



IR day2025 Session1

The initiatives of the management plan
to achieve the long—term vision」

NIPPON EXPRESS HOLDINGS,INC. September 22 , 2025

IR Day2025 Today's agenda

Session1:The initiatives of the management plan to achieve the long-term vision

 $13:00\sim14:00$ NIPPON EXPRESS HOLDINGS, Inc

President, Chief Executive Officer and Representative Director Satoshi Horikiri

Managing Director Hideshi Otsuki

NIPPON EXPRESS Co., LTD

President, Chief Executive Officer and Representative Director Shinjiro Takezoe

Session2: Accelerate Growth in the Global Market

 $14:10\sim15:00$ NIPPON EXPRESS HOLDINGS, Inc

President, Chief Executive Officer and Representative Director Satoshi Horikiri

Senior Managing Director Tadahiro Furue

Managing Director Hideshi Otsuki Managing Director Otsuji Satoshi

Session3: Sustainability management, Promoting human capital management

 $15:10\sim16:00$ NIPPON EXPRESS HOLDINGS, Inc

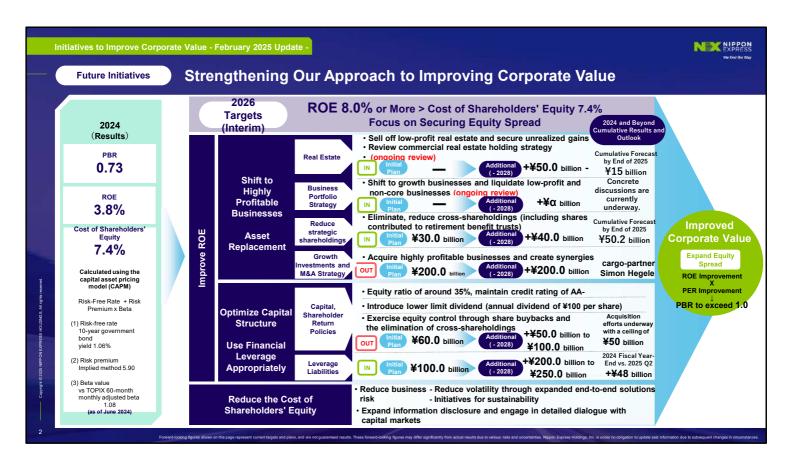
President, Chief Executive Officer and Representative Director Satoshi Horikiri

Managing Director Hideshi Otsuki Managing Director Tatsuya Akama Executive Officer Hiroko Kishida

2025年IR DAY資料

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FY2025 is the second year of the NX Group Business Plan 2028, Dynamic Growth 2.0. In February of this year, we decided to update our efforts to enhance corporate value in order to achieve the goals of the current business plan, which we positioned as the second step toward realizing our long-term vision.

In this context, we have set interim targets for FY2026 and are working to strengthen B/S management, including a review of asset holding strategies, as well as a review of capital policies and strengthening of the promotion of business portfolio management.

Our interim targets are operating income of JPY100 billion or more and ROE of 8% or more, which we aim to achieve.

Initiatives to Achieve Operating Income of ¥100 Billion in FY2026

FY2025 Full-Year Operating Income Full-Year Forecast

¥61 billion

**Disclosed on September 17, 2025; includes a ¥9 billion loss related to second career support.

Initiatives to Achieve Operating Income of ¥100 Billion			
1. Grow business profit	• We intend to grow business profit through strategies and measures as detailed in the business plan.	(Target Amount) 10 billion yen	
2. Control costs / Second Career Support Program	 We launched initiatives to reduce indirect costs, aiming to improve the SG&A-to-sales ratio by about 1 point from the FY2024 level to roughly 5% by 2028. Second Career Support Program: This new program will support second careers for employees while improving and revitalizing the age composition of our organization. 	(Target Amount) 10 billion yen	
3. Sell land	 We plan to sell more than ¥50 billion of land by the end of FY2028. Accelerating these efforts and expanding the amount sold in FY2026 should roughly double what we sold in FY2025. We expect to improve the profitability of Domestic Logistics with the sales of low-profit real estate and other factors. 	(Target Amount) 10 billion yen	

FY2026 Full-Year Operating Income Full-Year Forecast

¥100.0 billion or greater

Financial Results Presentation for Q2, Fiscal Year Ending December 2025

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I will now explain our efforts to achieve the interim targets. With regard to the forecast for the full year 2025, we disclosed the results of the implementation of the "Second Career Support" program last week, and in this context, we expect an operating income forecast of JPY61 billion due to a loss of JPY9 billion caused by additional retirement benefits and other factors.

On the other hand, this loss is a one-time expense in this fiscal year. Therefore, having JPY70 billion as the starting point, we will aim to achieve an operating income of JPY100 billion or more through three initiatives: namely, expansion of business income, cost control and second career support, and land sales, each with respective goals of JPY10 billion.

First, as the mainstay of earnings growth, we will seek to increase business income by promoting the strategies and measures set forth in the business plan.

Approach 1. Grow Business Profit

Accelerate Growth in the Global Market

Logistics Business growth based on customer orientation and supply chain perspective

- (1) Advance global account management
- (2) Offer end-to-end solutions for customer supply chains
- (3) Expand forwarding volume
- (4) Expand business with non-Japanese clients

Future direction of M&A

- (1) Acquire overseas customer base, expand forwarding volume
- (2) Strengthen functions in priority industries and related fields

*FY2024 M&A: Acquired shares in cargo partner, FY2025 M&A: Acquired shares in Simon Hegele

Rebuilding Our Businesses in Japan

Business Profit Ratio FY2023: 3.9%

- ⇒ Improve to 5.9% by FY2028
- (1) Transform into a more customer-oriented company
- (2) Continue and enhance measures to solidify the base of businesses in Japan
- (3) Ongoing transformation and review of business infrastructure
- · Implement account management
- Offer end-to-end solutions
- Enhance profitability through rate revisions and other measures
- · Improve capital efficiency

Etc.

*Results for Q2, FY2025: 3.1%

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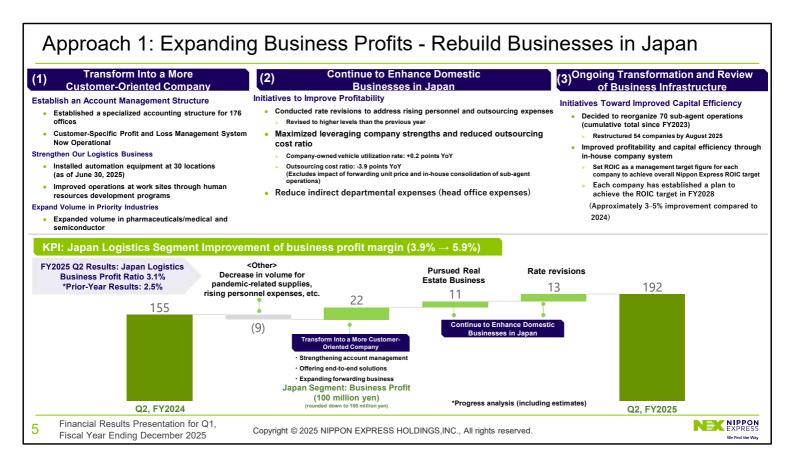
This initiative aims to increase business income by accelerating business growth in the global market as defined in the business plan, and accelerating efforts to rebuild our businesses in Japan.

Regarding the acceleration of business growth in the global market, the themes are the expansion of end-to-end solutions starting from account management, M&As, and PMI.

The details will be explained by Mr. Furue in Session 2, but the expansion of end-to-end solutions requires acceleration of the speed at which results are accumulated. In strengthening and expanding our customer base to achieve this acceleration, we also believe that proactive use of M&As is essential to achieving our business plan.

For future direction of M&As, we will continue to actively consider overseas M&As with a focus on acquiring an overseas customer base, expanding forwarding and other volumes, and strengthening functions in priority industries, etc.

Next, with regard to the rebuilding of our businesses in Japan, we aim to improve business income margin through three initiatives: transformation into a customer-oriented company, continuation and deepening of measures to enhance the robustness of our Japanese businesses, and continuous transformation and revision of our business foundations.



The provision of end-to-end solutions and the price revisions have produced positive results, resulting in an increase in business income for H1 and a business income margin of 3.1%, an improvement of 0.6 percentage points from the previous year. We will further promote this initiative.

Regarding the first point, the transformation into a customer-oriented company, we have completed the development of a dedicated account structure for 176 companies and will accelerate account management.

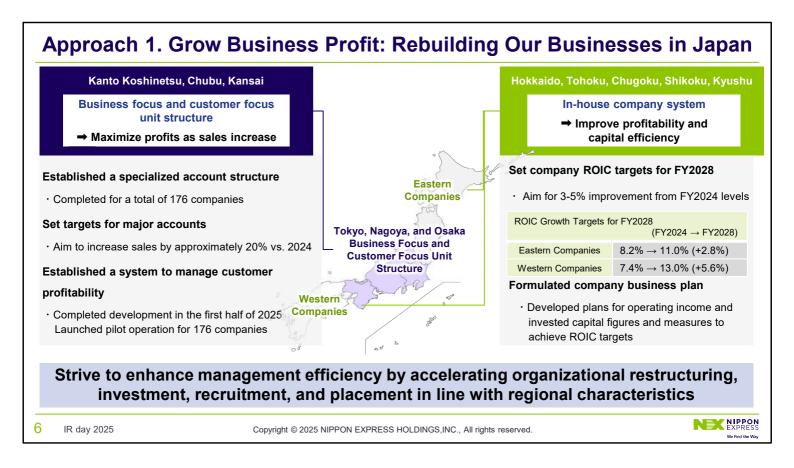
In addition, we have begun operating a customer-specific management of income and expenses, and along with strengthening progress in the account management system, we hope to maximize earnings through income/expense analysis.

Second, in the continuation and deepening of measures to enhance the robustness of our Japanese businesses, we will continue to work on price revisions commensurate with cost increases. Additionally, we will promote the centralized management of our workforce, whereby workforce

operations such as vehicle dispatching will be operated on a unit-by-unit basis across multiple locations and offices, rather than on a unit-by-unit basis at each location or office. This program has already been implemented in some areas, such as Tokyo, and a reduction of the ratio of outsourcing is planned by expanding the area and improving the utilization ratio of company-owned vehicles, among other measures.

In addition, we will promote cost reductions in indirect department costs by expanding the centralization of administrative operations and integrating organizations.

As for the third point, regarding the continuous transformation and revision of our business foundations, we would like to accelerate the optimal and efficient reallocation of management resources to match the characteristics of different markets in Japan, taking the opportunity of Nippon Express' internal company system as well, to improve profitability and capital efficiency.



In the Tokyo, Nagoya, and Osaka area, we will seek to maximize profits with sales expansion, while in East Company and West Company, we will focus on improving profitability and capital efficiency rather than sales expansion, with the aim of improving ROIC.

In order to increase management flexibility, we will transfer authority and accelerate organizational changes, investments, hiring, and assignments according to area characteristics.

In addition, with regard to the continuous transformation and revision of our business foundations, we believe that selection and concentration based on the business portfolio strategy is necessary, and we are promoting this as the role of Holdings.

We are currently working on specific examination while identifying several target businesses and companies, and hope to implement them one by one, starting with those that are ready.

Approach 2. Control Costs

Recent Consolidated Results

Group Total

Revenue

Gross Profit

SG&A Expenses

Business Profit

SG&A Ratio

Gross Profit Margin

Forecast

FY2025

26,000

2,350

1,650

700

9.0%

FY2024

25,776

2,216

1,581

635

8.6%

(100 million yen) Plan

FY2028

30,000

3,000

1,500

1.500

10.0%

5.0%

5.0%

FY2027

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FY2028 Plan

Targets

- · Revenue: ¥3 trillion
- · Business profit: ¥150 billion
- · Business profit ratio: 5%

Assumptions

- Gross profit margin: 10%
- · Gross profit: ¥300 billion
- 6.1% 6.3% **Business Profit Ratio** 2.5% 2.7%
 - *FY2025 results impacted by increased SG&A expenses at SH HoldCo GmbH

Reducing SG&A Expenses

Cost control of SG&A expenses to be ¥150 billion and SG&A ratio to be about 5.0%

FY2026

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Plan to reduce existing SG&A expenses by approximately ¥18 billion from FY2024 levels, while factoring in an increase of approx. ¥10 billion from future growth investments and M&A

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Second, as a cost control measure, we will begin efforts to reduce indirect costs, with the goal of improving the SG&A-to-sales ratio by about -1 percentage point to about 5% by FY2028, compared to the FY2024 result.

The business plan calls for a business income margin of 5% and business income of JPY150 billion in the final year of the plan. To achieve this, we believe it is necessary to control gross profit to about JPY300 billion and SG&A expenses to about JPY150 billion on revenues of JPY3 trillion.

The SG&A for FY2024 was JPY158.1 billion. Therefore, the reduction amount is approximately JPY8 billion. However, we are exploring further M&As by adding JPY200 billion to our growth investment quota. Assuming an increase in SG&A expenses of about JPY10 billion due to the realization of such M&As, we believe that existing SG&A expenses will need to be reduced by about JPY18 billion. Specific measures to achieve this will be assembled in the future, but administrative department costs and consulting costs related to various projects will be targeted for reduction.

Approach 2. Control Costs

Setting Indirect Cost Reduction Targets

Target: Plan to reduce SG&A expenses by ¥18 billion by FY2028 vs FY2024 levels

- · Expand centralized administrative processing through shared services and enhance productivity through DX
- · Eliminate overlapping functions and operations created by strengthening the holdings structure, and review various costs
- · Verify cost-effectiveness and duration of consulting costs in various projects, and advance in-house execution of projects

Category	Example of Major Initiatives	Reduction Target (vs. 2024)
SG&A expenses—Administrative outsourcing expenses	Reduce consulting outsourcing expenses by reviewing project frameworks and content	-¥7 billion
SG&A expenses—Facility usage charges	Reduce usage fees by checking system and equipment utilization at each organization	-¥1 billion
SG&A expenses—General expenses	Reduce costs at group companies by streamlining administrative processes, improving efficiency, and integrating organizations	-¥10 billion
	Total SG&A expense reduction	-¥18 billion
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With regard to administrative department costs, we will seek to reduce costs through cut-offs such as increasing the centralization and mechanization of administrative work, but we also believe that it is necessary to reform the way work is done.

Since the transition to a holding company structure, we have been strengthening the functions of each organization in order to address various management issues. However, we understand that, as a result, there are duplications in functions and operations between the holding company and Nippon Express or overseas regions, etc.

While we view the strengthening of each organization's functions as having reached a certain level, we hope to eliminate this duplication and improve the efficiency of the organization by increasing interlocking between organizations.

In addition, we have made changes such as establishing a holding company structure and changing to international accounting standards. Now, we are currently working on reform projects such as upgrading business management information and promoting sustainability management in order to achieve further growth.

Under these circumstances, consulting costs associated with projects remain high. We will continue to aggressively pursue the necessary changes, but we would like to take a moment here and examine the appropriateness of cost-effectiveness, timeframe, etc., as well as the feasibility of in-house operation to reduce costs.

Through this initiative, we aim to reduce costs by JPY18 billion in SG&A expenses by 2028, mainly in administrative outsourcing expenses such as consulting and temporary staffing.

Approach 2. Support Second Careers

Results of the Nippon Express Co., Ltd. Second Career Support Program Announced July 18, 2025

1. Second Career Support Program Overview

(1) Eligible employees: Those who meet the specified recruitment criteria in terms of position, age, years of service, and other factors

(2) Number of applicants: Approx. 300

(3) Application period: August 18, 2025 through August 29, 2025

(4) Date of retirement: September 30, 2025

(5) Type of support: • Retirement benefits based on years of service plus a supplementary allowance

· Second career consulting

· Reemployment support services

2. Application results: 480 eligible employees

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3. Future outlook: Record a loss of approx. ¥9 billion (other expenses), including supplementary retirement allowances, in

the fiscal year ending December 2025

Expect annual personnel expense reductions of about ¥5 billion* due to retirements under the Second

Career Support program

*Excluding temporary employee hiring and outsourcing costs expected after implementation

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With regard to the implementation of the Second Career Support program, our objective is to support the careers of our employees, and at the same time, improve and revitalize the age structure of our organization.

As I mentioned the results briefly at the beginning of this report, we received 480 applications for the program. While this implementation is expected to result in a loss of JPY9 billion this fiscal year, it is also expected to reduce personnel costs by about JPY5 billion per year.

Approach 3. Sell Land: Concentrating on Core Businesses by Replacing Assets Status of Real Estate Sale Review Listed properties with market-value ROIC below 5% and largely finished selecting potential properties for sales worth ¥50 billion Expand list of properties identified for sale to raise total sale value further Explore not only outright sales but also sale-and-leaseback arrangements Target operating income of ¥100 billion in FY2026 and plan for property sales of around ¥20 billion, about double FY2025 levels Concentrating on Core Businesses by Replacing Assets · Sell off low-profit real estate Reorganize low-profit and non-core **businesses** Cash Shift to global logistics business Sell strategic shareholdings through new M&A and other initiatives Secure external procurement appropriately, focusing on shareholders' equity ratio

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Achieve our vision of becoming a logistics company with a strong presence in the global market

We plan to sell more than JPY50 billion or more of land by 2028, and will promote sale or sale-andleaseback of low-profit business assets and investment properties.

We identified properties with a lower than 5% ROIC against the market price of the assets as the hurdle rate. For business assets, properties with small earnings and properties that are unlikely to clear the hurdle rate by improving profitability are, in principle, considered for sale.

Under these circumstances, at this stage we have a general view of the properties to be sold for JPY50 billion, and we are working on a list of properties to further increase the amount.

On the other hand, the purpose of this initiative is not to sell the land itself, but to shift to a highly profitable business and replace assets, which will be replaced by the core global logistics business through new M&As and other means.

With regard to M&As, we are always in a situation of exploring multiple deals from multiple angles, and we are currently planning to add JPY200 billion to our M&A funds to reach JPY400 billion, but there is a possibility that the amount may be much higher than that, depending on the deal. Although it has not been confirmed at this stage that the current projects under consideration will become a reality, we will continue to work on them and sell the land as they progress.

In the update of our efforts to enhance corporate value, we have decided to sell at least JPY50 billion of land during the current business plan period as the first step. However, we believe that the scale and speed of further buildup will vary depending on the progress of M&As, both in terms of monetary amount and time frame.

Currently, we hope to expand the amount of land sales to be implemented in FY2026 to about double the amount in FY2025, but if large M&A deals can be realized earlier, we will make a large increase in the amount at an early stage.

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