

Kyoto University, Unified Patents
Intellectual Property Strategy Conference 2017

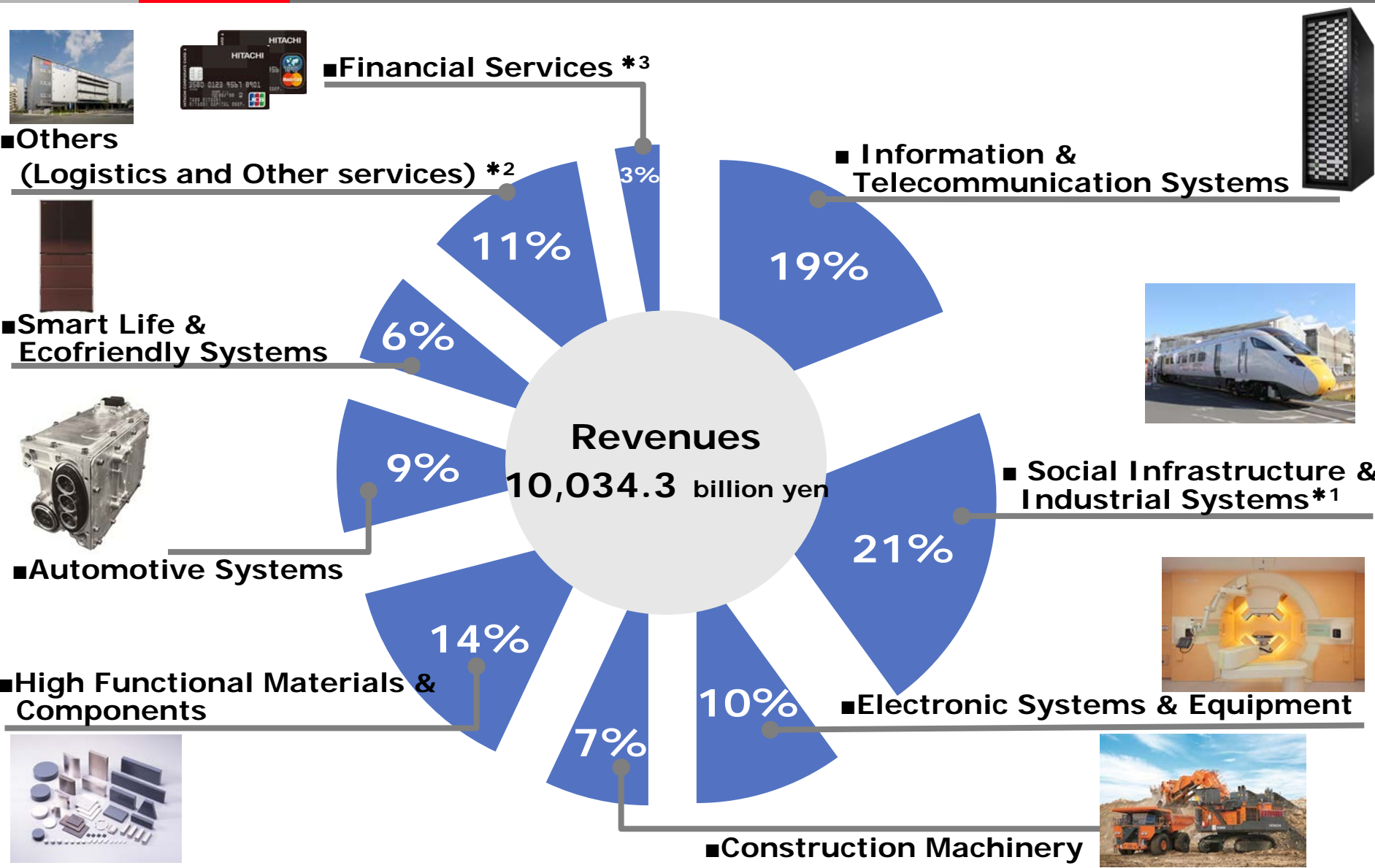
Hitachi's IP Strategy

May 18, 2017

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Hitachi, Ltd.

1. Segment Constitution (FY2015)



*1: Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems. "
*2: Hitachi Transport System, Ltd. which is included in "Others" became equity-methods affiliate of Hitachi, Ltd. on May 19, 2016.
*3: Hitachi Capital Corporation which constitute of "Financial Services" became equity-methods affiliate of Hitachi, Ltd. on October 3, 2016.

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2. The Evolution of Digital Technologies

The digitalization of industrial and social infrastructures is accelerating throughout the world

Europe

Industrie4.0

China

Made in China
2025

North America

Industrial Internet

Japan

Society5.0

Asia

Smart Cities

Paradigm shift : People-centric and Society-centric services and technologies are evolving

Products → Outcomes

Own → Share

Closed → Open

Individual Optimization → Overall Optimization

Providing new value that contributes to a richer society,
through proven OT x IT x products and systems



An Innovation Partner for the IoT Era

Accelerating collaborative creation and creating new value with customers through the evolving Social Innovation Business



Power / Energy



**Industry /
Distribution /
Water**



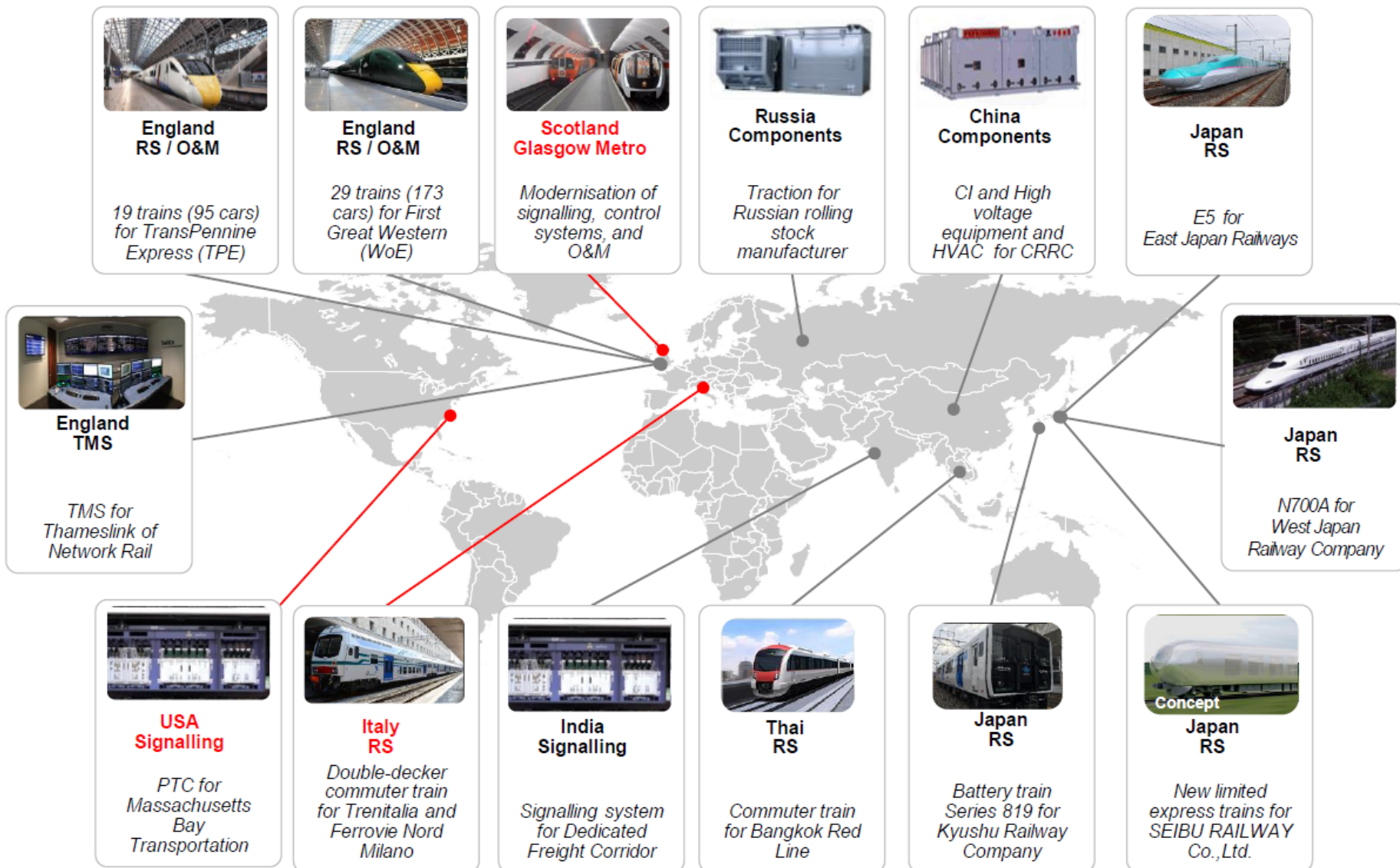
Urban



**Finance / Public /
Healthcare**

5. Globalization of Business (Railway Systems Business Unit)

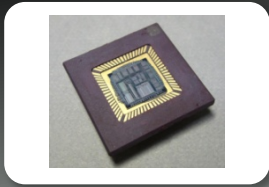
HITACHI
Inspire the Next



6. Change in IP Strategy

Change in Business Portfolio

Semiconductor



LCD Panel



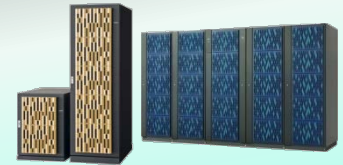
HDD



Infrastructure Systems



Power Systems



Information &
Telecommunication Systems

Change in IP Strategy

Electronics/Mass-product Industry

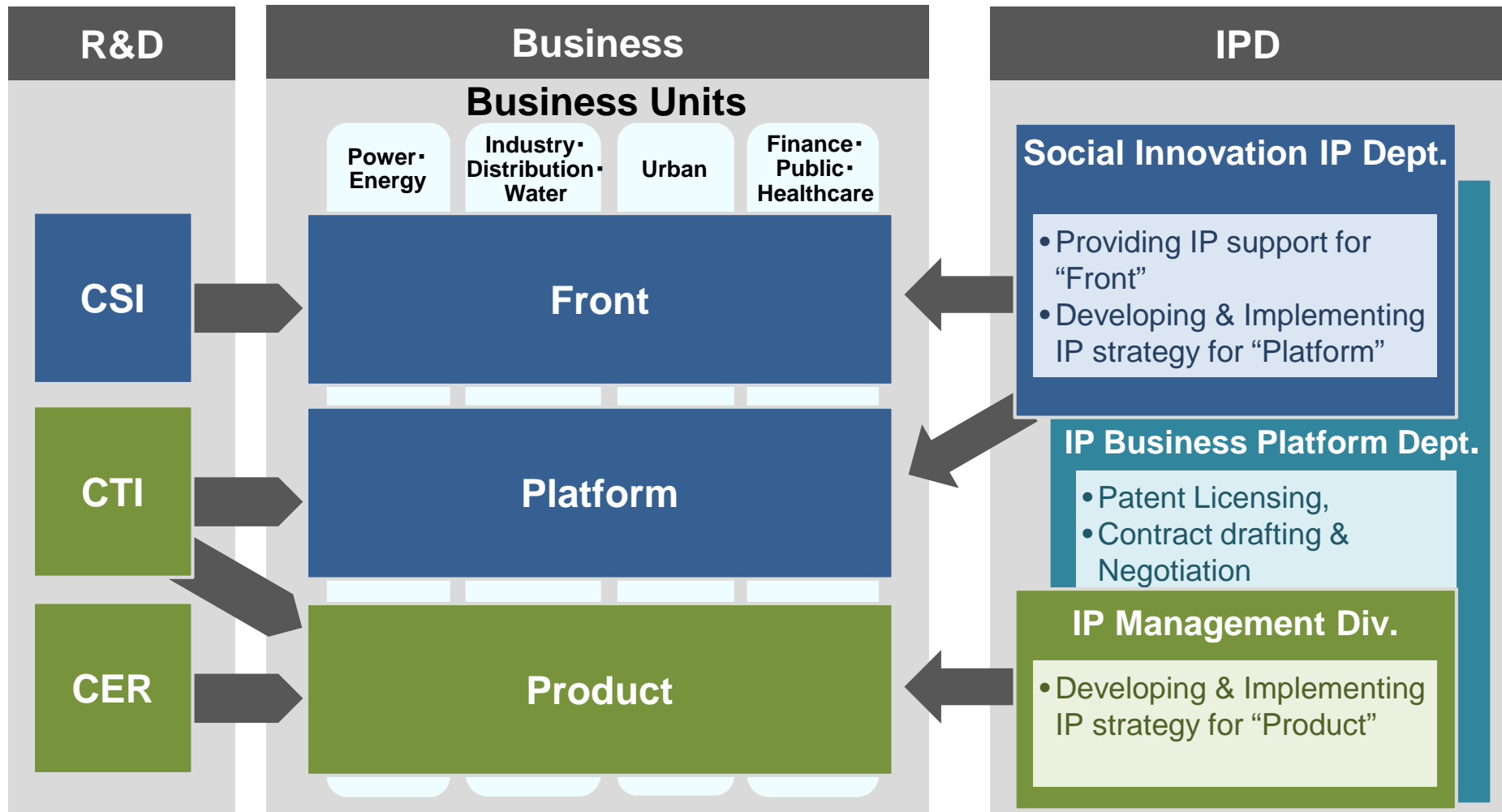
- Giving greater importance to JP and US patents
- Reducing license payment and **increasing license revenue**

Social Innovation Business

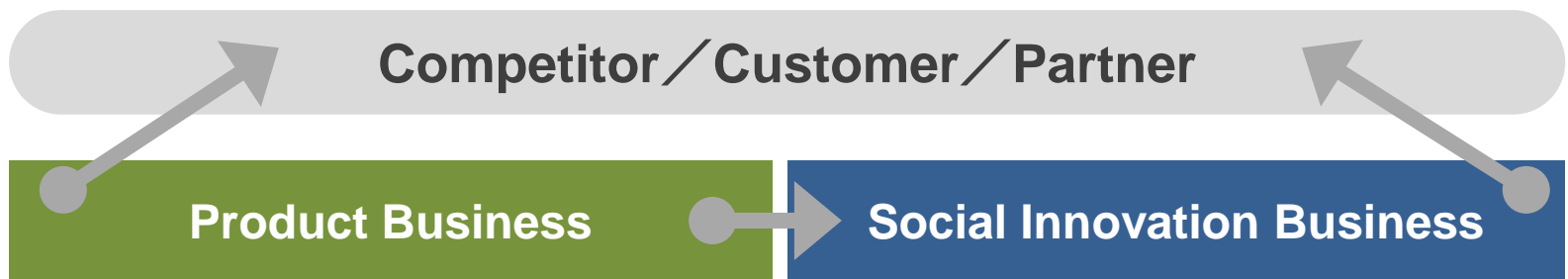
- Globalization of IP activities
 - **Supporting business growth by IP**
- IP strategy more aligned with business strategy**

7. IPD's Organizational Change

Product-specific in-house company system to Service-focused Business Units



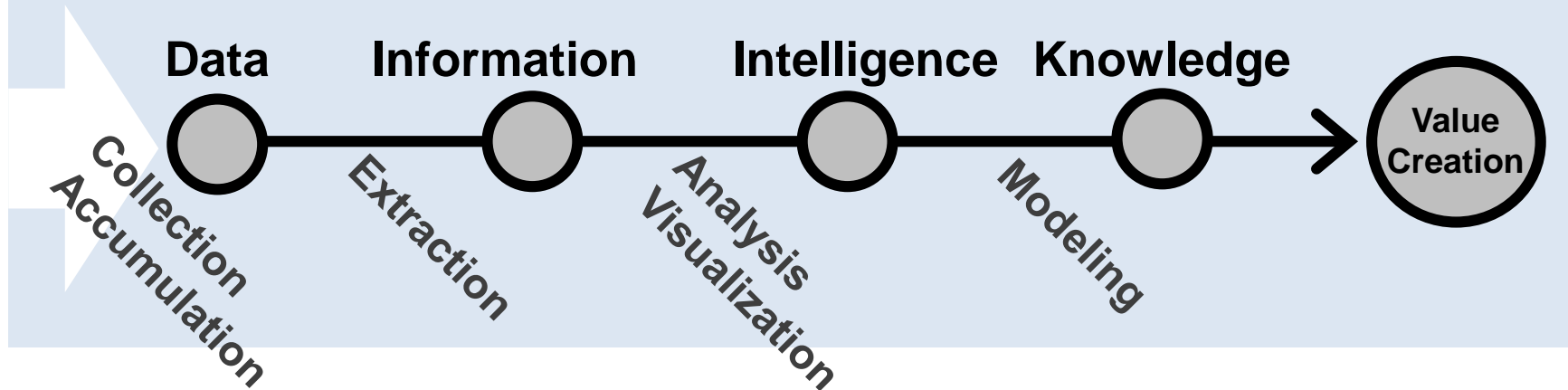
CSI: Global Center for Social Innovation
CTI: Center for Technology Innovation
CER: Center for Exploratory Research



IP Strategy	Competition Strategy	Collaboration Strategy	
IP Role	competitiveness	Partnership with customers & partners	<div><div>IP</div><div>Data</div><div>Information</div><div>Trade Secret, Copyright, ...</div><div>IPR</div></div>
Principal Action	<ul style="list-style-type: none">Acquisition of IP rightsUtilize IP rights as a entry barrier	<ul style="list-style-type: none">Design business model & contractUtilize IP to promote partnerships	
Objects	Patent, Design patent, Trademark, Patent license	IP Assets (including Business Contract, Data, Trade secret, Copyright, in addition to the left)	
	IP Rights division	IP division	

9. IP challenges in Digital Transformation

Value Creation in IoT Era



Key Factors on Business

- Open Environment
for Data Utilization
- Open Environment
for Data Linkage
- AI, Security etc.

IP Challenges

- Data Utilization
(Business contract)
- Open/Closed Strategy
(OSS, Open Innovation, ...)
- Standardization & Rule making

How to control IP assets is a key to innovation

- **Enhancing organization structure to be
more aligned with business portfolio & strategy
(Globalization, M&A, ...)**
- **Expanding IP activities
(Business model, Business contract,
Data management, ...)**
- **Developing IP human resources
for Social Innovation Business**

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