



# NEWS RELEASE

©Hitachi Transport System, Ltd.

7-2-18, Toyo, Koto-ku, Tokyo 135-8372, Japan

Tel +81-3-5634-0307 Fax +81-3-5634-0295

<http://www.hitachi-hb.co.jp/english/>

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## Making A Majority-Owned Subsidiary From Chinese Joint Venture - Expanding Chinese Logistics Business -

Hitachi Transport System, Ltd. (herein called HTS) has agreed with Shanghai Airlines Co., Ltd. (herein called Shanghai Airlines) that HTS will acquire the stocks of Dahang International Transportation Co., Ltd. (herein called Dahang) from Shanghai Airlines. Dahang is a Chinese joint venture and its stocks are owned by Shanghai Airlines 55%, HTS 30%, and C.T. Enterprises Shipping Ltd. (herein called CTES) 15%. In the result, HTS will acquire 85% stocks of Dahang, which will become a majority-owned subsidiary.

### 1. Purpose of making a majority-owned subsidiary

Dahang mainly conducts freight forwarding and 3PL business with HTS group companies in China. This time, to make Chinese business enhanced, HTS has decided to make Dahang a majority-owned subsidiary by acquiring the stocks from Shanghai Airlines.

HTS will strengthen the Chinese logistics network and improve the logistics service quality further, aiming for expanding logistics business in China.

### 2. Corporate Profile of Dahang

(1) Company Name	Dahang International Transportation Co., Ltd.	
(2) Location of H.Q.	Shanghai, China	
(3) Representative	Chairman Gu Jiadan	
(4) Outline of Business	Freight Forwarding, 3PL (Transportation & Warehousing, etc.)	
(5) Capital	3,723,400US\$ (316 Million JPY)	
(6) Founded	December, 1993	
(7) Major shareholder & holding percentage	Shanghai Airline:55%, HTS:30%, CTES:15%	
(8) Relationship with HTS	Personnel relationship	Sending two directors and some employees.
	Business relationship	Having continuous business with HTS Group
(9) Service Revenues	6,474 Million JPY (FY2009)	
(10) Income before taxes and minority interests	144 Million JPY (FY2009)	

### 3. Corporate Profile of Shanghai Airlines

(1) Company Name	Shanghai Airlines Co., Ltd.
(2) Location of H.Q.	Shanghai, China
(3) Representative	Chairman Zhou Chi
(4) Outline of Business	Air transportation for passengers and cargo
(5) Capital	1,303,722,200 CNY (16,297 Million JPY)
(6) Founded	December, 1985

### 4. The situation of HTS-holding stocks

(1) Before transferred to HTS	Percentage held: 30%
(2) Acquired stocks by HTS	Percentage held: 55%
(3) After transferred to HTS	Percentage held: 85%

### 5. The Schedule

(1) Contract date	November 13, 2010
(2) Transfer date	January 1, 2011