



# Financial Results Presentation for Q2, Fiscal Year Ending December 2024

August 9, 2024

NIPPON EXPRESS HOLDINGS, INC.  
Investor Relations Promotion Group Corporate Planning Division

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# Financial Results for Q2, FY2024      Executive Summary

## Financial Results for Q2, FY2024

	Results	Vs. Q2, FY2023
✓ Revenues	¥1,249.8 billion	+¥118.0 billion +10.4 %
✗ Consolidated Segment Income (Business Income)	¥25.5 billion	¥(16.7) billion (39.6 %)
Business profit ratio	2.0%	
✗ Operating Income	¥19.2 billion	¥(21.1) billion (52.4 %)
✗ Profit Attributable to Owners of Parent	¥11.4 billion	¥(14.0) billion (55.0 %)

\* ✓ indicates an increase of +5% or more; ✗ indicates a decrease of -5% or more;  
→ indicates a change of +/-5% or less

- ✓ While global logistics demand appears to be recovering from a low, and we are seeing a long-awaited trend toward recovery in Q2. In addition, the addition of cargo-partner (CP) resulted in an increase in sales.
- ✓ With the exception of ocean cargo transportation from overseas, forwarding business gross profit unit price fell while volume for infectious disease-related materials declined and personnel expenses rose by a wide margin, resulting in lower profit for business income and every profit measure below.
- ✓ The large year on year decline in operating income was mainly due to an impairment loss associated with the integration of special combined delivery business in Q1.

# Financial Results Forecast for FY2024    Executive Summary

## Forecast for FY2024

	Forecast	Vs, FY2023
➤ Revenues	¥2,570.0 billion	+¥330.9 billion +14.8 %
➤ Consolidated Segment Income (Business Income)	¥70.0 billion	¥(11.2) billion (13.9 %)
Business profit ratio	2.7%	
➤ Operating Income	¥65.0 billion	+¥4.9 billion +8.2%
➤ Profit Attributable to Owners of Parent	¥40.0 billion	+¥2.9 billion +8.0%
ROE	4.9%	+0.1pt
ROIC (Business Profit Before Taxes)	4.5%	-1.1pt

➤ indicates an increase of +5% or more; ➤ indicates a decrease of -5% or more;  
→ indicates a change of +/-5% or less

- ✓ Based on a comprehensive consideration of the current situation and future outlook, we revised revenues upward and operating income and every profit measure below downward.
- ✓ Amid signs of recovery in logistics demand, profitability in the forwarding business recovered in June and continued to recover in July onward.
- ✓ At the same time, Japan Segment revisions were larger, reflecting a weak recovery in demand for domestic logistics and likely ongoing sluggishness for the foreseeable future.

1. Financial Results for Q2, FY2024

2. Forecast for FY2024

3. Business Plan 2028 Initiatives

4. Return to Shareholders

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# 1-A. Financial Results Highlights for Q2, FY2024

(100 million yen, %) (rounded down to 100 million yen)

Item	Current-Year Results (Jan-Jun 2024)	Prior-Year Results (Jan-Jun 2023)	Difference YoY	Difference YoY (%)	1H Forecast (Announced May 13)	Difference	Difference (%)
Revenues	12,498	11,318	1,180	10.4	12,000	498	4.2
Consolidated Segment Income (Business Income)	255	422	(167)	(39.6)	350	(94)	(27.1)
Business profit ratio	2.0	3.7	-	-	2.9	-	-
Operating Income	192	403	(211)	(52.4)	340	(147)	(43.5)
Profit Attributable to Owners of Parent	114	254	(140)	(55.0)	230	(115)	(50.3)

[Reference] cargo-partner Jan-Jun results (within Europe; before consolidation): Revenues ¥127.3 billion; Business income ¥0.5 billion

The consolidated financial results for H1 of the fiscal year ending December 31, 2024 are as described here. Since H2 of last year, global logistics demand appeared to have hit the bottom without showing a recovery trend, but it has finally started to recover in Q2 this fiscal year. In addition, the acquisition of cargo-partner (CP) contributed to revenue growth.

In the forwarding, with the exception of ocean cargo transportation from overseas, the business suffered negative impact mainly due to lower gross profit per unit, decreasing volume for infectious disease-related materials, rising costs, and personnel expenses, which resulted in YoY decrease for business income and each profit below that. The larger YoY decrease in operating income compared to business income is mainly due to an impairment loss associated with the integration of special combined delivery business. In preparation of the business integration with Meitestu Transportation in January 2025, we posted an impairment loss at NX TRANSPORT and NIPPON EXPRESS CO.,LTD., in Q1.

Please also refer to pages seven and eight for a breakdown of revenues and operating income, with factors for changes.

# 1-A. Financial Results Highlights for Q2, FY2024

(100 million yen, %) (rounded down to 100 million yen)

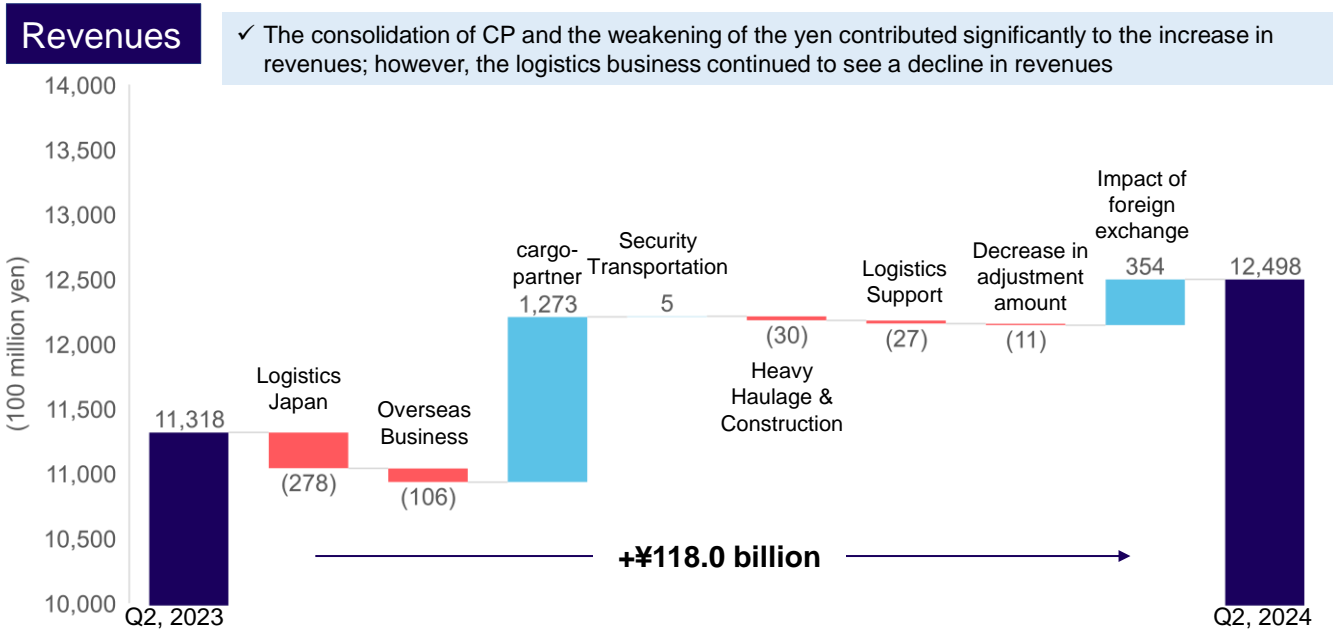
Segment	Item	Current-Year Results (Jan-Jun 2024)	Prior-Year Results (Jan-Jun 2023)	Difference YoY	Difference YoY (%)	1H Forecast (Announced May 13)	Difference	Difference (%)
Japan	Revenues	6,124	6,402	(278)	(4.3)	5,930	194	3.3
	Segment income (Business Income)	155	231	(76)	(32.8)	190	(34)	(18.0)
Americas	Revenues	783	740	43	5.8	750	33	4.5
	Segment income (Business Income)	26	52	(25)	(49.2)	35	(8)	(23.5)
Europe	Revenues	2,373	943	1,430	151.5	2,130	243	11.5
	Segment income (Business Income)	51	49	2	4.7	65	(13)	(20.3)
East Asia	Revenues	817	773	43	5.7	750	67	9.0
	Segment income (Business Income)	13	25	(12)	(47.3)	20	(6)	(31.5)
South Asia & Oceania	Revenues	724	719	4	0.7	710	14	2.0
	Segment income (Business Income)	20	49	(28)	(58.6)	30	(9)	(32.3)
Overseas Segment Total	Revenues	4,699	3,178	1,521	47.9	4,340	359	8.3
	Segment income (Business Income)	112	177	(64)	(36.5)	150	(37)	(24.9)
Security Transportation	Revenues	344	338	5	1.8	340	4	1.4
	Segment income (Business Income)	17	17	(0)	(0.9)	15	2	13.7
Heavy Haulage & Construction	Revenues	228	258	(30)	(11.7)	230	(1)	(0.7)
	Segment income (Business Income)	16	30	(13)	(45.2)	25	(8)	(34.2)
Logistics Support	Revenues	2,063	2,090	(27)	(1.3)	2,200	(136)	(6.2)
	Segment income (Business Income)	52	65	(12)	(19.2)	70	(17)	(24.7)

[Reference] cargo-partner Jan-Jun results (within Europe, before consolidation): Revenues ¥127.3 billion; Business income ¥0.5 billion

Business income and each of the profits below that fell short of the forecast, compared to the forecast announced on May 13.

As noted, there was a large downside in logistics Japan and overseas segment. I will explain the details along with a QoQ comparison of business income.

# 1-B. Breakdown of Revenues and Operating Income

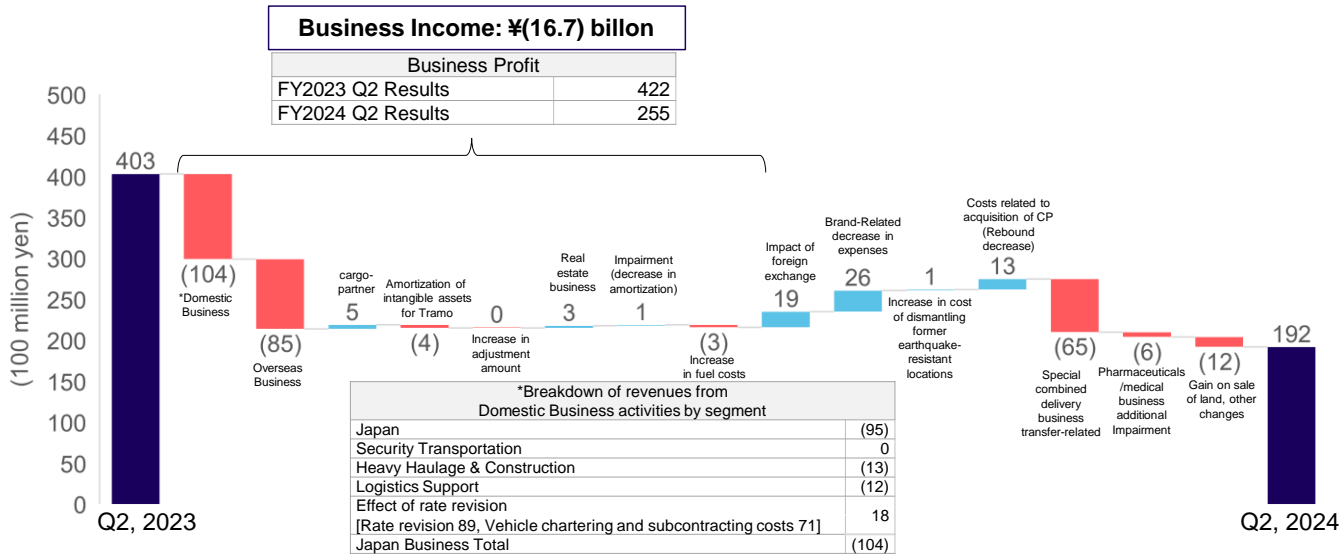




# 1-B. Breakdown of Revenues and Operating Income

Operating income

- ✓ Profit decreased in domestic and overseas logistics businesses due to lower gross profit per unit in the international forwarding business, etc.
- ✓ We recorded an impairment loss of 6.5 billion yen in Q1 due to the transfer of the special combined delivery business.



1-C. Financial Results for Q2, FY2024 Q2, FY2024 vs. Q1, FY2024

(100 million yen, %) (rounded down to 100 million yen)

Item	FY2024 Q2 Results	FY2024 Q1 Results	Difference	Difference (%)
Revenues	6,322	6,176	146	2.4
Consolidated Segment Income (Business Income)	136	118	17	15.0
Business profit ratio	2.2	1.9	-	-
Operating Income	157	34	122	353.2
Profit Attributable to Owners of Parent	106	8	97	1,191.4

As noted, business income increased QoQ along with the revenue growth. However, this was mainly due to the one-time expense treatment of property tax, etc. in Q1. Excluding this effect, revenue increased but profit decreased in Q2 compared to Q1.

1-C. Financial Results for Q2, FY2024

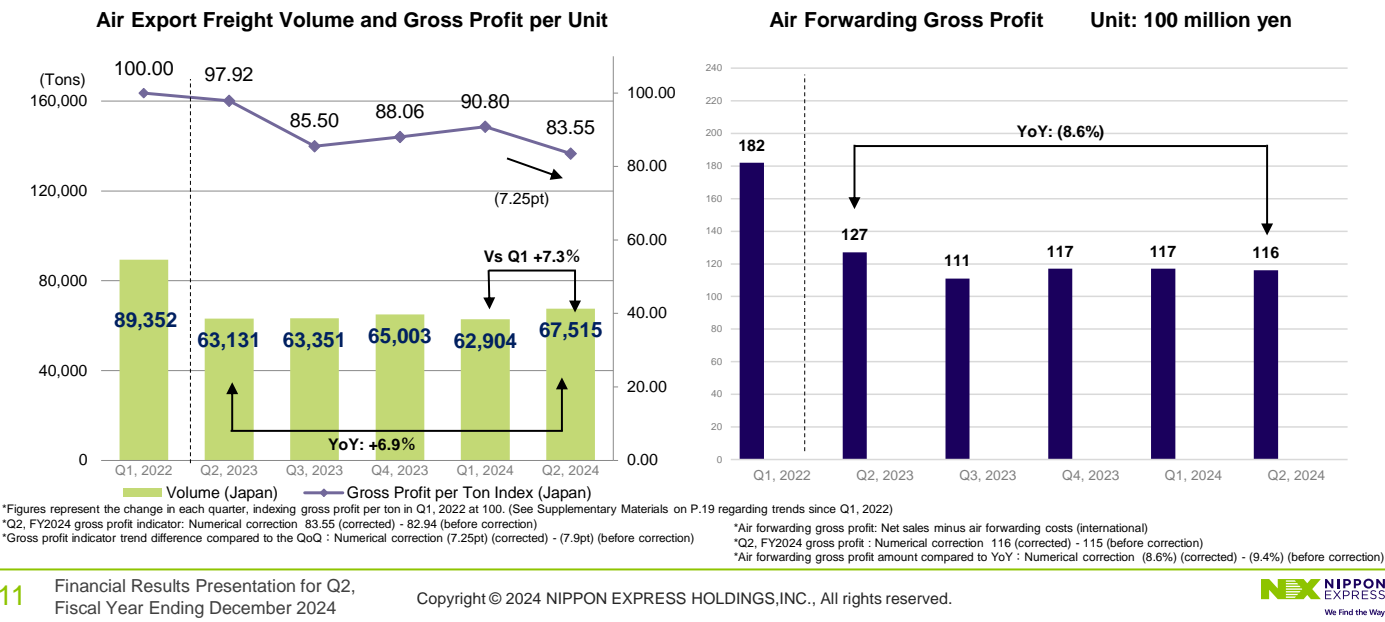
Q2, FY2024 vs. Q1, FY2024 (by Segment)

(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	FY2024 Q2 Results	FY2024 Q1 Results	Difference	Difference (%)
Japan	Revenues	3,069	3,054	14	0.5
	Segment income (Business Income)	92	63	29	45.9
Americas	Revenues	413	370	43	11.8
	Segment income (Business Income)	16	10	5	52.7
Europe	Revenues	1,244	1,129	115	10.2
	Segment income (Business Income)	20	31	(11)	(35.4)
East Asia	Revenues	444	373	70	18.9
	Segment income (Business Income)	9	4	4	105.6
South Asia & Oceania	Revenues	377	347	29	8.6
	Segment income (Business Income)	10	10	0	2.8
Overseas Segment Total	Revenues	2,479	2,220	259	11.7
	Segment income (Business Income)	56	56	(0)	(0.9)
Security Transportation	Revenues	168	176	(7)	(4.1)
	Segment income (Business Income)	3	13	(10)	(76.0)
Heavy Haulage & Construction	Revenues	122	106	16	15.2
	Segment income (Business Income)	8	7	0	12.6
Logistics Support	Revenues	983	1,079	(96)	(8.9)
	Segment income (Business Income)	28	24	4	18.5

# 1-D. Air Forwarding Gross Profit: Japan Segment

✓ Gross profit per ton fell by 7.9 points due to increased spot purchases for space in connection with higher volumes amid rising air freight rates.



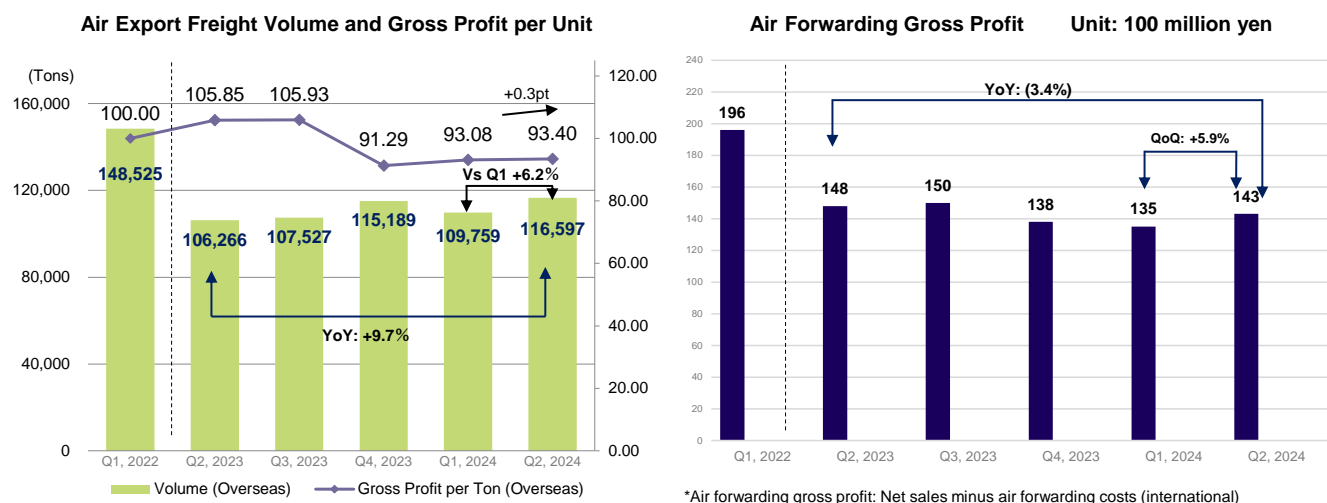
This page shows the quarterly trend of air forwarding volume from Japan, gross profit per unit index, and gross profit amount.

The volume increased by 7.3% QoQ, which was higher than expected. However, due to increased spot purchase for space amid rising airfreight rates, the gross profit per unit index shown in the line chart decreased by 7.25%, which squeezed profitability and resulted in a shortfall, compared to the original expectation of maintaining the same profitability as in Q1.

However, with the recent improvement in gross profit per unit due to tighter space control, we expect profitability to recover in Q3 and beyond.

# 1-D. Air Forwarding Gross Profit: Overseas Segment

✓ Overall gross profit per ton remained at essentially the same level as in Q1, improving by 0.3 points.



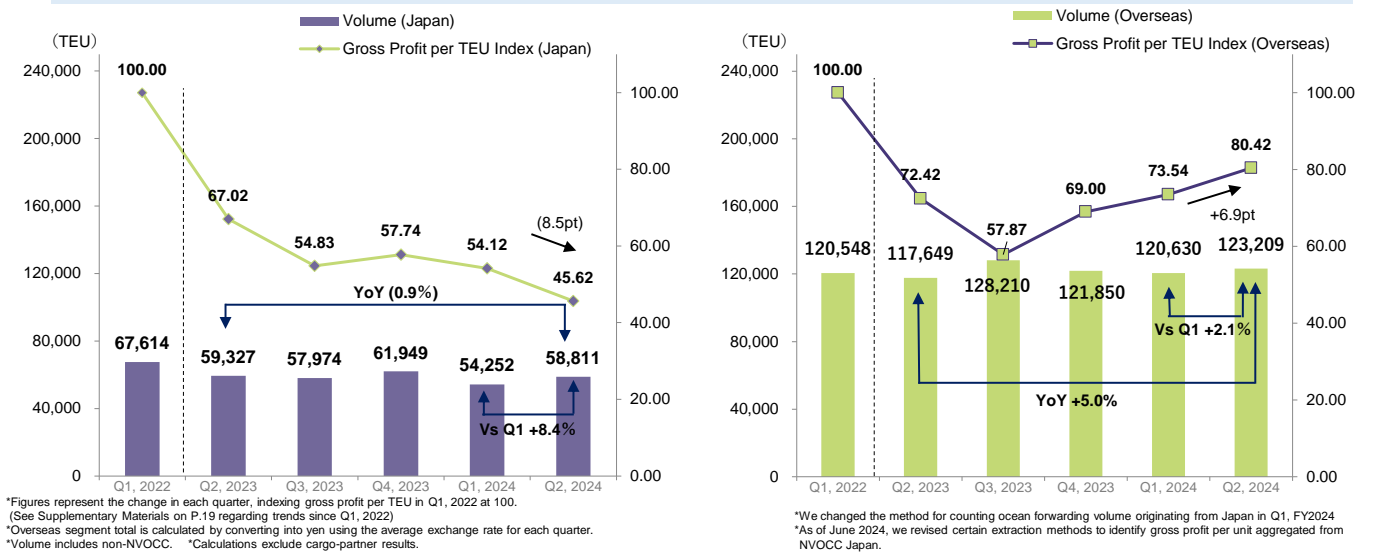
\*Air forwarding gross profit: Net sales minus air forwarding costs (international)

\*Figures represent the change in each quarter, indexing gross profit per ton in Q1, 2022 at 100. (See Supplementary Materials on P.19 regarding trends since Q1, 2022)  
\*Calculated by converting into yen using the average exchange rate for each quarter. \*Calculations exclude cargo-partner results.

Volume for overseas air forwarding segment increased as well.  
Amid the demand recovery trend, gross profit per unit improved by 0.3 points but did not reach the expected level, resulting in a shortfall.

# 1-F. Ocean Forwarding Gross Profit: Japan/Overseas

- ✓ Gross profit per TEU from Japan decreased by 8.5 points due to a time lag in price pass-through caused by a sharp rise in ocean freight rates in May.
- ✓ Amid upward trends in freight rates, gross profit per TEU from overseas rose 6.9 points.



Ocean freight rates for ocean forwarding from Japan rose rapidly in May at a pace not seen in the past, as volumes increased but space tightened rapidly, partly due to Vessels the skipping of Japanese ports. Due to the time lag in price pass-through of higher rates, the gross profit per TEU index, which had been expected to remain at Q1 level, declined 8.5 points, resulting in a slight decrease in the gross profit amount.

However, the gross profit per unit has been improving recently as the market stabilizes, and we expect it to recover from Q3 onward.

In addition, while the ocean freight market is in turmoil, our ability to secure space has led to an increase in cargo handling volume, including the ones for new customers. We see this as an opportunity to expand the volume once the market starts to recover.

As for ocean forwarding from overseas, although the volume growth was only around 2%, the gross profit per TEU rose 6.9 points to keep up with an upward trend of freight rates, resulting in a profit level that was mostly in line with expectations.

Under these circumstances, it is summarized that the performance of forwarding business has trended in a lower-than-expected range, with the exception of ocean forwarding from overseas.

1-F. Income and Expenses by Business

(100 million yen) (rounded down to 100 million yen)							
Segment		Q1	Q2	Q2 Cumulative	Q2 vs q1		
Logistics Japan	Air Forwarding	Revenues	447	444	891	-3	
		Operating Income	30	17	48	-13	
	Ocean Forwarding	Revenues	398	442	841	43	
		Operating Income	30	44	74	14	
	Logistics	Revenues	2,454	2,336	4,791	-117	
		Operating Income	82	52	135	-30	
	Other (HQ, Real estate, etc.)	Revenues	25	38	64	12	
		Operating Income	-68	-73	-141	-4	
	Results by Organization Total (Japanese Standards)		Revenues	3,327	3,262	6,589	-64
			Operating Income	74	41	116	-33
Consolidated Results (IFRS)		Revenue	3,054	3,069	6,124	14	
		Segment Income	63	92	155	29	
Logistics Overseas	Air Forwarding	Revenues	547	628	1,176	80	
		Operating Income	28	29	58	0	
	Ocean Forwarding	Revenues	362	410	773	48	
		Operating Income	11	17	28	6	
	Logistics	Revenues	741	788	1,530	46	
		Operating Income	48	50	99	2	
	Other (HQ, etc.)	Revenues	51	51	102	0	
		Operating Income	-46	-45	-92	0	
	Cargo Partner社	Revenues	770	916	1,687	146	
		Operating Income	1	5	6	3	
Results by Organization Total (Local Standards)		Revenues	2,474	2,796	5,271	322	
		Operating Income	43	56	100	12	
Consolidated Results (IFRS)		Revenue	2,220	2,479	4,699	259	
		Segment Income	56	56	112	0	
Logistics Total (Local Standards)		Revenues	5,801	6,058	11,860	257	
		Operating Income	118	98	216	-20	
Consolidated Results (IFRS)		Revenue	5,275	5,549	10,824	274	
		Segment Income	119	148	268	28	

**Quarterly Trend Analysis (Logistics Japan)**  
Air: Despite an increase in air export volume, gross profit per unit declined 7.9 points compared with Q1. In addition, outsourcing costs and labor costs also increased, resulting in a decrease in gross profit. Import volume decreased compared with Q1 due to sluggish precision equipment-related volume, resulting in an overall decrease in profit.  
Ocean: Despite an increase in ocean export volume, Nippon Express NVOCC gross profit per unit decreased by 8.5 points compared with Q1, resulting in a decline in gross profit. On the other hand, an increase in the number of overseas moves resulted in increased sales and profits.  
Logistics: Profit decreased due to an increase in labor costs and a negative rebound from the busy moving season. Although further rate revisions increased sales, the impact on profits was limited due to rising outsourcing costs.

**Logistics Japan: The actual profit fell short of the forecast of an increase of 6.3 billion yen by 3.4 billion yen.**

**Quarterly Trend Analysis (Logistics Overseas)**  
Air: Gross profit improved compared with Q1 as air export gross profit per unit was level with Q1 and volume increased. Operating income remained at the same level as the first quarter due to increase in outsourcing costs due to the handling of fresh produce from the Americas and other factors.  
Ocean: Overall increase in profits, as NVOCC unit price improved by 6.9 points compared with Q1; ocean export increased due to an increase in volume, while ocean import performance was steady.  
Logistics: Profit increased in the Americas due to strong warehousing and distribution business volume for apparel and automobile-related. Profit decreased in Europe due to sluggish cargo movement of consumables related to electrical and electronic components. Other, East and South Asia performance remained at the same level as Q1.  
CP: Air export saw growth in e-commerce handled from China; ocean export to Europe (to Eastern Europe) remained strong. Warehousing and distribution processing saw higher revenues and profits overall, mainly due to a new hub in the U.K.

**Logistics Overseas: The actual profit fell short of the forecast of an increase of 3.6 billion yen by 3.7 billion yen.**

\*Notes related to preparation of this document are shown on the next page (p. 15).

This page gives a big picture of the trend for each business by classifying and aggregating the results by respective organization corresponding to each category. Based on the situation in the forwarding business, let me then explain the QoQ trend for each business.

First, for the logistics Japan segment, gross profit per unit declined in international air forwarding while gross profit amount only suffered a small decrease due to volume growth. In addition to lower profitability, subcontract fleet and other outsourcing costs as well as labor costs etc. have increased. Due to those factors, profit decreased and fell short of the forecast.

For ocean forwarding, sales and profits increased QoQ, and performance exceeded the forecast mainly due to an increase in overseas moves despite a slight decrease in gross profit in NVO business.

For logistics, we had originally assumed that rate revisions and volume growth would offset a reactionary decrease from spot handling and the peak moving demand in Q1 as well as absorbing the increase in labor costs etc. Accordingly, we had projected the similar level of business income in Q2 compared to Q1. However, profit decreased due to the limited effect of rate revisions due to increased outsourcing costs as well as insufficient expansion of volume despite the progress of rate revisions.

This business suffered the biggest shortfall. As a result, profit fell short of the forecast by around JPY3 billion compared to the forecast of JPY6.3 billion increase in logistics Japan segment mainly due to the lump-sum expense treatment of property tax etc. This is one of the biggest challenges in the Group's reform, and we recognize there is a structural issue in the domestic logistics business. On the other hand, it is also the segment that will realize the greatest return through the reform, and we will continue to review the allocation of management resources.

Next, I will explain the status of logistics overseas segment.

In air forwarding, gross profit per unit improved slightly and gross profit amount increased due to higher volume. However, operating income fell short of the forecast despite the expected QoQ increase, mainly due to the increase in outsourcing costs along with the volume growth of fresh produce, low gross margin items from the Americas.

For ocean forwarding, operating income increased by about JPY600 million, almost in line with expectations. Although we see the upward trend both for revenues and profit in logistics, it fell short of the forecast due to the absence of full-scale volume recovery. As a result, the logistics overseas segment underperformed by a bit less than JPY4 billion against the forecast of JPY3.6 billion QoQ profit increase.

Based on these situations by business, we believe that it is critical for us to improve profitability of the domestic logistics business in addition to maintaining an appropriate level of gross profit per unit in the forwarding business amid a recovery in logistics demand. While strengthening space control in air forwarding, we will work on rate revisions and in-depth review of contract arrangement for domestic logistics. We also aim at expanding our global business through enhanced account management and other measures with a medium- to long-term perspective.

At the same time, we will push forward with the optimization of management resource allocation as we recognize market share expansion in domestic logistics, improvement in profitability, and capital efficiency as key issues.

Please also refer to page 15 for income and expenses by business in each of the overseas regions, and pages two and three of the supplemental documents for details on changes due to external environment and other factors.

1-F. Income and Expenses by Business (Results by Organization)

(100 million yen) (rounded down to 100 million yen)

Segment		Q1	Q2	Q2 Cumulative	Q2 vs q1		
Americas	Air Forwarding	Revenues	99	112	212	13	
		Operating profit	2	3	6	1	
	Ocean Forwarding	Revenues	72	81	154	9	
		Operating profit	1	2	3	1	
	Logistics	Revenues	217	229	447	12	
		Operating profit	7	11	18	4	
	Other (HQ, etc.)	Revenues	0	0	0	-0	
		Operating profit	-1	-2	-4	-0	
			Revenues	389	424	814	35
			Operating profit	8	15	23	6
Europe	Air Forwarding	Revenues	158	167	326	8	
		Operating income	5	3	8	-1	
	Ocean Forwarding	Revenues	95	100	195	5	
		Operating profit	-4	-3	-7	1	
	Logistics	Revenues	280	300	581	19	
		Operating profit	28	24	52	-3	
	Other (HQ, etc.)	Revenues	39	39	78	-0	
		Operating profit	-7	-4	-11	2	
			Revenues	574	607	1,181	33
			Operating profit	21	20	41	-1

◆ Notes related to preparation

\*This document summarizes the financial results of each Group company or branch office unit. Financial results are classified by major category (air, ocean, logistics, other).

\* The "Logistics" category of Logistics Japan segment includes domestic air transportation and coastal shipping.

\*In some cases, common expenses, etc. are allocated on a branch-by-branch basis in a simplified manner. The Company has not made any detailed adjustments to these expenses.

Segment		Q1	Q2	Q2 Cumulative	Q2 vs q1		
East Asia	Air Forwarding	Revenues	148	184	333	36	
		Operating profit	8	9	18	1	
	Ocean Forwarding	Revenues	104	132	236	27	
		Operating profit	4	6	11	2	
	Logistics	Revenues	131	141	272	10	
		Operating income	5	6	12	1	
	Other (HQ, etc.)	Revenues	0	0	0	0	
		Operating profit	-15	-15	-30	0	
			Revenues	384	458	843	74
			Operating income	2	8	10	5
South Asia & Oceania	Air Forwarding	Revenues	140	163	303	22	
		Operating Income	12	12	25	-0	
	Ocean Forwarding	Revenues	90	96	187	5	
		Operating Income	9	11	20	1	
	Logistics	Revenues	112	116	229	3	
		Operating Income	7	7	15	0	
	Other (HQ, etc.)	Revenues	11	12	23	0	
		Operating Income	-21	-23	-45	-1	
			Revenues	355	388	744	32
			Operating Income	8	7	16	-0
cargo partner		Revenues	770	916	1,687	146	
		Operating Income	1	5	6	3	
Logistics Overseas Total		Revenues	2,474	2,796	5,271	322	
		Operating Income	43	56	100	12	

~ Additional explanation ~

In our disclosure documents, we classify the logistics into five areas: Japan and four overseas regions. However, many investors have been requesting us to classify it based on air forwarding, ocean forwarding, and warehouse-related logistics.

In response to that, we have created the table for income and expenses by business, shown here. What we did was to map the business categories based on the principal domain by each group company or branch office unit and aggregate their financial data. Although these figures do not represent the precise accounting results for air forwarding, ocean forwarding, and logistics business itself, we plan to disclose this information continuously for the purpose of providing breakdown of our logistics business and quarterly performance trend in an easy-to-understand manner.

On the right of page 14 are the descriptions of quarterly trend analysis for Japan and overseas, with QoQ comparison. Page 15 has the income and expenses table by business for each overseas region. Notes related to preparation on the bottom left explain the content that I just explained.

These are preliminary formats and not the complete state yet. There is much room to refine, but we wanted to share them with you first. We will make necessary adjustments based on your suggestions and feedback.

We aim to continuously enrich our disclosure information and deepen our dialogue with the investor community. We appreciate your support.



1. Financial Results for Q1, FY2024

**2. Forecast for FY2024**

3. Business Plan 2028 Initiatives

4. Return to Shareholders

A. Forecast for FY2024	P.17-
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## 2-A. Forecast for FY2024

(100 million yen, %) (rounded down to 100 million yen)

Item	1H Results	2H Forecasts	Full-Year Forecast	Prior-Full-Year Results	Difference YoY	Difference YoY (%)	Full-Year Forecast (Announced May 13)	Difference	Difference (%)
Revenues	12,498	13,201	25,700	22,390	3,309	14.8	25,000	700	2.8
Segment Income (Business Income)	255	444	700	812	(112)	(13.9)	850	(150)	(17.6)
Business profit ratio	2.0	3.4	2.7	3.6	-	-	3.4	-	-
Operating Income	192	457	650	600	49	8.2	820	(170)	(20.7)
Profit Attributable to Owners of Parent	114	285	400	370	29	8.0	550	(150)	(27.3)
Overseas Revenues	4,699	5,170	9,870	6,424	3,445	53.6	8,960	910	10.2
ROE	-	-	4.9	4.8	-	-	6.7	-	-
ROIC (Business Profit Before Taxes)	-	-	4.5	5.6	-	-	5.6	-	-

[Reference] cargo-partner full-year forecasts (within Europe; before consolidation): Revenues: ¥257.7 billion; business income: ¥1.8 billion yen (excludes amortization of intangible assets of approximately ¥3.0 billion to be posted in Q4)

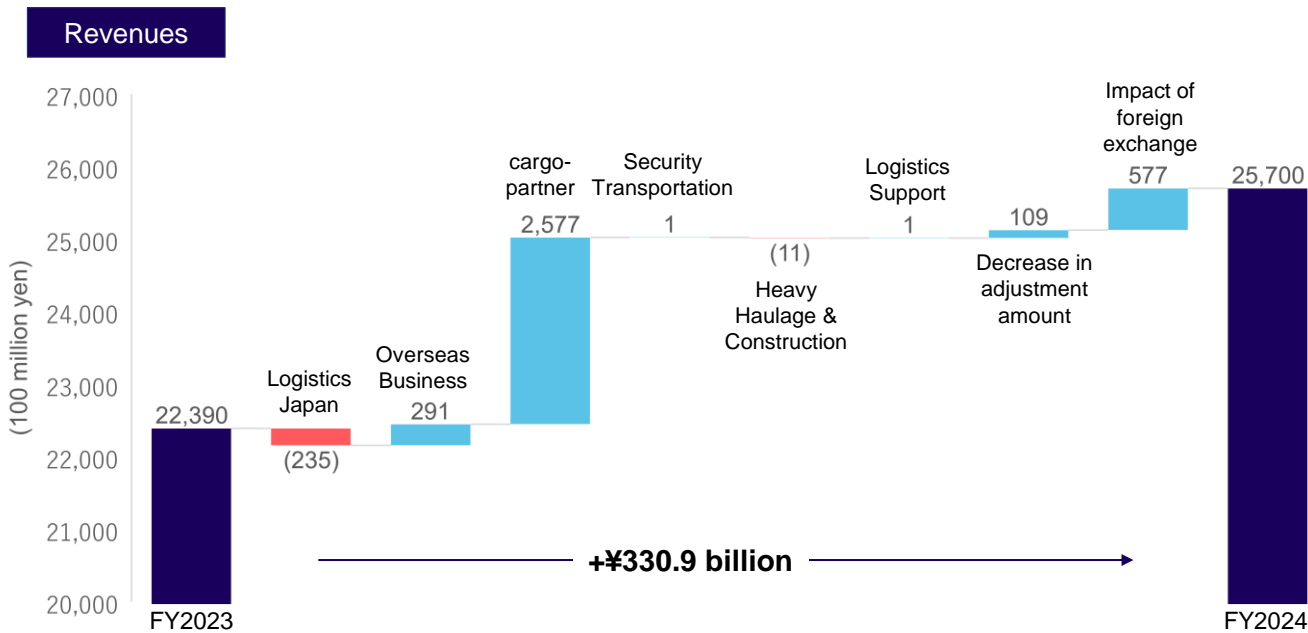
## 2-A. Forecast for FY2024 (by Segment)

(100 million yen, %) (rounded down to 100 million yen)

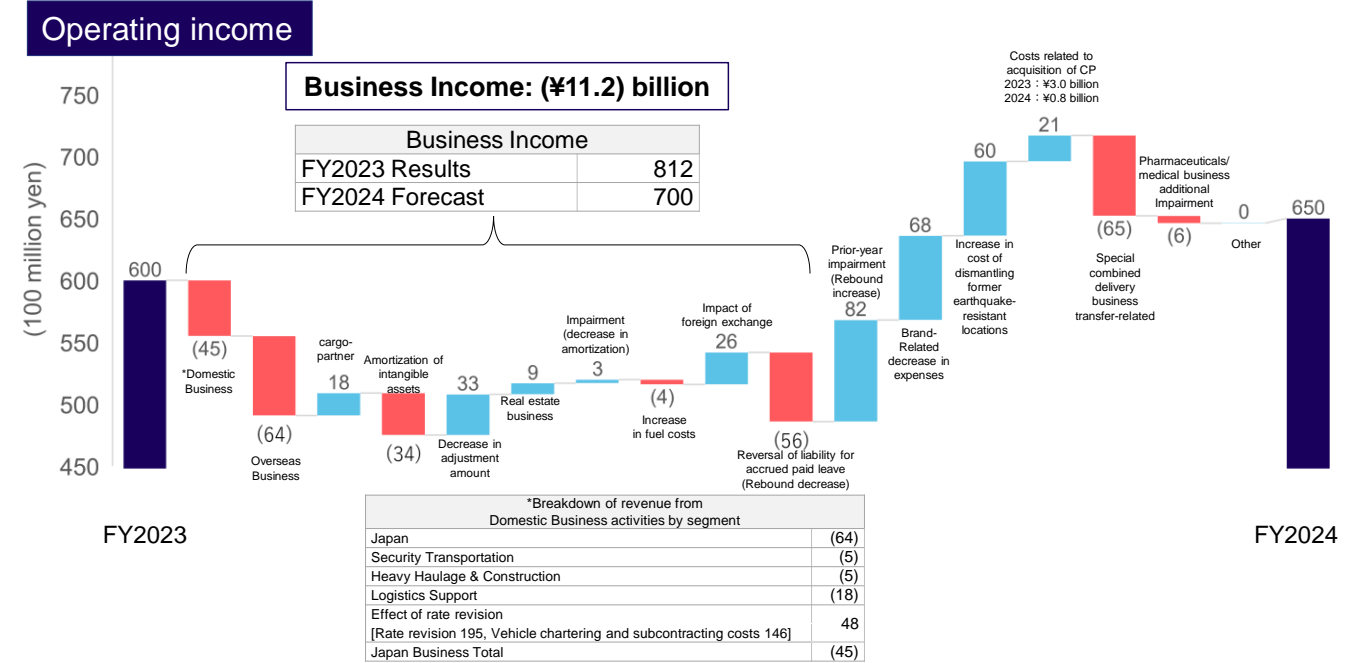
Segment	Item	Full-Year Forecast	Prior-Year Results	Difference YoY	Difference YoY (%)	Previous Forecast Announced May 13	Difference	Difference (%)
Japan	Revenues	12,330	12,565	(235)	(1.9)	12,130	200	1.6
	Segment income (Business Income)	420	485	(65)	(13.5)	510	(90)	(17.6)
Americas	Revenues	1,640	1,512	127	8.4	1,530	110	7.2
	Segment income (Business Income)	75	92	(17)	(19.0)	80	(5)	(6.3)
Europe	Revenues	4,780	1,926	2,853	148.1	4,320	460	10.6
	Segment income (Business Income)	85	98	(13)	(13.7)	100	(15)	(15.0)
East Asia	Revenues	1,850	1,576	273	17.3	1,610	240	14.9
	Segment income (Business Income)	35	37	(2)	(7.0)	50	(15)	(30.0)
South Asia & Oceania	Revenues	1,600	1,408	191	13.6	1,500	100	6.7
	Segment income (Business Income)	65	83	(18)	(22.1)	80	(15)	(18.8)
Overseas	Revenues	9,870	6,424	3,445	53.6	8,960	910	10.2
Segment Total	Segment income (Business Income)	260	312	(52)	(16.7)	310	(50)	(16.1)
Security Transportation	Revenues	680	678	1	0.2	680	-	-
	Segment income (Business Income)	30	33	(3)	(11.4)	30	-	-
Heavy Haulage & Construction	Revenues	500	511	(11)	(2.2)	500	-	-
	Segment income (Business Income)	60	65	(5)	(8.0)	60	-	-
Logistics Support	Revenues	4,260	4,258	1	0.0	4,450	(190)	(4.3)
	Segment income (Business Income)	120	138	(18)	(13.3)	130	(10)	(7.7)

[Reference] cargo-partner full-year forecasts (within Europe; before consolidation): Revenues: ¥257.7 billion; business income: ¥1.8 billion yen (excludes amortization of intangible assets of approximately ¥3.0 billion to be posted in Q4)

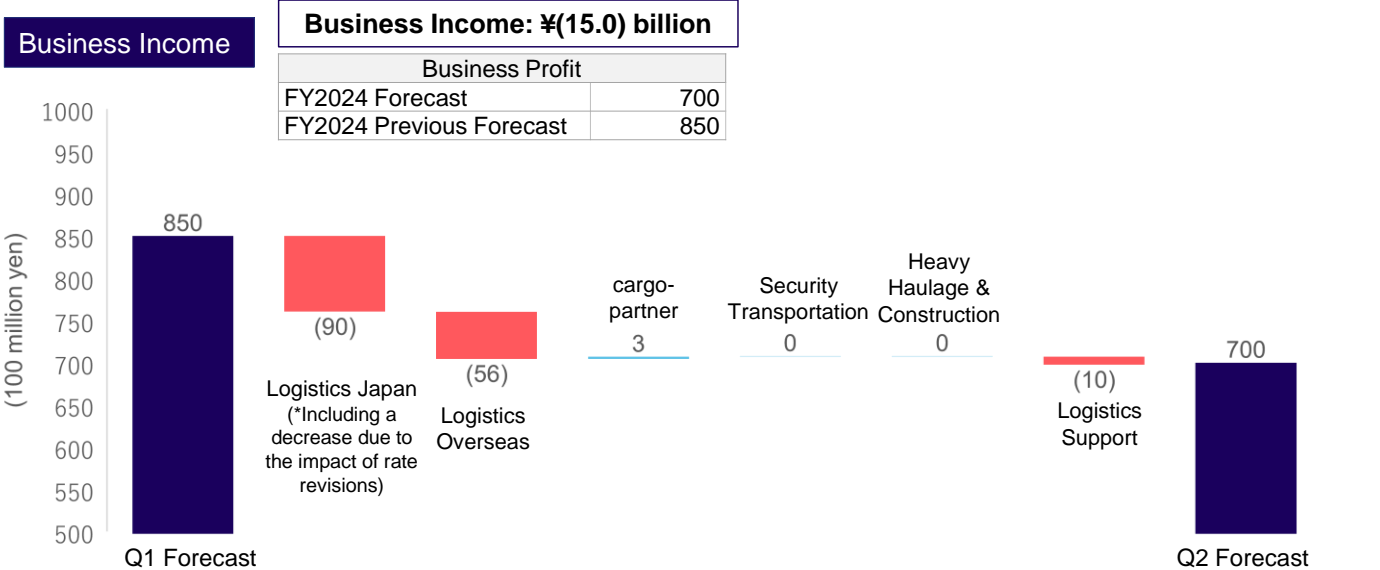
2-B. Forecast for FY2024 Breakdown of Revenues and Operating Income



2-B. Forecast for FY2024 Breakdown of Revenues and Operating Income



2-D. Financial Results Forecast for FY2023 (vs. Previous Forecast) Breakdown of Business Income



This shows the comparison of revised forecast versus previous forecast by segment. As explained, there was a recovery in logistics demand, and while sales revenue expanded in H1 of the year, business income declined. However, profitability of the forwarding business started to pick up in June and has been recovering since July.

On the other hand, the amount of downward revision for logistics Japan is larger due to the weak recovery in demand for domestic logistics, which is expected to stay for a while.

Under these circumstances, we expect profits to recover from Q3 onward, especially in international forwarding, assuming a full-fledged recovery in logistics demand.

We will do our utmost to ensure short-term business results. At the same time, we continue to accelerate business growth in the global market and rebuild our domestic business to achieve our long-term vision while promoting organizational and business structure reforms.

Please also refer to pages 4 to 13 of the supplemental document for an overview of each segment and other details.

1. Financial Results for Q1, FY2024

2. Forecast for FY2024

**3. Business Plan 2028 Initiatives**

4. Return to Shareholders

A. Business Plan 2028 Basic Policy	P.23
B. Global Business Growth: Priority Industries	P.24
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E. Management Plan 2028 KPIs and Progress / Sustainability Management Strategy	P.27
F. Main Initiatives Toward Achieving Business Plan Goals	P.28

### 3-A. Business Plan 2028    Basic Policy



Let me go through the status for our activities under Business Plan 2028.

Although we are currently in a difficult situation, we believe it is necessary to accelerate the speed of change in order to realize our long-term vision. The new business plan is positioned as the second step toward the realization of our long-term vision, and we will accelerate our transformation and promote management with a focus on cost of capital and corporate value enhancement.

The new plan has three basic policies as described here, with the key themes of accelerating the business growth in global market, rebuilding domestic business, and promotion of sustainability management.

Today, I will focus on the growth strategies of the businesses and rebuilding of domestic business, and give you the explanation.

Progress status for the promotion of sustainability management is shown on page 27, and we plan to communicate it at the IR Day scheduled for next month.



### 3-B. Global Business Growth Priority Industries

(100 million yen, %) (rounded down to 100 million yen)

Priority Industry	2024 Jan-Jun Results	2024 Targets	Progress Toward Targets	2028 Targets
Technology Core Domain: Electric & Electronics Growth, Pursuit Domains: Industrial Machinery	1,477	3,295	44.8 %	4,000
Mobility Core Domain: Automobile Growth, Pursuit Domains: Construction & Agricultural Machinery, Train, Airplane	1,268	2,260	56.1 %	2,600
Lifestyle Core Domain: Apparel Growth, Pursuit Domains: Furniture, Jewelry, Cosmetics	732	1,295	56.6 %	1,600
Healthcare Growth, Pursuit Domains: Pharmaceuticals, Medical Devices	509	945	53.8 %	1,300
Semiconductor Growth, Pursuit Domains: Semiconductors	269	516	52.2 %	1,000

\*Results: Total of Nippon Express Co., Ltd. and four overseas regions (excluding CP and Tramo)  
\*Semiconductor overseas total results for January-June 2024 : Numerical correction ¥26.9 billion (corrected) - ¥26.0 billion (before correction)  
\*Semiconductor progress toward target for January-June 2024 : Numerical correction 52.2% (corrected) - 50.4%(before correction)

This shows our handling volume status for priority industries.

In comparison to the previous year, logistics handling, including warehousing, expanded as a whole both domestically and internationally despite a reactionary decrease in the unit price of the forwarding business and other factors.

As a result, except for technology sector which was severely affected by the Chinese economic slowdown, we have exceeded our benchmark progress rate of 50% toward our 2024 targets, and we view the overall trend as mostly steady.

### 3-C. Global Business Growth    Major KPIs and Policies

(kilotons, Thousand TEU %)				
Expand Forwarding Sales	2024 Jan-Jun Results	2023 Jan-Jun Results	YoY%	2028 Targets
Air Cargo Forwarding Volume	442kt	342kt	29.2%	1,300kt
Ocean Forwarding Volume	440thousand TEU	350thousand TEU	25.7%	1,400thousand TEU

\*Forwarding volume (2023 Jan-Jun Results) does not include CP

\*Air forwarding volume YoY% : Numerical correction 29.2% (corrected) - 36.4%(before correction)

\*Year-on-year change excluding CP:    Air forwarding +4.2%  
Ocean forwarding +1.8%

cargo-partner (Share)	2024 Jan-Jun Results	2023 Jan-Jun Results (Ref.)	YoY%
Air Cargo Forwarding Volume	85kt	63kt	35.2%
Ocean Forwarding Volume	84thousand TEU	82thousand TEU	1.4%

(100 million yen, %) (rounded down to 100 million yen)

Strengthen Logistics Solutions Offerings	2024 Jan-Jun Results	2023 Jan-Jun Results	YoY%	2028 Targets
Warehousing and distribution processing sales	2,299	2,233	3.0%	5,900

\*Warehousing and distribution does not include CP

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Financial Results Presentation for Q2,  
Fiscal Year Ending December 2024

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Forward-looking figures shown on this page represent current targets and plans, and are not guaranteed results. These forward-looking figures may differ significantly from actual results due to various risks and uncertainties. Nippon Express Holdings, Inc. is under no obligation to update said information due to subsequent changes in circumstances.



For air cargo, IATA statistics show that global international cargo traffic for the most recent month of May was 13.6% higher than the same month last year and 1.6% lower versus 2019. This was mainly due to increased demand for EC-related cargo and disruptions in ocean transportation.

Under these circumstances, our handling volume increased by 29.2% over the previous year due to the acquisition of CP. If we exclude the effect of CP, the volume only increased by 4.2% in H1, but it grew by 8.7% in Q2, indicating recoveries. With regard to airfares, it varies from lane to lane, but has been trending around 35% higher than the pre-pandemic level. We expect the similar trend to continue mainly thanks to the solid demand for EC-related items.

As for the ocean forwarding, cargo movements on major trade lanes continued to increase on a year-over-year basis, with a cumulative increase of 7.5% from January to May.

Based on that, our volume handled increased 25.7% year-over-year due to the acquisition of CP. If we exclude its effect, it only grew by 1.8% due to the continued trend of customers returning to direct services by shipping companies.

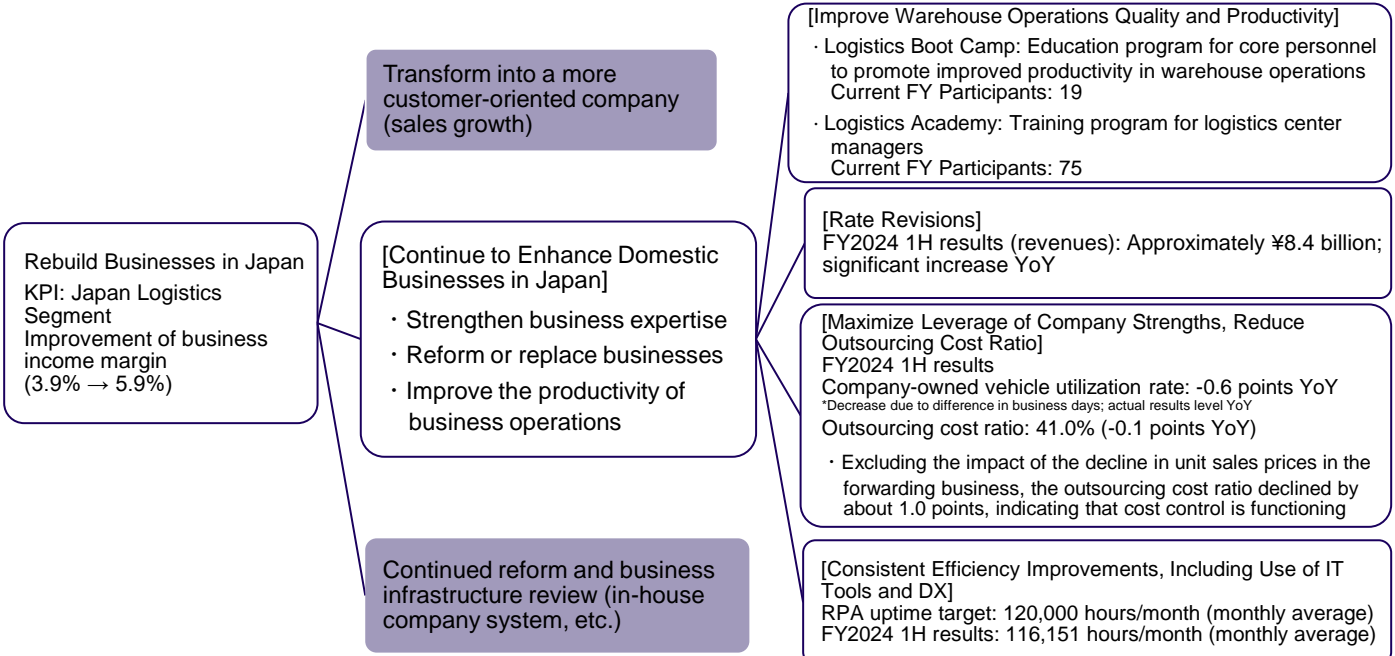
The unit price of ocean freight rates had been on a downward trend as operations by detour routes with the unrest in the Red Sea etc. get stabilized. However, the rates have soared with increased demand since late April.

Meanwhile, there are concerns about supply chain disruptions due to the factors such as the U.S. tariff hikes against China and the state of management/labor negotiations with port labor unions on the east coast of North America. Some say that they may push demand forward in advance of the peak season. Therefore, we have to closely monitor the demand outlook.

Under these circumstances, as explained, gross profit per unit for air and ocean forwarding from Japan declined. However, that of air forwarding improved in June due mainly to stricter space control. It is expected that the gross profit per unit for ocean forwarding has also bottomed out and will start to recover. We will continue our efforts to secure volume and reduce usage costs.

Sales of warehousing and distribution processing, which is a KPI for strengthening logistics solutions offerings, increased 3.0% YoY in Q2 2024. Sales are increasing mainly from automotive, semiconductor, and pharmaceutical industries. We believe that this is the positive outcome of our initiatives and investments to date, and we will further strengthen our efforts.

### 3-D. Rebuild Businesses in Japan



With regard to rebuilding our domestic business, we aim to improve the business income margin from 3.9% to 5.9% by promoting the following three initiatives: transformation into a more customer-oriented company, continuation of our effort in enhancing the resilience of Japan business, and continuous reform and review of the business infrastructure. Progress in continuous enhancement of domestic businesses is as described here. In addition to carrying on the initiatives of previous plan, we will accelerate our effort in reviewing network business foundation as well as implementing cutting-edge technologies in warehouse operations in order to improve earnings capabilities.

With regard to the continued reform and business infrastructure review, we are considering in-house company system and facilitating an integration for special combined delivery business. We will also enhance our effort in consolidating the overlapping functions among the Group as well as strengthening our proprietary businesses.

Enhancement of Human Capital to Foster Innovation				
KPI	2023 Results	2024 1H Results	2024 Targets	2028 Targets
Post-career assignments (No. of post-career)	35	60	More than 120	More than 120
No. of participants in global human resources development training	883	575	More than 1,000	More than 1,000
Rate of men taking child care leave*1	34.6%	48.7%	More than 50.0%	More than 70.0%
Ratio of female managers*1	3.05%	3.24%	More than 4.0%	More than 8.0%
Employment rate of persons with disabilities*2	2.34%	2.47%	More than 2.5%	More than 2.7%

\*1 Six major companies in Japan  
\*2 NIPPON EXPRESS HOLDINGS Inc. and the total of the Group's applicable certified companies (calculated based on the Act to Facilitate the Employment of Persons with Disabilities).

## 3-F. Main Initiatives Toward Achieving Business Plan Goals

### ■ Accelerate growth in the global market

- Expand end-to-end solutions, beginning with account management
- PMI with cargo-partner
- Establish a strong presence in the Indian market

### ■ Rebuild our businesses in Japan

- Introduce an in-house company system
- Split off of Heavy Haulage & Construction (company split)

These are the main initiatives toward achieving the Business Plan goals.

Although Q2 results for the current fiscal year were sluggish, we are making progress with each of our initiatives, such as strengthening the account management system. As I explained in the progress of the Business Plan, we believe those efforts are steadily paying off. We will accelerate our efforts and hope to explain this in detail at the IR Day scheduled for next month.

1. Financial Results for Q1, FY2024
2. Forecast for FY2024
3. Business Plan 2028 Initiatives
- 4. Return to Shareholders**

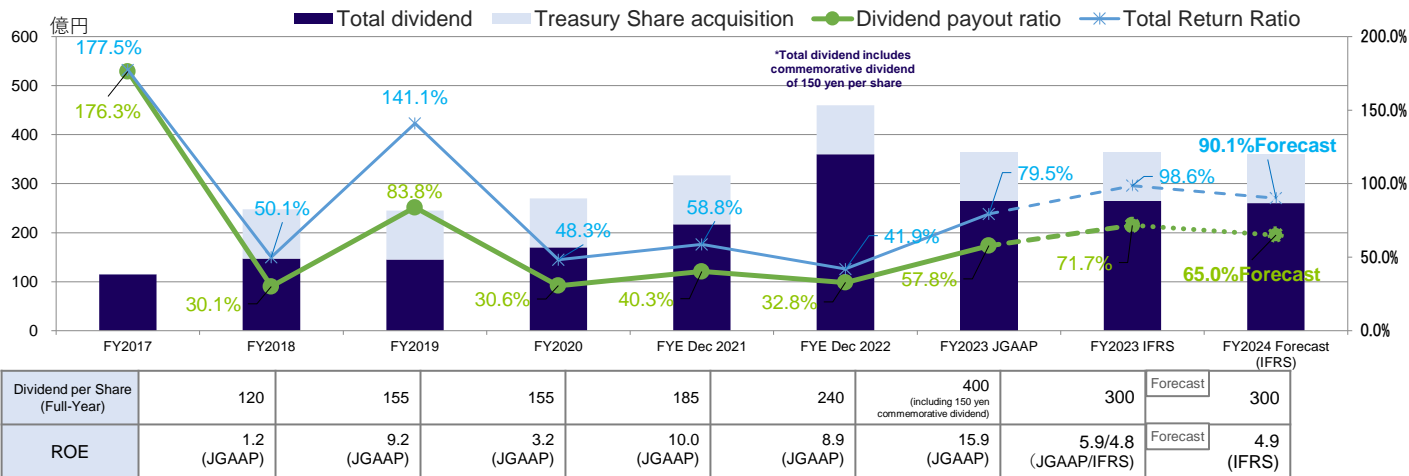
Capital Policies and Key Indicators

P.30

## 4. Capital Policies and Key Indicators

### Business Plan 2028 Target

- ROE Over 10%
- Total return ratio: Over 55%  
(cumulative total FY2024-FY2028)
- Dividend payout ratio: Over 40%
- Equity ratio: Target 35%



\*The difference between IFRS ROE and Japanese GAAP ROE is that gains on sales of marketable securities are not recorded in the PL under IFRS.

Here is our plan for shareholder returns in the fiscal year ending December 31, 2024. We plan to pay an interim and year-end dividend of JPY150 each, for a total of JPY300, with a payout ratio of 65% and a total return ratio of 90.1%, including a share buyback of JPY10 billion. In addition, as announced today, the Company has decided to retire its treasury stocks and conduct a stock split. We will continuously strive to increase corporate value, achieve the goals of our Business Plan, and enhance shareholder returns.



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