

Basic policy	As a “Supply Chain Logistics Provider,” we will take on challenges in new business areas, deepen core businesses, and engage in ESG management		
	Further cultivation of core businesses	ESG management	Businesses in new domains
Key measures	<ul style="list-style-type: none"><li>• Promote business portfolio strategy</li><li>• Promote DX</li><li>• Create new business domains</li><li>• Promote ESG management</li></ul>		
Period	Phase 1: FY03/23–FY03/24 (April 2022 to March 2024)  Phase 2: FY03/25–FY03/27 (April 2024 to March 2027)		

# NN7: Phase 2 Plan Quantitative Targets

Aim to increase operational efficiency amid changes in the logistics environment and achieve the operating income target set at the beginning of the seventh medium-term business plan

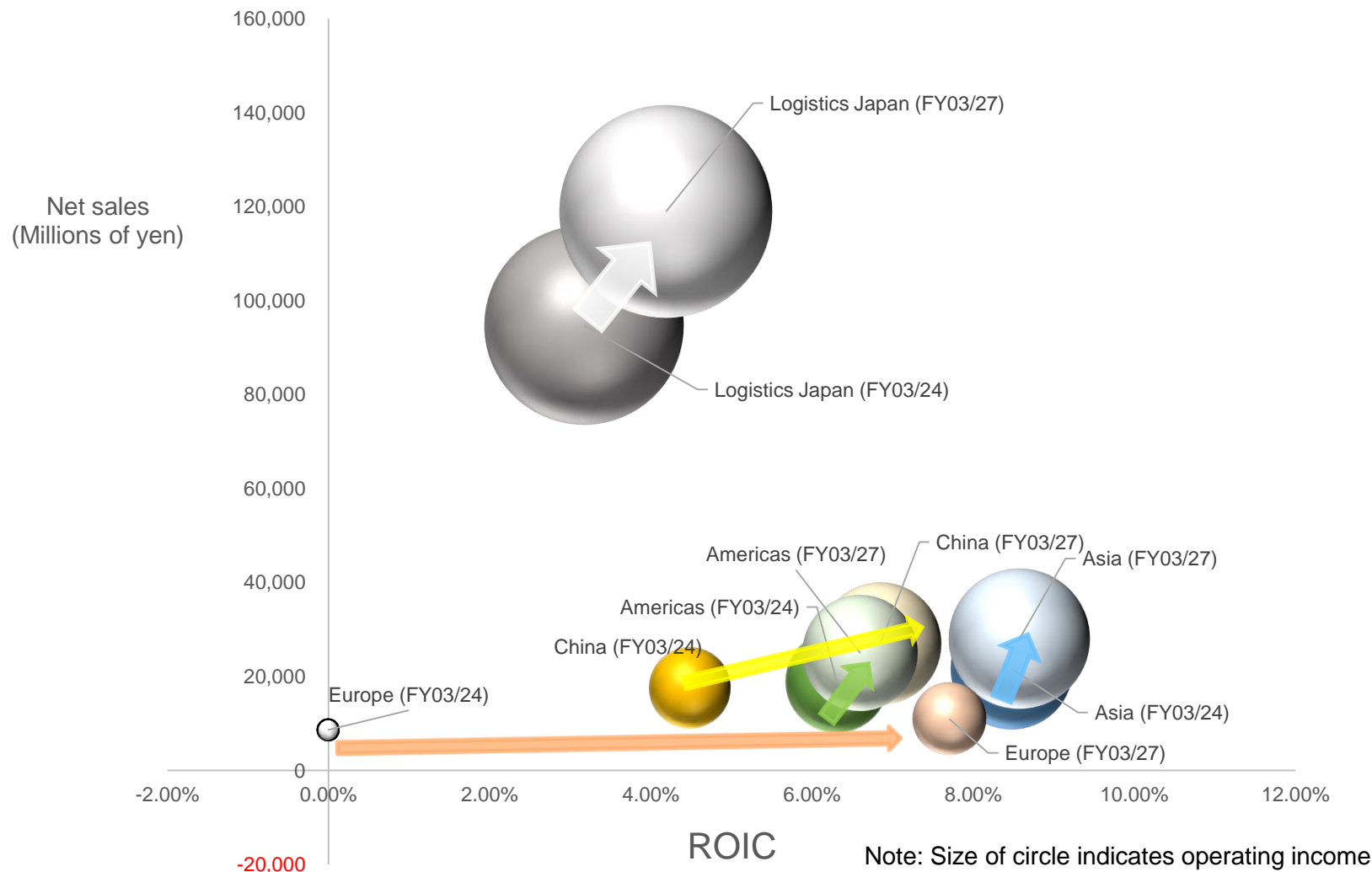
Earnings targets (Millions of yen)	FY03/22 Results	FY03/24 Results	FY03/27 Targets
Net sales	192,699	169,934	220,000
Operating income	9,098	8,073	11,000
Ordinary income	9,859	9,463	11,500
Profit attributable to owners of parent	6,365	8,649	9,800
ROE	9.4%	9.7%	About 10.0%
*Forex rate: JPY145/USD			
Operating margin	4.7%	4.8%	5.0%

# NN7: Business Strategy by Region

(Billions of yen)		Quantitative targets		Phase 2 Plan
		FY03/24 results	FY03/27 targets	
		Upper: Net sales		
		Lower: Operating income		
Logistics	Japan	94.7	119.0	<ul style="list-style-type: none"><li>Expand business by investing in growth areas (Kobe, Hokkaido, etc.)</li><li>Expand businesses related to semiconductors (high-pressure gas) and LIBs (EV batteries)</li><li>Begin full-scale operation at Kanagawa Pier Warehouse and Kitakanto Logistics Center</li></ul>
		3.6	4.3	
	Americas	18.8	25.0	<ul style="list-style-type: none"><li>Expand EMG* service customers *End to End Management Group (logistics supply chain visualization service)</li><li>Expand handling of storage battery-related cargo</li><li>Strengthen local sales activities</li></ul>
		0.9	1.2	
	Europe	8.6	11.0	<ul style="list-style-type: none"><li>Strengthen the warehousing business (Poland)</li><li>Expand new businesses (foods, machinery, and equipment)</li></ul>
		(0)	0.5	
	Asia	21.6	28.0	<ul style="list-style-type: none"><li>Strengthen domestic transportation business (India)</li><li>Expand warehousing business (Indonesia)</li></ul>
		1.3	1.9	
	China	17.5	27.0	<ul style="list-style-type: none"><li>Expand earnings of Nissin-Sinotrans International Logistics Co., Ltd., which has become a consolidated subsidiary</li><li>Expand sales to non-Japanese companies</li></ul>
		0.6	1.4	
Travel service		7.0	8.0	<ul style="list-style-type: none"><li>Increase handling of group travel</li></ul>
		0.5	0.5	
Real estate		1.3	2.0	<ul style="list-style-type: none"><li>Generate profit from leased real estate in the Keihin area, etc.</li></ul>
		0.8	1.2	

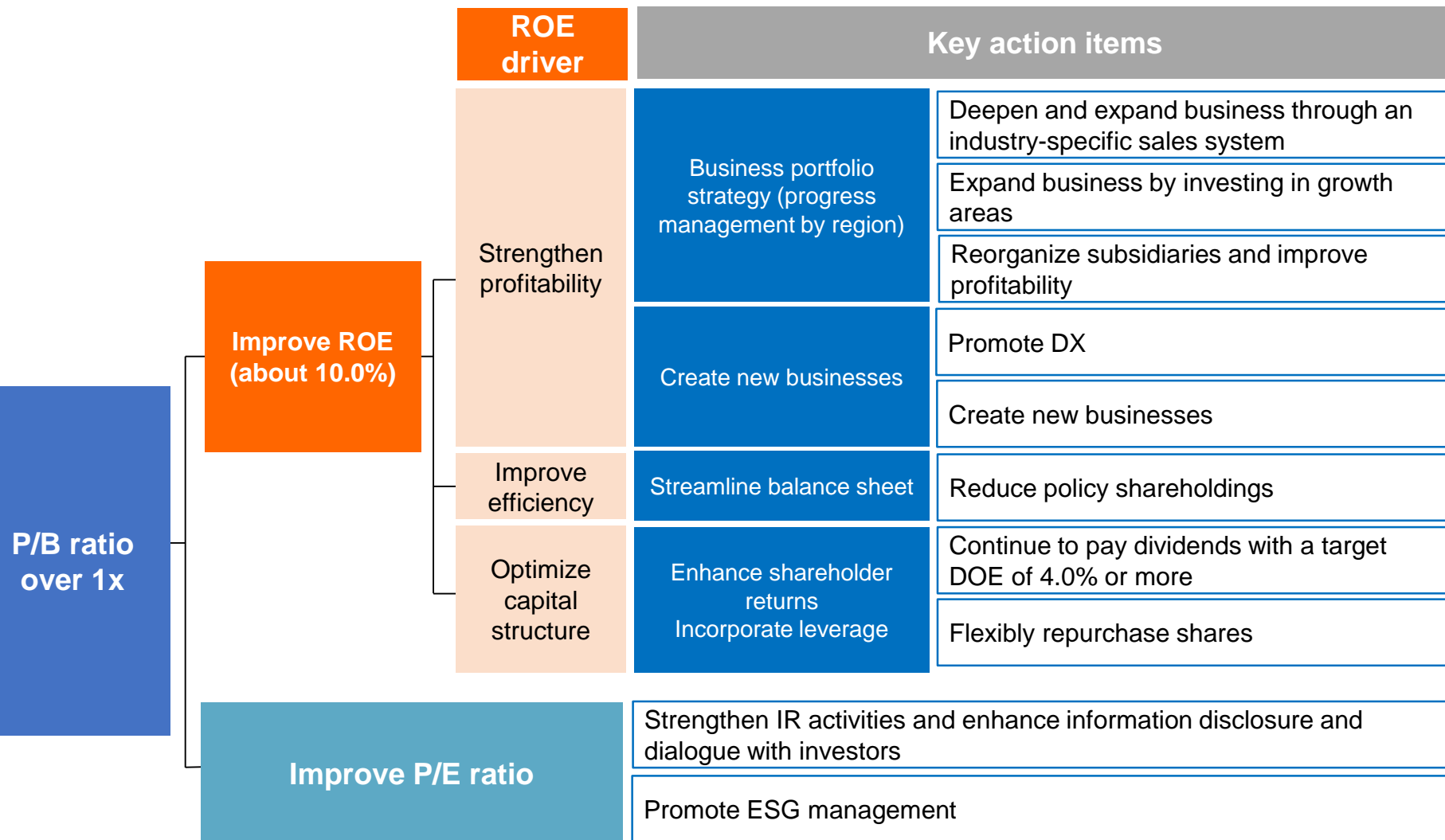
# NN7: Business Strategy by Region (ROIC by Region)

Aim to raise earnings and capital efficiency in each region

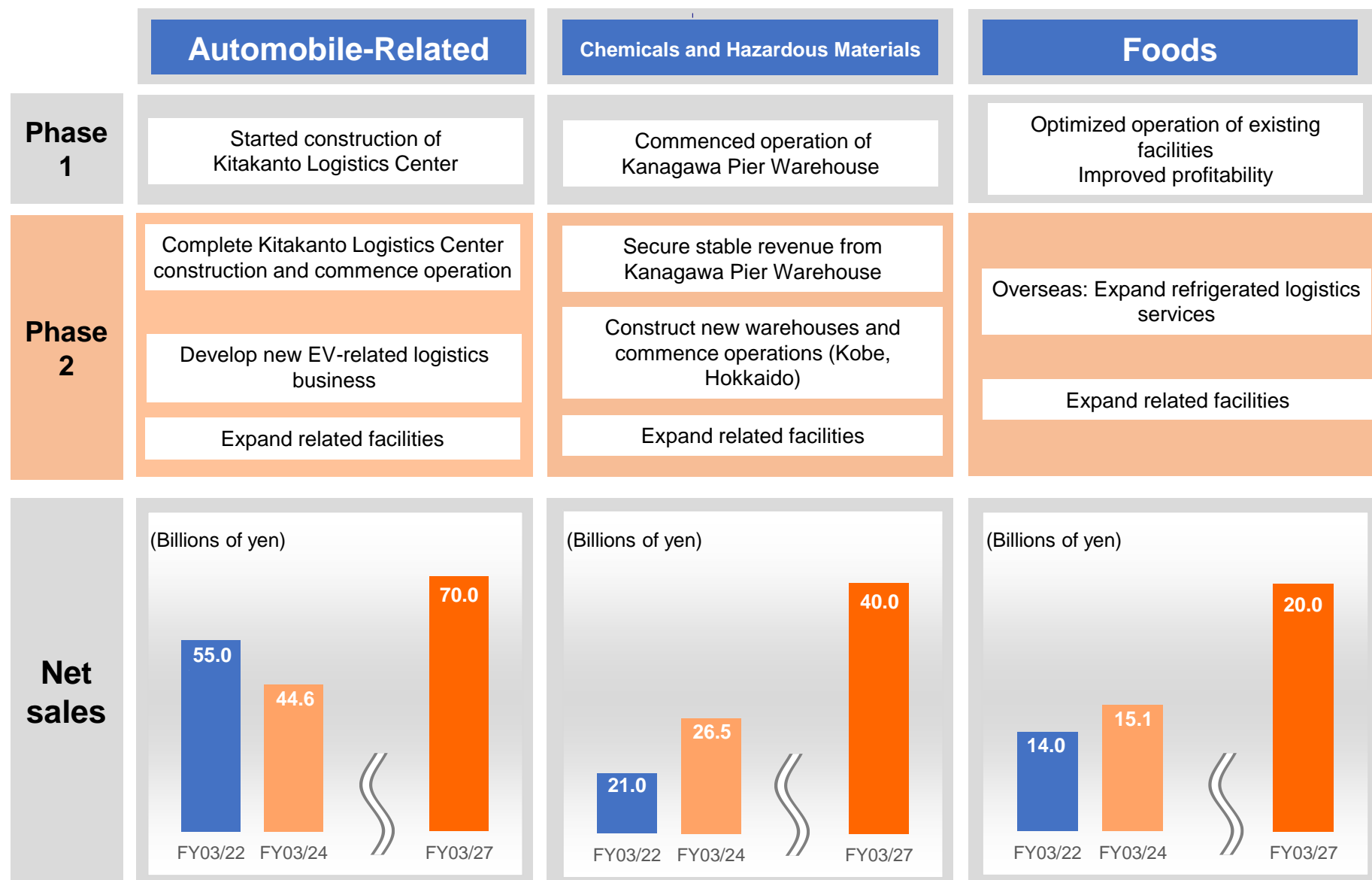


# NN7: Initiatives to Enhance Corporate Value

Aim for P/B ratio of over 1x by investing in growth, expanding new businesses, and increasing capital efficiency



# NN7: Deepen and Expand Business through an Industry-specific Sales Organization



Note: Above figures are drawn based on internal estimates

Accelerate investments in growth areas, with a focus on core businesses, to expand business

**Seventh Medium-Term Plan period  
FY03/23–FY03/27**

**Phase 1  
¥10.0 billion**

**Phase 1 results**

**Invest in growth areas**  
**Chemicals and hazardous materials:**  
 Kanagawa Pier Warehouse  
 commenced operation in September 2023  
**Automotive-related:**  
 Kitakanto Logistics Center  
 scheduled to commence operation in  
 November 2024  
 Nissin ABC Logistics Private Limited  
 purchased trucks

**Phase 2 initiatives**

**Secure stable earnings from new  
capex projects (Kanagawa, Kitakanto)**  
**Further invest in growth areas**  
**Chemicals and hazardous materials:** Kobe, Hokkaido  
**Facilities:** Domestic and overseas facilities  
**Others:** IT, DX, ESG, M&A, and HR development

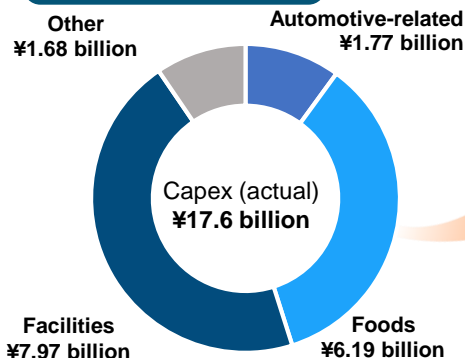
**Capex (plan)  
¥40.0 billion**

**Facilities  
¥8.0 billion**

**Chemicals and  
hazardous materials  
¥17.0 billion**

**Phase 2  
¥30.0 billion**

**Sixth Medium-Term  
Plan period  
FY03/18–FY03/22**



Note: Above figures are drawn based on internal estimates

Transform business models and operations to generate new profits

## Phase 1 results

### Promote DX

**Forward ONE**

- Added new functions to digital forwarding service Forward ONE
- Developed a pharmaceutical transportation service in collaboration with partner companies through the returnable case service HACO Lab.



### Create new businesses

- Developed arterial and venous logistics solution services for lithium-ion batteries (LIBs)
- Started new business proposal system



## Phase 2 initiatives

### Promote DX

- Expand Forward ONE services to increase earnings
- Expand new HACO Lab. services and customer base

### Create new businesses

- Generate profit from venous logistics services using dedicated containers for LIBs
- Create new logistics-related businesses that meet customer needs



## Enhance shareholder returns and improve capital efficiency

### Capital policy

#### (1) Shareholder return policy

Dividend target: Dividend on equity (DOE) of 2.0% or more  $\Rightarrow$  4.0% or more  
 Share buybacks: Approx. ¥10.0 billion by FY2026  $\Rightarrow$  approx. ¥16.0 billion  
 Treasury stock cancellation:  
 In principle, the portion exceeding 5% of the total number of issued shares will be cancelled every fiscal year

#### (2) Reduce policy shareholdings

Aim to reduce approximately ¥20.0 billion by FY2026

### Capital policy progress

#### Share buybacks

<b>FY2023</b> Acquired <b>approx. ¥2.0 billion</b>	<b>FY2024</b> Acquire <b>approx. ¥14.0 billion</b>
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Total during NN7  
Approx. **¥16.0 billion**

#### Reduce policy shareholdings

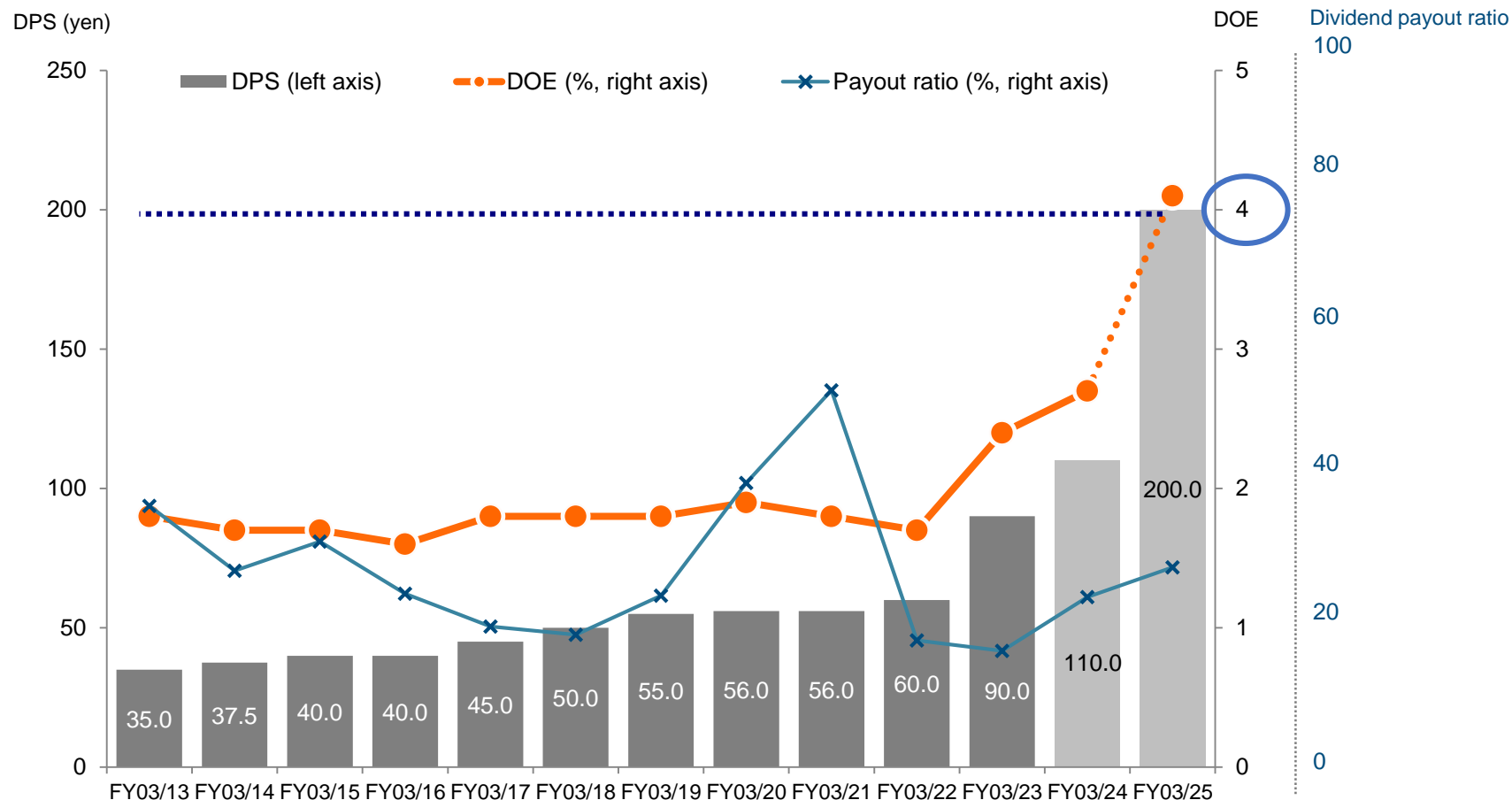
<b>FY2023</b> Reduced <b>approx. ¥8.0 billion</b>	<b>Through FY2026</b> Plan to reduce <b>¥12.0 billion</b>
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Total during NN7  
Approx. **¥20.0 billion**  
planned

**Maintain financial soundness by implementing appropriate capital policies under the credit rating of A- (from R&I) obtained in November 2023**

# NN7: Shareholder Returns

Continue to pay stable dividends and enhance shareholder returns

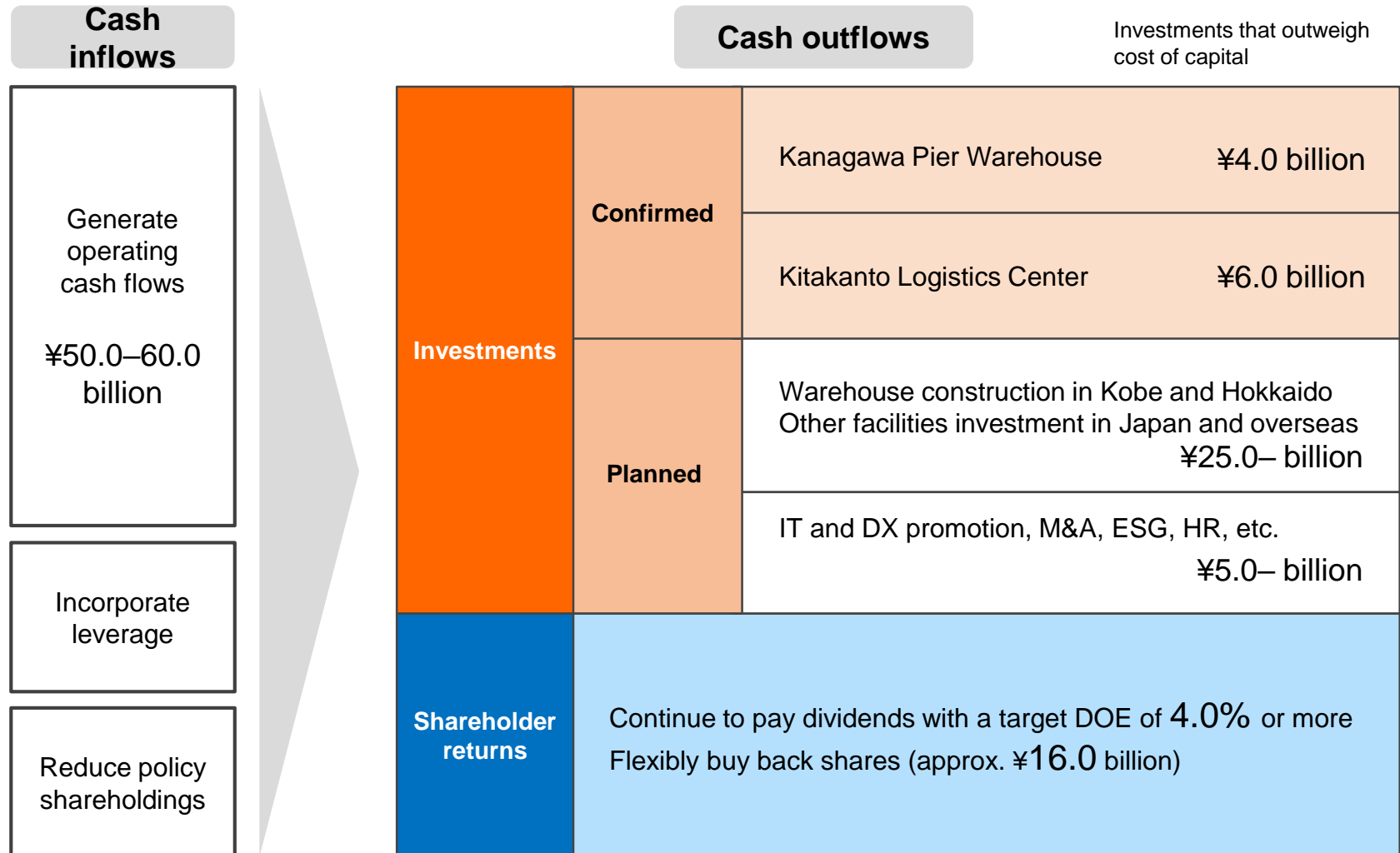


Note:

Figures adjusted to account for the 1-for-5 reverse stock split of common stock effective October 1, 2017

# NN7: Cash Allocation (Capex and Shareholder Returns)

Generate operating cash flows (¥50.0–60.0 billion) and allocate them to growth investments and shareholder returns



# NN7: Policy for Improving P/B ratio

Aim for P/B ratio of over 1x by investing in growth, expanding new businesses, and improving capital efficiency

## NN7 Phase 2 FY03/27 Targets

Net sales  
¥220.0 billion

Operating income  
¥11.0 billion

Profit attributable to owners of parent  
¥9.8 billion

ROE  
Approx. 10.0%

### Investment plan

Capex ¥**35.0—** billion  
Other ¥**5.0—** billion

### Shareholder returns

Target **DOE** of **4.0%** or more  
Share buybacks of approx. ¥**16.0** billion

**Early realization of a P/B ratio of over 1x**

Steadily advance initiatives with GHG emission reduction and human capital management as core issues

Key themes	Major initiatives and indicators	
Natural capital [Earth]	Reduce GHG emissions (Scope 1 and 2)	
	Non-consolidated Reduction target: 42.0% (FY2030) (FY2020 baseline: 14,634 t-CO2)	Non-consolidated Actual reduction: 25.0% (12.6% planned) (Estimate for FY2023: approx. 10,900 t-CO2)
	Consolidated Developing reduction targets (To be disclosed in June 2024)	
	Energy saving and energy creation	Introduction and expansion of renewable energy
Human capital [People]	Energy saving: Energy Saving Act Business classification evaluation system - 9 consecutive years as an excellent business operator, S Class (highest rank)	
	Energy creation: Install solar panels at two new locations - Installed at Kanagawa Pier Warehouse (Yokohama, Kanagawa Prefecture) - Plan to install at Kitakanto Logistics Center (Haga, Tochigi Prefecture)	
	Renewable energy adoption rate (non-consolidated)	
	14.7% (FY2022)	35.9% (FY2023)
	Human capital management	Diversity
	Introduce restricted stock compensation plan as an incentive program for employees	Ratio of female managers 9.4% (April 2024)
	Improve employee engagement and participation in management	Ratio of mid-career hires 31.2% (FY2023)