



Financial Results Presentation for Fiscal Year Ended December 2021

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

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I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

Change in Fiscal Year End

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

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

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

■ Financial Results for FYE December 2021 (Jan- Dec)

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

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

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

A Financial Results for January-December, FYE December 2021 (100 million yen, %) (rounded down to 100 million yen)

Overview (Consolidated, Key Consolidated Business Indicators)

Item	Current-Year Results (Jan-Dec 2021)	Prior-Year Results (Jan-Dec 2020)	Difference YoY	Difference YoY (%)	Previous Forecast (Announced November 12)	Difference [%]
Revenues	23,371	20,522	2,849	13.9	22,538	832 [3.7]
Operating income	970	729	241	33.1	853	117 [13.8]
Operating income margin	4.2	3.6	—	—	3.8	—
Ordinary income	1,010	692	317	45.9	863	146 [16.9]
Profit attributable to owners of parent	661	503	158	31.5	571	90 [15.9]
Overseas sales	6,861	4,537	2,324	51.2	6,229	632

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

Financial results for the consolidated fiscal year ended December 31, 2021 are as described in these presentation materials. While certain industries began showing signs of recovery since October 2020, our domestic business remained sluggish due to poor harvests of agricultural products and the impact of reduced automobile production. On the other hand, overseas and international logistics continued to perform well, particularly in South Asia & Oceania, where there was a significant increase in transaction volume in the automotive industry-related sectors and elsewhere after the lifting of lockdowns. Amid these conditions, we recorded a year-on-year increase in revenues and profits for operating income and other profit measures.

As a result, we are pleased to report that we achieved the interim targets of our business plan.

Further, revenues, operating income, and every other profit measure outperformed the forecast published on November 12. Even though we made conservative forecasts for air and ocean forwarding due to an uncertain outlook, the main reason we outperformed forecasts so significantly was the growth experienced in South Asia & Oceania, as I mentioned earlier.

With respect to overseas regions other than South Asia & Oceania, transaction volume increases in the automotive and other industries in the Americas and cost reduction measures implemented beginning in the prior year contributed to higher profits. In Europe, we saw solid performance continuing since the second quarter in automobile-related and electric and electronics-related components, as well as chartered air transport volume for apparel from Italy. As a result, revenues and profits increased in both the Americas and Europe. At the same time, air and ocean export freight forwarding for the automotive, electric and electronics, and other industries increased in East Asia. However, we saw a negative rebound from the strong previous-year performance of air charters of game consoles and other products to Europe and the U.S. during the Christmas shopping season. In addition, we posted an allowance for doubtful accounts in the second quarter. These factors combined to produce and increase in revenue and decrease in profits in East Asia.

Japan saw strong performance in air and ocean forwarding businesses, as well as e-commerce-related business. However, as I explained above, the domestic business reported weak performance since the second quarter. In addition, costs related to relocating the NX Group head office and other factors contributed to a result reflecting increased revenue and decreased profits for the October-December period.

Meanwhile, revenue and profits rose for the year thanks to higher profits in the first quarter, experiencing a positive rebound from the impact of COVID-19 infections in the previous year.

As described above, we believe our management strategy to date has been successful in driving the performance of our overseas business and international logistics business as we utilize our global network. I mentioned earlier about the increase in transaction volume in South Asia & Oceania. However, amid the ongoing supply chain disruptions, customers must procure parts from countries with which they haven't dealt with before and secure transportation lines if they are to continue production activities. As a result of our efforts to identify needs and implement solutions from the perspective of our customers, our transaction volume has far exceeded our projections.

On the other hand, our domestic business must continue to control costs, particularly outsourcing costs, while also responding to changes in the supply chain and capturing growth areas. In these way and others, we are pursuing our growth strategy for our core businesses in Japan and globally.

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

A Financial Results for April-December, FYE December 2021

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

Overview (Consolidated)

Item	Current-Year Results (Apr-Dec 2021)	Prior-Year Results (Apr-Dec 2020)	Difference YoY	Difference YoY (%)	Apr-Dec 2021 Forecast (Previous Announcement)	Difference [%]
Revenues	17,632	15,450	2,182	14.1	16,800	832 [5.0]
Operating income	687	581	105	18.2	570	117 [20.6]
Operating income margin	3.9	3.8	—	—	3.4	—
Ordinary income	736	617	118	19.2	590	146 [24.8]
Profit attributable to owners of parent	540	486	53	11.1	450	90 [20.1]
Overseas sales	5,444	3,572	1,871	52.4	4,812	632

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

B Financial Results for October-December, FYE December 2021

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

Overview (Consolidated)

Item	Current-Year Results (Oct-Dec 2021)	Prior-Year Results (Oct-Dec 2020)	Difference YoY	Difference YoY (%)
Revenues	6,590	5,725	865	15.1
Operating income	324	357	(32)	(9.2)
Operating income margin	4.9	6.2	—	—
Ordinary income	329	361	(32)	(8.9)
Profit attributable to owners of parent	234	261	(27)	(10.5)
Overseas sales	2,278	1,482	795	53.6

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

C Japan and Overseas Results (not including adjustments)

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

Segment	Item	Current-Year Results (Jan-Dec 2021)	Prior-Year Results (Jan-Dec 2020)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	18,458	17,393	1,064	6.1
	Segment Income	733	632	100	15.9
Overseas Total	Revenues	6,861	4,537	2,324	51.2
	Segment Income	392	222	170	76.8

Overseas sales ratio

29.4%

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

D Results by Reportable Segment (Jan-Dec)

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

Segment	Item	Current-Year Results (Jan-Dec 2021)	Prior-Year Results (Jan-Dec 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	13,382	11,779	1,602	13.6
	Segment Income	546	457	89	19.5
Americas	Revenues	1,097	781	315	40.4
	Segment Income	65	4	60	—
Europe	Revenues	1,653	1,171	482	41.2
	Segment Income	76	34	42	125.8
East Asia	Revenues	2,247	1,436	810	56.4
	Segment Income	83	84	(0)	(1.0)
South Asia & Oceania	Revenues	1,863	1,147	715	62.4
	Segment Income	166	98	68	69.0
Security Transportation	Revenues	688	697	(9)	(1.3)
	Segment Income	(1)	(1)	0	—
Heavy Haulage & Construction	Revenues	453	472	(19)	(4.1)
	Segment Income	59	53	6	11.2
Logistics Support	Revenues	3,934	4,444	(509)	(11.5)
	Segment Income	129	123	5	4.7

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

D Results by Reportable Segment (Apr-Dec)

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

Segment	Item	Current-Year Results (Apr-Dec 2021)	Prior-Year Results (Apr-Dec 2020)	Difference YoY	Difference YoY (%)	Apr-Dec 2021 Forecast (Previous Forecast)	Difference
Japan	Revenues	10,082	8,828	1,254	14.2	9,720	362
	Segment Income	379	352	26	7.6	347	32
Americas	Revenues	866	575	290	50.5	866	0
	Segment Income	52	4	47	971.6	55	(2)
Europe	Revenues	1,328	896	431	48.1	1,134	194
	Segment Income	64	31	32	103.5	44	20
East Asia	Revenues	1,780	1,171	609	52.1	1,582	198
	Segment Income	50	79	(29)	(36.6)	39	11
South Asia & Oceania	Revenues	1,468	928	539	58.1	1,230	238
	Segment Income	130	91	38	42.0	86	44
Security Transportation	Revenues	513	517	(4)	(0.8)	515	(1)
	Segment Income	1	(6)	7	—	4	(2)
Heavy Haulage & Construction	Revenues	358	363	(5)	(1.5)	350	8
	Segment Income	49	42	7	17.8	43	6
Logistics Support	Revenues	2,671	3,214	(543)	(16.9)	2,604	67
	Segment Income	77	84	(7)	(8.8)	59	18

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

D Results by Reportable Segment (Oct-Dec)

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

Segment	Item	Current-Year Results (Oct-Dec 2021)	Prior-Year Results (Oct-Dec 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,576	3,217	358	11.1
	Segment Income	174	214	(40)	(18.9)
Americas	Revenues	314	221	92	42.1
	Segment Income	18	5	12	232.1
Europe	Revenues	535	348	186	53.3
	Segment Income	31	19	12	66.8
East Asia	Revenues	776	552	223	40.6
	Segment Income	27	39	(12)	(30.6)
South Asia & Oceania	Revenues	653	360	292	81.0
	Segment Income	70	39	30	79.0
Security Transportation	Revenues	171	174	(3)	(2.1)
	Segment Income	0	3	(3)	(95.1)
Heavy Haulage & Construction	Revenues	119	112	6	6.1
	Segment Income	19	14	4	34.8
Logistics Support	Revenues	1,043	1,138	(95)	(8.4)
	Segment Income	37	30	6	20.0

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

E Comparison by Segment (Results vs. Forecast)

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

Segment	Item	1H Results (Jan-Jun)	2H Results (Jul-Dec)			Full-Year Results (Jan- Dec)				
			FYE Dec 2021 Results	FY2020 Results	Difference	FYE Dec 2021 Results	FY2020 Results	Difference	FYE Dec 2021 Previous Forecast	Difference
Japan	Revenues	6,565	6,816	6,095	721	13,382	11,779	1,602	13,019	362
	Segment Income	282	264	329	(65)	546	457	89	513	32
Americas	Revenues	497	599	408	190	1,097	781	315	1,096	0
	Segment Income	32	33	5	27	65	4	60	67	(2)
Europe	Revenues	693	960	649	311	1,653	1,171	482	1,459	194
	Segment Income	29	47	29	17	76	34	42	56	20
East Asia	Revenues	926	1,320	843	476	2,247	1,436	810	2,048	198
	Segment Income	50	32	56	(23)	83	84	(0)	72	11
South Asia & Oceania	Revenues	778	1,084	655	429	1,863	1,147	715	1,624	238
	Segment Income	66	100	66	33	166	98	68	122	44
Security Transportation	Revenues	345	342	348	(6)	688	697	(9)	689	(1)
	Segment Income	(2)	0	2	(1)	(1)	(1)	0	0	(2)
Heavy Haulage & Construction	Revenues	219	234	231	2	453	472	(19)	445	8
	Segment Income	25	33	26	6	59	53	6	52	6
Logistics Support	Revenues	2,060	1,874	2,197	(323)	3,934	4,444	(509)	3,867	67
	Segment Income	69	59	56	2	129	123	5	110	18

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

*Reference (Quarterly Results)

F Reference: Performance by Segment (Jul-Sep 2021 vs. Oct-Dec 2021) (100 million yen, %) (rounded down to 100 million yen)

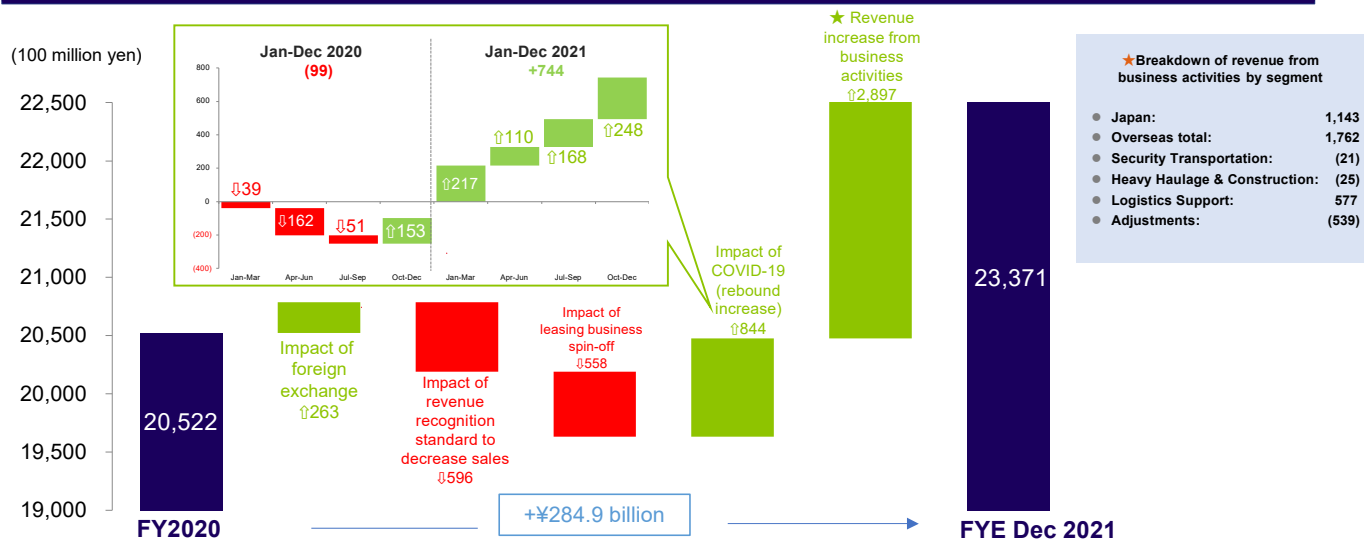
Segment	Item	Current-Year Results (Oct-Dec 2021)	Current-Year Results (Jul-Sep 2021)	Difference YoY	Difference YoY %
Japan	Revenues	3,576	3,240	336	10.4
	Segment Income	174	89	84	94.3
Americas	Revenues	314	285	28	10.1
	Segment Income	18	14	3	22.2
Europe	Revenues	535	425	109	25.8
	Segment Income	31	15	16	111.4
East Asia	Revenues	776	544	231	42.4
	Segment Income	27	5	21	400.9
South Asia & Oceania	Revenues	653	431	221	51.4
	Segment Income	70	30	39	130.8
Security Transportation	Revenues	171	171	(0)	(0.1)
	Segment Income	0	0	(0)	(70.5)
Heavy Haulage & Construction	Revenues	119	114	5	4.4
	Segment Income	19	14	4	31.4
Logistics Support	Revenues	1,043	830	212	25.5
	Segment Income	37	22	14	63.5

I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

G Breakdown of Revenues and Operating Income

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

1) Revenues

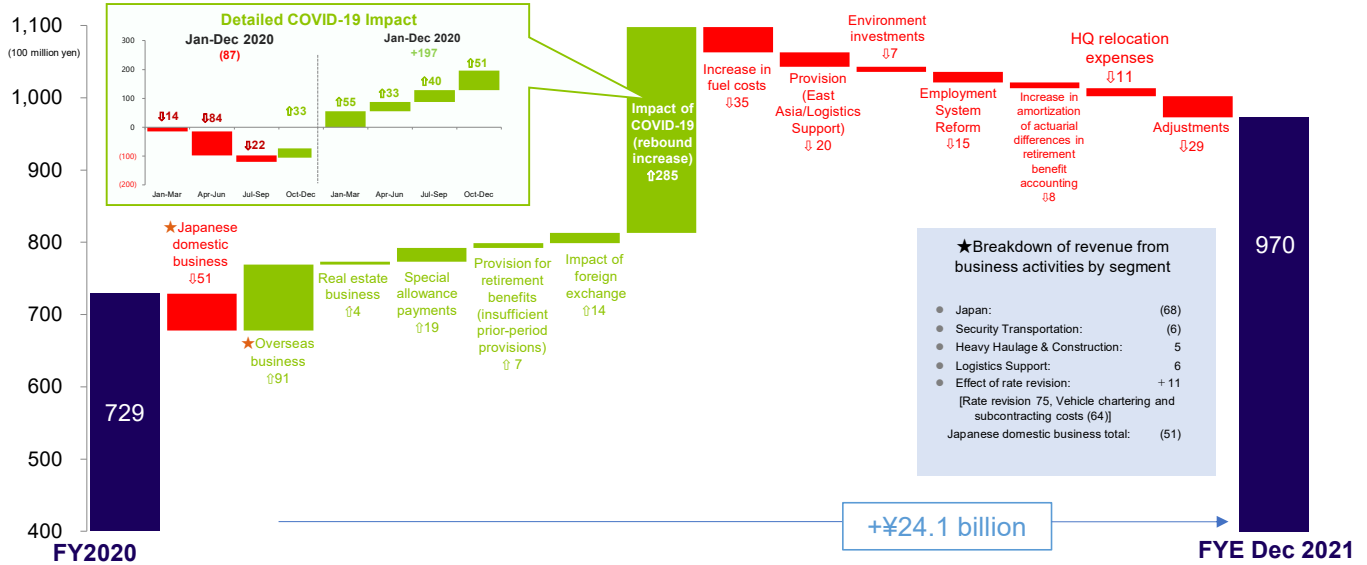


I. Financial Results for Fiscal Year Ended December 2021 (Pro Forma)

G Breakdown of Revenues and Operating Income

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

2) Operating income

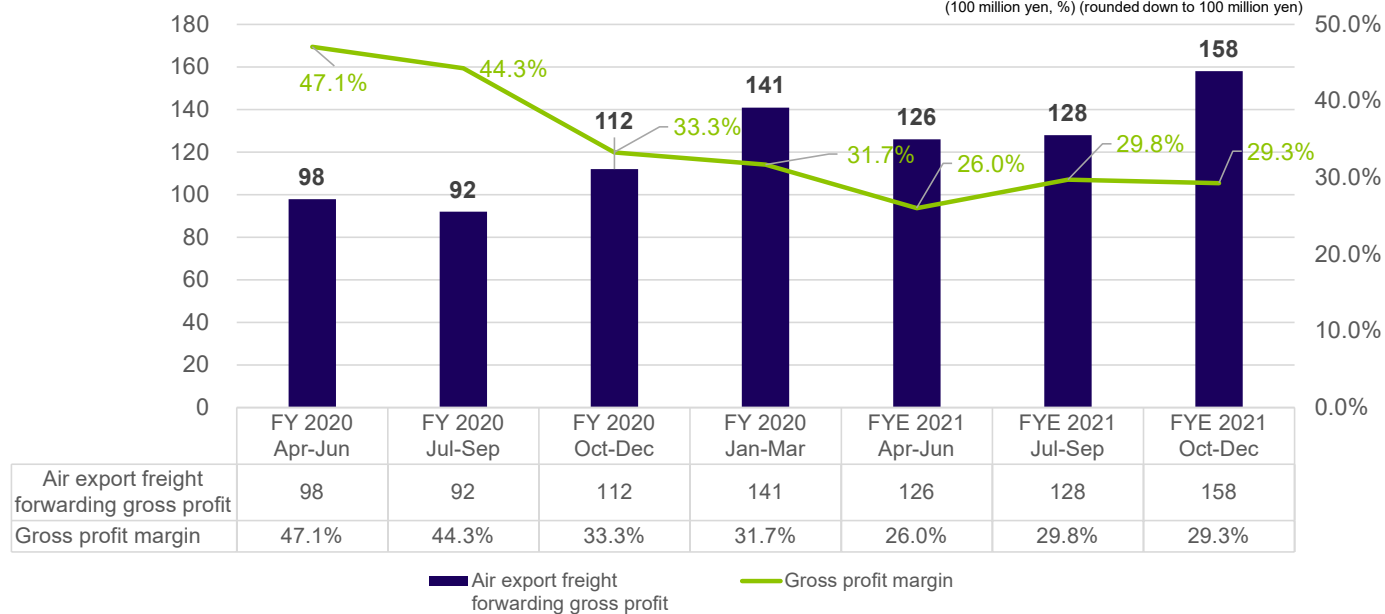


Reference Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

*Air export freight forwarding gross profit: Net sales minus air usage fees

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

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



I. -H Segment Overview for Fiscal Year Ended December 2021

1. Japan Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	3,576	3,217	358	11.1
Operating income	174	214	(40)	(18.9)
Operating income margin	4.9	6.7	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	2,950	2,733	5,683	2,877	3,217	6,095	11,779
Operating income	104	23	128	114	214	329	457
Operating income margin	3.5	0.9	2.3	4.0	6.7	5.4	3.9

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	348	532	881	362	358	721	1,602
	11.8	19.5	15.5	12.6	11.1	11.8	13.6
Operating income	62	92	154	(24)	(40)	(65)	89
	59.7	390.0	120.5	(21.7)	(18.9)	(19.8)	19.5

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	13,382	13,019	362
Operating income	546	513	32
	4.1	3.9	—

October-December Highlights

Demand in the air export freight forwarding business recovered due to a rebound in production in the automobile industry, while the pace of exports exceeded previous year levels, mainly for semiconductor equipment and electronic components. High freight rates and firm cargo movement for air and ocean forwarding resulted in substantial revenue growth. The railway utilization and motor transportation businesses remained sluggish due to poor harvests of agricultural products and a slowdown in automobile-related cargo movement stemming from semiconductor shortages. Although revenues increased, driven by air and ocean forwarding, operating income declined due to the impact of a negative rebound from spot business in the previous year, soaring fuel costs, and relocation expenses for to consolidate locations.

Special Factor

- Impact of fuel unit cost: [operating income] (30) [year]
- Cost increase associated with employee system reform: [operating income] (14) [year]
- Impact of COVID-19: [revenues] +487 [year]
- Provision for retirement benefits: [operating income] +193 [year]
- Impact of special allowance payments: [operating income] +7 [Apr-Jun]
- Environment investments: [operating income] +15 [Apr-Jun]
- Real estate business: [operating income] (7) [year]
- HQ relocation expenses: [operating income] +4 [year]
- Impact of revenue recognition standard: [operating income] (11) [Oct-Dec]
- Impact due to actuarial differences in retirement benefits: [revenues] (28) [Apr-Dec]
- [operating income] (6) [year]

I. -H Segment Overview for Fiscal Year Ended December 2021

2. The Americas Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	314	221	92	42.1
Operating income	18	5	12	232.1
Operating income margin	5.3	2.5	—	—

2
Quarterly
Results

Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	230	267	497	285	314	599	1,097
Operating income	12	19	32	14	18	33	65
Operating income margin	5.4	7.3	6.4	5.2	5.3	5.6	5.9

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	205	167	373	187	221	408	781
Operating income	(0)	(0)	(0)	(0)	5	5	4
Operating income margin	(0.0)	(0.2)	(0.1)	(0.1)	2.5	1.3	0.6

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	25	99	124	98	92	190	315
	12.2	59.5	33.4	52.3	42.1	46.8	40.4
Operating income	12	19	32	15	12	27	60
	—	—	—	—	232.1	524.2	—

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,097	1,096	0
Operating income	65	67	(2)
	5.9	6.2	—

October-December Highlights

As in the previous fiscal year, the air transportation business saw an increase in import and export cargo movement, mainly related to the automotive industry. Demand for forwarding in the ocean cargo transportation business to various parts of the Americas increased due to port congestion on the west coast of the U.S. Export volume and handling of automobile-related components increased. Warehousing and distribution processing recorded higher revenues and operating income due to apparel-related volume, and collaboration with MDL (acquired in the previous year), and the contribution of ongoing cost reduction initiatives, first implemented last year.

Special Factor

- Impact of foreign exchange (weaker yen):
[revenues] +23 [year]
[operating income] +0 [year]
- Impact of COVID-19:
[revenues] +62 [year]
[operating income] +24 [year]
- Special allowance payments:
[operating income] +0 [Apr-Jun]

I. -H Segment Overview for Fiscal Year Ended December 2021

3. Europe Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	535	348	186	53.3
Operating income	31	19	12	66.8
Operating income margin	6.0	5.5	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	274	247	522	300	348	649	1,171
Operating income	2	2	4	10	19	29	34
Operating income margin	0.9	0.9	0.9	3.4	5.5	4.5	2.9

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	50	119	170	125	186	311	482
	18.6	48.4	32.7	41.7	53.3	48.0	41.2
Operating income	10	14	25	5	12	17	42
	397.0	652.7	516.1	50.1	66.8	61.0	125.8

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,653	1,459	194
Operating income	76	56	20
	4.6	3.9	—

October-December Highlights

Amid shortages of air cargo transportation space, the transition from ocean cargo transportation to air cargo transportation progressed, and demand for air cargo transportation rose rapidly. Air export freight forwarding revenue increased significantly due to the volume of chartered air transportation from Italy to the U.S. and spot transportation of automobile-related components from the U.K. and Germany. The ocean cargo transportation business recorded a significant increase in revenue as freight rates rose sharply due to port congestion at major ports. In addition, warehouse and automobile-related showed signs of recovery, recording higher revenues and profits due to cost reduction initiatives launched in the previous year.

Special Factor

· Impact of foreign exchange (weaker yen):	[revenues] +75 [year] [operating income] +2 [year]
· Impact of COVID-19:	[revenues] +150 [year] [operating income] +46 [year]
· Special allowance payments:	[operating income] +0 [Apr-Jun]

I. -H Segment Overview for Fiscal Year Ended December 2021

4. East Asia Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	776	552	223	40.6
Operating income	27	39	(12)	(30.6)
Operating income margin	3.5	7.1	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	265	327	592	291	552	843	1,436
Operating income	5	23	28	16	39	56	84
Operating income margin	1.9	7.1	4.8	5.8	7.1	6.7	5.9

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	200	132	333	253	223	476	810
	75.6	40.6	56.3	86.7	40.6	56.5	56.4
Operating income	28	(5)	22	(11)	(12)	(23)	(0)
	560.8	(24.5)	80.0	(67.5)	(30.6)	(41.6)	(1.0)

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	2,247	2,048	198
Operating income	83	72	11
	3.7	3.5	—

October-December Highlights

Cargo movement rose for automobile-related products, electric/electronic equipment products, and precision equipment, leading to firm volume for both air and ocean. The shift in railway volume to Europe as an alternative to ocean cargo transportation increased, resulting in significantly higher volume in the railway utilization business compared with the previous year. Air and ocean export freight business revenues increased substantially due to the impact of soaring freight rates. However, operating income decreased due to the recording of allowances in connection with doubtful accounts arising in the second quarter, as well as the impact of a negative rebound in spot orders during the Christmas sales season in the previous year.

Special Factor

· Impact of foreign exchange (weaker yen):	[revenues] +120 [year] [operating income] +8 [year]
· Impact of COVID-19:	[revenues] +32 [year] [operating income] (7) [year]
· Special allowance payments:	[operating income] +0 [Apr-Jun]
· Allowances:	[operating income] (12) [year]

I. -H Segment Overview for Fiscal Year Ended December 2021

5. South Asia & Oceania Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	653	360	292	81.0
Operating income	70	39	30	79.0
Operating income margin	10.7	10.8	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	218	273	492	294	360	655	1,147
Operating income	7	24	31	27	39	66	98
Operating income margin	3.3	9.1	6.5	9.4	10.8	10.2	8.6

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	175	110	286	136	292	429	715
	80.4	40.5	58.2	46.4	81.0	65.5	62.4
Operating income	29	4	34	2	30	33	68
	412.0	19.6	108.1	9.7	79.0	50.3	69.0

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,863	1,624	238
Operating income	166	122	44
	9.0	7.6	—

October-December Highlights

The easing of previous restrictions on movement in connection with the spread of infectious disease led to a recovery in production activities and a significant increase in cargo volume. In particular, Vietnam and Malaysia saw an increase in automobile-component related volume, while the Philippines saw a sharp increase in electrical and electronics-related cargo movement. Both air and ocean export freight forwarding experienced strong performance, exceeding initial volume forecasts. In Thailand and Vietnam, new warehousing and distribution business contracts contributed to higher revenues and profits.

Special Factor

· Impact of foreign exchange (weaker yen):	[revenues] +43 [year] [operating income] +3 [year]
· Impact of COVID-19:	[revenues] +52 [year] [operating income] +14 [year]
· Special allowance payments:	[operating income] +0 [Apr-Jun]

I. -H Segment Overview for Fiscal Year Ended December 2021

6. Security Transportation Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	171	174	(3)	(2.1)
Operating income	0	3	(3)	(95.1)
Operating income margin	0.1	1.9	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	179	169	348	173	174	348	697
Operating income	4	(8)	(3)	(0)	3	2	(1)
Operating income margin	2.5	(4.9)	(1.1)	(0.6)	1.9	0.7	(0.2)

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(5)	1	(3)	(2)	(3)	(6)	(9)
	(2.8)	1.1	(0.9)	(1.4)	(2.1)	(1.8)	(1.3)
Operating income	(7)	9	1	1	(3)	(1)	0
	(169.0)	—	—	—	(95.1)	(69.1)	—

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	688	689	(1)
Operating income	(1)	0	(2)
	(0.2)	0.1	—

October-December Highlights

Despite the acquisition of new business center operations, spot transportation, and revised fees, revenues were slightly lower due to the significant impact of fewer scheduled flights among certain customers. Profits decreased due to the impact of one-time costs associated with the reprinting of 500-yen coins and the impact of soaring fuel costs.

Special Factor

- Impact of fuel unit cost: [operating income] (5) [year]
- Cost increase associated with employee system reform: [operating income] (0) [year]
- Impact of COVID-19: [revenues] +11 [year]
[operating income] +8 [year]
- Impact of special allowance payments: [operating income] +2 [Apr-Jun]
- Impact due to actuarial differences in retirement benefits: [operating income] (1) [year]

I. -H Segment Overview for Fiscal Year Ended December 2021

7. Heavy Haulage & Construction Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	119	112	6	6.1
Operating income	19	14	4	34.8
Operating income margin	16.0	12.6	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	109	131	240	119	112	231	472
Operating income	11	15	26	12	14	26	53
Operating income margin	10.3	11.8	11.1	10.7	12.6	11.6	11.4

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(13)	(7)	(21)	(4)	6	2	(19)
	(12.7)	(6.0)	(9.0)	(3.7)	6.1	1.1	(4.1)
Operating income	(1)	0	(0)	1	4	6	6
	(13.4)	4.1	(3.3)	15.2	34.8	25.6	11.2

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	453	445	8
Operating income	59	52	6
	13.2	11.8	—

October-December Highlights

Wind power-related business continued to perform well from the previous year, while thermal energy generation-related business increased year on year. Operating income rose due to the acquisition of additional construction projects.

Special Factor

- Impact of fuel unit cost: [operating income] (0) [year]
- Cost increase associated with the employee system reform: [operating income] (0) [year]
- Impact of COVID-19: [revenues] +6 [year]
- Impact of special allowance payments: [operating income] +1 [year]
- Impact due to actuarial differences in retirement benefits: [operating income] +0 [Apr-Jun]
- Impact due to actuarial differences in retirement benefits: [operating income] (0) [year]

I. -H Segment Overview for Fiscal Year Ended December 2021

8. Logistics Support Segment

(100 million yen, %)

1
Quarterly
Results

Item	FYE Dec 2021 Oct-Dec Results	Vs. FY2020		
		FY2020	Difference	Difference (%)
Revenues	1,043	1,138	(95)	(8.4)
Operating income	37	30	6	20.0
Operating income margin	3.5	2.7	—	—

2
Quarterly
Results

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

Item	FY2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	1,229	1,017	2,247	1,058	1,138	2,197	4,444
Operating income	38	27	66	26	30	56	123
Operating income margin	3.1	2.7	2.9	2.5	2.7	2.6	2.8

Item	Comparison with FY2020 (Upper: Difference / Lower : Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	33	(219)	(186)	(227)	(95)	(323)	(509)
	2.7	(21.6)	(8.3)	(21.5)	(8.4)	(14.7)	(11.5)
Operating income	13	(10)	3	(3)	6	2	5
	34.2	(36.3)	4.7	(13.4)	20.0	4.6	4.7

3
Forecast
Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	3,934	3,867	67
Operating income	129	110	18
	3.3	2.9	—

October-December Highlights

The petroleum business recorded a significant increase in revenues due to a sharp rise in unit fuel prices. The logistics, products and devices and LS businesses also performed well. Revenues declined due to the impact of the spin-off of our leasing business and the adoption of new revenue recognition standards. Despite the added expense related to accounting treatment for the remaining operating loss discovered in the second quarter, operating income increased due to an increase in petroleum-related work.

Special Factor

- Cost increase associated with employee system reform: [operating income] (0) [year]
- Impact of COVID-19: [revenues] +39 [year]
[operating income] +4 [year]
- Impact of special allowance payments: [operating income] +1 [Apr-Jun]
- Impact of revenue recognition standard: [revenues] (567) [Apr-Dec]
- Impact of the spin-off of the Nittsu Shoji leasing business: [revenues] (558) [Apr-Dec]
- Allowances: [operating income] (7) [Jul-Dec]

II. Nippon Express Holdings Financial Results Forecasts for Fiscal Year Ending December 2022

II. Financial Results Forecast for Fiscal Year Ending December 2022

A Forecast for Fiscal Year Ending December 2022

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

Item	Full-Year Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) * Pro Forma	Difference YoY	Difference YoY (%)
Revenues	23,600	23,371	228	1.0
Operating income	1,000	970	29	3.0
Operating income margin	4.2	4.2	—	—
Ordinary income	1,030	1,010	19	2.0
Profit attributable to owners of parent	1,110	661	448	67.7
Overseas sales	7,136	6,861	274	4.0

We have made calculations based on a comprehensive consideration of the current situation and our future outlook. As a result, we expect to deliver year-on-year increases in revenue and profits at operating income and below.

One of the key points in our forecast is how to establish assumptions regarding international freight trends. We expect air and ocean export freight forwarding to remain strong as global shortages of supplies and air/ocean cargo space continue throughout 2022.

In addition, Japan is experiencing a sixth wave of infections in connection with the global spread of the Omicron variant. While the future direction of COVID-19 and the economy remains uncertain, we project the semiconductor shortage will head toward resolution and that we will see a recovery in the automotive-related industry. These factors and others should combine for a gradual recovery in our domestic business.

We formulated our financial results forecasts based on these assumptions. Accordingly, we forecast lower revenue and profits in the second half of the fiscal year, expecting that the strong performance in air and ocean forwarding will run its course, while we expect the air forwarding transaction volume in South Asia & Oceania to experience a negative rebound in performance.

The main factor behind the wider increase in net income stems from our expectations of a gain on sale of our former Shiodome head office building.

II. Financial Results Forecast for Fiscal Year Ending December 2022

B Japan and Overseas Results Forecast (not including adjustments)

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

Segment	Item	Current-Year Results (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	18,423	18,458	(35)	(0.2)
	Segment Income	783	733	49	6.7
Overseas Total	Revenues	7,136	6,861	274	4.0
	Segment Income	380	392	(12)	(3.2)

Overseas sales ratio

30.2%

II. Financial Results Forecast for Fiscal Year Ending December 2022

C Forecasts by Reportable Segment (Jan-Dec)

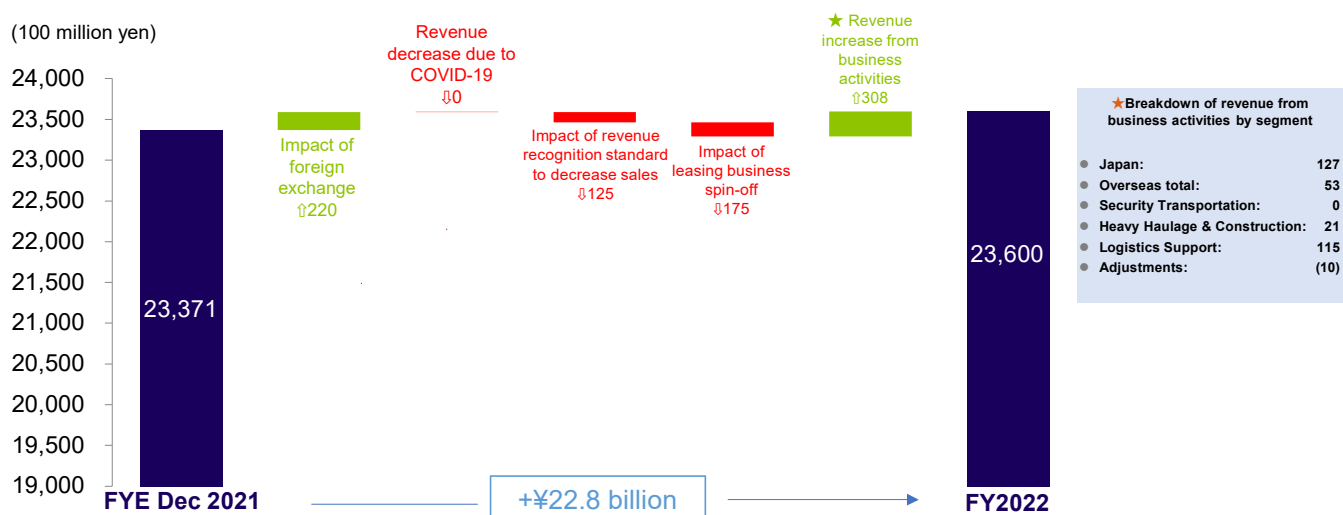
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	Full-Year Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) * Pro Forma	Difference YoY	Difference YoY (%)
Japan	Revenues	13,490	13,382	107	0.8
	Segment Income	602	546	55	10.2
Americas	Revenues	1,165	1,097	67	6.2
	Segment Income	64	65	(1)	(2.0)
Europe	Revenues	1,857	1,653	203	12.3
	Segment Income	86	76	9	11.9
East Asia	Revenues	2,295	2,247	47	2.1
	Segment Income	88	83	4	5.3
South Asia & Oceania	Revenues	1,819	1,863	(44)	(2.4)
	Segment Income	142	166	(24)	(15.0)
Security Transportation	Revenues	690	688	1	0.3
	Segment Income	3	(1)	4	—
Heavy Haulage & Construction	Revenues	485	453	31	7.0
	Segment Income	60	59	0	0.5
Logistics Support	Revenues	3,758	3,934	(176)	(4.5)
	Segment Income	118	129	(11)	(8.6)

II. Financial Results Forecast for Fiscal Year Ending December 2022

D Breakdown of Revenues and Operating Income

1) Revenues

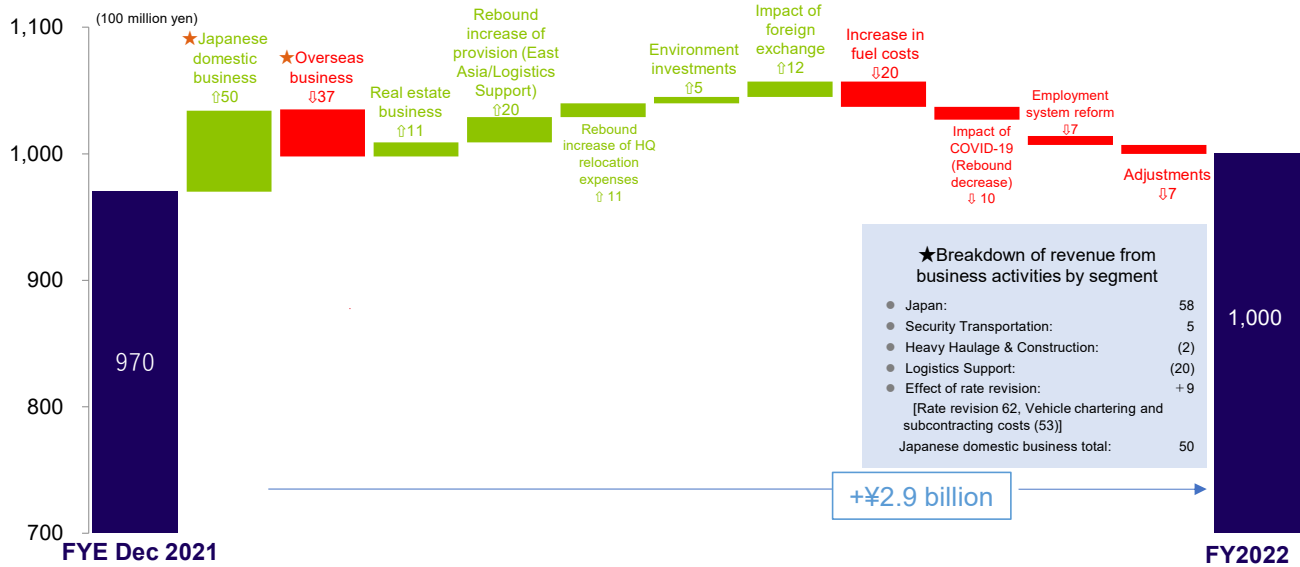


II. Financial Results Forecast for Fiscal Year Ending December 2022

D Breakdown of Revenues and Operating Income

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

2) Operating income



II. -E Segment Overview for Fiscal Year Ending December 2022 (Converted 12-Month Basis)

1 Japan Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	13,490	13,382	107	0.8
Operating income*	602 [4.5]	546 [4.1]	55	10.2

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

Overview

Transportation demand in the ocean and air freight forwarding businesses will remain strong. We expect the supply-demand imbalance to continue in 2022. We forecast cargo movement in the Japan domestic business to increase with a recovery of production in the automotive industry. We also expect an increase in revenue and profit in connection with a rebound from the one-time expenses incurred last year related to the relocation of our head office and other factors.

Special Factor

- Impact of fuel unit cost: [operating income] (17) [year]
- Cost increase associated with employee system reform: [operating income] (7) [year]
- Impact of COVID-19: [revenues] (20) [operating income] (16) [year]
- Environment investments: [operating income] +5 [year]
- Real estate business: [operating income] +11 [year]
- HQ relocation expenses: [operating income] +11 [Oct-Dec]

2 The Americas Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	1,165	1,097	67	6.2
Operating income*	64 [5.5]	65 [5.9]	(1)	(2.0)

Overview

We forecast an increase in revenues due to the recovery of cargo movement in the automotive industry and the ongoing impact of port congestion on the west coast of the U.S. However, we expect profit to flat year on year due to the impact of labor shortages and higher costs stemming from rising oil prices.

Special Factor

- Impact of foreign exchange (weaker yen): [revenues] +50 [year]
[operating income] +3 [year]

II. -E Segment Overview for Fiscal Year Ending December 2022 (Converted 12-Month Basis)

3 Europe Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	1,857	1,653	203	12.3
Operating income*	86 [4.6]	76 [4.6]	9	11.9

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

Overview

Volume for automobile- and pharmaceutical-related products should remain strong. We expect automobile- and railway utilization business-related results to exceed previous year. We project an increase in revenues and profits as we continue to control costs.

Special Factor

· Impact of foreign exchange (weaker yen):
[revenues] +8 [year]
[operating income] +0 [year]

4 East Asia Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	2,295	2,247	47	2.1
Operating income*	88 [3.8]	83 [3.7]	4	5.3

Overview

We forecast continued soaring freight rates for air and ocean freight forwarding businesses, resulting in increased revenues for air and ocean freight forwarding, automobile-related, and the warehousing and distribution business. While there will be a rebound from the allowance for doubtful accounts recorded in the previous year, we expect a slight increase in profit due to the impact of a negative rebound from spot business performance in the previous year.

Special Factor

· Impact of foreign exchange (weaker yen):
[revenues] +112 [year]
[operating income] +4 [year]
· Rebound from allowance for doubtful accounts:
[operating income] +12 [Jul-Sep]

II. -E Segment Overview for Fiscal Year Ending December 2022 (Converted 12-Month Basis)

5 South Asia & Oceania Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	1,819	1,863	(44)	(2.4)
Operating income*	142 [7.8]	166 [9.0]	(24)	(15.0)

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

Overview

We expect a recovery in warehousing and distribution processing and automobile transportation. We forecast revenues and profits to decrease due to the impact of a negative rebound in volume, attributable to the prior-year increase after October lockdown cancellations.

Special Factor

· Impact of foreign exchange (weaker yen):

[revenues] +48 [year]
[operating income] +3 [year]

6 Security Transportation Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	690	688	1	0.3
Operating income*	3 [0.4]	(1) [(0.2)]	4	—

Overview

We expect revenues to increase due to new business, etc. Profits should also increase due to cost reductions, mainly in personnel expenses.

Special Factor

· Impact of fuel unit cost:

[operating income] (2) [year]

· Cost increase associated with employee system reform:

[operating income] (0) [year]

· Impact of COVID-19:

[revenues] +1 [year]
[operating income] +1 [year]

II. -E Segment Overview for Fiscal Year Ending December 2022 (Converted 12-Month Basis)

7 Heavy Haulage & Construction Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	485	453	31	7.0
Operating income*	60 [12.4]	59 [13.2]	0	0.5

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

Overview

We expect plant maintenance and wind power-related construction to be the major drivers of results. Revenues should increase year on year for plant construction, factory equipment, and IT equipment work.

Special Factor

- Decrease in fuel unit cost: [operating income] (0) [year]
- Cost decrease associated with the employee system reform: [operating income] +0 [year]
- Impact of COVID-19: [revenues] +10 [year]
[operating income] +2 [year]

8 Logistics Support Segment

Full-Year Forecast

Item	FY2022	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	3,758	3,934	(176)	(4.5)
Operating income*	118 [3.1]	129 [3.3]	(11)	(8.6)

Overview

Although we expect revenues in the LS business segment and logistics equipment to be strong, the impact of the spin-off of our leasing business and changes in revenue recognition standards will remain, likely driving revenue and profit lower.

Special Factor

- Cost increase associated with the employee system reform: [operating income] (0) [year]
- Impact of revenue recognition standard: [revenues] (125) [Jan-Mar]
- Impact of Leasing Business Spin-Off: [revenues] (175) [Jan-Mar]
- Allowances: [operating income] +7 [Jul-Dec]
- Impact of COVID-19: [revenues] +7 [year]
[operating income] +2 [year]

III. Challenges of the Business Plan (Results)

III. Challenges of the Business Plan (Results)

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

Item Revenues	Japan*1					Overseas				
	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)
Electric and Electronics Industry	¥112.3 billion	¥94.3 billion	19%	¥97.0 billion	16%	¥186.5 billion	¥135.2 billion	38%	¥137.5 billion	36%
Automotive Industry	¥85.4 billion	¥62.5 billion	37%	¥74.0 billion	15%	¥108.1 billion	¥69.7 billion	55%	¥85.0 billion	27%
Apparel Industry	¥15.5 billion	¥16.5 billion	(6%)	¥16.5 billion	(6%)	¥78.7 billion	¥53.1 billion	48%	¥55.0 billion	43%
Pharmaceutical/Medical Industry	¥15.9 billion	¥14.4 billion	10%	¥15.0 billion	6%	¥24.1 billion	¥13.3 billion	81%	¥18.5 billion	30%
Semiconductor-Related Industries	¥28.5 billion	¥19.2 billion	48%	¥21.5 billion	32%	¥16.7 billion	¥9.4 billion	79%	¥11.0 billion	52%

Item	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)	FY2021 Business Plan Interim Targets	Vs. Interim Target (%)
Ocean forwarding business*2	750,000 TEU	660,000 TEU	13%	860,000 TEU	(13%)	1,000,000 TEU	75%
Air forwarding business*2	970,000 t	720,000 t	35%	865,000 t	12%	1,200,000 t	81%

Item Revenues	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)
Non-Japanese Customer Accounts (GAM + GTA*3)	¥74.1 billion	¥40.6 billion	82%

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

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

○ Ocean and air freight forwarding summary and outlook

Ocean and air freight forwarding volume increased year on year; however, even though air forwarding met our 2021 forecast, ocean forwarding underperformed due to container shortages.

While consumption in Europe and the U.S expanded, the gap between supply and demand widened in our ocean forwarding business due to port congestion and schedule delays. At the same time, freight rates continued to soar. In addition, shipment volumes have struggled due to the inability of vessels to operate on schedule. We are seeing no signs that the shortage of ocean containers will be resolved in the near future, and we expect the current supply-demand environment to continue in 2022.

In response to these circumstances, the Company is developing a system to manage real-time information centrally, including information related to the number of vessels waiting offshore and the status of overdue cargo at ports and transcontinental railroads in the U.S., Europe and other countries. We are planning to make this information available digitally within the year. In addition, we plan to move the functions of and fully launch our Global NVOCC Center (GNC) to Singapore in April this year. We will focus on securing space through the GNC, leveraging the Siberian Land Bridge and China Land Bridge through a combination of ocean and railway transportation. In this way, we will utilize our global network a business focus approach that demonstrates our ability to practice logistics that do not stop supply chains as we strive to strengthen our control structure for logistics as a whole.

Air forwarding cargo movement of electrical appliances, electronics, and consumer goods air forwarding from Asia to North America, etc., has been firm. However, the supply of space has not been able to keep up with the high transportation demand.

With the strengthening of border control measures in response to the Omicron variant and prolonged closures in China, etc., the IATA reported a December 2021 increase of 9.4% in international air freight volume in compared with 2019 and a decrease in space supply of 6.5%. This gap in supply versus demand is likely to continue, and will take some time to close. Under these circumstances, it has been reported that 2022 international air freight volume will increase 5.4% compared with 2021, and air forwarding air forwarding is expected to remain strong in the second half of 2022 and beyond.

From the perspective of stable supply, we began regular charter flights between Japan and North America twice weekly since January this year, providing space to customers in Japan and other Asian countries. We will continue to focus on securing space to keep supply chains uninterrupted, but at the same time, we believe it is important to control space in accordance with changes in supply and demand. We must secure about 70% of the space in relation to the forecast by industry, leaving 30% for flexibility to meet market changes. We intend to secure stable space through the best mix of medium- to long-term and short-term contracts with carriers.

In addition, customers are working to optimize cost and speed based on assumptions of tight supply and demand. Urgent cargo requires space capacity and speed. On the other hand, commercial goods with ample lead times and that have been switched from ocean vessels call for cost-focused logistics services. To meet these various expectations, we endeavor to develop services from the perspective of the customer by creating combined SEA&AIR products through Japan.

III. Challenges of the Business Plan (Results)

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

Item Revenues	Japan*1					Overseas				
	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)
Electric and Electronics Industry	¥112.3 billion	¥94.3 billion	19%	¥97.0 billion	16%	¥186.5 billion	¥135.2 billion	38%	¥137.5 billion	36%
Automotive Industry	¥85.4 billion	¥62.5 billion	37%	¥74.0 billion	15%	¥108.1 billion	¥69.7 billion	55%	¥85.0 billion	27%
Apparel Industry	¥15.5 billion	¥16.5 billion	(6%)	¥16.5 billion	(6%)	¥78.7 billion	¥53.1 billion	48%	¥55.0 billion	43%
Pharmaceutical/Medical Industry	¥15.9 billion	¥14.4 billion	10%	¥15.0 billion	6%	¥24.1 billion	¥13.3 billion	81%	¥18.5 billion	30%
Semiconductor-Related Industries	¥28.5 billion	¥19.2 billion	48%	¥21.5 billion	32%	¥16.7 billion	¥9.4 billion	79%	¥11.0 billion	52%

Item	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)	2021 Jan-Dec Forecast	Vs. Forecast (%)	FY2021 Business Plan Interim Targets	Vs. Interim Target (%)
Ocean forwarding business*2	750,000 TEU	660,000 TEU	13%	860,000 TEU	(13%)	1,000,000 TEU	75%
Air forwarding business*2	970,000 t	720,000 t	35%	865,000 t	12%	1,200,000 t	81%

Item Revenues	2021 Jan-Dec Results	2020 Jan-Dec Results	Difference (%)
Non-Japanese Customer Accounts (GAM + GTA*3)	¥74.1 billion	¥40.6 billion	82%

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

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

○Initiatives in key industries

Amid the recovery in the global economy, we captured logistics needs in an accurate manner, including air cargo transportation demand in the automotive and electric and electronics industries. As a result, we exceeded the previous year's level and achieved our forecast for 2021, with the exception of the domestic Apparel Industry.

The timing of switchovers to customer facilities at the warehouses of our major customers was a negative factor in domestic Apparel Industry performance.

III. Challenges of the Business Plan (Results)

B Sales by Business: FYE December 2021 (Apr-Dec, Cumulative)

Nippon Express Co., Ltd. Results by Business	Results	Difference		Difference (%)	
		Vs. FY2020	Vs. FY2019	Vs. FY2020	Vs. FY2019
Railway utilization business	51,210	(2,170)	(7,426)	(4.1)	(12.7)
Small-lot shipment business	30,925	(576)	(2,707)	(1.8)	(8.0)
Chartered Truck business	136,457	(519)	(8,740)	(0.4)	(6.0)
Marine transportation business	106,796	40,635	33,075	61.4	44.9
Harbor transportation business	51,823	5,740	(569)	12.5	(1.1)
Air transportation business	221,027	73,822	85,555	50.1	63.2
Warehousing and storage business	109,674	4,738	4,759	4.5	4.5
In-factory business	44,008	3,863	5,790	9.6	15.2
Moving and relocation business	34,598	2,390	(7,646)	7.4	(18.1)
Other	152,130	(6,350)	(10,377)	(4.0)	(6.4)
Total	938,653	121,574	91,711	14.9	10.8

International Logistics/Exports	Results	Difference		Difference (%)	
		Vs. FY2020	Vs. FY2019	Vs. FY2020	Vs. FY2019
Ocean transportation (export)	71,820	31,464	23,718	79.0	49.9
Air transportation (export)	145,829	70,375	84,671	93.3	138.4

Domestic Business

- The first quarter saw a positive rebound from increase for FY2020. However, in the second quarter onward, transportation volume did not grow, mainly due to semiconductor shortages and the repeated extensions of declarations of emergency in connection with the reemergence of infections. These factors combined to cause a decrease in revenue for railway-, small-lot shipment-, and automobile-related performance, even in comparison with FY2020 results.

Railway Utilization Business

- Through the first quarter, the business was on a recovery track from the impact of COVID-19 in the previous year. However, in August, torrential rains and the impact of automobile industry production cutbacks due to semiconductor shortages continued through the third quarter, resulting in lower revenues.

Small-Lot Shipment Business

- Revenues were trending toward a recovery through the first quarter. In the second quarter onward, revenues declined due to a decrease in automobile-related volume stemming from bottlenecks in the supply chain.

Chartered Truck Business

- Although steel-related goods are recovering, agricultural and electric machinery-related goods declined, leading to an overall decrease in revenue.

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, revenues increased significantly due to a recovery in steel industry production.

Moving and Relocation Business

- While revenues increased year on year due to a positive rebound in international moving service, domestic moving and relocation continued suffer a decline in corporate demand due to COVID-19, leading to a revenue decrease compared with fiscal 2019.

International Logistics

- Volume for both imports and exports increased. Revenues increased due to the continued high level of freight rates.

The table below shows our non-consolidated revenue by business segment for the fiscal year ended December 31, 2021. The ocean and air forwarding businesses rose significantly with strong international logistics. However, the recovery in domestic business was limited, and results overall have not returned to pre-COVID-19 levels. The spread of infections, semiconductor shortages, and poor harvests of agricultural products in Hokkaido were the main factors hampering performance; however, cargo movement has been recovering to a certain degree since October. While we expect the transaction volume to increase in the future, many uncertain factors remain, including the spread of the Omicron variant. We understand that the situation will remain unpredictable.

III. Challenges of the Business Plan (Results)

B 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

- Revenues increased for fiscal year ended December 2021 (+14.9% year on year); outsourcing cost ratio decreased 2.9 points
- Improved utilization rate of company-owned vehicles (+2.1 points year on year) through ongoing implementation of vehicle matching to maximize the use of daily workforce
- Continued to maintain cost controls and increased profit throughout the volume recovery phase

II. Improve Productivity

- ◆ Raise Overall Level of Warehouse Operations

- As a result of pursuing improved levels of operations at 435 locations, we achieved company-wide targets across all locations
- Implemented Logistics Boot Camp, a core human resources development program, to promote productivity improvement in warehouse operations
- Established the Logistics Division in October 2021

- ◆ Automate, Streamline Office Work

- Continued to streamline work site tasks via RPA
- Generated 37,743 hours in 241 operations as of the end of 2021; expanded the number of hours generated at an accelerated rate through the horizontal deployment of programs created
- Trained approximately 677 employees via e-learning and add/strengthen leaders through December 2021

III. Deepen Integration of Land, Sea, and Air

- ◆ Pursue cross-mode sales

- Pursuing top-line growth by expanding transactions with existing customers through delving deeper into sales across land, sea, and air modes.

IV. Strengthen Network Transportation Products

- ◆ Increased sales of Protect BOX

- Refreshed the Protect BOX business in April 2021
Cumulative sales: 18,415 units (+92.9% YoY)

- ◆ Increased sales of domestic air and railroad containers

- Volume of Sea&Rail, a decarbonized and BCP-compliant long-distance transportation product, rose +5.8% year on year

- ◆ Structural Reform of the Moving & Relocation Business

- As a result of our efforts to improve quality in every aspect, we were selected as the No. 1 moving company in a customer satisfaction survey conducted by Oricon.
- Wider acceptance of *Remomi* (remote quotation system)

- ◆ Strengthen and Pursue Arrow Delivery Business

- Improved profitability by optimizing and streamlining operations, improving load factors, reducing outsourcing costs, etc.

- ◆ Eco-Trans Navi, a tool for decarbonized transportation

- Introduced *Eco-Trans Navi*, a sales tool to support companies in their efforts to achieve decarbonized businesses
- A tool that calculates and compares the CO₂ emissions of each transportation mode based on past transportation results, etc. The tool then suggests the most environmentally friendly transportation method in the form of a report and specific figures

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

Under these circumstances, we are pursuing a variety of initiatives to enhance our domestic businesses in Japan. The following is a list of major initiatives.

First, I want to discuss how we intend to improve profits. We have been working to reduce outsourcing costs since last year. Our outsourcing cost ratio decreased 2.9 points compared with the previous year, even as our total revenue increased 14.9%. We also increased the utilization rate of company-owned vehicles by +2.1 points compared with the previous fiscal year as a result of stronger efforts that included vehicle matching to maximize the use of our daily workforce. We will continue to pursue cost controls, particularly during the cargo movement recovery phase.

Our presentation materials describe the results we achieved to improve productivity, to integrate land, sea, and air, and to strengthen our network transportation products.

We improved productivity by raising the overall level of warehouse operations at 435 locations. As a result, we achieved company-wide targets across all locations, and we are beginning to see improvements in quality and work efficiency as we strive to continue leveling up.

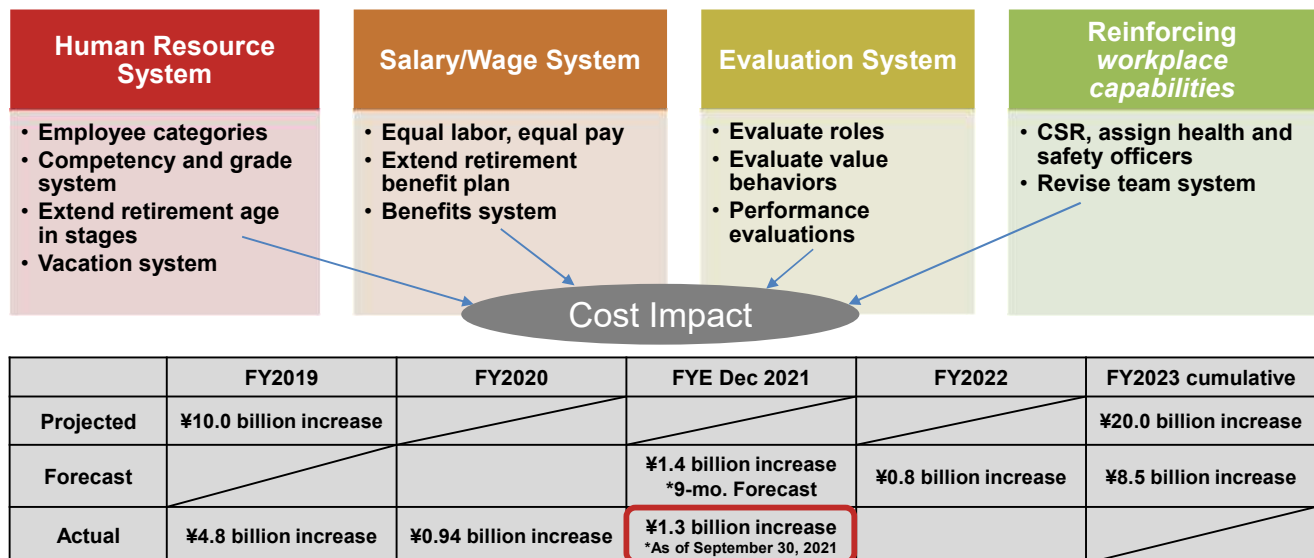
Sales of Protect BOX and other network transportation products have nearly doubled year on year, and the products have been well received by our customers.

In November last year, we unveiled Eco-Trans Navi. This product is a further evolution of our services, allowing customers to search for the optimal domestic transportation mode in line with changing responses to CO₂ emissions.

We use past customer transportation data to calculate and visualize the total CO₂ emissions for current transportation modes when using our company compared with transportation modes using rail, ocean, and other means that are more environmentally friendly. We believe that this service meets the demands of the times and takes advantage of our strengths as a comprehensive logistics provider.

III. Challenges of the Business Plan (Results)

C Progress in FYE December 2021 Back Office Cost Reductions (as of December 31, 2021)



This slide shows the status of cost increases related employee system reform. The impact on FY 3/2021 was an increase of 1.3 billion yen, which was almost in line with our expectations. We have made a trial calculation of costs expected in the future, and we estimate the cumulative total for the period from FY 3/2019 to FY 12/2023 to increase 8.5 billion yen.

III. Challenges of the Business Plan (Results)

C Progress in FYE December 2021 Back Office Cost Reductions (as of December 31, 2021)

Enhancing Japanese Domestic Businesses	FY2023 Targets	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE December 2021 Results (Apr-Dec) [YoY]	FYE December 2021 Cumulative	FY2022 Target [YoY]	FY2022 Cumulative
Further reorganization of organizations/ streamlining of administrative departments	-¥4.5 billion [-500 employees]	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	-¥3.37 billion [-375 employees]	-¥0.36 billion [-40 employees]	-¥3.73 billion [-415 employees]
		Reassign HQ employees	—	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]			
Back office process reform	-¥5.0 billion	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	-¥2.96 billion	-¥0.69 billion	-¥4.55 billion
		Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.20 billion		-¥0.90 billion	
Total	-¥9.5 billion	Total	-¥2.05 billion	-¥4.58 billion	+¥0.31 billion	-¥6.33 billion	-¥1.95 billion	-¥8.28 billion

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

We consider 2021 to be a year in which we raise effectiveness company-wide, firmly establishing the new systems implemented during 2020 to consolidate and streamline the management of our organizations by reassigning back office personnel in branch offices and personnel in our head office. We intend to continue our pursuit of these efforts.

In terms of back office process reform for the April-December period, overtime increased 5.5 billion yen, mainly due to the recovery in transaction volume. Personnel dispatch costs decreased by only ¥0.2 billion this fiscal year, as the impact of revisions implemented last year have run their course.

On the other hand, reducing the administrative burden at the work site by centralizing office work through RPA and the Shared Service Center has curbed the increase in overtime costs, resulting in a cumulative reduction of about ¥1.9 billion in overtime work since 2019.

As a result of the preceding, the cumulative reduction in indirect costs since fiscal FY 3/2019 has amounted to 6.33 billion yen as of the end of FY 3/2021, which is 66.6% toward our target of 9.5 billion yen.

We conducted a review of our business plan, and based on our progress to date, we decided to leave our target of 9.5 billion yen unchanged. We will continue aiming for this target through measures that include the consolidation of administrative work at integrated locations productivity improvements through greater pursuit of paperless operations.

III. Challenges of the Business Plan (Results)

C Pursuing RPA

Why Adopt RPA?

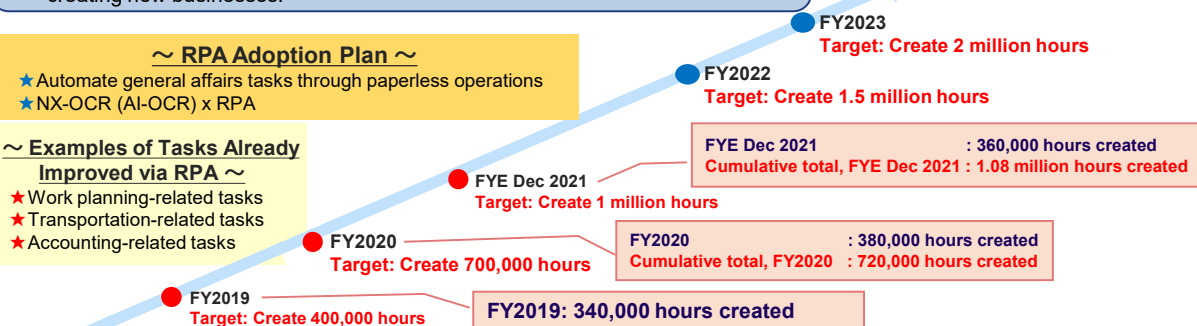
To create more time for more value-added tasks, such as creative planning and sales activities.
 ⇒ **Improve productivity and quality, reduce costs, and foster the potential** of creating new businesses.

~ RPA Adoption Plan ~

- ★ Automate general affairs tasks through paperless operations
- ★ NX-OCR (AI-OCR) x RPA

~ Examples of Tasks Already Improved via RPA ~

- ★ Work planning-related tasks
- ★ Transportation-related tasks
- ★ Accounting-related tasks

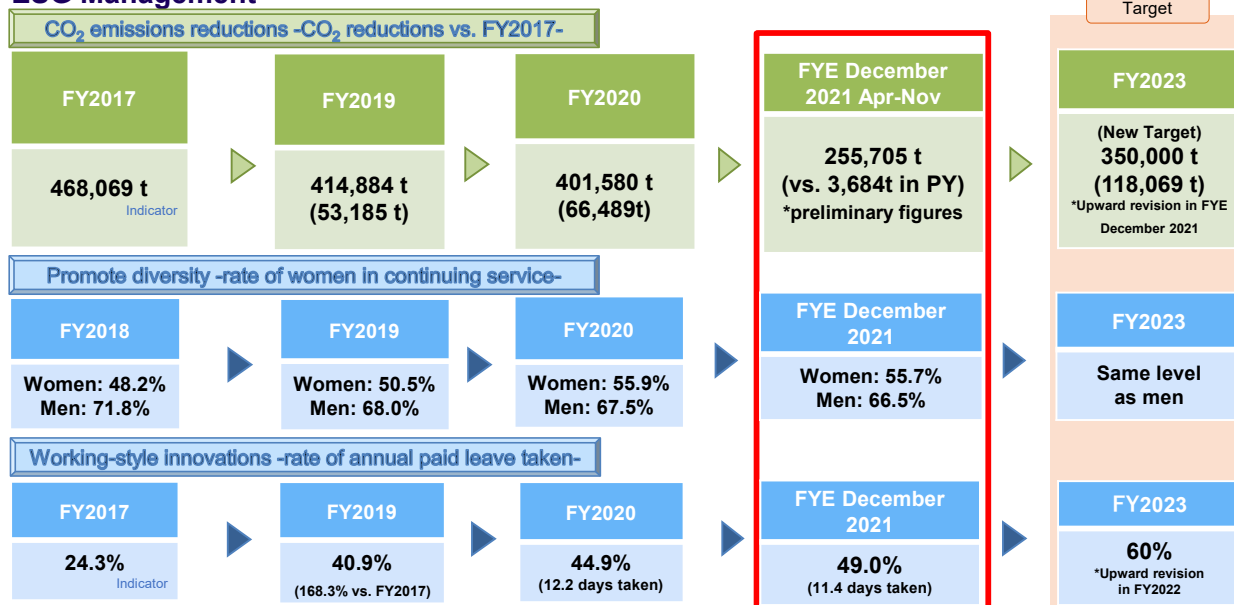


Measures to Promote RPA Adoption

- (1) Have RPA masters identify of new projects and encourage horizontal adoption
- (2) Have RPA masters follow-up on improvement activities
- (3) Utilize various technologies such as NX-OCR (AI-OCR), voice recognition, and natural language processing
- (4) Support RPA development at group companies in Japan and overseas

III. Challenges of the Business Plan (Results)

C ESG Management



We engage in ESG management for sustainable growth and to improve corporate value. In this regard, we have already achieved results in work-style reform and in reducing CO₂ emissions. With the transition to a holding company structure, we are working to establish a system to pursue sustainability, including climate change, with more vigor throughout the group.

We recognize that stakeholders are making demands of companies to engage in qualitative change with respect to sustainability, and that we must prepare to engage in further transformation. We intend to align the medium- and long-term goals of the group as a whole, including goals and issues for becoming carbon neutral by 2050, and reflect these goals in our next business plan.

IV. NX Group Business Plan 2023 Revisions

IV. NX Group Business Plan 2023 Revisions

Business Plan Progress to Date

Major Initiatives Implemented Between FY2019 and FYE Dec 2021

NX Group Business Plan 2023 Overview

Growth Strategy for Core Businesses

Customer-Oriented Approach

- Expanded business with non-Japanese customers through account management, GAM/GTA initiatives, etc.
- Expanded volume in key industries (particularly in mobility and semiconductors)
- Endeavored in the pharmaceuticals/medical business (developed pharmaceutical centers, acquired MDL in the U.S., and obtained GDP certification in various parts of the world)

Business-Oriented Approach

- Established a global purchasing system by establishing the Global NVOCC Center (GNC)
- Growth in forwarding volume (70,000 TEU ocean freight and 70,000 tons air freight increase compared to March 2019, before the COVID-19 pandemic)

Area-Oriented Approach

- Steady growth in Overseas Business

Strategy to Enhance Domestic Businesses in Japan

Improve the Profitability of Specialized Businesses

- Consideration of spinning off the security transportation business (spin-off scheduled for January 2023)
- Real estate development business growth

Improved Business and Administrative Productivity

- Consolidated branches and streamlined of administrative organizations (March 2018: 54 specified branches ⇒ Jan. 2021: 31 specified branches)
- Expanded accounting SSC operations; initiatives for payroll SSC operations

Dramatic Reform of Low-Profit Businesses

- Transferred Seikan ferry business · Transferred driving school business · Liquidated travel business

Efforts to Implement Our Long-Term Vision

Inorganic Growth Strategy

- Strengthened pharmaceutical logistics business through the acquisition of MDL (U.S.)
- Nittsu Shoji (currently NX Shoji) shifted leasing business to off-balance sheet
- Established mechanism to liquidize logistics real estate

ESG Management for Sustainable Growth and Corporate Value Enhancement

- Work-style reforms (telework, easing of dress code, paperless operations, no assigned seating, organizational culture reform (call co-workers by name rather than by title), etc.)
- Employee system reform · Equal pay for equal labor across the group
- Group management structure · Stronger group governance (transition to holding company structure, integrated risk management structure)

Reinforcing Functions to Support Challenges

- Adopted Microsoft Office365 to reform communications (allows for telework, operations continuity during the COVID-19 pandemic)
- Secured human resources through professional recruitment (mid-career hiring)
- Introduced Group brand and launched new brand strategy initiatives

Steady Results Over the Past Three Years

As a general assessment of our progress, we recognize that we have achieved steady results over the past three years in pursuit of growth strategy for our core businesses, strategy to enhance domestic businesses in Japan, and efforts to implement our long-term vision. These are the main components of the initiatives described in our business plan. Our assumption that the Japanese logistics market will continue to contract has not changed. We will continue to pursue our long-term vision of becoming a logistics company with a strong presence in the global market by pursuing a three-axis approach (customer (industry) focus, business focus, and area focus), by utilizing M&A, and by improving profitability in Japan.

IV. NX Group Business Plan 2023 Revisions

Business Plan Progress KPIs

*1: Pro forma basis *2: Financial results for April to December 2021

		FY2018			FYE December 2021 Interim Target			FYE December 2021 Results		
Revenues		¥2,138.5 billion			¥2,250.0 billion			¥2,337.1 billion *1		
Operating income		¥79.5 billion			¥83.0 billion			¥97.0 billion *1		
Operating income margin		3.7%			3.7%			4.2% *1		
Net income		¥49.3 billion			¥54.0 billion			¥66.1 billion *1		
Overseas sales		¥427.9 billion			¥520.0 billion			¥686.1 billion *1		
ROE		9.2%			9.0%			8.9% *2		
Forwarding volume		Ocean 680,000 TEU/Air 900,000 t			Ocean 1,000,000 TEU/Air 1,200,000 t			Ocean 750,000 TEU/Air 970,000 t *1		
Progress by Segment		Revenues	Operating income	Operating income margin	Revenues	Operating income	Operating income margin	Revenues	Operating income	Operating income margin
Logistics	Japan	¥1,256.8 billion	¥55.9 billion	4.4%	¥1,300.0 billion	¥52.0 billion	4.0%	¥1,338.2 billion	¥54.6 billion	4.1%
	Americas	¥98.6 billion	¥4.2 billion	4.3%	¥120.0 billion	¥6.2 billion	5.2%	¥109.7 billion	¥6.5 billion	5.9%
	Europe	¥114.8 billion	¥2.2 billion	1.9%	¥135.0 billion	¥4.6 billion	3.4%	¥165.3 billion	¥7.6 billion	4.6%
	East Asia	¥122.7 billion	¥3.0 billion	2.4%	¥150.0 billion	¥4.1 billion	2.7%	¥224.7 billion	¥8.3 billion	3.7%
	South Asia & Oceania	¥91.8 billion	¥3.7 billion	4.0%	¥115.0 billion	¥5.1 billion	4.4%	¥186.3 billion	¥16.6 billion	9.0%
Heavy haulage & construction		¥47.7 billion	¥4.5 billion	9.4%	¥50.0 billion	¥4.0 billion	8.0%	¥45.3 billion	¥5.9 billion	13.2%
Security Transportation		¥72.6 billion	¥1.2 billion	1.7%	¥75.0 billion	¥0.3 billion	0.4%	¥68.8 billion	¥(0.1) billion	(0.2%)
Logistics Support		¥483.9 billion	¥12.7 billion	2.6%	¥505.0 billion	¥12.7 billion	2.5%	¥393.4 billion	¥12.9 billion	3.3%

IV. NX Group Business Plan 2023 Revisions

KPIs

		FY2023 Targets (Initial)			FY2023 Targets (Revised)		
Revenues		¥2,400.0 billion			¥2,400.0 billion		
Operating income		¥100.0 billion			¥110.0 billion [+¥10.0 billion]		
Operating income margin		4.2%			4.6% [+0.4%]		
Net income		¥63.0 billion			¥72.0 billion [+¥9.0 billion]		
Overseas sales		¥600.0 billion			¥720.0 billion [+¥120.0 billion]		
ROE		10.0%			10.0%		
Forwarding volume		Ocean 1,300,000 TEU/Air 1,400,000 t			Ocean 1,100,000 TEU/Air 1,200,000 t		
Targets by Segment		Revenues	Operating income	Operating income margin	Revenues	Operating income	Operating income margin
Logistics	Japan	¥1,340.0 billion	¥62.0 billion	4.6%	¥1,373.0 billion	¥65.8 billion	4.8%
	Americas	¥135.0 billion	¥7.2 billion	5.3%	¥121.0 billion	¥7.2 billion	6.0%
	Europe	¥160.0 billion	¥6.4 billion	4.0%	¥186.0 billion	¥8.7 billion	4.7%
	East Asia	¥170.0 billion	¥5.1 billion	3.0%	¥231.0 billion	¥8.9 billion	3.9%
	South Asia & Oceania	¥135.0 billion	¥6.3 billion	4.7%	¥182.0 billion	¥14.2 billion	7.8%
Heavy haulage & construction		¥54.0 billion	¥4.5 billion	8.3%	¥53.0 billion	¥6.1 billion	11.5%
Security Transportation		¥76.0 billion	¥1.1 billion	1.4%	¥69.0 billion	¥1.1 billion	1.6%
Logistics Support		¥530.0 billion	¥14.4 billion	2.7%	¥382.0 billion	¥12.0 billion	3.1%

Next, I will address our numerical key performance indicators.

The revised targets for each item are as described in the presentation materials. Our assumption is that the current supply-demand environment will continue in 2022 for the ocean and air forwarding businesses, and that the tight supply-demand situation will ease gradually. However, we assume that the impact of this situation will remain throughout 2023. On the other hand, we expect the domestic business to recover gradually from the impact of the pandemic. In general, the domestic business should absorb the likely negative rebound in the forwarding business. Based on these assumptions, we forecast 2022 revenues of 2,360.0 billion yen. Our target for 2023 remains unchanged at approximately the same level of 2,400.0 billion yen. We did, however, revise overseas revenues upward to 720.0 billion yen based on the progress of our businesses.

Next, we have set an operating income forecast for 2022 of 100 billion yen.

In addition to the expansion of transaction volume for the semiconductor industry, the high level of investments in projects such as our group accounting infrastructure are almost complete. We will then enter a stage in which we see the benefits of these investments, leading to lower costs. We expect revenues to remain at nearly the same level, while revising our operating income target upward by 10 billion yen to 110 billion yen.

As a result, we revised operating income margin from 4.2% to 4.6% and have set a net income forecast of 72.0 billion yen.

With regard to dividend policy, we will continue to maintain a dividend payout ratio of 30% or more and a total return ratio of 50% or more.

Our ROE forecast will remain unchanged at 10%, based on a trial calculation of net income and dividend plans.

In addition to reviewing our numerical key performance indicators, the Company reviewed forwarding volume targets, etc. The results are summarized on pages 49 and 51.

IV. NX Group Business Plan 2023 Revisions

Direction Forward for Business Plan Review

No major changes will be made to the plan; we will continue to work toward achieving our long-term vision.

FY2022 - FY2023

Numerical Targets

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

NX Group Business Plan 2023 Overview

Growth Strategy for Core Businesses

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

Strategy to Enhance Domestic Businesses in Japan

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

Efforts to Implement Our Long-Term Vision

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

Birth of the NX Group Accelerate Reform Through a Holding Company Structure

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

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

Direction Forward for Business Plan Review

One of the main reasons behind the decision to shift to a holding company structure was the need to create a structure that facilitated business restructuring through M&A. However, having completed the interim period of our business plan, we confirmed the challenges in achieving our long-term vision through organic efforts alone. Therefore, it is essential that we proceed with M&A activities with respect to overseas logistics companies.

As Day 1 in our transition to a holding company structure, our first focus was on a soft landing. Our goal for Day 2, the second phase of reorganization, is to accelerate the transformation under the holding company structure assuming growth via M&A. In this way, we will continue to pursue reorganization into a structure capable of global growth and stronger group management.

Our presentation materials cover future measures, but we believe that the faster the speed of transformation, the better. We will implement these measures over time, beginning with the matters that are ready.

We have already embarked on our transformation, and we consider the reorganization of group businesses to be the most important matter with respect to a review of our business portfolio.

Specifically, we are considering the reorganization of the real estate and logistics finance businesses. At the same time, we believe that the even more important topic for the future is the reorganization of our business in Japan.

In terms of direction, we believe we must begin expanding our businesses globally, while concentrating management resources on the Tokyo, Nagoya, and Osaka regions, rebuilding structures tailored to the characteristics of each area. At the same time, we must plan how to strengthen our automobile and coastal shipping network transportation products, making them function better.

To proceed with these plans, we will focus on the business and structure of Nippon Express as an operating company. But we remain conscious of the need to speed up the process and hope to have a clear idea of the reforms necessary during the span of the current business plan.

To strengthen governance, we are preparing to integrate the global business execution functions that are currently dispersed across different organizational layers. We will consolidate these functions into a global headquarters by July. We also plan to establish a system to pursue and control global businesses across five regions: Japan, the Americas, Europe, East Asia, and South Asia and Oceania. In so doing, we aim to accelerate the growth of our global business and strengthen global governance.

With the launch of the holding company structure, we believe we have established the general framework for building the structure we have been preparing for the past three years, assuming growth via M&A. We are in the process of exploring specific M&A projects from various perspectives. I believe that the biggest consideration in achieving our current business plan and long-term vision is how to incorporate M&A strategies to raise top line revenues as we proceed with the transformation under the holding company structure.

Today, we announced our decision to spin off the security transportation business by January next year. We intend to raise our level of expertise further, strengthen our competitiveness, create services required by the times, and pursue structural reform to develop sustainably as an independent business.

IV. NX Group Business Plan 2023 Revisions

Direction Forward for Business Plan Review

No major changes will be made to the plan; we will continue to work toward achieving our long-term vision.

FY2022 - FY2023

Numerical Targets

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

NX Group Business Plan 2023 Overview

Growth Strategy for Core Businesses

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

Strategy to Enhance Domestic Businesses in Japan

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

Efforts to Implement Our Long-Term Vision

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

Birth of the NX Group Accelerate Reform Through a Holding Company Structure

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

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

○Our Growth Strategy for Our Core Businesses

We will continue to strengthen and expand on our efforts to date. As the global supply chain continues to change, customer needs for logistics are already changing. Supply chains must achieve stable supply, high quality, reasonable cost, and even CO2 reductions.

We believe that logistics is a means of providing solutions to these issues. And these solutions involve the use of all manner of transportation modes, networks, and IT systems to guide and design optimal solutions. To achieve our goal of becoming a logistics company with a strong presence in the global market, we at the NX Group determined to strengthen our logistics business in a comprehensive manner, based on a market-in approach.

○Strategy to Enhance Our Domestic Businesses in Japan

In terms of strategy to enhance domestic businesses in Japan and deal with indirect costs, we will continue to strengthen and expand on our existing initiatives. In addition, we believe that raising top line revenues in a shrinking market is an important topic. Our growth strategy for core businesses, including the Japanese market, represents our basic approach, but I want to mention two key strategies for the future.

First, we intend to gain a better understanding of the value perceptions of our customers consider in the supply chain, providing logistics solutions that offer value meeting these perceptions.

From this perspective, our first key strategy is to strengthen our market-in approach. At the same time, we must pursue structural reforms in each core transportation business to meet the various needs of our customers.

Second, we must strengthen our specialized transportation businesses. As part of this reorganization, we reorganized three divisions: Security Transportation, Fine Art, and Heavy Haulage & Construction. This reorganization takes advantage of the new holding company structure to raise the level of expertise in each business and to develop each as sustainable independent businesses. To ensure each business supports the growth of the NX Group and continues to develop in the future, we will reinforce and implement sales, organizational, human resources, and investment strategies based on a clear business vision. The goal of these two strategies is to win in the Japanese market, our mother market. We already launched the *NX Business Structural Reform Project*, and we aim to secure overwhelmingly strong position in our home country of Japan.

And while the with-COVID-19 economic situation in Japan remains challenging and clouds the future, we will work toward building an even stronger business in Japan.

IV. NX Group Business Plan 2023 Revisions

Growth Strategy for Core Businesses KPIs

Customer-Focused Approach (KPIs)

Growth Strategy of Core Businesses	Indicator	FYE December 2021 Results		FY2023 Target		FY2023 Targets (Revised)	
		Japan	Overseas	Japan	Overseas	Japan	Overseas
Electric and Electronics Industry	Revenues	¥112.3 billion	¥186.5 billion	¥120.0 billion	¥130.0 billion	→ (No change)	¥174.0 billion [+¥44.0 billion]
Automotive Industry	Revenues	¥85.4 billion	¥108.1 billion	¥110.0 billion	¥110.0 billion	→ (No change)	¥120.0 billion [+¥10.0 billion]
Apparel Industry	Revenues	¥15.5 billion	¥78.7 billion	¥24.5 billion	¥80.0 billion	¥20.0 billion [-¥4.5 billion]	→ (No change)
Pharmaceutical/Medical Industry	Revenues	¥15.9 billion	¥24.1 billion	¥36.0 billion	¥40.0 billion	¥30.0 billion [-¥6.0 billion]	→ (No change)
Semiconductor-Related Industry	Revenues	¥28.5 billion	¥16.7 billion	¥45.5 billion	¥15.0 billion	→ (No change)	¥20.0 billion [+¥5.0 billion]
Expand non-Japanese customers (GAM/GTA)	Revenues		¥74.1 billion		¥43.0 billion		¥86.9 billion [+¥43.9 billion]

Business-Oriented Approach (KPIs)

		USD 673 million	USD 391 million (¥110/USD)	USD 790 million (¥110/USD)
Ocean forwarding business	Volume (TEU)	750,000 TEU	1,300,000 TEU	1,100,000 TEU [-200,000 TEU]
Expand air forwarding business	Volume (t)	970,000 t	1,400,000 t	1,200,000 t [-200,000 t]

○Ocean and Air Freight Forwarding Business

The tight supply-demand situation in ocean forwarding has continued for an extended period of time, and even ship companies are having a difficult time supplying effective space. We expect it will be a challenge for us to secure space based on our volume strategy; Therefore, we will lower our final-year target to 1.1 million TEU.

Cargo demand for air forwarding in 2022 should be 13.2% higher than 2019 according to the IATA report. However, space supply will be lower, and the supply-demand situation will continue to be tight. Airlines are responding to COVID-19 while allocating aircraft and dealing with operating systems. Accordingly, we expect to see the continued impact of tight space, and we have made the decision to lower the target for the final year of our plan to 1.2 million tons.

While we intend to lower targets and extend our timing for target achievement due to space constraints for both ocean and air forwarding, we have made no changes in our basic volume strategy as provided in the business plan. We will deal with changes in the supply chain, while strengthening and expanding our forwarding businesses.

○Priority Industry Initiatives

Having conducted reviews, we decided to revise certain targets as described in the presentation materials.

These changes include a downward revision for targets in the Japanese pharmaceutical/medical industry. Due to price reductions, etc., pharmaceutical manufacturers are under pressure to reform pharmaceutical logistics, including cost reductions. The top priority at present is to deal with COVID-19, which has caused a delay in dealing with pharmaceutical logistics and bidding in earnest.

And while transportation activity increases for COVID-19 vaccines and related pharmaceuticals, logistics for other drugs is decreasing, which has had an impact on our plans. For this reason, we have decided to postpone the timing for achieving plan targets. At the same time, the needs for reform in logistics and responding to future GDP trends remain unchanged. We intend to expand our pharmaceutical/medical logistics business and revise business plans, being active in responding to bids and forwarding inquiries from overseas manufacturers who are more advanced in GDP.

The automotive industry entails shades of gray depending on the set manufacturer. However, manufacturers have been forced to reduce production due to semiconductor shortages and disruptions in ocean cargo transportation. Although the semiconductor shortage is beginning to resolve itself, and cargo movement should improve globally in 2022 onward as automobile production recovers, we do not expect a full recovery until 2023 or later.

IV. NX Group Business Plan 2023 Revisions

Growth Strategy for Core Businesses KPIs

Customer-Focused Approach (KPIs)

Growth Strategy of Core Businesses	Indicator	FYE December 2021 Results		FY2023 Target		FY2023 Targets (Revised)	
		Japan	Overseas	Japan	Overseas	Japan	Overseas
Electric and Electronics Industry	Revenues	¥112.3 billion	¥186.5 billion	¥120.0 billion	¥130.0 billion	→ (No change)	¥174.0 billion [+¥44.0 billion]
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Expand non-Japanese customers (GAM/GTA)	Revenues		¥74.1 billion		¥43.0 billion		¥86.9 billion [+¥43.9 billion]

Business-Oriented Approach (KPIs)

		USD 673 million	USD 391 million (¥110/USD)	USD 790 million (¥110/USD)
Ocean forwarding business	Volume (TEU)	750,000 TEU	1,300,000 TEU	1,100,000 TEU [-200,000 TEU]
Expand air forwarding business	Volume (t)	970,000 t	1,400,000 t	1,200,000 t [-200,000 t]

Given these circumstances, our basic strategy is to contribute to the increasingly complex supply chains of our customers through multi-functional warehouses positioned near customer manufacturing plants. These are known as "front-door warehouses." However, manufacturers have begun to reform their SCM, and many are considering the diversification of suppliers and local production for local consumption. The major appeal to this type of reform is the management of each component in the supply chain. We have received many inquiries about this kind of matter. We have already made specific proposals for offshore inventory and visualization of parts in front-door warehouses. We believe meeting the expectations of our customers from their perspective will enhance our capability and deepen relationships of trust as a business partner.

In addition, with the accelerated decarbonization of the automotive industry, automakers are working hard to develop technologies for becoming the de facto leader in this arena. In addition to understanding the overall trends in the automotive industry, we must also understand the global strategies of each manufacturer. We expect to center our strategy on procurement logistics to align with the shift to EV production that set manufacturers are making in Japan, China, and Europe, as well as dealing with global supply chains formed by suppliers, including EV-related manufacturers of batteries and motors.

As one example, we are currently focusing on Eastern Europe. Many Japanese suppliers have made inroads into Eastern Europe, becoming involved in the EV industry cluster there. We have established locations in Hungary, the Czech Republic, and Slovakia, opening a branch in Serbia in October last year. We have already initiated forwarding services to Japanese suppliers for the transportation of parts and materials from Japan and Asia. Plans and preparations are under way for the launch of procurement, on-site warehousing, and product delivery services in the region by 2023 as our next stage in expansion.

We are seeing a dramatic change in the world map for semiconductors in the semiconductor industry, with the U.S. and China at the center. We believe the focus of our strategy should be on the global development of U.S.-based semiconductor manufacturers and Taiwanese foundries, as well as the trend toward in-house manufacturing in China.

In particular, U.S. semiconductor manufacturers are expanding manufacturing locations and Taiwanese foundries are expected to set up factories in the U.S. state of Arizona. In November last year, we assembled a team of semiconductor industry experts in Arizona and expanded our sales structure. We plan to begin operations at a dedicated warehouse for semiconductors this year. We believe that the success or failure of this operation will be a touchstone for us regarding the expansion of semiconductor industry-related logistics on a global level. We already received informal consent from several Japanese and non-Japanese suppliers to perform forwarding services. We have also begun designing logistics services for factories to contribute end-to-end solutions to customer problems. In Japan, semiconductor industry manufacturers are planning to boost production. New fabrication plants are being built in Yokkaichi, Kumamoto, Kitakami, and other areas. Given these circumstances, we are currently handling semiconductor manufacturing equipment in the main. But we intend to take on the challenge of semiconductor production logistics, pursuing logistics related to semiconductor production in Japan as well as overseas. One challenge is to provide procurement logistics solutions between suppliers and manufacturers. Another is to improve the efficiency of logistics by improving in-facility logistics and by using front-door warehouses.

We have been making advancements in logistics planning, including related investments. In September this year, we will start operations at a 49,600 square meter warehouse in Yokkaichi, one of the major semiconductor manufacturing locations in Japan. From this operating base, we aim to expand the handling of in-facility logistics through the expertise found among our group companies. We intend to expand our semiconductor production logistics services in areas other than Yokkaichi through proposals from the perspective of the customer. These proposals will include investments to strengthen the semiconductor production structure in Japan. We believe that our integrated businesses in Japan will adapt changes in the industrial structure, and that we will successfully expand target industries to other advanced sectors.

IV. NX Group Business Plan 2023 Revisions

Strategy to Enhance Domestic Businesses in Japan

Business Plan Post-Revision



Strengthen Businesses by Spinning off the Security Transportation Business

Spin off business to shift from traditional cash transportation business to a cash logistics business.

Restructure Business Portfolios

Conduct further business portfolio restructuring after transition to a holding company structure

- ✓ Reorganize overlapping group businesses (logistics finance and real estate businesses)
- ✓ Pursue an optimal business portfolio for the NX Group

Etc.

Thorough dedication to improving profitability in order to solidify group management foundations

- We will also pursue and strengthen other strategies and measures without changing the plan

KPIs

	Indicator	FYE Dec 2021 Interim Targets	FYE Dec 2021 Results	FY2023 Targets (Initial)	FY2023 Targets
Further reorganization of organizations/ streamlining of administrative departments	Cost Reduction Effect	¥3.0 billion	¥3.37 billion	¥4.5 billion	In line with plan
Business Process Reform	Cost Reduction Effect	¥3.0 billion	¥2.96 billion	¥5.0 billion	In line with plan
Rate Revision	Profit Improvement Effect	¥3.0 billion	¥4.78 billion	¥5.0 billion	In line with plan
Improve Nippon Express Profitability	Cost Reduction Effect	¥2.0 billion	(Not calculated)	¥2.5 billion	Deleted from the list of KPIs*1

*1: In the beginning, we listed improvement figures for specific business areas. Today, we strive to improve the profitability of our businesses as a whole. Therefore, we decided to remove this indicator from KPIs in consideration of appropriateness.

IV. NX Group Business Plan 2023 Revisions

Efforts to Implement Our Long-Term Vision

Reinforce Functions to Support Challenges

IT Strategy Innovation

- Improve value provided to customers
- Achieve productivity improvements and work-style reform
- Develop infrastructure for group-wide optimization

R&D Innovation

- Strengthen the coordination of R&D functions within the group
- Streamline operations (automation and mechanization) and achieve labor savings
- Create new businesses through digitalization

Human Resources Strategy Innovation

- Develop executives capable of global management
- Secure and develop professionals

Public Relations Strategy Innovation

- Branding strategy to establish competitive advantage in the world
- Raise awareness of quality, competence, and achievements
- Improve name recognition overseas

Business Plan Post-Revision

Innovation Through Digital Transformation (DX)

Business Transformation and Innovation Through DX

- Increase efficiencies and management sophistication by digitizing routine operations
- Strengthen the strategic nature of and coordinate R&D functions within the group
- Leverage DX to provide innovative value and create new business domains

Public Relations Strategy Innovations

Develop a Branding Strategy Leverage the NX Group brand

- Formulate an NX Brand awareness strategy to establish competitive advantage in the world
- Link quality, products, and services; DX, and ESG management with marketing efforts
- Establish a global public relations system and strategies for cutting-edge media and overseas media

(Additional) Engage in Open Innovation Through Co-Creation With Outside Entities

Strengthen Businesses and Explore New Business Areas Through Co-Creation With Outside Entities

- Pursue co-creation with partner entities
- Co-create with start-up companies through investment in VC funds

- We will also pursue and strengthen other strategies and measures without changing the plan

IV. NX Group Business Plan 2023 Revisions

Efforts to Implement Our Long-Term Vision

ESG Management for Sustainable Growth and Corporate Value Enhancement



Business Plan Post-Revision



Additional: ESG Management Overall: Respond to Climate Change

KPI

E Environment	Indicator	Initial Target (FY2023)	FY2023 Target (Revised)
Reduce CO ₂ Emissions (Nippon Express Non-Consolidated)	Vs. 2013	10% reduction equivalent (440,069 tons in emissions)	30% reduction equivalent (350,000 tons in emissions)
S Social	Indicator	Initial Target (FY2023)	FY2023 Target (Revised)
Pursue Diversity	Annual paid vacation usage	Double vs. FY2017 (50%)	Usage rate 50% ⇒ Revised to 60%
	Rate of male employees taking childcare leave	*New KPI	Usage rate 40%

IV. NX Group Business Plan 2023 Revisions

Efforts to Implement Our Long-Term Vision

ESG Management for Sustainable Growth and Corporate Value Enhancement

Additional Measures for New Topics to be Addressed



Governance

Strengthening Global Group Governance Through Our Holding Company

Transition to a holding company structure to pursue and strengthen strategies for management resource procurement, appropriate management resource allocation, business portfolio strategy, and risk management

- Evolve global control functions (area control functions and global business control functions)
- Strengthen risk management and crisis management
- Strengthen business portfolio strategy and establish business portfolio management system
- Restructure group businesses
- Continue to improve corporate governance
- Strengthen group financial governance (through the use of ROIC)

IV. NX Group Business Plan 2023 Revisions

Efforts to Implement Our Long-Term Vision

ESG Management for Sustainable Growth and Corporate Value Enhancement KPIs

Capital Policies

Business Plan Post-Revision

	5-Year Cumulative through 2023 (Initial)	5-Year Cumulative through 2023 (Revised)
Operating CF	¥520.0 billion	¥520.0 billion
Investing CF	¥(360.0) billion	¥(180.0) billion
Free CF	¥160.0 billion	¥340.0 billion
Financing CF	¥(140.0) billion	¥(320.0) billion
Dividend	Dividend payout ratio: Over 30% Total return ratio: Over 50%	Per initial plan
Acquiring treasury shares		
Investment Area	Plan (5-Year Cumulative) (Initial)	Plan (5-Year Cumulative Total)
Equipment	¥360.0 billion	Per initial plan
IT	¥40.0 billion	Per initial plan
Vehicles	¥50.0 billion	Per initial plan
Group Total	¥450.0 billion	Per initial plan

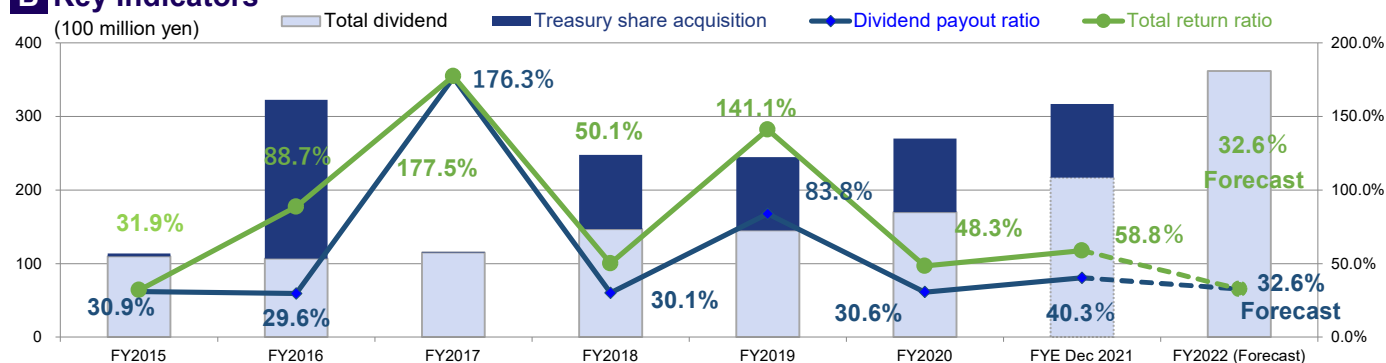
Note, however, that the Company may engage in additional investments or reclassify investments according to future changes in the business environment.

V. Return to Shareholders

A Capital Policies

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

B Key Indicators



Dividend per Share (Full-Year)	11	11	120*	155	155	185	240	400 (Forecast)
ROE	6.8	6.9	1.2	9.2	3.2	10.0	8.9	16.5 (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.

Next, I will discuss shareholder returns for the fiscal year ending December 31, 2021. Considering the increase in profit, we have decided to pay an annual dividend of 240 yen, which will be an increase of 55 yen compared with the fiscal year ended March 31, 2021.

The dividend payout ratio will be 40.3%, and the total return ratio, including share buybacks, will 58.8%. This dividend payment will bring the total return ratio to 65.4% for the three-year period beginning fiscal 2019. We forecast an annual dividend of 400 yen per share for the fiscal year ending December 31, 2022, which will include a 150 yen per share commemorative dividend in recognition of the establishment of our holding company.

We will continue to strive to enhance shareholder returns, aware of our targets to provide a dividend payout ratio of 30% or more and a five-year cumulative total return ratio of 50% or greater, as stated in our business plan.

Supplemental Documents 1

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 1-1: FYE December 2021 Jan-Dec Results

Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (12-month results)	Reference
Impact of change in unit fuel price	¥(3.59) billion (cost increase) (Reference: ¥(3.19) billion/9 months) *Prior period (FY2020, 12 months) +¥2.60 billion (cost decrease)	Unit price per ℓ [Prior period 9-month average] • Light oil : ¥105.05 [¥81.10] • Gasoline : ¥142.37 [¥118.90] • Heavy oil : ¥66.29 [¥45.40]
Impact of foreign exchange	Revenues: +¥26.35 billion Operating income: +¥1.45 billion (Reference: 9 months Revenues: +¥24.65 billion, Operating income: +¥1.42 billion) *Prior period (FY2020, 12 months) Revenues: ¥(6.14) billion Operating income: ¥(0.14) billion	9-month avg. foreign exchange rate [April – December]* [prior-period 9-month avg.] • USD : ¥111.10 [¥106.10] • EUR : ¥130.62 [¥122.30] • HKD : ¥14.29 [¥13.60] • RMB : ¥17.25 [¥15.40] * 9-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.
Environment investments	Operating income : ¥(0.75) billion	• Japan : ¥(0.75) billion
HQ relocation expenses	Operating income : ¥(1.18) billion	• Japan : ¥(1.18) billion

Appendix 1-1: FYE December 2021 Jan-Dec Results

Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (12-month results)	Reference
Change due to employee system reform (same pay for same work, impact of extended retirement age, adoption of team system)	Operating income: ¥(1.52) billion (Reference: ¥(1.31) billion/9 months)	• Japan : ¥(1.40) billion • Security Transportation : ¥(0.06) billion • Heavy Haulage & Construction : ¥(0.04) billion • Logistics Support : ¥(0.0) billion
Special allowance payments (rebound increase of FY2020)	Operating income: +¥1.98 billion	• Japan : +¥1.51 billion [Apr-Jun, 2020] • Overseas : +¥0.04 billion [Apr-Jun, 2020] • Security Transportation : +¥0.25 billion [Apr-Jun, 2020] • Heavy Haulage & Construction : +¥0.02 billion [Apr-Jun, 2020] • Logistics Support : +¥0.14 billion [Apr-Jun, 2020]
Provision for retirement benefits (insufficient prior-period provisions) (rebound increase of FY2020)	Operating income: +¥0.74 billion	• Japan : +¥0.74 billion [Apr-Jun, 2020]

Appendix 1-1: FYE December 2021 Jan-Dec Results

Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (12-month results)	Reference	
Impact of revenue recognition standard to decrease sales	Revenues ¥(59.61) billion	- Japan - Logistics Support	Revenues : ¥(2.82) billion Revenues : ¥(56.78) billion
Increase in amortization of actuarial differences in retirement benefit accounting	Operating income: ¥(0.84) billion (Reference: ¥(0.74) billion/9 months)	- Japan - Security Transportation - Heavy Haulage & Construction	: ¥(0.66) billion : ¥(0.15) billion : ¥(0.01) billion
Spin off leasing business of Nittsu Shoji	Revenues ¥(55.89) billion	Logistics Support	Revenues : ¥(55.89) billion

Appendix 1-1: FYE December 2021 Jan-Dec Results

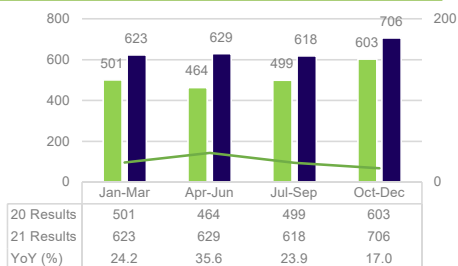
Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (12-month results)	Reference	
Impact of COVID-19	Revenues +¥84.40 billion	• Japan	Revenues : +¥48.76 billion Operating income : +¥19.37 billion
		• The Americas	Revenues : +¥6.20 billion Operating income : +¥2.44 billion
	Operating income +¥28.50 billion	• Europe	Revenues : +¥15.08 billion Operating income : +¥4.62 billion
		• East Asia	Revenues : +¥3.27 billion Operating income : ¥(0.75) billion
		• South Asia & Oceania	Revenues : +¥5.28 billion Operating income : +¥1.40 billion
		• Security Transportation	Revenues : +¥1.17 billion Operating income : +¥0.80 billion
		• Heavy Haulage & Construction	Revenues : +¥0.67 billion Operating income : +¥0.12 billion
		• Logistics Support	Revenues : +¥3.94 billion Operating income : +¥0.47 billion
		• East Asia	Operating income : ¥(1.27) billion
		• Logistics Support	Operating income : ¥(0.73) billion
		• Figures for East Asia for the fiscal year ended December 31, 2021 have been revised due to an error. <After revision : ¥ (1.27) billion,, before revision : ¥ (1.29) billion,> (November 9, 2022)>	
Provision (East Asia/Logistics Support)	Operating income ¥(2.01) billion		

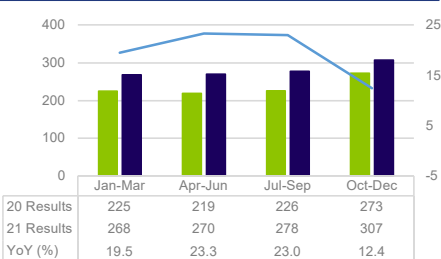
Appendix 1-2: Priority Industry Initiatives Volume in Priority Industries (YoY Sales) (100 million yen, %)

Priority Industries (Japan)

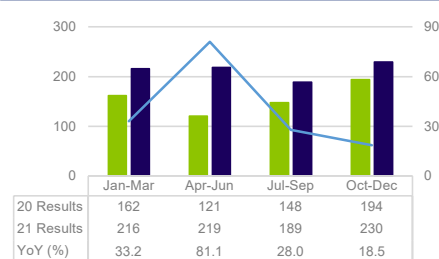
Priority Industries, Total



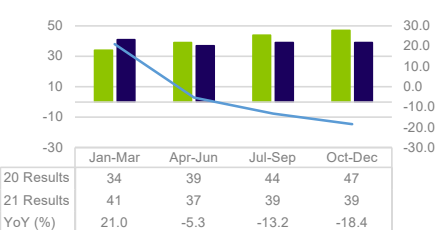
Electric and Electronics



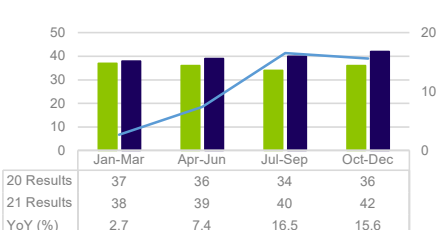
Automotive



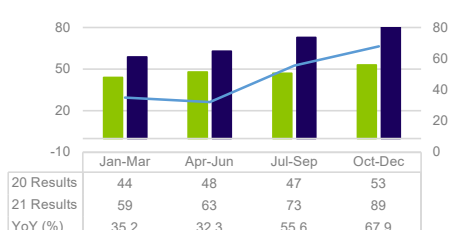
Apparel



Pharmaceutical/Medical



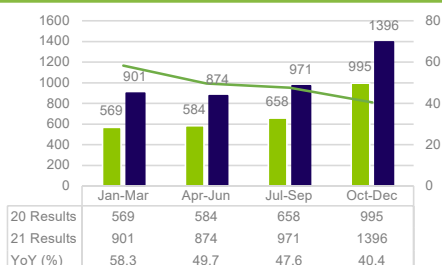
Semiconductors



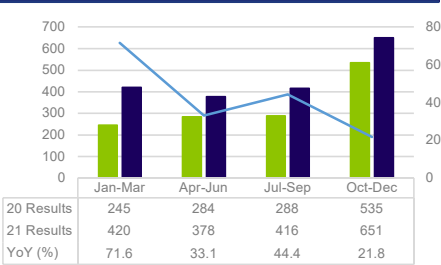
Appendix 1-2: Priority Industry Initiatives Volume in Priority Industries (YoY Sales) (100 million yen, %)

Priority Industries (Overseas)

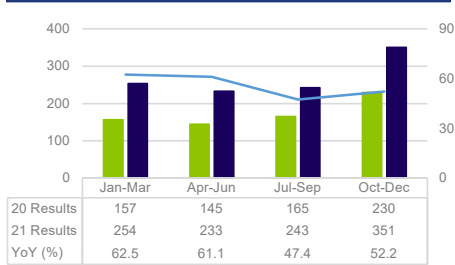
Priority Industries, Total



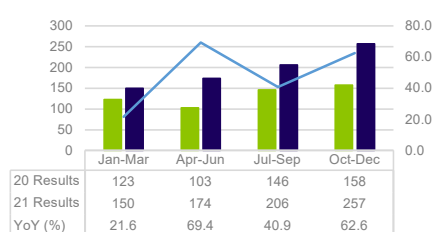
Electric and Electronics



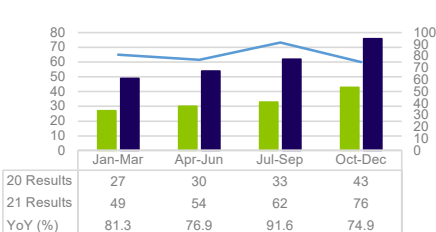
Automotive



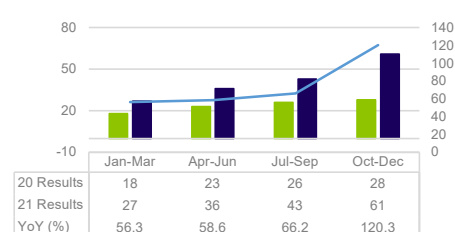
Apparel



Pharmaceutical/Medical

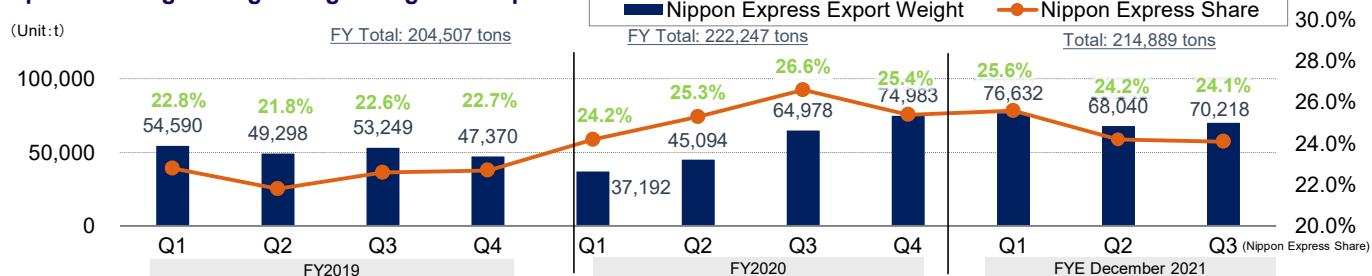


Semiconductors

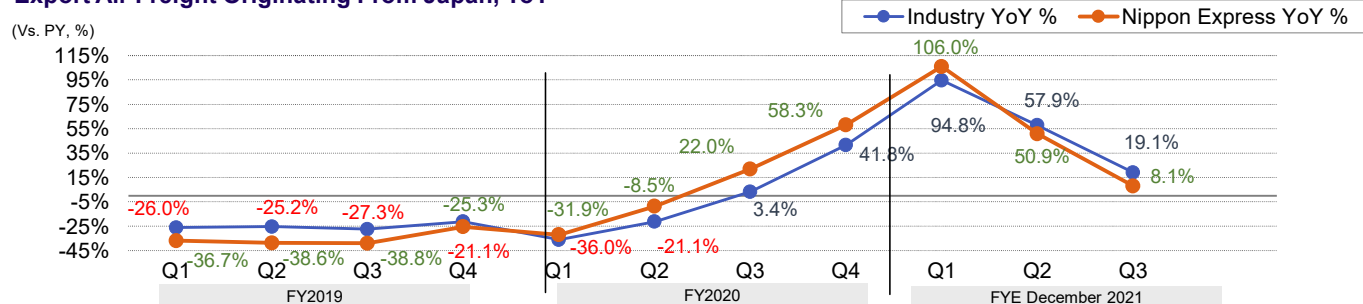


Appendix 1-3: Export Air Freight Weight Originating from Japan

Export Air Freight Weight Originating from Japan

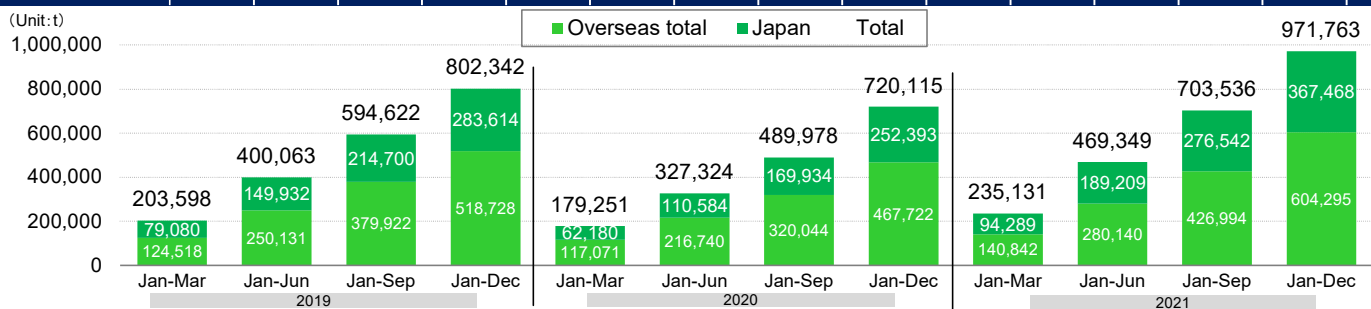


Export Air Freight Originating From Japan, YoY



Appendix 1-4: Export Freight (Air Freight Forwarding)

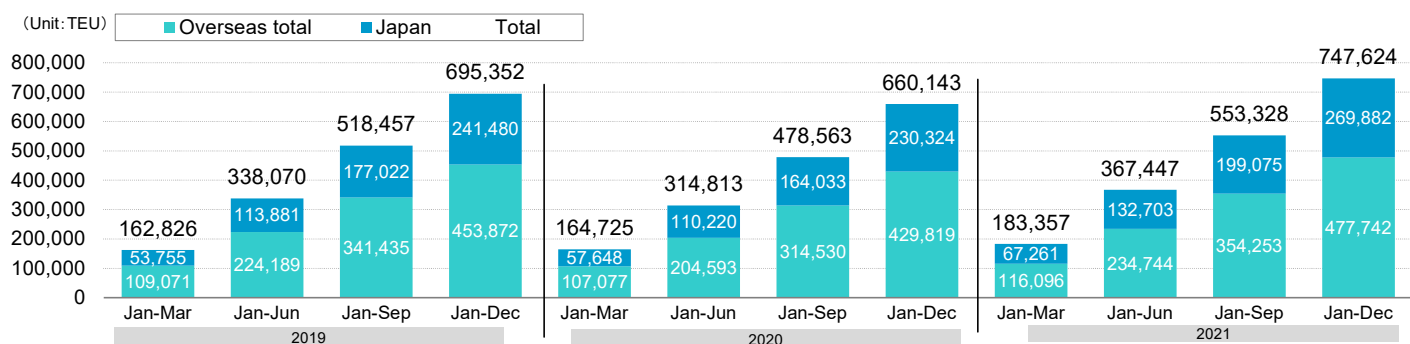
Originating Region	2019					2020					2021				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Japan (consolidated)	75,277	67,156	60,847	65,084	268,363	58,841	45,579	55,874	78,048	238,343	89,719	90,527	82,178	85,592	348,017
Japan (excluding consolidated)	3,803	3,696	3,922	3,831	15,252	3,339	2,825	3,475	4,411	14,050	4,570	4,392	5,154	5,334	19,451
Japan Total	79,080	70,852	64,768	68,914	283,615	62,180	48,404	59,350	82,459	252,394	94,289	94,919	87,333	90,926	367,468
Americas	19,868	19,718	18,490	20,242	78,318	19,739	15,838	15,070	20,003	70,651	23,273	20,980	19,757	20,417	84,427
Europe	29,856	29,131	29,067	33,250	121,304	24,166	18,954	20,721	28,205	92,045	26,206	28,074	28,724	35,410	118,414
East Asia	35,258	36,883	38,381	41,208	151,730	35,441	34,266	33,277	56,424	159,407	44,272	43,429	49,093	58,539	195,334
South Asia & Oceania	39,535	39,881	43,853	44,106	167,375	37,725	30,611	34,236	43,046	145,618	47,091	46,814	49,280	62,935	206,120
Overseas total	124,518	125,613	129,791	138,806	518,727	117,071	99,669	103,304	147,678	467,721	140,842	139,298	146,854	177,301	604,295
Total Weight	203,598	196,465	194,559	207,720	802,342	179,251	148,074	162,654	230,137	720,115	235,131	234,217	234,187	268,227	971,763



Appendix 1-4: Export Freight (Ocean Transportation)

(Unit: TEU)

Originating Region	2019					2020					2021				
	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	53,755	60,126	63,141	64,458	241,480	57,648	52,572	53,813	66,291	230,324	67,261	65,442	66,373	70,807	269,882
Americas	9,157	9,539	8,760	9,452	36,908	9,794	9,191	9,322	9,208	37,514	11,223	13,391	11,155	10,117	45,886
Europe	10,943	12,330	11,932	12,058	47,263	13,193	10,656	11,072	13,545	48,465	13,667	15,025	13,926	14,077	56,695
East Asia	59,122	62,103	62,232	58,079	241,536	52,033	52,497	53,609	55,447	213,586	52,959	54,801	57,770	57,009	222,539
South Asia & Oceania	29,847	31,145	34,321	32,847	128,160	32,057	25,172	35,933	37,099	130,261	38,247	35,431	36,658	42,287	152,623
Overseas total	109,071	115,118	117,246	112,437	453,872	107,077	97,516	109,937	115,289	429,827	116,096	118,648	119,509	123,489	477,742
Total Weight	162,826	175,244	180,387	176,895	695,352	164,725	150,088	163,750	181,580	660,152	183,357	184,089	185,882	194,296	747,624



Appendix 1-5: FYE December 2021 Apr-Dec Results

A. Revenues

(Unit: Millions of yen,%)

			Apr-Dec 2021		Apr-Dec 2020		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues	Railway utilization business		51,210	5.5	53,381	6.5	(2,170)	(4.1)
	Automotive	Small-lot shipment business	30,925	3.3	31,502	3.8	(576)	(1.8)
		Chartered Truck business	136,457	14.5	136,976	16.8	(519)	(0.4)
		Total	167,383	17.8	168,478	20.6	(1,095)	(0.7)
	Ocean transportation	Marine transportation business	106,796	11.4	66,161	8.1	40,635	61.4
		Harbor transportation business	51,823	5.5	46,083	5.6	5,740	12.5
		Total	158,620	16.9	112,244	13.7	46,375	41.3
		(Export)	[71,280]	—	[39,815]	—	31,464	79.0
		(Import)	[41,722]	—	[36,167]	—	5,554	15.4
		(Domestic and other)	[45,617]	—	[36,261]	—	9,356	25.8
	Air transportation	Total	221,027	23.5	147,205	18.0	73,822	50.1
		(Export)	[145,829]	—	[75,454]	—	70,375	93.3
		(Import)	[24,456]	—	[20,913]	—	3,542	16.9
		(Domestic and other)	[50,742]	—	[50,837]	—	(95)	(0.2)
	Warehousing and storage business		109,674	11.7	104,935	12.9	4,738	4.5
	In-factory business		44,008	4.7	40,144	4.9	3,863	9.6
	Moving and relocation business		34,598	3.7	32,208	4.0	2,390	7.4
	Security transportation business		50,689	5.4	50,506	6.2	183	0.4
	Heavy haulage and construction business		46,393	4.9	49,854	6.1	(3,460)	(6.9)
	Other businesses		55,048	5.9	58,121	7.1	(3,073)	(5.3)
	Total		938,653	100.0	817,079	100.0	121,574	14.9

Appendix 1-5: FYE December 2021 Apr-Dec Results

B. Operating expenses

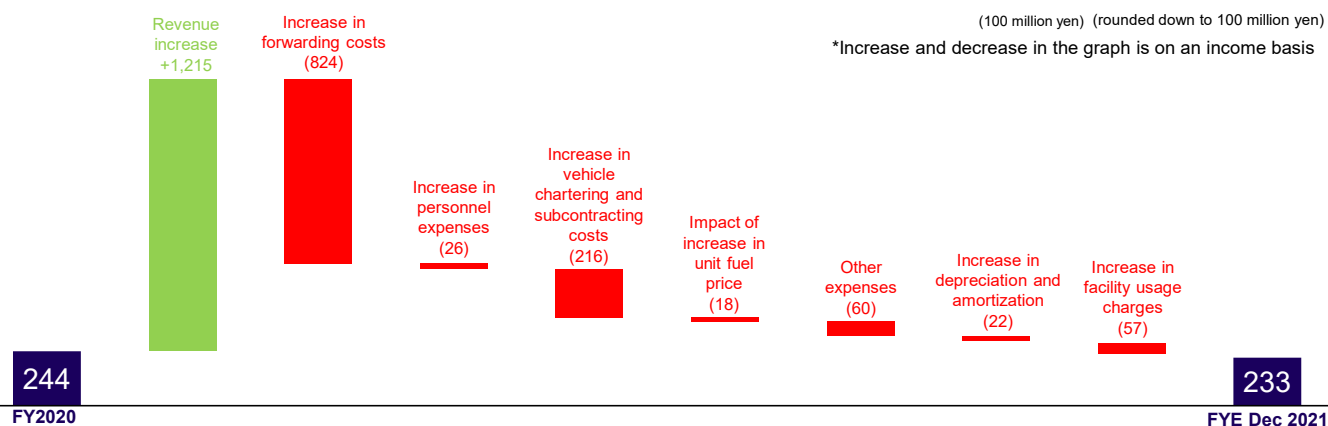
(Unit: Millions of yen,%)

		Apr-Dec 2021		Apr-Dec 2020		Change		
			% of Sales		% of Sales	Amount	Ratio	
Operating expenses	Total personnel expenses		194,012	20.7	191,317	23.4	2,694	1.4
	Forwarding costs	Railway	27,727	3.0	28,899	3.5	(1,171)	(4.1)
		Ocean	45,948	4.9	21,627	2.7	24,321	112.5
		Air	104,488	11.1	45,169	5.5	59,319	131.3
		Total	178,164	19.0	95,696	11.7	82,468	86.2
	Vehicle chartering and subcontracting costs		348,876	37.1	327,258	40.0	21,617	6.6
	Depreciation and amortization		24,809	2.6	22,579	2.8	2,230	9.9
	Facility usage charges		69,169	7.4	63,450	7.8	5,719	9.0
	Other		100,286	10.7	92,311	11.3	7,975	8.6
	Total		915,319	97.5	792,614	97.0	122,705	15.5

C. Profits

	Apr-Dec 2021		Apr-Dec 2020		Change	
		% of Sales		% of Sales	Amount	Ratio
Operating income	23,333	2.5	24,464	3.0	(1,130)	(4.6)

Appendix 1-6: Non-Consolidated Profit Factors (Apr-Dec FYE Dec 2021 Results)



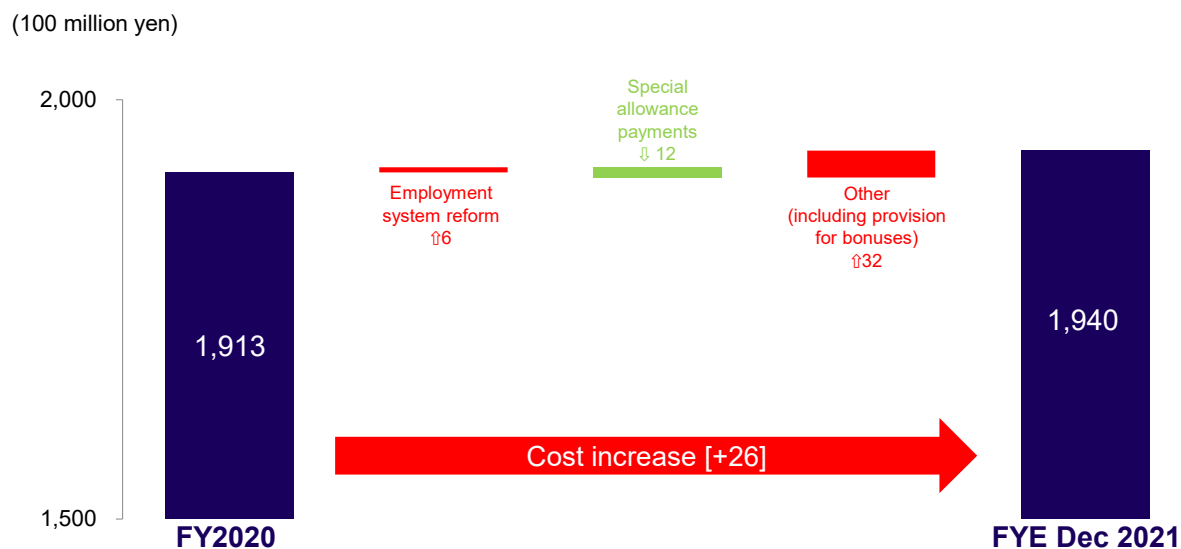
Expense Detail (Apr-Dec Results)

*presented on an expense basis

Increase in vehicle chartering and subcontracting costs +216 [+6.6%]		Increase in forwarding costs +824 [+86.2%]	
Vehicle chartering cost	+13 [+1.0%]	Railway forwarding costs	(11) [(4.1%)]
Subcontracting cost	+208 [+11.8%]	Ocean forwarding costs	+243 [+112.5%]
Personnel dispatching cost	(5) [(5.5%)]	Air forwarding costs	+593 [+131.3%]

Appendix 1-7: Non-Consolidated Profit Factors (Apr-Dec FYE Dec 2021 Non-Consolidated Total Personnel Expenses)

*Presented on an expense basis
(100 million yen)



Appendix 1-8: Fiscal Year Ending December 2022 Jan-Dec Forecasts

Changes Due to External Environmental and Other Factors (Forecast)

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Impact of change in unit fuel price	¥(2.06) billion (cost increase) *Prior period (FYE Dec 2021, 12 months) ¥(3.59) billion (cost increase)	Unit price per ℓ [Prior period 12-month average] • Light oil : ¥113.90 [¥102.10] • Gasoline : ¥147.06 [¥139.00] • Heavy oil : ¥72.50 [¥62.50]
Impact of foreign exchange	Revenues: +¥22.06 billion Operating income: +¥1.21 billion *Prior period (FYE Dec 2021, 12 months) Revenues : ¥26.35 billion Operating income : ¥1.45 billion	12-month avg. foreign exchange rate [January-December]* [prior-period 12-month avg.] • USD : ¥115.02 [¥109.80] • EUR : ¥130.51 [¥129.90] • HKD : ¥14.75 [¥14.10] • RMB : ¥18.06 [¥17.00] * 12-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.
Environment investments	Operating income : +¥0.55 billion	• Japan : +¥0.55 billion

Appendix 1-8: Fiscal Year Ending December 2022 Jan-Dec Forecasts

Changes Due to External Environmental and Other Factors (Forecast)

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Change due to employee system reform (extended retirement age, equal pay for equal labor)	Operating income: ¥(0.72) billion	• Japan : ¥(0.77) billion • Security Transportation : ¥(0.0) billion • Heavy Haulage and Construction : +¥0.04 billion
Rebound increase of HQ relocation expenses	Operating income: +¥1.18 billion	• Japan : +¥1.18 billion

Appendix 1-8: Fiscal Year Ending December 2022 Jan-Dec Forecasts

Changes Due to External Environmental and Other Factors (Forecast)

Variable factors	Impact on consolidated results (12-month forecast)	Reference
Impact of COVID-19	Revenues: ¥(0.08) billion Operating income: ¥(1.00) billion	- Japan Revenues : ¥(2.02) billion Operating Income : ¥(1.62) billion - Security Transportation Revenues : +¥0.13 billion Operating Income : +¥0.12 billion - Heavy Haulage and Construction Revenues : +¥1.01 billion Operating Income : +¥0.27 billion - Logistics Support Revenues : +¥0.78 billion Operating Income : +¥0.21 billion
Increase due to rebound related to allowance for bad debt posted in the previous year (East Asia/Logistics Support)	Operating income +¥2.01 billion	Operating income +¥2.01 billion [Q3,Q4] [East Asia: +¥1.27 billion, Logistics Support: +¥0.73 billion] Figures for East Asia for the fiscal year ended December 31, 2021 have been revised due to an error. <<After revision : + 1.27 billion,, before revision : + 1.29billion,> (November 9, 2022)>
Impact of revenue recognition standard to decrease sales	Revenues ¥(12.52) billion	Logistics Support Revenues: ¥(12.52) billion [Q1]
Spin off leasing business of Nittsu Shoji	Revenues ¥(17.51) billion	Logistics Support Revenues: ¥(17.51) billion [Q1]

Appendix 1-9: Nippon Express Fiscal Year Ending December 2022 Jan-Dec Forecasts

A. Revenues

(Unit: Millions of yen,%)

			Jan-Dec 2022		Jan-Dec 2021		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues	Railway utilization business		67,500	5.4	68,828	5.5	(1,328)	(1.9)
	Automotive	Small-lot shipment business	41,000	3.3	41,060	3.3	(60)	(0.1)
		Chartered Truck business	183,500	14.6	182,785	14.7	714	0.4
		Total	224,500	17.8	223,846	18.0	653	0.3
	Ocean transportation	Marine transportation business	148,100	11.8	133,750	10.8	14,349	10.7
		Harbor transportation business	68,500	5.4	68,122	5.5	377	0.6
		Total	216,600	17.2	201,873	16.3	14,726	7.3
		(Export)	[98,600]	7.8	[89,426]	7.2	9,173	10.3
		(Import)	[55,900]	4.4	[54,397]	4.4	1,502	2.8
		(Domestic and other)	[62,100]	4.9	[58,049]	4.7	4,050	7.0
	Air transportation	Total	296,300	23.5	290,980	23.4	5,319	1.8
		(Export)	[196,000]	15.6	[190,562]	15.3	5,437	2.9
		(Import)	[33,000]	2.6	[32,340]	2.6	659	2.0
		(Domestic and other)	[67,300]	5.3	[68,077]	5.5	(777)	(1.1)
	Warehousing and storage business		145,000	11.5	143,527	11.6	1,472	1.0
	In-factory business		61,600	4.9	57,328	4.6	4,271	7.5
	Moving and relocation business		50,100	4.0	51,309	4.1	(1,209)	(2.4)
	Security transportation business		65,800	5.2	67,667	5.4	(1,867)	(2.8)
	Heavy haulage and construction business		60,500	4.8	59,054	4.8	1,445	2.4
	Other businesses		72,100	5.7	77,868	6.3	(5,768)	(7.4)
	Total		1,260,000	100.0	1,242,286	100.0	17,713	1.4

Appendix 1-9: Nippon Express Fiscal Year Ending December 2022 Jan-Dec Forecasts

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		259,100	20.6	260,680	21.0	(1,580)	(0.6)
	Forwarding costs	Railway forwarding costs	36,700	2.9	37,532	3.0	(832)	(2.2)
		Ocean forwarding costs	64,000	5.1	56,532	4.6	7,467	13.2
		Air forwarding costs	135,900	10.8	135,029	10.9	870	0.6
		Total	236,600	18.8	229,094	18.4	7,505	3.3
	Vehicle chartering and subcontracting costs		465,000	36.9	460,387	37.1	4,612	1.0
	Depreciation and amortization		35,600	2.8	33,009	2.7	2,591	7.8
	Facility usage charges		93,900	7.5	91,468	7.4	2,432	2.7
	Other		129,800	10.3	134,479	10.8	(4,679)	(3.5)
	Total		1,220,000	96.8	1,209,123	97.3	10,876	0.9

C. Profits

			Jan-Dec 2022		Jan-Dec 2021		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating income			40,000	3.2	33,162	2.7	6,837	20.6



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