

Directors and Executive Officers

(As as of June 21, 2023; number of shares held as of April 30, 2023)



Internal Directors

Yutaka Higurashi

Director, Senior Managing Executive Officer
 2022 Director, Senior Managing Executive Officer
 Number of shares held: 91,251
 Attendance at Board of Directors' meetings: 20/20

Akira Kono

Representative Director, Executive Vice-President Executive Officer
 2023 Executive Vice-President Executive Officer
 Number of shares held: 56,819
 Attendance at Board of Directors' meetings: —

Hitoshi Nagasawa

Chairman, Director
 2023 Chairman, Director
 Number of shares held: 286,088
 Attendance at Board of Directors' meetings: 20/20

Takaya Soga

President, Representative Director, President and Chief Executive Officer
 2023 President, Representative Director, President and Chief Executive Officer
 Number of shares held: 48,020
 Attendance at Board of Directors' meetings: 16/16

Keiko Kosugi

Director, Audit & Supervisory Committee Member
 2023 Director, Audit & Supervisory Committee Member
 Number of shares held: 13,458
 Attendance at Board of Directors' meetings: —
 Attendance at Audit and Supervisory Board meetings: —

Eiichi Takahashi

Director, Audit & Supervisory Committee Member
 2021 Audit and Supervisory Board Member
 2023 Director, Audit & Supervisory Committee Member
 Number of shares held: 121,790
 Attendance at Board of Directors' meetings: 20/20
 Attendance at Audit and Supervisory Board meetings: 16/16

Note: Attendance by Takaya Soga at Board of Directors' meetings is indicated from June 22, 2022, the date he assumed his position as a director



Outside Directors



Eiichi Tanabe

Chief Outside Director, Independent Director
2019 Independent Outside Director of NYK

Number of shares held:
8,156

Attendance at Board of Directors' meetings:
20/20

Hiroko Kuniya

Outside Director, Independent Director
2017 Independent Outside Director of NYK

Number of shares held:
23,178

Attendance at Board of Directors' meetings:
20/20

Nobukatsu Kanehara

Outside Director, Independent Director
2023 Independent Outside Director of NYK

Number of shares held:
0

Attendance at Board of Directors' meetings:
—



Hiroshi Nakaso

Outside Director,
Audit & Supervisory Committee Member,
Independent Director

2020 Independent Outside Audit and
Supervisory Board Member of NYK
2023 Independent Outside Director,
Audit & Supervisory Committee Member

Number of shares held:
1,162

Attendance at Board of Directors' meetings:
19/20

Attendance at Audit and Supervisory Board meetings:
15/16

Satoko Kuwabara

Outside Director,
Audit & Supervisory Committee Member,
Independent Director

2020 Independent Outside Audit and
Supervisory Board Member of NYK
2023 Independent Outside Director,
Audit & Supervisory Committee Member

Number of shares held:
3,319

Attendance at Board of Directors' meetings:
20/20

Attendance at Audit and Supervisory Board meetings:
16/16

Tatsumi Yamada

Outside Director,
Audit & Supervisory Committee Member,
Independent Director

2023 Independent Outside Director,
Audit & Supervisory Committee Member

Number of shares held:
0

Attendance at Board of Directors' meetings:
—

Attendance at Audit and Supervisory Board meetings:
—

Executive Officers

**Senior Managing
Executive Officers**

Nobuhiro Kashima

**Managing Executive
Officers**

Hiroshi Kubota
Yutaka Ikeda
Hiroaki Nishiyama
Hisaya Higuchi
Hironobu Watanabe
Takuji Banno

Executive Officers

Yuko Tsutsui
Patrick Brennan Jr.
Yasunobu Suzuki
Kenichiro Sutoh
Yuji Nishijima
Toshi Nakamura
Masahiro Takahashi

Hiroaki Ohashi
Shinichi Yanagisawa
Shogo Terajima
Mie Sugano
Yasuyuki Takahashi
Takashi Yamamoto
Chiaki Ota

Katsuhiko Haruna
Tsutomu Yokoyama
Tomotaka Aso
Yasuyuki Inami
Hiroyuki Homma
Takeshi Kondo

Messages from Independent Outside Directors

Toward Further Evolution through Measures Such as Intangible Asset-Based New Business Concepts and Strengthened Governance



Profile

Eiichi Tanabe

Chief Independent Outside Director

In March, the NYK Group released a new medium-term management plan. During the period of the previous medium-term management plan, the Group posted exceptionally high earnings in fiscal 2021 and fiscal 2022, taking full advantage of a tailwind provided by the market. Our employees also worked hard and responded with wisdom to the challenges caused by the COVID-19 pandemic and Russia's invasion of Ukraine. I feel that the experience of dealing with such crises added to employees' capabilities. With significant progress made in terms of capital and human resources, the Group has been able to chart the course we should take for the coming four years.

When formulating the medium-term management plan, I kept in mind the following points and discussed them in depth with the executive side. The first point was the development of new businesses. The Group's diverse businesses have established strong positions in their respective fields, so I would like the Group to utilize the accumulated technologies, expertise, data, and other intangible assets to create concepts for new businesses. Another point that

I emphasized was business portfolio assessment. Although the decision to transfer shares of consolidated subsidiary Nippon Cargo Airlines Co., Ltd. (NCA) to ANA Holdings Inc. was commendable, the Group should accelerate its optimization process even further.

On the earnings front, we focused on making businesses more resilient to market fluctuations. These efforts are still only halfway but, we would like to make progress through the measures such as the establishment of return on invested capital (ROIC) target. In addition, we are strengthening governance. In fiscal 2023, we transitioned to a Company with Audit & Supervisory Committee governance system. This change is not a mere formality but rather the result of thorough consideration of the need to improve the effectiveness of the Board of Directors.

While decarbonization and a host of other issues remain to be addressed, the in-house atmosphere is upbeat and open. Under the leadership of President Takaya Soga, I am confident that employees, sharing their wisdom, will keep the Group sailing as planned. I will also help accelerate the progress.

My Hope That NYK Will Be a Flexible, Progressive Corporate Entity in a Decarbonized Society



Profile

Hiroko Kuniya

Independent Outside Director

The medium-term management plan was formulated amidst, what is said to be an era of once-in-a-century upheavals. Emerging issues include the climate crisis, energy crisis, and rising geopolitical risks. The plan and initiatives reflect the anticipated 2050 business environment, and how corporate value can be enhanced.

In the process of formulating the new plan, I emphasized the importance of accelerating the speed and increasing the scale of decarbonization so that the NYK Group is the preferred choice of customers who want to reduce emissions throughout their supply chains in response to increasingly stringent CO₂ emission disclosure requirements and regulations that companies face worldwide. Proactive up-front investments in low-emission ships and steady implementation of fuel conversion are necessary. The rising challenge will be how flexibly the Group can adapt to the rapidly accelerating trend toward decarbonization.

Although uncertainties still remain concerning the next generation of decarbonized fuels for maritime shipping, those fuels will undoubtedly be more expensive than today's cheap fossil fuels. In transitioning to a decarbonized society, numerous issues remain to be addressed, such as the extent to which costs can be passed on to prices. Even as we pursue the medium-term management plan, it will be necessary to continuously review keeping a close watch on latest global trends in order to prepare for the major transition beyond 2030.

I hope the NYK Group will demonstrate its flexibility in grasping domestic and international trends, while proactively implementing investments with an eye on the future, and establish an unshakable reputation as a leader in logistics decarbonization.

Contribution to Advance Maritime Shipping as a Mainstay of Economic Security

As my father was the chief engineer of a tanker, my family and I often went to meet him when his vessel called at ports in Japan. I still have fond memories of the long, narrow iron staircase on the tanker's side, cabin portholes with seals, and the smell of oil in the huge engine room.

In the Cabinet Secretariat, I served as the deputy secretary-general of the National Security Secretariat. When at the Ministry of Foreign Affairs, I was deeply involved in security-related work and was responsible for international law matters, Russia, the United Nations, the Japan–U.S. Security Treaty, and South Korea. In the 21st century, international situations have become tense again. Russia's invasion of Ukraine has caused a surge in energy and food prices. Japan has endeavored to retain its interests in the Sakhalin II Project, but the project's long-term future remains uncertain due to the withdrawal of the U.K. company Shell plc.

China has rapidly increased its national power and is now entering an era of long-term, great power competition with the United States, which is imposing strict regulations on exports of



Profile

Nobukatsu Kanehara

Independent Outside Director

strategic goods such as leading-edge semiconductors to China. The possibility of a crisis over Taiwan is no longer beyond the realms of possibility. If Japan, the United States, and China—the world's top three economies—and Taiwan were to become embroiled in a dispute, global logistics would be thrown into chaos, and the world's economy would be severely impacted. The East China Sea and South China Sea around Taiwan would become a battle zone, forcing merchant ships to obtain protection and make major detours.

As an island nation, Japan has become prosperous by using the oceans to connect to the rest of the world. The country's maritime shipping has made this connection possible. For Japan, the safety of sea lanes is a matter of life and death. Maritime shipping is central to the country's economic security. Drawing on my past experience, I will do my utmost to contribute to the activities of the NYK Group.

Corporate Governance –Toward the Sustainable Enhancement of Corporate Value–

NYK continues to enhance corporate governance and to build and improve global, consolidated internal controls as part of its drive to become a company that maximizes long-term shareholder value by improving the transparency of its management and earning the trust of its shareholders, investors, customers, suppliers, communities, Group employees, and other stakeholders. Regarding its organizational form, NYK transitioned to a Company with Audit & Supervisory Committee in June 2023.

Board of Directors and Business Execution System

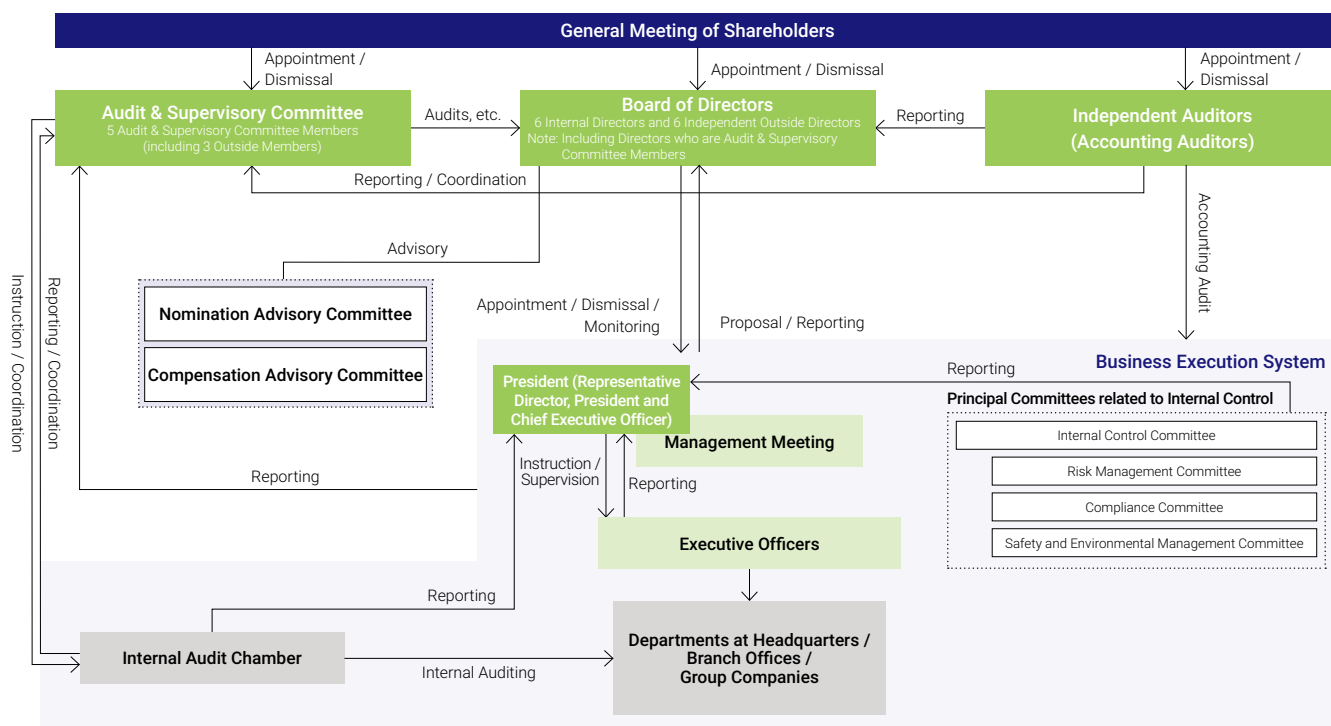
At the Ordinary General Meeting of Shareholders held on June 21, 2023, NYK transitioned to a Company with Audit & Supervisory Committee by obtaining approval for a change in its Articles of Incorporation to this effect.

As the business environment continues to change rapidly, the Company aims to speed up decision-making by delegating authority for important matters concerning business execution to executive directors and to improve the effectiveness of the Board of Directors by extensively discussing at Board meetings ways to improve corporate value, such as medium- to long-term management strategies, the allocation of management resources, the business portfolio, sustainability, and significant business risks. The Company aims to have a Board of Directors comprising at least one-third independent

outside directors and an Audit & Supervisory Committee with the aim of strengthening the supervisory function over management by making effective use of said committee. Furthermore, the Audit & Supervisory Committee is composed of directors who are Audit & Supervisory Committee members with the authority to vote at Board of Directors' meetings in order to strengthen the monitoring function of the Board of Directors.

Under the business execution system, the Management Meeting, comprising executive directors, executive officers who are chief executives and deputy chief executives, and other personnel, deliberates on important matters related to business execution, including matters to be discussed by the Board of Directors, with decisions thereafter being made by executive directors to whom decision-making authority has been delegated.

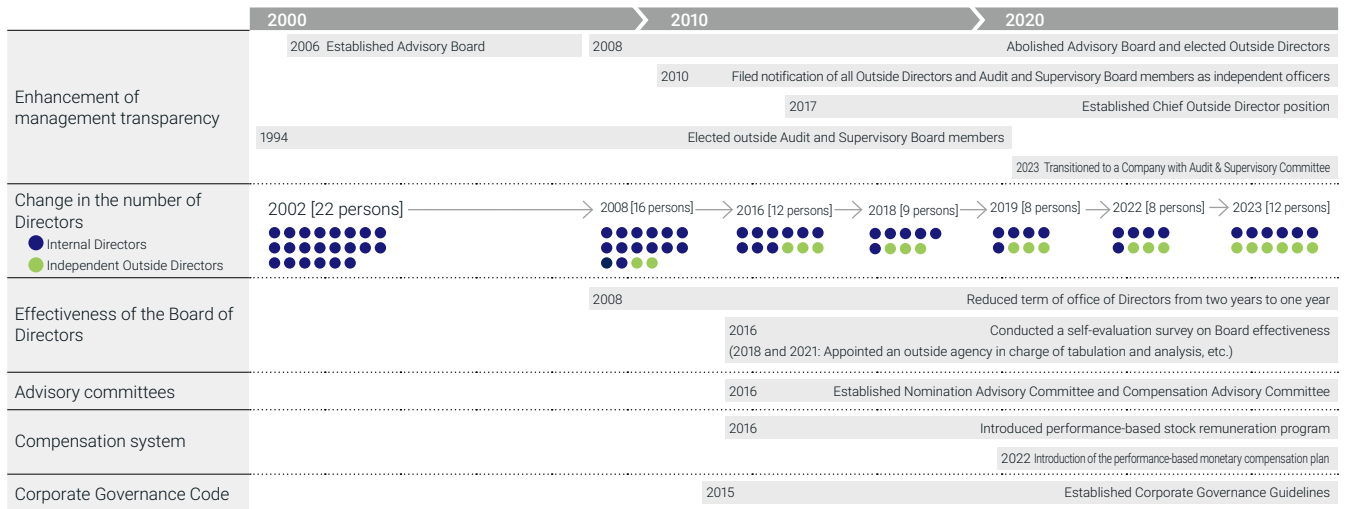
NYK's Corporate Governance Organizational Structure (as of June 21, 2023)



Initiatives to Improve Corporate Governance

- Transition to a Company with Audit & Supervisory Committee
- Ratio of independent outside directors increased to 50% (6 of 12 Board members)

History of Enhancing Corporate Governance



➔ Corporate Governance Guidelines https://www.nyk.com/english/profile/pdf/gvn_report_01.pdf

Expertise and Experience of Directors (as of June 21, 2023)

The Board of Directors possesses a sufficient number of internal directors who are well versed in the business of the NYK Group, which is mainly maritime shipping and logistics operations, and a certain number of independent outside directors with high levels of specialized knowledge who will contribute to corporate management and further enhance the supervisory function of the Board. Internal directors are nominated with a view to balancing personnel who are able to demonstrate strengths in the management of each business and who are suited to Companywide management and administration.

	Current position in the Company	Age	Number of Years as Director	Expertise and Experience															
				Academia / Education	Business Ethics	Business Head / Administration	Corporate Governance	Environment / Safety	Investment	Financial Expertise / Literacy	Government / Public Policy	Foreign Affairs / Geopolitics	Business Assignment Overseas*	Marketing / Sales	Risk Management	Legal / Marine Insurance	Media / Corporate Social Responsibility	Talent Management	Technology / Systems
Hitoshi Nagasawa	Chairman, Director	65	12											U.K.					
Takaya Soga	President, Representative Director, President and Chief Executive Officer	63	1											Singapore/U.K./Thailand					
Akira Kono	Representative Director, Executive Vice-President, Executive Officer	61	0											U.S./U.K.					
Yutaka Higurashi	Director, Senior Managing Executive Officer	60	3											U.K.					
Hiroko Kuniya	Chief Independent Outside Director	69	4											U.K.					
Eiichi Tanabe	Independent Outside Director	66	6											U.S.					
Nobukatsu Kanehara	Independent Outside Director	64	0											France/Belgium/U.S./South Korea					
Eiichi Takahashi	Director, Audit & Supervisory Committee Member	64	0											U.S.					
Keiko Kosugi	Director, Audit & Supervisory Committee Member	56	0											Singapore/U.K.					
Hiroshi Nakaso	Independent Outside Director, Audit & Supervisory Committee Member	69	0											U.K./Switzerland					
Satoko Kuwabara	Independent Outside Director, Audit & Supervisory Committee Member	58	0											U.K.					
Tatsumi Yamada	Independent Outside Director, Audit & Supervisory Committee Member	70	0											U.K.					

* Includes overseas experience at other companies
 Note: The ratio of outside directors is 50% (6 of 12 Board members), and the ratio of female directors is 25% (3 of 12 members).

● Internal ● Outside ● Male ● Female

Evaluation of the Effectiveness of the Board of Directors

Since fiscal 2015, the Company has had all directors and Audit & Supervisory Committee members carry out self-evaluation surveys with the aim of further improving the effectiveness of the Board of Directors.

1 Overview of the Fiscal 2022 Evaluation

In fiscal 2022, a survey consisting of 16 questions under five topics was conducted, taking into consideration the guidance and advice of a third party. The five topics were (1) composition and operations of the Board of Directors, (2) management strategies and business strategies, (3) corporate ethics and risk management, (4) performance monitoring and evaluation and compensation of management members, and (5) dialogues with shareholders.

2 Results of the Board Effectiveness Evaluation

i. Overview

As a result of a discussion based on the survey results, it was determined that the Board of Directors was functioning appropriately and its effectiveness was ensured. In fiscal 2022, in regard to (2) management strategies and business strategies, in particular, improvements were observed in a follow-up inspection of important matters that were decided upon. Furthermore, in discussing the formulation of the medium-term management plan, the Board of Directors became more involved and its effectiveness improved. On the other hand, there are still matters that require even deeper discussion, such as diversity and human resource strategies, and the need to secure adequate deliberation time was recognized.

ii. Issues Recognized in Fiscal 2021

• Strengthening of monitoring functions

The continual checking of key performance indicators (KPIs), direct exchanges of opinions, and discussions of which KPIs should be considered important in formulating the medium-term management plan have resulted in a certain level of improvement; however, it was recognized that this issue requires further attention.

• Diversity and human resource strategies, etc.

This issue was discussed in the process of personnel system reform and formulation of the medium-term management plan, and the need for continued discussion was recognized.

iii. Change in Organizational Design

As changes in the business environment grow even more pronounced, management held several discussions to decide upon the best organizational design for the Company in order to achieve healthy and sustainable increases in corporate value, including responding to recognized issues. These discussions concluded that transitioning to a Company with Audit & Supervisory Committee would be the most ideal.

3 Initiatives Taken in Fiscal 2023

The Company transitioned to a Company with Audit & Supervisory Committee by a resolution of the Ordinary General Meeting of Shareholders held on June 21, 2023. Accordingly, decision-making will be accelerated by delegating authority over important matters of business execution to executive directors, while the Company will work to strengthen monitoring functions. At the same time, the Board of Directors will aim to increase its effectiveness by allocating more time to deliberating on matters that lead to corporate value

growth, such as medium- to long-term management strategies, the allocation of management resources, the business portfolio, sustainability, and significant business risks. The Board will also address ongoing issues such as diversity and human resource strategies by recognizing them as important issues.

Executive Compensation (Performance-Based Stock Remuneration Plan)

The Company introduced a performance-based stock remuneration plan in fiscal 2016 to provide a highly transparent and objective executive compensation system.

In fiscal 2022, the Company partially revised the details of said plan, with a view to further accelerating ESG management and establishing shared interests between executives and shareholders over the medium to long term.

Overview of the Performance-Based Stock Remuneration Plan

i) Persons eligible under the performance-based stock remuneration plan	<ul style="list-style-type: none"> Directors who concurrently serve as executive officers (excluding directors who are Audit & Supervisory Committee members), the Board of Directors' chairman not serving concurrently as chairman and executive officer, and executive officers excluding certain concurrent executive officers who reside in Japan 	
ii) Applicable period for the performance-based stock remuneration plan	<ul style="list-style-type: none"> Three fiscal years from April 1, 2022 to March 31, 2025 In the event that the trust term is extended, each three fiscal-year period afterward 	
iii) Upper limit to the amount of trust money contributed by the Company	<ul style="list-style-type: none"> A total of ¥1.6 billion over three fiscal years (including trust expenses, etc.) 	
iv) Upper limit to the number of Company shares, etc., to be acquired by directors and method for acquiring the Company's shares	<ul style="list-style-type: none"> The upper limit for the total number of shares shall be three million shares per three-year period (based on the number of shares after the stock split conducted on October 1, 2022), and the ratio of the number of shares issued (as of March 31, 2022, after excluding treasury stock) shall be approximately 0.6%. The Company's shares shall be acquired from the stock market to avoid dilution. 	
v) Method for calculating the number of Company shares, etc., to be acquired by directors	<ul style="list-style-type: none"> The calculation shall be divided into a role-fixed portion and a performance-based portion. Indices for calculating the number of shares in the performance-based portion: the Company's total shareholder return (TSR), including dividends, and the Company's own ESG indices based on its ESG policy. The Company's TSR shall be measured by comparing it with the growth rate of the Tokyo Stock Exchange's Stock Price Index (TOPIX) as well as with the TSR of competitors during the applicable period. The performance-based coefficient shall vary between 0.0 and 2.0 depending on the degree of achievement of each index. 	
vi) Timing of the delivery, etc., of Company shares, etc., to directors	Role-fixed portion	After the conclusion of each fiscal year but with a three-year transfer restriction after delivery
	Performance-based portion	After the conclusion of three fiscal years

Executive Compensation (Performance-Based Monetary Compensation Plan)

In fiscal 2022, the Company introduced a performance-based monetary compensation plan for directors concurrently serving as executive officers and for certain executive officers, with a separate budget for basic compensation. The purpose of the plan is to further increase the short-term incentives for directors and executive officers to contribute to earnings and provide a mechanism for helping increase corporate value.

Overview of the Performance-Based Monetary Compensation Plan

i) Persons eligible for the performance-based monetary compensation plan	<ul style="list-style-type: none"> Directors concurrently serving as executive officers (excluding directors who are Audit & Supervisory Committee members) and executive officers excluding certain concurrent executive officers
ii) Upper limit to amount of compensation under the performance-based monetary compensation plan	<ul style="list-style-type: none"> ¥300.0 million per fiscal year
iii) Details of business result achievement conditions	<ul style="list-style-type: none"> Performance-based indices shall be consolidated recurring profit and consolidated return on equity. In principle, the base values for measuring the degree of achievement of performance-based indices shall be the targets defined in the Company's medium-term management plan. The performance-based coefficient shall vary between 0.0 and 2.0 depending on the degree of achievement of each index.
iv) Timing of monetary payments to directors	<ul style="list-style-type: none"> After the conclusion of each fiscal year

Note: Information regarding executive compensation
<https://www.nyk.com/english/profile/gvn/action/>

Remuneration Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members), etc.

Before revision	Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Remuneration
	¥69 million/month	¥300 million/year	¥1.6 billion/3 years
↓			
After revision	Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Remuneration
	¥510 million/year	¥300 million/year	¥1.6 billion/3 years

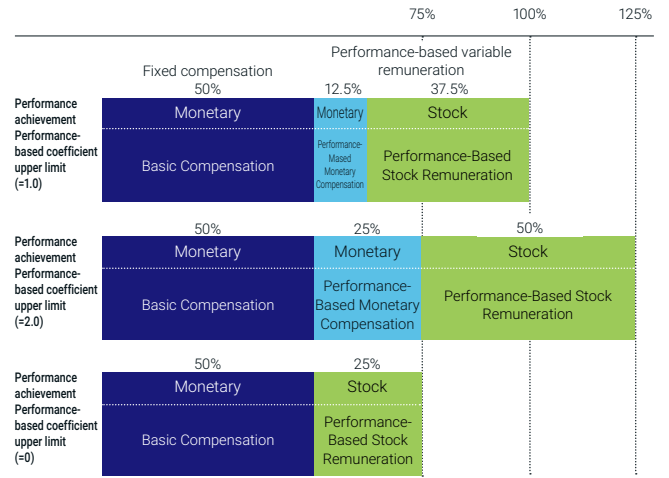
Note 1: Of the revised total amount of basic compensation of up to ¥510 million per year, the total amount for outside directors shall not exceed ¥150 million per year.

Note 2: The amount of performance-based stock remuneration is the maximum amount of trust money to be contributed by the Company.

Note 3: Executive officers who meet certain requirements are eligible under the performance-based monetary compensation plan and the performance-based stock remuneration plan. The maximum amount shown above is the maximum amount for all eligible persons under the plans, including said executive officers.

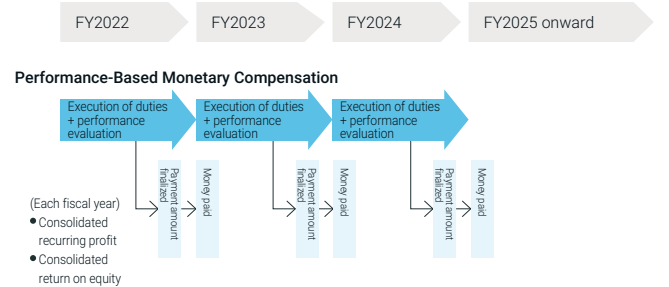
Note 4: This does not include those who are ineligible under the performance-based stock remuneration plan due to non-residence in Japan.

Remuneration Structure

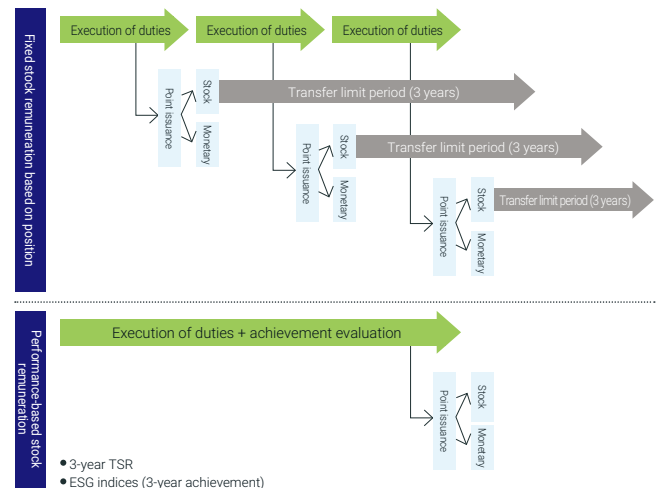


Note: The above percentages are assumed values in each case, and they may vary depending on each position.

Payment of Performance-Based Monetary Compensation and Delivery, etc., of Performance-Based Stock Remuneration



Performance-Based Stock Remuneration



Nomination Advisory Committee and Compensation Advisory Committee

To enhance the transparency and objectivity of the deliberation process for officer nominations and compensation, the Company has

established the Nomination Advisory Committee and the Compensation Advisory Committee as advisory committees to the Board of Directors, both having a majority of independent outside directors and being chaired by outside directors. The two committees discuss key matters regarding the appointment, dismissal, and compensation of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers and provide reports or proposals to the Board of Directors.

Nomination Advisory Committee and Compensation Advisory Committee—Members and Their Attendance in Fiscal 2022

		Nomination Advisory Committee	Compensation Advisory Committee
Chairman, Director President,	Tadaaki Naito	4/4	2/2
Representative Director (President and Chief Executive Officer)	Hitoshi Nagasawa	4/4	2/2
Director (Chief Independent Outside Director and Chief Outside Director)	Yoshihiro Katayama (Committee Chairman)	4/4	2/2
Director (Independent Outside Director)	Hiroko Kuniya	4/4	2/2
Director (Independent Outside Director)	Eiichi Tanabe	4/4	2/2

Internal Control System

The NYK Group maintains the Internal Control Committee, which acts as a complementary body to the Board of Directors. This committee monitors the main internal control activities of the Company and the Group and identifies and confirms internal control issues. Moreover, the committee formulates policies on internal controls to ensure the effectiveness of internal control activities, and the Board of Directors decides on the framework of the internal control system.

The Internal Control Committee monitors the activities of corporate departments that determine Companywide systems and internal committees and meetings responsible for cross-functional systems with the objective of verifying their operating status. It also deliberates and formulates policies on future internal control activities.

In fiscal 2022, the committee reexamined the structure and implementation status of internal controls in the areas deemed most important and confirmed that there were no serious deficiencies in its internal control. It also revised the documentation related to the internal control system in a succinct form covering just the important points, which was approved by the Board of Directors.

The NYK Group has established internal committees and councils regarding internal controls, the main committees being as follows.

- Internal Control Committee
- Risk Management Committee
- Compliance Committee
- Safety and Environmental Management Committee

Policy for Holding Strategic Shareholdings

The Company is pursuing a policy aimed at reducing its strategic shareholdings. Also, as stipulated in the Corporate Governance Guidelines adopted in November 2015, the Board of Directors annually conducts a comprehensive review of the purpose and objectives of holding individual strategic shareholdings with a focus on the return targets based on the capital cost, the revenue from dividends, and impact on the Company’s business activities. Based on these, we decide on initiatives for reduction. The number of listed companies in the Company’s strategic shareholdings was 35 as of the end of fiscal 2022, down 21 from the total of 56 as of the end of fiscal 2016. The Company’s current strategic shareholdings are of companies considered to be important business partners with which the Company expects to maintain long-term relationships that will help maintain stable results for the Company. The Board of Directors determined that retaining these shareholdings is suitable for maintaining and strengthening relations with those companies. The Company has set specific standards related to the exercise of voting rights with companies for which it has strategic shareholdings. Under these standards, the Company confirms whether a certain vote will damage the investee company and whether it will contribute to the corporate value of the Company. After these criteria are confirmed and evaluated, a decision to approve or reject a proposal is made.

Internal Audits

The Internal Audit Chamber (35 members as of the end of fiscal 2022) conducts internal audits of the Company and domestic Group companies based on internal audit rules. Further, internal audits of overseas Group companies are performed in accordance with the policies and guidance of the Internal Audit Chamber by internal auditors who belong to four regional management offices in the Americas, Europe, South Asia, and East Asia.

In fiscal 2022, the Company conducted 30 internal audits in Japan and 55 audits at business sites overseas. In addition, the Company is continuing to implement initiatives to improve its internal audit methods, with a particular focus on advancing its data audit methods.

Given that improving audit methods requires personnel with specialist knowledge, 10 Internal Audit Chamber personnel have been seconded to the Company from Group companies Yusen Logistics Co., Ltd., and Nippon Cargo Airlines Co., Ltd., since fiscal 2020. To enhance auditing quality, the Company is promoting understanding of new auditing methods and providing opportunities to acquire international qualifications and attend seminars hosted by audit firms.

Group Management Structure

With the overarching objective of enhancing its corporate value, the NYK Group is promoting further improvements in Groupwide governance. At Group companies in Japan, the Company continues to maintain a system for dispatching auditors from a dedicated department to each Group company to oversee directors’ business execution and to ensure consistency in the judgment criteria during audits.

Furthermore, the Company will conduct the necessary training and provide expert support to Group companies and so forth as it promotes Groupwide strengthening of corporate governance functions. In addition, the Group will continue to increase the effectiveness of management appointments and the compensation determination process at Group companies. Based on the Groupwide governance built through these initiatives, the Group will make maximum use of its capabilities and promote unified, efficient management.

At Group companies overseas, regional management offices (RMOs)* have been established at four hubs, one each in the United States, Europe, South Asia, and East Asia. These offices maintain contact with the Company's administrative divisions while supporting, strengthening, and streamlining governance at Group companies in each hub. Moreover, we have been promoting the reorganization of overseas Group companies, aiming to make efficient use of the Group's management resources and strengthen governance. In addition, we have established region heads and country heads in South Asia and the Middle East to promote agile business expansion overseas, and we are supporting information collection regarding the Group's business development in each region.

* The four RMOs are NYK Group Americas Inc., NYK Group Europe Ltd., NYK Group South Asia Pte. Ltd., and NYK Line (China) Co. Ltd.

Executive Committee Overseeing Thorough Law Compliance

The NYK Group previously maintained the Executive Committee Overseeing Thorough Antitrust and Anti-Bribery Law Compliance dedicated to ensuring complete Group compliance with the Antimonopoly Act, laws related to bribery, and economic sanctions. In March 2019, the committee was renamed the Executive Committee Overseeing Thorough Law Compliance, and it is charged with ensuring compliance to not only specific laws but also to all laws, regulations, and licenses.

Compliance with Antitrust Laws

In the global shipping industry, which is subject to the principle of the freedom of shipping (free navigation in international waters and innocent passage in territorial waters), anyone is free to enter or leave the market, which means that it is easy for competition to intensify. To reduce the potential negative impacts therefrom, such as interruptions to the stable shipping network and reduced shipping and industry competitiveness in emerging countries, the industry has historically been exempted from the scope of antitrust laws under certain conditions.

With these legal protections diminishing in recent times, it has become common for shipping companies to cooperate through vessel-sharing agreements and slot exchanges in order to fulfill infrastructure responsibilities, maintain and improve diverse navigation networks, and manage the frequencies of port calls. As such, companies in the industry encounter many opportunities to make contact with competitors.

Since September 2012, the NYK Group has been subject to investigation by overseas authorities for allegedly violating antitrust laws regarding the shipping of automobiles and other cargo. The

Company and certain overseas Group companies are also subject to class action damage compensation suits in multiple regions.

We offer all of our stakeholders a sincere apology for the concerns that we have caused.

We implemented various measures, including the president's declaring thorough compliance with antitrust laws, building and operating a control network spanning the entire Group in Japan and overseas, and educating and raising employee awareness through training and manuals on antitrust laws and rules concerning contact with other companies in the same industry. Nevertheless, we solemnly accept the fact that this situation occurred and are constructing and initiating a system to ensure absolute compliance with antitrust laws while continuing to raise the awareness of all Group employees* and executive officers.

* Includes Company employees, personnel seconded from other companies, and temporary staff

Measures to Prevent Recurrence of Misconduct, Implemented Continuously Since 2013

- Annual holding of the Executive Committee Overseeing Thorough Law Compliance

Chaired by the president and attended by directors, executive officers, Audit & Supervisory Committee members, the regional governance officers*¹ of overseas regional management companies, NYK head office general managers, and certain Group compliance managers. Conducted in September 2022 (195 attendees)

As of September 2022, the committee convened 17 times, if meetings of the former Executive Committee Overseeing Thorough Antitrust and Anti-Bribery Law Compliance are included.
- Formulation of guidelines and implementation of risk assessments of all operating divisions, including domestic and overseas Group companies
- Acquisition of written oaths regarding compliance with antitrust and competition laws
- Adoption of an application system*² for officers and employees at the NYK head office and of domestic and overseas subsidiaries who want to participate in industry gatherings

*¹ As part of governance-strengthening measures, the committee's membership was extended to include the regional governance officers (RGOs) of the four overseas regional management companies beginning from fiscal 2020.

*² The system limits the opportunities of employees for interaction with competitors' employees. If any participation in a meeting with such employees is required, NYK employees must obtain approval in advance and report the agenda of the meeting.

Absolute Prohibition of Bribery

In January 2014, the Company updated its basic policy and guidelines related to prohibiting bribery to reflect the Japan Unfair Competition Prevention Act (prohibiting the bribing of overseas public officials), the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act 2010. Since fiscal 2015, the Company has conducted anti-bribery training for employees in Japan and overseas. In addition, the Company has been a member of the Maritime Anti-Corruption Network (MACN) since fiscal 2015. The MACN is a global network engaged in activities to prevent and eliminate corruption in order to realize fair trade across the entire maritime shipping

industry while investigating the root causes of corruption. To reduce the incidence of corruption, the MACN has established cooperative relationships with major stakeholders, such as government officials, government authorities, and international organizations.

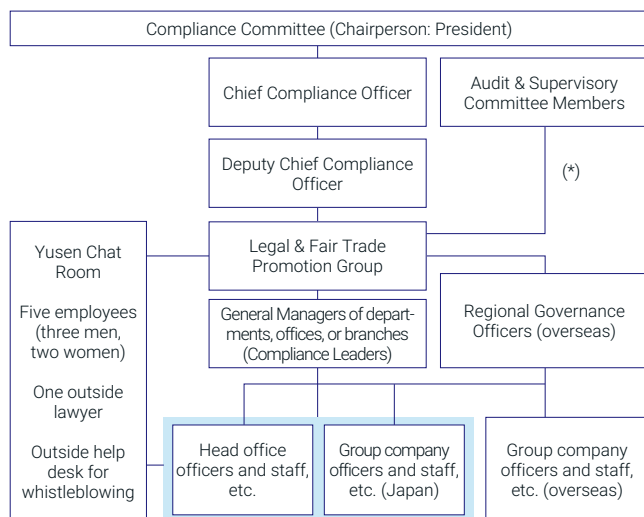
In April 2016, the Company established a system to prevent the bribery of overseas public officials. When considering new businesses in high-risk countries, our legal department screens candidate partners and agents for bribery issues and provides advice and checks, including establishing anti-bribery clauses when creating agreements.

Fortification of Compliance

Companies around the world are being required to comply with increasingly strict regulations in all regions. The Group's Compliance Committee has been established to maintain and promote awareness of compliance, and it deliberates and makes resolutions regarding the Group's annual compliance plan, policies for compliance-related activities, and other important compliance-related matters. The Group's Compliance Committee convenes twice yearly and reports its agenda items to outside directors and Audit & Supervisory Committee members by way of the Board of Directors.

The NYK Code of Conduct, which sets forth norms that officers and employees must follow in the course of their duties, is reviewed periodically to reflect changes in the business environment and social conditions. September has been designated a compliance-strengthening month in which comprehensive compliance checkups are conducted that allow employees to take the initiative in reviewing their conduct and work processes. As part of comprehensive compliance checkup activities, the Company raises employee awareness of compliance issues by conducting a compliance awareness survey and then providing feedback on the survey results via its internal bulletin board.

The NYK Group's Compliance System



* Reports to a full-time Audit & Supervisory Committee member periodically and as required

Compliance Training Programs

Training Programs in FY2022	Number of programs	Number of participants
Compliance training*1	45	1,129
Antitrust, anti-bribery / anti-corruption and sanctions training*2	71	1,896
e-learning	1	7,473

*1 Cumulative totals since fiscal 2002: 546 compliance training sessions and 14,876 participants

*2 Training was conducted at 88 domestic and overseas Group companies in 19 countries. Training was conducted eight times in Japan (training for individual companies). Overseas, training is conducted once every one to three years in each region. A cumulative total of 48,338 employees have participated in this training since fiscal 2009.

Whistleblower System

The Company provides several consultation services for employees to discuss concerns about or report workplace misconduct, harassment, and non-compliance. Such services include the Yusen Chat Room, which allows employees to contact outside lawyers, and a consultation line, which is operated by outside contractors. The Yusen Chat Room is available to employees of roughly 64 Group companies in Japan and provides access to six personnel, including an outside lawyer, who are available to listen to a wide range of compliance matters and provide consultation and facilitate whistleblowing on said matters.

Every effort is made to ensure personnel contacting the Yusen Chat Room suffer no adverse treatment and, if desired, the identity of the person contacting the service is kept completely confidential, based on the objective that the information provided will help improve the work environment.

Number of Reports and Consultations Handled by Internal Reporting Systems at the Head Office

Fiscal year	Number of reports
2020	37
2021	55
2022	50

Risk Management

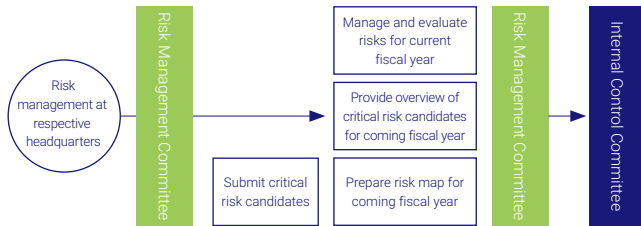
Based on its risk management policy, the NYK Group has established an appropriate risk management system and strives to prevent the materialization of risks by identifying and assessing risks and formulating counterstrategies accordingly. If risks materialize, NYK gives first priority to dealing with matters that may endanger human lives. At the same time, the Company avoids or mitigates risks by obtaining appropriate information on all materialized risks in a timely manner so that the proliferation of damages can be prevented and operations can be promptly restored.

Risk Evaluation and Monitoring

The businesses and performance of the Group could be affected by technological innovations, natural disasters, and social factors such as the economic and political climate, environmental regulations, and safety and security in countries worldwide. As they best understand the nature of operations, the personnel of operating divisions

conduct quantitative and qualitative evaluations of risks in accordance with the Company’s risk management policy and rules.

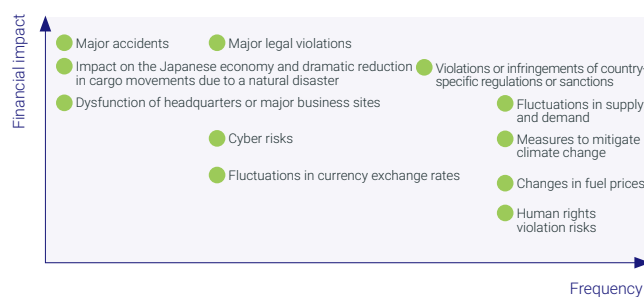
Risk Management System



Enterprise Risk Management (ERM)

In accordance with its risk management policy and rules, the Group convenes twice yearly the Risk Management Committee, which assesses and receives reports regarding progress in managing critical risks that could have a significant impact on the Group’s business management and reports findings to the Board of Directors. The Group defines risks as uncertainties that could affect its achievement of continuous growth. Chaired by the president and comprising chief executives and the deputy chief executive of the ESG Strategy Headquarters, the Risk Management Committee identifies critical risks based on reports from each headquarters, determines the headquarters responsible for advancing countermeasures for each critical risk, and promotes risk reduction activities for the entire Group. The most critical risks, namely, risks that could have a significant impact on the continuity of the Group’s businesses, include compliance risks, major accidents and other operational risks, risks related to damages caused by natural disasters, measures to mitigate climate change, risks related to infectious diseases such as novel coronaviruses, and cyber risks. In addition, critical risks that could significantly affect the Group’s business management include strategic risks, market fluctuation risks, operational risks, financial and accounting risks, and human rights risks. Each year, the Risk Management Committee selects the most critical among the critical risks.

Risk Map



Information Security

The NYK Group continuously reinforces multilayered defenses in readiness for cyberattacks, which are evolving and diversifying on an almost daily basis. However, given that the perfect defense is infeasible, the

Group is also developing countermeasures focused on cyber resilience, thereby enabling rapid recovery from damages. Moreover, the Group is putting in place “zero trust” countermeasures, which are not reliant upon the boundary defenses of the networks used when introducing cloud computing or telecommuting.

Specifically, the Group will introduce security functions such as a multi-factor authentication (MFA) system and an endpoint detection and response (EDR) system to the entire Group, while introducing cloud systems to reduce risks caused by malfunctions or disasters as well as a global security operation center (GSOC) to monitor IT equipment on land and at sea worldwide around the clock 365 days of the year. These systems are designed to minimize damages by rapidly detecting and countering hacks. Further, in regions worldwide the Group has established computer security incident response teams (CSIRTs) that coordinate with each other globally. By promptly sharing and managing information not only with IT departments but also with other departments when an incident occurs, the teams underpin a system that enables the members of senior management to make decisions appropriately.

On the governance front, the Group regularly updates its information security regulations to respond to new technologies such as AI and works to ensure security by sharing said regulations throughout the Group.

All of these initiatives rest upon the foundation of Group employees’ security literacy. To increase this literacy generally, for Group companies in Japan and overseas, we have introduced an education platform, conducted regular cyberattack countermeasure drills, and carried out security assessments. Through these initiatives, we will regularly monitor the degree to which our measures are becoming permanently entrenched.

Human Rights Initiatives

In November 2022, the NYK Group established the NYK Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. Taking regular advice from expert third-party organizations, the Group is promoting initiatives to respect human rights, including human rights due diligence. Furthermore, the Group has declared its support for the United Nations Global Compact (UNGC). Having established a GC Promotion Committee in 2010, the Group has been working to address areas such as human rights and labor issues. In 2022, the Group reorganized the committee to make it even more effective under a Groupwide structure. The current UNGC Promotion Committee meets quarterly to discuss surveys and responses regarding the prevention of human rights and labor issues as well as corruption, which correspond with UNGC Principles 1 through 6 and 10. Following such discussions, the committee makes recommendations to the ESG Strategy Headquarters. At the same time, the Group seeks to instill and improve employees’ awareness regarding respect for human rights by participating in a stakeholder engagement program hosted by Caux Round Table Japan, promoting collaborative activities with human rights non-profit organizations and NGOs, and implementing various human rights training programs, e-learning, and human-rights awareness surveys targeting all employees and executives across the NYK Group.

► **Human Rights Initiatives**

🌐 <https://www.nyk.com/english/esg/social/activities/>

