

# Results for the Fiscal Year Ended March 31, 2024

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**May 24, 2024**

With growth investments and the expansion of capital policy, we aim for a P/B ratio of over 1x and operating income of ¥11.0 billion (target for the final year of the medium-term plan)

## **I. Results for the Fiscal Year Ended March 31, 2024**

**P.3**

## **II. Full-Year Plan for the Fiscal Year Ending March 31, 2025**

**P.12**

## **III. Progress and Direction of the Seventh Medium-Term Business Plan “Nissin Next 7th” P.17**

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## **I. Results for the Fiscal Year Ended March 31, 2024**

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# FY03/24 Results

The sales plan has been revised, but profits were generally in line with the plan

(Millions of yen)

\*Revised on October 30, 2023

	FY03/23	FY03/24		vs. Plan		YoY	
		Plan	Results	Change	Percentage	Change	Percentage
Net sales	194,165	165,000	169,934	+4,934	103.0%	-24,231	87.5%
Operating income	12,643	8,500	8,073	-426	95.0%	-4,569	63.9%
Ordinary income	13,634	9,300	9,463	+163	101.8%	-4,171	69.4%
Profit attributable to owners of parent	10,528	7,000	8,649	+1,649	123.6%	-1,879	82.1%
Forex rate	JPY133/USD	-	JPY151/USD	-	-	-	-

# “Nissin Next 7th” (NN7): Quantitative Targets

## Quantitative targets

### Phase 1: FY03/23–FY03/24

(FY03/24 results)

Net sales: **¥169.9 billion**

Operating income: **¥8.0 billion**

Ordinary income: **¥9.4 billion**

Profit attributable to  
owners of parent: **¥8.6 billion**

ROE: **9.7%**

### Phase 2: FY03/25–FY03/27

(FY03/27 targets)

Net sales: **¥220.0 billion**

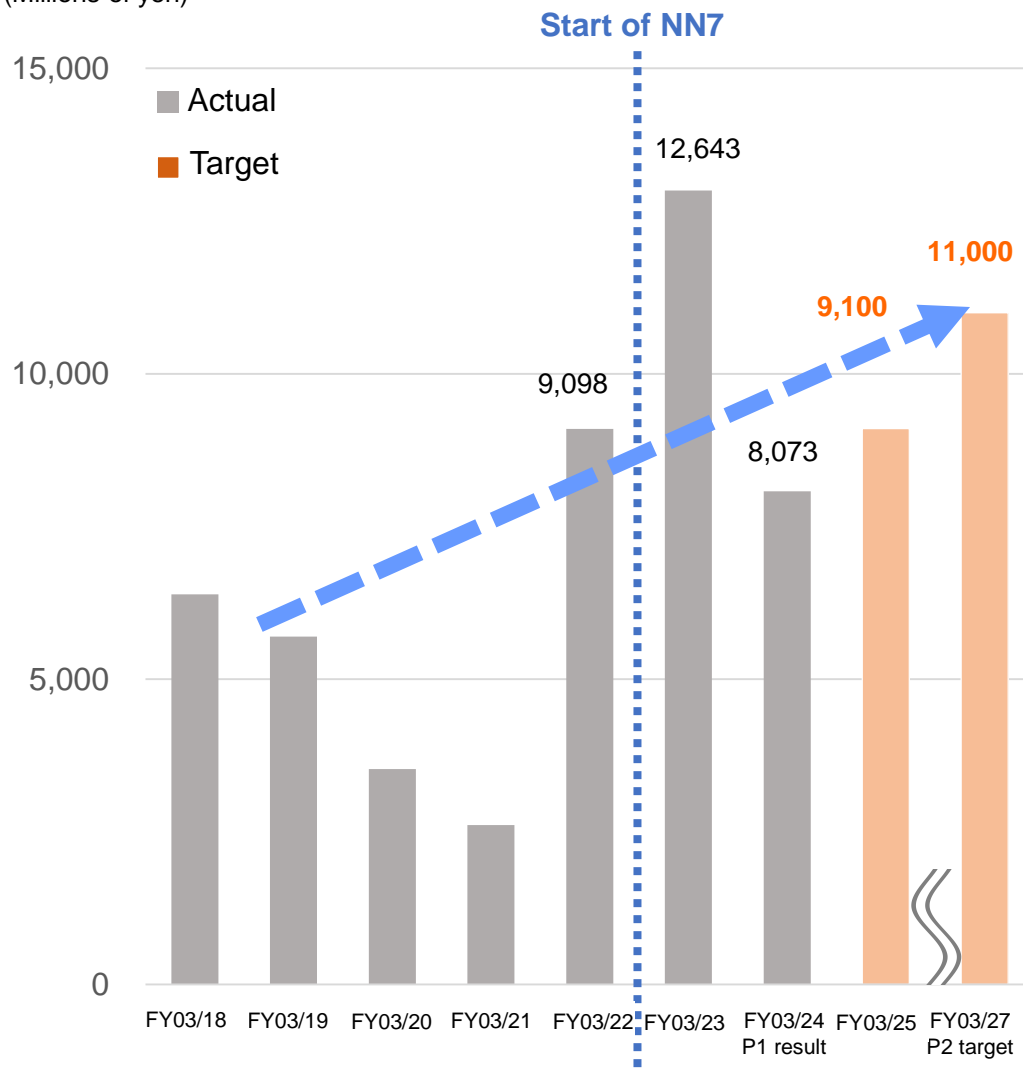
Operating income: **¥11.0 billion**

Ordinary income: **¥11.5 billion**

Profit attributable to  
owners of parent: **¥9.8 billion**

ROE: **About 10.0%**

(Millions of yen) Notes on quantitative targets of NN7 (operating income)



# FY03/24 Results by Segment

The logistics business posted lower sales and operating income due partly to normalized freight rates, while the travel service business achieved profitability for the full year

			(Millions of yen)			
Business			FY03/23	FY03/24	YoY	
					Change	Percentage
Net sales	Logistics	Domestic	114,948	94,767	-20,180	82.4%
		Overseas	72,652	66,711	-5,940	91.8%
	Travel service		5,289	7,098	+1,809	134.2%
	Real estate		1,276	1,356	+80	106.3%
	Total		194,165	169,934	-24,231	87.5%
Operating income	Logistics	Domestic	5,939	3,699	-2,239	62.3%
		Overseas	5,887	2,998	-2,888	50.9%
	Travel service		(14)	509	+524	-
	Real estate		816	851	+35	104.3%
	Other		14	13	-1	91.6%
	Total		12,643	8,073	-4,569	63.9%

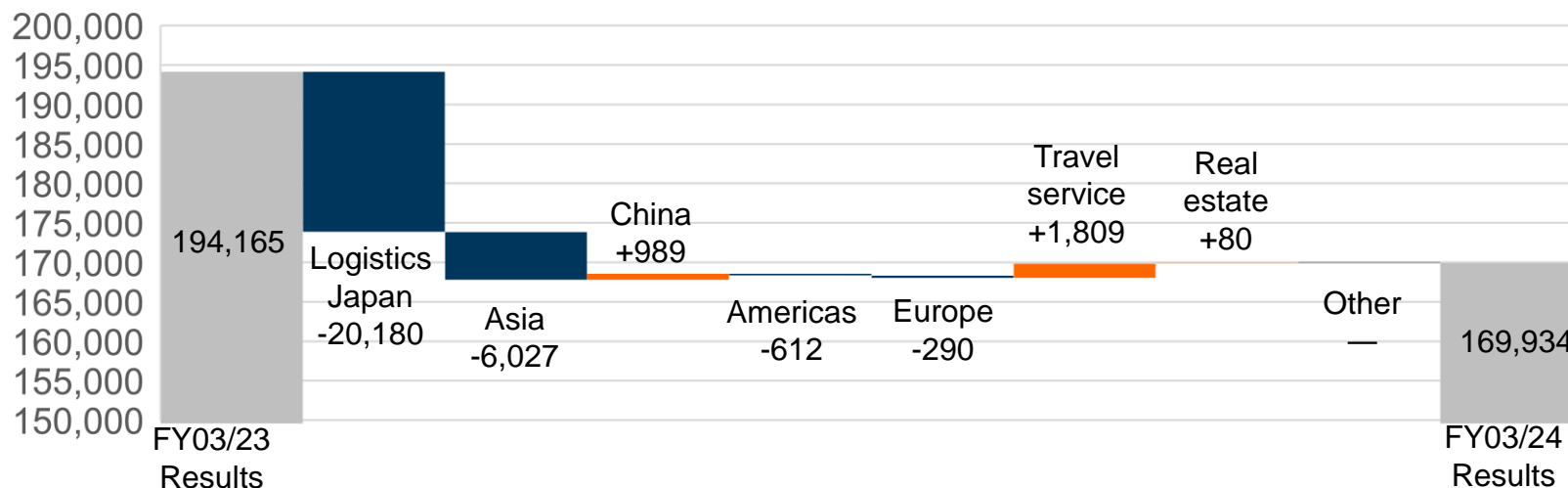
Notes: Figures are internal estimates for the purpose of explaining earnings by segment in a simplified manner.  
 "Other" comprises adjustments based on consolidated accounting, etc.

# FY03/24: YoY Change by Segment

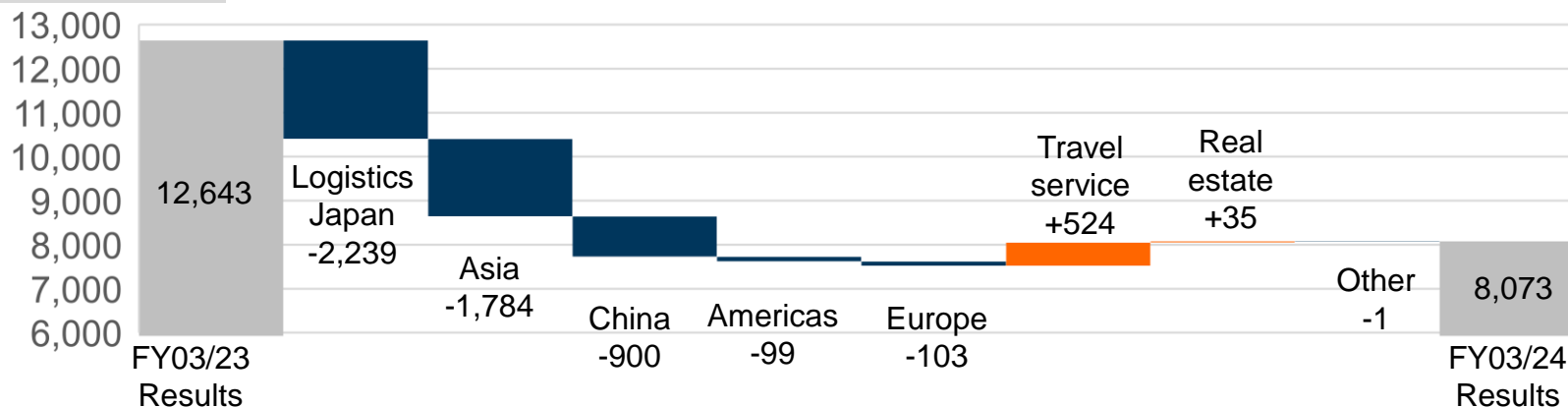
In the logistics business, air cargo declined mainly in Japan and Asia, while the travel service business recovered

## Net sales

(Millions of yen)



## Operating income



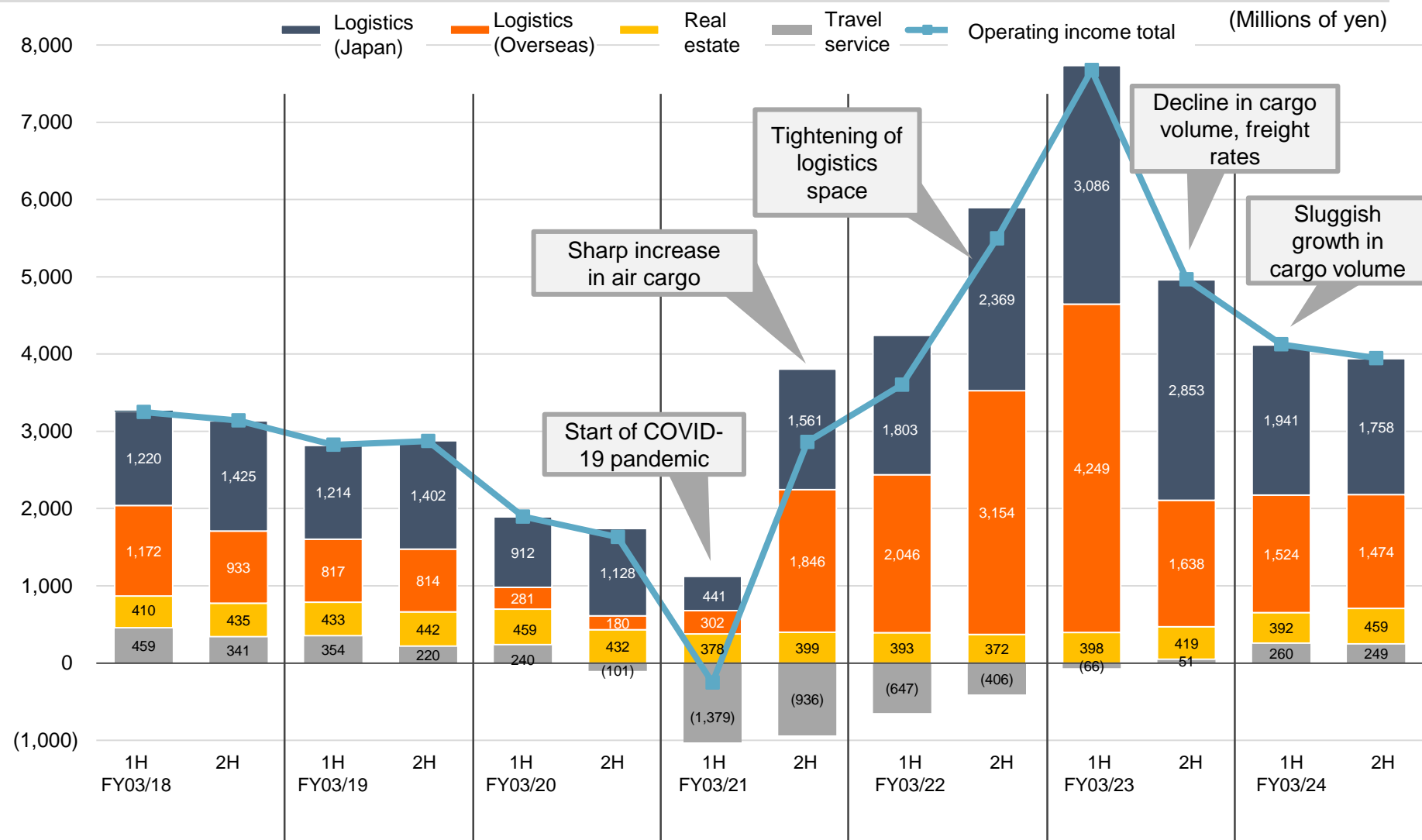
## Factors behind YoY Changes in Operating Income

Business	Region	YoY Change (Millions of yen)	Summary
Logistics	Japan	-2,239	<ul style="list-style-type: none"> <li>Warehousing business remained robust, but the downward trend in air cargo handling continued</li> <li>Spot cargo handling decreased</li> </ul>
	Asia	-1,784	<ul style="list-style-type: none"> <li>Profits decreased due to a reduction in automotive-related cargo volume across Asia</li> <li>Strong performance in domestic delivery operations in India contributed to earnings</li> </ul>
	China	-900	<ul style="list-style-type: none"> <li>Profitability declined on the decrease in air cargo handling due to the economic slowdown and intensifying price competition</li> <li>Nissin-Sinotrans International Logistics Co., Ltd., which became a consolidated subsidiary in Q4, contributed to earnings</li> </ul>
	Americas	-99	<ul style="list-style-type: none"> <li>Handling of automobile-related cargo was solid, and handling of foods and storage batteries in the US contributed to earnings</li> <li>Personnel and other expenses increased</li> </ul>
	Europe	-103	<ul style="list-style-type: none"> <li>In Europe as a whole, cargo movement was sluggish</li> <li>Warehousing business in Poland remained strong</li> </ul>
Travel service		+524	<ul style="list-style-type: none"> <li>Achieved profitability due to recovery in business travel and increased group travel</li> </ul>
Real estate		+35	<ul style="list-style-type: none"> <li>Income from real estate for lease in the Keihin area remained the same as the previous year</li> </ul>



# Operating Income by Segment

The logistics business was sluggish due to a drop in cargo volume, but the travel service business recovered

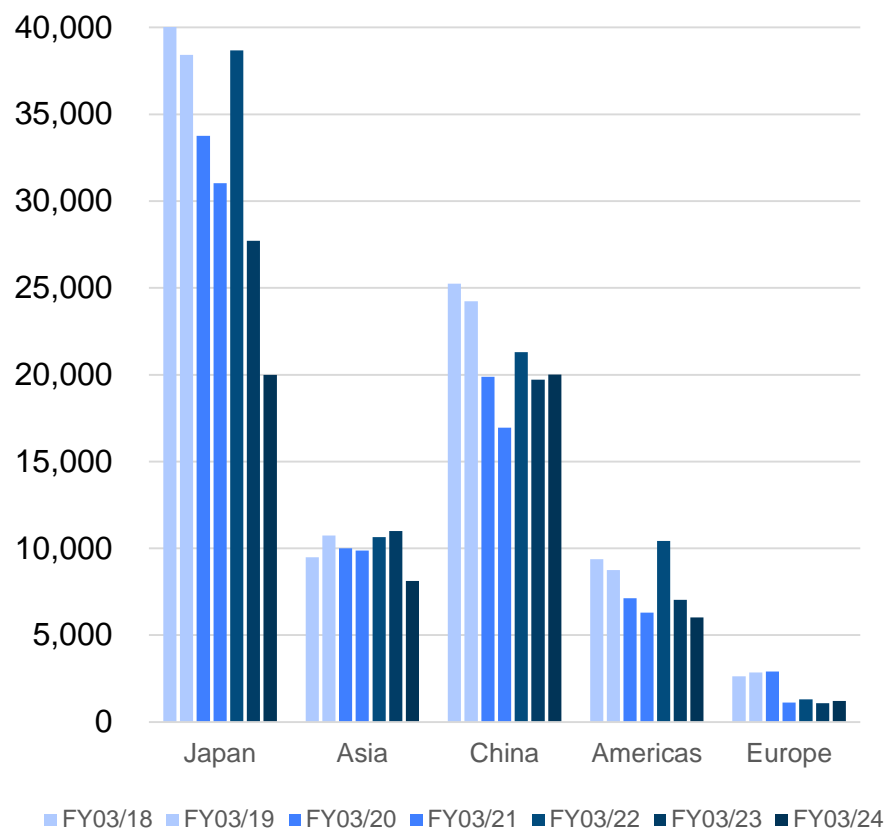


# Air Cargo Volume (Exports/Imports)

Air cargo volume continued to decline for exports and imports

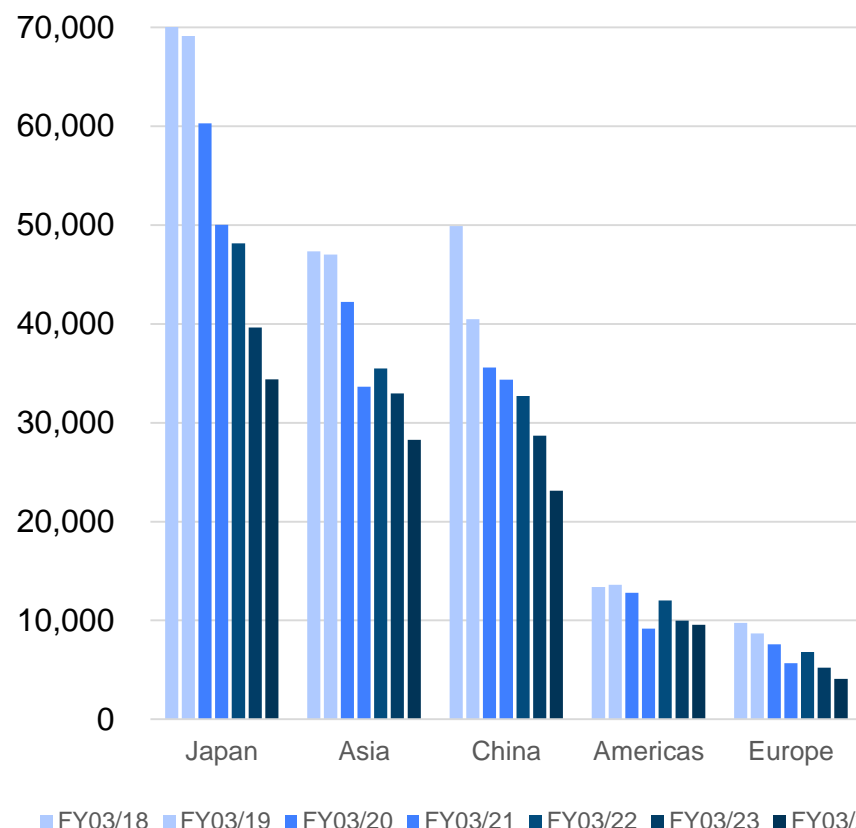
## Air Exports

(Tons)



## Air Imports

(Transactions)

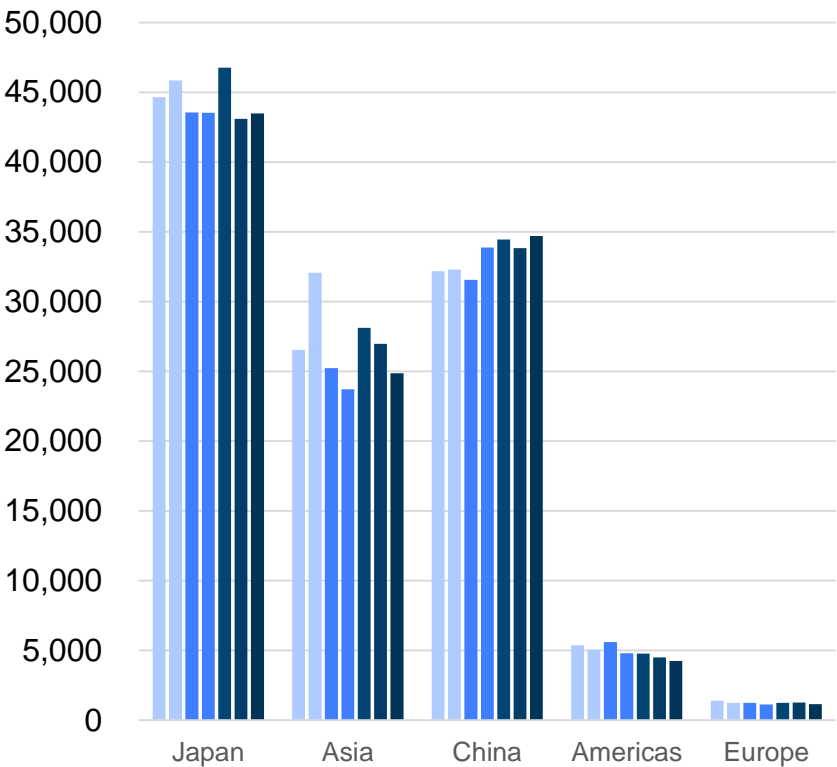


# Ocean Cargo Volume (Exports/Imports)

Ocean cargo volume showed signs of recovery in Japan for exports, and was generally strong overseas

Ocean Exports

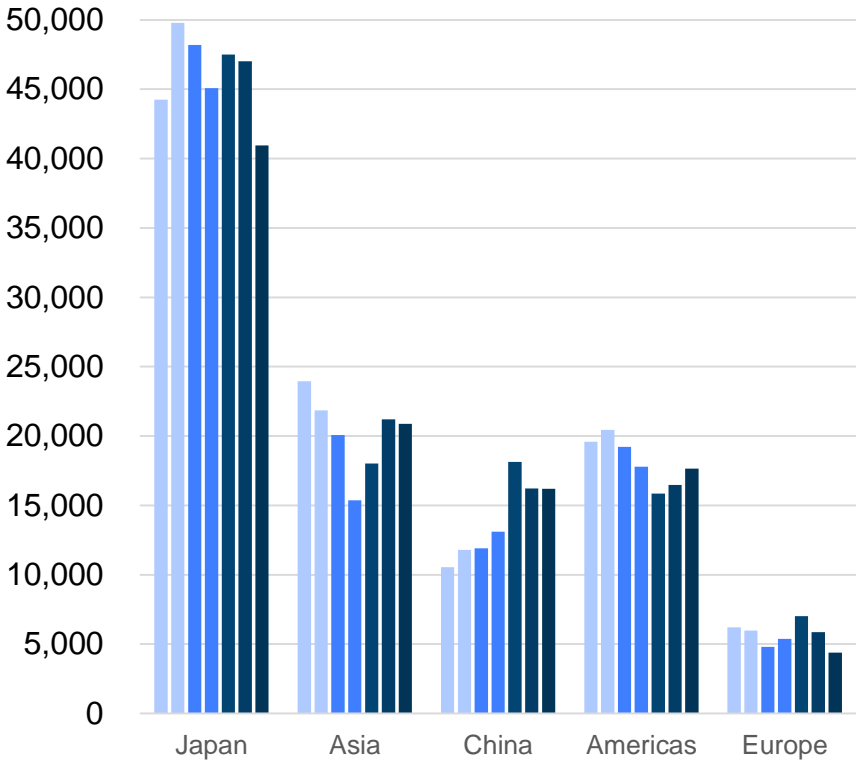
(TEUs)



FY03/18 FY03/19 FY03/20 FY03/21 FY03/22 FY03/23 FY03/24

Ocean Imports

(TEUs)



FY03/18 FY03/19 FY03/20 FY03/21 FY03/22 FY03/23 FY03/24

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## **II. Full-Year Plan for the Fiscal Year Ending March 31, 2025**

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In the first year of Phase 2 of the medium-term plan, we project net sales and profit growth YoY due to the expected recovery in cargo volume

(Millions of yen)

	FY03/24 Full-year Results	FY03/25 Full-year Plan	YoY	
			Change	Percentage
Net sales	169,934	183,000	+13,065	107.7%
Operating income	8,073	9,100	+1,026	112.7%
Ordinary income	9,463	9,800	+336	103.6%
Profit attributable to owners of parent	8,649	10,300	+1,650	119.1%
Forex rate	JPY151/USD	JPY151/USD	-	-

# FY03/25: Full-Year Plan by Segment

We expect the logistics business to remain strong in Japan and overseas, with the travel service business continuing to recover

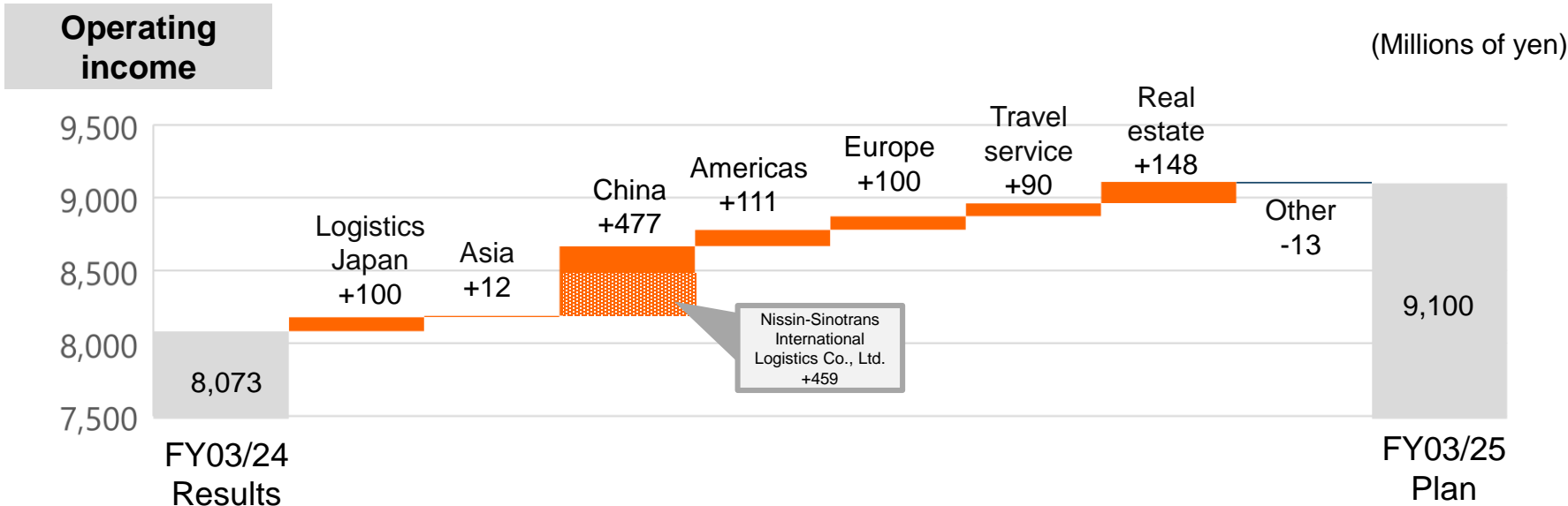
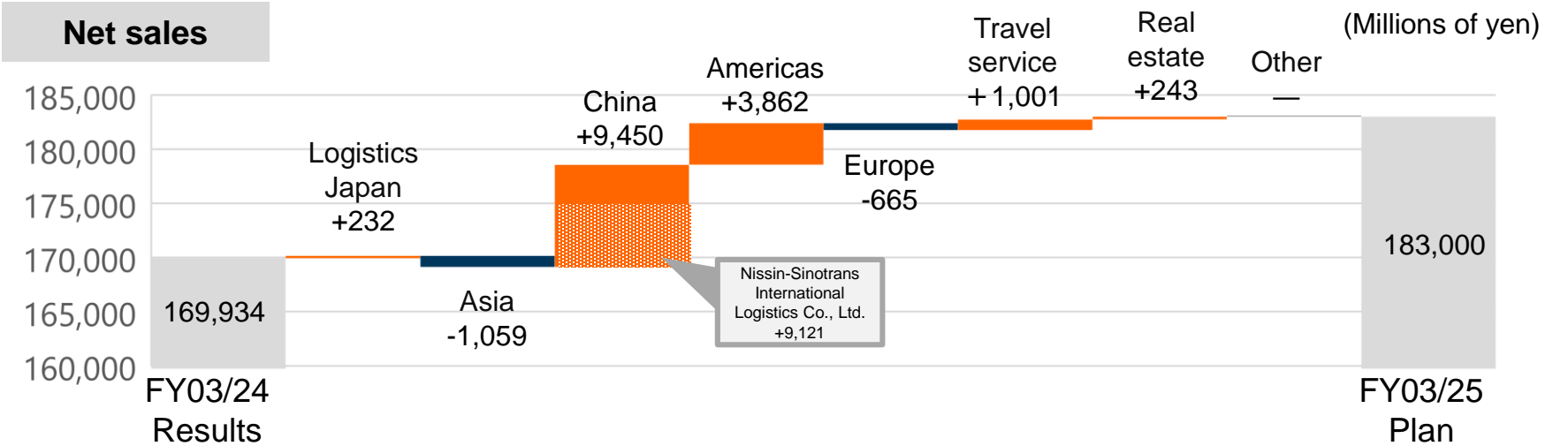
(Millions of yen)

	Business		FY03/24 Results	FY03/25 Plan	YoY	
					Change	Percentage
Net sales	Logistics	Domestic	94,767	95,000	+232	100.2%
		Overseas	66,711	78,300	+11,588	117.3%
	Travel service		7,098	8,100	+1,001	114.1%
	Real estate		1,356	1,600	+243	117.9%
	Total		169,934	183,000	+13,065	107.7%
Operating income	Logistics	Domestic	3,699	3,800	+100	102.7%
		Overseas	2,998	3,700	+701	123.3%
	Travel service		509	600	+90	117.6%
	Real estate		851	1,000	+148	117.3%
	Other		13	0	-13	-
	Total		8,073	9,100	+1,026	112.7%
	Operating margin		4.8%	5.0%	-	-

Notes: Figures are internal estimates for the purpose of explaining earnings by segment in a simplified manner.  
 "Other" comprises adjustments based on consolidated accounting, etc.

# FY03/25 Plan versus FY03/24 Results

Domestic and overseas cargo movement will become more active, with the integration of a Chinese equity-method affiliate as a consolidated subsidiary contributing to earnings



# FY03/25 Plan: Factors behind YoY Changes in Operating Income

Business	Region	YoY Change (Millions of yen)	Summary
Logistics	Japan	+100	<ul style="list-style-type: none"> <li>Ocean cargo movement to recover, especially exports, and demand for warehousing to remain strong</li> <li>Growth investments in Phase 1 of the medium-term plan to generate profits</li> </ul>
	Asia	+12	<ul style="list-style-type: none"> <li>In Vietnam, air cargo handling expected to decline</li> <li>In India, strong demand for domestic delivery services, expansion of own truck operation services</li> </ul>
	China	+477	<ul style="list-style-type: none"> <li>Sluggish demand for air cargo expected to bottom out</li> <li>Nissin-Sinotrans International Logistics Co., Ltd., which became a consolidated subsidiary, to contribute for the full year</li> </ul>
	Americas	+111	<ul style="list-style-type: none"> <li>In the Americas, automobile-related cargo handling to remain strong</li> <li>In the US, logistics supply chain visualization service EMG (End to End Management Group) in full swing</li> </ul>
	Europe	+100	<ul style="list-style-type: none"> <li>In Poland, warehousing business to remain strong, driving earnings</li> <li>New projects to expand through sales capability enhancement</li> </ul>
Travel service		+90	<ul style="list-style-type: none"> <li>Group travel expected to increase</li> </ul>
Real estate		+148	<ul style="list-style-type: none"> <li>Real estate for lease in the Keihin area to perform firmly</li> </ul>



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### **III. Progress and Direction of the Seventh Medium-Term Business Plan “Nissin Next 7th”**

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Basic policy	As a “Supply Chain Logistics Provider,” we will take on challenges in new business areas, deepen core businesses, and engage in ESG management		
	Further cultivation of core businesses	ESG management	Businesses in new domains
Key measures	<ul style="list-style-type: none"><li>• Promote business portfolio strategy</li><li>• Promote DX</li><li>• Create new business domains</li><li>• Promote ESG management</li></ul>		
Period	Phase 1: FY03/23–FY03/24 (April 2022 to March 2024)  Phase 2: FY03/25–FY03/27 (April 2024 to March 2027)		

# NN7: Phase 2 Plan Quantitative Targets

Aim to increase operational efficiency amid changes in the logistics environment and achieve the operating income target set at the beginning of the seventh medium-term business plan

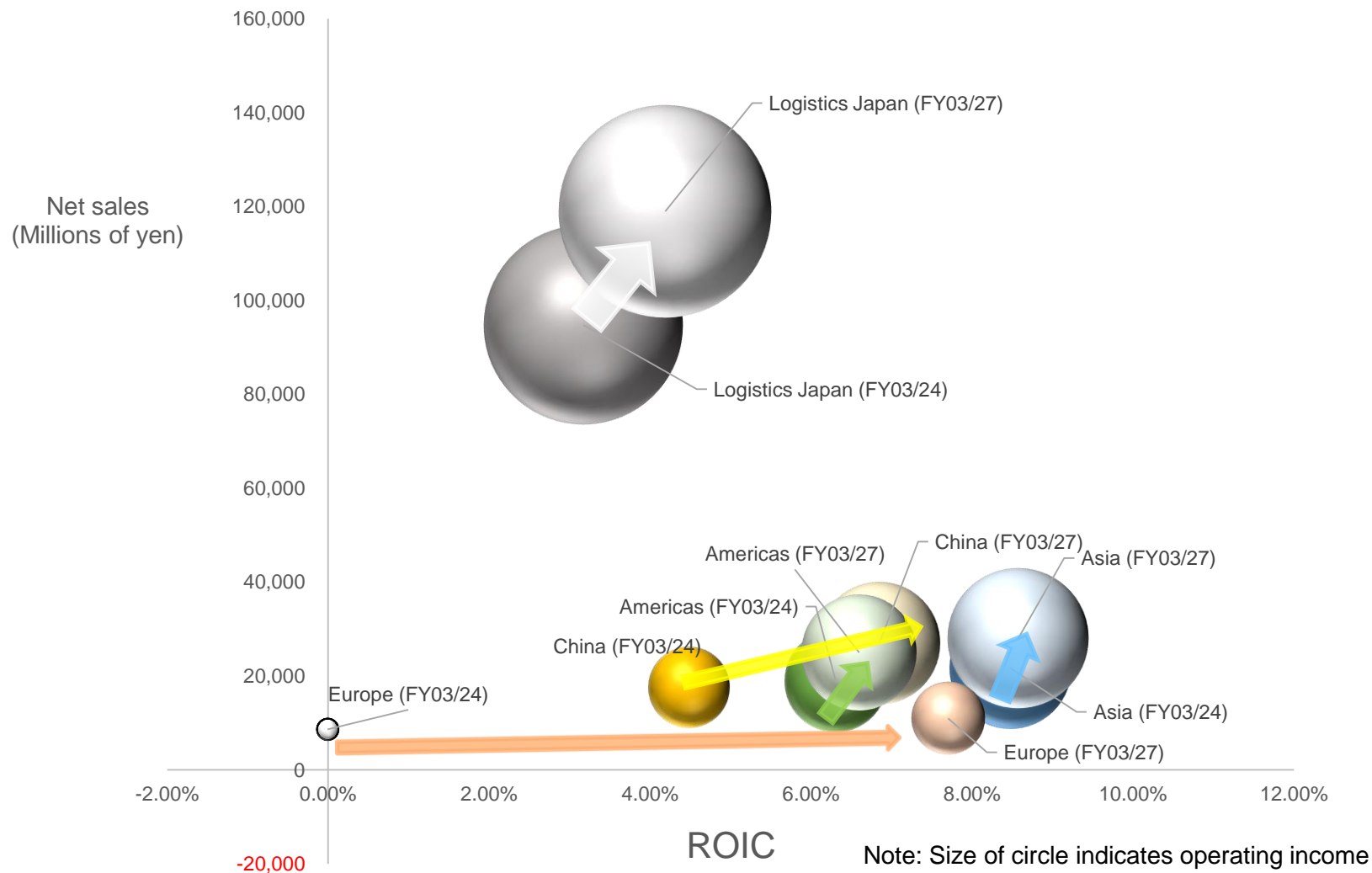
Earnings targets (Millions of yen)	FY03/22 Results	FY03/24 Results	FY03/27 Targets
Net sales	192,699	169,934	220,000
Operating income	9,098	8,073	11,000
Ordinary income	9,859	9,463	11,500
Profit attributable to owners of parent	6,365	8,649	9,800
ROE	9.4%	9.7%	About 10.0%
*Forex rate: JPY145/USD			
Operating margin	4.7%	4.8%	5.0%

# NN7: Business Strategy by Region

(Billions of yen)		Quantitative targets		Phase 2 Plan
		FY03/24 results	FY03/27 targets	
		Upper: Net sales		
		Lower: Operating income		
Logistics	Japan	94.7	119.0	<ul style="list-style-type: none"><li>Expand business by investing in growth areas (Kobe, Hokkaido, etc.)</li><li>Expand businesses related to semiconductors (high-pressure gas) and LIBs (EV batteries)</li><li>Begin full-scale operation at Kanagawa Pier Warehouse and Kitakanto Logistics Center</li></ul>
		3.6	4.3	
	Americas	18.8	25.0	<ul style="list-style-type: none"><li>Expand EMG* service customers *End to End Management Group (logistics supply chain visualization service)</li><li>Expand handling of storage battery-related cargo</li><li>Strengthen local sales activities</li></ul>
		0.9	1.2	
	Europe	8.6	11.0	<ul style="list-style-type: none"><li>Strengthen the warehousing business (Poland)</li><li>Expand new businesses (foods, machinery, and equipment)</li></ul>
		(0)	0.5	
	Asia	21.6	28.0	<ul style="list-style-type: none"><li>Strengthen domestic transportation business (India)</li><li>Expand warehousing business (Indonesia)</li></ul>
		1.3	1.9	
	China	17.5	27.0	<ul style="list-style-type: none"><li>Expand earnings of Nissin-Sinotrans International Logistics Co., Ltd., which has become a consolidated subsidiary</li><li>Expand sales to non-Japanese companies</li></ul>
		0.6	1.4	
Travel service		7.0	8.0	<ul style="list-style-type: none"><li>Increase handling of group travel</li></ul>
		0.5	0.5	
Real estate		1.3	2.0	<ul style="list-style-type: none"><li>Generate profit from leased real estate in the Keihin area, etc.</li></ul>
		0.8	1.2	

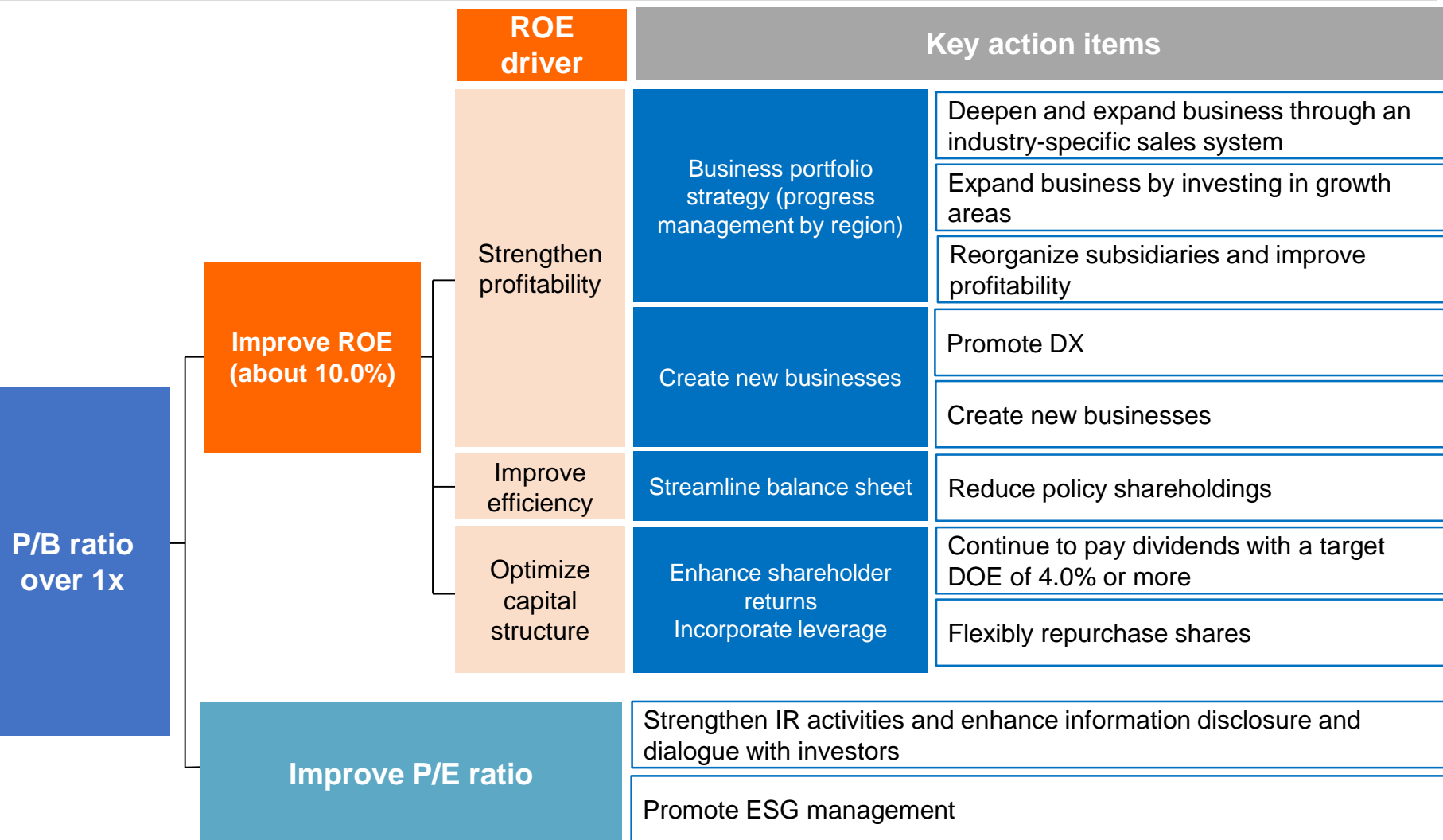
# NN7: Business Strategy by Region (ROIC by Region)

Aim to raise earnings and capital efficiency in each region

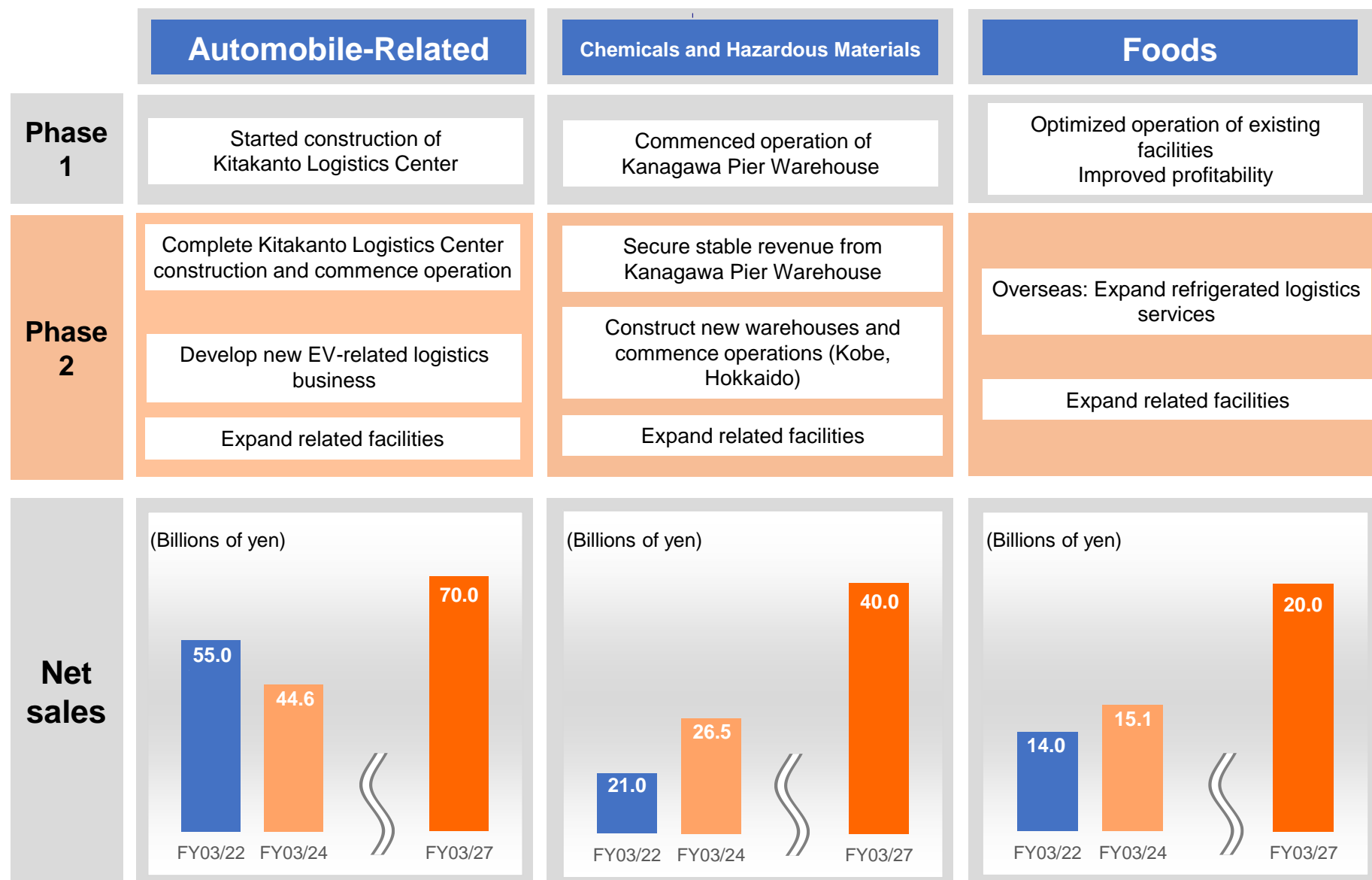


# NN7: Initiatives to Enhance Corporate Value

Aim for P/B ratio of over 1x by investing in growth, expanding new businesses, and increasing capital efficiency



# NN7: Deepen and Expand Business through an Industry-specific Sales Organization



Note: Above figures are drawn based on internal estimates

Accelerate investments in growth areas, with a focus on core businesses, to expand business

**Seventh Medium-Term Plan period  
FY03/23–FY03/27**

**Phase 1  
¥10.0 billion**

**Phase 1 results**

**Invest in growth areas**  
Chemicals and hazardous materials:  
Kanagawa Pier Warehouse  
commenced operation in September 2023  
Automotive-related:  
Kitakanto Logistics Center  
scheduled to commence operation in  
November 2024  
Nissin ABC Logistics Private Limited  
purchased trucks

**Phase 2 initiatives**

**Secure stable earnings from new  
capex projects (Kanagawa, Kitakanto)**  
**Further invest in growth areas**  
Chemicals and hazardous materials: Kobe, Hokkaido  
Facilities: Domestic and overseas facilities  
Others: IT, DX, ESG, M&A, and HR development

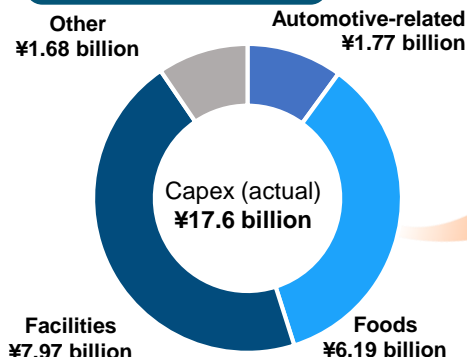
**Capex (plan)  
¥40.0 billion**

**Facilities  
¥8.0 billion**

**Chemicals and  
hazardous materials  
¥17.0 billion**

**Phase 2  
¥30.0 billion**

**Sixth Medium-Term  
Plan period  
FY03/18–FY03/22**



Note: Above figures are drawn based on internal estimates



Transform business models and operations to generate new profits

## Phase 1 results

### Promote DX

**Forward ONE**

- Added new functions to digital forwarding service Forward ONE
- Developed a pharmaceutical transportation service in collaboration with partner companies through the returnable case service HACO Lab.



### Create new businesses

- Developed arterial and venous logistics solution services for lithium-ion batteries (LIBs)
- Started new business proposal system



## Phase 2 initiatives

### Promote DX

- Expand Forward ONE services to increase earnings
- Expand new HACO Lab. services and customer base

### Create new businesses

- Generate profit from venous logistics services using dedicated containers for LIBs
- Create new logistics-related businesses that meet customer needs

## Enhance shareholder returns and improve capital efficiency

### Capital policy

#### (1) Shareholder return policy

Dividend target: Dividend on equity (DOE) of 2.0% or more ⇒ 4.0% or more  
Share buybacks: Approx. ¥10.0 billion by FY2026 ⇒ approx. ¥16.0 billion  
Treasury stock cancellation:  
In principle, the portion exceeding 5% of the total number of issued shares will be cancelled every fiscal year

#### (2) Reduce policy shareholdings

Aim to reduce approximately ¥20.0 billion by FY2026

### Capital policy progress

Share buybacks

FY2023 Acquired <b>approx. ¥2.0 billion</b>	FY2024 Acquire <b>approx. ¥14.0 billion</b>
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Total during NN7  
Approx. **¥16.0 billion**

Reduce policy shareholdings

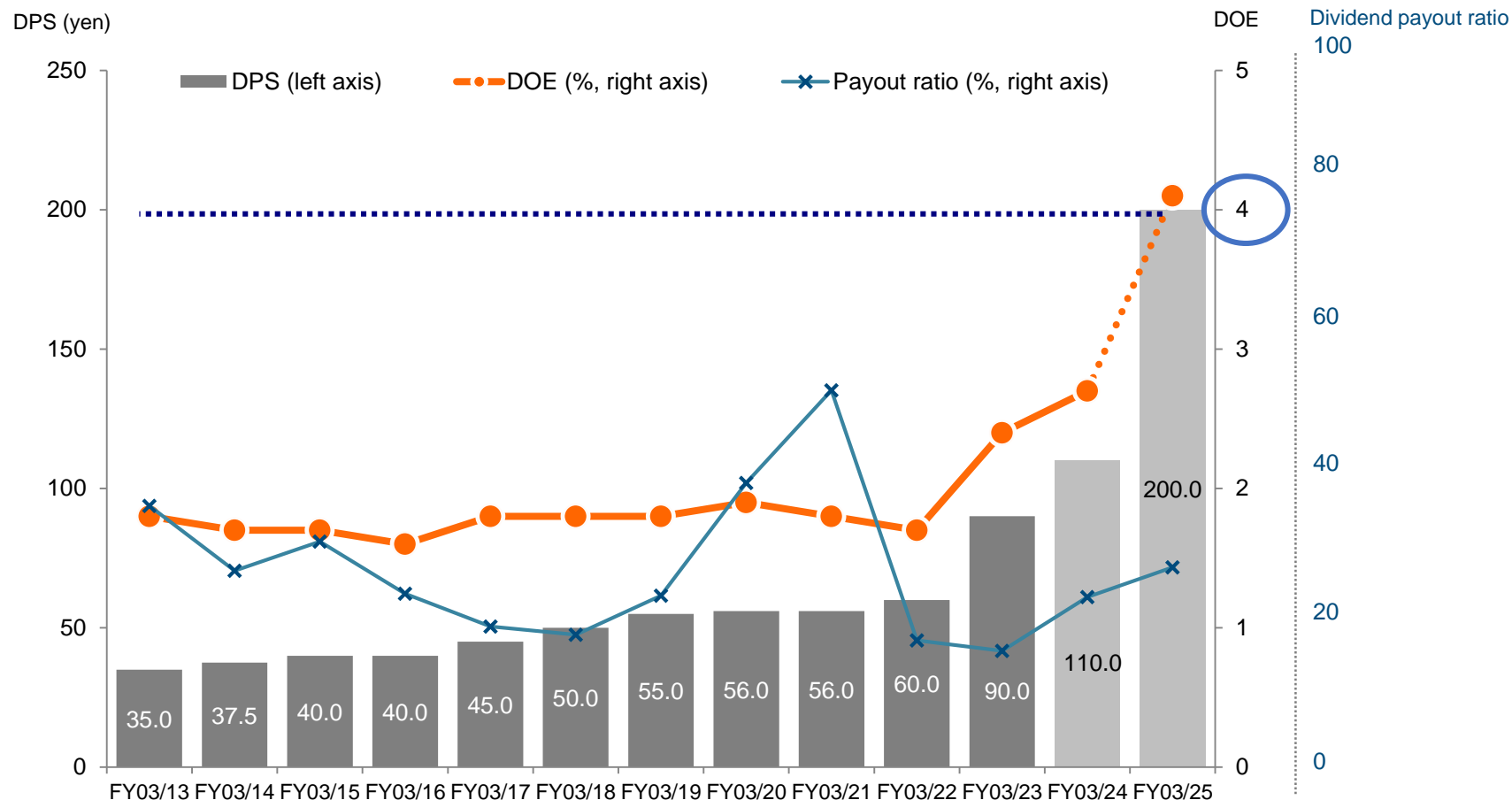
FY2023 Reduced <b>approx. ¥8.0 billion</b>	Through FY2026 Plan to reduce <b>¥12.0 billion</b>
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Total during NN7  
Approx. **¥20.0 billion**  
planned

Maintain financial soundness by implementing appropriate capital policies under the credit rating of A- (from R&I) obtained in November 2023

# NN7: Shareholder Returns

Continue to pay stable dividends and enhance shareholder returns



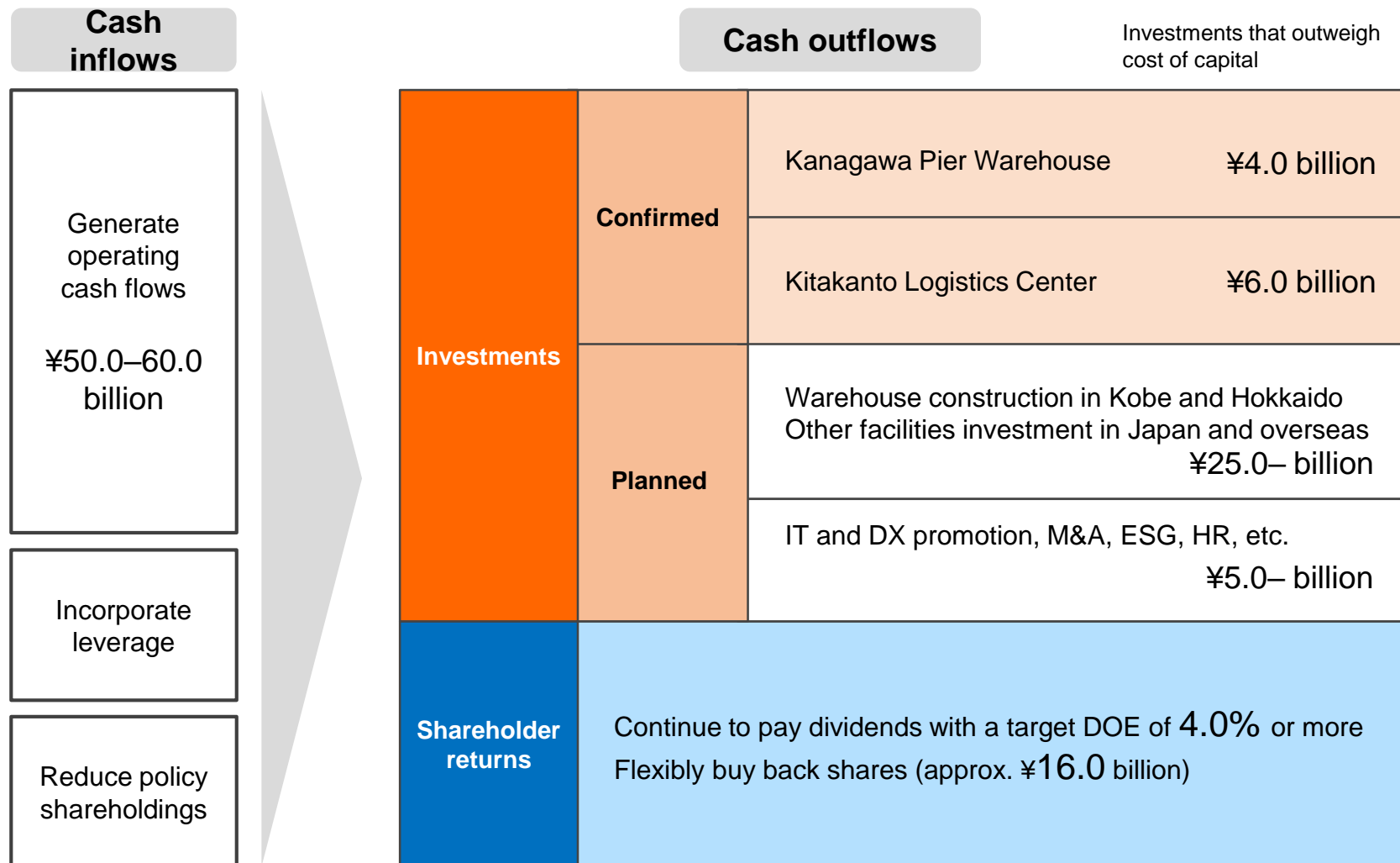
Note:

Figures adjusted to account for the 1-for-5 reverse stock split of common stock effective October 1, 2017

# NN7: Cash Allocation (Capex and Shareholder Returns)



Generate operating cash flows (¥50.0–60.0 billion) and allocate them to growth investments and shareholder returns



# NN7: Policy for Improving P/B ratio

Aim for P/B ratio of over 1x by investing in growth, expanding new businesses, and improving capital efficiency

## NN7 Phase 2 FY03/27 Targets

Net sales  
¥220.0 billion

Operating income  
¥11.0 billion

Profit attributable to owners of parent  
¥9.8 billion

ROE  
Approx. 10.0%

### Investment plan

Capex ¥**35.0—** billion  
Other ¥**5.0—** billion

### Shareholder returns

Target **DOE** of **4.0%** or more  
Share buybacks of approx. ¥**16.0** billion

**Early realization of a P/B ratio of over 1x**

Steadily advance initiatives with GHG emission reduction and human capital management as core issues

Key themes	Major initiatives and indicators	
Natural capital [Earth]	Reduce GHG emissions (Scope 1 and 2)	
	Non-consolidated Reduction target: 42.0% (FY2030) (FY2020 baseline: 14,634 t-CO2)	Non-consolidated Actual reduction: 25.0% (12.6% planned) (Estimate for FY2023: approx. 10,900 t-CO2)
	Consolidated Developing reduction targets (To be disclosed in June 2024)	
	Energy saving and energy creation	Introduction and expansion of renewable energy
Human capital [People]	Energy saving: Energy Saving Act Business classification evaluation system - 9 consecutive years as an excellent business operator, S Class (highest rank)	
	Energy creation: Install solar panels at two new locations - Installed at Kanagawa Pier Warehouse (Yokohama, Kanagawa Prefecture) - Plan to install at Kitakanto Logistics Center (Haga, Tochigi Prefecture)	
	Renewable energy adoption rate (non-consolidated)	
	14.7% (FY2022)	35.9% (FY2023)
	Human capital management	Diversity
	Introduce restricted stock compensation plan as an incentive program for employees	Ratio of female managers 9.4% (April 2024)
	Improve employee engagement and participation in management	Ratio of mid-career hires 31.2% (FY2023)

## April 1, 2024: Global group logo established



- The dynamic upper and lower curves are colored with the Group's traditional colors

**Increase market recognition and foster a sense of unity within the Group through global unification of CI**

## Results for the Fiscal Year Ended March 31, 2024

Net sales and profits declined YoY, but the results exceeded those before the COVID-19 pandemic

## Full-Year Plan for the Fiscal Year Ending March 31, 2025

In the first year of Phase 2 of the medium-term plan, we project net sales and profit growth YoY due to the expected recovery in cargo volume

## Progress and Direction of the Seventh Medium-Term Business Plan

With growth investments and the expansion of capital policy, we aim for a P/B ratio of over 1x and operating income of ¥11.0 billion (target for the final year of the medium-term plan)



For inquiries regarding these materials or investor relations in general,  
please contact:

Public Relations and Investor Relations Section  
Corporate Planning Department  
Nissin Corporation  
+81-3-3238-6555  
<https://www.nissin-tw.com>

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