



We Find the Way

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 Highlights (Executive Summary)

• Financial Results for FY2023

Financial Results for FY2023 (IFRS)		
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 %)

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

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 Highlights (Executive Summary)

• Forecast for FY2024

Financial Results Forecast for FY2024 (IFRS)		
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%	

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

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 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)

Item	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)

I. Financial Results Highlights for FY2023

A Financial Results for FY2023 (by Segment)

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

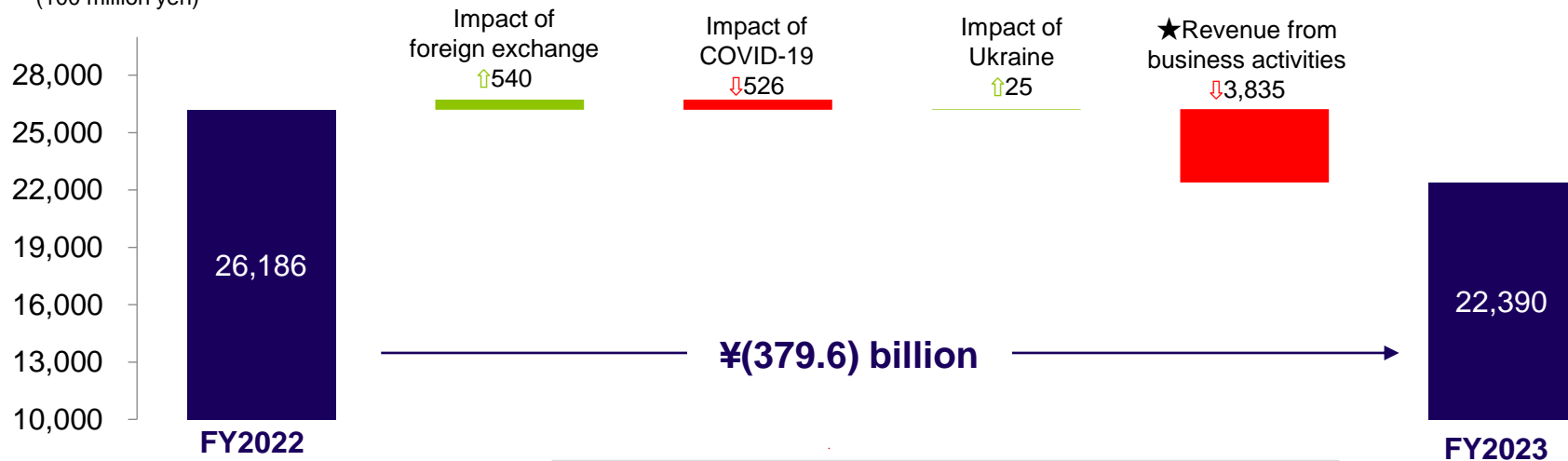
Segment	Item	2023 Results (Jan-Dec 2023)	Prior-Year Results (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Previous Forecast *Announced November 13	Difference	Difference (%)
Japan	Revenues	12,565	14,509	(1,944)	(13.4)	12,648	(82)	(0.7)
	Segment Income (Business Income)	485	714	(228)	(32.0)	462	23	5.2
Americas	Revenues	1,512	1,620	(107)	(6.7)	1,503	9	0.7
	Segment Income (Business Income)	92	137	(44)	(32.6)	102	(9)	(9.2)
Europe	Revenues	1,926	2,157	(230)	(10.7)	1,864	62	3.4
	Segment Income (Business Income)	98	125	(26)	(21.5)	102	(3)	(3.4)
East Asia	Revenues	1,576	2,415	(838)	(34.7)	1,593	(16)	(1.0)
	Segment Income (Business Income)	37	128	(90)	(70.6)	45	(7)	(16.4)
South Asia & Oceania	Revenues	1,408	2,218	(810)	(36.5)	1,468	(59)	(4.1)
	Segment Income (Business Income)	83	200	(117)	(58.5)	94	(10)	(11.2)
Security Transportation	Revenues	678	680	(1)	(0.3)	681	(2)	(0.3)
	Segment Income (Business Income)	33	31	2	8.9	34	(0)	(0.4)
Heavy Haulage & Construction	Revenues	511	445	65	14.7	495	16	3.3
	Segment Income (Business Income)	65	63	1	2.0	70	(4)	(6.9)
Logistics Support	Revenues	4,258	4,216	42	1.0	4,259	(0)	(0.0)
	Segment Income (Business Income)	138	164	(25)	(15.8)	143	(4)	(3.2)

I. Financial Results Highlights for FY2023

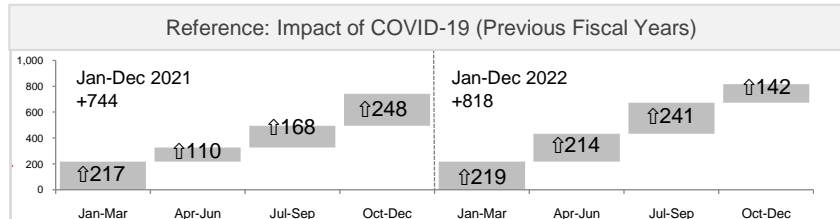
B Breakdown of Revenues and Operating Income

Revenues

(100 million yen)



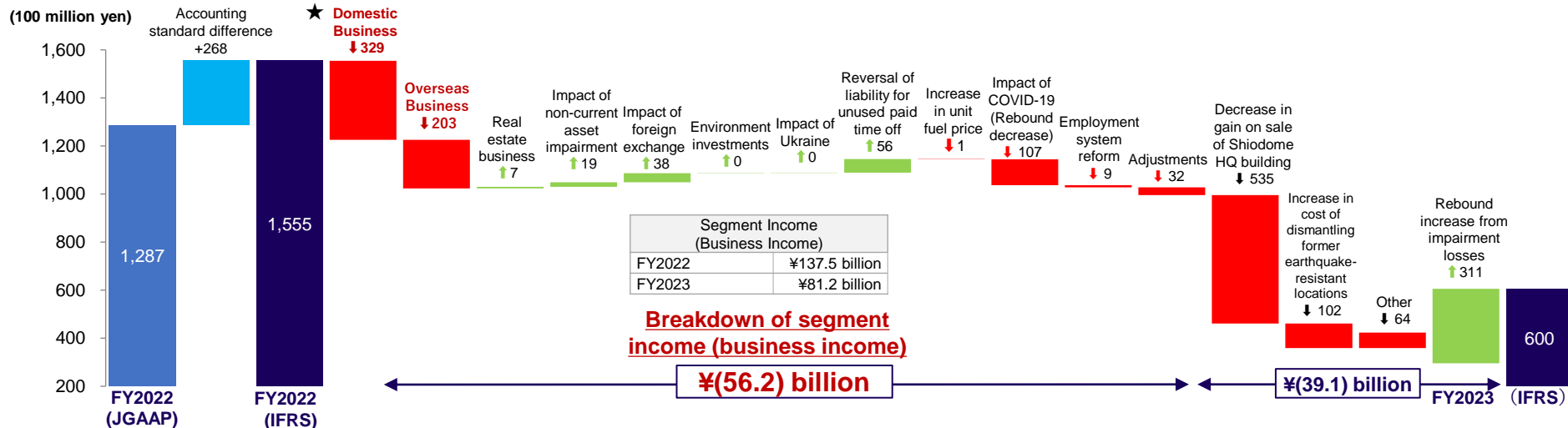
★Breakdown of revenue from business activities by segment	
Japan	(1,970)
Overseas Total	(1,988)
Security Transportation	(2)
Heavy Haulage & Construction	58
Logistics Support	38
Adjustments	28



I. Financial Results Highlights for FY2023

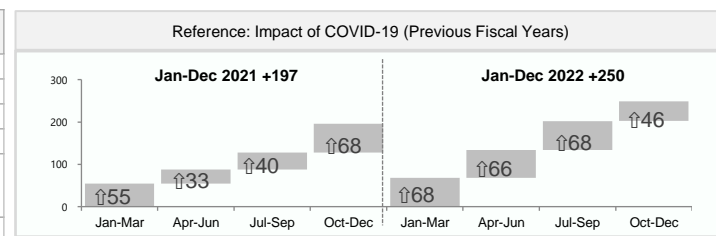
B Breakdown of Revenues and Operating Income

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	
Impact of expensing estimated property taxes at the beginning of the period	(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	(324)
Security Transportation	2
Heavy Haulage & Construction	(0)
Logistics Support	(27)
Effect of rate revision [Rate revision 132, Vehicle chartering and subcontracting costs 112]	19
Japan Business Total	(329)



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

I. Financial Results Highlights for FY2023

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

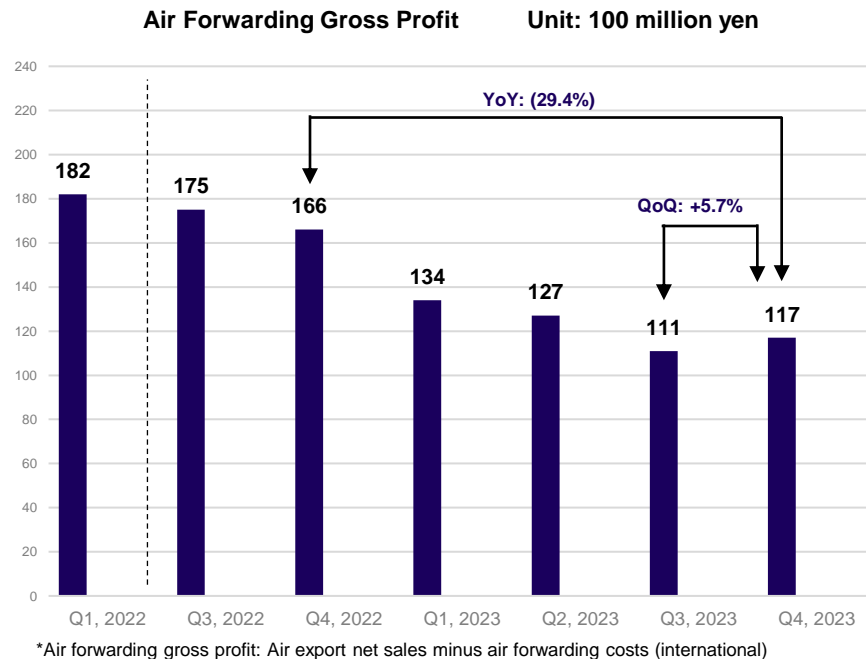
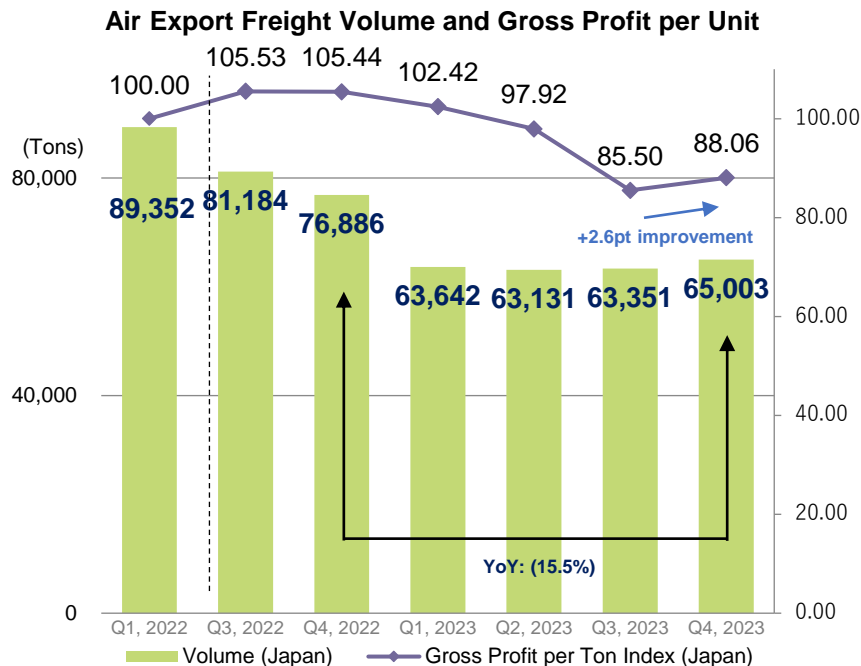
(100 million yen, %) (rounded down to 100 million yen)

Segment	Item	Q4 Results (Oct-Dec 2023)	Q3 Results (Jul-Sep 2023)	Difference QoQ	Difference QoQ (%)	Q4 Previous Forecast (Announced November 13)	Difference	Difference (%)
Japan	Revenues	3,132	3,031	101	3.3	3,214	(82)	(2.6)
	Segment income (Business Income)	156	97	59	61.7	133	23	17.9
Americas	Revenues	386	385	1	0.3	376	9	2.6
	Segment income (Business Income)	18	21	(2)	(11.0)	28	(9)	(33.3)
Europe	Revenues	515	467	47	10.1	452	62	13.8
	Segment income (Business Income)	23	25	(2)	(10.6)	26	(3)	(13.0)
East Asia	Revenues	425	377	47	12.5	441	(16)	(3.7)
	Segment income (Business Income)	5	6	(0)	(7.8)	12	(7)	(56.8)
South Asia & Oceania	Revenues	345	343	2	0.6	404	(59)	(14.7)
	Segment income (Business Income)	13	20	(6)	(32.4)	24	(10)	(43.1)
Overseas Segment Total	Revenues	1,672	1,574	97	6.2	1,675	(3)	(0.2)
	Segment income (Business Income)	61	73	(12)	(16.5)	92	(30)	(33.3)
Security Transportation	Revenues	170	169	1	1.1	173	(2)	(1.2)
	Segment income (Business Income)	2	13	(11)	(79.9)	2	(0)	(4.7)
Heavy Haulage & Construction	Revenues	112	139	(27)	(19.7)	96	16	16.7
	Segment income (Business Income)	15	19	(3)	(19.5)	20	(4)	(23.4)
Logistics Support	Revenues	1,149	1,018	130	12.8	1,149	(0)	(0.0)
	Segment income (Business Income)	41	31	10	34.0	46	(4)	(9.8)

I. Financial Results Highlights for FY2023

D Air Forwarding Gross Profit: Japan Segment

- ✓ Volume increased slightly over Q3, FY2023. Gross profit per ton also improved due to stronger space management and sales price negotiations.
- ✓ Gross profit impact was -29.4% (-4.8 billion yen) YoY and +5.7% (+0.6 billion yen) QoQ.



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

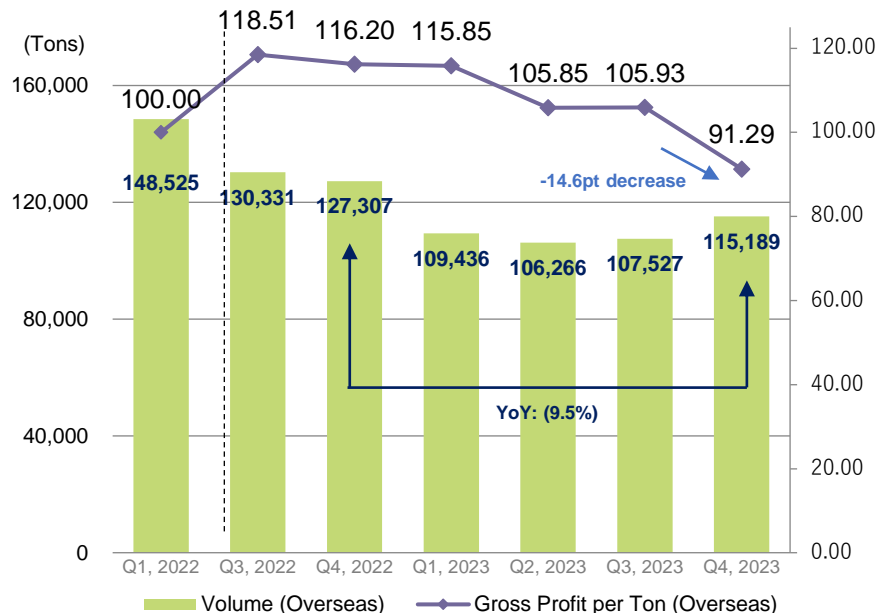
*Figures represent the change in each quarter, indexing gross profit per ton in Q1, 2022 at 100. (See Supplementary Materials on P.22 regarding trends since Q1, 2022)

I. Financial Results Highlights for FY2023

D Air Forwarding Gross Profit: Overseas Segment

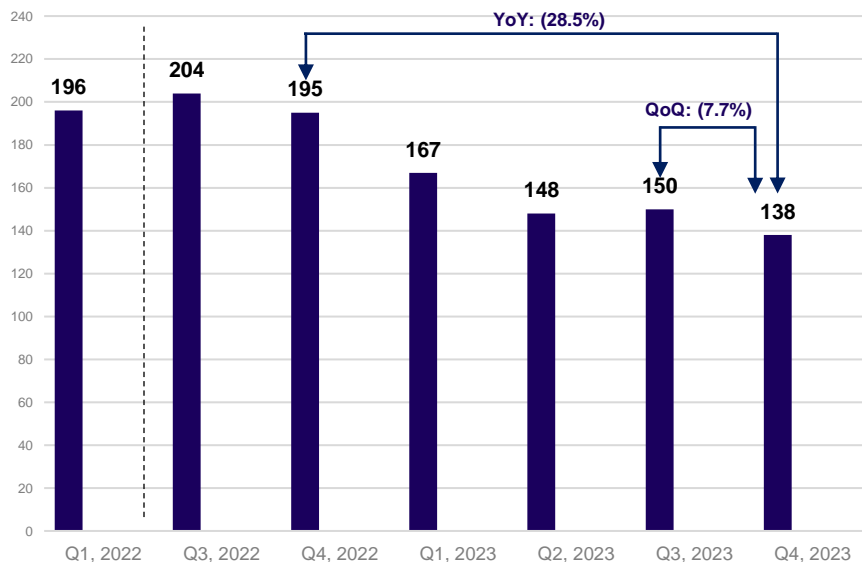
- ✓ Gross profit per ton declined due to rising air freight rates from Asia in East Asia and lower unit sales prices in Europe due to price competition.
- ✓ Although volume increased QoQ, gross profit declined QoQ due to lower gross profit per ton.

Air Export Freight Volume and Gross Profit per Unit



Air Forwarding Gross Profit

Unit: 100 million yen



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

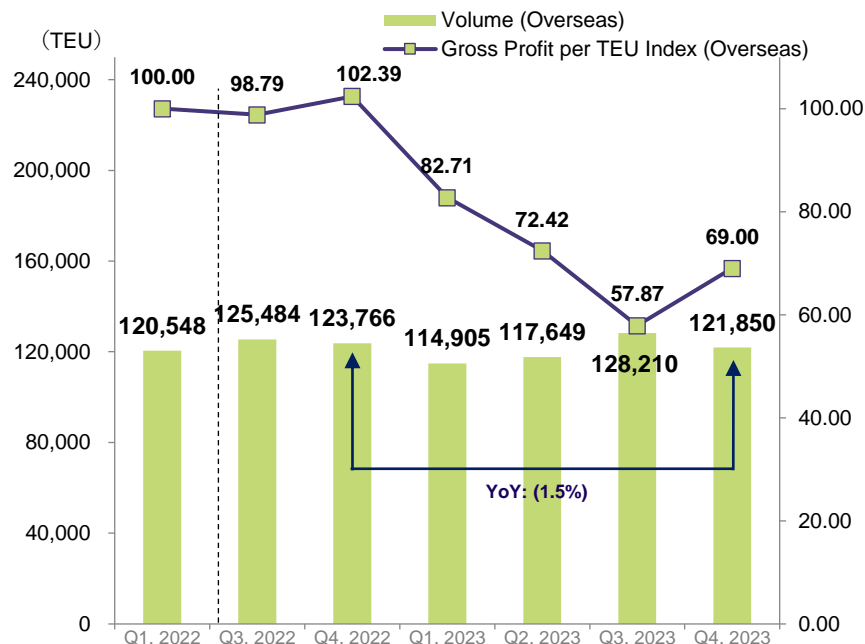
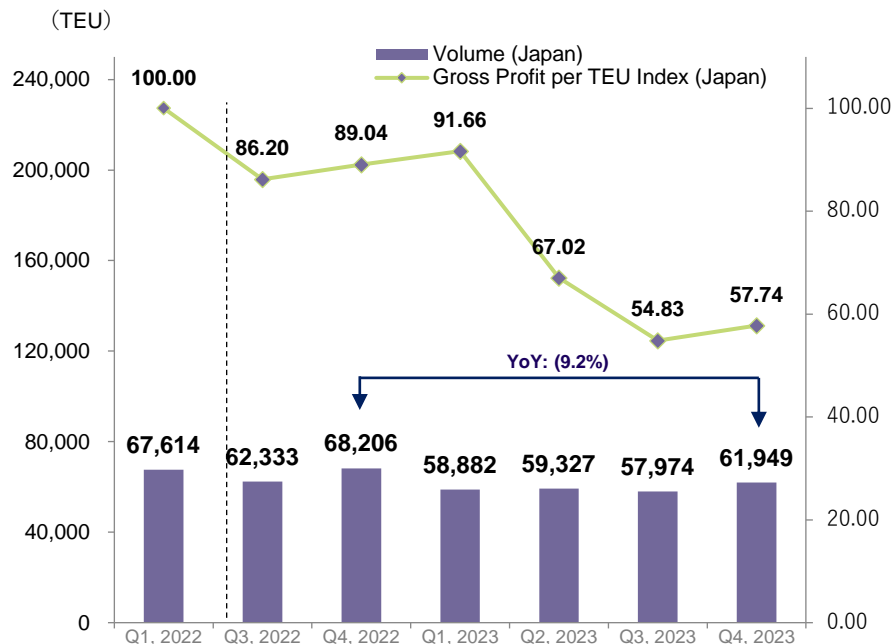
*Figures represent the change in each quarter, indexing gross profit per ton in Q1, 2022 at 100. (See Supplementary Materials on P.22 regarding trends since Q1, 2022)

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

I. Financial Results Highlights for FY2023

E Ocean Forwarding Gross Profit: Japan and Overseas Segments

- ✓ Gross profit per TEU improved compared with Q3 in Japan and overseas amid rising freight rates due to navigation restrictions in the Panama and the Suez Canals.
- ✓ Volume was slower than expected, with QoQ growth in Japan and QoQ decline overseas.



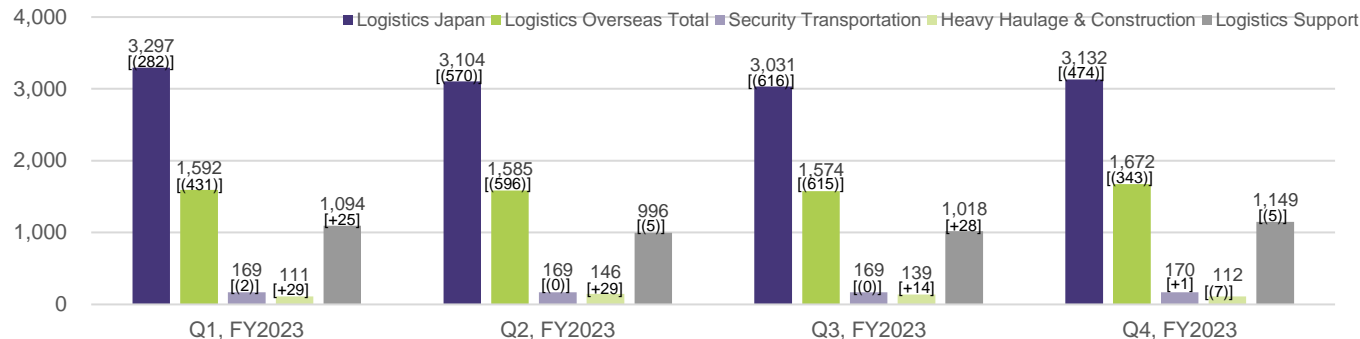
*Figures represent the change in each quarter, indexing gross profit per TEU in Q1, 2022 at 100. (See Supplementary Materials on P.22 regarding trends since Q1, 2022)

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

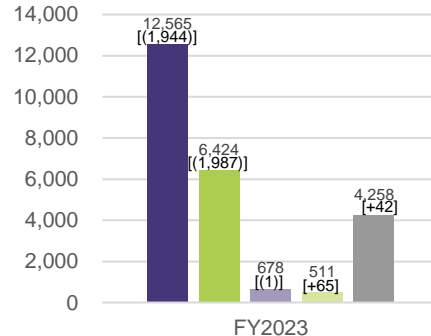
I. Financial Results Highlights for FY2023

F By Segment Quarterly

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

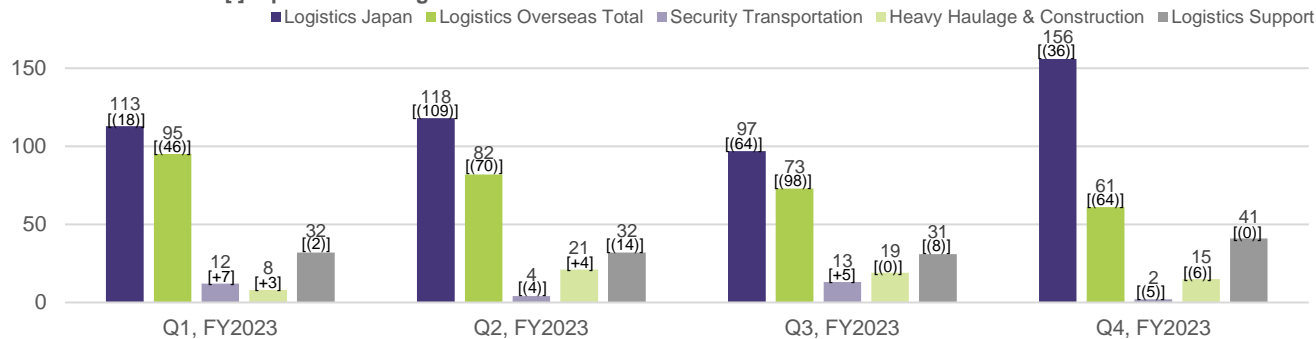


(100 million yen)

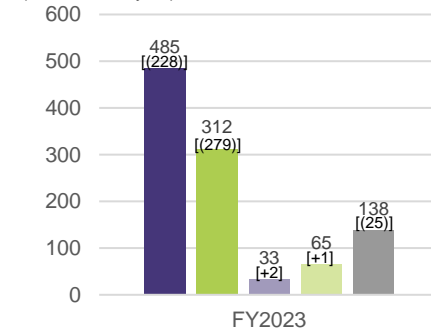


(100 million yen) Segment Income (Business Income)

* [] represents change YoY



(100 million yen)



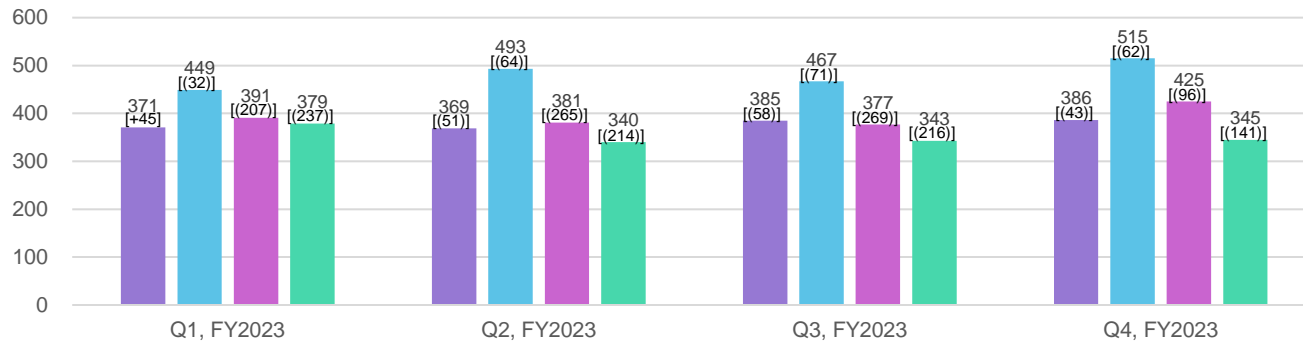
✓ While logistics demand appears to have reached a low point in the second half of FY2023, the recovery remains weak.

I. Financial Results Highlights for FY2023

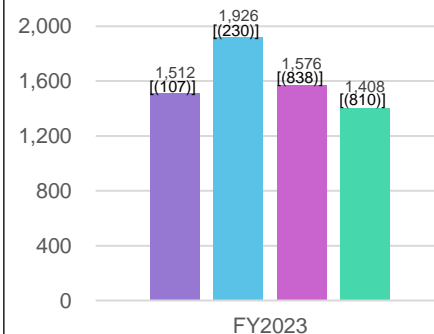
F By Segment Quarterly (Breakdown of Logistics, Overseas Regions)

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

Americas Europe East Asia South Asia & Oceania



(100 million yen)

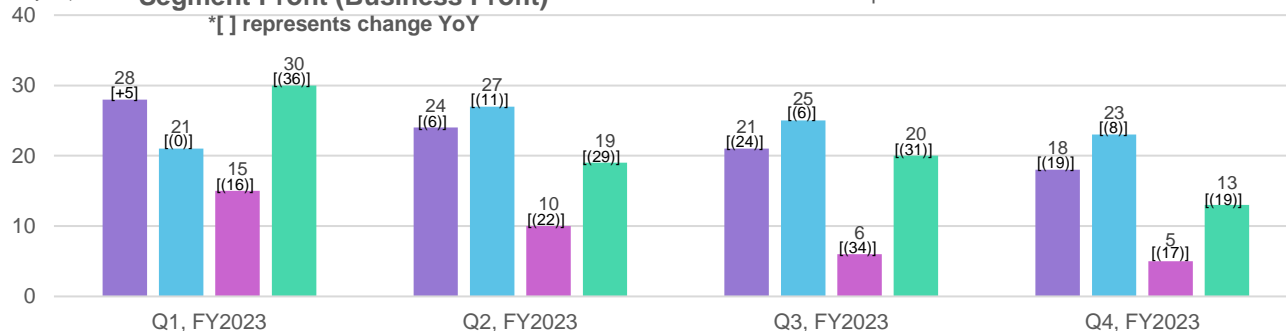


(100 million yen)

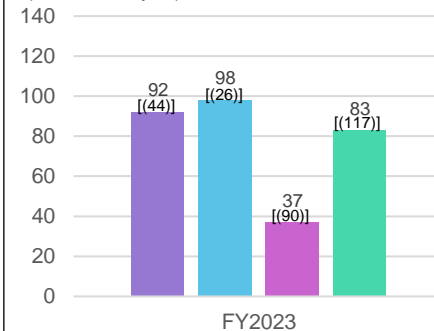
Segment Profit (Business Profit)

* [] represents change YoY

Americas Europe East Asia South Asia & Oceania



(100 million yen)



Business Plan 2023 Initiatives (Summary)

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II. Business Plan 2023 Initiatives (Summary)

A Business Plan Figures (Japanese GAAP)

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

Item	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.

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

II. Business Plan 2023 Initiatives (Summary)

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

Item Revenues	Japan*1					Overseas				
	2023 Jan-Dec Results	2022 Jan-Dec Results	Difference (%)	2023 Jan-Dec Targets	Progress	2023 Jan-Dec Results	2022 Jan-Dec Results	Difference (%)	2023 Jan-Dec Targets	Progress
Electric and Electronics Industry	¥101.2 billion	¥118.3 billion	(14%)	¥120.0 billion	84%	¥146.1 billion	¥208.3 billion	(30%)	¥174.0 billion	84%
Automotive Industry	¥83.2 billion	¥92.8 billion	(10%)	¥110.0 billion	76%	¥110.9 billion	¥131.7 billion	(16%)	¥120.0 billion	92%
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 Industry	¥18.4 billion	¥19.4 billion	(5%)	¥30.0 billion	61%	¥36.3 billion	¥41.9 billion	(13%)	¥40.0 billion	91%
Semiconductor-Related Industries	¥29.7 billion	¥53.5 billion	(44%)	¥45.5 billion	65%	¥14.7 billion	¥23.9 billion	(38%)	¥20.0 billion	74%

Item	2023 Jan-Dec Results	2022 Jan-Dec Results	Difference (%)	2023 Jan-Dec Targets	Progress
Ocean Forwarding Business*2	720,000 TEU	760,000 TEU	(4.8%)	1,100,000 TEU	65.5%
Air Forwarding Business*2	690,000 t	870,000 t	(20.0%)	1,200,000 t	57.8%

Item Revenues	2023 Jan-Dec Results	2022 Jan-Dec Results	Difference (%)	2023 Jan-Dec Targets	Progress
Non-Japanese Customer Accounts (GAM・GTA*3)	¥38.5 billion	¥113.1 billion	(65.9%)	¥86.9 billion	44.3%

*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.

II. Business Plan 2023 Initiatives (Summary)

C

Revenue by Business: FY2023 (Jan-Dec)

(Millions of yen, rounded down)

Millions of yen, %

Nippon Express Co., Ltd. Results by Business	Results	Difference		Difference (%)	
		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		Difference (%)	
		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).

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.

II. Business Plan 2023 Initiatives (Summary)

D Strategy to Enhance Domestic Businesses in Japan

Major Initiatives

I. Improve Profits

◆ Pursue daily cost controls, continuing to leverage company strengths to the fullest and reduce outsourcing cost ratios

- Utilization ratio of company-owned vehicles through FY2023 (Jan-Dec) increased +0.2 points year on year. Revenue decreased (-13.6% year on year) due to a reactionary decline in international logistics; outsourcing cost ratio rose +4.9 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 our margin ratio by maximizing company strengths and using company-owned vehicles.

◆ Receive appropriate fees

- Rate revisions through FY2023 resulted in net sales impact of approximately 11.1 billion yen (Nippon Express).
- Strong efforts to receive appropriate fees resulted in a significant increase over the same period last year. Redoubled efforts in FY2024

◆ 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 (67 companies to be integrated into the parent or liquidated (18 companies, 32 companies, and 17 companies in FY2023, FY2024, and FY2025, respectively); 14 companies to remain as-is)

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: 117)
 - E-learning: Foster an understanding of standardization and improve business operations (all employees)

II. Improve Productivity (Continued)

◆ Automate, streamline office work

- Pursued two pillars of RPA through FY2023: (1) RPA managed centrally by headquarters IT department and (2) RPA automation implemented at branches and sections. In FY2024 onward, we will integrate RPA tools into those tools managed centrally by the headquarters IT department to continue incorporating new technologies.
- Reduction target for FY2023: Cumulative 2,150,000 hours (annualized)
- FY2023 results: Cumulative 2,212,812 hours (vs. target: +62,812 hours)

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 567 projects this fiscal year (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 addressing the 2024 problem and decarbonization as transportation modes 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 FY2023: 9,795 tons (95.9% 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. We also improved quality through detailed quality training. (Ranked No. 1 in customer satisfaction (Oricon survey) for three consecutive years) FY2023 cumulative average NPS 56 points (+2 points year on year)

◆ Strengthen and pursue Arrow Delivery Business

- Signed an agreement in February 2024 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

- Introduced new equipment matching customer needs to improve customer load rates. FY2023 Results 37,735 units (118.2% vs. the previous year)

II. Business Plan 2023 Initiatives (Summary)

E Back Office Cost Reductions

Enhancing Japanese Domestic Businesses	Item	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 departments	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	-	-	-¥0.61 billion [-68 employees]	-¥4.35 billion [-485 employees]	-¥4.5 billion [-500 employees]	97%
	Reassign HQ employees	-	-¥0.82 billion [-91 employees]	-¥0.04 billion [-4 employees]	-¥0.38 billion [-42 employees]				
Back office process reform	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.55 billion	+¥0.27 billion	+¥0.15 billion	-¥0.97 billion	-¥5.0 billion	19%
	Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.20 billion	+¥0.91 billion	+¥0.66 billion			
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.

II. Business Plan 2023 Initiatives (Summary)

F Pursuing RPA and NX-OCR

Why Adopt RPA?

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

~ 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

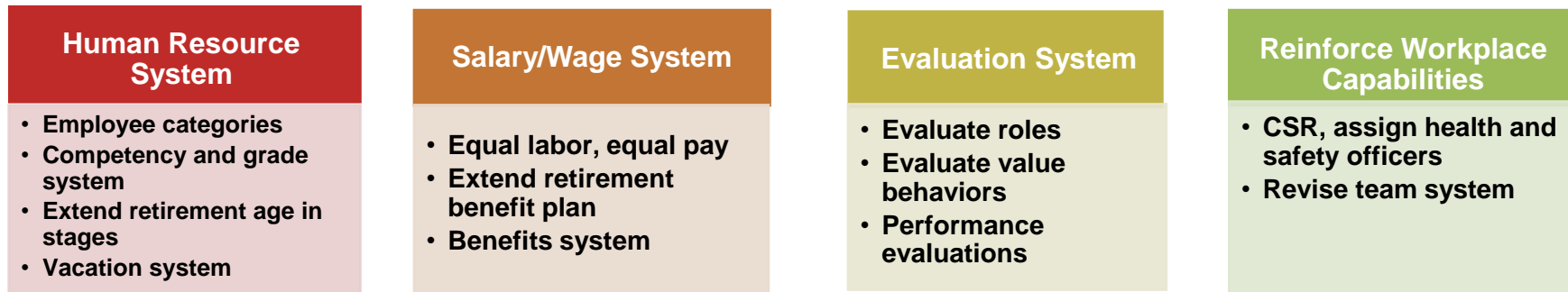


Measures to Promote RPA Adoption

- (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

II. Business Plan 2023 Initiatives (Summary)

G Impact of Employee System Reform



	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)	¥0.98 billion increase (Jan-Dec Results)	¥9.12 billion increase

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.

(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 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.

(5) Integrated Business Reform

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

(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.

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



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

II. Business Plan 2023 Initiatives (Summary)

I ESG Management

CO2 emissions reductions vs. FY2017

FY2017	FY2019	FY2020	FY2021 Apr-Dec	FY2022 Jan-Dec	FY2023 Jan-Dec (preliminary)	Target FY2023
468,069t <i>Indicator</i>	414,884t (53,185t)	401,580t (66,489t)	290,779t (Prior-year results: 288,894t)	404,438t (63,631t)	395,436t [vs. target: (45,436t)] <small>*Including NXCL</small>	350,000t (118,069t) <small>*Upward revision in FY2021</small>

Promote diversity -rate of women in continuing service*- (*Calculation of retention rate for female career employees in or around eighth year of service)

FY2018	FY2019	FY2020	FY2021	FY2022	As of December 2023	FY2023
Women: 48.2% Men: 71.8%	Women: 50.5% Men: 68.0%	Women: 55.9% Men: 67.5%	Women: 55.7% Men: 65.0%	Women: 64.9% Men: 67.8%	Women: 60.9% Men: 66.2% (5.3% gap)	Same level as men

-rate of men taking childcare leave-

FY2018	FY2019	FY2020	FY2021	FY2022	As of December 2023	FY2023
2.8%	3.3%	12%	19.2%	35.7%	42.4%	40%

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

FY2017	FY2019	FY2020	FY2021	FY2022	As of December 2023	FY2023
24.3% <i>Indicator</i>	40.9% (168.3% vs. FY2017)	44.9% (12.2 days taken)	49.0% (11.4 days taken)	57.8% (15.9 days taken)	63.2% (17.1 days taken)	60% <small>*Upward revision in FY2022</small>

II. Business Plan 2023 Initiatives (Summary)

J Business Plan Initiatives for Achieving Our Long-Term Vision

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

~ FY2023

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

Completed share acquisition of cargo-partner on January 4, 2024 (converted to subsidiary)
Completed share acquisition of Tramo SA on October 31, 2023 (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

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)

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

III. Financial Results Forecast for FY2024

A FY2024 First Half and Second Half Forecasts

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

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 (%)
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

III. Financial Results Forecast for FY2024

B Performance by Segment (Full Year)

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

III. Financial Results Forecast for FY2024

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

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

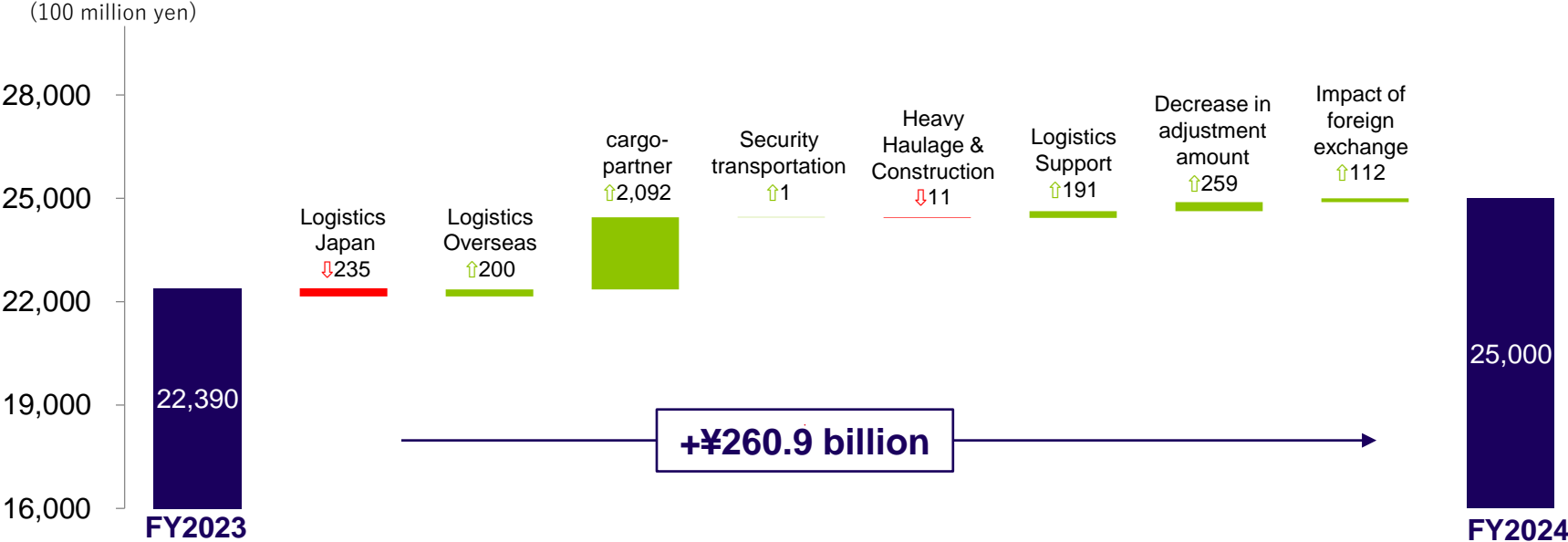
Segment	Item	1H Forecast (Jan-Jun 2024)	Prior Year 1H Results (Jan-Jun 2023)	Difference YoY	Difference YoY (%)	2H Forecasts (Jul-Dec 2024)	Prior Year 2H Results (Jul-Dec 2023)	Difference YoY	Difference YoY (%)
Japan	Revenues	6,130	6,402	(272)	(4.3)	6,200	6,163	36	0.6
	Segment Income (Business Income)	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 & Oceania	Revenues	710	719	(9)	(1.3)	790	688	101	14.7
	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)

Forward-looking figures shown on this page represent current targets and plans, and are not guaranteed results. These forward-looking figures may differ significantly from actual results due to various risks and uncertainties. Nippon Express Holdings, Inc. is under no obligation to update said information due to subsequent changes in circumstances.

III. Financial Results Forecast for FY2024

C Breakdown of Revenues and Operating Income

Revenues

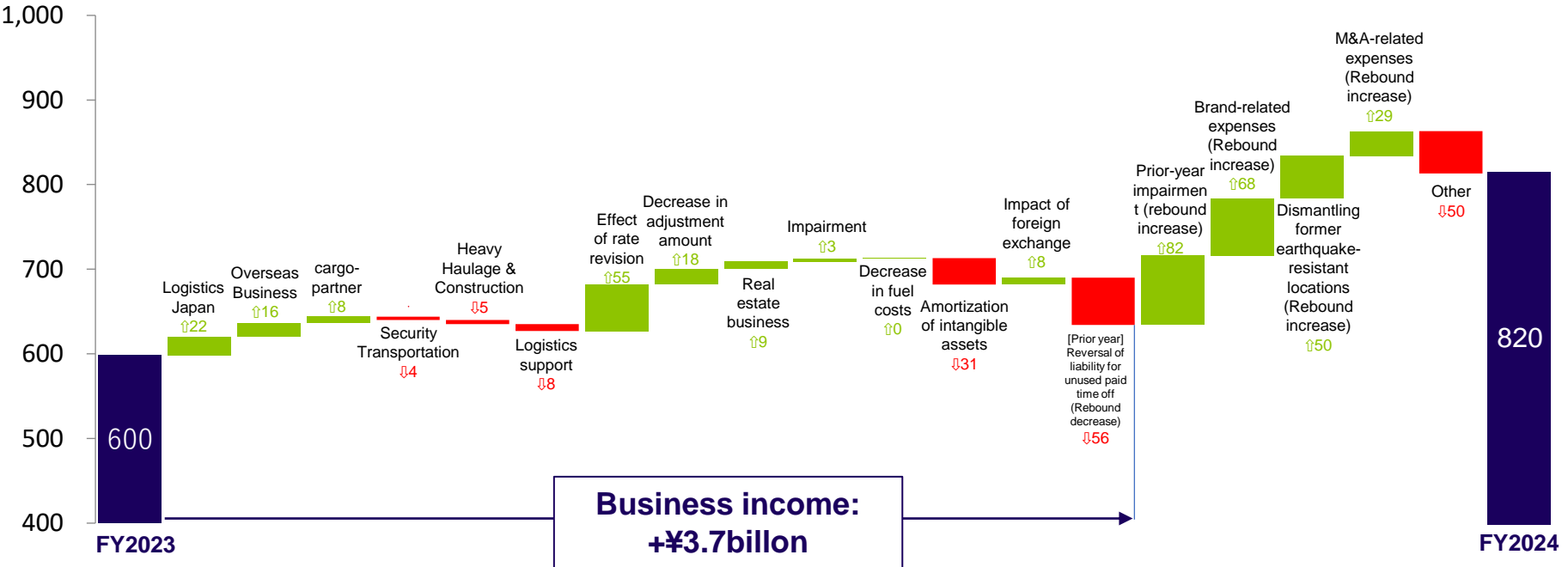


III. Financial Results Forecast for FY2024

F Breakdown of Revenues and Operating Income

Operating Income

(100 million yen)



Return to Shareholders

A. Capital Policies P.36

B. Key Indicators P.36

IV. Return to Shareholders

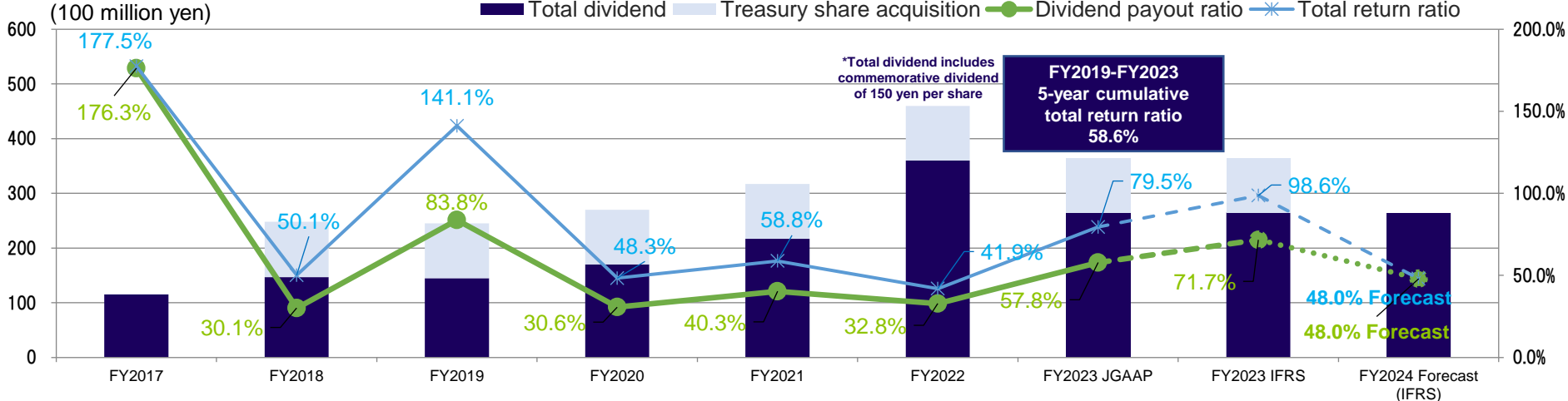
A Capital Policies

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



- ROE: Over 10 %
- Dividend payout ratio: Over 40%
- Total return ratio: Over 55%
(cumulative total FY2024-FY2028)
- Equity ratio: Target 35%

B Key Indicators



Dividend per Share (Full-Year)	120*	155	155	185	240	400 (including 150 yen commemorative dividend)	300	Forecast	300
ROE	1.2 (JGAAP)	9.2 (JGAAP)	3.2 (JGAAP)	10.0 (JGAAP)	8.9 (JGAAP)	15.9 (JGAAP)	5.9/4.8 (JGAAP/IFRS)	Forecast	6.8 (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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