
From the Editor

Three years ago, *Hitachi Review* published a feature edition that presented information technology (IT) solutions from a risk management perspective, and covered Hitachi's response to the rapidly expanding markets in emerging economies. It was a time when people were taking a fresh look at global supply chains, forced by factors such as the sense of uncertainty in the outlook for the global economy that accompanied the emergence of the Arab Spring in December 2010, and the problems with the supply of IT components manufactured in the Tohoku region of Japan, which was affected by the Great East Japan Earthquake.

Although other events have had a major impact on global economic activity since then—including flooding in Thailand and the European debt crisis—the IT market continues to expand steadily against a background of rising consumption and ongoing infrastructure investment in emerging economies.

Meanwhile, the buzzwords in the IT industry keep changing year after year, the latest being “SMAC,” meaning “social, mobile, analytics, and cloud,” indicative of how the rate of change in the world has become even more rapid. This hectic change has led to concerns that the IT industry in Japan is being left behind by the wave of globalization. Given that technologies such as tablets, smartphones, software as a service (SaaS), social networking services (SNSs), the cloud, and big data have largely been developed overseas, there are growing fears that those technologies that have been successful in Japan will succumb to the “Galapagos effect.” The direction being taken by globalization has prompted some people to say that the time has come for Japanese corporations to reexamine their identities.

Against this background, Hitachi's information & telecommunication systems division has set a strategy of using IT to drive social innovation, with the aim of implementing this globally. The company has been restructuring its portfolio of overseas businesses in recent years, expanding the proportion of software and service sales as a percentage of overseas business to above 50%, and building up the infrastructure to utilize the comprehensive capabilities of Hitachi in its Social Innovation Business.

Amid the growing severity of social problems at a global level, including political and economic instability, resource and food problems, the population explosion, and urbanization and environmental degradation, Hitachi intends to achieve social innovation and to contribute to the creation of sustainable societies through optimization by linking together people, IT, and social infrastructure.

This edition of *Hitachi Review* describes Hitachi's information & telecommunication systems division's business to accelerate social innovation across the world in response to the issues faced by society and our customers.

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