SUMMER ISSUE 2016

HITACHI ON THE HARBOR

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HITACHI

ON THE INSIDE

Whether they are completing utility work or mining coal, customers experience the same efficiency, reliability and durability from Hitachi equipment day after day.

In this issue of BREAKOUT, you'll learn why



Harris Sand & Gravel chose a ZX870LC-5 to work on The City of Valdez New Harbor Development Project in Alaska. You'll also see why Hitachi excavators offer the ultimate ROI for Stephenson's Rental Services in Ontario.

Hitachi customer Lafontaine Inc. recently traveled over I,600 km (I,000 miles) to see the newest additions to its fleet. Find out more about this exciting experience on page nine.

Check out the upgraded ZXI30-6, ZXI60LC-6 and ZXI80LC-6 excavators on page I4. These mid-size EPA Final Tier 4 (FT4)/EU Stage IV models are packed with productivity-boosting advantages and do not require a diesel particulate filter (DPF).

Also, Hitachi Construction Machinery – Americas is now on Instagram. Be sure to visit the new page (Instagram.com/HitachiCMA) and share photos of your Hitachi machines in action.

Dan Jizpatih

Dan Fitzpatrick Director, Sales, Hitachi Division

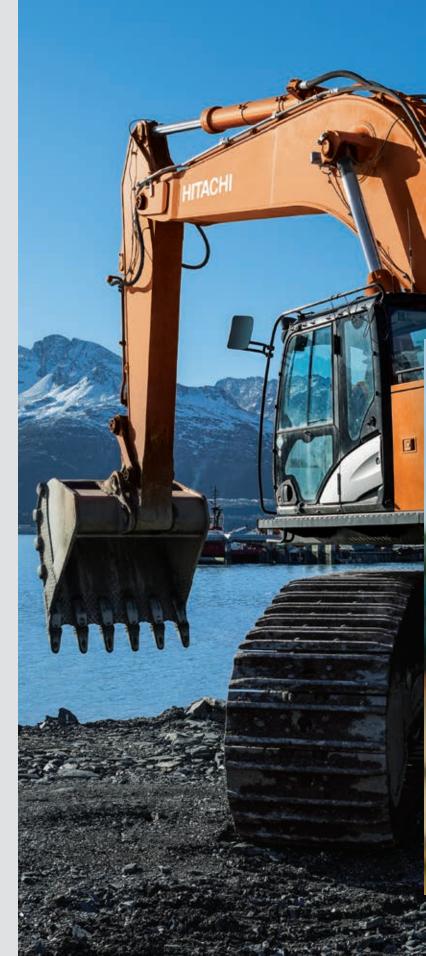
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日本からのメッセージ

[message from japan]

"...we have developed technology and products that are always at the forefront of the industry..."

from the

"Starting with the development of the first hydraulic excavators purely made of domestic technology in 1965, we have developed technology and products that are always at the forefront of the industry, such as being the first to equip construction machinery with satellite communication terminals in 2000, and accumulated various core technologies related to construction machinery. And we can also provide various benefits that make it possible to meet the diverse needs of customers, not only those related to construction machinery, through the collective strength of the Hitachi Group."

> Yuichi Tsujimoto President, Chief Executive Officer and Director Hitachi Construction Machinery Group (HCM)

"I love it. It's got a lot of power. I've been running Hitachi for over 20 years, and they always get the job done."

Operating a ZX350LC-5 Long & Sons Utility LLC Simpsonville, S.C. Serviced by Flint Equipment Company





n the small city of Valdez, Alaska, terminus port of the Trans-Alaska Pipeline System, Hitachi excavators are working on a big project: The City of Valdez New Harbor Development Project, a multiyear, multi-phase project to build a new harbor basin and upland facilities.

A major contributor to the harbor project is a company that has a deep understanding of the area and its people: Harris Sand & Gravel. After all, owner Bill Harris is a true Alaskan – his great-grandfather was part of the Gold Rush. The family settled in Valdez, and eventually, Harris' father started Harris Sand & Gravel in 1958.

"I grew up in the business," Harris said. "I remember riding around in dozers with my dad."

Harris is not only a true Alaskan but also a true Hitachi fan. His first experience operating a Hitachi excavator was in the early '80s, around when he began running the family business. "In my opinion, Hitachi pioneered the modern excavator controls," Harris said. "They're precise, smooth, and you can do multiple functions at once. They're great machines!"

WATERFRONT WORK

Harris Sand & Gravel purchased a ZX870LC-5 in October 2015, and it's doing its part to move about half a million cubic yards of rock and dirt for phase one of the new harbor project, estimated to be completed in the fall. The company bought the excavator at the end of a six-month rental after realizing it was critical to successfully completing the project.

"The 870 is a beast," Harris said. "It can dig out shot rock and load. I was hesitant at first because I wasn't sure if we needed that big of a machine. I'm glad we got it."

HITACHI

And his operators couldn't agree more.

I'VE ALWAYS LIKED THE ISUZU ENGINES. THEY'RE GOOD COLD-STARTERS, AND THAT'S REALLY IMPORTANT WHEN YOU WORK IN PLACES LIKE ALASKA. NOT EVERY TYPE OF ENGINE IS A GOOD COLD-STARTER. 39



Bill Harris Owner Harris Sand & Gravel "The 870 is powerful," said operator Martin Werbelow. "It does everything from methodical work to moving mountains."

Once completed, the new harbor will include docks/ moorage capacity, additional vessel launch ramps, a vehicle parking lot and support services. New access roads and pedestrian walkways will provide increased waterfront accessibility.

REDEFINING RELIABILITY

"Reliability" holds a different meaning when it comes to operating in the harsh conditions of Alaska, where temperatures can dip to 40 below and the permafrost can be up to 2,000 ft. (609.6 m) deep. But Harris said his Hitachi excavators never fail him.

"I've always liked the Isuzu engines. They're good coldstarters, and that's really important when you work in places like Alaska," he said. "Not every type of engine is a good cold-starter."

> Harris' new ZX870LC-5 joined a ZXI35US-5 purchased in June 2015, a ZX650 in September 2014, as well as several other Hitachi machines in the fleet. Harris still owns an EX400, and runs a ZX470 and two ZX450 excavators.

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ZA IS

870LC

Operator Tim Hodge runs one of the ZX450 excavators, which has 10,000 hours and the original engine and undercarriage.

"I prefer Hitachi over other brands," Hodge said. "The controls are easy to use, and Hitachi does a good job with ergonomics."

TYPICAL HITACHI

It's clear Harris understands the importance of dealer support – he has partnered with Construction Machinery Industrial (CMI) for more than 20 years.

"It helps tremendously if you have good dealer support," he said. "They know what's going on and what equipment is available. The machines are no longer just mechanical; they have a brain. We rely on CMI for support with the technology and electronics."

Harris' Hitachi fleet, with CMI's support, will continue to stay busy working not only on the harbor project, but also in the company's own quarry. Harris has transitioned to marine work as well.

"It's been a good show so far thanks to the excavators," he said. "They're well-built and simple. Minimal trouble. Typical Hitachi."

1005

Harris Sand & Gravel Inc. is serviced by Construction Machinery Industrial LLC, Anchorage, Alaska.

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LAFONTAINE INC. ADDS SIX HITACHI EXCAVATORS TO FLEET

Frankie Lafontaine, owner and president of Lafontaine Inc., and his son François recently traveled over 1,600 km (1,000 miles) to see the newest additions to their Hitachi fleet.

Headquartered in Lévis, Quebec, Lafontaine Inc. specializes in construction and rehabilitation of streets, roads, bridges, water and sewer installations, water treatment facilities, and industrial and commercial sites.

Frankie and François were able to experience their four, new ZX210LC-5 excavators fresh off the production line at a Gold Key event held at Deere-Hitachi Construction Machinery Corp. in Kernersville, N.C., on March 17. Lafontaine Inc. also bought two ZX135US-5 excavators as part of the order.

Each Hitachi excavator produced at the Kernersville facility is built with pride, made to order and available for customization. When a significant order is placed, a Gold Key event is held where the customer is invited to the facility to experience their machines firsthand.

A longtime Hitachi fan, Frankie bought his first Hitachi excavator, a UH122LC, in 1984, and





visited the Hitachi plant in Japan in 1995. The Gold Key event was Frankie and his son's first visit to the Kernersville facility.

"We really enjoyed the Gold Key event, and I noticed similarities between the Hitachi plant in Japan and the Kernersville facility. I noticed the same cleanliness and was surprised at how quiet it was. Both facilities care about details and rigor. Rigor is also a prime core value of Lafontaine Inc."

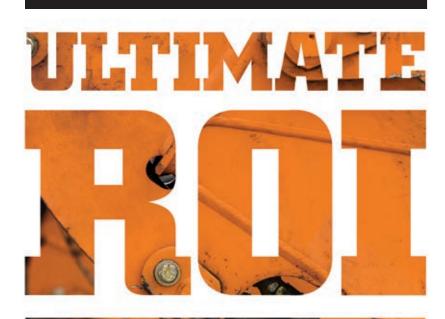
Lafontaine Inc.'s fleet now consists of a ZX450; a ZX135; a ZX650; the four, new ZX210LC-5 excavators; and the two, new ZX135US-5 excavators. The new excavators are replacing existing, older models.

"We have done demos and testing with many brands, and Hitachi comes up as the best choice for the combination of fuel consumption and quality of build with an added legacy of reliability," Frankie said. "We continue to choose Hitachi for those reasons."

Lafontaine Inc. is serviced by Wajax Equipment, Quebec City, Quebec. "We have done demos and testing with many brands, and Hitachi comes up as the best choice for the combination of fuel consumption and quality of build with an added legacy of reliability."



Frankie Lafontaine Owner and President Lafontaine Inc.



WITH HITACHI RENTAL UNITS

IF YOU ASK ROB WILSON, VICE PRESIDENT OF FLEET SERVICES FOR STEPHENSON'S RENTAL SERVICES, WHY THE COMPANY CHOOSES HITACHI EXCAVATORS, IT SEEMS HE HAS AN UNLIMITED NUMBER OF GOOD REASONS.

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ONTARIO-BASED STEPHENSON'S RENTAL SERVICES, WHICH IS NEARING ITS 65TH YEAR IN BUSINESS, SPECIALIZES IN RENTING PORTABLE TOOLS, SCAFFOLDING AND PORTABLE HEAT. THE COMPANY RUNS A "HUB-AND-SPOKE" OPERATION, WITH THE HUBS SERVICING AND REPAIRING LARGE EQUIPMENT AND THE SPOKES, OR BRANCH LOCATIONS, CARRYING A FULL LINE OF TOOLS AND EQUIPMENT. WITH A SHARED, CORPORATE FLEET, THE EQUIPMENT IS DISPATCHED INTERNALLY AND DELIVERED TO CUSTOMER SITES.

BUILDING A HITACHI INVENTORY

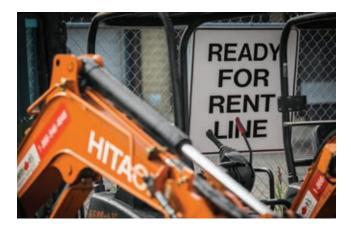
Stephenson's began adding Hitachi machines to its fleet in 2009. Since then, the company has built up an inventory of close to 200 Hitachi excavators available for rent from 23 locations across Ontario and one location in Calgary.

The company carries the ZX17 compact excavator up to the EX200 excavator model. When it came to making the decision to carry Hitachi, Stephenson's looked to its customers and to its bottom line.

"We make the most money with Hitachi," Wilson said. "In our experience, it's been the most reliable in terms of uptime. We can maximize the asset on rent if it's not in the shop being repaired. We've talked to customers, and the units are probably one of the most well-accepted brands. We're the only rental house, for the most part, that carries Hitachi – so Hitachi is a differentiator for us."

STAMP OF APPROVAL

Wilson said Stephenson's generally keeps Hitachi machines about eight years since hours on the machines stay low. Typically, the company does one- to two-week rental periods, with demolition customers renting for longer periods. Those demolition customers are an additional reason the company carries Hitachi excavators.



"Another reason we went with Hitachi is our demolition customers," Wilson said. "They're probably the hardest on the units. Their work is demanding and is done in small, enclosed areas with a lot of debris and high temperatures. Because the Hitachi excavators are zero-tail-swing, they're not hitting anything. These customers give their stamp of approval on the units, and that's pretty hard to beat."

Fleet consistency is also important to Stephenson's.

"Because the fleet is shared and the units go to where the customers are, it's important for us to be consistent within the fleet," Wilson said. "All the attachments and



HITACHI MAKES GOOD MACHINES. THEY'RE INDESTRUCTIBLE. WE NEED TO BUY MORE!

Savio D'Cruz

Service Manager Stephenson's Rental Services

buckets need to fit. If we have a mix of different brands, it becomes more difficult to put orders together. We have the same wedge-style coupler on all the Hitachi excavators so we know which attachments will fit."



A TRACK RECORD OF EXCELLENCE

Stephenson's tracks equipment exchanges any time a unit comes off a site. Wilson said his Hitachi excavators have an impressive record.

"Out of our full line of equipment – including all sizes of excavators, skid steers, air compressors, generators – Hitachi excavators are probably the least exchanged item we get, meaning they have very few issues on site," he said. "They're very reliable."

Savio D'Cruz, service manager for Stephenson's, agrees with Wilson.

"Hitachi makes good machines," he said. "They're indestructible. We need to buy more!"

To keep its Hitachi inventory up-to-date and ready for rent, Stephenson's works closely with its Hitachi dealer Wajax Equipment.

"We have a good partnership with Wajax," Wilson said. "They offer good pricing and service. Although we do all our own repair work, we lean on Wajax for warranty work. They're quick to respond and can also help us with overflow work. They help keep us up and running."

While Wilson can go on with a list of good reasons for carrying Hitachi excavators, he can also sum it up succinctly.

"Hitachi helps us make the most money due to reliability, uptime, customer acceptance and residual value – it's one of the highest."

Stephenson's Rental Services Inc. is serviced by Wajax Equipment, Mississauga, Ontario.

Learn more about the ZXI30-6, ZXI60LC-6 and ZXI80LC-6 at HitachiConstruction.com.



EFFICIENCY

- Certified EPA Final Tier 4 (FT4)/ EU Stage IV Isuzu engine
- Programmable attachment modes
- Optional Auxiliary Function Lever (AFL) for proportional hydraulic flow and speed
- Grade reference-ready option Topcon, Trimble or Leica
- Auto-idle and auto-shutdown
- Battery disconnect switch

RELIABILITY

- Single-side ground-level filter service
- Fuel recirculation system to help prevent fuel gelling in cold climates
- Pressurized fuel system for improved fuel injector operation
- Standard rearview camera
- ZXLink[™] remote monitoring system

DURABILITY

- FT4 engine solution without the need for a diesel particulate filter (DPF)
- Standard upperstructure handrails
- Double-seal swing bearings
- Extended grease- and oil-change intervals



Hitachi utility-class excavators offer big performance in a mid-size package for contractors working in the underground, road building, energy, commercial building and pipeline industries.

The upgraded ZX130-6, ZX160LC-6 and the ZX180LC-6 feature fuel-efficient EPA Final Tier 4 (FT4)/EU Stage IV Isuzu engines – no diesel particulate filter (DPF) needed. You also get standard upperstructure handrails for added safety and accessibility. A standard rearview camera for enhanced visibility. Easy-to-operate controls for smooth and responsive hydraulics. Programmable attachment modes and simplified maintenance with features like a battery disconnect switch. With these models, you get built-in benefits.



Hitachi Fuel Advantage Program offers BIG BENEFITS



There's still time to enroll in the Hitachi Fuel Advantage Program. Hitachi is so confident in fuel efficiency and powerful ZXLink[™] monitoring, that you'll get paid back if your Hitachi machines don't meet target consumption rates. Hitachi's

fuel consumption rates are 10% more efficient than Cat[®]'s in direct comparison to equivalent models.¹



► SIGN UP FOR THE HITACHI FUEL ADVANTAGE PROGRAM

To participate, enroll your new Hitachi machine purchased or leased between Nov. 2, 2015, and Aug. 31, 2016, online within 60 days of settlement. Once enrolled, a machine is eligible for a Hitachi Fuel Advantage Reward for up to three years or 5,000 hours, whichever comes first, from the date of purchase.

DRIVE IMPROVEMENT WITH ZXLINK.

You can't improve what you don't measure. The Hitachi Fuel Advantage Program includes ZXLink, which gives you quarterly reports with details on machine performance – fuel consumption, engine load utilization, idle time and more, so you can keep track of your success and drive efficiency improvements.²

GET PAID BACK IF Your GPH exceeds Target Consumption

At the end of each year, if your actual average fuel consumption as measured by ZXLink exceeds the program target fuel consumption level, Hitachi will pay you back. You'll get a credit of \$I per USD/gallon (or \$I per CAD/liter) for exclusive use at your Hitachi construction excavator dealership.³

HAVE A \$100 CONVERSATION WITH US.

Discuss your first quarterly Hitachi Fuel Advantage report with your dealer, and he'll give you a code redeemable online for a \$100 personal fuel card from your choice of participating fuel retailers. He'll also give you suggestions for operational improvements that could save you hundreds or even thousands of dollars.

FOR MORE DETAILS, VISIT WWW.HITACHIFUELADVANTAGE.COM.

¹Compared to fuel consumption targets for equivalent models included in the Cat Fuel Guarantee Program as of November 2, 2015. Cat is a registered trademark of Caterpillar. ² Telematics give you quarterly machine reports.

³ Credit per USD/gallon or CAD/liter if your average annual gph/lph exceeds the program target fuel consumption level.





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