



IR day2024 Session 1
Accelerate Growth in the Global Market

NIPPON EXPRESS HOLDINGS, INC.
September 13 , 2024

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Forwarding Business Volume Strategy

Forwarding Volume Results

	2024 Jan-Jun Results	2023 Jan-Jun Results	YoY%	2028 Targets
Air Cargo Forwarding Volume	442,000 t	342,000 t	36.4%	1,300,000 t
Ocean Cargo Forwarding Volume	440,000 TEU	350,000 TEU	25.7%	1,400,000 TEU

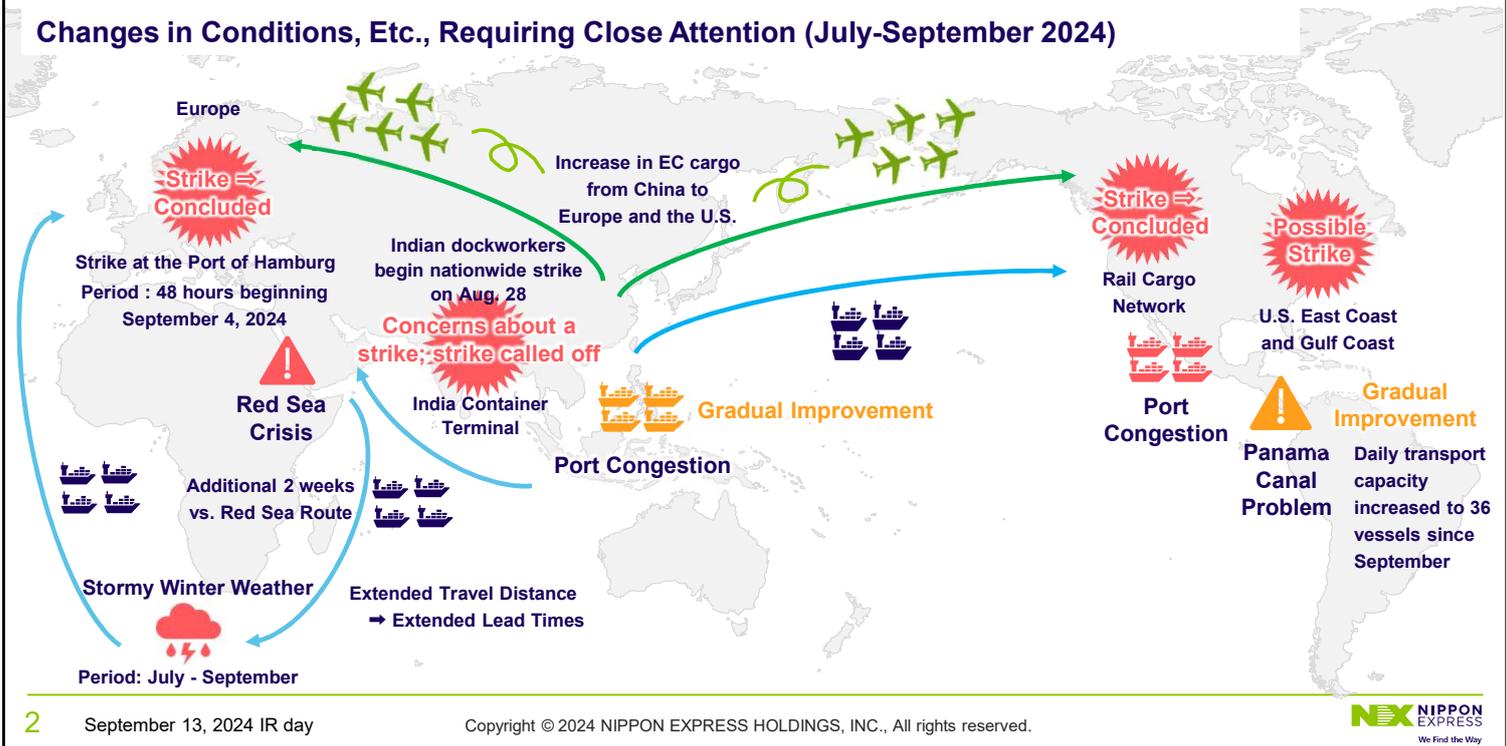
*YoY% change, excluding CP: Air forwarding +4.2%
Ocean Forwarding +1.8%

cargo-partner (Share)	2024 Jan-Jun Results	2023 Jan-Jun Results (Reference)	YoY%
Air Cargo Forwarding Volume	85,000 t	63,000 t	35.2%
Ocean Cargo Forwarding Volume	84,000 TEU	82,000 TEU	1.4%

First, let me give you an overview of the current forwarding service. Forwarding volume for the June total of this year, including the total of CP's results, was significantly higher than the previous year both by ocean and by air, but excluding CP's results, both ocean and air forwarding volume increased only slightly.

Forwarding Business Volume Strategy

Changes in Conditions, Etc., Requiring Close Attention (July-September 2024)



The map shows changes in the current situation that should be closely monitored.

While the Panama Canal problem is gradually clearing, the Red Sea crisis continues to have a significant impact on maritime transportation between Asia and Europe. In addition, stormy winter weather around the Cape of Good Hope is also extending transportation lead times. Strikes and disruptions to transportation networks in various regions must be watched closely at all times, and the most recent strike on the East Coast of the US is a cause for concern.

As for air forwarding, the rapid increase in e-commerce cargo from China to Europe and the US continues to have a significant impact on the purchasing environment in other regions.

We strive to understand market trends so that we can respond flexibly and ahead of our competitors to these uncertainties and rapid changes in the environment.

Ocean Forwarding Volume Strategy

Market Analysis and Our Responses in Ocean and Air Forwarding

Volume Forecast	Air	With continued growth in e-commerce demand, rising ocean cargo transportation costs, and disruption in the Red Sea, we expect strong demand growth from Asia to Europe and the US through the second half of 2024; volumes will likely exceed 2023 levels. At the same time, we expect shipments to Asia from Europe and the U.S. to be about the same level as the previous year.
	Ocean	Volume has remained steady overall. Asia-bound flights to the U.S. increased 15.8% year on year (cumulative June total); Asia-bound flights to Europe increased 6.4% year on year (cumulative May total), and intra-Asia flights increased 6.1% year on year (cumulative May total). Meanwhile, cargo movement has slowed. There are concerns that the peak season is shifting ahead of the regular schedule, and we must monitor trends in logistics demand closely, particularly before the National Day (September) when volumes are expected to expand.
Freight Rate Trends	Air	Based on strong demand from Asia to Europe and the U.S., freight rates will remain high in the second quarter of 2024 compared to the summer season of previous years. We expect further fare hikes beginning in the third quarter onward during the peak season; we expect fares to rise not only from Asia, but also from Japan to Europe and the United States. Meanwhile, we expect stable freight rates from Europe and the U.S.
	Ocean	Freight rates on routes from Asia to Europe and the U.S. have soared since the second quarter of 2024 due to the Red Sea crisis and increased cargo volumes; however, rates have shown signs of downward movement due to a slowdown in cargo volumes, mainly from Asia to Europe and the U.S.. On the other hand, uncertainties, such as a strike on the U.S. East Coast, could have an impact. At the same time, European and U.S.-bound routes to Asia remained at stable low levels.
Our Measures	Air	<ol style="list-style-type: none">(1) Implement a range of purchasing measures, including strengthening purchasing on long-haul routes from Asia(2) Expand sales of NX-Japan HUB (transportation from Asia to Europe and the U.S. using space originating from Japan)(3) Improve profitability through improved revenue management and delving deeper into the small- and medium-sized enterprise (SME) business
	Ocean	<ol style="list-style-type: none">(1) Strengthen bargaining power with shipping companies and secure incentives by consolidating shipments to core carriers(2) Pursue sales at reasonable prices in line with the purchasing environment by recognizing fluctuations in purchasing rates rapidly and by accelerating negotiations with customers as early as possible.

Here's our market analysis and future actions.

First is the volume forecast. The peak season in late 2024 is expected to see strong growth in demand for shipments from Asia to Europe and the US, with volumes expected to exceed those of 2023.

On the other hand, given the recent slowdown in shipping volumes by ocean, we see the need to closely monitor logistics demand trends, such as before China's National Day in September, when volumes are expected to increase.

Next, we look at freight rate trends. While air freight rates are expected to continue to rise during the peak season, rates are also expected to increase not only for shipments from Asia, but also from Japan to Europe and the US.

On the other hand, there are uncertainties regarding ocean freight rates. For example, a strike on the US East Coast could have an impact.

In light of these market conditions, we will implement a variety of purchasing measures, such as strengthening purchasing on long-haul routes from Asia for air freight, as well as improving profitability by strengthening revenue management and deepening the SME business.

In ocean freight, we will strive to improve our bargaining power with shipping companies by consolidating shipments to Core Carriers, and we will also promote sales at reasonable prices in line with the purchasing environment to improve profitability.

Major Strategy in Business Plan 2028 [Accelerate Growth in the Global Market]

Major Strategies and Policies in Business Plan 2028

Basic Policy

- Improve global competitiveness and achieve business growth under groupwide optimization.
- Increase competitiveness and profitability of businesses and enhance financial value through well-balanced strategic policies and a well-defined business portfolio and division of roles.
- Practice sustainability management that contributes solutions to social issues and creates sustainable societies. Transform ourselves into a corporate group that is chosen by customers, society, shareholders, and employees.



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September 13, 2024 IR day

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NEX NIPPON EXPRESS
We Find the Way

We believe that it is even more important to take various measures based on the strategies outlined in our business plan to increase our corporate value in the medium to long term.

The Business Plan 2028 sets out three basic policies. One of the key strategies based on this basic policy is to accelerate business growth in the global market.

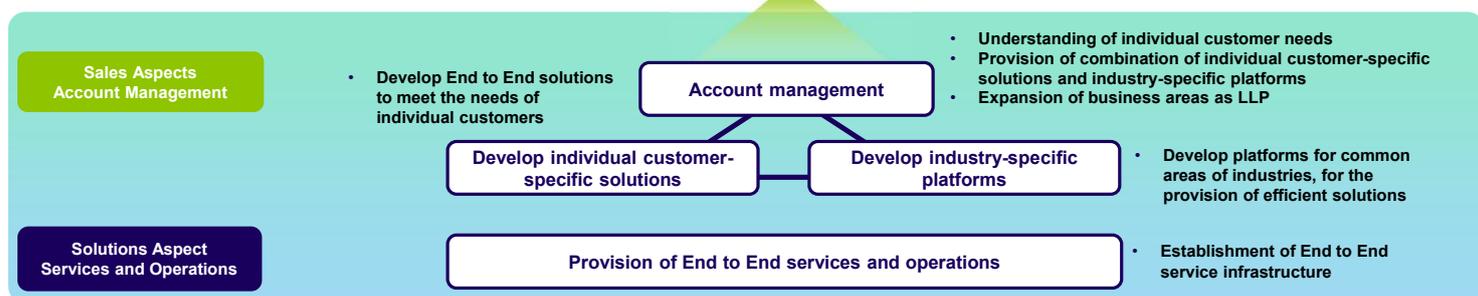
KGI aims to increase overseas sales from JPY585.5 billion in 2023 to JPY1.2 trillion in 2028. Of the JPY1.2 trillion, JPY370 billion is from inorganic growth through M&A.

In addition, as Horikiri explained earlier, the main factor keeping P/B ratio at its current level is low ROE, so expanding sales revenue is an important factor in terms of increasing corporate value.

Basic Concept for Accelerate Growth in the Global Market

Provision of Account Management and End to End Solution with the aim of expanding business areas for each customer.

"Secure sales and increase profits from each customer" and "Expand important core account customers"



Develop initiatives from a global perspective

The basic concept for accelerating business growth in the global market is to expand the delivery of end-to-end solutions based on account management.

It is necessary to expand business areas by providing global end-to-end logistics solutions, to offer services in areas that existing customers cannot reach, and to increase the number of new customers by establishing touch points with potential customers.

In terms of providing end-to-end logistics solutions, the concept of providing total logistics solutions that encompass the entire supply chain and solve customer problems is the starting point of our strategy.

We have the knowledge and experience to tailor solutions to each industry's characteristics. On the other hand, this knowledge is limited to specific areas and customers, and is not shared globally, so there are projects that fail to include logistics areas that should be included.

Overcoming these challenges and further promoting new solutions is the account management of the sales approach.

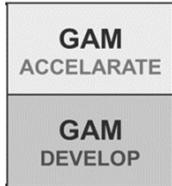
Since the last business plan, we have already started account management for some of our customers, and we see it as an important issue to systematically strengthen this and accelerate the pace of business expansion.

Global Account Management for Major Customers

GAM Composition for Major Accounts

GAM 2024

GAM 2023
24 companies



Reasons for Selection:

- Annual global sales of US\$20 million or more, or potential for same
- Further sales growth possible, in addition to potential for deepening relationship

Support for GAM Accounts:

- Management concentrated in five regions based on the Corporate Development Plan
- Forwarding RFQ support from the GBHQ
- Logistics proposal support, etc., from the GBHQ



To promote account management, we have introduced global account management, or GAM, for target accounts, taking into account the growth potential of customers and markets.

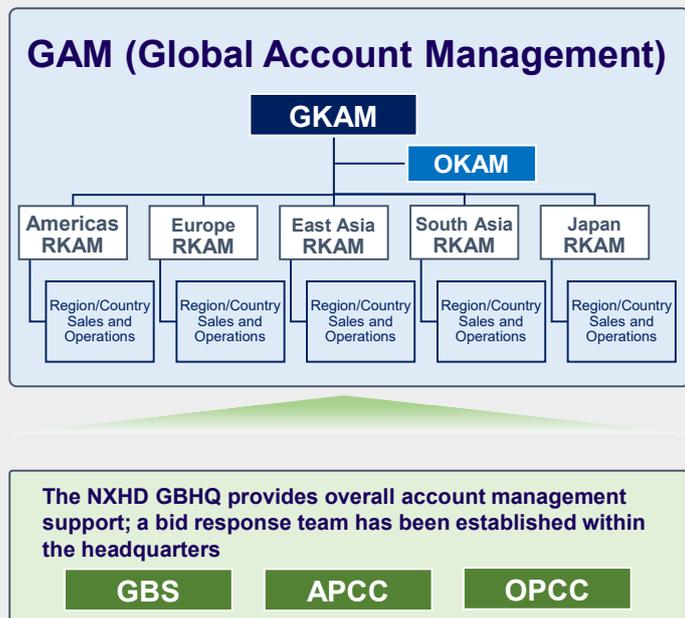
Target customers are selected from major global accounts that require a comprehensive and strategic global response, and we have doubled the number from 24 last year to 50 companies.

This is due to the inclusion of major Japanese customers in the program, which was previously targeted only at non-Japanese customers, and the establishment of a global account management structure.

In addition, global target accounts, or GTAs, have been selected from target accounts in each region as future GAM targets, and domestic account management activities are also being promoted within Nippon Express.

Global Account Management for Major Customers

GAM Structure



Abbreviation	Name	Definition/Description
GKA	Global Key Account	Largest global accounts that require a strategic response
GAM	Global Account Management	Refers to the process and the department/organization Refers to our Global Account Management (GAM) practices and the departments/organizations involved
GKAM	Global Key Account Manager	Customer-oriented strategic global leader responsible for managing all existing and new business opportunities
RKAM	Regional Key Account Manager	Works with GKAM to pursue sales opportunities in the region in question
OKAM	Operational Key Account Manager	Responsible for coordinating RFQ bids, overseeing implementation and operational issues, and supporting GKAM
GBS	Global Business Solution	Team that manages bids centrally to enhance GAM bid response and improve bid quality
APCC OPCC	Air (Ocean) Freight Pricing Competence Center	Global strategic pricing team for GAM bids

With respect to the account management promotion structure, the global key account manager, or GKAM, assigned to each customer is responsible for managing all business opportunities in coordination with the regional account managers and others.

To achieve this, it is important to determine the business potential of each account and then formulate and execute an account vision and plan that articulates the desired image. Although an understanding of the global supply chain and logistics as a whole is required, each person's area of expertise and information is biased.

Therefore, the global business headquarters, or GBHQ, is responsible for supporting the overall account management as an organizational backup system to cover all these functions.

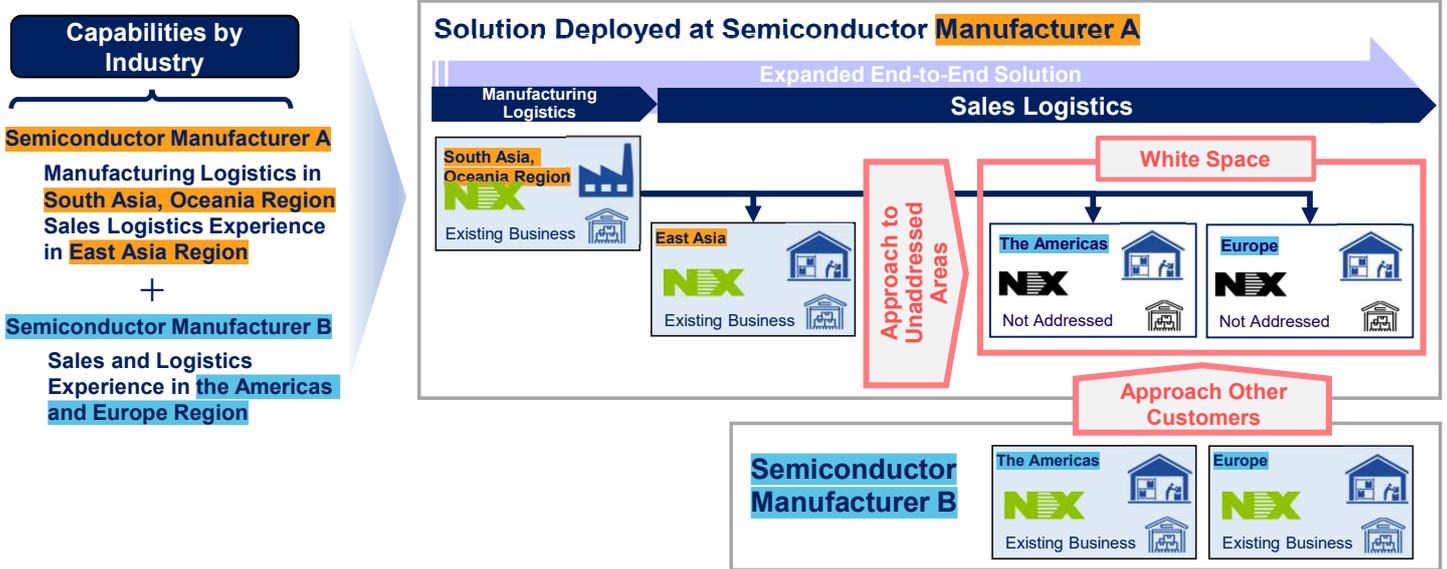
In order to serve global customers, GBHQ has a large number of foreign nationals, including those in management positions. Many of these people have experience with mega forwarders, and we are working to develop and advance account management by blending the best of our company's knowledge with that of the mega forwarders.

In addition, we have a dedicated bid pricing team that provides hands-on support to account managers in making global bid decisions by providing price ranges with a high probability of winning.

Industry-Specific Platforms

Examples of Solutions Deployed in the Semiconductor Industry

- Approach areas not being addressed for existing customers (white spaces)
- Reach out to other customers using industry-specific capabilities accumulated in each region



We will use the semiconductor industry as an example of how we promote industry-specific platforms.

The NX Group provides manufacturing logistics services in South Asia and Oceania and sales logistics services in East Asia for semiconductor manufacturer A. Sales distribution in the Americas and Europe are not handled, but horizontal development of handling by other customers in the same area is possible.

To win projects, it is effective to promote both the customer and territory axis and to maximize the use of industry-specific capabilities.

Expanding sales into white spaces where handling services are not available is one approach to providing end-to-end solutions.

In fact, the sales and logistics operations of a global IT company in Japan have been so highly regarded for their quality and continuous kaizen activities that they have acquired similar operations in South Asia, and we have received business inquiries in other regions.

GBHQ is also responsible for formulating strategies related to platform development, including the organizational knowledge of these capabilities.

Initiatives for Priority Industries

NX Group Business Plan 2028 for Priority Industries

Priority Industry		Main Products	2024 Jan-Jun Results	2024 Targets	Progress Toward Targets	2028 Targets
Technology	Core Domains	Electric & Electronics	¥147.7 billion	¥329.5 billion	44.8%	¥400.0 billion
	Growth, Pursuit Domains	Industrial Machinery				
Mobility	Core Domain	Automobile	¥126.8 billion	¥226.0 billion	56.1%	¥260.0 billion
	Growth, Pursuit Domains	Construction & Agricultural Machinery				
		Train, Airplane				
Lifestyle	Core Domain	Apparel	¥73.2 billion	¥129.5 billion	56.6%	¥160.0 billion
	Growth, Pursuit Domains	Furniture, Jewelry, Cosmetics				
Healthcare	Core Domain	—	¥50.9 billion	¥94.5 billion	53.8%	¥130.0 billion
	Growth, Pursuit Domains	Pharmaceutical				
		Medical Devices				
Semiconductor	Core Domain	—	¥26.0 billion	¥51.6 billion	50.4%	¥100.0 billion
	Growth, Pursuit Domains	Semiconductor				

Note: Red text indicates priority industry areas added from the current business plan

In addition, we have identified five priority industries as targets for focused growth through the delivery of end-to-end solutions, including the establishment of industry-specific platforms, and have set KGIs for sales revenue in each of these industries. Sales for the year, with the exception of the technology segment, are generally ahead of target.

Let's take a look at the progress of our efforts, using several industries as examples.

Solutions by Industry: Semiconductor Industry

Expanding Our Base in the Semiconductor Industry

- Develop dedicated warehousing facilities (front door warehouses) in close proximity to semiconductor manufacturer plants
- Prepare facilities that meet the needs of customers or regional characteristics and widely respond to the needs of semiconductor manufacturers and other suppliers

(Products Handled)

- Manufacturing and measuring equipment
- Materials handling and tools
- Device maintenance parts
- Wafers
- Chemical solutions
- Semi-finished and finished products (IC)



In the semiconductor industry, we have focused on the upstream areas of procurement and logistics of semiconductor manufacturing equipment, and logistics of materials such as wafers to win projects.

Currently, we are expanding our handling area to downstream areas such as production logistics and sales logistics, including transportation of products and semi-finished products, and are strengthening our sales activities by investing mainly in warehouses dedicated to semiconductors.

In Japan, we plan to open a total of five warehouses this year, and we also plan to open a new warehouse in the Tohoku/Kitakami area next year.

We will make full use of our broad service lineup to provide end-to-end solutions for the entire semiconductor supply chain, meeting the needs not only of product assembly manufacturers but also of their peripheral suppliers.

Solutions by Industry: Semiconductor Industry

Semiconductor Market Expected to Grow Further

Americas

- Government investment under the CHIPS and Science Act in the U.S. accelerated the construction of new semiconductor factories. (Arizona, Texas, Ohio)

Europe

- European semiconductor ecosystem strengthened under European semiconductor laws
- Construction of new semiconductor plants in Dresden, Germany

South Asia & Oceania

- Accelerated movement toward domestic production of semiconductors in the emerging Indian market (Gujarat, Assam)

East Asia

- National semiconductor investment fund established under the Made in China 2025 policy
- Korean government support measures for the semiconductor industry

Japan

- Attracting major semiconductor companies to Japan through large government subsidies, new semiconductor plants, and renovations of existing plants (Hokkaido, Kitakami, Yokkaichi, Hiroshima, Kumamoto)

End-to-End Solutions for the Semiconductor Industry



In the semiconductor market, shipments of manufacturing equipment are expected to accelerate under the moderate recovery from H2, and the construction and operation of new semiconductor plants and expansion of existing plants in various countries are planned to begin in sequence from 2025.

In addition, industrial support measures have been introduced in countries across all regions, including the United States, India, China, and Japan.

In the semiconductor industry, we have set a revenue target of JPY100 billion for 2028. This is a very challenging target, as it is almost double the projected sales revenue for the current fiscal year.

As the semiconductor market is expected to expand in each region, the NX Group will work as one to achieve this goal by expanding sales of end-to-end solutions that take full advantage of the NX Group's service lineup.

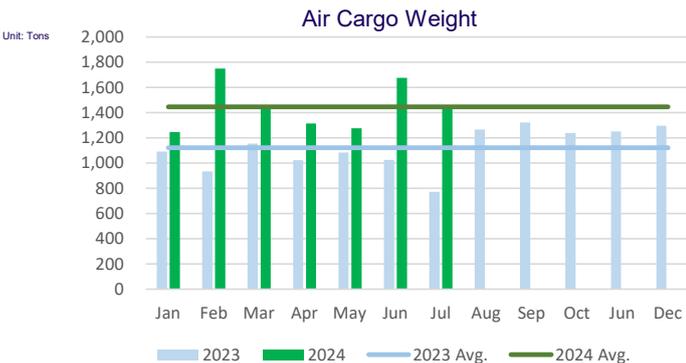
Solutions by Pharmaceutical/Medical Industry

Forwarding Business Growth

Expanded Volume Significantly in Our Mainstay Air Forwarding Business

- 2024 weight results (monthly average) up 29% year on year
- Lanes contributing notably to the increase in weight were from the U.S. to Japan (up 58%) and from India to the U.S. (up 53%).

Growth Through Strength in Domestic and U.S. Logistics Businesses



Measures for Further Growth

Developing End-to-End Solutions

- Strategic partnership with Controlant to enhance transportation monitoring services in support of pharmaceutical industry supply chain optimization



Developing New Services in Growth Areas

- Strategic partnership with Cryoport to strengthen lineup of temperature-controlled transportation services for regenerative medicine



Next, I would like to talk briefly about our efforts in the pharmaceutical and lifestyle industries.

In the pharmaceutical industry, we significantly increased volumes in our core air forwarding business. In particular, shipments from the US to Japan grew 58% over last year, and shipments from India to the US grew 53% over last year.

In Japan and the US, we have invested to strengthen our domestic logistics business, and the effects of these investments have been felt in the growth of our forwarding business.

For further growth, we are working to expand our solutions, including partnerships with specialized companies, by strengthening our transportation monitoring services to optimize the supply chain for the pharmaceutical industry, and enhancing our response to the diverse temperature-controlled transportation required in the field of regenerative medicine.

Solutions by Industry: Lifestyle Industry

Expand Lifestyle Merchandise

- Extend NX Italy expertise and experience across the group
- Expand into furniture and other merchandise

NX Italy Fashion DC



NX Vietnam Furniture Sales DC



Advanced Logistics Solutions

- Labor-saving and efficiency improvement proposals using automated warehouses, etc.
- Warehousing proposals offering centralized management of products for stores and e-commerce

Examples of work automation and RFID use



Centralized management in the same warehouse



Sustainability Compliance

- Collaboration with ECOMMIT (clothing recycler) to develop a resource recycling service

Inorganic Growth Through M&A

- Create synergies with TRAMO, acquired in 2023
- The two companies collaborated to win contracts for transporting high-end furniture to Japan

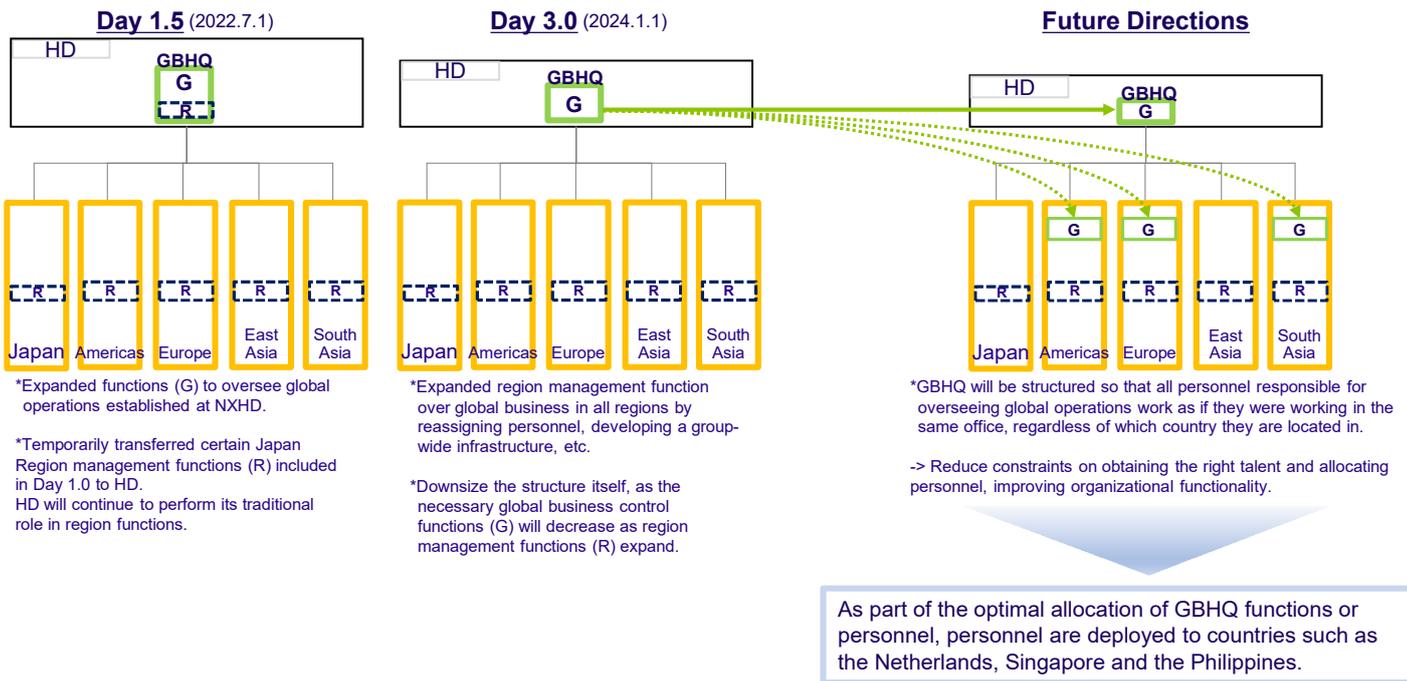


In the lifestyle industry, the Group is leveraging its expertise in handling high-fashion merchandise and has recently expanded its operations into several merchandise categories, including the acquisition of a furniture warehouse business in Vietnam.

We also provide resource recycling services, including working with ECOMMIT, a company that recycles unwanted clothing.

In addition, with Tramo, which we acquired last year, we are creating synergies in the handling of luxury furniture, and NX is expanding its service offerings to customers through Tramo's business leads and NX's furniture transportation service to Japan.

Strengthening GBHQ structure to accelerate overseas growth



Now, I would also like to talk about the strengthening of the structure of the GBHQ. Since the establishment of the GBHQ in July 2022, functions and human resources have been reallocated as of Day 3.0 of January 2024.

Our next goal is to establish the GBHQ structure as if its employees were working in the same office, no matter where they are located.

We are now sending employees to the Netherlands, Singapore, the Philippines, and other countries. Further efforts will be made to assign the right function or personnel to the right place.

The Importance of "M&A" and the "Indian Market" for Accelerating Growth

Implement PMI for cargo-partner

Establish position as a leader in the NX Group's Eastern European business

- Create group synergy
- Expand existing and new global customers
- Reduce costs by integrating functions of European, China and American sites

Establish presence in Indian market

Potential of the Indian subcontinent as a new region

- Expand domestic logistics business structure in India with the aim of capturing growth in the Indian economy
- Develop global supply chain with India as the base
- Enhance global logistics functions of "Indian subcontinent"
- Strategic expansion and enhancement of Middle East and African trade lanes departing from India

Europe region

- Expand business in the Middle East, Africa, Northern Europe, and Eastern Europe
- Implement PMI for acquired companies
- Expand businesses across Trans-Atlantic lanes
- Expand lifestyle-related logistics business with Italy as the base of origin

East Asia region

- Expand forwarding volume in the mobility industry
- Expand contract logistics business for semiconductor and healthcare
- Shift production sites to ASEAN countries and capture Chinese companies with plans to expand overseas as global brands

Americas region

- Expand forwarding business in Trans-Atlantic, Latin American lanes
- Expand domestic and cross-border truck transportation business
- Expand contract logistics business for mobility and healthcare

South Asia and Oceania region

- Expand business in the Indian subcontinent and Indian Ocean Rim
- Expand forwarding volume in trade lanes for Europe and U.S. and within Asia
- Expand warehousing and trucking business with an understanding of market growth in each country in the region, partly as a response to the China-plus-one trend

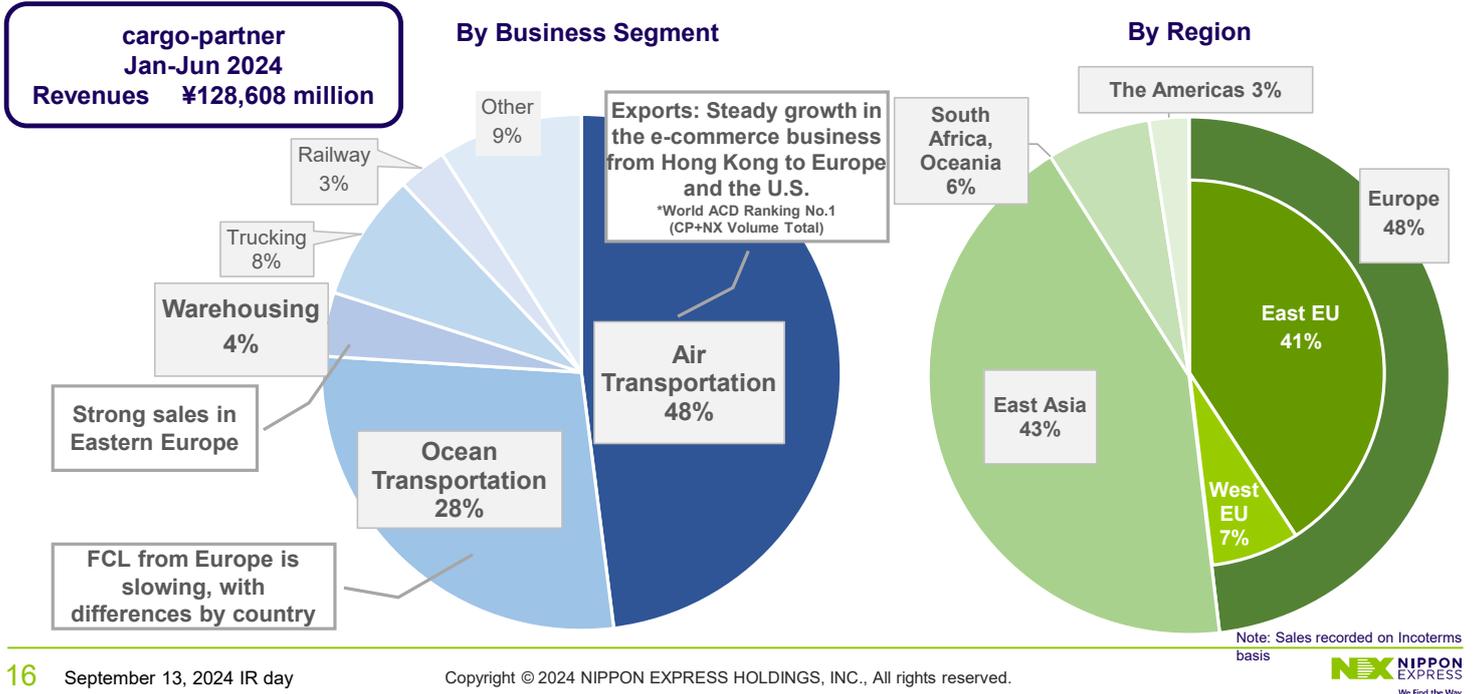
To accelerate business growth in the global market, in addition to our basic organic strategy, we will further strengthen our operations in overseas markets. Of particular importance is growth through M&A and establishing a presence in the Indian market.

Regarding the expansion of our business in India, we will promote efforts both organically and inorganically with a view to entering the Middle East and Africa.

As for growth in overseas markets through M&A, our first task is the successful completion of PMI for cargo-partner, our largest acquisition to date, which I will discuss in detail.

Growth Through M&A: cargo-partner Strengths

Revenues by Business Segment/Region



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First, let's talk about cargo-partner. Before discussing PMI, I would like to review the company's business.

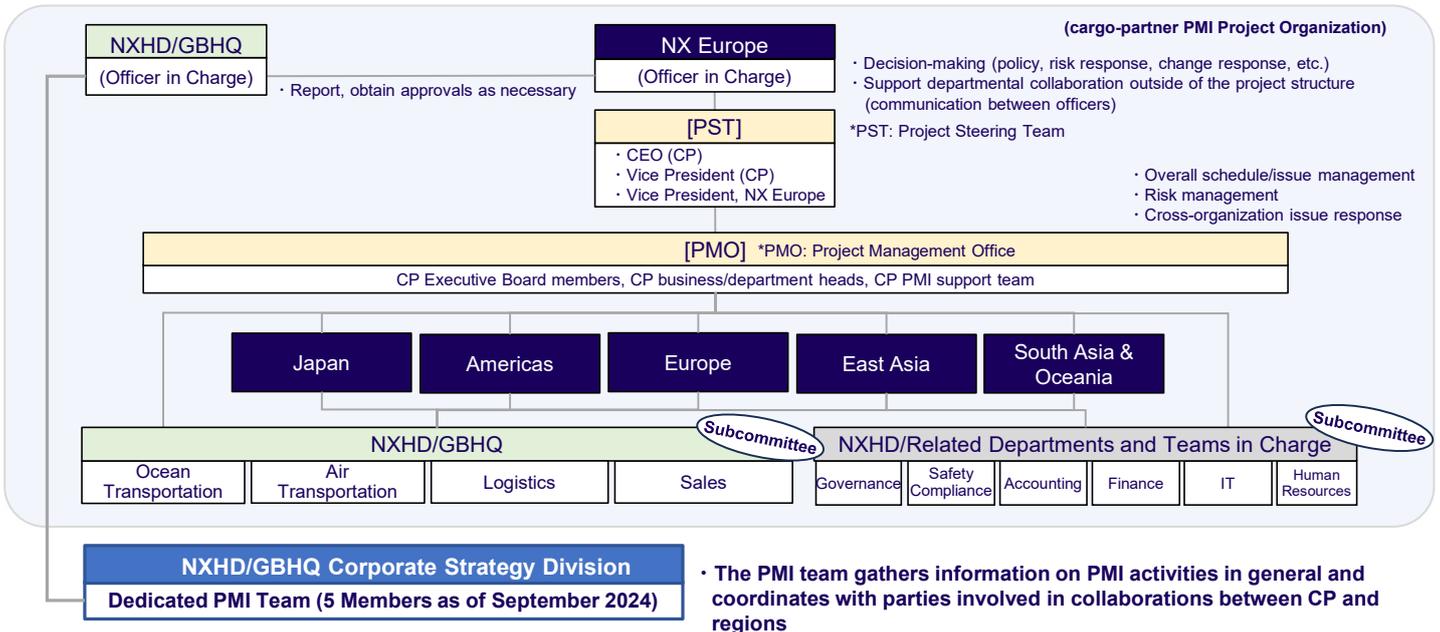
The pie chart on the left shows the percentage of sales by business segment. Air freight accounts for approximately 50%, and when ocean freight is included, the forwarding business accounts for approximately 80% of sales. By region, Europe and East Asia account for a high percentage of sales, with Eastern Europe accounting for the majority of sales in Europe.

CP has the second largest share of air imports to Austria and the Czech Republic, the largest share of air imports to Hungary, and is generally ranked in the top five in Asia in terms of share of air exports from Hong Kong.

We are working on PMI to create synergies by leveraging their strengths.

Growth Through M&A: PMI with cargo-partner to Create Synergies

PMI System Dedicated PMI Team at the GBHQ



The current PMI structure is as listed. CP is the largest M&A transaction we have completed to date, and we have made significant changes to our PMI methodology to leverage the lessons learned from previous M&A transactions.

In the past, PMI was mainly carried out in the area where the acquired company was located, but this time, a dedicated PMI team has been formed within the GBHQ Business Strategy Division to constantly capture and share information on PMI activities being developed around the world.

A total of six Japanese employees have been seconded to CP. The PMO members including them lead the PMI activities on the European side, but GBHQ is also involved in global projects, sometimes controlling them in order to increase synergy.

Growth Through M&A: PMI with cargo-partner to Create Synergies

Impact on Forwarder Ranking (Volume)

Global Air Freight Forwarders Ranking in 2024				Global Ocean Freight Forwarders Ranking in 2024			
A&A Rank	Provider	2023 Air Metric Tons		A&A Rank	Provider	2023 Ocean TEUs*	
1	Kuehne + Nagel	1,983,000		1	Kuehne + Nagel	4,338,000	
2	DHL Supply Chain & Global Forwarding	1,672,000		2	Sinotrans	4,309,636	
3	DSV	1,305,827		3	DHL Supply Chain & Global Forwarding	3,089,000	
4	DB Schenker	1,148,000		4	DSV	2,519,295	
5	Sinotrans	902,000		5	DB Schenker	1,783,000	
6	UPS Supply Chain Solutions	783,000		6	Nippon Express	1,698,161	
7	Expeditors	782,000		7	LX Pantos	1,537,000	
8	Nippon Express	693,546		8	C.H. Robinson	1,353,750	
9	AWOT Global Logistics Group	590,000		9	Kerry Logistics	1,261,775	
10	Hellmann Worldwide Logistics	575,000		10	CEVA Logistics	1,150,000	
11	Kerry Logistics	556,823		11	GEODIS	961,084	
12	Kintetsu World Express	504,080		12	Hellmann Worldwide Logistics	920,000	
13	CEVA Logistics	450,000		13	CIMC Wetrans Logistics	884,734	
14	Bolloré Logistics	350,000		14	Worldwide Logistics Group	871,373	
15	CTS International Logistics	319,921		15	CTS International Logistics	837,548	
16	GEODIS	308,489		16	Fr. Meyer's Sohn	800,000	
17	Maersk Logistics	295,000		17	Expeditors	791,700	
18	Morrison Express	268,469		18	Savino Del Bene	735,000	
19	Crane Worldwide Logistics	267,400		19	Kintetsu World Express	724,129	
20	C.H. Robinson	266,475		20	OOCL Logistics	680,000	

Source : Armstrong & Associates, INC.

(Reference) CP Air Freight Volume Ranking from Hong Kong
2024 (Q1): 1st 2023 (Yr) 5th 2022 (Yr) 4th

Next, we look at the quantitative impact of recent M&A activity.

In Armstrong's recently published forwarder rankings by volume, NX ranked eighth in air freight, sixth in ocean freight, and sixth overall. If we add the volume handled by CP and Tramo to this total, we expect both air and ocean volumes to be in the top five.

In addition, we have an overwhelming 25% share of air exports in Japan, and while we are strong in the Japanese market, adding CP will increase our purchasing power in the European market, where we are not as strong, or we can expand carrier options in a highly competitive market such as Hong Kong. These are potential effects.

As mentioned briefly earlier, although CP is based in Austria, it has a strong presence in the forwarding business in East Asia. For example, in air exports from Hong Kong, the combined volume of NX and CP is number one by a wide margin.

This will naturally lead to the local national carriers in Hong Kong and the South China region giving high priority to our space purchase.

In addition, while CP is strong in shipping lanes from East Asia to Europe and within Europe, or Europe and the United States, it is not so strong in intra-Asia.

Conversely, NX moves a significant amount of intra-Asia freight, so synergies can be created by, for example, inserting NX freight into CP's low-cost procurement for overlapping lanes.

Growth Through M&A: Example of Synergies With cargo-partner

Creating Quick Wins: Key Results in the First Half of 2024 (Business)

Forwarding	Logistics	Sales	Structural Reform, etc.
<p>Ocean Cargo:</p> <ul style="list-style-type: none"> New incentive program based on the combined volume handled by both companies (for European and major Japanese shipping lines) <p>Air Cargo:</p> <ul style="list-style-type: none"> Switch from Japanese competitor to NX to use CP agency services Joint mixed-load transportation by both companies Information visualization (e.g., fares and gateway costs) Began handling CP cargo at NX U.S. base (Chicago Export CFS) and NX China base (Shanghai Import CFS) 	<p>Contract Logistics:</p> <ul style="list-style-type: none"> Decided to integrate CP bases (beginning Q4) into NX America bases (Chicago 515 warehouse) Launched truck operations agency managed by NX America (FTL/LTL) Using NX warehouses in Taiwan and South Korea effectively on a project-by-project basis; considering the integration of NX Hong Kong warehouses and CP leased warehouses Winning new projects in Eastern Europe for major NX customers 	<ul style="list-style-type: none"> Launched joint efforts for sales to global accounts (GAM/GTA). East Asian electrical and electronics manufacturer (procurement and transportation to Europe) East Asian tire manufacturer (Serbia plant-related transportation), etc. Launched joint bidding for key customers European transportation equipment manufacturer European decorative product manufacturer European medical device manufacturer East Asian pharmaceuticals manufacturer, etc. <p>Examples of Wins CP lead customer bid for 200 tons of air freight per year to Budapest in collaboration with NX Philippines</p>	<ul style="list-style-type: none"> Reorganization of CP locations Began considering reorganization and integration of multiple bases in the same country to improve efficiency and synergies under the NX Group banner NX Brand Acceptance Increase recognition of the NX brand by using the CP brand logo alongside the NX brand name 

The following is a list of the major business accomplishments in H1 since becoming a subsidiary in January of this year.

What we have agreed with CP is to aim for quick wins, which means that instead of aiming for big wins, we start with what we can achieve first and build on successes.

There are three areas where synergies can be expected. The first is the consolidation and elimination of bases around the world. The second is cross-selling and joint sales, and the third is to create buying power in the forwarding business by combining the volume of goods of both companies.

Consolidation of some of our bases has already been implemented, and in areas where CP is not strong, such as the US and Southeast Asia, consolidation into our group's bases is being considered.

Growth Through M&A: Example of Synergies With cargo-partner

Second-Half 2024 Measures (Business)

Forwarding

- **Air Forwarding**
Joint sales of charter aircraft space from Hong Kong to Europe
Global airline RFQ based on combined volume of both companies, etc.
- **Ocean Forwarding**
Joint sales of CP LCL transportation products
New transportation products (e.g., hazardous materials consolidation)
Build relationships with core/preferred carriers based on combined volume of both companies, contract renegotiations, etc.
- **Railway Transportation**
Joint sales of CP LCL service (from China to Europe)

Logistics/Sales

- **Contract Logistics**
Improve empty warehouse space
- **Strengthen Trade Lane Management** (shared ocean/air)
 - Lanes to/from Japan
 - Lanes to/from Atlantic Ocean
 - Lanes to/from India, the Americas
- **Organize CP/NX Country Agencies**
Switch to CP or NX operating company
Consolidation of CP/NX agencies, etc.
- **Develop Guidelines for Sales Activities and Sales Prices**
Develop and communicate guidelines for handling between CP/NX in situations of disclosure/sharing related to joint sales, joint purchases, and sales prices

IT Information Coordination/Business Improvement

- **CP-NX Intra-IT Development**
Review, link, and improve systems, including EDI linkage in the shipping business performed by NX Canada (first project)
 - Shared software use
 - CRM linkage
- **Reorganize CP Headquarters Functions**
Integrate Four Austrian HQ bases
- **Reorganize CP locations**
Consider and implement the reorganization and integration of multiple bases in the same country to improve efficiency and synergies under the NX Group banner

I would like to introduce our initiatives for H2 of 2024.

As for the forwarding business, space negotiations with carriers have already begun, including CP's volume. In air freight, for example, we are conducting a global airline RFP for the next winter schedule and expect to make reasonable progress.

In addition, we will continue to develop the infrastructure as we pursue results, including formulating guidelines for sales activities and sales rates, and organizing distributors in each country.

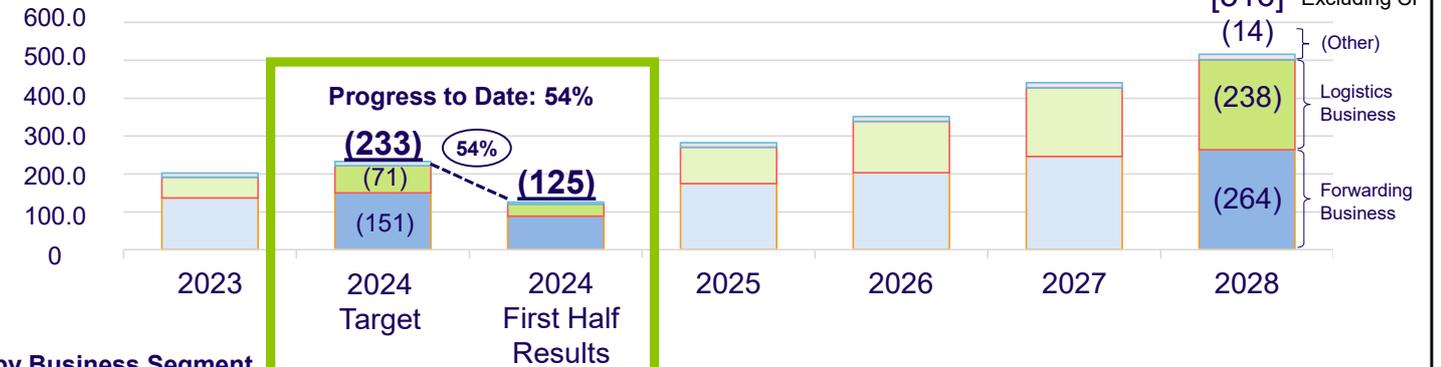
As you can see, we are making progress with CP in a number of areas, and if we can build up synergies through solid efforts, we are confident that we will be able to generate significant benefits in the future.

NX India Group Management Plan Targets and Progress Toward 2028

(Exchange rate: 1 INR = 1.71 JPY)

Revenues

(100 million yen)



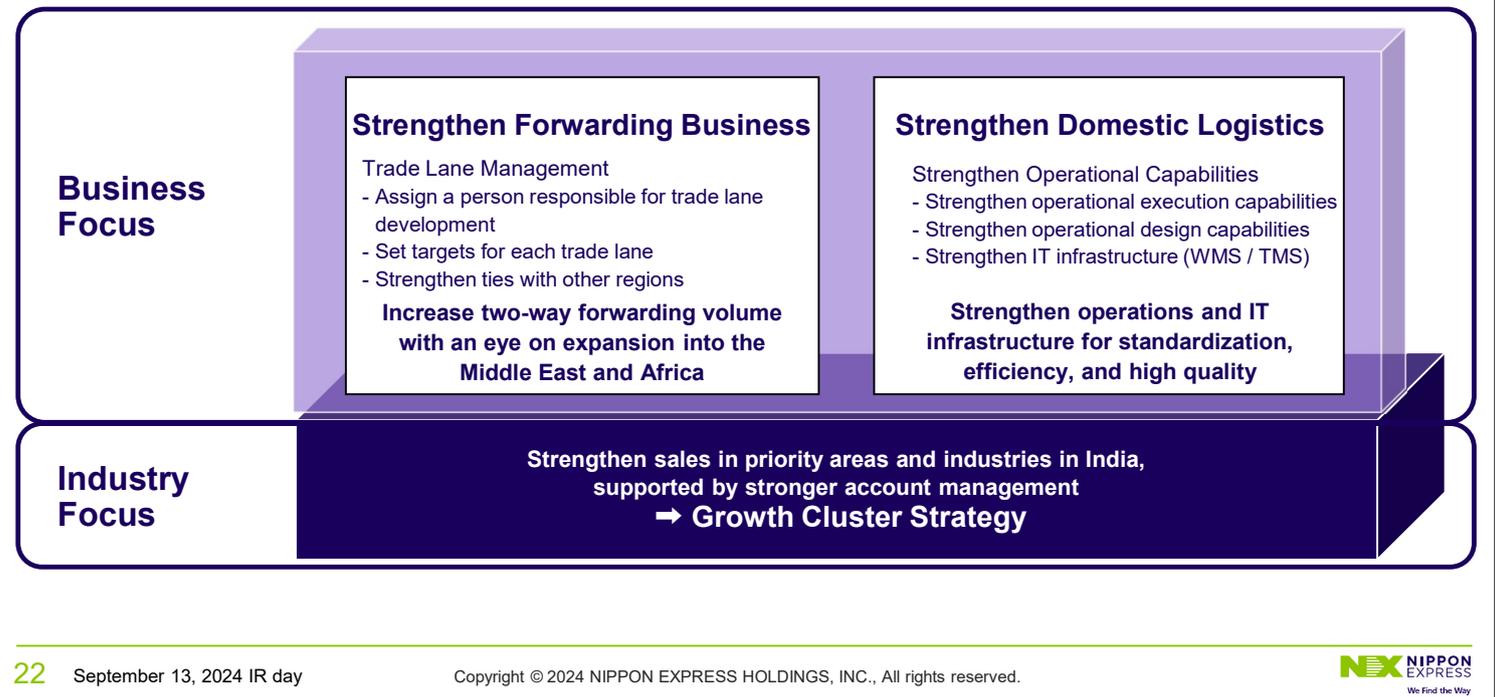
KPI by Business Segment

	2023 Results	2024 Target	2024 First Half Results	2025 Target	2026 Target	2027 Target	2028 Target
Air Export (Ton)	13,732	16,476	7,968 (48%)	20,169	24,690	30,225	37,000
Ocean Export (TEU)	29,102	33,576	13,442 (40%)	38,820	44,884	51,894	60,000

Next, I will discuss our future strategy and the status of our efforts to establish a presence in the Indian market. This page contains sales revenue and business-specific KPI targets for our India operations.

This year, we expect to generally achieve our sales and profit target of JPY23.3 billion, and the NX India Group has set a sales and profit target of over JPY50 billion by 2028.

Medium- to Long-Term Growth Strategy for Establishing a Strong Presence in the Indian Market



Here we have described our growth strategy to establish a presence in the Indian market. India has a thriving pharmaceutical industry, especially generics, and a strong automotive-related industry.

In addition, as the semiconductor industry is expected to grow, we would like to capture the demand for freight to and from India in our forwarding business.

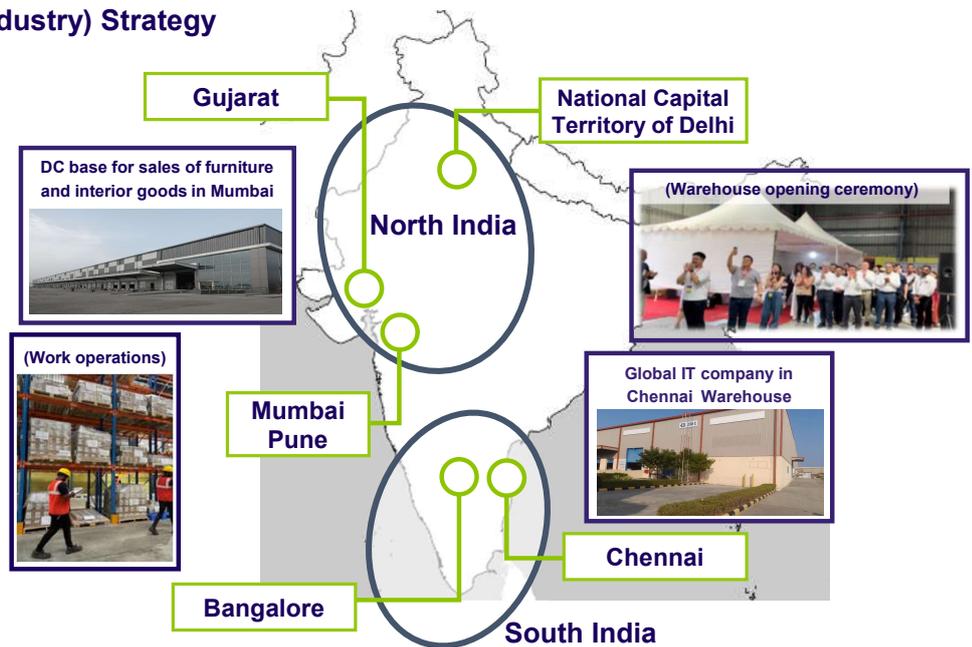
Meanwhile, in the logistics business, we will focus on expanding business in the downstream areas of retail and distribution systems.

In terms of the industry axis, the growth cluster strategy, which is based on strengthening account management and is designed to strengthen sales in priority areas and by priority industries in India, is the pillar of sales expansion.

Medium- to Long-Term Growth Strategy for Establishing a Strong Presence in the Indian Market

Establish Growth Cluster (Area x Industry) Strategy

Priority Areas	Priority Industry
North India	Semiconductors
	Mobility
	Healthcare
South India	Technology (air conditioners, electronic components)
All of India	Lifestyle



This slide shows the growth cluster strategy that I just mentioned. We have divided India into north and south regions, and set priority industries in each region.

In North India, we have set up semiconductors, mobility, and healthcare. In South India, technology-related products.

As for lifestyle, we will promote sales expansion of domestic logistics regardless of area.

The most recent acquisition includes a warehouse operation and domestic delivery service for a major Japanese mass retailer in the suburbs of Mumbai, and in June of this year, we began handling domestic DC operations for a major global IT company in the suburbs of Chennai.

In India's domestic market, where demand is expected to be even more robust, we will continue to expand our business by leveraging our knowledge and high quality of work that is suited to the characteristics of the industry.



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