

Editorial Policy

The Hitachi Construction Machinery Group produces an integrated report to provide stakeholders with a deeper understanding of its business model and medium- to long-term value creation strategy, and to create a positive cycle of enhancement of corporate value and value co-creation through dialogue. The 2024 edition highlights topics related to our value chain business and human capital management as a way of presenting our management strategies and initiatives for sustainable corporate value creation from both financial and non-financial perspectives.

Summary of Integrated Report 2024

In this report, our CEO explains the Group's long-term vision and identity, while our COO gives an overview of the Group's medium-term management plan and management strategy. The report also contains feature articles on the value chain business and human capital management, which we are promoting as priority issues, showcasing our activities toward becoming the True Solution Provider we aspire to be. The human capital management section includes a message from our CHRO as well as a roundtable discussion among younger employees expected to play key roles in the future.

In the section on the strategy to achieve the medium-term management plan, our CFO explains the Group's financial and capital strategies in an easy-to-understand manner by use of a cash allocation diagram and ROIC tree. IR Information provides an update on dialogue with investors. The Technology Strategy section presented by the CTO describes our key initiatives aimed at establishing the industry's leading technological development capability.

In the section titled Growth Strategy by Region, the strategies for the respective regions, including our independent business expansion in the Americas, are outlined by the responsible general manager from a different perspective to that taken in the 2023 report.

Sustainability Initiatives features our efforts for biodiversity, for which we have newly established a policy, in addition to our endeavors to address climate change and to realize a circular economy. For Corporate Governance, we have included additional content. In the roundtable discussion among five independent outside directors, they offer their candid opinions.

To help stakeholders gain a deeper understanding of the Growth Story we are pursuing, the report broadens the scope of information disclosure.

Scope of this Report

Target Period

April 1, 2023 to March 31, 2024
(Includes certain information from April 1, 2024 and later)

Organizations Covered

Hitachi Construction Machinery Group (Hitachi Construction Machinery Co., Ltd. and its consolidated subsidiaries)

Accounting Standards

Unless otherwise specified, financial statements for the fiscal year ending March 31, 2014 or earlier comply with the J-GAAP and financial statements for the fiscal year ending March 31, 2015 or later comply with the International Financial Reporting Standards (IFRS).

Referenced Guidelines

We have prepared the Hitachi Construction Machinery Group's *Integrated Report 2024* and Sustainability Website in accordance with the GRI Standards and by referencing the

International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.

Cautionary Statement Regarding Forward-Looking Statements

The forward-looking statements contained in this integrated report are based on management's assumptions and beliefs in light of information available at the time. Actual business results and performance may differ materially due to future economic conditions, market trends, demand, exchange rate fluctuations, and other factors.

Publication Date

September 2024
Previous Issue: September 2024
Next Issue: September 2025 (tentative)