



February 19, 2024

To Whom It May Concern

Company Name	NIPPON EXPRESS HOLDINGS, INC.
Name of Representative	Mitsuru Saito, Chairman and Representative Director (Code No. 9147 Tokyo Stock Exchange Prime Market)
Contact	Miki Tomita, General Manager, Corporate Communication Division (TEL. 03-5801-1000)

Notice Concerning Spin-Off (Corporate Split) of the Heavy Haulage & Construction
Business of Wholly Owned Subsidiary Nippon Express Co., Ltd.

On April 14, 2023, Nippon Express Holdings, Inc. (the “Company”) published the *Notice Concerning Commencement of Consideration on Heavy Haulage & Construction Business Spin-Off*. In that release, the Company stated that it had begun to consider the possibility of spinning off its Heavy Haulage & Construction Business. At a meeting held today, the Nippon Express Holdings, Inc. (a wholly owned subsidiary of the Company; “Nippon Express,” below) board of directors resolved to transfer the rights and obligations of the Heavy Haulage & Construction Business in Japan via company split (“Company Split”) to NX Engineering Co., Ltd. (also a wholly owned subsidiary of the Company; “NXENG,” below).

The Company Split is subject to acquisition of the necessary permits and approvals from the relevant authorities in Japan and overseas, as well as other necessary approvals for the Company Split.

1. Background

The Nippon Express Heavy Haulage & Construction Business provides a full range of services including the transportation, construction, and installation of heavy equipment with numerous special-purpose vehicles and equipment, and advanced technical and management capabilities. The Heavy Haulage & Construction Business has supported infrastructure development projects for customers in various industries all over the world from postwar reconstruction, through periods of high-growth periods, and in the current era of globalization.

While market demand continues for conventional social and industrial infrastructure, demand in the energy sector is expected to particularly increase with the shift to global decarbonization and clean energy to address the social issue of global warming. While there is much room for growth in the business, the need for advanced expertise and technological development capabilities in planning and construction is higher than ever before. Competition to acquire human resources in the construction industry is also intensifying.

To sustainably develop the Heavy Haulage & Construction Business, the Company decided to spin off the Heavy Haulage & Construction Business as described below. This decision reflects the determination that it is necessary to establish a specialized company dedicated this field with a core group of experts. Experts include human resources with advanced technical skills and a mission, and will continue to respond to fluctuating customer needs in a timely manner.

2. Objectives of Company Split

In January 2022, the Nippon Express Group transitioned to a holding company structure to strengthen group management and advance each group business. This Company Split is also part of this shift in management structure, intended to clarify the roles and responsibilities of the Heavy Haulage & Construction Business as a specialized operating company. The Company Split will encourage more flexible and agile decision-making while strengthening expertise and human resources and offering services required by the times and customers. In this way, the Heavy Haulage & Construction Business will expand the scope of its business.

3. Overview of Company Split

A. Company Split schedule

Board of director resolution	February 19, 2024
Execution of absorption-type split agreement	February 19, 2024
Effective date of absorption-type company split	January 1, 2025 (scheduled)

(Note) The Company Split is planned to be carried out without convening a general meeting of shareholders for approval, as the Company Split falls under the category of a simplified absorption-type company split as stipulated in Article 796-2 of the Companies Act. Further, NXENG falls under the category of a simplified absorption-type company split as stipulated in Article 796-2 of the Companies Act.

B. Method of Company Split

An absorption-type company split in which Nippon Express Co., Ltd. is the splitting company and NXENG is the successor company.

C. Allotment of shares in connection with Company Split

There will be no grant of shares or other monies in connection with Company Split.

D. Rights and obligations succeeded by the succeeding company

NXENG will succeed the rights and obligations of the Heavy Haulage & Construction Business, including assets, liabilities, contractual status, and other matters related to the assets, liabilities, contractual status, etc. Said succession will take place as of the effective date of Company Split, as specified in the absorption-type company split agreement.

4. Overview of the parties to the Company Split

Absorbed company

(1) Company name	Nippon Express Co., Ltd.
(2) Location	2 Kanda-izumicho, Chiyoda-ku, Tokyo 101-0022, Japan
(3) Representative name and title	Representative Director Shinjiro Takezoe
(4) Business lines	Road freight transportation Freight transportation Ocean freight transportation Marine and harbor transportation Railway freight transportation Warehousing Transportation, construction, and installation of heavy equipment and related businesses Construction Customs clearance, etc.
(5) Common stock	70,175 million yen
(6) Established	October 01, 1937
(7) Number of shares issued and outstanding	90,270,089 shares
(8) Fiscal year end	December 31
(9) Major shareholders and ownership ratios	Nippon Express Holdings, Inc. 100%
(10) Financial position and operating results for the fiscal year ended December 31, 2022 (Note 1)	
Net assets	341,760 million yen
Total assets	928,329 million yen
Net assets per share	3,772.22 yen
Revenues	1,359,372 million yen
Operating income	48,881 million yen
Ordinary Income	62,727 million yen
Profit (loss) attributable to owners of parent	67,217 million yen
Basic earnings per share	741.92 yen

(Note 1) The financial position and operating results of the splitting company for the fiscal year ended December 31, 2023 (consolidated) are under audit. The figures presented here reflect the fiscal year ended December 31, 2022.

Absorbing company

(1) Company name	Nippon Express Engineering Co., Ltd.
(2) Location	2 Kanda-izumicho, Chiyoda-ku, Tokyo 101-0022, Japan
(3) Representative name and title	Representative Director Yasuo Miyazaki
(4) Business lines	Heavy Haulage & Construction and related businesses
(5) Common stock	50 million yen
(6) Established	January 04, 2024
(7) Number of shares issued and outstanding	1,000 shares
(8) Fiscal year end	December 31
(9) Major shareholders and ownership ratios	Nippon Express Holdings, Inc. 100%

5. Future Outlook

As Company Split will take place between Nippon Express Holdings, Inc. and a wholly owned subsidiary, the impact of this company split on consolidated business results will be minor.

In addition, there are no current changes in the name, location, name and title of representative, business, capital, or fiscal year of Nippon Express Holdings Inc. from the Company Split.

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