



Financial Results Presentation for Fiscal Year Ended December 2023 February 14, 2024 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 17 and 18 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 Presentation for Fiscal Year Ended December 2023

Financial Results Highlights (Executive Summary)

· Financial Results for FY2023

Financial Results for FY2023 (I	FRS)	
		Vs. FY2022
≯ Revenue	¥2,239.0 billion	¥(379.6) billion (14.5 %)
Consolidated Segment Income (Business Income)	¥81.2 billion	¥(56.2) billion (40.9 %)
Business Profit Ratio	3.6%	
➤ Operating Income	¥60.0 billion	¥ (95.4) billion (61.4 %)
➤ Profit Attributable to Owners of Parent	¥37.0 billion	¥(71.2) billion (65.8 %)

Overview

- ✓ International forwarding business revenues and profit decreased owing to lower gross profit per unit stemming from an easing supply and demand balance and 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 Presentation for Fiscal Year Ended December 2023

^{* ✓} indicates an increase of +5% or more; ➤ indicates a decrease of -5% or more;

[→] indicates a change of +/-5% or less

Financial Results Highlights (Executive Summary)

Forecast for FY2024

Financial Results Forecast for FY	Vs. FY2022					
✓ Revenue	¥2,500.0 billion	+¥260.9 billion +11.7 %				
→Consolidated Segment Income (Business Income)	¥85.0 billion	+¥3.7 billion +4.6 %				
Business Profit Ratio	3.4%					
✓ Operating Income	¥82.0 billion	+¥21.9 billion +36.4 %				
Profit Attributable to Owners of Parent	¥55.0 billion	+¥17.9 billion +48.4 %				
ROE	6.8%	+2.0 pt				
Annual Dividend per Share	¥300					
Dividend Payout Ratio	48.0%	±¥0				
Total Return Ratio	48.0%					

Overview

√ We expect the business environment to remain a challenge. However, we anticipate a recovery in domestic and international logistics demand in the second half of the year and beyond. We aim to grow revenues and profit by expanding the outcomes of our growth strategy for core businesses and strategy to enhance domestic businesses in Japan.

Financial Results Presentation for Fiscal Year Ended December 2023

^{* ✓} indicates an increase of +5% or more; ➤ indicates a decrease of -5% or more; → indicates a change of +/-5% or less

Financial Results Highlights for FY2023

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I. Financial Results Highlights for FY2023

A FY2023 Results

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

ltem	Full-Year Results (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Previous Forecast *Announced November 13	Difference	Difference (%)
Revenues	22,390	26,186	(3,796)	(14.5)	22,700	(309)	(1.4)
Consolidated Segment Income (Business Income)	812	1,375	(562)	(40.9)	850	(37)	(4.4)
Operating Income	600	1,555	(954)	(61.4)	740	(139)	(18.8)
Operating Income Margin	2.7	5.9	-	-	3.3	-	-
Profit Attributable to Owners of Parent	370	1,083	(712)	(65.8)	480	(109)	(22.8)

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The consolidated financial results for the fiscal year ended December 31, 2023, are as stated in the document. The Company has begun applying IFRS, and as a figure equivalent to conventional operating profit, the cumulative results of consolidated segment income, business income, were JPY81.2 billion, a negative JPY56.2 billion YoY.

The main reason for the large decrease in operating income of JPY95.4 billion from the previous year compared to business income was mainly due to the absence of the JPY53.5 billion gain from the sale of the former Shiodome headquarters building in Q2 of FY2022. In addition, the Company recorded impairment losses on fixed assets and others of subsidiaries NX NP Logistics and the domestic pharmaceutical/medical business in FY2023.

NPL's main business is the domestic logistics of electrical products, but its performance has been sluggish due to weak cargo movements by its main customers, and we expect its future business plan to be challenging.

The Company has evaluated the recoverable amount of fixed assets and other assets and recorded an impairment loss of JPY5.1 billion. However, the Company has important functions and expertise in expanding its handling of electrical and electronics-related products and will work to rebuild its business performance.

In the domestic pharmaceutical business, an impairment loss of JPY19.9 billion was recorded in the previous fiscal year, but an additional JPY3.1 billion was recorded as a result of a review of future business plans in light of the current operating conditions.

On the other hand, as for the pharmaceutical industry as a whole, domestic and overseas handling, including forwarding handling, has grown significantly, and the potential of the pharmaceutical business remains high, and we will continue to focus on this as a priority industry.

Second, the results were lower than the forecast announced on November 13. In the Q4 forecast, air forwarding volume was expected to increase both from overseas and Japan compared Q4 to Q3 due to the peak season, and domestic logistics was also expected to increase by JPY51.1 billion due to year-end logistics demand and other factors. We expected an increase of JPY6.4 billion on a business income basis, but the results fell short of our forecast despite the increase in both sales and income.

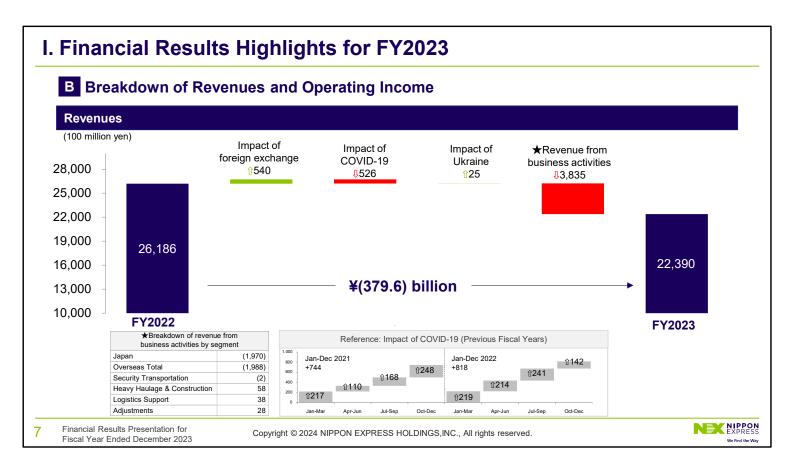
I. Financial Results Highlights for FY2023

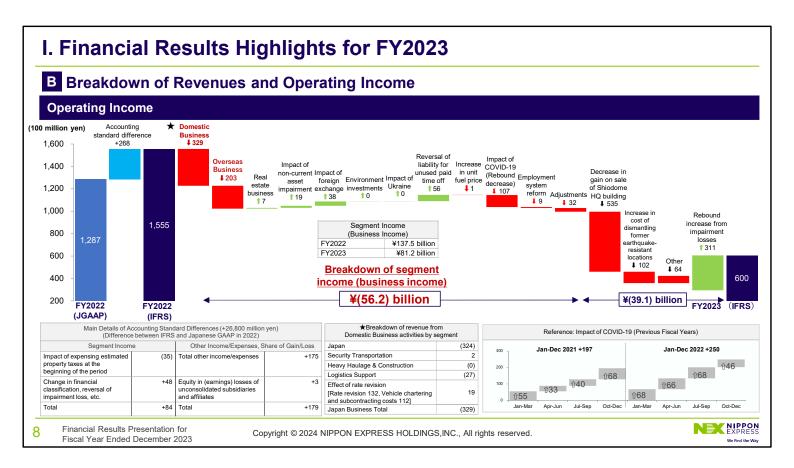
A Financial Results for FY2023 (by Segment)

Fiscal Year Ended December 2023

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

Segment	ltem	2023 Results (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Previous Forecast *Announced November 13	Difference	Difference (%)
	Revenues	12,565	14,509	(1,944)	(13.4)	12,648	(82)	(0.7)
Japan	Segment Income (Business Income)	485	714	(228)	(32.0)	462	23	5.2
	Revenues	1,512	1,620	(107)	(6.7)	1,503	9	0.7
Americas	Segment Income (Business Income)	92	137	(44)	(32.6)	102	(9)	(9.2)
_	Revenues	1,926	2,157	(230)	(10.7)	1,864	62	3.4
Europe	Segment Income (Business Income)	98	125	(26)	(21.5)	102	(3)	(3.4)
	Revenues	1,576	2,415	(838)	(34.7)	1,593	(16)	(1.0)
East Asia	Segment Income (Business Income)	37	128	(90)	(70.6)	45	(7)	(16.4)
South Asia &	Revenues	1,408	2,218	(810)	(36.5)	1,468	(59)	(4.1)
Oceania	Segment Income (Business Income)	83	200	(117)	(58.5)	94	(10)	(11.2)
Security	Revenues	678	680	(1)	(0.3)	681	(2)	(0.3)
Transportation	Segment Income (Business Income)	33	31	2	8.9	34	(0)	(0.4)
Heavy Haulage	Revenues	511	445	65	14.7	495	16	3.3
& Construction Set	Segment Income (Business Income)	65	63	1	2.0	70	(4)	(6.9)
Logistics	Revenues	4,258	4,216	42	1.0	4,259	(0)	(0.0)
Support	Segment Income (Business Income)	138	164	(25)	(15.8)	143	(4)	(3.2)
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Operating income for FY2022 was JPY128.7 billion under Japanese GAAP, but there is a gap in accounting treatment between Japanese GAAP and IFRS, and IFRS includes non-operating income and extraordinary gains/losses such as the gain on sale of the former Shiodome headquarters building mentioned earlier in operating income. As a result, operating income under IFRS would be JPY155.5 billion.

The main reasons for the JPY81.2 billion decrease in business profit, down JPY56.2 billion from the previous year, were a decline in gross profit per unit in the international forwarding business due to the easing of supply and demand, and a reactionary decrease due to a decline in the volume of cargo handled.

In addition, domestic logistics remained sluggish as overall cargo movement failed to recover, although there were increases in handling by some industries and customers, such as those related to the automobile industry.

As a result, Japan operations and overseas operations decreased by JPY32.9 billion and JPY20.3 billion, respectively, and were the main reasons for the decrease in profits.

I. Financial Results Highlights for FY2023

C FY2023 Results (Q4, FY2023 vs. Q3, FY2023)

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

Item	Q4 Results (Oct-Dec 2023)	Q3 Results (Jul-Sep 2023)	Difference YoY	Difference YoY (%)	
Revenues	5,636	5,434	201	3.7	
Segment Income (Business Income)	208	181	27	15.2	
Operating Income	86	110	(24)	(21.7)	
Operating Income Margin	1.5	2.0	-	-	
Profit Attributable to Owners of Parent	65	50	14	28.7	
Overseas Revenues	1,672	1,574	97	6.2	

Financial Results Presentation for Fiscal Year Ended December 2023

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I. Financial Results Highlights for FY2023 C Performance by Segment (Q4, FY2023 vs. Q3, FY2023) (100 million yen, %) (rounded down to 100 million yen) Difference QoQ Q4 Results Q3 Results Difference Segment Item Difference (Oct-Dec 2023) (Jul-Sep 2023) Revenues 3,132 3,031 101 3.3 3,214 (82)(2.6)Japan Segment income (Business Income) 156 97 59 61.7 133 23 17.9 386 385 0.3 376 9 2.6 Revenues Americas Segment income (Business Income 18 21 28 (9) (2) (11.0)(33.3)515 467 47 452 10.1 62 13.8 Revenues Europe Segment income 26 23 25 (2) (10.6)(3) (13.0)(Business Income 425 377 441 47 12.5 (16)Revenues (3.7)East Asia Segment income 5 12 6 (0)(7.8)(7)(56.8)(Business Income 404 345 343 2 0.6 (59)Revenues (14.7)South Asia & Oceania Segment income (Business Income 24 13 20 (6) (32.4)(10)(43.1)97 1,675 1.672 1.574 6.2 (3) (0.2)61 (12)(16.5)92 (30)73 (33.3)170 169 173 1.1 (2) (1.2)Security Transportation ament income 2 2 (0) (4.7)13 (11)(79.9)(Business Income 112 139 (27)(19.7)96 16 16.7 Heavy Haulage & Seament income Construction 15 19 (3) (19.5)20 (4) (23.4)(Business Income Revenues 1,149 1,018 130 12.8 1,149 (0)(0.0)**Logistics Support** ament income 41 34.0 (4) (9.8)(Business Income NIPPON EXPRESS Financial Results Presentation for

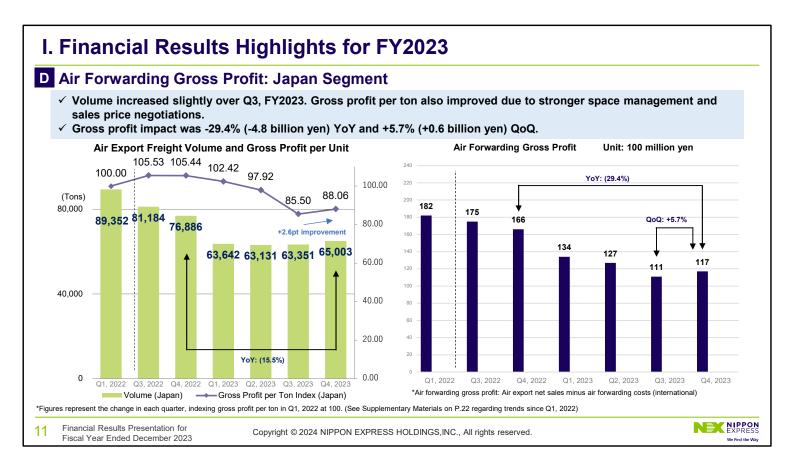
QoQ comparison is shown as a trend of business performance. Logistics Japan did not grow as much as expected for domestic logistics, despite an improvement in gross profit per unit in the air forwarding business and a certain amount of year-end cargo demand for domestic logistics, resulting in generally sluggish performance.

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Fiscal Year Ended December 2023

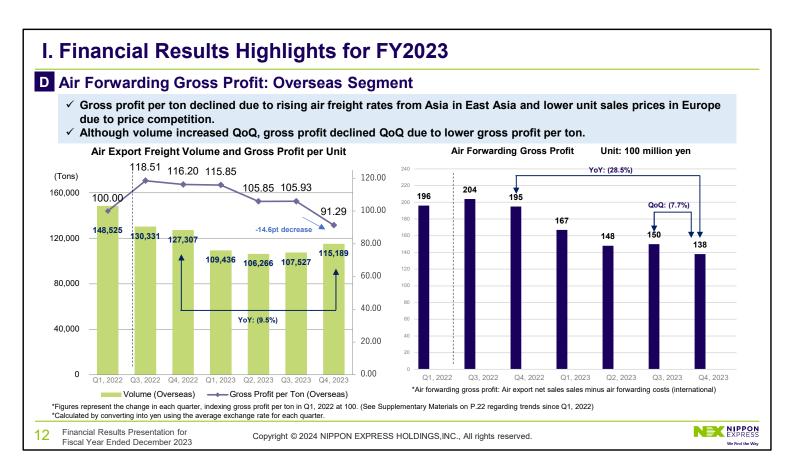
Meanwhile, segment income increased by JPY5.9 billion, exceeding the forecasted increase, mainly due to a decrease in personnel cost-related costs resulting from the reversal of accrued paid leave liabilities.

On the other hand, overseas sales were minus JPY1.2 billion, mainly due to lower gross profit per unit for the air forwarding business. This resulted in a negative JPY3 billion, which was below the expected increase in profit during the peak season for aviation.

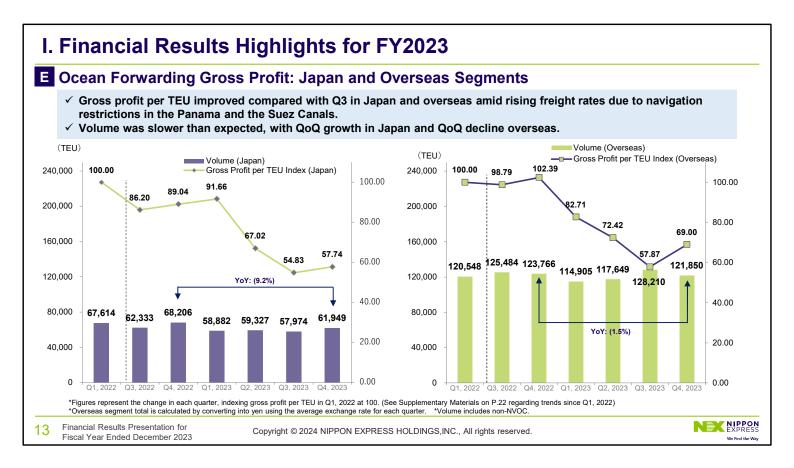


These charts show the quarterly volume of air forwarding from Japan and the gross profit per unit and gross profit amount indexed to the volume of air forwarding from Japan.

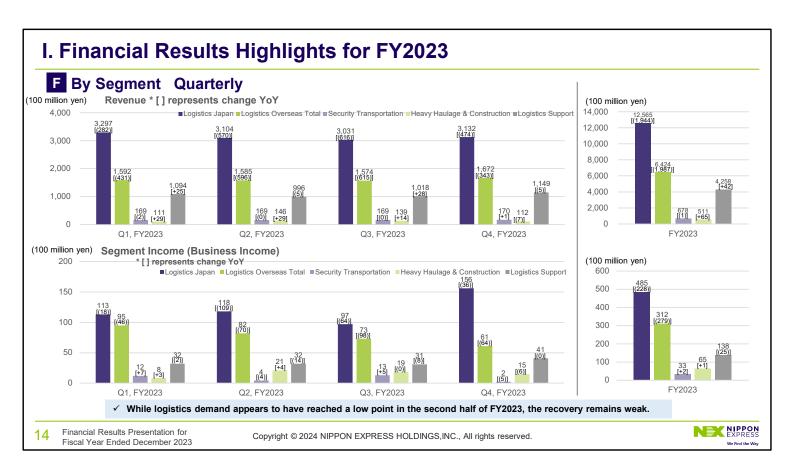
As you can see from these charts, gross profit per unit, indicated by the line chart, declined in Q3 due to higher purchase freight rates resulting from rising demand for EC cargo originating from Asia and higher fuel surcharges, but improved by 2.6% in Q4 due to tighter space control and sales price negotiations.



As for overseas originations, the volume handled increased, but gross profit per unit declined by 14.6%. Although we did not expect this gross profit per unit to decline significantly at the end of Q3, the impact was felt in East Asia, where handling of electrical and electronics products was sluggish amid rising airfreight rates from Asia, and in Europe, where unit sales prices declined due to price competition.

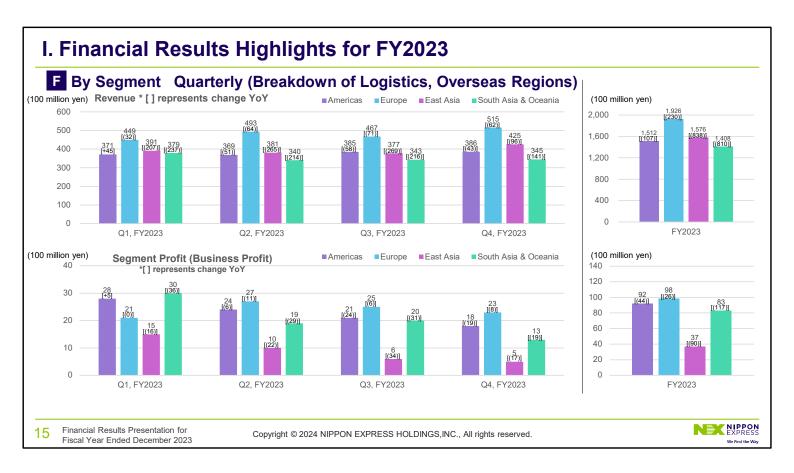


Next, in ocean freight forwarding, gross profit per unit for both Japan-originated and overseas-originated cargoes continued to decline as market supply-demand conditions eased, but freight rates are trending upward due to restrictions on Panama and Suez Canal operations and others. Amid this trend, our gross profit per unit has begun to rise both in Japan and overseas.



Although the overall trend of the logistics segment is as explained above, based on the quarterly trend trends, we see signs that logistics demand has bottomed out since H2 of 2023. However, the recovery is weak, and a full-scale recovery is expected only after H2 of 2024, when the semiconductor industry is expected to recover, among other factors.

Other details, including changes in the external environment, on pages two and three of the supplementary material. Please also refer to the breakdown of changes in operating income forecast on page five.



Business Plan 2023 Initiatives (Summary)

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Next, I would like to explain the progress of the business plan 2023. In evaluating business plan 2023, the IFRS-based figures for FY2023 have been re-evaluated in terms of Japanese GAAP figures.

II. Business Plan 2023 Initiatives (Summary)

A Business Plan Figures (Japanese GAAP)

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

							,,
ltem	Current-Year Results Pro Forma (JGAAP) (Jan-Dec 2023)	Business Plan Figures 2023 (JGAAP)	Difference	Difference (%)	FY2019 Results (JGAAP)	Difference (Vs FY2019)	Difference (%) (Vs. FY2019)
Revenues	22,432	24,000	(1,567)	(6.5)	20,803	1,597	7.7
Operating Income	691	1,100	(408)	(37.1)	592	99	16.8
Operating Income Margin	3.1	4.6	-	-	2.8	-	-
Profit Attributable to Owners of Parent	459	720	(260)	(36.2)	174	285	163.9
Overseas Sales	6,424	7,200	(775)	(10.8)	4,125	2,298	55.7
ROE	5.9	10.0	-	-	3.2	-	-

^{*}IFRS ROE for FY2023 is 4.8%. The difference with the Japanese GAAP ROE of 5.9% 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.

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Progress against the main numerical targets of the management plan is shown in the material. Amid weak cargo movement and rising costs, including energy and labor costs, we fell short of both targets for the final year. On the other hand, compared to 2019, before the COVID-19 pandemic, we see certain results, with an 8% increase in revenues and approximately 17% increase in operating income, despite the difficult external environment.

II. Business Plan 2023 Initiatives (Summary)

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-Dec 2023)	Business Plan Figures 2023 (JGAAP)	Difference	Difference (%)
	Revenues	12,674	13,730	(1,055)	(7.7)
Japan	Segment Income	370	658	(287)	(43.7)
Operating Income Margin Revenues		2.9	4.8	· <u> </u>	· —
	Revenues	1,512	1,210	302	25.0
Americas	Segment Income	92	72	20	28.6
	Operating Income Margin	6.1	6.0	_	_
	Revenues	1,926	1,860	66	3.6
Europe	Segment Income	98	87	11	13.0
Operating Income Margin		5.1	4.7	_	_
	Revenues	1,576	2,310	(733)	(31.7)
East Asia	Segment Income	37	89	(51)	(57.7)
	Operating Income Margin	2.4	3.9	`-	_
0. (1. 4.). 0	Revenues	1,408	1,820	(411)	(22.6)
South Asia & Oceania	Segment Income	83	142	(58)	(41.2)
Oceania	Operating Income Margin	5.9	7.8	_	_
	Revenues	681	690	(8)	(1.3)
Security Transportation	Segment Income	25	11	14	132.4
Transportation	Operating Income Margin	3.8	1.6	_	_
	Revenues	511	530	(18)	(3.6)
Heavy Haulage & Construction	Segment Income	65	61	4	6.9
Construction	Operating Income Margin	12.8	11.5	_	_
	Revenues	4,190	3,820	370	9.7
Logistics Support	Segment Income	141	120	21	17.9
	Operating Income Margin	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.

Financial Results Presentation for Fiscal Year Ended December 2023



II. Business Plan 2023 Initiatives (Summary) NX Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses В Japan*1 Overseas Item 2022 Jan-Dec Results 2023 Jan-Dec Targets Revenues 2023 Jan-Dec Results 2023 Jan-Dec Results 2022 Jan-Dec Results 2023 Jan-Dec Targets Difference (%) Progress Difference (%) Progress **Electric and Electronics** ¥101.2 billion ¥118.3 billion (14%) ¥120.0 billion 84% ¥146.1 billion (30%) ¥174.0 billion 84% ¥208.3 billion ¥83.2 billion ¥92.8 billion (10%) ¥110.0 billion ¥110.9 billion ¥131.7 billion (16%) ¥120.0 billion 92% Automotive Industry 76% Apparel Industry ¥15.5 billion ¥16.7 billion (7%) ¥20.0 billion 78% ¥100.9 billion ¥114.7 billion (12%) ¥80.0 billion 126% Pharmaceutical/Medical (13%) ¥18.4 billion ¥19.4 billion ¥30.0 billion ¥36.3 billion ¥41.9 billion ¥40.0 billion (5%) 61% 91% miconductor-Related ¥53.5 billion (44%) ¥45.5 billion (38%) ¥20.0 billion 74% Industries Item 2023 Jan-Dec Results 2022 Jan-Dec Results Difference (%) 2023 Jan-Dec Targets Progress Ocean Forwarding 720.000 TEU 760.000 TEU 1,100,000 TEU (4.8%) 65.5% 690,000 t 870,000 t (20.0%) 1,200,000 t Air Forwarding Business*2 57.8% Item 2023 Jan-Dec Results 2022 Jan-Dec Results Difference (%) 2023 Jan-Dec Targets **Progress** Revenues Non-Japanese Customer ¥38.5 billion ¥113.1 billion (65.9%) ¥86.9 billion 44.3% (GAM · GTA * 3) *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

Regarding the growth strategy of the core business, the results of handling priority industries are shown in the material. Due to a decline in unit prices in the forwarding business and other factors, the industries fell below YoY and fell short of the 2023 target for industries other than overseas apparel.

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Fiscal Year Ended December 2023

Although we have been severely affected by the reactive decline in international logistics, our handling of logistics such as warehousing is expanding both domestically and internationally, and we believe that our efforts to date will bear fruit during the recovery phase of logistics volume.

Next, as a business axis, the volume results for air and ocean forwarding are shown in the material. As for the ocean forwarding market, the overall global cargo volume increased slightly by about 0.4% from January to November, which can be confirmed, mainly due to an YoY increase in containerized cargo movements from Asia to Europe and the United States. On the other hand, handling of the latter declined due to a return to shipping company direct.

Although space supply is increasing due to the launch of new vessels, freight rates are currently on an upward trend due to the impact of restrictions on Panama and Suez Canal operations, and the future trend of freight rates is uncertain due to the prolonged deterioration of the situation in the Middle East.

Next, regarding the air transportation market, the most recent December export weight from Japan was 67,000 tons, down 10% from December 2022, continuing a YoY decline for the 24th consecutive month. Meanwhile, while global international cargo traffic in December was plus 4.9% from December 2022, it was minus 4.5% compared to 2019, which is below the pre-COVID-19 pandemic level.

NIPPON EXPRESS The YoY increase in airfreight demand was affected by strong e-commerce demand, while airfreight demand in the supply chain, excluding e-commerce-related demand, remained sluggish.

Against this backdrop, airfares are currently 40% higher than they were before the outbreak of COVID-19, but fares are expected to trend lower as supply and demand continue to ease. Under these circumstances, in the forwarding business, the key point is to increase handling volume and reduce utilization costs, and we are focusing on securing volume by expanding bidding targets.

In addition, with respect to ocean forwarding, we have launched our first Asian operation targeting daily consumer goods and FMCG customers, in line with the promotion of our volume strategy utilizing the FAK rate.

In addition, we are expanding the scope of global airline purchasing bids in order to reduce air usage costs. In addition, the re-consolidation scheme using Haneda Airport will help increase long-haul sales from Asia and at the same time improve the efficiency of the consolidation process.

Current conditions, including a shift back to shipping company direct, have resulted in a decline in our overall forwarding handling volume.

Under these circumstances, to reiterate the framework of our core business growth strategy, we aim to achieve global growth of our customer base and business through a three-axis approach: customer industry axis, business axis, and area axis.

Expanding new business by capturing changing trends in industries and business sectors, particularly in priority industries, and providing logistics solutions tailored to the characteristics of each. We have been aiming at extending volume and topline by this. We believe that this direction is the right one, but we see it as an issue in terms of the speed of progress.

However, a global sales structure is now in place, centered on the Global Business Headquarters, or GBHQ for short, and we will evolve our core business growth strategy in the new management plan.

II. Business Plan 2023 Initiatives (Summary)

C Revenue by Business:FY2023 (Jan-Dec)

Millions of yen, %

		Diffe	rence	Differe	nce (%)
Nippon Express Co., Ltd. Results by Business	Results	Vs. FY2022	Vs. FY2021*	Vs. FY2022	Vs. FY2021*
Railway utilization business	66,680	(387)	(2,148)	(0.6)	(3.1)
Small-lot shipment business	34,770	(2,944)	(6,290)	(7.8)	(15.3)
Chartered truck business	178,496	(2,133)	(4,289)	(1.2)	(2.3)
Marine transportation business	132,059	(60,992)	(1,690)	(31.6)	(1.3)
Harbor transportation business	67,756	(1,658)	(365)	(2.4)	(0.5)
Air transportation business	215,073	(122,604)	(75,906)	(36.3)	(26.1)
Warehousing and storage business	153,877	(2,586)	10,349	(1.7)	7.2
In-factory business	70,108	7,038	12,779	11.2	22.3
Moving and relocation business	51,998	(5,408)	688	(9.4)	1.3
Other	78,396	11,993	526	18.1	0.7
Total	1,110,838	(241,882)	(131,448)	(17.9)	(10.6)
International Logistics/Exports	Results	Difference		Differe	nce (%)

International Logistics/Exports	Results	Diffe	rence	Difference (%)		
international Logistics/Exports	Results	Vs. FY2022	Vs. FY2021	Vs. FY2022	Vs. FY2021	
Ocean transportation (export)	80,526	(50,716)	(8,899)	(38.6)	(10.0)	
Air transportation (export)	116,843	(119,593)	(73,718)	(50.6)	(38.7)	

^{*}Reference values compare January-December 2021 (Japanese GAAP) and FY2023 results (IFRS).

(Millions of yen, rounded down)

Business Performance Highlights Railway utilization business

While automobile industry-related volume remained flat, chemical products and other sectors showed no signs of recovery, and volume continued to decline overall.

Chartered truck business

Iron- and steel-related, electrical, and public-use declined; however, positive trends continued in automobile-related.

Warehousing and storage business

While revenues increased in connection with higher volume for pharmaceuticals/medical and operations at a new facility for automobile-related. At the same time, we saw a decrease in revenues of hygiene-related products.

In-factory business

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

Moving and relocation business

Decrease in the number of domestic and overseas relocations/moves. Relocation revenues declined due to fewer office-related projects.

Outsourcing Cost Ratio

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

Financial Results Presentation for Fiscal Year Ended December 2023





With respect to the strategy to enhance domestic businesses in Japan, we have achieved results in improving profitability, increasing productivity, deepening integration of land, sea, and air, and strengthening network transportation products, including reducing outsourcing costs, as described. In addition, with energy, labor, and various other costs rising, we see it as an important issue to review our rates to ensure they are appropriate and to reflect cost increases in our rates.

Furthermore, with the 2024 problem also imminent, we will continue to make intensive efforts to revise rates and review contracts.

II. Business Plan 2023 Initiatives (Summary)

E Back Office Cost Reductions

Enhancing Japanese Domestic Businesses	ltem	FY2019 Results [YoY]	FY2020 Results [YoY]	FY2021 Results (Apr-Dec) [YoY]	FY2022 Results (Jan-Dec) [YoY]	FY2023 Results (Jan-Dec) [YoY]	FY2023 Cumulative Results	FY2023 Cumulative Target	Progress
Further reorganization of organizations streamlining of administrative	Further branch back office personnel reassignments	¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	-			-¥4.35 billion [-485 employees]	-¥4.5 billion [-500 employees]	97%
departments	Reassign HQ employees	-	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]	-¥0.38 billion [-42 employees]				
Back office process	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	+¥0.15 billion			
reform	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	¥0.20 billion	+¥0.91 billion	+¥0.66 billion	-¥0.97 billion	llion -¥5.0 billion	19%
Total	Total	-¥2.05 billion	-¥4.58 billion	+¥0.31 billion	+¥0.8 billion	+¥0.20 billion	-¥5.32 billion	-¥9.5 billion	56%

^{*} 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.

Financial Results Presentation for Fiscal Year Ended December 2023

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The cumulative reduction in back office costs was JPY5.32 billion, 56% of the target of JPY9.5 billion.

Further cost reductions will be necessary to strengthen domestic business in Japan, and we intend to strengthen our efforts by utilizing digitalization and DX, as well as expanding the scope of our efforts from the NIPPON EXPRESS-centered initiatives to the entire group.

Please refer to page 24 of the material for the status of cost increases related to employee system reforms.

II. Business Plan 2023 Initiatives (Summary) F Pursuing RPA and NX-OCR To create more time for more value-added tasks, such as creative planning and sales activities. Why Adopt RPA? ⇒ Improve productivity and quality, reduce costs, and foster the potential of creating new businesses. FY2023 Target: Create cumulative 2.15 million hours *Beginning FY2023, we will include time saved with Win Actor (an RPA tool developed by departments/branches themselves) \simeq Examples of Tasks Already Improved via RPA \simeq \Box Incidental tasks related to sending/receiving e-mails ☐ Tasks related to cargo transport insurance applications FY2023 Jan-Dec: 580,000 hours created ☐ Tasks related to work management Through Dec 2023: 2.21 million hours created Target Progress 103% *This includes 140,000 hours saved with Win Actor FY2022: 550,000 hours created Target: Create cumulative 1.50 million hours 🔸 (Cumulative total: 1.63 million hours created) * We will add time saved via NX-OCR (paper-to-text conversion) beginning FY2022 FY2021 Target: Create cumulative 1.00 million hours FY2021: 360,000 hours created (Cumulative total: 1.08 million hours created) FY2020 FY2020: 380,000 hours created Target: Create cumulative 0.70 million hours (Cumulative total: 720,000 hours created) Target: Create cumulative 0.40 million hours FY2019: 340,000 hours created (1) Have RPA masters identify of new projects and (4) Support RPA development at group companies in Japan and overseas **Measures to Promote** encourage horizontal adoption (5) Review operating procedures **RPA Adoption** (2) Adopt RPA and NX-OCR using domestic business trainees (3) Utilize various advanced technologies, including voice recognition and natural language processing NIPPON EXPRESS Financial Results Presentation for 23 Copyright © 2024 NIPPON EXPRESS HOLDINGS,INC., All rights reserved.

Fiscal Year Ended December 2023

II. Business Plan 2023 Initiatives (Summary) **G** Impact of Employee System Reform **Human Resource** Reinforce Workplace Capabilities Salary/Wage System **Evaluation System System** • Employee categories CSR, assign health and · Evaluate roles · Equal labor, equal pay Competency and grade safety officers Evaluate value Extend retirement system Revise team system behaviors benefit plan Extend retirement age in Performance stages · Benefits system evaluations Vacation system **Cost Impact** FY2023 FY2019 FY2020 FY2021 FY2022 FY2023 Cumulative Initial Plan (at the time of the 2019 business plan) ¥10.0 billion increase ¥20.0 billion increase ¥1.4 billion increase ¥1.0 billion increase ¥1.1 billion increase ¥1.21 billion increase ¥9.41 billion increase **Forecast** (9-Month Forecast) ¥1.3 billion increase ¥1.1 billion increase ¥0.98 billion increase

(9-Month Results)

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(Jan-Dec Results)

Results

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¥4.8 billion increase

¥0.94 billion increase

¥9.12 billion increase

NIPPON EXPRESS

(Jan-Dec Results)

II. Business Plan 2023 Initiatives (Summary)

H Business Structure Reform Project

Reform and Strengthen Businesses ~

(1) Logistics Division Reform
Define the functions required to launch new facilities as an initiative to provide optimal end-to-end logistics solutions. Established the Logistics Business Promotion Division in July 2023 as an organization providing overall direction.

(2) Railway Utilization Business Reform

Develop market-in type products (expand Sea & Rail lineup) in coordination with coastal shipping, positioning these products as sustainable transportation addressing the 2024 problem and the era of decarbonization. Coordinate with coastal shipping in building a sales structure, force deployment, transportation equipment, etc., for modal combination.

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

Extend NX coastal shipping services across Japan (building a service connecting ports throughout the country) by expanding railway transportation and combining NX ship-based services. Coordinate with the railway utilization business.

As the size and nature of each market area differs in Japan, we recommend a review of the allocation of management resources according to area characteristics and the adoption of an internal company system, rather than a uniform, across-the-board system in Japan. We intend to reorganize branch operations companies according to role, profitability, future prospects, and changing market trends. We will continue

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

Established a dedicated PMI team within the Global Business Headquarters to strengthen our M&A implementation framework.

Consider the adoption of an internal company system to clarify the roles of each area and increase management flexibility

to reorganize by region, working toward a completion date of the end of FY2025.

Expand and grow through optimized end-to-end logistics solutions and services that meet market and customer needs

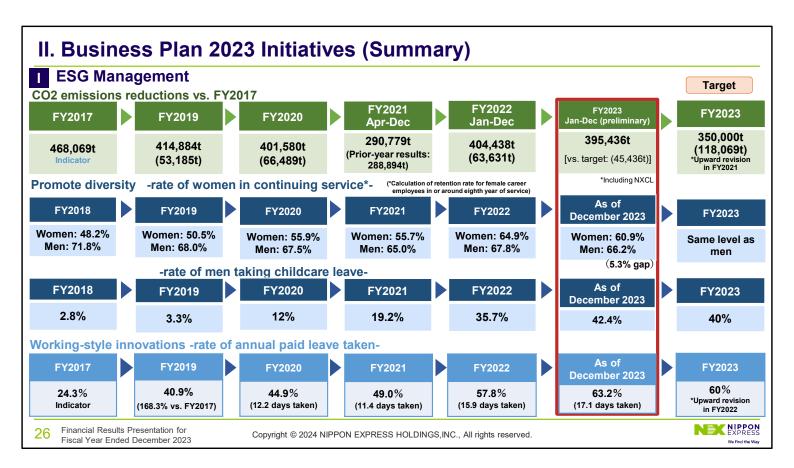
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For some time now, we have been discussing our strategy to strengthen our Japan business, shifting the phase to structural reform of our Japan business and explaining the direction and status of our efforts. As one of the pillars of this reform, we have been studying the allocation of management resources in accordance with market characteristics, including a review of our organization and structure.

As a result, the Company has begun specific consideration of the introduction of an in-house company system as part of NIPPON EXPRESS' structure. We see this as one of the key strategies of the new management plan.



With regard to ESG management for sustainable growth and enhancement of corporate value, we recognize that companies are required to make qualitative changes with sustainability as the keyword, although some targets related to CO2 reduction and work style reform have not been achieved.

In the new management plan, we consider sustainability management to be one of the most important themes as a starting point for all things, and we intend to promote our efforts in this area.



Next, with regard to efforts to realize our long-term vision, we have been working on accelerating our transformation under the holding structure based on our M&A strategy and restructuring toward a structure that can realize global growth and stronger group management.

As previously announced, the closing of the acquisition of cargo-partner was reached on January 4, and we will establish a PMI structure and pursue synergies with GBHQ playing a central role. In addition, we are stepping into new areas, such as expanding our business in India and doing business in Africa.

In Japan, we have been in ongoing discussions with Meitetsu Transportation regarding the integration of our special loading business, and as announced today, we have reached an agreement. We will continue to consolidate overlapping businesses and functions and strengthen specialized businesses.

That is all I have to say about the progress of the business plan.

As a broad assessment of our progress, we have made steady progress over the past five years in our core business growth strategy, our strategy to strengthen domestic business in Japan, and our efforts to realize our long-term vision, but we believe it is necessary to further accelerate the speed of reform.

Next, I will explain our forecast for 2024.

We view FY2024, the first year of the new business plan, as an important year for realizing our long-term vision, but the external environment is expected to remain challenging in the short term.

Financial Results Forecast for FY2024

A. Forecast for FY2024 P.29-

B. Forecast for FY2024 (by Segment) P.31-

C. Breakdown of Revenues and Operating Income P.33-



III. Financial Results Forecast for FY2024 A Forecast for FY2024 (100 million yen, %) (rounded down to 100 million yen) **Full-Year Forecast Prior-Year Results** Difference Difference Item (Jan-Dec 2024) (Jan-Dec 2023) YoY YoY (%) Revenues 25,000 22,390 2,609 11.7 **Segment Income** 850 812 37 4.6 (Business Income) **Business Profit Ratio** 3.4 3.6 820 600 **Operating Income** 219 36.4 **Profit Attributable to** 550 370 179 48.4 **Owners of Parent Overseas Revenues** 8,830 6,424 2,405 37.4 NIPPON EXPRESS

The business environment is expected to be challenging, as weak growth is forecasted for the global economy in the current fiscal year. On the other hand, we expect our domestic and overseas logistics businesses to recover in H2 of the year and beyond, expanding the effects of our ongoing core business growth strategy and our strategy to strengthen domestic business in Japan.

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Financial Results Presentation for

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Based on a comprehensive consideration of the current situation and outlook, we expect an increase in revenues and an increase in each of the profits below business profit for the full year ending December 31, 2024, compared to the previous year.

III. Financial Results Forecast for FY2024

A FY2024 First Half and Second Half Forecasts

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

ltem	1H Forecast (Jan-Jun 2024)	Prior Year 1H Results (Jan-Jun 2023)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2024)	Prior Year 2H Results (Jul-Dec 2023)	Difference YoY	Difference YoY (%)
Revenues	12,000	11,318	681	6.0	13,000	11,071	1,928	17.4
Segment Income (Business Income)	350	422	(72)	(17.2)	500	390	109	28.2
Business Profit Ratio	2.9	3.7	_	_	3.8	3.5	_	_
Operating Income	340	403	(63)	(15.8)	480	197	282	143.5
Profit Attributable to Owners of Parent	230	254	(24)	(9.6)	320	116	203	175.8
Overseas Revenues	4,210	3,178	1,031	32.5	4,620	3,246	1,373	42.3

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Financial Results Presentation for Fiscal Year Ended December 2023

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III. Financial Results Forecast for FY2024

В	Performance by	y Segment	(Full Year)
		, 3	(

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

Segment	Item	Full-Year Forecast (Jan-Dec 2024)	Prior-Year Results (Jan-Dec 2023)	Difference YoY	Difference YoY (%)
	Revenues	12,330	12,565	(235)	(1.9)
Japan	Segment Income (Business Income)	520	485	34	7.0
	Revenues	1,530	1,512	17	1.1
Americas	Segment Income (Business Income)	85	92	(7)	(8.2)
_	Revenues	4,190	1,926	2,263	117.5
Europe	Segment Income (Business Income)	90	98	(8)	(8.7)
	Revenues	1,610	1,576	33	2.1
East Asia	Segment Income (Business Income)	55	37	17	46.1
South Asia &	Revenues	1,500	1,408	91	6.5
Oceania	Segment Income (Business Income)	85	83	1	1.8
Security	Revenues	680	678	1	0.2
Transportation	Segment Income (Business Income)	30	33	(3)	(11.4)
Heavy Haulage	Revenues	500	511	(11)	(2.2)
& Construction	Segment Income (Business Income)	60	65	(5)	(8.0)
Logistics	Revenues	4,450	4,258	191	4.5
Support	Segment Income (Business Income)	130	138	(8)	(6.1)

[Reference] cargo-partner full-year forecasts (within Europe): Revenue: 209.2 billion yen; business income: 0.8 billion yen (excludes amortization of intangible assets of approximately 3.0 billion yen to be posted in Q4)

Financial Results Presentation for Fiscal Year Ended December 2023

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We present the forecast by segment. The forecast for cargo-partner, which joins the Group in the current fiscal year, is the figure shown in the presentation material, but we expect approximately JPY3 billion in amortization of intangible assets in Q4, which will be determined through purchase price allocation, the procedure for allocating acquisition consideration.

Although not included in the current forecast, we will strive for early creation of synergies mainly in terms of costs and will steadily promote PMI.

Please refer to pages 14 through 17 of the supplementary material later in this report for further details by segment.

III. Financial Results Forecast for FY2024

B Forecasts by Reportable Segment (1H, 2H)

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

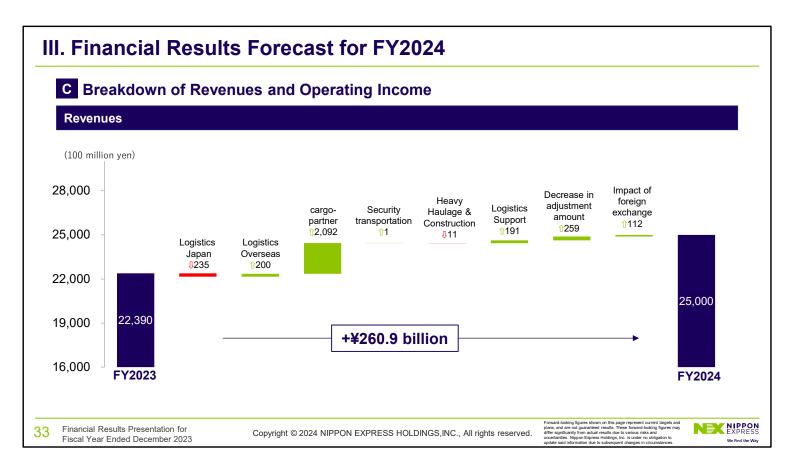
Segment	Item	1H Forecast (Jan-Jun 2024)	Prior Year 1H Results (Jan-Jun 2023)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2024)	Prior Year 2H Results (Jul-Dec 2023)	Difference YoY	Difference YoY (%)
Japan	Revenues	6,130	6,402	(272)	(4.3)	6,200	6,163	36	0.6
	Segment Income (Business Income)	200	231	(31)	(13.7)	320	253	66	26.0
Americas	Revenues	750	740	9	1.2	780	772	7	1.0
	Segment Income (Business Income)	40	52	(12)	(24.1)	45	39	5	12.7
Europe	Revenues	2,000	943	1,056	111.9	2,190	982	1,207	122.8
	Segment Income (Business Income)	55	49	5	11.2	35	49	(14)	(28.7)
East Asia	Revenues	750	773	(23)	(3.1)	860	802	57	7.1
	Segment Income (Business Income)	25	25	(0)	(3.7)	30	11	18	157.0
South Asia &	Revenues	710	719	(9)	(1.3)	790	688	101	14.7
Oceania	Segment Income (Business Income)	35	49	(14)	(28.7)	50	34	15	45.4
Security Transportation	Revenues	340	338	1	0.3	340	340	(0)	(0.0)
	Segment Income (Business Income)	15	17	(2)	(12.9)	15	16	(1)	(9.9)
Heavy Haulage & Construction	Revenues	230	258	(28)	(11.1)	270	252	17	7.0
	Segment Income (Business Income)	25	30	(5)	(16.7)	35	35	(0)	(0.6)
Logistics Support	Revenues	2,200	2,090	109	5.2	2,250	2,167	82	3.8
	Segment Income (Business Income)	70	65	4	7.3	60	73	(13)	(18.0)

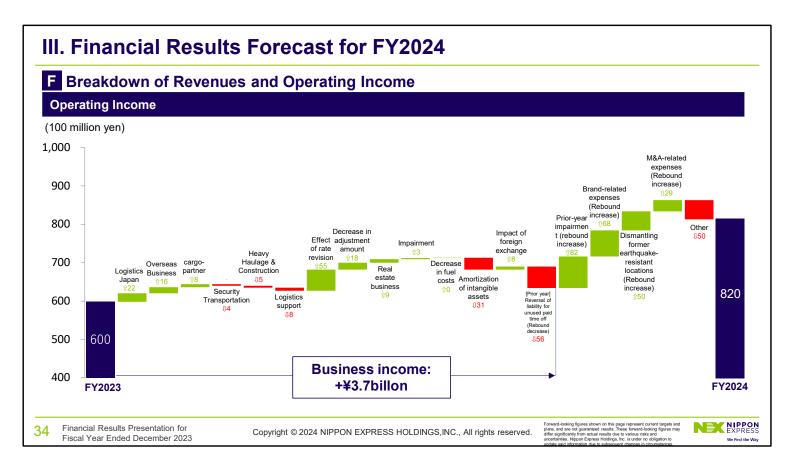
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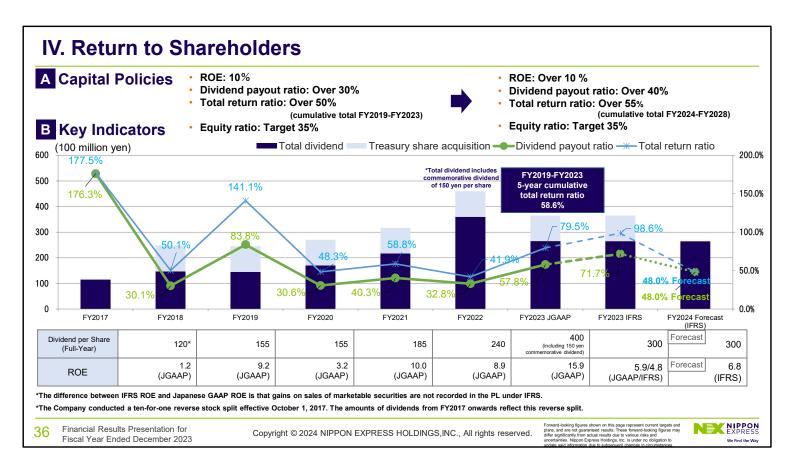


Return to Shareholders

A. Capital PoliciesB. Key IndicatorsP.36

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Regarding shareholder returns for the fiscal year ended December 31, 2023, we have set the annual dividend at JPY300 per share. This results in a payout ratio of 71.7% and a total return ratio of 98.6%. The dividend payout ratio under Japanese GAAP is 57.8% and the total return ratio is 79.5%, which means a total return ratio of 58.6% for the cumulative five-year period beginning in FY 2019.

The lower ratio under JGAAP is mainly due to the accounting gap between JGAAP and IFRS regarding gains/losses on sales of securities. For the fiscal year ending December 31, 2024, the annual dividend forecast is JPY300. We will continue to execute the enhancement of corporate value and strive to improve shareholder returns.



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