

This is a translation of the original Japanese “Notice of the 2nd Ordinary General Meeting of Shareholders” prepared for the convenience of non-Japanese speakers. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

(Stock Exchange Code 9147)

March 11, 2024

(Commencement of electronic provision measures: March 1, 2024)

To Our Shareholders

Kanda-Izumicho 2, Chiyoda-ku, Tokyo
NIPPON EXPRESS HOLDINGS, INC.

Mitsuru Saito
Chairman and Representative Director

NOTICE OF THE 2ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We are pleased to announce that the 2nd Ordinary General Meeting of Shareholders of NIPPON EXPRESS HOLDINGS, INC. (the “Company”) will be held as follows.

The Company has adopted electronic provision measures for the convocation of this Ordinary General Meeting of Shareholders, and has posted the items for electronic provision measures as the “NOTICE OF THE 2ND ORDINARY GENERAL MEETING OF SHAREHOLDERS” on the following website on the Internet.

Company website: <https://www.nipponexpress-holdings.com/en/ir/event/meetings/>

In addition to the above, the notice is also posted on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search) below, search by entering the stock name (company name) or the securities code (9147), and select “Basic information” and “Documents for public inspection/PR information” to confirm the information.

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In lieu of attending the meeting in person, you can exercise your votes via the Internet or in writing (by mail). The Company respectfully requests that you review the “Reference Material Concerning the General Meeting of Shareholders” below and exercise your voting rights on or before 6:00 p.m. (JST) March 27, 2024 (Wednesday).

Particulars

- 1. Date and Time:** 10:00 a.m. on March 28, 2024 (Thursday)
(Reception will start at 9:00 a.m.)
- 2. Place:** NX Hall, on the 2nd floor of NX Group Building
Kanda-Izumicho 2, Chiyoda-ku, Tokyo
(Please refer to the guidance map to the place of the meeting stated at the end of this document.)

3. Objectives of the Meeting Matters to be reported:

1. Report on Business, the Consolidated Accounting Documents for the 2nd Business Term (from January 1, 2023 to December 31, 2023), and the Report on the Results of Audit of Consolidated Accounting Documents by Accounting

- Auditor and Audit & Supervisory Board.
2. Report on the Non-Consolidated Accounting Documents for the 2nd Business Term (from January 1, 2023 to December 31, 2023).

Matters to be resolved:

- Proposal 1: Partial Amendments to the Articles of Incorporation
- Proposal 2: Election of Seven (7) Directors (excluding Directors who are members of the Audit and Supervisory Committee)
- Proposal 3: Election of Four (4) Directors who are members of the Audit and Supervisory Committee
- Proposal 4: Setting of Compensation for Directors (excluding Directors who are members of the Audit and Supervisory Committee)
- Proposal 5: Setting of Compensation for Directors who are members of the Audit and Supervisory Committee
- Proposal 6: Partial Revision of the amount and content of Performance-based Stock Compensation for Directors, etc.

4. Matters Decided on Regarding the Convocation

Exercise of voting rights by proxy

If you are unable to attend the meeting, you may appoint one other shareholder with voting rights to attend the meeting as your proxy. However, please note that a document evidencing the authority of proxy must be submitted.

Handling of duplicate exercises of voting rights via the Internet and by mail

Please note that if you exercise your voting rights both via the Internet and by mail, the vote exercised via the Internet will be treated as valid.

Handling of duplicate exercises of voting rights via the Internet

If you exercise your voting rights more than once via the Internet, the last time you exercise your voting rights will be considered valid.

Handling of voting rights in the event that no indication of approval or disapproval of a proposal is made on the voting form

If no indication of approval or disapproval is made on the voting form for a proposal, it shall be treated as an indication of approval.

(Note: The Company participates in the ICJ platform for institutional investors to vote from ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s). Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.)

*(Note to shareholders residing outside Japan)
Your vote is important. We will appreciate your participation in the meeting of this Ordinary General Meeting of Shareholders of the Company through providing instruction to your custodians, brokers, nominees, voting agents or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.*

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- ⦿ Please bring the enclosed voting form for submission at the meeting reception when you are attending on the day of the event in person.
 - ⦿ Of the matters to be provided electronically, System for Ensuring Operational Integrity, Overview of Operational Status of System for Ensuring Operational Integrity, Consolidated Statement of Changes in Equity, Notes to Consolidated Accounting Documents, Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Accounting Documents are not included in the documents to be delivered to shareholders who have requested delivery of documents in accordance with laws and regulations and the Articles of Incorporation of the Company. All the above documents are included in the documents subject to audit by the Audit & Supervisory Board Members and the Accounting Auditor.
 - ⦿ In the event that any event occurs to amend the items to be presented in the items for

electronic provision measures, please be informed that the Company will display the amendments on the respective websites.

To institutional investors

If you make prior application to use the electronic voting rights exercise platform operated by ICJ, Inc., you can exercise your voting rights using this platform.

Reference Material Concerning General Meeting of Shareholders

Proposals and References Materials

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

Aiming to globalize management structure and continuously improve corporate governance toward the realization of our 2037 Vision of “A logistics company with a strong presence in the global market,” the Company will transition to a Company With an Audit and Supervisory Committee to accelerate decision-making and strengthen the monitoring function of the Board of Directors. Accordingly, the Company proposes to make necessary amendments to the Articles of Incorporation, including the establishment of new provisions regarding the Audit and Supervisory Committee and members of the Audit and Supervisory Committee, a new provision regarding the delegation of authority to directors for making decisions on the execution of material business and the deletion of provisions regarding the Audit & Supervisory Board and members of the Audit & Supervisory Board.

The Company also proposes to make amendments to the provision on the number of Directors and the one regarding Executive Directors to optimize the executive structure, and, in line with the above amendments, the deletion of the items of Supplementary Provisions, etc., amendments will be made to relevant sections, including the amendment of the number of articles.

2. Details of the amendments

The details of the amendments are as follows. The amendments to the Articles of Incorporation pertaining to this Proposal will be effective at the conclusion of this General Meeting of Shareholders.

(Underlined parts indicate changes.)

Current Articles of Incorporation	Proposed Amendments
Section I General Provisions Articles 1 to 4 (Articles omitted)	Section I General Provisions Articles 1 to 4 (No amendment)
Section II Shares Articles 5 to 8 (Articles omitted) (Administrator of Shareholder Registry) Article 9 (Article omitted)	Section II Shares Articles 5 to 8 (No amendment) (Administrator of Shareholder Registry) Article 9 (No amendment)
2 The administrator of the shareholder registry and the place of handling the affairs thereof shall be specified by a resolution of the board of directors and published via public notice.	2 The administrator of the shareholder registry and the place of handling the affairs thereof shall be specified by a resolution of the board of directors <u>or by a decision of a director who has been delegated by a resolution of the board of directors</u> and published via public notice.
3 (Article omitted) (Share Handling Regulations)	3 (No amendment) (Share Handling Regulations)
Article 10 Handling, etc., and fees concerning shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to the provisions of laws and regulations or these Articles of Incorporation.	Article 10 Handling, etc., and fees concerning shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors <u>or a director who has been delegated by a resolution of the board of directors</u> , in addition to the provisions of laws and regulations or these Articles of Incorporation.
Section III General Meeting of Shareholders Articles 11 to 14 (Articles omitted) Articles 15 to 16 (Articles omitted)	Section III General Meeting of Shareholders Articles 11 to 14 (No amendment) Articles 15 to 16 (No amendment)
Section IV Directors and Board of Directors Article 17 (Article omitted) (Number of Directors)	Section IV Directors and Board of Directors Article 17 (No amendment) (Number of Directors)
Article 18 The number of directors on the Company's	Article 18 The number of directors <u>(excluding</u>

<p>board of directors shall not exceed <u>15</u>.</p> <p>(Newly established)</p>	<p><u>directors who are members of the Audit and Supervisory Committee</u>) on the Company's board of directors shall not exceed <u>10</u>.</p> <p><u>2 The number of directors who are members of the Audit and Supervisory Committee on the Company's board of directors shall not exceed 6.</u></p>
<p>(Election of Directors) Article 19 Directors shall be elected by resolution of the general meeting of shareholders.</p>	<p>(Election of Directors) Article 19 Directors shall be elected by resolution of the general meeting of shareholders, <u>with a distinction made between directors who are members of the Audit and Supervisory Committee and other directors.</u></p>
<p>2 (Article omitted) 3 (Article omitted) (Director Term of Office) Article 20 The term of office for directors shall expire on the conclusion of the ordinary general meeting of shareholders related to the last fiscal year ending within one year of the election of the director in question.</p>	<p>2 (No amendment) 3 (No amendment) (Director Term of Office) Article 20 The term of office for directors <u>(excluding directors who are members of the Audit and Supervisory Committee)</u> shall expire on the conclusion of the ordinary general meeting of shareholders related to the last fiscal year ending within one year of the election of the director in question.</p>
<p>(Newly established)</p>	<p><u>2 The term of office for directors who are members of the Audit and Supervisory Committee shall expire on the conclusion of the ordinary general meeting of shareholders related to the last fiscal year ending within two years of the election of the director in question.</u></p>
<p>(Newly established)</p>	<p><u>3 The term of office for a director who is a member of the Audit and Supervisory Committee elected to fill a vacancy of a member of the Audit and Supervisory Committee who retires before the expiration of his/her term of office shall expire at the time of the expiration of the term of office of the retired director who served as a member of the Audit and Supervisory Committee.</u></p>
<p>(Newly established)</p>	<p><u>4 The effect of resolution relating to the election of substitute directors who are members of the Audit and Supervisory Committee pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the start of the ordinary general meeting of shareholders related to the last fiscal year ending within two years of the election of the director in question, unless shortened by such resolution.</u></p>
<p>(Representative Directors and Executive Directors) Article 21 The Company's board of directors shall appoint representative directors by board resolution.</p>	<p>(Representative Directors and Executive Directors) Article 21 The Company's board of directors shall appoint representative directors <u>from among directors (excluding directors who are not members of the Audit and Supervisory Committee)</u> by board resolution.</p>
<p>2 (Article omitted) 3 The board of directors may, by resolution, select one president, and, if necessary, one chairman <u>and several executive vice presidents, senior managing directors, and managing directors.</u></p>	<p>2 (No amendment) 3 The board of directors may, by resolution, select one president <u>from among directors (excluding directors who are members of the Audit and Supervisory Committee) or executive officers,</u> and, if necessary, one chairman.</p>
<p>Article 22 (Article omitted) (Notice of Convocation of Board of Director Meetings)</p>	<p>Article 22 (No amendment) (Notice of Convocation of Board of Director</p>

<p>Article 23 A notice of the convening of a meeting of the board of directors shall be sent to each director <u>and member of the Audit & Supervisory Board</u> no later than three days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</p> <p>2 A board of directors meeting may be held without convocation procedures with the consent of all directors <u>and members of the Audit & Supervisory Board.</u></p>	<p>Meetings)</p> <p>Article 23 A notice of the convening of a meeting of the board of directors shall be sent to each director no later than three days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</p> <p>2 A board of directors meeting may be held without convocation procedures with the consent of all directors.</p>
<p>Articles 24 to 26 (Articles omitted) (Newly established)</p> <p>(Newly established)</p> <p>Article 27 (Article omitted)</p>	<p>Articles 24 to 26 (No amendment) <u>(Delegation to Directors)</u> <u>Article 27 Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate to directors all or part of the authority of decision-making on important business executions (excluding matters listed in each Item of Paragraph 5 of the same article) by resolution of the board of directors.</u> <u>(Compensation, etc. of Directors)</u> <u>Article 28 Compensation, bonuses and other financial benefits given by the Company in consideration of the execution of the duties ("Compensation, etc.") of directors shall be determined by resolution of the general meeting of shareholders with a distinction made between directors who are members of the Audit and Supervisory Committee and other directors.</u> Article 29 (No amendment)</p>
<p><u>Section V Members of the Audit & Supervisory Board and the Audit & Supervisory Board</u></p>	<p>(Deleted)</p>
<p><u>(Establishment of Members of the Audit & Supervisory Board and the Audit & Supervisory Board)</u></p>	<p>(Deleted)</p>
<p><u>Article 28 The Company shall establish members of the Audit & Supervisory Board and an Audit & Supervisory Board.</u></p>	
<p><u>(Number of Members of the Audit & Supervisory Board)</u></p>	<p>(Deleted)</p>
<p><u>Article 29 The number of members on the Company's Audit & Supervisory Board shall not exceed five.</u></p>	
<p><u>(Election of Members of the Audit & Supervisory Board)</u></p>	<p>(Deleted)</p>
<p><u>Article 30 Members of the Audit & Supervisory Board shall be elected by resolution of the general meeting of shareholders.</u></p>	
<p>2 <u>The election of Company members of the Audit & Supervisory Board shall be undertaken by one-third or more of the voting rights of shareholders able to exercise voting rights in attendance and by a majority of the voting rights of shareholders in attendance.</u></p>	
<p><u>(Audit & Supervisory Board Member Term of Office)</u></p>	<p>(Deleted)</p>
<p><u>Article 31 The term of office for members of the Audit & Supervisory Board shall expire on the conclusion of the ordinary general meeting of shareholders related to the last fiscal year ending within four years of the election of the member in question.</u></p>	
<p>2 <u>The term of office of a member of the Audit &</u></p>	

<p><u>Supervisory Board elected to fill a vacancy of a member of the Audit & Supervisory Board who retires before the expiration of his/her term of office shall expire at the time of the expiration of the term of office of the retired director who served as a member of the Audit & Supervisory Board.</u></p>	
<p><u>(Full-Time Members of the Audit & Supervisory Board)</u></p>	(Deleted)
<p><u>Article 32 The Audit & Supervisory Board shall select members from among the Audit & Supervisory Board to serve as full-time members.</u></p>	
<p><u>(Notice of Convocation of Audit & Supervisory Board Meetings)</u></p>	(Deleted)
<p><u>Article 33 A notice of the convening of a meeting of the Audit & Supervisory Board shall be sent to each member of the Audit & Supervisory Board no later than three days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</u></p>	
<p><u>2 An Audit & Supervisory Board meeting may be held without convocation procedures with the consent of all members of the Audit & Supervisory Board.</u></p>	
<p><u>(Audit & Supervisory Board Regulations)</u></p>	(Deleted)
<p><u>Article 34 Matters related to the Audit & Supervisory Board shall be determined according to laws and regulations, these Articles of Incorporation, and regulations as determined by the Audit & Supervisory Board.</u></p>	
<p><u>(Method of Resolutions by the Audit & Supervisory Board)</u></p>	(Deleted)
<p><u>Article 35 Excluding where otherwise provided by laws and regulations, the resolutions of the Audit & Supervisory Board shall be passed by a majority of members of the Audit & Supervisory Board.</u></p>	
<p><u>(Audit & Supervisory Board Member Exemption From Liability)</u></p>	(Deleted)
<p><u>Article 36 The Company may, by a resolution of the board of directors, exempt any member of the Audit & Supervisory Board (including persons who were members of the Audit & Supervisory Board) from the liability for damages provided for in Article 426-1 of the Companies Act to the extent permitted by laws and regulations.</u></p>	
<p><u>2 The Company may enter into an agreement with members of the Audit & Supervisory Board to limit their liability for damages arising from a neglect of duties as provided for in Article 427-1 of the Companies Act, if such agreement meets the requirements stipulated in laws and regulations. Provided however, that the maximum amount of liability based on said agreements shall be the amount stipulated by laws and regulations.</u></p>	
<p>(Newly established) (Newly established)</p>	<p><u>Section V Audit and Supervisory Committee</u> <u>(Establishment of the Audit and Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p><u>Article 30 The Company shall establish an Audit and Supervisory Committee.</u> <u>(Full-Time Members of the Audit and Supervisory</u></p>

	<p><u>Committee)</u> <u>Article 31 The Audit and Supervisory Committee shall select members from among the Audit and Supervisory Committee to serve as full-time members by its resolution.</u></p>
(Newly established)	<p><u>(Notice of Convocation of Audit and Supervisory Committee Meetings)</u> <u>Article 32 A notice of the convening of a meeting of the Audit and Supervisory Committee shall be sent to each member of the Audit and Supervisory Committee no later than three days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</u></p>
(Newly established)	<p><u>2 An Audit and Supervisory Committee meeting may be held without convocation procedures with the consent of all members of the Audit and Supervisory Committee.</u></p>
(Newly established)	<p><u>(Audit and Supervisory Committee Regulations)</u> <u>Article 33 Matters related to the Audit and Supervisory Committee shall be determined according to laws and regulations, these Articles of Incorporation, and regulations as determined by the Audit and Supervisory Committee.</u></p>
(Newly established)	<p><u>(Method of Resolutions by the Audit and Supervisory Committee)</u> <u>Article 34 Resolutions at meetings of the Audit and Supervisory Committee shall be adopted by a majority of members of the Audit and Supervisory Committee present and voting.</u></p>
<p>Section VI Independent Auditor Articles <u>37</u> to <u>39</u> (Articles omitted) (Newly established)</p>	<p>Section VI Independent Auditor Articles <u>35</u> to <u>37</u> (No amendment) <u>(Compensation, etc. of Independent Auditors)</u> <u>Article 38 The compensation, etc., of independent auditors shall be determined by representative directors with the consent of the Audit and Supervisory Committee.</u></p>
<p>Section VII Accounts Articles <u>40</u> to <u>43</u> (Articles omitted)</p>	<p>Section VII Accounts Articles <u>39</u> to <u>42</u> (No amendment)</p>
<p>Supplementary Provisions (Newly established)</p>	<p>Supplementary Provision <u>(Transitional Measures regarding Exemption from Liability of Audit & Supervisory Board Members)</u></p>
	<p><u>Article 1 The Company may, by a resolution of the board of directors, exempt any member of the Audit & Supervisory Board (including persons who were members of the Audit & Supervisory Board) from the liability for damages provided for in Article 423, paragraph 1 of the Companies Act in relation to the acts conducted before the close of the 2nd ordinary general meeting of shareholders to the extent permitted by laws and regulations.</u> <u>2 Agreements to limit the liability for damages under Article 423, paragraph 1 of the Companies Act in relation to the acts conducted by members of the Audit & Supervisory Board (including</u></p>

(Deletion of Supplementary Provisions)

- Article 7 Article 1 and Article 5 and Article 6 of these Supplementary Provisions shall be deleted at the conclusion of the first ordinary general meeting of shareholders after the formation of the Company.
2. Article 2-1 and Article 3 of these Supplementary Provisions shall be deleted at the conclusion of the ordinary general meeting of shareholders of the Company for the fiscal year ending December 31, 2023.
3. Article 2-2 of these Supplementary Provisions shall be deleted as of the termination of this Plan (or, if a resolution for amendment or continuation of this Plan is submitted to and approved at a general meeting of shareholders of the Company, upon said resolution).
4. Article 14-2 (Internet Disclosure as Deemed Provision of Reference Documents for General Meetings of Shareholders) and Article 4 of these Supplementary Provisions shall be deleted after nine months have elapsed from the effective date.

persons who were members of the Audit & Supervisory Board) before the close of the 2nd ordinary general meeting of shareholders shall remain in accordance with the provisions of Article 36, paragraphs 2 of the Articles of Incorporation prior to the amendments by a resolution of the aforementioned ordinary general meeting of shareholders.

(Deleted)

Proposal 2: Election of Seven (7) Directors (excluding Directors who are members of the Audit and Supervisory Committee)

Subject to the approval and adoption of Partial Amendments to the Articles of Incorporation under Proposal 1, the Company will make the transition to a Company With an Audit and Supervisory Committee.

Accordingly, the terms of office of all six (6) Directors will expire at the closing of this meeting. In that regard, it is proposed to elect seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) (including three (3) Outside Directors).

This proposal will take effect when Partial Amendments to the Articles of Incorporation under Proposal 1 take effect.

The candidates for Directors are listed below.


Candidate Number	Name				Position and Responsibilities at the Company
1	Mitsuru Saito (Male)	Re-appointment			Chairman and Representative Director Chairman of the Board of Directors
2	Satoshi Horikiri (Male)	New Candidate			President and Chief Executive Officer Chief Executive Officer
3	Mamoru Akaishi (Male)	Re-appointment			Director and Executive Officer In charge of Corporate Planning Division, and General Manager, Corporate Planning Division
4	Sachiko Abe (Female)	New Candidate			
5	Yojiro Shiba (Male)	Re-appointment	Outside	Independent	Director
6	Yumiko Ito (Female)	Re-appointment	Outside	Independent	Director
7	Tsukiko Tsukahara (Female)	New Candidate	Outside	Independent	

New Candidate: New candidate for Director


Outside: Candidate for Outside Director


Reappointment: Candidate for reappointment as Director


Independent: Candidate for independent officer


Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
1	 <p>Mitsuru Saito (September 22, 1954)</p> <p>Reappointment</p> <p>Number of years served as Director (at the closing of this Meeting): 2 year and 2 months</p> <p>Attendance at Board of Directors meetings: 19/19 (100%)</p>	<p>April 1978 Joined Nippon Express Co., Ltd.</p> <p>May 2009 Executive Officer, Regional General Manager, Tohoku Region and General Manager, Sendai Branch, Nippon Express Co., Ltd.</p> <p>May 2012 Managing Executive Officer, Nippon Express Co., Ltd.</p> <p>June 2012 Director and Managing Executive Officer, Nippon Express Co., Ltd.</p> <p>May 2014 Executive Vice President, Chief Operating Officer and Representative Director, Nippon Express Co., Ltd.</p> <p>May 2017 President, Chief Executive Officer and Representative Director, Nippon Express Co., Ltd.</p> <p>January 2022 President, Chief Executive Officer and Representative Director, the Company</p> <p>January 2024 Chairman and Representative Director, the Company (Incumbent)</p> <p>(Duties in charge) Chairman of the Board of Directors (Important Position of Other Organizations Concurrently Assumed) None</p>	19,600
<p>[Reasons for the selection] Mr. Mitsuru Saito has made the transition to the holding company system, introduced a new group brand, "NX," and restructured group businesses in a prompt and precise manner as President and Representative Director of the Company. As he was appointed as Chairman and Representative Director of the Company in January 2024, the Company believes that his abundant experience in and insight into corporate management are necessary for realizing the NX GROUP's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.</p>			


Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
2	 <p data-bbox="411 544 632 658">Satoshi Horikiri (October 25, 1960) New appointment</p>	<p data-bbox="659 271 1257 300">April 1983 Joined Nippon Express Co., Ltd.</p> <p data-bbox="659 304 1257 456">May 2015 Executive Officer, Regional General Manager, North Kanto & Shin-Etsu Region, and General Manager, Gunma Branch, Nippon Express Co., Ltd.</p> <p data-bbox="659 461 1257 524">May 2017 Executive Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 528 1257 591">June 2017 Director and Executive Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 595 1257 658">May 2018 Director and Managing Executive Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 663 1257 757">April 2019 Director and Senior Managing Executive Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 761 1257 824">June 2019 Senior Managing Executive Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 828 1257 913">April 2020 Executive Vice President and Chief Operating Officer, Nippon Express Co., Ltd.</p> <p data-bbox="659 918 1257 1012">June 2020 Executive Vice President and Chief Operating Officer and Representative Director, Nippon Express Co., Ltd.</p> <p data-bbox="659 1016 1257 1111">January 2022 Vice President, Chief Executive Officer and Representative Director, the Company</p> <p data-bbox="659 1115 1257 1178">January 2023 Vice President and Chief Executive Officer, the Company</p> <p data-bbox="659 1182 1257 1276">January 2023 President, Chief Executive Officer and Representative Director, Nippon Express Co., Ltd.</p> <p data-bbox="659 1281 1257 1344">January 2024 President and Chief Executive Officer, the Company (Incumbent)</p> <p data-bbox="659 1348 1257 1503">(Duties in charge) Chief Executive Officer (Important Position of Other Organizations Concurrently Assumed) None</p>	7,500
<p data-bbox="395 1525 699 1554">[Reasons for the selection]</p> <p data-bbox="395 1559 1449 1771">Since his appointment as President and Representative Director of Nippon Express Co., Ltd., Mr. Satoshi Horikiri has worked on the operational structural reforms and organizational culture reform of Nippon Express Co., Ltd. As he was appointed as President and Chief Executive Officer of the Company in January 2024, the Company believes that his leadership and management capabilities are necessary for implementing our new business plan in a prompt and precise manner and realizing the NX Group's long-term vision, and thus proposes him as a candidate for Director.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
3	 <p data-bbox="405 562 633 622">Mamoru Akaishi (April 6, 1968)</p> <p data-bbox="405 645 633 680">Reappointment</p> <p data-bbox="405 719 633 887">Number of years served as Director (at the closing of this Meeting): 1 year</p> <p data-bbox="405 925 633 1093">Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="659 271 1251 306">April 1993 Joined Nippon Express Co., Ltd.</p> <p data-bbox="659 306 1251 394">March 2019 Group General Manager, Business Development Division, Nippon Express Co., Ltd.</p> <p data-bbox="659 394 1251 430">January 2022 Executive Officer, the Company</p> <p data-bbox="659 430 1251 495">March 2023 Director and Executive Officer, the Company (Incumbent)</p> <p data-bbox="659 495 1251 530">(Duties in charge)</p> <p data-bbox="659 530 1251 656">In charge of Corporate Planning Division, and General Manager, Corporate Planning Division (Important Position of Other Organizations Concurrently Assumed)</p> <p data-bbox="659 656 1251 692">None</p>	1,531
<p data-bbox="395 1111 695 1137">[Reasons for the selection]</p> <p data-bbox="395 1137 1447 1352">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 overseas M&A and the development of our new business plan as an officer in charge of Corporate Planning Division. The Company believes that his experience and insight are necessary for realizing the NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
4	 Sachiko Abe (August 8, 1964) New appointment	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. (Incumbent) *Ms. Sachiko Abe will resign from the position of Audit & Supervisory Board Member of Nippon Express Co., Ltd. on March 28, 2024. (Important Position of Other Organizations Concurrently Assumed) None	2,022
[Reasons for the selection] 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, she has audited Nippon Express Co., Ltd. with an accurate and fair perspective leveraging her insight into compliance and experience in corporate management. As strengthening Group governance is a crucial management issue to promote Group management in the future, the Company believes that her experience and insight are necessary, and thus proposes her as a candidate for Director.			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
5	 <p>Yojiro Shiba (August 7, 1950)</p> <p>Reappointment Outside Director Independent Officer</p> <p>Number of years served as Director (at the closing of this Meeting): 2 year and 2 months</p> <p>Attendance at Board of Directors meetings: 19/19 (100%)</p>	<p>April 1974 Joined The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.)</p> <p>March 2003 Managing Executive Officer, Mizuho Bank, Ltd.</p> <p>May 2005 Executive Officer, Oriental Land Co., Ltd.</p> <p>April 2009 Representative Director and Executive Vice President Officer, Oriental Land Co., Ltd.</p> <p>June 2013 External Director, AMUSE INC.</p> <p>June 2015 Director and Vice Chairman, AMUSE INC.</p> <p>March 2018 Outside Director, Bridgestone Corporation (Incumbent)</p> <p>April 2019 Representative Director, President, AMUSE INC.</p> <p>June 2021 Director, Nippon Express Co., Ltd.</p> <p>January 2022 Director, the Company (Incumbent) (Important Position of Other Organizations Concurrently Assumed)</p> <p>Outside Director, Bridgestone Corporation</p>	0
<p>[Reasons for the selection and expected roles]</p> <p>Mr. Yojiro Shiba possesses extensive experience in corporate management and a wide perspective gained from addressing diverse customer needs. 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 as the NX Group accelerates its business growth in global markets.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
6	 <p>Yumiko Ito (March 13, 1959)</p> <p>Reappointment Outside Director Independent Officer</p> <p>Number of years served as Director (at the closing of this Meeting): 1 year</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1984 Legislation Staff (Sanji), The Legislative Bureau of the House of Representatives of Japan</p> <p>April 1989 Admitted to the bar in Japan Joined Sakawa Law Office</p> <p>July 1991 Joined Tanabe & Partners</p> <p>April 2001 General Counsel, Legal & Patent Operation, GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)</p> <p>May 2004 Staff Counsel, Legal & Intellectual Property, IBM Japan, Ltd.</p> <p>March 2007 Executive Officer, Legal & Corporate Affairs, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)</p> <p>April 2013 Executive Officer and General Counsel, Sharp Corporation</p> <p>June 2013 Director, Executive Officer and General Counsel, Sharp Corporation</p> <p>April 2014 Director, Executive Managing Officer and General Counsel, Sharp Corporation</p> <p>June 2016 Executive Managing Officer and General Counsel, Sharp Corporation</p> <p>April 2019 Established Ito Law Office Representative, Ito Law Office (Incumbent)</p> <p>June 2019 Outside Director, Kobe Steel, Ltd. (Incumbent)</p> <p>June 2019 Outside Corporate Auditor, Santen Pharmaceutical Co., Ltd.</p> <p>July 2022 Trustee, Nihon University (Incumbent)</p> <p>March 2023 Director, the Company (Incumbent) (Important Position of Other Organizations Concurrently Assumed) Representative, Ito Law Office Outside Director, Kobe Steel, Ltd.</p>	0
<p>[Reasons for the selection and expected roles] 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. 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 as the NX Group enhances its global governance and risk management.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
7	 <p>Tsukiko Tsukahara (August 31, 1972) New appointment Outside Director Independent Officer</p>	<p>April 1995 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>June 2001 Special Assistant to the Director for Policy Evaluation to Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>September 2003 Joined Boston Consulting Group</p> <p>January 2009 Principal, Boston Consulting Group</p> <p>July 2015 Vice President, Catalyst Japan Research and Consulting</p> <p>February 2018 Founded Kaleidist K.K. President, Kaleidist K.K. (Incumbent)</p> <p>April 2020 Co-Representative, G20 EMPOWER Japan (Incumbent) (Important Position of Other Organizations Concurrently Assumed) President, Kaleidist K.K.</p>	0
<p>[Reasons for the selection and expected roles] Ms. Tsukiko Tsukahara has extensive insight into and experience in the field of diversity and inclusion including the promotion of the active participation of women. In addition to advisory and consulting activities leveraging her experience as a consultant, she now plays a core role in domestic and overseas diversity and inclusion organizations. The Company proposes Ms. Tsukahara as a candidate for Outside Director, expecting her to provide supervision and advice based on her expertise and cutting-edge knowledge as the NX Group promotes its sustainability management.</p>			

- (Notes)
1. There is no special interest between the Company and each of the candidates.
 2. The Company has provided notice to the Tokyo Stock Exchange of Mr. Yojiro Shiba, Ms. Yumiko Ito and Ms. Tsukiko Tsukahara being independent officers.
 3. Agreement to limit Outside Directors' liability
 - (1) In accordance with the Articles of Incorporation, the Company has entered into agreements with Mr. Yojiro Shiba and Ms. Yumiko Ito which limit Outside Directors' liabilities when applicable under the requirements of laws and regulations. The limit of liability under the agreement shall be an amount provided for in the laws and regulations. When Mr. Yojiro Shiba and Ms. Yumiko Ito are reelected under this proposal, the Company will continue the agreement with them.
 - (2) When Ms. Tsukiko Tsukahara is elected under this proposal, in accordance with the Articles of Incorporation, the Company plans to enter into an agreement with her which limits her liabilities when applicable under the requirements of laws and regulations. The limit of liability under the agreement shall be an amount provided for in the laws and regulations.
 4. The Company has entered into a directors and officers liability insurance agreement with an insurance company. The insurance agreement covers damages such as compensation for damages and litigation expenses to be borne by the insured parties. The insurance premiums for the insured parties are fully paid by the Company. When each candidate is reelected or elected, they will be included as insured parties under the insurance agreement. The Company plans to renew the insurance agreement with the same content during their terms of office.
 5. The number of Board of Directors meetings attended by Mr. Mamoru Akaishi and Ms. Yumiko Ito only refers to the Board of Directors meetings held after they assumed their positions on March 30, 2023.

Proposal 3: Election of Four (4) Directors who are members of the Audit and Supervisory Committee

Subject to the approval and adoption of Partial Amendments to the Articles of Incorporation under Proposal 1, the Company will make the transition to a Company With an Audit and Supervisory Committee.

Accordingly, it is proposed to elect four (4) Directors (three (3) of whom are Outside Directors).

The Audit & Supervisory Board has already consented to this proposal.

This proposal will take effect when Partial Amendments to the Articles of Incorporation under Proposal 1 take effect.


The candidates for Directors who are members of the Audit and Supervisory Committee are listed below.


Candidate Number	Name				Position and Responsibilities at the Company
1	Takashi Nakamoto (Male)	New Candidate			General Manager, Internal Auditing Division
2	Yoshio Aoki (Male)	New Candidate	Outside	Independent	Audit & Supervisory Board Member
3	Nobuko Sanui (Female)	New Candidate	Outside	Independent	Audit & Supervisory Board Member
4	Ryuji Masuno (Male)	New Candidate	Outside	Independent	

New Candidate: New candidate for Director

Outside: Candidate for Outside Director

Independent: Candidate for independent officer

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
1	 <p data-bbox="416 573 635 689">Takashi Nakamoto (June 28, 1962) New Appointment</p>	<p data-bbox="659 300 1254 333">April 1986 Joined Nippon Express Co., Ltd.</p> <p data-bbox="659 338 1254 427">June 2011 Group General Manager, Finance & Accounting Division, Nippon Express Co., Ltd.</p> <p data-bbox="659 432 1254 521">July 2013 General Manager, Finance & Accounting Division, NIPPON EXPRESS U.S.A., Inc.</p> <p data-bbox="659 526 1254 593">May 2017 General Manager, Tottori Branch, Nippon Express Co., Ltd.</p> <p data-bbox="659 598 1254 687">May 2018 Representative Director and President, Nippon Express Capital Co., Ltd.</p> <p data-bbox="659 692 1254 759">April 2019 General Manager, Financial Planning Division, Nippon Express Co., Ltd.</p> <p data-bbox="659 763 1254 853">January 2022 General Manager, Internal Auditing Division, the Company (Incumbent)</p> <p data-bbox="659 857 1254 925">(Important Position of Other Organizations Concurrently Assumed)</p> <p data-bbox="659 929 1254 958">None</p>	3,000
<p data-bbox="395 965 699 999">[Reasons for the selection]</p> <p data-bbox="395 1003 1445 1249">Mr. Takashi Nakamoto has gained experience mainly in finance and accounting departments of domestic and overseas group companies including Nippon Express Co., Ltd. and has contributed to strengthening the management foundation of the entire NX Group, leveraging his extensive knowledge. Since his appointment as General Manager of Internal Auditing Division in January 2022, he has worked to enhance the auditing system both in Japan and overseas. The Company believes that he is well qualified to audit and supervise the Company's management based on these experiences and achievements he has, and accordingly proposes him as a candidate for Director who is a member of the Audit and Supervisory Committee.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
2	 <p data-bbox="403 544 632 936"> Yoshio Aoki (October 23, 1950) New appointment Outside Director Independent Officer Attendance at Board of Directors meetings: 19/19 (100%) </p>	<p data-bbox="659 271 1254 331">November 1974 Joined Peat, Marwick, Mitchell & Company</p> <p data-bbox="659 338 1254 427">November 1976 Joined Tohmatsu Awoki & Co. (Current Deloitte Touche Tohmatsu LLC)</p> <p data-bbox="659 434 1254 495">March 1978 Registered as Certified Public Accountant</p> <p data-bbox="659 501 1254 591">July 1988 Partner, Tohmatsu Awoki & Sanwa (Current Deloitte Touche Tohmatsu LLC)</p> <p data-bbox="659 598 1254 687">July 1995 Representative Partner, Tohmatsu & Co. (Current Deloitte Touche Tohmatsu LLC)</p> <p data-bbox="659 694 1254 754">October 2010 Head, Management Audit Office, Deloitte Touche Tohmatsu LLC</p> <p data-bbox="659 761 1254 851">December 2015 Director, Certified Public Accountant, Yoshio Aoki & Co. (Incumbent)</p> <p data-bbox="659 857 1254 918">March 2016 Audit & Supervisory Board Member, Nippon Denko Co., Ltd. (Incumbent)</p> <p data-bbox="659 925 1254 985">June 2016 Audit & Supervisory Board Member, Polyplastics Co., Ltd.</p> <p data-bbox="659 992 1254 1052">June 2016 Audit & Supervisory Board Member, Nippon Express Co., Ltd.</p> <p data-bbox="659 1059 1254 1120">January 2022 Audit & Supervisory Board Member, the Company (Incumbent)</p> <p data-bbox="659 1126 1254 1216">*Mr. Yoshio Aoki will retire from the position of Audit & Supervisory Board Member of Nippon Denko Co., Ltd. on March 28, 2024.</p> <p data-bbox="659 1223 1254 1283">(Important Position of Other Organizations Concurrently Assumed)</p> <p data-bbox="659 1290 1254 1350">Director, Certified Public Accountant, Yoshio Aoki & Co.</p> <p data-bbox="659 1357 1254 1417">Audit & Supervisory Board Member of Nippon Denko Co., Ltd.</p>	0
<p data-bbox="395 1429 914 1458">[Reasons for the selection and expected roles]</p> <p data-bbox="395 1464 1445 1800">Mr. Yoshio Aoki was appointed as Outside Audit & Supervisory Board Member of the Company in January 2022 in recognition of his suitability 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. The Company proposes Mr. Aoki as a candidate for Outside Director who is a member of the Audit and Supervisory Committee, expecting him to provide supervision and advice based on his specialized knowledge and abundant experience as the NX Group strengthens governance functions for corporate value enhancement. While Mr. Aoki has no experience in corporate management other than as an outside director, the Company believes based on the reasons above that he will be able to perform his duties appropriately as Outside Director who is a member of the Audit and Supervisory Committee.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
3	 <p>Nobuko Sanui (April 7, 1955)</p> <p>New appointment</p> <p>Outside Director</p> <p>Independent Officer</p> <p>Attendance at Board of Directors meetings: 19/19 (100%)</p>	<p>April 1980 Joined Japan Federation of Employers' Associations</p> <p>July 2000 General Manager, International Division, Japan Federation of Employers' Associations</p> <p>May 2002 Chief General Manager, International Labor Policy Division, Japan Federation of Economic Organizations (name changed due to a merger)</p> <p>April 2005 Chief General Manager, Labor Law Division, Japan Federation of Economic Organizations</p> <p>June 2006 Chief General Manager, International Division II, Japan Federation of Economic Organizations</p> <p>May 2008 Managing Director, Japan Federation of Economic Organizations</p> <p>March 2012 Managing Director, KEIDANREN (Japan Business Federation) (name changed due to a transition into a general incorporated association)</p> <p>June 2014 Managing Director, KEIDANREN Business Services</p> <p>June 2021 Audit & Supervisory Board Member, Nippon Express Co., Ltd.</p> <p>January 2022 Audit & Supervisory Board Member, the Company (Incumbent)</p> <p>(Important Position of Other Organizations Concurrently Assumed)</p> <p>None</p>	0
<p>[Reasons for the selection and expected roles]</p> <p>Ms. Nobuko Sanui has experience in the formulation of international rules in the field of labor at an employers' association and in the formulation of policy recommendations that contribute to the overseas expansion of companies. Judging her suitability to monitor business operations based on her detailed experience and expertise in international and labor domains, as well as her experience and knowledge in managing an association, she was appointed as Outside Audit & Supervisory Board Member of the Company in January 2022. The Company proposes Ms. Sanui as a candidate for Outside Director who is a member of the Audit and Supervisory Committee, expecting her to provide supervision and advice based on her abundant experience and insight as the NX Group strengthens governance functions for corporate value enhancement.</p>			

Candidate Number	Name (Date of Birth)	Profile and Position and Responsibilities at the Company	Number of Company's Shares Held by Candidate
4	 <p>Ryuji Masuno (October 30, 1953)</p> <p>New appointment Outside Director Independent Officer</p>	<p>April 1977 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>August 2005 Assistant Vice-Minister, Minister's Secretariat (concurrently in charge of Railway Bureau), Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2006 Senior Deputy Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2007 Deputy Vice-Minister for Policy Coordination, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2009 Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>August 2010 Deputy Vice-Minister for Transport Safety Policy, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>September 2011 Vice Commandant, Coast Guard, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>August 2013 Vice-Minister for International Affairs, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>September 2014 President, Japan Maritime Center</p> <p>June 2017 Secretary General, Japan Trucking Association</p> <p>August 2023 Admitted to the bar in Japan (Tokyo Bar Association)</p> <p>(Important Position of Other Organizations Concurrently Assumed) None</p>	0
<p>[Reasons for the selection and expected roles]</p> <p>Mr. Ryuji Masuno is an attorney and has extensive legal knowledge. He also held important positions in the road transport division, which includes consigned forwarding business, public relations division, and international affairs division at the Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism) and has a wealth of knowledge on the logistics industry. While he previously served as Secretary General of the Japan Trucking Association, he had worked as a representative of the industry with government offices to promote initiatives for solving issues facing the road transport industry and contributed to the sound development of the trucking business. The Company proposes Mr. Masuno as a candidate for Outside Director who is a member of the Audit and Supervisory Committee, expecting him to provide supervision and advice based on his specialized knowledge and abundant experience as the NX Group strengthens governance functions for corporate value enhancement.</p>			

- (Notes)
1. There is no special interest between the Company and each of the candidates.
 2. The Company has provided notice to the Tokyo Stock Exchange of Mr. Yoshio Aoki, Ms. Nobuko Sanui and Mr. Ryuji Masuno being independent officers.
 3. Agreement to limit Outside Directors' liability
When Mr. Yoshio Aoki, Ms. Nobuko Sanui and Mr. Ryuji Masuno are elected under this proposal, in accordance with the Articles of Incorporation, the Company plans to enter into an agreement with them which limit their liabilities when applicable under the requirements of laws and regulations. The limit of liability under the agreement shall be an amount provided for in the laws and regulations.
 4. The Company has entered into a directors and officers liability insurance agreement with an insurance company. The insurance agreement covers damages such as compensation for damages and litigation expenses to be borne by the insured parties. The insurance premiums for the insured parties are fully paid by the Company. When each candidate is elected, they will be included as insured parties under the insurance agreement. The Company plans to renew the insurance agreement with the same content during their terms of office.

Proposal 4: Setting of Compensation for Directors (excluding Directors who are members of the Audit and Supervisory Committee)

The Company will transition to a Company With an Audit and Supervisory Committee, subject to the approval and adoption of Proposal 1 “Partial Amendments to the Articles of Incorporation” and the amendments to the Articles of Incorporation taking effect.

Article 2, Paragraph 1 of the Supplementary Provision of the Company’s Articles of Incorporation stipulates the total amount of remuneration, etc., to be paid in cash to the directors of the Company from the date of incorporation of the Company to the close of the ordinary general meeting of shareholders related to the fiscal year ended December 31, 2023 shall not exceed 660 million yen per year (not including employee salaries for directors who serve concurrently as employees). However, in accordance with the transition to a Company With an Audit and Supervisory Committee, the Company proposes to newly set the amount of compensation for Directors (excluding Directors who are members of the Audit and Supervisory Committee) at not exceeding ¥1 billion per year (of that, the Outside Directors’ portion shall not exceed ¥100 million per year).

This proposal takes into consideration the size of the Company’s business, the compensation level of other companies, the number of Directors (excluding Directors who are members of the Audit and Supervisory Committee) and the contents of “A. Basic Policy” regarding compensation for officers described in the Business Report section, and the contents of this proposal have been deemed appropriate as it was resolved by the Board of Directors after deliberation and report by a discretionary Compensation and Nomination Advisory Committee, three out of four members of which are independent Outside Directors. As in the past, this compensation amount shall not include the amount of employee salaries for Directors who serve concurrently as employees.

There are currently six (6) Directors (including three (3) Outside Directors), and there shall be seven (7) Directors (excluding Directors who are members of the Audit and Supervisory Committee) (including three (3) Outside Directors) pertaining to this proposal when Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Seven (7) Directors (excluding Directors who are members of the Audit and Supervisory Committee)” are approved as proposed.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal 5: Setting of Compensation for Directors who are members of the Audit and Supervisory Committee

The Company will transition to a Company With an Audit and Supervisory Committee, subject to the approval and adoption of Proposal 1 “Partial Amendments to the Articles of Incorporation” and the amendments to the Articles of Incorporation taking effect.

Accordingly, the Company proposes to set the amount of compensation for Directors who are members of the Audit and Supervisory Committee at not exceeding ¥200 million per year.

This proposal takes into consideration the duties, responsibilities and number of Directors who are members of the Audit and Supervisory Committee, the compensation level of other companies and others, and the contents of this proposal have been deemed appropriate as it was resolved by the Board of Directors after deliberation and report by a discretionary Compensation and Nomination Advisory Committee, three out of four members of which are independent Outside Directors.

There shall be four (4) Directors who are members of the Audit and Supervisory Committee when Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Four (4) Directors who are members of the Audit and Supervisory Committee” are approved as proposed.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal 6: Partial Revision of the amount and content of Performance-based Stock Compensation for Directors, etc.

The Company has introduced a performance-based stock compensation plan (the “Plan”) since having succeeded from then Nippon Express Co., Ltd. on January 4, 2022 in accordance with Article 2, Paragraph 2 of the Supplementary Provision of the Company’s Articles of Incorporation. The Plan has been applied to Directors and Executive Officers (excluding Outside Directors, part-time Directors and those who do not reside in Japan) of the Company and its subsidiary Nippon Express Co., Ltd. (the “Eligible Subsidiary”) with the objective of managing the Officers’ compensation system of the Company and the Eligible Subsidiary (collectively the “Eligible Companies”) in a comprehensive manner.

Since the Company will transition to a Company With an Audit and Supervisory Committee, subject to the approval and adoption of Proposal 1 “Partial Amendments to the Articles of Incorporation” and the amendments to the Articles of Incorporation taking effect, we ask for the approval of this proposal to partially revise the Plan to continue the Plan in and after the business year ending December 31, 2024 with eligible recipients being Directors and Executive Officers of the Eligible Companies (excluding Outside Directors, part-time Directors, Directors who are members of the Audit and Supervisory Committee and those who do not reside in Japan; hereinafter the “Directors, etc.”).

Specifically, this proposal asks for approval of payment of stock compensation for Directors, etc. of the Eligible Companies as described in the “2. Amount and content, etc. of the compensation, etc. under the revised Plan” below, separately from the compensation limit amount described in Proposal 4 “Setting of Compensation for Directors (excluding Directors who are members of the Audit and Supervisory Committee)” for approval.

If Proposal 2 “Election of Seven (7) Directors (excluding Directors who are members of the Audit and Supervisory Committee)” is approved as originally proposed, the number of Directors of the Company eligible for the Plan will be four (4) excluding Outside Directors, and the number of eligible Executive Officers (those who do not concurrently serve as Directors of the Company at the present) of the Company will be nine (9). In addition, the number of eligible Directors (those who do not concurrently serve as Directors of the Company at present) of the Eligible Subsidiary will be twenty-five (25).

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

1. Reason for the continuation of the Plan, and reasonable grounds for such partial revision

The Plan is intended to further enhance the motivation of the Directors, etc. to contribute to pursuing sustainable growth and improving the corporate value of the Company over the medium to long term, and thus the Company believes that it is reasonable to continue the Plan.

This proposal takes into account the contents of “A. Basic Policy” regarding compensation for officers described in the Business Report section, and the contents of this proposal have been deemed appropriate as it was resolved by the Board of Directors after deliberation and report by a discretionary Compensation and Nomination Advisory Committee, three out of four members of which are independent Outside Directors.

2. Amount and content, etc. of the compensation, etc. under the revised Plan

The amount and content of the compensation, etc. under the revised Plan shall be as follows:

(1) Outline of the Plan

The Plan is a performance-based stock compensation plan for Directors, etc. using the trust.

Under the Plan, the Company will contribute money not exceeding ¥1.2 billion for compensation for the Directors, etc. of the Company as well as the Directors, etc. of the Eligible Subsidiary combined for every assessment target period over the five business years and establish a trust of about a five-year period with the Directors, etc. who satisfy the beneficiary requirements as beneficiaries (the “Trust”). According to the instructions of the trust administrator, the Trust will acquire the shares of the Company from the stock market using the contributed money. (See (2) below.)

During the trust term, the Directors, etc. will be granted a certain number of points increasing or decreasing according to the factors including the level of attainment of the performance targets of each business year belonging to the assessment target period and the level of attainment of the performance targets over the assessment target period. (See (3) below.)

The Directors, etc. who meet the designated requirements will, in principle, receive the Company's shares and money equivalent to the amount obtained by converting the number of the Company's shares into money (the "Share Delivery, etc.") from the Trust according to the number of owned points following the expiry of the assessment target period. (See (4) below.)

(2) Upper limit of money to be contributed to the Trust

Under the Plan with the assessment target period of five business years, from the business year ending December 31, 2024 to the business year ending December 31, 2028, for established trusts whose term expires on May 31, 2024, the trust term shall be extended for five years, and money not exceeding ¥1.2 billion shall be contributed as compensation for the Directors, etc. of the Company as well as the Directors, etc. of the Eligible Subsidiary combined for such extended assessment target period.

Even after the expiry of the assessment target period up to the business year ending December 31, 2028, the Company may continue the Plan by setting a new assessment target period of five business years to the extent approved in this proposal and the same shall apply to the assessment target period thereafter. In continuing the Plan, the Company may extend the Trust instead of setting a new trust by changing the trust agreement and contributing additional money and, for each trust term extension, shall make an additional contribution for compensation for the Directors, etc. of the Eligible Companies. In extending the Plan, the Company will contribute or additionally contribute money not exceeding ¥1.2 billion for compensation for the Directors, etc. of the Company as well as the Directors, etc. of the Eligible Subsidiary combined for each term, and the trust term to be extended shall be, in principle, for five years.

In addition, the Company's shares remaining in the Trust at the time of extending the Trust (which are for the Share Delivery, etc. corresponding to the points granted to the Directors, etc. at the time of extending the Trust but excluding those whose Share Delivery, etc. is not completed) can be used as shares for the Share Delivery, etc. corresponding to a new assessment target period, and the money can be used for acquiring shares of the Company for the Share Delivery, etc. corresponding to a new assessment target period.

If the number of the Company's shares in the Trust is likely to fall short of the number of shares to be delivered during the trust term, the Company may contribute additional money to the Trust to the extent of the trust money amount and the share acquisition number so that the Trust can additionally acquire the Company's shares.

(3) Calculation method and upper limit of the number of the Company's shares for the Share Delivery, etc. to the Directors, etc.

The number of the Company's shares for the Share Delivery, etc. to the Directors, etc. of the Eligible Companies shall be calculated based on the points to be granted according to the position of the Directors, etc. and the level of attainment of the performance targets.

At first, on the day which is set as a base day of each business year belonging to the assessment target period, points set according to the position of a Director, etc. are granted to the Directors, etc. who meet designated requirements as the base points for the relevant business year (the "Base Points").

The Base Points will be increased or decreased according to the attainment level, etc. of various financial indices, including consolidated revenue, consolidated business income and consolidated ROE (return on equity) as well as ESG-related non-financial indices in each business year relevant to said points, to grant points in the relevant business year (the "Annual Points"). The Annual Points will be accumulated during the assessment target period including the said business years.

After the expiry of the assessment target period, the total number of the Annual Points accumulated during said assessment target period will be increased or decreased according to the level of attainment of various indices as of the end of the assessment target period to determine the final total number of points for the relevant assessment target period. (The work to determine the final total number of points is referred to as the mid-term performance assessment.)

The number of points to be granted according to the attainment level, etc. of the performance targets shall fluctuate in the range of 0% to 150%, with the base level corresponding to the attainment level of the target set at 100%.

One point shall correspond to one share of the Company's shares*, and the Directors, etc. who satisfy the beneficiary requirements will receive the Share Delivery, etc. corresponding to the points. (See (4) below.)

The upper limit of the number of points corresponding to one business year granted to the Directors, etc. of the Eligible Companies under the Plan shall be 28,000 points (equivalent to 28,000 shares) for the Company and the Eligible Subsidiary combined. As such, the upper limit of the number of points corresponding to one business year granted to the Directors, etc. of the Eligible Companies for each trust term of five years shall be 140,000 points (equivalent to 140,000 shares) for the Company and the Eligible Subsidiary combined, the number obtained by multiplying the maximum number of points corresponding to one business year by the number of years of the assessment target period, which is five.

* If a share split or reverse share split is implemented during the trust term and it is considered to be appropriate to adjust the number of points and the Company's shares, such adjustment shall be made to the number of the Company's shares per point according to the ratio of the share split, reverse share split, etc.

(4) Timing and details of the Share Delivery, etc. to the Directors, etc.

The Directors, etc. who satisfy the beneficiary requirements will, in principle, receive the Share Delivery, etc. after the expiry of the assessment target period.

The Company's shares corresponding to half of the points held by the eligible Directors, etc. (the number of shares less than one trading unit will be rounded down) shall be delivered in the form of the Company's shares. The Company's shares corresponding to the remaining half of the points will be paid in money equivalent to the amount obtained by converting the remaining number of the Company's shares into money within the Trust for the purpose of paying income tax, etc. (The amount of money remaining after-tax payment by the company to which each Director, etc. belongs shall be paid to the Directors, etc.)

If, however, the Directors, etc. retire from office during the assessment target period, the Company will carry out the Share Delivery, etc. for the number of points held by said Directors, etc. at the time of retirement of said Directors, etc. The details of the Share Delivery, etc. shall be the same as the Share Delivery, etc. to be made after the end of the assessment target period.

In addition, in case of the death of a Director, etc. during the trust term, the Company will convert the Company's shares corresponding to the points held by said Director, etc. at the time of death of said Director, etc. into money within the Trust, and deliver the money equivalent to such converted amount to his/her family member who satisfies designated requirements.

(5) Voting rights related to the Company's shares within the Trust

To maintain the neutrality of the Trust to the Company's management, the voting rights of the Company's shares within the Trust shall not be exercised during the trust term.

(6) Malus and clawback provisions

If the eligible Directors, etc. engage in any act that is deemed to be inappropriate in light of the aim of the Plan to pursue sustainable growth and enhance corporate value and shareholder value over the medium to long term, such as violation of laws and regulations as well as the regulations of the Company, all or part of the rights (points) to receive delivery, etc. of the Company's shares under the Plan may be forfeited (malus) or all or part of the money equivalent to the Company's shares delivered may be demanded to be returned (clawback).

(7) Other details of the Plan

Other details of the Plan shall be determined by the Board of Directors whenever the Trust is established, the trust agreement is revised and additional contributions to the Trust are made.

In addition, for the details of the partial revision of the Plan, please refer to "Notice of Revisions to Performance-Linked Stock Compensation Plans Following Transition to a Company With an Audit and Supervisory Committee" released on February 19, 2024.

Reference

Independence Criteria for Independent Outside Officers

Taking into consideration the requirement for outside directors stipulated in the Companies Act and the criteria set by securities exchanges, the Company has established its own criteria; and it appoints Outside Directors in accordance with these criteria.

When candidates for Outside Director do not fall under any of the following items, the Company considers that they have the appropriate independence.

1. An individual who is an executive* of the Company or a Group company or was an executive of the Company or a Group company within the ten-year period prior to his/her appointment;
2. A shareholder and its executive who own 10% or more of the total voting rights of the Company's shares;
3. An executive of a business partner whose transaction with the Group exceeds 2% of the Company's consolidated revenue;
4. An individual who has received more than ¥10 million per business year from the Company as remuneration as a consultant, a lawyer or a certified public accountant;
5. An individual who belongs to the audit firm which is the Company's Accounting Auditor; or
6. An individual who belongs to a group which received an average of ¥10 million or more of donations during the last three business years from the Company and a Group company.

* An "executive" signifies an executive director, an executive officer or other employees.

Skill matrix of the Board of Directors (if each candidate for Director is elected at this meeting)

Name	Areas in which the Company has particular expectations of candidates for the Board of Directors								
	Corporate management		Legal and risk management	Finance and accounting	International business	ESGs and sustainability	Human resource development and labor management	Experience in on-site operations	Experience working for other NX Group companies
	Experience in management of NX Group companies	Experience in management of companies outside the NX Group							
Mitsuru Saito	✓		✓	✓	✓	✓	✓	✓	✓
Satoshi Horikiri	✓		✓		✓	✓	✓	✓	✓
Mamoru Akaishi	✓				✓			✓	✓
Sachiko Abe	✓		✓				✓	✓	✓
Yojiro Shiba	Outside Independent	✓		✓	✓				
Yumiko Ito	Outside Independent	✓	✓			✓			
Tsukiko Tsukahara	Outside Independent	✓				✓	✓		
Takashi Nakamoto	✓			✓				✓	✓
Yoshio Aoki	Outside Independent		✓	✓					
Nobuko Sanui	Outside Independent	✓				✓	✓		
Ryuji Masuno	Outside Independent	✓	✓			✓			

The check mark indicates that each Director has knowledge and expertise in the respective field.

End

Notice of Dividends to Shareholders

Pursuant to the provision of the Articles of Incorporation, the Company has resolved at the meeting of the Board of Directors held on March 1, 2024 to pay the year-end dividend for the 2nd fiscal year of the Company as follows.

Particulars

1. Dividend: 150 per common stock of the Company
2. Start (effective) date for distribution of dividends: Tuesday, March 12, 2024

Please use the enclosed “Receipt of Year-End Dividend” to receive year-end dividends at your nearest Japan Post Bank or post office between March 12, 2024 and April 12, 2024.

For those who have designated an account for dividend transfers, we have enclosed the “Statement of Year-End Dividend” and the “Confirmation of Dividend Transfer Account.”

We have enclosed the “Statement of Year-End Dividend” for shareholders who have chosen to receive their dividends using the “Receipt of Year-End Dividend” as well, as we have done for those who have designated an account for dividend transfers. The statement can be used to confirm the dividend amount after you have received your dividends.

End

(Appendix)

Business Report (From January 1, 2023 to December 31, 2023)

1. Status of the Company

(1) Business Development and Results

The Group adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2023 (hereinafter, the “fiscal year under review”). Financial figures for the previous fiscal were reclassified under IFRS for the purpose of comparison and analysis.

Consolidated Financial Results Highlight



global economy showed signs of a gradual recovery during the current consolidated fiscal year, with certain countries and regions demonstrating resilience in domestic demand and a pause in surging resource prices. However, a full-fledged economic recovery remained some way off, as high interest rate policies, mainly in Europe and the United States, put downward pressure on economic activities. In addition, geopolitical and economic security risks, including the Russian invasion of Ukraine, the Israel-Hamas conflict, and confrontations between the U.S. and China, have emerged with increasing frequency. As a result, the business environment was challenging overall, reflecting an uncertain future.

In this economic environment, the logistics industry was sluggish overall despite a recovery in international logistics cargo movement stemming from the completion of inventory adjustments and other factors. The tight supply-demand situation in air and ocean cargo transportation, which persisted since the COVID-19 pandemic, eased significantly, and supply chains have continued to normalize. The logistics sector in Japan saw improvements in the retail and service sectors due to the return of inbound travel by foreign tourists, the recovery of automobile production due to the easing of automotive semiconductor shortages, and other developments in certain industries. However, overall cargo movement lacked strength due to the impact of falling production in the manufacturing sector, associated in part with a slowing global economy. In addition to continuing geopolitical and economic security risks, the situation in Japan requires close monitoring of trends that include rising procurement costs due to higher prices and the weakening of the yen, as well as the coming 2024 problem and other issues.

In response to this business environment, the NX Group made a concerted effort to strengthen our management foundation and achieve the final-year targets of the NX Group Business Plan 2023 - Dynamic Growth -, a five-year business plan we launched back in April 2019. We pursued this plan without making any significant changes in direction during the consolidated fiscal, which is the final year of the current plan. At the same time, we pursued our long-term vision to become a logistics company with a strong presence in the global market.

We fell short of our final-year targets for FY2023 due to the external environment, including weak cargo movement and rising energy, labor, and other costs. However, revenue and operating profit exceeded FY2019, the fiscal year prior to the emergence of COVID-19, despite dealing with a challenging environment. We believe the efforts under our business plan have produced consistent results.

Business Growth Strategy

Under our growth strategy for core businesses, we endeavored to strengthen our global sales structure further, mainly through the Global Business Headquarters (GBHQ) as the core of our sales strategy. Under our customer-oriented approach (industry), we continue to target customers in five priority industries: Electric and electronics, automobiles, apparel, pharmaceuticals, and semiconductors. At the same time, we pursue non-Japanese customers with a presence in the global market to build a new customer base. Under our business-oriented approach, we continue to expand sales of contract logistics, in addition to our air and ocean forwarding business. We have built a sales structure capable of providing solutions that cover the entire customer supply chain.

Under our strategy to enhance domestic businesses in Japan, we seek to further improve our domestic logistics business profitability and strengthen our management foundation. To this end, we have been reassigning back office personnel, adopting advanced technologies, training logistics staff to strengthen warehouse operations, and engaging in office work automation and streamlining for greater productivity. We are also strengthening our network transportation products. In this context, we pursue modal shift to railroads and coastal shipping. These modes are useful in solving issues surrounding future logistics, including CO₂ reduction and transportation capacity shortages associated with the 2024 problem. We are also building a backup transport system in the event of natural disasters.

Efforts to Implement Our Long-Term Vision

As part of our inorganic growth strategy, we are accelerating our transformation to a holding company structure based on the premise of our M&A strategy. We are engaged in creating structures for global growth and stronger group management. The acquisition of cargo-partner has been our largest investment to date. This acquisition complements our logistics infrastructure in Central and Eastern Europe, which we expect to grow as a production base within Europe and expand our global network further.

To reinforce functions to support challenges, we are expanding and reinforcing the NX Group brand under a brand strategy to build competitive advantage on a global scale. We generated a significant amount of recognition as a global sponsor of the 2023 World Baseball Classic™, the most prestigious baseball tournament in the world.

We exercise ESG-oriented business management to realize sustainable development and improve corporate value. As part of these efforts, we formulated a Sustainability Policy and Sustainability Vision in January 2023 toward higher sustainability management in our aims for sustainable growth and enhanced corporate value through co-creation with our stakeholders. In support of these aims, we established new medium- to long-term targets for CO₂ emissions reductions that will contribute to carbon-neutral societies and protect the global environment. We continue efforts to address climate change and disclose information about our initiatives proactively.

To achieve our long-term vision, we committed to becoming a company that makes employees happy. In Japan, we pursue four reforms based on pillars of diversity, work-style improvement, and work-style innovation: Mindset reform, culture reform, work-style reform, and behavior reform. At the same time, we recruit multinational human resources, experienced professionals in law, accounting, and other high-level skills, and pursue other matters under a human resources strategy supporting global growth.

As a result, for the consolidated financial results for the 2nd term, the Group posted revenue of ¥2,239.0 billion, operating profit of ¥60.0 billion, profit before tax of ¥61.2 billion, and profit attributable to owners of parent of ¥37.0 billion.

Financial results by main business are summarized below.



In the railway segment, we have been working to attract new customers by, for instance, expanding Sea & Rail Service, a cargo transportation service combining rail cargo transportation and ocean cargo transportation using vessels, establishing a backup transportation scheme for major trunk lines, and collaborating with beverage logistics companies. In addition, the handling of automobile parts increased due to the recovery of production. However, results were at the same level as the previous year owing to the rise in prices mainly due to the impact of the weak yen and the prolonged Russian invasion of Ukraine as well as the impact of natural disasters, such as snow damage and heavy rainfall.

In the motor transportation area, freight volume showed a recovery trend for electric- and electronics-related and automobile-related sectors, but business remained slow due to a decline in shipment volume of steel-related and petroleum and chemical products. In the small-lot shipment business, we worked to improve operational efficiency by restructuring our transportation networks and expanding mutual use with Meitetsu Transport, our capital and business alliance partner. However, shipment volume decreased as a result of disruptions in the supply chain, including semiconductor shortages, soaring resource prices, and the effects of high prices due to the weak yen, and the segment remained sluggish.

In the warehousing segment, the environment remained challenging in the pharmaceuticals and medical business, one of the Company's priority industries, mainly due to delays in the enactment of statutory regulations concerning appropriate distribution practices for pharmaceuticals and a growing cost awareness in the industry. Amidst this backdrop, the Company worked on increasing shipment volume through an expansion of orders in new areas and other initiatives while at the same time focusing on sales promotion mainly to foreign-affiliated pharmaceutical companies. In addition, shipment volume continued to grow partly because of an increase in e-commerce-related sites, resulting in steady growth in handling volume for the warehousing & storage business as a whole.

In the moving & relocation segment, although the Company worked to ensure appropriate profitability in the domestic moving business by making stronger efforts such as revising service prices and reviewing product lineup, the handling in the business declined mainly due to the impact of major changes in the external environment. Also in the relocation business, the handling for office relocation-related services decreased due to a reactionary decline from the previous year, resulting in a slowdown in overall handling in the moving and relocation business.

In the air freight segment, unit selling prices in international air freight continued to decline as a result of a drop in demand mainly due to the normalization of marine transportation, and an increase in space supply from airlines driven by the resumption of passenger flights. In addition, shipment volume in international air freight remained weak due to a decline in the handling volume for the semiconductor-related sector as a result of a growing trend toward shifting to ocean transport and a lack of growth in core industries such as automobile-related and electric- and electronics-related industries. Meanwhile, despite strong growth in emergency freight of medical supplies and transportation for medical equipment-related and electric- and electronics-related sectors, domestic air freight remained sluggish due to a decline in handling of the home-related sector, in addition to a reactionary drop from the surge in airfreight demand following the previous year's disruptions in ocean cargo transportation and emergency freight in response to semiconductor shortages.

In the marine transportation segment, global transportation remained sluggish as freight rate levels dropped significantly due to a decline in handling volume and a surplus of transportation space caused by global economic downturn especially in China. Coastal shipping also slowed

down, because of little growth in cargo movements of our main handling cargos, including food, beverages, and daily necessities, as well as volatile cargo movements for materials.

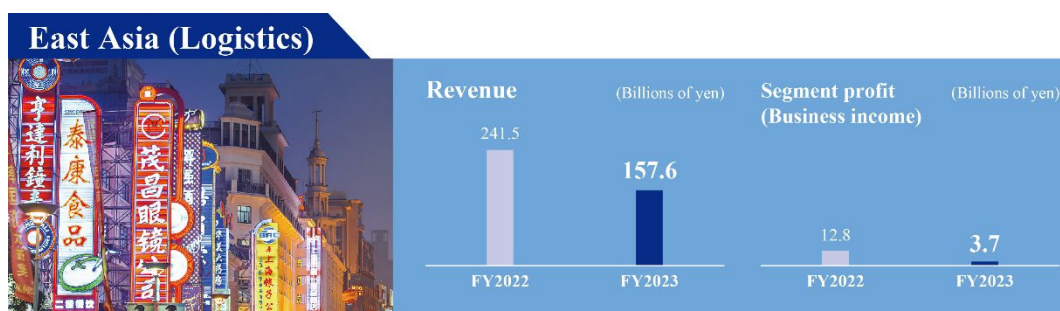
As a result, in logistics (Japan), there was a recovery in cargo movements in some industries, evident by, among other things, automobile production volume exceeding that of the previous year due to the elimination of the shortage of semiconductors, but the handling in domestic logistics in general remained weak. The air freight and marine transportation business was largely affected by a decline in handling volume and a drop-in unit selling prices. Consequently, revenue and operating profit decreased in logistics (Japan) as a whole.



Although warehouse delivery was solid mainly for automobile-related and apparel sectors, the segment remained sluggish. This was largely due to a decline in unit selling prices in the air freight and marine transportation business, the segment's core business, following the normalization of the supply-demand balance after the COVID-19 pandemic, and a decrease in imported cargos from Japan and other Asian countries. In addition, despite our continuous efforts to revise service prices, the rapid inflation caused labor, rent, and other costs to surge, resulting in decreases in revenue and operating profit.



The supply-demand balance for transportation worsened due to a drop in logistics demand caused by rising prices and economic stagnation. Consequently, handling volume in the air freight business declined, particularly in automobile-related and electric- and electronics-related sectors, resulting in weak performance. In the marine transportation business, shipment volume remained flat from the previous year because automobile- and medical equipment-related sectors were strong. In logistics (Europe) as a whole, revenue and operating profit decreased as a result of increased costs due in part to higher prices and labor costs driven by inflation, and a continued downward trend in selling prices for both air freight and marine transportation.



The air freight business and the marine transportation business remained sluggish due to a

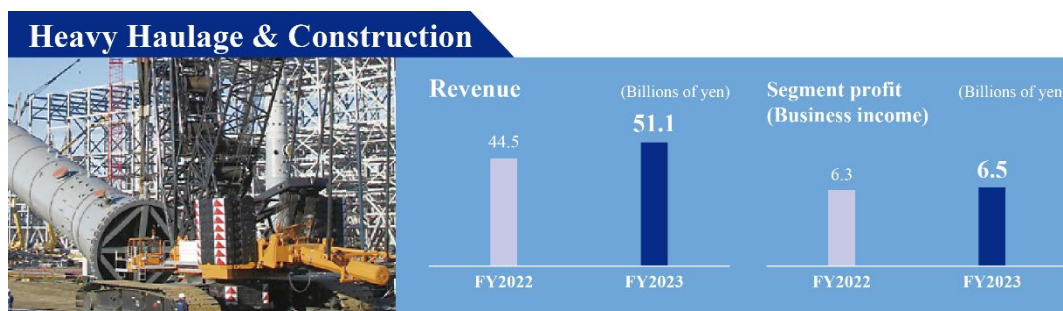
decline in shipment volume mainly in the automobile-, semiconductor-, and electric- and electronics-related sectors. Overall, the segment faced a reactionary drop from the previous year's increase in shipments in China after the lockdowns and a continued downward trend in unit selling prices in conjunction with the normalization of the supply-demand balance. As a result, revenue and operating profit in logistics (East Asia) as a whole declined.



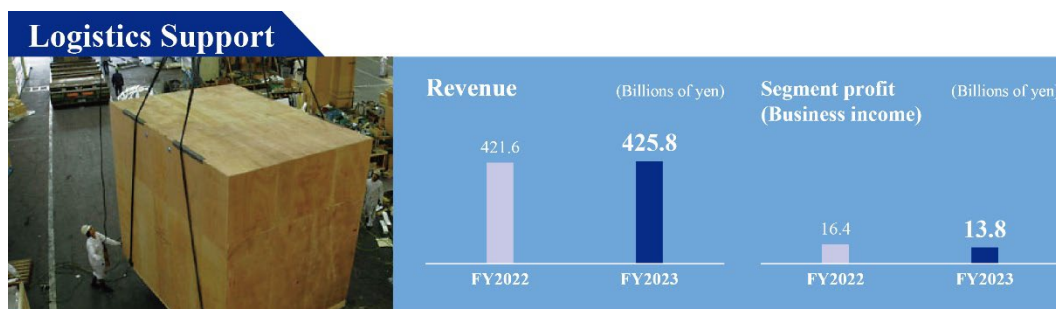
Warehouse delivery remained firm, particularly in consumer goods-related sectors, backed by strong domestic demand in countries in the region. In the heavy haulage & construction business, the Company put efforts into sales activities, especially for renewable energy projects in response to the government's decarbonization policies and increased demand for electric energy. However, revenue and operating profit decreased due to the continued downward trend in unit selling prices in the air freight and marine transportation business, heavily affected by a reactionary decline in automobile and electric- and electronics-related sectors.



The business results of the segment were impacted by the consolidation of branches of financial institutions and a decline in set-up and pickup/delivery services due to the discontinuation of bill transportation as well as by higher costs because of rising labor costs and BCP measures. Meanwhile, the Company made efforts to acquire new outsourcing service projects for financial institutions and reduce various costs by implementing measures to improve operational efficiency. As a result, revenue decreased but operating profit increased.



Demand for construction work related to renewable energy was strong in line with the energy transition toward a decarbonized society. We received a large number of orders for construction work, mainly for onshore and offshore wind power plants. In addition, maintenance work for plant facilities as well as industrial machinery-related work, including facility replacement for factories and urban redevelopment projects, remained strong. As a result, revenue and operating profit increased.



The segment performed strongly thanks to the growth in sales of automation and labor-saving equipment and wrapping materials, as well as in packaging work at overseas subsidiaries. In addition, the logistics finance business and the real estate business were reorganized to strengthen group management. However, revenue and operating profit decreased primarily due to declines in handling volume and unit selling prices in the petroleum and LPG sectors.

(2) Capital Investment

Total capital investment for the fiscal year under review was ¥72,984 million, mainly comprising ¥12,122 million in vehicles, ¥26,648 million in buildings including distribution hubs and commercial warehouses that are geared for reform in the logistics structure.

(3) Funding

The Group raised ¥25.0 billion on March 31, 2023, ¥23.0 billion on December 7, 2023, ¥7.0 billion on December 13, 2023, and ¥20.0 billion on December 19, 2023 through bank borrowings to fund mainly the repayment of borrowings, the redemption of bonds, and investments and loans. In addition, the Group issued ¥10.0 billion of NIPPON EXPRESS HOLDINGS, INC.'s 1st Unsecured Straight Bond (five-year bond) and ¥10.0 billion of 2nd Unsecured Straight Bond (10-year bond), both dated December 13, 2023.

(4) Assets, Profit and Loss

Japanese GAAP

(Millions of yen, unless otherwise stated)

Category	1st Term FY2022
Revenue	2,619,746
Operating profit	128,716
Ordinary profit	137,323
Profit attributable to owners of parent	109,809
Basic earnings per share (Yen)	1,218.89
Total assets	1,730,922
Net assets	771,274
Net assets per share (Yen)	8,391.95

- Notes: 1. The number of shares used to calculate basic earnings per share is the average number of shares during the period less the average number of treasury stock during the period.
 2. The number of shares used to calculate net assets per share is the total number of issued shares at the end of the period less the total number of treasury stock at end of the period.
 3. The Company has introduced an executive compensation BIP trust, and the Company's

shares held by the trust are included in the treasury stock to be deducted from the total number of issued shares at the end of the period for the purpose of calculating net assets per share. In calculating basic earnings per share, the Company's shares held by the trust are included in the treasury stock to be deducted from the average number of shares during the period.

IFRS

(Millions of yen, unless otherwise stated)

Category	1st Term FY2022	2nd Term FY2023
Revenue	2,618,659	2,239,017
Operating profit	155,510	60,098
Profit attributable to owners of parent	108,318	37,050
Basic earnings per share (Yen)	1,202.34	418.58
Total assets	2,075,197	2,107,116
Total equity	779,150	817,806
Equity attributable to owners of parent per share (Yen)	8,485.15	9,097.87

- Notes: 1. The consolidated financial statements have been prepared in accordance with IFRS from the fiscal year under review. Figures under IFRS for the first term are also presented for reference.
2. The Company has introduced an Executive Compensation BIP Trust, and the Company's shares held by the Trust are included in the treasury stock to be deducted from the total number of issued shares at the end of the period for the purpose of calculating equity attributable to owners of parent per share. In calculating basic earnings per share, the Company's shares held by the Trust are included in the treasury stock to be deducted from the average number of shares during the period.

(5) Issues to Be Addressed

While worldwide inflation appears to have peaked and the monetary tightening phase in Europe and the U.S. has reached a turning point, global economic conditions will likely remain uncertain due to the prolonged invasion of Ukraine by Russia and heightened geopolitical risks such as the situation in the Middle East.

In light of rising geopolitical and economic security risks, the logistics industry is facing corporate clients who are reviewing existing supply chains from the perspective of safe procurement. At the same time, the industry must deal with climate change, chronic human resource shortages, digitalization, and the development of new logistics services based on advanced technologies. As a whole, the logistics industry must transform into a new value-creating industry that supports the sustainable growth of society.

In response to this business environment, the NX Group formulated the NX Group Business Plan 2028: Dynamic Growth 2.0 -Accelerating Sustainable Growth-. This plan will serve as our management policy for the next five years. As a second stage following our previous business plan, we will continue to take on the challenge of reform to achieve our long-term vision to become a logistics company with a strong presence in the global market by the year 2037, which will be our 100th anniversary.

While we have made no major changes in the direction of our long-term vision, the NX Group Business Plan 2028 defines the three most important issues we must address: (1) Accelerate Growth in the Global Market; (2) Rebuild Businesses in Japan; and (3) Sustainability Management Promotion.



Accelerate Growth in the Global Market

To achieve our long-term vision, we must accelerate the growth of our core logistics business in the global market, focusing more on customers than ever before. Account management based on group-wide optimization will help us provide end-to-end solutions for customer global supply chains and expand our business domains. In addition to accelerating efforts in priority industries and for non-Japanese customers, we will focus on growing sales of air and ocean forwarding services while providing a stronger and wider range of logistics solutions with a focus on warehousing.

We will continue our efforts toward dynamic business growth through M&A, alliances, and strategic investments. In particular, we will pursue PMI with cargo-partner as rapidly as possible. cargo-partner represents our largest acquisition ever, and our efforts to strengthen competitiveness in the global market include building a larger global network by complementing our logistics infrastructure in the Central and Eastern European region. Under area strategy, we will also take on the challenge of expanding our business in India, where we expect further economic growth over the medium to long term.

Rebuild Businesses in Japan

Japan remains our mother market. Here, we will work to improve profitability in each business

based on a clear business portfolio and division of roles. At the same time, we intend to transform ourselves into a highly profitable organization, including liquidating and replacing low-profit businesses.

We plan to reallocate management resources among the Tokyo, Nagoya, and Osaka metropolitan areas based on a customer-in, market-in perspective from which we will launch business growth in the global market. We will improve profitability and capital efficiency in other regions based on our assessment of future prospects. In light of the preceding, Nippon Express, the core of our Japan operations, is considering an in-house company system, aiming to clarify the roles of each area and increase management flexibility in accordance with market characteristics.

We intend to clarify the role of the specialty logistic business within the NX Group business portfolio, striving to enhance expertise and quality. At the same time, we will offer total logistics solutions in our logistics support business to raise the competitive stature of the group as whole.

Sustainability Management Promotion

In pursuing sustainability management, we reaffirmed five materialities (critical issues) to address in improving our corporate value: (1) Develop and strengthen sustainable solutions; (2) Solidify global supply chains; (3) Strengthen our response to climate change; (4) Enhance human capital to foster innovation; and (5) Respect human rights and engage in responsible corporate activities.

Sustainability represents the foundational perspective on which we consider all activities. The NX Group has always played a role in contributing solutions to social issues through our businesses. And we will continue to play this role in a manner more active than ever, transforming ourselves into a corporate group that is the preference of customers, society, shareholders, and employees.

The NX Group will accelerate its transformation to realize its long-term vision of becoming a logistics company with a strong presence in the global market, and strive for further growth and further enhancement of corporate value, in order to meet the expectations of all shareholders. We would be grateful for your continued understanding and support.

(6) Significant Subsidiaries (As of December 31, 2023)

1) Significant Subsidiaries

Company name	Share capital or investment	Voting right ratio	Main businesses
Nippon Express Co., Ltd.	JPY 70,175 million	100.0%	Logistics (Japan) Heavy haulage & construction
NX SHOJI Co., Ltd.	JPY 4,000 million	100.0%	Logistics support
NX Cash Logistics Co., LTD.	JPY 1,000 million	100.0%	Security transportation
NX Capital Co., Ltd.	JPY 2,000 million	100.0%	Logistics support
NX CAREERROAD Co., Ltd.	JPY 100 million	100.0%	Logistics support
NX NP Logistics Co., Ltd.	JPY 1,800 million	66.7%	Logistics (Japan)
NITTSU NEC LOGISTICS, LTD.	JPY 380 million	70.0%	Logistics (Japan)
NX WANBISHI ARCHIVES CO., LTD.	JPY 4,000 million	100.0%	Logistics (Japan)
Osaka Warehouse Co., Ltd.	JPY 240 million	79.4%	Logistics support
NIPPON EXPRESS U.S.A., INC.	USD 26,000 thousand	100.0%	Logistics (The Americas)
NIPPON EXPRESS EUROPE GMBH	EUR 17,898 thousand	100.0%	Logistics (Europe)
NIPPON EXPRESS (CHINA) CO., LTD.	RMB 127,500 thousand	100.0%	Logistics (East Asia)
NIPPON EXPRESS (SOUTH ASIA & OCEANIA) PTE. LTD.	SGD 450,677 thousand	100.0%	Logistics (South Asia & Oceania)

Notes: 1. The voting right ratio includes indirect holdings.

2. Please refer to “(7) Main Businesses” below for details of main operations of each company.

2) Significant Affiliates

Company name	Share capital or investment	Voting right ratio	Main businesses
NX·TC Lease & Finance Co., Ltd.	JPY 1,000 million	49.0%	Logistics support

(7) Main Businesses (As of December 31, 2023)

The main businesses of the NIPPON EXPRESS HOLDINGS Group are as follows:

Logistics business

Reportable segments	Main products and services	Main operations
Japan	Railway utilization transportation, chartered truck services, combined delivery services, air freight forwarding, marine and harbor transportation, moving and relocation, warehousing and distribution processing, in-factory work, information asset management, real estate rental, fine arts transportation, heavy haulage and construction	Railway forwarding, motor cargo transportation, air freight forwarding, marine transportation, harbor transportation, warehousing, in-factory work, information asset management, real estate
The Americas	Air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Air freight forwarding, harbor transportation, warehousing, motor cargo transportation
Europe	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation

East Asia	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation
South Asia & Oceania	Railway utilization transportation, air freight forwarding, marine and harbor transportation, warehousing and distribution processing, moving and relocation, chartered truck services, heavy haulage and construction	Railway forwarding, air freight forwarding, harbor transportation, warehousing, motor cargo transportation, heavy haulage and construction

Security Transportation business

Reportable segment	Main products and services	Main operations
Security Transportation	Security transportation	Security guard, motor cargo transportation

Heavy Haulage & Construction business

Reportable segment	Main products and services	Main operations
Heavy Haulage & Construction	Heavy haulage & construction	Heavy haulage and construction

Logistics Support business

Reportable segment	Main products and services	Main operations
Logistics Support	Sale of petroleum, etc., sale of others, real estate, finance, others	Sale of distribution equipment, wrapping and packaging materials, vehicles, petroleum, liquefied petroleum (LP) gas, etc., vehicle maintenance, insurance agency, mediation, planning, designing and management of real estate, investigation and research, logistics finance, employee dispatching

(8) Main Business Locations (As of December 31, 2023)

1) Main Domestic Locations

The Company	Headquarters	Kanda-Izumicho 2, Chiyoda-ku, Tokyo
Domestic subsidiaries	Nippon Express Co., Ltd. (Chiyoda-ku, Tokyo), NX SHOJI Co., Ltd. (Minato-ku, Tokyo), NX Cash Logistics Co., LTD. (Chiyoda-ku, Tokyo), NX Capital Co., Ltd. (Chiyoda-ku, Tokyo), NX CAREERROAD Co., Ltd. (Minato-ku, Tokyo), NX NP Logistics Co., Ltd. (Settsu City), NITTSU NEC LOGISTICS, LTD. (Kawasaki City), NX WANBISHI ARCHIVES CO., LTD. (Minato-ku, Tokyo), Osaka Warehouse Co., Ltd. (Osaka City), etc.	

2) Main Overseas Locations

Overseas subsidiaries	NIPPON EXPRESS U.S.A., INC. (U.S.A.) NIPPON EXPRESS EUROPE GMBH (Germany) NIPPON EXPRESS (CHINA) CO., LTD. (China) NIPPON EXPRESS (SOUTH ASIA & OCEANIA) PTE. LTD. (Singapore) and others
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(9) Employees (As of December 31, 2023)

1) Employees of the Corporate Group

Business	Number of employees (Persons)	Year-on-year change (Persons)
Logistics	61,516	289
Security Transportation	7,071	618
Heavy Haulage & Construction	946	(13)
Logistics Support	4,631	85
Corporate (common)	274	(23)
Total	74,438	956

- Notes: 1. The number of employees above indicates the number of active employees.
2. The average numbers of temporary employees during the period for Logistics, Security Transportation, Heavy Haulage & Construction and Logistics Support are 8,946 persons, 877 persons, 81 persons and 1,067 persons, respectively.

(10) Main Lenders (As of December 31, 2023)

Lenders	Borrowings (Millions of yen)
Mizuho Bank, Ltd.	73,344
MUFG Bank, Ltd.	28,832
Sumitomo Mitsui Banking Corporation	17,192
Development Bank of Japan Inc.	10,000
Asahi Mutual Life Insurance Company	5,400

2. Shares of the Company (As of December 31, 2023)

(1) Total Number of Shares Authorized to Be Issued	340,000,000 shares
(2) Total Number of Shares Issued	90,599,225 shares
(3) Number of Shareholders	51,240 persons
(4) Major Shareholders	

Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Account in Trust)	12,753	14.5%
Custody Bank of Japan, Ltd. (Account in Trust)	6,549	7.4%
Asahi Mutual Life Insurance Company	5,601	6.4%
NX Employees' Shareholding Association	4,073	4.6%
Sompo Japan Insurance Inc.	3,567	4.1%
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benefit Trust of Mizuho Bank, Ltd. (re-entrusted by Custody Bank of Japan, Ltd.)	2,850	3.2%
State Street Bank West Client – Treaty 505234	1,519	1.7%
JPMorgan Securities Japan Co., Ltd.	1,433	1.6%
JP Morgan Chase Bank 385781	928	1.1%
Hino Motors, Ltd.	844	1.0%

- Notes: 1. Although the Company owns 2,563 thousand shares of treasury stock, it is excluded from the major shareholders stated above.
2. The shareholding ratio above is calculated excluding treasury stock.

(5) Shares Delivered to Company Officers in Consideration of the Execution of Duties During the Fiscal Year Ended December 31, 2023

Officer category	Number of shares (Shares)	Number of eligible Officers (Persons)
Directors (excluding Outside Directors)	1,500	2
Outside Directors	–	–
Audit & Supervisory Board Members	–	–

Note: The shares stated above were delivered to the Directors who retired on December 31, 2022 as the performance-based stock compensation. For details about the performance-based compensation, etc., please refer to “(4) Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members” in “3. Company Officers” below.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members (As of December 31, 2023)

Positions	Responsibilities	Name	Significant concurrent positions
Chairman and Representative Director	Chairman of the Board of Directors	Kenji Watanabe	
President and Representative Director (Chief Executive Officer)	Chief Executive Officer	Mitsuru Saito	
Director (Executive Officer)	In charge of Corporate Planning Division, and General Manager, Corporate Planning Division	Mamoru Akaishi	
Director		Sadako Yasuoka	Representative, Sadako Yasuoka Office
Director		Yojiro Shiba	Outside Director, Bridgestone Corporation
Director		Yumiko Ito	Representative, Ito Law Office Outside Director, Kobe Steel, Ltd.
Full-time Audit & Supervisory Board Member		Shigeki Arima	
Full-time Audit & Supervisory Board Member		Koji Mizota	
Audit & Supervisory Board Member		Toshiaki Nojiri	Director, Nittsu Gakuen Educational Corporation
Audit & Supervisory Board Member		Yoshio Aoki	Director, Certified Public Accountant, Yoshio Aoki & Co. Audit & Supervisory Board Member, Nippon Denko Co., Ltd.
Audit & Supervisory Board Member		Nobuko Sanui	

- Notes: 1. Directors Sadako Yasuoka, Yojiro Shiba and Yumiko Ito are Outside Directors, and have been registered as independent officers with the Tokyo Stock Exchange.
2. Audit & Supervisory Board Members Toshiaki Nojiri, Yoshio Aoki and Nobuko Sanui are Outside Audit & Supervisory Board Members, and have been registered as independent officers with the Tokyo Stock Exchange.
3. Audit & Supervisory Board Member Yoshio Aoki is a certified public accountant and has substantial insight into finance and accounting.
4. There is no special relationship between the Company and the companies where the Outside Directors and Outside Audit & Supervisory Board Members hold important concurrent positions.

(2) Outline of Liability Limitation Agreements

In accordance with the Articles of Incorporation, the Company has entered into agreements with Directors and Audit & Supervisory Board Members which limit their liability when applicable under the requirements of laws and regulations. The limit of liability under the agreement shall be an amount provided for in the laws and regulations.

(3) Summary of contents of the Directors and Officers Liability Insurance Agreement

The Company has entered into a Directors and Officers Liability Insurance Agreement as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured includes Directors, Audit & Supervisory Board Members, and Executive Officers of the Company, its subsidiaries, and some affiliates, and the agreement is intended to cover damages and legal expenses incurred by the insured as a result of corporate lawsuits and shareholder derivative suits, which the insured may be subject to. All premiums

are paid by each company. However, in order to ensure that the insured's proper performance of their duties is not impaired, there are certain exclusions, such as no coverage for liability arising from actions taken with the knowledge that they were in violation of laws and regulations.

(4) Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members

1) Total Amount of Compensation, etc. by Officer Category, Total Amount of Compensation, etc. by Type, and Number of Eligible Officers

Officer category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type				Number of eligible officers (Persons)
		Fixed compensation (Millions of yen)	Performance-based compensation		Other compensation (Millions of yen)	
			Bonuses (Millions of yen)	Stock compensation (Millions of yen)		
Directors [of which, Outside Directors]	357 [42]	242 [42]	81 —	17 —	16 —	8 [4]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	94 [33]	90 [33]	— —	— —	3 —	5 [3]
Total [of which, Outside Officers]	451 [76]	332 [76]	81 —	17 —	19 —	13 [7]

Notes: 1. The aforementioned officers include two Directors (of which, one Outside Director) who retired at the closing of the 1st Ordinary General Meeting of Shareholders held on March 30, 2023.

2. Article 2, Paragraph 1 of the Supplementary Provision of the Company's Articles of Incorporation stipulates the total amount of compensation, etc., to be paid in cash to the Directors of the Company from the date of incorporation of the Company to the close of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 shall not exceed ¥660 million per year (not including employee salaries for Directors who serve concurrently as employees). The number of Directors at the time these Articles of Incorporation came into effect was nine.

3. Of the compensation, etc., to be paid to Directors of the Company (excluding Outside Directors), the stock compensation system for the period from the date of establishment of the Company to the fiscal year ended December 31, 2023 is provided for in Article 2, Paragraph 2 of the Supplementary Provisions of the Company's Articles of Incorporation. Such stock compensation represents the amount of the reserve recorded for the fiscal year under review under the plan and differs from the actual total amount paid.

4. Article 3 of the Supplementary Provision of the Company's Articles of Incorporation stipulates that the total amount of compensation, etc. of Audit & Supervisory Board Members from the date of the Company's establishment until the close of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 shall not exceed ¥120 million per year. The number of Audit & Supervisory Board Members at the time these Articles of Incorporation came into effect was five.

5. Other compensation includes the amount borne by the Company for company housing provided to officers.

2) Performance-based Compensation, etc.

The Company's compensation for officers consists of basic compensation and performance-based compensation. Performance-based compensation is awarded for results and performance, based on each officer's expected duties. Compensation is designed so that the higher the position, the higher the ratio of performance-based compensation, requiring those in higher positions to take greater responsibility for results and performance. In addition, bonuses and stock compensation, which are performance-based compensation, are allocated according to the standard amount set for each position.

As for indicators pertaining to performance-based compensation, bonuses, which serve as short-term performance-based compensation, adopt the degree of attainment of the single-year target for operating profit as the indicator, in order to encourage the achievement of stronger single-year performance as well as higher contribution to single-year performance

commensurate with roles of individual officers, with the status and other aspects of their efforts in dealing with management issues taken into consideration. Performance-based stock compensation, which serves as medium- to long-term performance-based compensation, uses indicators including consolidated revenue, consolidated operating profit, and consolidated ROE.

Performance-based stock compensation is intended to provide incentives for achieving the targets of the business plan, and the Company has selected these indicators because they are set as the numerical targets in the plan. Performance-based stock compensation is basically managed in terms of points, with one point being equivalent to one share of the Company's shares. Each year, the number obtained by dividing the amount of stock compensation for each position by the base stock price of the plan is granted to eligible recipients as base points. The assessment target period is the same fiscal year as the Company's business plan, and an assessment is conducted for each fiscal year with performance assessment indicators set to correspond with the business plan. With the base level corresponding to the attainment of the performance targets set at 100%, points are increased or decreased within the range of 0% to 150% overall for each fiscal year and the mid-term performance assessment conducted after the expiry of the assessment target period, and the points are determined upon conducting a final assessment. After the end of the period covered by the business plan, the same number of shares as the determined points will be delivered. With regard to the details of the delivery of shares, the Company's shares corresponding to a half of the points held by the eligible recipients (the number of shares less than one trading unit will be rounded down) will be delivered in the form of the Company's shares, and the Company's shares corresponding to the remaining points will be sold for the purpose of paying income tax, etc., and the remaining amount after the payment of taxes will be paid to the eligible recipients.

As for the actual results of the bonuses and indicators pertaining to performance-based stock compensation for the fiscal year under review, the attainment compared to the budgeted targets was 91.56% for consolidated revenue, 69.16% for consolidated operating profit, and 59.00% for consolidated ROE.

3) Details of Non-monetary Compensation, etc.

The details of the performance-based stock compensation adopted by the Company are as described in 2) above. With respect to the delivery of the Company's shares, 1,500 shares were delivered to the Directors who retired on December 31, 2022. In addition, other compensation in 1) above includes the amount borne by the Company for company housing provided to officers.

4) Compensation, etc. for Directors and Audit & Supervisory Board Members

Of the total amount of compensation, etc. for Directors, Article 2, Paragraph 1 of the Supplementary Provision of the Company's Articles of Incorporation stipulates the total amount of compensation, etc., to be paid in cash to the Directors of the Company from the date of incorporation of the Company to the close of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 shall not exceed ¥660 million per year (not including employee salaries for Directors who serve concurrently as employees). The number of Directors at the time these Articles of Incorporation came into effect was nine. Of the total amount of compensation, etc. for Audit & Supervisory Board Members, Article 3 of the Supplementary Provision of the Company's Articles of Incorporation stipulates that the total amount of compensation, etc. of Audit & Supervisory Board Members from the date of the Company's establishment until the close of the Ordinary General Meeting of Shareholders for the fiscal year ended on December 31, 2023 shall not exceed ¥120 million per year. The number of Audit & Supervisory Board Members at the time these Articles of Incorporation came into effect was five.

In addition, Article 2, Paragraph 2 of the Supplementary Provision of the Company's Articles of Incorporation stipulates the introduction of a performance-based stock compensation plan for Directors and Executive Officers (excluding Outside Directors and those who do not reside in Japan) for the purpose of enhancing their motivation to contribute to improving the business results and corporate value of the Company over the medium to long term, separately from the above total amount of compensation. The number of Directors at the time these Articles of Incorporation came into effect was six, excluding three Outside Directors.

5) Decision-making Policy Concerning the Details of Individual Compensation, etc. for Directors,

etc.

In order to obtain the opinions of independent Outside Directors concerning important matters such as the compensation of officers, the Company has established a discretionary Compensation and Nomination Advisory Committee, three out of four members of which are independent Outside Directors. Based on the deliberation and report of the Compensation and Nomination Advisory Committee, the Revision of the Standard Amount of Compensation for Directors and Executive Officers and the Process for Determining Compensation was resolved at a meeting of the Company's Board of Directors held on November 16, 2023, and the Company's policy on compensation for officers is as follows.

A. Basic Policy

- (i) Compensation shall be designed to ensure excellent human resources who will put the corporate philosophy into practice and to commensurate with their roles and responsibilities.
- (ii) The compensation system shall be designed to drive motivation and contribute to our sustainable growth and corporate value enhancement over the medium to long term.
- (iii) The compensation system shall be designed so that it is highly fair and reasonable to allow it to be explained to all stakeholders.

B. Composition of Compensation

- (i) Compensation for officers consists of basic compensation, which is fixed compensation, and performance-based compensation, which fluctuates in accordance with the attainment of the targets.
- (ii) Compensation for Outside Directors consists only of basic compensation from the perspective of their roles and independence.

C. Basic Compensation

The amount of basic compensation for officers is determined in accordance with their roles, taking into consideration the levels of other companies based on surveys conducted by external professional organizations.

D. Performance-based Compensation

- (i) Bonuses, whose indicator is single-year target, are provided as short-term performance-based compensation.
- (ii) Stock compensation linked to the attainment of the medium-term business plan and improvement in corporate value (stock value) is provided as medium- to long-term performance-based compensation.

To the Directors of the Company, basic compensation, which is fixed compensation, is paid monthly, and bonuses, which are short-term performance-based compensation, are paid at the close of the Ordinary General Meeting of Shareholders for the fiscal year ending within one year after their election. In addition, the amount of compensation for Audit & Supervisory Board Members is determined through discussions among the Audit & Supervisory Board Members.

6) Reasons Why the Board of Directors Has Determined That the Details of Individual Compensation, etc. for Directors Pertaining to the Fiscal Year Under Review Are in Line with the Decision-making Policy

In deciding the details of individual compensation, etc. for Directors, the Compensation and Nomination Advisory Committee has conducted a multifaceted review, including consistency with the decision-making policy. Accordingly, the Board of Directors respects the content of the report and has determined that it is in line with the decision-making policy.

7) Matters Relating to Delegation of Authority to Determine Individual Compensation, etc. for Directors

For the fiscal year under review, a resolution was passed at the Board of Directors meeting held on March 30, 2023 to delegate the authority to Mr. Mitsuru Saito, President and Representative Director (currently Chairman and Representative Director), to determine the specific details of the amount of individual compensation for Directors. The delegated authority is to determine the amount of basic compensation and evaluation and allocation of bonuses for each Director, within the scope of compensation stipulated in the Supplementary Provision of the Articles of Incorporation and in accordance with the standards of compensation for Directors determined through deliberation by the Compensation and Nomination Advisory Committee. The reason for delegating these authorities is that the Representative Director is the most suited person to

evaluate each Director's duties in charge while overlooking the Company's overall business performance.

(5) Outside Officers

Main Activities in the Fiscal Year Under Review

Outside Officer	Attendance		Main activities
	Board of Directors	Audit & Supervisory Board	
Director Sadako Yasuoka	19/19 (100%)	—	Leveraging her profound culture and abundant experience as an educator engaged in research of the Analects of Confucius (Rongo), Ms. Sadako Yasuoka has made appropriate remarks as necessary regarding the agenda and the matters discussed, and has fulfilled appropriate roles in supervising the business execution and providing advice. In addition to the above, as a member of the Compensation and Nomination Advisory Committee, which deliberates on matters such as personnel matters regarding the Company's senior management, she participated in the Committee meetings and actively expressed her opinions.
Director Yojiro Shiba	19/19 (100%)	—	Leveraging his abundant experience in corporate management and strong insight into corporate governance based on such experience, Mr. Yojiro Shiba has made appropriate remarks as necessary regarding the agenda and the matters discussed, and has fulfilled appropriate roles in supervising the business execution and providing advice. In addition to the above, as a member of the Compensation and Nomination Advisory Committee, which deliberates on matters such as personnel matters regarding the Company's senior management, he participated in the Committee meetings and actively expressed his opinions.
Director Yumiko Ito	14/14 (100%)	—	Leveraging her advanced expertise as an attorney and broad business experience in several companies with diverse backgrounds, Ms. Yumiko Ito has made appropriate remarks as necessary regarding the agenda and the matters discussed, and has fulfilled appropriate roles in supervising the business execution and providing advice. In addition to the above, as a member of the Compensation and Nomination Advisory Committee, which deliberates on matters such as personnel matters regarding the Company's senior management, she participated in the Committee meetings and actively expressed her opinions.

Note: The number of attendance at the Board of Directors meetings of Ms. Yumiko Ito covers only the meetings held after her appointment on March 30, 2023.

Outside Officer	Attendance		Main activities
	Board of Directors	Audit & Supervisory Board	
Audit & Supervisory Board Member Toshiaki Nojiri	19/19 (100%)	9/9 (100%)	Mr. Toshiaki Nojiri makes appropriate remarks as necessary at the meetings of the Audit & Supervisory Board regarding the agenda and the matters discussed, leveraging his expertise as a scholar and insight as a manager of educational institutions. He also provides guidance and suggestions at the meetings of the Board of Directors to ensure the validity and appropriateness of decision-making by the Board of Directors.
Audit & Supervisory Board Member Yoshio Aoki	19/19 (100%)	9/9 (100%)	Mr. Yoshio Aoki makes appropriate remarks as necessary at the meetings of the Audit & Supervisory Board regarding the agenda and the matters discussed, leveraging his abundant experiences as a certified public accountant and expertise in finance and accounting. He also provides guidance and suggestions at the meetings of the Board of Directors to ensure the validity and appropriateness of decision-making by the Board of Directors.
Audit & Supervisory Board Member Nobuko Sanui	19/19 (100%)	9/9 (100%)	Ms. Nobuko Sanui makes appropriate remarks as necessary at the meetings of the Audit & Supervisory Board regarding the agenda and the matters discussed, leveraging her expertise in the international domain based on her experiences 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 also provides guidance and suggestions at the meetings of the Board of Directors to ensure the validity and appropriateness of decision-making by the Board of Directors.

4. Accounting Auditor

(1) Name Deloitte Touche Tohmatsu LLC

(2) Compensation, etc.

1) Compensation, etc. to be paid by the Company	¥659 million
2) Total of cash and other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	¥1,026 million

Notes: 1. The Audit & Supervisory Board has confirmed the actual audit hours and audit fee trends per audit item and audit level in the audit plan of past fiscal years, as well as how the Accounting Auditor's duties were fulfilled, and verified the appropriateness of the audit plan and audit fees for the fiscal year under review pursuant to "Practical Guidelines for Cooperation with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association. As a result, the Audit & Supervisory Board agreed to the audit fees, etc. to be paid to the Accounting Auditor referred to in Article 399, Paragraph 1 of the Companies Act.

2. The audit agreement between the Company and the Accounting Auditor makes no clear distinction between the audit fees, etc. for audits based on the Companies Act and those based on the Financial Instruments and Exchange Act, and since it is practically impossible to distinguish between these two types of fees, the sum of these amounts is stated in 1) above.
3. Some of the Company's overseas subsidiaries are audited by audit firms other than the Company's Accounting Auditor.

(3) Non-audit Services

The Company consigns advisory services, etc. relating to accounting which are services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(4) Policy on Determining Dismissal or Non-reappointment of Accounting Auditor

The Audit & Supervisory Board will determine the contents of proposals to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the Accounting Auditor, if it deems it necessary, for example in the event it is difficult for the Accounting Auditor to perform its duties.

Furthermore, the Audit & Supervisory Board will dismiss the Accounting Auditor in the event the Accounting Auditor falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act upon the unanimous consent of the Audit & Supervisory Board Members. In such case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the dismissal and the reasons of the dismissal at the first General Meeting of Shareholders convened after the dismissal.

5. Policy Concerning Decision on Distribution of Surplus, etc.

Recognizing that returning profits to shareholders is one of its most important tasks, the Company's basic policy is to pay dividends twice a year, an interim dividend and a year-end dividend, while paying attention to securing internal reserves to strengthen the management base and financial standing, and taking into consideration factors including profit conditions and the dividend ratio in a comprehensive manner. In addition, as a capital policy in the Nippon Express Group Business Plan 2023 -"Dynamic Growth"-, we have set a dividend payout ratio of 30% or more and a total return ratio of 50% or more (cumulative total for FY2019 to 2023).

Based on these policies, regarding the year-end dividend for the fiscal year under review, the Board of Directors resolved on the disposal of surplus at its meeting held on March 1, 2024, as follows. The annual dividend is ¥300 per share including the interim dividend (dividend with record date of June 30) of ¥150 per share.

The Company's Articles of Incorporation stipulate that the Company may pay dividends from surplus, etc. by a resolution of the Board of Directors.

(1) Kind of dividend

Cash

(2) Matters related to distribution of cash and total amount

¥150 per share of common stock of the Company

The total amount: ¥13,205,415,300

(3) Effective date for distribution of surplus

March 12, 2024

Note:

In this Business Report, the amounts and number of shares less than the presented unit are disregarded, while ratios, basic earnings per share, equity attributable to owners of parent per share, and net assets per share less than the presented unit are rounded off.

Consolidated Statement of Financial Position (Debit) (As of December 31, 2023)

(Unit: Millions of yen)

Item	Amount
(Assets)	
Current assets	
Cash and cash equivalents	315,076
Trade and other receivables	424,054
Inventories	10,680
Income taxes receivable	20,771
Other financial assets	88,139
Other current assets	36,941
Subtotal	895,663
Non-current assets held for sale	428
Total current assets	896,091
Non-current assets	
Property, plant and equipment	535,583
Investment property	68,529
Goodwill and intangible assets	73,561
Right-of-use assets	354,021
Investments accounted for using equity method	42,185
Other financial assets	113,273
Deferred tax assets	16,429
Other non-current assets	7,438
Total non-current assets	1,211,024
Total assets	2,107,116

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Financial Position (Credit) (As of December 31, 2023)

(Unit: Millions of yen)

Item	Amount	Item	Amount
(Liabilities)		(Equity)	
Current liabilities		Equity attributable to owners of parent	
Trade and other payables	214,044	Share capital	70,175
Bonds and borrowings	61,782	Capital surplus	23,267
Lease liabilities	111,730	Treasury shares	(20,542)
Other financial liabilities	84,385	Other components of equity	92,625
Income taxes payable	7,628	Retained earnings	634,536
Provisions	10,419	Total equity attributable to owners of parent	800,062
Other current liabilities	101,100	Non-controlling interests	17,743
Total current liabilities	591,092	Total equity	817,806
Non-current liabilities			
Bonds and borrowings	255,975		
Lease liabilities	304,896		
Other financial liabilities	19,123		
Retirement benefit liability	93,864		
Provisions	10,832		
Deferred tax liabilities	6,000		
Other non-current liabilities	7,524		
Total non-current liabilities	698,217		
Total liabilities	1,289,309	Total liabilities and equity	2,107,116

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Profit or Loss (From January 1, 2023 to December 31, 2023)

(Unit: Millions of yen, unless otherwise stated)

Item	Amount
Revenue	2,239,017
Cost of sales	2,011,471
Gross profit	227,545
Selling, general and administrative expenses	146,288
Other income	16,317
Other expenses	39,262
Share of profit (loss) of investments accounted for using equity method	1,786
Operating profit	60,098
Finance income	7,352
Finance costs	6,242
Profit before tax	61,208
Income tax expense	26,096
Profit	35,111
Profit attributable to:	
Owners of parent	37,050
Non-controlling interests	(1,938)
Profit for the year from continuing operations	35,111
Earnings per share	
Basic earnings per share (yen)	418.58

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (Debit) (As of December 31, 2023)

(Unit: Millions of yen)

Item	Amount	Item	Amount
(Assets)		Investments and other assets	
Current assets		Investment securities	47,982
Cash and deposits	402	Shares of subsidiaries and associates	428,354
Trade accounts receivable	5,348	Investments in capital	2,000
Short-term loans receivable from subsidiaries and associates	14,926	Investments in capital of subsidiaries and associates	141,034
Accounts receivable - other	2,724	Others	15
Income taxes refund receivable	4,788	Total investments and other assets	619,386
Advance payments to suppliers	3,126	Total non-current assets	620,171
Prepaid expenses	755		
Others	310		
Total current assets	32,384		
Non-current assets			
Property, plant and equipment			
Vehicles	61		
Less: accumulated depreciation	(21)		
Vehicles, net	40		
Tools, furniture and fixtures	54		
Less: accumulated depreciation	(16)		
Tools, furniture and fixtures, net	37		
Total property, plant and equipment	78		
Intangible assets			
Software	555		
Others	150		
Total intangible assets	706		
		Total assets	652,556

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-Consolidated Balance Sheet (Credit) (As of December 31, 2023)

(Unit: Millions of yen)

Item	Amount	Item	Amount
(Liabilities)		(Net assets)	
Current liabilities		Shareholders' equity	
Trade accounts payable	1,763	Share capital	70,175
Short-term loans payable to subsidiaries and associates	8,485	Capital surplus	
Accounts payable - other	3,969	Legal capital surplus	26,908
Accrued expenses	801	Other capital surplus	250,235
Deposits received	172	Total capital surplus	277,143
Provision for bonuses	283	Retained earnings	
Others	119	Other retained earnings	
Total current liabilities	15,596	Retained earnings brought forward	83,488
Non-current liabilities		Total retained earnings	83,488
Bonds payable	130,000	Treasury shares	(20,542)
Long-term borrowings from subsidiaries and associates	60,000	Total shareholders' equity	410,264
Provision for share awards for directors (and other officers)	263	Valuation and translation adjustments	
Deferred tax liabilities	10,628	Valuation differences on available-for-sale securities	25,803
Total non-current liabilities	200,892	Total valuation and translation adjustments	25,803
Total liabilities	216,488	Total net assets	436,068
		Total liabilities and net assets	652,556

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-Consolidated Statement of Income (From January 1, 2023 to December 31, 2023)

(Unit: Millions of yen)

Item	Amount
Operating revenue	72,446
Selling, general and administrative expenses	
Personnel expenses	4,829
Depreciation	172
Advertising expenses	3,469
Taxes and dues	352
Facility expenses	2,612
Administrative outsourcing expenses	10,842
Others	2,169
Total selling, general and administrative expenses	24,448
Operating profit	47,997
Non-operating income	
Dividend income	2,322
Foreign exchange gains	366
Miscellaneous income	101
Total non-operating income	2,790
Non-operating expenses	
Interest expenses	102
Interest expenses on bonds	360
Other financial expenses	195
Miscellaneous expenses	101
Total non-operating expenses	759
Ordinary profit	50,028
Extraordinary income	
Gain on sale of investment securities	22,412
Total extraordinary income	22,412
Extraordinary losses	
Loss on valuation of shares of subsidiaries and associates	11,443
Expense for changing brand symbol	6,840
Total extraordinary losses	18,283
Profit before income taxes	54,157
Income taxes - current	4,599
Income taxes - deferred	(236)
Total income taxes	4,363
Profit	49,793

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Independent Auditor's Report

February 26, 2024

Board of Directors
NIPPON EXPRESS HOLDINGS, INC.

Deloitte Touche Tohmatsu LLC		Tokyo Office
Designated Engagement Partner	Certified Public Accountant	Masayuki Nakagawa
Designated Engagement Partner	Certified Public Accountant	Shinji Dobata
Designated Engagement Partner	Certified Public Accountant	Yuji Ujigawa

Opinion

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statements of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements, of NIPPON EXPRESS HOLDINGS, INC. (the "Company") and its consolidated subsidiaries (the "Group") applicable to the fiscal year from January 1, 2023 to December 31, 2023.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the Group for the period covered by the consolidated financial statements, in accordance with the accounting standards that omit a part of the disclosures required under International Financial Reporting Standards as prescribed by the provision in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibility under those standards is described in "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" hereunder. We are independent of the Group in compliance with the code of professional ethics in Japan, while fulfilling other ethical responsibilities as an auditor. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing our opinion.

Other Information

Other information comprises the business report and the supplementary schedules. The management is responsible for preparing and disclosing the other information. Meanwhile, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the execution of duties by Directors in the development and operation of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, while also paying our attention to whether the other information otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

The management is responsible for preparing and fairly presenting the consolidated financial statements in compliance with the accounting standards that omit a part of the disclosures required under International Financial Reporting Standards as prescribed by the provision in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting. The responsibilities include developing and operating internal controls as considered necessary by the management for preparing and fairly presenting the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the going concern assumption, and, if required to disclose matters related to the going concern under the accounting standards that omit a part of the disclosures required under International Financial Reporting Standards as prescribed by the provision in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, the management is responsible for disclosing such

matters.

Meanwhile, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the execution of duties by Directors in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance for determining whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, based on the result of our audit, and to express in our audit report opinions on the consolidated financial statements from an independent standpoint. Misstatements may arise due to fraud or error, and would be deemed material if they can, individually or collectively, be reasonably expected to influence the decisions made by the users of the consolidated financial statements.

We exercise professional judgments in compliance with the auditing standards generally accepted in Japan while maintaining professional skepticism throughout our audit, and:

- Identify and assess the risks of material misstatements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selection and adoption of audit procedures shall be in our discretion. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for expressing opinions;
- In making those risk assessments, examine the audit-related internal controls for the purpose of formulating audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not to express our opinion on the effectiveness of internal controls;
- Evaluate the appropriateness of the accounting policy adopted by the management and the way it is applied, as well as the reasonableness of accounting estimates made by the management and the validity of the notes related thereto;
- Conclusively determine whether it is appropriate for the management to prepare consolidated financial statements based on the going concern assumption, and, based on the audit evidence obtained, whether material uncertainty is identified in the form of events or circumstances that may cast significant doubt on the going concern assumption. We are required to draw attention in our audit report to the relevant notes to the consolidated financial statements if material uncertainty is identified about the going concern assumption, or to express modified opinions on the consolidated financial statements if the notes to the consolidated financial statements on the material uncertainty are not appropriate. While our conclusions are based on the audit evidence obtained prior to the date of the audit report, the Company or the Group may not be able to continue as a going concern depending on future events or circumstances;
- Evaluate whether the presentation of the consolidated financial statements and notes thereto is in compliance with the accounting standards that omit a part of the disclosures required under International Financial Reporting Standards as prescribed by the provision in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, as well as whether the presentation, structure and details of the consolidated financial statements, including relevant notes, and also the consolidated financial statements fairly present the underlying transactions and accounting events; and
- Obtain audit evidence regarding the financial information of the Company and its subsidiaries that is sufficient and appropriate to express our opinion on the consolidated financial statements. We shall be responsible for giving instructions and supervision with respect to the audit of the consolidated financial statements, as well as the implementation thereof. We shall be solely responsible for our audit opinion.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the scheduled scope of our audit and time schedule, significant findings identified in the course of the audit, including material deficiencies in internal controls, and other matters required to be reported under the auditing standards.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board that we have complied with the provisions concerning auditor's independence in the code of professional ethics in Japan, matters reasonably considered to influence our independence, and the description of the measures for eliminating factors potentially compromising our independence or the safeguards for mitigating the impact of such factors to an acceptable level, if any.

Conflicts of Interest

Our firm and its designated engagement partners have no conflict of interest in the Group required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditor's Report

February 26, 2024

Board of Directors
NIPPON EXPRESS HOLDINGS, INC.

Deloitte Touche Tohmatsu LLC		Tokyo Office
Designated Engagement Partner	Certified Public Accountant	Masayuki Nakagawa
Designated Engagement Partner	Certified Public Accountant	Shinji Dobata
Designated Engagement Partner	Certified Public Accountant	Yuji Ujigawa

Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item (i) of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements, and supplementary schedules thereto (collectively the "non-consolidated financial statements, etc."), of NIPPON EXPRESS HOLDINGS, INC. (the "Company") applicable to the 2nd fiscal year (from January 1, 2023 to December 31, 2023).

In our opinion, the aforementioned non-consolidated financial statements, etc. present fairly, in all material respects, the financial position and results of operations of the Company for the period covered by the non-consolidated financial statements, etc. in accordance with the accounting standards generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibility under those standards is described in "Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc." hereunder. We are independent of the Company in compliance with the code of professional ethics in Japan, while fulfilling other ethical responsibilities as an auditor. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing our opinion.

Other Information

Other information comprises the business report and the supplementary schedules. The management is responsible for preparing and disclosing the other information. Meanwhile, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the execution of duties by Directors in the development and operation of the reporting process of the other information.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, while also paying our attention to whether the other information otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-Consolidated Financial Statements, Etc.

The management is responsible for preparing and fairly presenting the non-consolidated financial statements, etc. in compliance with the accounting standards generally accepted in Japan, which involves the responsibilities for developing and operating internal controls as considered necessary by the management for preparing and fairly presenting the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., the management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements, etc. based on the going concern assumption, and, if required to disclose matters related to the going concern under the accounting standards generally accepted in Japan, for disclosing such matters.

Meanwhile, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the execution of duties by Directors in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance for determining whether the non-consolidated financial statements, etc. as a whole are free from material misstatements, whether due to fraud or error, based on the result of our audit, and to express in our audit report opinions on the non-consolidated financial statements, etc. from an independent standpoint. Misstatements may arise due to fraud or error, and would be deemed material if they can, individually or collectively, be reasonably expected influence the decisions made by the users of the non-consolidated financial statements, etc.

We exercise professional judgments in compliance with the auditing standards generally accepted in Japan while maintaining professional skepticism throughout our audit, and:

- Identify and assess the risks of material misstatements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selection and adoption of audit procedures shall be in our discretion. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for expressing opinions;
- In making those risk assessments, examine the audit-related internal controls for the purpose of formulating audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not to express our opinion on the effectiveness of internal controls;
- Evaluate the appropriateness of the accounting policy adopted by the management and the way it is applied, as well as the reasonableness of accounting estimates made by the management and the validity of the notes related thereto;
- Conclusively determine whether it is appropriate for the management to prepare non-consolidated financial statements, etc. based on the going concern assumption, and, based on the audit evidence obtained, whether material uncertainty is identified in the form of events or circumstances that may cast significant doubt on the going concern assumption. We are required to draw attention in our audit report to the relevant notes to the non-consolidated financial statements, etc. if material uncertainty is identified about the going concern assumption, or to express modified opinions on the non-consolidated financial statements, etc. if the notes to the non-consolidated financial statements, etc. on the material uncertainty are not appropriate. While our conclusions are based on the audit evidence obtained prior to the date of the audit report, the Company may not be able to continue as a going concern depending on future events or circumstances; and
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes thereto is in compliance with the accounting standards generally accepted in Japan, as well as whether the presentation, structure and details of the non-consolidated financial statements, etc., including relevant notes, and also the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the scheduled scope of our audit and time schedule, significant findings identified in the course of the audit, including material deficiencies in internal controls, and other matters required to be reported under the auditing standards.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board that we have complied with the provisions concerning auditor's independence in the code of professional ethics in Japan, matters reasonably considered to influence our independence, and the description of the measures for eliminating factors potentially compromising our independence or the safeguards for mitigating the impact of such factors to an acceptable level, if any.

Conflicts of Interest

Our firm and its designated engagement partners have no conflict of interest in the Company required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

The Audit & Supervisory Board has prepared the audit report hereunder, following the deliberation on the audit reports individually prepared by Audit & Supervisory Board Members concerning the execution of duties by Directors during the 2nd fiscal year (from January 1, 2023 to December 31, 2023), and hereby reports as follows:

1. Method and Details of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board established its audit policy and division of duties, and received reports on the progress and results of audit from each Audit & Supervisory Board Member, while also receiving reports from the Directors, etc. as well as the Accounting Auditor on the status of execution of their duties, requesting explanation therefrom as appropriate.

In compliance with the Auditing Standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, and in accordance with the audit policy and the division of duties, etc., each Audit & Supervisory Board Member communicated with the Directors, Executive Officers, and employees of the Internal Audit Division and other divisions, endeavored to collect information and develop an audit environment while attending the Board of Directors meetings and other important meetings to receive reports on the status of execution of duties by Directors, employees, etc., requesting explanation therefrom as appropriate, inspected written approvals on important matters, and confirmed the business operations and status of assets. Meanwhile, each Audit & Supervisory Board Member communicated with directors, audit & supervisory board member, etc. of subsidiaries for exchanging information, and received reports on their business operations as appropriate. In particular, each Audit & Supervisory Board Member shared information on the results of audits conducted by internal audit divisions of the four major subsidiaries as well as those conducted by internal audit divisions stationed in the four areas overseas.

With respect to the details of the resolution made by the Board of Directors on the development of systems to ensure that Directors execute their duties in compliance with laws, regulations and the Articles of Incorporation, and other systems provided for in Article 100, Paragraph 1 and Paragraph 3 of the Regulations for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of business operations of a company group comprising a stock company and its subsidiaries, and the systems developed based on such resolution (internal control systems) that are stated in the business report, each Audit & Supervisory Board Member regularly received report from Directors and employees and other concerned parties on the status of construction and operation of such systems, and requested explanation while expressing opinions as appropriate.

As for the internal controls concerning financial reporting, each Audit & Supervisory Board Member has received report from Directors, etc. and Deloitte Touche Tohmatsu LLC on the evaluation and audit of the internal controls and requested explanation as appropriate.

In accordance with the aforementioned method, the Audit & Supervisory Board has reviewed and examined the business report and the supplementary schedules thereto for the fiscal year under review.

In the meantime, each Audit & Supervisory Board has engaged in oversight and examination to determine whether the Accounting Auditor was maintaining its independent standpoint, conducting its audits appropriately, and has received report from the Accounting Auditor on the status of its execution of duties, requesting explanation as appropriate. Furthermore, Audit & Supervisory Board Members have received a notice from the Accounting Auditor to the effect that it was in the process of developing the “systems for ensuring that the performance of the duties of accounting auditor is being carried out correctly” (as set out in each item of Article 131 of the Regulations on Corporate Accounting) in accordance with the Quality Control Standards for Audits (Business Accounting Council) and requested explanation as appropriate.

The Audit & Supervisory Board has examined the business report and the supplementally schedules thereto, the non-consolidated financial statements (comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (comprising the consolidated statement of financial position, the consolidated statements of profit or loss, the consolidated statement of changes in equity and notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of the audit of business report, etc.

1. We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in compliance with laws, regulations and the Articles of Incorporation.
2. We acknowledge that we found neither misconducts nor material fact in violation of laws, regulations or the Articles of Incorporation with respect to the execution of duties by Directors.
3. We acknowledge that the details of the resolution of the Board of Directors regarding the internal control system are reasonable and appropriate. Meanwhile, we found nothing that warranted comment in the detail of the business report as well as in the execution of duties by Directors concerning the internal control system.

(2) Results of audit of the non-consolidated financial statements and the supplementary schedules thereto

We acknowledge that the method and results of the audit by Deloitte Touche Tohmatsu LLC are reasonable and appropriate.

(3) Results of audit of the consolidated financial statements

We acknowledge that the method and results of the audit by Deloitte Touche Tohmatsu LLC are reasonable and appropriate.

February 27, 2024

Audit & Supervisory Board of NIPPON EXPRESS CO., LTD.

Full-time Audit & Supervisory Board Member	Shigeki Arima	Seal
Full-time Audit & Supervisory Board Member	Koji Mizota	Seal
Audit & Supervisory Board Member	Toshiaki Nojiri	Seal
Audit & Supervisory Board Member	Yoshio Aoki	Seal
Audit & Supervisory Board Member	Nobuko Sanui	Seal

(Note) Audit & Supervisory Board Members Toshiaki Nojiri, Yoshio Aoki and Nobuko Sanui are Outside Audit & Supervisory Board Members as prescribed under Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.