



We Find the Way

**Financial Results Presentation for Q3,
Fiscal Year Ending December 2023**

November 13, 2023

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

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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 26 and 27 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.

- 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>

Financial Results Highlights (Executive Summary)

• Financial Results for Q3, FY2023

Financial Results for Q3, FY2023 (IFRS)		
Vs. FY2022		
↘ Revenue	¥1,675.3 billion	¥(287.1) billion (14.6 %)
↘ Consolidated Segment Income (Business Income)	¥60.3 billion	¥(44.1) billion (42.2 %)
↘ Operating Income	¥51.4 billion	¥(105.9) billion (67.3 %)
Operating Income Margin	3.1%	-
↘ Profit Attributable to Owners of Parent	¥30.5 billion	¥(81.2) billion (72.7 %)

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

Overview

- ✓ Revenues and profit decreased both overseas and in Japan, mainly due to lower gross profit per unit in the international forwarding business as a result of an easing supply and demand balance, as well as a reactionary decline due to lower volume.
- ✓ Domestic logistics remained sluggish as overall cargo movement failed to recover, despite an increase in volume among certain industries including the automobile industry.

Financial Results Highlights (Executive Summary)

• Forecast for FY2023

Financial Results Forecast for FY2023 (IFRS)		
		Vs. FY2022
➔ Revenue	¥2,270.0 billion	¥(348.6) billion (13.3 %)
➔ Consolidated Segment Income (Business Income)	¥85.0 billion	¥(52.5) billion (38.2 %)
➔ Operating Income	¥74.0 billion	¥(81.5) billion (52.4 %)
Operating Income Margin	3.3%	-
➔ Operating Income Margin	¥48.0 billion	¥(60.3) billion (55.7 %)
ROE	6.2%	(Japanese GAAP: 7.6%)
Annual Dividend per Share	¥300	
Dividend Payout Ratio	55.0%	¥(100)
Total Return Ratio (Cumulative)	58.5%	

Overview

- ✓ All profit measures listed below the full-year forecasts for revenue and operating income announced on August 9 were revised downward in light of the Q3 results.
(Revenue -60.0 billion yen, business profit and operating income -10.0 billion yen)
- ✓ While not strong, we expect a certain degree of recovery in Q4 on a quarter-on-quarter basis, mainly due to an increase in volume during the peak season for air forwarding.
- ✓ We expect higher revenue and profit on a quarter-on-quarter basis in our domestic business due to factors including increased logistics demand at the end of the year and a rebound from the natural disaster in Q3 that affected our railway utilization business.

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

IFRS ROE (forecast) for FY2023 is 6.2%. The difference with the Japanese GAAP ROE of 7.6% (forecast) is gains on sales of marketable securities are not recorded in the PL under IFRS.

Financial Results Highlights for Q3, FY2023

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I. Financial Results Highlights for Q3, FY2023

A Financial Results for Jan-Sep, FY2023

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

Item	Current-Year Results (Jan-Sep 2023)	Prior-Year Results (Jan-Sep 2022)	Difference YoY	Difference YoY (%)
Revenues	16,753	19,624	(2,871)	(14.6)
Consolidated Segment Income (Business Income)	603	1,044	(441)	(42.2)
Operating Income	514	1,573	(1,059)	(67.3)
Operating Income Margin	3.1	8.0	-	-
Profit Attributable to Owners of Parent	305	1,117	(812)	(72.7)

I. Financial Results Highlights for Q3, FY2023

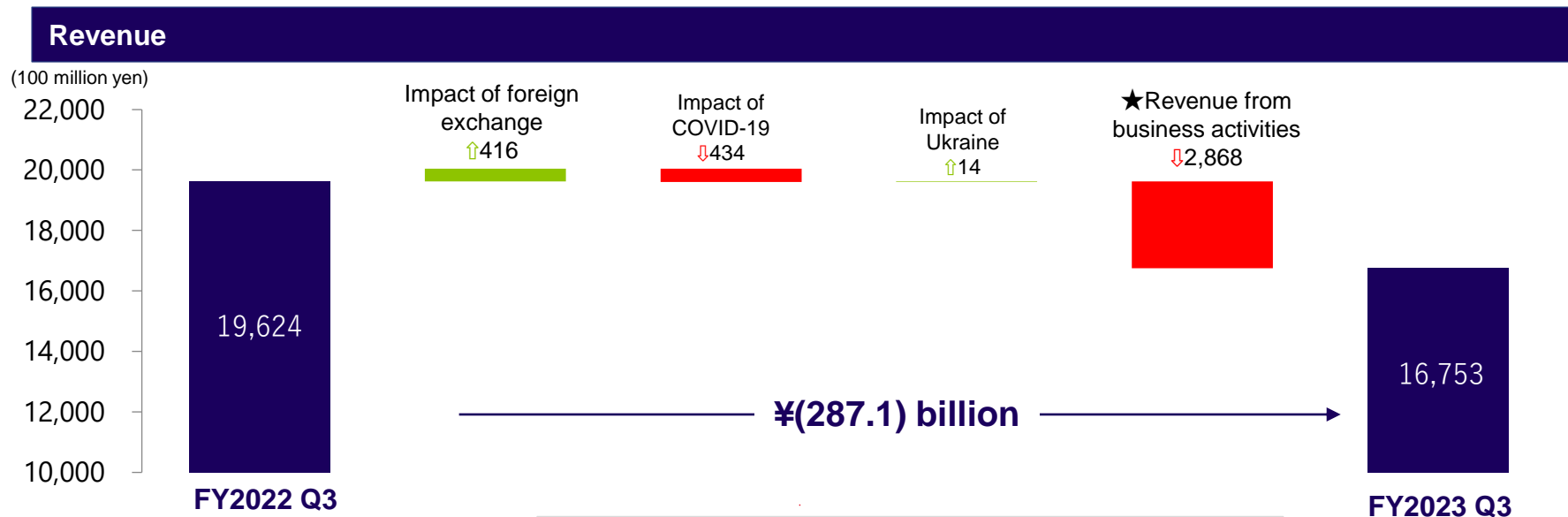
A Results by Reportable Segment (YoY for Jan-Sep)

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

Segment	Item	2023 Results (Jan-Sep 2023)	Prior-Year Results (Jan-Sep 2022)	Difference YoY	Difference YoY (%)
Japan	Revenues	9,433	10,903	(1,469)	(13.5)
	Segment Income (Business Income)	328	521	(192)	(36.9)
Americas	Revenues	1,126	1,191	(64)	(5.4)
	Segment Income (Business Income)	73	99	(25)	(25.9)
Europe	Revenues	1,411	1,579	(168)	(10.6)
	Segment Income (Business Income)	75	93	(18)	(19.6)
East Asia	Revenues	1,151	1,893	(742)	(39.2)
	Segment Income (Business Income)	32	105	(73)	(69.6)
South Asia & Oceania	Revenues	1,063	1,731	(668)	(38.6)
	Segment Income (Business Income)	69	167	(97)	(58.4)
Security Transportation	Revenues	507	511	(3)	(0.8)
	Segment Income (Business Income)	31	23	7	33.4
Heavy Haulage & Construction	Revenues	398	325	73	22.5
	Segment Income (Business Income)	49	41	7	18.7
Logistics Support	Revenues	3,109	3,061	48	1.6
	Segment Income (Business Income)	96	122	(25)	(21.0)

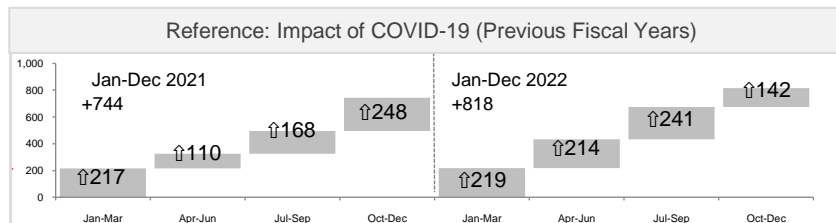
I. Financial Results Highlights for Q3, FY2023

B Breakdown of Revenues and Operating Income



★ Breakdown of revenue from business activities by segment

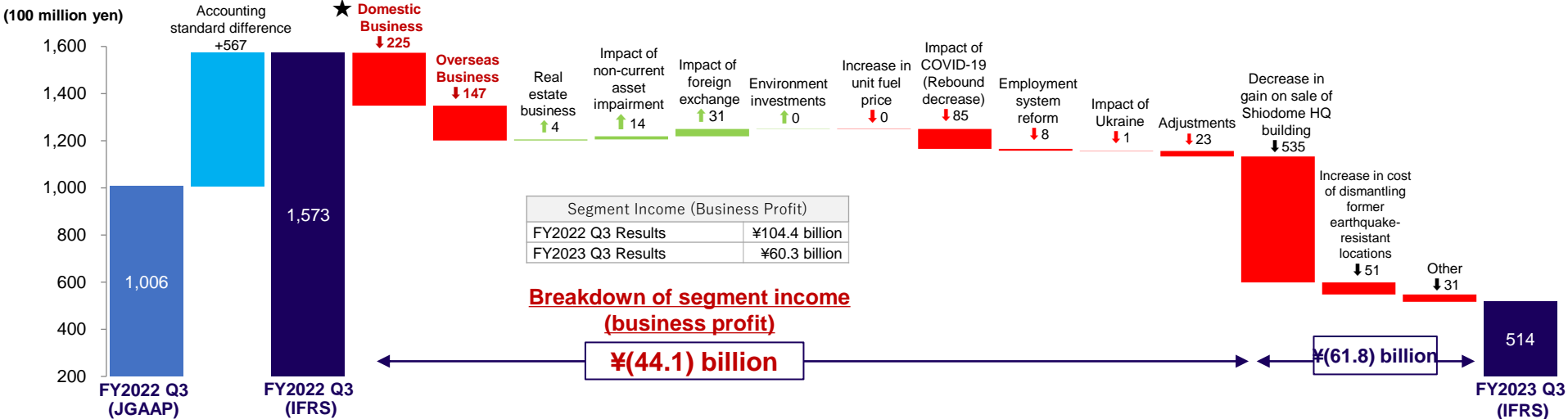
Japan	(1,498)
Overseas Total	(1,600)
Security Transportation	(4)
Heavy Haulage & Construction	65
Logistics Support	44
Adjustment	124



I. Financial Results Highlights for Q3, FY2023

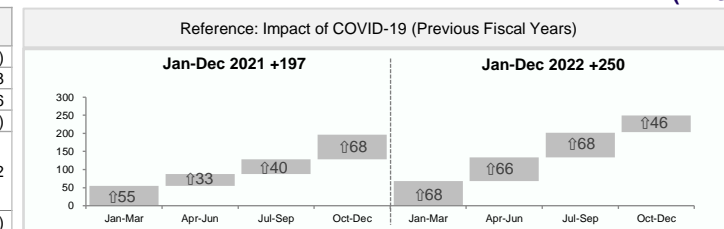
B Breakdown of Revenues and Operating Income

Operating Income



Main Details of Accounting Standard Differences (+56,700 million yen) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Income		Other Income/Expenses, Share of Gain/Loss	
Impact of expensing estimated property taxes at the beginning of the period	(24)	Total other income/expenses	+531
Change in financial classification, reversal of impairment loss, etc.	+73	Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(2)
Total	+49	Total	+528

★Breakdown of revenue from Domestic Business activities by segment	
Japan	(226)
Security Transportation	8
Heavy Haulage & Construction	6
Logistics Support	(26)
Effect of rate revision [Rate revision 84, Vehicle chartering and subcontracting costs 71]	12
Japan Business Total	(225)



I. Financial Results Highlights for Q3, FY2023

C Nippon Express Co., Ltd. Revenue by Business

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	48,646	(235)	(9,623)	(0.5)	(16.5)
Small-lot shipment business	25,752	(2,136)	(7,530)	(7.7)	(22.6)
Chartered truck business	132,080	(1,887)	(10,433)	(1.4)	(7.3)
Marine transportation business	101,047	(42,819)	28,343	(29.8)	39.0
Harbor transportation business	50,100	(1,585)	(2,072)	(3.1)	(4.0)
Air transportation business	163,203	(98,652)	25,153	(37.7)	18.2
Warehousing and storage business	116,972	1,154	14,890	1.0	14.6
In-factory business	50,799	5,684	14,412	12.6	39.6
Moving and relocation business	42,781	5,684	(7,257)	(6.6)	(14.5)
Other	57,355	7,976	2,724	16.2	5.0
Total (including Security Transportation and Heavy Construction)	836,319	(180,266)	(6,904)	(17.7)	(0.8)
Total, Japan domestic business*2	474,387	7,509	(2,817)	1.6	(0.6)

(Reference: Cumulative Results)

Expenses related to domestic business operations*3	Fixed Costs	Variable Costs	Total Expenses
	Vs FY2022		
Change	0.7	0.2	0.4

*1 Calculated based on January 2019 to September 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.

Business Performance Highlights

Small-Lot Shipment Business

Although we saw a mild recovery in heavy industry and chemical products, many other categories experienced volume declines.

Chartered Truck Business

In addition to a significant decrease in iron- and steel-related due to the elimination of operating bases and other factors, an overall review of distribution bases resulted in a decrease in public-use tobacco related products. Automobile-related trends were positive as production adjustments concluded, while beverages were strong due to a rush of demand before the revision of liquor taxes and an extremely hot summer.

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

Revenues increased due to an increase in e-commerce locations, etc.

Outsourcing Cost Ratio

Outsourcing cost ratio for Nippon Express in Japan (domestic business) 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.

I. Financial Results Highlights for Q3, FY2023

D Performance by Segment (Q3, FY2023 vs. Q2, FY2023)

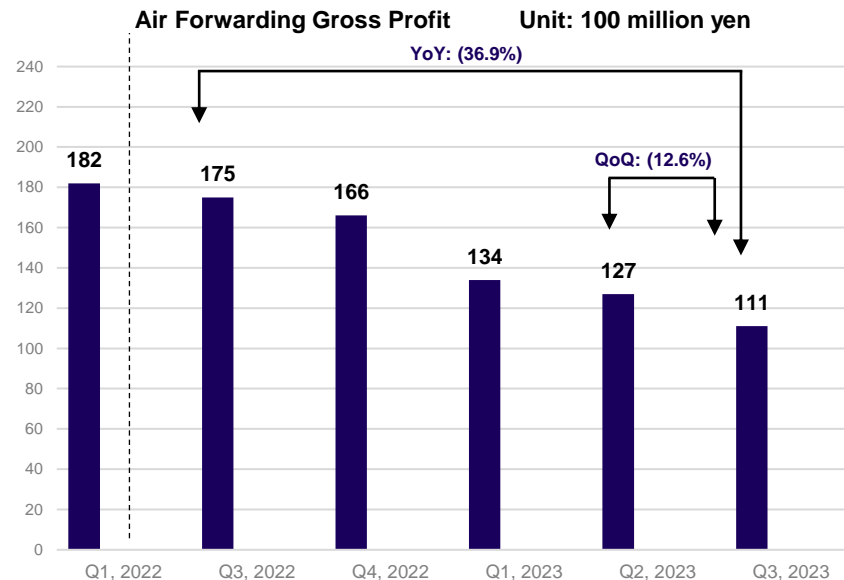
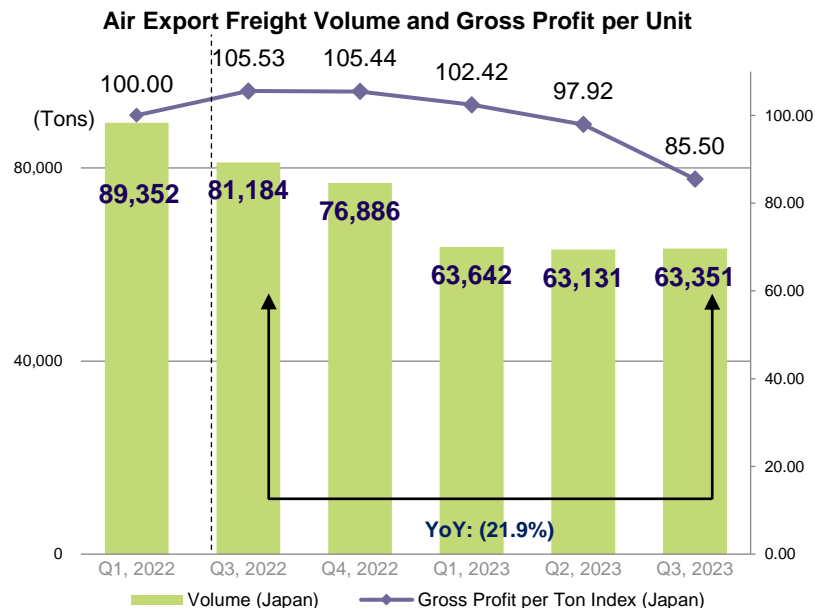
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	Q3 Results (Jul-Sep 2023)	Q2 Results (Apr-Jun 2023)	Difference	Difference (%)
Japan	Revenues	3,031	3,104	(73)	(2.4)
	Segment Income (Business Income)	97	118	(21)	(18.3)
Americas	Revenues	385	369	16	4.4
	Segment Income (Business Income)	21	24	(3)	(13.3)
Europe	Revenues	467	493	(26)	(5.3)
	Segment Income (Business Income)	25	27	(2)	(7.4)
East Asia	Revenues	377	381	(4)	(1.1)
	Segment Income (Business Income)	6	10	(4)	(43.6)
South Asia & Oceania	Revenues	343	340	3	1.0
	Segment Income (Business Income)	20	19	1	7.7
Security Transportation	Revenues	169	169	(0)	(0.2)
	Segment Income (Business Income)	13	4	9	222.1
Heavy Haulage & Construction	Revenues	139	146	(6)	(4.8)
	Segment Income (Business Income)	19	21	(1)	(7.4)
Logistics Support	Revenues	1,018	996	21	2.2
	Segment Income (Business Income)	31	32	(1)	(4.3)

I. Financial Results Highlights for Q3, FY2023

E Air Forwarding Gross Profit: Japan Segment

- ✓ Despite weak demand, the supply of space continued to expand in Q3, resulting in lower gross profit per ton.
- ✓ The impact on gross profit impact was -36.9% (-6.4 billion yen) YoY and -12.6% (-1.5 billion yen) QonQ



*Air forwarding gross profit: Net sales minus air forwarding costs (international)

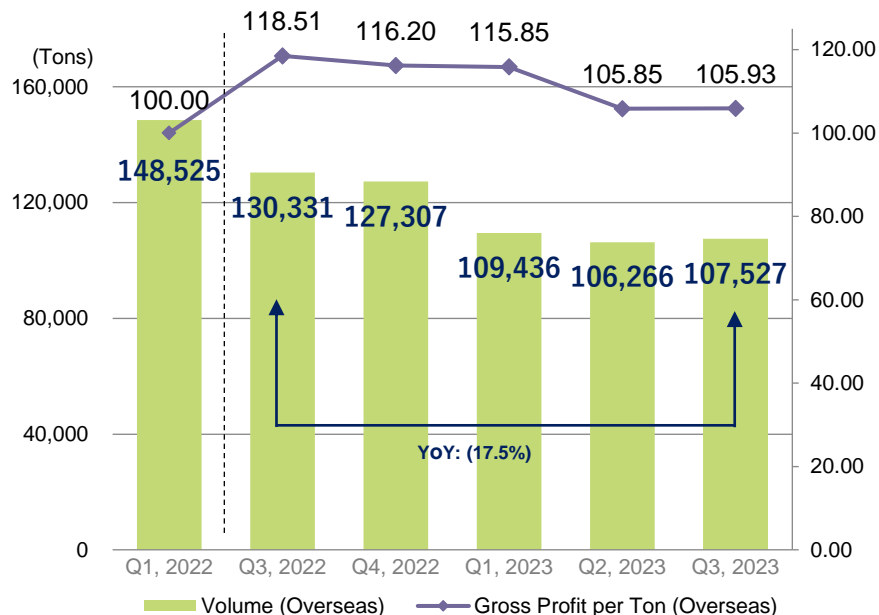
*Figures represent the change in each quarter, indexing gross profit per ton in Q1, 2022 at 100. (See Supplementary Materials on P.16 regarding trends since Q1, 2022)

I. Financial Results Highlights for Q3, FY2023

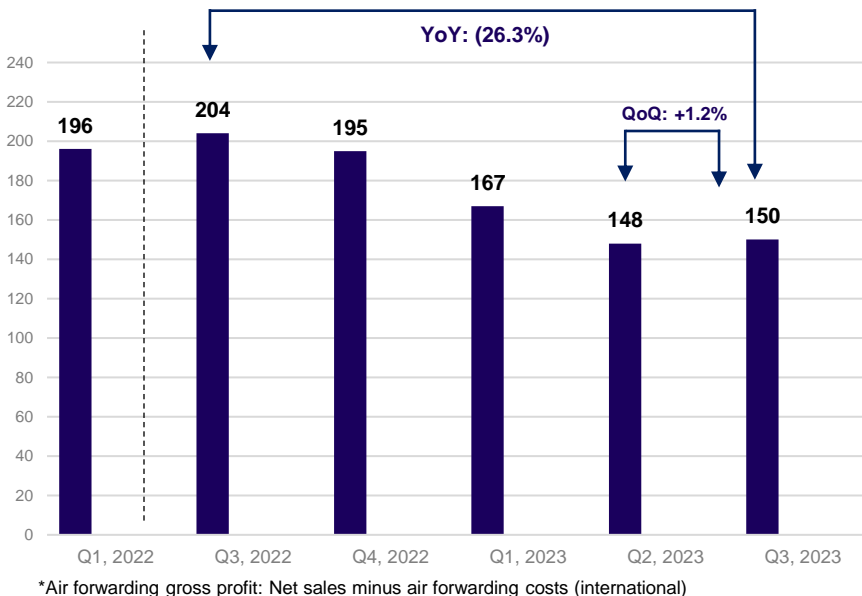
E Air Forwarding Gross Profit: Overseas Segment

- ✓ We maintained gross profit per ton as global international freight demand recovers
- ✓ Gross profit impact was -26.3% (-5.3 billion yen) in YoY and +1.2% (+0.1 billion yen) QonQ

Air Export Freight Volume and Gross Profit per Unit



Air Forwarding Gross Profit Unit: 100 million yen



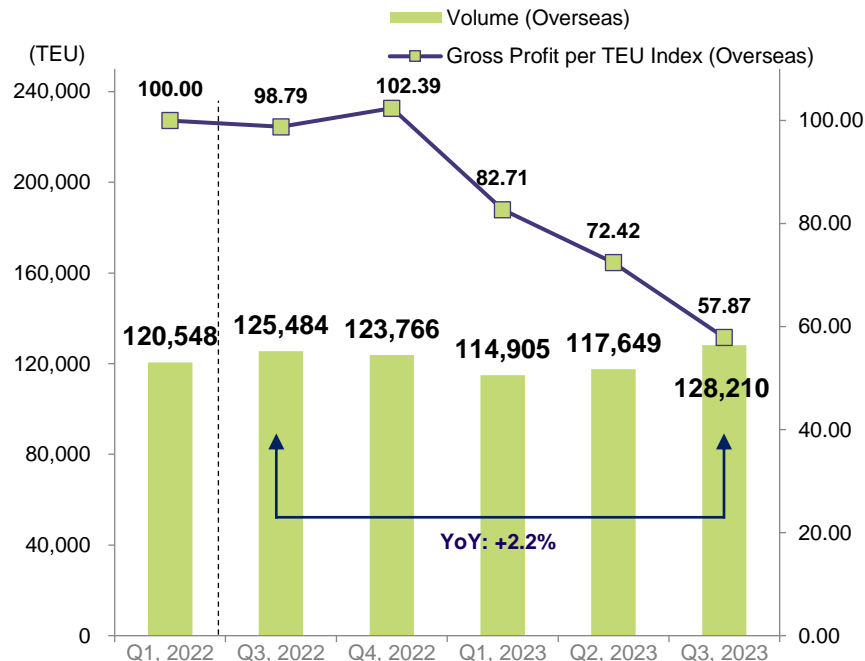
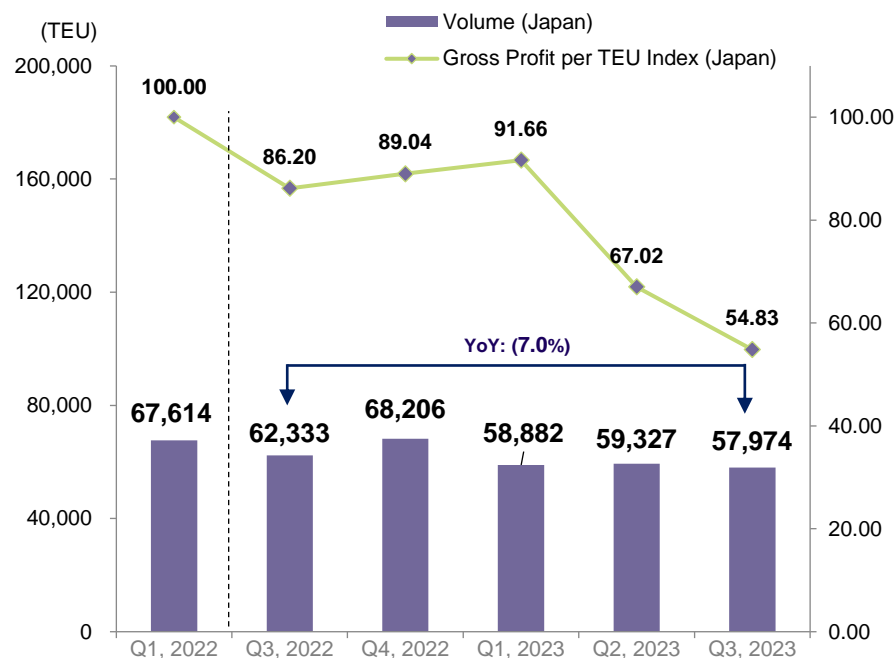
*Figures represent the change in each quarter, indexing gross profit per ton in Q1, 2022 at 100. (See Supplementary Materials on P.16 regarding trends since Q1, 2022)

*Calculated by converting into yen using the average exchange rate for each quarter.

I. Financial Results Highlights for Q3, FY2023

F Ocean Forwarding Gross Profit: Japan and Overseas Segments

- ✓ Gross profit per TEU declining in Japan and overseas.
- ✓ Volume in Japan continues to fall below the previous year's level, but volume overseas is recovering.



*Figures represent the change in each quarter, indexing gross profit per TEU in Q1, 2022 at 100. (See Supplementary Materials on P.16 regarding trends since Q1, 2022)

*Overseas segment total is calculated by converting into yen using the average exchange rate for each quarter. *Volume includes non-NVOC.

Financial Results Forecast for FY2023 (IFRS)

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E. By Segment Quarterly	P.23-

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 August 9	Difference	Difference (%)
Revenues	22,700	26,186	(3,486)	(13.3)	23,300	(600)	(2.6)
Segment Income (Business Income)	850	1,375	(525)	(38.2)	950	(100)	(10.5)
Operating Income	740	1,555	(815)	(52.4)	840	(100)	(11.9)
Operating Income Margin	3.3	5.9	-	-	3.6	-	-
Profit Attributable to Owners of Parent	480	1,083	(603)	(55.7)	550	(70)	(12.7)
Overseas Revenues	6,428	8,412	(1,984)	(23.6)	6,642	(214)	(3.2)

II. Financial Results Forecast for FY2023 (IFRS)

A Forecast for FY2023 (1H, 2H)

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

Item	1H Results (Jan-Jun 2023)	2H Forecasts (Jul-Dec 2023)	Full-Year Forecast (Jan-Dec 2023)	Prior Year 1H Results (Jan-Jun 2022)	Prior Year 2H Results (Jul-Dec 2022)	Prior-Year Results (Jan-Dec 2022)
Revenues	11,318	11,381	22,700	13,031	13,154	26,186
Segment Income (Business Income)	422	427	850	691	683	1,375
Operating Income	403	336	740	1,223	331	1,555
Operating Income Margin	3.6	3.0	3.3	9.4	2.5	5.9
Profit Attributable to Owners of Parent	254	225	480	869	213	1,083
Overseas Revenues	3,178	3,249	6,428	4,206	4,205	8,412

II. Financial Results Forecast for FY2023 (IFRS)

A 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 August 9	Difference	Difference (%)
Japan	Revenues	12,648	14,509	(1,861)	(12.8)	13,186	(538)	(4.1)
	Segment Income (Business Income)	462	714	(252)	(35.3)	527	(65)	(12.3)
Americas	Revenues	1,503	1,620	(117)	(7.3)	1,547	(44)	(2.8)
	Segment Income (Business Income)	102	137	(35)	(25.8)	111	(9)	(8.1)
Europe	Revenues	1,864	2,157	(293)	(13.6)	1,841	23	1.2
	Segment Income (Business Income)	102	125	(23)	(18.7)	101	1	1.0
East Asia	Revenues	1,593	2,415	(822)	(34.0)	1,706	(113)	(6.6)
	Segment Income (Business Income)	45	128	(83)	(64.9)	61	(16)	(26.2)
South Asia & Oceania	Revenues	1,468	2,218	(750)	(33.8)	1,548	(80)	(5.2)
	Segment Income (Business Income)	94	200	(106)	(53.2)	102	(8)	(7.8)
Security Transportation	Revenues	681	680	0	0.0	681	-	-
	Segment Income (Business Income)	34	31	2	9.3	34	-	-
Heavy Haulage & Construction	Revenues	495	445	49	11.1	470	25	5.3
	Segment Income (Business Income)	70	63	6	9.5	58	12	20.7
Logistics Support	Revenues	4,259	4,216	42	1.0	4,176	83	2.0
	Segment Income (Business Income)	143	164	(21)	(13.0)	148	(5)	(3.4)

II. Financial Results Forecast for FY2023 (IFRS)

B Forecast for FY2023 (Q4, FY2023 vs. Q3, FY2023)

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

Item	Q4 Forecast (Oct-Dec 2023)	Q3 Results (Jul-Sep 2023)	Difference	Difference (%)
Revenues	5,946	5,434	511	9.4
Segment Income (Business Income)	246	181	64	35.8
Operating Income	225	110	114	104.0
Operating Income Margin	3.8	2.0	-	-
Profit Attributable to Owners of Parent	174	50	124	244.5
Overseas Revenues	1,675	1,574	101	6.4

II. Financial Results Forecast for FY2023 (IFRS)

B Performance by Segment (Q4, FY2023 vs. Q3, FY2023)

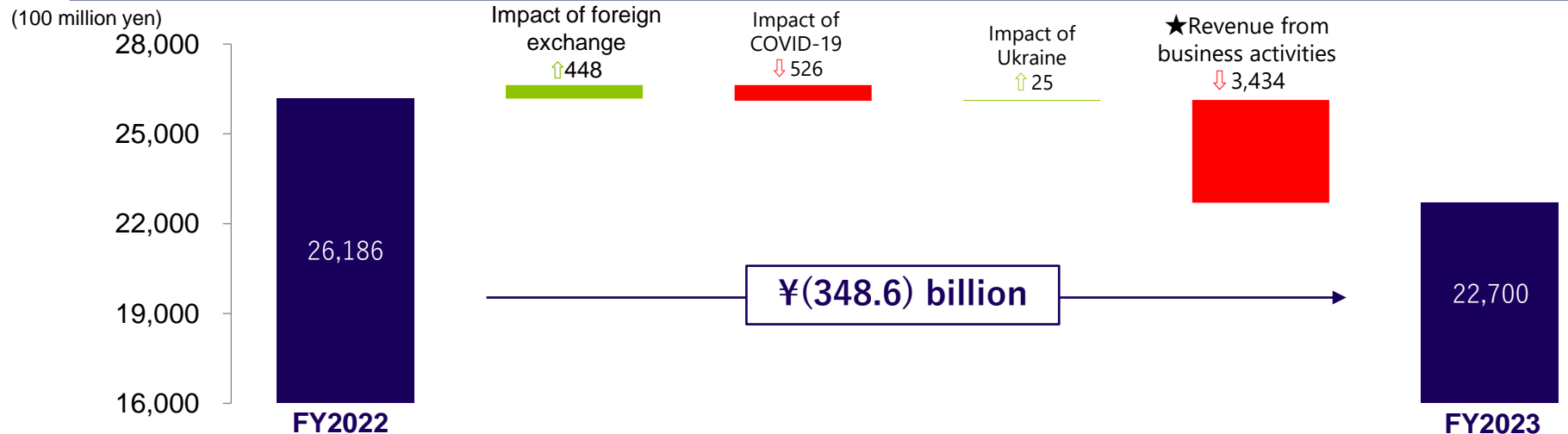
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	Q4 Forecast (Oct-Dec 2023)	Q3 Results (Jul-Sep 2023)	Difference	Difference (%)
Japan	Revenues	3,214	3,031	183	6.1
	Segment Income (Business Income)	133	97	36	37.1
Americas	Revenues	376	385	(8)	(2.3)
	Segment Income (Business Income)	28	21	7	33.4
Europe	Revenues	452	467	(15)	(3.2)
	Segment Income (Business Income)	26	25	0	2.8
East Asia	Revenues	441	377	63	16.8
	Segment Income (Business Income)	12	6	6	113.4
South Asia & Oceania	Revenues	404	343	61	17.9
	Segment Income (Business Income)	24	20	3	18.9
Security Transportation	Revenues	173	169	3	2.4
	Segment Income (Business Income)	2	13	(10)	(78.9)
Heavy Haulage & Construction	Revenues	96	139	(43)	(31.2)
	Segment Income (Business Income)	20	19	0	5.1
Logistics Support	Revenues	1,149	1,018	130	12.8
	Segment Income (Business Income)	46	31	15	48.5

II. Financial Results Forecast for FY2023 (IFRS)

C Breakdown of Revenues and Operating Income

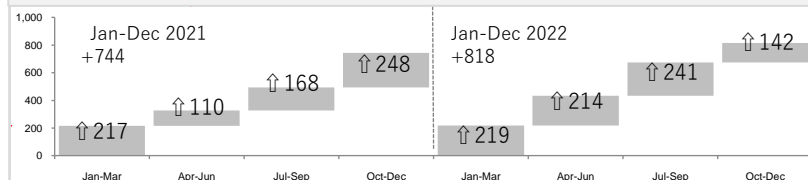
Revenue



★Breakdown of revenue from business activities by segment

Japan	(1,887)
Overseas Total	(1,893)
Security Transportation	(0)
Heavy Haulage & Construction	42
Logistics Support	38
Adjustment	266

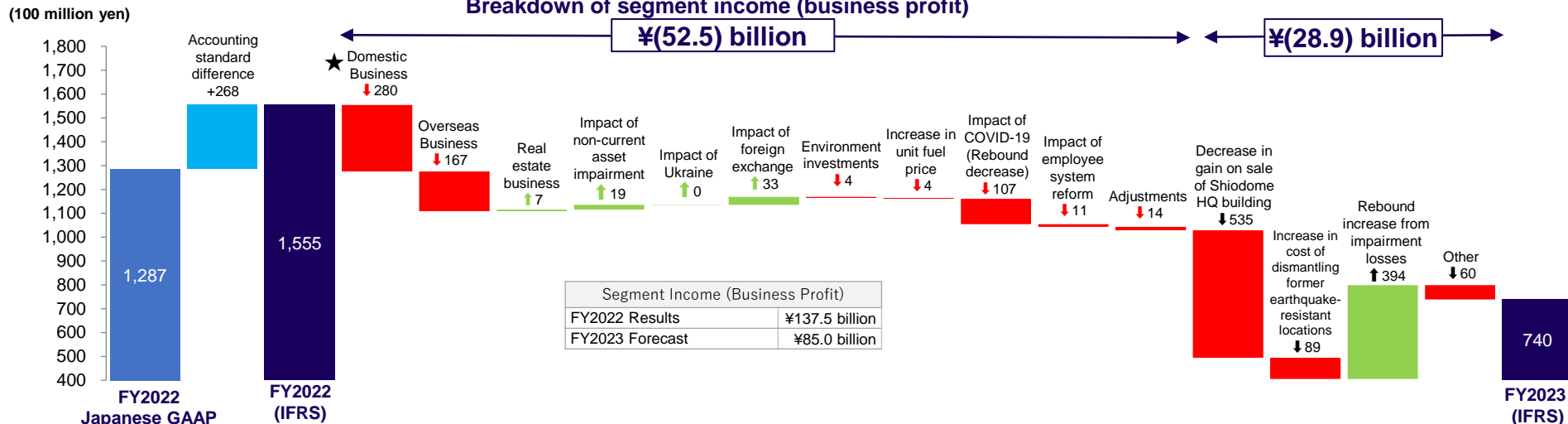
Reference: Impact of COVID-19 (Previous Fiscal Years)



II. Financial Results Forecast for FY2023 (IFRS)

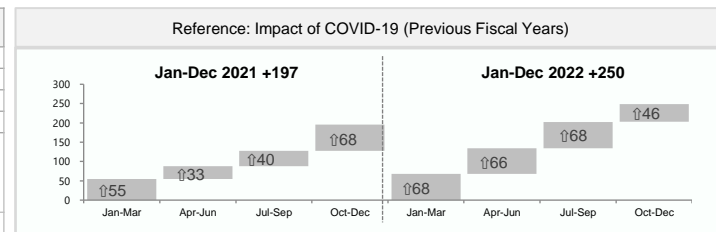
C Breakdown of Revenues and Operating Income

Operating Income



Main Details of Accounting Standard Differences (+26,800 million yen) (Difference between IFRS and Japanese GAAP in 2022)			
Segment Income		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

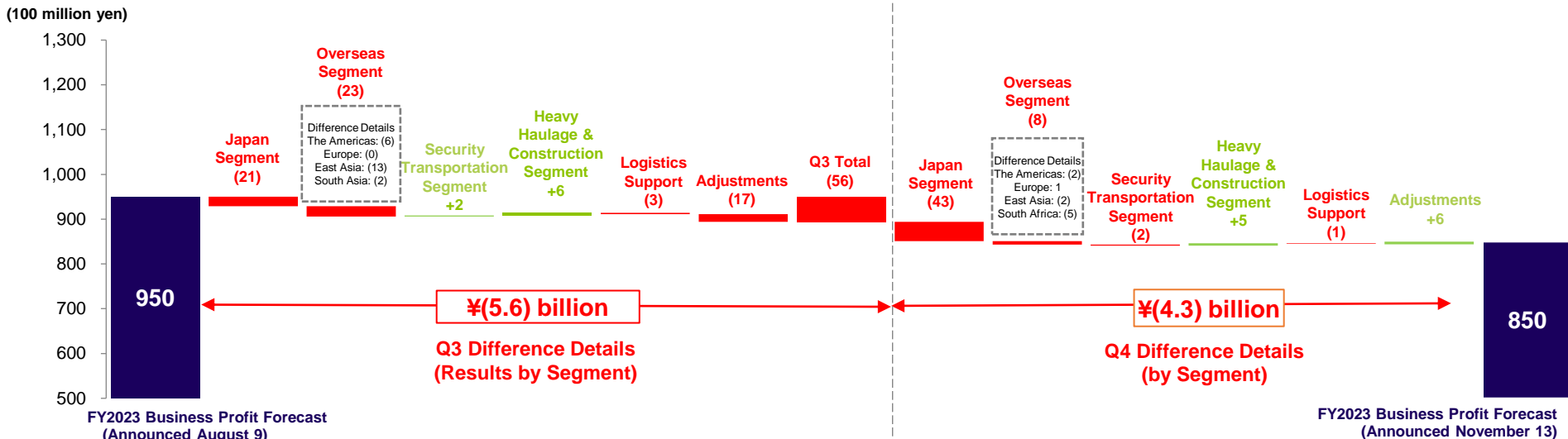
★ Breakdown of revenue from domestic business activities by segment	
Japan	(284)
Security Transportation	3
Heavy Haulage & Construction	5
Logistics Support	(22)
Effect of rate revision [Rate revision 118, Vehicle chartering and subcontracting costs 100]	17
Japan Business Total	(280)



II. Financial Results Forecast for FY2023 (IFRS)

D Change in Business Profit by Segment (Previous Announcement vs. Revised Announcement)

Business Profit

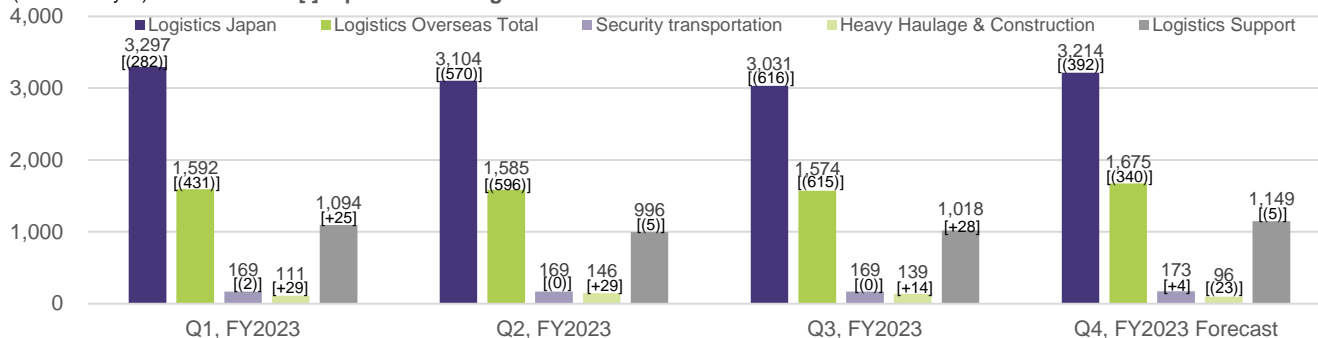


Business Profit	Second Half Forecast (Revised Forecast vs. Previous Forecast) Unit: 100 million yen						
Item	Japan	Overseas	Security Transportation	Heavy Haulage & Construction	Logistics Support	Adjustments	Second Half Total
Second Half Forecast August 9 Announcement	295	197	16	27	82	(92)	527
Second Half Forecast November 13 Announced	230	165	16	39	77	(102)	427
Vs Previous Announcement	(65)	(32)	-	12	(5)	(10)	(100)

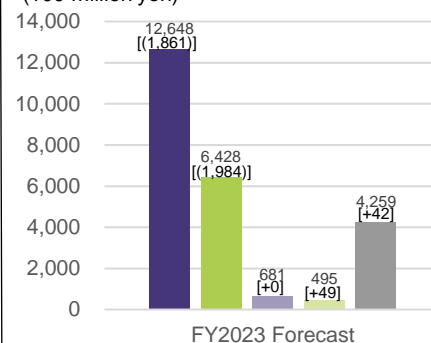
II. Financial Results Forecast for FY2023 (IFRS)

E By Segment Quarterly

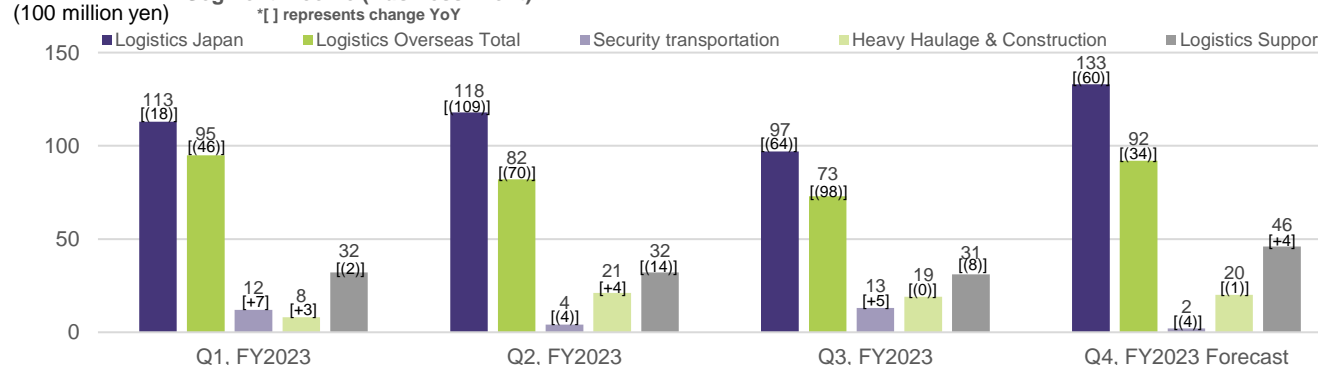
(100 million yen) Revenue * [] represents change YoY



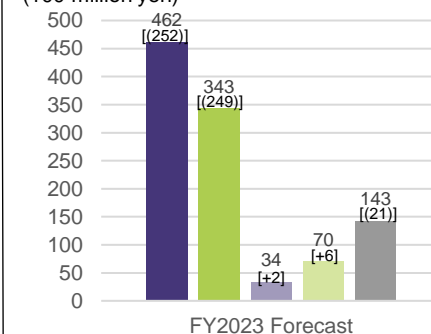
(100 million yen)



(100 million yen) Segment Income (Business Profit) * [] represents change YoY



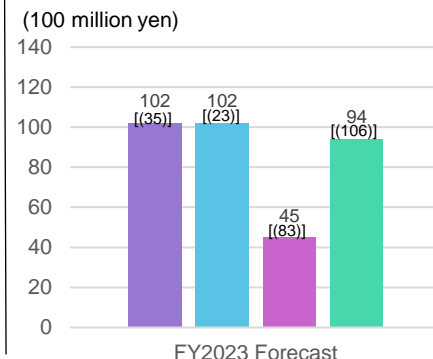
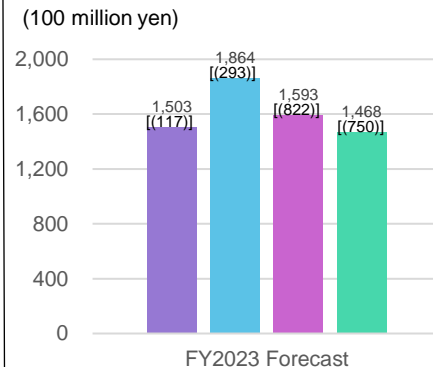
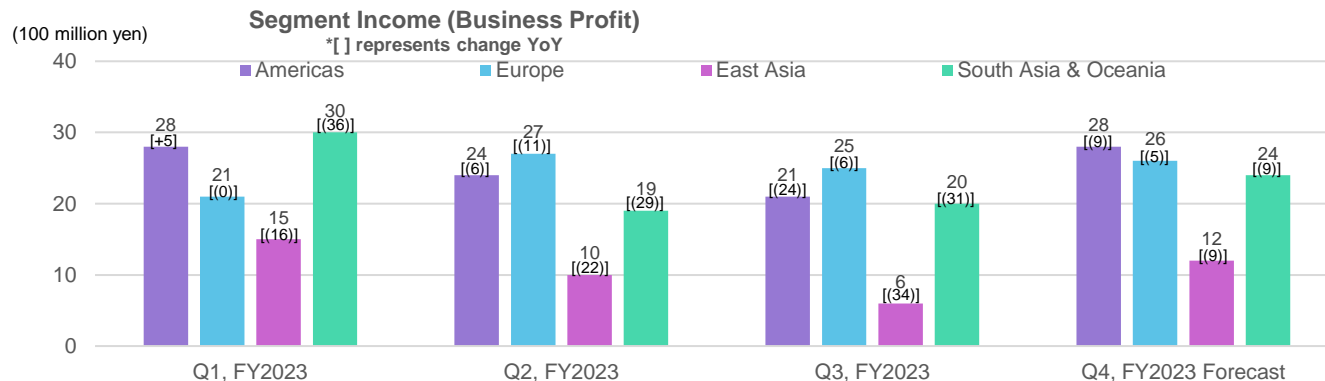
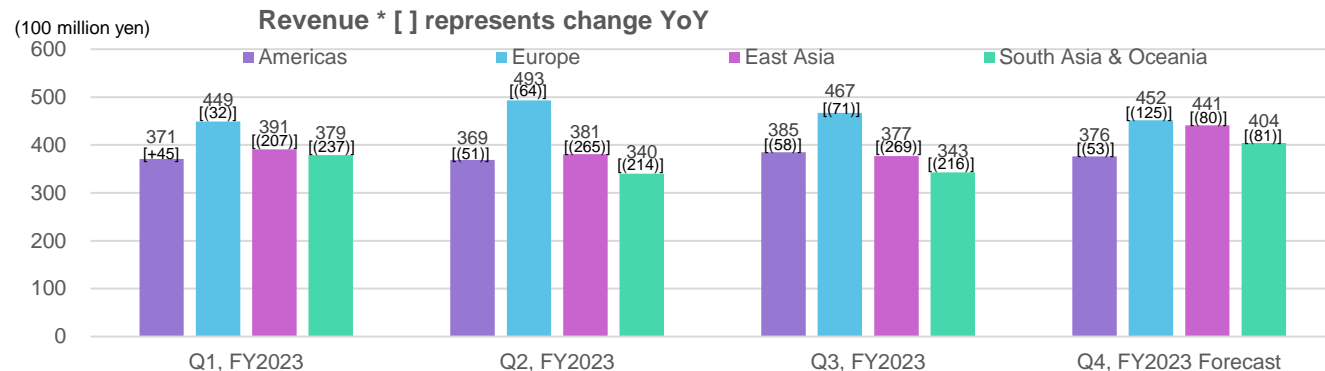
(100 million yen)



✓ We expect higher revenues and profits in Q4 as Q4 is the peak season for air cargo transportation. Security Transportation expected to decline in Q4 vs Q3; Logistics Support increase due to intra-group transactions.

II. Financial Results Forecast for FY2023 (IFRS)

E By Segment Quarterly (Breakdown of Logistics, Overseas Regions)



✓ Despite comparatively solid performance overall, we did not see a recovery in the East Asia region. We do not expect a significant recovery in Q4.

Status of Business Plan Initiatives

A. Status of Business Plan 2023 Initiatives	P.26-
B. NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses	P.28
C. Strategy to Enhance Domestic Businesses in Japan	P.29
D. Back Office Cost Reductions Progress (as of September 30, 2023)	P.30
E. Business Structure Reform Project	P.31
F. Business Plan Initiatives for Achieving Our Long-Term Vision	P.32

III. Status of Business Plan Initiatives

A Business Plan Figures (Japanese GAAP)

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

Item	Current-Year Results Pro Forma (JGAAP) (Jan-Sep 2023)	Progress (Vs Business Plan Figures 2023)	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023 Plan)	Business Plan Figures 2023 (JGAAP)	Difference (Vs. Plan)	Progress (%) (Vs. Plan)	FY2019 Results (JGAAP) *Reference	Difference (Vs FY2019) *Reference	Difference (%) (Vs. FY2019) *Reference
Revenues	16,760	71.9	22,700	24,000	(1,300)	(5.4)	20,803	1,896	9.1
Operating Income	542	61.6	780	1,100	(320)	(29.1)	592	187	31.7
Operating Income Margin	3.2	-	3.4	4.6	-	-	2.8	-	-
Profit Attributable to Owners of Parent	265	43.5	580	720	(140)	(19.4)	174	(405)	233.1
Overseas Sales	4,752	71.6	6,428	7,200	(772)	(10.7)	4,125	2,302	55.8
ROE	-	-	7.6	10.0	-	-	3.2	-	-

*IFRS ROE (forecast) for FY2023 is 6.2%. The difference with the Japanese GAAP ROE of 7.6% (forecast) is gains on sales of marketable securities are not recorded in the PL under IFRS.

*We will evaluate Business Plan 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. Status of Business Plan Initiatives

A Business Plan Figures by Segment (JGAAP)

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

Segment	Item	Current-Year Results Pro Forma (JGAAP) (Jan-Sep 2023)	Progress	*Forecast Pro Forma (JGAAP) (Jan-Dec 2023)	Business Plan Figures 2023 (JGAAP)	Difference	Difference (%)
Japan	Revenues	9,499	75.1	12,648	13,730	(1,082)	(7.9)
	Segment Income	282	69.5	406	658	(252)	(38.3)
	Operating income margin	3.0	-	3.2	4.8	-	-
Americas	Revenues	1,126	74.9	1,503	1,210	293	24.2
	Segment Income	73	72.4	102	72	30	41.7
	Operating income margin	6.6	-	6.8	6.0	-	-
Europe	Revenues	1,411	75.7	1,864	1,860	4	0.2
	Segment Income	75	73.6	102	87	15	17.2
	Operating income margin	5.3	-	5.5	4.7	-	-
East Asia	Revenues	1,151	72.3	1,593	2,310	(717)	(31.0)
	Segment Income	32	71.2	45	89	(44)	(49.4)
	Operating income margin	2.8	-	2.8	3.9	-	-
South Asia & Oceania	Revenues	1,063	72.4	1,468	1,820	(352)	(19.3)
	Segment Income	69	74.1	94	142	(48)	(33.8)
	Operating income margin	6.5	-	6.4	7.8	-	-
Security Transportation	Revenues	509	74.8	681	690	(9)	(1.3)
	Segment Income	19	86.8	22	11	11	100.0
	Operating income margin	3.7	-	3.2	1.6	-	-
Heavy Haulage & Construction	Revenues	398	80.6	495	530	(35)	(6.6)
	Segment Income	49	72.8	68	61	7	11.5
	Operating income margin	12.4	-	13.7	11.5	-	-
Logistics Support	Revenues	3,049	71.6	4,259	3,820	439	11.5
	Segment Income	94	65.7	143	120	23	19.2
	Operating income margin	3.1	-	3.4	3.1	-	-

*We will evaluate Business Plan 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. Status of Business Plan Initiatives

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

Item Revenues	Japan*1					Overseas				
	2023 Jan-Sep Results	2022 Jan-Sep Results	Difference (%)	2023 Jan-Dec Targets	Progress	2023 Jan-Sep Results	2022 Jan-Sep Results	Difference (%)	2023 Jan-Dec Targets	Progress
Electric and Electronics Industry	¥76.1 billion	¥89.0 billion	(14%)	¥120.0 billion	63%	¥109.4 billion	¥158.1 billion	(31%)	¥174.0 billion	63%
Automotive Industry	¥62.3 billion	¥69.5 billion	(10%)	¥110.0 billion	57%	¥80.4 billion	¥99.6 billion	(19%)	¥120.0 billion	67%
Apparel Industry	¥11.6 billion	¥12.3 billion	(6%)	¥20.0 billion	58%	¥70.6 billion	¥81.6 billion	(13%)	¥80.0 billion	88%
Pharmaceutical/Medical Industry	¥13.9 billion	¥14.6 billion	(5%)	¥30.0 billion	46%	¥26.7 billion	¥30.4 billion	(12%)	¥40.0 billion	67%
Semiconductor-Related Industries	¥22.0 billion	¥41.4 billion	(47%)	¥45.5 billion	48%	¥11.3 billion	¥18.3 billion	(38%)	¥20.0 billion	57%

Item	2023 Jan-Sep Results	2022 Jan-Sep Results	Difference (%)	2023 Jan-Dec Targets	Progress
Ocean Forwarding Business*2	540,000 TEU	560,000 TEU	(4.9%)	1,100,000 TEU	48.8%
Air Forwarding Business*2	510,000 t	660,000 t	(22.6%)	1,200,000 t	42.8%

Item Revenues	2023 Jan-Sep Results	2022 Jan-Sep Results	Difference (%)	2023 Jan-Dec Targets	Progress
Non-Japanese Customer Accounts (GAM・GTA*3)	¥29.9 billion	¥90.1 billion	(66.8%)	¥86.9 billion	34.4%

*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. GTA is an abbreviation for global target accounts.

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

- Utilization ratio of company-owned vehicles through Q3, FY2023 increased +0.2 points year on year. Revenue decreased (-13.4% year on year) due to a reactionary decline in international logistics; outsourcing cost ratio rose +5.2 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 through Q3 resulted in net sales impact of approximately 7.3 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 (expanded plans for this fiscal year to 18 companies)

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.
 - Logistics Boot Camp: Education of core personnel to promote improved productivity in warehouse operations (FY2023 Participants: 18)
 - Logistics Academy: Improve work sites and KPI management through the training of logistics center managers. (FY2023 Participants: 121)
 - E-learning: Foster an understanding of standardization and improve business operations (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 Q3 Results: Cumulative total of 2,123,846 hours (vs. target: -26,154 hours).
- September 2023 adoption of NX-GPT, a generative AI service for internal use

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 445 projects so far this fiscal year (Q3 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 Q3: 7,615 tons (95.5% 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. FY2023 Q3 cumulative average NPS 55 points (+7 points year on year)

◆ Strengthen and pursue Arrow Delivery Business

- In August 2023, we signed a basic agreement regarding the integration of the NX Group special combined delivery business with Meitetsu Transportation. The two entities will expand and solidify their businesses through a new structure that integrates the special combined delivery services of each.

◆ Increased sales of Protect BOX

- Expand revenues further sales through new equipment tailored to customer needs
FY2023 Q3 Results 27,854 units (116.8% vs. the previous year)

III. Challenges of the Business Plan

D Back Office Cost Reductions Progress (as of September 30, 2023)

Enhancing Japanese Domestic Businesses	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FY2021 Results (Apr-Dec) [YoY]	FY2022 Results (Jan-Dec) [YoY]	FY2023 Results (Jan-Sep) [YoY]	Cumulative Through September, 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]	-	-	-¥0.34 billion [-38 employees]	-¥4.09 billion [-455 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: 91%			
Back office process reform	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	+¥0.03 billion				
	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.20 billion	+¥0.91 billion	+¥0.57 billion	-¥1.18 billion	+¥0.2 billion	-¥1.58 billion	-¥5.0 billion
							FY2023 Target Progress: 23.6%			
Total	Total	-¥2.05 billion	-¥4.58 billion	+¥0.31 billion	+¥0.8 billion	+¥0.26 billion	-¥5.27 billion	-¥0.78 billion	-¥6.28 billion	-¥9.5 billion
							FY2023 Target Progress: 55.4%			

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

III. Status of Business Plan Initiatives

E 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

We decided to conclude a basic agreement for the integration of the Nippon Express special combined delivery services and NXTransport 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. Status of Business Plan Initiatives

F Business Plan Initiatives for Achieving Our Long-Term Vision

~ FY2023

Numerical Targets

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

NX Group Business Plan 2023 Overview

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

Accelerate Reform Through a Holding Company Structure

■ Restructure Business Portfolios · Strengthen Specialized Businesses

• Restructure group businesses

Currently taking action to integrate the special combined delivery services of Nippon Express Co., Ltd. and Meitetsu Transportation

- Strengthen businesses by spinning off the security transportation business (NX Cash Logistics)
- Consider spin-off of Heavy Haulage & Construction business

■ Domestic Business Restructuring

• Consider Business Structure Reform Project

■ Inorganic Growth

• Strengthen M&A overseas

Taking action to close acquisition of cargo-partner shares
Completed share acquisition of Tramo SA on October 31 (converted to subsidiary)

■ 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.

Return to Shareholders

A. Capital Policies P.34

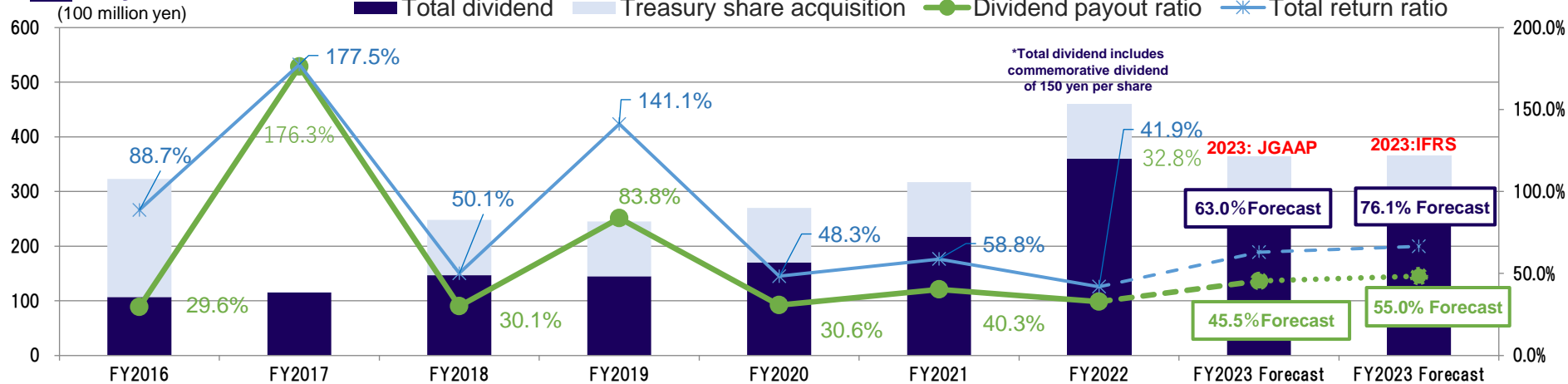
B. Key Indicators P.34

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)	Forecast 300	Forecast 300
ROE	6.9 (JGAAP)	1.2 (JGAAP)	9.2 (JGAAP)	3.2 (JGAAP)	10.0 (JGAAP)	8.9 (JGAAP)	15.9 (JGAAP)	Forecast 7.6 (JGAAP)	Forecast 6.2 (IFRS)

*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.

*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.



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