
Innovation, an Answer to Society's Challenges. Through the Benefit of Technology.

The world is experiencing an accelerating process of economic globalization in which the cross-border movement of people and goods has become routine. Accompanying this, the need to put the development of society on to a sustainable basis is generating a steady stream of new demands. Rising to meet these challenges are a variety of innovations.

One such innovation is “Big Data.” By using the latest information technology (IT) to tie together vast torrents of data being generated by our society, Big Data offers new ways of creating value and achieving sustainable development. Such examples include the information created as people go about their daily activities, which takes many forms including operational data from social infrastructure systems, geophysical information such as weather data, and the structuring of healthcare information.

Underpinned by our 2015 Mid-term Management Plan, Hitachi's Social Innovation Business is helping to build a better future for the world by applying the latest technologies emerging from our global R&D network.

Also, this includes our work on delivering new systems and services through a sophisticated fusion of different technologies within our business portfolio. One such example is the global optimization of the value chain through the use of monitoring and leveraging simulation technologies. Another is the use of advanced control technology on offshore wind farms to cope with changing swell and wind conditions. In the railway sector, we have embarked on a project to build highly efficient networks that utilize data to manage continually growing traffic volumes. We are also focusing on promoting new industry development in countries that struggle with water shortage by establishing water treatment infrastructure that takes advantage of the low temperature and the purity of deep seawater. Closer to home, we are opening up new possibilities in the fight against cancer by participating in the development of groundbreaking proton beam therapy systems.

Building on these technical capabilities, Hitachi delivers innovations that answer society's challenges. In order to overcome the challenges of the future, we are engaging in dialogue with many external stakeholders from around the world and recognizing and addressing these growing concerns. As a result, we are seeking to create value by using advanced IT and the deep expertise that Hitachi has developed over our 100+ years in business. This is the

essence of our Social Innovation Business.

In this issue of *Hitachi Review*, you will read about the latest technological developments that hold the key to the success of our Social Innovation Business. In order to utilize these technologies and to expand the scope of social innovation globally, I welcome candid discussions with our readers of *Hitachi Review* so we can address respective areas of concern, and continue to address these challenges and help resolve them.

The notable milestones of 2014 include some major international events, such as the Winter Olympics in Sochi, Russia and the Football World Cup in Rio de Janeiro, Brazil. The emergence of new frameworks for the global economy, such as the Trans-Pacific Partnership (TPP), are also anticipated. With a widespread sense of a new era having arrived, we share in the desire to build a better future for generations to come by providing solutions that make the most out of our diverse range of technologies. This ambition is reflected in our Mission of “contributing to society through the development of superior, original technology and products.” It is through this philosophy that we seek to satisfy the expectations of the modern society. We truly believe and uphold that “Social Innovation—It's Our Future.”



A handwritten signature in black ink, appearing to read "H. Nakanishi".

Hiroaki Nakanishi
Chairman & CEO, Hitachi, Ltd.