

From the Origin of Hitachi's Ethics to the Future

Hideaki Koizumi

Honorary Fellow, Hitachi, Ltd.
Executive Vice President, Engineering Academy of Japan



Created many new principles in fields including the environment and healthcare and achieved their practical applications at Hitachi, Ltd. Concurrently serves as a Foreign Member of the Chinese Academy of Engineering (CAE) and as a board member at many other research institutions and scientific foundations worldwide. Ph.D. Doctor of Science

The Essence of Ethics Lies in "Warm-Heartedness"

It is difficult to define *ethics* precisely. Some people believe that ethics will change as society changes just as morals do. However, I regard ethics as something universal that is rooted in the inherent nature of humanity. In *The Metaphysics of Morals*, written by Immanuel Kant late in his life, he states that "although we have an indisputable right to pursue our own happiness, it is each one's obligation to promote others' happiness." Therefore, we can say that Kant prioritized promoting others' happiness over one's own as humans' ideal way of life.

I once asked a renowned Buddhist about the essence of ethics. After a brief pause, the answer was one word: "warm-heartedness." Although ethics tends to be perceived as something formal and stiff, the essence of ethics is compassion toward others. Conversely, without compassion, you do not have true ethics. This analysis is consistent with the knowledge derived from brain-science concerning the sophisticated "sympathy" that only humans have acquired.

A recent tendency to view as acceptable any behavior that does not violate laws is not acceptable ethically. Highly ethical leadership characteristics are required especially of managers of global companies, who have significant influence on society and people's lives. We are entering an era when only companies with true ethics, beyond the concept of compliance, will be trusted by international society and survive.

Origin of Hitachi's Ethics Seen with the Hitachi Mine Great Chimney

During modern Japan's boom of capitalism, led mainly by Eiichi Shibusawa, the spiritual pillar consisted of the philosophy for merchants in Omi (the current Shiga Prefecture) called "*Sanpo-yoshi*" (or "three-way satisfaction"), *Sekimon Shingaku* initiated by Baigan Ishida and philosophies established by Confucianism scholars in the Edo era. Management philosophies prioritizing ethics significantly influenced many business operators and supported the prosperity of Japanese business management.

Fusanosuke Kuhara, who operated many businesses during the era of heavy industry development prior to the two world wars, including Hitachi Mine, which became the foundation for Hitachi, Ltd., incorporated those prevailing management philosophies while advocating for his own bold vision based on ethics beyond the realm of the individual entrepreneur. At Kosaka Mine, which was his first business, Kuhara established an innovative black copper flash smelting method and achieved success. Moreover, he expanded welfare and benefits for employees and their families and prioritized the building of recreational facilities, thereby creating a business model of coexistence and prospering together with community residents, contributing to the prosperity of communities through business activities. Based on this experience, the successor Hitachi Mine tackled the challenge of realizing Kuhara's vision of an "industrial utopia." The sharp young minds who came together and shared the struggles and joys of Kosaka Mine included Namihei Odaira.

With many social issues erupting in an era of rapid heavy industrialization, including the well-known mining pollution at the Ashio Mine, Kuhara tackled head-on the issue of smoke pollution—the inevitable aftermath of a mine. To address this issue, he determined to build the world's highest chimney at that time. Kuhara himself later recalled and used an expression "*Kushin-Santan* (extraordinary efforts to address tremendous difficulties)." His determination was historic as he gambled on the survival of the mining business itself. The grand chimney helped avoid fatal smoke pollution, and a solid trust relationship was established with community residents, which led to the prosperity of the successor Hitachi Mine, and later Hitachi, Ltd. Construction of the Hitachi Mine Great Chimney, a feat accomplished by the ethics-based formidable faith and determination of the business operator himself, shines as a legacy

in Japan's history of combatting pollution, from which there is much we can learn.

Innovators Who Pursued Industrial Utopia

Turning down promising positions at Tokyo Dento Corporation, Namihei Odaira threw himself into the new world called Hitachi Mine and later founded Hitachi, Ltd. there. Why did he choose such a turmoil-filled career? Although no explanation for that is known, there is no doubt that one reason was his belief in Kuhara's vision of an industrial utopia. In fact, Odaira devoted himself to ethical business management prioritizing trust relationships with employees and communities, while endeavoring to establish proprietary technologies. Hitachi Industrial College, which was established when Hitachi, Ltd., was founded, still exists. While working at Hitachi's Naka Works, I got to know many wonderful people from Hitachi Industrial College. Hitachi General Hospital has developed into a core hospital for Ibaraki Prefecture, and students studying to become nurses are also continuing outstanding activities there. Furthermore, Hitachi's research centers have led Japan's science and technology innovation. *Odaira Kaikan*, which boasts a Bösendorfer Imperial grand piano, brings the culture of an international standard to communities. Not only the business development of the Hitachi Group but also the vision of an industrial utopia is ongoing.

Kuhara later entrusted all business operations of Hitachi and Nissan to his brother-in-law Yoshisuke Ayukawa and went on to a career in politics to achieve an even bigger vision. With a geopolitical international vision, he met in person and negotiated with Stalin, Mao Zedong and Zhou Enlai, while helping Sun Yat-sen with an enormous amount of money. In China, Sun Yat-sen has in recent years come to be lauded as the father of the nation in his role as a forerunner to the modern revolution. Kuhara passed away leaving no assets, and many people misunderstand him. However, much of his history has been clarified through documents left behind by Sun Yat-sen.

Making such extraordinary efforts to create an ideal society under a grand vision that led to today's social innovation and Sustainable Development Goals (SDGs), Kuhara truly deserves the title of "innovator." Moreover, at the root of such a vision of an ideal society is compassion toward others (warm-heartedness), or ethics. Kuhara's wish was succeeded by another innovator, Odaira, who achieved further success with what

has been passed on to us today as the Hitachi Founding Spirit. In reflecting on the tireless efforts of these predecessors, I feel their firm future vision.

To Know the World of Nature and True Ethics

Homo sapiens acquired the ability to think about the future by acquiring language and acquired the freedom to change part of the future.* A compass showing an ideal direction for the future might have been the ideal academy initiated by Plato in ancient Greece. Based on his experience visiting nearby countries, overcoming the dangers of travel across national borders at that time, Plato, at the age of 40, founded an academy. The center of the famous painting "The School of Athens" by Raphael, a painter during the Renaissance, depicts Plato holding his publication concerning natural philosophy (a late edition of his dialogues) and his disciple Aristotle holding his publication concerning ethics—the Nicomachean Ethics—suggesting that the deep learning of the world of nature including humans and true ethics is crucial as a compass leading us to a proper future.

At the root of the aforementioned *ars* (art) and *tekhnē* (techne: technology), both with the same origin, exists the adoration of and reverence for life brought about by our 3.8-billion-year evolution under stars in the night sky and the bright sunlight. I conclude this piece with a wish for "Tomokiki", the coexistence between self and others that was collaboratively brought about by humans who sit at the apex of evolution, for diversity to be combined with inclusivity, and for a new universal ethics to emerge out of *ars* and *tekhnē*.

* H. Koizumi, "Noh-no Kagakushi (Scientific History of the Brain)," Kadokawa Corporation, (2011) in Japanese.