
Social Innovation

-New Value through Collaborative Creation

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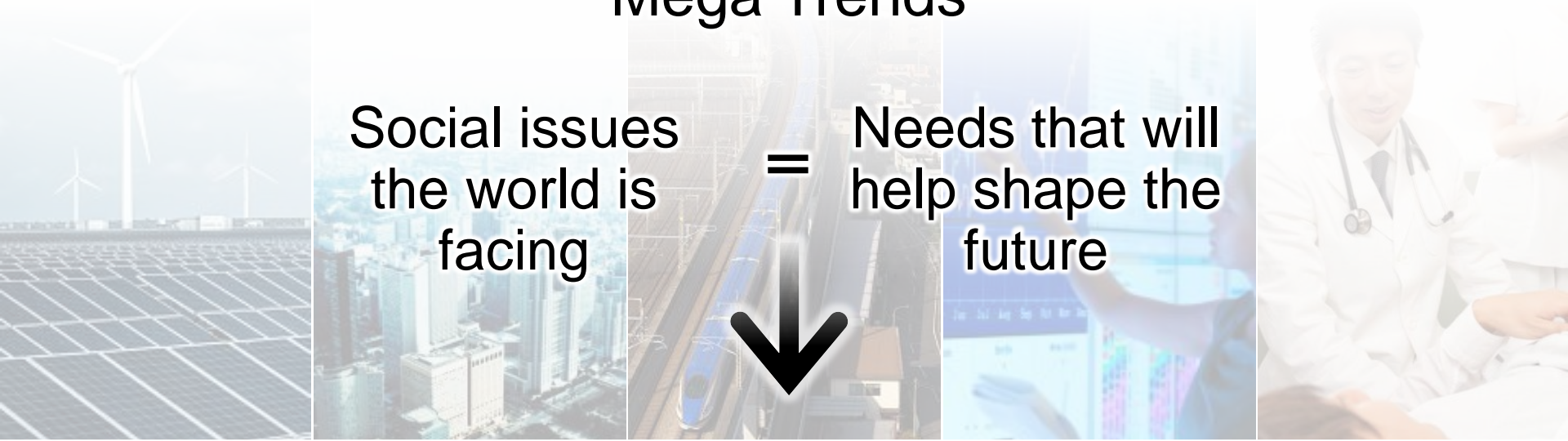
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1. An Era of New Innovation
2. Hitachi's Social Innovation Business
3. A New Form of Business, Created with Partners
4. FUTURE IS OPEN TO SUGGESTIONS

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Mega Trends



Social issues
the world is
facing

=

Needs that will
help shape the
future



Opportunities for innovation

Europe

Innovation led by collaboration among different industries

- **Horizon 2020**
- **Industrie 4.0**
- **Eight Great Technologies**
- **Market expansion strategies based on standardization**

U.S.

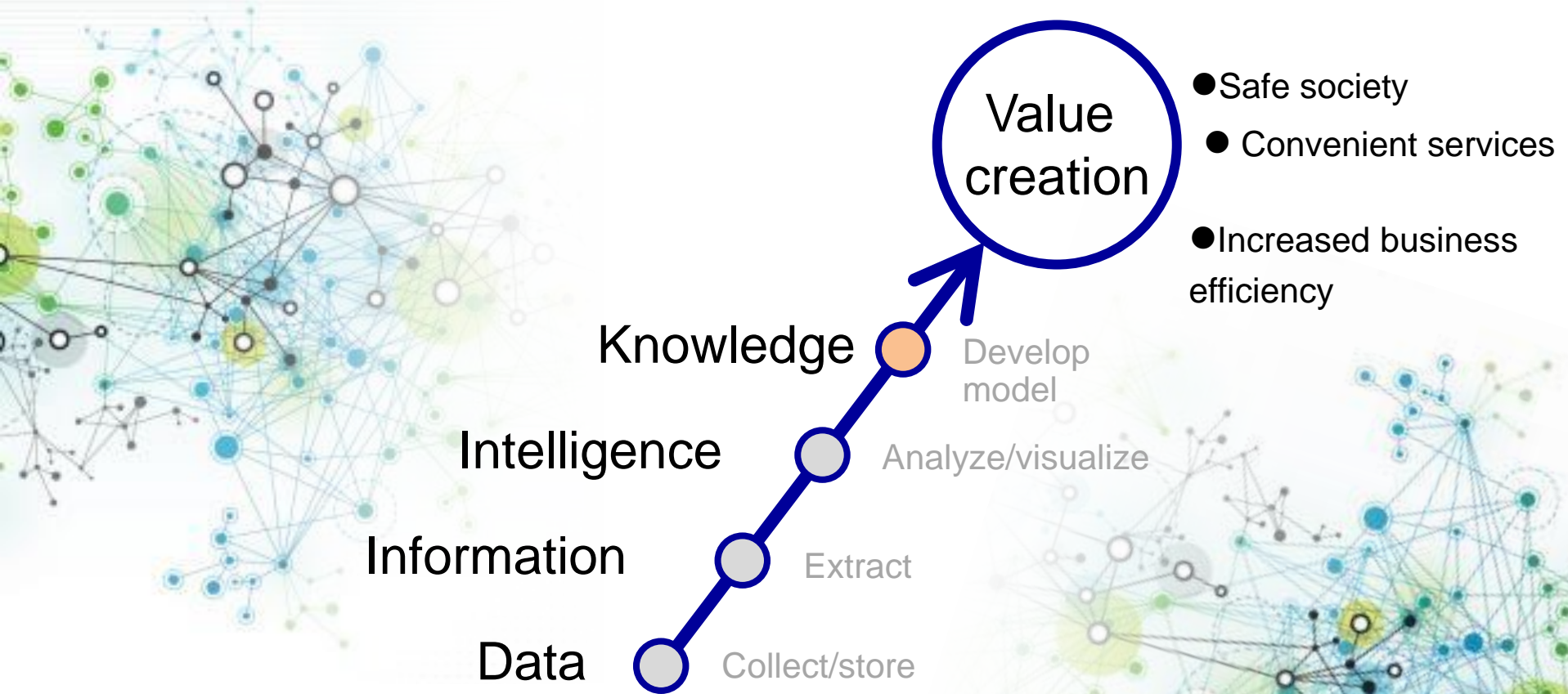
Innovation targeting competitive markets / Innovations from industry, government, academia, and the military

- **Industrial Internet Consortium**
- **Advanced Manufacturing Partnership**
- **Health care reforms**
- **United States Department of Energy**

China

“New Normal” innovation

- **One Belt, One Road**
- **Made in China 2025**
- **Internet Plus**
- **Asian Infrastructure Investment Bank**



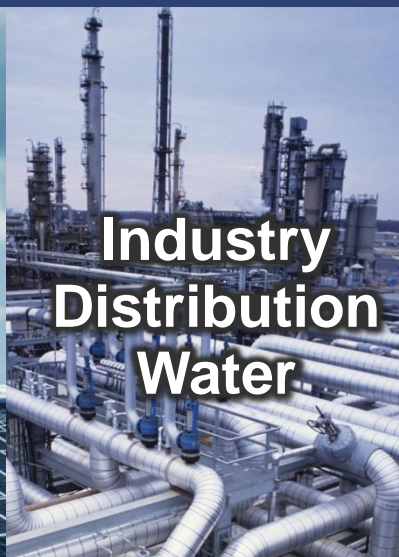
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An Innovation Partner in IoT Era

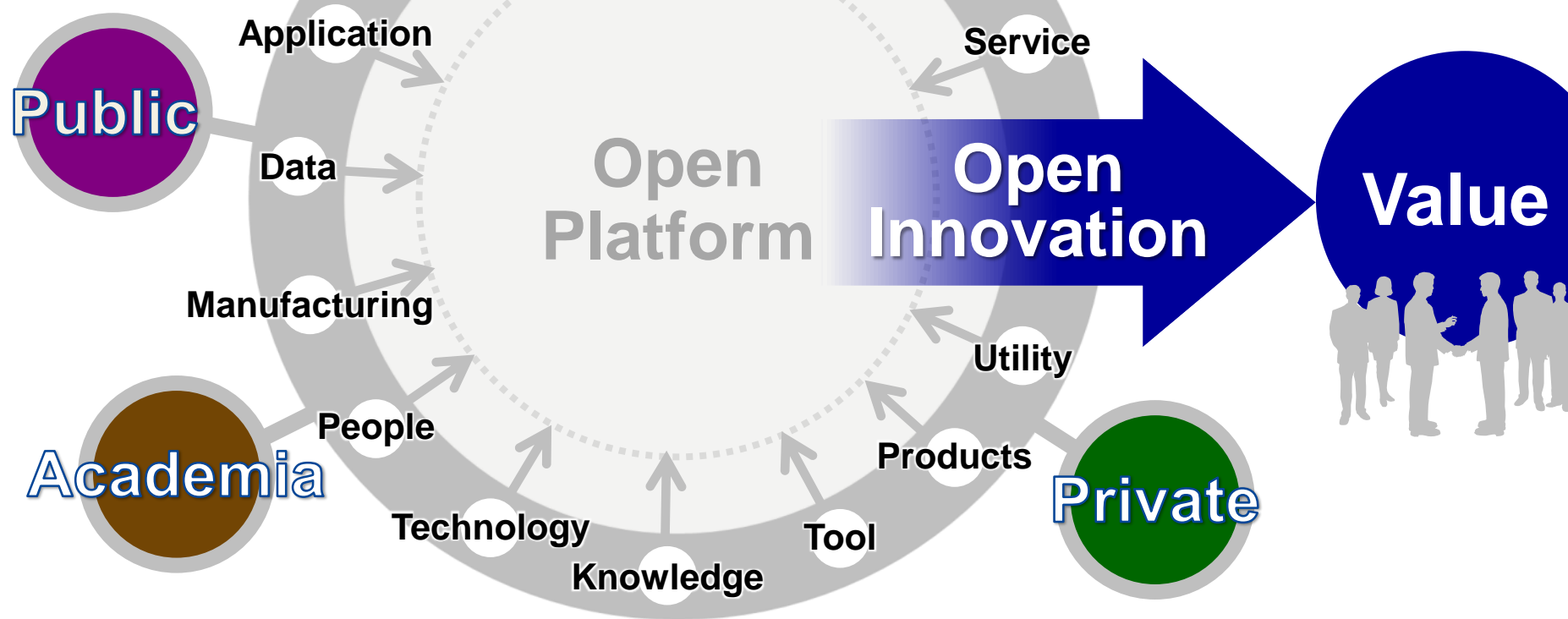
Accelerate collaborative creation with customers
through **Social Innovation Business**

Four main business domains

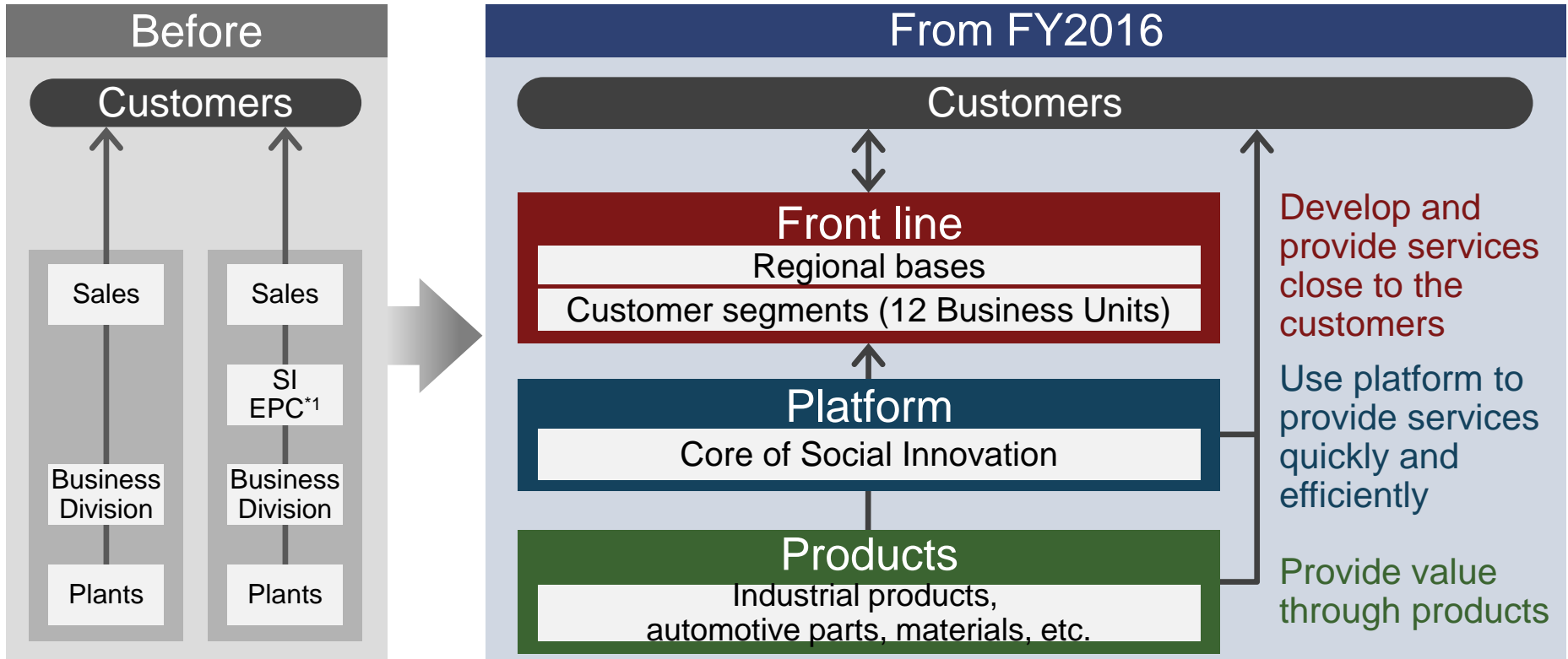


Open Innovation: Creating Even Greater Value

Open innovation transcends the frameworks and boundaries of companies, business fields, industry/government/academia, countries, and regions



The front line is crucial



*1 EPC: Engineering, Procurement and Construction

R&D closely with customers

Business structure from FY2016

Customers

Front Line

Customers' segments (12BUs)

Platform

Center for Social Innovation

Products

Industrial products,
automotive parts, materials, etc.

[R&D structure from FY2015]

●Global Center for Social Innovation

Developing services in response to the needs of customers in each region

North America 100

Europe 70

China 115

Asia 65

Japan 200



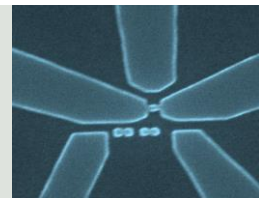
●Center for Technological Innovation

Establishing Global No.1 Technologies (Platforms, products)

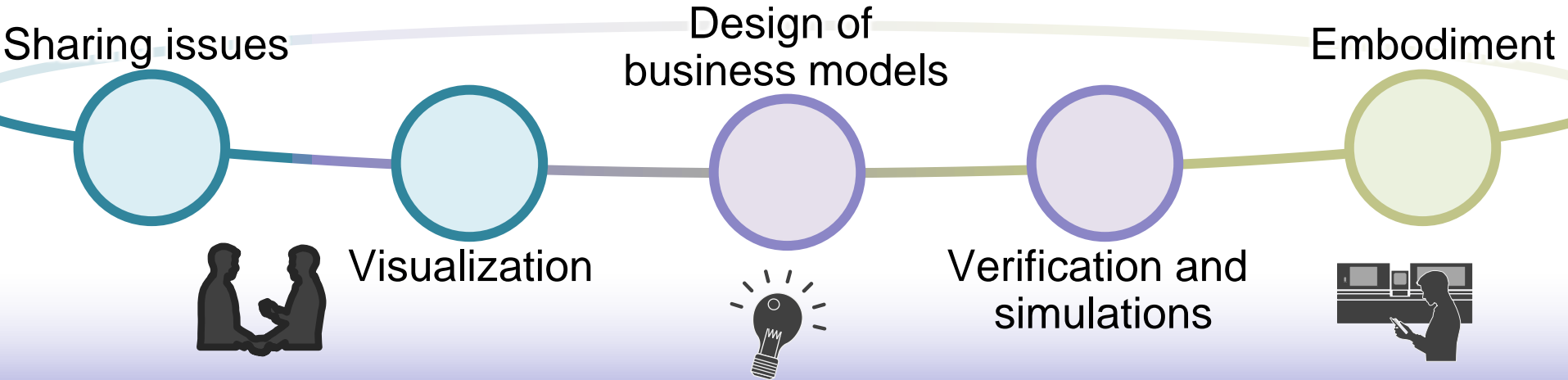


●Center for Exploratory Research

Addressing future social issues



Creating innovations with many stakeholders



Rapid execution based on the framework provided by Hitachi

A KPI analytics-based simulator for calculating and visualizing effects of solutions

An example of using Cyber-Proof of Concept
to calculate and visualize far-reaching effects of logistics solutions

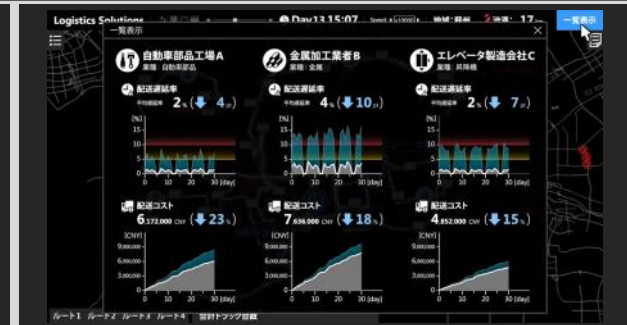
[1] Evaluating
the current situation



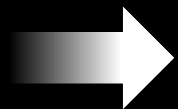
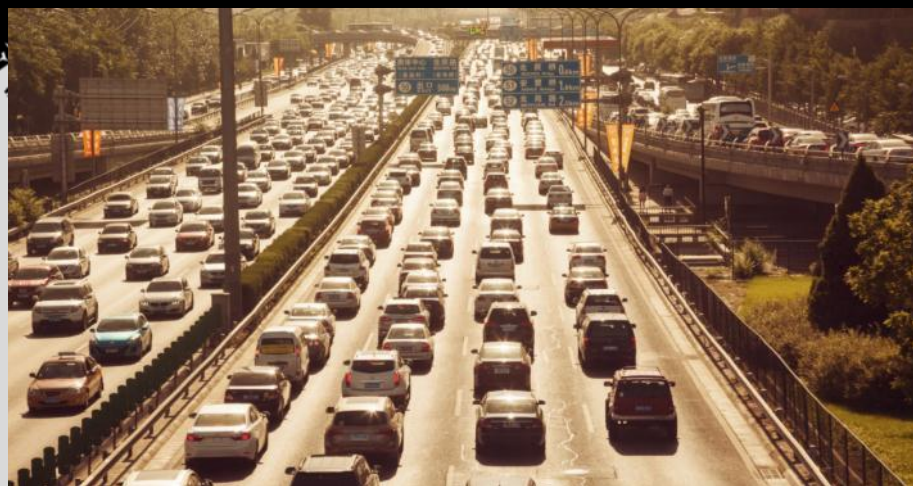
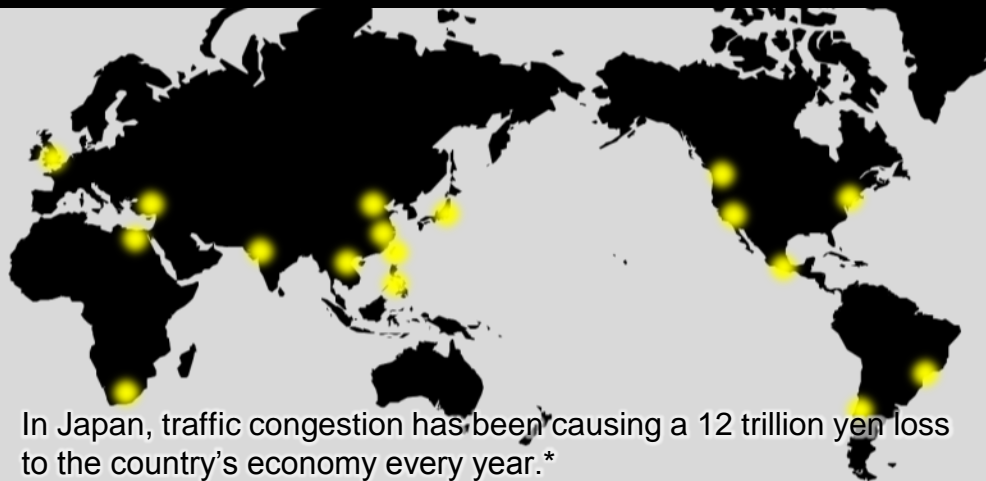
[2] Calculating effects of
various logistics solutions



[3] Visualizing effects of
various logistics solutions



Using Cyber-Proof of Concept to calculate and visualize far-reaching effects of logistics solutions for manufacturing companies in the city of Suzhou, China

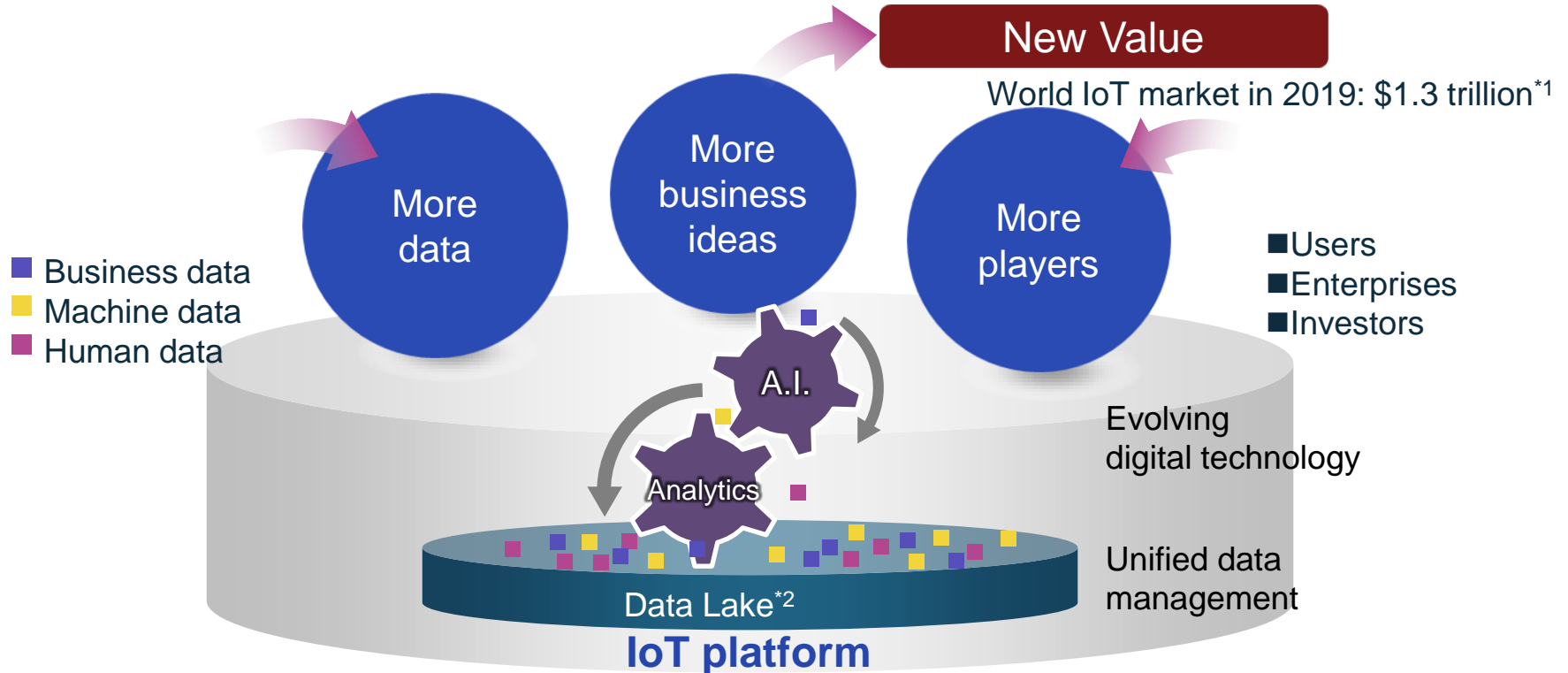


Hitachi proposes “shared truck transport.”

**Source: <http://www.mlit.go.jp/common/000043136.pdf>
published by the Ministry of Land, Infrastructure, Transport and Tourism

Demo Movie

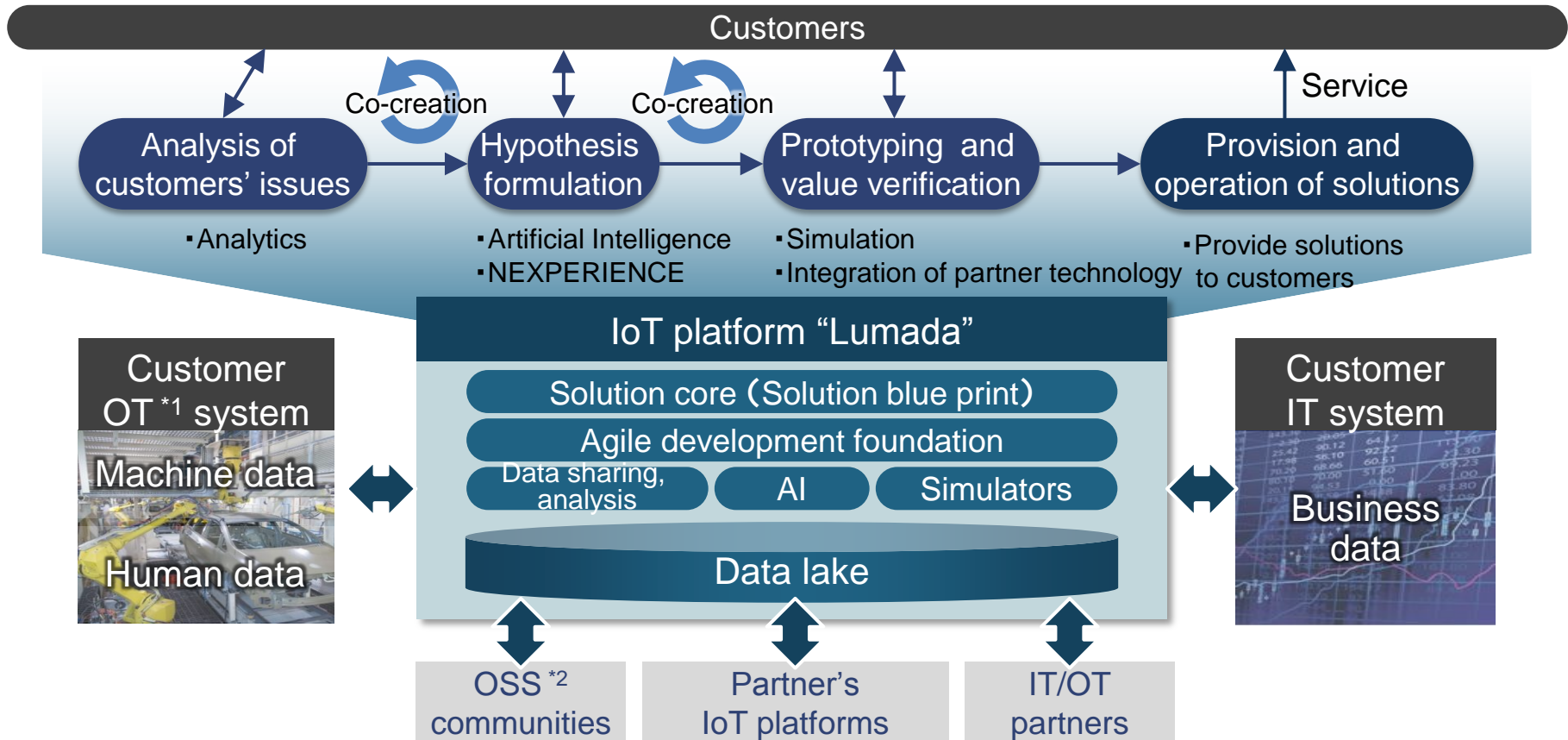
Open platform to create high-value-added digital solutions



*1 Source: IDC, Mar 2016 “Worldwide Internet of Things 2016–2019 Forecast: Market Opportunity by Region and Narrowing the Lens on Use Cases”(US41056415)

*2 An enabler for various data aggregation and utilization

Collaborative Creation Model of Digital Solution



Combine input data, and find the correlation between data and goal

Business

Performance goal
Sales, etc.



**Artificial
Intelligence**



Business Scene

Big Data
time, customer, sales person,
location, etc.

From numerous combinations of big data,

find factors that influence corporate performance automatically



Find and validate the relationship between influential factors and performance



Show the performance improvement plan

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Social issue: Aging railways; delays and accidents
Business issue: Increasing reliability and safety of railways

Agility Trains
(a train leasing company invested by Hitachi)

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Hitachi

**Train manufacturing and
maintenance (IoT)**



Train leasing and guarantee of operation
- Establishing a new railway service business -



- Regular operations and safe, comfortable rides
- Greater QOL for users and revitalization of the economy

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HITACHI
Inspire the Next

THE FUTURE IS OPEN TO SUGGESTIONS

未来は、オープンだ。アイデアで変えられる。



Hitachi Social Innovation

HITACHI
Inspire the Next 