

Summary of Consolidated Earnings Report for the Fiscal Year Ended December 31, 2023 (IFRS)

February 14, 2024

Company name: NIPPON EXPRESS HOLDINGS, INC. Listed stock exchanges: Tokyo
 Code: 9147 URL <https://www.nipponexpress-holdings.com/en/> (English)
<https://www.nipponexpress-holdings.com/ja/> (Japanese)
 Representative: President and Representative Director Mitsuru Saito

Scheduled date for General Shareholders' Meeting: March 28, 2024

Scheduled date of dividend payment: March 12, 2024

Scheduled date for release of Securities Report: March 28, 2024

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Available (for institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated Financial Results for Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Consolidated Business Results (%: compared with the previous period)

	Revenue		Operating profit		Income before tax		Profit for the year		Profit attributable to owners of parent		Total comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended December 31, 2023	2,239,017	(14.5)	60,098	(61.4)	61,208	(61.8)	35,111	(68.5)	37,050	(65.8)	78,525	(51.6)
Fiscal Year Ended December 31, 2022	2,618,659	-	155,510	-	160,168	-	111,573	-	108,318	-	162,170	-

	Basic earnings per share	Diluted earnings per share	Equity attributable to owners of parent	Return on assets before tax	Operating profit ratio
	¥	¥	%	%	%
Fiscal Year Ended December 31, 2023	418.58	-	4.8	2.9	2.7
Fiscal Year Ended December 31, 2022	1,202.34	-	15.5	8.0	5.9

(Reference) Investment gain or loss on equity method:

Fiscal Year Ended December 31, 2023: ¥1,786 million Fiscal Year Ended December 31, 2022: ¥385 million

(Note) The Company was established on January 4, 2022 via sole-share transfer by Nippon Express Co., Ltd. Therefore, no historical results exist for the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	¥ million	¥ million	¥ million	%	Yen
As of December 31, 2023	2,107,116	817,806	800,062	38.0	9,097.87
As of December 31, 2022	2,075,197	779,150	756,513	36.5	8,485.15

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended December 31, 2023	185,705	(59,295)	(100,144)	315,076
Fiscal Year Ended December 31, 2022	295,206	4,017	(163,281)	276,679

2. Dividends Information

	Annual dividend per share					Total dividend (Annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year Ended December 31, 2022	-	250.00	-	150.00	400.00	36,039	33.3	5.1
Fiscal Year Ended December 31, 2023	-	150.00	-	150.00	300.00	26,509	71.7	3.4
Fiscal Year Ending December 31, 2024 (Forecast)	-	150.00	-	150.00	300.00		48.0	

(Note) The interim dividend for the fiscal year ended December 31, 2022 includes a commemorative dividend of 150 yen per share.
We plan to finalize the year-end dividend for the year ended December 31, 2023 upon approval of the company's financial statements at a board of directors meeting to be held March 1, 2024.

3. Forecast of Consolidated Financial Results for Fiscal Year Ending December 2024 (January 1, 2024 to December 31, 2024) (%: Change in fiscal year vs. previous fiscal year; quarter vs. year-ago quarter)

	Revenue		Operating profit		Income before tax		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	1,200,000	6.0	34,000	(15.8)	33,000	(20.2)	23,000	(9.6)	261.54
Full year	2,500,000	11.7	82,000	36.4	79,000	29.1	55,000	48.4	625.43

*Notes

(1) Significant changes of subsidiaries during the period under review

(affecting specific subsidiaries due to changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates

1) Change in accounting policies required under IFRS: No

2) Any changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at end of period (including treasury shares)	As of December 31, 2023	90,599,225 shares	As of December 31, 2022	90,599,225 shares
2) Total number of treasury shares at end of period	As of December 31, 2023	2,659,642 shares	As of December 31, 2022	1,441,856 shares
3) Average number of shares during period	Fiscal Year Ended December 31, 2023	88,514,893 shares	Fiscal Year Ended December 31, 2022	90,090,024 shares

(Note) The Company introduced an Executive Compensation BIP (Board Incentive Plan) Trust. Company shares owned by the Trust were included the treasury shares at the end of the period under review.

Number of shares owned by the Executive Compensation BIP Trust:

As of December 31, 2023: 96,519 shares As of December 31, 2022: 111,175 shares

(These figures are included the total number of treasury shares at end of period, above.)

* This consolidated earnings report is not subject to audit by a certified public accountant or independent financial statement auditor.

* Explanation for the appropriate use of financial forecasts and other special notes

- The forward-looking statements and other results forecasts stated herein are based on information available at the time this report was prepared, as well as certain assumptions considered reasonable. Accordingly, actual business performance may differ significantly from forecasts due to a number of factors. Please refer to 1. *Overview of Business Results*, (4) *Future Outlook* on page 6 for financial forecast assumptions and the use of the forecasts.

- We plan to hold a briefing session online for institutional investors and analysts on February 14, 2024. The materials to be distributed at that meeting will be posted on our corporate website.

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1. Summary of Business Results

(1) Summary of Business Results for the Current Consolidated Fiscal Year

The global economy showed signs of a gradual recovery during the current consolidated fiscal year, with certain countries and regions demonstrating resilience in domestic demand and a pause in surging resource prices. However, a full-fledged economic recovery remained some way off, as high interest rate policies, mainly in Europe and the United States, put downward pressure on economic activities. In addition, geopolitical and economic security risks, including the Russian invasion of Ukraine, the Israel-Hamas conflict, and confrontations between the U.S. and China, have emerged with increasing frequency. As a result, the business environment was challenging overall, reflecting an uncertain future.

In this economic environment, the logistics industry was sluggish overall despite a recovery in international logistics cargo movement stemming from the completion of inventory adjustments and other factors. The tight supply-demand situation in air and ocean cargo transportation, which persisted since the COVID-19 pandemic, eased significantly, and supply chains have continued to normalize. The logistics sector in Japan saw improvements in the retail and service sectors due to the return of inbound travel by foreign tourists, the recovery of automobile production due to the easing of automotive semiconductor shortages, and other developments in certain industries. However, overall cargo movement lacked strength due to the impact of falling production in the manufacturing sector, associated in part with a slowing global economy. In addition to continuing geopolitical and economic security risks, the situation in Japan requires close monitoring of trends that include rising procurement costs due to higher prices and the weakening of the yen, as well as the coming 2024 problem and other issues.

In response to this business environment, the NX Group made a concerted effort to strengthen our management foundation and achieve the final-year targets of the NX Group Business Plan 2023 - Dynamic Growth -, a five-year business plan we launched back in April 2019. We pursued this plan without making any significant changes in direction during the consolidated fiscal, which is the final year of the current plan. At the same time, we pursued our long-term vision to become a logistics company with a strong presence in the global market.

We fell short of our final-year targets for FY2023 due to the external environment, including weak cargo movement and rising energy, labor, and other costs. However, revenues and operating income exceeded FY2019, the fiscal year prior to the emergence of COVID-19, despite dealing with a challenging environment. We believe the efforts under our business plan have produced consistent results.

Business Growth Strategy

Under our growth strategy for core businesses, we endeavored to strengthen our global sales structure further, mainly through the Global Business Headquarters (GBHQ) as the core of our sales strategy. Under our customer-oriented approach (industry), we continue to target customers in five priority industries: Electric and electronics, automobiles, apparel, pharmaceuticals, and semiconductors. At the same time, we pursue non-Japanese customers with a presence in the global market to build a new customer base. Under our business-oriented approach, we continue to expand sales of contract logistics, in addition to our air and ocean forwarding business. We have built a sales structure capable of providing solutions that cover the entire customer supply chain.

The following describes our progress in KPIs related to our customer-oriented and business-oriented approaches.

Item Revenues	Japan*			Overseas		
	2023 Jan-Dec Results	2022 Jan-Dec Results	Change YoY (%)	2023 Jan-Dec Results	2022 Jan-Dec Results	Change YoY (%)
Strengthened efforts in the electric and electronics industry	¥101.2 billion	¥118.3 billion	(14%)	¥146.1 billion	¥208.3 billion	(30%)
Strengthened efforts in the automobile industry	¥83.2 billion	¥92.8 billion	(10%)	¥110.9 billion	¥131.7 billion	(16%)
Strengthened efforts in the apparel industry	¥15.5 billion	¥16.7 billion	(7%)	¥100.9 billion	¥114.7 billion	(12%)
Strengthened efforts in the pharmaceutical/medical industry	¥18.4 billion	¥19.4 billion	(5%)	¥36.3 billion	¥41.9 billion	(13%)
Strengthened efforts in the semiconductor-related industry	¥29.7 billion	¥53.5 billion	(44%)	¥14.7 billion	¥23.9 billion	(38%)

*Results and KPIs are the total for related businesses under Nippon Express and NX Cash Logistics.

Item Forwarding Volume	2023 Jan-Dec Results	2022 Jan-Dec Results	Change YoY (%)
Expanded ocean forwarding *1	720,000 TEU	760,000 TEU	(5%)
Expanded air forwarding *1	690,000 t	870,000 t	(21%)
Item Revenues	2023 Jan-Dec Results	2022 Jan-Dec Results	Change YoY (%)
Expand number of non-Japanese clients (GAM, GTA) *2	¥38.5 billion	¥113.1 billion	(66%)

*1. Figures for results and YoY change are rounded

*2. GAM: Global Account Management. GTA: Global Target Accounts.

Under our strategy to enhance domestic businesses in Japan, we seek to further improve our domestic logistics business profitability and strengthen our management foundation. To this end, we have been reassigning back office personnel, adopting advanced technologies, training logistics staff to strengthen warehouse operations, and engaging in office work automation and streamlining for greater productivity. We are also strengthening our network transportation products. In this context, we pursue modal shift to railroads and coastal shipping. These modes are useful in solving issues surrounding future logistics, including CO₂ reduction and transportation capacity shortages associated with the 2024 problem. We are also building a backup transport system in the event of natural disasters.

The following describes our progress in KPIs related to our strategy to enhance domestic businesses in Japan.

Strategy to Enhance Domestic Businesses in Japan	Item	2023 Jan-Dec Results	2019 Apr - 2023 Dec Results	FY2023 Business Plan Targets (5-Year Cumulative)	Progress
Further reorganization of organizations streamlining of administrative departments	Further branch back office personnel reassignments	¥(0.6) billion [-68 employees]	¥(4.3) billion [-485 employees]	¥(4.5) billion [-500 employees]	97%
	Reassign HQ employees				
Back office process reform	Overtime [back office personnel]	¥0.1 billion	¥(1.0) billion	¥(5.0) billion	19%
	Personnel dispatching cost [back office]	¥0.7 billion			
Total		¥0.2 billion	¥(5.3) billion	¥(9.5) billion	56%

Efforts to Implement Our Long-Term Vision

As part of our inorganic growth strategy, we are accelerating our transformation to a holding company structure based on the premise of our M&A strategy. We are engaged in creating structures for global growth and stronger group management. The acquisition of cargo-partner has been our largest investment to date. This acquisition complements our logistics infrastructure in Central and Eastern Europe, which we expect to grow as a production base within Europe and expand our global network further.

To reinforce functions to support challenges, we are expanding and reinforcing the NX Group brand under a brand strategy to build competitive advantage on a global scale. We generated a significant amount of recognition as a global sponsor of the 2023 World Baseball Classic™, the most prestigious baseball tournament in the world.

We exercise ESG-oriented business management to realize sustainable development and improve corporate value. As part of these efforts, we formulated a Sustainability Policy and Sustainability Vision in January 2023 toward higher sustainability management in our aims for sustainable growth and enhanced corporate value through co-creation with our stakeholders. In support of these aims, we established new medium- to long-term targets for CO₂ emissions reductions that will contribute to carbon-neutral societies and protect the global environment. We continue efforts to address climate change and disclose information about our initiatives proactively.

To achieve our long-term vision, we committed to becoming a company that makes employees happy. In Japan, we pursue four reforms based on pillars of diversity, work-style improvement, and work-style innovation: Mindset reform, culture reform, work-style reform, and behavior reform. At the same time, we recruit multinational human resources, experienced professionals in law, accounting, and other high-level skills, and pursue other matters under a human resources strategy supporting global growth.

NX Group revenue for the current consolidated fiscal year amounted to ¥2,239.0 billion, a ¥379.6 billion, or 14.5%, decrease year on year. This result was due to the impact of normalization in unit sales prices, a decrease in transportation volume in international logistics as the tight supply-demand situation eased significantly, and sluggish cargo movements in domestic logistics. Operating income fell ¥95.4 billion, or 61.4%, to ¥60.0 billion, income before income taxes decreased ¥98.9 billion, or 61.8%, to ¥61.2 billion, and profit attributable to owners of parent decreased ¥71.2 billion, or 65.8%, to ¥37.0 billion.

The following is a summary of financial results by segment.

1) Japan (Logistics)

Revenue decreased ¥194.4 billion, or 13.4%, year on year to ¥1,256.5 billion in connection with ongoing sluggishness in domestic logistics, a decline in air and ocean freight volume, and the impact of lower unit sales prices. Segment income decreased ¥22.8 billion, or 32.0%, year on year to ¥48.5 billion

2) The Americas (Logistics)

Despite strong warehousing and distribution processing, revenue amounted to ¥151.2 billion, a ¥10.7 billion, or 6.7%, decline year on year. Results were impacted by a decrease in air and ocean freight volume, as well as a drop in unit sales price. Segment income amounted to ¥9.2 billion, which was a ¥4.4 billion, or 32.6%, decline.

3) Europe (Logistics)

Revenue decreased ¥23.0 billion year on year, or 10.7%, to ¥192.6 billion. This result was due to a decrease in air and ocean freight volume, as well as lower unit sales prices. Segment income amounted to ¥9.8 billion, a decrease of ¥2.6 billion, or 21.5%.

4) East Asia (Logistics)

Revenue decreased ¥83.8 billion year on year, or 34.7%, to ¥157.6 billion, due to a decrease in air and ocean freight volume (mainly semiconductor- and automobile-related), and the impact of falling unit sales prices. Segment income fell ¥9.0 billion, or 70.6%, to ¥3.7 billion.

5) South Asia & Oceania (Logistics)

Revenue fell ¥81.0 billion year on year, or 36.5%, to ¥140.8 billion. This result reflected a decline in air and ocean freight volume (semiconductor-related) and lower unit sales prices for ocean freight. Segment income amounted to ¥8.3 billion, a decline of ¥11.7 billion, or 58.5%.

6) Security Transportation

Revenue decreased ¥0.1 billion, or 0.3%, to ¥67.8 billion due to fewer scheduled flights, while segment income increased ¥0.2 billion, or 8.9%, to ¥3.3 billion due to various cost reduction efforts.

7) Heavy Haulage & Construction

Due to strong sales of wind power generation-related and industrial machinery-related products, revenue increased ¥6.5 billion year on year, or 14.7%, year on year to ¥51.1 billion. Segment income increased ¥0.1 billion, or 2.0%, to ¥6.5 billion.

8) Logistics Support

Revenue increased ¥4.2 billion year on year, or 1.0%, to ¥425.8 billion, mainly due to an increase in maintenance production. Segment income decreased ¥2.5 billion, or 15.8%, to ¥13.8 billion due to lower volume and a decrease in unit sales prices in the petroleum and LP gas businesses.

(2) Summary of Financial Position

Total assets as of the end of the current consolidated fiscal year amounted to ¥2,107.1 billion, up ¥31.9 billion, or 1.5%, compared with the end of the previous consolidated fiscal year.

Current assets decreased ¥11.7 billion, or 1.3%, to ¥896.0 billion, while non-current assets increased ¥43.6 billion, or 3.7%, to ¥1,211.0 billion.

The decrease in current assets was mainly due to a decrease in trade and other receivables.

The increase in non-current assets was mainly due to an increase in right-of-use assets.

Current liabilities amounted to ¥591.0 billion, down ¥104.8 billion, or 15.1%, compared with the end of the previous consolidated fiscal year. Non-current liabilities amounted to ¥698.2 billion, up ¥98.0 billion, or 16.3%.

The decrease in current liabilities was mainly due to a decrease in trade and other payables.

The increase in non-current liabilities was mainly due to an increase in bonds and borrowings.

Total equity as of the end of the current consolidated fiscal year amounted to ¥817.8 billion, up ¥38.6 billion, or 5.0%, compared with the end of the previous consolidated fiscal year.

(3) Summary of Cash Flows

Cash and cash equivalents as of the end of the current consolidated fiscal year amounted to ¥315.0 billion, up ¥38.3 billion compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities amounted to ¥185.7 billion, representing a decrease in proceeds of ¥109.5 billion compared to the year-ago period. This result was mainly due to a decline in income before income taxes.

Net cash used in investing activities amounted to ¥59.2 billion, representing an increase in outlays of ¥63.3 billion compared to the year-ago period. This result was mainly due to a decline in proceeds from sale of property, plant and equipment.

Net cash used in financing activities amounted to ¥100.1 billion, representing an increase in outlays of ¥63.1 billion compared to the year-ago period. This result was mainly due to an increase in proceeds from long-term borrowings.

(4) Future Outlook

While worldwide inflation appears to have peaked and the monetary tightening phase in Europe and the U.S. has reached a turning point, global economic conditions will likely remain uncertain due to the prolonged invasion of Ukraine by Russia and heightened geopolitical risks such as the situation in the Middle East.

In light of rising geopolitical and economic security risks, the logistics industry is facing corporate clients who are reviewing existing supply chains from the perspective of safe procurement. At the same time, the industry must deal with climate change, chronic human resource shortages, digitalization, and the development of new logistics services based on advanced technologies. As a whole, the logistics industry must transform into a new value-creating industry that supports the sustainable growth of society.

In response to this business environment, the NX Group formulated the NX Group Business Plan 2028: Dynamic Growth 2.0 -Accelerating Sustainable Growth-. This plan will serve as our management policy for the next five years. As a second stage following our previous business plan, we will continue to take on the challenge of reform to achieve our long-term vision to become a logistics company with a strong presence in the global market by the year 2037, which will be our 100th anniversary.

While we have made no major changes in the direction of our long-term vision, the NX Group Business Plan 2028

defines the three most important issues we must address: (1) Accelerate growth in the global market; (2) Rebuild our businesses in Japan; and (3) Pursue sustainability management.

Accelerate growth in the global market

To achieve our long-term vision, we must accelerate the growth of our core logistics business in the global market, focusing more on customers than ever before. Account management based on group-wide optimization will help us provide end-to-end solutions for customer global supply chains and expand our business domains. In addition to accelerating efforts in priority industries and for non-Japanese customers, we will focus on growing sales of air and ocean forwarding services while providing a stronger and wider range of logistics solutions with a focus on warehousing.

We will continue our efforts toward dynamic business growth through M&A, alliances, and strategic investments. In particular, we will pursue PMI with cargo-partner as rapidly as possible. cargo-partner represents our largest acquisition ever, and our efforts to strengthen competitiveness in the global market include building a larger global network by complementing our logistics infrastructure in the Central and Eastern European region. Under area strategy, we will also take on the challenge of expanding our business in India, where we expect further economic growth over the medium to long term.

Rebuilding our businesses in Japan

Japan remains our mother market. Here, we will work to improve profitability in each business based on a clear business portfolio and division of roles. At the same time, we intend to transform ourselves into a highly profitable organization, including liquidating and replacing low-profit businesses.

We plan to reallocate management resources among the Tokyo, Nagoya, and Osaka metropolitan areas based on a customer-in, market-in perspective from which we will launch business growth in the global market. We will improve profitability and capital efficiency in other regions based on our assessment of future prospects. In light of the preceding, Nippon Express, the core of our Japan operations, is considering an in-house company system, aiming to clarify the roles of each area and increase management flexibility in accordance with market characteristics.

We intend to clarify the role of the specialty logistic business within the NX Group business portfolio, striving to enhance expertise and quality. At the same time, we will offer total logistics solutions in our logistics support business to raise the competitive stature of the group as whole.

Pursuing sustainability management

In pursuing sustainability management, we reaffirmed five materialities (critical issues) to address in improving our corporate value: (1) Develop and strengthen sustainable solutions; (2) Solidify global supply chains; (3) Strengthen our response to climate change; (4) Enhance human capital to foster innovation; and (5) Respect human rights and engage in responsible corporate activities.

Sustainability represents the foundational perspective on which we consider all activities. The NX Group has always played a role in contributing solutions to social issues through our businesses. And we will continue to play this role in a manner more active than ever, transforming ourselves into a corporate group that is the preference of customers, society, shareholders, and employees.

The following presents our current forecast for the fiscal year ending December 31, 2024.

Forecast of Consolidated Financial Results (Full Year)

Revenues	¥2,500 billion
Operating income	¥82 billion
Income before income taxes	¥79 billion
Profit attributable to owners of parent	¥55 billion

*The preceding forecasts are based on information available to the Company at the time this report was prepared.
Actual results may differ from these forecasts.

2. Basic View on the Adoption of Accounting Policies

The Nippon Express Group adopted International Financial Reporting Standards (IFRS) voluntarily, beginning with the annual securities report for the fiscal year ended December 31, 2022. The adoption of IFRS is for the purpose of conducting global management and improving comparability of financial information in capital markets by unifying Nippon Express Group accounting standards.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	276,679	315,076
Trade and other receivables	497,746	424,054
Inventories	15,381	10,680
Income taxes receivable	468	20,771
Other financial assets	82,835	88,139
Other current assets	34,546	36,941
Subtotal	907,656	895,663
Non-current assets held for sale	170	428
Total current assets	907,827	896,091
Non-current assets		
Property, plant and equipment	535,478	535,583
Investment property	70,759	68,529
Goodwill and intangible assets	60,604	73,561
Right-of-use assets	305,475	354,021
Investments accounted for using equity method	40,635	42,185
Other financial assets	120,454	113,273
Deferred tax assets	29,110	16,429
Other non-current assets	4,851	7,438
Total non-current assets	1,167,370	1,211,024
Total assets	2,075,197	2,107,116

(Millions of yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	257,303	214,044
Bonds and borrowings	94,466	61,782
Lease liabilities	84,870	111,730
Other financial liabilities	82,943	84,385
Income taxes payable	29,717	7,628
Provisions	9,169	10,419
Other current liabilities	137,456	101,100
Total current liabilities	695,929	591,092
Non-current liabilities		
Bonds and borrowings	170,504	255,975
Lease liabilities	281,825	304,896
Other financial liabilities	18,171	19,123
Retirement benefit liability	105,646	93,864
Provisions	10,503	10,832
Deferred tax liabilities	6,865	6,000
Other non-current liabilities	6,600	7,524
Total non-current liabilities	600,118	698,217
Total liabilities	1,296,047	1,289,309
Equity		
Share capital	70,175	70,175
Capital surplus	22,928	23,267
Treasury shares	(10,604)	(20,542)
Other components of equity	75,590	92,625
Retained earnings	598,423	634,536
Total equity attributable to owners of parent	756,513	800,062
Non-controlling interests	22,636	17,743
Total equity	779,150	817,806
Total liabilities and equity	2,075,197	2,107,116

(2) Consolidated Statements of Profit or Loss and Comprehensive Income

Consolidated statements of profit or loss

(Millions of yen)

	FY2022 (January 1, 2022 to December 31, 2022)	FY2023 (January 1, 2023 to December 31, 2023)
Revenue	2,618,659	2,239,017
Cost of sales	2,342,812	2,011,471
Gross profit	275,847	227,545
Selling, general and administrative expenses	138,297	146,288
Other income	70,284	16,317
Other expenses	52,709	39,262
Share of profit (loss) of investments accounted for using equity method	385	1,786
Operating profit	155,510	60,098
Finance income	9,372	7,352
Finance costs	4,714	6,242
Income before tax	160,168	61,208
Income tax expense	48,594	26,096
Operating income	111,573	35,111
Profit for the year attributable to		
Owners of parent	108,318	37,050
Non-controlling interests	3,254	(1,938)
Profit for the year from continuing operations	111,573	35,111
Earnings per share		
Basic earnings per share (yen)	1,202.34	418.58

Consolidated statements of comprehensive income

(Millions of yen)

	FY2022 (January 1, 2022 to December 31, 2022)	FY2023 (January 1, 2023 to December 31, 2023)
Profit for the year	111,573	35,111
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity instruments measured at fair value through other comprehensive income	3,564	11,018
Remeasurements of defined benefit plans	23,580	10,075
Share of other comprehensive income of investments accounted for using equity method	6	20
Total of items that will not be reclassified to profit or loss	27,151	21,115
Items that may be reclassified to profit or loss		
Fair value of effective portion of cash flow hedges	78	(13)
Exchange differences on translation of foreign operations	25,170	20,290
Share of other comprehensive income of investments accounted for using equity method	(1,804)	2,021
Total of items that may be reclassified to profit or loss	23,444	22,298
Total other comprehensive income after tax	50,596	43,413
Comprehensive income	162,170	78,525
Comprehensive income attributable to		
Owners of parent	158,174	79,842
Non-controlling interests	3,995	(1,316)
Comprehensive income	162,170	78,525

(3) Consolidated Statement of Changes in Equity
FY2022 (January 1, 2022 to December 31, 2022)

(Millions of yen)

	Equity attributable to owners of parent					Other components of equity	
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Fair value of effective portion of cash flow hedges
Beginning of period	70,175	22,870	501,079	(611)	44,923	6,048	(68)
Profit (loss) for the year			108,318				
Other comprehensive income	-	-		-	3,562	24,431	78
Comprehensive income			108,318		3,562	24,431	78
Purchase of treasury shares				(10,023)			
Disposal of treasury shares		0		29			
Cancellation of treasury shares			(0)	0			
Dividends			(36,239)				
Transfer from share capital to capital surplus	(0)	0					
Share-based compensation transactions		83					
Changes in ownership interests in subsidiaries		(24)	(124)				
Transfer from retained earnings to capital surplus							
Transfer from other components of equity to retained earnings			25,389		(1,809)		
Transfer to retained earnings							
Total transactions with owners	(0)	58	(10,975)	(9,992)	(1,809)	-	-
Balance at end of the year	70,175	22,928	598,423	(10,604)	46,676	30,480	10

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using equity method	Total			
Beginning of period	-	220	51,124	644,638	19,814	664,453
Profit (loss) for the year			-	108,318	3,254	111,573
Other comprehensive income	23,580	(1,797)	49,855	49,855	741	50,596
Comprehensive income	23,580	(1,797)	49,855	158,174	3,995	162,170
Purchase of treasury shares			-	(10,023)		(10,023)
Disposal of treasury shares			-	29		29
Cancellation of treasury shares			-	-		-
Dividends			-	(36,239)	(1,311)	(37,551)
Transfer from share capital to capital surplus			-	-		-
Share-based compensation transactions			-	83		83
Changes in ownership interests in subsidiaries			-	(149)	138	(11)
Transfer from retained earnings to capital surplus			-	-	-	-
Transfer from other components of equity to retained earnings	(23,580)		(25,389)	-	-	-
Transfer to retained earnings			-	-	-	-
Total transactions with owners	(23,580)	-	(25,389)	(46,299)	(1,173)	(47,472)
Balance at end of the year	-	(1,577)	75,590	756,513	22,636	779,150

FY2023 (January 1, 2023 to December 31, 2023)

(Unit: Millions of yen)

	Equity attributable to owners of parent						
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Fair value of effective portion of cash flow hedges
Beginning of period	70,175	22,928	598,423	(10,604)	46,676	30,480	10
Profit (loss) for the year			37,050				
Other comprehensive income	-	-		-	11,019	19,668	(13)
Comprehensive income			37,050		11,019	19,668	(13)
Purchase of treasury shares				(10,017)			
Disposal of treasury shares		(0)		79			
Cancellation of treasury shares			-	-			
Dividends			(26,694)				
Transfer from share capital to capital surplus	-	-					
Share-based compensation transactions		(88)					
Changes in ownership interests in subsidiaries		427	0				
Transfer from retained earnings to capital surplus							
Transfer from other components of equity to retained earnings			25,757		(15,681)		
Transfer to retained earnings							
Total transactions with owners	-	338	(936)	(9,938)	(15,681)	-	-
Balance at end of the year	70,175	23,267	634,536	(20,542)	42,014	50,149	(3)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using equity method	Total			
Beginning of period	-	(1,577)	75,590	756,513	22,636	779,150
Profit (loss) for the year			-	37,050	(1,938)	35,111
Other comprehensive income	10,075	2,041	42,792	42,792	621	43,413
Comprehensive income	10,075	2,041	42,792	79,842	(1,316)	78,525
Purchase of treasury shares			-	(10,017)		(10,017)
Disposal of treasury shares			-	79		79
Cancellation of treasury shares			-	-		-
Dividends			-	(26,694)	(549)	(27,243)
Transfer from share capital to capital surplus			-	-		-
Share-based compensation transactions			-	(88)		(88)
Changes in ownership interests in subsidiaries			-	427	(3,026)	(2,598)
Transfer from retained earnings to capital surplus			-	-	-	-
Transfer from other components of equity to retained earnings	(10,075)		(25,757)	-	-	-
Transfer to retained earnings			-	-	-	-
Total transactions with owners	(10,075)	-	(25,757)	(36,293)	(3,576)	(39,869)
Balance at end of the year	-	464	92,625	800,062	17,743	817,806

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (January 1, 2022 to December 31, 2022)	FY2023 (January 1, 2023 to December 31, 2023)
Net cash provided by (used in) operating activities		
Income before tax	160,168	61,208
Depreciation and amortization	141,459	152,555
Losses (gains) on sales and valuation of investment securities	(1,325)	(36)
Loss (gain) on sale of property, plant and equipment	(56,184)	7,065
Impairment losses (reversal of impairment losses)	39,406	8,266
Increase (decrease) in provision for bonuses	159	(680)
Increase (decrease) in provision for bonuses	(32,261)	(13,500)
Increase (decrease) in retirement benefit liability	(3,670)	(6,001)
Interest and dividend income	4,532	5,424
Interest expenses	(385)	(1,786)
Share of loss (profit) of investments accounted for using equity method	10,146	110,165
Decrease (increase) in trade receivables	(558)	4,751
Decrease (increase) in inventories	915	(56,406)
Increase (decrease) in consumption taxes payable	25,689	(28,156)
Other	45,076	(1,078)
Sub-total	333,170	241,791
Interest and dividends received	3,787	6,103
Interest paid	(4,595)	(5,429)
Income taxes paid	(37,156)	(56,760)
Net cash provided by (used in) operating activities	295,206	185,705
Net cash provided by (used in) investing activities		
Payments into time deposits	(7,707)	(27,658)
Proceeds from withdrawal of time deposits	6,349	22,622
Purchase of property, plant and equipment	(43,997)	(52,713)
Purchase of intangible assets	(15,337)	(14,728)
Proceeds from sale of property, plant and equipment	68,987	12,366
Purchase of equity instruments	(1,407)	(1,420)
Proceeds from sale and redemption of equity financial instruments	4,653	25,005
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(15,398)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,453	-
Collection of loans receivable	24	199
Other	(9,002)	(7,568)
Net cash provided by (used in) investing activities	4,017	(59,295)

(Millions of yen)

	FY2022 (January 1, 2022 to December 31, 2022)	FY2023 (January 1, 2023 to December 31, 2023)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	99,953	95,433
Repayments of short-term borrowings	(110,324)	(71,796)
Net increase (decrease) in commercial papers	-	15,000
Proceeds from long-term borrowings	-	125,685
Repayments of long-term borrowings	(28,399)	(103,665)
Repayments of lease liabilities	(76,996)	(111,688)
Proceeds from issuance of bonds	-	19,924
Redemption of bonds	-	(30,000)
Dividends paid	(36,193)	(26,663)
Payments for purchase of treasury shares	(10,022)	(10,017)
Other	(1,297)	(2,355)
Net cash provided by (used in) financing activities	(163,281)	(100,144)
Effect of exchange rate change on cash and cash equivalents	6,814	12,131
Net increase in cash and cash equivalents	142,756	38,397
Cash and cash equivalents at beginning of year	133,922	276,679
Cash and cash equivalents at end of Year	276,679	315,076

(5) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Segment Information)

1 Overview of reportable segments

Reportable segments of the NX Group are organizational units combining area segments and business segments whose individual financial results are available separately, and serve as the basis and subject of regular review by the board of directors for the purpose of allocating management resources and evaluating business performance.

The Logistics business consists of five reportable area segments: Japan, The Americas, Europe, East Asia, and South Asia & Oceania. Reportable segments outside of the Logistics business are specialized businesses of Security Transportation, Heavy Haulage & Construction, and Logistics Support, which conducts sales and real estate business related to each business.

As a result, the main products and services and main business of each reportable segment are as follows.

Reportable segments	Main products and services	Main businesses
Japan (Logistics)	Railway utilization transportation, chartered truck services, combined delivery services, air freight forwarding, marine and harbor transportation, moving and relocation, warehousing and distribution processing, in-factory work, information asset management, real estate rental, fine arts transportation, heavy haulage and construction	Railway forwarding, motor cargo transportation, air freight forwarding, marine transportation, harbor transportation, warehousing, in-factory work, information asset management, real estate
The Americas (Logistics)	Air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Air freight forwarding, harbor transportation, warehousing, motor cargo transportation
Europe (Logistics)	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation
East Asia Logistics	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation
South Asia & Oceania Logistics	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services, heavy haulage and construction	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation, heavy haulage and construction
Security Transportation	Security Transportation	Security guards, motor cargo transportation
Heavy Haulage & Construction	Heavy Haulage & Construction	Heavy haulage and construction
Logistics Support	Sale of petroleum, etc., sale of others, real estate, finance, other	Sale of distribution equipment, wrapping and packaging materials, vehicles, petroleum, liquefied petroleum (LP) gas, etc., vehicle maintenance, insurance agency, mediation, planning, designing and management of real estate, investigation and research, logistics finance, employee dispatching

2 Information on reportable segments

Intersegment sales and transfers are based on prevailing market prices.

FY2022 (January 1, 2022 to December 31, 2022)

(Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenue					
Revenue from external customers	1,431,002	132,633	204,545	222,223	191,037
Intersegment sales	19,989	29,446	11,161	19,306	30,848
Total	1,450,991	162,080	215,707	241,529	221,886
Segment income (business income)	71,444	13,751	12,546	12,818	20,098
Other income	-	-	-	-	-
Other expenses	-	-	-	-	-
Share of profit (loss) of investments accounted for using equity method	-	-	-	-	-
Operating profit	-	-	-	-	-
Finance income	-	-	-	-	-
Finance costs	-	-	-	-	-
Income before tax	-	-	-	-	-
Other items					
Depreciation and amortization	97,807	7,285	9,259	8,132	8,026
Impairment losses (non-financial assets)	36,087	3,226	-	-	-

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note 1)	Amount in consolidated statements of income
Revenue						
Revenue from external customers	68,017	44,381	324,817	2,618,659	-	2,618,659
Intersegment sales	70	161	96,792	207,775	(207,775)	-
Total	68,088	44,542	421,609	2,826,435	(207,775)	2,618,659
Segment income (business income)	3,110	6,391	16,435	156,597	(19,047)	137,550
Other income	-	-	-	-	-	70,284
Other expenses	-	-	-	-	-	52,709
Share of profit (loss) in investments accounted for using equity method	-	-	-	-	-	385
Operating profit	-	-	-	-	-	155,510
Finance income	-	-	-	-	-	9,372
Finance costs	-	-	-	-	-	4,714
Income before tax	-	-	-	-	-	160,168
Other items						
Depreciation and amortization	2,592	1,490	6,997	141,593	(133)	141,459
Impairment losses (non-financial assets)	-	-	93	39,406	-	39,406

(Note 1) Details of Adjustment are as follows:

(1) The segment income (business income) adjustment of -19,047 million yen includes -2,633 million yen for the elimination of intersegment income and -16,414 million yen of corporate expenses not allocated to each reportable segment.

The most significant portion of corporate expenses relates to Company corporate image advertising (as the pure holding company) and our administration of group companies.

(2) The depreciation expense and amortization expense adjustments mainly represent depreciation and amortization within the pure holding company not attributable to any individual reportable segment.

FY2023 (January 1, 2023 to December 31, 2023)

(Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenue					
Revenue from external customers	1,227,665	130,640	182,414	145,314	127,139
Intersegment sales	28,906	20,651	10,241	12,349	13,700
Total	1,256,571	151,291	192,655	157,663	140,840
Segment income (business income)	48,579	9,262	9,853	3,763	8,348
Other income	-	-	-	-	-
Other expenses	-	-	-	-	-
Share of profit (loss) in investments accounted for using equity method	-	-	-	-	-
Operating profit	-	-	-	-	-
Finance income	-	-	-	-	-
Finance costs	-	-	-	-	-
Income before tax	-	-	-	-	-
Other items					
Depreciation and amortization	104,758	9,243	10,836	8,775	8,435
Impairment losses (non-financial assets)	8,266	-	-	-	-

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note 1)	Amount in consolidated statements of income
Revenue						
Revenue from external customers	67,434	51,049	307,358	2,239,017	-	2,239,017
Intersegment sales	457	61	118,538	204,906	(204,906)	-
Total	67,892	51,111	425,896	2,443,923	(204,906)	2,239,017
Segment income (business income)	3,386	6,520	13,844	103,559	(22,302)	81,256
Other income	-	-	-	-	-	16,317
Other expenses	-	-	-	-	-	39,262
Share of profit (loss) in investments accounted for using equity method	-	-	-	-	-	1,786
Operating profit	-	-	-	-	-	60,098
Finance income	-	-	-	-	-	7,352
Finance costs	-	-	-	-	-	6,242
Income before tax	-	-	-	-	-	61,208
Other items						
Depreciation and amortization	2,130	1,616	6,881	152,678	(123)	152,555
Impairment losses (non-financial assets)	-	-	-	8,266	-	8,266

(Note 1) Details of Adjustment are as follows:

- (1) The segment income (business income) adjustment of -¥22,302 million includes -¥1,425 million for the elimination of intersegment income, and -¥20,877 million of corporate expenses that are not attributable to any individual reportable segment.
The most significant portion of corporate expenses relates to Company corporate image advertising (as the pure holding company) and our administration of group companies.
- (2) The depreciation expense and amortization expense adjustments mainly represent depreciation and amortization within the pure holding company not attributable to any individual reportable segment.

(Earnings per Share)

The following provides our basis for computing basic earnings per share.

	FY2022 (January 1, 2022 to December 31, 2022)	FY2023 (January 1, 2023 to December 31, 2023)
Basis for computing basic earnings per share		
Profit attributable to owners of parent (million yen)	108,318	37,050
Profit not attributable to owners of parent (million yen)	-	-
Profit used to calculate basic earnings per share (million yen)	108,318	37,050
Weighted average number of common stock shares during the year (1,000 shares)	90,090	88,514
Basic earnings per share (yen)	1,202.34	418.58

(Notes) 1. Diluted earnings per share is not stated, as there were no dilutive shares.

2. Company shares held in the BIP Trust for directors are included in treasury stock, which is deducted from the average number of shares during the period to calculate net income per share. The total number of shares of treasury stock held in the trust at the end of the previous fiscal year was 111,000 shares, and the average number of shares during the period was 113,000 shares. The total number of shares of treasury stock held in the trust at the end of the current fiscal year was 96,000 shares, and the average number of shares during the period was 98,000 shares

(Significant Subsequent Events)

Not applicable.

4. Reference Materials

Consolidated Reference Materials

○ Reportable Segment Financial Results

(Unit: Millions of yen, %)

				FY2023		FY2022		Change	
								Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	1,256,571	1,450,991	(194,420)	(13.4)		
			The Americas	151,291	162,080	(10,788)	(6.7)		
			Europe	192,655	215,707	(23,052)	(10.7)		
			East Asia	157,663	241,529	(83,865)	(34.7)		
			South Asia & Oceania	140,840	221,886	(81,045)	(36.5)		
		Subtotal	1,899,022	2,292,195	(393,172)	(17.2)			
		Security Transportation	67,892	68,088	(195)	(0.3)			
		Heavy Haulage & Construction	51,111	44,542	6,568	14.7			
		Logistics Support	425,896	421,609	4,287	1.0			
		Subtotal	2,443,923	2,826,435	(382,512)	(13.5)			
	Adjustment	(204,906)	(207,775)	2,869	-				
Total			2,239,017	2,618,659	(379,642)	(14.5)			
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[3.9] 48,579	[4.9] 71,444	(22,865)	(32.0)		
			The Americas	[6.1] 9,262	[8.5] 13,751	(4,489)	(32.6)		
			Europe	[5.1] 9,853	[5.8] 12,546	(2,693)	(21.5)		
			East Asia	[2.4] 3,763	[5.3] 12,818	(9,054)	(70.6)		
			South Asia & Oceania	[5.9] 8,348	[9.1] 20,098	(11,750)	(58.5)		
		Subtotal	[4.2] 79,807	[5.7] 130,660	(50,852)	(38.9)			
		Security Transportation	[5.0] 3,386	[4.6] 3,110	275	8.9			
		Heavy Haulage & Construction	[12.8] 6,520	[14.3] 6,391	129	2.0			
		Logistics Support	[3.3] 13,844	[3.9] 16,435	(2,590)	(15.8)			
		Subtotal	[4.2] 103,559	[5.5] 156,597	(53,038)	(33.9)			
	Adjustment	(22,302)	(19,047)	(3,255)	-				
Total			[3.6] 81,256	[5.3] 137,550	(56,293)	(40.9)			

(Note) Figures in brackets indicate operating income margin.

○ Summary of Consolidated Statements of Income

(Unit: Millions of yen, %)

			FY2023		FY2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues by business	Distribution & transportation business	Motor transportation	383,831	17.1	380,095	14.5	3,735	1.0
		Marine and harbor transportation	305,778	13.7	422,347	16.1	(116,568)	(27.6)
		Air transportation	426,213	19.0	701,930	26.8	(275,716)	(39.3)
		Warehousing & storage	357,790	16.0	345,822	13.2	11,968	3.5
		Security transportation	67,122	3.0	67,550	2.6	(427)	(0.6)
		Heavy haulage & construction	76,507	3.4	65,805	2.5	10,701	16.3
		Other	290,676	13.0	287,419	11.0	3,257	1.1
	Subtotal		1,907,920	85.2	2,270,971	86.7	(363,050)	(16.0)
	Goods sales business		296,764	13.3	303,056	11.6	(6,291)	(2.1)
	Other		34,331	1.5	44,632	1.7	(10,300)	(23.1)
Total			2,239,017	100.0	2,618,659	100.0	(379,642)	(14.5)
Operating costs	Personnel expenses		436,144	19.5	433,264	16.5	2,880	0.7
	Forwarding costs		347,314	15.5	682,446	26.1	(335,132)	(49.1)
	Vehicle chartering and subcontracting costs		464,541	20.7	482,310	18.4	(17,769)	(3.7)
	Other		763,471	34.1	744,790	28.4	18,681	2.5
	Total		2,011,471	89.8	2,342,812	89.5	(331,340)	(14.1)
Gross profit			227,545	10.2	275,847	10.5	(48,302)	(17.5)
	Personnel expenses		79,502	3.6	74,562	2.8	4,939	6.6
	Other		66,786	3.0	63,734	2.4	3,051	4.8
	Selling, general and administrative expenses		146,288	6.5	138,297	5.3	7,991	5.8
	Segment profit (business profit)		81,256	3.6	137,550	5.3	(56,293)	(40.9)
	Gain on sales of non-current assets		9,200	0.4	63,741	2.4	(54,541)	(85.6)
	Other		7,116	0.3	6,542	0.2	574	8.8
	Total other income		16,317	0.7	70,284	2.7	(53,966)	(76.8)
	Loss on disposal of non-current assets		16,399	0.7	7,801	0.3	8,597	110.2
	Other		22,862	1.0	44,907	1.7	(22,044)	(49.1)
	Total other expenses		39,262	1.8	52,709	2.0	(13,447)	(25.5)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates			1,786	0.1	385	0.0	1,400	363.5
Operating income			60,098	2.7	155,510	5.9	(95,412)	(61.4)
Total finance income			7,352	0.3	9,372	0.4	(2,019)	(21.6)
Total finance costs			6,242	0.3	4,714	0.2	1,527	32.4
Income before income taxes			61,208	2.7	160,168	6.1	(98,960)	(61.8)
Income tax expense			26,096	1.2	48,594	1.9	(22,498)	(46.3)
Profit			35,111	1.6	111,573	4.3	(76,461)	(68.5)
Profit attributable to								
Owners of parent			37,050	1.7	108,318	4.1	(71,268)	(65.8)
Non-controlling interests			(1,938)	(0.1)	3,254	0.1	(5,193)	—
Profit			35,111	1.6	111,573	4.3	(76,461)	(68.5)

Total personnel expenses	Operating costs	436,144	19.5	433,264	16.5	2,880	0.7
	Selling, general and administrative expenses	79,502	3.6	74,562	2.8	4,939	6.6
	Total	515,647	23.0	507,827	19.4	7,820	1.5

(Unit: Millions of yen, %)

				FY2024		FY2023		Change	
								Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	1,233,000	1,256,571	(23,571)	(1.9)		
			The Americas	153,000	151,291	1,708	1.1		
			Europe	419,000	192,655	226,344	117.5		
			East Asia	161,000	157,663	3,336	2.1		
			South Asia & Oceania	150,000	140,840	9,159	6.5		
		Subtotal	2,116,000	1,899,022	216,977	11.4			
		Security Transportation	68,000	67,892	107	0.2			
		Heavy Haulage & Construction	50,000	51,111	(1,111)	(2.2)			
		Logistics Support	445,000	425,896	19,103	4.5			
		Subtotal	2,679,000	2,443,923	235,076	9.6			
		Adjustment	(179,000)	(204,906)	25,906	-			
	Total			2,500,000	2,239,017	260,982	11.7		
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.2]	52,000	[3.9]	48,579	3,420	7.0
			The Americas	[5.6]	8,500	[6.1]	9,262	(762)	(8.2)
			Europe	[2.1]	9,000	[5.1]	9,853	(853)	(8.7)
			East Asia	[3.4]	5,500	[2.4]	3,763	1,736	46.1
			South Asia & Oceania	[5.7]	8,500	[5.9]	8,348	151	1.8
		Subtotal	[3.9]	83,500	[4.2]	79,807	3,692	4.6	
		Security Transportation	[4.4]	3,000	[5.0]	3,386	(386)	(11.4)	
		Heavy Haulage & Construction	[12.0]	6,000	[12.8]	6,520	(520)	(8.0)	
		Logistics Support	[2.9]	13,000	[3.3]	13,844	(844)	(6.1)	
		Subtotal	[3.9]	105,500	[4.2]	103,559	1,940	1.9	
		Adjustment	(20,500)	(22,302)	1,802	-			
	Total			[3.4]	85,000	[3.6]	81,256	3,743	4.6

(Note) Figures in brackets indicate operating income margin.

○ Financial Results Forecast, First Half of FY2024

(Unit: Millions of yen, %)

				First Half of FY2024	First Half of FY2023	Change	
						Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	613,000	640,249	(27,249)	(4.3)
			The Americas	75,000	74,091	908	1.2
			Europe	200,000	94,380	105,619	111.9
			East Asia	75,000	77,378	(2,378)	(3.1)
			South Asia & Oceania	71,000	71,961	(961)	(1.3)
		Subtotal	1,034,000	958,062	75,937	7.9	
		Security Transportation	34,000	33,890	109	0.3	
		Heavy Haulage & Construction	23,000	25,879	(2,879)	(11.1)	
		Logistics Support	220,000	209,099	10,900	5.2	
		Subtotal	1,311,000	1,226,933	84,066	6.9	
	Adjustment	(111,000)	(95,066)	(15,933)	-		
Total			1,200,000	1,131,866	68,133	6.0	
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[3.3] 20,000	[3.6] 23,186	(3,186)	(13.7)
			The Americas	[5.3] 4,000	[7.1] 5,269	(1,269)	(24.1)
			Europe	[2.8] 5,500	[5.2] 4,946	553	11.2
			East Asia	[3.3] 2,500	[3.4] 2,596	(96)	(3.7)
			South Asia & Oceania	[4.9] 3,500	[6.8] 4,910	(1,410)	(28.7)
		Subtotal	[3.4] 35,500	[4.3] 40,908	(5,408)	(13.2)	
		Security Transportation	[4.4] 1,500	[5.1] 1,721	(221)	(12.9)	
		Heavy Haulage & Construction	[10.9] 2,500	[11.6] 3,000	(500)	(16.7)	
		Logistics Support	[3.2] 7,000	[3.1] 6,524	475	7.3	
		Subtotal	[3.5] 46,500	[4.3] 52,155	(5,655)	(10.8)	
	Adjustment	(11,500)	(9,905)	(1,594)	-		
Total			[2.9] 35,000	[3.7] 42,249	(7,249)	(17.2)	

(Note) Figures in brackets indicate operating income margin.

○ Changes in Number of Employees as of December 31, 2023

(Unit: Persons, %)

	December 31, 2023	December 31, 2022	Change	
				Ratio
Logistics	61,516	61,227	289	0.5
Security Transportation	7,071	6,453	618	9.6
Heavy Haulage & Construction	946	959	(13)	(1.4)
Logistics Support	4,631	4,546	85	1.9
Adjustment	274	297	(23)	(7.7)
Total	74,438	73,482	956	1.3

○ Capital Expenditures

(Unit: Millions of yen)

	Actual amount in FY2023
Vehicles	12,122
Buildings	26,648
Land	1,424
Other	32,788
Total	72,984

Major Investment

Segment	Note
Logistics Japan	Accounting system (NXAS-G), Nippon Express pharmaceutical platform construction, other

(Unit: Millions of yen)

	Plan amount in FY 2024
Vehicles	13,500
Buildings	27,000
Land	2,000
Other	37,500
Total	80,000

Major Plans

(Unit: Millions of yen)

Segment	Note
Logistics Japan	New warehouse construction at Higashikarumo, front-door warehouse automation equipment for semiconductor customers, new warehouse construction at Shizuoka Oikawa location, other
Logistics South Asia & Oceania	Warehouse renovation and expansion in Singapore, other