

Upgrading the Business Unit System

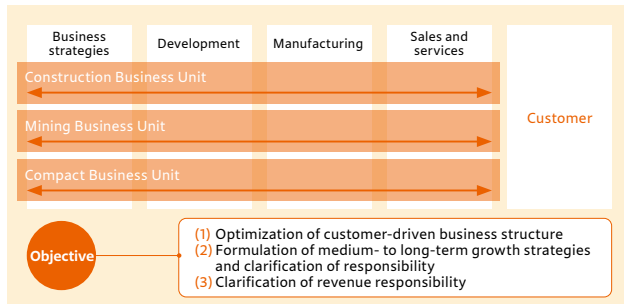
To optimize our business organization by taking a customer-driven approach, we introduced the business unit system in April 2022 and have been updating it ever since.

Under the business unit system, each business unit conducts business through an integrated process of development, manufacturing and after-sale service that responds to the needs of its customers. We are thus optimizing our business organization to speed up the development of products and the solution of problems for the benefit of our customers.



Business Unit System Based on a Customer-driven Approach

Smoothly resolve issues confronting customers by taking a cross-departmental approach



Construction Business Unit

Hydraulic excavators: Operating weight of 10t to less than 100t
 Wheel loaders: Engine output of 50kW and higher

These machines are used for the development of large housing lots and the establishment/improvement of public infrastructure such as roads, railways and waterways. We provide a range of products to meet customer needs, including hybrid types for lower fuel consumption and ICT construction machinery.



Hydraulic excavator



Wheel loader



Compaction equipment

Strengths and features

- Newly established the Electric Products Development Center in April 2022 toward zero emissions, and promoted measures to make construction machinery carbon neutral
- Has continued to develop applied products for more than 40 years, including machines with special specifications developed to meet diverse customer needs

Strategies and topics

- Promote sales in both developed and developing countries by continuously adding new products with improved digital functions to the existing product lineup
- Promote cooperation between the construction divisions across regions for the expansion of global supply
- Enhance independent business expansion in the Americas and speed up activities to enter emerging markets including Central and South America

Mining Business Unit

Hydraulic excavators: Operating weight of 100t and more
 Dump trucks: Load weight of 150t and more

These machines are operated for 20 hours or more a day for the excavation and transportation of minerals at open-pit mines across the world. They offer the quality and performance required for long-hour operation in areas remote from cities.



Large and ultra-large hydraulic excavator



Rigid dump truck

Strengths and features

- Has been conducting operations since 2017, which was before the official launch of the business unit system
- By using the Fleet Management System (FMS), has been engaging in mixed fleet management (of dump trucks made by multiple manufacturers) at various mines
- Opened the AHS remote support center in Australia in April 2024 to establish an around-the-clock remote monitoring and support system

Strategies and topics

- Launched a world-first demonstration experiment of an engineless full electric rigid dump truck for differentiation through “net zero emissions mining”

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Compact Business Unit

Hydraulic excavators: Machine/operating weight of less than 10t
Wheel loaders: Engine output of less than 50kW

Our compact machines are used for civil engineering and demolition work in narrow spaces in urban environments as well as for snow removal, agriculture, forestry, landscaping and livestock farming, thereby helping customers meet their need for higher productivity.



Mini excavator

Mini wheel loader

Strengths and features

- The distinguishing feature of this business unit is that it focuses on the operation of Hitachi Construction Machinery Tierra Co., Ltd.
- In April 2023, the Business Strategy Department was established within the head office of Hitachi Construction Machinery to enable the business unit to formulate product strategies for Hitachi Construction Machinery Tierra and enhance collaboration with it.

Strategies and topics

- Aims to increase its global market share to at least 10% as a target for FY2030
- Plans to increase the number of retailers that offer its products within the MTMP period while working on DX for retailing
- Has been developing electric construction machinery while preparing for hybrid production

Spare Parts & Service Business Unit

Strengths and features

- Provides the IoT technology-based ConSite solution for the real-time collection and analysis of data on machine conditions, which enables the detection of signs of failure
- Contributes to reducing the life cycle cost of each product by offering SELECTED PARTS and remanufactured parts in addition to genuine parts

Strategies and topics

- Positions the Banshu Works as the mother factory for the remanufactured business and enhances collaboration with the overseas remanufactured bases to enhance the ability to produce remanufactured parts toward the establishment of a global production system for such parts
- As an initiative for a circular economy, started to conduct a business to purchase submerged machines and used equipment in order to recover parts to eventually resell as remanufactured parts

Rental & Used Equipment Business Unit

Strengths and features

- Helps customers select optimal machines according to the scale and duration of their construction work in the rental business and helps customers solve product life cycle cost-related problems in the used equipment business, thereby contributing to a shift by customers toward resource remanufactured based business

Strategies and topics

- Works on the smooth distribution of used equipment in each region
- Is building a system to distribute used equipment (highly functional machines and models released in developed countries) across regions
- Provides efficient preventive maintenance service by using the ConSite solution as for new equipment and conducts the PREMIUM USED maintenance service base on the relevant service history and machine conditions, thereby contributing to maintaining the value of used equipment for an extended period

Power & Info Control Platform Business Unit

Strengths and features

- Is developing functions in a comprehensive manner as an organization that integrates the development and manufacture of hydraulic equipment, reduction gears, electric devices, electronic control systems and software
- A group of professionals who are working for the development of connected and digitalized construction machinery for the company

Strategies and topics

- Concluded a capital and business partnership agreement with Japanese IoT-related startup aptpod, Inc. in May 2023 to jointly develop a self-driving system as well as a system to remotely control construction machinery using digital twin technology

New Business Creation Unit

Strengths and features

- Is fostering measures in three zones: Incubation Zone to create and develop new businesses; Transformation Zone to expand new businesses; and Productivity Zone to raise the productivity of existing businesses

Strategies and topics

- Established the Zero Emissions Business Planning Project within the unit in October 2023, aiming to promote research, verification and improvement activities in an agile manner on a short-term basis in collaboration with various partners around the world
- Enhances and expands co-creation activities to upsize the business of the unit and improve operations by utilizing digital technologies