



I will now explain NX Group Business Plan 2028. The subtitle of the plan is Dynamic Growth 2.0 Accelerating Sustainable Growth. It represents our will to accelerate our growth and pursue our long-term vision by taking over the previous plan and continuing to take on the challenge of change in the future. For the past five years, we have been planning backward from our long-term vision and working on various changes as a first step. The transition to a holding company, the introduction of IFRS, the establishment of GBHQ, and the reorganization of the Group's businesses were implemented.

Although we were unable to achieve our goals last year due to the severe business environment, we believe that we were able to achieve a certain level of success, as we have seen that our ability to earn money has improved. On the other hand, speed was an issue. We also recognize the need for further efforts to enhance corporate value.

In light of these circumstances, the new plan is positioned as the second step toward the realization of our long-term vision, and we will accelerate our transformation and also promote management with an awareness of cost of capital and corporate value improvement.

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1

Long-term Vision

Long-term Vision



NX Group Corporate Philosophy

Our Mission Be a Driving Force for Social Development
Our Challenge Create New Ideas and Value that Expand the Field of Logistics
Our Pride Inspire Trust Every Step of the Way

2037 Vision

A logistics company with a strong presence in the global market

Customers/Society A company that contributes achieve a sustainable society through logistics

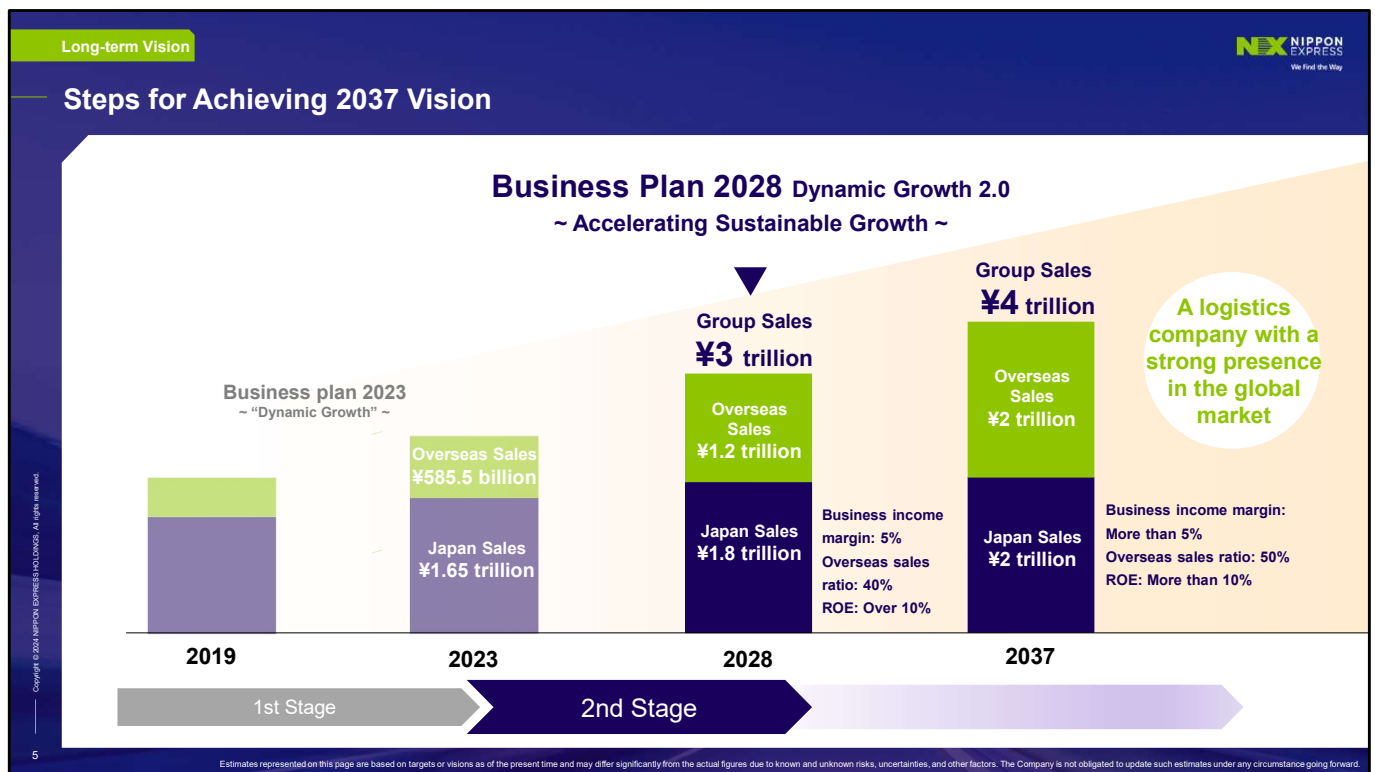
Shareholders A company that achieves sustainable growth by establishing corporate governance

Employees A company whose employees come from a variety of backgrounds, are proud to be active in their work, support customers and society, and feel happy

Important Values

Creating new value through innovation
 Safety Compliance Quality
 We Find the Way

Once again, we are presenting the foundation of the NX Group's management. Based on our corporate philosophy, which is our raison d'être, and the values we hold dear, we have established a long-term vision of where we want to be in 2037. The business plan is a concrete action plan to realize this long-term vision. With our corporate philosophy as our foundation, we will work together with our employees to contribute to society and enhance our corporate value.



To realize our long-term vision, we have quantitatively shown more than a growth image from 2019. Internally, we use this slide to share the path to our long-term vision. Although we may be greatly affected by various environmental changes, such as infectious diseases, natural disasters, and the emergence of geopolitical risks, we believe it is important to remain steadfast in our pursuit of our long-term vision.

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NX Group Business Plan 2028 (Important Strategies and Policies, Management Target)

Important Strategies and Policies in Business Plan 2028

NX Group Business Plan 2028 Dynamic Growth 2.0

~ Accelerating Sustainable Growth ~

Basic Policies

- Enhance global competitive edge and achieve business growth with a group-wide optimization approach.
- Increase competitiveness and profitability, and enhance corporate value based on clear business portfolios and separation of roles.
- Implement sustainability management helping to resolve social issues and achieve a sustainable society, and reform the company group to one that is chosen by customers, society, shareholders, and employees.

Revenue

FY2023 FY2028
¥2,239 billion ▶ ¥3,000 billion

Business Income

FY2023 FY2028
¥81.2 billion ▶ ¥150 billion

ROE

FY2023 FY2028
4.8% ▶ Over 10%

Accelerate Growth in the Global Market

FY2023 FY2028
Overseas sales ¥585.5 billion ▶ ¥1,200 billion
M&A ¥370 billion

Rebuild Businesses in Japan

FY2023 FY2028
Business profit ratio 3.9% ▶ 5.9%
(Logistics Japan)

Sustainability Management Promotion

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Next, I will explain the basic approach that forms the core of our business plan. See page seven. We have set forth three basic policies. First, we will achieve global business growth by focusing on overall group optimization. Second, we will work on business portfolio management as a key to improving corporate value. Third, we will promote sustainability management and transform ourselves into a corporate group of choice.

Important numerical targets are in terms of business growth, we aim to achieve revenue of JPY3 trillion, 40% of which is overseas, or JPY1.2 trillion; in terms of profitability, we aim to achieve business profit of JPY150 billion and return on equity of 10% or higher, with a business profit ratio of 5%.

To achieve this, we aim to achieve a business profit ratio of 5.9% for our businesses in Japan. We believe that consistently achieving return on equity of 10% or more is important for increasing corporate value.

Important Strategies and Policies in Business Plan 2028

Business Growth Strategy	Accelerate Growth in the Global Market	<ul style="list-style-type: none"> ● Growth of logistics businesses from a customer-oriented and customers supply chain perspective <ul style="list-style-type: none"> ▶ Growth for core logistics business supporting customers supply chains <ul style="list-style-type: none"> • Promotion of global account management • Provision of End to End solutions for customers supply chain • Expansion of forwarding volume • Expansion of business with non-Japanese customers ● Achieve dynamic business growth with M&As, alliance, and strategic investments <ul style="list-style-type: none"> ▶ Global M&As, PMI • Implement PMI for cargo-partner
	Rebuild Businesses in Japan	<ul style="list-style-type: none"> ● Strengthen each business to improve profitability, and reform, organize and replace low-profit businesses <ul style="list-style-type: none"> ▶ Reform into a highly profitable, customer-oriented organization ▶ Enhance expertise of specialized logistics businesses, to strengthen the competitive edge of logistics support businesses
Sustainability Management Strategy	Sustainability Management Promotion	<ul style="list-style-type: none"> ● Contribute to a sustainable society through businesses <ul style="list-style-type: none"> ▶ Address social issues (contribute to customers' social issues) ▶ Reform to a company that is chosen by customers, society, shareholders, and employees
Corporate Strategy Supporting Business Growth		<ul style="list-style-type: none"> ● Enhance human capital and strengthen human resources engagement ● Enhance and reform provided value and create new value by promoting DX and IT as the source of our competitive edge ● Reform business management system and enhance uniformity as each corporate functions of the group ● Strengthen governance and risk management supporting global growth
Initiatives to Improve Corporate Value		<ul style="list-style-type: none"> ● Achieve continuous increase of ROE through steady implementation of business plan ● Capital policies that achieve business growth and improved return on capital ● Promote ROIC-oriented business portfolio management

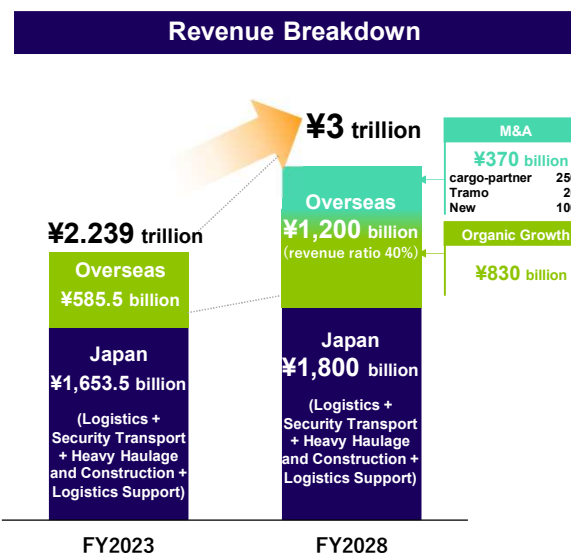
The structure and contents of the new business plan are listed below. For our growth strategy and sustainability management, which are directly linked to our three basic policies, we have developed a corporate strategy as a foundation to support our efforts.

In addition, we believe that the major theme of the next five years will be the enhancement of corporate value. Specific initiatives are listed on the right side of the material, and each will be explained in turn.

Group Numerical Targets

Numerical Targets		
Target Item	FY2023	FY2028
Revenues	¥2,239 billion	¥3,000 billion
Segment Income (Business Income)	¥81.2 billion	¥150 billion
Business Income Margin	3.6%	5.0%
Operating Income	¥60.0 billion	¥150 billion
Profit Attributable to Owners of Parent	¥37.0 billion	¥100 billion
ROE	4.8%	Over 10.0%
Overseas Revenues	¥585.5 billion	¥1,200 billion

※ Assumed exchange rate during the period of the business plan 1US\$ = 141.0 yen
 ※ Overseas sales revenue is shown after elimination of intersegment sales from this business plan (previous plan showed the figures before elimination)
 ※ Numerical targets for FY2023 will be reviewed at the end of FY2026



FY2023

FY2028

Numerical targets are as stated in the material. The goals were set based on assumptions about the results of each measure and other factors to the levels projected from the present. In terms of the composition of revenues, for the overseas regions, in addition to organic growth, we plan to expand significantly through M&A. While some businesses in Japan region are expected to grow, some businesses in Japan region are expected to shrink, resulting in lower growth than in the overseas region. A review is planned at the end of FY2026, three years from now. Please refer to page 10 for targets by disclosure segment.

Targets by Segment *Before elimination of intersegment transactions

Segment	Revenue				Business Income			Income Margin	
	2023 (Results)	2028 (Plan)	5 year growth rate	CAGR	2023 (Results)	2028 (Plan)	Growth rate (compared to FY 2023)	2023 (Results)	2028 (Plan)
Logistics Japan	1256.5 billion yen	1350.0 billion yen	7.4%	1.4%	48.5 billion yen	79.0 billion yen	62.9%	3.9%	5.9%
Logistics Overseas	642.4 billion yen	1280.0 billion yen	99.3%	14.8%	31.2 billion yen	64.0 billion yen	105.1%	4.9%	5.0%
Region Total	642.4 billion yen	910.0 billion yen	41.7%	7.2%	31.2 billion yen	50.0 billion yen	60.3%	4.9%	5.5%
Americas	151.2 billion yen	218.0 billion yen	44.2%	7.6%	9.2 billion yen	13.5 billion yen	46.7%	6.1%	6.2%
Europe	192.6 billion yen	253.0 billion yen	31.4%	5.6%	9.8 billion yen	13.0 billion yen	32.7%	5.1%	5.1%
East Asia	157.6 billion yen	222.0 billion yen	40.9%	7.1%	3.7 billion yen	11.0 billion yen	197.3%	2.4%	5.0%
South Asia and Oceania	140.8 billion yen	217.0 billion yen	54.1%	9.0%	8.3 billion yen	12.5 billion yen	50.6%	5.9%	5.8%
M&A	- billion yen	370.0 billion yen	-	-	- billion yen	14.0 billion yen	-	-	3.8%
Security Transportation	67.8 billion yen	73.0 billion yen	7.7%	1.5%	3.3 billion yen	4.0 billion yen	21.2%	5.0%	5.5%
Heavy Haulage and Construction	51.1 billion yen	58.0 billion yen	13.5%	2.6%	6.5 billion yen	7.0 billion yen	7.7%	12.8%	12.1%
Logistics Support	425.8 billion yen	476.0 billion yen	11.8%	2.3%	13.8 billion yen	16.5 billion yen	19.6%	3.3%	3.5%
Adjusted (internal elimination)	(204.9) billion yen	(237.0) billion yen	-	-	(22.3) billion yen	(20.5) billion yen	-	-	-
NX Group Total	2239.0 billion yen	3000.0 billion yen	34.0%	6.0%	81.2 billion yen	150.0 billion yen	84.7%	3.6%	5.0%

3 | Business Growth Strategy



Requirements Underpinning Growth Strategies for Global Markets

Acquiring untapped areas and improve engagement with existing customers
How to increase the "Size of business with 1 customer"
 (Number of provided solutions x size of revenue of each solution) x Number of customers"

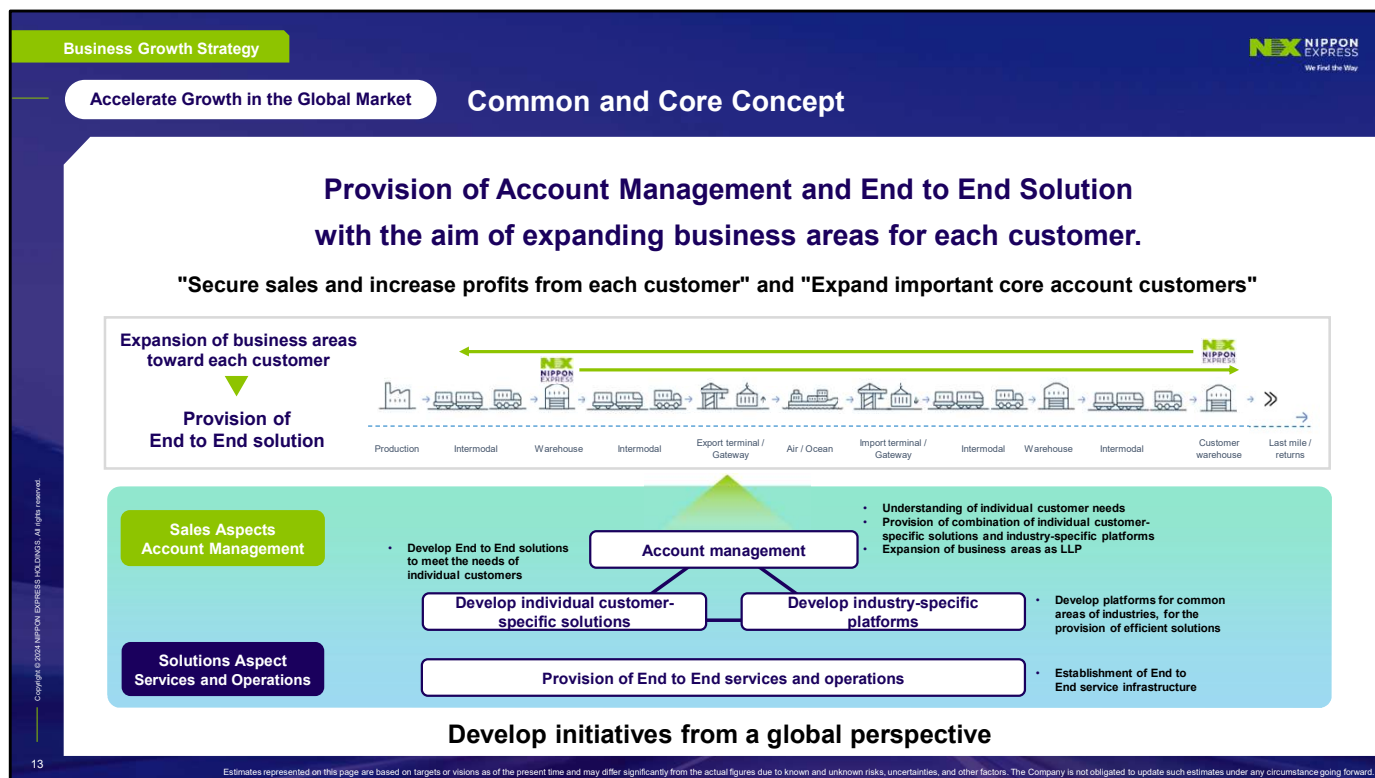


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In the previous plan, we took a three-axis approach, with the customer industry axis as the starting point for our strategy, the business axis to build logistics solutions and realize solutions, and the area axis to expand business according to area characteristics.

Under the new plan, we will evolve this three-axis approach to achieve global growth. The key point of the strategy is to expand transactions with existing customers and increase the number of customers. For existing customers, there are many areas in forwarding and logistics that have not yet been captured, and we believe we can capture these areas by providing global end-to-end logistics solutions. In addition, we aim to increase the number of new customers by building touch points with potential customers.



Next, we will discuss end-to-end logistics solutions. Today, supply chains are built globally, but they are increasingly complex, with inefficiencies and BCP challenges, as well as sustainability issues such as decarbonization.

Under these circumstances, the key is to capture the entire supply chain and solve customers' issues with total logistics solutions.

We have been building solutions for the pharmaceutical, semiconductor, and other industries according to their characteristics. We will use this knowledge to develop an end-to-end service infrastructure. In addition, we will systematically strengthen account management as a sales approach. We will provide individual solutions according to the individual needs identified through these activities and make those that can be standardized by industry into platforms to provide efficient solutions. As a result, we aim to achieve an increase in the number of transactions handled per customer and an expansion of core accounts.

Expand the customer base for global account management



Reform and develop management system by industry and by accounts

- **Strengthen the account management system**
 - Strengthen organizations promoting account management
 - Develop rules concerning account management (responsibilities, authority, roles, evaluations)
- **Account Portfolio Strategy**
 - Market-sensitive target account selection
- **Develop Infrastructure Supporting Account Management**
 - CRM systems upgrades
- **Develop account management capabilities**
 - Augment account management educational tools
 - Training, hiring of account managers

For account management, we will strengthen the system and expand the number of target clients. In the practice of account management, we analyze the potential of each client and formulate an account vision and account plan.

We have organized the rules for activities, including responsibilities and authority, and have also started to develop infrastructure and strengthen human resources to support the activities. We will systematically work to expand the number of target customers and advance the level of our activities.

Priority Industry		Main Products	2026 revenue target	2028 revenue target	Growth rate compared to 2023
Technology	Core Domain	Electric & Electronics	¥360 billion	¥400 billion	+27 %
	Growth, Pursuit Domains	Industrial Machinery			
Mobility	Core Domain	Automobile	¥240 billion	¥260 billion	+17 %
	Growth, Pursuit Domains	Construction & Agriculture Machinery			
		Train, Airplane			
Lifestyle	Core Domain	Apparel	¥140 billion	¥160 billion	+23 %
	Growth, Pursuit Domains	Furniture, Jewelry, Cosmetics			
Healthcare	Core Domain	—	¥110 billion	¥130 billion	+51 %
	Growth, Pursuit Domains	Pharmaceutical			
Semiconductor	Core Domain	—	¥70 billion	¥100 billion	+125 %
	Growth, Pursuit Domains	Semiconductor			

Note: Red are new priority industry added from this business plan

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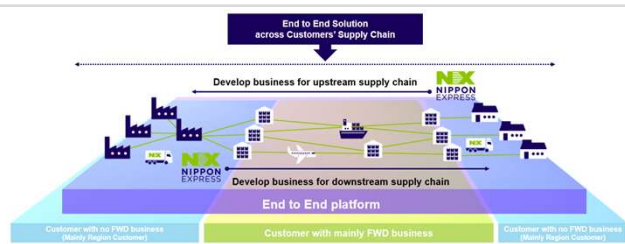
Regarding the customer industry axis, the previous plan identified five priority industries: electric and electronics, automobiles, apparel, pharmaceuticals, and semiconductors, but the scope has been expanded and reorganized as technology, mobility, lifestyle, healthcare, and semiconductors. As a growth challenge area, we are looking to expand our target industries and grow our business.

Provision of
End to End solutions

Growth for core logistics businesses

Strengthen
logistics solution
offerings

X

Expand sales in
forwarding

Strengthen Logistics Solution offerings

- Development of functions and services to respond to industry needs and customer needs, and creation of advanced solutions
- Enhance approach to untapped areas throughout entire customer supply chain

Main KPI

	FY2023	FY 2026	FY 2028
Warehousing and distribution etc. sales	¥451 billion	¥520 billion	¥590 billion

Expand sales in forwarding

- Expand share in priority trade lanes (Asia - Europe and the United States, Intra-Asia)
- Strengthen sales at destination side, standardize and enhance operations, and improve products

Main KPI

	FY2023	FY 2026	FY 2028
Air cargo forwarding volume	690,000 t	1,100,000 t	1,300,000 t
Ocean cargo forwarding volume	720,000 TEU	1,200,000 TEU	1,400,000 TEU

We are presenting our logistics and forwarding initiatives to strengthen the business axis that enables us to provide end-to-end solutions. In logistics, we set KPIs for sales expansion in warehousing and distribution, etc., with an eye to strengthening solutions. New volume targets have been set for forwarding, and efforts will be made to expand volume. We believe that this is the key to accelerating growth in the global market, and in conjunction with this, human resources and IT strategies will also become important themes.

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

Strong 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

European 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

As the area axis, this is the main initiative for overseas regions. For the next five years, we have positioned the PMI of cargo-partner and the expansion of our Indian operations as our top priorities. The entire group, including Japan, will focus its efforts on this area.

We will also strengthen inter-regional cooperation, including support for China Plus One and expansion of forwarding in Trans-Atlantic.

M&A Initiatives

Carry out further M&A into target areas based on business growth strategy

- Strengthen competitiveness of core logistics business
- Strengthen responsiveness to the needs of each regional market with capabilities rooted in industry, business

PMI Initiatives

cargo-partner PMI initiatives

Boost Presence in the Global Market with Synergy That Exploits Both Companies' Dominant Strengths

Network expansion and expansion of service offerings

Expansion of network and services offered in the European region by complementing our logistics infrastructure in Central and Eastern Europe, which is expected to grow as a production base within the European region.

Improvement of competitiveness through expansion of quantity of cargo handled

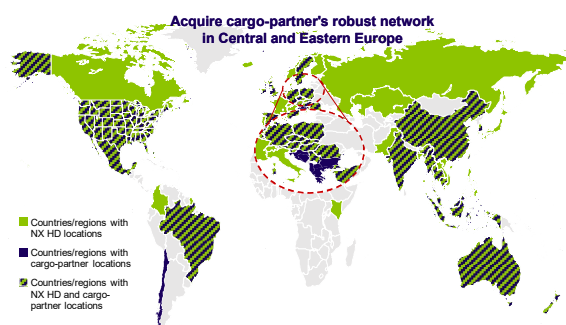
Enhanced competitiveness in the global market by expanding ocean and air cargo handling volume

Enhancement of ability to respond to global logistics demands

This acquisition will allow us to respond to the various demands of our global customers. In particular, it will enable us to increase our ability to respond to the demand for logistics between Asia and Europe as well as strengthen our global account structure

Creation of synergies and business expansion/development

Creation, expansion and development of synergies in the logistics business through mutual complementation based on each other's different customer bases and strengths in different countries and regions



Although we have focused on organic strategies up to this point, M&A is essential for rapid growth. In particular, we have high expectations for the newly acquired company, cargo-partner, and will steadily proceed with PMI.

We will continue to engage in M&A activities, including expansion into India and Africa and strengthening of our customer base and business infrastructure.



Here is an explanation of NIPPON EXPRESS' initiatives. NIPPON EXPRESS is committed to three reforms by confronting our customers and social issues head-on. We will continue our efforts to strengthen our business in Japan and further evolve our organizational structure.

At the same time, as one of the global regions, the key themes are to work on growth strategies, including account management, and to link initiatives such as labor shortages and decarbonization to business growth in Japan, a country with advanced issues.

Rebuild Businesses in Japan

Nippon Express Business Growth Strategy

Reform to a highly customer-oriented company

Customer-oriented, market-oriented approach

- Develop important account management system
- Create industry-specific, customer-specific supply chain approach strategy
- Develop products and modes to suit social environments, market and customer needs

Reform to a highly profitable company

Make businesses in Japan more robust, strengthen specialized businesses and improve productivity

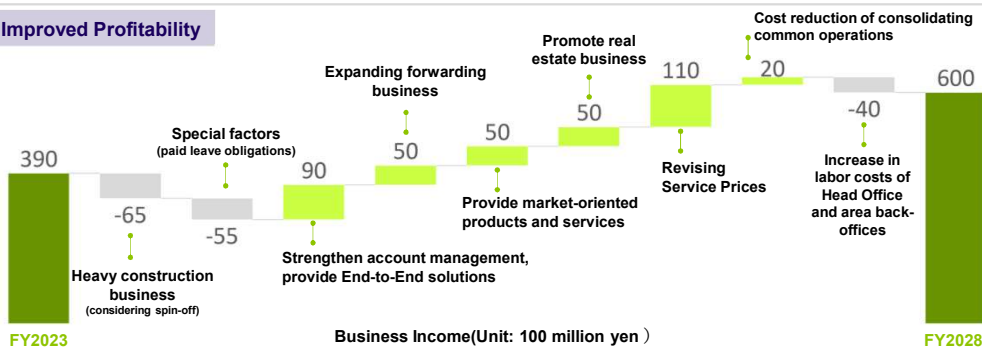
- Strengthen logistics business competitiveness
- Expand forwarding business
- Develop networking business infrastructure and strengthen specialized businesses
- Continue and enhance robustness policies of businesses in Japan
- Promotion of real estate business

Reform to a company that is chosen

Implement human capital management and increase social and environmental value

- Improve employee engagement
- Increase level of safety and quality
- Strengthening initiatives for climate change

Stories for Improved Profitability



Business Income(Unit: 100 million yen)

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In the transformation into a more customer-oriented company, the strategy is oriented toward customer-insight and market-orientation, in the transformation into a more profitable company, the strategy is based on the themes of further strengthening, strengthening expertise, and improving productivity. In the transformation into a company of choice, the strategy is based on the themes of human capital management and improving social and environmental value, in line with the Group's overall strategy.

As part of our transformation into a more profitable company, we are also considering the introduction of an internal company system, which will be explained on the next page.

Begin concrete studies into of organizational restructuring with the aim of achieving the goal of Business Plan 2028

Market size and quality differs throughout Japan depending on area

Targets, strategies, required management resources and fields of specialization needing strengthening differ depending on area

Aim of organizational restructuring

The introduction of the internal company system clarifies the roles of each area, and increases the degree of freedom of management

- Create strategies for each area, and achieve management to suit market characteristics for the goals set based on the characteristics of each area
- Develop system for hiring, assigning and training personnel suited to each area, increase employee engagement, and aim to strengthen competitive edge

Kantoukoushin'etsu, Chubu, Kansai

- Harness market potential and maximize sales and profits
- Strengthen account management and sales capabilities
- Extend related global businesses

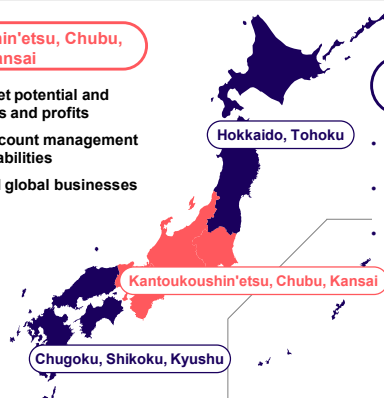
Hokkaido, Tohoku

Hokkaido, Tohoku, Chugoku, Shikoku, Kyushu

- Maximize profits, focusing on improving capital efficiency
- Acquire high-profitability businesses
- Improve productivity

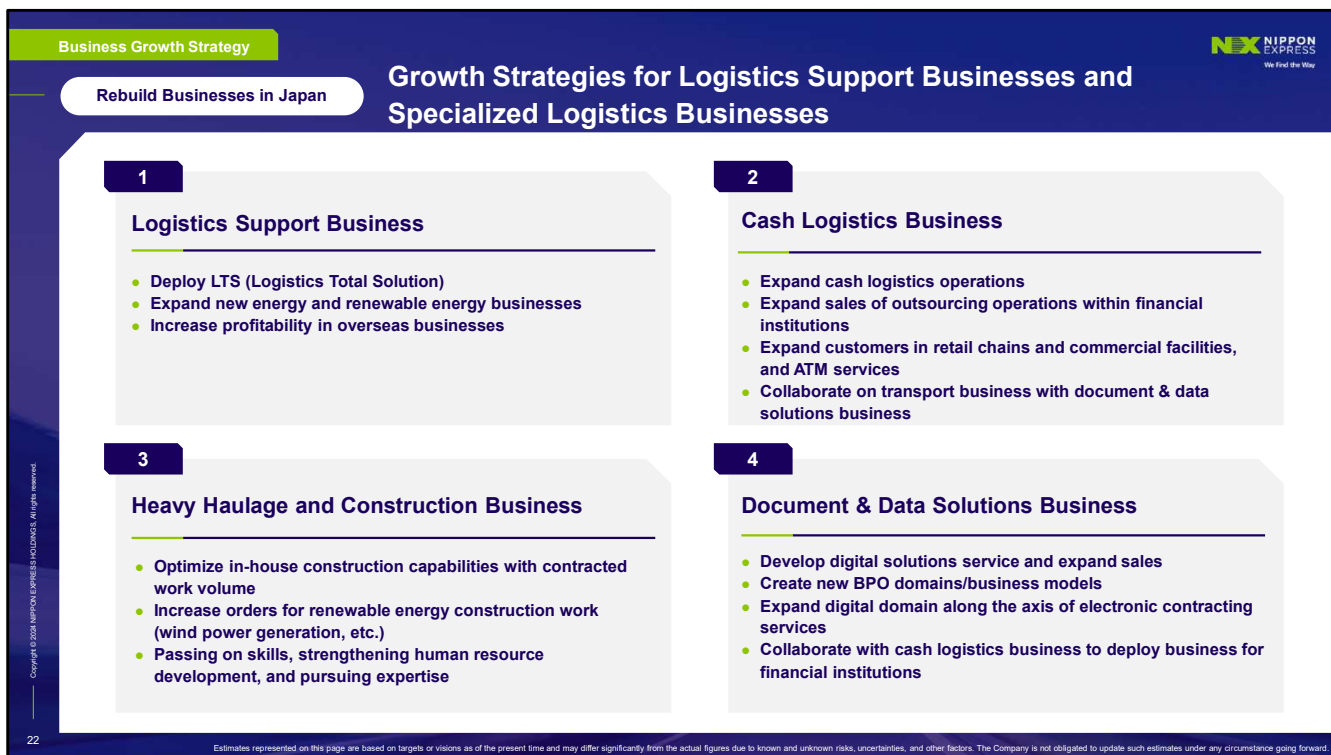
Kantoukoushin'etsu, Chubu, Kansai

Chugoku, Shikoku, Kyushu



As a result of the business structure reform project, which has been studying how management should be tailored to the characteristics of each area, we have begun specific studies on the introduction of an in-house company system.

In this study, we believe that the key is to clarify the role of each area and increase management flexibility. Specifically, we are considering a three-block structure: Kantoukoushin'etsu, Chubu, and Kansai; Hokkaido and Tohoku; and Chugoku, Shikoku, and Kyushu. Different areas have different goals, strategies, required management resources, and specialties that need to be strengthened, and we want to be able to allocate management resources and execute strategies according to their different characteristics. We will finalize the details this fiscal year.



In this section, we will discuss our cash logistics business and heavy haulage and construction business.

Last year, cash logistics spun off NIPPON EXPRESS' security transportation business and relaunched it as NX cash logistics.

As the cashless society continues to develop, we have been mainly engaged in cash transportation business, but we will leverage our expertise in cash handling and the trust we have earned to capture the outsourcing business of financial institutions.

The heavy haulage and construction business has high potential, as new business areas such as offshore wind power and next-generation energy are expanding, while demand for maintenance and reconstruction is expected to increase as social infrastructure ages.

In this field as well, we are facing a serious shortage of labor, and we will work to secure and train professional human resources as an important issue for business expansion.

4 | Sustainability Management Strategy

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Sustainability Management Strategy

Materiality

These materialities are not limited to new initiatives, but are topics to confront if we are to improve corporate value in the present and future, based on ongoing efforts and intangible assets accumulated over time.

- Compliance
- Ensure Safety and Security
- Respect Human Rights

- Secure and train skilled human resources
- Enhance well-being
- DE&I promotion

- Reduce CO2 Emissions(Scope1,2,3)
 - Reduce Fossil Fuel Use
 - Reduce Electricity Consumption and Expand the Use of Renewable Energy
 - Reduce CO2 Emissions from Consigned Forwarding
 - Reduce Industrial Waste Emissions

KPI	FY2023	FY2026	FY2028
Reduction in CO ₂ emissions (SCOPE1 - 2)	Emissions 746,000 t * FY2022 results	Emissions 641,000t	Emissions 537,000t
Reduction in CO ₂ emissions (SCOPE3)		YoY 2.5% reduction	YoY 2.5% reduction



- Strengthen Materiality Solutions
- Strengthen Decarbonization Logistics Solutions
- Strengthen Logistics Solutions through DX Promotion

- Strengthen the Business Foundation for Risks
- Improve IT Infrastructure and Enhancing Security-Level
- High Efficiency, High Quality, and High Profitability Logistics through DX Promotion

We believe that sustainability management is the starting point for all things. The importance of responding to social issues has increased dramatically, and we see this as a serious business risk, but also as an opportunity for new business.

We have established a sustainability policy and vision and have identified five materialities as important issues related to overall management, which we will actively address. In particular, we consider decarbonization and securing human resources to be highly important and urgent issues.

In the area of decarbonization, we will work toward our 2050 carbon neutrality goal with numerical targets in each of Scope 1, 2, and Scope 3.

5

Corporate Strategy Supporting Business Growth



This is where the corporate strategy is explained. For our corporate strategy, we have indicated the areas of particular importance to support the growth of our business. We view the human capital management and human resources strategy on this page as a way to improve corporate value and create social value.

In particular, the human capital strategy linked to the improvement of employee engagement and management strategy is a key point, and along with the employee engagement survey score we have built up to date, we view human resources as capital and have adopted human capital ROI as a KPI.

Corporate Strategy

1

DX Strategy

- Higher efficiency, higher quality and higher profitability logistics with an optimal balance between human resources and digital technologies
- Achieve more flexible and optimal logistics, capable of responding to changes in customer and industry supply chains
- Develop “engine” supporting DX strategies

2

IT Strategy

- Create and implement future vision of system aimed at overall global optimization
- Creation of solutions contributing to increasing value provided to customers
- Promote data utilization across the group
- Develop robust group IT infrastructure and improve security level
- Strengthen group IT governance
- Advance digital human resources training and procurement

3

Risk Management Strategy

- Develop management system and framework within the globally
- Develop procedures and tools factoring in globally common standards
- Further increase implementation capabilities of compliance and risk management

4

Group Business Management Strategy

- Upgrade business management and build a global governance system with the aim of achieving sales revenue of ¥4 trillion (with a 50% overseas sales ratio)
- Promote business portfolio management prioritizing ROIC

This section describes our IT strategy. IT and DX are both important elements that support company management, including growth strategies, operational efficiency, and business competitiveness. The IT strategy should pursue total optimization and promote system optimization on the Group and global basis. To contribute to the improvement of the value provided to customers and the efficiency of business operations. Our key themes are to utilize data across the Group, improve infrastructure and security levels, and to secure and raise the level of digital human resources to realize these goals.

In addition, we are moving forward with the concept of introducing a pending air cargo enterprise system by utilizing a package.

6 | Initiatives to Improve Corporate Value



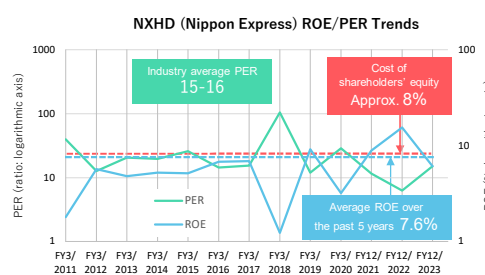
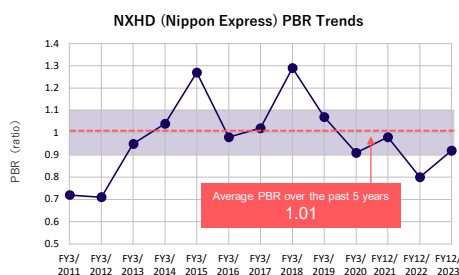
"Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

Analysis and Evaluation of Current Status

- PBR** • Over the past five years, the average P/B ratio has hovered around 1, without remaining consistently above 1, including most recently.
- ROE** • ROE has averaged 7.6% over the past five years, failing to continuously or stably exceed the roughly 8% cost of shareholder equity recognized by the Company. In addition, the low ROE in the most recent forecast of 6.2% is considered to be the reason why PBR remains at the current level.
- PER** • We believe that improving PER is a critical factor in improving PBR. While PER is currently on a par with the industry average (Prime Market, land transportation business), we recognize that there is room for improvement in market expectations for our business growth.

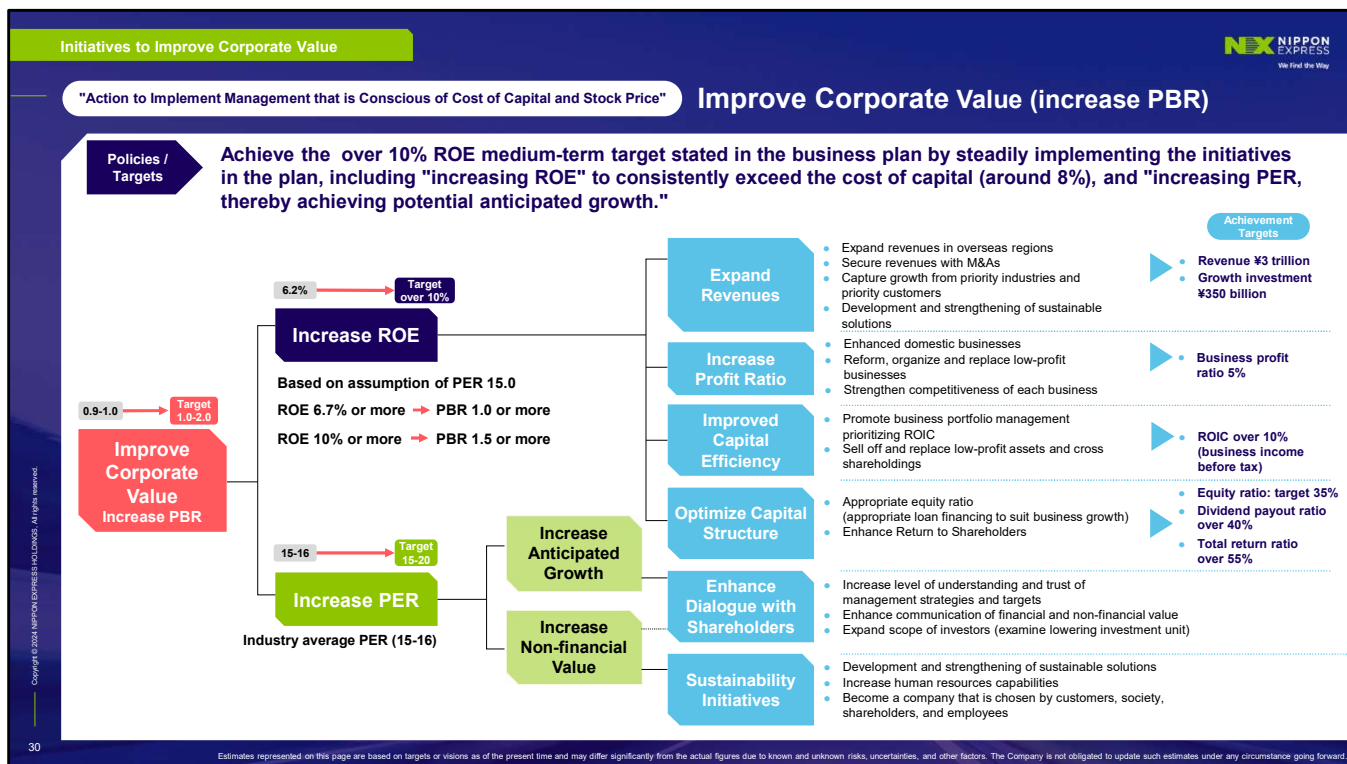
Regarding figures for FY12/2023: ROE is the forecast figure announced in November 2023, while PER and PBR figures are current as of February 7, 2024.

	FY3/2011	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY12/2021	FY12/2022	FY12/2023 ※
PBR	0.72	0.71	0.95	1.04	1.27	0.98	1.02	1.29	1.07	0.91	0.98	0.80	0.97
ROE (%)	1.80	5.68	4.79	5.22	5.14	6.77	6.89	1.23	9.19	3.21	8.9	15.5	6.2
PER	39.68	12.73	20.46	19.71	25.98	14.38	15.4	104.63	11.96	28.59	11.58	6.27	15.9



Next, I will explain our efforts to enhance corporate value. See page 29. First, we will explain the effort to improve P/B ratio. Our P/B ratio has not been consistently above 1 times, averaging around 1 times for the past five years. Breaking this down into return on equity and P/E ratio, return on equity has averaged 7.6% over the past five years, which is below our cost of equity of about 8%. We recognize that this is the main factor keeping P/B ratio at its current level.

P/E ratio is also an important factor in improving P/B ratio. Although our P/E ratio is at the industry average level, we see room for improvement in our expectations for business growth given the potential for global growth.



Based on the analysis on the previous page, it is important to achieve return on equity that consistently exceeds the cost of capital by steadily implementing the initiatives in the business plan. In addition, we reiterate that dialogue with capital markets that raises expectations for growth and proactive efforts to improve non-financial value are extremely important for improving corporate value.

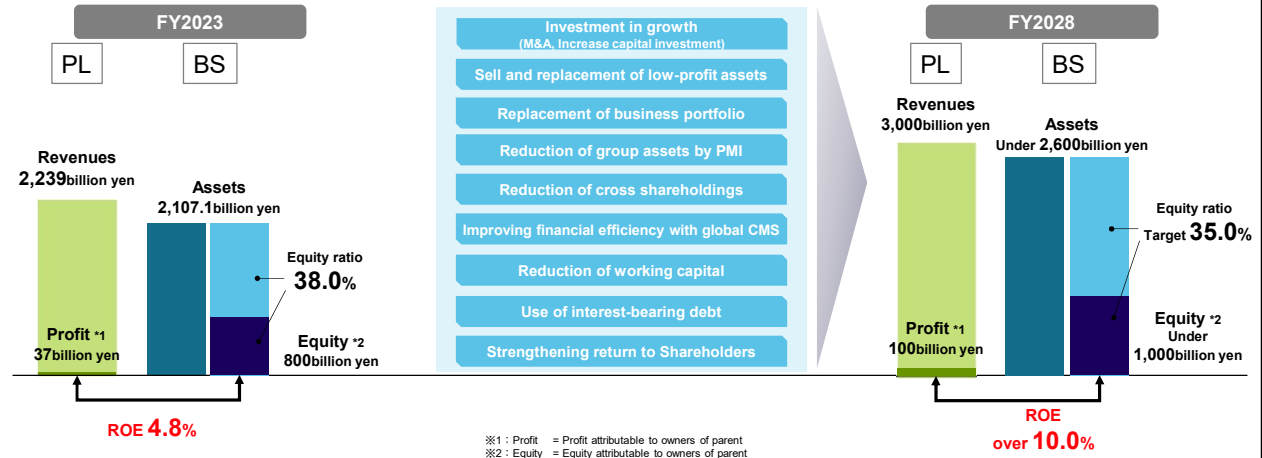
In order to improve return on equity, we believe it is necessary to further strengthen return on invested capital management, and we will continue to develop the foundation for promoting return on invested capital management.

For reference, the actual results and targets for return on invested capital are disclosed on page nine of the supplementary material. Please take a look at it later.

"Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

Strengthen BS management

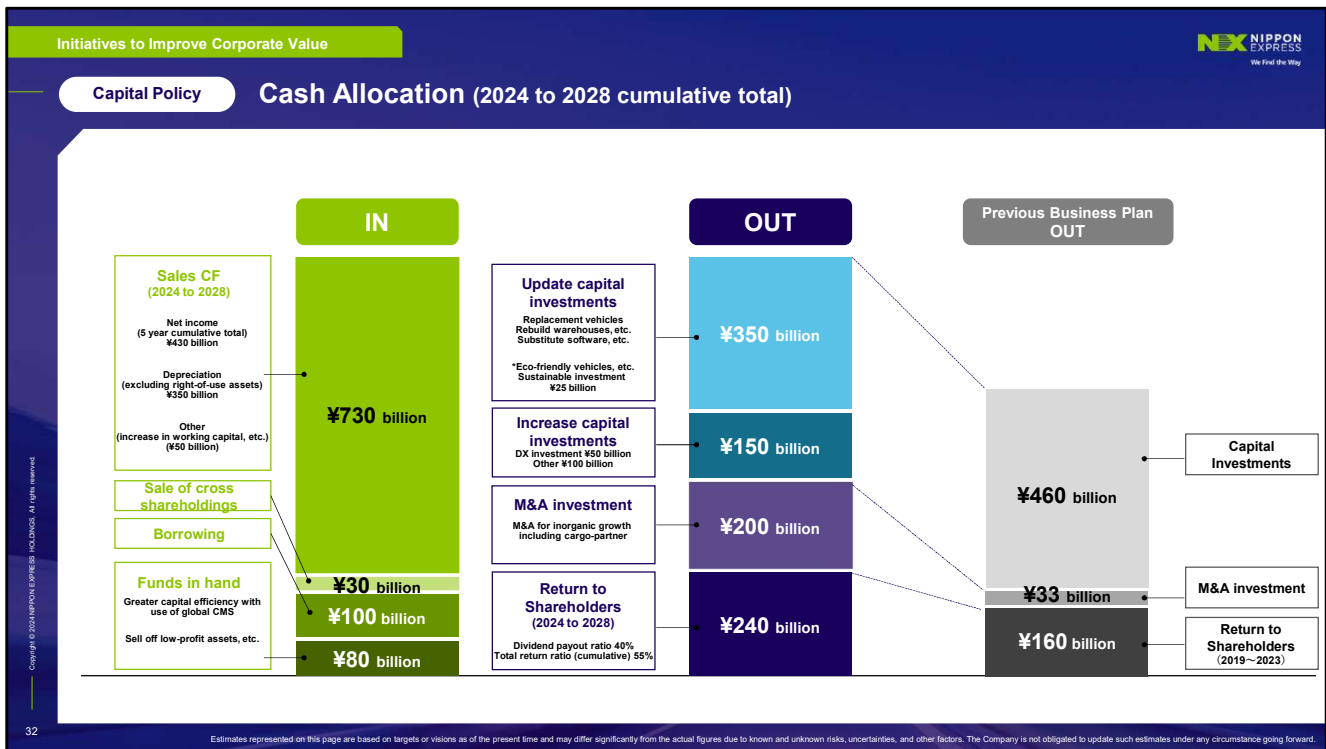
- Improve profitability by investment in growth with a conscious of capital efficiency and accumulating high quality assets without bloating the balance sheet by replacing the business portfolio, reducing cross shareholdings, and selling low-profit assets.
- Achieve continuous improvement of ROE by optimizing the capital structure through the utilization of interest-bearing debt and strengthening return to shareholders.



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I will explain our capital policy. Basically, our approach to capital policy to improve return on equity is to invest in growth with a conscious of capital efficiency, and to accumulate high quality assets and improve profitability without bloating the balance sheet by replacing the business portfolio, reducing cross shareholdings, and selling low-profit assets.

In addition, we hope to achieve continuous improvement in return on equity by optimizing our capital structure through the utilization of interest-bearing debt and strengthening shareholder returns.



As a cash flow plan, we plan to invest JPY700 billion over the five years of the new business plan in capital investments, including growth investments, and M&A investments, aiming to expand operating cash flow by aggressively implementing investments that will contribute to improving earnings.

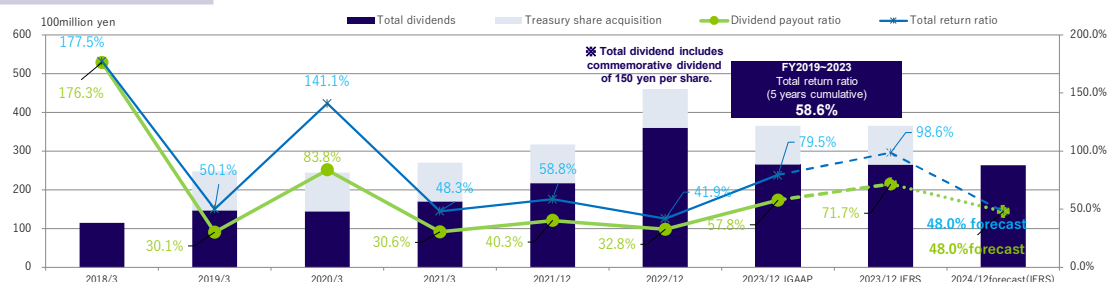
At the same time, we intend to enhance shareholder returns by increasing operating cash flow while maintaining financial stability. We hope to create a virtuous cycle by effectively utilizing assets cash, improving earnings, and controlling equity capital, leading to higher return on equity.

Dividends/Return Ratio, Equity Ratio

Strengthen shareholder returns by raising the dividend payout ratio and total return ratio

Target Item	Business plan 2023 Target	Business plan 2028 Target
Dividend payout ratio	Over 30.0%	Over 40.0%
Total return ratio (5 years cumulative)	Over 50.0%	Over 55.0%
Equity Ratio	Target 35.0%	Target 35.0%

Changes in various results



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The graph above describes our return policy and equity ratio targets. With regard to our return policy, we have considered the balance with our investments and set the dividend payout ratio at 40% or more and the total return ratio for the five-year cumulative period at 55% or more.

The equity ratio was set at around 35%, the same as in the previous business plan, with an eye to both maintaining the financial base and improving capital efficiency.

Promote Business Portfolio Management

Basic policies underpinning the Business Portfolio

Basic Policy

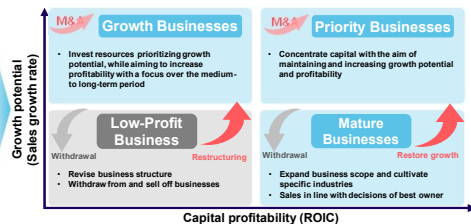
- The NX Group has established the long-term vision of becoming “a logistics company with a strong presence in the global market” based on the NX Group Corporate Philosophy. Our business portfolio comprises operations that align with this corporate philosophy and long-term vision through business that supports sustainable social development.
- In working toward sustained growth of the Group, and increased corporate value over the medium to long term, we evaluate each business operation in terms of criteria that include capital profitability and potential for growth, positioning within the group and creation of synergy, as well as our future growth strategy.
- Having established a system for the implementation of our business portfolio management, the Board of Directors evaluates, reviews and amends the basic policy and strategy of our business portfolio and its implementation on a regular basis.

Quantitative Evaluation

Capital profitability
(ROIC)



Growth potential
(Sales growth rate)



Conduct quantitative analyses and mapping of each business to identify current position of businesses and overall direction

Qualitative Evaluation

In addition to evaluations from the following perspectives for quantitative evaluations, examine strategies linked to increasing corporate value of NX Group

- Alignment with Corporate Philosophy and long-term vision
- Market trends and competitive tendencies
- Business growth potential, strengths/weaknesses
- Functionality and synergy within Group
- Sustainability and contribution to resolving social issues
- Best-owner perspective

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We view it as important to consider the optimal allocation of management resources in order to improve capital efficiency and have established the basic policies regarding our business portfolio as a guideline for this purpose.

Based on these basic policies, we will consider strategies to enhance corporate value through quantitative evaluation based on capital profitability and growth potential of the business and through qualitative evaluation of the Group's positioning, synergies, business growth potential, and best owner perspective.

We will strategically allocate investments to growth and priority businesses, while considering structural reforms, sale, or withdrawal from mature and low-profit businesses in order to achieve sustainable growth for the entire group.

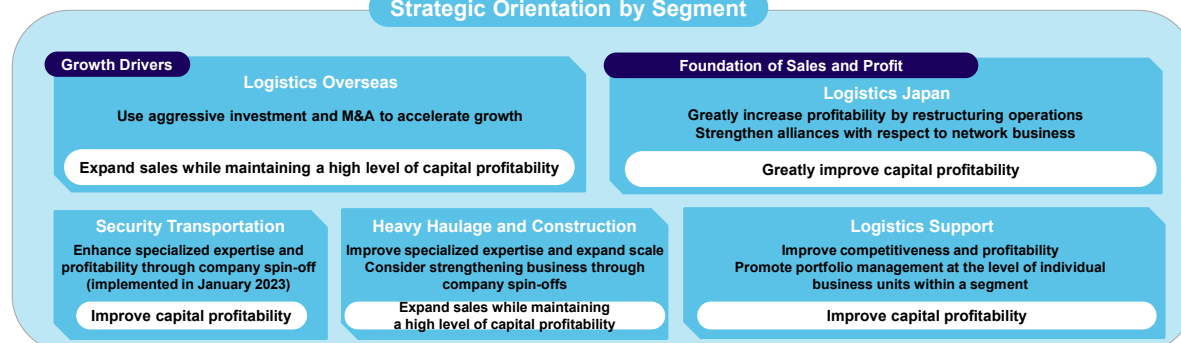
In addition, a system for implementing business portfolio management will be established and regularly evaluated and reviewed by the Board of Directors.

Promote Business Portfolio Management

Business Portfolio strategy to achieve sustainable growth and enhance corporate value

- Conduct analyses and evaluations of the current state of each business, align corporate philosophies and clarify roles for achieving long-term vision.
- Aim for sustainable growth with strategic allocation of investment (funds) into growth businesses and priority businesses.
- Spin off companies to strengthen business, and organize priority of businesses and functionalities within the Group.
- Utilize methods such as M&A, capital tie-ups and business transfers when strengthening business.

Strategic Orientation by Segment



Future management will advance by subdividing each segment into finer units

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This shows the basic concept of the business portfolio strategy for each segment. For example, overseas operations will continue to invest aggressively in order to expand sales and improve medium- and long-term capital profitability.

We will work to increase corporate value by analyzing the current situation, clarifying its consistency with our corporate philosophy and its role in realizing our long-term vision, and promoting business portfolio management.



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This is my explanation of the new business plan.

The NX Group aims to achieve its long-term vision. This is a lofty goal, and we are determined that the future of our group will not be an extension of the past, as we must compete with the world's competitors in an era of rapid change.

We believe that the realization of our long-term vision will come after we reform many things, including the way we manage our business, the way we are organized, the way we deal with our customers, and the relationship between our employees and the Company.

It is also important to increase the speed of change, because even if what is done is right, if it is too late, it will not be successful.

To this end, we will also work to evolve our corporate culture. Each employee understands the importance of change and exercises leadership on his/her own. We would like to make our company such that we think things through thinking backward from the future and talk about measures and results with data.

The NX Group has certainly taken a step forward with its efforts to date. We have both a sense and conviction that we can do it. I want to make our company a place where our employees can work with confidence and pride and feel happy in the process.