

May 24, 2019

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 of Continuation and Partial Revision of Performance-based Stock Compensation Plan

This is to inform you to the following with regard to the decision of the Board of Directors meeting held today to take a proposal (hereinafter “this proposal”) to continue and partially revise the performance-based stock compensation plan (hereinafter “this Plan”) for Directors and executive officers (excluding outside directors and foreign residents. Hereinafter “Officers, etc.”) introduced from FY2016, to the 113th Ordinary General Meeting of Shareholders scheduled (hereinafter “General meeting of Shareholders”) for June 27, 2019.

Notes

1. About the Continuation of this Plan

- (1) At the Board Meeting held today, the company decided to take this proposal to the General Meeting of Shareholders for the medium to long-term company performance and improved corporate value and to raise the awareness of its contributions to each.
- (2) The continuation of this plan is subject to obtaining the approval of this proposal at the General Meeting of Shareholders.
- (3) This plan is a stock compensation system that is linked to the medium to long-term performance of the company using the Executive Compensation BIP (Board Incentive Plan) Trust (hereinafter the “BIP Trust”). The BIP Trust is an executive incentive plan based on US and European Performance Share Plans and Restricted Stock Plans, and is a system which grants benefits (hereinafter “grants etc.”) to Officers, etc. in the form of company stock or the cash equivalent of the company stock price based on business performance, etc.

2. About the Partial Revision of this Plan

Regarding the BIP Trust (hereinafter “the Trust”) period that is set to expire at the end of August 2019, the company has decided to continue this plan and extend the trust period for 5 years, by changing the trust agreement and creating an additional trust. In the continuation of this plan, the following points shall be revised from the existing plan, subject to obtaining the approval of the General meeting of Shareholders.

In addition to the content described below, please see the “Notice of Introduction of Performance-based Stock Compensation Plan” dated April 8, 2016 for the details of this plan.

● Major Revisions to this Plan

Item	Before Revision	After Revision
Evaluation Period under this Plan	<p>3 business years</p> <p>Business year ending March 31, 2017 to business year ending March 31, 2019</p> <p>Following the expiry of the initial assessment target period, the Company may set up a new assessment target period of three business years to continue this Plan.</p>	<p>5 business years</p> <p>Business year ending March 31, 2020 to business year ending March 31, 2024</p> <p>Following the expiry of the initial assessment target period, the Company may set up a new assessment target period of five business years to continue this Plan.</p>
Trust term	<p>The trust term will be for three years from September 2016 to August 2019</p> <p>If the Trust is to be continued at the expiry of the trust term, the Company may extend the Trust and entrust additional money by resolution of the Board of Directors to the extent approved at the Shareholders’ Meeting. In principle, the trust term may be extended for the same period as the initial trust term (three years).</p>	<p>The extended trust term will be for five years from September 2019 (planned) to August 2024 (planned)</p> <p>If the Trust is to be continued at the expiry of the extended trust term, the Company may extend the Trust and entrust additional money by resolution of the Board of Directors to the extent approved at the Shareholders’ Meeting. In principle, the trust term may be extended for the same period as the initial trust term after the extension (five years).</p>
Content of Performance Conditions for Performance-based Aspects	<p>(1) Target indicators for each business year of the evaluation period</p> <p>Consolidated sales, consolidated operating income etc.</p> <p>(2) Target indicators throughout the evaluation period</p> <p>Consolidated sales, consolidated operating income, consolidated ROA (Return on Assets) etc.</p>	<p>(1) Target indicators for each business year of the evaluation period</p> <p>Consolidated sales, consolidated operating income etc.</p> <p>(2) Target indicators throughout the evaluation period</p> <p>Consolidated sales, consolidated operating income, consolidated ROE (Return on Equity) etc.</p>
Maximum Amount of Contributions to this Trust	400 million yen over three business years	800 million yen over five business years
Maximum number of Company Shares Subject to Granting to Officers, etc.	<p>The maximum number of the Company’s shares to be delivered, etc. to the Officers for each business year under the Plan be set at 30,000 shares*¹</p> <p>*1 300,000 shares prior to the stock consolidation</p>	<p>The maximum number of the Company’s shares to be delivered, etc. to the Officers for each business year under the Plan be set at 23,000 shares</p>

	<p>on October 1, 2017</p> <p>The maximum number of the Company's shares to be attributed to the Trust for each trust term is expected to be the number corresponding to the maximum number of the Company's shares to be delivered for each business year multiplied by 3 (90,000 shares*²)</p> <p>*2 900,000 shares prior to the stock consolidation on October 1, 2017</p>	<p>The maximum number of the Company's shares to be attributed to the Trust for each trust term is expected to be the number corresponding to the maximum number of the Company's shares to be delivered for each business year multiplied by 5 (115,000 shares)</p>
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Reference:

[Content of the trust agreement]

(1) Type of trust	Monetary trust other than a specified solely-administered monetary trust (third-party beneficiary trust with beneficiaries yet to exist)
(2) Purpose of trust	To provide incentives to the Officers of the Company
(3) Entruster	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint Trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Officers who satisfy the beneficiary requirements
(6) Trust administrator	Third party having no conflict of interest with the Company (certified public accountant)
(7) Date of trust agreement	August 2016 (Plan to change to August 2019 to extend the trust period)
(8) Trust term	September 2016 to August 2019 (Plan to extend to August 2024 by changing the August 2019 trust agreement)
(9) Commencement of the plan	September 2016
(10) Exercise of voting rights	Voting rights will not be exercised
(11) Class of shares to be acquired	Common stock of the Company
(12) Upper limit of trust money	800 million yen (planned) (including trust fees and trust expenses)
(13) Share acquisition period	August 8, 2019 (planned) to August 30, 2019 (planned)
(14) Share acquisition method	Purchased from the stock market
(15) Rights holder	The Company

(16) Residual assets	The Company, as the rights holder, may receive residual assets within the scope of the reserve for trust expenses after deducting funds to acquire the Company's shares from trust money.
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[Details of administration relating to the trust and shares]]

(1) Trust-related administration	Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. are to be the trustees of the BIP Trust and will conduct trust-related administration.
(2) Share-related administration	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will conduct administration related to the delivery of the Company's shares to beneficiaries based on the administration service contract.

End

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 May 24, 2019.