

Initiatives to Realize a Circular Economy

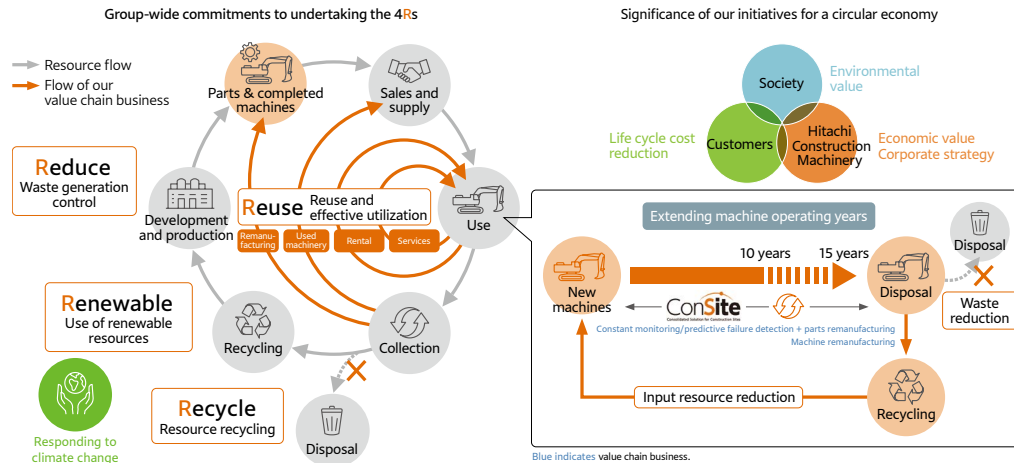
Circular Economy and Biodiversity: Becoming More Nature-Positive and Further Improving Resilience

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 CO₂ 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

4R category	Item	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 remanufacture 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