



We Find the Way

NX
NIPPON
EXPRESS

NX Group
Integrated Report 2025

NX Group will create new values with logistics based on its unwavering philosophy and values, and achieve growth while contributing to a sustainable society



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

Since its founding, NX Group has employed its logistical strengths to connect people, businesses and regions throughout the world. In so doing, we have continuously supported social development.

While our mission never changes, we advance continuously to meet the world's changing needs.

Making no compromise in safety and maintaining a deep focus on environmental issues, we continuously strive to deliver innovative solutions at the next frontier of logistics.

We will forever take pride in our ability to inspire trust and answer the call of society.

Every move we make is aimed at advancing society and bringing an enriched life to future generations.



NX Group Corporate Message

We Find the Way

NX Group brings customers' possibilities to reality.

There are often many solutions, but only one way is the way.

We use our determination to find the best way to overcome hurdles and take our customers across the finish line.



At a Glance

NX Group in Figures^{*1}

Establishment



1937

Number of Countries and Regions



57
Countries
and Regions

Number of Group Companies



339
Companies

Number of Employees (Number of Employees Working Overseas)



76,389
(26,438)

Forwarding Quantity



Ocean **899,000** TEU
Air **921,000** t

Warehousing Area (Japan/Overseas)



8,545,000 m²
(4,096,000 m² / 4,449,000 m²)

Forwarder Ranking

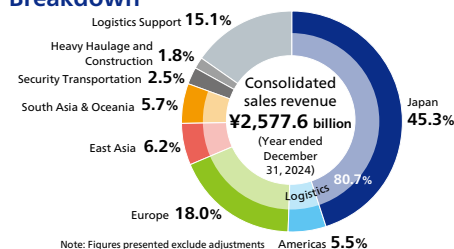


6th
in the
World

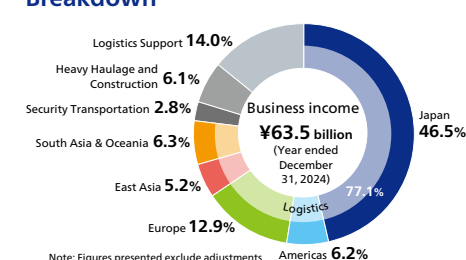
Financial Information (FY2024 Results)

Sales revenue	¥2,577.6 billion
Business income	¥63.5 billion
Business income ratio	2.5%
Overseas sales revenue	¥926.2 billion
ROE	3.8%

Reportable Segment Sales Revenue Breakdown



Reportable Segment Business Income Breakdown



Sustainability Management Information (FY2024 Results)

CO₂ Emissions by Scope^{*2, 3, 4}

Scope 1	528,894t-CO ₂ (-17,780t-CO ₂ from previous fiscal year)
Scope 2	190,207t-CO ₂ (-12,535t-CO ₂ from previous fiscal year)
Scope 3	18,052,883t-CO ₂ (+9,342,634t-CO ₂ from previous fiscal year)

Engagement Score **72pt** (Up 1pt from previous fiscal year)

^{*2} Scope 3 is calculated according to the calculation of the GHG Protocol.

^{*3} Results are significantly higher from FY2024 due to adding Category 11 emissions to Scope 3.

^{*4} Please see our website for Scope 3 emissions by category.

Environmental Data (<https://www.nipponexpress-holdings.com/en/sustainability/data/e.html>)

NX Group Business Overview

Logistics

Domestic and International Transport



Forwarding business for domestic and international cargo with airplanes.



International transportation business focused on intermodal transportation, domestic transportation focused on regular domestic cargo and RORO ships, and the port and harbor transportation business.



Combined transportation, charter transportation, and other trucking businesses. We are also building and expanding the transportation network overseas.



Provision of various transportation services that use railway transport around the world.

Warehousing and Logistics Solutions

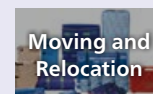


Services that combine storage, receiving, and shipping of cargo, distribution processing functions, and information functions such as cargo tracking systems in Japan and overseas.

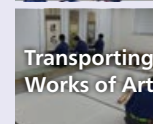


Provision of warehouse management system (WMS) according to the size of sites and needs and other information systems built on our track record and know-how.

Specialized Transportation



Moving business for individual and corporate customers as well as relocation of offices.



Transport of works of art with packing skills of technical staff and transport method that meticulously considers vibration and air conditioning.

Security Transportation

Solutions for Financial Institutions

Commissioning of cash processing and other physical goods processing businesses. Enables outsourcing of all operations related to cash including set-up services for transporting cash and securities and in-house processing operations.

Solutions for General Businesses

Provisions of sales revenue management service that integrates the collection of cash, gift certificates, and other revenue for depositing to banks and digitizing data.

Heavy Haulage and Construction

Transportation, installation, and assembly of large devices, complex-shaped equipment, and large-scale structures anywhere based on meticulous planning through the use of specialized machinery and equipment for infrastructure building operations in various industries in and outside Japan.

Main Business Domains

- | | |
|--|---|
| <input type="checkbox"/> Substation equipment | <input type="checkbox"/> Wind power generation equipment |
| <input type="checkbox"/> LNG and hydrogen power generation equipment | <input type="checkbox"/> Petrochemical plant equipment |
| <input type="checkbox"/> Semiconductor manufacturing equipment | <input type="checkbox"/> Traffic infrastructure equipment |

Logistics Support

Sales of Logistics Equipment and Construction

Provision of installation work of machines and instruments in warehouses and logistics terminals, sales of construction materials, and other various services through a nationwide network.

Maintenance of Construction Machinery and Manufacture of Trailers and Cargo Containers

Inspection and repair of vehicles and construction machinery, vehicle inspections, and maintenance of cargo. Manufacture of various trailers and truck bodies, and manufacture of products that match the mode of transport.

Packaging of Components and Equipment and Designing Packaging

Provision of packaging service for components and machinery for exporting. Provision of optimal packaging specifications that match the characteristics of the components and products, mode of transport, transport environment, cargo and storage conditions, and other logistical requirements.

Sales of Petroleum and LP Gas

Sales of automobile fuel for companies that own vehicles, sales of marine fuel, and sales of LP gas for households and various industries.

Real Estate

Facility management, brokerage business, and construction design focusing on logistics facilities.



Major Updates

Engage in initiatives beyond anything before and increase the speed of innovation to achieve the long-term vision, “a logistics company with a strong presence in the global market”

POINT 1

Strengthen the approach toward improving the corporate value

Enhance and expand equity spread by optimizing asset holding strategies, strengthening balance sheet management, revising capital policies, as well as promoting more effective business portfolio management.



POINT 2

Accelerate the growth of businesses and improve profitability to increase earning power

Expand global business through organic strategy, accelerate the improvement of the profitability of businesses in Japan, promote PMI of acquired companies, and further utilize M&A.



POINT 3

Continuous improvement of corporate value through integrating sustainability management and business activities

Transition from building infrastructure for promoting sustainability to an execution phase aiming to coordinate with business activities, and reduce risks and capture growth opportunities to continuously improve corporate value.



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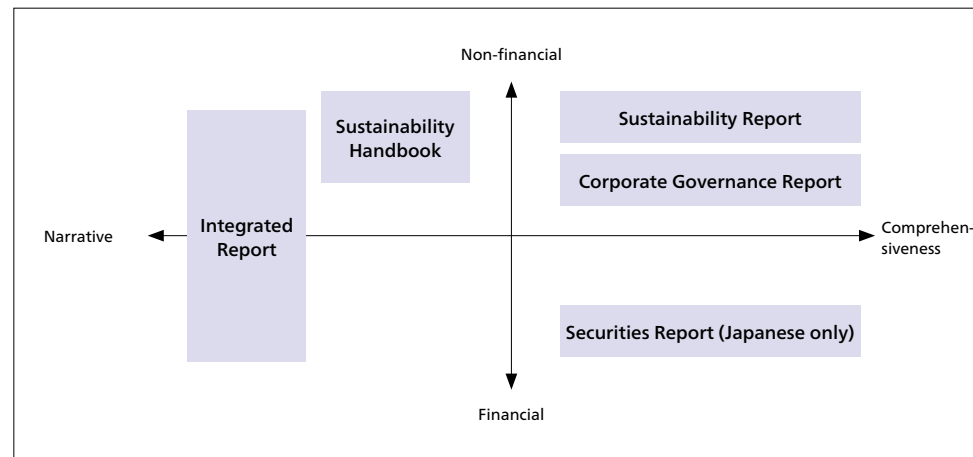
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Editorial Policy

Information Systems

The Integrated Report is a compilation of financial and non-financial information for the purpose of deepening stakeholder understanding of NX Group's medium- to long-term value creation.

More details on non-financial information are available in the Sustainability Report.



Voluntary Disclosures

● Sustainability Report

<https://www.nipponexpress-holdings.com/en/sustainability/report/>

● Sustainability Handbook

<https://www.nipponexpress-holdings.com/en/sustainability/report/>

Legal Disclosures

● Securities Report (Japanese only)

<https://www.nipponexpress-holdings.com/ja/ir/library/securities/>

● Corporate Governance Report

<https://www.nipponexpress-holdings.com/en/ir/governance/>

Scope of This Report

This integrated report addresses NX Group (including domestic and overseas Group companies). NX Group has been voluntarily adhering to the International Financial Reporting Standards (IFRS) since the time our Annual Securities Report for the fiscal year ended December 31, 2022 was published. This Integrated Report, with the exception of certain pages, has been prepared in accordance with IFRS.

Reporting Period

Fiscal 2024 (January 1, 2024–December 31, 2024)

(Certain information references time frames on or prior to 2023 and subsequent to 2025)

Issue Date

June 2025

Reference Guidelines and Assurances

We used the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry (METI).

The information disclosed in our sustainability report conforms to the GRI^{*1} Standards for Sustainability Reporting.

*1 Global Reporting Initiative: An organization that aims to create and promulgate international guidelines for sustainability reporting. The GRI content index is available on our Sustainability page (<https://www.nipponexpress-holdings.com/en/sustainability/>)

Reference Guidelines

- IIRC International Integrated Reporting Framework
- GRI Standards for Sustainability Reporting (reference)
- Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
- SASB Standards

Caution Regarding Forward-Looking Statements

The forward-looking statements in this report, including NX Group's future plans, forecasts, and strategies, are based on certain assumptions that the company considered reasonable at the time of disclosure. Actual business performance may differ significantly from forecasts due to future economic conditions and other factors.

NX Group's History of Value Creation

1872- Wartime and Postwar Reconstruction

Establishing a nationwide domestic transport network

While expanding our truck transportation network throughout Japan, we established an intermodal transportation system that combined land, sea, and air transportation in an organic manner.

1960- Rapid Economic Growth and Manufacturing Industry Globalization

Building a global network

As Japan entered a full-scale economic recovery in the 1950s, we launched an international forwarding business in cooperation with Japanese companies expanding overseas.

1990- Growth in the Service Industry and Rising Uncertainty

Maintaining supply chains in Japan and overseas; diversifying our services

At the time of the Great Hanshin-Awaji Earthquake in 1995, Nippon Express Co., Ltd. established a disaster-response headquarters and carried out emergency transportation of relief supplies and other goods from Japan and overseas.

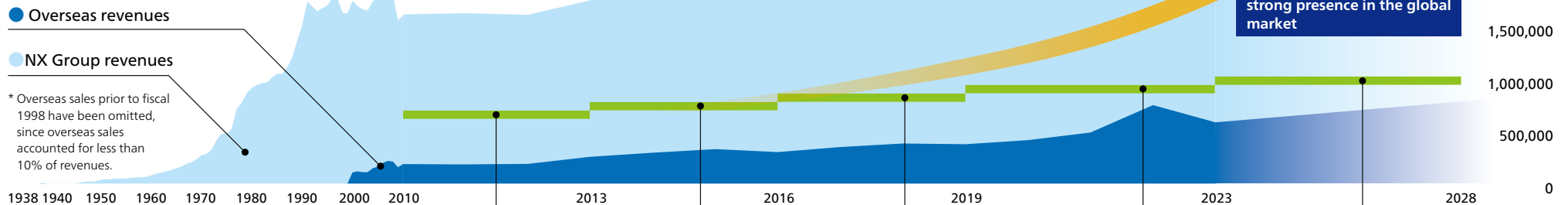
In the aftermath of the Great East Japan Earthquake in 2011, we maintained the infrastructure by means of transportation by land, sea, and air to cope with the widespread disruption of road and rail networks.

2010- Environmental and Social Sustainability

Contributing to environmental and social sustainability

We took the lead in addressing the issue of exhaust gas emissions when environmental problems became more prominent at the beginning of the 1990s. We pursued environmentally friendly transportation through low-pollution vehicles, saving resources used in packaging materials, improving efficiency through joint deliveries, and using modal shifts to move to rail- and ship-based transportation.

Revenues



NX Group Management Policy

Establishment of long-term goals for global growth and structural reforms

Raise the profit ratio of combined business in Japan to 3%

Expand transactions in Tokyo, Nagoya, and Osaka, and focus investment in South Asia

NX Group Business Plan 2028
Dynamic Growth 2.0

Growth Strategy for our Core Business

- Growing in the global market
- Focusing on management resources in large Japanese cities

Strategy to Enhance Domestic Businesses in Japan

- Improving specialty business profitability
- Improve sales and administrative profitability
- Promoting fundamental reform in low profit businesses

Efforts to Implement Our Long-Term Vision

- Inorganic growth strategy
- Reinforcement of functions to support challenges
- Establishment of an ESG-oriented business management to realize sustainable development and improve corporate value

Business Growth Strategy

- Accelerating growth in the global market
- Rebuilding Japanese businesses

Sustainability Management Strategy
Corporate strategy supporting business growth
Initiatives to Improve Corporate Value



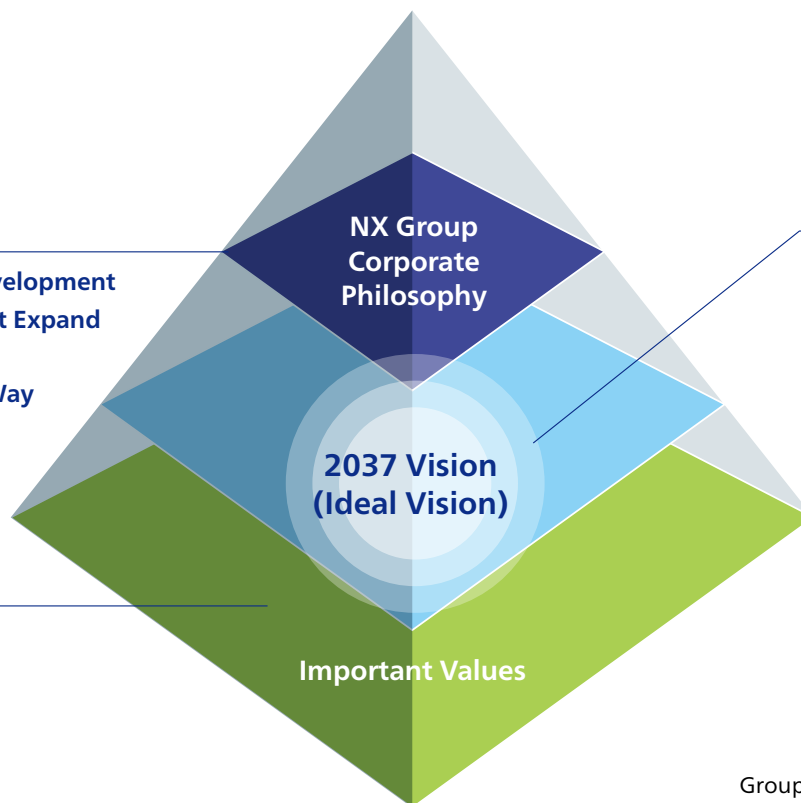
Long-Term Vision

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

Important Values

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



2037 Vision

A logistics company with a strong presence in the global market

Clients/Society

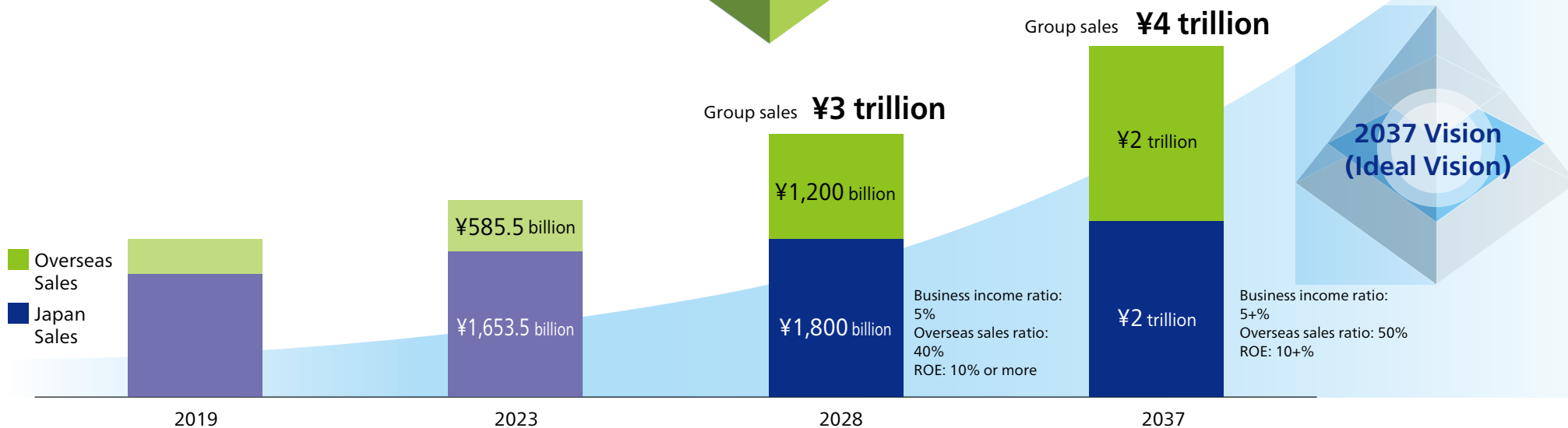
A company that contributes to achieving a sustainable society through logistics

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



NX Group's Value Creation Engine

Creating and commercializing solutions to logistics and social issues through an unwavering business creation process based on our corporate philosophy.

Uncovering Issues that Reflect the Times and Social Needs

Logistics Issues
Social Issues



Truck Transportation



Ocean Transportation



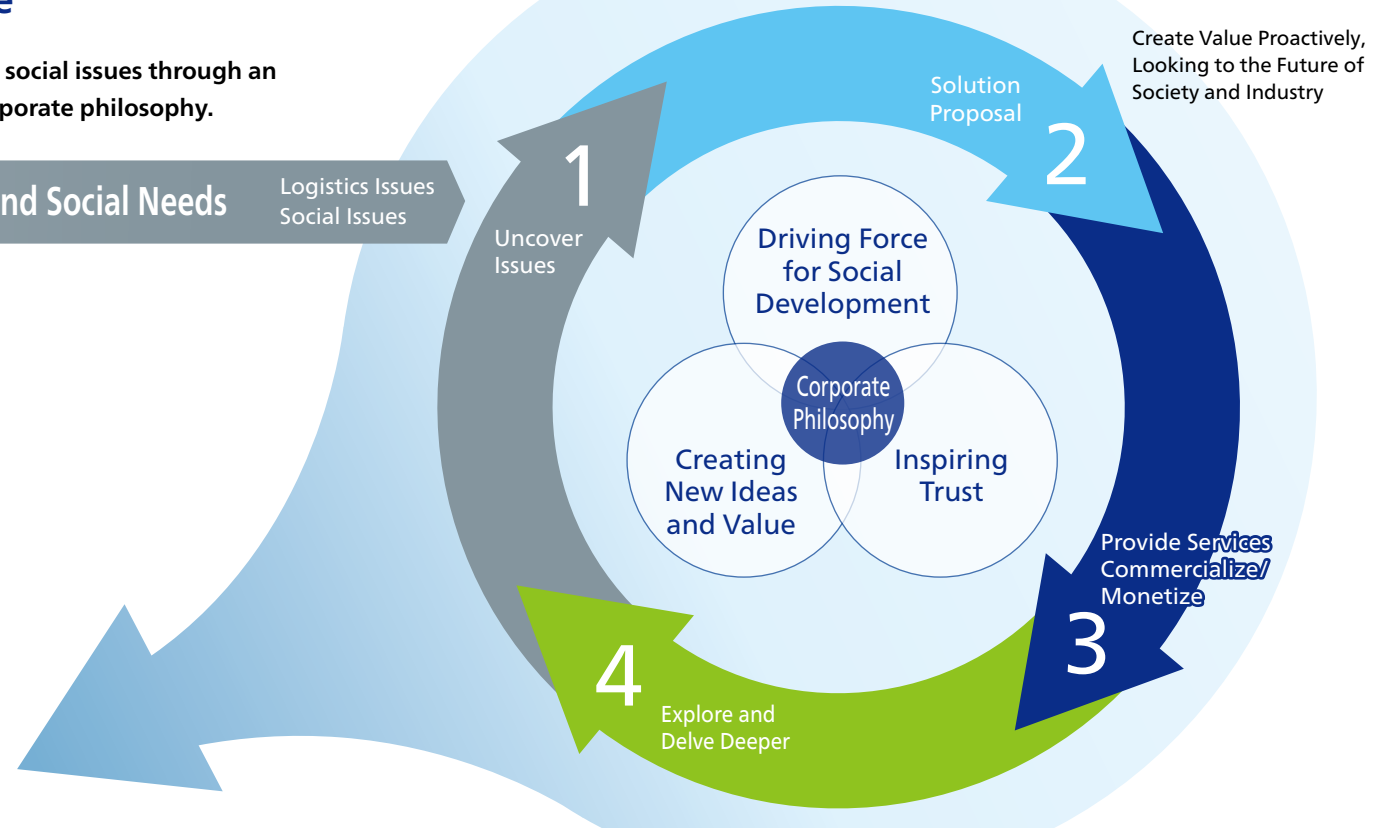
Rail Transportation



Air Transportation

Create Businesses that Meet the Needs of the Times

NX Group Business Creation Process



Support Lives Through Social Infrastructure Logistics

Green Logistics	Logistics Consulting	Specialized Transportation Services
Logistics Design	Mode-Specific Transportation Services	Logistics Information Systems
Global Logistics	Global SCM	Transportation Services by Industry

Technology (for electric/electronic applications and industrial equipment)

- Respond to the increase in demand for electronic components driven by the spread of IoT

Mobility (automotive, construction, agricultural, rail, and aerospace industries)

- Strengthen distribution networks for production parts
- Respond to changes in supply chains driven by the spread of electric vehicles

Lifestyle (apparel, furniture, decorations, and cosmetics)

- Strengthen initiatives in the luxury apparel, fashion, and furniture industries using the capabilities of companies acquired in Europe

- Strengthen initiatives in fast fashion in Asia and other emerging markets
- Healthcare (pharmaceuticals and medical devices)**

- Reinvent business models leveraging the opportunity of tightened GDP guidelines

Semiconductor

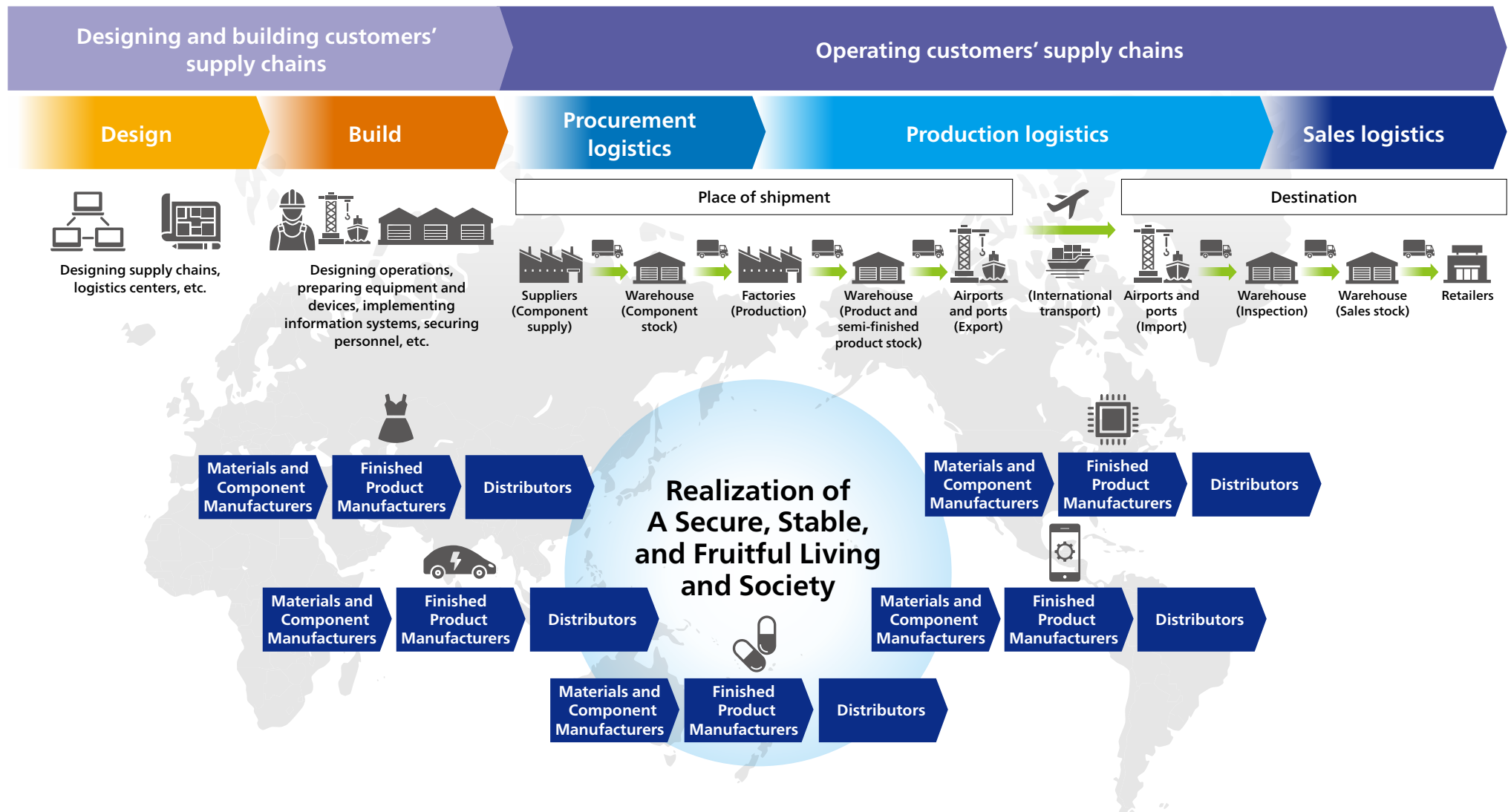
- Strengthen initiatives in the rapidly growing integrated semiconductor industry

Contributing to Sustainable Societies

Provide Solutions to Reach an Ideal Future by Anticipating and Envisioning Social Trends

- Create Industry-Specific Platforms that Contribute to Solving Logistics and Social Issues and End to End platform
- Decarbonization logistics solutions

NX Group's Business Models

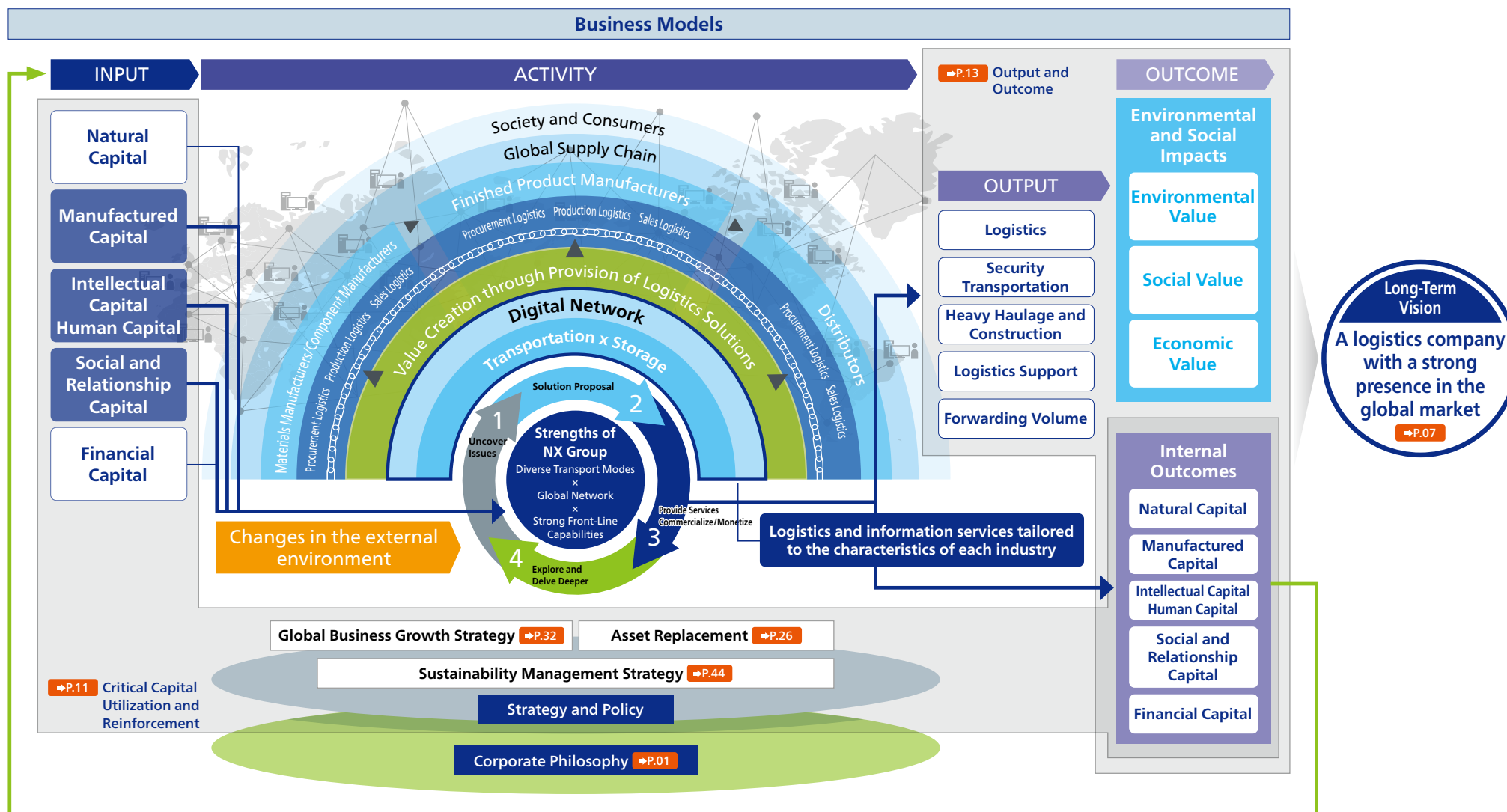


Operation of diverse transport modes, operation of supply chains that handle various things depending on their characteristics, as well as making proposals for optimizing End to End logistics of customers, including their design and building.



Value Creation Process

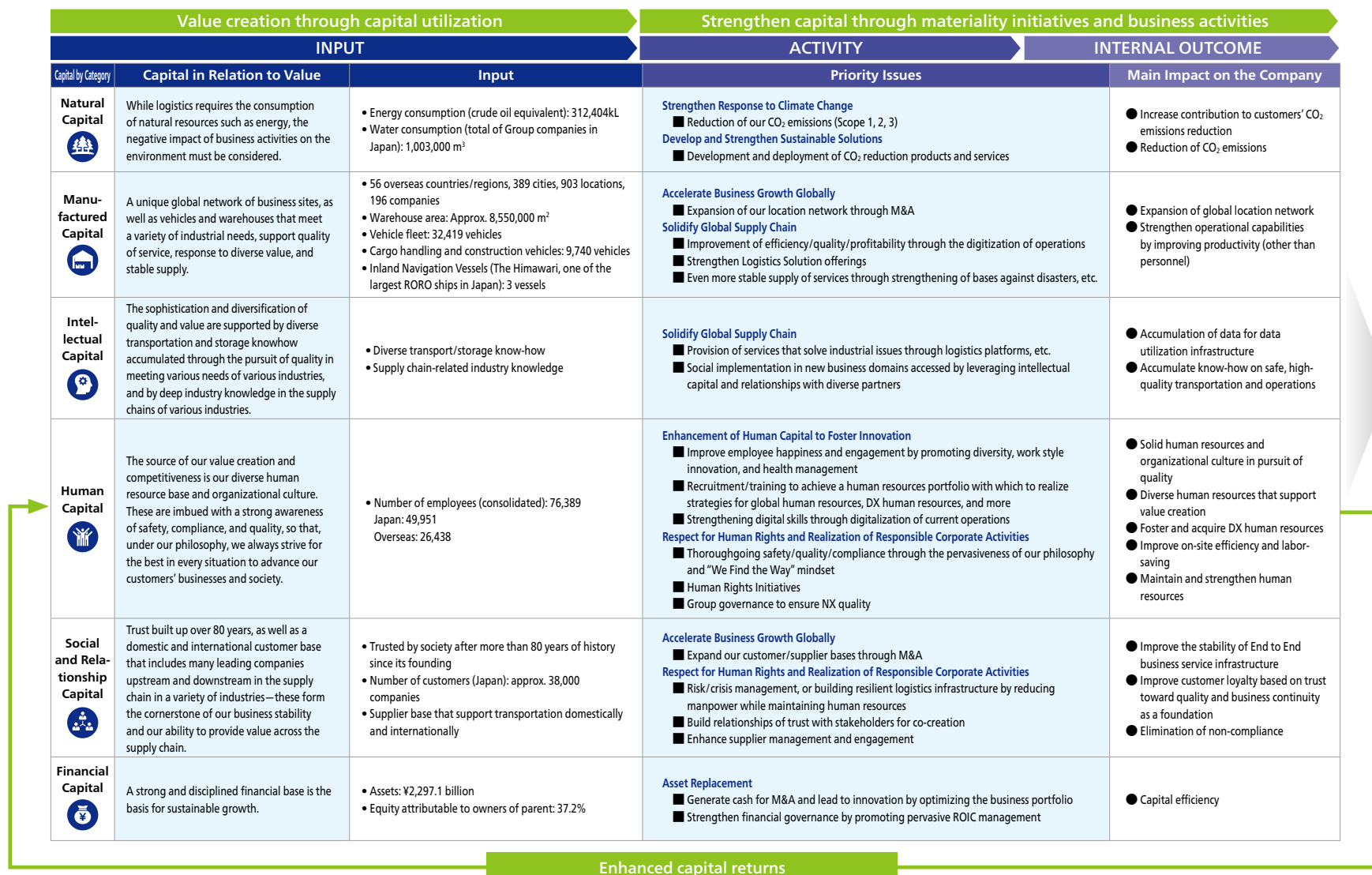
We aim to achieve our long-term vision of being “a logistics company with a strong presence in the global market” by providing new values through logistics solutions that solve social and logistical issues as well as by continuously enhancing and utilizing capital through expanding logistical services in the global market.





Critical Capital Utilization and Reinforcement

We are utilizing important capital that are the sources of value creation and working to strengthen capital through addressing Material Issues and business activities. We believe that the cycle of strengthened capital will lead to various transport modes, global network, and a strong front line, which are the strengths of the NX Group.



Strengths of NX Group
Diverse Transport Modes
×
Global Network
×
Strong Front-Line Capabilities

Strengths of NX Group

We increasingly have become the choice of numerous customers due to our ability to transport anything, anywhere, using every means of transportation in the best possible manner. The transportation modes, networks, and front-line capabilities we have cultivated since our founding are what have made this possible.

Strength 1 Diverse Transport Modes

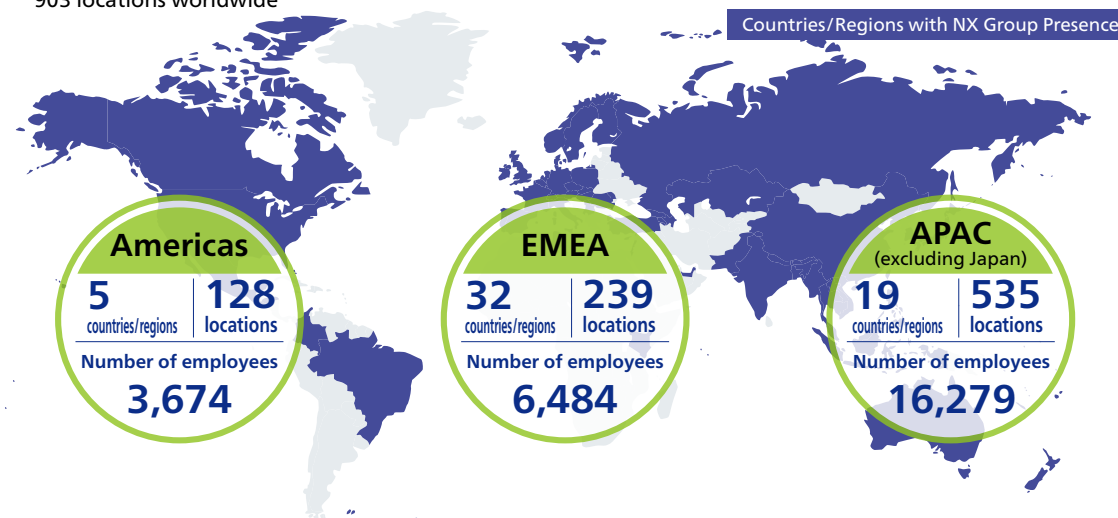
Customers have a variety of requirements, including cargo size, weight, and urgency. NX Group offers a full range of transportation modes, including truck, rail, ship, and air. We provide the most suitable method of transportation for shipments requiring special care, such as pharmaceuticals and perishable foods that require strict temperature control, precision instruments that require vibration control, and art works that require humidity control.

Number of vehicles ^{*1} Japan 23,911 Overseas 8,508	Number of cargo handling and construction vehicles ^{*1} Japan 8,251 Overseas 1,489	Warehousing space Japan (Nippon Express Co., Ltd.) 4,100,000 m ²
Overseas warehousing space 4,450,000 m ²	Forwarding volume (January 2024 to December 2024) Ocean 899,000 TEU / Air 921,000t (TEU: Twenty-foot Equivalent Unit, equal to the volume of one twenty-foot shipping container)	

^{*1} The number of vehicles, as well as cargo handling and construction vehicles in Japan are the sums of vehicles owned by Nippon Express Co., Ltd. and NX Cash Logistics Co., Ltd. as of December 31, 2024 and those owned by other affiliated companies as of December 31, 2023. The numbers of vehicles, as well as cargo handling and construction vehicles overseas is the number of vehicles owned as of December 31, 2023.

Strength 2 Global Network

NX Group operates in 56 countries/regions, including countries/regions in the Americas, EMEA and APAC, with 903 locations worldwide



Strength 3 Strong Front-Line Capabilities

How will my precious cargo be handled? This is the single most important question when customers choose a transportation service. NX Group transports and stores cargo in the field, strongly committed to safety, compliance, and quality, and always placing the success of the customer first based on a deep understanding of the customer's business. At first glance, this approach may seem simplistic and obvious. However, customers have widely varying demands in terms of cargo size, weight, shape, and nature. We must meet every one of these demands, while maintaining strict safety and compliance. We can only accomplish this task through constant daily training, systems that support prompt communications, an autonomous organization capable of identifying and resolving issues in the field, a sense of ownership on the part of all employees, and a strong shared will on our front lines to find the single best way and to accomplish our mission, no matter what the situation.

We have the expertise and groundwork passed down from our predecessors, and we will continue pressing forward to strengthen our front-line capabilities.

150+ years since our establishment

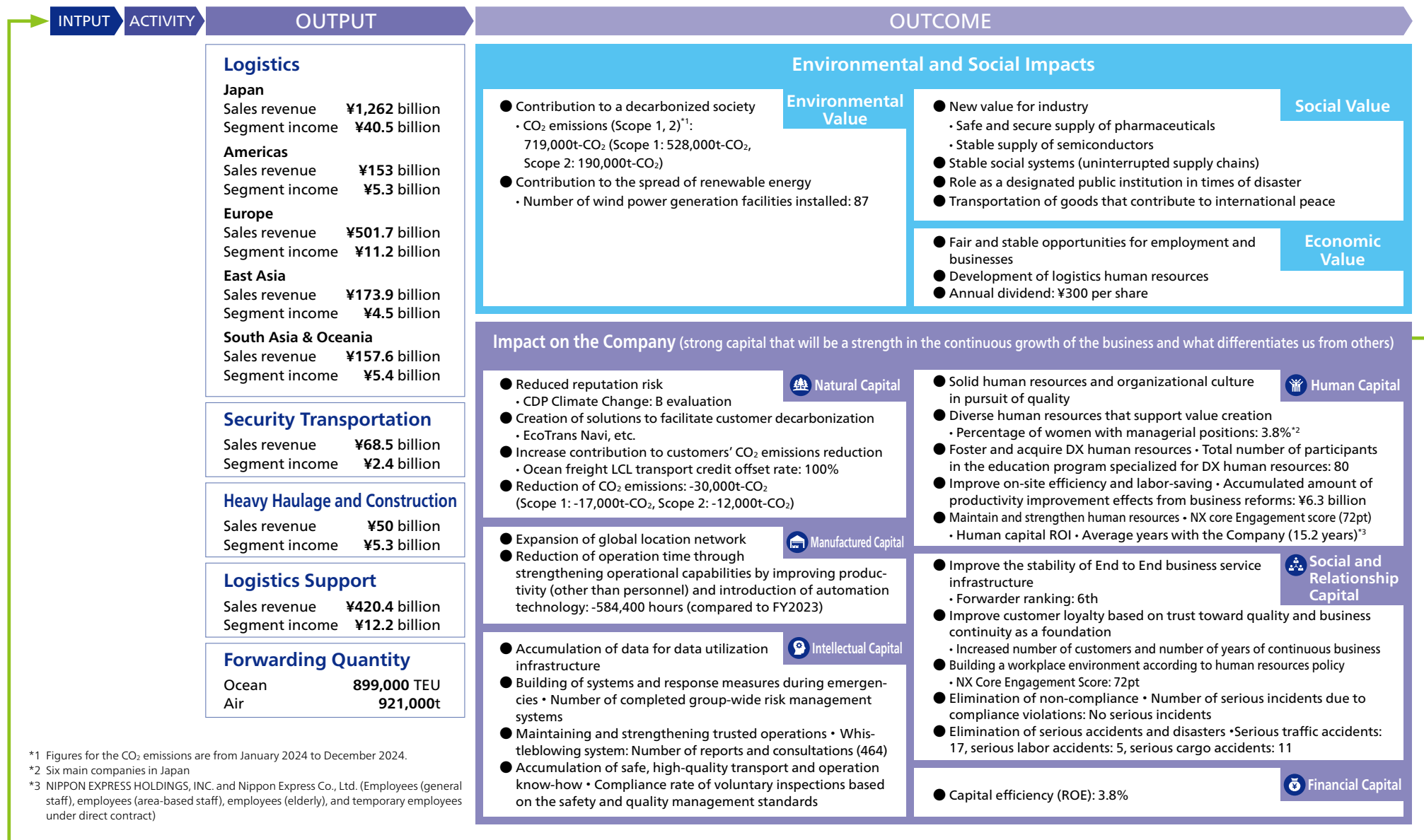
More than 76,000 logistics experts^{*2}

Knowledge of the characteristics of each industry

^{*2} "Logistics experts" means employees.



Output and Outcome



*1 Figures for the CO₂ emissions are from January 2024 to December 2024.

*2 Six main companies in Japan




*3 NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. (Employees (general staff), employees (area-based staff), employees (elderly), and temporary employees under direct contract)



Analysis of Business Environment












NX Group Business Environment

We identify changes in the external environment that affect the management of NX Group, evaluate and identify risks and opportunities based on such changes, and regularly review response to such changes as a group. See our latest Annual Securities Report, as well as Material Issues for more on sustainability-related opportunities and risks.

NX Group Business Environment	
 <p>External Environment</p>	<ul style="list-style-type: none"> The global economy is expected to recover to some extent even if it starts at a slow start High economic security risks Rebuilding supply chains Acceleration of focus on sustainability (particularly decarbonization and low-carbon initiatives)
 <p>Competition Environment</p>	<ul style="list-style-type: none"> Enhancing overall supply chain strategies, such as LLP and 4PL Enhancing digitalization and transforming business models with DX M&A, partnerships and joint ventures, etc. throughout Asia
 <p>Technical Trends</p>	<ul style="list-style-type: none"> Quantum computing, AI, clean technology, automated driving Reform business models with robotics, DX and technological innovation, and introduction of game changers, etc.
 <p>Internal Issues</p>	<ul style="list-style-type: none"> Clarification of group global strategic businesses Framework to achieve "overall optimization" Visualization of information and data used as platform Coordination and unification of business and DX/IT Quantitative & qualitative enhancement to human resources, etc.

Position in the Global Market

The depth of NX Group's customer base has led to our proven track record in the global market. The internationalization of the logistics industry is occurring along with economic globalization. The global rankings are almost dominated by major logistics companies of advanced economies that have established international logistics networks. Driven by the growth of 3PL and international parcel delivery services, we believe that the restructuring of cross-border logistics services will continue to gain momentum.

Rank	Head Office Location	Companies	Gross income (Millions of yen) *1	Ocean Transportation (TEU)	Air Transportation (Metric tons)
1		Kühne + Nagel	5,007,800	4,338,000	1,983,000
2		DHL Supply Chain & Global Forwarding	5,357,400	3,089,000	1,672,000
3		DSV*2	3,529,900	2,519,295	1,305,827
4		DB Schenker*2	3,340,100	1,783,000	1,148,000
5		Sinotrans	2,268,300	4,309,636	902,000
6		Nippon Express (Excluding cargo-partner)	2,519,600	1,698,161	693,546
7		CEVA Logistics	2,388,518	1,150,000*3	450,000
8		C.H. Robinson	2,648,900	1,353,750	266,475
9		Expeditors	1,471,100	791,700	782,000
10		GEODIS	1,977,300	961,084	308,489
10		Kerry Logistics	960,627	1,261,775	556,823

*1 Based on the exchange rate as of December 31, 2024 (US\$1 = ¥158.18).

Source: Armstrong & Associates, Inc. A&A's Top 25 Global Freight Forwarders List 2023.

*2 Acquisition of DB Schenker by DSV has been completed on April 30, 2025.

*3 Includes LCL shipments

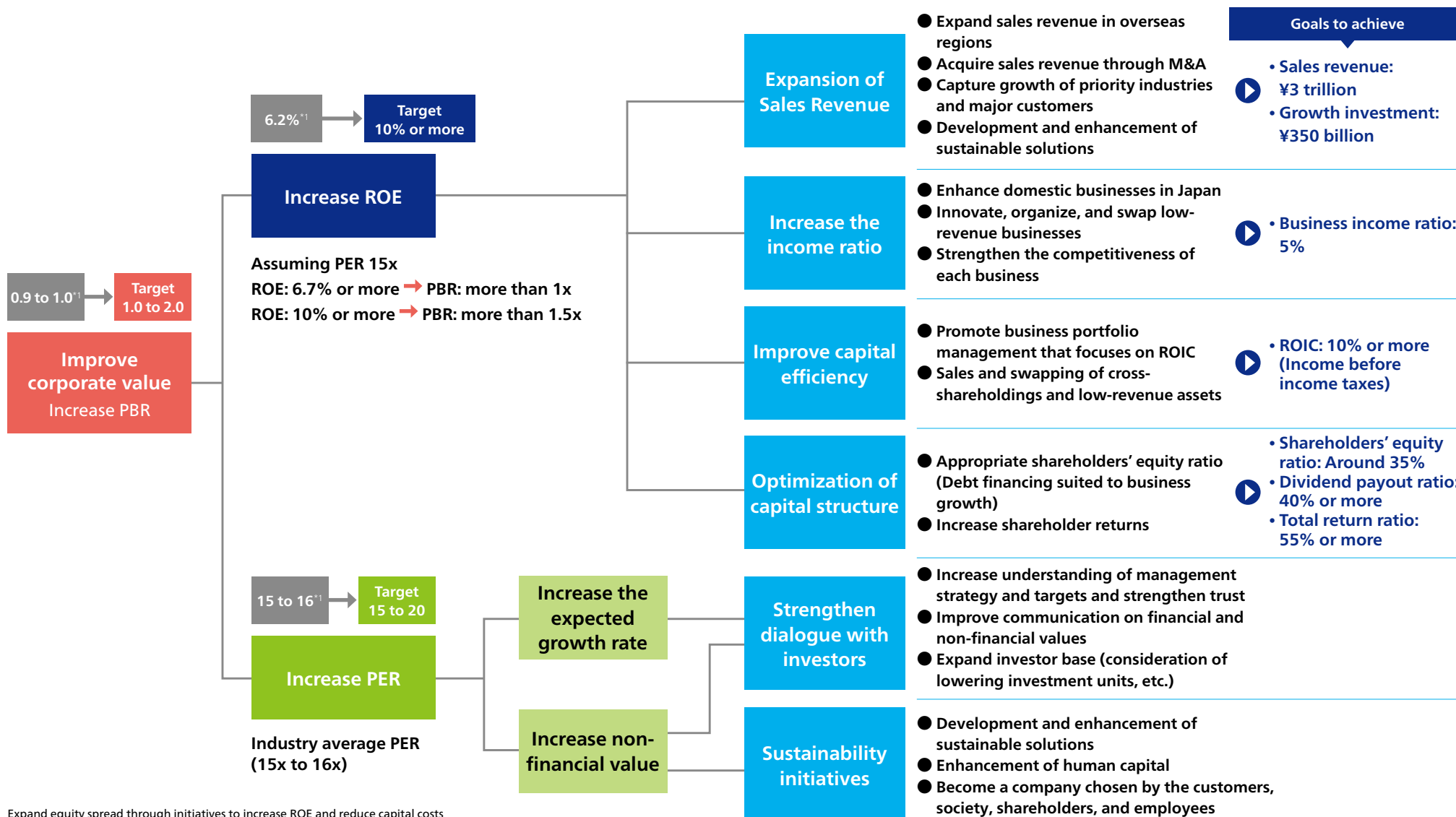


Material Issues that Capture Medium- to Long-term Changes in the Business Environment

Material Issues	Reasons for Selection	Internal Outcomes		Environmental and Social Impacts*1	Value Creation Through Our Business Operations	Source of Value Creation	Avoid Loss of Value
		Risk	Opportunities				
Develop and Strengthen Sustainable Solutions	To provide services to maintain and optimize society and industry as a whole, as sustainability of the natural environment, society, and industry on which every company's operations are based is becoming more important	<ul style="list-style-type: none"> Loss of existing customers to competitors that provide solutions to social issues 	<ul style="list-style-type: none"> Increased sales from responding to customer needs 	Social Value <ul style="list-style-type: none"> Realizing a safe society without accidents and disasters Environmental Value <ul style="list-style-type: none"> Contributing to the realization of a carbon-neutral society Contributing to a recycling-oriented society Economic Value <ul style="list-style-type: none"> Realizing an innovative society 	○		
Solidify Global Supply Chain	To contribute to social stability as a company that supports social infrastructure by maintaining logistics even in emergencies such as natural disasters, pandemics, and declining working population	<ul style="list-style-type: none"> Damage to customer trust due to operational disruptions Impedance of business growth due to human resource shortages 	<ul style="list-style-type: none"> Increased sales from improving trust for stable provision of services 	Social Value <ul style="list-style-type: none"> Realizing a stable supply chain 	○		○
Strengthen Response to Climate Change	To fulfill our responsibilities as a corporate citizen in response to the government's declaration of carbon neutrality by 2050 and the demands of the international community to address climate change.	<ul style="list-style-type: none"> Risk of suspension of business by customers and suppliers Loss of existing customers to competitors who pursue environmental measures 	<ul style="list-style-type: none"> Increased sales from responding to customer needs 	Environmental Value <ul style="list-style-type: none"> Contribution to a carbon-neutral society 			○
Enhancement of Human Capital to Foster Innovation	To strengthen the foundation for value creation by encouraging employees to pursue well-being, improve engagement, and demonstrate the capabilities of diverse human resources through investing in employees who serve as the source of the value of our business	<ul style="list-style-type: none"> Risks associated with retaining and acquiring human resources with a high level of expertise Decline in competitiveness due to labor shortages in the field 	<ul style="list-style-type: none"> Improved productivity and quality through human resource development Promote Innovation 	Social Value <ul style="list-style-type: none"> The happiness of employees Providing fair and stable employment Economic Value <ul style="list-style-type: none"> A logistics company that continues to be the preferred choice 		○	○
Respect for Human Rights and Realization of Responsible Corporate Activities	To respond to social demands for corporate governance, anti-corruption, and respect for human rights, foster a strong business foundation, and continue to be a Group trusted by employees and society	<ul style="list-style-type: none"> Litigation risk Risk of suspension of business by customers and suppliers 	<ul style="list-style-type: none"> Improved efficiency in acquiring human resources and developing customers and business partners by improving reputation 	Social Value <ul style="list-style-type: none"> Realizing a safe society without accidents and disasters The happiness of employees Providing fair and stable employment Economic Value <ul style="list-style-type: none"> A logistics company that continues to be the preferred choice Providing fair and stable business opportunities 		○	○

*1 Description of environmental and social impacts are provided according to social, environmental, and economic values as defined in the Sustainability Vision, which describes the vision of sustainability management. For details on the Sustainability Vision, please refer to [P.45](#).

Business Plan Initiatives to Improve Corporate Value



Expand equity spread through initiatives to increase ROE and reduce capital costs

*1 Results at the end of FY2023

Top Message

To realize our long-term vision, we will strengthen our approach to improving corporate value and will work to accelerate business growth and enhance profitability.

Fiscal 2025 is the second year of NX Group Business Plan 2028 “Dynamic Growth 2.0.” President Horikiri has spoken of the need to engage in business at an unconventional level and shift to a higher gear of transformation to realize the long-term vision of becoming “a logistics company with a strong presence in the global market.” Amid major changes taking place in the external environment, we spoke with President Horikiri about topics including initiatives to realize that long-term vision, ways for NX Group to transform and create new value from logistics, the company's progress, and management policies under its Business Plan.

In fiscal 2024, your first year in the role of president, major changes took place in the external environment. This was seen in Japan's “2024 problem” in logistics due to new labor law reforms placing limits on truck drivers' working hours and consolidation in our industry with major foreign competitors making trillion-yen acquisitions. Looking back on the past year, what do you see?

Geopolitical, economic, and security risks heightened in fiscal 2024 due to the prolonging of Russia's invasion of Ukraine, growing tensions in the Middle East, and conflict between the United States and China. On the other hand, global trade is on a recovery trend and global logistics demand has continued to recover from the second quarter. In addition, the company's earnings increased following the acquisition of cargo-partner (hereinafter “CP”). However, factors including decreased handling of pandemic-related materials and increased labor and other costs caused a decrease in non-operating profits compared to the previous fiscal year.

Trade barriers are currently on the rise due to U.S. tariff policies and other causes. This is creating concern over further economic fragmentation, which is seen as a factor of weighing down the global economy. Under these conditions, the global economic outlook released by the IMF in April 2025 predicted a global economic growth rate of 2.8% in 2025 and 3.0% in 2026, representing downward revisions from the IMF's report in January. As of the end of the first quarter of 2025, we foresee an increase in sales and profits from the previous year. Amid ongoing policy changes in countries around the world, however, downside risks are expected to increase. I believe that we need to be mindful of these conditions and plan accordingly.

Satoshi Horikiri

President, Chief Executive Officer
and Representative Director

At the same time, I also consider it important that we maintain an unshakable stance grounded in a medium- to long-term perspective. We firmly intend to carry out the actions necessary to achieve our long-term vision. First, we aim to achieve the objectives of our Business Plan, which we position as the next step towards the realization of our long-term vision. At our current performance level, however, we face high hurdles to achieving business income of ¥150 billion and ROE of 10% or more, our targets for the last year of the plan, while the company's PBR currently sits below 1.0. For these reasons, I believe that we need to strengthen the strategies and measures formulated in the Business Plan and to accelerate their realization.

Looking at the competitive environment, competitors are actively engaging in M&A, as seen in the acquisition of DB Schenker by DSV. I note with some urgency that NX risks being left behind or finding itself the target of M&A if we do not enhance our scale and competitiveness through M&A.

Under these circumstances, I believe that achieving the objectives of our Business Plan and realizing our long-term vision of becoming “a logistics company with a strong presence in the global market” will demand new initiatives at a higher level than in the past and a shift to a higher gear of transformation. With this in mind, we made the decision to update the “Initiatives to Improve Corporate Value” that we announced last year.

Strengthening our approach to improving corporate value

— What specific initiatives are considered in the updated “Initiatives to Improve Corporate Value”?

In the revision, we set interim targets for fiscal 2026, reviewed our capital policies and improved our balance sheet management (including our asset holding strategies) and committed to advancing and strengthening our business portfolio management.

I recognize that our main reason PBR being at its current level is that our current ROE is below the 7.4% cost of shareholders’ equity recognized by the company. For this reason, to enhance our corporate value, we updated our original five-year cash allocation plan and committed to a more robust approach to corporate value improvement.

We position [this update](#) as the first of our planned enhancement measures. As a framework for the initiative, we aim to secure and further expand equity spread through three approaches: (1) a shift to high-profit businesses and replacement of assets, (2) optimization of capital structure and appropriate use of financial leverage, and (3) reduction of the cost of shareholders’ equity.

At the same time, what has come to light through our efforts to update “Initiatives to

Improve Corporate Value” is the pressing issue of strengthening our earning power—that is, growing our business income. I consider it vital that we simultaneously implement both a business transformation and financial strategies, like the two wheels of a cart.

To enhance our earning power, we must accelerate the improvement of profitability by restructuring our Japanese businesses and by providing account management-based End to End solutions as organic strategies formulated in our Business Plan. We must also advance the post-merger integration (PMI) of CP and Simon Hegele while making further use of M&A, as inorganic growth strategies.

Accelerating business growth in the global market

— Regarding enhancing earning power, what is the status of the company’s initiatives for providing account management-based End to End solutions?

[The provision of account management-based End to End solutions](#) is a concept by which we systematically expand the customer base for account management and heighten our activity level and assess customers’ unique needs by doing so. We will address those needs through total logistics solutions focused on warehouse-centered logistics and forwarding services, and thereby comprehensively address specific customers’ requirements. This concept forms the starting point for our strategy.

In providing these logistics solutions, we are working to build a knowledge sharing infrastructure that allows everyone in the NX Group to access logistics expertise primarily accumulated in Japan. At the initial stage, while leveraging organizations and structures built by Nippon Express Co., Ltd., we are working to share our logistics solutions success stories and implement them throughout the NX Group. Due to these successes, our high level of service in Japan is earning recognition for quality by Japanese and non-Japanese global account customers, which is increasingly leading to further demand for our services internationally. This has also led to an expansion in cargo volume handled by our forwarding business unit. With the addition of CP to our Group, the ocean and air volumes we handle in our forwarding business unit are increasing significantly, with yearly volumes of 1 million tons for air cargo and 1 million TEU for ocean cargo now in sight. Furthermore, we will continue to tackle the expansion of account management-based End to End solutions while making active use of M&A.

As part of our sales activities for account management under the initiative, I have had numerous discussions with our customer’s top management, and I receive requests for cooperation in their business expansion and proposals for new initiatives. Some global accounts have even selected our company as the recipient of supplier awards which



demonstrates the strength of our partnerships with our clients. I see how our actions are yielding tangible results, as the number of accounts where we are significantly expanding our business is increasing. I believe that the degree to which we can increase such accounts, and whether we can effectively manage the account management process centered around the account manager as a whole represents challenges for us over the next four years.

— On the topic of business growth through additional M&A, what is your evaluation of past M&A? Including lessons learned from these acquisitions, what do you see as key points that will lead to successful M&A? Please share your outlook for future M&A activities.

We position the use of M&A as a key factor in our company's growth and in improving corporate value and see our PMI with CP as a touchstone. These are issues of top importance in our Business Plan.

Looking at our M&A in the past, the NX Group has successfully completed 10 business acquisitions in domestically and internationally between 2012 and 2024, representing a total investment value of about ¥300 billion. M&A accounts for a growing percentage of our consolidated financial results.

Evaluating past acquisitions, I believe that our global network has been strengthened through our acquisition of logistics infrastructure in priority industries and expanded our network of sites in untapped areas. This has led to a strengthening of our customer base. Examples of this strength can be seen in our business growth in providing logistics services in priority industries such as in the lifestyle sector in Europe and health care sector in North America, and in the expansion of our network in Northern and Eastern Europe. Lifestyle and healthcare have become key industries through strategic business acquisitions. We view the strengthening of our business foundation through M&A as making our current growth and strategy possible.

At the same time, we can see mismatches involving value creation scenarios and overall optimization in our initial selection of target companies. We also recognize that our local subsidiaries' management of PMI has resulted in limited synergies with the NX Group as a whole, or in a lack of quickly achieving synergies. As a result, some business plans did not proceed as originally intended, and we have had to record impairments for some projects.

Based on our reviews of such situations, we are improving our structure for executing M&A, strengthening our Global Business Headquarters-centered PMI structure to create Group-wide synergies, and advancing PMI with CP and other companies. I see our synergies with CP as making steady progress in terms of implementing improvements at locations and strengthening our purchasing power. We are also making efforts to strengthen our responsiveness in human resource development and other areas of M&A execution and hope to leverage them in our future M&A strategy.

In the consideration of future M&A, we will continue to explore M&A opportunities overseas from three directions by: (1) acquiring overseas customer bases and expanding forwarding volume, (2) strengthening our functions in key industries and (3) strengthening our network in growth areas including India and Africa. We will continue to focus on M&A in Europe, but from here on out, areas outside of Europe will grow in priority. For example, the U.S. is a large market that still offers considerable room for action and growth on our part. In China, on the other hand, we need to consider what sort of growth strategy we can draw up as appetite for corporate investment in the country loses momentum. We have established many local logistics companies in logistics parks and bonded areas, and will once again examine optimal business structures, including the ideal role for these companies. We are now reviewing our business portfolio in Japan and intend to do the same for our overseas businesses.

Restructuring our Japanese businesses

— You have stated your aim to improve profitability by restructuring the company's Japanese businesses. What are your concrete plans for doing so? In addition, Nippon Express transitioned to an internal company-based structure in January of this year. In these areas, what sort of initiatives do you plan to undertake, and toward what objectives?

In terms of [restructuring our Japanese businesses](#), we aim to raise business income margin from the 3.9% achieved in FY2023 to 5.9% in FY2028. We are taking three specific approaches to achieve this goal: (1) expansion of account management-based End to End solutions as a part of "transformation into a customer-oriented company," and monetiza-

tion and expansion of warehouse equipment and other up-front investment projects we have conducted in the pharmaceutical and semiconductor industries that we are prioritizing, (2) price revisions, administrative productivity improvement, and other actions for the “continuation and deepening of measures to enhance the robustness of our Japanese businesses,” and (3) “continuous transformation and revision of our business foundations” through optimization of management resource allocation and advancement of business portfolio management.

Along with the strengthening of these initiatives, on the basis of “continuous transformation and revision of our business foundations,” we have reorganized the business regions. Nippon Express has, until now, conducted Japan-based business management through six regional areas. However, by transforming our uniform management structure to yield a structure fitted to regional characteristics, we aim to accelerate the optimal and efficient re-allocation of management resources and improve our profitability and capital efficiency.

Specifically, in the Kantokoshinetsu/Chubu/Kansai regions (collectively “Tokyo, Nagoy and Osaka area”), we undertook a reorganization into business units along the axis of businesses and the axis of customers to expand our areas of transaction with customers. In Hokkaido/Tohoku and in the Chugoku/Shikoku/Kyushu regions, we further delegated authority to raise the degree of regional management freedom by reorganizing these companies into an “East Company” and “West Company” business unit structures.

Our aim in the Tokyo, Nagoy and Osaka area is the maximization of profit in line with sales growth. In this area, with its large market scale and concentration of global companies' head offices, we will expand our areas of transaction with customers by strengthening account management, centered on a dedicated sales structure oriented along the customer axis. The region also features major airports, ports, and other international transport gateways. We want to further grow our global business out of Japan through the placement of a business axis organization in this region to oversee our Japan-based forwarding business.

Based on the East Company and West Company reorganization, we will focus on improving income margin and capital efficiency rather than increasing sales, with the aim of improving ROIC. We will accelerate organizational renovation, investment, recruitment, and personnel assignment in line with regional characteristics and will work to improve the efficiency of management. At low-profit locations, we will quickly move ahead with reduction of resources, while also optimizing the allocation of management resources and making investments in semiconductor-related and other areas where we expect future growth. On this point, we will do the same in the Tokyo, Nagoy and Osaka area, where we have adopted a regional business unit structure.

We consider the transition to an internal company-based structure along with the speed at which we can implement market-driven management changes that reflect regional characteristics to be key initiatives.

Promotion of sustainability management

— Please talk about achievements and issues in your efforts to promote sustainability management, one of the Basic Policies of the Business Plan.

I view [sustainability management](#) as the starting point for considering all decision making. The importance of addressing social issues has increased dramatically, which constitutes a major risk for management. However, within this we also see opportunities leading to new businesses that will be keys to growth. Sustainability management is an essential undertaking not only for cutting the cost of shareholders' equity but also for increasing our expected income growth rate and PER.

About a year has passed since we established sustainability promotion as a Basic Policy. We have now moved from promoting sustainability to the implementation phase in which we aim to coordinate among business activities. We have seen some degree of progress in this, including concrete detailing of non-financial capital, clarification of spillover financial effects, and the construction of a mechanism for CO₂ management on a global scale to be strengthened through initiatives aimed at Material Issues. However, I believe that we are still midway along the path in terms of reducing risks and capturing growth opportunities.

CO₂ emission reduction, human rights management in the supply chain, and other factors are becoming requirements in calls for customer bids, especially by major non-Japanese customers. In addition, the realization of sustainability is increasingly an expectation that our company faces, with an increasing number of customers telling us that the way we provide solutions is important. The manner of integrating sustainability into our provision of End to End solutions will be a key point.

The logistics business has always been directly linked to sustainability, and I believe that we need to view sustainability and business as one. However, I feel that recognition of this has not sufficiently filtered through the organization. In promoting sustainability, we will categorize the solutions we have achieved to date in light of factors including the 17 SDGs, and will re-examine how our businesses can contribute to sustainability. Regarding business activities, I believe that it is important for business, sales, and corporate departments to collaborate in tackling sustainability, and will work to reform awareness through a variety of opportunities. I also see a key issue in the maintenance and improvement of safety, compliance, and quality, which form the foundation for tackling sustainability.

Standing on this foundation to resolve social issues through business, we can sustain a virtuous cycle of corporate value improvement that will differentiate the NX Group from our competitors. I believe that this is an important theme for our continued success within a sustainable society.

— As the economic environment undergoes great change and competitors engage in M&A, will there be changes in the company's long-term vision and M&A policy?

In our previous Business Plan, we set “a logistics company with a strong presence in the global market” as our long-term vision. More specifically, we put forth metrics including achieving global sales of ¥4 trillion, an overseas sales ratio of 50%, and maritime transport volume of 2 million TEU. I believe that if we can achieve figures on this level, we can establish a considerable presence. Recognizing the widening of the gap with global competitors through M&A and the potential for contraction of global trade under the U.S.'s tariff hikes and other factors, I believe that we need to envision a phase that demands a review of our long-term vision. At present, however, there is no change to that vision. To achieve our vision, we will continue advancing our M&A strategy together with our organic growth strategy by taking a long-term perspective. In our updated “Initiatives to Improve Corporate Value,” we added ¥200 billion to the previous budget plan for the purpose of M&A and other growth investments. Based on the three directions for M&A that I have discussed, I hope to continue actively exploring M&A opportunities.

While scale is an important factor, I believe that our value is not determined by size alone. Our company has strength in being a logistics company with a presence in Asia, which I see as a factor in increasing our overall value to our customers. Customer-oriented provision of End to End solutions can also contribute to the expansion of customers' business and further lead to the resolution of social issues. I believe that providing value in terms of quality, not only scale, will be another factor in increasing our value to our customers.

To Our Stakeholders

— What sort of value do you intend to provide to stakeholders and investors? In addition, what sort of changes do you want people to expect from NX?

Because we find ourselves in a situation of growing uncertainty and difficulty in foreseeing the future, I think that our focus on providing “unwavering management” will be

vital to our success. To me, this means offering employees, customers, and other stakeholders a sense of security, safety, and stability. Specifically, it means the capability to provide employees with an environment for working safely and securely, to provide customers with high-quality logistics services, and to provide investors with stable returns. I also want NX to be a company where people can discover new surprises and can hold dreams for the future and expectations for growth. I believe that putting these things into practice

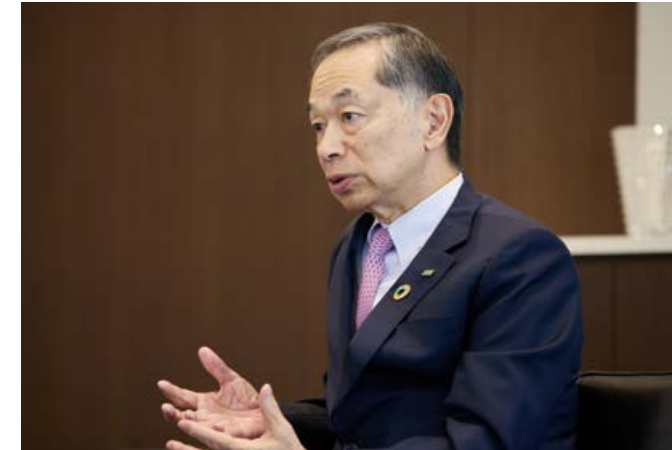
will lead to the enhancement of corporate value. I see my role in this as drawing out NX's potential by steadily advancing the initiatives I've described. There are three key themes in all of this, for which I invite stakeholders to closely observe to mark our progress.

The first theme is “continual change.” As we engage in management, a variety of changes happen around us. What is important is that we maintain a mindset of viewing change as the norm. In the past, I believe that there have been areas where we have fallen behind. Reflecting on these, I want to show that we will not only respond to changes in the environment but will also continue to change with a sense of urgency that places us at the forefront of change. We will do so by leveraging advanced technologies such as digital transformation (DX) and by transforming our corporate climate, organizations, and structures.

The second theme is “acceleration of globalization.” To achieve an overseas sales ratio of 50%, we are moving ahead with the promotion of foreign-national human resources to key positions in management and the expansion and diversification of global customers. However, our efforts are still at the halfway point. Unlike in the automotive industry, there has so far not been any Japanese logistics company capable of competing globally at the world's top level. Noting that, our company will keep growing, and striving to compete shoulder-to-shoulder with our rivals in the global market.

The third theme is “balancing growth with improvement of profitability.” I want to simultaneously achieve both global growth and enhanced profitability. Toward that end, we will shift to a higher gear in our initiatives to improve corporate value.

As our Group unites to advance transformation, I ask for the continued support of our stakeholders.



Status of Business Plan 2028 Initiatives

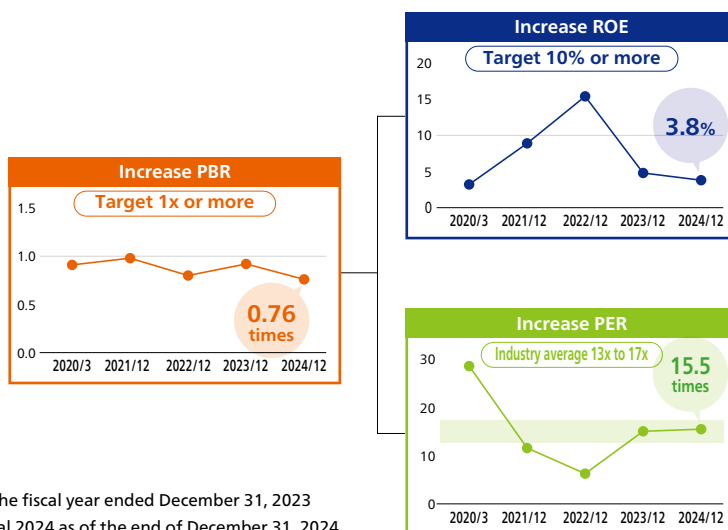
The NX Group launched a new business plan in January 2024: NX Group Business Plan 2028 “Dynamic Growth 2.0 – Accelerating Sustainable Growth.” There are no changes to either our aimed-for stance or direction, but we have been undertaking with a greater sense of urgency various measures heralded in the business plan with the aim of achieving our long-term vision of becoming “a logistics company with a strong presence in the global market.”

In the business plan, we also disclosed our “response to achieve management conscious of capital cost and share price.” To improve corporate value (improve PBR), we believe that we need to expand equity spread after achieving capital profitability exceeding capital cost.

Against this backdrop, with regard to results for the current consolidated fiscal year, sales revenue rose year-on-year to ¥2,577.6 billion owing to a recovery in logistics demand and the addition of new cargo-partners to the NX Group. However, due to the effects of such external environment factors as a rise in energy prices and increased costs for human resources and the like, business profit fell year-on-year to ¥63.5 billion and the business income ratio fell year-on-year to 2.5%. There was an increase in equity capital and ROE remained at 3.8%, owing to an accumulation of retained earnings and an increase in foreign currency translation adjustments due to currency fluctuations.

(Amounts rounded off to the nearest ¥100 million)

Item	FY2023 Results	FY2024 Results	Amount of Change (compared to the previous year)	Ratio of Change (compared to the previous year)	FY2028 Target
Sales revenue	¥2,239.0 billion	¥2,577.6 billion	¥338.6 billion	15.1%	¥3,000.0 billion
Consolidated income by segment (business income)	¥81.2 billion	¥63.5 billion	(¥17.6 billion)	(21.7%)	¥150.0 billion
Business income ratio	3.6%	2.5%	-	-	5.0%
Operating income	¥60.0 billion	¥49.0 billion	(¥11.0 billion)	(18.3%)	¥150.0 billion
Profit attributable to owners of parent	¥37.0 billion	¥31.7 billion	(¥5.3 billion)	(14.4%)	¥100.0 billion
Overseas sales revenue * Excluding between segments	¥585.5 billion	¥926.2 billion	¥340.7 billion	58.2%	¥1,200.0 billion
Overseas sales ratio	26.2%	35.9%	-	-	40.0%
ROE	4.8%	3.8%	-	-	10.0% or more



*ROE: On an IFRS basis since the fiscal year ended December 31, 2023

*PBR and PER: Figures for fiscal 2024 as of the end of December 31, 2024

	Goals to Achieve	Indicators		FY2022 Performance	FY2023 Performance	FY2024 Performance	FY2028 Planned
Business Growth Strategy	Expansion of Sales Revenue	Sales revenue		¥2,618.6 billion	¥2,239.0 billion	¥2,577.6 billion	¥3,000.0 billion
		Growth investments (cumulative from FY2024 to FY2028)	Cumulative M&A investments	-	-	Not disclosed	¥400.0 billion
			Accumulated capital investments (updates and increases)	-	-	¥73.1 billion	¥500.0 billion
	Increase the income ratio	Business income ratio		5.3%	3.6%	2.5%	5.0%
		Business income		¥137.5 billion	¥81.2 billion	¥63.5 billion	¥150.0 billion
Financial Capital Policy	Improve capital efficiency	ROIC (Income before income taxes)		11.4%	5.6%	4.0%	10% or more
		Shareholders' equity ratio		36.5%	37.9%	37.2%	Around 35%
	Optimization of capital structure	Dividend payout ratio		32.8%	71.7%	82.3%	40% or more
		Total return ratio (cumulative from FY2024 to FY2028)		-	-	113.6%	55% or more



Analysis of Business Performance

Status of Business Environment

In fiscal 2024, the global economy maintained solid growth. There were signs of domestic demand-led expansion in the U.S. and some emerging countries, along with support from a recovery in personal consumption due to a rise in real wages in other countries and regions. On the other hand, there was an increase in geopolitical risks and economic security risks including the increasing length of Russia's invasion of Ukraine, increased tensions in the Middle East situation, and the US-China confrontation, resulting in a future outlook that remains uncertain.

Against this economic climate, with respect to the logistics industry in international logistics demand for freight traffic is on the upswing due to such factors as an increase in air cargo transportation arising from the expansion of cross-border e-commerce from China. However, in ocean cargo transport, conditions remain unstable. The geopolitical and natural disaster risks that can have a direct impact on freight traffic remain, such as prolonging the avoidance of routes through the Suez Canal due to unstable conditions in the Middle East and a record-breaking drought along the Panama Canal. As for domestic logistics, while personal consumption showed signs of rallying, production-related freight traffic remained sluggish owing to a slowdown in capital investments and a lack of strength in cargo movement as a whole. Furthermore, the logistics industry remained pressed over how to respond to the 2024 problem and how to deal with such rising cost pressures as the rises in labor and fuel costs.

The situation continues to be such that we need to pay close attention these trends, such as the impacts of geopolitical risks and economic security risks on the supply chain as well as the increase in various procurement costs owing to labor shortages and rising fuel prices.

Business Performance

Under this business environment, the NX Group launched a new business plan from January 1, 2024: NX Group Business Plan 2028 "Dynamic Growth 2.0 – Accelerating Sustainable Growth." There are no changes to either our aimed-for stance or direction, but we have been undertaking with a greater sense of urgency various measures heralded in the business plan and management aware of improving corporate value. We do so with the aim of achieving our long-term vision of becoming "a logistics company with a strong presence in the global market."

With regard to results for fiscal 2024, sales revenue rose year-on-year owing to a recovery in logistics demand and the addition of a new company, cargo-partner, to the NX Group. However, segment income fell due to the effects of such external environment factors as a rise in energy prices and increased costs for human resources and the like.

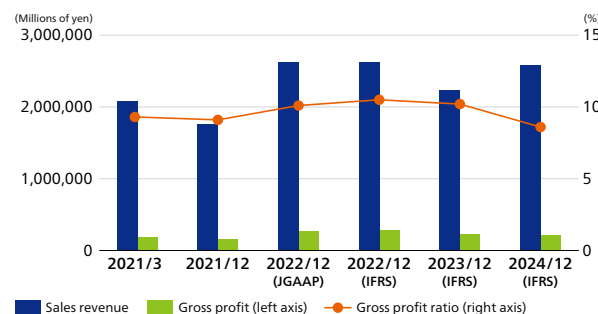
Performance Forecast

The fiscal 2025 results forecast calls for revenue of ¥2.7 trillion, operating income of ¥80.0 billion, income before income taxes of ¥75.0 billion, and net income attributable to owners of the parent of ¥55.0 billion. With regard to the tariff policies of the U.S., they are not included in the performance forecast owing to the difficulties of making a reasonable calculation of their impact on performance.

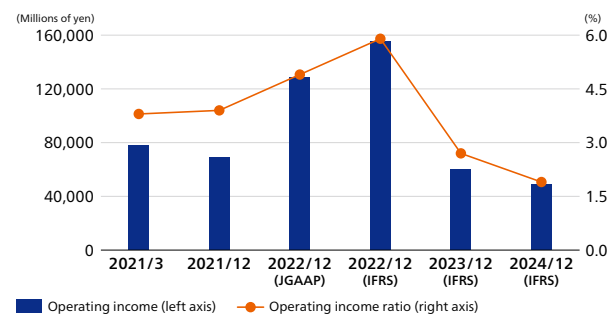
Concerning the impact of tariff policies on performance, premised by the information available as of early April, we tentatively calculate that there is a risk that business profit for fiscal 2025 will be ¥10.0 billion less than our full-year forecast. (As of May 13, 2025)

In the event that it becomes necessary to revise the performance forecast, we will disclose it promptly.

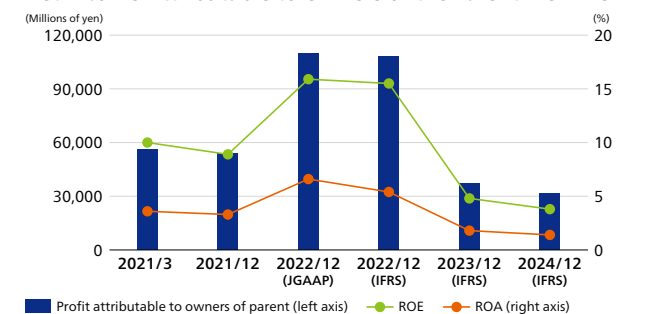
Revenue/Gross Profit/Gross Profit Ratio*1



Operating Income/Operating Income Ratio*1



Net Income Attributable to Owners of the Parent/ROE/ROA*1



*1 The end of a fiscal year for NX Group has been changed from March 31 to December 31 from FY2021. As such, consolidated results for the FY2021 reflects values of nine months from April 1, 2021 to December 31, 2021.

Analysis of Financial Position

Financial Position

Total assets as of the end of fiscal 2024 amounted to ¥2,297.1 billion, an increase of ¥187.8 billion, or 8.9%, compared to the previous fiscal year.

Current assets amounted to ¥934.8 billion, an increase of ¥38.5 billion, or 4.3%, from the previous fiscal year, and non-current assets totaled ¥1,362.2 billion, an increase of ¥149.3 billion, or 12.3%, from the previous fiscal year.

The increase in current assets was mainly attributable to an increase in trade and other receivables.

The increase in non-current assets was mainly attributable to an increase in goodwill and intangible assets.

Current liabilities amounted to ¥757.8 billion, an increase of ¥166.7 billion, or 28.2%, from the previous fiscal year, and non-current liabilities totaled ¥666.2 billion, a decrease of ¥34.1 billion, or -4.9%, from the previous fiscal year.

The increase in current liabilities was mainly due to an increase in short-term redeemable bonds.

The decrease in non-current liabilities was mainly attributable to a decrease in long-term borrowings.

Total capital as of the end of fiscal 2024 amounted to ¥873.0 billion, an increase of ¥55.2 billion, or 6.8%, from the end of the previous fiscal year.

Overview of Cash Flows

Cash and cash equivalents at the end of fiscal 2024 amounted to ¥251.3 billion, a decrease of ¥63.7 billion from the end of the previous fiscal year.

Net cash provided by operating activities amounted to ¥227.8 billion, an increase of

¥42.1 billion in proceeds from the corresponding period of the previous year. This result was mainly due to a decrease in income taxes paid.

Net cash used in investing activities amounted to ¥140.7 billion, an increase of ¥81.4 billion in expenditures from the corresponding period of the previous year. This result was mainly due to an increase in expenditures for the acquisition of shares in subsidiaries consequent upon a change in the scope of consolidation.

Net cash used in financing activities amounted to ¥164.1 billion, an increase of ¥63.9 billion in expenditures from the corresponding period of the previous year. This result was mainly due to a decrease in proceeds from long-term loans payable.

With regard to the revenue sources and liquidity of the NX Group's capital, the main demands on the Group's capital are for operating expenses such as for consigned forwarding costs, fuel costs, sales costs, and general and administrative costs, as well as for investments in the building of new Group facilities, renovations, and mergers and acquisitions.

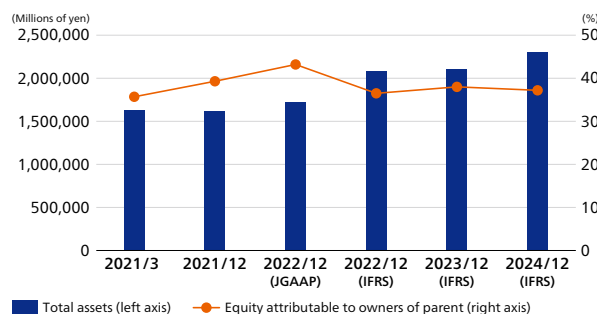
We are working to meet these capital demands through cash flows from sales activities and funds on hand, as well as by procuring funds through borrowings from financial institutions and the issuance of bonds.

With regard to working capital on hand, we and some of our consolidated subsidiaries have introduced a cash management system (CMS) with the goal of improving capital efficiency through integrated management of surplus funds at each company.

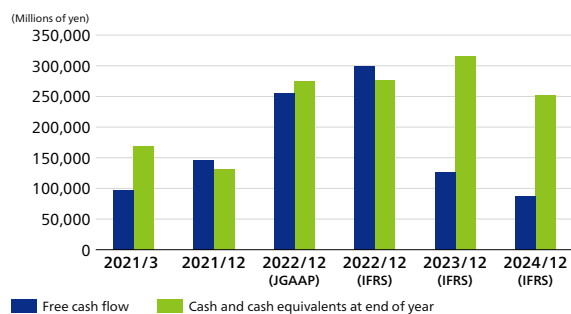
Capital Investment

In view of future business developments, NX Group is making capital investment in infrastructure such as distribution bases and commercial warehouses, and replacing vehicles and other transport equipment in order to respond to reforms in logistics structures and international logistics. In FY2024, we invested a total of ¥73.1 billion.

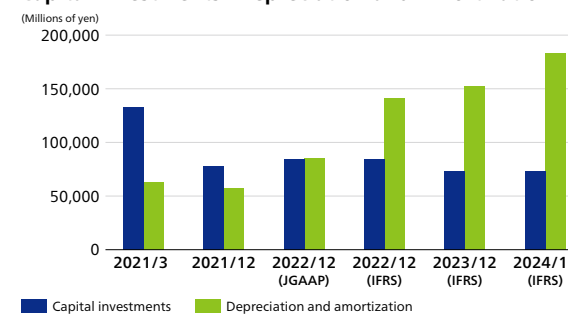
Total Assets/Ratio of Equity Attributable to Owners of Parent*1



Free Cash Flow/ Cash and Cash Equivalents at End of Year*1



Capital Investments/ Depreciation and Amortization*1



*1 The end of a fiscal year for NX Group has been changed from March 31 to December 31 from FY2021. As such, consolidated results for the FY2021 reflects values of nine month from April 1, 2021 to December 31, 2021.

Analysis and Evaluation of Current Status for PBR, ROE, and PER

Results from and Looking Back on PBR, ROE, and PER

The price-to-book (PBR) ratio for the NX Group as of December 31, 2024 stood at 0.76, remaining as before below one. When the PBR is broken down into return on equity (ROE) and price-to-earnings ratio (PER), ROE for fiscal 2023 was 4.8% and the projection for fiscal 2024 was 4.9% (actual 3.8%), falling below the Group's perceived cost of shareholders' equity of 7.4%^{*1}. Although the PER of the Group is at the industry average (Prime Market, land transportation business), considering our potential for global growth, we believe that there is more room for improving expectations for our business growth.

Based on these analyses, we recognize that the main factor confining our PBR to its current level is that our current ROE is low and below our perceived cost of equity. First, we recognize that the most important issue for eliminating PBR ratios below one is to quickly achieve a ROE that exceeds the cost of shareholders' equity and secure the equity spread.

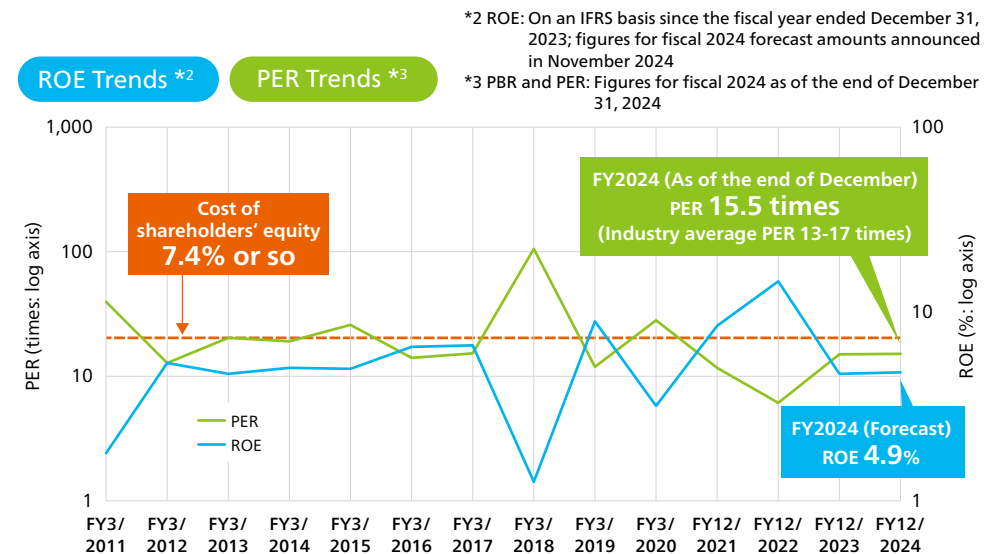
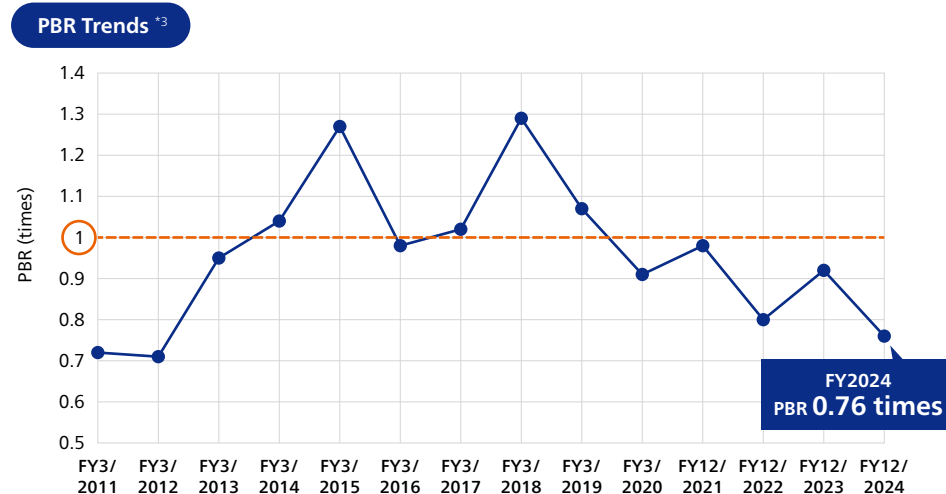
^{*1} Values as of June 30, 2024, calculated using a capital asset pricing model (CAPM). Through dialogue with capital markets, we recognize there are no deviations from the levels that the capital markets recognize.

Improvements in ROE and PER

The factors behind the decline in ROE are a decline in profit levels that goes hand in hand with higher personnel and other costs and an increase in equity capital. We believe that we need to push forward with structural reforms to improve capital profitability. Together with expanding our earning power--that is to say, expanding business profits--through the steady implementation of the various measures raised in our business plan, we need to replace low-profit assets and those businesses that have low profit margins with assets that are expected to have higher profitability. Additionally, our analysis shows that there are aspects to the Company's capital structure that should be improved, such as the effective use of financial leverage.

Furthermore, while our PER is at the industry average, we believe that we need to reduce shareholder equity costs and improve expectations for our business growth. We will work toward improving our expected growth rate by reducing business risks (volatility) through expanding End to End solutions that are not biased toward the forwarding business, reducing shareholder equity costs through active dialogue with capital markets, and showing actual progress with our growth scenario.

Against this backdrop, we updated our initiatives for improving corporate value and announced them in February of this year.



^{*2} ROE: On an IFRS basis since the fiscal year ended December 31, 2023; figures for fiscal 2024 forecast amounts announced in November 2024

^{*3} PBR and PER: Figures for fiscal 2024 as of the end of December 31, 2024

Message from the Chief Managing Officer of Corporate Strategy Headquarters

Strengthen the approach toward improving the corporate value

Hideshi Otsuki

Managing Executive Officer



In our business plan, we disclosed our “response to achieve management conscious of capital cost and share price.” To improve corporate value, we believe it important that we first ensure capital profitability exceeding capital cost and furthermore increase the equity spread. Meanwhile, our current PBR is below one. Furthermore, to realize our long-term vision, we reassessed our plan out of our belief that we need to gear our initiatives and reforms up to heretofore unseen levels. I will explain this reassessment in detail.

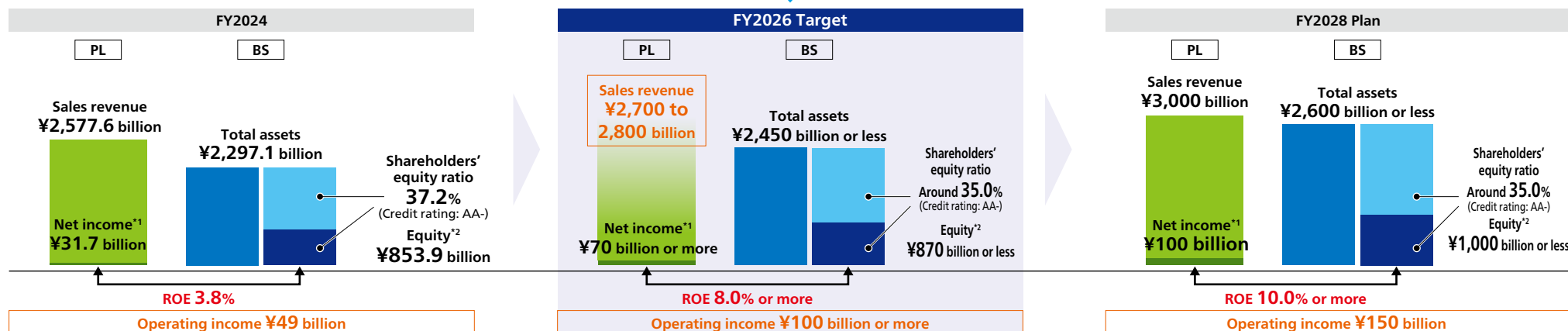
Initially, we recognized with regard to these current analyses and evaluations that the main factor confining our PBR to its current level is that our current ROE is below our perceived cost of shareholders’ equity.

In our reassessment, we set “achieving ROE of 8% or more” as our medium-term goal for fiscal 2026. We also worked to strengthen BS management—including a review of our asset holding strategy—and reassess capital policy, as well to strengthen our promotion of business portfolio management. The planned values for fiscal 2028—the final year of the business plan—remain unchanged, and we aim to achieve our original plan targets. Next, as a way for strengthening approaches for improving corporate value, the figure on the following page shows a list of the content we have added to our original five-year cash flow allocation plan. As a general framework for these initiatives, we aim to secure and further expand the equity spread by undertaking three approaches.

First, when it comes to shifting to highly profitable businesses and replacing assets, we will proceed toward selling such assets as low-profit real estate, with planned total value of ¥50 billion or more. Furthermore, we will review our holding strategy for business real estate and continue looking into adding to our cash in-flow, including possible sales or lease-backs of properties.

Next, with regard to promoting business portfolio strategies, we shift to growth businesses and consolidate low-profit and non-core businesses in line with both qualitative and quantitative criteria. We classify our businesses and companies into three categories: “segments and businesses to be grown,” “Japan-based businesses to be restructured,” and “companies and businesses to be considered.” Depending on the category, we are making preparations aimed at strategic investment allocations and structural reforms, as well as for proceeding with new growth or joint ventures, alliances, and disposals.

Setting an interim target



*1 Net income: Net income attributable to owners of parent; *2 Shareholders' equity: Total equity attributable to owners of parent

Next, with regard to cross-shareholdings, we will add ¥40 billion through the sale of employee pension trust shares and by accelerating the liquidation of cross-held shares.

We plan to use the sales proceeds explained above to invest in growth fields such as M&A and to promote business portfolio management, as well as to strengthen shareholders' returns. With respect to growth investments such as these M&A, we will add ¥200.0 billion to the original plan. Although we have already used most of the ¥200.0 billion in initially-planned M&A funds through implementing M&A of cargo-partner and Simon Hegele, we believe that making further use of M&A will be necessary for achieving our business plan. We will begin by accumulating ¥200.0 billion in growth investment funds and then proactively consider M&A.

The second approach has been, in terms of optimization of capital structure and appropriate use of financial leverage, to carry out reexaminations even with respect to equity ratio in capital policy. We currently hold a high credit rating of double A minus. Given our high financial demands for growth investments, maintaining a high credit rating is an important factor in the face of future rises in interest rates. As to the standard for a shareholders' equity ratio, we have determined that approximately 35% would be appropriate as it has been in the past.

Also, assuming that we have maintained our credit rating, we added ¥50.0 to 100.0 billion as share buybacks. Of this, for 2025 we decided that in line with our original plan we will acquire up to ¥50.0 billion of our own shares. This ¥50.0 billion is a figure that was determined by multiplying total assets by 2.2%. That percentage is the difference between the equity ratio of 37.2% at the end of fiscal 2024 and the newly established level of 35%.

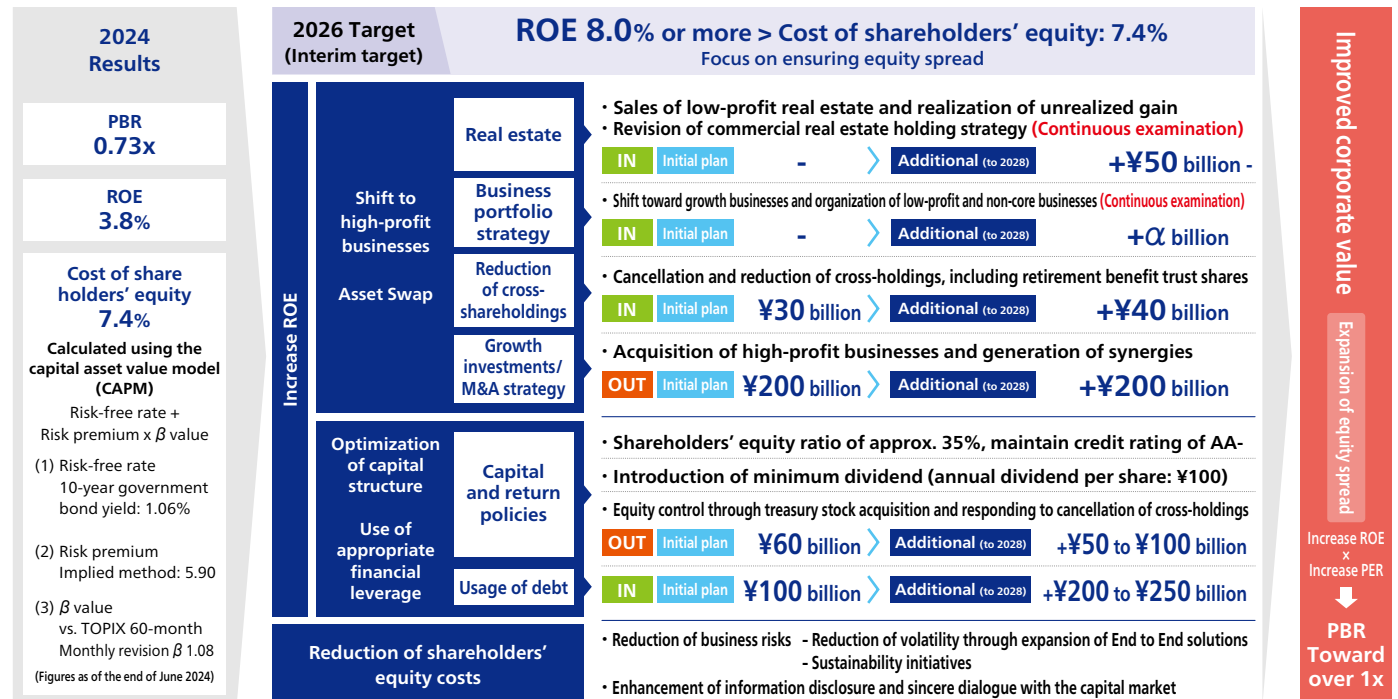
Next, we expect to procure another ¥200.0 to 250.0 billion as the external borrowings needed for growth investments, and plan to optimize our capital structure through debt-equity control.

With regard to shareholder returns, NX Group maintains stable returns and never reduces its common dividend. In addition to indicating the target amounts for our returns policy, we had also committed ourselves to the stable and steady issuance of dividends. Taking this further, we decided to set a minimum annual dividend of ¥100 per share based on the dividend amount for fiscal 2024.

The third of our approaches is to reduce the cost of

shareholders' equity. Together with reducing volatility of performance by expanding End to End solutions and reducing business risks through sustainability initiatives, we will continue to be in dialogue with markets and hope to apply this to future initiatives to improve corporate value.

Through these three approaches that I have just explained, we hope to expand our equity spread and, through ROE improvements and PER increases, as a passing point to begin with achieve a PBR greater than one. Also, to achieve our current business plan, as well as achieve targets of sales of ¥4 trillion, a business income margin greater than 5%, and an ROE greater than 10% that have been set in our long-term vision beyond it, we believe it extremely important that we not only expand our scale but also replace assets appropriately and increase capital efficiency. At the same time, we intend to create a virtuous cycle by joining our initiatives to boost shareholders' returns to the increase in ROE. We see these updates as part of the buildup policies we will pursue going forward, and we will continue to study and reinforce them.



Promote Business Portfolio Management

Basic policies underpinning the Business Portfolio

One of the basic policies underpinning the NX Group Business Plan 2028 is “Increase competitiveness and profitability, and enhance corporate value based on clear business portfolios and separation of roles.” We have set our basic policies regarding our business portfolio as one of the indicators for implementing this.

Grounded in this basic policy, we are promoting business portfolio management that prioritizes ROIC. In short, we will examine strategies leading to the enhancement of corporate value by conducting quantitative evaluations of businesses for capital profitability from ROIC and for growth potential based on sales growth rate, as well as qualitative evaluations on consistency with our corporate philosophy and long-term vision, positioning and synergy within the Group, and best-owner perspective.

We will implement the strategic allocation of investments to priority businesses and growth businesses while considering the structural reform, sell-off, or withdrawal of mature businesses and businesses requiring review and improvement, all with the goal of achieving sustainable growth of the entire NX Group.

We will also establish a system for the implementation of our business portfolio management, which will be reviewed and amended by the Board of Directors on a regular basis.

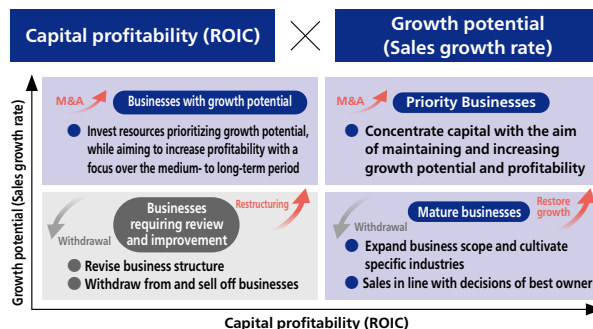
Basic policies underpinning the Business Portfolio

Basic policy

- NX Group has established the long-term vision of becoming “a logistics company with a strong presence in the global market” based on 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

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

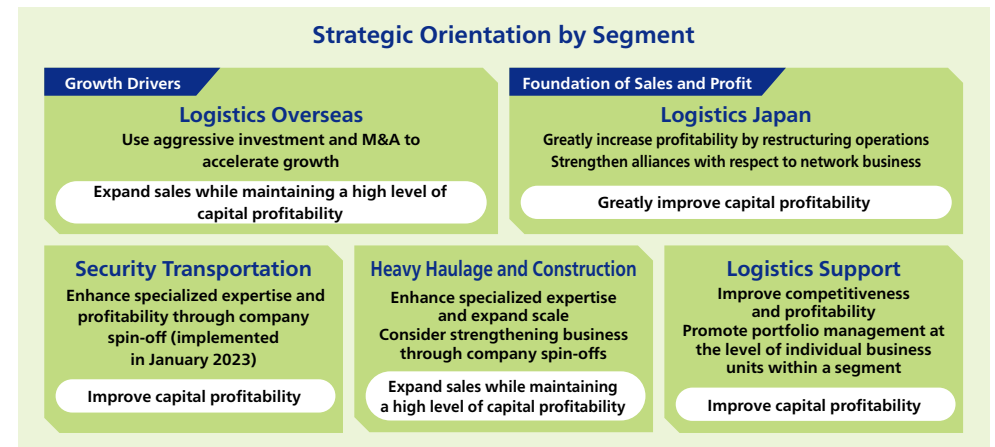
Business portfolio strategies for sustainable growth and improving corporate value

In accordance with our basic policy regarding the business portfolio, we will evaluate each business in qualitative and qualitative terms and clarify the roles each have in the process of improving the corporate value of the NX Group.

Based on these roles, we will aim for sustainable growth for priority businesses and businesses with growth potential by implementing the strategic distribution of management resources. We will use mainly mergers and acquisitions as well as capital alliances as means for achieving this growth. In short, through M&A and the like, we intend to strengthen our competitiveness by increasing the volume of freight handled by the NX Group, as well as create synergies and expand our business through the acquisition of new customer bases and logistics service bases.

On the other hand, for low-growth businesses or those in need of improved profitability, we will consider carving out new paths to growth through mainly the know-how and networks of partner companies linked through capital or business alliances. Alternatively, we may consider transferring or withdrawing from businesses and replacing them with businesses that have growth potential, or applying the management resources generated by such withdrawals to priority businesses.

Our basic approach regarding business portfolio strategies for each segment is recorded on the “Strategic Orientation by Segment” diagram.



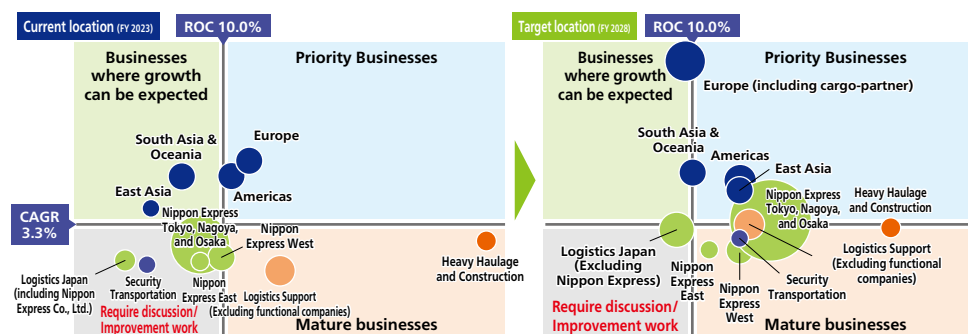
Based on the above strategies, we hope to improve corporate value through our advancement of business portfolio management.

Furthermore, giving full consideration toward the speed at which these strategies are implemented, we will work to make the effects of business portfolio management take on a visible form as quickly as possible.

Promote Business Portfolio Management

Quantitative Evaluation

The below chart plots on four quadrants the current locations (FY2023) for each business and the target locations in the NX Group Business Plan 2028, based on growth potential and capital profitability.



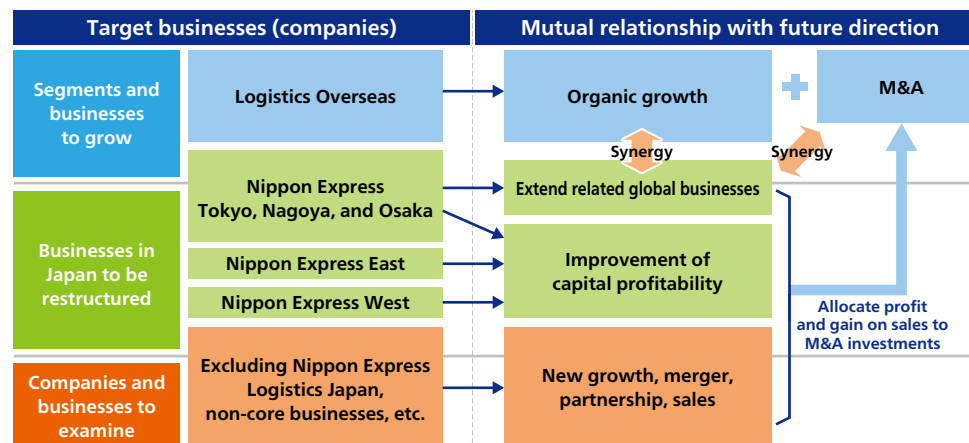
As base values for each quadrant partition, we set the growth (vertical) axis at 3.3%, this being the target for the Group's sales growth rate excluding inorganic factors such as M&A, and capital profitability (horizontal) axis at 10.0%, this being the Group's target ROIC. The names selected for each of the quadrants in order are "Businesses with growth potential," "Priority businesses," "Businesses requiring review and improvement," and "Mature businesses." We partitioned Logistics Japan into the three Nippon Express Co., Ltd. organizations, along with those other than Nippon Express Co., Ltd. Logistics Overseas was broken up into four regions, while Security Transportation, Heavy Haulage and Construction, and Logistics Support have been plotted by individual segment. The size of the circles represents the amount of profit.

Based on the role assigned to it, each individual unit aims to increase the size of those circles beyond what it is now as they reach their target locations diagonally toward the upper right direction. In short, we will increase sales and profits as we work toward also increasing capital profitability.

In particular, in accordance with the key strategies in our current business plan of "Accelerating growth in the global market" and "Rebuilding Japanese businesses," our four Logistics Overseas regions and the Tokyo, Nagoya, and Osaka areas of Nippon Express Co., Ltd. are playing roles in driving the growth of the Group's business as priority businesses.

Furthermore, while the Europe region is expected to see significant growth in its sales growth rate and profits, capital profitability will remain weak. This is from the impact of cargo-partner, which carried out M&A in the previous year. We will adopt a strategy that prioritizes increasing sales and profits, and we are working to achieve an ROIC of 10.0% due mainly to the effects of the PMI currently being implemented.

Future Directions



With regard to our business portfolio evaluated by the quantitative axis with the additions of qualitative factors such as corporate philosophy, synergies, and best owner, the above chart presents our future directions for management. We classify our businesses and companies into three categories: "segments and businesses to be grown," "Japan-based businesses to be restructured," and "companies and businesses to be considered." We will proceed with strategic investment allocations and structural reforms, as well as with new growth, joint ventures, alliances, and disposals.

Specifically, we will work to achieve organic growth and growth through M&A as well as increases in our global-related businesses in Logistics Overseas and in the Tokyo, Nagoya, and Osaka parts of Nippon Express Co., Ltd., which as we mentioned earlier are the driving forces behind growth in the NX Group's business. We will also steadily work to achieve synergistic effects mutually created by promoting cross-selling and through improvements to purchasing power and competitiveness through increases in the volumes handled. Next, the Tokyo, Nagoya, and Osaka units of Nippon Express and other companies will promote improvements to capital profitability. Meanwhile, with regard to some companies and non-core businesses from Logistics Japan excluding Nippon Express, we will pursue considerations into new growth, or joint ventures, alliances, and disposals. Cash generated from these businesses will be applied to M&A as well as investments in priority businesses and businesses for which growth is expected.

Through this, we believe that the segments, companies, businesses, and the like that together comprise the business portfolio of the NX Group will fulfill their assigned roles. We believe that we will create and continue a virtuous cycle that will be able to strategically allocate such management resources as cash and human resources to priority businesses and businesses for which growth is expected. We believe that doing all of this will lead to improvements in corporate value, and we will pursue this with a strong sense of urgency.

Cash Allocation

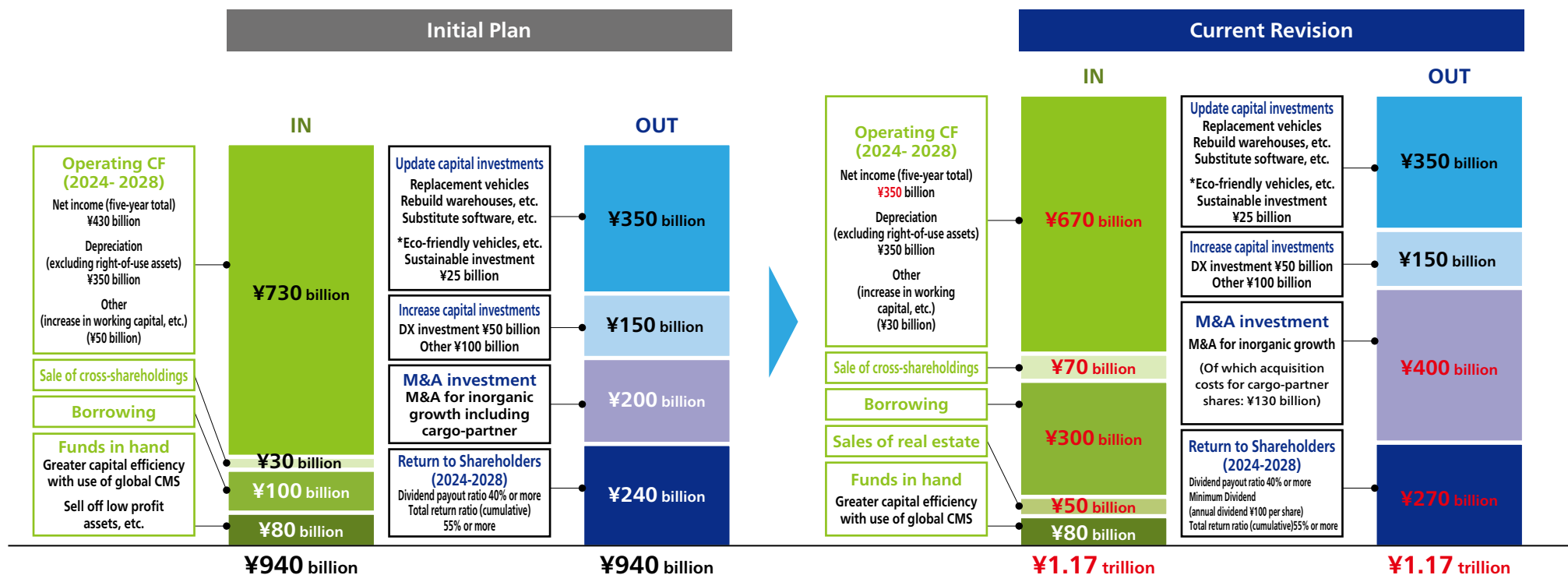
Review of Cash Allocations

On February 14, 2025, we reviewed the cash allocations that were originally set forth for the business plan period to improve corporate value.

We have increased the M&A investments that represent our growth investments for five years from fiscal 2024 to fiscal 2028 by ¥200.0 billion to ¥400.0 billion. Our total cash outflows for investments (including investments related to digital transformation and sustainability) now total ¥900.0 billion. At the same time, to enhance shareholder returns we increased cash outflows for those returns by ¥30.0 billion to ¥270.0 billion.

With regard to cash inflows, while operating cash outflows fell by ¥60.0 billion from the initial forecast to ¥670.0 billion, we increased sales of cross-shareholdings by ¥40.0 billion to ¥70.0 billion through a further reduction in such shareholdings. We optimized capital structure through debt-equity controls, increased borrowings by ¥200.0 billion to ¥300.0 billion, and promoted sales of low-profit real estate with the goals of shifting to highly profitable businesses and replacing assets. From this, we added ¥50.0 billion in real estate sales. Furthermore, we will review our holding strategy for business real estate and continue looking into adding to our cash in-flow.

Implement growth investments and stable shareholders returns, as well as strategic cash allocations such as through flexible share buybacks



Cash Allocation

Overview of the sale of real estate and cross-shareholdings for growth investments and shareholder returns

The NX Group fundamentally aims to reduce its policy shareholdings.^{*1} In fiscal 2024, the Group disposed of all holdings of four issues of designated investment stocks and one deemed holding, as well as some holdings of two issues of designated investment stocks. This resulted in approximately ¥28.0 billion of proceeds. As a result, as of December 31, 2024, the number of listed cross-shareholdings stood at 53 issues held in hand and 10 issues deemed holding (two of which were duplicates). With regard to the reduction of cross-shareholdings, we plan to sell ¥70.0 billion over the five years from fiscal 2024 to fiscal 2028 and accelerate the dissolution of our holdings.

Furthermore, we will promote the sales of low-profit real estate with the goals of shifting to highly profitable businesses and replacing assets. At the same time, we will also review our holding strategy for business real estate and continue looking into adding to our cash in-flow.

^{*1} The details about our holding policy for cross-shareholdings are described in the Corporate Governance pages.

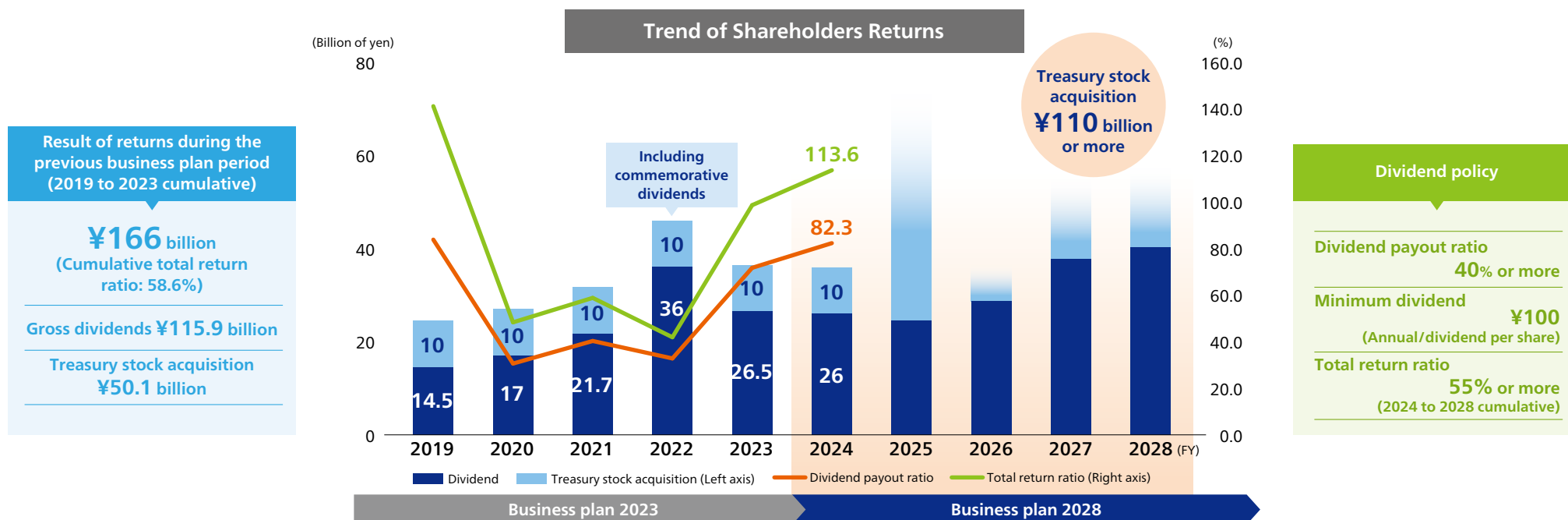
Return to Shareholders

Approach to Shareholder Returns

The NX Group recognizes that returning profits to all of its shareholders is an important concern. Our policy is to pay attention to securing internal reserves toward strengthening our management base and financial standing while working to pay stable and continuous dividends and enhance shareholder returns.

The capital policy laid out in the “NX Group Business Plan 2028” calls for a minimum annual dividend of ¥100 per year^{*2}, a payout ratio of 40% or more, and a total return ratio of 55% or more (cumulative total for FY2024 to FY2028). We will respond to investor expectations through strategic investments for business growth and adequate shareholder returns.

^{*2} The Group carried out a 3-for-1 split of shares of common stock, effective January 1, 2025. The minimum dividend will be ¥300 per share per year if this stock split is not taken into account.





To achieve acceleration of our business growth in the global market, we view the expansion of account management-based End to End solutions, growth in overseas markets through M&A, and expansion of our business in India as particularly key strategies and measures. I would like to talk about our progress toward those goals.

Success stories in the provision of account management-based End to End logistics solutions, and future initiatives

The objective of our strategies is to expand transactions with existing customers and to grow our customer base through the provision of global End to End logistics solutions. The concept behind this provision is to resolve customer problems by providing total logistics solutions across the supply chain. In providing these logistics solutions, we are working to build a knowledge sharing infrastructure that allows everyone in the NX Group to access logistics expertise primarily accumulated in Japan. At the initial stage, we are sharing our logistics solutions success stories of the accomplishments of Nippon Express Co., Ltd., and are implementing those solutions throughout the NX Group. Due to these successes, our service in Japan is earning recognition for quality by Japanese and non-Japanese global account customers, which is increasingly leading to further demand for our services internationally.

In one success story, a major non-Japanese equipment manufacturer customer faced a need for enhanced security in its warehouse operations and optimal inventory management tailored to its product life cycle. Continuous improvement (kaizen) processes for improving its inventory management in Japan earned a positive evaluation from the customer and led to the NX Group winning further logistics solutions projects with this customers at their overseas locations.

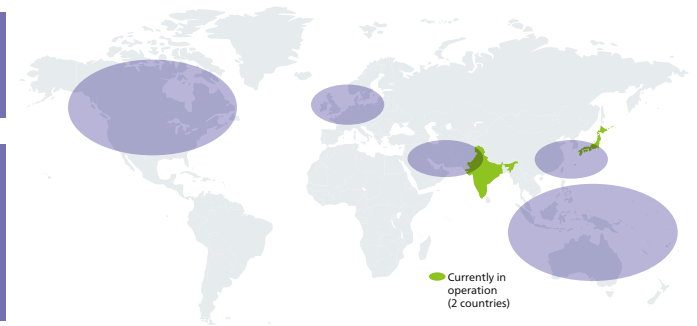
Global expansion of Japanese quality in operations of non-Japanese equipment manufacturer

Start of Warehouse Management

In 2019, we began managing a 4,000 m² warehouse in Japan.

Positive evaluation of Japanese quality

High-quality operational performance and experience were recognized by the customer's U.S. Head Office and NX's account sales team built stronger ties with the customer.



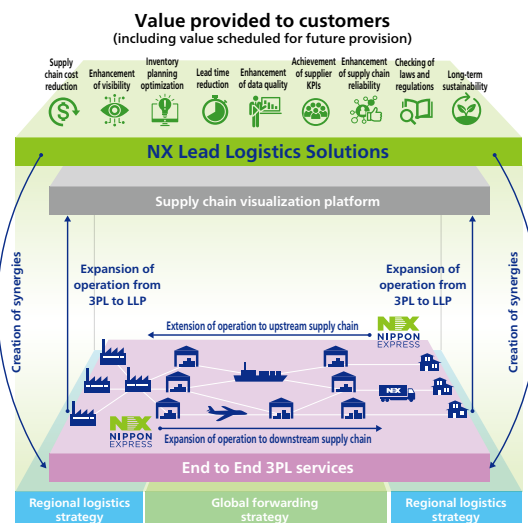
Global expansion

- We began providing warehouse management services for the customer in India in the first half of 2024, and we plan to expand our managed service areas in the future.
- We have engaged in bidding in the Americas since the second half of 2024. Additionally, we plan to make bids for warehouse projects in East Asia, South Asia, Oceania, Europe, and the Middle East.

Visualizing customers' supply chains is the starting point for our provision of End to End logistics solutions. While customers' requests and expectations are varied, we believe that the ability to identify the issues they face through visualization and to provide solutions that go beyond cost reductions alone to encompass inventory planning optimization and supply chain reliability enhancement will lead to value creation as a logistics provider. Accordingly, we want to expand our business scope from existing 3PL services to serve as the LLP (Lead Logistics Provider). We aim to become more deeply involved in customers' businesses which will lead to the further provision of solutions.

As an example of such initiatives, we are undertaking the stepwise proposal of solutions for a major non-Japanese auto parts manufacturer, taking as our initial foothold the Europe-to-Japan procurement logistics business in which we streamlined buyer consolidation. Our aim is to provide LLP services that manage the customer's procurement processes End to End, including transport provided by other companies.

In our aim to expand this LLP service, we launched sales of our NX Lead Logistics Solutions service as a new product this year. Through this agency service, we will conduct the management and arrangement work previously carried out by the customer in the logistics process. We are starting with control tower work, in which we perform centralized operation of customers' logistics operations and management on their behalf. From there, we will ramp up support for supply chain planning that leverages advanced technologies, and plan to undertake development that will ultimately let us provide services that encompass strategy formulation support for optimizing customers' overall supply chains.



In the expansion of our global business, the addition of CP to our Group has boosted our handling of ocean and air forwarding significantly, with yearly volumes of 1 million ton for air cargo and 1 million TEU for ocean freight now in sight. At the same time, there is a highly volatile aspect to the forwarding business. While our provision of End to End solutions is centered on the logistics business, our aim is to increase our forwarding volume. While expanding the logistics business, we will remain focused on expanding our forwarding business volume as part of our volume-driven strategy.

In addition to pursuing M&A, we need to solidly secure cargo shipped from major Japanese and non-Japanese customers by participating in bidding through our in-house account programs internally called JAM (Japan Account Management) and GAM (Global Account Management). Securing minimum cargo volumes will allow us to strengthen our purchasing power with respect to carriers. At the same time, we will place a greater focus on developing new small and medium-sized enterprise (SME) customers. In simple terms, we will secure large customers to ensure volume and strengthen our purchasing power, and acquire small and medium-sized customers to expand our profits.

To expand this SME customer base, we are further strengthening cooperation between our sales and business divisions. In addition to setting target trade lanes linked to account programs, we are working to expand digital forwarding services that offer instant online fare estimates for both international air and ocean transport. We have also advanced the creation of a sharing platform for information including SME sales-related trends in the forwarding market, and have prepared an environment enabling efficient, data-based sales operations.

I also believe that we must strengthen our Group's sales capabilities to expand our global business. First, to address differences in performance among sales representatives, we need to raise our performance to the level of the highest performing group and work toward standardization. Second, as technology evolves at alarming speed, I believe that we need to raise the level of data-driven sales, including through the use of AI. We have initiatives to concretely draft our ideal future vision for sales, which we aim to realize by 2026.

Growth in overseas markets through M&A

On the topic of growth in overseas markets through M&A, one key issue that we see is achieving a successful PMI with cargo-partner (CP), the largest acquisition in our history.

To successfully achieve PMI, we have set up a dedicated team within NIPPON EXPRESS HOLDINGS' Global Business Headquarters (GBHQ). To achieve overall global optimization, we have created a cross-regional PMI structure that enables the quick creation of synergies among the acquired company and our regions, and are advancing initiatives not only at the business level but also at the corporate level. I would like to discuss our progress here.

To first create synergies in the companies' business areas, we are advancing three initiatives: (1) creation of buying power in the forwarding business by combining the volumes of the two companies, (2) cross-selling and joint sales activities, and (3) consolidation and integration of subsidiaries and locations around the world.

Regarding the first of these, we are promoting purchase of space with carriers in addition to CP's volume. In air cargo, from the winter of 2024 we have been negotiating with airlines for the combined volumes of both companies in global airline RFQs (requests for quotations). We are beginning to see results from these efforts. In ocean cargo, our activity is increasing in transactions with major global shipping companies. Regarding the second initiative concerning sales, we are moving forward with joint sales to global account customers and joint bidding aimed at major customers. As an example, in bidding aimed at CP customers, in cooperation with NX Philippines we are beginning to achieve results such as the acquisition of over 500 tons of Eastern Europe-bound air cargo per year. Regarding the sending and receiving of shipping data in our ocean and air businesses, our EDI linkage system will be operational from July of this year. Regarding our third initiative concerning the consolidation and integration of subsidiaries and locations, in countries where NX and CP coexist, we will carry out consolidation and integration to improve operational efficiency and strengthen our sales structure. We are first promoting consolidation and integration mainly at Western Europe locations. We integrated CP's Italian subsidiary into NX in January 2025 and its Swedish subsidiary in March 2025. In other regions, too, we intend to gradually advance two-way consolidation and integration, with overall restructuring to be completed within fiscal 2025.

In corporate areas, based on NX Group Governance Guidelines and acting with a sense of unity, we will move forward in addressing matters including management policies and strategies, the J-SOX law, and compliance. At CP, too, we are now conducting assessments aimed at the establishment of an internal auditing system and discussions aimed at strengthening coordination of the company's accounting system. In this way, we are working to strengthen Group governance.

In February of this year, we completed our acquisition of Simon Hegele, a logistics operator that provides medical equipment- and other industrial-related logistics services primarily through locations in Germany. The company possesses extensive know-how regarding the installation of large medical equipment in hospitals but did not have a forwarding business platform. Through linkage with the forwarding functions of NX Group, the company will be able to provide End to End services spanning transport to load-in and installation.

For this acquisition, we established a dedicated PMI team. In Europe, seen as the main battlefield in contract logistics, we will build a global industry platform in the key healthcare industry through integration of our Group's global network, with the aim to expanding our handling of key accounts.

Expansion of business in India

We will move forward both organically and inorganically to expand our business in India, with entry into the Middle East and Africa also in sight. The NX India Group has set a 2028 revenue target of over ¥50 billion. Performance is progressing steadily, with FY2024 sales of ¥27.0 billion exceeding our sales target of ¥23.3 billion.

India has a thriving pharmaceutical industry centered on generics and a booming automobile-related industry as well. In addition, growth also be expected in semiconductor-related areas. In these industries, we hope to solidly capture cargo business to and from India in the forwarding business. In the logistics business, we will also focus on expanding business in the downstream areas of retail and distribution.

To increase our handling in the field of logistics, we have made a "growth cluster strategy," based on the strengthening of account management, our basic strategy for boosting sales in key areas and specific key industries in India. We have divided the country into Northern and Southern regions and have set priority industries for each region. We will undertake sales expansion in the semiconductor, mobility, and health care sectors in Northern India and technology-related product sectors in Southern India. In the lifestyle sector, we will work to expand domestic logistics sales in both regions.

As recent examples of new business, we have begun handling warehouse operations and domestic delivery for a major Japanese mass retailer in the suburbs of Mumbai in the Northern India region. In South India, in June of last year we captured domestic DC work for a major global IT company in the suburbs of Chennai.

In the Indian market, where strong demand is expected, we are also considering the acquisition of land and the establishment of warehouses in areas close to mobility- and semiconductor-related production sites. We will draw on our knowledge and the high quality of our operations to further expand handling operations aligned with our specific key industries. In the Middle East and Africa, we will expand our services and networks and will expand and strengthen trade lanes from India to those regions.

Initiatives for Priority Industries

Results from Handling Priority Industries and Looking Back

Sales for priority industries in 2024 totaled ¥891.7 billion, achieving 107% of the targeted amount. In addition to the continued solid performance of the forwarding business, other factors behind achieving the target mainly included acquiring new operations in the logistics business.

The economic slowdown in China had a major impact on the technology segment, and it did not achieve its sales targets. We will work to secure sales mainly through strengthening our expansion of sales to India, which is growing as a manufacturing base, and through the uptake of logistics entailed by the China-plus-one strategy and the expansion of Chinese set manufacturers into Southeast Asia.

In Mobility, we saw solid performance in the parts storage and supply operations for factories, and in the forwarding business for production and maintenance parts. The automobile industry's shift to electric vehicles is resulting in parts and materials procurement and supply networks that differ from those for combustion engine cars and new entrants from other industries. Consequently, we will strive to further expand our sales channels.

In healthcare, factors such as the acquisition of new customers in the logistics business and a rise in sales in existing customers contributed to sales growth. Furthermore, at MD Logistics LLC, a U.S. company specializing in pharmaceutical logistics, we are further developing our infrastructure by, for example, turning part of an existing warehouse in Indiana into a cGMP-compliant pharmaceuticals warehouse.

In semiconductors, procurement logistics remained favorable accompanying the construction and operation of new semiconductor factories. With regard to our finished goods shipping and storage service operations, we will work to expand sales by strengthening cooperation with Nittsu NEC Logistics, Ltd. In addition, for our air-sea forwarding operations, we are also planning to create a new semiconductor-specialized service.

(Amounts rounded off to the nearest ¥100 million)

Priority Industry			2024 Results	2024 Target	Rate of Progress Toward Target	2028 Target
Technology	Core domain	Electric and Electronics	¥305.4 billion	¥329.5 billion	92.7%	¥400.0 billion
	Growth, pursuit domains	Industrial Machinery				
Mobility	Core domain	Automobile	¥265.0 billion	¥226.0 billion	117.3%	¥260.0 billion
	Growth, pursuit domains	Construction Machinery, Agriculture Machinery, Train, and Airplanes				
Lifestyle	Core domain	Apparel	¥154.3 billion	¥129.5 billion	119.2%	¥160.0 billion
	Growth, pursuit domains	Furniture, Jewelry, cosmetics				
Healthcare	Core domain	—	¥107.7 billion	¥94.5 billion	114.0%	¥130.0 billion
	Growth, pursuit domains	Pharmaceuticals and Medical Devices				
Semiconductor	Core domain	—	¥59.3 billion	¥51.6 billion	114.9%	¥100.0 billion
	Growth, pursuit domains	Semiconductor				

Looking back in terms of business axes

Regarding air cargo, the volume of international freight shipments for fiscal 2024 continued to increase compared to the previous year. IATA statistics report that total air cargo increased 11.3% year-on-year for the full year of 2024. This was due mainly to an increase in EC-related cargo and restrictions on maritime transport due for example to the situation in the Red Sea.

Under these conditions, the volume handled by the NX Group increased year-on-year 32.9%, though this increase was limited to 7.4% when excluding the impact of cargo-partner. However, thanks to an 8.7% increase during the fourth quarter, it was on an expansion trend. Additionally, airfreight charges overall remain high, and for the moment are not expected to change significantly.

Regarding ocean cargo, cargo movement on major trade lanes in fiscal 2024 continued to increase year-on-year, posting a cumulative 6.1% increase from January through October. On the other hand, the quantity of cargo handled rose by 24.8% year-on-year due to the acquisition of cargo-partner. However, due to a return to direct contracting between customers and carriers, if we exclude the impact of cargo-partner the increase was limited to 2.3%. Also, with regard to unit freight rates, there were many routes where spot freight rates as of March 2024 remained high year-on-year. However, we see the need to pay close attention to future trends, such as with respect to changes in balance between supply and demand due, for example, to how the situation in the Red Sea develops.

Sales for warehousing, distribution, and the like for fiscal 2024 increased year-on-year by 6.7%. We believe that the measures and investments that we have pursued to date are having an effect, and we will strengthen these initiatives further.

Expand Sales in Forwarding*1, 2	2024 Results	2023 Results	Ratio of Change Year-on-Year	2028 Target
Air Cargo Forwarding Quantity	921,000 t	693,000 t	32.9%	1,300,000 t
Ocean Cargo Forwarding Quantity	899,000 TEU	720,000 TEU	24.8%	1,400,000 TEU

*1 cargo-partner is not included in expanded sales in forwarding performance (January through December 2023)

*2 Percentage of year-on-year change not including cargo-partner: Air cargo forwarding +7.4%
Ocean Cargo Forwarding +2.3%

(Included number) Cargo-partner	2024 Results	2023 Results (reference value)	Ratio of Change Year-on-Year
Air Cargo Forwarding Quantity	176,000 t	148,000 t	19.2%
Ocean Cargo Forwarding Quantity	162,000 TEU	169,000 TEU	(4.0%)

(Amounts rounded off to the nearest ¥100 million)

Strengthen Logistics Solution Offerings	2024 Results	2023 Results	Ratio of Change Year-on-Year	2028 Target
Warehousing and distribution etc. sales *3	¥481.8 billion	¥451.5 billion	6.7%	¥590.0 billion

*3 Cargo-partner not included in warehousing and distribution etc. sales.

Landscape Changes that Require Monitoring

Trends in the forwarding market

In 2024, positive growth year-on-year was recorded for market volume of air cargo. We expect positive growth for 2025 as well, but given the murkiness of policy trends in the U.S. in particular, the future outlook is uncertain overall. Growth is still expected for EC cargo from Asia to Europe, but demand from the U.S. may fall mainly due to increases on import tariffs into the U.S., exclusion of the application of de minimis exemptions on EC cargo, and U.S. economic trends. We believe that going forward the U.S. administration may still change its policies in the short-term, and that we need to pay close attention to trends in demand from Asia to the U.S. in particular.

Backgrounded by an upsurge in EC cargo originating from China, in 2024 we saw a significant rise in air usage costs mainly on traffic from Japan bound for North America. Furthermore, healthy demand for EC cargo kept air usage costs high during what are usually regarded as off-peak periods. Due to such factors as reductions in equipment and crews at each airline and production delays for new aircraft, the expansion of on-board space continues to remain inadequate to meet the strong demand. Various factors that are connected to uncertainty exist in the air transport market, such as U.S. tariff policy and added fees for Chinese vessels when they enter U.S. ports. Consequently, we will continue to encourage sales at reasonable prices consistent with air usage costs and strive to secure profits.

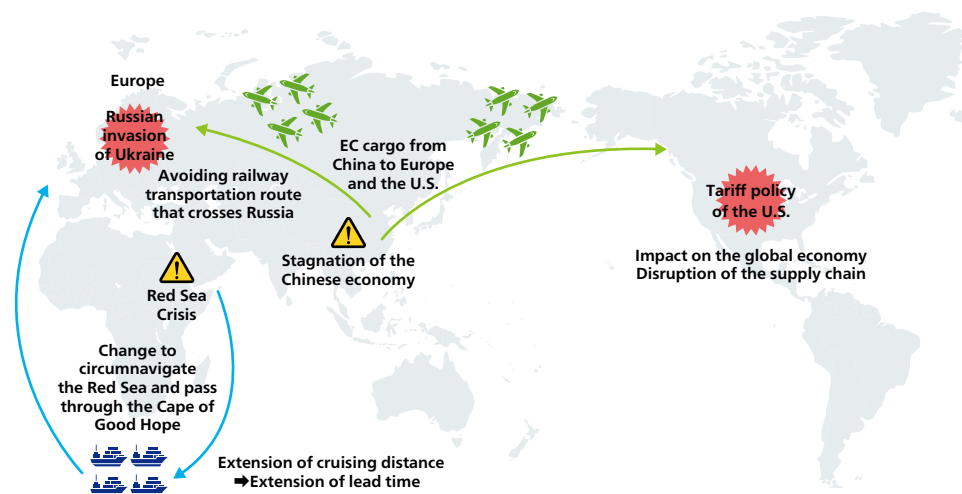
Ocean cargo volumes have remained solid since 2024. However, there are many uncertainties in 2025 that have an impact on freight charges such U.S. policy trends and ongoing geopolitical risks, and as with air cargo it is difficult to make forecasts. The reason for current cargo movement could be due to a buildup in inventory, and some warn of a drop in cargo volume going forward.

With regard to ocean cargo rates, since the end of 2023 owing to the worsening situation in the Red Sea transportation routes have switched from through the Suez Canal and the Red Sea to routes going around the Cape of Good Hope. The insufficiencies in shipping tonnage produced a crunch in supply and demand, and as a result invited a sharp rise in freight rates. Also, while there has been a downward trend since summer 2024, results remained at relatively high level throughout the year.

Entering 2025, we have seen a downward trend in ocean cargo rates owing mainly to sluggish demand in China. Furthermore, it is possible that there will be an excess supply of shipping space and a further drop in rates be brought on if stability in the Red Sea situation can be maintained and vessels can again pass through the Suez Canal. Accordingly, we will continue to provide optimal services adapted to changing circumstances.

Furthermore, Russia's invasion of Ukraine has had a significant impact on the global logistics network. Japanese companies continue to refrain from using transport that uses central European railways because they pass through Russia and Belarus.

Landscape Changes that Require Monitoring



Under these conditions, as part of a study into new transportation routes that do not transit either Russia or the Suez Canal where risks exist, we cooperated in a demonstration delivery through the so-called Middle Corridor, i.e., the Trans-Caspian International Transport Route. Mindful of safe and reliable transportation, we will strive to develop transportation networks that can satisfy the needs of our customers.

Furthermore, with regard to U.S. trade policies, in both value and number the largest amount of automobiles imported to the U.S. come from Mexico. Those from Japan account for the second largest numbers. Accordingly, we surmise that the impact on the Japanese economy from the implementation of additional import duties will not be small.

The first impact on our business that is currently expected is a decrease in cargo volume. However, it is difficult to imagine that all of the additional tariffs will be passed on unchanged to the selling prices, and we imagine that there will be pressure to reduce costs in logistics as well. On the other hand, we believe that this could also be an opportunity for the Company, with such changes being generated in the supply chain as the relocation of manufacturing sites and the replacement of suppliers.

We will continue to closely monitor policy trends in the U.S. as we work to further stimulate communications with our customers and strive to deliver service solutions that meet those customers' needs.

Review of M&A

Looking back and evaluating our M&A to date

The NX Group proactively utilizes M&A to contribute to its growth globally.

The Group has continuously pursued M&A in Japan and abroad since 2012, with a total investment of ¥300.0 billion. The proportion of consolidated results accounted for by M&A has expanded, which we see as having contributed to the strengthening of the NX Group's management base.

The results of M&A have supported "business growth in global markets" both in terms of growth in sales and income, as well as through the acquisition of such valuable management resources as business infrastructure, customer base, and management human resources. For example, the acquisitions of a network of bases in the unexplored areas of central and eastern Europe and of a specialized logistics network close to such priority industries as lifestyle and healthcare expand the areas in which we provide services and for our value chain. This, in turn, leads to an increase in sales opportunities for the Group as a whole.

On the other hand, as matters to reflect upon, there have been cases in the past where the business plan did not meet with initial plan and posted an impairment, or the synergies created within the Group as a whole were limited. These were due to not having made sufficient studies of acquisition candidates or their post-acquisition management structures and business plans, or the PMI structures were left up to local management and a sense of urgency was lacking.

Future M&A and PMI strategies and policies

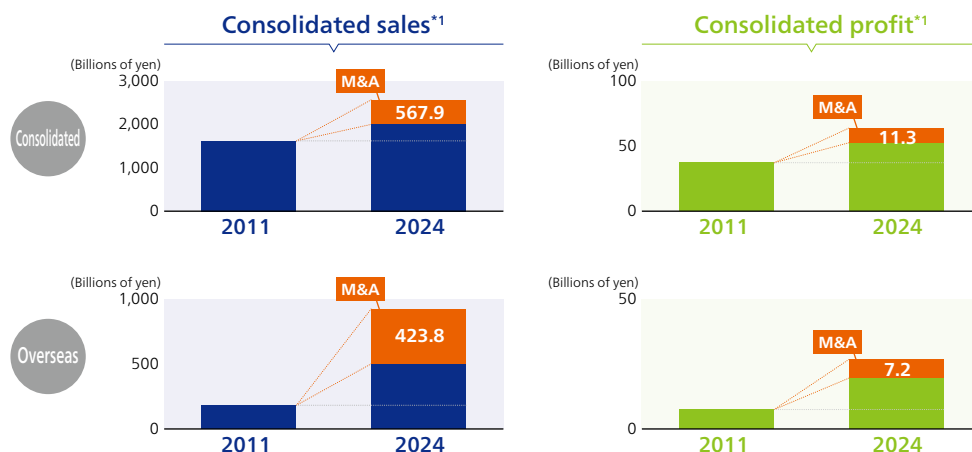
Based on these reflections, we have developed internal rules and organizations for moving through the process running from considering an M&A to post-acquisition PMI and are building a structure for implementing M&A and PMI that are suited to the Group's growth strategy.

Specific target areas for M&A include the strengthening of our logistics business through expanding scale in terms, for example, of forwarding volume and the number of customers; next, enhancing our network in regions that demonstrate significant economic growth and where we have not captured a sufficient market share relative to the market's scale; and additionally, enhancing the logistics capabilities to support our customers' supply chains.

Furthermore, we have accumulated know-how through the sum of our past M&A and PMI efforts, and increased our skills from the perspective of human resource development as well. Going forward, we will continue to hone the abilities to act and respond that have already been steadily strengthened.

Our Global Business Headquarters is at the center of our PMI activities, and it is building the structure to create synergies swiftly and horizontally across regions. Based on the management foundation we have acquired, we are moving forward with efforts to integrate functions and cross-sell among our companies such as cargo-partner to expand the delivery of End to End solutions.

Comparison with Fiscal 2011 Prior to M&A (approximate)



*1 Figures for sales and revenues from M&A are those before consolidation, 2011: JGAAP (sales and operating income), 2024: IFRS (sales revenue and business income)

Acquisition Date	Company Name	Region	Evaluation	PMI Structure (at the time of acquisition)
2012	AGS	Americas	• We had planned to strengthen our distribution network in the Americas, but we were unable to generate synergies and terminated our main business owing to the worsening of the market environment	Local
	APC	East Asia	• Acquired a business and (non-Japanese) customer base in northern Europe • Integration of hubs postponed due to being overly concerned with maintaining existing network • Some customers lost due to exodus of key personnel	Local
2013	Franco Vago	Europe	• Acquired forwarding bases for the lifestyle field • Acquired management talent in Europe	Local
2014	Nittsu NEC Logistics, Ltd.	Japan	• Acquired specialized logistics know-how in the ICT industry	
2015	NX NP Logistics Co., Ltd.	Japan	• Acquired logistics platform in the electronics industry	
	NX WANBISHI ARCHIVES CO., LTD.	Japan	• Acquired storage platform	
2018	Traconf	Europe	• Acquired logistics bases for the lifestyle field • Acquired management talent in Europe	Local
2020	MD Logistics	Americas	• Acquired pharmaceutical warehouses and distributions functions in the U.S. as well as know-how • Acquired capabilities in sales and quality control in pharmaceutical logistics	Local
2023	Tramo	Europe	• Further strengthening of lifestyle infrastructure	Local
2024	cargo-partner	Europe	—	HD/Local
2025	Simon Hegele	Europe	—	HD/Local

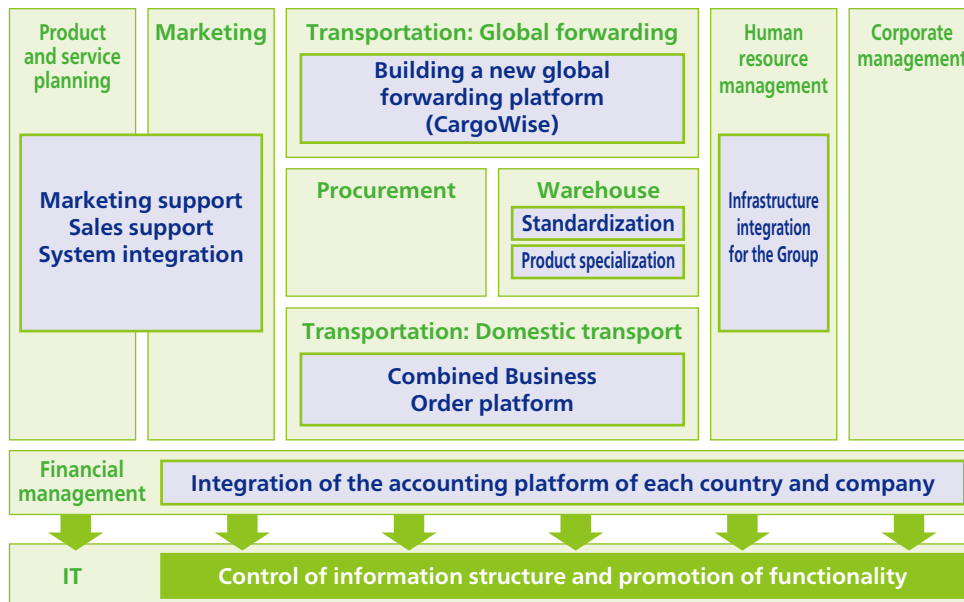
IT Infrastructure that Support Business Growth

Achieving System Deployments to Expand End to End Services and Support Group Synergy

We are moving forward on the introduction of an enterprise architecture (EA), visualizing the IT systems of the entire Group, and advancing the optimization of applications. We are also working throughout the Group to visualize application structures and business processes, and to build systems that conform with our business strategy. From the perspectives of “expansion of End to End services” and “support for Group synergies” that are meant to strengthen our presence in the global marketplace, IT must contribute to the developmental improvement of operations by making the connections among our operations more robust.

Also, in order to have an IT management structure that eliminates the duplication or omission of systems and that helps to make efficient operations, we believe that our mission is to put a greater focus on outcomes in system development plans, taking development timing and budgets into account, and push forward mindful of just how the entire Group is delivering value to its customers.

System Deployments by Business in the NX Group



Progress and achievements to date

In our EA activities to date, for major applications throughout the Group we formulated as our IT development plan an image of their future and a roadmap. These are focused on outcomes, and are meant to optimize the development timing for each application and the timing of business policies. With this we can see the application functions and data throughout the NX Group for End to End services and share them companywide as priority items to be developed into the future.

Also, we have set up and developed the NX Data Station as our information infrastructure in order to amass the information that is scattered about among different applications. Our efforts to encourage the collection and use of data to improve the decision-making process must be able to flexibly keep pace with the development of business policies. Shifting our effort from application-specific development that has been undertaken in the Group to date to initiatives of making data useful throughout the Group is a theme that is worth tackling. Furthermore, by enhancing the functions of applications starting from the logistics field to address specific industries including semiconductors, lifestyle, technology, mobility, and healthcare, we aim to deliver value to even more customers in addition to our existing customer-specific responses.

Future Initiatives

Our EA activities are progressing from the planning stage to the implementation stage. We believe that the next important issue will mainly be enhancing application functions in keeping with reviews of operations in the transportation and sales domains and enhancing data to make it applicable across applications. In particular, the introduction of CargoWise for forwarding has gone through the pilot stage and is going into full-fledged deployment in 2025. In domestic transport, we will begin development of a platform for taking orders for the purpose of realizing modal combinations. Our initial aim for EA through implementing these various items is to achieve standardization from a Group global perspective and to make our IT infrastructure thoroughly platformized.

At the same time, the unique identity of each region and relationships with our customers are the sources of competitive power for the NX Group. For that reason, it is crucial that we integrate overall optimization with strategically specialized items and turn IT into a more flexible and robust foundation for management.

We are also moving forward on PMI with cargo-partner. In IT, too, we are giving consideration to integration and optimization in order to generate synergistic effects, and pushing forward on strengthening coordination within the Group through planning and development. We are boosting the Group’s overall IT capabilities.

Accelerating growth in the global market Segment Information

Logistics Japan



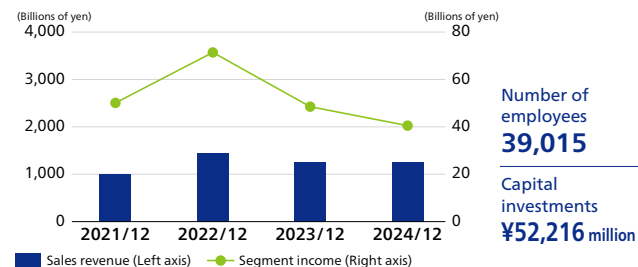
Business Overview

Our employees, who maintain a strong awareness of safety, quality, and compliance, as well as a stance of placing the customer first, deliver optimal logistics service to our customer by leveraging various transport modes, including railways, automobiles, ships, and airplanes, as well as our extensive global network including NX Group companies. In addition, we provide the right solution for different needs in every area from business-to-business logistics to moving/relocation and transport of special goods, like fine arts and pharmaceuticals, by employing a logistics information system that combines our distribution centers, each of which boasts one of the largest warehousing floor areas in Japan, with our experience and know-how.

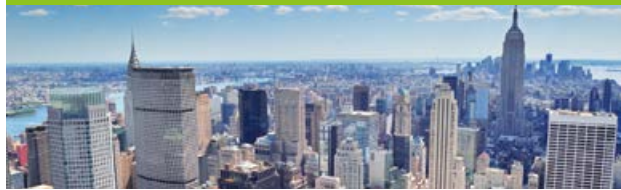
Performance for Year Ended December 31, 2024

Handling of air cargo and ocean cargo increased, resulting in a ¥5.4 billion or 0.4% increase in revenues year-on-year to ¥1,262.0 billion. However, due to various cost increases such as personnel costs, segment income fell ¥8.0 billion year-on-year to ¥40.5 billion, a 16.6% decline.

Revenues and Segment Income



Logistics Americas



Business Overview

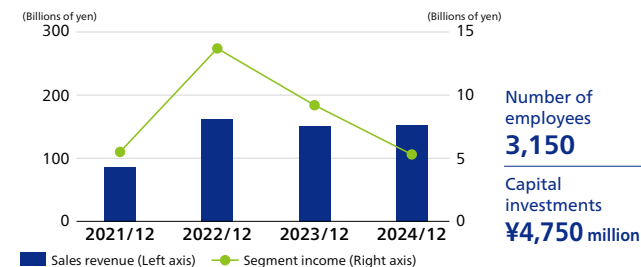
In addition to our own offices in the U.S., Canada, Mexico, and Brazil, we also provide services throughout the Americas by establishing distributors in countries where we do not have local subsidiaries, thereby supporting NX Group's global network.

The return of manufacturing to U.S. territory is moving forward mainly in what are priority industries to us including mobility, semiconductor, and healthcare. Accordingly, in addition to ocean cargo and air cargo we are working to expand our domestic U.S. and cross-border freight businesses and strengthen contract logistics sales. With these efforts, we are providing End to End solutions that strongly support our customers' supply chains.

Performance for Year Ended December 31, 2024

Handling of warehousing remained steady, resulting in a ¥1.7 billion or 1.2% increase in revenues year-on-year to ¥153.0 billion. However, due to rising utilization costs for air cargo and ocean cargo, segment income fell ¥3.8 billion year-on-year to ¥5.3 billion, a 42.1% decline.

Revenues and Segment Income



Logistics Europe



Business Overview

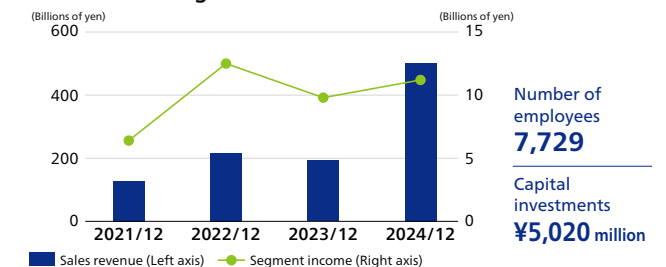
Logistics Europe operates locations in Germany, Italy, the Netherlands, and other major countries in Europe, as well as Turkey and the United Arab Emirates. We provide logistics services mainly to our customers in the automobile, semiconductor, medical and pharmaceutical, and lifestyle industries.

In recent years, we have acquired Tramo, cargo-partner, and Simon Hegele, and we are working to expand our network in the European region.

Performance for Year Ended December 31, 2024

Air cargo revenues increased ¥309.1 billion year-on-year to ¥501.7 billion, a 160.4% rise. In addition to an increase in freight handling, partly due to cargo shifted away from ocean cargo due to the Red Sea crisis, this was also due to having newly added cargo-partner to the scope of Group consolidation. Segment income increased ¥1.3 billion year-on-year to ¥11.2 billion, a 14.1% rise.

Revenues and Segment Income



Accelerating growth in the global market Segment Information

Logistics East Asia



Business Overview

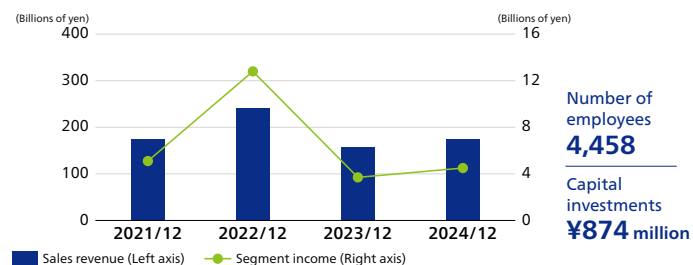
We have offices in the East Asian region including China, Hong Kong, Taiwan, and South Korea. In China with its large economic scale, we are deploying a domestic logistics business to go with our international forwarding operations. The business includes trunk-line transport that connects the major cities and intra-city motor-transportation delivery networks, as well as procurement logistics for parts and sales logistics for sundry goods and clothing, each of which takes advantage of warehouse bases we have set up in each region.

In addition, we are working to expand our service area beyond the East Asia region and deliver more-optimal solutions. This includes strengthening efforts to address the increased demand in pharmaceuticals and medical devices logistics through specialized branches, addressing cross-border e-commerce, and offering vendor-managed inventory (VMI) outside the East Asia region through collaboration with Group companies. In Taiwan and South Korea, we are enhancing our high-quality logistics functions to address growing logistics needs and we are promoting the delivery of End to End solutions.

Performance for Year Ended December 31, 2024

Handling of air cargo and ocean cargo increased mainly related to semiconductors. As a result, revenue increased ¥16.2 billion year-on-year to ¥173.9 billion, a 10.3% rise, while segment income increased ¥0.7 billion year-on-year to ¥4.5 billion, a 20.4% rise.

Revenues and Segment Income



Logistics South Asia & Oceania



Business Overview

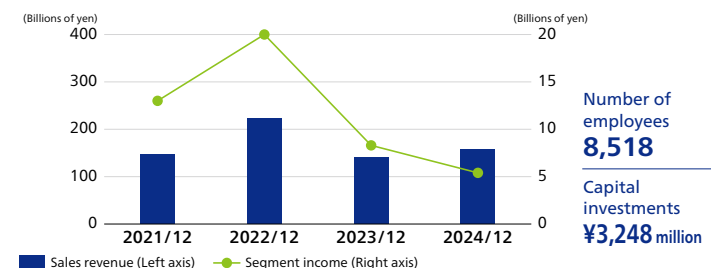
NX Group operates bases in 15 countries, including ASEAN nations such as Singapore and Thailand, as well as India, Bangladesh, and Australia. As the intra-regional economy becomes increasingly active as both a production market and a consumer market, we are providing various transport services to support our customers' supply chains. These include storage and store delivery services for apparel and general consumer goods, the acquisition of GDP certification for pharmaceutical logistics, and expanding temperature-controlled transportation services.

In India, the largest economic sphere in the region, we are working to offer milk-run services for the efficient consolidation and delivery of parts to customers in the thriving automobile industry, as well as JIT logistics. We are also enhancing distribution bases related to these services. In addition, we are providing logistics services to satisfy those needs that are expanding with economic growth. These include forwarding of pharmaceuticals, a priority industry for the Group, and logistics for air conditioning and technology-related merchandise.

Performance for Year Ended December 31, 2024

Handling of air cargo increased, related mainly to semiconductors. As a result, revenues increased ¥16.8 billion year-on-year to ¥157.6 billion, an 11.9% rise. However, due to a drop in unit selling prices, segment income fell ¥2.8 billion year-on-year to ¥5.4 billion, a 34.5% decline.

Revenues and Segment Income



Rebuilding Japanese Businesses

We aim to improve our business income ratio by promoting “Reform to a highly customer-oriented company,” “Continue and enhance robustness of businesses in Japan,” and “Continually reform and revise business foundations.”

Reform to a highly customer-oriented company

Build and Strengthen the Account Management System

Establishment of account offices

- Built dedicated systems for 111 companies (as of April 2025) ➔ Planned to build dedicated systems for 175 important accounts by July 2025

Customer-specific management of income and expenses

- Began operation of system for customer-specific management of income and expenses, targeting 175 important accounts (January 2025)

Strengthening of logistics business

Expand bases with automated equipment installed

- Select sites where introduction will be highly effective and encourage installation (as of December 2024: installed at 23 sites)

Implement human resources training program

- Carry out business improvement activities on site through human resources training program (Mainly reviewed work procedures, storage methods, and warehouse layouts, as well as introduction of equipment to improve productivity)

Expanded Handling of Priority Industries

Establishing Bases for the Semiconductor Industry

- Built new warehouses in Eniwa City, Hokkaido (August 2024) and Mashiki-machi, Kamimashiki-gun, Kumamoto Prefecture (April 2024)

Continue and enhance robustness of businesses in Japan

Initiatives to improve profitability

Fee revisions in response to rising personnel and outsourcing costs

- Implement revisions considerably higher than the previous year (FY2023) ➔ Encourage fee revisions at account offices as well

Carry out improvements focused on 110 loss-making or low-profit bases

- Improve income ratio at approximately 80% of bases

Continually reform and revise business foundations

Initiatives to improve capital efficiency

Integration of special combined delivery service business with Meitetsu Transportation Co., Ltd.

- Business integration completed in January 2025

Reorganization of branch work companies

- Decision at the end of 2024 to reorganize 61 companies ➔ Plan to incorporate or liquidate 70 companies in all by 2025

Introduction of internal company system

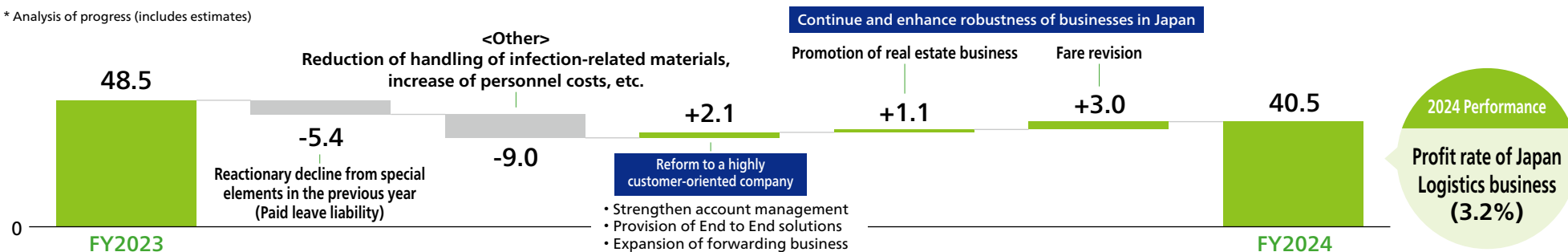
KPI: Improvement of business income ratio in the Japan logistics segment (from 3.9% to 5.9%)

Looking back on and evaluating business income ratio

There have been successes with some measures such as providing End to End solutions and revising fees. However, increased costs and a drop-off in the handling of infectious disease-related supplies have had an impact. Business income declined, and the business income margin fell to 3.2%.

Japan region: Business profit (billions of yen) (rounded down to the nearest ¥100 million)

* Analysis of progress (includes estimates)



Rebuilding Japanese businesses Area-specific situations

In January 2025, we restructured our organization and introduced an internal company system. We will divide our organization into areas with differing market characteristics, build a structure directed toward achieving the management goals of each, and accelerate an appropriate and efficient reallocation of management resources.

Kantokoshinetsu, Chubu, Kansai

Unit system oriented to businesses and customers
➔ Maximize income hand-in-hand with expanding sales

Restructuring to become an organization oriented to businesses and customers

- Restructured from organizations centered on the areas of Kantokoshinetsu, Chubu, and Kansai into an organization focused on forwarding and logistics and a customer-oriented organization led by account sales

Strengthen the Account Management System

- Work with account offices to enhance customer relationships, track customer-specific revenue and expenses, improve services and quality, and continuously implement rate revisions

No. of companies where account offices have been established (as of April 2025)

Parent organizations	Formally established No. of companies
Headquarters (Kantokoshinetsu region)	53
Headquarters (Chubu region)	3
Headquarters (Kansai region)	10
Account Sales Business Unit	20
Forwarding Business Unit	23
Logistics Business Unit	1
Pharmaceutical Business Division	1

Hokkaido, Tohoku, Chugoku, Shikoku, Kyushu

Internal company system
➔ Improved Profitability and Capital Efficiency

Promoting and Strengthening ROIC Management

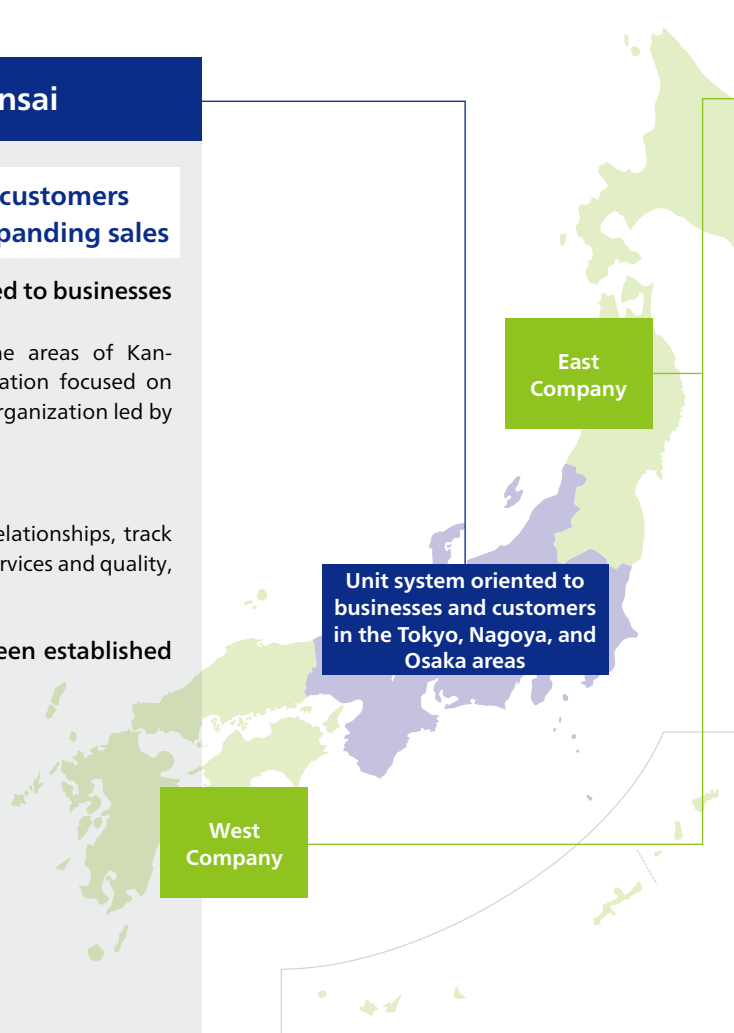
- Set ROIC for each company as ROIC management targets with the goal of achieving ROIC target of 9.0% for Nippon Express Co., Ltd. on a non-consolidated basis
- Reforms directed toward a structure for undertaking measures matched to market characteristics aimed at achieving targets

East Company Initiatives

- Promoting business structure reforms: Expand handling of semiconductor and renewable energy-related businesses
- Strengthen initiatives for business-specific measures to improve profitability

West Company Initiatives

- Integration of Chugoku, Shikoku, Kyushu: Organizational reform toward a small number of large organizations, improved administrative efficiency through integration
- Strengthening of logistics business



Rebuilding Japanese Businesses Segment Information

Security Transportation Segment

Business Overview and Strategies/Measures

The security transportation business is handled by NX Cash Logistics Co., Ltd., which was spun off from Nippon Express Co., Ltd. in January 2023. NX Cash Logistics provides backyard operations for the financial industry, work that includes transporting, storing, and reckoning and sorting cash from financial institutions and retail shops. The company maintains high levels of security and reliability, and boasts an excellent track record as an industry pioneer.

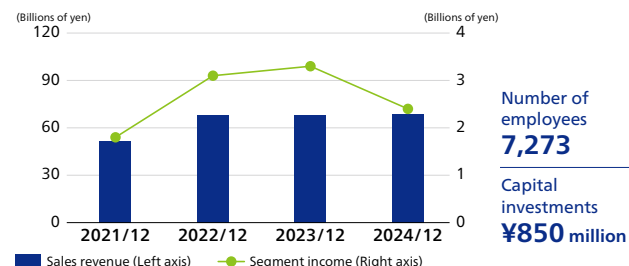
The company aims to reform cash logistics in Japan, using the methods of logistics to eliminate waste and build a rational, low-social-impact system. It creates "triple win" relationships--cuts costs of customers, makes a social contribution, and develops business--and provides new value that fulfills the needs of the times.

The company aims to improve customer satisfaction and build long-term trusting relationships by offering to financial institution and retail customers efficient and highly reliable cash logistics services.

Performance for Year Ended December 31, 2024

While there was a decline in the number of scheduled deliveries, due mainly to the handling of the renewal of bank bill identification machines and an expansion of contracts for outsourcing operations from financial institutions, revenue increased ¥0.6 billion year-on-year to ¥68.5 billion, a 1.0% rise. However, due to various cost increases, segment income fell ¥0.9 billion year-on-year to ¥2.4 billion, a 28.9% decline.

Revenues and Segment Income



Heavy Haulage and Construction Segment

Business Overview and Strategies/Measures

NX Group provides seamless service from the transportation and installation to assembly of equipment for the construction of power stations, transformer substations, and petrochemical plants. Other services that NX Group provides includes the transport and installation of precision equipment such as one for clean rooms at a semiconductor manufacturing plant, and updating work for the equipment of road infrastructure including expressways.

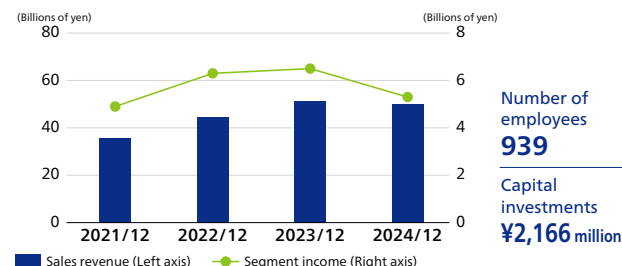
In addition, since 1999, Nippon Express Co., Ltd. has been fully engaged in the transportation and installation of power generation equipment at wind power stations, which is in high demand due to its environmental friendliness. Around 70% of the wind power generation facilities currently existing in Japan are being operated by NX Engineering Corporation, which was spun off from Nippon Express Co., Ltd. in January 2025.

This company was established in January 2025 in order to further expand our heavy haulage and construction business. By specializing in this business, we seek to further hone our technological, construction, mobilization, and organizational capabilities, as well as develop new equipment and introduce new technologies. In all the fields it handles, the company aims to become the number one choice for customers in construction + haulage.

Performance for Year Ended December 31, 2024

Due to a significant decrease in industrial machinery-related cargo, revenues fell year-on-year by ¥1.0 billion, or 2.0%, to ¥50.0 billion. Segment Income fell year-on-year by ¥1.2 billion, or 18.7%, to ¥5.3 billion.

Revenues and Segment Income



Logistics Support Segment

Business Overview and Strategies/Measures

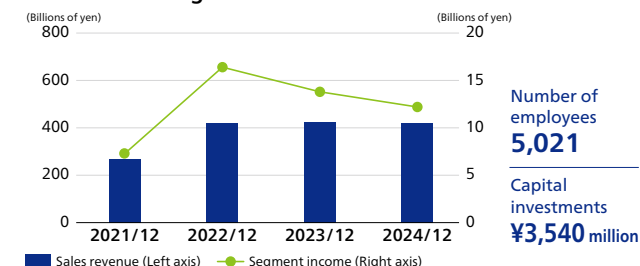
NX Shoji Co., Ltd., is the core company in our logistics support segment. It works in a wide range of businesses, including sales of materials and equipment required at logistics sites; construction contracting; vehicle and construction equipment maintenance; the manufacture of trailers of various types; real estate brokering; construction design; facility management; import/export agent services; export packaging; sales of petroleum products, biofuels, and LP gas; and life and casualty insurance agency services.

As a "Logistics Total Solution Supplier" that makes the most of its diverse expertise and the strengths of the NX Group to serve as the one stop for providing commercial and logistics services, it aims to be the leading presence that works on solutions to issues of both society and our customers and creates a sustainable society.

Performance for Year Ended December 31, 2024

Owing mainly to decline in handling by the Logistics Products Division and the Maintenance and Production Division, revenue fell ¥5.4 billion year-on-year to ¥420.4 billion, a 1.3% decrease, and segment income fell ¥1.6 billion year-on-year to ¥12.2 billion, an 11.6% decline.

Revenues and Segment Income



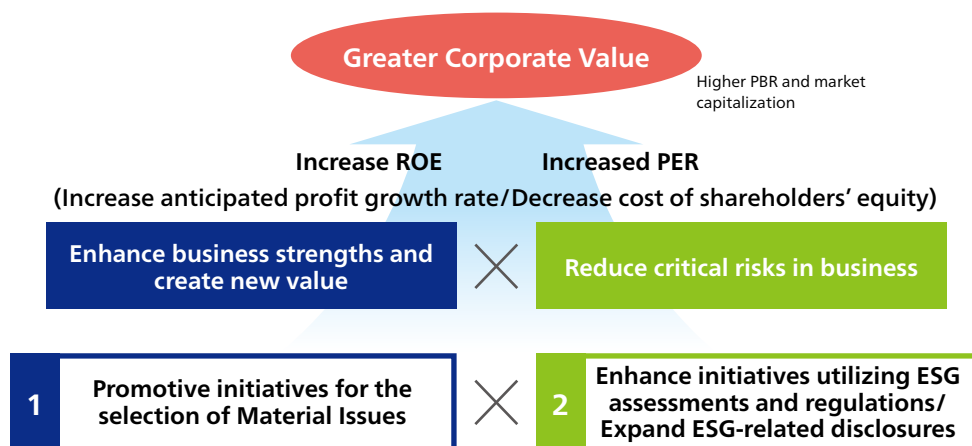
By promoting the integration of business and sustainability, we are enhancing our non-financial capital as one of our strengths and speeding up the time it takes to provide solutions that address issues faced by our customers and society

Looking Back on the First Year of NX Group Business Plan 2028

Necessity to Enhance "Earning Power" through the Further Integration of Business and Sustainability

NX Group Business Plan 2028, which commenced in FY2024, marks the first of its kind to position sustainability as one of the core pillars supporting NX Group's management policies. Through the Group's sustainability management, we aim to improve corporate value while simultaneously realizing our Sustainability Vision. In terms of value creation, our efforts focus on two strategic dimensions: (1) Enhancing our strengths and generating new value by advancing initiatives that address Material Issues, and (2) Reducing risk through enhanced initiatives utilizing ESG assessments and regulations, alongside expanded disclosures. These initiatives collectively contribute to the improvement of our ROE and PER by driving expected profit growth and lowering the cost of shareholders' equity. (See the diagram below)

In FY2024, we are steadily executing initiatives tied to each of the Material Issues. Notable progress has been made in enhancing both human and intellectual capital, evidenced by the deployment of decarbonized logistics solutions such as our NX-GREEN Calculator and Sea&Rail service, enhancement of DX human resources, reductions in working hours through DX promotion, and improved engagement scores. At the same time, we need to strengthen our "earning power" by providing solutions from a sustainability perspective through the integration of business and sustainability, such as by identifying non-financial capital that should be enhanced as one of our strengths or by developing and enhancing solutions to Material Issues that solve challenges faced by customers and society.



Taking on the Challenge of Creating End to End Solutions Designed to Help Address Customers' Sustainability Issues

In particular, we recognize that further progress is needed in regard to enhancing solutions to Material Issues, which are designed to help address customers' sustainability issues and support their business growth. This was discussed at a Sustainability Promotion Committee meeting held in March 2025. During the meeting, expectations were shared regarding solutions for sustainability-related challenges faced by global companies, including a comment from one Global Account Management (GAM) client who stated "As our top expectation for NX is advances in sustainability, we want you to provide solutions in that area." We discussed issues such as enhancing sustainable solutions and incorporating them into End to End solutions through the collaboration of GBHQ (Global Business Headquarters) and the Sustainability Promotion Division, and the need for cooperation and agreement by both customers and NX at the top management level in the development of such solutions.

Promoting Initiatives to Familiarize the Group's 76,000 Employees with Sustainability Management and to Create Value by Having All Employees Work Together as One

We also recognize that NX Group's sustainability management still needs time to be fully adopted by the entire Group. While the term "sustainability management," designated as a key strategy in our current business plan, may be perceived as a new initiative, the corresponding measures addressing Material Issues also encompass efforts to further reinforce the areas in which all employees of NX Group has long excelled, which are safety, compliance, and quality. In order for all Group employees to understand that the work we perform in supporting social infrastructure is itself an embodiment of sustainability and to empower them to take ownership of this mission, we will continue to enhance the visibility of the connection between our business operations and sustainability.

Sustainability Promotion Framework

Sustainability Policy and Vision

NX Group will further deepen the sustainability management it has been pursuing to date and work as a group to carry out highly effective measures. To achieve this, the Group has established a sustainability policy and vision that makes clear the Group's stance toward sustainability and the values to be created.

Based on this policy and vision, by embodying "be a Driving Force for Social Development, Create New Ideas and Value that Expand the Field of Logistics, and Inspire Trust Every Step of the Way" while achieving sustainable growth and improving corporate value, and further encouraging the creation of value, we are pushing forward with initiatives where possible as a Group that will have a presence in the global market in the area of sustainability activities as well.

Sustainability Policy

NX Group fosters sustainable societies by co-creating a fruitful future with our stakeholders, including employees, business partners, customers, and local communities.

NX Group contributes to carbon-neutral societies and the preservation of the global environment through businesses that reduce the environmental impact of the group and our customers.

NX Group pursues sustainable growth as an entity needed by society, connecting people to people and business to business globally, and providing solutions that solve social issues.

Sustainability Vision



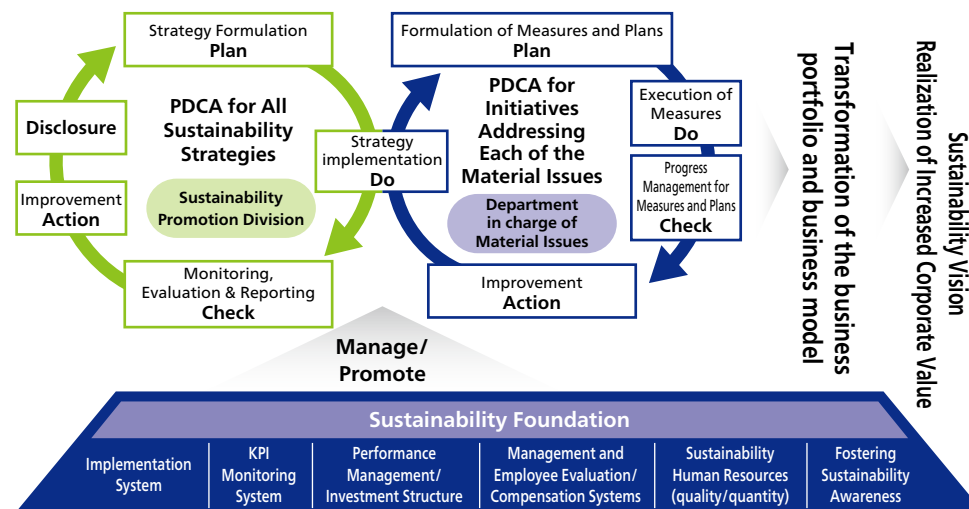
Sustainability Promotion Process

At NX Group, the Sustainability Promotion Division formulates, monitors, evaluates, reports, and improves sustainability strategies. We will update our sustainability strategies, taking into account the progress of each materiality initiative and social conditions.

Sustainability initiatives are implemented by the department in charge of each Material Issue, which promotes the transformation of the business portfolio and business model while incorporating sustainability strategies into its business.

With the goal of strengthening the sustainability infrastructure that provides the foundation for the above-mentioned process, NX Group monitors key performance indicators (KPIs) that use Sustainability Promotion Committee meetings and Sustainability Conference gatherings as milestones. Also, in order to hasten the promotion of our sustainability management, we will include in our director compensation plan such performance indicators as consolidated sales revenues along with such indicators as non-financial information related to ESGs. Our plan is to put these into operation first at NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. following the results from fiscal 2024, and then put them into operation for the entire group following the results from fiscal 2025. Furthermore, as part of our efforts to promote internal awareness, we are setting penetration targets for FY2024 for each job position and conducting training and other activities.

Sustainability Promotion Process

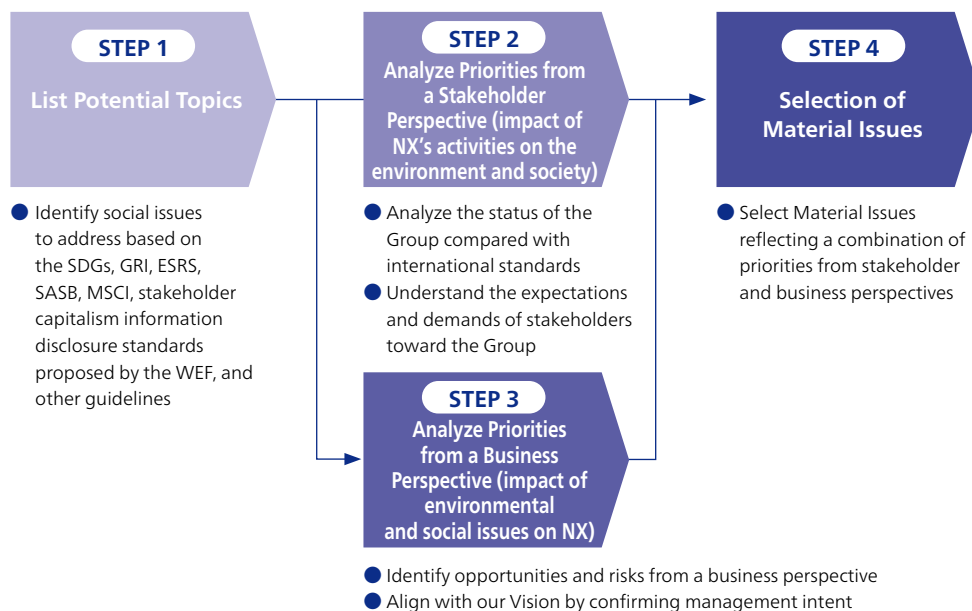


Process of Identifying and Reviewing Material Issues

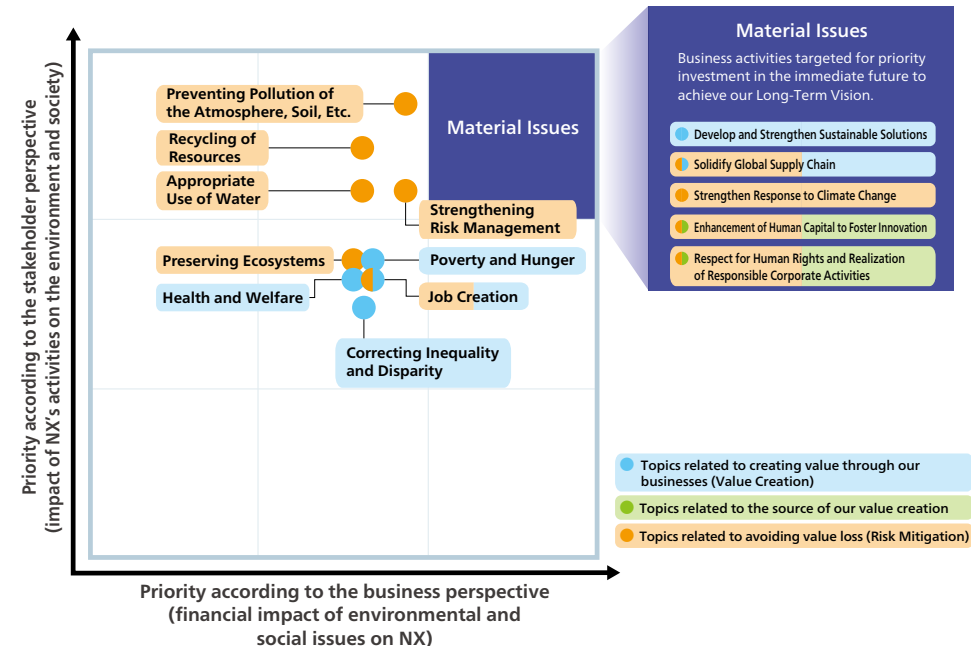
Steps for identifying Material Issues

In response to European disclosure regulations, NX Group has identified an Material Issues matrix in accordance with the concept of double materiality, taking into consideration the mutual influence of environmental and social issues on the financial impact of our company and the impact of our activities on the environment and society. We specifically identify Material Issues for NX Group using the following four-step process. In Step 1, a list of candidate topics is compiled from major sustainability frameworks. In Steps 2 and 3, we identify international standards, regulatory trends, receive feedback from our key stakeholders, and conduct interviews with outside experts and internal stakeholders to define issues critical for the Group to address. The identified Material Issues are reevaluated during the business plan cycle or when periodically reviewing changes in regulations and the business environment. Going forward, we will continue to review the issues that the Group should address, taking into account international trends.

Steps for the Selection of Material Issues^{*1}



Material Issues Matrix



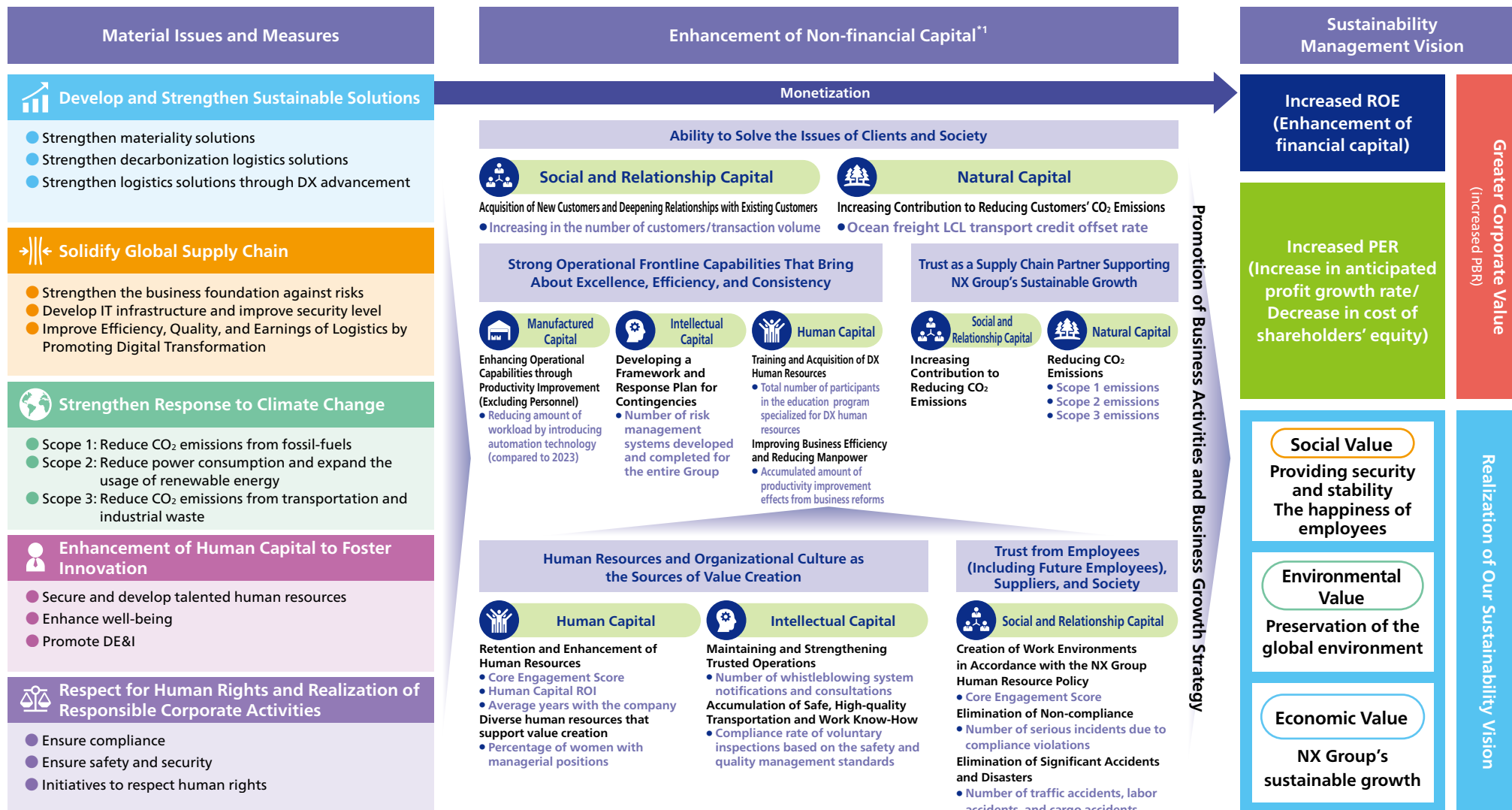
Sustainability Promotion System

The Sustainability Promotion Committee, which is charged with promoting sustainability in the Group, is chaired by the president of NIPPON EXPRESS HOLDINGS, INC., and the vice-chairman is the general manager of the Sustainability Promotion Division. The committee includes sustainability promotion officers from Group companies, and aims to further accelerate and improve the efficiency of initiatives for sustainability across the Group, including the issue of climate change. See page 9 of the Sustainability Report for details.

^{*1} Please refer to our latest Annual Securities Report for more on business-related risks. For an analysis of the business environment, please refer to [P.14](#).

Enhancing Non-financial and Financial Capital through Initiatives Addressing Material Issues and the Realization of Our Vision

By promoting initiatives that address Material Issues in sustainability management, we aim to enhance our non-financial capital. Leveraging this enhanced non-financial capital in our business activities will not only drive the enhancement of corporate value but also support the realization of our Sustainability Vision.








*1 Please refer to [P.48](#) for progress on enhancing non-financial capital



Progress with Initiatives Addressing Material Issues^{*1}

We are steadily working on each of our Material Issues. Based on a review of our performance in FY2024, we will accelerate our efforts to achieve our 2028 targets.

^{*1} See the Sustainability Report for detailed progress.

Material Issues and Measures	Items regarding Setting Targets	Target Values for 2028	FY2024 Results	2024 Target Achievement Rate	Compared to 2023 Results
 Develop and Strengthen Sustainable Solutions <ul style="list-style-type: none"> Strengthen materiality solutions Strengthen decarbonisation logistics solutions Strengthen logistics solutions through DX advancement 	Increasing number of customers/transaction volume				
	Total sales of railway transportation (thousand tons)	7,595 (NE ^{*2})	6,181	95%	99%
	Domestic shipping total sales (thousand tons)	2,270 (NE ^{*2})	2,048	97%	101%
	Sea&Rail total sales (thousand tons)	13.8 (NE ^{*2})	13.5	119%	138%
	DX Establishing a business model to solve supply chain issues				
	DX Amount of profit contribution from business creation (¥100 million)	40	11	275%	(No estimate for 2023)
	DX Total number of participants in the education program specialized for DX human resources (persons)	400	80	100%	4 times
 Solidify Global Supply Chain <ul style="list-style-type: none"> Strengthen the business foundation against risks Improve IT infrastructure and security level Improve efficiency, quality, and Earnings of logistics by promoting Digital Transformation 	Reducing critical risks				
	Elimination of critical security incidents (number of cases)	0	0	100%	(No estimate for 2023)
	DX Amount of productivity improvement effects from business reforms (¥100 million)	230	63	70%	
	DX Reduction of work time by introducing automation technology (compared to 2023) (10,000h)	-21.8 (-3%)	-58.44 (-8.1%)	270%	
	DX Total number of participants in the education program specialized for DX human resources (persons)	400	80	100%	4 times
 Strengthen Response to Climate Change <ul style="list-style-type: none"> Scope 1: Reduce CO₂ emissions from fossil fuel usage Scope 2: Reduce power consumption and expand the usage of renewable energy Scope 3: Reduce CO₂ emissions from transportation and Reduce industrial waste 	Scope 1,2 total emissions (1,000t-CO ₂)	537	719	99%	-4%
	Reducing Scope 3 emissions				
 Enhancement of Human Capital to Foster Innovation <ul style="list-style-type: none"> Secure and develop talented human resources Enhance well-being Promote DE&I 	Increased "comprehensive strength" ^{*3}				
	NX Core Engagement Score (Point)	76 or more	72	100%	+1pt
 Respect for Human Rights and Realization of Responsible Corporate Activities <ul style="list-style-type: none"> Ensure compliance Ensure safety and security Initiatives to respect human rights 	Elimination of non-compliance cases	Zero critical incidents	No serious incidents	100%	100%
	Achieving social safety in logistics				
	Respect for human rights in business activities				

^{*2} NE = Nippon Express Co., Ltd.

^{*3} Comprehensive strength = enriching our diverse and talented workforce, improving the performance of each individual, and building an inclusive workplace culture

Develop and Strengthen Sustainable Solutions

With the importance of the natural environment and sustainability in society and industry growing for all companies, NX Group provides various solutions that help to solve social issues that confront our customers and the logistics industry. In particular, global companies have high expectations for solutions to resolve sustainability issues, making it necessary, more than ever, to provide solutions that view business from a sustainable perspective.

Starting in FY2024, as part of our efforts to “strengthen materiality solutions,” one of the measures for this priority issue, we will strengthen our development of solutions that contribute to our customers’ business growth through solving social issues.

We aim to integrate our business and sustainability by incorporating sustainable solutions into the End to End solutions that our Group provides.

End to End solutions that solve our customers’ industrial problems ^{*1}	Cross-industry, topic-specific solutions ^{*1}	
Strengthen materiality solutions Providing solutions that contribute to the business growth of our customers by solving social issues ^{*2} *2 Examples are listed below	Decarbonization Strengthen logistics solutions	by promoting DX Strengthen logistics solutions

*1 See the Sustainability Report for details on each solution

Case 1: Introducing next-generation mobility to warehouse operations, contributing to the realization of a sustainable society where diverse human resources can thrive

Due to labor shortages caused by the declining birthrate and aging population, and the increasing logistics demand due to the expansion of e-commerce, improving productivity and securing human resources have become urgent issues in the logistics industry. We receive many inquiries from customers about improving the sustainability of logistics by utilizing a diverse workforce.

Nippon Express Co., Ltd. is promoting the “Warehouses that are Friendly to Everyone” project, which aims to remove barriers for people who have previously found it difficult to work in warehouses by introducing advanced logistics robots and work assistance equipment and improving the work environment. This initiative aims to build a cutting-edge logistics facility using electric wheelchairs, following robots, and AMRs (autonomous mobile robots). This project not only improves productivity and secures human resources through digital transformation, but also updates logistics sites by creating an environment in which a diverse workforce can work, serving as an example of contributing to the realization of sustainable logistics and society while also supporting the growth of our customers’ businesses.



Case 2: Achieving a circular economy for building materials by establishing a construction-by-product collection system

Traditionally, the construction industry has been faced with the problem of mixed waste generated by a wide variety of building materials at construction sites, which makes separation and recycling difficult. It also poses the issue of transportation costs and CO₂ emissions from transporting the materials individually to recycling facilities.

In order to promote the recycling of some of the building material scraps that have been landfilled up until now as building material raw materials by utilizing the wide-area certification system^{*3}, Taisei Corporation and Nippon Express Co., Ltd. have developed a “mobile collection system” that can collect multiple construction sites with the same vehicle and then transport them to recycling facilities for each item.

By using a double-door type cage cart called “NRBOX” for collection, management and collection at construction sites are made easier, and the loading rate is improved by transporting different types of building material scraps together in one vehicle. Through this collaboration, we have established a stable operation system by expanding the amount of recycled materials and securing the volume of cargo, and are promoting its spread throughout the construction industry.

In the future, we plan to further improve the system by expanding collection areas, adding compatible items and building material manufacturers, and enabling long-distance transportation through a modal shift, in order to reduce the environmental impact of the construction and logistics industries and build a resource-saving, recycling-oriented society.

*3 Wide-area certification system: A system in which building material manufacturers and other entities are certified by the Minister of the Environment to collect waste from their own products (product scraps, etc.) over a wide area and recycle them into product raw materials or properly dispose of them.





Looking Back on FY2024

Based on the NX Group Human Resources Policy established in 2023, we have formulated a human resources strategy to realize human capital management, and are syncing it with our management strategy, such as recruiting and training the core human resources who will drive our business. We also hope to build an inclusive workplace culture and improve the performance of each of our diverse and talented human resources, which will lead to improved labor productivity and value creation through innovation.

The “NX Core Engagement Score,” an indicator of employees’ strong sense of belonging and high motivation to contribute, as well as the environment that enables this, improved by one point from the previous year, achieving the target for the first year. This indicator also represents the “total strength of our human resources,” and we believe it will also lead to improved organizational and team strength.

We believe that “promoting diversity, equity, and inclusion (hereinafter referred to as DE&I)” and “enhancing well-being” are central initiatives for diverse human resources to be able to play an active role.

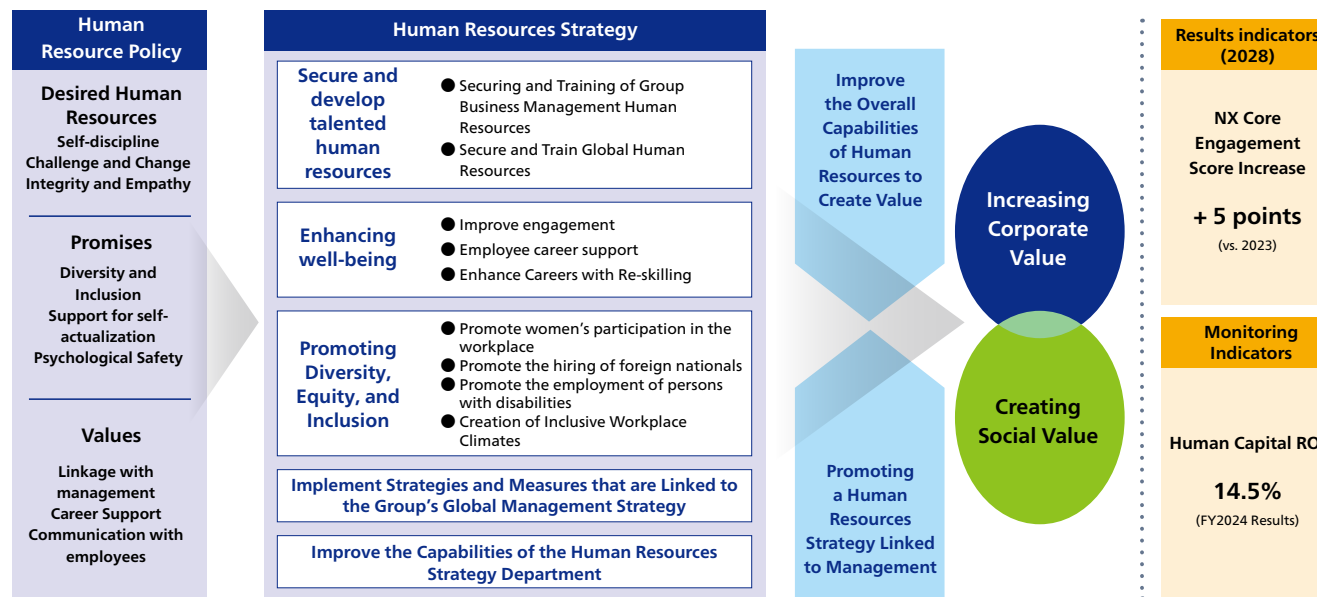
As part of our DE&I initiatives in 2024, we have estab-

lished a new “Administrative Center” within our special subsidiary NX Heartful Co., Ltd. to handle administrative tasks within the Group, and have been increasing employment of persons with disabilities. This not only promotes the employment of persons with disabilities, but also contributes to improving productivity within the Group. We also held a Career Advancement Workshop for female leaders of our Group companies in Japan to improve their mindset and build networks. As a result of various initiatives, our DE&I engagement score increased by three points from the previous year. We believe that our DE&I initiatives have been firmly established among our employees.

On the other hand, while the important KPIs of the ratio of female managers and the employment rate of persons with disabilities improved compared to the previous year, they did not reach the targets we set, and we believe that further efforts are necessary to achieve these targets. Promoting the participation of women in particular is an urgent issue for our company. In addition to various training programs, we will also provide training by name to further promote the participation of women in the workplace.

In terms of “enhancing well-being,” we worked to promote health management and support employee careers. Regarding the promotion of health and productivity management, the number of domestic group companies certified as “2025 Health and Productivity

NX Group Human Capital Management Overview



Management Excellent Corporations” increased by six from the previous year to ten. Regarding employee career support, we implemented an internal job posting system (Poscare G), and were able to fill 135 positions across NX Group, aiming for a KPI of more than 120 positions.

On the other hand, KPIs such as absenteeism (number of days off work) and the rate of men taking childcare leave did not reach the target. Absenteeism is a figure that directly relates to productivity in terms of lost labor force, so we will continue to promote health and productivity management by promoting medical checkups, fostering health awareness using health apps, and taking mental health measures. Awareness of the rate of men taking childcare leave has also spread, and the figure increased by 12.2 points from the previous year, so we would like to continue our efforts to achieve our target.

Initiatives to Increase Corporate Value

As a new initiative synchronized with our management strategy, we are promoting the “formulation of a human resources portfolio.” For 2024, we have solidified our basic policies and established the human resources areas and categories that we need to strengthen.

One of the key initiatives we are currently working on is visualizing the current state of core logistics human resources at Nippon Express Co., Ltd., and considering and developing HR policies based on that. By sharing issues with business divisions and departmental HR and establishing a joint promotion system, we plan to consistently carry out everything from analyzing the current situation to setting goals and crafting specific HR policies.

We also want to consider what a global human resources strategy should look like. Currently, we are working on optimal human resource management and human resource strategies for each region, and while part of our initiatives have yielded good outcomes, we believe that there are some areas where it is better to manage managerial and specialized human resources across the entire group. We would like to proceed with measures while keeping an eye on overall optimization. We are currently working with HR staff in each region to consider how to proceed.

Next, regarding “promoting DE&I” and “Enhancing well-being,” in 2025 we will be focusing on “employee career support” as one of our key measures. Although NX Group has supported career development in the past, it has not been able to provide consistent support, so we have decided to formulate and implement a new career support policy for the Group. This requires employees to “imagine for themselves what they want to be through their work in the field of NX and work hard to achieve that,” and the company “supports” them in achieving that goal. Through this synergy, the company and employees can grow together. We train career counselors in-house and provide career counseling to female leaders

and young employees, as well as employees who unfortunately missed out on the in-house open recruitment system (Poscare G) and hand-raising selection process for business training positions. We provide employees with career information and widely disseminate the idea of career autonomy, creating an environment where employees can take on challenges with confidence.

NX Group Career Support Policy



We aim to improve corporate value by linking the use of a human resources portfolio synchronized with our management strategy with employee skill development and re-skilling through career autonomy, systematically recruiting and developing human resources who contribute to the business, and increasing employee productivity.

To make these HR policies effective, it is necessary to “strengthen the capabilities of the human resources strategy department.” This specifically means promoting data-driven HR.

Data-driven HR means utilizing a talent management system to implement HR policies based on data. First, Nippon Express Co., Ltd. is working to deepen and enrich its talent information and is considering using it for recruitment and transfers. We are also working to strengthen our ability to utilize data and technology. We will encourage HR personnel to obtain data and technology-related qualifications, strengthen their specialized knowledge, and aim to become a human resources strategy department that utilizes data and digital technology to contribute to business strategy.

To achieve our long-term vision of becoming a logistics company with a strong presence in the global market, we will steadily implement our human resources strategy and use it to increase our corporate value.

Concepts and Initiatives for Strengthening Responses to Climate Change

TCFD

NX Group will actively work to reduce CO₂ emissions to help limit the atmospheric temperature increase to +1.5°C above the level of the Industrial Revolution in order to bring an enriched life to future generations through logistics. We view this initiative as a material issue that is necessary for our Group to achieve sustainable growth and increase corporate value. We believe that by responding to these social changes, we will be able to minimize risk and create new business opportunities. In May 2022, our group expressed its support for the TCFD*¹ recommendations and has since been working to disclose information based on the TCFD framework.

Please see the Sustainability website (<https://www.nipponexpress-holdings.com/en/sustainability/materiarity/tcfid/>) for details.



*1 The Task Force on Climate-Related Financial Disclosure is an international initiative established by the Financial Stability Board in 2015 to encourage companies to disclose information about the financial implications of the risks and opportunities that climate change presents to their businesses.

Governance

We have established the Sustainability Promotion Committee for the purpose of promoting the sustainability management of NX Group. The Committee is chaired by the President and CEO of NIPPON EXPRESS HOLDINGS, INC. with the General Manager of the Sustainability Promotion Division of the same company. It consists of the company's executive officers and officers in charge of sustainability promotion at major Group companies. The Committee discusses policies and strategies related to the promotion of the Group's overall sustainability initiatives, including the Group's response to climate change, and reports the results of these discussions to the Board of Directors at least once each quarter depending on report content. The Board of Directors oversees and reviews business execution of overall sustainability initiatives, including measures to address climate change, and deliberates and resolves basic policies and important matters.

Furthermore, in order to accelerate the promotion of sustainability management, in addition to performance indicators such as consolidated revenue, ESG-related non-financial information including climate change is also included as an indicator in the compensation system.

Risk Management

NX Group has established the Risk Management Committee, chaired by the President and CEO of NIPPON EXPRESS HOLDINGS, INC., in an effort to strengthen risk management

throughout the Group. In addition, the Sustainability Promotion Committee conducts Material Issues analysis and identifies strengthening our response to climate change as Material Issues. The Material Issues are reported to the Risk Management Committee.

Strategy

With the aim of assessing and improving the resilience of our business and strategies against climate change, we conduct scenario analysis to understand and evaluate various risks and opportunities anticipated due to climate change. For the scenario analysis, we used a 1.5°C scenario, which is the Group's goal, as well as a 4°C scenario, in which decarbonization efforts do not progress from the current situation. We qualitatively and quantitatively evaluate the business impact of the risks and opportunities identified through scenario analysis on our Group's business and consider countermeasures. We conduct financial impact analyses on transition risks, acute physical risks, and opportunities (products and services) that have a particularly large impact on our business.

Indicators and Targets

■NX Group CO₂ emissions reduction target

In order to contribute to the achievement of the global goal of limiting the global average temperature rise to 1.5°C compared to pre-industrial levels, NX Group set medium- to long-term targets for the entire Group in January 2023 although reduction targets had previously been set for Nippon Express Co., Ltd. alone.

Medium- to Long-term CO₂ Emission Reduction Targets

2030 Target

(Scope 1, 2)

Aim to reduce NX Group's CO₂ emissions*² by 50% compared to 2013 levels

(Scope 3)

Aim to reduce Scope 3 (Category 4) emissions for the entire NX Group by 25% compared with 2022

Aim to reduce Scope 3 (Category 11) emissions from fossil fuel products sold by 42% compared with 2022

2050 Target

Contribute to the realization of a carbon-neutral society through NX Group as a whole (Scope 1, 2, and 3)

*2 This is equivalent to a 42% reduction in Scope 1 and 2 emissions by 2030 compared to 2020 levels.



Human Rights Initiatives

NX Group formulated its Human Rights Policy and Procurement Policy in 2023 and has been working to ensure respect for human rights throughout its supply chain.

In 2024, we continued our internal efforts and worked with our business partners to ensure respect for human rights among our transportation contractors.

Initiatives with Transportation Contractors

In order to reduce human rights risks in the supply chain of all of NX Group, we identified suppliers for each business segment. Among these risks, we have started a survey on human rights initiatives targeting transportation contractors in the automotive segment, which account for a certain percentage of our sales and are expected to have potential human rights risks related to the working environment.

In the European region, in response to the Supply Chain Due Diligence Act in Germany, we are conducting a survey on human rights initiatives for all subsidiaries and suppliers (outsourcing, contractors, etc.) under the region. In East Asia, we are also considering initiatives to prevent and correct human rights risks in the supply chain.

Many of the transportation contractors who were surveyed as suppliers were small and medium-sized companies, and we expected that in many cases they would not have a department or person in charge specializing in human rights. Therefore, in FY2024, we took into consideration the burden on suppliers and focused on collecting improvements to implementation methods for the future. In addition, since it is essential for the staff at each Group company who directly interact with suppliers to understand the measures, we held explanatory meetings and other events to promote their understanding.

As the cooperation of our suppliers is essential for this initiative, we will continue to work with our suppliers to promote it.

In-house Initiatives

Implementing an in-house human rights risk assessment

In 2024, we conducted a human rights risk assessment survey of 101 NX Group companies in Japan and overseas. We assessed human rights risks, taking into consideration the risk that NX employees may become victims of human rights violations through our business activities, as well as the possibility that NX employees may become perpetrators.

As a result, we identified “occupational health and safety” risks for our own employees and employees of business partners as significant human rights risks that have occurred or may occur common to all Group companies. We also identified risks of “human rights violations due to the environment and climate change” and “infringement on the lifestyles

and culture of local residents” in local communities. We will continue to utilize the human rights risk assessment system for our domestic and overseas Group companies to regularly identify and mitigate human rights risks both inside and outside the company through our business activities.

Raise awareness and understanding of human rights within the company

◆ Human Rights Week

Coinciding with Human Rights Week in December 2024, the event aimed to deepen understanding of NX’s basic approach to “business and human rights” and the human rights risks that may arise when employees become victims or perpetrators, and to foster awareness of responsible business activities that respect human rights.

◆ Training for Managers

We implemented e-learning for managers to deepen their understanding of our basic approach to “business and human rights” and our efforts to respect human rights in our supply chain.

◆ Seminars for Executives

Since the understanding and commitment of management is essential to promoting efforts to respect human rights, we invited Ryusuke Tanaka, Program Officer at the International Labor Organization (ILO) Office in Japan, to hold a seminar for management from our group companies to deepen their understanding of international trends regarding human rights and corporate responsibilities (125 people from 21 companies participated). In addition to reducing human rights risks within our own companies, participants gained a deeper understanding of the need to address human rights risks in the supply chain.

Future Initiatives

◆ Expansion of supplier human rights diligence

Building on the results of this first year’s survey, we plan to expand the number of companies surveyed among our transportation contractors and to include suppliers (outsourcing companies, contractors, etc.) in other business segments in order to ensure respect for human rights throughout the entire supply chain.

◆ Establishment of a complaint handling system for suppliers

In addition to the existing whistle-blowing systems (NX Speak Up and NX Global Speak Up), we will also consider establishing a reporting system that can be used by suppliers doing business with the Group.

Outside Directors Roundtable

Looking Back on the First Year of our New Structure and New Management Plan

We interviewed three outside directors about NX Group's performance, progress and challenges with its business plan, governance in investments, and improving corporate value.

Short-term Performance and Medium- to Long-term Corporate Value, and the Challenges Facing Each

Ito: As of the end of March 2024, we have become a company with an audit and supervisory committee, and the Board of Directors has been delegating authority to the executive side, making it even clearer that its role is monitoring-centered. Needless to say, monitoring only works if there is solid reporting from the executive side, and without it, we may lose sight of the bigger picture. In this regard, I believe that the way in which reports are made to our Board of Directors has evolved even further than before. For example, strategic items in the management plan are reported in a planned manner, generally every six months, and sometimes quarterly depending on the item. In terms of content, a report format has been created to ensure that the content is to the point, and I feel that discussions at the board of directors have become more lively.

In FY2024, the first year of the five-year management plan, sales grew due to the effect of the M&A of a cargo-partner company, but profits did not. The biggest factor seems to be the external environment, but we need to verify whether this is really the case, and we are also



checking market prices for ocean and aviation transport. As international logistics activity has not increased as much as expected, the Board of Directors has been overseeing both current performance and future growth. In fiscal 2024, there were some difficult aspects regarding short-term performance, but I think we were able to have in-depth discussions about capital costs and capital efficiency with a view to the medium- to long-term. The result is the update on initiatives to improve corporate value announced in February.

In addition, various KPIs have been set for medium- to long-term strategies, including growth in global markets and account management. In FY2024, those KPIs largely achieved their targets, but the performance targets and KGIs were not achieved. It can be difficult as it depends on the current economic situation, but as an outside director, I believe it is

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necessary to examine whether there is a rational connection between the KPIs and the performance targets/KGIs, and whether the degree to which the KPIs are stretched is appropriate.

Tsukahara: As Ms. Ito said, we receive frequent and thorough reports from the executive side regarding matters to be reported. Based on the contents of the re-

port, lively discussions are held at the Board of Directors meeting, and the contents of the discussion are reflected in the next report.

There are always discussions about the current situation, but on top of that, we always discuss how it will look from a medium- to long-term perspective. As of FY2024, many items were “currently under construction,” so although we understand that it will take time, we make sure to check whether they are progressing at the desired pace. There was also an issue of whether the KPI items being managed were appropriate, and this was discussed at the Board of Directors meeting. If the KPIs are being achieved but there is no final profit, I think there may be something else we need to look at. Although there are many KPIs related to quantities and sales, the executive side is discussing the issue from the perspective that there may not be enough KPIs linked to profit.

In addition, while the global market is a challenge for sales growth, and improvements in the Japanese business are a challenge for improving profit margins, a major theme is the review of the business portfolio for the Japanese business. Initiatives to review the business portfolio tend to stagnate once the portfolio is organized and classified, but the NX Group is constantly reviewing this and discussing how to make it appropriate.

Regarding non-financial information, I have heard that the opinions of directors last year have been reflected, and as a result, there have been more discussions on sustainability and digital transformation. Generally, sustainability is often separated from the business, but the

executive side is discussing how to properly integrate it, and this has been reported to the Board of Directors. I also feel that the frequency of discussions on human resource strategies could be increased.

Shiba: The biggest change since we became a company with an audit and supervisory committee is how the agenda for board meetings is set. As authority has been transferred to the executive team, the number of items to be resolved has decreased, but instead, reports on the status of execution of the business plan have increased, and a system for monitoring and supervision is being put in place. As the number of items to report has increased, we have received solid support in terms of operation. Materials are sent in advance, and advance explanations are given two days before the Board of Directors meeting, followed by a question-and-answer session attended by the six outside directors. At the most recent Board of Directors meeting, seven departments reported on the progress of the business plan, and the directors made efforts to adjust the time for explanations and discussions based on the advance explanations and questions-and-answer sessions.

Ito: We are also now able to share the minutes of the Executive Management Meeting, which is the executive meeting body, making it easier to understand the discussions and issues that are being addressed by the executive team. Board of Directors discussions are now based on an understanding of these issues, and I feel that the quality of discussions is improving.

Shiba: By sharing the minutes of the management meetings, we no longer need to ask questions such as “What was discussed at the management meetings?”, which has made the meetings run more smoothly.

While the basis for discussions at Board of Directors meetings is to have medium- to long-term perspectives, our most pressing issue is our current poor performance. As we are looking to the medium- to long-term, ad hoc responses based solely on a poor short-term environment are undesirable, but we are also discussing the importance of how to improve our current performance.

There are two major themes: global growth and strengthening our domestic business in Japan. To strengthen our domestic business, we are also implementing major organizational reforms at Nippon Express Co., Ltd., but these will not produce results immediately. That

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said, I think investors will point out that we are not moving quickly enough. Although this will take some time, we are discussing how we can increase the speed of our efforts.

Current Status and Issues of Governance (Offense / Defense) in Investment

Tsukahara: While the management plan has a target of a 10% ROE for FY2028, the target for ROE in FY2024 was not achieved. The executive team is also concerned about these results, and has set an intermediate target of 8% ROE for FY2026.

Regarding ROE, a slight improvement will not raise expectations, or lower the PER, and it will not lead to an improvement in PBR. We need to consider both revenue expansion measures and capital policies to build up immediate earning power while also creating a growth story that will enable us to earn in the future.

As part of this growth story, when we invest in large-scale M&A from real estate sales, the results of past PMI will have an impact on future expectations, so PMI is often discussed at board meetings. On the other hand, the real estate business is also a stable earnings base, so we carefully discussed reviewing our strategy from the perspectives of both risks and opportunities.

Shiba: With regards to investment, the company also aims to utilize M&A to increase overseas sales. Although there were some failures in past cases, PMI has been solid in M&A over the past two or three years. Previously, PMI was left to local areas, but now HD's Global Business Headquarters has full responsibility for PMI and is promoting PMI from the perspective of overall optimization. Recently, three companies have announced acquisitions between 2023 and 2024, but after searching through many of them, we have been able to select candidates that we expect to create synergies with NX Group without overpricing. Although we are still in the development stage, we are accumulating know-how, and the entry and exit (M&A/PMI) are being established, so our M&A execution capabilities are clearly different from the past.

The two companies that were completed as acquisitions between 2024 and March 2025

are European companies, but we did not choose Europe as a core region. We chose cargo-partner for its forwarding network in East Asia and the Americas, and Simon Hegele for its expertise in handling pharmaceuticals and medical equipment, and we hope to be able to expand these into business in a variety of countries.

In terms of future growth strategies, we are paying attention to India. We expect the Indian market to grow further, just like Japan in the 1980s and China in the 2000s, and it can also be a starting point for expansion in the Middle East and Africa.

Tsukahara: During the sourcing stage of an M&A, we look at a wide range of potential targets rather than narrowing down to a specific region or area. At present, we are able to partner with companies with which we expect to create synergy without having to purchase at high prices.

Ito: For M&A, as deals in Europe progressed smoothly through FY2024, the investment framework we had initially planned became insufficient, so we flexibly reviewed our cash allocation, even though we were in the middle of our management plan.

In the discussions on securing financial resources, the sale of real estate became a major issue. While the real estate business is significant in mitigating forward-looking volatility, capital efficiency has been lacking, so I think it is significant that we have taken a step forward and indicated our intention to proceed with the sale. We considered the amount from the perspective of increasing corporate value, taking into account dialogue with the market, and initially decided on a figure of over ¥50 billion. I heard that the market reaction at the time of the announcement was good, so I think it was a good decision.

We added ¥200 billion to the M&A and growth investment framework, but since the PMI for the most recent M&A is still ongoing, we think it will be an issue whether we have



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enough human resources to move forward with the next project, and we need to discuss strengthening our human resources, both inside and outside the company.

Tsukahara: We are also working to ensure that ROIC is understood at the workplace, but we must not make it merely a slogan. To do this, it is necessary to organize and communicate what improving ROIC means to people on the front lines.

Shiba: To ensure ROIC is understood, the company has devised a system in which it uses learning through comics to explain the concept to employees in an easy-to-understand way.

There is a concern that overemphasizing ROIC could lead to a shrinking equilibrium and slower growth, so the company analyzes its business portfolio and divides it into segments for which it will pursue growth strategies and segments for which it will seek to improve capital efficiency, and then organizes and advances initiatives accordingly for each. For example, in the Japan business, the East Company and West Company place emphasis on ROIC, while the Tokyo, Nagoya, and Osaka region is focused on growth.

Key Points for Increasing Corporate Value

Ito: I believe that NX Group is a company that is highly strategic and at the same time has a tradition of strong on-site capabilities. In this context, the speed at which strategies are executed is important to improve corporate value. It's not just about being fast, but being able to respond to situations in an agile manner amid growing uncertainty in the external environment. I believe there are two key points to increasing the speed of strategy execution. The first is the use of data, as President Horikiri mentioned. Data-driven management that allows everyone globally to see and talk about the same numbers, and the infrastructure to advance it, are essential. The second is for all employees to correctly understand the strategy. As a prerequisite for this, it is also important that the corporate philosophy and vision are permeated throughout the organization. This is because such things will lead to speedy and agile strategy execution. The executive team is also aware of this, and they are using a variety of methods, such as a corporate magazine and town hall meetings, to stimulate internal

communication. I think the extent to which we can engage employees is key.

Tsukahara: I believe there are two key points to increasing corporate value. The first is human resources, which President Horikiri also places importance on. I believe it is important to thoroughly develop or acquire hundreds of human resources who will be responsible for growth in areas such as globalization, digital transformation, and logistics, and then place them in appropriate positions, engage them, and enable them to thrive.

The second is whether we can improve performance such as sales and profits after building a foundation including capital policy. In FY2024, we could say that we are prioritizing medium- to long-term initiatives over current performance, but we have implemented fundamental measures including capital policy and the foundation is being established. Therefore, from FY2025 onwards, as a director, I would like to see whether performance such as sales and profits will follow, as this will be the harvest period.

Shiba: As President Horikiri said, it is people who solve problems. How people feel and act is important.

Corporate culture and climate also play a large role in this. Safety and security are absolute values at NX Group. Furthermore, coupled with the good traditions that have been cultivated over the years, we tend to be conservative. Amidst this, I think the speed has been increasing as a result of Chairman Saito's continued emphasis during the previous management plan that "speed is important." Unlike before, we are now creating a culture that is willing to take a step forward even when everything is not yet solidified, so I would like to see whether we can increase our speed even further by, as President Horikiri puts it, "evolving our culture rather than reforming it."



Corporate Governance

The establishment of corporate governance is important for sound corporate management, sustainable growth, and improving corporate value. We also believe that it is an obligation to our shareholders. In its “2037 Vision”, which sets out what NX Group wants to be in 2037, the 100th anniversary of the Group’s founding, the company outlines the ideal image ideal state shareholders as “a company that achieves sustainable growth by establishing corporate governance”, and it will work on continuous governance reform to realize this.

In order to achieve sustainable growth and increase our corporate value, we will strengthen supervisory functions, including the Board of Directors and the Audit and Supervisory Committee, and we will promote efforts to ensure “safety, compliance, and quality,” which form the foundation of our group’s management and the source of our competitiveness. In addition, we will strive to enhance disclosure and proactively disseminate information in order to ensure management transparency and stimulate dialogue with our shareholders and investors.

Basic Views on Corporate Governance

NX Group established basic policies, shown at right, for the Group governance toward practicing the corporate philosophy and realizing the long-term vision.

For corporate governance to function properly, it is essential to evolve Group management, promote Group-wide strategies, and establish a governance structure. We believe that the holding company structure with NIPPON EXPRESS HOLDINGS, INC. as the Group head offices is the optimal Group management structure for properly promoting these goals and realizing our long-term vision.

NX Group Basic Policy on Governance

[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

[Long-Term Vision (Excerpt from 2037 Vision)]

Business Growth : A logistics company with a strong presence in the global market
Clients and Society : A company that contributes to the realization of 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 of their work supporting customers and society, and feel happy

Basic View toward Realizing the Long-Term Vision

- NX Group upholds its mission to contribute to the sustainable development and growth of customers and society by solving social issues through logistics in accordance with NX Group Corporate Philosophy
- Toward realizing the long-term vision that depicts the ideal image of NX Group for 2037 founded on our Corporate Philosophy, we will meet the expectations of stakeholders and create value together
- To realize this, we shall establish corporate governance and construct the optimal Group governance systems that form the basis of that

Basic Views Toward Establishing Corporate Governance

To realize increased corporate value and sustainable growth, we will respect the positions of stakeholders, such as our shareholders, and build appropriate governance of offense and defense.

Corporate Governance to Aim for

- Expansion of global business based on “prompt/decisive decision-making and clarification of responsibility”
- Growth of a robust corporate group based on “ensuring thorough compliance and transparency of management”

Initiatives Toward Establishing Corporate Governance

- Continuous improvement of governance in line with the meaning of each principle in the Corporate Governance Code
- Promotion of compliance management
- Construction of a strong group governance structure

Basic Concept Oriented Towards Evolving Group Governance

To ensure that corporate governance functions appropriately, and to realize maximization of value as a corporate group, the group governance structure will continue to be evolved globally.

Group Governance to Aim for

- Establishment of a group management structure that realizes “maximized value as a corporate group”
- Construction of a global governance structure that realizes “further expansion of overseas business”
- Sophistication of a business management structure that realizes “appropriate business portfolio management” and “customer-oriented optimization of the entire group”

Initiatives Toward Advancing Group Governance

- Strengthening of group management strategy functions based on a holding company structure, clarification of roles and responsibilities of Group companies, structural and organizational design for realizing an optimized Group as a whole
- Construction of a global risk management system based on linkage between holding companies and presiding companies
- Sophistication of group databases and promotion of data-oriented management

Compliance with the Corporate Governance Code

NX Group is in compliance with all of the principles of the Tokyo Stock Exchange's Corporate Governance Code. We have prepared Our Policy and Implementations of JPX's Corporate Governance Code, which sets forth our policy and the latest implementation details for the principles of the Corporate Governance Code, and released it on our website.

 [Initiatives and Response Policy for the Corporate Governance Code
https://www.nipponexpress-holdings.com/en/ir/governance/](https://www.nipponexpress-holdings.com/en/ir/governance/)

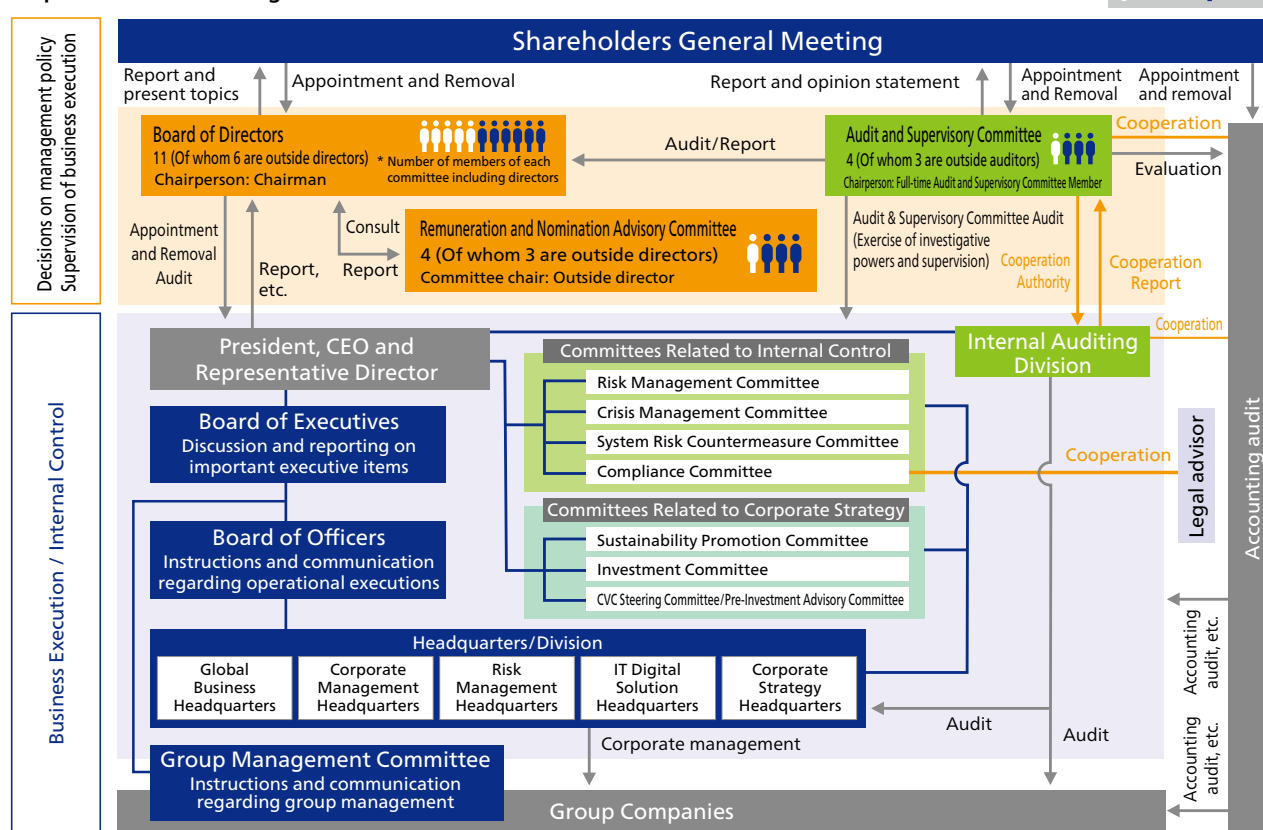
Our company is based on the Group is a company with an Audit and Supervisory Committee. To obtain the opinions of independent outside directors concerning important matters such as the compensation and nomination of executive officers, our Group has established a discretionary Compensation and Nomination Advisory Committee as an advisory body to the Board of Directors. In addition, the Board of Directors has delegated some of its important business execution decisions to the President and CEO and has introduced an executive officer system to achieve swift decision-making and execution of duties, while separating oversight and execution, thereby strengthening the supervisory function of the Board of Directors. An overview of the Company's corporate governance bodies and organization is shown to the right.

A. Directors/Board of Directors

The Board of Directors, as entrusted by shareholders, is responsible for ensuring the sustainable growth of the Group and maximizing its enterprise value through the implementation of effective corporate governance. To fulfill these responsibilities, the Board of Directors not only deliberates and makes decisions on important business execution related to overall management, such as important management policies and business plans related to management issues, and on matters stipulated in the Companies Act to prevent the impairment of corporate value, but also exercises its supervisory function over management in general, supervises the business execution division, and strives to ensure management transparency. The Board of Directors also delegates some of the decision-making regarding business execution, excluding the above-mentioned important business execution decisions, to the business execution division, including the President and CEO, and supervises the status of business execution.

Corporate Governance System

Corporate Governance Organization Chart



[Overview of the Board of Directors]

- **Authority:** Decision-making regarding business execution regarding important management policies and matters stipulated by laws and regulations, etc., and supervision of the execution of duties by business execution divisions
- **Chairperson:** Non-executive Chairperson of the Board
- **Composition:** 11 Directors (as of March 31, 2025), including 7 Directors who are not Audit and Supervisory Committee Members (including 3 Outside Directors), 4 Directors who are Audit and Supervisory Committee Members (including 3 Outside Directors)
- **Conduct of meetings:** In principle, meetings are held once a month and as needed

● Major deliberations and reports at Board of Directors meetings

In fiscal 2024, we held 19 Board of Directors meetings.

Based on the opinions of outside officers obtained through the evaluation of the effectiveness of the Board of Directors, the Board of Directors also discusses and revises the agenda items for deliberation as necessary, such as annual planning of reporting items and reporting in the process of formulating important management strategies, etc., to ensure the implementation of the reporting items specified in the agenda standards for the Board of Directors.

Main Agenda Items for FY2024

Corporate Governance/Risk Management	Resolution on changes in the organization
	Resolution on verification of the appropriateness of cross-shareholdings
	Periodic reports on system risks, compliance, and safety management
	Report on the results of the evaluation of the Board of Directors effectiveness
Business Execution Report	Report on the schedule for setting the agenda for the fiscal 2025 Board of Directors
	Report on the activities status, etc. of each executive department based on management and business strategies
Corporate Strategy	Formulation and progress report on business plan
	Resolution on the formulation of “efforts to realize management that considers capital costs and share price”
	Resolution on FY2025 budget
	Organizational reform and M&A-related
Financial/Business Results	IT strategy-related
	Quarterly financial results and monthly performance-related
Officer and employee staffing	Director and executive officer staffing and remuneration-related
Financial Policy	Resolution of treasury stock acquisition and amortization and dividend-related
	Resolution on the Group capital policy
	Resolution on the financing plan
IR	Report on the status of dialogue with institutional investors
Sustainability	Report on the human rights risk evaluation results
	Report on the promotion status of sustainability management
Internal Audit Report	Report on the internal auditing report

B. Remuneration & Nomination Advisory Committee

To obtain the opinions of independent outside directors concerning important matters such as remuneration and nomination of officers, our Company has established a fair, highly transparent, discretionary Remuneration and Nomination Advisory Committee. Consisting of a majority of independent outside directors and chaired by an independent outside director, the committee functions as an advisory body to the Board of Directors, and the Board of Directors makes decisions based on the opinions of the committee to the

maximum extent possible. Committee members are appointed by resolution of the Board of Directors, and the committee performs the functions of both a nominating committee and remuneration committee. The Committee deliberates mainly on officer personnel matters, including candidates for directors and officer positions, the establishment of the skill matrix that represents the composition of the Board of Directors, the CEO succession plan, and the policy and system of remuneration, in consultation with the President and CEO. It reports to the Board of Directors based on its decisions (it met nine times during fiscal 2024, and the average attendance rate of the committee members during the relevant period was 100%).

The chair and members of the committee are as follows. (As of March 31, 2025)

<Chairperson>	Yojiro Shiba, Director (Independent Outside Director)
<Committee members>	Mitsuru Saito, Director (Chairman and Representative Director)
	Yumiko Ito, Director (Independent Outside Director)
	Tsukiko Tsukahara, Director (Independent Outside Director)

C. Audit & Supervisory Committee

Following the resolution of the second regular general meeting of shareholders held on March 28, 2024, the company has transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee. The Audit and Supervisory Committee of the Group plays an important role in the Group’s supervisory function. As an independent body that audits the execution of duties by directors, it will contribute to the sustainable increasing corporate value and the realization of growth as a healthy corporate Group. The Audit and Supervisory Committee is made up of four members, one full-time director and three outside directors (part-time) who are also Audit and Supervisory Committee Members. The Audit and Supervisory Committee meets regularly (once a month in principle) and holds extraordinary meetings as necessary. They also assign staff to assist the Audit and Supervisory Committee in its duties and strive to enhance the Audit and Supervisory Committee’s auditing and supervisory functions.

When conducting audits by the Audit and Supervisory Committee, the accounting auditor works in cooperation with the Internal Audit Office, our Internal Auditing Division, to ensure that audits are effective. The accounting auditor, using the Audit and Supervisory Committee as a liaison, sets up opportunities for “management discussions” and other such meetings with the President and CEO and other senior management and business execution departments to hear about the status of responses to management issues. In addition, regular monthly meetings are held with the Audit and Supervisory Committee to report on the status and results of accounting audits to promote mutual cooperation.

In addition, the Internal Auditing Division’s audit policy and audit plans are subject to resolutions by the Audit and Supervisory Committee, making it clear that, in addition to the President and CEO’s command and control over management, the Audit and Supervisory Committee is also in charge of audits in terms of its duties.

D. Business Execution

Business execution is carried out under an executive structure consisting of the President and CEO and five headquarters, who have received important business execution decisions and delegation of duties from the Board of Directors. A specified level of authority is delegated to each headquarter so that it can swiftly execute business plans as a single management unit. In advancing business operations, each Group company carries out its role and responsibility within the scope of its own responsibility as delegated by

[Board of Executives]*¹

- Role: As an advisory body to the President and CEO, it discusses important matters related to overall management and reports on the status of business execution by executive officers
- Chairperson: President and CEO
- Composition: Vice President, Chief Managing Officers (four as of March 31, 2025), executive officers in charge of the departments proposing agenda items, oversight by directors and full-time Audit and Supervisory Committee Members
- Frequency of meetings: Once a month and as needed
- Main agenda items: Discussions regarding important business execution decisions such as investment projects delegated by the Board of Directors, progress reports on important matters and other matters decided at management meetings, etc.

[Board of Officers]*¹

- Role: An organization for communicating and sharing information regarding resolutions made at the Board of Directors and management meetings, matters to be discussed, and instructions from the President and CEO and each division
- Chairperson: President and CEO
- Composition: Executive officers (18 as of March 31, 2025), representatives of group companies, etc. Supervision by full-time audit and supervisory committee members, with group company executives and others present
- Frequency: In principle, held once a month (excluding months when the Group Management Committee is held)
- Main agenda: Instructions and communications from the President and CEO and each division head, reports on the status of business execution from each executive officer, etc.

^{*1} In fiscal 2024, we held five Management Committee and the Executive Committee meetings, which combines the functions of the Management Committee and the Executive Committee as mentioned above. In light of our transition to a company with an Audit and Supervisory Committee and the partial delegation of important business execution decisions to the President and CEO, we have separated the meeting function and established Board of Executives and Board of Officers from March 2024 with the aim of separating and strengthening the consultative bodies that serve as advisory bodies to the President and CEO, and 16 Management Committee meetings and eight Executive Committee meetings were held.

[Group Management Committee]

- Role: To strengthen inter-group cooperation and foster a sense of unity by instructing and communicating Group management policies and implementing reports on business promotion from business subsidiaries, etc.
- Chairperson: President and CEO
- Composition: Holding company's executive officers, presidents of major Group companies, management executives, full-time Audit and Supervisory committee members of our holding companies, etc.

the Company, which supervises the advancement of business operations at each Group company. NX Group Governance Regulations and the Group Authorization Table accompanying the regulations stipulate the Group management system and matters delegated to Group companies. These are reviewed from time to time to promote efficient and effective Group management.

The following is a summary of the various meetings related to the execution of business operations.

- Frequency: As needed (two meetings in 2024)
- Main agenda: Instructions regarding Group management policies, communication of headquarters policies of each division, reports from Group companies on individual themes related to Group management, etc.

[Overview of Other Committees of Business Execution Departments]

Major Internal Committees

Name	Purpose
Risk Management Committee	In charge of formulating risk management policy and building the Group's risk management system (Held twice a year)
Crisis Management Committee	In charge of prior discussion on systems when crises materialize from risks as well as addressing them after risks materialize (Held as needed)
System Risk Countermeasure Committee	In charge of building systems related to information system security and responding to security incidents (Held twice a year)
Compliance Committee	In charge of building and promoting the Group compliance system (Held four times a year)
Sustainability Promotion Committee	In charge of responding to issues related to sustainability and planning of Group policies (Held two times a year)
Investment Committee	Discusses M&A-related matters (Held as needed)
CVC Steering Committee/Pre-Investment Advisory Committee	Discusses investment intentions for selected investments in CVC funds in which the Board of Directors has resolved to invest (Held as needed)

Important matters discussed by each committee are submitted to the Board of Directors for resolution or regularly reported to the Board of Directors, in accordance with the criteria for decision-making, and the Board of Directors supervises these activities.

In addition, the Investment Committee discusses and decides on corporate acquisitions and other matters, and the agenda is proposed to the Board of Directors for resolution in accordance with the criteria for decision-making. The progress of investment projects is reported regularly at meetings of the Board of Directors, and necessary discussions are held among the responsible departments and business subsidiaries at PMI Committee meetings and other meetings. The status of investments in CVC funds is also reported to the Board of Directors on a regular basis.

The Group Management Committee and other committees have established subcommittees for individual themes such as human resources, DX, and safety, as well as councils with Group companies to promote Groupwide strategies and strengthen internal controls.

Efforts to Improve Governance Effectiveness

Evaluating the Effectiveness of the Board of Directors

Once each year, NX Group's Board of Directors uses an outside institution to conduct a survey of all directors regarding the effectiveness of the Board of Directors as a whole, including the Remuneration and Nomination Advisory Committee, to evaluate the effectiveness of the Board of Directors and gather opinions on how to improve it. The Board of Directors will discuss and verify the results of the analysis and evaluation, and will evaluate its effectiveness based on the aggregate results from external institutions. In addition, based on the issues and opinions identified through the questionnaire, we will make improvements to enhance the effectiveness of the Board of Directors.

<Reference> Major themes of the evaluation of Board of Directors effectiveness conducted in December 2024: (1) board composition and operation, (2) management and business strategies, (3) corporate ethics and risk management, (4) performance monitoring and management evaluation, (5) dialogue with shareholders, etc., (6) free descriptions for other items.

The Board of Directors secretariat has taken the lead in developing systems to make improvements with respect to the issues identified in past effectiveness evaluations, including Nippon Express Co., Ltd., which was a listed company prior to the transition to a holding company structure. Please see below for items that we have improved in recent years. Please refer to the Corporate Governance Report published by the Company for an overview of the effectiveness assessment.

Major areas for improvement by the Board of Directors (FY2024)

1	For the formulation of strategies and policies on sustainability, DX, human resources strategy, and other important matters, we made improvements by changing the process to reach resolution after multiple discussions by the Board of Directors as agenda items.
2	We have formulated a plan to achieve business management that considers capital costs based on the analysis of the current situation, and disclosed a new business plan on February 14, 2024. We have been promoting business portfolio management focusing on capital profitability (ROIC) as well as regularly reporting and evaluating, analyzing, and revising matters related to initiatives results.
3	We have been expanding opportunities required for discussion and information to strengthen risk management on a global scale and discussion of SR and IR activities by making it an item to be regularly reported at the Board of Directors meetings and revising and enhancing the content of the report.

 [Corporate Governance
https://www.nipponexpress-holdings.com/en/ir/governance/](https://www.nipponexpress-holdings.com/en/ir/governance/)

Training Policy for Directors

NX Group provides regular opportunities such as seminars and social gatherings to directors, intended to enable them to deepen their awareness of the Company's management issues as well as to acquire essential knowledge regarding corporate governance, finance, as well as laws and regulations. The Company bears the cost of such events.

Together with internal orientations for directors and at the time of appointment and as necessary, we provide training opportunities as needed, including participation in external seminars for our Group's newly appointed directors, in order to deepen their knowledge of corporate governance, particularly with respect to the performance of their duties, and to help them acquire the necessary knowledge of their roles and responsibilities as directors.

After they assume their positions, the Company continues to provide opportunities for seminars and social events, as appropriate, to enable them to acquire the necessary knowledge regarding the Company's management issues, financial matters, and legal compliance. Directors who are Audit and Supervisory Committee Members strive to acquire a wide range of knowledge. This is accomplished by attending meetings for members of Japan Audit and Supervisory Board Members Association and seminars held by the Japan Industrial Management & Accounting Institute. We provide opportunities for outside Directors to acquire knowledge of our business and related matters by allowing them to participate in various company events, facility tours, etc. In addition, in order to seek out management judgment from an independent perspective, we hold monthly Outside Officer Seminars, where executive officers and senior management make presentations. By doing so, we ensure that they have opportunities to understand our management issues, and the management vision, goals, and challenges of the divisions under their purview.

For internal executive officers and senior management candidates who are candidates for the representative directorship, we provide opportunities to attend external MBA and other senior management development courses to acquire the knowledge of global management, financial literacy, management strategy, and governance that are necessary for senior management.

The above series of trainings are positioned as part of succession planning for senior management.

In order to confirm whether or not outside directors are taking appropriate measures regarding training, including the provision of internal information, the Company conducts surveys regarding opportunities to provide information to outside directors in its questionnaire for evaluating the effectiveness of the Board of Directors. The results of the survey are reported to the Board of Directors are discussed for future improvements and reflected in the next and subsequent activities.

Holding Liaison Meetings for Outside Directors

To ensure the objectivity and neutrality of the management oversight function, a lead outside director is elected by mutual agreement from among the directors and liaison meetings are held for outside directors to freely discuss a wide range of topics, including NX Group's management and corporate governance, and to deepen cooperation among the outside directors. In addition, a system is in place to report discussions to the Board of Directors as necessary.

Appointments of Directors

Director Appointment Policy and Decision Procedures

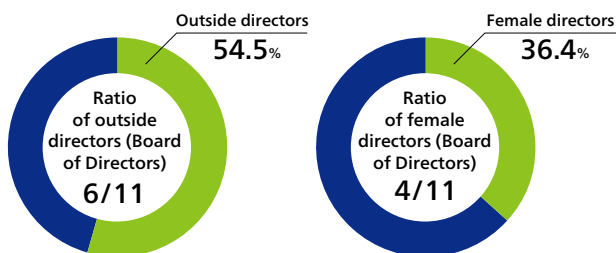
NX Group's Board of Directors appoints and dismisses directors to ensure that the Board of Directors as a whole maintains a balance of knowledge, experience, and ability by utilizing a skills matrix for the Board of Directors established in line with business strategies such as expanding the overseas sales ratio and promoting ESG management.

The selection of candidates for directors (excluding directors who are Audit and Supervisory Committee Members) is based on a wide range of perspectives, such as whether or not they have the experience and specialized knowledge necessary for a director. An evaluation is made of the progress of management plans in the businesses and areas in which they have been in charge, based on a multifaceted perspective, including their personality and insights, the Board of Directors makes a decision after consulting with the voluntary Remuneration and Nomination Advisory Committee, which is chaired by an independent outside director and has three independent outside directors as its members, and it also takes into account the opinion of the Audit and Supervisory Committee.

The selection of candidates for directors who are Audit and Supervisory Committee Members is based on a multifaceted perspective, such as the experience necessary for a director who is an Audit and Supervisory Committee Member. The knowledge, personality, and insight considered necessary to conduct audits of items such as finance, accounting, and legal affairs is resolved at a Board of Directors meeting after consulting with the Remuneration and Nomination Advisory Committee and obtaining the consent of the Audit and Supervisory Committee.

In addition, with regard to candidates for outside directors, we select people who are excellent in terms of character and insight, have experience in corporate management, a high level of expertise and knowledge in areas such as finance, accounting, law, and ESG, and who can oversee the management of the company's overall business from a multifaceted perspective.

Composition of Directors



Criteria for Determining the Independence of Independent Outside Directors

NX Group has established the following criteria for determining independence. In addition to the requirements for outside directors set forth in the Companies Act, we take into account the independence standards set forth by the financial instruments exchanges. We appoint outside Directors based on those standards. We consider candidates for outside Directors to be independent if none of the following items apply to them.

In appointing independent outside directors, we strive to appoint the following type

- 1 Persons who are currently executive officers at our company or one of our Group companies. Persons who have been executive officers at our company or one of our group companies within the ten years before the relevant appointment.
- 2 Shareholders who hold 10% or more of the total voting rights of the Company's shares and business executors of such shareholders.
- 3 Business executives of business partners whose transactions with the Company Group exceed 2% of the Company's consolidated net sales.
- 4 Persons who have received remuneration of over ¥10 million in a single year from the Company as consultants, attorneys, certified public accountants, etc.
- 5 Persons belonging to the audit corporation, acting as the accounting auditor for our Company.
- 6 Persons who belong to an organization, etc. that has received an average of ¥10 million or more in donations from us and our group companies for the past three fiscal years.

(Note) Executives refers to executive Directors, Executive Officers, and other employees.

of candidates – A person who we can expect to make effective proposals to the Board of Directors regarding our management policies and management improvement.

Human Resource Development for Senior Management

NX Group recognizes that developing and utilizing the human resources who will lead the future of management is an important management issue, and it will systematically develop human resources who will be responsible for sustainable corporate operations based on the Group's corporate philosophy. Objectivity and transparency will be ensured in CEO succession planning by appropriately involving the Board of Directors and other relevant parties.

In addition, to ensure that there is a continuous supply of optimal leaders to lead the Group, we will focus on developing management talent that will become candidates while providing appropriate education and growth opportunities. We will formulate a CEO succession plan that includes the necessary requirements and qualities for the CEO of the Group, as well as the selection and training process for the candidate group. The CEO will select and train the successor based on the succession plan, select the final successor, and present it to the Compensation and Nomination Advisory Committee.

The Compensation and Nomination Advisory Committee is chaired by an independent outside director, and three of the four committee members are independent outside directors, ensuring objectivity and transparency. The committee will consider the succession planning plan objectively and from various angles from an independent perspective, and will be involved in providing advice as necessary. The Compensation and Nomination Advisory Committee also deliberates on the appropriateness of the successor proposed by the CEO and reports back to the Board of Directors.

The Board of Directors will receive reports from the Compensation and Nomination Advisory Committee on the succession planning process, verify its effectiveness and appropriateness, and provide appropriate oversight. The Board of Directors will deliberate and decide on the successor recommended by the Compensation and Nomination Advisory Committee.

Cross Shareholdings

Policy on Cross Shareholdings and Rationality of Ownership for Cross Shareholdings

Our basic policy regarding cross shareholdings is to reduce them. We do not respond to requests to acquire shares for the purpose of securing stable shareholders, and, in principle, we do not make new acquisitions. In exceptional cases, we may hold shares on a policy-specific basis. Examples include the expansion of business transactions and operations, strengthening of relationships with business partners, and the promotion of collaboration. These are cases in which we judge that such actions will contribute to the enhancement of NX Group's corporate value over the medium- to long-term.

Every year, our Board of Directors evaluates and verifies our cross shareholdings from both quantitative and qualitative perspectives. The rationale for holding each stock is based on a consideration of the cost of capital and the benefits of holding the stock. We describe specific verification points and the details of verification at our Board of Directors meetings in the Annual Securities Report that we publish. Please refer to our website for the Annual Securities Report.



Securities Report (Japanese only)

<https://www.nipponexpress-holdings.com/ja/ir/library/securities/>

Structure of an Internal Control System

Basic Policies on Internal Control Systems and their Implementation Status

For a company to carry out its operations properly and efficiently, it is important to establish an internal control system. NX Group has established "NX Group Internal Control System Basic Policies", and we are building and operating our Group's internal control systems in accordance with these policies.

For more on "NX Group Internal Control System Basic Policies" and the current status of implementation, please refer to our website, or our published Corporate Governance Report, and Securities Report.



Matters Related to Internal Control Systems

<https://www.nipponexpress-holdings.com/en/ir/governance/systems/>

Officer Remuneration

Policy and Procedure for Determining Officer Remuneration

NX Group has established basic policies underlying the process for determining officer remuneration and compensation structure, etc.

The discretionary Compensation and Nominating Advisory Committee deliberates this process and basic policies and acts as an advisory body to the Board of Directors. Its chairperson is an independent outside director, three out of four members of the committee shall be independent outside directors, and the Board of Directors makes decisions based on the reports it issues.

The policy for officer remuneration will be as follows.

Policy on Officer Remuneration

a. Basic policy	<ol style="list-style-type: none"> 1. Compensation that enables the promotion of talented people who put our Corporate Philosophy into practice and provides compensation levels that are commensurate with the level of their roles and responsibilities. 2. A remuneration system should motivate and encourage contributions to sustained growth and the improvement of sustainable corporate value over the medium- to long-term 3. The remuneration system will be fair, reasonable and explainable to all stakeholders.
b. Remuneration structure	<ol style="list-style-type: none"> 1. Remuneration shall consist of base remuneration, which is fixed, and performance-linked remuneration, which fluctuates depending on the degree of target achievement. The composition of remuneration will be appropriately set to link short-term and medium- to long-term business performance, and will also reflect sustained corporate growth, contribution to sustainable enhancement of corporate value, and the degree of goal achievement. 2. Remuneration for outside directors shall consist of base remuneration only, based on their roles and independent status.
c. Base remuneration	The amount of base remuneration shall be determined by taking into consideration the standards at other companies based on surveys conducted by outside expert organizations and the role which the executive will fulfill.
d. Performance-based compensation	<ol style="list-style-type: none"> 1. As short-term, performance-based compensation, our company pays bonuses indexed to single-year targets. 2. As medium- to long-term performance-linked compensation, our company provides share-based remuneration which reflects the level of achievement of our medium-term business plan and the increase in corporate value (stock value).

Determination of Officer Remuneration

a. Fixed compensation	<ol style="list-style-type: none"> 1. We determine the remuneration (monthly) for each individual according to the role they play, based on the standard amount for their position. 2. Fixed compensation is paid monthly.
b. Bonuses	<ol style="list-style-type: none"> 1. We determine the bonus for each individual by their performance for the fiscal year, their track record in ESG management initiatives, and their contribution to improving corporate value, in accordance with their role. 2. The bonus will be paid at the conclusion of the Ordinary Shareholders General Meeting for the fiscal year ending within one year after taking office.
c. Performance-based Stock compensation	<ol style="list-style-type: none"> 1. We will evaluate the degree to which the business plan has been achieved for each fiscal year during the medium-term business plan period and the degree to which the business plan has been achieved for the final year of the medium-term business plan period in financial and non-financial indicators in accordance with the Group and the individual's role. The shares to be granted to an individual and the amount equivalent to the cash value of the shares to be used for the payment of income taxes will then be determined on that basis. 2. Performance-linked stock compensation will be paid in accordance with the conditions and timing stipulated in the stock issuance regulations, etc.

Regarding the performance-based stock compensation, we stipulated a Malus Clawback Clause in the stock issuance regulations. This means that in the event of any conduct by a recipient that is deemed inappropriate in light of the purpose of this system, the Company may demand that the recipient forfeit all or part of the right to receive company

shares, etc. under the system or return a monetary amount equivalent to all or part of the value of the granted shares, etc.

The specific amount is determined within the scope resolved at the second ordinary general meeting of shareholders held on March 28, 2024, taking into consideration the company's performance, the level of other companies, employee salaries, etc.

In addition to the remuneration and bonuses for directors and corporate auditors, we introduced a performance-based stock compensation plan. It is using a trust and is for directors and Executive Officers (excluding outside directors, non-executive directors, directors who are Audit and Supervisory Committee Members, and those who do not reside in Japan). Its purpose is to further enhance the awareness of officers to contribute to the improvement of our company's corporate value and shareholder value over the medium- to long-term.

This plan is partially funded by the existing basic remuneration. It is a medium- to long-term incentive system in which the number of company shares issued as remuneration varies depending on the recipient's position and the degree to which the recipient achieves company-wide performance targets, etc. The system has now been applied with an evaluation period of five fiscal years. The new plan will be implemented for the same period as the medium-term management plan, and the numerical management targets set out in the management plan will be used as KPIs. Specifically, at the end of each fiscal year and at the end of the evaluation period, performance will be evaluated based on items such as consolidated revenue, consolidated business profit, consolidated ROE (return on equity), and ESG-related non-financial indicators. The range of increase or decrease corresponding to the achievement of performance targets, etc. is as follows. The level corresponding to the achievement of performance targets, etc. is set at 100%. This is set for the entire standard annual performance evaluation and mid-term performance evaluation. The level can range from 0% to 150%.

The Group has established internal rules and regulations regarding items such as the decision-making process for executive compensation. The remuneration amounts for our Group's directors (excluding directors who are Audit and Supervisory Committee Members) are decided by the Board of Directors, after the Compensation and Nomination Advisory Committee deliberates and recommends the system and content in accordance with the above policy. The amount of compensation for each individual is based on job responsibilities, business execution status, etc., and is delegated to the Representative Director by a resolution of the Board of Directors.

The authority to be delegated will determine the amount of base remuneration and evaluation allocation of bonuses for each director in accordance with the standards for setting director remuneration deliberated and determined in advance by the Compensation and Nomination Advisory Committee. The amount of remuneration for directors who are Audit and Supervisory Committee Members will be determined by the Audit and Supervisory Committee through discussion among the directors who are Audit and Supervisory Committee members.

Total Remuneration by Officer Category, by Type, and by Number of Eligible Officers

(fiscal year ended December 31, 2024)

Officer category	Total amount of compensation, etc.	Total amount of compensation, etc. by type				Number of eligible officers
		Fixed compensation	Performance-based compensation		Other	
			Bonuses	Stock compensation		
Directors (Excluding Directors who are Audit and Supervisory Committee Members)	¥378 million	¥278 million	¥73 million	¥8 million	¥19 million	9 employees
[in this group, Outside Directors]	[¥46 million]	[¥46 million]	-	-	-	[4]
Directors who are Audit and Supervisory Committee Members	¥59 million	¥58 million	-	-	¥1 million	4 employees
[in this group, Outside Directors]	[¥35 million]	[¥35 million]	-	-	-	[3]
Audit & Supervisory Board Members	¥23 million	¥22 million	-	-	¥1 million	5 employees
[in this group, Outside Directors]	[¥8 million]	[¥8 million]	-	-	-	[3]

- (Note) 1. Compensation, etc. for Directors (excluding Directors who are members of the Audit & Supervisory Committee) includes compensation, etc. for Directors before the transition to a company with an Audit & Supervisory Committee, including a Director who retired after the 2nd Ordinary Shareholders General Meeting held on March 28, 2024.
2. Compensation paid to Directors who are members of the Audit & Supervisory Committee relates to the period following the transition to a Company with an Audit & Supervisory Committee, and compensation paid to Audit & Supervisory Board Members relates to the period before the transition to a Company with an Audit & Supervisory Committee.
3. At the 2nd Ordinary Shareholders General Meeting held on March 28, 2024, it was resolved that the total amount of monetary remuneration paid to Directors (excluding Directors who are members of the Audit & Supervisory Committee) out of Compensation, etc. would not exceed ¥1 billion per year (of which an amount not exceeding ¥100 million per year for outside Directors). The number of directors (excluding Directors who are members of the Audit & Supervisory Committee) as of the conclusion of the said Shareholders General Meeting was seven (including three outside directors).
4. Share-based remuneration is determined according to a performance-based share remuneration system, and the amount recorded for the current fiscal year is the share-based remuneration for FY2023, for which a single-year and mid-term evaluation was conducted based on FY2023 results. Because FY2023 was the final year of the previous medium-term business plan, shares were issued to all officers covered by the plan. However, the above amounts are the amounts recorded for FY2024 and do not include amounts reserved and reversed in and before the previous fiscal year, and thus differ from the actual amounts paid.
5. At the 2nd Ordinary Shareholders General Meeting held on March 28, 2024, it was resolved that the maximum amount of remuneration for Directors who are members of the Audit & Supervisory Board would be ¥200 million per year. The number of directors who are members of the Audit & Supervisory Board as of the conclusion of the said Ordinary Shareholders General Meeting is four (including three outside directors).
6. Other compensation includes company housing expenses, etc. paid by our Company to the officers.

Risk management

Risk Management Basic Policy

NX Group has established NX Group Risk Management Regulations and NX Group Crisis Management Regulations as basic policies for the purpose of building a risk management system to reduce risks that may have a significant impact on corporate management, and to build a crisis management system for the Group that enables prompt and appropriate responses in the event of a crisis.

Risk Management System

NX Group has established a Risk Management Committee, chaired by the president, to develop a Groupwide risk management system. Activities related to risk management in the Group are reported to the Risk Management Committee on a regular basis.

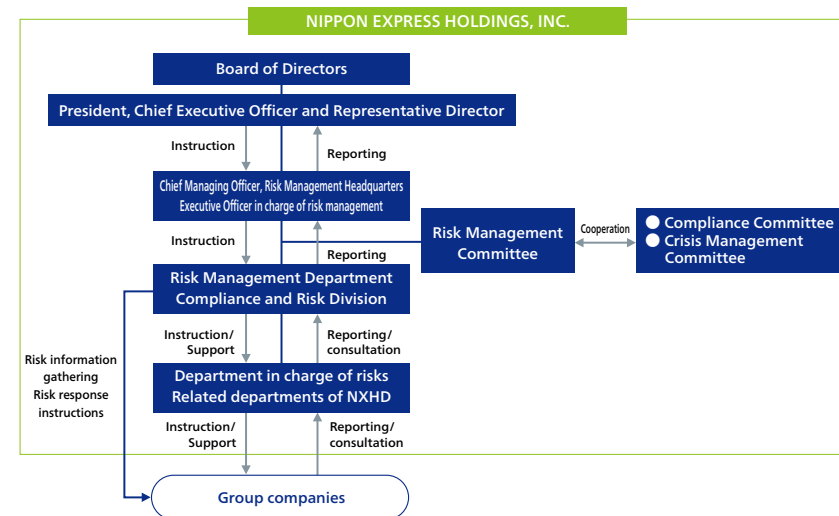
In FY2024, we inventoried, evaluated, and identified the material risks of each department and office of the NIPPON EXPRESS HOLDINGS and Group companies, and discussed the results at the Risk Management Committee. In FY2025, we also continued to inventory, evaluate, and identify material risks of the entire Group, while also promoting follow-up and feedback on the risk countermeasures of each Group company.

Crisis Management System

NX Group has established a Crisis Management Committee, chaired by the President, to develop a Group-wide crisis management system. Activities related to crisis management in the Group are reported to the Crisis Management Committee on a regular basis. In responding to a crisis, we will take all possible measures in cooperation with related companies and divisions to minimize damage, ensure the safety of employees, and prevent disruption of Group business operations.

Based on the above-mentioned rules, the Group responds to a wide range of risks, including wide-area disasters, outbreaks of new strains of influenza and other infectious diseases, information system risks, emergencies overseas, and other risks, while reinforcing collaboration within the Group.

Furthermore, the Group Companies of Nippon Express Co., Ltd. have also played a role in supporting the restoration and recovery of areas affected by disasters, including transporting emergency supplies as a designated public institution prescribed by the Basic Act on Disaster Management, Civil Protection Act (Act on the Protection of the People in the Event of Armed Attacks), and the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response. In addition to preparing emergency stockpiles of supplies that include food and drinking water as well as hygienic items such as masks and gloves as countermeasures against infectious diseases, the Company has stationed satellite-based mobile phones in departments and divisions at the head office, in each region overseas, and at major domestic bases. This enables us to respond to



disruptions in telephone networks due to disasters, and ensures prompt communication in the event of emergencies.

System to Ensure Business Continuity (BCP)

In July 2023, NX Group established the “NX Group Basic Policy on Business Continuity”, which serves as the basis for each Group company’s business continuity plan (BCP). This policy has been published on our website and disclosed to customers and stakeholders, clarifying the basic stance of the Group, including “prioritizing human life and safety,” “contributing to society,” “supporting customers,” “promoting the formulation of business continuity plans (BCP) at each Group company,” and “preparing for normal times.”

Each company in our Group is promoting the formulation and maintenance of business continuity plans (BCP) based on this policy.

[Basic Policy on Business Continuity
https://www.nipponexpress-holdings.com/en/sustainability/governance/basic-policy.html](https://www.nipponexpress-holdings.com/en/sustainability/governance/basic-policy.html)

Major NX Group Risks

We listed risks that have significant potential to impact NX Group’s financial state, business results, and cash flow in the Securities Report.

[Operational Risks
https://www.nipponexpress-holdings.com/en/ir/management/risk/](https://www.nipponexpress-holdings.com/en/ir/management/risk/)

Compliance

Promote Fair Business Practices

NX Group has clarified its vision as a company and works toward it as an unwavering mission under “advancing society and bringing an enriched life to future generations” in the NX Group Corporate Philosophy. In order to embody its corporate philosophy, we have established the “NX Group Code of Conduct,” which is established based on the Board of Directors’ resolution, to specify the nature of daily activities and indicates the direction of action as well as established the “NX Group Compliance Regulations,” which is revised and abolished based on the Board of Directors’ resolution, to ensure sound, transparent, and fair business activities,

The Board of Directors has the authority to revise and abolish the “NX Group Code of Conduct,” and revises the codes of conduct as necessary as well as discuss important measures as necessary. In addition, the Compliance Committee discusses important policies and important cross-functional issues across departments and groups, and promotes various compliance-related measures. Compliance-related issues, including matters discussed

by the Compliance Committee, are reported to the outside directors as appropriate in addition to being regularly reported during Board of Directors meetings so that they can be reflected in our initiatives after directors share their opinions.

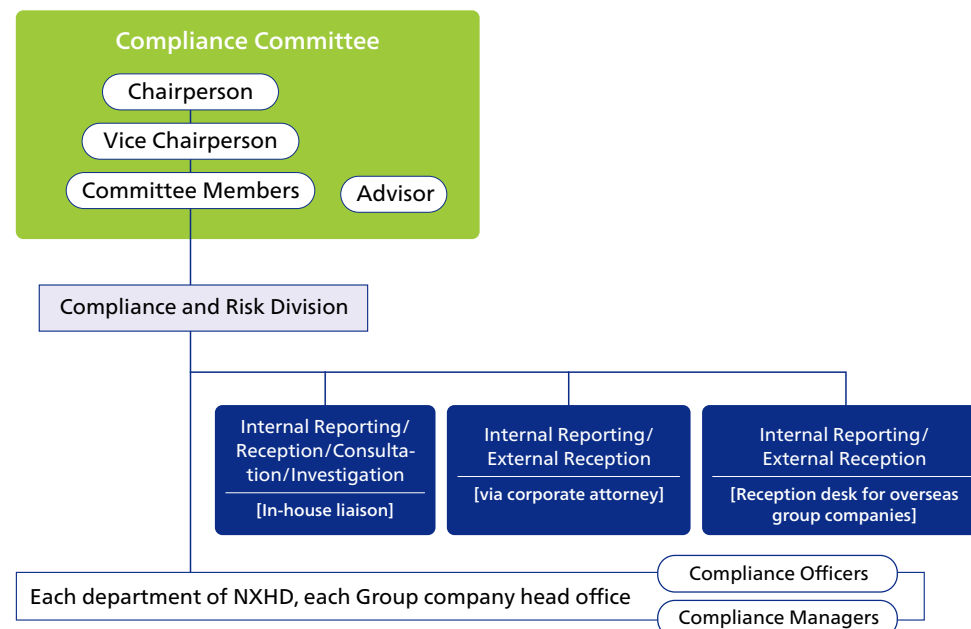
In regard to the Code of Conduct, we distribute portable compliance cards and post it on the company intranet so that all members can refer to it whenever necessary to ensure they understand the code and act accordingly. Furthermore, the NX Group Compliance Handbook (available in 16 languages) is a booklet that is distributed to all Group employees, including overseas Group companies, and is also available on our intranet in digital form. Additionally, we educate employees on compliance through training by job level, training for new hires, and other types of group-based training, workplace-based training, and e-learning.

In order to further promote the Code of Conduct at Group companies, including overseas companies, we have established NX Group Competition Law Compliance Regulations, NX Group Anti-Bribery Regulations, and NX Group Personal Data Protection Regulations as Group regulations, established guidelines for each of these regulations, and created a system in order to put the guidelines into practice.

NIPPON EXPRESS HOLDINGS, INC. Compliance System and Roles

	Compliance Management System	Roles
Compliance Committee	Chairperson President	The Committee consists of the chairperson, vice chairperson, committee members, senior advisors, observers, and secretariat and works to promote NX Group compliance.
	Vice Chairperson Chief Managing Officer of the Risk Management Headquarters	
	Committee Members Chief Managing Officer of the Global Business Headquarters Chief Managing Officer of the Corporate Management Headquarters Chief Managing Officer of the IT Digital Solution Headquarters Chief Managing Officer of the Corporate Strategy Headquarters Officers in charge of overseas regions and other committee members as prescribed in the regulations	(Attendance by persons other than committee members) The Compliance Committee may request the attendance of persons other than Members when necessary in order to receive their opinions and reports.
	Senior Advisors Corporate attorney, Legal counsels, certified public accountants, tax accountants, and others (Some advisors will be summoned when necessary) Secretariat Compliance and Risk Management Division	

NIPPON EXPRESS HOLDINGS, INC. Compliance System



Stakeholder Engagement (Shareholders and Investors)



WEB See the Sustainability Report for details on all stakeholders
<https://www.nipponexpress-holdings.com/en/sustainability/report/>

Basic policy on dialogue with shareholders and investors

NX Group recognizes that constructive dialogue with shareholders is important for the company's sustainable growth and the improvement of its corporate value over the medium- to long-term, and is working to develop measures and systems to promote that constructive dialogue.

Through IR activities overseen by the executive in charge of the Corporate Planning Division, we strive to clearly communicate and gain understanding of our Group's management strategies and policies.

Opinions from shareholders and investors are reported to the Board of Directors once every six months and, following discussions with outside directors, we endeavor to reflect them in management.

About the Implementation of Various Information Sessions for Institutional Investors

1. Financial results briefings

We hold financial results briefings twice a year, on the days when our annual and half-yearly financial results are announced, at which the President, Chief Executive Officer and Representative Director, each division chief and other executives explain the details and answer questions. At the time of the announcement of the first and third quarter financial results, the Executive Officer in charge of finance will explain the details and answer questions via forums such as web conferences.

The details of each quarter's financial results briefings and key Q&A sessions are posted on our website. In addition, on-demand videos of annual and half-yearly financial results briefings are available in both Japanese and English.

WEB Financial Results Briefings
<https://www.nipponexpress-holdings.com/en/ir/event/presentations/>

2. Small meetings and conferences hosted by securities companies

We hold small meetings between analysts and institutional investors, the President and CEO, and other senior management as appropriate.

[Events held in FY2024]

We held a small meeting with our President, Chief Executive Officer, and Representative Director as the speaker on February 20, 2024 and another small meeting with our outside director as the main speaker on December 16, 2024.

We also actively participated in conferences hosted by securities companies, mainly as an opportunity to meet with overseas investors.

3. Investor Day (IR Day)

We hold business briefings and investor days (IR Days) as appropriate, where the President, Chief Executive Officer and Representative Director and each Executive Officer will explain our efforts on each business theme, primarily for fund managers, analysts, and institutional investors.

[Events held in FY2024]

We held the Investor Day on September 13, 2024 with themes based on business plan initiatives for achieving the long-term vision, accelerating business growth in the global market, restructuring of businesses in Japan, and sustainability management and IT strategies.

Status of Individual Dialogue with Institutional Investors

1. Dealing with institutional investors

We mainly conduct individual interviews with analysts via telephone or web conferences, etc. During dialogue, we explain our business status, including trends in the logistics market and the business environment, using materials from financial results briefings and monthly disclosure information, etc.

2. Dealing with overseas investors

In addition to individual interviews, we participate in conferences hosted by securities companies to engage in dialogue with overseas investors. President and CEO and the executive in charge of the Corporate Planning Division also regularly participate in the interview.

In addition to traveling to overseas investors and responding to interviews through in-person visits, we also proactively hold individual interviews via telephone and web conferences.

3. Status of dialogue with shareholders

Status of dialogue with shareholders (fiscal year ending December 2024)

Item	Situation	
Main responders	President and CEO, Executive Managing Director, Director and Executive Officer	
	Investor Relations Promotion Group, Corporate Planning Division	
Shareholders Overview	Domestic and overseas fund managers, analysts, ESG specialists, proxy voting officers	
Number of individual meetings held (Scope: January to December 2024)	Number of individual meetings held with domestic and overseas institutional investors: 236 meetings with 167 companies * Includes overseas IR (North America and Asia) interviews with 16 companies (U.S.: 8, Hong Kong and Singapore: 8) * Includes meeting held in March 2024 about sales of shares.	
Main dialogue themes (Period: January to December 2024)	Main dialogue themes	Specific contents
	(1) Overview and profitability of forwarding business	Amount handled and trend of gross profit unit price.
	(2) M&A strategy	Performance overview of cargo-partner and PMI initiatives.
	(3) Performance forecast	Prerequisite for formulating forecasts and risk factors.

Briefings for individual investors

We hold online briefings for individual investors to explain the status of strategies and initiatives of the medium-term business plan, recent performance, measures for shareholder returns, and other matters once a year via a securities company.

Status of Feedback Implemented Internally

Requests and other feedback we received through dialogue with shareholders and investors are reported by the officer in charge of IR to the Board of Directors once in six months. We hold a place of discussion at the Board of Directors meetings as an opportunity to deepen the understanding about the opinions of the shareholders and investors through the Board of Directors as well as an opportunity to focus more on those involved with the market.

Furthermore, we report the opinions and comments received from those involved in the market during individual interviews conducted after the release of each quarterly financial results four times a year, main interest and opinions we received during the overseas roadshow twice a year, and feedback and opinions of the participants of the IR Day

gathered after the event to the senior management of the Company and Nippon Express, our major subsidiary.

Main Interests of Shareholders and Investors and Items Incorporated Based on Dialogue

NX Group conducts dialogue with investors through various methods. The themes of dialogue and interest of the investors are diverse, covering an overview of the financial results, performance forecast, trend of the logistics market, business environment, management strategy, profit improvement, M&A strategy, shareholder returns, and more. We regularly report the opinions received to the Board of Directors so that they can be reflected in management.

As an example of a specific item that has been incorporated based on the dialogue, in response to questions we have received about the Company's business trends, particularly the trends in the air and Ocean freight forwarding business, we have included in the supplementary materials to our financial results briefings "Trends in gross profit and gross profit margin for the air export business originating from the Japan and overseas segment" from the second quarter of the fiscal year ending December 2022, and "Trends in gross profit per TEU for the Ocean export business originating from the Japan and overseas segment" from the first quarter of the fiscal year ending December 2023, with the aim of promoting further understanding.

In addition, as we have been strongly requested to disclose financial by business at individual interviews, we have included quarterly net sales and operating income results by business (air and Ocean freight forwarding, logistics, etc.) for Logistics Japan and each overseas segment in the financial results briefing material since the second quarter of fiscal 2024.



List of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Director

**Mitsuru Saito**Chairman and Representative Director
Chairman of the Board of Directors

Born September 22, 1954

- Stock ownership*¹ 21,800 shares
- Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

April 1978 Joined Nippon Express Co., Ltd.
May 2009 Executive Officer, Regional General Manager, Tohoku Region and General Manager, Sendai Branch, Nippon Express Co., Ltd.
May 2012 Managing Executive Officer, Nippon Express Co., Ltd.
June 2012 Director and Managing Executive Officer, Nippon Express Co., Ltd.
May 2014 Executive Vice President and Chief Operating Officer and Representative Director, Nippon Express Co., Ltd.
May 2017 President, Chief Executive Officer, Representative Director, Nippon Express Co., Ltd.
January 2022 President, Chief Executive Officer and Representative Director, the Company
January 2024 Chairman and Representative Director, the Company (Incumbent)

**Satoshi Horikiri**President, Chief Executive Officer and Representative Director
President and Chief Executive Officer

Born October 25, 1960

- Stock ownership*¹ 9,700 shares
- Board meeting attendance 14 of 14 meetings (100%)

● Biography, position and responsibilities at the company

April 1983 Joined Nippon Express Co., Ltd.
May 2015 Executive Officer, Regional General Manager, North Kanto & Shin-Etsu Region, and General Manager, Gunma Branch, Nippon Express Co., Ltd.
May 2017 Executive Officer, Nippon Express Co., Ltd.
June 2017 Director and Executive Officer, Nippon Express Co., Ltd.
May 2018 Director and Managing Executive Officer, Nippon Express Co., Ltd.
April 2019 Director and Senior Managing Executive Officer, Nippon Express Co., Ltd.
June 2019 Senior Managing Executive Officer, Nippon Express Co., Ltd.
April 2020 Executive Vice President and Chief Operating Officer, Nippon Express Co., Ltd.
June 2020 Executive Vice President and Chief Operating Officer and Representative Director, Nippon Express Co., Ltd.
January 2022 Executive Vice President, Chief Executive Officer and Representative Director, the Company
January 2023 Vice President, Chief Executive Officer, the Company
January 2023 President, Chief Executive Officer and Representative Director, Nippon Express Co., Ltd.
January 2024 President and Chief Executive Officer, the Company (Incumbent)
March 2024 President, Chief Executive Officer and Representative Director, Nippon Express Co., Ltd. (Incumbent)

**Mamoru Akaishi**

Director and Executive Officer

Born April 6, 1968

- Stock ownership*¹ 2,031 shares
- Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

April 1993 Joined Nippon Express Co., Ltd.
March 2019 Group General Manager, Business Development Division, Nippon Express Co., Ltd.
January 2022 Executive Officer, the Company
March 2023 Director and Executive Officer, the Company (Incumbent) (Responsibilities) In charge of the Corporate Planning Division and General Manager of the Corporate Planning Division

**Sachiko Abe**

Director and Executive Officer

Born August 8, 1964

- Stock ownership*¹ 2,922 shares
- Board meeting attendance 14 of 14 meetings (100%)

● Biography, position and responsibilities at the company

April 1988 Joined Nippon Express Co., Ltd.
October 2014 Group General Manager, CSR Division, Nippon Express Co., Ltd.
May 2018 Director and President, Nittsu Tokyo Distribution Service Co., Ltd.
January 2022 Audit & Supervisory Board Member, Nippon Express Co., Ltd.
March 2024 Director and Executive Officer, the Company (Incumbent) (Responsibilities) Internal Auditing Division

**Yojiro Shiba**

Outside Director

Born August 7, 1950

- Stock ownership*¹ 0 shares
- Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

April 1974 Joined the Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.)
March 2003 Managing Executive Officer, Mizuho Bank, Ltd.
March 2005 Executive Officer, Oriental Land Co., Ltd.
April 2009 Representative Director and Executive Vice President Officer, Oriental Land Co., Ltd.
June 2013 External Director, AMUSE INC.
June 2015 Director and Vice Chairman, AMUSE INC.
March 2018 Outside Director, Bridgestone Corporation
April 2019 Representative Director, President, AMUSE INC.
June 2021 Director, Nippon Express Co., Ltd.
January 2022 Director, the Company (Incumbent)

**Yumiko Ito**

Outside Director

Born March 13, 1959

- Stock ownership*¹ 0 shares
- Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

April 1984 Legislation Staff (Sanji), The Legislative Bureau of the House of Representatives of Japan
April 1989 Admitted to the bar in Japan Joined Sakawa Law Office
July 1991 Joined Tanabe & Partners
April 2001 General Counsel, Legal & Patent Operation, GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)
May 2004 Staff Counsel, Legal & Intellectual Property, IBM Japan, Ltd.
March 2007 Executive Officer, Legal & Corporate Affairs, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)
April 2013 Executive Officer and General Counsel, Sharp Corporation
June 2013 Director, Executive Officer and General Counsel, Sharp Corporation
April 2014 Director, Executive Managing Officer and General Counsel, Sharp Corporation
June 2016 Executive Managing Officer and General Counsel, Sharp Corporation
April 2019 Established Ito Law Office Representative, Ito Law Office (Incumbent)
June 2019 Outside Director, Kobe Steel, Ltd. (Incumbent)
June 2019 Outside Corporate Auditor, Santen Pharmaceutical Co., Ltd.
July 2022 Trustee, Nihon University (Incumbent)
March 2023 Director, the Company (Incumbent)

*1 We have conducted a stock split (stock split of one-for-three) on January 1, 2025, but the numbers of shares above are of before the stock split.

Director



Tsukiko Tsukahara

Outside Director

Born August 31, 1972

● Stock ownership*¹ 0 shares
● Board meeting attendance 14 of 14 meetings (100%)

● Biography, position and responsibilities at the company

April 1995 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)
June 2001 Special Assistant to the Director for Policy Evaluation to Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism
September 2003 Joined Boston Consulting Group
January 2009 Principal, Boston Consulting Group
July 2015 Vice President, Catalyst Japan Research and Consulting
February 2018 Founded Kaleidist K.K. President, Kaleidist K.K. (Incumbent)
April 2020 Co-Representative, G20 EMPOWER Japan (Incumbent)
March 2024 Director, the Company (Incumbent)

Directors who are Audit and Supervisory Committee Members



Takashi Nakamoto

Director and Audit and Supervisory Committee Member

Born June 28, 1962

● Stock ownership*¹ 3,600 shares
● Board meeting attendance 14 of 14 meetings (100%)

● Biography, position and responsibilities at the company

April 1986 Joined Nippon Express Co., Ltd.
June 2011 Group General Manager, Finance & Accounting Division, Nippon Express Co., Ltd.
July 2013 General Manager, Finance & Accounting Division, NIPPON EXPRESS U.S.A., Inc.
May 2017 General Manager, Tottori Branch, Nippon Express Co., Ltd.
May 2018 Representative Director and President, Nippon Express Capital Co., Ltd.
April 2019 General Manager, Financial Planning Division, Nippon Express Co., Ltd.
January 2022 General Manager, Internal Auditing Division, the Company
March 2024 Director, the Company (Incumbent)



Yoshio Aoki

Outside Director and Audit and Supervisory Committee Member

Born October 23, 1950

● Stock ownership*¹ 0 shares
● Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

November 1974 Joined Peat, Marwick, Mitchell & Company
November 1976 Joined Tohmatsu Awoki & Co. (Current Deloitte Touche Tohmatsu LLC)
March 1978 Registered as Certified Public Accountant
July 1988 Partner, Tohmatsu Awoki & Sanwa (Current Deloitte Touche Tohmatsu LLC)
July 1995 Representative Partner, Tohmatsu & Co. (Current Deloitte Touche Tohmatsu LLC)
October 2010 Head, Management Audit Office, Deloitte Touche Tohmatsu LLC
December 2015 Director, Certified Public Accountant, Yoshio Aoki & Co. (Incumbent)
March 2016 Audit & Supervisory Board Member, Nippon Denko Co., Ltd.
June 2016 Audit & Supervisory Board Member, Polyplastics Co., Ltd.
June 2016 Audit & Supervisory Board Member, Nippon Express Co., Ltd.
January 2022 Audit & Supervisory Board Member, the Company
March 2024 Director, the Company (Incumbent)



Nobuko Sanui

Outside Director and Audit and Supervisory Committee Member

Born April 7, 1955

● Stock ownership*¹ 0 shares
● Board meeting attendance 19 of 19 meetings (100%)

● Biography, position and responsibilities at the company

April 1980 Joined Japan Federation of Employers' Associations
July 2000 General Manager, International Division, Japan Federation of Employers' Associations
May 2002 Chief General Manager, International Labor Policy Division, Japan Business Federation (name changed due to a merger)
April 2005 Chief General Manager, Labor Law Division, Japan Business Federation
June 2006 Chief General Manager, International Division II, Japan Business Federation
May 2008 Managing Director, Japan Business Federation
March 2012 Managing Director, Japan Business Federation (name changed due to a transition into a general incorporated association)
June 2014 Managing Director, Japan Business Federation Business Services
June 2021 Audit & Supervisory Board Member, Nippon Express Co., Ltd.
January 2022 Audit & Supervisory Board Member, the Company
March 2024 Director, the Company (Incumbent)



Ryuji Masuno

Outside Director and Audit and Supervisory Committee Member

Born October 30, 1953

● Stock ownership*¹ 0 shares
● Board meeting attendance 14 of 14 meetings (100%)

● Biography, position and responsibilities at the company

April 1977 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)
August 2005 Assistant Vice-Minister, Minister's Secretariat (concurrently in charge of Railway Bureau), Ministry of Land, Infrastructure, Transport and Tourism
July 2006 Senior Deputy Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2007 Deputy Vice-Minister for Policy Coordination, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism
July 2009 Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
August 2010 Deputy Vice-Minister for Transport Safety Policy, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism
September 2011 Vice Commandant, Coast Guard, Ministry of Land, Infrastructure, Transport and Tourism
August 2013 Vice-Minister for International Affairs, Ministry of Land, Infrastructure, Transport and Tourism
September 2014 President, Japan Maritime Center
June 2017 Secretary General, Japan Trucking Association
August 2023 Admitted to the bar in Japan (Tokyo Bar Association)
March 2024 Director, the Company (Incumbent)

*1 We have conducted a stock split (stock split of one-for-three) on January 1, 2025, but the numbers of shares above are of before the stock split.

Skills Matrix / Reasons for Selection

Director

Name	Areas in which the Company has Particular Expectations for its Customers									Reasons for Appointing Directors
	Corporate Management		Legal/Risk Management	Finance/ Accounting	Global Business	ESG/ Sustainability	HR Strategy, Labor Management	On-site Management	Operational Experience Within the Group	
	Corporate Management Experience Within the Group	Corporate Management Experience Outside the Group								
Mitsuru Saito	●		●	●	●	●	●	●	●	As President, Chief Executive Officer and Representative Director, Mitsuru Saito has swiftly and steadily implemented the transition to a holdings system, the introduction of the new Group brand NX, and the restructuring of the Group's businesses. Since his appointment as Chairman and Representative Director of the Company in January 2024, he has been leading the Board and striving to improve the effectiveness of the Board of Directors as its Chairman. At the same time, he has been demonstrating management capabilities by leveraging abundant experience and insight in corporate management. The Company believes that his abundant experience and insight are necessary for realizing NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.
Satoshi Horikiri	●		●		●	●	●	●	●	As President, Chief Executive Officer and Representative Director of Nippon Express Co., Ltd., Satoshi Horikiri has been working on re-forming the company's business structure and organizational culture. As he was appointed as President and Chief Executive Officer of the Company in January 2024 and President and Representative Director of the Company in March 2024, he has been working toward achieving our new business plan in a prompt and precise manner. The Company believes that his leadership and management capabilities are necessary for realizing NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.
Mamoru Akaishi	●				●			●	●	Mr. Mamoru Akaishi has gained experience in M&A, new business development, and other departments that contribute to NX Group's business expansion, and was appointed as Executive Officer of the Company in January 2022. He has contributed to the development of our new business plan as an officer in charge of Corporate Planning Division, promoting M&A in global markets, and working to realize dynamic business growth. The Company believes that his experience and insight are necessary for realizing NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.
Sachiko Abe	●		●				●	●	●	Ms. Sachiko Abe has gained experience mainly in corporate divisions including compliance, human resources, and business operations. She contributed to improving productivity within the Group as President of Nittsu Tokyo Distribution Service Co., Ltd., who was in charge of shared services of NX Group companies. Since her appointment as Audit & Supervisory Board Member of Nippon Express Co., Ltd. in January 2022 and Director and Executive Officer of the Company in March 2024, she has been strengthening Group governance with an accurate and fair perspective, leveraging her insight into compliance and experience in corporate management. In promoting Group management in the future, the Company believes that her experience and insight are necessary, and thus proposes her as a candidate for Director on a continuous basis.
Yojiro Shiba Outside Independent		●		●	●					Mr. Yojiro Shiba has a wealth of experience in corporate management and broad perspectives cultivated through responding to a wide range of customer needs. Since his appointment as chairperson of the Compensation and Nomination Advisory Committee of the Company in March 2024, he has been leading discussions in compensation and nomination of officers, and succession plan as well as playing an important role in improving governance by actively expressing opinions and suggestions in the Board of Directors meetings based on his deep knowledge in corporate management and business execution. The Company proposes Mr. Shiba as a candidate for Outside Director on a continuous basis, expecting him to provide supervision and advice based on his abundant experience in and insight into corporate management on a continuous basis.
Yumiko Ito Outside Independent		●	●			●				Ms. Yumiko Ito is an attorney, has held important positions such as legal director in several companies with diverse backgrounds, and possesses extensive experience in corporate legal affairs and governance. She has been playing an important role in strengthening the monitoring function of the Board of Directors by actively expressing opinions and suggestions at the Board of Directors meetings from the perspective of enhancing global governance and risk management. The Company proposes Ms. Ito as a candidate for Outside Director on a continuous basis, expecting her to provide supervision and advice based on her advanced expertise and abundant experience in corporate legal affairs.
Tsukiko Tsukahara Outside Independent		●				●	●			Ms. Tsukiko Tsukahara has extensive knowledge and experience in the field of diversity and inclusion, including promoting women's participation in the workforce. Based on her experiences in advisory and consulting activities, and a core role in domestic and overseas diversity and inclusion organizations, she has been playing an important role in promoting sustainability management of NX Group by actively expressing opinions and suggestions at the Board of Directors meetings from the perspective of human resource development and organization development. The Company proposes Ms. Tsukahara as a candidate for Outside Director on a continuous basis, expecting her to provide supervision and advice based on her expertise and cutting-edge knowledge.

● : The mark indicates that each director has knowledge and expertise in each field. As of March 31, 2025



Skills Matrix / Reasons for Selection

Directors who are Audit and Supervisory Committee Members

Name	Areas in which the Company has Particular Expectations for its Directors									Reasons for Appointing Directors
	Corporate Management		Legal/Risk Management	Finance/Accounting	Global Business	ESG/ Sustainability	HR Strategy, Labor Management	On-site Management	Operational Experience Within the Group	
	Corporate Management Experience Within the Group	Corporate Management Experience Outside the Group								
Takashi Nakamoto	●			●				●	●	Mr. Takashi Nakamoto has gained experience in the finance and accounting departments at domestic and overseas group companies, including Nippon Express Co., Ltd., and has used his extensive knowledge to contribute to strengthening the management foundation of the entire NX Group. In January 2022, he was appointed Head of the Internal Audit Department and worked hard to strengthen the audit system, including overseas. Given his experience and track record, the Group has determined that he is qualified to audit and supervise the management of the Group and has therefore appointed him as an Audit and Supervisory Committee member.
Yoshio Aoki Outside Independent			●	●						Mr. Yoshio Aoki was appointed as an outside member of the Company's Audit and Supervisory board in January 2022 for the position of monitoring management in all aspects of the Company's business based on his extensive experience as a certified public accountant and professional knowledge of finance and accounting. As NX Group strengthens its governance functions to increase its corporate value, we expect him to perform audits and supervision based on his specialized knowledge and abundant experience, and have therefore appointed him as an outside director and Audit and Supervisory Committee Member. While Mr. Aoki has no experience in corporate management other than as an outside director, it is our judgment based on the reasons above that he will be able to perform his duties appropriately as an outside director of the Audit and Supervisory Committee Member.
Nobuko Sanui Outside Independent		●				●	●			Ms. Nobuko Sanui has experience in the formulation of international rules in the field of labor at an employers' association and formulating policy recommendations that contribute to overseas expansion of companies. She is well versed in international and labor fields, and also has experience in managing organizations. Given her experience and knowledge, she is well suited to oversee management and was appointed as an outside auditor of the Group in January 2022. As NX Group strengthens its governance functions to increase its corporate value, we expect her to perform audits and supervision based on her abundant experience and knowledge, and have therefore appointed her as an outside director and Audit and Supervisory Committee Member.
Ryuji Masuno Outside Independent		●	●			●				Mr. Ryuji Masuno is an attorney and has extensive legal knowledge. He also has extensive knowledge of the logistics industry, having held key positions in the automobile and other transport division, including the consignment transport business, the public relations division, and the international division at the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism). During his previous term as Chairman of the Japan Trucking Association, he represented the industry by promoting efforts to resolve issues facing the automobile transport industry together with the government, thereby contributing to the healthy development of the trucking business. As NX Group strengthens its governance functions to increase its corporate value, we expect him to perform audits and supervision based on his specialized knowledge and abundant experience, and have therefore appointed him as an outside director and Audit and Supervisory Committee Member.

● : The mark indicates that each director has knowledge and expertise in each field. As of March 31, 2025

11-Year Financial Summary

For 2014 to 2020, the consolidated fiscal years ended on March 31 of the following year
From 2021, the consolidated fiscal year ends on December 31 each year

* End of the fiscal year has been changed from March 31 to December 31 from FY2021. As such, consolidated results for the FY2021 reflect values of nine months from April 1, 2021 to December 31, 2021.

		Business Plan 2028	Business Plan 2023						Business Plan 2018			Business Plan 2015	
		2024 (IFRS)	2023 (IFRS)	2022 (IFRS)	2022 (JGAAP)	2021	2020	2019	2018	2017	2016	2015	2014
For the fiscal year (Millions of yen):	Revenues ^{*1}	2,577,643	2,239,017	2,618,659	2,619,746	1,763,282	2,079,195	2,080,352	2,138,501	1,995,317	1,864,301	1,909,105	1,924,929
	Revenues by reportable segment from the fiscal year ended March 31, 2011 to the fiscal year ended March 31, 2016 ^{*2}												
	Distribution & Transportation												
	Domestic Companies												
	Combined Business	-	-	-	-	-	-	-	-	-	-	736,568	742,356
	Security Transportation	-	-	-	-	-	-	-	-	-	-	53,803	55,401
	Heavy Haulage and Construction	-	-	-	-	-	-	-	-	-	-	51,395	46,886
	Air transportation	-	-	-	-	-	-	-	-	-	-	182,533	210,763
	Ocean transportation	-	-	-	-	-	-	-	-	-	-	118,205	118,836
	Overseas Companies												
	Americas	-	-	-	-	-	-	-	-	-	-	94,697	79,160
	Europe	-	-	-	-	-	-	-	-	-	-	84,579	83,609
	East Asia	-	-	-	-	-	-	-	-	-	-	115,068	101,321
	South Asia & Oceania	-	-	-	-	-	-	-	-	-	-	70,225	64,607
	Sales	-	-	-	-	-	-	-	-	-	-	367,328	420,155
	Other	-	-	-	-	-	-	-	-	-	-	173,632	143,602
	Adjustment	-	-	-	-	-	-	-	-	-	-	(138,935)	(141,773)
	Revenues by reportable segment from the consolidated year ended March 31, 2017 ^{*2}												
	Logistics												
	Japan	1,262,027	1,256,571	1,450,991	1,457,283	1,008,278	1,212,803	1,213,597	1,256,802 ^{*3}	1,188,695 ^{*3}	1,155,713	1,158,390	-
	Americas	153,068	151,291	162,080	162,080	86,650	78,141	91,068	98,699	91,396	83,831	94,697	-
	Europe	501,757	192,655	215,707	215,697	132,834	117,134	119,338	114,812	96,048	79,286	84,579	-
	East Asia	173,913	157,663	241,529	242,009	178,079	143,689	112,048	122,754	117,487	101,746	115,068	-
	South Asia & Oceania	157,655	140,840	221,886	221,854	146,838	114,738	90,112	91,874	85,382	70,343	70,225	-
	Security Transportation	68,538	67,892	68,088	68,478	51,361	69,239	72,589	72,647 ^{*3}	72,022 ^{*3}	54,781	53,803	-
	Heavy Haulage and Construction	50,068	51,111	44,542	44,542	35,806	45,877	52,358	47,751	47,602	46,985	51,395	-
	Logistics Support	420,489	425,896	421,609	414,836	267,132	447,837	471,201	483,965	443,264	403,994	410,906	-
	Adjustment	(209,874)	(204,906)	(207,775)	(207,037)	(143,699)	(150,266)	(141,962)	(150,806)	(146,582)	(132,381)	(129,962)	-
	Operating income	49,078	60,098	155,510	128,716	68,754	78,100	59,224	79,598	70,269	57,431	54,778	50,811
	Profit attributable to owners of parent	31,733	37,050	108,318	109,809	54,049	56,102	17,409	49,330	6,534	36,454	35,659	26,382
At year-end (Millions of yen):	Total capital	873,048	817,806	779,150	771,274	656,952	600,707	556,506	560,444	547,494	552,985	538,018	550,137
	Total assets	2,297,146	2,109,251	2,075,197	1,730,922	1,618,221	1,631,855	1,518,037	1,536,677	1,517,060 ^{*4}	1,521,800	1,484,953	1,453,617
	Net cash provided by operating activities	227,865	185,705	295,206	241,107	44,024	146,605	98,206	72,698	91,865	102,360	78,844	74,519
	Cash and cash equivalents at end of year	251,339	315,076	276,679	274,075	131,837	168,362	96,171	102,092	137,891	163,386	146,007	148,942
Per share ^{*5} (Yen):	Equity attributable to owners of parent ^{*6}	3,286.96	3,032.62	2,828.38	2,797.32	2,345.11	2,118.33	1,935.04	1,916.53	1,839.70	1,862.17	1,739.23	1,770.2
	Net income ^{*6}	121.47	139.53	400.78	406.30	198.4	201.6	61.69	171.71	22.69	123.77	118.7	86.23
Ratios (%):	Operating income ratio	1.9	2.7	5.9	4.9	3.9	3.8	2.8	3.7	3.5	3.1	2.9	2.6
	Ratio of equity attributable to owners of parent	37.2	37.9	36.5	43.2	39.3	35.7	35.5	35.4	34.9 ^{*4}	35.2	35.2	36.6
	ROE attributable to owners of parent	3.8	4.8	15.5	15.9	8.9	10.0	3.2	9.2	1.2	6.9	6.8	5.1

*1 Revenues do not include consumption taxes.

*2 Effective from the consolidated fiscal year ended March 31, 2011, the Company has adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008). The above listed revenues by segment do not include internal sales or money transfers between segments.

*3 In accordance with organizational reforms of the Security Transportation business, part of the Japan (Logistics) segment was reorganized as the Security Transportation segment effective from the fiscal year ended March 31, 2019. The fiscal 2017 results have been adjusted to reflect this change.

*4 Nippon Express Co., Ltd. has applied Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, issued February 16, 2018) since April 1, 2018. The total assets and equity ratio figures for fiscal ended March 31, 2018 have been retroactively adjusted to reflect this application.

*5 Ten shares of common stock were consolidated into one share effective as of October 1, 2017 and conducted a stock split of one-for-three, effective as of January 1, 2025. As such, figures for past fiscal years consider the stock consolidation and split.

*6 The Company adopted an executive compensation BIP trust as of the fiscal year ended March 31, 2017. For the purpose of calculating net assets per share, the Company's shares held by the trust are included in treasury stock, which is excluded from the number of shares of common stock at the end of the year. For the purpose of calculating basic earnings per share, the Company's shares held by the trust are included in treasury stock, which is excluded from the calculation of the weighted average number of shares of common stock during the year.



11-Year Non-financial Summary

For 2014 to 2020, the consolidated fiscal years ended on March 31 of the following year
From 2021, the consolidated fiscal year ends on December 31 each year

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Environment											
Energy consumption ^{*1} (crude oil equivalent) (kl)	312,404	313,048	312,150	317,317	328,322	347,244	351,783	366,671	370,122	373,367	381,386
Water usage ^{*2} (thousand m ³)	1,003	1,113	1,059	1,161	1,140	1,223	1,401	1,292	974	1,208	1,041
CO ₂ emissions (Scope 1, 2) (t-CO ₂)	719,101	749,417	745,500	756,861	791,382	855,452	873,029	918,388	942,363	961,431	970,994
CO ₂ emissions (Scope 1, 2, Group companies in Japan) (t-CO ₂)	595,267	641,996	649,336	661,241	675,854	726,264	761,182	809,864	851,831	869,875	876,159
CO ₂ emissions (Scope 1, 2, Group companies overseas) (t-CO ₂)	123,834	107,421	96,164	95,620	115,528	129,188	111,847	108,524	90,532	91,556	94,835
Industrial waste volume (Group companies in Japan) (Unit: ton)	32,773	33,238	37,117	37,968	38,883	39,802	36,902	35,698	33,250	39,769	35,869
Number of eco-friendly vehicles owned (Group companies in Japan) (Unit: vehicle) ^{*3}	13,014	12,811	12,726	12,426	12,076	11,972	11,300	10,176	9,166	7,922	7,393
Social^{*4}											
Number of employees	30,938	28,341	34,697	35,253	34,766	34,449	32,280	31,871	32,008	32,094	32,510
Female employee ratio (%)	22	22.2	18.9	18.4	17.6	17.3	15.1	14.2	14.0	13.6	13.0
Female hiring ratio ^{*5} (%)	52.0	48.4	45.1	47.1	40.9	33.6	34.5	33.5	32.9	31.5	30.7
Number of experienced hires	46	30	14	8	17	15	6	14	6	7	4
Number of female experienced hires	13	10	2	2	4	5	2	4	1	2	1
Percentage of females with managerial positions	2.9	2.3	2.0	1.7	1.5	1.3	1.2	1.1	1.0	-	-
Ratio of employees who return to work after childcare leave: males (%)	100	99.5	100	100	95	100	100	100	100	-	-
Ratio of employees who return to work after childcare leave: females (%)	99	99.4	97.5	97	97	96	90	97	98	-	-
Average years with the company	15.2	17.2	15.9	16.4	16.0	16.2	18.0	17.8	17.6	17.5	18.3
Employment rate of persons with disabilities ^{*6} (%)	2.47	2.34	2.33	2.30	2.28	2.29	2.23	2.12	2.08	2.06	1.96
Number of overseas employees	26,512	23,084	22,269	21,327	21,520	22,811	22,068	21,403	20,651	20,602	19,954
Number of overseas locally hired employees	26,021	22,575	21,803	20,858	21,094	22,369	21,615	20,941	20,176	20,131	19,500
Governance											
Number of Board of Directors' resolutions ^{*7} (items)	60	65	69	58	66	65	60	67	55	60	57
Directors' meetings ^{*7} (hours)	26	22	18	14	16	14	18	20	17	17	18
Occupational accidents: Accident frequency rate ^{*8}	1.60	1.85	1.99	1.83	1.42	1.98	1.94	1.59	1.17	1.13	1.78
Occupational accidents: Severity rate ^{*9}	0.14	0.16	0.03	0.03	0.02	0.09	0.03	0.10	0.10	0.10	0.19

*1 The data shown here aggregate the energy consumption by Nippon Express Co., Ltd. and its consolidated companies in Japan and overseas (equivalent to Scope 1 and 2). For natural gas, 13A city gas (heat value of 45 GJ/thousand m³) applies.

*2 The figures after FY2018 are the aggregate for NX Group companies in Japan. The figures for FY2014 to FY2017 refer to Nippon Express Co., Ltd.

*3 We revised the calculation method for vehicles that comply with the new long-term regulations and post new long-term regulations. We also revised the number of vehicles prior to FY2020. In addition to vehicles that meet the fuel efficiency standards for heavy-duty vehicles, we included vehicles that meet the fuel efficiency standards for heavy-duty vehicles at +5%, +10%, and +15%.

*4 Figures from "Number of employees" to "Employment rate of persons with disabilities" (%) refer to Nippon Express Co., Ltd., which was a business holding company until FY2021.

*5 Until FY2019, figures were calculated by including those who changed employment categories.

*6 Total for NIPPON EXPRESS HOLDINGS, INC. and Group companies with applicable certifications (calculated based on the Act on Employment Promotion etc. of Persons with Disabilities).

*7 Until FY2021, the figures include the results of the Board of Directors meetings at Nippon Express Co., Ltd., which was a business holding company until FY2021.

*8 Frequency rate is an international indicator that expresses the rate of occupational accidents.

Number of casualties per one million total working hours = Number of casualties/Total number of working hours x 1,000,000

*9 Severity rate is an international indicator that indicates the degree of injury caused by occupational accidents.

Days lost per 1,000 total working hours = Workdays lost/Total number of working hours x 1,000

External Evaluations

The principal ESG investment indices for which NX Group has been selected are as follows. (As of March 2025)

MSCI Japan ESG Select Leaders Index

Among the stocks that constitute MSCI Nihonkabu IMI indexes, stocks with high ESG ratings in each industry are selected. This index is used by the Government Pension Investment Fund for Japan (GPIF) as one of its selection guidelines for ESG investment.

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

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S&P/JPX Carbon Efficient Index

This is formulated by S&P Dow Jones Indices based on carbon emissions data provided by environmental assessment company Trucost. This uses the TOPIX stock universe, and determines the weighting of its constituent stocks with a focus on levels of environmental information disclosure and carbon efficiency (carbon emissions per unit of sales).



Morningstar Japan Co., Ltd. ex-Reit Gender Diversity Tilt Index (Excluding REIT)

Indexes are designed to make it possible to make investments focusing on companies that have strong gender diversity policies embedded in their corporate culture and ensure equal opportunities to employees, regardless of their gender.

MSCI Japan Empowering Women (WIN) Select Index

This index selects companies that it expects to attain sustainable, long-term growth by calculating a score based upon disclosed information about the ratio of women employed and in management positions, and about diversity. This index is used by the Government Pension Investment Fund for Japan (GPIF) as one of its selection guidelines for ESG investment.

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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FTSE Blossom Japan Sector Relative Index

In addition to FTSE Russell's ESG ratings, this selective ESG composite index screens using an assessment of the magnitude of a company's environmental impact and its management of climate change risk.



FTSE Blossom Japan Sector Relative Index

The various initiatives carried out by NX Group have been evaluated highly by stakeholders*1

*1 Dates here indicate the release date of the news on our website

January 5, 2024	Nippon Express ranked No.1 overall in ORICON Customer Satisfaction Survey for three consecutive years in the moving company category
June 6, 2024	Nippon Express awarded the Sales Enablement Award for the Forbes JAPAN NEW SALES OF THE YEAR 2024
June 26, 2024	Nippon Express received three awards including the Sustainable Activity Award at the 25th Logistics Environment Awards
September 11, 2024	NX Engineering Thailand was recognized as a workplace accident reduction model company
October 9, 2024	NX Group won First Prize for both the General and Women's divisions at the 39th National Forklift Operating Competition
November 1, 2024	Construction by-product circular collection system of TAISEI CORPORATION and Nippon Express awarded Prime Minister's Award at the FY2024 reduce, Reuse, and Recycle) Promotion Merit Awards
November 5, 2024	NX Group awarded Prime Minister's Award at the 56th National Truck Driver Contest
December 6, 2024	NIPPON EXPRESS (CHINA) awarded a prize in the international forwarder ranking in China
December 12, 2024	Nippon Express awarded grand prize at the Modal Shift Excellent Business Awards

Company Information/Share Information

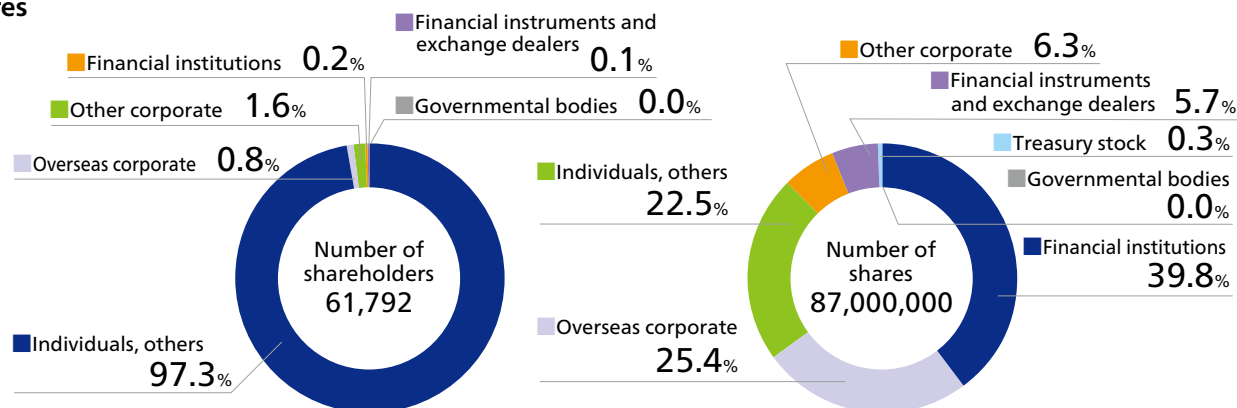
Company Information

Company name	NIPPON EXPRESS HOLDINGS, INC.
Head Office Location	Kanda-Izumicho 2, Chiyoda-ku, Tokyo, 101-0024 Japan TEL: +81-3-5801-1000 https://www.nipponexpress-holdings.com/en/
Formal establishment	January 4, 2022
Paid-in capital	¥70,175 million
Business description	Management and administration of Group companies engaged in the trucking business and peripheral operations

Share Information

Stock exchange	Tokyo
Number of shares	Total number of shares: 340,000,000 Total number of shares outstanding: 87,000,000
Number of shareholders	61,792
Administrator of shareholder registry Account managing institution of special account	Mitsubishi UFJ Trust and Banking Corporation

Distribution of Shares



*1 As trust assets for the performance-based stock compensation plan, the Company shares that are held by The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account 75,946) include 1,303 units under "financial institutions." However, shares are recorded as treasury stock in the consolidated financial statements.

*2 The "Other corporate" item contains ten units of shares in the name of Japan Securities Depository Center Inc.

*3 The "Individuals, others" item contains 2,699 units of treasury shares.

*4 We have conducted a stock split (stock split of one-for-three) on January 1, 2025, but the numbers of shares on this page are before the stock split.

Major Shareholders

Name	Shares held (Thousands of shares)	Shareholding ratio: Total shares held to total number of shares issued (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,680	14.6
Custody Bank of Japan, Ltd. (Trust Account)	6,827	7.9
Asahi Mutual Life Insurance Company	5,601	6.5
Nippon Express Employees' Shareholding Association	4,130	4.8
Sompo Japan Insurance Inc.	2,221	2.6
JP Morgan Chase & Co.	1,585	1.8
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benet Trust of Mizuho Bank, Ltd. (re-entrusted by Trust & Custody Services Bank, Ltd.)	1,450	1.7
The Nomura Trust and Banking Co., Ltd. (Trust Account)	1,276	1.5
SMBC Nikko Securities Inc.	1,204	1.4
BARCLAYS CAPITAL SECURITIES LIMITED	971	1.1

* The number of shares owned by each trust bank company is related to the trust business.

Breakdown in Shareholding Ratio by Shareholder Category

