

December 25, 2015

To whom it may concern

Name of the company	NIPPON EXPRESS CO., LTD.
Name of representative	Kenji Watanabe President and Representative Director (Code No. 9062 First Section of the Tokyo Stock Exchange)

Notice of Conclusion of a Capital and Business Alliance Agreement
with MEITETSU TRANSPORT Co., Ltd. (Code No. 9077) and Acquisition of its Stock

NIPPON EXPRESS CO., LTD. (“NIPPON EXPRESS”) hereby announces that, at the meeting of the Board of Directors held on December 25, 2015, it has resolved to execute a capital and business alliance agreement (hereinafter the “Capital and Business Alliance”) with MEITETSU TRANSPORT Co., Ltd. (hereinafter “MEITETSU TRANSPORT”) and to acquire 6,509,365 shares of its stock (hereinafter the “Stock Acquisition”), and concluded with MEITETSU TRANSPORT a capital and business alliance agreement and stock transfer agreement on the same date. The Capital and Business Alliance and the Stock Acquisition are concluded on the condition that the stock exchange as stated in the “Notice of Conclusion of a Stock Exchange Agreement with Shinsyu Meitetsu Transport Co., Ltd.” (hereinafter the “Stock Exchange”) becomes effective.

Notes

1. Reason for the Capital and Business Alliance

With the corporate philosophy of being a driving force for social development through logistics, NIPPON EXPRESS operates globally as a comprehensive logistics company which integrates and utilizes domestic and international truck, rail, air and marine transport.

On the other hand, MEITETSU TRANSPORT Group engages in comprehensive logistics business with a focus on freight transportation business. The comprehensive logistics business is operated through assigning specific business regions and fields to each group company in a comprehensive way, thereby catering to the logistics needs as a whole group.

Joint delivery and joint usage of facilities of the combined delivery services has been implemented in certain regions by NIPPON EXPRESS Group and MEITETSU TRANSPORT Group. In the future, amid the situation where significant growth in the combined delivery services market is not anticipated, in order to respond to changes in the external environment including intensification of labor shortage such as for drivers, NIPPON EXPRESS Group has judged that building a stronger relationship between MEITETSU TRANSPORT Group will be beneficial for both Groups, thereby concluded a capital and business alliance agreement.

2. Details of the Capital and Business Alliance

NIPPON EXPRESS and MEITETSU TRANSPORT will share the common targets as stated below, and consider and implement specific measures to that end.

- Optimization of operation efficiency and enhancement of service level through mutual use of the combined delivery services network
- Reinforcement of alliance of logistics services with complementary relationship such as in the field of moving services and railway forwarding
- Expansion of business scopes through optimization of various transportation services, knowhow and assets held by both Groups
- Enhancement of asset efficiency through joint usage of assets and joint development of information system, etc.
- Reduction of costs through shared procurement and purchasing

3. Details of the Stock Acquisition

NIPPON EXPRESS plans to acquire 6,509,365 shares of the MEITETSU TRANSPORT stock (accounting for 20.0% of the total number of issued shares of MEITETSU TRANSPORT after the Stock Exchange becomes effective) from Nagoya Railroad Co., Ltd., the parent company of MEITETSU TRANSPORT and other shareholders of MEITETSU TRANSPORT.

Announcement is hereby made as the acquisition falls under the “Activities performed as Tender Offer specified by Cabinet Order as Buying-up activities” stipulated in Article 167 of the Financial Instruments and Exchange Act and Article 31 of Order for Enforcement of the Financial Instruments and Exchange Act.

4. Overview of the Company with which the Capital and Business Alliance Agreement is Concluded

(1) Name	MEITETSU TRANSPORT Co., Ltd.	
(2) Location	2-12-8 Aoi, Higashi-ku, Nagoya-shi	
(3) Name and title of representative	Yuki Shibata, Representative Director and President	
(4) Description of business	Truck transportation business, air freight forwarding business, distribution business	
(5) Capital	JPY 2,065 million	
(6) Date of establishment	June 1, 1943	
(7) Major shareholders and shareholding ratio	Nagoya Railroad Co., Ltd.	50.46%
	Sumitomo Mitsui Trust Bank, Limited	4.12%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.95%
	Employee Stock Ownership Association of MEITETSU TRANSPORT Co., Ltd.	3.06%
	The Dai-ichi Life Insurance Company, Limited	2.17%
	Mitsubishi Fuso Truck and Bus Corporation	2.00%

	Nippon Life Insurance Company		1.73%
	Suzuyo & Co., Ltd.		1.63%
	Mitsui Sumitomo Insurance Company, Limited		1.55%
	The Asahi Fire and Marine Insurance Company, Limited		1.53%
(8) Relationship between the concerned parties	Capital relationship	There is no capital relationship to be noted.	
	Human relationship	There is no human relationship to be noted.	
	Business relationship	NIPPON EXPRESS performs mutual transportation transaction in regard to the truck transportation business with MEITETSU TRANSPORT.	
	Status of relationship	MEITETSU TRANSPORT is not a related party of NIPPON EXPRESS. The related persons and affiliated companies of MEITETSU TRANSPORT are not related parties of NIPPON EXPRESS.	
(9) Consolidated operating results and financial position for the past 3 years (Unit: JPY million, unless otherwise specified)			
Fiscal year ended	March 31, 2013	March 31, 2014	March 31, 2015
Consolidated net assets	13,210	12,951	15,020
Consolidated total assets	80,071	79,979	80,483
Net consolidated assets per share (Yen)	511.15	499.49	583.09
Consolidated net sales	92,289	92,852	90,852
Consolidated operating income	2,293	2,498	2,812
Consolidated ordinary income	2,263	2,486	2,883
Consolidated net income	772	1,311	1,807
Consolidated net income per share (Yen)	31.80	53.99	74.40
Dividend per share (Yen)	3.50	5.00	5.00

5. Schedule

(1)	Date of resolution by the Board of Directors	December 25, 2015
(2)	Date of conclusion of the stock transfer agreement and capital and business alliance agreement	December 25, 2015
(3)	Date of stock acquisition of MEITETSU TRANSPORT by NIPPON EXPRESS (Scheduled date)	April 1, 2016 (Scheduled)

6. Future Outlook

The Capital and Business Alliance will have a minor impact on the business performance.

End