

Results Presentation for the Fiscal Year Ended March 2020: Questions and Answers  
(summary; questions submitted via e-mail)

Impact of COVID-19 on business

Q) Can you tell us more about the financial impact of COVID-19 on your businesses?

Which business was most affected?

A) As we noted on P.9 of our financial results presentation materials, we saw an approximate ¥4.2 billion negative impact on revenues. The impact on operating income approximately ¥1.3 billion. The suspension of moving and relocation overseas and harbor transportation imports and exports (to/from China) had a significant impact. Our overseas segment has a December fiscal close, so the impact of COVID-19 on our overseas businesses has not been included, yet. COVID-19 has had an impact on our businesses in Europe and the Americas.

Disclosure of outlook for the fiscal year ending March 2021

Q) When do you think you will disclose your outlook?

A) We cannot predict how COVID-19 will impact our business in the future.

The end of the pandemic and a recovery in logistics will not occur at the same time. This makes a financial results forecast even more difficult to provide. We may be able to provide a forecast for this fiscal year based on results between April and June. At present, however, we cannot comment on our disclosure schedule.

Air freight forwarding business results and outlook

Q) Can you tell us more about the Q4 results and future outlook in your air freight forwarding business?

A) Passenger flights have been reduced due to COVID-19, so we are using chartered transport. We arranged for approximately 40 chartered transports between February and March. Our main use for chartered transport was for intra-Asia, and we expect to see more such flights in April. In Japan, production activity has been stagnant since the emergency declaration. We forecast volumes from Japan to be lower in April than in March.

#### Japan segment Q4 trends by customer

Q) Please tell us more about Q4, particularly the trends you saw by industry.

A) The key customer trend for Q4 was lower volumes related to steel, automobiles, and construction machinery. This resulted in decreased Q4 performance year on year in our automobile transportation business. On the other hand, food-related sales were higher year on year and beverage-related sales were level. Volume related to e-commerce and mail order were strong, increasing in Q3 and Q4.

#### Traconf impairment

Q) Can you tell us about the impairment loss related to Traconf and your future outlook for this company?

A) Traconf's performance for the fiscal year ended December 2019 underperformed the plan we set when we acquired the company. The outbreak of COVID-19 has had a negative impact on global high fashion transactions and we expect business recovery to take time. In January of this year, we integrated three group companies in Italy: Nippon Express Italia, Franco Vago, and Traconf. Our goal here is to accelerate and maximize sales and operations synergies for a dramatic jump in growth. As we keep our eye on recovery in the apparel industry, we will continue to strengthen our initiatives related to high fashion, aiming to become a leading company in the fashion logistics field.

#### Investment Loss in Future Supply Chain Solution Limited

Q) What can you tell us about the loss on valuation and future outlook of Future Supply Chain Solutions?

A) Stock prices fell generally in the Indian market at the end of March 2020, and Future Supply Chain Solutions' stock fell by a significant margin compared with when we acquired the company. Of India's publicly traded logistics companies, many that are small caps with little in the way of floating stock have seen stock price decreases as large as Future Supply Chain Solutions. India remains a promising market and we are taking an approach from medium- to long-term perspective.

#### M&A

Q) You disclosed impairment losses in your earnings announcement. Do you intend to slow down M&A activities in the future? What are your policies at present?

A) With respect to M&A, we intend to continue the growth strategies outlined in Nippon Express Group Business Plan 2023.

We will continue to consider M&A of logistics companies that have a base of non-Japanese customers as a means to gain expertise and expand overseas sales to grow revenues in our five priority industries.

This is a priority for us and we will continue with related initiatives.

#### Initiative to Enhance Domestic Business

Q) What can you tell us about your progress in initiatives to enhance domestic business ?

A) As described in P.25 of our financial results presentation, we are working on initiatives in eight areas. During the fiscal year ended March 2020, we conducted further personnel reassignments, freeing up a certain number of individuals and assigning them to other areas. We will evaluate the impact of these efforts quantitatively this year.

#### Dividends

Q) Please tell us about your current policy on dividends for the upcoming fiscal year.

A) We are having difficulty in forecasting financial results for the upcoming fiscal year.

While I cannot make any comments at this stage, we hope to provide stable dividends based on the policies we defined in our business plan.

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