

RIETI-NISTEP Policy Symposium

Open Innovation as a Key Driver of Japan's Industrial Competitiveness

Handout



TANABE Yasuo

Vice President and Executive Officer, Hitachi, Ltd.

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Research Institute of Economy, Trade and Industry (RIETI)

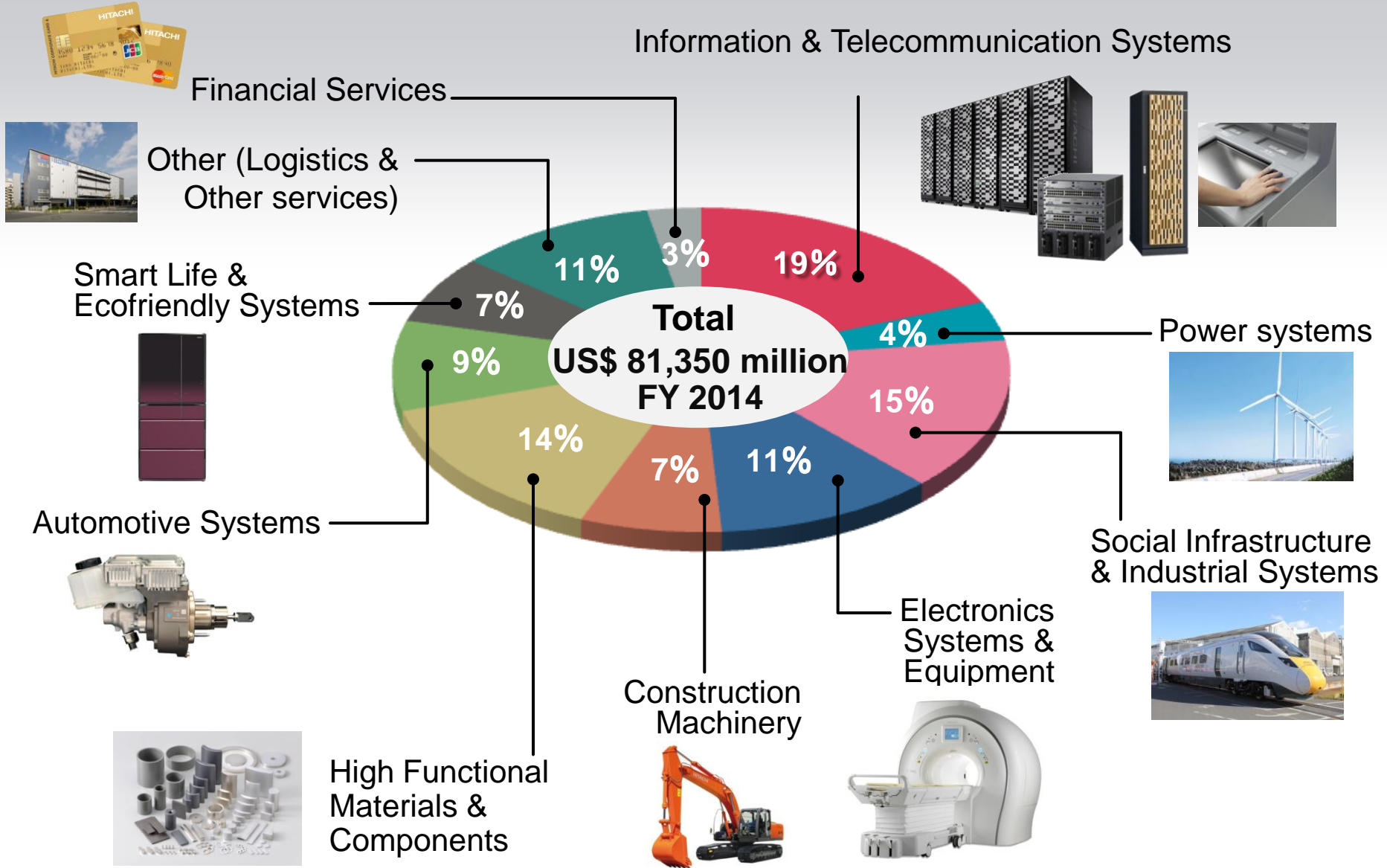
<http://www.rieti.go.jp/en/index.html>

Hitachi's Social Innovation

Aug. 21, 2015

Yasuo Tanabe
Vice President & Executive Officer
Hitachi, Ltd.

1. Hitachi Profile



*Figures are on a consolidated basis

2. Hitachi's Social Innovation Concept

Serving the world with our social innovation business

SOCIAL INNOVATION – IT'S OUR FUTURE

“IT” × “Social infrastructure”



Energy



Cities



Transportation



Healthcare



Resources
(e.g., water)



Logistics



Manufacturing
and
construction



Finance

3. Hitachi's Social Innovation Business

Build-up solutions utilizing IoT and big data

Renewable energy



Raise facility output by detecting PV module failure or deterioration

Mega solar



Sensing

Safe & secure cities



Secure safety & comfort by using wide-area surveillance & high-speed image search to protect communities

Community



Security

Rail systems



Raise reliability by remote monitoring of carriage condition to predict failure

Rail cars



Sensing

Preventive medicine



Predict and reduce lifestyle disease related medical costs in groups by big data analytics on health check-up data

Lifestyle disease



Big data analytics

Distribution



Improve retail performance by analyzing customer behavior patterns with AI

Human behavior



AI

Mining



Improve productivity by optimizing dispatch through big data analytics of equipment position & operational status

Mine devt.



Big data analytics

4. R&D Structure

Reorganize the global R&D structure to address innovation



Global Center for Social Innovation (CSI)
社会イノベーション協創センター

Innovate near customers & markets

HC ≈ 500



Center for Technology Innovation (CTI)
テクノロジーイノベーションセンター

Innovate using new and unique technology

HC ≈ 2,000



Center for Exploratory Research (CER)
基礎研究センター

Innovate based on a vision for innovation

HC ≈ 100

5. Research Sites & Personnel

CSI North America [100]

Santa Clara Farmington Hills Sao Paulo

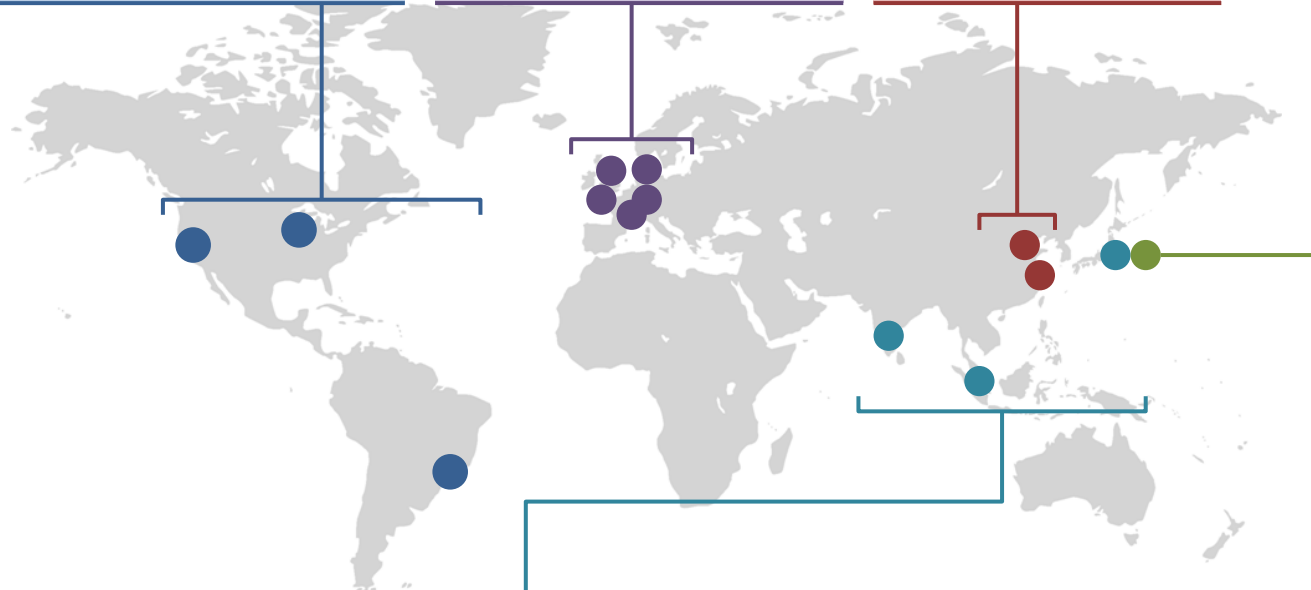
CSI Europe [50]

London

- Sophia Antipolis
- Munich
- Copenhagen
- Cambridge

CSI China [100]

Beijing Shanghai



CSI Tokyo (APAC) [250]

Bangalore Singapore Akasaka

CTI [2,000], CER [100]

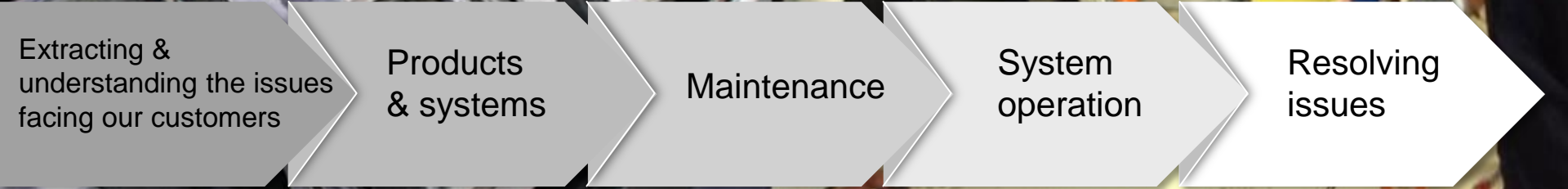
Kokubunji Hatoyama Ohmika Katsuta Yokohama

[]: Head count, APAC: Asia-Pacific

6. Collaborative Creation with Customers



Solutions & services from the perspective of the customer



- IT Systems
- Big Data / Analytics
- Operation & Maintenance Services

7. Partnership Strategy for Open Innovation

Acquire necessary resources (customer base, sales channel, technologies) for growth, optimize business portfolios and increase revenue

Front Office Function

- Prizm Payment Services: Finance (India)
- Stone Apple Solutions: Finance/Industry Customer (Asia)

Platform Function

- Pentaho: Data analytics



Product / Service Function

- AnsaldoBreda / Ansaldo STS : Railway Business (Europe, Australia, etc)
- Waupaca Foundry: Casting (Automotive, etc.)



HITACHI

Product / Service Function (JV, Collaboration)

- ABB (JV): High-voltage DC power transmission, etc
- Mitsubishi Heavy Industries (JV): Thermal power generation systems business
- Johnson Controls (JV) Air-conditioning systems business



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Inspire the Next