

FOREWORD

Societal challenges are becoming larger in scope, more complex, and more diverse, encompassing global-scale climate change and natural disasters as well as the supply chain disruptions and constraints on consumption imposed by COVID-19. This has created a strong demand for the world to look beyond product-based and customer-driven solutions and instead find ways of overcoming these challenges that are inspired by social value and that look ahead to creating the future society we all desire. A Social Innovation Business for enhancing social value is not something that Hitachi can create on its own. Rather, Hitachi recognizes the need to work on resolving societal challenges in collaboration with customers and other business partners as well as local government, communities, and the general public, and to do so in ways that do not lose sight of the question of what social value really means.

Hitachi has taken full advantage of the strengths that come from its combination of operational technology (OT), IT, and products to deploy digital solutions that leverage Lumada as a platform for the Internet of Things (IoT) and for solving societal challenges. Artificial intelligence (AI) is a core Lumada technology and Hitachi sees it becoming more important than ever in the operation of its Social Innovation Business. AI is steadily expanding the possibilities of future society, offering new ways of addressing societal challenges that have not been apparent in the past and enabling innovative services that are in step with people's diverse values. However, it also brings new challenges, including heightened cybersecurity risks and a growing digital divide that leaves some people unable to enjoy the benefits of digitalization. If a prosperous society is to be achieved, it is important that AI governance and ethics inform how we go about making the most of the positive benefits of this technology, using it to enhance people's wellbeing without losing sight of AI's darker sides. It is on the basis of this philosophy that *Hitachi Review* has published this special edition entitled, "AI Governance and Ethics in Hitachi's Social Innovation Business."

Hitachi has since 1910 operated its Social Innovation Business to improve people's quality of life (QoL), inspired by its mission of "contributing to society through the development of superior, original technology and products." Resolving societal challenges and contributing to the progress of society is in Hitachi's DNA and overcoming these challenges is a cherished goal for everyone involved in its Social Innovation Business. Having a sympathetic rather than a self-interested mindset is key when seeking to enhance QoL and this is why I want Hitachi to become the corporate leader in contributing to society. Moreover, along with the concepts of technology governance and ethics becoming increasingly important for engaging in collaborative creation with other creative people who treat the resolution of societal challenges as a personal mission, I also believe it is crucial as Hitachi works to create value that everyone involved shares their issues and visions, combining the knowledge of different people in ways that transcend boundaries such as those between organizations, industries, and communities. I hope I can count on your support for Hitachi in its pursuit of this mission.



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