

July 17, 2020

To whom it may concern

Company name: NIPPON EXPRESS CO., LTD.
Representative: Mitsuru Saito
President and CEO
(Code No. 9062, First Section,
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Notice Regarding Transfer of Shares in Consolidated Subsidiary

NIPPON EXPRESS CO., LTD. (the "Nippon Express" or "we"), at a Board of Directors meeting held on July 17, 2020 resolved to transfer shares we own in our consolidated subsidiary, Kita-Nihon Kaiun Co., Ltd. (the "Kita-Nihon Kaiun") to Kuribayashi Steamship Co., Ltd. (the "Kuribayashi Steamship").

Kita-Nihon Kaiun will be excluded from our consolidated subsidiary after this share transfer.

1. Purpose of the share transfer

Kita-Nihon Kaiun, an operator of ferry service between Hakodate and Aomori in northern Japan, joined the Nippon Express group as a consolidated subsidiary in May 1962. To Strengthen and expand its business, Kita-Nihon Kaiun established a joint ferry service company Seikan-Ferry Ltd. with Kyoei Unyu Co., Ltd., a subsidiary of Kuribayashi Steamship in February 1973.

Transporting trucks, passengers and their vehicles by its safety-focused ferry operations, Kita-Nihon Kaiun has made contributions to Nippon Express consolidated performance. We have decided on the share transfer under our groupwise strategy for business selection & concentration.

2. Summary of the Transferred Subsidiary

(1) Company name	Kita-Nihon Kaiun Co., Ltd.	
(2) Address	5-22, Asano-cho, Hakodate City, Hokkaido, Japan	
(3) Representative	President Hajime Saito	
(4) Business	Regular ferry line service for general passengers, coastal transportation	
(5) Share Capital	JPY40,000,000	
(6) Date of incorporation	April 10, 1944	
(7) Major shareholder and ownership ratio	Nippon Express Co., Ltd. (99.5%)	
(8) Relationship with Nippon Express	Capital relationship	Nippon Express holds 99.5% of Kita-Nihon Kaiun shares
	Personnel relationship	One of Kita-Nihon Kaiun directors is assigned by Nippon Express
	Business relationship	Kita-Nihon Kaiun transports trucks for Nippon Express
(9) Operating results for the last three (3) years (JPY1,000)		

Fiscal year	FY ended 3/31/2018	FY ended 3/31/2019	FY ended 3/31/2020
Sales	2,194,163	2,307,840	2,320,068
Operating income	81,201	-1,197	16,461
Net income	58,139	782	14,374

3. Summary of the counterparty to the Share Transfer

(1) Company name	Kuribayashi Steamship Co., Ltd.	
(2) Address	Shin Otemachi Bldg. 3F, 2-2-1, Otemachi, Chiyoda-ku, Tokyo, Japan	
(3) Representatives	Chairman Sadatomo Kuribayashi President Hiroyoshi Kuribayashi	
(4) Business	Coastal shipping business	
(5) Date of incorporation	March 29, 1919	
(6) Relationship with Nippon Express	Capital relationship	None
	Personnel relationship	None
	Business relationship	The two companies have a small amount of business transactions with each other

4. Number of shares to be transferred and that of shares Nippon Express holds before and after the transfer

(1) No. of shares owned before the transfer	770,290 shares
(2) No. of shares to be transferred	770,290 shares
(3) Transfer Price	JPY 2,000 million
(4) No. of shares to be owned after the transfer	0 share

* Under the share transfer agreement to be signed by Nippon Express and Kuribayashi Steamship, Nippon Express will acquire all the shares we do not own in Kita-Nihon Kaiun from relevant shareholders and transfer 100% shares to Kuribayashi Steamship. “No. of shares owned before the transfer” shown above includes the number of shares Nippon Express will acquire from other shareholders.

5. Schedule

(1) Date of resolution at the board of directors	July 17, 2020
(2) Date of execution of the share transfer agreement	July 17, 2020
(3) Date of execution of the transfer	September 1, 2020 (scheduled)

6. Future outlook

The impact of the share transfer on our business results will be minor.