

(Translation)

Corporate Governance Report

Nippon Yusen Kabushiki Kaisha

Last Update: June 20th, 2024

Nippon Yusen Kabushiki Kaisha

Takaya Soga, President

Contact: Corporate Law and Stock Team, Legal & Fair Trade Promotion Group

03-3284-5151

Securities Code: 9101

<https://www.nyk.com/english/>

The corporate governance of Nippon Yusen Kabushiki Kaisha (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

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, pursuant to the resolution for amendments to the Articles of Incorporation for the transition to a Company with Audit & Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 21, 2023, the Company has transitioned to a Company with Audit & Supervisory Committee. The Board of Directors consists of 12 members including six highly independent Outside Directors and the Audit & Supervisory Committee consists of five members including three highly independent Outside Directors. 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 order to ensure the transparency of the functions of the Board of Directors, the Nomination Advisory Committee and the Compensation Advisory Committee, which consist of a majority of Independent outside directors, are established as advisory bodies to the Board of Directors and chaired by an Outside Director (the lead Outside Director in principle). These Committees hold meetings regularly. In addition to the Board of Directors and advisory committees, 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.

[Reasons for Non-compliance with the Principles of Japan’s Corporate Governance Code]

The Company complies with all principles of the Code, including those for the Prime Market.

[Disclosure Based on the Principles of Japan’s Corporate Governance Code]

<Principle 1.4 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 markedly short of an appropriate level
- Whether the proposal will be appreciated as a means of shareholder returns to a certain extent in terms of payout ratio, etc.

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

- Whether the Company reported loss and paid no dividends in the past three fiscal years, and is not expected to make any improvements
- Whether there were 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

<Principle 1.7 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 following rules: (1) Directors are required to report the status of any such concurrent positions to the Board of Directors every three months; (2) 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 (3) 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. There was no single major shareholder who holds shares that are equivalent to more than 10% of total voting rights at the end of March this year. 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.

<Supplementary Principle 2.4.1 Ensuring Diversity>

The Company declares, as its target state of the organization, "the NYK Group that encourages all group colleagues to bring forth their best to take on challenges." The Company believes that, through the promotion of diversity and inclusion, incorporating diverse perspectives into decision-making processes regardless of gender and nationality and acquiring more appropriate judgment abilities as an organization will lead to future sustainable development.

While promoting diversity is something that must be constantly re-examined in line with the needs of the times, the Company's key measures for the immediate future will be to provide equal opportunities to female employees and managers and to Group officers and employees of diverse backgrounds in Group companies that the Company and the NYK Group have already obtained, and to further establish environments in which they can perform at their full potential.

<Diversity and Inclusion>

- We plan to formulate a D&I policy as our code of conduct in promoting diversity and inclusion across the entire Group.
- We will promote the exchange of human resources within the Group to promote diversity of the organization.
- 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.
- We will continue to nurture a culture and improve a system so that individuals' efforts will be leveraged in the organization.

Please refer to the Company's website for information on its efforts to date regarding the promotion of diversity and inclusion, environment establishment, and training and education.

<https://www.nyk.com/english/>

1) Efforts to increase the number of female employees and managers

We will aim to achieve the ratio of female managers of 30% for both the Company (non-consolidated) and NYK Group (consolidated) by 2030. While not relaxing the criteria for recruitment and promotion whatsoever, the Company recognizes that achieving its declared target will not be easy in light of the current low ratio of female employees due to past imbalance in recruitment rates and the characteristics of the industry. However, the Company will make its views clear and engage in a variety of measures to come even one step closer to realizing its aim. (As a result, the ratio of female recruits significantly improved from 21.7% in FY2022 to 34.9% in FY2023.)

The following specific measures have been taken.

(1) Increase the number of female employees recruited

- We will aim to increase the number of female employees by incorporating measures to increase the percentage of women recruited for new-graduate positions and the rate of female applicants for mid-career recruitment.

(2) Increase support for career building and engagement

- Balancing various life events with career building is a company-wide challenge, but to enable women in particular to demonstrate their abilities and grow even while balancing them with life events, the Company will identify impediments and undertake efforts toward solutions that are possible as a company, including the improvement of the work-life balance of male employee.

<Indicators related to female colleagues> *As of March 31, 2024

○ The Company (non-consolidated)	
Ratio of female managers:	13.6%
Ratio of female employees:	23.8%
Ratio of female recruits (FY2023):	34.9%
Ratio of female officers as stipulated in the Companies Act:	25.0%
Ratio of female officers including Executive Officers:	13.5%
○ NYK Group (consolidated)	
Ratio of female managers:	26.2%
Ratio of female employees:	37.7%

2) Promotion of active participation in the NYK Group by local employees

As of the end of FY2023, the Company operates its business as a corporate group of 158 companies in 41 countries around the world (excluding special purpose companies). The number of the NYK Group employees is more than 35,000, just below 80% of whom work outside of Japan.

Active participation by overseas human resources is primarily in local subsidiaries outside Japan, but their perspectives, opinions, and knowledge are essential to the sound growth and further business development of the NYK Group, and they provide diverse viewpoints and knowledge in the process of management decisions, led by the two foreign Executive Officers of the Company. The development of the NYK Group's business is expected to become increasingly diverse in terms of both content and location, and the Company will further promote inclusion across the entire Group to make use of the viewpoints and knowledge of local employees with wide-ranging experiences and cultural backgrounds in the Company's future management decisions.

3) Status of mid-career recruitment

We continuously implement mid-career recruitment from the viewpoint of securing diverse human resources and the number of personnel required for operation of our business.

<Ratio of mid-career recruitment> *Actual results in FY2023

○ The Company (non-consolidated)	
(1) Percentage of mid-career recruitment among employees recruited:	30.3%

We do not set any specific targets as there are no differences in recruitment or promotion to a managerial position between mid-career employees and other employers due to the year of joining the Company, gender, etc.

<Principle 2.6 Roles of Corporate Pension Funds as Asset Owners>

We operate the pension fund in accordance with the rules we set forth. In light of the fact that the management of corporate pension reserves affects the stable asset formation of employees as well as the financial condition of company, we will appoint personnel with specific skills and knowledge in pension management and enhance the Company's education frameworks by having those personnel attend workshops and seminars given by external experts on an ongoing basis and by other means. In addition, where necessary, we will appoint an external advisor to supplement specific knowledge, and the pension committee monitors operating status regularly.

Pension funds are invested mainly passively, and there is no conflict of interest between the beneficiaries of the corporate pension and the company, and the exercise of voting rights for the stocks held is based on the beneficiaries' interests.

<Principle 3.1 Full Disclosure>

The Company discloses, in a manner that provides as much value to the reader as possible, the information listed in 1) through 5) below. Excerpts of and links to specific information disclosed on the website of the Company are also provided below. The same information is also disclosed in English on the website of the Company.

1) Mission statement and management plan

NYK Group Mission Statement

<https://www.nyk.com/english/profile/mission/>

NYK Business Credo

https://www.nyk.com/english/profile/pdf/business_credo.pdf

Medium-term Management Plan

<https://www.nyk.com/english/profile/plan/>

2) Basic Views on Corporate Governance

Corporate Governance Guidelines

https://www.nyk.com/english/profile/pdf/gvn_report_01.pdf

3) Board policies and procedures in determining the compensation of the senior management and Directors

Policies for Determining Compensation for Directors and Executive Officers

https://www.nyk.com/english/profile/pdf/gvn_report_05.pdf

4) Board policies and procedures in the appointment and dismissal of the senior management and the nomination of Directors candidates

Policies and Procedures for the Appointment and Nomination etc. of Directors and Executive Officers

https://www.nyk.com/english/profile/pdf/gvn_report_03.pdf

Independence Criteria for Recommendation of Candidates for Outside Directors

https://www.nyk.com/english/profile/pdf/gvn_report_04.pdf

5) Explanations with respect to the individual appointments/dismissals and nominations based on 4).

In the Reference Documents of Notice of the General Meeting of Shareholders, the Company discloses the reason for nomination of all candidates for Directors.

General Meeting of Shareholders

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

(pp. 11-17 of Notice of the 137th Ordinary General Meeting of Shareholders)

<Supplementary Principle 3.1.3 Sustainability Disclosures>

1) Efforts for the Company's Sustainability

At the NYK Group, the Board of Directors established and disclosed the "growth strategy with ESG at its core" in the medium-term management plan announced in March 2023. In particular, we will enthusiastically work on decarbonization activities to protect the global environment and strongly promote transformation. The NYK Group acknowledges that its achievement of sustainable growth and creation of medium-to long-term corporate value are the results of contributions by stakeholders, including shareholders, employees, customers, business partners, creditors, and local communities, and endeavors to maintain good relationships with these stakeholders.

We will contribute to resolving social and environmental issues by appropriately injecting management resources to develop our existing core businesses and explore new growth businesses based on the long-term management strategy with ESG management at its core so that the NYK Group will continue to be the preferred choice of all stakeholders. We are confident that such efforts will lead to enhancing the NYK Group's corporate value and further strengthening our business foundation. We are also engaged in a variety of measures, positioning "Safety," "Environment," and "Human Resources" as material issues at the core of management.

In April 2020, the NYK Group established a framework for ESG management promotion led by the president to extract our ESG issues, set specific goals, and encourage further actions. From April 2023, we have established the ESG Strategy Headquarters and set up the ESG Management Group and Decarbonization Group within the headquarters. The headquarters acts as the engine for the implementation of ESG management, which is at the core of the growth strategy declared in the medium-term management plan. We have also renamed the previous ESG Management Promotion Committee as the ESG Strategy Committee and promote more frequent and specific discussions. The committee is composed of executive officers representing each division and an external expert. A wide range of ESG-related themes are discussed, setting company-wide policies and goals, confirming the progress of action plans determined by each division. The ESG Strategy Headquarters reports to the Management Meeting and Board of Directors.

Furthermore, in November 2023, the NYK Group announced "NYK Group ESG Story 2023" and "NYK Group Decarbonization Story." We analyze the risks and opportunities related to climate change and detail the strategies for sustainable growth and the newly demanded environmental values. Specifically, in "NYK Group Decarbonization Story," under the resolve to lead the world's decarbonization efforts towards the realization of a sustainable society, the NYK Group explicitly demonstrated, both internally and externally, a strong commitment and proactive stance in pursuing high aspirations and initiatives for decarbonization. The NYK Group has formulated a series of measures aimed at reducing GHG emissions, including the direction of these efforts, goal setting, and transition plans, in addition to developing a concept for sustainable growth.

Please refer to "NYK Group ESG Story" and "NYK Group Decarbonization Story" for details.

NYK Group ESG Story: <https://www.nyk.com/english/esg/does/origin/>

NYK Group Decarbonization Story : <https://www.nyk.com/english/esg/envi/decarbonization/>

Please refer to the following websites for the Company's sustainability information.

ESG Management: <https://www.nyk.com/english/esg/>

NYK Reports (Integrated Reports): <https://www.nyk.com/english/esg/nyk/>

2) Investment in Human Capital and Intellectual Property, etc.

- Investment in human capital

In order to achieve our key strategy of advancing our core business and developing new ones presented in the medium-term management plan, we have formulated a new personnel strategy (Corporate Transformation (CX) Story), which is a strategy positioned to support the key strategy. Under our long-term vision which aims transition 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 headquarters is located in Japan, and the organization involves employees with diverse backgrounds in decision-making), we will promote the following initiatives.

- Talent management
- Diversity & inclusion and organization development

We will first work on strengthening the global human resources functions to achieve the initiatives.

■ Human resource development policy (talent development)

The NYK Group has been continually developing talent, based on our human resource philosophy of "continually develop diverse talent across global fields," which was formulated in 2005. While maintaining the foundation of the development, we have newly defined the following five abilities that are required for the NYK Group's employees and will promote human resource development to achieve the vision in the medium-term management plan.

- 1) Supporting transformation with frontline expertise
- 2) Innovating by new ideas and approaches

- 3) Thriving in strategic growth areas with relevant skills, knowledge, and experiences
- 4) Leading transformation powerfully
- 5) Building and operating businesses

<Management of talent>

To advance the core business and develop new ones, we must transcend the conventional framework for value creation. Therefore, we are shifting our focus toward developing business leaders who possess distinctive job performance skills, moving away from homogeneous talent development. To develop talent and advance the company's development, we will implement the following measures.

- 1) Encourage colleagues to bring forth their best to take on challenges by promoting cross-domain assignments (e.g., expand opportunities for seafarers beyond crewing ships)
- 2) Expand internal job postings within the Group and enhance opportunities for challenges 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 decision-making with diverse perspectives by appointing local colleagues with expertise in business

■ Internal environment development policy (strengthening organization)

We will aim for the NYK Group with its all group colleagues bringing forth their best to take on challenges as the target state of the organization and promote diversity and inclusion and organizational development.

<Diversity and inclusion>

We will implement the following measures to promote diversity and inclusion.

- 1) We plan to formulate a D&I policy as our code of conduct in promoting diversity and inclusion across the entire Group by the end of the current fiscal year.
- 2) We will promote the exchange of human resources within the Group including the Company 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.

<Organizational development>

We will promote the dissemination of our mission and values which have been rooted in our history since our founding, improve employee engagement and create a foundation for realizing the vision of the medium-term management plan. Specifically, we will implement the following measures.

- 1) Create a mission movie that reflects our nearly 140 years of history and advance its widespread dissemination within and outside the Group. Additionally, we will organize workshops within the Group to encourage individual ownership and understanding of the mission
- 2) Analyze the results of the engagement survey and develop and implement action plans for each organization.
- 3) Regularly conduct engagement surveys and continue the PDCA cycle to drive continuous organizational improvements

- Investment in intellectual property

The NYK Group promotes digitalization initiatives for solving the various issues faced by our sites by making use of digital technologies and analyzing collected data to create new value. We have conducted research and development toward utilization of vessels' data by leveraging IOT, a trailblazing initiative in the industry, such as the introduction of the Ship Information Management System (SIMS) in 2008, which enabled the timely sharing of hourly detailed data on vessels' operational status and fuel consumption between ships and offices. We have aimed for visualization of ship information and realized optimum economic and energy-saving operations through close information sharing among ships, shipowners, ship operators, and ship management companies. Currently, the SIMS has been installed on approximately 200 vessels of the Company and contributed to safe and efficient ship operations through the timely sharing of operation data between ships and offices.

Ensuring safety is integral to the NYK Group's business continuity. The tireless pursuit of safe ship operations that are half a step ahead is the very essence of the NYK Group's differentiation. We are developing cutting-edge safety and environmental protection technology, including optimal efficiency operation such as the navigation/machinery information of fleets in operation (IBIS-TWO), the MT-FAST energy-saving hull device

that greatly improves fuel efficiency, and J-Marine NeCST ship navigation support tool that manage and share voyage information including electronic navigational charts on a large screen display. As of the end of FY2023, the number of patents held by the Company reached 225.

We will aim for the sustainability of our customers and the NYK Group by maintaining and delivering safe, high-quality logistics services through the further use of digital technologies.

<Major Initiatives>

- Prevention and early detection through onshore monitoring of ships
- Research on technologies for manned autonomous ships

Please refer to the NYK Group ESG Story and the Company's website for information on initiatives for safe ship operations.

Safety Story (pp. 10-16): https://www.nyk.com/english/esg/pdf/esgstory_ppt_2023.pdf

3) Risks and profit opportunities related to climate change

The NYK Group recognizes climate change as an important management issue. The Company declared its endorsement of the TCFD in 2018 and is advancing disclosure in line with the TCFD recommendations. On June 30, 2022, the Board of Directors decided on the contents of disclosure based on the TCFD recommendations. A report was published on the same day, and in April 2023, the organizational structure was partially updated to reflect the establishment of new headquarters, etc.

Please refer to the Company's website for details.

<https://www.nyk.com/english/esg/envi/tcf/index.html>

<Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors (1)>

The Board of Directors judges and makes decisions on statutory matters and matters that are considered to be equivalent to statutory matters in terms of their importance, nature, etc. Decisions on matters other than those required to be submitted to the meeting of the Board of Directors are delegated to management. The scope of such delegation is clearly prescribed in the Rules on the Management Meeting, the submission standards and approval standards by the President, and others. The management team will promptly deliberate issues and execute business in an appropriate manner based on that delegation.

The Board of Directors makes decisions on matters prescribed in the Articles of Incorporation and the Rules on the Board of Directors, such as medium-term management plans, annual budgets, the appointment, dismissal and rank of Executive Officers, and the establishment, revision, and abolition of important rules. It also supervises the execution of business.

The Company sets forth the Rules on the Board of Directors, the Rules on the Management Meeting, the submission standards and approval standards by the President and clearly stipulates matters for deliberation and reporting in the Board of Directors and matters for delegation to the executive side. Pursuant to the resolution for amendments to the Articles of Incorporation for the transition to a Company with Audit & Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 21, 2023, the Company transitioned to a Company with Audit & Supervisory Committee, and the delegation of the decision-making authority for important business execution to the Executive Directors was reflected in the Resolution Rules for the Submission of Matters and the Matters to be Approved by the President. These Resolution Rules are reviewed periodically in an effort to improve efficiency.

In April 2020, the Company established the Management Meeting comprising the President and Chief Executive Officer, Executive Officers who are Chief Executives, and Executive Officers designated by the President, to conduct more flexible and substantive decision-making. Transfer of authority within an appropriate range is progressing.

<Principle 4.9 Independence Standards and Qualification for 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. In doing so, the Company will include persons who have management experience at other companies. The relevant information is disclosed on the website of the Company (see the link below).

Independence Criteria for Recommendation of Candidates for Outside Directors

https://www.nyk.com/english/profile/pdf/gvn_report_04.pdf

<Supplementary Principle 4.10.1 Use of Optional Approach>

Information regarding the Nomination Advisory Committee and Compensation Advisory Committee is as stated in “II. 1. [Voluntary Committee]” in this report.

<Supplementary Principle 4.11.1 Preconditions for Securing Effectiveness of the Board of Directors and the Audit & Supervisory Committee>

The Company has set forth its views on the balance of knowledge, experience and ability of the Board of Directors as a whole, as well as its diversity and size, and has disclosed a skills matrix, listing the knowledge, experience, abilities, and other attributes of Directors, alongside the Policies and Procedures for the Appointment of Directors.

Our Views on Size, Balance and Diversity of the Board of Directors

https://www.nyk.com/english/profile/pdf/gvn_report_02.pdf

Policies and Procedures for the Appointment and Nomination etc. of Directors, Audit and Supervisory Committee Members and Executive Officers

https://www.nyk.com/english/profile/pdf/gvn_report_03.pdf

Notice of the 137th Ordinary General Meeting of Shareholders (pp. 18-19)

https://www.nyk.com/english/ir/library/business/2023/_icsFiles/afiedfile/2024/05/20/engsummary.pdf

<Supplementary Principle 4.11.2 Preconditions for Securing Effectiveness of the Board of Directors and the Audit & Supervisory Committee>

The Company requires Directors, including Outside Directors, to allocate to the Directors’ business the time and effort needed to fulfill their roles and responsibilities appropriately.

We ensure that Directors’ rates of attendance to meetings of the Board of Directors, as well as Audit & Supervisory Committee Members’ rates of attendance to meetings of the Audit & Supervisory Committee, are 75% or higher.

The Company has also disclosed the status of concurrent positions of Directors, including Independent Outside Directors, and their attendance status in the NYK Report and the Company’s Notice of General Meeting of Shareholders.

NYK Report

https://www.nyk.com/english/esg/nyk/_icsFiles/afiedfile/2023/12/01/2023_nykreport_all_1.pdf

(NYK Report 2023 pp. 54-55)

Business Reports

<https://www.nyk.com/english/ir/library/business/>

(pp. 11-17 of Notice of the 137th Ordinary General Meeting of Shareholders and pp. 6, 16-18 of Document Stating the Matters Subject to Measures for Electronic Provision for the 137th Ordinary General Meeting of Shareholders (Supplementary Information))

<Supplementary Principle 4.11.3 Preconditions for Securing Effectiveness of the Board of Directors>

Since FY2015, the Company has continued to conduct a self-evaluation survey on all Directors with the aim of further improving the effectiveness of the Board of Directors. In addition, in FY2023, interviews by third-party advisors were conducted based on the results of the survey.

1) Summary of the FY2023 Evaluation

- In FY2023, a survey consisting of 17 questions under five topics was conducted, which were selected taking into account third-party advisers’ opinions. The five topics were (1) composition and operations of the Board of Directors, (2) management strategies and business strategies, (3) corporate ethics and risk management, (4) performance monitoring and evaluation and compensation of the management, and (5) dialogue with shareholders. In addition, the survey covered topics of necessity of opportunities for discussions only by Outside Directors as well as operations of the Board of Directors and other meetings after the transition to a Company with Audit & Supervisory Committee. Furthermore, interviews by third-party advisors were conducted with the aim of bringing clarity to and obtaining in-depth understanding in the recognized issues and comments gained

from the survey as well as clarifying measures to further improve the effectiveness of the Board of Directors by obtaining opinions on improvement measures and any other matters.

2) Results of Evaluation of Effectiveness

i. Summary

As a result of discussions based on the results of the survey and interviews, it was determined that the Board of Directors was functioning appropriately and its effectiveness was ensured. In FY2023, in relation to (1) composition and operations of the Board of Directors in particular, improvement was observed by the arrangement of opportunities to explain the details of discussions at the Management Meeting to Outside Directors and the administration of the Board of Directors by the Chairperson with the understanding of perspectives of Outside Directors through participating in a briefing to them on matters to be submitted to the Board of Directors, and the effectiveness of the Board of Directors was enhanced. On the other hand, the Company has recognized that, in relation to (3) corporate ethics and risk management, amid a sense of ethics in society significantly changing, comments by Outside Directors from an external perspective are important and the Company needs to implement further improvement of corporate culture with the Board of Directors' proactively engaging in this theme.

ii. Initiatives in FY2023

- Transition to a company with Audit & Supervisory Committee

Pursuant to a resolution passed at the Ordinary General Meeting of Shareholders on June 21, 2023, the Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee with the aim of working to strengthen monitoring functions, in addition to speeding up decision-making by delegating the decision-making authority for important business execution to the Executive Directors. Through this transition, we intended to improve the effectiveness of the Board of Directors by allocating more time for deliberation by the Board of Directors of matters that lead to the growth in corporate value, such as medium- to long-term management strategies, allocation of management resources, business portfolio, sustainability, and handling significant business risks. Regarding the evaluation of the transition, the Company has noted some views that not enough information has been accumulated with only one year since the transition. However, the Company has found no negative views and recognized that the Board of Directors is on its way to further improvement of the effectiveness. Furthermore, the Company has recognized that there is room for improvement in setting an agenda to further take advantage of a company with Audit & Supervisory Committee, while noting that the Board of Directors had deeper discussions by giving priority in deliberations to matters related to medium- to long-term management strategies and sustainability such as new strategic targets for decarbonization and human resources strategies.

- Issues of diversity and human resources strategies recognized in FY2022

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 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 the direction to work to further evolve them integrating opinions presented at the discussions.

3) Initiatives in FY2024

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 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 that were recognized as issues by the evaluation of the effectiveness of the Board of Directors. In addition, as a target period of a 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 system to improve a compensation system for Directors etc., taking this opportunity.

<Supplementary Principle 4.14.2 Director Training>

The Company provides training opportunities to enable Directors to fulfill the roles required of them appropriately. The policy for training Directors is prescribed in Article 21 of the Corporate Governance Guidelines and disclosed.

Article 21 of the Corporate Governance Guidelines

https://www.nyk.com/english/profile/pdf/gvn_report_01.pdf

<Principle 5.1 Policy for Constructive Dialogue with Shareholders>

To contribute to the sustainable growth of the NYK Group and the medium- to long-term enhancement of corporate value, the policy for promoting constructive dialogue with shareholders and investors is prescribed in Article 25 of the Corporate Governance Guidelines, and the followings are formulated and disclosed.

- Persons Who Engage in Dialogue with Shareholders and Investors
- Internal System for Supporting Dialogue and Initiatives for the Enhancement of Methods of Dialogue
- Internal Feedback
- Management of Insider Information
- Understanding of Shareholder Composition

Article 25 of the Corporate Governance Guidelines

https://www.nyk.com/english/profile/pdf/gvn_report_01.pdf

<Status of Dialogues Held with Shareholders, etc.>

The Company discloses the status of dialogue held with shareholders and investors on the “Dialogue with Shareholders and Investors” page of the Company website.

<https://www.nyk.com/english/profile/gvn/ir/>

The main topics discussed in these dialogues are wide-ranging and include the details and progress of a medium-term management plan, market trends and changes in the business environment, investment plans, capital policies, the initiatives for improvement and stabilization of earnings, and the Company’s efforts on decarbonization and other ESG actions.

[Responses for the Realization of Management that is Conscious of Capital Costs and Share Prices]

In March 2023, the Company formulated and disclosed a medium-term management plan covering the period from FY2023 to FY2026. The plan indicates the Company’s earnings plans and capital policies, as well as presenting the indicators related to capital efficiency (ROIC, etc.). The Company’s market capitalization steadily increased due to favorable performance under COVID-19 pandemic from FY2021 to FY2022; however, the Company deems that the Company has not obtained the evaluation of stock market that fully reflects the level of its shareholders’ equity. The Company has recognized that demonstrating sustainable enhancement of the rate of profit on capital will lead to gaining trust from the stock market and improvement of its stock price. The Company will continue to enhance capital efficiency by promoting measures in the medium-term management plan and aim to sustainably increase ROE exceeding the shareholders’ equity cost.

Medium-term management plan, “Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing”

<https://www.nyk.com/english/profile/plan/>

<Reference>

Details are described in “Action to implement management with an awareness of capital cost and stock price” on page 21 of the financial results briefing materials posted on the Company’s website of “Investor Relation” dated May 8, 2024. Please refer to the following URL.

https://www.nyk.com/english/ir/library/result/2023/_icsFiles/afiedfile/2024/06/13/240508_ppt_en.pdf

2. Capital Structure

Foreign Shareholding Ratio	At least 20% and less than 30%
----------------------------	--------------------------------

[Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,187,900	19.63
Custody Bank of Japan, Ltd. (Trust Account)	27,130,357	5.90
STATE STREET BANK WEST CLIENT - TREATY 505234	9,810,836	2.14
JPMorgan Securities Japan Co., Ltd.	9,245,215	2.01
Meiji Yasuda Life Insurance Company	8,273,778	1.80
Mitsubishi Heavy Industries, Ltd.	6,155,793	1.34
STATE STREET BANK AND TRUST COMPANY 505103	5,579,132	1.21
SSBTC CLIENT OMNIBUS ACCOUNT	5,211,123	1.13
Goldman Sachs Japan Co., Ltd. BNYM	5,087,898	1.11
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	5,081,300	1.11

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

The ratios (%) listed in [Status of Major Shareholders] section above represent the ratio (%) of the number of shares held to the total number of shares issued (excluding treasury stock).

3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market of the Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Marine Transportation
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	JPY1 trillion or more
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	300 or more

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Special Circumstances which may Have Material Impact on Corporate Governance

(1) Listed companies accounted for by the equity method

The Company holds shares of NS UNITED KAIUN KAISHA, LTD. and KYOEI TANKER CO., LTD. as listed companies accounted for by the equity method

(i) NS UNITED KAIUN KAISHA, LTD. (Listed on the Prime Market of the Tokyo Stock Exchange)

The Company holds shares of NS UNITED KAIUN KAISHA, LTD. (hereinafter referred to as “NS UNITED”) as a listed affiliate, comprehensively considering its contribution to consolidated profit of the Company, relations with important customers and other factors.

NS UNITED constitutes a part of the bulk shipping business segment under the Company’s business portfolio; however, the Company does not share management policies or management strategies with NS UNITED.

From the perspective of ensuring appropriate risk management, one advisor of the Company has assumed the position of Outside Audit & Supervisory Board Member of NS UNITED. However, there are no matters of NS UNITED that require approval of the Company and no contract regarding governance with NS UNITED. In addition, the Company’s share of its voting rights is less than a majority of the total voting rights. Therefore, the Company recognizes that NS UNITED’s independence is ensured and the risk of the emergence of a conflict of interest is low.

(ii) KYOEI TANKER CO., LTD. (Listed on the Standard Market of the Tokyo Stock Exchange)

The Company holds shares of KYOEI TANKER CO., LTD. (hereinafter referred to as “KYOEI TANKER”) as a listed affiliate with aim of mainly collaborating with KYOEI TANKER in the tanker business.

KYOEI TANKER constitutes a part of the bulk shipping business segment under the Company’s business portfolio; however, the Company does not share management policies or management strategies with KYOEI TANKER.

From the perspective of ensuring appropriate risk management and enhancing corporate value, one employee of the Company has assumed the position of Outside Director (Audit and Supervisory Committee Member) of KYOEI TANKER. However, there are no matters of KYOEI TANKER that require approval of the Company and no contract regarding governance with KYOEI TANKER. In addition, the Company’s share of its voting rights is less than a majority of the total voting rights. Therefore, the Company recognizes that KYOEI TANKER’s independence is ensured and the risk of the emergence of a conflict of interest is low.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
-------------------	--

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	16
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Outside Directors Designated from among Outside Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Eiichi Tanabe	From another company								△			
Nobukatsu Kanehara	Other											
Satoko Shisai	From another company											
Hiroshi Nakaso	From another company											
Satoko Kuwabara	Lawyer											
Tatsumi Yamada	Certified Public Accountant											

* Categories for "Relationship with the Company"

“○” when the Director presently falls or has recently fallen under the category; and “△” when the Director fell under the category in the past;

“●” when a close relative of the Director presently falls or has recently fallen under the category; and

“▲” when a close relative of the Director fell under the category in the past.

a Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b Non-executive director or executive of the parent company of the Company

c Executive of a fellow subsidiary of the Company

d Party whose major client or supplier is the Company or an executive thereof

e Major client or supplier of the Company or an executive thereof

f Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

- h Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i Executive of a company or an organization to which Outside Directors are mutually appointed (the Director himself/herself only)
- j Executive of a company or an organization that receives a donation from the Company (the Director himself/herself only)
- k Other

Outside Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Designation as Independent Outside Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Eiichi Tanabe		○	The amount of transactions between Mitsubishi Corporation, where Mr. Eiichi Tanabe served as Director until June 2018, and the Company is less than 1% of revenues from the viewpoint of both companies.	Mr. Eiichi Tanabe held important positions at Mitsubishi Corporation such as Representative Director and Senior Executive Vice President. The Company believes that Mr. Tanabe can provide advice to the Company's management and contribute to proper supervision of business execution of the Company utilizing his general knowledge in all corporate management from an independent position, based on his abundant experience mainly in management and supervision of the business execution. Accordingly, he has been continuously elected as an Outside Director.
Nobukatsu Kanehara		○	—	Since joining the Ministry of Foreign Affairs in 1981, Mr. Nobukatsu Kanehara has held important positions at home and abroad and served as Assistant Chief Cabinet Secretary for Foreign Affairs from 2012. He has a wealth of experience and extensive insight mainly in the fields of International Law and security, such as engaging in the development of security organizations including the creation of the National Security Council, and from a highly independent position, Mr. Kanehara is providing advice on the Company's management and performing proper supervision of business execution of the Company. Accordingly, he has been continuously elected as an Outside Director.

Satoko Shisai		○	—	<p>Ms. Satoko Shisai has held a number of important positions at home and abroad at a Japanese subsidiary of a multinational IT company and a major pharmaceutical manufacturer. She has a broad range of experience and extensive insight mainly in the fields of IT and digital transformation (DX). The Company has elected her as a new Outside Director because the Company believes that she will contribute to advising the Company's management and properly supervising the Company's business execution from a highly independent position.</p>
Hiroshi Nakaso	○	○	—	<p>Through his experience serving as Deputy Governor of the Bank of Japan and a wealth of practical experience gained at the Bank in Japan and abroad, Mr. Hiroshi Nakaso has extensive knowledge in overall finance and economy fields, and expertise specialized in global financial systems, market transactions and global finance. He has appropriately audited the execution of the Company's operations. Accordingly, he has been continuously elected as an Outside Director who is an Audit & Supervisory Committee Member.</p>

Satoko Kuwabara	○	○	—	Ms. Satoko Kuwabara has a wealth of practical experience mainly in the fields of corporate legal affairs and financial legal affairs and specialist expertise in law gained through her many years of activity as a lawyer, as well as experience of involvement in company management as an outside director of other companies. She has appropriately audited the execution of the Company's operations. Accordingly, she has been continuously elected as an Outside Director who is an Audit & Supervisory Committee Member.
Tatsumi Yamada	○	○	—	Mr. Tatsumi Yamada has a wealth of experience and knowledge, having held a number of important positions as a Certified Public Accountant after gaining experience at a general trading company, and he is an expert in international accounting with excellent insight. He has appropriately audited the execution of the Company's operations. Accordingly, he has been continuously elected as an Outside Director who is an Audit & Supervisory Committee Member.

[Audit & Supervisory Committee]

Committee's Name	Audit & Supervisory Committee
Total Committee Members	5
Full-time Members	2
Internal Directors	2
Outside Directors	3
Chairman	Chief Internal Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
--	-----------

Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

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 dedicated staff to that Office. Audit & Supervisory Committee's Office works under the direction and control of the Audit & Supervisory Committee Members, and the opinions of the Audit & Supervisory Committee Members shall be given maximum respect regarding personnel changes and evaluations of the Committee, thus ensuring its independence from the executive divisions and the effectiveness of the directions of the Audit & Supervisory Committee.

Cooperation among Audit & Supervisory Committee, Accounting Auditors and Internal Audit Division

The Audit & Supervisory Committee and Accounting Auditors strive to ensure that full accounting audits are conducted through briefings of the Accounting Auditors' audit plan, which states matters such as the audit subjects, audit framework, and priority audit items for the fiscal year in question, and exchanges of opinions at the beginning of the fiscal year. For the quarterly financial results, the full-time Audit & Supervisory Committee Members receive reports from the Accounting Auditors on the status of quarterly reviews and their results and exchange opinions. For the fiscal year financial results, the Audit & Supervisory Committee obtains a written audit report from the Accounting Auditors and receives a verbal report on the audit results, including the priority audit items for the fiscal year in question. These reports form the foundations for the preparation of the Audit & Supervisory Committee's written audit report. In addition, the full-time Audit & Supervisory Committee Members hold regular exchanges of opinion with the Accounting Auditors about audit activities, and in this and other ways, achieves cooperation that will benefit the formation of mutual audit opinions.

The Audit & Supervisory Committee and internal audit division strive for mutual cooperation and collaboration by holding operational interviews and, through regular meetings, receiving status reports on internal audits, giving instructions regarding audits, sharing information and exchanging opinions. Furthermore, the internal audit division formulates audit policies and plans, including the subjects of audits, based on the opinions of the Audit & Supervisory Committee. The Company respects the opinions of the Audit & Supervisory Committee regarding personnel changes for the head of the internal audit division and strives to improve the effectiveness of audits. In addition, the full-time Audit & Supervisory Committee Members hold regular meetings attended with the internal audit division, and Accounting Auditors to enhance cooperation among these three parties.

[Voluntary Committee]

Voluntary Establishment of Committees Equivalent to Nomination Committee or Compensation Committee	Established
--	-------------

Committee's Name, Composition, and Chairman's Attributes

	Committee Equivalent to Nomination Committee	Committee Equivalent to Compensation Committee
Committee's Name	Nomination Advisory Committee	Compensation Advisory Committee
Total Committee Members	6	6
Full-time Members	0	0
Internal Directors	2	2
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairman	Chief Outside Director	Chief Outside Director

The Company established the Nomination Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors to increase the transparency and objectivity of the deliberation process in the nomination and compensation of corporate officers. The matters discussed by these committees are as follows.

Nomination Advisory Committee	<ul style="list-style-type: none"> - Matters concerning appointment and dismissal of Directors (excluding Directors who are Audit & Supervisory Committee Members) - Matters concerning appointment, dismissal and successor plan of the President - Matters concerning appointment and dismissal of Representative Directors - Matters concerning the independence criteria for Independent Outside Directors - Matters concerning appointment and dismissal of Executive Officers
Compensation Advisory Committee	<ul style="list-style-type: none"> - Matters concerning policies and procedures concerning compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers - Matters concerning the contents and design of systems for the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers

Both Committees are composed of a majority of Independent Outside Directors and chaired by Independent Outside Director. The composition of members of the Nomination Advisory Committee and the Compensation Advisory Committee as of the date of filing of this report is as follows.

	Name (Position)
Committee Chair	Eiichi Tanabe (Outside Director)
Committee Member	Nobukatsu Kanehara (Outside Director)
Committee Member	Satoko Shisai (Outside Director)
Committee Member	Tatsumi Yamada (Outside Director and Audit & Supervisory Committee Member)
Committee Member	Hitoshi Nagasawa (Chairman and Director)
Committee Member	Takaya Soga (President and Representative Director)

The Nomination Advisory Committee met six times in FY2023, where they considered and deliberated on the selection of candidates for Director and deliberated on matters including the appointment of Executive Officers. The Compensation Advisory Committee met five times in FY2023, where they examined matters such as compensation levels for Directors, etc., and deliberated on the base values for the performance-linked indicators and the degree of achievement of performance. The status of attendance of these Committee meetings by each Committee Member is as follows.

	Name (Position)	Attendance of Nomination Advisory Committee	Attendance of Compensation Advisory Committee
Committee Chair	Eiichi Tanabe (Outside Director)	6/6	5/5
Committee Member	Yuko Kuniya (Outside Director)	6/6	5/5
Committee Member	Nobukatsu Kanehara (Outside Director)	5/5	3/3 (Note)

Committee Member	Tatsumi Yamada (Outside Director and Audit & Supervisory Committee Member)	5/5	3/3 (Note)
Committee Member	Hitoshi Nagasawa (Chairman and Director)	6/6	5/5
Committee Member	Takaya Soga (President and Representative Director)	6/6	5/5

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

[Independent Outside Directors]

Number of Independent Outside Directors	6
---	---

Matters relating to Independent Outside Directors

The Company has designated three Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) and three Outside Directors who are Audit & Supervisory Committee Members as Independent Outside Directors. The Company recommends the candidates as Outside Director (excluding Directors who are Audit & Supervisory Committee Member) of the Company whose total tenure shall not exceed 8 years for securing of objectivity and independence.

- Independence Criteria for Recommendation of Candidates for Outside Directors

https://www.nyk.com/english/profile/pdf/gvn_report_04.pdf

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-based compensation plan
---	-------------------------------------

Supplementary Explanation

Performance-based variable compensation consists of performance-based monetary compensation as an incentive to achieve performance targets for each fiscal year and performance-based stock compensation as an incentive to achieve medium- to long-term performance targets, etc. The details of this plan are as stated in [Director Compensation] Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof 1. (2).

Recipients of Share Options	
-----------------------------	--

Supplementary Explanation

[Director Compensation]

Disclosure of Individual Directors' Compensation	Partial disclosure
--	--------------------

Supplementary Explanation

The Company discloses officers' total amounts of compensation, etc. and the number of eligible officers by officer classification in its business reports and securities reports.

Individual officers whose total amounts of compensation, etc. are JPY100 million or more are disclosed in its securities reports.

The following are the amounts of compensation, etc. for FY2023.

1. Total amounts of compensation, etc. by officer classification and compensation type and number of eligible officers

	Total amount of compensation, etc. / number of eligible officers (of which for Outside Directors)	Breakdown
(1) Directors (excluding Directors who are Audit & Supervisory Committee Members)	JPY454 million / 10 persons (JPY57 million / 4 persons)	Basic compensation (fixed): JPY328 million (of which for Outside Directors): JPY57 million Monetary compensation (performance-based): JPY31 million Stock compensation (role-fixed): JPY74 million Stock compensation (performance-based): JPY19 million
(2) Directors who are Audit & Supervisory Committee Members	JPY112 million / 5 persons (JPY44 million / 3 persons)	Basic compensation (fixed): JPY112 million (of which for Outside Directors): JPY44 million Monetary compensation (performance-based): — Stock compensation (role-fixed): — Stock compensation (performance-based): —
(3) Audit & Supervisory Board Members	JPY26 million / 4 persons (JPY6 million / 2 persons)	Basic compensation (fixed): JPY26 million (of which for Outside Members): JPY6 million Monetary compensation (performance-based): — Stock compensation (role-fixed): — Stock compensation (performance-based): —

Notes:

- 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.
- The amounts of monetary compensation and stock compensation show the amounts of expense recorded related to this fiscal year.

2. Total amounts of compensation, etc., for officers whose total amounts of compensation, etc. are JPY100 million or more

	Total amount of compensation, etc.:	Breakdown
(1) Hitoshi Nagasawa (Director)	JPY112 million	Basic compensation (fixed): JPY94 million Monetary compensation (performance-based): — Stock compensation (role-fixed): JPY17 million Stock compensation (performance-based): —
(2) Takaya Soga (Director)	JPY133 million	Basic compensation (fixed): JPY75 million Monetary compensation (performance-based): JPY17 million Stock compensation (role-fixed): JPY29 million Stock compensation (performance-based): JPY10 million

Policy for Determining Compensation Amounts or Calculation Methods Thereof	Established
--	-------------

Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof

The Company has the following policies for determining compensation for Directors and Executive Officers, which were adopted by a resolution of the Board of Directors.

The Company shall set out its compensation system for Directors and Executive Officers based on the size and nature of its business, as well as from the perspective of securing talents and sustainability by taking into account a balance in terms of the levels of compensation for officers at its industry peers or peers of equivalent size and salary for employees. The system is designed so that each person's compensation is composed of fixed or variable portions and monetary amounts or shares according to individual positions and responsibilities.

1. Policies and Procedures Concerning the Determination of Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers

For Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply in 1. hereinafter) who concurrently serve as Executive Officers and Executive Officers, the compensation system consists of basic compensation and performance-based variable compensation to provide sound medium- to long-term incentive toward sustainable growth and aims at sharing interests with shareholders. Performance-based variable compensation consists of performance-based monetary compensation as an incentive to achieve performance targets for each fiscal year and performance-based stock compensation as an incentive to achieve medium- to long-term performance targets, etc.

Compensation for Directors, including Outside Directors, who do not concurrently serve as Executive Officers consists solely of basic compensation as they provide supervision and advice to the management of the Company from a standpoint independent of business execution. As an exception, the Company pays performance-based stock compensation to the Chairman and Director not serving concurrently as Chairman and Executive Officer, in light of such responsibilities as chairing meetings of the Board of Directors.

The ratios of compensation payments shall be set for persons who are paid performance-based variable compensation, in consideration of encouraging motivation to contribute to not only short-term, but also medium- to long-term enhancement of corporate performance. When performance targets, etc. are achieved in an average manner, the standard ratio of performance-based monetary compensation to performance-based stock compensation shall be set at from approximately 5:5 to 8:2 based on individual positions, and the standard ratio of basic compensation to performance-based compensation shall be set at 1:3.

The Company shall not pay officers' retirement benefits to any Director or Executive Officer.

(1) Basic Compensation

Fixed monetary compensation is paid on a monthly basis based on individual positions and responsibilities. The total annual amount shall be within JPY510 million (including a total annual amount of JPY150 million paid to Outside Directors). However, this amount does not include the employee salaries of Directors who concurrently serve as employees.

For those Executive Officers whose main responsibilities are the execution of business of the Company's affiliates and who concurrently serve as Executive Officers of the Company, in principle, an amount of compensation shall be determined separately from the compensation for regular Executive Officers (those whose compensation is determined separately are hereinafter referred to as "Concurrent Executive Officers").

(2) Performance-based Variable Compensation

<Performance-based monetary compensation>

This plan applies to Directors who concurrently serve as Executive Officers and Executive Officers (excluding Concurrent Executive Officers).

The performance-based system adopts consolidated recurring profit, which measures profitability of the overall business on a consolidated basis, and consolidated ROE, which measures the rate of profit on capital, as performance-linked indicators. The base values for the performance-linked indicators are the numerical targets declared in the Company's medium-term management plan in principle and are deliberated by the Compensation Advisory Committee described below each fiscal year and determined by the Board of Directors. After the conclusion of a fiscal year, the performance-based coefficient is calculated by totaling the figures obtained by dividing the actual values for the individual indicators by the base values according to a prescribed ratio. The performance-based coefficient varies between 0 and 2.0. The monetary amount obtained by multiplying the unit monetary compensation amount based on individual positions by the performance-based coefficient is paid after the conclusion of each fiscal year. The upper limit to the amount shall be JPY300 million per fiscal year for all persons to whom this plan applies.

<Performance-based stock compensation>

This plan is applicable to Directors who concurrently serve as Executive Officers, the Chairman and Director not concurrently serving as Chairman and Executive Officer, and Executive Officers (excluding Concurrent Executive Officers), on the condition that they are residents in Japan.

The Company has introduced a performance-based stock compensation plan (Board Incentive Plan) involving a trust with superior transparency and objectivity. A target period shall be three consecutive fiscal years (and each three-fiscal-year period thereafter if extended), and fixed points based on individual positions and variable points calculated based on the degree of achievement of performance will be granted. The number of shares equivalent to the number of fixed points (3 shares per point; the same shall apply hereinafter unless otherwise specified) shall be delivered after the conclusion of each fiscal year, and the number of shares equivalent to the number of variable points shall be delivered after the conclusion of the three fiscal year period (a portion of these shares shall be given out in a monetary amount equivalent to the exchange value of the shares; the same shall apply hereinafter). However, the delivered shares equivalent to the number of fixed points will be subject to a three-year transfer restriction. (Moreover, all delivered shares shall also be subject to separate transfer restrictions in accordance with company rules set forth from the perspective of insider trading regulations.)

The performance-linked indicators adopted shall be the Company's TSR (Total Shareholder Return) including dividends, in light of shared interests with shareholders, and the Company's own ESG indicators based on its ESG policy, in light of ESG management. The method of calculating the numbers for the individual indicators shall be as follows. With regard to TSR, the number will be calculated by comparison with the Tokyo Stock Exchange Stock Price Index (TOPIX) growth rate during the applicable period and the growth rates of competitors' TSRs. With regard to ESG, the number will be calculated according to the degree of achievement of the aforementioned ESG indicators. After the conclusion of the three fiscal years, the Compensation Advisory Committee will evaluate the degree of achievement and the numbers will be determined by the Board of Directors. These numbers will be totaled according to a prescribed ratio to calculate the performance-linked coefficient, which will vary between 0 and 2.0. The position-based points accumulated over the three fiscal years will be multiplied by the performance-linked coefficient to obtain the variable points, and the number of shares equivalent to the variable points will be granted.

The maximum contribution to the trust is a total of JPY1.6 billion for the three fiscal years (including trust expenses, etc. For periods after an extension, if there are any remaining Shares, etc. before the extension, the upper limit will be reduced by their value). The maximum number of shares that may be received by eligible recipients is a total of 3 million shares for the three fiscal years (if a stock split or reverse stock split, etc. is conducted during the period, the number of points and maximum number of shares will be adjusted).

If an eligible recipient retires during the period (excluding cases of retirement for personal reasons or dismissal) or is no longer eligible for the plan due to a change of position (with regard to variable points, this includes a change to a position that is eligible for fixed points only), the number of shares equivalent to the fixed points and variable points accumulated up to the time of retirement or loss of eligibility for the plan will be delivered without delay after completion of the prescribed procedures (with regard to variable points, the Compensation Advisory Committee will evaluate and the Board of Directors will decide on the number of points up to that time, taking into account the approach to the performance-linked indicators and coefficient for the three-fiscal-year period described above). The same will apply to persons who have died during the period, but in such cases, a monetary amount equivalent to the exchange value of all shares will be paid to the family of the deceased.

In addition, if an eligible recipient of the plan commits improper acts or other misconduct during the applicable period, the Company may confiscate all points granted or seek, retroactively for the past three years, monetary compensation equivalent to the value of the Shares, etc. delivered based on fixed points.

Persons who are not eligible for this plan because they do not reside in Japan will be paid a cash amount equivalent to the points calculated and granted through the same mechanism.

The President shall propose the amounts of compensation for Directors and Executive Officers within the total amount and contents resolved by the General Meeting of Shareholders, and through the involvement of the Outside Directors, including discussions in the Compensation Advisory Committee established as an advisory body to the Board of Directors, the payment amounts will be determined by the Board of Directors. The Compensation Advisory Committee comprises the Chairman and Director, President, and Outside Directors, including Audit & Supervisory Committee Members. Its Chair and the majority of its members are Outside Directors. In addition to discussions concerning the decision of payment amounts, the Committee deliberates on important matters such as policies, procedures, and system design related to the compensation of Directors and Executive Officers and reports or makes recommendations to the Board of Directors.

2. Policies and Procedures Concerning the Determination of Compensation, etc. for Directors who are Audit & Supervisory Committee Members

Compensation for Directors who are Audit & Supervisory Committee Members consists solely of basic compensation due to their function and role of conducting audits of the Company from a standpoint independent of business execution. The total annual amount shall be within JPY220 million. The specific individual amounts paid shall be decided based on discussion by the Directors who are Audit & Supervisory Committee Members, including Outside Directors.

No Directors who are Audit & Supervisory Committee Members shall be granted retirement benefits.

[Supporting System for Outside Directors]

The Corporate Planning Group, which is the secretariat of the Board of Directors, and business divisions provide Outside Directors with appropriate information or a briefing before each meeting of the Board of Directors.

The Company has established an Audit & Supervisory Committee's Office with dedicated staff under the direction and control of the Audit & Supervisory Committee Members. The Office provides administration services to the Audit & Supervisory Committee and any necessary support including information sharing to Outside Directors who are Audit & Supervisory Committee Members.

[Details of Retired Executives Currently Serving in Advisory Positions]

Name	Position	Area of Assignment	Work Conditions	Date of retirement as President etc.	Term Ends
Yasumi Kudo	Senior Advisor	External affairs	Full-time, remunerated	June 19, 2019	1 year
Tadaaki Naito	Senior Advisor	External affairs	Full-time, remunerated	June 21, 2023	1 year

Total number of retired executives currently serving in advisory positions: 2

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

Pursuant to the resolution for amendments to the Articles of Incorporation for the transition to a Company with Audit & Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 21, 2023, the Company has transitioned to a Company with Audit & Supervisory Committee. The Board of Directors consists of 12 Directors, including six Independent Outside Directors (including three female Independent Outside Directors), and, having delegated the decision-making authority for important business execution to the Executive Directors, performs, among others, decision making on statutory matters and the development and supervision of important management policies and strategies. The Company has introduced an Executive Officer system and 30 Executive Officers (two foreign nationals), including Concurrent Executive Officers (however, Outside Directors do not serve concurrently as Executive Officers) execute business delegated to them by the Board of Directors. The management meeting consisting of Representative Directors and Executive Directors, etc. is held on a weekly basis for discussion to make decisions on important matters including preliminary deliberations on proposals to the meeting of the Board of Directors to promote speedy and efficient decision making by the Board of Directors. With this structure, the Company clarifies the business execution authority and responsibilities, ensures speedy and appropriate decision making, and strives to enhance management transparency and efficiency.

Audits by the Audit & Supervisory Committee

The Audit & Supervisory Committee of the Company consists of five Audit & Supervisory Committee Members, including three Outside Directors who are Audit & Supervisory Committee Members (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 prioritized items for auditing related to 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 Audit & Supervisory Board Members, 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.

3. Reasons for Adoption of Current Corporate Governance System

The Company transitioned to a company with Audit & Supervisory Committee, pursuant to the resolution for amendments to the Articles of Incorporation for the transition to a Company with Audit & Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 21, 2023, to speed up decision-making by delegating the decision-making authority for important business execution to the Executive Directors amid the increasingly large changes in the environment surrounding its business, etc., strive for the improved effectiveness of the Board of Directors by giving priority in deliberations of the Board of Directors to matters that will lead to the enhancement of corporate value, such as medium- to long-term management strategies, allocation of management resources, business portfolio, sustainability, and responses to material risks, and strengthen the monitoring function of the Board of Directors by establishing an Audit & Supervisory Committee comprising directors who are Audit & Supervisory Committee Members with voting rights, etc., in the Board of Directors.

The Company has established the Board of Directors whose members include a certain number of Independent Outside Directors (at least one-third) and the Audit & Supervisory Committee, the majority of whose members are Independent Outside Directors. The Company adopted this organizational structure based on the judgment that the trust of its shareholders, customers, suppliers, communities, and other stakeholders can be earned and management transparency and efficiency can be ensured by strengthening the management supervisory function with the effective use of the functions of Audit & Supervisory Committee.

Outside Directors, as experts who have a thorough knowledge of international affairs, economic and financial trends, corporate management etc., strive to realize appropriate decision making at the meeting of the Board of Directors and management supervision from a practical, objective, and technical perspective based on their broad knowledge.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	The company makes effort to send the notice of general meeting of shareholders approximately three (3) weeks before each ordinary general meeting of shareholders and disclose on the website of the Company four (4) weeks before each ordinary general meeting of shareholders.
Scheduling Ordinary General Meeting of Shareholders Avoiding the Peak Day	The Company makes efforts to avoid holding such a meeting on the peak day and considers to hold it early.
Allowing Electronic or Magnetic Exercise of Voting Rights	Voting through the Internet, etc. is available.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company uses an electronic voting platform for institutional investors.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company discloses the English translation of the notice of General Meeting of Shareholders on the website of the Company, the website of the financial instruments exchange on which its shares are listed, the website of the electronic voting platform for institutional investors.
Other	The Company's business report is presented in video.

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established and discloses the Corporate Governance Guidelines that contains the disclosure policy and the IR policy. (https://www.nyk.com/english/ir/manage/policy/).	
Regular Investor Briefings for Individual Investors	The Company regularly holds direct face-to-face or online briefings.	Yes
Regular Briefings for Analysts and Institutional Investors	The Company holds online quarterly financial results briefings, which are also available for viewing through video streaming. The Company also holds online business briefings from time to time depending on the details of business and changes in external factors.	Yes
Regular Investor Briefings for Overseas Investors	Briefings are held on a regular basis. The Company makes direct visits to overseas institutional investors, participates in direct face-to-face and online conferences hosted by securities companies, and conducts interviews with institutional investors in Europe, the United States, Asia, and elsewhere. Online quarterly financial results briefings held are also available for viewing in English through video streaming.	Yes
Posting of IR Materials on Website	There is an investor relations section on the website of the Company, which contains various useful information for investors both in Japanese and English. URL for Japanese: https://www.nyk.com/ir/ URL for English: https://www.nyk.com/english/ir/ Examples of IR information disclosed: financial highlights, other timely disclosure materials, financial results briefing materials (videos, presentation slides, fact book), notice of general meeting of shareholders and notice of shareholder resolutions, business reports and interim business reports, annual and quarterly securities reports, medium-term management plans, integrated reports, ESG data books and NYK Group ESG Story, NYK Group Decarbonization Story, shareholder communications, updates on corporate governance circumstances, shipping market conditions, etc.	
Establishment of Department and/or Manager in Charge of IR	The Company has established the IR Group within the Management Planning Headquarters. The nine persons assigned to the group, including one Director, Executive Vice-President Executive Officer and two Executive Officers are conducting IR activities. Division in charge: IR Group (7 persons) Executive Officer in charge: Chief Executive of Management Planning Headquarters (CFO) Contact: Yasuaki Okada, General Manager, IR Group	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	The Company has established various internal rules and regulations, including NYK Group Mission Statement, NYK Business Credo, Nippon Yusen Kabushiki Kaisha Code of Conduct, NYK Group Human Rights Policy, Human Resources Philosophy, Personal Information Protection Policy, Personal Information Management Regulations, NYK Environmental Management Vision, Environmental Policy, and CSR Guidelines for Partners and Suppliers, and NYK Group Sustainability Initiative Guidelines.

<p>Implementation of Environmental Protection Activities, CSR Activities, etc.</p>	<p>Based on the Group’s important management strategy that places ESG at the center of corporate management and actively promotes the idea, the Group proactively addresses social and environmental issues under the theme of “giving back to the oceans, earth, and people.” Through such activities, we seek to increase corporate value for all stakeholders.</p> <p>◆NYK Group Sustainability Initiative (NYKSI) Established in FY2021, NYKSI is a framework that takes on the challenge of solving social issues. In addition to collaboration with external partners and maritime education, we are taking on the challenge of making efforts toward creating a solution business that shapes future norms. Please refer to the Company’s website for our major initiatives. The Challenge to Solve Social Issues: https://www.nyk.com/english/esg/contribution/</p> <p>In order to pursue creation of corporate and social value by working on addressing and enhancing “safety,” “the environment,” and “human resources,” which are the important issues of the NYK Group, we have set the following 10 Sustainable Development Goals (SDGs) that are particularly relevant to our business. We regularly review these targets in light of social circumstances and our business activities.</p> <p>Goal 4: Quality Education Goal 5: Gender Equality Goal 7: Affordable and Clean Energy Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 14: Life below Water Goal 17: Partnership for the Goals</p> <p>◆Environmental Management To address climate change, in November 2023, we announced the NYK Group Decarbonization Story, in which we formulated decarbonization strategy and set the target for reducing greenhouse gas emissions toward 2050. We are promoting more optimal vessel operation, initiatives to improve energy efficiency, and a switch to LNG fuel as a transition fuel, implementation of ammonia and hydrogen which have the potential to be a zero-emission fuel, and establishment of rules, together with stakeholders in Japan and overseas.</p> <p>To protect biodiversity, we have continued with the installment of ballast water management systems to prevent aquatic creatures from traveling across borders with the vessels, due to concerns about their impact on existing marine ecosystems, and we expect to complete installment in all vessels in 2024. In addition, to help unravel the reality of marine plastic pollution, we are working on the accumulation of marine micro-plastic distribution data by using our operating vessels to sample microplastics floating in open sea. Further, to shed light on open sea ecosystems, we continue to collect environmental DNA using our operating vessels, and we aim to contribute to the development of indicators of biodiversity. We are pursuing these initiatives in collaboration with academic institutions with the recognition that an appropriate understanding of the current state of marine environments is essential to effective measures to protect biodiversity.</p>
--	--

Supplementary Explanation	
	<p>As for ship-recycling, we aim to achieve a circular economy and prevent industrial accidents and environmental pollution by recycling resources properly. In May 2021, the Company became the first Japanese shipping company to join the Ship Recycling Transparency Initiative (SRTI), which is hosted by the Sustainable Shipping Initiative, an international nonprofit organization aiming to contribute to a sustainable maritime industry and engaging in industry-wide activities. The SRTI is an information disclosure platform comprised of leading shipping companies, shippers, and financial stakeholders, including investors, lenders and insurance providers. It provides information about shipowners' ship-recycling policies, practices, and progress to stakeholders. By disclosing information through the SRTI, the Company will enhance transparency of the ship-recycling process and promote responsible ship-recycling within the global shipping industry, which considers safety, the environment, and human rights to be of utmost importance. Also, with the aim of a world in which all ships are handled appropriately in accordance with the criteria of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, or simply the Hong Kong Convention when it comes into force, the work of scrapping an NYK Group-owned vessel was begun at a yard in Bangladesh in March 2023, which was the first for a Japanese shipping company. On June 26, 2023, Bangladesh and Liberia ratified the Hong Kong Convention, and the ratification paved the way for its entering into force.</p> <p>For details, please refer to the Company's website. (https://www.nyk.com/english/esg/).</p>
Formulation of Policies for Information Provision to Stakeholders	<p>It is prescribed in the Nippon Yusen Kabushiki Kaisha Code of Conduct that all employees and executives of the Company shall endeavor where appropriate to provide information proactively beyond that which is required by laws, regulations, and rules. In addition to the disclosure of information, the Company will reflect the opinions of domestic and overseas stakeholders in its management through bilateral communication with them.</p>

	Supplementary Explanation
Other	<p>In November 2022, the NYK Group established the NYK Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights, and we are pursuing initiatives for the respect of human rights, including human rights due diligence, while regularly receiving advice from third-party organizations that have specialist knowledge. The Group has publicly expressed its support to the UN Global Compact (hereinafter “UNGC”). Having established a GC Promotion Committee in 2010, the Company has been working to address human rights and labor issues, etc. In 2022, we reorganized the Committee to further improve the effectiveness under a company-wide structure. The current UNGC Promotion Committee convenes on a quarterly basis to discuss surveys on and responses to the infringement of human rights concerning UNGC Principles 1 through 6 and 10 and makes recommendations to the ESG Strategy Headquarters. We are also seeking to instill and improve the awareness of respecting human rights by participating in the stakeholder engagement program hosted by Caux Round Table Japan, promoting collaborative activities with human rights non-profit organizations and NGOs, and implementing various human rights training programs, e-learning, and human-rights awareness surveys targeting all employees and executives across the NYK Group.</p> <p>For details, please refer to the Company’s website. Human Rights Initiatives: https://www.nyk.com/english/esg/social/activities/ Stakeholder Engagement: https://www.nyk.com/english/esg/social/stk/</p>

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

The Board of Directors decides the establishment of structures to ensure proper execution of business operations of the Company and the NYK Group after the Internal Control Committee’s deliberations and confirmation.

The Company has resolved at the Board of Directors the following basic policy on internal control systems (structures to ensure proper execution of business operations) and is striving to implement it appropriately.

1. Structure to ensure that the execution of duties by Directors and employees is in compliance with laws and regulations, and the Articles of Incorporation

(1) Structures concerning corporate governance

1) The Board of Directors, including Outside Directors, determines important matters and receives reports in accordance with laws, and regulations, the Articles of Incorporation, internal rules.

2) The Board of Directors determines the duties and responsibilities of Directors and supervises their execution of duties.

3) The Audit & Supervisory Committee audits the execution of duties by Directors in line with the Rules on the Audit & Supervisory Committee and the Code of Audit & Supervisory Committee Auditing and Supervising Standards.

(2) Structures concerning compliance

1) The Company formulates the Group-wide Mission Statement and Business Credo, and formulates the Code of Conduct and corporate rules, etc. that apply to officers and employees, and establishes a whistleblowing system.

2) The Company creates a position of Chief Compliance Officer (CCO) to oversee the establishment of compliance-related systems and activities, and the Compliance Committee evaluates the state of compliance.

3) The Company promotes the establishment of similar systems at subsidiaries and other entities.

(3) Structures concerning financial statements

- 1) The Company formulates policies and operational rules for proper accounting and financial statements.
- 2) Committees relating to internal control reporting system and information disclosure evaluate the establishment and operation of systems to ensure the appropriateness of financial statements.

(4) Structures concerning internal audits

The internal audit division regularly audits the overall operations of the Company and its subsidiaries, etc. and other affiliates in accordance with rules and standards for internal audits.

2. Structures to store and manage information relating to the execution of duties of the Directors

Important documents related to the execution of duties by Directors, such as minutes of General Meetings of Shareholders and meetings of the Board of Directors, are stored and managed appropriately by the division in charge, and Directors may access these documents at any time.

3. Rules and other structures to manage the risks of loss

- (1) The Company positions safety as its most important issue, and establishes optimal safety management systems for each of our business domains: sea, land, and air.
- (2) The Company establishes risk management policies and rules, and the Risk Management Committee determines the Group's major risks and Headquarters responsible to manage such risks, and evaluates risk trends and the appropriateness of countermeasures.

4. Structure to ensure the effective execution of duties of Directors

- (1) The Company adopts an executive officer system, under which Executive Officers execute their assigned duties based on delegation from the Board of Directors and Directors.
- (2) The Company determines the duties and responsibilities of Directors and Executive Officers, the division of duties among internal organizations, the authority of officers and employees, the submission and approval standards, and the standards for decisions by position.
- (3) By resolution of the Board of Directors, the Company delegates the decision-making authority for certain important business execution to Directors in an effort to accelerate decision-making.

5. Structures to ensure the proper execution of business operations in the NYK Group

- (1) The division in charge of each subsidiary, etc. manages each subsidiary, etc. in accordance with internal rules for the management of subsidiaries, etc.
- (2) The Company dispatches Directors and Audit & Supervisory Board Members to each subsidiary, etc. to ensure the proper execution of business operations.
- (3) Officers and employees of subsidiaries, etc. may also use the Company's whistleblowing system, and compliance matters that occur at subsidiaries, etc. are reported to the Company in accordance with internal rules.

6. Matters concerning the Directors and employees to assist the Audit & Supervisory Committee in its duties, matters concerning the independence of those Directors and employees from other Directors (excluding Directors who are Audit & Supervisory Committee Members), and matters to ensure the effectiveness of instructions by the Audit & Supervisory Committee to those Directors and employees

- (1) The Company establishes a division that assists the Audit & Supervisory Committee in the execution of its duties, and assigns dedicated employees to the division. The Company does not appoint a Director to support the duties of the Audit & Supervisory Committee.
- (2) Such dedicated employees work under the Audit & Supervisory Committee, and the full-time Audit & Supervisory Committee Members carry out personnel evaluations of such employees. Any reassignment or disciplinary action involving such employees shall be decided, fully reflecting the opinion of the Audit & Supervisory Committee.

7. Structure for reporting to the Audit & Supervisory Committee, and structure to ensure the prohibition of unfair treatment to whistleblowers who made reporting

- (1) Audit & Supervisory Committee Members may attend and express their opinions at meetings of the Board of Directors, the Management Meeting, and other important internal meetings.
- (2) The Company establishes the obligation of Directors and Executive Officers to report to the Audit & Supervisory Committee if there is a risk of significant damage to the Group in internal rules.
- (3) The Company establishes a system for officers and employees to report compliance matters of the Group to the Audit & Supervisory Committee.

(4) The Company establishes internal rules to keep whistleblowers unidentified and prohibit unfair treatment.

8. Matters concerning the policy for processing expenses, etc. arising with respect to the execution of duties by Audit & Supervisory Committee Members (limited to those related to the execution of duties of the Audit & Supervisory Committee), and other structures to ensure Audit & Supervisory Committee conducts audits effectively

(1) The Company bears the costs necessary for the execution of duties by Audit & Supervisory Committee Members.

(2) The internal audit division closely coordinates and exchanges information with the Audit & Supervisory Committee Members on the formulation of audit plans and results of internal audits.

(3) Regarding personnel changes for the head of the internal audit division, the Company will respect the opinions of the Audit & Supervisory Committee and ensure independence from the Directors (excluding Directors who are Audit & Supervisory Committee Members).

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

1. Basic Views

The Company has adopted, in the Nippon Yusen Kabushiki Kaisha Code of Conduct, a basic policy that the NYK Group refuses to have any relationship with anti-social forces and groups that pose threat on the order and the safety of the civil society.

2. Implementation status

For the complete elimination of any ties with anti-social forces, the Company has established a consultation counter for responding to anti-social forces. In addition, the Company coordinates closely with external experts on an ongoing basis to collect and communicate internally any relevant information. The elimination of ties with anti-social forces is considered to be an important compliance matter and a response manual and other resources have been developed for appropriate responses against them.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
------------------------------------	------

Supplementary Explanation

—

2. Other Matters Concerning Corporate Governance System

1. Timely disclosure system

In light of the importance of timely disclosure of corporate information, the Company clearly states in the “Nippon Yusen Kabushiki Kaisha Code of Conduct” that it will disclose appropriate corporate information on a timely basis and based on laws and regulations and the rules of the securities exchanges, and ensures that all employees cooperate to realize it.

The Company notifies all employees requiring them to report timely disclosure information, and person in charge of each division reports basic information required for the preparation of timely disclosure information system. Timely disclosure information is disclosed on a timely basis after it is discussed at the Board of Directors or the Management Meeting.

The matters to be discussed and reported at the meeting of the Board of Directors and the Management Meeting have been determined in reference to the timely disclosure items prescribed by Tokyo Stock Exchange, Inc.

2. Education and training programs concerning timely disclosure

Since FY2002, the Company has conducted compliance and other training for all NYK Group employees to promote the awareness about, among others, the prohibition of insider trading and the importance of timely disclosure.

People in charge of timely disclosure have been appointed within the legal division and respond to inquiries and consultation requests from other divisions and at the same time promote employee enlightenment through such consultation.

3. Timely disclosure of maritime accidents, etc.

The Crisis Management Center consisting of the members from the maritime division and the public relations division is responsible for the handling of serious issues of the NYK Group's vessels such as maritime accidents. The Crisis Management Center strives to quickly collect information about and make appropriate responses to these serious issues, while providing necessary information to the information management division for the required timely disclosure.

4. Collection of timely disclosure information about financial results

The accounting division is responsible for the collection of timely disclosure information about financial results that is required to be disclosed in securities reports, etc. The accounting division assigns reporting responsibilities to each division based on the type of disclosure information and has implemented a checking system to ensure that all necessary disclosure information is collected from these reporting divisions without any omission.

5. Monitoring of timely disclosure

Since FY2005, the Person Responsible for Handling Information has been required to report the status of timely disclosure to the Information Disclosure Committee, which is chaired by the President.

Appendix: <Corporate Governance Organizational Structure of the Company>

