

Timely Disclosure Briefing Session, Hitachi Construction Machinery: Q&A Summary

Date: April 16, 2026 (Thu) 17:00–17:30
Presenters: Masahiko Yoshikawa (Assistant COO, Automobile, Construction Machinery & Industrial Machinery Division)
Moderator: Kazunori Harada, General Manager, Investor Relations Division

Q: With the increase in voting rights ratio to 33.4% following the additional stake acquisition, in addition to higher profit contributions, what specific changes will this enable, particularly in terms of accelerating synergy creation?

A: Since increasing ITOCHU's stake by approximately 7% in FY2025, ITOCHU has dispatched four secondees to Hitachi Construction Machinery headquarters and plans to increase secondees by an additional three personnel from FY2026. Moreover, we are planning monthly top management meetings with the company and various subcommittees, where management issues at Hitachi Construction Machinery will be discussed from multiple perspectives. Through these initiatives, we aim to gain an in-depth understanding of their management challenges and pursue initiatives that enhance corporate value. Enhancing their corporate value will also lead to increased profit contributions for us. In supporting Hitachi Construction Machinery's open innovation and co-creation strategy, we can provide targeted solutions in areas that are difficult for them to address independently—such as finance—and, as necessary, offer resources and methods including M&A. There are many ways we can support the company through initiatives in adjacent business areas, enabling us to expand synergies. As their first-choice partner, we intend to help accelerate the cycle of resolving management issues, contributing to the growth of Hitachi Construction Machinery and expansion of related businesses.

Q: Regarding the M&A strategy identified as one of the directions for collaboration, what fields or regions are being considered as targets?

A: Hitachi Construction Machinery is scheduled to announce its new mid-term management plan and strategy. However, we understand that the current focus areas — “the Americas,” “Mining,” and the “Value Chain Business” — will remain largely unchanged as priority areas. M&A is ultimately a means to an end. First, we will collaborate with the company to execute strategies in these focus areas through the provision of resources, such as dispatching personnel and sharing ITOCHU's management expertise. On that basis, if there is an opportunity to accelerate initiatives or a suitable target emerges, we will consider utilizing M&A. There may be cases where we support M&A conducted by Hitachi Construction Machinery, as well as cases where we jointly implement M&A. Discussions on specific projects are already underway, and we will respond on a case-by-case basis.

Q: As of now, no directors from ITOCHU have been dispatched to Hitachi Construction Machinery. With 33.4% ownership of voting rights, appointing a director is generally expected. Are there any plans to dispatch a director in the future?

A: Although a clearance has been obtained and the transaction has just closed, it was difficult to foresee the exact timing. With the upcoming general shareholders' meeting at Hitachi Construction Machinery, we are currently in discussions with the company regarding personnel assignments, including the possibility of dispatching senior managements and outside directors. It is important to assign personnel to positions where they can fully exercise their functions. However, we do not intend to immediately dispatch a director simply because we hold more than one-third of the voting rights. Given that the

company is currently operating under an optimal management structure, we will take sufficient time to discuss and respond, as necessary. Nothing has been decided at this point.

Q: Regarding ZAXIS Finance, could you provide information on the scale of assets and ROA, strengths and challenges compared to captive finance businesses of competitors, and your strategies for overcoming these challenges?

A: The total assets of ZAXIS Finance have expanded to over ¥100 billion, with the JV steadily accumulating assets. Komatsu operates its finance business entirely in-house, consolidating these assets. In contrast, ZAXIS Finance is a joint venture between Hitachi Construction Machinery, Tokyo Century —a financial services specialist—, and ITOCHU, and is accounted for by the equity method, making its structure different. As Hitachi Construction Machinery pursues its independent expansion in the U.S. market, the greatest contribution of ZAXIS Finance has been the successful rapid ramp-up in a short period. On the other hand, because it is a newly established company, data accumulation remains a challenge. As more data is accumulated, credit decisions become more sophisticated, and as sales increase, fleet management information is further enhanced. Competitors have been operating their finance businesses in the U.S. market for many years and therefore have a substantial data advantage. Going forward, differentiation through data utilization will be key. We will continue to build assets, accumulate data, and drive data-driven management.

Q: What is the impact of the current Middle East situation on Hitachi Construction Machinery?

A: We understand that issues such as shortages of oil-related products and rising fuel costs are dampening customer investment appetite, impacting the manufacturing industry without exception. As ITOCHU, our current assessment is that there will be no significant impact on the company's FY2026 plan. However, we anticipate that more closely examined information will be provided in Hitachi Construction Machinery's upcoming business plan for the next fiscal year and mid-term management plan, so we would like to refrain from making specific comments at this stage.

Q: To further grow Hitachi Construction Machinery's "Sales", what are the current strengths and weaknesses? What support measures can ITOCHU provide, and what are the strategies to expand market share?

A: Hitachi Construction Machinery holds a top-class global market share in mining shovels, with strong positions in key markets. As a leading brand, the company's strong product and brand power, together with a developed dealer network, enable them to secure a certain market share. However, compared to industry leaders such as Komatsu and Caterpillar, their product lineup is relatively limited. While focusing on strong products is a possible approach, dealers and customers may feel the lineup is insufficient. Going forward, the company will pursue their open innovation and co-creation strategy to expand its product lineup through OEM from external manufacturers. As ITOCHU, we will strengthen external partnerships in areas such as finance and logistics to support the growth of Hitachi Construction Machinery. M&A is also one of the possible approaches. It is important to consider how to complement the company's challenges.

Q: Are there plans to strengthen collaboration in regions outside North America?

A: While this will depend on Hitachi Construction Machinery's direction, the immediate priority is strengthening the Americas, where the dissolution of the partnership with John Deere has enabled access to downstream areas. This is crucial for narrowing the gap with competitors. In addition to Australia, which already has a high market share, there is growth potential in Central Asia and Africa,

especially considering the importance of mining. Some initiatives can be undertaken independently, while others will require external support. We will continue to support market share expansion in these next-focus regions.

Q: I understood that expanding market share in North America is a core competitive strategy. Given the cost increases due to tariffs, which will likely require industry-wide price hikes, does the brand have sufficient recognition to balance share expansion and pricing strategy? Please share your impressions including feedback from the frontline, such as ZAXIS Finance.

A: Regarding the new “LANDCROS” brand, significant resources will be invested this fiscal year to enhance brand recognition. At CONEXPO, the world’s largest construction machinery exhibition held in last March, the rebranding and renaming to “LANDCROS” was actively promoted. As an orange-colored construction machinery brand, it already enjoys high recognition; although there was initial surprise at the rebranding, both dealers and customers are gradually becoming accustomed to it. We believe that by FY2027, it will have achieved sufficient level of market penetration to proceed with the name change. Both Hitachi Construction Machinery and ITOCHU recognize the importance of brand recognition, and we plan to further strengthen promotional activities and address this challenge.