

News Release

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Hitachi collaborates with Vietnam Post and VietCredit to deploy new financial services nationwide

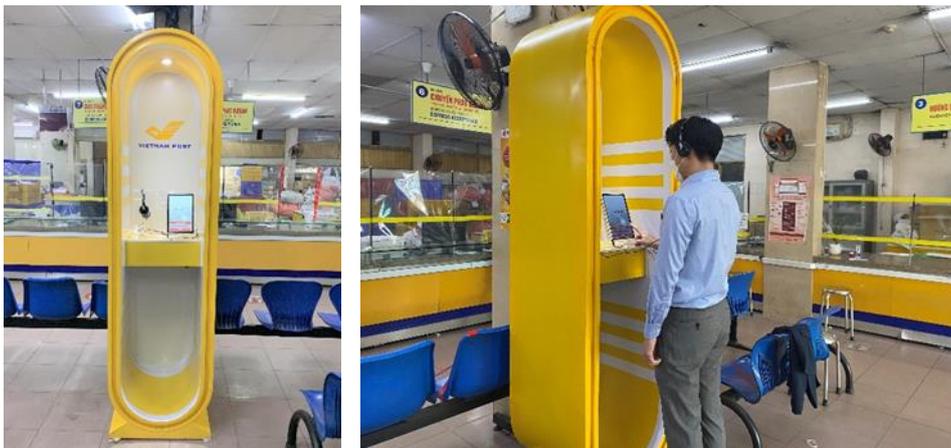
Tokyo, May 16, 2022 - Hitachi, Ltd. ("Hitachi") announced the start of its collaboration with state-owned company Vietnam Post*¹ and consumer finance organization VietCredit Finance Company ("VietCredit") in the Socialist Republic of Vietnam ("Vietnam") to deploy new financial services nationwide.

These services will leverage Hitachi's automatic contracting tablet device C-ACM*², which makes it possible to apply for and enter into private loans through video calls between end users and VietCredit operators. C-ACM will install in 40 Vietnam Post offices from May 2022, and will be expanded to all Vietnam Post offices nationwide including in the farm villages and rural areas.

With the implementation, these communities will gain access to the same convenience and high-quality services, similar to their urban counterparts, for private loans – previously inaccessible due to the lack of infrastructures and resources. Hitachi will realize a society where necessary services for daily life are available in all regions of Vietnam.

*1 Vietnam Post: State-owned company to which the Vietnamese government delegates postal services and the payment and receipt of public funds

*2 C-ACM: Automated contracting system in a tablet device



Using Hitachi's automatic contracting tablet device C-ACM

Background

With economic development, Vietnam has seen an expansion of convenient and diverse services in various areas in the cities, however, disparities between urban and rural still exists as essential social services remained limited and inaccessible in the countryside. Furthermore, these services which are traditionally documented on papers, often results in long processing time, paired with limitation in security that contributes to the rise of illegal transactions.

To resolve these challenges, the Vietnamese government is using the latest technologies to promote digital transformation ("DX") especially in the areas of finance, agriculture, healthcare, education, and the environment. As a state-owned company, Vietnam Post is aligned with the nation directives and has been providing cashless services since its cooperation with Hitachi in 2017.*³ To further support the nationwide digitalization plan, VietCredit and Hitachi commenced the C-ACM initiative in June 2020,*⁴ which saw the concerted efforts between both companies to review the effects and finetune the service.

*3 Hitachi Signs a Memorandum of Understanding to Support Digitization of Financial Services Provided by Vietnam Post Jointly with SMBC (March 29, 2017) <https://www.hitachi.com/New/cnews/month/2017/03/170329a.html>

*4 Hitachi and VietCredit Start a Demonstration Experiment to Provide New Financial Services Using AI (February 10, 2020) <https://www.hitachi.com/New/cnews/month/2020/02/200210.html>

More about this initiative

By leveraging on the experiences and expertise in building channel systems for financial agencies, Hitachi, together with Vietnam Post and VietCredit, will design and provide new services to resolving social issues in Vietnam. These services will combine VietCredit's financial services that meet the needs of the market and be incorporated in the vast network of Vietnam Post's offices across 63 provinces.

New financial services will leverage C-ACM for VietCredit offering services to facilitate loan application to contract. With a built-in call function that enables connectivity of the end user with the bank operator, the C-ACM allows operators to check and review the ID documents uploaded via the tablet's camera function by the end users in real time. The operator can then advise on any incompliances during the same call for immediate rectification, which will streamline many work processes.

Integrated with the Hitachi AI Technology/Prediction of Rare Case (AT/PRC), the C-ACM can predict the occurrence of rare situations and risk ratings during loan evaluations to ensure objective assessment of the credit quality. The precise assessments will minimize the risk of extending credits or increased loan sums to safeguard interests of contracting parties. In addition, C-ACM's Re-Entry function makes it possible to continue an initiated application during the next log in for an enhanced user experience.

Hitachi Asia (Vietnam) Co, Ltd – a Hitachi corporation in Vietnam, is the organization responsible for the development and operation of C-ACM in this collaboration.

Future development

Hitachi will further accelerate collaborative efforts with Vietnam Post and VietCredit to develop new businesses that links their products and services. Furthermore, Hitachi, together with VietCredit and Vietnam Post, will consider expanding the C-ACM to various financial services such as insurance and public services as well as connecting the C-ACM with Vietnam Post's existing cashless services. With strong focus on Lumada, Hitachi hopes to expand and improve social services and contribute to improving quality of life in Vietnam.

Partner Comment

Vietnam Post Executive Vice President Chu Thị Lan Hương

Through the application of technologies for DX, Vietnam Post hopes to broadly provide convenient and user-friendly financial services to people in the countryside and other remote and isolated areas by partnering with Hitachi and VietCredit.

VietCredit CEO Ho Minh Tam

VietCredit, Hitachi, and Vietnam Post share the same visions and targets for realizing highly user-friendly financial services. This new financial service is an initiative to deliver secure and convenient financial products to remote locations and other rural areas, so we expect it to build on the Vietnamese government's finance strategy.

VietCredit also intends to improve customer experience (CX) and increase its competitiveness in the Vietnamese market by offering excellent products and services, joining forces with Hitachi's advanced DX technologies and Vietnam Post's extensive systems.

About Hitachi AI Technology/Prediction of Rare Case (AT/PRC)

AT/PRC is one of Lumada Solutions as well as an Explainable AI that precisely predicts low-frequency events and has a capability to present their reasons. It features learning based on

signal and noise to train for immunity against biased data and extreme data, and impact calculation technology to quantifiably present the reasons for a prediction, in addition to learning normal data. Because it is suitable for operations that require the prediction of rare events and an explanation of the prediction reasons, the AI is expected to be applied for a range of risk management operations that companies work on, such as the unauthorized transaction screening of stocks, the assessment of new customers and suppliers, and credit surveys.

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About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society with data and technology. We will solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products, under the business structure of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Automotive Systems. Driven by green, digital, and innovation, we aim for growth through collaboration with our customers. The company's consolidated revenues for fiscal year 2021 (ended March 31, 2022) totaled 10,264.6 billion yen (\$84,136 million USD), with 853 consolidated subsidiaries and approximately 370,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

About Hitachi Asia Ltd.

Hitachi Asia Ltd., (Hitachi Asia) a subsidiary of Hitachi, Ltd., is headquartered in Singapore. With offices across seven ASEAN countries Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam – Hitachi Asia and Hitachi's subsidiary companies offer IT, OT (Operational Technology) and products to support customers in their transformation journeys. We will contribute to the growth in the ASEAN region by co-creation with customers to identify the social challenges and needs and deliver the solutions. For more information on Hitachi Asia, please visit the company's website at <https://www.hitachi.asia/>

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
