

**FOR IMMEDIATE RELEASE**

SBI Sumishin Net Bank, Ltd.

Hitachi, Ltd.

Dayta Consulting, Ltd.

## **Dayta Consulting Develops Consortium-Type AI loan Screening Model for Transaction Lending**

*Increasing the Number of Participating Banks and Commencing PoC of Full-scale Service*

**Tokyo, November 6, 2020** --- Dayta Consulting, Ltd. ("Dayta Consulting", established as a joint venture between SBI Sumishin Net Bank, Ltd. ("SBI Sumishin Net Bank") and Hitachi, Ltd. (TSE:6501, "Hitachi"), has developed a new consortium-type AI loan screening model for the provision of an AI loan screening service ("the Service") for transaction lending.

Transaction lending is a new type of financing that is representative of the FinTech sector, in which the terms and conditions of borrowing (such as the amount that can be borrowed and the rate of interest) are determined based on day-to-day transaction data, as opposed to the conventional type of lending in which conditions are determined based mainly on financial information. Through efforts in its AI-based loan screening service for housing loans, launched in October 2019, Dayta Consulting has identified needs for the Service in transaction lending by regional banks and other financial institutions, and has worked to validate aspects such as the utilization of transaction data by multiple banks and screening accuracy.

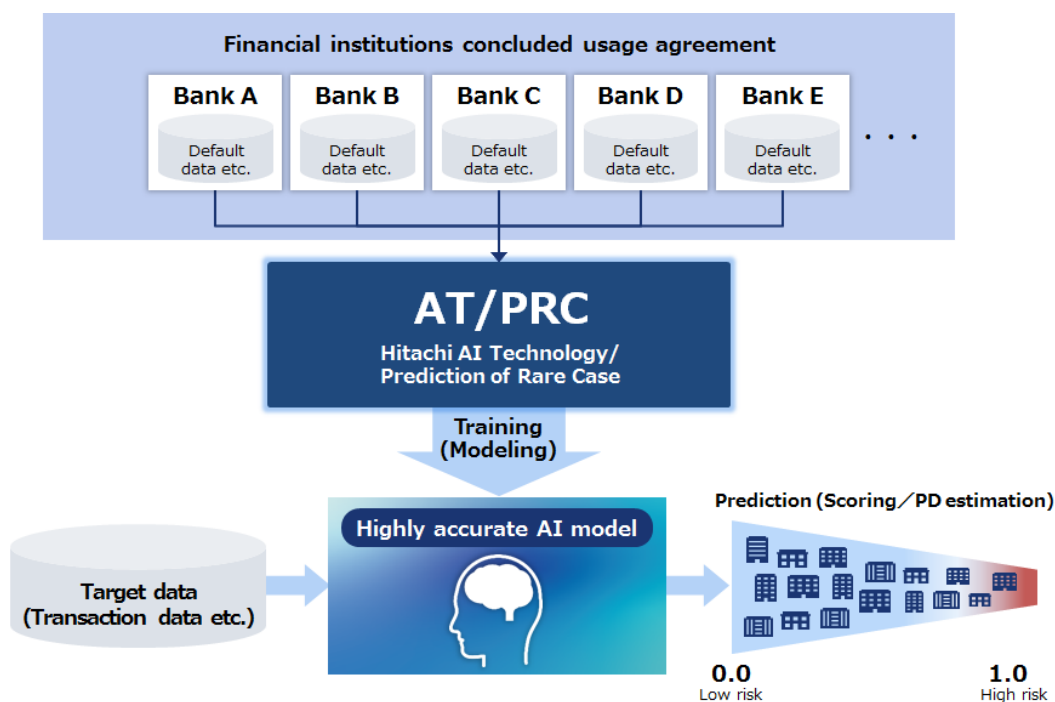
Specifically, from March 2020, Dayta Consulting commenced PoC (Proof of Concept) testing at numerous regional financial institutions including The Toho Bank, Ltd., The Ehime Bank, Ltd., and SBI Sumishin Net Bank (in no particular order) with a view to the development of an AI-screening model, and has worked to build a new consortium-type AI-screening model for transaction lending utilizing data from multiple banks. Moving forward, the company will continue to increase the number of participating banks, while conducting further validations with the aim of commencing full-scale provision of the Service.

By utilizing data from multiple banks, the new consortium-type AI-based screening model created for use in the Service is able to reflect an extensive and diverse range

- more

of data in its AI learning, enabling estimation of PD\*1 by identifying the characteristics of data that represents debt defaults with a high degree of accuracy. For this reason, it is able to ascertain the risks associated with financing in minute detail, and contribute to the acceptance of more lending transactions by enabling swift lending decisions and control of credit costs.

\*1 Probability of Default



The Service will not only lead to an expansion in numbers of financing clients through the improvement in screening accuracy, but will also enable the utilization of online financing for business customers, in which all business process from screening to the execution of lending are completed online via the Internet. It is hoped that Service will contribute to resolving issues such as smooth supply of funds to support fundraising by small to medium-sized businesses after the establishment of the “New Normal” that has accompanied the spread of the COVID-19 coronavirus pandemic.

Through the combination of Hitachi’s AI technology “Hitachi AT/Prediction of Rare Case” which predicts the occurrence of rare eventualities and SBI Sumishin Net Bank’s data handling technologies and know-how, Dayta Consulting has to date developed and provided groundbreaking AI-screening services for housing loans to regional banks and other financial institutions.

Looking ahead, the company will continue to provide further support such as working towards regional revitalization and improving business process efficiency by expanding the scope of its services to transaction lending for business customers.

**About SBI Sumishin Net Bank, Ltd.**

SBI Sumishin Net Bank, LTD. is an Internet bank jointly established, as an innovative customer-oriented new bank, by SBI Holdings and Sumitomo Mitsui Trust Bank. The number of accounts (as of September 2020) on the bank exceeded 4.2 million, and deposits outstanding (as of September 2020) reached 5.7 trillion.

Since the establishment in September 2007, SBI Sumishin Net Bank has been working to offer an Internet full-banking business that provides easier-to-use and more competitive products and services than any of our competitors, 24 hours a day and 365 days a year.

**About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors - Mobility, Smart Life, Industry, Energy and IT - through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

---

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.

---