

NYK Group's target state



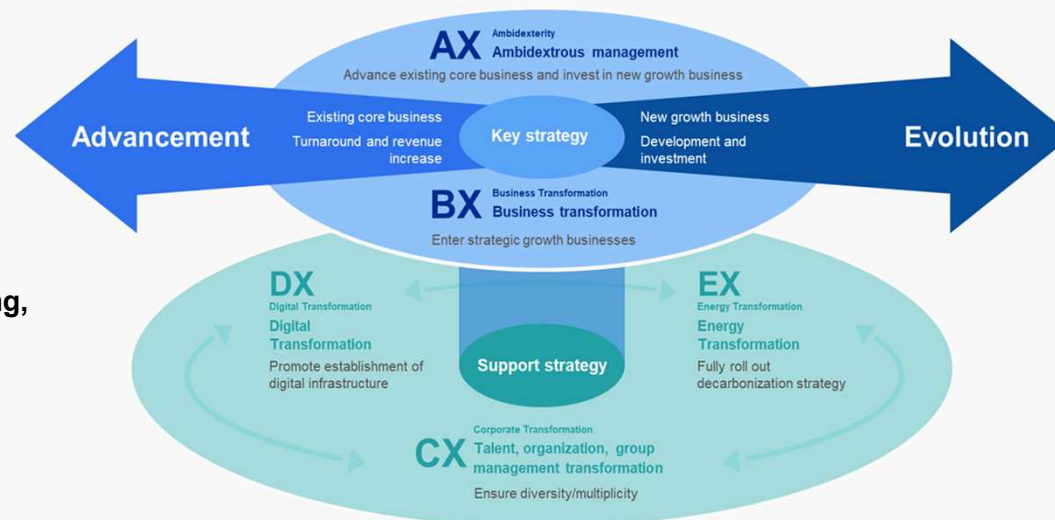
Opportunities and Risks for our business and Direction of individual businesses

	Business opportunities	Business risks	Business direction
Liner & Logistics	<ul style="list-style-type: none"> Continuation of long-term shipping volume growth Potential revenue improvement based on advancement of the business model Upscaling based on M&A 	<ul style="list-style-type: none"> Changes in container shipping market Continuity of container shipping alliances Heavier taxation on GHG emitted by vessels 	<p>Capture economic growth in emerging countries</p> <p>Pursue growth in developing markets</p>
Bulk Shipping <ul style="list-style-type: none"> Dry bulk Energy Automotive business 	<ul style="list-style-type: none"> Differentiation based on being at the forefront of vessel low/decarbonization Increase in demand for new fuel transport Increase in transport of food/minor bulk in the dry bulk market 	<ul style="list-style-type: none"> Decrease in global demand for iron ore, coal, and oil Decrease in new car sales in developed countries Heavier taxation on GHG emitted by vessels 	<p>Ensure advantage through low-carbon and decarbonization initiatives</p> <p>Respond to changing market demands</p>
New business opportunities	<ul style="list-style-type: none"> Establishment of renewable energy value chain Changes in fleet value chain due to decarbonization/automatic piloting New business opportunity creation and competitive advantage through diverse talent 	<ul style="list-style-type: none"> Technology/product development uncertainties Lack of required expert talent Stagnant decarbonization trend 	<p>Develop a new market created through decarbonization</p> <p>Enter a rapidly growing market</p>

In developing the new medium-term management plan, apply backcasting to envision the 2050 state

Basic Strategy

- Key strategy with core business advancement and new business development as the two pillars
- Support strategy with CX (talent, organizational restructuring, group management transformation), DX, and EX



Financial plan outlook

	FY2023 (Results)	FY2024 (Forecast) *4	FY2026 (Forecast)
Recurring Profit	JPY 261.3 Bn	JPY 250.0 Bn	JPY 270.0 Bn
Others	-	-	JPY 150.0 Bn
ONE (Our estimate)	-	-	JPY 120.0 Bn
Current Profit attributable to owners of parent	JPY 228.6 Bn	JPY 245.0 Bn	JPY 240.0 Bn
Shareholders' Equity Ratio	62%	65%	57%
After changing to on-balance sheet *1	53%	56%	49%
ROIC *2	8.3%	6.9%	6.5%
ROE *3	8.9%	9.3%	10.2%



[Click link to see our medium-term management plan, published in March 2023](#)

Management targets

Financial targets	Non-financial targets
<p>Over 6.5%</p> <p>ROIC (Return on invested capital) Strive to improve our enterprise value by fundamentally increasing business profitability For this medium-term plan period (FY23~FY26), focus also on current profits and ROE as KPIs</p>	<p>0 accidents</p> <p>Number of major accidents: sea, land, and air Number of major accidents based on our standard</p>
<p>JPY200 ~300 billion</p> <p>Current net profit Target as of FY26</p>	<p>45%</p> <p>GHG reduction for Scope 1+2 * FY30 target (vs. FY21, Absolute corporate emissions) *Included in NYK Group ESG Story</p>
<p>8-10%</p> <p>ROE (Return on Equity) Target as of FY26 Focus on efficiency relative to shareholders' equity</p>	<p>30%</p> <p>Share of women managers FY30 target (onshore positions for NYK non-consolidated)</p>

(*1) Our estimation of charter fee liabilities : About JPY 700 Bn each in FY23, 24, and 26

(*2) (Operating income after tax + Extraordinary profit & loss after tax + Equity in earnings of affiliates + Dividend income) + (Invested capital)

(*3) (Current net profit) ÷ (Equity)

(*4) Forecast when Q4 financial results were announced (May 8, 2024). Forecasts for recurring profit and net income as of the Q1 financial results announcement (August 5, 2024) are JPY 410.0 billion and JPY 390.0 billion, respectively.