



We Find the Way

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

May 12, 2023

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

Financial Results for FY2023 (IFRS)

Adoption of IFRS Beginning FY2023

- We voluntarily adopted International Financial Reporting Standards (IFRS) beginning with the reporting of financial results for the first quarter of the fiscal year ending December 31, 2023 (FY2023). Accordingly, we prepared our presentation materials in accordance with IFRS* (with certain exceptions).

* Figures with respect to Business Plan 2023 Initiatives on P.26 and P.27 of this presentation are pro forma Japanese GAAP figures, which represent IFRS-based figures restated under Japanese GAAP (figures adjusted for the main differences between IFRS and Japanese GAAP).

- Certain results for the fiscal year ended December 31, 2022 (FY2022) are pro forma (estimated) figures that have not been audited by accountants. The details are as shown below.

2022						
Jan-Mar	Apr-Jun	First Half Total	Jul-Sep	Oct-Dec	Second Half Total	Full Year Total
Finalized	Pro Forma (Estimate)	Pro Forma (Estimate)	Pro forma (Estimate)	Pro Forma (Estimate)	Pro forma (Estimate)	Finalized

- Please refer to the following document for differences between IFRS and Japanese GAAP with respect to FY2022.

Supplementary Materials Regarding IFRS Adoption <https://pdf.irpocket.com/C9147/xivA/ISiq/eiyR.pdf>

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Financial Results Highlights (Executive Summary)

• Financial Results for Q1, FY2023 and Forecast for FY2023

Financial Results for Q1, FY2023 (IFRS)			* Financial Results Forecast for FY2023 (IFRS)		
Vs. FY2022			Vs. FY2022		
➤ Revenue	¥578.0 billion	¥(64.5) billion (10.0 %)	➤ Revenue	¥2,450.0 billion	¥(168.6) billion (6.4%)
➤ Consolidated segment profit (business profit)	¥20.9 billion	¥(6.8) billion (24.6 %)	➤ Consolidated segment profit (business profit)	¥117.0 billion	¥(20.5) billion (14.9%)
➤ Operating income	¥24.3 billion	¥(2.9) billion (10.7 %)	➤ Operating income	¥105.0 billion	¥(50.5) billion (32.5%)
Operating income margin	4.2%	—	Operating income margin	4.3%	—
➤ Profit attributable to owners of parent	¥13.3 billion	¥(2.3) billion (15.0 %)	➤ Profit attributable to owners of parent	¥72.0 billion	¥(36.3) billion (33.5 %)
ROE	—	—	ROE	9.3%	—

* As announced today, we are currently studying the impact of the acquisition of cargo-partner (making cargo-partner a subsidiary) on FY2023 consolidated financial results. The company has not been incorporated into the Nippon Express Holdings earnings forecasts disclosed today. We will promptly disclose any matters requiring disclosure as they arise.

Financial Results Highlights (Executive Summary) **Overview/Digest**

Financial Results for Q1, FY2023

- **Revenues and profit decreased in Q1** due to a reactionary decline in overseas and international logistics businesses as the supply-demand balance in the forwarding business eased both in Japan and overseas regions.
- Revenue and profits declined in Japan, as unit freight rates for air and ocean freight forwarding were lower year on year, while cargo movement decreased compared to the high levels of the previous year and transportation demand in Japan was sluggish.
- Overseas, both revenues and profit increased in the Americas, mainly due to high freight rates maintained in the forwarding business. In Europe, revenues and profit decreased due to the impact of declining volume in the air forwarding business. In East Asia and South Asia & Oceania, revenues and profit decreased due to declining volume in the forwarding business and the impact of lower unit freight rates due to easing supply-demand balances.

FY2023 Forecast

- We made no changes to the full-year forecasts announced on March 31 for revenue, operating income, and other profit measures. We expect logistics volume to recover gradually beginning in the second half onward. **We expect revenues and profit to decrease year on year.**
- We **expect to achieve our operating income target of 110 billion yen (Japanese GAAP)** for the final year of our business plan, mainly by executing our growth strategy for our core businesses and enhancing domestic businesses in Japan.

* Figures on P.26 and P.27 of this presentation are pro forma Japanese GAAP figures, which represent IFRS-based figures restated under Japanese GAAP (figures adjusted for the main differences between IFRS and Japanese GAAP).

Shareholder Returns

- We forecast an interim dividend of 150 yen and a year-end dividend of 150 yen for an annual dividend totaling 300 yen per share for FY2023
- Resolution to repurchase treasury stock: Total repurchase price 10 billion yen (maximum)

I. Financial Results for Q1, FY2023 (IFRS)

A Financial Results for Jan-Mar ,FY2023

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

Item	Current-Year Results (Jan-Mar 2023)	Prior-Year Results (Jan-Mar 2022)	Difference YoY	Difference YoY (%)	1H Forecast	Difference	Progress
Revenues	5,780	6,425	(645)	(10.0)	12,260	6,459	47.2
Consolidated Segment Income (Business Income)	209	277	(68)	(24.6)	525	315	39.9
Operating Income	243	272	(29)	(10.7)	555	311	43.8
Operating Income Margin	4.2	4.2	—	—	4.5	—	—
Profit Attributable to Owners of Parent	133	156	(23)	(15.0)	380	246	35.1

I. Financial Results for Q1, FY2023 (IFRS)

B Japan and Overseas Results

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

Segment	Item	Current-Year Results (Jan-Mar 2023)	Prior-Year Results (Jan-Mar 2022)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	4,673	4,903	(230)	(4.7)
	Consolidated segment income (business income)	167	177	(9)	(5.4)
Overseas Total	Revenues	1,592	2,024	(431)	(21.3)
	Consolidated segment income (business income)	95	141	(46)	(32.9)

	Current-Year Results (Jan-Mar 2023)
Overseas Sales Ratio	27.6%

I. Financial Results for Q1, FY2023 (IFRS)

C Results by Reportable Segment (YoY for Jan-Mar)

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

Segment	Item	2023 Results (Jan-Mar 2023)	Prior-Year Results (Jan-Mar 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,297	3,580	(282)	(7.9)
	Segment Income (Business Income)	113	131	(18)	(14.2)
Americas	Revenues	371	326	45	13.8
	Segment Income (Business Income)	28	22	5	26.5
Europe	Revenues	449	481	(32)	(6.7)
	Segment Income (Business Income)	21	21	(0)	(1.7)
East Asia	Revenues	391	598	(207)	(34.6)
	Segment Income (Business Income)	15	31	(16)	(51.3)
South Asia & Oceania	Revenues	379	617	(237)	(38.5)
	Segment Income (Business Income)	30	66	(36)	(54.6)
Security Transportation	Revenues	169	172	(2)	(1.5)
	Segment Income (Business Income)	12	5	7	140.4
Heavy Haulage & Construction	Revenues	111	82	29	36.2
	Segment Income (Business Income)	8	5	3	67.2
Logistics Support	Revenues	1,094	1,068	25	2.4
	Segment Income (Business Income)	32	34	(2)	(5.8)

I. Financial Results for Q1, FY2023 (IFRS)

D Reference: Performance by Segment (Oct-Dec 2022 vs. Jan-Mar 2023)

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

Segment	Item	2023 Results (Jan-Mar 2023)	Prior-Year Results (Oct-Dec 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,297	3,606	(308)	(8.6)
	Segment Income (Business Income)	113	224	(111)	(49.6)
Americas	Revenues	371	429	(57)	(13.5)
	Segment Income (Business Income)	28	37	(9)	(25.2)
Europe	Revenues	449	577	(127)	(22.1)
	Segment Income (Business Income)	21	31	(10)	(32.3)
East Asia	Revenues	391	521	(129)	(24.9)
	Segment Income (Business Income)	15	22	(7)	(33.8)
South Asia & Oceania	Revenues	379	486	(107)	(22.1)
	Segment Income (Business Income)	30	33	(3)	(11.1)
Security Transportation	Revenues	169	168	0	0.3
	Segment Income (Business Income)	12	9	3	41.5
Heavy Haulage & Construction	Revenues	111	119	(8)	(6.7)
	Segment Income (Business Income)	8	22	(13)	(60.3)
Logistics Support	Revenues	1,094	1,154	(60)	(5.3)
	Segment Income (Business Income)	32	42	(9)	(22.6)

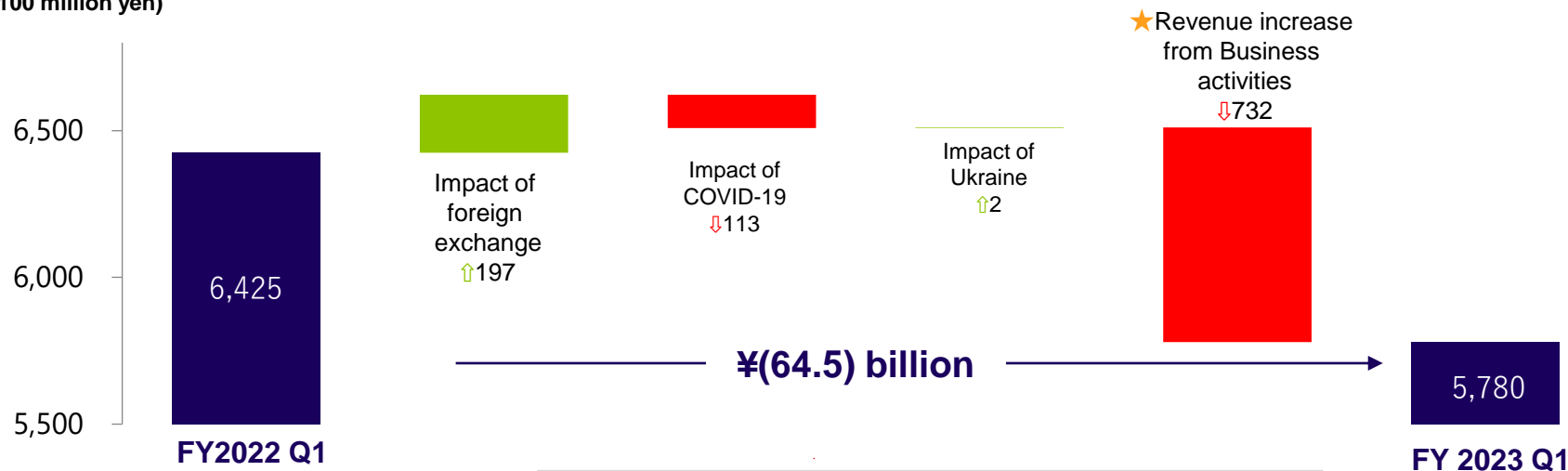
*We expensed 8.0 billion yen in the Japan segment for the period January-March 2023 as property tax expense (estimate) at the beginning of the period.

I. Financial Results for Q1, FY2023 (IFRS)

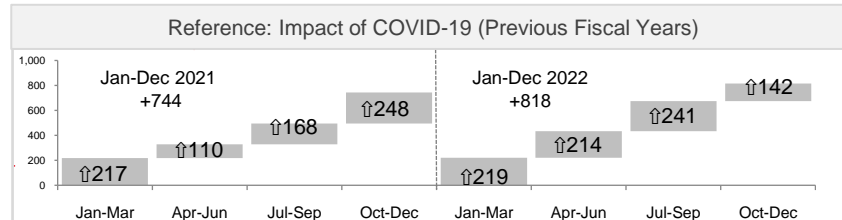
E Breakdown of Revenues and Operating Income

1) Revenues

(100 million yen)



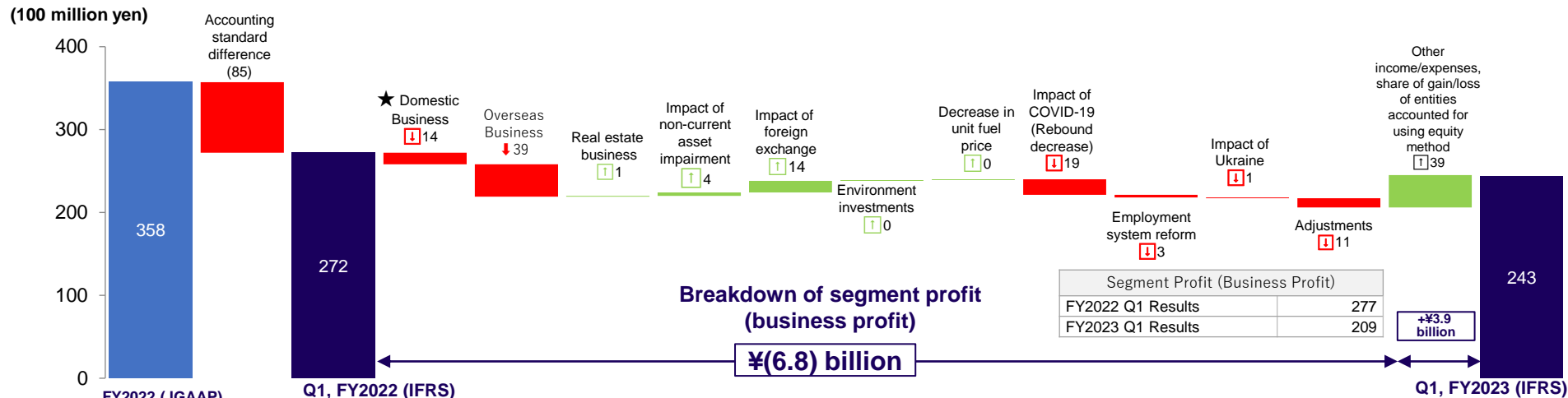
Breakdown of revenue from business activities by segment	
Japan	(286)
Overseas Total	(513)
Security Transportation	(2)
Heavy Haulage & Construction	28
Logistics Support	24
Adjustment	16



I. Financial Results for Q1, FY2023 (IFARS)

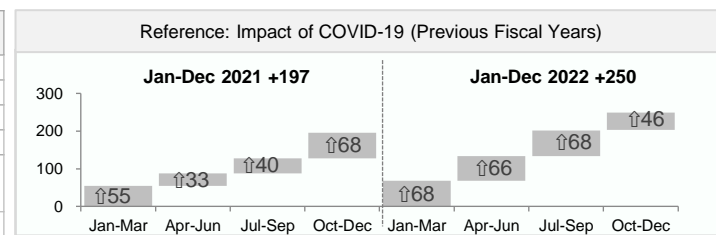
E Breakdown of Revenues and Operating Income

2) Operating income



Main Details of Accounting Standard Differences (-¥8.5 billion) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Profit		Other Income/Expenses, Share of Gain/Loss	
Impact of expensing estimated property taxes at the beginning of the period	(65)	Total other income/expenses	+7
Impact of expensing unused paid leave	(16)	Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(13)
Total	(81)	Total	(5)

★Breakdown of revenue from business activities by segment	
Japan	(26)
Security transportation	7
Heavy Haulage & Construction	3
Logistics Support	(2)
Effect of rate revision [Rate revision 22, Vehicle chartering and subcontracting costs (18)]	3
Japan Business Total	(14)



II. Financial Results Forecast for FY2023 (IFRS)

A Forecast for FY2023

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

Item	Full-Year Forecast (Jan-Dec 2023)	Previous Forecast (Jan-Dec 2023) *Announced March 31	Difference YoY	Difference (%) YoY	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)
Revenues	24,500	24,500	—	—	26,186	(1,686)	(6.4)
Segment Income (Business Income)	1,170	1,170	—	—	1,375	(205)	(14.9)
Operating Income	1,050	1,050	—	—	1,555	(505)	(32.5)
Operating Income Margin	4.3	4.3	—	—	5.9	—	—
Profit Attributable to Owners of Parent	720	720	—	—	1,083	(363)	(33.5)
Overseas Revenues	7,272	7,027	245	3.5	8,412	(1,140)	(13.6)

*We are currently studying the impact of the acquisition of cargo-partner (making cargo-partner a subsidiary), announced today, on the consolidated financial results for the fiscal year ending December 31, 2023. This impact has not been incorporated in the company's financial results forecast disclosed today.
We will promptly announce any matters that should be publicly announced.

II. Financial Results Forecast for FY2023 (IFRS)

B Forecast for FY2023 1H , 2H

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

Item	Current-Year Results (Jan-Mar 2023)	Forecast (Apr-Jun 2023)	1H Forecast (Jan-Jun 2023)	Prior Year 1H Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2023)	Prior Year 2H Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)
Revenues	5,780	6,459	12,240	13,031	(791)	(6.1)	12,260	13,154	(894)	(6.8)
Segment Income (Business Income)	209	315	525	691	(166)	(24.1)	645	683	(38)	(5.6)
Operating Income	243	311	555	1,223	(668)	(54.7)	495	331	163	49.5
Operating Income Margin	4.2	4.8	4.5	9.4	—	—	4.0	2.5	—	—
Profit Attributable to Owners of Parent	133	246	380	869	(489)	(56.3)	340	213	126	59.5
Overseas Revenues	1,592	2,070	3,663	4,206	(543)	(12.9)	3,609	4,205	(596)	(14.2)

II. Financial Results Forecast for FY2023 (IFRS)

C Japan and Overseas Results Forecast

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

Segment	Item	Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	19,171	19,852	(681)	(3.4)
	Segment Income (Business Income)	892	973	(81)	(8.4)
Overseas Total	Revenues	7,272	8,412	(1,140)	(13.6)
	Segment Income (Business Income)	424	592	(168)	(28.4)
		Forecast (Jan-Dec 2023)			
Overseas Sales Ratio		29.7%			

II. Financial Results Forecast for FY2023 (IFRS)

D Forecasts by Reportable Segment (Jan-Dec)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2023)	Prior Forecast (IFRS) *Announced March 31	Difference YoY	Difference YoY (%)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	13,789	14,054	(265)	(1.9)	14,509	(720)	(5.0)
	Segment Income (Business Income)	652	676	(24)	(3.6)	714	(62)	(8.7)
Americas	Revenues	1,709	1,581	128	8.1	1,620	88	5.4
	Segment Income (Business Income)	124	113	11	9.7	137	(13)	(9.8)
Europe	Revenues	1,982	1,813	169	9.3	2,157	(175)	(8.1)
	Segment Income (Business Income)	109	90	19	21.1	125	(16)	(13.1)
East Asia	Revenues	1,870	2,031	(161)	(7.9)	2,415	(545)	(22.6)
	Segment Income (Business Income)	81	89	(8)	(9.0)	128	(47)	(36.8)
South Asia & Oceania	Revenues	1,711	1,602	109	6.8	2,218	(507)	(22.9)
	Segment Income (Business Income)	110	104	6	5.8	200	(90)	(45.3)
Security Transportation	Revenues	690	690	—	—	680	9	1.3
	Segment Income (Business Income)	36	36	—	—	31	4	15.7
Heavy Haulage & Construction	Revenues	470	470	—	—	445	24	5.5
	Segment Income (Business Income)	58	58	—	—	63	(5)	(9.3)
Logistics Support	Revenues	4,222	4,222	—	—	4,216	5	0.1
	Segment Income (Business Income)	146	146	—	—	164	(18)	(11.2)

II. Financial Results Forecast for FY2023 (IFRS)

E Forecasts by Reportable Segment 1H, 2H

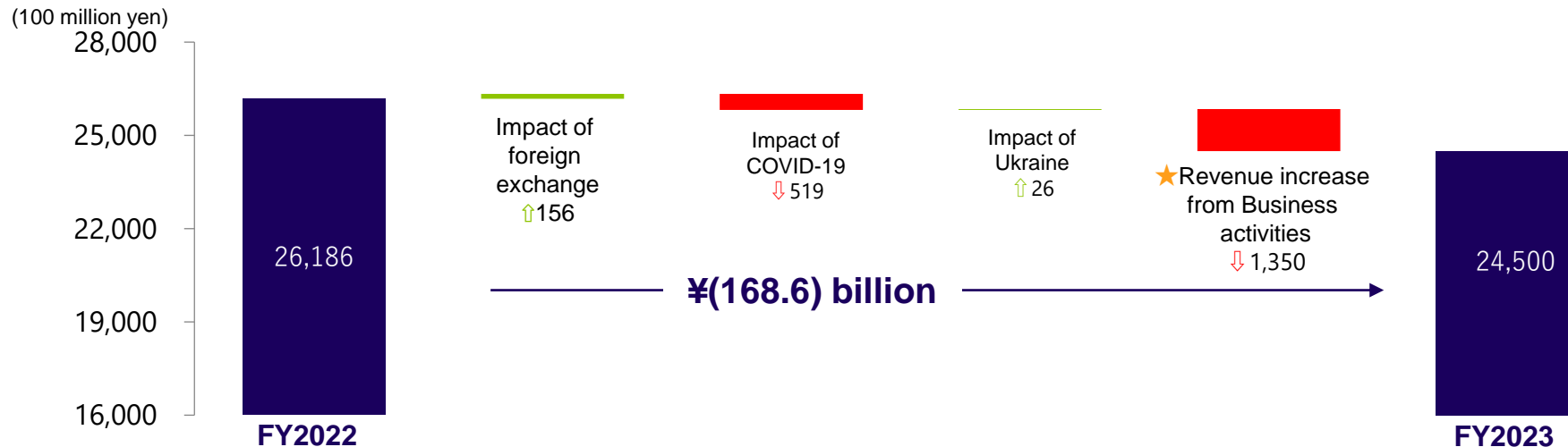
(100 million yen, %)(rounded down to 100 million yen)

Segment	Item	1H Forecast (Jan-Jun 2023)	Previous 1H Forecast (Jan-Jun 2023) *Announced March 31	Difference YoY	Difference (%) YoY	2H Forecasts (Jul-Dec 2023)	Previous 2H Forecast (Jul-Dec 2023) *Announced March 31	Difference YoY	Difference (%) YoY
Japan	Revenues	6,809	6,943	(134)	(1.9)	6,980	7,111	(131)	(1.8)
	Segment Income (Business Income)	280	334	(54)	(16.2)	372	342	30	8.8
Americas	Revenues	859	787	72	9.1	850	794	56	7.1
	Segment Income (Business Income)	62	53	9	17.0	62	60	2	3.3
Europe	Revenues	1,019	921	98	10.6	963	892	71	8.0
	Segment Income (Business Income)	52	39	13	33.3	57	51	6	11.8
East Asia	Revenues	928	994	(66)	(6.6)	942	1,037	(95)	(9.2)
	Segment Income (Business Income)	40	40	—	—	41	49	(8)	(16.3)
South Asia & Oceania	Revenues	857	830	27	3.3	854	772	82	10.6
	Segment Income (Business Income)	51	52	(1)	(1.9)	59	52	7	13.5
Security Transportation	Revenues	345	345	—	—	345	345	—	—
	Segment Income (Business Income)	18	19	(1)	(5.3)	18	17	1	5.9
Heavy Haulage & Construction	Revenues	260	260	—	—	210	210	—	—
	Segment Income (Business Income)	28	28	—	—	30	30	—	—
Logistics Support	Revenues	2,135	2,135	—	—	2,087	2,087	—	—
	Segment Income (Business Income)	69	70	(1)	(1.4)	77	76	1	1.3

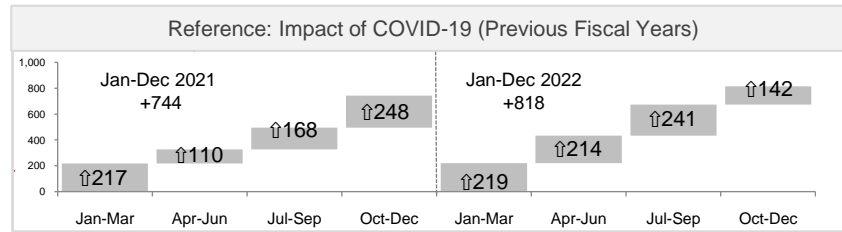
II. Financial Results Forecast for FY2023 (IFRS)

F Breakdown of Revenues and Operating Income

1) Revenues



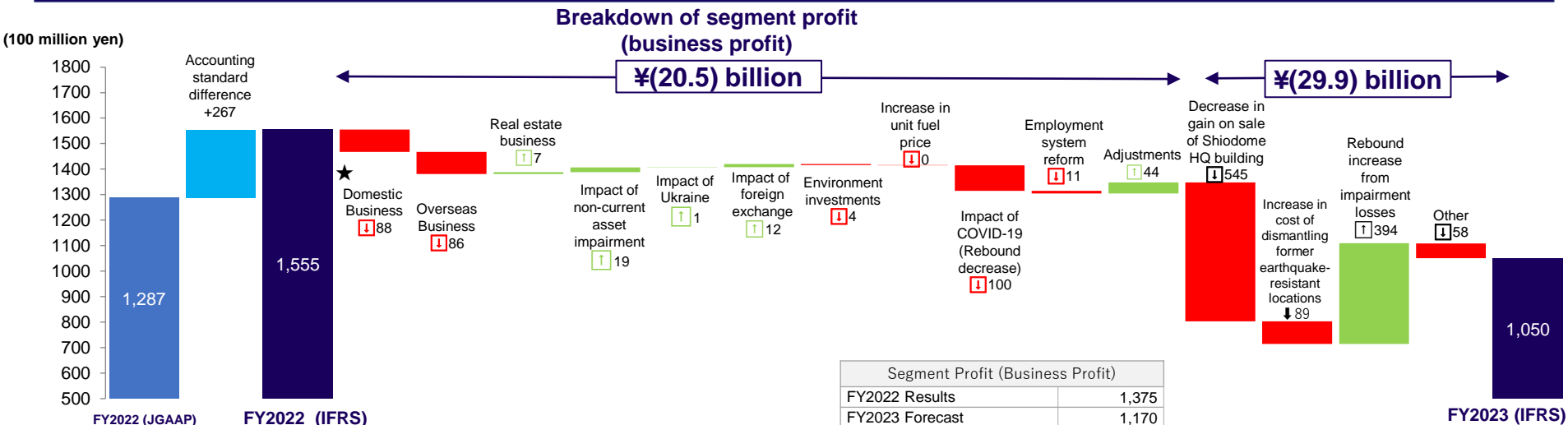
Breakdown of revenue from business activities by segment	
Japan	(723)
Overseas Total	(789)
Security Transportation	8
Heavy Haulage & Construction	17
Logistics Support	1
Adjustment	134



II. Financial Results Forecast for FY2023 (IFRS)

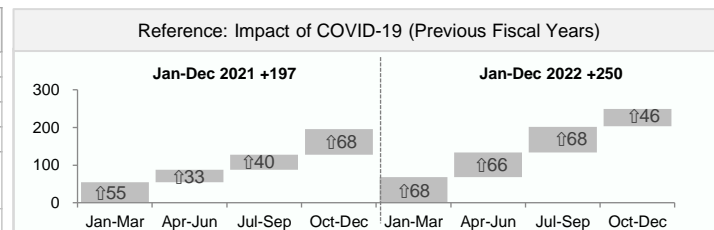
F Breakdown of Revenues and Operating Income

2) Operating income



Main Details of Accounting Standard Differences (+¥26.7 billion) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Profit		Other Income/Expenses, Share of Gain/Loss	
Retirement benefits (differences in accounting standard, non-elimination of actuarial differences)	+35	Total other income/expenses	+175
Change in financial classification, reversal of impairment loss, etc.	+48	Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	+3
Total	+84	Total	+179

★Breakdown of revenue from business activities by segment	
Japan	(118)
Security transportation	4
Heavy Haulage & Construction	(6)
Logistics Support	(19)
Effect of rate revision [Rate revision 175, Vehicle chartering and subcontracting costs(123)]	51
Japan Business Total	(88)



II. Segment Overview for FY2023 (IFRS)

Japan Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	3,297	3,580	(282)	(7.9%)
Segment income (business income)				
Segment income margin (100 million yen)	113 [3.4%]	131[3.7%]	(18)	(14.2%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	3,297	3,511	6,809	—	—	6,980	13,789
	2022	3,580	3,674	7,255	3,647	3,606	7,254	14,509
	Difference/ Difference (%)	(282) [(7.9%)]	(163) [(4.5%)]	(446) [(6.2%)]	—	—	(274) [(3.8%)]	(720) [(5.0%)]
Segment income (business income) 100 million yen, %	2023	113	166	280	—	—	372	652
	2022	131	228	360	129	224	354	714
	Difference/ Difference (%)	(18) [(14.2%)]	(61) [(26.9%)]	(80) [(22.2%)]	—	—	17 [5.0%]	(62) [(8.7%)]
Segment income margin (%)	2023	3.4	4.8	4.1	—	—	5.3	4.7
	2022	3.7	6.2	5.0	3.6	6.2	4.9	4.9

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	13,789	14,054	(265)
Segment income	652 [4.7%]	676 [4.8%]	(24)

January-March 2023 Highlights

Domestic logistics cargo movement at the end of March was slower than usual, although we noted a recovery in automobile-related and other sectors. International logistics saw a decline in revenues due to lower volumes compared with the previous year (when cargo volumes were robust) and the impact of lower sales unit prices. Segment income decreased due to lower volume, although we maintained gross profit per unit in the forwarding business.

Special Factors

- Cost increase associated with the employee system reform:
[Segment income] (2) [Q1], (9) [year]
- Impact of COVID-19:
[Revenue] +3 [Q1], (8) [year]
[Segment income] +0 [Q1], (7) [year]
- Impact of Ukraine:
[Revenue] (0) [Q1], +10 [year]
[Segment income] (0) [Q1], +0 [year]
- Environment investments:
[Segment income] +0 [Q1], (4) [year]
- Real estate business:
[Segment income] +1 [Q1], +7 [year]
- Impairment Loss on Fixed Assets :
[Segment income] +4 [Q1], +19 [year]

Forecast Overview

We expect volume in connection with railroads, automobiles, and warehouses related to the automotive industry to remain strong. While air export freight forwarding is likely to remain sluggish, we expect a gradual recovery beginning in the second half of the year. We expect cargo demand for ocean export freight forwarding in North America, Europe, and the U.S. to recover gradually beginning in the second half of the year. However, revenue and profits are likely to decline due to the impact of falling unit prices from the previous year.

II. Segment Overview for FY2023 (IFRS)

The Americas Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	371	326	45	13.8%
Segment income (business income)				
Segment income margin (100 million yen)	28 [7.6%]	22 [6.8%]	5	26.5%

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	371	487	859	—	—	850	1,709
	2022	326	420	747	443	429	873	1,620
	Difference/ Difference (%)	45 [13.8%]	66 [15.8%]	111 [15.0%]	—	—	(23) [(2.7%)]	88 [5.4%]
Segment income (business income) 100 million yen, %	2023	28	33	62	—	—	62	124
	2022	22	31	53	46	37	83	137
	Difference/ Difference (%)	5 [26.5%]	2 [7.8%]	8 [15.6%]	—	—	(21) [(26.1%)]	(13) [(9.8%)]
Segment income margin (%)	2023	7.6	6.9	7.2	—	—	7.3	7.3
	2022	6.8	7.4	7.2	10.4	8.8	9.6	8.5

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,709	1,581	128
Segment income	124 [7.3%]	113 [7.1%]	11

January-March 2023 Highlights

Air and ocean export freight forwarding volume fell significantly year on year, but unit freight rates remained high. While demand for forwarding began to normalize as port congestion resolved, apparel- and automobile-related warehouse and distribution processing remained firm as in the previous fiscal year, and the receipt of appropriate fees led to higher revenues and profit.

Special Factors

• Impact of foreign exchange (weaker yen):

[Revenue] +45 [Q1], +15 [year]
[Segment income] +3 [Q1], +0 [year]

• Impact of COVID-19:

[Revenue] +7 [Q1], (28) [year]
[Segment income] +0 [Q1], (8) [year]

Forecast Overview

We expect warehousing and distribution processing to remain strong as in the previous fiscal year, but the air and ocean export freight business is likely to see lower performance due to declines in volume and lower freight rates.

II. Segment Overview for FY2023 (IFRS)

Europe Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	449	481	(32)	(6.7%)
Segment income (business income)				
Segment income margin (100 million yen)	21 [4.8%]	21 [4.5%]	(0)	(1.7%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	449	569	1,019	—	—	963	1,982
	2022	481	558	1,040	539	577	1,116	2,157
	Difference/ Difference (%)	(32) [(6.7%)]	10 [2.0%]	(21) [(2.0%)]	—	—	(153) [(13.8%)]	(175) [(8.1%)]
Segment income (business income) 100 million yen, %	2023	21	30	52	—	—	57	109
	2022	21	39	61	32	31	64	125
	Difference/ Difference (%)	(0) [(1.7%)]	(8) [(22.7%)]	(9) [(15.2%)]	—	—	(7) [(11.1%)]	(16) [(13.1%)]
Segment income margin (%)	2023	4.8	5.4	5.1	—	—	5.9	5.5
	2022	4.5	7.1	5.9	6.0	5.5	5.7	5.8

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,982	1,813	169
Segment income	109 [5.5%]	90 [5.0%]	19

January-March 2023 Highlights

Air and ocean export freight forwarding volume fell significantly year on year, but unit freight rates remained high. While revenues from warehousing and automobile transportation rose year on year due to new warehouse volume and other factors, revenues were lower due to the significant impact of the decline in international logistics. Profits were lower due to higher personnel expenses, fuel costs, and overhead costs associated with soaring prices.

Special Factors

• Impact of foreign exchange (weaker yen):

[Revenue] +44 [Q1], +86 [year]
[Segment income] +2 [Q1], +5 [year]

• Impact of COVID-19:

[Revenue] (32) [Q1], (145) [year]
[Segment income] (0) [Q1], (13) [year]

• Impact of Ukraine:

[Revenue] +2 [Q1], +14 [year]
[Segment income] (1) [Q1], +0 [year]

Forecast Overview

We expect international logistics volume and sales unit prices to remain on a downward trend. Warehousing and distribution processing should remain firm, but the impact of lower sales unit prices and volume in international logistics is likely to be significant, resulting in lower revenues and profit.

II. Segment Overview for FY2023 (IFRS)

East Asia Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

	FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)		391	598	(207)	(34.6%)
Segment income (business income)		15 [3.9%]	31 [5.2%]	(16)	(51.3%)
Segment income margin (100 million yen)					

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	391	536	928	—	—	942	1,870
	2022	598	647	1,246	647	521	1,168	2,415
	Difference/ Difference (%)	(207) [(34.6%)]	(111) [(17.2%)]	(318) [(25.6%)]	—	—	(226) [(19.4%)]	(545) [(22.6%)]
Segment income (business income) 100 million yen, %	2023	15	24	40	—	—	41	81
	2022	31	33	64	41	22	63	128
	Difference/ Difference (%)	(16) [(51.3%)]	(8) [(24.8%)]	(24) [(37.7%)]	—	—	(22) [(35.9%)]	(47) [(36.8%)]
Segment income margin (%)	2023	3.9	4.6	4.3	—	—	4.4	4.3
	2022	5.2	5.1	5.2	6.3	4.4	5.5	5.3

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,870	2,031	(161)
Segment income	81 [4.3%]	89 [4.4%]	(8)

January-March 2023 Highlights

Air export freight forwarding exports declined sharply in volume due to a weak market and a reactionary drop in semiconductor production equipment volume. Ocean export freight forwarding was affected negatively by a decline in sales unit prices, despite increased volume in Asia and other regions. The negative impact of the forwarding business was significant, resulting in lower revenues and profit.

Special Factors

- Impact of foreign exchange (weaker yen):
[Revenue] +48 [Q1], +10 [year]
[Segment income] +2 [Q1], +0 [year]
- Impact of COVID-19:
[Revenue] +6 [Q1], (123) [year]
[Segment income] +1 [Q1], (21) [year]

Forecast Overview

We expect air export freight forwarding to see a recovery in production activities from COVID-19, as well as a recovery in cargo movement beginning in the second half of the year. However, we also expect the negative impact of a decline in sales unit prices and a reactionary drop from the previous year, as in Q1. While cargo movement should recover in the apparel, consumer goods, and other sectors due to end of the Zero-COVID policy, we expect the impact of the reactionary decline to be significant, resulting in lower revenues and profits.

II. Segment Overview for FY2023 (IFRS)

South Asia & Oceania Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	379	617	(237)	(38.5%)
Segment income (business income)				
Segment income margin (100 million yen)	30 [7.9%]	66 [10.7%]	(36)	(54.6%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	379	477	857	—	—	854	1,711
	2022	617	555	1,172	559	486	1,046	2,218
	Difference/ Difference (%)	(237) [(38.5%)]	(77) [(14.0%)]	(315) [(26.9%)]	—	—	(192) [(18.4%)]	(507) [(22.9%)]
Segment income (business income) 100 million yen, %	2023	30	20	51	—	—	59	110
	2022	66	48	114	52	33	86	200
	Difference/ Difference (%)	(36) [(54.6%)]	(27) [(56.8%)]	(63) [(55.5%)]	—	—	(27) [(31.6%)]	(90) [(45.3%)]
Segment income margin (%)	2023	7.9	4.4	6.0	—	—	6.9	6.4
	2022	10.7	8.7	9.8	9.4	6.9	8.2	9.1

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,711	1,602	109
Segment income	110 [6.4%]	104 [6.5%]	6

January-March 2023 Highlights

Air export freight forwarding was affected negatively by a reactionary decline in automobile and electrical and electronics-related exports, which had been strong in the previous year. Ocean cargo transportation volume declined as well due to a slowdown in transportation demand to Europe and the U.S. Revenues and profit declined due to the impact of lower sales unit prices in the forwarding business.

Special Factors

- Impact of foreign exchange (weaker yen):
[Revenue] +59 [Q1], +44 [year]
[Segment income] +6 [Q1], +5 [year]
- Impact of COVID-19:
[Revenue] (100) [Q1], (225) [year]
[Segment income] (22) [Q1], (52) [year]

Forecast Overview

While we expect air export freight forwarding to see the negative impact of a reactionary decline from the previous year and falling unit rates, ocean cargo transportation volume should increase slightly due to the acquisition of intra-Asia transportation for automobile-related cargo and a shift from air cargo transportation to ocean cargo transportation. We expect cargo volume to recover beginning in the second half of the fiscal year; however, revenues and profit are likely to decline due to a significant reactionary drop from the previous year.

II. Segment Overview for FY2023 (IFRS) Security Transportation Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	169	172	(2)	(1.5%)
Segment income (business income)				
Segment income margin (100 million yen)	12 [7.6%]	5 [3.1%]	7	140.4%

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	169	175	345	—	—	345	690
	2022	172	170	342	169	168	338	680
	Difference/ Difference (%)	(2) [(1.5%)]	5 [3.1%]	2 [0.8%]	—	—	6 [1.9%]	9 [1.3%]
Segment income (business income) 100 million yen, %	2023	12	5	18	—	—	18	36
	2022	5	9	14	7	9	16	31
	Difference/ Difference (%)	7 [140.4%]	(4) [(44.2%)]	3 [24.2%]	—	—	1 [8.3%]	4 [15.7%]
Segment income margin (%)	2023	7.6	2.9	5.2	—	—	5.2	5.2
	2022	3.1	5.4	4.2	4.4	5.4	4.9	4.6

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	690	690	—
Segment income	36 [5.2%]	36 [5.2%]	—

January-March 2023 Highlights

While the acquisition of outsourcing operations had a positive impact on revenues, a decrease in the number of scheduled flights and the discontinuation of transportation to clearinghouses led to a decline in revenues. The increase in profit was due to cost reductions achieved by streamlining operations through efforts that we continued to strengthen.

Special Factors

Forecast Overview

We expect to win new financial institution outsourcing contracts and see the positive impact of rate revisions. However, we forecast revenues to remain flat year on year due to the impact of fewer scheduled flights. We expect segment profit to increase in response to cost reductions achieved through streamlined operations.

II. Segment Overview for FY2023 (IFRS) Heavy Haulage & Construction Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	111	82	29	36.2%
Segment income (business income)	8 [8.0%]	5 [6.5%]	3	67.2%
Segment income margin (100 million yen)				

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	111	148	260	—	—	210	470
	2022	82	117	199	125	119	245	445
	Difference/ Difference (%)	29 [36.2%]	30 [25.8%]	60 [30.1%]	—	—	(35) [(14.5%)]	24 [5.5%]
Segment income (business income) 100 million yen, %	2023	8	19	28	—	—	30	58
	2022	5	16	21	19	22	42	63
	Difference/ Difference (%)	3 [67.2%]	2 [18.2%]	6 [30.5%]	—	—	(12) [(29.3%)]	(5) [(9.3%)]
Segment income margin (%)	2023	8.0	12.9	10.8	—	—	14.3	12.3
	2022	6.5	13.7	10.7	15.8	18.8	17.3	14.3

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	470	470	—
Segment income	58 [12.3%]	58 [12.3%]	—

January-March 2023 Highlights

Domestic revenues and profit rose due to strong sales of shutdown maintenance (SDM) services and industrial machinery construction work. Overseas revenues and profit increased with the contribution of ocean cargo transportation in connection with wind power.

Special Factors

• Impact of COVID-19:

[Revenue] +0 [Q1], +7 [year]
[Segment income] +0 [Q1], +1 [year]

Forecast Overview

We expect sales to increase in response to industrial machinery construction, wind power, and SDM. We should also see an increase in volume related to bridges, civil engineering, and other road infrastructure. Although we expect to see the benefit of fee revision initiatives, we forecast a decrease in profits due to the impact of a reactionary decline in wind power-related construction in the previous year.

II. Segment Overview for FY2023 (IFRS)

Logistics Support Segment

1 Quarterly Results for FY2023 (Jan-Mar Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	1,094	1,068	25	2.4%
Segment income (business income)				
Segment income margin (100 million yen)	32 [3.0%]	34 [3.2%]	(2)	(5.8%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	1,094	1,040	2,135	—	—	2,087	4,222
	2022	1,068	1,002	2,071	989	1,154	2,144	4,216
	Difference/ Difference (%)	25 [2.4%]	38 [3.8%]	63 [3.1%]	—	—	(57) [(2.7%)]	5 [0.1%]
Segment income (business income) 100 million yen, %	2023	32	36	69	—	—	77	146
	2022	34	47	82	40	42	82	164
	Difference/ Difference (%)	(2) [(5.8%)]	(11) [(23.4%)]	(13) [(16.0%)]	—	—	(5) [(6.3%)]	(18) [(11.2%)]
Segment income margin (%)	2023	3.0	3.5	3.2	—	—	3.7	3.5
	2022	3.2	4.7	4.0	4.1	3.6	3.8	3.9

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	4,222	4,222	—
Segment income	146 [3.5%]	146 [3.5%]	—

January-March 2023 Highlights

NX Shoji revenue increased due to an increase in vehicle marking projects and volume in the biomass-related business. However, profits declined due to lower sales volume and sales unit prices related to petroleum and LP gas.

Special Factors

• Impact of COVID-19:

[Revenue] +0 [Q1], +3 [year]
[Segment income] +0 [Q1], +1 [year]

Forecast Overview

While the petroleum division will likely be affected by a decrease in volume, etc., we expect an increase in revenues due to an increase in the volume for contracted warehouse operations, etc. We expect segment profit to decrease due to the significant impact of lower volume in the petroleum sector, despite our belief that LS business automotive-related product volume and industrial machinery volume will remain strong.

III. Challenges of the Business Plan

Business Plan Figures (Japanese GAAP)

A Status of Business Plan 2023 Initiatives

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

Item	Current-Year Results Pro Forma (JGAAP) (Jan-Mar 2023)	Difference	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023)	2023 Business Plan Target (JGAAP)	Difference (Vs Plan)	Difference (%) (Vs Plan)
Revenues	5,778	23.6	24,500	24,000	500	2.1
Operating Income	249	22.7	1,100	1,100	—	—
Operating Income Margin	4.3	—	4.5	4.6	—	—
Profit Attributable to Owners of Parent	158	21.2	750	720	30	4.2
Overseas Sales	1,592	22.7	7,027	7,200	(173)	(2.4)
ROE	—	—	10.0	10.0	—	—

*IFRS ROE (forecast) for FY2023 is 9.3%. The difference with the Japanese GAAP ROE of 10% (forecast) is gains on sales of marketable securities are not recorded in the PL under IFRS.

*We will evaluate Business Plan 2023 initiatives using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

III. Challenges of the Business Plan

Business Plan Figures (Japanese GAAP)

A Status of Business Plan 2023 Initiatives

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

Segment	Item	Pro Forma (JGAAP) (Jan-Mar 2023)	Difference	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023)	2023 Business Plan Target (JGAAP)	Difference (Vs Plan)	Difference (%) (Vs Plan)
Japan	Revenues	3,318	24.1	13,789	13,730	59	0.4
	Segment Income	148	24.9	596	658	(62)	(9.4)
	Operating Income Margin	4.5	—	4.3	4.8	—	—
Americas	Revenues	371	21.8	1,709	1,210	499	41.2
	Segment Income	27	22.2	124	72	52	72.2
	Operating Income Margin	7.4	—	7.3	6.0	—	—
Europe	Revenues	449	22.7	1,982	1,860	122	6.6
	Segment Income	21	19.5	109	87	22	25.3
	Operating Income Margin	4.7	—	5.5	4.7	—	—
East Asia	Revenues	391	21.0	1,870	2,310	(440)	(19.0)
	Segment Income	15	18.5	81	89	(8)	(9.0)
	Operating Income Margin	3.8	—	4.3	3.9	—	—
South Asia & Oceania	Revenues	379	22.2	1,711	1,820	(109)	(6.0)
	Segment Income	30	27.3	110	142	(32)	(22.5)
	Operating Income Margin	7.9	—	6.4	7.8	—	—
Security Transportation	Revenues	170	24.7	690	690	—	—
	Segment Income	16	69.2	24	11	13	118.2
	Operating Income Margin	9.7	—	3.5	1.6	—	—
Heavy Haulage & Construction	Revenues	111	23.8	470	530	(60)	(11.3)
	Segment Income	8	16.0	56	61	(5)	(8.2)
	Operating Income Margin	8.0	—	11.9	11.5	—	—
Logistics Support	Revenues	1,071	25.4	4,222	3,820	402	10.5
	Segment Income	35	24.2	146	120	26	21.7
	Operating Income Margin	3.3	—	3.5	3.1	—	—

*We will evaluate Business Plan 2023 initiatives using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

III. Challenges of the Business Plan

B NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses

Item Revenues	Japan*1					Overseas				
	2023 Jan-Mar Results	2022 Jan-Mar Results	Difference (%)	2023 Jan-Dec Targets	Progress	2023 Jan-Mar Results	2022 Jan-Mar Results	Difference (%)	2023 Jan-Dec Targets	Progress
Electric and Electronics Industry	¥27.0 billion	¥29.2 billion	(8%)	¥120.0 billion	23%	¥39.0 billion	¥50.8 billion	(23%)	¥174.0 billion	22%
Automotive Industry	¥22.0 billion	¥23.9 billion	(8%)	¥110.0 billion	20%	¥27.4 billion	¥34.9 billion	(21%)	¥120.0 billion	23%
Apparel Industry	¥4.0 billion	¥3.9 billion	3%	¥20.0 billion	20%	¥23.9 billion	¥23.4 billion	2%	¥80.0 billion	30%
Pharmaceutical/Medical Industry	¥4.9 billion	¥4.9 billion	0%	¥30.0 billion	16%	¥9.7 billion	¥8.1 billion	20%	¥40.0 billion	24%
Semiconductor-Related Industries	¥8.1 billion	¥12.1 billion	(33%)	¥45.5 billion	18%	¥4.5 billion	¥5.9 billion	(24%)	¥20.0 billion	23%

Item	2023 Jan-Mar Results	2022 Jan-Mar Results	Difference (%)	2023 Jan-Dec Targets	Progress
Ocean Forwarding Business*2	170,000 TEU	190,000 TEU	(7.6%)	1,100,000 TEU	15.8%
Air Forwarding Business*2	170,000 t	240,000 t	(27.2%)	1,200,000 t	14.4%

Item Revenues	2023 Jan-Mar Results	2022 Jan-Mar Results	Difference (%)	2023 Jan-Dec Targets	Progress
Non-Japanese Customer Accounts (GAM・GTA*3)	¥12.6 billion	¥28.2 billion	(55.3%)	¥86.9 billion	14.5%

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

*2 Results, differences (%) rounded to the nearest whole number

*3 GAM is an abbreviation for global account management.

III. Challenges of the Business Plan

C Strategy to Enhance Domestic Businesses in Japan

Major Initiatives

I. Improve Profits

- ◆ Pursued daily cost controls, continuing to leverage company strengths to fullest and reduce outsourcing cost ratios
 - Q1, FY2023 utilization ratio of company-owned vehicles increased +0.3 points year on year
 - Due to the impact of the reactionary decline in international logistics, revenues decreased (-7.5% year on year), while our outsourcing cost ratio rose +3.5 percentage points year on year (Calculated after deducting NXCL previous-year results)
However, our outsourcing cost ratio after deducting special factors declined by about -1 point compared with levels prior to the outbreak of COVID-19
 - We will continue to improve the margin ratio by leveraging company strengths and company-owned vehicles

II. Improve Productivity

- ◆ Raise overall level of warehouse operations
 - Develop and hire more logistics human resources through a three-tier education and training program to improve the overall level of warehouse operations
 - (1) Logistics boot camp: We have scheduled logistics boot camps beginning in July, taking into account the launch of new warehouses this fiscal year. Our aim here is to develop core human resources to carry our logistics business (15 individuals scheduled to attend)
 - (2) **Logistics Academy: The Logistics Academy is for managers of major distribution centers (100 locations) nationwide to develop human resources capable of improving performance at distribution centers (four sessions scheduled beginning in May)**
 - (3) e-Learning: All employees have access to e-learning to improve their understanding of operations standardization and improvement
- ◆ Automate, streamline office work
 - We aim to reduce a cumulative total of 2,150,000 hours (annualized) by the end of FY2023 through two pillars of RPA: (1) RPA managed centrally in the IT department at headquarters and (2) Automated RPA used in branch offices and divisions
 - Q1, FY2023 Results: Cumulative 1,828,899 hours [vs. target of -321,101 hours]

III. Deepen Integration of Land, Sea, and Air

- ◆ Pursue cross-mode sales
 - We are engaged in sales across all branches in Japan by leveraging systems to visualize areas not covered for existing customers; we won 121 projects this fiscal year (Q1 cumulative total)

IV. Strengthen Network Transportation Products

- ◆ Increased sales of railroad containers, air cargo containers
 - NX Train is now on sale and has been well received by customers; load rate of approximately 90%.
 - We are pursuing modal shift proposals for decarbonization as a transportation mode that will be effective in solving issues surrounding the future of logistics; we are also building backup transport systems in the event of natural disasters
 - **Expanding Sea & Rail Sales** **Q1 results: 2,560 tons (102.8% of previous year)**
- ◆ Increased sales of railroad containers, air cargo containers
 - During the March busy period, we revised rates with contracted corporate clients, established sales quotas, and set up remote locations to ensure profitability and improve quality
 - We maintained and improved quality through higher sales unit prices improved profitability, and by setting sales quotas to curb the use of outsourced labor caused by excessive ordering
Q1 cumulative average NPS: 47 points (+7 points year on year)
- ◆ Increased sales of railroad containers, air cargo containers
 - Improved profitability through more efficient and streamlined operations, stronger coordination within the NX Group, more alliances with other companies in our industry, etc.
- ◆ Increased sales of Protect BOX
 - Increased sales of railroad containers, air cargo containers
Q1 Results: 9,937 units (121% of previous year)

III. Challenges of the Business Plan

D Business Structure Reform Project

~ Reform and Strengthen Businesses ~

(1) Logistics Division Reform

Optimize and improve functions of SCM by customer. Make a positive contribution to customers, designing optimal logistics solutions by mobilizing the collective strength of the NX Group

(launched program for logistics-fluent human resources development)

(2) Railway Utilization Business Reform

Rebuild the NX-brand railway utilization business as a sustainable means of transportation conscious of the decarbonization era; provide market-oriented, high-value-added services, as well as safe and reliable transportation

(3) Small-Lot Shipment Business Reform

Improve profitability by integrating NX Transport and Small-Lot Shipments business and strengthen business by leveraging alliances, etc.

(4) Coastal Shipping Business Reform

Establish the NX Group coastal shipping brand as a brand that covers all ports in Japan and contributes solutions to social issues.

Reorganize shipping routes and develop new products with a view to forming alliances with other shipping companies

(5) Integrated Business Reform

- Business Focus: Strengthen competitiveness and enhance total logistics solutions
- Sales Focus: Provide one-stop total solutions to customers
- Area Focus: Maximize profits based on area market characteristics (launch of work subsidiary reforms)

(6) M&A Strategy

Strengthen competitiveness of forwarding business from Asia (main battlefield) and enhance our ability to respond to market needs in each region tied to industries and businesses

Strengthen M&A execution framework (several specific deals under way)

Summary: Concentrate management resources in Tokyo, Nagoya, and Osaka + Combine Strengthened Businesses



Business Expansion

III. Challenges of the Business Plan

E Progress in FY2023 Back Office Cost Reductions (as of March 31, 2023)

Enhancing Japanese Domestic Businesses	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE Dec 2021 Results (Apr-Dec) [YoY]	FY2022 Results (Jan-Dec) [YoY]	FY2023 Results (Jan-Mar) [YoY]	Cumulative Through March, FY2023	FY2023 (Forecast)	FY2023 Cumulative (Forecast)	FY2023 Cumulative (Target)
Further reorganization of organizations streamlining of administrative departments	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	—	-¥0.14 billion [-15 employees]	-¥3.88 billion [-432 employees]	-¥0.98 billion [-109 employees]	-¥4.7 billion [-526 employees]	-¥4.5 billion [-500 employees]
	Reassign HQ employees	—	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]	-¥0.38 billion [-42 employees]		FY2023 Target Progress: 86%			
Back office process reform	Overtime [back office personnel]	-¥1.1 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	-¥0.02 billion	-¥1.55 billion	-¥1.16 billion	-¥3.0 billion	-¥5.0 billion
	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.2 billion	+¥0.91 billion	+¥0.25 billion	FY2023 Target Progress: 31%			
Total	Total	-¥2.05 billion	-¥4.58 billion	+¥0.31 billion	+¥0.8 billion	+¥0.09 billion	-¥5.43 billion FY2023 Target Progress: 57%	-¥2.14 billion	-¥7.7 billion	-¥9.5 billion

*Results and targets related to *further reorganization of organizations/streamlining of administrative departments* represent scale of implementation and estimates for related measures

*2023 results do not include the security transportation business, as it was spun off.

III. Challenges of the Business Plan

~ FY2023

Numerical Targets

Revenues, operating income (margin), net income, overseas revenues,
ROE, FWD volume
By Segment (Logistics, Heavy Haulage & Construction, Security
Transportation, Logistics Support)

NX Group Business Plan 2023 Overview

Growth Strategy of Core Businesses

- Growth in global markets
- Concentrate management resources in major cities in Japan

Strategy to Enhance Domestic Businesses in Japan

- Improve profitability of specialized businesses
- Improve sales and administrative productivity
- Engage in dramatic reform of low-profit businesses

Efforts to Implement Our Long-Term Vision

- Inorganic Growth Strategy
- Exercise ESG-oriented business management to realize sustainable development
- Reinforce functions to support challenges

Accelerate Reform Through a Holding Company Structure

- Restructure Business Portfolios
• **Restructure group businesses**
- Strengthen Specialized Businesses
• **Strengthen businesses by spinning off the security transportation business (NX Cash Logistics)**
- Inorganic Growth
• **Strengthen M&A overseas**
- Strengthen Governance
• **Evolve global management functions**
- Brand Strategy
• **Global penetration and strengthening of the NX Group brand**

2037 Long-Term Vision
A logistics company with a strong
presence in the global market

This fiscal year is the final year of our business plan. Toward completing this plan successfully, we must strengthen our engagement in our growth strategy for our core businesses and strategy to enhance domestic businesses in Japan, in particular.

III. Challenges of the Business Plan

F

M&A Materials

1. Outline of the Transaction

We have reached agreement with Cargo-Partner Group Holding AG and its subsidiaries Multi Transport und Logistik Holding AG, Safer Overseas Transport Holding GmbH, Cargo-Partner GND GmbH, and CARGO-PARTNER US HOLDINGS INC. (collectively, the "Sellers") to acquire the shares in their multiple subsidiaries, which provide global logistics services through their main business sites in Central and Eastern Europe (the "Target" or "cargo-partner") (the "Transaction"), through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company's European holding company.

Target Company ⁽¹⁾	cargo-partner GmbH (one representative target company)
Structure	Acquire the shares of the 63 Target Companies from the Sellers in cash through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company's European holding company.
Purchase Price	Ordinary shares of the Target Companies: EUR 845 million (approx. JPY 126,750 million) ⁽²⁾ (the actual purchase price will be determined after adjustments in relation to net debt and net working capital of cargo-partner are made at time of completion of the Transaction) In addition, a maximum of EUR 555 million (approx. JPY 83,250 million) ⁽²⁾ will be paid in cash to the Sellers, subject to the Target Companies' earnings reaching a certain financial threshold agreed to in the Agreement.
Closing Date of the Transaction	November 2023 – May 2024 (planned)

(1): Note that the outline of only one representative company is presented above, although the Target Companies consist of 63 companies (including partially-owned subsidiaries).
(2): Converted at the rate of 1 EUR = 150 JPY.

2. Outline of cargo-partner

Basic Information ⁽¹⁾		Financials					
Target company	cargo-partner GmbH (one representative target company)	Consolidated Revenue ⁽²⁾			Consolidated EBIT ⁽²⁾		
Date of Incorporation	November 30, 1983	EUR Million			EUR Million		
Headquarter address	Airportstraße 9, 2401 Fischamend, Austria	1,050	1,806	2,063	47	113	71
Representatives	Luca Ferrara, Managing Director Martin Schenzel, Managing Director	FYE December 2020	FYE December 2021	FYE December 2022	FYE December 2020	FYE December 2021	FYE December 2022
Business	Transportation service, mainly focused on Air / Sea freight forwarding						
Area	Western Europe, Eastern Europe, Central Europe, North-Eastern Asia, East-Southern Asia, India, Oceania, North America						
Hub of the Target Company		Characteristics					
		Owns robust business foundation in Central-Eastern Europe , a hub of production bases for manufacturers. Has strength in freight forwarding in trade lines between Asia and Europe					
		In addition to its major air / ocean freight forwarding business , conducts train / track transportation and contract logistics business					

(1): Note that the outline of only one representative company is presented above, although the Target Companies consist of 63 companies (including partially-owned subsidiaries).
(2): The financial information and business performance are the consolidated figures of Cargo-Partner Group Holding AG, consisting of the Sellers and the Target Companies.

3. Strategic Rationale

Strategic Rationale		Overview
A	Expand our network and services	• Strengthening our network and services in the European area by supplementing the logistics foundation in the Central and Eastern Europe region , where, as the production base for the European region, strong growth is expected
B	Strengthen our competitiveness by expanding the amount of freight forwarding volume	• Strengthening our competitiveness in the global markets through an increase in air and sea freight forwarding volume
C	Strengthen our ability to meet global logistics demand	• Addressing a variety of needs of our customers who operate their business globally, especially by strengthening our ability to meet logistics demand between Asia and Europe as well as reinforcing our global accounts team
D	Create synergies and expand / develop the business	• Developing and creating synergies between our logistics businesses which are complementary due to the different areas of strengths in terms of customer base and coverage countries and areas

To further strengthen the freight forwarding business through synergies and by leveraging the competitive strengths of each company, to create an even more active sales and marketing operation, and to increase our presence in the global market

4. PMI (Post Merger Integration) Policy

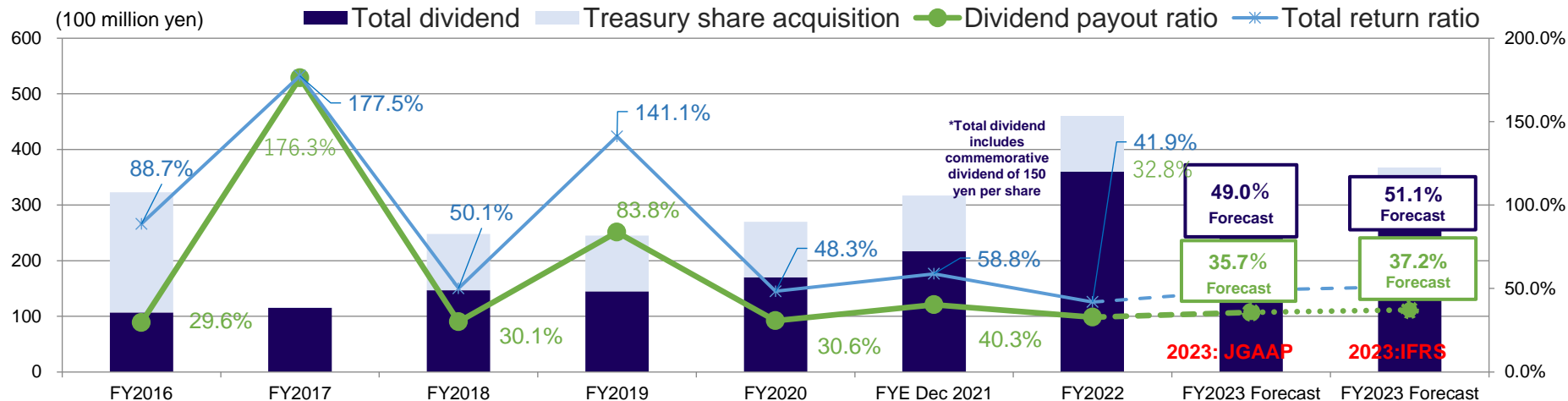
Establish a Steering Committee		
Management  NX Group will second some Directors and employees. Reinforce a rapid coordination by deepening mutual understanding and expanding trusted relationships	Governance  Establish a governance structure to realize the integration of respective managements from cargo-partner and NX group	Growth Strategy  Promote and implement execution plans to realize growth strategy by both NX Group and cargo-partner, via GBHQ

IV. Return to Shareholders

A Capital Policies

- ROE 10%
- Dividend payout ratio 30% or more
- Total return ratio: Over 50% (cumulative total FY2019-FY2023)
- Equity ratio: Target 35%

B Key Indicators



Dividend per Share (Full-Year)	11	120*	155	155	185	240	400 (including 150 yen commemorative dividend)	300	Forecast
ROE	6.9 (JGAAP)	1.2 (JGAAP)	9.2 (JGAAP)	3.2 (JGAAP)	10.0 (JGAAP)	8.9 (JGAAP)	15.9 (JGAAP)	10.0 (JGAAP) 9.3 (IFRS)	Forecast

*The Company conducted a ten-for-one reverse stock split effective October 1, 2017. The amounts of dividends from FY2017 onwards reflect this reverse split.

*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.

Supplemental Documents

The information presented in this document provides data trends for each category. However, the data used is pre-close data and may differ from figures presented in our financial reports.

Please be aware that this document has been produced to provide a better understanding of current business conditions.

Appendix 1: Special Factors (Changes Due to External Environmental and Other Factors)

Variable factors	Impact on consolidated results (Jan-Mar 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Impact of change in unit fuel price	<p>Segment income (business income) +¥0.02 billion (cost decrease)</p> <p>Unit price per ℓ [Prior period 3-month average]</p> <p>Light oil : ¥114.30 [¥117.40] Gasoline : ¥153.30 [¥155.90] Heavy oil : ¥81.20 [¥77.10]</p>	<p>Segment income (business income) ¥(0.04) billion (cost increase)</p> <p>Unit price per ℓ [Prior period 12-month average]</p> <p>Light oil : ¥115.20 [¥115.80] Gasoline : ¥153.20 [¥154.60] Heavy oil : ¥83.60 [¥81.70]</p>
Impact of foreign exchange	<p>Revenues +¥19.79 billion</p> <p>Segment income (business income) +¥1.47 billion 12-month avg. foreign exchange rate [January-March]* [prior-period 3-month avg.]</p> <p>USD : ¥132.34 [¥116.20] EUR : ¥142.10 [¥130.30] HKD : ¥16.88 [¥14.80] RMB : ¥19.34 [¥18.20]</p> <p>* 3-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>	<p>Revenues +15.67 billion</p> <p>Segment income (business income) +1.25 billion 12-month avg. foreign exchange rate [January-December]* [prior-period 12-month avg.]</p> <p>USD : ¥133.23 [¥131.40] EUR : ¥144.82 [¥138.00] HKD : ¥16.98 [¥16.70] RMB : ¥19.40 [¥19.40]</p> <p>* 12-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>

Appendix 1: Special Factors (Changes Due to External Environmental and Other Factors)

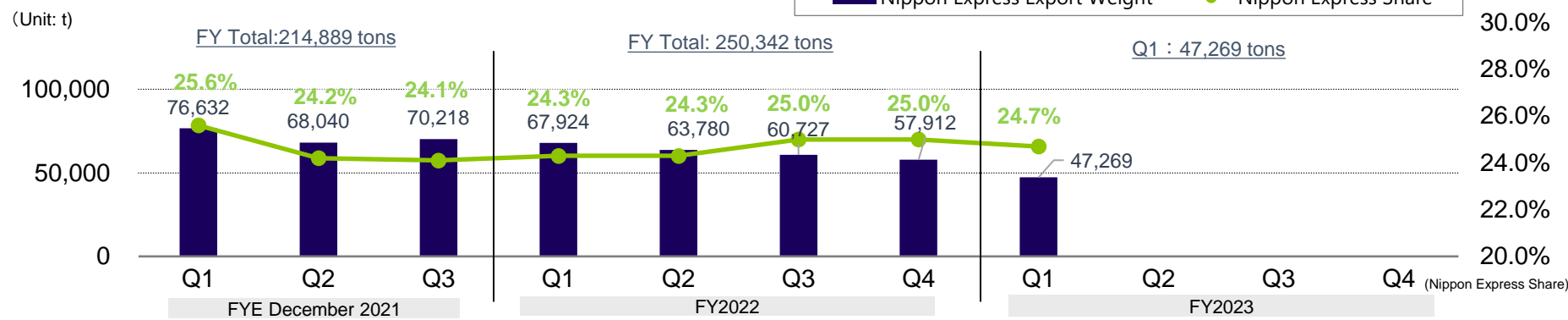
Variable factors	Impact on consolidated results (Jan-Mar 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Change due to employee system reform (same pay for same work, impact of extended retirement age)	Segment income (business income) ¥(0.31) billion [Japan: ¥(0.25) billion, Security Transportation: ¥(0.04) billion, Heavy Haulage & Construction: ¥(0.02) billion]	Segment income (business income) ¥(1.18) billion [Japan: ¥(0.96) billion, Security Transportation: ¥(0.13) billion, Heavy Haulage & Construction: ¥(0.09) billion]
Impact of COVID-19	<p>Revenues: ¥(11.31) billion Segment profit (business profit): ¥(1.90) billion</p> <ul style="list-style-type: none"> • Japan: Revenues +¥0.38 billion Segment income (business income) +¥0.05 billion • The Americas: Revenues +¥0.77 billion Segment income (business income) +¥0.04 billion • Europe: Revenues ¥(3.22) billion Segment income (business income) ¥(0.03) billion • East Asia: Revenues +¥0.61 billion Segment income (business income) +¥0.17 billion • South Asia: Revenues ¥(10.04) billion Segment income (business income) ¥(2.22) billion • Security Transportation: Revenues +¥0.00 billion Segment income (business income) +¥0.01 billion • Heavy Haulage and Construction: Revenues +¥0.09 billion Segment income (business income) +¥0.02 billion • Logistics Support: Revenues +¥0.08 billion Segment income (business income) +¥0.03 billion 	<p>Revenues: ¥(51.97) billion Segment income (business income): ¥(10.01) billion</p> <ul style="list-style-type: none"> • Japan: Revenues ¥(0.81) billion Segment income (business income) ¥(0.79) billion • The Americas: Revenues ¥(2.89) billion Segment income (business income) ¥(0.83) billion • Europe: Revenues ¥(14.51) billion Segment income (business income) ¥(1.31) billion • East Asia: Revenues ¥(12.30) billion Segment income (business income) ¥(2.11) billion • South Asia: Revenues ¥(22.51) billion Segment income (business income) ¥(5.25) billion • Security Transportation: Revenues +¥0.01 billion Segment income (business income) +¥0.03 billion • Heavy Haulage and Construction: Revenues +¥0.72 billion Segment income (business income) +¥0.14 billion • Logistics Support: Revenues +¥0.31 billion Segment income (business income) +¥0.12 billion

Appendix 1: Special Factors (Changes Due to External Environmental and Other Factors)

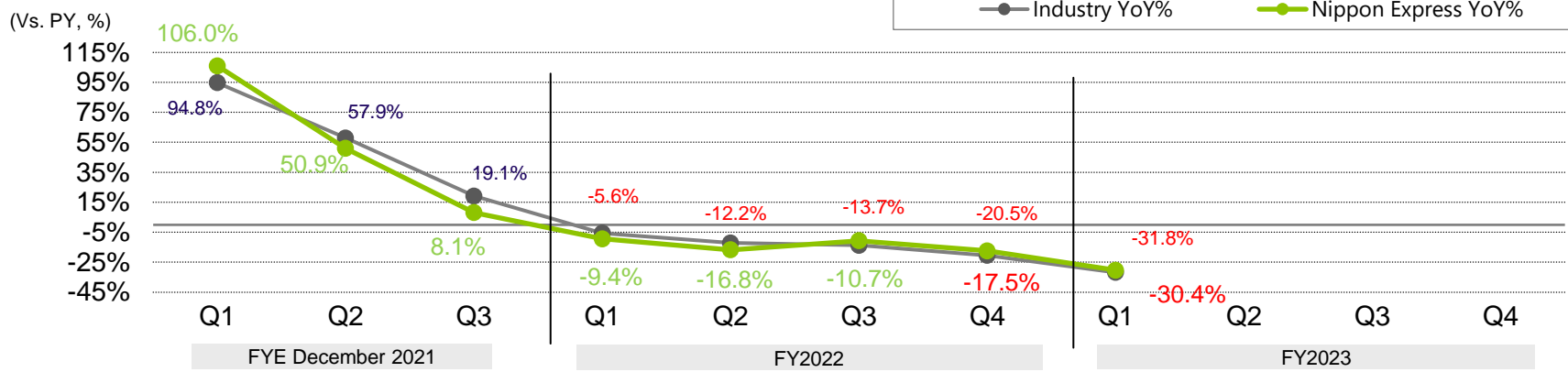
Variable factors	Impact on consolidated results (Jan-Mar 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Impact of Ukraine	<p>Revenues: +¥0.23 billion</p> <p>Segment income (business income): ¥(0.17) billion</p> <ul style="list-style-type: none"> • Japan: Revenues ¥(0.05) billion Segment income (business income) ¥(0.04) billion • Europe: Revenues +¥0.26 billion Segment income (business income) ¥(0.14) billion • Heavy Haulage and Construction: Revenues +¥0.02 billion Segment income (business income) +¥0.00 billion • Logistics Support: Revenues ¥(0.00) billion Segment income (business income) ¥(0.00) billion 	<p>Revenues: +¥2.64 billion</p> <p>Segment income (business income): +¥0.13 billion</p> <ul style="list-style-type: none"> • Japan: Revenues +¥1.03 billion Segment income (business income) +¥0.02 billion • Europe: Revenues +¥1.49 billion Segment income (business income) +¥0.08 billion • Heavy Haulage and Construction: Revenues +¥0.01 billion Segment income (business income) +¥0.00 billion • Logistics Support: Revenues +¥0.09 billion Segment income (business income) +¥0.01 billion
Environment investments	<p>Segment income (business income) +¥0.02 billion</p>	<p>Segment income (business income) ¥(0.41) billion</p>
Impact of impairment loss on non-current assets and goodwill (increase in income)	<p>Segment income (business income)</p> <p>+¥0.48 billion</p> <p>Japan: +¥0.48 billion</p>	<p>Segment income (business income)</p> <p>+¥1.93 billion</p> <p>Japan: +¥1.93 billion</p>

Appendix 2 Forwarding Results: Export Air Freight Weight Originating From Japan

Export Air Freight Weight Originating From Japan



Export Air Freight Originating From Japan, YoY



(Unit: t /chargeable)

(Unit: t)

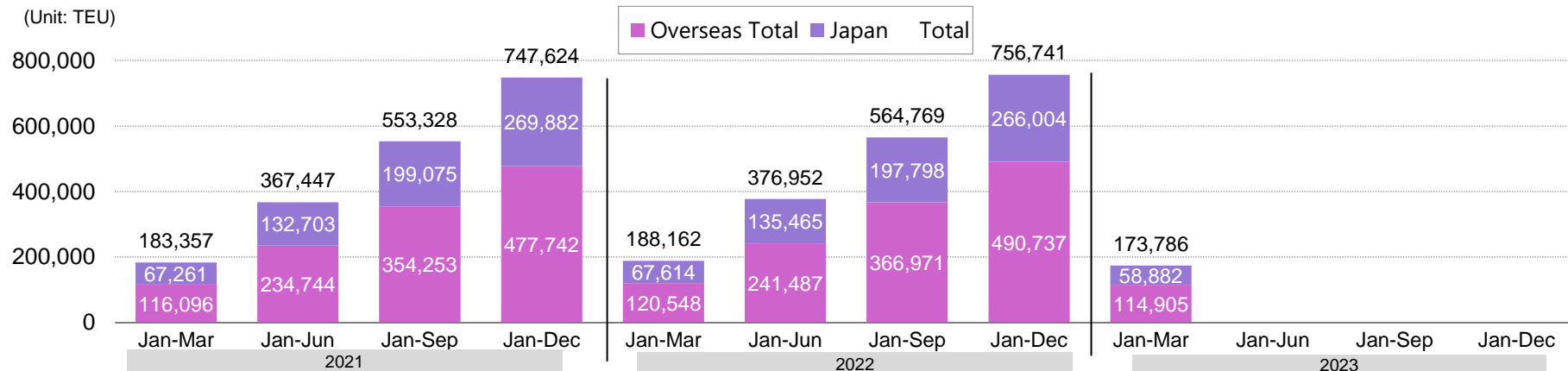
Year	Period	Overseas Total	Japan Total	Total
2021	Jan-Mar	140,842	94,289	235,131
	Jan-Jun	280,140	189,209	469,349
	Jan-Sep	426,994	276,542	703,536
	Jan-Dec	604,295	367,468	971,763
2022	Jan-Mar	148,525	89,352	237,877
	Jan-Jun	278,023	173,308	451,330
	Jan-Sep	408,354	254,491	662,846
	Jan-Dec	535,661	331,377	867,038
2023	Jan-Mar	109,436	63,642	173,078
	Jan-Jun	-	-	-
	Jan-Sep	-	-	-
	Jan-Dec	-	-	-

Appendix 2 Forwarding Results: Export Freight (Ocean Transportation)

(Unit: TEU)

Originating Region	2021					2022					2023				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan	67,261	65,442	66,373	70,807	269,882	67,614	67,851	62,333	68,206	266,004	58,882				
Americas	11,223	13,391	11,155	10,117	45,886	10,106	11,429	10,261	8,991	40,787	8,461				
Europe	13,667	15,025	13,926	14,077	56,695	15,308	14,917	14,208	15,077	59,510	12,590				
East Asia	52,959	54,801	57,770	57,009	222,539	53,150	54,639	58,511	57,854	224,154	54,938				
South Asia & Oceania	38,247	35,431	36,658	42,287	152,623	41,984	39,955	42,504	41,843	166,286	38,915				
Overseas Total	116,096	118,648	119,509	123,489	477,742	120,548	120,940	125,484	123,766	490,737	114,905				
Total Weight	183,357	184,089	185,882	194,296	747,624	188,162	188,791	187,816	191,972	756,741	173,786				

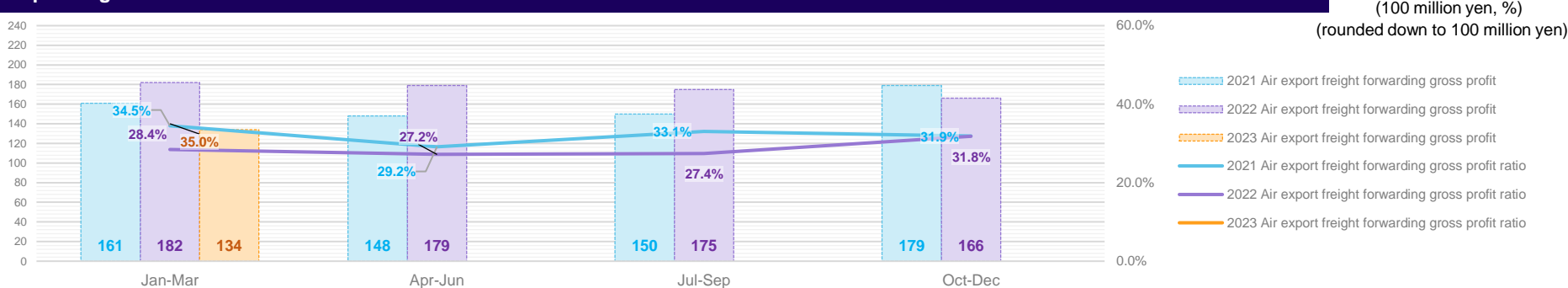
(Unit: TEU)



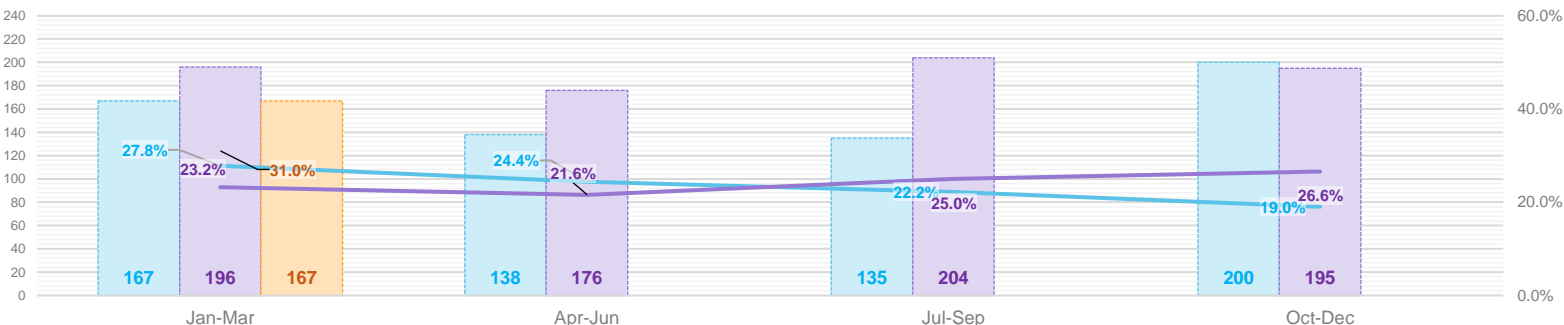


Appendix 2 Air Forwarding Results: Japan and Overseas Segment Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

Japan Segment



Overseas Segment Total



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

Gross profit margin: Ratio of gross profit from international air export freight forwarding to net sales from air export freight forwarding

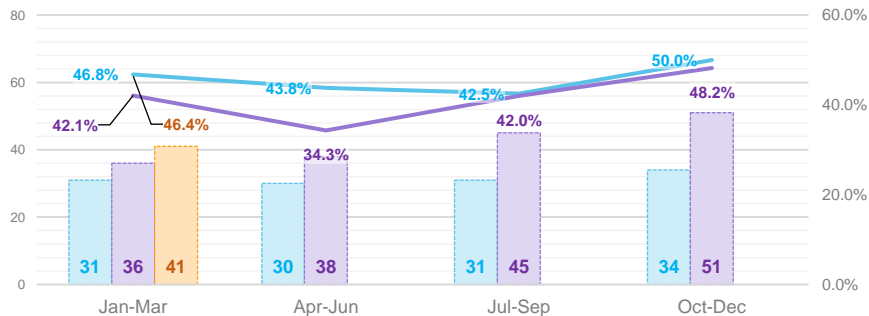
*Figures for the overseas segment total are based on the monthly reported figures for each country.

*Gross profit of overseas segment total is converted into yen based on the average exchange rate for each quarter.

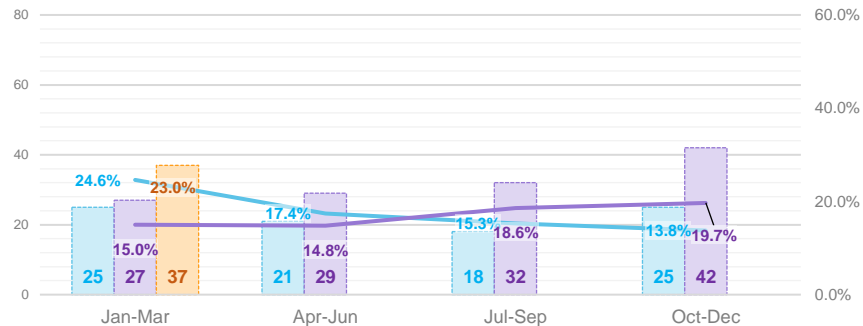


Appendix 2 Air Forwarding Results: Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Overseas Segment by Quarter

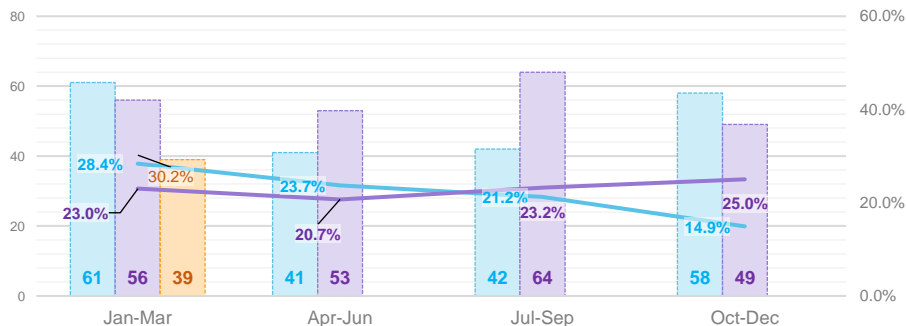
The Americas Segment



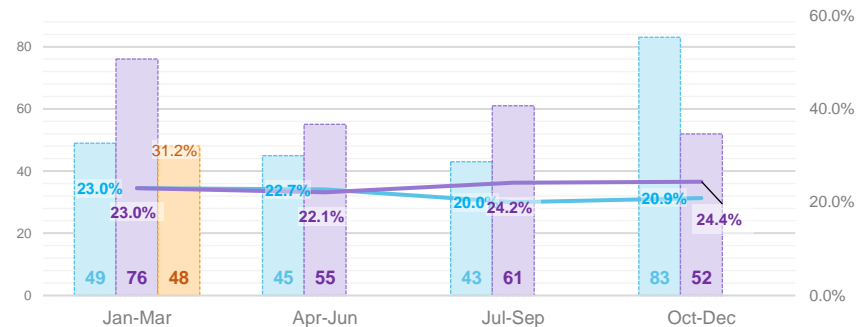
Europe Segment



East Asia Segment



South Asia & Oceania Segment



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

Gross profit margin: Ratio of gross profit from international air export freight forwarding to net sales from air export freight forwarding

*Figures for the overseas segment total are based on the monthly reported figures for each country.

*Gross profit of overseas region total is converted into yen based on the average exchange rate for each quarter.

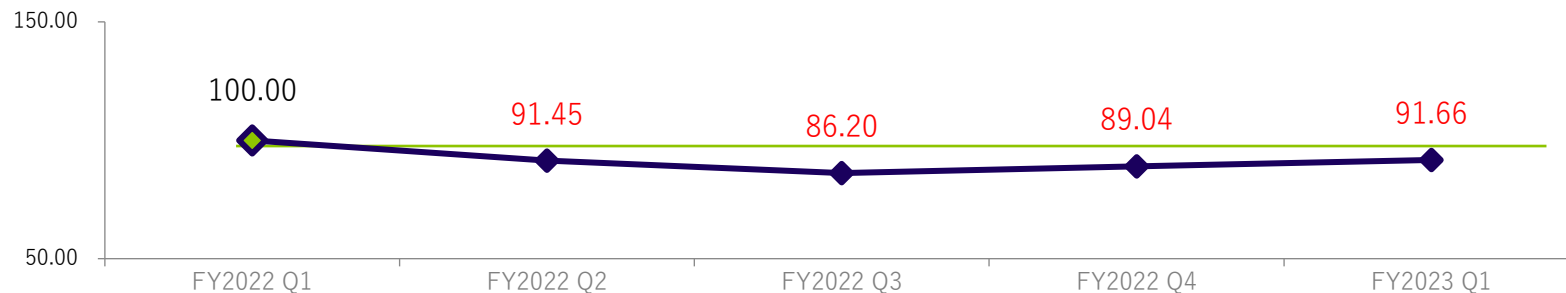
(100 million yen, %) (rounded down to 100 million yen)



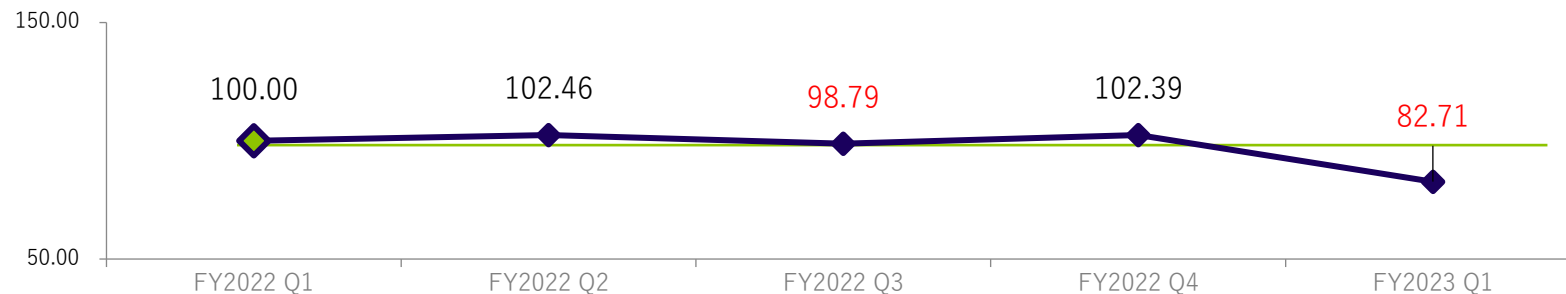
Appendix 2 Ocean Freight Forwarding (NOVCC) Results

Gross Profit per TEU for Japan/Overseas Segment Outbound Ocean Export Freight Forwarding by Quarter

Japan Segment Total



Overseas Segment Total



*Figures represent the change in each quarter, indexing gross profit per TEU in Q1, 2022 at 100.

*Overseas segment total is calculated by converting the average exchange rate for each quarter into yen.

Appendix 2 Forwarding Results: (Consolidated) Forwarding Costs by Quarter

Consolidated forwarding costs									
(100 million yen) (rounded down to 100 million yen)									
Item	2021 Jan-Mar	2021 Apr-Jun	2021 Jul-Sep	2021 Oct-Dec	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct-Dec	2023 Jan-Mar (IFRS)
Railway	107	107	108	119	100	94	94	106	95
Air transportation	748	798	792	1,243	1,097	1,122	1,074	901	631
Ocean transportation	270	324	437	533	555	617	614	480	307
Forwarding Cost Total	1,126	1,231	1,339	1,896	1,753	1,834	1,784	1,488	1,034

*Results for 2021 and 2022 are based on Japanese GAAP.

Appendix 3: Nippon Express FY2023 Jan-Mar Results (IFRS)

A. Revenues

(Unit: Millions of yen,%)

			Jan-Mar 2023		% of Sales	Jan-Mar 2022		% of Sales	Change	
									Amount	Ratio
Revenues	Railway utilization business		16,569		5.7	16,247		4.9	322	2.0
	Automotive	Small-lot shipment business	8,709		3.0	9,258		2.8	(548)	(5.9)
		Chartered truck business	44,499		15.3	44,568		13.4	(68)	(0.2)
		Total	53,209		18.3	53,826		16.2	(617)	(1.1)
	Ocean transportation	Marine transportation business	38,507		13.2	43,686		13.2	(5,179)	(11.9)
		Harbor transportation business	16,721		5.7	16,965		5.1	(243)	(1.4)
		Total	55,228		19.0	60,651		18.3	(5,423)	(8.9)
		(Export)	[24,095]		—	[29,090]		—	(4,995)	(17.2)
		(Import)	[15,692]		—	[14,626]		—	1,066	7.3
		(Domestic and other)	[15,440]		—	[16,935]		—	(1,494)	(8.8)
	Air transportation	Total	61,865		21.3	87,737		26.5	(25,872)	(29.5)
		(Export)	[36,628]		—	[61,851]		—	(25,223)	(40.8)
		(Import)	[8,266]		—	[8,296]		—	(29)	(0.4)
		(Domestic and other)	[16,971]		—	[17,589]		—	(618)	(3.5)
	Warehousing and storage business		39,679		13.6	37,448		11.3	2,231	6.0
	In-factory business		16,320		5.6	13,790		4.2	2,529	18.3
	Moving and relocation business		16,643		5.7	17,232		5.2	(589)	(3.4)
	Security transportation business		0		0.0	16,968		5.1	(16,968)	(100.0)
	Heavy haulage and construction business		13,478		4.6	11,200		3.4	2,278	20.3
	Other businesses		18,051		6.2	16,396		4.9	1,655	10.1
	Total		291,046		100.0	331,500		100.0	(40,453)	(12.2)

Appendix 3: Nippon Express FY2023 Jan-Mar Results (IFRS)

B. Operating Expenses, Total Other Expenses, Share of Loss of Entities Accounted for Using Equity Method

(Unit: Millions of yen, %)

			Jan-Mar 2023		Jan-Mar 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses		50,053	17.2	62,745	18.9	(12,692)	(20.2)
	Forwarding costs	Railway forwarding costs	8,945	3.1	8,883	2.7	62	0.7
		Ocean forwarding costs	14,818	5.1	20,765	6.3	(5,946)	(28.6)
		Air forwarding costs	25,017	8.6	45,535	13.7	(20,518)	(45.1)
		Total	48,780	16.8	75,183	22.7	(26,402)	(35.1)
	Vehicle chartering and subcontracting costs		116,782	40.1	115,310	34.8	1,472	1.3
	Depreciation and amortization		18,404	6.3	18,590	5.6	(185)	(1.0)
	Facility usage charges		11,705	4.0	11,365	3.4	339	3.0
	Other		37,505	12.9	39,980	12.1	(2,474)	(6.2)
	Total other income		1,160	0.4	1,632	0.5	(472)	(28.9)
Total other expenses		2,734	0.9	1,611	0.5	1,123	69.7	
Total		284,807	97.9	323,154	97.5	(38,347)	(11.9)	

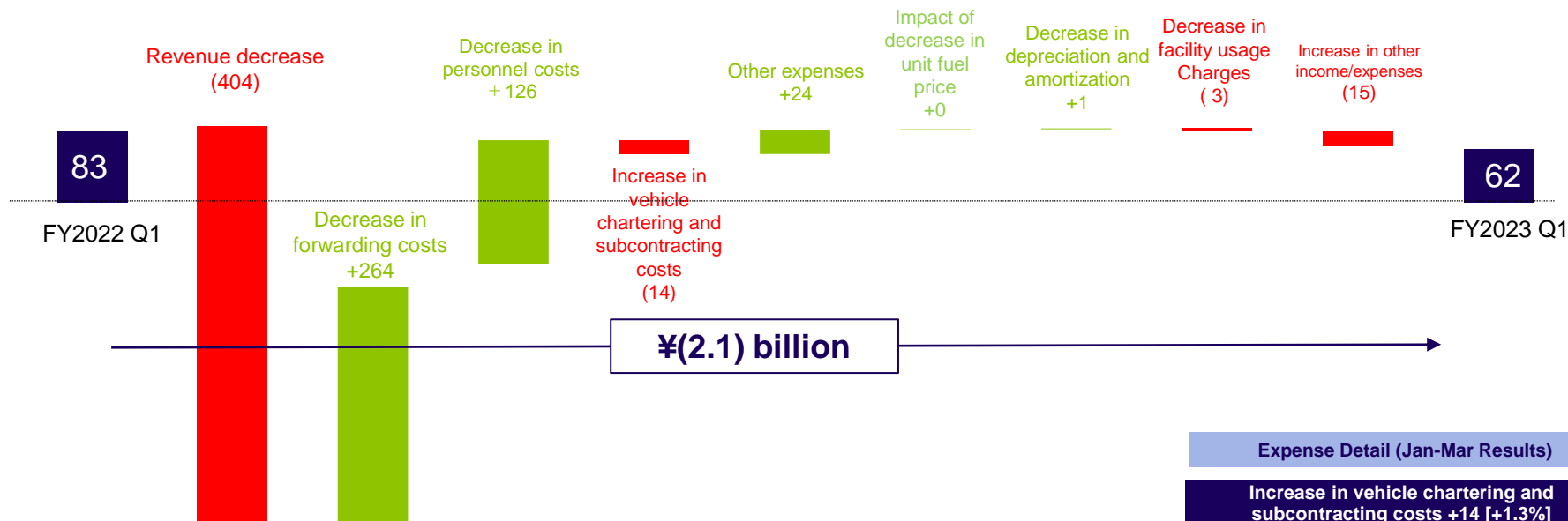
C. Operating Income

			Jan-Mar 2023		Jan-Mar 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating income			6,239	2.1	8,345	2.5	(2,106)	(25.2)

Appendix 3: Nippon Express FY2023 Jan-Mar Results

Non Consolidated Profit Factors (IFRS)

(100 million yen) (rounded down to 100 million yen)
 *Increase and decrease in the graph is on an income basis



Figures for the previous year include the security transportation business.
 The business was spun off and is not included in the current year's figures.

Expense Detail (Jan-Mar Results)	
Increase in vehicle chartering and subcontracting costs +14 [+1.3%]	
Vehicle chartering cost	(8) [(1.8%)]
Subcontracting cost	+15 [+2.4%]
Personnel dispatching cost	+7 [+23.4%]

Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts (IFRS)

A. Revenues

(Unit: Millions of yen,%)

		2023 1H Forecast	% of Sales	2022 1H Results	% of Sales	Change		2023 Full-Year Forecast	% of Sales	2022 Full-Year Results	% of Sales	Change	
						Amount	Ratio					Amount	Ratio
Revenues	Railway utilization business	35,000	5.8	32,453	4.8	2,546	7.8	69,800	5.7	67,067	5.0	2,732	4.1
	Automotive												
	Small-lot shipment business	18,000	3.0	18,705	2.8	(705)	(3.8)	37,200	3.0	37,714	2.8	(514)	(1.4)
	Chartered truck business	91,000	15.0	88,015	13.0	2,984	3.4	184,200	15.1	180,629	13.4	3,570	2.0
	Total	109,000	18.0	106,720	15.8	2,279	2.1	221,400	18.1	218,344	16.1	3,055	1.4
	Ocean transportation												
	Marine transportation business	81,100	13.4	93,312	13.8	(12,212)	(13.1)	166,600	13.7	193,051	14.3	(26,451)	(13.7)
	Harbor transportation business	34,000	5.6	34,368	5.1	(368)	(1.1)	69,100	5.7	69,415	5.1	(315)	(0.5)
	Total	115,100	19.0	127,681	18.9	(12,581)	(9.9)	235,700	19.3	262,467	19.4	(26,767)	(10.2)
	(Export)	[50,100]	—	[64,373]	—	(14,273)	(22.2)	[104,000]	—	[131,243]	—	(27,243)	(20.8)
	(Import)	[33,000]	—	[31,042]	—	1,957	6.3	[67,300]	—	[66,222]	—	1,077	1.6
	(Domestic and other)	[32,000]	—	[32,265]	—	(265)	(0.8)	[64,400]	—	[65,001]	—	(601)	(0.9)
	Air transportation												
	Total	132,500	21.9	175,295	25.9	(42,795)	(24.4)	271,700	22.3	337,677	25.0	(65,977)	(19.5)
	(Export)	[80,500]	—	[125,169]	—	(44,669)	(35.7)	[169,200]	—	[236,437]	—	(67,237)	(28.4)
	(Import)	[17,500]	—	[16,206]	—	1,293	8.0	[33,400]	—	[32,795]	—	604	1.8
	(Domestic and other)	[34,500]	—	[33,919]	—	580	1.7	[69,100]	—	[68,444]	—	655	1.0
	Warehousing and storage business	82,000	13.6	76,153	11.3	5,846	7.7	166,900	13.7	156,463	11.6	10,436	6.7
	In-factory business	34,000	5.6	29,163	4.3	4,836	16.6	69,300	5.7	63,069	4.7	6,230	9.9
	Moving and relocation business	31,400	5.2	32,525	4.8	(1,125)	(3.5)	55,200	4.5	57,407	4.2	(2,207)	(3.8)
	Security transportation business	0	0.0	33,897	5.0	(33,897)	(100.0)	0	0.0	67,573	5.0	(67,573)	(100.0)
	Heavy haulage and construction business	30,000	5.0	26,315	3.9	3,684	14.0	60,000	4.9	56,247	4.2	3,752	6.7
	Other businesses	36,000	6.0	36,024	5.3	(24)	(0.1)	70,000	5.7	66,403	4.9	3,596	5.4
	Total	605,000	100.0	676,231	100.0	(71,231)	(10.5)	1,220,000	100.0	1,352,721	100.0	(132,721)	(9.8)

Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts (IFRS)

B. Operating Expenses, Total Other Expenses, Share of Loss of Entities Accounted for Using Equity Method

(Unit: Millions of yen,%)

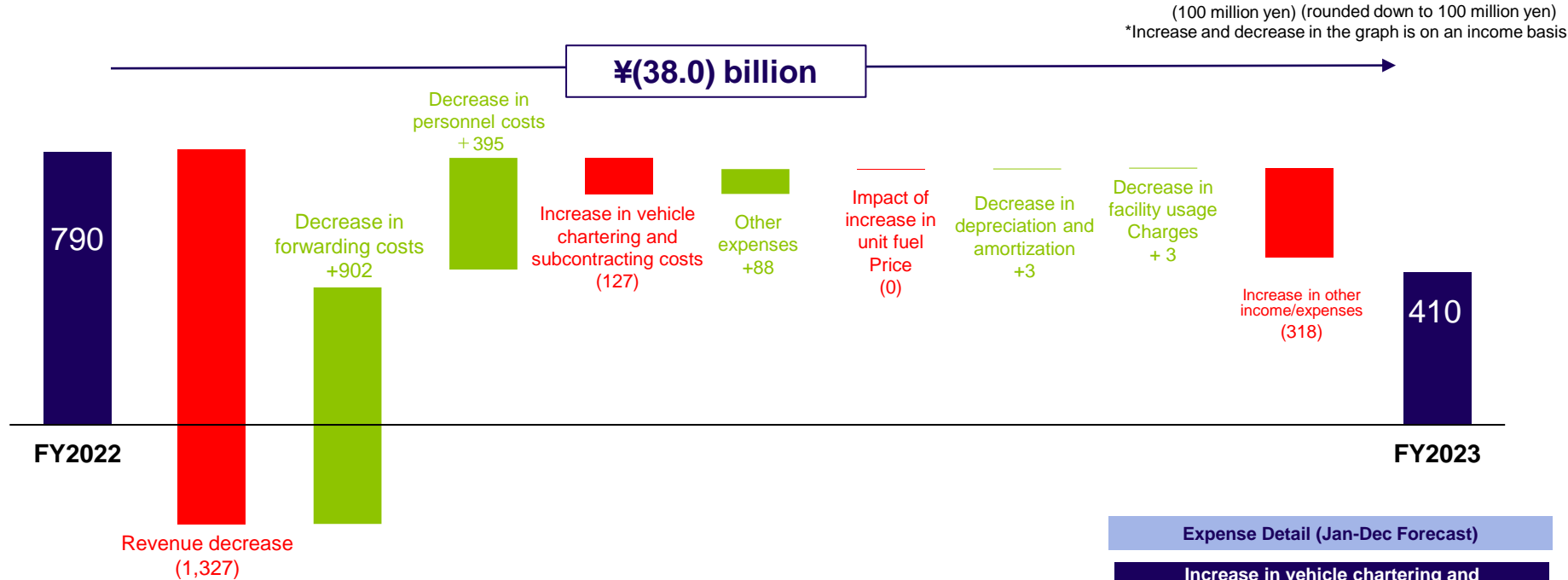
			2023		2022		Change		2023		2022		Change	
			1H Forecast	% of Sales	1H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses		103,000	17.0	125,540	18.6	(22,540)	(18.0)	207,400	17.0	246,956	18.3	(39,556)	(16.0)
	Forwarding costs	Railway forwarding costs	18,800	3.1	17,694	2.6	1,105	6.2	37,300	3.1	36,138	2.7	1,161	3.2
		Ocean forwarding costs	31,500	5.2	47,401	7.0	(15,901)	(33.5)	66,700	5.5	98,169	7.3	(31,469)	(32.1)
		Air forwarding costs	54,700	9.0	92,877	13.7	(38,177)	(41.1)	114,700	9.4	174,600	12.9	(59,900)	(34.3)
		Total	105,000	17.4	157,973	23.4	(52,973)	(33.5)	218,700	17.9	308,909	22.8	(90,209)	(29.2)
	Vehicle chartering and subcontracting costs		242,700	40.1	233,187	34.5	9,512	4.1	489,300	40.1	476,574	35.2	12,725	2.7
	Depreciation and amortization		36,800	6.1	37,616	5.6	(816)	(2.2)	73,600	6.0	73,949	5.5	(349)	(0.5)
	Facility usage charges		23,400	3.9	22,389	3.3	1,010	4.5	46,800	3.8	47,160	3.5	(360)	(0.8)
	Other		72,600	12.0	72,838	10.8	(238)	(0.3)	135,200	11.1	143,992	10.6	(8,792)	(6.1)
	Total other income		3,500	0.6	57,319	8.5	(53,819)	93.9	6,800	0.6	66,031	4.9	(59,231)	(89.7)
Total other expenses		4,000	0.7	3,670	0.5	329	9.0	14,800	1.2	42,163	3.1	(27,363)	(64.9)	
Total			584,000	96.5	595,896	88.1	(11,896)	(2.0)	1,179,000	96.6	1,273,674	94.2	(94,674)	(7.4)

C. Operating Income

		2023		2022		Change		2023		2022		Change	
		1H Forecast	% of Sales	1H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
Operating income		21,000	3.5	80,335	11.9	(59,335)	(73.9)	41,000	3.4	79,047	5.8	(38,047)	(48.1)

Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts

Non Consolidated Profit Factors (IFRS)



Figures for the previous year include the security transportation business.
The business was spun off and is not included in the current year's figures.

Expense Detail (Jan-Dec Forecast)

Increase in vehicle chartering and subcontracting costs +127 [+2.7%]

Vehicle chartering cost	+24 [+1.3%]
Subcontracting cost	+98 [+3.6%]
Personnel dispatching cost	+3 [+2.1%]



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