



**Financial Results Presentation for Q2,
Fiscal Year Ending December 2022**

August 10, 2022
NIPPON EXPRESS HOLDINGS, INC.
Investor Relations Promotion Group
Corporate Planning Division

Contents

I. Financial Results for Q2, FY2022

Regarding Presentation of Fiscal Year Ended December 2021 (Previous Year) Results	P.2
A. Financial Results for Jan-Jun, FY2022	P.3
B. Japan and Overseas Results	P.4
C. Results by Reportable Segment (YoY)	P.5
D. Results by Reportable Segment (vs. Previous Forecast)	P.6
E. Breakdown of Revenues and Operating Income	P.7-

II. Financial Results Forecast for FY2022

A. Forecast for FY2022	P.9
B. Forecast for Fiscal Year Ending December 2022 2H Forecast	P.10
C. Japan and Overseas Results Forecast	P.11
D. Forecasts by Reportable Segment (Jan-Dec)	P.12
E. Forecasts by Reportable Segment (2H)	P.13-
F. Breakdown of Revenues and Operating Income	P.15-
Segment Overview for FY2022	P.17-

III. Challenges of the Business Plan

A. NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses	P.25
B. Sales by Business	P.26
C. Strategy to Enhance Domestic Businesses in Japan	P.27
D. Impact of Employee System Reform (as of June 30, 2022)	P.28
E. Progress in FY2022 Back Office Cost Reductions (as of June 30, 2022)	P.29
F. Pursuing RPA and NX-OCR	P.30
G. ESG Management	P.31
H. Business Plan (2022-2023) Initiatives for Achieving Our Long-Term Vision	P.32

IV. Return to Shareholders

A. Capital Policies	B. Key Indicators	P.33
---------------------	-------------------	------

Supplemental Documents

Appendix 1 Special Factors	P.35-
Appendix 2 Forwarding Results	P.39-
Appendix 3 Nippon Express FY2022 Jan-Dec Results and Forecasts	P.45-

I. Financial Results for Q2, FY2022

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

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

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

■ Converted 12-month basis

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

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

I. Financial Results for Q2, FY2022

A Financial Results for Jan-Jun, FY2022

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

Overview (Consolidated, Key Consolidated Business Indicators)

Item	Current-Year Results (Jan-Jun 2022)	Prior-Year Results (Jan-Jun 2021) * Pro Forma	Difference YoY	Difference YoY (%)	1H Forecast (Announced May 12)	Difference	Progress (%)
Revenues	12,989	11,189	1,800	16.1	12,900	89	0.7
Operating Income	677	484	192	39.8	600	77	12.9
Operating Income Margin	5.2	4.3	—	—	4.7	—	—
Ordinary Income	716	508	207	40.9	615	101	16.6
Profit Attributable to Owners of Parent	946	273	673	246.3	860	86	10.1

*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.

3

Financial Results Presentation for Q2,
Fiscal Year Ending December 2022

Copyright © 2022 NIPPON EXPRESS HOLDINGS, INC., All rights reserved.

NEX NIPPON
EXPRESS
We Find the Way

We have seen the emergence of geopolitical risks such as the invasion of Ukraine and the lockdowns in China, as well as the negative impact of weak economic activity and rising fuel costs. However, the overseas business and international logistics continued to perform well, resulting in an increase in revenues and profits on a year-on-year basis.

The main factor behind the wider increase in net income stems from a gain on sale of our former Shiodome headquarters building. Further, revenues, operating income, and every other profit measure outperformed the figures we published on May 12. Although the supply-demand environment has been tight in the air and ocean forwarding businesses, we have not changed our assumption that the supply-demand balance will gradually loosen and earnings will decline. However, the easing of the supply-demand balance has not advanced to the degree we expected. As a result, earnings from overseas and international logistics exceeded forecasts, which was the main reason for the higher-than-expected results.

Amid these circumstances, every overseas region posted higher revenues and profits on a year-on-year basis.

The lockdowns in China closed airports, ports, and other major facilities. Production activities were suspended or slowed. In June, however, the lockdowns were lifted, and operations began to normalize gradually at airports, ports, etc. Volume has recovered with the resumption of corporate activities. Meanwhile, China continues its Zero-Covid policy, and we will continue to monitor the situation closely.

While certain industries in the Japan region showed signs of recovery from COVID-19, domestic logistics remained sluggish due in part to slow production caused by the shortages of semiconductors. In addition, air export freight forwarding saw a decline in volume year on year due to the semiconductor shortage as well as slow production activities caused by the lockdowns in China. At the same time, the air and ocean forwarding businesses continued to experience a tight supply-demand environment and high unit prices, resulting in an increase in revenues and profits.

In the first quarter, Nippon Express Co., Ltd. made prior-period adjustments related to provisions for retirement benefit liability, which had an impact of ¥2.1 billion.

In addition, a change in accounting treatment for business consignment expenses and software usage fees boosted revenue and operating income by ¥900 million. Excluding the impact of these factors, the Logistics Segment and Japan Segment recorded a profit increase of ¥4.0 billion in real terms.

Our overseas and international logistics businesses, which leverage the company's global network, continued to drive performance. Meanwhile, the tight supply-demand balance in the forwarding business arising amid the COVID-19 pandemic has eased in some cases, and the tide is turning. As we move into the with-COVID-19 era, we expect a reactionary decline in the overseas and international logistics businesses, which have been business performance drivers. In contrast, we expect a recovery in our domestic logistics business to absorb this decline to a certain degree, and we will make effective use of our cost control efforts to date throughout the recovery phase.

At the same time, the more important response is the approach to not only short-term changes, but also to fundamental changes in global conditions, supply chains, etc. Amid these circumstances, we aim to achieve our long-term vision, and I will explain the progress of our efforts later.

I. Financial Results for Q2, FY2022

B Japan and Overseas Results

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

Segment	Item	Current-Year Results (Jan-Jun 2022)	Prior-Year Results (Jan-Jun 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan Total	Revenues	9,845	9,191	654	7.1
	Segment Income	467	375	91	24.4
Overseas Total	Revenues	4,184	2,896	1,288	44.5
	Segment Income	289	179	110	61.8

	Current-Year Results (Jan-Jun 2022)
Overseas Sales Ratio	32.2%

I. Financial Results for Q2, FY2022

C Results by Reportable Segment (YoY)

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

Segment	Item	Current-Year Results (Jan-Mar 2022)	Current-Year Results (Apr-Jun 2022)	Current-Year Results (Jan-Jun 2022)	Prior-Year Results (Jan-Jun 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan	Revenues	3,599	3,655	7,254	6,565	689	10.5
	Segment Income	209	144	353	282	71	25.2
Americas	Revenues	326	420	747	497	249	50.1
	Segment Income	21	30	51	32	19	60.9
Europe	Revenues	483	556	1,040	693	347	50.1
	Segment Income	22	38	60	29	30	101.3
East Asia	Revenues	598	626	1,225	926	298	32.2
	Segment Income	30	32	63	50	13	25.6
South Asia & Oceania	Revenues	617	555	1,172	778	393	50.5
	Segment Income	66	48	114	66	47	72.1
Security Transportation	Revenues	173	171	344	345	(1)	(0.4)
	Segment Income	6	0	6	(2)	9	—
Heavy Haulage & Construction	Revenues	82	117	199	219	(19)	(8.7)
	Segment Income	6	15	22	25	(3)	(15.0)
Logistics Support	Revenues	1,051	994	2,046	2,060	(14)	(0.7)
	Segment Income	36	48	84	69	15	22.0

I. Financial Results for Q2, FY2022

D Results by Reportable Segment (vs. Previous Forecast)

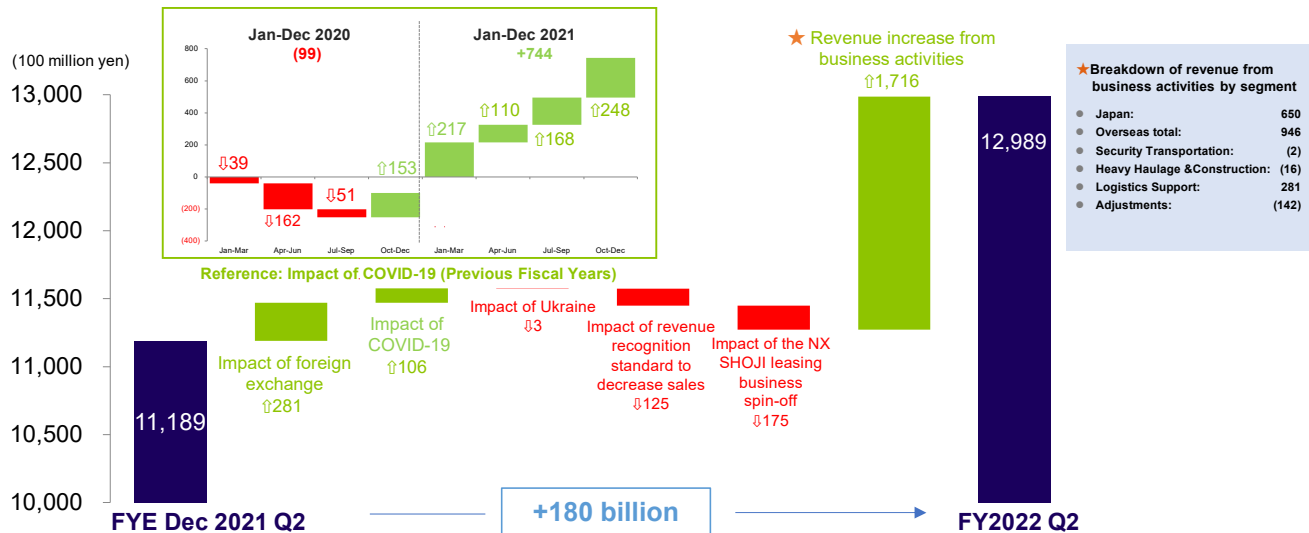
(100 million yen, %)(rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jan-Jun 2022)	1H Forecast (Announced May 12)	Difference	Progress
Japan	Revenues	7,254	7,051	203	102.9
	Segment Income	353	346	7	102.2
Americas	Revenues	747	671	76	111.4
	Segment Income	51	44	7	117.0
Europe	Revenues	1,040	1,023	17	101.7
	Segment Income	60	46	14	130.7
East Asia	Revenues	1,225	1,267	(41)	96.7
	Segment Income	63	57	6	111.8
South Asia & Oceania	Revenues	1,172	1,049	123	111.7
	Segment Income	114	98	16	116.9
Security Transportation	Revenues	344	343	1	100.4
	Segment Income	6	6	0	113.0
Heavy Haulage & Construction	Revenues	199	211	(11)	94.7
	Segment Income	22	22	0	100.0
Logistics Support	Revenues	2,046	2,078	(31)	98.5
	Segment Income	84	68	16	124.6

I. Financial Results for Q2, FY2022

E Breakdown of Revenues and Operating Income

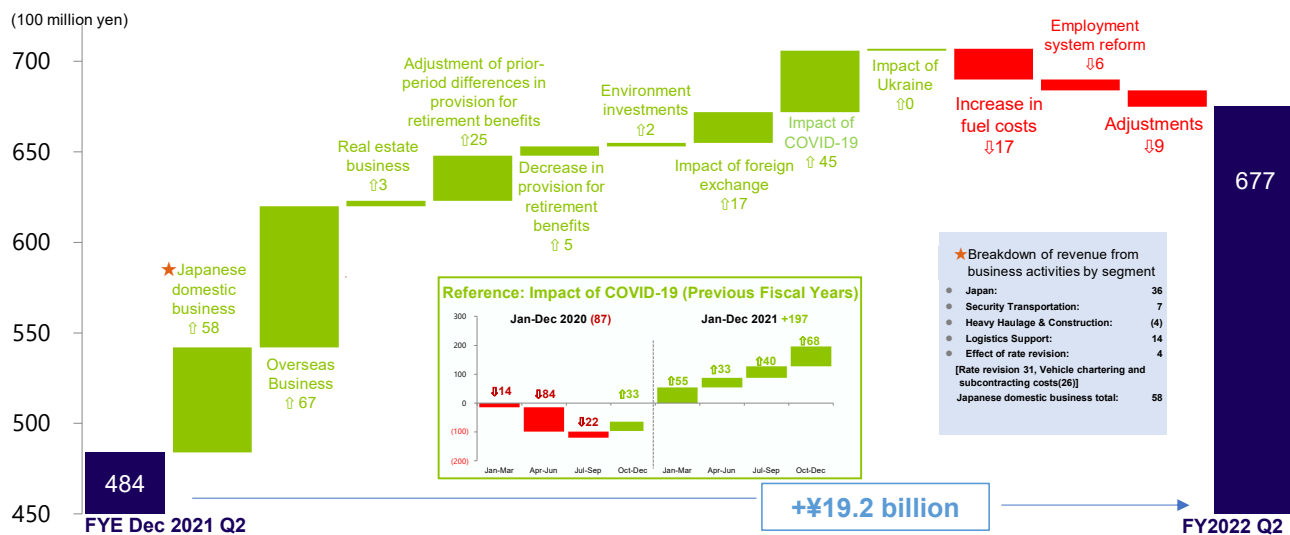
1) Revenues



I. Financial Results for Q2, FY2022

E Breakdown of Revenues and Operating Income

2) Operating income



II. Financial Results Forecast for FY2022

A Forecast for FY2022

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

Item	Full-Year Forecast (Jan-Dec 2022)	Previous Forecast (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Revenues	26,000	25,500	500	2.0	23,371	2,628	11.2
Operating Income	1,200	1,100	100	9.1	970	229	23.6
Operating Income Margin	4.6	4.3	—	—	4.2	—	—
Ordinary Income	1,250	1,120	130	11.6	1,010	239	23.7
Profit Attributable to Owners of Parent	1,250	1,160	90	7.8	661	588	88.9

We revised our financial results forecast based on calculations that account for the current situation and outlook as a whole.

As explained earlier, we have not changed the assumptions for our forecast of forwarding business performance. However, the easing of supply and demand did not proceed as fast as we predicted, resulting in an upward swing in business performance over the first half of the fiscal year. Since July, there have been no marked changes in ocean and air freight forwarding volume, and we expect air and ocean forwarding businesses to remain firm over the second half of the year. In addition, the shortage of semiconductors is expected to ease, while the automobile industry is projected to recover in the future. Therefore, we decided to revise our forecast for revenues, operating income, and every profit measure upward compared to the full-year forecast published on May 12. The outlook remains uncertain due to the spread of the BA.5 variant, and Japan is experiencing a seventh wave of the disease. Since we cannot predict how the external environment will change in the future, we believe it is important to be even more sensitive to global trends than ever before. In every country, every customer has launched new activities to prepare for unforeseen circumstances, and we believe that business opportunities will surely be found there.

II. Financial Results Forecast for FY2022

B Forecast for Fiscal Year Ending December 2022 2H Forecast

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

Item	Revised 2H Forecast (Jul-Dec 2022)	Prior-Year Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)	2H Forecast (Announced May 12)	Difference YoY	Difference YoY (%)
Revenues	13,010	12,182	828	6.8	12,600	410	3.3
Operating Income	522	486	36	7.5	500	22	4.5
Operating Income Margin	4.0	4.0	—	—	4.0	—	—
Ordinary Income	533	501	31	6.4	505	28	5.6
Profit Attributable to Owners of Parent	303	388	(85)	(21.9)	300	3	1.1

II. Financial Results Forecast for FY2022

C Japan and Overseas Results Forecast

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

Segment	Item	Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Japan Total	Revenues	19,616	18,458	1,157	6.3
	Segment Income	846	733	112	15.3
Overseas Total	Revenues	8,573	6,861	1,711	24.9
	Segment Income	532	392	139	35.5

	Forecast (Jan-Dec 2022)
Overseas Sales Ratio	33.0%

II. Financial Results Forecast for FY2022

D Forecasts by Reportable Segment (Jan-Dec)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2022)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)	Previous Forecast (Announced May 12)	Difference YoY	Difference YoY (%)
Japan	Revenues	14,334	13,382	951	7.1	14,156	178	1.3
	Segment Income	640	546	93	17.1	646	(6)	(0.9)
Americas	Revenues	1,591	1,097	493	45.0	1,392	199	14.3
	Segment Income	106	65	40	62.4	84	22	26.2
Europe	Revenues	2,177	1,653	523	31.6	1,885	292	15.5
	Segment Income	113	76	36	47.0	88	25	28.4
East Asia	Revenues	2,602	2,247	354	15.8	2,383	219	9.2
	Segment Income	119	83	35	42.4	104	15	14.4
South Asia & Oceania	Revenues	2,203	1,863	339	18.2	1,938	265	13.7
	Segment Income	194	166	27	16.2	164	30	18.3
Security Transportation	Revenues	690	688	1	0.3	690	—	—
	Segment Income	10	(1)	11	—	5	5	100.0
Heavy Haulage & Construction	Revenues	454	453	0	0.1	450	4	0.9
	Segment Income	50	59	(9)	(16.3)	49	1	2.0
Logistics Support	Revenues	4,138	3,934	203	5.2	4,161	(23)	(0.6)
	Segment Income	146	129	16	13.1	125	21	16.8

II. Financial Results Forecast for FY2022

E Forecasts by Reportable Segment (2H, YoY)

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

Segment	Item	2H Forecast (Jul-Dec 2022)	Prior-Year Results (Jul-Dec 2021)	Difference YoY	Difference YoY (%)
Japan	Revenues	7,079	6,816	262	3.9
	Segment Income	286	264	22	8.4
Americas	Revenues	843	599	244	40.8
	Segment Income	54	33	21	63.9
Europe	Revenues	1,136	960	176	18.3
	Segment Income	52	47	5	12.4
East Asia	Revenues	1,376	1,320	55	4.2
	Segment Income	55	32	22	68.2
South Asia & Oceania	Revenues	1,030	1,084	(53)	(4.9)
	Segment Income	79	100	(20)	(20.8)
Security Transportation	Revenues	345	342	3	0.9
	Segment Income	3	0	2	358.1
Heavy Haulage & Construction	Revenues	254	234	19	8.4
	Segment Income	27	33	(5)	(17.3)
Logistics Support	Revenues	2,091	1,874	217	11.6
	Segment Income	61	59	1	2.8

II. Financial Results Forecast for FY2022

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

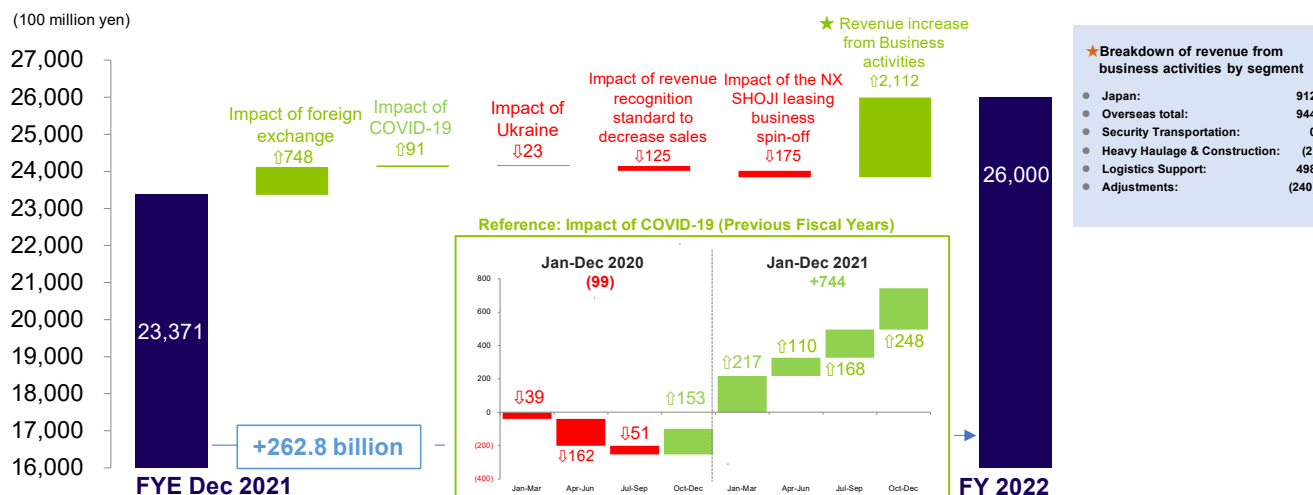
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	2H Forecast (Jul-Dec 2022)	Previous 2H Forecast (Announced May 12)	Difference YoY	Difference YoY (%)
Japan	Revenues	7,079	7,105	(25)	(0.4)
	Segment Income	286	300	(13)	(4.6)
Americas	Revenues	843	721	122	17.0
	Segment Income	54	40	14	36.3
Europe	Revenues	1,136	862	274	31.9
	Segment Income	52	42	10	25.9
East Asia	Revenues	1,376	1,116	260	23.4
	Segment Income	55	47	8	17.6
South Asia & Oceania	Revenues	1,030	889	141	16.0
	Segment Income	79	66	13	20.4
Security Transportation	Revenues	345	347	(1)	(0.4)
	Segment Income	3	(1)	4	—
Heavy Haulage & Construction	Revenues	254	239	15	6.3
	Segment Income	27	27	0	3.7
Logistics Support	Revenues	2,091	2,083	8	0.4
	Segment Income	61	57	4	7.5

II. Financial Results Forecast for Fiscal Year Ending December 2022

F Breakdown of Revenues and Operating Income

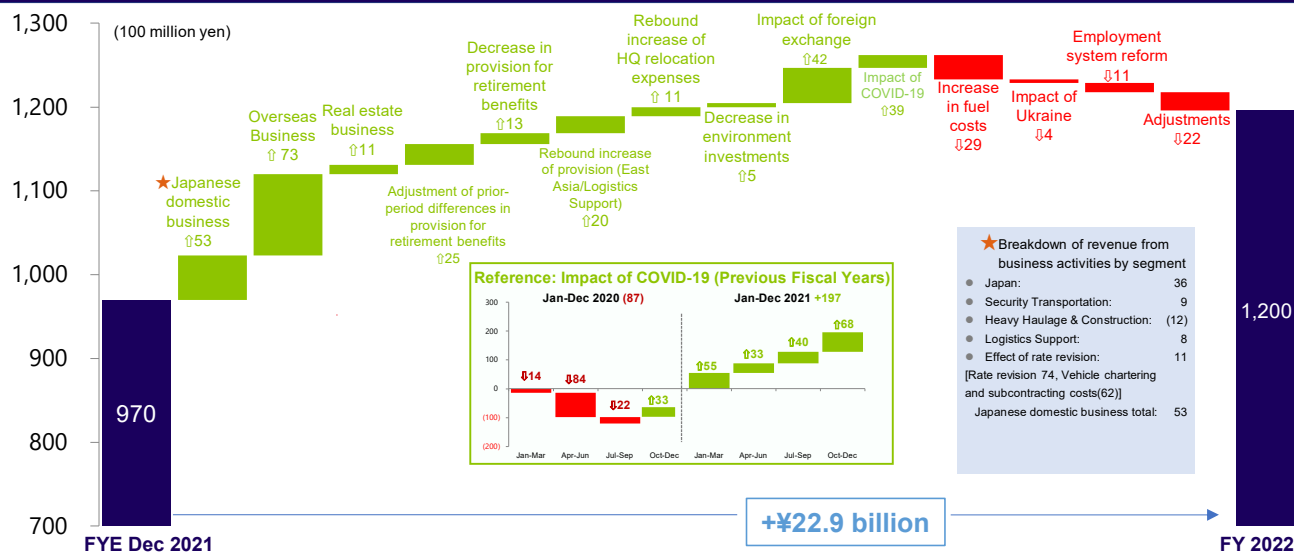
1) Revenues



II. Financial Results Forecast for Fiscal Year Ending December 2022

F Breakdown of Revenues and Operating Income

2) Operating income



II. Segment Overview for FY2022

1. Japan Segment

(100 million yen, %)

1

Quarterly Results

Item	FY2022 Apr-Jun Results		Vs. FYE Dec 2021		
			FYE Dec 2021	Difference	Difference (%)
Revenues	3,655		3,266	389	11.9
Operating income	144		115	28	25.1
Operating income margin	4.0		3.5	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	3,599	3,655	7,254	—	—	7,079	14,334
Operating income	209	144	353	—	—	286	640
Operating income margin	5.8	4.0	4.9	—	—	4.0	4.5

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

Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	299	389	689	—	—	262	951
Revenue margin	9.1	11.9	10.5	—	—	3.9	7.1
Operating income	42	28	71	—	—	22	93
Operating income margin	25.3	25.1	25.2	—	—	8.4	17.1

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	14,334	14,156	178
Operating income	640	646	(6)
Operating income margin	4.5	4.6	—

April-June 2022 Highlights

The air transportation business was negatively impacted by semiconductor shortages and stagnant production activities due to the lockdowns in China; however, freight rates remained high and revenue increased. The domestic business experienced a recovery in cargo movement for certain cargo; however, business was sluggish overall due to lower production in the automobile-related industries and the lockdowns in China. Operating income increased due to solid performance of the forwarding business, despite the impact of higher fuel costs, and a change in accounting treatment (Nippon Express Co., Ltd. Changed outsourcing and software use from non-operating transactions to operating transactions).

Special Factors

- Impact of fuel unit cost: [operating income] (14) [Jan-Jun], (24) [year]
- Cost increase associated with employee system reform: [operating income] (6) [Jan-Jun], (11) [year]
- Impact of COVID-19: [revenues] +43 [Jan-Jun], +50 [year]
- Impact of Ukraine: [operating income] +18 [Jan-Jun], +22 [year]
- Adjustment of prior-period differences for provision for retirement benefits: [revenues] (3) [Jan-Jun], (11) [year]
- Adjustment of prior-period differences for provision for retirement benefits: [operating income] +0 [Jan-Jun], (1) [year]
- Impact of provision for retirement benefits: [operating income] +21 [Jan-Mar], [year]
- Impact of provision for retirement benefits: [operating income] +4 [Jan-Jun], +11 [year]
- Environment investments: [operating income] +2 [Jan-Jun], +5 [year]
- Real estate business: [operating income] +3 [Jan-Jun], +11 [year]
- HQ relocation expenses: [operating income] +11 [Oct-Dec], [prior year, year]
- Change in accounting treatment ¥900 million (Jan-Jun) *Minor impact on consolidated results

Forecast Overview

The ocean and air freight forwarding business will experience a tight supply-demand environment toward the year-end shopping season. We forecast a recovery in cargo movement for railway utilization and motor transportation business volume as semiconductor supplies improve and production recovers in the automotive industry, while the lockdowns in China will be lifted. We project increases in revenues and profits due to the impact of a change in accounting treatment (change of outsourcing and software used at Nippon Express Co., Ltd. from non-operating transactions to operating transactions) and the absence of one-time expenses incurred last year related to the HQ relocation, etc.

II. Segment Overview for FY2022

2. The Americas Segment

(100 million yen, %)

1

Quarterly Results

Item	FY2022		Vs. FYE Dec 2021		
	Apr-Jun Results		FYE Dec 2021	Difference	Difference (%)
Revenues	420		267	153	57.4
Operating income	30		19	10	54.8
Operating income margin	7.2		7.3	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	326	420	747	—	—	843	1,591
Operating income	21	30	51	—	—	54	106
Operating income margin	6.5	7.2	6.9	—	—	6.5	6.7

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	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	95	153	249	—	—	244	493
Revenue margin	41.6	57.4	50.1	—	—	40.8	45.0
Operating income	8	10	19	—	—	21	40
Operating income margin	70.2	54.8	60.9	—	—	63.9	62.4

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	1,591	1,392	199
Operating income	106	84	22
Operating income margin	6.7	6.0	—

April-June 2022 Highlights

Volume declined year on year in the air export freight forwarding business, mainly due to a decrease in perishable cargo and the lockdowns in China. Ocean export freight forwarding also saw an ongoing decrease in volume; however, port congestion and inland rail terminal congestion continued, increasing demand for fresh food cargo to the U.S. domestic market. In addition to high unit sales prices in the air and ocean freight forwarding business, the warehousing and distribution processing saw increased revenues and profits stemming from firm apparel-related electric and electronic-related volume.

Special Factors

- Impact of foreign exchange (weaker yen):

[revenues] +71 [Jan-Jun], +166 [year]

[operating income] +5 [Jan-Jun], +10 [year]
- Impact of COVID-19:

[revenues] +17 [Jan-Jun], +38 [year]

[operating income] +5 [Jan-Jun], +10 [year]

Forecast Overview

Although there are concerns about declining demand due to the economic slowdown, freight rates are expected to remain high for air and ocean export freight forwarding. Despite the impact of labor shortages and higher costs due to soaring crude oil prices, we project higher revenues and profits as we charge appropriate fees.

April-June 2022 Highlights

Volume declined year on year in the air export freight forwarding business, mainly due to a decrease in perishable cargo and the lockdowns in China. Ocean export freight forwarding also saw an ongoing decrease in volume; however, port congestion and inland rail terminal congestion continued, increasing demand for fresh food cargo to the U.S. domestic market. In addition to high unit sales prices in the air and ocean freight forwarding business, the warehousing and distribution processing saw increased revenues and profits stemming from firm apparel-related electric and electronic-related volume.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +71 [Jan-Jun], +166 [year]
[operating income] +5 [Jan-Jun], +10 [year]
- Impact of COVID-19:
[revenues] +17 [Jan-Jun], +38 [year]
[operating income] +5 [Jan-Jun], +10 [year]

Forecast Overview

Although there are concerns about declining demand due to the economic slowdown, freight rates are expected to remain high for air and ocean export freight forwarding. Despite the impact of labor shortages and higher costs due to soaring crude oil prices, we project higher revenues and profits as we charge appropriate fees.

II. Segment Overview for FY2022

3. Europe Segment

(100 million yen, %)

1

Quarterly Results

Item	FY2022 Apr-Jun Results		Vs. FYE Dec 2021		
			FYE Dec 2021	Difference	Difference (%)
Revenues	556		367	188	51.3
Operating income	38		17	21	124.0
Operating income margin	6.8		4.6	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	483	556	1,040	—	—	1,136	2,177
Operating income	22	38	60	—	—	52	113
Operating income margin	4.6	6.8	5.8	—	—	4.6	5.2
Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	325	367	693	425	535	960	1,653
Operating income	12	17	29	15	31	47	76
Operating income margin	4.0	4.6	4.3	3.5	6.0	4.9	4.6
Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	158	188	347	—	—	176	523
Revenue margin	48.6	51.3	50.1	—	—	18.3	31.6
Operating income	9	21	30	—	—	5	36
Operating income margin	71.3	124.0	101.3	—	—	12.4	47.0

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,177	1,885	292
Operating income	113	88	25
Operating income margin	5.2	4.7	—

100 million yen.

April-June 2022 Highlights

Air export freight forwarding advanced, mainly for medical and automobile-related cargo. Although volume declined year on year, freight rates continued to soar, and our securing of charter space between Europe and Japan contributed to performance. Ocean export freight forwarding experienced ongoing port congestion and container shortages, resulting in lower volume year on year. However, air export freight forwarding similarly experienced high freight rates, leading to higher revenues and an increase in operating income.

Special Factors

• Impact of foreign exchange (weaker yen):

[revenues] +25 [Jan-Jun], +93 [year]
[operating income] +1 [Jan-Jun], +4 [year]

• Impact of COVID-19:

[revenues] +77 [Jan-Jun], +141 [year]
[operating income] +17 [Jan-Jun], +23 [year]

• Impact of Ukraine:

[revenues] +1 [Jan-Jun], (10) [year]
[operating income] +0 [Jan-Jun], (2) [year]

Forecast Overview

We expect space shortages between Europe and Japan affected by the situation in Ukraine and a recovery of cargo movement after the lifting of the lockdowns in China. We do not expect freight rate levels in air and ocean export freight forwarding to fall dramatically and will likely remain high, leading to higher revenues and profits.

II. Segment Overview for FY2022

4. East Asia Segment

(100 million yen, %)

1

Quarterly Results

Item	FY2022 Apr-Jun Results		Vs. FYE Dec 2021		
			FYE Dec 2021	Difference	Difference (%)
Revenues	626		459	166	36.2
Operating income	32		17	15	87.6
Operating income margin	5.2		3.8	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	598	626	1,225	—	—	1,376	2,602
Operating income	30	32	63	—	—	55	119
Operating income margin	5.2	5.2	5.2	—	—	4.0	4.6

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

Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	132	166	298	—	—	55	354
Revenue margin	28.3	36.2	32.2	—	—	4.2	15.8
Operating income	(2)	15	13	—	—	22	35
Operating income margin	(7.0)	87.6	25.6	—	—	68.2	42.4

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,602	2,383	219
Operating income	119	104	15
Operating income margin	4.6	4.4	—

April-June 2022 Highlights

Airports, ports, and other major hubs were closed due to the impact of the lockdowns in China, and cargo movement remained sluggish through the end of May due to low utilization rates and suspensions among customers. In June, operations gradually normalized and business activities resumed, leading to a recovery in volume. In addition to capturing domestic transportation volume demand in China during the lockdowns, volume in Hong Kong, South Korea, Taiwan, and other markets remained strong, resulting in higher revenues and profits.

Special Factors

· Impact of foreign exchange (weaker yen):

[revenues] +118 [Jan-Jun], +288 [year]
[operating income] +6 [Jan-Jun], +10 [year]

· Impact of COVID-19:

[revenues] (62) [Jan-Jun], (170) [year]
[operating income] (6) [Jan-Jun], (25) [year]

· Allowances:

[operating income] +12 [Jul-Sep], [prior year, year]

Forecast Overview

We expect forwarding volume to increase compared with the previous year/previous fiscal year due to the uptake of recovering demand after the lifting of lockdowns in China. Also, we forecast unit price levels in air and ocean export freight forwarding to remain high. We forecast an increase in revenues and profits stemming from the absence of the allowance for doubtful accounts recorded in the previous year.

April-June 2022 Highlights

Airports, ports, and other major hubs were closed due to the impact of the lockdowns in China, and cargo movement remained sluggish through the end of May due to low utilization rates and suspensions among customers. In June, operations gradually normalized and business activities resumed, leading to a recovery in volume. In addition to capturing domestic transportation volume demand in China during the lockdowns, volume in Hong Kong, South Korea, Taiwan, and other markets remained strong, resulting in higher revenues and profits.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +118 [Jan-Jun], +288 [year]
[operating income] +6 [Jan-Jun], +10 [year]
- Impact of COVID-19:
[revenues] (62) [Jan-Jun], (170) [year]
[operating income] (6) [Jan-Jun], (25) [year]
- Allowances:
[operating income] +12 [Jul-Sep], [prior year, year]

Forecast Overview

We expect forwarding volume to increase compared with the previous year/previous fiscal year due to the uptake of recovering demand after the lifting of lockdowns in China. Also, we forecast unit price levels in air and ocean export freight forwarding to remain high. We forecast an increase in revenues and profits stemming from the absence of the allowance for doubtful accounts recorded in the previous year.

II. Segment Overview for FY2022

5. South Asia & Oceania Segment

1

Quarterly Results

Item	FY2022 Apr-Jun Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	555	383	171	44.6
Operating income	48	29	18	63.7
Operating income margin	8.7	7.7	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	617	555	1,172	—	—	1,030	2,203
Operating income	66	48	114	—	—	79	194
Operating income margin	10.7	8.7	9.8	—	—	7.7	8.8

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

Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	222	171	393	—	—	(53)	339
Revenue margin	56.4	44.6	50.5	—	—	(4.9)	18.2
Operating income	29	18	47	—	—	(20)	27
Operating income margin	78.8	63.7	72.1	—	—	(20.8)	16.2

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	2,203	1,938	265
Operating income	194	164	30
Operating income margin	8.8	8.5	—

April-June 2022 Highlights

Ocean export freight forwarding volume increased year on year due to new contracts. Air export freight forwarding declined compared to the previous year/previous fiscal year due to the impact of the lockdowns in China and a reactionary decline from the emergency automobile-related shipments which the business handled through the previous fiscal year. The air and ocean freight forwarding business recorded increased in revenue and profits due to ongoing high unit selling prices and the contribution of new warehousing and distribution processing contracts.

Special Factors

• Impact of foreign exchange (weaker yen):

[revenues] +66 [Jan-Jun], +200 [year]
[operating income] +4 [Jan-Jun], +16 [year]

• Impact of COVID-19:

[revenues] +25 [Jan-Jun], +19 [year]
[operating income] +9 [Jan-Jun], +4 [year]

Forecast Overview

We expect a reactionary decline in transportation demand following the lifting of the lockdowns in last October. However, we anticipate an increase in revenues and profits for the full year owing to a recovery in cargo movement following the lifting of lockdowns in China and the contribution of warehousing and distribution processing contracts for automobile-related production components, which began this fiscal year.

April-June 2022 Highlights

Ocean export freight forwarding volume increased year on year due to new contracts. Air export freight forwarding declined compared to the previous year/previous fiscal year due to the impact of the lockdowns in China and a reactionary decline from the emergency automobile-related shipments which the business handled through the previous fiscal year. The air and ocean freight forwarding business recorded increased in revenue and profits due to ongoing high unit selling prices and the contribution of new warehousing and distribution processing contracts.

Special Factors

- Impact of foreign exchange (weaker yen):
[revenues] +66 [Jan-Jun], +200 [year]
[operating income] +4 [Jan-Jun], +16 [year]
- Impact of COVID-19:
[revenues] +25 [Jan-Jun], +19 [year]
[operating income] +9 [Jan-Jun], +4 [year]

Forecast Overview

We expect a reactionary decline in transportation demand following the lifting of the lockdowns in last October. However, we anticipate an increase in revenues and profits for the full year owing to a recovery in cargo movement following the lifting of lockdowns in China and the contribution of warehousing and distribution processing contracts for automobile-related production components, which began this fiscal year.

II. Segment Overview for FY2022

6. Security Transportation Segment

(100 million yen, %)

1

Quarterly Results

Item	FY2022 Apr-Jun Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	171	171	0	0.1
Operating income	0	0	(0)	(38.5)
Operating income margin	0.3	0.4	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	173	171	344	—	—	345	690
Operating income	6	0	6	—	—	3	10
Operating income margin	3.7	0.3	2.0	—	—	0.9	1.4
Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	174	171	345	171	171	342	688
Operating income	(3)	0	(2)	0	0	0	(1)
Operating income margin	(1.7)	0.4	(0.7)	0.3	0.1	0.2	(0.2)
Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(1)	0	(1)	—	—	3	1
Revenue margin	(0.8)	0.1	(0.4)	—	—	0.9	0.3
Operating income	9	(0)	9	—	—	2	11
Operating income margin	—	(38.5)	—	—	—	358.1	—
Item	Full-Year Financial Results Forecast						
	Forecast		Previous Forecast		Difference		
Revenues	690		690		—		
Operating income	10		5		5		
Operating income margin	1.4		0.7		—		

3

Forecast Change

April-June 2022 Highlights

Although the number of Cash Safety Delivery (CSD) services declined due to the impact of retail contraction, revenues were on a par with the previous year due to outsourcing services contracts from financial institutions. Operating income was flat year on year due to lower labor costs, despite the impact of higher fuel costs.

Special Factors

• Impact of fuel unit cost:

[operating income] (2) [Jan-Jun], (4) [year]

• Cost increase associated with employee system reform:

[operating income] (0) [Jan-Jun], (0) [year]

• Impact of COVID-19:

[revenues] +1 [Jan-Jun], +1 [year]
[operating income] +0 [Jan-Jun], +1 [year]

• Adjustment of prior-period differences for provision for retirement benefits:

[operating income] +2 [Jan-Mar], [year]

• Impact of provision for retirement benefits:

[operating income] +0 [Jan-Jun], +1 [year]

Forecast Overview

We expect to see a decrease in CSD services volume and the impact of reduced scheduled flights. However, we forecast revenues to increase due to the new outsourcing services contracts from financial institutions. We forecast an increase in profit due to a decrease in expenses stemming from lower personnel expenses.

II. Segment Overview for FY2022

7. Heavy Haulage & Construction Segment

1

Quarterly Results

Item	FY2022 Apr-Jun Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	117	123	(5)	(4.8)
Operating income	15	16	(0)	(3.7)
Operating income margin	13.2	13.1	—	—

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	82	117	199	—	—	254	454
Operating income	6	15	22	—	—	27	50
Operating income margin	7.9	13.2	11.0	—	—	11.0	11.0
Item	FYE Dec 2021 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	95	123	219	114	119	234	453
Operating income	9	16	25	14	19	33	59
Operating income margin	10.2	13.1	11.8	12.7	16.0	14.4	13.2
Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(13)	(5)	(19)	—	—	19	0
Revenue margin	(13.8)	(4.8)	(8.7)	—	—	8.4	0.1
Operating income	(3)	(0)	(3)	—	—	(5)	(9)
Operating income margin	(33.8)	(3.7)	(15.0)	—	—	(17.3)	(16.3)

3

Forecast Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	454	450	4
Operating income	50	49	1
Operating income margin	11.0	10.9	—

April-June 2022 Highlights

Revenues and profits decreased due to declines in plant maintenance, plant construction, thermal power plant construction, etc., despite an increase in IT facility construction and wind power-related transactions.

Special Factors

• Impact of fuel unit cost:

[operating income] (0) [Jan-Jun], (0) [year]

• Cost increase associated with the employee system reform:

[operating income] +0 [Jan-Jun], +0 [year]

• Impact of COVID-19:

[revenues] (2) [Jan-Jun], +2 [year]

[operating income] (0) [Jan-Jun], +1 [year]

• Impact of Ukraine:

[revenues] (0) [Jan-Jun], (0) [year]

[operating income] (0) [Jan-Jun], (0) [year]

• Adjustment of prior-period differences for provision for retirement benefits:

[operating income] +0 [Jan-Mar], [year]

• Impact of provision for retirement benefits:

[operating income] +0 [Jan-Jun], +0 [year]

Forecast Overview

We expect wind power-related construction to be the major driver of results. We expect thermal power plant-related construction and plant maintenance to decline year on year; however, an increase in wind power-related work should offset the decline, leading to higher revenues in the second half of the year. We forecast a decrease in operating income due to a reactionary decline from additional construction work in the previous year.

(100 million yen, %)

April-June 2022 Highlights

Revenues and profits decreased due to declines in plant maintenance, plant construction, thermal power plant construction, etc., despite an increase in IT facility construction and wind power-related transactions.

Special Factors

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

Forecast Overview

We expect wind power-related construction to be the major driver of results. We expect thermal power plant-related construction and plant maintenance to decline year on year; however, an increase in wind power-related work should offset the decline, leading to higher revenues in the second half of the year. We forecast a decrease in operating income due to a reactionary decline from additional construction work in the previous year.

8. Logistics Support Segment

(100 million ven. %)

1

Quarterly
Results

Item	FY2022 Apr-Jun Results	Vs. FYE Dec 2021		
		FYE Dec 2021	Difference	Difference (%)
Revenues	994	797	197	24.8
Operating income	48	17	30	172.1
Operating income margin	4.8	2.2	—	

2

Quarterly Results and Forecast

Item	Results and Forecast for FY2022						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	1,051	994	2,046	—	—	2,091	4,138
Operating income	36	48	84	—	—	61	146
Operating income margin	3.5	4.8	4.1	—	—	2.9	3.5

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

Item	Comparison with FYE Dec 2021 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues	(211)	197	(14)	—	—	217	203
Revenue margin	(16.8)	24.8	(0.7)	—	—	11.6	5.2
Operating income	(15)	30	15	—	—	1	16
Operating income margin	(29.2)	172.1	22.0	—	—	2.8	13.1

3

Forecast
Change

Item	Full-Year Financial Results Forecast		
	Forecast	Previous Forecast	Difference
Revenues	4,138	4,161	(23)
Operating income	146	125	21
Operating income margin	3.5	3.0	

April-June 2022 Highlights

Revenues and profits increased due to higher unit sales prices and transaction volume in the petroleum and LP gas divisions, as well as brokerage income in the real estate business from the sale of the former Shiodome head office building.

Special Factors

- | | |
|---|--|
| - Cost increase associated with employee system reform: | [operating income] (0) [Jan-Jun], [year] |
| - Impact of COVID-19: | [revenues] +5 [Jan-Jun], +6 [year]
[operating income] +0 [Jan-Jun], +1 [year] |
| - Impact of revenue recognition standard: | [revenues] (125) [prior year, Jan-Mar] |
| - Impact of leasing business spin-off | [revenues] (175) [prior year, Jan-Mar] |
| - Allowances: | [operating income] +7 [Jul-Dec] |
| - Impact of Ukraine: | [revenues] (0) [Jan-Jun], (1) [year]
[operating income] (0) [Jan-Jun], (0) [year] |

Forecast Overview

Continuing from the first half, we expect unit sales prices in the petroleum and LP gas to rise and volumes to increase. We forecast revenues and operating income to increase as the LS business export packaging services business should remain strong.

III. Challenges of the Business Plan

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

Item Revenues	Japan*1					Overseas				
	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Targets	Progress	2022 Jan-Jun Results *2	2021 Jan-Jun Results	Difference (%) *2	2022 Jan-Dec Targets	Progress *2
Electric and Electronics Industry	¥59.3 billion	¥53.9 billion	10%	¥116.0 billion	51%	¥102.0 billion	¥79.8 billion	28%	¥174.0 billion	59%
Automotive Industry	¥47.0 billion	¥43.5 billion	8%	¥100.0 billion	47%	¥66.7 billion	¥48.7 billion	37%	¥110.0 billion	61%
Apparel Industry	¥8.0 billion	¥7.8 billion	3%	¥18.0 billion	44%	¥50.8 billion	¥32.4 billion	57%	¥77.0 billion	66%
Pharmaceutical/Medical Industry	¥9.8 billion	¥7.7 billion	27%	¥22.0 billion	45%	¥19.1 billion	¥10.3 billion	86%	¥30.0 billion	64%
Semiconductor-Related Industries	¥25.0 billion	¥12.3 billion	103%	¥37.8 billion	66%	¥11.5 billion	¥6.3 billion	83%	¥18.0 billion	64%

Item	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Forecast	Progress
Ocean Forwarding Business*3	380,000 TEU	370,000 TEU	3%	950,000 TEU	40%
Air Forwarding Business*3	450,000 t	470,000 t	(4%)	1,100,000 t	41%

Item Revenues	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Forecast	Progress
Non-Japanese Customer Accounts (GAM・GTA*4)	¥58.4 billion	¥30.4 billion	92%	¥79.2 billion	74%

*1 Japan results, KPI figures are for non-consolidated Nippon Express.

*2 Due to an error in the results data for 2022 Q1, we have corrected and presented the Q1 figures here. We published the correct figures for Q1 on our corporate website in the presentation materials for FY2022 Q1.

*3 Results, differences (%) rounded to the nearest whole number.

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

As shown in the presentation materials for the first half of 2022, ocean and air freight forwarding volume increased for ocean forwarding beginning in the previous year. However, volume did not reach previous-year levels, as our air forwarding experienced the significant impact of semiconductor shortages on sluggish production, particularly in the automobile industry, which accounts for a large portion of our volume. Ocean forwarding experienced a temporary slowdown in cargo movement and lower freightage expenses due to the situation in Ukraine and the impact of the lockdowns in China. However, cargo volumes have been increasing since the lockdowns have been lifted. Further, we expect the supply-demand environment to become even tighter as we enter the peak season.

Although uncertainties remain regarding global economic trends, we expect the tight supply-demand environment to continue through 2022 and gradually ease beginning in 2023.

Therefore, securing space will continue to be an issue for the time being, and we intend to focus on securing space mainly at the NX Global Ocean Network (NGO), which began full-scale operations in Singapore in May and features centralized purchasing functions, etc.

Meanwhile, as the supply-demand balance eases, economies of scale in carrier rate negotiations will be key. We will shift our focus from the traditional carrier cost-based pricing to a self-driven pricing strategy based on market data and other analyses. In addition to this shift, we also aim to expand cargo volume through trade lane management that optimizes the forwarding business of each operating company across the group.

We are developing systems to digitize market information, enhance traceability functions, and improve online quotation functions, including air forwarding. Our ultimate plan is to build an online platform that integrates these functions. We plan to launch the service in stages beginning this year to strengthen our approach not only to existing customers but also to potential customers, as well as to establish a new sales style in this time of the new normal.

In the context of air forward, our ocean cargo transportation has experienced a temporary slackening of supply and demand at the moment. However, according to the June IATA report, the demand forecast for 2022 is about 11% higher than that of 2019 before the outbreak of the COVID-19 pandemic. According to the latest data, June space supply is 7% lower than 2019, meaning the supply-demand imbalance has yet to be resolved. We also expect the supply-demand environment tighten as production recovers following the lifting of the lockdowns in China, automotive-related production increases, and the arrival of the peak season.

Amid these circumstances, the supply-demand environment will gradually loosen in the future. However, the underlying trend will likely remain tight through 2022, with the supply-demand balance beginning to ease in 2023.

Therefore, for the time being, we will continue to prioritize securing cargo space and pursue stable space supply as we monitor customer trends closely.

Meanwhile, as the supply-demand imbalance eases with a recovery in space supply, we anticipate a return to long-term contracts based on bids, as was done prior to the outbreak of COVID-19. In terms of contracts with airlines, we intend to seek the best mix of contracts allowing a response to change. We will do so by controlling price fluctuations through long-term contracts and by utilizing spot fares in response to market conditions.

Furthermore, as the tide changes in the global supply chain, the competence and strength of logistics companies will come into question, beyond the relative merits of ocean versus air forwarding or other modes of transportation. I will discuss this idea later.

III. Challenges of the Business Plan

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

Item Revenues	Japan*1					Overseas				
	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Targets	Progress	2022 Jan-Jun Results *2	2021 Jan-Jun Results	Difference (%) *2	2022 Jan-Dec Targets	Progress *2
Electric and Electronics Industry	¥59.3 billion	¥53.9 billion	10%	¥116.0 billion	51%	¥102.0 billion	¥79.8 billion	28%	¥174.0 billion	59%
Automotive Industry	¥47.0 billion	¥43.5 billion	8%	¥100.0 billion	47%	¥66.7 billion	¥48.7 billion	37%	¥110.0 billion	61%
Apparel Industry	¥8.0 billion	¥7.8 billion	3%	¥18.0 billion	44%	¥50.8 billion	¥32.4 billion	57%	¥77.0 billion	66%
Pharmaceutical/Medical Industry	¥9.8 billion	¥7.7 billion	27%	¥22.0 billion	45%	¥19.1 billion	¥10.3 billion	86%	¥30.0 billion	64%
Semiconductor-Related Industries	¥25.0 billion	¥12.3 billion	103%	¥37.8 billion	66%	¥11.5 billion	¥6.3 billion	83%	¥18.0 billion	64%

Item	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Forecast	Progress
Ocean Forwarding Business*3	380,000 TEU	370,000 TEU	3%	950,000 TEU	40%
Air Forwarding Business*3	450,000 t	470,000 t	(4%)	1,100,000 t	41%

Item Revenues	2022 Jan-Jun Results	2021 Jan-Jun Results	Difference (%)	2022 Jan-Dec Forecast	Progress
Non-Japanese Customer Accounts (GAM・GTA*4)	¥58.4 billion	¥30.4 billion	92%	¥79.2 billion	74%

*1 Japan results, KPI figures are for non-consolidated Nippon Express.

*2 Due to an error in the results data for 2022 Q1, we have corrected and presented the Q1 figures here. We published the correct figures for Q1 on our corporate website in the presentation materials for FY2022 Q1.

*3 Results, differences (%) rounded to the nearest whole number.

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

Regarding our efforts in priority industries, we provided volume results and annual targets in our presentation materials. Revenues for January through June 2022 were negatively impacted by production cutbacks in the automobile and electric and electronics industries. However, results were higher year on year across all industries, as ocean and air freight forwarding, etc., drove revenue growth. Further, we expect that the tight supply-demand environment in the forwarding business will continue through 2022. The shortage of semiconductors for automobiles is expected to ease, after which auto production should increase in the future. Accordingly, we expect an expansion across all industries, and we continue to aim for our annual target figures. In our financial results presentation at the end of the previous fiscal year, we discussed focusing our efforts on the automobile and semiconductor industries. We are now implementing what we explained at that time in a steady manner. In other industries, we are pursuing initiatives tailored to the characteristics of each industry. We will provide more information on our next-stage initiatives once we have made further progress and established a track record.

In the pharmaceutical/medical industry, we are making progress in connecting our global network with domestic logistics in each country to incorporate pharmaceuticals into our global supply chain. Pharmaceutical manufacturers have been canceling or delaying a full-scale response to pharmaceutical distribution and bidding due to the prolonged COVID-19 pandemic and delays in legislation related to GDP. Our domestic pharmaceutical logistics operations, launched in four locations, have been affected by this situation and we are now reviewing our plans.

As a result, even though we aimed initially for profitability under our current business plan, we have decided to postpone this target for a year.

In light of the situation in the pharmaceutical industry, I want to explain two points regarding future catch-up and strategy.

With respect to GDP compliance, the need remains unchanged. However, we believe the move toward domestic legislation will take time, and our intent is to strengthen our sales capabilities, aiming at priority targets among Japanese pharmaceutical manufacturers, as well as foreign-affiliated manufacturers who are leading in terms of GDP. Second, we intend to provide solutions for manufacturing and logistics based on Good Manufacturing Practices (GMP) employed by our pharmaceuticals facilities. GMP is a quality standard for the manufacture of pharmaceuticals. The ministerial ordinance regarding GMP underwent a major revision on August 1, 2021. The revisions updated regulations to be consistent with international standards. One of the reasons for the revision of the law is that the suspension of drug production or business operations due to GMP violations has led to a recent shortage of drug supply in the generic drug market. This has become a serious social problem.

In the pharmaceutical industry, the need for GMP-compliant warehouses is increasing due to increased production and pharmaceutical-related imports. Our pharmaceutical centers offer distribution processing services that include packaging, labeling, and storage under strict quality controls. We expect these services to contribute to the stable supply of products for customer manufacturing and distribution.

By providing these kinds of solutions, we work actively to expand our business in new areas in pharmaceuticals. The global supply chain is still in turmoil triggered by the outbreak of COVID-19, but we believe it gradually begin to normalize gradually. Finally, I will conclude with a discussion of future changes in the external environment and the question, "How do we extend our top line in the world of with-COVID-19?" I will address two points regarding our future initiatives.

First, amid the changing trends across the supply chain, customers demand stable supply, high quality, reasonable prices, and a reduction in CO2 emissions. The logistics required to meet these demands do not consider shipping, air forwarding, and other modes of transportation individually, but rather as a holistic solution, utilizing all modes of transportation, networks, IT systems, etc., to derive and design optimal solutions.

As our president explained earlier, we will strengthen our structure through the Global Business Headquarters (GBHQ), as well as through a market-in approach, pursuing design development for new logistics products that include supply chain solutions and solution products.

Second, strengthening sales capabilities is essential to achieving our business strategy. We seek to expand structural aspects, such as the number and assignment of sales personnel, and to maximize points of contact with customers in our sales activities. We also recognize the need to increase the productivity of our sales activities.

To this end, we are pursuing an account management approach that targets each priority industry based on growth potential. At the same time, our sales structure for global customers is already in place in the form of the Singapore-based Global Key Account Sales Team (GKAS), a global customer headquarters and sales approach to regional management companies. We plan to assign a GKAS to each region as an organization directly under the GBHQ. One current issue is that some projects have damaged profits in certain regions, despite contributing to business expansion globally. As a result, we have missed opportunities to enter markets in some cases, or in other words, we are achieving only partial optimization.

By revitalizing account management and having GKAS lead the global customer sales, we aim to expand market entry opportunities and improve the likelihood of customer acquisition. To strengthen the sales force, we must design a data base and a system to motivate sales. We are aware of the need to strengthen or redesign our existing foundations and systems. We are already studying this issue, and aim to grow our top line and market share by strengthening the capabilities of our products and the ability to sell them.

III. Challenges of the Business Plan

B Sales by Business: FY2022 (Jan-Jun)

Millions of yen, %

(Millions of yen, rounded down)

Nippon Express Co., Ltd. Results by Business	Results	Difference		Difference (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Railway utilization business	32,453	(2,099)	(3,314)	(6.1)	(9.3)
Small-lot shipment business	18,705	(1,718)	(1,695)	(8.4)	(8.3)
Chartered truck business	88,015	(1,871)	710	(2.1)	0.8
Marine transportation business	93,312	36,364	48,848	63.9	109.9
Harbor transportation business	34,368	768	3,363	2.3	10.8
Air transportation business	175,295	33,501	90,375	23.6	106.4
Warehousing and storage business	76,153	7,277	7,335	10.6	10.7
In-factory business	29,163	1,978	4,520	7.3	18.3
Moving and relocation business	32,525	1,797	3,337	5.9	11.4
Other	96,184	(8,208)	(4,610)	(7.9)	(4.6)
Total	676,178	67,790	148,870	11.1	28.2
International Logistics/Exports	Results	Difference		Difference (%)	
		Vs. FYE Dec 2021	Vs. FY2020	Vs. FYE Dec 2021	Vs. FY2020
Ocean transportation (export)	64,373	25,786	36,653	66.8	132.2
Air transportation (export)	125,169	31,729	85,261	34.0	213.6

Domestic Business

We saw a recovery in certain cargo in the second quarter; however, to the lockdowns in China and the semiconductor shortages resulted in lower automobile production, electric and electronic components, and other products, leading to lower revenues in our railway utilization, small-lot shipments, and motor transportation business posted lower revenues compared with 2021. On the other hand, warehousing and storage and in-factory businesses performed well, outperforming both 2020 and 2021.

Railway Utilization Business

Automobile-related cargo movement was weak due to the impact of production cutbacks ongoing since last year, as well as the slowdown in parts supply due to the lockdowns in China. Agricultural products, which suffered from last year's poor harvest, experienced weak cargo movement and lower revenues.

Small-Lot Shipment Business

While cargo movement for consumer goods such as food and beverages and daily sundries trended toward a recovery, the decrease in volume for electric precision instruments due to the shortage of semiconductors was a major factor in the decline in revenues.

Chartered Truck Business

Despite a recovery in automobile-related and beverage-related shipments in the second quarter, the impact of the decline in the first quarter was significant, and cargo movement for agricultural products and electric and electronics-related products were slow, resulting in lower revenues.

Warehousing and Storage Business

Storage volume increased due to the start of new storage operations, resulting in an increase in revenue for a second consecutive fiscal year.

In-Factory Business

In addition to volume for new e-commerce-related transport, the business experienced strong performance due to the ongoing recovery in steel industry production.

Moving and Relocation Business

Domestic moving and relocation was impacted by a drop in corporate demand due to fewer job transfers caused by COVID-19. However, the business recorded an overall increase in revenues compared with 2021 and 2020 due to a rebound increase in international moving services.

International Logistics

Volume for ocean and air forwarding remained steady. Air export freight forwarding business volume decreased year on year, but revenues increased due to the continued high level of freight rates.

This slide shows the FY2022 first half results for Nippon Express sales by business segment. International logistics continued to be firm, while the ocean and air transportation business recorded growth. However, the recovery in our domestic business was limited in nature, and we have not returned to pre-COVID-19 levels overall.

The main causes behind this performance were COVID-19 infections and stagnant production due to the shortage of semiconductors, but we expect volume to increase in the future, supported by a recovery in automobile production and other factors. At the same time, the seventh wave of COVID-19 and other uncertainties are undeniable. We intend to manage our business by closely monitoring economic and customer trends

III. Challenges of the Business Plan

C Strategy to Enhance Domestic Businesses in Japan

Major Initiatives

I. Improve Profits

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

- As revenues increased for the second quarter of the fiscal year ending December 31, 2022 (Jan-Jun; +11.1% year on year), our outsourcing cost ratio decreased 2.5% year on year.
- The utilization ratio of company-owned vehicles for cumulative Jan-Jun 2022 increased +0.6 points year on year
- We will continue to improve the margin ratio by leveraging company strengths and company-owned vehicles.

II. Improve Productivity

- ◆ Raise Overall Level of Warehouse Operations

- In 2021, 17 individuals participated in Logistics Boot Camp, a core human resources development program to promote productivity improvement in warehouse operations. Currently, the program is offered nationwide for core human resources to improve warehouse operations. In fiscal 2022, we will offer the program 18 times between July 6 and January 2023 for 18 individuals selected from across Japan.
- We implemented training on thinking methods and techniques necessary to improve logistics operations via e-learning over five sessions to foster logistics-fluent human resources across the company.

- ◆ Automate, Streamline Office Work

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

III. Deepen Integration of Land, Sea, and Air

- ◆ Pursue cross-mode sales

- We won 578 contracts out of 1,029 attempts by approaching existing customers (Q2 cumulative total)
- Propose seamless transportation between overseas and domestic markets by leveraging the strengths of the NX Group

IV. Strengthen Network Transportation Products

- ◆ Increased sales of Protect BOX

- Expand revenues further sales through new equipment tailored to customer needs.
Jan-Jun 2022: 15,884 units (+ 191% of previous year)

- ◆ Increased sales of railroad containers, air cargo containers

- NX Train is now on sale and have been well received by customers; load rate of approximately 90%.
- We are pursuing modal shift proposals for decarbonization as a transportation mode that will be effective in solving issues surrounding the future of logistics. We are also building backup transport systems in the event of natural disasters.

- ◆ Structural Reform of the Moving & Relocation Business

- Adopted NPS (Net Promoter Score) as a KPI, aiming for quality improvement as the primary goal. Strive to achieve NPS target of 50 points in sales, arrival/departure operations, and favorable recommendations.
Q2 cumulative average NPS 43 points (+4 points year on year)
- Remote quotation system (Remomi®) usage: Q2 cumulative +35% year on year; usage rate +5%

- ◆ Strengthen and Pursue Arrow Delivery Business

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

V. Business Structure Reform Project Initiatives (Six Categories)

- Cross-Divisional Projects From a Medium- to Long-Term Perspective Launched in the First Quarter Pursuing Initiatives as an Opportunity to Examine Strategies for Our Next Business Plan
Project categories: (1) Logistics Business Reform; (2) Railway Utilization Business Reform; (3) Small-Lot Shipment Business Reform; (4) Coastal Shipping Business Reform; (5) Integrated Business Reform; and (6) M&A Strategy

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

Under these circumstances, we pursued a number of initiatives as part of our strategy to enhance domestic businesses in Japan. The following is an overview of our major initiatives.

First, we are reducing subcontract expenses to improve profitability. Our outsourcing cost ratio 2.5 points year-on-year, while revenues increased by 11.1% year on year during the period under review. Since the forwarding business is affected by high unit costs, we estimate that the ratio has decreased by about 1 point compared to pre-pandemic levels, excluding special factors. The utilization ratio of company-owned vehicles improved 0.6% year-on-year as stepped up efforts to match vehicles to daily workforce utilization. We will continue to pursue cost controls and take advantage of the recovery phase of cargo movement.

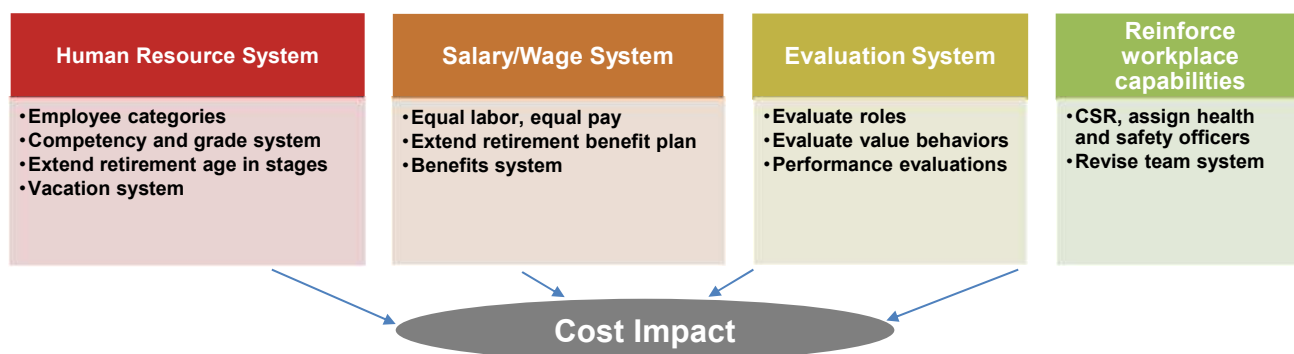
Our presentation materials also describe our progress toward improving productivity, evolving land-sea-air integration, and strengthening our network transportation products. As explained by our president earlier, we are working to implement business reforms through structural reforms in each of our core transportation businesses. We selected six topics under our business structure reform project, as described in our presentation materials.

In March, we formed a project team, and currently 120 employees representing a cross-section of all divisions work to identify issues.

We view this project as preparation to jump into our next business plan, and we will implement measures in areas we must address immediately, rolling these measures out to line operations. At the same time, we will be satisfied by making improvements that are merely extensions of existing operations. We intend to pursue business reforms from the perspective of improving capital efficiency and optimizing our business portfolio.

III. Challenges of the Business Plan

D Impact of Employee System Reform (as of June 30, 2022)



	FY2019	FY2020	FYE Dec 2021	FY2022	FY2023 Cumulative
Projected (at the time of the 2019 business plan)	¥10.0 billion increase				¥20.0 billion increase
Forecast		¥1.0 billion increase	¥1.4 billion increase (9-Month Forecast)	¥1.1 billion increase	¥9.0 billion increase
Results	¥4.8 billion increase	¥0.94 billion increase	¥1.3 billion increase (9-Month Results)	¥0.66 billion increase (Jan-Jun Results)	

III. Challenges of the Business Plan

E Progress in FY2022 Back Office Cost Reductions (as of June 30, 2022)

Enhancing Japanese Domestic Businesses	FY2023 Target	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE Dec 2021 Results (Apr-Dec) [YoY]	FY 2022 Results (Jan-Jun) [YoY]	FY2022 1H Cumulative	FY2022 Target [YoY]	FY2022 Cumulative (Target)
Further reorganization of organizations/ streamlining of administrative departments	¥4.5 billion [-500 employees]	Further branch back office personnel reassignments	¥1.10 billion [-124 employees]	¥1.40 billion [-156 employees]	—	—	¥3.61 billion [402 employees]	¥0.36 billion [40 employees]	¥3.73 billion [415 employees]
		Reassign HQ employees	—	¥0.82 billion [-91 employees]	¥0.04 billion [-4 employees]	¥0.24 billion [-27 employees]	FY2023 Target Progress: 80%		
Back office process reform	¥5.0 billion	Overtime [back office personnel]	¥1.10 billion	¥1.32 billion	+¥0.55 billion	+¥0.11 billion	¥2.45 billion	¥0.69 billion	¥4.55 billion
		Personnel dispatching cost [back office]	+¥0.15 billion	¥1.04 billion	¥0.20 billion	+¥0.40 billion	FY2023 Target Progress: 49%	¥0.90 billion	
Total	¥9.5 billion	Total	¥2.05 billion	¥4.58 billion	+¥0.31 billion	+¥0.27 billion	¥6.06 billion FY2023 Target Progress: 64%	¥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.

During the first half of the period, we addressed organizational reform and administrative department streamlining by reassigning 27 employees. We are pursuing further efficiencies at headquarters and branches, looking to reassign 40 employees for the year.

With respect to administrative process reforms, overtime and personnel dispatch costs increased ¥110 million and ¥400 million, respectively. These increases were due to increased volume and more administrative work involved in charter arrangements and other non-routine operations. On the other hand, we believe our efforts to reduce front-line administrative work via RPA and centralization have curbed the increase in overtime and other costs. We will continue centralizing administrative work at integrated locations, mechanizing front-line administrative tasks, and taking other measures to achieve our goals.

As a result of the above, as of the end of the first half of FY2022, the cumulative reduction in back office costs since FY2019 amounted to ¥6.06 billion, 63.8% of our ¥9.5 billion target.

I described our strategy to enhance domestic businesses in Japan and status of back office costs. But we believe one of the most important keys is how we respond to changes in the supply chain and boost our top line. This basic strategy is also our growth strategy for core businesses in Japan, and we believe that it is important to view the Japanese market within the context of the entire global supply chain.

We will continue to strengthen efforts in our strategy to enhance domestic businesses in Japan, aiming to secure an overwhelming position in our home market in pursuit of the goal to win in our home market.

III. Challenges of the Business Plan

F Pursuing RPA and NX-OCR

Why Adopt RPA?

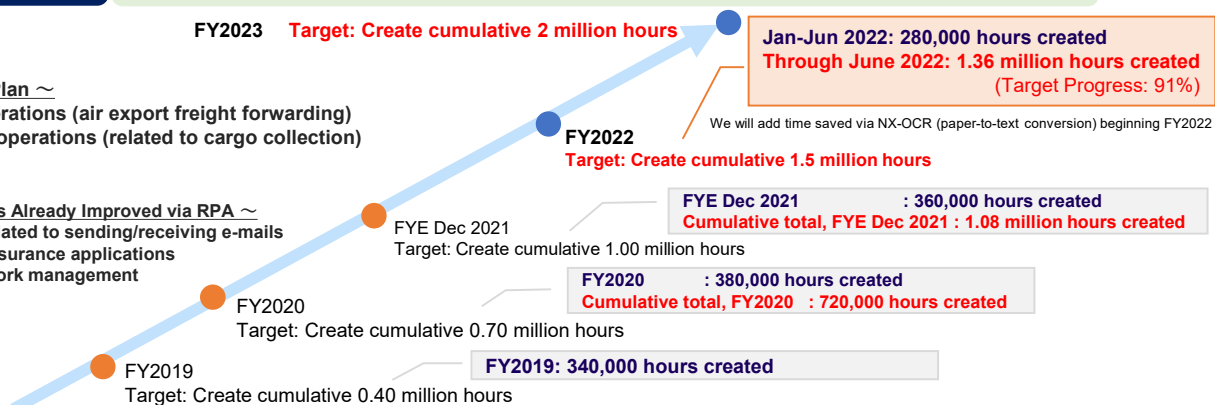
To create more time for more value-added tasks, such as creative planning and sales activities.
⇒ Improve productivity and quality, reduce costs, and foster the potential of creating new businesses.

~ RPA Adoption Plan ~

- PDF data DL operations (air export freight forwarding)
- Invoice delivery operations (related to cargo collection)

~ Examples of Tasks Already Improved via RPA ~

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



Measures to Promote RPA Adoption

- (1) Have RPA masters identify of new projects and encourage horizontal adoption
- (2) 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

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

CO₂ emissions reductions vs. FY2017

FY2017	FY2019	FY2020	FYE Dec 2021 Apr-Dec	FY2022 Jan-May	Target FY 2023
468,069t <i>Indicator</i>	414,884t (53,185t)	401,580t (66,489t)	290,779t (Prior-year results: 288,894t)	154,762t (Prior-year results: 158,660t)	(New Target) 350,000t (118,069t) <small>*Upward revision in FYE December 2021</small>

Promote diversity -rate of women in continuing service-*

FY2018	FY2019	FY2020	FYE Dec 2021	FY2022 as of June (preliminary)	FY 2023
Women: 48.2% Men : 71.8%	Women: 50.5% Men : 68.0%	Women: 55.9% Men : 67.5%	Women: 55.7% Men : 65.0%	Women: 67.9% Men : 69.6%	Same level as men

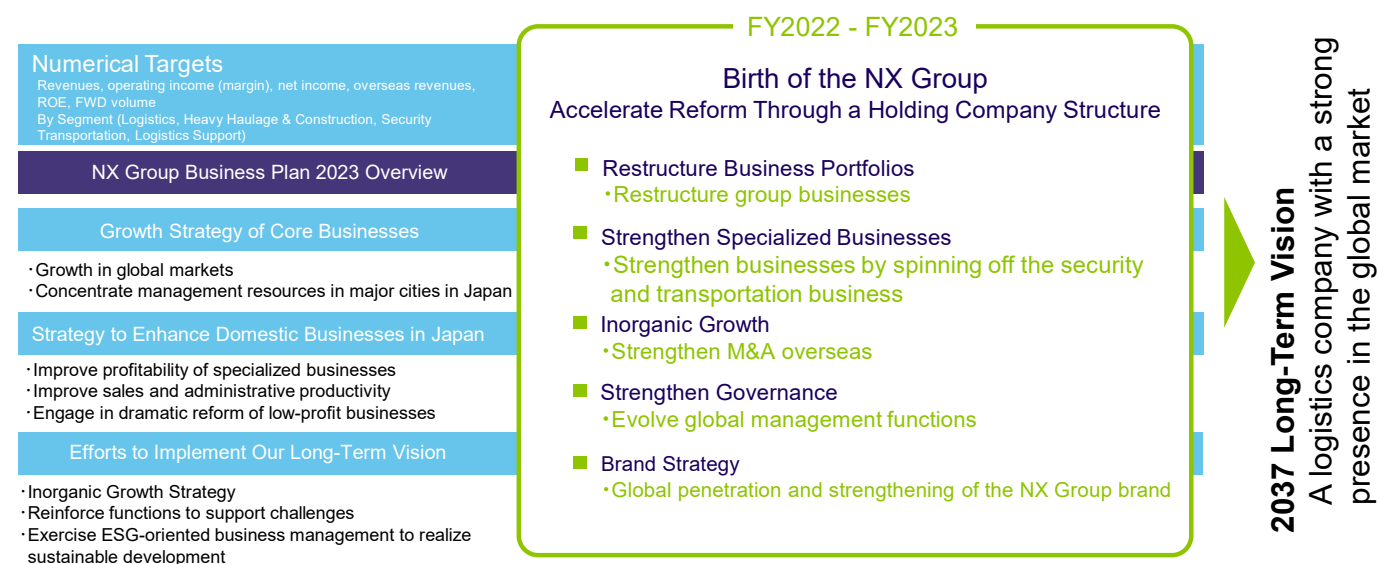
Working-style innovations -rate of annual paid leave taken-

FY2017	FY2019	FY2020	FYE Dec 2021	FY2022 as of June (preliminary)	FY 2023
24.3% <i>Indicator</i>	40.9% (168.3% vs. FY2017)	44.9% (12.2 days taken)	49.0% (11.4 days taken)	24.6%	60% <small>*Upward revision in FY2022</small>

* The figures as of the end of June 2022 (preliminary figures) in "Working-style innovations" were revised on August 24, 2022.

III. Challenges of the Business Plan

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



33 Financial Results Presentation for Q2,
Fiscal Year Ending December 2022

Copyright © 2022 NIPPON EXPRESS HOLDINGS, INC., All rights reserved.

NX NIPPON EXPRESS
We Find the Way

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

In terms of growth strategy for our core businesses, we are focusing on the customer (industry) axis to expand volume by placing account management at the center of our sales approach. At the same time, our basic strategy is to strengthen the Business focus axis as a lever to implement logistics services.

We have pursued this focus even during the COVID-19 pandemic, and as you know, we reorganized the Global Business Headquarters, or GBHQ for short, in July. The purpose of this reorganization is to accelerate the implementation of our business strategy by consolidating and strengthening global business control functions, while clarifying the roles of each group company. This organization includes the Marketing Division, Sales Strategy Division, Logistics Solutions Division, Air and Ocean Forwarding Division, and Business Strategy Division. And we designed the organization to function on both the Customer (Industry) and Business focus axes.

In addition, we made progress in hiring foreign nationals, adding two new foreign-national executives and transferring one from the Europe Region to Japan. While globalization and the spread of Japanese strengths by Japanese nationals are more important than ever, we believe our business structure and human resources must become truly global if we are to expand our non-Japanese client base and compete worldwide.

This transition is not finished, and we will endeavor to strengthen functions and expand our business. We intend to develop a global sales structure and conduct account management as a means to expand sales.

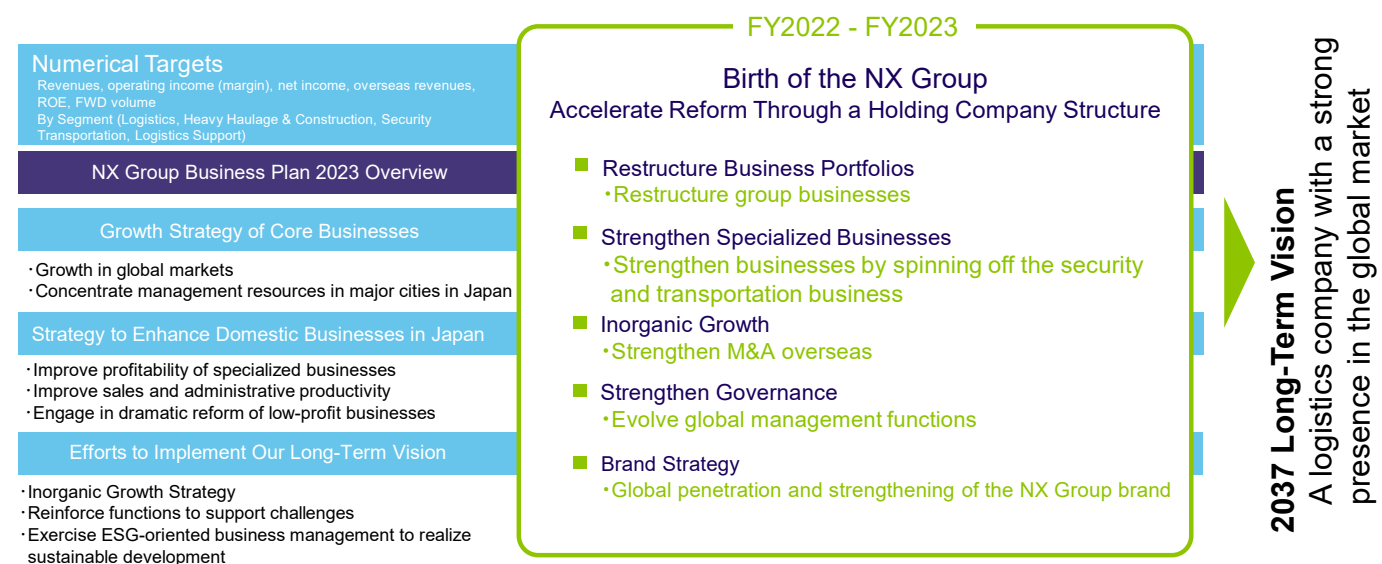
We have achieved results in reducing back office costs and outsourcing costs with respect to our strategy to enhance domestic businesses in Japan. But it is important that we expand market share and generate top-line growth, which is why we focus on these topics.

Underlying these efforts is our growth strategy for core businesses, and we are expanding target industries to those in which we expect future expansion. These industries include the pharmaceutical/medical industry and the semiconductor industry. We believe we must redesign and reform our businesses to accommodate new business models.

In terms of direction, we endeavor to increase the profitability of our domestic businesses, beginning with growth in our global businesses, concentrating management resources in the Tokyo-Nagoya-Osaka regions, and restructuring our organization to match the market characteristics of each region. At the same time, we believe we can differentiate ourselves and demonstrate our strengths through enhanced railway, small-lot cargo, coastal shipping, domestic air transportation, and other transport modes, or by combining network services. We selected six topics related to this initiative and have begun specific studies.

III. Challenges of the Business Plan

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



34 Financial Results Presentation for Q2,
Fiscal Year Ending December 2022

Copyright © 2022 NIPPON EXPRESS HOLDINGS, INC., All rights reserved.

NX NIPPON EXPRESS
We Find the Way

With the launch of a new holding company structure, it will be easier to review our business portfolio, including which businesses to focus on and which businesses to carve out, etc. The holding company structure will also facilitate M&A strategies, which are indispensable for medium- to long-term corporate value enhancement. We are currently in the process of exploring specific M&A projects from multiple perspectives, and we intend to pursue M&A targets that will complement functions and customer bases in which we lack, while making a positive contribution to management. We consider suitability, including corporate culture, when selecting targets. We proceed after confirming potential synergies and other factors, such as the option of a business alliance prior to the actual M&A transaction.

In conjunction with the transition to a holding company structure, we have strengthened the group's financial governance structure, establishing an investment committee and taking other measures. We study the allocation of management resources to appropriate regions and businesses on a continual basis to optimize our business portfolio and reorganize group businesses.

We made the decision to spin off the security transportation business in January next year. Further, we view the reorganization and integration of overlapping businesses and functions within the group, as well as the reorganization of the Japan business, as important matters to address. Specific studies are underway, and will be implemented over time as preparations are completed.

Our approach to business optimization is not to begin by improving existing businesses, but rather to clearly identify each selected business that leads to our long-term vision of becoming a logistics company with a strong presence in the global market. We then move to strengthen those businesses requiring attention, while reorganizing non-core businesses and unprofitable businesses, ensuring a final conclusion for each.

Accordingly, the most important issues as we move forward with reform under a holding company structure is how to raise our top line through M&A strategy and other means, how to optimize our portfolio, and how will the answers to these questions drive us toward achieving our business plan and long-term vision?

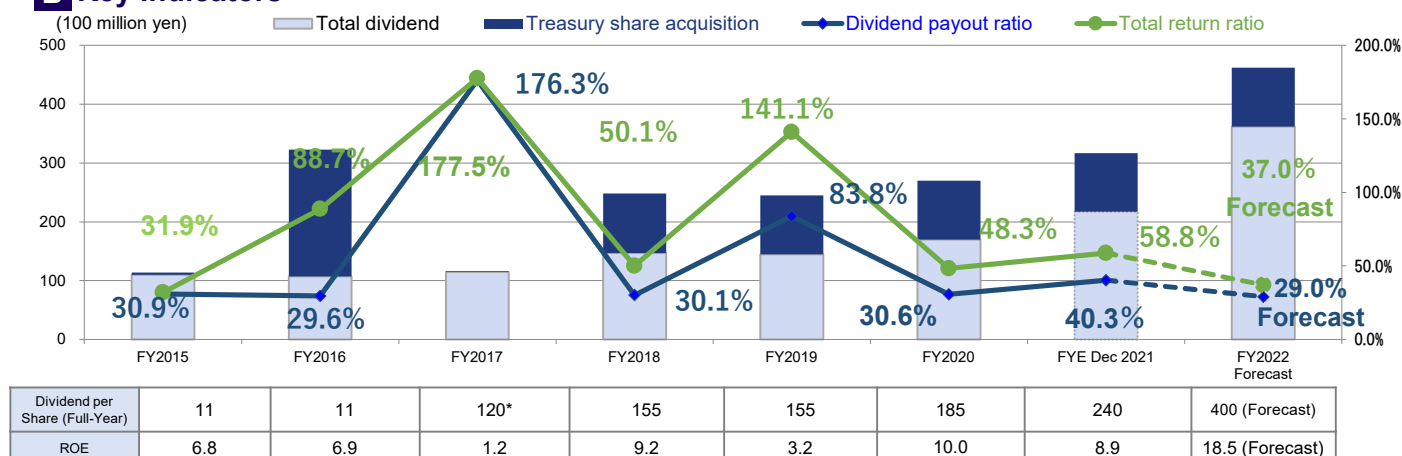
We have not revised the numerical targets for the final year of the business plan. We plan to explain our forecast for next year at our year-end financial results presentation as we keep a close eye on this year's progress.

IV. Return to Shareholders

A Capital Policies

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

B Key Indicators



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

With respect to shareholder returns for the fiscal year ending December 31, 2022, our dividend forecast calls for an interim dividend of ¥250, including a commemorative dividend of ¥150 in connection with the establishment of a holding company. We also plan to provide a year-end dividend of ¥150, for a total annual dividend of ¥400. In addition, as announced today, we plan to repurchase up to ¥10 billion in share buybacks.

As a result, we expect the dividend payout ratio to 29.0% and total return ratio to be 37.0%, including share buybacks. In this case, the total return ratio will be 51.3% for the cumulative four-year period beginning in FY2019.

We will continue striving for higher shareholder returns, keeping in mind the goals of our business plan.

We have pursued strategies and measures under our business plan, executing organizational and structural reforms, including the shift to a holding company structure, to achieve our long-term vision. We have an organization and structure in line with our strategies, and our employees have changed their ways of thinking and acting, reaching a new stage. Our employees truly understand the group's long-term vision, and I can't help but feel a change of corporate culture is taking place.

The Nippon Express Group will continue to work as one toward our long-term vision, and I ask for your continued support and cooperation in this endeavor.

Supplemental Documents

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

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

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

Variable factors	Impact on consolidated results (Jan-Jun results)	Impact on consolidated results (12-month forecast)
Impact of change in unit fuel price	<p>Operating income ¥(1.75) billion (cost increase)</p> <p>Unit price per t [Prior period 6-month average]</p> <p>Light oil : ¥117.53 [¥97.40]</p> <p>Gasoline : ¥155.57 [¥132.40]</p> <p>Heavy oil : ¥80.10 [¥56.10]</p>	<p>Operating income ¥(2.94) billion (cost increase)</p> <p>Unit price per t [Prior period 12-month average]</p> <p>Light oil : ¥117.77 [¥102.10]</p> <p>Gasoline : ¥154.12 [¥139.00]</p> <p>Heavy oil : ¥83.23 [¥62.50]</p>
Impact of foreign exchange	<p>Revenues +¥28.15 billion</p> <p>Operating income +¥1.74 billion</p> <p>6-month avg. foreign exchange rate [January-June]* [prior-period 6-month avg.]</p> <p>USD : ¥129.57 [¥109.40]</p> <p>EUR : ¥138.12 [¥131.90]</p> <p>HKD : ¥16.51 [¥14.10]</p> <p>RMB : ¥19.58 [¥16.90]</p> <p>* 6-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>	<p>Revenues +¥74.86 billion</p> <p>Operating income +¥4.27 billion</p> <p>12-month avg. foreign exchange rate [January-December]* [prior-period 12-month avg.]</p> <p>USD : ¥129.78 [¥109.80]</p> <p>EUR : ¥138.46 [¥129.80]</p> <p>HKD : ¥16.56 [¥14.10]</p> <p>RMB : ¥19.66 [¥17.00]</p> <p>* 12-month foreign exchange rate avg. is for reference. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>

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

Variable factors	Impact on consolidated results (Jan-Jun results)	Impact on consolidated results (12-month forecast)
Change due to employee system reform (same pay for same work, impact of extended retirement age)	Operating income ¥(0.66) billion [Japan: ¥(0.62) billion, Security Transportation: ¥(0.05) billion, Heavy Haulage & Construction: +¥0.01 billion Logistics Support: ¥(0.00) billion]	Operating income ¥(1.14) billion [Japan: ¥(1.10) billion, Security Transportation: ¥(0.08) billion, Heavy Haulage & Construction: +¥0.04 billion Logistics Support: ¥(0.00) billion]
Impact of COVID-19	<p>Revenues +¥10.63 billion Operating income +¥4.59 billion</p> <p> ・Japan: Revenues +¥4.30 billion Operating income +¥1.89 billion ・The Americas: Revenues +¥1.77 billion Operating income +¥0.57 billion ・Europe: Revenues +¥7.75 billion Operating income +¥1.72 billion ・East Asia: Revenues ¥(6.20) billion Operating income ¥(0.68) billion ・South Asia: Revenues +¥2.55 billion Operating income +¥0.94 billion ・Security Transportation: Revenues +¥0.10 billion Operating income +¥0.08 billion ・Heavy Haulage and Construction: Revenues ¥(0.20) billion Operating income ¥(0.02) billion ・Logistics Support: Revenues +¥0.56 billion Operating income +¥0.08 billion </p>	<p>Revenues +¥9.10 billion Operating income +¥3.92 billion</p> <p> ・Japan: Revenues +¥5.09 billion Operating income +¥2.22 billion ・The Americas: Revenues +¥3.83 billion Operating income +¥1.01 billion ・Europe: Revenues +¥14.13 billion Operating income +¥2.32 billion ・East Asia: Revenues ¥(17.00) billion Operating income ¥(2.50) billion ・South Asia: Revenues +¥1.98 billion Operating income +¥0.48 billion ・Security Transportation: Revenues +¥0.12 billion Operating income +¥0.10 billion ・Heavy Haulage and Construction: Revenues +¥0.29 billion Operating income +¥0.12 billion ・Logistics Support: Revenues +¥0.65 billion Operating income +¥0.15 billion </p>

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

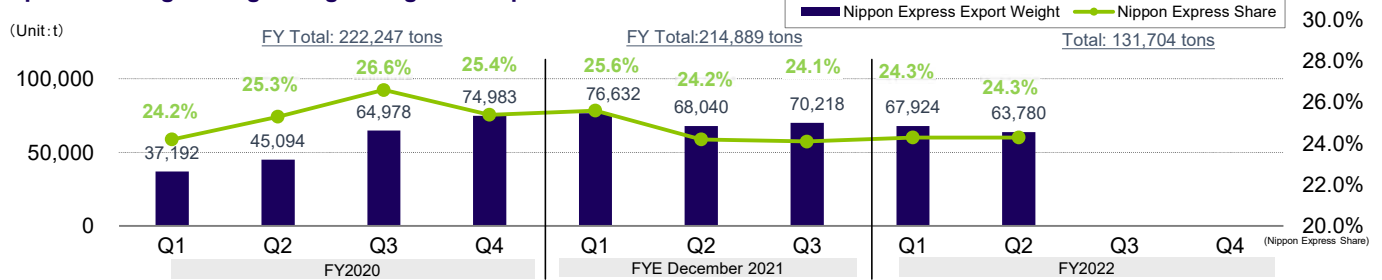
Variable factors	Impact on consolidated results (Jan-Jun results)	Impact on consolidated results (12-month forecast)
Adjustment of prior-period differences in provision for retirement benefits	Operating income +¥2.51 billion ・Japan: Operating income +¥2.18 billion ・Security Transportation: Operating income +¥0.25 billion ・Heavy Haulage and Construction: Operating income +¥0.08 billion	
Decrease in provision for retirement benefits	Operating income +¥0.52 billion ・Japan: Operating income +¥0.45 billion ・Security Transportation: Operating income +¥0.05 billion ・Heavy Haulage and Construction: Operating income +¥0.01 billion	Operating income +¥1.32 billion ・Japan: Operating income +¥1.14 billion ・Security Transportation: Operating income +¥0.13 billion ・Heavy Haulage and Construction: Operating income +¥0.04 billion
Impact of Ukraine	Revenues ¥(0.34) billion Operating income +¥0.03 billion ・Japan: Revenues ¥(0.39) billion Operating income +¥0.05 billion ・Europe: Revenues +¥0.14 billion Operating income +¥0.00 billion ・Heavy Haulage and Construction: Revenues ¥(0.01) billion Operating income ¥(0.00) billion ・Logistics Support: Revenues ¥(0.06) billion Operating income ¥(0.01) billion	Revenues ¥(2.39) billion Operating income ¥(0.41) billion ・Japan: Revenues ¥(1.17) billion Operating income ¥(0.10) billion ・Europe: Revenues ¥(1.07) billion Operating income ¥(0.27) billion ・Heavy Haulage and Construction: Revenues ¥(0.01) billion Operating income ¥(0.00) billion ・Logistics Support: Revenues ¥(0.12) billion Operating income ¥(0.02) billion
Environment investments	Operating income +¥0.26 billion	Operating income +¥0.55 billion

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

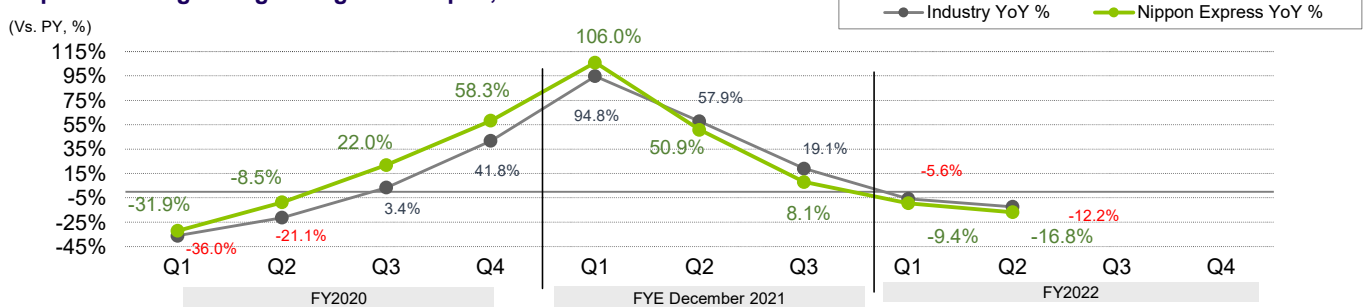
Variable factors	Impact on consolidated results (Jan-Jun results)		Impact on consolidated results (12-month forecast)	
Impact of revenue recognition standard to decrease sales	Revenues ¥(12.52) billion	Logistics Support	Revenues	¥(12.52) billion [Q1]
Spin off leasing business of NX Shoji	Revenues ¥(17.51) billion	Logistics Support	Revenues	¥(17.51) billion [Q1]
Rebound increase of HQ relocation expenses			Operating income +¥1.18 billion [Q4] [Japan: +¥1.18 billion]	
Increase due to rebound related to allowance for bad debt posted in the previous year (East Asia/Logistics Support)			Operating income +¥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)>	

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

Export Air Freight Weight Originating from Japan



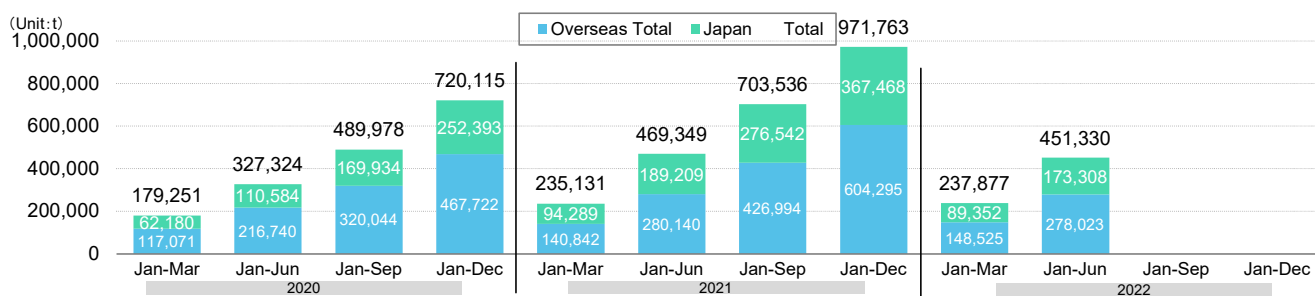
Export Air Freight Originating From Japan, YoY



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

(Unit:t /chargeable)

Originating Region	2020					2021					2022				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Japan (consolidated)	58,841	45,579	55,874	78,048	238,343	89,719	90,527	82,178	85,592	348,017	84,660	79,228			163,888
Japan (excluding consolidated)	3,339	2,825	3,475	4,411	14,050	4,570	4,392	5,154	5,334	19,451	4,692	4,728			9,420
Japan Total	62,180	48,404	59,350	82,459	252,394	94,289	94,919	87,333	90,926	367,468	89,352	83,956			173,308
The Americas	19,739	15,838	15,070	20,003	70,651	23,273	20,980	19,757	20,417	84,427	20,740	20,437			41,178
Europe	24,166	18,954	20,721	28,205	92,045	26,206	28,074	28,724	35,410	118,414	31,119	27,195			58,314
East Asia	35,441	34,266	33,277	56,424	159,407	44,272	43,429	49,093	58,539	195,334	43,656	40,191			83,846
South Asia & Oceania	37,725	30,611	34,236	43,046	145,618	47,091	46,814	49,280	62,935	206,120	53,010	41,675			94,685
Overseas Total	117,071	99,669	103,304	147,678	467,721	140,842	139,298	146,854	177,301	604,295	148,525	129,498			278,023
Total Weight	179,251	148,074	162,654	230,137	720,115	235,131	234,217	234,187	268,227	971,763	237,877	213,453			451,330

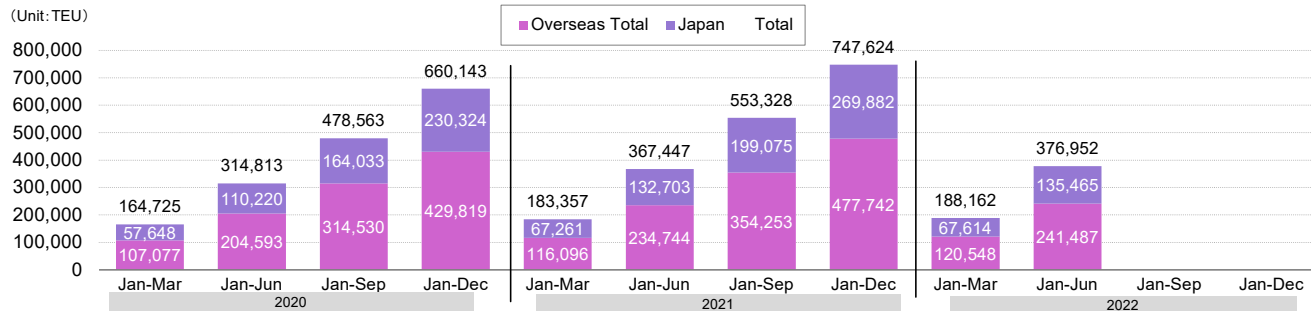


Appendix 2 Forwarding Results: Export Freight (Ocean Transportation)

(Unit: TEU)

Originating Region	2020					2021					2022				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan	57,648	52,572	53,813	66,291	230,324	67,261	65,442	66,373	70,807	269,882	67,614	67,851			135,465
The Americas	9,794	9,191	9,322	9,208	37,514	11,223	13,391	11,155	10,117	45,886	10,106	11,429			21,535
Europe	13,193	10,656	11,072	13,545	48,465	13,667	15,025	13,926	14,077	56,695	15,308	14,917			30,225
East Asia	52,033	52,497	53,609	55,447	213,586	52,959	54,801	57,770	57,009	222,539	53,150	54,639			107,788
South Asia & Oceania	32,057	25,172	35,933	37,099	130,261	38,247	35,431	36,658	42,287	152,623	41,984	39,955			81,938
Overseas Total	107,077	97,516	109,937	115,289	429,827	116,096	118,648	119,509	123,489	477,742	120,548	120,940			241,487
Total Weight	164,725	150,088	163,750	181,580	660,152	183,357	184,089	185,882	194,296	747,624	188,162	188,791			376,952

(Unit: TEU)



43 Financial Results Presentation for Q2,
Fiscal Year Ending December 2022

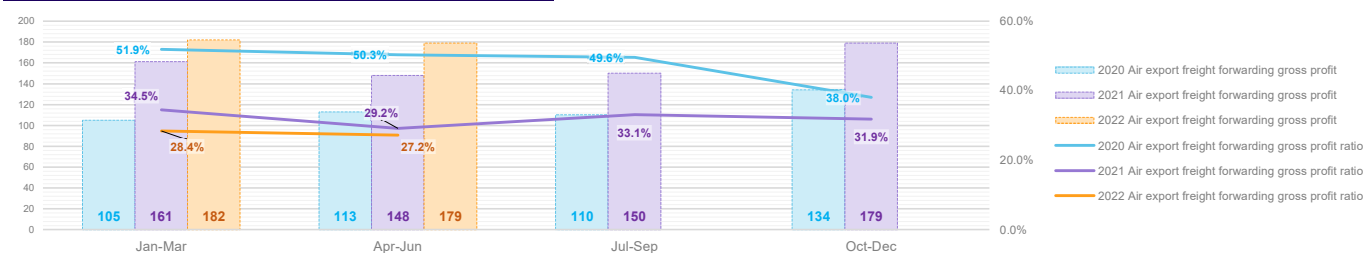
Copyright © 2022 NIPPON EXPRESS HOLDINGS, INC., All rights reserved.

NEX NIPPON EXPRESS
We Find the Way

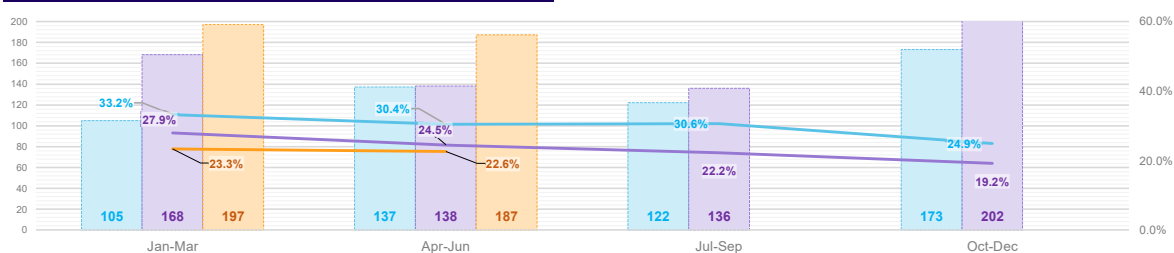
Appendix 2 Air Forwarding Results: Japan and Overseas Segment Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

Japan Segment

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



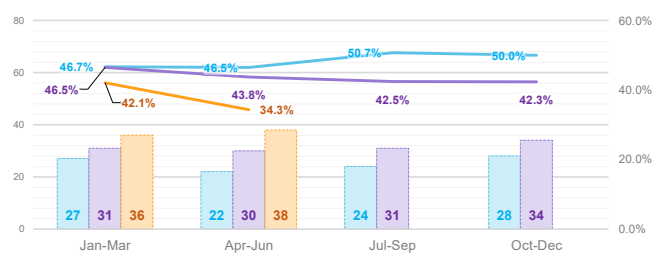
Overseas Segment Total



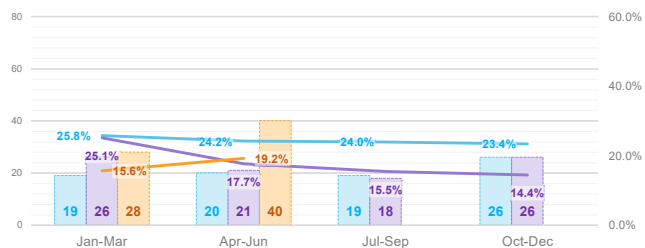
*Air export freight forwarding gross profit: Net sales minus air forwarding costs (international) Gross profit margin: Ratio of gross profit from international air export freight forwarding to net sales from air export freight forwarding
 *Figures for the overseas segment total are based on the monthly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

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

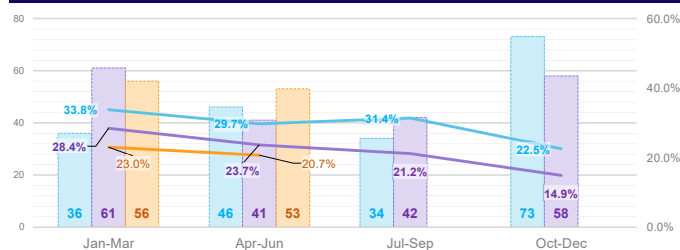
The Americas Segment



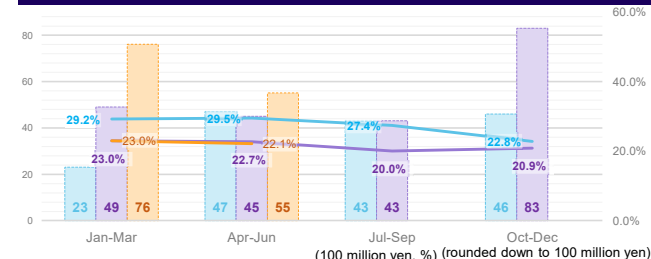
Europe Segment



East Asia Segment



South Asia & Oceania Segment



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

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

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

Appendix 3: Nippon Express FY2022 1H Results and 2H Forecasts

A. Revenues (Unit: Millions of yen,%)		1H Results						2H Forecasts					
		Jan-Jun 2022		Jan-Jun 2021		Change		Jul-Dec 2022 Forecast		Jul-Dec 2021		Change	
		Amount	% of Sales	Amount	% of Sales	Amount	Ratio	Amount	% of Sales	Amount	% of Sales	Amount	Ratio
Revenues	Railway utilization business	32,453	4.8	34,552	5.7	(2,099)	(6.1)	34,546	5.1	34,275	5.4	270	0.8
	Automotive												
	Small-lot shipment business	18,705	2.8	20,423	3.4	(1,718)	(8.4)	18,794	2.8	20,637	3.3	(1,842)	(8.9)
	Chartered truck business	88,015	13.0	89,886	14.8	(1,871)	(2.1)	93,484	13.9	92,898	14.7	586	0.6
	Total	106,720	15.8	110,310	18.1	(3,590)	(3.3)	112,279	16.7	113,535	17.9	(1,256)	(1.1)
	Ocean transportation												
	Marine transportation business	93,312	13.8	56,948	9.4	36,364	63.9	90,687	13.5	76,802	12.1	13,884	18.1
	Harbor transportation business	34,368	5.1	33,600	5.5	768	2.3	34,631	5.1	34,522	5.4	109	0.3
	Total	127,681	18.9	90,548	14.9	37,132	41.0	125,318	18.6	111,324	17.6	13,994	12.6
	(Export)	[64,373]	9.5	[38,587]	6.3	25,786	66.8	[64,126]	9.5	[50,838]	8.0	13,287	26.1
	(Import)	[31,042]	4.6	[26,344]	4.3	4,697	17.8	[28,457]	4.2	[28,052]	4.4	405	1.4
	(Domestic and other)	[32,265]	4.8	[25,617]	4.2	6,648	26.0	[32,734]	4.9	[32,432]	5.1	301	0.9
	Air transportation												
	Total	175,295	25.9	141,794	23.3	33,501	23.6	172,704	25.6	149,185	23.5	23,518	15.8
	(Export)	[125,169]	18.5	[93,439]	15.4	31,729	34.0	[119,830]	17.8	[97,122]	15.3	22,708	23.4
	(Import)	[16,206]	2.4	[15,045]	2.5	1,160	7.7	[17,793]	2.6	[17,294]	2.7	498	2.9
	(Domestic and other)	[33,919]	5.0	[33,309]	5.5	610	1.8	[35,080]	5.2	[34,768]	5.5	312	0.9
	Warehousing and storage business	76,153	11.3	68,875	11.3	7,277	10.6	76,846	11.4	74,651	11.8	2,194	2.9
	In-factory business	29,163	4.3	27,185	4.5	1,978	7.3	31,836	4.7	30,143	4.8	1,692	5.6
	Moving and relocation business	32,525	4.8	30,727	5.1	1,797	5.9	21,474	3.2	20,581	3.2	892	4.3
	Security transportation business	33,897	5.0	33,879	5.6	18	0.1	34,102	5.1	33,788	5.3	314	0.9
	Heavy haulage and construction business	26,315	3.9	28,676	4.7	(2,360)	(8.2)	28,684	4.3	30,378	4.8	(1,694)	(5.6)
	Other businesses	35,971	5.3	41,837	6.9	(5,866)	(14.0)	36,028	5.3	36,031	5.7	(3)	(0.0)
	Total	676,178	100.0	608,388	100.0	67,790	11.1	673,821	100.0	633,897	100.0	39,923	6.3

Appendix 3: Nippon Express FY2022 1H Results and 2H Forecasts

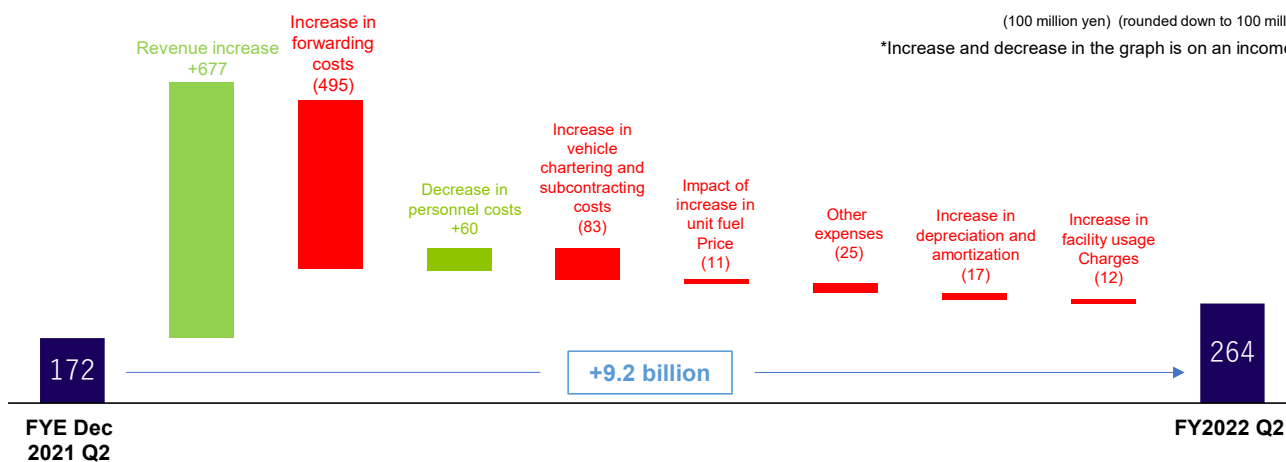
B. Operating expenses (Unit: Millions of yen,%)		Results						Forecast					
		Jan-Jun 2022		Jan-Jun 2021		Change		Jul-Dec 2022 Forecast		Jul-Dec 2021		Change	
		Amount	% of Sales	Amount	% of Sales	Amount	Ratio	Amount	% of Sales	Amount	% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses	125,145	18.5	131,177	21.6	(6,032)	(4.6)	126,854	18.8	129,504	20.4	(2,649)	(2.0)
	Forwarding costs												
	Railway forwarding costs	17,694	2.6	19,087	3.1	(1,392)	(7.3)	18,805	2.8	18,444	2.9	360	2.0
	Ocean forwarding costs	[47,401]	7.0	[22,711]	3.7	24,690	108.7	[46,598]	6.9	[33,821]	5.3	12,776	37.8
	Air forwarding costs	[92,877]	13.7	[66,576]	10.9	26,301	39.5	[87,822]	13.0	[68,453]	10.8	19,369	28.3
	Total	[157,973]	23.4	[108,375]	17.8	49,598	45.8	[153,226]	22.7	[120,719]	19.0	32,507	26.9
	Vehicle chartering and subcontracting costs	233,187	34.5	224,882	37.0	8,305	3.7	241,412	35.8	235,504	37.2	5,907	2.5
	Depreciation and amortization	17,875	2.6	16,126	2.7	1,749	10.8	18,124	2.7	16,883	2.7	1,240	7.3
	Facility usage charges	46,402	6.9	45,142	7.4	1,260	2.8	46,297	6.9	46,326	7.3	(28)	(0.1)
	Other	69,144	10.2	65,481	10.8	3,663	5.6	67,855	10.1	69,000	10.9	(1,144)	(1.7)
Total		649,729	96.1	591,185	97.2	58,544	9.9	653,770	97.0	617,938	97.5	35,832	5.8

C. Profits (Unit: Millions of yen,%)		Results						Forecast					
		Jan-Jun 2022		Jan-Jun 2021		Change		Jul-Dec 2022 Forecast		Jul-Dec 2021		Change	
		Amount	% of Sales	Amount	% of Sales	Amount	Ratio	Amount	% of Sales	Amount	% of Sales	Amount	Ratio
Operating income		26,449	3.9	17,203	2.8	9,246	53.7	20,050	3.0	15,959	2.5	4,091	25.6

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

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

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



Expense Detail (Jan-Jun Results)

Increase in vehicle chartering and subcontracting costs +83 [+3.7%]	
Vehicle chartering cost	(21) [(2.3)%]
Subcontracting cost	+89 [+7.2%]
Personnel dispatching cost	+14 [+24.8%]

Appendix 3: Nippon Express FY2022 Jan-Dec Forecasts

A. Revenues

(Unit: Millions of yen,%)

			Jan-Dec 2022 Forecast		Jan-Dec 2021		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues	Railway utilization business		67,000	5.0	68,828	5.5	(1,828)	(2.7)
	Automotive	Small-lot shipment business	37,500	2.8	41,060	3.3	(3,560)	(8.7)
		Chartered truck business	181,500	13.4	182,785	14.7	(1,285)	(0.7)
		Total	219,000	16.2	223,846	18.0	(4,846)	(2.2)
	Ocean transportation	Marine transportation business	184,000	13.6	133,750	10.8	50,249	37.6
		Harbor transportation business	69,000	5.1	68,122	5.5	877	1.3
		Total	253,000	18.7	201,873	16.3	51,126	25.3
		(Export)	[128,500]	9.5	[89,426]	7.2	39,073	43.7
		(Import)	[59,500]	4.4	[54,397]	4.4	5,102	9.4
		(Domestic and other)	[65,000]	4.8	[58,049]	4.7	6,950	12.0
	Air transportation	Total	348,000	25.8	290,980	23.4	57,019	19.6
		(Export)	[245,000]	18.1	[190,562]	15.3	54,437	28.6
		(Import)	[34,000]	2.5	[32,340]	2.6	1,659	5.1
		(Domestic and other)	[69,000]	5.1	[68,077]	5.5	922	1.4
	Warehousing and storage business		153,000	11.3	143,527	11.6	9,472	6.6
	In-factory business		61,000	4.5	57,328	4.6	3,671	6.4
	Moving and relocation business		54,000	4.0	51,309	4.1	2,690	5.2
	Security transportation business		68,000	5.0	67,667	5.4	332	0.5
	Heavy haulage and construction business		55,000	4.1	59,054	4.8	(4,054)	(6.9)
	Other businesses		72,000	5.3	77,869	6.3	(5,869)	(7.5)
	Total		1,350,000	100.0	1,242,286	100.0	107,713	8.7

Appendix 3: Nippon Express FY2022 Jan-Dec Forecasts

B. Operating expenses

(Unit: Millions of yen, %)

			Jan-Dec 2022 Forecast		Jan-Dec 2021		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses		252,000	18.7	260,681	21.0	(8,681)	(3.3)
	Forwarding costs	Railway forwarding costs	36,500	2.7	37,532	3.0	(1,032)	(2.8)
		Ocean forwarding costs	94,000	7.0	56,532	4.6	37,467	66.3
		Air forwarding costs	180,700	13.4	135,029	10.9	45,670	33.8
		Total	311,200	23.1	229,094	18.4	82,105	35.8
	Vehicle chartering and subcontracting costs		474,600	35.2	460,387	37.1	14,212	3.1
	Depreciation and amortization		36,000	2.7	33,010	2.7	2,989	9.1
	Facility usage charges		92,700	6.9	91,468	7.4	1,231	1.3
	Other		137,000	10.1	134,481	10.8	2,518	1.9
	Total		1,303,500	96.6	1,209,123	97.3	94,376	7.8

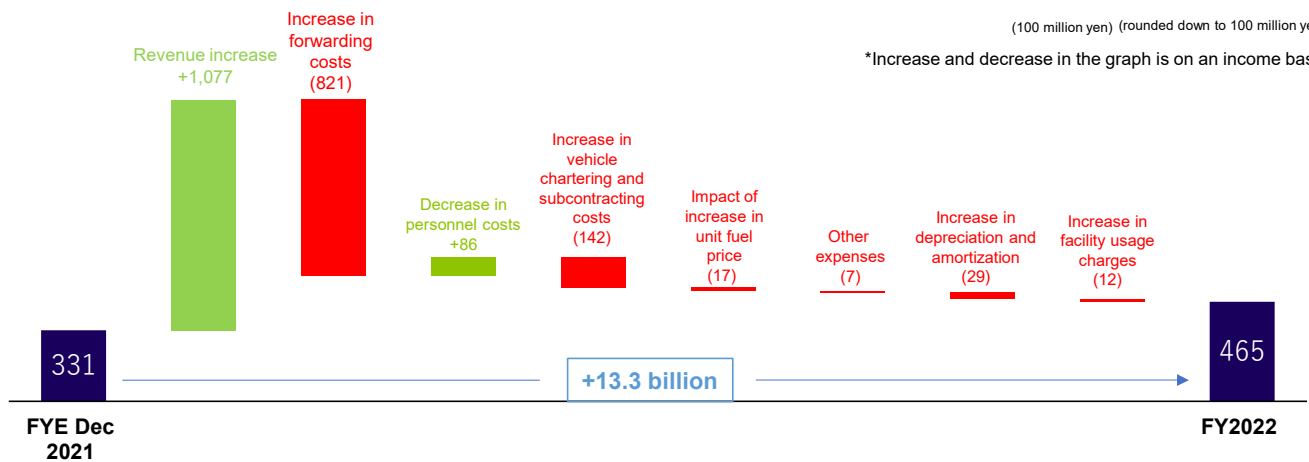
C. Profits

			Jan-Dec 2022 Forecast		Jan-Dec 2021		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating income			46,500	3.4	33,162	2.7	13,337	40.2

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

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

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



Expense Detail (Jan-Dec Forecast)	
Increase in vehicle chartering and subcontracting costs +142 [+3.1%]	
Vehicle chartering cost	(27) [(1.4)%]
Subcontracting cost	+139 [+5.4%]
Personnel dispatching cost	+29 [+23.8%]



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

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

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