

IR day 2024 Session 2
Rebuild Businesses in Japan

NIPPON EXPRESS HOLDINGS, INC.
September 13, 2024

NX Group Business Plan 2028

Important Strategies and Policies in Business Plan 2028

Basic Policies

- Enhance global competitive edge and achieve business growth with a group-wide optimization approach.
- Increase competitiveness and profitability, and enhance corporate value based on clear business portfolios and separation of roles.
- Implement sustainability management helping to resolve social issues and achieve a sustainable society, and reform the company group to one that is chosen by customers, society, shareholders, and employees.

Revenue

FY2023
¥2,239 billion

FY2028
¥3,000 billion

Business Income

FY2023
¥81.2 billion

FY2028
¥150 billion

ROE

FY2023
4.8%

FY2028
Over 10%

Accelerate Growth in the Global Market

Overseas sales

FY2023
¥585.5 billion

FY2028
¥1,200 billion

M&A

¥370 billion

Sustainability Management Promotion

Rebuild Businesses in Japan

Business profit ratio

FY2023
3.9%

FY2028
5.9%

(Logistics Japan)

Approaches to Improving Profitability

Establish an Account Management Structure

- **Establish a dedicated system for major customers**
 - Implemented at 44 companies, with establishment scheduled for 2025
- **Establish a system to manage customer profitability**

Strengthen Our Logistics Business

- **Strengthen competitiveness** (introduce automated equipment, provide on-site support, and develop human resources)
- **Implement initiatives to improve profitability by location**
 - Calculated ROIC for each warehouse location for large bases
Implement measures to improve profitability tailored to each location

Expand Handling in Priority Industries

- **Pharmaceuticals/
Medical Business**
 - **Semiconductor
Business**
- Five-year profit improvement plan
(total +27.0 billion yen)**
+24.0 billion yen (Nippon Express)
+3.0 billion yen (other Japan logistics)

Continue and Enhance Measures to Solidify the Base of Businesses in Japan

- **Rate revision**
 - **Thoroughly improve efficiency, including through the use of IT tools and digital transformation**
 - **Review low-profit operations**
- Five-year profit improvement plan
+13.0 billion yen**

Reform and Review Business Infrastructure

- **Reorganize special combined delivery services**
 - **Reorganized sub-agent operations**
 - **Reorganize Nippon Express**
 - Transform business structures in line with area characteristics
 - Implement the appropriate and efficient reallocation of management resources
- ➡ Introduce in-house company system (January 2025)
- Improve capital efficiency, etc.**

Nippon Express Reorganization

Objectives

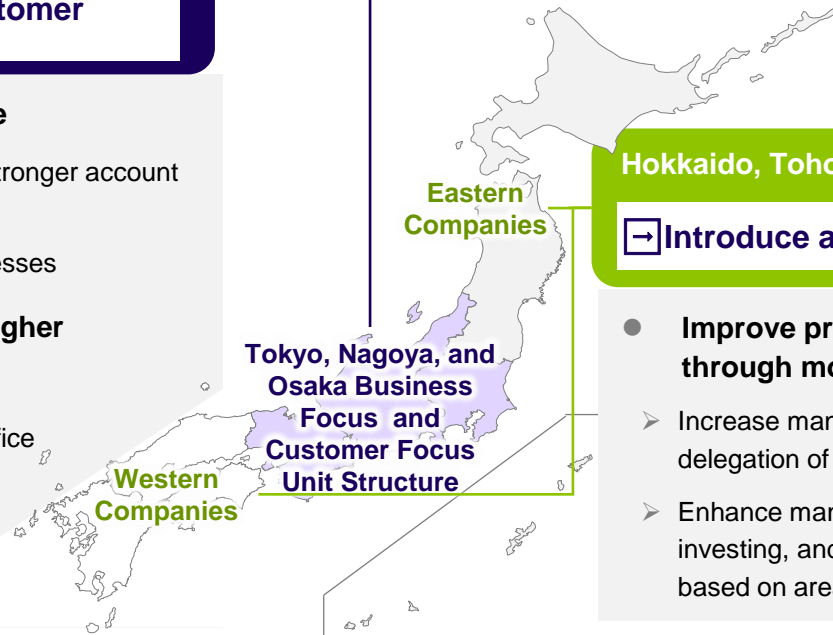
Differentiate organizational roles by areas with different market characteristics and establish structures to achieve each management goal

- Implement the appropriate and efficient reallocation of management resources

Kanto Koshinetsu, Chubu, Kansai

→ Business Focus and Customer Focus Unit Structure

- **Maximize profits as sales increase**
 - Expand business transactions through stronger account management
 - Grow forwarding and other global businesses
- **Improve profit margins through higher productivity**
 - Separate sales, operations, and back-office operation functions
 - Improve productivity through the centralized management of our workforce



Hokkaido, Tohoku, Chugoku, Shikoku, Kyushu

→ Introduce an in-house company system

- **Improve profitability and capital efficiency through more efficient management**
 - Increase managerial flexibility through the delegation of authority
 - Enhance management efficiency by reorganizing, investing, and hiring and assigning employees based on area characteristics



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