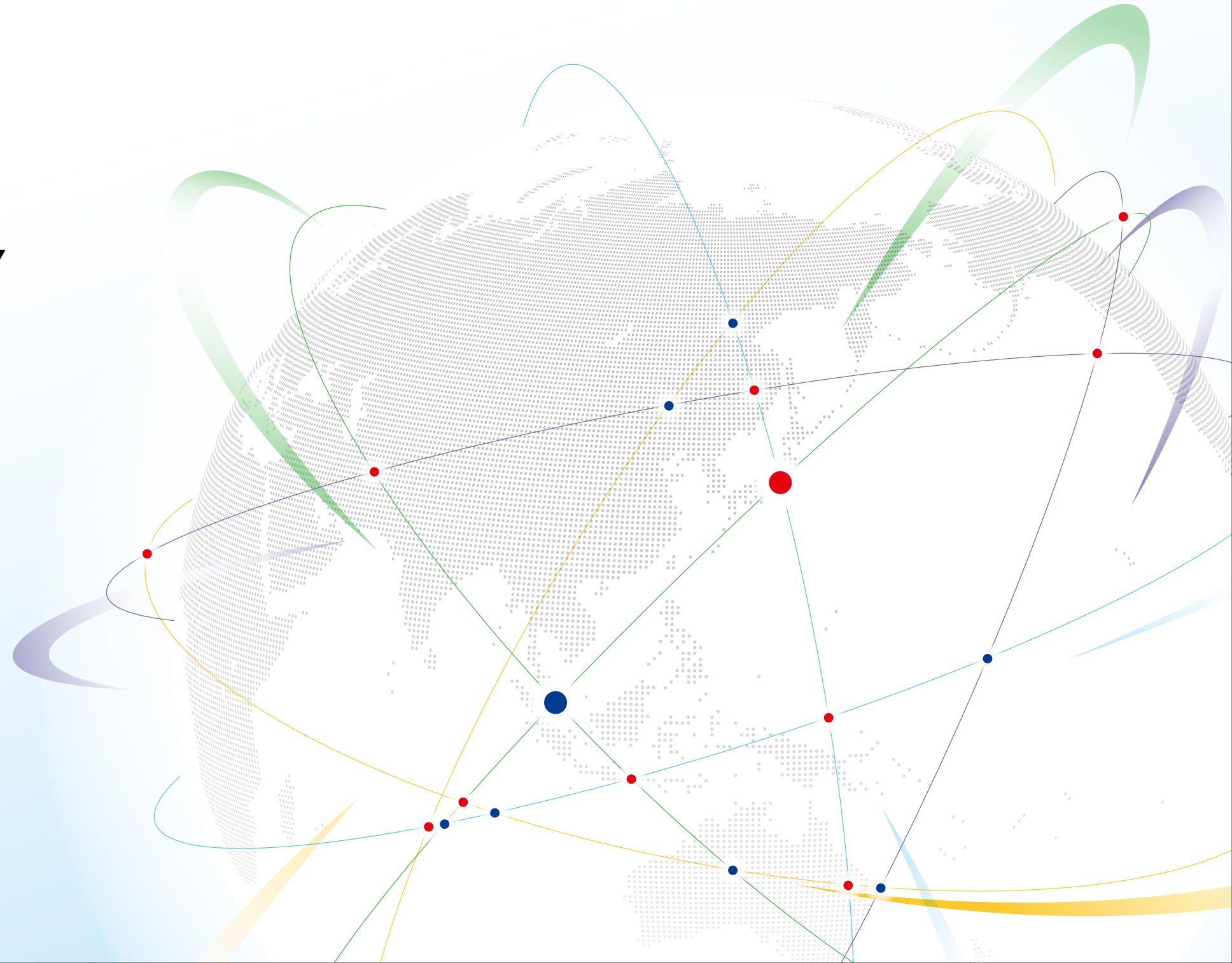




SUSTAINABILITY REPORT 2024



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Editorial Policy

The NYK Group publishes a “Sustainability Report” as a means to convey information and communicate with stakeholders who are highly interested in our sustainability initiatives. The “Sustainability Report” will be published in 2024. This report is a renamed and evolved version of the “ESG Data Book” that was published from 2019 to 2022. The report summarizes the results and data of various activities undertaken to resolve ESG (Environmental, Social, and Governance) issues by material issues.

Scope

Activities by domestic and overseas consolidated group companies lead by Nippon Yusen Kabushiki Kaisha (NYK). The scope is mentioned when the main target company differs by field of activity.

Reference Guidelines

- GRI “Sustainability Reporting Standard”
- ISO26000
- UN Global Compact
- Ministry of the Environment “Environmental Reporting Guidelines 2018”

Applicable Period

April 1, 2023 to March 31, 2024
(Some initiatives, activities, data, and other information may include earlier or more recent information.)

Published

November 2024

Cautions Regarding Forecasts

This data book contains forecasts that include risks and uncertainties and may differ from actual results. These forecasts are based on the currently available information and should not be unduly relied upon.

NYK Group Mission Statement, Vision and Value

NYK Group Mission Statement

Bringing value to life.

Vision

Our aspirations

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

Value

Values employees should share to achieve the corporate mission

Integrity

Be respectful and considerate to your customers and colleagues.
Stay warm, cordial, courteous, and caring.

Innovation

Continually think of new ideas for improvement, even when conditions appear satisfactory.
Remain open to betterment.

Intensity

Carry through with and accomplish your tasks. Never give up.
Overcome challenges. Remain Motivated.



Message from the President



Message from the President

We will forge ahead with the implementation phase of ESG management

Becoming an Organization Whose Employees Think and Develop Autonomously

Since announcing the NYK Group ESG Story in February 2021, the NYK Group has annually reported on its progress through an ESG Story. In November 2023, we released NYK Group ESG Story 2023, which summarizes our latest achievements, together with the NYK Group Decarbonization Story, which outlines our specific initiatives aimed at realizing a carbon-free society. NYK Group ESG Story 2023 also provides non-financial information not included in the medium-term management plan announced in March 2023.

In fiscal 2023, we formulated the NYK Group CX Story, which is a strategy for improving the professional skills of group colleagues even further. The Chief Human Resources Officer and other members of the Human Resources Team earnestly prepared concrete HR policies in line with my strong desire to encourage NYK Group colleagues all over the world to be more excited about their work. Of the Group's more than 35,000 employees, roughly 80% work outside Japan. Our strategy is to establish a vision of the human resources required for a truly global company and then develop the systems and career paths necessary to realize this vision. These efforts will be based on the concept of "a global company headquartered in Japan" rather than the approach of "a Japanese company operating globally."

The ESG Story and other stories result from thorough discussions focused on the NYK Group's three material issues—Safety, the Environment, and Human Resources—and have been incorporated into specific measures and plans. As we hold briefings at our operating bases around the world, the enthusiasm with which participants are commenting and asking questions is greater than ever before. For this reason, I feel that the type of ESG management that we initially sought is beginning to acquire its own momentum. Rather than taking measures based on a one-way process led by the head office, frontline employees are thinking and acting on their own initiative.

Demonstrating an Unwavering Determination to Achieve Decarbonization Targets

We are a corporate group engaged in a logistics business that is centered on the operation of ships. Because maritime shipping mainly uses heavy oil as fuel, large amounts of greenhouse gas are emitted. In other words, the reduction of greenhouse gas emissions by the NYK Group is largely determined by the extent to which it can lower ship emissions. Furthermore, the Group cannot easily reduce emissions on its own because the logistics business is part of an industry that is closely integrated with an array of industries and supply chains.

The recently announced NYK Group ESG Story 2023 and the

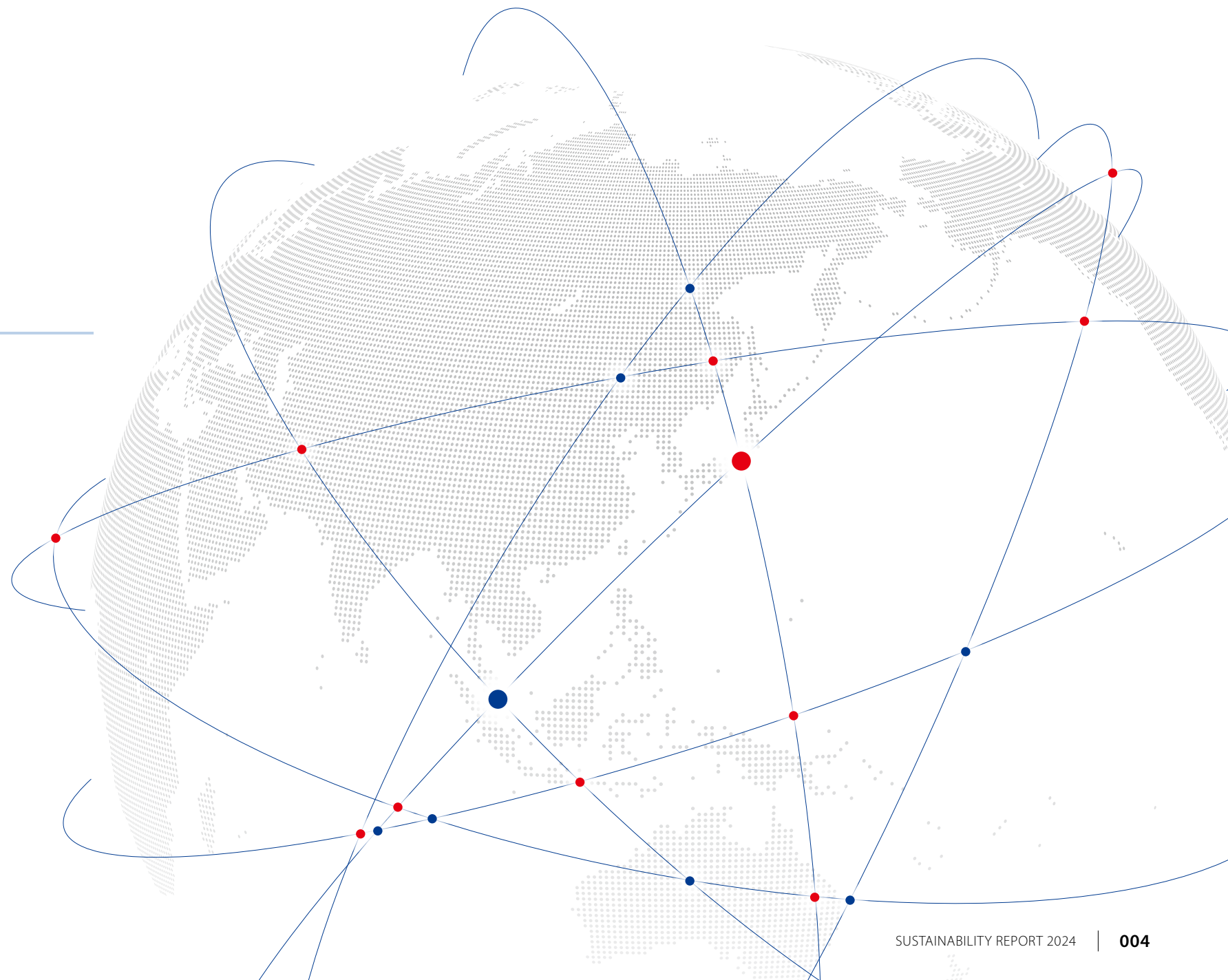
NYK Group Decarbonization Story set decarbonization targets that go even further than those announced in the medium-term management plan. First, we switched our base year comparison targets from efficiency targets to absolute corporate emissions targets to heighten awareness that the achievement of net-zero emissions by 2050 is imperative. We also aligned our targets with the more stringent 1.5°C scenario of the Paris Agreement instead of its 2.0°C scenario. This even stronger focus on net-zero emissions led us to set the extremely ambitious medium-term target of achieving a 45% reduction in absolute corporate emissions by fiscal 2030 compared with those of fiscal 2021. Moreover, our focus on net-zero emissions and commitment to new targets resulted in a shift in our overall approach. Rather than being solely based on the combined application of technologies that are currently available or that will become available in the near future, our setting of the 45% reduction target is also premised on doing everything we can to advance a wide range of initiatives. Specifically, we will encourage the acceleration of technology-related innovation and initiatives and promote co-creation with our stakeholders.

Our sense of mission stems from the knowledge that society as a whole cannot achieve carbon neutrality without decarbonizing the logistics business, on which global supply chains rely. We are determined to move forward with concerted Groupwide initiatives that reflect this mission and the belief that sincere efforts to reduce greenhouse gas emissions will drive our sustainable growth as a corporate group.

By continuing to actively disclose detailed information on measures and progress toward targets and by realizing higher-quality dialogues with all stakeholders, we will accelerate initiatives to decarbonize not only the NYK Group but also the maritime industry and society in general. As the Group redoubles its efforts, I would like to ask all our stakeholders for their continued support.

April 2024
Takaya Soga
 President

NYK Group's ESG management



NYK Group's ESG Management

Toward the Implementation of ESG Management

Governance

— Role of Management and Supervisory Body

Strategy and Risk Management

Strategy

Risk Management

Initiatives

ESG Navigator System

Expansion within the group

ESG Information Dissemination

Other Initiatives

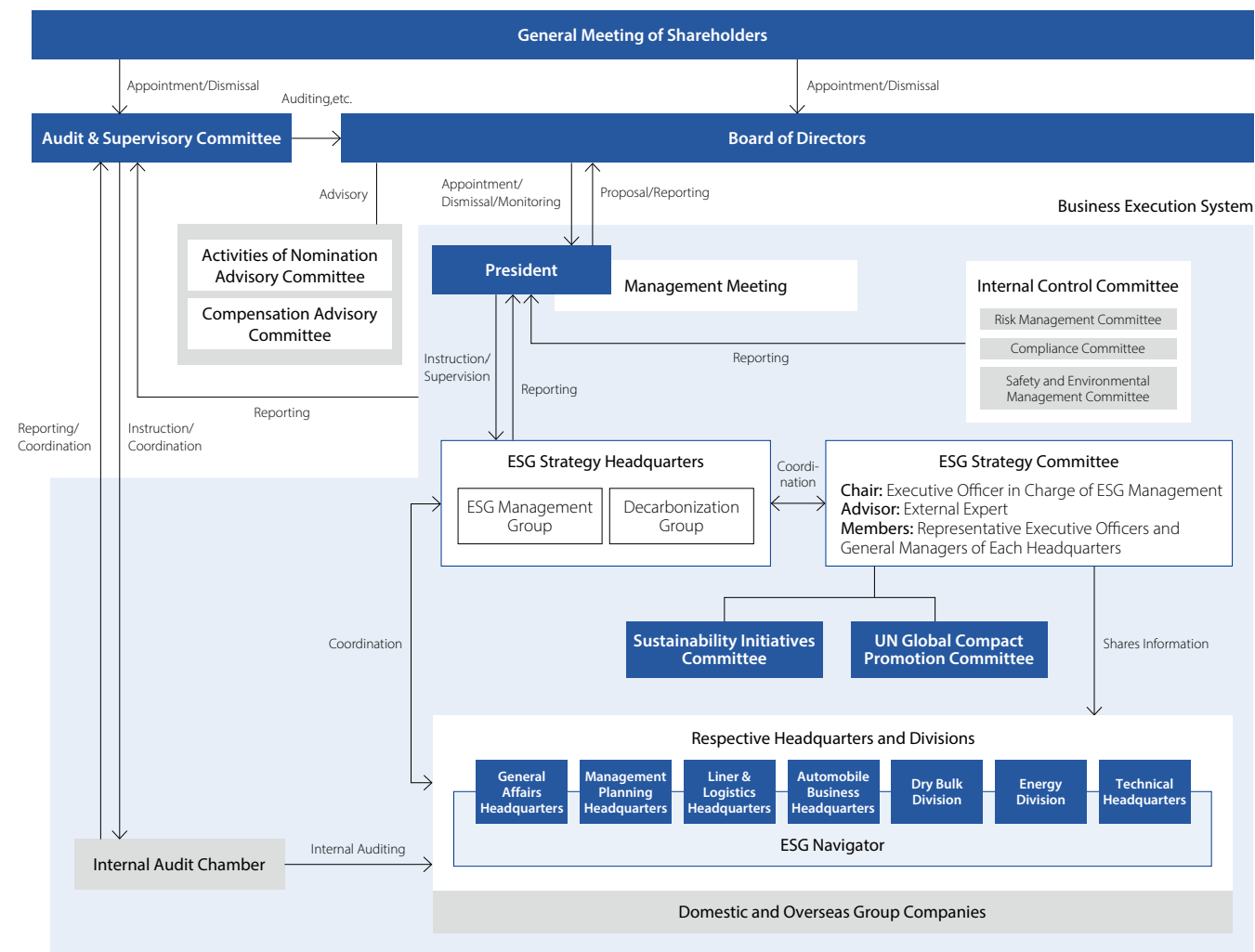
Governance

Role of Management and Supervisory Body

Under the strong commitment and leadership of the top management, the Group promotes and practices ESG management and has built and is operating a governance system.

Toward the Implementation of ESG Management

■ The NYK Group's ESG Management Implementation Framework (As of April 1, 2024)



NYK Group's ESG Management

Toward the Implementation of ESG Management

Governance

— Role of Management and Supervisory Body

Strategy and Risk Management

— Strategy
Risk Management

Initiatives

ESG Navigator System
Expansion within the group
ESG Information Dissemination
Other Initiatives

Toward the Implementation of ESG Management

● Board of Directors

The Board of Directors considers and approves all sustainability issues raised by the Safety and Environmental Management Committee, the Risk Management Committee, and the Management Meeting. Further, the Board also regularly monitors and receives the reports regarding achievement status of medium-to-long-term decarbonization goals.

● Management Meeting

The ESG Strategy Department compiles the strategies and issues related to ESG management through the ESG Strategy Committee. These are then approved by the Management Meeting, an important decision-making body that aims to create corporate and social value simultaneously.

● ESG Strategy Headquarters

As an engine for "implementing" ESG management, the core of our growth strategy outlined in our medium-term management plan "Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing –," we established the ESG Strategy Headquarters in April 2023, which includes the ESG Management Group and the Decarbonization Group. ESG issues have become increasingly diverse, which include stronger regulations around reducing GHG emissions and increased requests for disclosure of non-financial information. These are also closely related to corporate management strategies. The ESG Management Group functions as an "Activation" group to further strengthen ESG management by working to motivate and change the mindset of group employees while incorporating co-creation with stakeholders. The Decarbonization Group functions as an "Action" group and acts as a leader in formulating and implementing decarbonization strategies based on a data-driven, scientific approach. Both groups have extensive stakeholder involvement and work to implement ESG management on group and global levels.

● ESG Strategy Committee

The committee comprises of executive officers, general managers representing each department, and external experts. It formulates company-wide policies, sets goals for ESG management, and discusses various ESG-related topics. The results of the discussions are submitted to the Management Meeting and Board of Directors via the ESG Strategy Headquarters.

■ ESG Strategy Committee Activity Results and Plans (FY2023-)

Fiscal year	Number of meeting	Main agenda items
FY2023	Nine times	<ul style="list-style-type: none"> • Discussion of material issues • Review of SDG comparison table • Disclosure of sustainability information in annual securities report • KPI-based results and the progress of initiatives
FY2024	Eight times	<ul style="list-style-type: none"> • Review of external disclosure policy • KPI-based results and the progress of initiatives • Study sessions on sustainability-related topics

■ External experts participating in the ESG Strategy Committee

External Expert: Takatsugu Kitajima,
Lawyer
Partner, TMI Associates

Mr. Kitajima specializes in corporate law, particularly in environment and sustainability. He provides advice on the formulation of the Group's ESG strategy from an outside perspective, based on his experience in human resources and planning at a business company, his work as an environmental and sustainability consultant, and his knowledge gained from this time as the Secretary General of the "SDG Corporate Strategy Forum" research group.



Strategy and Risk Management

Strategy

With its roots in the shipping industry, the NYK Group has grown into a comprehensive logistics company to deal with the increasingly globalized world economy and diversifying logistics needs. It continues to fulfill its responsibilities as a part of social infrastructure.

However, at the same time, due to the nature of the industry, the Group also faces major challenges in terms of dealing with climate change and environmental preservation. Further, as a Group that is rooted in the extensive maritime industry involving many stakeholders and operates globally, every employee is expected to encounter social issues in their daily work.

The Group's medium-term management plan unveiled in March 2023 clearly defines an "ESG-centered growth strategy" and will vigorously promote transformation, particularly by working passionately in decarbonization activities to protect the global environment.

We recognize that sustainable growth and the creation of medium-to-long-term corporate value are the results of contributions from our stakeholders such as shareholders, employees, customers, business partners, creditors, and the local community, and we strive to maintain good relationships with them.

To continue being the company of choice for our stakeholders, we will contribute to solving social and environmental issues by appropriately investing management resources to expand our existing core businesses and develop new growth businesses based on a long-term management strategy focused on ESG management.

To supplement the non-financial information that could not be

NYK Group's ESG Management

Toward the Implementation of ESG Management

Governance

Role of Management and Supervisory Body

Strategy and Risk Management

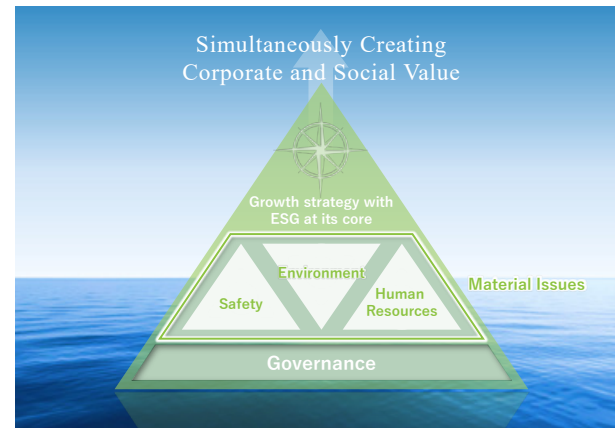
- Strategy
- Risk Management

Initiatives

- ESG Navigator System
- Expansion within the group
- ESG Information Dissemination
- Other Initiatives

Toward the Implementation of ESG Management

fully disclosed in the medium-term management plan, in November 2023, we announced “NYK Group ESG Story 2023” with “co-creation” as its keyword, and the “NYK Group Decarbonization Story,” which outlines the Group’s decarbonization strategy.



- [Link](#) For more information, click on the link below.
- ▶ **NYK Group ESG Story**
<https://www.nyk.com/sustainability/concept/esg-story/>
 - ▶ **NYK Group Decarbonization Story**
<https://www.nyk.com/sustainability/pdf/environment003.pdf>

Risk Management

All sustainability risks including climate change, are reported by the ESG Strategy Headquarters to the Risk Management Committee, which meets twice a year to identify them, and then reported to the Board of Directors via the Management Meeting. In addition, when the ESG Strategy Committee discusses sustainability issues, they clarify the risks inherent to the issue and then have in-depth discussions.

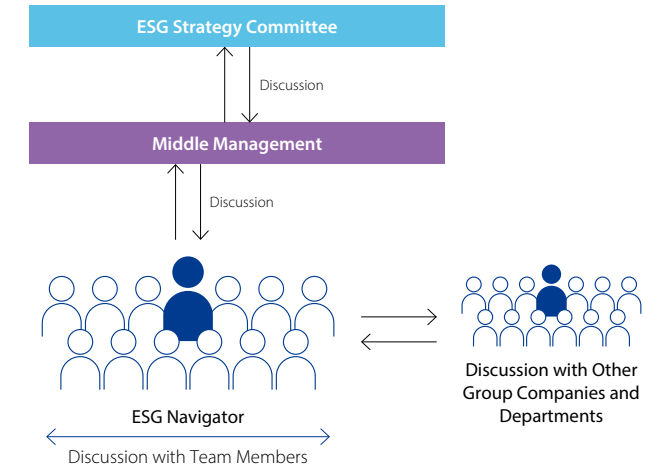
Initiatives

ESG Navigator *System

We have introduced the ESG Navigator system as a foundation for initiatives to implement ESG management. ESG Navigators are responsible for implementing ESG management by supporting both top-down and bottom-up ESG initiatives in each department. Currently, over 100 ESG Navigators, appointed by the general managers of departments, offices, and branches, are active in all 50 head office departments.

Specifically, ESG Navigators perform three key roles: (1) discussing with the general managers of departments, offices, and branches how to establish routes that will take the departments to their target profiles; (2) sharing Idea of the management level with all department members; and (3) leading uninhibited exchanges of opinions among junior employees and vertically and laterally providing feedback from department members to other departments.

*We have borrowed the term “navigator” from the world of shipping, and we use the term in the sense of a second officer who is the chief navigator. An important task of the chief navigator (second officer) is to formulate voyage plans. In consultation with the captain, the chief navigator determines the route that the ship should take and also plays a central role in gathering feedback from all crew members. We have chosen the title “ESG Navigator” because we want these personnel to implement ESG management in daily business activities by playing a role comparable to that of a chief navigator.



NYK Group's ESG Management

Toward the Implementation of ESG Management

Governance

Role of Management and Supervisory Body

Strategy and Risk Management

Strategy

Risk Management

Initiatives

- ESG Navigator System
- Expansion within the group
- ESG Information Dissemination
- Other Initiatives

Toward the Implementation of ESG Management

■ ESG Navigator System Initiatives

	Details
ESG Navigators' Dialogue	The purpose of the Dialogue is to share examples of initiatives from each department and provide sustainability-related updates on general social trends and specialized topics. In FY2021, there were about 900 participants in 10 sessions, and in FY2022, there were about 830 participants in 10 sessions. In FY2023, there were about 1,540 participants in 6 sessions held continuously to implement initiatives incorporating internal and external activities and social trends.
ESG Navigators' Meeting	ESG navigators gather and participate in free and open discussions about various ESG-related topics. Participants are divided into several small groups and make use of interactive communication to share issues and exchange opinions related to ESG management. This meeting accelerates promotion of ESG management integration among the NYK Group. In FY2023, the Navigators' Meeting was a lively event where there were discussions on the topic of 'examples of mundane actions to implement ESG management,' and various ideas and opinions were exchanged.

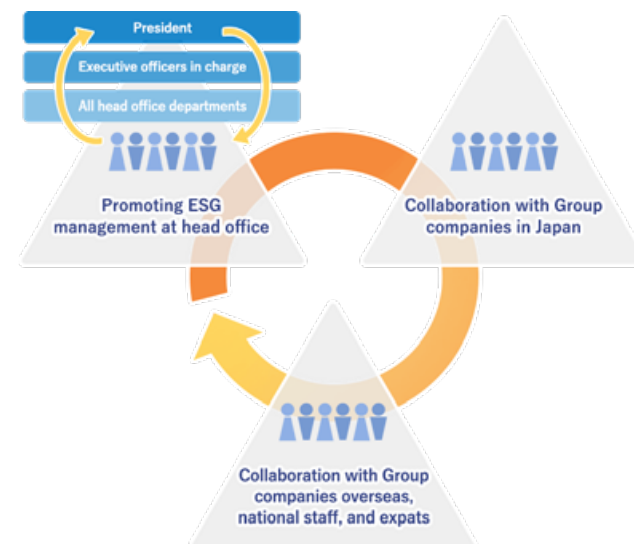


Scene from the ESG Navigators' Meeting

Expansion within the group

ESG management is steadily spreading throughout the entire NYK Group. Multiple Group companies in Japan and overseas have begun to independently undertake ESG management.

In fact, NYK is strengthening coordination with Group companies. In addition to in-person discussions through regular meetings of domestic Group company presidents, the overseas Group companies maintain cooperation between the head office and each site through the control office set up at each site.



Going forward, the head office and Group companies will continue collaborating closely to spread ESG management throughout the entire Group.

ESG Information Dissemination

We have newly established an IT platform for our headquarters and group companies. Information and news related to ESG are regularly disseminated through IT platforms. By preparing a system for two-way information exchange, we are achieving timely information-sharing throughout the group.

Other Initiatives

- e-learning (ESG management, safety, environment, human resources, compliance, etc.)
- ESG training for new employees
- ESG topics published in the group newsletter "Yusen" and other publications
- Events for the Group employees
- Online lectures by external partners

NYK Group's ESG Management

Material Issues

Material Issues of the Group

Process for Identifying Material Issues

Material Issues' Vision and Key Themes

Non-Financial Targets (KPIs) and Performance

Material Issues and Contribution to SDGs

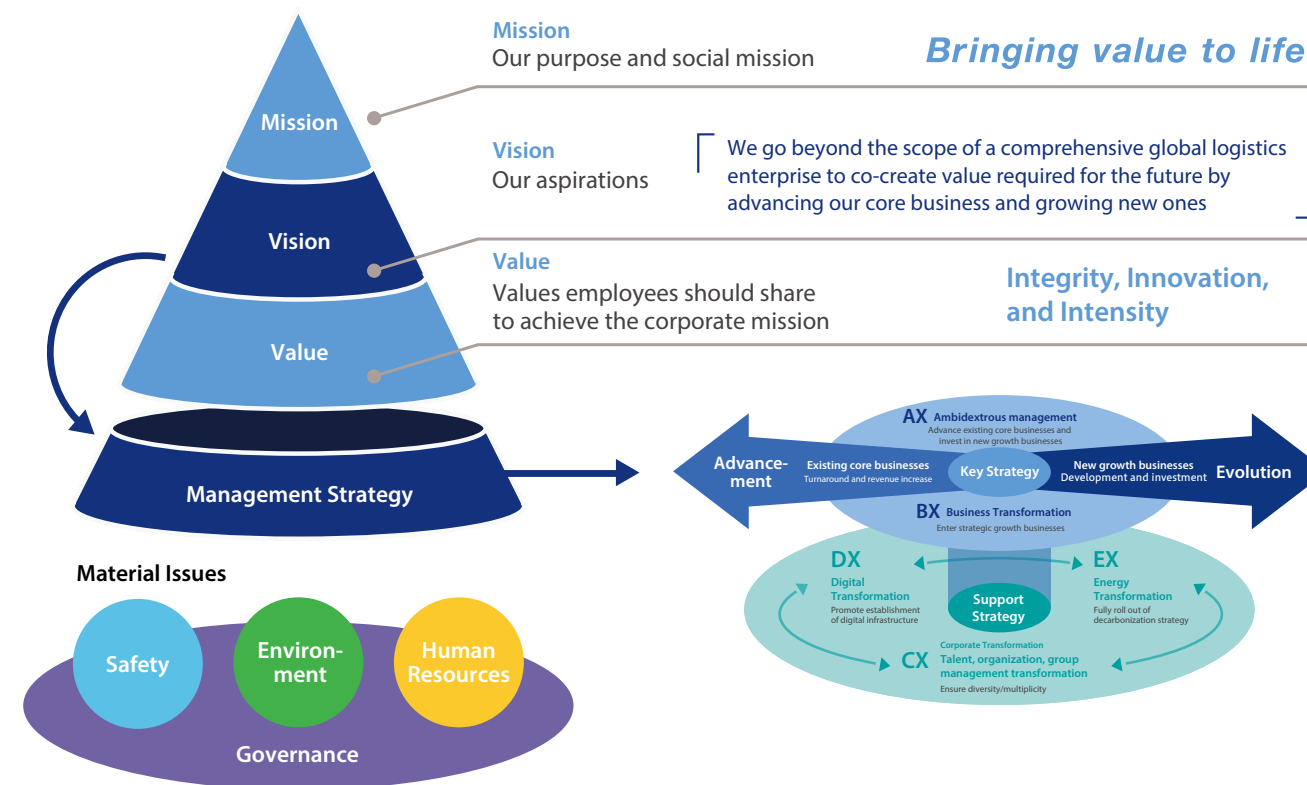
Material Issues

Material Issues of the Group

The NYK Group has positioned Safety, Environment, and Human Resources as its material issues, with governance underlying them. These issues relate directly to our business, so employees are broadly aware of their importance, forming the core of ESG management.

The Group has formulated a specific management strategy to realize the new vision of the medium-term management plan "Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing -" announced in March 2023. The chart on the right presents the relationship between our Mission, Vision, and Value, as well as our management strategy, material issues, and governance.

Mission, Vision, Value + Management Strategy + Material Issues



NYK Group's ESG Management

Material Issues

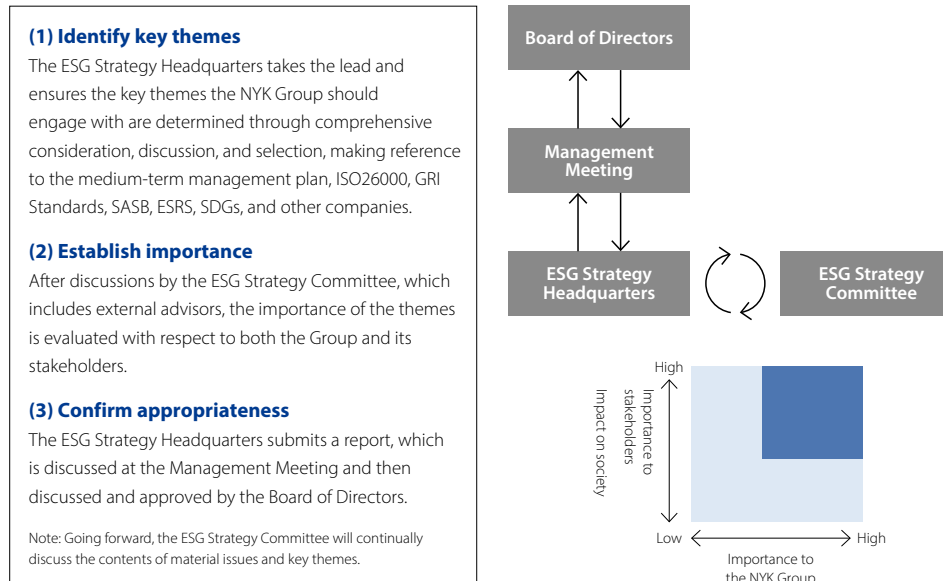
- Material Issues of the Group
- Process for Identifying Material Issues
- Material Issues' Vision and Key Themes
- Non-Financial Targets (KPIs) and Performance
- Material Issues and Contribution to SDGs

Material Issues

Process for Identifying Material Issues

To realize its mission statement, the NYK Group has identified material issues by ascertaining stakeholders' expectations and placing importance on the changing social impacts of its business activities. In 2023, which was the first fiscal year of the new medium-term management plan, we identified more specific key themes associated with our material issues with a view to further advancing them.

The ESG Strategy Headquarters took the lead in preparing a draft, which was discussed over multiple sessions with the ESG Strategy Committee. Thereafter, the draft was submitted to the Board of Directors via the Management Meeting for confirmation and discussion regarding their appropriateness. Careful discussions by many employees and members of lower, middle, and upper management, in addition to directors, led to Group employees taking more personal ownership of the material issues, which have already penetrated the organization. To realize our target state for 2050, we will continue to discuss material issues and identify key themes.



Material Issues' Vision and Key Themes

To make the materials issues more specific for the vision announced in the medium-term management plan, the NYK Group has clarified the Material Issues' Vision and has set key themes to realize them.

Material Issues	Material Issues' Vision	Key themes
Safety	The NYK Group supports logistics sites with expert knowledge, skills, and experience based on a high level of safety awareness, and continues to be an organization where people create safety and safety protects and nurtures people's lives and livelihood.	<ul style="list-style-type: none"> • Preventing serious accidents and incidents • Maintaining and enhancing safety awareness • Complying with occupational health and safety • Responding to operational risk • Strengthening cybersecurity
Environment	The NYK Group will continue to be a force that supports the sustainable development of the earth and humanity by taking a leading role in solving environmental issues on a global scale through continuous co-creation of necessary value for the future beyond the scope of a comprehensive logistics company.	<ul style="list-style-type: none"> • Promoting decarbonization • Responding to climate change risk • Preserving marine and biodiversity • Preventing air pollution • Building sustainable supply chains
Human Resources	The NYK Group encourages all employees to vigorously bring their best and authentic selves to work and to perform at their full potential, enabling us to remain a good corporate citizen implementing social sustainability initiatives.	<ul style="list-style-type: none"> • Enhancing employee engagement • Ensuring diversity and inclusion • Developing talent management • Co-creating to achieve our mission of "Bringing value to life" • Respecting human rights • Co-existing with local communities • Fostering ethical workplaces

Foundation: Governance

NYK Group's ESG Management

Material Issues

Material Issues of the Group

Process for Identifying Material Issues

Material Issues' Vision and Key Themes

Non-Financial Targets (KPIs) and Performance

Material Issues and Contribution to SDGs

Material Issues

Non-Financial Targets (KPIs) and Performance

Based on its material issues, the NYK Group has set non-financial KPIs and announced them in the medium-term management plan together with its financial indicators, return on invested capital (ROIC), net income, and ROE. Looking ahead, to monitor the progress of the key themes for realizing the Material Issues' Vision, the Group will continue to examine and discuss setting more specific KPIs, such as those to heighten safety awareness (Safety), provide detailed GHG reduction targets (Environment), and utilize engagement surveys (Human Resources).

Material Issues	Target	Unit	FY2021	FY2022	FY2023
Safety	Number of major accidents 0	—	1	2	3
Environment	GHG reduction target Scope 1+2 2030: 45% reduction (vs FY2021) Absolute corporate emissions	ton- CO ₂ e	12,724,086 (base year)	11,331,299 (vs. FY2021; -11%)	11,473,705 (vs. FY2021; -9.8%)
	Scope 1+2+3 2050: Net Zero Absolute corporate emissions	ton- CO ₂ e	16,614,748	14,595,322	14,929,553
Human Resources	Percentage of female managers	%	14.0* ¹	13.7* ¹	13.6* ¹
	2030: 30%		25.9* ²	25.2* ²	26.2* ²

*1 Non-consolidated

*2 Consolidated

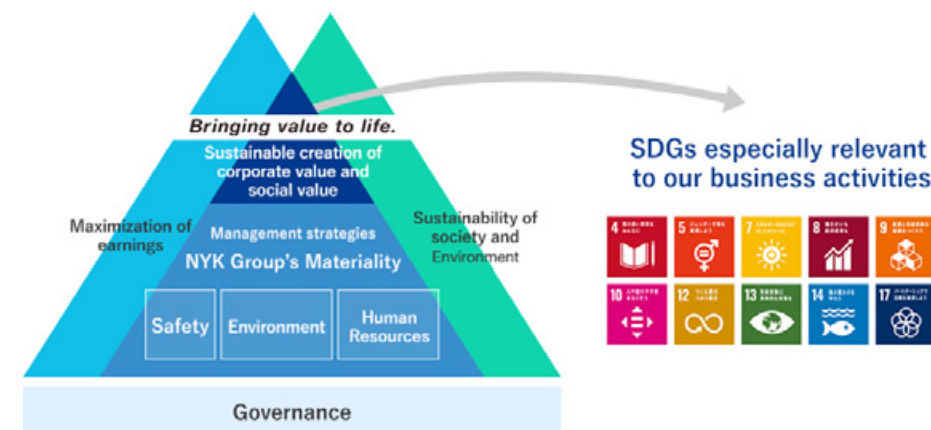
[Link](#) For more information, please see below.

▶ **NYK Group Decarbonization Story**
<https://www.nyk.com/sustainability/pdf/environment003.pdf>

▶ **NYK Group Decarbonization Story Progress Report**
<https://www.nyk.com/sustainability/pdf/environment004.pdf>

Material Issues and Contribution to SDGs

The NYK Group pursues the creation of social value and corporate value by ensuring and enhancing responses to material issues, while also contributing to achieving the SDGs (Sustainable Development Goals).



NYK Group's ESG Management

Co-creation through Various Initiatives

Co-creation through Various Initiatives

Under our Mission of "Bringing value to life," we are proactively taking part in international initiatives for contributing to the realization of a sustainable society.

Sustainability

United Nations Global Compact (UNGC)

Announced support in May 2006



The United Nations Global Compact is the world's largest sustainability initiative, in which the United Nations and the private sector join hands to build a healthy global society. We expressed our support for the initiative in 2006, and in January 2009, we also announced our support for the "Caring for Climate" initiative on climate change and became a signatory to the document.

WBCSD (World Business Council for Sustainable Development)

Joined in Apr. 2023



The World Business Council for Sustainable Development (WBCSD) is a coalition of approximately 200 CEOs from companies aiming for sustainable development to foster collaboration among businesses to contribute to the transition towards a sustainable society.

Climate Change/Decarbonization

Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

Joined in Jul. 2020



A non-profit organization established to promote decarbonization in international shipping. It is engaged in research and development on energy-efficiency improvement, alternative fuels, compliance with regulations, and targets for ships.

Japan Climate Initiative

Joined in Sept. 2018



A network for enhancing information dissemination and exchanging opinions among proactive companies, local governments, NGOs, and others working on climate change mitigation measures. (In November 2021, an event hosted by the same initiative was held as a part of COP26, where we shared our efforts toward achieving a decarbonized society by 2050.)

Japan Business Federation "Challenge Zero"

Joined in Mar. 2020



A new initiative in which the Japan Business Federation (Keidanren), in collaboration with the Japanese government, strongly promotes and supports the innovative actions of companies and organizations domestically and internationally for achieving a "decarbonized society," which is positioned as a long-term goal by the "Paris Agreement," an international framework for climate change mitigation. (Selected as a "Zero Emissions Challenge Company" promoted by Japan's Ministry of Economy, Trade and Industry, Keidanren, and NEDO)

Task Force on Climate-related Financial Disclosures (TCFD) Consortium

Declaration of support of final recommendations in December 2018



A platform for companies, financial institutions, and other stakeholders endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to collaborate and promote efforts that facilitate effective information disclosure by companies and ensure that disclosed information is utilized for informed investment decision-making by financial institutions.

NYK Group's ESG Management

Co-creation through Various Initiatives

Co-creation through Various Initiatives

Climate Change/Decarbonization

International Shipping GHG Zero Emission Project

Joined in Aug. 2018

A project by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) that comprehensively examines technology development challenges necessary to enhance Japan's competitive advantage while assessing global future trends in energy efficiency and decarbonization. The project also considers international standards and incentive systems in light of their impacts on the market. It compiles the roles and responsibilities of stakeholders and work plans to strategically promote these efforts.

In collaboration with the maritime industries, including shipping, shipbuilding, and marine industries, as well as research institutions and public agencies, a roadmap towards zero emissions in international shipping was formulated and released in March 2020 and March 2022.

Getting to Zero Coalition

Oct. 2019 Became the first Japanese shipping company to participate



An industry coalition established in October 2018 to promote decarbonization in the maritime sector. It aims to achieve commercial operations of zero-emission fuel-powered vessels on international shipping routes by 2030 to meet the greenhouse gas (GHG) reduction targets set by the International Maritime Organization (IMO). In September 2021, NYK endorsed the coalition "Call to Action for Shipping Decarbonization," a proposal urging action by governments worldwide.

International Think Tank for CO₂ Capture and Storage Technology "Global CCS Institute"

Joined in Jul. 2021



An international think tank established to promote the global utilization of Carbon dioxide (CO₂) Capture and Storage (CCS) technology. NYK is also a member of the CO₂ Shipping Working Group.

GX League

Agreed to the basic plan in April 2022
Joined in May 2023



A platform where companies, government agencies, and universities came together and committed to achieving sustainable growth in the current and future society, with the goal of realizing carbon neutrality by 2050. The organizations collaborate in pursuing challenges towards Green Transformation (GX) and engage in practical efforts to transform the economic and social systems and create new markets.

GCMD (Global Centre for Maritime Decarbonization)

Joined in Jul. 2023



The Global Centre for Maritime Decarbonization is a non-profit organization that supports decarbonization in the maritime industry, aiming to achieve or surpass the 2030 and 2050 targets set by the International Maritime Organization (IMO).

North Pacific Green Corridor Consortium

Joined in Apr. 2024

A non-profit consortium established to decarbonize supply chains between Canada and Japan/Korea

[Link](https://www.northpacificgreencorridor.org) For more information, click on the link below
<https://www.northpacificgreencorridor.org>

Smart Freight Centre

Joined in Apr. 2024



A non-profit organization, based in Amsterdam, to work to promote global warming countermeasures by visualizing the impact of rising GHG emissions, making proposals for emission reductions.

NYK Group's ESG Management

Co-creation through Various Initiatives

Co-creation through Various Initiatives

Climate Change/Decarbonization/Maritime

Methane Abatement in Maritime Innovation Initiative (MAMII)

Joined in Sept. 2023

An initiative led by Safetytech Accelerator Limited, a non-profit organization established by Lloyd's Register to measure and assess methane emissions from LNG-fueled vessels, share knowledge on how to reduce methane emissions among participating companies, and support the introduction of technologies.

Next-generation Fuel

Hydrogen Council

Jul. 2020 First shipping company in the world to join

Hydrogen Council

The world's first and only international council launched at the Davos Conference (World Economic Forum) in January 2017 and dedicated to the global proliferation of hydrogen. The council aims to accelerate investment in the hydrogen fuel and fuel cell sectors and achieve the development and implementation of appropriate policies and action plans.

Japan Hydrogen Association (JH2A)

Joined in Dec. 2020



A council that discusses the major strategic directions for achieving a hydrogen society in collaboration with various stakeholders.

Clean Fuel Ammonia Association

Joined in April, 2019



An organization (incorporated association) that is working on the early establishment of the value chain from the supply to the utilization of CO₂-free ammonia through activities such as technology development and evaluation, economic assessment, policy recommendations, and international collaboration.

In June 2021, NYK became a board member in the same association. Additionally, an NYK executive officer delivered keynote speeches at the International Conference on Fuel Ammonia in 2021 and 2022.

NYK Group's ESG Management

Co-creation through Various Initiatives

Co-creation through Various Initiatives

Biodiversity

World Wide Fund for Nature (WWF)

Joined in Aug. 2005



An environmental conservation organization that is working towards the recovery of rapidly declining biodiversity richness and the achievement of a decarbonized society to mitigate global warming. The organization focuses on the conservation of rare wildlife and the promotion of sustainable production and consumption.

Japan Business Federation Biodiversity Declaration

Joined in Dec. 2009

An initiative that promotes the dissemination and introduction of logos, future action plans, and case studies of companies and organizations that are engaged in multiple items or aligned with the overall spirit of the "Keidanren Biodiversity Declaration and Action Guidelines (Revised Version)." These initiatives are communicated and showcased through a dedicated website (available in Japanese and English).

Japan and Biodiversity Partnership of the Japan Business Federation

Joined in Oct. 2010

A federation that serves as the main body for the "Biodiversity Private Sector Initiative," which promotes private sector engagement in implementing the Convention on Biological Diversity. The federation is required to engage in initiatives contributing to biodiversity and to actively practice and promote activities aligned with the action guidelines aimed at improving those initiatives and achieving their objectives.

ANEMONE Consortium

NYK joined as an initiating member in June 2022

Established with 13 founding members, including companies, NPOs, and academic societies, and led by Tohoku University, the initiative aims to achieve a society in harmony with nature by utilizing the large-scale environmental DNA (eDNA) monitoring network called 'ANEMONE' (All Nippon eDNA Monitoring Network).

TNFD Forum (The Taskforce on Nature-related Financial Disclosures Forum)

Joined in Dec. 2023



A forum through which reports and seminars provide the latest information from TNFD, an international organization that has developed a framework for private companies and financial institutions to assess and disclose risks and opportunities related to natural capital and biodiversity.

COI-NEXT Nature Positive Center for realizing a flourishing society

Joined in Apr. 2024



An industry-government-academia project that aims to transform society through the restoration of nature by "visualizing" its value, integrating nature into the economy, and developing human resources. Tohoku University is leading the project, and 26 companies and organizations, including NYK, are participating.

Human Resource

Human Capital Management Consortium

Joined in Aug. 2022



Established in August 2022, with a total of seven initiators, including Kunio Ito, the director of the CFO Education and Research Center at Hitotsubashi University, the organization aims to promote human capital management in Japanese companies through the sharing of advanced case studies on the practice of human capital management, discussions on inter-company collaboration, and the enhancement of both practice and disclosure. As of May 2023, 436 corporations participated in this initiative.

NYK Group's ESG Management

Co-creation through Various Initiatives

Co-creation through Various Initiatives

D&I

30% Club Japan (Thirty Percent Club Japan)

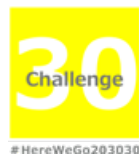
Joined in Jan. 2022



The "30% Club" is a global campaign established in the UK in 2010 to increase the representation of women in key decision-making bodies, including corporate boards. Its Japanese branch, "30% Club Japan," operates under the belief that a healthy gender balance in decision-making bodies contributes to the sustainable growth and enhanced international competitiveness of companies. With a target to achieve a 30% representation of women on the boards of TOPIX100 companies by 2030, the initiative garnered membership from 35 companies as of May 2023.

Keidanren "Here We Go 203030"

Announced support in February 2022



The policy aims to drive progress toward the target established in the New Growth Strategy published by Keidanren in November 2020, which seeks to raise the proportion of women on corporate boards to at least 30% by 2030.

Maritime

Ship Recycling Information Disclosure Platform "Ship Recycling Transparency Initiative (SRTI)"

May 2021 Participated for the first time as a Japanese shipping company



The SRTI is an information-disclosure platform that aims to improve the transparency of ship-dismantling processes and provide appropriate information to stakeholders such as shippers, banks, investment institutions, and insurance companies. On the SRTI website, participating shipowners, shippers, and investment institutions worldwide voluntarily disclose their policies and the implementation status of their own ship dismantling.

Global Maritime Forum

Joined in Aug. 2022



Established in Jul. 2017 (former Danish Maritime Forum). The organization actively engages various stakeholders, including customers, with a focus on the shipping industry, to drive initiatives within the industry for addressing a wide range of ESG (Environmental, Social, and Governance) issues, including decarbonization.

United Nations Global Compact (UNGC) "Sustainable Ocean Principles"

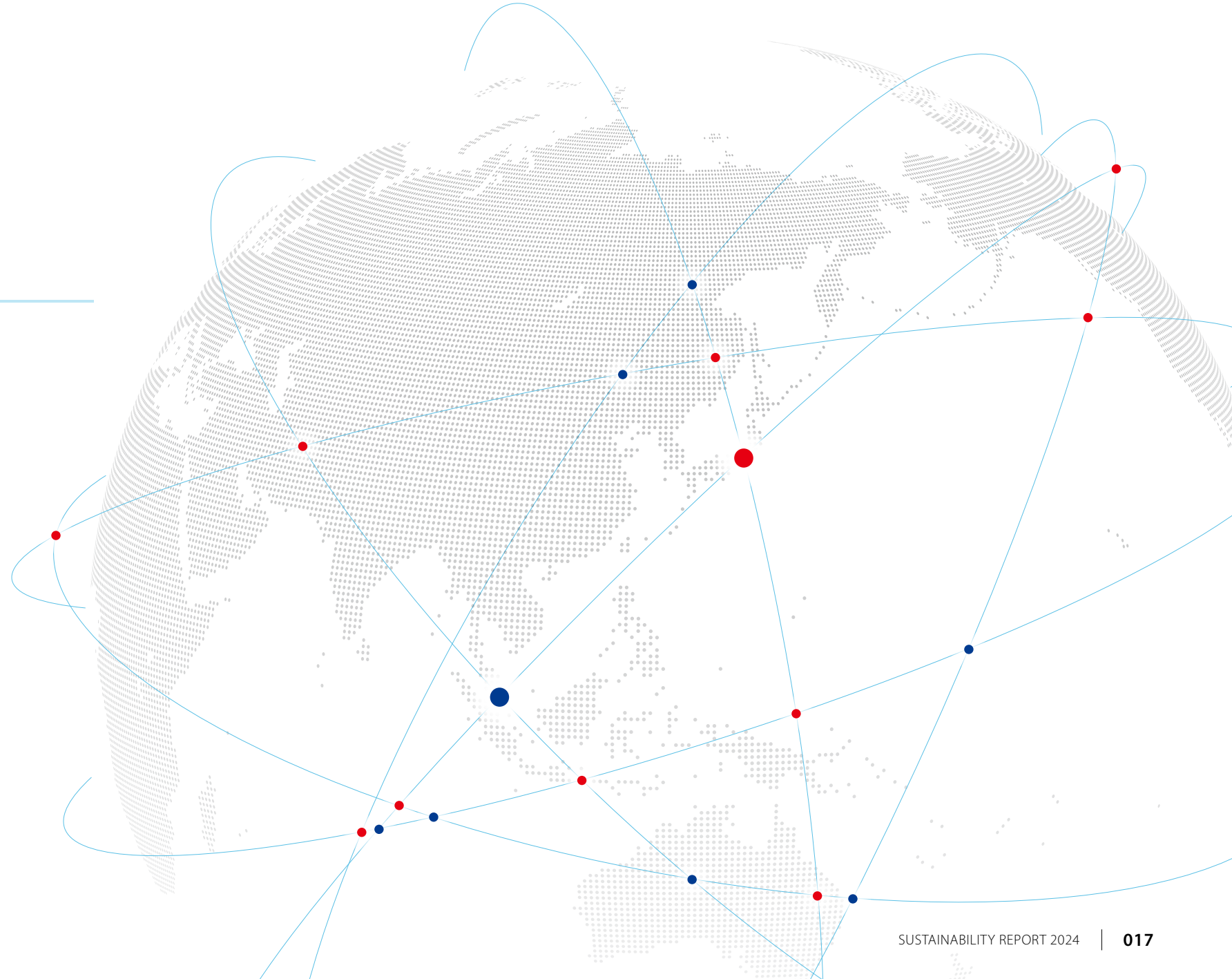
Jun. 2022 First Japanese company to announce support



Sustainable Ocean Principles

The framework of a responsible business organization, published by the United Nations Global Compact (UNGC) in September 2019, recognizing the urgent need to protect and restore the deteriorating oceans due to factors such as rising temperatures, acidification, depletion of natural resources, and pollution from land and sea. It aligns with the 14th goal of the Sustainable Development Goals (SDGs), "Life Below Water."

Safety



No Growth Without Safety

Safety

No Growth Without Safety

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- Encouraging and Expanding Safety Culture
- Original Safety Standard "NAV9000"
- Safety Campaigns
- DX that Supports Safe Operations
- Risk Management

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- Introduction of Equipment That Suppresses Hull Shaking to Enable Safe and Efficient Cargo Handling

Governance

Ensuring safe operation of the vessels is the foundation of the NYK Group's business activities and the top priority for ESG management.

In the NYK Group, to instill the idea of "safety underpins trust and that trust underpins business" in each business division and even at the field level, the "Safety and Environmental Management Committee (SEMC)" chaired by the President is the Company's highest decision-making body for safety measures and environmental issues focused on thoroughly instilling safety awareness.

With safety being a top priority (material issue) for the NYK Group, the SEMC is led by the President, who is also the CEO of our Group, as the chairperson, and includes the Vice President, two Senior Managing Directors, five Managing Directors, and Executive Chief of Environmental Management. The concerned parties in Japan and overseas, both onshore and offshore, will continue to collaborate to advance safety-related initiatives.

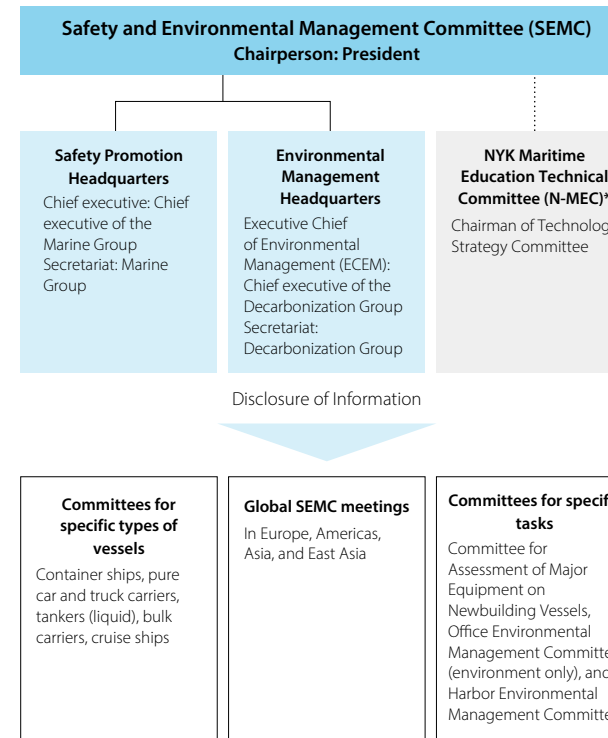
As specific measures, we have continued to implement safety promotion activities based on the PDCA cycle such as discussion meetings between the President and captains, major emergency response exercises, vessel visits, and NAV9000 activities. As a result, our Group demonstrates the highest standards of technology, leveraging abundant knowledge and experience under a strong safety awareness at each site.

Every year, the SEMC reviews the activities conducted the previous year and decides the activity policy and goals for the current year. Also, the activity policy decided by the SEMC is translated into specific activities by the sub-committees for each vessel type and executed as safety enhancement activities for each vessel.

Our Group will continue to invest time and efforts in ensuring complete operational safety in order to remain an organization

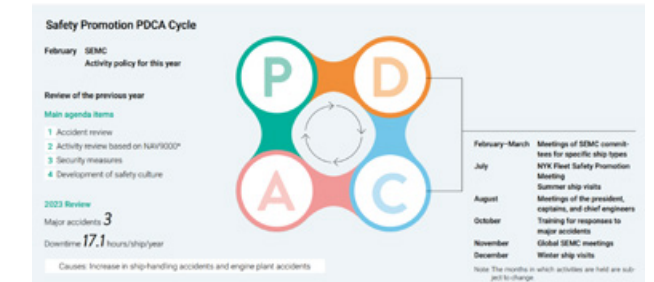
where people create safety, which protects and nurtures people's lives.

Safety and Environmental Measures Advancement System



*Committee for education, training, and development of crew members

Safety promotion PDCA cycle



Strategies and Risk Management

Encouraging and Expanding Safety Culture

The NYK Group continues to pass on to the next generation the lessons we have learned from past major accidents are not forgotten. We strive to raise safety awareness and deepen the knowledge within the NYK Group and among partner companies and vessels through various measures, including developing personnel who are safety-conscious, visiting vessels to acquire insights from past serious accidents, and carrying out on-site activities based on our unique safety standard, "NAV9000".

Moreover, we are developing activities to promote two-way communication, such as e-learning created based on reenactment videos, which is being taken by land and sea staff, in an effort to foster a safety culture.

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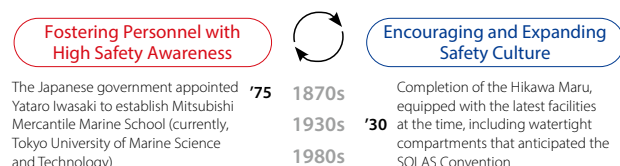
Co-creation through External Parties

- Autonomous Navigation Technology R&D
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■ Pursuit of Safety - History



Frequent maritime accidents on a global scale



'97 Diamond Grace oil spill

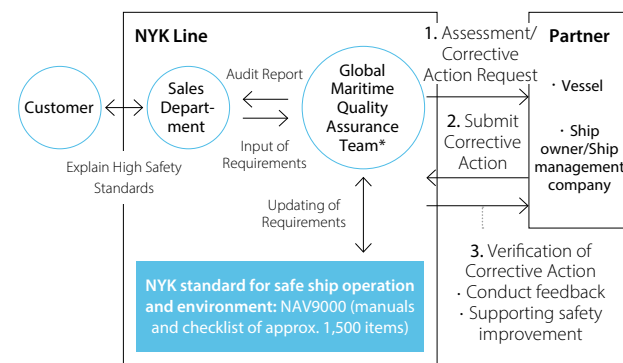


Original Safety Standard "NAV9000"

Since 1998, the Group has been conducting safety promotion activities based on "NAV9000" that is an original safety standard of NYK.

This original standard is aimed at meeting responsibilities to ensure the safety of human life and safe ship operations and to protect the environment. The standard covers approximately 1,500 items, including international regulations, industry standards, and industry good practices and measures that NYK has accumulated to prevent accidents from recurring and to ensure that customers' requirements are met.

■ Overview of NAV9000



*Global Maritime Quality Assurance Team, Marine Group, NYK Headquarter

The NAV9000 standards have been applied to all of the approximately 700 vessels in operation. Assessments based on these standards are conducted on approximately 200 vessels and at about 20 shipowners and ship management companies per year. The audits are used to implement corrective actions and improvement measures, and then evaluated and reviewed in a

PDCA cycle to ensure safe operation.

Furthermore, NAV9000 safety promotion activities have been accredited on ISO9001 by ClassNK.



Certificate of Quality Management System Registration

■ NAV9000 PDCA Cycle



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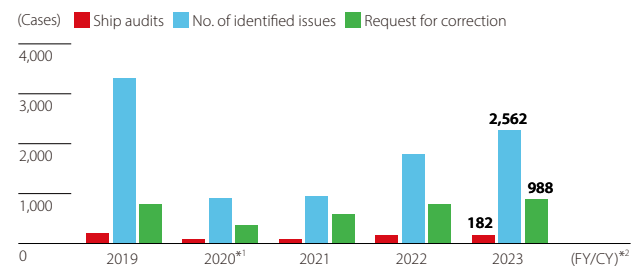
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NAV9000 Assessment Focusing on Dialogue

In NAV9000 assessment, we emphasize face-to-face dialogue with seafarers and ship management companies, i.e., our partners. Our employees visit the vessels in operation, shipowner offices, shipowners, and ship-management companies to communicate face to face with seafarers and company personnel about safety information, customer requirements, the latest industry standards, and other matters. We also share our experiences as the Group to implement highly effective measures. Moreover, we evaluate safety levels through site inspections by our Group assessors* and maintain strong partnerships with everyone involved by working together to enhance safety culture, thereby achieving a high level of safety management.

*Assessors are as Master/Chief Engineer in NYK Group who have completed an external body's ISO9001 auditor training course (Japanese, Indian, Filipino, etc.)

NAV9000 Track Record



*1 From April 2020, ship audits were postponed due to COVID-19. From 1 August 2020, ship audits (i.e., the NAV9000 e-Audit) were restarted remotely.

*2 From 2020, the calendar year (CY) is used instead of the company's fiscal year (FY). Thus, January-March 2020 data contained in FY2019 is also included in CY2020.

Safety Campaigns

To conduct and deepen safety enhancement campaigns as part of the NYK Group's corporate culture, we conduct ship visits as a part of our safety campaigns every summer and winter.

Summer season "Remember Naka-no-Se"

To learn from the oil spill incident that occurred on July 2, 1997, at Naka-no-Se shoal in Tokyo Bay on the crude oil tanker, Diamond Grace, employees of group companies and the crew members of the vessel have reaffirmed the importance of safe operations for two months every year starting in July from 1998 onwards.

Winter season "Sail on Safety"

Winter campaigns are held for two months every year starting in December, mainly focusing on preventing marine accidents, including those resulting from rough winter weather.

During the campaign period, many executives and employees visit vessels to talk directly with crew members about safety. Moreover, NYK creates opportunities for further discussion with representatives from shipowners and ship management companies to get its safety activities to the frontline of ship operations. In 2023, 565 executive officers and employees from Japan and overseas visited the ship, significantly more than the previous year, combining face-to-face and online visits.

Moreover, NYK strengthens its culture of safety through various materials, such as the company's "Casualty Report" for flash reports about accidents, "Safety Bulletin" for strategies to prevent accidents and problems, "Marine Engineering Information" for technical matters, and "Security Information" for security issues.

DX that supports safe operations

We aim to make vessel operations safer by promoting "DX that supports safe operations" initiatives such as using digital technologies and analyzing collected data for solving the various issues faced in the field. We also promote next-generation autonomous navigation technology R&D.

For more information, click the link below

[P.024 DX that supports safe operations](#)

[P.026 Autonomous Navigation Technology R&D](#)

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Risk Management

We regularly identify and evaluate risks at the Risk Management Committee (convened twice a year). We recognize that operational risks, such as major ship accidents, can have a significant impact on the business of the NYK Group. We also recognize other industrial safety and health-related issues as risks, and have created a risk map that categorizes issues based on their impact on management and frequency to identify the current level of risk and where potential risks lie.

We have prepared operational risks in several ways using NAV9000, from promoting safety to preparing for marine accidents.

For more information, click the link below

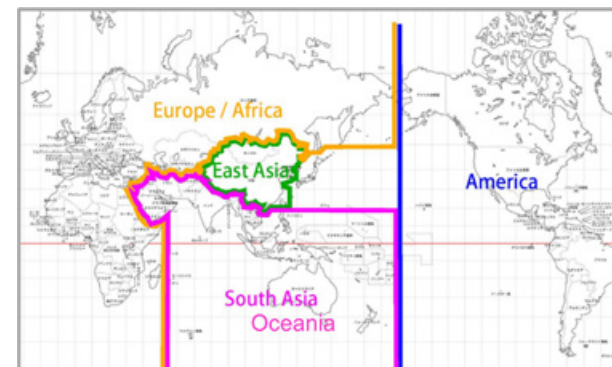
[P.126 Enterprise Risk Management \(ERM\)](#)

• Marine Accident Readiness

> Emergency Response Network

The Group has created an emergency response network as part of the Safety and Environmental Management Committee (SEMC) to be ready for maritime accidents and problems in any ocean area around the world.

■ Global SEMC Jurisdiction Area Map



> Continuing Serious Emergency Response Drills

We conduct regular emergency response drills to ensure a swift response in the event of an accident.

In September 2023, we conducted a drill simulating a serious accident in which one of our LNG carriers collides with a passenger ship outside Ise Bay. The drill covered a range of measures, such as quickly setting up an accident response headquarters, rescuing passengers lost overboard from passenger ships, coordinating with external parties to ensure the safety of nearby ships, disclosing appropriate information as the situation develops, and holding press conferences, providing an opportunity to reaffirm our preparedness for serious marine accidents.

This serious emergency response drill is held once a year with the cooperation of many external parties, including operating ships and ship management companies, government agencies such as the Ministry of Land, Infrastructure, Transport and Tourism and the Japan Coast Guard, the Japanese Shipowners' Association, and customers.



Scene at the Accident Response Head Office

Scene at the mock press conference

• Ship Cyber Risk Management

Regarding cyber-risk management for ships, the International Maritime Organization (IMO) approved "Guidelines on Maritime Cyber Risk Management" at its 98th Maritime Safety Committee (MSC98) meeting in June 2017 and strongly recommended that a shipboard cyber-risk management system be put in place from January 2021 onward. The shipping industry has considered this recommendation to be a de facto mandate, and the NYK Group has been actively responding to introduce such a system.



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In addition, in April 2022, the International Association of Classification Societies (IACS) adopted two new unified requirements (UR E26 and E27) on the cyber resilience of ships. These new URs will require more robust cybersecurity measures for new ships from July 2024 onward. The NYK Group is also actively involved in discussions on the formulation of international rules, such as those at the IMO, and is strengthening cooperation with relevant organizations.

The NYK Group has been working with Dualog, a Norwegian maritime IT company, to develop a cybersecurity response system for ships. Installation on vessels began in September 2022, and in cooperation with our existing land-based security operations center, we have also been working to build a comprehensive monitoring and early response organization.

• Ship Safety Risk Response

In the NYK Group, Safety and Security Management Team, Marine Group is responsible for safety and crisis management for vessels operating around the world. Based on information collected from relevant parties and in cooperation with safety management officers assigned to each business division and major ship management companies, we determine operational risks, propose countermeasures, and give instructions to ships.

In the event of an emergency such as an international conflict* or piracy, an emergency response headquarters, headed by the President and CEO, will be immediately set up in the Crisis Management Center (CMC) within the head office to respond to the situation.

*Including missile launches and terrorism by North Korea

Target and Progress

The Group has set "zero serious accidents" as a non-financial indicator based on the material issue of "safety," and is working towards achieving the target while monitoring the figures.

We also monitor important figures and initiatives related to safe operation, such as delay times and various ship information, and analyze the results to improve safety and further strengthen our initiatives.

Number of major accidents

Material Issues	Target	2021	2022	2023
Safety	Number of major accidents: 0 event	1	2	3

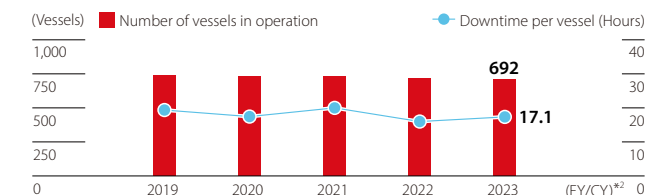
(Cases)

Minimizing Fleet Downtime

The Group uses the downtime that ships are stopped due to accidents or problems (downtime*) as a means of measuring the degree to which we have achieved safe ship operation. All our employees work toward to the target of "10 hours or less" downtime per vessel.

*1 Downtime: The total duration in which vessel service has stopped due to a collision, grounding, engine accidents, etc.

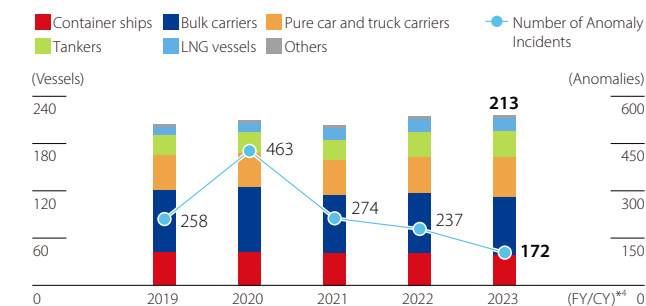
Downtime Data



*2 From 2020, the calendar year (CY) is used instead of the company's fiscal year (FY). Thus, January-March 2020 data contained in FY2019 is also included in CY2020.

As one means of achieving the goal of "10 hours or less" downtime per vessel, the Group has conducted research into predicting and preventing ship equipment failures through the use of IoT and big data, and we have a system that enable onshore personnel to also support safe operations. We are currently analyzing abnormal values in data collected by SIMS to monitor the risks of ship engine accidents and dragging anchors.

Number of SIMS³-equipped Vessels and Number of Anomaly Incidents



*3 SIMS (Ship Information Management System): SIMS allows us to monitor in real time detailed data during navigation, starting with data from engines and all kinds of equipment through to vessel speed and vibration, as well as weather information like wind speed and tidal currents. All the data is shared between vessels and worksites onshore.

*4 From 2020, the calendar year (CY) is used instead of the company's fiscal year (FY). Thus, January-March 2020 data contained in FY2019 is also included in CY2020.

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Initiatives

Safety on Sea

• Near Miss 3000 Activities

Our Near Miss 3000 activities aim to prevent accidents before they happen. These activities based on Heinrich's Law^{*1}, and deal with the often over-looked precursors to accidents. Under the slogan "DEVIL Hunting!"^{*2}, since 2006 the Group has been working with partner shipowners and ship management companies to advance activities that are aimed at nipping accidents in the bud.

In these activities, our goal is to create environments that are safer and easier to work in by increasing crew members' safety awareness. Through the consistent performance of routine duties with an awareness of safety, crew members help prevent collisions, equipment breakdowns, and accidents during work.

^{*1} Heinrich's Law:

A theory by William Herbert Heinrich, a safety engineer working at an American casualty insurance company, that in a workplace, for every accident that causes a major injury, there are 29 accidents that cause minor injuries and 300 accidents that cause no injuries.

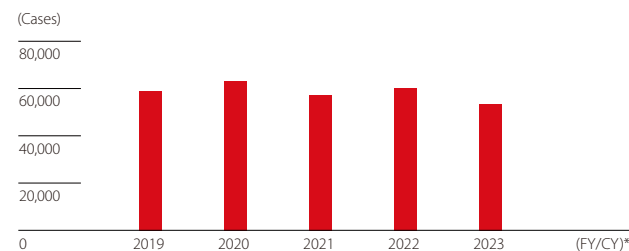
^{*2} DEVIL Hunting!:

"DEVIL" is derived from "Dangerous Events and Irregular Looks". The purpose of these activities is to eliminate at the very early stages the precursors and factors to accidents before a major event occurs.



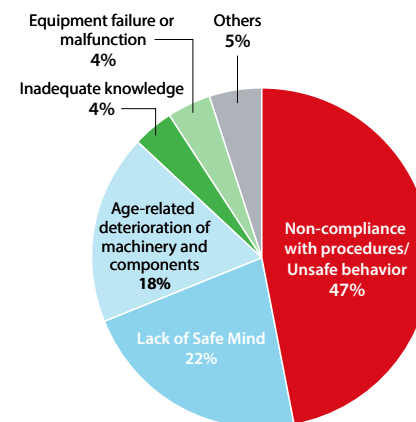
Near Miss 3000 Activities "DEVIL Hunting!" poster

■ Number of DEVIL Reported



^{*}From 2020, the calendar year (CY) is used instead of the company's fiscal year (FY). Thus, January-March 2020 data contained in FY2019 is also included in CY2020.

■ Calendar 2023 DEVIL Causes



• Offshore-onshore information sharing via "Calm Sea"

Up-to-date information, such as the achievement rate of safe operations, examples of Near Miss 3000 activities, lessons learned from the accidents, and environmental measures are notified to the shipowners, ship management companies, and all operational vessels via the monthly newsletter "Calm Sea," and information is shared between onshore and offshore personnel.



The Monthly Newsletter "Calm Sea"

• NYK's Activities to Promote Safe Operation of Crew Transport Vessel (CTVs) for Offshore Wind Power Generation Certified by ISO

In August 2023, we received ISO 9001:2015 certification, the international standard for quality management systems, from Nippon Kaiji Kyokai (ClassNK) for its activities to promote the safe operation of its crew transport vessel (CTV) for offshore wind power generation.

In addition to the safety management system set up by the ship-management company, we implement NAV9000 activities that promote safe operation based on our own safety standard NAV9000, which has been certified by the International Organization for Standardization (ISO), to achieve an even higher level of quality control and safe operation.

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• Safe Cargo Operation Guidelines for Bulk Carriers

In the dry bulk business, we are using "Essential-15" safe cargo handling guidelines for high quality transport, and are working to raise awareness and deepen knowledge of safe cargo handling. The "Essential-15" safe cargo operation guidelines summarizes 15 items ought to be considered to be indispensable for safe cargo operations. Officers of capsize and panamax bulk carriers, among other bulkers, make use of the guidelines to prevent serious accidents during cargo handling. As of June 2024, we have already distributed the guidelines to a total of 210 bulk carriers operated by our Company through shipowners and ship management companies.

In addition to being available in four languages (English, Japanese, Chinese, and Tagalog), the change from traditional paper media to digital media, including animation, has also been a success, widely spreading from ship captains and navigation officers, whose knowledge and experience levels and native languages differ, to operators, and contributing to the revitalization of communication between seafarers and shore-side personnel.



safe cargo operation guidelines

Safety on Land

• Automotive Business Division Initiatives - Global SQC (Safety & Quality Committee)

In the automotive business sector, high quality and safe transportation has been our top priority throughout its half-century history. On pure car and truck carriers, unpacked cars are loaded and unloaded by stevedore drivers, so workers are required to be careful about car-handling such as driving, opening/closing doors, direction, signaling, and lashing to avoid even the slightest scratch. Therefore, to ensure optimal safety and quality control, stevedore companies, foreman, and all other relevant parties on working site have to work together with NYK staffs.

Our group has established Global SQC (Safety & Quality Committee)* both in Japan and overseas to improve safety and quality.

*Global SQC (Safety & Quality Committee): A committee for the purpose of improving safety and quality, consisting of six Regional SQCs: Japan, Americas, Europe, China, Asia/Oceania, and Pan-Indian Ocean Regions with the concept of three pillars include not only cargo quality, but also fleet quality and operation quality. As part of our activities, we regularly hold regional and general meetings to share our philosophy and exchange opinions/workshops to prevent accidents to people involved in automotive transportation in Japan and overseas.



Group photograph of Global SQC meeting participants

DX that supports safe operations

• Ship Performance Management System "SIMS"

To support safer and more efficient vessel operations through the use of ship data, the Company introduced the Ship Information Management System (SIMS) in 2008 to share detailed hourly operational status and fuel consumption data among ships and land-based vessels in a timely manner.

We upgraded to the third generation "SIMS3" from 2020, and are proceeding to install it on our own vessels from 2021. With SIMS3, the granularity of data transmission intervals has increased to every minute, enabling more precise data acquisition. The number of vessels equipped with SIMS3 is approximately 98 as of the end of June 2024 out of 200 vessels or more equipped with SIMS.

In addition to visualization of vessel information, SIMS3 enables early detection of engine anomalies through data analysis on a land-based server, and contributes to the establishment of a remote supervision system through the Remote Diagnostic Center (RDC).

Currently, we are promoting the installation of necessary sensors to detect abnormalities in a higher dimension by further expanding the scope of monitoring, reducing serious accidents and maintenance costs, and reforming work styles to reduce the workload of crew members.

As the amount of data shared between onshore and offshore increases, the Maritime IT Committee, which combines maritime engineers and DX expertise, has been established to strengthen cyber security in order to enhance safe operation on the digital side, such as IoT data monitoring and cyber risk monitoring on land. The Maritime IT Committee is working to strengthen cyber security.

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One-minute interval data enables detailed verification in real time when anomalies are detected or troubles occur.

• (Vessels) Ship management platform "NiBiKi" for sharing information between onshore and offshore

The NYK Group has developed and established a platform for sharing data of Ship Management Companies called "NiBiKi." The service has been in operation since December 2018.

By utilizing the NiBiKi system, which digitizes 'SMS Manual and Circulars' and the applications and approval workflow. This enables the seafarers to reduce their workload by simply filling out prescribed forms for accurate reporting and approval requests. These actions are also recorded along with the name, rank, and time stamp of the person responsible, increasing the reliability of the information since it cannot be tampered with.

In June 2023, we partnered with a ship valuation and rating company, RightShip to develop a system that allows partial integration with their data platform. This is expected to greatly improve operational efficiency in sharing data on PSC* inspection results between shipowners, ship managers, and RightShip.

*PSC (Port State Control): Supervision of foreign vessels, which refers to on-site inspections of foreign vessels calling at ports

• (Operations Management) Establishment of Remote Diagnostic Center (RDC)

As part of digital ship management, an RDC was established in August 2020 within NYK-Fil Maritime E-Training Inc. in the Philippines to monitor engine plant from shore for 205 vessels equipped with SIMS (as of September 30, 2023). RDC Experts analyze the abnormal behavior of engine data detected by anomaly detection systems in the light of their own knowledge and experience as marine engineers, to eliminate false positives in the system and select those that are truly suspected anomalies.

The results of the expert's analysis will be communicated to the vessel and the management company, contributing to the elimination of serious accidents and fuel savings for vessels operated by our Group.



Remote Diagnostic Center

No Growth Without Safety

Safety

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Strategies and Risk Management

- Encouraging and Expanding Safety Culture
- Original Safety Standard "NAV9000"
- Safety Campaigns
- DX that Supports Safe Operations
- Risk Management

Target and Progress

- Minimizing Fleet Downtime

Initiatives

- Safety on Sea
- Safety on Land
- DX that Supports Safe Operations

Co-creation through External Parties

- Autonomous Navigation Technology R&D
- Promoting Innovation in the Maritime Industry
- Introduction of Equipment That Suppresses Hull Shaking to Enable Safe and Efficient Cargo Handling

No Growth Without Safety

Co-creation through External Parties

Autonomous Navigation Technology R&D

Advanced systems integration is essential for safe navigation, improved efficiency, and a reduction in crew workload. NYK, MTI Co. Ltd. (MTI), and Japan Marine Science Co. Ltd. (JMS) are openly collaborating with global players in the maritime industry and other industries, including the systems industry, to realize autonomous vessels equipped with systems having advanced processing capabilities that crew members can utilize.

● Fully Autonomous Ship Initiatives - Participation in MEGURI 2040

Since March 2020, the NYK Group has participated in "MEGURI 2040", a fully autonomous ship project promoted by The Nippon Foundation.

In the first phase, three group companies, that is, NYK, JMS and MTI jointly developed an unmanned navigation system with more than 30 companies and organizations, and in February 2022 succeeded in the world's first demonstration test of long-distance coastal navigation, including congested waters*, for a merchant vessel.

We are currently participating in the DFFAS Plus Consortium, which is implementing a successor program for the social implementation of crew-less vessels, together with The Nippon Foundation and 53 domestic consortium members. This program aims for the full-scale practical application of crew-less ship technology by 2025.

*Seas with extremely heavy vessel traffic

History of Automated Operation System Development

Month/Year	Business name	Details
Jun-16	Maritime productivity revolution (i-Shipping) (Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Maritime Affairs Bureau Grant Project)	Four projects in which NYK and MTI jointly participate selected by MLIT for the "Advanced Safety Ship Technology Research and Development Support Project"
Dec-17	Maritime productivity revolution (i-Shipping) (MLIT Maritime Affairs Bureau Grant Project)	Partial release of "Research on Collision Risk Judgment and Autonomous Ship Maneuvering"
Jul-18	Joint research by Kobe University, MTI, and JMS (MLIT Policy Bureau Grant Project)	The "Development of a coastal ship maneuvering support system using artificial intelligence as core technology," a joint research project between MTI and JMS and Kobe University, has been selected for the MLIT's "FY2018 Transportation Technology Development Promotion System"
Sep-19	Verification test of automated operation	NYK succeeds in verification test of automated operation towards realization of world's first "Crewed Autonomous Vessel"
May-20	Automatic operation vessel verification test MLIT Maritime Affairs Bureau Commissioned Project	NYK, MTI, Keihin Dock Co., Ltd., and JMS succeeded in remote ship on-board test using a tugboat.
Dec-20	Joint research by Kobe University, MTI, and JMS (MLIT Policy Bureau Grant Project)	MTI and JMS conducted on-board testing of AI-based avoidance navigation research as part of the "Development of a coastal ship maneuvering support system with artificial intelligence as its core technology"
Nov-21	"Technology Development Support Project for Promotion of Maritime Industry Intensive Cooperation" MLIT Maritime Affairs Bureau Grant	Project for Evaluating and Verifying the Automatic Navigation System and Developing Element Technologies Started
Apr-23	"Technology Development Support Project for Promotion of Maritime Industry Intensive Cooperation" MLIT Maritime Affairs Bureau Grant	New Crewed Autonomous Navigation System Installed New Domestic Coastal Vessel "Shiranami" for JERA

Promoting Innovation in the Maritime Industry

Investment in fundamental big data technology and involvement in active development are indispensable for achieving safe, economical, and environmentally friendly operations. The Group will promote a safe and efficient onboard IoT platform, in addition to digitalization initiatives, for innovation with shipbuilding companies, equipment manufacturers, ship classification societies, and various partners.

- Establishment of Maritime and Ocean Digital Engineering Cooperation Program at the University of Tokyo
- Event held with Dualog, a Norwegian maritime IT company
- MHI to present at "Internet x Space Summit" to explore possibilities of space communications

Safety

No Growth Without Safety

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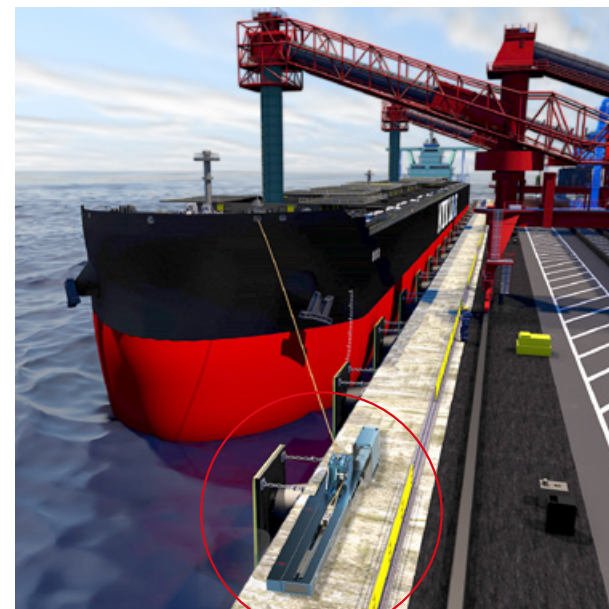
No Growth Without Safety

Introduction of Equipment That Suppresses Hull Shaking to Enable Safe and Efficient Cargo Handling

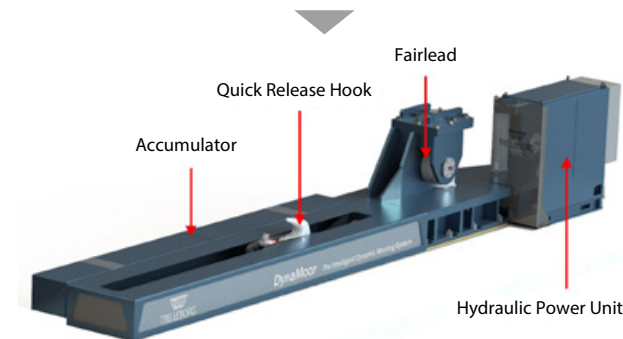
In harbors facing the open sea, vessels are prone to hull swings even while anchored, causing a variety of adverse effects. Furthermore, in recent years, as vessels have become larger, there has been a demand for further improvements in port safety and operating rates, making vessel swing control an urgent issue. To solve this problem, we are working with Trelleborg to collect performance data and verify the effectiveness of their vessel mooring equipment, "DynaMoor Type-L".

With the cooperation of our partners, we will continue to work to solve problems on-site at every stage of the supply chain, from transporting to spinning and unloading.

Overview of "DynaMoor"

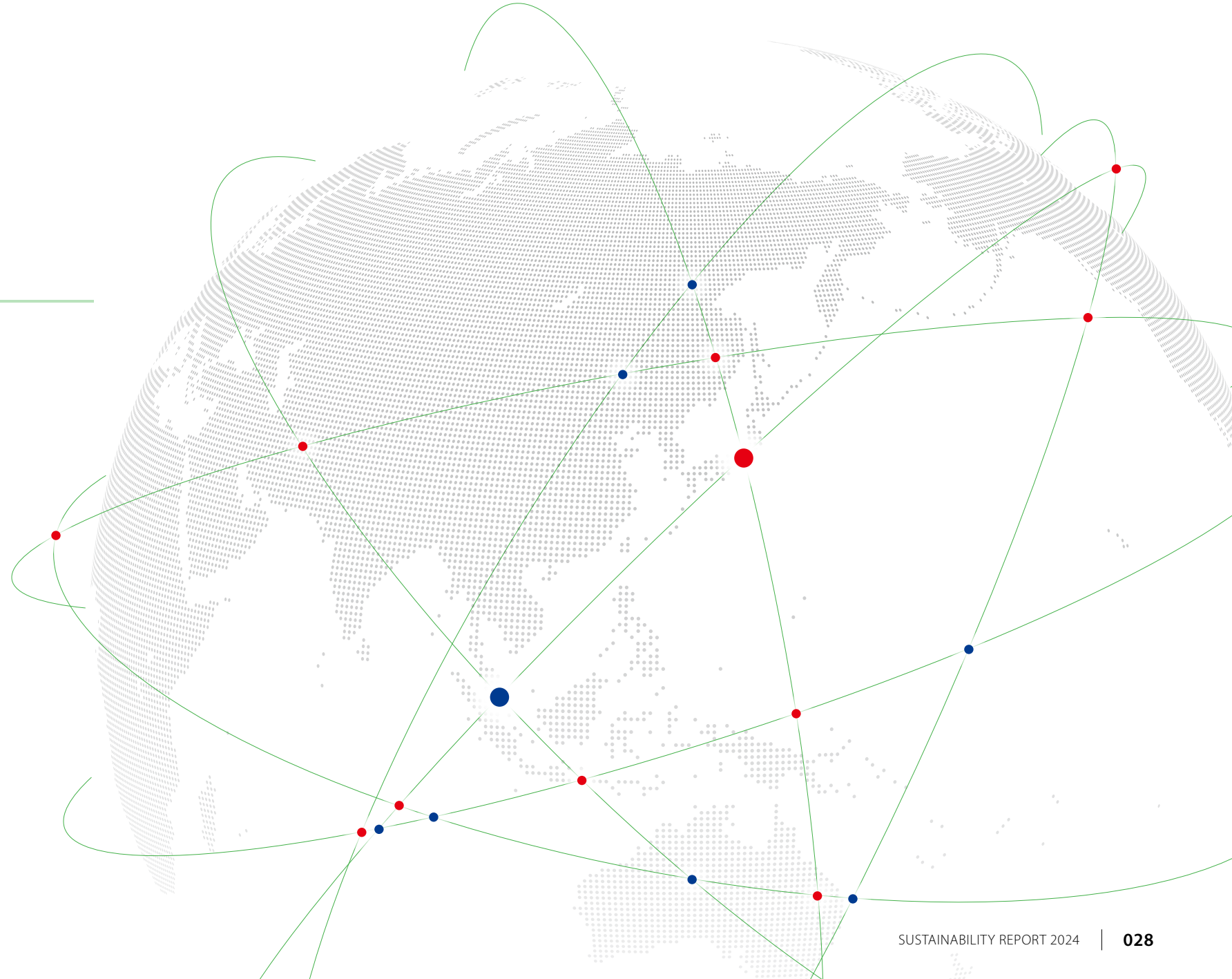


Application image of "DynaMoor"



DynaMoor-L type

Environment



Environment

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- NYK Group Environmental Vision
- NYK Group Environmental Policy
- Environmental Management Organizations
- Environmental ISO Certification
- Strengthening Environmental Management through External Organizations

Environmental Management

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NYK Group Environmental Vision

Following the approval by the Board of Directors, the NYK Group has established the NYK Group Environmental Vision (hereafter referred to as the Vision) that sets forth the group's environmental goals and aspirations.

NYK Group Environmental Vision

The NYK Group will continue to be a force that supports the sustainable development of the Earth and humanity by taking a leading role in solving environmental issues on a global scale through continuous co-creation of necessary value necessary for the future beyond the scope of a comprehensive logistics company.

Three environmental issues that require particular attention



Response to Climate Change



Preservation of Marine Environment and Biodiversity



Prevention of air pollution

• Three environmental issues that require particular attention

> Response to Climate Change

NYK Group will work decisively towards the achievement of net-zero emissions by 2050 through the social implementation of new technologies and fuels brought by co-creation with diverse stakeholders and put forward the reduction of greenhouse gas emissions including Scope 3 throughout the entire value chain with whole group companies and employee.

> Preservation of Marine Environment and Biodiversity

NYK Group will work to prevent marine pollution through the thorough enforcement of safety ship operation, reduce the environmentally hazardous substances emitted from ships through proactive implementation of new technologies, reduce underwater noise and ship fouling. In addition, NYK Group will implement effective measures with diverse stakeholders through the analysis of the distribution and impact of marine plastics, as well as ecological understanding using environmental DNA sampling.

> Prevention of air pollution

NYK group will promote the reduction of atmospheric pollutants emitted from ships, aircraft, vehicles, and other sources, then further practice businesses that are friendly to the Earth's environment and human health.

The NYK group has established the NYK Group Environmental Policy (hereafter referred to as the "Policy") based on this vision. This vision and policy represent the highest level of environmental guidelines of the NYK Group, which have been approved by the Board of Directors upon incorporating the opinions of the Group companies.

NYK Group Environmental Policy

1. We will strive to conserve the oceans, the global environment, biodiversity, water resources, forests, and other natural resources by considering the impact of our business activities on the environment, setting necessary objectives and targets, and periodically reviewing them and continuously improving our measures, based on the clear commitment of top management following the resolution at the board of directors.
2. In addition to complying with laws and regulations related to safety and the environment, we will strive to improve our environmental performance through the establishment and operation of our unique Environmental Management System, based on dialogue with diverse stakeholders both inside and outside the group.
3. We will strive to ensure the safety of all modes of transportation, including inland and inland waters and air transportation, as well as services that spread across the sea, land, and air, such as terminals and warehouses and other places, including the safety of the operating fleet.
4. We will strive to collaborate with diverse stakeholders throughout our value chain, and work towards resource conservation, energy conservation, waste reduction, recycling, greenhouse gas reduction, reduction of the environmentally hazardous substances discharge, water resource management, and forest conservation, and address all environmental challenges, such as climate change countermeasures, marine environment and biodiversity conservation, and prevention of air pollution.
5. We will strive to minimize the environmental impact resulting

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from the procurement, operation, and disposal of transportation equipment such as ships, aircraft, vehicles, and other sources, and decisively implement new technologies and fuels into society through co-creation with diverse stakeholders.

6. We will practice a circular economy by promoting responsible, transparent ship dismantling with consideration given to safety, the environment, human rights, and other factors.
7. We will provide appropriate and sufficient education and training to internal and external parties and ensure a "Just Transition" when adopting new technologies to address environmental issues.
8. Through internal public relations activities and environmental seminars, we will tirelessly raise the environmental awareness of each employee and instill these environmental policies.
9. We will promote co-creation with diverse stakeholders by maintaining close dialogue with society, proactively disclosing environmental information including environmental risks and opportunities throughout the entire value chain, proactively engaging in and communicating effective initiatives, and providing grants and support for environmental conservation activities. Through collaboration with diverse stakeholders, we will respond to environmental issues inside and outside the Group and strive to enhance corporate value.

President

Constituted on 1st September, 2001

Amended on 1st April, 2009

Amended on 1st April, 2017

Amended on 31st March, 2023

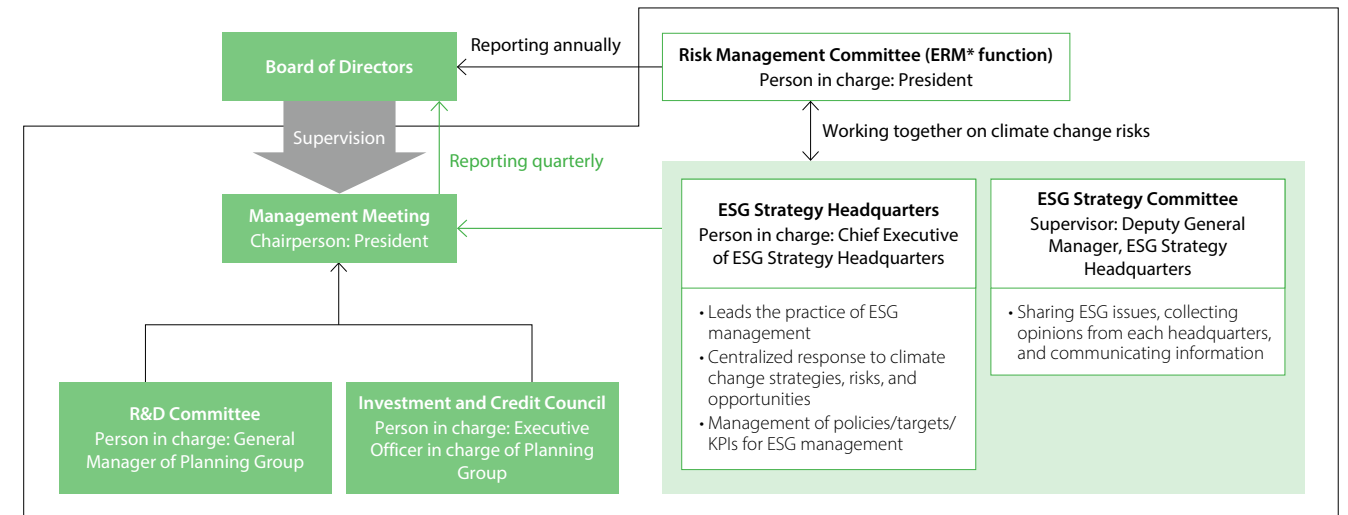
Environmental Management

Environmental Management Organizations

Based on consultation from the ESG Strategy Headquarters, while considering risks and opportunities presented by each business unit, the ESG Strategy Committee discusses risks and opportunities associated with environment-related issues, including climate change. The ESG Strategy Headquarters compiles the details on the matters discussed by the ESG Strategy Committee, and reports the same quarterly to the Directors and management personnel.

The Risk Management Committee comprises of the President, Chairman, Executive Officers who are chief executives, and full-time Audit & Supervisory Committee member, and manages and evaluates risks that could have a significant impact on the company-wide management. Risks associated with environment-related issues are integrated into company-wide risks and reported to the Board of Directors once a year through close cooperation between the ESG Strategy Headquarters and the Risk Management Committee.

Framework for Promoting Environmental Management (As of April 1, 2024)



*ERM (Enterprise Risk Management): Company-wide risk management

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Environmental Management

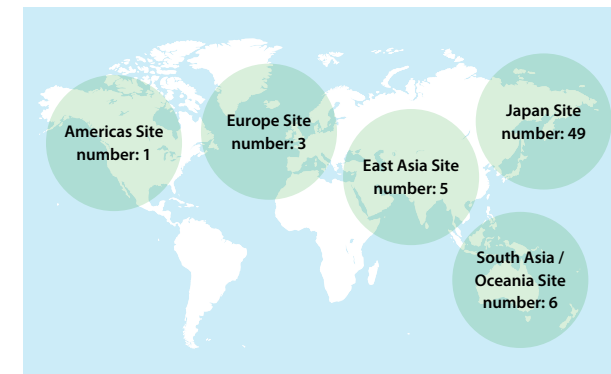
Environmental ISO Certification

We have obtained environmental certification for our environmental management system through a global multisite system based on the ISO14001:2015 standard. There are also Group companies, mainly overseas, that have acquired their own environmental management systems, and the ratio of certified companies to the Group's consolidated net sales is approximately 44%.



ISO Certificate

ISO14001 Certified Site List by multisite system (by region)



[Link](https://www.nyk.com/english/sustainability/pdf/environment015en.pdf) For more information, click on the link below.
<https://www.nyk.com/english/sustainability/pdf/environment015en.pdf>

Strengthening Environmental Management through External Organizations

• Implementation of Internal and External Auditing

We conduct internal environmental audits in accordance with the requirements of the ISO14001:2015 standard for companies that have obtained environmental management system certification through the global multisite system. Moreover, NYK undergoes periodic external audits by certified organizations to maintain its certification.

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- Net Zero Achievement Scenario
- NYK SUPER ECO SHIP 2050

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- GHG Removal
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Climate Change Response Management System

Our Group has established a management system in which we analyze the risks and opportunities associated with the impact of climate change on our corporate activities and businesses over the medium to long term, incorporate those risks and opportunities into our management strategy, and promote our responses to them. Please see “Environmental Management” for the governance structure of environment-related issues, including responses to climate change.

For more information, click on the link below

[P.029 Environmental Management](#)

Risk and Opportunity Assessment Process

In our Group, based on consultation from the ESG Strategy Headquarters, the ESG Strategy Committee discusses risks and opportunities associated with climate change while considering the contents presented by each business unit. The ESG Strategy Headquarters compiles the details on the matters discussed by the ESG Strategy Committee, and reports the same to the Directors and management personnel.

The Risk Management Committee, which is attended by the chairman, president, executive officers who are chief executives of respective departments and full-time auditors, manages and evaluates risks that can potentially a significant impact on the Company as a whole, and risks associated with climate change. The ESG Strategy Headquarters and Risk Management Committee work closely together to integrate such risks into the company-wide risks, and report them to the Directors twice each fiscal year.

Strategy and Risk Management

The Group considers the transition to a decarbonized society as an opportunity, and actively promotes initiatives to achieve low-carbon emissions and decarbonization, aiming for sustainable growth by decoupling environmental impact and business activities. We will continue to contribute to the realization of a sustainable society by strengthening our own competitiveness through decarbonization initiatives, making proactive, forward-looking investments that respond to social demands for a decarbonized society, and creating mutual benefits with our stakeholders.

Scenario Analysis and Identification of Risks and Opportunities

Our group recognizes that it is important to assess risks and opportunities using scenario analysis for climate change and understand the impact of these risks and opportunities on our business strategy and performance. From the long-term business operations perspective, we continue to work towards managing risks and identifying opportunities based on rational scenarios by factoring in climate change elements into our own transportation demand forecast.

In the “Disclosure Report Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)”, the business environment and strategies in 2050 are organized and disclosed using climate change scenarios for the “1.5°C scenario” and the “2-3°C scenario”. See “Disclosure Report Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)” for details on the scenario analysis by each business segment.



For more information, click on the link below

<https://www.nyk.com/english/sustainability/pdf/environment005en.pdf>

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• Main Anticipated Risks and Opportunities Associated with Climate Change

Our Group continues to assess and manage the various potential risks and opportunities due to climate change, and strengthen our competitiveness while confirming the impact on our business from a long-term perspective.

Risks and opportunities Associated with Climate Change		Impact on the Group		Degree of impact		Our Company's strategy	
				1.5°C Scenario	2-3°C Scenario		
Transition Risks and opportunities	Regulations	Introduction of carbon pricing	Risks	• Increased investment burden for low-carbon technology due to stricter GHG emission regulations by the International Maritime Organization (IMO) and national authorities • Increased operating costs due to taxation related to GHG emissions from ships operated by our Company	Low	Low	• We will continue to improve operational efficiency through DX, and while working to reduce GHG emissions through the introduction of LNG and ammonia-fueled ships and alternative fuels, we will appropriately reflect these investment costs and the remaining carbon costs in transportation rates
			Opportunities	• Shortage of highly skilled seafarers who are capable of handling LNG-fueled ships and next-generation fuel vessels	Medium	Low	
	Technology	Securing seafarers for LNG-fueled and next-generation fuel vessels	Opportunities	• New business opportunities for ship management companies due to the growing demand for highly skilled seafarers	High	Medium	• In addition to the core Japanese seafarers, we also recruit highly skilled crew through the maritime academy in the Philippines and our own ship management company in Singapore
			Risks	• Decrease in revenue opportunities in the dry bulk and energy transportation business due to a decreased demand for existing energy resources with high GHG emissions	High	Medium	
	Market	Changes in cargo movement and transportation demand	Risks	• Expansion of new transportation businesses such as offshore wind power value chains, hydrogen, ammonia, and biofuels, in response to the increasing demand for renewable energy	High	Medium	• Strengthening of existing core businesses in a wide range of areas, as well as develop new growth businesses, to strengthen management resilience
			Opportunities	• Customer alienation due to the delay in efforts to reduce GHG emissions	High	Medium	
		Rapid changes in customer trends	Risks	• First-mover advantage due to increased demand for low-carbon and decarbonized marine transport services	High	Medium	
			Opportunities	• Delay in decarbonization of our fleet (including early widespread of zero-emission vessels) resulting in stranded assets of the existing fuel ships and LNG-fueled ships	Medium	Low	
	Stranded assets due to the delay in decarbonizing our fleet	Risks	• There is a possibility that we will not be able to use Green Finance, etc., and will have to raise funds under conditions that are inferior to those of our competitors	Medium	Low	• Actively communicating policies on environmental issues to external parties via the website and integrated reports (NYK Report), etc., and focusing on raising funds through Green Finance	
		Opportunities	• Reducing the cost of raising funds by utilizing Green Finance to secure environmental superiority	High	Medium		
Physical Risks	Acute	Frequent and severe abnormal weather/ocean conditions	Risks	• Additional fuel costs incurred due to speeding up to avoid the storm zone due to encountering severe weather, or to maintain the vessel schedule	Low	Low	• Minimizing risk and costs through support for route change decisions using our own system and detailed operational support from vessels operations staff and maritime employees working on land.
	Chronic	Rise in sea levels	Risks	• Restrictions on the use of real estate, warehouses, terminals, and port facilities owned by the NYK Group located in low-lying areas • Occurrence of delays due to limited operational ports	Low	Medium	• Although the assets affected by the rising sea levels are limited, we are considering flexible measures such as using leases to prepare for the increased risk
	Acute	Climate change impact on the Panama Canal	Risks	• The drought in Gatun Lake (the source of the Panama Canal) is becoming more serious due to the rise in temperatures and decreased rainfall around Panama	Medium	High	• We seek to build a strategic relationship with the Panama Canal Authority

For more information, click on the link below

[P.066 ESG Finance](#)

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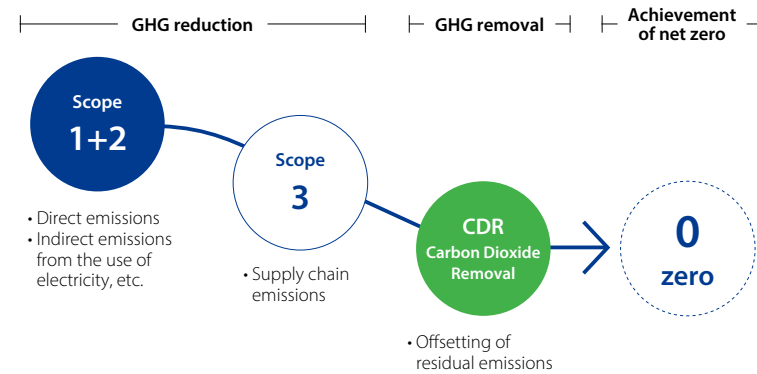
Related Data

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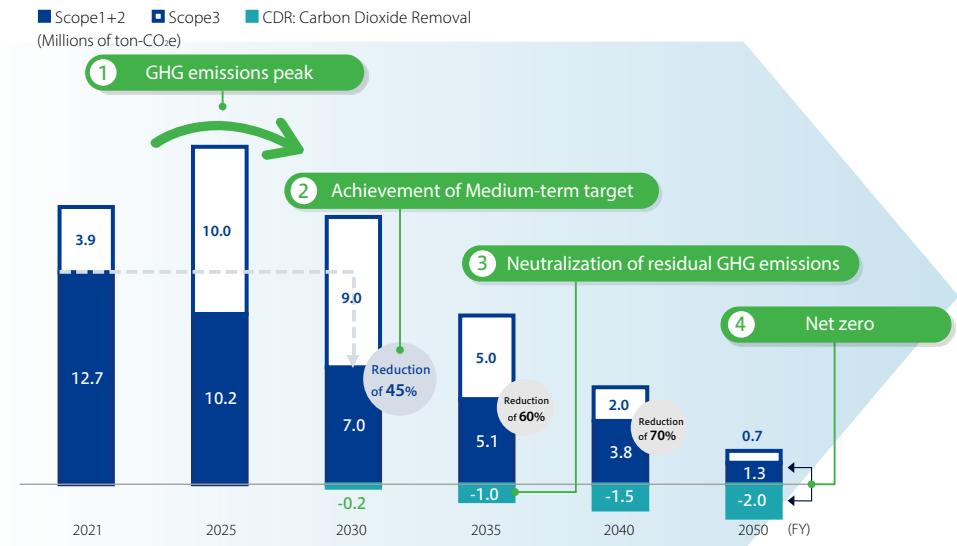
Net Zero Achievement Scenario

To achieve net zero GHG emissions by 2050, our Group has formulated a scenario that takes a two-pronged approach of “reducing” and “removing” the GHG emissions. With steady implementation of this scenario, we aim to support the decarbonization of society from the perspective of marine transport, and ultimately to realize a sustainable society.

Aiming for Net-Zero GHG Emissions through a Reduction and Removal Approach



Scenario for Achieving Net Zero



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● Path to Net Zero / Reducing GHG Emissions

Our plan is to gradually deepen our efforts to reduce Scope 1 and 2 GHG emissions using two strategies. We will pursue Strategy ①, in which we will maximize energy efficiency (operation/specifications) till 2030, and then we will aim for Strategy ②, in which we will accelerate the use of alternative fuels after 2030.

With regards to Scope 3, we will share data with stakeholders and work with them in parallel with Strategies 1 and 2, with an aim to build an ecosystem through the creation of a low-carbon value chain.

> Scope 1, 2 Strategy ① Maximize Energy Efficiency (Operation/ Specification)

We will promote the reduction of GHG emissions from our existing fleet by improving daily operations and energy efficiency.

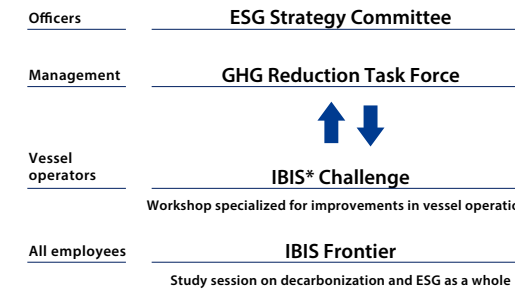
> Scope 1, 2 Strategy ② Acceleration through Alternative Fuels

Starting in 2030, we will introduce alternative fuel vessels that take into account other environmental impact in addition to GHG emissions, and build a resilient fleet portfolio.

■ Scope 1,2 Strategy ①

Improvement of ship operation efficiency

Collaborating with customers to enhance frameworks and management aimed at maximizing the efficiency of vessel operations

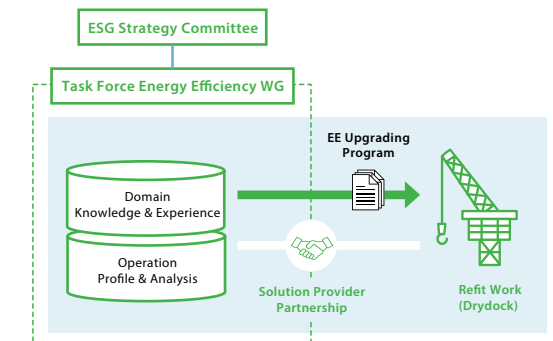


*IBIS: Innovative Bunker and Idle-time Saving

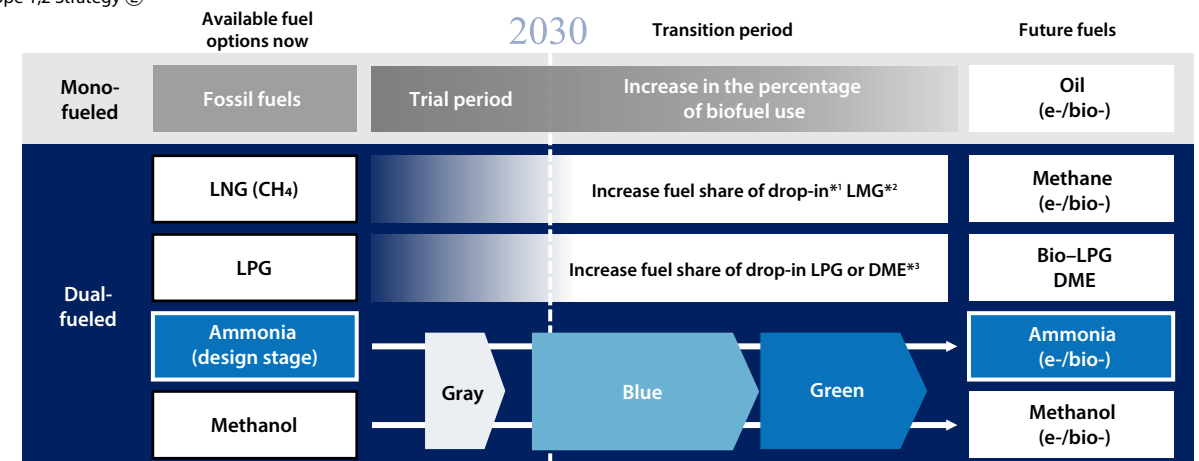


Enhancement of technical capabilities

Working with external partners to improve energy efficiency



■ Scope 1,2 Strategy ②



*1 Drop-in: Fuel that can be used without requiring remodeling the ship or its engines. *2 LMG: Liquefied Methane Gas *3 DME: Dimethyl Ether

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● Path to Net Zero / GHG Removal

In order to cover the remaining GHG emissions that are difficult to shift to zero emissions, we will invest in and participate in projects to build a value chain for carbon capture, utilization, and storage (CCUS) that utilizes negative emissions technology (NETs)*. We will also work to create new green businesses through carbon credits.

*Negative Emission Technology (NETs): A general term for technologies that capture and remove CO₂ from the atmosphere or the ocean

➢ Internal Carbon Pricing (ICP)


Our Group introduced an internal carbon pricing system (ICP) in fiscal 2020, and we are using it as reference information to aid investment decisions at the Investment and Credit Council and the Management Meeting in which investment decisions are deliberated. By linking financial information and GHG emissions using ICP, we visualize the value of GHG emissions reductions and promote sound decision-making by unifying the evaluation criteria for various departments and projects. The applicable prices are set at US\$120/t-CO₂ until fiscal 2026, US\$200/t-CO₂ from fiscal 2027 to fiscal 2030, and US\$250/t-CO₂ from fiscal 2031 onwards.

NYK SUPER ECO SHIP 2050

In November 2018, NYK in collaboration with our group company MTI Co., Ltd., and Elomatic, a Finnish marine technology consulting firm, devised "NYK Super Eco Ship 2050" to achieve GHG reduction targets and realize the decarbonization of ships.

Equipped with the revised individual elemental technologies of the "NYK Super Eco Ship 2030" concept ship announced in 2009, this ship is a new zero-emission concept ship that reduces GHG emissions by 100% through the use of hull modifications, weight reduction, increased efficiency, and digitalization.

In the future, we will continue to promote collaboration with a wide range of global partners in the maritime industry with the aim of researching, developing, verifying, and introducing the elemental technologies set out in the NYK Super Eco Ship 2050.

 **For more information, click on the link below**
<https://www.nyk.com/english/sustainability/pdf/environment006en.pdf>
<https://www.youtube.com/watch?v=wXJTbcUjxmk>

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In November 2023, our Group announced the “NYK Group Decarbonization Story” in which we established decarbonization strategies and GHG reduction targets towards 2050.



For more information, click on the link below.

NYK Group Decarbonization Story
<https://www.nyk.com/sustainability/pdf/environment003.pdf>

New Decarbonization Goals

Since the medium-term management plan announced in 2018, our Group has disclosed greenhouse gas emission reduction targets and has been steadily working to achieve these targets. In recent years, the movement towards decarbonization in the international shipping industry has been gaining momentum. In the light of this global trend, for our Group to continue to be a presence that is needed by society and industry, we have revised our medium to long term environmental targets (announced in 2018; 30% reduction in CO₂ emissions from ships and marine transport by 2030 compared to 2015, and a 50% reduction by 2050), and we have revised our targets to achieve a 45% reduction by 2030 (Scope 1+2) and net zero by 2050 (Scope 1+2+3) with 2021 as the base year. Details of the latest GHG reduction targets are as follows.

To reduce emissions, we have changed from an efficiency target to a total emissions target (in accordance with the 1.5°C scenario of the Paris Agreement).

Target year	2030	2050
Scope 1+2 for the entire group	45% reduction (compared to fiscal 2021)	Net Zero
Scope 3 for the entire group	—	

Past GHG emission reduction targets are as follows.

Established	2018	2021
Publication Medium	Medium-term Management Plan “Staying Ahead 2022 with Digitalization and Green”	Green Pledge*
Type of Target	Efficiency	Total amount
Scope 1+2 for the entire group	Oceangoing ships + aircraft 30% reduction	Oceangoing ships Net Zero
Scope 3 for the entire group		
Target year	2030	2050
Base year	2015	—

* Green Pledge: On September 30, 2021, the NYK Group decided to set a long-term target for reducing GHG emissions related to its international shipping business of achieving “Net Zero Emissions by 2050”.

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In addition to initiatives and activities aimed at decarbonization from three aspects, “GHG Reduction”, “Zero GHG Emissions,” and “GHG Removal”, our Group is promoting research and development associated with the decarbonization technology.

GHG Reduction

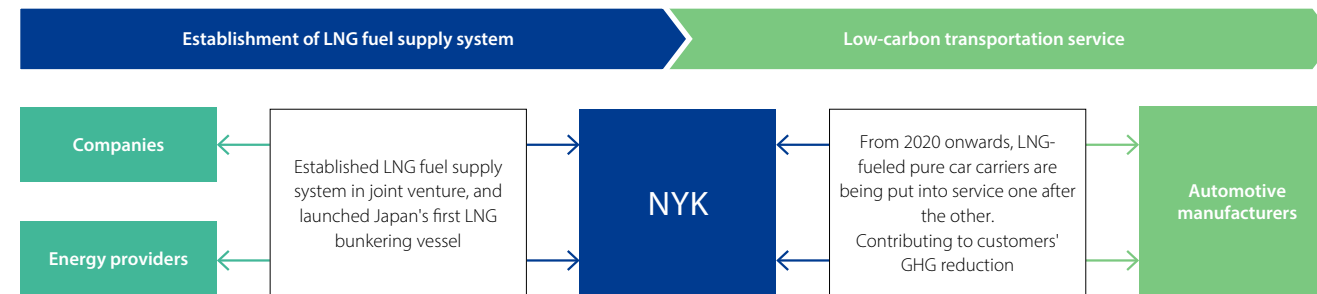
● Overview on Active Use of LNG (Liquefied Natural Gas)

In 2017, our Group completed the world's first LNG fuel supply ship and began supplying LNG to vessels sailing in the North Sea and Baltic Sea in Europe. We have established a supply network for LNG fuel and a system that allows stable operation from the start, and we are now moving on to actual operations.

● Establishment of LNG fuel supply system

Heavy fuel oil is currently the primary marine fuel used. However, its usage results in environmental destruction, including climate change. LNG, however, is a next-generation fuel that can significantly reduce CO₂, NO_x (nitrogen oxides), and SO_x (sulfur oxides) emissions. We have positioned marine LNG as a bridging solution to the practical use of zero-emission fuels, and we are developing our LNG fuel supply business to be a front-runner in the industry.

As a shipping company, we can contribute to the LNG-fuel-demand side and the supply side. We are expanding our business globally in key locations and building an LNG-fuel value chain.



■ Progress in LNG fuel supply business

Month/Year	Event
Feb-17	NYK takes delivery of the world's first LNG bunkering vessel, “Green Zeebrugge”
May-18	The four companies including Kawasaki Kisen Kaisha, Ltd., JERA Co., Inc.* ¹ , Toyota Tsusho Corporation, and NYK establish two joint venture companies, Central LNG Shipping Co., Ltd. (CLS), and Central LNG Marine Fuel Co., Ltd. (CLMF) for the sale of LNG fuel in the Chubu region.
Jul-18	CLS orders an LNG fuel supply ship from Kawasaki Heavy Industries, Ltd. As the first LNG fuel supply ship in Japan, it is put into service in the Chubu region in 2020 and used for the LNG fuel supply business by CLMF
Aug-18	The four companies including Kyushu Electric Power Company Inc., Seibu Gas Co., Ltd., The Chugoku Electric Power Co., Inc. and NYK sign MOU to jointly study the feasibility of an LNG fuel supply business in the Setouchi and Kyushu regions.
Feb-19	MLZ signs an LNG fuel supply agreement with Equinor ASA, a Norwegian multinational energy company. Starts supplying four shuttle tankers at the Port of Rotterdam and other locations from 2020.
May-19	The four companies, including Kyushu Electric Power Company Inc., Seibu Gas Co., Ltd., The Chugoku Electric Power Co., Inc. and NYK implement the first LNG fuel supply in the Setouchi and Kyushu regions.
Sep-20	The first LNG fuel supply ship ordered by CLS is named “Kaguya”
Oct-20	The LNG fuel supply vessel “Kaguya” carries out Japan's first “ship-to-ship” ^{**2} LNG fuel supply to the LNG-fueled pure car carrier “SAKURA LEADER.”
Sep-21	The four companies, including Itochu Enex Corporation, Kyushu Electric Power Company Inc., Seibu Gas Co., Ltd. and NYK sign MOU to jointly study the commercialization of LNG fuel supply for ships in the Kyushu and Setouchi regions. Full-scale study of building and owning LNG fuel supply ships
Feb-22	The four companies, including Kyushu Electric Power Company Inc., Itochu Enex Corporation, and Saibu Gas Co., Ltd., and NYK jointly establish KEYS Bunkering West Japan. Discussions on ship-to-ship LNG bunkering in western Japan
Mar-22	The four companies, including Itochu Enex Corporation, Kyushu Electric Power Company Inc., Seibu Gas Co., Ltd. and NYK establish a joint venture company, and sign a contract to build one LNG bunkering vessel to supply LNG fuel to ships.
Mar-24	The LNG bunkering vessel “KEYS Azalea,” which was built a joint venture between four companies; Itochu Enex Co., Kyushu Electric Power Company Inc., Seibu Gas Co., Ltd., and NYK is complete.

*1 At the time of the establishment of CLS and CLMF in May 2018, Chubu Electric Power Co., Ltd.
*2 Ship to Ship: A method of bunkering where an LNG bunkering vessel comes alongside an LNG-fueled vessel to supply LNG. This can be done at various locations, such as along the quay or pier or at anchor

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● LNG-fueled ships

➢ Active investment in LNG-fueled pure car carriers (Low-carbon transportation service)

In October 2020, "SAKURA LEADER," Japan's first LNG-fueled pure car carrier, was completed. This ship is one of the world's largest pure car carriers, equipped with large LNG fuel tanks, and has been designed with a number of innovations to optimize key features such as the ship's width and maximize cargo loading space, making it possible to transport approximately 7,000 cars (standard car conversion) per ship.

This vessel is expected to improve energy efficiency (CO₂ emissions per unit of transport) by approximately 40%, which significantly exceeds the standard values of the International Maritime Organization (IMO) EEDI regulations* Phase 3 (compliance requirements from 2025), and is expected to reduce SOx emissions by approximately 99% and NOx emissions by approximately 86% compared to conventional heavy oil-fired engines.

Following the introduction of the "SAKURA LEADER," we are actively promoting the introduction of low-carbon and decarbonized fuel ships, and as of June 2024, a total of eight LNG-fueled pure car carriers are in service.

*EEDI regulations: Regulations on the energy efficiency of ships based on the 2013 amendments to the 1997 Protocol of the International Convention for the Prevention of Pollution from Ships (MARPOL Annex VI). The EEDI (Energy Efficiency Design Index) is a formula for measuring a ship's CO₂ emissions per ton-mile, and the reduction rate from the baseline value is gradually strengthened. For pure car carriers, a 5% reduction is mandatory in 2015 (Phase 1), a 15% reduction in 2020 (Phase 2), and a 30% reduction in 2025 (Phase 3).



The "SUMIRE LEADER" is the sixth LNG-fueled pure car carrier operated by NYK.

➢ Active investment in LNG-fueled dry bulk carriers (Low-carbon transportation service)

In addition to pure car carriers, we are also focusing on the introduction of large dry bulk carriers that use LNG as main fuel. In 2019, the Company decided to build the world's first LNG-fueled large coal carrier, which was completed in 2024.

Moreover, in 2021, we decided to order the construction of our first capsized* LNG-fueled dry bulk carrier, which was completed in 2024.

*Capsized: A bulk carrier having a deadweight tonnage of 120,000 tons or more. Ships between 60,000 tons and 120,000 tons are called Panamax carriers.



LNG-fueled capsized dry bulk carrier "SG OCEAN" (LNG dual-fuel engine-equipped ship)

● IBIS Project for Optimal Ship Operation and GHG-Emissions Reduction

The NYK Group is actively pursuing various initiatives across our entire company to achieve higher quality, safe, environmentally friendly operations.

In fiscal 2012, we began the Innovative Bunker & Idle-time Saving (IBIS) project, which utilizes big data to drive a wide range of activities to improve operating efficiency. As the scope of our activities expanded, the project evolved into IBIS-TWO and IBIS TWO Plus. In particular, since fiscal 2020, we have been pursuing optimal economical vessel operation beyond the boundaries of group companies to contribute to the "Environment" in ESG through fuel-saving activities.

From fiscal 2023, the project name has been updated to IBIS Three, aiming to create both corporate and social value through the pursuit of optimal economic operations and GHG-emissions reduction. The improvement of operational efficiency through IBIS activities is an essential element for achieving our group's decarbonization goals. We will systematically promote the sharing of best practices, such as communication between offshore and onshore operators and remote support from onshore. Through these activities, we are challenging ourselves to achieve more advanced operations.

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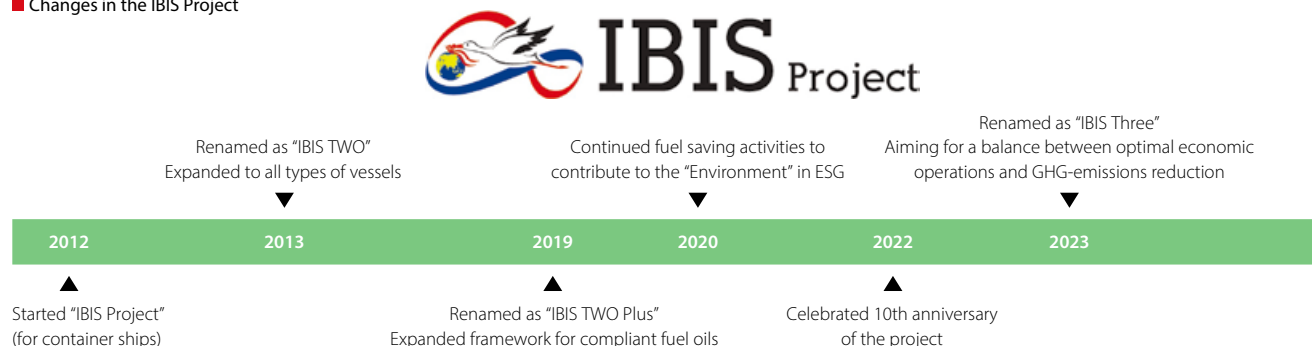
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Changes in the IBIS Project



The logo for the "IBIS Project" depicts the Ibis (stork) carrying the blue earth, expressing the intention of protecting the blue earth through GHG-emission reduction. The background's two-colored rings represent our corporate colors of blue and red, symbolizing infinity (∞) and the continuous efforts toward fuel-saving and GHG-emissions reduction, as well as the preservation of the blue earth for eternity.

Removing extraneous matter and polishing propellers

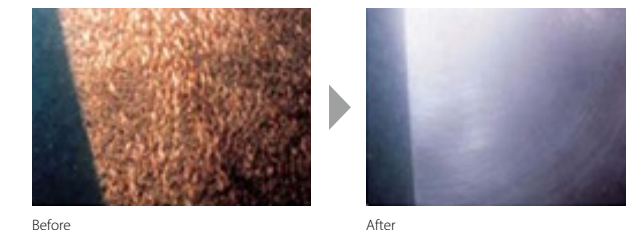
Seaweed and crustaceans adhere to hulls and propellers, and result in increased propulsion resistance, which drops ship speed and increases fuel consumption. Ordinarily, antifouling paint is used on ship bottoms to prevent matter from adhering to the hull, but after the passage of time, organisms begin to adhere anyway. Underwater cleaning (UWC) is subsequently required. We regularly have divers inspect the condition of the hull and bottom paint underwater, and at the optimal times perform UWC and propeller polishing. In addition to the fact that UWC and propeller polishing are effective in fuel-consumption savings*, these activities are also important from the perspective of preserving biodiversity. Therefore, our Group is actively working on environmentally friendly hull maintenance.

*With UWC we can expect to reduce fuel-consumption by about 10%, and by 1-2% in the case of propeller polishing

Comparison between before and after UWC



Comparison between before and after propeller polishing



Environmental Activities at Terminals and Warehouses

Domestic Terminals
We have set a target of achieving carbon neutrality by 2040 and aim to realize decarbonization at Japan's domestic ports.

(Example of activities)

- Installation of Hybrid-cargo-handling equipment (Ohi Container Terminal (Tokyo), Rokko Container Terminal (Kobe))
- Container Hangar (Ohi Terminal)
- Additives that reduce soot and smoke and improve fuel efficiency are used in the fuel
- Installation of hybrid cargo handling equipment
- Older trucks have been replaced with ones that emit less pollution
- Eco-driving training has been provided for truck drivers
- Waste generated in container yards is recycled.

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• Overseas Terminals

Yusen Terminals Inc. (YTI) in Los Angeles has introduced a solar power generation system and electric vehicles for use within the terminal. Both of these measures have led to a reduction of CO₂ emissions and thus aided the City of Los Angeles's anti-pollution measures. YTI has installed power factor correction equipment to improve the efficiency of electricity use. The Company has also installed shoreside connection boxes for a system that supplies the necessary electricity.

In Belgium, NYK's wholly-owned subsidiary International Car Operators N.V. (ICO) operates the wind turbines on the grounds of the terminal in Zeebrugge, and the electricity generated by these turbines is used to power all of the facilities there. In addition, in January 2023, the two wind turbines at the completed car terminal in Tianjin, China, which is operated by an affiliated company in which NYK has invested, also began operating, and it became possible to cover all electricity needs with the solar power generation that has already been in operation.



Solar power generation system at the Los Angeles Terminal



Wind turbines installed in a completed car terminal (Belgium)

• Installation of solar-power generation equipment in various facilities

NYK has been operating rooftop solar-power generation facilities at the NYK Tobitakyu general training institute since 2002. Consisting of six generators with 420 solar panels (120 centimeters by 80 centimeters), the system can meet approximately 30% of the electricity needs of the institute. In addition, we have installed and are operating solar power generation systems at facilities in Japan and overseas.

Zero GHG Emissions

-Initiatives to Develop Next-generation Fuels and Renewable Energy-

• Ammonia

Amid the accelerating energy shift towards a decarbonized society, in the shipping industry in which GHG-emission reduction is an urgent issue, research and development is underway to switch from the conventional heavy oil to LNG and then to next-generation zero-emission fuels for marine vessels.

Ammonia, which does not emit CO₂ when burned, is considered as a zero-emission fuel that will contribute to the prevention of global warming; however, there are several hurdles to overcome before it can be used as a marine fuel. One of the issues is ensuring safety. Ammonia is toxic in nature. Therefore, it is essential to take measures to ensure that seafarers handle it safely. Moreover, to use Ammonia as fuel, production is required on a scale that is completely different from that required for conventional fertilizer use, which means that it is essential to create a fuel ammonia market and build a supply chain.

Through the support of the Green Innovation Fund* and collaboration with our partners, the NYK Group is involved in the technological development of next-generation fuel ships, including ammonia, as well as leading the way in implementation of the entire supply chain for the commercialization of next-generation fuels, including legal compliance and safety guidelines.

* Green Innovation Fund: A 2 trillion-yen fund created in NEDO to significantly accelerate current efforts such as structural transformation of the energy and industrial sector and innovation through bold investment toward carbon neutrality by 2050. The fund provides continuous support from R&D and demonstration to social implementation for up to 10 years for companies that share ambitious and concrete goals with the public and private sectors and tackle them as management issues. NEDO mainly provides support in 14 priority areas for which action plans are being formulated in the green growth strategy.

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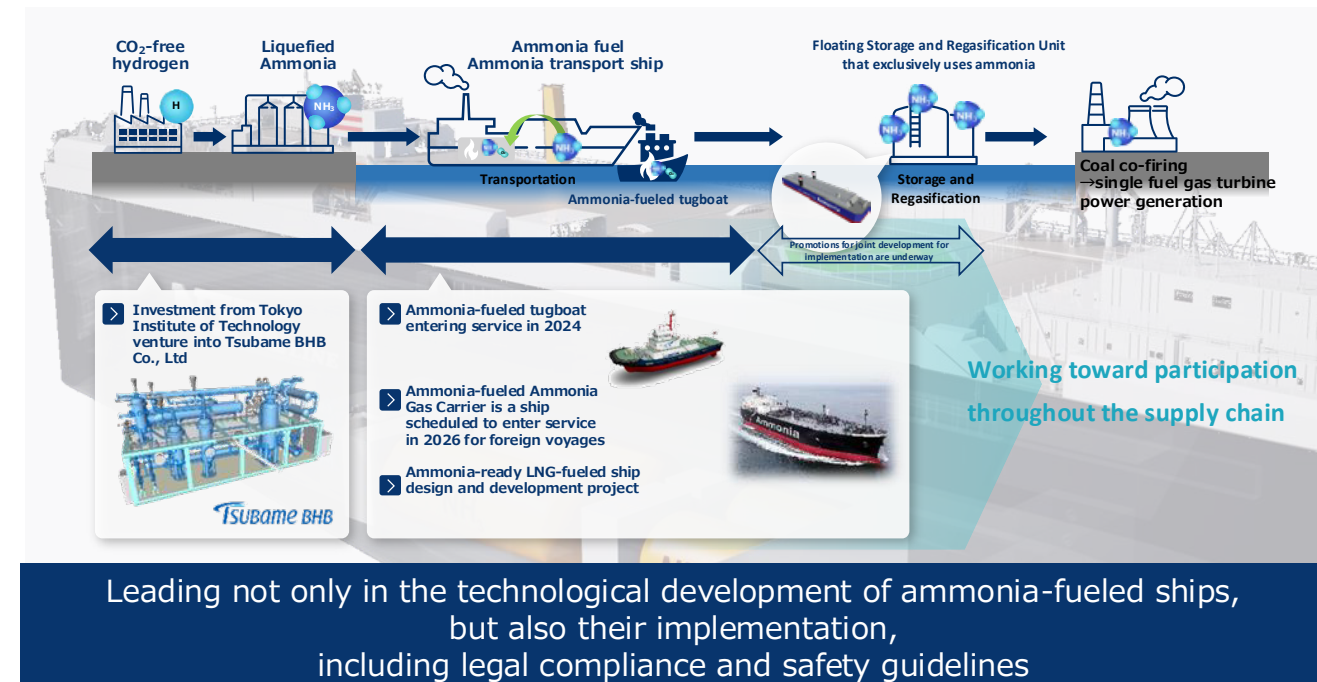
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Prospects for Ammonia-fueled Ship Development Project



Driving establishment of ammonia supply chain with partners



Demonstration project begins for commercialization of vessels equipped with domestically produced ammonia-fueled engine

In October 2021, our Company was selected for a public call for proposals for a subsidy project by the New Energy and Industrial Technology Development Organization (NEDO), which is a part of the Green Innovation Fund Project. We have begun a demonstration project for commercialization of vessels equipped with domestically produced ammonia-fueled engines in collaboration with our joint development partners; Japan Engine Corporation, IHI Power Systems Co., Ltd., Nippon Shipyard Co., Ltd., and the cooperating organization Nippon Kaiji Kyokai. In December 2023, we concluded a series of agreements related to the construction of the first ammonia-fueled medium gas carrier (AFMGC) equipped with a domestically produced engine.

Ammonia-fueled tugboat (AFT)

As part of the “Demonstration project begins for commercialization of vessels equipped with domestically produced ammonia-fueled engine”, we are working with IHI Power Systems Co., Ltd., and Nippon Kaiji Kyokai to commercialize the world's first ammonia-fueled tugboat. We obtained Approval in Principle (AIP)* in July 2022.

NYK Group's Shin Nihonkai Ocean Co., Ltd., carried out modification work at Oppama factory of Keihin Dock Co. Ltd. (Kanagawa Prefecture) to convert the LNG-fueled tugboat “Sakigake,” previously operated in Tokyo Bay, into an ammonia-fueled tugboat.

* Approval in Principle (AIP): This is a certificate issued by a certification body to indicate that the basic design has been reviewed and approved as meeting the technical requirements and safety standards.

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In this modification work, the entire engine system including the main engine (hereinafter referred to as “engine”) and the fuel tank were replaced. This involved cutting the engine room to remove the existing LNG fuel equipment and installing new equipment designed for ammonia fuel. The newly installed ammonia fuel engine has completed its operational testing at the IHI Power Systems Co., Ltd. Ota Plant (Gunma Prefecture). It has been confirmed that emissions of N₂O (nitrous oxide), which has a

greenhouse effect approximately 300 times that of CO₂, as well as unburned ammonia, are nearly zero.

The ammonia-fueled tugboat “Sakigake” was completed in August 2024. Subsequently, Shin Nihonkai Ocean Co., Ltd. undertook demonstration operations for the tugboat as the world's first ammonia-fueled vessel to verify decarbonization effects and operational safety.

Development and Implementation of Ammonia-fueled Tugboat

Application	In charge	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Main machinery	IHI Power Systems	Development, Manufacturing, and Trial Operation of 4-stroke Engines						
Ship development	Nippon Yusen Kabushiki Kaisha (NYK)	Hull Design, Trial Operation, and Construction				Completion		
Operation	Nippon Yusen Kabushiki Kaisha (NYK)	Compliance with Laws and Regulations, Development of Operation Manuals					Demonstrational Operation/Actual Operation	

ClassNK (Nippon Kaiji Kyokai)

Technical verification of safety
Basic research for the formulation of international guidelines
Support for compliance with laws and regulations

> Ammonia-fueled Ammonia Gas Carrier (AFAGC)

As a part of the initiative "Demonstration project for commercialization of vessels equipped with domestically produced ammonia-fueled engine," we are collaborating with Japan Engine Corporation, IHI Power Systems Co., Ltd., and Nihon Shipyard Co., Ltd. to advance the research and development of ammonia-fueled ammonia transport vessels (AFAGC). In September 2022, we obtained approval in principle (AiP), and we are working on further design optimization with the aim of launching the ship in 2026.



AFAGC exterior



Ammonia-fueled tugboat "Sakigake"

> Ammonia-fuel Ready LNG-Fueled Vessel (ARLFV)

We are working on the design and development of “Ammonia-Ready LNG Fuel Vessel,” which is an LNG-fueled ship capable of being converted to use ammonia as a marine fuel immediately after the facilities for supplying ammonia as a marine fuel are established. This initiative is undertaken in collaboration with MTI, our group company and Elomatic, a Finnish ship technology consulting firm.

The three companies are positioning the ammonia-ready LNG-fueled ships as the next-bridge solution until marine fuel is completely switched from LNG to ammonia. The concept design is now complete, and we are currently working with shipyards and marine equipment manufacturers on the actual design.

> LNG Fuel Supply Initiatives

· The world's first fuel ammonia supply to ships using the truck-to-ship method

In July 2024, we supplied fuel ammonia to the NYK-owned ammonia-fueled tugboat that was later completed in late August of the same year. This is the world's first case of supplying fuel ammonia to a ship using the truck-to-ship method* (as of July 2024, according to our research).

* Truck to Ship method: A method of supplying fuel to ships, in which fuel is supplied to ships from tank lorries via flexible hoses.

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• Development of Japan's first fuel ammonia supply system for ships

In August 2023, we signed a basic agreement with TB Global Technologies Co., Ltd. (TBG), the domestic leader in manufacturing cargo handling equipment for liquids such as crude oil and LNG, to jointly develop Japan's first "bunkering boom" designed specifically for fueling ammonia between vessels. By incorporating TBG's technology that reliably prevents liquid leakage, we aim to contribute to the decarbonization of vessels and significantly enhance safety when supplying highly toxic ammonia to ships. In July 2024, we obtained the basic design approval (AiP) for the same device from the Nippon Kaiji Kyokai.

• Ammonia Floating Storage Regasification Barge (A-FSRB)

The three companies, including Nihon Shipyard Co., Ltd. IHI, and NYK are engaged in the world's first research and development of a barge equipped with a dedicated floating storage and regasification unit for ammonia. In January 2023, we obtained Approval in Principle (AiP) for its basic design. By utilizing it as an alternative to onshore facilities (such as storage tanks, regasification equipment) for the stable supply of fuel ammonia, it is expected to contribute to the early realization of the introduction of fuel ammonia.

• Hydrogen

> Capital Participation in JSE Ocean to Establish International Liquefied Hydrogen Supply Chain

In September 2023, NYK agreed to participate in a third-party capital increase alongside Kawasaki Kisen Kaisha, Ltd. and Mitsui O.S.K. Lines, Ltd., to invest in and collaborate with JSE Ocean Co., Ltd., a subsidiary of Japan Hydrogen Energy Co., Ltd.

JSE Ocean was established in January 2023 as a subsidiary of Japan Hydrogen Energy Co., Ltd. with the purpose of exploring marine transportation of liquefied hydrogen using liquefied

hydrogen carriers. Through this third-party capital increase, NYK will jointly work on ensuring safe and efficient operation of the world's first large, liquefied hydrogen carrier and on exploring viable business models for future marine transportation.

> Advanced Hydrogen Energy Chain Association for Technology Development (AHEAD)

To realize a hydrogen society as early as possible, we have been participating in the Advanced Hydrogen Energy Chain Association for Technology Development (AHEAD) since 2017.

In 2020, AHEAD was selected by the NEDO grant program and completed the world's first demonstration of an international hydrogen supply chain using MCH (methylcyclohexane).

Since 2021, AHEAD has started to supply MCH produced in Brunei to ENEOS Corporation's demonstration project in Japan till 2022.

> Partnership for Practical Application of Next-Generation Fuels

Challenging new fields requires a combination of "technological capabilities" and "collaborative creation," and collaborative creation is the driving force behind innovation. We are participating in the below networks to create further collaborative creation.

We will continue our efforts to decarbonize not only the shipping industry but also society as a whole through collaborative creation with world-class partners.

> Examples of collaborative creation with partners

- Clean Fuel Ammonia Association
- Hydrogen Council
- The Maersk Mc-Kinney Moller Center for Zero Carbon Shipping
- Getting to Zero Coalition
- Hydrogen Value Chain Development Council

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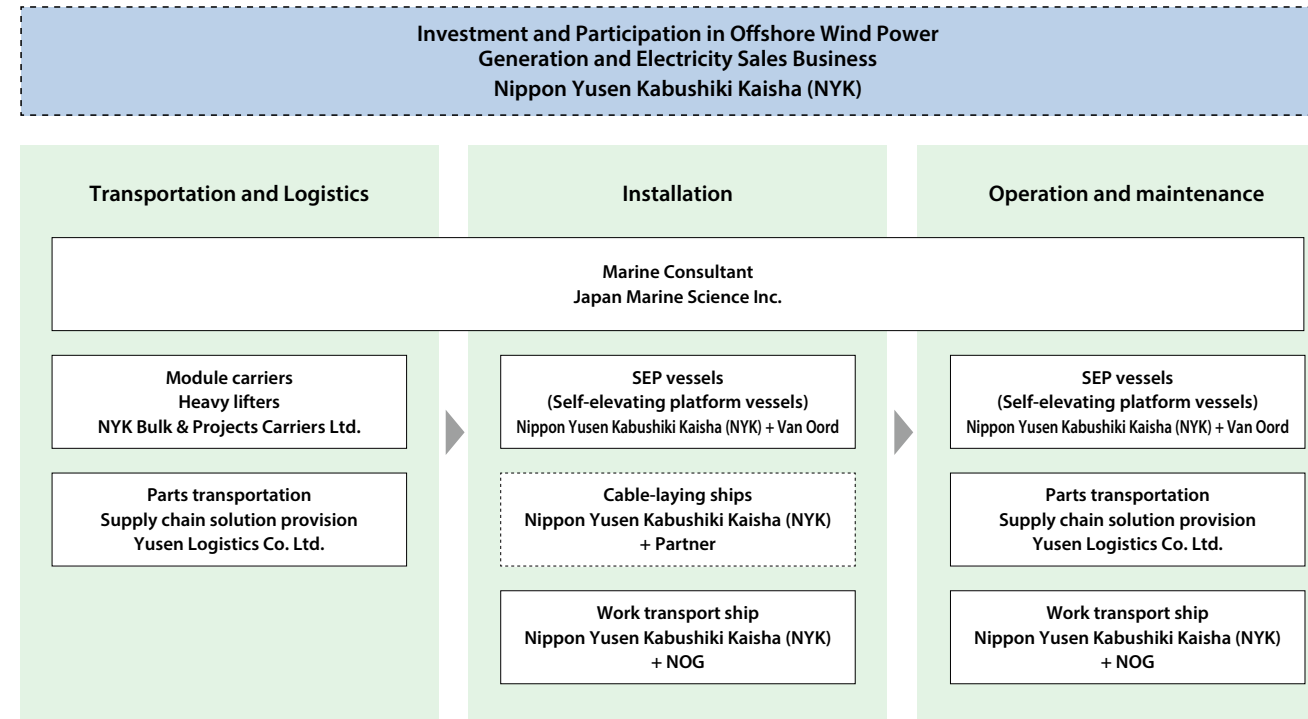
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Offshore wind power

The offshore wind market in Japan is expected to expand rapidly. In addition to the technological capabilities and knowledge of Japanese regulations and legal systems that we have cultivated over many years through our shipping business, the NYK Group is taking

full advantage of the knowledge that we have gained through our offshore business and the nationwide group companies that we have established throughout Japan to actively participate in the entire offshore wind value chain.

Scope of the Group's Services in Offshore Wind Power Generation Business



Solid line: Indicates already participated or announced participation
Dotted line: Indicates areas under consideration

Jack-up vessel (Self-Elevating Platform Vessel)

In cooperation with Van Oord Offshore Wind BV in the Netherlands, NYK is making efforts to own and operate a self-propelled SEP vessel (Self-Elevating Platform) in Japan for use in the installation of offshore wind power turbines and operating it in Japan. We aim to introduce SEP vessels into the Japanese market that meet Japan-specific requirements, such as vessel registration, and are capable of installing increasingly large wind turbines.



Jack-up vessel

Crew Transfer Vessel (CTV)

In cooperation with Northern Offshore Group AB (NOG) in Sweden, NYK is making efforts to own and operate crew transfer vessels (CTVs) for the offshore wind business in Japan, with the aim of building a domestic CTV based on NOG's original vessel design. In addition, NYK will establish a nationwide CTV service network for the future development of the offshore wind business in Japan. As part of the collaboration with NOG, NYK purchased a new CTV named "Energizer" in 2022. The CTV is currently being operated in Europe by NOG subsidiary Northern Offshore Services AS (NOS), with which NYK is currently promoting personnel exchanges.

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Image of CTV owned by NOS

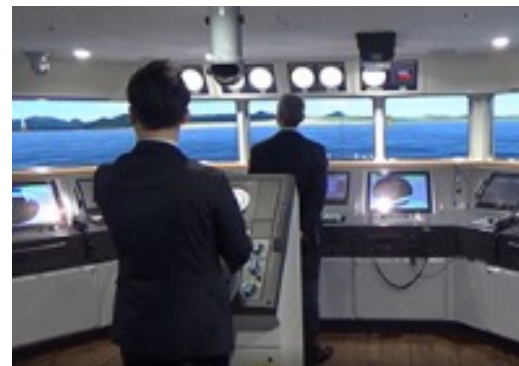
NYK has concluded a time charter contract with Siemens Gamesa, the world-leading provider of wind power solutions, for a CTV for an offshore wind power generation facility. The CTV is named "Rera As" and started operation in Ishikari, Hokkaido, in July 2023. It is the first CTV owned and managed by the NYK Group inside Japan.



CTV "Rera As"

> Maritime consulting services

Japan Marine Science Inc. (JMS), an NYK Group company, provides comprehensive maritime consulting services. For the offshore wind business, JMS offers site environment assessments, feasibility-study support for wind-turbine scale and specifications, use of a maritime simulator to examine vessel safety during and after the installation of wind turbines, diving inspections during wind turbine operation, training via simulator for workboat crews, and marine monitoring systems.



Maritime simulator

> Transportation business for offshore wind business

Having a history of more than 100 years, NYK Bulk & Projects Carriers Ltd. (NBP) is Japan's leading shipping company operating module carriers (Deck Carriers) and heavy-lift cargo (Heavy Lifters).

NBP has a track record in overseas offshore wind projects for the transport of nacelles (generators) via a heavy lifter and jackets (foundations) by module carriers.

In September 2021, heavy lifters with 800 mt lifting capacity were added to the NBP fleet, and the company is actively participating in offshore wind power projects in Japan.



Module carrier

> Collaboration with Regions

We opened the Akita branch in April 2022 and the Hokkaido branch in April 2024, strengthening our ties with local governments and communities.

For more information, click on the link below

[P.097 Community](#)

● Biofuels*

> Ongoing Trials for Practical Application of Biofuels

We are continuing with test voyages using biofuels and participating in demonstration projects to advance discussions toward full-scale operational implementation.

Starting in fiscal 2024, we are conducting full-scale trials to use biofuels, considered to have net-zero CO₂ emissions, for long-term operation of existing heavy fuel oil-powered vessels. Building on previous short-term trials, we are now advancing to a comprehensive evaluation of the long-term use of biofuels, focusing on safety, stable supply, and other critical factors.

As part of this initiative, in May 2024, we launched our first long-term biofuel trial voyage on a large crude oil tanker.

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* Biofuel: A fuel made from renewable, biologically sourced organic materials (biomass), and is expected to serve as an alternative to petroleum-based heavy oil and diesel. CO₂ emissions from burning biofuels are considered to be effectively zero.



Long-term operational test voyage using the large crude oil carrier "Tenjun"

GHG Removal

• CO₂ Capture, Utilization, and Storage (CCUS*)

In industries in which GHG emission reductions are technically and economically challenging, efforts in CO₂ capture, utilization, and storage are also essential for achieving net-zero goals. There are currently many CCUS projects being planned around the world including Japan. It is expected that multiple CCUS projects will be launched in parallel in Japan from the second half of the 2020s onwards. With this background, our Group is also participating in the CCUS value chain.

*CCUS (Carbon dioxide Capture, Utilization, and Storage): Involves the capture, conversion, and storage of CO₂; it is garnering attention as an effective means of achieving a carbon-neutral society. In such a value chain, LCO₂ ships are expected to play an indispensable role in transporting liquefied CO₂ to storage and utilization sites, and future demand for them is expected to grow.

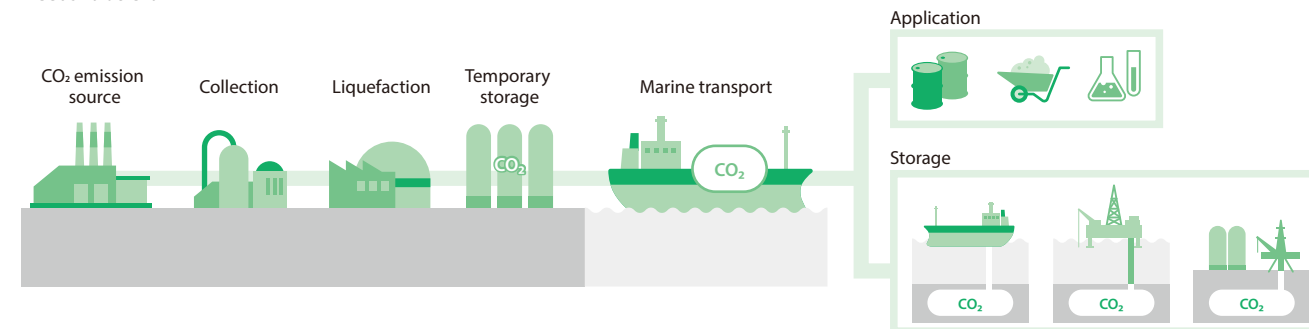
> Developing large LCO₂ carrier jointly with Mitsubishi Shipbuilding Corporation

In collaboration with Mitsubishi Shipbuilding Corporation, we are developing a technology for transporting CO₂ by large vessels, which are expected to be in growing demand globally in a carbon-neutral society.

Through this joint project, we will contribute to developing various technologies, such as liquefied CO₂ carriers (LCO₂ carriers), which are necessary for establishing the CCUS value chain in which we will participate.

In May 2022, we obtained Approval in Principle (AiP) from the Nippon Kaiji Kyokai for the basic design of a large, liquefied CO₂ carrier (LCO₂ vessel), and in June 2023, we received AiP for a dual-purpose ammonia and liquefied CO₂ carrier.

■ CCUS Value Chain



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> Participation in LCO₂ Transportation and Storage Business

In December 2021, NYK established a joint venture company, Knutsen NYK Carbon Carriers AS (hereafter, KNCC) with a Norwegian Knutsen Group. KNCC aims to develop a global business for the marine transport and storage of liquefied CO₂.

In addition to utilizing the already established liquefied CO₂ transport technology, we have also begun developing technology for transporting and storing CO₂ in a liquefied state at room temperature (PCO₂*). In April 2022, we received classification certification from DNV, the Norwegian classification society. This is the first time in the world that a cargo tank system capable of transporting and storing liquefied CO₂ at sea at normal temperatures has been granted the classification certification.

Subsequently, NYK and KNCC renamed the project "LCO₂-EP System" and continued to advance the detailed design. In June 2023, we successfully obtained General Approval for Ship Application (GASA) from DNV for the detailed design. Accordingly, we were able to install the "LCO₂-EP system" on new and existing ships.



Image of a liquefied CO₂ transport ship

• Carbon Offset*

> Carbon Offset Transportation Service

Amid growing interest in environmental considerations throughout the supply chain, our Group is working on carbon offset transportation services as one of the options for providing environmentally valuable marine transportation services in response to requests for such services from domestic and international customers.

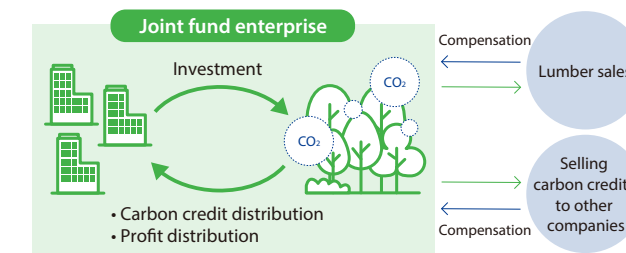
In September 2019, we became the first Japanese shipping company to implement carbon offsetting. In March 2023, we completed the coal carrier "Kagura" for Chugoku Electric Power Co., Inc., utilizing carbon offsetting to theoretically achieve zero GHG emissions for the entire voyage under a long-term transportation contract with the company, thereby making coal marine transportation under this contract carbon neutral.

* Carbon Offset: Offsetting GHG emissions by purchasing credits representing reductions or absorptions of greenhouse gases achieved elsewhere, or by participating in projects that realize reductions or absorptions of emissions in other locations, for some or all of the difficult-to-reduce emissions.

> Joint Investment in Forest Fund Organized by Sumitomo Forestry Group

In July 2023, we participated in the "Eastwood Climate Smart Forestry Fund I," a forest fund organized by Eastwood Forests LLC, a forest asset management subsidiary of Sumitomo Forestry Co., Ltd., alongside nine other Japanese companies. Through this fund, we aim to enhance the CO₂ absorption capacity of forests, generate an average of approximately 1 million tons of additional CO₂ absorption per year, and contribute to the realization of a decarbonized society by creating and returning high-quality carbon credits.

■ Joint Investment in Forest Fund Organized by Sumitomo Forestry Group



> Investing in Australian carbon credit sales company

In September 2021, we have invested in Australian Integrated Carbon Pty Ltd (Ai Carbon), an Australian company that absorbs CO₂ and sells carbon credits obtained through primeval forest restoration projects, through Japan Integrated Carbon (JIC), a holding company established jointly with Mitsubishi Corporation.

As of March 2024, Ai Carbon has achieved CO₂ absorption of up to 5 million tons per year, and is expanding its business with the aim of achieving cumulative CO₂ absorption of 100 million tons by 2050. Through our involvement in this project, we aim to gain experience and expertise in the carbon credit creation business.

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Image of primeval forest restoration projects

Research & Development

• Development of Technology that Enables Energy-efficient Operation

With the promotion of energy-efficient navigation, ships are generally operated at lower speeds than those assumed when they were built. On this background, the NYK Group is working to convert ships to low-speed operation specifications and improve propulsion performance by modifying the bulbous bow* of ships in service and installing the MT-FAST hull appendage.

Big Data analyses using actual voyage data gathered over half a year after the implementation of improvements in June 2014 were conducted by the NYK Group, and a 23% reduction in CO₂ emissions was confirmed. The conversion was also verified not to affect the safe operation of the vessel or the operating condition of the engine.

The NYK Group has established a method for examining modifications suitable for operational conditions in a short period and efficiently (patent obtained). Based on this method, we will proceed with modifications for our operational vessels in the future to further enhance energy-saving effects.

*Bulbous bow: A protruding bulb at the front of a ship just below the waterline. The bulb modifies the way the water flows around the hull, reducing drag and thus increasing speed, range and fuel efficiency.

> Mechanisms to Increase Combustion Efficiency “MT-FAST”

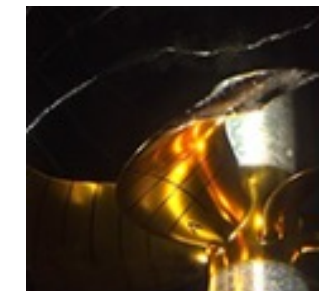
The ideal shape of a ship for fuel-saving operations is one with minimal wave and wind resistance. However, ships must place priority on cargo tonnage and volume, which imposes constraints that make it difficult to achieve this ideal. Therefore, a number of appendages that can be added to ships to help them save fuel have been developed. One example is a propulsion-improvement unit “MT-FAST”, which MTI Co., Ltd. jointly developed with Tsuneishi Shipbuilding Company. The rotation of the propellers in the water creates a swirling flow that impairs propulsion. Attaching wings to the ship helps to recover this lost propulsion. Our propulsion-improvement unit (patented) was developed by the Monohakobi Technology Institute in February 2008 as part of a joint project, and experiments indicate that the unit has an energy-conservation effect of approximately 4-6 percent.



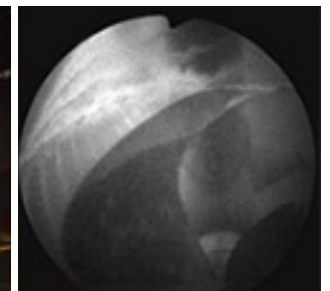
MT-FAST

• Building Environmentally Friendly Vessels ‘High-efficiency Propellers’

NYK, together with MTI Co., Ltd. and Furuno Electric Co., Ltd., has developed sensors to measure the flow of water around ship in operation. The data collected using the sensor is shared with Nihon Shipyard Co., Ltd. for analysis and utilization. Based on those foundations, we designed a propeller that pursues even higher efficiency through simulations that replicate actual vessels, achieving approximately a 2% reduction in CO₂ emissions. Similar measurements were conducted on a large crude oil tanker delivered in 2020, and improvements were made to the shape of the stern appendages on subsequent new buildings of the same type, resulting in a reduction in CO₂ emissions of approximately 2%. We plan to continue this research and expand it to other types of vessels in the future. We will utilize this full-scale simulation technology to designing hull forms as lower resistance toward 2050.



Model propeller tank test



Actual ship observation

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> Saving Energy through “Bubbles” - Air-Lubrication System

Our air-lubrication system is an energy-saving technology that reduces friction between the hull and seawater by supplying air bubbles to the bottom of the vessel. In 2010, the NYK Group launched two module carriers*, Yamato and Yamatai, which became the world's first operational ocean vessels equipped with an air-lubrication system based on an air-blower. In July 2012, the group introduced the coal carrier Soyo, which is equipped with a world first an air-lubrication system featuring a main engine scavenging-air bypass (related patent acquired). The group has confirmed that the air-blower-based system reduces CO₂ emissions by an average of approximately 6 percent, while the system using a main engine scavenging air bypass is expected to reduce CO₂ emissions between approximately 4 percent and 8 percent.

* Module carrier: Special heavy load carrier with roll-on, roll-off ramp way to transport thousand-ton prefabricated structures of plant facilities to be installed on oil/gas development sites or industrial locations.



Image from the bottom of a module carrier equipped with an air lubrication system

> Taking an active role in environmental regulations through development of new oil additive

Nippon Yuka Kogyo Co. Ltd., a NYK Group company, has been investigating the properties of VLSFO (fuel oil with a sulfur content of 0.5% or less) as one of the measures to comply with SOx emission requirements, and in May 2019 developed the sludge*-dispersing fuel oil additive “Yunic 800VLS”. Yunic 800VLS is effective against most of deteriorated compliant fuel oil, and with taking account into present fuel problem situations, we feel our main target need to be changed to reduction of fuel for contribution of environmental protection, from sludge trouble prevention. Since we were aware of it, in May 2022, the both companies developed the Yunic 800VLS “grade-up” version, which is having not only more powerful sludge dispersion characteristics to cover the rest of stubborn deterioration fuel, but fuel consumption reductions.

Yunic 800Eco enhances sludge dispersion and improves combustion. In three fuel consumption ratio reduction tests conducted with compliant fuel oils in Japan and overseas, we observed fuel consumption was reduced by up to 1.2% compared to when the additive was not used, and carbon monoxide (CO) emissions were also reduced.

We will continue to work to develop additives that are more fuel-efficient and versatile, while maintaining the current sludge dispersion effect, and contribute to the reduction of CO₂ emissions from ships.

* Sludge: A sediment contained in fuel. Preventing sludge buildup and dispersing it can improve combustion.

● Participation in Tidal Power Generation Demonstration Project in Off-grid Area in Singapore

In 2019, NYK and our group company MTI participated in the “tidal power generation demonstration project on Singapore's Sentosa Island” as joint research partners. In 2022, our company participated

in a tidal power demonstration project in Singapore conducted by Bluenergy, a solution provider for integrated power generation, storage, and distribution in marine renewable energy.

In this power generation demonstration project which utilizes tidal energy in off-grid areas that are not connected to the power grid, operations of the first power generation equipment in Southeast Asia began in March 2023.

Tidal power generation is a highly efficient renewable energy source that is easy to predict as it uses the stable flow of water and direction of the tide throughout the year. To contribute to the early realization of a decarbonized society by utilizing marine energy, we will advance the estimation of power generation efficiency, storage and generation costs, and the verification of storage devices based on power generation data.

Co-creation with External Parties

Participation in External Initiatives

NYK group continues to participate in various initiatives and promote co-creation toward the realization of decarbonization.

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Major Decarbonization-related Initiatives with NYK Group Participation

Initiative/Organization Name	Theme	Time of Participation
International Shipping GHG Zero Emission Project	Climate Change/Decarbonization	Aug-18
Climate Change Initiative "Japan Climate Initiative"	Climate Change/Decarbonization	Sep-18
Clean Fuel Ammonia Association	Ammonia	Apr-19
Task Force on Climate-related Financial Disclosures (TCFD) Consortium	Climate Change/Decarbonization	May-19
Coalition of Non-Profit Organizations "Getting to Zero Coalition"	Climate Change/Decarbonization	Oct-19
Japan Business Federation "Challenge Zero Declaration"	Climate Change/Decarbonization	Mar-20
Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping	Climate Change/Decarbonization	Jul-20
Hydrogen Council	Hydrogen	Jul-20
Japan Hydrogen Association (JH2A)	Hydrogen	Dec-20
International think tank for CO ₂ capture and storage technology "Global CCS Institute"	Climate Change/Decarbonization	Jul-21
GX League	Climate Change/Decarbonization	May-23
GCMD (Global Centre for Maritime Decarbonization)	Climate Change/Decarbonization	Jul-23
Methane Abatement in Maritime Innovation Initiative (MAMII)	Climate Change/Decarbonization	Sep-23
Smart Freight Centre (SFC)	Climate Change/Decarbonization	Apr-24

Participation in Ministry of Economy, Trade and Industry's "GX League"

Since 2023, our company has been participating in the GX League, organized by the Ministry of Economy, Trade and Industry. "GX League" is a platform where companies, government agencies, and universities came together and committed to achieving sustainable growth in the current and future society, with the goal of realizing carbon neutrality by 2050. The organizations collaborate in pursuing challenges towards GX* and engage in practical efforts to transform the economic and social systems and create new markets.

Through our participation in the GX League, we will further accelerate co-creation with various stakeholders.

*GX (Green Transformation): We view the response to achieving decarbonization in Japan and worldwide as a growth opportunity, undertaking challenges to transition to decarbonization as quickly as possible, with the aim of transforming the entire economic and social system (as defined by the Ministry of Economy, Trade and Industry).

GCMD and a Japanese company have concluded a first strategic partnership agreement

In July 2023, NYK became the first Japanese company to sign a strategic partnership agreement with the Global Centre for Maritime Decarbonization (GCMD), a non-profit organization in Singapore that promotes the decarbonization of the shipping industry.

GCMD is conducting a number of surveys and demonstration projects to present a concrete and clear path to achieving decarbonization in international shipping. In May 2024, we started "Project LOTUS" in collaboration with GCMD. This project is examining the impact of biofuels on engine performance and fuel supply systems.

Participation in MAMII Environmental Initiative Aimed at Methane Emissions Reduction

In September 2023, we joined the Methane Abatement in Maritime Innovation Initiative (MAMII), an environmental initiative aimed at reducing methane emissions in the maritime industry, as a major partner.

MAMII is led by Safetytech Accelerator Limited, a non-profit organization established by Lloyd's Register. Since its launch in September 2022, a total of 16 companies and organizations, including NYK, have participated. Under MAMII, the amount of methane emissions from LNG-fueled ships are measured and evaluated, and knowledge on reducing methane emissions is shared among participating companies to provide support for introducing technologies and the like. Moreover, the organization also studies and disseminates information regarding the environmental impact of LNG fuel across the supply chain.

Became Member of Smart Freight Centre

In April 2024, we became a member of Smart Freight Centre (SFC), an international non-profit organization that aims to reduce GHG emissions in the logistics sector. We have established the Global Ro-Ro Community, aimed at standardizing GHG emissions calculation for Ro-Ro vessels*, including car carriers, in collaboration with SFC, the overseas shipping company Wallenius Wilhelmsen ASA, and the Nippon Kaiji Kyokai. The community will work to develop a standard model for calculating GHG emissions related to marine transport, with the aim of achieving a fair and transparent understanding of carbon emissions.

* Ro-Ro vessels: A cargo ship that can be driven directly onto the ship by cars, trucks, trailers, construction machinery and agricultural machinery

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● Activities as Member of Japanese Shipowners' Association

The Japanese Shipowners' Association, in cooperation with the Ministry of Land, Infrastructure, Transport and Tourism, is demonstrating leadership in discussions at the International Maritime Organization (IMO) regarding the introduction of regulations and the reduction of GHG emissions.

We are active as a member of the Environmental Committee of the Japanese Shipowners' Association, as well as the various steering committees and task forces that form part of the committee. In the GHG Task Force, which serves as a forum for discussions on GHG emissions, NYK acts as the chair and represents member companies. As a shipowner and ship operator, we actively participate in discussions on a feasible climate change framework within the shipping industry.

● Participation in International consortium "DecarbonICE"

We participated in an international project "DecarbonICE," which researches technology for capturing CO₂ on board ships, converting it to dry ice, and storing it in seabed sediments.

The project was launched in October 2019 by Denmark's Maritime Research and Development Center, NYK, and shipping companies and shipyards from around the world. The aim is to prepare for obtaining approval from the IMO regarding CO₂ recovery and storage technology on board ships, methods for investigating environmental impact, safety, etc.

The project concept involves: ① capturing CO₂ and other exhaust gases emitted from vessels during operation and converting them into dry ice through an ultra-low temperature process, and ② safely and permanently storing the CO₂ in deep-sea sediments as liquid or hydrates by sending the dry ice from the vessel to the deep sea.

In the future, by combining this with biofuels and other alternatives, it is anticipated that we can achieve "carbon negative" transportation, where the amount of CO₂ captured exceeds the amount of CO₂ emitted, moving beyond mere carbon neutrality.

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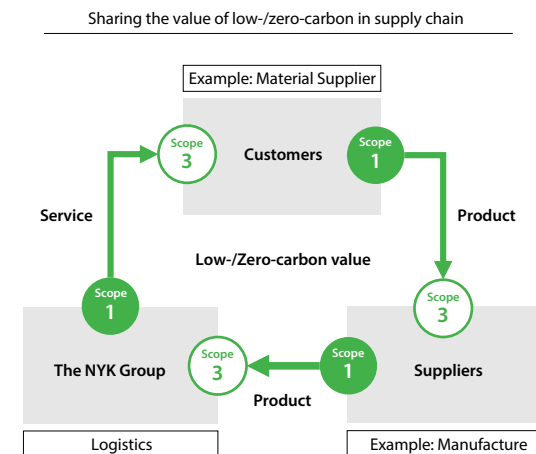
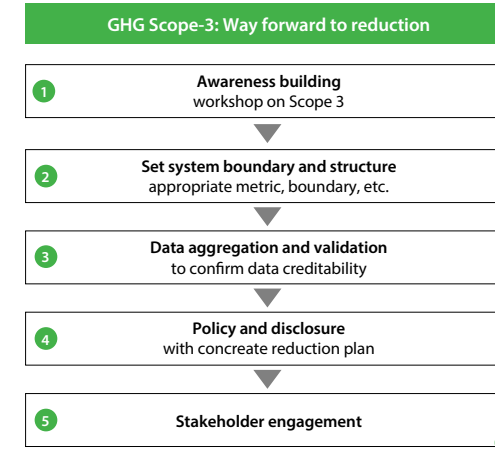
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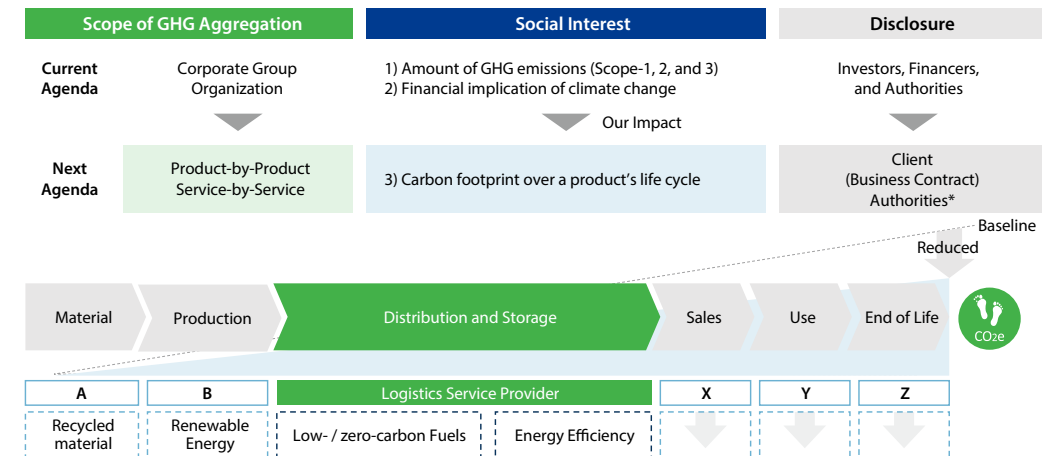
Co-creation with Stakeholders

In pursuit of reducing GHG emissions in Scope 3, we are promoting initiatives aimed at achieving a low-carbon and decarbonized society, working together with our business partners to reduce emissions (carbon footprints) for each product.

Towards Reduction of Scope 3 Emissions



Carbon Footprint Garnering More and More Attention



*EU: Battery Regulation, Carbon Boarder Adjustment Mechanism etc.

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Co-creation with Customers

● World's First LNG-fueled Panamax Coal Carrier Begins Operations

We completed construction of the world's first LNG-fueled Panamax* coal carrier in collaboration with Kyushu Electric Power Company Inc., and commenced its operations in October 2023. This vessel is operated by NYK and is used to transport coal from overseas to Kyushu Electric Power Company Inc. By using LNG fuel, we anticipate a reduction in emissions of approximately 100% for SOx, about 80% for NOx, and around 30% for CO₂ compared to conventional marine fuel oils. We believe this will contribute to achieving a low-carbon society amidst the global strengthening of environmental regulations.



LNG-fueled Panamax Coal Carrier "Shoyo"

* Panamax: Panamax bulkers are defined as ships with deadweight tonnage of 70,000 to 99,999 tons. The world's first LNG-fueled Panamax bulker, according to a survey by the NYK Research Group as of October 2023

● Collaborating with Customers to Decarbonize Maritime Transport Between Japan and Chile (NYK Bulk & Projects)

Our group company, NYK Bulk & Projects Carriers Ltd., has signed an MOU with Corporación Nacional del Cobre de Chile (CODELCO), a leading copper producer and state-owned company in Chile, to jointly explore decarbonization in the maritime transport of copper concentrates.

Based on this MOU, NYK Bulk & Projects Carriers Ltd. has agreed in November 2023 to collaborate with Oshima Shipbuilding Co., Ltd., part of the Sumitomo Corporation Group, to explore the construction of up to 15 Handymax bulk carriers* capable of using ammonia as fuel, with plans to build them in the late 2020s.

Demand for copper is expected to increase worldwide in the

future due to factors such as the development of transmission networks for offshore wind power generation and the spread of electric vehicles. CODELCO aims to achieve carbon-free copper concentrate by utilizing this vessel for transportation to the Far East, thereby eliminating GHG emissions throughout the entire process of production, transportation, and supply.

Additionally, in January 2024, NYK Bulk & Projects Carriers Ltd. signed an MOU with Enaex S.A., a Chilean ammonium nitrate manufacturing company, to jointly explore the supply of green ammonia produced from renewable energy for ammonia-fueled vessels. The two companies will now move forward with specific discussions with the aim of supplying green ammonia to ships at the Port of Mejillones in the Antofagasta Region in northern Chile.

* Handymax bulker: Dry bulk carriers that transport a wide variety of dry bulk cargo, with a deadweight of around 50,000 tons. This ship type is equipped with a crane to enable cargo handling at any port.

● Strategic Partnership with BHP Toward Decarbonization

In June 2022, we signed an MOU with BHP, a major player in the resources sector, to establish a strategic partnership aimed at expanding and deepening their business relationship and achieving decarbonization in the supply chain for maritime transportation.

The two companies will leverage existing energy-saving technologies and alternative fuels, and will particularly promote research and development on next-generation ship fuels using green ammonia*¹ and blue ammonia*², aiming for future net-zero emissions.

*1 Green ammonia: Ammonia produced from renewable energy sources

*2 Blue ammonia: Ammonia produced from natural gas and other raw materials, and treated by burying the CO₂ generated in the production process in the ground and the like.

● Strategic Partnership with BP toward Decarbonization

In September 2021, we signed a memorandum of understanding with BP, a major global marine fuel and lubricants supplier, to collaborate on future fuels and transportation solutions to help industrial sectors, including shipping, decarbonize. Both companies will collaborate and identify opportunities to help transition from current marine fuels to alternatives such as LNG, biofuels, and methanol, and to develop future zero-emission ship fuels such as ammonia and hydrogen. We will also consider potential marine transportation and other solutions to reduce CO₂, and explore participation in the supply chains for ammonia and hydrogen to be used in heavy industry and power generation to help those sectors to decarbonize.

Co-creation with Suppliers

● Collaboration with Shipowners

We hold regular meetings (once a month) with ship owners and ship management companies to share information and exchange opinions on the safety and environmental performance of all the ships we operate, including those we charter. Additionally, we share data related to navigation and machinery, which is obtained hourly through the Ship Information Management System (SIMS), with shipowners and ship management companies. This helps prevent machinery accidents and confirms the safety of super slow steaming (SSS) while minimizing the load on the main engine. By achieving ultra-low speed navigation with the cooperation of the shipowners, we are contributing to reducing fuel consumption and environmental impact.

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Co-creation with Regions

• Contribution to “Zero Carbon Yokohama” of Yokohama City

We support the “Zero Carbon Yokohama”^{*1} initiative, which is working towards the realization of a decarbonized society in Yokohama city. We have gradually switched the power supply for “NYK Hikawamaru,”^{**2} (moored and open to the public at Yamashita park, as well as the Yokohama port Daikoku C-3 terminal, Yokohama branch, and NYK Maritime Museum) to electricity derived from renewable energy sources. Additionally, since 2022, we have effectively transitioned all power consumption for our headquarters and the NYK Building to electricity sourced from renewable energies.

^{*1} Zero Carbon Yokohama: A plan enacted by the city of Yokohama in Kanagawa prefecture to strengthen countermeasures against global warming and realize decarbonization by 2050 (net-zero GHG emissions) as soon as possible in the last half of this century, and to promote efforts to realize a sustainable large-city model.

^{**2} NYK Hikawamaru: This passenger-cargo ship was completed in 1930 and was active on routes such as the Seattle route. During World War II, the ship was utilized as a hospital ship, and after the war, it served as a repatriation and returning ship. Currently, NYK HIKAWAMARU is moored at Yamashita Park in Yokohama city. It was designated as an Important Cultural Property in August 2016, becoming the first preserved ship to receive this designation as a valuable resource for conveying shipbuilding technology from its time of completion.

Investment in Startups

We aim to discover startups having groundbreaking ideas and technologies, fostering their growth and co-creation with an eye toward future collaboration. This initiative seeks to promote the decarbonization of our businesses and create new ventures that bring added value to society.

• Tsubame BHB

In June 2021, NYK decided to invest in Tsubame BHB Co. Ltd., a venture company originating at the Tokyo Institute of Technology. Tsubame BHB has established the practical application of an on-site ammonia synthesis system invented by Professor Emeritus Hideo Hosono that uses a manufacturing method to produce a required amount of ammonia at a required location. This method operates at lower temperatures and pressures than conventional technologies, and is expected to contribute to the decentralization of production. We have high expectations for Tsubame BHB as a partner that plays a role in the ammonia value chain.

• Startup Bootcamp

In June 2021, we implemented a startup accelerator program in collaboration with Mitsubishi Corporation to find and support startups with ideas and technologies for realizing a low-carbon and decarbonized society. Partnering with Startupbootcamp Australia as an accelerator partner to discover and support startups from around the world, in 2021, we conducted the “Startupbootcamp” program, in which we evaluated applicants from all over the world under the theme of decarbonization and completed one cycle of the acceleration program with 10 selected startups for their business development.

• Marunouchi Climate Tech Growth Fund

In May 2023, we signed an investment agreement with the “Marunouchi Climate Tech Growth Fund,” which primarily targets climate tech-related businesses that contribute to decarbonization. This fund was established by Mitsubishi Corporation, Mitsubishi UFJ Bank, and Pavilion Private Equity Co., Ltd., and aims to make growth investments in climate tech-related startups through Marunouchi Innovation Partners, Inc.

Distribution of Information at International Conferences

• NYK Participates in “COP28” in Dubai

NYK management took part in discussions at various events during the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (“COP28”) held in Dubai, UAE, from November 30 to December 13, 2023.

The NYK representatives disseminated information on climate change initiatives by the company and the international shipping industry. To provide information on climate change initiatives, governments and industry groups hosted COP28 side events, as well as various panel discussions that often had participants engaging in lively discussions.

Our executive officer took stage as a panelist on November 6 and spoke about the NYK Group’s decarbonization initiatives and the current status and issues regarding ship-recycling.



NYK Participates in COP28

Environment

Decarbonization

Governance

Climate Change Response Management System
Risk and Opportunity Assessment Process

Strategy and Risk Management

Scenario Analysis and Identification of Risks and Opportunities
Net Zero Achievement Scenario
NYK SUPER ECO SHIP 2050

Target

New Decarbonization Goals

Initiatives

GHG Reduction
Zero GHG Emissions
– Initiatives to Develop Next-generation Fuels and Renewable Energy –
GHG Removal
Research & Development

Co-creation with External Parties

Participation in External Initiatives
Co-creation with Stakeholders
Co-creation with Customers
Co-creation with Suppliers
Co-creation with Regions
Investment in Startups
Distribution of Information at International Conferences

Related Data

Decarbonization

Related Data

■ The NYK Group's GHG Emissions by Scope

(Units: t-CO₂e)

Overall emissions	FY2021	FY2022	FY2023	Ratio in FY2023 (%)
Scope 1	12,678,695	11,255,044	11,410,363	76.4
Scope 2	45,391	76,255	63,342	0.4
Scope 1+2	12,724,086	11,331,299	11,473,705	—
Scope 3	3,890,661	3,264,023	3,455,848	23.1
Scope 1+2+3	16,614,748	14,595,322	14,929,553	—
Emissions from biofuel (from ships)	—	—	15,230	—

Note 1: The scope of aggregation includes headquarters and consolidated subsidiaries.

Note 2: CO₂e: CO₂ equivalent.

Note 3: GHG emission data for Scope 1, Scope 2, Scope 3, and biofuel has been verified by a third-party organization.

Verification Report (<https://www.nyk.com/english/sustainability/pdf/environment009en.pdf>)

Note 4: Scope 2 emissions are calculated on a market basis.

Breakdown of emissions	Sub category	FY2021	FY2022	FY2023
Scope 1	Ships	10,708,996	10,123,951	10,224,932
	Aircraft	1,721,397	964,063	1,048,651
	Others	248,301	167,029	136,779
	Total	12,678,695	11,255,044	11,410,363
Scope 2 Market basis		45,391	76,255	63,342
Scope 2 Location basis		49,010	77,710	67,375

Note: In fiscal 2022, a renewable energy certificate was used to offset the electricity used at the Yokohama branch and the NYK Maritime Museum (234,641 kWh).

■ The NYK Group's Energy Consumption Amounts (GHG-related)

Breakdown of emissions	Sub category	Unit	FY2021	FY2022	FY2023
Scope 1	Heavy oil A (MDO)	Tons	30,415	27,219	143,986
	Heavy oil C	Tons	3,184,649	2,979,644	2,972,183
	Gas oil (ships)	Tons	159,484	173,779	69,341
	LNG (ships)	Tons	5,620	14,387	41,530
	Jet fuel	KL	699,024	391,486	423,584
	Gasoline	KL	71,860	9,058	3,602
	Kerosene	KL	52	49	32
	Diesel	KL	23,285	49,408	41,418
	LPG	Tons	511	375	2,547
	Natural gas	m ³	8,624,448	7,460,194	7,834,651
Scope 2-related	Private power generation derived from renewable energies	MWh	—	5,970	8,874
	Electricity	MWh	119,880	162,030	146,029
Scope 3-related	Electricity derived from renewable energy	MWh	—	—	15,722
	Waste (office)	Tons	5,679	6,831	10,142
Biofuel	Ships	Tons	—	—	6,287

Note: Electricity consumption in Japan is calculated on a market basis. CO₂ emissions volume from electric power consumption for each fiscal year has been calculated using the coefficients for each electricity provider (actual figures for each fiscal year) published by the Ministry of the Environment.

Environment

Preservation of Marine Environment and Biodiversity

Governance

- Policy
- Organization

Strategies and Risk Management

- Relationship between the NYK Group and Biodiversity
- Risk Management

Initiatives

- Dealing with Effluents and Waste from Ships
- Preventing the cross-border movement of living organisms
- Prevention of adverse effects from underwater noise and collisions with whales
- Forest maintenance and preservation activities
- Collaboration with External Organizations

Governance

Policy

As a company that operates mainly in the international shipping industry, the NYK Group recognizes its responsibility to protect the oceans and their inhabitants, and has identified "Preservation of Marine Environment and Biodiversity" as one of the environmental issues to be addressed in particular in the "NYK Group Environmental Vision," and is conducting marine environment and biodiversity preservation activities in line with the "NYK Group Environmental Policy."

In addition, in December 2023, we participated in the TNFD (Task Force on Nature-related Financial Disclosures) Forum,* and in January 2024, we participated in the TNFD Early Adopters Declaration. With regard to the impact of our group's activities on the natural environment and biodiversity, we will disclose information in line with the recommendations of the TNFD by 2024, and aim for sustainable corporate growth by balancing corporate growth and biodiversity protection.

* TNFD: The Task Force on Nature-related Financial Disclosures is an international initiative that aims to create a framework for companies and organizations to assess and disclose the impact of their economic activities on the natural environment and biodiversity. The TNFD Forum comprises companies, financial institutions, research institutions, etc. that participate to support discussions at TNFD and provide assistance in the construction of frameworks.

Organization

Please see "Environmental Management" for the governance structure of environment-related issues, including marine environment and biodiversity conservation.

For more information, click on the link below.

[P.029 Environmental Management](#)

Strategies and Risk Management

Relationship between the NYK Group and Biodiversity

The NYK Group is aware that all processes, such as procuring, operating, and disposing of ships, and we are working to prevent marine pollution and preserve risk affecting biodiversity, by implementing various measures such as adopting environmentally friendly technologies and implementing environmentally friendly ship scrapping.

Risk Management

Our group is aware that through our main business of marine transport, there is a possibility of causing marine pollution due to accidents or the discharge of pollutants, and that oil pollution or the discharge of pollutants resulting from maritime accidents can be a risk to business continuity, not only resulting from the burden of environmental restoration costs but also a loss of trust from stakeholders.

To deal with these risks, our group strictly complies with environmental laws and regulations and strives to prevent environmental pollution. We also have a system in place to deal with acute and urgent major accidents.

For more information, click on the link below.

[P.018 No Growth Without Safety](#)

We also manage the environmental impact of pollutants and waste generated by ship operations, as well as the cross-border movement of marine organisms, in accordance with international rules.

Initiatives

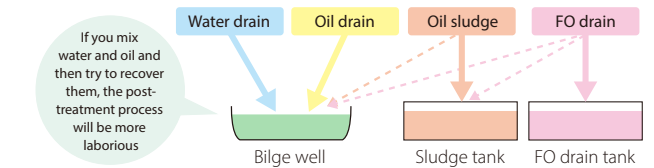
Dealing with Effluents and Waste from Ships

• Lobbying for the establishment of international guidelines for bilge systems

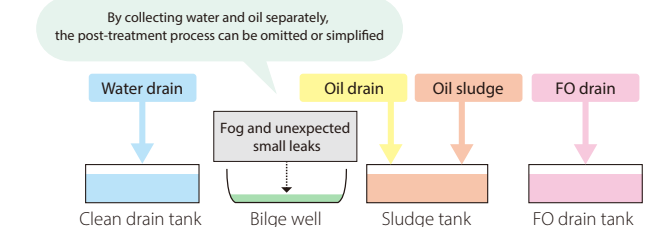
As a result of ship operations, oily water mixtures (bilge) containing a mixture of water, oil, and other substances accumulate at the bottom of engine rooms, etc. In 1996, we devised a unique system that greatly reduces the amount of bilge generated, and we have been using it on ships managed by us.

As a company that promotes environmental initiatives in the shipping industry, we proposed this concept to the International Maritime Organization (IMO) as a Japanese government proposal, and it was adopted as an international guideline in March 2006.

■ Conventional bilge treatment



■ NYK Standard Bilge System: IBTS (Integrated Bilge Treatment System)



Environment

Preservation of Marine Environment and Biodiversity

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Relationship between the NYK Group and Biodiversity
Risk Management

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- Dealing with Effluents and Waste from Ships
- Preventing the cross-border movement of living organisms
- Prevention of adverse effects from underwater noise and collisions with whales
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- Collaboration with External Organizations

Preservation of Marine Environment and Biodiversity

● Prevention of marine pollution caused by human waste

Ships engaged in international voyages are required to install sewage treatment equipment as stipulated in the International Convention for the Prevention of Pollution from Ships (MARPOL Convention) Annex IV, and the waters in which discharging untreated sewage is prohibited are also stipulated. However, it was reported to the IMO that the sewage treatment equipment installed on ships was not performing to the level stipulated in the convention, and there was a possibility that it was having a negative impact on the marine environment, so discussions are currently underway to revise the convention and guidelines.

We are a member of the working group of the Japan Ship Technology Research Association, and we cooperate in collecting data on effluent from sewage treatment equipment on the ships we operate. We also express our opinions at working group meetings. In addition, as a representative of the members of the Japanese Shipowners' Association, we participate in the Marine Environment Protection Committee (MEPC), which is an IMO committee.

Preventing the cross-border movement of living organisms

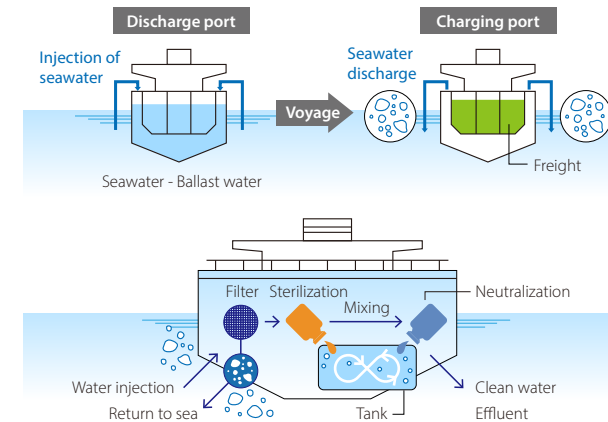
● Preventing the cross-border movement of organisms through ballast water

In the international shipping industry, the IMO is taking the lead in creating a framework for addressing biodiversity preservation, just as it has for GHG reduction, and the most focused effort has been on preventing the cross-border movement of aquatic organisms associated with the uptake and discharge of ballast water into and from ships. Since the adoption of the "International Convention for the Control and Management of Ships' Ballast Water and Sediments" in February 2004, our group has been working on the issue of

ballast water in anticipation of the convention coming into force.

In September 2017, the Ballast Water Management Convention officially came into force, aiming to prevent the cross-border transfer of aquatic organisms that affect the marine environment, for all ships engaged in international shipping around the world. Under this treaty, all ships are required to install a "ballast water treatment system,"* which is a device that sterilizes aquatic organisms that have entered the ballast water. The NYK Group will continue to systematically install ballast water treatment equipment and is planned to complete installation on all ships by 2024.

■ Ballast water image



At present, the Ballast Water Management Convention is being revised, and as a member of the Japan Ship Technology Research Association, we are cooperating in the collection of data on ballast water discharge from the ships we operate.

* Ballast water treatment system: Seawater (ballast water) is used in ships to maintain ship strength and stability, but oceangoing vessels transport not only the ballast water but also the marine organisms within. When the cargo is unloaded, seawater is injected as ballast water and then discharged when the cargo is loaded. Sterilizing ballast water prevents disruption of the ecosystem.

● Preventing organisms from crossing the border due to adherence to the ship's bottom

To prevent the impact on ecosystems caused by the cross-border movement of organisms attached to ship hulls, the Guidelines for the Management of Ship Biofouling was approved for the first time at the 62nd Marine Environment Protection Committee (MEPC 62) held by the IMO in 2011. Since then, reviews have been carried out to improve practicality and effectiveness, and we have expressed our opinions as a member of the working group of the Japan Ship Technology Research Association, and have participated in the MEPC as a representative of the members of the Japanese Shipowners' Association. At MEPC 80, held in July 2023, the Guidelines for the Management of Ship Biofouling were revised to include the frequency of underwater inspections of each part of the hull in accordance with the application of an anti-fouling system (AFS), and the implementation of underwater cleaning* based on the results of these inspections.

At MEPC 80, it was agreed to create guidance for underwater hull cleaning, and discussions are currently underway. Our company is also expressing its opinions as a member of the working group of the Japan Ship Technology Research Association.

* By cleaning and removing organisms that have attached to the underwater parts of the hull while the ship is docked at the port, we prevent the cross-border movement of these organisms.

Environment

Preservation of Marine Environment and Biodiversity

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- Prevention of adverse effects from underwater noise and collisions with whales
- Forest maintenance and preservation activities
- Collaboration with External Organizations

Preservation of Marine Environment and Biodiversity

Prevention of adverse effects from underwater noise and collisions with whales

At MEPC 66 in 2014, the IMO approved the "2014 Guidelines for the Reduction of Underwater Noise from Commercial Ships to Address the Adverse Effects on Marine Life" for the first time to reduce underwater noise and address the adverse effects on marine life. Since then, reviews have been carried out to improve practicality and effectiveness, and we have expressed our opinions as a member of the working group of the Japan Ship Technology Research Association, and cooperated with the collection of data on underwater noise. At MEPC 80, held in July 2023, revised guidelines were adopted, including a recommendation to prepare a plan for management of underwater noise.

In addition, in waters off the coasts of the United States and Canada, ships are required to slow down to avoid collisions with whales, and our group collects information on the period and areas of the regulations, which change every year, and takes measures such as communicating this information to the ships we operate.

Forest maintenance and preservation activities

Based on the "Cooperative Agreement on Regional Revitalization through Forest Management" concluded with the city of Gotemba in Shizuoka Prefecture in April 2022, we began maintenance and preservation activities to restore biodiversity to the forest, and in May 2024, we opened "Yuunomori." Based on the idea that "a rich forest nurtures a rich sea," our group aims to create a forest with rich biodiversity through mixed forestation and other methods to contribute to the restoration of forest functions.

For more information, click on the link below.

P.104 The Challenge to Solve Social Issues

Collaboration with External Organizations

• Endorsement of "Keidanren Initiative for Biodiversity Conservation"

The NYK Group endorsed the "Keidanren Declaration on Biodiversity" and participated as a "Promotion Partner" in December 2009 and has also been taking part in the "Japan Business and Biodiversity Partnership" since October 2010. In line with the declaration and guidelines, we will conduct our business activities.

Link For more information, click on the link below.

▶ **Keidanren Action Guidelines for Biodiversity Conservation**
<https://www.keidanren.or.jp/en/policy/2023/082.html>

• Endorsed the United Nations Global Compact's (UNGC) "Sustainable Ocean Principles"

We became the first Japanese company to endorse the United Nations Global Compact's "Sustainable Ocean Principles," and we have expressed our commitment to promoting initiatives for a sustainable ocean. These principles represent a framework of responsible corporate groups that transcend business domains and regions, announced by the UN Global Compact in September 2019, based on the recognition that it is urgent to protect and restore the oceans, which are deteriorating rapidly due to rising temperatures, acidification, the depletion of natural resources, and pollution from land and sea. A total of 150 companies worldwide have signed the principles, and the total market capitalization of the companies that have signed is 1 trillion euros.

Environment

Circular Economy

Governance

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- Policy

Initiatives

- Ship recycling
- Initiatives to Reduce Waste and Resource Usage Charges

Co-creation with External Parties

- Participation in Ship Recycling Information Disclosure Platform
- Basic Design Completed for Replacing the Main Engine of Old LNG Carriers with High-efficiency Engine
- Recycling of Used Vehicle Lashing Belts on Pure Car and Truck Carriers Commenced

Circular Economy

Governance

Policy

The NYK Group is advancing its initiatives by striving to collaborate with diverse stakeholders throughout the value chain, working to conserve resources and energy, reduce waste and recycle, encouraging responsible ship breaking in a transparent manner that takes safety, the environment, and human rights into consideration in ship recycling, and stipulating our commitment to the circular economy in the "NYK Group Environmental Policy."

Organization

Please see "Environmental Management" for the governance structure of environment-related issues.

For more information, click on the link below.

[P.029 Environmental Management](#)

Strategies and Risk Management

Policy

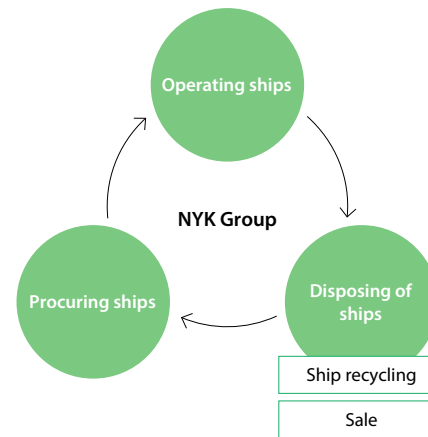
In our marine transportation business, we are pursuing initiatives with an eye on the circular economy at every stage of our operations, including "procuring ships," "operating ships," and "disposing of ships."

Ships contain a large amount of high-quality steel materials, and more than 90% of the medium or large sized ships are recycled on a weight basis. Appropriate disposal of these valuable recyclable resources is important for the realization of a circular economy.

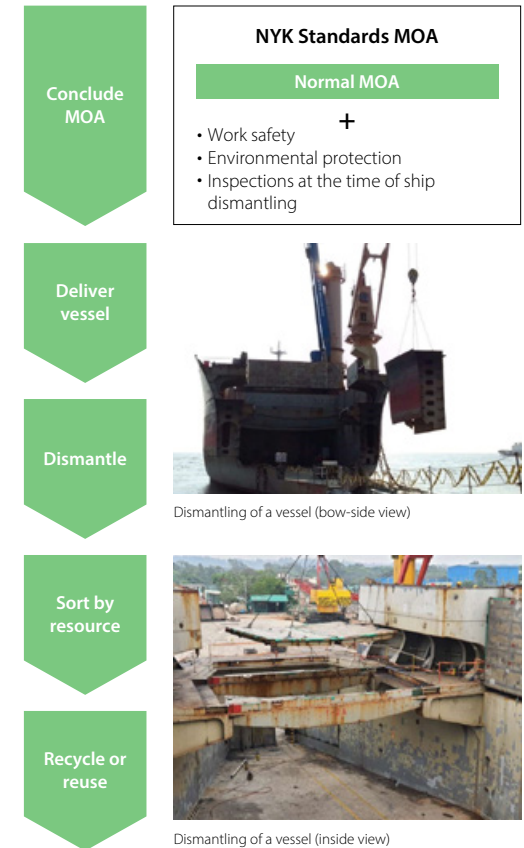
Ahead of entering the Ship Recycling Convention, we have

incorporated the convention's standards and created a list of hazardous substances used on board our ships. In addition, we are working on ship recycling in certified yards that meet our standards, taking into consideration environmental measures, occupational health and safety, and respect for human rights.

Image of the Circular Economy



Flow of Ship Recycling



For more information, click on the link below.

[P.061 Ship Recycling](#)

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Initiatives

- Ship recycling
- Initiatives to Reduce Waste and Resource Usage Charges

Co-creation with External Parties

- Participation in Ship Recycling Information Disclosure Platform
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- Recycling of Used Vehicle Lashing Belts on Pure Car and Truck Carriers Commenced

Circular Economy

Initiatives

Ship recycling

• Towards Enactment of Hong Kong Convention

Environmental pollution and industrial accidents in India, Bangladesh, and other countries in which vessels are dismantled, became an international concern in the 1990s. Subsequently, as a major shipbuilding and shipping nation, Japan focused on creating an international framework for solving this issue under the International Maritime Organization (IMO), resulting in the adoption of the Hong Kong Convention in 2009.

Since then, to build momentum for the early entry into force of the Convention, we have been a pioneer in incorporating the Convention's standards and working to establish the Convention as a standard among all stakeholders in ship recycling. With the expectation that Bangladesh, the world's largest vessel dismantling country, will ratify the convention, we began dismantling a vessel owned by our group at a yard in Bangladesh, and became the first Japanese shipping company to do so. Dismantling of the vessel was successfully completed in June of that year.

In June 2023, Bangladesh along with Liberia, which owns many flag-of-convenience ships,* ratified the Convention, thus fulfilling the requirements for the Convention's entry into force. Hong Kong Convention will come into effect on June 26, 2025.

India has also ratified the Hong Kong Convention in 2019. Prior to this, in 2016, Japan Marine Science Inc., a member of the NYK Group, had provided consulting services to 70 ship-recycling yards in India. The consulting included civil engineering work for renovation, selection of equipment such as waste incinerators and hazardous material treatment equipment, assistance in bidding, and assistance in construction management in the "Preparatory Survey on the Ship Recycling Yard Improvement Project in India" conducted by JICA.

*Flag-of-convenience ship: A ship registered in a flag-of-convenience country (such as Panama or Liberia) that allows ships owned by foreign individuals or corporations to be registered.

For more information, click on the link below.

P.062 Bangladesh Ship Breaking Yard Added to NYK's Certified Yards

• Our Ship Dismantling Policy

We implemented the following ship breaking policy prior to the Convention's ratification, and we will continue to improve it by carrying out ship dismantling at our certified yards and monitoring the process.

- An inventory of hazardous materials (IHM*) is to be prepared for all ships owned by NYK and its group companies and kept on board. Ships that are likely to be dismantled will be given priority in the preparation of the IHM, and this document will be securely kept on board and presented at the time of delivery to the yard.
- We will visit the yards that have been issued a Statement of Compliance under the convention by the classification society, and the yard will be certified by us if it meets our own standards, which take into consideration ISO 14001/9001/30000/45001 certification.
- We will periodically visit our certified yards to confirm that the level of environmental and occupational safety and health is maintained in accordance with our ship-recycling policy and standards.
- We will use our own contract format for ship recycling, and after delivery to the yard, we will confirm the status of safety and environmental measures based on the contract and monitor the ship-recycling process.

*IHM (Inventory of Hazardous Material): A list detailing the location and approximate quantities of hazardous materials, waste and stockpiles on board



For more information, click on the link below.

- ▶ **List of our certified yards**
<https://www.nyk.com/english/sustainability/pdf/environment012en.pdf>
- ▶ **NYK's Ship Dismantling Performance**
<https://www.nyk.com/english/sustainability/pdf/environment013en.pdf>

• Bangladesh Ship Breaking Yard Added to NYK's Certified Yards

NYK has added the PHP Ship Recycling Facility (hereinafter "PHP Yard"), a ship breaking yard operated by PHP Ship Breaking and Recycling Industries Ltd. in Bangladesh, to the list of certified yards that meet NYK's standards for environmental measures, occupational health and safety, and respect for human rights.

The NYK Group deploys supervisors to ship breaking yards that have been issued a "certificate of compliance" by the Nippon Kaiji Kyokai and other organizations. If the yard passes an audit based on NYK's own stricter standards, the yard is deemed a certified yard, after which the NYK Group-owned ships are dismantled at that yard. While yards in India, China, and Turkey have previously been certified, PHP Yard is the first ship breaking yard in Bangladesh to become our certified yard.

In March 2023, NYK Group's NYK Bulk & Projects Carriers Ltd. brought its heavy lifter named "Kamo," to the PHP yard, and successfully completed the dismantling of the ship in June of the same year. The Bangladesh government ratified the Hong Kong Convention on June 26 of the same year, and this is the first time a Japanese shipping company has conducted vessel dismantling at a yard in the country that meets the standards of the Hong Kong Convention.

In addition to supervisors from the ship management company, NYK dispatched navigation officers and engineers to complete the dismantling of the ship, ensuring that hazardous substances, including bunker oil, were controlled and that safety procedures for ship breaking were followed. We also confirmed that human rights

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- Ship recycling
- Initiatives to Reduce Waste and Resource Usage Charges

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- Participation in Ship Recycling Information Disclosure Platform
- Basic Design Completed for Replacing the Main Engine of Old LNG Carriers with High-efficiency Engine
- Recycling of Used Vehicle Lashing Belts on Pure Car and Truck Carriers Commenced

Circular Economy

were thoroughly respected through human rights due diligence conducted by a third party, following the UN Guiding Principles on Business and Human Rights.

Initiatives to Reduce Waste and Resource Usage Charges

Honma Corporation, one of our Group companies, is working to reduce waste and resource consumption through intermediate treatment and recycling of waste collected mainly in Tokyo and Yokohama. In addition to intermediate processing of industrial waste, the company has been engaged in the recycling of household plastic containers and packaging since 2006 on behalf of the city of Yokohama. In addition, the company manufactures and delivers RPF (solid fuel) made from waste plastics and wood waste to paper manufacturers and other customers.

[Link](https://www.hnm.co.jp/business/environment/) For more information, click on the link below.

Co-creation with External Parties

Participation in Ship Recycling Information Disclosure Platform

With the aim of achieving a circular economy through appropriate recycling of recyclable resources and preventing industrial accidents and environmental pollution, in May 2021, NYK became the first Japanese shipping company to join the "Ship Recycling Transparency Initiative" (SRTI), which is organized by the Sustainable Shipping Initiative, an international non-profit organization that conducts cross-industry activities to contribute to a sustainable maritime industry.

SRTI, which consists of shipping companies, shippers, and

investment institutions from around the world, is a platform for disclosing information on ship breaking policies and practices of shipping companies to stakeholders. Through information disclosure with SRTI, NYK strives to improve transparency in the ship breaking process and promote responsible ship recycling that takes into consideration safety, the environment, and human rights in the maritime shipping industry.

Basic Design Completed for Replacing the Main Engine of Old LNG Carriers with High-efficiency Engine

NYK is working with Namura Shipbuilding Co., Ltd. and Sasebo Heavy Industries Co., Ltd. to retrofit the main engines of moss-type LNG carriers equipped with steam turbine engines*¹.

LNG is considered to be an important energy source for the transition to a decarbonized society, and transportation demand is expected to grow steadily in the future. On the other hand, due to the limited number of new LNG carriers that can be procured, and the fact that steam turbine engine LNG carriers are gradually being decommissioned due to their inferior fuel efficiency compared to diesel engine LNG carriers that are currently widely used, there is concern about a shortage of shipping capacity for LNG transport.

As a solution to this problem, the three companies aim to replace the main engines of the steam turbine LNG carriers with state-of-the-art, dual-fuel, low-speed diesel*² "X-DF engines." Adding to the improved performance achieved by replacing the main engine, the moss-type LNG tanks*³ installed on a steam turbine engine LNG carrier are tough and designed to withstand long-term use, contributing to the effective utilization of a ship's resources.

In October 2023, NYK became the first company from Nippon Kaiji Kyokai to receive AiP*⁴ certification for main engine conversion for LNG carriers. By accomplishing the main engine conversion, the three companies will support stable LNG transport and contribute

to the effective utilization of ship resources with the technological capabilities of the Japanese maritime cluster.

*1 Steam turbine engine: An external combustion engine that heats fuel in a boiler, produces high-temperature, high-pressure steam, and injects it into an impeller to generate rotational energy. It is highly reliable and suitable for larger ships, and was widely used in early LNG carriers.

*2 Dual-fuel diesel engine: An internal combustion engine that generates rotational energy by directly burning fuel. Thermal energy is more efficient than steam turbines. With advancement of the technology, the engine size has become larger, and in recent years they have been used in many LNG carriers. The engine can switch between two types of fuels, that is, heavy bunker fuel and natural gas fuel.

*3 Moss-type LNG tank: A spherical LNG tank. Its thick and sturdy structure has led to its adoption in many Japanese-built LNG carriers.

*4 AiP (Approval in Principle): Basic design approval

Recycling of Used Vehicle Lashing Belts on Pure Car and Truck Carriers Commenced

In April 2024, NYK and its group company, NYK Trading Corporation, together with Azbil Yamatake Friendly Co., Ltd. and Kayama Kogyo Co., Ltd., began recycling old vehicle lashing belts used on pure car and truck carriers.

We collect lashing belts that are past their expiration date from the pure car and truck carriers operated by NYK, and Azbil Yamatake Friendly Co., Ltd. sorts them into metal parts and belts, while Kayama Kogyo Co., Ltd. manufactures RPF fuel* from the plastic belts. Previously, lashing belts past their service life based on NYK's own safety standards were either disposed of as industrial waste or sold as used products. Going forward, discarded lashing belts will be recycled into RPF fuel, which will be reused as an energy resource.

The entire fleet of pure car and truck carriers operated by NYK discards approximately 200,000 lashing belts per year, which, if all were recycled, would be converted into approximately 20 tons of RPF fuel. In April 2024, at the start of recycling, approximately 27,000 used lashing belts were collected from the pure car and truck carrier, SAGITTARIUS LEADER, at the Port of Nagoya.

Environment

Circular Economy

Governance

- Policy
- Organization

Strategies and Risk Management

- Policy

Initiatives

- Ship recycling
- Initiatives to Reduce Waste and Resource Usage Charges

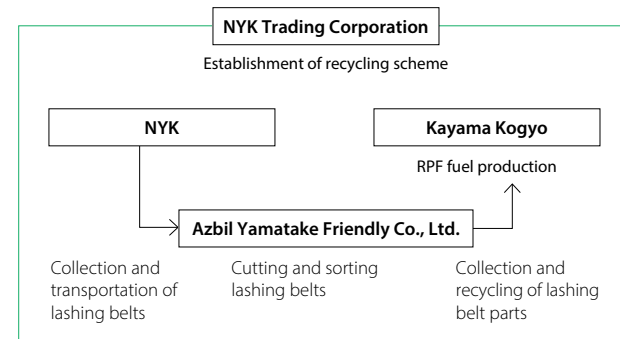
Co-creation with External Parties

- Participation in Ship Recycling Information Disclosure Platform
- Basic Design Completed for Replacing the Main Engine of Old LNG Carriers with High-efficiency Engine
- Recycling of Used Vehicle Lashing Belts on Pure Car and Truck Carriers Commenced

Circular Economy

*RPF fuel (Refuse derived paper and plastics densified fuel): Solid fuel made primarily from wastepaper and plastics generated from industrial waste that are difficult to recycle. With its high calorific value, it is used as a substitute for fossil fuels such as coal and coke. RPF fuel reduces GHG emissions by about 33% compared to coal, and Kayama Kogyo Co., Ltd. further contributes to the reduction of GHG emissions by using renewable energy sources for electricity used in the production of the fuel.

Recycling Scheme



Environment

Prevention of air pollution

Governance

Strategies and Risk Management

Initiatives

- Recovery and Treatment of Exhaust Gas from Pure Car and Truck Carriers
- Vessel Speed Reduction
- Related Data

Prevention of air pollution

Governance

The NYK Group has identified “prevention of air pollution” as one of the three environmental issues that should be particularly addressed in the “NYK Group Environmental Vision.”

Please see “Environmental Management” for the governance structure of environment-related issues, including prevention of air pollution.

For more information, click on the link below.

[P.029 Environmental Management](#)

Strategies and Risk Management

The NYK Group follows international and regional regulations regarding air pollutant emissions, and operates vessels and air cargo in accordance with the same.

In addition to procuring vessels that meet environmental regulations, we are steadily reducing air pollutants by ensuring that the vessels are operated with the appropriate fuel that is in compliance with rules and regulations (low-sulfur bunker oil), and by using clean, sulfur-free LNG fuel. Moreover, we ensure that our use of regulation-compliant fuel oil is controlled through ongoing analysis of bunker oil.

Initiatives

Recovery and Treatment of Exhaust Gas from Pure Car and Truck Carriers

We have signed an agreement with STAX Engineering Pty Ltd., a U.S. company leading in maritime emissions capture and control, emissions capture and control technology to recover exhaust gases from ships.

This initiative comes in response to the California Air Resources Board’s (CARB) extended regulations on exhaust emissions for ships and vessels making port calls in the U.S. state of California. Emission regulations by CARB currently require oceangoing container and passenger ships calling at California ports to reduce their emissions of nitrogen oxides (NOx), reactive gases (ROG), carbon dioxide, particulate matter (PM), and diesel particulate matter (DPM) emissions while at berth. Because pure car and truck carriers and tankers will also be subject to these regulations in 2025, there is an urgent need to address this issue. We will use this emissions capture and control technology to collect and treat exhaust gas emitted by our pure car and truck carriers while at berth, starting in January 2025.



Image of exhaust gas recovery and treatment using emissions capture and control technology

Vessel Speed Reduction

The NYK Group also participates in the “Green Flag” Incentive Program that the Port of Long Beach has implemented to improve air quality. The program aims to reduce exhaust emissions from vessels by encouraging shipping companies to operate vessels under 12 knots within a 40 nautical-mile zone.

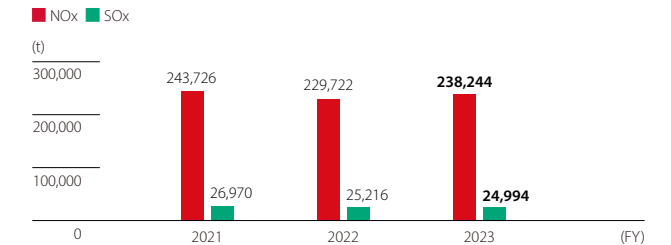
The Company has maintained a high compliance rate with the Long Beach Program of over 90% in previous years. NYK Bulk & Projects Carriers Ltd., a group company, was honored in July 2023 for excellence in the previous year’s performance.



Operators who contributed to the ESG Navigator and Vessel Speed Reduction (VSR) Programs

Related Data

NOx, SOx Emissions (from ships)



Environment

Raising Awareness Among Group Employees

Strategies and Risk Management

Initiatives

- Obtaining GHG Emission Data from Domestic and Overseas Group Companies
- Group-wide Environmental E-learning

Raising Awareness Among Group Employees

Strategies and Risk Management

To achieve our GHG reduction target of "Net Zero Emissions by 2050," it is important to raise the environmental awareness of all employees. In order to foster a corporate culture in which each and every member of our group sees environmental issues as their and takes proactive action, we have repeatedly conducted en-vironmental education and awareness-raising activities, and established and are operating a system in which personnel from each group company and department are involved in the collection and compilation of GHG data.

Initiatives

Obtaining GHG Emission Data from Domestic and Overseas Group Companies

Grasping the environmental burden data is a first step to reducing GHG emissions. We collect data on GHG emissions such as electricity usage, fuel consumption, industrial waste, and so on from domestic and overseas consolidated subsidiaries companies in an effort to comprehensively grasp the load situation throughout all our group companies and promote further reductions at the individual company level.

• Domestic

We started collecting data in January 2007 from major domestic consolidated group companies. As of March 2024, 35 data items have been collected at 220 sites.

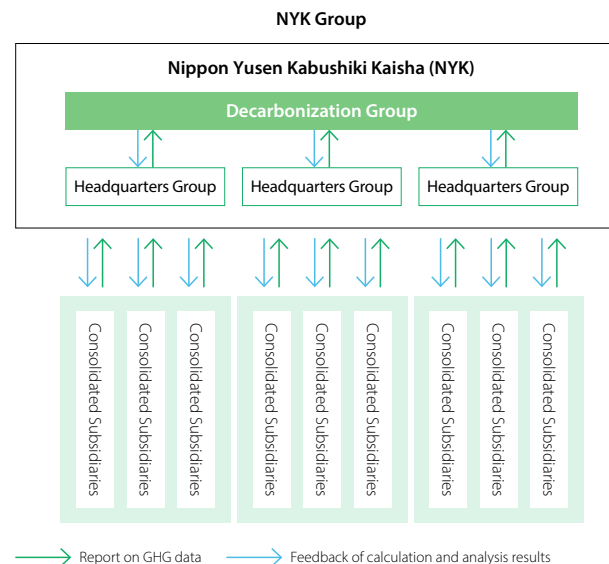
• Overseas

We started collecting data in January 2008 from major overseas consolidated group companies. As of March 2024, the same 35 data items as domestic survey have been collected at 342 sites.

This network is not only a tool for data visualization and collection, but also a communication tool with each company. From 2023, GHG data collection and aggregation for Scope 1 to Scope 3 will be conducted more precisely by assigning a GHG data collector to each group in the headquarters in cooperation with consolidated group companies.

We will continue to work toward more effective GHG emission reductions through ongoing analysis.

■ Image of GHG emissions tabulation



Group-wide Environmental E-learning

We conduct environmental education through e-learning every year to maintain and improve the environmental awareness of our employees. The environmental e-learning program for FY2023 primarily incorporates global efforts to address global warming, the Group's decarbonization efforts, and strengthening of environmental regulations that are progressing in international shipping as part of the educational material. This training is conducted as a mandatory training program starting in November every year, and is attended by our group employees from all over the world. We also hold study sessions on decarbonization from time to time to foster decarbonization awareness among our Group employees and promote decarbonization activities.



Start screen of "Environmental E-learning"

Environment

ESG Finance

Policy

Strategy and Risk Management

- Strategy
- Background
- Environmental Awareness
- Risk Management

Initiatives

ESG Finance

Policy

We have been a pioneer in ESG finance by issuing the shipping industry's first green bond in 2018 and Japan's first transition bond in 2021. To continue supporting business sustainability from a fundraising perspective, we will further deepen ESG financing and aim to raise awareness of our growth strategy based on ESG management among a wide range of stakeholders.

Strategy and Risk Management

Strategy

We will raise funds in line with the "Green/Transition Finance Framework"* issued by our company in January 2024 and steadily promote decarbonization by supporting fuel conversion of vessels and improvements in operational efficiency from a financial perspective.

*We are promoting ESG financing based on the "NYK Line Green/Transition Finance Framework" formulated in January 2024. DNV Business Assurance Japan Co. Ltd. has provided a second-party opinion confirming that this framework is aligned with the Green Bond Principles 2021 (ICMA), Green Loan Principles 2023 (LMA and others), Green Bond Guidelines 2022 (Ministry of the Environment, Japan), Climate Transition Finance Handbook 2023 (ICMA), and Basic Guidelines on Climate Transition Finance (May 2021) (Financial Services Agency, Japan; Ministry of Economy, Trade and Industry, Japan; and Ministry of the Environment, Japan).

[Link](https://www.nyk.com/english/sustainability/envi/esg-finance/) For more information, click the link below
<https://www.nyk.com/english/sustainability/envi/esg-finance/>

> Green Finance

- Proceeds from green finance are allocated to green projects*¹ (Project example) Ammonia-fueled ammonia transport vessel

> Transition Finance

- Proceeds from transition finance are allocated to transition projects*² (Project examples) LNG-fueled vessel, LPG-fueled vessel

*1 Green project: Project with clear environmental improvement effect

*2 Transition projects: Projects that follow a long-term transition strategy toward decarbonization

Background

The practical use of next-generation fuels such as hydrogen and ammonia is essential for achieving net-zero emissions by 2050. In line with the "Ship Fuel Conversion Scenario for 2050," we are promoting worldwide efforts to decarbonize ships by spearheading the development of an ammonia-fueled tugboat (scheduled for completion in 2024) and an ammonia-fueled ammonia carrier (targeted for completion in 2026).

On the other hand, to effectively reduce emissions, in addition to projects for next-generation fuels that are already at the decarbonization level (green), it is also essential to take on transition measures such as energy conservation and fuel conversion and LNG-fueled vessels

For more information, click the link below

P032 Decarbonization Strategy

Environmental Awareness

In May 2023, Japan enacted the Act on Promotion of Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX*¹ Promotion Act), which incorporates the government's decarbonization strategy. By investing more than JPY 150 trillion in GX between the public and private sectors over the next 10 years, we aim to achieve net zero emissions by 2050, strengthen industrial competitiveness, and achieve economic growth at the same time.

In December of the same year, the "Field-specific Investment Strategy" was announced, which specifies measures to promote investment toward the realization of GX. Based on this strategy, the "Growth-Oriented Carbon Pricing Initiative" has made progress, including the implementation of measures to promote investment and the operation of the GX League, and companies are steadily considering and implementing GX investments. In relation to the Group's business, "ships," "hydrogen, etc.," "next-generation renewable energy,"*² and "CCS"*³ have been designated as priority areas.

In this environment, the use of green/transition finance and other financing will enable the Group to accelerate investment while reducing fundraising costs.

*1 GX: Green Transformation

*2 Includes floating offshore wind energy

*3 CCS: Carbon dioxide Capture and Storage

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ESG Finance

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Strategy and Risk Management

Strategy

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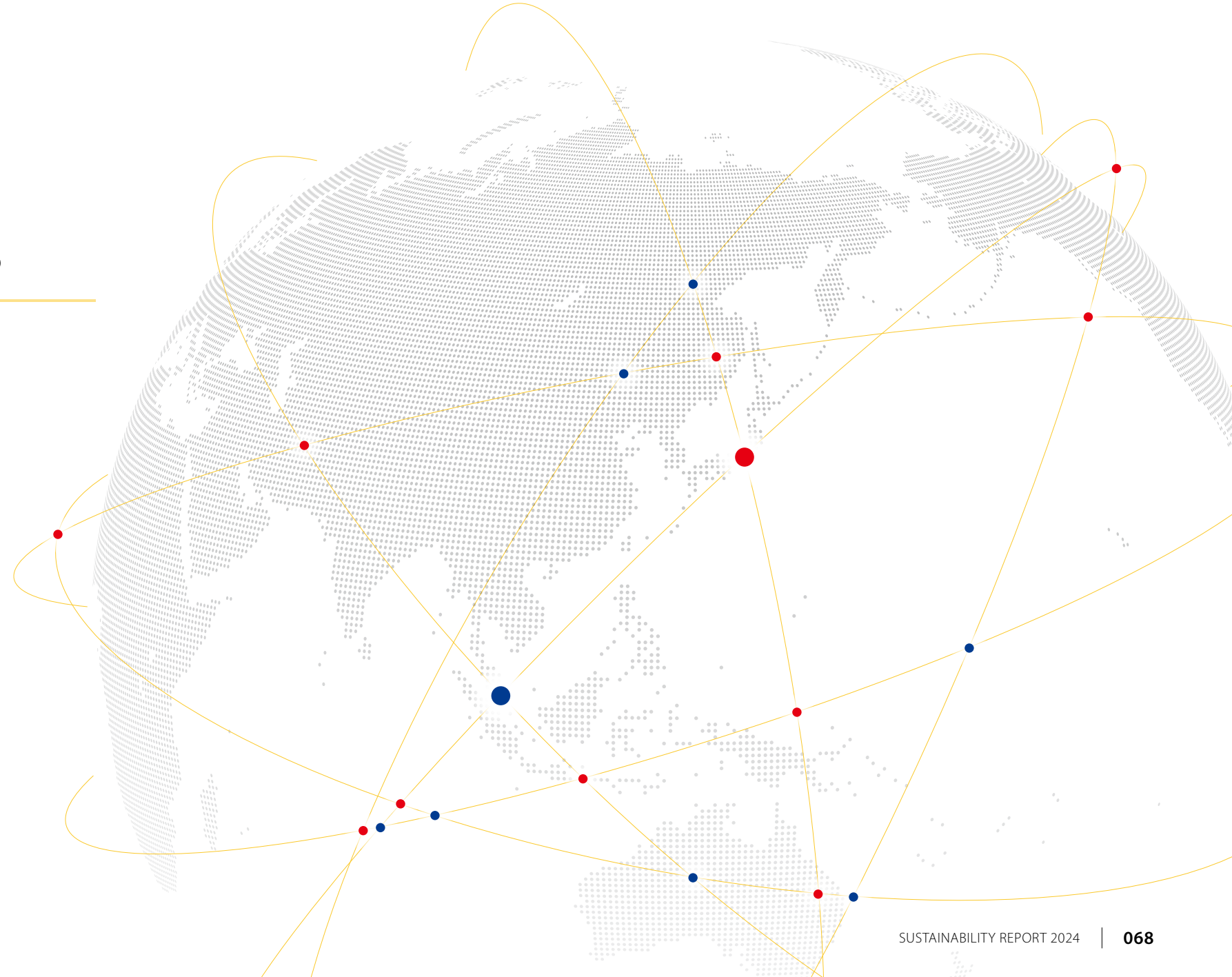
ESG finance, which is a financial method to promote the shift to a new industrial and social structure and realize a sustainable society, is expected to become increasingly popular in the future. However, if green/transition finance, which is a type of ESG finance, cannot be utilized, there is a risk that it may be difficult to procure funds on an appropriate scale based on procurement plans, or that the Company may be forced to procure funds under less competitive terms than its competitors. To this end, we will proactively communicate the importance of decarbonization in the international shipping industry, which is widely involved in the supply chain, to various stakeholders through our website and integrated report (NYK Report) and promote financing through ESG finance.

Initiatives

For details about our track record, please refer to our website "ESG Finance."

 **For more information, click the link below**
<https://www.nyk.com/english/sustainability/envi/esg-finance/>

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- Participation in International Conference on Business and Human Rights
- Dialogue with External Expert
- Engagement with Institutional Investors

Human Rights

Governance

Policy

As a group conducting business globally, the Group recognizes that our corporate activities could have a direct or indirect adverse impact on human rights.

The Group fulfills its responsibility to respect human rights by not infringing on the human rights of people affected by our corporate activities, and by taking appropriate measures to correct any adverse impacts on human rights that may have been caused or contributed to in our corporate activities.

The NYK Group Human Rights Policy based on the United Nations Guiding Principles (UNGPs) on Business and Human Rights applies to all executives and employees, and we encourage our suppliers, contractors, agents, and other parties involved in our business and supply chain to comply with the policy.

In addition to "NYK Code of Conduct", we also include respect for human rights and diverse cultures in our CSR Guidelines for Partners and Suppliers (as of July 2024), with the aim of realizing respect for human rights throughout our entire value chain.

- Link** For more information, click on the link below.
- ▶ **NYK Group Human Rights Policy**
<https://www.nyk.com/english/sustainability/pdf/concept/policy002en.pdf>
 - ▶ **NYK Code of Conduct**
<https://www.nyk.com/english/profile/mission/>
 - ▶ **CSR Guidelines for Partners and Suppliers**
<https://www.nyk.com/english/sustainability/pdf/concept/policy011en.pdf>

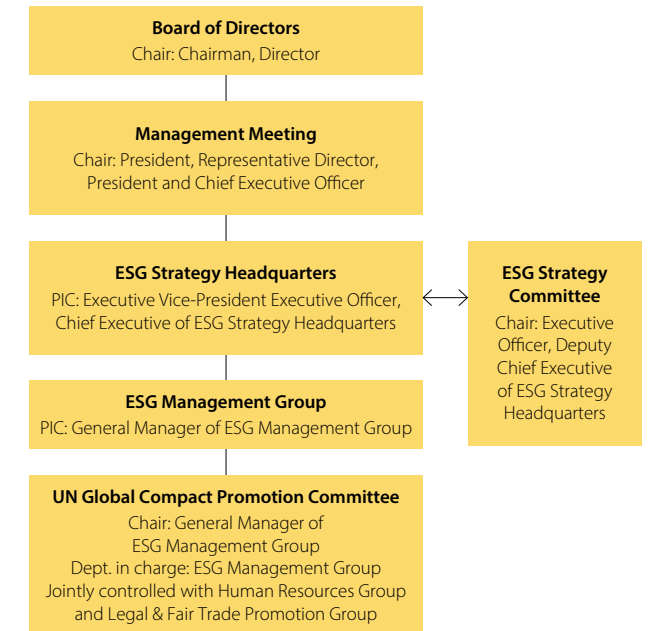
Organization

The Group promotes efforts to respect human rights through discussions in the ESG Strategy Committee and the UN Global Compact Promotion Committee in collaboration with other relevant departments within this framework under top management leadership and commitment. Moreover, we regularly receive expert advice from a third party, Caux Round Table Japan (CRT Japan),* to ensure objectivity and legitimacy at each phase of the implementation process. We also hold periodic discussions with experts and stakeholders to strengthen our engagement.

We conduct human rights due diligence in the value chain in which the Group is involved to enable correction if it is found that the Group's business activities have caused or contributed to adverse human rights impacts. Additionally, we are currently developing a grievance mechanism for workers and others in the value chain in which our Group is involved, with the goal of starting operations in fiscal 2024 as a means of relief for potential victims.

* Caux Round Table Japan (CRT Japan): A global network of business leaders working to realize a fair, free and transparent society. CRT Japan supports efforts in responsible business practices and human rights.

■ Framework for Promoting Human Rights Initiatives (As of April 1, 2024)



ESG Strategy Committee

In April 2023, we established the ESG Strategy Committee, which succeeded the ESG Management Promotion Committee, to discuss Groupwide policies on ESG management, including the promotion of human rights. The committee is chaired by the deputy chief executive of the ESG Strategy Headquarters and includes executive officers representing each headquarters and an external advisor. The committee met a total of nine times in fiscal 2023.

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UN Global Compact Promotion Committee

The purpose of the subcommittee is to promote the United Nations Global Compact (UNGC)* and to establish systems based on it in the Company and its Group companies. We hold subcommittee meetings quarterly. Through human resource surveys conducted in Japan and overseas, as well as processes for human rights due diligence, the committee investigates and identifies business execution and matters that may violate the UNGC, confirms facts, and then discusses and determines any corrective measures.

*Comprising representatives from ESG Management Group, Human Resources Group, and Legal & Fair Trade Promotion Group, the committee advances initiatives focused on GC principles 1-6, which deal with human rights and labor standards, and principle 10, which addresses anti-corruption. The Decarbonization Group is heading initiatives related to the environmental principles of the UNGC.

Recent Initiatives

In fiscal 2022, the ESG Management Committee discussed reports on the Group's human rights initiatives and considered formulating a human rights policy. The committee shared the initiatives implemented and reconfirmed that the Group would pursue consistent efforts to promote human rights. The committee also proposed the Management Meeting and the Board of Directors to formulate a human rights policy. The Board of Directors discussed and approved the person responsible for the implementation of the human rights policy.

In fiscal 2023, while maintaining our basic policy and continuing our efforts on human rights, we held two discussions at the ESG Strategy Committee to revise the CSR Guidelines for Partners and Suppliers (last revised in fiscal 2019). Regular meetings with Caux Round Table Japan are held every other week, with a total of 24 meetings held in fiscal 2023.

Whistleblower Desk and Grievance Mechanism

NYK provides five consultation services including Yusen Chat Room, Harassment Policy and Consultation Service, Internal Reporting Consultation Service, Childcare Leave, Nursing Care Leave and Work-Life Balance Consultation Service, and LGBT Consultation Service, which can be accessed by all employees of the Group to promptly deal with possible infringements of human rights. Moreover, at overseas Group companies, regional management offices in each region have established multilingual whistleblower desks operated by outside vendors, which are available to employees, etc. of overseas Group companies. Employees can also directly consult with the department in charge of receiving consultations and directly consult with an external lawyer anonymously.

Through these services, we receive various reports and queries from employees not only concerning whistleblowing reports but also all kinds of issues related to human rights, discrimination, and harassment, which employees face in the workplace, either in the name of the employees or anonymously, according to their wishes. We attempt to early identify, resolve, and remedy the problems. In addition to the LGBT Consultation Service established in fiscal 2019, we will also set up a LGBT Consultation Service via an external organization from fiscal 2024, where LGBT persons and related parties can seek consultation about their concerns and problems in the workplace, while ensuring greater psychological safety.

Details of consultations and grievances are communicated to relevant departments, impartial investigations are undertaken, and remedial measures based on internal procedures are taken.

We are working to familiarize employees with these grievance mechanisms through our internal portal site and through training. During Human Rights Week, information on these services is posted on the company bulletin board.

In addition, when providing consultation, NYK strictly maintains the confidentiality of the person seeking consultation as well

as relevant parties, and also guarantees that no person will be treated disadvantageously as a result of making a report or seeking consultation, except in cases where such action has been for unfair reasons or through inappropriate methods. We are also currently preparing a new consultation desk, aiming to start operation in fiscal 2024, to accept reports from stakeholders, such as workers in the value chain and local communities involved with the Group, on the premise that the privacy of those making the report will be protected and appropriate confidentiality will be ensured.

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Strategies and Risk Management

Risk Assessment

The Group understands that, in the event an issue concerning human rights violations occurs in the corporate activities of the Group, those activities may be adversely affected due to a decline in social credibility and brand image. Therefore, the Group positions the risk of human rights violations as one of its material issues, and conducts human rights due diligence using a risk-based approach. Based on this approach, the Group identifies and responds to significant human rights issues.

Human Rights Due Diligence

We follow the procedures outlined in the UN Guiding Principles on Business and Human Rights and exercise human rights due diligence. Specifically, we identify and assess the Group's activities that have or may have an adverse impact on human rights. Next, we seek to grasp the Group's human rights issues to prevent and mitigate the risk of adverse impact and to consider remedial measures. A follow-up assessment is conducted to verify its effectiveness, the process and the results are disclosed, and the details are reviewed by experts. We implement the above process continuously.

Implementation Process

- When identifying and assessing adverse impact on human rights, we first deepen our understanding by conducting desktop research by external experts as well as using materials issued by international organizations and various initiatives.
- We use internal resources (such as holding workshops for internal managers) to consider potential risks of whose and what type of human rights may be violated through what kind of corporate activities.
- Among specific businesses that involve potential risk of human rights violations of the rights holders*, we conduct interviews and surveys through a third party with no vested interest in the rights holders in countries in which we expect to have a significant influence, to confirm whether there are any actual or possible human rights violations. When conducting interviews or surveys, we explain our Group's Human Rights Policy to the group companies or suppliers that directly manage the relevant rights holders and obtain their cooperation in implementing the policy.
- Based on the existence or possibility of confirmed human rights violations, and taking into account the legal system and social situation of the relevant country as necessary, we evaluate the severity of the adverse impact on human rights (the scale, scope, and difficulty of remediation) and identify "salient human rights issues" within the Group. Furthermore, when verifying whether or not there is a human rights violation or the possibility of such a violation, we may refer to the details of cases handled by the grievance mechanisms established by our company, group companies or suppliers.
- We require the group companies or suppliers that directly manage the rights holders to address the identified "salient human rights issues," that is, to "prevent or mitigate any adverse impact on human rights," and consider the possibility of using the influence to achieve this. (This may include amending relevant policies and contractual clauses)
- After a certain period of time has passed since the implementation of the countermeasures by the group company or suppliers, the Group will again conduct a third party interview or survey of the relevant rights holder to check whether the improvement measures have led to actual improvements.
- We will continue to strive to improve the effectiveness of human rights due diligence by clarifying how each of the multiple stakeholders is involved in the process and continuing this cycle of "identification and assessment," "prevention and mitigation," "tracking and evaluation," and "information disclosure."

* Rights holders: Refers to holders of rights (human rights); those groups and stakeholders who may be affected by corporate activities

Human Resources

Human Rights

Human Rights

Identifying Human Rights Themes

Assessment by External Experts					
Objective	Assess the risks of human rights violations on the basis of objective data and in the light of operational countries/regions				
Target Operations	Country/region		Human rights risk index		
	Oceangoing shipping	(Ship Registry) America	2 countries	<ul style="list-style-type: none"> Child labor Decent wages Decent working time Discrimination in the workplace Freedom of association and collective bargaining Migrant workers Modern slavery 	<ul style="list-style-type: none"> Occupational health and safety Land, property and housing rights (impact on the community) Right to privacy Access to remedy Indigenous peoples' rights Security forces and human rights
		South Asia/Oceania	1 country		
		Europe/Africa	1 country		
Automotive logistics	Europe/Africa	24 countries			
	South Asia/Oceania	15 countries			
	America	6 countries			
Ship recycling	East Asia	5 countries			
	South Asia/Oceania	1 country			

HR Due Diligence Workshop	
Objective	Assess the risks of human rights violations under actual business conditions on a practical level. Identify, clarify, and summarize potential risk factors for human rights violations at each stage of the value chain.
Date	Thursday, June 30, 2022
Participating headquarters	<ul style="list-style-type: none"> Technical Headquarters (Marine Group, Technical Group, Technical HQ Management Group, Environment Group) Automotive Transportation Headquarters (Auto Logistics Group) Liner & Logistics Control Headquarters (Harbor Group) Management Planning Headquarters (Corporate Planning Group) General Affairs Headquarters (Human Resources Group, Legal & Fair Trade Promotion Group) ESG Management Group <p>Total 26 participants</p>
Reference	<ul style="list-style-type: none"> Assessment results by External Experts Fiscal 2021's Stakeholder Engagement Program - Human Rights Issues in Logistics and Transportation Sector IHRB 'The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard'

Identify and Respond to HR Issues					
Operations*	Shipbuilding	Port logistics	Automotive logistics	Oceangoing shipping	Ship recycling
Rights holders	Workers	Dock workers	Workers	Seafarers	Workers
Concerned HR issues	<ul style="list-style-type: none"> Decent wages Discrimination in the workplace Freedom of association and collective bargaining Migrant workers Modern slavery Occupational health and safety 	<ul style="list-style-type: none"> Decent working time Discrimination in the workplace Migrant workers Occupational health and safety 	<ul style="list-style-type: none"> Decent wages Decent working time Modern slavery Occupational health and safety 	<ul style="list-style-type: none"> Decent wages Decent working time Discrimination in the workplace Migrant workers Modern slavery Occupational health and safety Land, property and housing rights Right to privacy Access to remedy 	<ul style="list-style-type: none"> Decent wages Decent working time Discrimination in the workplace Freedom of association and collective bargaining Occupational health and safety Land, property and housing rights Access to remedy

Country/implementation period/method	Scheduled for FY2024	Scheduled for FY2024	India/FY2022/Interviews	Philippines/FY2023-2024/Questionnaires and interviews	Bangladesh/FY2023/Interviews
Salient HR issues			<ul style="list-style-type: none"> Decent wages Modern slavery Access to remedy 	<ul style="list-style-type: none"> Discrimination in the workplace Occupational health and safety Access to remedy 	<ul style="list-style-type: none"> Modern slavery Occupational health and safety Access to remedy

*The businesses are shown from left to right along the Group businesses' value chain.

See "Initiatives" on the next page for details of the salient human rights themes identified and assessed by the Group as above, as well as the measures currently being considered or implemented.

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Oceangoing Shipping (Seafarers)

The NYK Group is committed to protecting seafarers' rights by ensuring compliance with the requirements of Maritime Labour Convention 2006 (MLC, 2006), which sets out the basic rights of seafarers and occupational health and safety on board. We use our safety management system (SMS), which incorporates the requirements, and our NAV9000 original safety standard assessment system to confirm the MLC compliance status of ship management companies and the ships they manage.

We recognize that seafarers' human rights concerns begin with recruitment and continue while they serve on board and even after they disembark, and that there are issues to be addressed at each phase. We are committed to conducting ethical recruitment practices prior to boarding; preventing violations of rights to occupational health and safety; ensuring the right to privacy, freedom of association, and collective bargaining; assuring decent working time; providing access to remedy; and preventing discrimination in the workplace while on board. Our initiatives after disembarkation include maintaining seafarer retention through employee engagement and improving the accessibility of financial services for seafarers.

[Link](https://www.nyk.com/english/sustainability/pdf/social007en.pdf) For more information, click on the link below.
▶ NYK Group Respect for the Human Rights of Seafarers
<https://www.nyk.com/english/sustainability/pdf/social007en.pdf>

Automotive Logistics Business

In the automotive logistics business, workers are involved in a wide range of duties. Many workers are employed through supplier partners and may provide services at the customers' locations. The Group encourages appropriate employment management among its supplier partners and has put in place a system that allows workers employed through supplier partners to speak up directly to the Group, and is working to improve the effectiveness of the system. Moreover, while seeking to improve the situation with the understanding and cooperation of our customers as necessary, we will continue to promote initiatives that contribute to our customers' business and human rights activities.

Salient Human Rights Issues and Initiatives in the Automotive Logistics Business (As of March 2024)

Rights holders (Corresponding company name)	Salient HR Issues	Measures currently being considered or implemented
Seafarers (NYK India)	Decent wages	We explained the payroll policy with the salary increase to all workers employed through supplier partners.
	Modern slavery	We requested supplier partners to provide employment contracts and pay slips, as required by Indian laws and regulations, to all workers employed through them in both English and a language that the workers understand.
	Access to remedy	To increase the effectiveness and transparency of Samvaad (NYK India's own grievance mechanism provided to workers; means "dialogue" in Hindi), the flow of the mechanism has been clarified and made known to workers.

[Link](https://www.nyk.com/english/sustainability/pdf/social008en.pdf) For more information, click on the link below.
▶ NYK Group (Respect for Human Rights in Automotive Logistics)
<https://www.nyk.com/english/sustainability/pdf/social008en.pdf>

Ship Recycling (Workers)

Ship recycling involves dangerous work, including cutting the ship's hull in high places, handling harmful chemicals such as mercury, lead, and asbestos left on abandoned ships, as well as residual heavy oil, and transporting cut scrap. To prevent the risk of death, injury, or damage to the health of ship recycling workers of (indirect) business partners that recycle ships owned by NYK and its group companies, as well as the spillage of hazardous materials into the ocean and the resulting damage to the health of nearby residents, NYK has established a ship-recycling policy and is working to promote responsible ship recycling in accordance with the International Maritime Organization (IMO) Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the European Union (EU) Ship Recycling Regulation, and relevant provisions of the International Labor Organization (ILO).

For more information, please see below.

P.060 Circular Economy

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Salient Human Rights Issues and Initiatives in Ship Recycling Business (As of March 2024)

Rights holders (Corresponding company name)	Salient HR Issues	Measures currently being considered or implemented
Workers (PHP)	Modern slavery	To ensure that recycling workers are fully aware of the risks associated with their work and the rights they have before starting work, we have decided to enhance the content of the existing statutory appointment letter, and conclude with all workers employment contracts that include the details of risks and rights.
	Occupational health and safety, Employability, and Access to remedy	We opened an education center "Sromik Shikkha Kendro" for workers and entrusted its operation and management to a local NGO, which began providing literacy education to the workers.
	Occupational Health and Safety	We have begun providing workers with more comfortable uniforms and safety protective equipment. We have also installed a water cooler in the yard facilities, and a rest area (benches and parasols) and rest rooms with bedding in the workshop.
	Other	Measures were taken to combat the heat in the dormitory buildings, such as painting the roofs with heat-resistant paint, making the buildings more comfortable. We are in the process of installing a turbine fan on the to ventilate the interior. Furthermore, approximately 40 trees were planted in front of the employee accommodation to reduce direct sunlight. We have started construction of new dormitories with bathrooms and air conditioning for mid-level workers such as supervisors or site supervisors. We are also discussing the possibility of providing housing for workers with families.



For more information, click on the link below.

▶ [NYK Group \(Respect for Human Rights in Ship Recycling\)](https://www.nyk.com/english/sustainability/pdf/social009en.pdf)
<https://www.nyk.com/english/sustainability/pdf/social009en.pdf>

Human Rights Enlightenment and Education

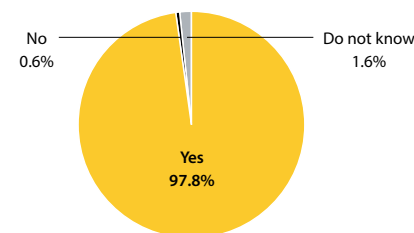
Enlightenment and Education for Executives and Employees

The NYK Group conducts human rights training for all executives and employees, including those of Group companies, through various programs such as e-learning, new employee training, and group trainings for expatriates, newly appointed managers, and newly appointed overseas senior management to instill in them an awareness of respect for human rights. We also aim to brief them on human rights risks in the Group's business and supply chain and the NYK Group's principles and rules regarding human rights.

Every year, the NYK Group conducts human rights training through e-learning in three languages: Japanese, English and Chinese. We are working to deepen employees' understanding of the impact our Group's business can have on human rights, and we are making them aware of the NYK Group's commitment to respecting human rights. In fiscal 2023, a total of 8,131 NYK Group employees participated in our e-learning program. This represents a participation rate of 95%.

Survey Results on Human Rights Awareness in FY2023 (8,131 responses)

Do you understand the NYK Group's basic approach to human rights?



The results of a follow-up awareness survey are as follows. In addition, at the training for new employees held in April and October every year, we brief employees on the importance of respecting human rights and remaining aware of human rights risks in their daily work. In fiscal 2023, the NYK Group conducted training for 94 new employees (new graduates and mid-career hires).

At group training sessions for expatriates, newly appointed managers, and newly appointed overseas senior management, we use actual examples of our initiatives for respecting human rights to brief employees on the latest trends in business and human rights as well as human rights issues in Japan and overseas.

Furthermore, to raise awareness of respect for human rights within NYK, we make staff aware of human rights issues through the company bulletin board every December during Human Rights Week. In fiscal 2023, we conducted awareness-raising activities mainly on the themes of "developmental disorders," "LGBT/SOGL," and "assimilation issues."

Requesting Business Partners for Initiates

To put into practice initiatives for respecting human rights throughout the supply chain in line with the United Nations Guiding Principles on Business and Human Rights, we share with our suppliers various policies, such as our CSR Guidelines for Partners and Suppliers (as of July 2024), and we request that they understand the intent of these policies and promote their efforts.

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Stakeholder Engagement on Human Rights

Participation in Stakeholder Engagement Program

From 2012 onwards, NYK has been participating in the Stakeholder Engagement Program (Human Rights Due Diligence Workshops) organized by CRT Japan.

In this program, NGO/NPO representatives and human rights experts raise a wide range of issues centered on human rights issues that are attracting attention both in Japan and overseas. Based on the issues raised, the participating companies discuss prominent human rights issues and the importance of business activities for raising awareness of human rights and also identify and organize key human rights issues for each industry.

In fiscal 2023, we participated a total of eight times between June 1 and July 27. In this program, participants engaged in discussions on the latest issues for human rights due diligence set out in the United Nations Guiding Principles on Business and Human Rights. As was done in the previous fiscal year, NYK reviewed with participants from transport and logistics companies the “Human Rights Issues by Sector” formulated with the UNEP FI (United Nations Environment Program / Finance Initiative) Human Rights Guidance Tool. NYK was subsequently able to identify and deepen its understanding of human rights issues in the transportation industry.


 For more information, click on the link below.
[▶ CRT Stakeholder Engagement Program](https://crt-japan.jp/portfolio/she-program/)
<https://crt-japan.jp/portfolio/she-program/>

Participation in 2023 International Conference on Business and Human Rights

An NYK representative also made a presentation at the 2023 Business and Human Rights Conference held in Tokyo by CRT Japan on October 20, 2023. Our executive officer (Deputy Director of ESG Strategy Headquarters) introduced our human rights project launched in April 2022. Emphasizing that the entire NYK Group has established the foundation for a management system based on the United Nations Guiding Principles on business and human rights by incorporating external perspectives, the representative explained NYK's initiatives regarding business and human rights, in particular the issues that emerged through the human rights due diligence process targeting the ship recycling industry, and measures being taken by suppliers to improve the conditions of workers. Furthermore, international human rights experts, representatives of human rights NGOs and NPOs, and other participating companies shared information on the latest global trends and views on business and human rights and examples of human rights due diligence initiatives of other companies, and we were able to deepen our understanding of global trends and business and human rights issues requiring urgent attention.

Through dialogue with stakeholders, NYK is committed to accurately understanding human rights issues that must be addressed.



 For more information, click on the link below.
[▶ CRT Japan Global Conference](https://crt-japan.jp/human-rights/conference/)
<https://crt-japan.jp/human-rights/conference/>

Dialogue with External Expert

We are discussing with external experts to evaluate the group's human rights initiatives and obtain suggestions for future initiatives. Our executive officer (Deputy Director of ESG Strategy Headquarters) and the head of the ESG Management Group participate in the meetings and use the opinions they receive as a reference to advance our Group's initiatives.

On October 19, 2023, we invited human rights experts from three overseas organizations to report on our business and human rights initiatives and receive their comments. The opinions we received are as follows.

Experts

- Sean Christopher Lees: United Nations Development Programme (UNDP) Asia Pacific, Business and Human Rights Specialist, Asia Pacific Region
- Jill van de Walle: World Benchmarking Alliance, Research Analyst
- Ram Ganesh Kamatham: Sustainable Shipping Initiative, Project Manager

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Expert Comments

- Information disclosure should be expanded. It would be good to disclose how much has been achieved against a baseline prescribed for each initiative. Incorporating actual levels of achievement into performance evaluation mechanisms would be effective.
- Your efforts to actually visit the site and understand the situation of the workers are an excellent way to contribute to building a relationship of trust between your company and the workers. For impact assessment, it will be good also to engage with local NGOs and civil society so that you can probe business impact on a wide range of rights holders, in addition to the workers.
- Just transition will require providing those having difficulty keeping pace with new developments with opportunities to work in new fields. Seafarers will be required to update their skills in supporting operation of ships using next-generation fuels.
- In dealing with human rights issues at the sites, it would be good to provide not only generalized training on “business and human rights,” but also more practical human rights training tailored to each business and the human rights situation in each country where the business is located. By placing your company’s human rights response within a “continuous kaizen process” of NYK Group companies and suppliers, it will contribute to enhancing corporate competitiveness of such companies and suppliers as well.

Engagement with Institutional Investors

In December 2023, NYK held an in-person and online dialogue in London with four institutional investors based in the UK, France, and Switzerland to promote ESG investment. Our executive officer (Deputy Director of ESG Strategy Headquarters) participated from NYK, and CRT Japan acted as an intermediary in arranging the dialogue. NYK first gave an overview of the Group’s ESG initiatives and then responded to questions related to assessments offered by each institutional investor. The engagement helped us deepen our understanding of our institutional investors’ expectations of our company’s attitude and initiatives.

Concerning the human rights aspect of “social” initiatives in ESG, institutional investors praised the Group for directly engaging with frontline workers, seafarers, and other rights holders based on the UN Guiding Principles. Particular interest was also shown in our efforts to increase the ratio of female seafarers and train female captains, reminding us once again of the importance of efforts to promote women’s participation. While our environmental initiatives were known to them, they appeared to be unfamiliar with our efforts to promote respect for human rights. They offered words of encouragement for us to become a leading company in the shipping industry, both in terms of the environment and respect for human rights.



Engagement with Institutional Investors in London

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Policy

The NYK Group has pursued new competitive advantages by taking on ambitious initiatives and realizing creative solutions throughout its history of nearly 140 years. The DNA of “challenge and innovation” was clearly stated in the Group Values “integrity, innovation, and intensity (3I’s)” formulated in 2007 (now redefined as Values), and is shared by all employees of our Group as a common value to realize our Group Mission.

Our Group Mission “Bringing value to life,” is based on the ideas of Yataro Iwasaki, the founder of the Mitsubishi Group, and clearly states the Group’s purpose and reason for existence: to “bring people around the world a better quality of life through the transportation of goods and values.” This Mission has been passed down through our DNA to the present day.

The employees of the NYK Group and the seafarers who work on our ships cooperate with each other to conduct business on a global scale. To realize the Medium-term Management Plan “Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing -” (the key strategy), which is based on Advancing the core business and growing new business, we have formulated a new Human Resources strategy (CX Story*) as a supporting strategy. Based on this strategy, we will encourage all Group employees to bring forth their best to take on challenges, and realize the medium-term management plan.

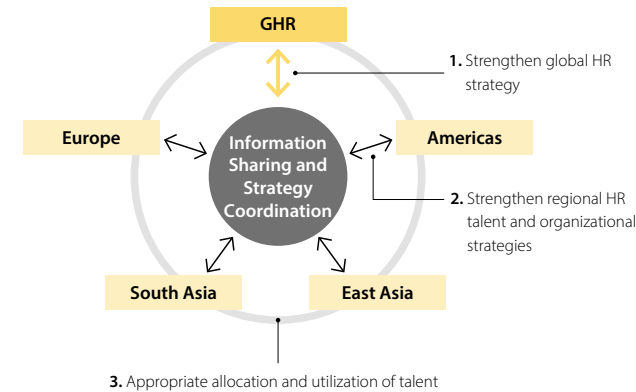
In our long-term vision for CX, we aim to transform from “A Japanese company operating globally” (Where the organization operates globally, but key decisions are made in Japan) to “A global company headquartered in Japan” (Where the headquarter is located in Japan, but the organization involves employees with diverse backgrounds in decision-making).

*CX Story: A detailed description of the CX in the Medium-Term Management Plan

Organization

We are building and strengthening our Global HR*¹ and Regional HR*² structures and networks in each region as a prerequisite for implementing various measures to realize our ideal organizational image.

Strengthen the Global HR (GHR) Function



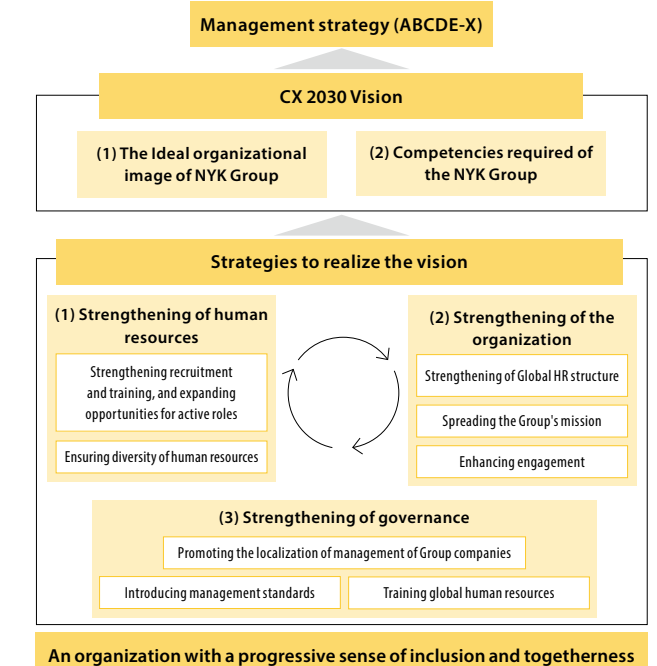
*1 Global HR (Global Human Resources): Human resources organization with a perspective on the entire Group’s global operations
*2 Regional HR (Regional Human Resources Representative): Regional human resources manager at each regional headquarters

Strategies and Risk Management

CX 2030 Vision

In pursuit of our long-term vision, we have defined the “CX 2030 Vision” as the “ideal organizational image of the NYK Group” looking ahead to 2030, the target year of our medium-term management plan, along with the “competencies required of the NYK Group” to realize this vision.

CX Story Overview



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• The ideal organizational image of the NYK Group

The ideal organizational image of the NYK Group is “an organization that encourage all group colleagues to bring forth their best to take on challenges.”

Overview of CX Strategy

To realize the CX 2030 Vision, we will continue Talent Management, Organization Development, and Enhancement of governance which will serve as the foundation for the effective circulation of these two wheels.

Talent Development

- Enhance recruitment and development, and promote cross-domain assignment
- Promote D&I

Organization Development

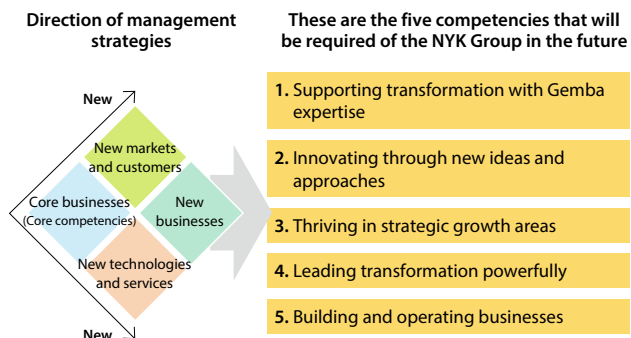
- Strengthen the global HR function
- Advance understanding of the Group's mission
- Improve employee engagement

Enhancement of governance

- Promote localization of group company management
- Implement management standards

• Competencies required of the NYK Group

To achieve our Medium-Term Management Plan, which is based on both strengthening our core businesses and developing new businesses, we have newly defined the following five competencies that are required of Group employees, and we will continue to nurture them.



Initiatives

Talent Management

• Policies to ensure diversity of human resources

We will promote the following specific measures to ensure diversity of human resources.

1. We plan to formulate a D&I policy as our code of conduct in promoting diversity and inclusion across the entire Group.
2. We will promote the exchange of human resources within the Group to promote diversity of the organization.
3. We will work on diversifying decision-making by promoting diversity& inclusion across the entire Group and increasing the

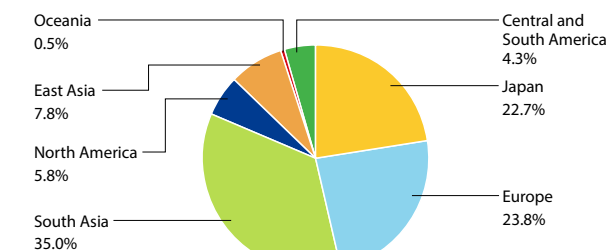
ratio of female employees and the ratio of female managers.
4. We will continue to nurture a culture and improve a system so that individuals' efforts will be leveraged in the organization.

• Promotion of cross-border activities

➢ Achieving a Workplace where diverse employees can play an active role

We continuously strive to create a work environment where employees with diverse backgrounds can play an active role in the global field. We have also incorporated content related to the promotion of Diversity & Inclusion in our e-learning program designed for all Group employees to ensure thorough understanding of the topic.

■ Ratio of NYK Group Employees by Region (Consolidated)



(As of each company's FY2023 closing date)

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> Diversification of Seafarers

In order for the Group to implement a broad range of business globally, the Group must secure and develop talented seafarer resources. In the Group, the seafaring workforce is a multinational mix. Less than 10 percent of the seafarers working on the Group's operating vessels are Japanese. In 2007, aiming to create a foundation for training seafarers for senior positions from the basic level up, NYK opened the NYK-TDG Maritime Academy (NTMA)*¹ in the Philippines. Graduates of NTMA and students from various partner merchant marine academies in India, Eastern Europe, and Asian nations receive onboard training on our cadet training ships*². After obtaining their seafaring licenses, the new seafarers then begin their careers on board our operating vessels, and in recent years have expanded their range as navigation officers and engineers at office locations as well.

*1 NTMA: NYK-TDG Maritime Academy

*2 Cadet training ship: Vessels with educational facilities (cadet quarters for 20 cadets, classrooms, instructor's quarters, etc.) added to a regular merchant vessel

> Increased number of captains and chief engineers from various countries

The Group is committed to training quality seafarers and contributing to job creation in each country where it operates. As a result of our efforts to foster quality seafarers regardless of nationality and to facilitate appointment of outstanding seafarers to executive positions on high-risk vessels*, we now have captains and chief engineers of Philippine, Indonesian, and Nigerian nationality.

*High-risk vessels: Types of vessels, such as tankers and LNG ships, that transport hazardous materials

> Global NYK Group Week

Since 2002, we have been holding "Global NYK Group Week," an annual Global training program at our Tokyo headquarters for managers selected from NYK Group Companies around the world.

The purpose of this training is to build a human network that

transcends the boundaries of countries, companies, and divisions, to reaffirm the mission, vision, and values of the NYK Group, and to raise awareness of commitment and loyalty in business management through direct dialogue with the NYK President and top management members.

Results held in FY2023

Global NYK Group Week 2023 was held from December 4 to 8, with 15 participants selected from NYK Group companies. Attendees participated in leadership training led by an outside instructor and workshop on innovation methods by the NYK Digital Academy. In addition, a group discussion was held with President Soga and top management members on the theme of the Mid-term Management Plan, where participants reaffirmed the importance of always keeping in mind the action guidelines based on the management plan when performing their duties.



● Expansion of opportunities beyond gender

> Creating an environment where everyone can play an active role

NYK's Human Resources group has established the HR Design/Diversity & Inclusion Team that is taking a range of measures to contribute to the workforce to promote the establishment of environments and the cultivation of workplace atmospheres to encourage all 35,000 Group employees to bring forth their best to take on challenges.

The NYK Group as a whole has established the "D&I Promise" for FY2024 as our commitment to promoting Diversity & Inclusion throughout the Group. Nippon Yusen Kabushiki Kaisha (NYK) has been working to create a system and environment in which each colleague can play an active role regardless of their gender, such as by abolishing the company's job classification by, unifying everyone into one human resources system in 2001 and introducing spousal transfer leave program.

In October 2020, we partially revised our human resource system so that employees who take career breaks due to childbirth, childcare, family care, or poor health receive fair evaluations upon returning to work and, as a consequence, do not suffer any disadvantage from employment gaps.

We have also have a range of other systems that surpass legal requirements, such as systems for childcare/nursing care leave, flextime, short-time work, and remote work, which allow employees with various circumstances to balance their work and life. Furthermore, we have been holding the Iku-boss seminar since 2016 and the Unconscious bias seminar since 2022 to raise awareness among managers who have subordinates working with time-constrained responsibilities such as childcare or nursing care. By creating a guidebook on support for balancing work and family life to deepen the understanding of supervisors, we are working toward a company-wide approach to creating a workplace where everyone can balance life events and careers, including not only those involved but also their supervisors and colleagues. In the action plan based on the "Act on Advancement of Measures to Support Raising Next-Generation Children" (planning period: April 1, 2021 to March 31, 2026), we have created an action plan to provide career support and work-life balance support to employees regardless of their gender.

For more information, click the link below.
<https://www.nyk.com/english/sustainability/pdf/social013en.pdf>

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> Balancing childcare and work

By explaining the childcare leave system, conducting pre- and post-leave interviews, conducting interviews prior to reinstatement, and holding pre-reinstatement roundtable discussions, we aim to create an environment in which employees can return to work with a high level of motivation, eliminating any concerns they may have, and maintaining an almost 100% return rate for both men and women following childcare leave. Furthermore, after their reinstatement, we provide a forum where employees can consult with a confidant about day-to-day concerns and receive advice on balancing work and childcare through our in-house mentor system. Besides this, we are also working to provide opportunities for outside training and cross-industry exchanges to promote personal growth in cases where an employee lacks experience due to their absence from work or where it is difficult to maintain motivation for their career due to balancing work and childcare.

We have also introduced a unique paternity leave system (for male employees), which provides 14 days of paid leave including weekends and national holidays, subsidies for the use of babysitters, contracts with company-led nursery schools, etc., and hold Iku-papa seminars to foster awareness and workplace culture that balancing childcare/housework and work is not limited to a particular gender. We believe that by establishing an in-house consultation service to provide support for work-life balance and strengthening soft support, employees can be further encouraged to take an active role in their careers.

> Number and percentage of employees taking childcare leave

We are focusing on the number of employees who have taken childcare leave, the rate at which they take childcare leave, and the retention rate after returning to work as one of the indicators to measure the progress of the current action plan (Second Action Plan) based on the Act of Promotion of Women's Participation and Advancement in the Workplace. The retention rate after childcare leave has remained at 100% regardless of gender.

[Link](https://www.nyk.com/english/sustainability/pdf/social014en.pdf) For more information, click the link below.
<https://www.nyk.com/english/sustainability/pdf/social014en.pdf>

■ Changes in the number of men/women taking childcare leave and system utilization rate (NYK Headquarters)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of male employees who used parental leave program (people)	23	22	37	52	50
Number of female employees who used maternal leave program (people)	12	7	16	12	7
System utilization rate (male employees)	41.1	37.3	60.7	72.2	73.5
System utilization rate (female employees)	100.0	100.0	91.0	100.0	100.0

> Ratio of women managers

Looking at past hiring trends and the current situation in which the percentage of women employees is declining due to industry characteristics, we recognize that achieving our stated goals will not be easy. However, we will make our policy clear and work on various measures to get as close as possible to the realization of our goals.

As a non-financial indicator KPI, we have set a target to increase the ratio of women managers to 30% by 2030. To achieve this goal, we have formulated an action plan in accordance with the "Act of Promotion of Women's Participation and Advancement in the Workplace." To achieve Diversity & Inclusion, the current action plan (period of second action plan: April 1, 2021 to March 31, 2026) focuses on creating an environment and promoting a workplace culture in which diverse human resources can play an active role.

We are also advocating for and cultivating human resources that

can lead business development in Japan and overseas regardless of their gender. As a part of these efforts, we will continue to implement the measures formulated in the First Action Plan to increase the number of women working abroad. Work experience abroad is an important element of employee career advancement, and when implemented in conjunction with the measures of the Second Action Plan, stimulates self-growth. We expect overseas work experience to be a valuable attribute to employees who serve as managers in the future.

The percentage of women managers (stand-alone, land-based positions [excluding navigation officers and engineers]) has remained above 10% since FY2013, and reached 13.6% as of March 31, 2024.

■ Ratio of women managers (NYK Headquarters, land-based positions [excluding navigation officers and engineers])

	FY2019	FY2020	FY2021	FY2022	FY2023
Ratio of women managers (%)	14.5	14.7	14.0	13.7	13.6

> Women Seafarers

In 2004, NYK became the first of the major Japanese companies that offer overseas shipping services to accept female officers. Since then, their numbers have continued to rise, and the company had 25 female officers as of April 1, 2024. Their participation in the workplace—on board vessels and in the office—is advancing. On April 2017, a deck officer named Tomoko Konishi became the first woman in NYK's history to be promoted to the rank of captain.

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> LGBT/SOGI*

Every year, we invite outside speakers to conduct “Diversity & Inclusion Training” for new employees with awareness of the LGBT community as one of the themes. In FY2023, we conducted LGBT awareness training for executives in charge of human resources, and human resources personnel. Through face-to-face talks, lectures on fundamental LGBT/SOGI issues, and group work, each employee can gain new awareness and recognize the importance of diversity and inclusion.

In addition, we promote understanding of LGBT/SOGI through e-learning. We also provide an LGBT consultation service, conduct anonymous surveys, and invite LGBT experts to talk to employees. These initiatives aim to foster a greater understanding and acceptance of LGBT within our organizations.

*SOGI (Sexual Orientation and Gender Identity)



Training being conducted by JobRainbow



Virtual reality experience

In April 2024, Our executive officer (Deputy Director of ESG Strategy Headquarters) joined “Pride1000,” an ally* network of work with Pride business executives, as an endorser. Pride1000 aims to broaden the circle of allies among business executives and to send a positive message to society.

*Ally: A person who understands and supports LGBT and SOGI issues.



Message from Our Executive Officer



Tokyo Rainbow Pride 2024 Parade

Aiming to further promote Diversity & Inclusion, since FY2023 we have been endorsing the “Rainbow Communication Badge (RCB) Project” organized by JobRainbow Inc.

The RCB Project aims for an inclusive society without discrimination or prejudice. By wearing the Rainbow badge, we can create a reassuring environment for customers, business partners, and employees.



● Strengthening recruitment and training

To achieve ambidextrous management, it is necessary to create value beyond the conventional framework. Accordingly, we are making a major shift from homogenous human resource development to the development of “business leaders” who possess their own distinctive job performance skills. This will strengthen human resources and accelerate corporate growth. Specific policies are as follows.

1. Promote cross-domain assignments and support career development through assignments and participation in projects that cross work areas, countries, and regions
2. Expand internal job postings within the Group and encourage participation to promote career development
3. Prepare leaders of the next generation to take on Group management responsibilities strategically
4. Promote localization of Group company management and decisionmaking with diverse perspectives by appointing local employees

Recruitment

> New-graduate and mid-career hires

We have been actively recruiting not only new graduates but also mid-career hires with diverse backgrounds for such things as personnel assignments in strategic areas and to strengthen corporate functions.

> Reemployment Program

In April 2006, we began operating the NCC (NYK Career Club) system. The NCC is a program created in response to the Law Concerning Stabilization of Employment of Older Persons and provides reemployment up to age 65 for employees who retire at age 60.

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Learning development

– For all employees

> NYK Business College

Aiming to cultivate employees who will lead the next generation, NYK enhance a variety of training programs.

We offer the “NYK Essential Training,” which aims to develop the next generation of talent and strengthen and improve their leadership, management, and ability to acquire new ideas and approaches, and the “NYK Business College,” a training system that aims to enhance the overall capabilities of NYK Group employees. We also offer more than 60 programs that combine lectures and practical exercises to develop business leaders capable of leading their teams. A total of 2,278 Group employees participated in these training sessions in FY2023.

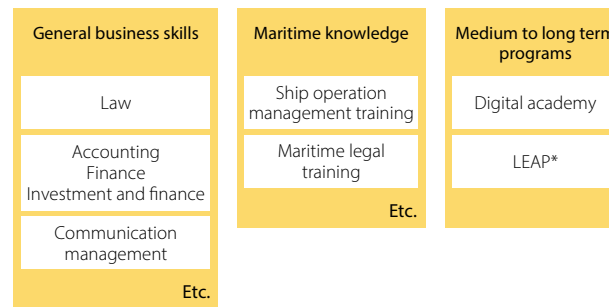
Additionally, we also offer various cross-industry exchange programs for Off-JT.

■ Main Off-JT and Training Programs

NYK essential training



NYK Business College



*LEAP (Learning Empowerment Action Program): This roughly 10-month training program is designed to develop human resources capable of managing the operations of Nippon Yusen Kabushiki Kaisha (NYK) and its Group companies. The program started in FY2024.

> NYK Digital Academy

The “NYK Digital Academy” is an in-house educational institution aimed at nurturing business leaders who can take the initiative in innovating and reforming and develop new markets and customers, even in an increasingly uncertain business environment. The program was launched in 2019 as one of the Group’s important human resource development Programs, and a total of 75 employees had graduated from the academy by the end of fiscal 2023.

Currently, the program has developed a curriculum lasting approximately nine months per term, and some of the outcomes

have begun to be commercialized as a result. Upwards of 45% of the Digital Academy’s new business ideas are being developed and examined for commercialization with external partners. Some projects, such as space venture or fisheries resource visualization, have already begun to be executed.

We are also strengthening our external collaboration with universities and companies both in Japan and abroad, and have provided lectures and training to 60 companies, 16 universities, and 2,217 people (as of June 30, 2024).

Program structure and results

It is divided into three sections: Foundational courses that cover general education and practical business skills; short-term intensive workshops that teach market research/ business plan creation in collaboration with foreign universities; and practical exercises that challenge business reform and market creation using the Group’s management resources. Our instructors welcome employees with experience in business development both domestically and internationally, as well as renowned university professors and experts in their fields.

■ Program Design

		Total number of graduates: 75	
Practical exercises	Proposal for creating new value Collaborating with other companies and research institutes	14	FY2023
		10	FY2022 (first half)
Short-term intensive Practical exercises	Collaborating with overseas universities Designing thinking exercises	12	FY2021
		12	
Foundational course	Liberal Arts and Business Skills (Mathematical Science, Strategic Management, Data Science, Ideology and Philosophy, Accounting and Finance, etc.)	12	FY2020
		9	
		6	FY2019 (second half)

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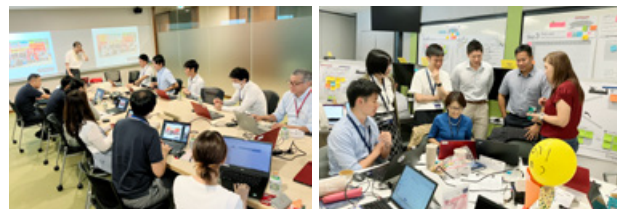
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Lecture scene

Short-term intensive practical exercise in Singapore

■ Total number of participants and target participants

Number of participants	Total 75 people (including 19 from Group companies) (2nd half of FY2019 to FY2023)
Target participants	Young managers to General managers Group employees with diverse backgrounds in terms of occupation (onshore administrative/technical, offshore), company/department, gender, etc.

> e-learning

NYK conducts e-learning for Group companies globally to provide knowledge of compliance and other topics and the Group's initiatives that should be well-understood by employees of the NYK Group.

In FY2023, we implemented programs on ESG management, the environment, and behavioral standards, with approximately 8,000 participants. We aim to foster compliance awareness, create a sense of unity among Group members globally, and increase the number of employees who have acquired the latest knowledge on sustainability by having them participate in the same program.

> Vessel Operations Meister Program

Our company operates the internal qualification system "Vessel Operations Meister Program" to train operation personnel who can ensure thorough safe operation and improve operational efficiency and profitability. The operation personnel can obtain the Vessel Operations Meister qualification by completing certain training courses and passing the certification exam, in addition to their daily work-related training. Group colleagues also can challenge for this qualification, and we are working together as a group to improve operation quality.

– For navigation officers and engineers

> NYK-TDG Maritime Academy (NTMA) in the Philippines

We consider the Philippines as one of the major countries having the source of seafarers, and we work to maintain and improve the quality of Filipino senior staff through education at the maritime academy "NYK-TDG Maritime Academy (NTMA)*." The total number of graduates from the first class in September 2011 to the thirteenth class has reached 1,551, and most graduates are actively working as officers or engineers on NYK-operated ships. Moreover, many of our graduates are active in important land positions that play a crucial role in ensuring safe operations, with their activities spreading across our key locations in Japan, Singapore, Australia, and other places.

*The school was established and opened in 2007 in Canlubang City, near Manila, in collaboration with Transnational Diversified Group (TDG), a business partner in the Philippines. Established in 1976 and headquartered in the Philippines, TDG provides shipping agency, seafarer deployment, maritime education, logistics, and other services. The NYK Group and TDG have worked in partnership since TDG's establishment.



NTMA Graduation Ceremony Photo

> NYK Maritime College

The "NYK Maritime College" is a unique crew training program developed by our Group and that officially commenced in 2006. In our Group, where crew members are becoming more multinational, we have clarified the knowledge and technical requirements for each position, from Third Officer and Third Engineer to Captain and Chief Engineer, to develop all crew members by our unique unified standards, as outlined in the "NYK Requirements." This is a program that provides globally uniform training regardless of the nationality and training location of seafarers to effectively improve their skills. To achieve a higher level of safe navigation and environmental conservation, it is essential not only to improve hardware such as ships and strengthen systems but also to cultivate the "people (crew members)" who operate them. In the spirit of this idea, we operate as a cross-border college.

> Japanese Seafarers' Training Course

The NYK Group has a global network that builds on its core marine transport to provide an impressive array of transport services by ocean, land, and air, we recruit and train the wide range of personnel required by our operations.

Formerly, the Group had been hiring to-be-licensed offshore staff and students who had gone through professional education. However, in fiscal 2006 we became the first shipping company in Japan to hire graduates from ordinary four-year universities to undergo extensive in-house training for positions on board vessels.

Over the course of two years after joining the company, these employees receive education and onboard training for two years and obtain seafarer licenses. They then build onboard experience as deck officers and engineers, eventually working toward the rank of captain or chief engineer.

More than 140 employees (as of April 2024) who earned their licenses in this manner are now working on ships all over the

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world. We plan to continue this style of seafarer education and hiring in the future.

• Expanding opportunities

> Global Challenge Program and Placement Appeal System

We have started the 'Global Challenge Program,' which places young employees in challenging positions abroad for short periods and supports each individual's independent career advancement. This system is being implemented in parallel with NYK's internal appointment system (a system that allows employees to directly communicate their desired transfer preference to their desired position and be transferred there) to increase opportunities for Group employees to take on new challenges and improve their engagement.

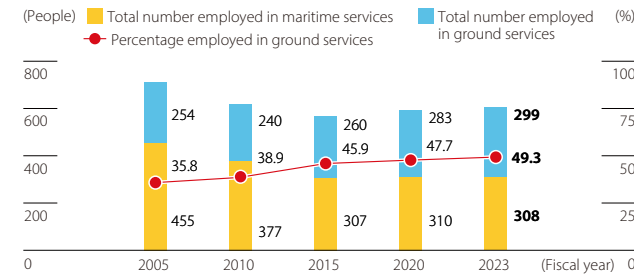
We started operating the program in FY2023, and as of August 2024, we have implemented a total of four positions. We conducted this program in FY2023 for NYK employees, but starting from FY2024, we have also begun recruiting local staffs for positions at our headquarters in Japan. In the future, we plan to utilize our global HR system to recruit employees for transfers between overseas Group companies.

> Human resources with both on-site capabilities and leadership based on onboard experience

As an organization, the NYK Group aims to integrate land and sea. It promotes the training of navigation officers and engineers with on-site capabilities and leadership skills based on onboard experience. Our multinational navigation officers and engineers leverage their acquired knowledge while building a system that utilizes human networks and diversity, gained through their experience in land-based roles. Those who specialize in maritime operations apply their expertise to contribute to safe and efficient navigation.

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■ Change in the percentage of Japanese navigation officers and engineers working on land (NYK Headquarters)



Organization Development

• Spreading the Group's mission

Our Group has been building the foundation to achieve the vision in the mid-term management plan by promoting our mission and values, which have been rooted in the organization's history since our founding, and by improving employee engagement. In particular, we have created a promotional film about our mission, based on our nearly 140-year history, and we try to spread this message both internally and externally. We also organize workshop for Group colleagues to encourage them to connect the mission with their own work.



in our Group the Group's mission

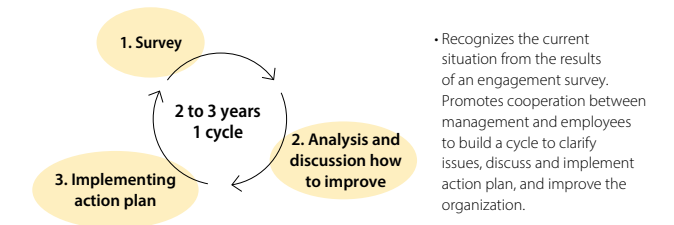
Promoting sharing and understanding of the Group mission

- Attends town meetings, etc. where our management explains the Group's mission
- Produces and distributes videos showcasing the history of challenges and the creation of the NYK Group's mission from its founding to the present
- Conducts e-learning on Group missions in our Group

Promoting personal ownership

- Creates opportunities for each employee to contemplate our mission

Global engagement survey



• Enhancing engagement

In 2022, we conducted an engagement survey of NYK Group employees and executives. We analyzed the results of the engagement survey and then made and implemented action plans for each organization. We will continue to conduct engagement surveys on a regular basis and follow the PDCA cycle to enhance our organization.

Further, we will highly prioritize communication for better organizational management by providing our employees with an opportunity once a year to voice their opinions, thoughts, and requests.

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The NYK Group (Includes NYK Headquarters)

Employee Demographics*1

As of each company's closing date

		FY2021	FY2022	FY2023	
Total number of employees (a)		35,165	35,502	35,243	
By region	Japan	7,837	7,900	8,006	
	Europe	8,640	8,544	8,398	
	South Asia	12,446	12,322	12,329	
	North America	2,075	2,236	2,057	
	East Asia	2,888	2,875	2,750	
	Oceania	185	189	187	
	Central and South America	1,094	1,436	1,516	
	Number of employees promoted to director by region*2	Japan	Men	174	180
Women			6	7	8
Europe		Men	86	75	104
		Women	15	7	14
South Asia		Men	100	116	129
		Women	18	23	16
North America		Men	23	26	12
		Women	4	4	2
East Asia		Men	28	22	29
		Women	1	1	4
Oceania		Men	5	5	5
		Women	0	0	0
Central and South America		Men	12	9	15
		Women	3	4	5

*1 Number of employees of consolidated companies (long-term employees, employees on six-month or longer contracts)

*2 Locally hired overseas human resources Excludes employees seconded from headquarters and other organizations

*3 Overseas human resources working as managers or a higher level of management. Includes employees seconded from headquarters and other organizations

		FY2021	FY2022	FY2023	
Ratio of management by region and gender (%)*3	Japan	Men	91.1	90.1	90.0
		Women	8.9	9.9	10.0
	Europe	Men	71.0	68.0	64.5
		Women	29.0	32.0	35.5
	South Asia	Men	59.5	64.0	62.8
		Women	40.5	36.0	37.2
	North America	Men	66.4	67.4	67.3
		Women	33.6	32.6	32.7
	East Asia	Men	65.1	63.9	61.4
		Women	34.9	36.1	38.6
	Oceania	Men	86.7	82.4	79.4
		Women	13.3	17.6	20.6
	Central and South America	Men	72.5	71.9	75.0
		Women	27.5	28.1	25.0
By gender	Men	22,438	22,372	22,286	
	Women	12,727	13,130	12,957	
New hires	Total	6,260	6,579	4,730	
	Men	3,679	4,116	2,938	
	Women	2,581	2,463	1,792	
Ratio of voluntary resignations (%)		14.8	14.1	11.7	

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Employee diversity

	FY2021	FY2022	FY2023
Number of non-Japanese seafarers*1 (b)	10,788	10,622	11,190
Ratio of women employees (%)	37.0	37.9	37.7
Ratio of women managers (%)*2	25.9	25.2	26.2

*1 From fiscal 2022, the aggregation standard was changed. In conjunction with this, the figures for fiscal 2021 have been revised.

*2 Managers or higher

Number of Group employees (including non-Japanese seafarers)

	FY2021	FY2022	FY2023
Total (a+b)	45,953	46,124	46,433

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NYK Headquarters

Employee demographics

		FY2021	FY2022	FY2023	
Number of employees		1,800	1,852	1,863	
By gender	Men	1,479	1,523	1,525	
	Women	321	329	338	
Long-term employees	Office workers (excludes navigation officers and engineers at office locations)	Men	766	791	797
		Women	246	242	249
	Navigation officers and engineers	Men	577	586	588
		Women	19	21	22
Fixed-term employees	Office workers	Men	127	139	132
		Women	51	60	60
	Seafarers	Men	6	4	4
		Women	0	0	0
Non-fixed-term employees*1	Office workers	Men	3	3	4
		Women	5	6	7
	Seafarers	Men	0	0	0
		Women	0	0	0
Long-term employees, fixed-term employees, and non-fixed-term employees	Office workers (excludes navigation officers and engineers at office locations)	1,198	1,241	1,249	
	Navigation officers and engineers	602	611	614	
Average age*2 (years old)	Office workers (excludes navigation officers and engineers at office locations)	41.2	41.0	40.6	
	Navigation officers and engineers	38.8	39.2	39.4	

*1 Employees who converted to employment contracts with no fixed period

*2 Excluding fixed-term employees and employees converted to no-fixed-term employees

*3 New-graduates and mid-career hires

*4 From fiscal 2023, the display standard was changed. In conjunction with this, the figures for fiscal 2021 to fiscal 2022 have been revised.

*5 Calculation method: Number of new graduates and mid-career employees hired in the previous three fiscal years who resigned in each fiscal year/Number of new graduates and mid-career employees hired in the previous three fiscal years

*6 Calculation method: Number of employees who resigned at their own request in each fiscal year/Total number of long-term employees at the end of each fiscal year

*7 Calculation method: Number of employees who resigned in each fiscal year/Total number of long-term employees at the end of each fiscal year

		FY2021	FY2022	FY2023	
Age range*2	Office workers (excludes navigation officers and engineers at office locations)	Under 30	195	189	190
		30–49	509	546	587
		50 and older	308	298	269
	Navigation officers and engineers	Under 30	139	143	147
		30–49	335	335	330
		50 and older	122	129	133
New hires*3	Total	66	87	89	
New-graduate hires	Total	54	56	62	
	Office workers (excludes navigation officers and engineers at office locations)	Men	19	22	20
		Women	10	7	16
	Navigation officers and engineers	Men	22	24	24
Women		3	3	2	
Mid-career hires	Total	12	31	27	
		Men	11	25	21
		Women	1	6	6
Ratio of mid-career hires*4 (%)		18.2	35.6	30.3	
Rate of turnover within three years after hire*5 (%)	Office workers (excludes navigation officers and engineers at office locations)	0.9	0.0	0.6	
	Navigation officers and engineers	1.4	6.7	6.3	
Ratio of voluntary resignations*6 (%)		1.6	2.1	1.4	
Turnover rate at NYK*7 (%)		3.9	4.5	3.3	

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Employee diversity

		FY2021	FY2022	FY2023
Ratio of women employees (%)	Office workers (excludes navigation officers and engineers at office locations)	24.3	23.4	23.8
	Navigation officers and engineers	3.2	3.5	3.6
Ratio of female recruits, nonconsolidated (%)	Office workers (excludes navigation officers and engineers at office locations)	26.8	21.7	34.9
	Navigation officers and engineers	12.0	11.1	7.7
Ratio of women managers*1 (%)	Office workers (excludes navigation officers and engineers at office locations)	14.0	13.7	13.6
	Navigation officers and engineers	0.4	0.4	0.4
Percentage of female executives (%)	Directors*2	25.0	25.0	25.0
	Executive officers or above	11.1	13.5	13.5
Employment ratio of people with disabilities (%)		1.9	2.0	2.1
Employees union membership rate*3 (%)	Office workers (includes navigation officers and engineers)	83.9	84.4	87.8
	Seafarers (excludes captains)	100.0	100.0	100.0
Ratio of collective bargaining rights holders (%)		100.0	100.0	100.0
Gender wage gap ratio (Women's wage level)*4 (%)		–	81.8	77.3

*1 Calculation method: Women managers/Total managers

*2 Fiscal 2021 and fiscal 2022 data includes Audit & Supervisory Committee members.

*3 Japanese employees (navigation officers and engineers) are members of the All Japan Seamen's Union, except for captains. The union is the only industrial labor union in Japan formed by people working in the Japanese maritime-related industry.

*4 (Average annual wage of female workers)/(Average annual wage of male workers) x 100

*Note: Because the collection of racial or ethnic data is legally prohibited or restricted in some countries, we do not collect or disclose information on the percentage of all workers in our business by race or ethnicity.

Employee Support Systems

		FY2021	FY2022	FY2023
Average number of days of paid leave taken*1		17.4	18.8	18.8
Average ratio of paid leave taken (%)		61.3	67.1	67.0
Number of employees who took maternity leave*2		20	15	8
Average ratio of employees who took maternity leave (%)		100.0	100.0	100.0
Number of employees who used parental leave program	Total	53	64	57
	Men	37	52	50
	Women	16	12	7
Ratio of employees who used parental leave program (%)	Total	68.8	76.2	76.0
	Men	60.7	72.2	73.5
	Women	100.0	100.0	100.0
Ratio of employees who returned to work after taking parental leave (%)		91.0 (Number of employees who left the Company: 1)	100.0	100.0
Retention rate of employees who used parental leave program (%)		100.0	100.0	100.0
Number of employees who used shortened working-hour program	Total	8	4	6
	Men	0	0	0
	Women	8	4	6
Number of working mothers*3		87	75	71
Number of employees who used family-care leave program*2	Total	1	0	0
	Men	1	0	0
	Women	0	0	0
Ratio of employees who returned to work after taking family-care leave (%)		100.0	Not applicable	Not applicable
Retention rate of employees who used family-care leave program (%)		100.0	Not applicable	Not applicable

*1 Excludes seafarers and employees currently seconded to other companies/Includes paid summer, winter holidays

*2 Total number of users, excluding those who left the Company

*3 Mothers with children in compulsory education or younger/Excludes mothers on maternity or parental leave

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Education

		FY2021	FY2022	FY2023
Average number of hours employees participated in training programs (Hours)	Company average	61.5	60.2	77.6
	Office workers (includes navigation officers and engineers at office locations)*1	16.9	18.1	26.5
	Seafarers	230.5	226.7	290.7
Average expenditure on educational and training programs per employee (yen)	Company average	228,750	235,398	342,888
	Office workers (includes navigation officers and engineers at office locations)*2	113,006	122,497	164,255
	Seafarers	667,968	682,969	1,088,656

*1 Excludes workers trained outside the Company

*2 Programs for office workers trained inside or outside the Company

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The safety and health of our employees are instrumental to the foundation of our business, and as such, our highest priority is to promote health management to increase corporate value.

The NYK Code of Conduct calls for a safe, hygienic work environment, as well as measures to preserve and promote our employees' physical and mental health. We are rolling this out worldwide in multiple languages.

Furthermore, we seek the understanding and cooperation of our business partners by including a safe, hygienic work environment in our "CSR Guidelines for Partners and Suppliers" (as of August 2024).

Link For more information, click the link below.
Health Management Declaration
<https://www.nyk.com/english/sustainability/pdf/social012en.pdf>

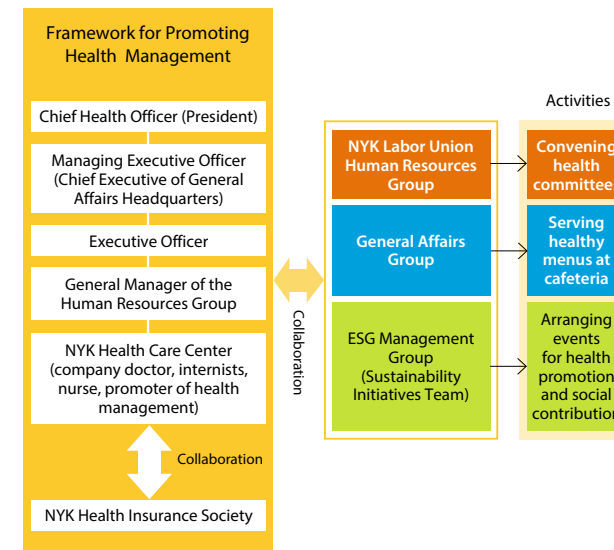
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Health Management

Since April 2015, we have been strengthening health management so that our employees can stay in good health, maintain a positive disposition, and achieve their potential.

The NYK president, as the chief health officer, together with other members of management, the Human Resources Group, the NYK Health Care Center (our in-house company clinic), and the NYK Health Insurance Society advocate health management.

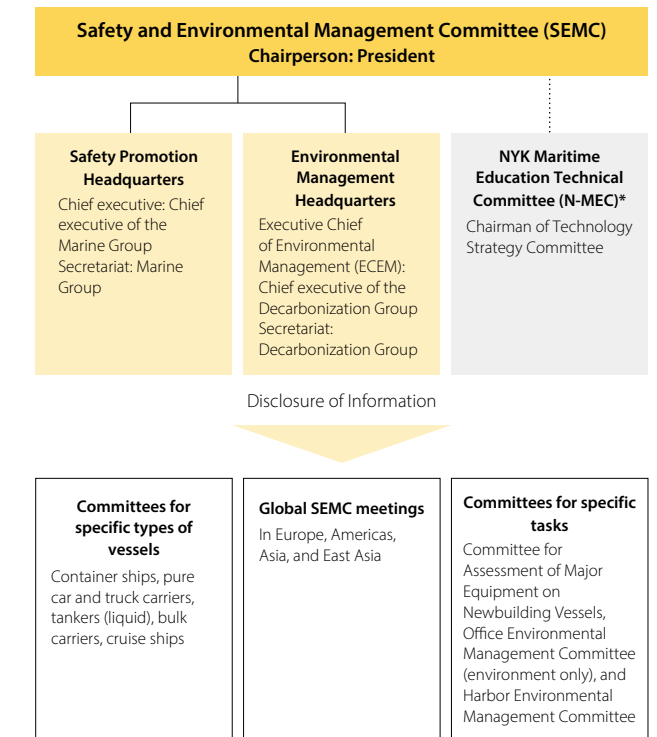
Framework for Promoting Health Management



Occupational Health and Safety

Based on the awareness that ensuring safe vessel operations underpins the NYK Group's business activities, the Safety and Environmental Management Committee, chaired by the president, was established in 2001, and offshore and onshore personnel around the world make a concerted effort to promote the safety and environmental activities. Every year, the committee reviews the activities conducted the previous year and decides the activity policy and goals. Also, the activity policy decided by the SEMC is translated into specific activities by the sub-committees for each ship type and executed as safety enhancement activities for each ship.

Safety and Environmental Measures Advancement System



*Committee for education, training, and development of crew members

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> ISO 45001 Occupational Health and Safety Management System Certification

The Group has obtained ISO 45001 certification to enhance the safety of shipping operations and maintain and improve quality. 12 of the 208 NYK Group companies, or 6%, have obtained the certification (as of April 30, 2024).

- NYK LNG Shipmanagement Ltd.
- NYK Bulk & Projects Carriers Ltd.
- NYK Auto Logistics (Kazakhstan) LLP
- MC Siam Logistics Co., Ltd.
- Yusen Logistics (UK) Ltd.
- Yusen Logistics (Thailand) Co.,Ltd.
- Yusen Logistics (Polska) Sp. z o.o.
- Yusen Logistics (Czech) s.r.o.
- Yusen Logistics (Australia) Pty.Ltd.
- Yusen Inci Lojistik ve Ticaret A.S.
- Uryi Logistics Solutions Co., Ltd.
- PT. Puninar Yusen Logistics Indonesia

Strategies and Risk Management

Health Management

Regardless of whether our employees are working on land or at sea, in Japan or overseas, we believe that maintaining good health even as we age helps each individual reach their full potential.

The results of health checkups show that abnormal findings tend to be detected during health checkups and medical examinations as people age. Moreover, since these findings can also be observed in younger generations, we consider early treatment and prevention of severe cases as important issues and are implementing measures accordingly.

• Health committee

In addition to company doctor, health managers, and internal stakeholders (Human Resources Group), a representative of the NYK Labor Union also participates in the meetings as an employee representative. Once a month, they exchange information on employee working conditions (overtime and vacation status) and health management (response rate to health checkups). The labor union and the Human Resources Group work together to reduce employee overtime by encouraging employees to take days off, preventing infectious diseases etc., because both organizations consider health and safety to be the highest priority.

Occupational Health and Safety

• Risk Assessment

For more information, click the link below.

P.021 Risk Management

• Employee Safety Management (in the event of a disaster)

The Group has introduced a safety check system to determine employee status at the time of a disaster, such as an earthquake. This enables the company to grasp whether employees can keep working, and if not, the earliest possible action to take. If an earthquake of seismic intensity 6 or greater occurs at registered cities and offices in the country, a safety confirmation email will be automatically sent from the system to the employees. After receiving the email, employees will report their status and that of their family members, and management of each group can check the safety status of each member through the system. The Group plans to continue periodic safety confirmation drills to remain prepared for an emergency.

Moreover, in order to facilitate smooth communication and speed up early response at the time of a disaster, we have developed our own disaster prevention mobile app for all employees.

> Acquisition of Maritime Labor Convention Certificate

To comply with the ILO Maritime Labor Convention (MLC) in the working environment on board ships, all vessels operating in our group obtained a Maritime Labor Certificate (MLC Certificate) after undergoing labor inspections, maritime inspections by the competent authorities of the flag State and registered inspectors. Our original safety standard, NAV9000, requires and confirms compliance with main international conventions such as SOLAS*¹, STCW*², MARPOL*³, and MLC, and continues to strive for the improvement of onboard occupational health and safety.

*1 SOLAS (International Convention for the Safety of Life at Sea)

*2 STCW (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers)

*3 MARPOL (MARINE POLLUTION): International Convention for the Prevention of Pollution from Ships

For more information, click the link below.

P.019 Original Safety Standard "NAV9000"

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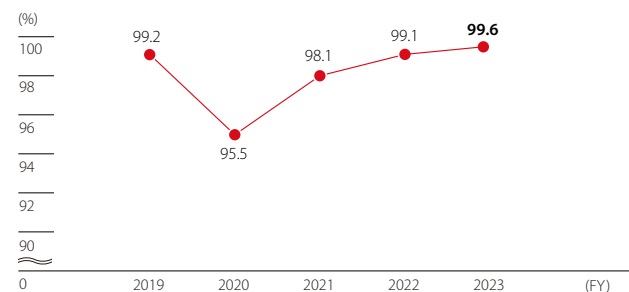
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Health Management

Response Rate to Health Checkups

To promote and maintain good health, NYK encourages all employees to get annual checkups. Our goal is to provide employees with knowledge of their health condition so that they can better avoid disease or reduce its severity. In addition, our company doctor and internist provide medical treatment and guidance to patients requiring additional care.

■ Response Rate to Health Checkups (NYK Headquarters)



*In fiscal 2020 and fiscal 2021, due to the effects of the COVID-19 pandemic, overseas seconded employees and seafarers were unable to receive health checkups, and the health checkup rate decreased.

Occupational Health and Safety

Occurrence of Occupational Accidents

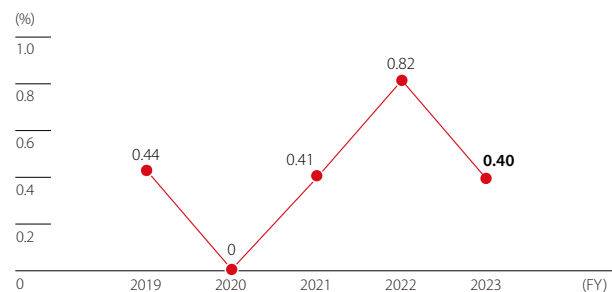
We monitor occupational accidents for employees working at the headquarters*¹ to reduce the lost time injury frequency rate (LTIFR) *².

*1 Includes fixed-term employees and employees seconded from group companies

*2 LTIFR (Lost Time Injuries Frequency Rate):

Number of lost-day occupational injury cases / Total working hours × 1,000,000

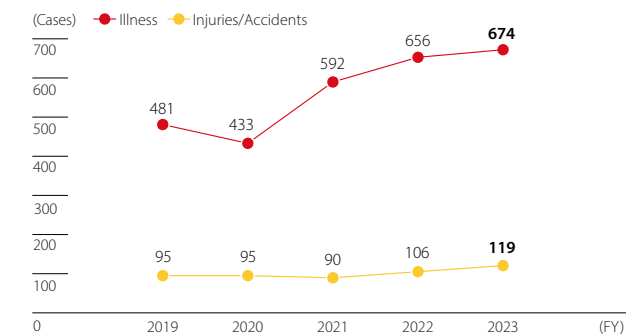
■ LTIFR (NYK Headquarters)



Seafarer Injuries and Illnesses

Also, by confirming the safety of the onboard environment via activities such as an onboard safety committee, NAV9000, and Near Miss 3000, the Group continue to encourage the improvement of seafarer safety awareness to prevent injuries and personal accidents. By gathering and analyzing data of injuries and illnesses, and that of Near Miss 3000, we can grasp the rate of occurrence and verify the effectiveness of safety activities to connect them to further improvement.

■ Reported Seafarer Injuries and Illnesses



Human Resources

Health Management, and Occupational Health and Safety

Governance

Policy
Organization

Strategies and Risk Management

Health Management
Occupational Health and Safety

Target and progress

Health Management
Occupational Health and Safety

Initiatives

— Physical Health Care
— Mental Health Care

Related Data

Health Management, and Occupational Health and Safety

Initiatives

Physical Health Care

• Company Clinic

At its head office, NYK has a clinic that is staffed with a company doctor, internists (for the cardiology, gastroenterology, respiratory medicine, and endocrine metabolism), pharmacists, psychiatrists, and a nurse so that employees may consult and see a doctor whenever they like. To prevent infectious diseases, we also provide vaccinations and subsidies for vaccination costs through health insurance societies.

• Health Checkups

To promote and maintain a 100%-response rate to health checkups, NYK encourages all employees to get annual checkups. Health checkups are conducted at the company clinic, and the company doctor and internists provide medical treatment and guidance to those with abnormal findings. The goal is for employees to understand their own health status and use this information to prevent diseases and severe disorders by allowing them to access their diagnostic findings from the previous five years online at any time. In addition to annual dental checkups, at hospitals and specialized clinics, our employees can receive special examinations that include full medical checkups, cancer examinations, and gynecological examinations. Additionally, the work environment at our Company is such that one in five employees in onshore job positions are assigned overseas. For this reason, our company doctor checks each employee's health before and after overseas assignments. Before the employee begins the assignment, the doctor reviews dietary habits at the assignment location, depending on the medical exam results.

For more information, click the link below.

P.092 [Target and progress](#)

• Support to Smoking Cessation Efforts

The company clinic provides support to employees willing to try to quit smoking by offering a smoking-reduction outpatient service.

■ Smoking rate (NYK Headquarters)

(Unit: %)

FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
15.2	15.1	12.7	12.4	11.2	11.8

• Support for Improving Dietary Habits

We also support employees in improving their eating habits from the perspective of preventive medicine.

Our company doctor holds seminars to disseminate information on dietary habits that are easy to incorporate into daily life.

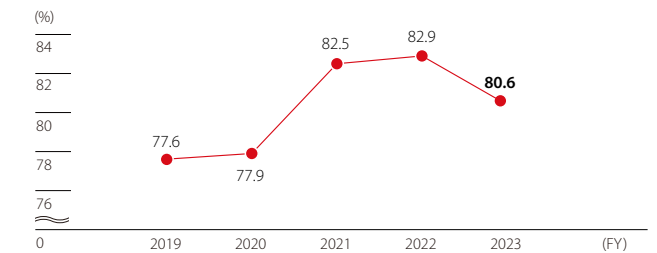
Our company cafeteria offers a dietitian-created lunch menu that considers health by providing, for example, low-sodium and low-carbohydrate options. The menu includes information on calories, salt content, and allergens, and food-related pamphlets are made available to enhance employees' awareness and knowledge of food. We also offer a "Table For Two**" option two to four times a month.

* When an employee orders a low-calorie menu or food to prevent obesity or lifestyle-related diseases, 20 yen per meal will be donated to provide school meals for children in developing countries through "Table For Two". 20 yen is the cost of a school meal in a developing country and for every meal consumed in a developed country, one meal is donated to a developing country.

• Support for Drinking Habits

We are focusing on initiatives to improve drinking habits because the percentage of employees with appropriate drinking practices is lower than that of others with similar exercise and dietary habits.

■ Percentage of People with Appropriate Drinking Habits (NYK Headquarters)



• Support for Forming Exercise Habits

From the perspective of preventive medicine, we also emphasize helping our employees form exercise habits, and implementing activities that encourage exercise.

NYK's Charity RUN + WALK+a (Chari Run!)

Chari Run is an annual in-house event launched in 2017 with the aim of promoting the health of the Group's employees and enhancing an awareness of social issues. This event is expanded to Group companies not only in Japan, but also overseas. The donation is collected from the participants paid as the participation fee of Chari Run event and a matching contribution by a company, NYK based on the participants' performance ("Matching gift"). NYK contributes to Médecins Sans Frontières to help promote the health of people who do not have access to medical services due to conflicts and disasters.

For more information, click the link below.

P.104 [The Challenge to Solve Social Issues](#)

Human Resources

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Health Management
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Target and progress

Health Management
Occupational Health and Safety

Initiatives

- Physical Health Care
- Mental Health Care

Related Data

Health Management, and Occupational Health and Safety

● Seminars on Health-related Issues

Our company doctor and physicians hold seminars for new employees on managing physical and mental health as working professionals.

Believing that it is essential for women to have a correct understanding of women's health for them to continue to play an active role, our company doctor conducted seminars as a new measure in 2023 on health issues tailored to the different life stages of women. Group company employees and business partners were also invited to participate.

■ Seminars on health-related issues

(Unit: Persons)

	Seminar	Number of participants
FY2022	Health Seminar for New Employees	62
	Health Seminar for New Employees	81
FY2023	Health Issues According to Women's Life Stages (1)	135
	Health Issues According to Women's Life Stages (2)	102

〈When Working on Sea〉

● Health check

In addition to the health check before boarding the vessel, regular health checks are mandatory on board. All Japanese seafarers undergo annual preventive checkup for lifestyle-related diseases through seafarers' insurance.

Mental Health Care

If employees are not in a sound state of mind and body, they cannot work with enthusiasm. Therefore, NYK makes an active effort to promote mental health care.

● Company Clinic

We have three company psychiatrists. Consultation with specialists outside the company are available online or via the phone 24 hours a day, 365 days a year for employees.

● Stress Checks

Although workplaces with 50 or more employees must implement this system, we implement stress checks at all domestic and overseas workplaces and onboard ships, regardless of the number of employees.

> Presenteeism

At the same time as stress checks, we measure presenteeism, i.e., lost productivity that occurs when employees are not fully functioning in the workplace because of an illness, injury, or other condition.

■ Presenteeism (NYK Headquarters)

(Unit: %)

FY2020	FY2021	FY2022	FY2023
18.2	18.6	17.2	18.0

*Measurement method: The percentage of respondents who responded to the following question of The Single-Item Presenteeism Question(*1) with a rate below 100%: "On a scale from 1% to 100%, where 100% is the best job performance you could have at your job if unimpeded by sickness or injury, how would you rate your overall job performance on the days you worked during the past four weeks (28 days)?" The evaluation is based on the percentage obtained by subtracting the percentage of responses given using the 11-point scale (*2) from the 100% value.

*1 A Single-Item Presenteeism Question, or SPQ, is a scale that can easily measure presenteeism with a single question. It was developed by "The University of Tokyo Working Group," a Fiscal 2015 Project to Promote the Creation of Industries to Extend Healthy Life Expectancy.

*2 A survey method called the Cantril's Ladder for investigating subjective levels of happiness. The participants are asked to imagine an 11-step ladder ranging from "0" to "10," and judge how satisfied they are with their current life.

● Refreshment

For the purpose of recovering from fatigue and maintaining a balanced mind and body, the head office also has a massage room, roof-terrace relaxation space with benches and gardens, and cafe to enhance workplace communication. We also have coffee machines and cafes in the office space to provide a change of pace and encourage spontaneous communication between departments.



Massage room

Roof terrace

〈When Working on Sea〉

● Improving Communication Environment

Since 2021, NYK has been making efforts to improve the communication environment between vessels and shore, including increasing onboard internet speed.

To further enhance communication speed, we are introducing Starlink*. We believe that, by facilitating communication between

Human Resources

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Physical Health Care
Mental Health Care

Related Data

Health Management, and Occupational Health and Safety

seafarers and their families and friends onshore, we can expand the welfare of seafarers and help to maintain and improve their work motivation. Improvements in the communication environment have also led to the introduction of telemedicine. Medical consultations that were previously conducted over the phone and email will now be held via video call.

*Starlink is a satellite communication service operated by Space Exploration Technologies Corp. (SpaceX). Because Starlink uses low-orbit satellites, it enables higher-speed, lower-cost, and larger-capacity communications than conventional communications.

● Holding Seafarers' Dialogue

This is a forum to listen to the voices of seafarers to further improve the financial services provided to seafarers by MarCoPay Inc. (Maritime Community Pay; a NYK Group company). It also serves as an important forum for sharing examples of past accidents and holding dialogue to prevent recurrence. To enhance communication with seafarers on board and their family members, the Group holds seafarers' dialogue in many areas. We strengthen our correspondence with seafarers' family associations by sharing information regarding seafarers, as well as providing family consultations on topics such as education for children. We expand the welfare benefits for seafarers.



Family gatherings

Related Data

The NYK Group (Includes NYK Headquarters)

Occupational Health and Safety

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Lost-time injury (LTI) rate*1	%	1.55	2.22	2.00	2.52	2.54
Number of work-related deaths	Persons	5	1	1	2	1
Mortality rate *2	%	0.01	0.00	0.00	0.01	0.00

*1 Calculation method: (Number of work-related accidents resulting in absence from work)/(Total working hours) x 1,000,000
Total working hours are calculated as 2,000 hours/employee

*2 From 2021, the aggregation standard was changed. In conjunction with this, the figures for fiscal 2019 to fiscal 2020 have been revised.

NYK Headquarters

Occupational Health and Safety (Includes Fixed-Term Employees)

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Number of occupational accidents*1	Events	1	2	2	2	2	
		Office workers (includes navigation officers and engineers*3)	0	0	0	0	1
		Seafarers	1	2	2	2	1
Lost time injury (LTI) rate *2	%	0.44	0.00	0.41	0.82	0.40	
Number of work-related deaths	Persons	0	0	0	0	0	
		Office workers (includes navigation officers and engineers at office locations)	0	0	0	0	0
		Seafarers	0	0	0	0	0
Number of lost days caused by occupational accidents (1 day or more)	Days	89	0	71	9	7	
		Office workers (includes navigation officers and engineers at office locations)	0	0	0	0	7
		Seafarers	89	0	71	9	0

*1 Excludes commuting accidents

*2 Employees working at headquarters, including navigation officers and engineers(*3) who are working at office locations, seconded employees from Group companies, and contractors for business outsourcing, etc.

Calculation method: (Number of work-related accidents requiring leave) / (Total working hours) x 1,000,000

*3 Navigation officers and engineers either hold a seafaring license or are in the process of acquiring one at a maritime college.

Others

Community

Governance

Initiatives

- Towards the improvement of the quality of life of Filipino seafarers and their families
- Towards contributing to the development of the local economy and society

Community

Governance

The NYK Group has launched initiatives to contribute to regional coexistence and local revitalization under the medium-term management plan “Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing.” This plan aims to create future value and growth through two pillars: “Deepening core existing businesses” and “Developing new growth businesses.” These initiatives include addressing the living challenges of Filipino seafarers' families, inheriting traditional culture through the use of passenger ship business, and engaging in the offshore wind power value chain.

In addition, we will thoroughly carry out responsible actions as a corporate citizen based on the “NYK Code of Conduct” and the “CSR Guidelines for Partners and Suppliers” (as of July 2024), and we will respect human rights and diverse cultures (including the cultures, customs, and languages of each country and region), and we will strive for harmony between the international community and local communities.

Initiatives

Towards the improvement of the quality of life of Filipino seafarers and their families

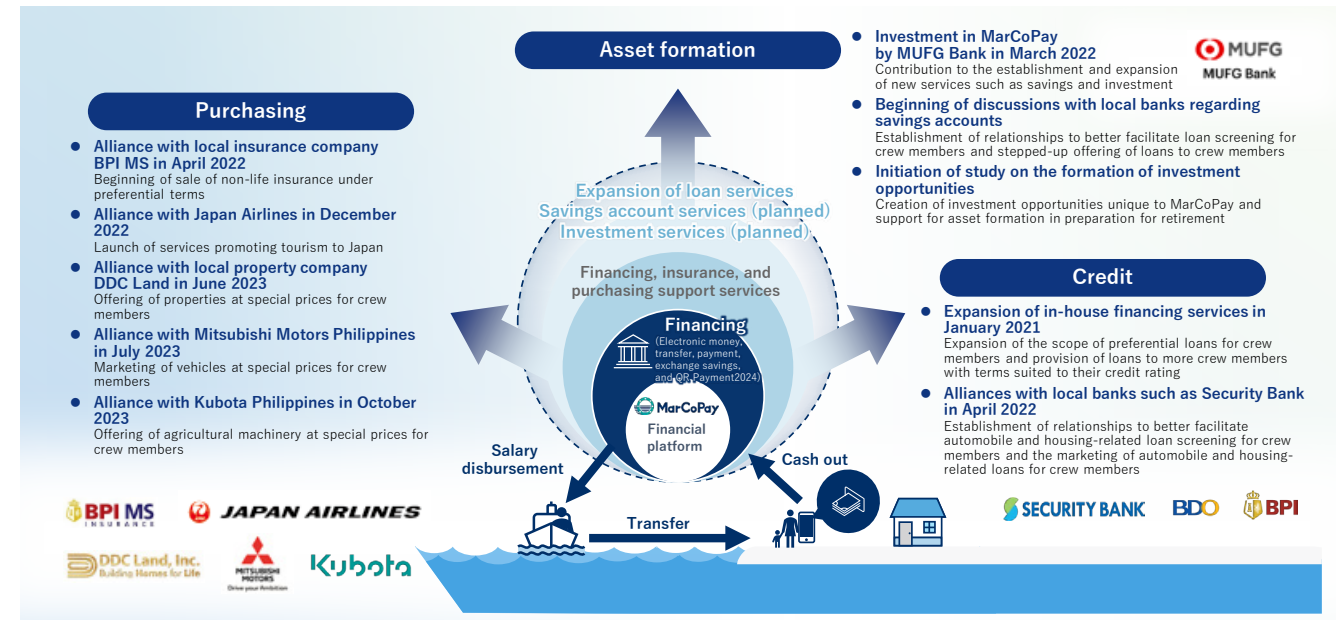
The Philippines is the world's leading supplier of seafarers, with around 220,000 Filipinos working as seafarers on ocean-going cargo ships. If we look at the Japanese merchant fleet alone, it is no exaggeration to say that the maritime industry in Japan and around the world is supported by Filipino seafarers, as approximately 40,000, that is to say 70% of all seafarers currently on board, are Filipinos.

On the other hand, Filipino seafarers face the challenge of having

difficulty accessing financial services such as insurance and bank loans, despite being in the high-income bracket, which is significantly higher than the average in their home country, due to circumstances such as (1) being considered as temporary employees for each period of service on board and (2) being classified as overseas workers and being required to prepare complicated documents.

In order to resolve this issue, which concerns the livelihood rights of seafarers' families, the NYK Group is creating and providing various services by connecting MarCoPay Inc. (Maritime Community Pay), a life support platform for seafarers that uses electronic currency, with a variety of partners.

■ MarCoPay, which expands the scope of services



Others

Community

Governance

Initiatives

Towards the improvement of the quality of life of Filipino seafarers and their families

Towards contributing to the development of the local economy and society

Community

Towards contributing to the development of the local economy and society

Offshore wind power

The NYK Group has started working in the offshore wind power business as a new business area.

Offshore wind power is seen as a major source of renewable energy in Europe, and in Japan too, it is being regularly promoted as a "trump card for renewable energy" by both; public sector and private sector.

Offshore wind power is a long-term project that lasts for 25 years or more, from the survey and construction stages through to the operation stage, and when you look at everything from the construction stage to the maintenance and management after the operation starts, the related industries are also diverse. With the entry into offshore wind power, the NYK Group will take on the challenge of solving important issues that Japan is facing, such as "Ensuring Energy Stability" and "Revitalizing Regions and Restoring International Competitiveness."

Collaboration with Akita Prefecture

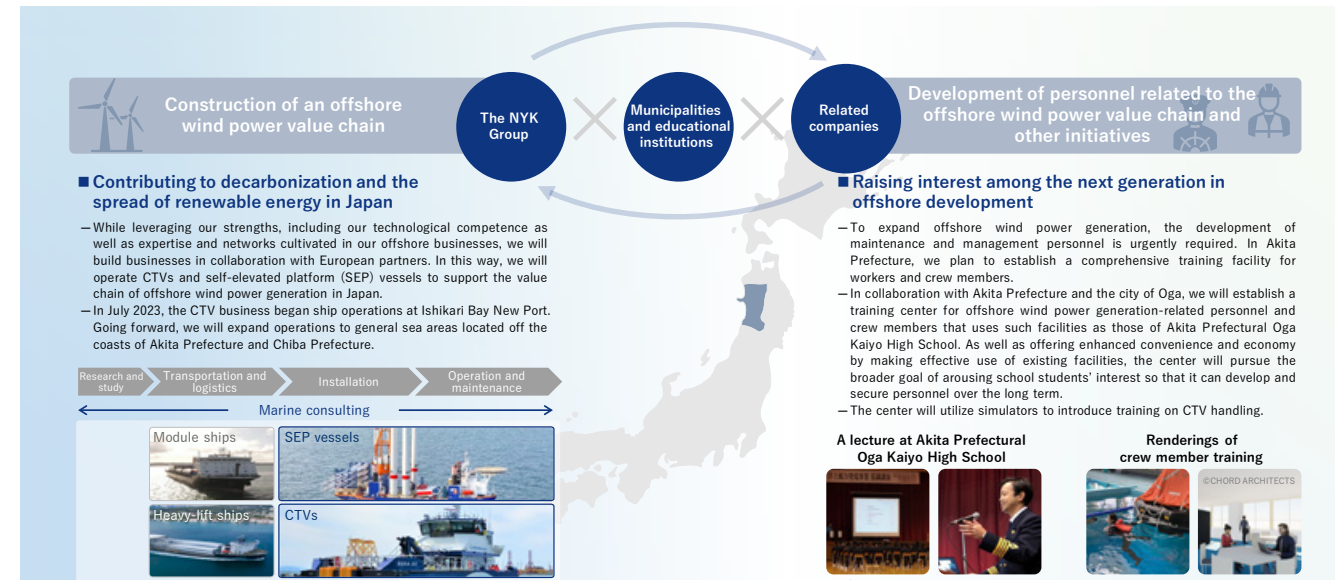
Under the Comprehensive Collaborative Agreement with Akita Prefecture, our Akita branch has been in operation since April 2022. The branch is working towards regional revitalization through the promotion of renewable energy projects, including offshore wind power, and the development of related human resources, as well as through the use of ports, the development of ship-related human resources, tourism promotion, and environmental conservation.

In areas with a high population outflow, including Akita Prefecture, creating local employment opportunities is an issue, so the Company is also focusing on developing human resources within Akita Prefecture.

In April 2024, we opened the offshore wind power training

center, "Wind and Sea School Akita," where we will provide basic safety training for offshore wind turbine workers (GWO Basic Safety Training), basic safety training for seafarers (STCW Basic Training), and Crew Transport Vessel (CTV) maneuvering training. In addition to contributing to the stability of Japan's electricity supply through offshore wind power, we aim to become a base for regional revitalization and to attract new people to the prefecture, not only from within the prefecture but also from outside the prefecture. In addition, by leveraging the unique feature of having the training center located within a school in Akita Prefecture, a leading region for offshore wind power, we aim to contribute to the development of the next generation of human resources.

Regional revitalization in Akita through offshore wind power generation projects



Others

Community

Governance

Initiatives

Towards the improvement of the quality of life of Filipino seafarers and their families

Towards contributing to the development of the local economy and society

Community

> Collaboration with Hokkaido

In January 2024, the Company concluded a "Memorandum of Understanding on Cooperation and Collaboration" with Hokkaido, and on April 1, we opened a Hokkaido branch. The NYK Group has already begun ^{*1} operating a Crew Transport Vessel (CTV) for the Ishikari Bay New Port Offshore Wind Farm since July 2023, and we aim to participate in the investigation, transportation, construction, and maintenance management stages of any offshore wind power projects that are expected to be developed in Hokkaido in the future. In addition, through the development of ammonia fuel ships and CCS^{*2} projects, we will contribute to the realization of a decarbonized society in Hokkaido, and we will also respond to the demand for logistics associated with the construction of semiconductor factories and data centers within Hokkaido, as well as the growing demand for domestic shipping, which aims to shift transport from trucks to ships, with the aim of contributing to the regional revitalization through the promotion and revitalization of logistics.

^{*1} The Company owns CTV, and our group company, Hokuyo Kaiun Co., Ltd., which is based in Hokkaido, operates and manages the ships.

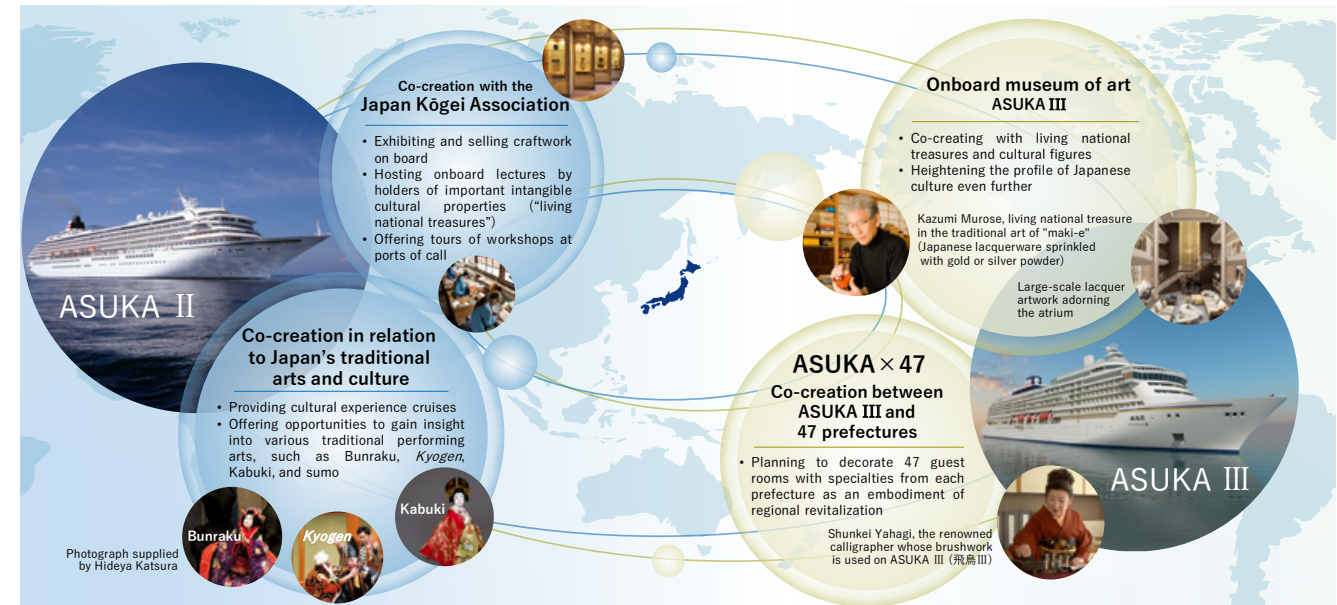
^{*2} CCS (Carbon dioxide Capture and Storage): Carbon dioxide (CO₂) capture and storage

● Passing on traditional culture through cruise ships

The "MS Asuka II," a cruise ship that represents Japan and is operated by our group company NYK Cruises Co., Ltd., has led the development of the Japanese cruise culture. On the "MS Asuka II," in addition to exhibitions of works created by people such as Holders of Important Intangible Cultural Property (so-called "Living National Treasures") from 2022, there are also port of call sightseeing tours of workshops and talk events. In addition, handicrafts are sold on board, and part of the proceeds are donated to help preserve traditional Japanese culture.

In 2025, the "MS Asuka III" will enter service, and the fleet will expand to two ships. The NYK group will bring together people and regions through cruise culture, and these two ships will sail into the future and promote regional revitalization and Japanese culture more than ever before.

■ Asuka Cruise that Connects Japanese Culture to the World



Others

Supply Chain

Governance

Strategies and Risk Management

- Strategy
- Risk Management

Initiatives

- Joint development of ammonia-fueled ships for decarbonization of ships
 - A challenge to design new ships using 3D models
 - Establishment of evaluation methods for the “performance in real sea conditions” of ships agreed upon in shipbuilding contracts

Supply Chain

Governance

In accordance with the “NYK Group Environmental Policy,” our group is working to minimize the environmental impact of the procurement of transportation equipment, including ships, and is also working to implement new technologies and other innovations in society through co-creation with suppliers.

In addition, the “NYK Code of Conduct” stipulates that we will not engage in any business practices that hinder free competition, such as unfair business practices, and that we will not abuse our dominant position in transactions with partner companies, and we are thoroughly ensuring compliance with competition and anti-monopoly laws.

Strategies and Risk Management

Strategy

In our shipping business, which has a fleet of approximately 800 vessels (as of the end of March 2024), ships are the main item procured. A ship comprises tens of thousands of components, including engines, propellers and other propulsion equipment, cranes and other cargo handling machinery, and radar and other navigation equipment.

We recognize that enhancing the value of the broad-based ship supply chain and strengthening competitiveness is an important strategy not only for securing ships, which are essential for stable international marine transport, but also from the perspective of securing regional economies and employment and contributing to economic security.

The NYK Group is taking the opportunity of fuel conversion to achieve zero emissions and, together with its many stakeholders, including suppliers, is aiming to be the first in the world to supply

ships with high environmental performance and safety, using the technological capabilities of the Japanese maritime industry.

Risk Management

Based on international norms such as the United Nations’ “Guiding Principles on Business and Human Rights,” our group has established “CSR Guidelines for Partners and Suppliers” that cover items such as human rights, labor, legal compliance, safety, and environmental conservation. We request that our suppliers understand the purpose and content of these guidelines and promote and comply with CSR activities.

In addition, our group conducts human rights due diligence to identify potential human rights violations in the supply chain, identify and assess the impact, and implement the PDCA cycle to prevent or mitigate negative impacts.

For more information, click on the link below.

P.069 [Human Rights](#)

Initiatives

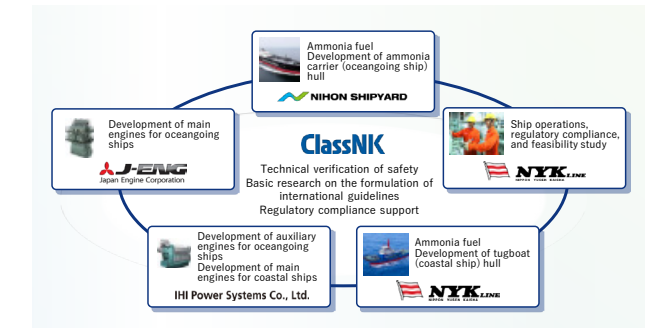
Joint development of ammonia-fueled ships for decarbonization of ships

As part of the Green Innovation Fund Project, a grant from the New Energy and Industrial Technology Development Organization (NEDO), five parties including Japanese shipbuilders, engine manufacturers and classification societies are working together to develop ammonia-fueled ships, with development beginning in 2022.

For more information, click on the link below.

P.032 [Decarbonization](#)

Co-creating organizations



Others

Supply Chain

Governance

Strategies and Risk Management

Strategy

Risk Management

Initiatives

Joint development of ammonia-fueled ships for decarbonization of ships

— A challenge to design new ships using 3D models

— Establishment of evaluation methods for the “performance in real sea conditions” of ships agreed upon in shipbuilding contracts

Supply Chain

A challenge to design new ships using 3D models

In March 2024, we obtained 3D certification from Nippon Kaiji Kyokai for the basic design drawings of a new multipurpose container ship. This is the first case in the world* of an ocean-going vessel being completed from the initial stage of basic design to class approval using only 3D (three-dimensional) drawings.

Taking the opportunity of acquiring this certification, which solves the various information sharing issues that had arisen in the existing process using 2D drawings, our company will effectively utilize 3D drawings, contribute to shortening the certification period and promoting communication between related parties, and aim to procure ships with higher safety and environmental performance.

* As of March 28, 2024, according to a survey by our company and Nippon Kaiji Kyokai

Establishment of evaluation methods for the “performance in real sea conditions” of ships agreed upon in shipbuilding contracts

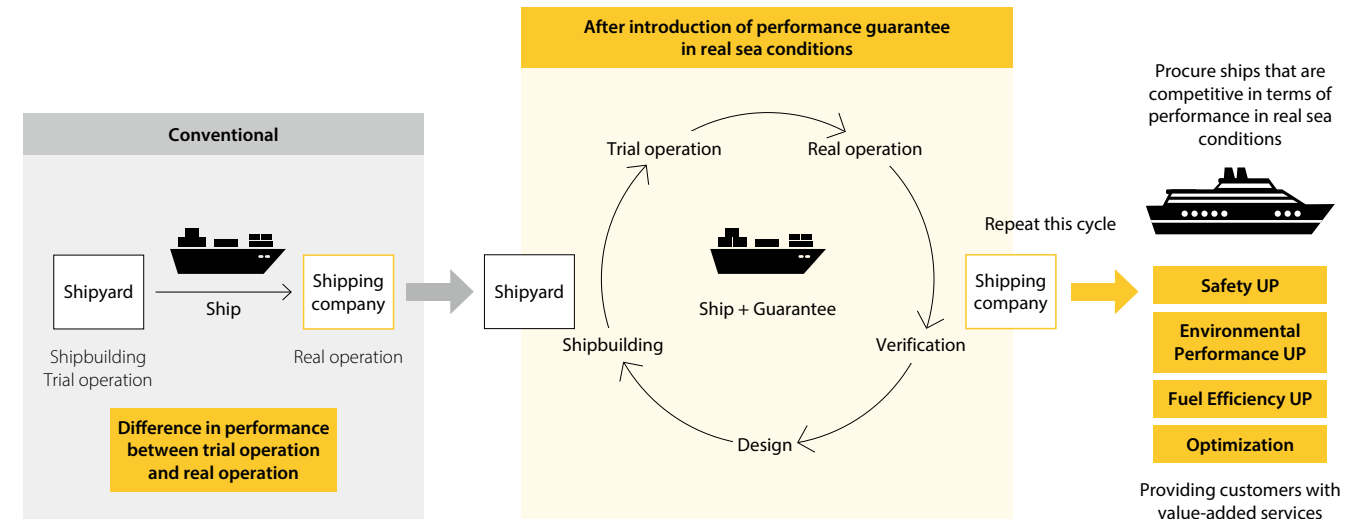
Our company and Japan Marine United Corporation have been working to estimate performance in real sea conditions* before shipbuilding. In March 2024, after a year of verification of performance in real sea conditions on crude oil tankers operated by our company, the two companies agreed on and established a method for evaluating performance in real sea conditions that is both technical and objective.

In the future, we will promote similar initiatives for various types of ships, aiming to create a system that can estimate and evaluate

the performance of ships in real sea conditions when building contracts for new ships, and we will procure ships with high fuel efficiency in collaboration with our partner shipyards.

* In the past, it was common for shipbuilding contracts to set and agree on guaranteed speeds based on the relationship between ship speed and horsepower in calm weather and sea conditions (in still water performance), and for shipyards and shipping companies to mutually confirm the guaranteed speed during sea trials during construction. However, since actual voyages after the ship's launch are strongly affected by waves and wind, there was a problem of a large discrepancy between the guaranteed performance in calm water and the propulsion performance (performance in real sea conditions) in weather and sea conditions with waves and wind.

Overview of Performance Guarantee in Real Sea Conditions



Others

Intellectual Property

Governance

— Organization

Strategy and Risk Management

- Obtaining Intellectual Property Rights
- Intellectual Property Evaluation and Reward System

Protection of the intellectual property rights of the NYK Group

Understanding and Respecting the Intellectual Property Rights of Others

Utilization and Contribution of Intellectual Property

Initiatives

Representative Examples of Patents

Relevant Data

Intellectual Property

Governance

Safety is the foundation of our group's business continuity, and our continued efforts to always stay one step ahead in safe operation is what differentiates us from competitors. Ahead of international environmental regulations, in addition to reducing GHG emissions, we believe that contribution to the industry as a whole will directly link to the materiality of the NYK Group by taking the lead in meeting the "environmental" needs of ships from various perspectives (such as pollution prevention and ecosystem protection) and by taking the lead in new initiatives in areas (related to "safety" and "human resources") such as autonomous ships that are attracting increasing attention from the perspective of improving safety, addressing crew shortages, and ensuring logistics stability.

We are committed to R&D and technological development as the linchpin of value creation through the practice of materiality. At the same time, we are protecting our business activities by properly protecting and utilizing the results of our efforts as intellectual property, accurately understanding and thoroughly respecting the intellectual property rights of other companies, and fulfilling our social mission of "Never Stop Logistics" while simultaneously creating the value.

Organization

We have established an IP Committee as a forum for seeking advice on application review and compensation for inventions made at work. As of May 2024, the Senior Executive Officer and Head of the Technology Division, who chairs the Intellectual Property Committee, is responsible for our group's IP.

Strategy and Risk Management

Obtaining Intellectual Property Rights

We continue to help resolve issues faced at the work-site by leveraging the information and knowledge gained from the daily operation of its ships. With the motto "No SOLUTION without MEASUREMENT," we have been practically collecting and accumulating ship data from actual sea areas, analyzing the data, and developing solutions for many years in cooperation with our group companies such as MTI Co., Ltd., in order to make invisible visible, and protecting the results with intellectual property.

• Examples of Areas of Focus

> (1) Preventing accidents and malfunctions by monitoring ships from land

Based on big data including ship position, speed, engine operating conditions (temperature, pressure, flow rate, etc.), acceleration by motion sensors, wind direction, wind force, wave height, and other meteorological and oceanographic information, the Ship Information Management System (SIMS), a ship performance monitoring system introduced in 2008, enables analysis and diagnosis that leads to early detection of signs of malfunctions and serious accidents such as breakdowns on operating ships.

> (2) Research on Autonomous Ship Technology

We have more than 30 years of extensive data on evasive maneuvering by captains and officers, accumulated using in-house full-mission maneuvering simulators. This data is used in the development of evasive maneuvering algorithms. In 2023, the "Autonomous Vessel" initiative by NYK and three NYK Group companies (MTI Corporation, Nippon Marine Science Inc. and Kinkai Yusen Kaisha, Ltd.) received the "5th Japan Open Innovation Award,

Minister of Land, Infrastructure, Transport and Tourism Award" sponsored by the Cabinet Office.

• Received the "Data Management Grand Prize Award"

Our company was awarded the grand prize at the Data Management 2024 held by the Japan Data Management Consortium (JDMC) in recognition of our efforts to improve and utilize the data lake * in the three areas. i.e. Ship operation management, deepening of the marine transportation business, and group business management. This award is presented to companies and institutions that have made noteworthy efforts and achievements and are recognized as a model for others in the future.

*Data Lake: A data management system for the utilization and analysis of data. Suitable for collecting and storing large amounts of data because the data can be stored in any format or size

Intellectual Property Evaluation and Reward System

We have established regulations for handling employee inventions with the objective of encouraging our employees to make inventions, to guarantee their rights as inventors, and to ensure the rational management and utilization of patent rights acquired through inventions.

Others

Intellectual Property

Governance

Organization

Strategy and Risk Management

Obtaining Intellectual Property Rights
Intellectual Property Evaluation and Reward System

- Protection of the intellectual property rights of the NYK Group
- Understanding and Respecting the Intellectual Property Rights of Others
- Utilization and Contribution of Intellectual Property

Initiatives

- Representative Examples of Patents

Relevant Data

Intellectual Property

Protection of the intellectual property rights of the NYK Group

We apply for and manage the patents and other industrial property rights with the aim of identifying intellectual property through originality and ingenuity, differentiating itself from other companies with this intellectual property, and contributing to the business. We also protect ideas that can be intellectual property and other assets such as ship data.

Understanding and Respecting the Intellectual Property Rights of Others

Our group clearly states in “NYK Code of Conduct” and “CSR Guidelines for Business Partners” that it will not infringe on the intellectual property rights of others, and implements this policy throughout its value chain. We respect the intellectual property rights of others, as much as our own intellectual capital rights. We work to reduce the risk of infringement of rights held by others by conducting surveys to avoid industrial property infringement, responding to internal consultations regarding intellectual property contractual clauses, and holding regular intellectual property training sessions.

Utilization and Contribution of Intellectual Property

Appropriate use of our group's intellectual property will not only increase our group's corporate value through monetization, but may also contribute to solving industrial and social issues.

Contributing to the Revitalization of the Maritime Industry through the Use of Technology and Patents

In April 2023, we established the "Shipbuilding Business Group" within the Technology Division. We, either independently or in combination, provide solutions to the technical needs of ship owners, ship management companies, etc., through the technologies and know-how accumulated by our Group in its engineering and marine affairs divisions and engineering group companies, strive to solve various problems of the maritime cluster and contribute to the realization of safe and sustainable maritime transportation.

Initiatives

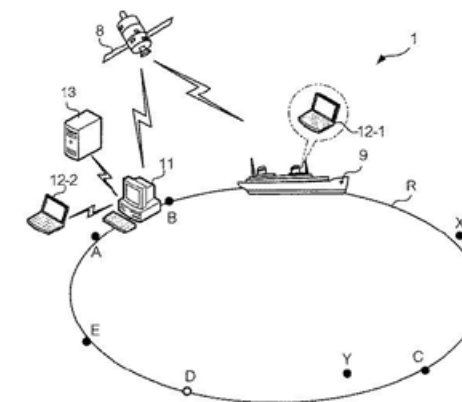
We are developing cutting-edge technologies related to safe navigation and environmental protection, such as IBIS Project, which utilizes big data for optimal economic navigation, and the MT-FAST (hull additive), an energy-saving device that greatly improves fuel efficiency.

Representative Examples of Patents

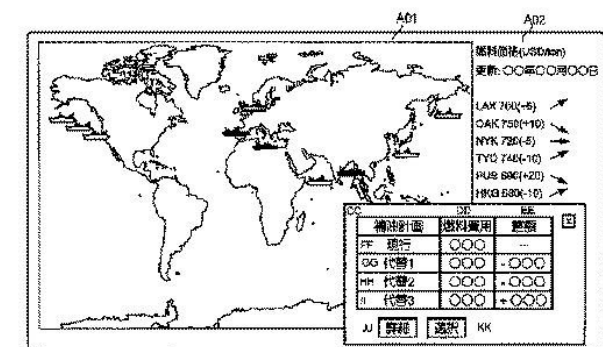
IBIS Project-related Patent (Patent No. 5591429)

This invention provides a mechanism for presenting an oil replenishment plan (oil refueling port and oil refueling amount in the oil refueling port) for reducing fuel cost during ship voyages. For example, if a change in fuel prices at a particular port leads to a refueling plan that will allow a ship in transit to save fuel cost compared to the current refueling plan, the ship's operator and other users will be notified of the same. As a result, users can easily find out the desired refueling plan.

Overall structure of the refueling plan support system



Screen image of the refueling plan support system



- AA Fuel price
- BB Updated: year/month/day
- CC Bunkering plan
- DD Fuel cost
- EE Differential
- FF Current
- GG First alternative
- HH Second alternative
- II Third alternative
- JJ Details
- KK Select

Others

Intellectual Property

Governance

Organization

Strategy and Risk Management

- Obtaining Intellectual Property Rights
- Intellectual Property Evaluation and Reward System
- Protection of the intellectual property rights of the NYK Group
- Understanding and Respecting the Intellectual Property Rights of Others
- Utilization and Contribution of Intellectual Property

Initiatives

- Representative Examples of Patents

Relevant Data

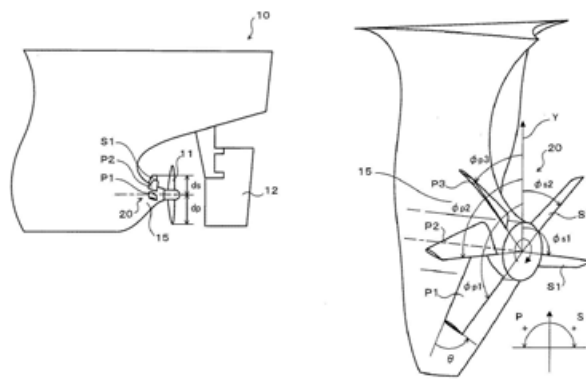
Intellectual Property

● MT-FAST Patent (Patent No. 5002378)

This invention relates to a marine propulsion efficiency improvement device and its installation method.

Ships use engine power to rotate propellers and push seawater backward, converting it into a force that propels the ship in the direction of travel. However, when the rotational force is converted into propulsion force, a vortex called swirling flow is generated, which lowers propulsion efficiency. This invention is a hull appendage "MT-FAST" consisting of several twisted shaped fins. It is attached to the front of the propeller to regulate the water flow flowing into the propeller and to reduce the swirling flow generated behind the propeller. As a result, the propeller propulsion power gets improved, and approximately 4% fuel saving becomes possible.

■ Outline of a ship equipped with a marine propulsion efficiency improvement device

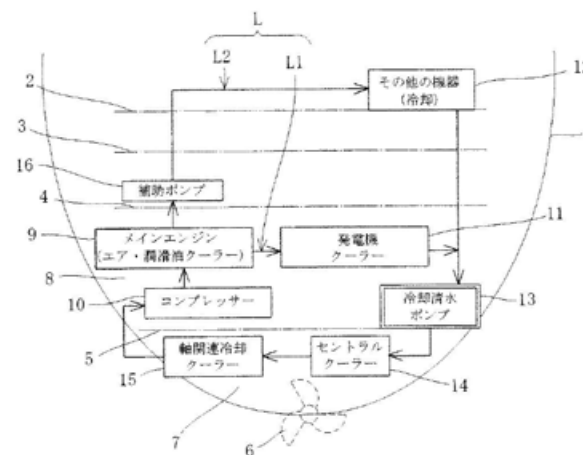


● Reduction of Energy Consumption of Auxiliary Equipment (Patent No. 5474574)

This invention relates to a fresh water cooling system for ships.

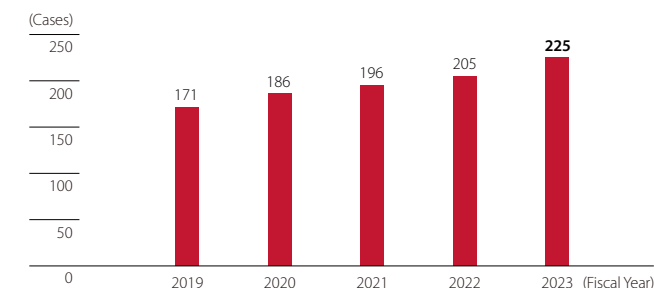
In large ships, the height of the equipment in the upper accommodation area of the ship from the cooling fresh water pump is about 25 m or even higher. As a fresh cooling water pump, a high-capacity, high-lift pump with a large discharge pressure is required, but the challenge is that a large amount of power is consumed to drive the pump. This system divides the cooling system into upper and lower sections. By using an auxiliary pump to supply fresh water to the upper system, the required lift of the cooling fresh water pump can be lowered, and the power consumption for driving the pump can be reduced.

■ Schematic diagram of the fresh water cooling system



Relevant Data

■ Number of Patents



(Note) Numbers of patents indicate the number of cases at the end of each fiscal year

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

- NYK Group's Basic Stance on Human Rights
- Systems and Programs

Initiatives

- Environmental Preservation
- Supporting Developing Countries
- Realizing an Inclusive Society
- Fostering Future Generations
- Community investment
- Disaster Relief

Related Data

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights

Governed by business management centered around ESG, and under the theme of "giving back to the oceans, earth, and people," the NYK Group is committed to social and environmental issues. Aiming to enhance our corporate value for all of our stakeholders through these activities, the Group launched the "NYK Sustainability Initiatives (NYKSI)." We have been conducting these activities since 2021.

● Activity Policy

1. Realizing a sustainable future society

By utilizing the various resources of the NYK Group, we carry out activities that contribute to the realization of a better future for society. Our main objectives include preserving the environment, supporting developing countries, realizing an inclusive society, and fostering future generations, among others. As a group that carries out corporate activities globally in the field of the natural environment, we proactively encourage and support the efforts of our Group employees to solve social and environmental issues, leading to the creation of innovation and the seeds of commercialization.

2. Raising NYK Group employee awareness of solving social issues

Participating in activities addressing the NYK Group Sustainability Initiatives, we incorporate different values and perspectives to nurture a corporate DNA that includes the NYK Group Values of integrity, innovation, and intensity, or the 3I's, and aim to raise awareness of solving social issues.

3. Increasing engagement through connection with society

Through connection with various stakeholders during activities addressing the NYK Group Sustainability Initiatives, we aim to become a Group that can dream and work with pride by gaining awareness of how we can continue to be of service to society.

● "NYK Group Sustainability Initiatives" Logo

The turquoise color of the NYK Group Sustainability logo, a mixture of blue and green, is consistent with the group's theme of "giving back to the oceans, earth, and people." We nurture the seeds of new business to solve social issues, and this is expressed by buds growing from the earth.



Systems and Programs

A variety of systems and programs have been introduced to encourage NYK Group staff members to take on the challenge of solving social issues through activities based on the NYK Group Sustainability Initiatives.

● NYK Introduces "YUSEN" Volunteer Point System

Points are granted for each form of contribution made by employees, and NYK then tallies the points granted during the year, converts them to a monetary amount, and makes donations in that amount to charities. We implemented the point system in June 2014 as a mechanism to support the volunteer activities of our employees.

In 2023, 694 people from 36 companies participated and registered 955,270 points (89.7% increase compared to the previous year). In response to this significant support, in April 2024, the Company donated a total of 1,910,540 yen to two organizations engaged in support activities in the fields of environmental preservation and support for developing countries.

● Matching Gift Program

The matching gift program is a program under which NYK provides an additional contribution proportional to the contributions made by employees to an NPO or similar organization.

● "NYK Group Sustainability Initiatives" Web Portal

The "NYK Group Sustainability Initiatives" program has been established on the Company's intranet. Through these initiatives, we introduce collaborative activities with external partners that are being carried out within the Company, as well as initiatives aimed at resolving social issues that have been proposed and implemented by our Group employees. We also conduct projects that could lead to the creation of new business opportunities, aiming to promote and invigorate activities that contribute to solving social issues.

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights Systems and Programs

Initiatives

- Environmental Preservation
- Supporting Developing Countries
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Related Data

The Challenge to Solve Social Issues

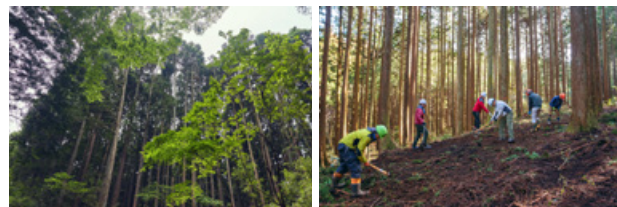
Initiatives

Environmental Preservation

The Group continues to conduct its business in the natural environment and is thus involved in environmental preservation of the marine environment and biodiversity conservation activities. Among these activities is "Giving Back to the Oceans," our marine environment conservation initiative positioned within the "NYK Group ESG Story." Through our activities, we collaborate with partnering non-profit organizations and educational institutions seeking to protect the irreplaceable treasures that are our oceans.

• The "Yu no Mori" Reforestation Project

Under the "Yu no Mori" Reforestation Project, the Group employees worked with the local community to revitalize a forest with a wide variety of vegetation by regenerating a man-made forest of mainly coniferous trees. After concluding a regional revitalization through a forest development partnership agreement with Gotemba City in April 2022, the project was officially launched in May 2024. Working together with the Group employees as well as the local community members, we aim to plant our cherished forests.



The "Yu no Mori" Forest Revitalization Project

Scene of forest maintenance

• Kishu Minabe Sea Turtle Research Project

Since 2016, NYK has supported the "Kishu Minabe Sea Turtle Research Project" launched by Earthwatch Japan,* a specified non-profit organization. Every July, a group of approximately 20 volunteers comprising Group employees and local community members participate in a survey to deepen understanding of changes to the natural environment and living things.

Minabe town in Wakayama Prefecture is the largest place on the main island of Japan where loggerhead sea turtles lay their eggs, but now sea turtles are in danger of dying out. Research of the sea turtle's lifestyle has been undertaken since 1990 in Minabe town. In this program, volunteers who work under the guidance of researchers from the Sea Turtle Association of Japan and the Minabe Sea Turtle Research Project (run by a local citizen group) check and assist with attaching identification tags to the loggerhead sea turtles that come ashore at night to lay their eggs, and measuring the length and width of the turtles' shells.



Loggerhead sea turtle

Volunteering participants

*Kishu Minabe Sea Turtle Research Project:

In Minabe town of Wakayama Prefecture, loggerhead turtles are spotted yearly at Senrinohama Beach and the nearby Iwashirohama and Takahama beaches. However, due to a lack of personnel and other reasons, surveys for individual identification of these turtles have not progressed. With the help of volunteers, this program conducts surveys to count the number of eggs laid throughout a turtle's life with the goal of contributing to preserving the loggerhead turtle and revealing their ecology.

• Visualizing Diversity Using Environmental DNA and Contributing to the Realization of a Nature-Positive Society

The NYK Group is a member of the ANEMONE* Consortium, a network that aims to realize a natural symbiotic society utilizing environmental DNA, and contributes to the expansion of a database by providing seawater samples and to the expansion of the survey areas. Our company vessels conduct sampling of seawater to gather environmental DNA (DNA originating from living things that exist in the natural environment, such as in water and soil). The samples are then analyzed at Hokkaido University and Tohoku University in Japan, and the analysis results are released on the ANEMONE Database.

Environmental DNA analysis is a revolutionary form of ecological survey that allows researchers to understand the variation and distribution of organisms living in the surrounding waters from as little as a single bucket of water. The aim of visualizing biodiversity is to incorporate this information into economic considerations. We will continue to provide our knowledge from a corporate perspective to put the results of this project into practice in society, thereby contributing to the conservation of biodiversity and the realization of a nature-positive society.

* ANEMONE: ANEMONE stands for All Nippon eDNA Monitoring Network, a biodiversity observation network using environmental DNA (eDNA).

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights Systems and Programs

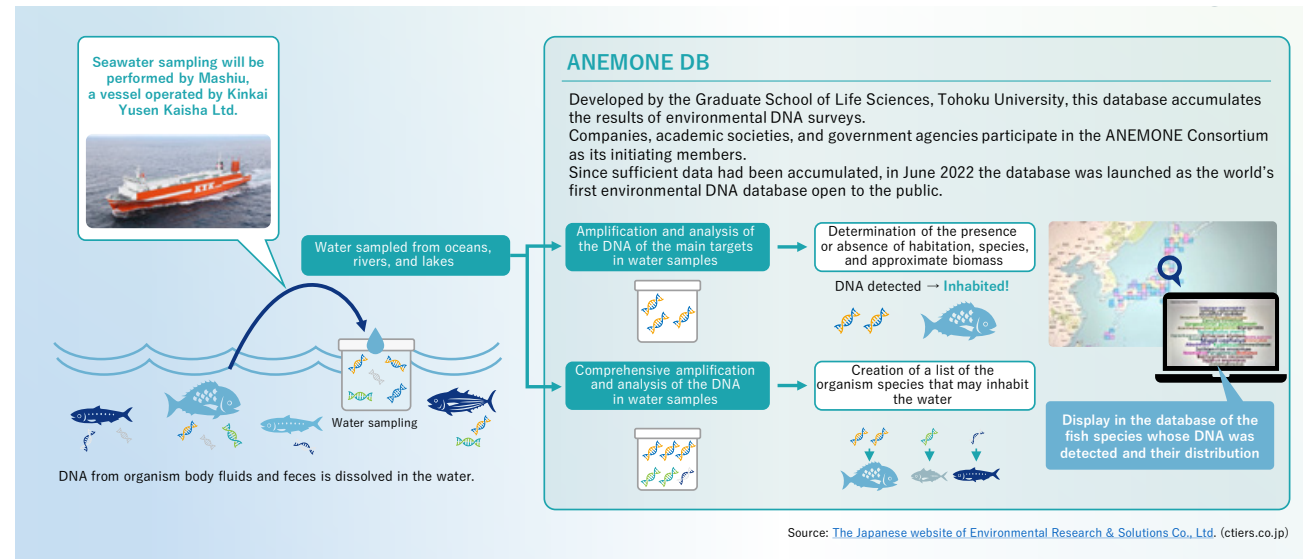
Initiatives

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- Disaster Relief

Related Data

The Challenge to Solve Social Issues

Overview of ANEMONE Consortium



Contribution to the Analysis of Marine Plastics Pollution

Since 2020, NYK and the Chiba Institute of Technology have been working on world-leading marine surveys targeting all ocean areas with an aim to reveal the state of the distribution of mainly marine plastics constituting microplastics measuring 5 mm or less. Thus far, the microplastic samples have been collected from more than 150 locations by utilizing the network of vessels held and operated by the Group. Once the samples are analyzed by Kameda Laboratory at the Chiba Institute of Technology, the results are published on a website as the World Marine Plastic Garbage Map.



NYK's Vessel Network



World Marine Plastics Garbage Map

In January 2023, NYK donated a "Raman microscope" capable of analyzing ultra-fine microplastics to the Chiba Institute of Technology. Using the Raman microscope, the Kameda Laboratory has been able to establish the world's first method of automatically analyzing ultra-fine microplastics. The donation of the microscope has enabled world-leading research to fundamentally solve the problem of marine plastics.

We will continue to collect samples on our vessels and expand the range of waters we survey. Moreover, we will continue to contribute to the international community by supporting Chiba Institute of Technology's efforts to establish methods for marine surveys focused on ultra-fine microplastics, and by supporting the provision of survey results with actual measurement data that will directly lead to a fundamental solution to the issue of marine plastics.

Contribution to the Atmosphere Analysis Research of Tohoku University

NYK is participating in a Tohoku University research project to study global greenhouse gas distribution and circulation. For more than 40 years since 1982, sample air has been taken at sea on two container ships shuttling between Japan and Australia, and on another traveling between Japan and North America. Analysis results of the sampled air have already revealed that the northern and southern hemispheres have varying concentrations of CO₂, and also that concentrations fluctuate seasonally and yearly. By adding observation points on the ocean to points on land, we have contributed to research in this area.

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

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Related Data

The Challenge to Solve Social Issues

● International Science Project "Argo Program"

The Argo Program is a project for launching floats (Argo floats) capable of monitoring ocean waters for changes in water temperature, salinity, and pressure. Approximately 3,000 Argo floats are deployed around the world, one for every 300 square kilometers of ocean, to monitor changes in the oceans indicating the effects of climate change. On November 19, 2010, NYK concluded an agreement titled "Agreement on Cooperation in Deployment of Scientific Floats for Global Ocean-Monitoring" with the Japan Agency for Marine-Earth Science and Technology (JAMTEC), a national research organization. For over a decade, the Company has been launching Argo floats, advancing the Argo Program, and contributing to the achievement of the Sustainable Development Goals (SDGs) defined by the UN.

Scientists around the world utilize the measurement results of the Argo floats in their investigations and research. Through summary reports of the UN-established Intergovernmental Panel on Climate Change (IPCC), the knowledge acquired from the plan is utilized in the framework of international global warming countermeasures and the policy decisions governing each country's response to climate change. Recently, in addition to climate change predictions regarding the El Niño phenomenon, the research has also contributed to improving the accuracy of weather reports, which are generally more familiar.

Going forward, NYK will continue to utilize the bounty of vessels we own and our shipping routes to launch Argo floats to remote areas that are difficult to access for the ships of the stakeholder organizations.

● Beach Cleaning

Since fiscal 2022, NYK has been participating in beach cleaning on Enoshima and Katase Nishi beaches in Kanagawa Prefecture. The beach cleaning activity is organized in collaboration with Nishi Hama Surf Life Saving Club (a specified nonprofit organization) as an environmentally friendly event, which the Company employees attend with their families.



Tullahan FY2023 beach cleaning

● Supporting Environmental Preservation in the Mikawa Bay Area

In June 2023, NYK donated 3 million yen to Nishio City in Aichi Prefecture to support the environmental preservation activities in Mikawa Bay area, where many vessels enter and leave port. The funds mainly went toward activities such as surveys and replanting of seaweed beds* and eelgrass seedlings. Moreover, since 2023, the Group employees have also been participating as volunteers for the annually held eelgrass replanting.

*Seaweed bed: A location where a variety of seaweed grow. Also referred to as the cradles of the seas, they are an important habitat that fulfills the roles of filtering water and providing a place for laying eggs and raising the young of sea creatures.

● Participation in Recycling Activities

We have been participating in the collection of empty disposable contact lens cases. The collected empty contact lens cases are recycled into various products, and resourced into a variety of products.

● NYK Donates to San Miguel Corporation (SMC) River Cleanup Project

NYK decided to donate a total of 1.5 million dollars over five years in support of the Pasig River and the Tullahan-Tinajeros River system cleanup efforts being implemented by the San Miguel Corporation. San Miguel is currently dredging and cleaning the Pasig River, along with the Tullahan-Tinajeros River system, to mitigate flood damage and prevent the discharge of waste into the ocean. NYK's donation was used to purchase the excavators, the equipment for dredging and cleaning these rivers to support the project. The excavators were transported from Japan to the Philippines by vessels operated by NYK, and in the Philippines by tractor trucks managed by Yusen Logistics Co. Ltd. The transport process was supported by the NYK Group, from start to finish.



Contributing to River Cleanup Efforts

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights Systems and Programs

Initiatives

- Environmental Preservation
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- Disaster Relief

Related Data

The Challenge to Solve Social Issues

● Other Environmental Activities Conducted Overseas

Aiming to raise awareness of the environment among the Group employees at our overseas bases and further our engagement, the Company employees have been participating in local environmental activities.

(Europe)

Removal of Garbage From London's Rivers and Restoring Habitats



(Americas)

Oyster Habitat Restoration Activities to Improve the Environment and Ecosystem of New York Harbor



(Asia)

Tree-Planting Activities to Recover Mangrove Forests



Link

For more information, click on the link below.

▶ **The Great River Rescue Campaign (thames21.org.uk)**
<https://www.thames21.org.uk/joinacampaign/greatriverrescue/>

▶ **Billion Oyster Project**
<https://www.billionoysterproject.org/>

▶ **Bangpu Nature Education Center**
<https://www.facebook.com/profile.php?id=100064828595593&mibextid=LQQJ4d>



Participants in FY2023 Tree Planting in Thailand

Supporting Developing Countries

Utilizing the resources of the Group, we support the realization of a society that can provide equal opportunities for education, health, and labor to people in developing countries.

● Transport Assistance for Used School Backpacks

NYK offers free transport assistance via a group company that operates container ships to support "School Backpack Supplies to School Children Program" in Afghanistan. This program is organized by JOICFP (Japanese Organization for International Cooperation in Family Planning) in which the organization donates used school backpacks of Japanese children to the children in Afghanistan.

Many of the school children in Afghanistan walk over 10 kilometers one way along steep mountain paths to attend open-air schools. By carrying textbooks and notebooks in school backpacks, they can safely walk along dangerous mountain paths. Previously, the guardians considered their children as wage workers; however, after observing children commuting to school with school backpacks, they began to become aware of the significance of education. The backpacks are now fundamental symbols of education among people in Afghanistan.



School Backpack Supplies to School Children Program

● Transport Assistance for Picture Books

We support the "Books for Children" campaign of the Shanti Volunteer Association (SVA), a public corporation that provides educational support to children in Asia. Since 2004, we have been working with a group company that operates container ships to provide transportation services to Cambodia, Laos, and other countries.

The SVA has participated in volunteer activities since 1999 by attaching translations in local languages to picture books written in Japanese. There are not enough schools, teachers, or textbooks in Cambodia and Laos due to national conflicts and poverty, and few local children's book authors. Picture books that are distributed by the SVA, are delivered to libraries in needy areas and used in classrooms to improve literacy and emotional education.



Books for Children Campaign

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights Systems and Programs

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Related Data

The Challenge to Solve Social Issues

• Transport Assistance for Reconditioned Bicycles

Our Company supports ChildFund Japan, a specified non-profit organization that aims to promote the growth of children living in poverty, primarily in Asia, as well as the self-reliance of their families and communities. In December 2023, we provided transportation support for transporting reconditioned bicycles to Sri Lanka as part of the Transport Assistance for Reconditioned Bicycles Project.

Currently, fuel shortages are worsening in Sri Lanka. This shortage resulted in a significant reduction in the operation of public transportation, and bicycles are getting a lot of attention as an alternative mode of transport. ChildFund Japan is therefore coordinating with local government to deliver bicycles that were abandoned in Japan to Sri Lanka.



Reconditioned Bicycles Support Project

• Transport Assistance for Wheelchairs

NYK has supported the activities of the Sakura Wheelchair Project (a specified nonprofit organization) and Wheelchairs of Hope (NPO) by transporting wheelchairs that are no longer in use in Japan to Ukraine and Pakistan.



the Sakura Wheelchair Project

• Charity Collaboration Project - Charity RUN + WALK+α

Since 2017, we have been conducting the "Charity RUN + WALK+α" event to promote the health of our Group employees through familiar sports such as running and walking, as well as to raise awareness of social issues. Donations made by employees based on their participation fees and the amount of exercise they perform are donated to Médecins Sans Frontières to contribute to improving the health of people who have no access to medical services due to conflict or disaster.

In recognition of these efforts, in 2018, NYK was certified as a "Tokyo Sports Promotion Company" by the Tokyo Metropolitan Government.



• Charity Collaboration Project - Donation of Winter Clothing

We support the winter clothing donation activity conducted by the Philippine Society of Japan (a non-profit organization) for Filipino nurse and care worker candidates coming to Japan under the Japan-Philippines Economic Partnership Agreement (EPA), and donate winter clothing collected within the company every year.

• Charity Collaboration Project - TABLE FOR TWO International (TFT) Lunch Menu

In April 2009, we started to support NPO TABLE FOR TWO International (TFT) by selling TFT healthy lunch boxes at our cafeteria. We donated an amount based on the number of lunch boxes sold to the organization. Subsequently, from October 2013 onwards, we are offering the TFT healthy menu once a week at our cafeteria. For each purchased TFT lunch menu, 20 yen is donated to TFT for one school meal for children in developing countries.



• Selling Fairtrade Products

NYK switched the coffee served inside its head office coffee shop in April 2016 to Fairtrade products. Fair trade is a trade mechanism that aims to improve the lives and independence of producers and workers in developing countries, who may find themselves in a disadvantageous position, by agreeing to continuously purchase the materials and products of developing countries at appropriate prices. As part of the company's social contribution activities and rising employee awareness of global social issues, NYK has been making Fairtrade products such as coffee, tea, and chocolates available for sale to employees. In FY2023, approximately 68,000 cups of Fairtrade certified coffee and tea drinks were sold.



Certification Label

Others

The Challenge to Solve Social Issues

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Related Data

The Challenge to Solve Social Issues

Realizing an Inclusive Society

Our Group aims to realize a society where all people can live comfortably.

• Aozora Soccer School

Since 2022, in collaboration with Tokyo Football Club Co., Ltd. (FC Tokyo), we have been hosting the Aozora Soccer School for children with intellectual and developmental disabilities at our Tobitakyu Sports Center.



Aozora Soccer School

• Yusen's Storytelling Volunteers Bring Moments of Joy to the Community

A group of NYK Group volunteers called "Yusen Yomikikasetai" have visited a nursing home in Yokohama twice a year since 2005. The volunteers perform picture-card shows, dances, musical instruments, and sing-alongs with the residents at a nursing home. During the visits, the residents gradually start to sing along, clap their hands, and enjoy themselves, bringing smiles to all those involved.



Yusen's Storytelling Volunteers

• Making Envelopes from Vintage Nautical Charts

Since April 2019, NYK Group volunteers have used their lunch breaks to make envelopes from nautical charts that are no longer in use. These envelopes are then donated to the Japan Braille Library and used in its shop to package items destined to recipients living with a visual impairment. This program was initiated by Mitsubishi Ore Transport Co. Ltd., which introduced the know-how of how to make these envelopes in 2015.



Making Envelopes from Vintage Nautical Charts

Making envelopes

• Support for Swan Bakery

Swan Bakery was primarily established by the Yamato Welfare Foundation and Yamato Transport Co. Ltd. (currently, Yamato Holdings Co., Ltd.) for the purpose of fostering a society in which all people, including people with disabilities, can live and work in harmony. Swan opened its first shop in Ginza, Tokyo, in 1998, and

the company has established bakeries and franchises nationwide. In 2005, NYK began supporting the activities of the Swan Bakery through internal sales.



• Sales of Castanet Bakery Goods

Castanet is a workplace operated by the social welfare corporation Hanamizuki No Kai, which allows its employees to work actively and to the best of their abilities. Since 2011, NYK has supported these activities by selling sweets made with select ingredients at the company shop.

Fostering Future Generations

Our Group utilizes its resources to foster future generations who will lead the future.

• International Short-term Student-exchange Program

We conduct an international short-term student-exchange program between the NYK-TDG Maritime Academy (NTMA), which NYK operates in the Philippines, and national maritime schools in Japan.

Others

The Challenge to Solve Social Issues

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Related Data

The Challenge to Solve Social Issues

● Seasonal Theater - Kokoro no Gekijo

To convey the important things in life, such as the importance of life, compassion, and the joy of trusting one another to our children through the stage, we have become a sponsor for the 2024 edition of "Kokoro no Gekijo," a project run by Shiki Theatre Company that invites sixth graders across the country to attend family musical performances free of charge.

● The New Colombo Plan (NCP) - Accepting Australian Interns

Our company has participated in the New Colombo Plan Mitsubishi Group Internship Program. The New Colombo Plan* is a next-generation development assistance program sponsored by the Australian federal government (Department of Foreign Affairs and Trade). We accepted Australian university students studying in Japan as interns under this program. The interns were given a tour of the port of Yokohama (Daikoku) Car Terminal and a ship-handling simulator experience at Japan Marine Science Inc. (JMS). They also learned about the business activities of the NYK Group through an introduction to our ESG management and a game in which they had to create a voyage schedule as a ship operator.

The Group will continue to create opportunities for active exchange with Australia to promote development of international human resources, and understanding of diverse cultures, and to strengthen partnerships between Japan and Australia.

* A scholarship program that supports study abroad, language training, and internships for Australian students in the Indo-Pacific region. The goal of the program is to enrich the students' lives by creating opportunities for them to experience the diverse cultures, languages, businesses, and education systems of neighboring countries.



Students manning the ship simulator at JMS



Visit to NYK Headquarters

● Unko Drill: Marine Logistics

In July 2022, NYK and Bunkyo-sha jointly produced "Unko Drill: Marine Logistics," a study reference book that provides elementary school students an enjoyable way to learn about shipping and the work of seafarers. Approximately 150,000 copies of the book have been donated to around 1,400 public elementary schools throughout Japan. The "Unko Drill" series are learning reference books for students ranging from young children to high school age youth. The books are known for their use of the keyword "Unko" (poop), which gives learning a humorous touch. Over 10 million copies of the series have been published.



Unko Drill: Marine Logistics

Community Investment

As an organization that conducts business activities globally, the Group aims to be of benefit to tomorrow by fulfilling various tasks and expectations of regional communities around the world. We contribute to and invest in seafarer education to develop the maritime industry, and we also carry out activities tailored to the needs of the community to help the next generation (*Mirai*), regardless of nationality, understand the close connection between the shipping industry and society.

● Awarding Scholarships to Two Chinese Maritime Universities

NYK awarded scholarships to a total of 82 student attending Dalian Maritime University and Shanghai Maritime University in the People's Republic of China. Implemented annually since FY2001, the scholarship program has been carried out 23 times, awarding scholarships to 1,529 students. NYK will also continue to support the education of seafarers in order to contribute to society as a good corporate citizen.

Others

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Related Data

The Challenge to Solve Social Issues

Disaster Relief

The Group utilizes its resources, in addition to donations and the support of local activities by NYK Group employees, to aid disaster relief activities.

● Great East Japan Earthquake Relief Efforts

In addition to dispatches of employee volunteers that have been ongoing since 2011, the NYK Group started to send new hires from 2014, and from 2018 employee family members have also been welcomed as volunteers. To be of assistance, the group engages in activities such as interacting with local people working the area's fields and making efforts for reconstruction.

> 2011 – 2012 (Recovery period)

A total of 300 volunteers engaging in about 1,000 days of dispatch activities under the guidance of the Rikuzentakata City Disaster Volunteer Center.

> 2013 – 2019 (Reconstruction Period)

A total of 224 volunteers participated in canola-flower-field maintenance, firewood chopping, and community building in Rikuzentakata, Otsuchi, and Kamaishi.

● Supporting Canola-Flower-Field Reconstruction Project

In August 2015, the Company concluded a contract for ownership of a canola flower field along the Sanriku shoreline with United Green. United Green is a general incorporated association that has implemented a recovery project involving canola flower fields in Kamaishi City in Iwate Prefecture. This project aims to plant canola flowers in and around farmland damaged by salt from the tsunami and abandoned fields to improve the landscape of the area, and produce cooking oil from harvested canola flowers, cultivating

a local product. In the canola flower field that NYK owns, our employees reap, sow, and provide other assistance as volunteers. The harvested canola oil is sold at the Company for charity, and the proceeds are donated to the Tohoku Support Project.



Umi to Mori no Natane Oil



NYK-owned canola flower field

● NYK Group - JPF Joint Aid Supplies Transportation Projects

The Company has implemented the NYK Group-JPF Joint Aid Supplies Transportation Project in cooperation with Japan Platform (JPF), an international humanitarian assistance organization.

The initial inspiration for the launch of this project first came when the NYK Group and JPF jointly provided emergency relief to victims of the immense earthquake that occurred off the northern tip of Sumatra, Indonesia, and the tremendous damage in Southeast and South Asia that resulted from the subsequent tsunami on December 26, 2004.

In this project, first, the nongovernmental organizations (NGO) that participate in the JPF program and the JPF members conduct intensive preliminary assessments to determine what aid supplies are required by victims. Based on the assessment, NYK transports emergency aid commodities free of charge on its container ships to a port near the disaster site. Next, JPF/NGO members deliver emergency supplies to those in need.



Rice allowances for those in need after the earthquake in Pakistan



Free transportation to the victims of Myanmar cyclone

Others

The Challenge to Solve Social Issues

Strategies and Risk Management

NYK Group's Basic Stance on Human Rights Systems and Programs

Initiatives

Environmental Preservation
 Supporting Developing Countries
 Realizing an Inclusive Society
 Fostering Future Generations
 Community investment
 Disaster Relief

Related Data

The Challenge to Solve Social Issues

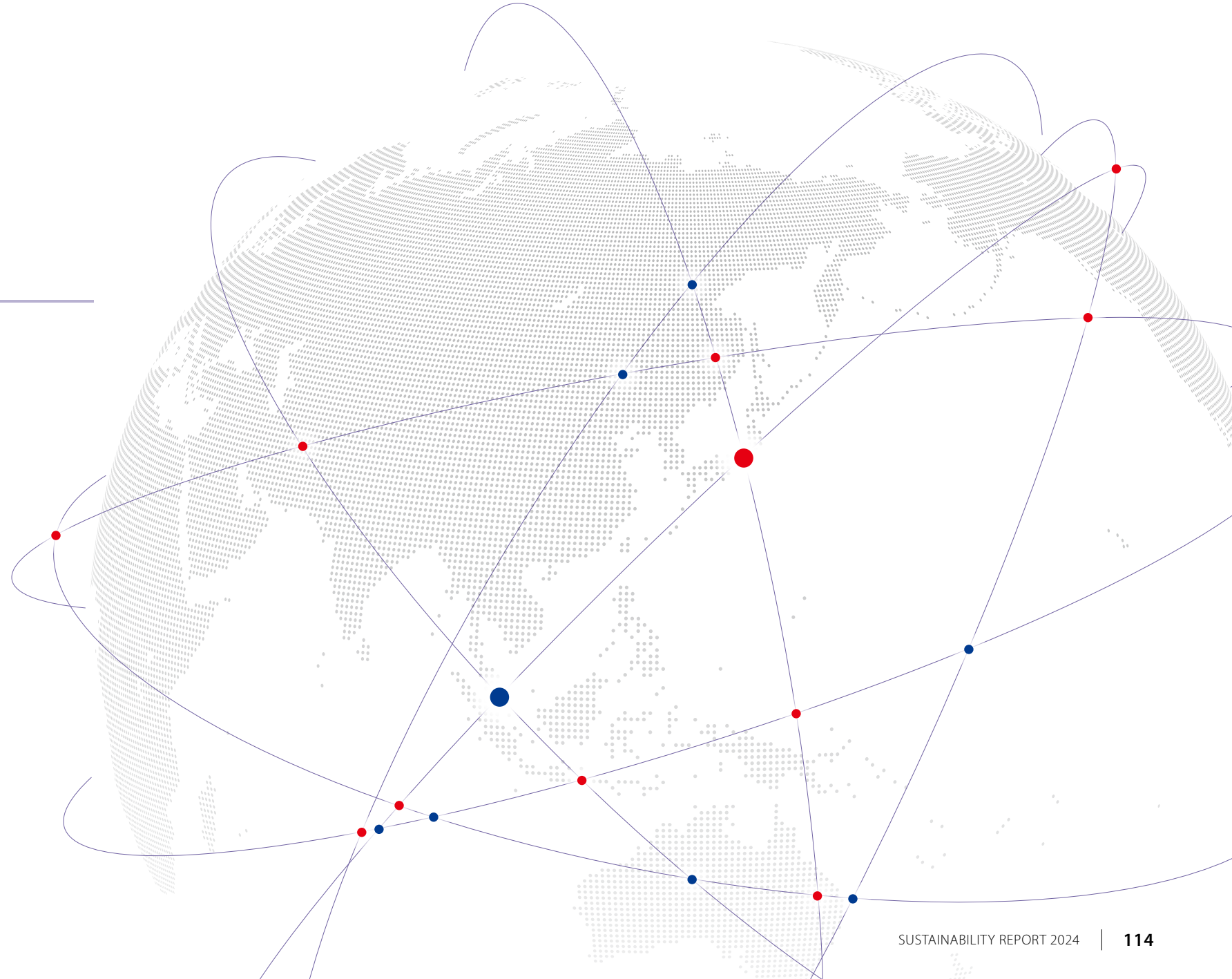
Related Data

Support Supplies Shipped over the Past 11 Years

	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Bicycles	Qty	2,250	1,800	900	900	800	800	450	450	450	410	–	9,210
School Backpacks	Pieces	19,068	18,704	15,780	16,725	12,965	21,058	18,084	9,567	10,308	14,784	12,606	169,649
Picture Books	Copies	14,706	13,632	15,306	17,222	17,547	17,990	17,588	16,221	15,179	18,023	18,102	181,516

Note: Bicycle donation activity completed in FY2022.

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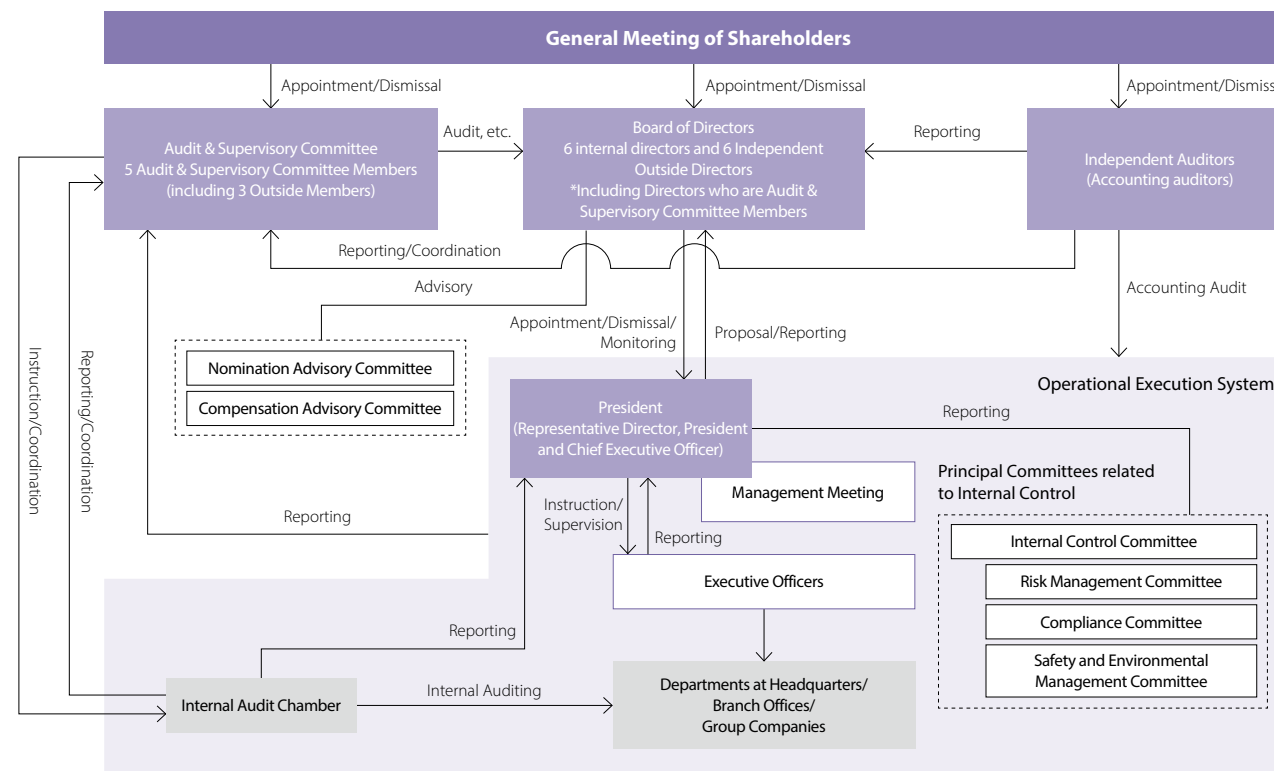
Basic Views on Corporate Governance

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.



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.



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](https://www.nyk.com/english/ir/library/nyk/) 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

Executive Compensation

Views

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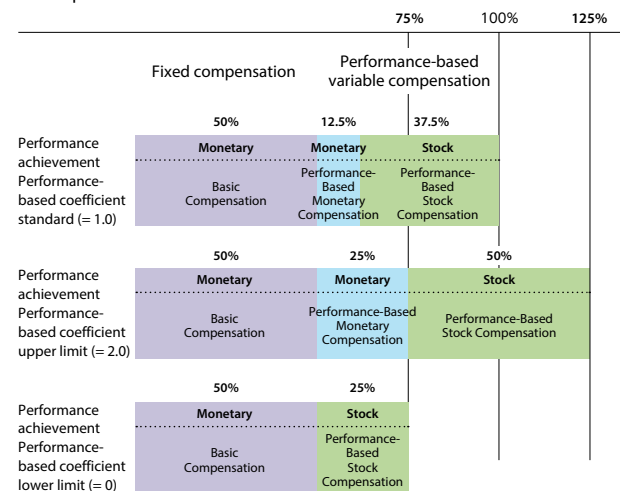
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■ Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members), etc.

Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Compensation
¥510 million/year	¥0.3 billion/year	¥1.6 billion/3 years

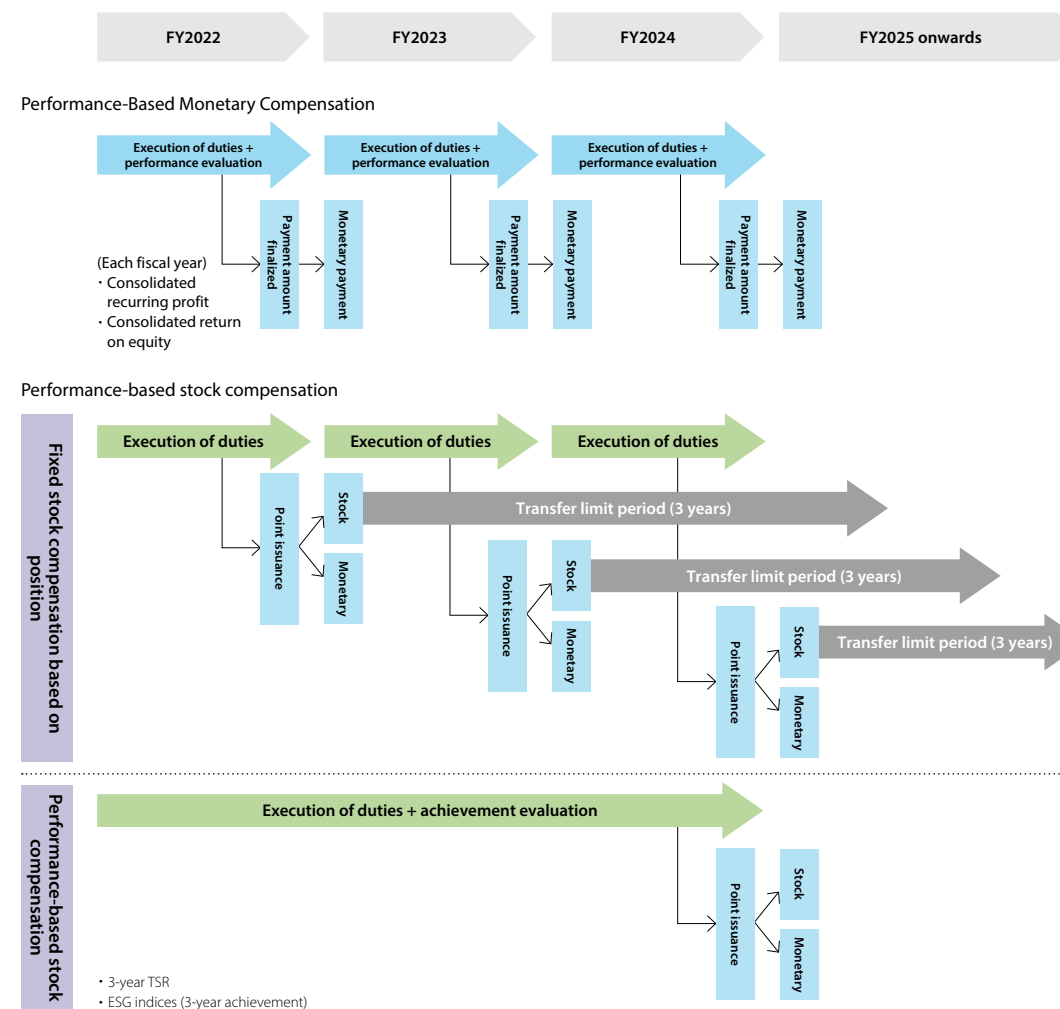
- (Note 1) Of the total amount of basic compensation of up to ¥510 million per year, the total amount for outside directors shall not exceed ¥150 million per year.
- (Note 2) The amount of performance-based stock compensation is the maximum amount of trust money to be contributed by the Company.
- (Note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

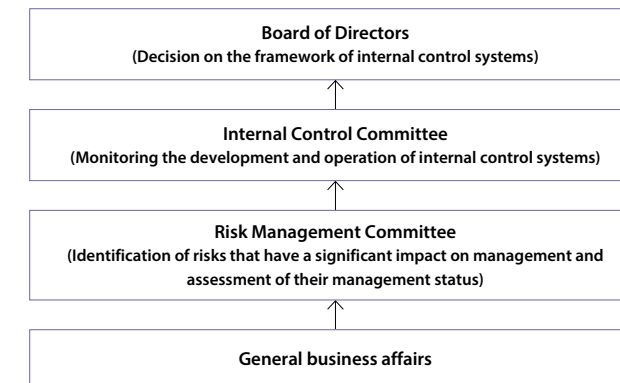
Total amount of compensation, etc. for officers whose total amount of compensation, etc. are ¥100 million or more (FY2023)

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

Governance

- 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.

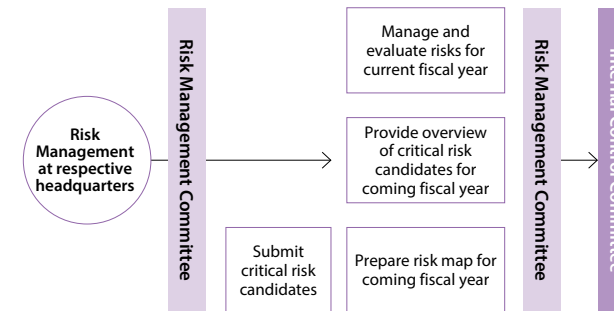
The Group defines risks as "uncertainties that could affect its achievement of continuous growth." The Group strives to prevent the occurrence of risk by establishing a risk management system based on the Risk Management Policy and Risk Management Rules to identify, evaluate, and formulate policies to 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.

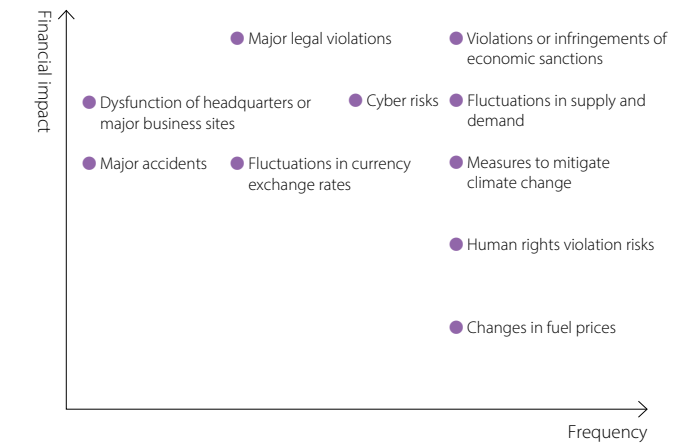
Risk Management System



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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Enterprise Risk Management (ERM)

Critical Risks and Major Risks

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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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- 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

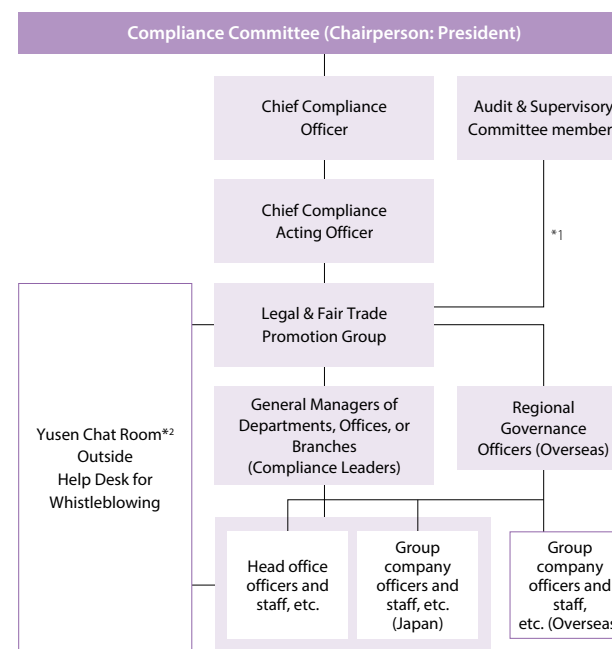
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"Integrity," one of the Group's values (values that employees should share in order to realize our corporate philosophy), means to be respectful and considerate to customers and colleagues, and stay warm, cordial, courteous, and caring. In the context 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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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)

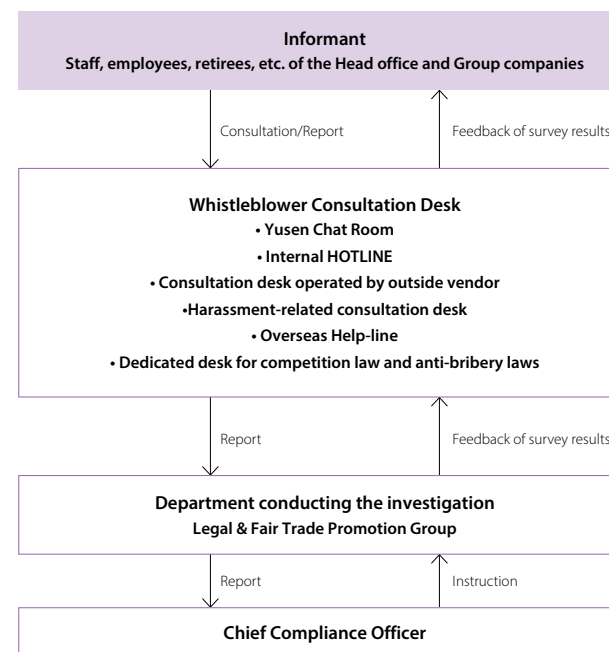
● Overseas Help-line

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	
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	
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.

Governance

Compliance

Governance

NYK Code of Conduct
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.



CERTIFIED

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
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Initiatives

- Main IR Activities
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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.

Corporate Information

Profile

(as of April 30, 2024)

Corporate Name	Nippon Yusen Kabushiki Kaisha (Nippon Yusen Kaisha, or NYK Line)
President	Takaya Soga
Head Office	100-0005 Yusen Building, 2-3-2 Marunouchi, Chiyoda-ku, Tokyo Link Location https://www.nyk.com/english/profile/location/ TEL: +81-3-3284-5151
Branch Office	Hokkaido branch (Sapporo city), Akita branch (Akita city), Yokohama branch (Yokohama city), Nagoya branch (Nagoya city), Kansai branch (Kobe city), Kyushu branch (Fukuoka city)
Established	September 29, 1885
Paid-In Capital	JPY 144,319,833,730
Number of Employees	35,243

Business Details

Liner Trade Business

Under Ocean Network Express Pte. Ltd. (ONE), a joint venture company, we have established a shipping network connecting more than 100 countries around the world together with Kawasaki Kisen Kaisha, Ltd. and Mitsui O.S.K. Lines, and are developing a liner container ship business to transport general consumer goods globally. We also provide services related to terminals and harbors as relay points to support international logistics through intermodal transportation by sea and land.

Automobile Business

With the world's largest fleet of approximately 110 vessels and sophisticated transportation technology, we offer high value-added services, mainly import and export of finished vehicles, as well as support for tri-nation transportation. We are committed to developing infrastructure that is a step ahead of our competitors, including the construction and operation of dedicated terminals for finished vessels in various locations, as well as investments in and development of inland transportation networks.

Energy Business

We contribute to the stable supply of energy worldwide through our involvement in various areas of the energy value chain, from upstream to downstream. In recent years, seeing the global trend toward decarbonization as a business opportunity, we have also focused on business development related to next-generation/zero-emission fuels and renewable energies.

Logistics Business

Leveraging the network that links our global bases, we have built an optimal supply chain that combines a variety of logistics services spanning ocean, land, and air, from warehousing and distribution to marine and air transportation, to meet the increasingly sophisticated and diverse needs of our customers.

Dry Bulk Business

We specialize in the safe transportation of bulk commodities* such as iron ore, coal, and wood chips, which are critical to worldwide economic activities. We encourage the introduction of transportation technology and fleet development based on cargo characteristics, and our customers all over the world value our expertise and global sales network.

*Bulk cargo: Cargo that is transported without packaging

Other Businesses

Our cruise ship business offers a wide variety of cruises, from short cruises to grand cruises around Asia and Oceania. We also manage real estate owned by us and our group companies, and conduct research and development to provide optimal solutions in all areas of logistics technology.

Corporate Information

External Recognitions of NYK

The Group has been evaluated and selected for inclusion in various SRI indexes* provided by a number of index providers and other institutions as a group of companies that actively promote ESG (Environment, Social, Governance) activities. The following is a representative sample of the evaluations we have received as of July 2024.

*SRI: Social Responsible Investment

[Link](https://www.nyk.com/english/sustainability/evaluate/) For more information, please see below.
<https://www.nyk.com/english/sustainability/evaluate/>

Example of Inclusion in a Representative Global SRI Index

NYK has been selected for 22nd consecutive years (as of July 2024) for inclusion in the FTSE4Good Index Series, a leading global SRI index, and is also a constituent of the MSCI Nihonkabu ESG Select Leaders Index. NYK has also been selected for inclusion in all six SRI indexes for Japanese equities used by the General Pension Investment Fund (GPIF).

■ Six SRI indexes for Japanese stocks used by Government Pension Investment Fund (GPIF) (as of July 2024)

FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index
MSCI Nihonkabu ESG Select Leaders Index
MSCI JAPAN Empowering Women Index (WIN)
S&P/JPX Carbon Efficient Index
Morningstar Japan ex-REIT Gender Diversity Tilt Index

Example of evaluation in "Environment" field

For the fourth consecutive year, NYK has been recognized as an "A-list" company, the highest-possible ranking, by the international non-governmental organization CDP* using the "CDP2023 Climate Change Rating" given for companies that are doing particularly well in terms of climate change response, strategy, and information disclosure.

Additionally, CDP has been conducting surveys on companies' efforts to address climate change and reduce greenhouse gas emissions throughout their supply chain. For the fourth consecutive year, NYK has been selected as a "Supplier Engagement Leader," receiving the highest evaluation in the "supplier engagement rating," which assesses how effectively companies collaborate with their suppliers on climate change issues.

*CDP: Formerly Carbon Disclosure Project

[Link](https://www.cdp.net/en/scores) For more information, please see below.
<https://www.cdp.net/en/scores>



Example of evaluation in "Society" field

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, NYK has been evaluated as a "high-level child-rearing support company" and was recognized with the "Platinum Kurumin certification"*¹ in September 2021 from Japan's Ministry of Health, Labour and Welfare.

In addition, NYK was selected as a "Nadeshiko Brand"*² company in 2024, which recognizes "enterprises that encourage the empowerment of women" by providing consistent support for career development and work-and-family-life balance regardless of gender.

For an eighth consecutive year, NYK has been recognized in the large enterprise category of the 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program, a cooperative initiative by Japan's Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi.

*1 Kurumin Certification is a system that allows a company to be certified by the Minister of Health, Labour and Welfare as an excellent company that supports child rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

*2 Nadeshiko Brand is a system where Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly select and announce listed companies for their outstanding efforts in encouraging women's success in the workplace





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