

News Release

FOR IMMEDIATE RELEASE

Hitachi-Omron Terminal Solutions establishes an ATM business joint venture with China Electronics Corporation in China and commence cooperation

Tokyo, October 20, 2016 --- Hitachi-Omron Terminal Solutions, Corp. (Hitachi-Omron Terminal Solutions) today announced that it would establish a joint venture with China Electronics Corporation (CEC), a major state-owned IT company in China. This joint venture will provide development, manufacturing, sales, maintenance and solution services for ATMs in the Chinese market. Operation is scheduled to start in November, 2016. This joint venture will enhance the competitiveness of ATM equipment and the corresponding solution business in China by taking full advantage of the advanced technology, reliability, and installation record that Hitachi-Omron Terminal Solutions' cash recycling ATMs in many countries and regions, as well as the wide customer base and name recognition in the financial field that CEC enjoys in China.

China is the biggest ATM market in the world, and demand is expected to continue expanding in the future. Hitachi-Omron Terminal Solutions was quick to enter the Chinese market ahead of the competition with its cash recycling ATM. We have shipped around 150,000 cash recycling ATMs to many different financial institutions, and have helped to improve the efficiency of counter services in financial institutions and convenience for users.

In addition to high quality products and solution services, the advanced technology rooted in our business experience has enabled us to gain the firm trust of customers and the market. We have helped build China's financial infrastructure and contributed to the advancement of Chinese society.

To respond to the recent diversification and changes in the needs of financial institutions in China, Hitachi-Omron Terminal Solutions decided to team up with the CEC Group, a Chinese major state-owned IT company with advanced technology and strong customer base in the financial field.

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China Electronic Financial Equipment Systems (Shenzhen) Co. Ltd. (China Electronic Financial Equipment Systems) is a company in which two companies have taken a stake: Hitachi Financial Equipment System (Shen Zhen) Co., Ltd., a subsidiary of Hitachi-Omron Terminal Solutions, and Hitachi (Shanghai) Trading Co., Ltd., which is a subsidiary of Hitachi, Ltd. For this venture, China Electronic Financial Equipment Systems accepts investments on this occasion from two companies: CEC and a subsidiary, the 6th Research Institute of CEC. The company will begin cooperating as a joint venture in which the four companies will be its shareholders. China Electronic Financial Equipment Systems will establish a brand as a Chinese domestic ATM manufacturer and work to expand business in the Chinese market. China Electronic Financial Equipment Systems will land new accounts and connect to existing customers more deeply in cooperation with companies in the Hitachi Group and the CEC Group, as well as aim to become a total solution vendor for ATMs by developing and providing solutions in cash management and information security by applying our advanced technology and knowledge.

Moving forward, Hitachi-Omron Terminal Solutions and CEC will continue working to build up the Chinese financial infrastructure by applying the strengths of both groups to provide products and solutions that meet the needs of the people in China.

Outline of the new company

Corporate Name	China Electronic Financial Equipment Systems (Shenzhen) Co. Ltd.	
Outline of business	Development, manufacture, sales, and maintenance of ATMs for the Chinese market	
Head Office	Shenzhen, China	
Representative	Chairman Vice Chairman President	Song Liding Keiji Hatano
Establishment period	January 2016	
Capital	220 million yuan	
Number of employees	280(Scheduled as of October 2016)	
Shareholders	CEC Group :51% Hitachi Group :49%(Hitachi Financial Equipment System (Shen Zhen) Co., Ltd., Hitachi (Shanghai) Trading Co., Ltd.)	

About China Electronics Corporation (CEC)

CEC is a top tier national company, 100% owned by the State Council, operating directly under the central government. The CEC Group has a total of approximately 120,000 employees. The Group comprises a large number of business companies, many of which are IT-related, and has a broad range of customers in the financial industry, ranging from major banks to small and medium-sized commercial banks.

About Hitachi-Omron Terminal Solutions, Corp.

Hitachi-Omron Terminal Solutions, headquartered in Tokyo, Japan, is member of Hitachi Group and a leading vendor of Cash Recycling ATMs in the world. Hitachi-Omron Terminal Solutions provides highly reliable ATMs and bank systems that embody real user needs. The company supports a secure, safe, and comfortable society through our prominent technologies and innovative solutions.

For more information about Hitachi-Omron Terminal Solutions, please visit the website at <http://www.hitachi-omron-ts.com/>

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