

FOR IMMEDIATE RELEASE

**Hitachi Signs a Memorandum of Understanding  
to Support Digitization of Financial Services  
Provided by Vietnam Post Jointly with SMBC**

*Step-by-step digitization of payment procedures  
for social security subsidies and pension, starting April 2017*

**Tokyo, March 29, 2017** --- Hitachi, Ltd. (TSE:6501, “Hitachi”) today announced that it has signed a memorandum of understanding with the Socialist Republic of Vietnam's state-owned enterprise Vietnam Post, to support the digitization of financial services provided by Vietnam Post jointly with Sumitomo Mitsui Banking Corporation (“SMBC”). The memorandum of understanding was signed today at the Ministry of Internal Affairs and Communications, in the presence of Ms. Sanae Takaichi, Minister for Internal Affairs and Communications, and Mr. Truong Minh Tuan, Vietnamese Minister of Information and Communications. In relation to this memorandum, Hitachi Asia (Vietnam) Co., Ltd., a Hitachi Group Company, has signed a Master Service Agreement with Vietnam Post, regarding the provision of IT services to achieve digitization of financial services.

The Vietnamese government entrusts Vietnam Post with the payment and receipt procedures pertaining to public funds. With the support of Hitachi and SMBC, Vietnam Post will digitize social security subsidy payment procedures, which have until now been based on paper documents, starting in the Binh Giang district of the Hai Duong province since the middle of April 2017. They will deploy digitization across the whole country toward fiscal 2018, as well as expand the scope of digitization, for example to pension payment procedures.

In Vietnam, the rate of bank account ownership is low and hence cash is consumers' main method of payment, but in recent years, there has been an increase in payments reflecting developments in payment methods. Digitization of financial services is being promoted against this background. Hitachi and SMBC have been promoting the investigation and consideration of financial services provided by Vietnam Post since 2015, as one of its initiatives based on the “Memorandum on Cooperation in the Postal Field” between the Deputy Ministers of the Japanese Ministry of Internal Affairs and Communications and the Vietnamese Ministry of Information and Communications. Hitachi has also been entrusted with “Investigation and research on sophistication of teller counter services in the postal service of the Socialist Republic

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of Vietnam” on behalf of the Ministry of Internal Affairs and Communications.

In view of this background, Hitachi and SMBC support the digitization of social-security-subsidy and pension payment procedures entrusted by the Vietnamese government to Vietnam Post with the combination of both expertise. Specifically, Vietnam Post will distribute IC cards to payment beneficiaries, and post office reception desks will be able to read IC cards presented by these beneficiaries, in order to check payment history and conduct cash payments. This could save Vietnam Post the work of managing paper documents, and improve work efficiency. Additionally, the current support period, which has been limited to a fixed period each month, will be changed to a system where payment services can be provided at any time during post office operating hours, thus enhancing convenience for payment beneficiaries.

Hitachi and SMBC will also promote cooperation in digitizing other existing financial services provided by Vietnam Post such as fund transfer, receipt by agents, and cash-on-delivery services. Furthermore, in this initiative, Hitachi and SMBC expect electronic money and similar forms of money to be used as the base for a future non-cash payment infrastructure in Vietnam.

In the future, Hitachi and SMBC will continue to combine the technologies and expertise in both of their payment fields, thus contributing to the development of a payment infrastructure in Vietnam.

#### **Hitachi's Finance Solutions Website**

<http://www.hitachi.co.jp/products/it/finance/en/>

#### **About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges. The company's consolidated revenues for fiscal 2015 (ended March 31, 2016) totaled 10,034.3 billion yen (\$88.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 335,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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