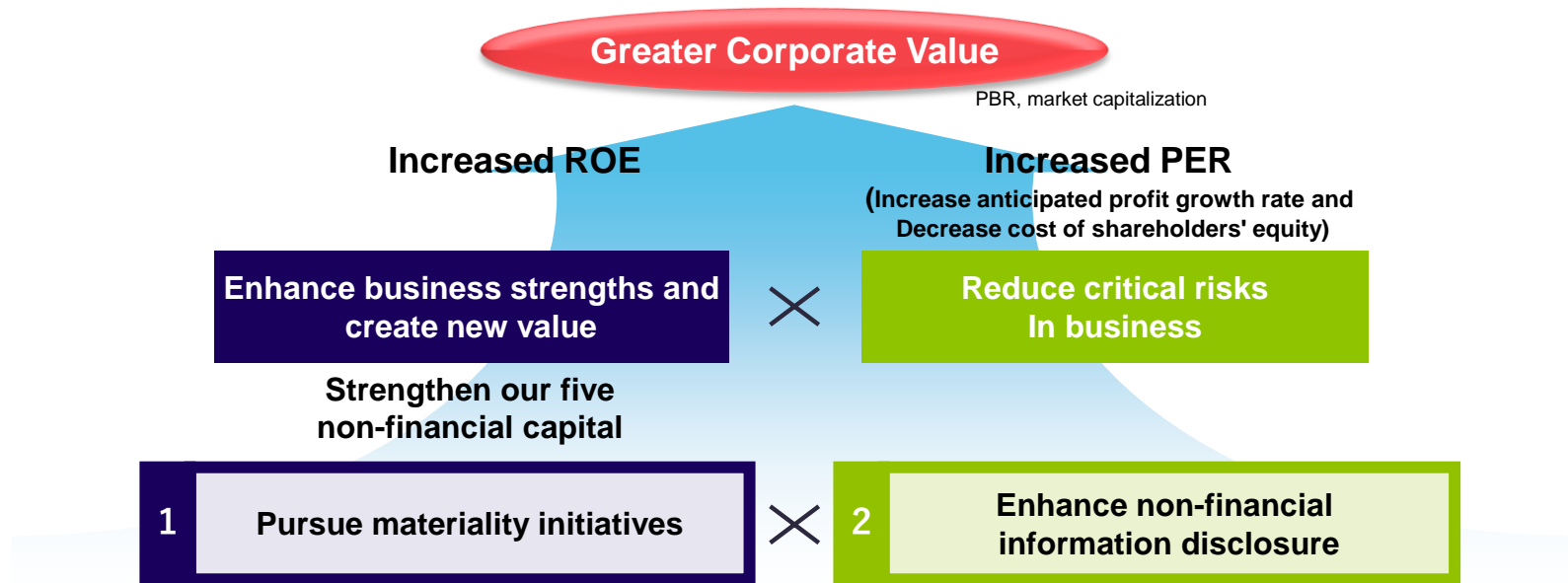IR Day2025 Session3
　「Sustainability Management Strategy」
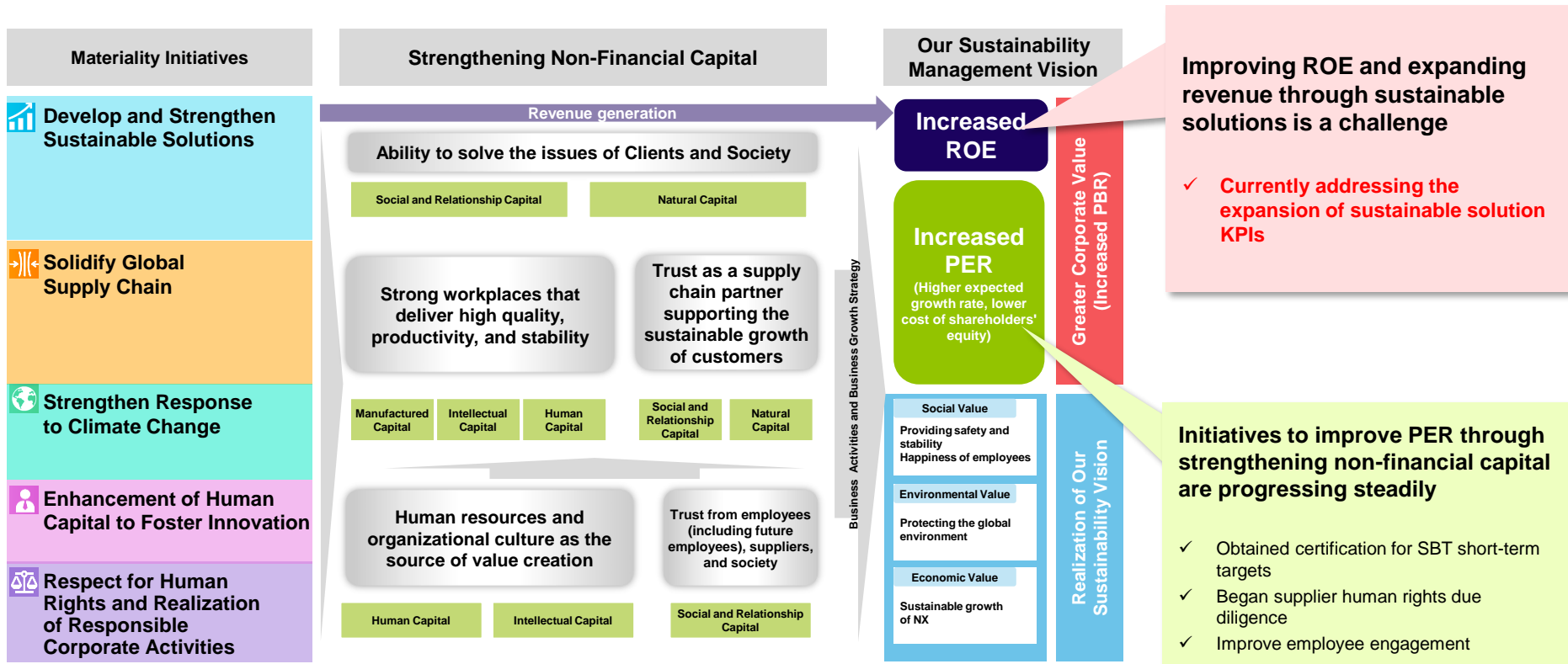
NIPPON EXPRESS Holdings Co., Ltd.
September 22, 2025

Approach to Corporate Value Enhancement in Sustainability Management

Greater Corporate Value

PBR, market capitalization

Increased ROE

Increased PER

(Increase anticipated profit growth rate and Decrease cost of shareholders' equity)

Enhance business strengths and create new value

×

Reduce critical risks In business

Strengthen our five non-financial capital

1 **Pursue materiality initiatives**

×

2 **Enhance non-financial information disclosure**

Enhancing corporate value requires sustainable business growth and stronger external evaluations through sustainability management.
The NX Group <u>aims to enhance corporate value by advancing initiatives to address materiality and strengthening our disclosure of non-financial disclosure, including ESG ratings.</u>

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Materiality Progress in 1H FY2025 │ Summary

Materiality Initiatives	Strengthening Non-Financial Capital	Our Sustainability Management Vision

Materiality Initiatives

- **Develop and Strengthen Sustainable Solutions**
- **Solidify Global Supply Chain**
- **Strengthen Response to Climate Change**
- **Enhancement of Human Capital to Foster Innovation**
- **Respect for Human Rights and Realization of Responsible Corporate Activities**

Strengthening Non-Financial Capital

Revenue generation

Ability to solve the issues of Clients and Society

Social and Relationship Capital | Natural Capital

Strong workplaces that deliver high quality, productivity, and stability

Trust as a supply chain partner supporting the sustainable growth of customers

Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Human resources and organizational culture as the source of value creation

Trust from employees (including future employees), suppliers, and society

Human Capital | Intellectual Capital | Social and Relationship Capital

Business Activities and Business Growth Strategy

Our Sustainability Management Vision

Increased ROE

Increased PER
(Higher expected growth rate, lower cost of shareholders' equity)

Greater Corporate Value (Increased PBR)

Social Value
Providing safety and stability
Happiness of employees

Environmental Value
Protecting the global environment

Economic Value
Sustainable growth of NX

Realization of Our Sustainability Vision

Improving ROE and expanding revenue through sustainable solutions is a challenge

✓ **Currently addressing the expansion of sustainable solution KPIs**

Initiatives to improve PER through strengthening non-financial capital are progressing steadily

✓ Obtained certification for SBT short-term targets
✓ Began supplier human rights due diligence
✓ Improve employee engagement

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1H FY2025 Achievements and Next Steps | Climate Change and Human Rights

Addressing Climate Change	Initiatives to Respect Human Rights

1H 2025 Achievements

- ✓ **Obtained certification for SBT short-term targets**
  - ■ Met transaction requirements of major customers
- ✓ **Accelerated measurement and PDCA cycle for emissions performance**
  - ■ 1H FY2025 Scope 1 and 2 results: 360,000 t-CO_2
    53% of target

Next Steps

- ✓ **Reduce Scope 1, 2, and 3 emissions and response to Customer Requests**
  - ■ Scope 1: Develop detailed measures at Nippon Express to begin implementing in 2026 in anticipation of emissions trading scheme compliance ➡ **Establish fuel efficiency KPIs**
  - ■ Scope 2: Continue LED installations and other existing reduction measures
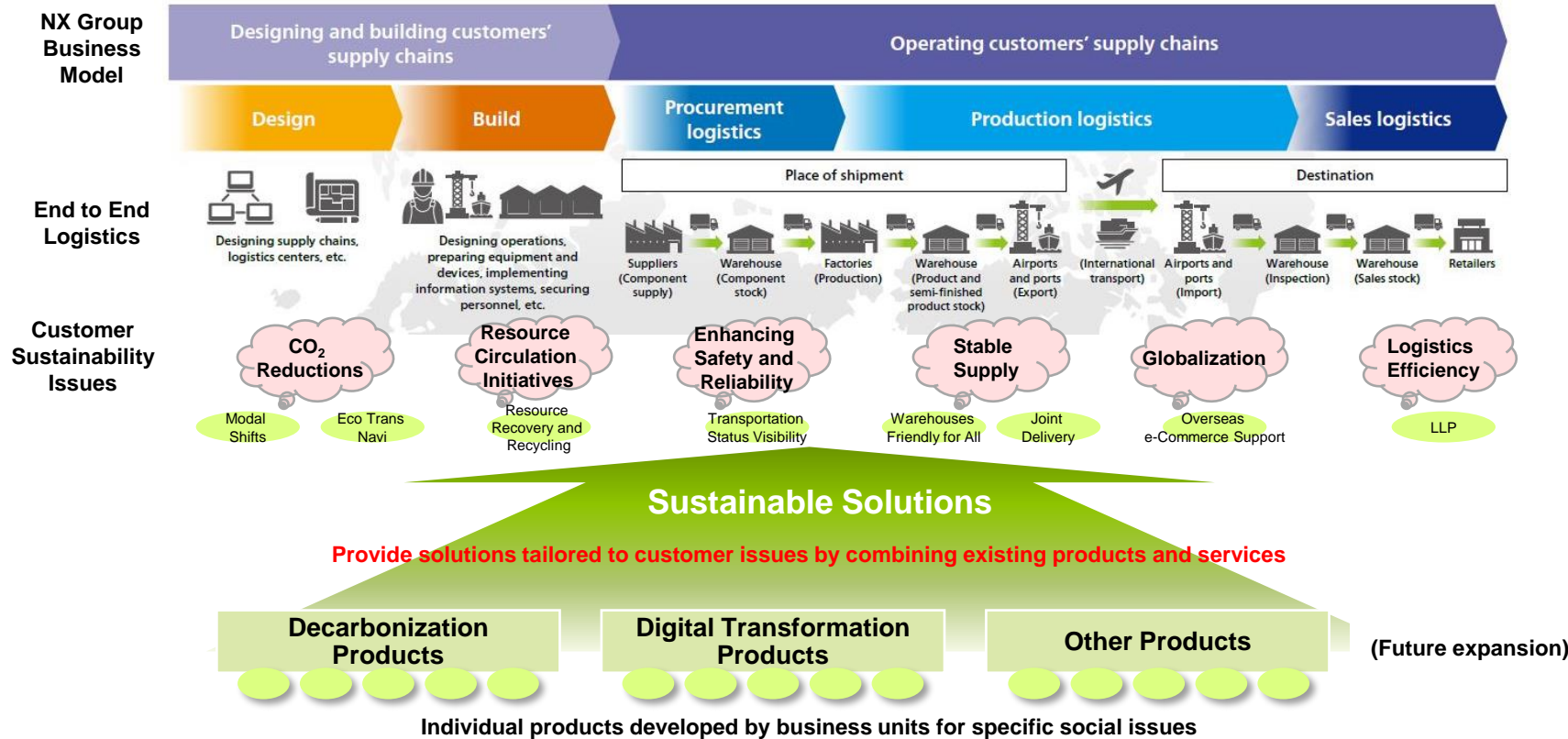 - ■ Scope 3: Reduction measures under consideration

Initiatives to Respect Human Rights

- ✓ **Completed establishment of system to manage internal human rights risk prevention and remediation** *Indicators, etc.
- ✓ **Launched supplier human rights due diligence**
- ✓ **Establish a complaint handling system for suppliers**
  - ■ Plans to launch operation by the end of FY2026

Climate change: Obtained certification for SBT short-term targets; plan to strengthen Scope 1–3 reduction and response to Customer Requests
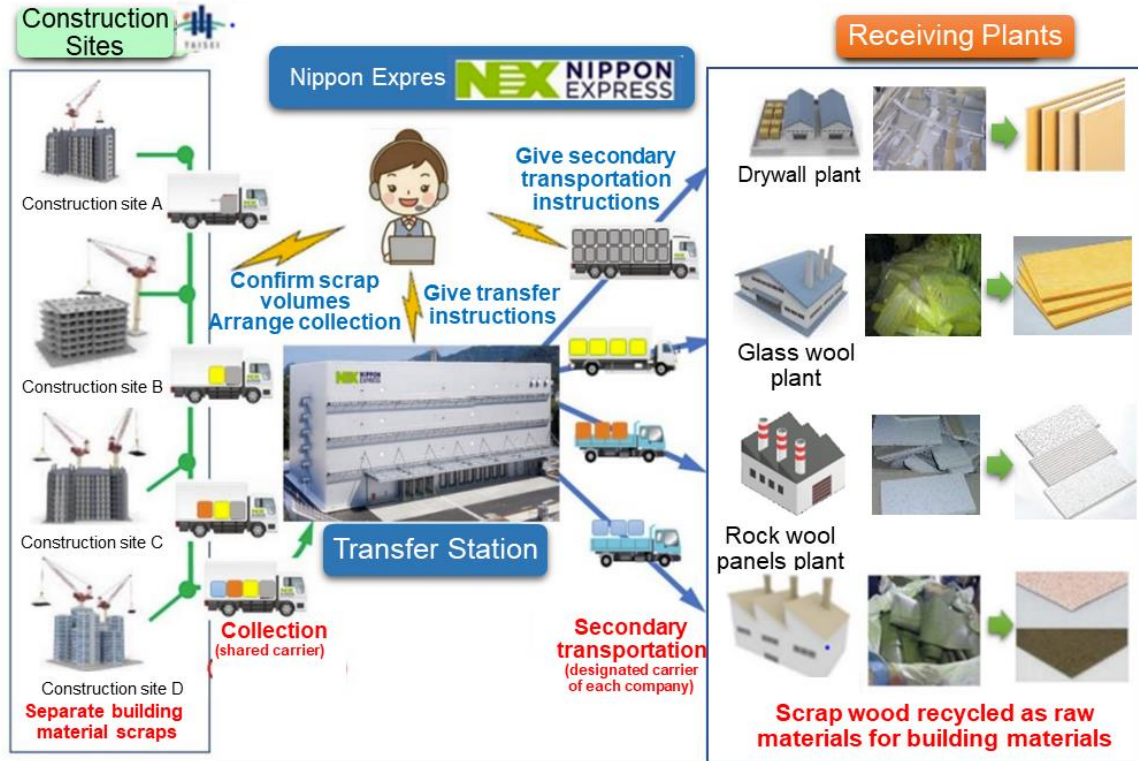**Human rights:** Launched supplier human rights due diligence

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Solving Customer Issues With Sustainable Solutions and Driving End-to-End Services

NX Group Business Model

Designing and building customers' supply chains | Operating customers' supply chains

Design | Build | Procurement logistics | Production logistics | Sales logistics

End to End Logistics

Place of shipment | Destination

Designing supply chains, logistics centers, etc. | Designing operations, preparing equipment and devices, implementing information systems, securing personnel, etc. | Suppliers (Component supply) | Warehouse (Component stock) | Factories (Production) | Warehouse (Product and semi-finished product stock) | Airports and ports (Export) | (International transport) | Airports and ports (Import) | Warehouse (Inspection) | Warehouse (Sales stock) | Retailers

Customer Sustainability Issues

CO_2 Reductions | Resource Circulation Initiatives | Enhancing Safety and Reliability | Stable Supply | Globalization | Logistics Efficiency

Modal Shifts | Eco Trans Navi | Resource Recovery and Recycling | Transportation Status Visibility | Warehouses Friendly for All | Joint Delivery | Overseas e-Commerce Support | LLP

Sustainable Solutions

Provide solutions tailored to customer issues by combining existing products and services

Decarbonization Products | **Digital Transformation Products** | **Other Products** | (Future expansion)

Individual products developed by business units for specific social issues

Our sustainable solutions address diverse sustainability challenges in customer End to End logistics

September 22, 2025 IR day

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Sustainable Solution Example | Resource Circulation (Construction Industry Reverse Logistics)

Construction Sites

Construction site A

Construction site B

Construction site C

Construction site D
Separate building material scraps

Nippon Expres **NEX NIPPON EXPRESS**

Confirm scrap volumes
Arrange collection

Give transfer instructions

Give secondary transportation instructions

Transfer Station

Collection (shared carrier)

Secondary transportation (designated carrier of each company)

Receiving Plants

Drywall plant

Glass wool plant

Rock wool panels plant

Scrap wood recycled as raw materials for building materials

✓ **Construction sites generate diverse building material scraps that easily become mixed waste, making sorting and recycling difficult. Transporting these scraps individually from each site to recycling facilities leads to**
➡**High transportation costs**
➡**High CO_2 emissions**

✓ **The NX Group combines our services and products, providing a circular collection system to resolve these issues**

✓ **Expand adoption across the construction industry**

Differentiate by further advancing solutions to customer and industry sustainability challenges, while aiming to improve revenue and profitability
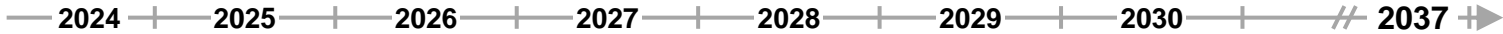
Combine our existing products and services to create solutions (e.g. NR Boxes) to address transportation costs and CO_2 emission issues in construction scrap hauling

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Targets to Improve DJSI Rating

	2024	2025	2026	2027	2028	2029	2033	2037

Disclosure of Non-Financial Information

Improving DJSI Rating (Voluntary Disclosure)

Target through 2028

Join the Asia Pacific Index by the end of 2028

Join the World Index

**2037
A logistics company with a strong presence in the global market**

Current position

Disclose Regulatory Compliance

CSRD

Voluntary Disclosure in Europe → **Statutory Disclosure in Europe** → **Statutory Disclosure Across the Group** — Continue

SSBJ

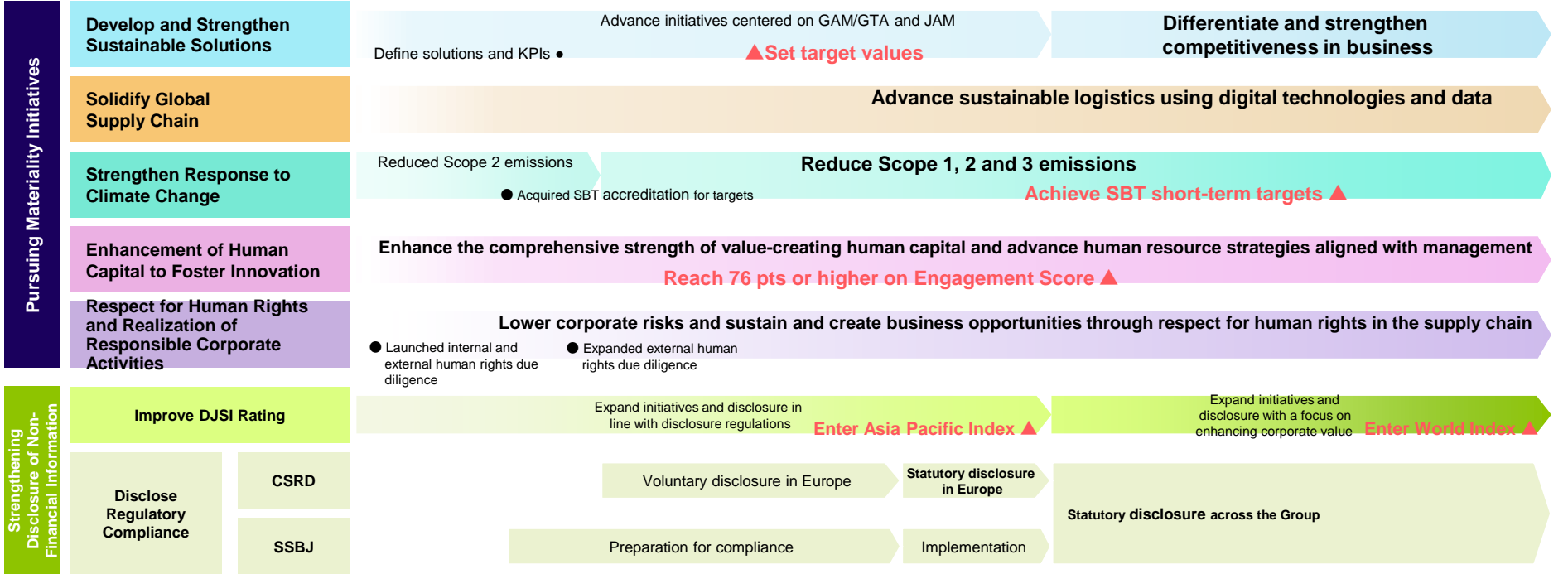**Statutory Disclosure Across the Group** — Continue

Use disclosure regulations and ESG ratings as benchmarks to deepen sustainability management, aiming to enter the World Index by 2033 and the Asia Pacific Index as early as possible by 2028

We Find the Way

Long-Term Sustainability Management Roadmap

	2024	2025	2026	2027	2028	2029	2030	2037

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

Pursuing Materiality Initiatives

Develop and Strengthen Sustainable Solutions
Advance initiatives centered on GAM/GTA and JAM
Define solutions and KPIs ●
▲Set target values
Differentiate and strengthen competitiveness in business

Solidify Global Supply Chain
Advance sustainable logistics using digital technologies and data

Strengthen Response to Climate Change
Reduced Scope 2 emissions
Reduce Scope 1, 2 and 3 emissions
● Acquired SBT accreditation for targets
Achieve SBT short-term targets ▲

Enhancement of Human Capital to Foster Innovation
Enhance the comprehensive strength of value-creating human capital and advance human resource strategies aligned with management
Reach 76 pts or higher on Engagement Score ▲

Respect for Human Rights and Realization of Responsible Corporate Activities
Lower corporate risks and sustain and create business opportunities through respect for human rights in the supply chain
● Launched internal and external human rights due diligence
● Expanded external human rights due diligence

Strengthening Disclosure of Non-Financial Information

Improve DJSI Rating
Expand initiatives and disclosure in line with disclosure regulations
Enter Asia Pacific Index ▲
Expand initiatives and disclosure with a focus on enhancing corporate value
Enter World Index ▲

Disclose Regulatory Compliance

CSRD
Voluntary disclosure in Europe
Statutory disclosure in Europe
Statutory disclosure across the Group

SSBJ
Preparation for compliance
Implementation

Improve ROE and PER by addressing disclosure regulations and sustainability issues (e.g., climate change and human rights) while strengthening human capital, advancing business digital transformation, and providing solutions to customer issues

We Find the Way

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