

#### **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)	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

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

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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 Foreca	ast for FY2023 (IFRS)	
		Vs. FY2022			Vs. FY2022
▲ Revenue	¥578.0 billion	¥(64.5) billion (10.0 %)	<b>≯</b> 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	<u> </u>	_	ROE	9.3%	_

<sup>\*</sup> 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 forecast disclosed today. We will promptly disclose any matters requiring disclosure as they arise.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

<sup>\* ✓</sup> indicates a change of +5% or more; ➤ indicates a change of -5% or more; → indicates a change of +/-5% or less Copyright © 2023 NIPPON EXPRESS HOLDINGS,INC., All rights reserved.

## 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 vear.
- 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)

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

### A Financial Results for Jan-Mar ,FY2023

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

ltem	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

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Consolidated financial results for the first quarter of the fiscal year ending December 31, 2023 are as disclosed in these presentation materials.

The international forwarding business experienced a reactionary decline due to a decrease in volume as a result of weaker demand and lower freight rates resulting from the easing supply-demand situation. Domestic logistics remained sluggish as overall cargo movement failed to recover, despite an increase in volume among certain industries including the automobile industry. As a result, consolidated financial results were lower for both revenues and profits compared to the previous year.

We began the voluntary adoption of International Financial Reporting Standards (IFRS) in place of the Japanese GAAP. The figure that corresponds to operating income as used in the past is now *consolidated segment income* (business income).

Q1 results were 20.9 billion yen as noted in the presentation, and 27.7 billion yen for the year-ago period. On pages 9 and 10 of the presentation, we provide a breakdown of changes in revenues and operating income, reflecting variable factors.

## **B** Japan and Overseas Results

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

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

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

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



Results by Reportable Segment (YoY for Jan-Mar)

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

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

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

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

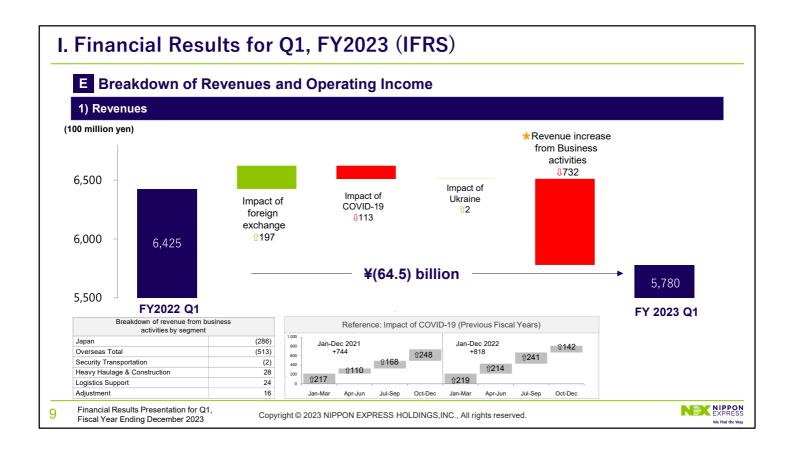
Segment	ltem	2023 Results (Jan-Mar 2023)	Prior-Year Results (Oct-Dec 2022)	Difference YoY	Difference YoY (%)
	Revenues	3,297	3,606	(308)	(8.6)
Japan	Segment Income (Business Income)	113	224	(111)	(49.6)
	Revenues	371	429	(57)	(13.5)
Americas	Segment Income (Business Income)	28	37	(9)	(25.2)
	Revenues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

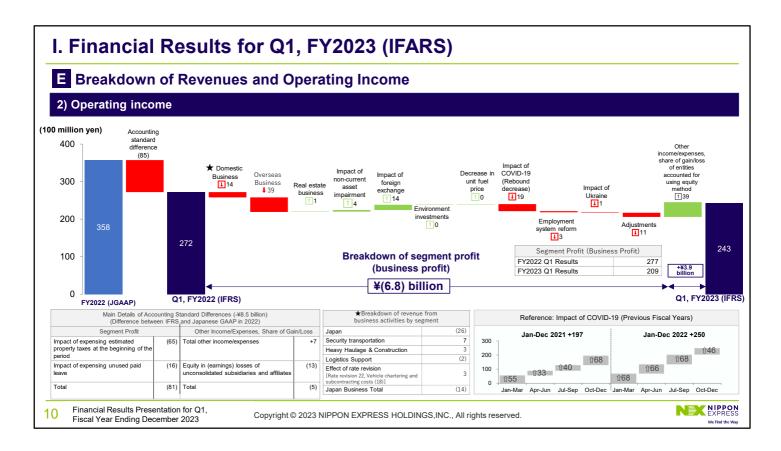
<sup>\*</sup>We expensed 8.0 billion yen in the Japan segment for the period January-March 2023 as property tax expense (estimate) at the beginning of the period.

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Operating income in the previous year amounted to 35.8 billion yen under Japanese GAAP. The difference between Japanese GAAP and IFRS as described in the presentation, resulted in consolidated segment profit of 27.7 billion yen and operating income of 27.2 billion yen under IFRS. This difference is the result of including non-operating income/loss and extraordinary income/expenses in operating income.

Among these amounts, the Nippon Express Group as a whole pays approximately 8.0 billion yen in property taxes per year. Under Japanese GAAP, this amount is expensed proportionally in each quarter, but under IFRS, the entire amount is expensed in Q1. As a result, costs increased approximately 6 billion yen in the Q1 compared to Japanese GAAP. Consolidated segment income of 20.9 billion yen, which corresponds to the operating income as used in the past, may seem insufficient for Q1 results. However, we believe Q1 results were generally in line with our expectations based on the factors I just explained. Other details, such as changes in the external environment, are provided on pages 36-38 of the presentation.

#### 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 Ma	rgin	4.3	4.3	_	_	5.9	_	_
Profit Attributable to Ow	ners 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.

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After a comprehensive look at the current situation and future outlook, we left our FY2023 full-year forecasts unchanged from our March 31 announcement for revenue, operating income, and other profit measures. More recently, demand in the international freight forwarding business has been declining, while domestic logistics has also been sluggish. However, we expect the slowdown to ease through the second half of the fiscal year—followed by a gradual recovery in cargo demand—in light of progress in inventory adjustments, information from customers, and other factors.

In contrast to consolidated segment income, the main factor behind the large year-on-year decrease in operating income was the gain on sale of our former Shiodome headquarters building in the previous year. As described on page 12 results forecasts for the first half and second half, we expect operating income for the second half to be lower than the first half, mainly due to the fact that we expect to incur more dismantling costs for old earthquake-resistant locations in the second half of the year. Pages 18 through 25 summarize the results and forecasts by segment, as discussed previously. I encourage you to look over the details at your leisure. In terms of Logistics/Overseas, the Americas posted higher revenues and profits despite a decline in ocean and air export volumes. This increase was due to factors including ongoing high freight rates, as well as firm warehousing and distribution processing related to the apparel and automobile industries. Meanwhile, revenues and profits decreased in the other regions. The main reasons behind this result were a decrease in cargo volume in the international freight forwarding business and lower freight rates. The impact of these factors was most pronounced in South Asia & Oceania, which had performed well in the previous year. We revised our full-year forecast for Logistics/Overseas upward for both revenue and segment income, mainly due to strong performance in the Americas and Europe in Q1.

Under Logistics/Japan, international freight forwarding revenue declined due to a decrease in volume compared with brisk cargo movement in the previous year, as well as the impact of lower unit sales prices. Domestic cargo movement was also generally sluggish, resulting in lower revenues and profits in this segment in Q1.

Based on our review of the circumstances in Q1, we revised our full-year forecast downward for both revenue and segment income.

This concludes our explanation of Q1 financial results and full-year forecasts for FY2023. After our evaluation of the current business plan in light of our adoption of IFRS, we decided to leave our plan targets unchanged. We intend to evaluate IFRS-basis figures on pro forma Japanese GAAP. This situation is as we describe on pages 26 and 27.

## B Forecast for FY2023 1H, 2H

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

ltem	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)

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### 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 (%)
Jaman Tatal	Revenues	19,171	19,852	(681)	(3.4)
Japan Total	Segment Income (Business Income)	892	973	(81)	(8.4)
Overseas Total	Revenues		8,412	(1,140)	(13.6)
Overseas Total	Segment Income (Business Income)	424	592	(168)	(28.4)

	Forecast (Jan-Dec 2023)
Overseas Sales Ratio	29.7%

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- Olecasi	Forecasts by Reportable Segment (Jan-Dec) (100 million yen, %) (rounded down to 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 (%)			
	Revenues	13,789	14,054	(265)	(1.9)	14,509	(720)	(5.0)			
Japan	Segment Income (Business Income)	652	676	(24)	(3.6)	714	(62)	(8.7)			
	Revenues	1,709	1,581	128	8.1	1,620	88	5.4			
Americas	Segment Income (Business Income)	124	113	11	9.7	137	(13)	(9.8)			
	Revenues	1,982	1,813	169	9.3	2,157	(175)	(8.1)			
Europe	Segment Income (Business Income)	109	90	19	21.1	125	(16)	(13.1)			
	Revenues	1,870	2,031	(161)	(7.9)	2,415	(545)	(22.6)			
East Asia	Segment Income (Business Income)	81	89	(8)	(9.0)	128	(47)	(36.8)			
South Asia &	Revenues	1,711	1,602	109	6.8	2,218	(507)	(22.9)			
Oceania	Segment Income (Business Income)	110	104	6	5.8	200	(90)	(45.3)			
Security	Revenues	690	690	_	_	680	9	1.3			
Transportation	Segment Income (Business Income)	36	36	_	_	31	4	15.7			
Heavy Haulage &	Revenues	470	470	-	_	445	24	5.5			
Construction	Segment Income (Business Income)	58	58	_	_	63	(5)	(9.3)			

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**Logistics Support** 

Segment Income (Business Income)

Segment Income (Business Income

Revenues

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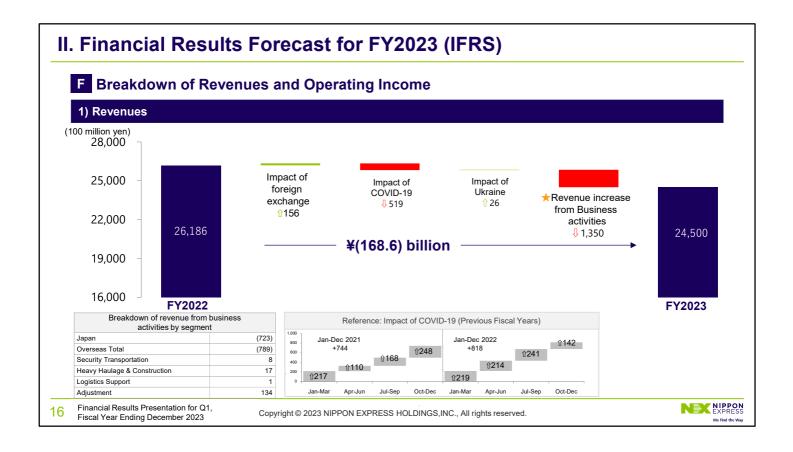
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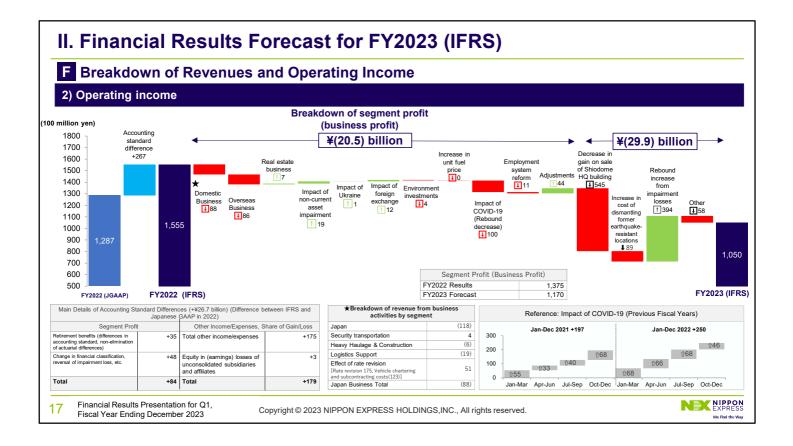
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Segment	ltem	1H Forecast (Jan-Jun 2023)	Previous 1H Forecast (Jan-Jun 2023) *Announced March 31	Difference YoY	Difference (%) YoY	2H Forecasts (Jul-Dec 2023)	Previous 2H Forecast (Jul-Dec 2023) *Announced March 31	Difference YoY	Differenc (%) YoY
	Revenues	6,809	6,943	(134)	(1.9)	6,980	7,111	(131)	(1
Japan	Segment Income (Business Income)	280	334	(54)	(16.2)	372	342	30	8
	Revenues	859	787	72	9.1	850	794	56	7
Americas	Segment Income (Business Income)	62	53	9	17.0	62	60	2	;
	Revenues	1,019	921	98	10.6	963	892	71	
Europe	Segment Income (Business Income)	52	39	13	33.3	57	51	6	1
	Revenues	928	994	(66)	(6.6)	942	1,037	(95)	(9
East Asia	Segment Income (Business Income)	40	40	_	_	41	49	(8)	(16
	Revenues	857	830	27	3.3	854	772	82	1
South Asia & Oceania	Segment Income (Business Income)	51	52	(1)	(1.9)	59	52	7	1
Security	Revenues	345	345	_	_	345	345	_	
Transportation	Segment Income (Business Income)	18	19	(1)	(5.3)	18	17	1	
Heavy Haulage &	Revenues	260	260	-	_	210	210	_	
Construction	Segment Income (Business Income)	28	28	_	_	30	30	_	
	Revenues	2,135	2,135	_	_	2,087	2,087	_	
Logistics Support	Segment Income (Business Income)	69	70	(1)	(1.4)	77	76	1	





### **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 ven)	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
	2023	3,297	3,511	6,809	_	_	6,980	13,789
Revenues 100 million yen, %	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%)]
	2023	113	166	280	_	_	372	652
Segment income (business income)	2022	131	228	360	129	224	354	714
100 million yen, %	Difference/ Difference (%)	(18) [(14.2%)]	(61) [(26.9%)]	(80) [(22.2%)]	_	_	17 [5.0%]	(62) [(8.7%)]
Segment income	2023	3.4	4.8	4.1	_	_	5.3	4.7
margin (%)	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:

Impairment Loss on Fixed Assets : [Segment income] +1 [Q1], +7 [year]

[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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



### **The Americas Segment**

1 Quarterly Results for	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	28 [7.6%]	22 [6.8%]	5	26.5%				

Quarterly Results and Forecast

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

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]

#### 3 Forecast

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

**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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



### **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	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
	2023	449	569	1,019	_	_	963	1,982
Revenues 100 million yen, %	2022	481	558	1,040	539	577	1,116	2,157
	Difference/ Difference (%)	(32) [(6.7%)]	<b>10</b> [2.0%]	(21) [(2.0%)]	_	_	(153) [(13.8%)]	(175) [(8.1%)]
	2023	21	30	52	_	_	57	109
Segment income (business income)	2022	21	39	61	32	31	64	125
100 million yen, %	Difference/ Difference (%)		(8) [(22.7%)]	(9) [(15.2%)]	_	_	(7) [(11.1%)]	(16) [(13.1%)]
Segment	2023	4.8	5.4	5.1	_	_	5.9	5.5
income margin (%)	2022	4.5	7.1	5.9	6.0	5.5	5.7	5.8

_		
-2	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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



### **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) Segment income margin (100 million yen)	15 [3.9%]	31 [5.2%]	(16)	(51.3%)

#### 2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	2023	391	536	928	_	_	942	1,870
Revenues 100 million yen, %	2022	598	647	1,246	647	521	1,168	2,415
Diff Diff	Difference/ Difference (%)	(207) [(34.6%)]	(111) [(17.2%)]	(318) [(25.6%)]	_	_	(226) [(19.4%)]	(545) [(22.6%)]
	2023	15	24	40	_	_	41	81
Segment income (business income)	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	2023	3.9	4.6	4.3	_	_	4.4	4.3
margin (%)	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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



## 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%)

#### Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	2023	379	477	857	_	_	854	1,711
Revenues 100 million yen, %	2022	617	555	1,172	559	486	1,046	2,218
Differ Differ	Difference/ Difference (%)	(237) [(38.5%)]	(77) [(14.0%)]	(315) [(26.9%)]	_	_	(192) [(18.4%)]	(507) [(22.9%)]
	2023	30	20	51	_	_	59	110
Segment income (business income)	2022	66	48	114	52	33	86	200
100 million yen, %	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.

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## 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
	2023	169	175	345	_	_	345	690
Revenues 100 million yen, %	2022	172	170	342	169	168	338	680
Diff Diff	Difference/ Difference (%)	(2) [(1.5%)]	5 [3.1%]	2 [0.8%]	_	_	6 [1.9%]	9 [1.3%]
	2023	12	5	18	_	_	18	36
Segment income (business income)	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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



## 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) Segment income margin (100 million yen)	8 [8.0%]	5 [6.5%]	3	67.2%

#### 2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	2023	111	148	260	_	_	210	470
Revenues 100 million yen, %	2022	82	117	199	125	119	245	445
Differer Differe	Difference/ Difference (%)	29 [36.2%]	30 [25.8%]	60 [30.1%]	_	_	(35) [(14.5%)]	24 [5.5%]
	2023	8	19	28	_	_	30	58
Segment income (business income)	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	2023	8.0	12.9	10.8	_	_	14.3	12.3
margin (%)	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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023



### **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	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
	2023	1,094	1,040	2,135	_	_	2,087	4,222
Revenues 100 million yen, %	2022	1,068	1,002	2,071	989	1,154	2,144	4,216
Differe Differe	Difference/ Difference (%)	25 [2.4%]	38 [3.8%]	63 [3.1%]	_	_	(57) [(2.7%)]	5 [0.1%]
	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	2023	3.0	3.5	3.2	_	_	3.7	3.5
income margin (%)	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.

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## 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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

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Our presentation indicates Q1 progress versus the key performance indicators in our business plan. We expect to achieve our operating income target of 110 billion yen in the final year of the plan. Among these indicators, we also expect to achieve our target of 10% for ROE, even though our ROE forecast under IFRS standards is 9.3%. The difference is due to the accounting treatment between IFRS and Japanese GAAP, the main factor being that gains on sales of marketable securities are not recorded in the PL under IFRS.

## III. Challenges of the Business Plan Business Plan Figures (Japanese GAAP)

A Status of Business Plan 2023 Initiatives

(100 million ven	%)	(rounded down to 100 million ye	'n
CTUU million ven.	%0 l	rrounded down to 100 million ve	н.

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	_	_
	Revenues	371	21.8	1,709	1,210	499	41.2
Americas	Segment Income	27	22.2	124	72	52	72.2
	Operating Income Margin	7.4	_	7.3	6.0	_	_
	Revenues	449	22.7	1,982	1,860	122	6.6
Europe	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	Revenues	170	24.7	690	690	_	_
Transportation	Segment Income	16	69.2	24	11	13	118.2
	Operating Income Margin	9.7	_	3.5	1.6	_	_
Hanny Haylaga 9	Revenues	111	23.8	470	530	(60)	(11.3)
Heavy Haulage & Construction	Segment Income	8	16.0	56	61	(5)	(8.2)
	Operating Income Margin	8.0	_	11.9	11.5	_	_
	Revenues	1,071	25.4	4,222	3,820	402	10.5
Logistics Support	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.

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### 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%

<sup>\*1.</sup> Results and KPI figures are the total for related businesses under Nippon Express and NX Cash Logistics

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Now, I will discuss the status of our business plan initiatives.

Our growth strategy for core businesses, including results and full-year targets for priority industries, are as shown in the presentation materials.

Q1 FY2023 domestic and overseas apparel and pharmaceuticals sales were higher year on year; however, results in the other three priority Industries fell short of previous-year results. This underperformance was mainly due to the impact of a decline in unit prices in the forwarding business. Among these results, we attribute the large decline in volume for Japan's semiconductor industry to a temporary global curtailment of investment in new semiconductor manufacturing plants and a shift from air to ocean export freight forwarding to reduce costs.

With the exception of overseas apparel, we fell short of our 2023 targets, which were a 25% benchmark. However, we expect to catch up in domestic pharmaceuticals, where our progress has been slowest, as volume for new foreign-affiliated manufacturers is now fully underway as of April. Although results for the semiconductor and automobile industries were impacted by a reactionary decline in international logistics, warehousing and other logistics volume is growing across all priority Industries, both domestically and overseas. Our overall outlook is for a gradual recovery in logistics volume beginning in the second half of the year onward. We believe we will catch up as our efforts to date bear fruit.

Next, I will discuss our business focus. The presentation materials provide results and full-year targets for our air and ocean cargo forwarding businesses. The supply-demand balance in the forwarding business has been easing since the second half of last year. As we discussed in the previous financial results presentation, we expect this situation to continue for the time being, and we do not expect to see a recovery until the second half of 2023 or later. Q1 forwarding volume results were down 7.6% year on year for ocean and 27.2% year on year for air, reflecting a reactionary decline from the previous year. While we are seeing no major improvement in cargo movement for ocean forwarding at this point, some recent signs of a tightening of supply-demand balance for shipments from China to North America are emerging. We will watch the timing for a change in the supply-demand tide.

We have seen occasions of return direct shipping, rather than through an NVOCC, but we believe providing value as a logistics provider and volume strategies based on the use of FAK rates will be key.

In terms of air, the IATA reported that international air cargo demand in March 2023 continued to underperform the previous year at -10.9%. In March 2023, space supply recovered to a level 5% lower than in the same month of 2019, but freight rates were up 37%. With the easing of supply and demand, freight rates have been declining gradually, and we expect this trend to continue for the foreseeable future, although not back to 2019 levels. Under these circumstances, the key point will be to expand volume and reduce utilization costs in parallel. We believe the most important factor will be to expand business with non-Japanese customers and in regions/industrial sectors with large room for growth, or in other words, to capture new territory. In response, and as we explained at the fiscal year-end results presentation, we entered into strategic partnerships with several specific airlines and shipping companies. We already began working with airlines in April, and we are scheduled to being working with shipping companies in Q2. In conjunction with expanding pricing functions, we will pursue volume strategies based on securing strategic rates. One example here would be global bulk purchasing that combines multiple lanes.

In addition, we intend to standardize buyer consolidation, which will be indispensable in growing ocean forwarding volume. We will also establish end-to-end solutions vital for not only forwarding, but also for logistics solutions business growth. Further, we will engage in high-level account management business leveraging our global sales structure, strengthening contract logistics sales. These efforts represent ways we will engage in overall volume expansion strategy. Today, we also announced the acquisition of cargo-partner, a forwarder based in Vienna, Austria. We will discuss this acquisition later in our presentation. The strategies we discussed represent an important part of PMI, and we are looking to roll out volume strategy and win global market share by extending these strategies to the companies we acquire.

<sup>\*2</sup> 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 **Major Initiatives Businesses in Japan** I. Improve Profits Pursued daily cost controls, continuing to leverage company Pursue cross-mode sales 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** nt of natural disast Raise overall level of warehouse operations Develop and hire more logistics human resources through a three-tier education and training am to improve the overall level of warehouse opera (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 improvement of the property of the

#### III. Deepen Integration of Land, Sea, and Air

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

- - 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)

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Automate, streamline office work

e-Learning: All employees have access to e-learning to improve their understandi operations standardization and improvement

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]

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To improve profits, we raised the utilization ratio of Nippon Express-owned vehicles by 0.3% year-on-year as a result of vehicle matching and other efforts. In terms of subcontract expenses, revenues decreased 7.5% year on year due to lower international freight forwarding unit prices and other factors, and outsourcing cost ratio increased 3.5%. Excluding the impact of the decrease in forwarding unit price and the spin-off of the security transportation business, our analysis indicates that we maintained a -1-point decrease compared with the period prior to COVID-19. Our presentation materials also describe our progress toward improving productivity, evolving land-sea-air integration, and strengthen our network transportation products. Page 30 of our presentation shows details regarding initiatives related to our business structure reform project, and we are now discussing specifics related to issues under six topics. The objective of this project is to solidify the main topics for the next business plan, while measures that should be immediately addressed immediately are introduced into and utilized in operations.

Specifically, we must have more logistics-fluent human resources to strengthen our Logistics Business if we are to raise our overall level of warehouse operations in terms of improved productivity. Therefore, in addition to current efforts, we established the Logistics Academy, planning to train 100 people every year beginning this year, until we train 1,000 people over the next 10 years who are capable of logistics theory and practice.

In terms of strengthening our network transportation products, we must deal with CO2 reductions, transportation capacity shortages due to the 2024 Issues, and BCP for transportation disruptions caused by natural disasters if we are to expand sales of railroad containers and domestic air cargo containers. To this end, we will focus on our domestic Sea & Rail Service, building a structure and releasing new services for further sales growth.

In addition, we are looking into proposals for our next business plan, and we hope to present a general framework on the goal of the project—restructuring our Japan Business—by the end of the fiscal year. We intend to conclude our M&A Strategy Project by shifting to a phase of PMI for specific projects, focusing on cargo-partner, whom we will discuss later.

## III. Challenges of the Business Plan

**D** Business Structure Reform Project

#### $\sim$ Reform and Strengthen Businesses $\sim$

(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

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#### III. Challenges of the Business Plan E Progress in FY2023 Back Office Cost Reductions (as of March 31, 2023) FYE Dec 2021 FY2023 FY2019 FY2020 FY2023 FY2023 Results (Jan-Dec) [YoY] Results (Jan-Mar) [YoY] Through March, FY2023 Japanese Domestic FY2023 Item Results [YoY] Results (Apr-Dec) Cumulative (Forecast) Cumulative (Target) Results [YoY] **Businesses** [YoY] Further branch back office personnel 1.10 billion -¥1.40 billion [-156 employees] Further [-124 employees] reorganization reassignments of organizations -¥0.14 billion -¥0.98 billion -¥4.7 billion -¥4 5 billion -¥3 88 billion es1 [-526 e [-500 e nployees] [-432 employees] administrative FY2023 Target Reassign HQ employees -¥0 82 hillion -¥0 04 hillion -¥0 38 billio Progress: 86% [-91 employees] [-4 employees] [-42 employees -¥1.1 billion -¥1.32 billion -¥0.02 billion +¥0.55 billio +¥0.27 billion Back office -¥1.55 billion -¥1.16 billion -¥3.0 billion -¥5.0 billion Personnel +¥0.15 billior -¥1.04 billior +¥0.91 billion +¥0.25 billion FY2023 Target dispatching cost [back office] Progress: 31% -¥2.05 billion +¥0.09 billi -¥5.43 billion -¥2.14 billion -¥7.7 billion FY2023 Target Progress: 57% \*Results and targets related to further reorganization of organizations/streamlining of administrative departments represent scale of implementation and est \*2023 results do not include the security transportation business, as it was spun off. NIPPON EXPRESS

In terms of back office costs, as of the end of Q1 of fiscal 2023, the cumulative reduction in indirect costs since fiscal 2019 amounted to ¥5.43 billion, which is approximately 57% toward our target of ¥9.5 billion.

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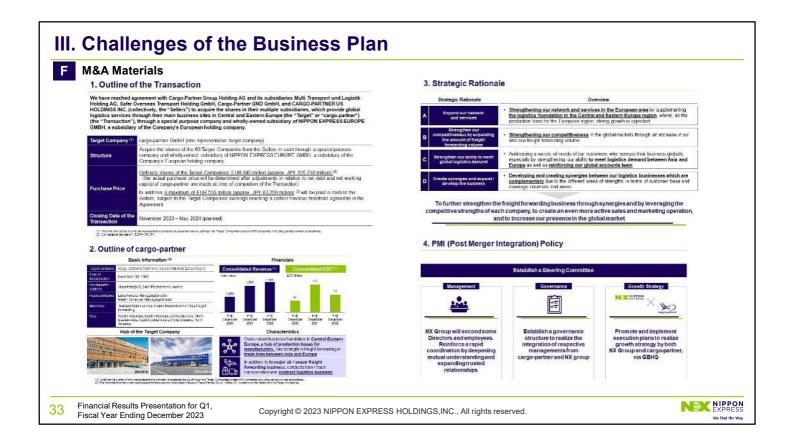
To solidify the base of our businesses in Japan and achieve our targets, we plan to extend the scope of back office cost reduction efforts at Nippon Express throughout the rest of the group, with a view to the next business plan.

The preceding has been a discussion of our strategy to enhance domestic businesses in Japan. The positive effects of these efforts include improvements at branches with low profitability, and we expect these effects to expand in the future.

In addition, as energy and other various costs rise, we must consider the increased costs of our suppliers, reviewing our rates for appropriateness and reflecting costs increased in our rates. This is an important issue for business continuity, and we intend to review rates revisions and contracts in an intensive and urgent manner.



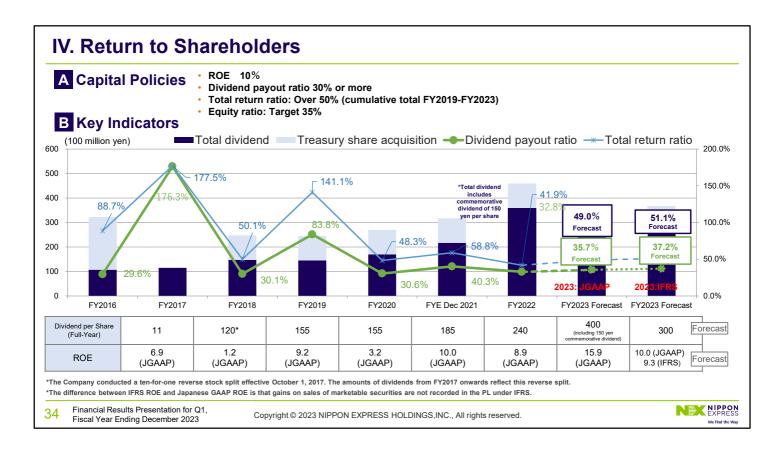
We accelerated transformation under a holding company structure and engaged in M&A activities toward achieving our long-term vision. At the same time, we continue reorganization into a structure supporting global growth and stronger group management. Further, as we announced today, we have made the decision to acquire cargo-partner.



Based in Vienna, Austria, cargo-partner has a strong business base in Central and Eastern Europe, a region attracting increasing attention as an industrial cluster in Europe. At the same time, cargo-partner is expanding business in Europe, Asia, and North America, focusing on ocean and air freight forwarding in Europe, Asia, and North America for the automobile, electric and electronics, and pharmaceutical industries, which are priority Industries for our group. We believe this acquisition will enhance our presence in the global market as we maximize the advantages of both organizations, leveraging synergies to strengthen our forwarding business, build our customer base, and engage in sales activities toward achieving the Nippon Express long-term vision.

Our M&A strategy is distinctly different from that popular in U.S. and European companies. We seek collaboration with a focus on synergies, respecting the culture of the acquired entity and aiming for M&A that is truly win-win. Our disclosure documents provide details of this acquisition, and we view the transaction as being in line with our M&A strategy.

Depending on the results of the earn-out, the EBITDA multiple should be within the 13x range we traditionally espouse as our target. This acquisition is a step forward toward our long-term vision, and we intend to take full advantage of our expertise and experience in PMI to ensure steady progress. We will continue to review our business portfolio and strengthen our business structure to expand globally and achieve our long-term vision. We hope to determine the direction for business structure reform in Japan and strengthening our global business structure by the end of the fiscal year in preparation for executing our next business plan.



In terms of shareholder returns for the fiscal year ending December 31, 2023, our dividend forecast calls for interim and year-end dividends of 150 yen per share for a total annual dividend of 300 yen per share. In addition, as announced today, we plan to repurchase up to ¥10 billion in share buybacks. As a result, we expect the dividend payout ratio to be 37.2% and the total return ratio, including share buybacks, to be 51.1%. Under Japanese GAAP, the dividend payout ratio and total return ratio calculate to 35.7% and 49.0%, respectively. We expect total return ratio for the cumulative five-year period beginning FY2019 to be 53.2%. We will continue striving to enhance shareholder returns by achieving the targets of our current business plan, while reflecting a view of our next business plan.

# **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.

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

Variable factors	Impact on consolidate (Jan-Mar 2023 res		Impact on cons (Jan-Dec 20	
Impact of change in unit fuel price	Light oil : ¥1 Gasoline : ¥1	+¥0.02 billion (cost decrease) 3-month average] 14.30 [¥117.40] 53.30 [¥155.90] 1.20 [¥77.10]		income) ¥(0.04) billion (cost increase eriod 12-month average]  : ¥115.20 [¥115.80]  : ¥153.20 [¥154.60]  : ¥83.60 [¥81.70]
Impact of foreign exchange	Segment income (business income) - 12-month avg. foreign exchange [prior-period 3-mor USD : ¥1 EUR : ¥1 HKD : ¥1	rate [January-March]* nth avg.] 32.34 [¥116.20] 42.10 [ ¥130.30] 6.88 [¥14.80] 9.34 [¥18.20] rence. For the preparation of	USD EUR HKD RMB * 12-month foreign exchange rate avg.	nge rate [January-December]* 12-month avg.] : ¥133.23 [¥131.40] : ¥144.82 [¥138.00] : ¥16.98 [¥16.70] : ¥19.40 [¥19.40]

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

Variable factors		Impact on consolidated results (Jan-Mar 2023 results)	s		Impact on consolidated results (Jan-Dec 2023 forecast)						
Change due to employee system	Segment	income (business income) ¥(0	.31) billion	Segm	ent income (business income) ¥(	1.18) billion					
reform (same pay for same work, impact of extended retirement age)		25) billion, Security Transportation yy Haulage & Construction: ¥(0.02)			(0.96) billion, Security Transportation: ¥(0.0						
		Revenues: ¥(11.31) billio		Revenues: ¥(51.97) billi	on						
	Segment	profit (business profit): ¥(	1.90) billion	Segment in	ncome (business income):	¥(10.01) billion					
	∙Japan:	Revenues Segment income (business income)	+¥0.38 billion +¥0.05 billion	•Japan:	Revenues Segment income (business income)	¥(0.81) billion ¥(0.79) billion					
	·The Americas:	Revenues Segment income (business income)	+¥0.77 billion +¥0.04 billion	·The Americas:	Revenues Segment income (business income) Revenues Segment income (business income)	¥(2.89) billion ¥(0.83) billion					
	•Europe:	Revenues Segment income (business income)	¥(3.22) billion ¥(0.03) billion	•Europe:		¥(14.51) billion ¥(1.31) billion					
Impact of COVID-19	·East Asia	Revenues Segment income (business income)	+¥0.61 billion +¥0.17 billion	•East Asia:	Revenues Segment income (business income)	¥(12.30) billion ¥(2.11) billion					
	·South Asia:	Revenues Segment income (business income)	¥(10.04) billion ¥(2.22) billion	·South Asia:	Revenues Segment income (business income)	¥(22.51) billion ¥(5.25) billion					
	·Security Transporta	ition:		·Security Transporta	, ,	1(0.20) Billion					
		Revenues Segment income (business income)	+¥0.00 billion +¥0.01 billion	- Coodiny Hanspord	Revenues Segment income (business income)	+¥0.01 billion +¥0.03 billion					
	·Heavy Haulage and	Construction:		·Heavy Haulage and	d Construction:						
		Revenues Segment income (business income)	+¥0.09 billion +¥0.02 billion	,	Revenues Segment income (business income)	+¥0.72 billion +¥0.14 billion					
	·Logistics Support:	Revenues Segment income (business income)	+¥0.08 billion +¥0.03 billion	·Logistics Support:	Revenues Segment income (business income)	+¥0.31 billion +¥0.12 billion					

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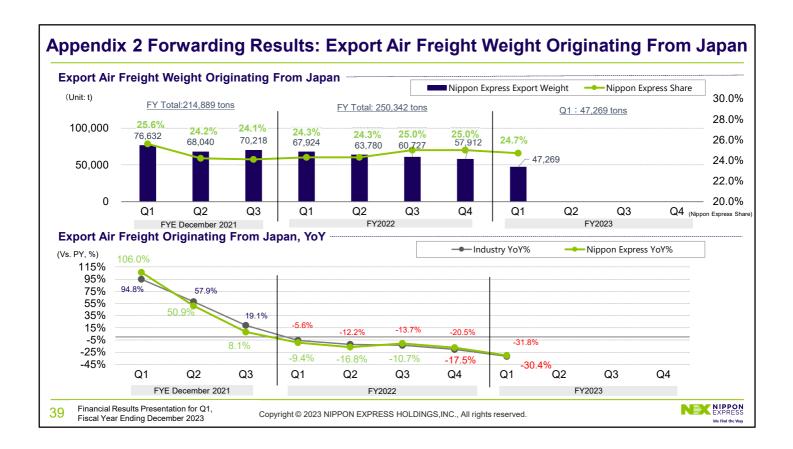
## Appendix 1: Special Factors (Changes Due to External Environmental and Other Factors)

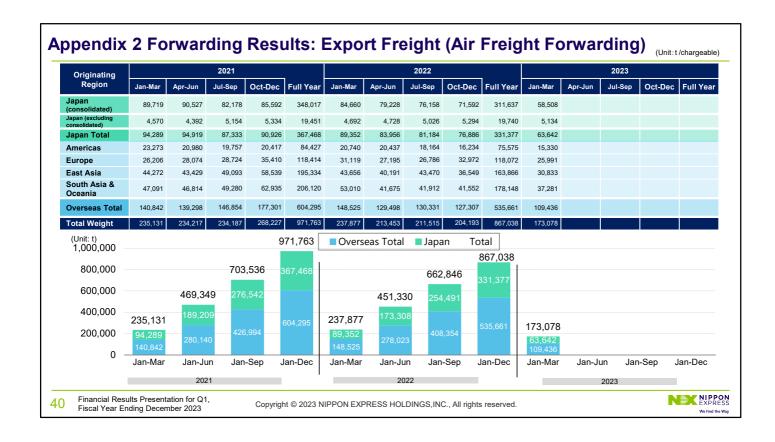
Variable factors	Impact on consolidated results (Jan-Mar 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Impact of Ukraine	Revenues: +¥0.23 billion  Segment income (business income):¥(0.17) billion  Japan: Revenues	Revenues: +\(\frac{4}{2}\).64 billion  Segment income (business income): +\(\frac{4}{0}\).13 billion  -Japan: Revenues +\(\frac{4}{1}\).03 billion  Segment income (business income) +\(\frac{4}{0}\).02 billion  -Europe: Revenues +\(\frac{4}{1}\).04 billion  Segment income (business income) +\(\frac{4}{0}\).08 billion  -Heavy Haulage and Construction:  Revenues +\(\frac{4}{0}\).01 billion  Segment income (business income) +\(\frac{4}{0}\).00 billion  -Logistics Support:  Revenues +\(\frac{4}{0}\).09 billion  Segment income (business income) +\(\frac{4}{0}\).00 billion
Environment investments	Segment income (business income) +¥0.02 billion	Segment income (business income) $\qquad \qquad \mbox{$\Psi(0.41)$ billion}$
Impact of impairment loss on non-current assets and goodwill (increase in income)	Segment income (business income) +¥0.48 billion Japan: +¥0.48 billion	Segment income (business income) +¥1.93 billion Japan: +¥1.93 billion

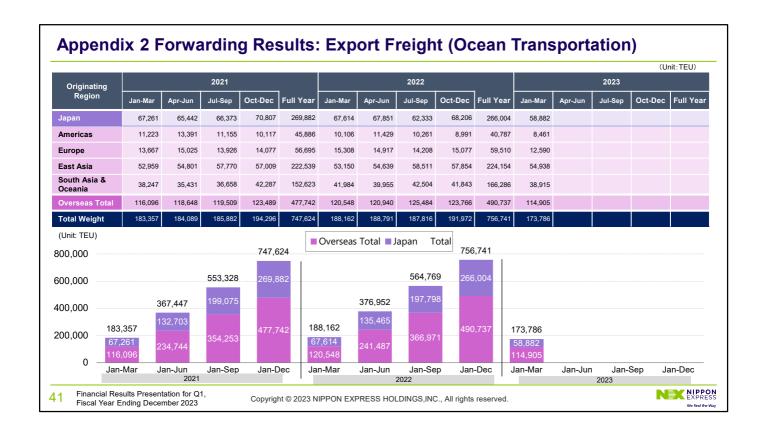
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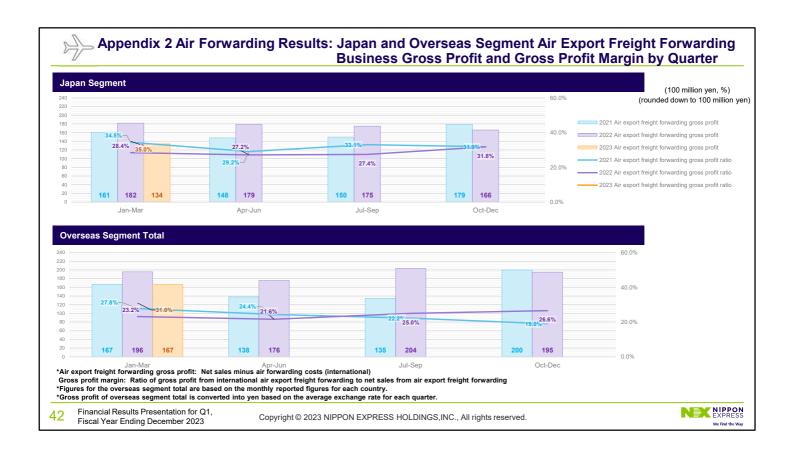
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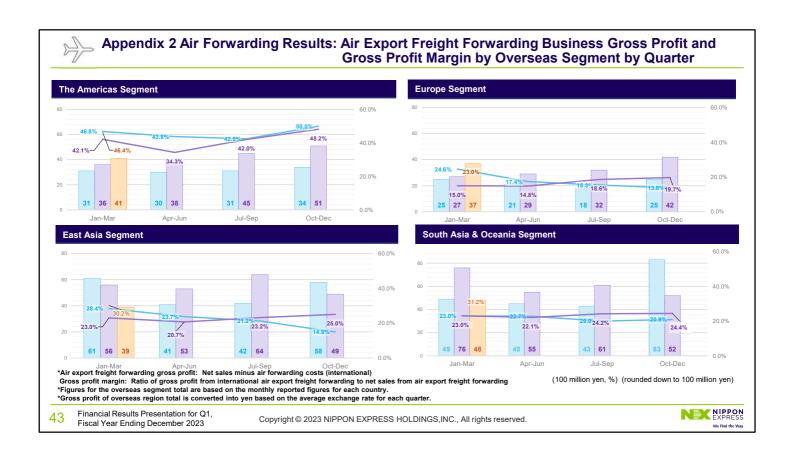


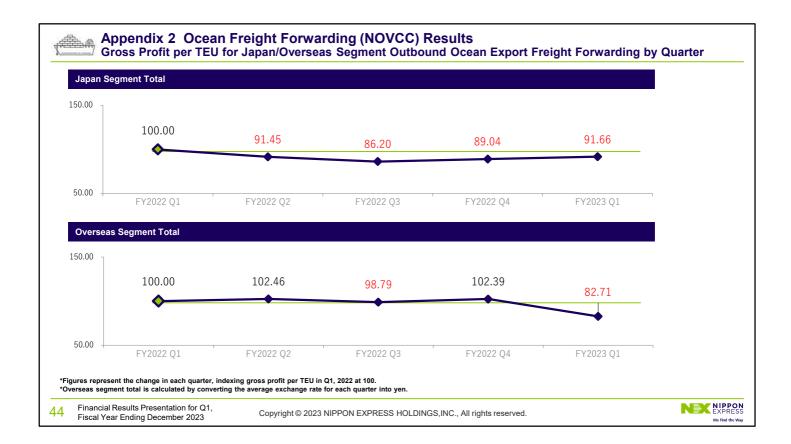












#### Appendix 2 Forwarding Results: (Consolidated) Forwarding Costs by Quarter

Consolidate	ed forwardir	ng costs					(100 million yer	n) (rounded down t	o 100 million yen)
Item	2021 Jan-Mar	2021 Apr-Jun	2021 Jul-Sep	2021 2022 Oct-Dec 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.

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

. Reven							Change	nit: Millions of ye
			Jan-Mar 2023	% of Sales	Jan-Mar 2022	% of Sales	Amount	Ratio
	Railway	utilization business	16,569	5.7	16,247	4.9	322	2.0
	iive	Small-lot shipment business	8,709	3.0	9,258	2.8	(548)	(5.9)
	Automotive	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)
	no	Marine transportation business	38,507	13.2	43,686	13.2	(5,179)	(11.9)
Revenues	ırtati	Harbor transportation business	16,721	5.7	16,965	5.1	(243)	(1.4
	odsı	Total	55,228	19.0	60,651	18.3	(5,423)	(8.9
	Ocean transportation	(Export)	[ 24,095]	-	[ 29,090]	_	(4,995)	(17.2
		(Import)	[ 15,692]	-	[ 14,626]	_	1,066	7.3
	Š	(Domestic and other)	[ 15,440 ]	-	[ 16,935]	_	(1,494)	(8.8)
	uo	Total	61,865	21.3	87,737	26.5	(25,872)	(29.5
ě	Air transportation	(Export)	[ 36,628 ]	_	[ 61,851]	_	(25,223)	(40.8
œ	Air	(Import)	[ 8,266]	-	[ 8,296]	_	(29)	(0.4
	trar	(Domestic and other)	[ 16,971 ]	-	[ 17,589]	_	(618)	(3.5
	Warehousir	ig and storage business	39,679	13.6	37,448	11.3	2,231	6.0
	In-f	actory business	16,320	5.6	13,790	4.2	2,529	18.3
	Moving ar	nd relocation business	16,643	5.7	17,232	5.2	(589)	(3.4
	Security tr	ansportation 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
	Otl	ner businesses	18,051	6.2	16,396	4.9	1,655	10.
		Total	291,046	100.0	331,500	100.0	(40,453)	(12.2

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#### 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,%)

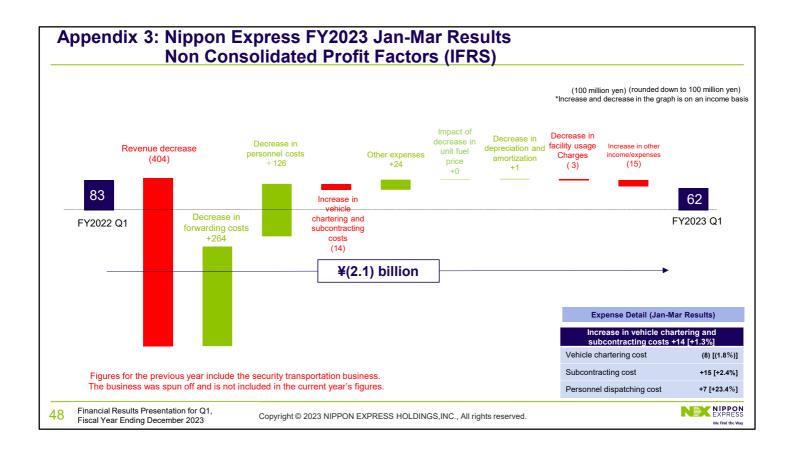
							Chang	je
			Jan-Mar 2023	% of Sales	Jan-Mar 2022	% of Sales	Amount	Ratio
	Total personnel expenses  Railway forwarding costs		50,053	17.2	62,745	18.9	(12,692)	(20.2)
			8,945	3.1	8,883	2.7	62	0.7
	rwarding	Ocean forwarding costs	14,818	5.1	20,765	6.3	(5,946)	(28.6)
	Forwa	Air forwarding costs	25,017	8.6	45,535	13.7	(20,518)	(45.1)
Operating expenses	L.	Total	48,780	16.8	75,183	22.7	(26,402)	(35.1)
	Vehicle chartering	ng and subcontracting costs	116,782	40.1	115,310	34.8	1,472	1.3
	Depreciat	tion and amortization	18,404	6.3	18,590	5.6	(185)	(1.0)
	Facili	ty 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		ome	1,160	0.4	1,632	0.5	(472)	(28.9)
	Total other expenses			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

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

Financial Results Presentation for Q1, Fiscal Year Ending December 2023





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

Η. Ι	KEV.	enues					Char	200	2023		2022	(	Unit: Millions Char	, , ,
			2023 1H Forecast	% of Sales	2022 1H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
		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.
	iive	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
	Automotive	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.
	Aut	Total	109,000	18.0	106,720	15.8	2,279	2.1	221,400	18.1	218,344	16.1	3,055	1.
		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
	E	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
	Ocean	Total	115,100	19.0	127,681	18.9	(12,581)	(9.9)	235,700	19.3	262,467	19.4	(26,767)	(10.
	Oce	(Export)	[ 50,100]	_	[ 64,373]	_	(14,273)	(22.2)	[ 104,000]	_	[ 131,243]	_	(27,243)	(20.
Revenues	tra	(Import)	[ 33,000]	-	[ 31,042]	_	1,957	6.3	[ 67,300]	_	[ 66,222]	-	1,077	1
		(Domestic and other)	[ 32,000]	_	[ 32,265]	_	(265)	(0.8)	[ 64,400]	-	[ 65,001]	_	(601)	(0.
en	uc	Total	132,500	21.9	175,295	25.9	(42,795)	(24.4)	271,700	22.3	337,677	25.0	(65,977)	(19.
é	Air	(Export)	[ 80,500]	_	[ 125,169]	_	(44,669)	(35.7)	[ 169,200]	_	[ 236,437]	-	(67,237)	(28.
Ľ	Anspo	(Import)	[ 17,500]	1	[ 16,206]	-	1,293	8.0	[ 33,400]	-	[ 32,795]	_	604	1
	tra	(Domestic and other)	[ 34,500]	_	[ 33,919]	_	580	1.7	[ 69,100]	-	[ 68,444]	_	655	1
	Wa	arehousing 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
		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
	N	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.
	S	Security transportation business	0	0.0	33,897	5.0	(33,897)	(100.0)	0	0.0	67,573	5.0	(67,573)	(100.
	Heavy	y 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
		Other businesses	36,000	6.0	36,024	5.3	(24)	(0.1)	70,000	5.7	66,403	4.9	3,596	5
		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.

Financial Results Presentation for Q1, Fiscal Year Ending December 2023

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## 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,%)

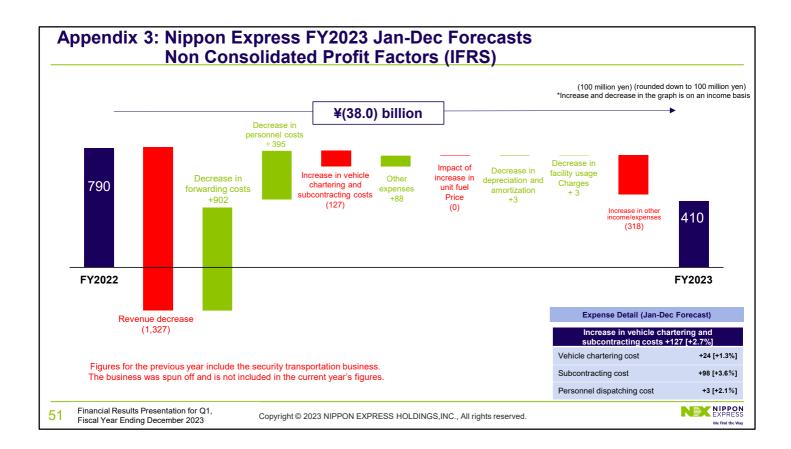
			2023		2022		Chan	ge	2023		2022		Chanç	je
			1H Forecast	% of Sales	1H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
2	Total	personnel expenses	103,000	17.0	125,540	18.6	(22,540)	(18.0)	207,400	17.0	246,956	18.3	(39,556)	(16.0)
	costs	Railway forwarding 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
expenses	rwarding	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)
dxa	orwa	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)
	Ļ	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)
Operating	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
	Deprec	iation and amortization	36,800	6.1	37,616	5.6	(816)	(2.2)	73,600	6.0	73,949	5.5	(349)	(0.5)
	Fac	ility 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 1H Forecast % of Sales		2022		Change		2023		2022		Change	
			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)

Financial Results Presentation for Q1, Fiscal Year Ending December 2023







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