



**We Find the Way**

Financial Results Presentation for Q2,  
Fiscal Year Ending December 31, 2021

November 12, 2021  
Nippon Express Co., Ltd.  
Investor Relations Promotion Group  
Corporate Planning Division

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# I. Financial Results for Q2, Fiscal Year Ending December 31, 2021 (Pro Forma)

# I. Fiscal Year Ending December 2021 (Pro Forma)

## Change in Fiscal Year End

As a result of the change in fiscal year-end, we will disclose our consolidated statements of income on a financial reporting basis (summary) and on a supplementary converted 12-month basis (\*estimated).

\*Forecasts 2021 have been calculated using simplified methods, including historical elimination ratios.

Figures are unaudited and for reference only.

## ■ Converted 12-Month Basis

Domestic Business: FYE December 2020 Jan-Dec (12 months), FYE December 2021 Jan-Dec (12 months), FYE December 2022 Jan-Dec (12 months)  
Overseas Business: FYE December 2020 Jan-Dec (12 months), FYE December 2021 Jan-Dec (12 months), FYE December 2022 Jan-Dec (12 months)

	2020				2021				2022			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Domestic Business	FY2020				FYE December 2021				FY2022			
Overseas Business												

## ■ Financial Results for FYE December 2021 (Jan- Sep)

\*The following represent pro forma results for the period in question.

Domestic Business: FYE December 2020 Jan-Sep (9 months), FYE December 2021 Jan-Sep (9 months)  
Overseas Business: FYE December 2020 Jan-Sep (9 months), FYE December 2021 Jan-Sep (9 months)

# I. FYE December 2021 Q2 (Pro Forma)

## A Financial Results for January-September, FYE December 2021

### Overview (Consolidated)

(100 million yen) (rounded down to 100 million yen)

Item	Current-Year Results (Jan-Sep 2021)	Prior-Year Results (Jan-Sep 2020)	Difference YoY	Difference YoY (%)
Revenues	16,781	14,797	1,984	13.4
Operating income	646	372	274	73.7
Operating income margin	3.9	2.5	—	—
Ordinary income	680	330	349	105.8
Profit attributable to owners of parent	427	241	185	77.0
Overseas sales	4,583	3,054	1,529	50.1

\*We posted ¥6.8 billion in overseas segment net income representing Jan-Mar 2021 results to retained earnings in connection with the change in fiscal year end.

# I. FYE December 2021 Q2 (Pro Forma)

## A Financial Results for April-September, FYE December 2021

### Overview (Consolidated)

(100 million yen) (rounded down to 100 million yen)

Item	Current-Year Results (Apr-Sep 2021)	Prior-Year Results (Apr-Sep 2020)	Difference YoY	Difference YoY (%)	Apr-Sep 2021 (Previous Announcement)	Difference [%]
Revenues	11,042	9,725	1,317	13.5	10,900	142 [1.3]
Operating income	363	224	138	61.8	360	3 [0.8]
Operating income margin	3.3	2.3	—	—	3.3	— [—]
Ordinary income	406	255	150	59.0	380	26 [7.0]
Profit attributable to owners of parent	306	224	81	36.2	250	56 [22.5]
Overseas sales	3,165	2,089	1,076	51.5	2,896	269 [9.3]

# I. FYE December 2021 Q2 (Pro Forma)

## B Financial Results for July-September, FYE December 2021

### Overview (Consolidated)

(100 million yen) (rounded down to 100 million yen)

Item	Current-Year Results (Jul-Sep 2021)	Prior-Year Results (Jul-Sep 2020)	Difference YoY	Difference YoY (%)
Revenues	5,591	4,965	626	12.6
Operating income	161	154	7	4.8
Operating income margin	2.9	3.1	—	—
Ordinary income	171	169	2	1.2
Profit attributable to owners of parent	154	125	29	23.3
Overseas sales	1,686	1,073	613	57.1

# I. FYE December 2021 Q2 (Pro Forma)

## C Japan and Overseas Results (not including adjustments)

(100 million yen) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jan-Sep 2021)	Prior-Year Results (Jan-Sep 2020)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	13,548	12,749	798	6.3
	Segment income	502	369	133	36.1
Overseas Total	Revenues	4,583	3,054	1,529	50.1
	Segment income	245	118	126	106.1

Overseas sales ratio

27.3%



# I. FYE December 2021 Q2 (Pro Forma)

## D Results by Reportable Segment (Jan-Sep)

(100 million yen) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jan-Sep 2021)	Prior-Year Results (Jan-Sep 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	9,805	8,561	1,244	14.5
	Segment Income	372	242	129	53.4
The Americas	Revenues	783	560	222	39.8
	Segment Income	46	(0)	47	—
Europe	Revenues	1,118	822	296	36.0
	Segment Income	44	14	30	201.7
East Asia	Revenues	1,471	884	586	66.3
	Segment Income	56	45	11	24.9
South Asia & Oceania	Revenues	1,209	786	423	53.8
	Segment Income	96	59	37	62.4
Security Transportation	Revenues	516	522	(5)	(1.1)
	Segment Income	(1)	(4)	3	—
Heavy Haulage & Construction	Revenues	333	359	(26)	(7.2)
	Segment Income	40	39	1	2.7
Logistics Support	Revenues	2,891	3,306	(414)	(12.5)
	Segment Income	92	92	(0)	(0.4)

# I. FYE December 2021 Q2 (Pro Forma)

## D Results by Reportable Segment (Apr-Sep)

(100 million yen) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Apr-Sep 2021)	Prior-Year Results (Apr-Sep 2020)	Difference YoY	Difference YoY (%)	Apr-Sep 2021 Forecast (Previous Announcement)	Difference
Japan	Revenues	6,506	5,610	895	16.0	6,411	95
	Segment Income	205	138	67	48.6	221	(15)
The Americas	Revenues	552	354	197	55.7	557	(4)
	Segment Income	34	(0)	35	—	32	2
Europe	Revenues	793	547	245	44.8	696	97
	Segment Income	32	12	19	160.6	28	4
East Asia	Revenues	1,004	618	385	62.3	895	109
	Segment Income	22	39	(17)	(42.6)	30	(7)
South Asia & Oceania	Revenues	815	567	247	43.6	748	67
	Segment Income	59	52	7	14.3	56	3
Security Transportation	Revenues	342	343	(0)	(0.2)	343	(0)
	Segment Income	1	(9)	10	—	6	(4)
Heavy Haulage & Construction	Revenues	238	250	(12)	(4.9)	254	(15)
	Segment Income	30	28	2	9.1	28	2
Logistics Support	Revenues	1,628	2,076	(447)	(21.6)	1,650	(21)
	Segment Income	40	53	(13)	(25.2)	36	4

# I. FYE December 2021 Q2 (Pro Forma)

## D Results by Reportable Segment (Jul-Sep)

(100 million yen) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jul-Sep 2021)	Prior-Year Results (Jul-Sep 2020)	Difference YoY	Difference YoY (%)
Japan	Revenues	3,240	2,877	362	12.6
	Segment Income	89	114	(24)	(21.7)
The Americas	Revenues	285	187	98	52.3
	Segment Income	14	(0)	15	—
Europe	Revenues	425	300	125	41.7
	Segment Income	15	10	5	50.1
East Asia	Revenues	544	291	253	86.7
	Segment Income	5	16	(11)	(67.5)
South Asia & Oceania	Revenues	431	294	136	46.4
	Segment Income	30	27	2	9.7
Security Transportation	Revenues	171	173	(2)	(1.4)
	Segment Income	0	(0)	1	—
Heavy Haulage & Construction	Revenues	114	119	(4)	(3.7)
	Segment Income	14	12	1	15.2
Logistics Support	Revenues	830	1,058	(227)	(21.5)
	Segment Income	22	26	(3)	(13.4)

# I. FYE December 2021 Q2 (Pro Forma)

\*Reference (Quarterly Results)

## D Reference: Performance by Segment (Apr-Jun 2021 vs. Jul-Sep 2021)

(100 million yen) (rounded down to 100 million yen)

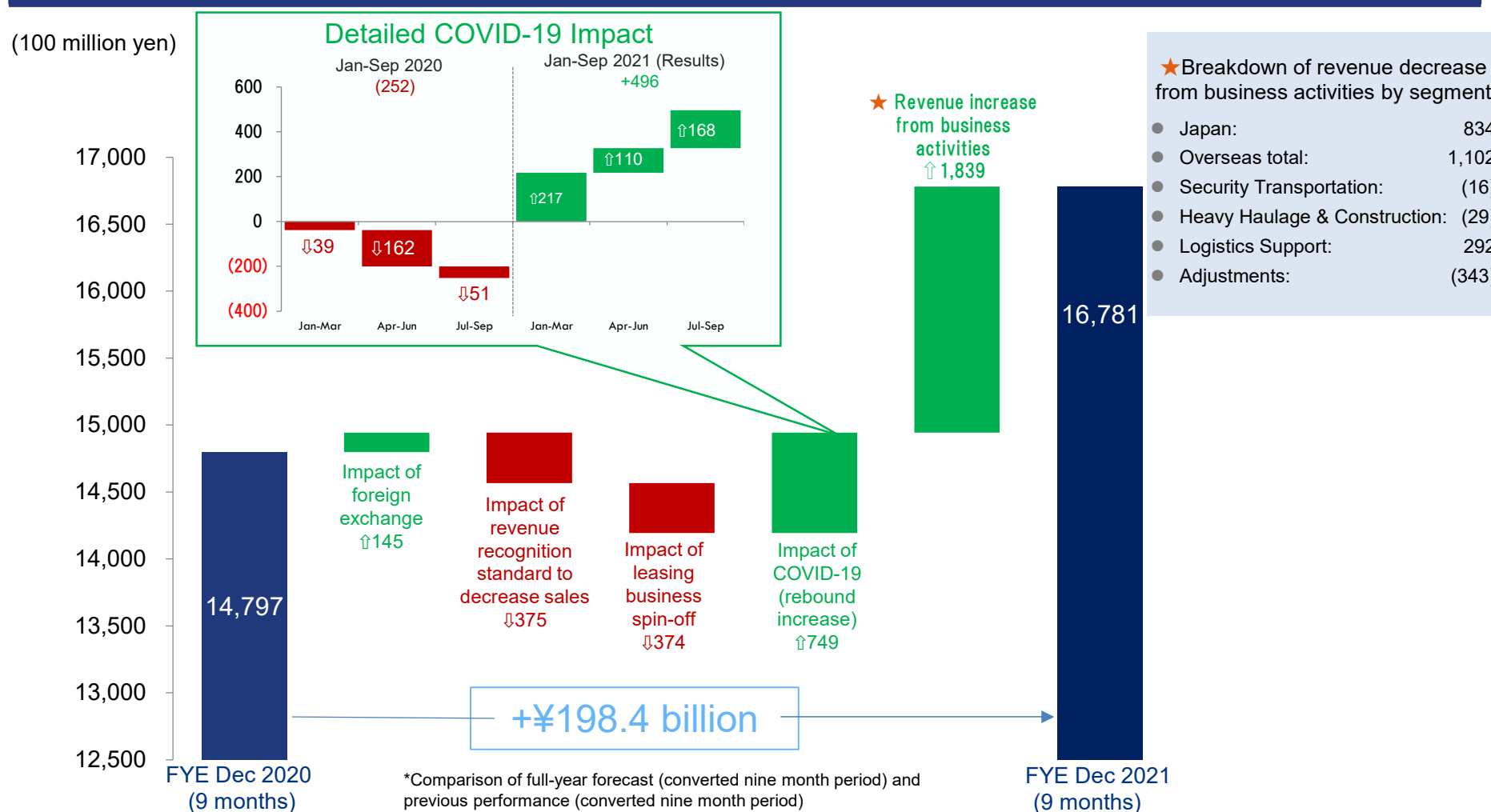
Segment	Item	Current-Year Results (Jul-Sep 2021)	Current-Year Results (Apr-Jun 2021)	Difference YoY	Difference YoY %
Japan	Revenues	3,240	3,266	(26)	(0.8)
	Segment Income	89	115	(25)	(22.4)
The Americas	Revenues	285	267	17	6.7
	Segment Income	14	19	(4)	(23.1)
Europe	Revenues	425	367	57	15.7
	Segment Income	15	17	(1)	(11.2)
East Asia	Revenues	544	459	84	18.5
	Segment Income	5	17	(12)	(68.7)
South Asia & Oceania	Revenues	431	383	47	12.3
	Segment Income	30	29	0	2.5
Security Transportation	Revenues	171	171	0	0.2
	Segment Income	0	0	(0)	(25.4)
Heavy Haulage & Construction	Revenues	114	123	(8)	(7.2)
	Segment Income	14	16	(1)	(9.4)
Logistics Support	Revenues	830	797	33	4.2
	Segment Income	22	17	4	28.2

# I. FYE December 2021 Q2 (Pro Forma)

## E Breakdown of Revenues and Operating Income

\*Domestic and overseas total for January through September compared to the same period in the previous year

### 1. Revenues

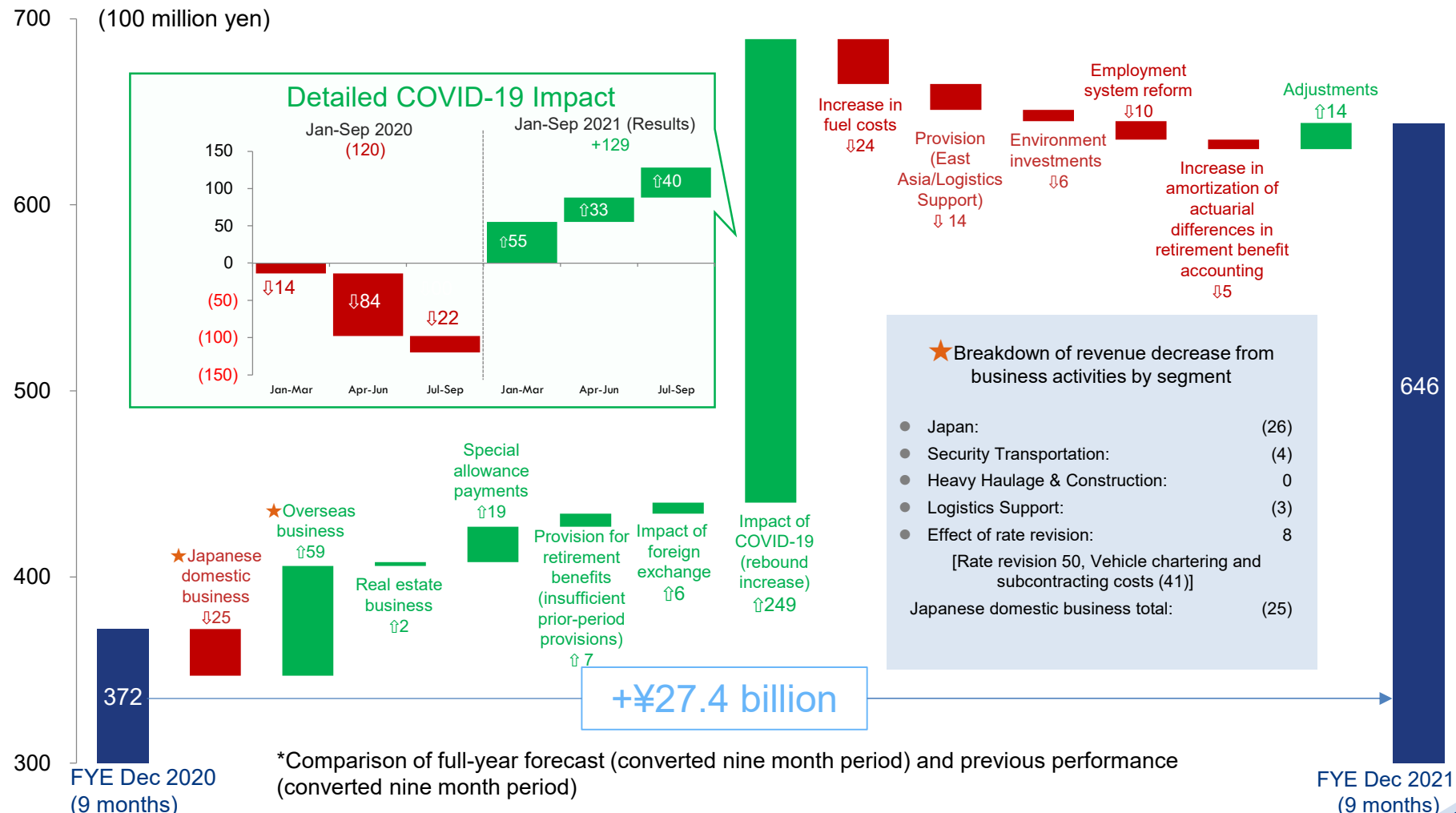


# I. FYE December 2021 Q2 (Pro Forma)

## E Breakdown of Revenues and Operating Income

\*Domestic and overseas total for January through September compared to the same period in the previous year

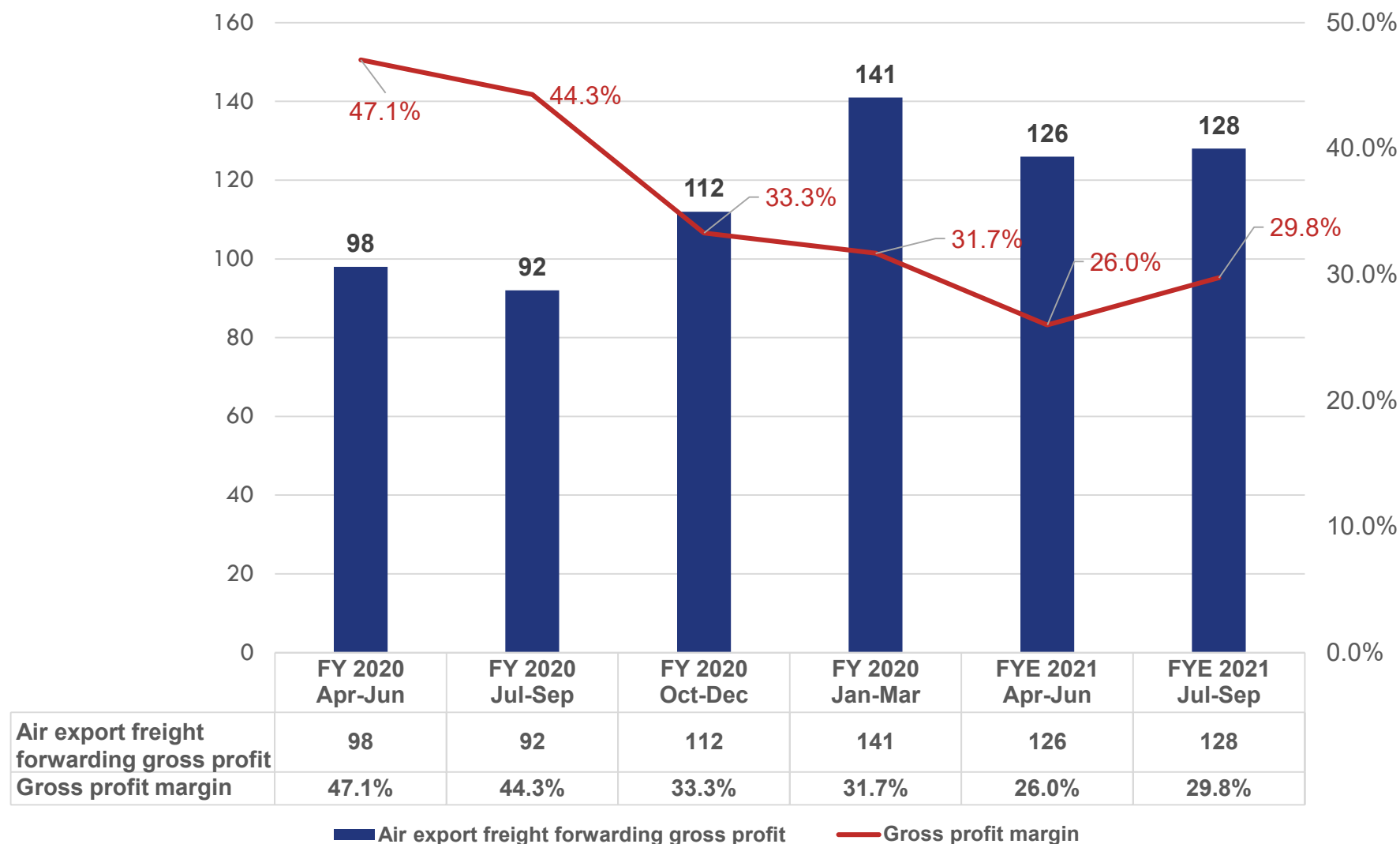
### 2. Operating income



# Reference Air Export Freight Forwarding Business Gross Profit and Gross Profit Margin by Quarter

\*Air export freight forwarding gross profit: Net sales minus air usage fees

Gross profit margin: Ratio of gross profit from air export freight forwarding to net sales from air export freight forwarding  
(100 million yen, %) (rounded down to 100 million yen)



## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)



## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### A Forecast for the FYE December 2021 (Jan-Dec 2021)

(100 million yen) (rounded down to 100 million yen)

Item	Revised Forecast (Announced November 12)	FYE Dec 2020 Results	Difference YoY	Difference YoY (%)	Previous Forecast (Announced August 13)	Difference [Difference %]
Revenues	22,538	20,522	2,016	9.8	22,238	300 [1.3]
Operating income	853	729	123	17.0	843	10 [1.2]
Operating income margin	3.8	3.6	—	—	3.8	—
Ordinary income	863	692	171	24.8	853	10 [1.2]
Profit attributable to owners of parent	571	503	67	13.4	511	60 [11.7]
Overseas sales	6,229	4,537	1,692	37.3	5,672	557

Item	FYE Dec 2021 Jan-Jun Results	FYE Dec 2021 Jul-Dec Forecast
Revenues	11,189	11,349
Operating income (Operating income margin)	484 [4.3]	368 [3.2]

\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)

\*Segment income for Jan-Mar 2021 includes ¥6.8 billion in retained earnings in connection with change in fiscal year end.

## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### A Forecast for the FYE December 2021 (Apr-Dec 2021)

(100 million yen) (rounded down to 100 million yen)

Item	Revised Forecast Apr-Dec 2021 (Announced November 12)	2020 Apr-Dec Results	Difference YoY	Difference YoY (%)	Previous Forecast (Announced August 13)	Difference
Revenues	16,800	15,450	1,349	8.7	16,500	300
Operating income	570	581	(11)	(2.0)	560	10
Operating income margin	3.4	3.8	—	—	3.4	—
Ordinary income	590	617	(27)	(4.5)	580	10
Profit attributable to owners of parent	450	486	(36)	(7.5)	390	60
Overseas sales	4,812	3,572	1,239	34.7	4,255	557

## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### B Japan and Overseas Results Forecast (not including adjustments)

(100 million yen) (rounded down to 100 million yen)

Segment	Item	Current-Year Results (Jan-Dec 2021)	Prior-Year Results (Jan-Dec 2020)	Difference YoY	Difference YoY (%)
Japan Total	Revenues	18,021	17,393	627	3.6
	Segment Income	678	632	45	7.2
Overseas Total	Revenues	6,229	4,537	1,692	37.3
	Segment Income	319	222	97	43.9

Overseas sales ratio

27.6%

## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### C Forecasts by Reportable Segment

(100 million yen) (rounded down to 100 million yen)

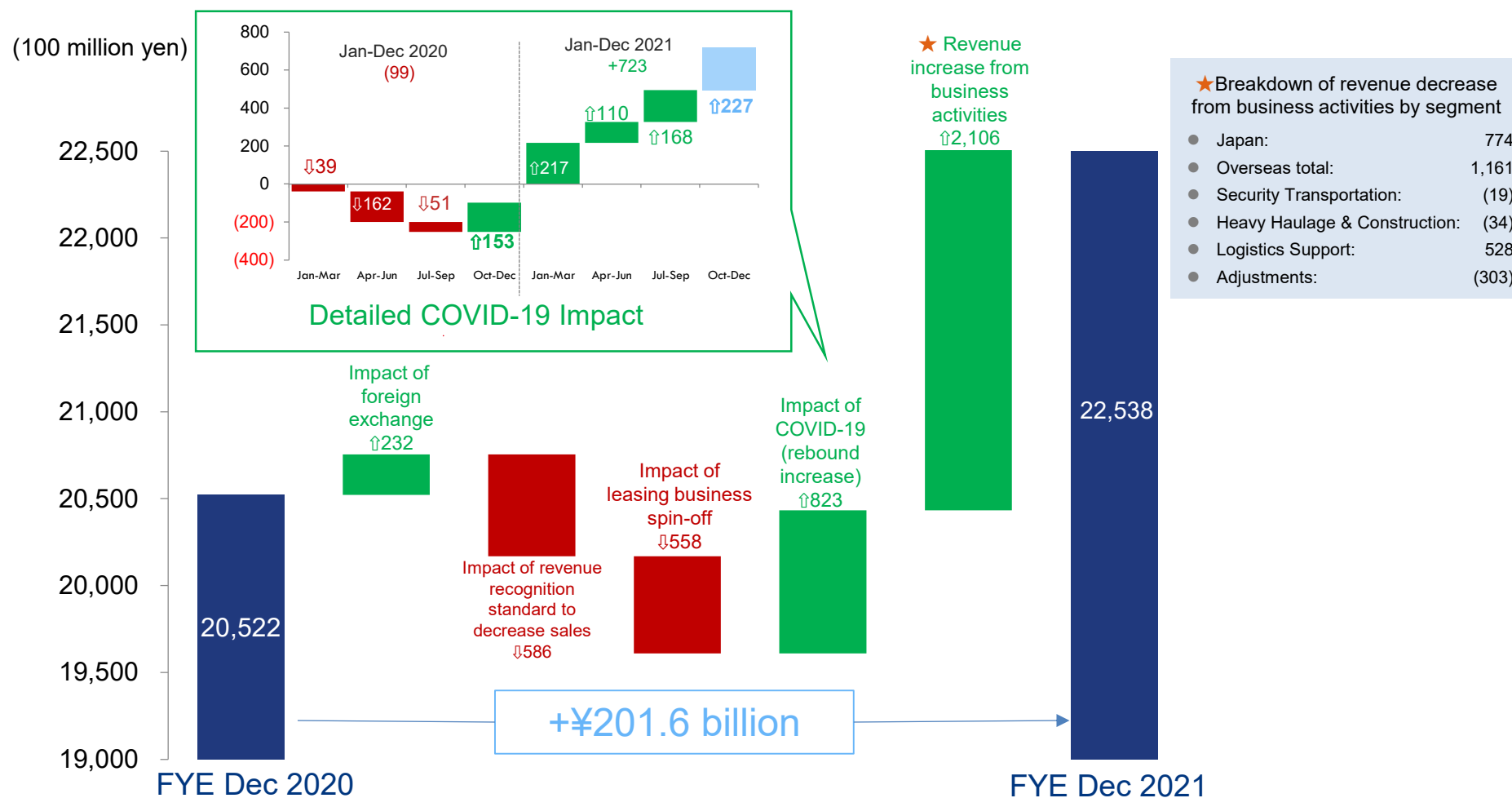
Segment	Item	1H Results (Jan-Jun)	2H Forecast (Jul-Dec)			Full-Year Forecast (Jan- Dec)				
			FYE Dec 2021 Revised Forecast	FYE Dec 2020 Prior-Year Results	Difference	FYE Dec 2021 Revised Forecast	FYE Dec 2020 Prior-Year Results	Difference	FYE Dec 2021 Previous Forecast	Difference
Japan	Revenues	6,565	6,453	6,095	358	13,019	11,779	1,240	13,003	16
	Segment Income	282	231	329	(98)	513	457	56	542	(29)
The Americas	Revenues	497	598	408	190	1,096	781	315	1,073	23
	Segment Income	32	35	5	30	67	4	62	54	13
Europe	Revenues	693	766	649	117	1,459	1,171	288	1,370	89
	Segment Income	29	26	29	(2)	56	34	22	56	0
East Asia	Revenues	926	1,122	843	278	2,048	1,436	611	1,769	279
	Segment Income	50	21	56	(34)	72	84	(12)	76	(4)
South Asia & Oceania	Revenues	778	846	655	190	1,624	1,147	477	1,458	166
	Segment Income	66	56	66	(10)	122	98	24	110	12
Security Transportation	Revenues	345	343	348	(4)	689	697	(7)	689	0
	Segment Income	(2)	3	2	0	0	(1)	2	4	(4)
Heavy Haulage & Construction	Revenues	219	226	231	(5)	445	472	(27)	465	(20)
	Segment Income	25	26	26	(0)	52	53	(0)	52	0
Logistics Support	Revenues	2,060	1,806	2,197	(390)	3,867	4,444	(577)	3,825	42
	Segment Income	69	41	56	(15)	110	123	(12)	110	0

## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### D Breakdown of Revenues and Operating Income

\*Domestic and overseas total for January through December compared to the same period in the previous year

#### 1) Revenues



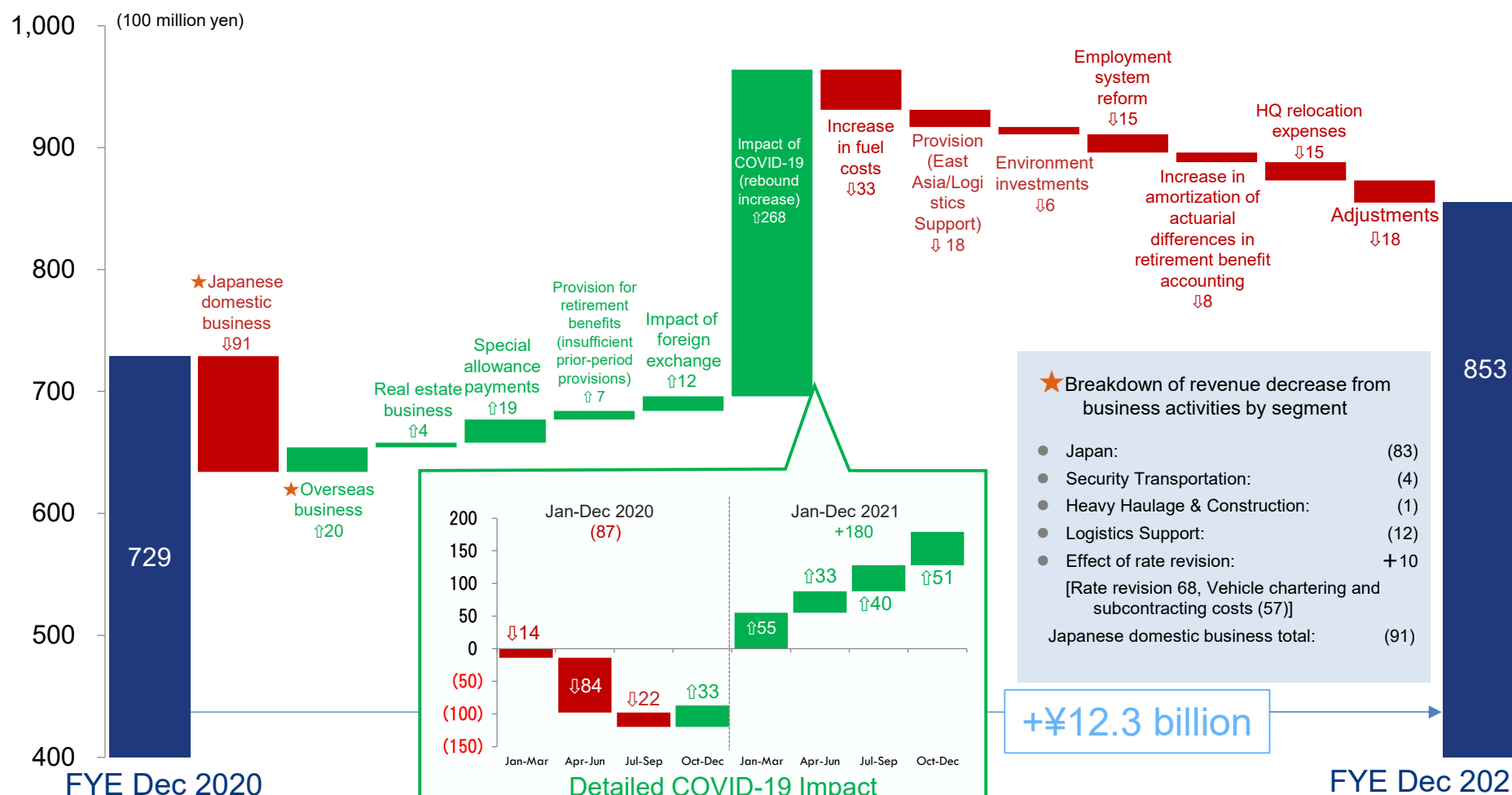
\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)

## II. Financial Results Forecast for Fiscal Year Ending December 31, 2021 (Pro Forma)

### D Breakdown of Revenues and Operating Income

\*Domestic and overseas total for January through December compared to the same period in the previous year

#### 2) Operating income



\*Comparison of full-year forecast (converted 12-month period) and previous performance (converted 12-month period)

## II. -E Segment Overview, Fiscal Year Ending December 31, 2021

### 1. Japan Segment

(100 million yen)

#### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	3,240	2,877	362	12.6
Operating income	89	114	(24)	(21.7)
Operating income margin	2.8	4.0	—	—

#### July-September Highlights

Cargo movement in the railway utilization and motor transportation businesses remained sluggish due to the impact of prolonged state of emergency declarations. The railway utilization business recorded revenues that were significantly lower due to the impact of torrential rains in August and a decrease in production in the automotive industry in September. The motor transportation business saw lower-than-usual yields in agricultural products and weaknesses in beverages. On the other hand, cargo demand exceeded the pace of the previous year in the air export freight forwarding business, mainly for automobile-related, electrical and electronics-related, and semiconductor-related products. The supply-demand balance for both air and ocean export freight forwarding was tight, with continued high freight rates, resulting in substantial revenue and profit growth. However, profit decreased due to slow recovery in our domestic business and the impact of soaring fuel costs.

#### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	3,299	3,266	6,565	3,240	3,213	6,453	13,019
Operating income	166	115	282	89	141	231	513
Operating income margin	5.1	3.5	4.3	2.8	4.4	3.6	3.9
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	2,950	2,733	5,683	2,877	3,217	6,095	11,779
Operating income	104	23	128	114	214	329	457
Operating income margin	3.5	0.9	2.3	4.0	6.7	5.4	3.9
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	348	532	881	362	(4)	358	1,240
	11.8	19.5	15.5	12.6	(0.1)	5.9	10.5
Operating income	62	92	154	(24)	(73)	(98)	56
	59.7	390.0	120.5	(21.7)	(34.1)	(29.8)	12.3

#### Special Factor

- Impact of fuel unit cost: [operating income] (20) [9 months], (28) [year]
- Cost increase associated with employee system reform: [operating income] (9) [9 months], (14) [year]
- Impact of COVID-19: [revenues] +421 [9 months], +466 [year]  
[operating income] +165 [9 months], +176 [year]
- Provision for retirement benefits: [operating income] +7 [Apr-Jun, year]
- Impact of special allowance payments: [operating income] +15 [Apr-Jun, year]
- Environment investments: [operating income] (6) [9 months], (6) [year]
- Real estate business: [operating income] +2 [9 months], +4 [year]
- HQ relocation expenses: [operating income] (15) [year]
- Impact of revenue recognition standard: [revenues] (11) [9 months], (0) [year]
- Impact due to actuarial differences in retirement benefits: [operating income] (4) [9 months], (6) [year]

#### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	13,019	13,003	16
Operating income	513	542	(29)
	3.9	4.2	—

#### Forecast for October-December 2021

High unit freight rates are expected to continue, and it is likely to take some time for ocean cargo transportation business to normalize. The air export freight forwarding business should continue to enjoy strong demand throughout the Christmas shopping season. We expect our domestic business, including railway and automobiles, to remain sluggish, falling below levels of the previous year, even after the domestic business is lifted. We forecast revenues to be on par with the previous year, while we project operating income to decrease due to the impact of soaring fuel prices and a negative rebound in response to spot business performance in the previous year.

# II. -E Segment Overview, Fiscal Year Ending December 31, 2021

## 2. The Americas Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	285	187	98	52.3
Operating income	14	(0)	15	—
Operating income margin	5.2	(0.1)	—	—

### July-September Highlights

The air transportation business saw growth in both imports and exports of automobile-related volume. The ocean cargo transportation business also saw an increase in volume. Revenues increased due to an increase in demand for forwarding to various locations in the US stemming from port congestion on the US West Coast. Warehousing and distribution processing saw increased volume for the garment-related business, launched in the previous quarter, as well as a contribution of volume from MDL, which we acquired in the previous year. While strong in the previous quarter, perishable food volume slowed. However, revenues increased and profit rose.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	230	267	497	285	313	598	1,096
Operating income	12	19	32	14	20	35	67
Operating income margin	5.4	7.3	6.4	5.2	6.6	5.9	6.2
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	205	167	373	187	221	408	781
Operating income	(0)	(0)	(0)	(0)	5	5	4
Operating income margin	(0.0)	(0.2)	(0.1)	(0.1)	2.5	1.3	0.6
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	25	99	124	98	92	190	315
	12.2	59.5	33.4	52.3	41.8	46.7	40.3
Operating income	12	19	32	15	15	30	62
	—	—	—	—	273.3	566.8	—

### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +4 [9 months], +18 [year]  
[operating income] +0 [9 months], +0 [year]
- Impact of COVID-19:  
[revenues] +48 [9 months], +62 [year]  
[operating income] +19 [9 months], +24 [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,096	1,073	23
Operating income	67	54	13
	6.2	5.1	—

### Forecast for October-December 2021

We expect volume to increase during the Christmas shopping season. Unit freight rates for air and ocean export freight forwarding should remain at high levels, while we expect revenues and profits to increase year on year due to the impact of higher sales from apparel-related warehousing and distribution business, which began in the second quarter.



## II. -E Segment Overview, Fiscal Year Ending December 31, 2021

### 3. Europe Segment

(100 million yen)

#### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	425	300	125	41.7
Operating income	15	10	5	50.1
Operating income margin	3.5	3.4	—	—

#### July-September Highlights

The air forwarding business saw firm exports for automobile-related and electronic components. Volume for fashion-related products from Italy to the U.S. continued from the previous quarter, resulting in a significant increase in revenue compared with the previous year. Operating income increased, due in part to the impact of cost reduction measures implemented and ongoing since last year.

#### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	325	367	693	425	340	766	1,459
Operating income	12	17	29	15	11	26	56
Operating income margin	4.0	4.6	4.3	3.5	3.5	3.5	3.9
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	274	247	522	300	348	649	1,171
Operating income	2	2	4	10	19	29	34
Operating income margin	0.9	0.9	0.9	3.4	5.5	4.5	2.9
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	50	119	170	125	(8)	117	288
	18.6	48.4	32.7	41.7	(2.3)	18.0	24.6
Operating income	10	14	25	5	(7)	(2)	22
	397.0	652.7	516.1	50.1	(37.8)	(7.5)	67.0

#### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +58 [9 months], +75 [year]  
[operating income] +1 [9 months], +2 [year]
- Impact of COVID-19:  
[revenues] +131 [9 months], +150 [year]  
[operating income] +41 [9 months], +46 [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

#### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,459	1,370	89
Operating income	56	56	0
	3.9	4.1	—

#### Forecast for October-December 2021

We expect air forwarding revenue to be level with the same period in the previous year owing to steady volume in automobile- and fashion-related cargo. We project operating income to decrease due to the impact of a negative rebound in response to spot import performance last year.

## II. -E Segment Overview, Fiscal Year Ending December 31, 2021

### 4. East Asia Segment

(100 million yen)

#### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	544	291	253	86.7
Operating income	5	16	(11)	(67.5)
Operating income margin	1.0	5.8	—	—

#### July-September Highlights

Air forwarding experienced firm cargo movement for automobile-, medical-, and electronics component-related goods. Ocean forwarding saw rising freight rates due to the shortage of containers, resulting in a significant year-on-year increase in revenues for both air and ocean forwarding. Operating income decreased due to higher expenses stemming from by soaring usage fees and allowance for doubtful accounts related to the handling of ocean cargo in China.

#### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	466	459	926	544	577	1,122	2,048
Operating income	33	17	50	5	16	21	72
Operating income margin	7.1	3.8	5.5	1.0	2.8	1.9	3.5

Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	265	327	592	291	552	843	1,436
Operating income	5	23	28	16	39	56	84
Operating income margin	1.9	7.1	4.8	5.8	7.1	6.7	5.9

Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	200	132	333	253	25	278	611
	75.6	40.6	56.3	86.7	4.5	33.0	42.6
Operating income	28	(5)	22	(11)	(23)	(34)	(12)
	560.8	(24.5)	80.0	(67.5)	(59.3)	(61.8)	(14.4)

#### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +59 [9 months], +103 [year]  
[operating income] +3 [9 months], +6 [year]
- Impact of COVID-19:  
[revenues] +18 [9 months], +32 [year]  
[operating income] (8) [9 months], (7) [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]
- Allowance for doubtful accounts:  
[operating income] (12) [9 months], (12) [year]

#### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	2,048	1,769	279
Operating income	72	76	(4)
	3.5	4.3	—

#### Forecast for October-December 2021

We forecast higher revenues and lower profits. Although volume in the ocean forwarding business should be strong, we expect to see the impact of a negative rebound related to air export freight forwarding from the previous year's Christmas shopping season. At the same time, cost reduction measures implemented last year will have run their course.

## II. -E Segment Overview, Fiscal Year Ending December 31, 2021

### 5. South Asia & Oceania Segment

(100 million yen)

#### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	431	294	136	46.4
Operating income	30	27	2	9.7
Operating income margin	7.0	9.4	—	—

#### July-September Highlights

Both air and ocean forwarding remained firm, and revenues increased substantially year on year. In Malaysia and the Philippines, unit purchase prices in the air export freight forwarding business rose. The supply chain in Vietnam experienced disruptions due to the lockdown in Ho Chi Minh City, and we continued to see emergency air cargo transportation for automobile-related volume. Revenues increased and operating income rose.

#### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	394	383	778	431	414	846	1,624
Operating income	36	29	66	30	26	56	122
Operating income margin	9.4	7.7	8.5	7.0	6.3	6.7	7.6
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	218	273	492	294	360	655	1,147
Operating income	7	24	31	27	39	66	98
Operating income margin	3.3	9.1	6.5	9.4	10.8	10.2	8.6
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	175	110	286	136	53	190	477
	80.4	40.5	58.2	46.4	15.0	29.1	41.6
Operating income	29	4	34	2	(13)	(10)	24
	412.0	19.6	108.1	9.7	(33.5)	(15.6)	24.4

#### Special Factor

- Impact of foreign exchange (weaker yen):  
[revenues] +23 [9 months], +34 [year]  
[operating income] +1 [9 months], +2 [year]
- Impact of COVID-19:  
[revenues] +82 [9 months], +52 [year]  
[operating income] +19 [9 months], +14 [year]
- Special allowance payments:  
[operating income] +0 [Apr-Jun, year]

#### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	1,624	1,458	166
Operating income	122	110	12
	7.6	7.6	—

#### Forecast for October-December 2021

In the run-up to the Christmas shopping season, both air and ocean export freight forwarding demand should be strong. However, we expect sales unit prices to remain in a downward trend at the same time that purchase unit prices in the air export freight forwarding business rise. Accordingly, we project increases in revenues and profits.

# II. -E Segment Overview, Fiscal Year Ending December 31, 2021

## 6. Security Transportation Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020			July-September Highlights
		FYE Dec 2020	Difference	Difference (%)	
Revenues	171	173	(2)	(1.4)	Our cash collection business, which was affected significantly by the spread of COVID-19 last year, recovered for another consecutive quarter. Despite the acquisition of new business center operations and revised fees, revenues were slightly lower due to the significant impact of fewer scheduled flights among certain customers. Operating income increased due to impairment losses recorded in the previous fiscal year.
Operating income	0	(0)	1	—	
Operating income margin	0.3	(0.6)	—	—	

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021							Special Factor
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast	
Revenues	174	171	345	171	172	343	689	<div>• Impact of fuel unit cost: [operating income] (3) [9 months], (4) [year]</div> <div>• Cost increase associated with employee system reform: [operating income] (0) [9 months], (0) [year]</div> <div>• Impact of COVID-19: [revenues] +10 [9 months], +11 [year] [operating income] +6 [9 months], +7 [year]</div> <div>• Impact of special allowance payments: [operating income] +2 [Apr-Jun, year]</div> <div>• Impact due to actuarial differences in retirement benefits: [operating income] (1) [9 months], (1) [year]</div>
Operating income	(3)	0	(2)	0	2	3	0	
Operating income margin	(1.7)	0.4	(0.7)	0.3	1.6	1.0	0.1	
Item	FYE Dec 2020 Results							
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY	
Revenues	179	169	348	173	174	348	697	
Operating income	4	(8)	(3)	(0)	3	2	(1)	
Operating income margin	2.5	(4.9)	(1.1)	(0.6)	1.9	0.7	(0.2)	
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))							
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY	
Revenues	(5)	1	(3)	(2)	(2)	(4)	(7)	
	(2.8)	1.1	(0.9)	(1.4)	(1.3)	(1.4)	(1.1)	
Operating income	(7)	9	1	1	(0)	0	2	
	(169.0)	—	—	—	(16.2)	43.8	—	

### 3 Forecast Change

Item	Full-Year Financial Results Forecast			Forecast for October-December 2021
	Revised Forecast	Previous Forecast	Difference	
Revenues	689	689	0	Despite the acquisition of new business and fee revisions for various services, we expect revenues to decrease slightly due to a negative rebound from the CSD replacement work performed last year. We also project operating income to remain flat year on year.
Operating income	0	4	(4)	
	0.1	0.7	—	

## II. -E Segment Overview, Fiscal Year Ending December 31, 2021

### 7. Heavy Haulage & Construction Segment

(100 million yen)

#### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	114	119	(4)	(3.7)
Operating income	14	12	1	15.2
Operating income margin	12.7	10.7	—	—

#### July-September Highlights

Although wind power-related performed well, we saw a decrease in volume for plant maintenance and plant construction due to a negative rebound in connection with large-scale projects last year. As a result, we recorded lower revenues and profits. Operating income rose due to the acquisition of follow-on construction work.

#### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	95	123	219	114	111	226	445
Operating income	9	16	25	14	12	26	52
Operating income margin	10.2	13.1	11.8	12.7	11.0	11.9	11.8
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	109	131	240	119	112	231	472
Operating income	11	15	26	12	14	26	53
Operating income margin	10.3	11.8	11.1	10.7	12.6	11.6	11.4
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	(13)	(7)	(21)	(4)	(1)	(5)	(27)
	(12.7)	(6.0)	(9.0)	(3.7)	(1.0)	(2.4)	(5.8)
Operating income	(1)	0	(0)	1	(2)	(0)	(0)
	(13.4)	4.1	(3.3)	15.2	(14.0)	(0.3)	(1.8)

#### Special Factor

- Impact of fuel unit cost:  
[operating income] (0) [9 months], (0) [year]
- Cost increase associated with the employee system reform:  
[operating income] (0) [9 months], (0) [year]
- Impact of COVID-19:  
[revenues] +3 [9 months], +7 [year]  
[operating income] +0 [9 months], +1 [year]
- Impact of special allowance payments:  
[operating income] +0 [Apr-Jun, year]
- Impact due to actuarial differences in retirement benefits:  
[operating income] (0) [9 months], (0) [year]

#### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	445	465	(20)
Operating income	52	52	0
	11.8	11.3	—

#### Forecast for October-December 2021

While we forecast firm volume for wind power-related business, plant maintenance and substation work are likely to be weak. Therefore, we project revenues and operating income to be level year on year.

# II. -E Segment Overview, Fiscal Year Ending December 31, 2021

## 8. Logistics Support Segment

(100 million yen)

### 1 Quarterly Results

Item	FYE Dec 2021 Jul-Sep Results	Vs. FYE Dec 2020		
		FYE Dec 2020	Difference	Difference (%)
Revenues	830	1,058	(227)	(21.5)
Operating income	22	26	(3)	(13.4)
Operating income margin	2.7	2.5	—	—

July-September Highlights
Revenues declined due to the spin-off of our leasing business and a change in revenue recognition standards. LS business volume continued to increase following the first quarter in a positive rebound from performance in the previous year. Unit selling price increases in our petroleum gas sales business also combined for higher revenues year on year. Operating income decreased due to the impact of the spin-off of the leasing business and the posting of a provision against expected losses in our trading (trade brokering) business.

### 2 Quarterly Results and Forecast

Item	Results and Forecast for FYE Dec 2021						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H Forecast	Full-Year Forecast
Revenues	1,263	797	2,060	830	975	1,806	3,867
Operating income	51	17	69	22	18	41	110
Operating income margin	4.1	2.2	3.4	2.7	1.9	2.3	2.9
Item	FYE Dec 2020 Results						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	1,229	1,017	2,247	1,058	1,138	2,197	4,444
Operating income	38	27	66	26	30	56	123
Operating income margin	3.1	2.7	2.9	2.5	2.7	2.6	2.8
Item	Comparison with FYE Dec 2020 (Upper: Difference / Lower: Difference (%))						
	Jan-Mar	Apr-Jun	1H	Jul-Sep	Oct-Dec	2H	FY
Revenues	33	(219)	(186)	(227)	(162)	(390)	(577)
	2.7	(21.6)	(8.3)	(21.5)	(14.3)	(17.8)	(13.0)
Operating income	13	(10)	3	(3)	(12)	(15)	(12)
	34.2	(36.3)	4.7	(13.4)	(39.4)	(27.5)	(10.2)

Special Factor
<ul style="list-style-type: none"> <li>Cost increase associated with the employee system reform: [operating income] (0) [9 months], (0) [year]</li> <li>Impact of COVID-19: [revenues] +31 [9 months], +39 [year] [operating income] +3 [9 months], +4 [year]</li> <li>Impact of special allowance payments: [operating income] +1 [Apr-Jun, year]</li> <li>Impact of Revenue Recognition Standard: [revenues] (363) [9 months], (586) [year]</li> <li>Impact of the spin-off of the Nittsu Shoji leasing business: [revenues] (374) [9 months], (558) [year]</li> <li>Provision: [operating income] (2) [9 months], (5) [year]</li> </ul>

### 3 Forecast Change

Item	Full-Year Financial Results Forecast		
	Revised Forecast	Previous Forecast	Difference
Revenues	3,867	3,825	42
Operating income	110	110	0
	2.9	2.9	—

Forecast for October-December 2021
We forecast a significant decrease in revenues due to the spin-off of our leasing business and lower revenues due to the impact of revenue recognition standards. In addition to the increase in unit sales prices in our petroleum division, we expect our LS business, logistics equipment, and distribution products to experience a positive rebound due to the impact of COVID-19 in the previous year. However, we forecast lower operating income stemming from the significant impact of the spin-off of our leasing business.

### III. Challenges of the Business Plan (Progress)

# III. Challenges of the Business Plan

## A Nippon Express Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses

Item Revenues	Domestic *1					Overseas				
	2021 Jan-Sep Results	2020 Jan-Sep Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)	2021 Jan-Sep Results	2020 Jan-Sep Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)
Electric and Electronics Industry	¥81.7 billion	¥67.0 billion	22%	¥97.0 billion	84%	¥121.4 billion	¥81.7 billion	49%	¥137.5 billion	88%
Automotive Industry	¥62.4 billion	¥43.0 billion	45%	¥74.0 billion	84%	¥73.1 billion	¥46.6 billion	57%	¥85.0 billion	86%
Apparel Industry	¥11.7 billion	¥11.7 billion	(1%)	¥16.5 billion	71%	¥53.0 billion	¥37.2 billion	42%	¥55.0 billion	96%
Pharmaceutical/Medical Industry	¥11.7 billion	¥10.8 billion	9%	¥15.0 billion	78%	¥16.5 billion	¥9.0 billion	84%	¥18.5 billion	89%
Semiconductor-Related Industries	¥19.6 billion	¥13.9 billion	41%	¥21.5 billion	91%	¥10.6 billion	¥6.6 billion	61%	¥11.0 billion	96%

Item	2021 Jan-Sep Results	2020 Jan-Sep Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)	FYE March 2022 Business Plan Interim Goals
Ocean forwarding business*2	550,000 TEU	480,000 TEU	16%	860,000 TEU	64%	1,000,000 TEU
Expand air forwarding business*2	700,000 t	490,000 t	44%	865,000 t	81%	1,200,000 t

Item Revenues	2021 Jan-Sep Results	2020 Jan-Sep Results	Difference (%)	2021 Jan-Dec Forecast	Progress (%)
Non-Japanese Customer Accounts (GAM・GTA*3)	¥48.3 billion	¥29.1 billion	66%	¥44.0 billion	110%

\*1 Japan results, KPI figures are for non-consolidated Nippon Express. \*2 Results, differences (%) rounded to the nearest whole number

\*3 GAM is an abbreviation for global account management. GTA is an abbreviation for global target accounts.



### III. Challenges of the Business Plan (Non-Consolidated)

#### **B** Sales by Business: Q2, FYE December 2021 (Apr-Sep, Cumulative)

(Millions of yen, %)

	Results	Difference		Difference (%)	
		Vs. FYE 2020	Vs. FYE 2019	Vs. FYE 2020	Vs. FYE 2019
Railway utilization business	32,732	(694)	(6,000)	(2.1)	(15.5)
Small-lot shipment business	20,081	(92)	(2,189)	(0.5)	(9.8)
Chartered Truck business	89,251	777	(6,115)	0.9	(6.4)
Marine transportation business	64,890	22,068	16,048	51.5	32.9
Harbor transportation business	33,990	4,083	(1,085)	13.7	(3.1)
Air transportation business	139,399	53,460	50,002	62.2	55.9
Warehousing and storage business	71,685	2,181	2,360	3.1	3.4
In-factory business	28,045	2,979	3,680	11.9	15.1
Moving and relocation business	24,848	2,868	(6,767)	13.0	(21.4)
Other	101,262	(1,986)	(6,035)	(1.9)	(5.6)
<b>Total</b>	<b>606,187</b>	<b>85,643</b>	<b>43,898</b>	<b>16.5</b>	<b>7.8</b>

#### Domestic Business

- In the first quarter, we saw a positive rebound from the impact of COVID-19. In the second quarter onward, however, recovery has been slow and lacking in strength. Results were lower than the pre-COVID-19 period of FYE 2019, with the exception of international logistics, warehousing and storage, and in-factory businesses.

#### Railway Utilization Business

- Through the first quarter, the business was on a recovery track from the impact of COVID-19 in the previous year. However, in the second quarter, torrential rains and the impact of automobile industry production cutbacks due to semiconductor shortages resulted in lower revenues.

#### Small-Lot Shipment Business

- Revenues were trending toward a recovery through the first quarter. From the second quarter onward, revenues declined due to a decrease in volume for electronics- and food-related products.

#### Chartered Truck Business

- Revenues increased due to growth in volume for steel- and beverage-related transport, despite the impact of a decrease in harvests of agricultural products due to unseasonable weather.

#### Warehousing and Storage Business

- Storage volume increased due to the start of new storage operations, resulting in an increase in revenue.

#### In-Factory Business

- In addition to volume for new e-commerce-related transport, revenues increased due to a recovery in steel industry production, which had been depressed in the previous year.

#### Moving and Relocation Business

- In general, the moving and relocation business remained sluggish. The international moving service saw a decrease in the number of contracts, but an increase in unit sales prices due to soaring ocean freight rates resulted in an increase in revenue.

#### International Logistics

- Volume for both imports and exports increased. Revenues increased due to the continued high level of freight rates.

# III. Challenges of the Business Plan

## B Strategy to Enhance Domestic Businesses in Japan

### Major Initiatives

#### I. Improve Profits

- ◆ Pursued daily cost controls, continuing to leverage company strengths to the fullest and reduce outsourcing cost ratios

- Revenues increased for the cumulative second quarter of the fiscal year ending December 31, 2021 (+16.5% year on year);, outsourcing cost ratio decreased 3.2 points
- Improved utilization rate of company-owned vehicles (+2.3 points year on year) through ongoing implementation of vehicle matching to maximize the use of daily workforce
- Continued to maintain cost controls and increased profit throughout the volume recovery phase

#### II. Improve Productivity

- ◆ Raise overall level of warehouse operations

- Improved the level of operations at 435 locations
- Implemented Logistics Boot Camp, a core human resources development program, to promote productivity improvement in warehouse operations
- Continued to introduce labor-saving measures and automating operations
- Established the Logistics Division in October 2021

- ◆ Automate, streamline office work

- Continued to streamline work site tasks via RPA
- Generated 29,731 hours in 183 operations as of the end of September 2021; expanded the number of hours generated at an accelerated rate through the horizontal deployment of programs created
- Train 666 employees (tentative) via e-learning and add/strengthen leaders by December 2021

#### III. Deepen Integration of Land, Sea, and Air

- ◆ Pursue cross-mode sales

- Pursuing top-line growth by expanding transactions with existing customers through delving deeper into sales across land, sea, and air modes.

#### IV. Strengthen Network Transportation Products

- ◆ Increased sales of Protect BOX

- Refreshed the Protect BOX business in April 2021  
Cumulative Q2 sales: 10,073 units (+80.6% YoY)

- ◆ Increased sales of domestic air and railroad containers

- Volume of Sea&Rail Hokkaido Route, a decarbonized and BCP-compliant long-distance transportation product, rose +11.3% year on year
- Began selling Sea & Rail Kyushu Route as a new service in August 2021.

- ◆ Structural Reform of the Moving & Relocation Business

- Established moving and relocation control centers (64 locations)
- Made full use of remote quotation system (Remomi) (+481.5% year on year)
- Usage of Remomi in preliminary estimates: +14.3 points vs. year on year

- ◆ Strengthen and Pursue Arrow Delivery Business

- Improved profitability by optimizing and streamlining operations, improving load factors, reducing outsourcing costs, etc.

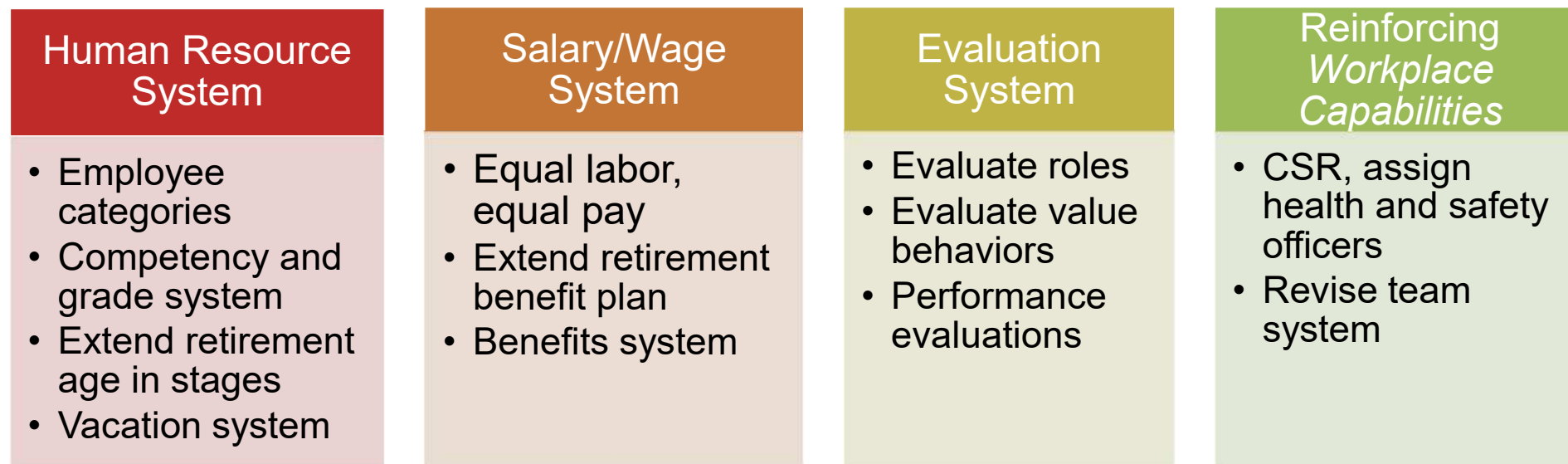
- ◆ Launched new service: One-Stop Navi

- Service that allows cross-organizational comparison of our various transportation modes from various perspectives, including CO2 emissions, lead time, and freight rates (application that allows search by origin and destination)
- Received certification from SGS Japan (international certification company) verifying our method for calculating CO<sub>2</sub> emissions

**Engage in Concentrated Pursuit of Building a More Robust Business in Japan**

# III. Challenges of the Business Plan

## C Progress in FYE December 2021 Back Office Cost Reductions (as of September 30, 2021)



	FY2019	FY2020	FY2021	FY2023 cumulative
Projected	¥10.0 billion increase			¥20.0 billion increase
Forecast			¥1.4 billion increase *9-mo. Forecast	¥12.0 billion increase
Actual	¥4.8 billion increase	¥0.94 billion increase	¥0.8 billion increase *As of September 30, 2021	

# III. Challenges of the Business Plan

## C Progress in FYE December 2021 Back Office Cost Reductions (as of September 30, 2021)

Enhancing Japanese Domestic Businesses	FY2023 Targets	Item	FY2019 Results [YoY]	FY2020 Results [YoY]	FYE December 2021 Results (Apr-Jun)	FYE December 2021 Results (Jul-Sep)	Cumulative	FYE December 2021 Target (Apr-Dec)
Further reorganization of organizations/ streamlining of administrative departments	-¥4.5 billion [-500 employees]	Further branch back office personnel reassignments	-¥1.10 billion [-124 employees]	-¥1.40 billion [-156 employees]	—	—	-¥3.34 billion [-374 employees]	—
		Reassign HQ employees	—	-¥0.82 billion [-91 employees]	—	-¥0.02 billion [-3 employees]		-¥0.07 billion [-8 employees]
Back office process reform	-¥5.0 billion	Overtime [back office personnel]	-¥1.10 billion	-¥1.32 billion	+¥0.19 billion	+¥0.27 billion	-¥3.21 billion	-¥0.47 billion
		Personnel dispatching cost [back office]	+¥0.15 billion	-¥1.04 billion	-¥0.3 billion	-¥0.06 billion		-¥1.08 billion
Total	-¥9.5 billion	Total	-¥2.05 billion	-¥4.58 billion	-¥0.11 billion	+¥0.19 billion	-¥6.55 billion	-¥1.62 billion

\* Figures for results and targets related to “Further reorganization of organizations/ streamlining of administrative departments” indicate the scale and approximate amounts for measures that are to be implemented.

# III. Challenges of the Business Plan

## C Pursuing RPA

### Reasons behind RPA adoption

Create more time for core tasks, including creative planning, business activities, etc.

⇒ **Improve productivity and quality, reduce costs, and create potential new businesses.**

### ~Planned Use Cases for RPA~

★ Implement paperless work to automate general administrative tasks

★ AI-OCR x RPA

### ~Implementation Case Study~

★ Operations related to work plans

★ Operations related to railway forwarding

★ Operations related to accounting

### Numerical Targets

● **Create a cumulative 1 million hours by the end of FY2021**

FY2021: 280,000 hours created  
Through September 2021: 983,000 hours created

● **Created a cumulative 700,000 hours by the end of FY2020**

FY2020: 380,000 hours created  
End of FY2020 (cumulative): 720,000 hours created

● **Created a cumulative 400,000 hours by the end of FY2019**

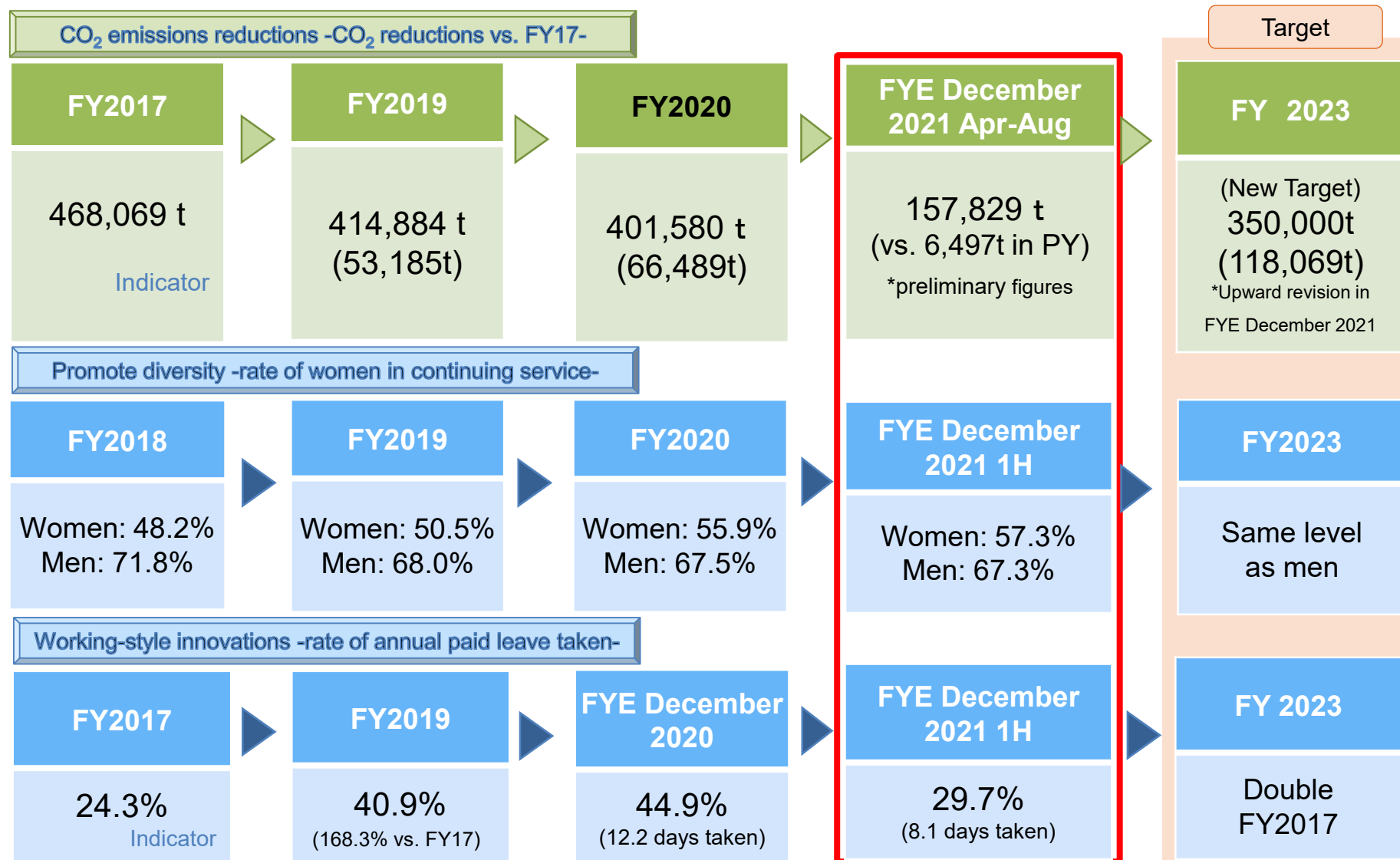
FY2019: 340,000 hours created

### Measures for implementing RPA

- Educational activities for all employees through **e-learning**
- Train and assign **RPA Masters** in each branch to analyze and standardize operations
- **Support introduction of RPA** in each overseas block and domestic affiliate

# III. Challenges of the Business Plan

## C ESG Management





# III. Challenges of the Business Plan

## D Transition to a Holding Company Structure

- Establish new brand identity
- Operations of integrated NX Group locations

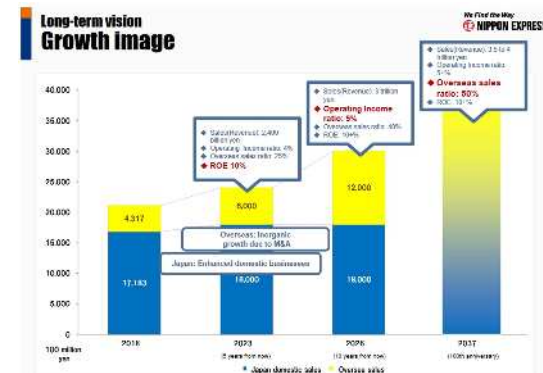


## E Inorganic Growth Strategy

- Grow into a global mega-forwarder through M&A
- Build a global management foundation, a global customer base of non-Japanese customers, and a forwarding business foundation

## F Exercising ESG-Oriented Business Management to Realize Sustainable Development

- Pursue sustainability management
- Implement digital transformation (DX)

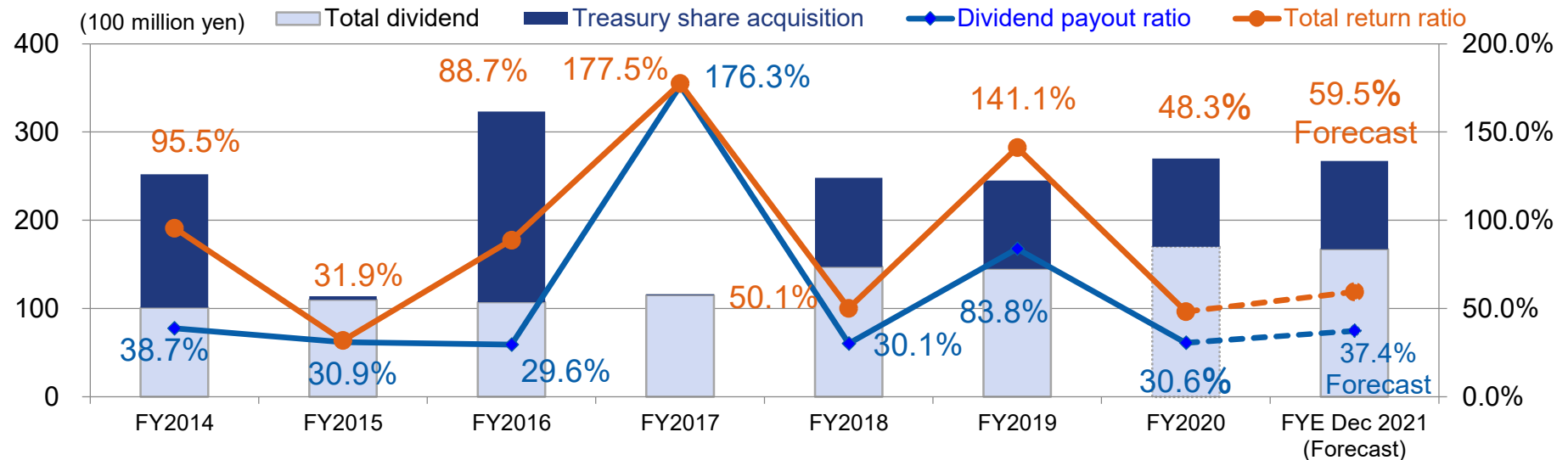


# IV. Return to Shareholders

## A Capital Policies

- ROE: 10%
- Dividend payout ratio 30% or more
- Total return ratio: Over 50% (cumulative total 2019-2023)
- Equity ratio: Target 35%

## B Key Indicators



Dividend per Share (Full-Year)	10	11	11	120*	155	155	185	185 (Forecast)
ROE	5.1	6.8	6.9	1.2	9.2	3.2	10.0	7.5 (Forecast)

\*The Company conducted a ten-for-one reverse stock split effective October 1, 2017.

The amounts of dividends from FY2017 onwards reflect this reverse split.





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