

## Our Vision

**“To pass on a productive environment and prosperous cities to future generations.” The corporate vision of Hitachi Construction Machinery Co., Ltd. is to contribute to the creation of comfortable living spaces.**

1. We are active in the evolution of “machinery” and the synergy between “human” and “business” that combines to create rich living spaces, making them more comfortable, highly developed and efficient.
2. We consistently develop and provide our customers with the technology, products and services that generate new value.
3. While maintaining profitable operations, we act as a “corporate citizen having good judgment” by staying in harmony with the environment, contributing to society and participating in cultural activities, striving for a symbiotic coexistence with society.

## Basic Management Policy

1. To improve the enterprise value and shareholder value of the HCM Group through rigorous emphasis on consolidated management. To this end, both investment efficiency and management efficiency will be improved by ensuring investment return appropriately for capital cost as well as focusing on and selecting businesses based on ROA and other criteria.
2. To establish an unshakeable position in global construction machinery and mining machinery markets, by providing leading-edge products and services on the foundation of superb technological capabilities, in order to contribute as a reliable partner to business customers worldwide and enhance community based business operations.
3. To have greater presence in emerging markets by structuring the product development system to meet regional markets needs, enhancement of the global production operation, enrichment of the sales and service formulation, and expansion of the base of life cycle support for the machinery in order to be more competitive.

To ensure the ability to achieve these objectives, there is strong emphasis on developing global personnel and sharing the Kenkijin Sprit\*, and we aim to establish a global management base to strengthen continuous growth.

\*Kenkijin Sprit: In pursuing our vision and principles, it is important to achieve the goals of the HCM Group's medium to long-term vision and medium-term management plan while responding to the demands of society in areas such as compliance and corporate social responsibility (CSR). The actions of each individual employee are the driving force behind these efforts. If these actions are in line with shared values and guiding principles, we can pursue our goals while making the most of each employee's ideas and initiatives. The Kenkijin Sprit codifies these shared values and guiding principles, to embody the attitude of a Kenkijin.

## Mid-to-Long-Term Management Strategies

In the construction machinery business, which is a growth industry for the mid to long term, HCM Group implements strategies to respond to a market shift caused by increasing demand in emerging nations, and to enhance competitiveness by addressing various product and service needs in a growing competition. We also carry out strategies to further strengthen and improve the mining business where the market is expected to grow.

**The principal policies are as follows:**

### 1. Hard (Product) Strategies

We focus on the research and development of the high-value added products that meet regional needs based on superb solo technology. Emerging markets and the mining machinery market demand highly durable, reliable equipment that can handle large volumes of work. In advanced nations, on the other hand, markets are seeking equipment that complies with environmental regulations such as those for exhaust emissions, that is flexible and can cope with varieties of non-excavation based works, such as on building demolition sites and recycles, and that incorporates advanced features related to fuel efficiency, safety, high-value added and other areas. We aim to attain overwhelming product competitiveness to meet those varieties of market needs.

### 2. Soft Strategies

The accumulated number of machines in work in the markets has been increasing, so the demand for parts and services and second hand machines is expected to grow. We plan to establish ICT-driven business models, such as Global e-service, which capture such demand as check & repair, preventive maintenance service, sales of parts & remanufactured products, second hand products, rental and financing services, to cover the whole life cycle of the products.

### 3. Regional Strategy

We intend to expand our presence in each region with regional business operations to meet the diversifying markets, through further enrichment of the sales and service system, enhancement of the support for sales dealers, and community-based operation.

### 4. Global Management Operation

To respond to the market polarization and rapid change of the market, we aim to realize genuine global management by promoting local staff including top management, achievement of speedy judgments by management through the review of the function, authority, responsibility between the headquarters and the regional companies, evolution to the global production operation to achieve total optimization, enhancement of the corporate governance as the basis.