

# Human Capital Report 2024

Reliable Solutions

Hitachi Construction Machinery Group  
**LANDCROS**  
Japanese Excellence—Reliable Solutions



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# Chapter 1

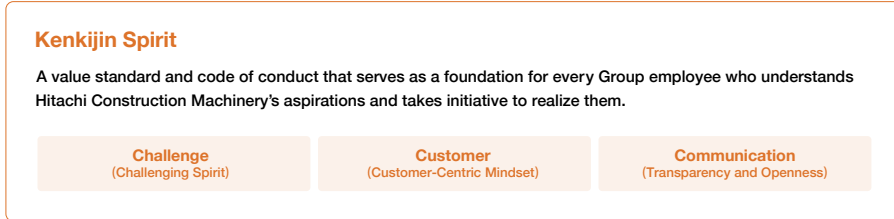
## Overview

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# The Vision of Hitachi Construction Machinery Group

Hitachi Construction Machinery Group envisions "Ensure a prosperous land and society for the future ; We contribute toward realizing a safe and sustainable society" Driven by the Kenkijin Spirit, we continuously create new value to achieve this vision.



## Message from the President and Executive Officer, COO

### Accelerating Human Capital Management to Enhance Corporate Value

Hitachi Construction Machinery Group regards its people (Kenkijin) as its most valuable capital, believing that the growth of each individual is the foundation of competitiveness and the enhancement of corporate value. To embrace new growth opportunities and achieve "evolution," we must embody the core values of the Kenkijin Spirit's 3Cs (Challenge, Customer, Communication) while maintaining a Customer Interest First (CIF) mindset, making customer challenges the starting point for all actions. This approach is essential for becoming a true solutions provider and pursuing further growth.

In July 2024, we established a new concept, "LANDCROS," desiring to deliver innovative solutions to every stakeholder, including customers, distributors, business partners, and collaborators.

The term "LAND" represents our vision, "Ensure a prosperous land and society for the future; we contribute toward realizing a safe and sustainable society" while "CROS" symbolizes Customer Reliable Open Solutions, representing our direction toward becoming a solutions provider.

With over 26,000 Kenkijin worldwide contributing to this vision, we remain focused on supporting individual growth and building an engaging work environment. We will continue to foster collaboration across countries, regions, companies, and organizations while strategically strengthening human capital, which drives these efforts. Through these initiatives, we aim to contribute to the realization of a sustainable future society.

Representative Executive Officer,  
President and Executive Officer,  
Director, COO

**Masafumi Senzaki**



## Message from the CHRO

### Maximizing the Value of Human Capital Through Human Capital Strategies

In the face of accelerating changes in the business environment and the increasing complexity of social challenges, sustainable growth and value enhancement for companies depend on the growth of each individual employee. To achieve this, it is essential to foster an organizational culture where employees with diverse backgrounds, high social and market value, and a sense of personal leadership ("Lead the Self") can thrive and create new value.

By visualizing the current state of human capital (As-Is), we will continue to enhance and improve human capital initiatives that contribute to the improvement of human capital Key Goal Indicators (KGI) such as "Improving organizational health index" and "Improving productivity." These efforts include promoting diversity, equity, and inclusion (DE&I), strengthening the development and career support for global talent, optimizing talent allocation, and fostering a work environment that promotes creativity and innovation.

With the goal of realizing the vision that "Where every Kenkijin can be themselves in Harmony" we will continue to strategically invest in human capital, focusing on improving the physical and mental well-being of employees and ensuring safety, thereby maximizing the value of human capital.

Vice President and Executive Officer, CHRO,  
President of Human Capital Group

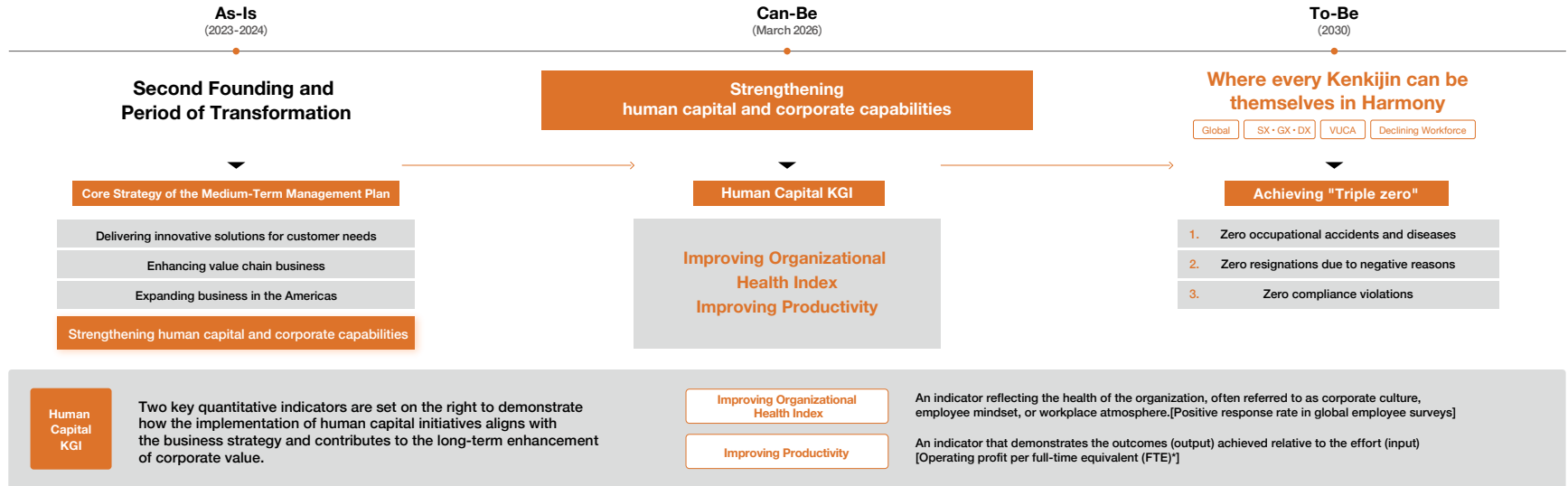
**Seishi Toyoshima**



## Strengthen the Link between a Management Strategy and a Human Capital Strategy

As part of the Medium-Term Management Plan initiated in FY2023, one of the key pillars of our management strategy is 'Strengthening human capital and corporate capabilities' to adapt to the evolving business environment. This plan clearly aligns management strategy with human capital strategy, aiming to achieve Human Capital KGIs and enhance long-term corporate value, ultimately realizing our desired future state.

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



\*Refer to page 22 for the calculation formula of Full-Time Equivalent (FTE).

# Concept of Human Capital KGI

The Concept of the Two Human Capital KGIs is as Follows:

## Improving Organizational Health Index

Building an organizational culture where diverse talents can thrive and deliver results and creating a workplace environment where everyone can work enthusiastically are crucial for improving organizational health index. Issues are identified based on the results of annual global employee surveys, and a PDCA cycle (Plan, Do, Check, Act) is implemented globally across the group to develop, execute, and evaluate action plans.



## Improving Productivity

Improving labor productivity is essential not only for maximizing the potential of each Kenkijin but also for enhancing value creation as a team. Along with actively utilizing generative AI and DX tools, we promote individual growth support and optimized talent placement to strengthen team capabilities.



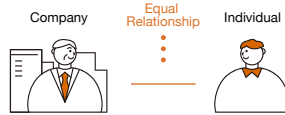
## The Role of the Company and Individuals

We develop a dynamic workforce while continuing to refine our culture and organizational structure that maximize the diverse individual strengths on a global scale. We value the principles of "The company and the individual in an equal relationship" and "Winning as a team," aiming to enhance corporate value through open organizational communication and teamwork that fosters a transparent work environment.

### Core Values

#### The company and the individual in an equal relationship

In an open and diverse employment community, the company and individuals share a mutual relationship of 'choosing and being chosen' (an equal relationship).



#### Winning as a Team

Enhancing organizational strength through optimized talent placement and team building that combines diverse personalities and strengths.



### Equity

Everyone should be in a state where both their visible and latent individuality and strengths can be fully expressed.

**Leading the transformation of the company (business) and employees while providing opportunities and environments where diverse individuals can thrive globally**



**Human Capital Department**

#### VISION

A company is its people. We aim to enable each employee to discover an immense sense of job fulfillment and thus translate their personal growth into the expansion and development of our business operations.

#### Aligning "Self - Work - Society"

Personal Dreams and Aspirations

What is Possible Only with Hitachi Construction Machinery Group

An Ideal Society and Future

A state where personal dreams and aspirations, the achievements unique to our group, and the ideal society and future align seamlessly—"Self - Work - Society"—creates a positive cycle. This serves as a starting point for pride as Kenjin, enhanced happiness (well-being), and other benefits.



# Chapter 2

## Theme & Actions

- Key Strategic Themes
- Major Initiatives



## Key Strategic Themes

We have established key strategic themes to achieve our Human Capital KGIs and realize our envisioned goals. Progress in each theme is monitored through Key Performance Indicators (KPIs) and other metrics, with continuous efforts made toward further improvement.



## Promoting and Deepening Understanding of Group Identity, the Kenkijin Spirit, and Medium-Term Management Plan

### KPI Positive Response Rate for "Clear of Direction" and "Senior Management Leadership" in Global Employee Surveys

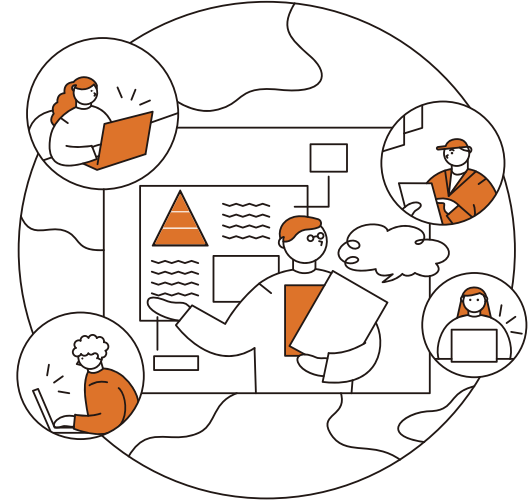
Hitachi Construction Machinery Group is currently in a period that can be described as its "second founding," marked by its separation and independence from the Hitachi Group and the relaunch of its unique business operations in the Americas. Taking this opportunity, we have established a unique Group Identity, which is being promoted alongside the Kenkijin Spirit, our value standard and code of conduct. These are shared with all employees through e-learning programs and executive talks to deepen understanding and alignment across the group.

#### Dissemination of the Group Identity and Kenkijin Spirit to All Employees

To further embed the Group Identity across the entire Hitachi Construction Machinery Group, e-learning training programs have been implemented for all employees. These programs are available in Japanese, English, and ten other languages, enabling Kenkijin worldwide to participate.

#### Efforts to Promote Understanding of the Medium-Term Management Plan

To share organizational goals and challenges, as well as to facilitate discussion and interaction, regular town hall meetings are held at the company and departmental levels. These meetings aim to promote a deeper understanding of the medium-term management plan while aligning its content with individual objectives to drive actions toward achieving organizational goals.





## Advancing Diversity, Equity, and Inclusion (DE&I)

### KPI Positive Response Rate for "DE&I-Related Questions" in Global Employee Surveys

We operate in regions such as Japan, the Americas, Oceania, Europe, Asia, India, and Africa. To meet the needs of our stakeholders, it is essential to have talent well-versed in the unique characteristics of each region.

Our goal is to attract and develop individuals with diverse backgrounds, knowledge, and skills, fostering an organization that works together as One Team.

We are actively focusing on diversifying our talent base and promoting the advancement of women as a foundation for driving further global business growth.

#### Diversification of Talent to Lead Global Business Operations

Since 2011, Hitachi Construction Machinery Group has been developing succession plans for key positions across the organization and implementing a scheme to nurture future executive leaders. Leadership localization is being advanced in line with the business characteristics and maturity of each group company. Through initiatives such as tough assignments and selective training programs, leadership development has been promoted, resulting in over 70% of managerial positions at the department head level or higher within overseas group companies being localized as of FY2023.

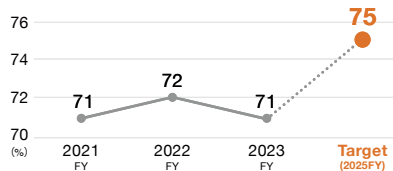
#### Career Support for Women

We are committed to creating an environment where women can actively build their careers, as part of our management's commitment. By FY2025, we aim to narrow the gender gap in management positions, targeting a ratio of 13% women and 15% men across the Group.

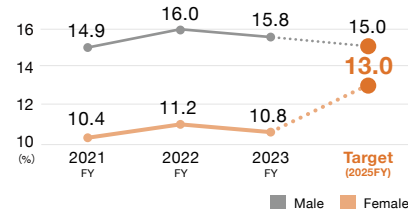
At Hitachi Construction Machinery alone, we are increasing the proportion of women through proactive recruitment efforts while providing support for career development and facilitating a smooth return to work after childbirth and childcare.

In manufacturing, we are actively working to create a workplace environment that is more accommodating for women in technical roles. This includes reviewing work arrangements during life events such as pregnancy and childbirth, as well as reducing high-burden tasks.

#### Localization Rate of Department Head-Level and Above Positions in Overseas Group Companies



#### Ratio of Female Managers (Global Consolidated)



#### Initiatives for Women's Advancement



Discussion Highlights from Female Technical Staff Roundtable

## Creating a Safe, Healthy, and Secure Work Environment

### KPI Positive Response Rate for "Health & Safety and Well-Being" in Global Employee Surveys

We have established a vision of achieving "Zero occupational accidents and diseases" and aim to create a vibrant workplace where every employee can work safely and healthily. To this end, we are focusing on enhancing awareness and understanding of health and safety in the workplace and improving the quality of related initiatives.

Based on the fundamental principle of "Prioritizing Safety and Health Above All Else," Hitachi Construction Machinery Group is globally committed to ensuring safety and health. Specifically, we are implementing the following three initiatives:

#### Establishing a Global Collaboration Framework

To strengthen the safety and health initiatives that each group company has been advancing, we established the Safety & Health Strategy Conference as a platform for formulating strategic measures to address common challenges across the Group. Additionally, through the Global Safety and Health Officer Meeting, we are reinforcing horizontal connections by sharing and learning from each other's best practices.

#### Developing Talent Through In-House Safety Training

We have established a "Safety Training Center" within the company to continuously develop talent capable of performing their duties safely. The center provides education aimed at enhancing hazard awareness and promoting safe behavior. In addition to classroom-based knowledge acquisition, we emphasize practical, hands-on training by incorporating equipment simulators and VR technology, offering a more realistic and experience-driven approach to safety education.

#### Enhancing Health Literacy

As part of efforts to enhance productivity, we are committed to maintaining and improving the physical and mental health of our employees. This includes conducting health education programs such as women's health seminars, expanding in-house and external health consultation services (industrial physicians, public health nurses, and industrial counselors), and strengthening organizational initiatives to encourage participation in health checkups. Through these efforts, we aim to improve the health literacy of every employee.

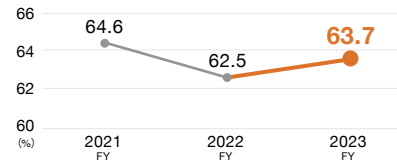
#### Global Safety and Health Conference



#### Scenes from "Danger Detection Training" Sessions



#### Positive Response Rate for "Health & Safety and Well-Being" in Global Employee Surveys



## Fostering a Workplace Where Employees Can Thrive

### KPI Positive Response Rate for "Resources and Support" and "Continuous Improvement" in Global Employee Surveys

We are working to further improve the workplace environment so that every employee feels motivated and comfortable, while also enhancing internal communication.

#### Fostering collaboration and a sense of unity through various events.

Our group has long been organizing various employee-participation events, continuously reviewing their formats to reflect changes in the times and employee feedback. Events that are expected to be effective are consistently held.

Such initiatives are actively conducted not only in Japan but also at overseas group companies, contributing to enhanced internal communication and fostering a sense of unity.

In addition, we are working to improve workplace environments at factories and offices to enhance employee satisfaction.

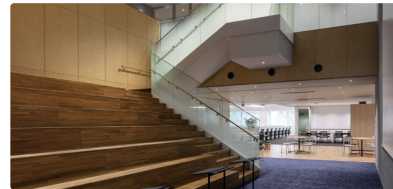
#### Initiatives to Enhance Internal and Interdepartmental Communication



Scenes from Christmas Pajama Day at Hitachi Construction Machinery Americas



Scenes from Heritage Day (Traditional Culture Preservation Day) Internal Event at Hitachi Construction Machinery Africa



Communication Space "DEN" in the Orange Plaza at Tsuchiura Works



## Enhancing Management Skills and Leadership

### KPI Positive Response Rate for "Manager Effectiveness" and "Teamwork" in Global Employee Surveys

To support the growth of Kenkijin with a self-directed mindset and proactive capabilities, we have clarified the roles, responsibilities, and required skills at each level and established a structured training system for systematic development.

#### Coaching Training

Since 2023, we have been conducting coaching training aimed at improving communication through active listening and questioning, while equipping participants with skills to support their subordinates' growth and goal achievement. This training helps managers deepen trust with their team members and encourages more proactive behavior, thereby enhancing their management and leadership capabilities.

#### Level-Specific Training

We provide level-specific training to equip employees with the skills required at each stage. For new employees in their first to sixth year, the focus is on building fundamental business skills such as 'the ability to take initiative,' 'the ability to think critically,' and 'the ability to work as a team.' For newly appointed supervisors, section managers, and department managers, the curriculum emphasizes acquiring the management and leadership skills needed for their respective roles.

#### Initiatives to Enhance Project Management Skills

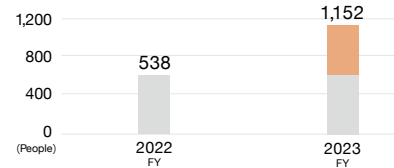
We are advancing talent development initiatives to support DX strategies that accelerate customer problem-solving. To strengthen project management capabilities, we offer support for obtaining the PMP\* certification and conduct training to quickly develop team-building skills necessary for facilitating agile development

\*PMP(Project Management Professional): An international certification in project management accredited by the Project Management Institute, Inc.

#### Number of Participants in Coaching Training

Target Group	Number of Participants (People)	
	2023FY	2024FY (First Half)
Department Heads and Above	235	15
Section Managers	263	206

#### Trends in the Number of Participants in Digital-Related Training (Hitachi Construction Machinery Alone and Domestic Group Consolidated)



## Attracting and Securing Talent

### KPI Recruitment Costs, Positive Response Rate for "Pride in Company" Items in Global Employee Surveys

We are committed to attracting talent, which serves as the foundation for competitiveness and enhancing corporate value. We are creating an environment where diverse individuals can feel motivated and fulfilled in their work, enabling them to fully realize their potential.

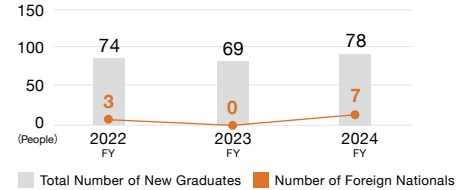
#### Active Recruitment of Foreign Talent

Our company is strengthening the recruitment of foreign talent to acquire individuals with a global perspective. In our new graduate recruitment for FY2024, seven foreign employees joined the company. Promoting diversity in the workplace is a key priority, and we will continue to expand the recruitment of foreign talent, including experienced professionals, in the future.

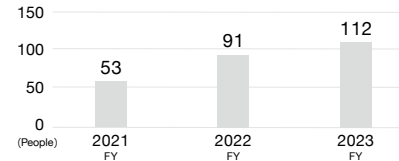
#### Follow-Up for Experienced Hires

We place a strong emphasis on post-hire training to support the smooth onboarding and effective performance of experienced hires. Initiatives include onboarding programs such as e-learning to deepen understanding of corporate culture and various systems, group training sessions that include factory tours, and face-to-face talks with the Executive Officer and CEO. These efforts aim to further enhance motivation as Kenkijin.

#### Number of Newly Hired Foreign Graduates



#### Number of Experienced Hires



Scenes from Post-Hire Orientation Training: The Executive Officer and CEO Personally Participates as a Lecturer



## Strengthening Global Collaboration within the Human Capital Department

We are strengthening collaboration and communication with the Human Capital departments of group companies to enhance the quality level of HR operations.

We are enhancing collaboration and sharing knowledge through regular meetings with domestic and international group companies and in-person, two-way communication, such as overseas group company visits conducted by HRBPs\*.

\*HRBP (Human Resource Business Partner): HR professionals who drive and support solutions to organizational and talent-related challenges to advance the business objectives of each department.

### Holding Global HR Meetings

Once a year, HR representatives from all group companies gather, both online and in person, to discuss and share various talent initiatives and best practices. These meetings include presentations of best practices from each company, sharing challenges, and engaging in discussions.

The insights gained are used to drive efforts for improving operations and enhancing quality within their respective organizations.

### Promoting Human Rights Due Diligence (Human Rights DD) on a Global Scale

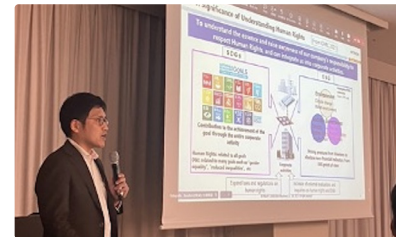
Recognizing human rights risks as management risks, we are working globally to identify such risks, implement countermeasures, and evaluate their effectiveness. As a top-priority risk shared across the Group, "Forced and Migrant Labor Measures" have been identified, and surveys are being conducted for all group companies and part of suppliers to assess the current situation.

Additionally, we are promoting awareness and education on human rights by rolling out e-learning programs globally to further foster a culture of human rights consciousness.

### Holding Global Conferences



Group Photo from the 2023 Global HR Conference



A Moment from the Meeting: Presentation on the Importance of Respect for Human Rights by a Representative



Group Photo from the 2024 Global Learning & Developing Conference

## Promoting Human Capital Visualization on a Global Scale

We are strengthening and promoting efforts related to the visualization of "Kenkijin" (human talent) value.

### ISO 30414 certification obtained

In November 2023, we obtained ISO 30414 certification, an international guideline for disclosing information related to human capital. This certification, which is part of the management system standards set by the International Organization for Standardization (ISO), provides an international framework for organizations to quantify, analyze, and disclose human capital information about their employees. We became the first machinery manufacturer to achieve this certification. In addition, we issued the Human Capital Report 2023, which compiles quantitative information on human capital.

\*Composed of 11 areas and 58 metrics related to human capital, including productivity and diversity

### Information disclosure ・ Strengthening communication capabilities

Since obtaining the certification and issuing the report, we have seen an increase in inquiries and interviews from external parties, including institutional investors. Moving forward, we will continue to disclose information in accordance with ISO 30414, and, based on dialogue and feedback from both internal and external stakeholders, we will continuously review and improve our human capital strategy.

### ISO 30414 Certification Obtained



ISO 30414 Certification mark



"Human Capital Report 2023" Cover page

### CHRO's External Lectures



Appearance at the 3rd Human Capital Management Forum, an online seminar hosted by Japan Business Press

<https://jbpres.ismedia.jp/articles/-/84382> (External Links, Japanese Only)

## Enhancing Development of Global Talent

### KPI Total Costs for Talent Development and Training

Hitachi Construction Machinery Group is committed to developing talent with the skills necessary to execute its management strategy across the entire organization.

#### Development of Global Business Leaders

We are developing business leaders who can plan and execute management strategies to achieve sustainable growth and enhance competitiveness over the medium to long term. In FY2022, we revamped our development program to strengthen management skills and networks with external talent. Since FY2023, we have been implementing the program to develop overseas business leaders as well.

#### Group-wide Global Workshop: "Self-Transformation Program"

We are conducting a workshop, the "Self-Transformation Program," for all employees globally, aimed at creating an organizational culture to succeed in an era of transformation. This program is structured around five key modules that form the foundation of essential business skills common to Hitachi Construction Machinery Group, and it also serves as the base for developing digital talent.

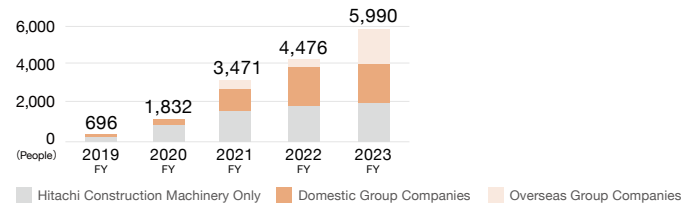
#### International Skills Competition

An international skills competition is held with selected members from domestic and overseas group manufacturing companies and suppliers, focusing on manufacturing skills. By promoting the sharing of information and human interaction, we drive integration within the group and globally, contributing to the realization of "Made by Hitachi Construction Machinery" and improving the overall quality of products, including purchased items.

#### "Business Leader Development Program"



#### Cumulative Number of Participants in the "Self-Transformation Program"





# Supporting Autonomous Career Development

## KPI "Average Training Hours per Employee" and "Average Training Hours per Participant"

We are now living in what is referred to as the "100-Year Life Era," a time characterized by unpredictability and uncertainty about the future. In such circumstances, developing flexibility and adaptability to respond to change is crucial for leading a fulfilling life. We are committed to supporting career development initiatives that align with each individual's aptitudes, abilities, and values.

### "Supporting Autonomous Learning"

We have introduced a platform that provides optimal learning programs tailored to the needs and interests of each employee. By utilizing AI and technology, the platform personalizes learning content from a variety of resources, supporting efficient and effective learning.

### Career Training by Age Group

Every decade, employees are encouraged to reflect on their experiences and growth to reassess their careers (training sessions are held for those in their 30s, 40s, and 50s). By comparing their progress with a career map, participants have the opportunity to consider "what kind of person they want to become moving forward" and to set new goals as well as develop concrete action plans.

### Career Consulting Sessions

Career consultants with specialized knowledge provide one-on-one sessions to address concerns related to work or personal circumstances, such as caregiving. Through these sessions, consultants help employees explore career plans and future working styles while also supporting the formulation of goals and action plans. (As of October 2024, there are four dedicated career consultants, including one woman.)

### Definitions of Career Development Stages by Age Group

Early 20s	Late 20s	30s	40s	50s	60s
Exploration Phase	Establishment Phase		Maintenance Phase		Liberation Phase
Formation Phase		Establishment Phase	Transformation Phase (Expansion Phase)	Stabilization Phase (Transformation Phase)	Succession Phase
Forming a Career Vision		Pursuing a Career Vision	Adapting to Environmental Changes that Shape a Career	Revisiting Career Visions	Career Support in the 100-Year Life Era

■ Hitachi Construction Machinery's Definitions ■ General Career Development Theories

"The "Will, Can, Must" Framework in Career Development  
 This framework focuses on three perspectives: what you want to do (Will), what you must do (Must), and what you can do (Can). By expanding the overlap of these three areas, it enhances job satisfaction and fulfillment in work.



## Optimizing Organizational Structure and Ensuring Allocation of the Right People in the Right Places

We implement various initiatives with the fundamental policy of maximizing organizational and individual performance.

### Introduction and Advancement of the Business Unit System

In April 2022, we introduced the Business Unit (BU) System to optimize our customer-centric business structure.

Additionally, starting in 2023, we implemented a "Department Performance-Linked Bonus" system. By reflecting each department's performance in the evaluations of management-level employees and above, we aim to further enhance revenue awareness as a BU and foster a greater sense of unity.

### Promoting Talent Engagement and Performance

The Human Capital Committee, comprised of executive officers and above, engages in discussions on succession plans for key positions within Hitachi Construction Machinery Group. The committee also reviews the status of promoting women and local employees from group companies to management positions, as well as their development policies. By continuously monitoring the progress of diverse talent, we aim to maximize organizational performance through optimal talent placement.

### Revitalizing Internal Job Postings

It is a system that allows employees to transfer to departments where they can fully utilize their abilities, skills, and expertise based on their own initiative. By promoting "autonomous talent mobility" and "reassignments aligned with individual aspirations and motivation," the system supports employees in taking on new challenges and shaping their careers proactively.

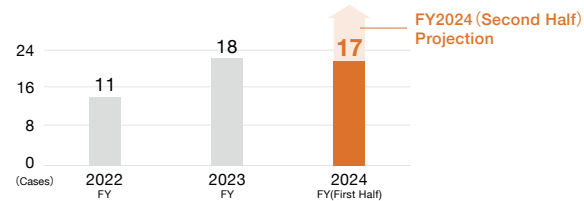
### Business Unit System

Quickly solving customer challenges across departments



- Objective**
1. Optimization of customer-driven business structure
  2. Formulation of medium- to long-term growth strategies and clarification of responsibility
  3. Clarification of revenue responsibility

### Number of Internal Job Openings Fulfilled



# Chapter 3

## Appendix

- Data Collection



## Workforce

### Total number of employees

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	-	People	26,334	26,793	28,145	-
Hitachi Construction Machinery only	-	People	6,098	6,201	6,576	-

### Total number of employees (Full-time and Part-time)

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Executives	People	160	155	152	-
	Regular employees	People	24,287	24,799	25,846	-
	Contract employees	People	1,719	1,661	1,983	-
	Part-time and temporary staff	People	168	178	164	-
Hitachi Construction Machinery only	Full-time	People	6,053	6,147	6,528	-
	Part-time	People	45	54	48	-

### Full-Time Equivalent (FTE) \*1

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	-	People	6,807	6,815	6,951	-

\*1 Calculation formula: Total annual working hours of all employees ÷ Annual scheduled working hours of a full-time employee

## Diversity

### Age

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Under 30 years old	People	4,853	5,030	5,340	-
	30-39 years old	People	8,990	8,854	9,178	-
	40-49 years old	People	7,030	7,150	7,471	-
	50-59 years old	People	4,286	4,531	4,843	-
	60 years old and above	People	1,175	1,228	1,313	-
Hitachi Construction Machinery only	Under 30 years old	People	1,211	1,154	1,300	-
	30-39 years old	People	1,965	1,933	1,931	-
	40-49 years old	People	1,634	1,695	1,804	-
	50-59 years old	People	1,079	1,194	1,273	-
	60 years old and above	People	209	225	268	-

### Gender

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Male	People	23,414	23,741	24,836	-
	Female	People	2,918	3,048	3,305	-
Hitachi Construction Machinery only	Male	Total employees	5,567	5,640	5,864	-
		Regular employees	4,838	4,995	5,151	-
		Contract employees	729	645	713	-
	Female	Total employees	468	506	582	-
		Regular employees	394	427	463	-
		Contract employees	74	79	119	-

## Diversity among the Top Management\*\*1

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)
Global consolidated	Male	%	98.4	98.4	97.8	-
	Female	%	1.6	1.6	2.2	-
Hitachi Construction Machinery only	Male	%	92.3	92.3	92.0	-
	Female	%	7.7	7.7	8.0	Above previous year's figures

\*\*1 Management: Board members and executive officers

## Employment of Persons with Disabilities

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)
Domestic consolidated	Statutory employment rate*2	%	2.54	2.51	2.50	Statutory or over
Hitachi Construction Machinery only	Statutory employment rate	%	2.49	2.40	2.45	Statutory or over
	Actual employment rate*3	%	1.60	1.70	1.61	Above previous year's figures

\*2 Calculation formula: Calculated based on the definition in the "Act on Employment Promotion etc of Persons with Disabilities."

\*3 Calculation formula: Based on the definition of ISO 30414, (Number of employees with disabilities ÷ Total number of employees) × 100

## Organizational Culture

### Engagement

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)	
Global consolidated	Positive response rate in global employee surveys	Indirect employees	%	63.7	62.3	63.3	+1.0% compared to the previous year
Hitachi Construction Machinery only		Indirect employees	%	58.2	55.9	57.9	+1.0% compared to the previous year
		Indirect employees	%	53.2	56.5	61.5	+1.0% compared to the previous year

## Productivity

### Operating profit per FTE

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)
Hitachi Construction Machinery only	-	MillionYen	2.6	4.4	2.3	Above previous year's figures

### Revenue per employee

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)
Hitachi Construction Machinery only	-	MillionYen	81.1	106.7	116.6	Above previous year's figures

### Human Capital ROI<sup>1</sup>

	Scope	Unit	2021FY	2022FY	2023FY	Target (2024FY)
Hitachi Construction Machinery only	-	%	14.5	52.0	26.8	Above previous year's figures

<sup>1</sup> Calculation formula: Operating profit ÷ (Salaries + Allowances)



## Health and Safety

### Time lost due to occupational accidents

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	Total time lost per million hours	Hours	26.9	12.5	6.9	Below previous year's figures

### No. of occupational accidents (frequency rate)

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	frequency rate of work-related injuries (number of incidents per million hours)	Cases	0.93	1.09	1.19	Halve the number of incidents compared to the previous year
Hitachi Construction Machinery only		Cases	0.29	0.30	0.29	

### No. of deaths due to occupational accidents

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	-	Cases	0	0	0	Maintain at 0
Hitachi Construction Machinery only		Cases	0	0	0	

### Percentage of health and safety training participants

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	Safety and health education at the time of employment	%	100	100	100	Maintain at 100%
	Mental health training* <sup>1</sup>	%	20.5	91.5	86.6	Above previous year's figures
	Specialized safety training** <sup>2</sup>	%	15.1	73.5	98.2	

\*1 Calculation formula: Number of employees who attended self-care training ÷ Number of employees eligible for training × 100

\*\*2 Calculation formula: Number of supervisors who manage their own departments and attended dedicated training ÷ Number of supervisors eligible for training × 100

## Leadership

### Trust in leadership

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Positive response rate for "Manager Effectiveness" in global employee surveys	%	64.7	65.4	67.0	Above previous year's figures
Hitachi Construction Machinery only		%	60.9	61.4	64.8	Above previous year's figures

### Leadership development

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	Participation rate in leadership development training	%	58.3	62.5	85.9	Above previous year's figures

## Recruitment, Mobility, and Turnover

### Average number of days required for recruitment

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	New graduates	Days	-	114	166	-

### Internal mobility rate\*1

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	-	%	75.0	46.2	41.4	-

\*1 Calculation formula: Based on the definition of ISO 30414, the ratio of management positions filled internally (① number of concurrently held positions filled internally) ÷ (① + number of positions filled externally).

### Turnover rate

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated*2	-	%	10.09	10.52	9.37	-
Hitachi Construction Machinery only*3	-	%	4.61	5.14	4.69	Below previous year's figures

\*2 Calculation formula: Total annual resignations ÷ Total number of employees.

\*3 Calculation formula: Based on the definition of ISO 30414, the sum of monthly turnover rates (monthly resignations ÷ monthly average number of employees).

### Voluntary turnover rate\*4

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	-	%	2.31	3.03	3.09	-
Hitachi Construction Machinery only*5	-	%	2.26	2.45	2.70	Below previous year's figures

\*4 Calculation formula: Total annual resignations (excluding retirements) ÷ Total number of employees.

\*5 Based on the definition of ISO 30414, the sum of monthly voluntary turnover rates (monthly resignations ÷ monthly average number of employees).

### Voluntary critical turnover rate\*6

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only*7	-	%	0.03	0.02	0.03	Maintain current level

\*6 Calculation formula: Total annual resignations of global business leaders ÷ Total number of employees.

\*7 Based on the definition of ISO 30414, the sum of monthly voluntary critical turnover rates (monthly resignations ÷ monthly average number of employees).

## Skills and Capabilities

### Total developing and training costs

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	-	Million Yen	596	756	875	Above previous year's figures

### Training hours per employee

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	Average training hours per employee	Hours	42.45	50.78	53.19	-
	Average training hours per participant	Hours	42.45	68.51	71.81	-

## Compliance and Ethics

### Number and type of grievance filed

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Compliance reports	Cases	49	54	95	-
Hitachi Construction Machinery only	Harassment-related issues	Cases	5	5	27	-
	Other labor-related matters	Cases	3	1	3	-

### Number and type of disciplinary actions taken

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Global consolidated	Disciplinary dismissal	Cases	120	71	73	Below previous year's figures
	Voluntary resignation	Cases	-	-	-	
	Suspension	Cases	28	28	26	
	Pay cut	Cases	25	26	27	
	Reprimand	Cases	-	-	-	
Hitachi Construction Machinery only	Disciplinary dismissal	Cases	0	0	2	Below previous year's figures
	Voluntary resignation	Cases	0	3	0	
	Suspension	Cases	5	2	6	
	Pay cut	Cases	2	6	1	
	Reprimand	Cases	2	1	4	

### Percentage of employees who have completed training on compliance and ethics

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)	
Global consolidated	Percentage of participants taking "Corporate Code of Ethics and Compliance"	Indirect employees	%	100	93	100	-
Hitachi Construction Machinery only		Indirect employees	%	100	90	100	-

(Equivalent training is provided for direct employees through sessions such as new employee orientation.)

### Disputes referred to external parties

	Scope	Unit	2021 FY	2022 FY	2023 FY	Target (2024 FY)
Hitachi Construction Machinery only	-	Cases	0	0	0	-