

# Becoming an Innovation Partner for the IoT Era through the Advanced Social Innovation Business

I would like to take this opportunity provided by the publication of *Hitachi Technology 2017* to thank all of you for your ongoing support of Hitachi and to extend my greetings.

We are entering an era in which the future outlook is uncertain, with changing social landscapes around the world and frequent instances of unforeseen events such as natural disasters and conflicts.

Meanwhile, in all parts of the world, a growing number of examples can be found of new innovations that utilize digital technologies in response to the challenges facing society, which are becoming increasingly diverse and complex with the rapid progress of globalization. The emergence of innovative new services and advances in social infrastructure that take advantage of the Internet of Things (IoT) are bringing a paradigm shift that will significantly transform business and other aspects of people's lives everywhere.

To anticipate changes in these unpredictable times and generate new value in ways that are both speedy and smart, it is essential that we make use of digital technology and adopt open innovation practices that draw on know-how from across organizational, industry, geographic, and other boundaries. We believe that "collaborative creation" is the key to this. Collaborative creation delivers new innovations through the process of identifying common challenges and developing shared visions together with our customers and partners.

Hitachi has anticipated and been at the forefront of

the trend toward digitalization through our Social Innovation Business, which combines the operational technology (OT) we have built up through our social infrastructure businesses with the latest information technology (IT) to support management.

Last year, we formulated our latest Mid-term Management Plan with a stated aim of becoming "an innovation partner for the IoT era." We embarked on a reshuffling of our organization to strengthen the customer-facing functions in each market, and launched the Lumada IoT platform to accelerate collaborative creation by linking diverse forms of data and knowledge.

In our Social Innovation Business, which has advanced through the application of digital technology, we are helping to improve people's quality of life and contributing to the sustainable progress of society by collaborating with stakeholders from around the world to generate innovation.

This edition of *Hitachi Technology* includes articles in which key people who are working on the front lines of innovation describe examples from around the world of collaborative creation using digital technology. It also contains information on a wide range of the latest initiatives and technologies that are underpinning the evolution of our Social Innovation Business.

It is my hope that you will share in this vision as Hitachi strives to enrich people's way of life by becoming a leader in the IoT era.

A portrait of Toshiaki Higashihara, President & CEO of Hitachi, Ltd. He is an older man with grey hair and glasses, wearing a dark suit, white shirt, and blue patterned tie. He is sitting at a desk with his hands clasped in front of him. The background is a blurred cityscape with green trees in the foreground.

*T. Higashihara*

**Toshiaki Higashihara**  
President & CEO, Hitachi, Ltd.