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## From the Editor

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Hitachi Innovation Forum 2014 Singapore was held in November 2014. While past forums have been held in Japan, this was the first such event to be staged outside of Japan. The number of employees at Hitachi totaled approximately 320,000 as of the end of March 2014, of which roughly 40% were overseas staff. Similarly, approximately 45% of Hitachi sales for FY2013 were from outside of Japan. This shows the steady expansion of Hitachi's business into global markets.

Meanwhile, along with sales of software and other products, there is also growing market demand for the supply of business process services, including operating products on the customer's behalf. Also, information technology (IT) plays a very important role when working with customers to create value jointly from the business planning stage.

This issue of *Hitachi Review* presents examples of the work being undertaken by the information and telecommunications divisions at Hitachi with respect to the terms "global" and "service." This issue's Expert Insights carries an article about the emergence of the service economy, contributed by Professor Yuriko Sawatani of the Center for Research Strategy at Waseda University who specializes in service innovation research. In Technotalk, Kumi Yokoe, a former Senior Visiting Fellow at the Heritage Foundation, where she became an expert on politics and IT, and Setsuo Shibahara, Executive Director and COO, Systems & Services Business at the Information & Telecommunication Systems Company, discuss global services in terms of the significance of, and practical pointers to be gained from, recent examples in the field.

Elsewhere, there are articles that describe the new challenges being taken on by Hitachi in various different parts of the world, from Europe and America to Asia, including initiatives that utilize Hitachi's strength in "operational technology (OT) × IT" in global services and initiatives associated with companies based in specific markets that have been acquired by Hitachi, with a particular emphasis on examples that involve proof of concept (PoC) projects that extend beyond the research stage into practical applications, or that utilize these in the market in the form of services.

One of the key pillars of Hitachi's 2015 Mid-term Management Plan is to achieve innovation through the global operations of its Social Innovation Business and by strengthening its service businesses. In addition to explaining the activities of Hitachi, I hope that this issue of *Hitachi Review* will also lead to the services offered by Hitachi proving to be helpful in the global expansion of your own businesses.

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