

Urban

The Urban domain is composed of the four businesses of: Building systems (elevators and escalators) and Railway systems from the Social Infrastructure & Industrial Systems segment, Automotive systems (automotive products and car information systems), and Smart Life & Ecofriendly systems (home appliance and air-conditioning equipment). In this domain, our aim is to improve the Quality of Life for people worldwide by providing products and services that are essential for daily living.



Future Growth Drivers of the Business

Building Services for Advanced Lifestyle Support

Hitachi provides building services including round-the-clock remote monitoring of elevators and other equipment. We offer advanced IoT-based services that use collected operational data to formulate plans for parts replacement and other maintenance, and to predict when a breakdown might occur without needing an inspection by a service engineer. Going forward, in addition to accelerating the global development of the high-quality maintenance services that we have developed over many years, we plan to fine-tune building services by utilizing Lumada to collect and analyze a range of data, including operational data from building equipment and data on the flow of people inside buildings. These services include providing buildings guidance support using service robots, and enhancing the value of building facilities based on the analysis of those entering the building.



Building equipment is monitored remotely from a call center

Railway Systems/Solutions for High Quality and Reliability

Hitachi is developing systems and solutions globally to support rail services of high quality and reliability as a provider of rolling stock and traffic management systems, along with fully integrated solutions that include project management. In the UK, we are applying advanced IoT-based maintenance services for the rolling stock of the Intercity Express Programme. With the Copenhagen Metro, we are testing a Dynamic Headway solution to adjust the frequency of train services automatically to the degree of crowding inside stations. Going forward, we will leverage Lumada technology to develop railway systems/solutions that deliver added value to our customers in innovative ways.

Executive Vice President's Message

Market-related Issues

In the Urban domain over which I preside, Hitachi is developing global businesses based on products that are highly familiar in daily life, including elevators, railways, automobiles, and home appliances. For consumers, these businesses form the public face of Hitachi.

Given the continued advance of urbanization around the world today, notably in Asia, we expect markets to continue expanding within the Urban domain.

Greater urbanization also brings with it a set of emerging issues that we will need to address proactively, including the demographic aging, energy supplies, and ensuring the safety and security of people in the face of growing threats from disasters and crime.

The common trends affecting the four major businesses within the Urban domain of elevators and escalators, railway systems, automotive products, and home appliances are captured in the acronym CASE*.

First, we are seeing a significant move away from product ownership to usage models based on sharing. Second, there is a shift to autonomous operation—not only in automobiles, but also in many other products—that also places significant emphasis on the use of electronics as manufacturers focus on energy-efficient, low-carbon products. In addition, these products are increasingly connected using digital technology, which is enabling the development of new solutions for solving customer issues. While engaging with these trends directly, we are working to address various lifestyle-related issues in collaborative creation with customers.

*CASE: Connected, Autonomous, Shared, Electric

Where Hitachi Is Focusing

It goes without saying that digital technologies such as AI and IoT will hold the key to our addressing customer issues through the Social Innovation Business. At the same time, to expand the business globally in a cost-competitive way, we will also need to utilize digital technology to improve the efficiency of processes such as design and maintenance. For these reasons, I think digital technologies will be the most important growth driver in the Urban domain. Monitoring whatever is troubling customers in real time and providing appropriate solutions will require always-on connections to digital technology platforms. By collecting and analyzing the data from monitoring operations, we can determine where any problems exist in products and systems, and work out how to make improvements. For example, we are undertaking round-the-clock remote monitoring of elevators and other building equipment to collect operational data. Analysis of these data not only facilitates smart maintenance, but also allows us to provide services to help customers achieve goals such as optimizing the building power consumption.

Hitachi can also provide one-stop solutions to address customer challenges because we not only handle product design and manufacture as well as systems operation and control, but also build IT systems. For example, in the Railway systems business, Hitachi by itself can supply a fully integrated solution, from the manufacture of rolling stock and building traffic management and signaling systems, to maintenance services and the construction of ticketing systems. This can offer customers major advantages in terms of simplicity and efficiency compared with the complicated process of engaging multiple suppliers to build the system. In this way, our ability to combine OT (Operational Technology), IT, and products to connect customers to digital technology means we can create solutions that were never possible before. This is the original value Hitachi can



Keiji Kojima

Executive Vice President and Executive Officer

provide as an Innovation Partner for the IoT Era via collaborative creation with customers.

Our Future Mission and Role

The Urban domain enables us to evolve into a well-known global enterprise as a leader in the development of bold new technologies that are a fine testament to Pioneering Spirit, one part of the Hitachi Founding Spirit. With a high proportion of overseas revenues and an array of global talent in positions of leadership, ours is the domain spearheading Hitachi's globalization. My mission is to utilize Lumada and other digital technologies to radically reinforce the competitiveness of our product range, while also further developing global markets that are expanding as urbanization progresses. Another critical part of my mission is to optimize our investment in the Urban domain and ensure that we make timely investments to generate synergies at the consolidated level.

The Creation of Social Value

The Corporate Credo of Hitachi since its inception has been “Contribute to society through the development of superior, original technology and products.” As a company, we pursue not only financial targets, but also social contributions. In the Urban domain, based on our vision for next-generation urbanization, we will leverage digital technology to help achieve the SDG11 goal of sustainable cities and communities.

SDG Focus

