



We Find the Way



We Find the Way

COMPANY PROFILE



Creating New Value Through Logistics and Contributing to Sustainable Societies

Nippon Express Holdings, Inc
President, Chief Executive Officer and Representative Director
Satoshi Horikiri

As always, I would like to start by thanking you all for your continued support.

The NX Group has been implementing various strategies and measures based on its Business Plan 2023 to realize its long-term vision of becoming "a logistics company with a strong presence in the global market" by 2037, the 100th anniversary of the Group's founding.

Among our accomplishments in this regard have been transitioning to a holding company structure, introducing a Group brand, switching to international accounting standards, promoting new work styles, spinning off our security transport business, and reorganizing the Group's other businesses, but there are still many issues that need to be addressed if we are to realize our long-term vision.

Perspectives on global supply chains have also changed dramatically with the emergence of geopolitical risks and the experience of the COVID pandemic. One of our key missions as a logistics service provider is contributing to the realization of safe, secure, and sustainable societies, and I feel that the roles required of us grow with each passing year.

Against this backdrop, the NX Group launched a new business



plan this year. We will continue pursuing our long-term vision of where we want to be in 2037, and we will be even more strongly committed to achieving this vision.

The three key points in this respect will be accelerating our growth in global markets, restructuring our Japan business, and pursuing sustainability management.

To accelerate the growth of our global business, the first point, we will be supporting our customers' logistics operations on a Group-wide basis using an even more customer-oriented approach. We aim to expand our business domains by providing high-value end-to-end solutions for our customers' supply chains. We will also accelerate growth by solidifying cooperation with cargo-partner, which joined our Group through M&A.

On the second point, "restructuring our Japan business," we are aiming to become a highly profitable company by appropriately allocating management resources in our mother market of Japan. The emphasis here will be on reviewing our business structures and organizations from a market-oriented approach.

The third point, "sustainability," is the starting point and the base for everything we do. Helping resolve social issues through our business is a role that the NX Group has always played and will continue playing more proactively than ever.

However, the world has already changed to a point where simply continuing to do things the conventional way will not bring about solutions to social issues. Decarbonization and labor shortages are two of the most important social issues for the logistics business.

To resolve these problems, we as logistics providers need to change our own awareness and behavior. Automation, DX and other technologies will be the key to the future, and we will focus our energies on these even as we maintain steady low-key efforts. Through these endeavors, we will move forward as a Group to contribute to society and create a prosperous future.

We appreciate your continued support and encouragement.

The 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 our founding, the 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.

The NX Group Corporate Message

We Find the Way

The 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.

We

Our unified strength makes us unique, driving everything we do on the frontline and in the background to deliver unparalleled logistics services. The word "we" speaks to a complex system of individuals with specialized skills that work together to become an unstoppable force.

Find

Every client, project, and task is different, and sometimes we have to innovate to achieve our goals. Our work demands exploration and thinking outside the box. It's how we find the best way. The verb "find" in its present form tells a story of a company willing to dig deeper for the best results.

the Way

Sure, there are many solutions, but there's only one best way. We don't find a way or some way; we find the best way, and we do it with passion and perseverance. Our efforts build connections to and between individuals and businesses.

Establishing a New Group Brand Identity

To respond to rapid changes in the social environment and in technological innovation, as well as to provide more advanced and higher quality services to customers in Japan and overseas, the NX Group (and our group companies) has decided to introduce a new unified group brand identity from January 4, 2022 as part of an effort to strengthen our brand.

About the New Group Brand Symbol



<What the Symbol Represents>

- The symbol is "NX," a shortened form of the new holding company, Nippon Express, which has become a trusted name in Japan and overseas.
- This symbol will serve as a banner for group branding as we evolve in Japan and overseas through our united efforts, striving to achieve our group vision of becoming a logistics company with a strong presence in the global market.
- The symbol embodies our corporate message, *We Find the Way*, and expresses our strong desire to support the development of businesses, industries, and society.

*Long-term vision: Vision for the year 2037 as described in the NX Group Business Plan 2023 "Dynamic Growth"

Completion of the NX Group Building

Completed in September 2021 as the general headquarters of NX Group.

Location: 2 Kanda-Izumicho, Chiyoda-ku, Tokyo



The NX Group Value Creation Engine

~Solving Social Issues Through Logistics~

To support lives through social infrastructure logistics, contributing to sustainable societies by seeking a proactive understanding of the logistics and social needs of the times.

A history of supporting lives through social infrastructure logistics

Building a strong social infrastructure and pursuing efficient supply chains

Building a Global Network

In response to the recovery and growth of the Japanese economy, as well as the globalization of our customers, we have built a land, sea, and air logistics network in each region and country of the world, providing solutions that optimize global supply chains.

Services Tailored to Industry Characteristics

The NX Group provides solutions to industrial issues through our understanding of industrial characteristics and our strengths in logistics, including advanced transportation technologies and relationships with multiple companies.

2

Propose Solutions

1

Uncover Issues

Future

4

Explore and Delve Deeper

3

Provide Services Commercialize/ Monetize

Past

Contributing to Sustainable Societies

We maintain global and social environments that are the foundation for social development through logistics

Industry-Specific Platforms

We build platforms that combine logistics and advanced technologies to provide solutions that solve industrial issues, tailored to the current state and characteristics of each industry.

Creating New Business Domains Through DX

With the objective of contributing to sustainable societies through backcasting based on future changes and social issues, we form hypotheses leveraging the use of digital technologies that lead to new business fields, which will form the future pillars of our company. At the same time, we aim to commercialize these new businesses by creating value in collaboration with other companies.

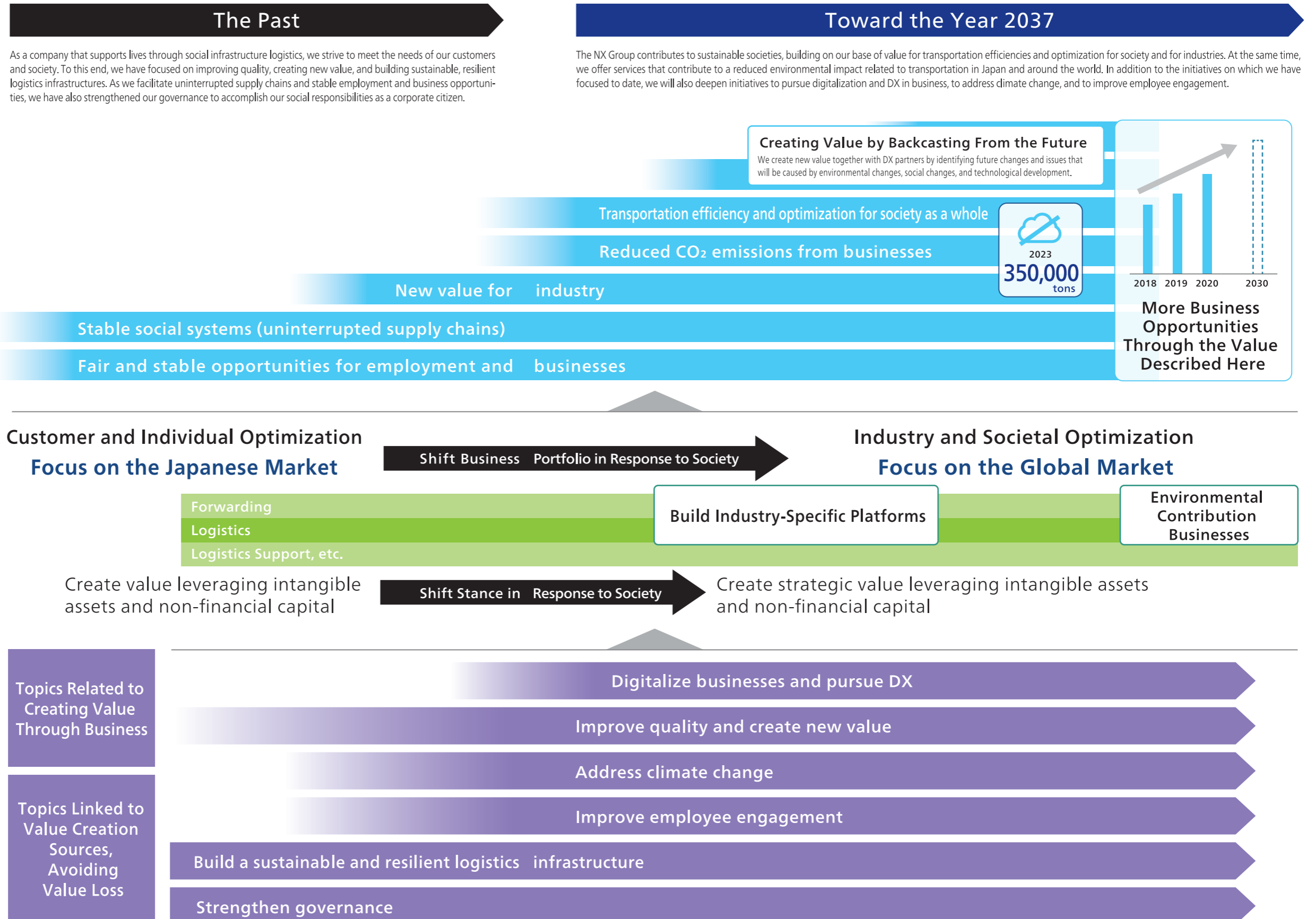
Creating Businesses That Contribute to the Environment of a Carbon-Neutral Era

We provide solutions that meet customer needs to reduce CO₂ emissions in their logistics processes. Our efforts include bringing visibility to not only our own emissions, but also to emissions across logistics processes of the supply chains of our partners and customers.

Corporate Philosophy

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

We strengthen our businesses and business foundations by engaging with materialities, creating new value toward achieving our vision



An Unchanging Corporate Philosophy
Every Move We Make is Aimed at Advancing Society
and Bringing an Enriched Life to Future Generations

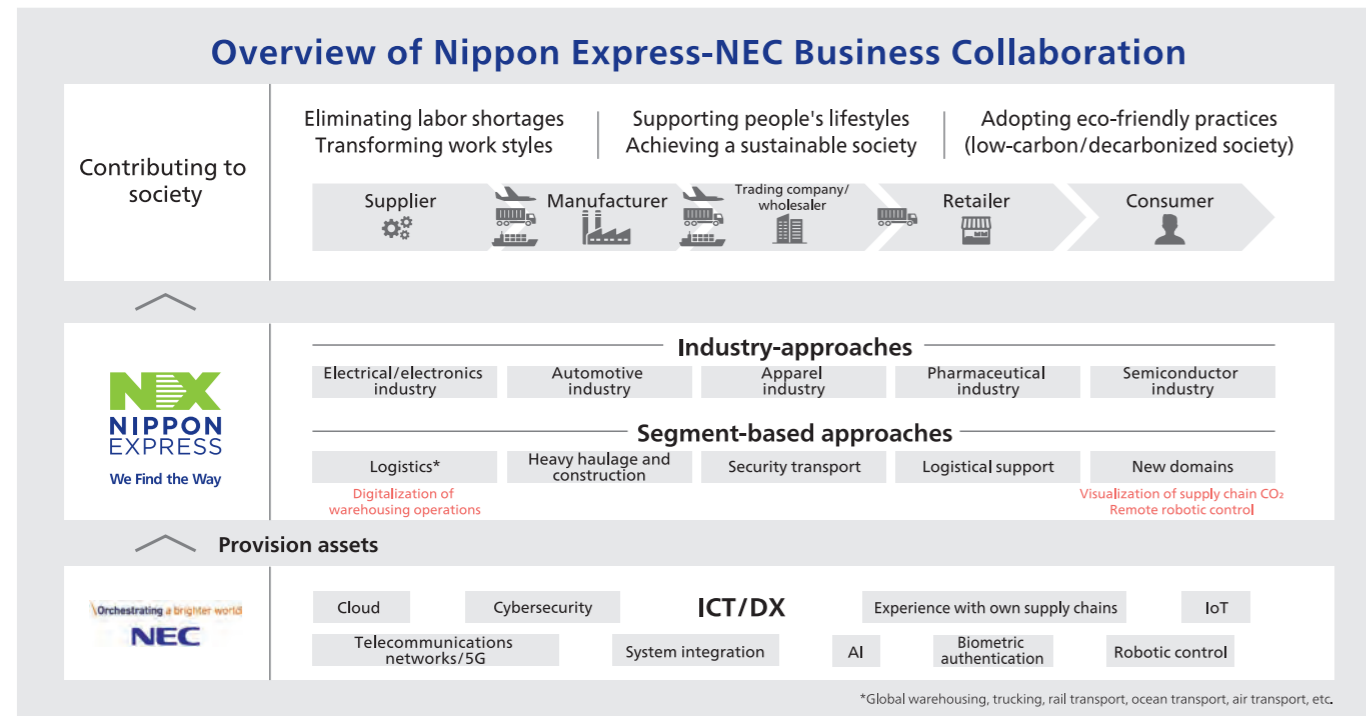
The NX Group's Value Creation Actions

The NX Group and NEC conclude business tie-up agreement on joint value creation through DX

New initiatives launched to resolve social issues through business

Recent years have seen the logistics industry confronting increasingly serious labor shortages due to declining birthrates and shrinking populations as well as changes in work styles, complicated supply chains and digitalization. On the environmental front, reducing CO₂ emissions has become a major social issue, and companies are being called on to help bring about decarbonized societies in line with declarations made by Japan and other countries to achieve carbon neutrality by 2050.

To meet the demands of society for ever more sophisticated logistics, the two companies launched an exploratory project for value co-creation in October 2020 and more recently signed a business tie-up agreement. By combining the NX Group global logistics network and logistics know-how with NEC's state-of-the-art AI, IoT and other digital technologies and integration capabilities to resolve social issues through new businesses, they hope to play a critical part in realizing a sustainable society.



Commencement of the "ONE-STOP NAVI" service able to provide an aggregated search of the optimal transport modes in Japan

"ONE-STOP NAVI" is a service that enables the instantaneous comparison and consideration of the available transportation modes anytime and anywhere, by simply entering the pickup and delivery locations, the number of units and the weight using a PC, smartphone or tablet. Using our strength as a comprehensive logistics business operator, the Company proposes the optimal transportation mode to the customer using our own transport network based on various considerations such as the freight, lead time as well as CO₂ emissions.

In particular, CO₂ emissions can be accurately calculated by calculating the different pickup and delivery distances for each transportation mode using distances linked to map data. This scheme is the first in the logistics industry to receive third-party verification (from SGS Japan Inc.) and the resultant CO₂ emissions data can be used for official procedures for administrative institutions and others. We support the visualization of CO₂ and initiatives for reducing customers' CO₂ emissions.



Discovering and Creating New Business Via Collaborative Creation of Value with NEC Three Endeavors for Achieving a Sustainable Society: From Digitalization to DX

NX Group is endeavoring on a collaborative creation of value with IT corporations through the short-term solution of digitalization and mid-term solution of DX (digital transformation), in order to solve social issues through new businesses and to contribute to the achievement of a sustainable society.

Time scale	Endeavors	Issues to Resolve
Short-term	Digitalization of workers' knowhow and tacit knowledge	<ul style="list-style-type: none"> Maximizing warehouse performance, contributing to the resolution of labor shortages, and creating an environment where workers can work safely and with peace of mind As a long-term goal, achieving zero accidents and optimizing staffing in logistics settings as a whole, including transportation and delivery
Mid & long term	Making possible the creation of a society where people can support each other regardless of the distance between them	<ul style="list-style-type: none"> Offering labor by utilizing AI and remote-controlled robots in places where manpowered work was difficult to deliver, such as industries with worker shortages, locations with poor working environments, dangerous areas, on the other side of the world, to resolve labor shortage issues and avoid safety and health risks in the workplace
Mid & long term	Visualization and reduction of CO ₂ emissions in distribution processes	<ul style="list-style-type: none"> Contributing to the achievement of a carbon-free society through our efforts in the visualization and reduction of CO₂ emissions, not only within our own logistics processes but that of the entire supply chain, including our partners and customers

Safety Initiatives

The NX Group Izu Training Center

The NX Group Izu Training Center, completed in October of 2021, is where NX Group employees receive training in skills that ensure safety and quality. We will continue to improve our safety and quality in order to have a presence that is trusted and sought after by society.



Social Contribution Activities

Forest Growing Activity

The NX Group has established the NX Group Forest, where employees and their family members can, with support and instruction by the local municipal office and forest owners' cooperatives, perform forest growing activities such as planting trees and weeding.



Promotion of Sports

There are five active sports clubs in the NX Group: kendo, judo, sumo, golf, and baseball, the last known for its prominence among corporate baseball clubs and as a club to which many professional baseball once belonged. The baseball club holds baseball lessons for children every year.



The NX Group and Logistics Supporting the Advancement of Society

Historical Background

Major Initiatives of the NX Group

1872~ Wartime and Postwar Reconstruction

Establishing a nationwide domestic transport network and land, sea, air intermodal transport

Our company was founded as a consolidation of early modern transportation and communications companies, nationalized to ensure the smooth supply of goods during the war. After the war, the company underwent a reorganization, and in 1950, we listed our shares on the stock exchange, transitioning from a nationalized entity to a private entity.

We began as a railway forwarding company handling items from small carriers. From there, we expanded our truck transportation network throughout Japan. We were among the first to form alliances with shipping companies and airlines in Japan and abroad, establishing an intermodal transportation system that combined land, sea, and air transportation in an organic manner.



1960~ Rapid Economic Growth and Manufacturing Industry Globalization

Establishing a global supply chain 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. In 1962, we established our first local subsidiary in New York, U.S.A., Nippon Express USA Inc. In the 1970s, Japan's industrial structure shifted to an export-driven economy, while the Asian nations began to emerge, signaling a change in the world situation. In response, we established a policy to strengthen our presence in international transport, solidifying our international transport systems and in 1973, establishing an Asian subsidiary in Singapore, among other measures. Subsequently, we established a firm foothold in the Americas, Europe, and Hong Kong. In the 1990s, we began to expand actively into China, Southeast Asia, and India.



1990~ Growth and Rising Uncertainty in the Service Industry

Maintaining supply chains in Japan and overseas; diversifying our services

At the time of the Great Hanshin-Awaji Earthquake in 1995, we were the only trucking company designated as a public organization under the Basic Act on Disaster Management. In the immediate aftermath, we established a disaster-response headquarters and fulfilled our duties by carrying out emergency transportation of relief supplies and other goods from Japan and overseas in cooperation with relevant government agencies. Since that time, we have endeavored to carry out our mission to support social infrastructure logistics, formulating crisis management regulations and establishing a crisis management committee in preparation for emergencies. In the aftermath of the Great East Japan Earthquake in 2011, we used all available means of transportation by land, sea, and air to cope with the widespread disruption of road and rail networks.

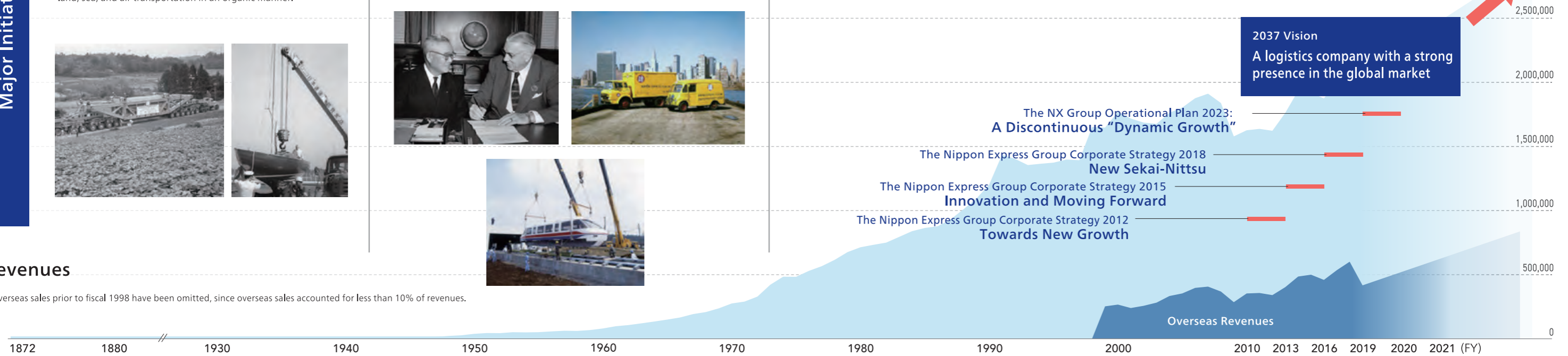
2010~ Environmental and Social Sustainability

Sustainable development of society and business

Global warming and other environmental problems became more prominent in the beginning of the 1990s. As a leading company in the transportation industry—an industry that accounts for 20% of Japan's CO₂ emissions, we took the lead in addressing the issue of exhaust gas emissions. We established a dedicated department, and in 1993, we formulated a basic philosophy for global environmental conservation. We pursued environmentally friendly transportation through low pollution vehicles, saving resources used in packaging materials, improving efficiency through joint deliveries, and using modal shifts from truck-based to rail- and ship-based transportation. In addition to environmental conservation activities through our business, we also engaged in resource recycling and ecosystem conservation.

Revenues

* Overseas sales prior to fiscal 1998 have been omitted, since overseas sales accounted for less than 10% of revenues.



Major Events and Changes in Japan

- 1872 Riku-un Moto Kaisha established (predecessor of Nippon Express)
- 1937 Nippon Express Co., Ltd. established
- 1957 Nippon Express shares are listed on the stock exchange, marking a fresh start as a purely private company
- 1959 First use of 300-ton trailers for transportation

- 1964 Transportation for the Tokyo Olympics, Transported the Venus de Milo
- 1970 Transportation for the Japan World Exposition in Osaka
- 1972 Transportation for the Sapporo Winter Olympics
- 1974 Transported the Mona Lisa
- 1985 Transportation for the International Exposition in Tsukuba, Japan
- 1990 Transportation for the The International Garden and Greenery Exposition

- 1995 Transported relief supplies and other items as a designated public institution in the wake of the Great Hanshin-Awaji Earthquake
- 1997 Launched recycling transportation business
- 1999 Began full-scale operations of internet order deliveries
- 2002 Fleet of low-pollution vehicles exceeds 1,000 vehicles
- 2009 Transported national treasure Asura statue of the Kofukuji Temple
- 2010 Transferred parcel delivery service business transferred to Japan Post Co., Ltd.

- 2011 Transported relief supplies and other items in the wake of the Great East Japan Earthquake
- 2013 Established Nittsu NEC Logistics, Ltd.
- 2014 Established Nittsu Panasonic Logistics Co., Ltd.
- 2015 Converted Wanbishi Archives Co., Ltd. to a subsidiary
- 2017 Opened Tokyo C-NEX
- 2018 Conducted Tsukiji Market relocation work
- 2021 Completion of the NX Group General Headquarters
- 2022 Established NIPPON EXPRESS Holdings, Inc. The beginning of NX Group's new structure

Major Events and Changes Overseas

- 1957 Began international air freight forwarding consolidation business
- 1959 Dispatched first representative to New York

- 1962 Established Nippon Express USA, Inc.
- 1973 Established NIPPON EXPRESS (SINGAPORE) PTE., LTD.
- 1977 Established Nippon Express (Nederland) B.V.
- 1981 Established Nippon Express (U.K.) Ltd., and Nippon Express (Deutschland) GmbH

- 1992 Overseas offices exceed 200 locations
- 1994 Established Shanghai Express International Co., Ltd.
- 2001 Overseas workforce exceeds 10,000 employees
- 2006 Established Nippon Express (St.Petersburg) LLC
- 2007 Established Nippon Express (India) Private Limited

- 2013 Acquired Italian logistics company Franco Vago S.p.A. as a subsidiary
- 2014 Overseas offices exceed 500 locations
- 2015 Overseas workforce exceeds 20,000 employees
- 2017 Opened Kenya and Morocco branches in Africa
- 2018 Acquired Italian logistics company Traconf as a subsidiary
- 2020 Acquired MD Logistics, LLC and MD Express, LLC, a logistics company in the U.S.