

FOR IMMEDIATE RELEASE

**“Hitachi Hokkaido University Laboratory” to Address
Societal Issues Facing Hokkaido through Collaborative Creation**

Building an innovation ecosystem to expand to other regions

Tokyo, June 16, 2016 --- Hokkaido University (“the University”) and Hitachi, Ltd. (TSE: 6501; “Hitachi”) today announced the establishment of “Hitachi Hokkaido University Laboratory” (“the Laboratory”) within the grounds of Hokkaido University on June 1st, 2016. The mission of the Laboratory will be to pursue joint research to resolve the various societal issues being faced in Hokkaido, such as aging and declining birthrate contributing to a declining population, stagnating regional economy and global warming. By being the first among regions to address such challenges, practical initiatives (Society 5.0*¹) to realize the achievement of a Super Smart Society*² proposed by the Government of Japan will be delivered from Hokkaido.

Earlier this year, the Government of Japan raised the “Super Smart Society” as a shared vision for a future society where prosperity is achieved through the creation of new values addressing economic and societal changes. Japan has also taken the lead by announcing Society 5.0 as a means to realizing the necessary solutions, and industry and academia are working as one to address the numerous challenges. For example, one major societal challenge is a super-aging society where Japan is about to experience a significant drop in its population. This phenomenon has already begun in Hokkaido where it is experiencing a 4 year continuous drop in population - the second highest rate of decrease among all prefectures of Japan - due not only to a natural decline but also an outbound flow for education or work. As a result of rural exodus, the existing population is also continuing to concentrate in cities contributing to serious economic stagnation. Further, effects from other societal issues such as the environment and global warming are also becoming apparent.

The University and Hitachi decided to establish the Laboratory to combine their respective research efforts and promote joint research towards resolving issues beginning with the declining population and stagnating regional economy, and larger societal issues such as global warming. This relationship is built on the success of earlier collaborative research between the University and Hitachi such as the co-development of the proton beam therapy system where both sides provided advanced original technologies, or the development of an application to realize the Self-Healthcare Platform*³ as part of Innovative Food & Healthcare MASTER in the Center of Innovation program*⁴ promoted by the University. The Laboratory will collaborate with the Research Institute for Electronic Science at the University to pursue a new-paradigm computing technique that can derive optimal solutions

by mapping societal issues into mathematical models. Further, joint research will be conducted examining the effect of environmental changes caused by global warming on the Hokkaido economy from multiple perspectives, to determine measures to realize regional economic growth.

The Laboratory will work towards establishing ecosystems that will continue to create innovation by involving regional entities through such research themes and by validating the concepts developed in real society - Hokkaido, the solutions and ecosystems will be further developed so that they can be applied to other regions of Japan, thus contributing to the realization of a Super Smart Society (Society 5.0).

- *1 Society 5.0: Activities related to the realization of a shared vision for a “Super Smart Society” where the cyber space and the real world (physical space) are intricately connected. The naming describes a new type of society that will be led by innovations in science and technology, following on from hunter-gatherer, pastoral-agrarian, industrial and information.
- *2 Super Smart Society: A society which can attend in detail to the various needs of society by providing necessary items or services to the people who require them, when they are required, in the amount required, thus enabling its citizens to live an active and comfortable life through high quality services regardless of difference in age, sex, region and language, etc.
- *3 Self-Healthcare Platform: A system that promotes the awareness of one’s own health condition and behavior for improvement, including gaining knowledge necessary for self-care.
- *4 Center of Innovation (COI): A site selected under the "Radical Innovation and Entrepreneurship Program" (COI STREAM) by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and by Japan Science and Technology Agency (JST). The COI site is tasked with identifying how society and people should change in 10 years, and conducting vision-driven challenging and high risk research to realize that society. Hitachi is participating in the Hokkaido University COI for "Food and Healthcare MASTER" together with the University and over 30 enterprises and institutions. To find out more, https://www.fmi.hokudai.ac.jp/coi_en/.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society’s challenges. The company’s consolidated revenues for fiscal 2015 (ended March 31, 2016) totaled 10,034.3 billion yen (\$88.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 335,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
