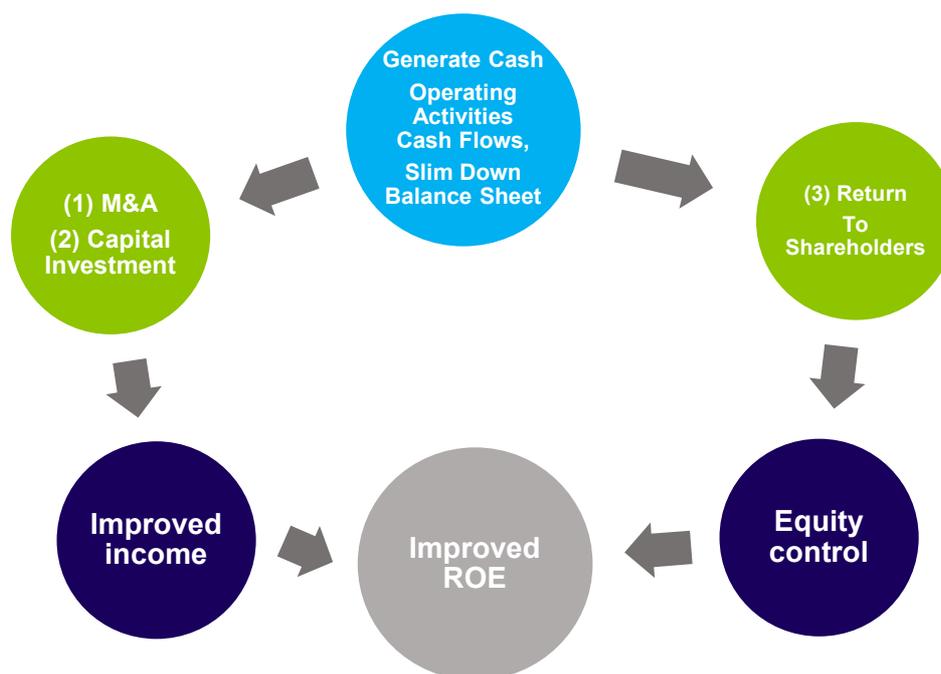




**IR Day 2022 Session 3
Initiatives to Improve Capital Efficiency**

**Director and Managing Executive Officer: Takashi Masuda
NIPPON EXPRESS HOLDINGS, INC.
September 15, 2022**

Initiatives Toward Improved Capital Efficiency



Our current business plan calls for an inorganic growth strategy, the reinforcement of functions to support challenges, and ESG management for sustainable growth and improved corporate value. The intent behind these initiatives is to build a stronger foundation for earnings through business growth strategy and to achieve our long-term vision. Our aim is to achieve our long-term vision through a two-tiered structure of business growth strategy and initiatives designed for our long-term vision.

Our inorganic growth strategy as an initiative to achieve our long-term vision means, simply speaking, growth into a global mega-forwarder through M&A. To achieve this strategy requires two important preparatory steps, namely, (1) optimizing our portfolio through selection and concentration and (2) slimming down our balance sheet while engaging in cash flow management.

Along with optimizing our business portfolio, we aim to generate cash by slimming down our balance sheet and using the resulting cash to conduct M&A. Among the key performance indicators in our business plan, our greatest emphasis is on the ROE target of 10%. We aim to improve ROE together with controlling shareholders' equity through shareholder returns and other means, based on the assumption of stable dividends.

At the same time, we recognize it is essential to strengthen financial governance. We improved our structure through ROIC management aimed at improving asset efficiency, and we also established an investment committee for M&A in conjunction with the shift to a holding company structure.

We plan to allocate the cash generated from operating cash flows and slimming down our balance sheet to M&A, which is the most important factor for achieving inorganic growth. In addition, we intend to use cash to bolster shareholder returns.

We plan to make capital investments of 450 billion yen, including asset liquidization, over the five-year period of our current business plan, investing aggressively in capital that will contribute to improved profitability. Further, we recognize the importance of preparing for future investments related to sustainability and digital transformation (DX). Third, we will strive to return profits to shareholders based on our capital policy, aiming for a dividend payout ratio of 30% or more, a total return ratio of cumulative 50% or more, and an equity ratio of approximately 35%.

We continue our efforts to create a positive cycle by utilizing cash generated, improving earnings, and controlling equity capital, which will lead to higher ROE.

Generate Cash (Results)

(1) Slim Down Balance Sheet

- Sale of former headquarters building in Shiodome (sales price: ¥73.2 billion; gain on sale: ¥65.8 billion)
*Currently considering the sale of offices in the Kanto region
 - Liquidation of Yokkaichi Logistics Center: ¥3.6 billion
*Currently considering the development of a base in Kyushu using a liquidization scheme
- *Past transactions**
- Liquidization of the Mizonokuchi Distribution Center and pharmaceutical locations **¥50.0 billion**
 - Spinning off leasing business, Reduction in interest-bearing debt **Approx. ¥140.0 billion**

(2) Sale of Strategic Shareholdings

- FY2019 (Results) **¥ 1.0 billion**
- FY2020 (Results) **¥11.6 billion**
- FY2021 (Results) **¥ 6.9 billion**
- FY2022 to FY2023 (plan) **¥10.0 billion**

I will discuss the progress of our scenario to improve ROE.

First, allow me to report on the major balance sheet streamlining projects for cash generation.

In April of this year, we sold the former Shiodome headquarters building. As stated in the presentation materials, the selling price was 73.2 billion yen, and we recorded an extraordinary gain of 65.8 billion yen in the second quarter of this year.

Second, we liquidated the Yokkaichi Logistics Center as a new project in liquidating assets. The center provides services related to semiconductor production and logistics, and the effect of this liquidation was approximately 3.6 billion yen. In the Kyushu area, we are considering the development of a new location for the semiconductor industry using the liquidation mechanism. In the future, we hope to leverage other locations in similar liquidation mechanisms.

In terms of cash generation through by slimming down our balance sheet, in combination with cash generated to date, we believe we have made considerable progress in reducing assets and interest-bearing debt with M&A in mind.

Next, we sold 6.9 billion yen across 15 strategic shareholdings in 2021, and we plan to sell another 10 billion yen between this year and next. Our basic policy is to examine the logic of each of our strategic shareholdings regularly, continuing to negotiate with our shareholding partners, to monitor the timing, and to eliminate strategic shareholdings ultimately.

Cash Generation Activities (Results)

(1) Capital Investments & M&A

- Capital investments FY2021 (results) ¥56.5 billion
FY2022 (plan) ¥64.0 billion

*Excluding leased assets

*FY2021 results are for the nine-month period (April-December) due to a change in the fiscal year end

*Looking forward, we will leverage generated capital for aggressive investments targeting growth, including M&A.

(2) Initiatives Toward Improved Capital Policies

- Achieve a dividend payout ratio of at least 30% and a cumulative total return ratio of at least 50%.

| | Annual dividend per share (¥) | Total dividend (¥100 million) | Dividend payout ratio (%) | Share buyback (¥100 million) | Total return ratio (%) | Total return ratio (cumulative) (%) |
|-------------------|-------------------------------|-------------------------------|---------------------------|------------------------------|------------------------|-------------------------------------|
| FY2019 (results) | 155 | 145 | 83.76 | 100 | 141.08 | |
| FY2020 (results) | 185 | 170 | 30.59 | 100 | 48.31 | |
| FY2021 (results) | 240 | 217 | 40.32 | 100 | 58.80 | |
| FY2022 (forecast) | 400 | 362 | 28.96 | 100 | 37.00 | |

Next, I will explain how we are using our cash.

The cash we generate will be used for investments in growth, including M&A and capital investment, as well as for shareholder returns in accordance with our capital policy. We are currently in the process of exploring specific M&A deals on multiple fronts, an explanation of our M&A initiatives will come later in the presentation.

Also, we plan to invest 64 billion yen this year in capital investment. The main components of the capital investment plan include vehicles and IT systems related to the pharmaceutical logistics business, as well as group management infrastructure and operational support systems. We will continue to invest aggressively for , growth, focusing on investments in the five priority industries defined in our business plan.

The third point is related to shareholder return, as described in this slide.

We will continue striving for higher shareholder returns, keeping in mind the goals of our business plan.

Improve Business Indicators

(1) Slim Down Balance Sheet & Improve Business Indicators

- Slim down the balance sheet and improve business indicators by selling real estate and strategic shareholdings.

| | Results | Results | Results | *1 Results | Forecast |
|--------------------------------|---------|---------|---------|------------|----------|
| Fiscal year | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
| Ratio of revenue to net profit | 2.3% | 0.8% | 2.7% | 2.8% | 4.8% |
| Total asset turnover | 140.0% | 136.2% | 132.0% | 143.8% | 157.2% |
| Financial leverage | 284.6% | 282.0% | 280.7% | 266.6% | 244.8% |
| ROE | 9.2% | 3.2% | 10.0% | 10.9% | *2 18.5% |

*1 FY2021 figures are pro forma figures for the period from January to December 2021

*2 ROE forecast is 12.1%, excluding the sale of the former Shiodome headquarters building in 2022

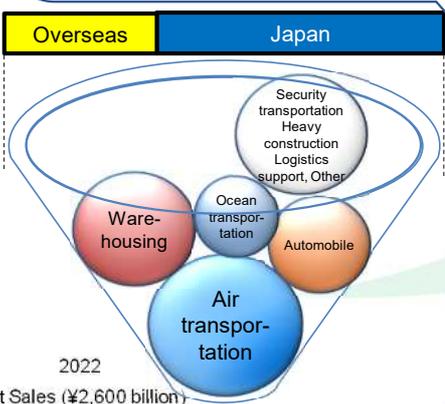
We have broken down ROE into ratio of revenue to net profit, total asset turnover, and financial leverage.

Fiscal 2021 is a nine-month period from April to December due to a change in the fiscal year end. Pro forma figures are estimated for the period from January to December. The higher ROE forecast for fiscal 2022 compared to the previous year is due to the impact of the extraordinary gain from the sale of the former Shiodome headquarters building mentioned earlier. Excluding the impact of this transaction, the pro forma figure would be 12.1%.

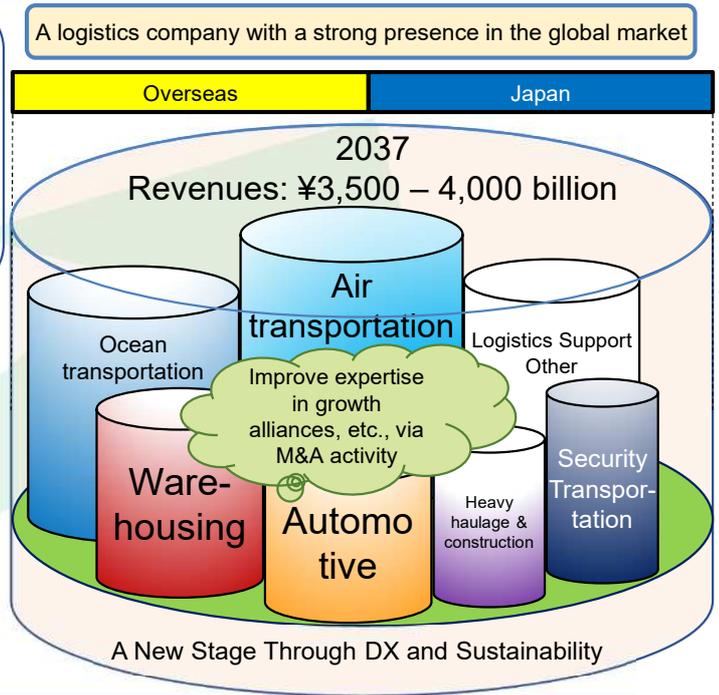
Our efforts to improve capital efficiency have been successful in generating cash. We intend to use this cash to make investments in core businesses, in more profitable businesses, and in M&A. We will also improve capital efficiency by replacing assets and optimizing our business portfolio.

Optimize Business Portfolio & Vision for 2037

- Reorganize and integrate overlapping businesses and functions within the group
 - Reorganize logistics finance business (January 2023)
 - Reorganize real estate business and functions
 - Reorganize automotive maintenance, temporary staffing, etc.
- Enhancing Japanese Domestic Businesses
 - Spin-off of security and transportation business (January 2023)
 - Reform logistics, railway utilization, small-lot shipment, coastal shipping, and integrated business (alliances, carve-outs, etc.)
 - Liquidation of non-core and unprofitable businesses
- Pursue M&A
 - Focus on global forwarders in air and ocean cargo transportation



2022
Net Sales (¥2,600 billion)



A logistics company with a strong presence in the global market

Overseas Japan

2037
Revenues: ¥3,500 – 4,000 billion

Air transportation
Ocean transportation
Warehousing
Automotive
Heavy haulage & construction
Security Transportation
Logistics Support Other

Improve expertise in growth alliances, etc., via M&A activity

A New Stage Through DX and Sustainability

This slide shows our current business portfolio and the concept of the business portfolio we are aiming for our long-term vision.

With respect to optimizing our portfolio through selection and concentration, since fiscal 2020, we sold the Seikan Ferry operator and our driving school business, as well as liquidating our travel business and acquiring MD Corporation in the United States. We believe that our transition to a holding company structure has made it easier to review and revise our business portfolio. We also intend to reorganize the Group's businesses as we continue to reinforce the holding company structure.

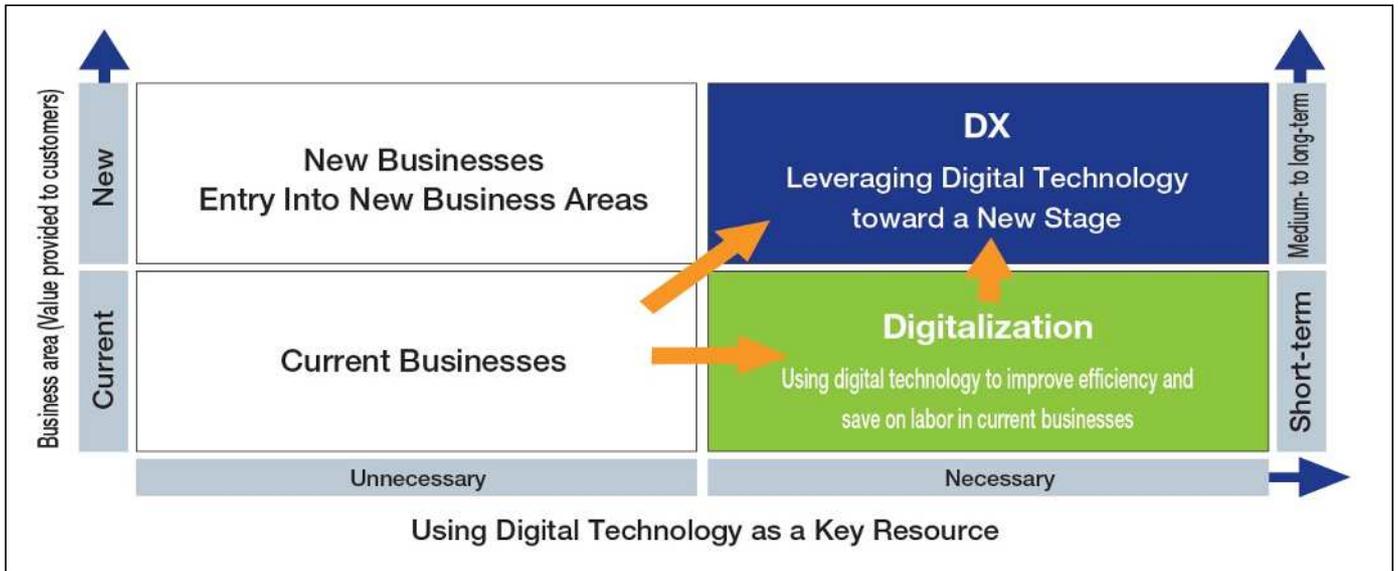
One measure here is the reorganization and integration of overlapping businesses and functions within the group. In January of next year, we intend to reorganize the NX Capital logistic finance business under NX SHOJI CO., LTD. We believe this reorganization will create group synergies through enhanced business sophistication and improved operational efficiencies. Reorganizing the real estate business function, the automotive maintenance business, and the temporary staffing business is another matter we intend to look into.

Restructuring our Japanese Domestic business is an important task for us, and we are preparing to spin off of the security transportation business into a new entity, NX Cash Logistics Co., Ltd., which will begin operations in January next year. We are currently filing for approvals and putting systems and rules into place.

As explained in Session 2 regarding our business structure reform project, we are considering reforms in our logistics, railway utilization, small-lot shipment, coastal shipping, and integrated business, consisting of alliances, carve-outs, etc. Next, with respect to the business portfolio envisioned in our long-term vision, we aim to become a global mega-forwarder with sales of 3.5 to 4 trillion yen, half of which will be overseas sales, by 2037. We believe that it is essential to grow our air transportation, ocean transportation, and other logistics businesses, including M&A as a means for growth, particularly as related to our ocean transportation business.

Beginning in the 2030s, the logistics industry is expected to undergo a rapid transformation as digital technologies evolve and AI is adopted to a greater degree. These developments will lead to innovations including automated driving and automated/unattended warehouse operations. As we contribute to sustainable societies, and amid the logistics industry changes from labor-intensive operations to machine-based operations, we believe we must predict the future transformations driven by DX, and consider the significance of our existence and businesses in this context. These will be important matters in our next business plan, and we are making preparations to this end. We envision that our future business portfolio will incorporate new businesses related to DX and sustainability, in addition to our current logistics-focused businesses.

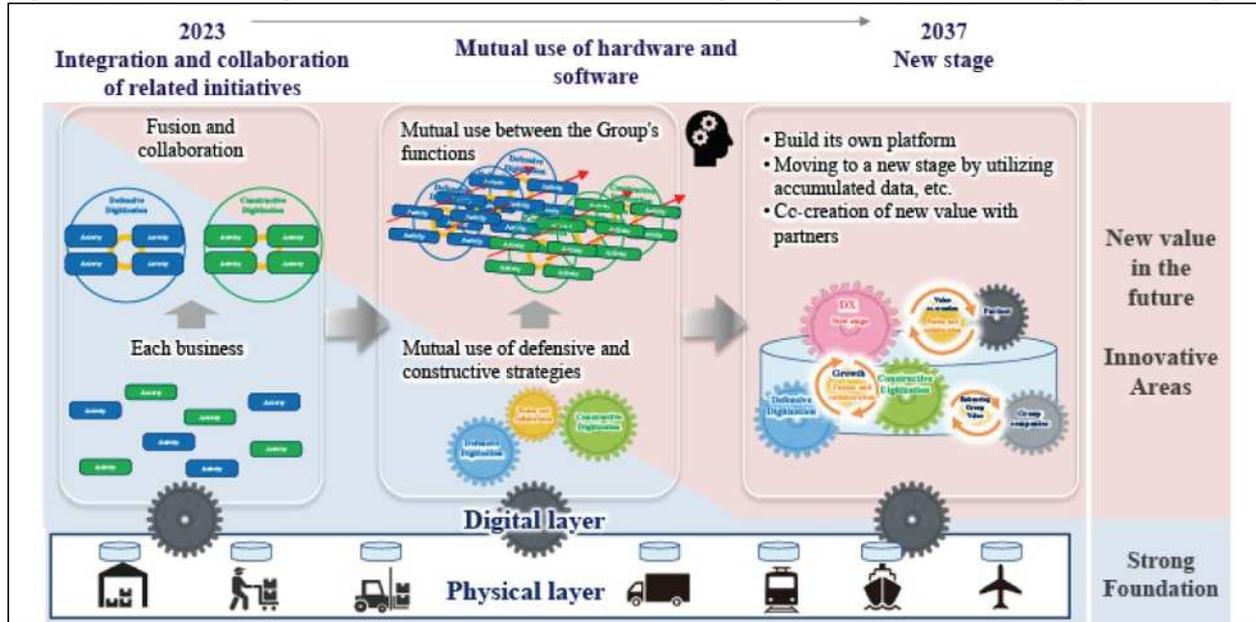
NX Group Ambidextrous DX Strategy



Based on this recognition, we aim to achieve DX over the medium to long term, advancing to a new stage of digitalization and beyond. I will address our progress in these initiatives next. As a concept driving our approach toward DX, we see DX beyond simple digitalization. First, we will pursue digitalization to ensure our operations are more efficient and labor-saving.

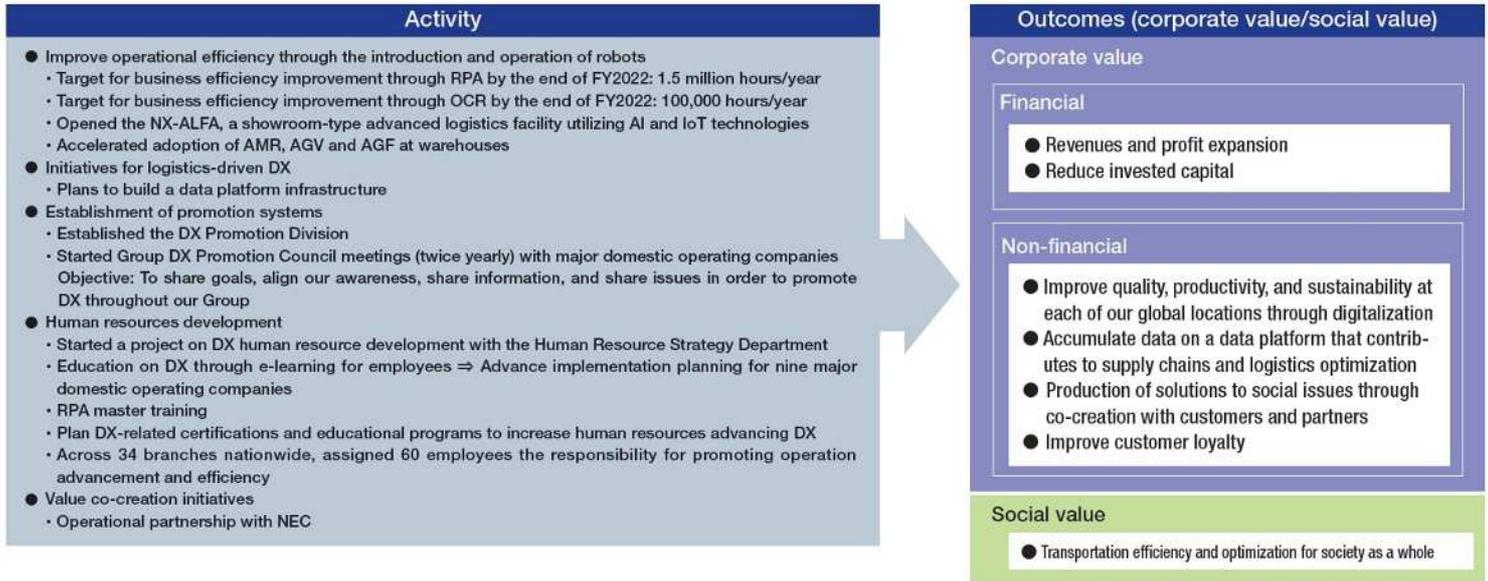
NX Group Direction for DX

The NX Group will leverage the knowledge and data obtained from physical assets and the solid physical layer (foundation) built on these assets that handles a wide variety and volume of cargo. In this way, we will engage in logistics-based DX through the accumulation of new value through digitalization and the turning gears of a digital layer.



In our pursuit of digitalization and DX, we recognize that the strength of the NX Group lies in the fact we have truck, ocean, air, and warehousing operations as part of our business. First, we will pursue the digitalization of various operations related to these modes of transportation to improve operational efficiency and reduce labor. At the same time, we will develop and use the data and other benefits obtained through logistics services to build our own platform, co-create new value with partners, and engage in other measures to achieve DX.

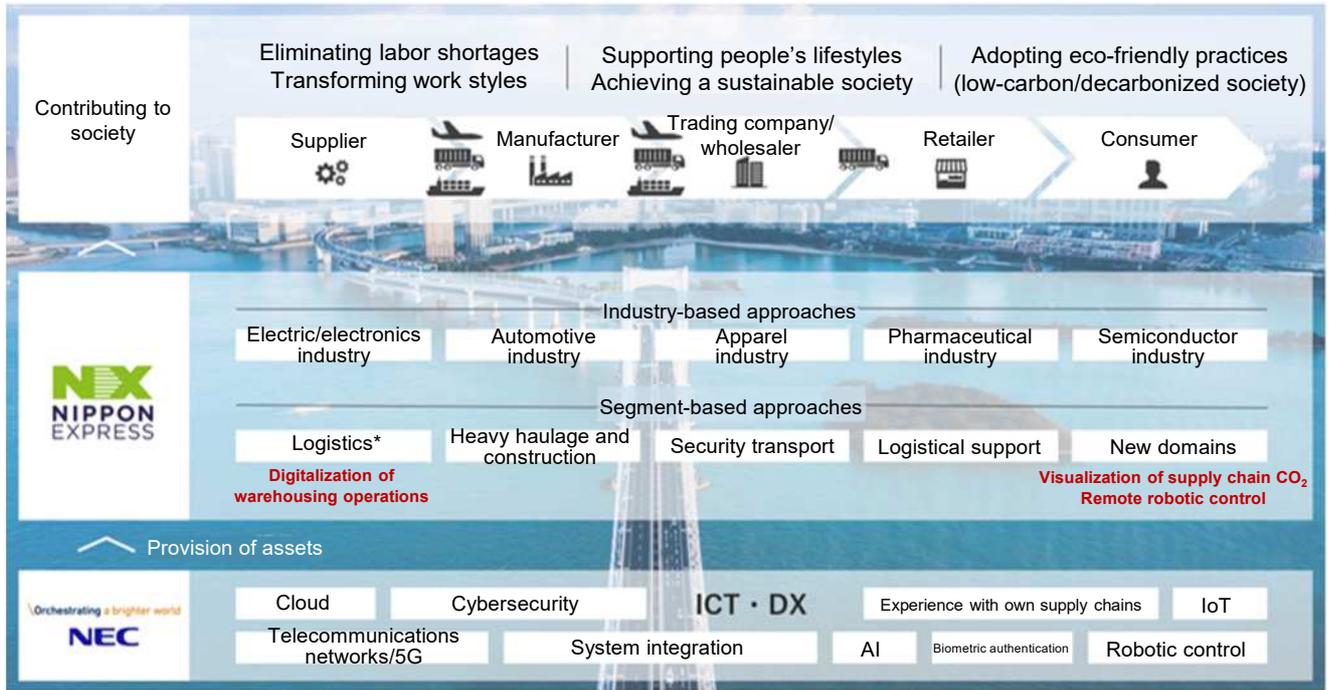
DX Strategy Activities and Outcomes



* KPI for progress of materiality is to be determined

This section addresses the current status of our efforts, activities and, the resulting outcomes. We plan to confirm the ripple effects of strategies and measures, while striving to moving forward in defining a roadmap that incorporates DX for our future.

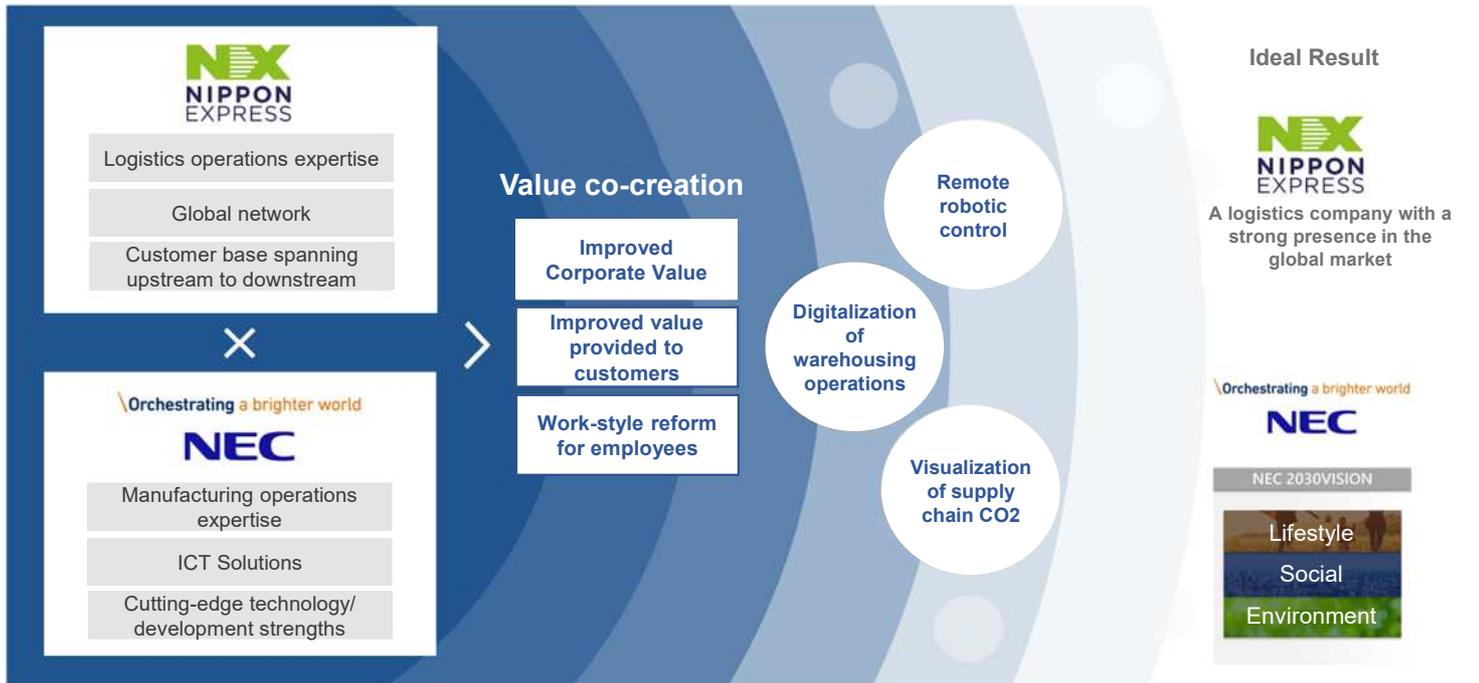
Overview of the NX Group x NEC Business Alliance



Next, as an example of our specific efforts toward digitalization, I want to highlight our business alliance with NEC for value co-creation. This is an alliance we have been working on since last year.

By combining the NEC technological capabilities in ICT and DX with the NX Group logistics expertise in each industry and segment focuses, we expect to offer social contributions that include the elimination of labor shortages and consideration for the environment.

NX Group x NEC Value Co-Creation



The value co-creation between NEC and the NX Group will produce advancements in corporate and customer value, work-style reform, and other types of value. To this end, we are collecting and analyzing data using technology involving remote robot operation, digitalization of warehouse operations, and visualization of CO2 emissions in the supply chain. We will provide updates on our progress in this area as appropriate as we solidify solutions. In addition, we are establishing a business portfolio management framework, aiming to drive business portfolio management throughout the group. We plan to provide updates as we make progress based on this project to raise the sophistication of business management information available.

M&A Strategy (Toward Achieving Our Long-Term Vision)

(1) M&A Policy

- M&A for ~“Dynamic Growth”~
⇒ Growing into a global mega-forwarder
(secure global network, management foundation, non-Japanese customers, etc.)

(2) M&A History (Since 2011)

| Company Name | Region | Acquisition Date |
|----------------------|--------------|------------------|
| AGS | The Americas | March 2012 |
| APC | East Asia | October 2012 |
| Franco Vago | Europe | February 2013 |
| Nittsu NEC Logistics | Japan | December 2013 |
| Nittsu NP Logistics | Japan | January 2014 |
| Wanbishi | Japan | December 2015 |
| Traconf | Europe | March 2018 |
| MD | The Americas | September 2020 |

Eight companies

| | | | |
|--------------------|--|---|---------------------------------------|
| ◎ Investment | ¥160.0 billion | | |
| | (Total in the first year of acquisition) | ⇒ | (Total for FY2021) |
| ◎ Revenues | ¥155.7 billion | ⇒ | ¥265.1 billion |
| ◎ Operating income | ¥5.2 billion (profit margin 3.4%) | ⇒ | ¥16.0 billion (profit margin 6.0%) |

Next, I will address our M&A strategy.

For us to become a global mega-forwarder, we must leverage M&A activities to not only build a global network, but also to build foundations for global management, for non-Japanese global customers, and for our forwarding businesses.

We have been working to expand our business through M&A. Since 2011, we have entered into eight M&A transactions in Japan and overseas, with a total investment in these projects amounting to approximately 160 billion yen.

In fiscal 2021, these entities recorded revenue of 265.1 billion yen, operating income of 16.0 billion yen, and an operating profit margin of 6%.

These results represent about 11% of consolidated revenues and about 17% of operating income on an accumulated basis, or about 12% after goodwill amortization. Although we did record impairments in terms of accounting, we view these results as a contribution to the expansion of our scale as a group, showing progress toward efficient management, and a strengthening of the management foundation of the group.

M&A Strategy (Toward Achieving Our Long-Term Vision)

(3) Strengthen Post-Merger Integration (PMI) System

- Strengthen domestic and overseas sales capabilities to increase the synergy creation effect.
- Create mutual sales synergies through collaborations between acquired companies and overseas regions
- Develop an integration plan for future M&A, including PMI with respect to business management

(4) Initiatives to Grow Into a Global Mega-Forwarder

Recent M&A market trends

- European mega-forwarders: K&N acquisition of APEX, DSV acquisition of Agility
- Asian mega-forwarders: SF acquisition of Kerry, Kerry acquisition of Topocean
- Port management companies: DP WORLD acquisition of Syncreon, Imperial
- Shipping companies: MAERSK, CEVA and other acquisitions to provide total logistics services
⇒ Heightened acquisition costs, M&A focused on increasing market scale (share)
- ◎ Keep away from price competition, and seek collaboration in order to pursue synergies
- ◎ Add digital transformation and sustainability-related businesses as M&A targets, and shift to a more forward-looking M&A strategy

Next, I will discuss our efforts to create and maximize synergies stemming from M&A activities.

We aim to accelerate and maximize synergies by continuing and strengthening our post-merger integration (PMI) system. In addition to PMI activities in each region, we assign sales staff to overseas regions other than regions covered by acquired companies and to domestic blocks in Japan. At the same time, the sales section at our headquarters collects information and manages and conducts ongoing support for acquisitions. In this way and more, we accumulate new expertise. We are also creating mutual and rapid sales synergies through collaborations between acquired companies and overseas blocks

As we engage in this process, we accumulate expertise on PMI in terms of M&A management. One example is the integration of companies we merged in Italy. Based on this system and the accumulation of expertise, we intend to maximize synergies in future M&A projects. We are making detailed preparations of integration plans that incorporate quantitative and qualitative means for measuring the effects of synergies.

Next, I will address recent M&A trends among global forwarders.

We are seeing indications that the peak has passed with regard to the tight supply and demand environment in international freight forwarding and the strong condition of the industry. And there have been a variety of acquisitions, both large and small. While transaction values have calmed down relatively from the highs of the past, shipping carriers, the mega forwarders in Europe and the U.S., and others continue to engage in active M&A activity.

Our approach to M&A reflects both a “do-it-yourself” approach with a “door-knock” approach. While we respect the culture of the target entity, we seek collaboration with a focus on synergies, aiming for M&A that leads to win-win situations

We are also conscious of the need for a 10% return on investment (ROIC), including synergies with the target entity, when investing in M&A. In the past during M&A activities and development of the current business plan, we projected EBITDA of 11 times or so. However, we believe we must also carefully consider timing, acquisition price, and synergy effects.

Further, in responding to higher degrees of sustainability awareness and the advent of DX, we will engage in building future-oriented M&A strategies. These strategies will reflect energy-related companies and DX strategies in combination with automated materials handling equipment manufacturers and other M&A targets.

Reference: M&A Strategy (Toward Achieving Our Long-Term Vision)

Global Forwarder Rankings Top 10

FY2020 5th

| Rank | Location of Headquarters | Provider | Gross Logistics Revenue (Millions of yen) | Marine (TEU) | Air (Metric tons) |
|------|--------------------------|--------------------------------------|---|--------------|-------------------|
| 1 | | DHL Supply Chain & Global Forwarding | 2,973,339 | 2,862,000 | 1,667,000 |
| 1 | | Kühne + Nagel | 2,694,742 | 4,529,000 | 1,433,000 |
| 2 | | DB Schenker | 2,169,525 | 2,052,000 | 1,094,000 |
| 2 | | DSV Panalpina | 1,909,111 | 2,204,902 | 1,272,405 |
| 3 | | Sinotrans | 1,272,183 | 3,750,000 | 532,300 |
| 4 | | Expeditors | 1,057,122 | 1,012,600 | 926,730 |
| 5 | | Nippon Express | 2,021,762 | 660,152 | 720,115 |
| 6 | | CEVA Logistics | 773,300 | 1,061,000 | 363,000 |
| 7 | | C.H. Robinson | 1,618,705 | 1,200,000 | 225,000 |
| 8 | | Kerry Logistics | 717,602 | 1,019,924 | 493,903 |
| 8 | | UPS Supply Chain Solutions | 1,154,516 | 620,000 | 986,860 |



FY2021 7th

| Rank | Location of Headquarters | Provider | Gross Logistics Revenue (Millions of yen) | Marine (TEU) | Air (Metric tons) |
|------|--------------------------|--------------------------------------|---|--------------|-------------------|
| 1 | | Kühne + Nagel | 4,656,348 | 4,613,000 | 2,220,000 |
| 2 | | DHL Supply Chain & Global Forwarding | 4,299,352 | 3,142,000 | 2,096,000 |
| 3 | | DSV Panalpina | 3,295,292 | 2,493,951 | 1,510,633 |
| 4 | | DB Schenker | 3,152,424 | 2,003,000 | 1,438,000 |
| 5 | | Sinotrans | 2,177,439 | 3,940,000 | 804,000 |
| 6 | | Expeditors | 1,883,952 | 1,047,725 | 1,047,200 |
| 7 | | C.H. Robinson | 2,549,031 | 1,500,000 | 300,000 |
| 7 | | CEVA Logistics | 1,996,240 | 1,269,000 | 474,000 |
| 7 | | Nippon Express | 2,122,140 | 747,624 | 971,763 |
| 8 | | Kerry Logistics | 1,199,034 | 1,229,238 | 520,415 |
| 9 | | UPS Supply Chain Solutions | 1,699,138 | 620,000 | 986,860 |

* Based on the exchange rate as of December 2020 (US\$1 = ¥104.50).
Source: Armstrong & Associates, Inc. A&A's Top 25 Global Freight Forwarders List 2020. Rank reflects overall consideration of total revenues, ocean transportation, and air transportation

* Based on the exchange rate as of December 2021 (US\$1 = ¥114.02).
Source: Armstrong & Associates, Inc. A&A's Top 25 Global Freight Forwarders List 2021. Rank reflects overall consideration of total revenues, ocean transportation, and air transportation

- We recognize that the reason for the decline in ranking was the difference in scale in ocean freight forwarding, although MOL is increasing in volume
- We aim to close the gap by utilizing M&A and making a leap to the No.1 group in the ranking



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