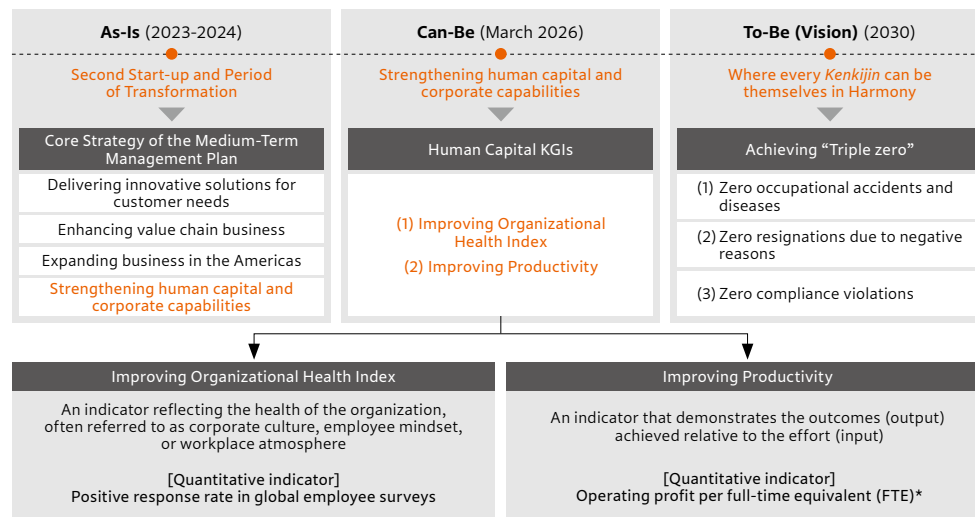


# Human Capital Management

In the current medium-term management plan, we uphold “Strengthening human capital and corporate capabilities” as one of the core management strategies that we will implement in response to changes in our business environment. We have thereby made it clear that we are linking our human capital strategies more closely to our management strategies. In order to enhance our medium- to long-term corporate value, we will work to achieve our human capital-related Key Goal Indicators (KGI) eventually to realize our desired future state.

## Integration of Management and Human Capital Strategies and the Desired Direction

We have set two quantitative indicators to demonstrate how human capital initiatives aligned with management strategies can contribute to the medium- and long-term enhancement of corporate value.



\*Full-time equivalent: Calculated by dividing the annual total hours worked by all employees by the annual scheduled work hours of a full-time employee to show a theoretical value for the number of employees

## Targets and Results

### Positive response rate in global employee surveys (%)

Scope		FY2022	FY2023	FY2024	Target for FY2025
Global (Consolidated)	Indirect employees	62.3	63.3	66.4	Up 1.0% year on year
	Direct employees	55.9	57.9	60.2	Up 1.0% year on year
Hitachi Construction Machinery (Non-consolidated)		56.5	61.5	59.8	Up 1.0% year on year

We monitor our organizational health status index through our annual global employee surveys for the management team and managers in each workplace to identify the issues faced by their organizations and formulate and implement relevant action plans. We are thereby executing a PDCA cycle for the organizational health index on a continual basis.

### Operating profit per FTE

Scope		FY2022	FY2023	FY2024	Target for FY2025
Hitachi Construction Machinery (Non-consolidated)		4.4	2.3	0.3	Above previous year's figures

We are assigning the right person to the right place to support individuals' growth and enhance our team strength to ensure that all personnel (*Kenjin*) can maximize their potential and create new value as one team.

## Key Strategic Themes

### Improving Organizational Health Index



- Promoting and Deepening Understanding of Group Identity, the *Kenjin* Spirit, and Medium-term Management Plan
- Advancing Diversity, Equity, and Inclusion (DE&I)
- **Creating a Safe, Healthy, and Secure Work Environment\***
- Fostering a Workplace Where Employees Can Thrive

- **Enhancing Management Skills and Leadership\***
- Attracting and Securing Talent
- Strengthening Global Collaboration within the Human Capital Department
- Promoting Human Capital Visualization on a Global Scale



### Improving Productivity

- **Enhancing Development of Global Talent\***
- **Supporting Autonomous Career Development\***
- Optimizing Organizational Structure and Ensuring Allocation of the Right People in the Right Places

\* We will introduce our specific human capital-related measures on pages 68 and 69.

## Human Capital Management

# Human Resource Development

### Group-wide Global Common Workshop

Since FY2019, with the aim of creating an organizational culture that helps employees thrive in this era of change, the Hitachi Construction Machinery Group has been implementing a workshop called the Self-Improvement Program for all Group employees worldwide. This workshop provides an overview of the basic business skills commonly necessary across the Hitachi Construction Machinery Group and consists of five programs (16 topics) that help employees acquire these skills to fulfill their job duties. Instructors for this workshop are selected from among employees.

All employees of Hitachi Construction Machinery Co., Ltd., including management, have completed the Program. Currently, the Program is mainly being offered at overseas Group companies. As of March 31, 2025, a total of 6,871 employees have participated in the Program. Moreover, instructors for the workshop have also been developed at overseas Group companies. Specifically, we now have 110 instructors at seven of our bases outside Japan, which demonstrates that an educational system has been being established at each Group company.



Qualified Instructors for and Participants in the Self-Improvement Program  
(at Tata Hitachi Construction Machinery Company Private Limited)

### Support for Autonomous Career Development

Amid the rapid progress of technological innovation and the diversification of values, it is becoming critical for a company to provide employees with an environment where they can re-recognize their own strengths and values, think about their future in an autonomous manner and achieve their own growth as a necessary precondition to ensure sustainable corporate growth.

Accordingly, Hitachi Construction Machinery newly formed a team of four dedicated career consultants in 2024 to provide employees with career training by age group, hold career consulting interviews and conduct employee awareness surveys with an eye to helping employees understand themselves and change their behaviors. The training and interviews are highly evaluated by participants, who appear to be more willing to embrace challenges and acquire new skills than before attending them.

Going forward, we will expand the support target to include manufacturing engineers and domestic Group companies, thereby creating an organizational culture that helps diverse people thrive and increasing the value of our human capital.

### Attendance at Self-Improvement Program

Type of training	FY2022	FY2023	FY2024	Target for FY2025
For employees in their 20s	65	127	204	285
For employees in their 30s	147	113	212	229
For employees in their 40s	142	138	231	202
For employees in their 50s	324	203	148	152
<b>Total</b>	<b>678</b>	<b>581</b>	<b>795</b>	<b>868</b>

### Enhancing Management Skills and Leadership

Hitachi Construction Machinery provides training by job position to clearly show the roles and responsibilities to be assumed by employees in each of the job positions and to help them perform their duties and make decisions in an efficient manner. Specifically, level-specific training is provided to employees in their first to sixth years at the company; newly appointed assistant managers; newly appointed section managers; and to newly appointed department managers. Furthermore, since FY2023, those in managerial positions have been mandated to attend coaching skill training so that they can support the growth of their subordinates and enhance their team's performance. As of March 2025, 80% of the managers have attended this training.

We have also established a system to strategically develop global management leaders and have defined the roles expected of them. Under this system, we are implementing a program for employees to acquire the necessary skills and mindset. Specifically, we are providing young employees with a training course in which they can acquire the knowledge that is generally required to obtain an MBA, including on subjects such as marketing, accounting and finance. For section and department managers, we have a training course that they are mandated to attend to acquire the knowledge, skills and mindset required of management leaders. Further, we are holding global leadership training to provide candidates for leaders in each country with an opportunity to meet together to discuss and make proposals, which will help them develop themselves into personnel who can lead the Group to innovation and further business growth.



Global leadership training

## Human Capital Management

# Occupational Safety and Health/Health Management

## Securing Occupational Safety and Health through Rebuilding a Culture of Safety and Establishing a Mechanism for It

The Hitachi Construction Machinery Group has set an occupational safety and health management policy to be applied to all Group companies based on the fundamental principle of prioritizing safety and health above all else. In line with this policy, the Group's Safety and Health Promotion Committee oversees safety and health activities aimed at ensuring that all employees can work in a safe and secure environment. The specific measures we are focusing on are "Rebuilding a culture of safety," "Promoting inherent safety" and "Promoting autonomous operation of the management system." The first is about establishing the widespread adoption of a safety-first mindset and safety-first behavior. The second is about promoting automation and visualization in order to reduce the risk of work-related accidents and to manage workloads. The third is about promoting awareness of each department's responsibilities and ensuring the appropriate evaluation of activity results.

In FY2024, we worked to revitalize exchanges and strengthen governance through the Global Safety and Health Conference. We held an online meeting with 95 participants from 33 bases in Japan and overseas. Attendees learned about how to implement effective safety and health activities across the Group.

### Frequency of Lost-Workday Injuries (Frequency Rate<sup>\*1</sup>) (%)

	FY2022	FY2023	FY2024	Target for FY2025
<b>Hitachi Construction Machinery (Non-consolidated)</b>	0.30	0.29	0.37	50% reduction from FY2024
<b>Domestic Group companies<sup>*2</sup></b>	0.30	0.48	0.63	

<sup>\*1</sup> Frequency rate: Frequency of lost-workday injuries including casualties per 1,000,000 employee-hours worked

## Enhancing Individual Performance through the Promotion of Health Management

In 2024, we renewed the Health Management Declaration in the name of the president, attributing importance to health management as a management priority. In this post-COVID era, we view health as being the foundation of initiatives related to work-style reform, work-life balance and other reforms. In order to enhance the creativity of the organization going forward, we will focus on employee happiness and aim to achieve a positive and pleasant workplace environment for all employees. In 2025, Hitachi Construction Machinery was again certified as a Health & Productivity Management Outstanding Organization by Nippon Kenko Kaigi.

<sup>\*</sup> Kenko Keiei, a Japanese term that is often translated as health management, is a registered trademark of the NPO named Kenko Keiei Kenkyukai.



### Ratio of People with High Stress Found in Stress Checks (%)

	FY2022	FY2023	FY2024	Target for FY2025
<b>Domestic Group companies<sup>*2</sup></b>	16.4	16.2	14.4	Improvement from FY2024

<sup>\*2</sup> Group companies in Japan including Hitachi Construction Machinery

## Initiatives for Mental Health

Recognizing the importance of mental health care, the Hitachi Construction Machinery Group has been conducting activities centered on four types of care based on the Ministry of Health, Labour and Welfare guidelines on an ongoing basis. In particular, we are offering training programs on topics related to the prevention of harassment and coping with stress caused by the pandemic.

Stress checks have been conducted every year prior to the enactment of the law and have led to the awareness of stress by employees, the creation of a comfortable working environment, and promotion of the use of consultation desks by exclusive industrial counselors. In FY2024, approximately 13,700 employees, including those at domestic Group companies, took the stress checks conducted in July.

In addition, we are conducting health care activities from the viewpoint of employees and their families through self-care training for all employees; line-care training for managers including work-place improvement considerations; support for employees who are returning to work after a leave of absence; and health-related consultation support for employees and their families through the effective use of the Employee Assistance Program (EAP).

### Attendance Rate in Mental Health Training (%)

	FY2022	FY2023	FY2024	Target for FY2025
<b>Hitachi Construction Machinery (Non-consolidated)</b>	91.5	86.6	100 <sup>*3</sup>	Improvement from FY2024

<sup>\*3</sup> Number of employees who participated in the training/ Number of employees eligible for the training x 100. In FY2024, conducted as part of the rank-specific training and the study meeting to accept employees returning to work.