

# Path toward Further Improvement of Corporate Value

The Hitachi Construction Machinery Group, under a series of medium-term management plans, has steadily implemented measures and built a stable foundation, while responding to rapid changes in the external environment and management issues faced by the Group.

## Go Together 2013

(FY2011 to FY2013)

Basic policy

Promote reform for global management and sustainable growth

### Major achievements

- Enhanced the mining business
- Enhanced the parts and services business
- Reduced direct material cost and logistic cost
- Established the Rental, New & Used Sales, Service (RSS) system at Hitachi Construction Machinery Japan Co., Ltd

### Total market capitalization

|        |                   |
|--------|-------------------|
| FY2013 | 427.6 billion yen |
|--------|-------------------|

### Sales revenue

| FY2011            | FY2012            | FY2013            |
|-------------------|-------------------|-------------------|
| 817.1 billion yen | 772.4 billion yen | 803.0 billion yen |

## GROW TOGETHER 2016

(FY2014 to FY2016)

Basic policy

Aim at securing a firm position as a global construction machinery manufacturer

### Major achievements

- Reinforced product development marketing and promoted advanced R&D
  - Expanded local production
  - Enhanced R&D (for electrification, electrification, and ICT) by bringing together the Hitachi Group's technologies
- Further enhanced the mining business
- Reformed SCM and strengthened *monozukuri* capabilities
  - Integrated the operations of sales companies and manufacturing facilities and shortened total lead time from the receipt of orders
- Fortified the foundation of the parts business

### Total market capitalization

|        |                   |
|--------|-------------------|
| FY2016 | 596.9 billion yen |
|--------|-------------------|

### Sales revenue

| FY2014            | FY2015            | FY2016            |
|-------------------|-------------------|-------------------|
| 815.8 billion yen | 758.3 billion yen | 753.9 billion yen |

## CONNECT TOGETHER 2019

(FY2017 to FY2019)

Basic policy

Deepen the value chain

### Major achievements

- Enhanced the parts and services business
  - Introduced the ConSite solution globally
- Acquired Bradken and H-E Parts
- Launched the rental business in the United States and the UK
- Expanded the certified used equipment business

### Total market capitalization

|        |                   |
|--------|-------------------|
| FY2019 | 470.9 billion yen |
|--------|-------------------|

### Sales revenue

| FY2017            | FY2018              | FY2019            |
|-------------------|---------------------|-------------------|
| 959.2 billion yen | 1,033.7 billion yen | 931.3 billion yen |

## Realizing Tomorrow's Opportunities 2022

(FY2020 to FY2022)

Basic policy

Value chain + Enhance digital solutions

### Major achievements

- Enhanced the parts and services business
  - Expanded the use of the ConSite solution globally
  - Promoted the remanufacturing of parts
  - Enhanced the after-sale service of Bradken and H-E Parts
- Globalized the rental and used equipment businesses
- Fostered digital mining
- Established the Hitachi Construction Machinery Group's Group Identity

### Total market capitalization

|        |                   |
|--------|-------------------|
| FY2022 | 661.5 billion yen |
|--------|-------------------|

### Sales revenue

| FY2020            | FY2021              | FY2022              |
|-------------------|---------------------|---------------------|
| 813.3 billion yen | 1,025.0 billion yen | 1,279.5 billion yen |

## BUILDING THE FUTURE 2025

(FY2023 to FY2025)

Basic policy

Grow as a true solutions provider by delivering innovative solutions

### Major achievements (FY2023)

- Expanded the Group's business on its own in the Americas
- Established ZERO EMISSION EV-LAB in collaboration with partners
- Consolidated domestic remanufacturing sites and enhanced global remanufacturing sites
- Certified by the ISO regarding human capital (FY2024)
- Announced the new "LANDCROS" concept
- Launched full-battery dump truck demonstration tests
- Acquired Brake Supply's mining machinery component remanufacturing business
- Enhanced measures for the creation of a circular economy

### Total market capitalization

|        |                   |
|--------|-------------------|
| FY2024 | 849.0 billion yen |
|--------|-------------------|

### Sales revenue

| FY2023              | FY2024              | FY2025      |
|---------------------|---------------------|-------------|
| 1,405.9 billion yen | 1,371.3 billion yen | In progress |

\*Total market capitalization: Calculated as of the end of each fiscal year by multiplying the total number of outstanding shares including treasury shares by the stock price (closing price on Mar. 31 of the year)