

May 22, 2020

To whom it may concern

Company name: NIPPON EXPRESS CO., LTD  
Representative: Mitsuru Saito  
President and CEO  
(Code No.9062, First Section,  
Tokyo Stock Exchange)  
Contact: Hiroshi Hasegawa  
Director, Public Relations  
(Phone +81 (0)3-6251-1111)

Acquisition of Equity Interest of MD Logistics, Inc. and MD Express, Inc.  
(Turning into a Subsidiary)

NIPPON EXPRESS CO., LTD. (the “Company” or “we”) agreed with investors of MD Logistics, Inc. and MD Express, Inc. (together, the “MD Logistics”), a logistics group operated in the US, and thereby executed the equity purchase agreement on May 22, 2020 (JST) to acquire the entire equity interests of MD Logistics through the subsidiary, Nippon Express USA, Inc. (CEO: Toshiya Abe) (the “Acquisition”).

1. Purpose of the Acquisition

Starting 2019, we positioned the pharmaceutical industry as a priority industry in our business plan and corporate strategy. We are steadily implementing measures to develop our solutions both domestic and overseas. In Japan, the Company has invested in warehouse and delivery functions in accordance with quality control standards based on the GDP guidelines issued by the Ministry of Health, Labor and Welfare in December 2018.

MD Logistics is headquartered in Indiana, USA, and has established a strong position in its main business of logistics service provider for the pharmaceutical industry in the US.

With the acquisition, we will gain access to the pharmaceutical distribution network in the US, which is the world's largest pharmaceutical market. Furthermore, by connecting MD Logistics with our international transportation network, we can benefit from an integrated and consistent logistics quality control across the entire United States and globally.

Furthermore, not only will the acquisition of MD Logistics provide us the ability to offer pharmaceutical logistics function but also furthermore our ability to expand our sales channel as we integrate different customer bases. In the future, we aim to maximize the synergies of the joint operation to provide higher quality services to customers worldwide.

## 2. Overview of MD Logistics

(1) Trade name	MD Logistics, Inc.	MD Express, Inc.
(2) Headquarter address	1301 Perry Road, Suite 101 Plainfield, Indiana 46168	
(3) Representative	Mark Sell	
(4) Businesses	Warehousing, distribution and logistics services	Domestic transportation services
(5) Year of incorporation	1996	
(6) Employees	270 (approximate)	
(7) Group performance of the latest business year (ending December 2019)	Sales USD 51.0mn (approximate JPY 5.5bn)	

(Note 1) MD Logistics expects to complete reorganization to Limited Liability Company by the Date of the Acquisition.

(Note 2) The above table presents the information as of the date of this press release. The management system post the Acquisition is now being reviewed and discussed.

## 3. Equity interest ownership before and after the transaction

(1) Percentage of equity interest owned before the Acquisition	0.0%
(2) Percentage of equity interest owned after the Acquisition	100.0%

## 4. Schedule

(1) Date of resolution at the board of directors	May 22, 2020
(2) Date of the EPA	May 22, 2020
(3) Date of the Acquisition	September, 2020 (tentative)

(Note) Date of the Acquisition may vary depending on the progress in satisfying the conditions precedent to the Acquisition.

## 5. Outlook

The impact of the Acquisition on the consolidated performance of the Company for the fiscal year ending March 2021 will be minor.

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