

HITACHI

Global Approach to Social Innovation

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AGENDA

- Hitachi
- Trends & Challenges
- Co-Creation & Use Cases
- Events



Hitachi 100+ Years of Heritage

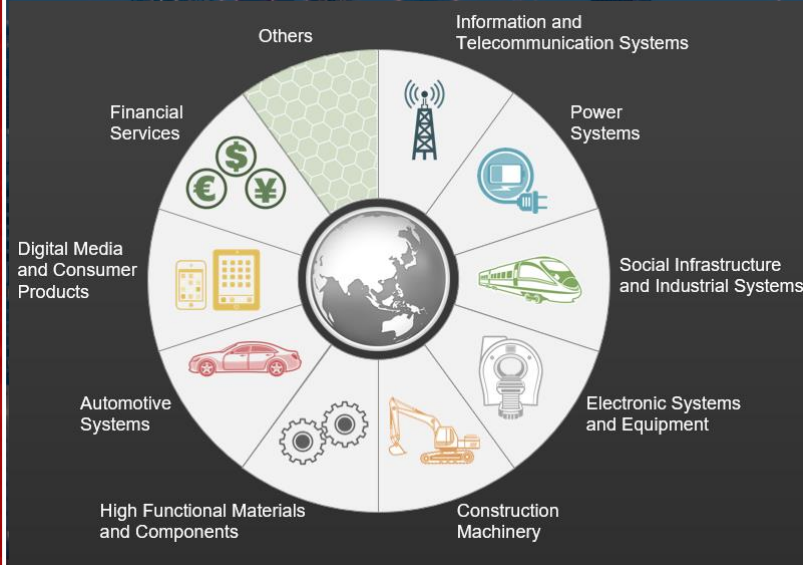
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RECOGNIZED CULTURE



“I’d posit that the reason these three values have lasted for more than 100 years at Hitachi – and will likely last for 100 more – is because of the emphasis they place on human relationships.”

– Inc. Magazine



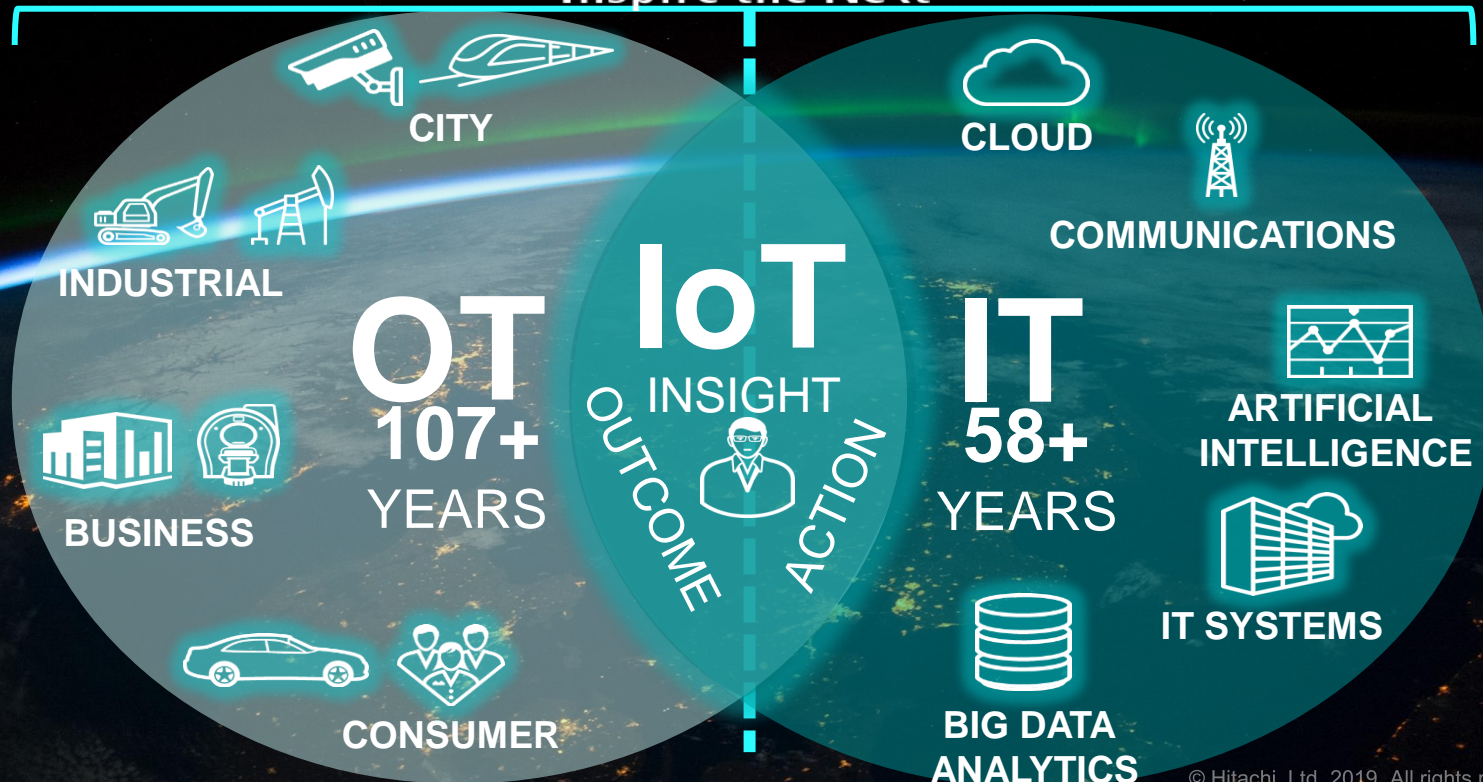
HITACHI, LTD.

- Founded in 1910
- US\$84.5B FY18
- 950+ subsidiaries
- 304,000 employees
- #1 worldwide for patent applications in big data analysis foundation technology
- #79 in the 2018 FORTUNE® Global 500

Integration of OT and IT

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SIEMENS



Schneider
Electric

PHILIPS

HITACHI



Microsoft



Google

IBM

accenture
High performance. Delivered.

HITACHI

We Support the Two Basic Business Directives: Make Money and Save Money

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Top-Line Benefit

INFRASTRUCTURE MODERNIZATION

- Private, Public, Hybrid
- Flash
- Software-Defined

DIGITAL WORKPLACE

- Enterprise Mobility
- Content Intelligence
- Object

BUSINESS INSIGHT

- Data Orchestration
- Embedded Analytics
- Data Ingest and Blending

INTERNET OF THINGS

- Asset Avatars
- Edge to Outcomes
- Co-Creation



Bottom-Line Benefit

Trends & Challenges



Trend 1. Companies Will Shift from Data Generating to Data Powered Organizations

Trend 2: AI and Machine Learning Unleash the Power of Data to Drive Business Decisions

Trend 3: Increasing Data Requirements Will Push Companies to The Edge with Data

Trend 4: Data Centers Become Automated

Trend 5: Corporate Data Responsibility Becomes a Priority

**Hu Yoshida's
5 Trends will lead IT
in 2019**



Re-Imaging Everything

Europe
Industry 4.0

China
Made in China 2025

Japan
Society 5.0

India
Digital India

Americas
Industrial IoT

**INTERNET OF THINGS
(IoT)**



ROBOTICS



**ARTIFICIAL INTELLIGENCE
(AI)**



Products

Own

Closed

Individual Optimization

Producer Centric

Outcomes

Everything-as-a-Service

Open

Overall Optimization

Co-Creation

Drive Greater Efficiencies and Transform Business Models

Regulatory tsunami in EU Banking & Insurance Sector

PSD2.0

till 13.01.2018

- Strong authentication
- New categories of payment services (AIS, PIS)
- New category of service providers (TPP)

GDPR

till 25.05.2018

- Necessity of reporting to the supervisory body about the security breach incident within 72 hours from its occurrence
- Guarantee of a specified period of data storage, modification and deletion,
- Consent to the personal data processing must be expressed to a specified entity

MIFID2

till 03.01.2018

- Presentation of costs of the whole product's life cycle before sale
- Presentation of incentives received and offered to the third parties
- Archiving clients' and transactions' data for 5 years minimum

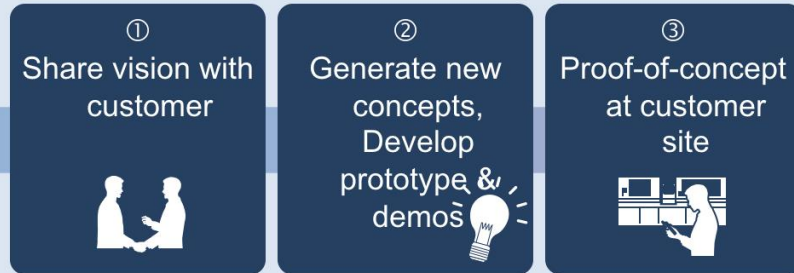
From 2015 – Court of Justice of the European Union activities in terms of durable medium

Co-Creation



CSI activity

Commercialize



Co-design method

- Service design
- Ethnography



Utilize technology platforms

Center for
Technology Innovation



④ Develop solution

Same sector



Different sector
deployment



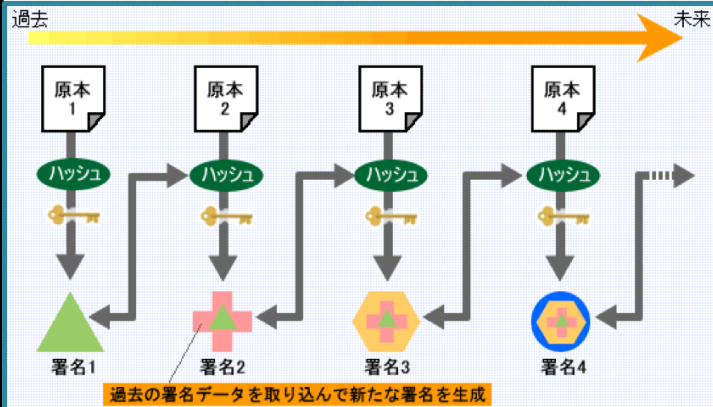
Financial Innovation Lab (FIL)

- Financial solutions with blockchain and analytics technologies

David Pinski

There are 14 Global Centers of Social Innovation Located around the world. Each Lab may focus on an area of expertise, like Industry 4.0 in Europe. In US Silicon Valley CSI we have our Financial Innovation Lab

Hysteresis Signature Patent 2003

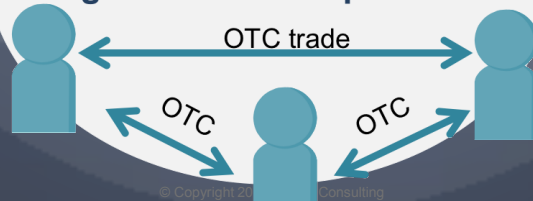


In Progress



Unlisted securities
trading market

1. Computerization of OTC
market starts by blockchain
e.g. NASDAQ Linq



HYPERLEDGER PROJECT

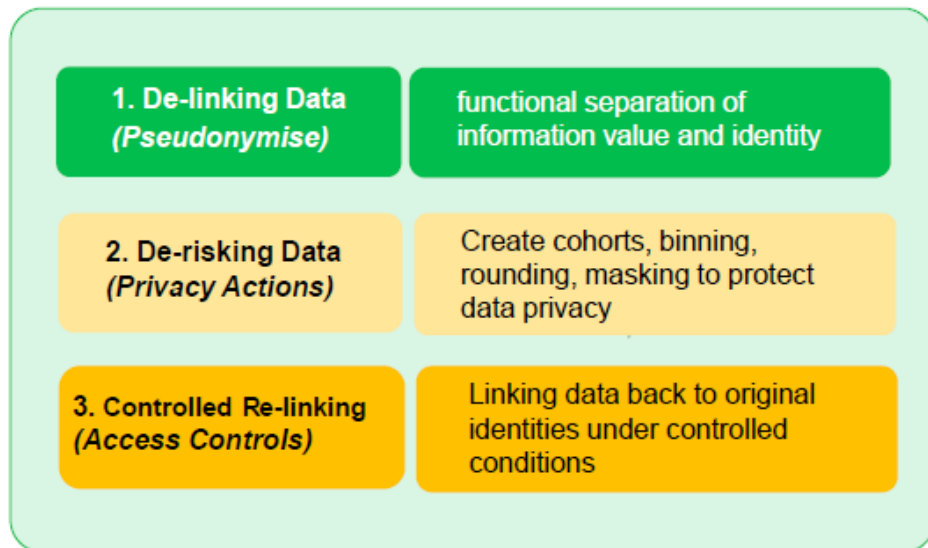
Hitachi Has a long history with Block chain technology.

Hyperledger OSS
Community
Collaboration

- Technical Steering Committee
- OSS Developer Collaboration
- Contribution based on previous OSS development activities

BigPrivacy Dynamic Pseudonymisation Plus Privacy Actions to further minimise the risk of re-identification

Identifying
Data



Variant Twin[®]
Data Sets





Demo Of Hitachi AI Technology/H Learning How to Swing

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LEGO Mindstorm × Hitachi AI Technology/H

Monitoring:
Gyro & Knee Status

Control:
Stand/Sit Timing

Existing
System

LEGO
Swing
Robot

Outcome:
Swing
Amplitude

Used by Tokyo Stock exchange to enhance market surveillance

“H” is able to learn on its own. removing the need for people to set up hypotheses in advance and finding solutions that human beings could not conceive.



It's all about the Data

- Top 10 banks set aside \$1 billion a year for regulatory programmes
- Data is at the heart of most of the regulations
- The challenge goes all the way from:
 - Identifying the right data
 - Ingesting it
 - Processing accurately in time
 - Storing and modelling it
 - Reporting, analysing and visualising it
 - If needed, also getting rid of it
- Data is at the heart of what we do

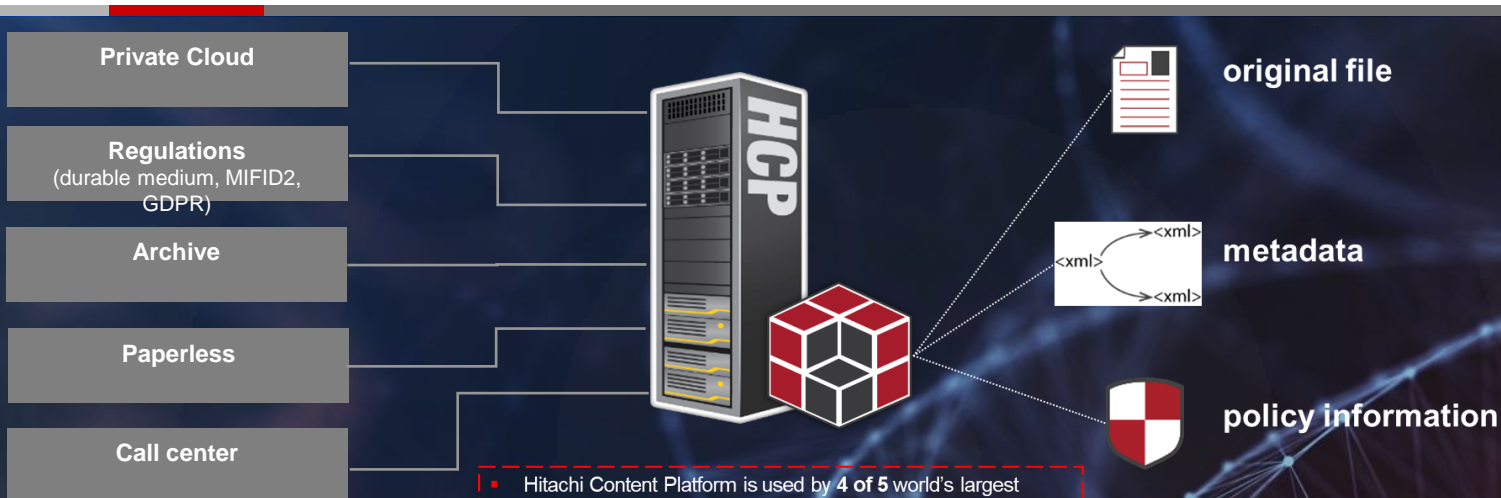


Use Cases



Object storage – fundament for digital transformation

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- Hitachi Content Platform is used by **4 of 5** world's largest banks, **40% companies** from 'the Global Top 100'
- Hitachi Content Portal is a **global number 1** among WORM solutions delivered for regulatory projects (based on: Gartner)
- Key clients from financial sector all over the world:

citibank

Santander

SBERBANK

Rabobank

COMMERZBANK

Morgan Stanley

AIB

LLOYD BANKING GROUP

UniCredit

Raiffeisen BANK

Goldman Sachs

VISA

WELLS FARGO

Bank of America

Challenges at Rabobank

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IT, Legal and
Compliance teams
struggle to keep
up with changing
regulatory
requirements



Hitachi Solution at Rabobank

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Rabobank



Interactive Web Interface

Access Control, Easy to Use, Intuitive Output

Hitachi Solution for Communications Governance

Email

*Voice
Recording*

*Instant
Bloomberg*

*Messenger
from
Thomson
Reuters*

Social Media

Durable Medium

- Durable Medium issue appeared in EU in 2015
- Case started in Austria from BAWAG and has been related to the communication of contractual changes via e-channels which are in full power of service provider (e.g. bank)
- Durable Medium requirements:
 - Original documents can't be changed or deleted.
 - Active communication about publication of new document at the appropriate time as required by Directive 2007/64
 - Individuals can access their documents in the future even if they are no longer customers.
- Solution: HCP object storage (WORM) combined with web portal
- Number of financial institutions using HCP (WORM) for durable medium: 8
- Case Studies: Bank Pekao S.A. , Santander Bank Polska S.A. (BZ WBK)
- Other countries who started implementations: Austria, Portugal, Romania
- Future directions and use cases in banks using HCP for durable medium:
 - MIFID II
 - Repository for "Paperless" system
 - Secure files exchange
 - Many others....

Hitachi Content Platform

Hitachi Events



What's NEXT

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Hitachi Financial Forum

23–24 May DOJO Stara Wieś Polska

STUDYTOURS 2019

08.-12. June Tokio, Japan

21.-25. October Tokio, Japan



A wide-angle photograph of a white Shinkansen train with blue stripes, traveling from left to right across the frame. In the background, the iconic snow-capped peak of Mount Fuji rises majestically against a clear blue sky. The foreground consists of a field of dry, golden-brown grass.

ありがとうございます

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