



We Find the Way

Financial Results Presentation for Q2, Fiscal Year Ending December 2023

August 9, 2023

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

Financial Results for FY2023 (IFRS)

Adoption of International Financial Reporting Standards (IFRS)

- The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for our financial reports beginning from FY2023. As such, we prepare our financial statements in accordance with these standards, with the exception of certain materials*.

*We report Business Plan 2023 initiatives on pages 29 and 30 using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

- Certain results for the year ended December 31, 2022 are pro forma (estimated) figures that have not been audited by accountants. The details are as follows.

2022						
Jan-Mar	Apr-Jun	First Half Total	Jul-Sep	Oct-Dec	Second Half Total	Full Year Total
Fixed value	Fixed value	Fixed value	Pro forma (estimated value)	Pro forma (estimated value)	Fixed value	Fixed value

- Please refer to the following materials for more information on the difference between IFRS and Japanese GAAP for our FY2022 results.

Supplementary Materials Regarding IFRS Adoption <https://pdf.irpocket.com/C9147/xivA/ISiq/eiyR.pdf>

Contents

Financial Results Highlights (Executive Summary)

Financial Results Highlights (Executive Summary)	P.3-
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I. Financial Results for Q2, FY2023 (IFRS)

A. Financial Results for Jan-Jun ,FY2023	P.5
B Japan and Overseas Results	P.6
C. Results by Reportable Segment (YoY, vs. Previous Forecast)	P.7-
D. Reference: Performance by Segment	P.9
E. Breakdown of Revenues and Operating Income	P.10-
F. Nippon Express Co., Ltd. Revenue by Business	P.12

II. Financial Results Forecast for FY2023 (IFRS)

A. Forecast for FY2023	P.13
B. Forecast for FY2023 2H	P.14
C. Japan and Overseas Results Forecast	P.15
D. Forecasts by Reportable Segment (Jan-Dec)	P.16
E. Forecasts by Reportable Segment (2H, YoY, vs. Previous Forecast)	P.17
F. Breakdown of Revenues and Operating Income	P.18-
G. Change in Business Profit by Segment	P.20
Financial Results Forecast for FY2023 (IFRS)	P.21-

III. Challenges of the Business Plan

A. Status of Business Plan 2023 Initiatives	P.29-
B. NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses	P.31
C. Strategy to Enhance Domestic Businesses in Japan	P.32
D. Progress in FY2023 Back Office Cost Reductions (as of June 30, 2023)	P.33
E. Pursuing RPA and NX-OCR	P.34
F. Impact of Employee System Reform (as of June 30, 2023)	P.35
G. ESG Management	P.36
H. Business Structure Reform Project	P.37
Business Plan (FY2022-FY2023) Initiatives for Achieving Our Long-Term Vision	P.38
M&A Materials	P.39

IV. Return to Shareholders

A. Capital Policies	B. Key Indicators	P.40
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Supplemental Documents

Appendix 1: Special Factors	P.42-
Appendix 2: Forwarding Results	P.45-
Appendix 3: Nippon Express FY2023 Jan-Jun Forecasts (IFRS)	P.52-
Nippon Express FY2023 Jan-Dec Forecasts (IFRS)	P.55-

Financial Results Highlights (Executive Summary)

• Financial Results for Q2 FY2023 and Forecast for FY2023

Financial Results for Q2, FY2023 (IFRS)			* Financial Results Forecast for FY2023 (IFRS)		
Vs. FY2022			Vs. FY2022		
↘ Revenue	¥1,131.8 billion	¥(171.3) billion (13.1 %)	↘ Revenue	¥2,330.0 billion	¥(288.6) billion (11.0 %)
↘ Consolidated segment profit (business profit)	¥42.2 billion	¥(26.9) billion (38.9 %)	↘ Consolidated segment profit (business profit)	¥95.0 billion	¥(42.5) billion (30.9 %)
↘ Operating income	¥40.3 billion	¥(82.0) billion (67.0 %)	↘ Operating income	¥84.0 billion	¥(71.5) billion (46.0 %)
Operating Income Margin	3.6%	—	Operating Income Margin	3.6%	—
↘ Profit attributable to owners of parent	¥25.4 billion	¥(61.5) billion (70.7 %)	↘ Profit attributable to owners of parent	¥55.0 billion	¥(53.3) billion (49.2 %)
ROE	—	—	ROE	7.1% (Japanese GAAP: 8.0%)	

*IFRS ROE (forecast) for FY2023 is 7.1%. The difference with the Japanese GAAP ROE of 8.0% (forecast) is that gains on sales of marketable securities are not recorded in the PL under IFRS.

* ↗ indicates an increase of +5% or more; ↘ indicates a decrease of -5% or more; → indicates a change of +/-5% or less

Financial Results for Q2, FY2023

- **Revenues and profit decreased in the second quarter** both overseas and in Japan, mainly due to negative rebounds in overseas and international logistics businesses as the supply-demand balance in the forwarding business eased.
- **Japan recorded lower revenues and profits due to decreased volumes in air and ocean freight forwarding, lower gross profit per unit from both lower freight unit rates and the easing of the supply-demand balance, and overall sluggishness in domestic transportation.**
- **Both revenues and profit declined in every region overseas due to lower forwarding volumes than the previous year.**
- **Revenues and profits declined in the Americas and Europe due to lower forwarding volumes and lower freight unit rates resulting from the ease in the supply-demand balance in air forwarding.**
- **Revenues and profits declined in East Asia and South Asia & Oceania due to impacts such as sluggish air forwarding and lower gross profit per unit in both air and ocean forwarding, resulting from eased supply-demand balance.**

FY2023 Forecast

- All profits listed below the full-year forecasts for revenue and operating income announced on May 12 were revised downward in light of the Q2 results. We expect logistics volumes to recover to a certain degree in the second half of FY2023. **We also expect revenues and profit to decrease year on year.**

We expect our pro forma Japanese GAAP calculation of 88 billion yen will fall short of the 110 billion yen operating income target for the final year of our business plan.

*On pages 29 and 30, we report using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

Shareholder Returns

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

I. Financial Results for Q2, FY2023 (IFRS)

A Financial Results for Jan-Jun ,FY2023

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

Item	Current-Year Results (Jan-Jun 2023)	Prior-Year Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)	1H Forecast (Announced May 12)	Difference	Difference (%)
Revenues	11,318	13,031	(1,713)	(13.1)	12,240	(921)	(7.5)
Consolidated Segment Income (Business Income)	422	691	(269)	(38.9)	525	(102)	(19.5)
Operating Income	403	1,223	(820)	(67.0)	555	(151)	(27.2)
Operating Income Margin	3.6	9.4	—	—	4.5	—	—
Profit Attributable to Owners of Parent	254	869	(615)	(70.7)	380	(125)	(33.0)

I. Financial Results for Q2, FY2023 (IFRS)

B Japan and Overseas Results

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

Segment	Item	Current-Year Results (Jan-Jun 2023)	Prior-Year Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	9,091	9,869	(778)	(7.9)
	Segment Income (Business Income)	344	478	(133)	(28.0)
Overseas Total	Revenues	3,178	4,206	(1,028)	(24.4)
	Segment Income (Business Income)	177	293	(116)	(39.7)

	Current-Year Results (Jan-Jun 2023)
Overseas Revenues Ratio	28.1%

I. Financial Results for Q2, FY2023 (IFRS)

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

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

Segment	Item	2023 Results (Jan-Jun 2023)	Prior-Year Results (Jan-Jun 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	6,402	7,255	(853)	(11.8)
	Segment Income (Business Income)	231	360	(128)	(35.6)
Americas	Revenues	740	747	(6)	(0.8)
	Segment Income (Business Income)	52	53	(0)	(1.7)
Europe	Revenues	943	1,040	(96)	(9.3)
	Segment Income (Business Income)	49	61	(11)	(19.4)
East Asia	Revenues	773	1,246	(472)	(37.9)
	Segment Income (Business Income)	25	64	(38)	(59.6)
South Asia & Oceania	Revenues	719	1,172	(452)	(38.6)
	Segment Income (Business Income)	49	114	(65)	(57.2)
Security Transportation	Revenues	338	342	(3)	(1.0)
	Segment Income (Business Income)	17	14	2	18.8
Heavy Haulage & Construction	Revenues	258	199	58	29.5
	Segment Income (Business Income)	30	21	8	39.8
Logistics Support	Revenues	2,090	2,071	19	0.9
	Segment Income (Business Income)	65	82	(16)	(20.6)

I. Financial Results for Q2, FY2023 (IFRS)

C Results by Reportable Segment (vs. Previous Forecast)

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

Segment	Item	2023 Results (Jan-Jun 2023)	1H Forecast (Announced May 12)	Difference	Difference (%)
Japan	Revenues	6,402	6,809	(406)	(6.0)
	Segment Income (Business Income)	231	280	(48)	(17.2)
Americas	Revenues	740	859	(118)	(13.7)
	Segment Income (Business Income)	52	62	(9)	(15.0)
Europe	Revenues	943	1,019	(75)	(7.4)
	Segment Income (Business Income)	49	52	(2)	(4.9)
East Asia	Revenues	773	928	(154)	(16.6)
	Segment Income (Business Income)	25	40	(14)	(35.1)
South Asia & Oceania	Revenues	719	857	(137)	(16.0)
	Segment Income (Business Income)	49	51	(1)	(3.7)
Security Transportation	Revenues	338	345	(6)	(1.8)
	Segment Income (Business Income)	17	18	(0)	(4.3)
Heavy Haulage & Construction	Revenues	258	260	(1)	(0.5)
	Segment Income (Business Income)	30	28	2	7.2
Logistics Support	Revenues	2,090	2,135	(44)	(2.1)
	Segment Income (Business Income)	65	69	(3)	(5.4)

I. Financial Results for Q2, FY2023 (IFRS)

D Reference: Performance by Segment (Apr-Jun 2023 vs. Jan-Mar 2023) (100 million yen, %) (rounded down to 100 million yen)

Segment	Item	2023 Results (Apr-Jun 2023)	Prior-Year Results (Jan-Mar 2023)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,104	3,297	(192)	(5.9)
	Segment Income (Business Income)	118	113	5	4.9
Americas	Revenues	369	371	(2)	(0.7)
	Segment Income (Business Income)	24	28	(3)	(13.9)
Europe	Revenues	493	449	44	9.8
	Segment Income (Business Income)	27	21	6	30.1
East Asia	Revenues	381	391	(9)	(2.5)
	Segment Income (Business Income)	10	15	(4)	(29.1)
South Asia & Oceania	Revenues	340	379	(39)	(10.4)
	Segment Income (Business Income)	19	30	(11)	(36.6)
Security Transportation	Revenues	169	169	0	0.0
	Segment Income (Business Income)	4	12	(8)	(66.6)
Heavy Haulage & Construction	Revenues	146	111	35	31.3
	Segment Income (Business Income)	21	8	12	134.8
Logistics Support	Revenues	996	1,094	(97)	(8.9)
	Segment Income (Business Income)	32	32	0	0.3

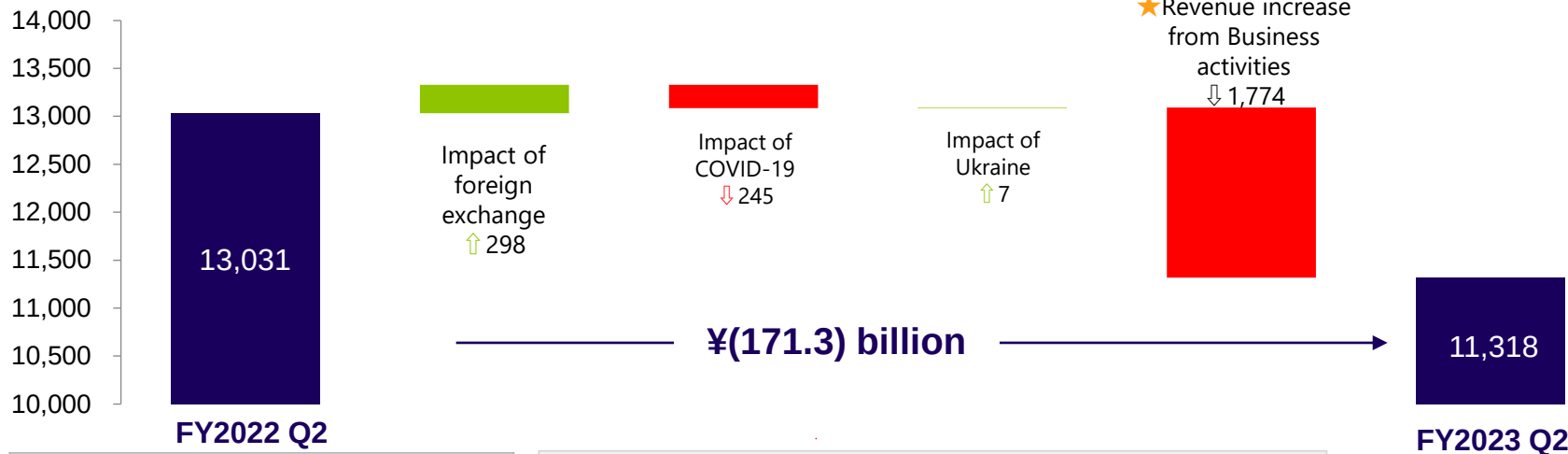
*We posted the entire full-year estimate of 8.0 billion yen in property taxes to Japan, Security Transportation, and Logistics Support segments in Jan-Mar 2023.

I. Financial Results for Q2, FY2023 (IFRS)

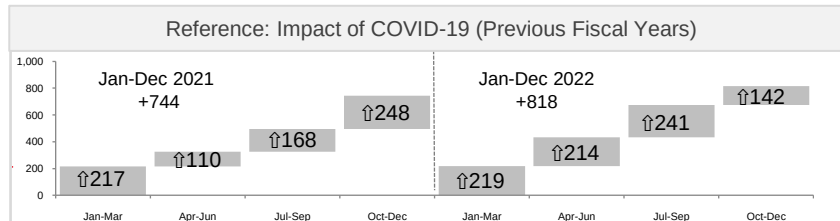
E Breakdown of Revenues and Operating Income

1) Revenues

(100 million yen)



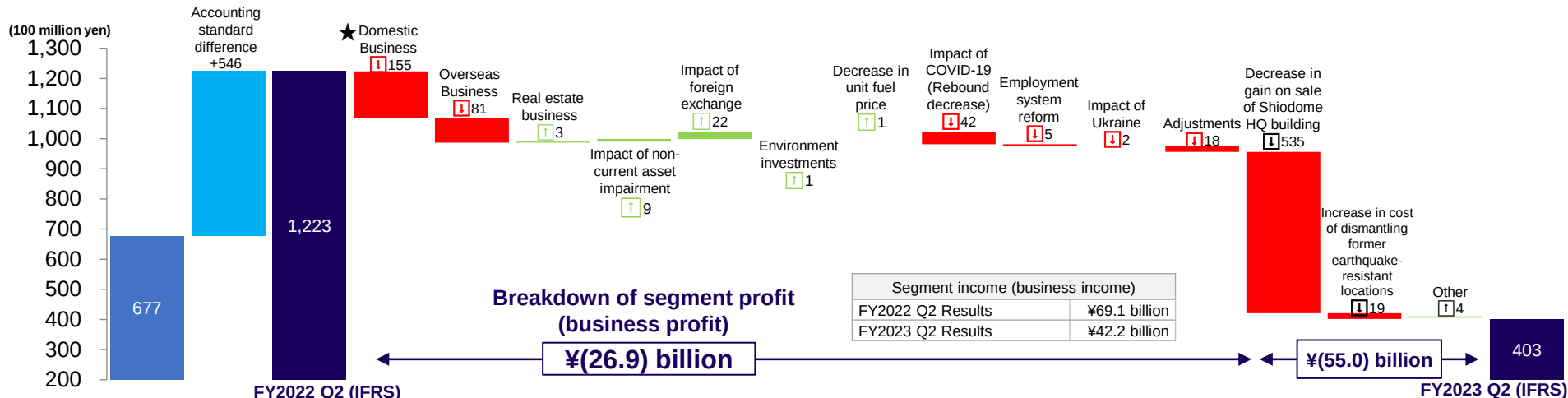
★ Breakdown of revenue from business activities by segment	
Japan	(876)
Overseas Total	(1,055)
Security Transportation	(4)
Heavy Haulage & Construction	51
Logistics Support	16
Adjustment	92



I. Financial Results for Q2, FY2023 (IFRS)

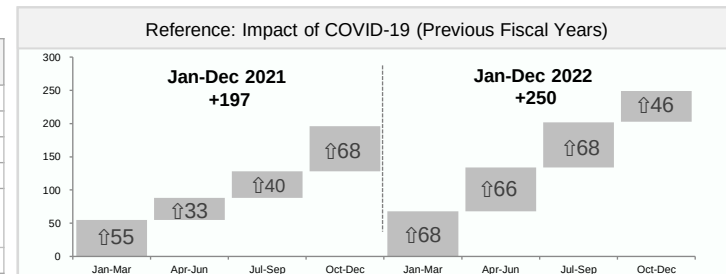
E Breakdown of Revenues and Operating Income

2) Operating income



Main Details of Accounting Standard Differences (+54.6 billion yen) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Profit		Other Income/Expenses, Share of Gain/Loss	
Impact of expensing estimated property taxes at the beginning of the period	(43)	Total other income/expenses	+530
Change in financial classification, reversal of impairment loss, etc.	+55	Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	+6
Total	+12	Total	+537

★ Breakdown of revenue from business activities by segment	
Japan	(156)
Security Transportation	2
Heavy Haulage & Construction	7
Logistics Support	(17)
Effect of rate revision [Rate revision 54, Vehicle chartering and subcontracting costs (46)]	8
Japan Business Total	(155)



I. Financial Results for Q2, FY2023 (IFRS)

F Nippon Express Co., Ltd. Revenue by Business

First Half Unit: Millions of yen, %

Nippon Express Co., Ltd. Results by Business	Results	Difference		Difference (%)	
		Vs FY2022	Vs FY2019*1	Vs FY2022	Vs FY2019*1
Railway utilization business	32,618	165	(5,989)	0.5	(15.5)
Small-lot shipment business	17,419	(1,285)	(4,694)	(6.9)	(21.2)
Chartered truck business	87,495	(519)	(5,516)	(0.6)	(5.9)
Marine transportation business	70,541	(22,771)	22,463	(24.4)	46.7
Harbor transportation business	33,565	(803)	(1,196)	(2.3)	(3.4)
Air transportation business	114,023	(61,272)	19,962	(35.0)	21.2
Warehousing and storage business	80,607	4,453	13,654	5.8	20.4
In-factory business	33,363	4,199	9,478	14.4	39.7
Moving and relocation business	31,407	(1,117)	(4,213)	(3.4)	(11.8)
Other	35,300	(724)	(713)	(2.0)	(2.0)
Total (including Security Transportation and Heavy Construction)	567,445	(108,786)	6,877	(16.1)	1.2
Total, Japan domestic business*2	318,214	5,173	2,007	1.7	0.6

(Reference: Cumulative Results)

Expenses related to Japanese operations*3	Fixed Costs	Variable Costs	Total Expenses
	Vs FY2022		
Change	3.0	(0.3)	0.9

Business Performance Highlights

Small-Lot Shipment Business

Shipments of petroleum products and chemicals continued to decline. Consumer purchasing sentiment continued to be weak due to the impact of another round of food price and other price revisions, a negative rebound in in-home consumption demand, and high prices stemming from soaring energy costs.

Chartered Truck Business

Agricultural production was nearly unchanged year on year. For iron- and steel-related, electric furnace volume was strong, while blast furnace volume decreased due to lower utilization. Electrical-related decreased due to sluggish sales of home appliances. Automobile-related increased due to a recovery in production volume and the acquisition of new business. Beverage-related was weak due to sluggish production volume and a decrease in transportation between locations.

Warehousing and Storage Business

Overall, revenues increased year on year due to an increase in pharmaceuticals/medical business and the operation of a new location for the automobile-related business.

In-Factory Business

Increase in revenues due to an increase in e-commerce locations, etc.

Outsourcing Cost Ratio

Outsourcing cost ratio for Nippon Express in Japan remained at 1.0 points lower than the cost ratio prior to the outbreak of COVID-19.

Subsidiaries Other Than Nippon Express

Decrease in volume for home appliances, electric precision instruments, and other cargo; increase in expenses due to higher inventories.

*1 Calculated based on January 2019 to June 2019 estimates.

*2 Estimates calculated by subtracting marine transportation, harbor transportation, air transportation, security transportation and heavy construction sales from total Nippon Express sales.

*3 An estimate of total Nippon Express expenses, excluding the expenses of each organization in *2 and headquarters expenses.

II. Financial Results Forecast for FY2023 (IFRS)

A Forecast for FY2023

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

Item	Full-Year Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Previous Forecast (Jan-Dec 2023) *Announced May 12	Difference	Difference (%)
Revenues	23,300	26,186	(2,886)	(11.0)	24,500	(1,200)	(4.9)
Segment Income (Business Income)	950	1,375	(425)	(30.9)	1,170	(220)	(18.8)
Operating Income	840	1,555	(715)	(46.0)	1,050	(210)	(20.0)
Operating Income Margin	3.6	5.9	—	—	4.3	—	—
Profit Attributable to Owners of Parent	550	1,083	(533)	(49.2)	720	(170)	(23.6)
Overseas Revenues	6,642	8,412	(1,770)	(21.0)	7,272	(630)	(8.7)

II. Financial Results Forecast for FY2023 (IFRS)

B Forecast for FY2023 2H

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

Item	2H Forecasts (Jul-Dec 2023)	Prior Year 2H Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)	2H Forecasts (Announced May 12)	Difference	Difference (%)
Revenues	11,981	13,154	(1,173)	(8.9)	12,260	(278)	(2.3)
Segment Income (Business Income)	527	683	(156)	(22.8)	645	(117)	(18.2)
Operating Income	436	331	105	31.7	495	(58)	(11.9)
Operating Income Margin	3.6	2.5	—	—	4.0	—	—
Profit Attributable to Owners of Parent	295	213	82	38.6	340	(44)	(13.1)
Overseas Revenues	3,463	4,205	(741)	(17.6)	3,609	(145)	(4.0)

II. Financial Results Forecast for FY2023 (IFRS)

C Japan and Overseas Results Forecast

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

Segment	Item	Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	18,513	19,852	(1,339)	(6.7)
	Segment Income (Business Income)	767	973	(206)	(21.2)
Overseas Total	Revenues	6,642	8,412	(1,770)	(21.0)
	Segment Income (Business Income)	375	592	(217)	(36.7)
		Forecast (Jan-Dec 2023)			
Overseas Revenues Ratio		28.5%			

II. Financial Results Forecast for FY2023 (IFRS)

D Forecasts by Reportable Segment (Jan-Dec)

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

Segment	Item	Full-Year Forecast (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Previous Forecast *Announced May 12	Difference	Difference (%)
Japan	Revenues	13,186	14,509	(1,323)	(9.1)	13,789	(603)	(4.4)
	Segment Income (Business Income)	527	714	(187)	(26.2)	652	(125)	(19.2)
Americas	Revenues	1,547	1,620	(73)	(4.6)	1,709	(162)	(9.5)
	Segment Income (Business Income)	111	137	(26)	(19.3)	124	(13)	(10.5)
Europe	Revenues	1,841	2,157	(316)	(14.7)	1,982	(141)	(7.1)
	Segment Income (Business Income)	101	125	(24)	(19.5)	109	(8)	(7.3)
East Asia	Revenues	1,706	2,415	(709)	(29.4)	1,870	(164)	(8.8)
	Segment Income (Business Income)	61	128	(67)	(52.4)	81	(20)	(24.7)
South Asia & Oceania	Revenues	1,548	2,218	(670)	(30.2)	1,711	(163)	(9.5)
	Segment Income (Business Income)	102	200	(98)	(49.3)	110	(8)	(7.3)
Security Transportation	Revenues	681	680	0	0.0	690	(9)	(1.3)
	Segment Income (Business Income)	34	31	2	9.3	36	(2)	(5.6)
Heavy Haulage & Construction	Revenues	470	445	24	5.5	470	—	—
	Segment Income (Business Income)	58	63	(5)	(9.3)	58	—	—
Logistics Support	Revenues	4,176	4,216	(40)	(1.0)	4,222	(46)	(1.1)
	Segment Income (Business Income)	148	164	(16)	(9.9)	146	2	1.4

II. Financial Results Forecast for FY2023 (IFRS)

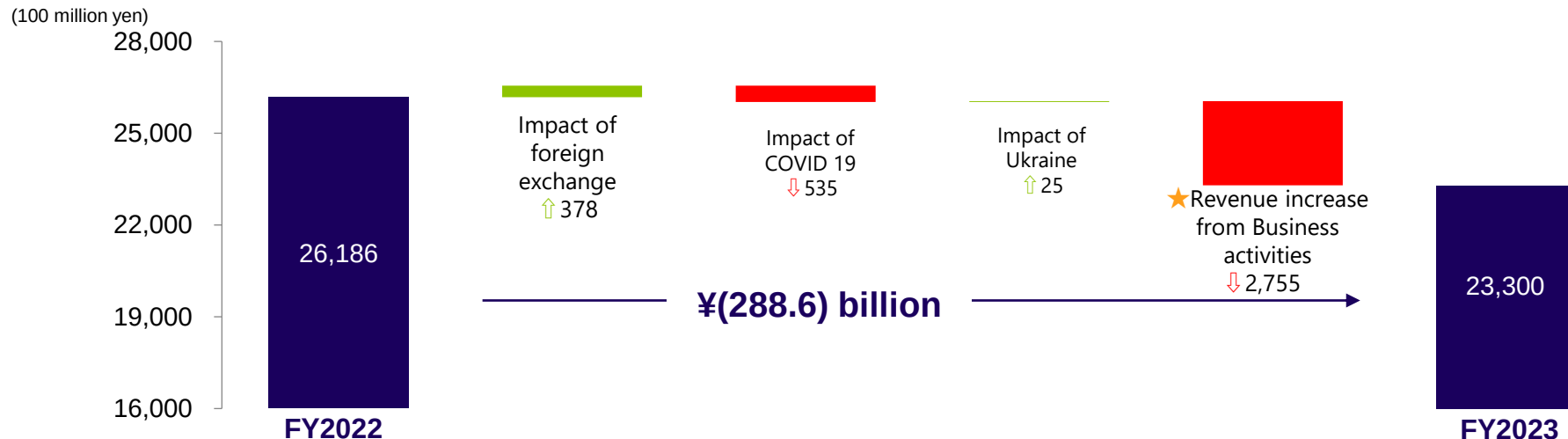
E Forecasts by Reportable Segment (2H, YoY, vs. Previous Forecast) (100 million yen, %) (rounded down to 100 million yen)

Segment	Item	2H Forecasts (Jul-Dec 2023)	Prior Year 2H Results (Jul-Dec 2022)	Difference YoY	Difference YoY (%)	Previous 2H Forecast (Jan-Dec 2023) *Announced May 12	Difference	Difference (%)
Japan	Revenues	6,783	7,254	(470)	(6.5)	6,980	(196)	(2.8)
	Segment Income (Business Income)	295	354	(59)	(16.7)	372	(76)	(20.7)
Americas	Revenues	806	873	(67)	(7.7)	850	(43)	(5.2)
	Segment Income (Business Income)	58	83	(25)	(30.5)	62	(3)	(6.0)
Europe	Revenues	897	1,116	(219)	(19.7)	963	(65)	(6.8)
	Segment Income (Business Income)	51	64	(12)	(19.6)	57	(5)	(9.6)
East Asia	Revenues	932	1,168	(236)	(20.2)	942	(9)	(1.0)
	Segment Income (Business Income)	35	63	(28)	(45.2)	41	(5)	(14.5)
South Asia & Oceania	Revenues	828	1,046	(218)	(20.9)	854	(25)	(3.0)
	Segment Income (Business Income)	52	86	(33)	(38.7)	59	(6)	(10.3)
Security Transportation	Revenues	342	338	3	1.0	345	(2)	(0.8)
	Segment Income (Business Income)	16	16	0	1.0	18	(1)	(6.8)
Heavy Haulage & Construction	Revenues	211	245	(34)	(14.0)	210	1	0.6
	Segment Income (Business Income)	27	42	(14)	(34.1)	30	(2)	(6.7)
Logistics Support	Revenues	2,085	2,144	(59)	(2.8)	2,087	(1)	(0.1)
	Segment Income (Business Income)	82	82	0	0.7	77	5	7.5

II. Financial Results Forecast for FY2023 (IFRS)

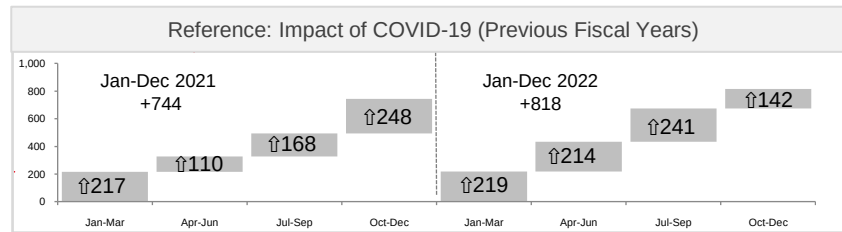
F Breakdown of Revenues and Operating Income

1) Revenues



★ Breakdown of revenue from business activities by segment

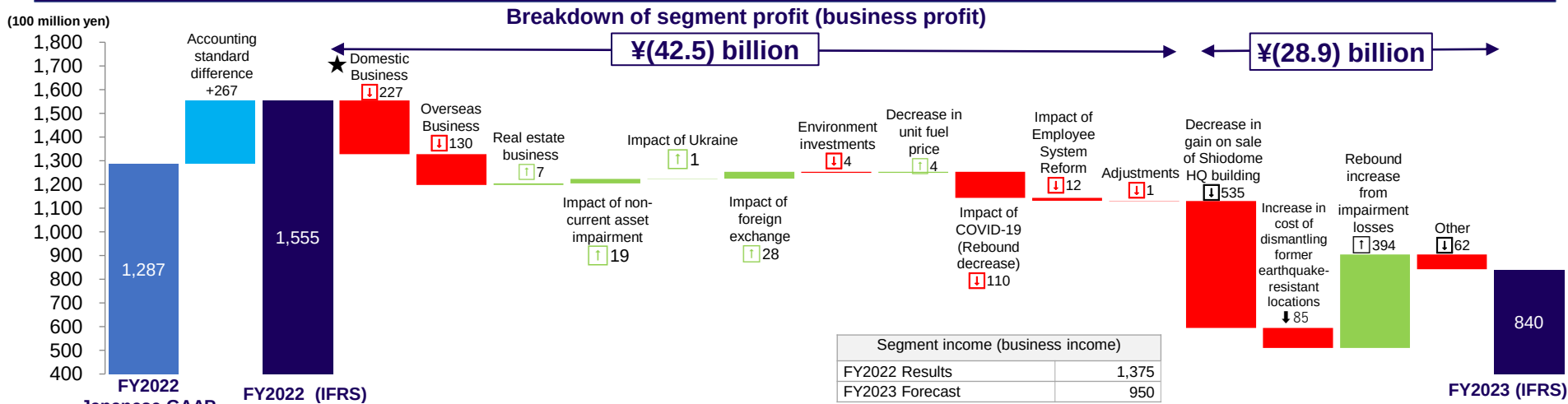
Japan	(1,341)
Overseas Total	(1,609)
Security Transportation	(0)
Heavy Haulage & Construction	17
Logistics Support	(44)
Adjustment	222



II. Financial Results Forecast for FY2023 (IFRS)

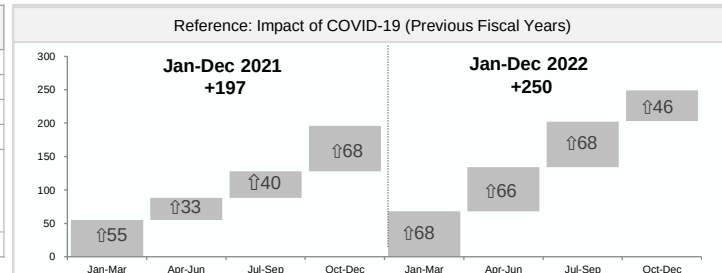
F Breakdown of Revenues and Operating Income

2) Operating income



Main Details of Accounting Standard Differences (+26.7 billion yen) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Profit		Other Income/Expenses, Share of Gain/Loss	
Retirement benefits (differences in accounting standard, non-elimination of actuarial differences)	+35	Total other income/expenses	+175
Change in financial classification, reversal of impairment loss, etc.	+48	Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	+3
Total	+84	Total	+179

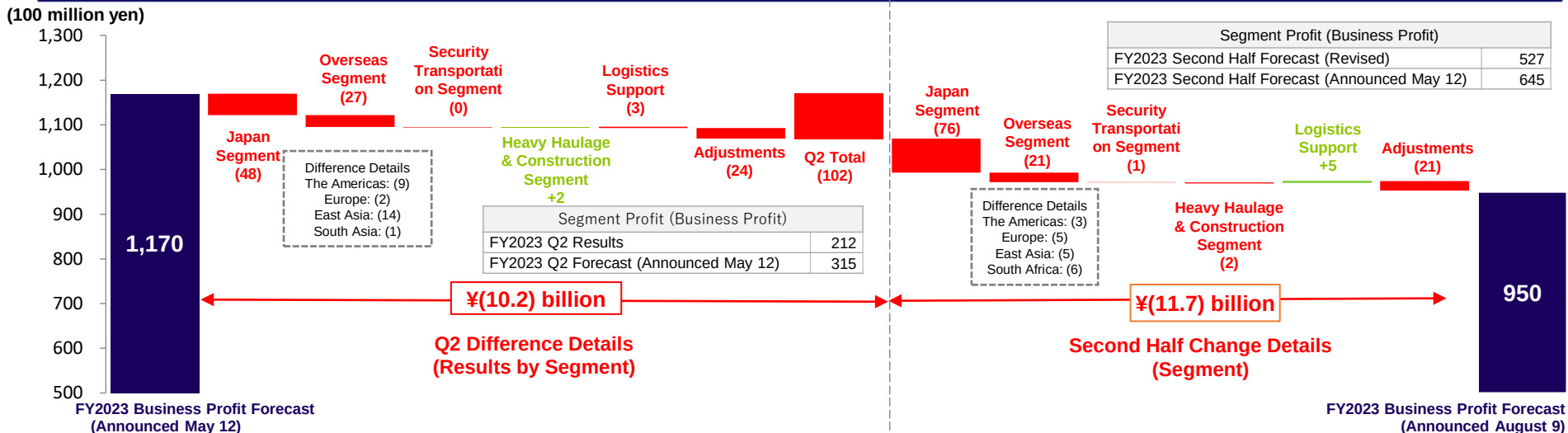
★ Breakdown of revenue from business activities by segment	
Japan	(227)
Security Transportation	2
Heavy Haulage & Construction	(6)
Logistics Support	(17)
Effect of rate revision [Rate revision 151, Vehicle chartering and subcontracting costs(128)].	22
Japan Business Total	(227)



II. Financial Results Forecast for FY2023 (vs. Previous Forecast)

G Change in Business Profit by Segment (Revised Announcement vs. Q1 Announcement)

Business Profit



Business Profit	Q2 Forecast (Previous Announcement vs. Results) Unit: 100 million yen					
Item	Japan	Overseas	Security Transportation	Heavy Haulage & Construction	Logistics Support	Adjustments
Q2 Forecast	166	109	5	19	36	(21)
Q2 Results	118	82	4	21	32	(46)
Vs Previous Announcement	(48)	(27)	(0)	+2	(3)	(24)

Business Profit	Second Half Forecast (Revised Forecast vs. Previous Forecast) Unit: 100 million yen						
Item	Japan	Overseas	Security Transportation	Heavy Haulage & Construction	Logistics Support	Adjustments	Second Half Total
Second Half Forecast May 12 Announcement	372	219	18	30	77	(71)	645
Second Half Forecast August 9 Announcement	295	197	16	27	82	(92)	527
Vs Previous Announcement	(76)	(21)	(1)	(2)	+5	(21)	(117)

II. Financial Results Forecast for FY2023 (IFRS)

Japan Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

	FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)		3,104	3,674	(570)	(15.5%)
Segment income (business income)					
Segment income margin (100 million yen)		118 [3.8%]	228 [6.2%]	(109)	(48.0%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	3,297	3,104	6,402	—	—	6,783	13,186
	2022	3,580	3,674	7,255	3,647	3,606	7,254	14,509
	Difference/ Difference (%)	(282) [(7.9%)]	(570) [(15.5%)]	(853) [(11.8%)]	—	—	(470) [(6.5%)]	(1,323) [(9.1%)]
Segment income (business income) 100 million yen, %	2023	113	118	231	—	—	295	527
	2022	131	228	360	129	224	354	714
	Difference/ Difference (%)	(18) [(14.2%)]	(109) [(48.0%)]	(128) [(35.6%)]	—	—	(59) [(16.7%)]	(187) [(26.2%)]
Segment income margin (%)	2023	3.4	3.8	3.6	—	—	4.4	4.0
	2022	3.7	6.2	5.0	3.6	6.2	4.9	4.9

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	13,186	13,789	(603)
Segment income	527 [4.0%]	652 [4.7%]	(125)

April-June 2023 Highlights

Automobile production volumes in our domestic business exceeded the previous year due to the end of the semiconductor shortage. Meanwhile, cargo movement was weak throughout other industries. Revenues and profits declined due to lower volumes and lower unit sales prices in air and ocean export freight forwarding, as well as sluggish domestic business performance.

Special Factors

- Cost increase associated with the employee system reform:
[Segment income] (4) [Q2], (9) [year]
- Impact of COVID-19:
[Revenue] +21 [Q2], +8 [year]
[Segment income] +9 [Q2], +1 [year]
- Impact of Ukraine:
[Revenue] +1 [Q2], +9 [year]
[Segment income] (1) [Q2], +0 [year]
- Environment investments:
[Segment income] +1 [Q2], (4) [year]
- Real estate business:
[Segment income] +3 [Q2], +7 [year]
- Impairment Loss on Fixed Assets :
[Segment income] +9 [Q2], +19 [year]

Forecast Overview

We expect automobile-related to remain steady in our domestic business, while other industries are likely to be sluggish as in the previous period. The forwarding business will recover to a certain degree, but we expect unit sales prices and volumes to decline, resulting in decreased revenues and profits.

II. Financial Results Forecast for FY2023 (IFRS) The Americas Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	369	420	(51)	(12.2%)
Segment income (business income)				
Segment income margin (100 million yen)	24 [6.6%]	31 [7.4%]	(6)	(22.0%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	371	369	740	—	—	806	1,547
	2022	326	420	747	443	429	873	1,620
	Difference/ Difference (%)	45 [13.8%]	(51) [(12.2%)]	(6) [(0.8%)]	—	—	(67) [(7.7%)]	(73) [(4.6%)]
Segment income (business income) 100 million yen, %	2023	28	24	52	—	—	58	111
	2022	22	31	53	46	37	83	137
	Difference/ Difference (%)	5 [26.5%]	(6) [(22.0%)]	(0) [(1.7%)]	—	—	(25) [(30.5%)]	(26) [(19.3%)]
Segment income margin (%)	2023	7.6	6.6	7.1	—	—	7.2	7.2
	2022	6.8	7.4	7.2	10.4	8.8	9.6	8.5

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,547	1,709	(162)
Segment income	111 [7.2%]	124 [7.3%]	(13)

April-June 2023 Highlights

Warehousing and distribution processing increased year on year due to strong volume in apparel and automobile-related. However, international logistics cargo movement slowed and air and ocean export freight forwarding volume declined year on year. Revenues and profits declined mainly due to decreased transload demand volume as port congestion recovers.

Special Factors

- Impact of foreign exchange (weaker yen):
[Revenue] +70 [Q2], +70 [year]
[Segment income] +5 [Q2], +5 [year]
- Impact of COVID-19:
[Revenue] (7) [Q2], (45) [year]
[Segment income] (5) [Q2], (14) [year]

Forecast Overview

Unit sales prices for air export freight forwarding will continue to decline due to the deteriorating supply-demand balance. At the same time, unit sales prices for ocean export freight forwarding should remain at pre-COVID-19 levels with the stabilization of container supplies and a recovery in direct contracts with shipping companies. We expect warehouse and distribution processing to be firm, even as overall sales and profits are likely to decline.

II. Financial Results Forecast for FY2023 (IFRS)

Europe Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

	FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)		493	558	(64)	(11.5%)
Segment income (business income)					
Segment income margin (100 million yen)		27 [5.7%]	39 [7.1%]	(11)	(29.1%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	449	493	943	—	—	897	1,841
	2022	481	558	1,040	539	577	1,116	2,157
	Difference/ Difference (%)	(32) [(6.7%)]	(64) [(11.5%)]	(96) [(9.3%)]	—	—	(219) [(19.7%)]	(316) [(14.7%)]
Segment income (business income) 100 million yen, %	2023	21	27	49	—	—	51	101
	2022	21	39	61	32	31	64	125
	Difference/ Difference (%)	(0) [(1.7%)]	(11) [(29.1%)]	(11) [(19.4%)]	—	—	(12) [(19.6%)]	(24) [(19.5%)]
Segment income margin (%)	2023	4.8	5.7	5.2	—	—	5.7	5.5
	2022	4.5	7.1	5.9	6.0	5.5	5.7	5.8

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,841	1,982	(141)
Segment income	101 [5.5%]	109 [5.5%]	(8)

April-June 2023 Highlights

Transportation demand for air export freight forwarding declined, mainly in electric and electronics and automotive-related industries. Ocean export freight forwarding saw firm medical equipment-related shipments. However, overall volumes declined as cargo movement was sluggish. Both revenues and profits declined due to lower year-on-year volumes in international logistics and the ongoing decline in unit sales prices.

Special Factors

• Impact of foreign exchange (weaker yen):

[Revenue] +88 [Q2], +162 [year]
[Segment income] +5 [Q2], +10 [year]

• Impact of COVID-19:

[Revenue] (94) [Q2], (161) [year]
[Segment income] (11) [Q2], (27) [year]

• Impact of Ukraine:

[Revenue] +5 [Q2], +14 [year]
[Segment income] (1) [Q2], +0 [year]

Forecast Overview

We expect international logistic cargo movements to remain sluggish. Air export freight forwarding is likely to see lower volume among automobile and electric and electronics customers, while ocean import freight forwarding will see lower volume due to production plan adjustments among major customer. We expect the forwarding business to experience continued unit sales price declines, resulting in lower revenues and profits.

II. Financial Results Forecast for FY2023 (IFRS)

East Asia Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	381	647	(265)	(41.0%)
Segment income (business income)				
Segment income margin (100 million yen)	10 [2.8%]	33 [5.1%]	(22)	(67.4%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	391	381	773	—	—	932	1,706
	2022	598	647	1,246	647	521	1,168	2,415
	Difference/ Difference (%)	(207) [[34.6%]]	(265) [[41.0%]]	(472) [[37.9%]]	—	—	(236) [[20.2%]]	(709) [[29.4%]]
Segment income (business income) 100 million yen, %	2023	15	10	25	—	—	35	61
	2022	31	33	64	41	22	63	128
	Difference/ Difference (%)	(16) [[51.3%]]	(22) [[67.4%]]	(38) [[59.6%]]	—	—	(28) [[45.2%]]	(67) [[52.4%]]
Segment income margin (%)	2023	3.9	2.8	3.4	—	—	3.8	3.6
	2022	5.2	5.1	5.2	6.3	4.4	5.5	5.3

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,706	1,870	(164)
Segment income	61 [3.6%]	81 [4.3%]	(20)

April-June 2023 Highlights

Despite steady performance in warehousing and distribution processing, the East Asia segment experienced negative rebounds in semiconductor-related air export freight forwarding volume, which performed well in the previous year, and automobile-related ocean cargo transportation. Overall cargo movement in the air export freight forwarding market remained sluggish while unit sales prices declined, resulting in lower revenues and profits.

Special Factors

- Impact of foreign exchange (weaker yen):
[Revenue] +62 [Q2], +53 [year]
[Segment income] +3 [Q2], +3 [year]
- Impact of COVID-19:
[Revenue] (15) [Q2], (123) [year]
[Segment income] (2) [Q2], (21) [year]

Forecast Overview

We expect international logistics volume to remain sluggish as the market continues to stagnate, although volume should recover to a certain degree beginning in the second half and beyond. We forecast a decrease in revenues and profits due to the impact of lower sales unit prices stemming from the easing of the supply-demand balance.

II. Financial Results Forecast for FY2023 (IFRS) South Asia & Oceania Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	340	555	(214)	(38.7%)
Segment income (business income)	19 [5.6%]	48 [8.7%]	(29)	(60.7%)
Segment income margin (100 million yen)				

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	379	340	719	—	—	828	1,548
	2022	617	555	1,172	559	486	1,046	2,218
	Difference/ Difference (%)	(237) [[38.5%]]	(214) [[38.7%]]	(452) [[38.6%]]	—	—	(218) [[20.9%]]	(670) [[30.2%]]
Segment income (business income) 100 million yen, %	2023	30	19	49	—	—	52	102
	2022	66	48	114	52	33	86	200
	Difference/ Difference (%)	(36) [[54.6%]]	(29) [[60.7%]]	(65) [[57.2%]]	—	—	(33) [[38.7%]]	(98) [[49.3%]]
Segment income margin (%)	2023	7.9	5.6	6.8	—	—	6.4	6.6
	2022	10.7	8.7	9.8	9.4	6.9	8.2	9.1

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	1,548	1,711	(163)
Segment income	102 [6.6%]	110 [6.4%]	(8)

April-June 2023 Highlights

Air export freight forwarding declined due to weak cargo movement throughout the market, a decline in shipment volume for automobile-related components and electric and electronic-related, and sluggish demand for ocean cargo transportation to Europe and the U.S. Both air and ocean export freight forwarding recorded lower revenues and profits, mainly due to declining unit selling prices as the supply-demand balance eases.

Special Factors

- Impact of foreign exchange (weaker yen):
[Revenue] +77 [Q2], +92 [year]
[Segment income] +7 [Q2], +9 [year]
- Impact of COVID-19:
[Revenue] (158) [Q2], (225) [year]
[Segment income] (35) [Q2], (52) [year]

Forecast Overview

We expect air export freight forwarding to see a decline in volume due to lower volume from automobile and electric and electronic-related customers, which performed well in the previous year. At the same time, ocean export freight forwarding will likely experience a volume decline due to overall sluggish cargo movement in market. We forecast that the continuing decline in unit selling prices in the forwarding business will result in lower overall revenues and profits.

II. Financial Results Forecast for FY2023 (IFRS) Security Transportation Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	169	170	(0)	(0.4%)
Segment income (business income)				
Segment income margin (100 million yen)	4 [2.5%]	9 [5.4%]	(4)	(52.8%)

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	169	169	338	—	—	342	681
	2022	172	170	342	169	168	338	680
	Difference/ Difference (%)	(2) [(1.5%)]	(0) [(0.4%)]	(3) [(1.0%)]	—	—	3 [1.0%]	0 [0.0%]
Segment income (business income) 100 million yen, %	2023	12	4	17	—	—	16	34
	2022	5	9	14	7	9	16	31
	Difference/ Difference (%)	7 [140.4%]	(4) [(52.8%)]	2 [18.8%]	—	—	0 [1.0%]	2 [9.3%]
Segment income margin (%)	2023	7.6	2.5	5.1	—	—	4.9	5.0
	2022	3.1	5.4	4.2	4.4	5.4	4.9	4.6

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	681	690	(9)
Segment income	34 [5.0%]	36 [5.2%]	(2)

April-June 2023 Highlights

Although revenues increased due to factors including outsourcing service contracts for financial institutions and other factors, the decline in scheduled flights impacted the segment significantly, resulting in decreased revenues.

Special Factors

No special factors to note.

Forecast Overview

We expect revenues to increase through outsourcing service contracts and rate revisions. We also expect an increase in segment income through streamlined operations and reduced costs.

II. Financial Results Forecast for FY2023 (IFRS) Heavy Haulage & Construction Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	146	117	29	24.8%
Segment income (business income)	21 [14.3%]	16 [13.7%]	4	30.7%
Segment income margin (100 million yen)				

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	111	146	258	—	—	211	470
	2022	82	117	199	125	119	245	445
	Difference/ Difference (%)	29 [36.2%]	29 [24.8%]	58 [29.5%]	—	—	(34) [(14.0%)]	24 [5.5%]
Segment income (business income) 100 million yen, %	2023	8	21	30	—	—	27	58
	2022	5	16	21	19	22	42	63
	Difference/ Difference (%)	3 [67.2%]	4 [30.7%]	8 [39.8%]	—	—	(14) [(34.1%)]	(5) [(9.3%)]
Segment income margin (%)	2023	8.0	14.3	11.6	—	—	13.3	12.3
	2022	6.5	13.7	10.7	15.8	18.8	17.3	14.3

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	470	470	—
Segment income	58 [12.3%]	58 [12.3%]	—

April-June 2023 Highlights

Both revenues and profits increased due to steady growth in wind power-related construction, shutdown maintenance (SDM), and industrial machinery construction volume. Overseas ocean cargo transportation volume related to wind power also made a positive contribution.

Special Factors

• Impact of COVID-19:

[Revenue] +7 [Q2], +7 [year]
[Segment income] +1 [Q2], +1 [year]

Forecast Overview

We forecast lower revenues and profits due to a negative rebound in wind power construction in the second half compared with the strong performance in the previous fiscal year. SDM construction volume will also be lower due to reductions in project scale. We project a decrease in full-year profits, despite an increase in revenues during the first half due to steady wind power and SDM construction. Performance is likely to be affected by a negative rebound in wind power construction compared with the previous year which will impact segment income negatively.

II. Financial Results Forecast for FY2023 (IFRS)

Logistics Support Segment

1 Quarterly Results for FY2023 (Apr-Jun Results)

FY2023	FY2023	FY2022	Difference	Difference (%)
Revenues (100 million yen)	996	1,002	(5)	(0.6%)
Segment income (business income)	32 [3.3%]	47 [4.7%]	(14)	(31.3%)
Segment income margin (100 million yen)				

2 Quarterly Results and Forecast

Item	Fiscal Year	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	Full Year
Revenues 100 million yen, %	2023	1,094	996	2,090	—	—	2,085	4,176
	2022	1,068	1,002	2,071	989	1,154	2,144	4,216
	Difference/ Difference (%)	25 [2.4%]	(5) [(0.6%)]	19 [0.9%]	—	—	(59) [(2.8%)]	(40) [(1.0%)]
Segment income (business income) 100 million yen, %	2023	32	32	65	—	—	82	148
	2022	34	47	82	40	42	82	164
	Difference/ Difference (%)	(2) [(5.8%)]	(14) [(31.3%)]	(16) [(20.6%)]	—	—	0 [0.7%]	(16) [(9.9%)]
Segment income margin (%)	2023	3.0	3.3	3.1	—	—	4.0	3.5
	2022	3.2	4.7	4.0	4.1	3.6	3.8	3.9

3 Forecast

Item	Forecast	Previous Forecast	Difference
Revenues	4,176	4,222	(46)
Segment income	148 [3.5%]	146 [3.5%]	2

April-June 2023 Highlights

Revenues and profits declined due to significant decreases in both sales volume and unit prices in the petroleum and LP gas businesses, despite increased volume in uniform fabric sales and other logistics equipment sales volume.

Special Factors

• Impact of COVID-19:

[Revenue] +2 [Q2], +3 [year]
[Segment income] +0 [Q2], +1 [year]

Forecast Overview

We expect declining volume in the petroleum business to impact the logistics support segment significantly, resulting in decreased revenues. Although volume for automobile-related and industrial machinery in the LS business should remain strong, we expect profit to decrease due to the significant impact of declining volume in the petroleum business.

III. Challenges of the Business Plan

Business Plan Figures (Japanese GAAP)

A Status of Business Plan 2023 Initiatives

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

Item	Current-Year Results Pro Forma (JGAAP) (Jan-Jun 2023)	Progress (Vs Business Plan Figures 2023)	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023 Plan)	Business Plan Figures 2023 (JGAAP)	Difference (Vs Plan)	Difference (%) (Vs Plan)	FY2019 Results (JGAAP) *Reference	Difference (Vs FY2019) *Reference	Difference (%) (Vs FY2019) *Reference
Revenues	11,313	48.6	23,300	24,000	(700)	(2.9)	20,803	2,496	12.0
Operating Income	416	47.4	880	1,100	(220)	(20)	592	287	48.6
Operating Income Margin	3.7	—	3.8	4.6	—	—	2.8	—	—
Profit Attributable to Owners of Parent	250	41.1	610	720	(110)	(15.3)	174	435	250.4
Overseas Sales	3,178	47.8	6,642	7,200	(558)	(7.8)	4,125	2,516	61.0
ROE	—	—	8.0	10.0	—	—	3.2	—	—

*IFRS ROE (forecast) for FY2023 is 7.1%. The difference with the Japanese GAAP ROE of 8.0% (forecast) is gains on sales of marketable securities are not recorded in the PL under IFRS.

*We will evaluate Business Plan 2023 initiatives using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

III. Challenges of the Business Plan Business Plan Figures (Japanese GAAP)

A Status of Business Plan 2023 Initiatives

(100 million yen, %)

Segment	Item	Pro Forma (JGAAP) (Jan-Jun 2023)	Progress	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023)	2023 Business Plan Target (JGAAP)	Difference (Vs Plan)	Difference (%) (Vs Plan)
Japan	Revenues	6,441	48.9	13,186	13,730	(544)	(4.0)
	Segment Income	227	48.3	471	658	(187)	(28.4)
	Operating income margin	3.5	—	3.6	4.8	—	—
Americas	Revenues	740	47.9	1,547	1,210	337	27.9
	Segment Income	52	47.5	111	72	39	54.2
	Operating income margin	7.1	—	7.2	6.0	—	—
Europe	Revenues	943	51.3	1,841	1,860	(19)	(1.0)
	Segment Income	49	48.7	101	87	14	16.1
	Operating income margin	5.2	—	5.5	4.7	—	—
East Asia	Revenues	773	45.4	1,706	2,310	(604)	(26.1)
	Segment Income	25	42.6	61	89	(28)	(31.5)
	Operating income margin	3.4	—	3.6	3.9	—	—
South Asia & Oceania	Revenues	719	46.5	1,548	1,820	(272)	(14.9)
	Segment Income	49	48.1	102	142	(40)	(28.2)
	Operating income margin	6.8	—	6.6	7.8	—	—
Security Transportation	Revenues	339	49.9	681	690	(9)	(1.3)
	Segment Income	15	69.0	22	11	11	100.0
	Operating income margin	4.5	—	3.2	1.6	—	—
Heavy Haulage & Construction	Revenues	258	55.1	470	530	(60)	(11.3)
	Segment Income	30	53.6	56	61	(5)	(8.2)
	Operating income margin	11.6	—	11.9	11.5	—	—
Logistics Support	Revenues	2,046	49.0	4,176	3,820	356	9.3
	Segment Income	66	44.8	148	120	28	23.3
	Operating income margin	3.2	—	3.5	3.1	—	—

*We will evaluate Business Plan 2023 initiatives using pro forma Japanese GAAP figures (figures adjusted for the main differences between IFRS and Japanese GAAP), which will be IFRS-based figures restated under Japanese GAAP.

III. Challenges of the Business Plan

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

Item Revenues	Japan*1					Overseas				
	2023 Jan-Jun Results	2022 Jan-Jun Results	Difference (%)	2023 Jan-Dec Targets	Progress	2023 Jan-Jun Results	2022 Jan-Jun Results	Difference (%)	2023Jan-Dec Targets	Progress
Electric and Electronics Industry	¥51.7 billion	¥59.3 billion	(13%)	¥120.0 billion	43%	¥74.2 billion	¥102.0 billion	(27%)	¥174.0 billion	43%
Automotive Industry	¥42.4 billion	¥47.0 billion	(10%)	¥110.0 billion	39%	¥52.6 billion	¥66.7 billion	(21%)	¥120.0 billion	44%
Apparel Industry	¥7.8 billion	¥8.0 billion	(3%)	¥20.0 billion	39%	¥46.6 billion	¥50.8 billion	(8%)	¥80.0 billion	58%
Pharmaceutical/Medical Industry	¥9.5 billion	¥9.8 billion	(3%)	¥30.0 billion	32%	¥18.1 billion	¥19.1 billion	(5%)	¥40.0 billion	45%
Semiconductor-Related Industries	¥15.1 billion	¥25.0 billion	(40%)	¥45.5 billion	33%	¥7.9 billion	¥11.5 billion	(31%)	¥20.0 billion	40%

Item	2023 Jan-Jun Results	2022 Jan-Jun Results	Difference (%)	2023 Jan-Dec Targets	Progress
Ocean Forwarding Business*2	350,000 TEU	380,000 TEU	(6.9%)	1,100,000 TEU	31.9%
Air Forwarding Business*2	340,000 t	450,000 t	(24.1%)	1,200,000 t	28.5%

Item Revenues	2023 Jan-Jun Results	2022 Jan-Jun Results	Difference (%)	2023 Jan-Dec Targets	Progress
Non-Japanese Customer Accounts (GAM + GTA * 3)	¥21.5 billion	¥58.4 billion	(63.1%)	¥86.9 billion	24.8%

*1. Results and KPI figures are the total for related businesses under Nippon Express and NX Cash Logistics.

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

*3 GAM is an abbreviation for global account management.

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 the fullest and reduce outsourcing cost ratios

- Utilization ratio of company-owned vehicles through Q2, FY2023 increased +0.3 points year on year
- Revenue decreased (-11.7% year on year) due to a reactionary decline in international logistics; outsourcing cost ratio rose +4.8 percentage points year on year. (Calculated after deducting previous-year results at NXCL)
- At the same time, the outsourcing cost ratio for Nippon Express in Japan (excluding the impact of the forwarding business) remained 1.0 points lower compared with the cost ratio prior to the outbreak of COVID-19.
- We will continue to improve the margin ratio by leveraging company strengths and company-owned vehicles.

◆ Receive appropriate fees

- Rate revisions in June 2023 resulted in net sales impact of approximately 4.3 billion yen (Nippon Express).
- Achieve targets by monitoring market trends and changes in the environment; and by collecting appropriate fees.

◆ Restructure branch operations companies

- Continue restructuring by region based on changes to roles, revenue, future prospects, and market trends.
- A total of 81 companies will finalize restructuring by the end of FY2025 (12 companies planned for this fiscal year)

II. Improve Productivity

◆ Raise overall level of warehouse operations

- Develop and expand logistics human resources by implementing a three-tier education and training program to improve the overall level of warehouse operations.
 - (1) Logistics boot camp: Cultivate core human resources capable of proactive warehouse operations, from the design and construction of new warehouses to continuous improvement (began in July; 20 sessions through January)
 - (2) Logistics Academy: Develop human resources capable of implementing performance improvements at logistics centers.
June Launch: Four sessions through July 2024
Scheduled participants: 127 distribution center managers from across Japan
 - (3) E-learning: Foster an understanding of standardization and improve business operations (began in May for all employees)

II. Improve Productivity (Continued)

◆ Automate, streamline office work

- Reduce a cumulative total of 2,150,000 hours (annualized) by the end of FY2023 through the two pillars of RPA: (1) RPA managed centrally by headquarters IT department and (2) RPA automation implemented by branches and sections.
- FY2023 Q2 Results: Cumulative total of 2,008,267 hours (vs. target: -141,733 hours).
- Expand automation using advanced technologies (natural language processing/atypical form model readers).

III. Deepen Integration of Land, Sea, and Air

◆ Pursue cross-mode sales

- Use systems to visualize unserved areas in existing customers; engage in sales in all branches throughout Japan. Added 327 projects so far this fiscal year (Q2 cumulative).

IV. Strengthen Network Transportation Products

◆ Increased sales of railroad containers, air cargo containers

- NX Train is now on sale and has 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.
- **Sea & Rail sales growth Q2: 4,655 tons (106.2% vs. the previous year)**

◆ Structural reform of the Moving & Relocation Business

- We revised rates for corporate client contracts, established sales quotas, and set up remote locations to ensure profitability and improve quality during the shopping season.
- We maintained and improved quality by improving unit sales prices and profitability via rate revisions and sales quotas that curbed the use of contract labor caused by excessive orders.
Q2 cumulative average NPS 51 points (+3 points year on year)

◆ Strengthen and Pursue Arrow Delivery Business

- Improve profitability through more efficient and streamlined operations, better coordination within the NX Group, and strengthened alliances with other companies in our industry.

◆ Increased sales of Protect BOX

- Increased sales of railroad containers, air cargo containers
Q2 Results 18,843 units (119% of previous year)

III. Challenges of the Business Plan

D Progress in FY2023 Back Office Cost Reductions (as of June 30, 2023)

Enhancing Japanese Domestic Businesses	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FY2021 Results (Apr-Dec) [YoY]	FY2022 Results (Apr-Dec) [YoY]	FY2023 Results (Jan-Jun) [YoY]	Cumulative Through June, FY2023	FY2023 (Forecast)	FY2023 Cumulative (Forecast)	FY2023 Cumulative (Target)
Further reorganization of organizations streamlining of administrative departments	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	—	-¥0.27 billion [-30 employees]	-¥4.02 billion [-447 employees]	-¥0.98 billion [-109 employees]	-¥4.7 billion [-526 employees]	-¥4.5 billion [-500 employees]
	Reassign HQ employees	—	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]	-¥0.38 billion [-42 employees]		FY2023 Target Progress: 89%			
Back office process reform	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	-¥0.01 billion	-¥1.33 billion FY2023 Target Progress: 26.6%	-¥0.23 billion	-¥2.0 billion	-¥5.0 billion
	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.20 billion	+¥0.91 billion	+¥0.46 billion				
Total	Total	-¥2.05 billion	-¥4.58 billion	+¥0.31 billion	+¥0.8 billion	+¥0.18 billion	-¥5.35 billion FY2023 Target Progress: 56%	-¥1.21 billion	-¥6.7 billion	-¥9.5 billion

*Results and targets related to *further reorganization of organizations/streamlining of administrative departments* represent scale of implementation and estimates for related measures

III. Challenges of the Business Plan

E Pursuing RPA and NX-OCR

Why Adopt RPA?

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

~ Examples of Tasks Already Improved via RPA ~

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

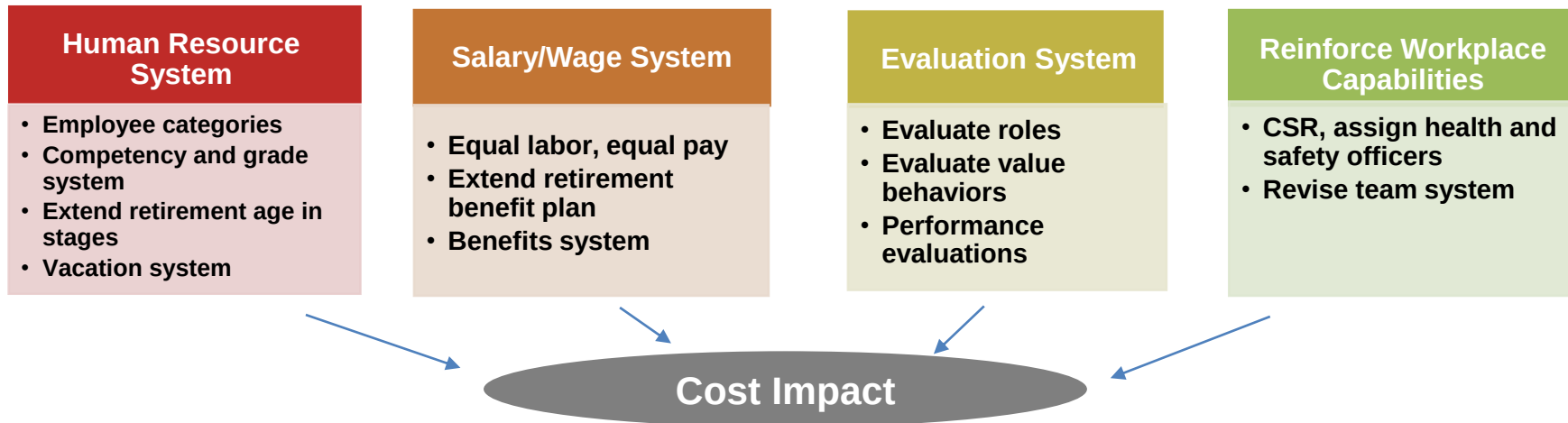


Measures to Promote RPA Adoption

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

III. Challenges of the Business Plan

F Impact of Employee System Reform (as of June 30, 2023)

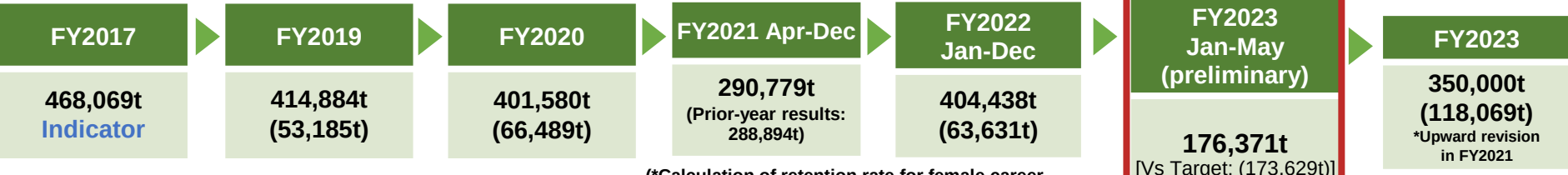


	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023 Cumulative
Initial Plan (at the time of the 2019 business plan)	¥10.0 billion increase					¥20.0 billion increase
Forecast		¥1.0 billion increase	¥1.4 billion increase (9-Month Forecast)	¥1.1 billion increase	¥1.21 billion increase	¥9.41 billion increase
Results	¥4.8 billion increase	¥0.94 billion increase	¥1.3 billion increase (9-Month Results)	¥1.1 billion increase (Jan-Dec Results)	¥0.58 billion increase (Jan-Jun Results)	

III. Challenges of the Business Plan

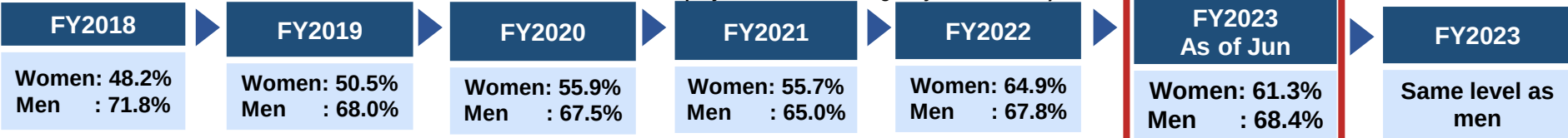
G ESG Management

CO2 emissions reductions vs. FY2017

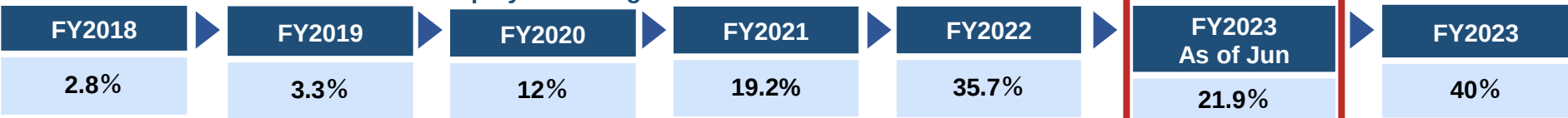


Promote diversity -rate of women in continuing service-*

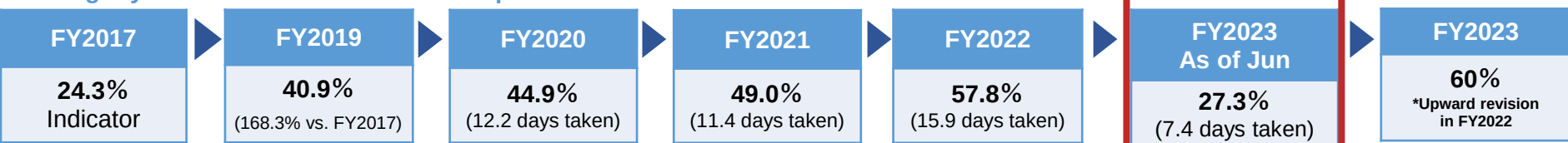
(*Calculation of retention rate for female career employees in or around eighth year of service)



- Rate of male employees taking childcare leave -



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



III. Challenges of the Business Plan

H Business Structure Reform Project

~ Reform and Strengthen Businesses ~

(1) Logistics Division Reform

Optimize and improve functions of SCM by customer Make a positive contribution to customers, designing optimal logistics solutions by mobilizing the collective strength of the NX Group

(2) Railway Utilization Business Reform

Rebuild the NX-brand railway utilization business as a sustainable means of transportation conscious of the decarbonization era; provide market-oriented, high-value-added services, as well as safe and reliable transportation

(3) Small-Lot Shipment Business Reform

Today, we decided to conclude a basic agreement for the integration of the Nippon Express special combined delivery services and NX Transport with Meitetsu Transportation Co., Ltd. The three entities will establish a new joint venture to expand and strengthen the special combined delivery service of the two groups.

(4) Coastal Shipping Business Reform

Establish the NX Group coastal shipping brand as a brand that covers all ports in Japan and contributes solutions to social issues Reorganize shipping routes and develop new products with a view to forming alliances with other shipping companies

(5) Integrated Business Reform

Business Focus: Strengthen competitiveness and enhance total logistics solutions

Sales Focus: Provide one-stop total solutions to customers

Area Focus: Maximize earnings based on area market characteristics

(6) M&A Strategy

Strengthen competitiveness of forwarding business from Asia (main battlefield) and enhance our ability to respond to market needs in each region tied to industries and businesses

Strengthening the M&A Execution Structure Our M&A strategy has shifted to a phase of PMI execution for specific projects, focused on cargo-partner.

**Concentrate Management Resources + Combine Strengthened Businesses
in Tokyo, Nagoya, and Osaka**

III. Challenges of the Business Plan

Numerical Targets

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

NX Group Business Plan 2023 Overview

Growth Strategy of Core Businesses

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

Strategy to Enhance Domestic Businesses in Japan

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

Efforts to Implement Our Long-Term Vision

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

~ FY2023

Accelerate Reform Through a Holding Company Structure

- Restructure Business Portfolios · Strengthen Specialized Businesses
 - Restructure group businesses
 - Strengthen businesses by spinning off the security transportation business (NX Cash Logistics)
- Domestic Business Restructuring
 - Consider Business Structure Reform Project
- Inorganic Growth
 - Strengthen M&A overseas
 - Acquisition of cargo-partner shares (making cargo-partner a subsidiary) announced on May 12, 2023
- Strengthen Governance
 - Evolve global management functions (strengthen* GBHQ functions)
- Brand Strategy
 - Global penetration and strengthening of the NX Group brand

*Abbreviation of Global Business Headquarters



2037 Long-Term Vision

A logistics company with a strong presence in the global market

This fiscal year is the final year of our business plan. Toward completing this plan successfully, we must strengthen our engagement in our growth strategy for our core businesses and strategy to enhance domestic businesses in Japan, in particular.

III. Challenges of the Business Plan

M&A Materials

1. Outline of the Transaction

We have reached agreement with Cargo-Partner Group Holding AG and its subsidiaries Multi Transport und Logistik Holding AG, Safer Overseas Transport Holding GmbH, Cargo-Partner GND GmbH, and CARGO-PARTNER US HOLDINGS INC. (collectively, the "Sellers") to acquire the shares in their multiple subsidiaries, which provide global logistics services through their main business sites in Central and Eastern Europe (the "Target" or "Cargo-partner") (the "Transaction"), through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company's European holding company.

Target Company ⁽¹⁾	cargo-partner GmbH (one representative target company)
Structure	Acquire the shares of the 63 Target Companies from the Sellers in cash through a special purpose company and wholly-owned subsidiary of NIPPON EXPRESS EUROPE GMBH, a subsidiary of the Company's European holding company.
Purchase Price	Ordinary shares of the Target Companies: EUR 845 million (approx. JPY 126,750 million) ⁽²⁾ (the actual purchase price will be determined after adjustments in relation to net debt and net working capital of cargo-partner are made at time of completion of the Transaction) In addition, a maximum of EUR 555 million (approx. JPY 83,250 million) ⁽²⁾ will be paid in cash to the Sellers, subject to the Target Companies' earnings reaching a certain financial threshold agreed to in the Agreement.
Closing Date of the Transaction	November 2023 – May 2024 (planned)

(1): Note that the outline of only one representative company is presented above, although the Target Companies consist of 63 companies (including partially-owned subsidiaries).
(2): Converted at the rate of 1 EUR = 150 JPY.

2. Outline of cargo-partner

Basic Information ⁽¹⁾		Financials					
Target company	cargo-partner GmbH (one representative target company)	Consolidated Revenue ⁽²⁾			Consolidated EBIT ⁽²⁾		
Date of Incorporation	November 30, 1983	EUR Million			EUR Million		
Headquarter address	Airportstraße 9, 2401 Fischamend, Austria	1,050	1,806	2,063	47	113	71
Representatives	Luca Ferrara, Managing Director Martin Schenzel, Managing Director	FYE December 2020	FYE December 2021	FYE December 2022	FYE December 2020	FYE December 2021	FYE December 2022
Business	Transportation service, mainly focused on Air / Sea freight forwarding						
Area	Western Europe, Eastern Europe, Central Europe, North-Eastern Asia, East-Southern Asia, India, Oceania, North America						
Hub of the Target Company		Characteristics					
		Owns robust business foundation in Central-Eastern Europe, a hub of production bases for manufacturers. Has strength in freight forwarding in trade lines between Asia and Europe					
		In addition to its major air / ocean freight forwarding business, conducts train / track transportation and contract logistics business					

(1): Note that the outline of only one representative company is presented above, although the Target Companies consist of 63 companies (including partially-owned subsidiaries).
(2): The financial information and business performance are the consolidated figures of Cargo-Partner Group Holding AG, consisting of the Sellers and the Target Companies.

3. Strategic Rationale

Strategic Rationale		Overview
A	Expand our network and services	• Strengthening our network and services in the European area by supplementing the logistics foundation in the Central and Eastern Europe region , where, as the production base for the European region, strong growth is expected
B	Strengthen our competitiveness by expanding the amount of freight forwarding volume	• Strengthening our competitiveness in the global markets through an increase in air and sea freight forwarding volume
C	Strengthen our ability to meet global logistics demand	• Addressing a variety of needs of our customers who operate their business globally, especially by strengthening our ability to meet logistics demand between Asia and Europe as well as reinforcing our global accounts team
D	Create synergies and expand / develop the business	• Developing and creating synergies between our logistics businesses which are complementary due to the different areas of strengths in terms of customer base and coverage countries and areas

To further strengthen the freight forwarding business through synergies and by leveraging the competitive strengths of each company, to create an even more active sales and marketing operation, and to increase our presence in the global market

4. PMI (Post Merger Integration) Policy

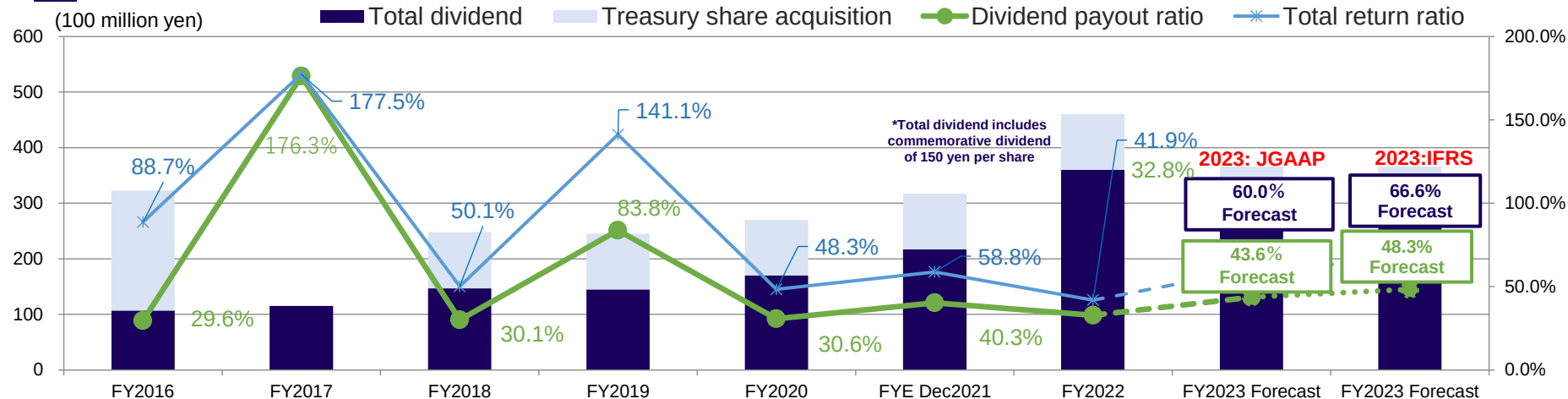
Establish a Steering Committee		
Management  NX Group will second some Directors and employees. Reinforce a rapid coordination by deepening mutual understanding and expanding trusted relationships	Governance  Establish a governance structure to realize the integration of respective managements from cargo-partner and NX group	Growth Strategy  Promote and implement execution plans to realize growth strategy by both NX Group and cargo-partner, via GBHQ

IV. Return to Shareholders

A Capital Policies

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

B Key Indicators



Dividend per Share (Full-Year)	11	*120	155	155	185	240	400 (including 150 yen commemorative dividend)	300	Forecast
ROE	6.9 (JGAAP)	1.2 (JGAAP)	9.2 (JGAAP)	3.2 (JGAAP)	10.0 (JGAAP)	8.9 (JGAAP)	16.0 (JGAAP)	8.0(JGAAP) 7.1 (IFRS)	Forecast

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

*The difference between IFRS ROE and Japanese GAAP ROE is that gains on sales of marketable securities are not recorded in the PL under IFRS.

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 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Impact of change in unit fuel price	Segment income (business income) +¥0.17 billion (cost decrease) Unit price per ℓ[Prior period 6-month average] Light oil : ¥114.16 [¥117.50] Gasoline : ¥153.20 [¥155.50] Heavy oil : ¥80.08 [¥80.10]	Segment income (business income) +¥0.45 billion (cost decrease) Unit price per ℓ [Prior period 12-month average] Light oil : ¥112.86 [¥115.80] Gasoline : ¥152.45 [¥154.60] Heavy oil : ¥79.69 [¥81.70]
Impact of foreign exchange	Revenues +¥29.88 billion Segment income (business income) +¥2.23 billion 12-month avg. foreign exchange rate [January-June]* [prior-period 6-month avg.] USD : ¥134.86 [¥122.80] EUR : ¥145.79 [¥134.20] HKD : ¥17.20 [¥15.70] RMB : ¥19.45 [¥18.90] * 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.	Revenues +¥37.86 billion Segment income (business income) +¥2.82 billion 12-month avg. foreign exchange rate [January-December]* [prior-period 12-month avg.] USD : ¥137.39 [¥131.40] EUR : ¥148.74 [¥138.00] HKD : ¥17.53 [¥16.70] RMB : ¥19.58 [¥19.40] * 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.

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

Variable factors	Impact on consolidated results (Jan-Jun 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Change due to employee system reform (same pay for same work, impact of extended retirement age)	Segment income (business income) ¥(0.58) billion [Japan: ¥(0.45) billion, Security Transportation: ¥(0.08) billion, Heavy Haulage & Construction: ¥(0.04) billion]	Segment income (business income) ¥(1.21) billion [Japan: ¥(0.99) billion, Security Transportation: ¥(0.13) billion, Heavy Haulage & Construction: ¥(0.09) billion]
Impact of COVID-19	Revenues: ¥(24.53) billion Segment profit (business profit): ¥(4.28) billion • Japan: Revenues +¥2.18 billion Segment income (business income) +¥0.99 billion • The Americas: Revenues ¥(0.77) billion Segment income (business income) ¥(0.54) billion • Europe: Revenues ¥(9.42) billion Segment income (business income) ¥(1.18) billion • East Asia: Revenues ¥(1.58) billion Segment income (business income) ¥(0.21) billion • South Asia: Revenues ¥(15.89) billion Segment income (business income) ¥(3.59) billion • Security Transportation: Revenues +¥0.01 billion Segment income (business income) +¥0.02 billion • Heavy Haulage and Construction: Revenues +¥0.72 billion Segment income (business income) +¥0.14 billion • Logistics Support: Revenues +¥0.21 billion Segment income (business income) +¥0.07 billion	Revenues: ¥(53.53) billion Segment income (business income): ¥(11.08) billion • Japan: Revenues +¥0.86 billion Segment income (business income) +¥0.17 billion • The Americas: Revenues ¥(4.52) billion Segment income (business income) ¥(1.43) billion • Europe: Revenues ¥(16.11) billion Segment income (business income) ¥(2.76) billion • East Asia: Revenues ¥(12.30) billion Segment income (business income) ¥(2.11) billion • South Asia: Revenues ¥(22.51) billion Segment income (business income) ¥(5.25) billion • Security Transportation: Revenues +¥0.01 billion Segment income (business income) +¥0.03 billion • Heavy Haulage and Construction: Revenues +¥0.72 billion Segment income (business income) +¥0.14 billion • Logistics Support: Revenues +¥0.31 billion Segment income (business income) +¥0.12 billion

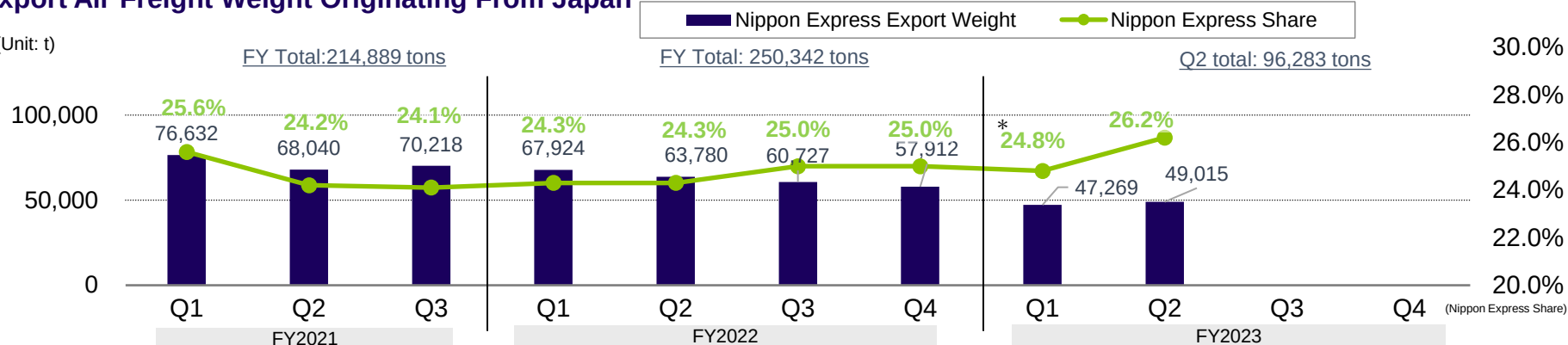
Appendix 1: Special Factors (Changes Due to External Environmental and Other Factors)

Variable factors	Impact on consolidated results (Jan-Jun 2023 results)	Impact on consolidated results (Jan-Dec 2023 forecast)
Impact of Ukraine	Revenues: +¥0.73 billion Segment income (business income): ¥(0.28) billion • Japan: Revenues +¥0.15 billion Segment income (business income) ¥(0.13) billion • Europe: Revenues +¥0.51 billion Segment income (business income) ¥(0.16) billion • Heavy Haulage and Construction: Revenues +¥0.01 billion Segment income (business income) +¥0.00 billion • Logistics Support: Revenues +¥0.05 billion Segment income (business income) +¥0.00 billion	Revenues: +¥2.51 billion Segment income (business income): +¥0.11 billion • Japan: Revenues +¥0.90 billion Segment income (business income) +¥0.00 billion • Europe: Revenues +¥1.49 billion Segment income (business income) +¥0.08 billion • Heavy Haulage and Construction: Revenues +¥0.01 billion Segment income (business income) +¥0.00 billion • Logistics Support: Revenues +¥0.09 billion Segment income (business income) +¥0.01 billion
Environment investments	Segment income (business income) +¥0.14 billion	Segment income (business income) ¥(0.41) billion
Impact of impairment loss on non-current assets and goodwill (increase in income)	Segment income (business income) +¥0.96 billion Japan: +¥0.96 billion	Segment income (business income) +¥1.93 billion Japan: +¥1.93 billion

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

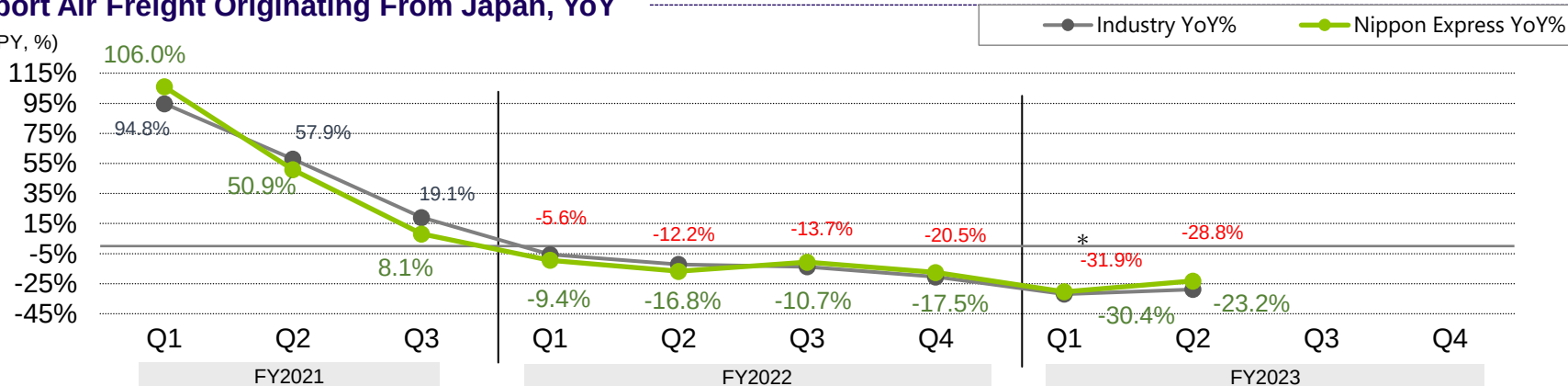
Export Air Freight Weight Originating From Japan

(Unit: t)



Export Air Freight Originating From Japan, YoY

(Vs. PY, %)

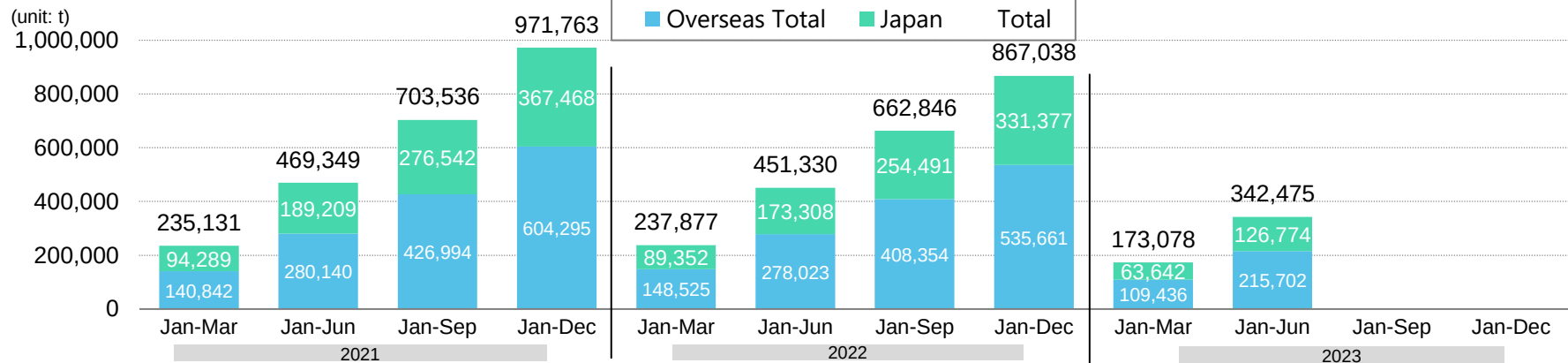


*We revised the Nippon Express Share and Industry YoY% figures for the first quarter of FY2023, disclosed originally on May 12, 2023, due to a revision in the JAFIA International Air Cargo Handling Results.

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

(Unit : t /chargeable)

Originating Region	2021					2022					2023				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full Year
Japan (consolidated)	89,719	90,527	82,178	85,592	348,017	84,660	79,228	76,158	71,592	311,637	58,508	58,881			
Japan (excluding consolidated)	4,570	4,392	5,154	5,334	19,451	4,692	4,728	5,026	5,294	19,740	5,134	4,250			
Japan Total	94,289	94,919	87,333	90,926	367,468	89,352	83,956	81,184	76,886	331,377	63,642	63,131			
Americas	23,273	20,980	19,757	20,417	84,427	20,740	20,437	18,164	16,234	75,575	15,330	17,478			
Europe	26,206	28,074	28,724	35,410	118,414	31,119	27,195	26,786	32,972	118,072	25,991	22,782			
East Asia	44,272	43,429	49,093	58,539	195,334	43,656	40,191	43,470	36,549	163,866	30,833	31,173			
South Asia & Oceania	47,091	46,814	49,280	62,935	206,120	53,010	41,675	41,912	41,552	178,148	37,281	34,833			
Overseas Total	140,842	139,298	146,854	177,301	604,295	148,525	129,498	130,331	127,307	535,661	109,436	106,266			
Total Weight	235,131	234,217	234,187	268,227	971,763	237,877	213,453	211,515	204,193	867,038	173,078	169,397			

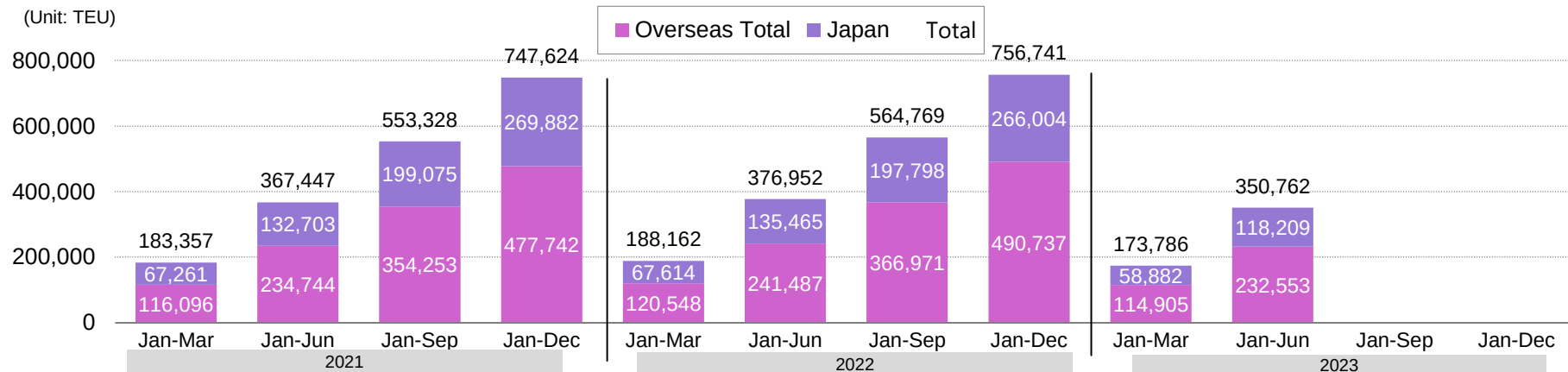


Appendix 2 Forwarding Results: Export Freight (Ocean Transportation)

(Unit: TEU)

Originating Region	2021					2022					2023				
	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	67,261	65,442	66,373	70,807	269,882	67,614	67,851	62,333	68,206	266,004	58,882	59,327			
Americas	11,223	13,391	11,155	10,117	45,886	10,106	11,429	10,261	8,991	40,787	8,461	8,545			
Europe	13,667	15,025	13,926	14,077	56,695	15,308	14,917	14,208	15,077	59,510	12,590	13,067			
East Asia	52,959	54,801	57,770	57,009	222,539	53,150	54,639	58,511	57,854	224,154	54,938	55,060			
South Asia & Oceania	38,247	35,431	36,658	42,287	152,623	41,984	39,955	42,504	41,843	166,286	38,915	40,977			
Overseas Total	116,096	118,648	119,509	123,489	477,742	120,548	120,940	125,484	123,766	490,737	114,905	117,649			
Total Weight	183,357	184,089	185,882	194,296	747,624	188,162	188,791	187,816	191,972	756,741	173,786	176,976			

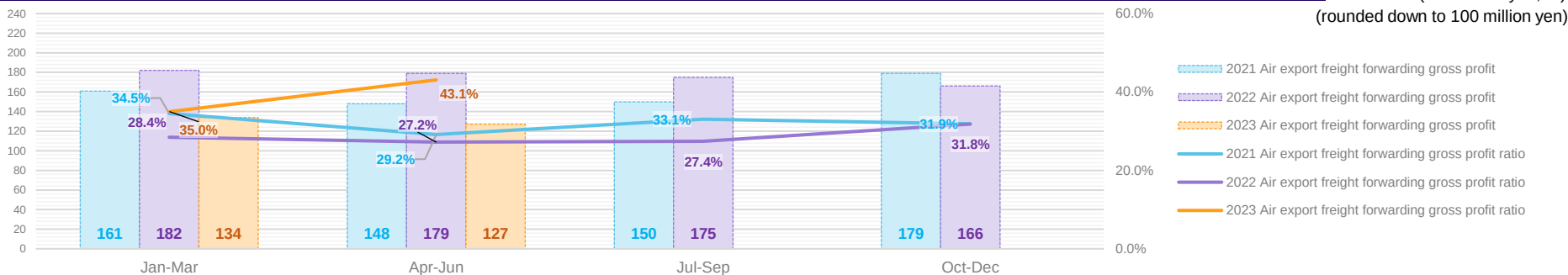
(Unit: TEU)



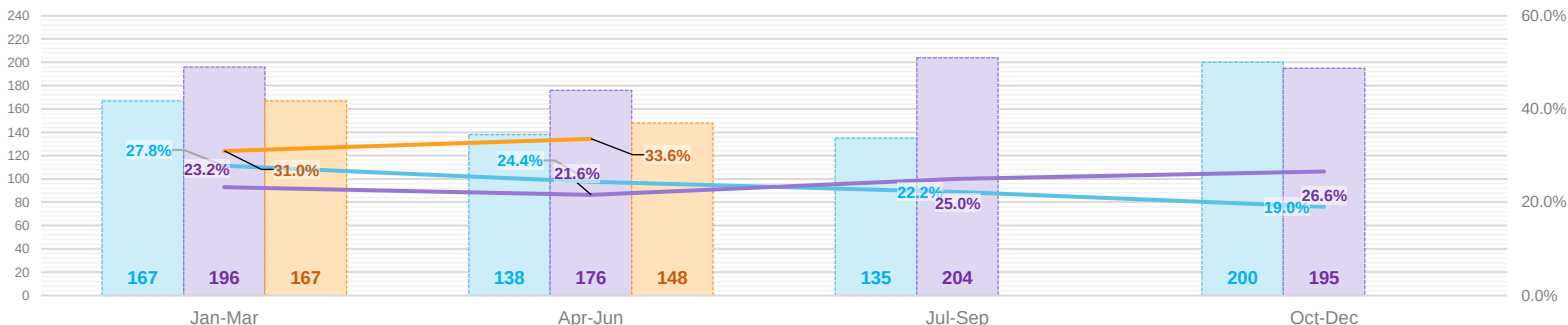


Appendix 2 Air Forwarding Results: Japan and Overseas Segment Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

Japan Segment



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

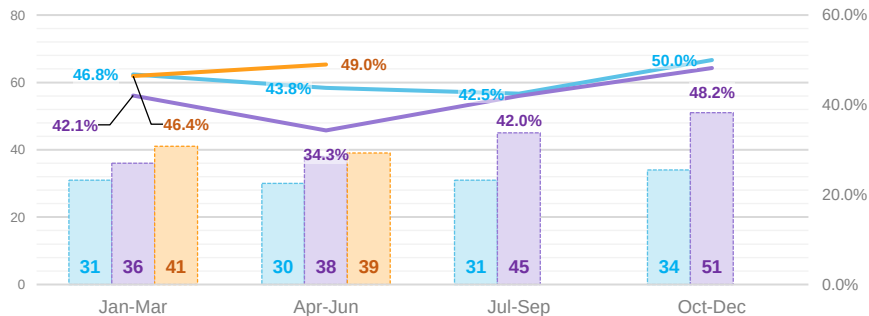
*Figures for the overseas segment total are based on the monthly reported figures for each country.

*Gross profit of overseas segment total is converted into yen based on the average exchange rate for each quarter.

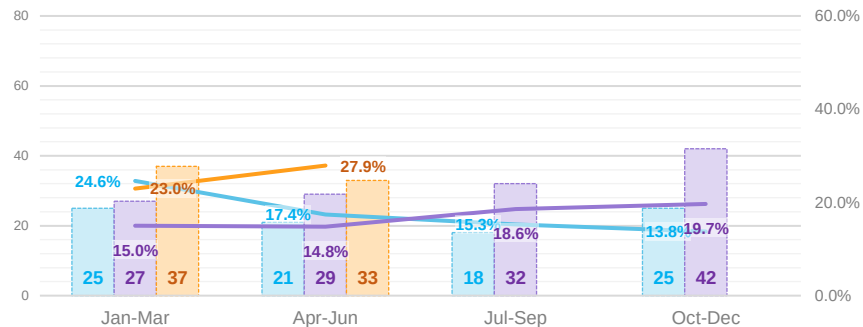


Appendix 2 Air Forwarding Results: Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Overseas Segment by Quarter

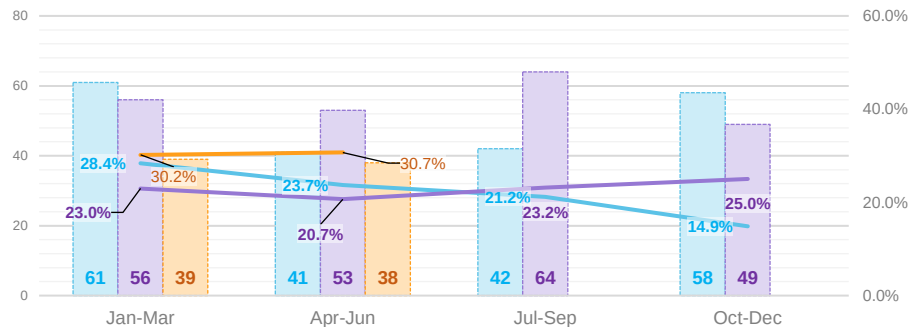
The Americas Segment



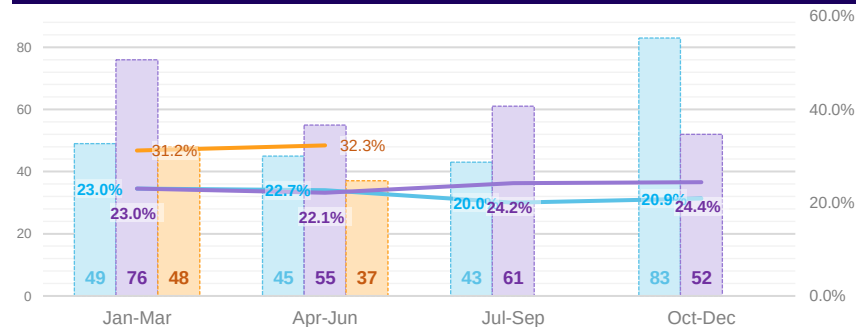
Europe Segment



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

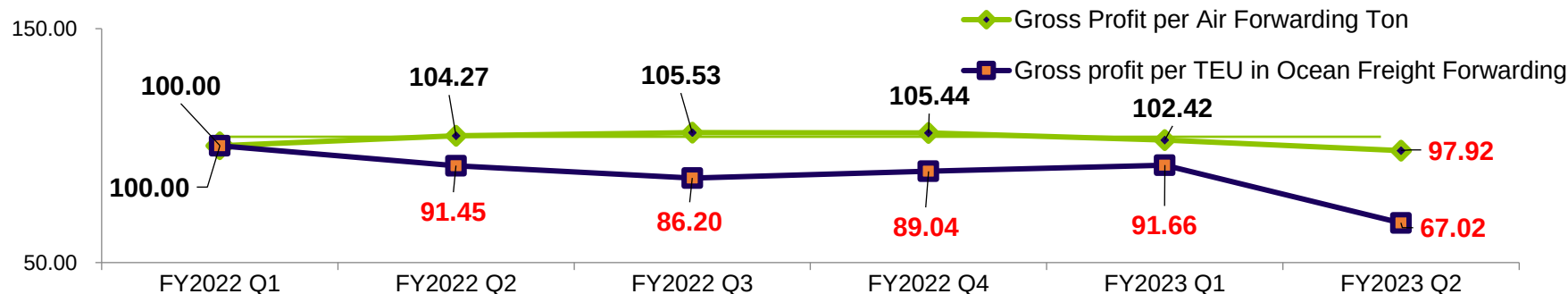
*Figures for the overseas segment total are based on the monthly reported figures for each country.

*Gross profit of overseas region total is converted into yen based on the average exchange rate for each quarter.

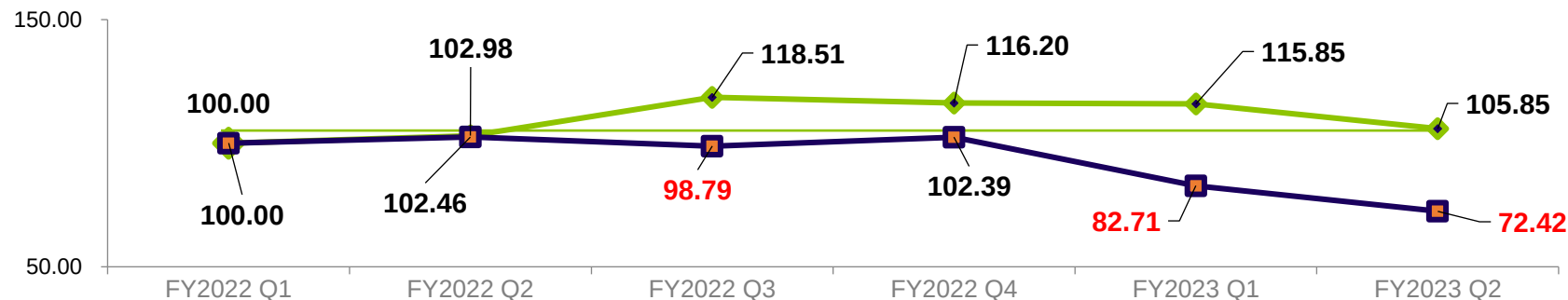
(100 million yen, %)
(rounded down to 100 million yen)

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

Japan Segment Total



Overseas Segment Total



*Figures represent the change in each quarter, indexing gross profit per TEU in Q1, 2022 at 100.

*Overseas segment total is calculated by converting the average exchange rate for each quarter into yen.

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

Consolidated forwarding costs										(100 million yen) (rounded down to 100 million yen)
Item	2021 Jan-Mar	2021 Apr-Jun	2021 Jul-Sep	2021 Oct-Dec	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct-Dec	2023 Jan-Mar (IFRS)	2023 Apr-Jun (IFRS)
Railway	107	107	108	119	100	94	94	106	95	89
Air transportation	748	798	792	1,243	1,097	1,122	1,074	901	631	472
Ocean transportation	270	324	437	533	555	617	614	480	307	257
Forwarding cost total	1,126	1,231	1,339	1,896	1,753	1,834	1,784	1,488	1,034	820

*Results for 2021 and 2022 are based on Japanese GAAP. Results for 2023 are based on IFRS.

Appendix 3: Nippon Express FY2023 Jan-Jun Forecasts (IFRS)

A. Revenues

(Unit: Millions of yen,%)

			Jan-Jun 2023		Jan-Jun 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues	Railway utilization business		32,618	5.7	32,453	4.8	165	0.5
	Automotive	Small-lot shipment business	17,419	3.1	18,705	2.8	(1,285)	(6.9)
		Chartered truck business	87,495	15.4	88,015	13.0	(519)	(0.6)
		Total	104,915	18.5	106,720	15.8	(1,804)	(1.7)
	Ocean transportation	Marine transportation business	70,541	12.4	93,312	13.8	(22,771)	(24.4)
		Harbor transportation business	33,565	5.9	34,368	5.1	(803)	(2.3)
		Total	104,106	18.3	127,681	18.9	(23,574)	(18.5)
		(Export)	[44,040]	—	[64,373]	—	(20,333)	(31.6)
		(Import)	[30,437]	—	[31,042]	—	(604)	(1.9)
		(Domestic and other)	[29,628]	—	[32,265]	—	(2,637)	(8.2)
	Air transportation	Total	114,023	20.1	175,295	25.9	(61,272)	(35.0)
		(Export)	[64,922]	—	[125,169]	—	(60,246)	(48.1)
		(Import)	[15,352]	—	[16,206]	—	(854)	(5.3)
		(Domestic and other)	[33,748]	—	[33,919]	—	(170)	(0.5)
	Warehousing and storage business		80,607	14.2	76,153	11.3	4,453	5.8
	In-factory business		33,363	5.9	29,163	4.3	4,199	14.4
	Moving and relocation business		31,407	5.5	32,525	4.8	(1,117)	(3.4)
	Security transportation business		0	0.0	33,897	5.0	(33,897)	(100.0)
	Heavy haulage and construction business		31,100	5.5	26,315	3.9	4,784	18.2
	Other businesses		35,300	6.2	36,024	5.3	(724)	(2.0)
	Total		567,445	100.0	676,231	100.0	(108,786)	(16.1)

Appendix 3: Nippon Express FY2023 Jan-Jun Forecasts (IFRS)

B. Operating Expenses, Total Other Expenses

(Unit: Millions of yen,%)

			Jan-Jun 2023		Jan-Jun 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses		101,383	17.9	125,540	18.6	(24,156)	(19.2)
	Forwarding costs	Railway forwarding costs	17,479	3.1	17,694	2.6	(215)	(1.2)
		Ocean forwarding costs	25,806	4.5	47,401	7.0	(21,595)	(45.6)
		Air forwarding costs	42,625	7.5	92,877	13.7	(50,251)	(54.1)
		Total	85,910	15.1	157,973	23.4	(72,062)	(45.6)
	Vehicle chartering and subcontracting costs		233,333	41.1	233,187	34.5	145	0.1
	Depreciation and amortization		38,103	6.7	37,616	5.6	487	1.3
	Facility usage charges		21,842	3.8	22,389	3.3	(546)	(2.4)
	Other		68,275	12.0	72,838	10.8	(4,563)	(6.3)
Total other income			2,567	0.5	57,319	8.5	(54,752)	(95.5)
Total other expenses			5,458	1.0	3,670	0.5	1,787	48.7
Total			551,740	97.2	595,896	88.1	(44,155)	(7.4)

C. Operating Income

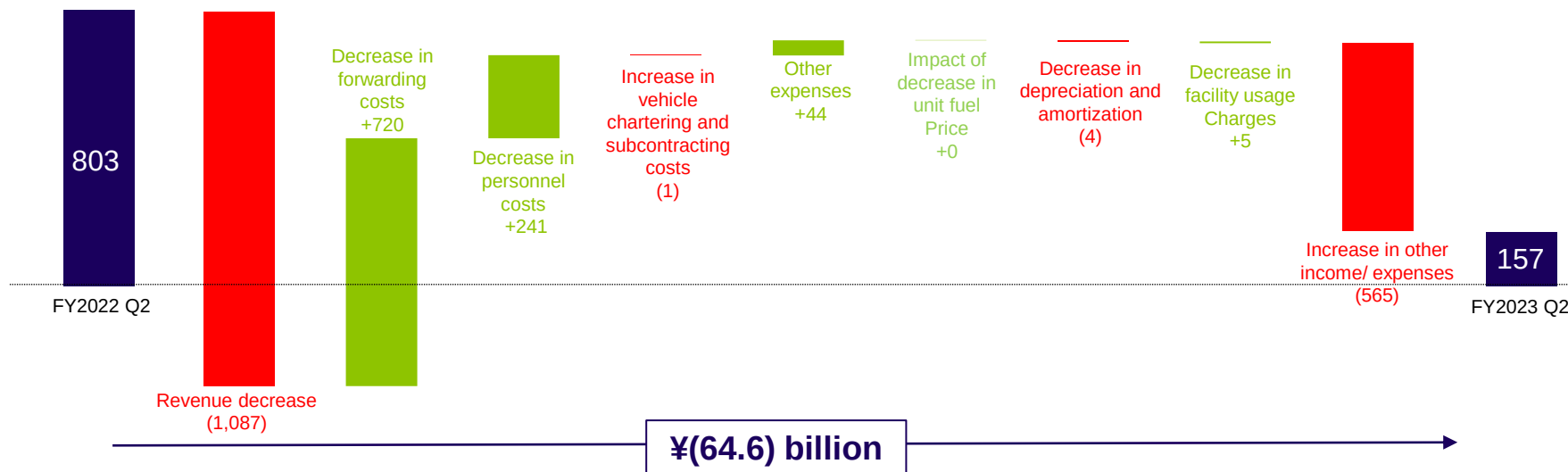
			Jan-Jun 2023		Jan-Jun 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Operating Income			15,704	2.8	80,335	11.9	(64,630)	(80.5)

Appendix 3: Nippon Express FY2023 Jan-Jun Results

Non Consolidated Profit Factors (IFRS)

Breakdown of Operating Income

(100 million yen) (rounded down to 100 million yen)
 *Increase and decrease in the graph is on an income basis



Figures for the previous year include the security transportation business.
 The business was spun off and is not included in the current year's figures.

Expense Detail (Jan-Jun Results)	
Increase in vehicle chartering and subcontracting costs +1 [+0.1%]	
Vehicle chartering cost	(17) [(1.9%)]
Subcontracting cost	+11 [+0.8%]
Personnel dispatching cost	+7 [+10.1%]

Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts (IFRS)

A. Revenues

(Unit: Millions of yen,%)

		2023		2022		Change		2023		2022		Change		
		2H Forecasts	% of Sales	2H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio	
Revenues	Railway utilization business		34,881	5.9	34,613	5.1	267	0.8	67,500	5.8	67,067	5.0	432	0.6
	Automotive	Small-lot shipment business	17,580	3.0	19,009	2.8	(1,429)	(7.5)	35,000	3.0	37,714	2.8	(2,714)	(7.2)
		Chartered truck business	93,004	15.7	92,614	13.7	389	0.4	180,500	15.6	180,629	13.4	(129)	(0.1)
		Total	110,584	18.7	111,624	16.5	(1,040)	(0.9)	215,500	18.6	218,344	16.1	(2,844)	(1.3)
		Ocean transportation	Marine transportation business	75,958	12.8	99,738	14.7	(23,779)	(23.8)	146,500	12.6	193,051	14.3	(46,551)
	Harbor transportation business		33,634	5.7	35,046	5.2	(1,412)	(4.0)	67,200	5.8	69,415	5.1	(2,215)	(3.2)
	Total		109,593	18.5	134,785	19.9	(25,192)	(18.7)	213,700	18.4	262,467	19.4	(48,767)	(18.6)
	(Export)		[48,959]	—	[66,869]	—	(17,910)	(26.8)	[93,000]	—	[131,243]	—	(38,243)	(29.1)
	(Import)		[32,262]	—	[35,180]	—	(2,918)	(8.3)	[62,700]	—	[66,222]	—	(3,522)	(5.3)
	(Domestic and other)		[28,371]	—	[32,735]	—	(4,363)	(13.3)	[58,000]	—	[65,001]	—	(7,001)	(10.8)
	Air transportation		Total	127,276	21.5	162,382	24.0	(35,105)	(21.6)	241,300	20.8	337,677	25.0	(96,377)
		(Export)	[76,077]	—	[111,268]	—	(35,190)	(31.6)	[141,000]	—	[236,437]	—	(95,437)	(40.4)
		(Import)	[16,447]	—	[16,588]	—	(141)	(0.9)	[31,800]	—	[32,795]	—	(995)	(3.0)
		(Domestic and other)	[34,751]	—	[34,524]	—	226	0.7	[68,500]	—	[68,444]	—	55	0.1
	Warehousing and storage business		84,392	14.2	80,309	11.9	4,082	5.1	165,000	14.2	156,463	11.6	8,536	5.5
	In-factory business		35,636	6.0	33,905	5.0	1,730	5.1	69,000	5.9	63,069	4.7	5,930	9.4
	Moving and relocation business		23,092	3.9	24,882	3.7	(1,789)	(7.2)	54,500	4.7	57,407	4.2	(2,907)	(5.1)
	Security transportation business		0	0.0	33,675	5.0	(33,675)	(100.0)	0	0.0	67,573	5.0	(67,573)	(100.0)
	Heavy haulage and construction business		30,899	5.2	29,931	4.4	967	3.2	62,000	5.3	56,247	4.2	5,752	10.2
	Other businesses		36,199	6.1	30,378	4.5	5,821	19.2	71,500	6.2	66,403	4.9	5,096	7.7
	Total		592,554	100.0	676,489	100.0	(83,935)	(12.4)	1,160,000	100.0	1,352,721	100.0	(192,721)	(14.2)

Appendix 3: Nippon Express FY2023 Jan-Dec Forecasts (IFRS)

B. Operating Expenses, Total Other Expenses

(Unit: Millions of yen,%)

			2023		2022		Change		2023		2022		Change	
			2H Forecasts	% of Sales	2H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
Operating expenses	Total personnel expenses		102,216	17.3	121,416	17.9	(19,200)	(15.8)	203,600	17.6	246,956	18.3	(43,356)	(17.6)
	Forwarding costs	Railway forwarding costs	18,520	3.1	18,444	2.7	76	0.4	36,000	3.1	36,138	2.7	(138)	(0.4)
		Ocean forwarding costs	28,893	4.9	50,768	7.5	(21,874)	(43.1)	54,700	4.7	98,169	7.3	(43,469)	(44.3)
		Air forwarding costs	51,474	8.7	81,723	12.1	(30,248)	(37.0)	94,100	8.1	174,600	12.9	(80,500)	(46.1)
		Total	98,889	16.7	150,935	22.3	(52,046)	(34.5)	184,800	15.9	308,909	22.8	(124,109)	(40.2)
	Vehicle chartering and subcontracting costs		235,766	39.8	243,386	36.0	(7,619)	(3.1)	469,100	40.4	476,574	35.2	(7,474)	(1.6)
	Depreciation and amortization		41,196	7.0	36,333	5.4	4,862	13.4	79,300	6.8	73,949	5.5	5,350	7.2
	Facility usage charges		21,957	3.7	24,770	3.7	(2,813)	(11.4)	43,800	3.8	47,160	3.5	(3,360)	(7.1)
	Other		69,124	11.7	71,153	10.5	(2,028)	(2.9)	137,400	11.8	143,992	10.6	(6,592)	(4.6)
Total other income			3,332	0.6	8,711	1.3	(5,378)	(61.7)	5,900	0.5	66,031	4.9	(60,131)	(91.1)
Total other expenses			11,441	1.9	38,492	5.7	(27,050)	(70.3)	16,900	1.5	42,163	3.1	(25,263)	(59.9)
Total			577,259	97.4	677,777	100.2	(100,518)	(14.8)	1,129,000	97.3	1,273,674	94.2	(144,674)	(11.4)

C. Operating Income

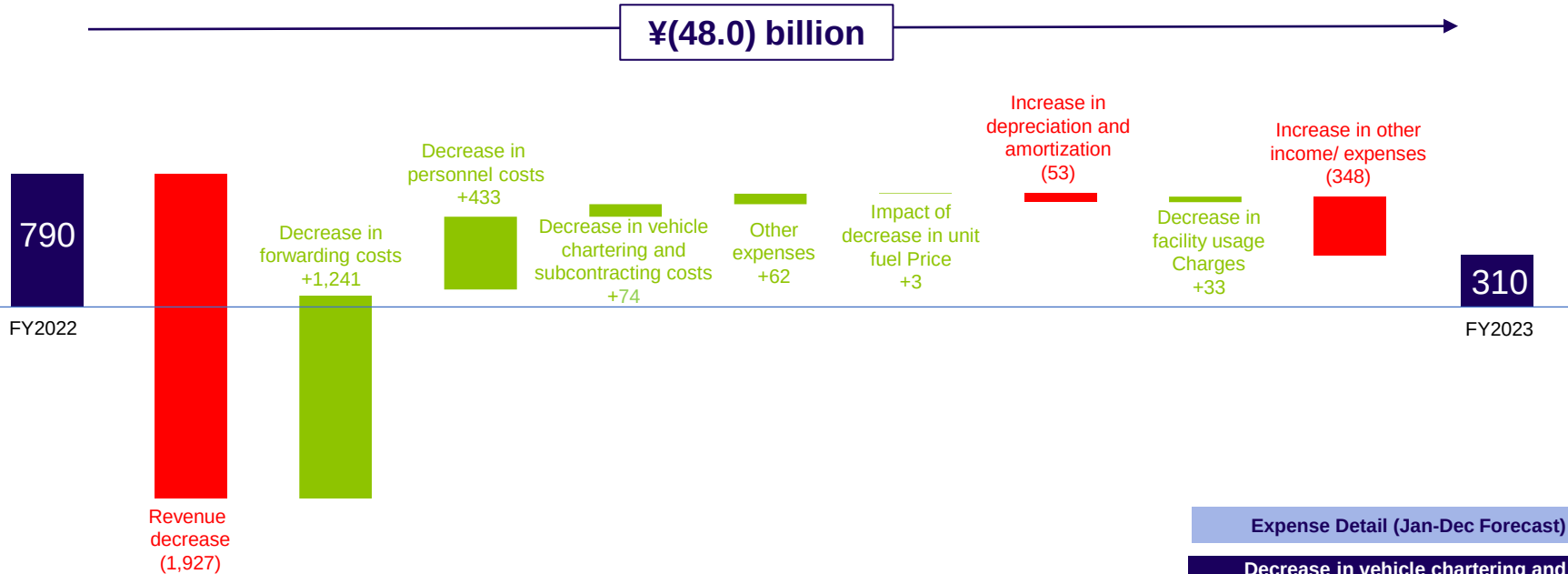
		2023		2022		Change		2023		2022		Change	
		2H Forecasts	% of Sales	2H Results	% of Sales	Amount	Ratio	Full-Year Forecast	% of Sales	Full-Year Results	% of Sales	Amount	Ratio
Operating Income		15,295	2.6	(1,288)	(0.2)	16,583	—	31,000	2.7	79,047	5.8	(48,047)	—

Appendix 3: Nippon Express FY2023 Jan-Dec Forecast

Non Consolidated Profit Factors (IFRS)

Breakdown of Operating Income

(100 million yen) (rounded down to 100 million yen)
 *Increase and decrease in the graph is on an income basis



Figures for the previous year include the security transportation business.
 The business was spun off and is not included in the current year's figures.

Expense Detail (Jan-Dec Forecast)

Decrease in vehicle chartering and subcontracting costs (74) [(1.6%)]

Vehicle chartering cost	(25) [(1.4%)]
Subcontracting cost	(54) [(2.0%)]
Personnel dispatching cost	+4 [+2.7%]



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