

Kintetsu World Express, Inc.

Acquisition of the Shares of APL Logistics Ltd

Kintetsu World Express (“KWE”) is pleased to announce that it has reached an agreement with Neptune Orient Lines Limited (“NOL”) to purchase all of the shares of APL Logistics Ltd (“APLL”), which is a wholly owned subsidiary of NOL, on Feb 17, 2015.

1. Background of the Acquisition

The KWE Group considers the establishment of a management base that can compete on a par with European and U.S. competitors in the global market to be one of the Group’s management priorities. In its Medium-Term Management Plan, released in May 2013, the entire Group is engaging in these measures.

APLL is a logistics company with strengths in logistics services and various high-value-added services for companies in the automobile industry and retail industry, among others, and it is expanding its business globally, with a focus on North America and Asia. By welcoming APLL into the KWE Group, we can expect to complement the KWE Group’s freight forwarding services in terms of both commodities handled and regions for expansion, and we will be able to combine the logistics services and various high-value-added services that are the strengths of APLL with the air and sea freight forwarding services that the KWE Group is expanding globally, and these synergies will, in turn, make it possible to create new value and provide a broad range of optimized logistics services to customers.

Going forward, the KWE Group will continue to push ahead with efforts to realize the establishment of a management base that can compete on a par with European and U.S. competitors in the global market by quickly manifesting the synergies created by bringing APLL into the Group.

2. Outline of APLL

(1)	Company name	APL Logistics Ltd
(2)	Head Office	9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588
(3)	Representative	President / Beat Simon
(4)	Outline of business	Logistics
(5)	Capital	USD 275 million
(6)	Founded	Aug 30, 1977
(7)	Major shareholders and shareholding ratio	NOL 100%
(8)	Relationships between APLL and KWE	There are no capital, personnel or business relationships to be noted between APLL and KWE

(9) Operating results and financial standing for the year ended December 31,2013			
Accounting Period	Fiscal year ended December 2011	Fiscal year ended December 2012	Fiscal year ended December 2013
Net assets	USD 92 million	USD 133 million	USD 167 million
Total assets	USD 498 million	USD 595 million	USD 645 million
Net asset per share	USD 0.24	USD 0.34	USD 0.43
Net sales	USD 1,405 million	USD 1,555 million	USD 1,578 million
Income before income taxes	USD 68 million	USD 65 million	USD 69 million
Net income	USD 44 million	USD 40 million	USD 43 million
Net income per share	USD 0.11	USD 0.10	USD 0.11
Dividend per share	USD 0.09	-	-

3. Outline of NOL

(1) Company name	Neptune Orient Lines Limited		
(2) Head Office	9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588		
(3) Representative	Group President and CEO / Ng Yat Chung		
(4) Outline of business	Shipping company		
(5) Capital	USD 1,830 million- (Fiscal year ended December 2013)		
(6) Founded	1968		
(7) Net assets	USD 2,131 million- (Fiscal year ended December 2013)		
(8) Total assets	USD 9,029 million- (Fiscal year ended December 2013)		
(9) Major shareholders and shareholding ratio	Lentor Investments Pte Ltd. 39.48% Temasek Holdings (Pte) Ltd. 25.87%		
(10) Relationships between NOL and KWE	There are no capital, personnel or business relationships to be noted between NOL and KWE		

4. Details of transfer and ownership of shares before/after transfer

(1) Number of shares held by KWE before acquisition	0 shares (ownership percentage : 0 %)
(2) Number of shares acquired	465,530,000 shares (ownership percentage : 100 %)
(3) Acquisition price	APLL Common stock USD1,200 million (JPY141,600 million) Fees to be paid to advisors (Estimated)JPY 2,600million Total (Estimated) JPY144,200 million USD 1 = JPY 118
(4) Number of shares held by KWE after acquisition	465,530,000 shares (ownership percentage : 100 %)

* The price of the purchase of the ordinary shares of APLL is planned to be the amount after carrying out a price adjustment provided for in the share purchase agreement. The purchase price anticipated at this stage is as indicated, but it is expected to change as a result of the actual amount of the price adjustment.

5. Schedule

(1) Board resolution date	Nov 10, 2014 and Feb 5, 2015
(2) Execution date of share purchase agreement	Feb 17, 2015
(3) Closing plan	Jun 2015

KWE resolved at its board of directors meeting held on Nov 10, 2014, to participate in a sale process to acquire APLL from NOL (which includes a purchase price and other such

transaction terms proposed by KWE) and also resolved at its board of directors meeting held on Feb 5, 2015, to delegate to the Representative Director the authority to negotiate with NOL on the terms and conditions of the purchase and to execute a share purchase agreement if both parties reach agreement, and KWE has been discussing the details of the terms and conditions with NOL since then. As we recently reached agreement with NOL on the details of the share purchase agreement, we have entered into a definitive agreement to purchase all of the shares of APLL on Feb 17, 2015, in accordance with the decision of the Representative Director under the authority granted at the above board of directors meeting.

- * The completion of the share purchase is subject to approval from the relevant competition authorities in the United States and other countries that require it.

6 . Future outlook

The share purchase does not affect the consolidated results of the KWE Group for the period ended March 2015. We will make another announcement with respect to the effects on forecasts of future results as soon as the details have been finalized.