

Functionality of the Business Unit System

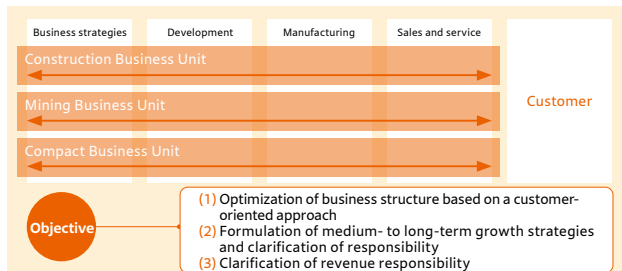
In order to optimize our business structure by taking a customer-driven approach, we introduced the business unit system in April 2022 and have been upgrading it ever since. The business units are promptly sharing customer feedback gained through the regional business divisions among the development, manufacturing and service departments to provide customers with even better products and services.

Under the business unit system, each business unit conducts business through an integrated process of development, manufacturing and after-sale servicing in response to the needs of its customers. Based on this system, through which customer feedback is directly communicated to manufacturing staff, we are speeding up the development of products and the solution of problems for the benefit of our customers.



Business Unit System Based on a Customer-driven Approach

Smoothly resolve issues confronting customers by taking a cross-departmental approach



Construction Business Unit

Hydraulic excavators: Operating weight of 10 t or less than 100 t
Wheel loaders: Engine output of 50 kW or higher

These machines are used for the development of large housing lots and the establishment/improvement of public infrastructure such as roads, railways and waterways. We provide a range of products to meet customer needs, including hybrid types for lower fuel consumption and ICT construction machinery.



Hydraulic excavator



Wheel loader



Compaction equipment

Strengths and features

- Newly established the Electric Products Development Center in April 2022 (presently Electric Products Development Department) toward zero emissions, and promoted measures to make construction machinery carbon neutral
- Has continued to develop applied products for more than 40 years, including machines with special specifications developed to meet diverse customer needs

Strategies and topics

- Promote sales in both developed and developing countries by continuously adding new products with improved digital functions to the existing product lineup
- Promote cooperation between the production and procurement departments of the regional business divisions for the expansion of global supply
- Enhance its own business expansion in the Americas and speed up activities to enter emerging markets including Central and South America

Mining Business Unit

Hydraulic excavators: Operating weight of 100 t or more
All rigid dump trucks

These machines are operated for 20 hours or more a day for the excavation and transportation of minerals at open-pit mines across the world. They offer the quality and performance required for long-hour operation in areas remote from cities.



Large and ultra-large hydraulic excavator



Rigid dump truck

Strengths and features

- Has been conducting operations since 2017, which was before the official launch of the business unit system
- By using the Fleet Management System (FMS), has been engaging in mixed fleet management (of dump trucks made by multiple manufacturers) at various mines
- Opened the AHS remote support center in Australia in April 2024 and established an around-the-clock remote but real-time monitoring support system for machines in operation

Strategies and topics

- Launched the world's first demonstration experiment of an engineless full electric rigid dump truck at a mining site of a customer in June 2024 for commercialization in FY2027 as a product differentiated for "net zero emissions mining"

Functionality of the Business Unit System

Compact Business Unit

Hydraulic excavators: Machine/operating weight of less than 10 t
Wheel loaders: Engine outputs of less than 50 kW

Our compact machines are used for civil engineering and demolition work in narrow spaces in urban environments as well as for snow removal, agriculture, forestry, landscaping and livestock farming, thereby helping customers meet their need for higher productivity.



Mini excavator



Mini wheel loader

Strengths and features

- The distinguishing feature of this business unit is that it focuses on the operation of Hitachi Construction Machinery Tierra Co., Ltd.
- In April 2023, the Business Strategy Department was established within the head office of Hitachi Construction Machinery to enable the business unit to formulate product strategies for Hitachi Construction Machinery Tierra and enhance collaboration with it.

Strategies and topics

- Aims to increase its global market share to at least 10% as a target for FY2030
- Plans to increase the number of retailers that offer its products within the current MTMP period while working on DX for retailing
- Has been promoting the development of electric construction machinery (newly developing a 2-ton class machine in collaboration with Dimaag-AI, Inc.)

Spare Parts & Service Business Unit

Strengths and features

- Provides the ConSite solution for the maintenance of machines, which contributes to the reduction of their life cycle costs and downtime. Develops status monitoring and information analysis tools and operation systems by using leading-edge remote maintenance technology
- Contributes to reducing the life cycle cost of each product by offering SELECTED PARTS and remanufactured parts in addition to genuine parts

Strategies and topics

- Positions the Banshu Works as the mother factory for the remanufacturing business and enhances collaboration with the overseas remanufacturing bases to enhance the ability to produce remanufacturing parts toward the establishment of a global production system for such parts
- As an initiative for a circular economy, promoted R&D to increase the remanufactured parts reuse rate. In addition to remanufacturing major parts, started to purchase submerged machines and used equipment in order to remanufacture the main bodies of machines by using remanufactured parts in each of the business regions

Rental & Used Equipment Business Unit

Strengths and features

- Promotes the utilization of rental and used equipment capitalizing on service quality that can be provided only by a manufacturer of the equipment and on the localized support system
- Provides sustainable solutions that make the reduction of environmental impact and economic achievement compatible

Strategies and topics

- Revitalizes the distribution of used equipment both within and outside the regions by building a central inventory management system for rental assets and used equipment within the Group
- Expands the wholesale rental business for dealers and independent rental companies in North America to increase the number of machines in operation

Power & Info Control Platform Business Unit

Strengths and features

- Is developing functions in a comprehensive manner as an organization that integrates the development and manufacture of hydraulic equipment, reduction gears, electric devices, electronic control systems and software
- A group of professionals who are working for the development of connected and digitalized construction machinery for the company

Strategies and topics

- Concluded a capital and business partnership agreement with Japanese IoT-related startup aptpod, Inc. in May 2023 to jointly develop a self-driving system as well as a system to remotely control construction machinery using digital twin technology, and developed a “real-time digital twin platform” that virtually reproduces what is going on at a construction site

New Business Creation Unit

Strengths and features

- Makes effective use of advanced technologies, services and other innovations to develop new businesses for customers in cooperation with partners, while fostering operational reforms

Strategies and topics

- Held the Hitachi Construction Machinery Challenge 2024 pitch event for global startups in November 2024, in which 127 companies participated. Then started collaboration with the selected startups to speed up innovation in the construction field. Will enhance measures also in the mining field going forward.
- Uses generative AI and other new technologies to reform operations and enhance the businesses of the business units by making use of in-house digital assets