August 9, 2023

To Whom It May Concern

Name of the Company	NIPPON EXPRESS HOLDINGS, INC.
Name of Representative	Mitsuru Saito, President and Chief Executive Officer
	(Code No. 9147 Tokyo Stock Exchange Prime Market)
Contact	Hiroshi Hasegawa, General Manager, Corporate Communication Division
	(TEL. 03–5801–1212)

Notice of Execution of Memorandum of Understanding to Integrate the Nippon Express Co., Ltd. Special Combined Delivery Service Business With Meitetsu Transportation Co., Ltd. (Corporate Split Involving Subsidiary Company)

At a meeting held August 9, 2023, the Nippon Express Holdings, Inc. Board of Directors resolved to execute a memorandum of understanding ("MOU") to integrate ("Business Integration") the special combined delivery business ("Special Combined Business" or "Subject Business") of consolidated subsidiary Nippon Express Co., Ltd. ("Nippon Express") and Nippon Express subsidiary NX Transport ("NX Transport") with Meitetsu Transportation Co., Ltd. ("Meitetsu Transportation"). The letter of intent will be signed with Meitetsu Transportation parent company, Nagoya Railroad Co., Ltd. ("Nagoya Railroad").
As this matter is not subject to the standards for timely disclosure, certain disclosure matters and details have been omitted.

1. Purpose of executing the MOU

Nippon Express and Meitetsu Transportation signed a capital and business alliance agreement on December 25, 2015. Since then, the two companies have pursued collaboration in the Special Combined Business. Specifically, while maintaining their own transportation networks, the two corporate groups improved operational efficiencies through the partial mutual use of their respective networks through shared pickups and deliveries in certain areas, as well as the sharing of physical locations.

In recent years, however, rising energy prices, chronic labor shortages among truck drivers, rising labor and outsourcing costs, and other issues have emerged, as have laws related to work-style reform. In addition, total cargo volume in Japan is expected to decline due to a decrease in the population and changes in the industrial structure. Analysts do not expect a significant increase in total cargo volume in the market for Special Combined Business, either.

Facing this environment, Nippon Express and Meitetsu Transportation have determined that further mutual utilization of management resources, including the various resources and expertise of both groups, will be essential to resolving various issues in response to recent changes in the business environment, as well as to improve service levels. Therefore, Nippon Express and Meitetsu Transportation announced the commencement of talks toward strengthening the existing capital and business alliance.

As a result of talks with Meitetsu Transportation regarding the future direction of the Special Combined Business from various angles, the ideal nature of future alliances with Meitetsu Transportation, and potential further synergies, the two companies decided that entering into the Business Integration and establishing a new joint-venture structure will lead to the expansion and strengthening of the Special Combined Business of both groups. Therefore, the companies determined to execute an MOU toward Business Integration.

2. Overview of the transaction

The purpose of the aforementioned Business Integration is to establish a new joint venture structure between Nippon Express and Meitetsu Transportation to expand and foster resilience in the Special Combined Business.

Under the Business Integration, Nippon Express will be the absorption-type split company and Meitetsu Transportation will be the absorption-type split successor company, with Meitetsu Transportation succeeding all common stock issued by Subject Business and owned by Nippon Express in an absorption-type company split transaction ("NX Transport Split") and succeeding the Subject Business ("Subject Business Split"). As a result of this Business Integration, NX Transport will be removed as a subsidiary of Nippon Express Holdings, Inc.

The consideration paid for Business Integration will be common stock of Meitetsu Transportation, and the basic policy of Nagoya Railroad will be to continue to own more than 50% of Meitetsu Transportation outstanding common stock subsequent to the execution of Business Integration. Specific details and methods will be determined before the final agreement is executed.

3. Overview of the parties to the company split

(1) Name	Nippon Express Co., Ltd.
(2) Address	2 Kanda-izumicho, Chiyoda-ku, Tokyo 101-0022, Japan
(3) Representative and title	Satoshi Horikiri, president and representative director
(4) Business lines	General logistics and related businesses, including chartered truck services, railway transportation, ocean cargo transportation, ship freight forwarding, air cargo transportation, warehousing, travel, customs clearance, heavy haulage, plant transportation and construction, special transportation, and information processing and analysis.
(5) Paid-in capital	70,175 million yen
(6) Date established	October 1, 1937
(7) Number of shares issued and outstanding	90,599,225 shares
(8) Fiscal year end	December
(9) Major shareholders and ownership ratios	Nippon Express Holdings, Inc. 100%
(10) Financial position and operating results for the most-recent fiscal year (ended December 31, 2022) (Millions of yen, except where noted)	
Net assets	341,760
Total assets	928,329
Net assets per share (yen)	3,772.22
Revenues	1359372
Operating income	48,881
Ordinary income	62,727
Net Income	67,217
Basic earnings per share (yen)	741.92

4. Overview of NX Transport (subsidiary to be transferred)

(1) Name	NX Transport
(2) Address	2 Kanda-izumicho, Chiyoda-ku, Tokyo 101-0022, Japan
(3) Representative and title	Fumio Utsumi, president and representative director

(4) Business lines	Motor cargo transportation, cargo freight transportation, warehousing, etc.		
(5) Paid-in capital	410.08 million yen		
(6) Date established	March 21, 1930		
(7) Major shareholders and ownership ratios	Nippon Express Co., Ltd. 100%		
(8) Relationship with the publicly listed company	Equity relationship	The Nippon Express Holding, Inc. consolidated subsidiary, Nippon Express, holds 100% of the NX Transport shares.	
	Personnel relationships	Not applicable.	
	Business relationships	Not applicable.	
(9) Most-recent operating results and financial position (millions of yen, except where noted)			
Fiscal Period	Fiscal year ended March 31, 2021	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net assets	5,306	5,276	5,006
Total assets	18,820	18,207	17,629
Net assets per share (yen)	1,294,258.64	1,286,923.97	1,221,036.24
Revenues	44762	33,867	45,057
Operating income (loss)	(158)	258	42
Ordinary income (loss)	(84)	312	94
Net income (loss)	(93)	150	(115)
Basic earnings (loss) per share (yen)	(22,724.65)	36,804.22	(28,255.39)
Dividend per share (yen)	43,810.00	36,803.90	0.00

Note: The fiscal year ended December 31, 2021, is a nine-month period from April 1, 2021 to December 31, 2021, due to a change in the fiscal year-end.

5. Overview of Special Combined Business

(1) Special Combined Business lines

Special Combined Business conducted by Nippon Express

(2) Special Combined Business net sales for the most-recent fiscal year

	Small-lot shipment business (a)	FY2022 results (b)	Ratio (a/b)
Revenues	37,714 million yen	1,359,372 million yen	2.8%

Sales in the small-lot shipment business include sales other than the Special Combined Business. Sales of the Special Combined Business are assumed to be a portion of the sales described above.

6. Overview of Meitetsu Transportation

(1) Name	Meitetsu Transportation Co., Ltd.	
(2) Address	2-12-8 Aoi, Higashi-ku, Nagoya, Aichi, Japan	
(3) Representative and title	Takuo Yoshikawa, president and representative director	
(4) Business lines	Comprehensive logistics-related business focused on freight forwarding	
(5) Paid-in capital	100 million yen	
(6) Date established	June 01, 1943	
(7) Number of shares issued and outstanding	5 shares	
(8) Fiscal year end	March	
(9) Major shareholders and ownership ratios	Nagoya Railroad Co., Ltd.	80%
	Nippon Express Co., Ltd.	20%
(10) Financial position and operating results for the most-recent fiscal year (ended March 31, 2022) (millions of yen, except where noted)		
Net assets		26,804
Total assets		87,498
Net assets per share (yen)		5,360,805,703.60
Revenues		58334
Operating income		304
Ordinary income		658
Net income		484
Basic earnings per share (yen)		96,897,912.20

Note: Due to the reverse stock split on June 16, 2022, at a ratio of 1 share per 1,296,305 shares of common stock, net assets per share and basic earnings per share have been calculated assuming the reverse stock split in question was conducted at the beginning of the relevant fiscal year.

7. Schedule

(1)	Date of conclusion of the MOU	August 9, 2023
(2)	Date of signing of the definitive agreement for the Business Integration	Between December 2023 and January 2024 (tentative)
(3)	Effective date of NX Transport Split	April 2024 (tentative)
(4)	Effective date of Special Combined Business split	January 2025 (tentative)

Subject to the completion of notifications, examinations, etc., (including those based on foreign laws) with respect to the business combination to the Fair Trade Commission and other relevant authorities.

8. Future Outlook

The impact of this matter, including other factors, on the consolidated and non-consolidated business results for the fiscal year ending December 31, 2023, is currently under study and will be disclosed promptly if and when any matters arise or are deemed necessary for disclosure.

End