

News Release

FOR IMMEDIATE RELEASE

Hitachi Acquires Prizm Payment Services, Leading Payment Service Provider to Banks and Financial Institutions in India

Accelerate Global Development of IT Services Business

Tokyo, November 26, 2013 --- Hitachi, Ltd. (TSE: 6501) today announced that it has entered into share transfer agreements relating to all the issued equity shares of Prizm Payment Services Pvt Ltd. (“Prizm Payment Services”) with all the company’s shareholders, including Winvest Holdings (India) Private Limited, Sequoia Capital, Axis Bank and other minority shareholders. Prizm Payment Services is a leading provider of payment services using ATMs and POS systems to banks and financial institutions in India.

Hitachi and Prizm Payment Services will target the end of February 2014 for a completion of the share transfer, in accordance with the terms of the agreements and subject to the regulatory approvals required to consummate the transaction.

Hitachi sees India as an important region in its global strategy and is stepping up development of the Hitachi Group’s Social Innovation Business in the country. Hitachi aims to grow revenues in India by nearly 3 times to 300.0 billion yen by the fiscal year ending March 31, 2016, compared with the year ended March 31, 2012. Furthermore, in the information & telecommunication systems business, a fulcrum of the Social Innovation Business, Hitachi has set forth the growth strategy of expanding global businesses and strengthening service businesses in order to create a business portfolio with growth potential.

In India, the IT market is expected to grow rapidly, with some forecasts calling for an IT investment growth rate exceeding 10% for 5 straight years from 2013 through 2017^{*1}, driven by economic expansion. Meanwhile, financial institutions in the country are working to roll out various services, including mobile device-based payment services. In accordance with this, the number of ATMs and POS systems, which have a low penetration rate at present, is increasing. ATMs in particular are estimated to nearly triple in number in 4 years from around 100,000 in 2012. In India, non-financial-institution service providers are expanding ATM outsourcing business, providing banks and financial institutions with comprehensive services, extending from deploying the ATMs as its own assets, managing the cash-in-transit services^{*2}, to managing, monitoring and maintaining ATM operations.

In May 2012, Hitachi acquired eBworx Berhad, a Malaysia-headquartered financial IT solutions company, which boasts an extensive track record in Internet and mobile banking systems, credit management systems and other systems, mainly for major banks in Malaysia and Singapore. As Hitachi eBworx Sdn. Bhd., this company is strengthening various IT businesses globally, including expanding the financial channel solutions business in ASEAN and China. Hitachi decided to acquire the major Indian payment service company Prizm Payment Services with the aim of accelerating global development of IT services businesses targeting financial institutions, including ATMs where it has the top share in the Japanese market.

By leveraging Prizm Payment Services' robust customer base of major financial institutions, and know-how of payment systems, cash operations and management systems for financial institutions, and other expertise, Hitachi will step up development of IT services business in India and globally.

Both companies will utilize their respective business process integration skills to work toward a smooth process to maintain business momentum, retain personnel and continue the highest quality of customer support. The senior management team of Prizm Payment Services will remain intact and be integral to the success of Hitachi's goals of this acquisition.

*1 Source: IDC, Oct 2013 "Worldwide Black Book Query Tool Version3, 2013"

*2 Cash-in-transit services refer to end-to-end services from cash transport to collecting cash and replenishing ATMs.

"Hitachi is extremely delighted to conclude the share transfer agreement on amicable terms to acquire Prizm Payment Services with the aim of accelerating the Hitachi Group's development of the Social Innovation Business." Mr. Hiroaki Nakanishi, President of Hitachi, Ltd. remarked "Hitachi is endeavoring to strengthen IT services businesses in the fast-growing Asian region in particular. Having Prizm Payment Services as Hitachi family, we believe that we can create new value together by wedding the company's strong customer base and payment service and other know-how in India, with Hitachi's IT expertise and strive to expand the Hitachi Group's IT services business in India and globally."

Mr. Loney Antony, Managing Director, Prizm Payment Service, said "By becoming a member of the Hitachi Group, we are excited to capture synergies from the combination of Prizm Payment Services' robust customer base and know-how in India, and the Hitachi Group's expertise in IT services for financial institutions built up in Japan and around the world as well as its advanced technological capabilities, including cash recycling ATMs. Being part of the larger Hitachi family provides a unique opportunity to expand our service offerings to customers not just in India but across the globe. Furthermore this deal provides the management team and employees tremendous potential for professional growth."

Mohit Bhatnagar, Managing Director of Sequoia Capital, said "Sequoia Capital is delighted to have partnered with Prizm when it was just a dream in the eyes of its founders. Prizm's stellar management team have executed on a unique business model to emerge as a leading payments company in India. We are excited to see Prizm move to the next phase of its journey along with a global leader like Hitachi. Prizm's success will be an inspiration for the next wave of startups seeking to build large enduring companies."

About Prizm Payment Services Private Ltd.

Name	Prizm Payment Services Pvt Ltd.
Launched in	March 31, 2008
Registered Office	Level-3, Silicon Towers, # 23/1, Velachery Tambaram Main Road, Chennai - 600 100., India
URL	http://www.prizmpayments.com
Representative	Managing Director: Loney Antony
Revenues	Approx. 5 billion rupees (As of March 31, 2013)
Number of Employees	Approx. 1,100 (As of March 31, 2013)
Shareholders	Winvest Holdings (India) Private Limited, Sequoia Capital, Axis Bank, etc.
Business	End to End Electronic Payment Services across various channels (ATMs, POS, M-POS, Emerging Payments, etc)

About Hitachi, Ltd.

Name	Hitachi, Ltd.
Established	February 1, 1920
Head Office	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
URL	http://www.hitachi.com
Representative	President : Hiroaki Nakanishi
Capital	458,790 million yen (As of March 31, 2013)
Number of Employees (Consolidated)	326,240 (As of March 31, 2013)
Business	Development, manufacture and sales of products and provision of service across 10 segments: Information & Telecommunication Systems, Power Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Digital Media & Consumer Products, Others (Logistics and Other services) and Financial Services

About Hitachi in India

Hitachi started its business in India in the 1930's. Currently, Hitachi has approximately 30 business bases and approximately 7,500 employees in India. In addition to being a leader in construction machinery and air-conditioning systems, the Hitachi Group in India is expanding on its 'Social Innovation Business', such as information & telecommunication systems, power systems, industrial, transportation and urban development systems. Together with further localization, Hitachi aims to contribute to a sustainable society in India as well as the country's economic growth.

For more information about the Hitachi Group in India, please visit the website at <http://www.hitachi.co.in/>.

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