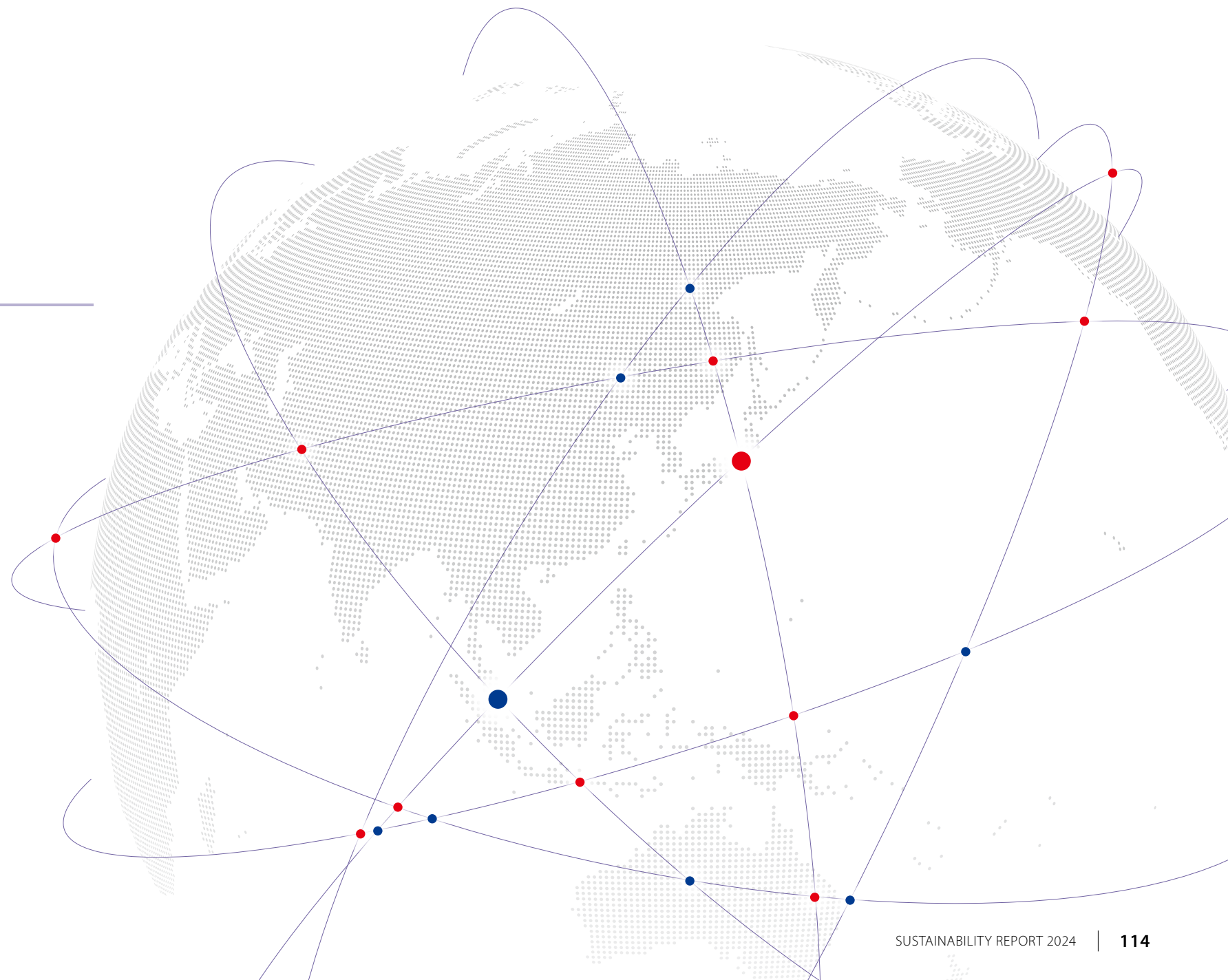


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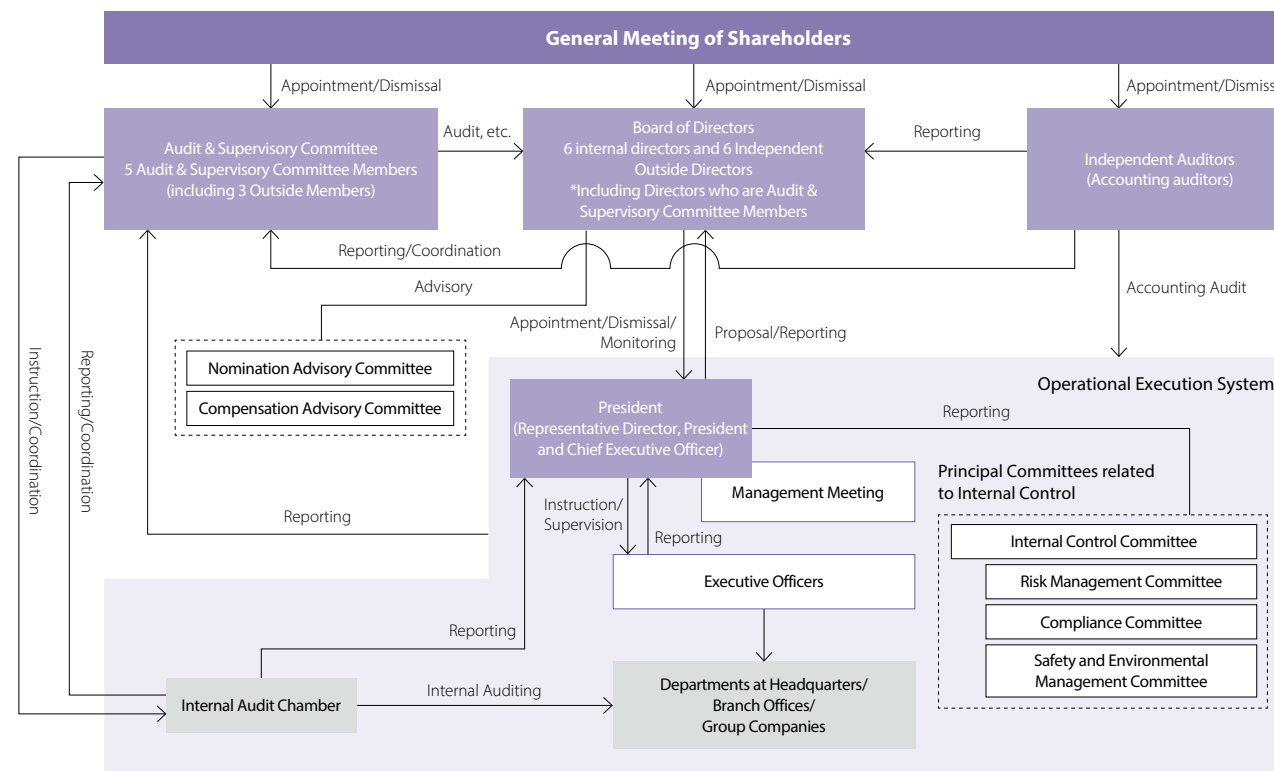
Basic Views on Corporate Governance

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 Audit & Supervisory Committee in June 2023. 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 and 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.

Corporate Governance Organizational Structure of the Company (As of June 19, 2024)



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Recent Major Initiatives to Strengthen the Organizational Structure

> Changes in Organizational Design

- Transitioned to a Company with Audit & Supervisory Committee as of the Ordinary General Meeting of Shareholders held on June 21, 2023
- Strengthening of the monitoring function of the Board of Directors, and delegating authority to the executive directors to speed up decision-making
- Introduction of planned agenda setting to enable focused deliberations on matters that will lead to longer-term corporate value enhancement

> Revision of Board of Directors structure

- Six out of twelve are Independent Outside Directors

Recent Major Initiatives to Implement ESG Management

> Changes in Structure

- Established the ESG Strategy Headquarters
- Changed the name of ESG Management Promotion Committee to ESG Strategy Committee. The committee is composed of executive officers and group managers representing each division and an external expert to strategically discuss a wide range of ESG-related themes

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

> Reflection in Executive Compensation System

- Introduced ESG indicators as one of the indicators for performance-based stock compensation

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"> • Corporate Governance Guidelines • Our Views on Size, Balance and Diversity of the Board of Directors • Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers • Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members • Policies and Procedures for Determining the Compensation for Directors, Audit and Supervisory Board Members and Corporate Officers
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 for directors and corporate officers of the Company (excluding outside directors and audit and supervisory board members of the Company) 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
2021	Established the ESG Management Promotion Committee
2022	Introduction of the performance-based monetary compensation plan Changed Policies for Determining Compensation for Directors following the Amendment of the Compensation Plan Partially revised the details of a performance-based stock compensation plan
2023	Transitioned to a Company with 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%

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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 system, the Management Meeting, comprising executive officers such as the Chairman, CEO and the Chief Executives of Headquarters, deliberates on important matters related to business execution, including matters to be discussed by the Board of Directors, with decisions thereafter being made by the CEO, an executive director, to whom decision-making authority has been delegated.

■ Board of Directors-related data (as of June 19, 2024)

Related Data	
Maximum Number of Directors Stipulated in Articles of Incorporation	16
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	25% (3 out of 12 directors)

> Established Audit & Supervisory Committee

The Company aims to have a Board of Directors comprising at least one-third 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.

[Link](#) 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 Attendance in Fiscal 2023

	Designation	Name	Nomination Advisory Committee	Compensation Advisory Committee
Committee Chair	Chief Independent Outside Director	Eiichi Tanabe	6/6	5/5
Committee member	Independent Outside Director	Hiroko Kuniya	6/6	5/5
Committee member	Independent Outside Director	Nobukatsu Kanehara	5/5*	3/3*
Committee member	Independent Outside Director Audit & Supervisory Committee members	Tatsumi Yamada	5/5*	3/3*
Committee member	Chairman, Director	Hitoshi Nagasawa	6/6	5/5
Committee member	President, Representative Director	Takaya Soga	6/6	5/5

*The attendance is counted after their assuming the positions of the Committee Members in June 2023.

• 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.

[Link](#) 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>

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Skills Matrix of Directors (as of June 19, 2024) and Attendance at Board Meetings

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

Designation	Name	Gender	Expertise/Specialty							Experience Experience working overseas	Attendance at Board of Directors meetings (*)
			Corporate Governance and Management	Finance and Accounting	Human Resources	Risk Management	Environment and Safety	Geopolitics	CSR/Sustainability		
Chairman, Director	Hitoshi Nagasawa	Men	●	●	●	●	●	●	●	UK	100% (16/16 times)
President, Representative Director	Takaya Soga	Men	●	●		●			●	Singapore UK Thailand	100% (16/16 times)
Vice president, Representative Director	Akira Kono	Men	●	●		●			●	USA UK	100% (12/12 times)
Director and Senior Managing Executive Officer	Yutaka Higurashi	Men	●		●	●				UK	100% (16/16 times)
Chief Independent Outside Director	Eiichi Tanabe	Men	●	●		●		●		UK	100% (16/16 times)
Independent Outside Director	Nobukatsu Kanehara	Men	●			●		●		France Belgium USA South Korea	100% (12/12 times)
Independent Outside Director	Satoko Shisai	Women	●	●					●	USA	—

Directors Who Are Audit & Supervisory Committee Members, etc.

Designation	Name	Gender	Expertise/Specialty							Experience Experience working overseas	Attendance at Board of Directors meetings (*)
			Corporate Governance and Management	Finance and Accounting	Human Resources	Risk Management	Environment and Safety	Geopolitics	CSR/Sustainability		
Director Audit & Supervisory Committee members	Eiichi Takahashi	Men	●	●						USA	100% (12/12 times)
Director Audit & Supervisory Committee member	Keiko Kosugi	Women	●				●			Singapore UK	100% (12/12 times)
Independent Outside Director Audit & Supervisory Committee member	Hiroshi Nakaso	Men	●	●		●				UK Switzerland	92% (11/12 times)
Independent Outside Director Audit & Supervisory Committee member	Satoko Kuwabara	Women	●			●				UK	100% (12/12 times)
Independent Outside Director Audit & Supervisory Committee member	Tatsumi Yamada	Men	●	●		●				UK	100% (12/12 times)

*For the period between April 1, 2023 and March 31, 2024. However, for those who were appointed to the Board of Directors on June 21, 2023, attendance at Board of Directors meetings held on or after that date is shown.
Prior to the transition to a Company with Audit & Supervisory Committee, Mr. Eiichi Takahashi, Mr. Hiroshi Nakaso, and Ms. Satoko Kuwabara served as auditors of the Company. During this period, out of the four Board of Directors meetings held, Mr. Eiichi Takahashi attended all four meetings, Mr. Hiroshi Nakaso attended three, and Ms. Satoko Kuwabara attended all four.

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

[Link](https://www.nyk.com/english/sustainability/governance/) 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 2024 P.072
<https://www.nyk.com/english/ir/library/nyk/>

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> 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

- Operation of Board of Directors in a Company with Audit & Supervisory Committee
- Directors' Legal Responsibilities in the Group Companies and Handling Scandals in Subsidiaries
- Preparing for Future Sustainability Disclosures
- Practical Response to CSRD - How should the roles be shared between Japanese head office and European offices?
- Business and Human Rights - How to face the challenges we face because of our initiatives?

● 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. 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 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. In addition, the survey covered the necessity of a forum for discussion 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 the Evaluation of Effectiveness

i. Overview

As a result of a discussion based on the survey results and interviews, it was determined that the Board of Directors was functioning appropriately and its effectiveness was ensured. In FY2023, 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 chair person 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 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

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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 the further improvement of its 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 resources strategies.

> Issues of Diversity and Human Resources, Etc. Recognized in Fiscal 2022

Based on the CX strategy aimed at further enhancement of human capital, transformation of Group management, and enhancement of governance, which was presented in a medium-term management plan announced in March 2023, the Company formulated the 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 matters such as the financial conditions and investment plans of the NYK Group; capital policies based on factors such as market trends; a structure 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 FY2024, we plan to discuss a new compensation plan to improve a compensation plan for directors, etc., taking this opportunity.

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.

■ Members of the Audit and Supervisory Board/Audit & Supervisory Committee and Board Meeting Attendance (in Fiscal 2023)

Designation	Name	Audit and Supervisory Board	Audit & Supervisory Committee
Director Audit & Supervisory Committee member	Eiichi Takahashi	100% (6/6 times)	100% (11/11 times)
	Keiko Kosugi	—	100% (11/11 times)
Independent Outside Director Audit & Supervisory Committee member	Hiroshi Nakaso	83% (5/6 times)	91% (10/11 times)
	Satoko Kuwabara	100% (6/6 times)	100% (11/11 times)
	Tatsumi Yamada	—	100% (11/11 times)

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Accounting Audits

The certified public accountants who audit the Company's consolidated and non-consolidated financial statements are Yoshiaki Kitamura, Takuya Sumita, and Katsuhiko Shibata, 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 14 certified public accountants, four successful candidates of the certified public accountant examination, and 54 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.

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.

Independent Auditor Remuneration

(Millions of yen)

Category	FY2022		FY2023	
	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	42	207	48
Consolidated Subsidiaries	107	0	117	0
Total	314	42	324	48

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 the rules such as Directors are required to report the status of any such concurrent positions to the Board of Directors every three months; if a Director intends to assume the office of representative director, etc., of another company that is not a wholly-owned subsidiary of the Company, it must be approved by the Board of Directors in advance; and any Directors falling under a party with a special interest in its broadest definition cannot participate in voting at a meeting of the Board of Directors. Although there is no major shareholder that holds shares that are equivalent to more than 10% of the total voting rights at the end of March 31, 2024, if the Company proposes to carry out a transaction with any of its major shareholders in the future, the terms and conditions of such a transaction will be examined and determined in the same manner as applied to third party transactions.

The Corporate Governance Guidelines also stipulate "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 its policy. In accordance with Article 5, Paragraph 2 of the Corporate Governance Guidelines established in November 2015, the Board of Directors examines the purpose and significance of the holding of individual Strategic Shareholdings on an annual basis, in relation to earnings targets based on capital costs, dividends, transaction status and effect on business activities etc. comprehensively. Based on the examination, the Board of Directors decides on measures to reduce Strategic Shareholdings. As a result, the number of listed stocks owned by the Company was 29 as of the end of FY2023, down 27 from 56 as of the end of FY2016.

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

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(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

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In addition to establishing “Policies for Determining Compensation for Directors and Executive Officers,” the Company clearly states in its “Corporate Governance Guidelines” that an appropriate evaluation of the Company’s performance and other factors should be reflected in the remuneration, etc., of Directors or Executive Officers who concurrently serve as Executive Officers.

• 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

	Overview	
Persons eligible under the performance-based stock compensation plan	• Directors who concurrently serve as executive officers, the Board of Directors’ chairman who is 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	• 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	• 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	• 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	• 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 (1) Stock price indices: Relative TSR (compared to TOPIX growth rate and competitors TSR) (2) Non-financial indices: Status of progress on materiality initiatives for safety, environment, and human resources based on “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 share, 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

• 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

	Overview
Persons eligible for the performance-based monetary compensation plan	• Directors concurrently serving as executive officers and executive officers excluding certain concurrent executive officers
Upper limit to amount of compensation under the performance-based monetary compensation plan	• ¥300 million per fiscal year
Details of business result achievement conditions	• 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	• After the conclusion of each fiscal year

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Executive Compensation

Views

Internal Control Committee

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

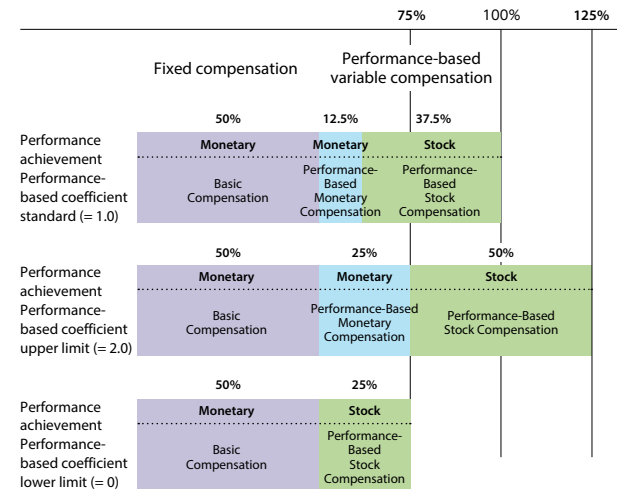
Corporate Governance

■ 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	¥0.3 billion/year	¥1.6 billion/3 years

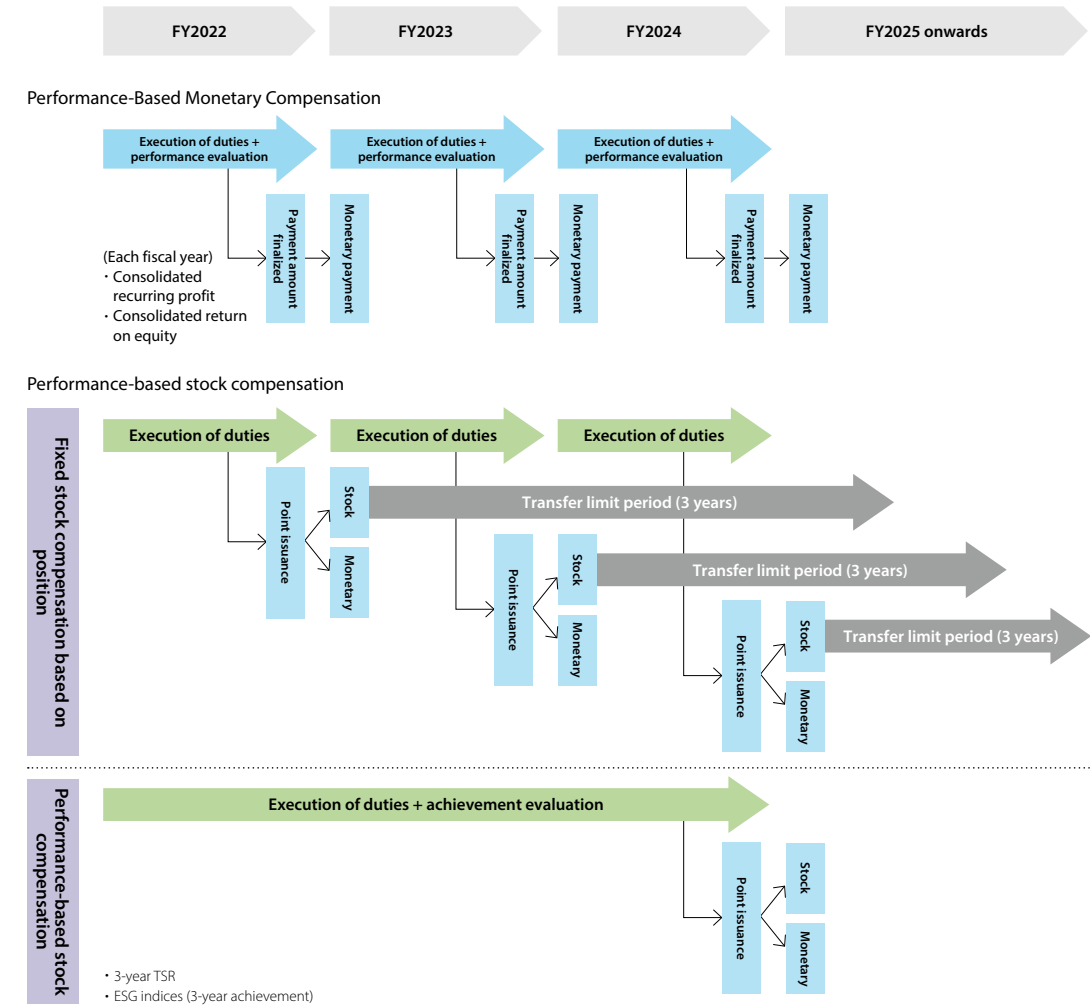
- (Note 1) Of the total amount of basic compensation of up to ¥510 million per year, the total amount for outside directors shall not exceed ¥150 million per year.
- (Note 2) The amount of performance-based stock compensation is the maximum amount of trust money to be contributed by the Company.
- (Note 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.

■ Compensation Structure



(Note) The above percentages are assumed values in each case, and they may vary depending on each position.

■ Payment of Performance-Based Monetary Compensation and Delivery, etc., of Performance-Based Stock Compensation



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Total amount of Executive Compensation, etc. (FY2023)

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	role-fixed	performance-based	
Directors (Excluding Directors who are Audit & Supervisory Committee Members) (Of which, for Outside Directors)	454 (57)	328 (57)	31 (-)	74 (-)	19 (-)	10 (4)
Directors who are Audit & Supervisory Committee members (Of which, for Outside Directors)	112 (44)	112 (44)	- (-)	- (-)	- (-)	5 (3)
Audit & Supervisory Committee Members (Of which for Members)	26 (6)	26 (6)	- (-)	- (-)	- (-)	4 (2)

(Note 1) Pursuant to a resolution passed at the 136th Ordinary General Meeting of Shareholders held on June 21, 2023, the Company has transitioned to a Company with Audit & Supervisory Committee. Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) includes compensation, etc., for Directors before the transition to a Company with Audit & Supervisory Committee including three directors who retired during this fiscal year. Compensation, etc., for Directors who are Audit & Supervisory Committee Members is for the period after the transition to a Company with Audit & Supervisory Committee, and compensation for Audit & Supervisory Board Members is for the period before the transition to a Company with Audit & Supervisory Committee.

(Note 2) 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.

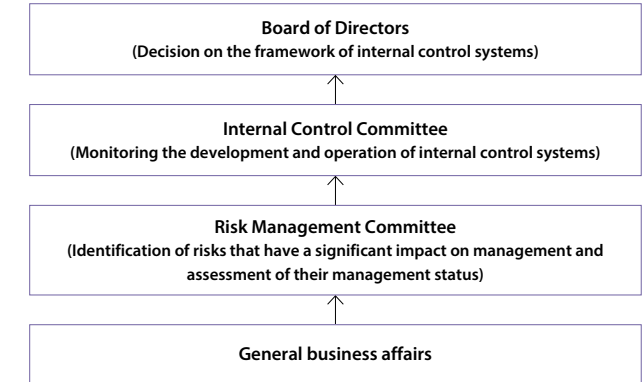
Total amount of compensation, etc. for officers whose total amount of compensation, etc. are ¥100 million or more (FY2023)

Name	Officer classification	Total amount of compensation, etc. (Millions of yen)	Breakdown (Millions of yen)			
			Basic compensation	Monetary compensation	Stock compensation	
			fixed	performance-based	role-fixed	performance-based
Hitoshi Nagasawa	Director	112	94	-	17	-
Takaya Soga	Director	133	75	17	29	10

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 2023, the committee examined the structure and

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implementation status of internal controls in the areas deemed most important and confirmed that there were no serious deficiencies in its 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 committee 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 committee regularly exchanges opinions with Audit & Supervisory Committee members and confirm issues with related departments in advance, thereby enhancing the efficiency and usefulness of audits. In addition, the committee has established a system whereby the internal audit department provides appropriate direct reports on the status of internal audits to internal and outside directors, ensuring collaboration with the directors and reporting to the Board of Directors.

• Audit of domestic companies

The Internal Audit Chamber regularly conducts business audits of the Company and each of its domestic Group companies, and continuously evolves its data auditing methods, such as analyzing expense, accounting, and attendance data to detect outliers.

Given that auditing methods requires personnel with specialist knowledge, Internal Audit Chamber personnel have been seconded to the Company from Group companies Yusen Logistics Co. Ltd., and we also actively promote external personnel to improve audit quality by utilizing multifaceted knowledge and having internal auditors mutually share and promote understanding of new audit methods.

In fiscal 2023, we conducted 24 audits for the NYK headquarters, its branches, and Group companies.

We also work with relevant internal departments to deepen the audit scope and improve the effectiveness of follow-up.

• Audit of overseas companies

Internal auditors belonging to the four group regional headquarters conduct periodic internal audits of group companies overseas (implemented at 65 companies in fiscal 2023).

Findings that audits identify are reported not only to the officer responsible at the headquarters that provides direction and oversight but also to the regional heads overseas to help raise the overall level of internal control in each region.

The staff of the Internal Audit Chamber and the internal auditors overseas contribute to enhancement of the internal control of the NYK Group as a whole by conducting the audits based on the same philosophy and rules and in accordance with the accounting data analysis.

Governance

Risk Management

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- Enterprise Risk Management (ERM)
- Critical Risks and Major Risks

Initiatives

- Information Security
- Emergency Response

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In the NYK Group's Liner Trade Business, Air Cargo Transportation Business, Logistics Business, Automobile Business, Dry Bulk Business, Energy Business, and other businesses, a wide variety of social factors such as economic and political conditions, environmental regulations, safety and security systems, natural disasters, and technological innovation in various parts of the world have the potential to impact on the Group's business and business performance.

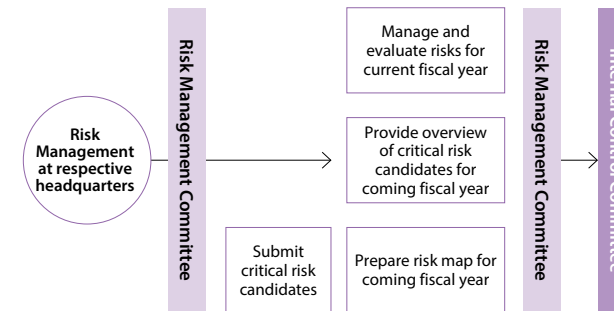
The Group defines risks as "uncertainties that could affect its achievement of continuous growth." The Group strives to prevent the occurrence of risk by establishing a risk management system based on the Risk Management Policy and Risk Management Rules to identify, evaluate, and formulate policies to deal with risk. In the unlikely event that a risk should occur, we will strive to avoid or reduce the risk by addressing matters that may affect human life first, while at the same time obtaining information on all risks in a timely and appropriate manner, preventing the spread of damage, and promptly restoring operations.

Enterprise Risk Management (ERM)

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.

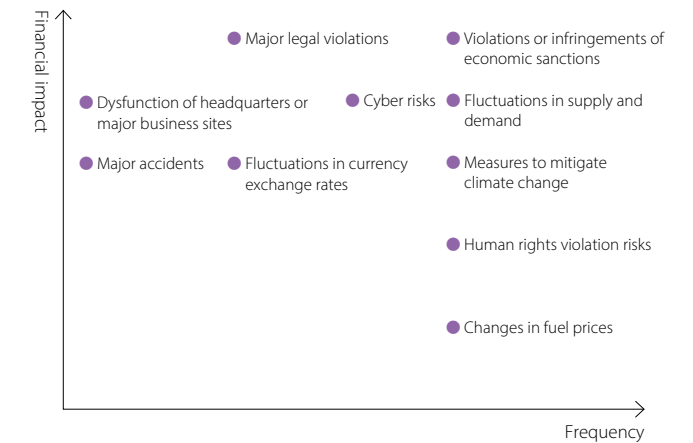
Risk Management System



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



Initiatives

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

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Risk Management

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Enterprise Risk Management (ERM)

Critical Risks and Major Risks

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Risk Management

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 Group companies in Japan and overseas, we are regularly conducting (1) e-learning using an education platform, (2) cyberattack countermeasure drills, and (3) global security assessments.

Emergency Response

To fulfill its social role in supporting the supply chain, even in the event of a natural disaster (earthquake, flood, infectious disease, volcanic eruption of Mount Fuji etc.), the NYK Group has established a business continuity plan, or BCP.

In response to diversifying work styles in the wake of the novel coronavirus pandemic, we are building a system that enables employees to work from remote environments through the provision of IT equipment and other measures. We have also developed and distributed our own cell phone application for disaster preparedness to facilitate communication and speed up

initial response in the event of an emergency, and have put in place systems and mechanisms to ensure a certain level of business continuity.

Since the establishment of the BCP document in 2006, we have been improving and expanding the content of the document every year, and will continue to improve the effectiveness of the BCP by regularly checking and revising its content, etc. We will also continue to conduct employee-participation drills and BCP lectures at training sessions for new employees in preparation for emergencies to ensure that all employees have a common understanding of the BCP and are able to implement a highly effective BCP.

• Continuing Serious Emergency Response Drills

NYK conducts serious accident response drills on vessels every year. The type and size of vessel, accidents, and troubles are changed during each drill so that we can take appropriate action in the event of an actual accident. The drills are conducted with the cooperation of various stakeholders, including government agencies and customers, and include practical measures such as setting up a crisis management headquarters after an accident, notifying relevant parties, rescuing injured persons, and disclosing information through press releases as the situation develops. Through the drills, we reaffirm the importance of prompt and accurate information disclosure to society.

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- Compliance Committee

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- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

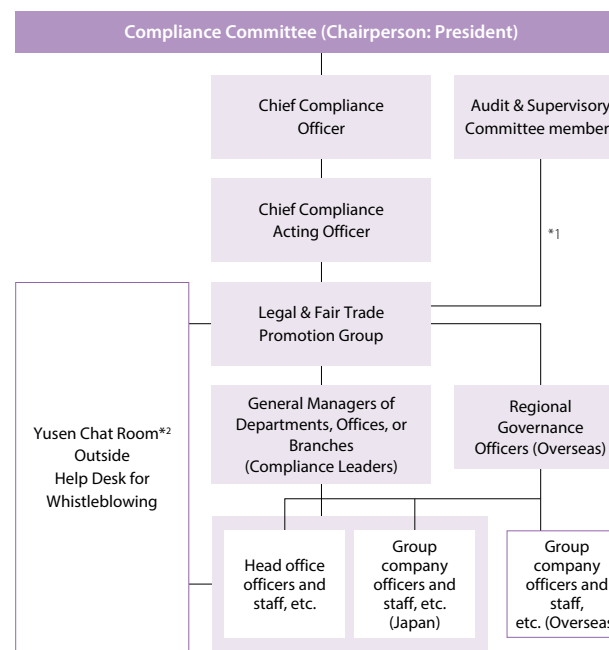
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"Integrity," one of the Group's values (values that employees should share in order to realize our corporate philosophy), means to be respectful and considerate to customers and colleagues, and stay warm, cordial, courteous, and caring. In the context of compliance, this means "conducting business activities with a high sense of ethics, considering the position of all stakeholders while ensuring respect for human rights and compliance with laws and regulations," which is stipulated in the NYK Group Business Credo.

As of June 2024, the Group has the following main compliance-related systems in place.

- Establish the Group's Corporate Philosophy and Business Credo, establish standards of conduct and company rules applicable to officers and employees, and maintain a whistleblower system
- Establish a Chief Compliance Officer (CCO) to oversee the development of compliance-related systems and activities, and have the Compliance Committee evaluate the status of compliance.
- Promote the development of similar systems in subsidiaries, etc.

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.

Main Measures Aimed at Strengthening Compliance

Year	Initiatives
1997	Established NYK Business Credo
1999	Established NYK Code of Conduct
2002	Established position of Chief Compliance Officer
2005	Established NYK Group Mission Statement
2006	Established Internal Control Committee
2008	Established Antitrust Law Task Force
2013	Established Executive Committee Overseeing Thorough Antitrust Law Compliance
2016	<ul style="list-style-type: none"> • Introduced measures to prevent bribery of overseas public officials when establishing new business • Revised the NYK Code of Conduct
2017	Implemented a written pledge of adherence to the NYK Code of Conduct
2020	Revised the company's internal rules related to compliance
2023	<ul style="list-style-type: none"> • Revised the NYK Group Mission Statement • Revised the NYK Business Credo • Revised the NYK Code of Conduct

NYK Code of Conduct

The NYK Group has established the "NYK Code of Conduct," which embodies the NYK Group Mission Statement and the NYK Business Credo, to ensure that all officers and staff conduct their day-to-day business activities with a mindset of compliance (compliance with laws, Company regulations, corporate ethics, and social norms) in their individual actions. The NYK Code of Conduct is disseminated as a guideline for proper conduct to be observed by officers and staff.

The NYK Code of Conduct is reviewed periodically to reflect changes in the business environment and social conditions. At the time of revision, we distribute a guidebook to deepen

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Compliance

understanding of the contents and hold in-house briefing sessions. Once a year, we require our officers and staff to submit a written pledge regarding compliance with the NYK Code of Conduct as an opportunity to confirm that they fully understand and act in accordance with the NYK Code of Conduct.

Compliance Committee

The Compliance Committee deliberates and makes resolutions regarding the Group's annual compliance plan, policies for compliance-related activities, and other important compliance-related matters. The Group's Compliance Committee convenes twice yearly and reports its agenda items to outside directors and Audit & Supervisory Committee members by way of the Board of Directors.

Initiatives

Comprehensive Compliance Checkups

In this Group, September of each year has been designated a compliance strengthening month in which comprehensive compliance checkups are promoted with the goal of getting the officers and staff, etc. to take the initiative in reviewing their conduct and work processes. As one of the activities, we have established "Compliance Day," a town hall meeting where the Chief Compliance Officer delivers his/her opinions on compliance and lawyers provide compliance training, which is broadcast live to the company and Group companies.

In addition, we are reaffirming the commitment of each staff/employee to the NYK Code of Conduct and conducting a compliance awareness survey. The results of the awareness survey are submitted back to the company to further raise compliance

awareness.

We have confirmed that 2,108 of our officers and staff (including individuals dispatched or sent from other companies) have pledged to follow the 2023 NYK Code of Conduct, and have received pledge responses from 100% of them. The 2023 Compliance Awareness Survey was administered to 2,107 respondents for a response rate of 92.26%.

Compliance Training

We continuously provide various types of compliance education and training to ensure that all employees, including those at Group companies, are further aware of compliance and are familiarized with the knowledge and information necessary to practice compliance.

In 2023, we continued to provide compliance training based on our Code of Conduct as part of ESG training for newly hired employees of our company and our Group companies. We also provide detailed education and training by employee level, such as training in competition law/antitrust law, anti-bribery law, economic sanctions, and compliance when employees are posted overseas, and management training in directors' duties and responsibilities and compliance when employees are transferred to Group companies.

In September of each year, which is Compliance Strengthening Month, the company conducts compliance training for all employees of the company and its domestic Group companies in a hybrid face-to-face and online format to promote compliance awareness throughout the Group. We are also expanding our education and training opportunities by introducing new workshop-style training programs that incorporate an interactive format.

For our executives and managements, we provide training

aimed at preventing the recurrence of corporate misconduct, using past cases as teaching materials. This training is a future-oriented Institutional Memory training program that compiles past cases as organizational knowledge and utilizes it as organizational learning for future management, with the aim of learning for the future.

We are also strengthening our training programs for specific high-risk business departments, including individualized competition law/antitrust law training and anti-bribery training for ship operators.

For overseas Group companies, we provide ongoing education and training programs, led by local attorneys, on competition law/antitrust law, anti-bribery law, economic sanctions, compliance training, and other topics based on regional characteristics. In 2023, 2,027 employees underwent training in 23 countries.

In addition, we offer e-learning programs for domestic and overseas Group companies. The program is offered in Japanese, English, and Chinese languages on the themes of competition law/antitrust law, anti-bribery law, economic sanctions, and compliance, with 8,415 participants in 2023 for a target audience participation rate of 95.8%.

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Whistleblower Consultation Desk

• Japan Help-line

The Group companies (Japan) provide several consultation services for employees to discuss concerns about or report workplace misconduct, harassment, and non-compliance. Such services include the Yusen Chat Room which allows employees to contact external lawyers, and internal hotline, harassment-related consultation desk, and a consultation desk which is operated by outside contractors. The Yusen Chat Room is available to employees of roughly 66 Group companies in Japan and provides access to six personnel, including an external lawyer, who are available to listen to a wide range of compliance matters and provide consultation and facilitate whistleblowing on said matters.

The Japan Helpline is available to employees, etc.* of the NYK Group, as well as staff and retired employees (within one year of retirement).

Every effort is made by the department conducting the investigation of the company to ensure personnel contacting the Whistleblower Consultation Desk suffer no adverse treatment and, if desired, the identity of the person contacting the service is kept completely confidential, based on the objective that the information provided will help improve the work environment.

*Employees, etc.: Employees (including fixed-term employees, seconded employees, employees converted to permanent employment, and temporary dispatched employees) and persons directly or indirectly engaged in the execution of their duties at each business location (including persons indirectly engaged in the execution of their duties based on outsourcing or contracting agreements)

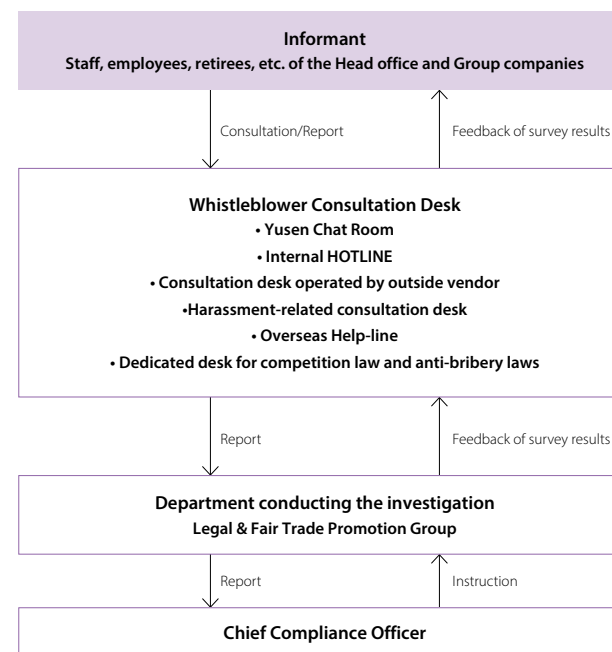
• Overseas Help-line

At overseas Group companies, regional management offices in each region have established whistleblower desks operated by outside vendors, which are available to employees, etc. of overseas Group companies.

• Dedicated Desk for Competition Law and Anti-bribery Laws

The dedicated desk for competition law and anti-bribery laws accepts reports and provides consultation on antitrust and other competition law and bribery matters. It is available to employees, staff, and retirees (within one year of retirement) of the Company and its domestic and overseas Group companies.

■ Flow of events after a report is submitted to whistleblower desk



Publicizing the whistleblower consultation desk

To make the whistleblowing system and contact point well known to all employees, the Company provides explanations at compliance training sessions, posts information on internal bulletin boards, the Group's intranet, and in the Group's newsletter, displays posters, and sends e-mail announcements to all employees. In our annual compliance awareness survey of all employees, we conduct a survey on the level of recognition of each whistleblower consultation desk and the process after receiving a whistleblower report to confirm the degree of penetration of the whistleblower system.

■ Internal recognition of whistleblower consultation desk (2023)

(Unit: %)

Whistleblower Consultation Desk	Internal recognition
Yusen Chat Room	95.2
Internal Hotline	49.8
Consultation desk operated by outside vendor	34.3
Harassment-related consultation desk	70.8
Dedicated desk for competition law and anti-bribery laws	67.3
Not aware of any consultation desk	1.4

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Reporting Results

(1) Number of reports (Unit: Events)

Fiscal year	Number of reports
2020	37
2021	55
2022	50
2023	50

(Note 1) The above does not include reports made to the whistleblower consultation desks set up independently by Group companies. Although not compiled by the Company, all serious compliance incidents that occur at Group companies are reported to the Chief Compliance Officer.

(Note 2) The above number of events includes those reported to a consultation desk operated by outside vendor, but the Company does not investigate and respond to those cases in which the informant did not wish to share the information with the Company.

(2) Breakdown of reports (2023) (Unit: Events)

Details of report	Number of reports
Suspected harassment	12
Workplace environment (including interpersonal relationships)	1
Labor/Management-related	7
Suspected violation of other laws and internal regulations	6
Other	24

(3) Standard processing time (excluding Saturdays, Sundays and national holidays)

Average number of days from the date of receipt of the report by the Whistleblower Consultation Desk until the completion of the investigation and feedback of the results to the informant: 80 days.

Since the processing time varies depending on the nature of the report and the busyness of the department handling the investigation, actual cases may be completed in a few days or may take more than a year.

Compliance with Antitrust Laws, etc.

In the global shipping industry, which is subject to the principle of the freedom of shipping (free navigation in international waters and innocent passage in territorial waters), anyone is free to enter or leave the market, which means that it is easy for competition to intensify. To reduce the potential negative impacts therefrom, such as interruptions to the stable shipping network and reduced shipping and industry competitiveness in emerging countries, the industry has historically been exempted from the scope of antitrust laws under certain conditions.

With these legal protections diminishing in today's times, it has become common for shipping companies to cooperate through vessel-sharing agreements and slot exchanges in order to fulfill infrastructure responsibilities, maintain and improve diverse navigation networks, and manage the frequencies of port calls. As such, companies in the industry encounter many opportunities to make contact with competitors.

In light of these industry characteristics, the Group has long established the "Antitrust Law, etc. Compliance Committee" to ensure strict compliance with laws and regulations within the Group, including related anti-bribery laws and economic sanctions laws, with a focus on complying with the Antitrust Laws, etc. In March 2019, the committee was renamed the "Executive Committee Overseeing Thorough Legal Compliance" to ensure thorough legal compliance not only with specific laws and regulations, but also with laws and regulations in general, as well as with various permits and approvals.

Response to violations

Since September 2012, the NYK Group had been under investigation by several competition authorities for alleged violations of antitrust laws (including overseas ones) in connection

with the shipping of automobiles and other cargo.

Furthermore, the Company and certain overseas Group companies are also subject to class action damage compensation suits in multiple regions. Taking this situation seriously, we are building a system and promoting activities to reemphasize compliance with the antitrust laws to raise the awareness of each and every executive officer and employee* in the Group.

*Includes Company employees, personnel seconded from other companies, and temporary staff

Measures to Prevent Recurrence of Misconduct, Implemented Continuously Since 2013

- Annual holding of the Executive Committee Overseeing Thorough Law Compliance
 - Chaired by the CEO and attended by directors, executive officers, Audit & Supervisory Committee members, the regional governance officers*¹ of overseas regional management companies, NYK head office general managers, and certain Group compliance managers.
 - Conducted in September 2023. As of September 2023, the committee convened 18 times, if meetings of the former Executive Committee Overseeing Thorough Antitrust and Anti-Bribery Law Compliance are included.
- Formulation of guidelines and implementation of risk assessments of all operating divisions, including domestic and overseas Group companies
- Acquisition of written oaths regarding compliance with antitrust and competition laws
- Adoption of an application system*² for officers and employees at the NYK head office and of domestic and overseas subsidiaries who want to participate in industry gatherings

*1 As part of governance-strengthening measures, the committee's membership was extended to include the regional governance officers (RGOs) of the four overseas regional management companies beginning from FY2020.

*2 The system limits the opportunities for employees to interact with competitors' employees. If any participation in a meeting with such employees is required, NYK employees must obtain approval in advance and report the agenda of the meeting.

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Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

Compliance

Absolute Prohibition of Bribery

In January 2014, the NYK Group updated its basic policy and guidelines related to prohibiting bribery to reflect the Japan Unfair Competition Prevention Act (prohibiting the bribing of overseas public officials), the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act 2010. Since fiscal 2015, the Company has conducted anti-bribery training for employees in Japan and overseas, and training on facilitation payments specific to the targeted departments has been offered since 2021. In addition, the department has sent letters of warning to the operating vessels and third-party agents, and is continuing its efforts to prohibit bribery in the field and through third parties.

In addition, the Company has been a member of the Maritime Anti-Corruption Network (MACN) since fiscal 2015. The MACN is a global network engaged in activities to prevent and eliminate corruption in order to realize fair trade across the entire maritime shipping industry. Since joining, we have strengthened our cooperation with MACN, and since 2020, we have been working to utilize MACN's help desk to increase the effectiveness of our anti-bribery efforts.

• Exercising Due Diligence Regarding Bribery

In April 2016, the NYK Group established an anti-bribery system for foreign public officials. In this system, When the launch of a new business in a high-risk country is being considered, in addition to screening partner and agency candidates for bribery-related problems, the legal departments confirm relevant matters and provide suggestions regarding incorporation of clauses related to the prohibition of bribery when concluding contracts.

Legal risk management system

When considering new investment and the launch of new businesses, our legal department implements risk management via screening and due diligence in order to conduct checks regarding antitrust laws, bribery, and economic sanctions.

• Certification from anti-bribery business organization

The Group has received the below certification from Ethixbase360, a globally recognized anti-bribery business organization and leading provider of third-party risk management solutions. We will continue to strive for fair and transparent suitability in international commercial transactions.



Tcertification
ID: TC3182-6961
(Valid through: January 15, 2024 to January 14, 2025)

Political Contributions

Although the NYK Group does not engage in political activities with the objective of supporting or endorsing specific political groups or politicians, we do compare our systems with those of other countries and engage in lobbying and other activities aimed at balancing international competitive conditions, including taxation systems. In this activity, we are committed to the following two points to maintain a transparent and correct relationship with politics and government.

- Ensure that all employees are familiar with the Political Funds Control Act and other relevant laws and regulations, as well as Company regulations
- Donations are reported to and confirmed by the executive officer in charge of external relations and related executive officers as necessary, and the recipient and amount of donation are determined through procedures in accordance with internal standards

Tax Compliance

The NYK Group recognizes its social responsibility to comply with the laws of all countries and to fulfill its obligation to pay taxes, and constantly strives to improve tax compliance.

In recent years, various problems have arisen with companies seeking to evade paying taxes by taking advantage of differences between corporate activities, national tax regulations and international tax. We believe international tax frameworks, such as the OECD's Base Erosion and Profit Shifting (BEPS) project, are essential for securing tax transparency, and we seek to comply with such international standards.

Governance

Dialogue with Shareholders and Investors

Governance

- For Our Shareholders
- For Institutional Investors
- For Individual Investors

Initiatives

- Main IR Activities
- Results of Engagement Activities (FY2023)
- Initiatives based on dialogue with investors

Dialogue with Shareholders and Investors

Governance

NYK believes that the keys to the fair assessment of its corporate value are timely, and appropriate disclosures to shareholders, investors, and all other stakeholders and mutual communication with them. In order to contribute to the Group's sustainable growth and medium- to long-term enhancement of corporate value, we have established a policy to promote constructive dialogue with shareholders in Article 25 of our Corporate Governance Guidelines.

The senior management team receives regular, timely reports on valuable opinions obtained from shareholders and investors through dialogue and they are used to improve our business management.

For Our Shareholders

At the Group, we view Ordinary General Meetings of Shareholders as the most important opportunities for dialogue. We value the opinions from our shareholders and endeavor to provide detailed explanations and responses. For shareholders who were unable to attend the meeting, we have filmed and released a video of the day of the meeting for the purpose of fair information disclosure.

[Link](https://www.nyk.com/english/ir/stock/meeting/) For more information, please see below.

For Institutional Investors

The CEO and the senior management team conduct quarterly financial results briefings, small meetings, and business briefings for institutional investors. Also, the officer responsible for investor relations visits institutional investors in Japan and overseas and responds to individual interviews or other requests in an effort to provide an understanding of our strategy.

For Individual Investors

We conduct briefing sessions for individual investors and participate in presentations and Q&A sessions.

[Link](https://www.nyk.com/english/ir/library/investors/) For more information, please see below.

Initiatives

Main IR Activities

Activity	Details
For institutional investors	<ul style="list-style-type: none"> • Financial results briefings • Individual interviews • Individual visits to overseas investors in the U.S., Europe, and Asia, etc. • Business briefings • Small meetings
For individual investors	<ul style="list-style-type: none"> • Participation in briefings for individual investors
Releases on the Company website	<ul style="list-style-type: none"> • Notices of Ordinary General Meetings of Shareholders • Annual Securities Reports and Semiannual Securities Report • Integrated Report (NYK Reports) • Fiscal Statements • Briefing Materials for financial results • Videos of financial results briefings (including Q&A) • Timely disclosure of materials
Other	<ul style="list-style-type: none"> • Feedback on markets' expectations and evaluations of the NYK Group (seminars conducted by securities analysts)

Governance

Dialogue with Shareholders and Investors

Governance

For Our Shareholders

For Institutional Investors

For Individual Investors

Initiatives

Main IR Activities

— Results of Engagement Activities (FY2023)

— Initiatives based on dialogue with investors

Dialogue with Shareholders and Investors

Results of Engagement Activities (FY2023)

■ Briefing session for investors

Type of briefing session	Number of sessions held or timing of session/Number of participants	Details	Main speaker
Financial results briefings	4 times per year/535 in total	Full-year or quarterly financial results, earnings forecasts, progress of medium-term management plan, etc.	President, Representative Director (President and Chief Executive Officer) Representative Director (Executive Vice-President Executive Officer)
Investors Meeting	June 2023/92	Positioning of the Logistics Business in the Group and future growth strategy	Executive Officer (in charge of Logistics Group, etc.)
	January 2024/128	Analysis of Research Group on supply and demand for container ships and car carriers	Deputy General Manager, Research Group
Briefing session for online individual investors	June 2023/919	Business overview, business performance, medium-term management plan, etc.	President, Representative Director (President and Chief Executive Officer)
NYK Group ESG Story 2023 Briefing session	November 2023/85	Explanation of "NYK Group ESG Story 2023"	President, Representative Director (President and Chief Executive Officer) Representative Director (Executive Vice-President Executive Officer), Executive Officer (In charge of ESG Management Group /Decarbonization Group)
IR Meeting for Ocean Network Express Pte. Ltd.	March 2024/224	ONE's medium-term management plan, business overview, etc.	Ocean Network Express Holdings, Ltd. Representative Director Chairman

(Note) Various briefings are conducted online

■ Individual dialogue

Activity type	Number of sessions/ Participating companies	Details	Main speaker
Small meetings*1	4 times/37 in total	Dialogues between management and investors	President, Representative Director (President and Chief Executive Officer) President, Representative Director (Vice-President and Chief Executive Officer)
Shareholder relations activities	14 times/14 in total	Dialogues with persons in charge of exercising voting rights for domestic institutional investors	President, Representative Director (President and Chief Executive Officer) President, Representative Director (Vice-President and Chief Executive Officer), Executive Officer (in charge of IR Group, etc.)
Individual interviews	306 times/164 in total	Dialogue with domestic/overseas institutional investors and analysts	IR Group
Of which, ESG Engagement*2	14 times/14 in total	Dialogues related to ESG with domestic/overseas institutional investors and analysts	IR Group, Decarbonization Group

*1 Including hosted by securities companies *2 Only dialogue focused on ESG
Note: Including online briefings

Initiatives based on dialogue with investors

■ Examples of our initiatives

Topics	Examples of initiatives
Explanations by business department to investors	<ul style="list-style-type: none"> • Holding regular business briefings for institutional investors -Briefing on the Logistics Business (June 2023) -Briefing by Research Group (including explanation of the situation in the Middle East) (January 2024)
Optimal capital structure	<ul style="list-style-type: none"> • Establish a shareholder return policy based on cash allocation in the medium-term management plan (March 2023) • Additional share repurchases (May 2024 - April 2025 (planned))
Changes in reportable segment structure	<ul style="list-style-type: none"> • Disclose the breakdown of the 'Bulk Shipping Business,' which has expanded in scale, and promote initiatives aimed at increasing ROE and decreasing the cost of shareholder equity (through reducing business volatility) (August 2024)
Dialogue between outside directors and institutional investors	<ul style="list-style-type: none"> • Hold small meetings with outside directors and disclose with the Integrated Report
Disclosure with capital market in mind	<ul style="list-style-type: none"> • Disclosure of specific measures regarding "Action to implement management with an awareness of capital cost and stock price" (February and May 2024) • Disclosure of progress in medium-term management plan

We have a system in place to promptly provide feedback to management on the content of dialogues with shareholders and investors. The IR Group reports weekly to top management on the content of dialogues at small meetings, SR activities, Investor road show, conferences sponsored by securities firms, and individual interviews, as well as reports by securities analysts.