

Medium-term Management Plan

The Hitachi Construction Machinery Group is implementing its “BUILDING THE FUTURE 2025” three-year medium-term management plan to achieve growth as a true solutions provider.



Targets of the Medium-term Management Plan

KPI			Medium-term Management Plan FY2025 targets	FY2024 results	FY2023 results
Growth	• Value chain ratio		50% or more	43.0%	39.4%
	• Own business revenue in the Americas		300.0 billion yen or more	210.2 billion yen	217.5 billion yen
	• R&D/Revenue ratio		3% or more	2.7%	2.2%
Profitability	• Adjusted operating income ratio		13% or more	10.6%	12.0%
	• EBITDA margin ratio ^{*1}		18% or more	16.1%	16.8%
Safety	• Net D/E ratio		0.40 or less	0.48	0.57
Efficiency	• Operating cash flow margin ratio ^{*1}		10% or more	10.5%	5.2%
	• ROE		13% or more	10.4%	13.1%
	• ROIC ^{*1, *3}		9% or more	7.5%	9.8%
Shareholder return ^{*2}	Consolidated dividend payout ratio		Stable and continuous implementation with a consolidated dividend payout ratio of 30% to 40% as a guide	45.7%	34.2%
ESG	Reducing environmental impact and CO ₂ emissions (total, compared with the 2010 level)	Production (Scope 1 + 2)	-40%	-43.0%	-40.4%
		Product (Scope 3)	-22%	-24.0%	-20.1%
	Diversity, equity & inclusion	Localization ratio of GM or higher in overseas group companies ^{*1}	75%	72%	71%
		Ratio of managers by gender (consolidated) ^{*1}	Women: 13% Men: 15%	Women: 11% Men: 17%	Women: 11% Men: 16%

*1: Indicators newly set in the current medium-term management plan

*2: We aim to allocate one third of operating cash flow to each of maintenance and strengthening investment, prior investment and shareholder returns and the payment of interest-bearing debt as our basic approach to operating cash flow and fund allocation.

*3: The level of capital cost (WACC), based on which we set the ROIC target, is recognized at about 7%