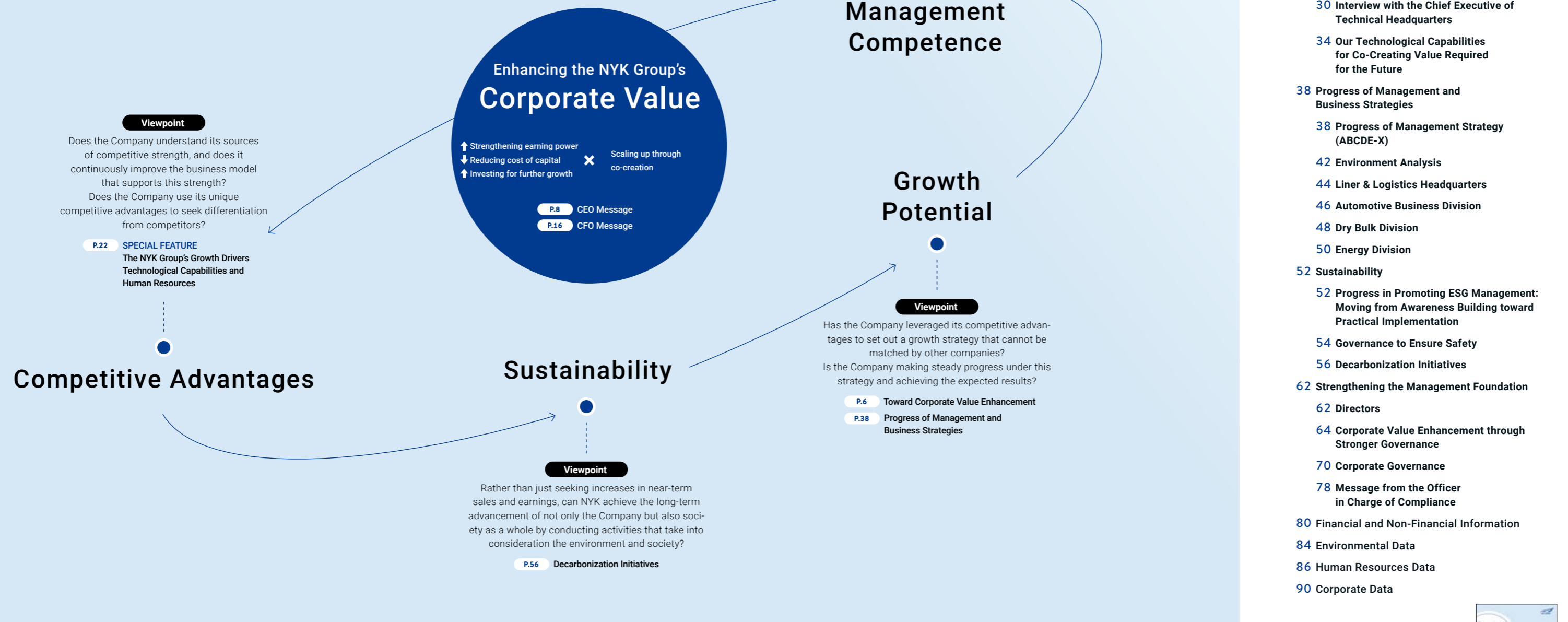


ABOUT THIS REPORT

This Report

The content of this report reflects the viewpoints of shareholders, investors, and other external stakeholders by answering the questions “Why choose the NYK Group?” and “Why invest in the NYK Group?” The charts in the following pages are intended to further understanding of the NYK Group.



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Cautionary Statement with Regard to Forward-Looking Statements

Some statements made in this report are forward-looking statements that are based on information currently available and involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Please be advised against undue reliance on such forward-looking statements. NYK undertakes no obligation to publish revised forward-looking statements to reflect events, circumstances, or unanticipated events after the present juncture.

Scope of Report

- Reporting period: fiscal 2023 (April 2023 to March 2024). However, certain information from April 2024 and after is included.
- Coverage: The activities of NYK and its consolidated Group companies in Japan and overseas are included. The scope of coverage is indicated when there are differences in the major companies involved in specific business operations.
- Date of issue: October 2024 (previous: October 2023; next: September 2025)

(Edited based on the Japanese version of NYK Report 2024 issued in September 2024)

Guidelines for Disclosure about Environmental, Social, and Governance Factors

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

Cover Explanation

The initiatives of the Group's medium-term management plan are progressing and producing results steadily and globally. The cover design represents the Group going beyond the scope of a comprehensive global logistics enterprise to pursue co-creation around the world.



Co-Creating Value Required for the Future with an Array of Stakeholders

The NYK Group will realize its vision and create value throughout the supply chain in accordance with the mission of "Bringing value to life," which has been the unchanging corporate philosophy and social mission of the Group since its founding, and based on the Value that are important to all Group employees: Integrity, Innovation, and Intensity.

OUR MISSION

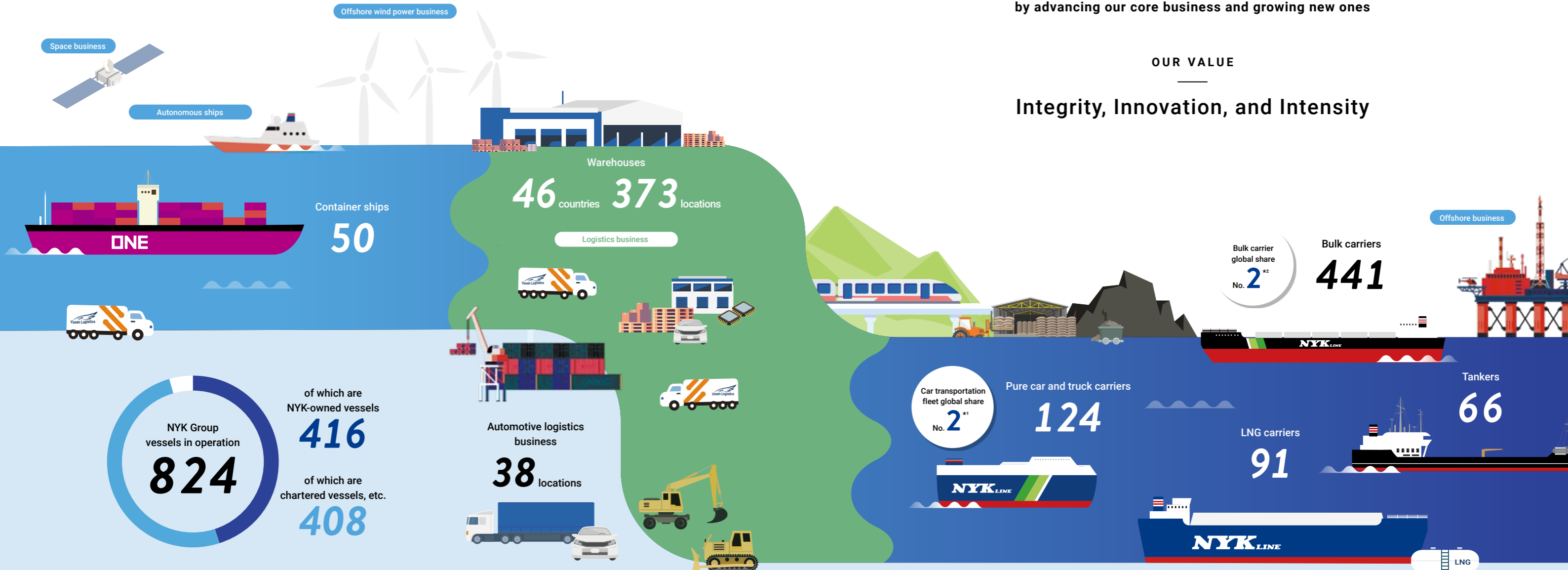
Bringing value to life.

OUR VISION

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

OUR VALUE

Integrity, Innovation, and Intensity



* Vessel numbers are as of March 31, 2024.

*1 As of December 31, 2023. Calculated by NYK based on "The Car Carrier Market 2023" by Hoesne Shipping AS. The ranking is based on pure car and truck carriers with capacities of at least 3,000 vehicles.

*2 As of January 1, 2024. Calculated by NYK based on Clarksons Database.

Performance Review

Earning Power

Revenues (Fiscal 2023)
¥2,387.2 billion

Net income attributable to owners of parent (Fiscal 2023)
¥228.6 billion

Return on equity (ROE) (Fiscal 2023)
8.9 %

Return on invested capital (ROIC) (Fiscal 2023)
8.3 %

Recurring profit (Fiscal 2023)
¥261.3 billion

Liner & Logistics Business

Liner Trade
¥67.8 billion

Air Cargo Transportation
¥5.7 billion

Logistics
¥25.9 billion

Bulk Shipping Business

Automotive
¥105.8 billion

Dry Bulk
¥18.0 billion

Energy
¥46.3 billion

Stability

Shareholders' equity (Fiscal 2023)
¥2,650.3 billion

Shareholders' equity ratio (Fiscal 2023)
62.3 %

Interest-bearing debt (Fiscal 2023)
¥913.8 billion

Debt-to-equity ratio (Fiscal 2023)
0.34 times

Shareholder Value

Total shareholder returns (TSR) (Fiscal 2023)
979.6 %

Cash dividends per share (Fiscal 2023)
¥140

Total acquisition of own stock (Fiscal 2023)
¥200.0 billion

Price-to-earnings ratio (PER) (End of fiscal 2023)
8.2 times

Price-to-book ratio (PBR) (End of fiscal 2023)
0.7 times

Unique Strengths

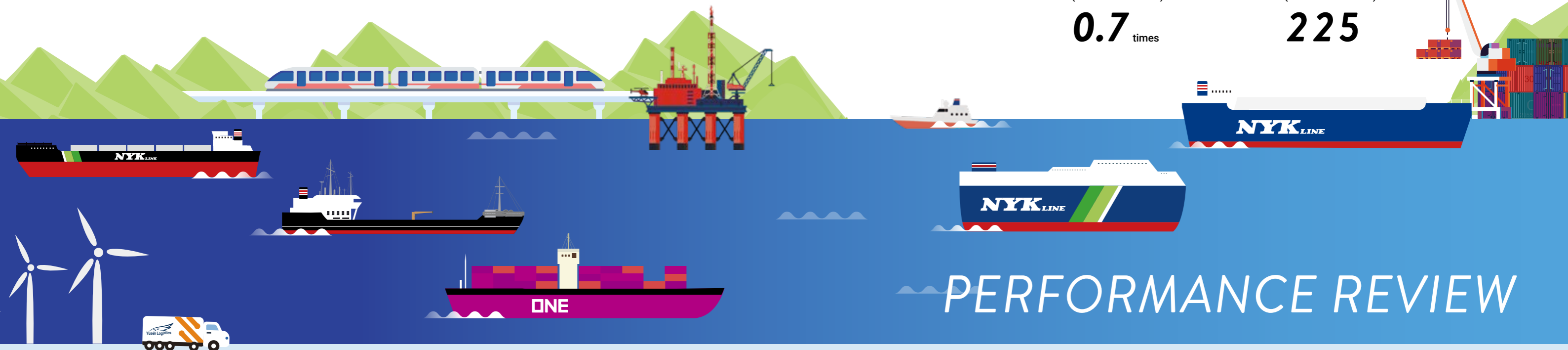
Years since foundation in 1885
139 years

Number of Group employees (End of Fiscal 2023)
35,243

Cumulative number of NTMA*1 graduates (End of Fiscal 2023)
1,456

Investment in digital transformation and R&D*2 (Fiscal 2023)
¥5.2 billion

Number of patents (End of Fiscal 2023)
225



PERFORMANCE REVIEW

*1 NYK-TDG Maritime Academy, which opened in the Philippines in 2007
 *2 Digital transformation is based on head office results, and R&D is based on consolidated results.

Toward Corporate Value Enhancement

Management Focused on Cost of Capital and Share Price

- Advancing the measures of the medium-term management plan
- Aiming for sustained improvement of ROE above the cost of shareholders' equity by enhancing capital efficiency and pursuing improvement with a focus on a price book-value ratio of 1.0 times

$$PBR = 1.0 + \frac{\text{Equity spread (ROE - Cost of capital)}}{\text{Cost of capital - Growth rate}}$$

		FY2023	FY2024	FY2025–FY2026
ROE Enhancement	Profitability improvement	Improving business efficiency and conducting portfolio management using ROIC (target: at least 6.5%)		
	Enhancement of shareholder returns	<ul style="list-style-type: none"> • Enhancement of shareholder returns • Dividend payout ratio: 25% → 30% • Annual dividend per share of ¥140.0 • Minimum dividend set at ¥100.0 • Stock acquisition of ¥200.0 billion 	<ul style="list-style-type: none"> • Dividend payout ratio of 30% • Annual dividend per share of ¥260.0 • Additional stock acquisition of ¥100.0 billion Note: All as of August 2024 announcement	–
	Balance sheet management	<ul style="list-style-type: none"> • Transition bond issuance (second) 	Diversifying fundraising through green bonds and green loans, etc. Controlling shareholders' equity ratio (FY2024 65% → FY2026 57%)	
Enhancement of Growth Potential	Growth investment	<ul style="list-style-type: none"> • Approximately ¥750.0 billion earmarked for investment, focusing on conversion to LNG fuel, decarbonization, M&A, etc. 	Given cash generation capacity, raising investment ceiling from ¥1.2 trillion to ¥1.3 trillion Accelerating investment in human resources, R&D, and digital transformation	
Reduction of Cost of Capital	Volatility reduction	<ul style="list-style-type: none"> • Securing long-term stable contracts in LNG carrier business • In the automotive business, using LNG-fueled vessels as a foothold to accumulate stable earnings • In the dry bulk business, conducting advanced control of exposure and using next-generation fuel ships as a foothold to accumulate stable earnings • In the logistics business, establishing a stronger earnings base less susceptible to market conditions through M&A, etc. 		
	Strengthening of governance	<ul style="list-style-type: none"> • Expediting decision-making process • Upgrading management of Group companies • Strengthening management of overseas organizations 	Continuously reforming governance structure Continuously strengthening Group management	
	Enhancement and expansion of disclosure	<ul style="list-style-type: none"> • Launching Discover Our ESG Stories, a platform focused on both corporate value and frontline employees 	<ul style="list-style-type: none"> • Enhancing transparency through change in disclosure segments • Extending the scope of human rights due diligence • Revising, expanding, and enhancing ESG Data Book 	<ul style="list-style-type: none"> • Increasing and enhancing GHG emissions data

Change in Disclosure Segments

As of fiscal 2024, the method of presentation of disclosure segments was changed by dividing the "bulk shipping business," which has increased in scale, into the "automotive business," the "dry bulk business," and the "energy business."

For further understanding of its initiatives to enhance ROE and reduce the cost of shareholders' equity (reduce business volatility), NYK will continue increasing and enhancing disclosure.

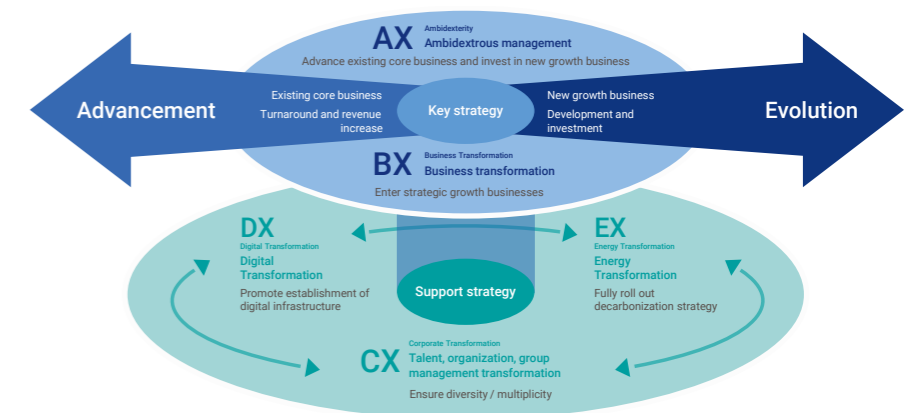
Progress of the Medium-Term Management Plan

Basic Policy

1. Make ESG core to the medium-term management plan—Create ESG Strategy Headquarters
2. Execute an active investment strategy to expand the business in growth areas
3. Accelerate decarbonization efforts based on the plan to achieve net zero by 2050
4. Further enrich human capital and corporate infrastructure

Overview of Management Strategy

Our management strategy comprises two parts: a key strategy with core businesses and new businesses as the two pillars (AX and BX) and function strategies (CX, DX, and EX) supporting the key strategy. We will execute these five strategies, which we refer to as ABCDE-X, to heighten corporate value as much as possible.



Progress in Relation to Management Indicators

	FY2022 results	FY2023 results	FY2024 forecast	FY2026	FY2030
Recurring Profit	¥1,109.7 billion	¥261.3 billion	¥410.0 billion	¥270.0 billion	¥340.0 billion
Except for ONE	¥339.4 billion	—	—	¥150.0 billion	¥160.0 billion
ONE (Our Estimate)	¥770.3 billion	—	—	¥120.0 billion	¥180.0 billion
Net Income	¥1,012.5 billion	¥228.6 billion	¥390.0 billion	¥240.0 billion	¥310.0 billion
Shareholders' Equity Ratio	66%	62%	65%	57%	Around 57%
After Adjustment for Charter Fee Liabilities	55%	53%	56%	49%	Around 50%
ROIC	35.7%	8.3%	6.9%	6.5%	Over 6.5%
ROE	48.3%	8.9%	9.3%	10.2%	Over 10%

Notes: 1. The forecasts in this financial plan are based on assumptions aligned with the March 7, 2023, announcement concerning the air cargo transportation business.
2. With respect to the (forecast) figures for fiscal 2024, recurring profit and net income are the forecast figures included in the announcement of first-quarter financial results in August 2024, and the items from shareholders' equity ratio through ROE are the forecast figures included in the announcement of fiscal 2023 full-year financial results in May 2024.

Material issues	Target	FY2021	FY2022	FY2023
Safety	Number of major accidents*1: 0 accidents	1 accident	2 accidents	3 accidents
Environment**	GHG (Scope 1+2) Reduction of 45% (vs. FY2021, Absolute corporate emissions targets) by FY2030	Scope 1+2: 12,724,086 (base year)	Scope 1+2: 11,331,299 (-11% vs. FY2021)	Scope 1+2: 11,473,705 (-9.8% vs. FY2021)
	Net Zero (Scope 1+2+3) by FY2050	Scope 1+2+3: 16,614,748	Scope 1+2+3: 14,595,322	Scope 1+2+3: 14,929,553
Human Resources	Women manager ratio of 30% by 2030	Non-consolidated: 14.0% Consolidated: 25.9%	Non-consolidated: 13.7% Consolidated: 25.2%	Non-consolidated: 13.6% Consolidated: 26.2%

*1 Major accident: An accident that results in a fatality or that has a major social impact
*2 Unit: ton-CO₂e