

Corporate Governance and Corporate Value

Evolving Corporate Governance to Increase Corporate Value

NYK believes that continuous efforts to strengthen corporate governance lead to sustainable improvement of corporate value. The Company has worked to advance the Board of Directors' effectiveness through expanded appointment of outside directors, improvement of Board operation, and optimization of the agenda, and by transitioning to a company with an audit & supervisory committee to strengthen and upgrade monitoring functions and to build and maintain agile, highly transparent decision-making processes. This evolution of corporate governance enables the Company to tackle medium- and long-term management challenges even in this era of rapid change.

History of Strengthening Corporate Governance

2002 Introduced Committee of Corporate Officers to strengthen operational execution system

2006 Established Advisory Board

2008 Abolished Advisory Board, appointed two outside directors
Shortened the term of office of directors from two years to one year

2010 Filed notifications with stock exchanges regarding independent directors and auditors as stipulated by domestic financial instruments exchanges

2015 Prepared the following as part of the process of adopting Japan's Corporate Governance Code:

- Corporate Governance Guidelines
- Our Views on Size, Balance and Diversity of the Board of Directors
- Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers
- Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members
- Policies and Procedures for Determining Compensation for Directors, Audit and Supervisory Board Members and Corporate Officers

2016 Increased outside directors by one member to three, and decreased the total number of directors by one to 12 (decreased internal directors by two)

Introduced performance-based stock compensation plan

Established Nomination Advisory Committee and Compensation Advisory Committee

Conducted a non-anonymous self-evaluation survey of all directors, including outside directors, and of all audit and supervisory board members, including outside members, regarding the effectiveness of the meetings of the Board of Directors

2017 Decreased the total number of directors by one to 11
Established the position of chief outside director

2018 Appointed an outside advisor in charge of self-evaluation and analysis, etc., related to Board of Directors effectiveness

Decreased the total number of directors by two to nine

2019 Decreased the total number of directors by one to eight
Established the Governance Committee

2020 Revised decision-making process and established Management Meeting to ensure flexible decision-making

Changed naming conventions (changed from corporate officer to executive officer) and changed position and prominence of the Board of Executive Officers

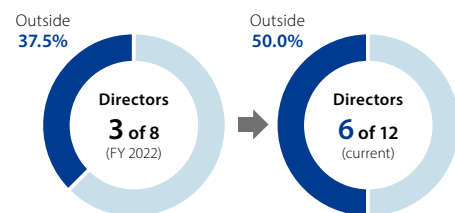
Switched to appointing outside directors to serve as chairpersons of the Nomination Advisory Committee and the Compensation Advisory Committee

2021 Established the ESG Management Committee (now the Sustainability Strategy Committee)

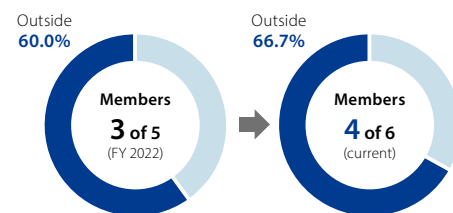
2022 Introduced a performance-based monetary compensation plan

2023 Transitioned to a company with an audit & supervisory committee to improve effectiveness and strengthen monitoring function of the Board of Directors, and increased the ratio of independent outside directors to 50%

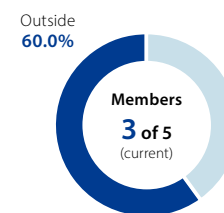
Ratio of Outside Directors



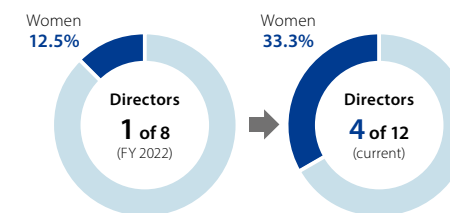
Ratio of Outside Directors on the Nomination Advisory Committee and Compensation Advisory Committee



Ratio of Outside Members on the Audit & Supervisory Committee



Ratio of Women Directors



Message from the Chairperson of the Board of Directors

I will lead the Board of Directors toward the sustainable improvement of our corporate value

Hitoshi Nagasawa
Chairman, Director

The environment surrounding the maritime shipping industry is experiencing an unprecedented level of growing uncertainty. Over the years, I have worked hard as a senior executive to improve the NYK Group's corporate value. In my current role as the Group's chairman and the chairperson of the Board of Directors, I am striving to maximize our corporate value by leveraging the experience I gained as president and the insights shared by our outside directors. Our strategy for achieving this is to strike the optimal balance between managed investments for long-term growth and shareholder returns, while minimizing the impact of market fluctuations.

Corporate value can be defined in different ways. Personally, I see it as something that should be measured with not only quantitative metrics like market capitalization, but also qualitative elements such as the company's purpose, shareholder trust, and ability to implement its Medium-Term Management Plan. The mission of the Board of Directors is to develop a framework for sustainably growing such corporate value and to continue improving the effectiveness of that system.

To that end, I am particularly focusing on engaging in dialogue with outside directors. It has been two years since we transitioned to a company with an audit & supervisory committee. The first year required some experimenting with how to proceed under our new system, but I believe that we made significant strides forward in the second year. In order to improve the quality and effectiveness of Board discussions, we created a system for sharing with outside directors important information prior to each meeting, such as the background of our management challenges and the content of Management Meeting discussions. This approach also has the function of helping outside directors to monitor whether corporate management is being executed in line with the Board's discussions. Prior to the transition, project briefings by executives took up a considerable portion of Board meetings, leaving little time for delving into big picture topics such as the direction of the Group as a whole. However, this issue has been solved

by the new system, enabling the Board to devote more time to discussion.

Another improvement we have made to boost the Board's effectiveness was establishing an opportunity at the start of each fiscal year to align our outside directors with the year's agenda, allocating sufficient time for thorough, in-depth discussion. We also arrange tours of operating sites for them to aid their understanding of our businesses, and schedule several one-on-ones between them and me during the year to exchange thoughts, with the aim of correcting the imbalance in their access to information and talking about topics that are hard to bring up in Board meetings. One of the Board's current challenges is to clearly map out a CEO succession plan, and we are progressing discussions centered on the Nomination Advisory Committee to facilitate discussion and consensus building among the entire Board. We count on our outside directors to be deeply involved in the Board's duties, and in our process of selecting candidates, we look for those whose responsibilities at other companies will not prevent them from devoting the time needed to keep our Board operating effectively.

The key to sustainable profit creation is ROIC management. The Board is overseeing the responsibility to meet the Medium-Term Management Plan's goal of achieving ROIC of 6.5% or more, including efforts to visualize the returns of each segment and replace underperforming assets. The outside directors support this by frankly questioning whether certain businesses should continue to be held, and the executives clearly present evidence-backed defenses. The framework for such dialogue is in itself a force for improving our corporate value.

Our Group has long operated businesses by creating value that is necessary for society through logistics, while agilely adapting to change. Our forward-looking commitment to keep the flow of people and goods going is a strength that we have cultivated over our 140-year history, and is the foundation that supports our innovation. No matter what comes our way, we will continue moving forward by anticipating the future, engaging in discussion, and boldly taking on challenges. The Board, including its outside directors, will lead the way while constantly pursuing sincere dialogue with investors. We look forward to your continued valuable support.

Actions for Energizing Board Meetings

- Various briefings for outside directors
- Advance briefings for outside directors on Board meeting agenda
- Review Session by outside directors
- Business segment progress reports for outside directors
- One-on-one meetings between outside directors and the chairperson of the Board
- Directors intensive discussion (1 full day/year or 2 half days/year)
- Domestic/overseas operating site visits for outside directors (once a year or so)



Directors (As of June 18, 2025)

Directors



Hitoshi Nagasawa

Chairman, Director

| |
|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |



Takaya Soga

President, Representative Director,
President and Chief Executive Officer

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|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |



Akira Kono

Representative Director, Executive
Vice-President, Executive Officer

Yasunobu Suzuki

Director, Managing Executive Officer



Eiichi Tanabe

Chief Outside Director, Independent
Director

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|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |



Satoko Shisai

Outside Director, Independent
Director

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|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |



Satoko Kuwabara

Outside Director, Independent
Director

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|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |

| Period Served / Age | 14 years / 67 | 3 years / 65 | 2 years / 63 | New appointment / 57 | 6 years / 71 | 1 year / 61 | New appointment / 60 |
|---|---|--|---|--|---|--|--|
| Number of Shares Held | 293,096 | 54,422 | 61,082 | 8,600 | 11,773 | 177 | 4,107 |
| Expected Role / Reasons for Appointment | Hitoshi Nagasawa previously led the Energy Division and new offshore and green businesses, and oversaw structural reform of the Dry Bulk Division. As president, he advanced sustainability management, and in his current role as chairman he engages in management supervision efforts aimed at improving the Board of Directors' effectiveness and sustainably enhancing corporate value. He excels in governance and strategic decision-making guided by a vision for the overall direction of the Group. | Takaya Soga's experience includes overseeing the Automotive Transportation Headquarters and the Management Planning Headquarters. Since becoming president in 2023, he has worked to continuously strengthen the management foundation and stabilize business earnings through steady implementation of the Medium-Term Management Plan and acceleration of sustainability management. He is deeply knowledgeable about many different business domains, and manages the NYK Group through leadership with a comprehensive overview. | Having previously worked in mainly the Energy Division, Akira Kono now concurrently serves as CFO and chief executive of the Management Planning Headquarters. He is an expert in financial strategy and capital policy, and advances decarbonization investments and sustainability management. He also proactively engages in dialogue with shareholders and investors. He contributes to the enhancement of the quality of management with a strategic perspective that balances the sustainable growth of businesses and the improvement of capital efficiency. | Yasunobu Suzuki previously served in the general affairs and human resources divisions and now concurrently holds the positions of chief compliance officer, chief human resources officer, and chief executive of the General Affairs Headquarters. He works to enhance human resources and organizations with the goal of evolving NYK into a truly global company where the Group's diverse employees can wield their individuality as a force for taking on challenges. He also plays a part in efforts to strengthen corporate governance and further advance internal control. | Eiichi Tanabe formerly served in key positions at Mitsubishi Corporation, including representative director and senior executive vice president. His extensive background in management and supervision of business execution has endowed him with many insights on business portfolio building, capital policy, risk management, and corporate governance structure. He is expected to contribute to the realization of both sound management and sustainable growth by leveraging his experience in management decision-making and corporate governance from a long-term perspective. | Satoko Shisai previously managed sales and IT/DX organizations at a multinational IT company and a major pharmaceutical firm. She is experienced in leading DX that involves corporate culture reforms and organizational realignments, and has a practical understanding of IT strategy and business transformation. She is expected to provide substantive advice on Group-wide DX, drawing from her experience in advancing both technology and organizational reforms in tandem. | Satoko Kuwabara's career as a lawyer has equipped her with a wealth of experience and insights on corporate and financial legal affairs. She has audited the execution of the Company's operations as an independent outside auditor and supervisory board member, and an independent outside director who is a member of the Audit & Supervisory Committee. Taking a broad perspective that includes the viewpoints of all stakeholders, she supervises the Board of Directors and the execution of duties by directors, etc., and helps to ensure the transparency of the advisory committees' discussions and procedures. |

Directors Who Are Audit & Supervisory Committee Members



Keiko Kosugi

Director, Full-time Audit &
Supervisory Committee Member

Yutaka Higurashi

Director, Full-time Audit &
Supervisory Committee Member

Hiroshi Nakaso

Outside Director, Audit & Supervisory
Committee Member, Independent
Director

Motoyuki Ii

Outside Director, Audit & Supervisory
Committee Member, Independent
Director

| |
|--|
| Nomination Advisory Committee Member |
| Compensation Advisory Committee Member |



Ritsuko Nonomiya

Outside Director, Audit & Supervisory
Committee Member, Independent
Director

| Period Served / Age | 2 years / 58 | New appointment / 62 | 2 years / 71 | New appointment / 66 | New appointment / 63 |
|---|--|--|--|--|--|
| Number of Shares Held | 15,782 | 95,056 | 1,436 | None | None |
| Expected Role / Reasons for Appointment | Keiko Kosugi has worked in a wide range of business areas and operations, such as conventional ship and car carrier businesses, as well as in work relating to planning and the environment. Since becoming general manager of the Internal Audit Chamber, she has helped to strengthen corporate governance by clearly delineating Group management discipline and improving internal audit functions. She uses her business experience and expertise particularly in internal auditing to contribute to the enhancement of the corporate governance structure. | Yutaka Higurashi has mainly been in charge of general affairs, human resources, and legal divisions, and served as chief compliance officer and chief executive of the General Affairs Headquarters. Utilizing his abundant business experience and expertise in general affairs, human resources, legal affairs, and compliance, he strengthens the Board of Directors' monitoring functions and thus contributes to the enhancement of the Group's corporate governance structure. | Hiroshi Nakaso held various positions at the Bank of Japan, such as director-general of the Financial Markets Department, executive director, and deputy governor. He has broad insights into international finance and economics, and a wealth of experience in crisis management of financial systems and markets. He helps to enhance the Group's corporate governance structure through efforts to reinforce the Board of Directors' monitoring functions, leveraging the expertise he gained from his abundant practical experience in central banking. | Motoyuki Ii has previously been involved in group-wide technical strategy and international standardization at a major Japanese telecommunications company, which is required to balance public and business interests. He was also involved in the said company's management as President and Chief Executive Officer. He utilizes his strong expertise in corporate management and extensive IT experience to contribute to the enhancement of the Group's corporate governance structure. | Ritsuko Nonomiya's career has included working at accounting firms in the U.S. and Japan, acquiring a U.S. CPA license, and involvement in M&A and business development at an M&A advisory firm, as well as corporate management as a representative director and CEO. She strengthens the Board of Directors' monitoring functions by leveraging her abundant experience in accounting, finance, and international M&As to support the enhancement of the Group's corporate governance structure. |

Skills Matrix of Directors

| | Position | Name | Core Elements of Business Management | | | Essential Elements of Management Strategy Implementation | | | |
|---|--|------------------|---|--|---|---|--|---|---|
| | | | Corporate Management | Finance / Accounting | Risk Management | Sustainability | Technology | Human Resources / Organizational Development | Global Insights |
| Director | Chairman, Director | Hitoshi Nagasawa | ● | | ● | ● | | | |
| | President, Representative Director, President and Chief Executive Officer | Takaya Soga | ● | ● | | ● | | | ● |
| | Representative Director, Executive Vice-President, Executive Officer | Akira Kono | | ● | ● | ● | | | |
| | Director, Managing Executive Officer | Yasunobu Suzuki | | | ● | | | ● | ● |
| | Chief Outside Director, Independent Director | Eiichi Tanabe | ● | ● | ● | | | | |
| | Outside Director, Independent Director | Satoko Shisai | | | | ● | ● | ● | |
| | Outside Director, Independent Director | Satoko Kuwabara | | | ● | ● | | | |
| Director, Audit & Supervisory Committee Member | Director, Audit & Supervisory Committee Member | Keiko Kosugi | | | ● | ● | | | |
| | Director, Audit & Supervisory Committee Member | Yutaka Higurashi | | | ● | | | ● | |
| | Outside Director, Audit & Supervisory Committee Member, Independent Director | Hiroshi Nakaso | | ● | ● | | | | ● |
| | Outside Director, Audit & Supervisory Committee Member, Independent Director | Motoyuki Ii | ● | | | | ● | | |
| | Outside Director, Audit & Supervisory Committee Member, Independent Director | Ritsuko Nonomiya | ● | ● | | | | | ● |
| Skill Selection Rationale / Assessment Criteria | | | The Group operates across a wide range of business domains, and determining business strategies and controlling operations require a high level of comprehensive deliberation and judgment. Therefore, we place importance on operational experience and a proven track record in managing a company or a similar organization. | To achieve the sustainable enhancement of the Group's corporate value, we place importance on expertise and experience in the following areas: promoting growth-oriented investments, building a robust financial foundation, formulating shareholder return policies, ensuring compliance in corporate accounting, and maintaining appropriate dialogue with capital markets. | The Group's businesses span many countries and regions, and are centered on vessel operations and the organizations that support them. We place importance on expertise and experience in developing and establishing appropriate internal control systems that comply with laws and regulations, as well as the ability to identify and manage material risks relevant to the Group. | The Group provides services that contribute to solving social issues. Among these initiatives, promoting the adoption of new fuels for vessels is a key management strategy. This requires not only the ability to set and achieve ambitious management targets and demonstrate leadership within the industry, but also insight into the sustainable use of natural capital. We place importance on expertise and experience in this field that reflect an awareness of global trends and a capacity to enhance corporate value. | The foundation of the Group's innovation lies in technology and experience data accumulated in the field over many years. We place importance on expertise and experience in combining these accumulated technologies and data with cutting-edge digital technologies to drive corporate transformation and management strategy. | The Group has business sites all over the world. We place importance on the expertise and experience necessary to effectively implement human resource strategies that foster globally capable talent, as well as organizational development strategies that harness the collective efforts of Group employees to enhance organizational strengths. | Given that the Group conducts diverse businesses in global markets, a deep understanding of international affairs and local market trends, legal and regulatory frameworks, and cultural contexts in each country is essential. We therefore place importance on expertise and experience that encompass such global insights and lead us to the successful management of international operations, including management of overseas Group companies. |

Messages from Outside Directors

Now that the Company's capital foundation has improved, it's time for proactive governance that strategically takes on risk

Eiichi Tanabe

Chief Outside Director, Independent Director



Maritime shipping is an industry exposed to dramatically fluctuating market conditions, and thus strategic risk-taking is an essential part of the drive to achieve sustainable growth. Over the past several years, NYK has tremendously strengthened its foundation as a company by improving its financial standing and realigning its business portfolio. This has inspired the Board of Directors to increasingly take a positive attitude toward proactive investment, respecting the management's entrepreneurial spirit, while assessing the boundaries for how far risk can be taken.

The Board has engaged in repeated discussions to determine a management strategy aimed at achieving stable profitability that remains resilient to market volatility. At the macro level, we are optimizing our business portfolio based on ROIC, while at the micro level, we are managing

market exposure for each type of vessel and hedging risks through the use of derivatives and other measures. This approach allows the Board to develop a more comprehensive understanding of frontline operational issues, thereby strengthening our overall risk management capabilities. In addition, the Board is paying attention to Ocean Network Express Pte. Ltd., which operates the container shipping business, and in-depth discussions are underway. While there is no silver bullet to defeat market fluctuations, steady efforts to minimize their impact are being taken, including optimizing the non-spot/spot contract ratio, increasing capital efficiency, and reforming the management structure. The Board is continuing to be involved in and support these initiatives.

In order to adapt to recent complex risks such as avoidance of Suez Canal transit amid instability in the Middle East and

newly emerging geopolitical challenges, action is being taken to further develop NYK's system for assessing exposure in each region and analyzing risk scenarios. The board is working to increase the Company's flexibility toward risk, leveraging our experience and insights from the front lines.

The Board's understanding of the theme of an ideal management strategy for a stable profit creation is evolving by going beyond merely managing profit targets to encompass frequent discussion of how to reduce volatility impacts overall by building up a business portfolio as a comprehensive global logistics enterprise and harnessing the diversification effect of individual businesses.

Guided by the Board, the Company is strengthening its framework for enhancing corporate value overall with an approach that balances offense and defense.

NYK is building a diverse management structure through efforts that include the Group companies

As chairperson of the Nomination Advisory Committee, I am involved in succession planning. The Board of Directors has developed into a 12-person organization that includes six outside directors, three of whom are women, and has left behind the era of selecting the next generation of leaders without seeking outside opinion. Instead, we are now implementing a new selection process that is designed to foster a level-headed assessment of candidates. The Company is striving to construct a diverse management structure that includes human resources development across all Group companies.

We will enhance corporate value with an approach that balances shareholder returns and growth investment

As for the effectiveness of the Board of Directors, we have worked to develop a system that enables it to focus on weightier discussion through smarter selection of topics and use of time. For example, discussions of capital policy

have become more sophisticated through factor analysis of topics such as the balancing of shareholder returns and growth investment, capital structure optimization, and leverage levels. To boost its corporate value, NYK is leveraging its stronger capital foundation to exit businesses with low strategic purpose and aggressively pursue growth investments, including acquisitions in the energy and logistics business sectors. The Board of Directors supports the actions to substantially reduce cost of capital by transforming the business portfolio and strengthening risk management capabilities. However, we believe that enhancing communication and dialogue with investors remains a challenge for the Company.

Sharing NYK's mission as a transport infrastructure company, we will contribute to the enhancement of its corporate value

The NYK Group is a transport infrastructure company that supports the nation's energy and food security, and I believe there is still much room for it to play its part as a core member of the global maritime shipping value chain. The decarbonization movement and advances in ICT (Information and Communication Technology) have created new revenue opportunities, and I believe that the Group can cultivate new business opportunities by leveraging its world-class ship operation technologies and wealth of data as it firmly carries out its mission of supporting the next generation of transport infrastructure.

I believe that outside directors also act as representatives of shareholders and other stakeholders. Corporate value cannot be built up without improving the quality of management and effectively communicating those enhancements to stakeholders. In a company's dialogue with investors, the role of outside directors is to provide them with objective insights. I would like to be involved in future dialogue with investors by sincerely answering their questions about whether or not governance is functioning properly. I ask the Group's shareholders to gently but firmly watch over this challenging journey to surmount the market's vicissitudes and achieve long-term growth.

I will contribute to the improvement of corporate value through thoughtful and constructive discussion

Satoko Shisai

Outside Director, Independent Director

Since my appointment as an outside director a year ago, I have come to highly appreciate the fact that the Board of Directors broadly discusses not only financial matters but also non-financial topics such as human capital, sustainability, and DX, and that we are able to engage in thoughtful and constructive discussion thanks to the deeper understanding of the industry and the background of agenda items provided through diverse types of meetings. In particular, in my experiences at other companies, I have rarely encountered anything like Chairperson Nagasawa's commitment to encouraging directors to ask any questions they may have and to holding one-on-one talks with outside directors several times a year to eliminate their information asymmetry. Another positive aspect of NYK's Board of Directors is that even though the selection of agenda topics is becoming more challenging, Chairperson Nagasawa will readily set up opportunities for discussion of important topics we bring up.

With regard to DX, NYK has been selected as a "DX Stock" for three years in a row and is highly acclaimed for its contributions to the advancement of DX, including in the development of industry standards. Another factor behind this recognition is that the Company has incorporated DX into its Medium-Term Management Plan as a strategy, and all departments are working together to implement it. The Company views DX as a growth enabler, and has high expectations for further advances in its efforts to develop industry standards through the use of generative AI and ERP (Enterprise Resource Planning) system innovation.

Looking at diversity and inclusion (D&I) initiatives, NYK



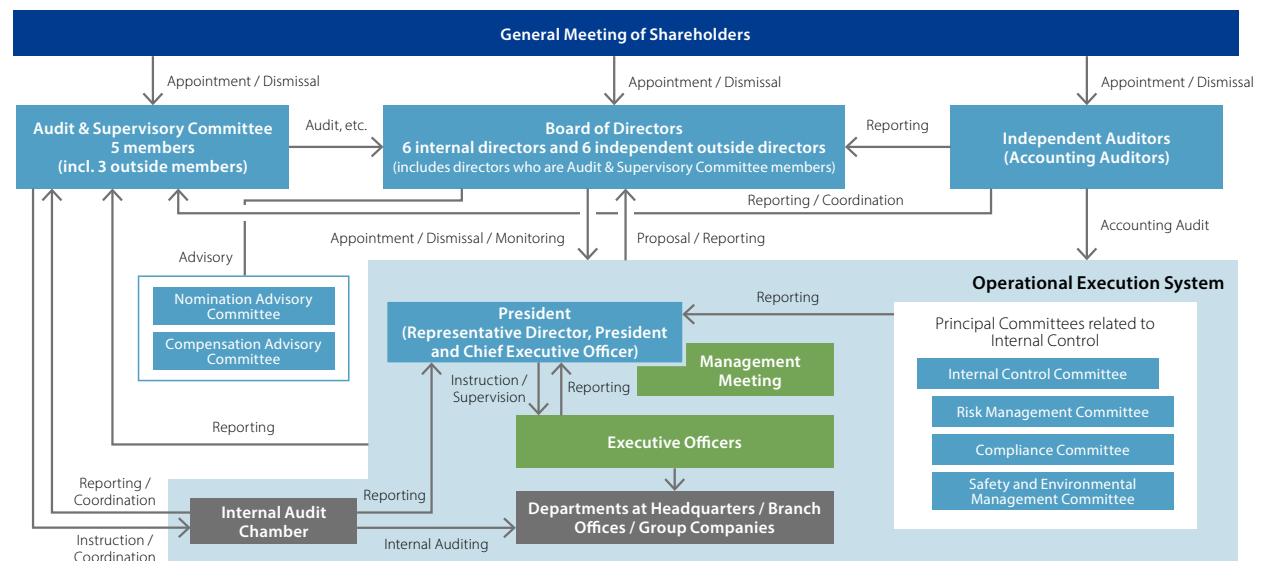
is also seeking to become a truly global company where each member of its 35,000-strong diverse workforce can utilize their individual talents to the fullest. As part of its non-financial indices and KPIs, NYK has set a goal of increasing the women manager ratio to 30% by 2030, and is steadily working toward it through awareness-raising activities and training, as well as by recruiting outside talent. The development of women managers won't happen overnight, but I will use my role as an outside director to help advance this endeavor.

My fellow outside directors and I earnestly engage in discussion with management while maintaining an appropriate distance from them. Taking to heart the weighty responsibility of the votes we each cast at Board meetings, we strive to advance optimal solutions for enhancing NYK's corporate value through shareholder returns and growth investments. I consider the critical insights shared by investors, analysts, and shareholders to be valuable input for our growth, and I will continue aspiring to meet their expectations by taking part in constructive discussions.

Corporate Governance Structure

NYK ensures the transparency and efficiency of its management and strives to build and maintain an appropriate management structure to earn the trust and meet the expectations of all stakeholders, including shareholders, investors, customers, business partners, local communities, and employees of the Company and the NYK Group. The Company has also adopted the organizational form of a company with an audit & supervisory committee. The Board of Directors comprises 12 members, including six outside directors (independent directors), and the Audit & Supervisory Committee has five members, three of whom are outside directors. By delegating decision-making authority for important business execution to the executive directors, the Company has built a structure for responding swiftly to dramatic changes in the business environment. Executive officers, in addition to executive directors, execute the business of the Company under the resolution and supervision of the Board of Directors. The Company has also established the Nomination Advisory Committee and the Compensation Advisory Committee as advisory bodies for the Board of Directors to ensure the transparency of the Board's functions. These committees meet regularly and are chaired by an outside director (in principle, the chief outside director), with independent outside directors engaging in various activities, such as attending meetings of the advisory committees and Board of Directors, participating in other important corporate meetings and conferences, making recommendations related to the Group's overall system of governance and internal control, engaging in activities at discussion meetings among directors, and visiting Group business sites inside and outside Japan.

Corporate Governance Organizational Structure (As of June 18, 2025)



Audit & Supervisory Committee

Supervises directors' execution of their duties, supporting the soundness and transparency of management.

Chairperson

Keiko Kosugi
Director, Full Time Audit & Supervisory Committee Member

Major agenda items in FY2024

- Deliberation on the audit plan and key audit items
- Deliberation on appointment and dismissal of independent auditors
- Deliberation on internal audit plan
- Consideration of cybersecurity measures
- Confirmation of operation of internal control system



Nomination Advisory Committee / Compensation Advisory Committee

Serves as advisory body to the Board of Directors for decision-making on appointment/dismissal of and compensation for directors (excluding those who are Audit & Supervisory Committee members) and executive officers, based on a highly transparent and objective deliberation process.

Chairperson

Eiichi Tanabe
Chief Outside Director, Independent Director

Nomination Advisory Committee: Major agenda items in FY2024

- Deliberation on appointment of director candidates and executive officers
- Consideration of the method of evaluating directors

Compensation Advisory Committee: Major agenda items in FY2024

- Consideration of revisions to the system of compensation for directors, etc., and of the level of compensation
- Deliberation on the degree of achievement of performance-based indices



Management Meeting

Facilitates agile and highly transparent decision-making by pre-deliberating on important matters of business execution, such as proposals for the Board of Directors' consideration and matters directly decided by the president.

Chairperson

Takaya Soga
President and Chief Executive Officer

Major agenda items in FY2024

- Execution of contract for construction and charter of environmentally friendly very large crude carrier (VLCC)
- Establishment of D&I Promise
- Contracting with JAXA to carry out one of its Space Strategy Fund projects
- Establishment of subsidiary taking over the businesses of ENEOS Ocean Corporation (currently NYK Energy Ocean Corporation)

GOVERNANCE TOPIC

Evolution of Internal Audit

The NYK Group is working to evolve its internal audit system to further strengthen the Group-wide corporate governance organizational structure. As one action for enhancing the efficiency and accuracy of audits, the Group has introduced and developed a data auditing system that visualizes anomalies and emerging risks based on analysis of data on expenses, accounting, work attendance, and other metrics. In order to incorporate diverse perspectives and expertise in Internal Audit Chamber of the head office and domestic Group companies, the auditing teams also include experienced auditing professionals seconded from major Group companies and hired from the outside. This approach enables the auditors to learn from one another and increases the sophistication of the methods used. With regard to internal auditing of overseas Group companies, internal auditors assigned to the four overseas operating regions (the Americas, Europe, East Asia, and South Asia) periodically audit the overseas businesses under a system of coordination with the head office. The results of those audits are reported to not only the responsible officer at the head office, but also the region head, thus helping to strengthen controls at the regional level. The mechanisms that support Group-wide internal control framework are steadily evolving through efforts by the head office's Internal Audit Chamber and the overseas auditing organizations to pursue and coordinate best practices based on a shared understanding.

Executive Compensation Plan

The compensation plan for directors (excluding those who are Audit & Supervisory Committee members) and executive officers is designed to: encourage those directors and officers to take action toward realizing the corporate vision, and thus help the Group to achieve sustainable growth, enhance its corporate value over the medium- to long-term, and advance sustainability management; and provide them with an appropriate incentive that is commensurate with their roles and duties, and increases their motivation to contribute to the improvement of the Group's performance not only in the short term, but also over the medium- and long-term.

Overview of the Executive Compensation Plan

| Compensation Plan | Type | Variability | Applicable Period |
|--------------------------------|---|-------------|--|
| Basic compensation | Monetary | Fixed | — |
| Performance-based compensation | Performance-based monetary compensation | Monetary | Variable |
| | Performance-based stock compensation | Stock | Fixed |
| | | | Variable |
| | | | Annual |
| | | | During the Medium-Term Management Plan |

Performance-Based Monetary Compensation

| Performance-based Indices | Weight | Calculation Method |
|-------------------------------|--------|--|
| Consolidated recurring profit | 50% | Comparison with targets defined in Medium-Term Management Plan |
| Consolidated ROE | 50% | |

Performance-Based Stock Compensation

| Performance-based Indices | Weight | Calculation Method | Notes |
|---|--------|-----------------------------------|--|
| Total shareholder return (TSR), including dividends | 70% | Comparison with TOPIX growth rate | — |
| Sustainability indices | 30% | Quantitative evaluation | Calculation of degree of achievement of the following non-financial indices at end of applicable period, according to baseline values which are set assuming that FY2030 targets will be achieved equally each year GHG emissions (total) Ratio of women managers |
| | | Qualitative evaluation | Assessed by the Compensation Advisory Committee based on the state of progress made in addressing the material issues (safety, environment, human resources) NYK Group Non-financial Indices & KPIs Safety No. of major accidents: 0 Environment New Decarbonization Goals GHG (Scope 1+2) reduction of 45% (vs. FY2021, – Absolute corporate emissions targets) by FY2030 Human Resources Women manager ratio of 30% by 2030 |

Note: In the event that a major accident or compliance issue arises, the Compensation Advisory Committee will deliberate on reduction of compensation according to the seriousness of the incident

Compensation Structure

The following shows the component weights for the president (subject to change according to position)

| Performance achievement | Basic compensation | Performance-based monetary compensation | Performance-based stock compensation |
|-------------------------|--------------------|---|--------------------------------------|
| Standard = 1.0 | 40% | 30% | 30% |
| Upper limit = 2.0 | 40% | 60% | 40% |
| Lower limit = 0 | 40% | 20% | |

Support System for Outside Directors

To enable outside directors to perform their duties based on sufficient insights and information, the Group provides them with briefings led by the Corporate Planning Group or related departments prior to Board of Directors meetings. In addition, the Group has established an Audit & Supervisory Committee's Office and assigned dedicated staffs to it to continuously support the activities of the outside directors who are members of that committee. These forms of support enable outside directors to more effectively provide supervision and advice regarding management.

Pre-meeting information & briefings

Outside directors are provided with opportunities to receive information resources and briefings prior to Board of Directors meetings

Key outside director activities (FY2024)

- ▶ Visit to NYK-TDG Maritime Academy in the Philippines
- ▶ Dialogue with institutional investors

Board of Directors Activities

The Board of Directors, having delegated decision-making authority on important matters of business execution to executive directors, performs duties such as making decisions on legal matters, formulating major management policies and strategies, and supervising their execution. In the wake of NYK's transition to a company with an audit & supervisory committee in 2023, action is being taken to improve the Board's effectiveness and strengthen its supervisory functions.

Evaluation of Effectiveness

Since fiscal 2015, the Company has continued to conduct self-evaluation surveys of all directors with the aim of further improving the Board of Directors' effectiveness.

Summary of FY2024 Survey

■ The evaluation items were selected with reference to the opinions of a third-party advisor

■ Evaluation focused on the following five main categories

1 Composition and operation of the Board of Directors

2 Management strategy and business strategy

3 Corporate ethics and risk management

4 Performance monitoring and evaluation/compensation of management

5 Dialogue with shareholders

■ A 19-question survey on the above was conducted among the directors

Changes Resulting from Transition to a Company with Audit & Supervisory Committee

| | |
|------------------------------|---|
| Strengthening of governance | Strengthening of the Board of Directors' independence and supervisory functions through expansion of outsider's membership and establishment of the Audit & Supervisory Committee |
| Accelerating decision-making | Delegation of decision-making authority on important matters of business execution to executive directors, acceleration of decision-making, and focused deliberation on matters linked to enhancement of corporate value at Board of Directors meetings |
| Improvement of diversity | Increasing the ratio of outside directors to 50%, to enable multifaceted discussion by members with diverse backgrounds |

Major matters deliberated by the Board of Directors (FY2024)

- Capital policy that includes acquisition of own stock
- Sustainability-related matters
 - Establishment of NYK Group Supplier Code of Conduct
 - External release of NYK Group TNFD Report 2024 – A Passion for Planetary Wellbeing
- Matters concerning important investments and financing projects
- Matters, etc. concerning risk management and internal control

Evaluation Results

| | |
|------------------------------------|--|
| Response to challenges | <div>■ Setting of agenda for Board of Directors meetings, etc.</div> <div>Efforts were made to improve the Board of Directors' effectiveness by setting an agenda aimed at increasing the corporate value of the entire NYK Group, including consolidated subsidiaries and affiliates, at the beginning of the fiscal year as an annual plan, and by devoting more time to the discussion of the important matters of addressing sustainability challenges such as capital policy, business portfolio, Group management, geopolitical risks, decarbonization strategy, and diversity of human capital.</div> <div>■ Discussion for revising the compensation plan</div> <div>The compensation plan was revised to more closely align the directors with the interests of shareholders, and provide a well-balanced incentive to strive toward not only achievement of the performance targets for each fiscal year, but also the realization of sustainable growth, enhancement of medium- to long-term corporate value, and advancement of sustainability management.</div> |
| Improvements achieved | <div>■ The Board of Directors' effectiveness was improved by establishing an annual plan at the beginning of the fiscal year for the topics to be discussed at the Board of Directors meetings and the timing of the discussions, and by the devotion of more time to discussion of high-priority matters linked to enhancement of corporate value.</div> <div>■ The survey results showed a significant improvement in the evaluation of the Board of Directors' efforts regarding corporate ethics and risk management, including discussions and rule revisions.</div> |
| Challenges and improvements needed | <div>■ Further optimization of agenda discussed at Board of Directors meetings, etc.</div> <div>■ Continuous improvement of how Board of Directors meetings, etc. are conducted to enable greater focus on discussion</div> <div>■ Deeper discussion of succession planning and how to monitor management human resources development</div> |

FY2025 Actions for Strengthening the Board of Directors' Effectiveness

The Board of Directors will leverage NYK's characteristics as a company with an audit & supervisory committee to continue accelerating decision-making and further strengthen monitoring functions. It will also monitor the impacts of the growing uncertainties of the global economy and agilely respond to changes in the business landscape. Moreover, the Board will tackle the challenges of continuously improving how its meetings are conducted and further optimizing the agenda discussed, and will pursue deeper discussion toward enhancement of the corporate value of the entire NYK Group, including consolidated subsidiaries and affiliates. In addition, it will explore in depth the topics of succession planning and how to monitor management human resources development, which are particularly important concerns over the medium- to long-term. With regard to measures for sustained improvement of corporate value, it will strive to further enhance disclosures and continue to actively engage in dialogue with shareholders.

Risk Management

The NYK Group is working to further improve the effectiveness of its risk management system on both the execution side and the supervisory side. In addition to the ongoing risk management activities of the execution side, the Board of Directors has made risk management discussions an integral part of its agenda since fiscal 2024. In conjunction with the transition to a company with an audit & supervisory committee in June 2023, the Group reexamined the state of risk management on both sides to look for ways to reshape the system to better address the growing uncertainties of the external environment and the changing needs of society. Under the current system, the Board of Directors focuses mainly on discussion of medium- to long-term risk management, and the execution side discusses short-term risks and handles the operational aspects of overall risk management, taking into consideration the opinions and insights provided by the Board of Directors.

Risk Management on the Execution Side

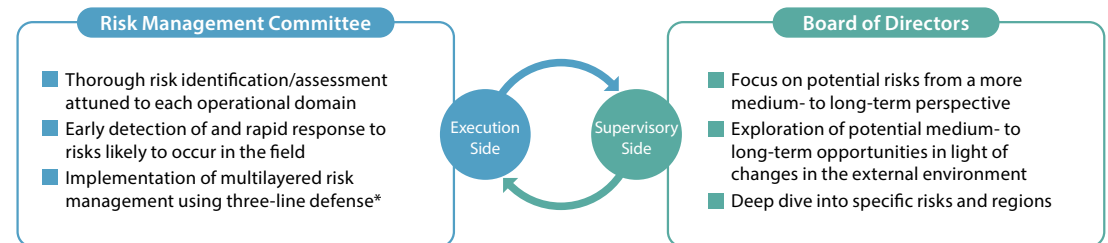
In accordance with its risk management policy and rules, the Group convenes twice yearly meetings of the Risk Management Committee, once in each half of the fiscal year. The outcome of the Risk Management Committee is reported to the Internal Control Committee and the Board of Directors.* The Risk Management Committee is chaired by the president and consists of the chief executives. It strives to mitigate the risks of the Group as a whole by identifying major risks through the qualitative and quantitative assessments that each business division makes based on its thorough understanding of the nature of its operations, and by appointing for each critical risk a headquarters responsible for leading the countermeasures against that risk. The committee meeting in the first half of the fiscal year focuses on monitoring of progress in risk management, and the meeting in the second half is used to prepare for the next fiscal year by identifying major risks that could significantly affect the Group's management and by designating as critical risks the ones that could seriously impact the Group's business continuity.

*NYK's Corporate Governance Organizational Structure  P.51

Risk Management Activities on the Execution Side

| | First Half of Fiscal Year | Second Half of Fiscal Year |
|----------------------------------|--|--|
| Secretariat | <ul style="list-style-type: none"> Sharing of information on risk trends Confirmation of individual cases and emerging risks that should be reported to the Committee Interviews with field employees with reference to the above | <ul style="list-style-type: none"> Sharing of information on risk trends Confirmation of results of third-party validity assessment of risk responses Interviews with field employees with reference to the above |
| Risk Management Committee | <ul style="list-style-type: none"> Monitoring of progress in risk management Confirmation of presence of emerging risks and risks requiring Company-wide response | <ul style="list-style-type: none"> Report on progress in risk management during the fiscal year Designation of critical risks & major risks for the next fiscal year |
| Secretariat | <ul style="list-style-type: none"> Feedback to field employees | <ul style="list-style-type: none"> Feedback to field employees |

Creating a Dual-Perspective Model of Risk Management



*NYK's three-line model of defense comprises the respective headquarters and Group companies (Line 1), the headquarters appointed to lead Group-wide countermeasures against their assigned risk (Line 2), risk management supervisory departments (Line 2.5), and internal control departments (Line 3). This model serves as the basis for developing the organizational structures and rules for preventing the materialization of risks.

Risk Management by the Board of Directors

The Board of Directors selects the topics for its risk management discussions according to three perspectives: supervision, approaches, and strategy. The discussion agenda and outputs are clearly defined for the topics of each perspective. The Board brings in the insights of outside directors, takes a deep dive into the risks of specific regions, recognizes risks based on changes in the external environment, and utilizes top-down approaches. By merging these with the execution side's bottom-up approach, the NYK Group seeks to create a risk management model that embraces dual perspectives.









Three Perspectives Used for Board of Directors Discussions of Risk Management

| | Supervision | Examples of discussion topics |
|--|---|---|
| | Supervision of risk management operations by the execution side | Validation of critical risks & major risks |
| | Approaches | Review of risk management approaches |
| | Strategy | Policy for responding to geopolitical risks |

Critical Risks and Major Risks

This section outlines critical risks (risks that could seriously impact the Group's business continuity) and major risks (risks that could significantly affect the Group's management). For details, refer to "Risk."

 Risk | <https://www.nyk.com/english/ir/manage/risk/>

| Critical Risks | Description of Risks | Major Risks | Description of Risks |
|--|---|---|---|
|  Compliance Risks | Risks in which legal violations or misconduct expose the Group to response costs, fines, and reputational damage |  Strategic & Market Fluctuation Risks | The risk of reduced earnings due to overall decline in demand for cargo transportation, excess capacity, fuel price fluctuations, forex volatility, and other pressures. Also, the risk that insufficient information/communication or other inadequacies lead to poor investment decisions or a loss of creditworthiness in capital markets, or that these outcomes damage the Group's medium- to long-term corporate value. |
|  Major Accidents and Other Operational Risks | The risks of personal injury costs, property damage costs, and serious reputational damage resulting from major accidents involving key assets, such as ship sinkings, collisions, groundings, or fires. Also, the risk of significant economic/social liabilities exceeding insurance coverage, such as accident-related bodily injury, damages to third parties, and environmental impacts. |  Financial & Accounting Risks | The risks of running out of funds needed to operate businesses, incurring valuation losses or sales losses due to a decline in asset sales prices or the market price of financial assets, or suffering losses due to mismanagement of derivative and hedge product transactions. Also, the risks that the settlement of accounts is incomplete/delayed or significant errors occur in disclosures, or that these issues cause a decline in the Group's performance, including reputational damage. |
|  Risks Pertaining to Natural and Other Disasters, and Climate Change Responses | The risk that business continuity will be disrupted if head office and operational functions are paralyzed by catastrophic damage to the head office or major operating sites in Japan and abroad as a result of natural disasters, war, terrorism, conflicts, riots, or other disturbances. Also, the risk that the Group's performance and financial standing will be negatively affected if its inability to comply in a timely manner with tighter environmental regulations for responding to climate change leads to harmful outcomes such loss of customers, deterioration of relationships with local communities, and reduced ability to secure financing. |  Human Rights Risks | The risk of discrimination, harassment, unfair labor practices, child labor, forced labor, or other human rights violations occurring at the Company, domestic/overseas Group companies, or supply chains. |
|  Cyber Risks | The risks of increased response costs and loss of opportunities when cyberattacks on the Group's IT environment result in leakage of confidential information, loss/destruction of data, downtime of core systems, or other issues at its head office and operating sites in Japan and abroad, or on its vessels. |  Risks from Infectious Diseases such as COVID-19 | The risk of temporary disruption of customer services due to the impact on ship operations from mass infection of employees with a global infectious disease. Also, the risk that temporary suspension of service leads to a decline in performance. |

Compliance

Integrity-driven evolution of the global compliance structure

Kenichiro Sutoh

Executive Officer, Deputy Chief Compliance Officer



Compliance is a vital prerequisite for the business activities of all companies, and is the foundation for realizing corporate value. The NYK Group engages in sustainability management aimed at simultaneously creating social and economic value. We recognize that respecting social norms that underpin broader harmony with society is important from the perspective of compliance. The importance of compliance is growing day by day, driven by the need to fulfill our responsibilities across the public nature of our Group's social infrastructure businesses and the diverse regional characteristics connected to people's lives worldwide. This effort is at the heart of our mission to "Bringing value to life."

The Group positions thorough compliance as the most important management issue and aims to build a global compliance system. We established the position of chief

compliance officer (CCO) in 2002, and have been gradually strengthening the system, constructing a system that enables instant collection of information from across the Group. In fiscal 2024, the Group launched Centre of Excellence (CoE) compliance initiatives involving collaboration among five regional management organizations around the world.* These initiatives seek to realize a high level of compliance across the Group through activities such as tracking compliance in all the regions, standardizing goals and rules, and sharing best practices.

*Japan, the Americas, Europe, East Asia, and South Asia

Going forward, we wish to expand the Group's promotion of compliance into activities founded on integrity. We view integrity as a proactive endeavor in which the members of an organization, each fundamentally guided by their own

conscience, conduct themselves according to the ethical decisions they make in the face of the current reality. NYK organizes a Compliance Day event once a year, and in fiscal 2024 we asked employees to respond to the theme, "What rules mean to you." The feedback from the more than 600 respondents revealed that they as individuals had a positive attitude toward rules. This gave us the idea that compliance might be better promoted not through activities in which the Company implants its shared rules and values as something to be obeyed, but through efforts that encourage employees to use their conscience as a moral compass. By sharing this conscience openly and making it common to the entire organization, each individual will be able to act more proactively, and this in turn should create an organization firmly committed to compliance.

Based on this insight, we decided to make the promotion of integrity the overarching policy for our activities in fiscal 2025. In practical terms, these activities do not differ significantly from past initiatives such as harassment training, but they shift the focus to creating an environment where the organization shares the concepts of conscience and proactiveness, and thus makes it easier for the individual members to take ownership of their ethical conduct. Also with regard to the CX Story's vision for the Group's future globalization, we will tackle not only the large-scale challenge—defining role sharing with regions—but also the nuts-and-bolts needs, such as developing globalized talent in Japan and addressing risks likely to actually emerge in the field through various activities, including harassment training for Japanese employees being stationed abroad.

A company's state of being is determined not only by what its members choose to do, but also by what they courageously decide not to do. We will endeavor to cultivate a truly sound corporate culture that remains trusted through actions that harness the conscience of each employee as a source of organizational strength and that are grounded in the Group's core principles—Mission, Vision, and Value.

2025 Compliance Activity Program

1 Activities Promoting Integrity

These activities are for encouraging employees to conduct themselves in ways that concretely embody integrity, which has long been cherished as one of the 3I's* that represent the NYK Group Values. They are global activities that involve the entire organization—NYK and all its Group companies in Japan and overseas—and aim to foster a clear sense of Ethics that serves as a code of conduct for each and every employee. The process behind them focuses on involving all members as an organization, rather than leaving everything up to the individual. Since this is a cross-functional challenge deeply intertwined with the corporate culture, it is driven by collaboration among the legal departments and other relevant units. Specific actions include establishing a code of conduct that applies to all NYK Group companies in Japan and abroad, creating a new communication culture, and implementing anti-harassment initiatives.

*The 3I's are integrity, innovation, and intensity, which represent the values that should be shared by all NYK Group employees to achieve the corporate mission.

2 Strengthening of the Global Compliance System

NYK will accelerate and further enhance the content of its Centre of Excellence (CoE) compliance activities, which were launched in fiscal 2024. That same fiscal year, the Group conducted a gap analysis of the compliance systems in its five regions (Japan, the Americas, Europe, East Asia, and South Asia) based on the NYK Group's compliance standards, and clarified the current situation.

With regard to common challenges in the global organization that were revealed by the analysis, particularly issues in high-risk areas such as economic sanctions and conflicts of interest, we will promote such activities as the formulation of policies, process development, and awareness-raising efforts aimed at reducing risk in collaboration with each region.

3 Strengthening of Whistle-Blowing Systems at NYK and Group Companies in Japan

A survey of Group companies in Japan found that their systems for supporting whistle-blowing report handlers were inadequate and that the existing consultation/whistle-blowing services were difficult to use for the growing number of employees who are foreign nationals. Also, the results of a compliance awareness survey conducted by NYK revealed that mid-career hires and temp staff had a low level of awareness of the Company's whistle-blowing desk.

To address these challenges, support for whistle-blowing report handlers will be stepped up through training provided to domestic Group companies by an external professional service. Also, a multilingual consultation desk will be established for non-Japanese employees to facilitate their use of consultation/whistle-blowing services. Moreover, greater effort will be made to strengthen publicity and activities for raising awareness of whistle-blowing systems. These and other initiatives will help to take the Group's compliance system to a higher level.

Major projects

- Formulation of an NYK Group's code of conduct that applies to all NYK Group companies in Japan and abroad
- Workshops training for creating a new communication culture
- Anti-harassment activities such as harassment training and development of cross-functional mechanisms for addressing harassment cases

NYK Group Mission Statement
Our Mission, Vision, and Value

 P.02

Major projects

- Establishment and implementation of economic sanction policy and conflict of interest policy for the global organization
- Redesign of whistle-blowing and consultation systems for the global organization
- Introduction of compliance training for new hires common to the global organization

Major projects

- Strengthening of publicity and activities for raising awareness of whistle-blowing systems
- Stepping up of support for whistle-blowing desks at domestic Group companies
- Establishment of multilingual whistle-blowing desk for non-Japanese employees

NYK's Compliance Culture as Seen from Group Companies

Messages from Group Company Compliance Officers

01 Kinkai Yusen Co., Ltd.

Our company, with the cooperation of NYK, implements activities such as providing video training in antitrust law and other compliance matters, and examining how to deal with actual cases of legal violations. Last fiscal year, we carried out our first in-house initiative, harassment training on board for seafaring employees.

Communication is a big part of improving corporate culture by fostering the integrity spirit of "doing the right thing" based on social norms and personal ethics. That's why we are building a system to enable all employees on land and at sea to speak up. This is a constant process, and we will continue collaborating with NYK to develop a sound organization.



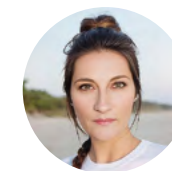
Koji Ikeda
Director, Chief
Compliance Officer

02 NYK Group Europe Ltd.

The launch of the Centre of Excellence (CoE) project marked an exciting step forward in our journey towards a more unified global compliance framework. Through this initiative, we have already started and will continue to align policies and build shared resources and processes that enable a smarter and more effective approach to compliance.

What I want to achieve through this initiative goes beyond operational efficiency. I see this as a chance to empower our teams, foster stronger collaboration, and embed a culture of trust, transparency and accountability across our global footprint. By simplifying how we work together and creating alignment across the regions, we reinforce our collective commitment to doing the right thing and build a more connected, resilient compliance network for the future.

I'm very optimistic about the collaboration already underway and confident that, as this initiative evolves, it will not only streamline processes but also strengthen our global compliance culture. I look forward to seeing an increasingly harmonised structure take shape—one that enables colleagues to work with clarity, confidence and shared purpose, wherever they are in the world.



Christina Kavanagh
Deputy Chief Compliance
Officer