

## Governance

Corporate Governance

# Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
  - Enhancing the Effectiveness of the Board of Directors
  - Auditing System
  - Accounting Audits
  - Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

### Corporate Governance System

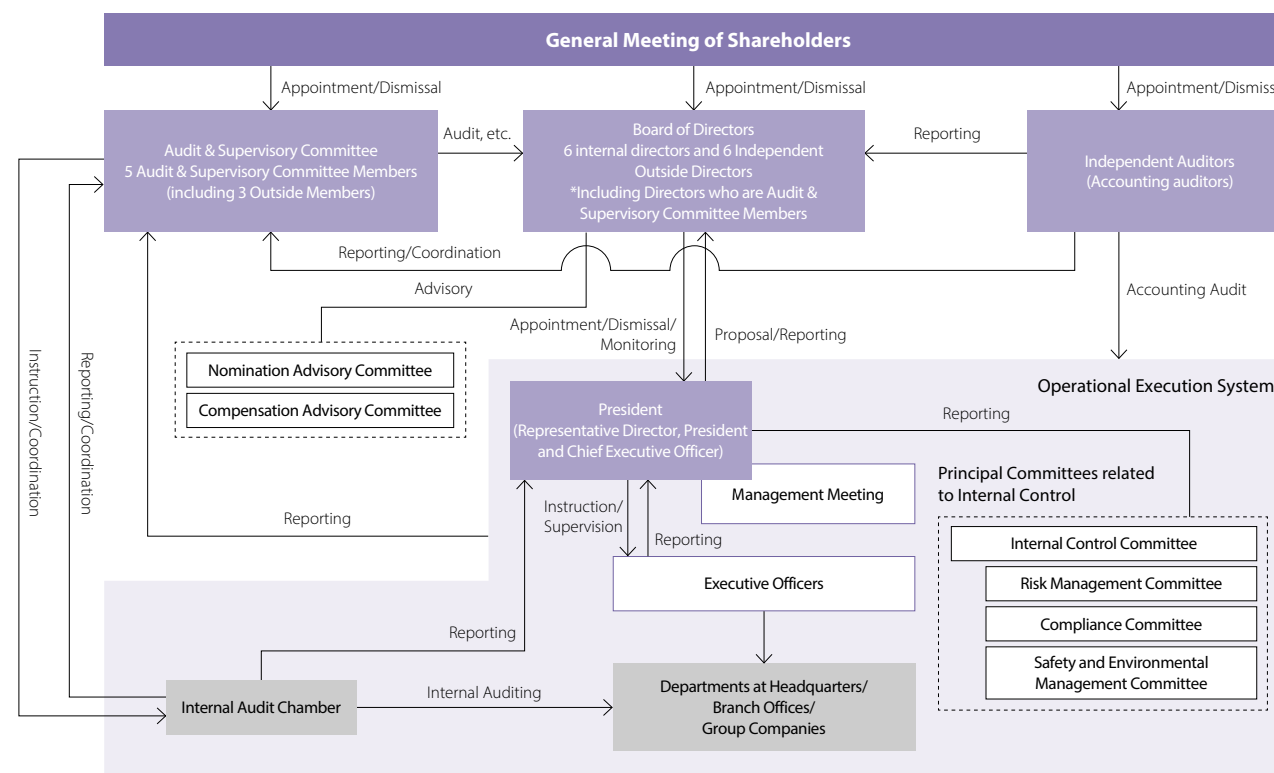
#### Basic Views on Corporate Governance

The Company ensures the transparency and efficiency of its management and strives to build and maintain an appropriate management structure to earn the trust of its shareholders, investors, customers, suppliers, communities, employees of the Company and the NYK Group, and other stakeholders and to meet their expectations. Regarding its organizational form, the Company transitioned to a company with an audit & supervisory committee. 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, and executive officers, in addition to the executive directors, execute the business of the Company under the resolution and supervision of the Board of Directors. In addition to the Board of Directors, the Nomination Advisory Committee and Compensation Advisory Committee, the Independent outside directors attend important committees and conferences, make recommendations related to governance and internal control, participate in activities at discussion meetings among directors, and visit business sites in and outside Japan.

The Company's basic framework and views of corporate governance are set forth in the "Corporate Governance Guidelines," which are disclosed on the website of the Company.

[Link](https://www.nyk.com/english/sustainability/pdf/concept/policy004en.pdf) For more information, click on the link below.  
<https://www.nyk.com/english/sustainability/pdf/concept/policy004en.pdf>

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



## Governance

Corporate Governance

## Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

### History of Enhancing Governance

Year	Details
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 notification of independent directors and auditors as stipulated by stock exchanges in Japan for all four outside directors and outside audit and supervisory board members
2015	According to the Principles of the Japan's Corporate Governance Code, the Company prepared the following <ul style="list-style-type: none"> <li>• Corporate Governance Guidelines</li> <li>• Our Views on Size, Balance and Diversity of the Board of Directors</li> <li>• Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers</li> <li>• Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members</li> <li>• Policies and Procedures for Determining the Compensation for Directors, Audit and Supervisory Board Members and Corporate Officers</li> </ul>
2016	Increased outside directors by one member to 3, and decreased the total number of directors by one to 12 (decreased internal directors by two) Introduced a performance-based stock compensation plan Established the Nomination Advisory Committee and the 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 (decreased internal directors by one) Established the position of chief outside director Reviewed the items for reporting to the Board of Directors, etc., and implemented measures to further stimulate discussions
2018	Appointed an outside advisor in charge of tabulation and analysis, etc. of self-evaluations of the effectiveness of the Board of Directors Decreased the total number of directors by two to 9 (decreased internal directors by two)
2019	Decreased the total number of directors by one to 8 (decreased internal directors by one) 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 Board of Executive Officers
2022	Introduction of the 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 the ratio of independent outside directors has been increased to 50%
2025	Redefinition of the Directors' Skill Matrix

### Enhancing the Effectiveness of the Board of Directors

#### Organizational Design Innovation

##### > Separation of Management and Executive Side

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 of Directors' meetings ways to improve corporate value, such as medium- to long-term management strategies, allocation of management resources including investment in human resources and intellectual property, execution of business portfolio-related strategies, sustainability, and response to major risks.

Under the business execution framework, the Management Meeting, comprising executive officers such as the Chairman and Executive Officer, the President and Chief Executive Officer, the Chief Executives of each headquarter, conducts thorough deliberations on important matters related to business execution, including those to be submitted to the Board of Directors. For matters delegated to executive directors, decisions are made by the president under an established approval structure.

#### Board of Directors-related data (as of June 18, 2025)

Related Data	
Maximum Number of Directors Stipulated in Articles of Incorporation	13
Term of Office Stipulated in Articles of Incorporation	1 year (Directors who are not Audit & Supervisory Committee member) 2 years (Directors who are Audit & Supervisory Committee members)
Chairman of the Board of Directors	Chairman, Director
Number of Directors	12
Of which, the number of Independent Outside Directors	6
Ratio of Female Directors	33% (4 out of 12 directors)

## Governance

Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

## Corporate Governance

### > Established Audit & Supervisory Committee

The Company aims to have a Board of Directors comprising at least approximately half independent outside directors and an Audit & Supervisory Committee with a majority of independent outside directors 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.

### > Activities of 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.



For more information, click on the link below.

- ▶ **Rules on the Nomination Advisory Committee**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy009en.pdf>
- ▶ **Rules on the Compensation Advisory Committee**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy010en.pdf>

### ■ Nomination Advisory Committee and Compensation Advisory Committee Members and Their At-tendance in Fiscal 2024

	Designation	Name	Nomination Advisory Committee	Compensation Advisory Committee
Committee Chair	Independent Outside Director	Eiichi Tanabe	5/5	9/9
Committee member	Independent Outside Director	Nobukatsu Kanehara	5/5	9/9
Committee member	Independent Outside Director	Satoko Shisai	4/5	5/6*
Committee member	Independent Outside Director Audit & Supervisory Committee members	Tatsumi Yamada	5/5	9/9
Committee member	Chairman, Director	Hitoshi Nagasawa	5/5	8/9
Committee member	President, Representative Director	Takaya Soga	4/5	7/9

\*The attendance is counted after their assuming the positions of the Committee Members in June 2024.

### ● Operational Innovation

#### > Size, Balance and Diversity of Board of Directors

The Company has established a policy regarding the balance, diversity, and size of the knowledge, experience, and abilities of the Board of Directors as a whole, and discloses a skills matrix that lists the knowledge, experience, and abilities of directors, along with policies and procedures regarding the appointment of directors.



For more information, click on the link below.

- ▶ **Our Views on Size, Balance of Diversity of the Board of Directors**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy005en.pdf>
- ▶ **Policies and Procedures for the Appointment and Nomination etc. of Directors, Audit & Supervisory Committee Members and Executive Officers**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy006en.pdf>

## Governance

Corporate Governance

## Corporate Governance

### Corporate Governance System

Basic Views on Corporate Governance

— Enhancing the Effectiveness of the Board of Directors

Auditing System

Accounting Audits

Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

Responsibility and Structure

Internal Control over Financial Reporting

Internal Auditing Activities

### Skills Matrix of Directors (as of June 19, 2025) and Attendance at Board Meetings

Directors (excluding Directors who are Audit & Supervisory Committee members)

Designation	Name	Gender	Core Elements of Business Management			Essential Elements of Management Strategy Implementation				Attendance at Board of Directors meetings* %
			Corporate Management	Finance / Accounting	Risk Management	Sustainability	Technology	Human Resources / Organizational Development	Global Insights	
Chairman, Director*	Hitoshi Nagasawa	Men	●		●	●				100% (13/13 times)
President, Representative Director, President and Chief Executive Officer	Takaya Soga	Men	●	●		●			●	92% (12/13 times)
Representative Director, Executive Vice-President, Executive Officer	Akira Kono	Men		●	●	●				100% (13/13 times)
Director, Managing Executive Officer	Yasunobu Suzuki	Men			●			●	●	—
Chief Outside Director, Independent Director	Eiichi Tanabe	Men	●	●	●					100% (13/13 times)
Independent Outside Director	Satoko Shisai	Women				●	●	●		100% (9/9 times)
Independent Outside Director	Satoko Kuwabara	Women			●	●				100% (13/13 times)

\* The Chairman of the Board, who serves as the chairperson, is a non-executive director and does not concurrently serve as a Representative Director.

Directors Who Are Audit & Supervisory Committee Members, etc.

Designation	Name	Gender	Core Elements of Business Management			Essential Elements of Management Strategy Implementation				Attendance at Board of Directors meetings* %
			Corporate Management	Finance / Accounting	Risk Management	Sustainability	Technology	Human Resources / Organizational Development	Global Insights	
Director Audit & Supervisory Committee members	Keiko Kosugi	Women			●	●				100% (13/13 times)
Director Audit & Supervisory Committee members	Yutaka Higurashi	Men			●			●		100% (13/13 times)
Independent Outside Director Audit & Supervisory Committee member	Hiroshi Nakaso	Men		●	●				●	100% (13/13 times)
Independent Outside Director Audit & Supervisory Committee member	Motoyuki Ii	Men	●				●			—
Independent Outside Director Audit & Supervisory Committee member	Ritsuko Nonomiya	Women	●	●					●	—

\* For the period between April 1, 2024 and March 31, 2025. However, for those who were appointed to the Board of Directors on June 19, 2024, attendance at Board of Directors meetings held on or after that date is shown.

### The Company's Guidelines for the Selection of Directors, etc.

Link For more information, click on the link below.  
<https://www.nyk.com/english/sustainability/governance/>

### Number of Shares Held by Directors

Link For more information, click on the link below.  
 NYK Report 2025 P.47  
<https://www.nyk.com/english/ir/library/nyk/>

## Governance

Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

## Corporate Governance

### > Selection of Independent Outside Directors

To guarantee the independence of Outside Directors in substantive terms, in addition to the requirements for Outside Directors set forth in the Companies Act, the Company has established and disclosed independence criteria for outside officers established by the Board of Directors based on the independent criteria set forth by Tokyo Stock Exchange, Inc.

In addition, so we can anticipate their contributions to frank, active, and constructive deliberations in the Board of Directors, we elect as Independent Outside Directors persons who have broad knowledge or advanced expertise, excellent insight, a wealth of experience, and a good track record in their area of specialty.

[Link](https://www.nyk.com/english/sustainability/pdf/concept/policy007en.pdf) For more information, click on the link below.  
**▶ Independence Criteria for Recommendation of Candidates for Outside Directors**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy007en.pdf>

### > Training for Directors and Corporate Officers

In order to achieve the medium- to long-term vision of the Group and improve sustainable corporate value, we provide opportunities for inside and outside directors, and executive officers to participate in in-house training and external courses to maintain the effectiveness of the Board of Directors, deepen understanding of legal compliance such as fair trade, and improve governance functions.

We provide practical training, including timely lectures on the latest trends, as well as education for gaining knowledge on themes such as the Companies Act, internal control, risk management, compliance, crisis management, business analysis, and financial strategy. We also actively arrange external lectures to share our expertise and skills in sustainability, such as “business and human rights” and sustainability information disclosure.

### Example of Training Menu

- Reconsidering the Essence of the “Monitoring Model” and Evolving Governance Practices — with Reference to Corporate Case Studies
- Practical Approaches to Board Reform — Overcoming Challenges to Enhance Corporate Value
- Corporate Strategies for Decarbonization — Situational Analysis in Europe and the U.S., Best Practices, Market Evaluation, and Strategic Direction
- Geopolitical Risks, Business and Human Rights, and Corporate Misconduct — Key Issues in Overseas Operations and the Responsibilities of Directors

### • Evaluation of the Effectiveness of the Board of Directors

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

#### 1) Summary of the Fiscal 2024 Evaluation

In fiscal 2024, we conducted a survey consisting of 19 questions under five topics, which were selected taking into account third party advisors’ opinions. 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 the management, and (5) dialogues with shareholders.

#### 2) Results of the Evaluation of Effectiveness

##### i. Overview

Based on discussions held following the survey results, it was determined that the Board of Directors is functioning appropriately

and its effectiveness is ensured.

In particular, the formulation of an annual plan at the beginning of the fiscal year for agenda items and timing of deliberations enabled the Board to allocate sufficient time to high-priority matters that contribute to enhancing corporate value, thereby improving its effectiveness. Furthermore, regarding item (3) corporate ethics and risk management, initiatives such as discussions at Board meetings and revisions to internal regulations were positively evaluated, resulting in significant improvement.

##### ii. Initiatives in Fiscal 2024

In fiscal 2024, to address the agenda-setting issues identified in the previous year, the Company formulated an annual plan at the beginning of the fiscal year that focused on enhancing the corporate value of the entire NYK Group, including consolidated subsidiaries and affiliated companies. The Board of Directors allocated sufficient time to deliberate on key matters such as capital policy, business portfolio, group management, geopolitical risks, and sustainability issues—including decarbonization strategies and diversity in human capital—thereby improving its effectiveness. In addition, the Board discussed revisions to the compensation system for directors and executive officers. These revisions were designed to further align interests with shareholders and to provide balanced incentives not only for achieving annual performance targets but also for promoting sustainable growth, enhancing long-term corporate value, and advancing sustainability management.

##### iii. Issues Recognized

It was commonly recognized that further optimization of agenda items discussed at Board of Directors meetings is necessary, along with continuous improvements in the operation of such meetings to enable more focused deliberations. In addition, the need to deepen discussions on the approach to monitoring succession planning and

## Governance

Corporate Governance

## Corporate Governance

### Corporate Governance System

Basic Views on Corporate Governance

- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

the development of executive talent was also identified.

### 3) Initiatives in Fiscal 2025

By utilizing the characteristics of a company with an audit & supervisory committee, the Company will continue to speed up decision-making and further strengthen monitoring functions. Amid growing uncertainty in the global economy, the Company remains vigilant to external impacts and strives to respond swiftly to changes in the business environment.

Recognizing the need for continuous improvement in the operation of the Board of Directors and further optimization of agenda items, NYK will deepen discussions aimed at enhancing the corporate value of the entire NYK Group, including consolidated subsidiaries and affiliated companies. In particular, the Board plans to explore in greater depth the approach to monitoring succession planning and the development of executive talent as a key medium- to long-term theme. Furthermore, the Company will enhance the disclosure of initiatives aimed at sustainable corporate value creation and continue to actively engage in dialogue with shareholders.

### Auditing System

The Audit & Supervisory Committee of the Company consists of five Audit & Supervisory Committee Members, including three Independent Outside Directors (including two female Committee Members), and, as an independent body entrusted by the shareholders, performs audits of the Directors execution of their duties. Specifically, in conformity with the Rules on Audit & Supervisory Committee and the Code of Audit & Supervisory Committee Auditing and Supervising Standards prescribed by the Audit & Supervisory Committee and in accordance with audit policies and plans, etc., the Committee systematically pursues audit

activities on a day-to-day basis in close coordination with the internal audit division, assigning priority to auditing of matters such as the status of development and implementation of internal control systems, the status of development of operational foundations, and the status of promotion of management plans and other measures. The Audit & Supervisory Committee Members also attend important meetings, including Board of Directors meetings, request briefings about the status of the execution of their duties from the Executive Directors, employees, and others, and express their opinions. With regard to the Group companies, they communicate and exchange information with the Directors of those companies or the division, etc. in charge of the Company and, when necessary, receive business reports and seek briefings. Furthermore, they also coordinate with the Auditors, etc. of the Group companies through liaison meetings and other means, in their efforts to raise the quality of audits of the Group as a whole. In addition, the Company has established an Audit & Supervisory Committee's Office to assist the Audit & Supervisory Committee Members in their duties and to support the smooth execution of those duties and has assigned four dedicated staff to that Office. The Outside Directors who are Audit & Supervisory Committee Members express their opinions from their respective independent positions at meetings of the Board of Directors, Audit & Supervisory Committee, and other forums, based on their wealth of experience and high degree of knowledge in their individual fields, and conduct audit activities such as hearing reports from the major Executive Directors and Executive Officers, the Accounting Auditors, and others. In so doing, they are contributing to the sound and fair management of the Company.

### Audit & Supervisory Committee and Board Meeting Attendance (in Fiscal 2024)

Designation	Name	Audit & Supervisory Committee
Director Full-time Audit & Supervisory Committee Member	Eiichi Takahashi	100% (16/16 times)
	Keiko Kosugi	100% (16/16 times)
Independent Outside Director Audit & Supervisory Committee Member	Hiroshi Nakaso	100% (16/16 times)
	Satoko Kuwabara	100% (16/16 times)
	Tatsumi Yamada	100% (16/16 times)

### Accounting Audits

The certified public accountants who audit the Company's consolidated and non-consolidated financial statements are Yoshiaki Kitamura, Takuya Sumita, and Kenta Suzuki, all of whom are with the accounting firm Deloitte Touche Tohmatsu LLC. The fiscal year ended March 31, 2007 was the first year for continuous audits by the accounting firm, and the number of years for continuous audits by each member as an engagement partner is seven years or less. These accountants are assisted by 15 certified public accountants, four successful candidates of the certified public accountant examination, and 57 others.

Audits are undertaken in accordance with standards generally accepted as fair and appropriate. Major overseas consolidated subsidiaries that have financial statements and internal controls audited generally appoint accounting firms that belong to the same network (Deloitte Touche Tohmatsu Limited) as the independent auditor for the Company.

## Governance

### Corporate Governance

#### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

#### Executive Compensation Plan

#### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

## Corporate Governance

The Audit & Supervisory Committee evaluates accounting auditors regarding their auditing systems, independence, and performance in accordance with NYK's standard evaluation sheet. The Board also decides whether to renew or dismiss accounting auditors each year.

#### Remuneration for Certified Public Accountants and Other Auditors

Category	Unit	FY2023		FY2024	
		Remuneration paid for audit certification activities	Remuneration paid for non-audit activities	Remuneration paid for audit certification activities	Remuneration paid for non-audit activities
The Company		207	48	212	4
Consolidated Subsidiaries	millions of yen	117	0	120	0
<b>Total</b>		324	48	332	4

#### Relationship with Shareholders

We have established and disclosed the Corporate Governance Guidelines regarding our relationship with shareholders, including respect for voting rights, ensuring the rights and equality of shareholders, and preventing and prohibiting transactions that are contrary to the interests of shareholders.

#### Conflicts of Interest/Related Party Transactions

When the Company proposes to carry out a transaction with any of its directors, it must be approved at the meeting of the Board of Directors in advance in accordance with the Rules on the Board of Directors. Any important facts about the transaction are also reported at the meeting of the Board of Directors after it is executed. To impose discipline on transactions between the Company and another company of which a director of the Company also serves as an executive, etc., the Company has introduced rules requiring Directors and Executive Officers to report the status of any such

concurrent positions to the Company every quarter. A database has also been established to allow relevant departments to check this information as needed. In addition, if a director is to assume the position of representative director or equivalent at another company that is not a wholly owned subsidiary, prior approval by the Board of Directors is required. As of the end of March 2025, there were no major shareholders holding 10% or more of the total voting rights. However, if any transactions with major shareholders arise in the future, the terms and conditions of such transactions will be examined and determined in the same manner as applied to third-party transactions.

The Corporate Governance Guidelines also stipulate the "Prevention and Prohibition of Transactions that Would Harm the Interests of Shareholders."

#### Policy for Holding Strategic Shareholdings

The Company is working to reduce its strategic shareholdings in accordance with its policy. In line with Article 5, Paragraph 2 of the Corporate Governance Guidelines established in November 2015, the Board of Directors annually examines the purpose and significance of each individual strategic shareholding, taking into account factors such as earnings targets based on capital cost, dividends, transaction status, and impact on business activities. Based on this comprehensive evaluation, the Board decides on measures to reduce such holdings. As a result, the number of listed stocks held by the Company decreased from 56 at the end of FY2016 to 23 at the end of FY2024, a reduction of 33 stocks.

The shares currently held by the company as strategic shareholdings are important business partners that are expected to have a long-term business relationship that contributes to the stability of our business performance and are considered appropriate as a means of maintaining or strengthening relations.

When exercising voting rights of strategic shareholdings,

the Company shall decide to vote for or against agenda items by implementing assessment that each agenda item will not lead to the impairment of corporate value of an investee company and whether each agenda item will contribute to the enhancement of the Company's corporate value and the degree of such contribution based on certain criteria. In particular, the Company shall establish separate criteria and deliberate on whether to vote for or against proposals on the two topics below.

#### (1) Appropriation of surplus

- Whether the proposal will cause significant problems with financial soundness
- Whether internal reserves are markedly short of an appropriate level
- Whether the proposal will be appreciated as a means of shareholder returns to a certain extent in terms of payout ratio, etc

#### (2) Proposals for the election of Directors and Audit and Supervisory Board Members

- Whether the Company reported loss and paid no dividends in the past three fiscal years, and is not expected to make any improvements
- Whether there was serious misconduct, such as an unlawful act, causing a certain level of impact on business performance, and there deem to be no appropriate disclosure of preventive measures or improvement measures, etc.
- in the event that either of the above conditions is true, whether there are any circumstances that should be given special consideration

## Governance

Corporate Governance

## Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

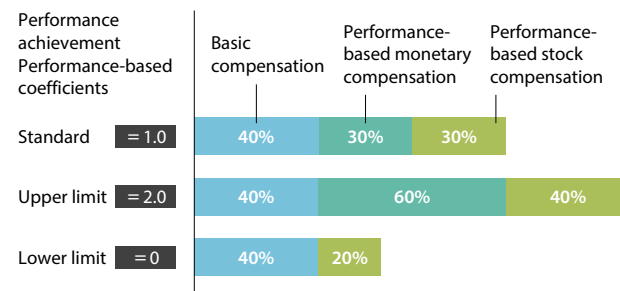
### Executive Compensation Plan

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

#### Compensation Structure



Note: The above shows the component weights for the president (subject to change according to position)

#### 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 *1	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)

\*1: 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.

\*2: vs. FY2021, – Absolute corporate emissions targets



For more information, click on the link below.

► **Policies for Determining Compensation for Directors and Executive Officers**  
<https://www.nyk.com/english/sustainability/pdf/concept/policy008en.pdf>



For more information, click on the link below.

► **Notice of the 138th Ordinary General Meeting of Shareholders**

P.44

<https://www.nyk.com/english/ir/stock/meeting/>

## Governance

Corporate Governance

## Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

### Total amount of Executive Compensation, etc. (FY2024)

Officer classification	Total amount of compensation, etc. (Millions of yen)	Total amount by type of compensation, etc. (Millions of yen)				Number of executives (person)
		Basic compensation	Monetary compensation	Stock compensation		
				fixed	performance-based	
Directors (Excluding Directors who are Audit & Supervisory Committee Members) (Of which, for Outside Directors)	463 (57)	306 (57)	49 (-)	78 (-)	29 (-)	8 (4)
Directors who are Audit & Supervisory Committee members (Of which, for Outside Directors)	149 (59)	149 (59)	- (-)	- (-)	- (-)	5 (3)

Note: The amount of monetary compensation is the amount of compensation under the performance-based monetary compensation plan, and the amount of stock compensation is the amount of compensation under the performance-based stock compensation plan

Link

For more information, click on the link below.

▶ **Corporate Governance Report**  
**Director Remuneration - Status of Disclosure of Individual Director's Remuneration**

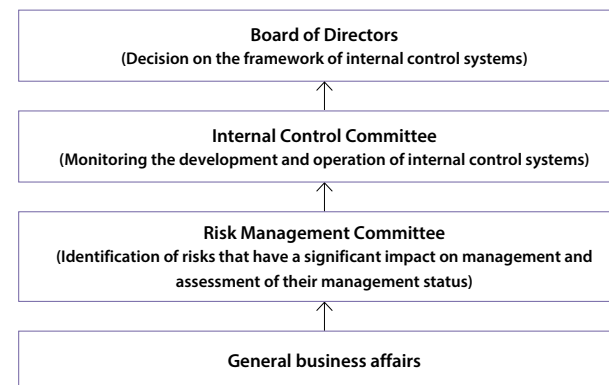
<https://www.nyk.com/english/sustainability/pdf/concept/policy003en.pdf>

### Internal Control Committee

#### Responsibility and Structure

Our Group maintains the Internal Control Committee, which acts as a complementary body to the Board of Directors. This committee confirms the status of internal control for the four purposes of reliability of reporting, compliance with laws and regulations, effectiveness and efficiency of operations, and preservation of assets, and if any problems are found, takes corrective measures

to ensure that the relevant departments operate internal control appropriately and efficiently.



#### (Major committees related to internal control)

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

#### ● Internal Control Committee

The Internal Control 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 2024, the Company evaluated the internal control system and its operational status using a method aligned with risk management, and confirmed that there were no material deficiencies in internal control.

#### Internal Control over Financial Reporting

In regard to internal control over financial reporting, the Group has designed and operated internal controls in conformance with the practice standards mandated in the Financial Instruments and Exchange Act, and has established policies and operational rules for appropriate accounting and financial reporting, and the internal control reporting system, and the Committee for information disclosure to ensure the appropriateness of financial reporting.

#### Internal Auditing Activities

The Company reviews and evaluates the status of management and operational systems and business execution at the Company and its Group companies from the perspective of legality and rationality, and seeks to preserve corporate assets and improve the effectiveness and efficiency of business management by providing advice and recommendations for improvement. The internal audit plan is approved by the president and the Audit & Supervisory Committee. In conducting audits, the Internal Audit Chamber regularly exchanges opinions with Full-time Audit & Supervisory Committee members and confirm issues with related departments in advance, thereby enhancing the efficiency and usefulness of audits. By establishing a system through which the internal audit department directly reports the status of internal audits to directors in an appropriate manner, the Company ensures effective collaboration with the directors and consistently reports to the Board of Directors.

## Governance

Corporate Governance

### Corporate Governance System

- Basic Views on Corporate Governance
- Enhancing the Effectiveness of the Board of Directors
- Auditing System
- Accounting Audits
- Relationship with Shareholders

### Executive Compensation Plan

### Internal Control Committee

- Responsibility and Structure
- Internal Control over Financial Reporting
- Internal Auditing Activities

## Corporate Governance

### ● Audit of domestic companies

The Internal Audit Chamber regularly conducts business audits of the Company and its domestic Group companies, with 28 audits conducted in fiscal 2024. To improve audit efficiency and accuracy, we have introduced and developed "data auditing," which visualizes anomalies and signs of risk based on data such as expenses, accounting, and attendance.

For audits of the head office and domestic Group companies, we incorporate diverse perspectives and expertise by appointing secondees from major Group companies and experienced external personnel, promoting mutual learning among auditors and advancing audit methodologies.

### ● Audit of overseas companies

For audits of overseas Group companies, internal auditors are assigned to four overseas regions—Americas, Europe, East Asia, and South Asia—and conduct regular business audits under a collaborative framework with the head office. In fiscal 2024, 53 audits were conducted. The results of these audits are reported not only to the responsible officers at the head office but also to the regional heads, contributing to the strengthening of internal controls at the regional level.

The Internal Audit Chamber at the headquarters and overseas audit organizations pursue best practices and collaborate based on a shared understanding, steadily advancing the framework that supports the NYK Group's overall internal control foundation.