each individual's aptitudes, abilities, and values.

#### **Current Status**

KPIs related to this theme are generally trending upward or maintaining a steady level, and we recognize that the progress of related initiatives is generally favorable.

## Specific Initiatives 1

#### **Supporting Autonomous Self-Directed Learning**

We have introduced a platform that provides optimal learning programs tailored to the needs and interests of each employee.

## Specific Initiatives 2

#### Promotion of "Career Training by Age Group"

Every decade, employees are provided with opportunities to consider "what kind of person they want to become moving forward" and to set goals as well as develop concrete action plans for realization.

## Specific Initiatives 3

#### **Career Consulting Sessions**

Career consultants with specialized knowledge provide one-on-one sessions. Through these sessions, they provide support to resolve work-related concerns and help employees consider their future working styles and way of living, as well as support the formulation of career plans to realize them.

(As of October 2025, there are four dedicated career consultants in-house, including one woman.)

#### KPI

	Items	Scope	Unit	2022FY	2023FY	2024FY
Average	e Training Hours per Employee	Hitachi Construction Machinery (standalone)	Hours	50.78	53.19	57.55
Average	e Training Hours per Participant	Hitachi Construction Machinery (standalone)	Hours	68.51	71.81	57.77

#### **Definitions of Career Development Stages by Age Group**

Early 20s	Late 20s	30s	40	s	50s	60	Os
Exploration Phase	Est	ablishment Phase			Maintenance Phase		Liberation Phase
Formation Phase		Establishment Phase		nation Phase Stabilization Phase (Transformation Phase)		Succession Phase	
Forming a Career Vision		Pursuing a Career Vision	Change			Career Sup 100-Year	
Must	Will Must Can	Will Must Can	Will Must Can Must Can		Mus		

"The "Will, Can, Must" Framework in Career Development This framework focuses on three perspectives: what you want to do (Will), what you must do (Must), and what you can do (Can). By expanding the overlap of these three areas, it enhances job satisfaction and fulfillment in work.

Hitachi Construction Machinery's Definitions

General Career Development Theories

#### **Future Direction**

Quantitative analysis of employee surveys revealed challenges such as the need for continuous strengthening of managers' career support capabilities and active listening attitudes. Toward the realization of the next Medium-Term Management Plan and LANDCROS, we will consider measures to address these challenges.

Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiatives Key Strategic Themes Major Initiatives

## Creating a Safe, Healthy, and Secure Work Environment

KPI

Positive Response Rate for "Health & Safety and Well-Being" in Global Employee Surveys

We have established a vision of achieving "Zero occupational accidents and diseases" and aim to create a vibrant workplace where every employee can work safely and healthily. To this end, we are focusing on enhancing awareness and understanding of health and safety in the workplace and improving the quality of related initiatives.

Based on the fundamental principle of "Prioritizing Safety and Health Above All Else," Hitachi Construction Machinery Group is globally committed to ensuring safety and health. Specifically, we are implementing the following three initiatives:

#### **Establishing a Global Collaboration Framework**

At the Safety & Health Strategy Conference, management and the safety and health departments discuss and decide on strategic measures to address common safety and health challenges across the Group. Additionally, through The Global Safety and Health Conference, we are reinforcing horizontal collaboration by sharing best practices across all group companies.

#### **Developing Talent Through Safety Training**

We have established an in-house "Safety Training Center" within the company to continuously develop talent capable of performing their duties safely. The center provides education aimed at enhancing hazard awareness and promoting safe behavior.

In addition to classroom-based knowledge acquisition, we emphasize practical, hands-on training by incorporating equipment simulators and VR technology, offering a more realistic and experience-driven approach to safety education.

#### **Enhancing Health Literacy**

As part of efforts to enhance productivity, we are committed to maintaining and improving the physical and mental health of our employees. This includes conducting health education programs such as Women's health seminars, expanding in-house and external health consultation services (industrial physicians, public health nurses, and industrial counselors), and strengthening organizational initiatives to encourage participation in health checkups. Through these efforts, we aim to improve the health literacy of every employee.

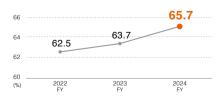
#### **Global Safety and Health Conference**



#### **Danger Detection Training**



## Positive Response Rate for "Health & Safety and Well-Being" (Global Consolidated)



hapter 1 Chapter 2 **Chapter 3** Chapter 4 Key Strategic Themes Major Initiatives

## **Attracting Talent and Supporting Active Participation**

KPI Recruitment Costs. Positive Response Rate for "Pride in Company" Items in Global Employee Surveys

We are committed to attracting talent, which serves as the foundation for competitiveness and enhancing corporate value.

We are creating an environment where diverse individuals can feel motivated and fulfilled in their work, enabling them to fully realize their potential.

To nurture next-generation talent and expand opportunities for their active participation, we are advancing collaboration with educational institutions and enhancing internal systems. Through the following initiatives, we are focusing on securing talent and supporting their success.

#### Securing Technical Talent through Internships

In February 2025, we concluded a "Comprehensive Partnership Agreement" with Ibaraki University covering mutual cooperation in areas such as human capital development and R&D. As part of this agreement, we accepted 17 science students from the university as interns, allowing them to experience our technological initiatives through product development and production sites. We also accepted foreign students from Stanford University and the Indian Institutes of Technology (IIT) on an individual basis. By introducing them to our workplace environment and manufacturing sites, we aimed to promote a deeper understanding of our company from a global perspective. Moving forward, we will continue to strengthen collaboration with domestic universities and accept overseas students to secure technical talent.

#### Strengthening Recruitment Activities by Inviting Career Guidance Teachers

As part of our recruitment activities for high school students, we invited high school career guidance teachers to the Tsuchiura Works for a factory tour and briefing session. On the day, we guided them through the manufacturing lines to deepen their understanding of the actual workplace environment and training content. Additionally, we exchanged opinions with instructors in charge of training, strengthening our collaboration with educational institutions. Moving forward, we will continue to promote understanding of our Group's business among future Kenkijin and create opportunities for talent referrals.

#### **Expansion of the Internal Job Posting System**

We are actively utilizing and expanding the Internal Job Posting System to support the career development of every employee. By establishing a mechanism that allows employees to challenge themselves in their desired duties and departments, we are fostering an environment where they can take on challenges they want to pursue and shape a career true to themselves. In addition to external recruitment, we actively promote internal appointments and transfers, creating a workplace where diverse talent—both internal and external—can leverage their strengths and grow together.

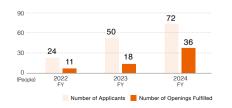
#### Ibaraki University Internship



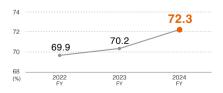
#### **Factory Tour and Briefing**



#### **Internal Job Posting**



#### Positive Response Rate for "Pride in Company" Items (Global Consolidated)



Chapter 1 Chapter 2 Chapter 3 Chapter 4 Key Strategic Themes Major Initiatives

## Strengthening Global Collaboration within the Human Capital Department

We are strengthening collaboration and communication with the Human Capital departments of group companies to enhance the quality level of HR operations.

We are enhancing collaboration and sharing knowledge through regular meetings with domestic and international group companies and in-person, two-way communication, such as overseas group company visits conducted by HRBP's.

\*HRBP (Human Resource Business Partner): HR professionals who drive and support solutions to organizational and talent-related challenges to advance the business objectives of each department.

#### **Holding Global HR Meetings**

Once a year, HR representatives from all group companies gather, both online and in person, to discuss and share various talent initiatives and best practices. The insights gained are used to drive efforts for improving operations and enhancing quality within their respective organizations.

#### Launch and Rollout of the Global HR Portal Site

In September 2024, we launched the "Global HR Portal Site," allowing HR representatives at overseas group companies to instantly check HR-related information, including global HR rules, various notifications, and reference materials. It is utilized as a tool for information sharing, exchange, and strengthening collaboration among representatives.

#### Promoting Human Rights Due Diligence (Human Rights DD) on a Global Scale

Recognizing human rights risks as management risks, we are working globally to identify such risks, implement countermeasures, and evaluate their effectiveness. As a top-priority risk shared across the Group, "Forced and Migrant Labor Measures" have been identified, and surveys are being conducted for all group companies and procurement partners to assess the current situation. Additionally, we are promoting awareness and education on human rights by rolling out e-learning programs globally to further foster a culture of human rights consciousness.

#### **Global Learning & Developing Conference**



#### Home page of the Global HR Portal Site

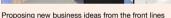


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## **Fostering a Culture of Challenge**









President Senzaki serving as a judge

#### KENKI BUSINESS CHALLENGE: Creating New Businesses from Within

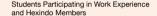
Hitachi Construction Machinery Group cherishes the desire of every employee to "take on challenges." The KENKI  $\beta$ USINESS CHALLENGE (K $\beta$ C) is the platform where this vision comes to life. Organized by the Business Creation Unit, this initiative started in FY2022 as a platform where employees can challenge the possibilities of new businesses based on their own ideas.

In September 2025, the 3rd Final Screening was held at the Tsuchiura Works. Ten teams that passed the document and interim screenings presented ideas they had refined over approximately six months. With participation from manufacturing site members and group companies, the contest attracted diverse proposals that transcended departmental and functional boundaries. The five teams selected through the screening process will proceed with considerations toward commercialization. The company will not let these challenges end with just "wanting to do it" but will firmly support them toward realization. We will continue to support on those who take on challenges and foster a corporate culture where challenges are born naturally. Believing that every step of an employee's challenge creates the future of the entire Group.

#### **Contribution to Local Communities**









Employee Volunteers from Hitachi Construction Machinery Americas

Hitachi Construction Machinery Group values connections with local communities and conducts social contribution activities related to education and the environment around the world.

#### Vocational Education Support in Indonesia (Hexindo)

In November 2024, Hexindo conducted lectures for students learning heavy machinery engineering at a vocational school in Yogyakarta, Indonesia. We shared experiences in the construction machinery industry and the fulfillment of the work with the young generation aiming to become engineers, conveying the importance of the power to move forward toward their dreams. Since 2017, we have continued educational support through collaboration with universities and book donations, and we will continue to work on creating learning environments and developing talent in the region.

#### Waterway Conservation Project with the Community (Hitachi Construction Machinery Americas)

In June 2025, Hitachi Construction Machinery Americas launched a project aimed at improving the waterway environment in Newman, Georgia, where its headquarters is located. In cooperation with local non-profit organizations, city officials, and community partners, we are working on water quality conservation and ecosystem protection by installing trash traps in a park. We will continue to contribute to Environment, Social, and Governance (ESG) by encouraging employee participation through volunteer activities and educational opportunities.



## **Appendix**

Data Collection

# **Chapter 4**

Chapter 1 Chapter 2 Chapter 3 Chapter 4

## Workforce

## Total number of employees

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Global consolidated	-	People	26,793	28,145	27,859	-
Hitachi Construction Machinery (standalone)	-	People	6,201	6,576	6,549	-

## Total number of employees (Full-time and Part-time)

	Scope	Unit	2022FY	2023FY	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated	Executives	People	155	152	153	-
	Regular employees	People	24,799	25,846	25,445	-
	Contract employees	People	1,661	1,983	2,069	-
	Part-time and temporary staff	People	178	164	192	-
Hitachi Construction	Full-time	People	6,147	6,528	6,503	-
Machinery (standalone)	Part-time	People	54	48	46	-

## Full-Time Equivalent (FTE) \*1

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	People	6,815	6,951	7,012	-

<sup>\*1</sup> Calculation formula: Total annual working hours of all employees ÷ Annual scheduled working hours of a full-time employee

## **Diversity**

## Age

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
	Under 30 years old	People	5,030	5,340	5,059	-
Global consolidated	30~39 years old	People	8,854	9,178	9,003	-
	40~49 years old	People	7,150	7,471	7,675	-
	50~59 years old	People	4,531	4,843	4,875	-
	60 years old and above	People	1,228	1,313	1,247	-
	Under 30 years old	People	1,154	1,300	1,223	-
	30~39 years old	People	1,933	1,931	1,921	-
Hitachi Construction Machinery (standalone)	40~49 years old	People	1,695	1,804	1,828	-
	50~59 years old	People	1,194	1,273	1,289	-
	60 years old and above	People	225	268	288	-

## Gender

	Scope		Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated	Male		People	23,741	24,836	24,467	-
	Female		People	3,048	3,305	3,369	-
	Male	Total employees	People	5,640	5,864	5,902	-
		Regular employees	People	4,995	5,151	5,219	-
Hitachi Construction		Contract employees	People	645	713	683	-
Machinery (standalone)		Total employees	People	506	582	591	-
	Female	Regular employees	People	427	463	487	-
		Contract employees	People	79	119	104	-

## Diversity among the Top Management\*1

**Employment of Persons with Disabilities** 

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated	Male	%	98.4	97.8	97.9	-
Giobal consolidated	Female	%	1.6	2.2	2.1	-
Hitachi Construction	Male	%	92.3	92.0	92.9	-
Machinery (standalone)	Female	%	7.7	8.0	7.1	Above previous year's figures

#### \*1 Management: Board members and executive officers

#### Scope Unit 2022FY 2023FY Target (2025<sub>FY</sub>) Statutory employment rate\*2 2.50 Global consolidated 2.51 2.47 Statutory or over Statutory or over Statutory employment rate 2.40 2.45 2.45 Hitachi Construction Machinery (standalone) Above previous 1.61 1.70 Actual employment rate\*3 year's figures

\*2 Calculation formula: Calculated based on the definition in the \*Act on Employment Promotion of Persons with Disabilities.\*

\*3 Calculation formula: Based on the definition of ISO 30414, (Number of employees with disabilities ÷ Total number of employees) × 100

## **Organizational Culture**

## Engagement

	Scope		Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Global consolidated	Desitive reapense	Indirect employees	%	62.3	63.3	66.4	+1.0% compared to the previous year
Hitachi Construction	Positive response rate in global employee surveys	Indirect employees	%	55.9	57.9	60.2	+1.0% compared to the previous year
Machinery (standalone)	. , , .	Direct employees	%	56.5	61.5	59.8	+1.0% compared to the previous year

## **Productivity**

## Operating profit per FTE

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	MillionYen	4.4	2.3	0.3	Above previous year's figures

#### Revenue per employee

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	MillionYen	106.7	116.6	104.1	Above previous year's figures

## Human Capital ROI<sup>4</sup>

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	%	52.0	27.0	-0.5	Above previous year's figures

<sup>\*1</sup> Calculation formula: (Operating profit + Miscellaneous income - Miscellaneous loss + Gain on sales of fixed assets - Impairment loss on fixed assets) ÷ (Salaries + Allowances)

## **Health and Safety**

## Time lost due to occupational accidents

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	Total lost time per million hours	Hours	12.5	6.9	4.2	Below previous year's figures

## Number of occupational accidents (frequency rate)

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated	Frequency rate of work-related injuries (number of incidents per million hours)	Cases	1.09	1.19	0.99	Halve the number of
Hitachi Construction Machinery (standalone)		Cases	0.30	0.29	0.37	incidents compared to the previous year

## Number of deaths due to occupational accidents

	Scope	Unit	2022FY	2023FY	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated		Cases	0	0	0	
Hitachi Construction Machinery (standalone)	-	Cases	0	0	0	Maintain at 0

## Percentage of health and safety training participants

	Scope	Unit	2022FY	2023FY	2024FY	Target (2025 <sub>FY</sub> )
	Safety and health education at the time of employment	%	100	100	100	Maintain at 100%
Machinery (standalone)	Specialized safety training*1	%	73.5	98.2	91.9	Above previous year's figures

<sup>\*1</sup> Calculation formula: Number of supervisors who manage their own departments and attended dedicated training ÷ Number of supervisors eligible for training × 100

## Leadership

## Trust in leadership

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Global consolidated	Positive response rate for	%	65.8	67.0	71.7	Above previous year's figures
Hitachi Construction Machinery (standalone)	"Manager Effectiveness" in global employee surveys	%	62.2	64.8	68.4	Above previous year's figures

## Leadership development

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	Participation rate in leadership development training	%	62.5	85.9	86.9	Above previous year's figures

## **Recruitment, Mobility, and Turnover**

## Average number of days required for recruitment

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	New graduates	Days	90	116	119	-

## Internal mobility rate\*1

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	%	46.2	41.4	10.0	-

\*1 Calculation formula: Based on the definition of ISO 30414, the ratio of management positions filled internally (① number of concurrently held positions filled internally) ÷ (① + number of positions filled externally).

#### Turnover rate

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated*2	-	%	10.52	9.44	10.41	-
Hitachi Construction Machinery (standalone)*3	-	%	5.14	4.69	4.93	Below previous year's figures

\*2 Calculation formula: Total annual resignations ÷ Total number of employees.
\*3 Calculation formula: Based on the definition of ISO 30414, the sum of monthly turnover rates (monthly resignations ÷ monthly average number of employees).

## Voluntary turnover rate \*4

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Global consolidated	-	%	3.03	3.09	2.91	-
Hitachi Construction Machinery (standalone)*5	-	%	2.45	2.7	2.23	Below previous year's figures

\*4 Calculation formula: Total annual resignations (excluding retirements) 

. Total number of employees.
\*5 Calculation formula: Same as above (\*3).

#### Voluntary critical turnover rate \*6

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)*7	-	%	0.02	0.03	0.03	Maintain current level

\*6 Calculation formula: Total annual resignations of global business leaders ÷ Total number of employees.

\*7 Calculation formula: Same as above (\*3).

## **Skills and Capabilities**

### Total developing and training costs

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	MillionYen	756	1,217	1,239	Above previous year's figures

## Training hours per employee

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	Average training hours per employee	Hours	50.78	53.19	57.55	-
	Average training hours per participant	Hours	68.51	71.81	57.77	-

## **Compliance and Ethics**

## Number and type of grievance filed

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
Global consolidated	Compliance reports	Cases	54	95	81	-
Hitachi Construction Machinery (standalone)	Harassment-related issues	Cases	5	27	23	-
	Other labor-related matters	Cases	1	3	7	-

## Number and type of disciplinary actions taken

	Scope	Unit	2022FY	2023 <sub>FY</sub>	2024FY	Target (2025 <sub>FY</sub> )
	Dismissal for cause	Cases	71	73	102	
	Voluntary resignation	Cases	-	-	-	
Global consolidated	Suspension	Cases	28	26	44	Below previous year's figures
	Pay cut	Cases	26	27	51	you o ngaroo
	Reprimand	Cases	-	-	-	
	Dismissal for cause	Cases	0	2	1	
	Voluntary resignation	Cases	3	0	0	
Hitachi Construction Machinery (standalone)	Suspension	Cases	2	6	3	Below previous year's figures
	Pay cut	Cases	6	1	3	,
	Reprimand	Cases	1	4	3	

## Disputes referred to external parties

	Scope	Unit	2022 <sub>FY</sub>	2023 <sub>FY</sub>	2024 <sub>FY</sub>	Target (2025 <sub>FY</sub> )
Hitachi Construction Machinery (standalone)	-	Cases	0	1	1	-