

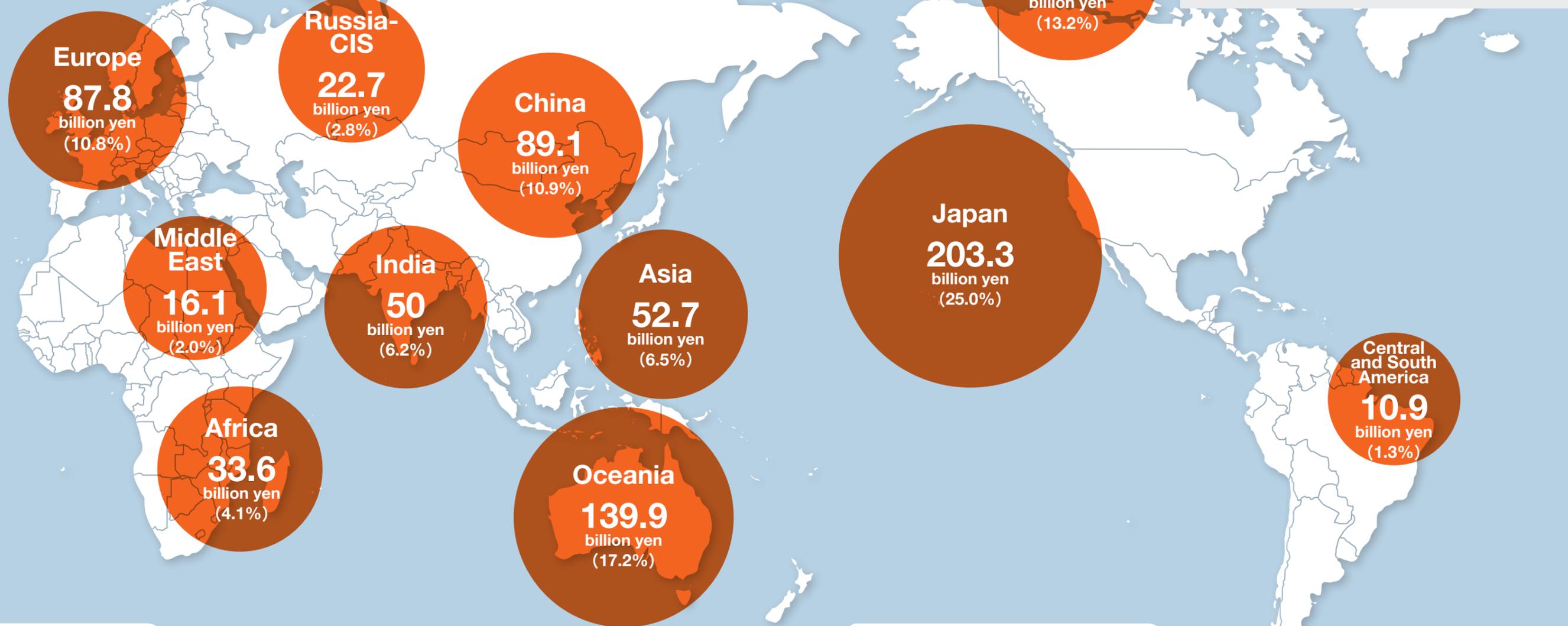
Business Environment Surrounding Construction Machinery

In a rapidly changing society, the issues that the Hitachi Construction Machinery Group must address are also constantly changing.

We will accurately identify risks and opportunities related to our sustainable growth. We believe that our mission is to promptly provide products and services that contribute to the resolution of social issues and customers' on-site challenges.

■ Sales Revenue by Region (consolidated)

■ Number of Employees by Region



Global Social Issues

Progress of global warming

If effective global warming countermeasures are not implemented, the global average temperature at the end of the 21st century will likely rise by 2.6 to 4.8 degrees Celsius. This is according to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). And there are concerns that climate change caused by global warming will lead to natural disasters, food crises and other damage.

Mass consumption and depletion of resources

Demand for resources continues to grow as the world population increases and the economy develops. There are concerns about the depletion of natural resources such as fossil fuels, minerals, and water. There is a need to curb the consumption of natural resources while making effective use of circulative resources. Transitioning towards a sound material-cycle society poses a major challenge.

Development of infrastructure to withstand natural disasters

In recent years, disasters caused by natural phenomena, such as earthquakes, tsunamis, typhoons, and hurricanes and cyclones, have been occurring frequently around the world. And they have claimed the lives of many people. It will be necessary to build a robust infrastructure in light of the expected frequency and severity of future natural disasters.

Issues at Customers' Sites of Business

Declines in safety due to labor shortages

With the declining birthrate and aging population, labor shortage has become a social problem. As the number of laborers decreases, there is a possibility of serious accidents, brought about by working in conditions where safety is not adequately ensured. At construction and mine development sites, where people and huge construction equipment coexist in close proximity, improving safety is an issue that must be addressed.

Decline in productivity due to labor shortages

The labor shortage in the construction industry is becoming increasingly serious. Skills are not being adequately transferred from experienced older workers to the younger generation. This has become a major issue. As work style reforms progress, the key to increasing organizational productivity is how to utilize ICT and IoT technologies.

Reduction of life cycle costs

Since construction machinery is indispensable machinery for customers, it is important to find ways to increase the occupancy rate and reduce the overall lifecycle cost. In addition to providing highly reliable machines, we need to identify signs of trouble at an early stage. We also need to focus on providing appropriate guidance.