



# Financial Results Presentation for Q3, Fiscal Year Ending December 2024

November 12, 2024

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

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Financial Results for Q3, FY2024

Executive Summary

Financial Results for Q3, FY2024

	Results	Vs. Q3, FY2023
✓ Revenues	¥1,900.2 billion	+¥224.8 billion +13.4 %
✗ Consolidated Segment Income (Business Income)	¥43.7 billion	¥(16.5) billion (27.5 %)
Business profit ratio	2.3%	-
✗ Operating Income	¥35.0 billion	¥(16.3) billion (31.8 %)
✗ Profit Attributable to Owners of Parent	¥18.4 billion	¥(12.0) billion (39.5 %)

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

- ✓ Global logistics demand began recovering in Q2 of this fiscal year; the addition of cargo partner (CP) this fiscal year contributed to the increase in revenue.
- ✓ Every profit measure below business income decreased due to a decline in volume for pandemic-related supplies and the impact of increases in personnel expenses and other costs. However, on a stand-alone basis, Q3 profit measures below business income increased with a recovery in logistics demand.

# 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

- ✓ After a comprehensive look at the current situation and future outlook, we left our consolidated fiscal 2024 full-year forecasts unchanged from our August 9 announcement for revenue, business income, and other profit measures.
- ✓ Although Q3 business income was lower than expected due to the impact of typhoons in August and an increase in adjustments, we see a trend toward recovery in logistics demand expect Q4 results to be in line with projections.
- ✓ We also expect the amortization of CP intangible assets to be lower than initially expected, absorbing the lag in Q3.

1. Financial Results for Q3, FY2024

2. Forecast for FY2024

3. Business Plan 2028 Initiatives

4. Return to Shareholders

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# 1-A. Financial Results Highlights for Q3, FY2024

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

Item	Current-Year Results (Jan-Sep 2024)	Prior-Year Results (Jan-Sep 2023)	Difference YoY	Difference YoY (%)	Current-Year Q3 Results	Prior-Year Q3 Results	Difference	Difference (%)
Revenues	19,002	16,753	2,248	13.4	6,503	5,434	1,068	19.7
Consolidated Segment Income (Business Income)	437	603	(165)	(27.5)	182	181	1	0.8
Business Profit Ratio	2.3	3.6	-	-	2.8	3.3	-	-
Operating Income	350	514	(163)	(31.8)	158	110	47	43.4
Profit Attributable to Owners of Parent	184	305	(120)	(39.5)	70	50	19	38.3

[Reference] cargo-partner Jan-Sep results (within Europe; before consolidation): Revenues ¥198.8 billion; Business income ¥1.5 billion

The consolidated financial results for Q3 FY2024 are as described in the materials. Global logistics demand has been recovering since Q2 of this fiscal year, and the addition of cargo-partner this fiscal year has contributed to the increase in revenue.

On the other hand, in terms of profit, each profit measure below business income decreased due to a decline in handling volume of pandemic-related supplies and the impact of increases in personnel expenses and other costs. However, each profit measure below business income increased in Q3 as logistics demand recovered.

Please also refer to pages seven and eight of the materials for the breakdown of changes in revenues and operating income, taking into account variable factors.

# 1-A. Financial Results Highlights for Q3, FY2024

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

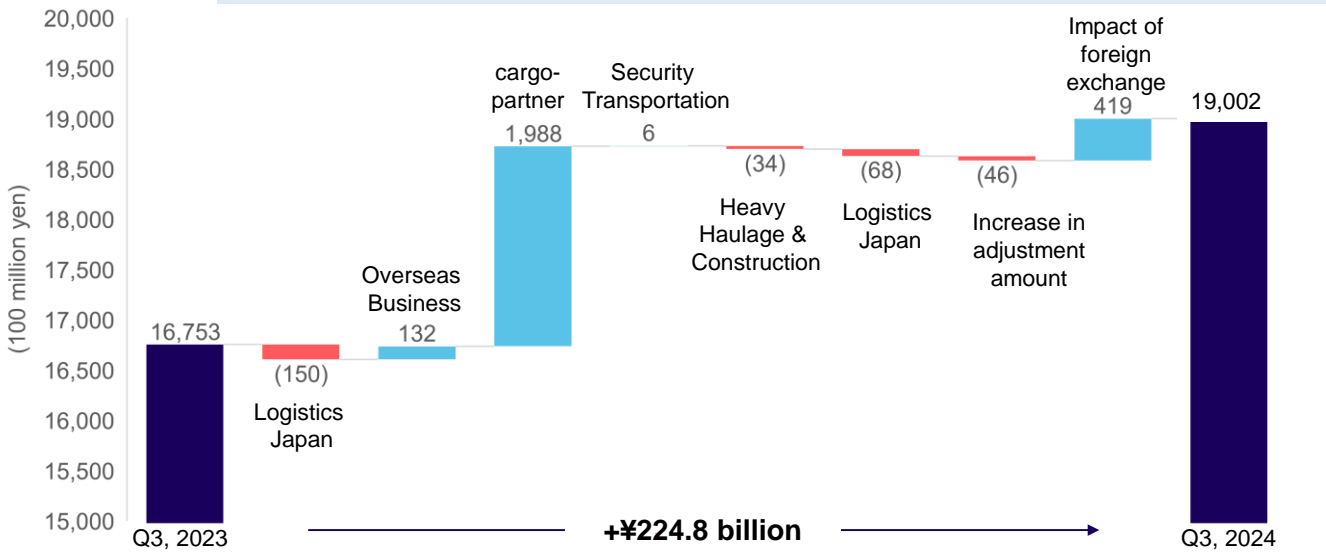
Segment	Item	Current-Year Results (Jan-Sep 2024)	Prior-Year Results (Jan-Sep 2023)	Difference	Difference (%)
Japan	Revenues	9,283	9,433	(150)	(1.6)
	Segment Income (Business Income)	277	328	(51)	(15.7)
Americas	Revenues	1,168	1,126	42	3.8
	Segment Income (Business Income)	40	73	(33)	(45.7)
Europe	Revenues	3,698	1,411	2,286	162.0
	Segment Income (Business Income)	91	75	16	21.6
East Asia	Revenues	1,267	1,151	116	10.1
	Segment Income (Business Income)	28	32	(3)	(9.9)
South Asia & Oceania	Revenues	1,157	1,063	94	8.9
	Segment Income (Business Income)	35	69	(34)	(49.1)
Overseas Segment Total	Revenues	7,293	4,752	2,540	53.5
	Segment Income (Business Income)	196	250	(54)	(21.8)
Security transportation	Revenues	514	507	6	1.4
	Segment Income (Business Income)	21	31	(9)	(31.5)
Heavy Haulage & Construction	Revenues	364	398	(34)	(8.5)
	Segment Income (Business Income)	33	49	(16)	(32.9)
Logistics Support	Revenues	3,040	3,109	(68)	(2.2)
	Segment Income (Business Income)	79	96	(17)	(17.7)

[Reference] cargo-partner Jan-Sep results (within Europe, before consolidation): Revenues ¥198.8 billion; Business income ¥1.5 billion  
(\*) Figures for overseas revenues are presented before the elimination of intersegment transactions.

# 1-B. Breakdown of Revenues and Operating Income

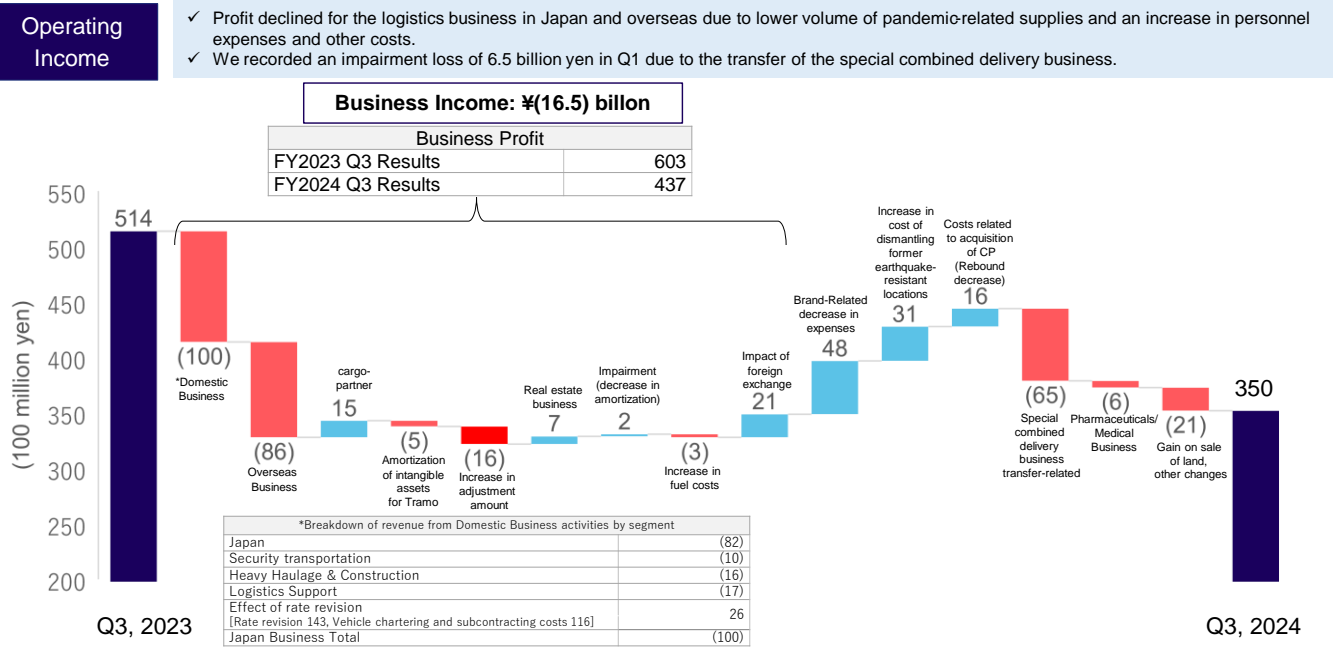
## Revenue

✓ Revenues increased due to recovery in global logistics demand beginning in Q2 this fiscal year, the consolidation of CP, and the weak yen.





# 1-B. Breakdown of Revenues and Operating Income



1-C. Financial Results for Q3, FY2024

Q3, FY2024 vs. Q2, FY2024

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

Item	FY2024 Q3 Results	FY2024 Q2 Results	Difference	Difference (%)
Revenues	6,503	6,322	180	2.8
Consolidated Segment Income (Business Income)	182	136	46	33.9
Business Profit Ratio	2.8	2.2	-	-
Operating Income	158	157	1	0.7
Profit Attributable to Owners of Parent	70	106	(36)	(33.9)

As a trend in performance, Q3-to-Q2 revenue increased QoQ, and business income increased. However, while revenue reached nearly the expected level, business income was JPY3 billion less than expected. The smaller operating income and net income relative to the increase in business income are due to matters such as a decrease in gains on sales of land, and an increase in costs of dismantling former earthquake-resistant locations. In addition, net income was affected by an increase in foreign exchange losses due to the strong yen.

# 1-C. Financial Results for Q3, FY2024      Q3, FY2024 vs. Q2, FY2024 (by Segment)

(100 million yen, %) (rounded down to 100 million yen)					
Segment	Item	FY2024 Q3 Results	FY2024 Q2 Results	Difference	Difference (%)
Japan	Revenues	3,159	3,069	90	2.9
	Segment Income (Business Income)	121	92	29	31.5
Americas	Revenues	385	413	(28)	(7.0)
	Segment Income (Business Income)	13	16	(2)	(17.7)
Europe	Revenues	1,324	1,244	79	6.4
	Segment Income (Business Income)	39	20	19	96.1
East Asia	Revenues	450	444	6	1.4
	Segment Income (Business Income)	15	9	5	64.6
South Asia & Oceania	Revenues	433	377	56	15.0
	Segment Income (Business Income)	15	10	4	46.6
Overseas Segment Total	Revenues	2,593	2,479	113	4.6
	Segment Income (Business Income)	83	56	27	48.9
Security Transportation	Revenues	170	168	1	0.7
	Segment Income (Business Income)	4	3	0	27.7
Heavy Haulage & Construction	Revenues	136	122	13	11.4
	Segment Income (Business Income)	16	8	8	92.5
Logistics Support	Revenues	977	983	(6)	(0.7)
	Segment Income (Business Income)	26	28	(1)	(6.4)
Adjustments	Revenues	(532)	(501)	(31)	-
	Segment Income (Business Income)	(70)	(52)	(17)	-

(\*)Figures for overseas revenues are presented before the elimination of intersegment transactions.

We have compared Q3-to-Q2 earnings by segment. While there are variances, we consider the total business income of each segment to be generally at the expected level. Meanwhile, adjustments decreased QoQ by JPY1.7 billion. For these adjustments, we had expected a slight QoQ increase in profit. However, there was a one-time increase in operating costs related to system development, which was the main factor for the lower-than-expected business profit in Q3.

# 1-D. Income and Expenses by Business

(100 million yen, %) (rounded down to 100 million yen)						
Segment			Q1	Q2	Q3	Q3 Cumulative Q3 vs Q2
Logistics Japan	Air Forwarding	Revenues	447	444	490	1,382 46
		Operating Income	30	17	40	88 22
	Ocean Forwarding	Revenues	398	442	467	1,309 25
		Operating Income	30	44	43	118 -1
	Logistics	Revenues	2,454	2,336	2,366	7,158 29
		Operating Income	82	52	52	187 -0
	Other (HQ,Real estate, etc.)	Revenues	25	38	26	90 -12
		Operating Income	-68	-73	-70	-212 2
Results by Organization Total (Japanese Standards)		Revenues	3,327	3,262	3,351	9,941 89
		Operating Income	74	41	65	182 24
Consolidated Results (IFRS)		Revenue	3,054	3,069	3,159	9,283 90
		Segment Income	63	92	121	277 29
Logistics Overseas	Air Forwarding	Revenues	547	628	630	1,806 2
		Operating Income	28	29	40	98 10
	Ocean Forwarding	Revenues	362	410	455	1,229 44
		Operating Income	11	17	20	48 3
	Logistics	Revenues	741	788	767	2,298 -21
		Operating Income	48	50	51	151 1
	Other (HQ, etc.)	Revenues	51	51	50	152 -1
		Operating Income	-46	-45	-51	-143 -5
	cargo- partner	Revenues	770	916	942	2,630 25
		Operating Income	1	5	3	10 -1
Results by Organization Total (Local Standards)		Revenues	2,474	2,796	2,846	8,117 49
		Operating Income	43	56	64	165 8
Consolidated Results (IFRS)		Revenue	2,220	2,479	2,593	7,293 113
		Segment Income	56	56	83	196 27
Logistics Total (Local Standards)		Revenues	5,801	6,058	6,197	18,058 138
		Operating Income	118	98	130	347 32
Consolidated Results (IFRS)		Revenue	5,275	5,549	5,752	16,576 203
		Segment Income	119	148	204	473 56

## Quarterly Trend Analysis (Logistics Japan)

**Air:** Significant increase in export revenue and profit due to higher volume and improved gross profit indicator.  
Higher revenue and profit for imports with a slight increase in volume, due in part to an increase in semiconductor-related.

**Ocean:** International moving service posted lower revenue and profit due to seasonal fluctuations; however, revenues were higher overall and operating income remained level year on year.  
Revenue and profit increased in commercial with an improved gross profit indicator.

**Logistics:** Revenue increased due to an increase in beverage volume in the motor transportation business and an increase in warehousing revenue due to wins of new contracts.  
Meanwhile, operating income remained flat due to the impact of the typhoons in August.

**Logistics Japan: Profit outperformed projection of 1.7 billion yen by 1.1 billion yen**

## Quarterly Trend Analysis (Logistics Overseas)

**Air:** Volume increased; however, unit sales prices declined due in part to price competition, resulting in lower gross profit per unit.  
Gross profit was on par with Q2 and operating income increased by about 1.0 billion yen due to the impact of cost reduction efforts in East Asia, including outsourcing cost reductions.

**Ocean:** Volume increased quarter on quarter and gross profit per unit also improved, resulting in higher revenue and profit.

**Logistics:** Revenue decreased due to lower volume of automotive-related in the Americas; volume growth was limited to certain regions (South Asia, etc.). Operating income was flat.

**CP:** E-commerce-related from Hong Kong and China remained strong; volume growth led to higher revenue and operating income remained flat.

**Logistics Overseas: Profit increased essentially in line with our projection of 2.8 billion yen.**

\*Notes related to preparation of this document are shown on the next page (p. 12).

The materials classify the businesses according to the main handling of each organization, and tabulate the performances to show the business trends in a broad framework.

First, concerning the logistics segment in Japan, international air forwarding posted higher QoQ revenues and profits, surpassing its forecast. This was driven by an improvement in gross profit per unit, caused by a rise in volume due to the strong handling of semiconductor-related products and electrical and electronics products to Asia, along with tighter space control, etc.

Next, ocean forwarding reported a QoQ decrease in profit due to the peak out of the overseas moving season. On the other hand, in commercial handling, the volume remained at the same level as in Q2. However, the shift of freight rate increases progressed, and the gross profit per unit improved significantly, resulting in an increase in revenue and profit, which reached nearly the expected levels.

On the other hand, the logistics segment's profit was lower than the forecast by about JPY1 billion QoQ, due to the effect of rate revisions and an increase in the handling volume. The logistics business is in a gradual recovery phase, as the effect of the rate revision was less than expected, and the handling volume declined due to the impact of typhoons in August.

As a result, in the logistics segment in Japan, the international forwarding business absorbed the downturn in the logistics business, resulting in higher QoQ sales and income, which was up about JPY1 billion in income against the forecast of JPY1.7 billion.

Next, in the overseas logistics segment, air forwarding posted an increase in volume, but a decline in unit selling prices due to price competition in some areas resulted in decreased gross profit per unit. As a result, gross profit was on par with the amount in Q2, but operating income increased by about JPY1 billion, reaching nearly the expected level, due to the impact of cost reduction efforts in East Asia, including outsourcing cost reductions.

In ocean forwarding, volume increased on a QoQ basis, and gross profit per unit also improved, resulting in an increased profit of about JPY300 million, reaching nearly the expected level.

Meanwhile, the logistics business expected a QoQ increase of about JPY1 billion in profit. However, this expectation was not met due to a decline in revenue, driven by a decrease in automobile-related handling in the Americas, as well as an expansion of handling remaining in some regions including South Asia.

As a result, the overseas logistics segment only increased QoQ profit by about JPY800 million against the forecast of slightly less than JPY3 billion. However, due to the QoQ increase and decrease in the account settlement process, the consolidated financial figures showed an increase of JPY2.7 billion, reaching nearly the expected level.

So far, I have explained the status of each business. In the forwarding business, we believe that the key points will still be the improvement of earnings of domestic logistics and the expansion of earnings of overseas logistics, in addition to maintaining an adequate level of unit gross profit. During the overlap of the expansion of cross-border EC cargo and the peak season, we will aim to strengthen space control and collect appropriate rates for air forwarding, and we will revise rates and review contracts more deeply for domestic logistics. Also, from a medium- to long-term perspective, we will aim to expand our global business by strengthening our account management system and other measures.

Otherwise, please refer to page 2 and page 3 of the supplementary materials for details on changes in the external environment, etc., and page 18 to page 20 for movement on the handled volume and unit gross profit in the forwarding business.

# 1-D. Income and Expenses by Business

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

Segment			Q1	Q2	Q3	Q3 Cumulative	Q3 vs Q2	
Americas	Air Forwarding	Revenues	99	112	103	315	-9	
		Operating income	2	3	4	10	0	
	Ocean Forwarding	Revenues	72	81	74	228	-7	
		Operating income	1	2	2	5	0	
	Logistics	Revenues	217	229	210	658	-19	
		Operating income	7	11	13	31	1	
	Other (HQ, etc.)	Revenues	0	0	0	0	0	
		Operating income	-1	-2	-2	-6	-0	
		Revenues	389	424	388	1,203	-36	
		Operating income	8	15	17	41	2	
Europe	Air Forwarding	Revenues	158	167	158	484	-8	
		Operating income	5	3	4	12	1	
	Ocean Forwarding	Revenues	95	100	124	320	24	
		Operating income	-4	-3	-1	-8	1	
	Logistics	Revenues	280	300	292	873	-7	
		Operating income	28	24	22	74	-2	
	Other (HQ, etc.)	Revenues	39	39	38	117	-0	
		Operating income	-7	-4	-7	-18	-2	
		Revenues	574	607	614	1,795	7	
		Operating income	21	20	17	59	-2	
Segment			Q1	Q2	Q3	Q3 Cumulative	Q3 vs Q2	
East Asia	Air Forwarding	Revenues	148	184	183	516	-1	
		Operating income	8	9	16	34	7	
	Ocean Forwarding	Revenues	104	132	142	378	9	
		Operating income	4	6	7	18	0	
	Logistics	Revenues	131	141	136	409	-5	
		Operating income	5	6	7	19	0	
	Other (HQ, etc.)	Revenues	0	0	0	0	0	
		Operating income	-15	-15	-17	-47	-2	
		Revenues	384	458	461	1,304	2	
		Operating income	2	8	13	24	5	
South Asia & Oceania	Air Forwarding	Revenues	140	163	185	489	21	
		Operating Income	12	12	14	40	2	
	Ocean Forwarding	Revenues	90	96	113	301	17	
		Operating Income	9	11	12	33	1	
	Logistics	Revenues	112	116	127	357	11	
		Operating Income	7	7	9	25	1	
	Other (HQ, etc.)	Revenues	11	12	11	35	-0	
		Operating Income	-21	-23	-24	-69	-0	
			Revenues	355	388	438	1,183	49
			Operating Income	8	7	12	29	4
cargo-partner	Revenues	770	916	942	2,630	25		
	Operating Income	1	5	3	10	-1		
Logistics Overseas Total	Revenues	2,474	2,796	2,846	8,117	49		
	Operating Income	43	56	64	165	8		

◆ Notes related to preparation

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\*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).  
\*Logistics under 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.

1. Financial Results for Q3, FY2024

**2. Forecast for FY2024**

3. Business Plan 2028 Initiatives

4. Return to Shareholders

A. Forecast for FY2024	P.14-
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## 2-A. Forecast for FY2024

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

Item	Full-Year Forecast	Prior-Full-Year Results	Difference YoY	Difference YoY (%)	Full-Year Forecast (Announced August 9)	Difference	Difference (%)
Revenues	25,700	22,390	3,309	14.8	25,700	-	-
Segment Income (Business Income)	700	812	(112)	(13.9)	700	-	-
Business Profit Ratio	2.7	3.6	-	-	2.7	-	-
Operating Income	650	600	49	8.2	650	-	-
Profit Attributable to Owners of Parent	400	370	29	8.0	400	-	-
Overseas Revenues	9,980	6,424	3,555	55.3	9,870	110	1.1
ROE	4.9	4.8	-	-	4.9	-	-
ROIC (Business Profit Before Taxes)	4.5	5.6	-	-	4.5	-	-

(\*)Figures for overseas revenues are presented before the elimination of intersegment transactions.  
[Reference] cargo-partner full-year forecasts (within Europe; before consolidation): Revenues: ¥272.6 billion; Business income: ¥2.9 billion  
(excludes amortization of intangible assets of approximately ¥0.2 billion to be posted in Q4)

As for the consolidated earnings forecast for FY2024, after a comprehensive look at the current situation and future outlook, we left our consolidated FY2024 full-year forecasts unchanged from our August 9 announcement for revenue, business income, and other profit measures.

Although business profit for Q3 was about JPY3 billion less than expected due to the impact of typhoons in August and an increase in adjustments, we see a trend toward recovery in logistics demand in Japan and overseas. The environment has been improving, and we expect that our Q4 performance could achieve our initial forecasted level.

In addition, with regard to the outlook for cargo-partner, we had expected approximately JPY3 billion in Q4 for amortization of intangible assets to be determined through purchase price allocation, a procedure to allocate the acquisition consideration. However, as we proceed with the procedure, we currently expect that intangible assets will be approximately JPY25 billion, including about JPY4 billion of customer-related assets subject to amortization, which will be amortized over approximately 17 years. As a result, the annual amortization expense is expected to be approximately JPY200 million, which is lower than the initial expectation, and is expected to absorb the lag in Q3.

## 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 (%)	Full-Year Forecast (Announced August 9)	Difference	Difference (%)
Japan	Revenues	12,520	12,565	(45)	(0.4)	12,330	190	1.5
	Segment Income (Business Income)	435	485	(50)	(10.5)	420	15	3.6
Americas	Revenues	1,550	1,512	37	2.5	1,640	(90)	(5.5)
	Segment Income (Business Income)	60	92	(32)	(35.2)	75	(15)	(20.0)
Europe	Revenues	4,990	1,926	3,063	159.0	4,780	210	4.4
	Segment Income (Business Income)	130	98	31	31.9	85	45	52.9
East Asia	Revenues	1,810	1,576	233	14.8	1,850	(40)	(2.2)
	Segment Income (Business Income)	50	37	12	32.9	35	15	42.9
South Asia & Oceania	Revenues	1,630	1,408	221	15.7	1,600	30	1.9
	Segment Income (Business Income)	60	83	(23)	(28.1)	65	(5)	(7.7)
Overseas Segment Total	Revenues	9,980	6,424	3,555	55.3	9,870	110	1.1
	Segment Income (Business Income)	300	312	(12)	(3.9)	260	40	15.4
Security Transportation	Revenues	680	678	1	0.2	680	-	-
	Segment Income (Business Income)	25	33	(8)	(26.2)	30	(5)	(16.7)
Heavy Haulage & Construction	Revenues	490	511	(21)	(4.1)	500	(10)	(2.0)
	Segment Income (Business Income)	55	65	(10)	(15.6)	60	(5)	(8.3)
Logistics Support	Revenues	4,140	4,258	(118)	(2.8)	4,260	(120)	(2.8)
	Segment Income (Business Income)	120	138	(18)	(13.3)	120	-	-

(\*)Figures for overseas revenues are presented before the elimination of intersegment transactions.  
[Reference] cargo-partner full-year forecasts (within Europe; before consolidation): Revenues: ¥272.6 billion; Business income: ¥2.9 billion yen  
(excludes amortization of intangible assets of approximately ¥0.2 billion to be posted in Q4)



## 2-B. Forecast for FY2024 (Q4 vs. Q3)

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

Item	Q4 Forecast	Q3 Results	Difference	Difference (%)
Revenues	6,697	6,503	194	3.0
Segment Income (Business Income)	262	182	79	43.5
Business Profit Ratio	3.9	2.8	-	-
Operating Income	299	158	140	88.6
Profit Attributable to Owners of Parent	215	70	145	207.1
Overseas Revenues	2,686	2,593	93	3.6

(\*)Figures for overseas revenues are presented before the elimination of intersegment transactions.

## 2-B. Forecast for FY2024 by Segment (Q4 vs. Q3)

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

Segment	Item	Q4 Forecast	Q3 Results	Difference	Difference (%)
Japan	Revenues	3,236	3,159	77	2.5
	Segment Income (Business Income)	157	121	36	29.8
Americas	Revenues	381	385	(3)	(1.0)
	Segment Income (Business Income)	19	13	6	49.4
Europe	Revenues	1,291	1,324	(32)	(2.5)
	Segment Income (Business Income)	38	39	(1)	(3.8)
East Asia	Revenues	542	450	91	20.4
	Segment Income (Business Income)	21	15	5	39.4
South Asia & Oceania	Revenues	472	433	38	8.9
	Segment Income (Business Income)	24	15	9	62.9
Overseas Segment Total	Revenues	2,686	2,593	93	3.6
	Segment Income (Business Income)	103	83	20	24.6
Security transportation	Revenues	165	170	(4)	(2.9)
	Segment Income (Business Income)	3	4	(0)	(12.1)
Heavy Haulage & Construction	Revenues	125	136	(10)	(8.0)
	Segment Income (Business Income)	21	16	5	29.9
Logistics Support	Revenues	1,099	977	122	12.5
	Segment Income (Business Income)	40	26	13	51.7
Adjustments	Revenues	(615)	(532)	(82)	-
	Segment Income (Business Income)	(65)	(70)	4	-

(\*)Figures for overseas revenues are presented before the elimination of intersegment transactions.

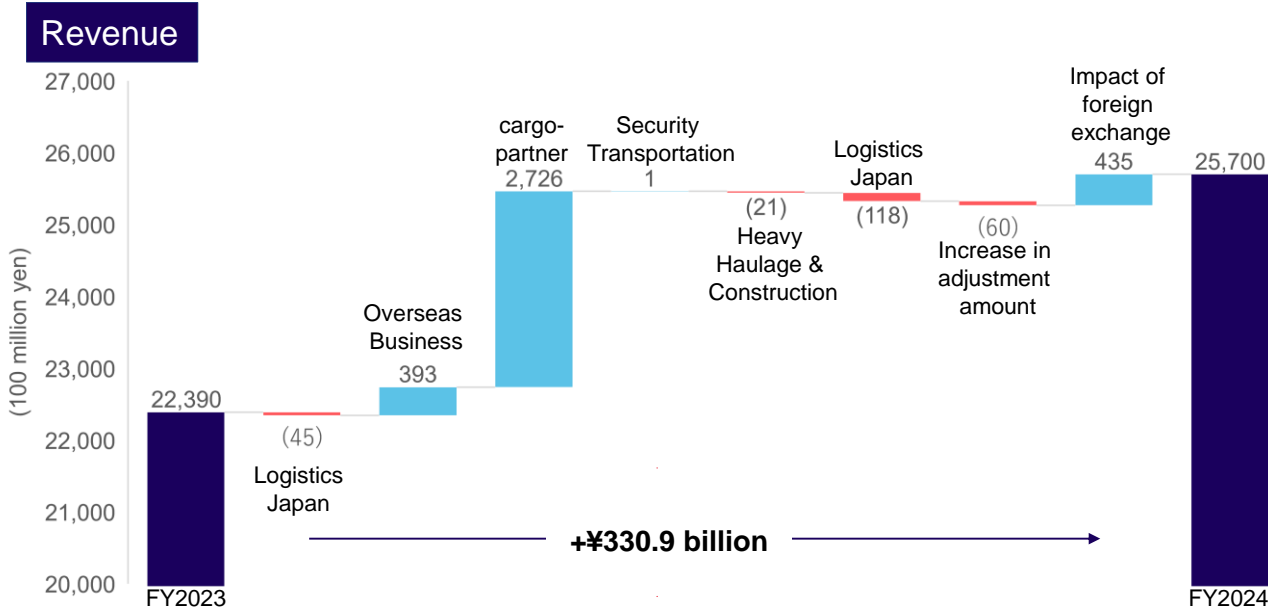
Next, I will explain our performance trends by comparing Q3 with Q4.

Since Q2, logistics demand has been recovering, mainly in international logistics. Solid progress was seen in October as well. In such circumstances, we expect handling volumes for air forwarding from both Japan and overseas to increase QoQ, especially in Q4, as this is the peak season for air forwarding.

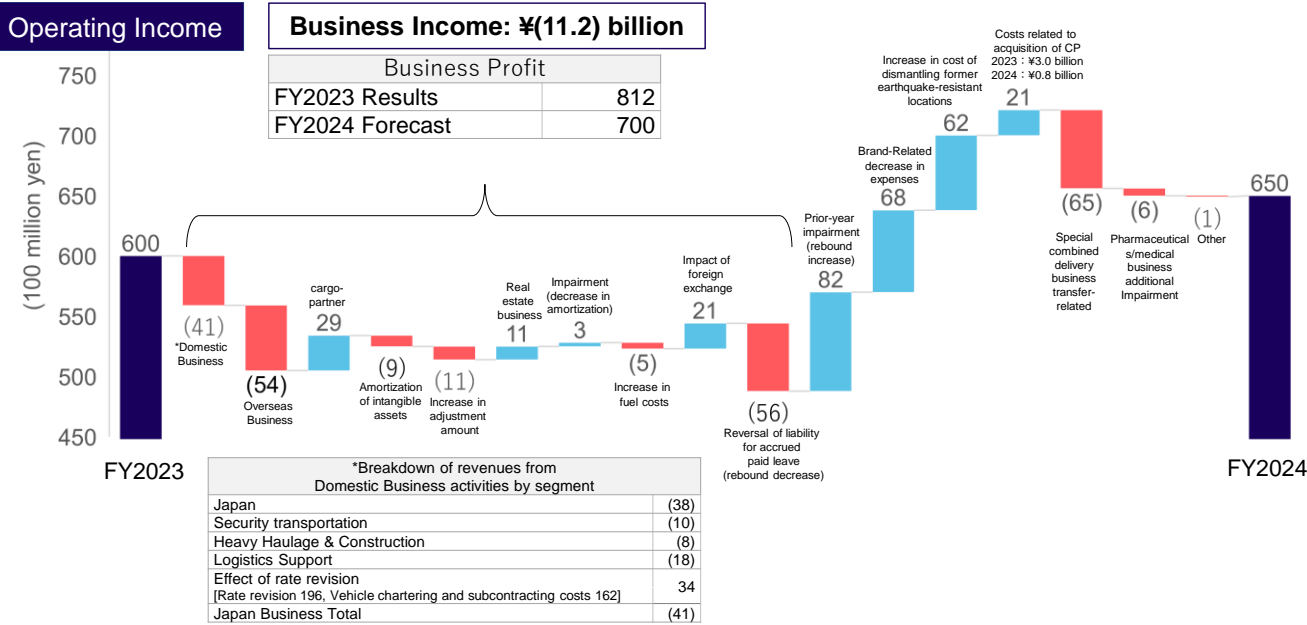
In addition, due to factors such as an increase in logistics demand in domestic logistics at the end of the year, and a rebound from the impact of typhoons in Q3, we expect an overall increase of just under JPY6 billion in the entire Japan and overseas logistics. In addition, the logistics support business is also expected to increase profit by about JPY1 billion due to an increasing handling of export packages, and other factors.

Please refer to page 4 to page 13 of the supplementary materials for a detailed overview of each segment and other information.

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



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



1. Financial Results for Q3, FY2024

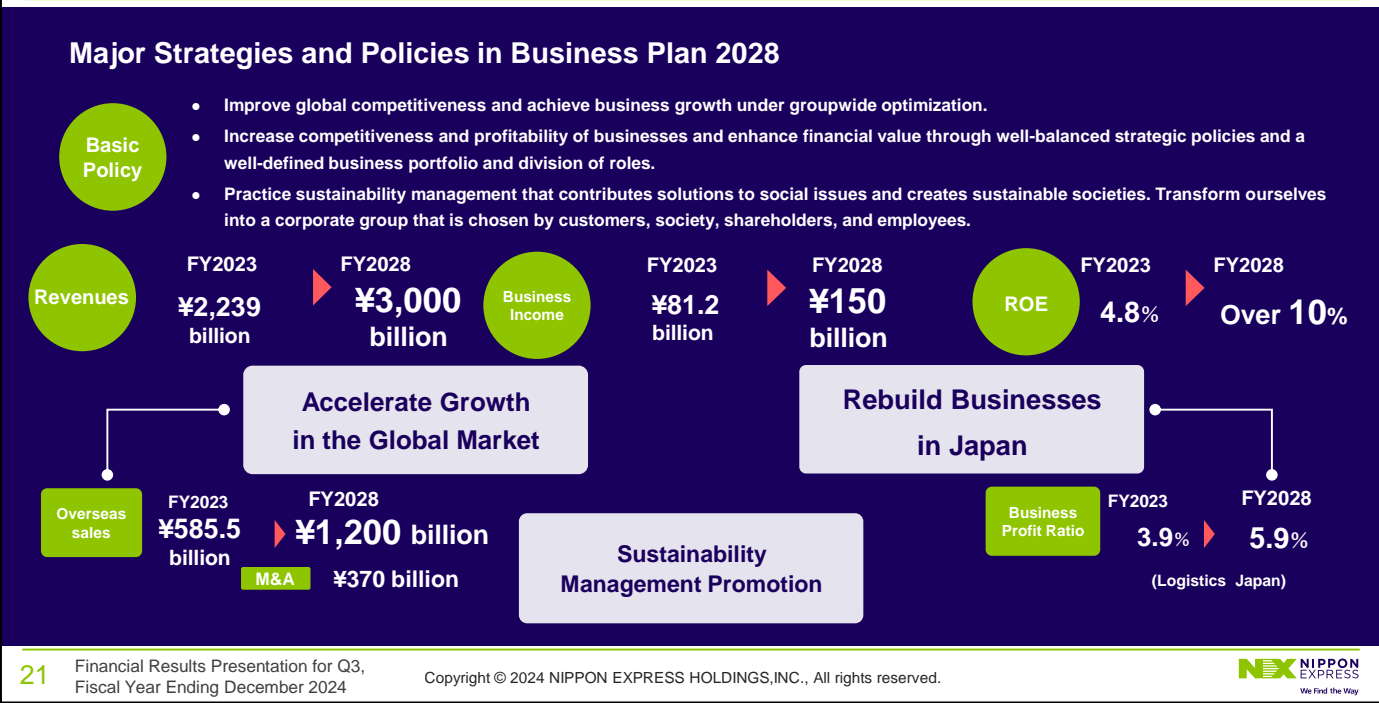
2. Forecast for FY2024

3. Business Plan 2028 Initiatives

4. Return to Shareholders

A. Business Plan 2028 Basic Policy	P.21
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### 3-A. Business Plan 2028 Basic Policy



I will explain the status of our efforts aimed at the business plan. The plan sets forth three basic policies, as described in the materials, and considers the important themes to be the acceleration of business growth in the global market, rebuilding of businesses in Japan, and sustainability management promotion. Among these, today I would like to explain our business growth strategy and the rebuilding of businesses in Japan.

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

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

Priority Industry	2024 Jan-Sep Results	2024 Targets	Progress Toward Targets	2028 Targets
<b>Technology</b> Core Domain: Electric & Electronics Growth, Pursuit Domains: Industrial Machinery	2,267	3,295	68.8%	4,000
<b>Mobility</b> Core Domain: Automobile Growth, Pursuit Domains: Construction & Agricultural Machinery, Train, Airplane	1,960	2,260	86.7%	2,600
<b>Lifestyle</b> Core Domain: Apparel Growth, Pursuit Domains: Furniture, Jewelry, Cosmetics	1,136	1,295	87.8%	1,600
<b>Healthcare</b> Growth, Pursuit Domains: Pharmaceuticals, Medical Devices	790	945	83.6%	1,300
<b>Semiconductor</b> Growth, Pursuit Domains: Semiconductors	426	516	82.6%	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 as disclosed in Financial Results Presentation for Q2, Fiscal Year Ending December 2024 should have been presented as ¥26.9 billion (corrected) instead of ¥26.0 billion (before correction).  
\*Semiconductor progress against target for January-June 2024 as disclosed in Financial Results Presentation for Q2, Fiscal Year Ending December 2024 should have been presented as 52.2% (corrected) instead of 50.4% (before correction).

The handling results of priority industries are as shown in the materials.

In comparison to the previous year, logistics handling, including warehousing, expanded as a whole both domestically and internationally, despite factors such as a reactionary decline in the unit price of the forwarding business. As a result, except for the technology industry, which was significantly affected by the sluggish Chinese economy in Q1, the industries have surpassed our benchmark progress rate of 75% toward our 2024 target. We consider this as generally solid progress.

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

Expand Forwarding Sales	2024 Jan-Sep Results	2023 Jan-Sep Results	YoY%	2028 (Target)
Air Cargo Forwarding Volume	680kt	513kt	32.6%	1,300kt
Ocean Forwarding Volume	669 thousand TEU	536 thousand TEU	24.7%	1,400 thousand TEU

\*Forwarding volume (2023 Jan-Sep results) does not include CP

\*Air forwarding volume for Jan-Jun as disclosed in Financial Results Presentation for Q2, Fiscal Year Ending December 2024

YoY%: 29.2% (corrected) - 36.4% (before correction)

\*YoY%, excluding CP: Air forwarding +7.0%

Ocean Forwarding +1.7%

cargo-partner (Share)	2024 Jan-Sep Results	2023 Jan-Sep Results (Ref.)	YoY%
Air Cargo Forwarding Volume	131kt	102kt	28.8%
Ocean Forwarding Volume	123 thousand TEU	128 thousandTEU	(3.8%)

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

Strengthen Logistics Solutions Offerings	2024 Jan-Sep Results	2023 Jan-Sep Results	YoY%	2028 (Target)
Warehousing and distribution processing sales	3,549	3,445	3.0%	5,900

\*Warehousing and distribution does not include CP

Next, as for the business axis, the volume results of air and ocean forwarding, and warehousing and distribution processing sales are shown in the materials.

As for air forwarding, IATA statistics show that global international cargo traffic for the most recent September increased by 7.5% compared to the same month of the previous year, and increased by 0.3% compared to 2019. This was due to increased demand for logistics services, reflecting higher demand for EC-related cargo and a shift to air forwarding due to congestion in containerized cargo transport to the US. Under these conditions, our handling volume increased 32.6% YoY due to the acquisition of cargo-partner. The change in handling volume excluding the impact of cargo-partner was only an increase of 7%, but it was an increase of 12.5% for Q3 alone, indicating an expanding trend in handling.

Furthermore, although air freight rates vary from lane to lane, overall they are about 45% higher than they were prior to the pandemic. Due to firm EC-related demand and increased demand during the peak season, air freight rates are expected to increase, especially for long-haul flights from Asia to Europe and the United States.

Next, with regard to ocean forwarding, cargo movements on major trade lanes continued to increase YoY, with a cumulative increase of 7.3% from January to August. On the other hand, our handling volume increased by 24.7% YoY due to the acquisition of cargo-partner. However, the change excluding the impact of cargo-partner was only an increase by 1.7%, due to the impact of a return to direct shipping.

As for unit freight rates, while there has been a surge since Q2 due to the situation in the Red Sea and increased logistics, there is now a downward trend for Asia-bound shipments to Europe and North America. Meanwhile, while port labor negotiations on the East Coast of North America have resulted in a tentative agreement and no major disruptions occurred, the deterioration of rail connections on the West Coast has been significant, causing significant schedule delays. We see a need to keep a close watch on future trends, such as changes in the supply-demand balance due to the direction of the Red Sea situation and other factors, while there are still issues to be resolved in labor-management negotiations and the space is expanding due to the completion of new vessels.

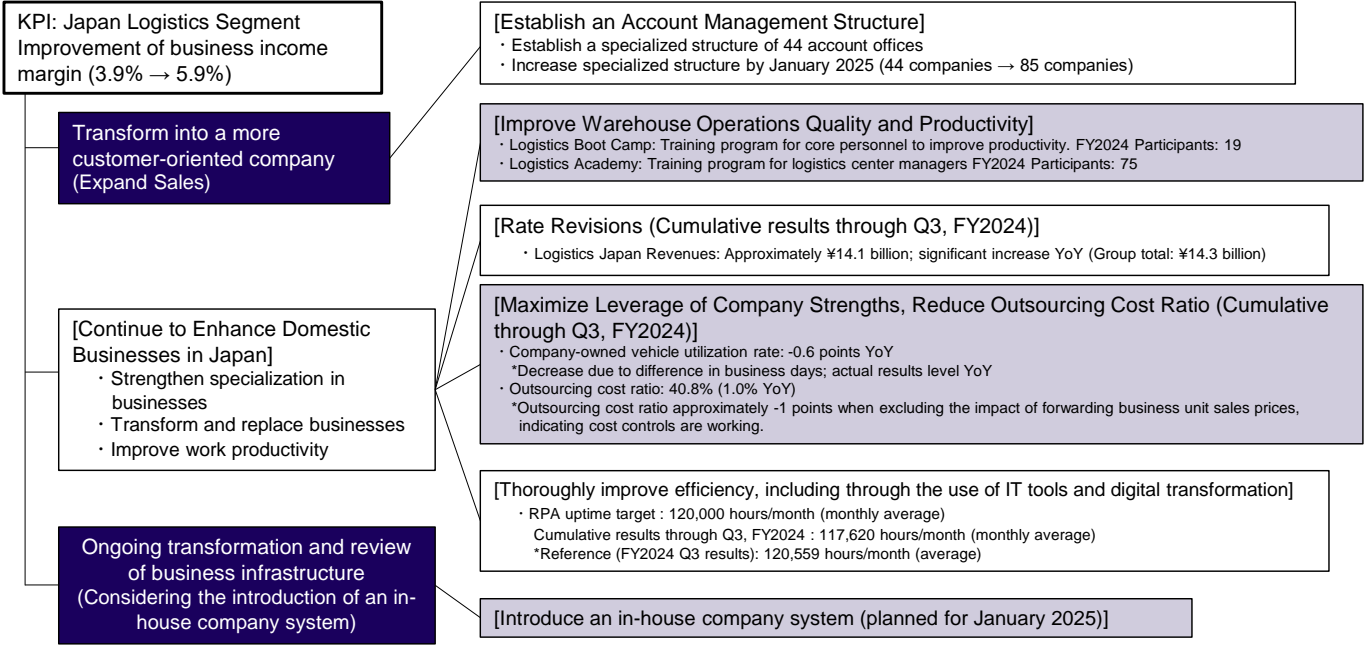
Under these circumstances, in the international forwarding business, as I explained earlier, we will work to collect appropriate freight rates and strengthen space control during the peak season for air forwarding. In ocean forwarding, supply and demand are expected to ease with the end of the peak season, but we intend to deepen our partnerships with shipping companies to obtain incentives and strengthen our purchasing power, and thereby increase the handling volume.

Next, as for the warehousing and distribution processing sales, which we have set as a KPI for strengthening the provision of logistics solutions, the results for Q3 showed a 3% increase over the same period of the previous year.

We believe that the measures and investments we have made to date are having an effect mainly in the automobile, apparel, healthcare, and semiconductor industries, and we will further strengthen our efforts.



### 3-D. Rebuild Businesses in Japan



Next, with regard to the rebuilding of our businesses in Japan, we aim to improve the business income margin from 3.9% to 5.9% by promoting three initiatives, which are the transformation into a more customer-oriented company, continuation of enhancement of domestic businesses in Japan, and ongoing transformation and review of business infrastructure.

In our transformation into a more customer-oriented company, we have established an account management structure, and by Q3 we have established specialized structures of 44 companies in total. Furthermore, we plan to establish 85 account offices by January next year. We also aim to expand our end-to-end solutions in Japan, starting with account management.

Furthermore, progress in the continuation of the enhancement of domestic businesses in Japan has been made as described in the material. In addition to the measures that have been implemented since the previous plan, we will expand measures to review the network business infrastructure and introduce leading-edge technology in warehouse operations, to improve profitability.

In addition, with respect to the ongoing transformation and review of business infrastructure, NIPPON EXPRESS plans to transition to an in-house company system starting January 2025. We aim to accelerate the optimization of management resource allocation, etc., in accordance with the characteristics of the different markets in Japan. To do so, we will report on the details of this reorganization in the near future.

## 3-E. 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
- Acquisition of SH HoldCo GmbH (Simon Hegele) (to be executed in Q1, 2025)
- Establish a strong presence in the Indian market

### ■ Rebuild our businesses in Japan

- Introduce an in-house company system (planned for January 2025)
- Consider spin-off of Heavy Haulage & Construction business (planned for January 2025)

### ■ Initiatives toward management conscious of the cost of capital and share prices

- Consider PDCA for initiatives to improve corporate value, including cash allocation

The main initiatives to achieve the business plan goals are stated.

Although the external environment remains uncertain due to geopolitical risks and other factors, we are making progress in our efforts, such as strengthening our account management system. As stated in our explanation regarding the progress of the business plan, we believe that the results are steadily showing.

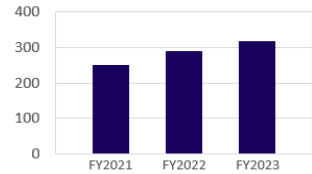
In addition, in order to accelerate our business growth in the global market to realize our long-term vision, we see the need to aggressively develop our M&A strategy. As announced, we have decided to acquire Simon Hegele, a Germany-based company that operates a global logistics business for medical devices and other products, mainly in Europe. With this acquisition, we will gain a rare and highly valuable management resource in the healthcare industry sector. We expect high synergy through collaboration with our group's global network, which we believe will lead to new growth opportunities.

With regard to M&A investment, the business plan calls for an investment of JPY200 billion, including the acquisition of cargo-partner. However, we would flexibly consider revising the plan if there is any project that is required to achieve our long-term vision. By considering the progress of measures towards realizing management that take into account capital cost and stock price, we have initiated a PDCA study regarding efforts to improve corporate value, including cash allocation. We hope to explain the results of this study in conjunction with the disclosure of financial results at the end of the fiscal year.

# 3-F. (Reference) Overview of SH HoldCo GmbH

## Company Profile

Company	SH HoldCo GmbH
Year of Incorporation	1920 <sup>(1)</sup>
Headquarter	Karlsruhe (Germany)
Representative	Stefan Ulrich
Business Activities	Contract logistics provider (e.g., warehousing, transportation, installation) for Medtech and industry & retail sectors. ULT <sup>(2)</sup> for pharma.
Major Areas of Operations	Europe, North and South America
Locations	58 (Warehouse, Office) <sup>(3)</sup>
Revenue Trends <sup>(4)</sup>	(M.EUR)



(1) Stated Simon Hegeler Group Founding Year    (2) Ultra-low temperature    (3) Group total    (4) Consolidated financials of SH HoldCo GmbH

## Business Overview

Healthcare



- Logistics solutions throughout the lifecycle of large medical equipment (Medtech)
- Value-added services (e.g., project management, storage, transport & rigging)
- Pharma logistics services with major pharma customers

Industry & Retail



- Inbound to manufacturing, aftermarket solutions, packaging, QC, assembling, customs support, returns and other various services.
- Spare parts logistics, including on- and off-site technical services

## Locations

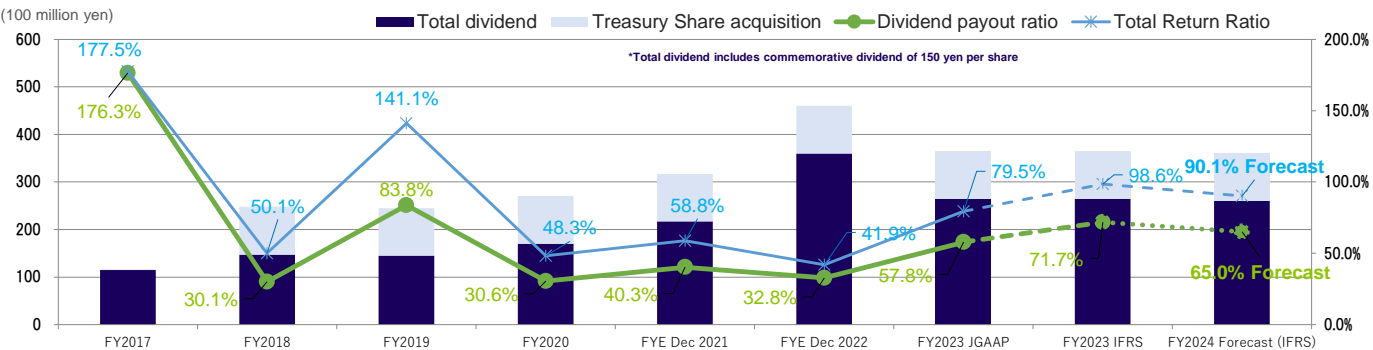


- 1. Financial Results for Q3, FY2024
- 2. Forecast for FY2024
- 3. Business Plan 2028 Initiatives
- 4. Return to Shareholders**

Capital Policies and Key Indicators P.28

## 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%



Dividend per Share (Full-Year)	120	155	155	185	240	400 (including 150 yen commemorative dividend)	300	Forecast	300
ROE	1.2 (JGAAP)	9.2 (JGAAP)	3.2 (JGAAP)	10.0 (JGAAP)	8.9 (JGAAP)	15.9 (JGAAP)	5.9/4.8 (JGAAP/IFRS)	Forecast	4.9% (IFRS)

\*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.

Next, with regard to shareholder returns for FY2024, the Company's dividend forecast calls for interim and year-end dividends of JPY150 each, and a total of JPY300, with a payout ratio of 65% and a total return ratio of 90.1%. We will continue to strive to achieve the business plan goals and enhance shareholder returns.



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