



Taking Our Passion into the Next Stage

2023

Nippon Yusen Kabushiki Kaisha NYK Report
Financial, Social and Environmental Performance

The NYK Group’s Mission Statement—Unchanged Since Our Founding

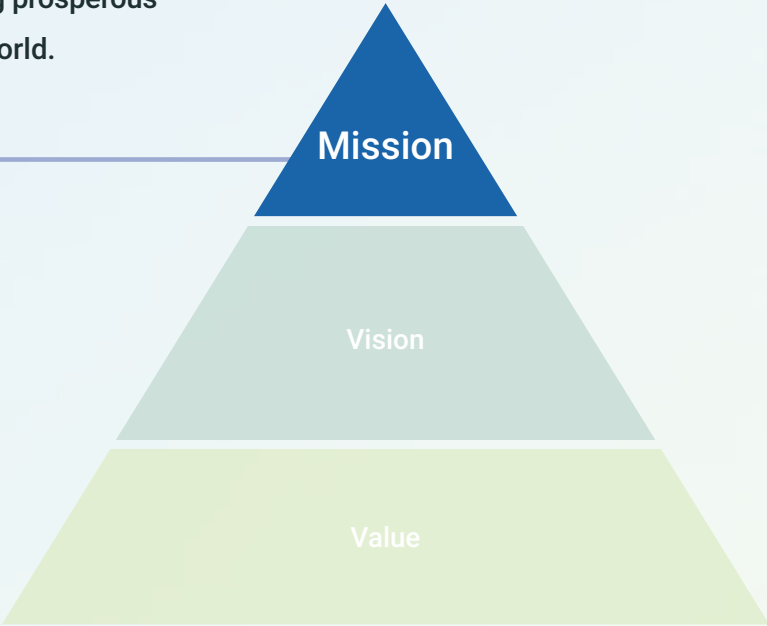
Our Mission

Bringing value to life.

Unchanged since the Company’s founding, our Mission incorporates our dedication to the value the Group brings to all living things and the environment while realizing prosperous lives and daily fulfillment for people around the world.

“If we float a ship, it will bring more value to the world, and the benefits will fall on the heads of all the people.”

Yataro Iwasaki
Mitsubishi Group Founder



We Strive to Contribute to Society and Achieve Sustainable Growth

Our Vision

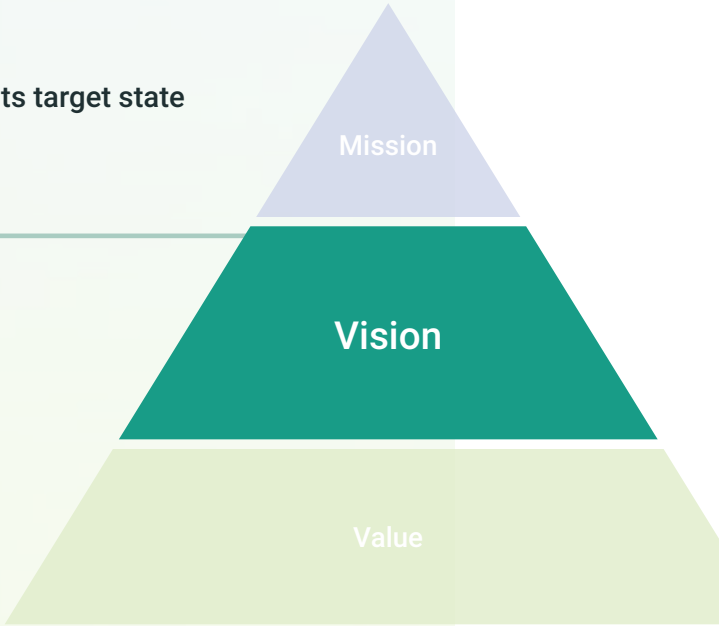
We go beyond the scope of a comprehensive global logistics enterprise to co-create value required for the future by advancing our core business and growing new ones

The NYK Group has formulated a new vision based on its target state for the long term.

Reorganization of the Group’s Mission, Vision, and Value P.17

We are working to realize our target state for 2050 and become an organization where all NYK Group employees can continue to grow and develop.

To this end, we have reorganized our key aims so that they are now clear and concise.



Values Employees Should Share to Achieve the Mission Statement

Our Value

Integrity, Innovation, and Intensity

The 3I's—the NYK Group's Values—are represented by Group employees around the world.

Integrity

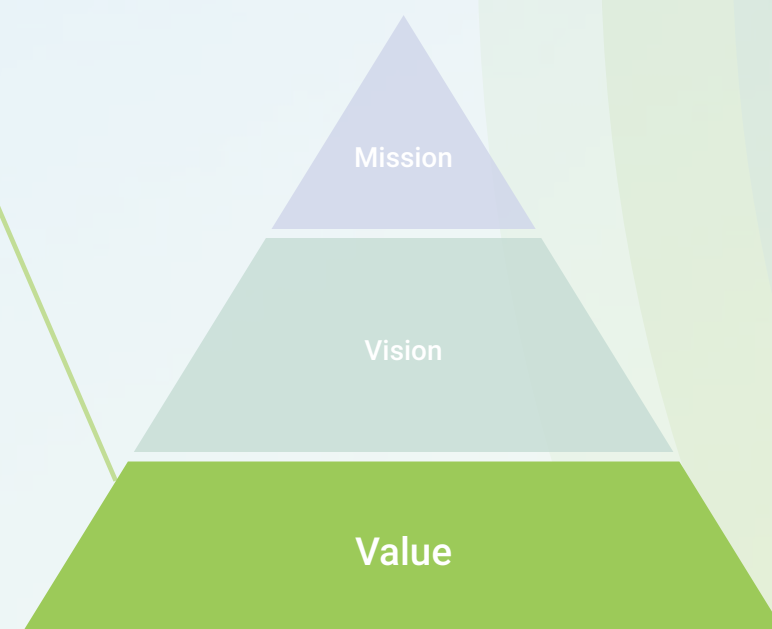
Be respectful and considerate to your customers and colleagues.
Stay warm, cordial, courteous, and caring.

Innovation

Continuously think of new ideas for improvement, even when
conditions appear satisfactory.
Remain open to betterment.

Intensity

Carry through with and accomplish your tasks.
Never give up.
Overcome challenges. Remain motivated.



Initiatives and Achievements

Initiatives and Results under the Previous Medium-Term Management Plan

Under the previous medium-term management plan, we generated significant profits, despite impacts from the external environment, by executing three strategies. We also intend to steadily reach our management targets with 2030 in sight under the new medium-term management plan starting in fiscal 2023.

Staying Ahead 2022 with Digitalization and Green

Basic strategies

1. Optimize business portfolio
2. Secure stable-freight-rate business
3. Increase efficiency and create new value

Earnings and financial performance

	Target (targeting FY2022)	FY2021	FY2022
Recurring profit	¥70.0–¥100.0 billion	¥1,003.1 billion	¥1,109.7 billion
ROE	Min 8.0%	86.0%	48.3%
Shareholders' Equity Ratio	Min 30%	55.6%	65.6%
DER	1.5 times or below	0.47 times	0.28 times

Next Target

Outline and Targets of the New Medium-Term Management Plan

The plan's basic policy is to pursue growth strategies centered on environmental, social, and governance (ESG) themes. By also contributing to solutions for social issues such as environmental problems, we will work to maximize our earnings capability and to sustainably create corporate and social value.

“Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing –”

Basic strategies

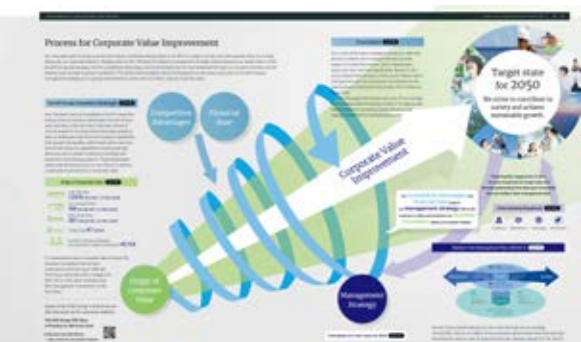
1. Key strategy with core business advancement and new business development as the two pillars and supporting function strategy
2. Financial policy

Financial targets

ROIC	Over 6.5%
Net income (Target as of FY2026)	¥200.0–¥300.0 billion
ROE (Target as of FY2026)	8%–10%

Non-financial targets

Number of major accidents: sea, land, and air	0 accidents (Number of major accidents based on NYK standard)
GHG reduction by vessels (FY2030 target)	Over 30% (vs. FY2021)
Ratio of women managers (CY2030 target)	30% (onshore positions for NYK non-consolidated)



Our Message

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Cover Explanation

The NYK Group has entered the next stage with the implementation of ESG management and the announcement of a new medium-term management plan. The cover expresses the Group’s ongoing commitment to working as one to deliver value as it enters the next stage.

Editorial Policy for the NYK Report

NYK Report 2023 is the 11th iteration of the NYK Group’s integrated report, which first launched in 2013. Targeting a wide range of the Group’s stakeholders, the report is designed to present the Company’s various initiatives to solve environmental, social, and governance (ESG) issues, as well as management strategies, which are strongly oriented toward contributing to the sustainable growth of society and industry as well as of the NYK Group. *NYK Report 2023* explains the Group’s further progress from the 2022 version, which focused on internal and external ESG promotion as a growth strategy, to the ESG management implementation stage, along with the new medium-term management plan, announced in March 2023. The report also communicates how the Group intends to continue providing value to society in order to realize its target state.

Website

General business activities <https://www.nyk.com/english/>

Financial information
Website section: Investor Relations
<https://www.nyk.com/english/ir/>

NYK Report (booklet, PDF [full version])

Non-financial information
Website section: ESG Management
<https://www.nyk.com/english/esg/>

Fiscal statements

Business reports

Fact Book I, II

Corporate Governance
Code-related documents

Cautionary Statement with Regard to Forward-Looking Statements

Some statements made in this report are forward-looking statements that are based on information currently available and involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Please be advised against undue reliance on such forward-looking statements. NYK

undertakes no obligation to publish revised forward-looking statements to reflect events, circumstances, or unanticipated events after the present juncture.

Scope of Report

- Reporting period: fiscal 2022 (April 2022 to March 2023)
However, certain information from April 2023 and after is included.
- Coverage: The activities of NYK and its consolidated Group companies in Japan and overseas are included.
The scope of coverage is indicated when there are differences in the major companies involved in specific business operations.
- Date of issue: October 2023 (previous: October 2022: next: September 2024)
Edited based on the Japanese version of *NYK Report 2023* issued in August 2023.

Target Reader

This report has been prepared for all parties who have an interest in the activities of the NYK Group, including customers, shareholders, investors, business partners, Group employees, local communities, NPOs/NGOs, students, certification bodies, researchers, and those responsible for CSR/ESG activities at other companies.

Guidelines for Disclosure about Environmental, Social, and Governance Factors

- IFRS Foundation Integrated Reporting Framework
- GRI Standards, global standards for sustainability reporting produced by the Global Reporting Initiative (GRI)
- ISO 26000
- Guidance for Integrated Corporate Disclosure and Company–Investor Dialogue for Collaborative Value Creation by the Ministry of Economy, Trade and Industry
- Japan Business Federation Society 5.0—Co-Creating the Future

External Evaluations

ESG Indexes

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Other Awards and Certifications

Please visit the website below for more information about each evaluation, award, and certification.

<https://www.nyk.com/english/esg/evaluate/>

MESSAGE FROM THE PRESIDENT

Continuing to Grow Beyond the Scope of a Comprehensive Global Logistics Enterprise

Having announced its medium-term management plan in 2023, the NYK Group is targeting further growth through the implementation of a four-year action plan comprising five management strategies and financial strategies. We will continue to deliver value to society and meet stakeholder expectations.

Career Profile

Joined NYK in 1984. Became the general manager of the Automotive Logistics Group in 2010, a corporate officer in 2015, and a managing executive officer in 2020. Appointed as a senior managing executive officer in 2021 and the chief financial officer in 2022.

After working in the liner trade and cruise enterprise businesses, he accumulated many years of experience overseas and supported the development of LNG-fueled pure car and truck carriers, a trailblazing initiative in the industry.

Takaya Soga

President,
Representative Director, President
and Chief Executive Officer,
Group Chief Executive Officer

Pathfinding in Uncertain Times

After a 13-year career overseas that included positions in Singapore, London, and Thailand and serving as the president of an overseas subsidiary, I was appointed chief executive of the Automotive Transportation Headquarters and CFO before assuming the position of president in April 2023. The experience of having to overcome unprecedented crises has taught me how to approach work and other situations. I have learned that carefully thought-out proposals, not half-hearted answers, gain acceptance. I have also come to realize that an ability to listen is needed to draw out the talents of employees as they have diverse personalities, backgrounds, and cultures.

Society is at a major turning point. Factors associated with this change include COVID-19 pandemic-related logistics disruptions and their resolution; an unpredictable international situation; and the evolution of AI. Despite these uncertain times, I want to be a pioneer who boldly shows the way forward. My two cherished mottoes are “If you keep your mind clear, even fire feels cool” and “Laughter is the key to happiness.” Whether or not a situation is a hardship depends on one’s mindset. For this reason, I believe in smiling from the outset, even when facing potential difficulties. My attitude is to find enjoyment no matter what the situation. Accordingly, I intend to relish the evolution of society while continuing to take on ambitious initiatives.

Significantly Surpassing Goals and Identifying New Issues during the Previous Plan

Under the previous medium-term management plan, the NYK Group posted profits above ¥1.0 trillion for two consecutive fiscal

years thanks in the main to a hike in container freight rates that resulted from the COVID-19 pandemic. Recognizing that this situation will of course draw to a close, we have been making steady preparations over the past two years to ensure stable, sustained profits when the situation normalizes.

Despite being greatly affected by external factors, we made great progress regarding the three basic strategies of the previous plan, namely, “optimize the business portfolio,” “expand businesses that secure stable freight rates,” and “increase efficiency and create new value.” As a countermeasure for volatile businesses, we also addressed the issue of high-cost vessels, which had been a long-standing concern. The success of a strategy of strictly managing exposure to market volatility to minimize its impact made the dry bulk business a leaner organization with a higher basic level of profit generation.

On the other hand, an enormous amount of cash also comes with challenges. Mindful of our accumulated capital, we thoroughly discussed and examined how to generate stable, sustained profits. On the financial side, the weighted average cost of capital is too high. We carefully considered how and to what extent to lower the shareholders’ equity ratio and then created financial key performance indicators (KPIs) accordingly. I will discuss our financial strategy in greater detail later in this message. In short, however, we will begin optimizing the shareholders’ equity ratio by strengthening shareholder returns, including share buybacks.

Other important issues are the increasing costs of addressing climate change—which requires urgent measures worldwide, including those for reducing GHG emissions—and the increasing costs of measures to convert to such new fuels as ammonia and hydrogen. With its sights set on the ambitious goal of achieving net-zero emissions by 2050, the NYK Group

introduced the “Sail GREEN” brand—originally established by the Automotive Transportation Division (now the Automotive Business Division)—to other divisions in fiscal 2021, and launched “NYK GREEN EARTH” as a new brand in fiscal 2022. In addition to providing low-environmental-impact services in a variety of logistics businesses that are mainly engaged in maritime shipping, we are contributing to our customers’ value chains by reducing GHG emissions. In all our green businesses, we are strengthening initiatives to create new value. In the period through 2030, we will implement aggressive up-front investments of ¥450.0 billion in climate change initiatives. We believe that by remaining a leader in the industry we can turn risks into opportunities.

Going beyond the Scope of a Comprehensive Global Logistics Enterprise during the Medium-Term Management Plan

The NYK Group will continue supporting society as an integral part of the transportation infrastructure while demonstrating leadership in the industry as a whole. Reflecting this commitment to society and the industry, we prepared a growth strategy based on environmental, social, and governance (ESG) principles, which is outlined in the medium-term management plan released in March 2023: “Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing.”

After backcasting from our 2050 target state and forecasting the business environment, we set out a new vision for 2030: “we go beyond the scope of a comprehensive global logistics enterprise to co-create the value required for the future by advancing our core business and growing new ones.” The elements of this new vision that we

“

We will advance growth strategies centered on ESG principles.

”

want to emphasize are “go beyond the scope of a comprehensive global logistics enterprise” and “co-create.” These elements express our desire to work together with diverse stakeholders in significantly tackling environmental issues and various other social issues in ways that a single company could otherwise not do alone. In particular, as we are a comprehensive global logistics enterprise that forms an integral part of society’s infrastructure by underpinning supply chains, I am focusing on how we can create virtuous cycles that create environmental and social value throughout supply chains. The plan includes four basic management strategies: make ESG core to the medium-term management plan, execute an active investment strategy to expand the business in growth areas, accelerate decarbonization efforts based on the plan to achieve net-zero emissions by 2050, and further enrich human capital and corporate infrastructure. To realize our new vision, we will advance growth strategies centered on ESG principles.

Advancing Five Strategies for Sustainable Growth

Our two interlinked core strategies entail exploration of new growth businesses (which we refer to as “business transformation” or “BX”) and further development of existing core businesses (“ambidexterity” or “AX”). A particular aim of the AX strategy is to strengthen the Liner & Logistics segment.

Our core businesses have a social mission to provide transportation infrastructure. With this in mind, we will actively capture economic growth in emerging

countries with a view to expanding Ocean Network Express Pte. Ltd. (ONE). In addition, as the logistics business is sure to grow as long as the global population continues to increase, the NYK Group will capture demand, actively strengthen growth, and fulfill the mission of supporting daily life by utilizing Yusen Logistics Co., Ltd. (YLK), as the foundation of the Group’s overseas network.

Meanwhile, new businesses will increase our involvement in the carbon dioxide, hydrogen, and ammonia value chains, covering upstream through to downstream areas. These are initiatives that I particularly want to highlight in the medium-term management plan. The new vision’s phrase “go beyond the scope” expresses how we view the initiatives. As a result, more of our businesses will be related to the environment. However, even if we build and introduce ammonia-fueled ships, an ammonia fuel supply system does not yet exist. For this reason, we are determined to become involved in the new fields related to ammonia fuel production and supply, not only by ourselves but also by entering into collaborative initiatives with external partners.

As for the supporting strategies of the core strategies, in addition to the corporate transformation (CX) and digital transformation (DX) strategies—which entail human resource development, organizational reform, and other measures to strengthen corporate foundations—we will accelerate our energy transformation (EX) strategy, which is focused on decarbonization.

As part of our CX strategy, in fiscal 2022 we conducted our first global Groupwide employee engagement survey, which showed that levels of awareness of our basic philosophy vary by country and region. In response, we will steadily instill our Mission, Vision, and Value in employees so that they focus on the same goals and continue to grow. I am in the process of holding discussions with the relevant divisions to determine if we can utilize the results of the survey in the formulation of KPIs.

In fiscal 2023, we transitioned to a Company with Audit & Supervisory Committee governance system. We now have six inside directors and six outside directors, and the percentage of independent outside directors on the Board of Directors has risen to 50.0%. Our aim is to



expedite decision-making and establish flexible, agile management by strengthening the monitoring function of the Board and delegating some of its decision-making authority to executive directors. Deliberations among Board members with diverse experience and expertise will facilitate supervision of the appropriateness of the Company's direction and well-balanced decisions.

In line with our DX strategy, we will develop foundations that enable change, thereby enhancing our fundamental ability to both further develop existing core businesses and explore new growth businesses. Specifically, we will provide a range of reskilling opportunities to step up the development of digital technology specialists, and we will assign such specialists to all divisions so that they can independently advance DX in their organizations.

Taking Decarbonization to the Next Level

In fiscal 2022, there was strong transport demand as the impact of the COVID-19 pandemic on production eased, and efforts to reduce fuel consumption through the introduction of LNG-fueled vessels and optimized operations resulted in a reduction in GHG emissions compared with fiscal 2021. In our decarbonization initiatives, simply reducing the GHG emissions from the ships operated by us is not enough. Instead, we work together with our customers and regularly discuss GHG emissions reduction amounts, methods, and costs. Our efforts do not end with the transportation of goods. As a link in supply chains, the NYK Group has a responsibility to participate in initiatives that take into consideration senders, receivers, and ultimate recipients. With this in mind, we will increase the volume and visibility of our quantitative data, enhance in-house analytic capabilities, and develop discussions that are even more constructive and advanced with customers and business partners.

We are also considering the introduction of internal carbon pricing (ICP) as a tool for making investment decisions. For example, we are testing a system for evaluating changes in internal rates of return in accordance with the ICP set on the building of new low-GHG-emission ships. Specific methods to effectively incorporate this system in-house are being studied by the ESG Strategy Headquarters, which I will mention again later. We aim to establish a system in the near future.

Executing Financial Strategies to Increase Corporate Value

In the period through fiscal 2026, we will invest a total of around ¥1.2 trillion with the aim of realizing stable shareholder returns going forward. Specifically, we have earmarked ¥560 billion for core businesses, ¥460 billion for ship decarbonization and M&As, ¥100 billion for new businesses such as offshore wind power, and ¥30 billion for the development of new markets and customers through participation in the biomass value chain and other fields.

Concerning shareholder return policy, we will improve capital efficiency, raise the dividend payout ratio target from 25% to 30%, and use approximately ¥200 billion to purchase treasury stock in the period from fiscal 2023 to fiscal 2024. Also, we have raised the minimum dividend to ¥100 per share, an amount commensurate with greater resilience to downside volatility.

Speaking in financial terms, improving investment efficiency as much as possible is one of the major focuses of the medium-term management plan. Since fiscal 2022, we have been using return on invested capital (ROIC) on a trial basis. I believe that in the near future we should begin a cycle of evaluating investment efficiency on a division-by-division basis and examining measures to improve investment efficiency

even further. Our business model includes existing businesses that generate returns over relatively short periods as well as businesses that require very long lead times to generate returns, with new investments in the environmental field being a particularly good example of the latter type of business. If we apply the same ROIC criteria to both types of businesses, we may miss promising investment opportunities in the future. Therefore, in managing businesses we will exercise sound financial discipline and make appropriate investment decisions based on a thorough understanding of the characteristics of each type of business.

Implementing ESG Management

In February 2021, we announced our first NYK Group ESG Story. Over the two years since then, a range of initiatives under the strong leadership of former President Hitoshi Nagasawa built awareness of ESG management Groupwide. Now, I am glad to say we have reached a stage where employees are taking ownership of ESG initiatives, and the establishment of the ESG Strategy Headquarters marked the beginning of ESG management implementation. Over the past two years, we have planted the seeds of growth in a wide range of fields. We have begun conversion to the fuels best suited to a decarbonized society, developed autonomous ships, advanced regional revitalization, and invested in new businesses. Going forward, we will begin full-scale commercialization and advance a broad range of specific measures.

Personnel have long been one of the strengths of the Company and the NYK Group. I would like to create an organization where the individuality and personal circumstances of each employee are truly respected, where such individuality can be fully expressed, and where employees are able to work with vitality.

Under the previous medium-term management plan, we revised our human resource strategy and created a system in which the Company and teams set goals, work autonomously toward reaching said goals, and receive recognition when they are achieved. The final step before completing the reform of our global human resource system is organizational reform. We must consider how to create an organization that enables each of our over 35,000 employees worldwide—or more than 46,000 employees if crew members are included—to work with satisfaction and pride. First, we need to understand the aptitudes of employees and assign them positions accordingly. The resulting heightened employee motivation will help advance the NYK Group as a whole.

Until now, the identification and management of business risks have been conducted by the Risk Management Committee. However, since risk identification was conducted by individual divisions, fragmentation was a concern. In consultation with risk advisors, we have recently upgraded our risk identification methods. Instead of an approach that examines which risks belong to which divisions, the senior management team will assess risks based on a Companywide viewpoint.

As I mentioned at the beginning of this message, we are facing an uncertain business environment. Therefore, flexibility and agility will be the hallmarks of our business management. In terms of conducting business operations, we will establish firm premises, based on which we will prepare concrete action plans and hypotheses. If verification reveals that our hypotheses are not viable, we will formulate alternative hypotheses.

Pursuing My Presidential Vision for the NYK Group

Technologies and—as I have already mentioned—personnel are strengths of the

Company and the NYK Group. Employees' strong sense of responsibility and focus on teamwork are the products of a corporate culture nurtured over many years by the Group. I want to protect people's day-to-day lives and livelihoods through my work in maritime shipping, which accounts for more than 99% of Japan's trade. This was my motivation for joining the Company, and it remains close to my heart. I am sure many Group employees feel the same. One of our advantages is that we can move forward powerfully toward a shared goal.

Our world-class technological capabilities—another of our long-standing strengths—encompass not only ships and safe ship operations, as well as the development of low-carbon and decarbonized ships, but also logistics technologies that heighten our value as a part of customers' supply chains. Further enhancing technologies and personnel will directly benefit corporate value. By redoubling efforts to showcase our personnel and technologies to the outside world, I want to establish them as major differentiators.

Meeting My Responsibilities through Sincere Dialogues with Our Stakeholders

In determining the direction of business management, I value momentum, but I also place importance on seeking opinions and information from colleagues. Rather than rushing headfirst, I will pursue sustained corporate growth by taking the views of colleagues into account and using a process of trial and error learned from dealing with past crises.

The Mission of "Bringing value to life" has been passed down since our founding more than 137 years ago. Guided by this mission, the NYK Group will work tirelessly with the aim of "keeping the logistics lifeline

open" and developing a corporate culture that recognizes diversity and promotes mutual growth. Moreover, we will take pride in the support we provide for day-to-day life around the world and continue engaging in sincere dialogues with our stakeholders.

As we enter a new phase, I would like to ask our stakeholders for their continued support and understanding.

Takaya Soga
President, Representative Director,
President and Chief Executive Officer,
Group Chief Executive Officer

To Our Stakeholders



Profile	Hitoshi Nagasawa Chairman, Director	Profile	Takaya Soga President, Representative Director, President and Chief Executive Officer, Group Chief Executive Officer
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Message from the Chairman

The 2010s were a challenging decade for the NYK Group due to sluggish performance, misconduct, and other issues. However, during this period the Group strengthened its capabilities and advanced structural reforms, thereby laying the foundations for stable earnings. Further, employees’ unflagging efforts aimed at “keeping the logistics lifeline open” have supported our favorable performance in recent years.

With ESG management entering the implementation phase and a new medium-term management plan beginning, April 2023 was an opportune juncture at which to pass on the baton to a new president. When considering ESG principles, the focus tends to be on environmental issues. However, governance is also extremely important. Recognizing that heightened awareness of governance is a prerequisite for corporate activities, as chairman and director I will regularly hold one-on-one discussions with outside directors so that I can listen to their frank opinions and help build highly transparent governance.

Under the leadership of the new president, the NYK Group will continue earning the trust of stakeholders and delivering value to society.



Our Vision for the Future Is
Entering a New Stage

We aim to be a company even more essential to society,
achieving further sustainable growth.

The NYK Group has announced its new medium-term management plan,
“Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing,”
as its action plan for the next four years, based on an ultra-long-term view.

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

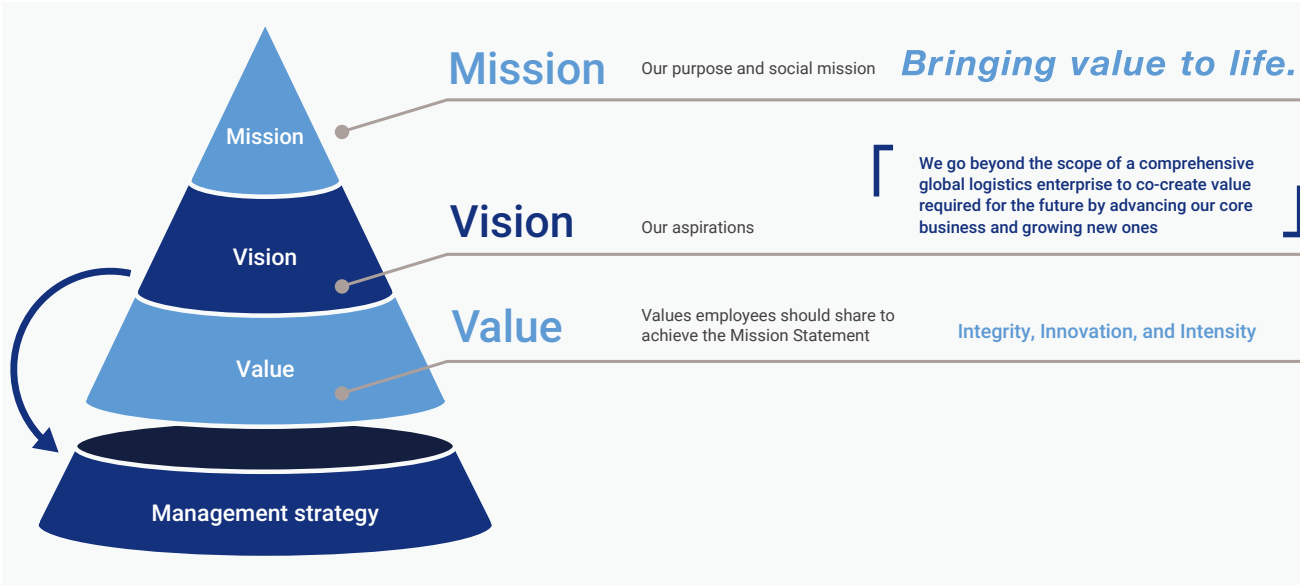


The NYK Group has formulated a new vision that sets out its target state toward 2030: a sustainably growing corporate group that contributes and remains essential to society.

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



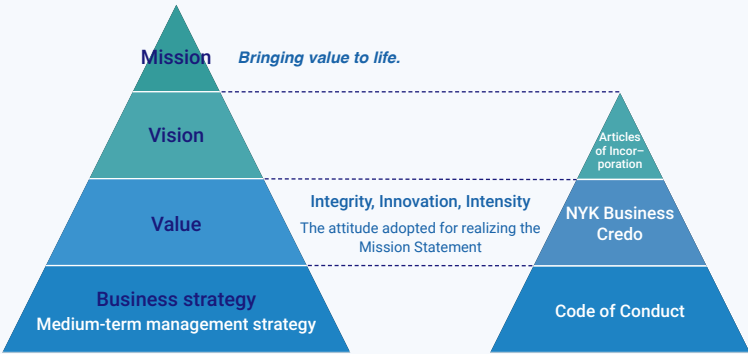
The NYK Group’s mission statement, “Bringing value to life,” could also be described as its purpose and social mission. Furthermore, we have advocated three values that all Group employees should hold in common: Integrity, Innovation, and Intensity. To these, we add our newly formulated vision, reorganized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

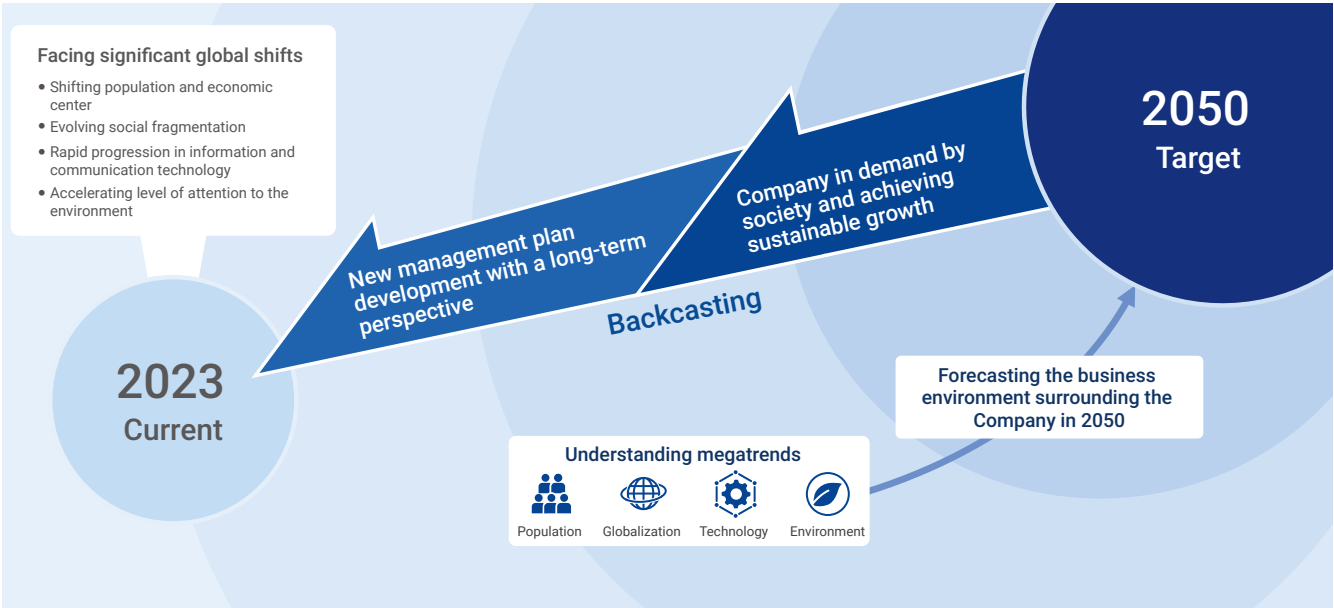
For the NYK Group to work as one to achieve the medium-term management plan, we believe it is even more important to promote internal awareness of our policies, such as our philosophy and Code of Conduct. Therefore, we have revised the NYK Group Mission Statement and NYK Business Credo, as of April 1,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



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
Population	<ul style="list-style-type: none">The center of global economy shifts towards AsiaPopulation / middle class increase in emerging countries	<ul style="list-style-type: none">Geopolitical risks become apparentAsia becomes the center of movement of goodsDemand for logistics that connect consumers increases	Liner & Logistics <ul style="list-style-type: none">Responding to economic security becomes urgentDemand for logistics within emerging countries and regions increasesContainer shipping slowly grows
Globalization	<ul style="list-style-type: none">Globalization slows downUncertainty increases (pandemic / interstate conflicts)	<ul style="list-style-type: none">Decarbonization changes manufacturing methods to change products and the way they are transported	Bulk Shipping Business <ul style="list-style-type: none">Cargo volume and types changeAutomobile trading patterns changeFleet is low / decarbonized
Technology	<ul style="list-style-type: none">Advancement of technology including decarbonization acceleratesDemand for services / software increases	<ul style="list-style-type: none">Taxes on GHG emissions increase	
Environment	<ul style="list-style-type: none">Circular economyClimate change responses / decarbonization	<ul style="list-style-type: none">Decarbonization / ICT advancement changes value chains to change revenue sources	New business / revenue opportunities are created

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.

Make **ESG** core to the medium-term management plan—Create ESG Strategy Headquarters

Establishment of the ESG Strategy Headquarters comprising the ESG Management Group and Decarbonization Group

P.24

Execute an **active investment** strategy to expand the business in growth areas

Make investments totaling around ¥1.2 trillion by fiscal 2026

P.36

P.28

Accelerate **decarbonization** efforts based on the plan to achieve net zero by 2050

Promotion and proactive up-front investments in initiatives, such as maximum use of existing technologies and fuel conversion

Medium-Term Management Plan

P.22–26

Further enrich **human capital** and **corporate infrastructure**

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

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

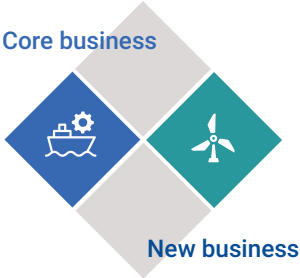
The growth strategy has three aspects. The first is to develop new businesses and attain new customers with the NYK Group's existing technologies and services. The second is to sell new technologies and services yet to be created to our existing markets and customers. These two aspects are primarily 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.



AX
BX

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.

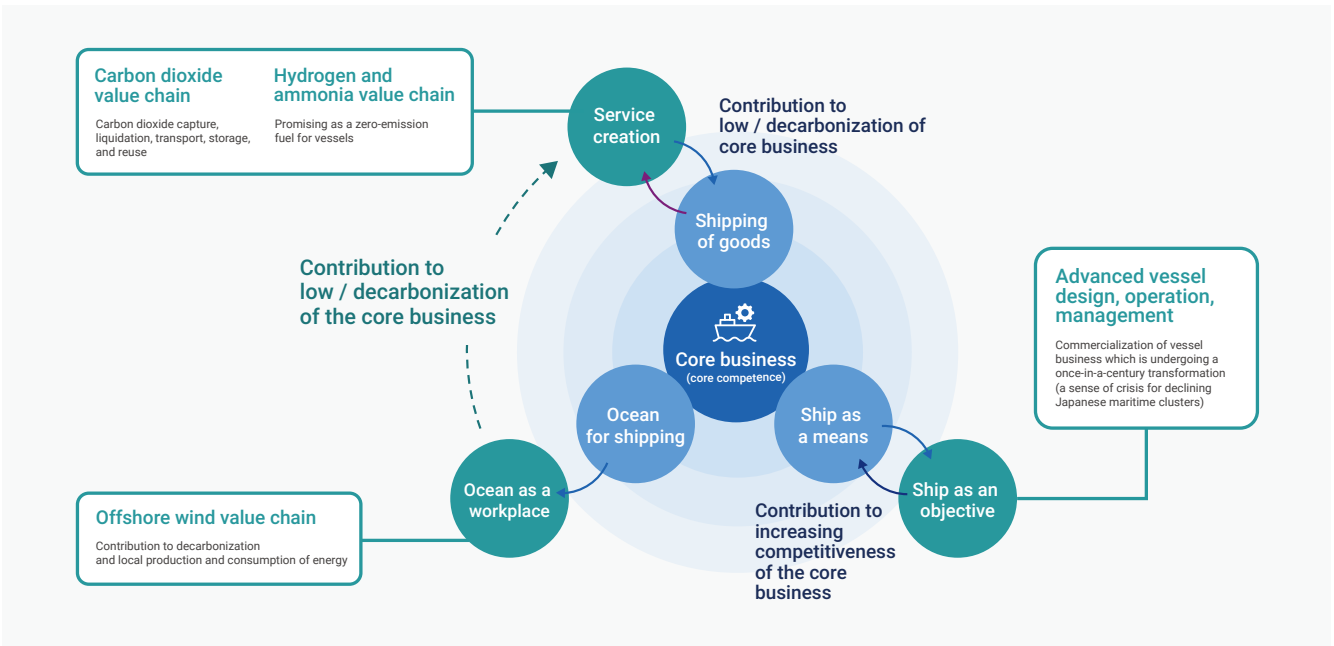


Examples of Strategies in Each Business

- 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)

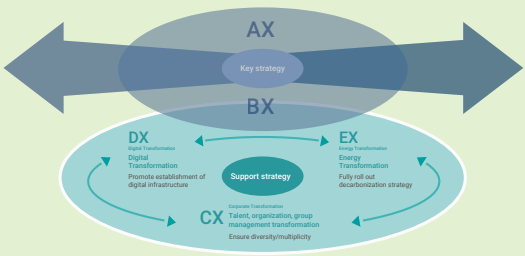
Creation of New Businesses

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.



CX

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).



Profile | Yasunobu Suzuki
Executive Officer

MESSAGE

Strengthening Personnel and the Organization for Greater Group Cohesion

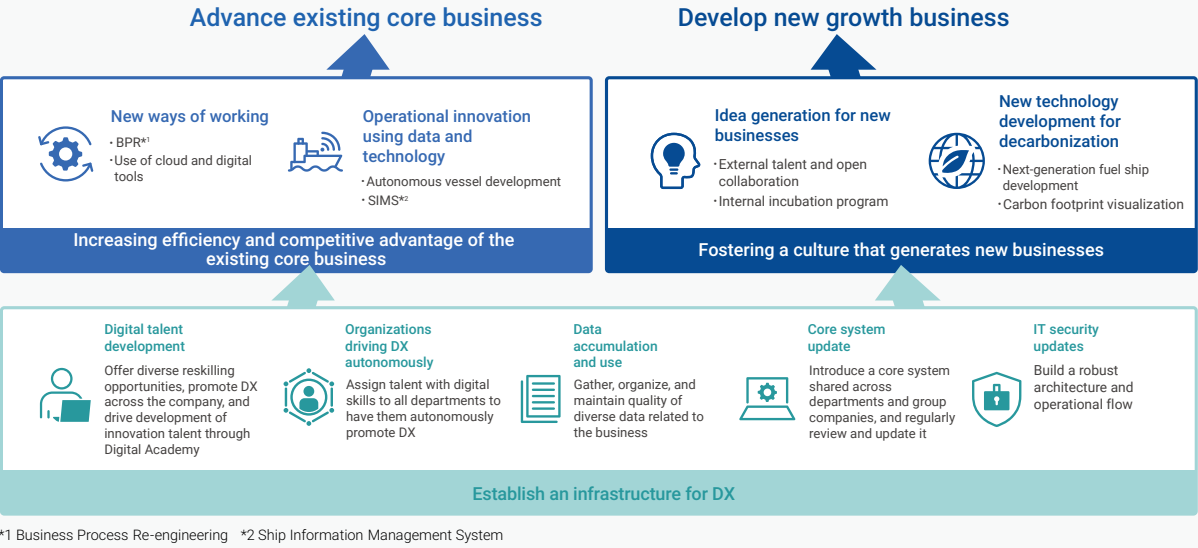
To bring together the capabilities of the NYK Group’s more than 35,000 employees in an effort to achieve the medium-term management plan, we need to strengthen our personnel and our organization. To strengthen personnel, we will promote strategies in three areas: in hiring, such as by securing highly 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

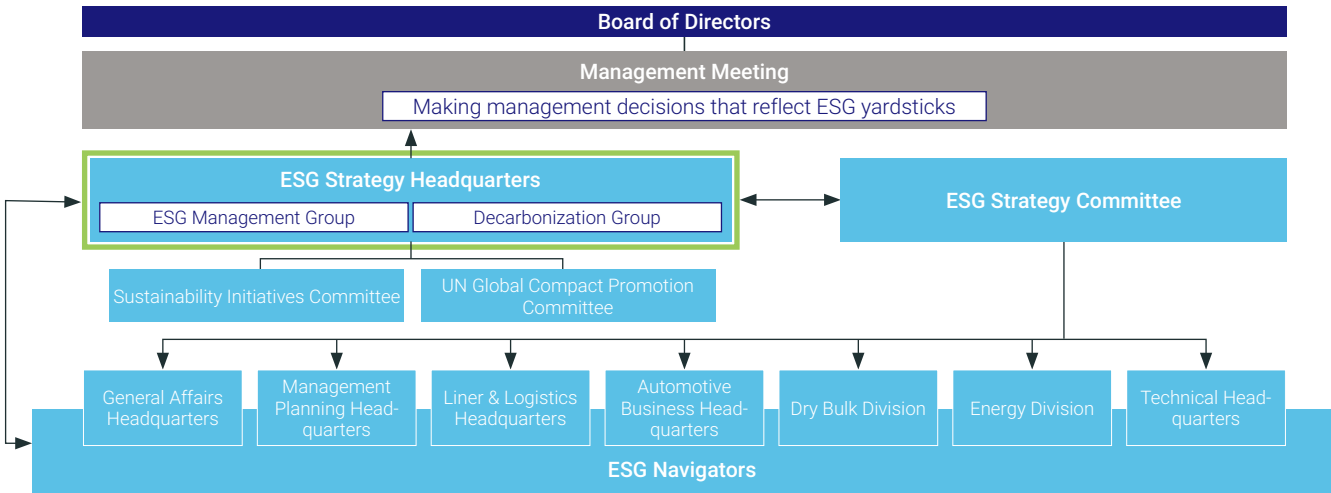
Energy Transformation

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

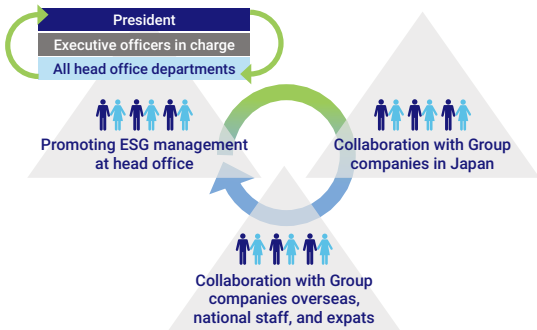
Comprising the ESG Management Group and the Decarbonization Group, the ESG Strategy Headquarters was established in April 2023. The headquarters acts as the engine for the implementation of ESG management, which is at the core of the growth strategy in the medium-term management plan. With regulations 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

Chair:	Deputy Chief Executive of ESG Strategy Headquarters	Fiscal year	Number of meetings	Main agenda items (proposed)
External advisor:	External Expert	Fiscal 2023	12 monthly meetings planned	<ul style="list-style-type: none">Discussions on deepening material issuesReview of SDG comparison tableDisclosure of sustainability information in annual securities reportMonitor KPI* results and status of initiatives for fiscal 2022Discussion of GHG reduction targetsMonitor progress of NYK Group ESG Story
Committee members:	Representative Executive Officers of Each Headquarters* and executive officer in charge of corporate sustainability at Yusen Logistics Co., Ltd.			

* General Affairs Headquarters, Management Planning Headquarters, Liner & Logistics Headquarters, Automotive Business Headquarters, Dry Bulk Division, and Energy Division and Technical Headquarters

* 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

Fiscal year	Number of meetings	Main agenda items	Fiscal year	Number of meetings	Main agenda items (proposed)
Fiscal 2021	Held four times a year	<ul style="list-style-type: none">Decision to participate in the Ship Recycling Transparency Initiative*Discussions for setting Groupwide KPIsAnnouncement of a declaration on net-zero GHG emissions for oceangoing businessesThe NYK Group ESG Story 2022	Fiscal 2022	Held four times a year	<ul style="list-style-type: none">Content review for TCFD ReportHuman Rights PolicyDiscussions for GHG reductionsReport on global engagement survey

* 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.

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.

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

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.

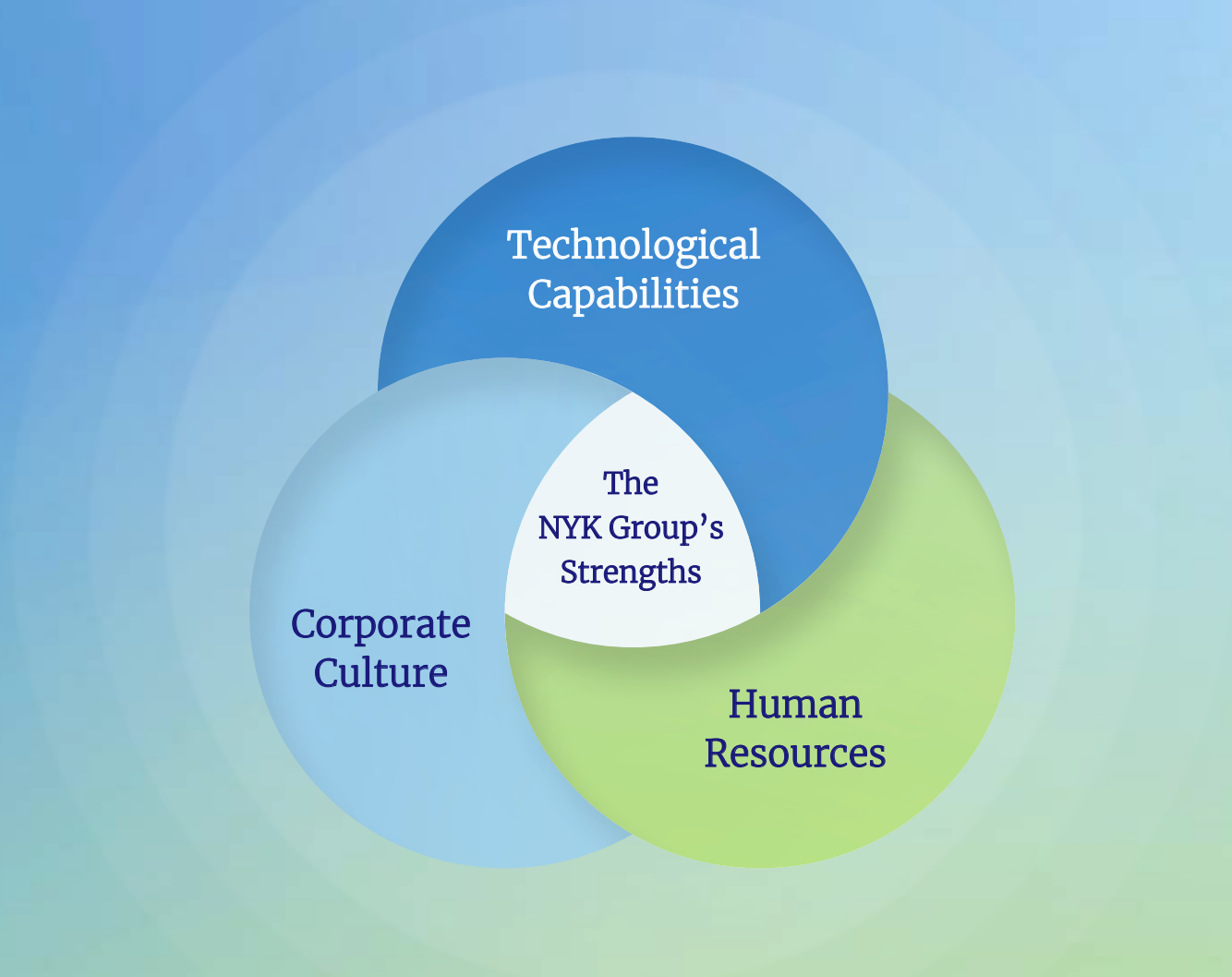
Banno “We go beyond the scope of a comprehensive global logistics enterprise.” This is another key phrase that I would like as many employees as possible to be familiar with. The phrase expresses our hope that all NYK Group employees will go beyond their own boundaries while valuing what we have built 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.

Aiming to Further Enhance the Corporate Value of the NYK Group

Since its foundation in 1885, the NYK Group has continued to make every effort to support society. It is through this consistent effort that the Group has acquired its unique competitive advantages. These advantages are the driving force for the Group's continued evolution.



Competitive Advantages Realized by the NYK Group




The NYK Group's Three Strengths



Corporate Culture


A free and open corporate culture of mutual respect for diversity that encourages people to take on challenges has been cultivated while supporting society and is the foundation that supports the NYK Group's high technological capabilities. Such a culture is essential for strengthening teamwork and enabling individuals to enhance one another's capabilities. [P.38](#)





Technological Capabilities

As it is our Mission to gain a close understanding of customers' expectations and deliver their cargoes in a safe and environmentally friendly manner, ours is a history of building up tacit knowledge from our own experience and repeated trial and error. By continuing to pass this mindset down the generations, the NYK Group has developed high-level technological capabilities. [P.39](#)





Human Resources

The NYK Group has over 35,000 employees worldwide, over 70% of whom are based outside of Japan. Our highly knowledgeable personnel are proud of their work supporting people's lives, and put "Bringing value to life" into practice. [P.39](#)








Process for Corporate Value Improvement

Our corporate spirit of continuous transformation, constantly aiming higher in an effort to support society, has been passed down to us today along with our corporate Mission, "Bringing value to life." We have formulated a management strategy looking ahead to our target state in 2050. By reinforcing said strategy with the competitive advantages and financial base that we have developed through our business activities, we will build an even stronger business foundation. This reinforced foundation will be the backbone for the steady execution of the NYK Group's management strategy and ongoing transformation, which aims to further improve corporate value.

The NYK Group's Competitive Advantages P.38

Over the years since its foundation, the NYK Group has built up three competitive advantages through its business activities: a free and open corporate culture of mutual respect for diversity that encourages people to take on challenges; high-level technological capabilities that support best-quality, safe transportation services; and human resource capabilities including talented personnel with a wealth of diverse knowledge and experience and training systems. These advantages will provide the driving force for our efforts to achieve sustainable improvements in corporate value.

Origin of Corporate Value P.34

	ONE Fleet Size 1,557k TEUs (No. 7 in the world)
	Car Transport Fleet 104 vessels (No. 2 in the world)
	Bulk Carrier Fleet 207 vessels (No. 2 in the world)
	Tanker Fleet 67 vessels
	Number of Group Employees (Including Non-Japanese Seafarers) 46,124

To sustainably improve corporate value through the business foundation that we have continued to reinforce since 1885, the NYK Group advocates ESG management. With this in mind, each employee puts ESG management into practice on the front lines.

Some of the NYK Group's initiatives are also featured on the corporate website.

The NYK Group ESG Story in Practice on the Front Lines

► Discover Our ESG Stories

<https://www.nyk.com/english/esg/does/>



Financial Base P.36

As a result of the basic strategies carried out under the previous medium-term management plan and the impact of market fluctuations, NYK's shareholders' equity ratio has improved significantly. Based on this accumulated financial base, in the current medium-term management plan, we announced our intention to execute business investments in the order of ¥1.2 trillion by fiscal 2026.

We will support the steady execution of our management strategy while remaining mindful of an appropriate balance between increasing capital efficiency and making investments for sustainable growth.

Target state for 2050

We strive to contribute to society and achieve sustainable growth.

Projecting the megatrends of 2050, we have visualized our target state and through backcasting from that year formulated the new medium-term management plan.

Understanding Megatrends P.18



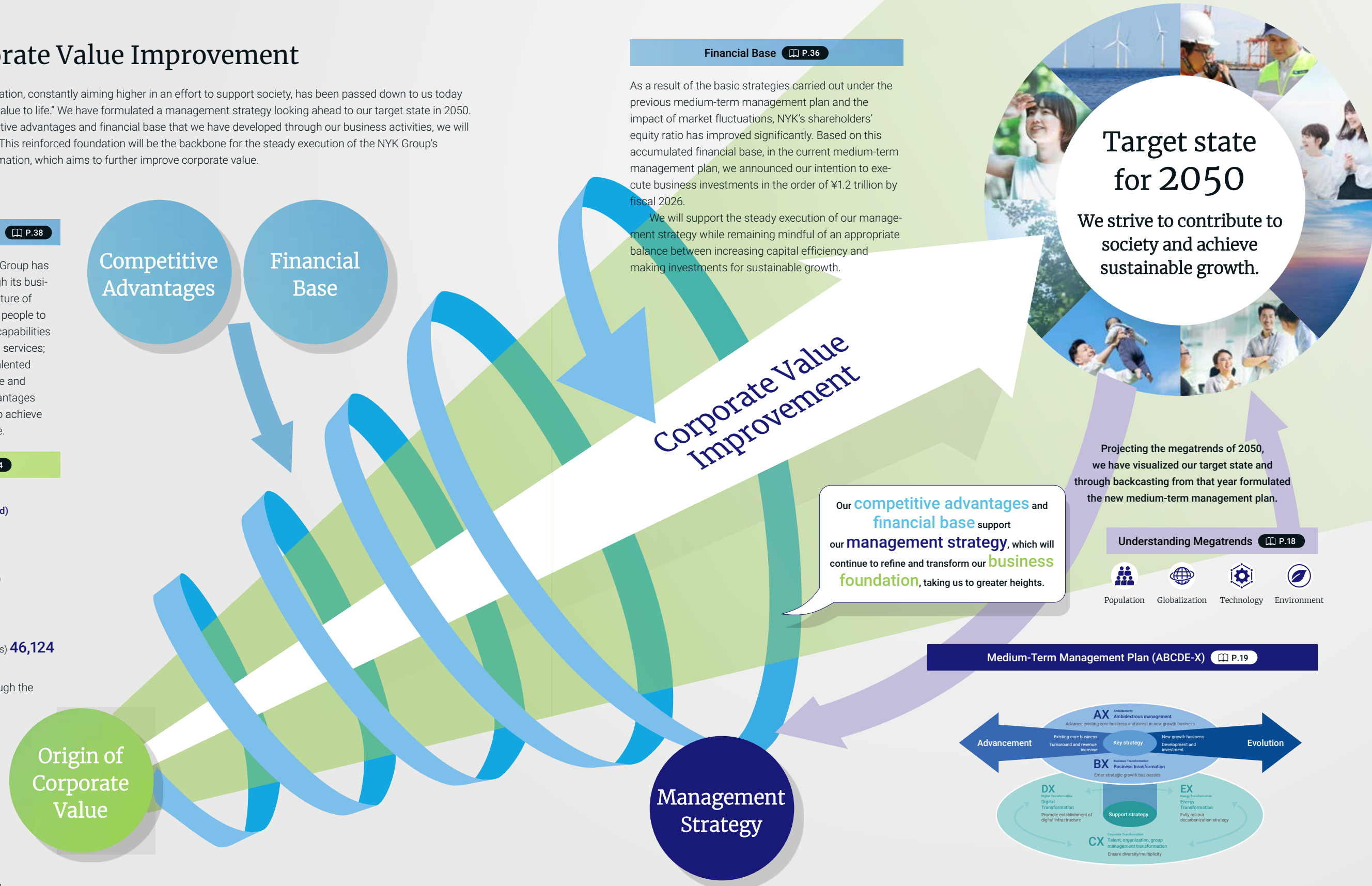
Our **competitive advantages** and **financial base** support our **management strategy**, which will continue to refine and transform our **business foundation**, taking us to greater heights.

Medium-Term Management Plan (ABCDE-X) P.19



We will move toward realizing our new vision through our key strategy (AX and BX), with its two pillars of core business advancement and new business development, and our plan of supporting the key strategy through CX, DX, and EX.

Formulation of a new vision for 2030 P.16







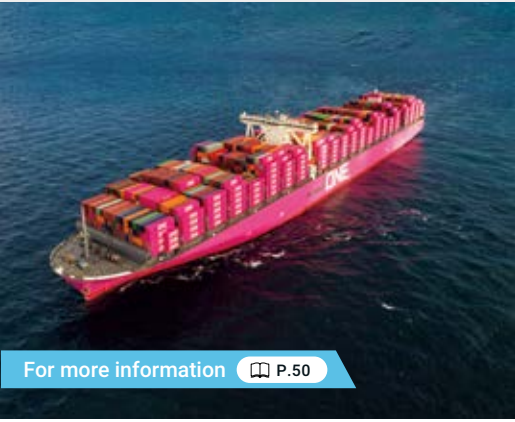
The NYK Group’s Business Foundation (Business Model)

—Businesses Supporting Society and Industry at Sea, on Land, and in the Air—

The NYK Group supports society and industry in a myriad of ways. The Group boasts one of the world's largest ship fleets and an extensive marine transportation network, in addition to a land and air transportation service network, terminal operations, and a broad range of offshore businesses derived from the maritime shipping industry. Bringing together the competitive advantages and strengths of its four business divisions, the Group is implementing numerous cross-divisional initiatives for its next growth stage.

➔ Cargo
➔ Business Scale
<small>*1 Jointly established through the integration of NYK's liner trade business with those of MOL and "K" Line</small> <small>*2 Fleet capacity by number of 20-foot container equivalents Source: Ocean Network Express (ONE) Fiscal 2022 Financial Results Presentation Materials</small> <small>*3 Including those leased out to other companies</small> <small>*4 Source: Prepared by NYK based on data from Armstrong Associates, Inc.</small> <small>*5 Source: Hoesne Shipping AS "The Car Carrier Market 2022"</small> <small>*6 Source: Compiled by NYK based on data from Clarksons Research</small>
➔ Contract Format
<small>Note: Short term = Less than two years; Medium to long term = two years or longer</small>
➔ Competitive Advantages
➔ Resilience to Market Conditions
➔ Short- and Medium-Term Business Strategy
➔ Cross-Divisional Initiatives for the Next Growth Stage

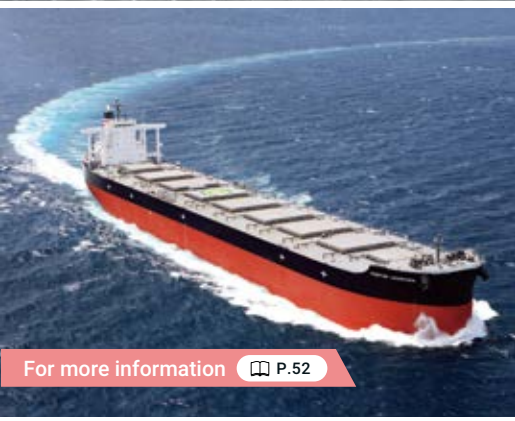
Liner & Logistics Headquarters	Automotive Business Division	Dry Bulk Division	Energy Division
			
<div>■ General consumer goods, auto parts, semiconductor parts</div> <div>■ ONE^{*1} Fleet Size 1,557k TEUs <small>(as of March 31, 2023)^{*2}</small></div> <div>■ NCA's fleet: 15 aircrafts^{*3} <small>(as of March 31, 2023)</small></div> <div>■ Number of YLK Warehouses 374 locations <small>(as of March 31, 2023)^{*4}</small></div> <div>No. 7 in the world</div>	<div>■ Passenger cars, trucks, construction machinery, railcars</div> <div>■ Car Transport Fleet 104 vessels <small>(as of December 31, 2022)^{*5}</small></div> <div>■ Number of Automotive Logistics Business Sites 36 locations <small>(as of March 31, 2023)</small></div> <div>No. 2 in the world</div>	<div>■ Iron ore, coal, wood chips, grain</div> <div>■ Bulk Carrier Fleet 207 vessels <small>(as of January 1, 2023)^{*6}</small></div> <div>No. 2 in the world</div>	<div>■ Crude oil, oil products, chemicals, LNG, LPG, offshore business, green business</div> <div>■ Tanker Fleet 67 vessels <small>(as of January 1, 2023)^{*6}</small></div> <div>■ LNG Capacity Share 6.3% <small>(as of March 31, 2023)</small></div>
■ Mainly short-term cargo contracts	■ Spot cargo contracts / Short- and medium- to long-term cargo contracts	■ Spot cargo contracts / Medium- to long-term cargo contracts	■ Medium- to long-term cargo contracts
■ Price competitiveness due to secure trade volume / Transportation quality	■ Value-added services resulting from integrated transportation for finished vehicles / Transportation quality	■ Diverse, high-quality fleet / Advanced operation technology	■ Track record and credibility / Transport technology / Seafarers and engineers who have expertise in transporting hazardous material
■ Market volatility risk	■ Stable freight rates	■ Market volatility risk	■ Stable freight rates
■ Strengthen cost competitiveness / Respond to the environment / Expand operational network	■ Ensure total supply-chain capabilities / Carry out digital transformation / Respond to the environment	■ Establish flexible business structure resilient to market volatility / Respond to the environment	■ Create value chain strategy from upstream to downstream / Respond to the environment
<div>Safety</div>	Advancement of NAV9000 original unified safety standard / Expansion of systems for safe operations / Implementation of cybersecurity measures		
<div>Environment</div>	GHG emissions reductions toward achieving net-zero emissions by 2050 / Promotion of carbon reductions and decarbonization in transport modes		
<div>Human Resources</div>	Building of organizations with diversity and inclusion as foundations / Enhancement of training program designed to strengthen the overall abilities of employees / Development of problem-solving leaders centered on digital transformation (DX)		
<div>Governance</div>	Development of seafarers who maintain NYK quality / Development of crews for LNG-fueled vessels		
	Strengthening of Group governance		



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For more information  P.51



For more information  P.52



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Message from the CFO

Viewing Decarbonization as an Opportunity and Implementing Financial Strategies Focused on Capital Efficiency Enhancement

Our new medium-term management plan sets out specific financial strategies.

In this section, the CFO explains the implementation of financial strategies that simultaneously improve capital efficiency and realize investments for growth, financial discipline, and shareholder returns. Further, he outlines how these strategies will advance decarbonization and generate earnings power.



Profile

Akira Kono
Representative Director, Executive Vice-President, Executive Officer
Chief Financial Officer
Chief Executive of Management Planning Headquarters, Chief
Executive of ESG Strategy Headquarters

Financial Plan Outlook, Cash Allocation, and Financial Strategies

Introducing return on invested capital (ROIC) as a key performance indicator (KPI) toward 2030, the medium-term management plan calls on the Group to realize ROIC of at least 6.5%. We introduced this KPI to visualize the earnings power of businesses, which will help ensure financial discipline as we aggressively invest in growth in response to our significantly improved financial position. Also, in relation to investment efficiency and capital structure optimization, ROIC has greater compatibility with the weighted average cost of capital (WACC) than other indicators. As well as focusing on ROIC, we want to build a business portfolio optimized for sustainable growth by ensuring that the portfolio aligns with the tenets of our corporate philosophy and encourages synergies related to human resources and technologies.

Regarding cash allocation, we plan to invest a total of ¥1.2 trillion by fiscal 2026 with the aim of simultaneously sustaining an increase in value creation and improving capital efficiency. At the same time, plans call for providing shareholder returns of ¥430.0 billion through a combination of two measures: acquiring ¥200.0 billion of our own stock from fiscal 2023 through fiscal 2024 and raising the dividend payout ratio target and the minimum dividend.

Under the medium-term management plan, business investments and shareholder returns combined will result in cash outflows of more than ¥1.6 trillion in the four-year period from fiscal 2023 to fiscal 2026. This amount includes ¥140.0 billion earmarked for management allocation, which we will have the option of using for additional shareholder returns in light of analysis of future trends in, and the balance of, operating and investing cash flows. While providing stable shareholder returns aimed at increasing total shareholder returns (TSR), we will steadily implement the strategies of the medium-term management plan to ensure that our share price appropriately reflects corporate value.

Decarbonization Initiatives for Heightened Future Corporate Value

We are closely monitoring developments that concern our decarbonization initiatives, which is one of our specific fields of investment, to determine the pace at which global trends toward decarbonization are likely to emerge going forward. As markets change, prior implementation of decarbonization initiatives will help us secure environmental advantages. Of the total investment of ¥1.2 trillion mentioned, we plan to invest ¥290.0 billion in ship decarbonization as up-front investments which will further differentiate our businesses. Europe leads the world in the design of carbon pricing systems. In 2024, the European Union Emissions Trading Scheme (EU ETS) will also apply to maritime shipping. In other words, since GHG emissions themselves will become a cost, efficiently reducing

GHG emissions will lead to cost competitiveness. GHG emissions reductions will also add value by enabling our core businesses to secure and increase earnings.

Newly established in fiscal 2023, the ESG Strategy Headquarters has established the Decarbonization Group as a department dedicated to decarbonization. Efforts are currently underway to increase the frequency of GHG emissions aggregation in order to achieve real-time monitoring in the future, and an actual system is scheduled to be operational from 2024. Also, we are expediting the introduction of a system that facilitates visualization and management of the carbon costs of each business.

Outside the decarbonization field, we view the liner trade and logistics businesses as growth industries and will actively invest in them accordingly. Further, the transportation of “bridge energy” LNG and the fuels that will eventually replace it is a field where demand will grow in step with megatrends and expectations of society. In addition, during the current medium-term management plan we will make up-front investments in new businesses and in the development of new markets and customers. These investments are expected to begin producing results during the period of the next plan. In addition to my role as CFO, I am responsible for a wide range of fields, serving concurrently as the chief executive of the Management Planning Headquarters and the ESG Strategy Headquarters. My multi-role position has been established to link financial information and non-financial environmental, social, and governance (ESG) initiatives and to enable the implementation of strategies from a cross-divisional, big-picture viewpoint. In conducting business management, I will focus on achieving unimpeded decision-making and collaboration among headquarters as well as an optimal balance between decarbonization initiatives and capital efficiency enhancement.

Results Befitting a Transformed Group

As of the end of fiscal 2022, the shareholders’ equity ratio was 66.0%, and we intend to maintain financial soundness at an appropriate level. While resilience to market conditions can be strengthened through the acquisition of stable long-term contracts and various other measures, market fluctuations inevitably affect certain aspects of maritime shipping. I understand that some observers remain concerned about the risk of business performance fluctuations due to significant exposure to market volatility. It is my strong belief that we must consistently achieve plans and produce results to definitively mark the progress we have made in fundamentally changing our characteristics as a corporate group.

We have to thoroughly explain our goals and how they will be achieved so that shareholders and other stakeholders develop a greater understanding of the NYK Group’s appeal. At the same time, we must always be an entity that benefits and is essential to society. In accordance with our corporate philosophy of “Bringing value to life,” we will continue advancing businesses that enrich day-to-day life, thereby growing corporate value—including shareholder value—and remaining a corporate group that is the preferred choice of all stakeholders, customers, and society.

(From an interview conducted on May 16, 2023)

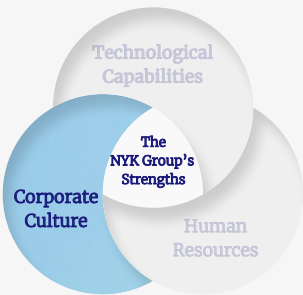
Financial Plan Results and Outlook

	FY2022 results	FY2026	FY2030
Recurring Profit	¥1,109.7 billion	¥270.0 billion	¥340.0 billion
Others	¥339.4 billion	¥150.0 billion	¥160.0 billion
ONE (Our Estimate)	¥770.3 billion	¥120.0 billion	¥180.0 billion
Net Income	¥1,012.5 billion	¥240.0 billion	¥310.0 billion
Shareholders’ Equity Ratio	66%	57%	Around 57%
After Changing to On-Balance Sheet	55%	49%	Around 50%
ROIC	35.7%	6.5%	Over 6.5%
ROE	48.3%	10.2%	Over 10%

Note: The forecasts in this financial plan are based on assumptions aligned with the March 7, 2023, announcement concerning the air cargo transportation business.

The NYK Group’s Competitive Advantages

We have developed competitive advantages in corporate culture, technological capabilities, and human resource capabilities (see page 30 for details). In a free and open corporate culture that encourages the surpassing of the achievements of our predecessors, our competitive advantages interact closely and create synergies to support the NYK Group's growth.



Corporate Culture

Since our founding in 1885, we have fostered a free and open corporate culture of mutual respect for diversity that encourages people to think independently and take on challenges, guided by our Mission of supporting people's daily lives. While encouraging employees of the NYK Group globally to reach their full potential as individuals, we also engage in our daily business operations through collaboration and creativity.

Example: NYK Digital Academy

- A course for the Group's employees that is designed to develop business leaders by building human relationships across industry boundaries and taking on the challenge of creating new markets
- Seminars from the Research Center for Advanced Science and Technology, the University of Tokyo, as well as from invited lecturers from inside and outside the Company
- The program runs for two hours a week, on average, over a period of around nine months.
- Participants learn about business skills, such as the key points of business strategy and management, data science, design thinking, and liberal arts. Through field work, they research and discuss topics as well as generate and test new business prototypes and present their research and ideas to the president and top management.

Results



Total number of students of NYK Digital Academy (from October 2019) **75**



Satisfaction level of NYK Digital Academy participants **86%**



Ratio of projects that reached the collaboration / contractual stage with external companies and research institutes **40%**



Lectures and training provided to external companies by NYK Digital Academy **1,202 participants, 52 companies**



COLUMN

Tangible Benefit of the Three Competitive Advantages: Participation in Space Business by NYK Digital Academy Graduates

A three-person team that participated in the third NYK Digital Academy program (second half of fiscal 2020) and which worked in China and Singapore at the time planned and proposed a one-stop platform for launching a satellite using a rocket-launching ship. When recovering the rocket, it is essential in terms of safety to use autonomous ship technology to enable a crewless recovery ship. This drew the team's attention to NYK's unique technologies developed for handling ships.

In March 2022, the team and Mitsubishi Heavy Industries, Ltd., submitted a joint application to the Innovative Future Space Transportation Program of the Japan Aerospace Exploration Agency (JAXA). The application was accepted, and the three parties started joint research on the theme of marine retrieval of a reusable rocket.

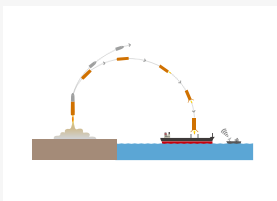
The passion of the team members who proposed the idea was noted by the management team, and the space-related business was adopted as one of the new business ideas in the medium-term management plan announced in March 2023. In April, an Advanced Tech

and Space Business Development Team was created. Currently, NYK is taking the central role, partnering with Group companies such as MTI Co., Ltd., and Yusen Logistics Co., Ltd., to engage in a Groupwide space project in which each company can demonstrate its particular strengths.

This initiative resulted in part from having the ability to work and co-create with external partners, motivated by our enthusiasm and flexible ideas, without being bound by our work locations.



Left: Daisuke Suga of the Advanced Tech and Space Business Development Team, Right: Makoto Yamaguchi of MTI



Conceptual drawing of rocket recovery by a ship at sea

Technological Capabilities



Combining the technological capabilities of people with diverse digital transformation (DX) initiatives, we continue to grow in the areas of people, frontline performance, and data collection and utilization. In addition to NYK's Technical Headquarters, we have Group company laboratories at MTI Co., Ltd., Japan Marine Science, Inc., NYK Business Systems Co., Ltd., Symphony Creative Solutions Pte. Ltd., and Nippon Yuka Kogyo Co., Ltd. These technical organizations lead our wide-ranging developments supporting safe ship operations, environmental-impact reductions, and various operational improvements. In 2023, the NYK Group's industry-leading DX initiatives were recognized with its selection as a 2023 DX Grand Prix company (see page 7 for details). Furthermore, the Group's high-quality technological capabilities as a comprehensive global logistics enterprise, such as Yusen Logistics Co., Ltd.'s advanced logistics technologies, are a source of formidable strength.

Example: High-Level Technological Capabilities

- Provision of services desired by customers through high-level ship management, maritime technical support, and other means
- Enhancement of DX for soft aspects of operations to support safe ship operations and development of autonomous ship technology
- Advanced decarbonization initiatives with cutting-edge environmental technologies
- Logistics technology capabilities of Group companies forming part of customers' supply chains

Performance



Number of patents **205**
(As of March 31, 2023)

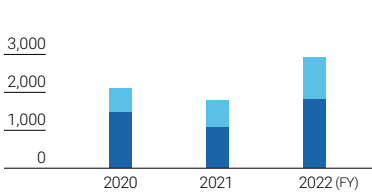


Number of internally trained Japanese seafarers* **Over 120**
(As of April 2023)

* Personnel who acquired their license through a period of in-house training

Amount of Investments in R&D and DX (Actual)

(Millions of yen)



Note: DX figures are for headquarters (including certain Group companies), and R&D figures are on a consolidated basis.

Human Resources

We develop the capabilities and skills of employees by having them work in various environments, including assignments at other Group companies globally. For seafarers, we propose the opportunity to learn business during their ground-duty period, where they leverage their knowledge cultivated on board. In this work environment, employees can form networks and utilize their diverse skills and characteristics, which help to strengthen our organizational capabilities and encourages co-creation with Group companies around the world.

Having developed human resources and powerful organizational strength, the NYK Group seeks to utilize them in taking on the challenges set forth in the medium-term management plan (see page 22 for details). By sharing our Mission, Vision, and Value with Group employees globally, we can increase engagement and ensure diversity and inclusion while aiming to increase our co-creation capabilities and competitiveness overall.

We also leverage our brand power to build partnerships with leading companies as we continue to grow with external talent (see page 71 for details).



Example: Global Mobility

- Vigorous collaboration among employees of diverse backgrounds
- Transfer of employees between Group companies
- Assignment of non-Japanese seafarers and engineers at our head office

Performance



Competitive human resource development: cumulative number of NYK-TDG Maritime Academy (NTMA) graduates **1,360** (As of November 2022)



Held Global NYK Group Week for management candidates of the NYK Group Cumulative number of participants **549** (Held in fiscal 2022)



Average training and education expenses per seafarer **¥682,969** (Fiscal 2022)

PDF P.75 (full report version)

Special Feature

2

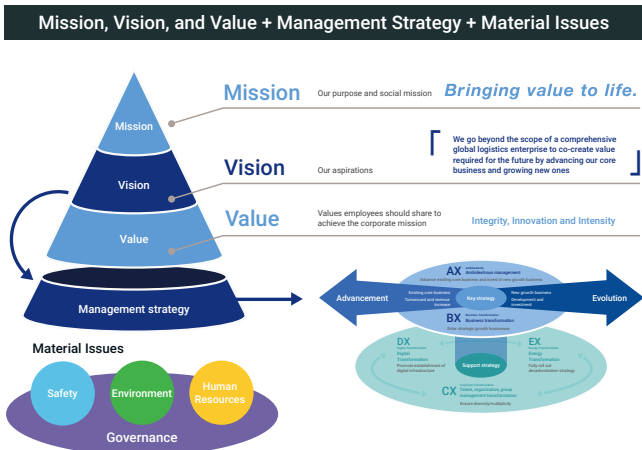
Material Issues as the Basis of Management

—Safety, Environment, and Human Resources—

The NYK Group is working to promote Groupwide awareness of three material issues that are deeply connected to its business. We are promoting discussion to increase such awareness internally.

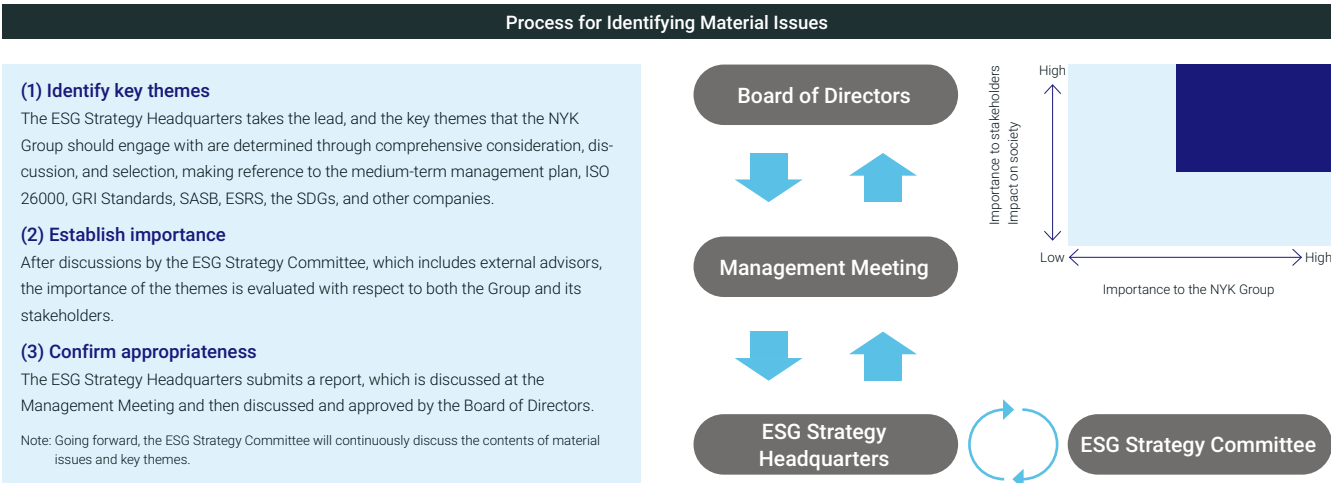
Material Issues of the NYK Group

The NYK Group has positioned Safety, Environment, and Human Resources as its three material issues, with governance underlying them. These issues relate directly to our business, so employees are broadly aware of their importance. As we implement ESG management, our material issues form the core of management. The Group has formulated a specific management strategy to realize the new vision of the medium-term management plan announced in March 2023. The figure on the right presents the relationship between our Mission, Vision, and Value, as well as our management strategy, material issues, and governance.



Process for Identifying Material Issues

To realize its mission statement, the NYK Group has identified material issues by ascertaining stakeholders' expectations and placing importance on the changing social impacts of its business activities. In the first fiscal year of the medium-term management plan, we identified more specific key themes associated with our material issues with a view to further advancing them. The ESG Strategy Headquarters took the lead in drafting the contents, which was discussed over multiple sessions with the ESG Strategy Committee. Thereafter, said proposals were submitted to the Board of Directors via the Management Meeting for confirmation and discussion regarding their appropriateness. In the process of careful discussion by many employees and members of lower, middle, and upper management, in addition to directors, the material issues, which have already penetrated the organization, are grasped more deeply by the Group's employees as they take more personal ownership of them. To realize our target state for 2050, we will continue to discuss material issues and identify key themes.



Material Issues' Vision and Key Themes

In the identification process for making the material issues more specific for the new vision announced in the medium-term management plan, the NYK Group has formulated Material Issues' Vision and has set key themes to realize them. Governance is positioned as the foundation, and upon this foundation specific initiatives are determined for realizing the vision.

Material issues	Material Issues' Vision	Key themes
Safety	The NYK Group supports logistics sites with expert knowledge, skills, and experience based on a high level of safety awareness, and continues to be an organization where people create safety and safety protects and nurtures people's lives and livelihood.	<ul style="list-style-type: none">Prevent serious accidents and incidentsMaintain and enhance safety awarenessCompliance with occupational health and safety <ul style="list-style-type: none">Operational risk responseStrengthen cyber security
Environment	The NYK Group will continue to be a force that supports the sustainable development of the Earth and humanity by taking a leading role in solving environmental issues on a global scale through continuous co-creation of necessary value for the future beyond the scope of a comprehensive logistics company.	<ul style="list-style-type: none">Promotion of decarbonizationClimate change risk responsePreservation of marine and biodiversity <ul style="list-style-type: none">Prevention of air pollutionSustainable supply chains
Human Resources	The NYK Group encourages all employees to vigorously bring their best and authentic selves to work and to perform at their full potential, enabling us to remain a good corporate citizen implementing social sustainability initiatives.	<ul style="list-style-type: none">Enhancing employee engagementEnsuring diversity and inclusionLeveraging the capabilities of our people (all employees) to take on challenges as the NYK GroupCo-creating to achieve our mission of "Bringing value to life" <ul style="list-style-type: none">Respecting for human rights affected by our business activitiesCo-existing with local communitiesFostering ethical workplaces
Foundation: Governance		

Non-Financial Targets (KPIs) and Performance

Based on its material issues, the NYK Group has set numerical targets on non-financial KPIs and announced them in the medium-term management plan together with its financial indicators, return on invested capital (ROIC), net income, and ROE. Looking ahead, to monitor the progress of the key themes for realizing Material Issues' Vision, the Group will continue to examine and discuss setting more specific KPIs, such as those to heighten safety awareness (Safety), provide detailed GHG reduction targets (Environment), and utilize engagement surveys (Human Resources).

Material issues	Target	FY2021	FY2022
Safety	Number of major accidents: 0 accidents	1 accident	2 accidents
Environment	Net-zero emissions from oceangoing shipping by 2050 Reduction in GHG emissions from shipping of at least 30% (vs. FY2021) by FY2030	Environmental management indicator: +2.7% (vs. FY2015)	Environmental management indicator: -6.6% (vs. FY2021) Environmental management indicator: -4.1% (vs. FY2015) GHG emissions from shipping: -5.5% (vs. FY2021)
Human Resources	Women manager ratio of 30% by 2030 (non-consolidated and consolidated)	Non-consolidated: 14.0% Consolidated: 25.9%	Non-consolidated: 13.7% Consolidated: 25.2%

Note 1: Safety: The scope of application for the number of major accidents is currently under examination.
Note 2: Human Resources: Consolidated information disclosed in the annual securities report in June 2023

Identification of Relevant SDGs Related to the Group's Businesses

In conducting the identification process for material issues, we matched the NYK Group's current businesses with the Sustainable Development Goals (SDGs) to re-identify the 10 most relevant SDGs. We will continue contributing to the achievement of these SDGs through our business activities.



Practical Steps for Resolving Frontline Material Issues

The NYK Group has positioned Safety, Environment, and Human Resources as the three material issues to be addressed via its various activities, with governance underlying all. We work to impress these issues firmly on employees to ensure they retain their authenticity. In this section, we will present practical steps taken on our front lines to address the elements of each issue.

Material Issue: Safety

Protecting Valuable Employees for Sustainable Growth

Holding the First Joint Meeting for Sharing Safety Measures

In March 2023, the First Joint Meeting for Sharing Safety Measures was held with 19 members of NYK and Yusen Logistics Co., Ltd. (YLK), at YLK's Narita Logistics Center. The objective of the meeting was to share safety and quality management initiatives with Group employees who did not have direct experience at frontline logistics work-sites and to foster deeper collaboration on safety and quality through discussions based on observations and case studies.

For example, the YL Group operates over 2,500 forklifts all over the world. Any accident with a forklift poses a high risk of fatal injury, thus we must prioritize safety

over everything else. On the other hand, we learned for the first time that there is a high risk of fatal injury at sea as well, and different measures are being taken from those of YLK. This made us reaffirm the importance of ensuring the safety of our employees.

Working to Ensure Safety Utilizing the Y.E.S. Quality Management System

With regard to ensuring safety and quality management, the YL Group has included the wording "consistently high quality of service" in its management philosophy. Furthermore, to realize the Yusen Logistics Group Quality Policy, the YL Group also established the Yusen Excellence System

(Y.E.S.) in April 2020 as a global quality management framework to help ensure safety. Y.E.S. consists of the Y.E.S. concept, which is a required quality standard, and a method, which describes specific measures for meeting the standard. It is updated as necessary based on actual frontline incidents, and a PDCA cycle is executed. To minimize safety risks is our top priority because safe working environments for employees are essential. We are committed to working on initiatives across the YL Group to enable valuable employees to maximize their capabilities without safety concerns, along with accumulating and sharing knowledge, which contributes to smoother logistics, the lifeblood of the global economy.



At YLK's Narita Logistics Center



The First Joint Meeting of Sharing Safety Measures

► Committed to Quality
https://www.yusen-logistics.com/jp_en/about-us/our-quality



► No Growth without Safety
Commitment to Safety Rooted in Our Corporate Culture
https://www.nyk.com/english/esg/does/stories/detail_04.html



Profile

Makoto Sasaki
Quality Management Team Quality & Performance Improvement Group,
Yusen Logistics Co., Ltd.

Material Issue: Environment

Urgent Climate Change Response

Decarbonization is more than just a response to climate change; it is also the NYK Group's growth strategy. The Decarbonization Group was launched in April 2023 and is engaged in formulating specific policies for reducing greenhouse gas (GHG) emissions, designing systems for the Company and Group companies, and implementing a PDCA cycle. Through steady progress, we will control carbon risk, which increases with the transition to a decarbonized society, realizing a decoupling of economic growth and



A Climate Fresk workshop

environmental impact that will lead to increased corporate value. We promote various measures to help all employees fully understand the importance of reducing GHG emissions. To achieve this, we held the Climate Fresk* workshop for personnel responsible for collecting GHG emissions data in each head office department. Group discussion and learning about the causal relationship between the rising concentration of GHG in the atmosphere and climate change, as well as the impacts on people and life on earth, encourages people to take personal responsibility for reducing GHG emissions. We will continue to plan a broad range of awareness-raising initiatives, such as internal study sessions, as we work toward net-zero emissions.

* A climate change education workshop. Participants learn interactively about climate change and causal relationships using 42 cards based on the latest IPCC report.



Profile

Yohei Mozumi
Decarbonization Promotion Team, Decarbonization Group

Material Issue: Human Resources

35,000 Group Employees to Work Positively Together

In response to the increasing importance of human capital management, the HR Design Team was set up in July 2022 to plan and execute personnel measures tightly linked to our business strategy. Under the medium-term management plan, the Company has advocated a strategy of supporting ambidextrous management and

business transformation, with our 35,000 employees vigorously bringing their best to work and take on the Group's challenges. Moreover, building our organization based on diversity and inclusion (D&I) is essential for reflecting diverse perspectives in decision-making and encouraging Group employees to take on challenges and innovate. Therefore, in April 2023, the team was also given responsibility for D&I promotion functions. After its launch, the team conducted the first Groupwide global engagement survey and has developed several measures to support employees' career development and work-life balance. The team still has a long to-do list, and we are

making a united effort to be a company that encourages employees' passion and motivation by respecting each person's individuality. We aim to increase the ratio of women managers to 30%, one of our KPIs, at Group companies. We will start by making a Groupwide effort on clear gender diversity targets, with the ultimate aim of fostering an inclusive corporate culture based on mutual respect, where people with different backgrounds and experience can work vigorously together. We will continue to implement measures that encourage passion and motivation among Group employees and set corresponding KPIs in due course.



Profile

Hiromi Uchida
HR Design / Diversity & Inclusion Team, Human Resources Group

The NYK Group’s Global Environmental Preservation Initiatives

The NYK Group is accelerating its initiatives to preserve the global environment, including a revision of its internal systems, to ensure that it can achieve net-zero emissions globally by 2050, in other words, become net zero as a corporate group experiencing sustainable growth.

Policy of the NYK Group

ESG management is now in the implementation phase, and the NYK Group reclarified its recognition of issues to be addressed with the revision of the NYK Group Environmental Vision and Environmental Policy in March 2023, followed in April by the establishment of the ESG Strategy Headquarters (see page 24 for details). We are accelerating our initiatives for global environmental preservation, including not only responses to climate change but also actions to contribute to biodiversity conservation, prevention of air pollution, water resource conservation, and forest conservation.

The Company is widening its scope beyond its current targets (see page 49 for details) and preparing to formulate new GHG emissions reduction targets (medium term and long term) for the NYK Group. At the same time, we will improve our GHG emissions data collection methods. Recognizing the financial value of GHG emissions, from fiscal 2023 we have assigned persons responsible for GHG emissions data collection to each head office department, and we are establishing a GHG emissions data collection system that covers Scope 3 emissions for all businesses.

EX Strategy

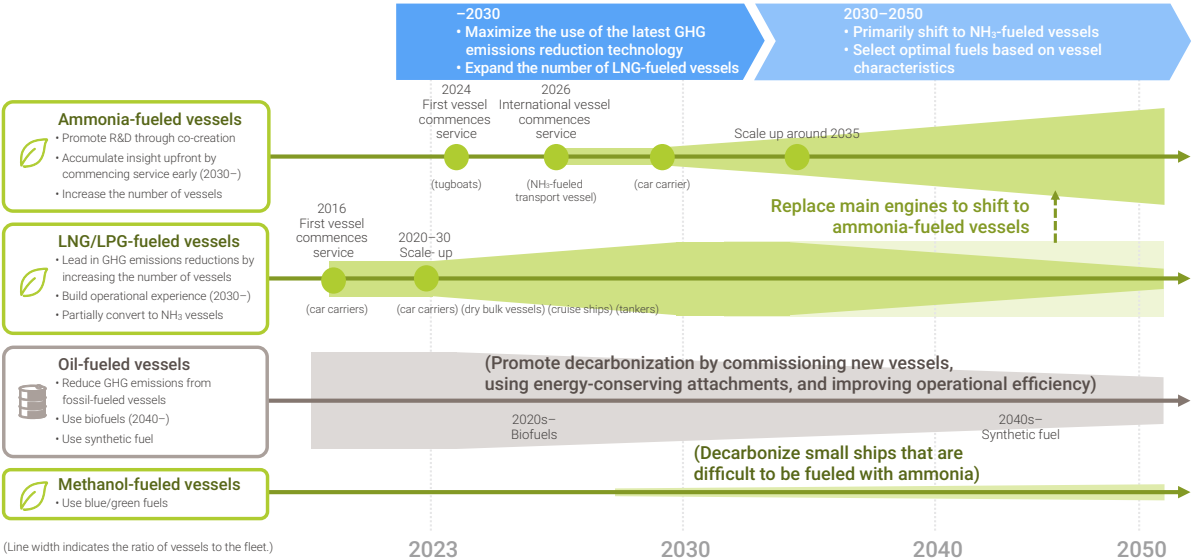
We have set milestone targets for 2030 as an interim point on the way to becoming net zero by 2050. We will work to reduce the Company’s Scope 1 GHG emissions using a strategy based on four levers for such reductions: 1) hardware and fuel conversion, 2) optimal operations, 3) energy-saving technology implementation, and 4) use of biofuels.

In efforts to decarbonize oceangoing vessels, we will promote the introduction of new LNG-fueled vessels as part of our fuel conversion through to 2030, along with maximizing the use of technology that contributes to GHG emissions reductions on the vessel operation side.

From around the mid-2030s, we plan to expand the fleet and begin full-scale introduction of next-generation zero-emission vessels, mainly through the building of new ammonia-fueled vessels. For vessel-types that are difficult to decarbonize, we aim to become net zero by 2050 through the use of biofuels and carbon offsets.

We are expecting 45 new low-carbon or decarbonized vessels to be delivered between 2023 and 2030. Including said vessels, we are planning investments totaling ¥450 billion in vessel decarbonization by 2030.

Vessel Fuel Conversion Scenario towards 2050 ▶ Medium-Term Management Plan P.26



Initiatives for Global Environment Preservation

The NYK Group aims to realize a sustainable society, that is, a green and beautiful earth, and pass on a peaceful society to future generations. We will thus accelerate our initiatives for addressing not only climate change, including decarbonization, but also natural capital, which is closely linked to climate change. We will work together with our customers and partners to co-create a range of initiatives across the entire value chain.



- Decarbonization**
The NYK Group strives to lead the entire world in decarbonization, not only to contribute to the decarbonization of the world but also because we recognize such an undertaking to be a growth driver for the Group. We are working on a wide range of initiatives, from the decarbonization of operated vessels and current transport tools of the logistics business to participation in the hydrogen and ammonia supply chain and new business creation.
 - NYK GREEN EARTH** A brand that targets efforts for new value generation toward low-carbonization and decarbonization through NYK's green businesses
 - Sail GREEN** A brand that emphasizes NYK's efforts to reduce GHG emissions through the transport of goods and contribute to the eco-friendly supply chains of customers, regardless of the mode of transport (e.g., by sea or land, through terminals, etc.)
- Biodiversity and Natural Capital**
As a global logistics business operator, the NYK Group is promoting various initiatives in order to continue providing stable services. We recognize the importance of conserving biodiversity and natural capital, since they are the foundation of human welfare, a healthy planet, and economic prosperity.
 - NYK Group Sustainability Initiatives** A series of initiatives for increasing corporate value through various attempts to resolve social issues in line with the theme of "giving back to the oceans, earth, and people"

Case 1: LNG LNG Bunkering Business in the Kyushu and Setouchi Area

The NYK Group has positioned LNG fuel for ships as a bridging solution until the practical implementation of zero-emission fuel becomes possible, and we are leading the industry in the deployment of LNG-fueled vessels and LNG bunkering operations. As a shipping company, we are involved in both the demand and supply sides, and we are proceeding to build LNG fuel value chains at key locations around the world.

In February 2022, the Company established a four-way joint venture with Kyushu Electric Power Co., Inc., ITOCHU ENEX CO., LTD., and Saibu Gas Co., Ltd. In March 2024, the joint venture will start supplying LNG fuel from its base at the Tobata LNG Terminal to vessels calling at or sailing nearby ports in the Kyushu and Setouchi area. It is Japan's first LNG bunkering project to supply LNG to vessels over the vast Kyushu and Setouchi area.



LNG bunkering vessel



Case 2: Terminal **ICO Terminal at the Port of Zeebrugge**



Profile
Fanni Arvai
Innovation & Sustainability
Manager
International Car
Operator N.V.

International Car Operator N.V. (ICO) is a pioneer in green initiatives, highlighted by our launch of the largest onshore wind turbine park in the Flanders region of Belgium in 2019. With 11 turbines in the Port of Zeebrugge, we generate an average of 110 GWh of renewable energy yearly, powering 30,000 families and reducing CO₂ emissions by 50,000 tons. To further our commitment, we have installed 12,600 square meters of solar panels and plan to expand the wind farm and introduce battery storage, aiming for full operation on renewable energy.

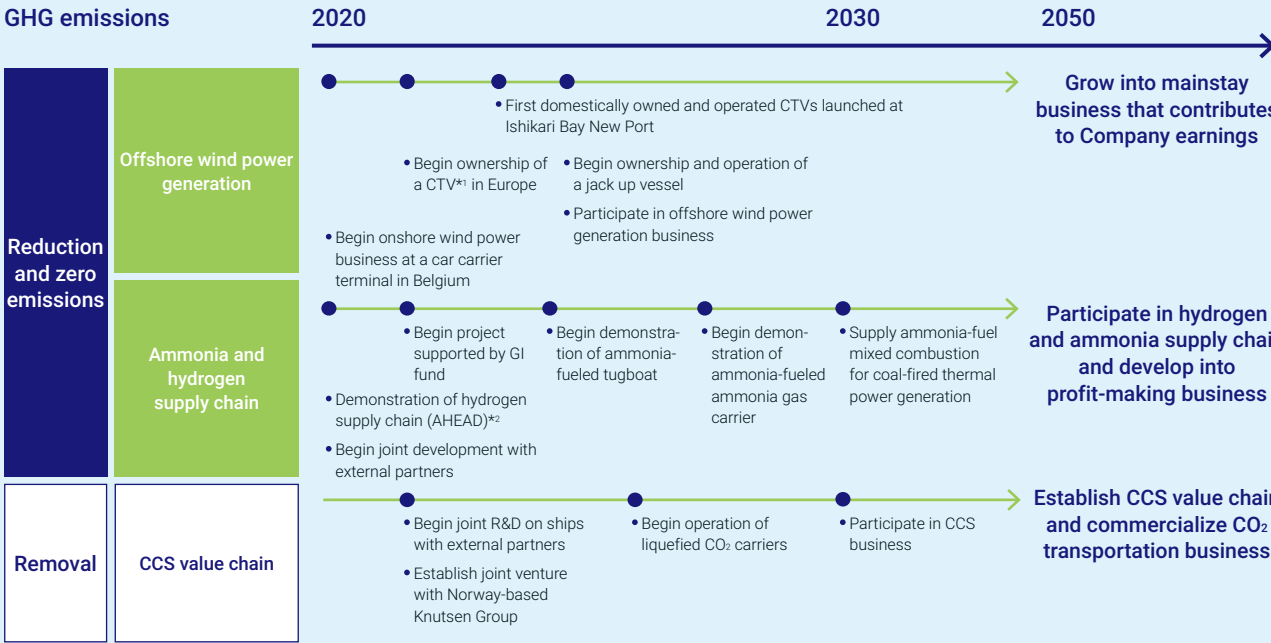
Optimization measures like our yard system and digital simulation tool enhance efficiency and reduce emissions. By 2028, all ICO vehicles will be electric as part of our fleet electrification plan. Through the implementation of comprehensive sustainability strategies, ICO aims to minimize its ecological footprint while maximizing operational efficiency.

Beyond climate actions, our new Sustainability Department aligns our strategic objectives with the UN Sustainable Development Goals (SDGs), promoting sustainable development in all areas. These efforts position ICO as a leader in sustainability, adding value to society and setting us apart from other terminals.

Our Business Development Timeline in the Energy Field (as of August 2023)

The NYK Group is steadily promoting low-carbon and decarbonized modes of transportation and the establishment of a value chain framework to realize a decarbonized society in the future. Our initiatives include participation in renewable-energy businesses such as offshore wind power generation, technology development for ammonia- and hydrogen-fueled vessels, and the creation of supply chains for these fuels.

► **NYK Website "Environment"**
🌐 <https://www.nyk.com/english/esg/envi/>
Climate Change Initiatives



*1 CTV: crew transfer vessel
*2 AHEAD: Advanced Hydrogen Energy Chain Association for Technology Development, established in July 2017 by four companies: NYK, Chiyoda Corporation, Mitsubishi Corporation, and Mitsui & Co., Ltd.

Case 3: Ammonia **Development of Ammonia-Fueled Tugboat**



Profile
Naoto Takamori
Marine Group

Ammonia is expected to be a next-generation fuel to help achieve net zero. It has been 120 years since its first industrial use, but the attempt to combust it to provide energy for a ship's propulsion plant is a world first. There are many unknowns regarding the behavior of the machinery plant, and we are working with shipbuilders and manufacturers to gradually advance the detailed design and conduct test operations, solving the problems one at a time through repeated discussions. There is also a risk that ammonia could be harmful to human health. NYK's willing marine engineers, who have both tangible and intangible experience with machinery plant operations, are working together seriously on safety countermeasures for crew members to improve the health and safety aspects of ammonia fuel.

Even for a next-generation fuel, operational failures and accidents at sea are never acceptable. The knowledge that we obtain in this endeavor is the foundation for building oceangoing ammonia-fueled ships. By incorporating ship operation expertise, we aim to achieve safe ship operations and expand our net-zero fleet.

Initiatives Related to Natural Capital and Biodiversity

The NYK Group's main business operates on the oceans, where it is taking steps to conserve biodiversity. By fitting our ships with ballast water treatment systems, we are working to prevent the spread of marine organisms beyond their natural environments. Installation of these systems on all ships is expected to be completed in 2024. To make our biodiversity conservation efforts even more effective, we need to ascertain the impact of our business operations on the marine environment and then identify and implement the appropriate measures to be taken. We, therefore, consider it essential to grasp the current status of the marine environment and pinpoint the factors that are impacting it. To this end, the NYK Group has partnered with universities and other institutions in Japan in an effort to sample ocean microplastics and environmental DNA in the open seas using the Group's

fleet to amass scientific knowledge. In this way, we are contributing to an understanding of the current status of ecosystems that are essential for ascertaining environmental impacts and for which there are currently no clear yardsticks anywhere in the world. We aim to help establish indicators for measuring the impact of business activities on these ecosystems. Furthermore, since there are very few methods for observing the marine environment and ecosystems, particularly in the open seas, ships play the role of sensors gathering scientific data that underpins conservation of the marine environment and biodiversity. In the medium to long term, it is possible that the data collected by ships will become a source of added value. We thus believe that our initiatives on ocean microplastics and environmental DNA can lead to the creation of new opportunities beyond the scope of maritime transport.

The NYK Group is promoting initiatives to visualize its impact on biodiversity and natural capital, targeting disclosure based on the TNFD* framework.

Research on Ocean Plastics

We are conducting open sea surveys of ultrafine microplastics in partnership with the Chiba Institute of Technology, as there are concerns regarding the negative impact of these plastics on ecosystems, including the oceans. We will contribute to fundamental solutions to the issue of ocean plastics.



River Cleanup Project in the Philippines

Every year, a huge volume of plastic waste is discarded in rivers in the Philippines, where river pollution is causing serious environmental issues. We are thus participating in a river cleanup project promoted by major Philippine conglomerate San Miguel Corporation.



Participation in the ANEMONE Consortium

The ANEMONE consortium is a biodiversity observation network that uses environmental DNA sampled from ocean and river water. A collaboration between the private, public, and academic sectors, the consortium aims to realize a new society that advances while enriching nature.



Reforestation Project

This project aims to restore rich biodiversity in desolated forests through human activities. The initiative contributes to local communities while increasing NYK Group employees' awareness of environmental preservation and GHG emissions reduction activities.



* TNFD: Taskforce on Nature-related Financial Disclosures

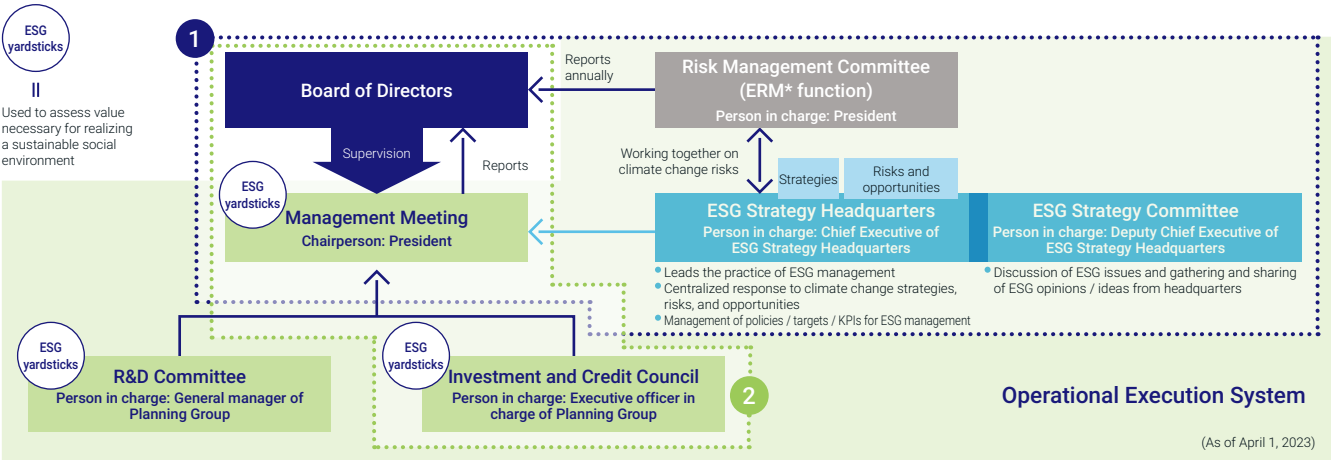
Action to Mitigate Climate Change

The NYK Group recognizes that appropriate responses to climate change are among the most important management issues. In terms of both risk and opportunity, we investigate how climate change affects the Group’s business and finances, take measures for them, and increase the transparency of their progress. We will strive to disclose appropriate information in the four thematic areas of governance, risk management, strategy, and metrics and targets in accordance with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

▶ 2023 Disclosure Report Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

<https://www.nyk.com/english/esg/envi/tcfd/>

Governance



* Enterprise Risk Management

Key Management Points

- ✓ Established the ESG Strategy Headquarters. An executive vice president and executive officer serves as the head of the headquarters and promotes ESG-related operations, including climate-change measures, as chief executive of ESG strategy.
- ✓ Established the ESG Strategy Committee to discuss ESG-related matters, including climate change measures. The ESG Strategy Headquarters reports on the ESG strategy, including climate change, to the Management Committee. The strategy is then discussed by this committee and approved by the president.
- ✓ The executive officer in charge of the ESG Strategy Headquarters or the general manager of the ESG Strategy Headquarters participates in important meeting bodies (Management Meeting, Investment and Credit Council, R&D Committee). ESG yardsticks are reflected in decision-making and judgments for individual projects.

Risk Management

1 Companywide Management of Climate Change Risks

Management of Climate Change Risks

At the Company, the status of management of material risks on a Companywide basis is evaluated at meetings of the Risk Management Committee, which are attended by the president, chairman, executive officers who are chief executives, full-time Audit & Supervisory Committee members, etc. Climate change risks are discussed at the ESG Strategy Committee and compiled by the ESG Strategy Headquarters. The risks are integrated into Companywide risks and reported to the Board of Directors once a year.

Selection of Risks and Opportunities

Risks and opportunities related to climate change are discussed and selected by the ESG Strategy Headquarters. Based on the selected risks and opportunities, strategies are formulated from a medium- to long-term perspective and are discussed more deeply by the ESG Strategy Committee.

2 Risk Assessment of Individual Investments

Introduction of ESG Yardsticks for Individual Investment and Lending Projects

Decisions are made after comprehensive deliberation, not only based on traditional economic yardsticks that measure economic efficiency and business scale but also in accordance with ESG yardsticks that measure contributions to the resolution of social and environmental issues from a long-term perspective. In fiscal 2020, we introduced internal carbon pricing (ICP). The Investment and Credit Council and Management Meeting currently use ICP as reference information when making investment decisions. Prices are determined with reference to the European Union Emissions Trading System (EU-ETS) prices and are reviewed every six months upon ascertaining the latest social conditions.

Strategy

Core Strategies and Response to Climate Change

The Company has integrated ESG principles with the Company’s management strategies and aims to contribute to the resolution of social and environmental issues from a long-term perspective. In March 2022, the Sustainable Growth Task Force* formulated scenarios and strategies from a long-term perspective, with an eye on the business environment in 2050. With the core strategy of “Ambidexterity,” which engages in further development of existing core businesses and exploration of new growth businesses, we aim to increase the profitability of each business. We also aim to achieve sustainable growth by providing value to clients, contributing to a sustainable society, and earning and investing simultaneously. The Company has formulated a new medium-term management plan titled “Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing.” We have positioned the new plan as an action plan for the four years to fiscal 2026, during which we will promote growth strategies with ESG at the core. By promoting these core strategies, we will respond to risks and opportunities related to climate change.

* Launched in April 2021, the task force is chaired by the executive officer in charge of the Management Planning Headquarters and had the Planning Group as a secretariat. One year later, we reorganized the task force and renamed it the Medium-Term Management Plan Formulation and Preparation Committee.

Advance Existing Core Businesses

For our existing core businesses, where changes in the business environment, including climate change, are expected by 2050, we will promote low-carbon and decarbonized investments in our own vessels ahead of other companies to enhance our environmental advantage and competitiveness.

Develop New Growth Businesses

In growth fields where the impact of climate change is neutral and in fields where growth is expected due to climate change responses, etc., we will actively develop and invest in businesses based on the knowledge we have cultivated through existing core businesses and develop them into pillars of earnings.

[Main Target Fields]

Advanced fleet design, operation, and management / Hydrogen and ammonia value chain / Carbon dioxide value chain / Offshore wind value chain / Space-related business

Resilience of Strategies

We incorporated the core strategies into our business and investment plans on a timeline up to 2050 and estimated the impact in terms of the financial aspect using multiple scenarios. As a result, even under the 1.5°C scenario, it is expected that the decline in earnings in existing businesses due to climate change can be covered by an increase in earnings in new growth businesses. Therefore, we have judged that our strategy has a certain degree of resilience at this stage. Going forward, we will continue to review the scenarios that form the prerequisites as appropriate and strive to improve the resilience of our strategies.

Metrics and Targets

Medium- to Long-Term Targets for Climate Change Response

Target year	Applicable items	Target
2030	• Scope 1 (Ships, aircraft)	–30% (Base year: Fiscal 2015)*1
2050	• Oceangoing business (NYK Line / Time of announcement: Sep. 2021) • Logistics business (Yusen Logistics Co., Ltd. / Time of announcement: Jan. 2022)	Net-zero emissions

Metrics

We have introduced an environmental management indicator*2 to ascertain our GHG emissions and manage reduction targets. The progress toward achieving the medium-term targets based on this indicator is shown in the table below.

Types of vessels	Environmental management indicator (g-CO ₂ e per ton or km)								Improvement rate (%)
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Base Year: FY2015
Scope 1 (Ships, aircraft)	6.36	6.33	6.26	6.20	6.18	6.11	6.53	6.10	–4.08

*1 In 2018, we acquired Science Based Targets (SBT) certification for this target, based on the scenario of a 2°C increase in the global temperature. We plan to reacquire SBT certification for the 1.5°C scenario by the end of fiscal 2023 and to review the target year, base year, and target after reacquiring SBT certification.

*2 The environmental management indicator uses GHG emissions intensity that complies with guidelines of the International Maritime Organization (IMO) and is calculated using the following formula.
Environmental management indicator = Environmental impact (GHG emissions) / Value added by the business (Mass of cargo in tons X Transport distance in kilometers).

Liner & Logistics Headquarters

We will maximize earnings by strengthening core businesses through collaboration with companies based on our shared Mission, Vision, and Value.

Takuji Banno

Managing Executive Officer
Chief Executive of Liner & Logistics Headquarters



Risks and Opportunities

- Compliance with environmental regulations
- Significant effects of market fluctuations and geopolitical risks
- Compliance with regulatory changes across a widespread network of business locations
- Transportation demand stemming from economic growth in emerging countries

Goals and Target State P.34

The Liner & Logistics Headquarters supervises companies mainly handling general consumer goods, including Ocean Network Express Pte. Ltd. (ONE) and Yusen Logistics Co., Ltd. (YLK). Through dialogue with these companies, we aim to share the direction of ESG management advancement and strengthen our overall capabilities. With respect to the outlook for the external environment, supply-demand constraints are expected to ease. Meanwhile, steady transportation demand for general consumer goods is projected due to global population growth. As the Group's core business and a social infrastructure mainstay, the Liner & Logistics Headquarters will pursue stable management and continuous growth.

Automotive Business Division

We will pursue high-quality transportation and differentiation strategies to provide innovative solutions and further build customer trust.

Yutaka Ikeda

Managing Executive Officer
Chief Executive of Automotive Business Headquarters



Risks and Opportunities

- Fundamental changes in mobility and in production and sales markets due to emergence of CASE vehicles
- Manufacturing fluctuations and shipping capacity shortages
- Impact of geopolitical risks on safe ship operations
- Compliance with environmental regulations

Goals and Target State P.34

The Automotive Transportation Headquarters has changed its name to the Automotive Business Headquarters, reflecting a commitment to extend beyond automotive transportation and provide a more comprehensive lineup of automotive business-related solutions. With a view to realizing our mission to deliver vehicles safely and reliably to every corner of the world, we will further strengthen coordination between maritime shipping and inland automotive logistics. In addition, by leveraging such initiatives as the "Sail GREEN" differentiation strategy in the environmental value chain, we will promote the environmental advantages and brand power of the NYK Group.

Strategy

Nippon Cargo Airlines Co., Ltd. (NCA), the transfer of whose shares was announced in March 2023, is a dedicated air cargo transportation company that has benefited society and NYK business for many years. However, the decision was made to transfer these shares with the aim of contributing to the survival and improved competitiveness of a Japan-based entity capable of providing high-quality air cargo freighter services. We will continue to optimally allocate resources as a conscious supporter of sustainable social infrastructure.

As a ONE shareholder, we will actively assist the company in strengthening its international competitiveness in the liner business sector. At the same time, we will broaden the foundations of the YLK global network through an active growth strategy that includes M&A as a means of achieving inorganic growth.* In these ways, we will continue strengthening the growth of ONE and YLK as businesses that drive the NYK Group forward. In line with these efforts, our assignment of personnel will transcend the boundaries of these companies to develop an organization where companies take full advantage of their mutual expertise and networks to maximize organizational capabilities. Furthermore, we will develop the offshore wind power value chain—where we have been laying foundations—by expanding our services through the establishment of tugboat and harbor transport service businesses.

* Growth through alliance with or acquisition of other companies

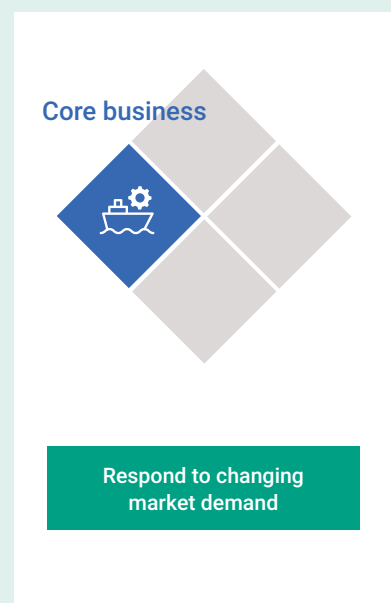
Business Direction in the Medium-Term Management Plan



Strategy

As well as reorganization, in anticipation of a rapidly changing business environment, we have established four key management goals focused on reforms. These goals are (1) Establishing a standard of business quality for the headquarters and maintaining safety by increasing the quality of ships, cargo, and ship operations; (2) Leading environmental initiatives by introducing ships that use new fuels and reforming the structure of ship operations; (3) Providing new logistics solutions that reflect diverse changes related to vehicles; and (4) Building systems that function appropriately, improve workstyles, and heighten the quality of work and daily life. We will further heighten our added value in the industry through the energetic pursuit of these reforms. Specific initiatives include the continued development of systems that improve and increase the efficiency of ship operations, ship allocation, and cargo handling operations; utilization of slow-steaming operations to reduce environmental impact; continued construction of LNG-fueled ships; customer portfolio reform; and realization of job satisfaction as an organization. As a pioneer in the introduction of LNG-fueled ships, rather than struggling to comply with future environmental regulations, we will advance environmental initiatives one step ahead of the industry to retain a leading position in value chains and in the Group.

Business Direction in the Medium-Term Management Plan



Dry Bulk Division

With safety as its first priority, the Dry Bulk Division will integrate four basic strategies with an ESG-based growth strategy to establish a Company advantage.

Hiroaki Nishiyama

Managing Executive Officer
Chief Executive of Dry Bulk Division



Risks and Opportunities

- **Decline in global demand for major cargo such as iron ore and coal**
- **Increase in transportation of grain and minor bulk cargo**
- **Decarbonization of customer value chains**
- **Impact of market fluctuations and geopolitical risks**

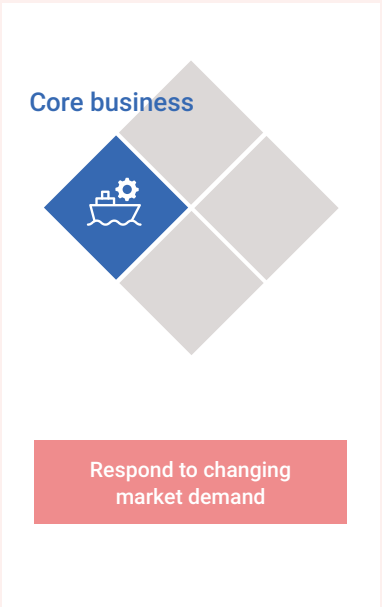
Goals and Target State P.35

While rigorously ensuring safe ship operations, we will increase resilience to market fluctuations, build a flexible fleet portfolio to advance core businesses, and actively seek new participation in supply chains that extend beyond the maritime shipping industry. As part of the social infrastructure, we are even committed to value delivery that extends to our customers' customers. The transportation of raw materials such as iron ore and coal remains an essential business that supports the activities of society. Our customers are also in the process of transforming with the aim of realizing a sustainable society. Accordingly, we will help them decarbonize their value chains, thereby establishing a Company advantage.

Strategy

The division caters to large-scale cargo demand of approximately 5 billion tons per year and has a diverse customer base. Our fundamental approach of evolving four basic strategies by integrating them with an ESG-based growth strategy is unchanged. The four basic strategies we are pursuing are (1) Enhancing the sophistication of exposure management and market forecasting; (2) Evolving into a non-asset dry bulk business; (3) Strengthening the specialized carrier business to build up long-term stable profits; and (4) Participating in supply chains beyond the maritime shipping industry to develop new businesses. Having reduced our exposure through structural reform, we are now focusing on how best to utilize and manage the fleet portfolio. In October 2022, we introduced a platform that encompasses a series of operations, including charter contracts, ship operations, revenues and expenditures, and fuel management. We will continue utilizing digital transformation and other tools to visualize risks and opportunities, thereby building a fleet portfolio that can flexibly meet customer requests, regardless of the contract period. Furthermore, through the introduction of environment-friendly ships and the use of slow-steaming operations and various other methods, the total GHG emissions of the division will be reduced steadily in a phased manner.

Business Direction in the Medium-Term Management Plan



Energy Division

We will support the entire energy value chain by evolving existing businesses and developing new ones.

Hironobu Watanabe

Managing Executive Officer
Chief Executive of Energy Division



Risks and Opportunities

- **Uncertainty of energy prices and transportation market conditions**
- **Decrease in conventional energy transportation demand due to the acceleration of decarbonization, and growing demand related to zero-emission energy and renewable energy**
- **Energy security issues arising from geopolitical risks, particularly changes in trade flows**

Goals and Target State P.35

The mission of the division is to provide stable supplies of energy in accordance with its goal of "Bringing energy safely and more cleanly to all." Specifically, we will cater to energy demand by reducing and eliminating carbon in the conventional energy transportation of our existing businesses while taking steps to capture the growth in demand being experienced by zero emissions and renewable energy-related businesses. With the aims of practicing "ambidextrous management" and growing business earnings, we will advance core businesses and develop new businesses to provide value across the entire energy value chain.

Strategy

In fiscal 2023, the Steaming Coal Group of the Dry Bulk Division was transferred to the Energy Division, and the Fuel Solution Group was then established. Through unified management, the new group will provide optimal solutions that meet the needs of customers who are advancing decarbonization. On the one hand, decarbonization is accelerating; on the other, heightened geopolitical risks are making the business environment more unpredictable. The Energy Division will co-create value with customers based on long-term viewpoints. It will ensure that investment decisions reflect an awareness of exposure management and make fixed-point observations of business risks with reference to *World Energy Outlook* published by the International Energy Agency. In addition, as a handler of hazardous materials, the division gives first priority to safe transportation and will continue to rigorously implement safety measures and focus on human resource development. Further, we will build a platform that consolidates energy-related expertise and enables the utilization of knowledge accumulated in existing businesses for the development of new businesses. In conjunction with the promotion of the "NYK GREEN EARTH" brand, we will step up new co-creation initiatives focused on businesses related to CO₂, offshore wind power, and ammonia, among other businesses.

Business Direction in the Medium-Term Management Plan



Directors and Executive Officers

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



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:
—

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

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

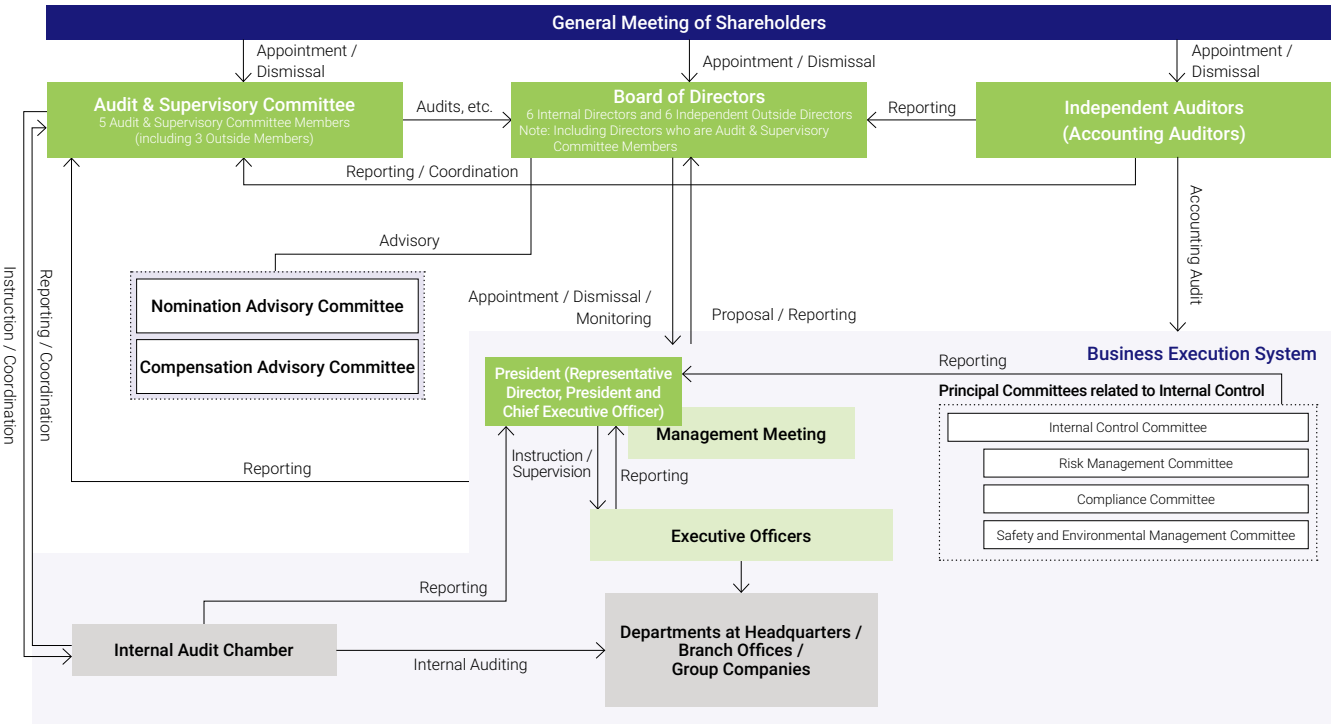
At the Ordinary General Meeting of Shareholders held on June 21, 2023, NYK transitioned to a Company with Audit & Supervisory Committee by obtaining approval for a change in its Articles of Incorporation to this effect.

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.

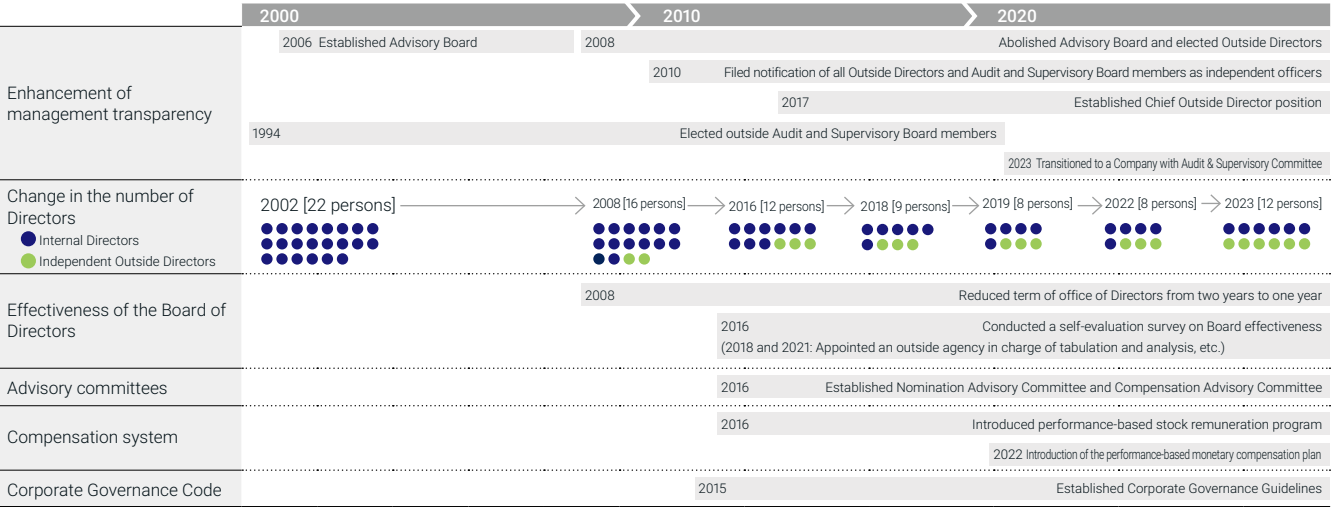
NYK's Corporate Governance Organizational Structure (as of June 21, 2023)



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	Safety	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
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	● 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	● 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	● 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	● 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	● 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	● 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	● ¥300.0 million per fiscal year
iii) Details of business result achievement conditions	● 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	● After the conclusion of each fiscal year

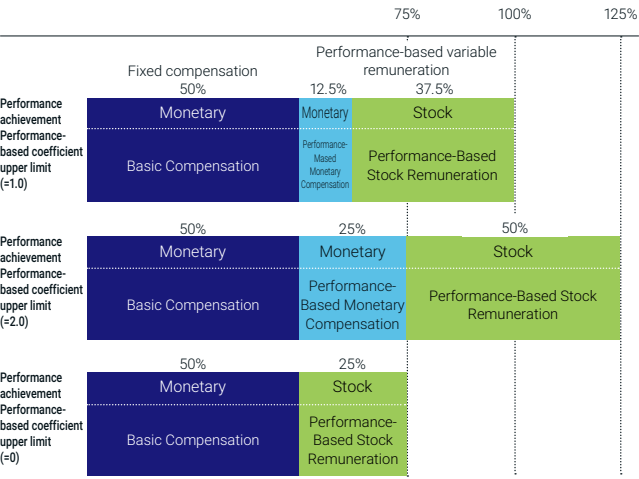
Note: Information regarding executive compensation
🌐 <https://www.nyk.com/english/profile/gvn/action/>

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

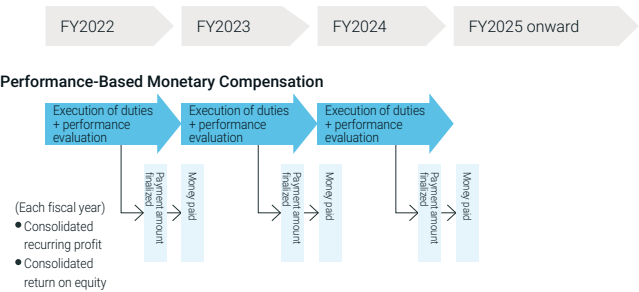
Note 1: Of the revised total amount of basic compensation of up to ¥510 million per year, the total amount for outside directors shall not exceed ¥150 million per year.
Note 2: The amount of performance-based stock remuneration is the maximum amount of trust money to be contributed by the Company.
Note 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

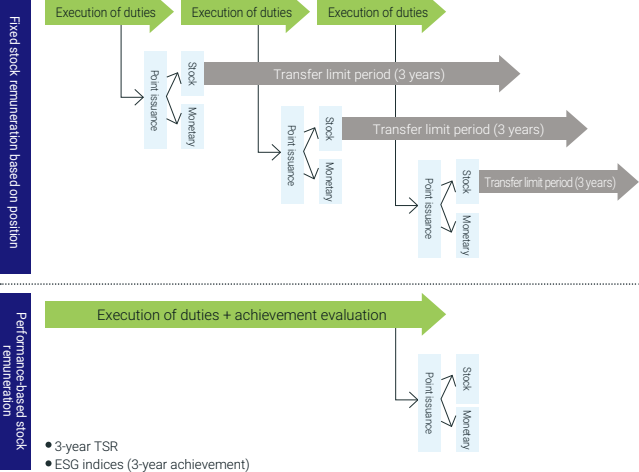


Note: The above percentages are assumed values in each case, and they may vary depending on each position.

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	Tadaaki Naito	4/4	2/2
President, 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.

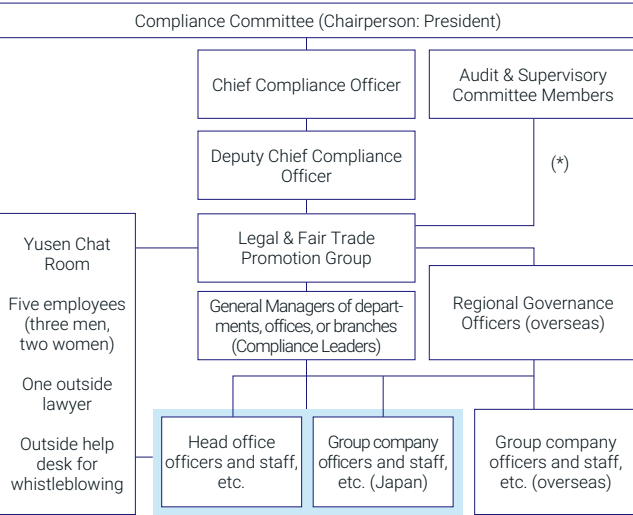
In April 2016, the Company established a system to prevent the bribery of overseas public officials. When considering new businesses in high-risk countries, our legal department screens candidate partners and agents for bribery issues and provides advice and checks, including establishing anti-bribery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

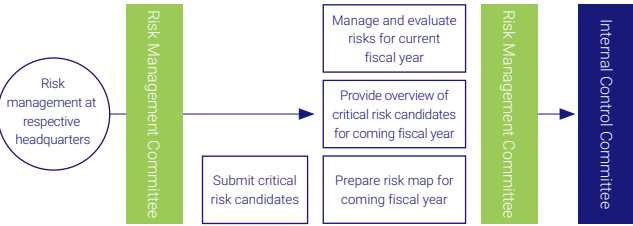
Based on its risk management policy, the NYK Group has established an appropriate risk management system and strives to prevent the materialization of risks by identifying and assessing risks and formulating counterstrategies accordingly. If risks materialize, NYK gives first priority to dealing with 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.

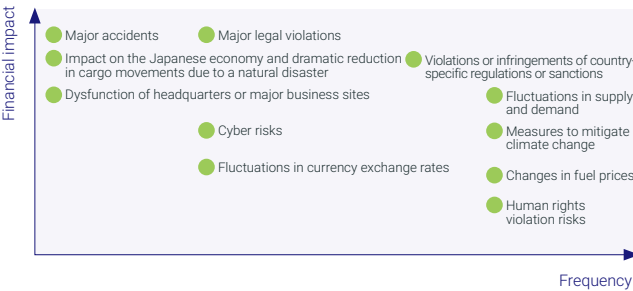
Risk Management System



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/>



Accounting period (FY)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Results of Operations:						
Revenues	¥ 2,237,239	¥ 2,401,820	¥ 2,272,315	¥ 1,923,881	¥ 2,183,201	¥ 1,829,300
Operating profit (loss)	44,995	66,192	48,964	(18,078)	27,824	11,085
Recurring profit (loss)	58,424	84,010	60,058	1,039	28,016	(2,052)
Profit (loss) attributable to owners of parent	33,049	47,591	18,238	(265,744)	20,167	(44,501)
Capital expenditures	248,230	199,343	115,791	155,993	200,443	170,776
Depreciation and amortization	105,956	101,045	103,347	92,004	87,839	89,713
Financial Position at Year-End:						
Total assets	2,551,236	2,569,828	2,244,772	2,044,183	2,071,636	2,001,704
Interest-bearing debt	1,241,963	1,098,357	940,576	945,391	983,432	1,046,182
Shareholders' equity	720,270	810,311	773,678	522,471	551,887	487,432
Cash Flows:						
Operating activities	136,522	136,448	142,857	27,924	89,090	45,260
Investing activities	6,409	26,755	(46,895)	(144,612)	(137,994)	(132,292)
Financing activities	(95,485)	(199,007)	(160,260)	1,952	17,587	62,715
Per-Share Data:						
Basic net income (loss)	64.9	93.5	35.8	(524.1)	39.9	(87.9)
Equity	1,415.55	1,592.62	1,520.70	1,032.65	1,090.74	963.09
Cash dividends applicable to the year	17	23	20	–	10	7
Dividend payout ratio	25.7%	24.9%	55.8%	–	25.1%	–
Management Indicators:						
Return on invested capital (ROIC)	2.3%	3.3%	3.6%	(15.1%)	3.1%	(0.2%)
Return on equity (ROE)	4.8%	6.2%	2.3%	(41.0%)	3.8%	(8.6%)
Debt-to-equity ratio (DER) (times)	1.72	1.36	1.22	1.81	1.78	2.15
Shareholders' equity ratio	28.2%	31.5%	34.5%	25.6%	26.6%	24.4%
Non-Financial Information:						
GHG emissions (ton-CO ₂ e)	20,863,984	21,290,823	21,112,158	21,828,013	20,918,985	14,090,784
Downtime (hours)	18.7	14.2	18.4	11.0	23.9	19.3
Number of Group employees (persons)	32,342	33,520	34,276	35,935	37,820	35,711

Note 1: The dividend payout ratio has not been stated when loss attributable to owners of parent has been recorded.

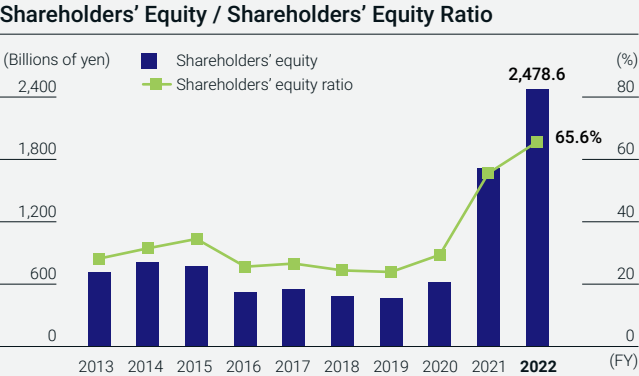
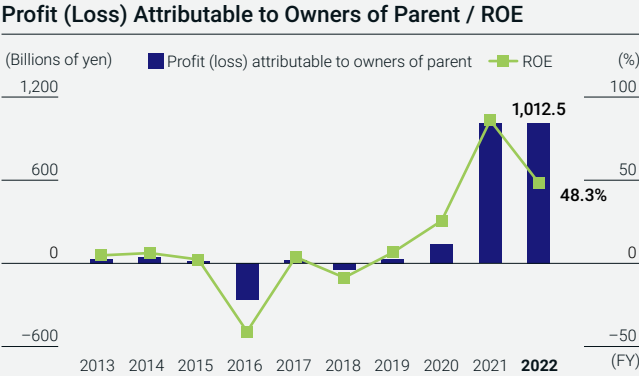
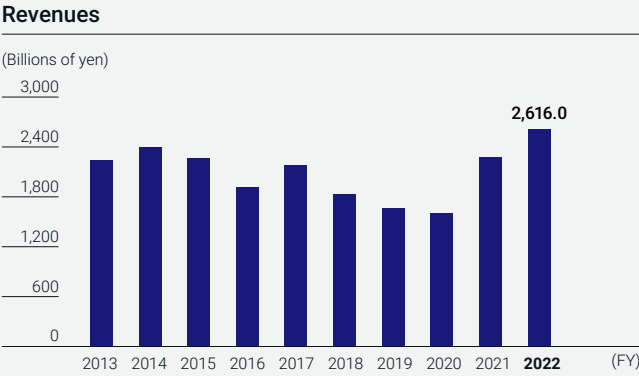
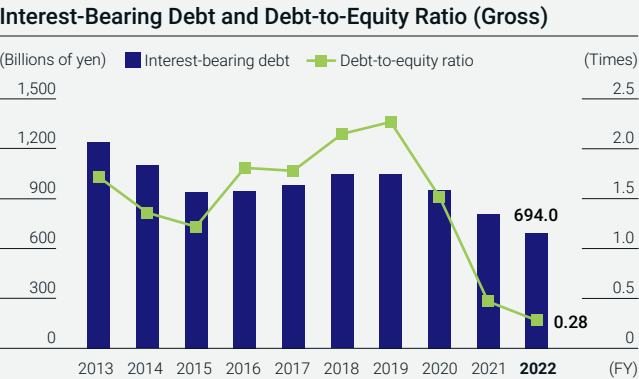
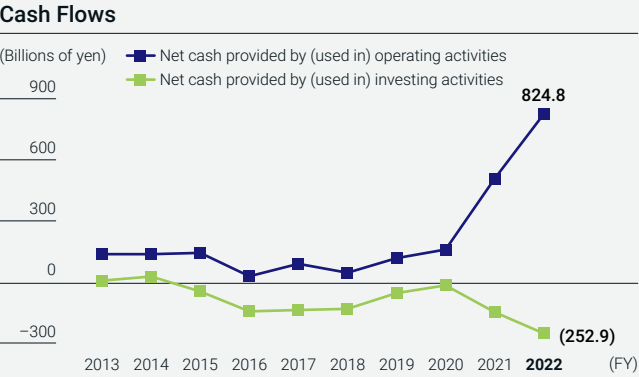
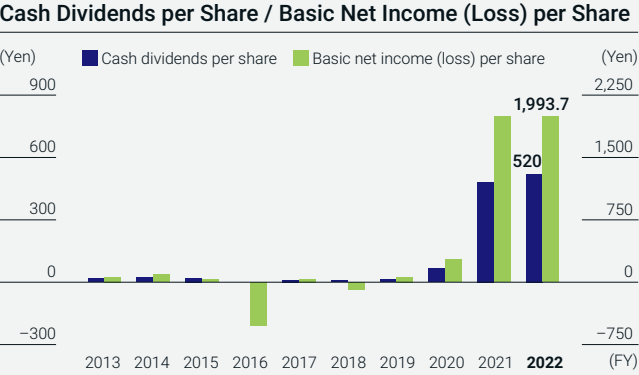
Note 2: GHG emissions are total values for Scope 1. From fiscal 2018 onward, the three major Japanese shipping companies integrated their container shipping businesses, and the resulting business was excluded from the scope of consolidation. Therefore, the figures do not include emissions from container ships. The various environmental data is presented on page 70 of the full report.

Note 3: The Company uses operational downtime due to accidents or trouble to measure the achievement of safe ship operations and is working to achieve zero downtime (<https://www.nyk.com/english/esg/social/sea/>). The standard for aggregating downtime changed from fiscal years to calendar years from 2020. Data for 2020 has a partial overlap with 2019 (January to March 2020).

Note 4: The per-share data on this page in this 10-year summary takes into consideration the effect of a reverse stock split conducted on October 1, 2017 (1-for-10 shares of common stock) and a stock split conducted on October 1, 2022 (3-for-1 shares of common stock). (Net income is rounded to one decimal place, net assets are rounded to two decimal places, and annual cash dividends are rounded to the nearest yen.)

Note 5: ROIC = (Operating income after tax + Extraordinary profit & loss after tax + Equity in earnings of affiliates + Dividend income) ÷ (Invested capital).

FY2019	FY2020	FY2021	FY2022
(Millions of yen)			
¥ 1,668,355	¥ 1,608,414	¥ 2,280,775	¥ 2,616,066
38,696	71,537	268,939	296,350
44,486	215,336	1,003,154	1,109,790
31,129	139,228	1,009,105	1,012,523
139,232	101,778	205,140	198,865
104,057	98,803	101,596	121,658
(Millions of yen)			
1,933,264	2,125,480	3,080,023	3,776,797
1,049,853	951,143	808,299	694,091
462,664	625,332	1,713,713	2,478,641
(Millions of yen)			
116,931	159,336	507,762	824,853
(54,867)	(16,871)	(148,571)	(252,964)
(61,733)	(125,483)	(237,535)	(581,203)
(Yen)			
61.5	274.9	1,991.3	1,993.7
913.47	1,234.42	3,381.43	4,877.55
13	67	483	520
21.7%	24.3%	24.3%	26.1%
(Yen)			
3.7%	11.7%	47.1%	35.7%
6.6%	25.6%	86.0%	48.3%
2.27	1.52	0.47	0.28
23.9%	29.4%	55.6%	65.6%
(Times)			
13,360,688	11,650,054	12,678,695	11,255,044
19.4	17.1	20.0	15.6
34,857	35,057	35,165	35,502



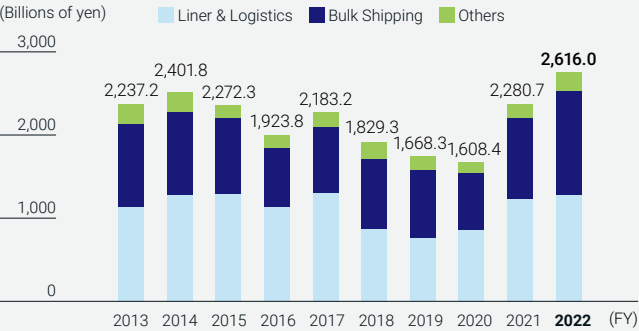
Ratings (As of February 28, 2023)		
Rating Company	Type of Rating	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating (Outlook)	A+ (Positive)
	Bond Rating	A+
Rating and Investment Information, Inc. (R&I)	Issuer Rating (Outlook)	A (Stable)
	Long-Term	A
	Short-Term	a–1
Moody's	Issuer Rating (Outlook)	Ba1 (Stable)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Revenues:						
Liner Trade	¥ 617,494	¥ 696,352	¥ 706,366	¥ 585,904	¥ 691,433	¥ 286,339
Air Cargo Transportation	88,854	99,110	91,101	81,919	97,826	56,750
Logistics	431,567	486,919	496,509	461,361	512,332	525,826
Bulk Shipping	988,489	995,851	902,291	717,729	795,606	841,358
Real Estate	9,946	9,504	9,781	9,439	7,941	7,617
Other Business Services	192,767	170,607	147,015	146,614	172,300	188,158
Cruises	45,270	49,802	–	–	–	–
Elimination and Corporate	(137,150)	(106,327)	(80,751)	(79,087)	(94,238)	(76,751)
Consolidated Total	2,237,239	2,401,820	2,272,315	1,923,881	2,183,201	1,829,300
Recurring Profit (Loss):						
Liner Trade	(782)	9,807	(321)	(12,716)	10,874	(26,401)
Air Cargo Transportation	(7,371)	699	1,585	2,631	1,811	(15,969)
Logistics	6,534	10,794	11,869	7,650	2,382	7,728
Bulk Shipping	54,884	60,082	46,595	(4,168)	9,643	33,791
Real Estate	3,824	3,257	3,379	12,079	2,659	2,747
Other Business Services	672	(596)	(53)	(1,496)	3,167	3,082
Cruises	717	2,117	–	–	–	–
Elimination and Corporate	(55)	(2,153)	(2,997)	(2,940)	(2,522)	(7,031)
Consolidated Total	58,424	84,010	60,058	1,039	28,016	(2,052)
Assets:						
Liner Trade	452,479	499,804	419,247	401,983	405,307	361,893
Air Cargo Transportation	78,845	56,221	47,597	53,004	77,362	64,122
Logistics	237,998	274,382	250,303	255,189	277,919	281,834
Bulk Shipping	1,502,207	1,501,200	1,338,549	1,269,346	1,256,094	1,285,305
Real Estate	53,841	56,835	63,542	56,266	58,854	57,328
Other Business Services	552,979	414,123	251,326	209,981	195,238	171,748
Cruises	33,786	44,273	–	–	–	–
Elimination and Corporate	(360,902)	(277,012)	(125,795)	(201,587)	(199,141)	(220,530)
Consolidated Total	2,551,236	2,569,828	2,244,772	2,044,183	2,071,636	2,001,704
Depreciation and Amortization:						
Liner Trade	16,858	17,660	20,173	17,646	13,770	11,754
Air Cargo Transportation	2,247	2,595	2,160	2,360	2,825	4,485
Logistics	7,327	8,043	8,202	7,175	8,355	9,088
Bulk Shipping	75,469	68,688	68,942	61,223	59,404	60,465
Real Estate	917	1,090	1,118	1,056	1,259	1,285
Other Business Services	1,030	1,387	2,916	2,543	2,244	2,672
Cruises	2,114	1,800	–	–	–	–
Elimination and Corporate	(9)	(220)	(166)	(1)	(19)	(37)
Consolidated Total	105,956	101,045	103,347	92,004	87,839	89,713

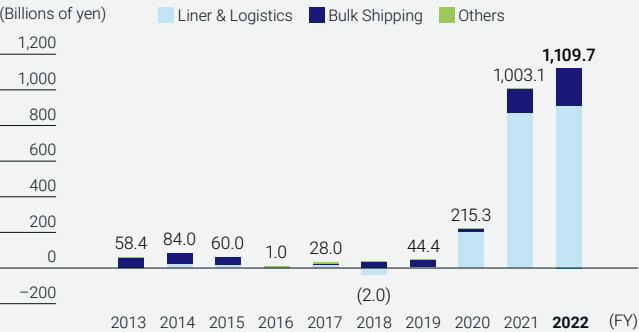
Note 1: Since fiscal 2015, "Cruises" has been included in "Other Business Services."
Note 2: Figures before changes to business segment classifications have not been restated.

FY2019	FY2020	FY2021	FY2022
			(Millions of yen)
¥ 202,248	¥ 170,537	¥ 190,552	¥ 200,705
75,157	122,459	188,731	218,095
476,326	561,234	847,492	862,446
819,807	681,564	974,556	1,240,816
7,346	6,884	4,207	3,352
165,690	129,789	170,405	234,512
–	–	–	–
(78,220)	(64,055)	(95,169)	(143,863)
1,668,355	1,608,414	2,280,775	2,616,066
13,442	140,821	734,245	791,397
(15,583)	33,281	74,068	61,849
4,721	27,049	58,727	54,306
44,187	18,605	139,100	212,152
2,564	2,584	2,127	1,330
1,773	(2,251)	(1,231)	(2,203)
–	–	–	–
(6,619)	(4,754)	(3,884)	(9,044)
44,486	215,336	1,003,154	1,109,790
296,981	428,685	945,345	1,379,232
63,205	65,535	141,904	135,103
281,608	348,707	418,931	473,901
1,269,819	1,271,637	1,497,120	1,754,550
54,948	52,400	27,764	26,562
159,032	173,614	221,454	247,344
–	–	–	–
(192,330)	(215,099)	(172,497)	(239,897)
1,933,264	2,125,480	3,080,023	3,776,797
11,668	9,891	9,818	9,771
4,006	3,232	5,651	9,427
19,881	19,913	21,003	25,130
65,982	63,293	63,356	75,506
1,355	1,366	702	534
1,216	1,159	1,109	1,331
–	–	–	–
(53)	(53)	(46)	(43)
104,057	98,803	101,596	121,658

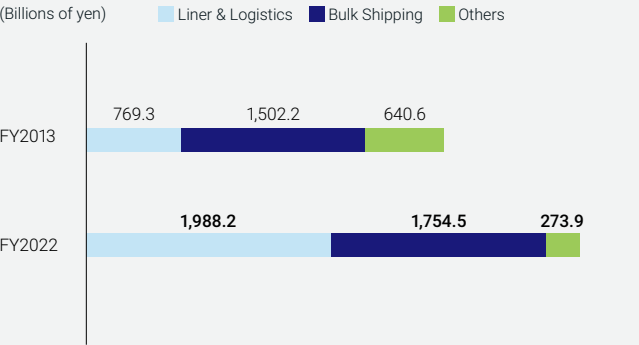
Revenues



Recurring Profit (Loss)



Assets

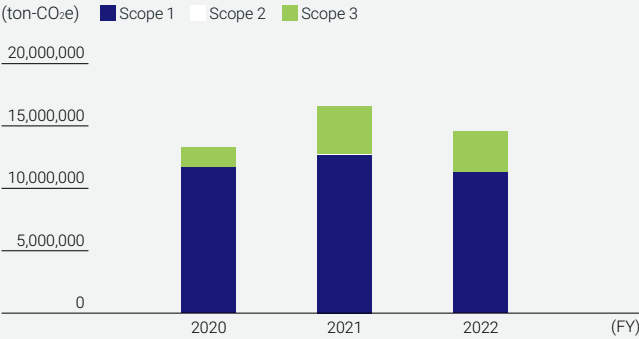


The NYK Group (Includes NYK Headquarters)

GHG Emissions by Scope

GHG-related	Units: ton-CO ₂ e			
Overall output	FY2020	FY2021	FY2022	Ratio in FY2022 (%)
Scope 1	11,650,054	12,678,695	11,255,044	77.1%
Scope 2	49,444	45,391	76,255	0.5%
Scope 1+2	11,699,499	12,724,086	11,331,299	–
Scope 3	1,623,678	3,890,661	3,264,023	22.4%
Scope 1+2+3	13,323,177	16,614,748	14,595,322	–

Note 1: The scope of aggregation includes headquarters and consolidated subsidiaries.
Note 2: CO₂e: CO₂ equivalent
Note 3: GHG emissions data for Scope 1, Scope 2, and Scope 3 has been verified by a third-party organization. Verification Report (<https://www.nyk.com/english/esg/envi/data/>)
Note 4: For fiscal 2021, we have partially reviewed the scope and revised the figures, certified after recalculation.



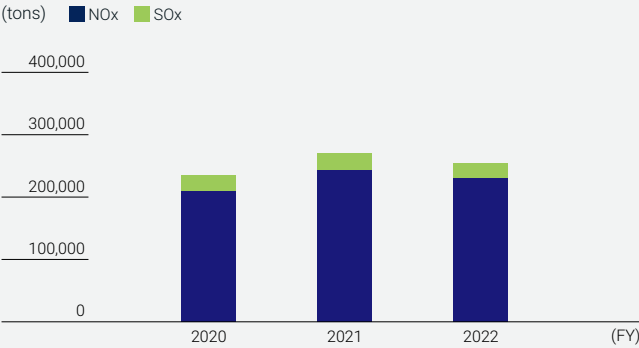
Output breakdown	Subcategory	FY2020	FY2021	FY2022
Scope 1	Ships	9,787,671	10,708,996	10,123,951
	Aircraft	1,642,233	1,721,397	964,063
	Others	220,149	248,301	167,029
Scope 2—Market basis		49,444	45,391	76,255
Scope 2—Location basis		52,138	49,010	77,710
Scope 3	Category 1	–	1,887,367	1,486,233
	Category 2	99,013	255,143	197,887
	Category 3	1,508,523	1,730,934	1,552,422
	Category 5	15,489	16,379	19,827
	Category 6	516	678	7,404
	Category 7	135	157	247

Note 1: Scope 2 emissions are calculated on a market basis inside Japan and on a location basis overseas.
Note 2: In fiscal 2022, a renewable energy certificate was used to offset the electricity used at the Yokohama Branch and the NYK Maritime Museum (234,641 kWh).
Note 3: For fiscal 2021, we have partially reviewed the scope and revised the figures, certified after recalculation.

NOx and SOx Emissions

Other than GHGs			
Output (from ships)	FY2020	FY2021	FY2022
NOx	209,925	243,726	229,722
SOx	25,518	26,970	25,216

Note: For fiscal 2021, we have partially reviewed the scope and revised the figures, certified after recalculation.



Energy and Resource Consumption Amounts

GHG-related					
Input breakdown	Subcategory	Unit	FY2020	FY2021	FY2022
Scope 1	Heavy oil A (MDO)	Tons	26,002	30,415	27,219
	Heavy oil C	Tons	2,726,923	3,184,649	2,979,644
	Gas oil (ships)	Tons	153,324	159,484	173,779
	LNG (ships)	Tons	185,587	5,620	14,387
	Jet fuel	KL	666,877	699,024	391,486
	Gasoline	KL	49,187	71,860	9,058
	Kerosene	KL	51	52	49
	Diesel	KL	31,517	23,285	49,408
	LPG	Tons	449	511	375
	Natural gas	m³	9,757,385	8,624,448	7,460,194
Scope 2-related	Electricity	MWh	117,519	119,880	162,030
Scope 3-related	Waste (office)	Tons	5,390	5,679	6,831
Private power generation derived from renewable energy	Electricity	MWh	–	–	5,970

Note 1: Electricity consumption in Japan is calculated on a market basis. CO₂ emissions volume from electric power consumption for each fiscal year has been calculated using the coefficients for each electricity provider (actual figures for each fiscal year) published by the Ministry of the Environment.
Note 2: For fiscal 2021, we have partially reviewed the scope and revised the figures, certified after recalculation.

Other than GHGs				
Input from offices	Unit	FY2020	FY2021	FY2022
Water	m³	446,656	292,510	863,697
Paper	KG	797,013	636,903	1,007,991

The NYK Group (Includes NYK Headquarters) As of the end of each company's fiscal year

Employee Demographics Number of employees of consolidated companies (long-term employees, employees on contracts for more than six months)

			FY2020	FY2021	FY2022
Number of employees	Total (a)		35,057	35,165	35,502
By region	Japan		7,932	7,837	7,900
	Europe		7,957	8,640	8,544
	South Asia		12,650	12,446	12,322
	North America		1,964	2,075	2,236
	East Asia		3,207	2,888	2,875
	Oceania		205	185	189
	Central and South America		1,142	1,094	1,436
Number of employees promoted to director by region*1	Japan	Men	176	174	180
		Women	6	6	7
	Europe	Men	84	86	75
		Women	18	15	7
	South Asia	Men	119	100	116
		Women	5	18	23
	North America	Men	23	23	26
		Women	2	4	4
	East Asia	Men	21	28	22
		Women	0	1	1
	Oceania	Men	6	5	5
		Women	0	0	0
	Central and South America	Men	5	12	9
		Women	1	3	4

*1 Hired locally. Excludes employees seconded from headquarters and other organizations

		FY2020	FY2021	FY2022	
Ratio of management by region and gender (%)*1	Japan	Men	91.5	91.1	90.1
		Women	8.5	8.9	9.9
	Europe	Men	73.6	71.0	68.0
		Women	26.4	29.0	32.0
	South Asia	Men	60.6	59.5	64.0
		Women	39.4	40.5	36.0
	North America	Men	66.3	66.4	67.4
		Women	33.7	33.6	32.6
	East Asia	Men	62.9	65.1	63.9
		Women	37.1	34.9	36.1
	Oceania	Men	86.0	86.7	82.4
		Women	14.0	13.3	17.6
Central and South America	Men	69.2	72.5	71.9	
	Women	30.8	27.5	28.1	
By gender	Men	22,436	22,438	22,372	
	Women	12,621	12,727	13,130	
By job type	Office workers*2	34,185	34,224	34,590	
	Seafarers*3	872	941	912	
New hires	Total	3,889	6,260	6,579	
	Men	2,452	3,679	4,116	
	Women	1,437	2,581	2,463	
Ratio of voluntary resignations (%)		12.2	14.8	14.1	

*1 National staff who are managers or higher. Includes employees seconded from headquarters and other organizations

2 Includes navigation officers and engineers at office locations as well as employees seconded from Group companies

*3 Excludes non-Japanese seafarers

* Navigation officers and engineers either hold a seafaring license or are in the process of acquiring one at a maritime college.

Employee Diversity

		FY2020	FY2021	FY2022
Number of non-Japanese seafarers*1	Total (b)	10,818	10,788	10,622
Ratio of women employees (%)		37.0	37.0	37.9
Ratio of women managers (%)*2		25.0	25.9	25.2

*1 From fiscal 2022, the aggregation standard was changed. In conjunction with this, the figures for fiscal 2020 to fiscal 2021 have been revised.

*2 Managers or higher

Number of Group Employees (Including Non-Japanese Seafarers)

	FY2020	FY2021	FY2022
Total (a + b)	45,875	45,953	46,124

Occupational Health and Safety

	FY2020	FY2021	FY2022
Lost-time injury (LTI) rate (%)*1	2.22	2.00	2.52
Number of work-related deaths	1	1	2
Mortality rate (%)	0.00	0.00	0.01

*1 Calculation method: (Number of work-related accidents requiring leave) / (Total working hours) × 1,000,000

Total working hours are calculated as 2,000 hours per person

NYK Headquarters

Employee Demographics

			FY2020	FY2021	FY2022
Number of employees	Total		1,788	1,800	1,852
By gender		Men	1,465	1,479	1,523
		Women	323	321	329
Long-term employees	Office workers (excludes navigation officers and engineers at office locations)	Men	759	766	791
		Women	258	246	242
	Navigation officers and engineers	Men	575	577	586
		Women	19	19	21
Fixed-term employees	Office workers	Men	120	127	139
		Women	38	51	60
	Seafarers	Men	8	6	4
		Women	0	0	0
Non-fixed-term employees*1)	Office workers	Men	3	3	3
		Women	8	5	6
	Seafarers	Men	0	0	0
		Women	0	0	0
Long-term employees, fixed-term employees, and non-fixed-term employees	Office workers (excludes navigation officers and engineers at office locations)		1,186	1,198	1,241
	Navigation officers and engineers		602	602	611
Average age (years old)*2	Office workers (excludes navigation officers and engineers at office locations)		41.3	41.2	41.0
	Navigation officers and engineers		38.6	38.8	39.2
Age range*2	Office workers (excludes navigation officers and engineers at office locations)	Under 30	207	195	189
		30-49	495	509	546
		50 and older	315	308	298
	Navigation officers and engineers	Under 30	139	139	143
		30-49	347	335	335
		50 and older	108	122	129
New hires*3	Total		54	66	87
New-graduate hires	Total		53	54	56
	Office workers (excludes navigation officers and engineers at office locations)	Men	24	19	22
		Women	7	10	7
	Navigation officers and engineers	Men	20	22	24
		Women	2	3	3
Mid-career hires	Total		1	12	31
		Men	1	11	25
		Women	0	1	6
Ratio of mid-career hires (%)			2.0	18.0	36.0
Rate of turnover within three years after hire (%)*4	Office workers (excludes navigation officers and engineers at office locations)		0.0	0.9	0.0
	Navigation officers and engineers		5.6	1.4	6.7
Ratio of voluntary resignations (%)*5			1.0	1.6	2.1
Turnover rate at NYK (%)*5			4.2	3.9	4.5

*1 Employees who converted to employment contracts with no fixed period

*2 Excludes fixed-term employees

*3 New graduates and mid-career hires

*4 Calculation method: Number of new graduates and mid-career employees hired in the previous three fiscal years who resigned in each fiscal year / Number of new graduates and mid-career employees hired in the previous three fiscal years

*5 Calculation method: Number of employees who resigned at their own request in each fiscal year / Total number of long-term employees at the end of each fiscal year

*6 Calculation method: Number of employees who resigned in each fiscal year / Total number of long-term employees at the end of each fiscal year

Employee Diversity

		FY2020	FY2021	FY2022
Ratio of women employees (%)	Office workers (excludes navigation officers and engineers)	25.4	24.3	23.4
	Navigation officers and engineers	3.2	3.2	3.5
Ratio of women managers (%)	Office workers (excludes navigation officers and engineers)	14.7	14.0	13.7
	Navigation officers and engineers*1	0.4	0.4	0.4
Employment ratio of people with disabilities (%)		2.0	1.9	2.0
Employees union membership rate (%)*2	Office workers (includes navigation officers and engineers)	85.1	83.9	84.4
	Seafarers (excludes captains)	100.0	100.0	100.0

*1 From fiscal 2021, the aggregation standard was changed. In conjunction with this, the figures for fiscal 2019 to fiscal 2020 have been revised.

Calculation method: women managers / Total managers.

2 Japanese employees (navigation officers and engineers) are members of the All Japan Seamen's Union, except for captains.

* All Japan Seamen's Union: The union is the only industrial labor union in Japan formed by people working in the Japanese maritime-related industry.

Note: Because the collection of racial or ethnic data is legally prohibited or restricted in some countries, we do not collect or disclose information on the percentage of all workers in our business by race or ethnicity.

Occupational Health and Safety (Includes Fixed-Term Employees)

		FY2020	FY2021	FY2022
Number of occupational accidents*1	Total	2	2	2
	Office workers (includes navigation officers and engineers at office locations)	0	0	0
	Seafarers	2	2	2
Lost-time injury (LTI) rate (%)*2		0.00	0.41	0.82
Number of work-related deaths	Total	0	0	0
	Office workers (includes navigation officers and engineers at office locations)	0	0	0
	Seafarers	0	0	0
Number of lost days caused by occupational accidents	Total	0	71	9
	Office workers (includes navigation officers and engineers at office locations)	0	0	0
	Seafarers	0	71	9

*1 Excludes commuting accidents / Major occupational accidents while working on board include falls, pinches, frostbite (burns), etc.
2 Employees working at headquarters, including navigation officers and engineers who are working at office locations, seconded employees from Group companies, and contractors for business consignment, etc.
Calculation method: (Number of work-related accidents requiring leave) / (Total working hours) × 1,000,000
* Navigation officers and engineers either hold a seafaring license or are in the process of acquiring one at a maritime college

Employee Support Systems

		FY2020	FY2021	FY2022
Average number of days of paid leave taken*1		15.4	17.4	18.8
Average ratio of paid leave taken (%)		56.3	61.3	67.1
Number of employees who took maternity leave*2		8	20	15
Average ratio of employees who took maternity leave (%)		100.0	100.0	100.0
Number of employees who used parental leave program*2	Total	29	53	64
	Men	22	37	52
	Women	7	16	12
Ratio of employees who used parental leave program (%)	Total	43.9	68.8	76.2
	Men	37.3	60.7	72.2
	Women	100.0	100.0	100.0
Ratio of employees who returned to work after taking parental leave (%)		100.0	91.0 (Number of employees who left the Company: 1)	100.0
Retention rate of employees who used parental leave program (%)		100.0	100.0	100.0
Number of employees who used shortened working-hour program*2	Total	21	8	4
	Men	1	0	0
	Women	20	8	4
Number of working mothers*3		71	87	75
Number of employees who used family-care leave program*2	Total	0	1	0
	Men	0	1	0
	Women	0	0	0
Ratio of employees who returned to work after taking family-care leave (%)		Not applicable	100.0	Not applicable
Retention rate of employees who used family-care leave program (%)		Not applicable	100.0	Not applicable

*1 Excludes seafarers and employees currently seconded to other companies / Includes paid summer, winter holidays
*2 Total number of users, excluding those who left the Company
*3 Mothers with children in compulsory education or younger / Excludes mothers on maternity or parental leave

Education

		FY2020	FY2021	FY2022
Average number of hours employees participated in training programs	Company average	43.0	61.5	60.2
	Office workers (includes navigation officers and engineers at office locations)*1	17.2	16.9	18.1
	Seafarers	142.1	230.5	226.7
Average expenditure on educational and training programs (yen)	Company average	177,610	228,750	235,398
	Office workers (includes navigation officers and engineers at office locations)*2	85,021	113,006	122,497
	Seafarers	533,995	667,968	682,969

*1 Excludes workers trained outside the Company
*2 Programs for office workers trained inside or outside the Company

Established

September 29, 1885

Paid-in Capital

¥144,319,833,730

Employees

Consolidated: 35,502 (NYK and consolidated subsidiaries)
Non-consolidated: 1,852 (1,241 office workers (excluding seafarers); 611 seafarers)*
* The non-consolidated number of employees includes employees currently assigned to domestic and overseas Group companies.

Headquarters
3-2, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-0005, Japan
Telephone: +81-3-3284-5151
Website: <https://www.nyk.com/english/>

Common Stock
Number of authorized shares:
895,065,000 shares
Number of issued and outstanding shares:
508,631,084 shares
(excluding treasury stock: 1,534,210)

Stock Exchange Listing
Prime Market of Tokyo Stock Exchanges

Share Registrar and Management of Special Accounts

Mitsubishi UFJ Trust and Banking Corporation
Contact Information:
Stock Transfer Agency,
Mitsubishi UFJ Trust and Banking Corporation
P.O. Box No. 29, New Tokyo Post Office, 137-8081
Toll-free: 0120-232-711

Method of Public Notice

The Company's public notices are available through electronic distribution.
Website: <https://www.nyk.com/ir/stock/koukoku/>
However, in the event that electronic distribution is impossible, due to an accident or other unavoidable circumstances, the Company's public notices will appear in the *Nihon Keizai Shimbun* published in Tokyo, Japan.

American Depositary Receipts (ADR)
Symbol: NPNYY
CUSIP: 654633304
Exchange: OTC
Ratio (ADR: shares of common stock): 5:1
Depositary:
BNY Mellon Shareowner Services
P. O. Box 505000
Louisville, KY 40233-5000
Toll-free:
(Within the U.S.) 888-BNY-ADRS (888-269-2377)
(From overseas) 1-201-680-6825
Website: <https://www.adrbnymellon.com/>
Email: shrrelations@cpushareownerservices.com

► Stock Price Range and Trading Volume

