



SEINO HOLDINGS CO., LTD.
Mitsubishi Electric Corporation

Mitsubishi Electric Logistics Corporation to Become Seino Subsidiary

TOKYO, Jun 18, 2024 – SEINO HOLDINGS CO., LTD. (TOKYO and NAGOYA: 9076) and Mitsubishi Electric Corporation (TOKYO: 6503) have today concluded a stock purchase agreement under which Seino will acquire 66.6 percent of the common shares of Mitsubishi Electric Logistics Corporation currently held by Mitsubishi Electric, and a shareholder agreement governing arrangements among shareholders regarding the business operations of the logistics company after the transaction.

Subject to regulatory approvals from relevant authorities, the share transfer is expected to be concluded around October 1 this year and the company will become a subsidiary of Seino, which will hold 66.6 percent of the shares, and an equity-method affiliate of Mitsubishi Electric, which will hold the remaining 33.4 percent.

The importance of building a sustainable logistics supply chain is growing in Japan, where labor shortages are weakening long-distance transportation capabilities, and emergencies such as pandemics and disasters have been shown to disrupt supply chains. Other pressures include the increasing diversity of goods being shipped and the growing complexity of transportation due to the globalization of production bases and sales channels.

Under such circumstances, Seino has been promoting initiatives to streamline its entire logistics operations, such as through the establishment of new domestic bases and the expansion of logistics functions in various areas, under its strategy focusing on transitioning from a “LTL trucking company” to a “logistics company”. In Seino’s “Medium to Long-term Management Direction - Desired State and Roadmap 2028” formulated in June 2023, Seino has positioned its Electronics Solutions Division, Automotive Battery Logistics Division, and Healthcare Solutions Division as the “three focus areas” in its logistics operations, supporting the optimization of global companies’ supply chains by enhancing industry-specific solutions through improved compatibility with Seino’s overseas networks.

Mitsubishi Electric, together with its subsidiary Mitsubishi Electric Logistics, has been working to optimize the supply chain of the entire Mitsubishi Electric Group by addressing common business issues, such as the driver shortage in Japan’s logistics industry (“2024 problem”) and consolidating international transport tenders. Mitsubishi Electric Logistics has leveraged its understanding of Mitsubishi Electric’s businesses, products and related handling issues to increase the efficiency and overall strength of the group’s logistics operations.

This transaction will enable Seino to strengthen its logistics capabilities for electronics and help streamline customer supply chains through Mitsubishi Electric Logistics’ expertise in the transportation of large equipment and facilities, semiconductors and precision machinery as well as the new subsidiary’s existing logistics centers and other assets, significantly strengthening Seino’s transformation into a logistics company.

Additionally, Mitsubishi Electric Logistics aims to leverage Seino's domestic and overseas transportation infrastructure, networks, information systems and digital platforms to help Mitsubishi Electric further streamline its logistics operations, from procurement to sales, as well as establish a more stable supply network and provide better products and services to its customers.

Moreover, Mitsubishi Electric Logistics intends to leverage Seino's domestic and international customer base for increased corporate value by expanding its service offerings beyond the Mitsubishi Electric Group.

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Appendix

Overview of transaction

I. Subsidiary to be transferred (as of March 31, 2024)

(i)	Name	Mitsubishi Electric Logistics Corporation		
(ii)	Head Office	4-10-1 Nakano, Nakano-ku, Tokyo, Japan		
(iii)	President and CEO	Juichi Shikata		
(iv)	Business	Logistics, transportation and delivery, relocation/moving for factories, offices, etc., warehousing, logistics office operations (delivery centers, etc.), international logistics, logistics consulting, and other incidental business related to logistics		
(v)	Paid-in Capital	1,735 million yen		
(vi)	Establishment	July 1, 1958		
(vii)	Major Shareholders and Shareholding Ratio	Mitsubishi Electric Corporation	97.91%	
		Miyoshi Electronics Corporation	0.45%	
		RYODEN Corporation	0.23%	
		Mitsubishi Electric System & Service Co., Ltd	0.23%	
		Mitsubishi Electric Building Solutions Corporation	0.23%	
		Mitsubishi Electric Life Service Corporation	0.23%	
		iPLANET Inc.	0.14%	
		Mitsubishi Electric Home Appliance Co., Ltd	0.14%	
		Kanaden Corporation	0.09%	
		TOKAN Co., Ltd.	0.09%	
		The Kodensha Co.,Ltd.	0.09%	
	Mitsubishi Electric Public Utility Equipment Corporation	0.09%		
	Mitsubishi Precision Co., Ltd	0.09%		
(viii)	Relationship between Seino and Mitsubishi Electric Logistics	Capital	Not applicable	
		Personnel	Not applicable	
		Business	Seino and its subsidiaries have a business relationship with Mitsubishi Electric Logistics and its subsidiaries, including the provision of logistics services.	
(ix)	Relationship between Mitsubishi Electric and Mitsubishi Electric Logistics	Capital	Mitsubishi Electric holds 21,540,000 shares (common stock) of Mitsubishi Electric Logistics, making it a consolidated subsidiary.	
		Personal	13 of the 20 directors and all 4 auditors of Mitsubishi Electric Logistics are from Mitsubishi Electric or its subsidiaries.	
		Business	There is a business relationship between Mitsubishi Electric and Mitsubishi Electric Logistics, including the entrustment and provision of logistics services.	
(x)	Business performance and financial condition over past three years.			
	Fiscal Year	FY2022 (ended March 2022)	FY2023 (ended March 2023)	FY2024 (ended March 2024)
	Total Equity	49,043 million yen (56,034 million yen)	50,111 million yen (57,771 million yen)	51,482 million yen (58,055 million yen)
	Total Assets	68,385 million yen (81,799 million yen)	69,405 million yen (83,907 million yen)	68,066 million yen (81,840 million yen)
	Equity per Share	2,229 yen	2,277 yen	2,340 yen
	Revenue	113,268 million yen (143,451 million yen)	136,624 million yen (169,843 million yen)	106,282 million yen (135,383 million yen)
	Operating Profit	6,216 million yen (7,044 million yen)	5,553 million yen (6,670 million yen)	3,075 million yen (3,984 million yen)
	Ordinary Profit	6,783 million yen (7,939 million yen)	6,135 million yen (7,291 million yen)	4,607 million yen (5,576 million yen)
	Net Profit Attributable to Shareholders	4,765 million yen (5,700 million yen)	4,264 million yen (4,997 million yen)	3,386 million yen (2,786 million yen)
	Basic Earnings per Share	216 yen	193 yen	153 yen
	Dividend per Share	104 yen	143 yen	87 yen

(Note 1) As Mitsubishi Electric Logistics does not report consolidated financial results, the figures shown above are non-consolidated, and a simple sum of the financial results of the company and its subsidiaries is shown in parentheses. Please note the financial year of the subsidiaries end in either January, March, or December, and the figures from each subsidiary's latest financial year are used in the figures above.

II. Overview of relevant parties

(1) SEINO HOLDINGS CO., LTD. (as of March 31, 2024)

(i)	Name	SEINO HOLDINGS CO., LTD.	
(ii)	Head Office	1 Taguchi-cho, Ogak, Gifu, Japan	
(iii)	President and CEO	Yoshitaka Taguchi	
(iv)	Business	Freight truck transportation, freight utilization transportation, warehousing, air transport agency, customs clearance, international multimodal transportation, etc.	
(v)	Paid-in Capital	42,481 million yen	
(vi)	Establishment	November 1, 1946	
(vii)	Total Equity	435,577 million yen	
(viii)	Total Assets	689,525 million yen	
(ix)	Major Shareholders and Shareholding Ratio	Taguchi Fukujukai Foundation	15.05%
		The Master Trust Bank of Japan, Ltd.	10.15%
		Custody Bank of Japan, Ltd.	9.56%
		The Juroku Bank, Ltd.	3.79%
		Aioi Nissay Dowa Insurance Co., Ltd.	3.08%
		Hino Motors, Ltd.	2.52%
		Ogaki Kyoritsu Bank	2.34%
		Adonis Co., Ltd.	1.98%
		Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.75%
GIKEN Co., Ltd.	1.73%		
(x)	Relationship between Seino and Mitsubishi Electric	Capital	Not applicable
		Personal	Not applicable
		Business	Seino and its subsidiaries have a business relationship with Mitsubishi Electric and its subsidiaries, including the provision of logistics services.
		Applicability to related parties	Not applicable

(2) Mitsubishi Electric Corporation (as of March 31, 2024)

(i)	Name	Mitsubishi Electric Corporation	
(ii)	Head Office	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	
(iii)	Representative Executive Officer, President & CEO	Kei Uruma	
(iv)	Business	Development, manufacturing, sales, and service of products in areas such as Infrastructure, Industry and Mobility, Life and Business Platform, etc.	
(v)	Paid-in Capital	175,820 million yen	
(vi)	Establishment	January 15, 1921	
(vii)	Total Equity	3,866,418 million yen	
(viii)	Total Assets	6,167,340 million yen	
(ix)	Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)	16.15%
		SSBTC CLIENT OMNIBUS ACCOUNT	5.30%
		Custody Bank of Japan, Ltd. (Trust Account)	5.19%
		Meiji Yasuda Life Insurance Company	3.91%
		STATE STREET BANK AND TRUST COMPANY 505223	2.49%
		JP MORGAN CHASE BANK 380055	2.34%
		Mitsubishi Electric Group Employees Shareholding Union	2.15%
		JP MORGAN CHASE BANK 385632	2.03%
		STATE STREET BANK WEST CLIENT - TREATY 505234	1.85%
Nippon Life Insurance Company	1.73%		
(x)	Relationship between Mitsubishi Electric and Seino	Capital	Not applicable
		Personal	Not applicable
		Business	Mitsubishi Electric and its subsidiaries have a business relationship with Seino and its subsidiaries, including the entrustment of logistics services.

	Applicability to related parties	Not applicable
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III. Shares to be acquired by Seino and the status of owned shares before/after the transaction

(i)	Number of shares owned before change	0 (Number of voting rights: 0) (Percentage of voting rights owned: 0.0%)
(ii)	Number of shares to be acquired	14,652,000 (Number of voting rights: 14,652)
(iii)	Acquisition price	57,276 million yen
(iv)	Number of shares to be owned after change	14,652,000 (Number of voting rights: 14,652) (Percentage of voting rights to be owned: 66.6%)

(Note 2) The final acquisition price is expected to be the amount adjusted for value as stipulated in the share transfer agreement.

(Note 3) Mitsubishi Electric plans to acquire the shares of Mitsubishi Electric Logistics currently held by shareholders other than Mitsubishi Electric by the date of the share transfer execution. After the execution of the share transfer, the only shareholders of Mitsubishi Electric Logistics are expected to be Seino and Mitsubishi Electric.

IV. Shares to be transferred from Mitsubishi Electric and the status of owned shares before/after the transaction

(i)	Number of shares owned before change	22,000,000 (Number of voting rights: 22,000) (Percentage of voting rights owned: 100.0%)
(ii)	Number of shares to be transferred	14,652,000 (Number of voting rights: 14,652)
(iii)	Price	57,276 million yen
(iv)	Number of shares to be owned after change	7,348,000 (Number of voting rights: 7,348) (Percentage of voting rights to be owned: 33.4%)

(Note 4) The final price is expected to be the amount adjusted for value as stipulated in the share transfer agreement.

(Note 5) Mitsubishi Electric plans to acquire the shares of Mitsubishi Electric Logistics currently held by shareholders other than Mitsubishi Electric by the date of the share transfer execution. After the execution of the share transfer, the only shareholders of Mitsubishi Electric Logistics are expected to be Seino and Mitsubishi Electric.

V. Timeline

(1)	Decided by Seino/ Mitsubishi Electric	June 18, 2024
(2)	Final contract conclusion	June 18, 2024
(3)	Share transfer	October 1, 2024 (planned)

VI. Outlook

As a result of the transaction, Mitsubishi Electric Logistics will become a subsidiary of Seino, and an equity-method affiliate of Mitsubishi Electric.

The impact of the transaction on the consolidated financial results of Seino is currently being reviewed, and has not been included in its financial forecast for the fiscal year ending March 2025, announced on May 14, 2024. If Seino finds it necessary to revise its financial forecast or identifies anything noticeable, it shall be announced immediately as necessary. The profit-and-loss results will be incorporated into Seino's consolidated results starting from the third quarter of the current fiscal year ending March 2025.

The impact of the transaction on Mitsubishi Electric's consolidated financial results has been included in its financial forecast for the fiscal year ending March 2025, which was announced on April 26, 2024. In case the company identifies anything noticeable, updates shall be announced immediately as necessary.