

Our Business Units and the SDGs

Nuclear Energy Business Unit

Contributing to Effectively Using Energy Resources and Reducing CO₂ Emissions



Hidetoshi Takehara

Vice President and Executive Officer
CEO of Nuclear Energy Business Unit

Hitachi's Nuclear Energy Business Unit has been involved in nuclear power plant construction and maintenance for many years, always working to push nuclear technology forward and cultivate key core competencies

Key SDGs for Our Business Unit

Advanced Boiling Water Reactors (ABWRs) that will help Hitachi contribute to Goals 7, 9, 13, and 17.

in our people. Our current activities within Japan include early restarting of nuclear power plants and decommissioning of Fukushima Daiichi Nuclear Plant, and promoting construction planning for Advanced Boiling Water Reactors (ABWRs) for the United Kingdom.

Following the Fukushima accident in 2011, low social acceptance of nuclear power has made it difficult to attract the next generation of engineers. In Japan's neighbor, China, the amount of electricity generated by nuclear power is rapidly increasing. If an accident were to occur in a neighboring country, it could have a significant impact on Japan. Reducing the risks requires enhancing the safety of nuclear plants within Japan; working with the International Atomic Energy Agency (IAEA) to provide information about safety enhancement to neighboring countries; sustainably maintaining the technology and human resources necessary to handle incidents; and continuing to build the experience necessary to support these activities.

We are focusing our efforts on the achievement of Goals 7 and 13 of the SDGs to stabilize the energy supply and address climate change, and Goals 4, 9, and 17 to develop the nuclear industry and human resources. We will continue striving to ensure that the importance of nuclear power in the optimal mix of energy generation is recognized.

Power Business Unit

Contributing to Sustainable Development with Stable Supplies of Energy

The Power Business Unit provides an array of power generation and transmission solutions to companies engaged in the energy value chain. We are particularly focused on meeting the expanding demand for renewable energy, and we claim the top share of the Japanese market for wind power generating systems.

The business environment in which we operate is undergoing a major transformation due to climate change and the growing demand for energy in emerging economies, and business opportunities are growing. A qualitative expansion of renewable sources in Japan, though, will require enhanced adjustment mechanisms to respond to changing



Atsushi Oda

Vice President and Executive Officer
CEO of Power Business Unit

weather conditions and a reinforced power grid. We will respond to such risks as delays in the spread of renewable energy owing to lack of coordination among various systems and the potential damage that power plant construction may cause to the environment by applying the technologies and knowhow developed in building and maintaining power plants. We will also advance the digitization of power systems using Hitachi's IoT platform, Lumada, and actively offer highly reliable and high-added-value solutions to our customers.

We are committed to achieving Goals 7 and 13 and are strengthening our partnerships with national and local governments, electric power companies, and universities to also contribute to the achievement of Goal 17. We will adopt key performance indicators as a way of demonstrating how much Hitachi is contributing to the achievement of energy-related SDGs.

Key SDGs for Our Business Unit

Hitachi's Wind Power Generation System helps achieve Goals 7 and 13.

Industry & Distribution Business Unit

Offering Innovative Solutions to Overcome Worker Shortages



Jun Abe
Vice President and Executive Officer
CEO of Industry & Distribution Business Unit

The Industry & Distribution Business Unit offers a variety of digital solutions for the industrial and distribution sectors by leveraging Hitachi's strengths in

 Key SDGs for Our Business Unit



Providing digital solutions to support our customers' business operations and contribute to the achievement of Goal 9 (Brazing Skills Training Support System for Daikin Industries, Ltd.).

operational technology (OT), IT, and products.

The decline in the working-age population is not just a problem for Japan but is also an issue in China and Europe. In addition to streamlining and automation, the manufacturing and distribution sectors will need to diversify their workforce. This trend represents new business opportunities for us.

Even when production is automated, there are times when the skills and knowledge of veteran workers are required. Our business unit collects and digitizes the skills of expert workers utilizing IoT to help customers efficiently enhance the skills of their workers, develop global human resources, and improve quality.

Business expansion and higher production carry the risk of increasing emissions of greenhouse gases and the generation of industrial waste. We will counter such risks by optimizing production plans, improving quality, and reducing our environmental burden.

Our business unit is primarily engaged in achieving Goal 9. By offering solutions not only in the realm of production but also logistics and maintenance and repairs, we hope to enhance our social and environmental value, thereby contributing to the attainment of Goals 7, 8, 12, and 13.

Water Business Unit

A Stable Water Supply and Sanitary Conditions for People Worldwide

The Water Business Unit globally provides total water environment solutions, including critical infrastructure for potable water, wastewater treatment, and recycling, to contribute to the resolution of water-infrastructure-related social issues.

Recently, we have increasingly been called to not only build large-scale facilities and other water infrastructure but also meet rising operational and maintenance demand to ensure safe and stable supplies of water. The expertise we have accumulated over many years in operational technology (OT) is a strength we can apply—along with IoT and AI—to raise the efficiency of our desalination plants and enhance the reliability of water-supply and sewage-treatment operations. There are

 Key SDGs for Our Business Unit



To help achieve Goal 6, Hitachi is constructing a desalination plant in the city of Basra, Iraq (under construction).



Kenji Urase
Vice President and Executive Officer
CEO of Water Business Unit

risks that high-salinity wastewater generated as a by-product of seawater desalination can increase the burden we place on the environment, but we are developing new technologies and forging partnerships with national and local governments and other stakeholders to reduce risk and support people's lifestyles from a long-term perspective. Through these activities, we aim to build a recurring business model.

The activities of the Water Business Unit are linked directly to the achievement of Goal 6 and have relevance for Goals 9 and 13. By developing the skills of water experts, we also help achieve Goal 4. An increasing number of young Hitachi employees are eager to become engaged in the global water environment business, and we will expand arenas of activity for them as we pursue Hitachi's sustainable development toward the SDGs target date of 2030.

Industrial Products Business Unit

Hitachi's Contributions to the Achievement of the SDGs



Keizo Kobayashi
Vice President and Executive Officer
CEO of Industrial Products Business Unit

The Industrial Products Business Unit inherited the motor business with which Hitachi was founded and globally provides key products that support the Social Innovation Business for trains, offshore wind turbines,

 Key SDGs for Our Business Unit



The key products that support the Social Innovation Business and that contribute to Goals 7 and 9.

renewable energy, and water and sewage treatment plants.

We believe that our products and services can contribute to the SDGs, resolving climate-change issues and improving quality of life. The growing demand for renewable energy and more efficient uses of energy and resources represents a major business opportunity. But there are also risks: the cost of renewable energy may exceed the range anticipated for the planned energy mix. Moreover, our business in itself can lead to risk as the volume of industrial waste may temporarily rise as facilities are replaced. Our business strategy will include measures to mitigate such risks.

We are proud that we can help achieve Goals 7 and 9, in particular, with our main products and services. We are also contributing to Goal 4 through our training programs at our production sites in China and India. Our business strategy already incorporates measures to contribute to the achievement of the SDGs, and we are now discussing what are the products and services that only Hitachi can provide and that will lead not only to the sustainable development of society but also to Hitachi's long-term sustainability.

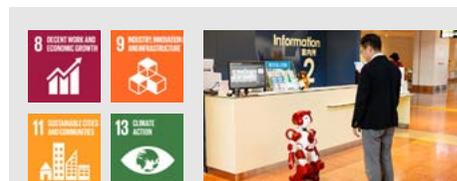
Building Systems Business Unit

Providing Products and Services That Realize Safety, Security, and Comfort

Our business unit recognizes many pressing social issues including deterioration of equipment in highly urbanized countries and regions, labor shortages in aging societies, and increased incidence of natural disasters due to climate change. We see business opportunities in two areas in particular: first, reducing the energy consumption of building equipment such as elevators and escalators, lighting, and heating, ventilation, and air conditioning (HVAC); and second, providing safety, security, and comfort—an area seeing increasing interest.

Elevators tend to fade into the background, but even the healthiest person notices the inconvenience of climbing ten or more flights of stairs on foot when one goes

 Key SDGs for Our Business Unit



Smart building services to help achieve Goal 11.



Hideaki Seki
Senior Vice President and Executive Officer
CEO of Building Systems Business Unit

out of service. Particularly in today's aging societies, such outages must be avoided. We have been networking building equipment such as elevators in Japan for 20 years now, detecting malfunctions and minimizing the impact on daily life through data analysis and preventative maintenance. Indispensable to resilient, sustainable communities offering safety, security, and comfort, our products and services are in themselves contributions to achieving the SDGs.

Goal 11 is a particular focus of our business, and we also support Goals 9 and 13 through environmental and technological initiatives. Our contribution to Goal 8 is the employment created by our global expansion, workstyle reforms, and efficiency gains through IoT and AI.

Railway Systems Business Unit

Resolving Social Issues Through Better, More Efficient Transportation



Alistair Dormer
Senior Vice President and Executive Officer
CEO of Railway Systems Business Unit

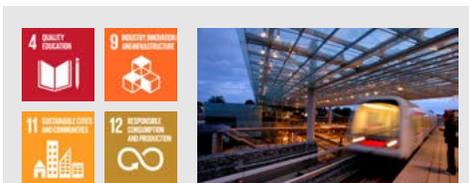
Hitachi's Railway Systems Business Unit is a fully integrated global provider of rail solutions with a presence in 27 countries. The rail sector is intimately connected to everyday life, putting it in a unique position to offer business

solutions to social issues. As society seeks for ways to ease congestion, metro trains and monorails become increasingly attractive. Between cities, too, high-speed rail is an environmentally friendly alternative to car and air travel, producing 3 to 5 times less CO₂ per passenger kilometer.

Delays in production and reliability issues have the potential to undermine the unit's operations. To ensure that we deliver on our contracts and promises, we are implementing efficient production facilities, effective project management, robust testing and commissioning, and stringent quality assurance and control. Energy shortages and climate change are other risks that affect the unit.

The SDGs underpin everything we do. Our Business Strategy primarily addresses Goals 9 and 11, while our Corporate Commitment is focused mainly on Goals 4 and 12, although Goals 8 and 13 are also important in this area. Contracts around the world increasingly require proof of sustainability, and this is something we are working on with suppliers and clients alike.

 Key SDGs for Our Business Unit



Railway solutions like those used on the Copenhagen Metro help achieve Goals 9 and 11.

Financial Institutions Business Unit

Solving the Problems of Financial Institutions and Society Through Customer Collaboration



Tsugio Yamamoto
Vice President and Executive Officer
CEO of Financial Institutions Business Unit

The Financial Institutions Business Unit develops systems and integration services for megabanks, insurance and securities firms, and regional financial institutions across Japan, and is expanding to other countries.

We work closely with our customers to solve social issues in the financial industry, from financial crimes to illiquid "under the mattress" cash storing, as well as the "financial divide" (differences in available financial services) widening both within Japan as the nation's shrinking population ages and in developing areas around the world.

Cash not only creates the risk of money laundering, but is also a burden on the financial institutions that must transport and secure it.

We believe Japan will follow other countries and become a cashless society, and that this will be a business opportunity for us.

Cyber attacks are the largest risk we face, and we make all efforts to prevent data leakage, especially of personal information.

All of the SDGs are important to us, but we focus mostly on achieving Goal 9. We also wish to contribute to Goal 8 by promoting better workstyles. Because we are closely connected to social development in terms of financial infrastructure, we have taken the SDGs as a guide for all of our employees in order to contribute to society.

 Key SDGs for Our Business Unit



Solutions that use AI and big data contribute to the achievement of Goal 9.

Social Infrastructure Systems Business Unit

Bringing New Value to the World by Realizing “Society 5.0”



Katsuya Nagano

**Vice President and Executive Officer
CEO of Social Infrastructure Systems Business Unit**

The Social Infrastructure Systems Business Unit provides solutions for customers in the public sector—for example, government offices and local governments—and social infrastructure such as the energy and rail industries.

 Key SDGs for Our Business Unit



An image of the society we aim to realize by contributing to achieving Goals 3, 9, and 11.

As part of addressing the full range of social challenges that depopulation and an aging society will bring, we are trying to contribute to realizing the Japanese government’s “Society 5.0” proposal to solve Japan’s social issues. Most themes of this proposal, including “Extending the nation’s healthy life expectancy” and “Building safe, convenient, and economical next-generation infrastructure,” are related to our business opportunities. When we plan a business, we regard the achievement of the SDGs as one of the guidelines. Then, through our actual business activities, we contribute to solving social issues.

During the “Japanese economic miracle,” our customers found value in high productivity to meet the needs of mass production. However, improving productivity is no longer valuable. We believe that we need to create new value by establishing an approach to providing targeted support that meets individual requirements. We will also treat potential changes in the systems and regulations of countries and regions as risks as we continue to contribute to society through our business.

We believe that contributing to achieve the SDGs is essential for us to survive as a company. Our business mainly contributes to achieving Goals 3, 7, 9, and 11, and, more broadly, Goal 16.

Healthcare Business Unit

Ensuring Healthier Lives for People Worldwide Through Hitachi’s Solutions

A healthy population is the foundation for a sustainable society, and the Healthcare Business Unit contributes to achieving this by providing healthcare equipment and solutions (including diagnostic imaging systems, in vitro diagnostics, particle beam therapy systems, radiation therapy systems, and smart operating rooms) to 80 countries worldwide.

Achieving basic universal health coverage (UHC) across developing countries and emerging powers will require support from international society. This issue is particularly important for developing countries, where around 800 million people lack adequate care today. In developed countries, aging populations are changing the face of healthcare, with



Masaya Watanabe

**Vice President and Executive Officer
CEO of Healthcare Business Unit**

initiatives like value-based medicine in the United States, regional comprehensive care in Japan, and data-analysis services aiming to meet new needs for sustainable social insurance and in-home care.

We aim to resolve these global issues by focusing on Goal 3 of the SDGs: Good health and well-being. This will also require addressing Goals 1 and 2, which call for the elimination of poverty and hunger. The professional development of healthcare providers needed for UHC will also make Goal 4 a necessity. We also contribute to a wide range of other SDGs through partnerships with stakeholders and provision of environmentally responsible healthcare equipment. Going forward, we will approach our daily business conscious of the importance of our work and proud of the contribution we make.

 Key SDGs for Our Business Unit



Hitachi’s smart operating room solution helps achieve Goal 3.