

Direction of our Medium-term Corporate Strategy

(FY 2020-2022)

May 28, 2020

Kotaro Hirano

Executive Officer, President & CEO

©Hitachi Construction Machinery Co., Ltd.

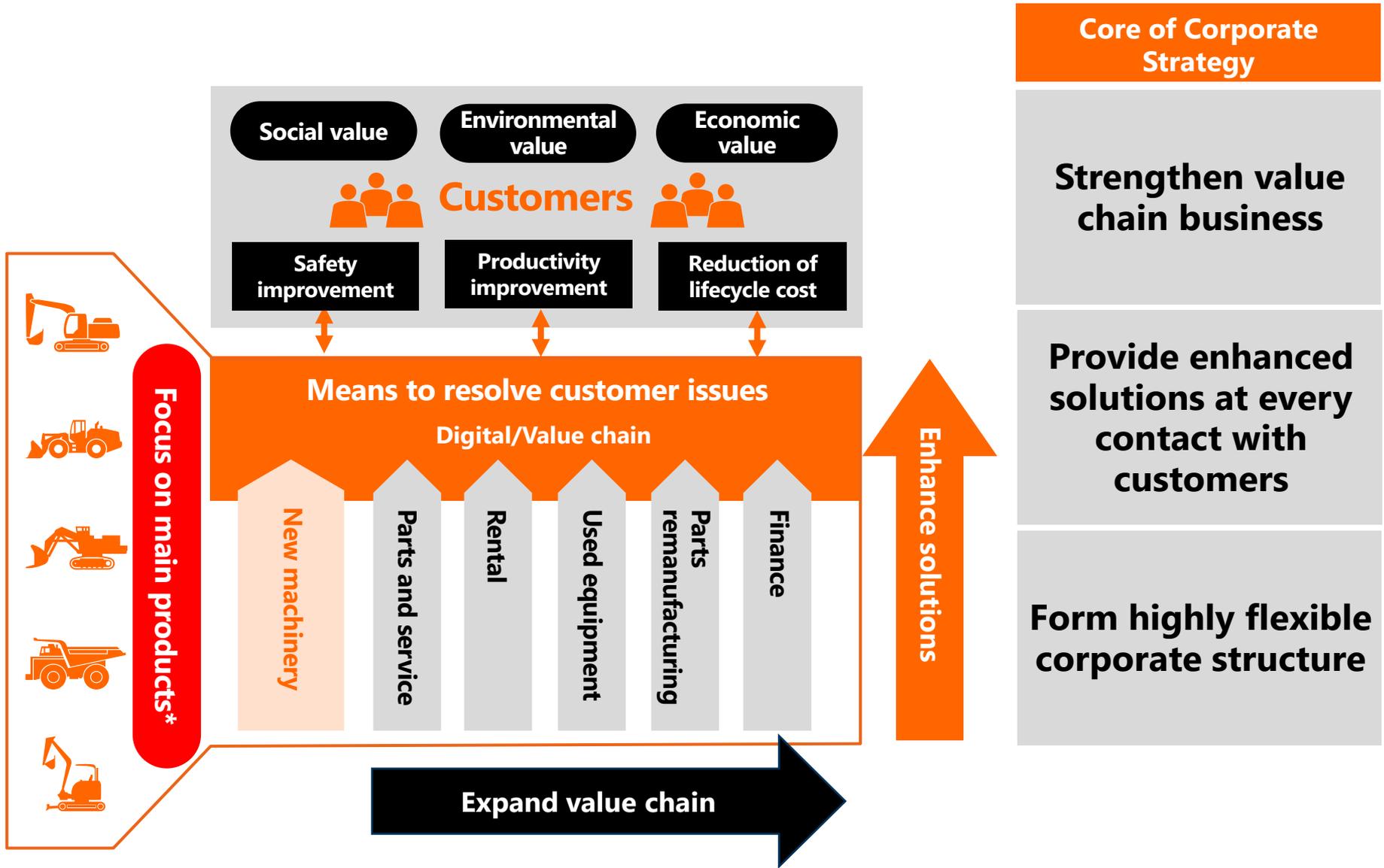


Changes caused by COVID-19

- Further diversification of customer needs such as ownership, rentals or used equipment, due to lack of market transparency
- Changes in construction site workstyles to avoid the 3Cs (closed spaces, crowded places, close contact), increasing and accelerating need for remote operations
- Lack of transparency about end of pandemic and concerns about declining operations leading to increased need for improved safety and productivity at construction sites and mining operations, and reduction of life cycle costs

Our initiatives

- In addition to advanced machinery that enables the confirmation of operating status, also promote the expansion of options such as rental and used equipment
- Avoid the 3Cs at construction sites and accelerate the development and provision of ICT machinery and development of remotely operated construction machinery to respond to remote operation needs
- Enhance product and service menu (ConSite®) and expand the parts remanufacturing business to avoid machine downtime and increase operating rates at construction sites. In the mining business, promote advancements by combining AHS and digital technology



*Other product group: Backhoe loader, Crawler crane, Bulldozer, Skid-steer loader

Corporate vision

To pass on a productive environment and prosperous cities to future generations



2030 social value

Provide solutions that offer **safety, productivity, and life cycle cost reductions** to the global infrastructure development

Safety improvement

Contribute to zero deaths due to falls or contact accidents

Productivity improvement

Standardize automation, labor-saving construction machines

Reduction of life cycle cost

Aim for zero downtime

2030 environmental value

Provide **low-carbon technology** to the global infrastructure development

Preventing global warming

Product life cycle CO₂ reductions: Aim for
Products -33%;
Production -45%

2022 management goals (social value)

Safety improvement

Achieve contact prevention technology
Commercialize human-machine cooperative control technology

Productivity improvement

Promote ICT Machinery 2800 units*

*Applicable worksites: Over 5,000 sites

Reduction of life cycle cost

Operating status management system dissemination rate: 90%

Applicable units: 200,000 units

(Environmental value)

Preventing global warming

Reduce CO₂ emissions
products CO₂ -20%
Production CO₂ -25%

Applicable units: 500,000 units

Cautionary Statement

This material contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results, and business strategies. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in the economic conditions in the Company's principal markets; changes in demand for the Company's products, changes in exchange rates, and the impact of regulatory changes and accounting principles and practices.

END

For further inquiries:

Corporate Brand & Communications Div.

 **Hitachi Construction Machinery Co., Ltd.**