

Directors (As as of June 19, 2024)



Eiichi Takahashi
Director,
Audit & Supervisory
Committee Member

Hiroshi Nakaso
Outside Director,
Audit & Supervisory
Committee Member,
Independent Director

Eiichi Tanabe
Chief Outside Director,
Independent Director

Keiko Kosugi
Director,
Audit & Supervisory
Committee Member

Akira Kono
Representative Director,
Executive Vice-President
Executive Officer

Hitoshi Nagasawa
Chairman, Director

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

Yutaka Higurashi
Director,
Senior Managing
Executive Officer

Nobukatsu Kanehara
Outside Director,
Independent Director

Tatsumi Yamada
Outside Director,
Audit & Supervisory
Committee Member,
Independent Director

Satoko Shisai
Outside Director,
Independent Director

Satoko Kuwabara
Outside Director,
Audit & Supervisory
Committee Member,
Independent Director



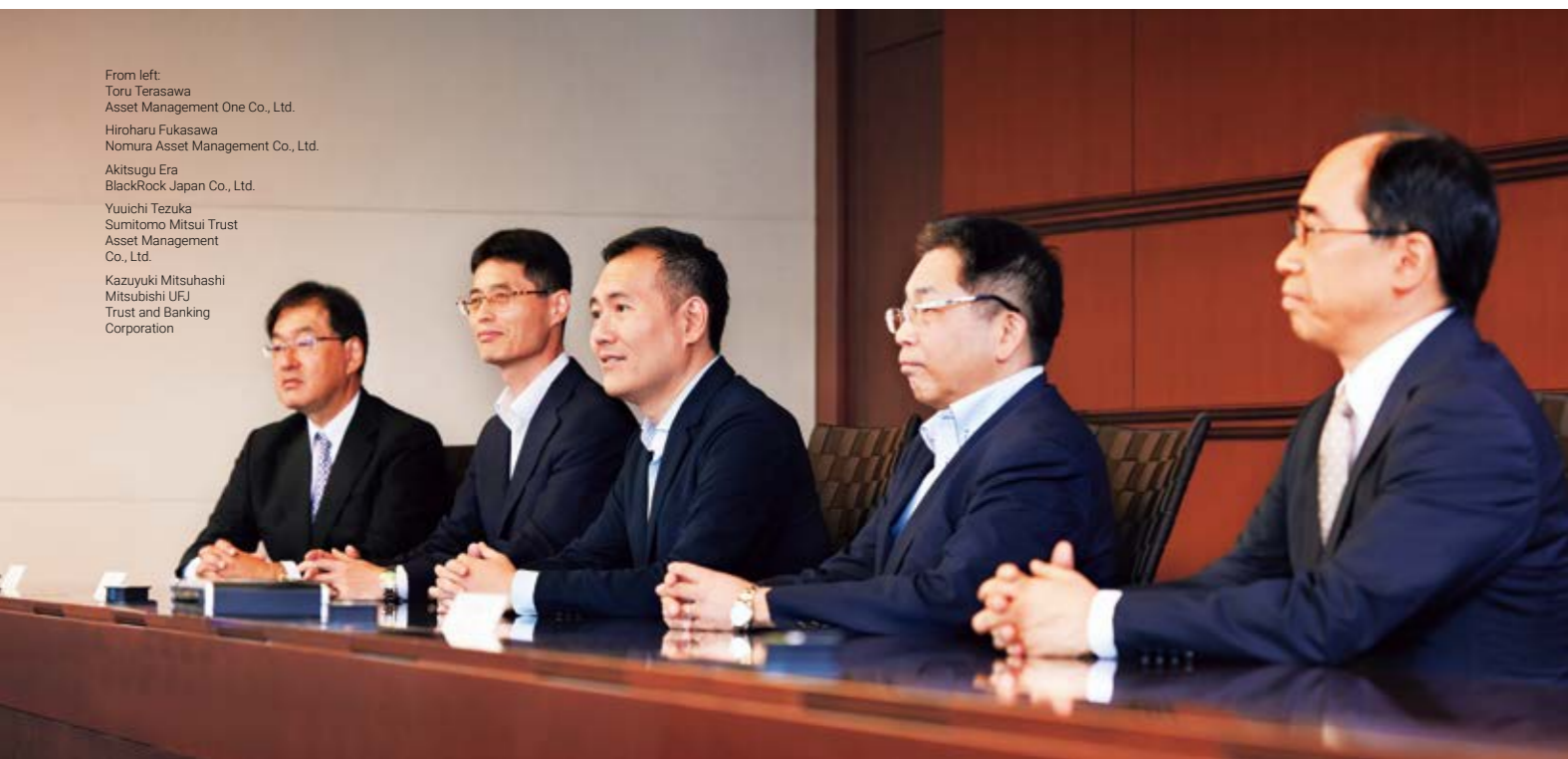
From left:
Hitoshi Nagasawa
Chairman, Director
Eiichi Tanabe
Chief Outside Director,
Independent Director
Hiroshi Nakaso
Outside Director,
Audit & Supervisory
Committee Member,
Independent Director
Satoko Kuwabara
Outside Director,
Audit & Supervisory
Committee Member,
Independent Director

Discussion with Outside Directors and Institutional Investors

Corporate Value Enhancement through Stronger Governance

The NYK Group is changing its organizational design to enhance the effectiveness of the Board of Directors and strengthen its monitoring capabilities.

As the Board of Directors transitions from a management model to a monitoring model, we held a discussion, which included institutional investors, on how best to increase corporate value. (The discussion was held in July 2024.)



From left:
Toru Terasawa
Asset Management One Co., Ltd.
Hiroharu Fukasawa
Nomura Asset Management Co., Ltd.
Akitsugu Era
BlackRock Japan Co., Ltd.
Yuuichi Tezuka
Sumitomo Mitsui Trust
Asset Management
Co., Ltd.
Kazuyuki Mitsuhashi
Mitsubishi UFJ
Trust and Banking
Corporation

Evaluation of the Year Since Transitioning to a Company with Audit and Supervisory Committee Governance System

Nagasawa Following a resolution by the Ordinary General Meeting of Shareholders held in June 2023, we transitioned from a company with board of company auditors governance system to a company with audit and supervisory committee governance system. We implemented the transition to expedite decision-making by enhancing the effectiveness of the Board of Directors and strengthening its monitoring capabilities. We have also put systems in place to ensure that the Board is able to have fuller discussions within the limited time available. These systems include briefings that explain important matters to outside directors as well as prior briefings that provide them with explanations on matters to be discussed at the Board meetings.

In fiscal 2023, the Board of Directors discussed capital policy, the Company's human resource strategy, and the NYK Group ESG Story and reviewed the medium-term management plan. I believe that in improving the effectiveness of the Board, the type of agendas set is as crucial as the substance of discussions.

Kuwabara The main goal of the transition to a company with audit and supervisory committee governance system is to move from a management model to a monitoring model. Until now, under the company with board of company auditors governance system, for example, many individual ship investment projects required resolutions of the Board. A considerable amount of effort and time was spent making decisions on such matters. With the introduction of a company with audit and supervisory committee governance system, investment decisions and decision-making for individual ship investment projects have been entrusted to the executive side. Meanwhile, the Board can discuss issues that are more focused on the NYK Group's medium- to long-term growth. These issues include monitoring exposure associated with ship investments and checking that the progress of fleet development is in line with the NYK Group ESG Story. I view the change in organizational design as a very good measure. NYK's financial base has improved significantly, and the Company is implementing more-aggressive growth investments. Against this backdrop, the role of the Board of Directors has been adjusted, allowing it to devote more time to necessary discussions. In addition, until now the Board has tended to deal with agenda items submitted by



the executive side. However, the change in the governance system has allowed the Board to discuss the setting of agendas themselves. As outside directors, we have begun to express opinions on the topics that we would like to discuss. The emergence of this change in awareness is one of the benefits of the transition.

Institutional investor You mentioned the importance of setting agendas. Since transitioning to a company with audit and supervisory committee governance system, how much time have you been able to spend on discussing agenda items related to the topic of enhancing corporate value? Also, how much time do you intend to spend in the future on discussions of this topic? Would it be possible to set out these quantitative and qualitative changes in this integrated report?

Kuwabara Based on the idea of changing to a monitoring model, we have been revising some business management methods since April 2023, which was the beginning of the previous fiscal year and prior to receiving approval from the Ordinary General Meeting of Shareholders in June 2023. For example, in April a directors' retreat is held to rigorously debate and reach agreement on the topics to be discussed in the coming year. Further, as we had established the roles of and matters to be determined by the Board of Directors, we were able to take time to exchange opinions on various aspects of the NYK Group ESG Story and the medium-term management plan of Ocean Network Express Pte. Ltd. (ONE) quite a long time before they were announced. Similarly, we have spent a lot of time

discussing shareholder returns. We have also exchanged opinions outside of formal Board meetings, such as at discussions among directors and Audit & Supervisory Committee members. Although quantification is difficult, I feel that we have considerably increased the amount of time we spend discussing agenda items related to the enhancement of corporate value.

Independence and Diversity of the Board of Directors

Nagasawa The Board of Directors comprises 12 members, five of whom also serve as Audit & Supervisory Committee members. Six, or 50%, of the 12 directors are outside directors, while three, or 25%, of the directors are women. Satoko Shisai was appointed as a director at the Ordinary General Meeting of Shareholders held in June 2024. We sought the appointment of Shisai due to her extensive knowledge of digital transformation. As the Board's skills matrix shows, she is an individual that the Company needs.



Institutional investor I think it is wonderful that NYK has invited Shisai to become a director as not only NYK but all companies are in need of personnel with competence in digital transformation. In selecting Shisai, what type of discussions were held at meetings of the Nomination Advisory Committee and the Board of Directors?

Tanabe We have been aware of digital transformation as an issue for some time. We defined the type of personnel needed for the Group's growth and for more than a year discussed personnel selection. We selected Shisai from among multiple candidates based on consideration of three main requirements: diversity, business and management experience, and expertise in digital transformation. Although only having served in her current position for a short time, Shisai has provided incisive comments on the Group's growth strategy.

Kuwabara In addition to having female directors make up one-quarter of members of the Board of Directors, one of the three female directors is Keiko Kosugi, a full-time Audit & Supervisory Committee member. I believe this is a balanced composition. Looking to the future, however, a ratio of 30% for women managers has been set as a non-financial target for the Group. Therefore, I would like to see more women promoted to senior management positions, including from within the Company. Also, since the Group's businesses are so global, we must seriously consider the appointment of non-Japanese directors in the future.

Executive Compensation Plan and Succession Planning

Tanabe In 2016, we established the Nomination Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors. I currently serve as the chairperson of both committees.

In my opinion, the appointment and dismissal of the president is a particularly important function of the Nomination Advisory Committee. As was the case with the change of president in 2023, the process is by no means one in which the executive side makes decisions on its own. Committee members interview multiple candidates in person, and the Nomination Advisory Committee considers them. In considering the next successor, we will broaden the pool of candidates a little more and evaluate them on an annual basis. Through this process, we would like to develop management leaders rather than simply nominating them.

Regarding executive compensation, in addition to basic compensation, we introduced a performance-based stock compensation plan in 2016 and a performance-based monetary compensation plan in 2022. As for evaluation items, we have established indicators related to return on equity (ROE), total shareholder return (TSR), and

environmental, social, and governance (ESG) elements. Based on feedback pointing out that the evaluation items were difficult to understand, we revised them in 2022. The ESG indicators are related to the Group's three material issues—safety, the environment, and human resources—and also include a compliance element. The results of the evaluations, along with the reasons for each item, are explained to individual executive officers. There is room for improvement in our evaluation methodology. We could examine the lengths of time over which ROE and TSR should be evaluated or whether ESG should be evaluated qualitatively as well as quantitatively. We will continue making revisions as we conduct activities.

Institutional investor In my view, the evaluation of senior management teams is extremely challenging. The maritime shipping industry is greatly affected by market fluctuations. However, decarbonization businesses and other new growth businesses that are being pursued for sustainable growth will require medium- to long-term periods in which to develop. If evaluations overemphasize visible indicators, companies run the risk of concentrating too much on business management approaches that are short-sighted. When conducting evaluations, what aspects do you keep in mind?

Tanabe I believe that a president's true accomplishments do not become apparent during their term in office but after they retire. In particular, presidents are required to set out a strategy for improving corporate value over the medium to long term, plant seeds, and guide the direction



of their company accordingly. Given that accomplishments are not immediately visible, I closely examine the passion and leadership of presidents in terms of the extent to which they involve and lead employees.

Board Discussions on the Enhancement of Shareholder Value

Nagasawa The medium-term management plan sets out a capital policy of raising the dividend payout ratio target and the minimum dividend level as well as acquiring ¥200.0 billion in treasury stock in fiscal 2023 and fiscal 2024. In fiscal 2023, we acquired ¥200.0 billion in treasury stock. We plan to acquire an additional ¥100.0 billion in treasury stock by the end of April 2025.

Nakaso The favorable performances in fiscal 2021 and fiscal 2022 have significantly improved the Company's financial base. Among the Board of Directors, however, there is a shared understanding that the share price has not risen as much as expected and that this is an issue. To address the issue, the Board of Directors has held multiple discussions on the improvement of capital efficiency with a view to sustaining increases in ROE and ensuring that it exceeds the cost of shareholders' equity on investments that are mindful of a price-to-book ratio (PBR) exceeding 1.0 times, as well as on the best approach to capital policy. As a result of these discussions, the Company is enhancing shareholder returns and utilizing return on invested capital (ROIC) in the management of businesses. The Company intends to lower the cost of shareholders' equity by strengthening the earnings base so that it is less susceptible to market conditions. For example, the performance downside risk associated with market fluctuations will continue to be mitigated by expanding the logistics business through M&A. The Board of Directors has repeatedly discussed the balance between shareholder returns and investments. I believe that the Group has ample investment opportunities that exceed the cost of shareholders' equity. The medium-term management plan calls for investments totaling ¥1.3 trillion. Taking into account investments in such growth fields as fuel conversion and offshore wind power-related businesses, however, I believe this figure may well increase. Securing funds for investments in future growth will result in future capital gains and contribute to an increase in shareholder value over the medium to long term. We need to explain to shareholders and investors that the creation of a virtuous cycle of investments that leads to growth is the best way to return

profits to them. Looking at the current share price, disclosure must be further increased and enhanced so that shareholders develop high expectations of the Group's growth.

Tanabe The Board of Directors is discussing capital efficiency and shareholder value more actively than ever before. The discussions include such topics as ROE, PBR, and TSR. Discussions on the business portfolio are also progressing in light of the newly introduced ROIC metric. The decision to sell the air cargo transportation business was the product of this trend in discussions. I believe that we must continue tirelessly pursuing business portfolio reform without making any exceptions.

Institutional investor I believe that the maritime shipping industry is seeing an increase in security risks and geopolitical risks, such as cyberattacks and conflicts. What types of discussions is the Board of Directors having about the risks that have been steadily emerging in recent years? I realize that detailed disclosure in this regard may be problematic, but, from an investor's point of view, executing an investment is difficult if such risks become significant.

Nakaso We should continue discussing geopolitical risks as they affect crude oil, which powers ships. We must monitor the situations in the Middle East and Taiwan particularly closely. The outcome of the U.S. presidential election is another geopolitical risk. Global climate change measures may also be affected by who becomes the next president. However, even if a different trend emerges in relation to climate change measures, I believe that Japan



and the Group should instead see this as an opportunity to demonstrate leadership in decarbonization and invest actively in this area.

ESG Management, Human Resources, and Organizational Reform

Nagasawa We are making steady progress with digital transformation and the strengthening of management foundations, both of which support the business strategies set forth in our medium-term management plan. To strengthen our management foundations, we have formulated the NYK Group CX (corporate transformation) Story, and we are working on measures to further empower the NYK Group's 35,000 employees.

Kuwabara The Board of Directors has discussed and determined the content of the medium-term management plan, the NYK Group ESG Story, and the NYK Group CX Story. To some extent, the decarbonization goals of the NYK Group Decarbonization Story gained greater overall coherence once we, as outside directors, provided support to the executive side, who were struggling with various dilemmas. We encouraged them to change from thinking about the achievement of goals through the accumulation of efforts and to instead work backward from their goals to determine what should be done. This change in thinking resulted in an order for the building of new LNG-fueled vessels. While still based on rigorous discussions of viability and profitability, these are good investment decisions that are ahead of their time. Of course, the goals we have set are very ambitious and will not be easy to achieve. I hope that NYK works with the conviction that the realization of each story will lead to the enhancement of corporate value.

Nakaso The NYK Group CX Story calls on the Group to change from "A Japanese Company Operating Globally" to "A Global Company Headquartered in Japan." This phrase effectively expresses a commitment to becoming a truly global company as it emphasizes that, while the Group originates from Japan, the country is only one part of the world. I am very much in agreement with this commitment and worldview. The direction of human resource development and organizational reform is not mistaken. As for tasks going forward, I would like to see the NYK Group pursue resolute efforts to strengthen its frontline capabilities, establish a global human resource system, and develop globally competent management personnel.



Expectations for the NYK Group's Future

Tanabe The NYK Group has solidly accumulated assets that are important for building the future: human resources, intellectual assets, and data. First of all, the Group has fostered personnel with a strong sense of mission who love the sea and have supported social infrastructure in challenging situations. In addition, I believe that both the technical expertise acquired by the Group during years of maritime shipping as well as the data accumulated on ship operations are among the best in the world. As sea lanes have recently been a focus of attention in terms of geopolitical risks, the value of the Group's expertise in supporting the optimal supply chains of companies is increasing. I feel that an exciting future for the Group will naturally unfold if it leverages these strengths to develop new capabilities in the maritime shipping industry and the logistics industry as well as in areas beyond the scope of comprehensive logistics, as stated in the medium-term management plan.

Nakaso Looking at the world today, geopolitical risks remain, and the global economy faces the risk of fragmentation. In mitigating such risks, the maintenance or reconstruction of a diversified free trade system is important. As an important part of international maritime shipping, the NYK Group should play a role in such efforts and aim even higher by raising its awareness of itself as a company that contributes to the sustainable growth of the global economy. Further, I would like the Group to go beyond the confines of an individual entity and become the international maritime shipping industry's standard-bearer. More

specifically, I hope that the Group enlarges the extent of its activities so that it can provide the expertise needed to facilitate energy transition and solve other common global issues and produce personnel who are able to demonstrate leadership that mobilizes global maritime shipping. Since its founding, the Group has contributed to daily life while maintaining a broad social perspective and an understanding of a larger purpose. I look forward to seeing even greater realization of the DNA that has been developed and passed down during this history of ambitious initiatives.

Kuwabara Although geopolitical risks constitute an issue in an economy that is becoming increasingly globalized, cargo transportation volume is trending upward. The Group plays a role in facilitating globally important social infrastructure. On the other hand, given the trend toward decarbonization, the Group and its industry must work hard to meet the goals of the Paris Agreement. I would like the Group to seek a good balance between its obligations. I hope that it dependably plays a role in the provision of important social infrastructure while focusing on ESG-related initiatives. In this way, the Group will meet the expectations of its shareholders and other stakeholders. "Sail Green, Drive Transformations 2026—A Passion for Planetary Wellbeing," which is the title of the medium-term management plan, is a phrase that I like very much. It expresses exactly what I want the Group to realize.

Corporate Governance

The NYK Group is working to increase its corporate value by further improving its management foundation. This section explains the Group's initiatives to enhance its governance and management.

Enhancing Corporate Governance

The NYK Group's Governance Characteristics

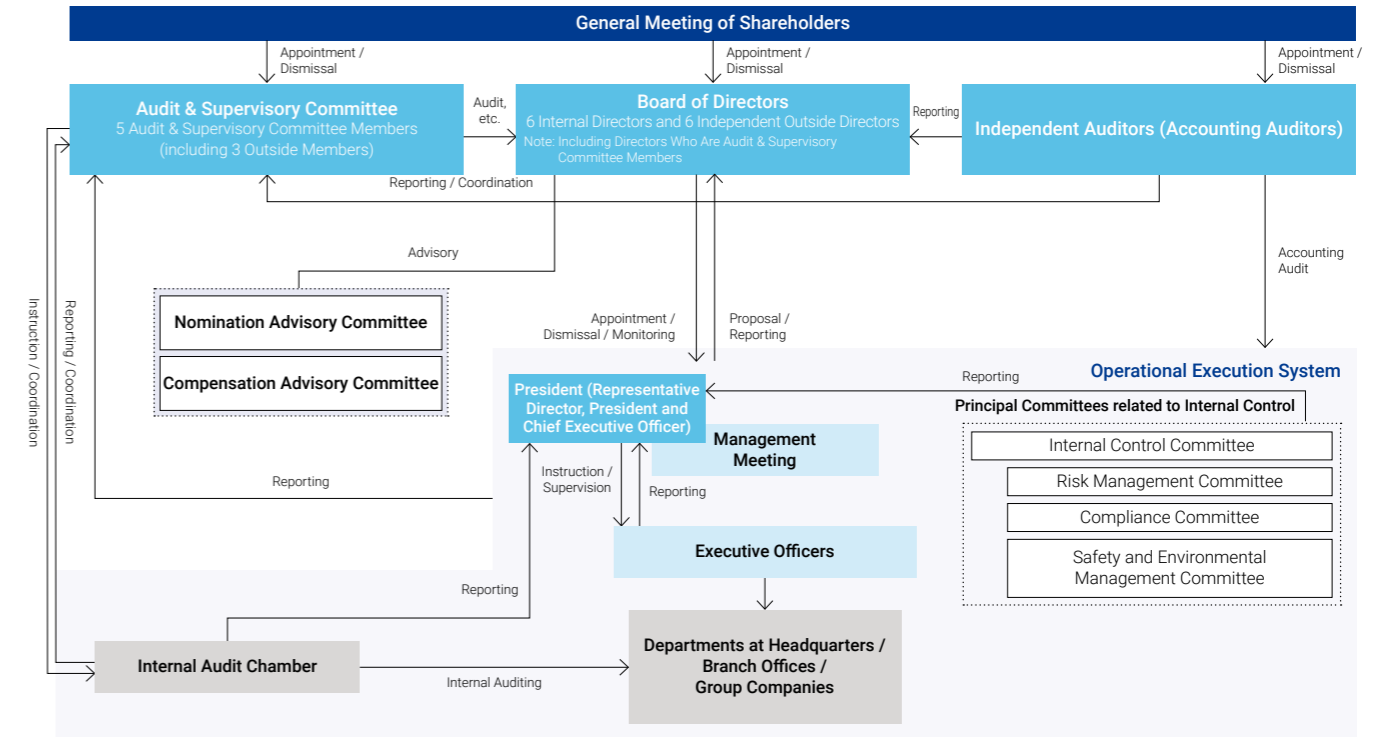
Organizational Design	Company with Audit & Supervisory Committee (Since June 2023)
Advisory Committees	Nomination Advisory Committee and Compensation Advisory Committee
Term of Office of Directors	One year (directors who are not Audit & Supervisory Committee members) Two years (directors who are Audit & Supervisory Committee members)
Compensation Plan	Basic compensation, performance-based monetary compensation, and performance-based stock compensation

History of Initiatives to Enhance Governance

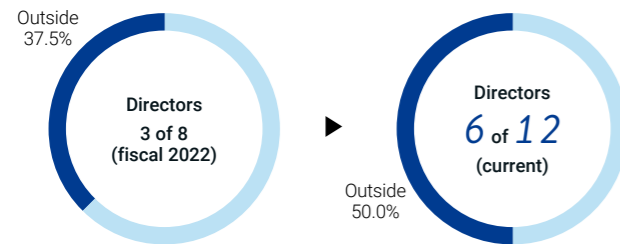
Initiatives over the past 10 years

- 2015 Established Corporate Governance Guidelines
- 2016 Established Nomination Advisory Committee and Compensation Advisory Committee
- 2018 Introduced performance-based stock compensation plan
- 2018 Appointed an outside advisor in charge of evaluation and analysis, etc., related to Board of Directors effectiveness
- 2020 Revised decision-making process
- 2020 Established the Management Meeting
- 2022 Introduced the performance-based monetary compensation plan
- 2022 Introduced the performance-based stock compensation plan
- 2023 Transitioned to a Company with Audit & Supervisory Committee

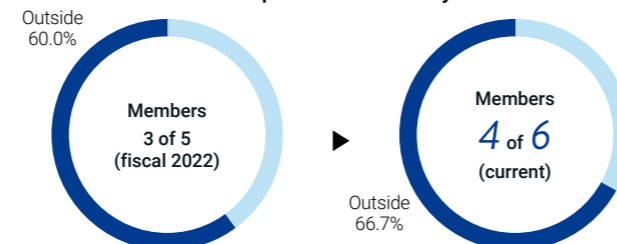
NYK's Corporate Governance Organizational Structure (As of June 19, 2024)



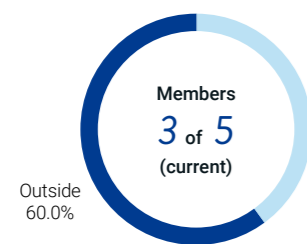
Ratio of Outside Directors



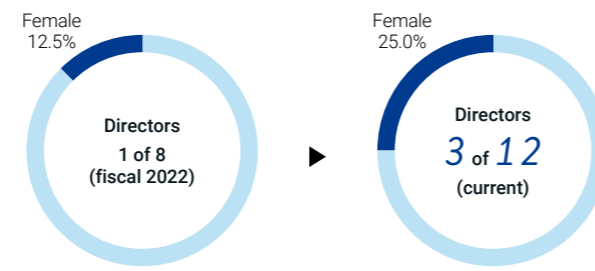
Ratio of Outside Members on the Nomination Advisory Committee and Compensation Advisory Committee



Ratio of Outside Members on the Audit & Supervisory Committee



Ratio of Female Directors



About the Company with Audit & Supervisory Committee

Characteristics

Voting rights within the Board of Directors

- Audit & Supervisory Committee members have voting rights as directors.

Right to express opinions in the General Meeting of Shareholders

- The Audit & Supervisory Committee has the right to express opinions on the appointment, dismissal, resignation, compensation, etc., of directors who are not Audit & Supervisory Committee members.

Composition of the Audit & Supervisory Committee

- The Audit & Supervisory Committee shall have three or more members, with the majority being outside directors.
- Audit & Supervisory Committee members shall not be required to be full-time members.

Term of office of Audit & Supervisory Committee members

- Two years

Role of Audit & Supervisory Committee members

- Auditing of directors' execution of duties.
- Exercise of authority pertaining to the appointment and dismissal of Audit & Supervisory Committee members and the independent auditors and compensation for the independent auditors.

Role of Audit & Supervisory Committee members

- Attendance at Management Meeting and Meetings of Executive Officers, etc., and proactive collection of information.
- Sharing of information with other Audit & Supervisory Committee members and independent outside directors (excluding directors who are Audit & Supervisory Committee members).

Directors and Executive Officers

As of June 19, 2024; number of shares held as of March 31, 2024




1 Hitoshi Nagasawa
Chairman, Director
1980 Joined NYK
2023 Chairman, Director
Number of shares held: 290,793




2 Takaya Soga
President, Representative Director, President and Chief Executive Officer
1984 Joined NYK
2023 President, Representative Director, President and Chief Executive Officer
Number of shares held: 50,422




3 Akira Kono
Representative Director, Executive Vice-President, Executive Officer
1984 Joined NYK
2023 Representative Director, Executive Vice-President Executive Officer
Number of shares held: 58,636



4 Yutaka Higurashi
Director, Senior Managing Executive Officer
1985 Joined NYK
2022 Director, Senior Managing Executive Officer
Number of shares held: 93,154




5 Eiichi Tanabe
Chief Outside Director, Independent Director
Chair, Nomination Advisory Committee Chair, Compensation Advisory Committee
2019 Independent Outside Director
Number of shares held: 9,836




6 Nobukatsu Kanehara
Outside Director, Independent Director
2023 Independent Outside Director
Number of shares held: 130




7 Satoko Shisai New Appointment
Outside Director, Independent Director
2024 Independent Outside Director
Number of shares held: 0



8 Eiichi Takahashi
Director, Audit & Supervisory Committee Member
1982 Joined NYK
2021 Audit and Supervisory Board Member
2023 Director, Audit & Supervisory Committee Member
Number of shares held: 121,803



9 Keiko Kosugi
Director, Audit & Supervisory Committee Member
1989 Joined NYK
2023 Director, Audit & Supervisory Committee Member
Number of shares held: 14,572



10 Hiroshi Nakaso
Outside Director, Audit & Supervisory Committee Member, Independent Director
2020 Independent Outside Audit and Supervisory Board Member
2023 Independent Outside Director, Audit & Supervisory Committee Member
Number of shares held: 1,313



11 Satoko Kuwabara
Outside Director, Audit & Supervisory Committee Member, Independent Director
2020 Independent Outside Audit and Supervisory Board Member
2023 Independent Outside Director, Audit & Supervisory Committee Member
Number of shares held: 3,744



12 Tatsumi Yamada
Outside Director, Audit & Supervisory Committee Member, Independent Director
2023 Independent Outside Director, Audit & Supervisory Committee Member
Number of shares held: 643

Senior Managing Executive Officer

Nobuhiro Kashima

Managing Executive Officers

Yutaka Ikeda Hiroaki Nishiyama Hisaya Higuchi
Hironobu Watanabe Takuji Banno Yasunobu Suzuki

Executive Officers

Yuko Tsutsui Patrick Brennan Jr. Kenichiro Sutoh Toshi Nakamura Hiroaki Ohashi
Shinichi Yanagisawa Shogo Terajima Mie Sugano Yasuyuki Takahashi Takashi Yamamoto
Katsuhiko Haruna Tsutomu Yokoyama Tomotaka Aso Takeshi Kondo Nobuaki Sumida
Atsuhiko Kurosawa Ryutarō Okuzawa Hiroyuki Noma Yasushi Yamamoto Carl-Johan Hagman

Directors

Directors Who Are Audit & Supervisory Committee Members

Executive Officers

Attendance at Board of Directors' Meetings, Etc.

Name	Position in the Company	Number of Years as Director	Attendance at Board of Directors' Meetings in Fiscal 2023	Attendance at Audit & Supervisory Committee in Fiscal 2023	Nomination Advisory Committee (Attended / Convened)	Compensation Advisory Committee (Attended / Convened)	Outside
Hitoshi Nagasawa	Chairman, Director	13	100% (16 / 16)	—	● (6 / 6)	● (5 / 5)	
Takaya Soga	President, Representative Director, President and Chief Executive Officer	2	100% (16 / 16)	—	● (6 / 6)	● (5 / 5)	
Akira Kono	Representative Director, Executive Vice-President Executive Officer	1	100% (12 / 12)	—	—	—	
Yutaka Higurashi	Director, Senior Managing Executive Officer	4	100% (16 / 16)	—	—	—	
Eiichi Tanabe	Chief Outside Director, Independent Director	5	100% (16 / 16)	—	● Committee Chair (6 / 6)	● Committee Chair (5 / 5)	●
Nobukatsu Kanehara	Outside Director, Independent Director	1	100% (12 / 12)	—	● (5 / 5)	● (3 / 3)	●
Satoko Shisai	Outside Director, Independent Director New Appointment	0	—	—	● (—)	● (—)	●
Eiichi Takahashi	Director, Audit & Supervisory Committee Member	1	100% (12 / 12)	100% (11 / 11)	—	—	
Keiko Kosugi	Director, Audit & Supervisory Committee Member	1	100% (12 / 12)	100% (11 / 11)	—	—	
Hiroshi Nakaso	Outside Director, Audit & Supervisory Committee Member, Independent Director	1	92% (11 / 12)	91% (10 / 11)	—	—	●
Satoko Kuwabara	Outside Director, Audit & Supervisory Committee Member, Independent Director	1	100% (12 / 12)	100% (11 / 11)	—	—	●
Tatsumi Yamada	Outside Director, Audit & Supervisory Committee Member, Independent Director	1	100% (12 / 12)	100% (11 / 11)	● (5 / 5)	● (3 / 3)	●

* The target period for attendance is from April 1, 2023 to March 31, 2024. For directors and committee members appointed on June 21, 2023, the attendance from that date onward is presented.

◆ Male ○ Female

Discussion at Board of Directors Meetings

Main items discussed in fiscal 2023

- Impact on the Company's business from the situation between Russia and Ukraine, and response
- Evaluation of the effectiveness of the Board of Directors
- Further development of materiality
- Setting of new GHG reduction targets
- New medium-term management plan for Ocean Network Express Pte. Ltd.
- Implementation of cybersecurity measures
- NYK Group CX Story stipulating human resource and organizational strategies

- Report to Board of Directors on important matters in business execution
- Examination of the purpose and significance of holding strategic shareholdings

Main items to be discussed in fiscal 2024

- Geopolitical risks
- Capital policy
- Optimization of business portfolio
- Status of risk management and internal control in business
- Revision of executive compensation plan

Evaluation of Effectiveness of the Board of Directors

Evaluation of Effectiveness of the Board of Directors and Issues for Fiscal 2024

Since fiscal 2015, the Company has continued to conduct a self-evaluation survey on all directors with the aim of further improving the effectiveness of the Board of Directors. In addition, in fiscal 2023, interviews by third-party advisors were conducted based on the results of the survey.

1) Summary of the Fiscal 2023 Evaluation

In fiscal 2023, we conducted a survey consisting of 17 questions under five topics, which were selected taking into account third-party advisers' 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. In addition, the survey covered the necessity of a forum for discussions only by outside directors as well as operations of the Board of Directors and other meetings after the transition to a company with Audit & Supervisory Committee. Furthermore, interviews by third-party advisors were conducted with the aim of bringing clarity to and obtaining an in-depth understanding of the recognized issues and comments gained from the survey, as well as clarifying measures to further improve the effectiveness of the Board of Directors by obtaining opinions on improvement measures and any other matters.

2) Results of Evaluation of Effectiveness

i. Overview

As a result of discussions based on the survey results and interviews, it was determined that the Board of Directors was functioning appropriately and its effectiveness was ensured. In fiscal 2023, in regard to (1) composition and operations of the Board of Directors in particular, improvement was observed by the arrangement of opportunities to explain the details of discussions at the Management Meeting to outside directors and the administration of the Board of Directors by the chairperson with the understanding of perspectives of outside directors through participating in a briefing to them on matters to be submitted to the Board of Directors, and the effectiveness of the Board of Directors was enhanced. On the other hand, the Company has recognized that, in relation to (3) corporate ethics and risk management, amid a sense of ethics in society significantly changing, comments by outside directors from an external perspective are important and the Company needs to implement further improvement of corporate culture with the Board of Directors proactively engaging in this theme.

ii. Initiatives in Fiscal 2023

• Transition to a Company with Audit & Supervisory Committee

Pursuant to a resolution passed at the Ordinary General Meeting of Shareholders on June 21, 2023, the Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee with the aim of working to strengthen monitoring functions, in addition to speeding up decision-making by delegating the decision-making authority for important business execution to the executive directors. Through this transition, we

intended to improve the effectiveness of the Board of Directors by allocating more time for deliberation by the Board of Directors of matters that lead to the growth in corporate value, such as medium- to long-term management strategies, allocation of management resources, business portfolio, sustainability, and handling significant business risks. Regarding the evaluation of the transition, the Company has noted some views that not enough information has been accumulated with only one year since the transition. However, the Company has found no negative views and recognized that the Board of Directors is on its way to further improvement of the effectiveness. Furthermore, the Company has recognized that there is room for improvement in setting an agenda to further take advantage of a company with Audit & Supervisory Committee, while noting that the Board of Directors had deeper discussions by giving priority in deliberations to matters related to medium- to long-term management strategies and sustainability, such as new strategic targets for decarbonization and human resource strategies.

• Issues of Diversity and Human Resource Strategies, etc. Recognized in Fiscal 2022

Based on CX strategies aimed at further enhancement of human capital, transformation of Group management, and enhancement of governance, which was presented in the medium-term management plan announced in March 2023, the Company formulated the NYK Group CX Story, which showed the history of the NYK Group and its target state as well as the CX 2030 vision and an overview of the strategy. Its action plan was also formulated. The Board of Directors held deeper discussions based on the above strategy and other materials and gave the executive side a direction to work to further evolve them, integrating opinions presented at the discussions.

3) Initiatives in Fiscal 2024

By utilizing the characteristics of a company with Audit & Supervisory Committee, the Company will continue to speed up decision-making and further strengthen monitoring functions. Regarding setting an agenda, for which the Company recognized that there is room for improvement, by clarifying the annual plan through carefully selecting an agenda and timing of its discussion and securing sufficient time for discussions in advance, the Company will effectively work on matters with a high priority. In particular, the Company plans to take up matters such as the financial condition and investment plans of the NYK Group; capital policies based on factors such as market trends; a structure for responding to geopolitical risks that became apparent due to factors such as tense situations in Russia, Ukraine, and the Middle East; and corporate ethics and risk management, which were recognized as issues by the evaluation of the effectiveness of the Board of Directors. In addition, as the target period of the performance-based stock compensation plan for current directors, etc., (excluding directors who are Audit & Supervisory Committee members) will end at the end of fiscal 2024, we plan to discuss a new compensation plan to improve a compensation plan for directors, etc., taking this opportunity.

Compensation Plan

Executive Compensation (Performance-Based Stock Compensation Plan)

The Company introduced a performance-based stock compensation plan in fiscal 2016 to provide a highly transparent and objective executive compensation plan.

In fiscal 2022, the Company partially revised the details of said plan with a view to further accelerating ESG management and establishing shared interests between executives and shareholders over the medium to long term.

Overview of the Performance-Based Stock Compensation Plan

Persons eligible under the performance-based stock compensation plan	<ul style="list-style-type: none"> Directors who concurrently serve as executive officers, the Board of Directors' chairman not serving concurrently as chairman and executive officer, and executive officers excluding certain concurrent executive officers who reside in Japan 	
Applicable period for the performance-based stock compensation plan	<ul style="list-style-type: none"> Three fiscal years from April 1, 2022 to March 31, 2025 In the event that the trust term is extended, each three fiscal-year period afterward 	
Upper limit to the amount of trust money contributed by the Company	<ul style="list-style-type: none"> A total of ¥1.6 billion over three fiscal years (including trust expenses, etc.) 	
Upper limit to the number of Company shares, etc., to be acquired by directors and method for acquiring the Company's shares	<ul style="list-style-type: none"> The upper limit for the total number of shares shall be three million shares per three-year period (however, this shall be based on the number of shares after the stock split conducted on October 1, 2022, the number before the stock split being 1 million.), and the ratio of the number of shares issued (as of March 31, 2022, after excluding treasury stock) shall be approximately 0.6% The Company's shares shall be acquired from the stock market to avoid dilution 	
Method for calculating the number of Company shares, etc., to be acquired by directors	<ul style="list-style-type: none"> The calculation shall be divided into a role-fixed portion and a performance-based portion Indices for calculating the number of shares in the performance-based portion: the Company's total shareholder return (TSR), including dividends, and the Company's own ESG indices based on its ESG policy The performance-based coefficient shall vary between 0.0 and 2.0 depending on the degree of achievement of the following indices <ol style="list-style-type: none"> Stock price indices: Relative TSR (compared with TOPIX growth rate and competitors' TSR) Non-financial indices: Status of progress on materiality initiatives for safety, the environment, and human resources, based on the NYK Group ESG Story, and status of compliance discussed qualitatively and quantitatively, with degree of achievement comprehensively evaluated by the Compensation Advisory Committee and determined by the Board of Directors 	
Timing of the delivery, etc., of Company shares, etc., to directors	Role-fixed portion	After the conclusion of each fiscal year but with a three-year transfer restriction after delivery
	Performance-based portion	After the conclusion of three fiscal years

Executive Compensation (Performance-Based Monetary Compensation Plan)

In fiscal 2022, the Company introduced a performance-based monetary compensation plan with a separate budget for basic compensation. The purpose of the plan is to increase the short-term incentives for directors and executive officers to contribute to earnings and provide a mechanism for helping increase corporate value.

Overview of the Performance-Based Monetary Compensation Plan

Persons eligible for the performance-based monetary compensation plan	<ul style="list-style-type: none"> Directors concurrently serving as executive officers and executive officers excluding certain concurrent executive officers
Upper limit to the amount of compensation under the performance-based monetary compensation plan	<ul style="list-style-type: none"> ¥300.0 million per fiscal year
Details of business result achievement conditions	<ul style="list-style-type: none"> Performance-based indices shall be consolidated recurring profit and consolidated return on equity In principle, the base values for measuring the degree of achievement of performance-based indices shall be the targets defined in the Company's medium-term management plan The performance-based coefficient shall vary between 0.0 and 2.0 depending on the degree of achievement of each index
Timing of monetary payments to directors	<ul style="list-style-type: none"> After the conclusion of each fiscal year

Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members), etc.

Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Compensation
¥510 million/year	¥300.0 million/year	¥1.6 billion/3 years

Note 1: Of the total amount of basic compensation of up to ¥510 million per year, the total amount for outside directors shall not exceed ¥150 million per year.

Note 2: The amount of performance-based stock compensation is the maximum amount of trust money to be contributed by the Company.

Note 3: Executive officers who meet certain requirements are eligible under the performance-based monetary compensation plan and the performance-based stock compensation plan. The maximum amount shown above is the maximum amount for all eligible persons under the plans, including said executive officers.

Note 4: This does not include those who are ineligible under the performance-based stock compensation plan due to non-residence in Japan.

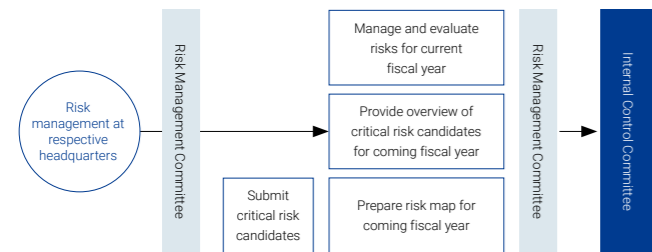
Information regarding executive compensation

https://www.nyk.com/english/sustainability/pdf/2024report_017en.pdf

Risk Management

In accordance with its risk management policy and rules, the Group convenes twice yearly meetings of the Risk Management Committee, which assesses and receives reports regarding progress in managing critical risks that could have a significant impact on the Group's business management, and reports findings to the Board of Directors. Chaired by the president and comprising chief executives and the deputy chief executive of the ESG Strategy Headquarters, the Risk Management Committee identifies critical risks based on qualitative and quantitative evaluations of the business divisions, which have the best understanding of the essential nature of the business, and reports from each headquarters, determines the headquarters responsible for advancing countermeasures for each critical risk, and promotes risk reduction activities for the entire Group.

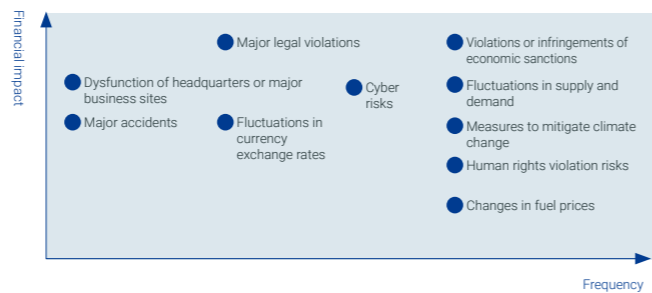
Risk Management System



Most Critical Risks and Critical Risks

Each year, the Risk Management Committee identifies the most critical risks among the critical risks as risks that could have a significant impact on the continuity of the Group's businesses. These include compliance risks, major accidents and other operational risks, cyber risks, and risks related to damages caused by natural disasters and measures to mitigate climate change. In addition, critical risks that could significantly affect the Group's business management include strategic risks, market fluctuation risks, operational risks, financial and accounting risks, and human rights risks, as well as risks from infectious diseases such as COVID-19.

Risk Map



Response to Human Rights Risks

The Company started a human rights project in 2022. In accordance with the United Nations Guiding Principles on Business and Human Rights, we are promoting various initiatives to respect the basic human rights of all people and realize a society that acknowledges and respects diverse values and different cultures. These include formulating a human rights policy, building internal frameworks, and carrying out human rights due diligence.

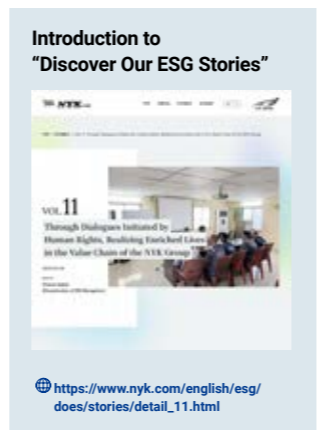
At a workshop held prior to carrying out human rights due diligence, we promoted understanding of human rights risks that could cause or contribute to human rights violations in value chains involving the Company.

We have conducted impact assessments of businesses identified in this workshop through interviews with rights holders since 2022 and disclosed information about the content of these assessments and our initiatives for improvement on the Company's website.

In addition to these initiatives, we have proactively conducted education and awareness-raising regarding human rights through e-learning and training.



Human Rights Initiatives
https://www.nyk.com/english/sustainability/pdf/2024report_011en.pdf



https://www.nyk.com/english/esg/does/stories/detail_11.html

Information Security

The NYK Group continuously reinforces multilayered defenses in readiness for cyberattacks, which are becoming more sophisticated and diverse. However, given that the perfect defense is infeasible, the Group is also developing countermeasures focused on cyber resilience, thereby enabling rapid recovery from damages. Moreover, the Group is putting in place "zero trust" countermeasures, which are not reliant upon the boundary defenses of the networks used when introducing cloud computing or telecommuting.

Specifically, the Group will introduce security functions such as a multi-factor authentication (MFA) system and an endpoint detection and response (EDR) system to the entire Group, while introducing cloud systems to reduce risks caused by malfunctions or disasters as well as a global security operation center (GSOC) to monitor IT equipment on land and at sea worldwide around the clock 365 days of the year. These systems are designed to minimize damages by rapidly detecting and countering hacks. Further, in regions worldwide the Group has established computer security incident response teams

(CSIRTs) that coordinate with each other globally. By promptly sharing and managing information not only with IT departments but also with other departments when an incident occurs, the teams underpin a system that enables the members of senior management to make decisions appropriately.

On the governance front, the Group regularly updates its information security regulations to respond to new technologies such as AI and works to ensure security by sharing said regulations throughout the Group.

All of these initiatives rest upon the foundation of Group employees' security literacy. To increase this literacy generally for the Group, we are regularly conducting (1) e-learning using an education platform, (2) cyberattack countermeasure drills, and (3) global security assessments.

Risk Management
https://www.nyk.com/english/sustainability/pdf/2024report_018en.pdf

Group Management Structure

With the overarching objective of enhancing its corporate value, the NYK Group is promoting further improvements in Groupwide governance.

1 Group Companies in Japan

The Company aims to maintain a system for overseeing directors' business execution and ensuring consistency in the judgment criteria during audits, such as dispatching auditors to each Group company. Furthermore, the Company conducts specialized training and provides expert business support to Group companies and so forth to promote Groupwide strengthening of corporate governance functions, and aims to increase the level of operations throughout the Group. In addition, to maintain a transparent management structure, the Group will centrally manage the appointment and compensation determination process for management at Group companies and

maintain its effectiveness. Based on the Groupwide governance built through these initiatives, the Group will make maximum use of its capabilities and promote unified, efficient management.

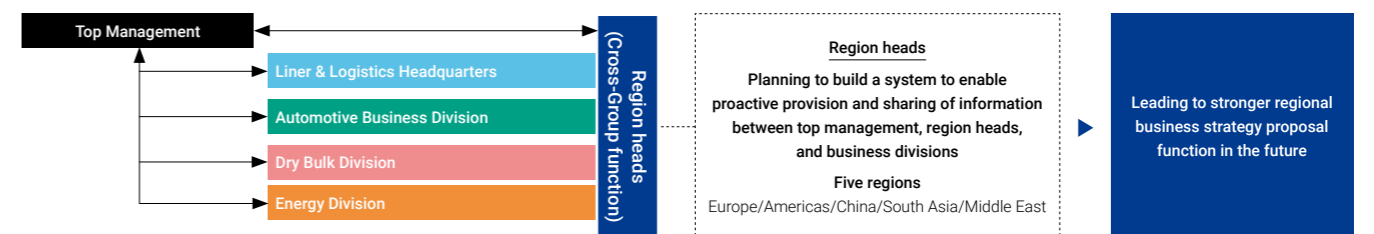
Support Measures for Group Companies (Example)

1. Provision of training opportunities
2. Consultation on handling of various laws and regulations
3. Acceptance of corporate consultations
4. IT security measures

2 Group Companies Overseas

In April 2024, the Company established NYK Group region heads in five regions: Europe (London), the Americas (Secaucus), China (Shanghai), South Asia (Singapore), and the Middle East (Dubai). In April 2022, we had established region heads in South Asia and the Middle East, and the NYK Group will now have five NYK Group

region heads to gather information and strengthen and deepen regional strategies. In addition, the region heads will work closely with Group companies and business units to promote flexible regional business development.





Message from the Officer in Charge of Compliance

We will create a corporate culture in which everyone is highly aware of and responsible for compliance.

Kenichiro Sutoh

Executive Officer
Deputy Chief Compliance Officer

Strong Focus on Compliance

In fiscal 2023, a compliance awareness survey targeting our officers and employees was conducted by a specialized outside organization. Compared with a sample of companies that have similar business scale, NYK returned above-average results for all survey items. In particular, the survey found that awareness of compliance has been effectively instilled among officers

and employees, including understanding of the Group's Mission and awareness of compliance systems. We attribute this awareness to our unique culture of objectively viewing one's own actions in light of our Mission, Vision, and Value.

On the other hand, compliance cannot be achieved solely through the efforts of individuals. Organizational efforts to create conditions that make the occurrence of compliance violations unlikely are

indispensable. The NYK Group promotes compliance through two organizations: the Compliance Committee and the Executive Committee Overseeing Thorough Law Compliance. The former formulates the Group's compliance promotion policies and plans for initiatives and evaluates these initiatives. Meanwhile, the latter is responsible for analyzing the progress of the Group's compliance activities. These two organizations work together to implement a

plan-do-check-act (PDCA) cycle for the advancement of the Group's compliance. In addition, with respect to the Board of Directors, the chief compliance officer reports all compliance incidents that occur in the Group, submits regular reports on compliance activities, and receives timely and appropriate supervision from the Board of Directors.

Like most companies, the focuses of the Group's compliance activities range from violations of social norms, such as harassment, through to laws and statutory regulations. However, the Group has established strict reporting standards for three types of laws with respect to which it views compliance as being of particular importance, namely, competition laws, sanction laws, and anti-corruption laws. Meanwhile, one of the Group's whistleblowing systems is the Yusen Chat Room, which serves as a primary help desk for receiving reports. The contact point is staffed by NYK personnel and has been in operation for more than 20 years. A feature of the Yusen Chat Room is that widespread awareness of it in the Group helps lower the barrier to whistleblowing.

Initiatives to Strengthen Compliance

Since alleged violations of antitrust laws came to light in 2012, the Group has been rigorously identifying potential risks, conducting practical compliance training, and implementing cycles that improve risk sensitivity and on-site action not only in the Automotive Business Headquarters involved but in all divisions. The risk-related cases reported in the process of implementing these cycles have included erroneous words and actions on the part of supervisors, which were pointed out by junior personnel. We feel that the various measures we have taken are leading to real actions. Further, we aim to pass on and update the lessons learned from past failures related to violations of antitrust laws so that they do not fade from our

institutional memory. To this end, in 2022 we launched a training program that gives participants a vivid sense of the decisions and dilemmas of those involved at the time and asks participants to think about what they would have done in the same situation. We are conducting the training in stages for different employee ranks. Ultimately, all employees will participate in the program. The response from participants has been incredibly significant. We have found that they really want an opportunity to accurately grasp the information and think it through for themselves. This training has led us to conduct training based on cases other than those related to antitrust laws. We have also begun training that focuses on past business investment choices. The significant response to all of these training programs gives a sense of the strong awareness of compliance in our culture.

In addition, we are moving forward with initiatives focused on respect for human rights, which also aligns with the promotion of ESG management. Since fiscal 2022, members of in-house organizations involved in compliance promotion have been participating in a human rights project, which the ESG Strategy Headquarters is advancing. The project members directly visit sites that could be negatively impacting the human rights of workers, such as ship scrapping sites and logistics bases in emerging countries. Through dialogue and proposals, the members attempt to resolve the issues encountered. I believe that this initiative is important from the perspective of increasing sensitivity to human rights risks within the Group.

Tasks Going Forward

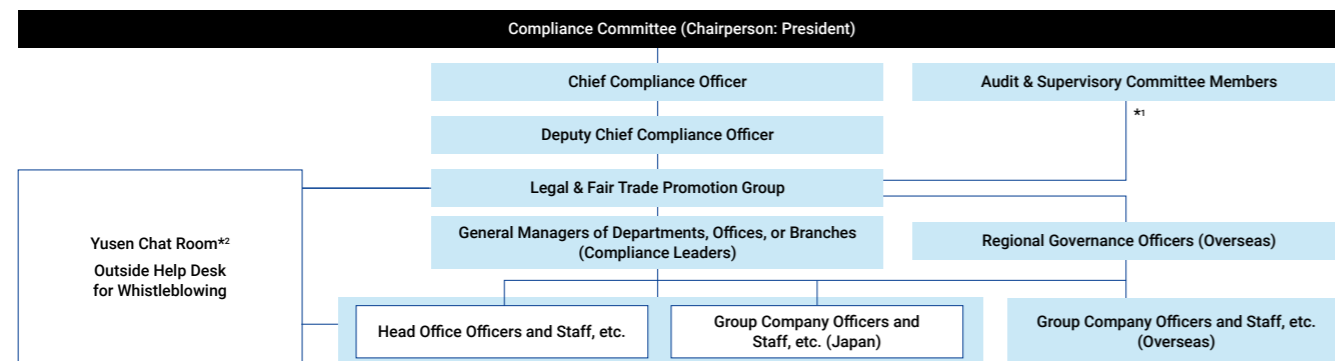
Addressing harassment is one of our tasks going forward. Although there are currently few incidents of harassment, the aforementioned compliance awareness survey revealed that many employees feel that they have seen or heard harassment around them. I view this both as indicating

a high level of harassment awareness in the organization as a whole and a generational gap regarding communication methods and common sense. In response to this result, we will strengthen cooperation not only with human resource divisions but also with on-site organizations to take measures in relation to employees' day-to-day activities more directly. Through training programs, we will give priority to establishing a common knowledge of harassment, aligning the perspectives of employees, and developing and internalizing appropriate measures. In addition, based on the assumption that a gap in understanding and awareness of compliance still exists not just in relation to harassment but in other areas, we will strongly encourage the sharing and updating of awareness and knowledge to ensure that management is aware of and complies with the rules and behavioral norms that frontline personnel comply with as a matter of course, and vice versa. We are also revising our approaches to penalties and information sharing in-house.

Establishing a common awareness of compliance globally is also an issue to be addressed. Each region has its own autonomous management. To raise the level of compliance and, ultimately, governance throughout the Group in this context, Yusen Logistics Co., Ltd., which is the largest Group company, and the Group's four region heads have launched a collaborative initiative. This initiative involves the establishment of a center of excellence.* As circumstances differ from region to region, raising awareness of compliance globally is not easy. Nonetheless, I believe that consensus building—based on acknowledgment of these differences and discussions aimed at setting target standards—will certainly encourage each region to take responsibility for ensuring the penetration of compliance throughout the Group.

* The establishment of a body that consolidates resources and knowledge in a single location to enable the promotion of cross-organizational efforts

The NYK Group's Compliance System



*1 Reports to a full-time Audit & Supervisory Committee member periodically and as required
*2 This is a consultation contact point for NYK Group employees to discuss concerns about compliance. Such reports are received by five employees (three men and two women) and one outside lawyer.