

Results for the Fiscal Year Ended March 31, 2022 and Briefing on Medium-Term Business Plan

May 20, 2022

Achieved record-high profits during the sixth medium-term business plan
Launched the seventh medium-term business plan, aiming to build a structure
suitable for the next generation

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I. Results for the Fiscal Year Ended March 31, 2022

FY03/22 Results

Achieved record-high profits on strong performance in all regions

(Millions of yen)

	FY03/21	FY03/22	YoY	
			Change	Percentage
Net sales	155,915	192,699 [*211,737]	+36,783 [*+55,822]	123.6% [*135.8%]
Operating income	2,611	9,098	+6,487	348.4%
Ordinary income	4,287	9,859	+5,572	230.0%
Profit attributable to owners of parent	2,007	6,365	+4,358	317.1%

* Figures when not applying ASBJ's "Accounting Standard for Revenue Recognition"

FY03/22 Results by Segment

Operating income in the logistics business rose both domestically and overseas, while operating income in the travel service business improved by about 1.3 billion yen as planned

(Millions of yen)

Business			FY03/21	FY03/22	YoY	
					Change	Percentage
Net sales	Logistics	Domestic	100,431	114,170 [*125,307]	+13,738	113.7%
		Overseas	50,045	74,698 [*76,979]	+24,653	149.3%
	Travel service		4,194	2,500 [*8,120]	-1,694	59.6%
	Real estate		1,245	1,330	+85	106.8%
	Total		155,915	192,699	+36,783	123.6%
Operating income	Logistics	Domestic	2,001	4,171	+2,170	208.4%
		Overseas	2,148	5,200	+3,051	242.1%
	Travel service		(2,315)	(1,053)	+1,262	—
	Real estate		776	765	-11	98.5%
	Other		0	14	+14	—
	Total		2,611	9,098	+6,487	348.4%

* Figures when not applying ASBJ's "Accounting Standard for Revenue Recognition"

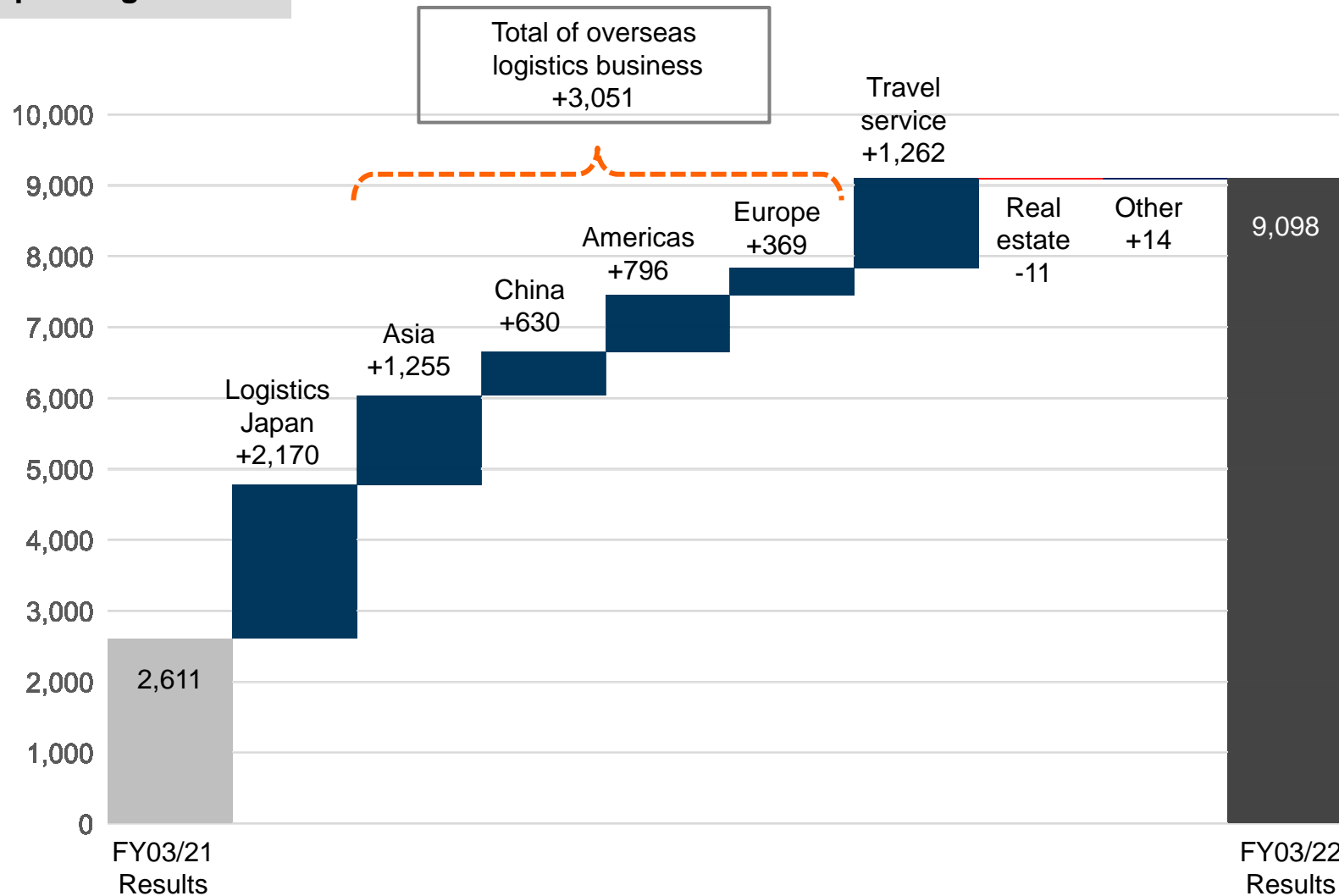
Note: Figures are internal estimates for the purpose of explaining earnings by segment in a simplified manner.

Note: "Other" comprises adjustments based on consolidated accounting, etc.

FY03/22: YoY Change by Segment

Operating Income

(Millions of yen)



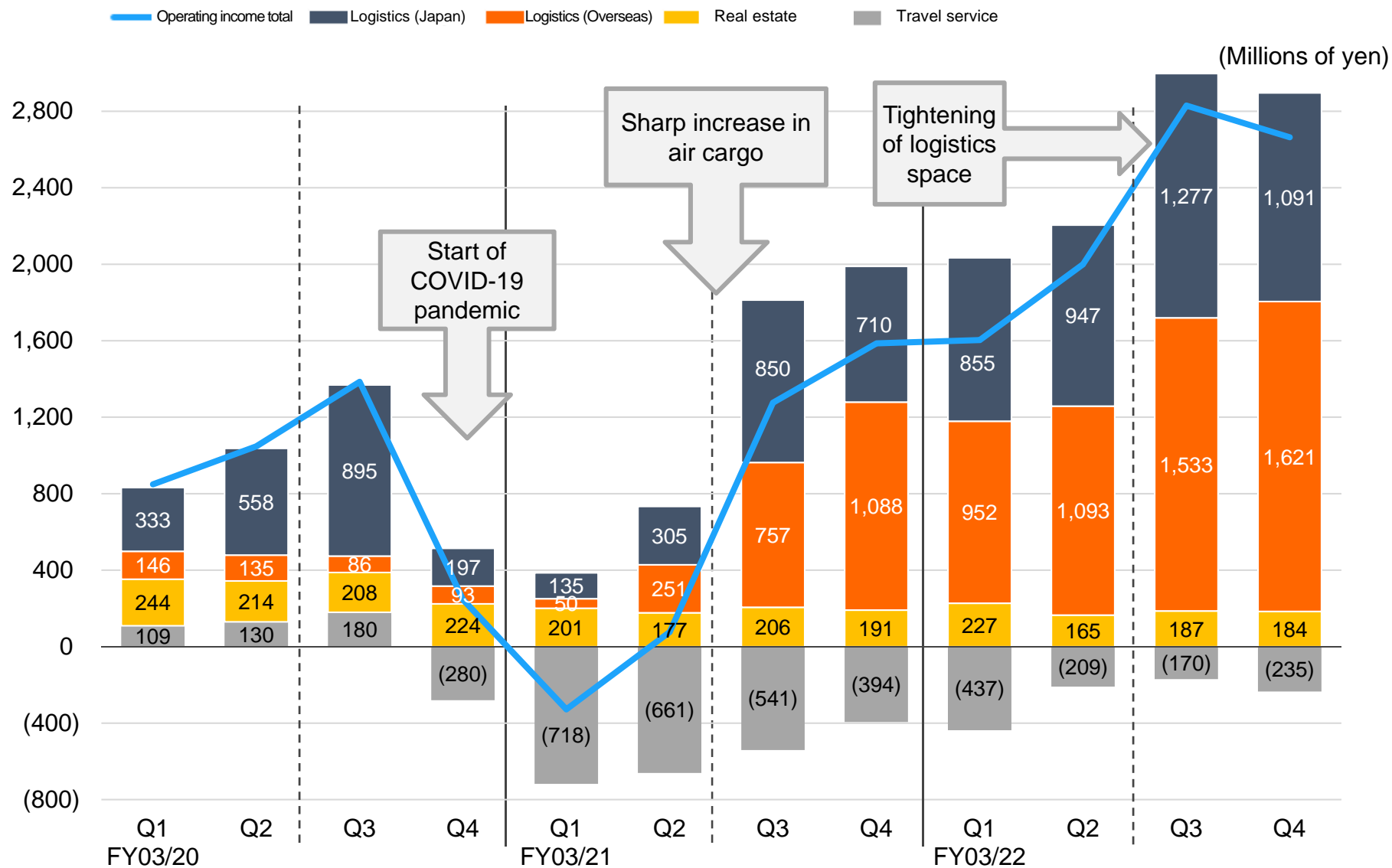
Quarterly Operating Income by Segment

Operating income has increased since 2H FY03/21

(Millions of yen)

		FY03/20				FY03/21				FY03/22			
Business		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		Apr.–Jun.	Jul.–Sept.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sept.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sept.	Oct.–Dec.	Jan.–Mar.
Logistics	Domestic	333	558	895	197	135	305	850	710	855	947	1,277	1,091
	Overseas	146	135	86	93	50	251	757	1,088	952	1,093	1,533	1,621
Logistics subtotal		479	693	981	290	185	557	1,607	1,799	1,807	2,041	2,810	2,712
Travel service		109	130	180	(280)	(718)	(661)	(541)	(394)	(437)	(209)	(170)	(235)
Real estate		244	214	208	224	201	177	206	191	227	165	187	184
Other		17	11	16	12	3	3	3	(9)	5	3	3	2
Total		849	1,048	1,385	246	(328)	76	1,276	1,586	1,603	2,000	2,830	2,664

Quarterly Operating Income by Segment



FY03/22:

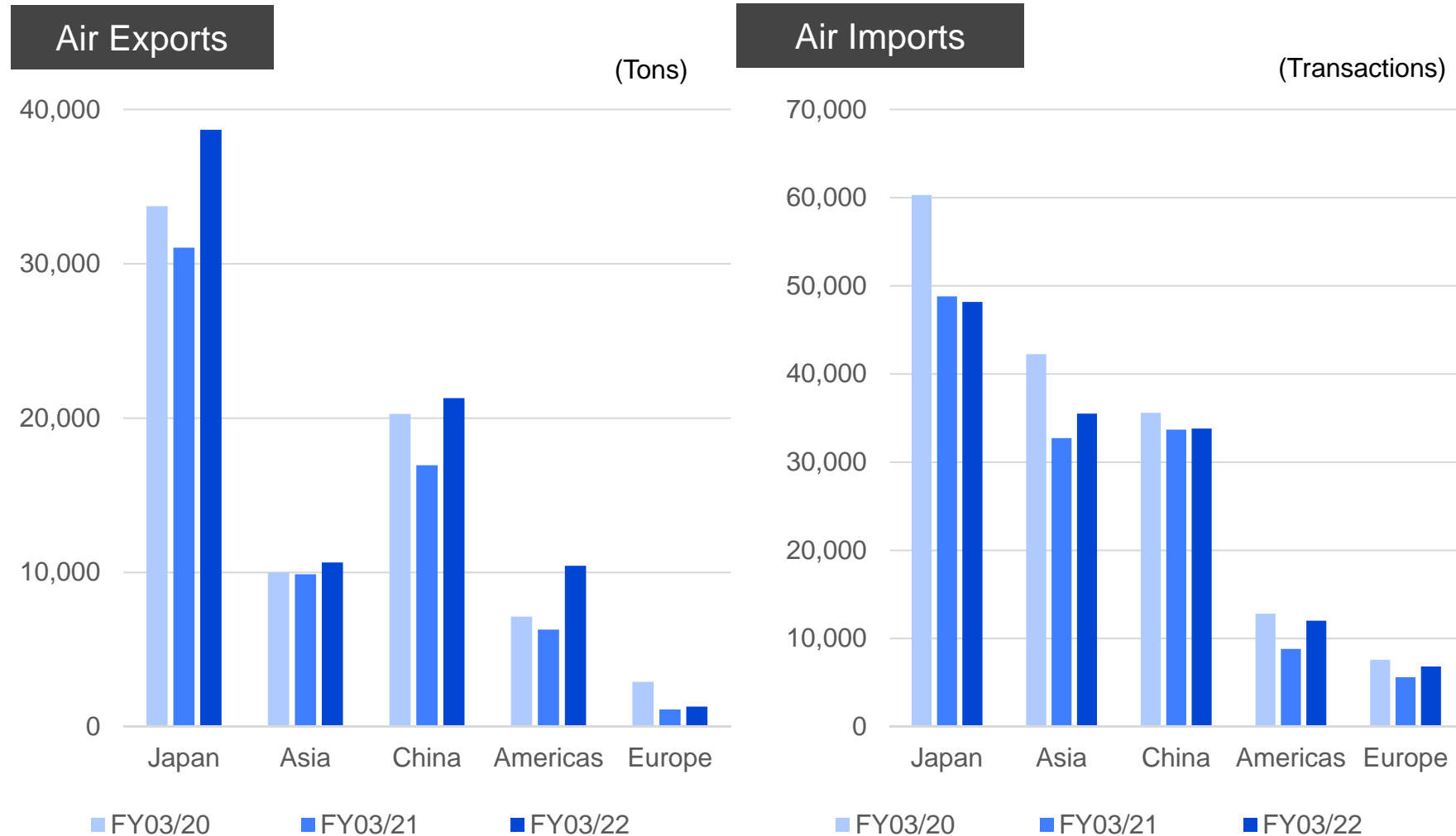
Factors behind YoY Changes in Operating Income

Responded to strong cargo demand by securing space through Block Space Agreements (BSA) and using diverse means of transportation

Business	Region	YoY Change (Millions of yen)	Summary
Logistics	Japan	+2,170	<ul style="list-style-type: none"> • Strong performance in air exports of automobile-related cargo, electronic components, and semiconductor manufacturing equipment • Ocean exports of chemicals were firm
	Asia	+1,255	<ul style="list-style-type: none"> • Increase in automobile-related cargo throughout Asia • In Thailand, strong performance in ocean exports of motorcycles • In Vietnam, strong performance in exports of electronic components and home electronics
	China	+630	<ul style="list-style-type: none"> • Increase in air and ocean export cargo leaving from Hong Kong • In Shanghai, solid performance in air export and import cargo
	Americas	+796	<ul style="list-style-type: none"> • Due to port congestion in the US, substitute transportation of ocean import cargo continued • Both air exports and imports were strong for automobile-related cargo • Strong performance in air exports of food-related cargo
	Europe	+369	<ul style="list-style-type: none"> • In Germany, warehousing and regional delivery services for home electronics grew • In Belgium, strong performance in air exports of food-related and pharmaceuticals-related cargo
Travel service		+1,262	<ul style="list-style-type: none"> • Efforts to reduce labor and other costs continued • Increase in domestic travel
Real estate		-11	<ul style="list-style-type: none"> • Decrease in rent income from leased properties

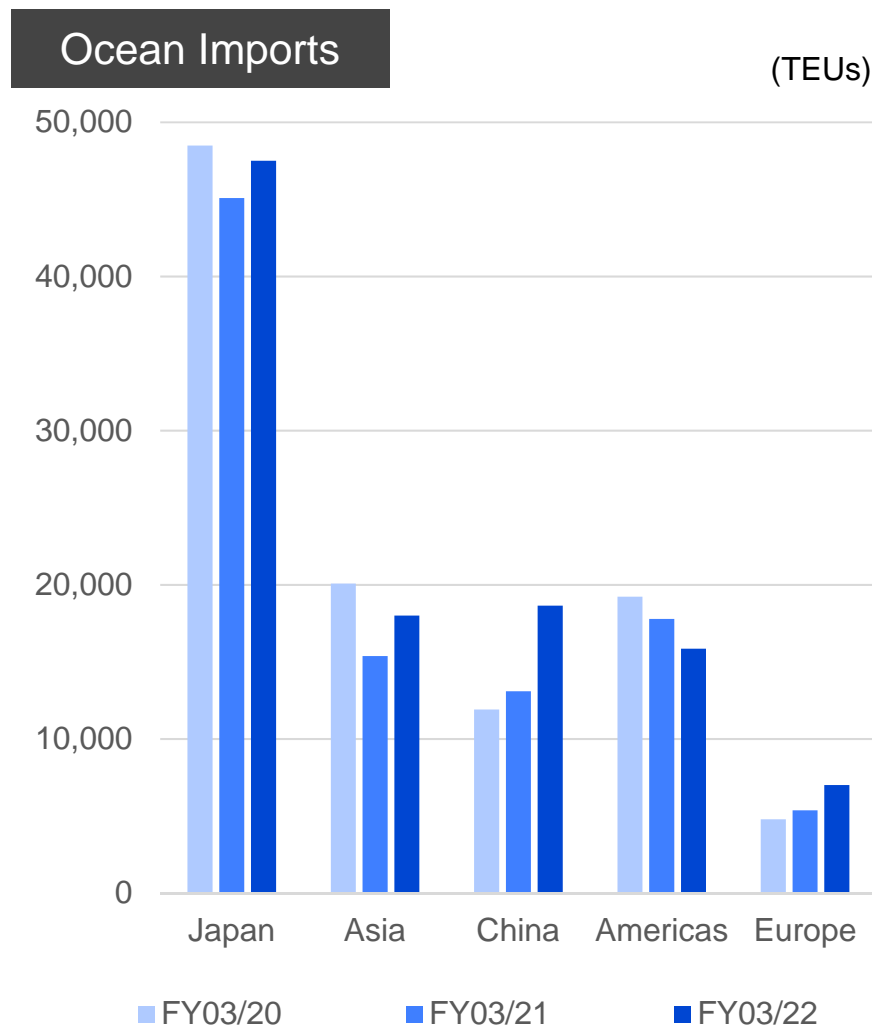
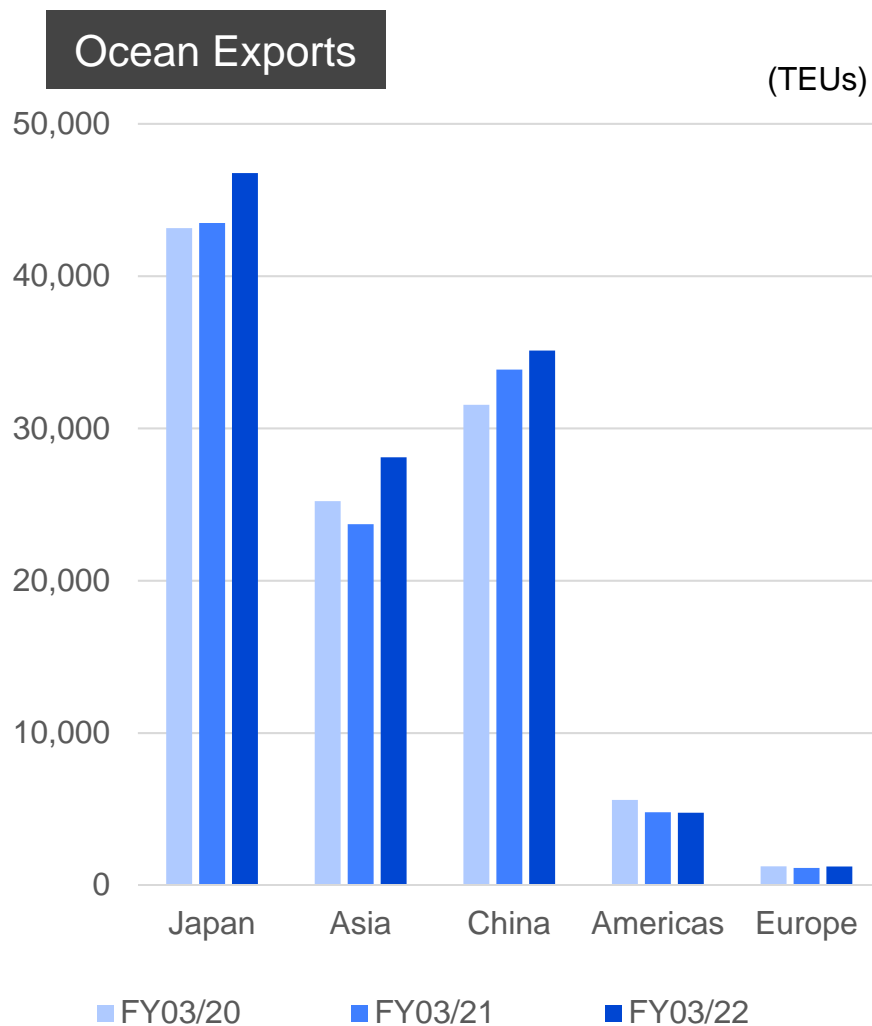
Air Cargo Volume (Exports/Imports)

Robust cargo activity continued for air exports



Ocean Cargo Volume (Exports/Imports)

Cargo volume increased for both ocean exports and imports



II. Full-Year Plan for the Fiscal Year Ending March 31, 2023

FY03/23: Full-Year Plan

Despite uncertain outlook, cargo demand is expected to remain strong

(Millions of yen)

	FY03/22 Full-Year Results	FY03/23 Full-Year Plan	YoY	
			Change	Percentage
Net sales	192,699	190,000	-2,699	98.6%
Operating income	9,098	8,500	-598	93.4%
Ordinary income	9,859	9,000	-859	91.3%
Profit attributable to owners of parent	6,365	6,500	+135	102.1%

FY03/23: Full-Year Plan by Segment

The logistics business is expected to see a drop in spot transactions, while the travel service business anticipates continued profitability improvement

(Millions of yen)

	Business		FY03/22 Results	FY03/23 Plan	YoY	
					Change	Percentage
Net sales	Logistics	Domestic	114,170	109,800	-4,370	96.2%
		Overseas	74,698	74,000	-698	99.1%
	Travel service		2,500	4,600	+2,100	184.0%
	Real estate		1,330	1,600	+270	120.3%
	Total		192,699	190,000	-2,699	98.6%
Operating income	Logistics	Domestic	4,171	3,600	-571	86.3%
		Overseas	5,200	4,600	-600	88.5%
	Travel service		(1,053)	(450)	+603	—
	Real estate		765	765	0	100.0%
	Other		14	(15)	-30	—
	Total		9,098	8,500	-598	93.4%

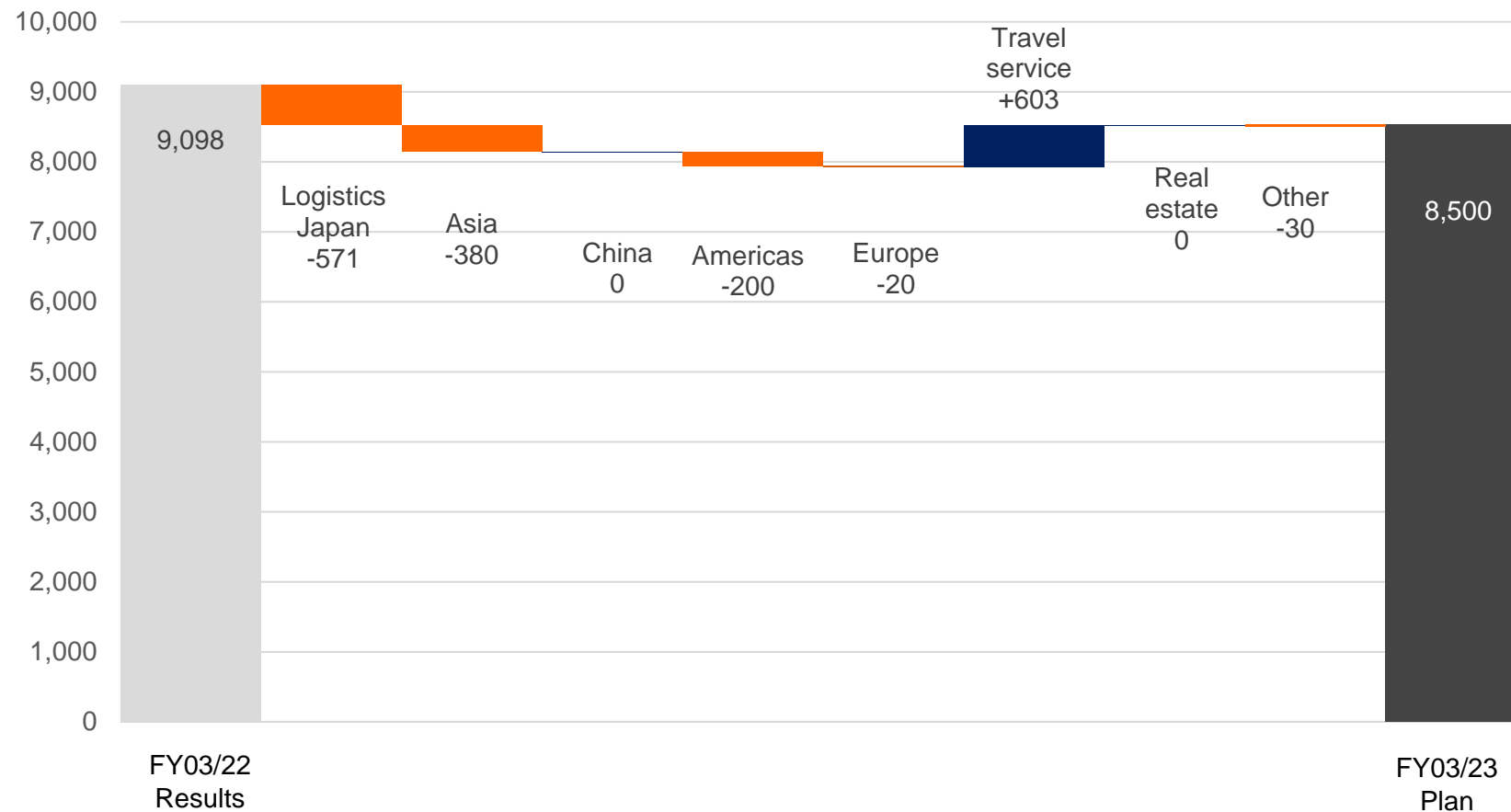
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Note: "Other" comprises adjustments based on consolidated accounting, etc.

FY03/23 Plan Versus FY03/22 Results

Operating Income

(Millions of yen)



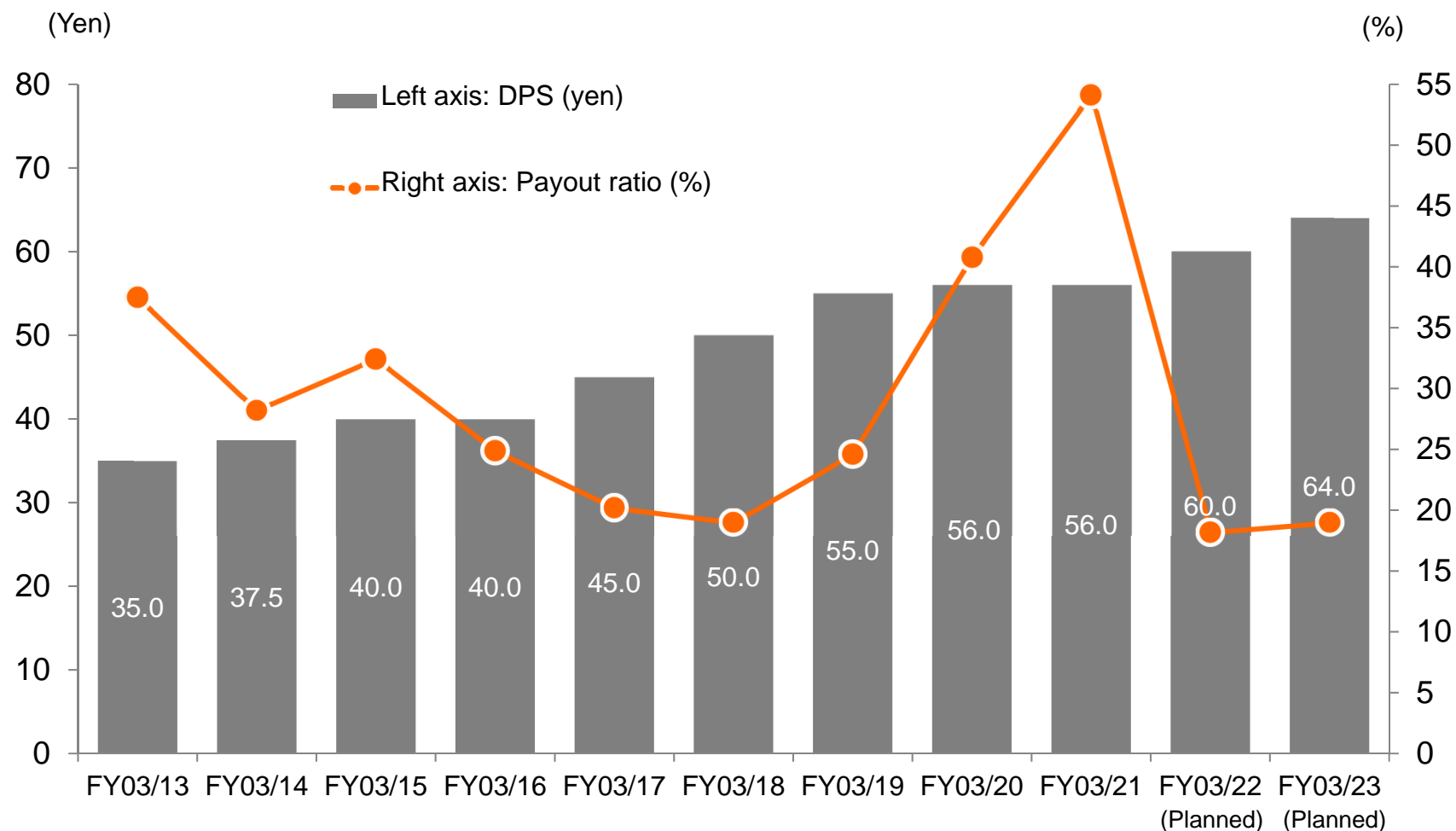
FY03/23 Plan: Factors behind YoY Changes in Operating Income

Despite uncertain outlook, cargo demand is expected to remain strong

Business	Region	YoY Change (Millions of yen)	Summary
Logistics	Japan	-571	<ul style="list-style-type: none"> • Drop in spot transactions to be expected, while strong cargo demand will continue for the time being • Increase in fuel and other costs
	Asia	-380	<ul style="list-style-type: none"> • Automobile-related cargo to remain strong • Air export cargo of electrical and electronic components likely to decline
	China	0	<ul style="list-style-type: none"> • Logistics stagnation due to lockdowns • Consolidation of Nissin International Logistics (C) Co., Ltd.
	Americas	-200	<ul style="list-style-type: none"> • US: Substitute transportation to continue domestically • Uncertainty in automobile-related cargo activity • Increase in labor and other costs
	Europe	-20	<ul style="list-style-type: none"> • Germany: Strong performance of distribution center operations for home electronics to continue • UK: Warehousing and domestic shipment of household goods to expand
Travel service		+603	<ul style="list-style-type: none"> • Continuation of cost reduction measures and recovery in business travel
Real estate		0	<ul style="list-style-type: none"> • Performance likely to be on par with FY03/22 level

Dividend Policy

We plan to award annual dividends of 64 yen per share in FY03/23, raising dividends for the second consecutive year



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

III. Review of the Sixth Medium-Term Business Plan

Review of the Sixth Medium-Term Business Plan 株式会社 日新 NISSIN CORPORATION

Basic policy	<p>“Global logistics provider”</p> <p>- Further innovate to become the world’s top-quality logistics company</p>
Priority measures	<p>1. Priority areas: logistics businesses in the automobile-related field, as well as for chemicals and hazardous materials and foods</p> <p>2. Improve the profitability of domestic businesses</p> <p>3. Strengthen the fundamentals of group management</p>

General review

1. In the priority areas, strengthened the earnings base through warehouse expansions
2. Achieved optimization and reduced costs in the land transport business through restructuring
3. Introduced new core systems

Quantitative targets and results

(Quantitative targets were withdrawn in November 2020)

Millions of yen	FY03/17	Initial plan	FY03/22		FY03/17	Initial plan	FY03/22
Net sales	201,209	230,000	192,699 [*211,737]	Operating margin	2.8%	3.2%	4.7%
Operating income	5,607	7,400	9,098	ROE	8.8%	About 8.0%	9.4%
Ordinary income	6,266	7,700	9,859				
Profit attributable to owners of parent	4,457	5,300	6,365				

* Figures when not applying ASBJ's
“Accounting Standard for Revenue Recognition”

Focus on Three Priority Areas

Automobile-Related

Japan

- Acquired a land in Tochigi Prefecture for construction of an inland warehouse

Asia

- Expanded the floor space of a warehouse in Thailand

Americas

- Opened warehouses in Columbus, Detroit, and Nashville

Chemicals and Hazardous Materials

Japan

- Began construction of the hazardous materials warehouse in Kanagawa Wharf

Asia

- Opened a chemical warehouse in Singapore

Foods

Japan

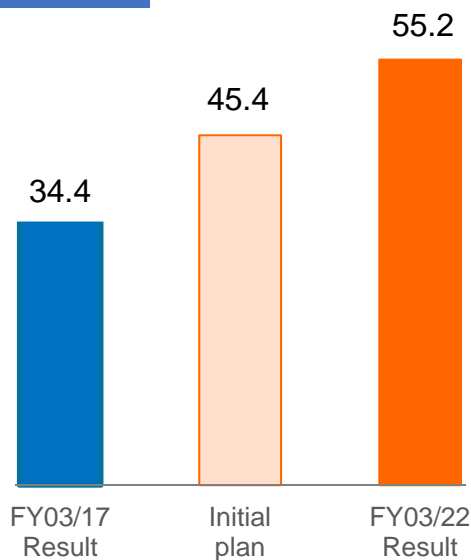
- Began operations at Maya West Refrigerated Warehouse
- Began operations at Heiwajima Refrigerated Logistics Center

Asia

- Acquired halal certification in Singapore

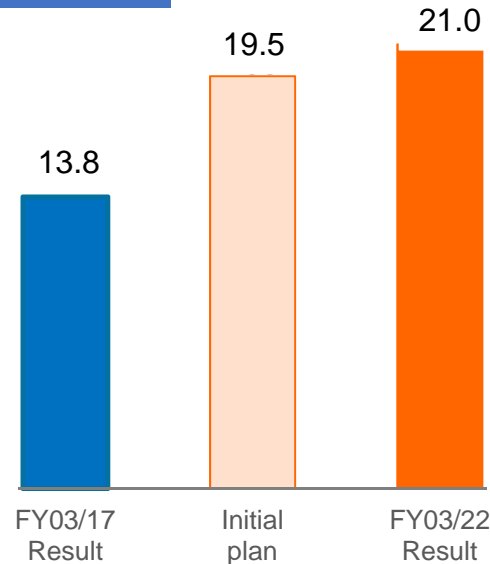
Net Sales

(Billions of yen)



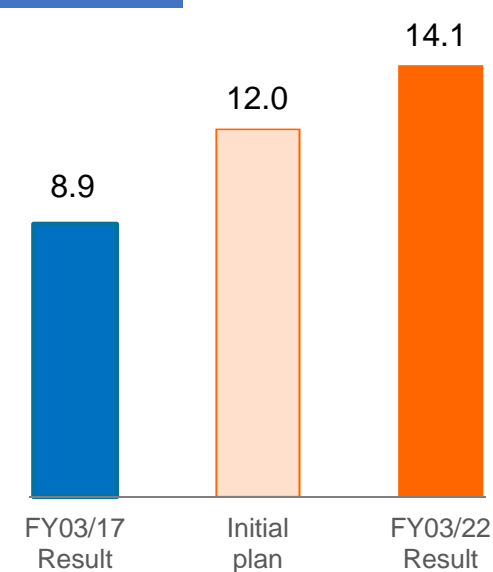
Net Sales

(Billions of yen)



Net Sales

(Billions of yen)



Improve Profitability of Domestic Businesses Strengthen Fundamentals of Group Management

Priority measures	Results
Improve the profitability of domestic businesses	<ol style="list-style-type: none"> 1. Restructure logistics facilities; begin operations at new facilities <ul style="list-style-type: none"> Began operations at Kyushu Nissin Island City Warehouse, Maya West Refrigerated Warehouse, Heiwajima Refrigerated Logistics Center, Yokohama Heavy Cargo Packing Center, as well as construction of the hazardous materials warehouse in Kanagawa Wharf 2. Pursue improvement in operational efficiency <ul style="list-style-type: none"> Restructured our land transport company 3. Collaboration between the logistics and travel service businesses <ul style="list-style-type: none"> Did not progress as initially planned due to COVID-19 4. Promote proposal-based sales <ul style="list-style-type: none"> Conducted proposal-based sales using information platforms (IP) Conducted proposal-based sales for our returnable containers service and digital forwarding service
Strengthen the fundamentals of group management	<ol style="list-style-type: none"> 1. Launch a new core system <ul style="list-style-type: none"> Strengthened sales ability through improvement in data visualization and analysis capabilities 2. Strengthen governance structure <ul style="list-style-type: none"> Outside directors now make up over 1/3 of the Board; established a Nominating and Compensation Committee 3. Create a comfortable working environment for employees <ul style="list-style-type: none"> Obtained Kurumin, Eruboshi, and Tomonin Mark certifications

IV. Seventh Medium-Term Business Plan

“Nissin Next 7th” (NN7): Basic Policy and Period Covered

Basic policy

As a “global logistics provider,”
we will take on challenges in new business areas, deepen core businesses,
and engage in ESG management

Further cultivation of core businesses (= revising our business portfolio)	Aim for business expansion by restructuring our sales force by industry and establishing a system for three-dimensional business management (by business, industry, and region)
ESG management	Promote responsible corporate activities to realize a sustainable society
Businesses in new domains	Create new logistics-related businesses based on unconventional ideas

Period

April 2022 through March 2027 (five years)

We aim to achieve our goals and create high corporate value by dividing the five years into the following two phases

Phase 1 (April 2022 through March 2024)

Build business foundation and management fundamentals suitable for the next generation (Society 5.0)

Phase 2 (April 2024 through March 2027)

Ensure implementation of measures and achieve further growth

NN7: Quantitative Targets

Separate quantitative targets for the two phases of NN7

Quantitative targets

Phase 1: FY03/23–FY03/24

(FY03/24 targets)

Net sales:	¥190.0 billion
Operating income:	¥8.5 billion
Ordinary income:	¥9.0 billion
Profit attributable to owners of parent:	¥6.5 billion
ROE:	About 8.0%

Phase 2: FY03/25–FY03/27

(FY03/27 targets)

Net sales:	¥275.0 billion
Operating income:	¥11.0 billion
Ordinary income:	¥11.5 billion
Profit attributable to owners of parent:	¥8.6 billion
ROE:	About 9.0%

Capital investments

**Capital investment plan ¥25.0–
30.0 billion**

Facility-related investments

- Kanagawa Wharf facility: **¥5.0 billion**
- Tochigi Haga Warehouse: **¥5.0 billion**
- Other domestic and
overseas facilities: **¥10.0–15.0 billion**

Investment in other priority areas

¥5.0 billion

- Promotion of IT and digitalization
- ESG
- M&A strategy
- Human resource development, etc.

(1) Promote digital transformation (DX)

- Accelerate and strengthen DX in the three areas of “sales,” “on-site operations,” and “management”

(2) Promote ESG management

- Promote green management, foster human resources, ensure diversity, and build a system that drives sustainability
- Identify our materiality themes
- Respond to TCFD recommendations

(3) Promote business portfolio strategy

- Manage portfolio by business, industry, and region
- Engage in efficient business management and investment through revenue analysis

(1) Promote Digital Transformation (DX)

Accelerate and strengthen DX utilizing cutting-edge digital technology

DX

Expand sales
activities



- Take the digital forwarding service online
- Enable visualization of global logistics activities, e.g., shipment tracing, using IoT
- Achieve evolution of returnable containers service
- Establish system linkage with trade platform (TradeWaltz)

Achieve
operational
efficiency



- Build a system for sharing cargo information
- Optimize on-site work through IoT
- Establish system linkage with Cyber Port and CONPAS
- Improve efficiency of arrangement work by using AI and OCR

(2) Promote ESG Management

Launch a dedicated team to resolve issues and push forward initiatives associated with sustainability

Basic sustainability policy

We will seek to realize a prosperous society aligned with the expectations of each of our stakeholders by providing services that contribute to the sustainable development of society (Summary)

Purpose

Our aim is to “Bring happiness to the world through logistics”

System to promote sustainability

We will advance specific initiatives by newly establishing an ESG office under the Sustainability Committee chaired by the president

(3) Promote Business Portfolio Strategy

Priority initiatives of each region

Region	ROIC (FY03/22 Actual)	Initiatives
Japan	3.8%	<ul style="list-style-type: none"> • Restructure our sales force by industry and introduce a one-stop shop approach • Promote efficient sales leveraging new core systems and DX • Strengthen logistics service of pharmaceuticals and foods
Asia	20.0%	<ul style="list-style-type: none"> • Expand businesses beyond automobile-related logistics • Expand and bolster warehouse facilities • Expand regional logistics operations and strengthen procurement capability
China	17.7%	<ul style="list-style-type: none"> • Achieve management efficiency of group companies, strengthen sales and purchase abilities by expanding corporate scale, and expand office network • Strengthen the warehouse business
Americas	15.5%	<ul style="list-style-type: none"> • Collaborate with alliance partners and strengthen cooperation with sales agents in regions not covered by local subsidiaries • Expand transactions with local companies
Europe	3.2%	<ul style="list-style-type: none"> • Develop proprietary services specializing in foods, pharmaceuticals, etc.

Note: Does not include the travel service and real estate businesses

Results for the Fiscal Year Ended March 31, 2022

Achieved record-high profits for the full fiscal year

Full-Year Plan for the Fiscal Year Ending March 31, 2023

While operating income will likely decline year-on-year in the logistics business, profitability improvement expected in the travel service business

Review of the Sixth Medium-Term Business Plan

Focused on the three priority areas, improved profitability, and strengthened the fundamentals of management

Seventh Medium-Term Business Plan

Will seek to achieve high-level goals and raise our corporate value by building DX- and ESG-minded management fundamentals

For inquiries regarding these materials or investor relations in general,
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