

We Find the Way

IR Day 2022 Opening Session

**Progress Toward and Future Initiatives for the Achievement
of Our Long-Term Vision and Business Plan**

**President and CEO: Mitsuru Saito
NIPPON EXPRESS HOLDINGS, INC.
September 15, 2022**

Overseas and Domestic Economic Trends (Business Environment)

■ Global Economic Trends

Decelerating global economic growth with an uncertain and bleak outlook (IMF World Economic Outlook, July 2022)

- GDP growth rate of 3.2% in 2022, revised downward by 0.4 % from the previous forecast (April 2022)
 - The global economy is slowing due to higher-than-expected inflation in the U.S. and Europe, the lockdowns in China, and the Russian invasion of Ukraine.
 - Japan's GDP growth rate is now estimated at 1.7%, revised down 0.7 % from the previous forecast.
 - Downside risks continue to dominate, with uncertainty due to inflation, the spread of COVID-19, and the impact of the Russian invasion of Ukraine.
- GDP growth for 2023 is now projected at 2.9%, revised down 0.7 % from the previous forecast
 - The growth rate is projected to decline further from 2022 to less than half of last year's 6.1%.
 - Japan's GDP growth rate is projected to be 1.7%, revised downward by 0.6 % from the previous forecast.

■ Domestic Economic Trends

Fiscal 2022 growth rate to be lower following the previous announcement (Bank of Japan Economic Activity and Prices Outlook, July 2022)

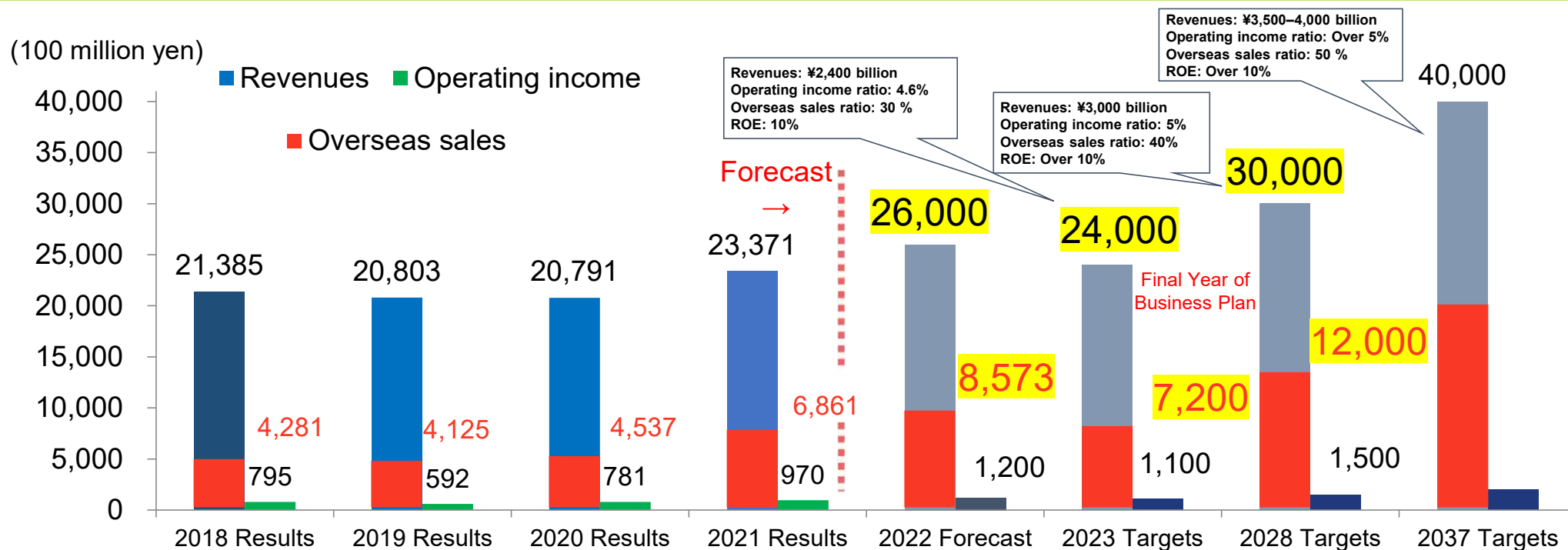
- GDP growth rate for Fiscal 2022 expected to be 2.4%, down 0.5 % from the previous announcement (April 2022)
 - The main reason was the negative impact on corporate production and exports due to supply constraints resulting from the lockdowns in China and the shortage of semiconductors.
 - The CPI for Fiscal 2022 is projected to be 2.3%, up 0.4 % from the previous forecast.
 - The economy is expected to face significant downside risks in the near term, while also being subject to many upside risks in terms of prices.
- A seventh wave of COVID-19 infections affected economic decisions (Cabinet Office Economy Watchers Survey, August 8, 2022)
 - The DI for current economic conditions fell for a second consecutive month to 43.8, down 9.1 % from the previous month, mainly due to the spread of the seventh wave of COVID-19 infections in July and a sharp rise in prices.
 - The DI for food and beverage and service-related industries declined by a significant 31.2 % and 16.8 %, respectively, month on month.
 - The confidence index for DI is 42.8, down 4.8 % from month on month.

Financial Results Forecast for FY2022

Forecast for FY2022

Item	Full-Year Forecast (Jan-Dec 2022)	Previous Forecast (Jan-Dec 2022)	Difference YoY	Difference YoY (%)	Prior-Year Results (Jan-Dec 2021) Pro Forma	Difference YoY	Difference YoY (%)
Revenues	26,000	25,500	500	2.0	23,371	2,628	11.2
Operating Income	1,200	1,100	100	9.1	970	229	23.6
Operating Income Margin	4.6	4.3	—	—	4.2	—	—
Ordinary Income	1,250	1,120	130	11.6	1,010	239	23.7
Profit Attributable to Owners of Parent	1,250	1,160	90	7.8	661	588	88.9

Growth (NX Group Business Plan 2023)



Progress	2018 Results (Apr 2018 to Mar 2019)	2019 Results (Apr 2019 to Mar 2020)	2020 Results (Apr 2020 to Mar 2021)	2021 Results (Pro Forma) (Jan 2021 to Dec 2021)	2022 Forecast (Jan 2022 to Dec 2022)	2023 Targets
Revenues	¥2,138.5 billion	¥2,080.3 billion	¥2,079.1 billion	¥2,337.1 billion	¥2,600.0 billion	¥2,400.0 billion
Operating income	¥79.5 billion	¥59.2 billion	¥78.1 billion	¥97.0 billion	¥120.0 billion	¥110.0 billion
Operating income margin	3.7%	2.8%	3.8%	4.2%	4.6%	4.6%
Overseas sales ratio	20.0%	19.8%	21.8%	29.4%	33.0%	30.0%
ROE	9.2%	3.2%	10.0%	*9-month results 8.9%	18.5%	10.0%

Progress Toward and Future Initiatives for the Achievement of Our Long-Term Vision and Business Plan

NX Group Business Plan 2023

Growth Strategy of Core Businesses

Customer-Oriented Approach

- Expanded business with non-Japanese customers through account management, GAM/GTA initiatives, etc.
- Expanded volume in key industries (particularly in mobility and semiconductors)
- Endeavored in the pharmaceuticals/medical business (developed pharmaceutical centers, acquired MDL in the U.S., and obtained GDP certification in various parts of the world)

Business-Oriented Approach

- Established a global purchasing system by establishing the Global NVOCC Center (GNC)
- Growth in forwarding volume (70,000 TEU ocean freight and 70,000 tons air freight increase compared to March 2019, surging the COVID-19 pandemic)

Area-Oriented Approach

- Steady growth in Overseas Business

Strategy to Enhance Domestic Businesses in Japan

Improve the Profitability of Specialized Businesses

- Consideration of spinning off the security transportation business (spin-off scheduled for January 2023)
- Real estate development business growth

Improved Business and Administrative Productivity

- Consolidated branches and streamlined of administrative organizations (March 2018: 54 specified branches ⇒ Jan 2021: 31 specified branches)
- Expanded accounting SSC operations; initiatives for payroll SSC operations

Dramatic Reform of Low-Profit Businesses

- Transferred Seikan ferry business
- Transferred driving school business
- Liquidated travel business

Efforts to Implement Our Long-Term Vision

Inorganic Growth Strategy

- Strengthened pharmaceutical logistics business through the acquisition of MDL (U.S.)
- Nittsu Shoji (currently NX Shoji) shifted leasing business to off-balance sheet
- Established mechanism to liquidize logistics real estate

ESG Management for Sustainable Growth and Corporate Value Enhancement

- Work-style reforms (telework, easing of dress code, paperless operations, no assigned seating, organizational culture reform (call co-workers by name rather than by title), etc.)
- Employee system reform
- Equal pay for equal labor across the group
- Group management structure
- Stronger group governance (transition to holding company structure, integrated risk management structure)

Reinforcing Functions to Support Challenges

- Adopted Microsoft Office365 to reform communications (allows for telework, operations continuity during the COVID-19 pandemic)
- Secured human resources through professional recruitment (mid-career hiring)
- Introduced Group brand and launched new brand strategy initiatives

Progress Toward and Future Initiatives for the Achievement of Our Long-Term Vision and Business Plan

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 [Accelerate global business strategy, driven by GBHQ]
- 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 [Domestic business structural reform]

Efforts to Implement Our Long-Term Vision

- Inorganic growth strategy
- Reinforce functions to support challenges
- Exercise ESG-oriented business management to realize sustainable development [A Company that makes employees happy]

FY2022 - FY2023

Birth of the NX Group

Accelerate Reform Through a Holding Company Structure

- Restructure Business Portfolios
 - Restructure group businesses [Reorganize and integrate overlapping businesses and functions among Group companies
Reorganize CF and logistics finance business]
- Strengthen Specialized Businesses
 - Strengthen businesses by spinning off the security and transportation business
- Inorganic Growth
 - Strengthen M&A overseas
- Strengthen Governance
 - Evolve global management functions [Strengthen governance related to risk management and group finance]
- Brand Strategy
 - Global penetration and strengthening of the NX Group brand

2037 Long-Term Vision
 A logistics company with a strong presence in the global market

Medium-Term Business Plan Progress (KPIs)

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

Item Revenues	Japan*1			Overseas		
	2022 Jan-Dec Targets	2023 Business Plan Final Goals (KPIs)	Progress	2022 Jan-Dec Targets	2023 Business Plan Final Goals (KPIs)	Progress
Electric and electronics	¥116.0 billion	¥120.0 billion	97%	¥174.0 billion	¥174.0 billion	100%
Automotive Industry	¥100.0 billion	¥110.0 billion	91%	¥110.0 billion	¥120.0 billion	92%
Apparel Industry	¥18.0 billion	¥20.0 billion	90%	¥77.0 billion	¥80.0 billion	96%
Pharmaceutical/Medical Industry	¥22.0 billion	¥30.0 billion	73%	¥30.0 billion	¥40.0 billion	75%
Semiconductor-Related Industries	¥37.8 billion	¥45.5 billion	83%	¥18.0 billion	¥20.0 billion	90%

Item	2022 Jan-Aug Results	2022 Jan-Dec Forecast	FY2022 Progress	2023 Business Plan Final Goals (KPIs)	Business Plan Goals vs. Forecast (KPIs) Progress
Ocean Forwarding Business*2	500,000 TEU	950,000 TEU	53%	1,100,000 TEU	86%
Air Forwarding Business*2	590,000 TEU	1,100,000 t	54%	1,200,000 t	92%

* Results, KPI figures for Nippon Express only. *2 Results, differences (%) rounded to the nearest whole number

Medium-Term Business Plan Progress (KPIs)

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

Item Revenues	2022 Jan-Dec Forecast	2023 Business Plan Final Goals (KPIs)	Progress
Non-Japanese Customer Accounts (GAM · GTA*3)	¥79.2 billion	¥86.9 billion	91%

NX Group Business Plan 2023 KPIs of Back Office Cost Reductions

*3 GAM is an abbreviation for global account management. GTA is an abbreviation for global target accounts.

Strategy to Enhance Domestic Businesses in Japan	FY2019 Results	FY2020 Results	FYE December 2021 Results (Apr-Dec)	FY2022 Targets	Cumulative (Apr 2019 to Dec 2022)	2023 Business Plan Final Goals (KPIs)	Forecast vs. KPIs (2023) Progress
Further reorganization of organizations/ streamlining of administrative departments*4	¥1.1 billion	¥2.22 billion	¥0.04 billion	¥0.36 billion	¥3.73 billion	¥4.5 billion	83%
Reform back office processes	¥0.95 billion	¥2.36 billion	-¥0.35 billion	¥1.59 billion	¥4.55 billion	¥5.0 billion	91%
Rate revision	¥2.4 billion	¥1.6 billion	¥0.7 billion	¥1.1 billion	¥5.8 billion	¥5.0 billion	118%

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



No information contained in this document is intended to solicit purchase or sale of the Company's shares.

Views, forecasts, and other forward-looking statements contained in this document are based on the Company's assumptions, judgments and beliefs in light of the information currently available to it.

Information is not guaranteed and is subject to change without prior notice. Please note that neither the Company nor the providers of information are liable for any damage resulting from the use of the information contained in this document.