

April 28, 2021

To whom it may concern

Name of the company NIPPON EXPRESS CO., LTD.
Name of representative Mitsuru Saito
President, CEO
(Code No. 9062
First Section of the Tokyo Stock Exchange)

Notice Concerning Extraordinary Income and Loss; Differences Compared to Consolidated Results Forecasts

Nippon Express Co., Ltd. has posted extraordinary income and extraordinary losses in the company's consolidated financial statements for the consolidated and non-consolidated fourth quarter of the fiscal year ended March 31, 2021, as described below.

These accounting transactions have resulted in differences between the forecasts published on January 29, 2021 and the financial results for the fiscal year ended March 31, 2021, announced today.

1. Extraordinary Income (Gain on Sale of Investment Securities)

As announced in *Notice Concerning Absorption-Type Split and Transfer of Shares of Newly Established Company in Connection With a Business Alliance Related to the Nittsu Shoji Co., Ltd. Leasing Business*, published January 18, 2021, Nippon Express Co., Ltd. conducted an absorption-type company split of the leasing business of consolidated subsidiary Nittsu Shoji Co., Ltd. on March 31, 2021, transferring said business to successor NITTSU Lease & Finance Co., Ltd. Having transferred a portion of NITTSU Lease & Finance stock, Nippon Express Co., Ltd. Recorded a gain on sales of investment securities in the amount of ¥4.2 billion and ¥18.0 billion in the company's consolidated and non-consolidated financial results.

2. Extraordinary Loss (Impairment Loss)

As the Nippon Express Co., Ltd. Security Transportation segment has recorded an operating loss for the past two consecutive fiscal years, the company conducted an estimate of recoverable future cash flows for the segment, considering the business environment surrounding the Security Transportation segment, as well as changes in economic conditions. As a result, the company has recognized that the value of the Security Transportation business assets has fallen below carrying value, and the company recorded an impairment loss of ¥10.7 billion in the company's consolidated and non-consolidated financial results.

3. Differences Compared to Financial Results Forecasts

A. Differences Compared to Consolidated Financial Results Forecasts for the Fiscal Year Ended March 31, 2021 (Rounded to the Nearest Million)

(April 1, 2020 to March 31, 2021)

	Revenues	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (Announced January 29, 2021)	Million yen 2,050,000	Million yen 72,000	Million yen 76,000	Million yen 53,000	Yen 570.34
Results (B)	2,079,195	78,100	81,276	56,102	604.79
Increase/Decrease (B-A)	29,195	6,100	5,276	3,102	
Change (%)	1.4	8.5	6.9	5.9	
(Reference) Prior-year results (FY2019)	2,080,352	59,224	57,434	17,409	185.06

B. Differences Compared to Non-Consolidated Financial Results Forecasts for the Fiscal Year Ended March 31, 2021 (Rounded to the Nearest Million)

(April 1, 2020 to March 31, 2021)

	Revenues	Operating income	Ordinary income	Profit	Net income per share
Previous forecast (A) (Announced January 29, 2021)	Million yen 1,100,000	Million yen 33,000	Million yen 48,000	Million yen 39,000	Yen 419.69
Results (B)	1,120,712	34,293	49,339	54,792	590.68
Increase/Decrease (B-A)	20,712	1,293	1,339	15,792	
Change (%)	1.9	3.9	2.8	40.5	
(Reference) Prior-year results (FY2019)	1,119,197	26,780	36,852	21,859	232.36

4. Reasons for Differences Compared to Financial Results Forecasts

Results for consolidated and non-consolidated net sales, operating income, ordinary income, and consolidated profit attributable to owners of parent differed from the company's initial forecasts due to higher-than-expected growth in demand for international freight volume. Results for non-consolidated net income differed from the company's initial forecasts, mainly due to the recording of extraordinary income as described above.

End

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released April 28, 2021.