## **Initiatives to Realize a Circular Economy**

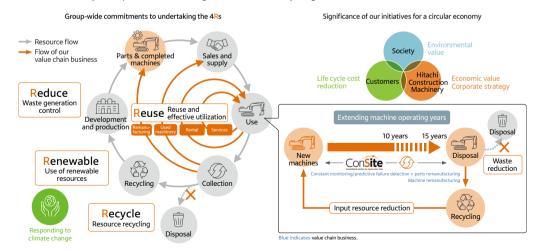
## Circular Economy and Biodiversity: Becoming More Nature-Positive and Further Improving Resilience

The Hitachi Construction Machinery Group is working to promote the use of zero-emission machines and to reduce waste from various angles through its value chain businesses, including parts, service, remanufacturing, rentals, and used equipment. To this end, we are promoting the 4Rs (Reduce, Reuse, Recycle, and Renewable) throughout the Group and expanding our value chain business with the aim of increasing product life cycles by 1.5 times, and we are making a circular economy a practical part of our business by encouraging wider use of remanufactured parts and recycled materials. These efforts have resulted in the

reduction of waste and resource inputs, and ultimately contribute to the reduction of  $\text{CO}_2$  emissions.

We are also striving to contribute to biodiversity and nature positivity by providing machinery and technologies that aid the development of the agriculture, forestry, and livestock industries, and to do our part in creating resilient societies by enhancing the sophistication of machinery used in disaster prevention and mitigation work. We are thus working to improve our corporate value based on environmental and social values.

## ■ Hitachi Construction Machinery Group's Goal of Shifting to a Resource-recycling Business



## ■ KPIs for the Promotion of a Circular Economy

	ltem	Details	FY2023 results	FY2025 targets	FY2030 targets
Reduce	Waste emission intensity reduction rate (vs. FY2022)	Ratio of waste emission volumes to the amount of activities	17% reduction	7% reduction	20% reduction
Recycle	Resource recycling rate (Japan)	Ratio of recycled resources to the volume of waste emissions	93%	94%	99.5%
Reuse	Growth rate of the number of machines in long- term operation (vs. FY2022)	Growth in the proportion of machines in long-term operation (60,000 hours or longer) to the total number of active mining machines	+13%	+20%	+50%
	Growth rate of reused parts (weight basis) via parts remanufacturing (vs. FY2022)	Ratio of raw material reduction through the remanufactur business	+7%	+40%	+150%
	Expansion in used equipment business sales revenue (vs. FY2022)	Sales revenue growth rate	-3%	+8%	Wider adoption of products that meet local needs
	Expansion in sales revenue from the rental business (vs. FY2022)	Sales revenue growth rate	+10%	+30%	
	Machinery status management systems	ConSite adoption rate	73%	Standard feature from FY2024 onward	Aim for zero downtime
	Reduce Recycle	Reduce Waste emission intensity reduction rate (vs. FY2022)  Recycle Resource recycling rate (Japan)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of reused parts (weight basis) via parts remanufacturing (vs. FY2022)  Expansion in used equipment business sales revenue (vs. FY2022)  Expansion in sales revenue from the rental business (vs. FY2022)  Machinery status management	Reduce Waste emission intensity reduction rate (vs. FY2022)  Recycle Resource recycling rate (Japan)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Reuse Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of the number of activities of machines in long-term operation (so, FY2022)  Growth rate of the number of machines in long-term operation (so, FY2022)  Growth rate of the number of machines in long-term operation (so, FY2022)  Growth rate of reused parts (weight basis) via parts remanufacturing (vs. FY2022)  Expansion in used equipment business sales revenue (vs. FY2022)  Expansion in sales revenue growth rate  Reuse (vs. FY2022)  Machinery status management  ConSite adoption rate	Reduce Waste emission intensity reduction rate (vs. FY2022)  Recycle Resource recycling rate (Japan)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Reuse Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of the number of machines in long-term operation (so, 50,000 hours or longer) to the total number of active mining machines  Reuse Ratio of waste emission 17% reduction feasures with active mining of machines in long-term operation (so, 50,000 hours or longer) to the total number of active mining machines  Reuse Sales reduction through the remanufacturing (vs. FY2022)  Expansion in used equipment business sales revenue growth rate  Figure 17% reduction 4-13% results of raw material reduction through the remanufacturing (vs. FY2022)  Expansion in sales revenue growth rate  Figure 200 results results of waste emission 17% reduction 4-13% reduct	Reduce Waste emission intensity reduction rate (vs. FY2022)  Recycle Resource recycling rate (Japan)  Growth rate of the number of machines in long-term operation (vs. FY2022)  Growth rate of freused parts (weight basis) via parts remanufacturing (vs. FY2022)  Reuse Results Ratio of waste emission volume to the amount of activities  Growth in the proportion of machines in long-term operation (vs. FY2022)  Growth rate of freused parts (weight basis) via parts remanufacturing (vs. FY2022)  Expansion in used equipment business sales revenue (vs. FY2022)  Expansion in sales revenue (vs. FY2022)  Expansion in sales revenue from the rental business (vs. FY2022)  Machinery status management systems  Machinery status management systems  Machinery status management systems  Ratio of resystems results of waste emission volume to the volume of waste emission volume of reduction activities  Growth rate of freused parts (wight be total number of active mining machines  Reuse Resource recycled resources to the volume of waste emissions volume of reduction activities  Ratio of resucce passes and of reduction activities  Freduction volume of reduc

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