

To whom it may concern

Name of the company NIPPON EXPRESS CO., LTD.
 Name of representative Mitsuru Saito
 President, CEO
 (Code No. 9062
 First Section of the Tokyo Stock Exchange)

Notice Concerning Transfer of Nippon Express Distribution Centers

In April 2020, Nippon Express Co., Ltd. placed our Mizonokuchi Distribution Center, as well as other land and buildings owned by the company, into a trust. Further, we entered into an agreement to transfer the trust beneficiary rights to a specified purpose company operated by Prologis, Inc..

The trust beneficiary rights in question are scheduled to be transferred during the fiscal year ending March 2021 and the transfer price is expected to exceed ¥50 billion. We will continue to use this facility in accordance with a lease agreement executed separately.

1. Reasons for transfer

The decision to make this transfer is one part of the Nippon Express Group movement to create cash flows through asset liquidity, to slim down our balance sheet, and to diversify assets and capital acquisition toward executing Inorganic growth strategy as set forth in Nippon Express Group Business Plan 2023~“Dynamic Growth”~.

2. Details of transferred assets

Transferred assets and location	Transfer date	Site area	Total floor space	Current status
Mizonokuchi Distribution Center Kawasaki City, Kanagawa Prefecture	April 2020	Approx. 41,700 m ²	Approx. 49,900 m ²	Used as a distribution center
East Japan Pharmaceutical Center Kuki City, Saitama Prefecture	March 2021 (planned)	Approx. 50,500 m ²	Approx. 65,400 m ²	Under construction as a dedicated pharmaceuticals warehouse
West Japan Pharmaceutical Center Neyagawa City, Osaka	March 2021 (planned)	Approx. 32,400 m ²	Approx. 63,600 m ²	Under construction as a dedicated pharmaceuticals warehouse
Kyushu Pharmaceutical Center Kitakyushu City, Fukuoka Prefecture	March 2021 (planned)	Approx. 14,200 m ²	Approx. 17,300 m ²	Under construction as a dedicated pharmaceuticals warehouse

3. Overview of transferee

(1) Name	Fuji Special Purpose Company(specified purpose company operated by Prologis, Inc.)
(2) Address	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo
(3) Representative and title	Shigeru Inada, director
(4) Business lines	1. Acceptance, management, and disposal of specified assets in accordance with asset liquidation based on the Act on the Securitization of Assets 2. Other business related to the liquidation of special assets as detailed above
(5) Total capital	Specified capital ¥100,000
(6) Date established	February 27, 2020

4. Other

We intend to transfer our distribution centers, including dedicated pharmaceutical warehouses; however, we plan to continue to operate distribution businesses at the facilities in question under our own responsibility.

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released April 16, 2020.