

September 13, 2024  
NIPPON EXPRESS HOLDINGS, INC.

### IR Day 2024: Questions and Answers (Summary)

Nippon Express Holdings, Inc. held IR Day on September 13, 2024, in both video and live formats. The following summarizes questions received and explanatory answers.

#### Session 3 Sustainability: Sustainability Management Strategy

Speaker: Satoshi Horikiri, President and CEO; Hideshi Otsuki, Managing Executive Officer;  
Hiroko Kishida, Executive Officer

Q1. Enhanced disclosure of non-financial information is important and should be elevated to a future financial indicator from the investor's point of view. The issues of investment in human capital skill upgrades, skills sufficiency, and skills development relate to your IT strategy as you move forward with business portfolio reform. Perhaps you could accumulate this data and visualize talent management to integrate financial and non-financial data, establishing leading indicators of the impact on future finances. What are your thoughts about data-driven strategies that will lead to future financial performance?

A1. The question is how we plan to integrate human capital data within the group as we move forward with CSRD initiatives. We must discuss methods of managing and utilizing DX, etc., specifically in connection with financial information. Our most recent efforts aim to unify the different definitions of human capital data in different countries and regions, visualizing the value of this data for NX as a whole, and linking this human capital data to financial data in the future.

Q2. You are looking for a 5-point improvement in engagement survey results. To date, the implementation of management strategies for profitability has depended on personnel in the field. Therefore, it has been important to motivate and empower employees through engagement surveys. How do you plan to address engagement survey results by location and by branch? Do you expect to improve profitability and analyze survey results? It seems that sustainability management is consistent with and links to management strategy. What is your view on this point?

A2 The engagement survey is a measure led by our Human Resources Strategy Management Division. Given the differences among locations and businesses, the Human Resources Strategy Management Division will take the lead in verifying and utilizing the survey

results. One current measure to improve employee satisfaction and engagement is our post-career system. This system provides employees with opportunities to expand their job responsibilities beyond their current jobs. We leverage the experience gained by employees through this program to broaden the scope of work and human networks that contribute positively to the company. We plan to consider how to develop this program further and how to tie it to human resources strategy as part of medium- to long-term sustainability initiatives.

To add some more information, we recognize that we still lag behind in terms of visualization and linking non-financial elements in our human capital strategy to profitability and financial value. The main efforts of our current human capital strategy focus on improving engagement, which is a preliminary step to financial value. Further, the quality and composition of human resources required in our business have changed with the transition from domestic to global. To cope with this change, we focus on recruiting and motivating talented human resources. The executive in charge of human resources strategy travels to each region to identify issues and discuss the possibilities of global expansion. The challenge for the future will be how to measure and visualize these efforts. In this regard, as you have pointed out, we are lagging behind by quite a margin.

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