



"Virtue is Harmony" – said Pythagoras from ancient Greece.

As you know, Pythagoras was a mathematician who attempted to explain all phenomena with numbers. He was also a philosopher who pursued the harmony between body and mind, emotion and logic, and individual and community.

A Harmonized Society

Humankind has seen “harmony” as the ideal state for 2,500 years, seeking to find it within various aspects in our daily lives.

Today, I'd like to talk about “Harmonized Society,” a future vision that Hitachi is pursuing.



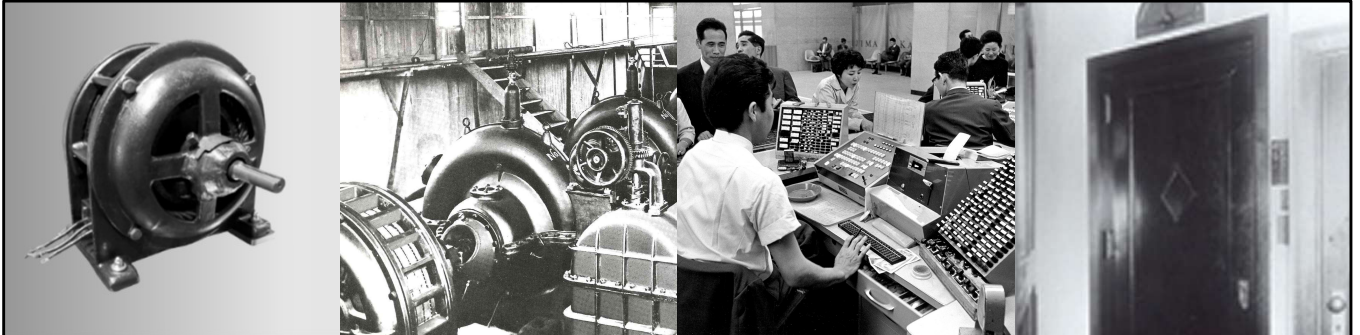
Hello, and welcome to the Hitachi Social Innovation Forum 2025 JAPAN, Osaka.

This is the first time we've hosted Hitachi Social Innovation Forum in Osaka, so please allow me to start with a short introduction about the Hitachi Group.

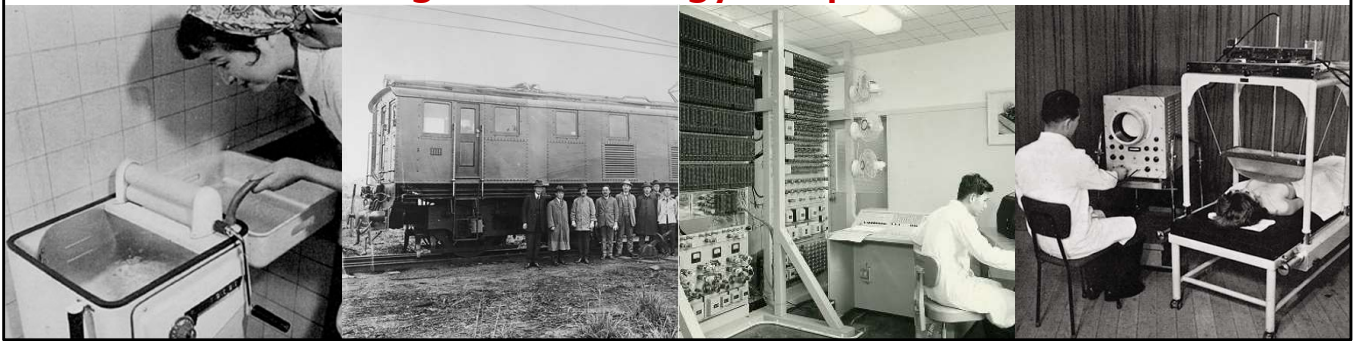


Products × OT × IT

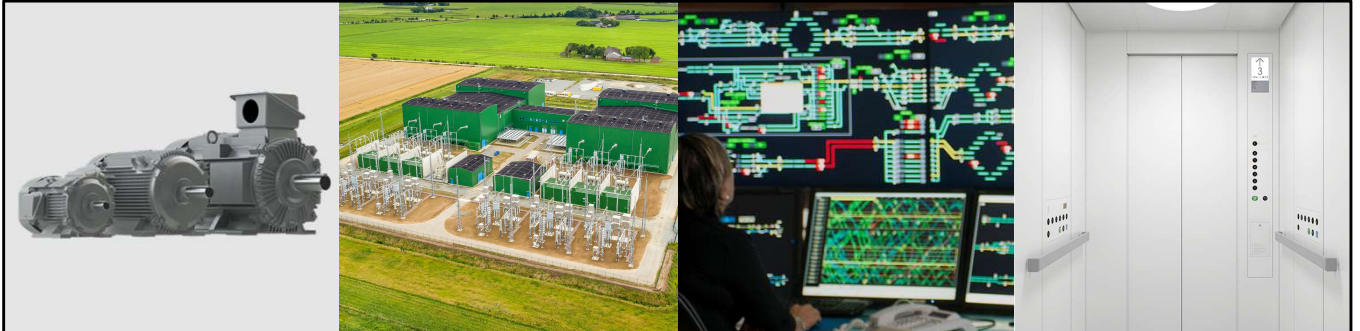
Hitachi is currently delivering Social Innovation Business, which solves the society's toughest challenges by combining Products which we have refined for over a century, with OT (Operational Technology) and IT.



**Contribute to society through the development of superior,
original technology and products**



Our mission, to "Contribute to society through the development of superior, original technology and products," has not changed for 115 years since our founding.



What's next?



Our predecessors have constantly asked, "*What's next?*" to continue to inspire the next generations.

Now, I'd like to share several episodes with you that allow a glimpse into Hitachi's unchanging philosophy.

<VIDEO>

I was born in Hitachi, Ibaraki Prefecture, where Hitachi Group was founded, and grew up seeing Hitachi employees and their strong aspirations to contribute to society.

This sense of mission still remains unchanged today and has been passed on to the 280,000 members of the Hitachi Group across the globe as we develop a wide range of solutions and services.

A graphic featuring the text "Generative AI" in a bold, white, sans-serif font. The text is centered within a dark blue, circular, wavy border that resembles a stylized, glowing ring or a series of overlapping, translucent waves. The background is a solid black.

Generative AI

While there are things that are unchanged, surely there are things that bring about unexpected changes. For example, Gen AI has drastically changed the world.

The evolution of Gen AI continues to accelerate, and its latest updates make the headlines everyday.

The Global Gen AI Market

Source: Ministry of Internal Affairs and Communications, Bloomberg (Statista)

2032 Forecast

1
trillion USD

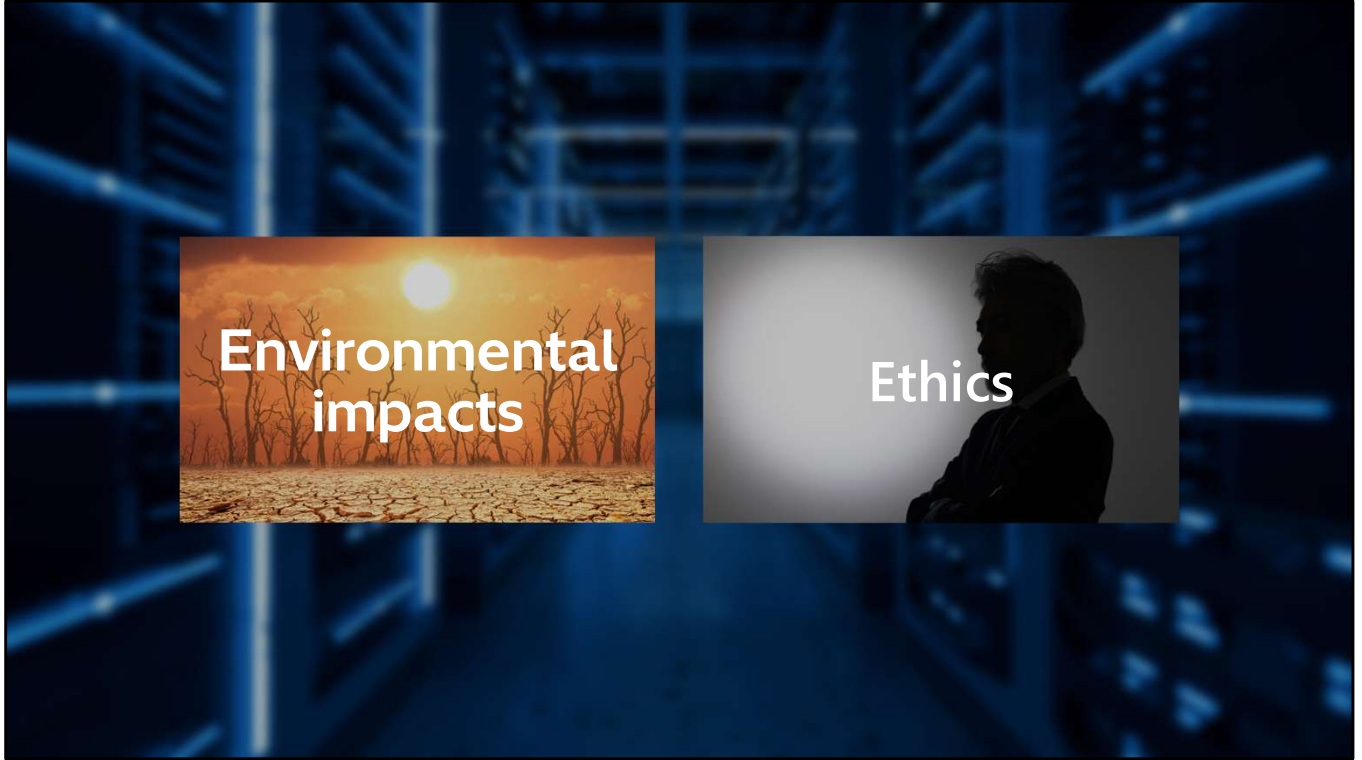
2025 Forecast

0.2
trillion USD

2025

2032

The Global Gen AI market continues to grow and is expected to exceed 1 trillion USD by 2032.



But behind this brilliant evolution lie many issues, such as environmental impact as more data centers are built, as well as ethical questions.



We can grow our business with new technologies, but behind this growth, the care for our environment may become an afterthought.

At the same time, considering the environment may sometime lead to limitations to costs and development speed, possibly causing business growth to lag.

These kinds of dilemmas bother our mind every step along the way.



Challenges that we entrepreneurs must tackle change from time to time.

Looking back at our past Hitachi Social Innovation Forums, we've introduced the latest social trends and proposed visions of the future society – from digital transformation, green transformation, to wellbeing.



Now with the rise in nationalism and conflicts in Europe and the Middle East, the world is divided in a many ways.

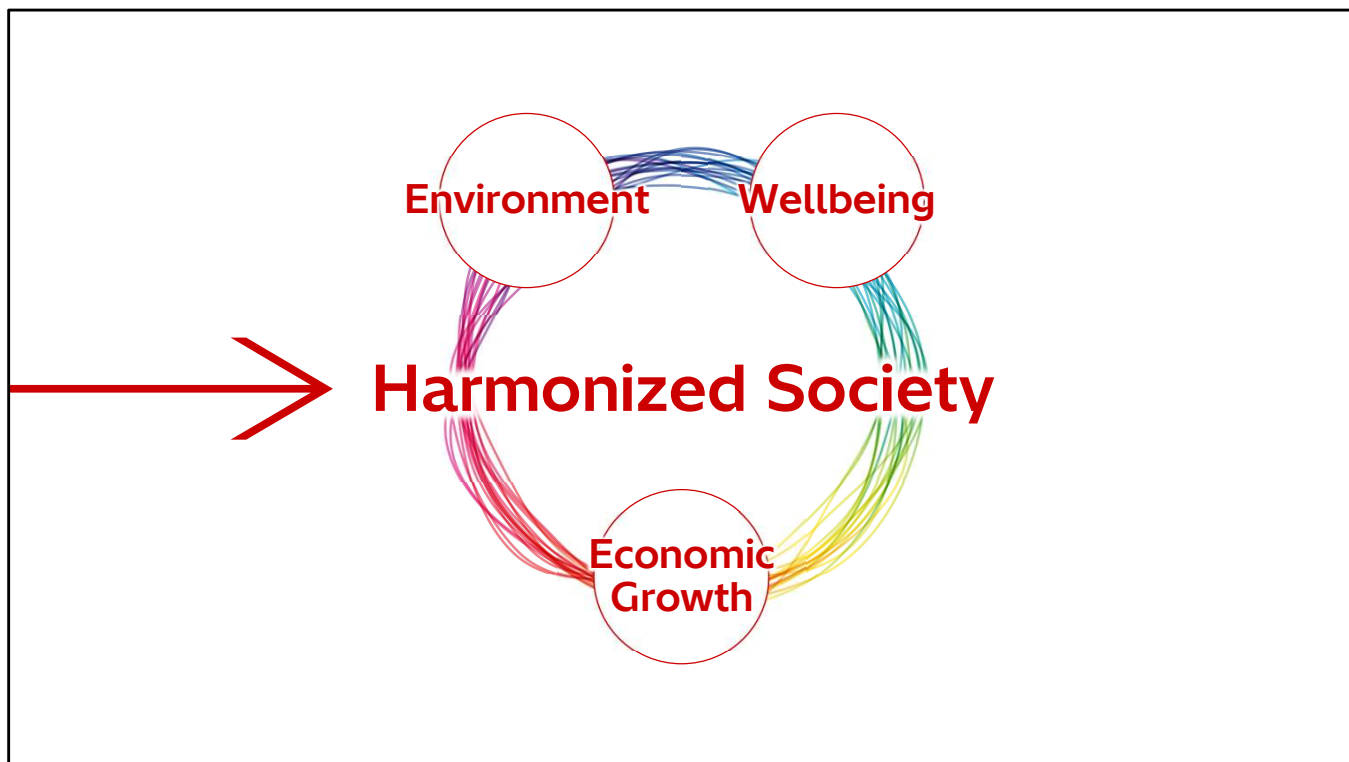
Wa **Harmony**



Meanwhile, the Japanese society has developed with a culture that respects harmony.

This "harmony" is an important value that has been passed down since Hitachi's founding.

I believe that we have a chance now to utilize this cultural strength as divisions rise around the world.



Having said that, Hitachi is now aiming to realize a “Harmonized Society,” where environment, wellbeing, and economic growth coexist in harmony, instead of a trade-off relationship.



In this vision, businesses can grow by preserving the global environment and cherishing human happiness all at the same time.

In another words, business growth does not have to be constrained by environment or wellbeing.

Pre-financial Value



By realizing a harmonized society, we aim to demonstrate that the intangible, pre-financial value that precedes...



Financial Value

...financial results can lead to corporate growth and measurable financial value.

I want to continue taking on this big challenge, just as Pythagoras once did in trying to express the world in numbers.



Evolution of Lumada



True One Hitachi



Co-creation With Society

I can already hear someone asking “How can we achieve such an ideal society?”

So, I'd like to show you Hitachi's keys to achieving a harmonized society.



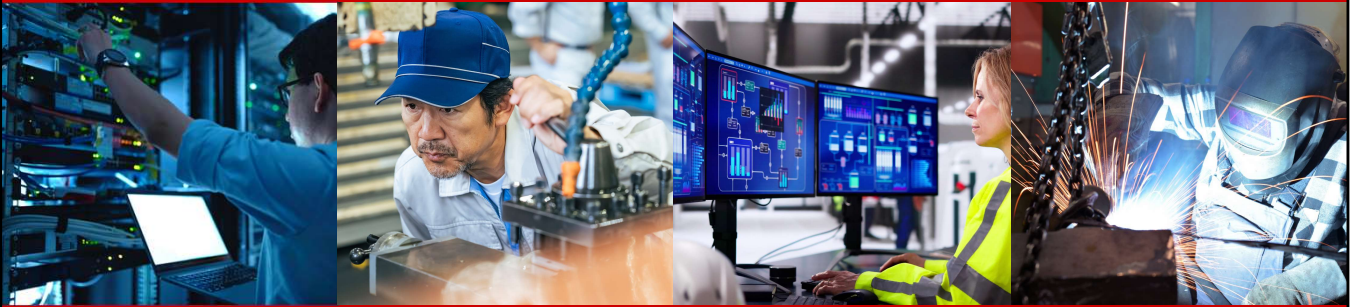
Evolution of Lumada

First, let's talk about “Evolution of Lumada”.

Since its launch in 2016, Lumada has helped support the digital transformation of many of our customers.

And now, Lumada is undergoing further evolution.

Fusion of Domain Knowledge and AI



The driving force behind this is the fusion of domain knowledge and AI.

Domain knowledge refers to the vast amount of tacit knowledge and data accumulated in the field, along with the unique expertise that Hitachi has developed over many years of analysis.

With the introduction of Gen AI, these data can now be utilized more effectively at our customers' "Gemba".

AI learns from the domain knowledge, contributing to improvements in asset efficiency and operational precision.

This is how Lumada is now evolving.

So, what kind of changes are actually appearing on-site?
I recently visited a railway maintenance facility.

<VIDEO>



The latest example of the Evolution of Lumada is HMAX, which is capable of reducing maintenance costs, lowering energy consumption from idling trains, and minimizing train delays, thus harmonizing environment, wellbeing, and economic value.



HMAX is currently being expanded into other business fields such as the energy and manufacturing industries by leveraging Hitachi's global install base and domain knowledge and is improving working conditions of frontline workers.



If domain knowledge can be shared across industries, solutions to on-site challenges can be found far more quickly than ever before.

Having worked alongside customers in a wide range of industry sectors, Hitachi is confident in its ability to deliver new value.

Please look forward to how Lumada will transform data into new value and help bring about a harmonized society.



Even as Lumada continues to evolve, we cannot make our grand vision of a harmonized society into a reality with the power of technology alone.

This is where our second key comes into play: True One Hitachi.

Hitachi has solved issues for our customers across a wide range of industries by utilizing our unique strength of combining IT, OT, and a wide range of products all under one roof.

Each of our businesses has also greatly expanded over more than a decade of structural reforms and growth strategies.

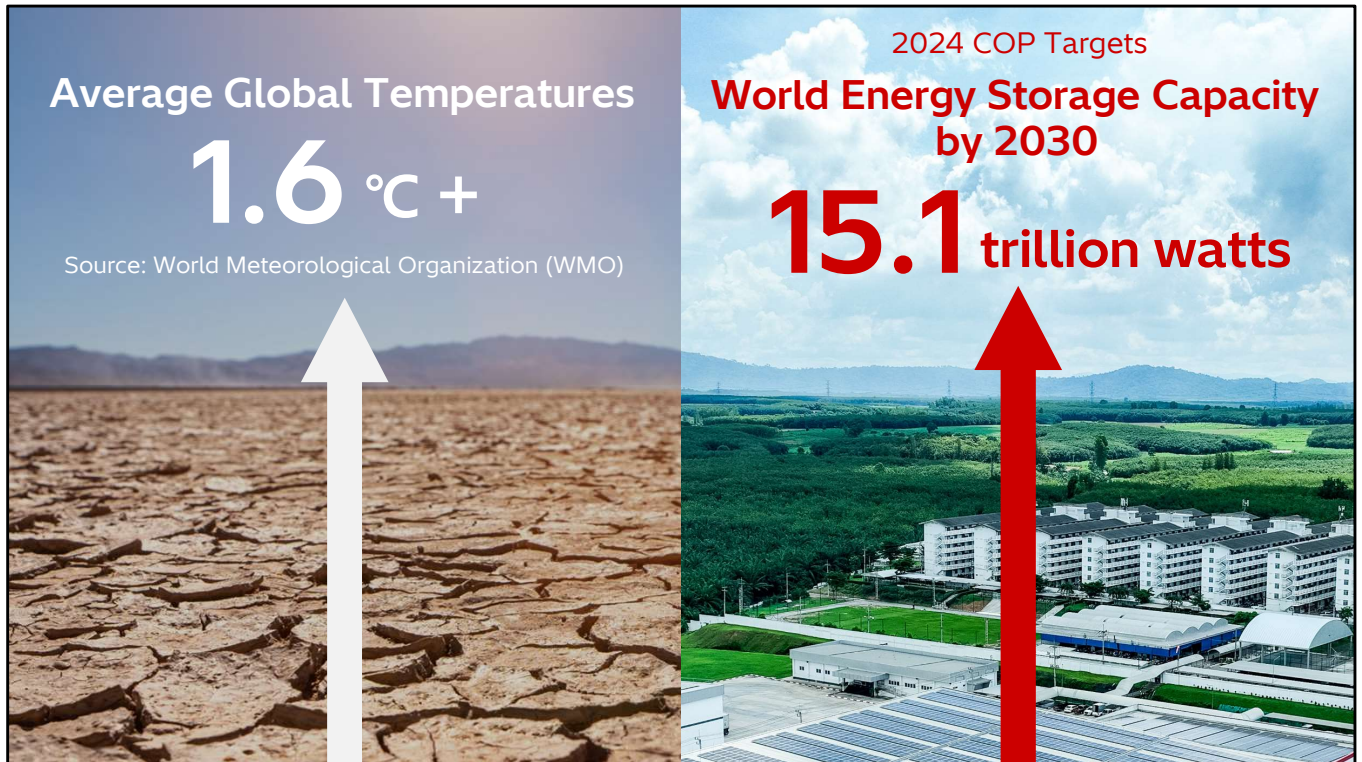
However, I believe that the Hitachi Group's collective efforts are still yet to be fully realized.



I call this vision of the Hitachi Group coming together even more to create new value: "True One Hitachi."

If we can make this into a reality, we should be able to provide our customers with new value beyond their imaginations.

Only Hitachi can provide solutions to such complex challenges.



Now let's take a look at the energy industry for a moment.

Last year was the hottest year on record.

The global average temperature has risen 1.6 degrees Celsius from pre-industrial levels.

In light of this, a goal was set to expand energy storage capacity to 1.5 trillion watts by year 2030, 6 times the current capacity, by utilizing storage technology to promote decarbonization.

EV Battery



To contribute to this ambitious goal, Hitachi is focusing its efforts on “batteries”, the driving force behind EVs.

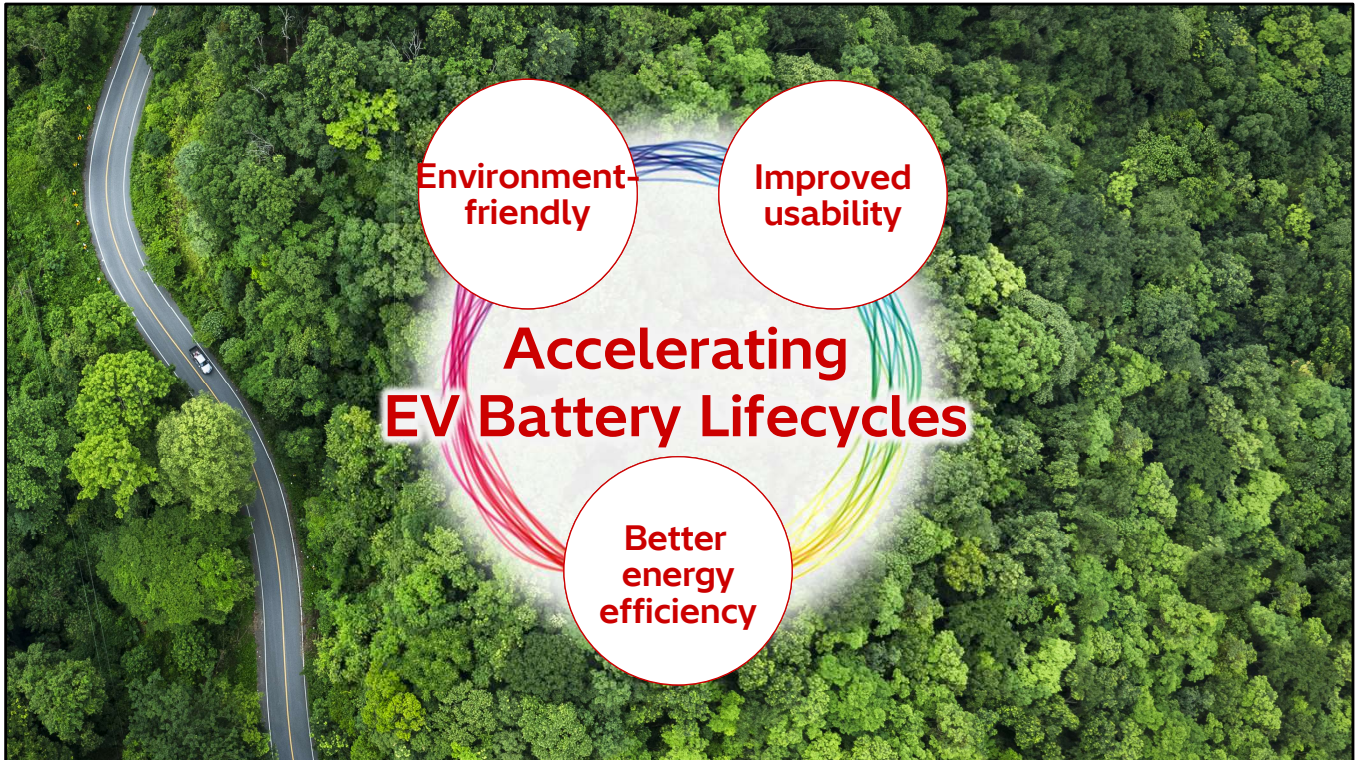
If EV batteries can be used to store energy across all aspects of society, it can contribute to further expansion of weather-dependent renewables.



Hitachi Group is also gathering knowledge to increase the potential of EV batteries by accelerating its lifecycles: manufacturing, use, and reuse.

We spoke with members working to give shape to True One Hitachi and take on challenges towards the same future.

<VIDEO>



Speeding up the EV battery lifecycle will lead to the popularization of an environmentally friendly, more convenient, and energy-efficient mode of transport.

If we can achieve all of this, we will have achieved a harmonized society for sure.



The initiatives we've seen today are only a part of True One Hitachi.

In fact, there are still many solutions surrounding the utilization of EV batteries that I could not introduce today.

Hitachi will keep accelerating its efforts to achieve net zero by integrating these solutions.



Co-creation With Society

So far, we talked about the Evolution of Lumada and the True One Hitachi, two of Hitachi's strengths that can help contribute to a harmonized society.

However, no matter how far our technology progresses and how unified the Hitachi Group becomes, these two alone are still not enough to solve complex social issues.

This is where our last key comes in: Co-creation with Society.

The protagonist of this co-creation is neither a company nor municipality; it is the people who shape the society.



Residents' voices serve as the driving force, backed up by the power of data and technology, to gradually bring the vision of a future society into focus.

I believe it's Hitachi Group's mission to take the initiative to boost such changes.

Year 2040 : About 35% of the population to be age 65 or older

Source: Ministry of Health, Labour and Welfare
National Institute of Population and Social
Security Research "Population Projections
for Japan (2023 Estimates)"

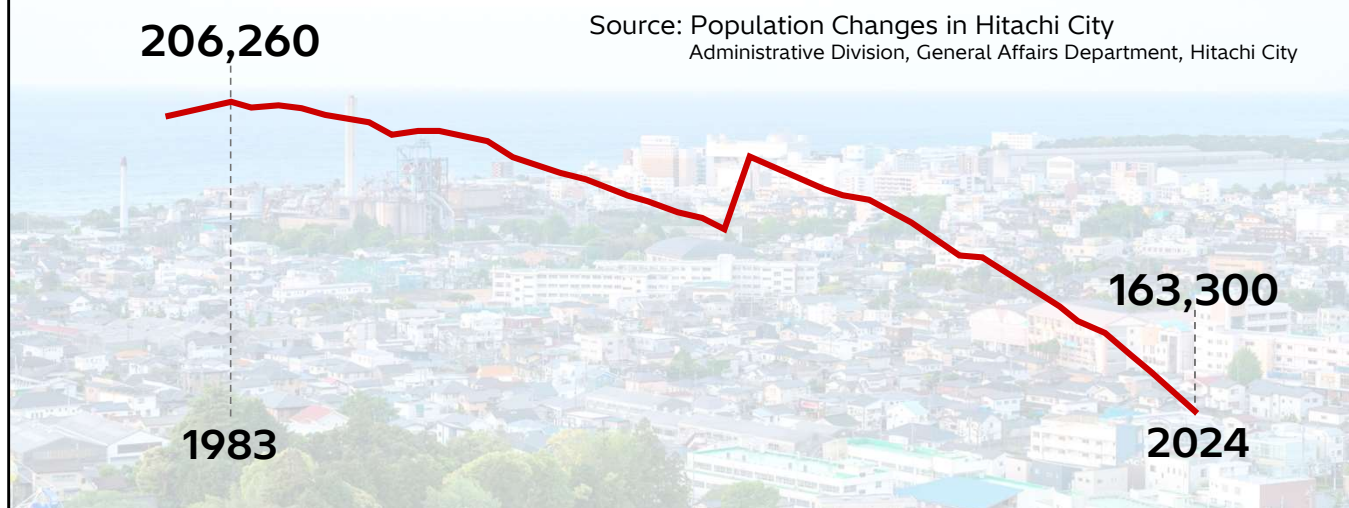


Japan will see its population of those over 65 to reach approximately 35% of the entire population.

We must take seriously that there are concerns that a range of issues will worsen, including difficulties in maintaining public services and infrastructure, a loss of regional vitality, and weakened connections among residents.

Hitachi City, Ibaraki Prefecture

Population decreased by more than 40,000 since its peak in 1983



Hitachi Group's birthplace, Hitachi City in Ibaraki Prefecture, is no exception.

The population of the city peaked at over 200,000 in 1983, and since then, it has shrunk by more than 40,000.

The population decline in Hitachi City began earlier than other parts of Japan on average, and has faced many issues ahead of other regional cities.



HITACHI CITY



HITACHI

"The Second Founding"



With this in mind, we have launched a project to create a sustainable future of the Hitachi City and explore successful models for regional revitalization by combining the power of residents and technology.

This project is the culmination of our 115 years of answering society's needs, and is a challenge that could be described as "The Second Founding".

After a year and a half since the launch of the project, we spoke with project members on their thoughts as they explore the possibility of future urban planning.

<VIDEO>

Encouraging everyone to take ownership of the future



Even small, visible results from our own efforts can encourage us, becoming both the inspiration and the driving force to think about the future with ownership.

I can feel that the future of Hitachi City is becoming something much more personal for residents as we engage with them in workshops and other local events.



In the future, we hope to build on the experience gained through this project and expand the initiative to cities across Japan.

Going beyond a 1-on-1 co-creation between Hitachi and our customers, we are accelerating co-creation with society where anyone can participate in creating the future.



Evolution of Lumada



True One Hitachi



Co-creation With Society

Today, I've talked about Hitachi's vision toward a harmonized society, and three keys to achieving this: Evolution of Lumada, True One Hitachi, and Co-creation with the Society.

The social landscape is changing at an unprecedented speed, and world is increasingly becoming divided.

But I believe it's our duty as Japanese people who cherishes harmony to share our vision for a harmonized society with the world.



I hope that, together with everyone here today, we can go beyond the boundaries of individual industries and gather knowledge and technology to take our first steps towards achieving this harmony.





Courtesy : The Japan Association for the 2025 World Exposition

At the Expo 2025 Osaka, Kansai, Japan, ideas for the future are being shared with the world around the symbolic ring, which embodies the message “Unity in Diversity”.

Hitachi is participating in the "Future City" pavilion, a cross-industry joint exhibition project with the Japan Association for the 2025 World Exposition and 12 organizations including KDDI.

Here, visitors can connect with one another and experience choosing their own future scenarios.

What kind of future will you choose?

Please visit the pavilion and experience it for yourself.



As my presentation draws to a close, I can already hear from beyond the screen the footsteps toward future.

<VIDEO>

As our society continue to change, I hope to embrace the joy of asking "What's next?" together with all of you here today, and share that spirit with the entire world.

Thank you very much for your attention.

--- END OF SPEECH ---