



NEWS RELEASE

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Acquisition of the Shares of Hong Kong Logistics Company

Hitachi Transport System, Ltd. (President & CEO: Yasuo Nakatani, herein called HTS) has announced that HTS reached a deal with CDS Freight Holding Ltd. (President & CEO: Kandy Yeung, herein called CDS) that HTS will acquire approx. 85% of the shares of CDS.

1. Purposes and Effects

(1) Purposes

HTS Group has been strengthening global freight forwarding operations, esp. outside Japan, by expanding the global network. This May, HTS acquired the shares of James J. Boyle & Co. (herein called JJB) to enhance the air freight forwarding business and to expand the network in China and USA. (*)

This time, HTS Group expects to enhance Hong Kong-based freight forwarding business as an important hub (CDS for ocean, JJB for air) by acquiring ownership of CDS having the advantage in the field of ocean transport to and from Hong Kong and the U.S. and increase freight forwarding volume outside Japan.

*Please refer to the HTS news release as to the acquisition of the JJB shares published on May 15, 2013.

(2) Effects

- (i) Business expansion in China, USA, Australia, etc. (Total: 5 countries, 44 business bases)
- (ii) Increasing ocean cargo volume to and from China, USA
- (iii) Enhancing purchasing power of ocean freight, and creating synergy with the existing HTS Group network.

HTS Group will maximize synergy effects with the newly-joined CDS Group companies by strengthening the overseas business bases and enhancing logistics service quality, and make further expansion of global logistics business.

2. Corporate Profile of CDS (HK\$1.00 = JPY13)

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|-----|----------------------|---|
| (1) | Company Name | CDS Freight Holding Ltd. |
| (2) | Location of H.Q. | Unit A 2/F, CHT Tower, Terminal 8 East Container Port Road South, Kwai Chung, N.T., Hong Kong |
| (3) | Representative | President & CEO: Kandy Yeung |
| (4) | Outline of Business | Freight Forwarding |
| (5) | Revenue | Approx. 14,000M JPY in FY2012 |
| (6) | Main Group Companies | CDS Holdings Ltd., etc. (China, USA, Australia, Malaysia, Singapore) |

3. Status of Holding Shares After Acquisition

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|-----|-----|---------------------------------------|
| (1) | CDS | HTS: Approx. 85%, Others: Approx. 15% |
|-----|-----|---------------------------------------|

4. Schedule

| | | |
|-----|---------------------|------------------------|
| (1) | Share Transfer Date | Beginning of July 2013 |
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