

Further Growth by the Resolution of Societal Challenges through Green, Digital, and Innovation

The challenges faced by our society have become increasingly complex and diverse over recent years. Along with abnormal weather events and other natural disasters happening around the world, with associated supply chain disruptions, these also include international economic friction and the COVID-19 pandemic. Set against this, the Sustainable Development Goals (SDGs) adopted by the United Nations to address these challenges have gained worldwide buy-in, with momentum building behind collective action on their achievement. In the midst of these developments, Hitachi is pursuing its Social Innovation Business that seeks to generate social, environmental, and economic value through the resolution of societal challenges, also achieving sustainable growth and revenue that delivers benefits back to stakeholders.

While companies are an essential part of society, in the midst of a paradigm shift in which planetary boundaries and well-being are becoming the most important issues facing society, they will find it difficult to grow in this role if their thinking is predicated on the future being merely an extension of the past. What is needed, rather, is a conscious effort, unconstrained by conventional boundaries, to determine what sort of economic and societal systems are best placed to protect the planet and to create lifestyles and working practices that people find fulfilling. It is also necessary to make an effort to be among those working to put in place the measures needed to achieve all of this. Hitachi is combining green and digital with innovation, making these available to its customers and wider society as a means of overcoming challenges to deliver further growth.

The world is seeing significant action on green initiatives. Hitachi was a Principal Partner at the 2021 United Nations Climate Change Conference (COP26) held in Glasgow, where it announced advanced technologies and other measures for helping to decarbonize society. Amid the rising adoption of renewable energy, Hitachi is focusing on its power grids business in which Hitachi Energy Ltd. plays a central role, while also supplying railway systems that are recognized for being easy on the environment together with highly efficient and safe technologies and solutions for the automotive industry as it makes the transition to electrification.

In digital technology, Hitachi is working to develop new Lumada solutions by using digital capabilities to add

value across its diverse product range. This has included our welcoming into the Hitachi Group last year of GlobalLogic Inc., a company with a strong base of digital talent and customers across a wide range of industries around the world. Lumada lies at the heart of our Social Innovation Business, and through its ongoing global expansion we intend to accelerate the digital transformation (DX) of social infrastructure on a global scale.

In innovation, we are boosting investment in research and development to enhance our technologies and products while also being proactive in our work with promising start-ups. By taking a wide view of the diverse technologies that are out there and then pursuing innovations that take them even further, we are putting into practice our corporate mission of contributing to society through the development of superior, original technology and products.

I hope you will share my delight in how, by making the most of the technologies and solutions described in this issue of *Hitachi Review*, we can all grow in partnership through the use of collaborative creation to overcome societal challenges. Please take the time to look at what we have to offer. In doing so, I hope you will find something that will prove useful in your business or daily life.



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