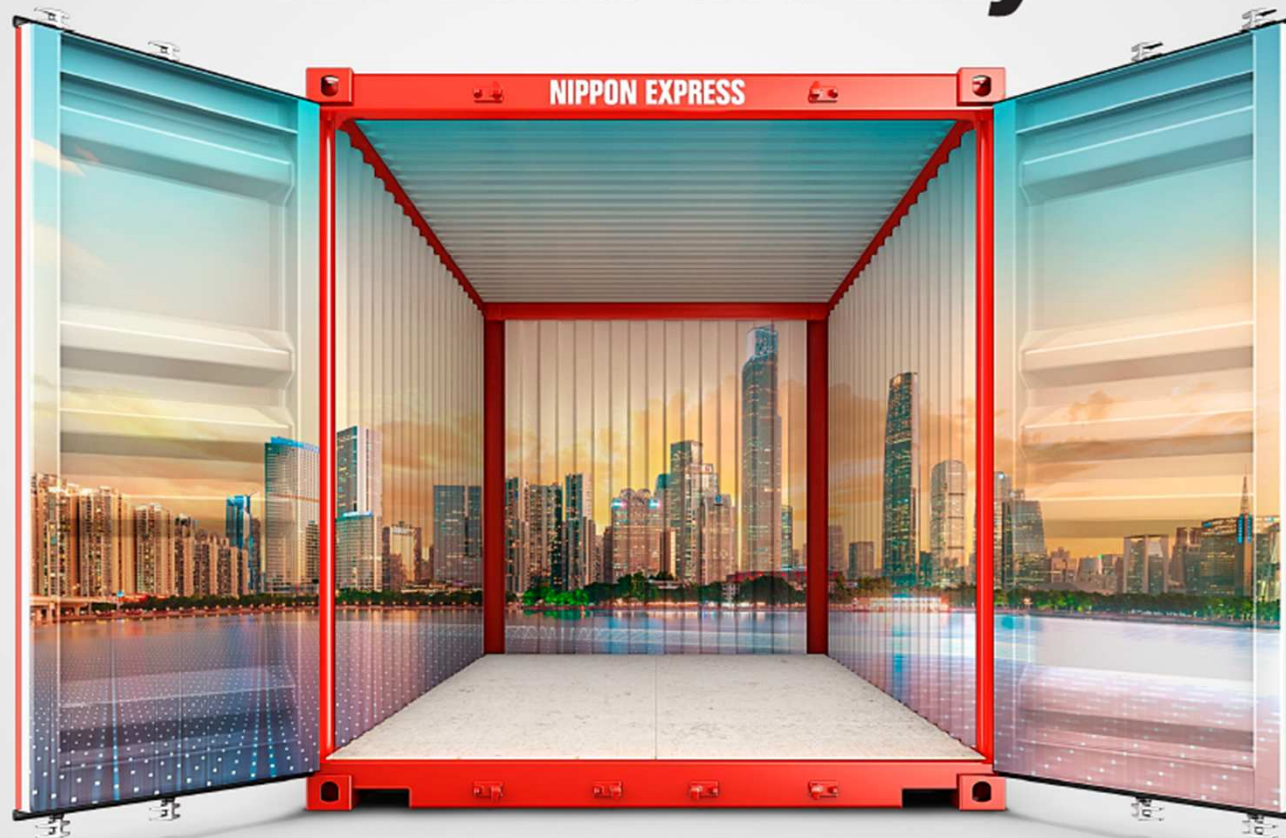


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## Financial Results Presentation for Q1, Fiscal Year Ending December 31, 2021

August 13, 2021  
Nippon Express Co., Ltd.  
Investor Relations Promotion Group  
Corporate Planning Division

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# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021(Summary)

# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

## Change in Fiscal Year End

As a result of the change in fiscal year-end, we will disclose our consolidated statements of income on a financial reporting basis (summary) and on a supplementary converted 12-month basis.

### ■ Financial Reporting (Summary)

Domestic Business: FY2020 Apr-Mar (12 months), FYE December 2021 Apr-Dec (9 months), FY2022 Jan-Dec (12 months)

Overseas Business: FY2020 Jan-Dec (12 months), FYE December 2021 Apr-Dec (9 months), FY2022 Jan-Dec (12 months)

\*The period from January through March, 2021, for overseas subsidiaries will be included as retained earnings in the consolidated statement of changes in shareholders' equity.

	2020				2021				2022			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Domestic Business	FY2020				FYE December 2021				FY2022			
Overseas Business					*							

### ■ Financial Results for Q1, FYE December 2021

\*Results for Q1, FY2020 and Q1, FYE December 2021 are as follows.

Domestic Business: FY2020 Apr-Jun (3 months), FYE December 2021 Apr-Jun (3 months)

Overseas Business: FY2020 Jan-Mar (3 months), FYE December 2021 Apr-Jun (3 months)

# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

## Summary

### A Financial Highlights for Q1, FYE December 2021

#### Overview (Consolidated)

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

Item	FYE December 2021 Q1, Results	FY2020 Q1, Results	Difference YoY	Difference YoY (%)	1H Forecast (Latest)	Difference	Progress (%)
Revenues	5,450	4,720	—	—	10,900	(5,449)	50.0
Operating income	201	44	—	—	360	(158)	55.9
Ordinary income	234	63	—	—	380	(145)	61.8
Profit attributable to owners of parent	152	96	—	—	250	(97)	60.8

### 2. Key Consolidated Business Indicators (YoY Results)

Item	FYE December 2021 Q1 Results	FY2020 Q1 Results	Item	Forecast (Reference)	FY2020 Results
Operating income margin	3.7%	0.9%	ROA	2.4%	3.6%
Ordinary income margin	4.3%	1.3%	ROE	6.6%	10.0%

(Note) Profit is our full-year forecast, while equity and total assets are calculated using the average of year-end balances in the prior consolidated fiscal year and balances as of the end of the current consolidated period.

# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

Summary

## B Japan and Overseas Results (not including adjustments)

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

Segment	Item	FYE December 2021 Q1, Results	FY2020 Q1, Results	Difference YoY	Difference YoY (%)
Japan Total	Revenues	4,358	4,050	—	—
	Segment Income	150	58	—	—
Overseas Total	Revenues	1,478	964	—	—
	Segment Income	83	14	—	—

Overseas sales ratio

27.1%

# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

## C Results by Reportable Segment

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

Segment	Item	FYE December 2021 Q1, Results	FY2020 Q1, Results	Difference YoY	Difference YoY (%)	1H Forecast (Latest)	Difference	Progress (%)
Japan	Revenues	3,266	2,733	—	—	6,411	(3,144)	50.9
	Segment Income	115	23	—	—	221	(105)	52.3
The Americas	Revenues	267	205	—	—	557	(289)	48.0
	Segment Income	19	(0)	—	—	32	(12)	60.8
Europe	Revenues	367	274	—	—	696	(328)	52.8
	Segment Income	17	2	—	—	28	(11)	60.7
East Asia	Revenues	459	265	—	—	895	(435)	51.4
	Segment Income	17	5	—	—	30	(12)	58.2
South Asia & Oceania	Revenues	383	218	—	—	748	(364)	51.3
	Segment Income	29	7	—	—	56	(26)	52.9
Security Transportation	Revenues	171	169	—	—	343	(171)	49.9
	Segment Income	0	(8)	—	—	6	(5)	12.0
Heavy Haulage & Construction	Revenues	123	131	—	—	254	(130)	48.7
	Segment Income	16	15	—	—	28	(11)	57.6
Logistics Support	Revenues	797	1,017	—	—	1,650	(852)	48.3
	Segment Income	17	27	—	—	36	(18)	49.1

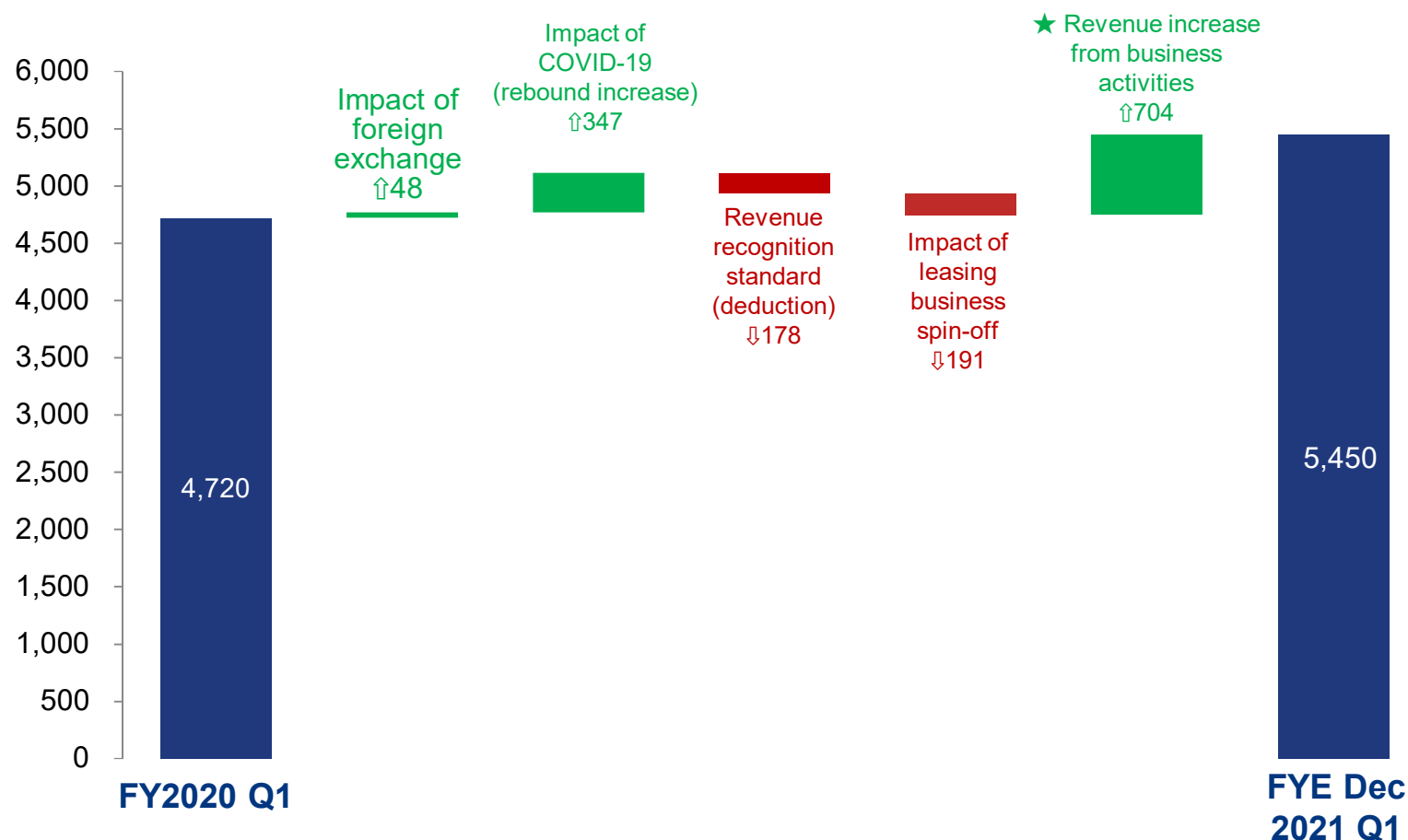
# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

Summary

## D Breakdown of Revenues and Operating Income

### 1. Revenues

(100 million yen)



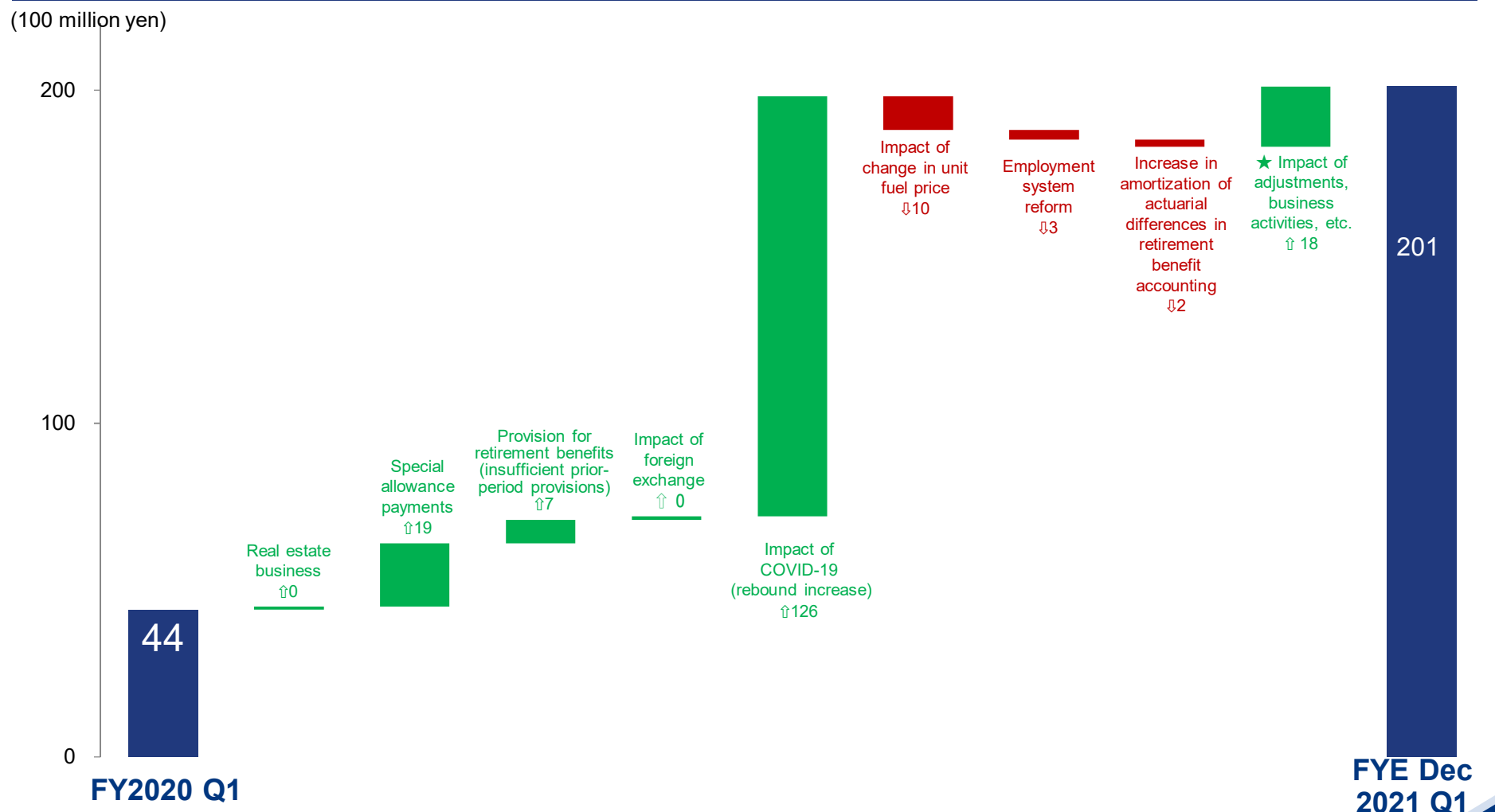


# I. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Summary)

Summary

## D Breakdown of Revenues and Operating Income

### 2. Operating income



## II. Financial Results for Q1, Fiscal Year Ending December 31, 2021 (Pro Forma)

## II. Financial Results for Q1, Fiscal Year Ending December 2021 (Pro Forma)

### Change in Fiscal Year End

As a result of the change in fiscal year-end, we will disclose our consolidated statements of income on a financial reporting basis (summary) and on a supplementary converted 12-month basis (\*estimated).

\*Forecasts 2021 have been calculated using simplified methods, including historical elimination ratios.  
 Figures are unaudited and for reference only.

### ■ Converted 12-Month Basis

Domestic Business: FYE December 2020 Jan-Dec (12 months), FYE December 2021 Jan-Dec (12 months), FYE December 2022 Jan-Dec (12 months)  
 Overseas Business: FYE December 2020 Jan-Dec (12 months), FYE December 2021 Jan-Dec (12 months), FYE December 2022 Jan-Dec (12 months)

	2020				2021				2022			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Domestic Business	FYE December 2020				FYE December 2021				FYE December 2022			
Overseas Business												

### ■ Financial Results for FYE December 2021 (Jan- Jun)

\*The following represent pro forma results for the period in question.

Domestic Business: FYE December 2020 Jan-Jun (6 months), FYE December 2021 Jan-Jun (6 months)  
 Overseas Business: FYE December 2020 Jan-Jun (6 months), FYE December 2021 Jan-Jun (6 months)

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

Converted 12-Month Basis

### A Financial Results for April-June, FYE December 2021

#### Overview (Consolidated)

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

Item	Results (Apr-Jun 2021)	Results (Apr-Jun 2020)	Difference YoY	Difference YoY (%)
Revenues	5,450	4,759	691	14.5
Operating income	201	69	131	187.7
Operating income margin	3.7	1.5	—	—
Ordinary income	234	86	148	173.0
Profit attributable to owners of parent	152	99	52	52.4
Overseas sales	1,478	1,015	463	45.6

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

Converted 12-Month Basis

### B Financial Results for January-June, FYE December 2021

#### Overview (Consolidated)

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

Item	Current-Year Results (Jan-Jun 2021)	Prior-Year Results (Jan-Jun 2020)	Difference YoY	Difference YoY (%)
Revenues	11,189	9,831	1,358	13.8
Operating income	484	217	266	122.6
Operating income margin	4.3	2.2	—	—
Ordinary income	508	160	347	216.1
Profit attributable to owners of parent	273	116	156	134.7
Overseas sales	2,896	1,980	916	46.3

\*We posted ¥6.8 billion in overseas segment net income representing Jan-Mar 2021 results to retained earnings in connection with the change in fiscal year end.

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

Converted 12-Month Basis

### C Japan and Overseas Results (not including adjustments)

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

Segment	Item	Current-Year Results (Jan-Jun 2021)	Prior-Year Results (Jan-Jun 2020)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	9,191	8,520	670	7.9
	Segment Income	375	217	158	72.9
Overseas Total	Revenues	2,896	1,980	916	46.3
	Segment Income	179	64	114	177.6

Overseas sales ratio

25.9%

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

Converted 12-Month Basis

### D Results by Reportable Segment

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

Segment	Item	Current-Year Results (Jan-Jun 2021)	Prior-Year Results (Jan-Jun 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	6,565	5,683	881	15.5
	Segment Income	282	128	154	120.5
The Americas	Revenues	497	373	124	33.4
	Segment Income	32	(0)	32	—
Europe	Revenues	693	522	170	32.7
	Segment Income	29	4	25	516.1
East Asia	Revenues	926	592	333	56.3
	Segment Income	50	28	22	80.0
South Asia & Oceania	Revenues	778	492	286	58.2
	Segment Income	66	31	34	108.1
Security Transportation	Revenues	345	348	(3)	(0.9)
	Segment Income	(2)	(3)	1	—
Heavy Haulage & Construction	Revenues	219	240	(21)	(9.0)
	Segment Income	25	26	(0)	(3.3)
Logistics Support	Revenues	2,060	2,247	(186)	(8.3)
	Segment Income	69	66	3	4.7

# Reference

## Financial Results by Segment (Jan-Mar vs. Apr-Jun, FYE December 2021)

Converted 12-Month  
Basis

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

Segment	Item	Results (Apr-Jun 2021)	Results (Jan-Mar 2021)	Difference (vs. Jan-Mar)	Difference (%) (vs. Jan-Mar)
Japan	Revenues	3,266	3,299	(33)	(1.0)
	Segment Income	115	166	(51)	(30.7)
The Americas	Revenues	267	230	36	15.8
	Segment Income	19	12	6	55.2
Europe	Revenues	367	325	42	13.0
	Segment Income	17	12	4	32.1
East Asia	Revenues	459	466	(6)	(1.5)
	Segment Income	17	33	(15)	(47.5)
South Asia & Oceania	Revenues	383	394	(10)	(2.7)
	Segment Income	29	36	(7)	(19.9)
Security Transportation	Revenues	171	174	(3)	(2.0)
	Segment Income	0	(3)	3	—
Heavy Haulage & Construction	Revenues	123	95	28	29.6
	Segment Income	16	9	6	65.2
Logistics Support	Revenues	797	1,263	(466)	(36.9)
	Segment Income	17	51	(34)	(65.9)
Total (including adjustments)	Revenues	5,450	5,738	(288)	(5.0)
	Income	201	283	(82)	(29.0)

\*Results for Jan-Mar 2021 represent a consolidation of overseas segment performance for Jan-Mar 2021 and differ from figures for FY2020. These figures are provided for reference only. We do not plan to have these figures audited.



# Reference

## Financial Results by Segment (Jan-Mar FYE December 2021, FYE December 2020)

Converted 12-Month  
Basis

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

Segment	Item	Current-Year Results (Jan-Mar 2021)	Prior-Year Results (Jan-Mar 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,299	2,950	348	11.8
	Segment Income	166	104	62	59.7
The Americas	Revenues	230	205	25	12.2
	Segment Income	12	(0)	12	-
Europe	Revenues	325	274	50	18.6
	Segment Income	12	2	10	397.0
East Asia	Revenues	466	265	200	75.6
	Segment Income	33	5	28	560.8
South Asia & Oceania	Revenues	394	218	175	80.4
	Segment Income	36	7	29	412.0
Security Transportation	Revenues	174	179	(5)	(2.8)
	Segment Income	(3)	4	(7)	(169.0)
Heavy Haulage & Construction	Revenues	95	109	(13)	(12.7)
	Segment Income	9	11	(1)	(13.4)
Logistics Support	Revenues	1,263	1,229	33	2.7
	Segment Income	51	38	13	34.2
Total (including adjustments)	Revenues	5,738	5,072	666	13.1
	Income	283	147	135	91.8

\*Results for Jan-Mar 2021 represent a consolidation of overseas segment performance for Jan-Mar 2021 and differ from figures for FY2020. These figures are provided for reference only. We do not plan to have these figures audited.

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

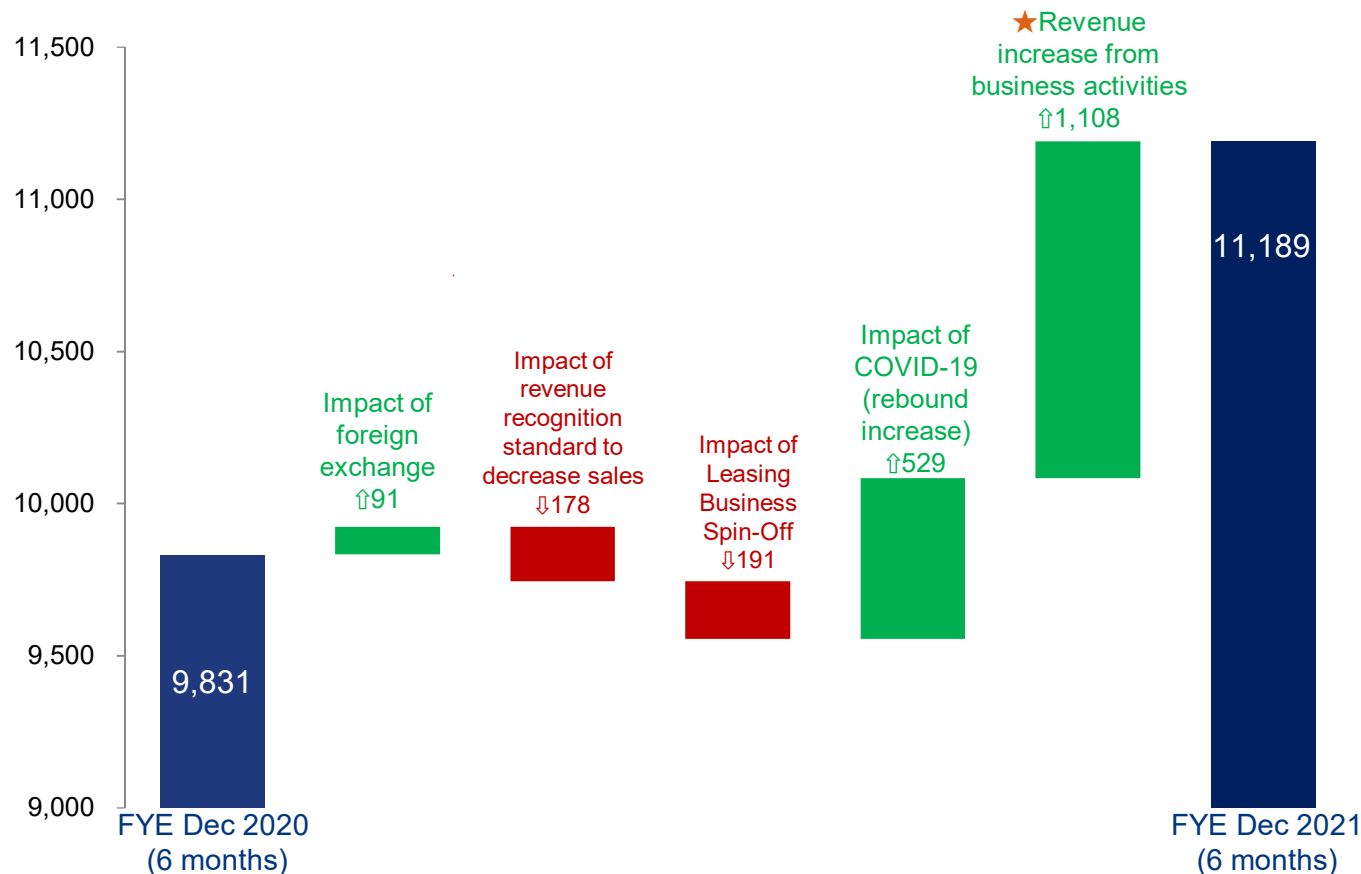
\*For January-June; YoY for six months in domestic and overseas businesses

### E Breakdown of Revenues and Operating Income

Converted 12-Month Basis

#### 1. Revenues

(100 million yen)



★Breakdown of revenue decrease from business activities by segment

● Japan:	+596
● Overseas total:	+618
● Security Transportation:	(12)
● Heavy Haulage & Construction:	(26)
● Logistics Support:	+160
● Adjustments:	(228)

\*Comparison of full-year forecast (converted to six months) and prior-year results (converted to six months)

## Ⅱ . Financial Results for January-June, Fiscal Year Ending December 31, 2021 (Pro Forma)

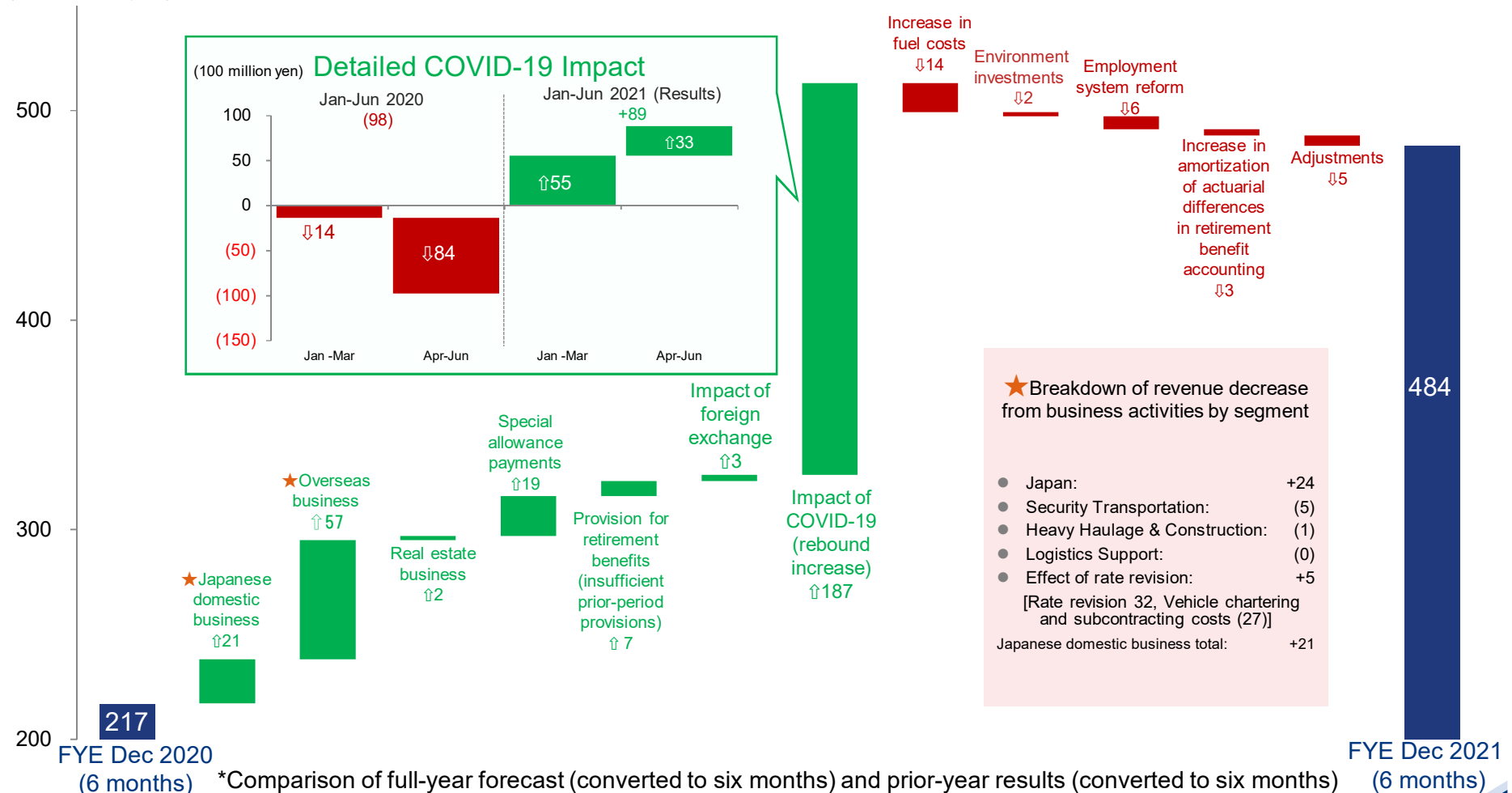
\*For January-June; YoY for six months in domestic and overseas businesses

### E Breakdown of Revenues and Operating Income

Converted 12-Month Basis

#### 2. Operating income

(100 million yen)



## Ⅲ. Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (A. Summary)

## III-A Summary

Summary

### Overview (Consolidated)

#### 1 Forecast for the FYE December 2021

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

Item	Full-Year Forecast (Japan and overseas: Apr-Dec 2021) *Financial reporting basis	Previous Forecast (Announced April 28, 2021)	Difference	FY2020 Results	Difference
Revenues	16,500	15,600	900	20,791	—
Operating income	560	560	—	781	—
Operating income margin	3.4	3.6	—	3.8	—
Ordinary income	580	580	—	812	—
Profit attributable to owners of parent	390	390	—	561	—
Overseas sales	4,255	3,766	489	4,537	—

## III-A Summary

Summary

### 2 Japan and Overseas Results Forecast (not including adjustments)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2021)	FY2020 Results	Difference YoY	Difference YoY (%)
Japan Total	Revenues	13,151	17,757	—	—
	Segment Income	486	699	—	—
Overseas Total	Revenues	4,255	4,537	—	—
	Segment Income	203	222	—	—

Overseas sales ratio  
(Ratio of overseas revenues to  
consolidated revenues)

25.8 % (Interim Target: 23.1%)

## III -A Summary

### Summary

### 3 Forecasts by Reportable Segment

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

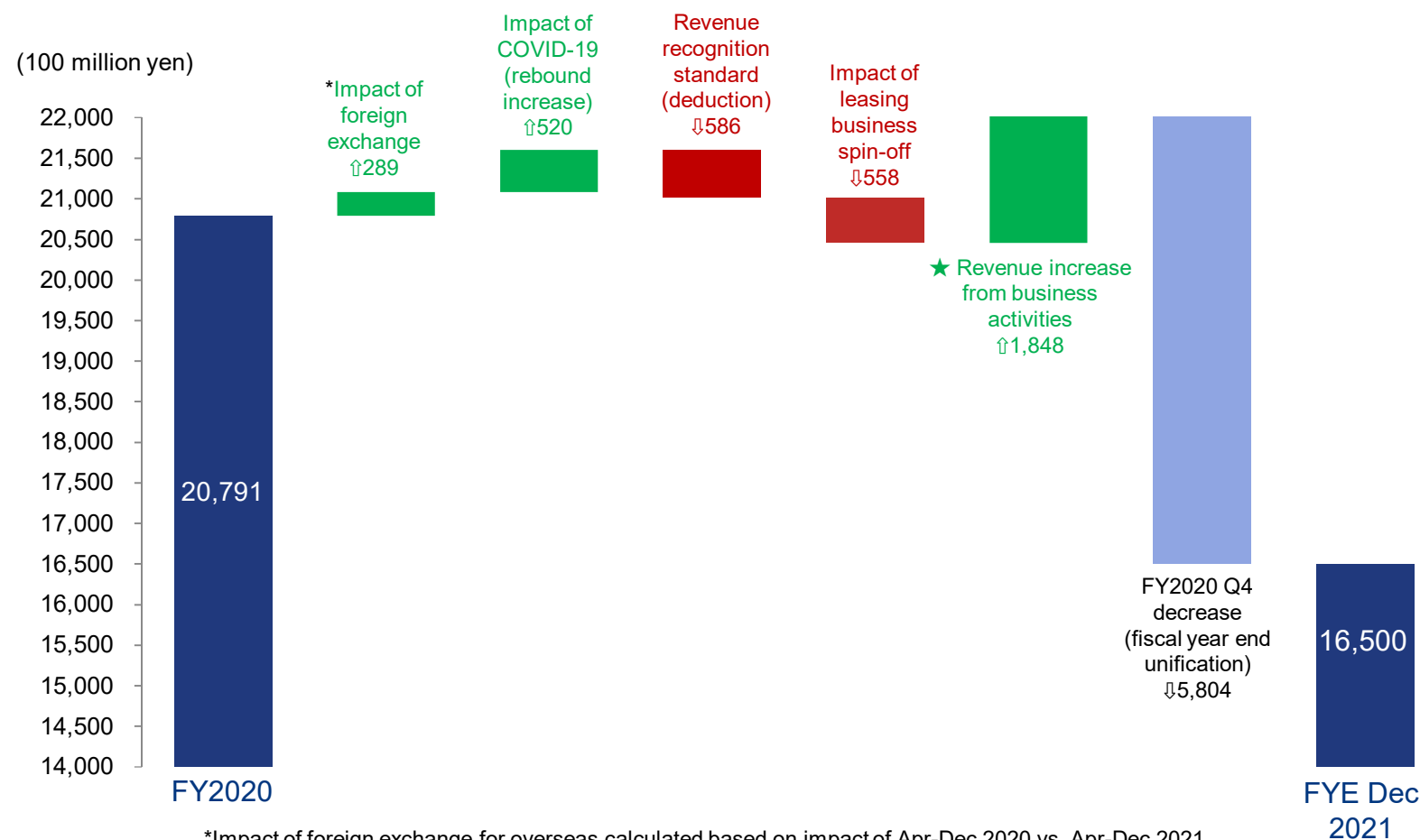
Segment	Item	Full-Year Forecast	FYE December 2021 1H Forecast	FYE December 2021 2H Forecast	FY2020 Results	Difference YoY	Difference YoY (%)
Japan	Revenues	9,704	6,411	3,293	12,128	—	—
	Segment Income	376	221	155	519	—	—
The Americas	Revenues	843	557	286	781	—	—
	Segment Income	42	32	10	4	—	—
Europe	Revenues	1,045	696	349	1,171	—	—
	Segment Income	44	28	16	34	—	—
East Asia	Revenues	1,303	895	408	1,436	—	—
	Segment Income	43	30	13	84	—	—
South Asia & Oceania	Revenues	1,064	748	316	1,147	—	—
	Segment Income	74	56	18	98	—	—
Security Transportation	Revenues	515	343	172	692	—	—
	Segment Income	8	6	2	(9)	—	—
Heavy Haulage & Construction	Revenues	370	254	116	458	—	—
	Segment Income	43	28	15	52	—	—
Logistics Support	Revenues	2,562	1,650	912	4,478	—	—
	Segment Income	59	36	23	136	—	—

## Ⅲ-A Summary

Summary

### 4 Breakdown of Revenues and Operating Income

#### 1) Revenues



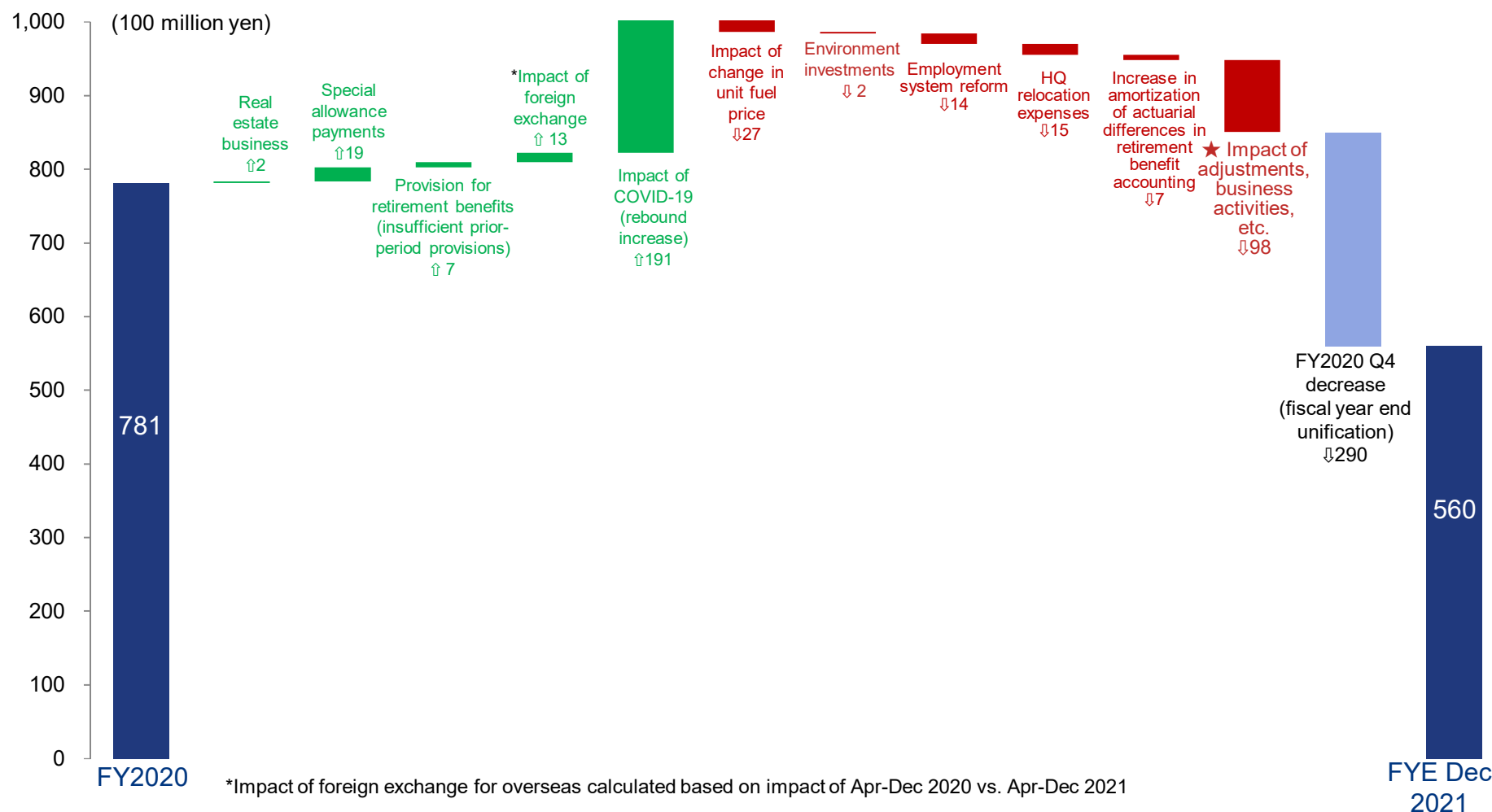


# III -A Summary

Summary

## 4 Breakdown of Revenues and Operating Income

### 2) Operating income



## Ⅲ. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (B. Pro Forma)

## III-B Pro Forma

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

### 1 Forecast for the FYE December 2021 (Apr-Dec 2021)

Converted 9-Month  
Basis

Item	Revised Forecast Apr-Dec 2021 (Announced August 13)	Previous Forecast (Announced April 28)	Difference	2020 Apr-Dec Results	Difference YoY	Difference YoY (%)
Revenues	16,500	15,600	900	15,450	1,049	6.8
Operating income	560	560	—	581	(21)	(3.7)
Operating income margin	3.4	3.6	—	3.8	-	-
Ordinary income	580	580	—	617	(37)	(6.1)
Profit attributable to owners of parent	390	390	—	486	(96)	(19.9)
Overseas sales	4,255	3,766	489	3,572	682	19.1

## III-B Pro Forma

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

### 1 Forecast for the FYE December 2021 (Jan-Dec 2021)

Converted 12-Month  
Basis

Item	Revised Forecast (Announced August 13)	FYE Dec 2020 Results	Difference YoY	Difference YoY (%)	Previous Forecast (Announced April 28)	Difference [Difference %]
Revenues	22,238	20,522	1,716	8.4	21,400	838 [3.9]
Operating income	843	729	113	15.6	830	13 [1.6]
Operating income margin	3.8	3.6	—	—	3.9	—
Ordinary income	853	692	161	23.3	870	(16) [(1.9)]
Profit attributable to owners of parent	511	503	7	1.5	530	(18) [(3.5)]
Overseas sales	5,672	4,537	1,135	25.0	5,247	425

Item	FYE Dec 2021 1H Results	FYE Dec 2021 2H Forecast
Revenues	11,189	11,049
Operating income (Operating income margin)	484 [4.3]	358 [3.2]

\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)

\*Segment income for Jan-Mar 2021 includes ¥6.8 billion in retained earnings in connection with change in fiscal year end.

## III-B Pro Forma

Converted 12-Month  
Basis

### 2 Japan and Overseas Results Forecast (not including adjustments)

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

Segment	Item	Current-Year Results (Jan-Dec 2021)	Prior-Year Results (Jan-Dec 2020)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	17,983	17,393	589	3.4
	Segment Income	711	632	78	12.4
Overseas Total	Revenues	5,672	4,537	1,135	25.0
	Segment Income	298	222	76	34.4

Overseas sales ratio

25.5%

## III-B Pro Forma

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

### 3 Forecasts by Reportable Segment

Converted 12-Month  
Basis

Segment	Item	1H Results (Jan-Jun)	2H Forecast (Jul-Dec)			Full-Year Forecast (Jan- Dec)				
			FYE Dec 2021 Revised Forecast	FYE Dec 2020 Prior-Year Results	Difference	FYE Dec 2021 Revised Forecast	FYE Dec 2020 Prior-Year Results	Difference	FYE Dec 2021 Previous Forecast	Difference
Japan	Revenues	6,565	6,437	6,095	342	13,003	11,779	1,224	12,858	145
	Segment Income	282	260	329	(69)	542	457	85	576	(33)
The Americas	Revenues	497	575	408	167	1,073	781	292	1,021	52
	Segment Income	32	22	5	17	54	4	49	38	16
Europe	Revenues	693	677	649	28	1,370	1,171	199	1,340	30
	Segment Income	29	26	29	(2)	56	34	22	52	4
East Asia	Revenues	926	843	843	(0)	1,769	1,436	332	1,558	211
	Segment Income	50	25	56	(30)	76	84	(8)	68	8
South Asia & Oceania	Revenues	778	680	655	24	1,458	1,147	311	1,328	130
	Segment Income	66	44	66	(22)	110	98	12	88	22
Security Transportation	Revenues	345	343	348	(4)	689	697	(7)	689	0
	Segment Income	(2)	7	2	4	4	(1)	6	5	(0)
Heavy Haulage & Construction	Revenues	219	246	231	14	465	472	(7)	465	0
	Segment Income	25	26	26	(0)	52	53	(0)	54	(1)
Logistics Support	Revenues	2,060	1,764	2,197	(432)	3,825	4,444	(619)	3,657	168
	Segment Income	69	41	56	(15)	110	123	(12)	114	(3)

## III-B Pro Forma

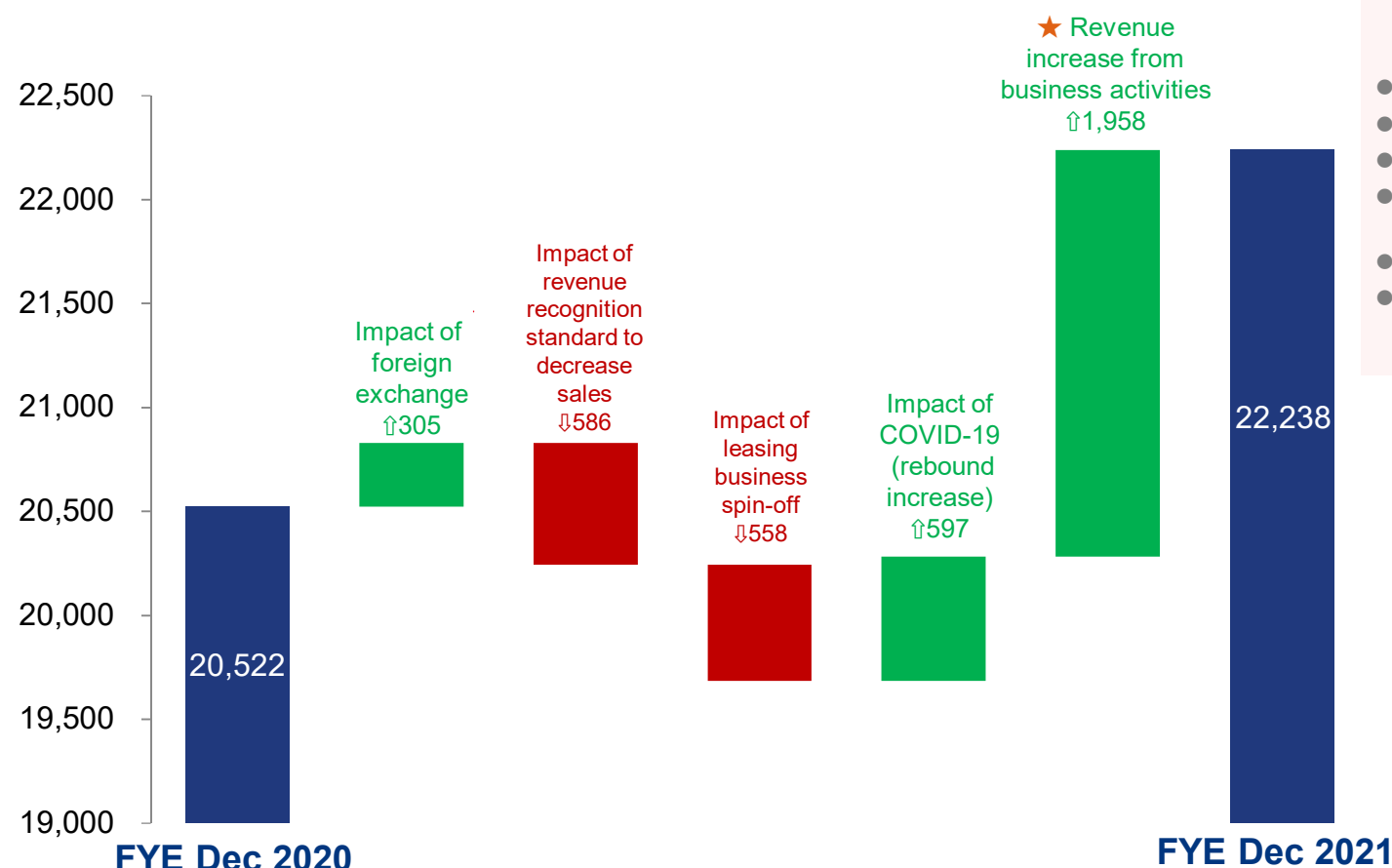
\*Domestic and overseas total for January through December compared to the same period in the previous year

### 4 Breakdown of Revenues and Operating Income

Converted 12-Month Basis

#### 1) Revenues

(100 million yen)



#### ★ Breakdown of revenue decrease from business activities by segment

● Japan:	+762
● Overseas total:	+759
● Security Transportation:	(20)
● Heavy Haulage & Construction:	(19)
● Logistics Support:	+484
● Adjustments:	(8)

\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)

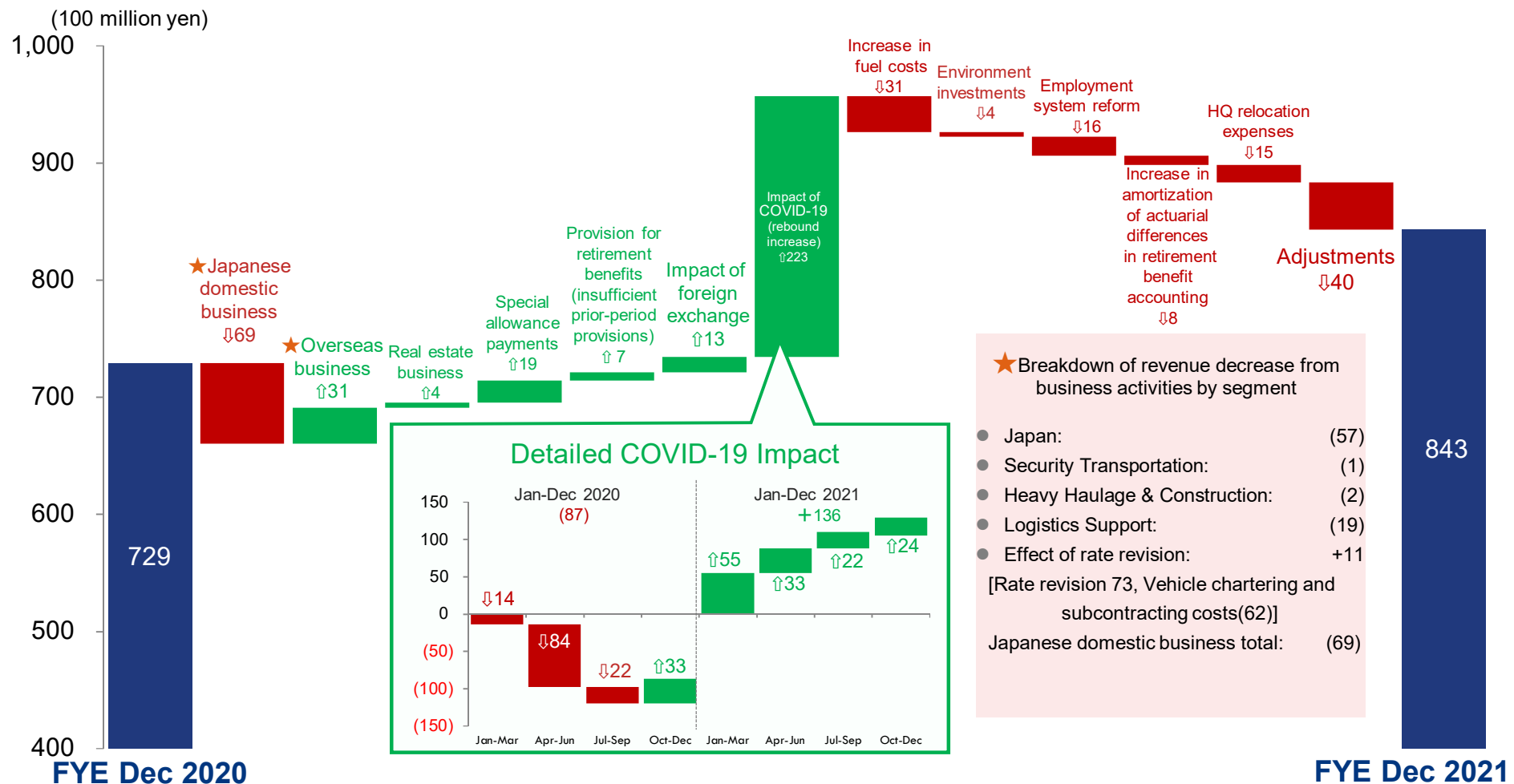
## III-B Pro Forma

\*Domestic and overseas total for January through December compared to the same period in the previous year

### 4 Breakdown of Revenues and Operating Income

Converted 12-Month Basis

#### 2) Operating income



\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)



# III-C Segment Overview, Fiscal Year Ending December 31, 2021

Converted 12-Month Basis

## 1. Japan Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	3,266	2,733	532	19.5
Operating income	115	23	92	390.0
Operating income margin	3.5	0.9	—	—

### April-June Highlights

Although recovering, our railway utilization and motor transportation businesses continued to perform below pre-COVID-19 levels. The air export freight forwarding business experienced generally brisk cargo movement as in the previous fiscal year, despite some impact due to the semiconductor shortage beginning in May. The marine export freight forwarding business recorded revenue and profit growth, mainly due to higher freight rates caused by a shortage of containers.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	3,299	3,266	6,565	3,144	3,293	6,437	13,003
Operating income	166	115	282	105	155	260	542
Operating income margin	5.1	3.5	4.3	3.3	4.7	4.0	4.2

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	2,950	2,733	5,683	2,877	3,217	6,095	11,779
Operating income	104	23	128	114	214	329	457
Operating income margin	3.5	0.9	2.3	4.0	6.7	5.4	3.9

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	348	532	881	267	75	342	1,224
	11.8	19.5	15.5	9.3	2.3	5.6	10.4
Operating income	62	92	154	(9)	(59)	(69)	85
	59.7	390.0	120.5	(8.0)	(27.8)	(21.0)	18.7

### Special Factor

- Impact of fuel unit cost:  
[operating income] (12) [6 months], (26) [year]
- Cost increase associated with employee system reform:  
[operating income] (5) [6 months], (14) [year]
- Impact of COVID-19:  
[revenues] +290 [6 months], +462 [year]  
[operating income] +124 [6 months], +176 [year]
- Provision for retirement benefits:  
[operating income] +7 [Apr-Jun, year]
- Impact of special allowance payments:  
[operating income] +15 [Apr-Jun, year]
- Environment investments:  
[operating income] (2) [6 months], (4) [year]
- Real estate business:  
[operating income] +2 [6 months], +4 [year]
- HQ relocation expenses:  
[operating income] (15) [year]
- Impact of revenue recognition standard:  
[revenues] (5) [6 months], (0) [year]
- Impact due to actuarial differences in retirement benefits:  
[operating income] (2) [6 months], (6) [year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	13,003	12,858	145
Operating income	542	576	(33)
	4.2	4.5	—

### Second Half Forecast Overview

We expect disruptions in ocean cargo transportation to continue due to container shortages and port congestion, etc. The situation will likely take some time to resolve itself. We forecast cargo movement in our air export freight forwarding business to remain firm due to a recovering in production activities as the shortage of semiconductor supply is resolved. We expect recovery in our railway utilization and motor transportation businesses to be sluggish. We forecast an increase in revenues and a decrease in operating income year on year due to soaring usage fees and fuel prices.

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

Converted 12-Month  
Basis

## 2. The Americas Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	267	167	99	59.5
Operating income	19	(0)	19	—
Operating income margin	7.3	(0.2)	—	—

#### April-June Highlights

The air transportation business saw a recovery in automobile-related and perishable food volume. As a result, automobile and warehousing and distribution processing recorded higher year-on-year revenues. Warehousing and distribution processing recorded higher revenues and profits due to the acquisition of new apparel-related work and the contribution of ongoing cost reduction initiatives, first implemented last year.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	230	267	497	289	286	575	1,073
Operating income	12	19	32	12	10	22	54
Operating income margin	5.4	7.3	6.4	4.3	3.5	3.9	5.1

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	205	167	373	187	221	408	781
Operating income	(0)	(0)	(0)	(0)	5	5	4
Operating income margin	(0.0)	(0.2)	(0.1)	(0.1)	2.5	1.3	0.6

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	25	99	124	102	64	167	292
	12.2	59.5	33.4	54.8	29.4	41.0	37.4
Operating income	12	19	32	12	4	17	49
	—	—	—	—	81.5	—	—

#### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] (2) [6 months], +17 [year]  
[operating income] +0 [6 months], +0 [year]
- Impact of COVID-19:  
[revenues] +29 [6 months], +49 [year]  
[operating income] +11 [6 months], +19 [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,073	1,021	52
Operating income	54	38	16
	5.1	3.7	—

#### Second Half Forecast Overview

We expect revenues and profits to increase year on year due to firm performance among our automotive-related customers in Q2 and beyond, a positive impact on revenues stemming from new customers, and ongoing cost reductions.

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

## 3. Europe Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	367	247	119	48.4
Operating income	17	2	14	652.7
Operating income margin	4.6	0.9	—	—

### April-June Highlights

Revenues increased significantly year on year due to firm performance in automobile-related and electric and electronics-related components, as well as chartered transport volume for apparel from Italy to the U.S. Cost reduction measures also contributed to increased revenues and profits.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	325	367	693	328	349	677	1,370
Operating income	12	17	29	10	16	26	56
Operating income margin	4.0	4.6	4.3	3.3	4.6	4.0	4.1

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	274	247	522	300	348	649	1,171
Operating income	2	2	4	10	19	29	34
Operating income margin	0.9	0.9	0.9	3.4	5.5	4.5	2.9

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	50	119	170	28	0	28	199
	18.6	48.4	32.7	9.3	0.0	4.3	17.0
Operating income	10	14	25	0	(3)	(2)	22
	397.0	652.7	516.1	9.3	(16.4)	(7.5)	67.0

### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +44 [6 months], +130 [year]  
[operating income] +0 [6 months], +2 [year]
- Impact of COVID-19:  
[revenues] +93 [6 months], +91 [year]  
[operating income] +30 [6 months], +30 [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,370	1,340	30
Operating income	56	52	4
	4.1	3.9	—

### Second Half Forecast Overview

Cargo movement for automobiles, electric and electronics components, and apparel-related should continue to be firm in July and beyond. We expect usage fees for ocean cargo transportation to remain high due to space constraints. As a result, we forecast year-on-year revenue growth and a slight decline in operating income.

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

Converted 12-Month  
Basis

## 4. East Asia Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	459	327	132	40.6
Operating income	17	23	(5)	(24.5)
Operating income margin	3.8	7.1	—	—

### April-June Highlights

Revenue rose due to an increase in air freight export transaction volume, a recovery in automobile transportation volume, and an increase in unit prices for ocean freight fees. In particular, volume for services using central European railways rose significantly. Although revenue increases significantly owing to the recovery from COVID-19 in the previous year, profit decreased due to the impact of soaring air forwarding costs.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	466	459	926	435	408	843	1,769
Operating income	33	17	50	12	13	25	76
Operating income margin	7.1	3.8	5.5	2.9	3.2	3.0	4.3

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	265	327	592	291	552	843	1,436
Operating income	5	23	28	16	39	56	84
Operating income margin	1.9	7.1	4.8	5.8	7.1	6.7	5.9

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	200	132	333	143	(144)	(0)	332
	75.6	40.6	56.3	49.1	(26.1)	(0.1)	23.2
Operating income	28	(5)	22	(4)	(26)	(30)	(8)
	560.8	(24.5)	80.0	(25.6)	(67.0)	(54.6)	(9.7)

### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +34 [6 months], +110 [year]  
[operating income] +1 [6 months], +6 [year]
- Impact of COVID-19:  
[revenues] +4 [6 months], (50) [year]  
[operating income] (7) [6 months], (18) [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,769	1,558	211
Operating income	76	68	8
	4.3	4.4	—

### Second Half Forecast Overview

We expect air export freight forwarding business volume to continue to grow in July and later due to the recovery in economic activities. However, the impact of the drop in spot orders during the Christmas shopping season last fiscal year will be significant. Also, we expect to see soaring air forwarding costs. As a result, we forecast revenues to remain flat year on year, while operating income will decrease.

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

## 5. South Asia & Oceania Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	383	273	110	40.5
Operating income	29	24	4	19.6
Operating income margin	7.7	9.1	—	—

April-June Highlights
Air freight export transaction volume continued to be firm, mainly for automotive industry-related. At the same time, ocean cargo transportation volume rose, even amid rising fee unit prices caused by confusion due to container shortages. As a result, the business recorded higher revenues and profits.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	394	383	778	364	316	680	1,458
Operating income	36	29	66	26	18	44	110
Operating income margin	9.4	7.7	8.5	7.2	5.7	6.5	7.6

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	218	273	492	294	360	655	1,147
Operating income	7	24	31	27	39	66	98
Operating income margin	3.3	9.1	6.5	9.4	10.8	10.2	8.6

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	175	110	286	69	(44)	24	311
	80.4	40.5	58.2	23.6	(12.4)	3.8	27.1
Operating income	29	4	34	(1)	(21)	(22)	12
	412.0	19.6	108.1	(4.6)	(54.0)	(33.6)	12.3

Special Factor
<ul style="list-style-type: none"> <li>Impact of foreign exchange (weaker yen): [revenues] +15 [6 months], +48 [year] [operating income] +1 [6 months], +3 [year]</li> <li>Impact of COVID-19: [revenues] +79 [6 months], (20) [year] [operating income] +18 [6 months], (0) [year]</li> <li>Special allowance payments: [operating income] +0 [Apr-Jun, year]</li> </ul>

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,458	1,328	130
Operating income	110	88	22
	7.6	6.6	—

Second Half Forecast Overview
Cargo movement will continue to recover from the COVID-19 pandemic, while we expect the automobile-related and electric and electronics-related to remain firm. Even though we expect revenues to increase, we forecast a decrease in profit due to a contraction in earnings of the air export freight forwarding business as fee unit prices normalize in conjunction with a recovery in air passenger flights.

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

## 6. Security Transportation Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	171	169	1	1.1
Operating income	0	(8)	9	—
Operating income margin	0.4	(4.9)	—	—

April-June Highlights
Our cash collection business, which was affected significantly by the spread of COVID-19 last year, recovered. Despite a decrease in revenues in connection with fewer scheduled flights among certain customers, revenues remained level year on year due to new business center operations customers and the contribution of fee revisions for scheduled flights. Operating income increased due to impairment losses recorded in the previous fiscal year.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	174	171	345	171	172	343	689
Operating income	(3)	0	(2)	5	2	7	4
Operating income margin	(1.7)	0.4	(0.7)	3.1	1.2	2.1	0.7

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	179	169	348	173	174	348	697
Operating income	4	(8)	(3)	(0)	3	2	(1)
Operating income margin	2.5	(4.9)	(1.1)	(0.6)	1.9	0.7	(0.2)

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	(5)	1	(3)	(1)	(2)	(4)	(7)
	(2.8)	1.1	(0.9)	(1.1)	(1.7)	(1.4)	(1.1)
Operating income	(7)	9	1	6	(1)	4	6
	(169.0)	—	—	—	(38.6)	219.5	—

Special Factor
<ul style="list-style-type: none"> <li>Impact of fuel unit cost: [operating income] (2) [6 months], (4) [year]</li> <li>Cost increase associated with the employee system reform: [operating income] (0) [6 months], (0) [year]</li> <li>Impact of COVID-19: [revenues] +9 [6 months], +12 [year] [operating income] +5 [6 months], +8 [year]</li> <li>Impact of special allowance payments: [operating income] +2 [Apr-Jun, year]</li> <li>Impact due to actuarial differences in retirement benefits: [operating income] (0) [6 months], (1) [year]</li> </ul>

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	689	689	0
Operating income	4	5	(0)
	0.7	0.7	—

Second Half Forecast Overview
We expect the impact of COVID-19 to continue at the same level as in the first quarter. We forecast a slight decrease in revenues, while operating income should increase.



# III-C Segment Overview, Fiscal Year Ending December 31, 2021

## 7. Heavy Haulage & Construction Segment

(100 million yen)

1 Quarterly Results	Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020			April-June Highlights				
			FYE Dec 2020	Difference	Difference (%)	Although wind power-related performed well, we saw a decrease in volume for plant maintenance due to a negative rebound in connection with large-scale projects last year. As a result, we recorded lower revenues, while profits were level with the same period in the previous fiscal year.				
	Revenues	123	131	(7)	(6.0)					
	Operating income	16	15	0	4.1					
	Operating income margin	13.1	11.8	—	—					
2 Quarterly Results and Forecast	Item	Results and Forecast for FYE Dec 2021							Special Factor	
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast		
	Revenues	95	123	219	130	116	246	465		▪ Decrease in fuel unit cost: [operating income] (0) [6 months] (0) [year] ▪ Cost increase associated with the employee system reform: [operating income] (0) [6 months], (0) [year] ▪ Impact of COVID-19: [revenues] +5 [6 months], +11 [year] [operating income] +0 [6 months], +2 [year] ▪ Impact of special allowance payments: [operating income] +0 [Apr-Jun, year] ▪ Impact due to actuarial differences in retirement benefits: [operating income] (0) [6 months], (0) [year]
	Operating income	9	16	25	11	15	26	52		
	Operating income margin	10.2	13.1	11.8	9.1	12.9	10.9	11.3		
	Item	FYE Dec 2020 Results								
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY		
	Revenues	109	131	240	119	112	231	472		
	Operating income	11	15	26	12	14	26	53		
	Operating income margin	10.3	11.8	11.1	10.7	12.6	11.6	11.4		
	Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))								
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY		
	Revenues	(13) (12.7)	(7) (6.0)	(21) (9.0)	11 9.5	3 2.8	14 6.2	(7) (1.5)		
	Operating income	(1) (13.4)	0 4.1	(0) (3.3)	(0) (6.4)	0 5.3	(0) (0.3)	(0) (1.8)		
	3 Forecast Change	Item	Full-Year Financial Results Forecast			Second Half Forecast Overview				
			Revised Forecast	Previous Forecast	Difference					
Revenues		465	465	0	While we forecast firm performance for thermal energy construction volume and IT facilities construction volume, we expect plant maintenance construction volume and transformer substations to be weak. We forecast a slight increase in revenues, while operating income should be level with the previous year. We do not expect to see a major impact of COVID-19 on revenues or operating income.					
Operating income		52	54	(1)						
	11.3	11.6	—							

# III-C Segment Overview, Fiscal Year Ending December 31, 2021

## 8. Logistics Support Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Apr-Jun Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	797	1,017	(219)	(21.6)
Operating income	17	27	(10)	(36.3)
Operating income margin	2.2	2.7	—	—

### April-June Highlights

Revenues declined due to the spin-off of our leasing business and a change in revenue recognition standards. LS business volume, which was weak last year, recovered. Revenues in our petroleum gas sales business rose due to increased unit selling prices. Operating income decreased due to the spin-off of the leasing business.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	1,263	797	2,060	852	912	1,764	3,825
Operating income	51	17	69	18	23	41	110
Operating income margin	4.1	2.2	3.4	2.2	2.5	2.3	2.9

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	1,229	1,017	2,247	1,058	1,138	2,197	4,444
Operating income	38	27	66	26	30	56	123
Operating income margin	3.1	2.7	2.9	2.5	2.7	2.6	2.8

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	33	(219)	(186)	(206)	(226)	(432)	(619)
	2.7	(21.6)	(8.3)	(19.5)	(19.9)	(19.7)	(13.9)
Operating income	13	(10)	3	(7)	(7)	(15)	(12)
	34.2	(36.3)	4.7	(29.9)	(25.4)	(27.5)	(10..2)

### Special Factor

- Cost increase associated with the employee system reform:  
[operating income] (0) [6 months], (0) [year]
- Impact of COVID-19:  
[revenues] +18 [6 months], +41 [year]  
[operating income] +2 [6 months], +5 [year]
- Impact of special allowance payments:  
[operating income] +1 [Apr-Jun, year]
- Impact of Revenue Recognition Standard:  
[revenues] (173) [6 months], (586) [year]
- Impact of the spin-off of the Nittsu Shoji leasing business:  
[revenues] (191) [6 months], (558) [year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	3,825	3,657	168
Operating income	110	114	(3)
	2.9	3.1	—

### Second Half Forecast Overview

We forecast a significant decrease in revenues due to the spin-off of our leasing business and lower revenues due to the impact of revenue recognition standards. In addition to the increase in unit sales prices in our petroleum division, we expect our LS business, logistics equipment, and distribution products to experience a positive rebound due to COVID-19 in the previous year. However, we forecast lower profits stemming from a negative rebound in spot projects from the previous year, as well as the impact of the spinoff of our leasing business.



## IV. Challenges of the Business Plan (Progress)

## IV. Challenges of the Business Plan

### A Nippon Express Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses

Item Revenues	Domestic *1					Overseas				
	2021 Jan-Jun Results	2020 Jan-Jun Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)	2021 Jan-Jun Results	2020 Jan-Jun Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)
Electric and Electronics Industry	¥53.9 billion	¥44.4 billion	21%	¥97.0 billion	56%	¥79.8 billion	¥52.9 billion	51%	¥137.5 billion	58%
Automotive Industry	¥43.5 billion	¥28.3 billion	54%	¥74.0 billion	59%	¥48.7 billion	¥30.1 billion	62%	¥85.0 billion	57%
Apparel Industry	¥7.8 billion	¥7.3 billion	7%	¥16.5 billion	47%	¥32.4 billion	¥22.6 billion	43%	¥55.0 billion	59%
Pharmaceutical/Medical Industry	¥7.7 billion	¥7.3 billion	5%	¥15.0 billion	51%	¥10.3 billion	¥5.7 billion	79%	¥18.5 billion	56%
Strengthen initiatives with respect to semiconductor-related industries	¥12.3 billion	¥9.2 billion	34%	¥21.5 billion	57%	¥6.3 billion	¥4.0 billion	58%	¥11.0 billion	57%

Item	2021 Jan-Jun Results	2020 Jan-Jun Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)
Ocean forwarding business*2	370,000 TEU	310,000 TEU	17%	860,000 TEU	43%
Air forwarding business*2	470,000 t	330,000 t	43%	865,000 t	54%

Item Revenues	2021 Jan-Jun Results	2020 Jan-Jun Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)
Non-Japanese Customer Accounts (GAM・GTA*3)	¥30.4 billion	¥19.9 billion	53%	¥44.0 billion	69%

\*1 Japan results, KPI figures are for non-consolidated Nippon Express. \*2 Results, differences (%) rounded to the nearest whole number

\*3 GAM is an abbreviation for global account management. GTA is an abbreviation for global target accounts.

# IV. Challenges of the Business Plan

## B Strategy to Enhance Domestic Businesses in Japan

### Major Initiatives

#### I. Improve Profits

- Pursue daily cost controls, continuing to leverage company strengths to the fullest and reducing outsourcing cost ratios
- As revenues increased for the first quarter of the fiscal year ending December 31, 2021 (+19.5% year on year), our outsourcing cost ratio decreased 3.6 points
- We instructed all locations to increase vehicle utilization rates to maximize the use of company strengths
- We created a simple tool to match vehicles in each block and branch to leverage our capabilities on a more consistent basis

#### II. Improve Productivity

- Raise overall level of warehouse operations
  - Raise the level of operations at all warehouses; designated 108 locations for priority initiatives and strive to improve productivity
  - Introducing labor-saving measures and automating operations
- Automate, streamline office work
  - Continue to streamline work site tasks via RPA
  - Improved 144 operations as of June
  - Train approximately 600 employees via e-learning and add/strengthen leaders by December 2021

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

- Pursue cross-mode sales
  - Expand our base of transactions by increasing sales to existing customers in all modes, including land, sea, and air

#### IV. Strengthen Network Transportation Products

- Increase sales of Protect BOX
  - We launched sales in July 2020 and introduced a redesign in April 2021. Q1 sales: 4,610 units
- Increase sales of domestic air and railroad containers
  - Volume of Sea&Rail, a decarbonized and BCP-compliant long-distance transportation product, rose 17.5% year on year
- Structural Reform of the Moving & Relocation Business
  - Expand work capacity, add more planners
  - Make full use of Remomi (remote quotation system)
- Strengthen and pursue Arrow delivery business
  - Strengthen business by reducing subcontracting costs and improving productivity through greater load factors

**Engage in Concentrated Pursuit of Building a More Robust Business in Japan**

## IV. Challenges of the Business Plan

### C Progress in FYE December 2021 Back Office Cost Reductions (as of June 30, 2021)

Enhancing Japanese Domestic Businesses	FY2023 Targets	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE December 2021 Results (Apr-Jun)	Cumulative	FYE December 2021 Target (Apr-Dec)
Further reorganization of organizations/ streamlining of administrative departments	-¥4.5 billion [-500 employees]	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	-¥3.32 billion [-371 employees]	—
		Reassign HQ employees	—	-¥0.82 billion [-91 employees]	—		-¥0.07 billion [-8 employees]
Back office process reform	-¥5.0 billion	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.19 billion	-¥3.42 billion	-¥0.47 billion
		Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.3 billion		-¥1.08 billion
Total	-¥9.5 billion	Total	-¥2.05 billion	-¥4.58 billion	-¥0.11 billion	-¥6.74 billion	-¥1.62 billion

## IV. Challenges of the Business Plan

### D Establishing a New Group Brand Identity

- To respond to rapid changes in the social environment and in technological innovation, as well as to provide more advanced and higher quality services to customers in Japan and overseas, we have established a unified group identity as part of our efforts to establish strengthen our brand.
- One of our brand strategy activities is to build a global competitive advantage by becoming a logistics company with a strong presence in the global market, as described in the long-term vision of our business plan, *Nippon Express Group Business Plan 2023 “Dynamic Growth.”*
- The new group brand logo will be used by the holding company, by core operating companies, and by a wide range of companies in Japan and overseas as a symbol to maximize a sense of unity and group value.
- Effective Date: January 4, 2022 \*Date of transition to a holding company structure



[Vertical Design]



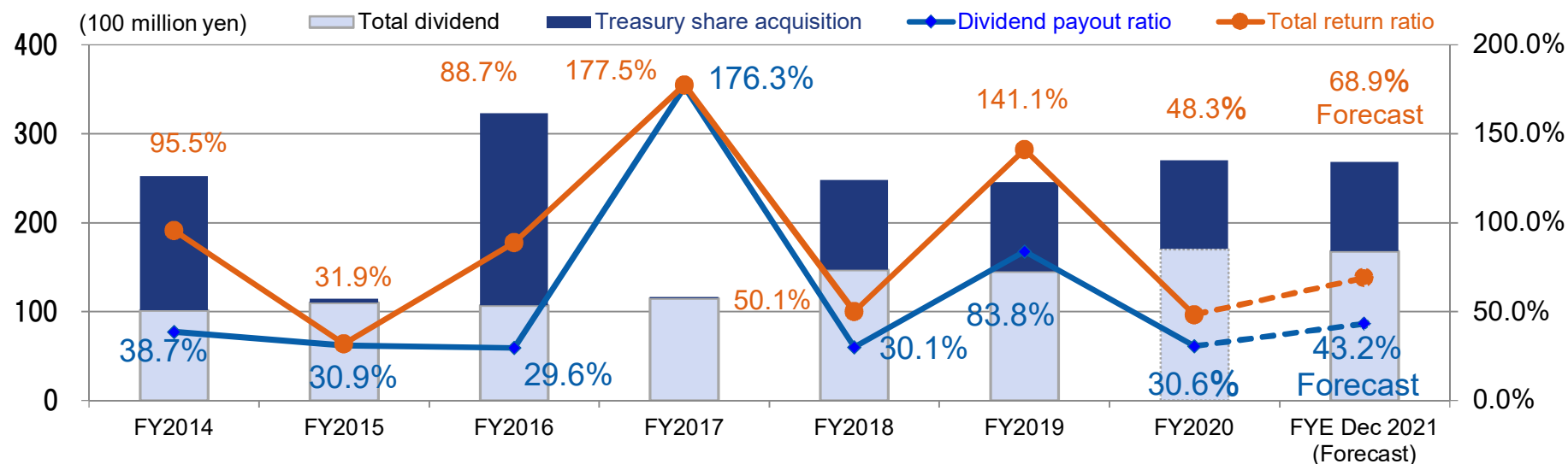
[Horizontal Design]

# V. Return to Shareholders

## A Capital Policies

- ROE: 10%
- Dividend payout ratio 30% or more
- Total return ratio: Over 50% (cumulative total 2019-2023)
- Equity ratio: Target 35%

## B Key Indicators



Dividend per Share (Full-Year)	10	11	11	120*	155	155	185	185 (Forecast)
ROE	5.1	6.8	6.9	1.2	9.2	3.2	10.0	6.6 (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.

# 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: Financial Results for January-June, Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors

Converted 12-Month  
Basis

Variable factors	Impact on consolidated results (6-month results)	Reference
Impact of change in unit fuel price	<p>¥(1.44) billion (cost increase) (Reference: ¥(1.04) billion/3 months)</p>	<p>Unit price per ℓ [Prior period 3-month average]</p> <ul style="list-style-type: none"> <li>• Light oil : ¥101.65 [¥74.90]</li> <li>• Gasoline : ¥144.42 [¥115.10]</li> <li>• Heavy oil : ¥60.46 [¥45.50]</li> </ul>
Impact of foreign exchange	<p>Revenues: +¥9.11 billion</p> <p>Operating income: +¥0.36 billion</p>	<p>3-month avg. foreign exchange rate [April – June]* [prior-period 3-month avg.]</p> <ul style="list-style-type: none"> <li>• USD : ¥109.49 [¥107.60]</li> <li>• EUR : ¥131.96 [¥118.40]</li> <li>• HKD : ¥14.10 [¥13.80]</li> <li>• RMB : ¥16.96 [¥15.10]</li> </ul> <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>
Environment investments	<p>Operating income: ¥(0.27) billion</p>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.27) billion</li> </ul>



# Appendix 1: Financial Results for January-June, Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors

Converted 12-Month  
Basis

Variable factors	Impact on consolidated results (6-month results)	Reference
Change due to employee system reform (same pay for same work, impact of extended retirement age, adoption of team system)	Operating income: <b>¥(0.60) billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.55) billion</li> <li>• Security Transportation : ¥(0.02) billion</li> <li>• Heavy Haulage &amp; Construction : ¥(0.01) billion</li> <li>• Logistics Support : ¥(0.0) billion</li> </ul>
Special allowance payments (rebound increase of FYE Dec 2020)	Operating income: <b>+¥1.98billion</b>	<ul style="list-style-type: none"> <li>• Japan : +¥1.51 billion [Apr-Jun, 2020]</li> <li>• Overseas : +¥0.04 billion [Apr-Jun, 2020]</li> <li>• Security Transportation : +¥0.25 billion [Apr-Jun, 2020]</li> <li>• Heavy Haulage &amp; Construction : +¥0.02 billion [Apr-Jun, 2020]</li> <li>• Logistics Support : +¥0.14 billion [Apr-Jun, 2020]</li> </ul>
Provision for retirement benefits (insufficient prior-period provisions) (rebound increase of FYE Dec 2020)	Operating income: <b>+¥0.74 billion</b>	<ul style="list-style-type: none"> <li>• Japan : +¥0.74 billion [Apr-Jun, 2020]</li> </ul>

# Appendix 1: Financial Results for January-June, Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors

Converted 12-Month  
Basis

Variable factors	Impact on consolidated results (6-month results)	Reference
Impact of revenue recognition standard to decrease sales	Revenues: ¥(17.85) billion	<ul style="list-style-type: none"> <li>Japan Revenues : ¥(0.52) billion</li> <li>Logistics Support Revenues : ¥(17.32) billion</li> </ul>
Increase in amortization of actuarial differences in retirement benefit accounting	Operating income: ¥(0.34) billion	<ul style="list-style-type: none"> <li>Japan : ¥(0.27) billion</li> <li>Security Transportation : ¥(0.06) billion</li> <li>Heavy Haulage &amp; Construction : ¥(0.0) billion</li> </ul>
Spin off leasing business of Nittsu Shoji	Revenues: ¥(19.19) billion	<ul style="list-style-type: none"> <li>Logistics Support Revenues : ¥(19.19) billion</li> </ul>

# Appendix 1: Financial Results for January-June, Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors

Converted 12-Month  
Basis

Variable factors	Impact on consolidated results (6-month results)	Reference
Impact of COVID-19	<p>Revenues: <b>+¥52.93 billion</b></p> <p>Operating income: <b>+¥18.77 billion</b></p>	<ul style="list-style-type: none"> <li>• Japan               <ul style="list-style-type: none"> <li>Revenues : +¥29.04 billion</li> <li>Operating income : +¥12.47 billion</li> </ul> </li> <li>• The Americas               <ul style="list-style-type: none"> <li>Revenues : +¥2.99 billion</li> <li>Operating income : +¥1.17 billion</li> </ul> </li> <li>• Europe               <ul style="list-style-type: none"> <li>Revenues : +¥9.31 billion</li> <li>Operating income : +¥3.06 billion</li> </ul> </li> <li>• East Asia               <ul style="list-style-type: none"> <li>Revenues : +¥0.40 billion</li> <li>Operating income : ¥(0.72) billion</li> </ul> </li> <li>• South Asia &amp; Oceania               <ul style="list-style-type: none"> <li>Revenues : +¥7.91 billion</li> <li>Operating income : +¥1.86 billion</li> </ul> </li> <li>• Security Transportation               <ul style="list-style-type: none"> <li>Revenues : +¥0.91 billion</li> <li>Operating income : +¥0.56 billion</li> </ul> </li> <li>• Heavy Haulage &amp; Construction               <ul style="list-style-type: none"> <li>Revenues : +¥0.50 billion</li> <li>Operating income : +¥0.09 billion</li> </ul> </li> <li>• Logistics Support               <ul style="list-style-type: none"> <li>Revenues : +¥1.83 billion</li> <li>Operating income : +¥0.26 billion</li> </ul> </li> </ul>

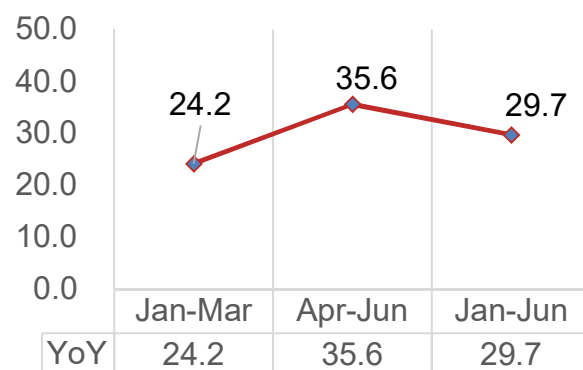
# Appendix 2: Priority Industry Initiatives

## Volume in Priority Industries (YoY Sales)

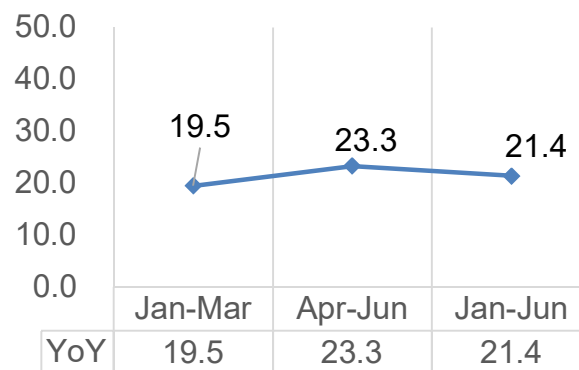
(Unit: %)

### Domestic Priority Industries

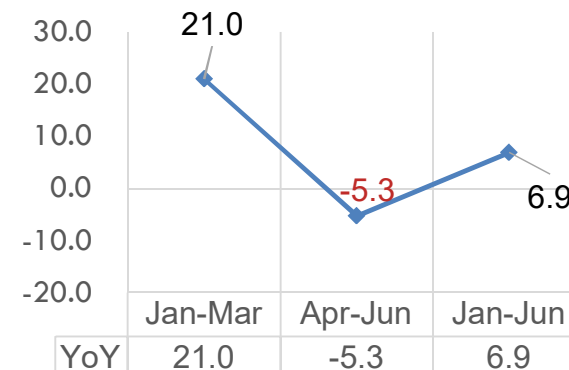
#### Priority Industries, Total



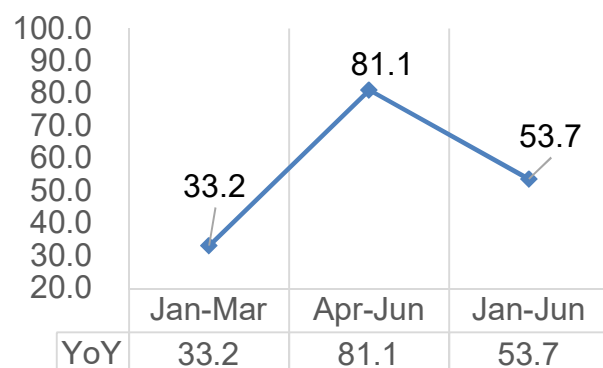
#### Electric and Electronics



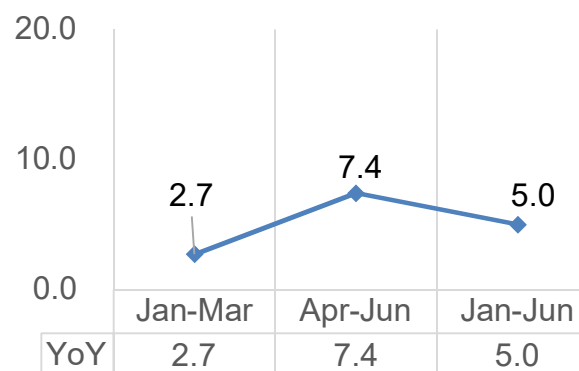
#### Apparel



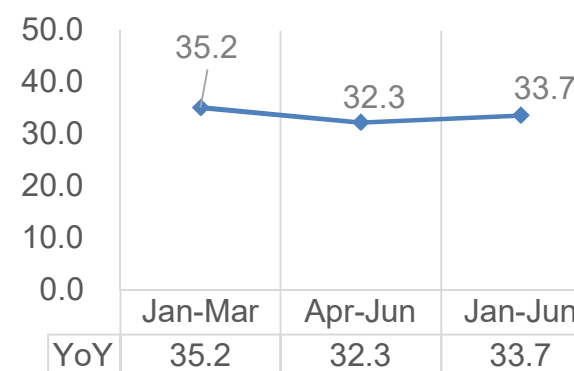
#### Automobiles



#### Pharmaceutical/Medical



#### Semiconductors



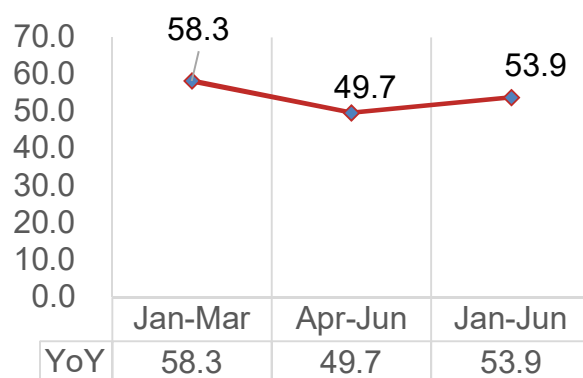
## Appendix 2: Priority Industry Initiatives

### Volume in Priority Industries (YoY Sales)

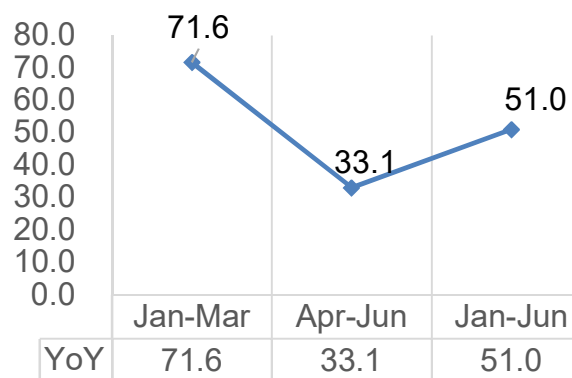
(Unit: %)

#### Overseas Priority Industries

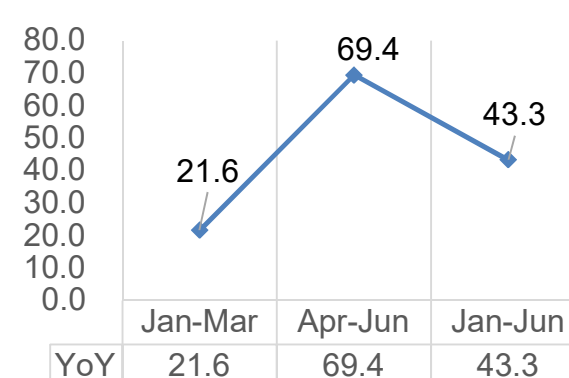
##### Priority Industries, Total



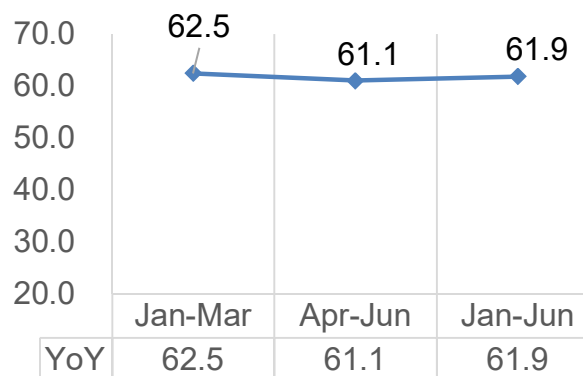
##### Electric and Electronics



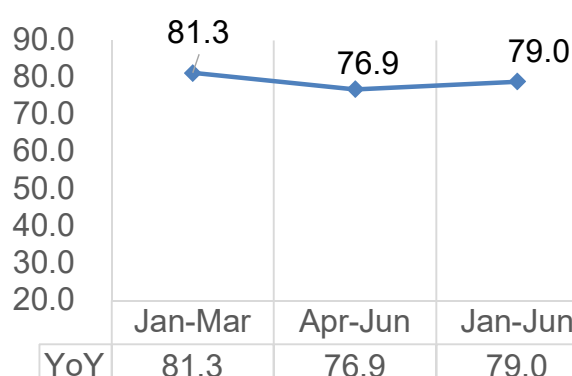
##### Apparel



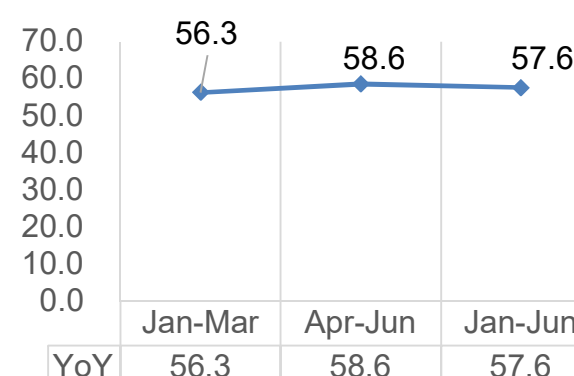
##### Automobiles



##### Pharmaceutical/Medical

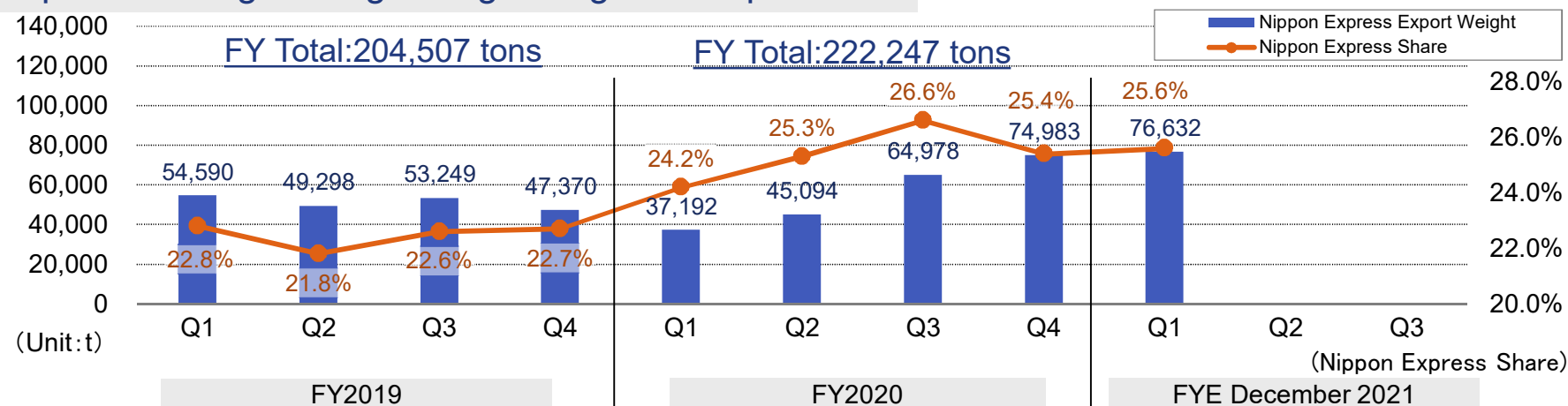


##### Semiconductors



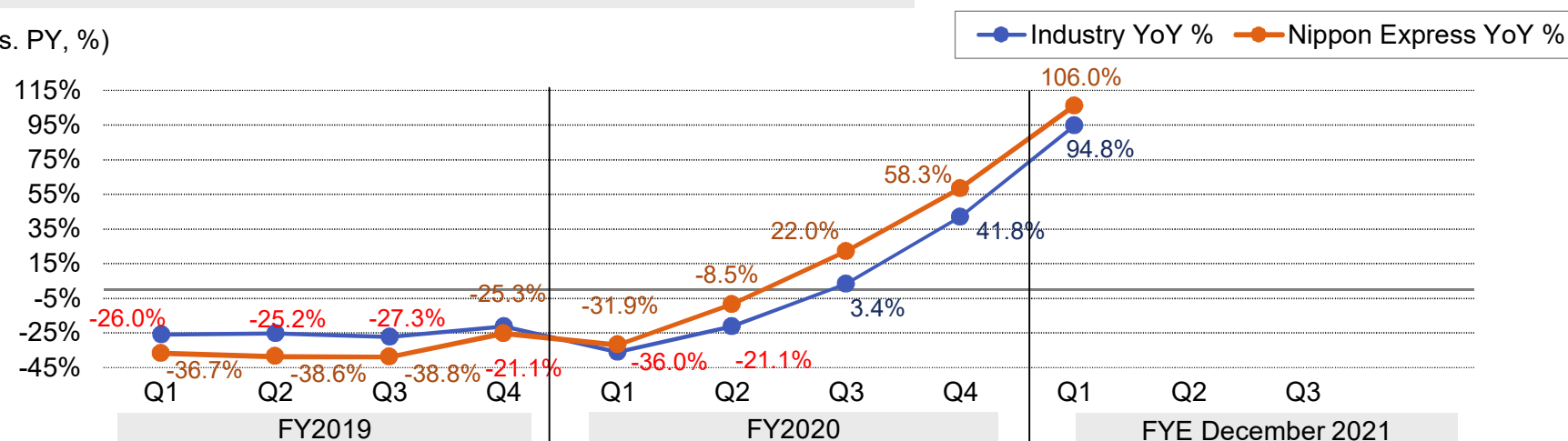
## Appendix 3: Export Air Freight Weight Originating from Japan

### Export Air Freight Weight Originating from Japan



### Export Air Freight Originating From Japan, YoY

(Vs. PY, %)

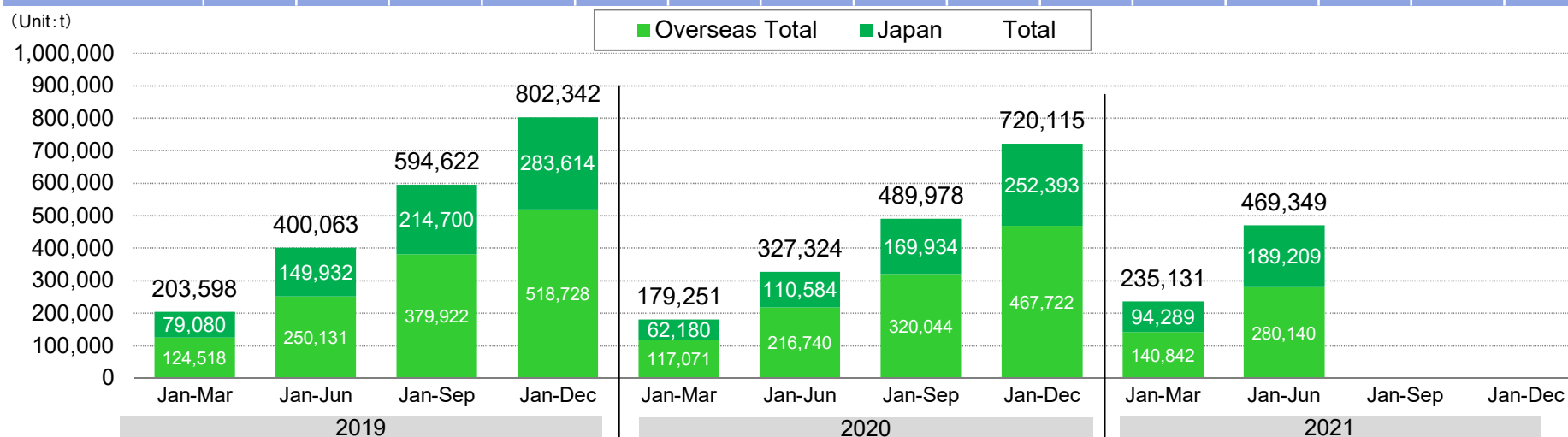


## Appendix 4: Export Freight (Air Freight Forwarding)

(Unit: t /chargeable)

Originating Region	2019					2020					2021				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Japan (consolidated)	75,277	67,156	60,847	65,084	268,363	58,841	45,579	55,874	78,048	238,343	89,719	90,527			180,247
Japan (excluding consolidated)	3,803	3,696	3,922	3,831	15,252	3,339	2,825	3,475	4,411	14,050	4,570	4,392			8,962
Japan Total	79,080	70,852	64,768	68,914	283,615	62,180	48,404	59,350	82,459	252,394	94,289	94,919			189,209
The Americas	19,868	19,718	18,490	20,242	78,318	19,739	15,838	15,070	20,003	70,651	23,273	20,980			44,253
Europe	29,856	29,131	29,067	33,250	121,304	24,166	18,954	20,721	28,205	92,045	26,206	28,074			54,280
East Asia	35,258	36,883	38,381	41,208	151,730	35,441	34,266	33,277	56,424	159,407	44,272	43,429			87,702
South Asia & Oceania	39,535	39,881	43,853	44,106	167,375	37,725	30,611	34,236	43,046	145,618	47,091	46,814			93,905
Overseas Total	124,518	125,613	129,791	138,806	518,727	117,071	99,669	103,304	147,678	467,721	140,842	139,298			280,140
Total Weight	203,598	196,465	194,559	207,720	802,342	179,251	148,074	162,654	230,137	720,115	235,131	234,217			469,349

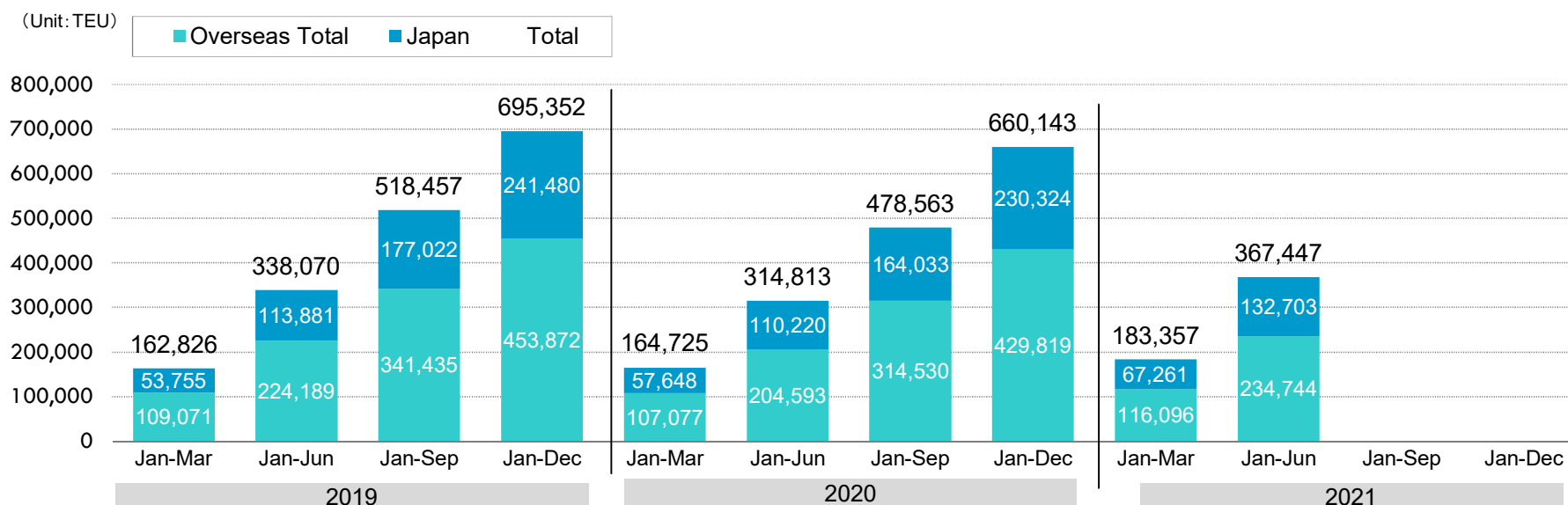
(Unit: t)



## Appendix 4: Export Freight (Marine & Harbor Transportation)

(Unit: TEU)

Originating Region	2019					2020					2021				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY
Japan	53,755	60,126	63,141	64,458	241,480	57,648	52,572	53,813	66,291	230,324	* 67,261	* 65,442			132,703
The Americas	9,157	9,539	8,760	9,452	36,908	9,794	9,191	9,322	9,208	37,514	* 11,223	13,391			24,615
Europe	10,943	12,330	11,932	12,058	47,263	13,193	10,656	11,072	13,545	48,465	13,667	15,025			28,692
East Asia	59,122	62,103	62,232	58,079	241,536	52,033	52,497	53,609	55,447	213,586	52,959	54,801			107,759
South Asia & Oceania	29,847	31,145	34,321	32,847	128,160	32,057	25,172	35,933	37,099	130,261	38,247	35,431			73,678
Overseas Total	109,071	115,118	117,246	112,437	453,872	107,077	97,516	109,937	115,289	429,827	116,096	118,648			234,744
Total Weight	162,826	175,244	180,387	176,895	695,352	164,725	150,088	163,750	181,580	660,152	183,357	184,089			367,447



\* Jan-Mar 2021 Japan and The Americas, Apr-Jun 2021 Japan results are revised figures



# Appendix 5: Financial Results Forecast for Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors (Forecast)

Converted 12-Month Basis

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Impact of change in unit fuel price	<p>¥(3.15) billion (cost increase) (Reference: ¥(2.76) billion/9 months) *Prior period (FY2020, 12 months) +¥2.60 billion (cost decrease)</p>	<p>Unit price per ℓ [Prior period 9-month average]</p> <ul style="list-style-type: none"> <li>• Light oil : ¥103.05 [¥81.10]</li> <li>• Gasoline : ¥139.19 [¥118.90]</li> <li>• Heavy oil : ¥60.43 [¥45.40]</li> </ul>
Impact of foreign exchange	<p>Revenues: +¥30.59 billion Operating income: +¥1.36 billion (Reference: 9 months Revenues: +¥28.90 billion, Operating income: +¥1.33 billion) *Prior period (FY2020, 12 months) Revenues: ¥(6.14) billion Operating income: ¥(0.14) billion</p>	<p>9-month avg. foreign exchange rate [April – December]* [prior-period 9-month avg.]</p> <ul style="list-style-type: none"> <li>• USD : ¥110.22 [¥106.10]</li> <li>• EUR : ¥131.71 [¥122.30]</li> <li>• HKD : ¥14.19 [¥13.60]</li> <li>• RMB : ¥17.06 [¥15.40]</li> </ul> <p>* 9-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>
Environment investments	Operating income: ¥(0.47) billion	<ul style="list-style-type: none"> <li>• Japan : ¥(0.47) billion</li> </ul>
HQ Relocation Expenses	Operating income: ¥(1.50) billion	<ul style="list-style-type: none"> <li>• Japan : ¥ (1.50) billion</li> </ul>

# Appendix 5: Financial Results Forecast for Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors (Forecast)

Converted 12-Month Basis

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Change due to employee system reform (same pay for same work, impact of extended retirement age, adoption of team system)	Operating income: <b>¥(1.61) billion</b>  (Reference: ¥(1.40)billion/9 months)	<ul style="list-style-type: none"> <li>• Japan : ¥(1.47) billion</li> <li>• Security Transportation : ¥(0.07) billion</li> <li>• Heavy Haulage &amp; Construction : ¥(0.05) billion</li> <li>• Logistics Support : ¥(0.0) billion</li> </ul>
Special allowance payments (rebound increase of FYE Dec 2020)	Operating income: <b>+¥1.98 billion</b>	<ul style="list-style-type: none"> <li>• Japan : +¥1.51 billion [Apr-Jun, 2020]</li> <li>• Overseas : +¥0.04 billion [Apr-Jun, 2020]</li> <li>• Security Transportation : +¥0.25 billion [Apr-Jun, 2020]</li> <li>• Heavy Haulage &amp; Construction : +¥0.02 billion [Apr-Jun, 2020]</li> <li>• Logistics Support : +¥0.14 billion [Apr-Jun, 2020]</li> </ul>
Provision for retirement benefits (insufficient prior-period provisions) (rebound increase of FYE Dec 2020)	Operating income: <b>+¥0.74 billion</b>	<ul style="list-style-type: none"> <li>• Japan : +¥0.74 billion [Apr-Jun, 2020]</li> </ul>

# Appendix 5: Financial Results Forecast for Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors (Forecast)

Converted 12-Month Basis

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Impact of revenue recognition standard to decrease sales	Revenues ¥(58.64) billion	<ul style="list-style-type: none"> <li>Japan Revenues : ¥(0.04) billion</li> <li>Logistics Support Revenues : ¥(58.60) billion</li> </ul>
Increase in amortization of actuarial differences in retirement benefit accounting	Operating income: ¥(0.84) billion (Reference: ¥(0.74)billion/9 months)	<ul style="list-style-type: none"> <li>Japan : ¥(0.66) billion</li> <li>Security Transportation : ¥(0.15) billion</li> <li>Heavy Haulage &amp; Construction : ¥(0.01) billion</li> </ul>
Spin off leasing business of Nittsu Shoji	Revenues ¥(55.89) billion	<ul style="list-style-type: none"> <li>Logistics Support Revenues : ¥(55.89) billion</li> </ul>

# Appendix 5: Financial Results Forecast for Fiscal Year Ending December 31, 2021

## Changes Due to External Environmental and Other Factors (Forecast)

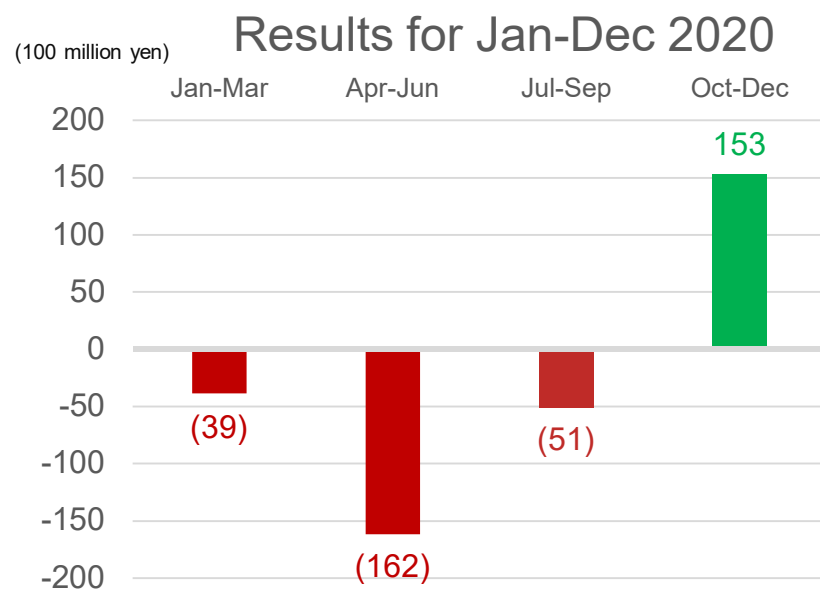
Converted 12-Month Basis

Variable factors	Impact on consolidated results (12-month forecast)	Reference	
Impact of COVID-19	Revenues +¥59.76 billion  Operating income +¥22.37 billion	• Japan	Revenues : +¥46.20 billion Operating income : +¥17.62 billion
		• The Americas	Revenues : +¥4.90 billion Operating income : +¥1.98 billion
		• Europe	Revenues : +¥9.19 billion Operating income : +¥3.04 billion
		• East Asia	Revenues : ¥(5.07) billion Operating income : ¥(1.85) billion
		• South Asia & Oceania	Revenues : ¥(2.01) billion Operating income : ¥(0.03) billion
		• Security Transportation	Revenues : +¥1.21 billion Operating income : +¥0.83 billion
		• Heavy Haulage & Construction	Revenues : +¥1.18 billion Operating income : +¥0.25 billion
		• Logistics Support	Revenues : +¥4.13 billion Operating income : +¥0.52 billion

# Appendix 6: Detailed Impact and Rebound Increase in Connection With COVID-19

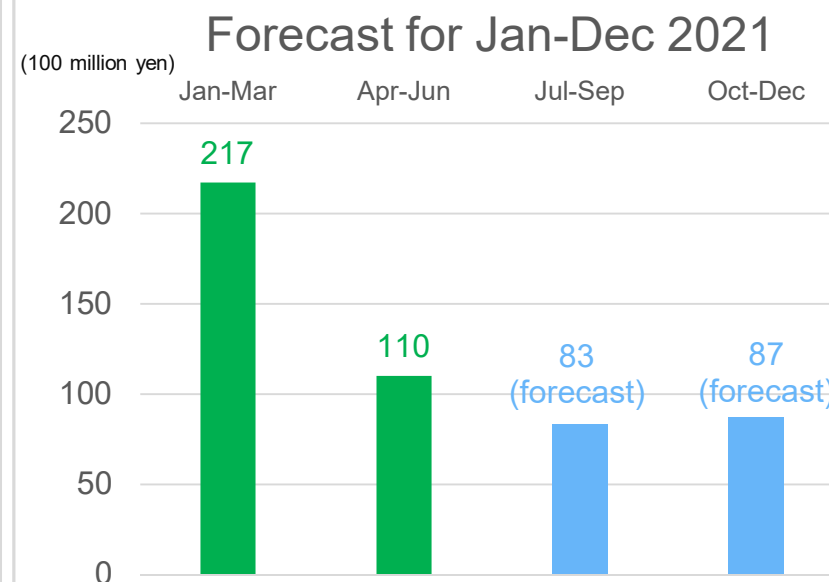
Converted 12-Month Basis

## Revenues (Results, Forecasts)



Total Impact for Jan-Dec 2020

Revenues: **¥(9.9) billion**



Total FYE December 2021  
(Including Results and Forecasts)

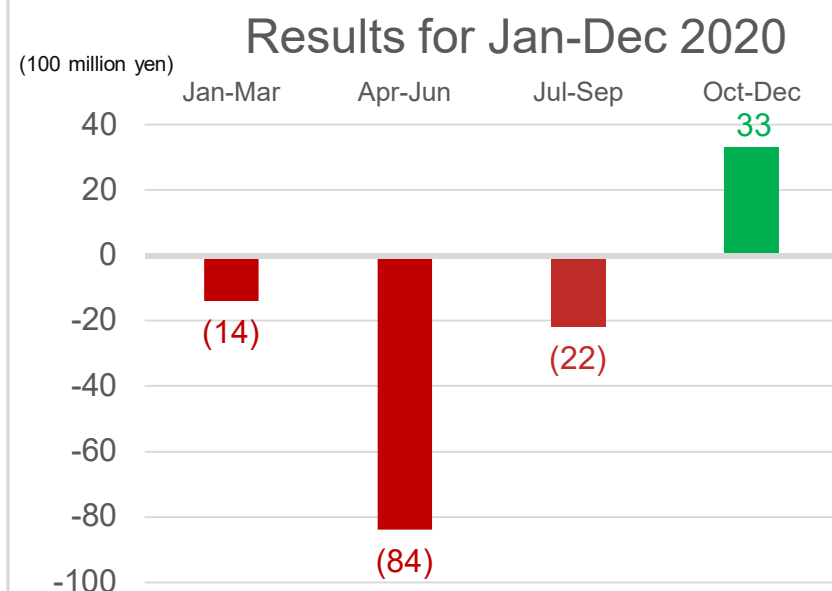
Revenues: **+¥49.8 billion**

Impact of COVID-19 (rebound increase) **+¥59.7 billion** (including forecast)

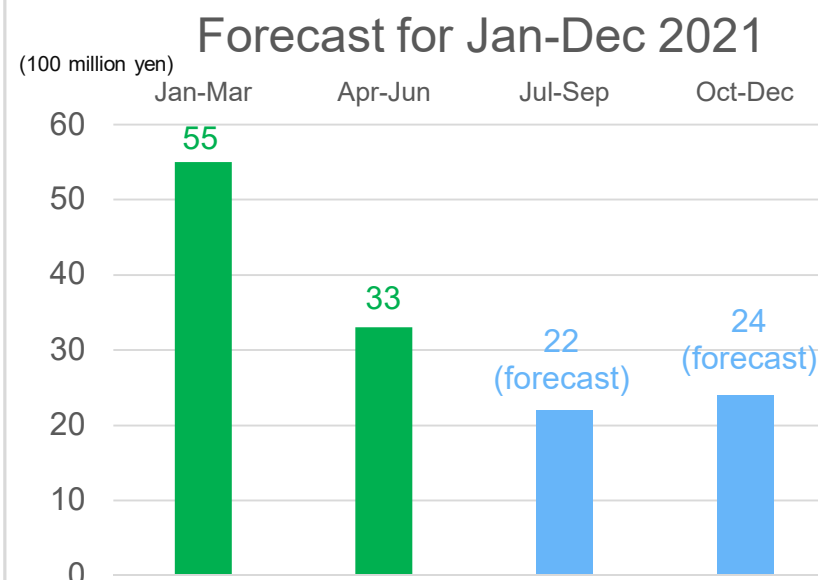
# Appendix 6: Detailed Impact and Rebound Increase in Connection With COVID-19

Converted 12-Month Basis

## Operating Income (Results, Forecasts)



Total Impact for Jan-Dec 2020  
Operating income: **¥(8.7) billion**



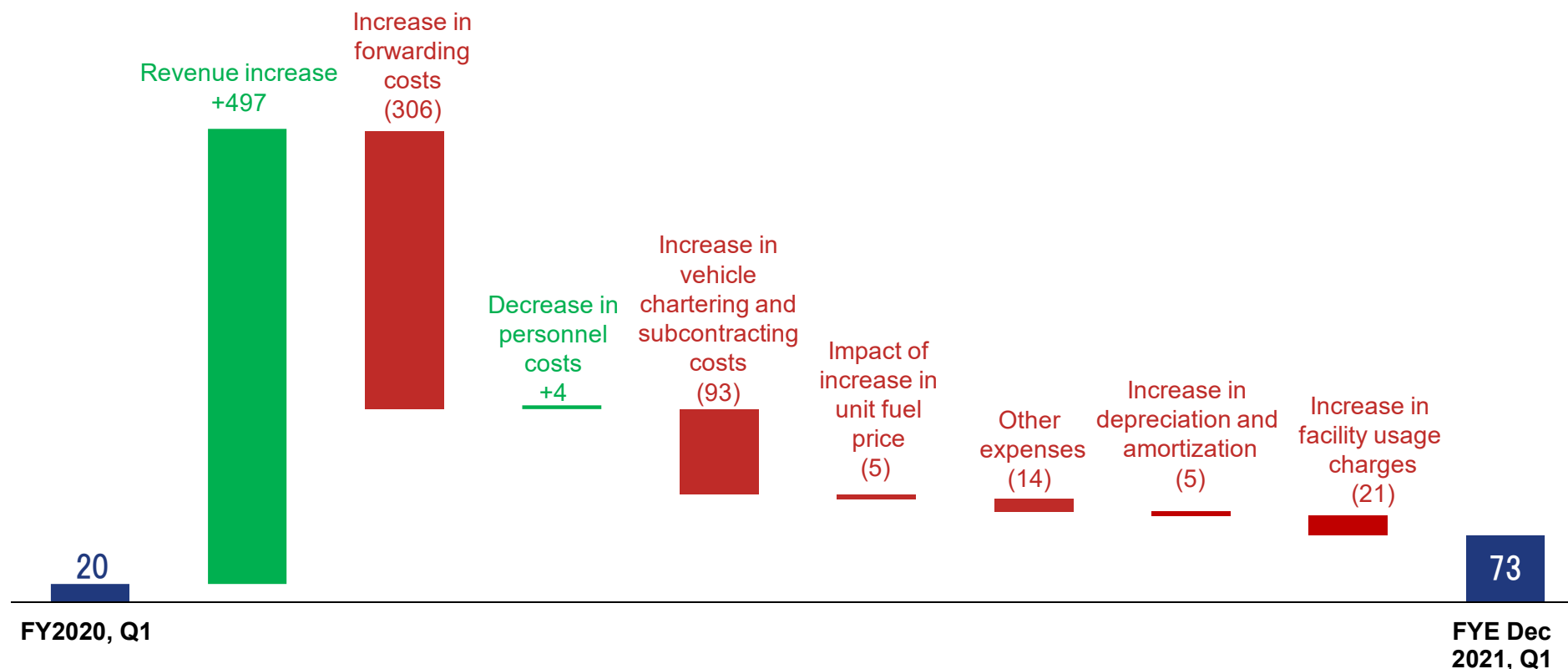
Total FYE December 2021  
(Including Results and Forecasts)  
Operating income : **+¥13.6 billion**

Impact of COVID-19 (rebound increase) **+¥22.3 billion** (including forecasts)

# Appendix 7: Change in Non-Consolidated Income (FYE December 2021 Q1 Results)

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

\*Increase and decrease in the graph is on an income basis



## Expense Detail (FY Results)

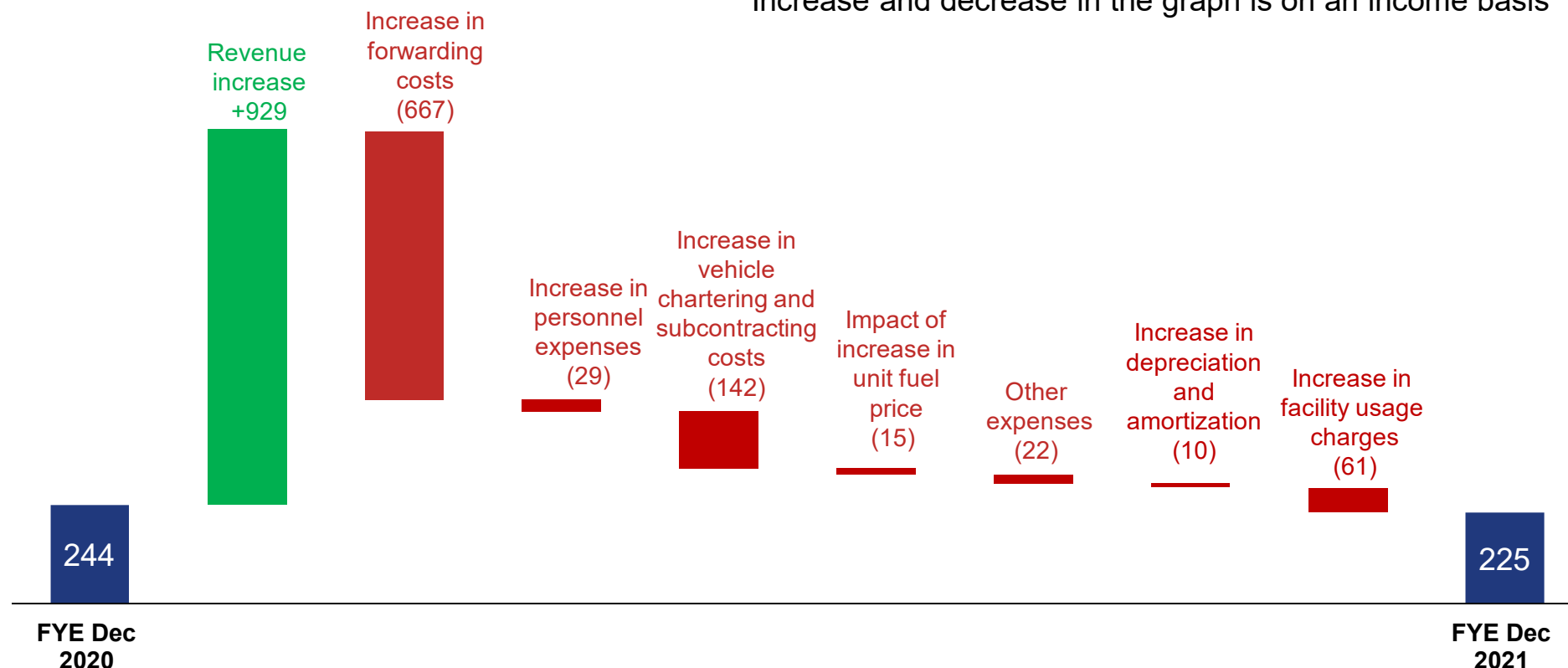
\*presented on an expense basis

Increase in vehicle chartering and subcontracting costs +93 [+9.0%]		Increase in forwarding costs +306 [+114.4%]	
Vehicle chartering cost	+17 [+4.0%]	Railway forwarding costs	+5 [+6.1%]
Subcontracting cost	+75 [+13.4%]	Ocean forwarding costs	+51 [+72.8%]
Personnel dispatching cost	(0) [(1.7%)]	Air forwarding costs	+250 [+226.6%]

# Appendix 7: Change in Non-Consolidated Income (FYE December 2021 Forecast)

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

\*Increase and decrease in the graph is on an income basis



## Expense Detail (FY Results)

\*presented on an expense basis

Increase in vehicle chartering and subcontracting costs +142 [+4.4%]		Increase in forwarding costs +667 [+69.7%]	
Vehicle chartering cost	+9 [+0.7%]	Railway forwarding costs	(3) [(1.4%)]
Subcontracting cost	+136 [+7.8%]	Ocean forwarding costs	+118 [+54.9%]
Personnel dispatching cost	(3) [(3.9%)]	Air forwarding costs	+552 [+122.3%]

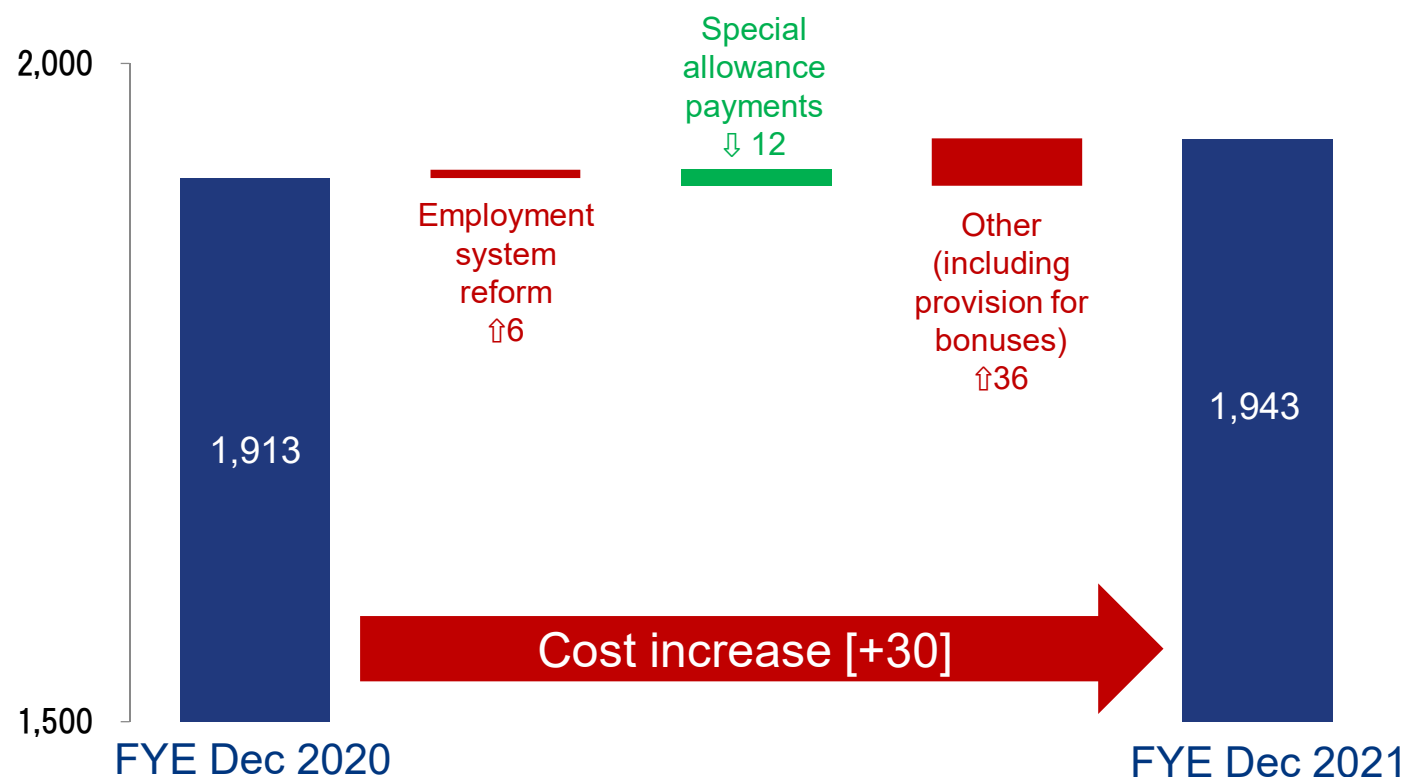


# Appendix 7: Change in Non-Consolidated Income

(FYE December 2021 Increase in total non-consolidated personnel expenses)

\*Presented on an expense basis  
(100 million yen)

(100 million yen)



***We Find the Way***



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