

# Medium-Term Management Plan

## “Sail Green, Drive Transformations 2026

– A Passion for Planetary Wellbeing –”



The NYK Group announced its medium-term management plan in March 2023. Placing ESG management at the core, the plan emphasizes that decarbonization activities to protect the global environment in particular are both our duty and a potential opportunity for growing earnings. As indicated by the plan's title, “Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing,” the Group will continue to act with passion and drive transformation.

### A New Vision towards 2030

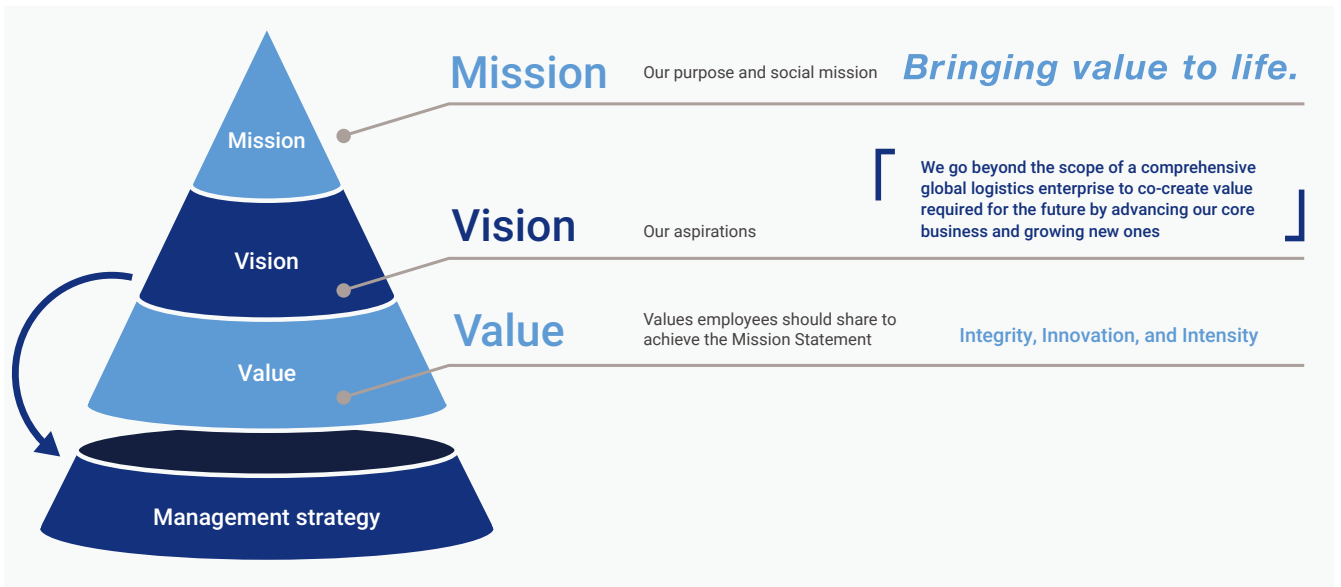


The NYK Group has formulated a new vision that sets out its target state toward 2030: a sustainably growing corporate group that contributes and remains essential to society.

Backcasting from our target state for 2050 (see page 18 for details), we will begin by executing a strategy combining “transcendence,” “two pillars,” and “co-creation” in the lead-up to 2030 to realize our new vision. Taking our founding business of maritime shipping as a starting point, we will go beyond the boundaries of a

comprehensive global logistics enterprise and focus on further advancing our core businesses and growing new businesses (see page 21 for details). To do so, it is essential that we combine the power of not only the Company and Group companies but also of all our various stakeholders. Our new vision articulates our desire to realize evolution to transform and grow by creating value together with our stakeholders to contribute to society.

Positioning of Our Corporate Mission, Vision, and Value and Management Strategy



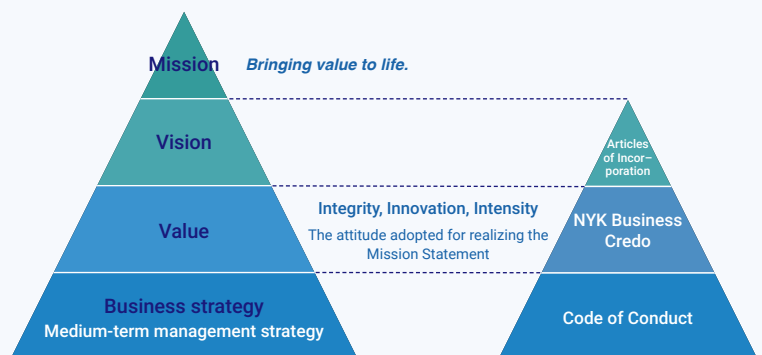
The NYK Group’s mission statement, “Bringing value to life,” could also be described as its purpose and social mission. Furthermore, we have advocated three values that all Group employees should hold in common: Integrity, Innovation, and Intensity. To these, we add our newly formulated vision, reorganized as our Mission, Vision, and Value (hereinafter “MVV”).

Placing our management strategy for realizing our vision as a cornerstone, we have positioned MVV as the signpost directing all the Group’s employees to act together as one to provide value to society.

Organization of Management Policy

For the NYK Group to work as one to achieve the medium-term management plan, we believe it is even more important to promote internal awareness of our policies, such as our philosophy and Code of Conduct. Therefore, we have revised the NYK Group Mission Statement and NYK Business Credo, as of April 1, 2023.

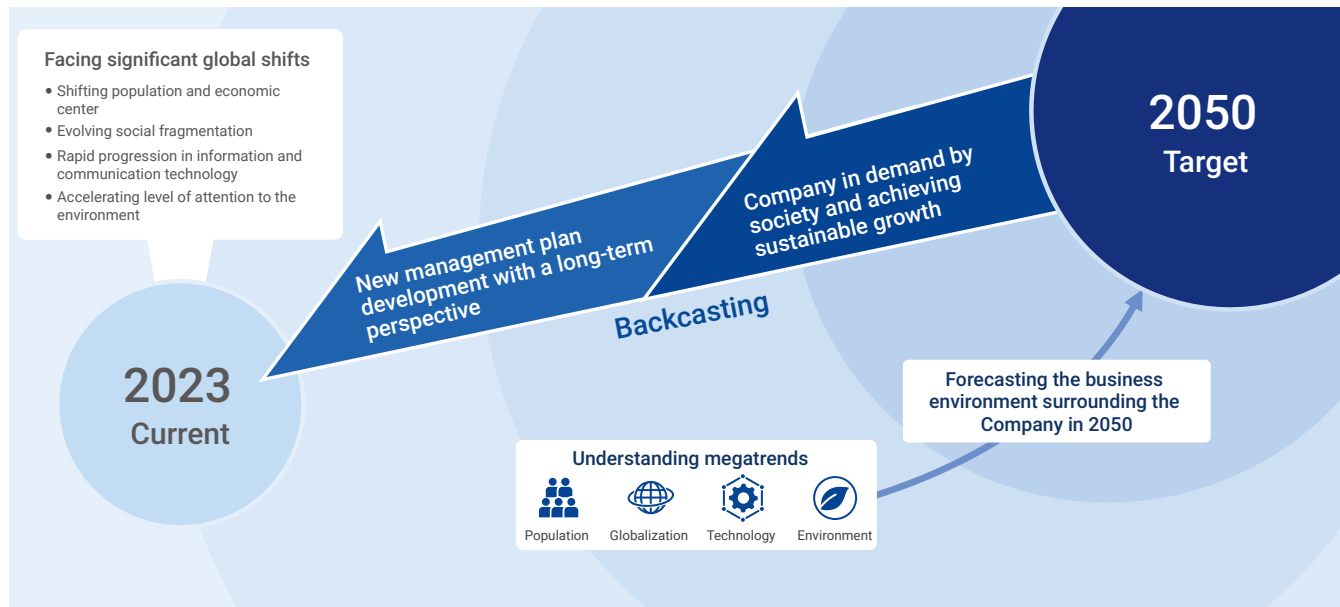
1. We did away with the Management Strategy and unified the NYK Group Mission Statement as “Bringing value to life.”
2. We summarized the main thrust of the NYK Business Credo in the NYK Group Value (Integrity, Innovation, and Intensity), abstracting and simplifying them to optimize the configuration of the NYK Group Mission Statement, the NYK Business Credo, and the NYK Code of Conduct.
3. The NYK Group’s material issues (Safety, Environment, and Human Resources) were included in the preamble of the NYK Business Credo.



# Medium-Term Management Plan

## Considering Growth Strategy with the Future in Sight

Facing dramatic changes in the business environment, the NYK Group believed that a detailed survey of business conditions was needed to formulate its medium-term management plan. In 2021, we put together the Sustainable Growth Task Force, made up of young executive officers, to begin assessing the business environment. We projected the world in 2050 based on megatrends in population, globalization, technology, and the environment and identified their significance in terms of the NYK Group's business. Backcasting from 2050, we examined what the Group should do and what kind of strategies it should adopt over the next four years to attain its target state.



Megatrends	The world in 2050	Implications to our business
<p><b>Population</b></p> <ul style="list-style-type: none"> <li>The center of global economy shifts towards Asia</li> <li>Population / middle class increase in emerging countries</li> </ul>	<ul style="list-style-type: none"> <li>Geopolitical risks become apparent</li> <li>Asia becomes the center of movement of goods</li> <li>Demand for logistics that connect consumers increases</li> </ul>	<p><b>Liner &amp; Logistics</b></p> <ul style="list-style-type: none"> <li>Responding to economic security becomes urgent</li> <li>Demand for logistics within emerging countries and regions increases</li> <li>Container shipping slowly grows</li> </ul>
<p><b>Globalization</b></p> <ul style="list-style-type: none"> <li>Globalization slows down</li> <li>Uncertainty increases (pandemic / interstate conflicts)</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization changes manufacturing methods to change products and the way they are transported</li> <li>Taxes on GHG emissions increase</li> </ul>	<p><b>Bulk Shipping Business</b></p> <ul style="list-style-type: none"> <li>Cargo volume and types change</li> <li>Automobile trading patterns change</li> <li>Fleet is low / decarbonized</li> </ul>
<p><b>Technology</b></p> <ul style="list-style-type: none"> <li>Advancement of technology including decarbonization accelerates</li> <li>Demand for services / software increases</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization / ICT advancement changes value chains to change revenue sources</li> </ul>	<p><b>New business / revenue opportunities are created</b></p>
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Circular economy</li> <li>Climate change responses / decarbonization</li> </ul>		

# Basic Policy and Overview of Management Strategy (ABCDE-X)

## Positioning of the Medium-Term Management Plan and Basic Policy

Positioning the medium-term management plan as an action plan for the next four years to realize the NYK Group's new vision, the Group will promote growth strategies under the following four basic policies.

<p>Make <b>ESG</b> core to the medium-term management plan—Create ESG Strategy Headquarters</p>	<p>Execute an <b>active investment</b> strategy to expand the business in growth areas</p>	<p>Accelerate <b>decarbonization</b> efforts based on the plan to achieve net zero by 2050</p>	<p>Further enrich <b>human capital</b> and <b>corporate infrastructure</b></p>
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Establishment of the ESG Strategy Headquarters comprising the ESG Management Group and Decarbonization Group  
**P.24**

Make investments totaling around ¥1.2 trillion by fiscal 2026  
**P.36**  
 Medium-Term Management Plan  
**P.28**

Promotion and proactive up-front investments in initiatives, such as maximum use of existing technologies and fuel conversion  
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**P.22-26**

Hiring and development of personnel and fostering of an inclusive corporate culture  
**P.22**  
 Changes in organizational design  
**P.58**

► **Medium-Term Management Plan**

[https://www.nyk.com/english/profile/pdf/sail\\_green\\_2026.pdf](https://www.nyk.com/english/profile/pdf/sail_green_2026.pdf)



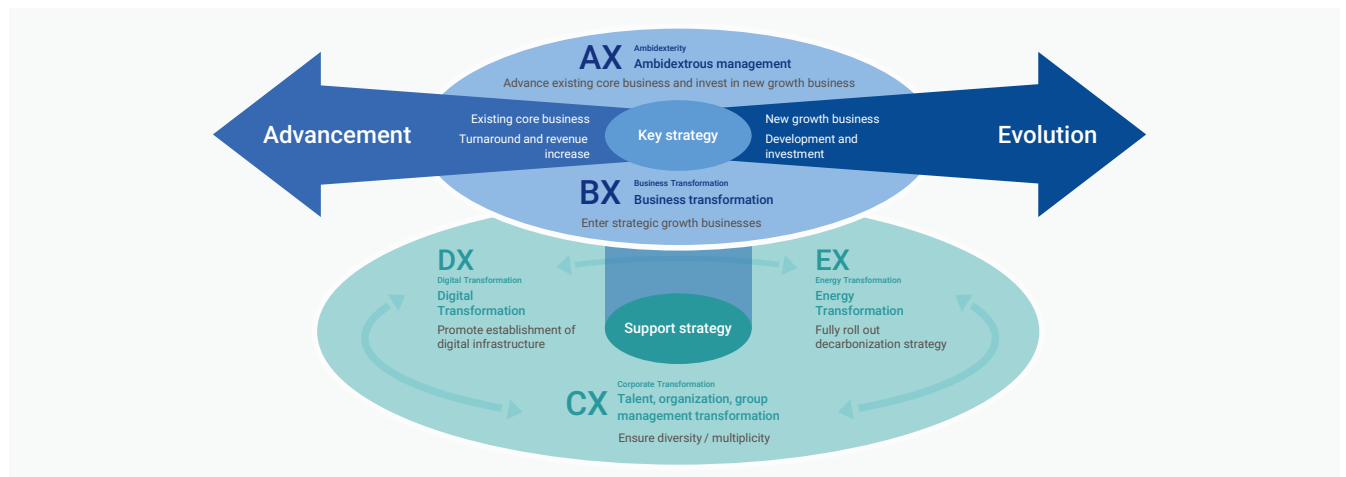
## Overview of Management Strategy

Our management strategy comprises two parts: a key strategy with core businesses and new businesses as the two pillars (AX and BX) and function strategies (CX, DX, and EX) supporting the key strategy.

The key strategy driving business growth is composed of ambidextrous management (AX) to advance existing core businesses and invest in new growth businesses and of business transformation (BX) to enter strategic growth businesses.

To realize the key strategy and develop it, the NYK Group will execute three strategies: corporate transformation (CX) of talent, the organization, and Group management; digital transformation (DX); and energy transformation (EX).

To realize our vision as we approach 2030, we will execute these five strategies, which we refer to as ABCDE-X, to heighten corporate value as much as possible.



# Five Strategies for Sustainable Growth

This section explains the two pillars of the key strategy of ambidextrous management and the three strategies supporting the pillars.

## ● Key Strategy (AX and BX)

Our key strategy focuses on growth through ambidextrous management, whereby we are striving to advance core businesses and create new ones, aiming to enhance the competitive advantages of the NYK Group's overall business.



## Aspects of the Growth Strategy

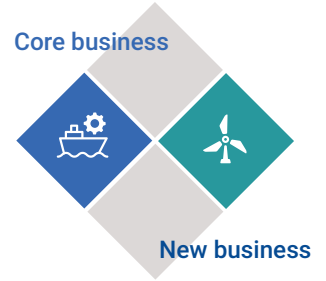
The growth strategy has three aspects. The first is to develop new businesses and attain new customers with the NYK Group's existing technologies and services. The second is to sell new technologies and services yet to be created to our existing markets and customers. These two aspects are primarily the focus of our core businesses. Finally, the third aspect is to develop new markets and attract new customers with new technologies and services yet to be created, thereby truly driving new business creation. Taking on the above challenges and realizing increased value will be supported by CX.





## Ambidextrous Management and Business Transformation

We aim to grow by advancing initiatives in core businesses and create new businesses by evolving beyond maritime shipping and global logistics through innovation, based on our core businesses.



### Advancement of Core Businesses

We have determined the direction for each business and targets for realizing the management strategy based on the opportunities and risks in the Company's business.

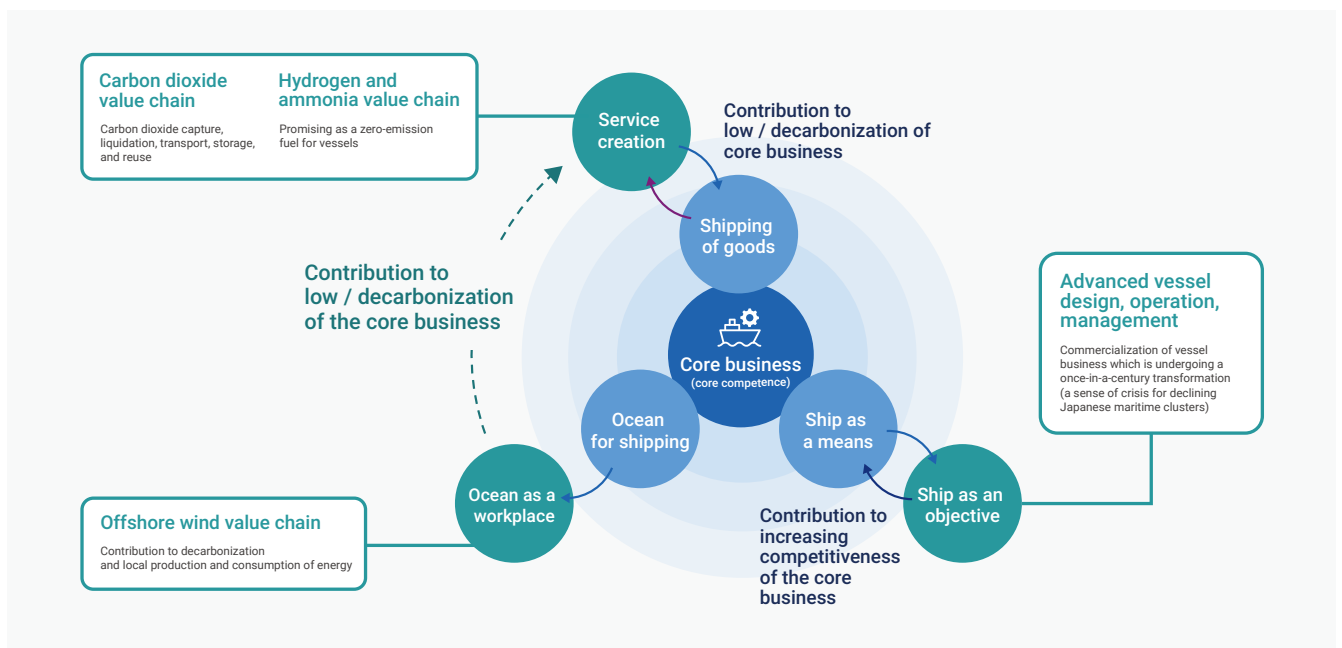


#### Examples of Strategies in Each Business

- Expand the scale of containership business with quality through the Ocean Network Express Pte. Ltd. (ONE) framework and support the further growth of ONE
- Capture growing global logistics demand and strengthen logistics business of NYK Logistics Co., Ltd. (YLK), as the NYK Group's growth engine
- Support customers' decarbonization efforts and perform duty of ensuring stable supply of conventional energy as a transportation infrastructure business in response to society's demand
- Promote and strengthen the Asuka Luxury brand in the cruise business, including the completion of a newly built cruise ship that operates on LNG fuel (scheduled for 2025)

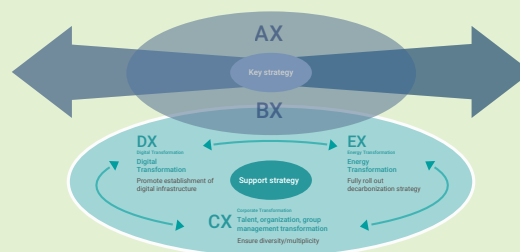
### Creation of New Businesses

In core businesses, advance cargo business targets, sea business area, and ship business assets through innovation and create new businesses.



## Support Strategies (CX, DX, and EX)

We will support our key strategy by promoting talent, organizational, and Group management transformation; establishing digital infrastructure; and fully rolling out decarbonization strategies.



## Talent, Organizational, and Group Management Transformation

By further enhancing our talent, organization, and governance, we will maximize the capabilities of all Group employees, continuing to be a corporate group united in driving growth (see page 43 for details).

### Achieve ambidextrous management

- Recruit, develop, and energize diverse talent to achieve “transcendence,” “two pillars,” and “co-creation”
- Combine individual qualities and training to assign right person to right place
- Reinforce corporate functions effective and efficient in taking on various challenges

Aspirational Group employees: talent who share the Value (Integrity, Innovation, and Intensity)

#### Talent strategy

- Increase recruitment of professional talent
- Hire talent across roles (onshore [administration / technology], offshore)
- Assign right person to right place
- Maximize individual capabilities through autonomous career development
- Make talent management global
- Introduce internal job posting (Global Challenge Program)

#### Support talent strategy

#### Organizational strategy

- HR / Corporate function reinforcement (support talent development and management strategy of domestic and overseas Group companies)

Corporate culture: inclusive corporate culture that makes decisions based on diverse perspectives

## MESSAGE



**Profile** | Yasunobu Suzuki  
Executive Officer

### Strengthening Personnel and the Organization for Greater Group Cohesion

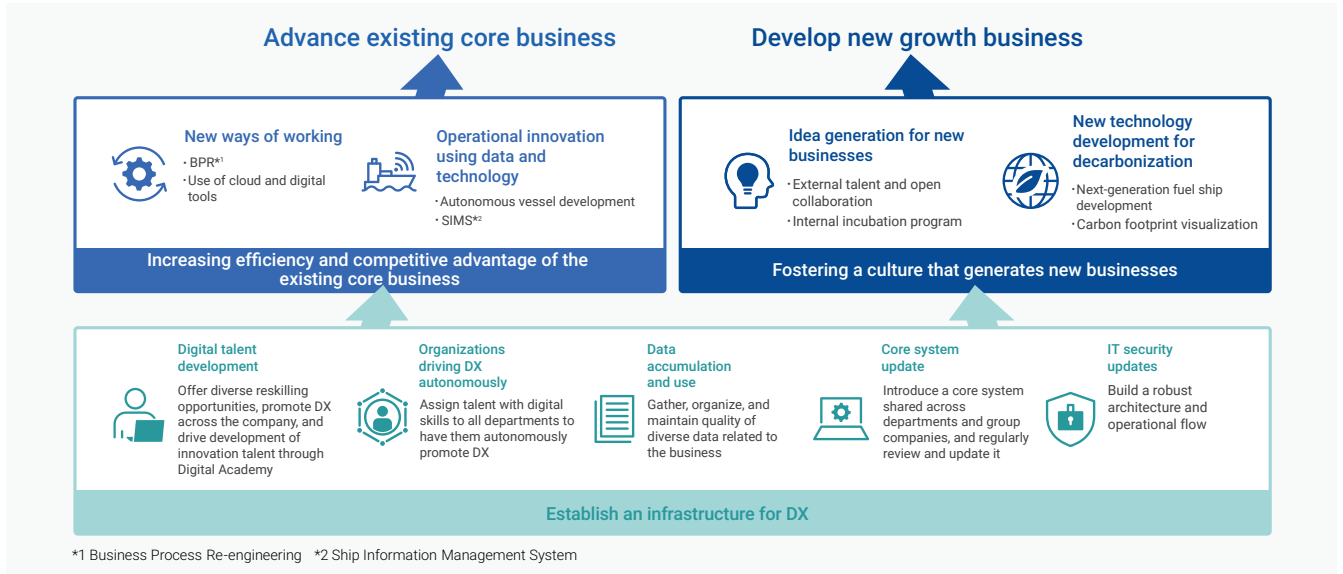
To bring together the capabilities of the NYK Group’s more than 35,000 employees in an effort to achieve the medium-term management plan, we need to strengthen our personnel and our organization. To strengthen personnel, we will promote strategies in three areas: in hiring, such as by securing highly specialized human resources and hiring from more diverse sources; in training, such as by clarifying the ideal characteristics and skills for human resources and providing better training to help people acquire them; and in participation, such as by promoting autonomous career development by individual employees and expanding our job posting system globally. To strengthen our organization, meanwhile, we will consider and address the issues highlighted in the global engagement survey conducted in fiscal 2022, aiming to foster a good Group culture engendering psychological safety, while promoting inclusion based on mutual acceptance among diverse human resources to encourage a high level of engagement in the organization.

By having all employees realize a deep understanding of the intention of our founder and the history of our business development, and reaffirm the origins of our Mission, Vision, and Value and their connection to each person’s work, I believe we can achieve an even higher sense of unity in the NYK Group.

# DX

## Digital Transformation

We will support transformation by promoting the establishment of digital infrastructure, driving digital transformation (DX) to realize the NYK Group's new vision and helping underpin the foundation for the entire organization.



### MESSAGE



**Profile**

**Yasushi Tsukamoto**

General Manager,  
DX Promotion Group

### Promoting Seamless DX and Investing in a Safe, Stable DX Infrastructure

In an era when everyone needs to be proficient with the use of digital technology, we see digitalization as a “transformation enabler” in our efforts to increase the value of our existing businesses using data generated by our business processes or collected from devices on board vessels and to give shape to our new business ideas. It is people who drive DX, and people also need to acquire new skills for using digital technology. The concept of “reskilling” can be expressed with a single word, but it involves a plethora of approaches, from internal training to the use of external programs. The range of required skills is also broad, from advanced to basic. However, what is important is to have employees learn skills right away based on their degree of aptitude. We are currently conducting measures for the entire NYK Group under the slogan “Seamless DX.” Moreover, to enable all Group employees to fully engage in DX promotion when they carry out their duties, we are continuing to invest in a safe and stable digital infrastructure with sufficient cybersecurity countermeasures in place.

# EX

## Energy Transformation

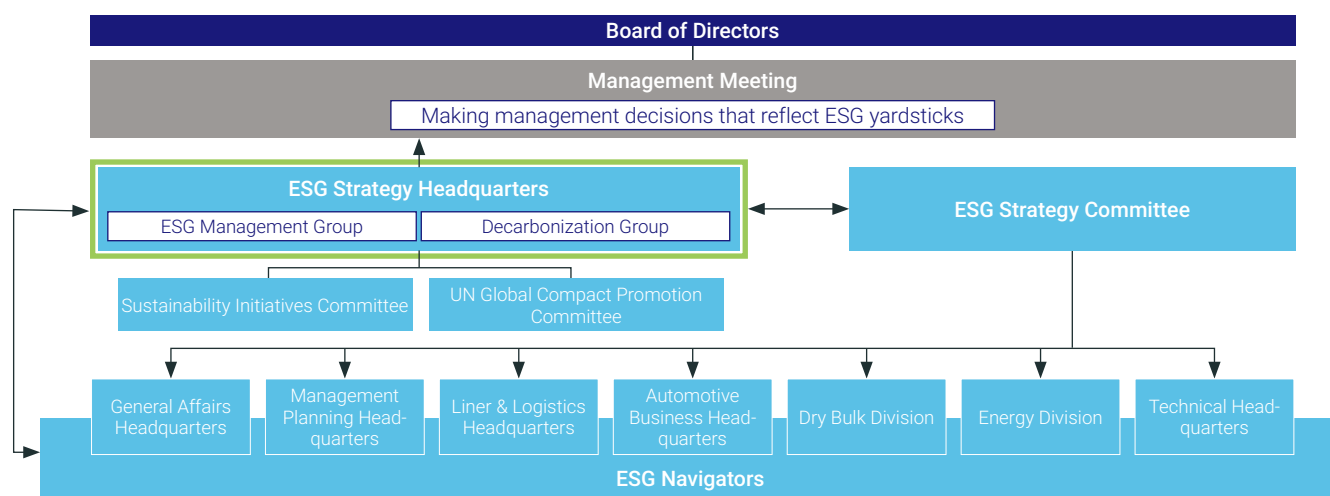
Under the guidance of the newly established ESG Strategy Headquarters, we have proactively set decarbonization targets despite a backdrop of uncertainty, and the entire NYK Group is making a united effort to systematically accelerate its initiatives to achieve net-zero emissions by 2050 (see page 44 for details).



# Toward the Implementation of ESG Management

Comprising the ESG Management Group and the Decarbonization Group, the ESG Strategy Headquarters was established in April 2023. The headquarters acts as the engine for the implementation of ESG management, which is at the core of the growth strategy in the medium-term management plan. With regulations regarding the reduction of greenhouse gas (GHG) emissions tightening and calls for the disclosure of non-financial information increasing, the issues concerning ESG matters are diversifying and closely linked to companies' long-term strategies. The ESG Management Group's role is "activation," looking at wide-ranging stakeholders while working to raise awareness and motivation, and aiming to further promote and implement ESG management. The Decarbonization Group, meanwhile, is focused on "action," performing a directive function by formulating and promoting a scientific, data-driven approach. The two groups involve a wide range of concerned parties and work toward the implementation of ESG management for the NYK Group globally.

## Framework for Promoting ESG Management (As of April 1, 2023)



## Promoting ESG Management for the NYK Group Globally

The NYK Group strives to strengthen links with Group companies globally, using various initiatives with the aim of spreading ESG management throughout the entire Group. In fiscal 2022, we held online meetings for employees of Group companies overseas under the theme of "ESG management" and had a total of 840 participants.



## Further Progress of the ESG Navigator System

ESG Navigators are personnel in each department who are responsible for promoting and implementing ESG management as an engine that supports top-down and bottom-up approaches. Since the initiative began in fiscal 2020, a total of 135 people have functioned as ESG Navigators.

From fiscal 2023, we have created two Navigator positions. ESG Navigators are made up mainly of young employees who drive the implementation of ESG management from the bottom up using internal and external information and networks. Mentor Navigators, meanwhile, understand the policies of their departments and share them with ESG Navigators while supporting their activities. There are 104 Navigators working across all 50 head office departments.

▶ NYK Website

<https://www.nyk.com/english/esg/concept/esg-management/>



**From the ESG Management Committee to the ESG Strategy Committee**

The ESG Management Committee was established in April 2021 to deliberate and discuss sustainability issues from a long-term perspective. Moreover, the functions of the committee were expanded so that it could strategically discuss issues affecting the entire the Group and consolidate opinions to enable effective action.

**Composition of the ESG Strategy Committee and Activity Plan**

<p><b>Chair:</b> Deputy Chief Executive of ESG Strategy Headquarters</p> <p><b>External advisor:</b> External Expert</p> <p><b>Committee members:</b> Representative Executive Officers of Each Headquarters* and executive officer in charge of corporate sustainability at Yusen Logistics Co., Ltd.</p> <p><small>* General Affairs Headquarters, Management Planning Headquarters, Liner &amp; Logistics Headquarters, Automotive Business Headquarters, Dry Bulk Division, and Energy Division and Technical Headquarters</small></p>	<p><b>Fiscal year</b></p> <p><b>Fiscal 2023</b></p>	<p><b>Number of meetings</b></p> <p>12 monthly meetings planned</p>	<p><b>Main agenda items (proposed)</b></p> <ul style="list-style-type: none"> <li>• Discussions on deepening material issues</li> <li>• Review of SDG comparison table</li> <li>• Disclosure of sustainability information in annual securities report</li> <li>• Monitor KPI* results and status of initiatives for fiscal 2022</li> <li>• Discussion of GHG reduction targets</li> <li>• Monitor progress of NYK Group ESG Story</li> </ul>
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\* KPI: Key Performance Indicator

**Takatsugu Kitajima** External Expert, Lawyer Partner, TMI Associates

Takatsugu Kitajima specializes in corporate law with a particular focus on environmental and sustainability issues. He has experience in human resources and planning operations at a manufacturing company and has worked as a sustainability consultant at a consulting firm. He also has insight as secretary general of the SDG Corporate Strategy Forum. Based on these experiences and insights, he provides advice on ESG strategy formulation for the NYK Group from an external perspective.



**Activity of the ESG Management Committee**

<p><b>Fiscal year</b></p> <p><b>Fiscal 2021</b></p>	<p><b>Number of meetings</b></p> <p>Held four times a year</p>	<p><b>Main agenda items</b></p> <ul style="list-style-type: none"> <li>• Decision to participate in the Ship Recycling Transparency Initiative*</li> <li>• Discussions for setting Groupwide KPIs</li> <li>• Announcement of a declaration on net-zero GHG emissions for ongoing businesses</li> <li>• The NYK Group ESG Story 2022</li> </ul>	<p><b>Fiscal year</b></p> <p><b>Fiscal 2022</b></p>	<p><b>Number of meetings</b></p> <p>Held four times a year</p>	<p><b>Main agenda items (proposed)</b></p> <ul style="list-style-type: none"> <li>• Content review for TCFD Report</li> <li>• Human Rights Policy</li> <li>• Discussions for GHG reductions</li> <li>• Report on global engagement survey</li> </ul>
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\* A platform for enhancing the transparency of disclosures on ship recycling

**MESSAGE**



**Profile** | **Yuko Tsutsui**  
Executive Officer  
Deputy Chief Executive of  
ESG Strategy Headquarters

**Nurturing the Medium-Term Management Plan and Giving Back to Society—the ESG Strategy Committee**

The ESG Strategy Committee was formed in fiscal 2023 by reorganizing the ESG Management Committee. The committee works to realize the medium-term management plan, with ESG at its core, by performing two roles. First, the committee is a space for the timely sharing of information about government and economic trends related to ESG, which are global and rapidly changing. The committee's performance of this role enhances sensitivity to ESG management among members, who are executive officers, leading to forward-looking business strategies for each business division. Second, once members have acquired a sense for ESG management, the committee also provides a space for them to exchange frank opinions on ESG issues that the whole Company should address, such as promoting decarbonization and increasing the value of human capital. Serious discussions often lead to highly effective initiatives. Now that we have moved beyond the preparation stage of cultivating ESG awareness among Group employees through ESG management activities, the ESG Strategy Committee can nurture the seeds we have planted to produce excellent fruits in the form of the medium-term management plan. The committee will play an important role in returning the fruits of these efforts to society.

## Shogo Terajima

Executive Officer

### Resume

Joined the Company in 1992. After working mainly in the liner trade, automotive business division, and logistics business, he became an executive officer in 2022. He oversees the Liner, Logistics, and Harbour groups.



## Mie Sugano

Executive Officer

### Resume

Joined the Company in 1993. After working mainly in the liner trade and automotive business divisions, she became an executive officer in 2022. She oversees the Automotive Business Management, Car Carrier, and Automotive Quality Control groups.



## Special Feature

# 1

## Roundtable Discussion among Members of the Medium-Term Management Plan Formulation and Preparation Committee

Young executive officers played a central role in formulating the medium-term management plan announced in March 2023. These officers began considering the NYK Group's target state as members of the Sustainable Growth Task Force, established in April 2021. One year later, the task force was reorganized into the Medium-Term Management Plan Formulation and Preparation Committee, comprising nine executive officers. Following a series of discussions, the committee established a medium-term management plan. Four committee members shared their thoughts on the formulation of the plan.

### Review of the Plan Formulation and Preparation Committee's Activities

**Q.** What thoughts did you have in advancing the discussions?

**Banno** The committee members were all very passionate about their work, and I recall that the discussions were heated throughout our activities. As the participants were thoroughly familiar with frontline operations, we had some disagreements about frontline priorities. As a result, however, we created a medium-term management plan with unprecedented detail—something I am proud of. I think that beginning our discussions based on the NYK Group's 2050 target state and the outlook for the external environment enabled us to create a cohesive plan without any major differences arising among the members. I do not believe that NYK has

## Takuji Banno

Managing Executive Officer  
Chief Executive of Liner & Logistics  
Headquarters

### Resume

Joined the Company in 1990. After working in a wide range of business divisions, including the liner trade, he became an executive officer in 2021. He was appointed managing executive officer and chief executive of the Liner & Logistics Headquarters in 2023.

## Yuji Nishijima

Executive Officer

### Resume

Joined the Company in 1990. After working mainly in liner trade and energy divisions, he became an executive officer in 2021. He oversees the Energy Co-ordination, Tanker, and Fuel groups.

ever prepared a plan so driven by frontline operations.

**Nishijima** Since the Energy Division, to which I belong, conducts business at both ends of the energy transition from fossil fuels to renewable energy, I was focused on ensuring a balance between existing and new businesses. Specifically, when considering future growth strategies, new businesses tend to be emphasized. So, I made a conscious effort to stress the importance of existing businesses in the future of the NYK Group. In addition, as I was responsible for digital transformation-related matters within the committee, I had opportunities for further exchanges of opinions with those in charge of the Group's digital transformation. A major benefit of these discussions for me was the reconfirmation that, also from the viewpoint of digital transformation, "ambidextrous management" is definitely the right strategy to pursue.

**Sugano** When I considered that the plan could send an important message to those inside and outside the Company, I realized the difficulty of choosing words for what to say and how to say it. If we were too

conscious of external audiences and only used bland expressions, we would not be able to clearly convey our message to those outside the Company, let alone those within it. On the other hand, if we were too focused on spreading a message Companywide, we could end up with a message that left those outside the Company behind. Also, I really wanted to make sure that the contents would not be half-hearted and that they would be relatable for young Group employees, who will, after all, be the leaders of the next generation.

**Terajima** I am responsible for the Liner & Logistics business, which includes many Group companies, such as Ocean Network Express Pte. Ltd. (ONE) and Yusen Logistics Co., Ltd. (YLK). Previous plans tended to focus on the priorities of the parent company. However, I believe this is the first plan to have considered so thoroughly the business management of the NYK Group. Through our discussions, we made sure that the plan's contents would be meaningful for Group company employees in Japan and overseas. I believe the plan will become a unifying force that brings the Group together.

**Banno** There was a good reason for stating the Mission, Vision, and Value before elaborating on the NYK Group's 2050 target state. In the process of advancing and instilling ESG management, we discovered firsthand how important it is for all Group employees to be firmly focused on the same goals. If goals are clear, employees will keep to the same course, no matter what business environment or management challenges they face. Once they understand goals, employees become extremely strong drivers of initiatives. We plan to hold several briefings during fiscal 2023 to promote further understanding of the plan. As well as explaining the thinking behind the plan, we will actively engage in dialogue with participants to make fiscal 2023 a period when we add the finishing touches to the plan. We will work steadily so that employees come to see the Company's goals as their own.



## “ Main Points of the Plan According to Committee Members ”

Q. Which points of the plan would you particularly like to emphasize?

**Nishijima** The key word is “co-creation.” Not only the NYK Group but also its customers are taking on the challenge of decarbonization. These issues must be solved throughout entire value chains, including transportation. Fossil fuels remain important resources for energy security. The word “co-creation” expresses our determination to develop and grow together with society and industry by cooperating even further with our customers and business partners to tackle decarbonization and various other social issues.



**Sugano** The automotive business, which I am in charge of, has a long history of developing logistics networks in close collaboration with automakers, our customers. The automotive industry is stepping up the pace of the transition to electric vehicles and the realization of a mobility society. Even more than predicting how society will change, however, I want to stay close to our customers and continue being the same kind of trusted presence in the future as we have hitherto been. This desire is common to all of our businesses. I believe the feature

of the plan we should clearly communicate both internally and externally is summed up by the word “co-creation.”

**Terajima** We have set management targets for 2030. However, some financial and non-financial targets are rather difficult for employees and frontline personnel to agree with, even though they may understand them. For example, the parent company and Group companies often agree on general points but disagree on specifics with respect to GHG emissions reduction targets. This type of disagreement can also happen between the Company and external stakeholders in relation to such matters as capital policy. I believe we need to fully utilize this plan and make more effort to further the understanding of internal and external stakeholders so that we can gain their support.

**Banno** In the shipping business, which is easily affected by market fluctuations, the NYK Group has faced many situations in the past where it has had to adopt not only aggressive strategies but also defensive ones. This has also occurred in the dry bulk business. Some may argue that there are still concerns about the growth potential of maritime shipping compared with that of other industries. However, the dramatic improvement in our financial base over the past two to three years has given us a variety of options for future growth. As Ms. Sugano said, this plan shows young employees, who will lead the next generation, a path to the Group’s sustained growth. As for external stakeholders, in addition to the message that we will remain close to our customers and evolve together, we have included a persuasive explanation of our high-profile capital policy. Although capital markets’ evaluation of the plan immediately after its release differed from our expectations, I feel that dialogues held since then have increased understanding and appreciation of the plan. We are developing confidence in the direction of our strategies set forth in the plan.

Q. What is the future policy for the high-profile issue of GHG emissions reductions?



**Banno** In October 2022, we launched a specialized division dedicated to the introduction of specific measures aimed at achieving net-zero emissions by 2050. The implementation of such measures is not reflected in the current plan’s target figures for the reduction of ship GHG emissions. We will lead the industry by proactively implementing measures that will be feasible in the period leading up to zero-emission ships’ expected entry into service. At the same time, we will announce ambitious targets in the second half of fiscal 2023 for the early achievement of even more substantial GHG emissions reductions. That said, technology is evolving at an increasing speed, and decarbonization could be greatly accelerated by technologies that would be unthinkable today. While doing our utmost to achieve the targets set, we will review them as necessary in light of technological advances and changes in the business environment, thereby decarbonizing in a flexible and agile manner.

**Sugano** Our former president, Hitoshi Nagasawa, acted as an avid proponent of ESG management by repeatedly stressing the importance of decarbonization for the growth of the NYK Group. I believe that the understanding of ESG management has increased markedly among frontline employees. In 2021, the Automotive

Business Headquarters began rolling out the “Sail GREEN” brand ahead of other business divisions. Since then, the division has been working with customers and business partners to establish a deeper, common understanding of decarbonization investments. The main point is that decarbonization is not a cost but an investment in the future. We will continue carefully explaining this to stakeholders while communicating more about the Group’s ambitious stance.

**Nishijima** I too believe that the advancement of decarbonization will become a source of the NYK Group’s competitiveness. For this reason, I think we should invest in decarbonization ahead of time. The plan calls for a reduction of 30.0% or more in the Scope 1 GHG emissions of oceangoing ships by 2030 compared with those of fiscal 2021, which I see as the highest target level that can be realized through current proven technologies. On the other hand, given the 1.5°C scenario and the goal of achieving net-zero emissions by 2050, it is also true that further measures are needed. Therefore, in view of future technological innovations, we must set goals that are even more ambitious rather than just thinking within the limits of what is possible with current technologies.



**Terajima** At the same time as seeking innovative technologies, we need to align all Group companies. Even if communication in daily business operations is not a problem, there are differences in levels of awareness regarding decarbonization among the employees of domestic and overseas

Group companies. For example, approximately 90% of YLK’s 25,000 employees are spread around the world. Some of these employees have a very high awareness of decarbonization, especially in Europe. To establish a consistent level of awareness, not only on-site initiatives but also messages from senior management will be very important.

## Message to NYK Group Employees Worldwide

### Q. What message would you like to send to NYK Group employees?

**Sugano** Having a bird’s-eye view of the entire NYK Group is not easy for employees, as they tend to be fully occupied with their tasks at hand. Nonetheless, I would like as many employees as possible to become the drivers of initiatives aimed at realizing our vision. When looking at the medium-term management plan, employees may feel that some parts are distant from them. With this in mind, I first consider how my current initiatives will lead to the growth of the entire Group. Then, I clearly explain to employees the thinking behind current initiatives and encourage them to view the medium-term management plan as their own responsibility.

**Terajima** To convey our message to the entire NYK Group, which has more than 35,000 employees, I think that concise, easy-to-understand expressions are best. “Bringing value to life,” which has long been important to us and has now been redefined as our Mission, is a clear and readily understandable idea. As a group with a social mission, “Bringing value to life” is a phrase of paramount importance. I want our employees to take pride in the fact that they

are doing work that supports society while simultaneously implementing environmental initiatives and various other measures. I will be satisfied if this plan encourages employees to think about how they want to develop themselves and what actions they should take to realize our Mission.



**Nishijima** I feel that the plan comprehensively covers all business categories, the NYK Group’s overall business, and our vision for the future. We formulated the plan’s contents based on frontline conditions and practices, so there should be no divergence between the story presented by the plan and the goals of frontline operations. Today’s discussion has reminded me that we must first make efforts to communicate the story in an easy-to-understand manner so that each employee recognizes that their work forms part of the story.

**Banno** “We go beyond the scope of a comprehensive global logistics enterprise.” This is another key phrase that I would like as many employees as possible to be familiar with. The phrase expresses our hope that all NYK Group employees will go beyond their own boundaries while valuing what we have built to date. In realizing our target state for 2050 of the Group where employees provide value to society while working with vitality, I would like the Group to make a concerted effort to gradually broaden its horizons and take the next step forward. I really look forward to seeing the NYK Group evolve even further under the leadership of the younger generation.