

**Financial Results Presentation for  
Fiscal Year Ended December 2022  
February 14, 2023  
NIPPON EXPRESS HOLDINGS, INC.  
Investor Relations Promotion Group  
Corporate Planning Division**

# Contents

## Financial Results Highlights (Executive Summary)

Financial Results Highlights (Executive Summary) P.2-

## I. Financial Results for FY2022 (JGAAP)

Regarding Presentation of Fiscal Year Ended December 2021 (Previous Year) Results P.4  
A. Financial Results for Jan-Dec, FY2022 P.5  
B. Japan and Overseas Results P.6  
C. Results by Reportable Segment (YoY for Jan-Dec) P.7  
D. Breakdown of Revenues and Operating Income P.8-  
Segment Overview for FY2022 P.10-

## II. Financial Results Forecast for FY2023 (JGAAP)

A. Forecast for FY2023 P.18  
B. Financial Results Forecast for FY2023 1H, 2H P.19  
C. Japan and Overseas Results Forecast P.20  
D. Forecasts by Reportable Segment (Jan-Dec) P.21  
E. Forecasts by Reportable Segment 1H, 2H P.22  
F. Breakdown of Revenues and Operating Income P.23-  
Segment Overview Financial Results Forecasts for FY2023 P.25-

## III. Challenges of the Business Plan

A. NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses P.29-  
B. Sales by Business P.31  
C. Strategy to Enhance Domestic Businesses in Japan P.32  
D. Progress in FYE December 2022 Back Office Cost Reductions (as of December 31, 2022) P.33  
E. Pursuing RPA and NX-OCR P.34  
F. Impact of Employee System Reform P.35  
G. Business Structure Reform Project P.36  
H. ESG Management P.37  
Challenges of the Business Plan P.38

## IV. Return to Shareholders

A. Capital Policies B. Key Indicators P.39

## Supplemental Documents

Appendix 1: Special Factors P.41-  
Appendix 2: Forwarding Results P.45-  
Appendix 3: Nippon Express FY2022 Jan-Dec Results and Forecasts P.51-  
Appendix 4: Voluntary Adoption of International Financial Reporting Standards (IFRS) P.57

## Financial Results Highlights (Executive Summary)

### • Financial Results for FY2022 and Forecast for FY2023

Financial Results for FY2022 (JGAAP)			Financial Results Forecast for FY2023 (JGAAP)		
		Vs. FYE Dec 2021		Vs. FYE Dec 2021	Vs. Business Plan Targets 2023
↗ Revenues	¥2,619.7 billion	+¥282.5 billion + 12.1%	↘ Revenues	¥2,450.0 billion	¥(169.7) billion (6.5%) +¥50.0 billion + 2.1%
↗ Operating Income	¥128.7 billion	+¥31.6 billion + 32.6%	↘ Operating Income	¥110.0 billion	¥(18.7) billion (14.5%) – billion – %
Operating Income Margin	4.9%	—	Operating Income Margin	4.5%	— Target: 4.6%
↗ Profit	¥109.8 billion	+¥43.6 billion +65.9 %	↘ Profit	¥75.0 billion	¥(34.7) billion (31.7%) +¥3.0 billion + 4.2%
ROE	※ 15.9%	—	ROE	10.0%	— Target: 10.0%

• ↗ indicates a change of +5% or more; ↘ indicates a change of -5% or more; → indicates a change of +/-5% or less

※ February 28, 2023 : ROE for the fiscal year ended December 2022" "has been revised due to" "Revisions of Summary of Financial Results for the Fiscal Year Ended December 2022 [Japanese GAAP] (Consolidated)"

2

Financial Results Presentation for Fiscal Year Ended December 2022

Copyright © 2023 NIPPON EXPRESS HOLDINGS, INC., All rights reserved.

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

### FY2022 Results

- **Revenues and profit increased**, mainly due to steady growth in international freight business in both Japan and overseas regions.  
**Revenues and profit decreased in the fourth quarter** due to a reactionary decline in overseas and international logistics businesses as the supply-demand balance in the forwarding business eased in the fourth quarter.
- **Japan posted higher revenues and profit for the full year, but higher revenues and lower profit in the fourth quarter.**  
(This result was due to a decrease in gross profit due to a decline in transaction handled and sluggish transportation demand in Japan, despite higher unit freight rates in air forwarding compared to the previous year.)
- **Overseas, both revenues and profit increased for the full year, mainly due to high freight rates maintained in the forwarding business in the Americas and Europe.**  
**In East Asia and South Asia, revenues and profit increased for the full year; however, revenues and profit declined in the fourth quarter due to the impact of a reactionary decline in the easing of the supply-demand balance in the forwarding business, etc.**

### FY2023 Forecast

- We **expect revenues and profit to decrease** due to a reactionary decline in connection with the positive impact of infections on business and a slowdown in the growth rate of the global economy stemming from an easing in supply and demand in the forwarding business.
- We **expect to achieve our operating income target of 110 billion yen** for the final year of our business plan, mainly by executing our growth strategy for our core businesses and enhancing domestic businesses in Japan.

### Shareholder Returns

- We paid an interim dividend of 250 yen and forecast a year-end dividend of 150 yen for an annual dividend of 400 yen per share for FY2022
- We forecast an interim dividend of 150 yen and a year-end dividend of 150 yen for an annual dividend totaling 300 yen per share for FY2023

# I. Financial Results for 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	FYE December 2021 (pro forma)							

## I. Financial Results for FY2022 (JGAAP)

### A Financial Results for Jan-Dec, FY2022

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

Item	Full-Year Results (Jan-Dec 2022)	Full-Year Forecast (Announced Nov 9) (Jan-Dec 2022)	Difference	Difference (%)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Revenues	26,197	26,500	(302)	(1.1)	23,371	2,825	12.1
Operating Income	1,287	1,300	(12)	(1.0)	970	316	32.6
Operating Income Margin	4.9	4.9	—	—	4.2	—	—
Ordinary Income	1,373	1,380	(6)	(0.5)	1,010	363	35.9
Profit Attributable to Owners of Parent	1,098	*1,340	(241)	(18.1)	661	436	65.9

\* We revised profit attributable to owners of parent to 108.0 billion yen, as discussed in Notice Concerning the Recording of Extraordinary Losses and Revision of Financial Results Forecasts, published January 18, 2023. The difference compared with full-year results is +1.8 billion yen, or +1.7%.

Financial results for the consolidated fiscal year ended December 31, 2022 are as disclosed in these presentation materials. The supply-demand balance in the forwarding business began easing in August or September last year due to a decrease in demand and other factors. Amid this trend, we saw a reactionary decline in Q4 in the overseas and international logistics business, which had been the driving force behind our business performance. Our domestic business remained sluggish due to poor harvests of agricultural products and the impact of reduced automobile production. Certain industries experienced a recovery from the impact of COVID-19 through last September, caused by a rush in demand before prices were raised hurriedly in October. As a result, we saw a reactionary decline in Q4. Under these circumstances, revenues and profit declined in Q4. However, with the increase in revenues and profit through Q3, consolidated results for the full year increased in every profit category from operating income and below.

The increase in profit attributable to owners of parent for the quarter was mainly due to a gain on the sale of the former Shiodome headquarters building. However, we did record extraordinary losses as reported last month related to a new international air cargo enterprise system and our pharmaceuticals/medical business. Therefore, results underperformed our forecasts announced November 9.

The main component of extraordinary loss was our decision to abandon development of the international air cargo enterprise system due to an expected increase in costs and extended development period compared to initial plan. As a result of this decision, we recorded ¥15.4 billion in impairment loss. To prevent a recurrence, we are carefully examining the sequence of events that led to the abandonment of system development, beginning with initial plans through final write-off. Our IT Digital Solutions Division, formed in January this year, will be responsible for evaluating the appropriateness of future large-scale development projects in light of this incident, which will improve governance.

The pharmaceuticals/medical business experienced delays in bidding projects and enactment of GDP legislation due to the prolonged impact of COVID-19 and other factors making it necessary to revise plans. As a result, we recorded an impairment loss of ¥15.7 billion. The high potential of the pharmaceuticals/medical business remains unchanged, though, and we will continue to focus on this as a priority industry, keeping an eye on the enactment of GDP legislation.

Revenues, operating income, and every other profit measure underperformed the forecasts we published on November 9.

This result was mainly due to buildups in inventory and other factors combined with lower-than-expected international logistics during the peak season, as well as the reactionary decline after the hurried price increases, as I mentioned earlier. The significant underperformance of profit attributable to owners of parent was due to impairment losses and other factors, as mentioned earlier.

In the overseas segment, all regions posted increases in revenues and profit for the full year. On the other hand, East Asia and South Asia & Oceania posted Q4 declines in revenues and profit.

This performance was mainly due to the significant impact of the easing supply-demand balance in the international freight forwarding business and the reactionary decline in spot air cargo volume in the previous year. Meanwhile, the Americas and Europe posted increased revenues and profit.

In the Americas, unit freight rates remained high for air and ocean freight forwarding. And while port congestion began to subside, demand for forwarding continued due to congestion in inland railway transportation. Europe, as in the Americas, saw unit freight rates in the forwarding business remain at high levels. Further, new warehousing and other contributed to the positive results.

In Japan, revenues and profit increased for the full year, despite experiencing declines in Q4. Even though unit freight rates were higher year on year, the decline in revenues and profit were due to factors including lower margins in air forwarding stemming from a decline in volume and cost increases due to rising prices. As mentioned earlier, domestic logistics remained sluggish, although certain industries showed signs of recovery from the impact of COVID-19.

## I. Financial Results for FY2022 (JGAAP)

### B Japan and Overseas Results

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

Segment	Item	Full-Year Results (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan Total	Revenues	19,851	18,458	1,392	7.5
	Segment Income	894	733	161	22.0
Overseas Total	Revenues	8,416	6,861	1,554	22.7
	Segment Income	581	392	189	48.1

	Current-Year Results (Jan-Dec 2022)
Overseas Sales Ratio	32.1%

## I. Financial Results for FY2022 (JGAAP)

### C Results by Reportable Segment (YoY for Jan-Dec)

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

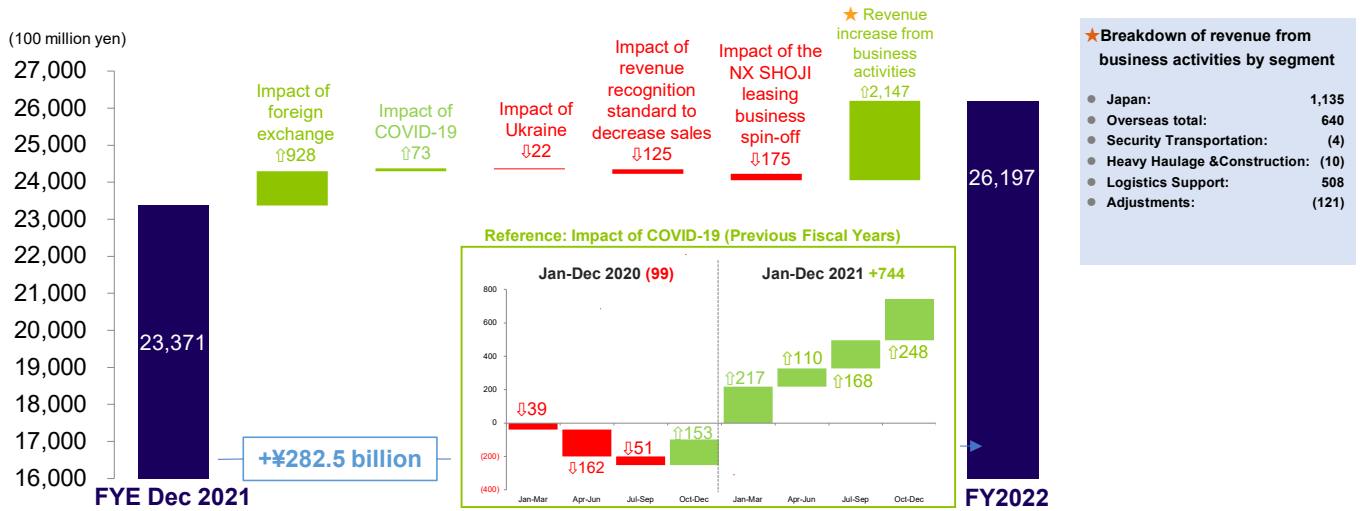
Segment	Item	2022 Results (Jan-Mar 2022)	2022 Results (Apr-Jun 2022)	2022 Results (Jul-Sep 2022)	2022 Results (Oct-Dec 2022)	Prior-Year Results (Oct-Dec 2021)	Difference YoY	Difference YoY (%)	2022 Results (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan	Revenues	3,599	3,655	3,691	3,626	3,576	49	1.4	14,572	13,382	1,190	8.9
	Segment Income	209	144	153	151	174	(22)	(13.2)	658	546	111	20.5
Americas	Revenues	326	420	443	429	314	115	36.8	1,620	1,097	523	47.7
	Segment Income	21	30	44	36	18	18	100.3	133	65	67	103.8
Europe	Revenues	483	556	539	577	535	42	7.9	2,156	1,653	503	30.4
	Segment Income	22	38	32	31	31	0	0.2	124	76	47	61.7
East Asia	Revenues	598	626	669	524	776	(251)	(32.4)	2,420	2,247	172	7.7
	Segment Income	30	32	40	19	27	(7)	(27.9)	124	83	40	48.7
South Asia & Oceania	Revenues	617	555	559	486	653	(166)	(25.5)	2,218	1,863	355	19.1
	Segment Income	66	48	52	33	70	(36)	(52.2)	200	166	33	19.9
Security Transportation	Revenues	173	171	170	169	171	(1)	(0.7)	684	688	(3)	(0.5)
	Segment Income	6	0	(0)	3	0	3	—	9	(1)	11	—
Heavy Haulage & Construction	Revenues	82	117	125	119	119	0	0.2	445	453	(8)	(1.8)
	Segment Income	6	15	19	21	19	2	11.4	63	59	3	5.5
Logistics Support	Revenues	1,051	994	975	1,125	1,043	82	7.9	4,148	3,934	213	5.4
	Segment Income	36	48	37	41	37	4	12.1	163	129	34	26.6



# I. Financial Results for FY2022 (JGAAP)

## D Breakdown of Revenues and Operating Income

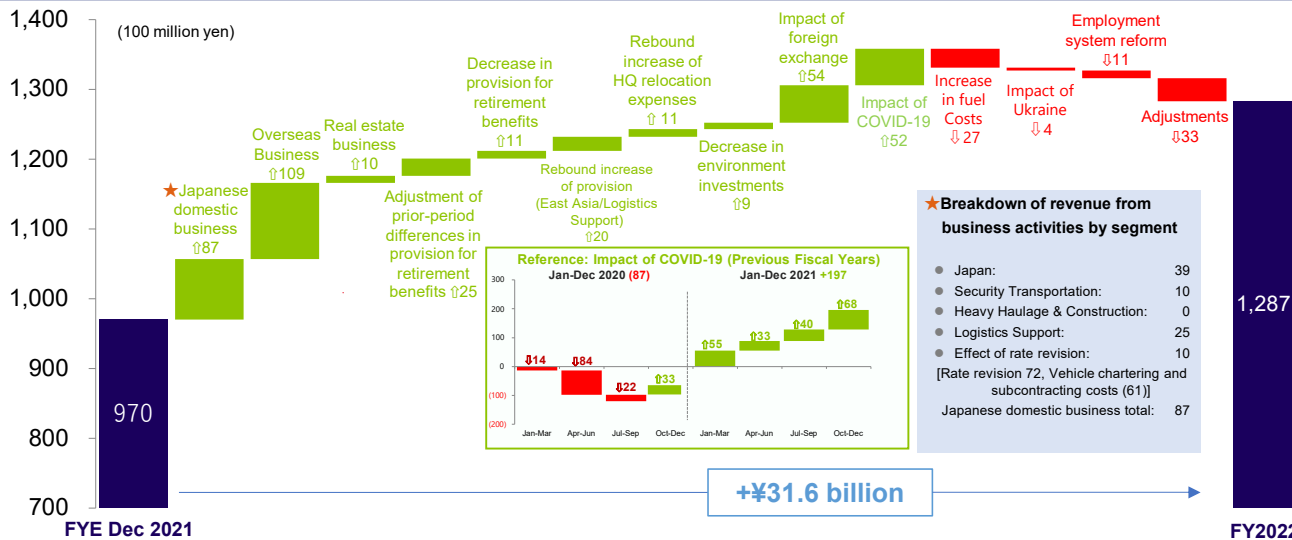
### 1) Revenues



# I. Financial Results for FY2022 (JGAAP)

## D Breakdown of Revenues and Operating Income

### 2) Operating income



# I. Segment Overview for FY2022 (JGAAP) Japan Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	3,626	3,576	49	1.4%
Operating income	151 [4.2%]	174 [4.9%]	(22) [-]	(13.2%) [-]
Operating income margin (100 million yen)				

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	3,599	3,655	7,254	3,691	3,626	7,317	14,572
	2021	3,299	3,266	6,565	3,240	3,576	6,816	13,382
	Difference/ Difference (%)	299 [9.1%]	389 [11.9%]	689 [10.5%]	451 [13.9%]	49 [1.4%]	501 [7.4%]	1,190 [8.9%]
Operating income 100 million yen, %	2022	209	144	353	153	151	304	658
	2021	166	115	282	89	174	264	546
	Difference/ Difference (%)	42 [25.3%]	28 [25.1%]	71 [25.2%]	63 [71.0%]	(22) [(13.2%)]	40 [15.4%]	111 [20.5%]
Operating income margin (%)	2022	5.8	4.0	4.9	4.2	4.2	4.2	4.5
	2021	5.1	3.5	4.3	2.8	4.9	3.9	4.1

### October-December 2022 Highlights

Air and ocean export freight forwarding saw a decline in volume due to a drop in demand and other factors; however, unit freight rates were higher than the previous year. In Japan, revenues increased and profit decreased due to a slowdown in consumption caused by the weak yen and food price hikes, a decrease in volume due to the spread of COVID-19 infections in China and other factors, and an increase in overhead costs, including utility expenses.

### Special Factors

• Impact of fuel unit cost:	[operating income] (23) [year]
• Cost increase associated with employee system reform:	[operating income] (10) [year]
• Impact of COVID-19:	[revenues] +68 [year] [operating income] +34 [year]
• Impact of Ukraine:	[revenues] (13) [year] [operating income] (1) [year]
• Adjustment of prior-period differences for provision for retirement benefits:	[operating income] +21 [year]
• Impact of provision for retirement benefits:	[operating income] +10 [year]
• Environment investments:	[operating income] +9 [year]
• Real estate business:	[operating income] +10 [year]
• HQ relocation expenses:	[operating income] +11 [Oct-Dec]
• Change in accounting treatment:	*Minor impact on consolidated results

# I. Segment Overview for FY2022 (JGAAP) The Americas Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	429	314	115	36.8%
Operating income Operating income margin (100 million yen)	36 [8.5%]	18 [5.8%]	18 [-]	100.3% [-]

### October-December 2022 Highlights

Air and ocean export freight forwarding volume declined, but unit freight rates remained high for both. While port congestion began to subside, congestion in inland railway transportation continued, and demand for ocean import freight forwarding continued. Warehousing and distribution processing and automobile transportation remained strong, with revenues and profit rising, despite higher personnel expenses and other costs.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	326	420	747	443	429	873	1,620
	2021	230	267	497	285	314	599	1,097
	Difference/ Difference (%)	95 [41.6%]	153 [57.4%]	249 [50.1%]	158 [55.6%]	115 [36.8%]	274 [45.8%]	523 [47.7%]
Operating income 100 million yen, %	2022	21	30	51	44	36	81	133
	2021	12	19	32	14	18	33	65
	Difference/ Difference (%)	8 [70.2%]	10 [54.8%]	19 [60.9%]	29 [199.7%]	18 [100.3%]	48 [145.0%]	67 [103.8%]
Operating income margin (%)	2022	6.5	7.2	6.9	10.1	8.5	9.3	8.2
	2021	5.4	7.3	6.4	5.2	5.8	5.6	5.9

### Special Factors

- Impact of foreign exchange (weaker yen):  
[revenues] +220 [year]  
[operating income] +13 [year]
- Impact of COVID-19:  
[revenues] +39 [year]  
[operating income] +9 [year]

# I. Segment Overview for FY2022 (JGAAP) Europe Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	577	535	42	7.9%
Operating income				
Operating income margin (100 million yen)	31 [5.5%]	31 [6.0%]	0 [-]	0.2% [-]

### October-December 2022 Highlights

While air export freight forwarding volume declined year on year, unit freight rates remained high. Ocean forwarding volume increased overall year on year due to strong demand from North America, and unit freight rates remained high. Revenues increased due to the continued effect of new warehouses, etc. Meanwhile, operating income was flat year on year, despite the negative impact of lower profit from Russian businesses and higher costs due to rising prices.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	483	556	1,040	539	577	1,116	2,156
	2021	325	367	693	425	535	960	1,653
	Difference/ Difference (%)	158 [48.6%]	188 [51.3%]	347 [50.1%]	113 [26.7%]	42 [7.9%]	156 [16.3%]	503 [30.4%]
Operating income 100 million yen, %	2022	22	38	60	32	31	64	124
	2021	12	17	29	15	31	47	76
	Difference/ Difference (%)	9 [71.3%]	21 [124.0%]	30 [101.3%]	17 [113.3%]	0 [0.2%]	17 [36.5%]	47 [61.7%]
Operating income margin (%)	2022	4.6	6.8	5.8	6.0	5.5	5.7	5.8
	2021	4.0	4.6	4.3	3.5	6.0	4.9	4.6

### Special Factors

- Impact of foreign exchange (weaker yen): [revenues] +120 [year]  
[operating income] +6 [year]
- Impact of COVID-19: [revenues] +72 [year]  
[operating income] +12 [year]
- Impact of Ukraine: [revenues] (8) [year]  
[operating income] (2) [year]

# I. Segment Overview for FY2022 (JGAAP) East Asia Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	524	776	(251)	(32.4%)
Operating income				
Operating income margin (100 million yen)	19 [3.8%]	27 [3.5%]	(7) [-]	(27.9%) [-]

October-December 2022 Highlights
Air export freight forwarding volume declined due to a reactionary drop from the previous year's spot transportation volume. Ocean export freight forwarding saw an increase in volume year on year due to a recovery in air cargo transportation; however, unit freight rates for both air and ocean continued to decline. Revenues declined and operating income decreased due to lower demand for domestic deliveries in China in connection with the impact of the lockdowns.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	598	626	1,225	669	524	1,194	2,420
	2021	466	459	926	544	776	1,320	2,247
	Difference/ Difference (%)	132 [28.3%]	166 [36.2%]	298 [32.2%]	125 [23.0%]	(251) [(32.4%)]	(126) [(9.5%)]	172 [7.7%]
Operating income 100 million yen, %	2022	30	32	63	40	19	60	124
	2021	33	17	50	5	27	32	83
	Difference/ Difference (%)	(2) [(7.0%)]	15 [87.6%]	13 [25.6%]	35 [646.0%]	(7) [(27.9%)]	27 [84.2%]	40 [48.7%]
Operating income margin (%)	2022	5.2	5.2	5.2	6.1	3.8	5.1	5.1
	2021	7.1	3.8	5.5	1.0	3.5	2.5	3.7

Special Factors
<ul style="list-style-type: none"> <li>Impact of foreign exchange (weaker yen):                             <ul style="list-style-type: none"> <li>[revenues] +341 [year]</li> <li>[operating income] +12 [year]</li> </ul> </li> <li>Impact of COVID-19:                             <ul style="list-style-type: none"> <li>[revenues] (80) [year]</li> <li>[operating income] (7) [year]</li> </ul> </li> <li>Allowances:                             <ul style="list-style-type: none"> <li>[operating income] +12 [year]</li> </ul> </li> </ul>

# I. Segment Overview for FY2022 (JGAAP) South Asia & Oceania Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	486	653	(166)	(25.5%)
Operating income				
Operating income margin (100 million yen)	33 [6.9%]	70 [10.7%]	(36) [-]	(52.2%) [-]

### October-December 2022 Highlights

Air export freight forwarding volume declined due to a reactionary drop from the previous year's spot volume to Japan. Ocean export freight forwarding volume declined, partly due to customers returning to carriers following the stabilization in supply of ocean cargo transportation space. Warehousing and distribution processing remained firm; however, air and ocean freight unit costs continued to decline, resulting in lower revenues and profit.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	617	555	1,172	559	486	1,046	2,218
	2021	394	383	778	431	653	1,084	1,863
	Difference/ Difference (%)	222 [56.4%]	171 [44.6%]	393 [50.5%]	128 [29.8%]	(166) [(25.5%)]	(38) [(3.5%)]	355 [19.1%]
Operating income 100 million yen, %	2022	66	48	114	52	33	85	200
	2021	36	29	66	30	70	100	166
	Difference/ Difference (%)	29 [78.8%]	18 [63.7%]	47 [72.1%]	21 [71.8%]	(36) [(52.2%)]	(14) [(14.7%)]	33 [19.9%]
Operating income margin (%)	2022	10.7	8.7	9.8	9.3	6.9	8.2	9.0
	2021	9.4	7.7	8.5	7.0	10.7	9.3	9.0

### Special Factors

- Impact of foreign exchange (weaker yen):  
[revenues] +245 [year]  
[operating income] +20 [year]
- Impact of COVID-19:  
[revenues] (37) [year]  
[operating income] +1 [year]

# I. Segment Overview for FY2022 (JGAAP) Security Transportation Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	169	171	(1)	(0.7%)
Operating income				
Operating income margin (100 million yen)	3 [2.2%]	0 [0.1%]	3 [-]	- % [-]

October-December 2022 Highlights
Despite gains in financial institution outsourcing services, ATM loading services, etc., revenues declined due to fewer scheduled flights by metropolitan and regional banks, a decrease in CSD services volume, and a decline in spot revenues compared with the previous year in connection with reminting. Profit increased due to personnel expense reductions and the recording of impairment loss in the year-ago period.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	173	171	344	170	169	340	684
	2021	174	171	345	171	171	342	688
	Difference/ Difference (%)	(1) [(0.8%)]	0 [0.1%]	(1) [(0.4%)]	(0) [(0.5%)]	(1) [(0.7%)]	(2) [(0.6%)]	(3) [(0.5%)]
Operating income 100 million yen, %	2022	6	0	6	(0)	3	3	9
	2021	(3)	0	(2)	0	0	0	(1)
	Difference/ Difference (%)	9 [- %]	(0) [(38.5%)]	9 [- %]	(1) [- %]	3 [- %]	2 [- %]	11 [- %]
Operating income margin (%)	2022	3.7	0.3	2.0	(0.4)	2.2	0.9	1.4
	2021	(1.7)	0.4	(0.7)	0.3	0.1	0.2	(0.2)

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



# I. Segment Overview for FY2022 (JGAAP) Heavy Haulage & Construction Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	119	119	0	0.2%
Operating income				
Operating income margin (100 million yen)	21 [17.8%]	19 [16.0%]	2 [-]	11.4% [-]

### October-December 2022 Highlights

New large-scale construction projects, mainly related to wind power generation and other industrial machinery, offset the decline in thermal power and SDM. Profit increased year on year due in part to the acquisition of follow-on construction work for wind power-related projects.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	82	117	199	125	119	245	445
	2021	95	123	219	114	119	234	453
	Difference/ Difference (%)	(13) [(13.8%)]	(5) [(4.8%)]	(19) [(8.7%)]	10 [9.5%]	0 [0.2%]	11 [4.7%]	(8) [(1.8%)]
Operating income 100 million yen, %	2022	6	15	22	19	21	41	63
	2021	9	16	25	14	19	33	59
	Difference/ Difference (%)	(3) [(33.8%)]	(0) [(3.7%)]	(3) [(15.0%)]	4 [34.2%]	2 [11.4%]	7 [21.2%]	3 [5.5%]
Operating income margin (%)	2022	7.9	13.2	11.0	15.6	17.8	16.7	14.1
	2021	10.2	13.1	11.8	12.7	16.0	14.4	13.2

### Special Factors

• Impact of COVID-19:  
[revenues] +2 [year]  
[operating income] +1 [year]

# I. Segment Overview for FY2022 (JGAAP) Logistics Support Segment

## 1 Quarterly Results for FY2022 (Oct-Dec Results)

FY2022	FY2022	FYE Dec 2021	Difference	Difference (%)
Revenues (100 million yen)	1,125	1,043	82	7.9%
Operating income				
Operating income margin (100 million yen)	41 [3.7%]	37 [3.5%]	4 [-]	12.1% [-]

October-December 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.

## 2 Quarterly Results

Item	Fiscal Year	Jan-Mar	Apr-Jun	1 H	Jul-Sep	Oct-Dec	2 H	Full Year
Revenues 100 million yen, %	2022	1,051	994	2,046	975	1,125	2,101	4,148
	2021	1,263	797	2,060	830	1,043	1,874	3,934
	Difference/ Difference (%)	(211) [[16.8%]]	197 [24.8%]	(14) [[0.7%]]	144 [17.4%]	82 [7.9%]	227 [12.1%]	213 [5.4%]
Operating income 100 million yen, %	2022	36	48	84	37	41	78	163
	2021	51	17	69	22	37	59	129
	Difference/ Difference (%)	(15) [[29.2%]]	30 [172.1%]	15 [22.0%]	14 [64.1%]	4 [12.1%]	18 [31.8%]	34 [26.6%]
Operating income margin (%)	2022	3.5	4.8	4.1	3.8	3.7	3.7	3.9
	2021	4.1	2.2	3.4	2.7	3.5	3.2	3.3

Special Factors
<ul style="list-style-type: none"> <li>Impact of COVID-19:                             <ul style="list-style-type: none"> <li>[revenues] +6 [year]</li> <li>[operating income] +1 [year]</li> </ul> </li> <li>Impact of revenue recognition standard:                             <ul style="list-style-type: none"> <li>[revenues] (125) [prior year, Jan-Mar]</li> </ul> </li> <li>Impact of leasing business spin-off                             <ul style="list-style-type: none"> <li>[revenues] (175) [prior year, Jan-Mar]</li> </ul> </li> <li>Allowances:                             <ul style="list-style-type: none"> <li>[operating income] +7 [year]</li> </ul> </li> <li>Impact of Ukraine:                             <ul style="list-style-type: none"> <li>[revenues] (1) [year]</li> <li>[operating income] (0) [year]</li> </ul> </li> </ul>

## II. Financial Results Forecast for FY2023 (JGAAP)

### A Forecast for FY2023

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

Item	Full-Year Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	2023 Business Plan Targets	Difference Vs. Plan	Difference Vs. Plan (%)
Revenues	24,500	26,197	(1,697)	(6.5)	24,000	500	2.1
Operating Income	1,100	1,287	(187)	(14.5)	1,100	–	–
Operating Income Margin	4.5	4.9	–	–	4.6	–	–
Ordinary Income	1,140	1,373	(233)	(17.0)	–	–	–
Profit Attributable to Owners of Parent	750	1,098	(348)	(31.7)	720	30	4.2
Overseas Sales	7,027	8,416	(1,389)	(16.5)	7,200	(173)	(2.4)

We expect the business environment to be challenging this fiscal year, as the supply-demand balance in the forwarding business likely to ease with a reactionary decline from the positive business effects of COVID-19. At the same time, the global economic outlook indicates slowing growth. We have made calculations based on a comprehensive consideration of our future outlook, and, as a result, we expect to deliver year-on-year decreases in revenue and profit at operating income and below.

Given the circumstances, our basic management approach remains to pursue our growth strategy for our core businesses and a strategy to enhance domestic businesses in Japan, looking to the future from a long-term perspective.

On the other hand, the reactionary decrease compared with the positive business impact of COVID-19 was always likely, and we have been preparing for this development. We will offer more details in today's briefing.

## II. Financial Results Forecast for FY2023 (JGAAP)

### B Financial Results Forecast for FY2023 1H, 2H

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

Item	1H Forecast (Jan-Jun 2023)	Prior Year 1H Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2023)	Prior Year 2H Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)
Revenues	12,240	12,989	(749)	(5.8)	12,260	13,208	(948)	(7.2)
Operating Income	530	677	(147)	(21.8)	570	609	(39)	(6.5)
Operating Income Margin	4.3	5.2	—	—	4.6	4.6	—	—
Ordinary Income	550	716	(166)	(23.3)	590	656	(66)	(10.1)
Profit Attributable to Owners of Parent	360	946	(586)	(62.0)	390	151	238	157.5
Overseas sales	3,532	4,184	(652)	(15.6)	3,495	4,231	(736)	(17.4)

## II. Financial Results Forecast for FY2023 (JGAAP)

### C Japan and Overseas Results Forecast

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

Segment	Item	Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	19,436	19,851	(415)	(2.1)
	Segment Income	846	894	(48)	(5.4)
Overseas Total	Revenues	7,027	8,416	(1,389)	(16.5)
	Segment Income	396	581	(185)	(31.9)
		<b>Forecast (Jan-Dec 2023)</b>			
<b>Overseas Sales Ratio</b>		<b>28.7%</b>			

## II. Financial Results Forecast for FY2023 (JGAAP)

### D Forecasts by Reportable Segment (Jan-Dec)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	2023 Business Plan Targets	Difference Vs. Plan	Difference Vs. Plan (%)
Japan	Revenues	14,054	14,572	(518)	(3.6)	13,730	324	2.4
	Segment Income	620	658	(38)	(5.8)	658	(38)	(5.8)
Americas	Revenues	1,581	1,620	(39)	(2.5)	1,210	371	30.7
	Segment Income	113	133	(20)	(15.0)	72	41	56.9
Europe	Revenues	1,813	2,156	(343)	(15.9)	1,860	(47)	(2.5)
	Segment Income	90	124	(34)	(27.6)	87	3	3.4
East Asia	Revenues	2,031	2,420	(389)	(16.1)	2,310	(279)	(12.1)
	Segment Income	89	124	(35)	(28.4)	89	—	—
South Asia & Oceania	Revenues	1,602	2,218	(616)	(27.8)	1,820	(218)	(12.0)
	Segment Income	104	200	(96)	(48.1)	142	(38)	(26.8)
Security Transportation	Revenues	690	684	5	0.8	690	—	—
	Segment Income	24	9	14	142.2	11	13	118.2
Heavy Haulage & Construction	Revenues	470	445	24	5.5	530	(60)	(11.3)
	Segment Income	56	63	(7)	(11.1)	61	(5)	(8.2)
Logistics Support	Revenues	4,222	4,148	73	1.8	3,820	402	10.5
	Segment Income	146	163	(17)	(10.6)	120	26	21.7

## II. Financial Results Forecast for FY2023 (JGAAP)

### E Forecasts by Reportable Segment 1H, 2H

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

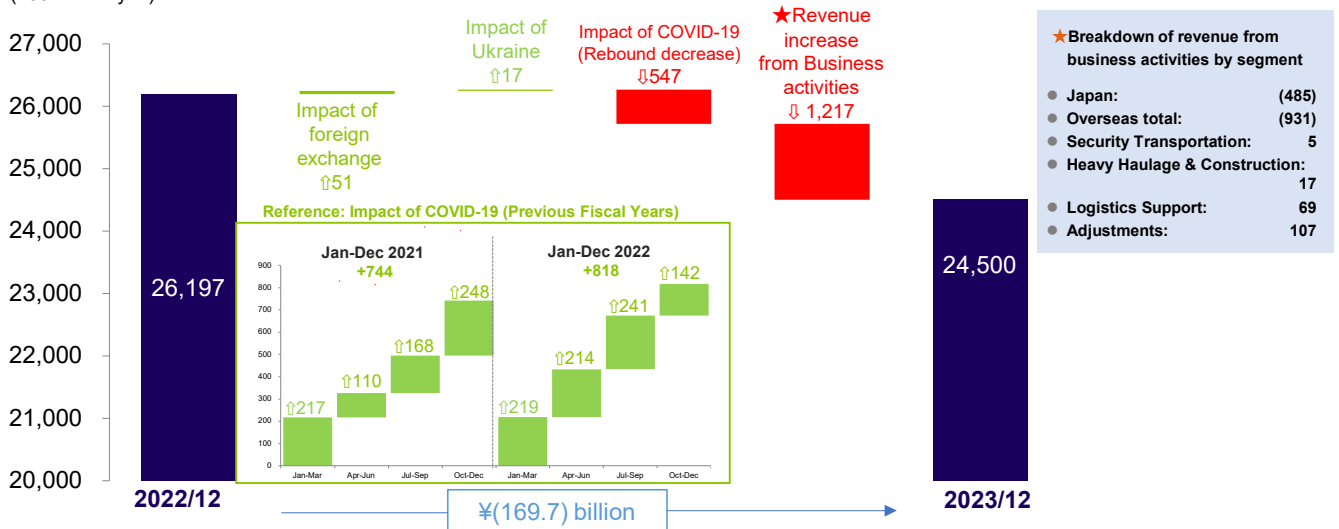
Segment	Item	1H Forecast (Jan-Jun 2023)	Prior Year 1H Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2023)	Prior Year 2H Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	6,943	7,254	(311)	(4.3)	7,111	7,317	(206)	(2.8)
	Segment Income	306	353	(47)	(13.5)	314	304	9	3.0
Americas	Revenues	787	747	39	5.3	794	873	(79)	(9.1)
	Segment Income	53	51	1	3.0	60	81	(21)	(26.4)
Europe	Revenues	921	1,040	(119)	(11.5)	892	1,116	(224)	(20.1)
	Segment Income	39	60	(21)	(35.2)	51	64	(13)	(20.5)
East Asia	Revenues	994	1,225	(231)	(18.9)	1,037	1,194	(157)	(13.2)
	Segment Income	40	63	(23)	(37.2)	49	60	(11)	(19.0)
South Asia & Oceania	Revenues	830	1,172	(342)	(29.2)	772	1,046	(274)	(26.2)
	Segment Income	52	114	(62)	(54.6)	52	85	(33)	(39.3)
Security Transportation	Revenues	345	344	0	0.2	345	340	4	1.3
	Segment Income	13	6	6	91.8	11	3	7	251.4
Heavy Haulage & Construction	Revenues	260	199	60	30.1	210	245	(35)	(14.5)
	Segment Income	27	22	4	22.7	29	41	(12)	(29.3)
Logistics Support	Revenues	2,135	2,046	88	4.3	2,087	2,101	(14)	(0.7)
	Segment Income	70	84	(14)	(17.4)	76	78	(2)	(3.4)

## II. Financial Results Forecast for FY2023 (JGAAP)

### F Breakdown of Revenues and Operating Income

#### 1) Revenues

(100 million yen)

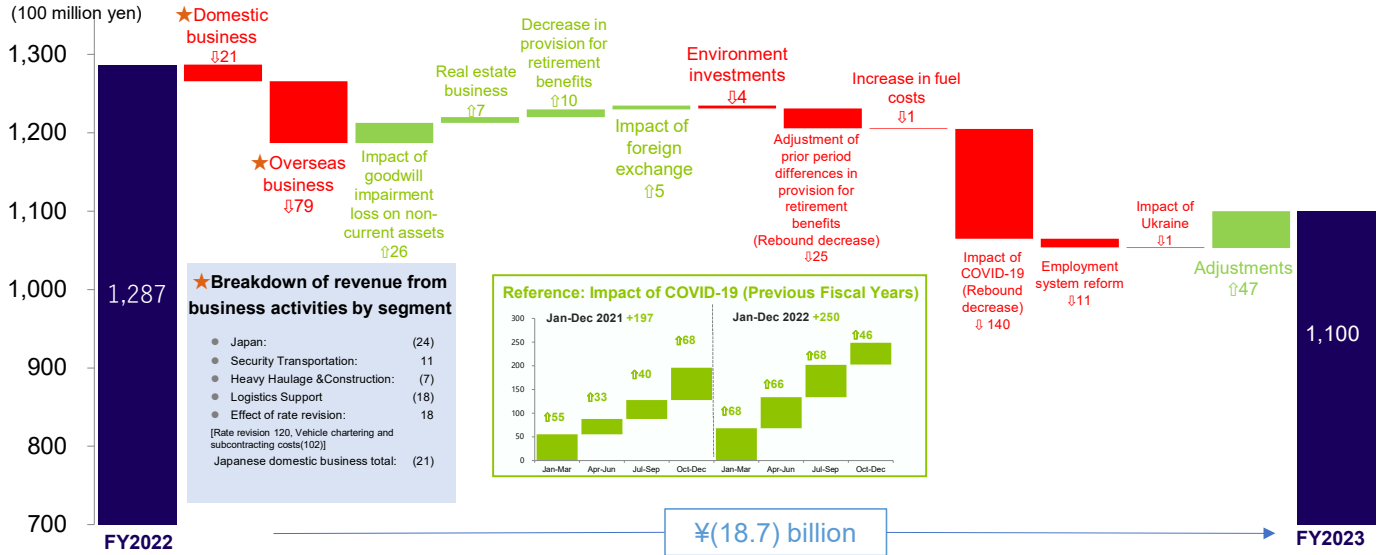




## II. Financial Results Forecast for FY2023 (JGAAP)

### F Breakdown of Revenues and Operating Income

#### 2) Operating income



## II. Segment Overview Financial Results Forecasts for FY2023 (JGAAP)

(100 million yen, %) \* Figures in brackets indicate operating income margin [%]

### 1 Japan Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	14,054	14,572	(518)	(3.6)
Operating income*	620 [4.4]	658 [4.5]	(38)	(5.8)

### 2 The Americas Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	1,581	1,620	(39)	(2.5)
Operating income*	113 [7.1]	133 [8.2]	(20)	(15.0)

#### Overview

We expect unit freight rates for international logistics to continue to decline, but volume should recover beginning in the second half of the year. Similarly, domestic businesses should see a recovery in volume beginning in the second half of the year, and we intend to secure profits through rate revisions and other measures.

#### Special Factors

· Impact of fuel unit cost:	[operating income] (1)
· Cost increase associated with employee system reform:	[operating income] (9)
· Impact of COVID-19:	[revenues] (43)
	[operating income] (29)
· Environment investments:	[operating income] (4)
· Real estate business:	[operating income] +7
· Impact of Ukraine:	[revenues] +9
	[operating income] +0
· Adjustment of prior-period differences in provision for retirement benefits (rebound increase):	[operating income] (21)
· Decrease in depreciation and amortization due to impairment:	[operating income] +18
· Decrease in provision for retirement benefits:	[operating income] +8

#### Overview

While we expect freight rates to decline for air and ocean forwarding, we will aim to increase volume, particularly in the automotive and semiconductor industries. Demand for forwarding to inland regions should continue for a certain extent. At the same time, we forecast lower revenues and profit due to higher expenses associated with soaring personnel expenses.

#### Special Factors

· Impact of foreign exchange (weaker yen):	[revenues] +11
	[operating income] +0
· Impact of COVID-19:	[revenues] (10)
	[operating income] (6)
· Decrease in depreciation and amortization due to impairment	[operating income] +3

## II. Segment Overview Financial Results Forecasts for FY2023 (JGAAP)

### 3 Europe Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	1,813	2,156	(343)	(15.9)
Operating income*	90 [5.0]	124 [5.8]	(34)	(27.6)

### 4 East Asia Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	2,031	2,420	(389)	(16.1)
Operating income*	89 [4.4]	124 [5.1]	(35)	(28.4)

(100 million yen, %) \* Figures in brackets indicate operating income margin [%]

#### Overview

We expect freight rates to decline for air and ocean forwarding. While we will make efforts to increase volume, particularly in the automotive and apparel industries, we forecast revenues and profit to decline.

#### Special Factors

- Impact of foreign exchange (weaker yen): [revenues] +45  
[operating income] +2
- Impact of COVID-19: [revenues] (156)  
[operating income] (32)
- Impact of Ukraine: [revenues] +6  
[operating income] (1)

#### Overview

We forecast a volume recovery in air and ocean forwarding volume due to recovery from the impact of COVID-19; however, freight rates are likely to decline. We expect revenues and profit to decrease.

#### Special Factors

- Impact of foreign exchange (weaker yen): [revenues] (12)  
[operating income] (0)
- Impact of COVID-19: [revenues] (123)  
[operating income] (21)

## II. Segment Overview Financial Results Forecasts for FY2023 (JGAAP)

(100 million yen, %) \* Figures in brackets indicate operating income margin [%]

### 5 South Asia & Oceania Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	1,602	2,218	(616)	(27.8)
Operating income*	104 [6.5]	200 [9.0]	(96)	(48.1)

### 6 Security Transportation Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	690	684	5	0.8
Operating income*	24 [3.5]	9 [1.4]	14	142.2

#### Overview

We expect freight rates to decline for air and ocean forwarding. We will aim to increase volume, mainly for semiconductor- and automobile-related, but we forecast lower revenues and profit.

#### Special Factors

- Impact of foreign exchange (weaker yen): [revenues] +6  
[operating income] +2
- Impact of COVID-19: [revenues] (225)  
[operating income] (52)

#### Overview

We expect to see fewer scheduled flights, including the discontinuation of transportation to clearinghouses. However, we forecast sales at the same level year on year as we acquire outsourcing services contracts for financial institutions, etc. We forecast operating income to increase due to the reactionary positive impact related to one-time expenses recorded in the previous year and the effect of improved operational efficiencies.

#### Special Factors

- Adjustment of prior-period differences in provision for retirement benefits (rebound increase): [operating income] (2)
- Decrease in depreciation and amortization due to impairment: [operating income] +4
- Decrease in provision for retirement benefits: [operating income] +1
- Cost increase associated with employee system reform: [operating income] (1)

## II. Segment Overview Financial Results Forecasts for FY2023 (JGAAP)

### 7 Heavy Haulage & Construction Segment

(100 million yen, %) \* Figures in brackets indicate operating income margin [%]

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	470	445	24	5.5
Operating income*	56 [11.9]	63 [14.1]	(7)	(11.1)

### 8 Logistics Support Segment

#### Full-Year Forecast

Item	FYE Dec 2023	Vs. FYE Dec 2021		
		FY2022	Difference	Progress (%)
Revenues	4,222	4,148	73	1.8
Operating income*	146 [3.5]	163 [3.9]	(17)	(10.6)

#### Overview

In addition to continued large-scale industrial machinery projects related to our wind power-related business and IT equipment volume, etc., we expect to secure road infrastructure work, including bridges and civil engineering, leading to higher revenues year on year. We forecast profit to decrease due to a decline in wind power-related business profit, which provided a large contribution to profit in the previous year.

#### Special Factors

· Impact of COVID-19: [revenues] +7  
[operating income] +1

#### Overview

Amid continuing global crude oil price volatility, we expect the petroleum business to see lower revenues and profit due to lower unit prices and margins. The LS business should see firm results for automotive-related product and industrial machinery volume.

#### Special Factors

· Impact of COVID-19: [revenues] +3  
[operating income] +1

### III. Challenges of the Business Plan

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

Item Revenues	Japan*1					Overseas				
	2022 Jan-Dec Results	2021 Jan-Dec Results	Difference YoY (%)	2022 Jan-Dec Targets	Difference (%)	2022 Jan-Dec Results	2021 Jan-Dec Results	Difference (%)	2022 Jan-Dec Targets	Difference (%)
Electric and Electronics Industry	¥118.3 billion	¥112.3 billion	5%	¥116.0 billion	2%	¥208.3 billion	¥186.5 billion	12%	¥174.0 billion	20%
Automotive Industry	¥92.8 billion	¥85.4 billion	9%	¥100.0 billion	(7%)	¥131.7 billion	¥108.1 billion	22%	¥110.0 billion	20%
Apparel Industry	¥16.7 billion	¥15.5 billion	8%	¥18.0 billion	(7%)	¥114.7 billion	¥78.7 billion	46%	¥77.0 billion	49%
Pharmaceutical/Medical Industry	¥19.4 billion	¥15.9 billion	22%	¥22.0 billion	(12%)	¥41.9 billion	¥24.1 billion	74%	¥30.0 billion	40%
Semiconductor-Related Industries	¥53.5 billion	¥28.5 billion	88%	¥37.8 billion	42%	¥23.9 billion	¥16.7 billion	43%	¥18.0 billion	33%

Item	2022 Jan-Dec Results	2021 Jan-Dec Results	Difference YoY(%)	Jan-Dec 2022 Forecast	Difference (%)
Ocean Forwarding Business*2	760,000 TEU	750,000 TEU	1%	950,000 TEU	(20%)
Air Forwarding Business*2	870,000 t	970,000 t	(11%)	1,100,000 t	(21%)

Item Revenues	2022 Jan-Dec Results	2021 Jan-Dec Results	Difference YoY(%)	Jan-Dec 2022 Forecast	Difference (%)
Non-Japanese Customer Accounts (GAM・GTA*3)	¥113.1 billion	¥74.0 billion	53%	¥79.2 billion	43%

\*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.

Our growth strategy for core businesses, including results for priority industries, are as shown in the presentation materials.

Results for all industries were higher year on year, driven mainly by growth in the forwarding business. However, performance related to domestic automotive, apparel, and pharmaceutical/medical industry fell short of 2022 targets.

The shortage of semiconductors and the spread of COVID-19 in China resulted in sluggish automotive industry caused sluggish volume stemming from production cuts and poor sales in the automotive industry. However, we expect the industry to catch up in the future with the resolution of the semiconductor shortage and other factors.

The timing of switchovers to customer facilities at the warehouses of our major customers was a negative factor in domestic apparel industry performance. We have, however, launched new logistics and other services, leading to an increase in volume.

As explained earlier, we will continue to focus on domestic pharmaceuticals as the impact of COVID-19 subsides.

In the semiconductor and other industries, we are pursuing initiatives tailored to the characteristics of each industry. We will provide more information on our next-stage initiatives once we have established a track record.

Next, I will discuss our business focus. The presentation materials provide results for our ocean and air freight 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. Both ocean and air forwarding fell short of targets.

Ocean forwarding experienced sluggish cargo movement due to the situation in Ukraine, the lockdowns in China, and inflation. At the same time, the container market plunged, particularly in Q4, as supply and demand continued to ease. Spot freight rates reached a low point, but it remains to be seen at what level they rates will settle given the uncertainties.

Under these circumstances, we expect the current decline in demand to continue at least through the first half of 2023, and a recovery likely beginning in the second half of 2023 or later.

With respect to the air transportation business, the IATA reported that international air freight volume for 2022 is expected to decline 7.8% year on year, while the forecast for 2023 is -4.3% year-on-year, continuing the pattern of negative growth in 2022.

In addition, the supply of space will continue to increase due to the recovery of passenger demand. And while freight rate levels remain high compared to pre-COVID, prices are trending downward. Certain airline companies are planning to take delivery of new freighters in the future, and we expect the greater expansion of space available to ease the supply-demand balance.

In response to these circumstances, we believe the key points for the ocean and air forwarding businesses to see higher volumes and less utilization costs. Our director in charge, Mr. Nagashima, will address the details later.

### III. Challenges of the Business Plan

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

##### Expanding Volume and Lower Utilization Costs

###### Ocean Forwarding

- Strengthen purchasing power through the NX Global Ocean Network (NGO)
- Focus on Intra-Asia and pursue economies of scale
- Execute pricing strategy based on analysis of market data, etc.
- Pursue growth strategy based on the NITTSU services

###### Air Forwarding

- Expand volume in trade lanes, which are less commonly handled and have a large market size
- Pursue a best mix of reduced costs for contracted freight through global purchasing and flexible purchasing in local deals
- Improve consolidation efficiency through better aggregation and forwarding functions, etc.
- Build strategic partnerships with specific carriers

##### Establishing an Online Platform

- Enhance traceability functions
- Develop online quotation function
- Integrate functions

#### ► Expand the Logistics Solution Business

(provide optimal solutions by making full use of various transportation modes, networks, IT systems, etc.)

As Mr. Saito explained earlier, we expect the supply-demand balance to remain soft for the time being in the forwarding business. Given the circumstances, we believe the key here is to pursue volume expansion and reduce utilization costs in parallel. We believe the most important factor will be to expand business with non-Japanese customers and in regions/industrial sectors with large room for growth. In other words, to capture new territory.

First, we intend to strengthen our purchasing power related to ocean forwarding, working from the NX Global Ocean Network (NGO), which exercises centralized purchasing and other functions. We will expand economies of scale, focusing on intra-Asia, where cargo volumes have not declined relatively speaking, where we have a greater choice of shipping companies compared to European and U.S. routes. 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.

Through our self-driven pricing strategy, we are analyzing market prices in terms of improving acquisition rates. Since October, we have used in-house freight rates for the Japan-bound northern European trade. Last month, we began in-house freight rates for the Japan-bound Thailand Laem Chabang trade, and we intend to gradually expand this practice to other lanes over time.

We are developing systems to enhance traceability functions and improve online quotation functions for ocean and air freight forwarding. We plan to release other functions in March as they become available, eventually creating an online platform that integrates these functions.

In pursuit of our strategy to expand so-called NITTSU services, we began negotiations with shipping companies to purchase space, collect, and stage cargo. Shortages of space during the COVID-19 pandemic forced us to delay this strategy, but as space supply normalizes we are once again moving forward.

In air freight forwarding, we will focus on strengthening trade lanes where we have less volume but which offer large markets.

Specifically, we intend to strengthen sales systems, onboarding, and bidding for long-haul and trans-Atlantic routes from Asia to targets in our priority industries.

To secure space, we intend to pursue a best mix of reduced costs for contracted freight through global purchase bids and flexible purchasing in local deals

We also plan to strengthen consolidation and forwarding functions further at existing gateways and neighboring areas, such as Chicago and Los Angeles in the U.S. and Frankfurt in Europe, to improve consolidation efficiencies.

In parallel, we are negotiating with specific carriers to establish strategic partnerships. We are considering a mechanism to maximize intermodal revenues by capturing multiple lanes in total, mainly between Asia and Europe, aiming to launch operations sometime around April.

As explained in connection with forwarding business initiatives, we do not view shipping, ocean and air forwarding, and other modes of transportation in isolation, but rather as a continuum utilizing all modes of transportation, networks, IT systems, etc., to derive and design optimum solutions. Logistics solutions are what is now being demanded.

Given this perspective, we intend to create the end-to-end solutions essential for a logistics solution business,

leveraging a supply chain database to optimize supply chains holistically and create new value. Specifically, we plan to create a platform this fiscal year to visualize various aspects of the supply chain for our customers. These aspects include supply chain inventory, transportation, and order information, as well as temperature for pharmaceuticals and other sensitive products, and CO2 emissions, in terms of sustainability. We will report on the details in due course.

### III. Challenges of the Business Plan

(Millions of yen, rounded down)

#### B Sales by Business: FY2022 (Jan-Dec)

Millions of yen, %

Nippon Express Co., Ltd. Results by Business	Results	Difference		Progress (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Railway utilization business	67,067	(1,761)	(5,891)	(2.6)	(8.1)
Small-lot shipment business	37,714	(3,346)	(4,149)	(8.1)	(9.9)
Chartered truck business	180,629	(2,155)	(1,798)	(1.2)	(1.0)
Marine transportation business	193,051	59,301	103,933	44.3	116.6
Harbor transportation business	69,415	1,292	7,478	1.9	12.1
Air transportation business	337,677	46,697	147,481	16.0	77.5
Warehousing and storage business	156,463	12,936	17,236	9.0	12.4
In-factory business	63,069	5,740	10,418	10.0	19.8
Moving and relocation business	57,407	6,097	7,088	11.9	14.1
Other	196,874	(7,717)	(11,759)	(3.8)	(5.6)
Total	1,359,372	117,085	27,037	9.4	24.8

International Logistics/Exports	Results	Difference		Progress (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Ocean transportation (export)	131,243	41,817	76,586	46.8	140.1
Air transportation (export)	236,437	45,875	141,911	24.1	150.1

#### Domestic Business

In the fourth quarter, the warehousing and in-factory businesses remained firm, while the railway utilization and motor transportation business saw a recovery in cargo movement across certain industries. However, the recovery was generally weak and cargo movement was sluggish.

#### Railway Utilization Business

Volume for automobile-related cargo was firm; however, transportation volume remained sluggish due to price hikes in beverages and other products beginning in October. In addition, snow damage in December caused a decline in transaction volume, resulting in a year-on-year decrease in revenues.

#### Small-Lot Shipment Business

Despite a recovery in volume for electrical precision products due to year-end demand, transportation volume for chemical components, machinery parts, and petroleum products remained sluggish, resulting in a continued decline in revenues.

#### Chartered Truck Business

In the fourth quarter, cargo movement for automobiles exceeded the previous year; however, cargo movement for agricultural products, steel, and beverages remained sluggish. As a result, revenues declined compared with the previous two years.

#### 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 new e-commerce related transport, the business continued to perform solidly as in the previous fiscal year due to an increase in retail-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 office relocation demand and international moving service (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

#### Major Initiatives

##### I. Improve Profits

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

- The utilization ratio of company-owned vehicles for cumulative Jan-Dec 2022 increased +0.5 points year on year
- Revenues increased for the fiscal year ended December 2022 (+9.4% year on year); outsourcing cost ratio decreased 2.0 points
- 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 2022, 18 individuals participated in Logistics Boot Camp, a core human resources development program to promote productivity improvement in warehouse operations; the series of lecture sessions have been completed
- For the 18 locations in question, we pursued improvements based on data analysis, the Theory of Constraints (TOC), and thought processes through the NX Research Institute and Consulting Rojitan to generate positive outcomes in each area
- We made progress in upgrading and networking 375 distribution centers (294 sections) and in-factory sections (189 sections) with responsibility for on-site operations (operations in plants and distribution centers in customer facilities); we held liaison meetings, deployed best practices of operations in highly profitable models, and implemented training for distribution center staff

###### ◆ Automate, streamline office work

- As of the end of FY2022, self-driven initiatives to automate (RPA) at branches and sections resulted in a cumulative reduction of 91,858 hours (annualized) nationwide (compared to 54,115 hours reduced in the previous year)
- We intend to expand efforts further by linking the RPA discussed above with RPA managed centrally from the head office IT department

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

###### ◆ Pursue cross-mode sales

- We won 663 contracts by approaching existing customers (Q4 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-Dec 2022: 31,916 units (+45% 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. Stand Q4 cumulative average NPS 53 points (+2 points year on year)
- Remote quotation system (Remomi®) usage: Q4 cumulative +10.1% year on year; usage rate +3%

###### ◆ Strengthen and pursue arrow delivery business

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

Now, I will address the progress in our strategy to enhance domestic businesses in Japan.

To improve profits, we raised the utilization ratio of company-owned vehicles by 0.5% year-on-year as a result of vehicle matching and other efforts.

In terms of subcontract expenses, we reduced our outsourcing cost ratio by 2.0 points year-on-year, while revenues increased by 9.4% during the period under review.

Since the forwarding business was affected by high unit costs, we estimate that the ratio has decreased by about 1 point compared to pre-pandemic levels, excluding special factors.

Our presentation materials also describe our progress toward improving productivity, evolving land-sea-air integration, and strengthening our network transportation products.

We will continue efforts to improve profitability through initiatives in support of our strategy to enhance domestic businesses in Japan. We believe the outcomes of our efforts are already seen in the reduction of subcontracting costs and other savings.

Please refer to page 33 regarding our efforts to reduce back office costs. As of the end of FY2022, the cumulative reduction in division back office costs amounted to ¥5.52 billion, 58% toward our target of ¥9.5 billion.

We plan to reassign an addition 100 or so employees this fiscal year for to streamline our administrative departments further.

We will continue catching up in administrative process reforms by centralizing administrative work at integrated sites and automating on-site administrative work, etc. At present, we project the cumulative reduction in back office costs to be ¥8 billion, which is 84% of the way to our ¥9.5 billion target. To solidify the base of our businesses in Japan, we plan to expand the scope of back office cost reduction efforts at Nippon Express to the rest of the group, with a view to the next business plan.

See page 35 of this presentation for the status of cost increases related to employee system reform.

To this point, I covered the status of our efforts behind our strategy to enhance domestic businesses in Japan. We expect the business environment to be challenging in FY2023, but our basic strategy remains the same: to grow our core businesses and pursue a strategy to enhance domestic businesses in Japan, keeping our long-term vision in mind, even as we aim to secure short-term business results.

We are seeing certain positive effects, and we are now in a phase of leveraging best-case experiences to improve overall productivity in warehousing operations, which we believe will be effective in expanding earnings in the future.

In terms of the further reorganization of our organization and streamlining of administrative departments, we are seeing the gradual impact of measures to strengthen our sales force by reassigning employees from administrative departments to sales and other areas. We have also seen progress in integrating vehicle operations and distribution in tandem with our office integrations.

The positive effects of these efforts include improvements at branches with low profitability, and we expect these effects to expand in the future.

Amid rising energy and various other costs, we intend to engage in honest dialogue with our customers and with society. It is essential that gain their understanding if we are to achieve efficient logistics, including areas related to appropriate rates, reduced waiting time, and shared operations.

We seek short-term business performance as a matter of course. At the same time, our basic management stance is to achieve our long-term vision, investing actively in priority Industries, such as pharmaceuticals and semiconductors, to raise our top line, while also reducing structural costs.

### III. Challenges of the Business Plan

#### D Progress in FYE December 2022 Back Office Cost Reductions (as of December 31, 2022)

Enhancing Japanese Domestic Businesses	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE Dec 2021 Results (Apr-Dec) [YoY]	FY2022 Results (Jan-Dec) [YoY]	FY2022 Targets (Jan-Dec) [YoY]	FY2022 Cumulative (Results)	FY2022 Cumulative (Target)	FY2023 (Forecast)	FY2023 Cumulative (Forecast)	FY2023 Cumulative (Target)
Further reorganization of organizations streamlining of administrative departments	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	—						
	Reassign HQ employees	—	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]	-¥0.38 billion [-42 employees]	-¥0.36 billion [-40 employees]	-¥3.74 billion [-417 employees]	-¥3.73 billion [-415 employees]	-¥0.98 billion [-109 employees]	-¥4.7 billion [-526 employees]	-¥4.5 billion [-500 employees]
Back office process reform	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	-¥0.69 billion					
	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.20 billion	+¥0.91 billion	-¥0.90 billion	-¥1.78 billion	-¥4.55 billion	-¥1.49 billion	-¥3.3 billion	-¥5.0 billion
<b>Total</b>	<b>Total</b>	<b>-¥2.05 billion</b>	<b>-¥4.58 billion</b>	<b>+¥0.31 billion</b>	<b>+¥0.8 billion</b>	<b>-¥1.95 billion</b>	<b>-¥5.52 billion</b>	<b>-¥8.28 billion</b> FY2023 Target Progress: 58%	<b>-¥2.47 billion</b>	<b>-¥8.0 billion</b>	<b>-¥9.5 billion</b>

\* 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.

### III. Challenges of the Business Plan

#### E Pursuing RPA and NX-OCR

##### Why Adopt RPA?

To create more time for more value-added tasks, such as creative planning and sales activities.  
 ⇒ Improve productivity and quality, reduce costs, and foster the potential of creating new businesses.

**FY2023 Target: Create cumulative 2 million hours**

~ Examples of Tasks Already Improved via RPA ~

- Incidental tasks related to sending/receiving e-mails
- Tasks related to cargo transport insurance applications
- Tasks related to work management

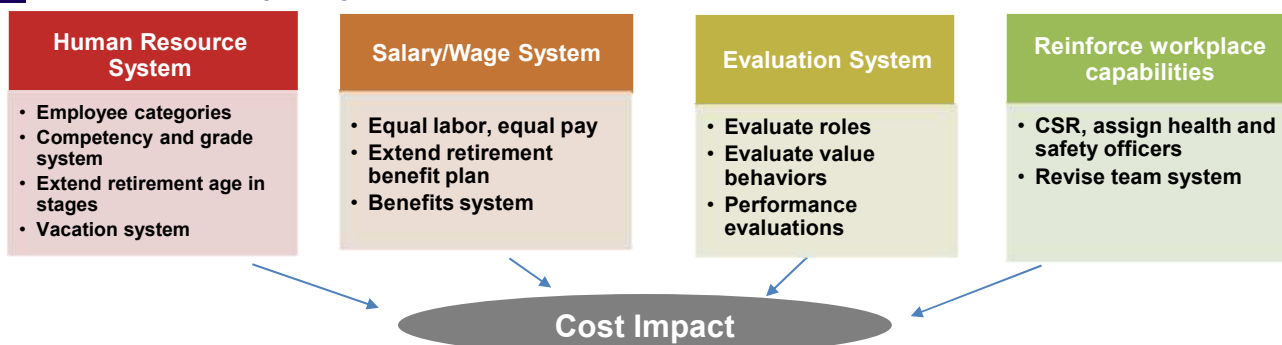


##### Measures to Promote RPA Adoption

- (1) Have RPA masters identify of new projects and encourage horizontal adoption
- (2) Adopt RPA and NX-OCR using domestic business trainees
- (3) Utilize various advanced technologies, including voice recognition and natural language processing
- (4) Support RPA development at group companies in Japan and overseas
- (5) Review operating procedures

### III. Challenges of the Business Plan

#### F Impact of Employee System Reform (as of December 31, 2022)



	FY2019	FY2020	FYE Dec 2021	FY2022	FY2023	FY2023 Cumulative
<b>Projected</b> (at the time of the 2019 business plan)	¥10.0 billion increase					¥20.0 billion increase
<b>Forecast</b>		¥1.0 billion increase	¥1.4 billion increase (9-Month Forecast)	<b>¥1.1 billion increase</b>	¥1.12 billion increase	¥9.33 billion increase
<b>Results</b>	¥4.8 billion increase	¥0.94 billion increase	¥1.3 billion increase (9-Month Results)	<b>¥1.1 billion increase (Jan-Dec Results)</b>		

### III. Challenges of the Business Plan

#### G Business Structure Reform Project

##### ~ Reform and Strengthen Businesses ~

- (1) Logistics Division Reform  
Optimize and improve functions of SCM by customer. Make a positive contribution to customers, designing optimal logistics solutions by mobilizing the collective strength of the NX Group
- (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

**Summary: Concentrate management resources in Tokyo, Nagoya, and Osaka + Combine Strengthened Businesses ► Business Expansion**

In our business structural reform project, we identified issues and are now discussing specifics related to the six areas listed in the presentation.

Areas (1) through (4) are aimed at reforming and strengthening each business. Area (5) looks at the ideal business structure for us in Japan for each business.

Area (6) addresses PMI for acquired companies to maximize group contribution and the resulting synergies. To this end, we pursue coordination between the Global Business Headquarters (GBHQ), holding company departments, and each region overseas as we engage in M&A activities.

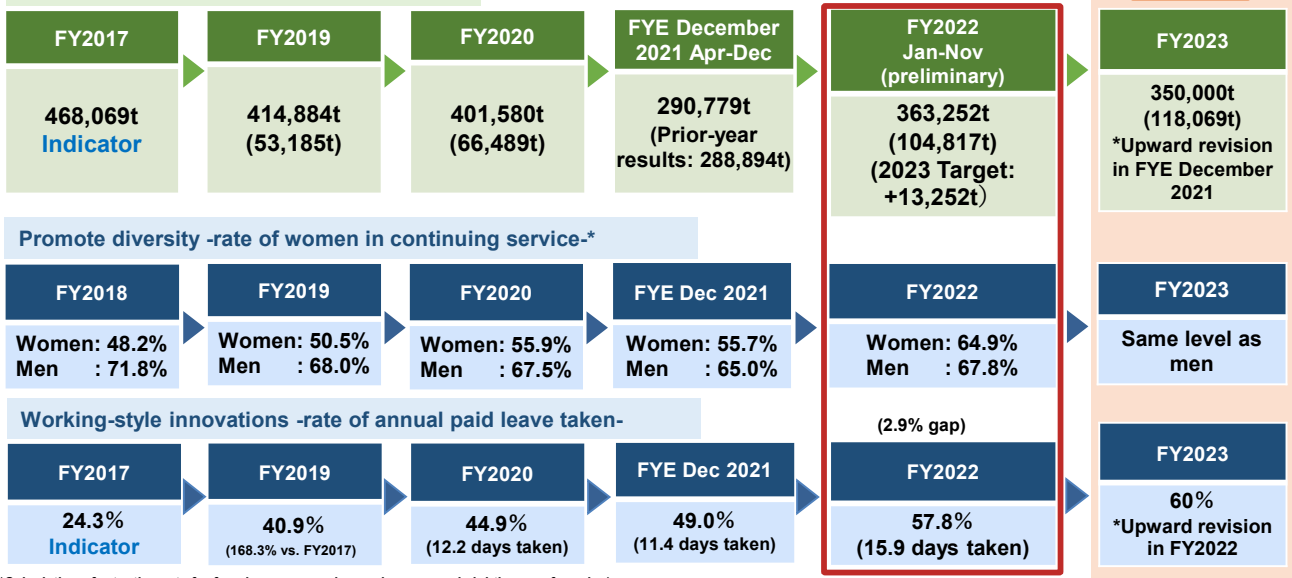
The objective of this project is to solidify recommendations for the next business plan, while measures that should be immediately addressed immediately are introduced into and utilized in operations.

At the same time, we will be satisfied by making improvements that are merely extensions of existing operations. We intend to pursue business reforms from the perspective of improving capital efficiency and optimizing our business portfolio.

### III. Challenges of the Business Plan

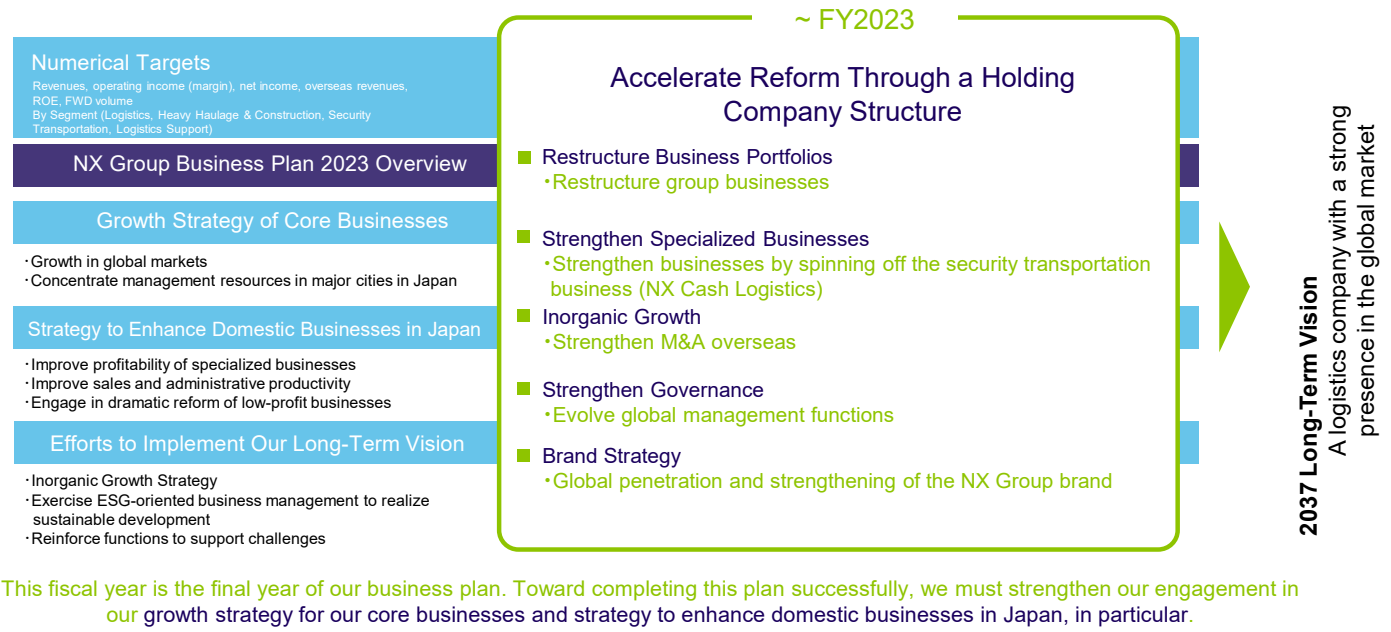
#### H ESG Management

##### CO2 emissions reductions vs. FY2017



(\*Calculation of retention rate for female career employees in or around eighth year of service)

### III. Challenges of the Business Plan



We are accelerating transformation under a holding company structure and engaging in M&A activities toward achieving our long-term vision. At the same time, we continue reorganization into a structure supporting global growth and a stronger group management.

Amid these moves, we are restructuring our business portfolio to consolidate and integrate overlapping businesses within the group, looking to reorganize our businesses in Japan. Last year, we decided to reorganize the logistics finance and real estate businesses. Now, we are considering the restructure of other businesses, to be executed in order of readiness.

To strengthen our specialized businesses, we spun off our security transportation business, transferring it to NX Cash Logistics for a fresh launch at the beginning of the year. We are also considering the ideal format for other specialized businesses, adding strength in light of changes in the business environment. We hope to report on the direction of these efforts in due course.

Furthermore, we are studying the reorganization of our Japanese operations as part of our business restructuring project. In terms of direction, the overall idea is to expand our businesses globally, while concentrating management resources on the Tokyo-Nagoya-Osaka regions to match the characteristics of each area. At the same time, we are considering designs for strengthening and improving the functions of our domestic network products for automobiles, coastal shipping, and other applications.

In July last year, we reorganized the Global Business Headquarters, or GBHQ, to accelerate the implementation of our global business strategy. We intend to strengthen the functions of the GBHQ further to expand our business.

We would like to complete the structural reform of the Japanese business and the strengthening of our global business structure by the end of this fiscal year in preparation for execution of the next business plan.

As I explained under the status of our current and future initiatives, this fiscal year is the final year of the current business plan, and we consider it an important time to prepare for the next plan.

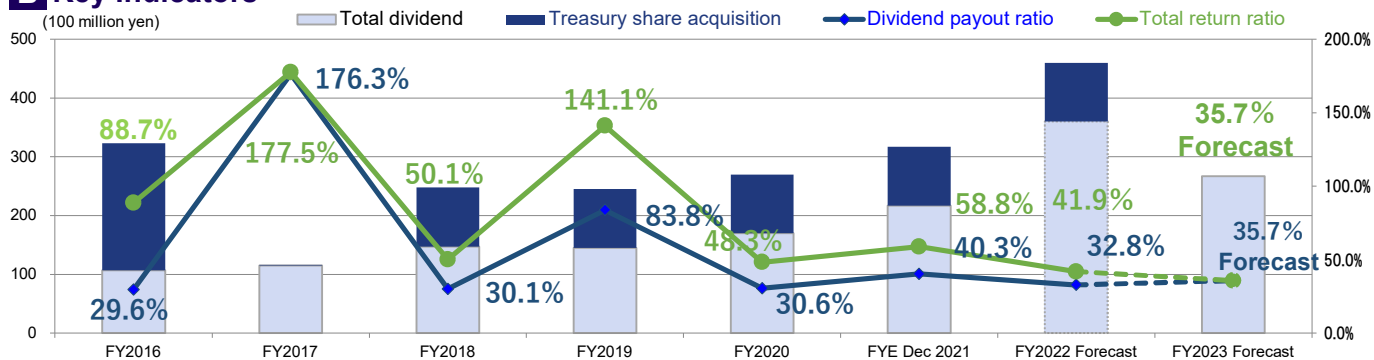
Although we expect the business environment to be difficult in fiscal 2023, we hope to strengthen our ability to generate a certain level of revenues and profit in any business environment, no matter how drastic the changes. To this end, we must dig deeper into our growth strategy for our core businesses and strategy to enhance domestic businesses in Japan, both of which are addressed in our business plan. We intend to continue pursuing these strategies in the future. We also see the long-term vision toward our the 100th anniversary as a foundation for building strategies going forward.

## IV. Return to Shareholders

### A Capital Policies

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

### B Key Indicators



Dividend per Share (Full-Year)	11	*120	155	155	185	240	400	300 (Forecast)
ROE	6.9	1.2	9.2	3.2	10.0	8.9	※ 15.9	10.0 (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.

※ February 28, 2023 : ROE for the fiscal year ended December 2022 "has been revised due to" "Revisions of Summary of Financial Results for the Fiscal Year Ended December 2022 [Japanese GAAP] (Consolidated)"

We established an annual dividend of ¥400 per share for the fiscal year ended December 31, 2022. This amount includes a commemorative dividend of ¥150 per share for the establishment of a new holding company. As a result, the dividend payout ratio will be 32.8%, and the total return ratio, including share repurchases, will be 41.9%. The cumulative total return ratio over the four-year period beginning FY2019 will be 54.6%.

Our forecast for the annual dividend for the fiscal year ending December 31, 2023 is ¥300 per share.

We will continue striving to enhance shareholder returns, aiming for a dividend payout ratio of 30% or more as defined in our business plan. We are also looking to meet a total return ratio of 50% or more over the five-year cumulative period of the current business plan.



# Supplemental Documents

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

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

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

Variable factors	Impact on consolidated results (Jan-Dec 2022 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
<b>Impact of change in unit fuel price</b>	Operating income	¥(2.79) billion (cost increase)
	Unit price per ℓ [Prior period 12-month average]	¥(0.13) billion (cost increase)
	Light oil	Unit price per ℓ [Prior period 12-month average]
	Gasoline	Light oil
<b>Impact of foreign exchange</b>	Heavy oil	Gasoline
	Revenues	Heavy oil
	Operating income	Revenues
	12-month avg. foreign exchange rate* [January-December]	Operating Income
	USD	12-month avg. foreign exchange rate* [January-December]
	EUR	[prior-period 12-month avg.]
	HKD	USD
	RMB	EUR
		HKD
		RMB

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

Variable factors	Impact on consolidated results (Jan-Dec 2022 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Change due to employee system reform (same pay for same work, impact of extended retirement age)	Operating income ¥(1.11) billion  [Japan: ¥(1.02) billion, Security Transportation: ¥(0.13) billion, Heavy Haulage & Construction: +¥0.04 billion, Logistics Support: ¥(0.00) billion]	Operating income ¥(1.12) billion  [Japan: ¥(0.90) billion, Security Transportation: ¥(0.13) billion, Heavy Haulage & Construction: ¥(0.09) billion]
	Revenues: +¥7.35 billion Operating income +¥5.29 billion	Revenues: ¥(54.77) billion Operating income: ¥(14.00) billion
Impact of COVID-19	·Japan: Revenues +¥6.84 billion Operating income +¥3.41 billion	·Japan: Revenues ¥(4.30) billion Operating Income ¥(2.97) billion
	·The Americas: Revenues +¥3.98 billion Operating income +¥0.91 billion	·The Americas: Revenues ¥(1.09) billion Operating income ¥(0.68) billion
	·Europe: Revenues +¥7.23 billion Operating income +¥1.28 billion	·Europe: Revenues ¥(15.61) billion Operating income ¥(3.27) billion
	·East Asia: Revenues ¥(8.01) billion Operating income ¥(0.79) billion	·East Asia: Revenues ¥(12.30) billion Operating income ¥(2.11) billion
	·South Asia: Revenues ¥(3.78) billion Operating income +¥0.11 billion	·South Asia: Revenues ¥(22.51) billion Operating Income ¥(5.25) billion
	·Security Transportation: Revenues +¥0.11 billion Operating income +¥0.09 billion	·Security Transportation: Revenues +¥0.01 billion Operating Income +¥0.03 billion
	·Heavy Haulage and Construction: Revenues +¥0.29 billion Operating income +¥0.12 billion	·Heavy Haulage and Construction: Revenues +¥0.72 billion Operating income +¥0.14 billion
	·Logistics Support: Revenues +¥0.68 billion Operating Income +¥0.12 billion	·Logistics Support: Revenues +¥0.31 billion Operating Income +¥0.12 billion

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

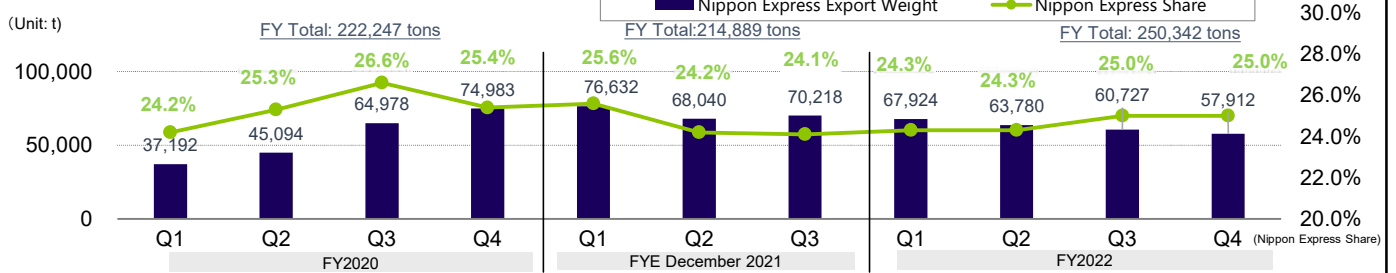
Variable factors	Impact on consolidated results (Jan-Dec 2022 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Adjustment of prior-period differences in provision for retirement benefits	Operating income	<b>+¥2.51 billion</b>
	· Japan: Operating Income	+¥2.18 billion
	· Security Transportation: Operating Inc	+¥0.25 billion
	· Heavy Haulage and Construction: Operating income	+¥0.08 billion
Decrease in provision for retirement benefits	Operating income	<b>+¥1.16 billion</b>
	· Japan: Operating Income	+¥1.00 billion
	· Security Transportation: Operating income	+¥0.11 billion
	· Heavy Haulage and Construction: Operating Income	+¥0.03 billion
Impact of Ukraine	Revenues	<b>¥(2.29) billion</b>
	Operating income	<b>¥(0.46) billion</b>
	· Japan: Revenues	¥(1.31) billion
	Operating Income	¥(0.13) 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:	<b>+¥0.97 billion</b>
	Operating income	<b>¥(2.51) billion</b>
	· 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	<b>+¥1.00 billion</b>
	· Japan: Operating income	+¥0.86 billion
	· Security Transportation: Operating income	+¥0.10 billion
	· Heavy Haulage and Construction: Operating Income	+¥0.03 billion
Impact of Ukraine	Revenues	<b>+¥1.72 billion</b>
	Operating income	<b>¥(0.10) billion</b>
	· Japan: Revenues	+¥0.94 billion
	Operating income	+¥0.02 billion
	· Europe: Revenues	+¥0.66 billion
	Operating income	¥(0.15) billion
	· Heavy Haulage and Construction: Revenues	+¥0.01 billion
	Operating Income	+¥0.00 billion
	· Logistics Support: Revenues	+¥0.09 billion
	Operating income	+¥0.01 billion

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

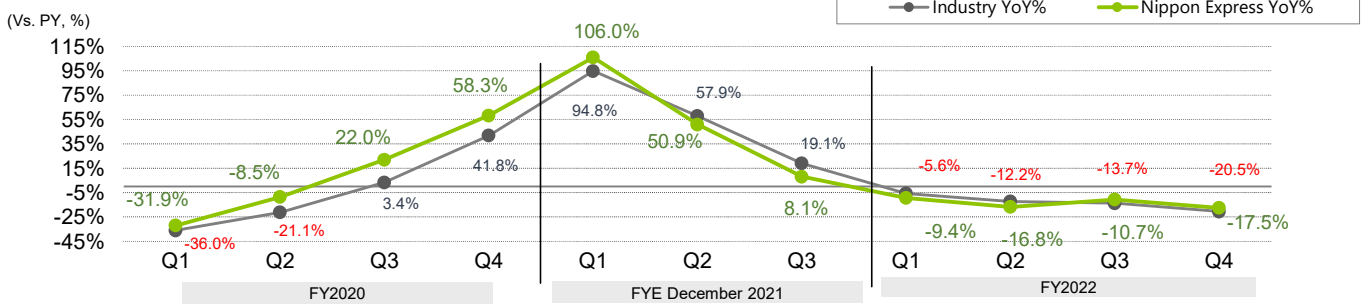
Variable factors	Impact on consolidated results (Jan-Dec 2022 results)	Impact on consolidated results (Jan-Dec 2023forecast)
Impact of impairment loss on non-current assets and goodwill (increase in income)		Operating Income <b>+¥2.66 billion</b> Japan: +¥1.85 billion The Americas: +¥0.35 billion Security Transportation: +¥0.45 billion
Impact of revenue recognition standard to decrease sales	Revenues <b>¥(12.52) billion</b> Logistics Support Revenues: ¥(12.52) billion [Q1]	
Spin off leasing business of NX Shoji	Revenues <b>¥(17.51) billion</b> Logistics Support Revenues: ¥(17.51) billion [Q1]	
Rebound increase of HQ relocation expenses	Operating income <b>+¥1.18 billion [Q4]</b> [Japan: +¥1.18 billion]	

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

### Export Air Freight Weight Originating from Japan



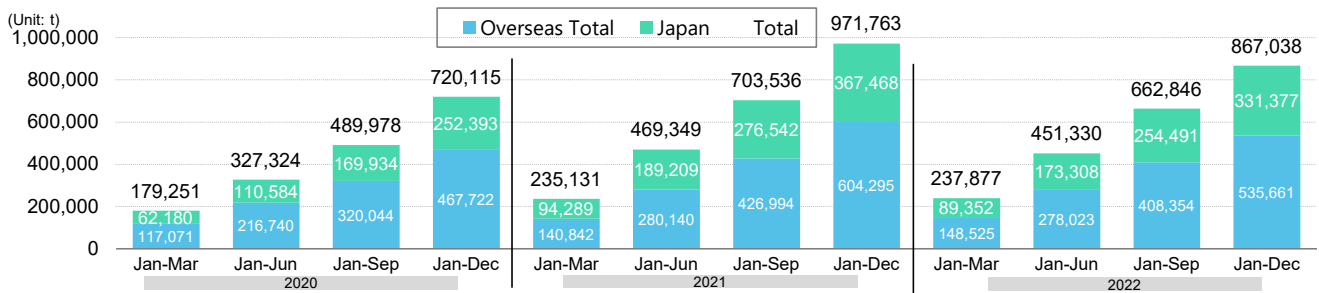
### Export Air Freight Originating From Japan, YoY



## 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	71,592	311,637
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	5,294	19,740
<b>Japan Total</b>	<b>62,180</b>	<b>48,404</b>	<b>59,350</b>	<b>82,459</b>	<b>252,394</b>	<b>94,289</b>	<b>94,919</b>	<b>87,333</b>	<b>90,926</b>	<b>367,468</b>	<b>89,352</b>	<b>83,956</b>	<b>81,184</b>	<b>76,886</b>	<b>331,377</b>
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	16,234	75,575
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	32,972	118,072
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	36,549	163,866
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	41,552	178,148
<b>Overseas Total</b>	<b>117,071</b>	<b>99,669</b>	<b>103,304</b>	<b>147,678</b>	<b>467,721</b>	<b>140,842</b>	<b>139,298</b>	<b>146,854</b>	<b>177,301</b>	<b>604,295</b>	<b>148,525</b>	<b>129,498</b>	<b>130,331</b>	<b>127,307</b>	<b>535,661</b>
<b>Total Weight</b>	<b>179,251</b>	<b>148,074</b>	<b>162,654</b>	<b>230,137</b>	<b>720,115</b>	<b>235,131</b>	<b>234,217</b>	<b>234,187</b>	<b>268,227</b>	<b>971,763</b>	<b>237,877</b>	<b>213,453</b>	<b>211,515</b>	<b>204,193</b>	<b>867,038</b>

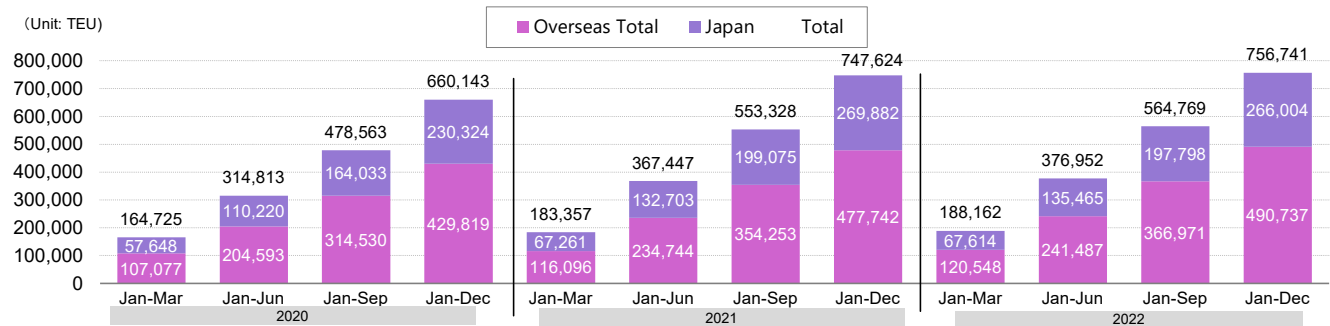


## Appendix 2 Forwarding Results: Export Freight (Ocean Transportation)

(Unit: TEU)

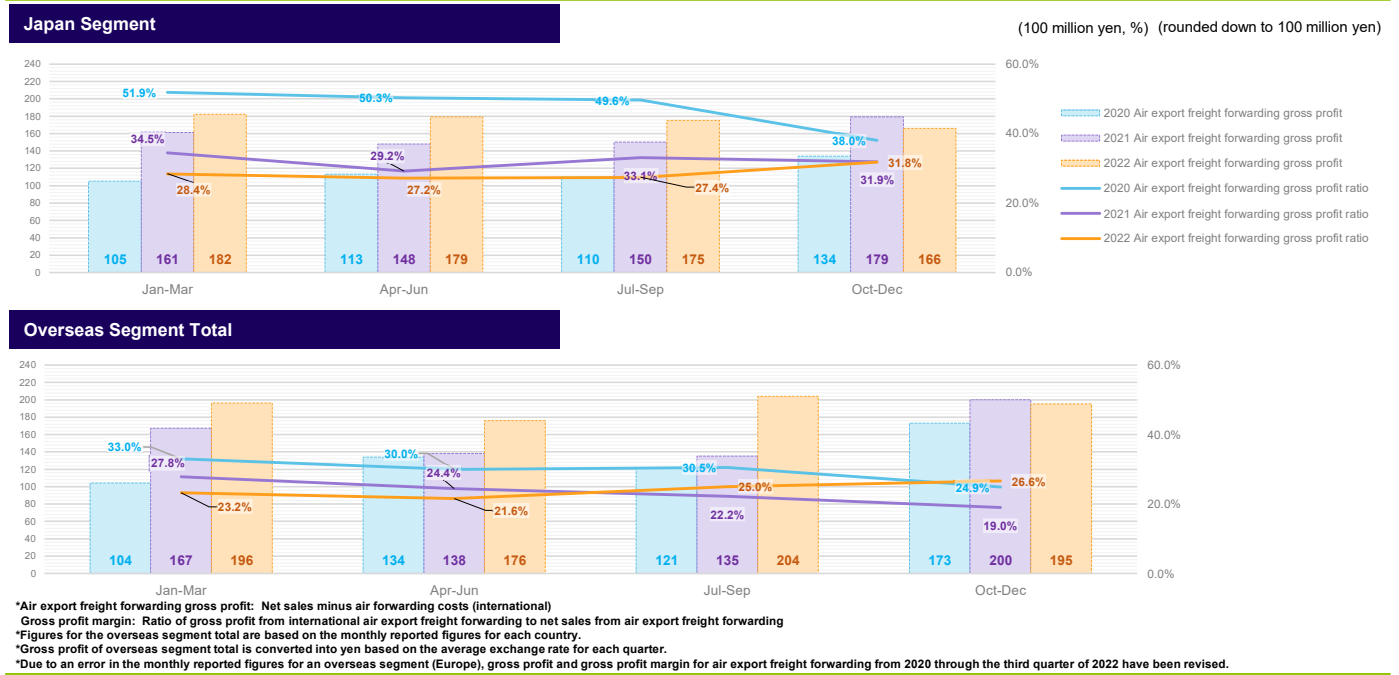
Originating Region	2020					2021					2022				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan	57,648	52,572	53,813	66,291	230,324	67,261	65,442	66,373	70,807	269,882	67,614	67,851	62,333	68,206	266,004
Americas	9,794	9,191	9,322	9,208	37,514	11,223	13,391	11,155	10,117	45,886	10,106	11,429	10,261	8,991	40,787
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	15,077	59,510
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	57,854	224,154
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	41,843	166,286
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	123,766	490,737
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	191,972	756,741

(Unit: TEU)

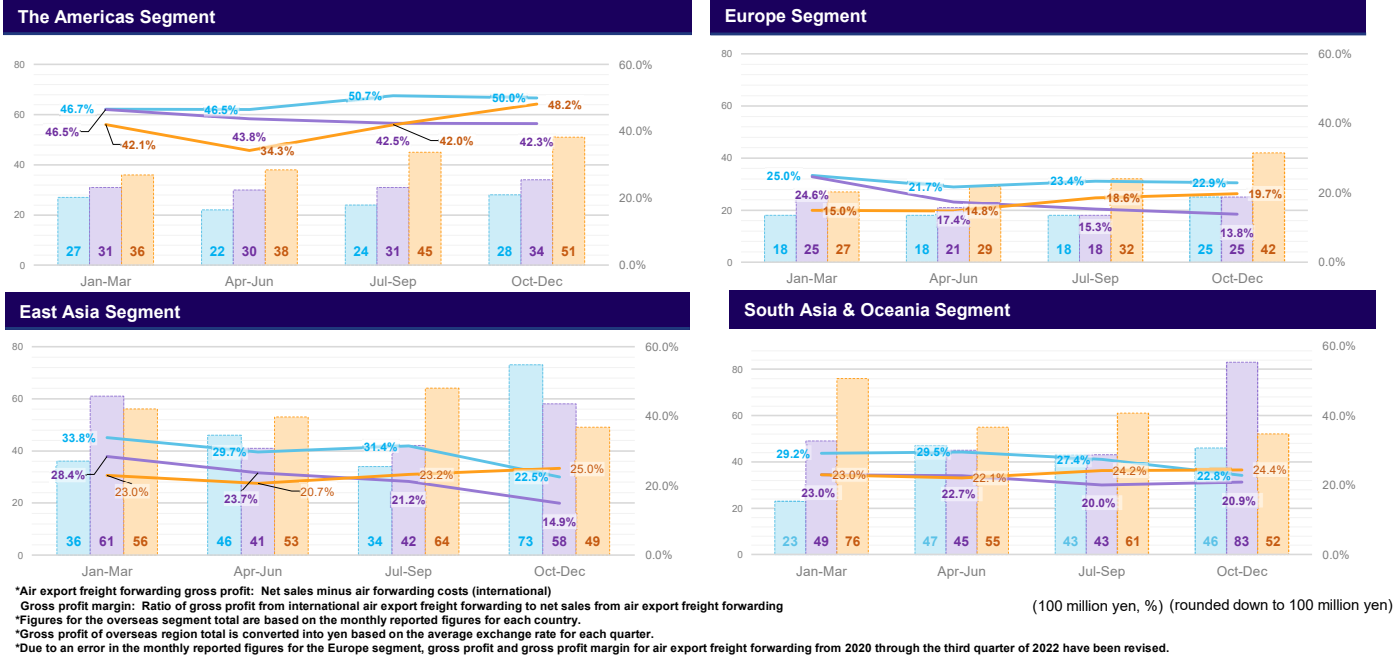




## Appendix 2 Air Forwarding Results: Japan and Overseas Segment Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter



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



\*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.  
 \*Due to an error in the monthly reported figures for the Europe segment, gross profit and gross profit margin for air export freight forwarding from 2020 through the third quarter of 2022 have been revised.

## 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 Jan-Mar	2021 Apr-Jun	2021 Jul-Sep	2021 Oct-Dec	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct-Dec
Railway	113	96	96	116	107	107	108	119	100	94	94	106
Air transportation	320	432	395	758	748	798	792	1,243	1,097	1,122	1,074	901
Ocean transportation	173	153	161	186	270	324	437	533	555	617	614	480
<b>Forwarding Cost Total</b>	<b>607</b>	<b>683</b>	<b>653</b>	<b>1,062</b>	<b>1,126</b>	<b>1,231</b>	<b>1,339</b>	<b>1,896</b>	<b>1,753</b>	<b>1,834</b>	<b>1,784</b>	<b>1,488</b>

## Appendix 3: Nippon Express FY2022 Results

### A. Revenues

(Unit: Millions of yen,%)

		Jan-Dec 2022		Jan-Dec 2021		Change		
			% of Sales		% of Sales	Amount	Ratio	
Revenues		Railway utilization business	67,067	4.9	68,828	5.5	(1,761)	(2.6)
	Automotive	Small-lot shipment business	37,714	2.8	41,060	3.3	(3,346)	(8.1)
		Chartered truck business	180,629	13.3	182,785	14.7	(2,155)	(1.2)
		Total	218,344	16.1	223,846	18.0	(5,501)	(2.5)
	Ocean transportation	Marine transportation business	193,051	14.2	133,750	10.8	59,301	44.3
		Harbor transportation business	69,415	5.1	68,122	5.5	1,292	1.9
		Total	262,467	19.3	201,873	16.3	60,594	30.0
		(Export)	[ 131,243 ]	-	[ 89,426 ]	-	41,817	46.8
		(Import)	[ 66,222 ]	-	[ 54,397 ]	-	11,825	21.7
		(Domestic and other)	[ 65,001 ]	-	[ 58,049 ]	-	6,951	12.0
	Air transportation	Total	337,677	24.8	290,980	23.4	46,697	16.0
		(Export)	[ 236,437 ]	-	[ 190,562 ]	-	45,875	24.1
		(Import)	[ 32,795 ]	-	[ 32,340 ]	-	455	1.4
		(Domestic and other)	[ 68,444 ]	-	[ 68,077 ]	-	366	0.5
		Warehousing and storage business	156,463	11.5	143,527	11.6	12,936	9.0
		In-factory business	63,069	4.6	57,328	4.6	5,740	10.0
		Moving and relocation business	57,407	4.2	51,309	4.1	6,097	11.9
		Security transportation business	67,573	5.0	67,667	5.4	(94)	(0.1)
		Heavy haulage and construction business	56,247	4.2	59,054	4.9	(2,807)	(4.8)
		Other businesses	73,054	5.4	77,869	6.3	(4,815)	(6.2)
	<b>Total</b>	<b>1,359,372</b>	<b>100.0</b>	<b>1,242,286</b>	<b>100.0</b>	<b>117,085</b>	<b>9.4</b>	

## Appendix 3: Nippon Express FY2022 Results

### B. Operating expenses

(Unit: Millions of yen,%)

		Jan-Dec 2022		Jan-Dec 2021		Change		
			% of Sales		% of Sales	Amount	Ratio	
Operating expenses	Total personnel expenses	251,430	18.5	260,681	21.0	(9,251)	(3.5)	
	Forwarding costs	Railway forwarding costs	36,138	2.7	37,532	3.0	(1,393)	(3.7)
		Ocean forwarding costs	98,169	7.2	56,532	4.6	41,636	73.7
		Air forwarding costs	174,600	12.8	135,029	10.9	39,571	29.3
		Total	308,909	22.7	229,094	18.4	79,814	34.8
	Vehicle chartering and subcontracting costs	476,574	35.1	460,387	37.1	16,186	3.5	
	Depreciation and amortization	35,307	2.6	33,010	2.7	2,297	7.0	
	Facility usage charges	95,095	7.0	91,468	7.4	3,626	4.0	
	Other	143,173	10.5	134,481	10.8	8,692	6.5	
	<b>Total</b>	<b>1,310,490</b>	<b>96.4</b>	<b>1,209,123</b>	<b>97.3</b>	<b>101,366</b>	<b>8.4</b>	

### C. Profits

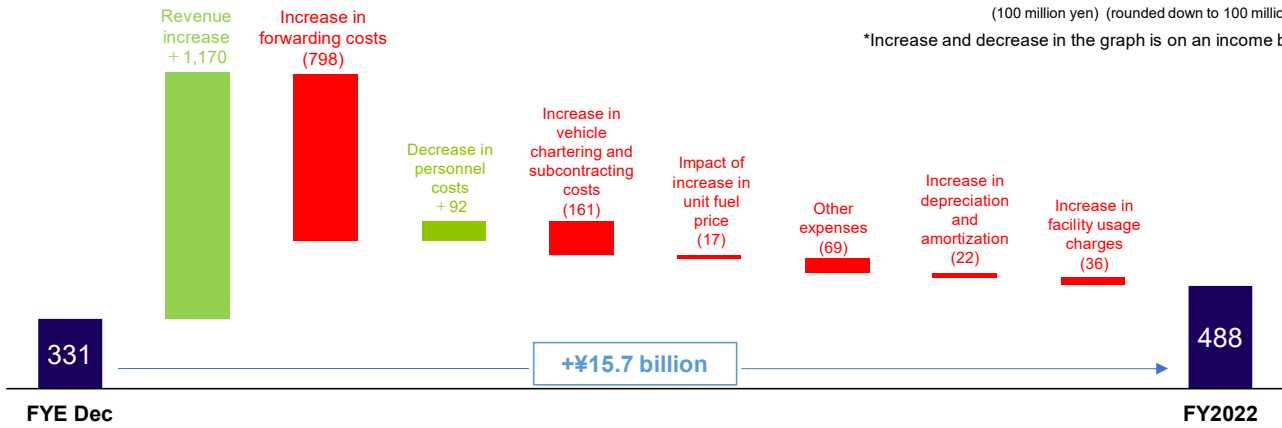
(Unit: Millions of yen,%)

	Jan-Dec 2022		Jan-Dec 2021		Change	
		% of Sales		% of Sales	Amount	Ratio
<b>Operating Income</b>	<b>48,881</b>	<b>3.6</b>	<b>33,162</b>	<b>2.7</b>	<b>15,718</b>	<b>47.4</b>

## Appendix 3: Nippon Express FY2022 Jan-Dec 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



FYE Dec 2021

FY2022

Expense Detail (Jan-Dec Results)	
<b>Increase in vehicle chartering and subcontracting costs +161 [+3.5%]</b>	
Vehicle chartering cost	(37) [(2.0)%]
Subcontracting cost	+156 [+6.1%]
Personnel dispatching cost	+42 [+34.5%]

## Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts

### A. Revenues

(Unit: Millions of yen,%)

		Jan-Dec 2023 Forecast	% of Sales	Jan-Dec 2022	% of Sales	Change		
						Amount	Ratio	
Revenues		Railway utilization business	67,600	5.4	67,067	4.9	532	0.8
	Automotive	Small-lot shipment business	38,000	3.1	37,714	2.8	285	0.8
		Chartered truck business	181,700	14.7	180,629	13.3	1,070	0.6
		Total	219,700	17.7	218,344	16.1	1,355	0.6
	Ocean transportation	Marine transportation business	176,700	14.3	193,051	14.2	(16,351)	(8.5)
		Harbor transportation business	69,500	5.6	69,415	5.1	84	0.1
		Total	246,200	19.9	262,467	19.3	(16,267)	(6.2)
		(Export)	[ 117,500 ]	-	[ 131,243 ]	-	(13,743)	(10.5)
		(Import)	[ 65,000 ]	-	[ 66,222 ]	-	(1,222)	(1.8)
		(Domestic and other)	[ 63,700 ]	-	[ 65,001 ]	-	(1,301)	(2.0)
	Air transportation	Total	287,900	23.2	337,677	24.8	(49,777)	(14.7)
		(Export)	[ 188,200 ]	-	[ 236,437 ]	-	(48,237)	(20.4)
		(Import)	[ 31,100 ]	-	[ 32,795 ]	-	(1,695)	(5.2)
		(Domestic and other)	[ 68,600 ]	-	[ 68,444 ]	-	155	0.2
		Warehousing and storage business	163,200	13.2	156,463	11.5	6,736	4.3
		In-factory business	67,800	5.5	63,069	4.6	4,730	7.5
		Moving and relocation business	56,300	4.5	57,407	4.2	(1,107)	(1.9)
		Security transportation business	0	0.0	67,573	5.0	(67,573)	(100.0)
		Heavy haulage and construction business	58,000	4.7	56,247	4.2	1,752	3.1
		Other businesses	73,300	5.9	73,054	5.4	245	0.3
	<b>Total</b>	<b>1,240,000</b>	<b>100.0</b>	<b>1,359,372</b>	<b>100.0</b>	<b>(119,372)</b>	<b>(8.8)</b>	

## Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts

### B. Operating expenses

(Unit: Millions of yen,%)

		Jan-Dec 2023 Forecast		Jan-Dec 2022		Change		
			% of Sales		% of Sales	Amount	Ratio	
Operating expenses	Total personnel expenses		209,300	16.9	251,430	18.5	(42,130)	(16.8)
	Forwarding costs	Railway forwarding costs	36,300	2.9	36,138	2.7	161	0.4
		Ocean forwarding costs	87,700	7.1	98,169	7.2	(10,469)	(10.7)
		Air forwarding costs	141,900	11.4	174,600	12.8	(32,700)	(18.7)
		Total	265,900	21.5	308,909	22.7	(43,009)	(13.9)
	Vehicle chartering and subcontracting costs		466,600	37.6	476,574	35.1	(9,974)	(2.1)
	Depreciation and amortization		33,700	2.7	35,307	2.6	(1,607)	(4.6)
	Facility usage charges		94,600	7.6	95,095	7.0	(495)	(0.5)
	Other		125,900	10.2	143,173	10.5	(17,273)	(12.1)
	<b>Total</b>		<b>1,196,000</b>	<b>96.5</b>	<b>1,310,490</b>	<b>96.4</b>	<b>(114,490)</b>	<b>(8.7)</b>

### C. Profits

(Unit: Millions of yen,%)

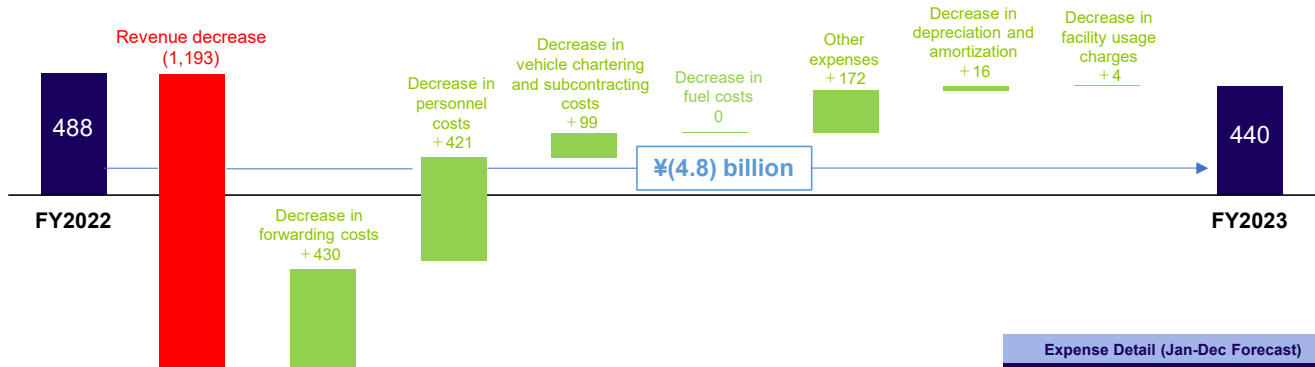
	Jan-Dec 2023 Forecast		Jan-Dec 2022		Change	
		% of Sales		% of Sales	Amount	Ratio
<b>Operating Income</b>	<b>44,000</b>	<b>3.5</b>	<b>48,881</b>	<b>3.6</b>	<b>(4,881)</b>	<b>(10.0)</b>



### Appendix 3: Nippon Express FY2023 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



Revenue decrease of (1193) includes spin-off of the security transportation business [(675)]

Expense Detail (Jan-Dec Forecast)	
<b>Decrease in vehicle chartering and subcontracting costs (99)</b>	<b>[(2.1)%]</b>
Vehicle chartering cost	+15 [+0.9%]
Subcontracting cost	(112) [(4.1)%]
Personnel dispatching cost	(3) [(2.0)%]

## Appendix 4: Voluntary Adoption of International Financial Reporting Standards (IFRS)

- Purpose

To engage in global management through unified group accounting standards and to improve comparability of financial information in the capital markets

- Disclosure Schedule

Fiscal year end		Disclosures	Accounting Standards Applied
FY2022	Year End	Financial statements*	Japanese GAAP
		Consolidated financial statements	
		Annual Securities Report	IFRS
FY2023	1st Quarter - 3rd Quarter	Quarterly financial results Quarterly report	IFRS
	Year End	Financial statements Consolidated financial statements Annual Securities Report	IFRS

\*Financial statements and forecasts for the fiscal year ending December 31, 2023 will be disclosed under Japanese GAAP today. Statements and forecasts under IFRS standards will be disclosed at a later date.



No information contained in this document is intended to solicit purchase or sale of the Company's shares.

Views, forecasts, and other forward-looking statements contained in this document are based on the Company's assumptions, judgments and beliefs in light of the information currently available to it. Information is not guaranteed and is subject to change without prior notice.

Please note that neither the Company nor the providers of information are liable for any damage resulting from the use of the information contained in this document.