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CEO's Message



The state of the world is in constant flux. Each day brings new political, economic, and environmental changes, and the issues facing our customers and societies as a whole grow ever more diverse and complex. The field of business and people's lifestyles are also seeing dramatic shifts as the impact of IoT (the internet of things) and computerization continue to gain momentum.

Anticipating these changes, in May 2016 Hitachi moved to become an Innovation Partner for the IoT Era with its new 2018 Mid-term Management Plan. In this plan, we focus our efforts in four business domains—power and energy; industry, distribution, and water; urban; and finance, public, and healthcare. We have launched a market-driven business structure comprising three layers: the “front” businesses that interface directly with customers as they develop and provide services; the “platform” that enables quick, efficient provision of those services; and the globally competitive “products” we bring to market.

In line with our Corporate Credo—contributing to society through the development of superior, original technology and products—we engage in the Social Innovation Business on a global basis, putting our IT and control and operational technologies to use in the advanced social infrastructure systems we provide to create a future where people can live safer, richer lives. Moving forward, we will take our Social Innovation Business to a more advanced phase with enhanced digital technologies to accelerate “collaborative creation,” tackling shared issues and crafting solutions together with our customers and partners.

The solutions we provide through our Social Innovation Business aim to support people's lives for decades as vital capital for society. When addressing environmental issues, too, we must look ahead to the likely state of the global environment decades from now and implement actions with an eye firmly on the impact of corporate activities on the environment. We have created the Hitachi Environmental Innovation 2050 targets to help achieve a low-carbon society; a resource efficient society; a harmonized society with nature. Toward the realization of these goals, we continue developing innovative technologies and solutions.

It is precisely because this is an era of great change that Hitachi is dedicating itself to working smarter and faster, creating new value for customers and enhancing people's quality of life. In this way we will pursue growth as a company and sustainable development for society as a whole.

Toshiaki Higashihara
 President & CEO
 Hitachi, Ltd.



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Leadership Executive Officer's Message: CSR and the Environment

Executive Officer's Message: CSR and the Environment



Integrating CSR into Corporate Management

With the formulation of the corporate governance code in Japan, the adoption of the Sustainable Development Goals (SDGs) as the centerpiece of the 2030 Agenda for Sustainable Development, adopted by the United Nations, and the growing importance of ESG*1 considerations in mainstream investment, private companies—particularly those with global operations—are increasingly being called upon by not only investors and shareholders but also various other stakeholders to incorporate CSR into their management strategies and contribute to building a sustainable society.

For years, the Social Innovation Business has been Hitachi's core management focus. We have proactively responded to global corporate trends by expanding our CSR initiatives, such as by strengthening corporate governance, upholding respect for human rights, ensuring ecosystem preservation, and promoting diversity management. Our CSR policies, goals, and actual performance have been disclosed in our annual sustainability reports.

With more companies incorporating CSR into their core management strategies, and in keeping with our 2018 Mid-term Management Plan (announced in May 2016), we have decided to publish the *Hitachi Integrated Report* beginning in fiscal 2016 as a means of providing greater information about our integration strategies and results, including CSR. The *Integrated Report* provides insights into how we are building CSR considerations into the foundations of our management along with concisely presented non-financial information. For the sake of completeness and continuity, we will continue publishing detailed non-financial information in our *Sustainability Report*.

Of special note during fiscal 2016 is our announcement in September of the Hitachi Environmental Innovation 2050 targets in line with our 2018 Mid-term Management Plan. The announcement of ambitious targets to achieve a low-carbon society, a resource efficient society, and a harmonized society with nature is an expression of Hitachi's determination to contribute to the resolution of environmental issues through the development of innovative technologies, products, and solutions.

At a time when business practices and people's lifestyles are undergoing a dramatic transformation due to such factors as the growing impact of IoT and computerization, we aim to create new value for customers and enhance people's quality of life by communicating actively with our stakeholders and applying what we learn to our business operations.

Toshiaki Kuzuoka, Hitachi, Ltd.

Representative Executive Officer; Senior Vice President and Executive Officer; General Counsel & Head of Corporate Communication; Head of Risk Management; General Manager of Legal and Communications Group; General Manager of Risk Management Group; General Manager of Corporate Hospital Group

*1 ESG stands for "environment," "social," and "governance"—key factors in promoting socially responsible investment.