

May 12, 2023

To whom it may concern

Company name: NIPPON EXPRESS HOLDINGS, INC.
Representative: Mitsuru Saito, President and CEO
(Code No. 9147, Prime Market of Tokyo Stock Exchange)
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Acquisition of Shares of cargo-partner (Turning into a Subsidiary)

NIPPON EXPRESS HOLDINGS, INC. (the “Company” or “we”) has reached agreement with Cargo-Partner Group Holding AG and its subsidiaries Multi Transport und Logistik Holding AG, Safer Overseas Transport Holding GmbH, Cargo-Partner GND GmbH, and CARGO-PARTNER US HOLDINGS INC. (collectively, the “Sellers”) to acquire the shares of their multiple subsidiaries, which provide global logistics services through their main business sites in Central and Eastern Europe (the “Target Companies” or “cargo-partner”) (the “Transaction”), through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company’s European holding company, and has resolved to enter into a sale and purchase agreement (the “Agreement”) at a board of directors meeting held today, on May 12, 2023.

1. Purpose of the Transaction

Our group aims to become “a logistics company with a presence in the global market” that contributes to the global expansion of our customers by providing supply chain solutions across a variety of transportation methods - road, air, and sea - across the globe. To realize such an aim, our group has worked on the “Nippon Express Group Business Plan 2023 - “Dynamic Growth” -” since fiscal year 2019, and has executed a number of cross-border M&A transactions as part of our inorganic growth strategy.

cargo-partner, based in Vienna, Austria, has a strong logistics business platform in the Central and Eastern European region which has attracted attention as an industrial base for Europe. cargo-partner operates its air and sea forwarding business across Europe, Asia and North America in the automotive, electric and electronics, and pharmaceutical / medical industries which are all part of the core business for growth as set out in “Nippon Express Group Business Plan 2023 - “Dynamic Growth” -”.

Based on information received and through several discussions with cargo-partner, we have deepened our understanding of cargo-partner’s growth strategies, as well as the strengths of its employees and corporate culture, and with the aim of achieving our group’s long-term vision,

we continued discussions with cargo-partner regarding its potential to achieve future growth as part of our group. As a result, we concluded that it is highly beneficial for us to welcome cargo-partner into our group in order to further strengthen the forwarding business through synergies and, by leveraging the competitive strengths of each company, to create an even more active sales and marketing operation, and to increase our presence in the global market. We believe we can capture new growth areas through the addition of cargo-partner to our group, specifically in the four main areas below by:

- Strengthening our network and services in the European area by supplementing the logistics foundation in the Central and Eastern Europe region, where, as the production base for the European region, strong growth is expected
- Strengthening our competitiveness in global markets through an increase in air and sea forwarding volume
- Addressing a variety of needs of our customers who operate their business globally, especially by strengthening our ability to meet the demand for logistics between Asia and Europe as well as reinforcing our global accounts team
- Developing and creating synergies between our logistics businesses which are complementary due to the different areas of strengths in terms of customer base and coverage countries and areas

We are aiming for an early realization of the above scenarios. Further expansion of the business of cargo-partner as a member of our group will help realize the growth targets of both companies as well as contribute towards an increase of our corporate value.

2. Outline of the Transaction

We will acquire the shares of the 63 Target Companies from the Sellers in cash through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company’s European holding company. Minority shareholders will remain in at least 1 out of the 63 Target Companies.

3. Outline of the companies

(1) Outline of transferred subsidiary

Note that the outline of only 1 representative company is presented below, although the Target Companies consist of 63 companies (including partially-owned subsidiaries). The remaining 62 companies are the operating companies in the 40 countries that cargo-partner operates in.

(1) Trade name	cargo-partner GmbH
(2) Headquarter address	Airportstraße 9, 2401 Fischamend, Austria
(3) Representatives	Luca Ferrara, Managing Director Martin Schenzel, Managing Director
(4) Business	Freight forwarding
(5) Capital	EUR 3 million (JPY 450 million*)
(6) Date of incorporation	November 30, 1983

(7) Shareholders and their percentage holdings	Cargo-Partner Group Holding AG (Ownership: 100%)		
(8) Relationship between the Company and cargo-partner GmbH	Capital relationship	N/A	
	Personnel relationship	N/A	
	Business relationship	N/A	
	Status as related party	N/A	
(9) Financial status and business performance from the last three fiscal years (Note)			
Fiscal year	December 2020	December 2021	December 2022
Consolidated Net Assets	EUR 89,785 thousand (JPY 13,468 million*)	EUR 179,851 thousand (JPY 26,978 million*)	EUR 227,979 thousand (JPY 34,197 million*)
Consolidated Total Assets	EUR 382,240 thousand (JPY 57,336 million*)	EUR 624,673 thousand (JPY 93,701 million*)	EUR 601,241 thousand (JPY 90,186 million*)
Consolidated Revenue	EUR 1,049,795 thousand (JPY 157,469 million*)	EUR 1,806,196 thousand (JPY 270,929 million*)	EUR 2,063,395 thousand (309,509 million JPY*)
Consolidated EBIT	EUR 47,327 thousand (JPY 7,099 million*)	EUR 112,921 thousand (JPY 16,938 million*)	EUR 71,480 thousand (JPY 10,722 million*)
Consolidated Net Income	EUR 35,514 thousand (JPY 5,327 million*)	EUR 88,231 thousand (JPY 13,235 million*)	EUR 53,811 thousand (JPY 8,072 million*)

(Note) The financial information and business performance are the consolidated figures of Cargo-Partner Group Holding AG, consisting of the Sellers and the Target Companies. Since all of the Sellers included in the consolidated financial status and business performance are holding companies, the financial status and business performance of the Target Companies is generally equivalent to the consolidated financial status and business performance of Cargo-Partner Group Holding AG.

(2) Outline of the Seller

Of the five Sellers in the Transaction, only the information on Cargo-Partner Group Holding AG, the parent company of Multi Transport und Logistik Holding AG, Safer Overseas Transport Holding GmbH, Cargo-Partner GND GmbH, and CARGO-PARTNER US HOLDINGS INC., is presented.

(1) Trade name	Cargo-Partner Group Holding AG
(2) Headquarter address	Airportstraße 9, 2401 Fischamend, Austria

(3) Representative	Stefan Krauter, Chairman	
(4) Business	Holding company	
(5) Date of incorporation	July 30, 2014	
(6) Stated Capital	EUR 2 million (JPY 300 million*)	
(7) Shareholders and their percentage holdings	Undisclosed (Private company with management as shareholders)	
(8) Relationship between the Company	Capital relationship	N/A
	Personnel relationship	N/A
	Business relationship	N/A
	Status as related party	N/A

※Please refer to 3. (1) “Outline of transferred subsidiary” for consolidated net assets and consolidated total assets

4. Number of shares to be transferred, purchase price, and status of shares held before and after the Transaction

(1) Number of shares held before the Transaction	0 shares (voting right ownership ratio: 0.0%)
(2) Number of shares to be transferred	All outstanding shares of the Target Companies (excluding the shares held by the minority shareholders of at least one company, out of a total of seven companies which had minority shareholders prior to the Transaction, where minority shareholders will remain after the Transaction)
(3) Purchase price	Ordinary shares of the Target Companies: EUR 845 million (JPY 126,750 million*) (the actual purchase price will be determined after adjustments in relation to net debt and net working capital of cargo-partner are made at time of completion of the Transaction) (Note)
(4) Number of shares held after the Transaction	All outstanding shares of the Target Companies (excluding the shares held by the minority shareholders of at least one company, out of a total of seven companies which had minority shareholders prior to the Transaction, where minority shareholders will remain after the Transaction)

(Note) The purchase price is for the shares of all 63 Target Companies. In addition, a maximum of EUR 555 million (JPY 83,250 million*) will be paid in cash to the Sellers, based on the Target Companies’ earnings reaching a certain financial threshold agreed to in the Agreement.

*Converted at the rate of EUR 1 = JPY 150

5. Schedule

(1) Board of Directors resolution date	May 12, 2023
(2) Execution date of the Agreement	May 12, 2023
(3) Closing date of the Transaction	November, 2023 – May, 2024 (planned)

The Transaction is subject to satisfaction of conditions precedent, including the completion of procedures under antitrust laws in countries where this is required.

6. Future Outlook

We are currently assessing the impact of the Transaction on the consolidated business forecast for fiscal year 2023. Any matter arising in the future that should be disclosed will be announced promptly.

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