

**Financial Results Presentation for Q3,
Fiscal Year Ending December 2022
November 9, 2022
NIPPON EXPRESS HOLDINGS, INC.
Investor Relations Promotion Group
Corporate Planning Division**

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I. Financial Results for Q3, FY2022

Regarding Presentation of Fiscal Year Ended December 2021 (Previous Year) Results

Consolidated statements of income for the fiscal year ended December 2021 represent results of Nippon Express Co., Ltd. Results converted to a 12-month basis (*estimates).

*2021 results 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 2021 Jan-Dec (12 months)

Overseas Business: FYE December 2021 Jan-Dec (12 months)

	2021				2022			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Domestic Business	FYE December 2021 (pro forma)				FY2022			
Overseas Business								

I. Financial Results for Q3, FY2022

A Financial Results for Jan-Sep, FY2022

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

Overview (Consolidated, Key Consolidated Business Indicators)				
Item	Current-Year Results (Jan-Sep 2022)	Prior-Year Results (Jan-Sep 2021) * Pro Forma	Difference YoY	Difference YoY (%)
Revenues	19,635	16,781	2,854	17.0
Operating Income	1,006	646	360	55.7
Operating Income Margin	5.1	3.9	—	—
Ordinary Income	1,077	680	396	58.3
Profit Attributable to Owners of Parent	1,176	427	749	175.2

Financial results for the cumulative consolidated third quarter of the fiscal year ending December 31, 2022 are as disclosed in these presentation materials.

We have seen the emergence of geopolitical risks such as the invasion of Ukraine and the lockdowns in China, as well as the negative impact of rising fuel and other costs, weak economies, and other factors. However, the overseas business and international logistics remained strong, while the weakening yen boosted earnings. Revenues, operating income, and other profit measures rose at a pace outperforming our projections announced on August 10.

We also recorded a foreign exchange gain of ¥5.6 billion yen under non-operating income due to the depreciation of the yen. As we recorded an investment loss on equity method in the equivalent of ¥1.6 billion in carrying value for Future Supply Chain Solutions shares (India) in Q1, the net impact was a positive ¥3.6 billion. The main factor behind the wider increase in net income stems from a gain on sale of our former Shiodome headquarters building in Q2.

I. Financial Results for Q3, FY2022

B Japan and Overseas Results

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

Segment	Item	Current-Year Results (Jan-Sep 2022)	Prior-Year Results (Jan-Sep 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan Total	Revenues	14,809	13,548	1,261	9.3
	Segment Income	676	502	173	34.5
Overseas Total	Revenues	6,397	4,583	1,814	39.6
	Segment Income	459	245	214	87.7

	Current-Year Results (Jan-Sep 2022)
Overseas Sales Ratio	32.6%

I. Financial Results for Q3, FY2022

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

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

Segment	Item	Current-Year Results (Jan-Mar 2022)	Current-Year Results (Apr-Jun 2022)	Current-Year Results (Jul-Sep 2022)	Current-Year Results (Jan-Sep 2022)	Prior-Year Results (Jan-Sep 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan	Revenues	3,599	3,655	3,691	10,946	9,805	1,140	11.6
	Segment Income	209	144	153	507	372	134	36.2
The Americas	Revenues	326	420	443	1,191	783	407	52.1
	Segment Income	21	30	44	96	46	49	105.1
Europe	Revenues	483	556	539	1,579	1,118	460	41.2
	Segment Income	22	38	32	92	44	47	105.3
East Asia	Revenues	598	626	669	1,895	1,471	423	28.8
	Segment Income	30	32	40	104	56	48	86.0
South Asia & Oceania	Revenues	617	555	559	1,731	1,209	521	43.1
	Segment Income	66	48	52	166	96	69	72.0
Security Transportation	Revenues	173	171	170	514	516	(2)	(0.4)
	Segment Income	6	0	(0)	6	(1)	7	—
Heavy Haulage & Construction	Revenues	82	117	125	325	333	(8)	(2.5)
	Segment Income	6	15	19	41	40	1	2.7
Logistics Support	Revenues	1,051	994	975	3,022	2,891	130	4.5
	Segment Income	36	48	37	121	92	29	32.4

I. Financial Results for Q3, FY2022

D Results by Reportable Segment (YoY)

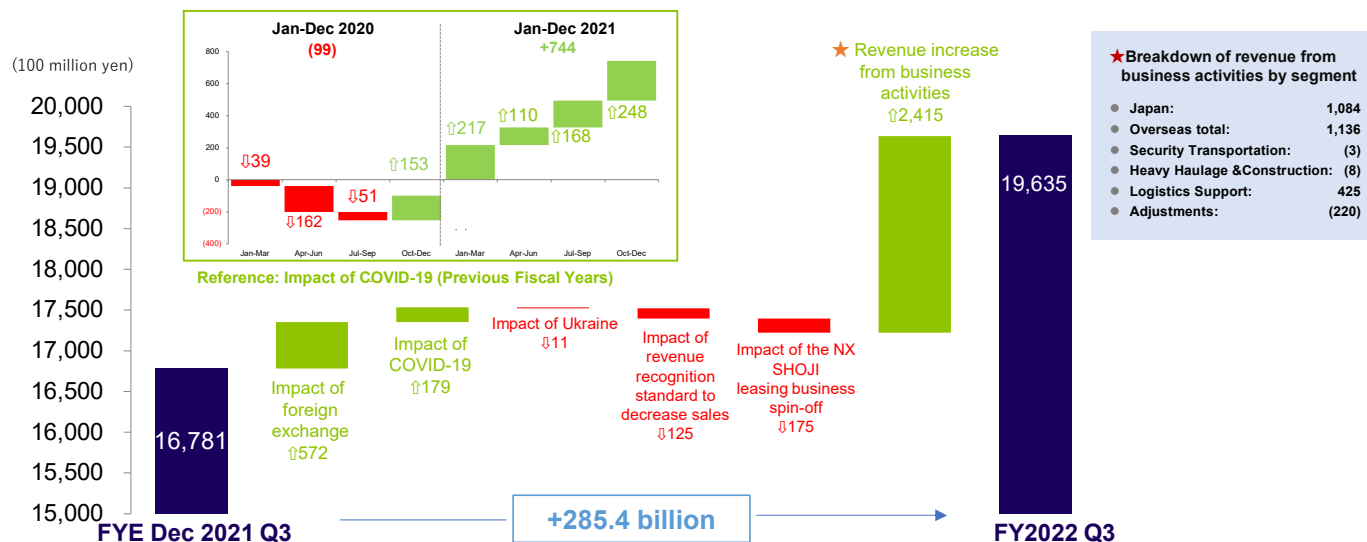
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jul-Sep 2022)	Prior-Year Results (Jul-Sep 2021)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,691	3,240	451	13.9
	Segment Income	153	89	63	71.0
The Americas	Revenues	443	285	158	55.6
	Segment Income	44	14	29	199.7
Europe	Revenues	539	425	113	26.7
	Segment Income	32	15	17	113.3
East Asia	Revenues	669	544	125	23.0
	Segment Income	40	5	35	646.0
South Asia & Oceania	Revenues	559	431	128	29.8
	Segment Income	52	30	21	71.8
Security Transportation	Revenues	170	171	(0)	(0.5)
	Segment Income	(0)	0	(1)	—
Heavy Haulage & Construction	Revenues	125	114	10	9.5
	Segment Income	19	14	4	34.2
Logistics Support	Revenues	975	830	144	17.4
	Segment Income	37	22	14	64.1

I. Financial Results for Q3, FY2022

E Breakdown of Revenues and Operating Income

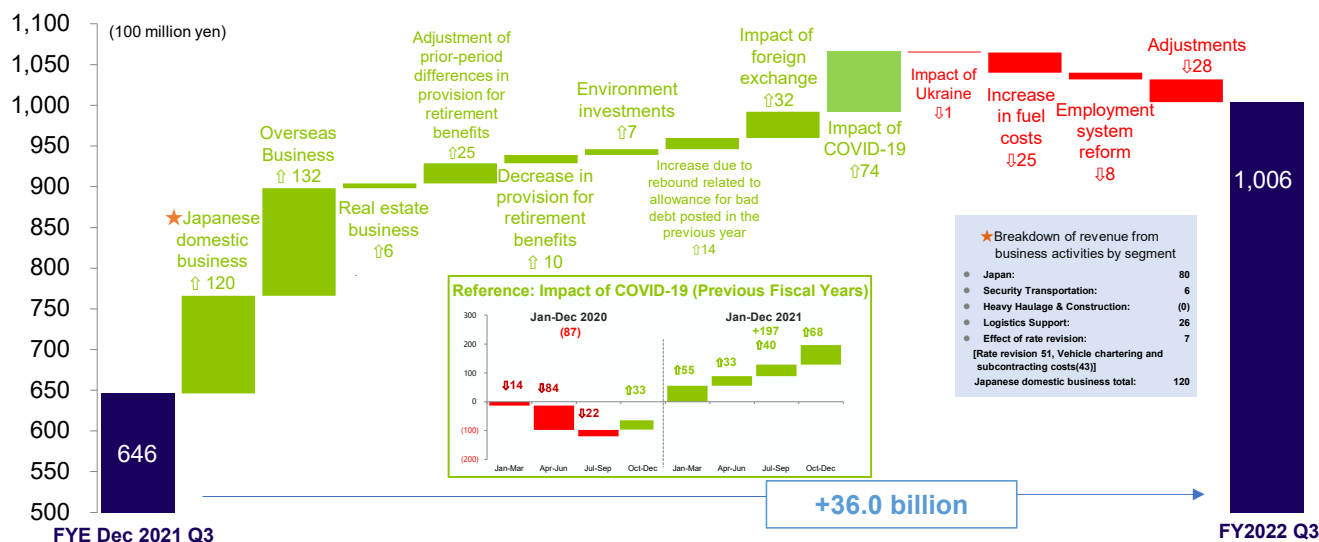
1) Revenues



I. Financial Results for Q3, FY2022

E Breakdown of Revenues and Operating Income

2) Operating income



II. Financial Results Forecast for FY2022

A Forecast for FY2022

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

Item	Full-Year Forecast (Jan-Dec 2022)	Previous Forecast (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Revenues	26,500	26,000	500	1.9	23,371	3,128	13.4
Operating Income	1,300	1,200	100	8.3	970	329	33.9
Operating Income Margin	4.9	4.6	—	—	4.2	—	—
Ordinary Income	1,380	1,250	130	10.4	1,010	369	36.6
Profit Attributable to Owners of Parent	1,340	1,250	90	7.2	661	678	102.5

We made an upward revision in full-year consolidated forecasts for FY2022 for revenues, operating income, and other profit measures. These revisions were based on a comparison of Q3 earnings growth with the earlier August 10 forecasts. However, the forwarding business experienced a greater-than-expected easing in market supply and demand beginning in September. Therefore, we expect to see a reactionary decline in overseas and international logistics, which have been performance drivers to date. Given these circumstances, we believe that securing and expanding transportation volume must be our basic strategy. At the same time, in the face of economic uncertainties, we expect our domestic business to absorb this reactionary decline to a certain extent, as the domestic business is beginning to recover amid signs of subsiding COVID-19 infections and semiconductor shortage corrections.

II. Financial Results Forecast for FY2022

B Forecast for FY2022 2H

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

Item	Revised 2H Forecast (Jul-Dec 2022)	2H Forecast (Announced August 10)	Difference YoY	Difference YoY (%)	Prior-Year Results (Jul-Dec 2021)	Difference YoY	Difference YoY (%)
Revenues	13,510	13,010	500	3.8	12,182	1,328	10.9
Operating Income	622	522	100	19.1	486	136	28.0
Operating Income Margin	4.6	4.0	—	—	4.0	—	—
Ordinary Income	663	533	130	24.4	501	161	32.2
Profit Attributable to Owners of Parent	393	303	90	29.7	388	4	1.3

II. Financial Results Forecast for FY2022

C Japan and Overseas Results Forecast

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

Segment	Item	Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan Total	Revenues	19,910	18,458	1,451	7.9
	Segment Income	889	733	155	21.2
Overseas Total	Revenues	8,808	6,861	1,946	28.4
	Segment Income	590	392	197	50.2

	Forecast (Jan-Dec 2022)
Overseas Sales Ratio	33.2%

II. Financial Results Forecast for FY2022

D Forecasts by Reportable Segment (Jan-Dec)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)	Previous Forecast (Announced August 10)	Difference YoY	Difference YoY (%)
Japan	Revenues	14,623	13,382	1,240	9.3	14,334	289	2.0
	Segment Income	666	546	119	21.9	640	26	4.1
The Americas	Revenues	1,670	1,097	572	52.2	1,591	79	5.0
	Segment Income	130	65	64	99.2	106	24	22.6
Europe	Revenues	2,188	1,653	534	32.3	2,177	11	0.5
	Segment Income	120	76	43	56.1	113	7	6.2
East Asia	Revenues	2,627	2,247	379	16.9	2,602	25	1.0
	Segment Income	137	83	53	63.9	119	18	15.1
South Asia & Oceania	Revenues	2,323	1,863	459	24.7	2,203	120	5.4
	Segment Income	203	166	36	21.6	194	9	4.6
Security Transportation	Revenues	690	688	1	0.3	690	0	—
	Segment Income	10	(1)	11	—	10	0	—
Heavy Haulage & Construction	Revenues	454	453	0	0.1	454	0	—
	Segment Income	53	59	(6)	(11.3)	50	3	6.0
Logistics Support	Revenues	4,143	3,934	208	5.3	4,138	5	0.1
	Segment Income	160	129	30	24.0	146	14	9.6

II. Financial Results Forecast for FY2022

E Forecasts by Reportable Segment (2H Forecast, YoY)

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

Segment	Item	2H Forecast (Jul-Dec 2022)	Prior 2H Results (Jul-Dec 2021)	Difference YoY	Difference YoY (%)
Japan	Revenues	7,368	6,816	551	8.1
	Segment Income	312	264	48	18.3
The Americas	Revenues	922	599	323	54.0
	Segment Income	78	33	45	136.0
Europe	Revenues	1,147	960	187	19.5
	Segment Income	59	47	12	27.3
East Asia	Revenues	1,401	1,320	80	6.1
	Segment Income	73	32	40	123.0
South Asia & Oceania	Revenues	1,150	1,084	66	6.1
	Segment Income	88	100	(11)	(11.9)
Security Transportation	Revenues	345	342	3	0.9
	Segment Income	3	0	2	358.1
Heavy Haulage & Construction	Revenues	254	234	19	8.4
	Segment Income	30	33	(2)	(8.4)
Logistics Support	Revenues	2,096	1,874	222	11.9
	Segment Income	75	59	15	26.3

II. Financial Results Forecast for FY2022

E Forecasts by Reportable Segment (2H Forecast, vs. Previous Forecast)

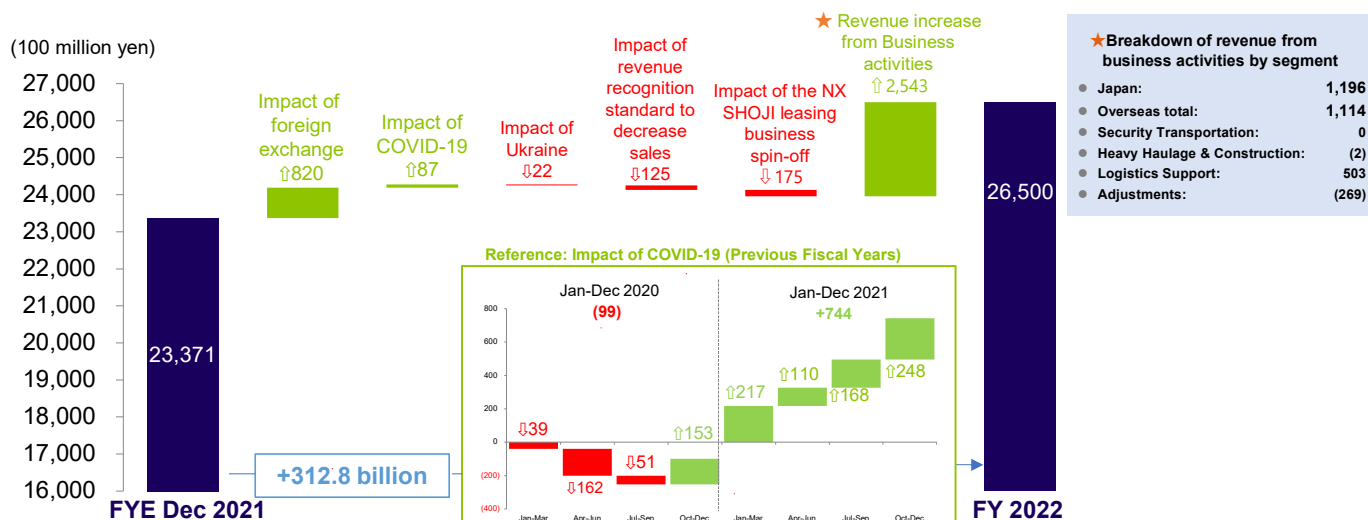
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	2H Forecast (Jul-Dec 2022)	Previous 2H Forecast (Announced August 10)	Difference YoY	Progress YoY (%)
Japan	Revenues	7,368	7,079	289	4.1
	Segment Income	312	286	26	9.1
The Americas	Revenues	922	843	79	9.4
	Segment Income	78	54	24	44.0
Europe	Revenues	1,147	1,136	11	1.0
	Segment Income	59	52	7	13.2
East Asia	Revenues	1,401	1,376	25	1.8
	Segment Income	73	55	18	32.6
South Asia & Oceania	Revenues	1,150	1,030	120	11.6
	Segment Income	88	79	9	11.3
Security Transportation	Revenues	345	345	0	—
	Segment Income	3	3	0	—
Heavy Haulage & Construction	Revenues	254	254	0	—
	Segment Income	30	27	3	10.7
Logistics Support	Revenues	2,096	2,091	5	0.2
	Segment Income	75	61	14	22.8

II. Financial Results Forecast for FY2022

F Breakdown of Revenues and Operating Income

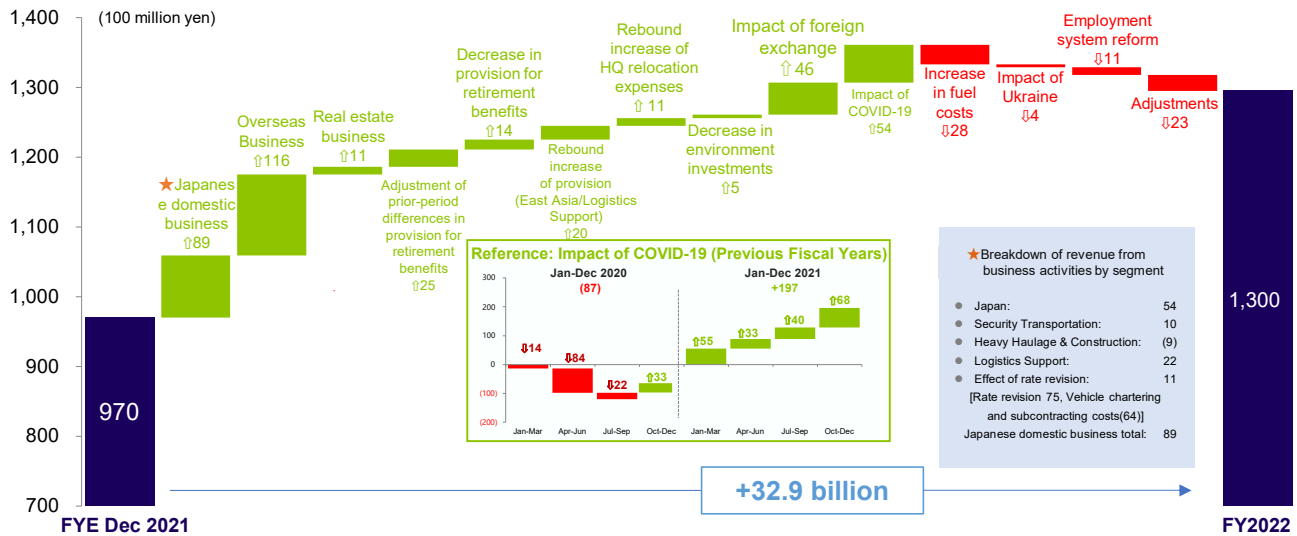
1) Revenues



II. Financial Results Forecast for FY2022

F Breakdown of Revenues and Operating Income

2) Operating income



II. Segment Overview for FY2022

Japan Segment

(100 million yen, %)

1 Quarterly Results	Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
			FYE Dec 2021	Difference	Difference (%)
	Revenues	3,691	3,240	451	13.9
	Operating Income	153	89	63	71.0
	Operating Income Margin	4.2	2.8	—	—

2 Quarterly Results and Forecast	Item	Results and Forecast for FY2022						
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	Revenues	3,599	3,655	7,254	3,691	3,676	7,368	14,623
	Operating Income	209	144	353	153	158	312	666
	Operating Income Margin	5.8	4.0	4.9	4.2	4.3	4.2	4.6

3 Forecast Change	Item	FYE Dec 2021 Results						
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	Revenues	3,299	3,266	6,565	3,240	3,576	6,816	13,382
	Operating Income	166	115	282	89	174	264	546
	Operating Income Margin	5.1	3.5	4.3	2.8	4.9	3.9	4.1

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	299	389	689	451	99	551	1,240
Revenue margin	9.1	11.9	10.5	13.9	2.8	8.1	9.3
Operating income	42	28	71	63	(15)	48	119
Operating income margin	25.3	25.1	25.2	71.0	(8.8)	18.3	21.9

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	14,623	14,334	289
Operating income	666	640	26
Operating income margin	4.6	4.5	—

July-September 2022 Highlights

Air and ocean export freight businesses saw a decline in volume due to a drop in demand and other factors, but unit freight rates remained at high levels. The domestic business saw a recovery in certain industries, including automotive- and electronics-related industries, as the impact of parts procurement and other factors associated with the lockdowns were resolved. Overall, both revenues and profits increased.

Special Factors	
• Impact of fuel unit cost:	[operating income] (21) [Jan-Sep], (23) [year]
• Cost increase associated with employee system reform:	[operating income] (8) [Jan-Sep], (10) [year]
• Impact of COVID-19:	[revenues] +65 [Jan-Sep], +56 [year] [operating income] +34 [Jan-Sep], +27 [year]
• Impact of Ukraine:	[revenues] (9) [Jan-Sep], (12) [year] [operating income] (0) [Jan-Sep], (1) [year]
• Adjustment of prior-period differences for provision for retirement benefits:	[operating income] +21 [Jan-Mar], [year]
• Impact of provision for retirement benefits:	[operating income] +8 [Jan-Sep], +12 [year]
• Environment investments:	[operating income] +7 [Jan-Sep], +5 [year]
• Real estate business:	[operating income] +6 [Jan-Sep], +11 [year]
• HQ relocation expenses:	[operating income] +11 [Oct-Dec], [prior year, year]
• Change in accounting treatment:	+13 [Jan-Sep] *Minor impact on consolidated results

Forecast Overview

We expect the air and ocean freight forwarding businesses to see a certain degree of cargo movement toward the end of the year, but we expect the momentum to be weaker than in past years. We project volume to continue to recover in the domestic business in response to the end of stagnant production in the automotive industry. Despite the impact of higher fuel costs and other factors, we expect higher revenues and profits for the full year, partly due to the impact of the adjustment of prior-period differences related to retirement benefits in the first quarter.

Ocean and air export freight forwarding in the Japan Segment saw a decline in volume due to falling demand and other factors. However, unit prices remained high and earnings remained strong. On the other hand, domestic logistics remained sluggish, although certain industries and customers showed signs of recovery from the COVID-19 infections. Amid these circumstances, both revenues and profits rose in cumulative Q3. In addition to the upswing in Q3, we do not expect any sharp declines in unit prices for ocean and air export freight forwarding. We also expect the domestic business to recover to a certain degree. Therefore, we revised full-year forecasts upward for revenues and operating income, expecting higher revenues and profits for the year as well.

In Q1, Nippon Express Co., Ltd. made prior-period adjustments related to provisions for retirement benefit liability, which had an impact of ¥2.1 billion in cumulative Q3 performance. In addition, a change in accounting treatment for business consignment expenses and software usage fees boosted revenue and operating income by ¥1.3 billion.

II. Segment Overview for FY2022

The Americas Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	443	285	158	55.6
Operating Income	44	14	29	199.7
Operating Income Margin	10.1	5.2	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	326	420	747	443	478	922	1,670
Operating Income	21	30	51	44	33	78	130
Operating Income Margin	6.5	7.2	6.9	10.1	7.0	8.5	7.8

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	230	267	497	285	314	599	1,097
Operating Income	12	19	32	14	18	33	65
Operating Income Margin	5.4	7.3	6.4	5.2	5.8	5.6	5.9

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	95	153	249	158	164	323	572
Revenue margin	41.6	57.4	50.1	55.6	52.5	54.0	52.2
Operating income	8	10	19	29	15	45	64
Operating income margin	70.2	54.8	60.9	199.7	83.9	136.0	99.2

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	1,670	1,591	79
Operating income	130	106	24
Operating income margin	7.8	6.7	—

July-September 2022 Highlights

Air export freight forwarding volume declined, while congestion at ports and inland rail terminals continued. Volume also continued to decline for ocean export freight forwarding, but freight rates remained high for both air and ocean. Ocean import freight forwarding saw continued demand, and warehousing and distribution processing remained strong for apparel-related and other products. Despite higher personnel expenses and fuel costs, both revenues and profits increased.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +144 [Jan-Sep], +195 [year]
[operating income] +9 [Jan-Sep], +12 [year]
- Impact of COVID-19:
[revenues] +13 [Jan-Sep], +7 [year]
[operating income] +4 [Jan-Sep], +2 [year]

Forecast Overview

Demand during the year-end shopping season is expected to be weaker than usual. However, we expect freight rates to remain high in the forwarding business, and we expect the warehousing and distribution business to remain strong as well. Despite higher expenses due to higher personnel expenses and fuel costs, the company expects to post higher revenues and profits in the fourth quarter due to the receipt of appropriate rates. We forecast increases for revenues and profits for the full year, as well.

In the Americas, both air and ocean cargo forwarding volumes declined year on year; however, but forwarding demand continued due to congestion at ports and inland rail terminals. While we expect this demand to continue, logistics demand during the year-end shopping season is likely to be weaker than in previous years. We project an increase in expenses due to higher labor and fuel costs, but we are working to pass on these higher costs.

II. Segment Overview for FY2022

Europe Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	539	425	113	26.7
Operating Income	32	15	17	113.3
Operating Income Margin	6.0	3.5	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	483	556	1,040	539	608	1,147	2,188
Operating Income	22	38	60	32	27	59	120
Operating Income Margin	4.6	6.8	5.8	6.0	4.5	5.2	5.5

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	325	367	693	425	535	960	1,653
Operating Income	12	17	29	15	31	47	76
Operating Income Margin	4.0	4.6	4.3	3.5	6.0	4.9	4.6

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	158	188	347	113	73	187	534
Revenue margin	48.6	51.3	50.1	26.7	13.7	19.5	32.3
Operating income	9	21	30	17	(4)	12	43
Operating income margin	71.3	124.0	101.3	113.3	(13.3)	27.3	56.1

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,188	2,177	11
Operating income	120	113	7
Operating income margin	5.5	5.2	—

July-September 2022 Highlights

Although air export freight forwarding volume declined year on year, unit sales prices remained high, partly due to the continuation of charter flights to Japan. In ocean transportation, volume increased due to high demand for transportation, despite continued port congestion and lack of space, and freight rates remained at high levels. Both revenues and profits increased due to new warehouses.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +59 [Jan-Sep], +92 [year]
[operating income] +2 [Jan-Sep], +4 [year]
- Impact of COVID-19:
[revenues] +76 [Jan-Sep], +56 [year]
[operating income] +16 [Jan-Sep], +10 [year]
- Impact of Ukraine:
[revenues] (1) [Jan-Sep], (8) [year]
[operating income] (1) [Jan-Sep], (2) [year]

Forecast Overview

We expect charter transportation between Europe and Japan to continue. Air and Ocean freight volumes for the October-December period should be on par with the previous year. We forecast increases for revenues and profits for the full year.

In Europe, Q3 air export freight forwarding volume decreased year on year; however, ocean transportation volume increased due to continued demand for transportation in automobile-related and other industries. We expect Q4 air and ocean cargo transportation volumes to be level with the previous year.

II. Segment Overview for FY2022

East Asia Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	669	544	125	23.0
Operating Income	40	5	35	646.0
Operating Income Margin	6.1	1.0	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	598	626	1,225	669	731	1,401	2,627
Operating Income	30	32	63	40	32	73	137
Operating Income Margin	5.2	5.2	5.2	6.1	4.4	5.2	5.2

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	466	459	926	544	776	1,320	2,247
Operating Income	33	17	50	5	27	32	83
Operating Income Margin	7.1	3.8	5.5	1.0	3.5	2.5	3.7

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	132	166	298	125	(44)	80	379
Revenue margin	28.3	36.2	32.2	23.0	(5.7)	6.1	16.9
Operating income	(2)	15	13	35	5	40	53
Operating income margin	(7.0)	87.6	25.6	646.0	18.6	123.0	63.9

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,627	2,602	25
Operating income	137	119	18
Operating income margin	5.2	4.6	—

July-September 2022 Highlights

Air export freight forwarding saw a decrease in volume due to weak demand overall, despite a certain degree of cargo movement after the lifting of lockdowns. Ocean export freight forwarding volume was on par with the previous year, partly due to the uptake of demand before the national celebrations. Air and ocean freight rates remained at high levels, with the increase due in part to a rebound from the allowance for bad debts in the previous year, leading to higher revenues and profits.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +226 [Jan-Sep], +314 [year]
[operating income] +9 [Jan-Sep], +11 [year]
- Impact of COVID-19:
[revenues] (9) [Jan-Sep], (34) [year]
[operating income] +4 [Jan-Sep], +2 [year]
- Allowances:
[operating income] +12 [Jul-Sep], [year]

Forecast Overview

We expect air export freight forwarding to decrease in volume compared with the previous year. Unit freight rates for both air and ocean freight are likely to decline gradually. While we expect earnings in the forwarding business to contract, we project an increase in both revenues and profits for the full year.

In East Asia, Q3 air export freight forwarding volume decreased due to weak demand overall, even though a certain degree of cargo movement occurred after the lifting of lockdowns. Ocean export freight forwarding volume was generally on par with the previous year, due partly to the uptake of demand before the national celebrations. Chartered truck services experienced slow cargo movement, particularly in the automobile industry. However, air and ocean freight rates remained high, while a rebound increase due to the absence of bad debt losses recorded in the previous year also contributed to higher revenues and profits. At the same time, air forwarding volume declined to the 12,000-ton level in September. We expect demand during the year-end shopping season to be weaker than usual, but we do not foresee any drastic changes volume for Q4 based on the current situation.

II. Segment Overview for FY2022

South Asia & Oceania Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	559	431	128	29.8
Operating Income	52	30	21	71.8
Operating Income Margin	9.3	7.0	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	617	555	1,172	559	591	1,150	2,323
Operating Income	66	48	114	52	36	88	203
Operating Income Margin	10.7	8.7	9.8	9.3	6.1	7.7	8.7

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	394	383	778	431	653	1,084	1,863
Operating Income	36	29	66	30	70	100	166
Operating Income Margin	9.4	7.7	8.5	7.0	10.7	9.3	9.0

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	222	171	393	128	(61)	66	459
Revenue margin	56.4	44.6	50.5	29.8	(9.5)	6.1	24.7
Operating income	29	18	47	21	(33)	(11)	36
Operating income margin	78.8	63.7	72.1	71.8	(48.1)	(11.9)	21.6

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,323	2,203	120
Operating income	203	194	9
Operating income margin	8.7	8.8	—

July-September 2022 Highlights

Air export freight forwarding volume declined due to a decrease in cargo bound for Asia, as well as a reactionary drop from the previous year's spot transportation volume. Ocean export freight forwarding and warehousing and distribution processing volumes remained strong due to new contracts, etc. Air and ocean freight rates remained high, resulting in higher revenues and profits.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +142 [Jan-Sep], +219 [year]
[operating income] +9 [Jan-Sep], +17 [year]
- Impact of COVID-19:
[revenues] +27 [Jan-Sep], (8) [year]
[operating income] +13 [Jan-Sep], +8 [year]

Forecast Overview

While new contracts, etc., for ocean export freight forwarding and warehousing and distribution processing are expected to be firm, we expect air export freight forwarding to decline in reaction to the explosive cargo movement seen since October of the previous year following the lifting of the lockdowns. With air and ocean freight rates gradually declining, we expect lower revenues and profits in the fourth quarter. We forecast increases for revenues and profits for the full year.

In South Asia & Oceania, air export freight forwarding saw a decrease in volume, due partly to a decline in intra-Asia volume and a reactionary drop from the spot cargo volume in the previous year. Ocean export freight forwarding volume and warehousing and distribution processing remained steady due to new contracts. Ocean export freight forwarding and warehousing and distribution processing should remain firm in Q4, while air export freight forwarding is likely to experience a reactionary decline from the prior-year increase in volume after the lifting of lockdowns.

II. Segment Overview for FY2022

Security Transportation Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	170	171	(0)	(0.5)
Operating Income	(0)	0	(1)	—
Operating Income Margin	(0.4)	0.3	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	173	171	344	170	175	345	690
Operating Income	6	0	6	(0)	3	3	10
Operating Income Margin	3.7	0.3	2.0	(0.4)	2.2	0.9	1.4

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	174	171	345	171	171	342	688
Operating Income	(3)	0	(2)	0	0	0	(1)
Operating Income Margin	(1.7)	0.4	(0.7)	0.3	0.1	0.2	(0.2)

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(1)	0	(1)	(0)	3	3	1
Revenue margin	(0.8)	0.1	(0.4)	(0.5)	2.3	0.9	0.3
Operating income	9	(0)	9	(1)	3	2	11
Operating income margin	—	(38.5)	—	—	—	358.1	—

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	690	690	0
Operating income	10	10	0
Operating income margin	1.4	1.4	—

July-September 2022 Highlights

Although we acquired new business, including intra-bank processing and ATM loading services, revenues declined year on year. This decline was due to a decrease in the number of scheduled flights by metropolitan and regional banks, etc., as well as a decline in CSD service volume. Despite a decrease in personnel expenses, expenses increased due to soaring fuel costs and other factors, resulting in a decrease in profit.

Special Factors

- Impact of fuel unit cost: [operating income] (3) [Jan-Sep], (4) [year]
- Cost increase associated with employee system reform: [operating income] (0) [Jan-Sep], (0) [year]
- Impact of COVID-19: [revenues] +1 [Jan-Sep], +1 [year]
[operating income] +0 [Jan-Sep], +0 [year]
- Adjustment of prior-period differences for provision for retirement benefits: [operating income] +2 [Jan-Mar], [year]
- Impact of provision for retirement benefits: [operating income] +1 [Jan-Sep], +1 [year]

Forecast Overview

Although we expect a reactionary decline due to CSD reform in the previous year, we forecast flat full-year revenues year on year owing to an increase in intra-bank processing services, ATM loading services, etc. While fuel costs and other expenses will likely rise sharply, we expect an increase in profit for the full year due to personnel expense reductions and other factors.

II. Segment Overview for FY2022

Heavy Haulage & Construction Segment

(100 million yen, %)

1 Quarterly Results

Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	125	114	10	9.5
Operating Income	19	14	4	34.2
Operating Income Margin	15.6	12.7	—	—

2 Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	82	117	199	125	128	254	454
Operating Income	6	15	22	19	11	30	53
Operating Income Margin	7.9	13.2	11.0	15.6	8.9	12.2	11.7

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	95	123	219	114	119	234	453
Operating Income	9	16	25	14	19	33	59
Operating Income Margin	10.2	13.1	11.8	12.7	16.0	14.4	13.2

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(13)	(5)	(19)	10	8	19	0
Revenue margin	(13.8)	(4.8)	(8.7)	9.5	7.4	8.4	0.1
Operating income	(3)	(0)	(3)	4	(7)	(2)	(6)
Operating income margin	(33.8)	(3.7)	(15.0)	34.2	(40.8)	(8.4)	(11.3)

3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	454	454	0
Operating income	53	50	3
Operating income margin	11.7	11.0	—

July-September 2022 Highlights

We saw signs of resolution for the third quarter to delays in construction progress due to the impact of COVID-19. Revenues for plant maintenance, IT equipment, and industrial machinery were solid, particularly for wind power-related projects. Revenues and profits increased year on year due in part to the acquisition of follow-on construction work.

Special Factors

- Impact of fuel unit cost: [operating income] (0) [Jan-Sep], (0) [year]
- Cost increase associated with the employee system reform: [operating income] +0 [Jan-Sep], +0 [year]
- Impact of COVID-19: [revenues] +0 [Jan-Sep], +2 [year]
[operating income] +0 [Jan-Sep], +1 [year]
- Impact of Ukraine: [revenues] (0) [Jan-Sep], (0) [year]
[operating income] (0) [Jan-Sep], (0) [year]
- Adjustment of prior-period differences for provision for retirement benefits: [operating income] +0 [Jan-Mar], [year]
- Impact of provision for retirement benefits: [operating income] +0 [Jan-Sep], +0 [year]

Forecast Overview

We completed a large number of offshore wind power projects in the third quarter. There was an interval before the start of the next project. We expect fourth quarter revenues and profits from wind power-related projects to decline year on year. We forecast full-year revenues and profits to be level year on year.

II. Segment Overview for FY2022

Logistics Support Segment

(100 million yen, %)

1 Quarterly Results	Item	FY2022 Jul-Sep Results	Vs. FYE Dec 2021		
			FYE Dec 2021	Difference	Difference (%)
	Revenues	975	830	144	17.4
	Operating Income	37	22	14	64.1
	Operating Income Margin	3.8	2.7	—	—

2 Quarterly Results and Forecast	Item	Results and Forecast for FY2022						
		Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
	Revenues	1,051	994	2,046	975	1,120	2,096	4,143
	Operating Income	36	48	84	37	38	75	160
	Operating Income Margin	3.5	4.8	4.1	3.8	3.4	3.6	3.9

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	1,263	797	2,060	830	1,043	1,874	3,934
Operating Income	51	17	69	22	37	59	129
Operating Income Margin	4.1	2.2	3.4	2.7	3.5	3.2	3.3

Item	Comparison with FYE Dec 2021 (Upper: Difference/Lower: Difference(%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(211)	197	(14)	144	77	222	208
Revenue margin	(16.8)	24.8	(0.7)	17.4	7.4	11.9	5.3
Operating income	(15)	30	15	14	1	15	30
Operating income margin	(29.2)	172.1	22.0	64.1	3.1	26.3	24.0

3 Forecast Change	Item	Full-Year Financial Results Forecast		
		Forecast	Previous Forecast	Difference
	Revenues	4,143	4,138	5
	Operating income	160	146	14
	Operating income margin	3.9	3.5	—

July-September 2022 Highlights

Contributing factors to the increase in revenues and profits included higher unit sales prices in the petroleum business, increased handling of LS business volume, including export packaging, and a rebound increase from last year's provision for NX Shoji losses.

Special Factors

- Cost increase associated with employee system reform:
[operating income] (0) [Jan-Sep], (0) [year]
- Impact of COVID-19:
[revenues] +6 [Jan-Sep], +6 [year]
[operating income] +1 [Jan-Sep], +1 [year]
- Impact of revenue recognition standard:
[revenues] (125) [prior year, Jan-Mar]
- Impact of leasing business spin-off
[revenues] (175) [prior year, Jan-Mar]
- Allowances:
[operating income] +2 [Jul-Sep], +7 [year]
- Impact of Ukraine:
[revenues] (1) [Jan-Sep], (1) [year]
[operating income] (0) [Jan-Sep], (0) [year]

Forecast Overview

We expect unit sales prices in the petroleum business to remain high. The LS business should also continue strong performance. Due in part to the absence of the NX Shoji loss provision, we expect revenues and profits to show a rebound increase for the full year.

Through Q1, Logistics Support experienced the impact of the leasing business spin-off and a change in the revenue recognition standard. However, higher unit sales prices in the petroleum business, increased volume of export packaging, and other rebound increases from last year's provision for NX Shoji losses contributed to higher revenues and profits. We revised forecasts for revenues and operating income upward, since we expect unit sales prices in the petroleum business to remain high, while export packaging services should remain strong.

III. Challenges of the Business Plan

A NX Group Business Plan 2023 KPIs of Growth Strategy for Core Business

Item Revenues	Japan*1					Overseas				
	2022 Jan-Sep Results	2021 Jan-Sep Results	Difference (%)	2022 Jan-Dec Targets	Progress	2022 Jan-Sep Results	2021 Jan-Sep Results	Difference (%)	2022 Jan-Dec Targets	Progress
Electric and Electronics Industry	¥89.0 billion	¥81.7 billion	9%	¥116.0 billion	77%	¥158.1 billion	¥121.4 billion	30%	¥174.0 billion	91%
Automotive Industry	¥69.5 billion	¥62.4 billion	11%	¥100.0 billion	70%	¥99.6 billion	¥73.1 billion	36%	¥110.0 billion	91%
Apparel Industry	¥12.3 billion	¥11.7 billion	5%	¥18.0 billion	68%	¥81.6 billion	¥53.0 billion	54%	¥77.0 billion	106%
Pharmaceutical/Medical Industry	¥14.6 billion	¥11.7 billion	25%	¥22.0 billion	67%	¥30.4 billion	¥16.5 billion	84%	¥30.0 billion	101%
Semiconductor-Related Industries	¥41.4 billion	¥19.6 billion	111%	¥37.8 billion	109%	¥18.3 billion	¥10.6 billion	72%	¥18.0 billion	102%

Item	2022 Jan-Sep Results	2021 Jan-Sep Results	Difference (%)	2022 Jan-Dec Targets	Progress
Ocean Forwarding Business*2	560,000 TEU	550,000 TEU	2.1%	950,000 TEU	59.4%
Air Forwarding Business*2	660,000 t	700,000 t	(5.8%)	1,100,000 t	60.3%

Item Revenues	2022 Jan-Sep Results	2021 Jan-Sep Results	Difference (%)	2022 Jan-Dec Targets	Progress
Non-Japanese Customer Accounts (GAM・GTA*3、4)	¥90.2 billion	¥48.3 billion	87%	¥79.2 billion	114%

*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.

*4 NX Group has set exchange rate assumptions to USD1 = JPY110.0.

25 Financial Results Presentation for Q3,
Fiscal Year Ending December 2022

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Our growth strategy for core businesses, including results and full-year targets for priority industries, are as shown in the presentation materials. Results for the period from January to September 2022 for all industries were higher than the same period of the previous year, driven by growth in forwarding. At the same time, domestic automobile, apparel, and medical industries have yet to reach the 75% progress rate, our Q3 benchmark. We do expect the automobile industry to catch up in the future as the shortage of semiconductors begins to correct. Revenues in the apparel industry were lower year on year through Q1. However, we launched new logistics operations with revenues shifting higher than the same period in the previous fiscal year. As we reported in the Q2 results briefing and on other occasions, we are working in our domestic pharmaceuticals business to increase volume for foreign-affiliated companies, leveraging Good Manufacturing Practice (GMP) as an entry point. Next, I will discuss our business focus. The presentation materials provide results and full-year targets for our ocean and air forwarding businesses.

While ocean forwarding volume increased compared with the previous year, air forwarding fell short of previous-year levels due to the significant impact of semiconductor shortages on sluggish production, particularly in the automobile industry, which accounts for a large portion of our volume. We expect both businesses to fall short of targets based on current progress. Ocean forwarding experienced a temporary slowdown in cargo movement and lower freight expenses due to the situation in Ukraine and the impact of the lockdowns in China. However, cargo volume has been increasing since the lifting of lockdowns. As we entered peak season, we expected the supply-demand environment in the market to become tighter. However, the supply-demand balance has been easing due to soaring energy prices and the impact of inflation. Meanwhile, volume has increased despite the environment, which we believe reflects the success of our measures to date. Regarding trends for Q4 onward, freight rates have not fallen significantly in recent contract renewals with shipping companies. Given these circumstances, our main scenario is that current demand and unit price levels will continue in general through the end of the year, with negative impacts becoming apparent in 2023 and beyond. At the same time, there are logistics congestion in the inland U.S. and cargo stacking due to strikes in Europe, etc. Further, the decommissioning, etc., of older vessels means that, despite the launch of new ships, we project that the supply of space will not expand in the second half of 2023 and beyond. Accordingly, we believe it possible that the demand-supply balance may not correct and that freight rates may not decline so easily. Under these uncertain circumstances, we will strive to expand economies of scale by strengthening purchasing power and increasing transaction volume. These efforts will focus on the NX Global Ocean Network (NGO), which is now in full-scale operation in Singapore. To expand volume, we began shifting our focus in October from the traditional carrier cost-based pricing to a self-driven pricing strategy based on market data and other analyses. We also aim to expand cargo volume through trade lane management, striving to optimize the forwarding business across the group. We are developing systems to digitize market information, enhance traceability functions, and improve online quotation functions, including air forwarding. Our ultimate plan is to build an online platform that integrates these functions, and we intend to begin introducing services this year. With respect to our air cargo business, IATA reports that the demand forecast for 2022 is about 12% higher than that of 2019 before the outbreak of COVID-19. Meanwhile, air cargo traffic in September was -10.6% year on year and -4.4% compared to the same period in 2019, falling below 2019 results for a third consecutive month. While we expect this trend to continue, we see that current unit freight costs approximately double the level of 2019. Normalization of passenger flights has begun to loosen supply and demand. However, we expect it to take a certain amount of time for unit freight costs to come down. In these circumstances, our basic strategy is to expand the number of priority industries and non-Japanese customers. Our focus will be on strengthening trade lanes, which offers larger market scale, but in which we have less volume. Accordingly, our emphasis will be on expanding long-haul volume from Asia, which offers relatively high unit prices, through landed sales. We will also engage in global procurement bidding to reduce costs and seek local deals to procure space, while also pursuing the best mix of long-term contracts and spot contracts.

III. Challenges of the Business Plan

B Sales by Business: FY2022 (Jan-Sep)

Millions of yen,%

(Millions of yen, rounded down)

Nippon Express Co., Ltd. Results by Business	Results	Difference		Difference (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Railway utilization business	48,881	(1,469)	(4,122)	(2.9)	(7.8)
Small-lot shipment business	27,889	(2,327)	(2,646)	(7.7)	(8.7)
Chartered truck business	133,967	(1,611)	41	(1.2)	0.0
Marine transportation business	143,867	52,022	78,087	56.6	118.7
Harbor transportation business	51,686	1,396	5,924	2.8	12.9
Air transportation business	261,855	52,504	132,926	25.1	103.1
Warehousing and storage business	115,817	10,278	12,021	9.7	11.6
In-factory business	45,114	3,748	7,541	9.1	20.1
Moving and relocation business	45,828	4,268	5,737	10.3	14.3
Other	146,265	(7,457)	(7,137)	(4.9)	(4.7)
Total	1,021,174	111,354	228,375	12.2	28.8

International Logistics/Exports	Results	Difference		Difference (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Ocean transportation (export)	98,562	37,041	58,548	60.2	146.3
Air transportation (export)	186,768	50,168	126,041	36.7	207.6

Domestic Business

- In the third quarter, the lifting of lockdowns in China (Shanghai) led to a recovery in cargo movement, and motor transportation business revenues increased year on year. The railway utilization business saw a rebound increase and recovery in cargo movement in connection with the natural disasters of the previous year. The warehousing and storage and in-factory businesses continued to perform well as in the previous year.
- Railway Utilization Business**
 - Third quarter revenues outperformed the year-ago period due to a recovery in automobile-related cargo stemming from the release of lockdowns in China and our capture of demand for transportation resulting from higher beverage prices.
- Small-Lot Shipment Business**
 - Revenues continued to decline due to sluggish petroleum and chemical product volume, although electric and electronics volume traced a recovery trend as the semiconductor shortages are resolving.
- Chartered Truck Business**
 - We saw a recovery in cargo movement for automobiles, electrical and electronics, and steel in the third quarter. Domestic cargo movement continued to recover.
- Warehousing and Storage Business**
 - Storage volume increased due to the start of new storage operations, resulting in an increase in revenue for a second consecutive fiscal year.
- In-Factory Business**
 - In addition to volume for e-commerce related transport, the business continued to perform well as in the previous fiscal year due to an increase in steel-related volume.
- Moving and Relocation Business**
 - Domestic moving and relocation revenues declined due to a drop in corporate demand caused by a decrease in transfers. However, overall revenues increased compared to 2021 and 2020 due to a recovery in overseas moving (import/export) volume.

International Logistics

- Air and ocean export freight business volume decreased year on year, but revenues increased compared to 2021 and 2020 due to high unit freight rates.

III. Challenges of the Business Plan

C Strategy to Enhance Domestic Businesses in Japan

I. Improve Profits

- ◆ Pursued daily cost controls, continuing to leverage company strengths to fullest and reduce outsourcing cost ratios

- As revenues increased for the third quarter of the fiscal year ending December 31, 2022 (Jan-Sep; +12.2% year on year), our outsourcing cost ratio decreased 2.7% year on year.
- The utilization ratio of company-owned vehicles for cumulative Jan-Sep 2022 increased +1.0 points year on year
- We will continue to improve the margin ratio by leveraging company strengths and company-owned vehicles.

II. Improve Productivity

- ◆ Raise Overall Level of Warehouse Operations

- In fiscal 2022, 18 individuals were scheduled to participate in 18 sessions of Logistics Boot Camp, a core human resources development program to promote productivity improvement in warehouse operations. Fifteen of the 18 scheduled sessions have been concluded. Each participant is now in the improvement implementation phase, working toward a results report scheduled at the beginning of the year.
- Upgrades and networking of 375 logistics centers (294 sections) nationwide and in-factory work sections (in-factory work, logistics centers within customer facilities; 189 locations): Training via e-learning over five sessions (all employees, including management); information collaboration and sharing (case studies of successes, failures, and improvements) conducted a total of 25 times through liaison meetings.

- ◆ Automate, Streamline Office Work

- We are developing human resources capable of self-direction in automating (RPA) inefficient or routine operations and pursuing lateral rollout of scenarios.

Major Initiatives

III. Deepen Integration of Land, Sea, and Air

- ◆ Pursue cross-mode sales

- We won 632 contracts by approaching existing customers (Q3 cumulative total)
- Propose seamless transportation between overseas and domestic markets by leveraging the strengths of the NX Group

IV. Strengthen Network Transportation Products

- ◆ Increased sales of Protect BOX

- Expand revenues further sales through new equipment tailored to customer needs.
Jan-Sep 2022: 23,854 units (+75% of previous year)

- ◆ Increased sales of railroad containers, air cargo containers

- NX Train is now on sale and have 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.

- ◆ Structural Reform of the Moving & Relocation Business

- Adopted NPS (Net Promoter Score) as a KPI, aiming for quality improvement as the primary goal. Strive to achieve NPS target of 50 points in sales, arrival/departure operations, and favorable recommendations.
Q3 cumulative average NPS 48 points (-2 points year on year)
- Remote quotation system (Remomi®) usage: Q3 cumulative +15.2% year on year, usage rate +1%

- ◆ Strengthen and Pursue Arrow Delivery Business

- Improved profitability through more efficient and streamlined operations and stronger coordination within the NX Group.

In our strategy to enhance domestic businesses in Japan, we are reducing outsourcing costs as a means for improving profitability, lowering our outsourcing cost ratio -2.7 points compared with the previous fiscal year, even as revenues increased +12.2%. Since the forwarding business is affected by high unit costs, we estimate that the ratio has decreased by about 1 point compared to pre-pandemic levels, excluding special factors. The utilization ratio of company-owned vehicles improved +1.0% year-on-year as stepped up efforts to match vehicles to daily workforce utilization.

We will continue to pursue cost controls and take advantage of the recovery phase of cargo movement. Our reports also describe our progress toward improving productivity, evolving land-sea-air integration, and strengthening our network transportation products.

III. Challenges of the Business Plan

C Strategy to Enhance Domestic Businesses in Japan

V. Business Structure Reform Project Initiatives (Six Categories)

- (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
- (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 earnings based on area market characteristics
- (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 Structure

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

Pursuing structural reform efforts in each transportation business, we are identifying and discussing issues related to the six areas explained in our previous financial results briefing and on other occasions. We will deepen discussions on project initiatives, and if a certain measure can be started immediately, we will incorporate it into line operations, while solidifying proposals for the next business plan.

III. Challenges of the Business Plan

D Progress in FY2022 Back Office Cost Reductions (as of September 30, 2022)

Enhancing Japanese Domestic Businesses	FY2023 Target	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE Dec 2021 Results (Apr-Dec) [YoY]	FY2022 Results (Jan-Sep) [YoY]	FY2022 September Cumulative	FY2022 Target [YoY]	FY2022 Cumulative (Target)
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]	—	—	¥3.71 billion [-413 employees]	¥0.36 billion [-40 employees]	¥3.73 billion [-415 employees]
		Reassign HQ employees	—	¥0.82 billion [-91 employees]	¥0.04 billion [-4 employees]	¥0.34 billion [-38 employees]	FY2023 Target Progress: 82%		
Back office process reform	¥5.0 billion	Overtime [back office personnel]	¥1.10 billion	¥1.32 billion	¥0.55 billion	¥0.22 billion	¥2.09 billion	¥0.69 billion	¥4.55 billion
		Personnel dispatching cost [back office]	¥0.15 billion	¥1.04 billion	¥0.20 billion	¥0.65 billion	FY2023 Target Progress: 41%	¥0.90 billion	
Total	¥9.5 billion	Total	¥2.05 billion	¥4.58 billion	¥0.31 billion	¥0.53 billion	¥5.8 billion FY2023 Target Progress: 61%	¥1.95 billion	¥8.28 billion

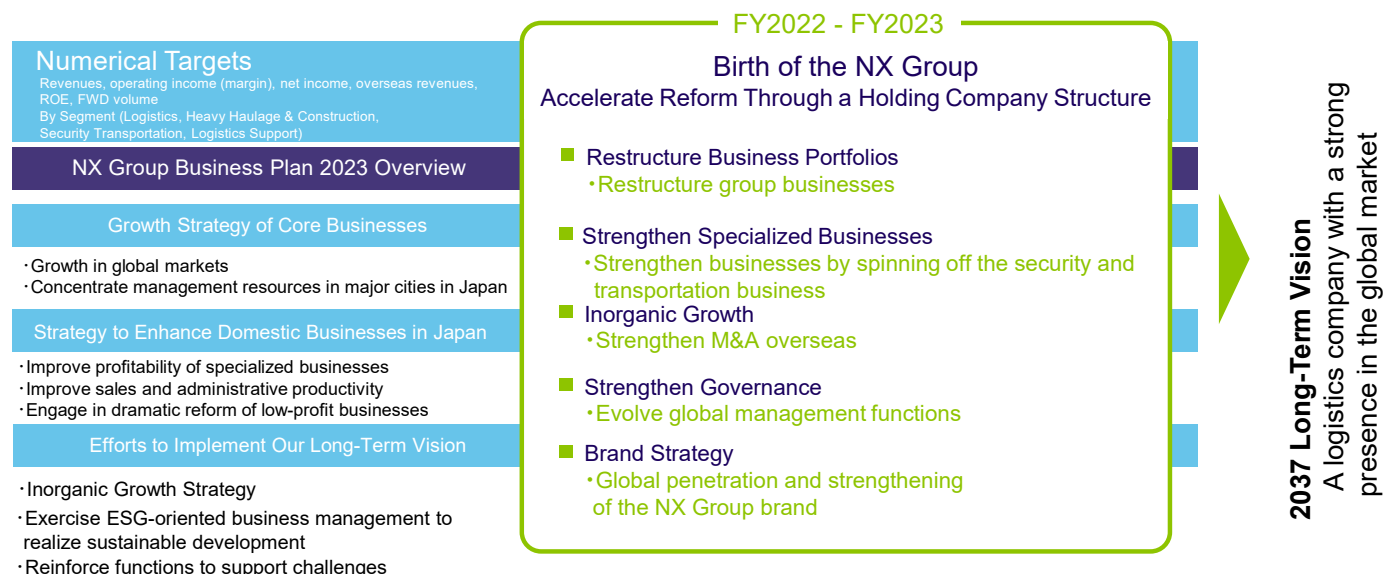
* Figures for results and targets related to "Further reorganization of organizations/ streamlining of administrative departments" indicate the scale and approximate amounts for measures that are to be implemented.

As of the end of Q3 of fiscal 2022, the cumulative reduction in indirect costs since fiscal 2019 amounted to ¥5.8 billion, which is approximately 61% toward our target of ¥9.5 billion.

We will continue pursuing greater efficiencies, reorganizing our organizations and streamlining administrative departments. In addition, we will continue efforts to achieve administrative process reform targets by centralizing administrative work at integrated sites and mechanizing front-line administrative tasks.

III. Challenges of the Business Plan

E Business Plan (FY2022-FY2023) Initiatives for Achieving Our Long-Term Vision



To achieve our long-term vision, we will continue with reforms under a holding company structure. And we will continue reorganization toward a structure that helps us achieve global growth and stronger group management. We have decided to reorganize our logistics finance business as part of business portfolio restructuring, reorganizing and integrating overlapping businesses and functions within the group and restructuring our Japan business. We will move forward in this process with each matter as it becomes ready.

We have discussed our business plan and future initiatives, and we expect logistics demand to remain firm in the future business environment with a recovery in the automobile industry and steady cargo movement in semiconductor-related industries. But we anticipate a contraction in earnings from international logistics and overseas operations, which have driven our business performance to date.

At the same time, we expect that domestic logistics will absorb to a certain extent the shrinkage in earnings from international logistics, etc., as I mentioned earlier, although market conditions and circumstances will differ by industry. In this environment, the main focus of our management will be to advance the strategies set forth in our business plan steadily and swiftly. As the performance of our domestic business is improving, we believe one of the key points will be how to take maximum advantage of this recovery. We believe it is important to develop business and sales activities that capture trends and forecasts within each industry and company, as well as to maintain and strengthen cost reductions further.

As costs continue to rise due to high resource prices and the weak yen, an important issue for business continuity will be taking into account the cost increases of subcontractors and suppliers, incorporating these increases in our rates. In particular, we have begun intensive efforts to receive appropriate rates and review contracts.

In response to customer supply chain reforms and a growing awareness of sustainability, we believe new services combining transportation modes and other logistics solutions will become business opportunity.

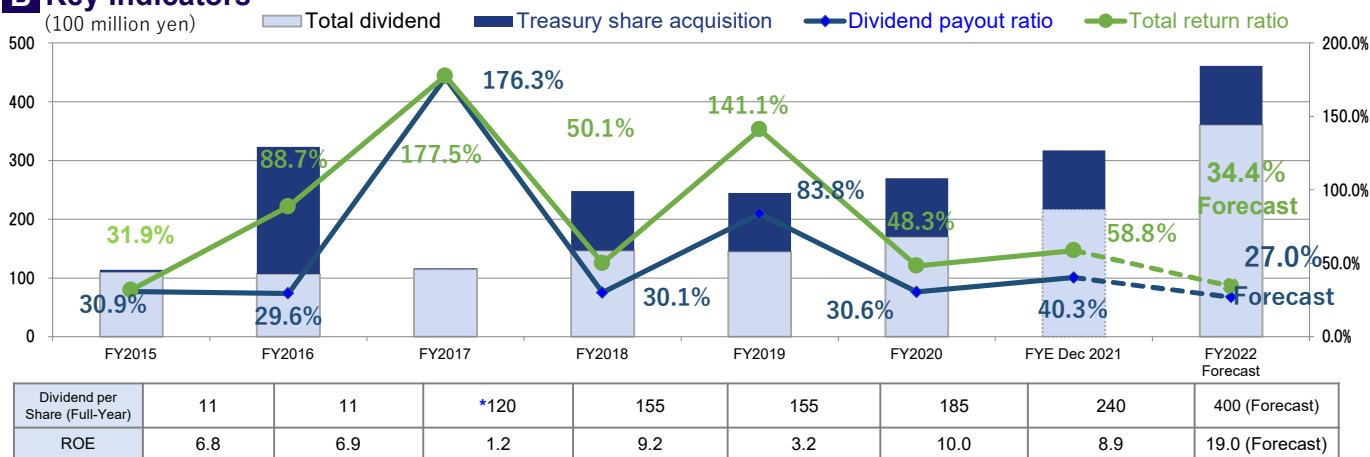
We aim to achieve our long-term vision by building upon short-term activities and medium- to long-term activities.

IV. Return to Shareholders

A Capital Policies

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

B Key Indicators

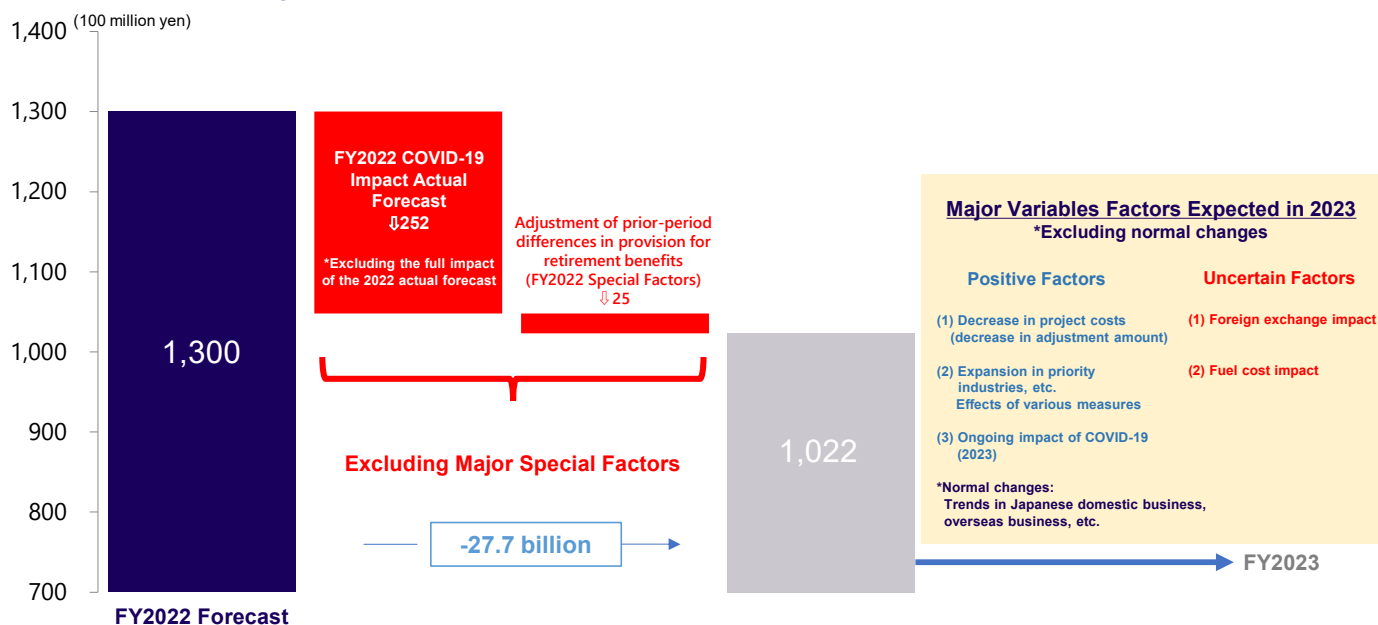


*The Company conducted a ten-for-one reverse stock split effective October 1, 2017.
The amounts of dividends from FY2017 onwards reflect this reverse split.

We plan to pay a total annual dividend of ¥400 per share for fiscal 2022, consisting of an interim dividend of ¥250 per share to commemorate the establishment of a holding company, and a year-end dividend of ¥150. As a result, we expect the dividend payout ratio to 27.0% and total return ratio to be 34.4%, including share buybacks. In this case, the total return ratio will be 49.5% for the cumulative four-year period beginning in fiscal 2019. Since some uncertainties regarding performance trends remain, we plan to reexamine shareholder returns once the figures for the current fiscal year are finalized. In addition to stable dividends, we will continue to strive to enhance shareholder returns, aware of our targets to provide a dividend payout ratio of 30% or more, as stated on our business plan, and a five-year cumulative total return ratio of 50% or greater, based on our next business plan.

(Reference) Major Special Factors and Future Outlook (Operating Income Change Factors) for FY2022

Breakdown of Operating Income



Supplemental Documents

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

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

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

Variable factors	Impact on consolidated results (Jan-Sep results)	Impact on consolidated results (12-month forecast)
Impact of change in unit fuel price	<p>Operating income ¥(2.53) billion (cost increase)</p> <p>Unit price per ℓ [Prior period 9-month average]</p> <p>Light oil : ¥116.76 [¥99.80]</p> <p>Gasoline : ¥156.24 [¥135.60]</p> <p>Heavy oil : ¥81.52 [¥59.30]</p>	<p>Operating income ¥(2.81) billion (cost increase)</p> <p>Unit price per ℓ [Prior period 12-month average]</p> <p>Light oil : ¥115.46 [¥102.10]</p> <p>Gasoline : ¥156.40 [¥139.00]</p> <p>Heavy oil : ¥82.57 [¥62.50]</p>
Impact of foreign exchange	<p>Revenues +¥57.20 billion</p> <p>Operating income +¥3.22 billion</p> <p>9-month avg. foreign exchange rate [January – September]* [prior-period 9-month avg.]</p> <p>USD : ¥128.05 [¥108.50]</p> <p>EUR : ¥135.95 [¥129.80]</p> <p>HKD : ¥16.34 [¥13.90]</p> <p>RMB : ¥19.35 [¥16.70]</p> <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>	<p>Revenues +¥82.05 billion</p> <p>Operating income +¥4.67 billion</p> <p>12-month avg. foreign exchange rate [January-December]* [prior-period 12-month avg.]</p> <p>USD : ¥132.24 [¥109.80]</p> <p>EUR : ¥137.54 [¥129.80]</p> <p>HKD : ¥16.87 [¥14.10]</p> <p>RMB : ¥19.61 [¥17.00]</p> <p>* 12-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>

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

Variable factors	Impact on consolidated results (Jan-Sep results)	Impact on consolidated results (12-month forecast)
Change due to employee system reform (same pay for same work, impact of extended retirement age)	Operating income ¥(0.86) billion [Japan: ¥(0.81) billion, Security Transportation: ¥(0.08) billion, Heavy Haulage & Construction: +¥0.03 billion, Logistics Support: ¥(0.00) billion]	Operating income ¥(1.11) billion [Japan: ¥(1.06) billion, Security Transportation: ¥(0.08) billion, Heavy Haulage & Construction: +¥0.04 billion, Logistics Support: ¥(0.00) billion]
Impact of COVID-19	<p>Revenues +¥17.95 billion Operating income +¥7.47 billion</p> <ul style="list-style-type: none"> Japan: Revenues +¥6.51 billion, Operating income +¥3.40 billion The Americas: Revenues +¥1.30 billion, Operating income +¥0.41 billion Europe: Revenues +¥7.65 billion, Operating income +¥1.67 billion East Asia: Revenues ¥(0.99) billion, Operating income +¥0.43 billion South Asia: Revenues +¥2.72 billion, Operating income +¥1.31 billion Security Transportation: Revenues +¥0.11 billion, Operating income +¥0.08 billion Heavy Haulage and Construction: Revenues +¥0.02 billion, Operating income +¥0.04 billion Logistics Support: Revenues +¥0.60 billion, Operating income +¥0.10 billion 	<p>Revenues +¥8.76 billion Operating income +¥5.49 billion</p> <ul style="list-style-type: none"> Japan: Revenues +¥5.68 billion, Operating income +¥2.73 billion The Americas: Revenues +¥0.78 billion, Operating income +¥0.23 billion Europe: Revenues +¥5.60 billion, Operating income +¥1.06 billion East Asia: Revenues +¥0.26 billion, Operating income +¥(3.47) billion South Asia: Revenues +¥0.85 billion, Operating income +¥0.11 billion Security Transportation: Revenues +¥0.08 billion, Operating income +¥0.12 billion Heavy Haulage and Construction: Revenues +¥0.64 billion, Operating income +¥0.13 billion Logistics Support: Revenues +¥0.13 billion, Operating income +¥0.13 billion

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

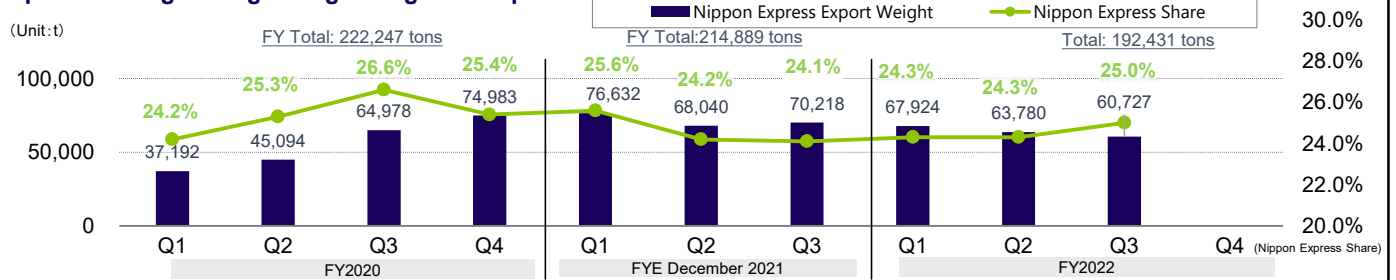
Variable factors	Impact on consolidated results (Jan-Sep results)	Impact on consolidated results (12-month forecast)
Adjustment of prior-period differences in provision for retirement benefits	Operating Income +¥2.51 billion <ul style="list-style-type: none"> Japan: Operating income +¥2.18 billion Security Transportation: Operating income +¥0.25 billion Heavy Haulage and Construction: Operating income +¥0.08 billion 	
Decrease in provision for retirement benefits	Operating income +¥1.03 billion <ul style="list-style-type: none"> Japan: Operating income +¥0.89 billion Security Transportation: Operating income +¥0.1 billion Heavy Haulage and Construction: Operating Income +¥0.03 billion 	Operating income: +¥1.45 billion <ul style="list-style-type: none"> Japan: Operating income +¥1.25 billion Security Transportation: Operating income +¥0.14 billion Heavy Haulage and Construction: Operating income +¥0.04 billion
Impact of Ukraine	Revenues ¥(1.13) billion Operating Income ¥(0.19) billion <ul style="list-style-type: none"> Japan: Revenues ¥(0.91) billion Operating Income ¥(0.05) billion Europe: Revenues ¥(0.10) billion Operating income ¥(0.11) billion Heavy Haulage and Construction: Revenues ¥(0.01) billion Operating income ¥(0.00) billion Logistics Support: Revenues ¥(0.10) billion Operating Income ¥(0.01) billion 	Revenues ¥(2.25) billion Operating income ¥(0.46) billion <ul style="list-style-type: none"> Japan: Revenues ¥(1.27) billion Operating income ¥(0.14) billion Europe: Revenues ¥(0.83) billion Operating income ¥(0.29) billion Heavy Haulage and Construction: Revenues ¥(0.01) billion Operating income ¥(0.00) billion Logistics Support: Revenue ¥(0.12) billion Operating income ¥(0.02) billion
Environment investments	Operating income: +¥0.71 billion	Operating income +¥0.55 billion

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

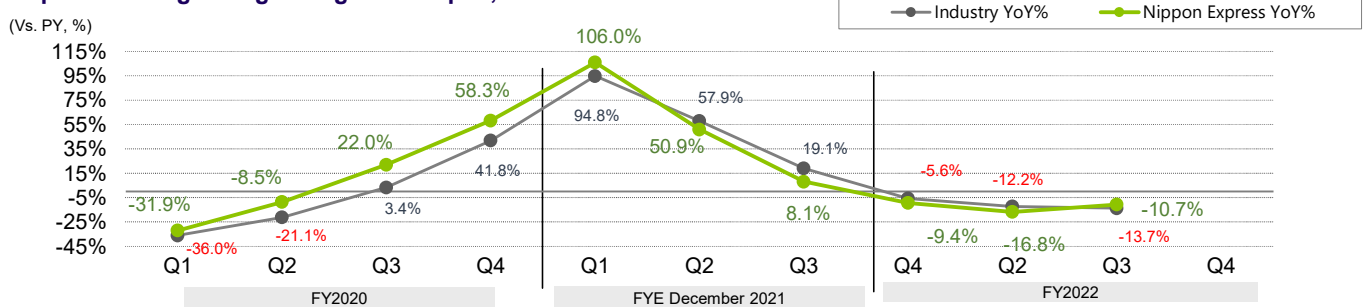
Variable factors	Impact on consolidated results (Jan-Sep results)	Impact on consolidated results (12-month forecast)
Impact of revenue recognition standard to decrease sales	Revenues ¥(12.52) billion	Logistics Support Revenues ¥(12.52) billion [Q1]
Spin off leasing business of NX Shoji	Revenues ¥(17.51) billion	Logistics Support Revenues ¥(17.51) billion [Q1]
Rebound increase of HQ relocation expenses		Operating income +¥1.18 billion [Q4] [Japan: +¥1.18 billion]
Increase due to rebound related to allowance for bad debt posted in the previous year (East Asia/Logistics Support)	Operating income +¥1.49 billion [Q3] [East Asia: +¥1.27 billion, Logistics Support: +¥0.21 billion]	Operating income +¥2.01 billion [Q3,Q4] [East Asia: +¥1.27 billion, Logistics Support: +¥0.73 billion] *The FYE Dec 2021 figures for East Asia have been revised due to an error in results. After correction: +¥1.27 billion; before correction: +¥1.29 billion

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

Export Air Freight Weight Originating from Japan



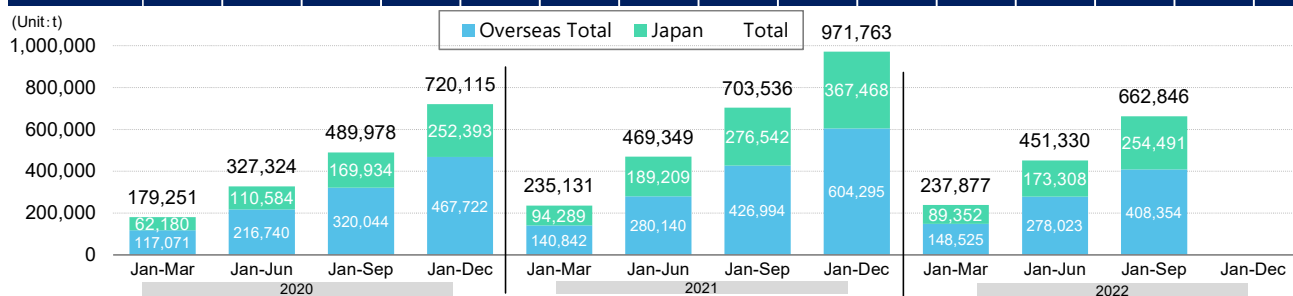
Export Air Freight Originating From Japan, YoY



Appendix 2 Forwarding Results: Export Freight (Air Freight Forwarding)

(Unit: t/chargeable)

Originating Region	2020					2021					2022				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan (consolidated)	58,841	45,579	55,874	78,048	238,343	89,719	90,527	82,178	85,592	348,017	84,660	79,228	76,158		240,045
Japan (excluding consolidated)	3,339	2,825	3,475	4,411	14,050	4,570	4,392	5,154	5,334	19,451	4,692	4,728	5,026		14,446
Japan Total	62,180	48,404	59,350	82,459	252,394	94,289	94,919	87,333	90,926	367,468	89,352	83,956	81,184		254,491
The Americas	19,739	15,838	15,070	20,003	70,651	23,273	20,980	19,757	20,417	84,427	20,740	20,437	18,164		59,341
Europe	24,166	18,954	20,721	28,205	92,045	26,206	28,074	28,724	35,410	118,414	31,119	27,195	26,786		85,100
East Asia	35,441	34,266	33,277	56,424	159,407	44,272	43,429	49,093	58,539	195,334	43,656	40,191	43,470		127,316
South Asia & Oceania	37,725	30,611	34,236	43,046	145,618	47,091	46,814	49,280	62,935	206,120	53,010	41,675	41,912		136,596
Overseas Total	117,071	99,669	103,304	147,678	467,721	140,842	139,298	146,854	177,301	604,295	148,525	129,498	130,331		408,354
Total Weight	179,251	148,074	162,654	230,137	720,115	235,131	234,217	234,187	268,227	971,763	237,877	213,453	211,515		662,846

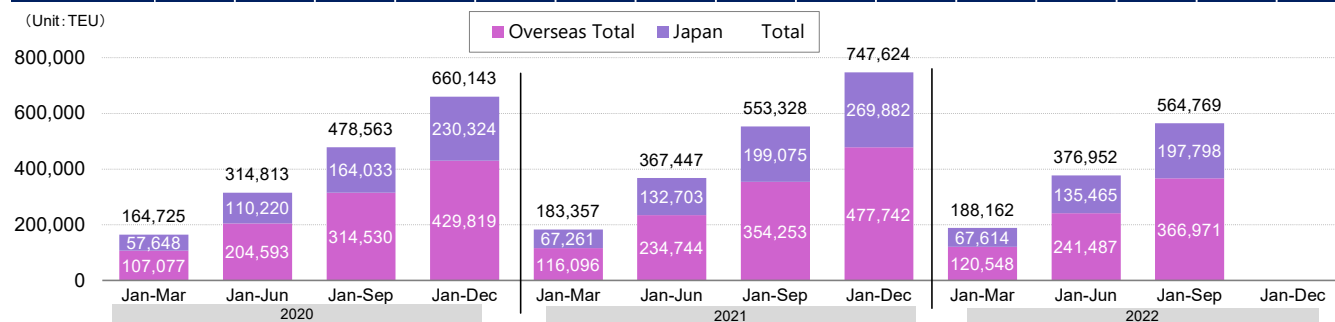


Appendix 2 Forwarding Results: Export Freight (Ocean Transportation)

(Unit: TEU)

Originating Region	2020					2021					2022				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan	57,648	52,572	53,813	66,291	230,324	67,261	65,442	66,373	70,807	269,882	67,614	67,851	62,333		197,798
The Americas	9,794	9,191	9,322	9,208	37,514	11,223	13,391	11,155	10,117	45,886	10,106	11,429	10,261		31,796
Europe	13,193	10,656	11,072	13,545	48,465	13,667	15,025	13,926	14,077	56,695	15,308	14,917	14,208		44,433
East Asia	52,033	52,497	53,609	55,447	213,586	52,959	54,801	57,770	57,009	222,539	53,150	54,639	58,511		166,300
South Asia & Oceania	32,057	25,172	35,933	37,099	130,261	38,247	35,431	36,658	42,287	152,623	41,984	39,955	42,504		124,442
Overseas Total	107,077	97,516	109,937	115,289	429,827	116,096	118,648	119,509	123,489	477,742	120,548	120,940	125,484		366,971
Total Weight	164,725	150,088	163,750	181,580	660,152	183,357	184,089	185,882	194,296	747,624	188,162	188,791	187,816		564,769

(Unit: TEU)



40 Financial Results Presentation for Q3,
Fiscal Year Ending December 2022

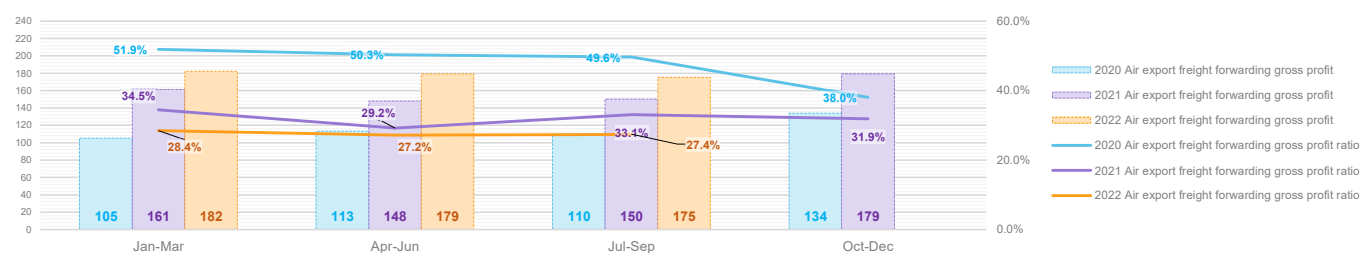
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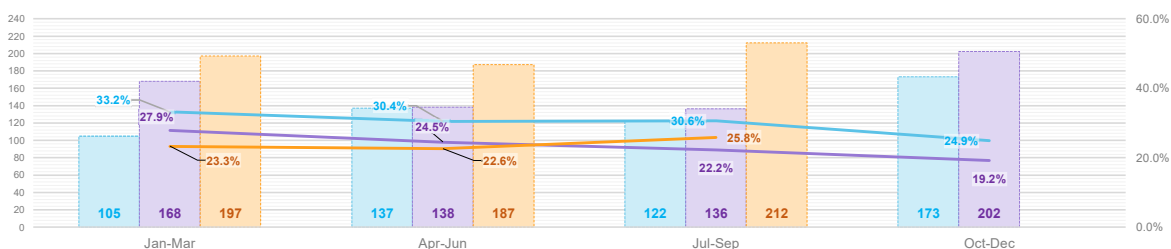
Appendix 2 Air Forwarding Results: Japan and Overseas Segment Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

Japan Segment

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



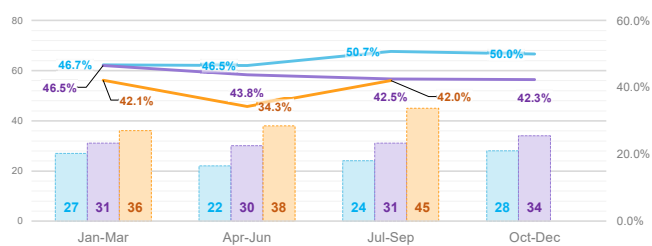
Overseas Segment Total



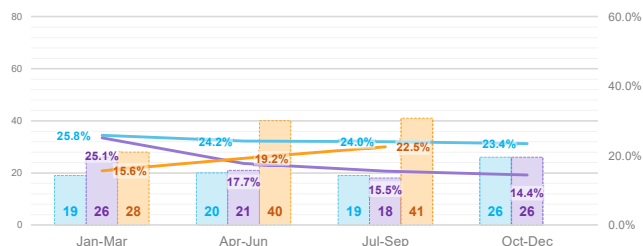
*Air export freight forwarding gross profit: Net sales minus air forwarding costs (international) Gross profit margin: Ratio of gross profit from international air export freight forwarding to net sales from air export freight forwarding
 *Figures for the overseas segment total are based on the monthly reported figures for each country. *Gross profit of overseas segment total is converted into yen based on the average exchange rate for each quarter.

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

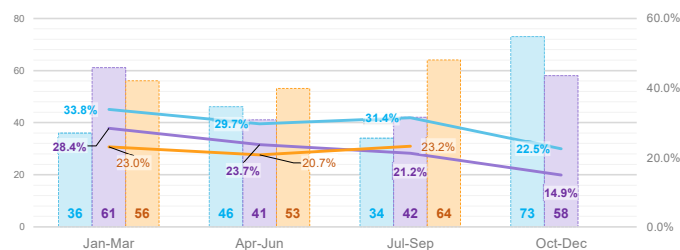
The Americas Segment



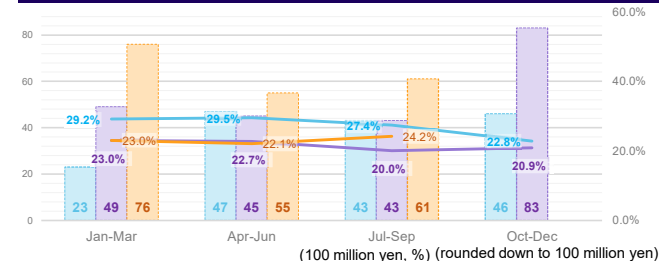
Europe Segment



East Asia Segment



South Asia & Oceania Segment



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

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

*Figures for the overseas segment total are based on the monthly reported figures for each country. *Gross profit of overseas region total is converted into yen based on the average exchange rate for each quarter.

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

Consolidated forwarding costs (100 million yen) (rounded down to 100 million yen)

Item	2020 Jan-Mar	2020 Apr-Jun	2020 Jul-Sep	2020 Oct-Dec	2021 Jul-Dec	2021 Apr-Jun	2021 Jul-Sep	2021 Oct-Dec	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep
Railway	113	96	96	116	107	107	108	119	100	94	94
Air transportation	320	432	395	758	748	798	792	1,243	1,097	1,122	1,074
Ocean transportation	173	153	161	186	270	324	437	533	555	617	614
Forwarding Cost Total	607	683	653	1,062	1,126	1,231	1,339	1,896	1,753	1,834	1,784

Appendix 3: Nippon Express FY2022 Results and Forecasts

A. Revenues (Unit: Millions of yen,%)		Jan-Sep Results						Oct-Dec Forecast					
		Jan-Sep 2022		Jan-Sep 2021		Change		Oct-Dec 2022 Forecast		Oct-Dec 2021		Change	
			% of Sales		% of Sales	Amount	Ratio		% of Sales		% of Sales	Amount	Ratio
Revenues	Railway utilization business	48,881	4.8	50,350	5.5	(1,469)	(2.9)	19,118	5.6	18,478	5.6	640	3.5
	Automotive												
	Small-lot shipment business	27,889	2.8	30,216	3.3	(2,327)	(7.7)	9,710	2.8	10,844	3.3	(1,133)	(10.5)
	Chartered truck business	133,967	13.1	135,579	14.9	(1,611)	(1.2)	48,032	14.0	47,205	14.2	826	1.8
	Total	161,856	15.9	165,795	18.2	(3,938)	(2.4)	57,743	16.8	58,050	17.5	(307)	(0.5)
	Ocean transportation												
	Marine transportation business	143,867	14.1	91,844	10.1	52,022	56.6	46,132	13.4	41,905	12.6	4,227	10.1
	Harbor transportation business	51,686	5.0	50,289	5.5	1,396	2.8	17,713	5.2	17,832	5.4	(118)	(0.7)
	Total	195,553	19.1	142,134	15.6	53,418	37.6	63,846	18.6	59,738	18.0	4,108	6.9
	(Export)	[98,562]	—	[61,521]	—	37,041	60.2	[31,937]	—	[27,904]	—	4,032	14.5
	(Import)	[48,332]	—	[39,711]	—	8,621	21.7	[15,167]	—	[14,685]	—	481	3.3
	(Domestic and other)	[48,657]	—	[40,901]	—	7,756	19.0	[16,742]	—	[17,148]	—	(406)	(2.4)
	Air transportation												
	Total	261,855	25.6	209,351	23.0	52,504	25.1	85,844	25.0	81,628	24.6	4,215	5.2
	(Export)	[186,768]	—	[136,599]	—	50,168	36.7	[57,731]	—	[53,962]	—	3,769	7.0
	(Import)	[24,294]	—	[22,895]	—	1,398	6.1	[9,705]	—	[9,444]	—	260	2.8
	(Domestic and other)	[50,793]	—	[49,856]	—	936	1.9	[18,406]	—	[18,221]	—	185	1.0
	Warehousing and storage business	115,817	11.3	105,538	11.6	10,278	9.7	39,182	11.4	37,988	11.4	1,193	3.1
	In-factory business	45,114	4.4	41,366	4.5	3,748	9.1	16,985	4.9	15,962	4.8	1,022	6.4
	Moving and relocation business	45,828	4.5	41,559	4.6	4,268	10.3	10,171	3.0	9,749	2.9	421	4.3
	Security transportation business	50,765	5.0	50,818	5.6	(53)	(0.1)	17,034	5.0	16,849	5.1	185	1.1
	Heavy haulage and construction business	41,532	4.1	43,269	4.8	(1,736)	(4.0)	15,867	4.6	15,785	4.7	81	0.5
	Other businesses	53,968	5.3	59,635	6.6	(5,667)	(9.5)	18,031	5.2	18,234	5.5	(202)	(1.1)
	Total	1,021,174	100.0	909,820	100.0	111,354	12.2	343,825	100.0	332,465	100.0	11,359	3.4

Appendix 3: Nippon Express FY2022 Results and Forecasts

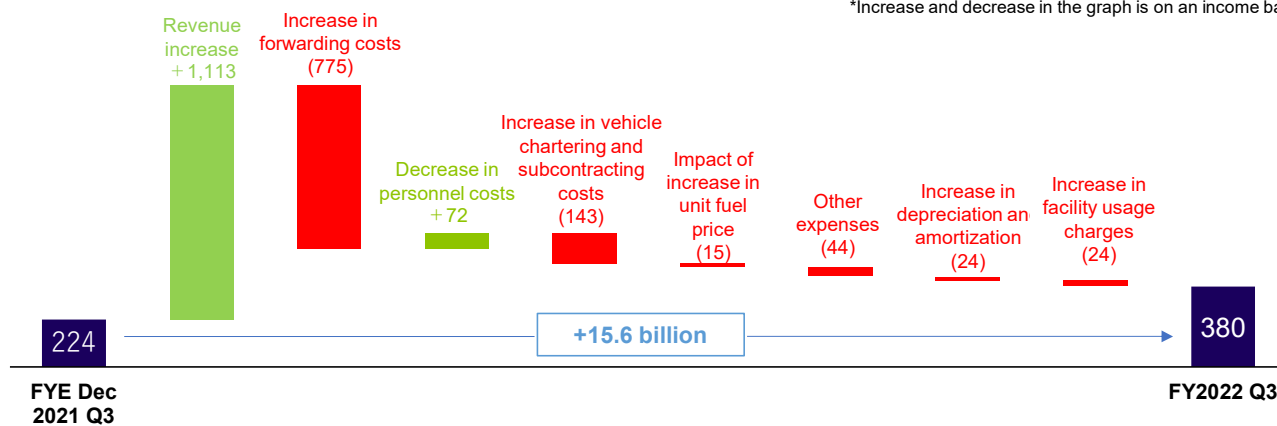
B. Operating expenses (Unit: Millions of yen,%)		Jan-Sep Results						Oct-Dec Forecast					
		Jan-Sep 2022		Jan-Sep 2021		Change		Oct-Dec 2022 Forecast		Oct-Dec 2021		Change	
		Jan-Sep 2022	% of Sales	Jan-Sep 2021	% of Sales	Amount	Ratio	Oct-Dec 2022 Forecast	% of Sales	Oct-Dec 2021	% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses	188,815	18.5	196,029	21.5	(7,214)	(3.7)	63,284	18.4	64,652	19.4	(1,367)	(2.1)
	Forwarding costs												
	Railway forwarding costs	[26,439]	2.6	[27,555]	3.0	(1,116)	(4.1)	[10,360]	3.0	[9,976]	3.0	384	3.9
	Ocean forwarding costs	[74,249]	7.3	[37,552]	4.1	36,696	97.7	[24,350]	7.1	[18,980]	5.7	5,370	28.3
	Air forwarding costs	[138,907]	13.6	[96,896]	10.7	42,011	43.4	[43,392]	12.6	[38,133]	11.5	5,259	13.8
	Total	239,595	23.5	162,004	17.8	77,591	47.9	78,104	22.7	67,090	20.2	11,013	16.4
	Vehicle chartering and subcontracting costs	353,419	34.5	339,040	37.2	14,378	4.2	123,880	36.0	121,346	36.5	2,533	2.1
	Depreciation and amortization	26,789	2.6	24,293	2.7	2,495	10.3	9,110	2.6	8,716	2.6	394	4.5
	Facility usage charges	70,509	7.0	68,099	7.5	2,409	3.5	23,290	6.8	23,369	7.0	(78)	(0.3)
	Other	103,964	10.2	97,946	10.8	6,018	6.1	34,235	10.0	36,535	11.0	(2,299)	(6.3)
Total		983,093	96.3	887,413	97.5	95,679	10.8	331,906	96.5	321,709	96.8	10,196	3.2

C. Profits (Unit: Millions of yen,%)		Jan-Sep Results						Oct-Dec Forecast					
		Jan-Sep 2022		Jan-Sep 2021		Change		Oct-Dec 2022 Forecast		Oct-Dec 2021		Change	
		Jan-Sep 2022	% of Sales	Jan-Sep 2021	% of Sales	Amount	Ratio	Oct-Dec 2022 Forecast	% of Sales	Oct-Dec 2021	% of Sales	Amount	Ratio
Operating income		38,081	3.7	22,406	2.5	15,674	70.0	11,918	3.5	10,756	3.2	1,162	10.8

Appendix 3: Nippon Express FY2022 Jan-Sep Results Non-Consolidated Profit Factors

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

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



Expense Detail (Jan-Sep Results)	
Increase in vehicle chartering and subcontracting costs +143 [+4.2%]	
Vehicle chartering cost	(24) [(1.7)%]
Subcontracting cost	+138 [+7.4%]
Personnel dispatching cost	+28 [+32.6%]

Appendix 3: Nippon Express FY2022 Jan-Dec Forecasts

A. Revenues

(Unit: Millions of yen,%)

			Jan-Dec 2022 Forecast	% of Sales	Jan-Dec 2021	% of Sales	Change	
							Amount	Ratio
Revenues	Railway utilization business		68,000	5.0	68,828	5.5	(828)	(1.2)
	Automotive	Small-lot shipment business	37,600	2.8	41,060	3.3	(3,460)	(8.4)
		Chartered truck business	182,000	13.3	182,785	14.7	(785)	(0.4)
		Total	219,600	16.1	223,846	18.0	(4,246)	(1.9)
	Ocean transportation	Marine transportation business	190,000	13.9	133,750	10.8	56,249	42.1
		Harbor transportation business	69,400	5.1	68,122	5.5	1,277	1.9
		Total	259,400	19.0	201,873	16.3	57,526	28.5
		(Export)	[130,500]	-	[89,426]	-	41,073	45.9
		(Import)	[63,500]	-	[54,397]	-	9,102	16.7
		(Domestic and other)	[65,400]	-	[58,049]	-	7,350	12.7
	Air transportation	Total	347,700	25.5	290,980	23.4	56,719	19.5
		(Export)	[244,500]	-	[190,562]	-	53,937	28.3
		(Import)	[34,000]	-	[32,340]	-	1,659	5.1
		(Domestic and other)	[69,200]	-	[68,077]	-	1,122	1.6
	Warehousing and storage business		155,000	11.4	143,527	11.6	11,472	8.0
	In-factory business		62,100	4.5	57,328	4.6	4,771	8.3
	Moving and relocation business		56,000	4.1	51,309	4.1	4,690	9.1
	Security transportation business		67,800	5.0	67,667	5.4	132	0.2
	Heavy haulage and construction business		57,400	4.2	59,054	4.8	(1,654)	(2.8)
	Other businesses		72,000	5.3	77,869	6.3	(5,869)	(7.5)
	Total		1,365,000	100.0	1,242,286	100.0	122,713	9.9

Appendix 3: Nippon Express FY2022 Jan-Dec Forecasts

B. Operating expenses

(Unit: Millions of yen,%)

		Jan-Dec 2022 Forecast		Jan-Dec 2021		Change		
			% of Sales		% of Sales	Amount	Ratio	
Operating expenses	Total personnel expenses		252,100	18.5	260,681	21.0	(8,581)	(3.3)
	Forwarding costs	Railway forwarding costs	36,800	2.7	37,532	3.0	(732)	(2.0)
		Ocean forwarding costs	98,600	7.2	56,532	4.6	42,067	74.4
		Air forwarding costs	182,300	13.4	135,029	10.9	47,270	35.0
		Total	317,700	23.3	229,094	18.4	88,605	38.7
	Vehicle chartering and subcontracting costs		477,300	35.0	460,387	37.1	16,912	3.7
	Depreciation and amortization		35,900	2.6	33,010	2.7	2,889	8.8
	Facility usage charges		93,800	6.9	91,468	7.4	2,331	2.5
	Other		138,200	10.1	134,481	10.8	3,718	2.8
	Total		1,315,000	96.3	1,209,123	97.3	105,876	8.8

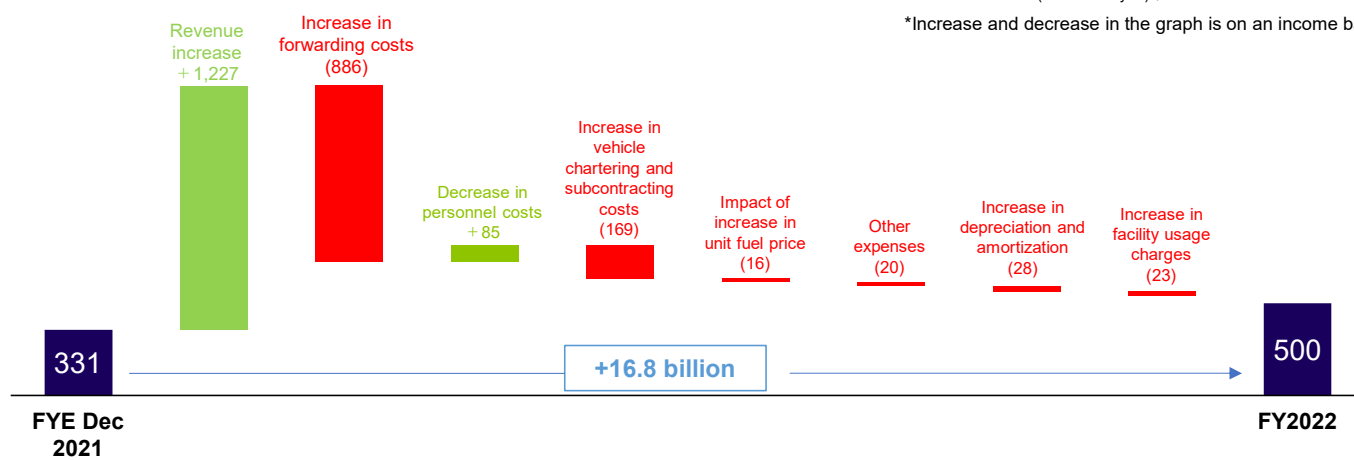
C. Profits

	Jan-Dec 2022 Forecast		Jan-Dec 2021		Change	
		% of Sales		% of Sales	Amount	Ratio
Operating income	50,000	3.7	33,162	2.7	16,837	50.8

Appendix 3: Nippon Express FY2022 Jan-Dec Forecasts Non-Consolidated Profit Factors

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

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



Expense Detail (Jan-Dec Forecast)	
Increase in vehicle chartering and subcontracting costs +169 [+3.7%]	
Vehicle chartering cost	(22) [(1.2)%]
Subcontracting cost	+154 [+6.0%]
Personnel dispatching cost	+36 [+29.4%]



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