INFORMATION

The document following this cover sheet exists solely to provide English translations of selected information in the original Japanese text and the documents attached to the Notice of Ordinary General Meeting of Shareholders for reference only.

The original Japanese text of the Notice of Ordinary General Meeting of Shareholders should be available to foreign shareholders at their respective sub-custodians in Japan. Please contact your custodian with your voting instructions as soon as possible.

Notice of the 135th Ordinary General Meeting of Shareholders

The 135th Fiscal Year
Report

From April 1, 2021
to March 31, 2022

Nippon Yusen Kabushiki Kaisha

<Requests>

- We will be livestreaming the Ordinary General Meeting of Shareholders via the Internet. In order to prevent the spread of COVID-19, you are kindly requested to refrain from attending the meeting in person to the extent possible and view the livestream after exercising your voting rights in advance by mail or via the Internet, etc.
- In order to prevent the spread of COVID-19, there will be a limit to the number of seats that we can prepare. Please understand that there may be measures including restrictions on entry to the meeting venue. We sincerely request our shareholders attending the meeting in person to take measures to prevent the infection such as wearing a mask. We would appreciate your understanding regarding the measures we will be taking to prevent the infection.
- Depending on future circumstances, we will post notices concerning any major changes made to the operation of the General Meeting of Shareholders on the website below.

  https://www.nyk.com/english/ir/event/meeting/

Notes:
1. The forecast incorporates certain assumptions the Company regarded as rational expectations at the time this report was announced, and involves potential risks, uncertainties and other factors. Actual results could differ materially from those projected figures.
2. The "NYK Group" means, in principle, a corporate group that consists of the Company and its subsidiaries.
3. Fractions of amounts and the numbers of shares in this report are rounded down.
4. ( ) indicates minus.

Greetings from the President

I would like to express my sincere gratitude to all of our company's shareholders and investors for your understanding and support of the NYK Group's activities. I am pleased to have this opportunity to report as follows on NYK Line's results for the fiscal year ended March 31, 2022.

During the fiscal year, COVID-19 continued to have a major impact around the world, but as a result of the strong markets created by robust cargo demand ongoing from the previous fiscal year, Liner & Logistics (Liner Trade, Air Cargo Transportation and Logistics segments) was the main driver of the group's overall financial results. On the other hand, in the Bulk Shipping segment, although crude oil and petrochemical tankers continued to experience historically weak markets, our ratio of short-term contracts affected by market fluctuations is limited. Combined with improved market levels and benefits of the structural reforms carried out last fiscal year in the dry bulk shipping division and increased handling volumes in the car transportation division, the Bulk Shipping segment as a whole achieved greatly improved results compared to last fiscal year.

As a result of these factors, the consolidated financial results for the current fiscal year were revenue of JPY2,280.7 billion, operating profit of JPY268.9 billion, recurring profit of JPY1,003.1 billion and profit attributable to owners of parent of JPY1,009.1 billion, a new record high.

In addition to COVID-19, the impact of the situation in Russia and Ukraine makes it difficult for us to foresee the business environment in which the NYK Group will operate in the coming fiscal year, but as the consolidated forecast for the fiscal year ending March 31, 2023, we expect to achieve revenue of JPY2,300.0 billion, operating profit of JPY187.0 billion, recurring profit of JPY760.0 billion and profit attributable to owners of parent of JPY720.0 billion. Under our basic philosophy of "Bringing value to life", we deliver value to people and society, and take pride in supporting daily life. While ensuring the safety of our employees throughout the group working at sea, land and air, we will continue striving to achieve safe and continued operations.

We have designated the stable return of profits to shareholders as one of the most important management priorities, and the distribution of profits is decided after comprehensively taking into account the business forecast and other factors and generally targeting a consolidated payout ratio of 25%. At the same time, based on an ongoing minimum dividend that is not affected by the business results, an annual dividend of JPY20 per share has been set as the minimum dividend for the time being. In addition to this basic dividend policy, we considered a share buyback, but for the current fiscal year, we will only issue a dividend. The year-end dividend has been increased from the previous forecast by JPY250 to JPY1,250 per share, and including the interim dividend, we plan to issue a full-year dividend of JPY1,450 per share. Concerning the upcoming fiscal year, based on the same policy, we currently plan to issue an interim dividend of JPY650 and year-end dividend of JPY400 for a full-year dividend of JPY1,050.

In accordance with our medium-term management plan "Staying ahead 2022 with Digitalization and Green", we have worked to improve profitability and strengthen our ability to withstand the future changes in the business environment by optimizing the business portfolio and accumulating stable-freight-rate business. Also, in September of last year we announced the long-term greenhouse gas emissions reduction target of "Achieve net-zero emissions by 2050" in the group's oceangoing businesses. Along with promoting the use of LNG-fueled vessels, which has been designated a bridge solution until the realization of zero-emission ships in the future, we will accelerate the initiatives for decarbonizing the oceangoing businesses by developing zero-emission ships capable of using alternative fuels such as ammonia. Through these initiatives, we will create new value as a "Sustainable Solution Provider" who is needed by society and industry. Going forward, we will continue to nimbly respond to changes in the business environment based on the "NYK Group ESG Story", which sets forth specific actions for positioning ESG management as a growth strategy.

Going forward, I ask all of the shareholders and investors for your continued understanding and support for the NYK Group.

May 2022

Hitoshi Nagasawa
President

* Guidelines related to Corporate Governance (Corporate Governance Guidelines; Our Views on Size, Balance and Diversity of the Board of Directors; Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers; Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members; Policies and Procedures for Determining Compensation for Directors, Audit and Supervisory Board Members and Corporate Officers; Rules on the Nomination Advisory Committee; and Rules on the Compensation Advisory Committee) have been posted on the Company's website on the Internet (https://www.nyk.com/english/profile/gvn/guideline/).

To Our Shareholders

May 31, 2022

Notice of the 135th Ordinary General Meeting of Shareholders

To the Shareholders of Nippon Yusen Kabushiki Kaisha:

We are pleased to announce that the 135th Ordinary General Meeting of Shareholders of Nippon Yusen Kabushiki Kaisha will be held as follows.

Please review the Reference Documents for the General Meeting of Shareholders shown in the following pages (pages 9 through 38) and exercise your voting rights. You may exercise your voting rights by mail or via the Internet, etc.

We will be livestreaming the Ordinary General Meeting of Shareholders via the Internet*. In order to prevent the spread of COVID-19, you are kindly requested to refrain from attending the meeting in person to the extent possible and view the livestream after exercising your voting rights in advance by mail or via the Internet, etc.

In order to prevent the spread of COVID-19, there will be a limit to the number of seats that we can prepare. Please understand that there may be measures including restrictions on entry to the meeting venue. We sincerely request our shareholders attending the meeting in person to take measures to prevent the infection such as wearing a mask. We would appreciate your understanding regarding the measures we will be taking to prevent the infection.

* In order to respect the privacy of those attending in person, we will attempt to restrict images from the venue on the day to the area around the seats of the Chairman and Officers, but there may be cases where we are unable to avoid including shareholders in the image. We ask for your understanding in advance.

Voting by Mail

Please review the "Guidance on the Exercise of Voting Rights" as described in page 6, indicate your vote for or against each of the proposals on the enclosed Voting Form, and return the form by 5:00 p.m. Japan Time, Tuesday, June 21, 2022.

Voting via an electromagnetic method (such as the Internet, etc.)

If you exercise your voting rights via the Internet, please review the "Guidance on the Exercise of Voting Rights" as described in page 6, and exercise your voting rights by 5:00 p.m. Japan Time, Tuesday, June 21, 2022.

Yours faithfully

Nippon Yusen Kabushiki Kaisha

Hitoshi Nagasawa
President, Representative Director

ISIN	JP3753000003
SEDOL	6643960
TSE	9101

1. Date: 10:00 a.m., Wednesday, June 22, 2022 (The reception desk will open at 9:00 a.m.)

2. Place: Room “AOI,” 2F, PALACE HOTEL TOKYO
   1-1-1 Marunouchi, Chiyoda-ku, Tokyo

3. Agenda of the Meeting:

   Matters to be reported:

   1) The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Board for the 135th Fiscal Year (from April 1, 2021 to March 31, 2022)
   2) Unconsolidated Financial Statements for the 135th Fiscal Year (from April 1, 2021 to March 31, 2022)

   Proposals to be resolved:

   Proposal No. 1: Appropriation of surplus
   Proposal No. 2: Partial amendments to the Articles of Incorporation
   Proposal No. 3: Election of eight Directors
   Proposal No. 4: Payment of bonuses to Directors
   Proposal No. 5: Determination of compensation amount due to introduction of performance-based monetary compensation plan for Directors, etc.
   Proposal No. 6: Partial revision, etc. of the amount and content of Performance-Based Stock Remuneration, etc., for Directors

   Note: The Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Unconsolidated Financial Statements attached to the Notice of Convocation are as described from page 9 to page 35 and page 41 to page 102.

4. Items relating to the exercise of voting rights:
   (1) If you make no selection as to approval/disapproval for the respective proposals, you shall be deemed to have expressed intent to give approval as to the proposals.
   (2) In the event that the exercise of voting rights is duplicated by both the method of mailing the Voting Form and via the Internet, the exercise of voting rights via the Internet shall be deemed valid. In addition, in the event that voting rights are exercised via the Internet two or more times, the most recent exercise of voting rights shall be deemed valid.
   (3) You may exercise your voting rights by appointing one proxy who shall be a shareholder with voting rights present at the meeting; provided that, the shareholder or his/her proxy shall submit to the Company a document evidencing his/her power of representation on the day of the meeting.

5. Method to announce the revision, etc. of the content:
   If the need arises to revise the content of the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, Unconsolidated Financial Statements and/or items in this Notice, or any major changes should be made to the operation of the General Meeting of Shareholders depending on future circumstances, the revised or changed items will be announced on “General Shareholders Meeting” page under “IR Event” in “Investor Relations” section of our website on the Internet (https://www.nyk.com/english/ir/event/meeting/).

Guidance on the Exercise of Voting Rights

Please exercise your votes by either of the following methods.

Voting by mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form by the deadline.

Voting deadline: 5:00 p.m., Tuesday, June 21, 2022

Voting via an electromagnetic method (such as the Internet, etc.)

Please exercise your voting rights by the deadline by accessing the website for exercising votes (https://evote.tr.mufg.jp/) designated by the Company.

Voting deadline: 5:00 p.m., Tuesday, June 21, 2022

Voting by attending the meeting in person

If you attend the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk on the day of the General Meeting of Shareholders.

Date and time of the meeting: 10:00 a.m., Wednesday, June 22, 2022

<Requests>

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- In order to prevent the spread of COVID-19, there will be a limit to the number of seats that we can prepare. Please understand that there may be measures including restrictions on entry to the meeting venue. We sincerely request our shareholders attending the meeting in person to take measures to prevent the infection such as wearing a mask. We would appreciate your understanding regarding the measures we will be taking to prevent the infection.
- Depending on future circumstances, we will post notices concerning any major changes made to the operation of the General Meeting of Shareholders on the website below.
  https://www.nyk.com/english/ir/event/meeting/

Guidance on the Exercise of Votes via Electromagnetic Method (such as the Internet, etc.)

Exercise of votes via the Internet may be done by accessing the website for exercising voting rights (https://evote.tr.mufg.jp/) designated by the Company using a PC or smartphone (access is unavailable between 2:00 a.m. and 5:00 a.m. Japan Time every day).

- Method for exercising voting rights via the Internet
  (1) Voting by using a smartphone
  - You may exercise your voting rights by automatically accessing the website for exercising votes by scanning the "login QR code" provided on the Voting Rights Exercise Form using a smartphone.
  - From the standpoint of security, you may log in using the QR code only once.

  (2) Voting by using a PC
  - Please access the website for exercising votes (https://evote.tr.mufg.jp/), enter the login ID and temporary password recorded on the Voting Form and then enter your vote for each proposal according to the instructions on the screen.
  - We request that you change the temporary password on the website for exercising votes in order to prevent improper access by persons other than the shareholder (so-called "spoofing") or alteration of the content of your voting selections.

- Expenses incurred when accessing the website for the exercising voting rights
  Please note that expenses incurred when accessing the website for the exercising voting rights (Internet connection charges, etc.) shall be the responsibility of the shareholder.

To the Institutional Investors:
Institutional investors may use the Electronic Proxy Voting Platform for Institutional Investors managed by ICJ, Inc. as an electronic method for the exercise of votes at the General Meeting of Shareholders of the Company.

Livestreaming via the Internet and Submission of Shareholder Questions in Advance

The Company's General Meeting of Shareholders will be livestreamed on the Internet as follows for viewing at home or elsewhere. You may also submit questions to the Company in advance.

1. Date and time of livestream:

Wednesday, June 22, 2022, from 10:00 a.m. until the conclusion of the General Meeting of Shareholders (The website for viewing the livestream may be accessed from around 9:30 a.m.)

*After the meeting, the on-demand stream can be viewed using the URL below.
Release period: From Wednesday, June 29, 2022 until Sunday, July 31, 2022

2. How to view:

(1) Please access the URL below (online site for the General Meeting of Shareholders "Engagement Portal") from a PC or smartphone.

URL:https://engagement-portal.tr.mufg.jp/ (in Japanense only)

(2) Please enter the "login ID" and "password" given below at the authentication screen (login screen), check "I agree to the usage agreement." after confirming the usage agreement, and click the "Login" button.

- The "login ID" is the 15 half-width alphanumeric characters printed on the right side of the Voting Rights Exercise Form.
- The "password" is the 6 half-width numeric characters printed on the right side of the Voting Rights Exercise Form (shown in the "temporary password" field).

*You will be asked to change the password used for the website for exercising voting rights the first time you log in. However, the changed password will not carry over to the online site for the General Meeting of Shareholders "Engagement Portal." Accordingly, you will need to use the numbers as printed in the "temporary password" field when logging in to the website, so please touch the right side of the Voting Form (duplicate form) as little as possible.

(3) After logging in, click the "View the livestream" button, check "I agree to the usage agreement." after confirming the usage agreement for viewing the livestream, and click the "View" button.

After logging in to the website, you can check your viewing environment in advance by clicking the "viewing environment test site" on the website.

3. Important points regarding viewing:
   (i) Due to unavoidable circumstances, we might be unable to provide the livestream. In such an event, we will make an announcement on the website below.

   https://www.nyk.com/english/ir/event/meeting/

   (ii) Participation in the General Meeting of Shareholders via the Internet by watching the livestream of the meeting does not constitute attendance under the Companies Act. Therefore, questions, the exercise your voting rights or submission of motions will not be able to be carried out by participating via the Internet.
   (iii) The participants in the General Meeting of Shareholders via the Internet are limited to the shareholders themselves. We kindly ask shareholders not to participate by means of a proxy, etc.
   (iv) The accessibility period for the "Engagement Portal" site is the time of receiving this convocation notice until July 31, 2022. Although the authentication screen (login screen) for shareholders will be displayed outside of the accessibility period, you will not be able to access the page after logging in.
   (v) Please be aware that you may experience audio or video problems due to your device (model, performance, etc.) and internet connection (line conditions, connection speed, etc.).
   (vi) Communication charges for accessing the livestream shall be borne by the shareholders themselves.

4. Submission of shareholder questions in advance

We will be taking questions concerning the agenda of the meeting prior to holding the General Meeting of Shareholders.
Please ask your question in advance after referring to "2. How to view" and accessing the "Engagement Portal."

(1) Reception period
From the time of receiving this convocation notice until 5:00 p.m., Tuesday, June 14, 2022

(2) Notes
   (i) Questions shall be limited to questions concerning the agenda of the meeting.
   (ii) Questions shall be limited to one question of up to 200 characters per person.

(iii) Of the questions, we plan to answer those that we believe to be of high interest to many shareholders and the content of which can be answered by the Company on the day of the General Meeting of Shareholders. We will refer to the questions we were unable to answer as valuable opinions for the future.

(iv) We do not guarantee that we will answer every question. Furthermore, please be aware that we will not address questions we were unable to answer on an individual basis.

(v) Please refer to 3. (iv) to (vi) above for notes about accessing the "Engagement Portal."

<u>[Inquiries concerning the website]</u>
Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation
Tel: 0120-676-808 (toll free within Japan)
Hours: 9:00 to 17:00, excluding Saturdays, Sundays and public holidays
However, on the day of the General Meeting of Shareholders, from 9:00 a.m. to the conclusion of the General Meeting of Shareholders

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of surplus

The Company regards a continuous and stable return of profits to shareholders as one of the most important management issues. Therefore, the Company proposes to distribute a year-end dividend of ¥1,250 per share, based on results in the fiscal year under review, while taking into account the need to prepare for fluctuations in the business environment and market conditions, and investment for increasing corporate value.

Items relating to year-end dividends

(1) Type of dividend property

Cash

(2) Items relating to the appropriation of dividend property to shareholders and total amount

¥1,250 per share of Company common stock, total amount ¥211,935,481,250

(3) Date of validity of dividends of surplus

June 23, 2022

Proposal No. 2: Partial amendments to the Articles of Incorporation

1. Reasons for the amendments

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

(1) Article 17, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.

(2) Article 17, paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.

(3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 17 of the current Articles of Incorporation) will no longer be required, they will be deleted.

(4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed Amendments
(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc., and the Deemed Provision of Information) Article 17. The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the General Meeting of Shareholders, the business reports, the statutory reports and the consolidated statutory reports, by disclosing such information via the Internet in accordance with the ordinance of the Ministry of Justice.	(Deleted)
(Newly established)	(Measures, etc. for Providing Information in Electronic Format) Article 17. 1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.
(Newly established)	(Supplementary Provisions) 1. The deletion of Article 17 (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc., and the Deemed Provision of Information) in the pre-amended Articles of Incorporation and the establishment of the new Article 17 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement"). 2. Notwithstanding the provision of the preceding paragraph, Article 17 of the pre-amended Articles of Incorporation (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc., and the Deemed Provision of Information) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.

Current Articles of Incorporation	Proposed Amendments
	3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.

Proposal No. 3: Election of eight Directors

The term of office of all incumbent Directors (eight (8) Directors) will expire upon conclusion of this meeting. The Company therefore recommends and proposes the following eight (8) candidates for election as Directors.

The Company will endeavor to enhance the effectiveness of decision-making and supervision of the execution of business by the Board of Directors by galvanizing substantive discussions of its meeting in order to promptly and accurately respond to the rapidly changing business environment and further accelerate ESG management, while also ensuring independence of Outside Directors.

The date of birth, career summary, the number of the Company's shares held, reasons for nominating the candidates for Director, etc. are as stated on pages 14 through 21. The Company has presented the expertise and experience of Director candidates on page 13 and its policies and procedures for the appointment and nomination, etc., of Directors as reference on page 24.

No.	Name of candidate	Gender (age)	Current Positions and Responsibilities in the Company	Period served	Attendance rate of meetings of the Board of Directors held during FY2021
1	Re-election Tadaaki Naito	Male (66)	Chairman, Director	14 years	100% (Attended all the 18 meetings)
2	Re-election Hitoshi Nagasawa	Male (64)	President, Representative Director President and Chief Executive Officer Chairperson of ESG Management Committee	11 years	100% (Attended all the 18 meetings)
3	Re-election Hiroki Harada	Male (61)	Representative Director, Senior Managing Executive Officer Chief Executive of Liner & Logistics Headquarters	3 years	100% (Attended all the 18 meetings)
4	Re-election Yutaka Higurashi	Male (59)	Director, Senior Managing Executive Officer Chief Compliance Officer Chief Executive of General Affairs Headquarters	2 years	100% (Attended all the 18 meetings)
5	New appointment Takaya Soga	Male (62)	Senior Managing Executive Officer Chief Financial Officer Chief Executive of Management Planning Headquarters	—	—
6	Re-election Yoshihiro Katayama Independent Outside	Male (70)	Chief Outside Director	6 years	100% (Attended all the 18 meetings)
7	Re-election Hiroko Kuniya Independent Outside	Female (65)	Outside Director	5 years	100% (Attended all the 18 meetings)
8	Re-election Eiichi Tanabe Independent Outside	Male (68)	Outside Director	3 years	100% (Attended all the 18 meetings)

(Reference)

The expertise and experience of Director candidates are as follows.

	Current Positions in the Company	Name	Expertise and Experience					
			Academia/ Education	Business Ethics	Business Head/ Administration	Corporate Governance	Environment/ Safety	Investment
1	Chairman, Director	Tadaaki Naito		✓	✓	✓	✓	✓
2	President, Representative Director President and Chief Executive Officer	Hitoshi Nagasawa		✓	✓	✓	✓	✓
3	Representative Director, Senior Managing Executive Officer	Hiroki Harada		✓	✓	✓		✓
4	Director, Senior Managing Executive Officer	Yutaka Higurashi		✓	✓	✓		
5	Senior Managing Executive Officer	Takaya Soga		✓	✓	✓	✓	✓
6	Chief Outside Director	Yoshihiro Katayama	✓	✓		✓		
7	Outside Director	Hiroko Kuniya	✓	✓		✓	✓	
8	Outside Director	Eiichi Tanabe		✓	✓	✓		✓

	Name	Expertise and Experience									
		Financial Expertise/ Literacy	Government/ Public Policy	Foreign Affairs/ Geopolitics	Business Assignment Overseas	Marketing/ Sales	Risk Management	Legal/ Marine Insurance	Media/ Corporate Social Responsibility	Talent Management	Technology/ Systems
1	Tadaaki Naito	✓			Germany	✓	✓			✓	✓
2	Hitoshi Nagasawa				UK	✓	✓			✓	
3	Hiroki Harada				UK Belgium	✓					✓
4	Yutaka Higurashi				UK		✓	✓		✓	
5	Takaya Soga	✓			Singapore UK Thailand	✓					
6	Yoshihiro Katayama		✓				✓		✓	✓	
7	Hiroko Kuniya				US		✓		✓		
8	Eiichi Tanabe	✓		✓	UK		✓				

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Name of candidate
(Date of birth)</th><th rowspan="2">Career summary, position, responsibilities and significant concurrent positions</th><th>Number of the Company’s shares held</th></tr>
<tr><th>Attendance rate of meetings of the Board of Directors held during FY2021</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">
Tadaaki Naito
(September 30, 1955)
Re-election</td><td>April 1978 Joined the Company
April 2004 General Manager of Petroleum Group
April 2005 Corporate Officer
April 2007 Managing Corporate Officer
June 2008 Director, Managing Corporate Officer
April 2009 Representative Director, Senior Managing Corporate Officer
April 2013 Representative Director, Executive Vice-President Corporate Officer
April 2015 President, Representative Director, President Corporate Officer
June 2019 Chairman, Director, Chairman Corporate Officer
June 2020 Chairman, Director, Chairman and Executive Officer
April 2022 Chairman, Director (to the present)

<u>Significant concurrent position</u>
Outside Director of Mitsubishi Logistics Corporation</td><td>46,014 shares</td></tr>
<tr><td>Reasons for nominating the candidate for Director:

Mr. Tadaaki Naito assumed the position of Director of the Company in 2008 and took office of the President in 2015. He led efforts to strengthen the Company’s competitiveness through environmental and digital technologies and pursued transparent and effective governance, while promoting the Group’s business restructuring. He took the position of Chairman, who chairs the Board of Directors, in 2019. With a view to helping enhance the effectiveness of the meetings of the Board of Directors and sustainably enhance corporate value, and to monitoring the Group’s management appropriately as it promotes ESG management, the Company has continuously nominated him as a candidate for Director.</td><td>100%
(Attended all the 18 meetings)</td></tr>
</table>

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Name of candidate
(Date of birth)</th><th rowspan="2">Career summary, position, responsibilities and significant concurrent positions</th><th>Number of the Company’s shares held</th></tr>
<tr><th>Attendance rate of meetings of the Board of Directors held during FY2021</th></tr>
<tr><td rowspan="2">2</td><td rowspan="2">
Hitoshi Nagasawa
(January 22, 1958)
Re-election</td><td>April 1980 Joined the Company
April 2004 General Manager of LNG Group
April 2007 Corporate Officer
April 2009 Managing Corporate Officer
June 2011 Director, Managing Corporate Officer
April 2013 Representative Director, Senior Managing Corporate Officer
April 2018 Representative Director, Executive Vice-President Corporate Officer
June 2019 President, Representative Director, President Corporate Officer
June 2020 President, Representative Director, President and Chief Executive Officer (to the present)

Chairperson of ESG Management Committee

<u>Significant concurrent position</u>
Vice-President of The Japanese Shipowners’ Association</td><td>28,651 shares</td></tr>
<tr><td>Reasons for nominating the candidate for Director:

Mr. Hitoshi Nagasawa assumed the position of Director of the Company in 2011 and held positions such as Chief Executive of Energy Division. He promoted participation in new businesses such as offshore business and green business, while implementing structural reforms of divisions such as the dry bulk division. He has served as the President who takes the control of business execution since 2019. With a view to steadily implementing the basic strategies of the medium-term management plan, further accelerating ESG management, and sustainably strengthening the management base and stabilizing profitability, the Company has continuously nominated him as a candidate for Director.</td><td>100%
(Attended all the 18 meetings)</td></tr>
</table>

No.	Name of candidate (Date of birth)	Career summary, position, responsibilities and significant concurrent positions	Number of the Company's shares held Attendance rate of meetings of the Board of Directors held during FY2021
3	 Hiroki Harada (September 21, 1960) Re-election	April 1983 Joined the Company April 2011 General Manager of Tramp Co-ordination Group April 2014 Corporate Officer April 2018 Managing Corporate Officer April 2019 Senior Managing Corporate Officer June 2019 Director, Senior Managing Corporate Officer June 2020 Director, Senior Managing Executive Officer April 2021 Representative Director, Senior Managing Executive Officer (to the present) Chief Executive of Liner & Logistics Headquarters	7,649 shares
		Reasons for nominating the candidate for Director: Since assuming the position of Corporate Officer of the Company in 2014, Mr. Hiroki Harada has mainly been in charge of the liner trade, logistics, harbor, and air freighter business divisions and carried out restructuring of the liner trade and the harbor business. He assumed the position of Director of the Company in 2019 and currently serves as Chief Executive of Liner & Logistics Headquarters in the capacity of Senior Managing Executive Officer. Aiming to achieve a sustainable stable-freight-rate business with a view to sustainably improving the profitability of the liner trade, promoting safe and stable transportation in the air cargo transportation business, and strengthening the organizational base of the logistics business, the Company has continuously nominated him as a candidate for Director.	100% (Attended all the 18 meetings)
4	 Yutaka Higurashi (February 2, 1963) Re-election	April 1985 Joined the Company April 2014 General Manager of Legal Affairs Group April 2016 Corporate Officer April 2020 Managing Corporate Officer June 2020 Director, Managing Executive Officer April 2022 Director, Senior Managing Executive Officer (to the present) Chief Compliance Officer Chief Executive of General Affairs Headquarters	7,114 shares
		Reasons for nominating the candidate for Director: Since assuming the position of Corporate Officer of the Company in 2016, Mr. Yutaka Higurashi has mainly been in charge of general affairs, human resources and legal divisions. He assumed the position of Director of the Company in 2020 and currently serves as Chief Compliance Officer and Chief Executive of General Affairs Headquarters in the capacity of Senior Managing Executive Officer. With a view to utilizing diverse human resources in the Group and promoting the development of human resources who will lead the transformation period, and strengthening governance, which is the Group's business foundation, and further deepening internal control of the Group, the Company has continuously nominated him as a candidate for Director.	100% (Attended all the 18 meetings)

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Name of candidate
(Date of birth)</th><th rowspan="2">Career summary, position, responsibilities and significant concurrent positions</th><th>Number of the Company’s shares held</th></tr>
<tr><th>Attendance rate of meetings of the Board of Directors held during FY2021</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">
Takaya Soga
(December 4, 1959)
New appointment</td><td>April 1984 Joined the Company
August 2010 General Manager of Automobile Logistics Group
April 2015 Corporate Officer
April 2018 Managing Corporate Officer
June 2020 Managing Executive Officer
April 2021 Senior Managing Executive Officer (to the present)

Chief Financial Officer
Chief Executive of Management Planning Headquarters</td><td>5,895 shares</td></tr>
<tr><td>Reasons for nominating the candidate for Director:
Since assuming the position of Corporate Office of the Company in 2015, Mr. Takaya Soga has mainly been in charge of the car transportation and automobile logistics divisions, and he currently serves as a Chief Financial Officer and Chief Executive of Management Planning Headquarters in the capacity of Senior Managing Executive Officer. With a view to realizing further stimulation and increased effectiveness of deliberations in the Board of Directors, executing balanced financial strategy and capital policy, enhancing dialogue with shareholders and investors, and promoting ESG management as a united Group while promoting investment to accelerate decarbonization initiatives, the Company has newly nominated him as a candidate for Director.</td><td></td></tr>
</table>

<table>
<tr><th>No.</th><th>Name of candidate
(Date of birth)</th><th colspan="2">Career summary, position, responsibilities and significant concurrent positions</th><th>Number of the Company’s shares held
Attendance rate of meetings of the Board of Directors held during FY2021</th></tr>
<tr><td rowspan="14">6</td><td rowspan="14">
Yoshihiro Katayama
(July 29, 1951)
Re-election
Independent
Outside</td><td>April 1974</td><td>Joined Japan’s Ministry of Home Affairs</td><td rowspan="13">19,006 shares</td></tr>
<tr><td>December 1998</td><td>Retired from the Ministry</td></tr>
<tr><td>April 1999</td><td>Governor of Tottori Prefecture</td></tr>
<tr><td>April 2007</td><td>Retired from governorship
Professor at Keio University</td></tr>
<tr><td>September 2010</td><td>Minister for Internal Affairs and Communications</td></tr>
<tr><td>September 2011</td><td>Retired from the Ministry</td></tr>
<tr><td>June 2016</td><td>Outside Director of the Company</td></tr>
<tr><td>March 2017</td><td>Retired as the Professor at Keio University</td></tr>
<tr><td>April 2017</td><td>Professor at Graduate School of Public Management, Waseda University</td></tr>
<tr><td>June 2019</td><td>Chief Outside Director of the Company (to the present)</td></tr>
<tr><td>March 2022</td><td>Retired as the Professor at Graduate School of Public Management, Waseda University</td></tr>
<tr><td>April 2022</td><td>Project professor of Taisho University (to the present)</td></tr>
<tr><td colspan="2"><u>Significant concurrent position</u>
Project professor of Taisho University</td></tr>
<tr><td colspan="2">Reasons for nominating the candidate for Outside Director and outline of the expected role:

Mr. Yoshihiro Katayama held important positions at the Ministry of Home Affairs (currently Ministry of Internal Affairs and Communications) and served as Minister for Internal Affairs and Communications from 2010 to 2011. Mr. Katayama is providing advice on the Company’s management and performing proper supervision of business execution of the Company based on his extensive knowledge, insight and personal connections gained through a wealth of his experience in the bureaucratic, political and academic circles and from a highly independent position. Accordingly, the Company has continuously nominated him as a candidate for Outside Director. If he is appointed as Outside Director, by capitalizing on his experience and expertise in government and public policy, and through discussions, etc. at meetings of the Board of Directors, the Nomination Advisory Committee and the Compensation Advisory Committee from the viewpoints of all stakeholders and a broad perspective, he is expected to play a role in contributing mainly to the supervision of the execution of duties by the Board of Directors and Directors, etc. as well as to the transparent and objective operation of each advisory committee by making recommendations, etc. to the Company’s management policy, structural issues of the Group and the organization, and the utilization and development of human resources, etc.</td><td>100%
(Attended all the 18 meetings)</td></tr>
</table>

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Name of candidate
(Date of birth)</th><th rowspan="2">Career summary, position, responsibilities and significant concurrent positions</th><th>Number of the Company's shares held</th></tr>
<tr><th>Attendance rate of meetings of the Board of Directors held during FY2021</th></tr>
<tr><td rowspan="2">7</td><td rowspan="2">
Hiroko Kuniya
(February 3, 1957)
Re-election
Independent
Outside</td><td>April 1981 Announcer and writer for English-language broadcasts of NHK, Nippon Hoso Kyokai (Japan Broadcasting Corporation)'s General TV “Seven O'clock News”
Researcher of “NHK Special”
July 1987 Newscaster of NHK's satellite broadcasting “World News”
April 1993 Newscaster of NHK's General TV “Today's Close-Up”
April 2016 Trustee of Tokyo University of the Arts (part-time) (to the present)
June 2017 Outside Director of the Company (to the present)

<u>Significant concurrent positions</u>
Trustee of Tokyo University of the Arts (part-time)
Project Professor at Graduate School of Media and Governance, Keio University
Board Member of Renewable Energy Institute</td><td>7,276 shares</td></tr>
<tr><td>Reasons for nominating the candidate for Outside Director and outline of the expected role:

The Company believes that Ms. Hiroko Kuniya can provide advice to the Company's management and contribute to proper supervision of business execution of the Company based on her long-standing career as a newscaster, raising public awareness of a range of topics including politics, economy, international relations and social issues, and capitalizing on a wealth of experience and superior insight from a multilateral perspective and a highly independent position. Accordingly, the Company has continuously nominated her as a candidate for Outside Director. If she is appointed as Outside Director, by capitalizing on her insight into environmental and social issues, etc. based on her global perspective, and through discussions, etc. at meetings of the Board of Directors, Nomination Advisory Committee and Compensation Advisory Committee from the viewpoints of all stakeholders and a broad perspective, she is expected to play a role in contributing mainly to the supervision of the execution of duties by the Board of Directors and Directors, etc. as well as to ensuring the transparency of discussions and procedures at each advisory committee by making recommendations, etc. to the Company's management policy, environmental issues, such decarbonization, and the promotion of diversity & inclusion, etc.</td><td>100%
(Attended all the 18 meetings)</td></tr>
</table>

No.	Name of candidate (Date of birth)	Career summary, position, responsibilities and significant concurrent positions		Number of the Company's shares held Attendance rate of meetings of the Board of Directors held during FY2021
8	 Eiichi Tanabe (September 16, 1953) Re-election Independent Outside	April 1978	Joined Mitsubishi Corporation	2,346 shares
		May 2001	Left Mitsubishi Corporation	
			Member of the Board of Lawson, Inc.	
		March 2005	Vice President, Senior Vice President and Representative Director (CFO) of Lawson, Inc.	
		June 2007	Retired from Vice President, Senior Vice President and Representative Director (CFO) of Lawson, Inc.	
			Joined Mitsubishi Corporation	
		April 2008	Senior Vice President of Mitsubishi Corporation	
		April 2012	Executive Vice President of Mitsubishi Corporation	
		April 2016	Senior Executive Vice President and Corporate Functional Officer of Mitsubishi Corporation	
		June 2016	Representative Director and Senior Executive Vice President of Mitsubishi Corporation	
		March 2018	Member of the Board of Mitsubishi Corporation	
		June 2018	Retired from Member of the Board of Mitsubishi Corporation	
			Adviser of Mitsubishi Corporation	
		June 2019	Outside Director of the Company (to the present)	
		June 2020	Retired from Adviser of Mitsubishi Corporation	
		<u>Significant concurrent positions</u> Outside Director of SMBC Nikko Securities Inc.		

		Reasons for nominating the candidate for Outside Director and outline of the expected role: Mr. Eiichi Tanabe held important positions at Mitsubishi Corporation such as Representative Director and Senior Executive Vice President. Mr. Tanabe is providing advice on the Company's management and performing proper supervision of business execution of the Company utilizing his knowledge in general corporate management from an independent position, based on his abundant experience mainly in management and supervision of business execution. Accordingly, the Company has continuously nominated him as a candidate for Outside Director. If he is appointed as Outside Director, by capitalizing on his experience and knowledge in general corporate management, and through discussions, etc. at meetings of the Board of Directors, Nomination Advisory Committee and Compensation Advisory Committee from the viewpoints of all stakeholders and a broad perspective, he is expected to play a role in contributing mainly to the supervision of the execution of duties by the Board of Directors and Directors, etc. as well as to ensuring the transparency of discussions and procedures at each advisory committee by making recommendations, etc. to the Company's management policy, response to the changing business environment, development of new business fields, and appropriate governance, etc.	100% (Attended all the 18 meetings)

Note: The amount of transactions between Mitsubishi Corporation, where Mr. Tanabe previously worked for, and the Company is less than 1% of revenues from the viewpoint of both companies.

Notes: 1. No transactions or special interests exist between the Company and any of the above candidates for Directors.

2. Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya and Mr. Eiichi Tanabe are candidates for the Company's Outside Directors as stipulated in Article 2, item (xv) of the Companies Act, and they meet the Company's "Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members." The Company believes that Mr. Katayama, Ms. Kuniya and Mr. Tanabe have no conflict of interest with general shareholders and are highly independent. In the event that they are elected as Directors of the Company, they will be reported as the Independent Directors to Tokyo Stock Exchange (For the details of the "Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members," please see pages 25 and 26). The Company has no particularly notable business relations with other parties where the candidates for Outside Director hold significant concurrent positions as executives or as Outside Director or Audit and Supervisory Board Member.

3. Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya and Mr. Eiichi Tanabe, who are candidates for re-election as Outside Director, will have served as Outside Director of the Company for six years, five years and three years, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.

4. SMBC Nikko Securities Inc., where Mr. Eiichi Tanabe serves concurrently as Outside Director, was indicted, together with its executives, on chargers for violating the Financial Instruments and Exchange Act (unlawful stabilization transactions) in March 2022. Although Mr. Tanabe was unaware of these details until the matter was brought to light, he regularly gave his opinion from the perspective of legal compliance, and after the matter was brought to light, he worked to further strengthen the said company's legal compliance system, such as by investigating the facts and giving further opinions regarding the investigation of the cause and the formulation of measures to prevent recurrence.

5. The Company has entered into the liability limitation agreement with each of Outside Directors as stipulated in Article 34 of the current Articles of Incorporation established under Article 427, paragraph (1) of the Companies Act setting forth that the liability under Article 423, paragraph (1) of the same Act shall be the liability limit of ¥20 million or the liability limit stipulated by laws and regulations, whichever is greater, as long as the Outside Director performs his/her duty in good faith and without gross negligence on his/her part. In the event that the proposed election of Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya and Mr. Eiichi Tanabe is approved, the Company plans to continue the liability limitation agreement with each of them.

6. To secure excellent human resources and to prevent hesitation in the execution of duties, the Company has entered into a directors and officers liability insurance contract that includes each Director as insured, and intends to renew it in October of this year. Among Directors who are being proposed in this proposal, candidates for re-election are already insured by this insurance contract, and will continue to be insured after their re-election. Mr. Takaya Soga is insured by this insurance contract as Executive Officer of the Company and will continue to be the insured as Director if his election is approved.

   [Outline of the insurance contract]

   1) Actual ratio of premiums paid by each Director

      The premiums are paid by the Company, including riders. Therefore, Directors do not bear the premiums.

   2) Outline of damage covered for each Director

      The insurance covers damages that will arise when each Director assumes liability for legal damages and litigation expenses for the execution of his or her duties.

   3) Measures to prevent the appropriateness of duties of each Director from being impaired

      There are certain exemptions under the insurance contract, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. The deductible amount is prescribed under the insurance contract, and damages up to this deductible amount shall not be subject to coverage.

The Company has disclosed below a portion of its guidelines related to corporate governance.

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

In order to facilitate prompt decision-making at all times at the Board of Directors while ensuring the quality of such decision-making through active and substantive discussion, the Company believes that the efficient size of the Board of Directors for the time being is around nine members, of which around three should be Outside Directors who meet the Independence Criteria.

The Board of Directors shall be comprised of a sufficient number of internal Directors who are well versed with the Group's globally operated businesses with shipping and logistics businesses at its core, as well as a certain number of Independent Outside Directors with high expertise that can contribute to corporate management, and further enhance the supervisory function of the Board of Directors.

The composition of the Board of Directors shall be decided with a view to ensuring diversity, including gender, international experience, work experience and age, and expertise, as well as the balance of knowledge, experience and ability of its members. As for internal Directors, attention shall also be paid to the balance between the members with strength in operating each business segment, and those who are suited for company-wide corporate management. The Board of Directors shall decide by its resolutions the assignment of duties and operations under their charge and others to respective Directors at the Board of Directors' meetings, and clarify their roles and responsibilities.

Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Executive Officers

[Policy]
In nominating Director candidates, the Company shall recommend qualified persons capable of fulfilling their duties and responsibilities as Directors responding to shareholders' entrustment of management, in full consideration of their individual character, insight and others. As for internal Director candidates, they are required to have broad knowledge, experience and a track record necessary for the deliberation of proposals at the Board of Directors' meetings, along with the ability to accurately identify issues in departments under their charge and solve them in cooperation with fellow officers and employees, have respected personalities, and have sound judgment in thorough compliance with laws and regulations as well as corporate ethics. In addition, those qualitied and functions required for company management are to be organized in the nomination of all prospective Directors and candidates who are deemed necessary and appropriate to organize the Board of Directors shall meet the qualities and functions required for each respective member. With respect to the appropriateness of the appointment of Senior Executive Directors and their tenure, as well as the appointment of the Executive Officers, the Company shall apply the policy of nominating candidates for Internal Directors, and those appointed as the Executive Officers shall recognize that they are candidates for Senior Executive Directors, and shall execute important business with the delegation of authority from the Representative Director and other Executive Directors, and shall study and refine abilities and knowledge based on their experience.

In nominating Audit and Supervisory Board Member candidates, the Company shall recommend qualified persons capable of fulfilling their duties and responsibilities as Audit and Supervisory Board Members, in full consideration of their individual character, insight and others in light of the importance of audits and the function of Audit and Supervisory Board Members in corporate management.

The Company shall separately set out the independence criteria of Outside Directors and Audit and Supervisory Board Members, and recommend candidates for Outside Directors and Outside Audit and Supervisory Board Members who meet such criteria.

[Procedures]
Director candidates shall be decided by the Board of Directors, based on the original plan prepared by the President with the involvement of Independent Outside Directors, e.g. the exchange of opinions and discussion at the Nomination Advisory Committee thereof.

Audit and Supervisory Board Member candidates shall be recommended by the President and decided by the Board of Directors, after obtaining the consent of the Audit and Supervisory Board to submit the agenda item for appointment to the General Meeting of Shareholders.

Executive Officers shall be decided by the Board of Directors, based on the original plan prepared by the President with the involvement of Independent Outside Directors, e.g. the exchange of opinions and discussion at the Nomination Advisory Committee thereof.

The Nomination Advisory Committee shall, where necessary, consult with the Board of Directors as to the appropriateness of holding the position of the President and other incumbent Senior Executive Directors based on a certain appraisal of the Company's performance and other aspects of management and business execution.

Independence Criteria for Recommendation of Candidates for Outside Directors and Audit and Supervisory Board Members

Article 1. Purpose

The purpose of these criteria is to establish the independence criteria for recommending candidates for Outside Directors as well as Outside Audit and Supervisory Board Members of Nippon Yusen Kabushiki Kaisha (hereinafter, the “Company”).

Article 2. Outside Directors

Outside Director candidates shall be recommended from among those who meet the conditions set out in the following items, but do not fall under any of the items of Article 4, upon consideration of the diversity in the composition of the Board of Directors.

(1) A person with broad knowledge or advanced expertise, excellent insight, a wealth of experience and a good track record in his/her area of specialty, who is expected to bring diverse viewpoints into the Board of Directors of the Company.

(2) A person who does not fall under any of the reasons for disqualification from becoming a Director prescribed in each item of Article 331, paragraph (1) of the Companies Act.

(3) A person who meets the requirement for Outside Directors prescribed in Article 2, item (xv) of the Companies Act.

(4) A person whose term of office as Director of the Company does not exceed 8 years.

Article 3. Outside Audit and Supervisory Board Member

Outside Audit and Supervisory Board Member candidates shall be recommended from among those who meet the conditions set out in the following items, but do not fall under any of the items of Article 4, upon consideration of the diversity in the composition of the Audit and Supervisory Board.

(1) A person with broad knowledge or advanced expertise, excellent insight, a wealth of experience and a good track record in his/her area of specialty, which can contribute to the execution of audit operations of the Company.

(2) A person who does not fall under any of the reasons for disqualification from becoming an Audit and Supervisory Board Member prescribed in each item of Article 331, paragraph (1) of the Companies Act, as applied under Article 335 of the same Act.

(3) A person who meets the requirement for an Outside Audit and Supervisory Board Member under Article 2, item (xvi) of the Companies Act.

Article 4. Independence of Outside Directors and Audit and Supervisory Board Members

A person who does not fall under any of the following criteria is deemed be independent.

(1) A major shareholder of the Company (a party who holds shares representing voting rights that exceed 10% of the total voting rights as at the end of the most recent fiscal year) or an executive thereof.

(2) A major lender to the Company (a party whose outstanding loans to the Company exceed 2% of the total consolidated assets) or an executive thereof.

(3) A major supplier of the Company (which income from the Company accounts for more than 2% of the consolidated annual revenues of such supplier for the most recent fiscal year) or an executive thereof.

(4) A major customer of the Company (which income from such customer accounts for more than 2% of the consolidated annual revenues of the Company for the most recent fiscal year) or an executive thereof.

(5) A person who is responsible for the audit operation of the Company or its consolidated subsidiary, as accounting auditor of the Company or its consolidated subsidiary, or employees of such accounting auditor.

(6) An attorney, judicial scrivener, patent attorney, certified public accountant, tax accountant, consultant or others, who receives, apart from compensation for officers, money or other property equivalent to more than ¥10 million per year from the Company, or a person who belongs to a group such as corporation or union, which

receives such property as aforementioned properties equivalent to more than ¥10 million per year from the Company and it is in excess of 2% of its annual income.

(7) A person who receives donations in excess of ¥5 million per year from the Company, or an executive at a group such as corporation or union, which receives donations in excess of ¥5 million per year from the Company and it is in excess of 2% of its annual income.

(8) Any person who has fallen under any of (1) through (7) above during the past three years.

(9) A relative within the second degree of kinship (only if he/she is an important person) of a person who falls under any of (1) through (8) above.

(10) A relative within the second degree of kinship of Director, Executive Officer and others, employee or accounting advisor (including staff members who are to perform such duties in the case of a corporation) of the Company or its subsidiary.

(11) A relative within the second degree of kinship of a person who has acted as Director, Executive Officer and others, employee or accounting advisor (including staff members who are to perform such duties in the case of a corporation) of the Company or its subsidiary, during the past three years.

(12) Any person other than the aforementioned items of this article with special circumstances which precludes his/her fulfilling duties as an independent outside Director or Audit and Supervisory Board Member, such as having conflicts of interest with general shareholders of the Company.

For more details about our guidelines related to corporate governance, please visit the following website: https://www.nyk.com/english/profile/gvn/guideline/

Proposal No. 4: Payment of bonuses to Directors

The Company proposes to pay a total of ¥63,090,000 in bonuses to the five Directors, excluding Outside Directors, as of the fiscal year under review, having given comprehensive consideration to results in the fiscal year under review and shareholder returns. The Company proposes that the payment amount to each Director shall be entrusted to the Board of Directors.

The overview of the policies for determining the contents of compensation for individual Directors of the Company ("Policy for Determining Compensation for Directors, Audit and Supervisory Board Members and Executive Officers") is described in the Business Report on page 59. This proposal has been deemed appropriate as it was resolved by the Board of Directors after deliberation with Compensation Advisory Committee in light of the Policy for Determining Compensation for Executives, Etc.

(Overview of Proposal No. 5 and Proposal No. 6)
Compensation, etc. for Directors of the Company consists of basic compensation, performance-based stock compensation and bonuses. The aggregate amount of basic compensation for Directors was decided not to exceed a total of ¥69 million per month at the 118th Ordinary General Meeting of Shareholders held on June 28, 2005, the aggregate amount of performance-based stock compensation for Directors (excluding Outside Directors) was decided not to exceed a total of ¥2 billion (contribution amount to trust) for three fiscal years, at the 129th Ordinary General Meeting of Shareholders held on June 20, 2016, (provided, however, that since the Company's performance-based stock compensation for Directors extends to cover Executive Officers meeting certain requirements apart from Directors, the aforementioned maximum aggregate amount also covers such Executive Officers and all other recipients applicable thereunder), and both were approved. Bonuses are paid within the scope of proposals submitted to and resolved at the General Meeting of Shareholders each time when payment is appropriate, taking into consideration management conditions, shareholder returns, and other factors.

The Company has decided to review the entire compensation plan for Directors, etc. (however, persons to be defined in Proposal No. 5), aimed at the achievement of business targets in each fiscal year, sustainable growth in the medium to long term, and sharing interests with shareholders.

With regard to the details of this review, the Company proposes partially revising the performance-based stock compensation plan in order to introduce a new performance-based monetary compensation plan that abolishes bonuses.

This is conditional on the approval and adoption of both Proposal No. 5 and Proposal No. 6, and if either is rejected, the other will also be deemed as rejected.

The overview of the "Policy for Determining Compensation for Directors, Audit and Supervisory Board Members and Executive Officers is described in the Business Report on page 59, but if Proposal No. 5 and Proposal No. 6 are approved and adopted, the Company plans to revise the details, etc. related to bonuses and performance-based compensation in this policy.

Proposal No. 5: Determination of compensation amount due to introduction of performance-based monetary compensation plan for Directors, etc.

1. Reasons for the proposal and reasons for justification of such monetary compensation

At the 118th Ordinary General Meeting of Shareholders held on June 28, 2005, the proposal Revision to the Amount of Director Compensation which stated that basic compensation for Directors shall not exceed ¥69 million per month, was approved by shareholders. The Company proposes that, separate to this basic compensation, a performance-based monetary compensation plan (hereinafter referred to as the “Performance-Based Monetary Compensation Plan”) will be newly introduced for Directors who concurrently serve as Executive Officers and Executive Officers (hereinafter referred to in this proposal and Proposal No. 6 as the “Directors”; excludes Executive Officers whose main responsibilities are the execution of business of the Company’s affiliates and who concurrently serve as Executive Officer of the Company, and who are paid basic compensation determined separately from the Company’s Executive Officers [hereinafter referred to in this proposal and Proposal No. 6 as “Concurrent Executive Officers”]) with the total amount of compensation set at no more than ¥300 million per year. Additionally, if the introduction of the Performance-Based Monetary Compensation Plan is approved, bonuses for the next fiscal year (the 136th fiscal year) onward shall be abolished.

The aim of introducing the Performance-Based Monetary Compensation Plan is to provide a system that contributes to the enhancement of corporate value by providing greater incentives than before for the achievement of short-term business results with respect to the compensation of Directors, and the Company considers this to be appropriate.

In the case that Proposal No. 3 Election of eight Directors is approved as proposed, four Directors (excluding three Outside Directors and the Chairman and Director [not serving concurrently as Chairman and Executive Officer]) shall be eligible for the plan as of the conclusion of this General Meeting of Shareholders. Also, Executive Officers not serving concurrently as Directors shall be eligible for the Performance-Based Monetary Compensation Plan (however, Concurrent Executive Officers are excluded), meaning that as of the conclusion of this General Meeting of Shareholders, 21 of the above stated Executive Officers shall be eligible for the plan.

2. Content, etc., of compensation, etc. under the Performance-Based Monetary Compensation Plan

(1) Overview of the Performance-Based Monetary Compensation Plan

The Performance-Based Monetary Compensation Plan is a monetary remuneration plan that provides the Directors with a monetary payment as a short-term incentive according to factors such as the degree of achievement of business results targets for each fiscal year. An overview of the content is as follows.

i)	Persons eligible for the Performance-Based Monetary Compensation Plan	• Directors who concurrently serve as Executive Officers and Executive Officers excluding Concurrent Executive Officers
ii)	Upper limit to the amount of compensation under the Performance-Based Monetary Compensation Plan	• ¥300 million per fiscal year
iii)	Details of business result achievement conditions	• Performance-based indices shall be consolidated recurring profit and consolidated ROE • In principle, the base values for measuring the degree of achievement of performance-based indices shall be the targets defined in the Company’s medium-term management plan • A performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index
iv)	Timing of monetary payments to the Directors	• After the conclusion of each fiscal year

(2) Calculation method and upper limit regarding the amount of compensation to be paid to the Directors

The amount to be paid shall be calculated by multiplying a base amount set in advance according to the position, etc. of each person eligible under the plan by a performance-based coefficient calculated after the conclusion of each fiscal year based on the degree of achievement of targets set at the start of the relevant fiscal year. It shall be paid at a specified time after the conclusion of each fiscal year.

Also, the performance-based indices used to calculate the performance-based coefficient shall, in principle, be the business results targets defined in the Company's medium-term management plan (consolidated recurring profit and consolidated ROE). The performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index.

The upper limit to the amount to be paid under the Performance-Based Monetary Compensation Plan shall be ¥300 million per fiscal year.

(3) Other content pertaining to the Performance-Based Monetary Compensation Plan

Within the scope of this proposal, the Company proposes that the determination of other content pertaining to the Performance-Based Monetary Compensation Plan be entrusted to the Board of Directors. However, matters such as changes that will have a major effect on the Performance-Based Monetary Compensation Plan shall need reapproving through a resolution of a General Meeting of Shareholders as required by laws and regulations.

3. Relationship between this proposal and Proposal No. 6

This proposal and Proposal No. 6 contain a mutual condition that the other proposal must be approved. If one proposal is rejected, then the other proposal shall also be counted as rejected.

Proposal No. 6: Partial revision, etc. of the amount and content of Performance-Based Stock Remuneration, etc., for Directors

1. Reasons for the proposal and reasons for appropriateness of such performance-based stock compensation, etc.

At the 129th Ordinary General Meeting of Shareholders held on June 20, 2016, the proposal Introduction of Performance-Based Stock Remuneration Plan for Directors and Corporate Officers and Determination of the Amounts and the Contents of Such Compensation, etc. was approved by shareholders, leading to the introduction of the performance-based stock remuneration plan still in place today.

As of this meeting, the Company proposes that this performance-based stock remuneration plan be continued with a partial revision of its contents to further accelerate ESG management and to share interests with shareholders in the medium to long term (hereinafter, the revised plan shall be referred to as the “Performance-Based Stock Remuneration Plan”).

The objectives of the Performance-Based Stock Remuneration Plan and the measures regarding persons not eligible due to non-residency in Japan outlined in 2. (8) below are to raise the consciousness of the Directors regarding contributing to enhancing business results and raising corporate value in the medium to long term and to share interests with shareholders. As its content is necessary and appropriate for achieving such objectives, the Company considers these revisions regarding the introduction of the Performance-Based Stock Remuneration Plan and the measures stated above to be appropriate.

In the case that Proposal No. 3 Election of eight Directors is approved as proposed, five Directors (excluding three Outside Directors) shall be eligible for the Performance-Based Stock Remuneration Plan. Also, Executive Officers not serving concurrently as Directors shall be eligible for the Performance-Based Stock Remuneration Plan (however, Concurrent Executive Officers are excluded), meaning that as of the conclusion of this General Meeting of Shareholders, 19 of the above stated Executive Officers shall be eligible for the plan.

2. Content, etc., of compensation, etc. under the Performance-Based Stock Remuneration Plan

(1) Overview of the Performance-Based Stock Remuneration Plan

The Performance-Based Stock Remuneration Plan is compensation separate to basic compensation and the performance-based monetary compensation proposed in Proposal No. 5. It is a stock remuneration plan in which a trust acquires shares of the Company using money contributed by the Company and then the Company delivers and give outs (hereinafter “deliver, etc.”) a monetary amount equivalent to the exchange value of the Company’s shares together with the Company’s shares (hereinafter, this combination of money and shares of the Company shall be referred to as “Company shares, etc.”) to the Directors through said trust. An overview of the content is as follows.

i) Persons eligible for the Performance-Based Stock Remuneration Plan	• Directors who concurrently serve as Executive Officers, the Chairman and Director not serving concurrently as Chairman and Executive Officer, and Executive Officers, excluding Concurrent Executive Officers, who are resident in Japan
ii) Applicable period for the Performance-Based Stock Remuneration Plan (as outlined in (2) below)	• Three fiscal years from April 1, 2022 (to March 31, 2025) • In the event that the trust term is extended, each three fiscal year-period afterward
iii) Upper limit to the amount of trust money contributed by the Company (as outlined in (2) below)	• A total of ¥1.6 billion over three fiscal years (including trust expenses, etc.)
iv) Upper limit to the number of Company shares, etc. to be acquired by the Directors and method for acquiring the Company’s shares (as outlined in (3) below)	• The upper limit for the total number of shares shall be one million shares per three-year period and its ratio of the number of shares issued (as of March 31, 2022, after excluding treasury stock) shall be approximately 0.6% • The Company’s shares shall be acquired from the stock market to avoid dilution

<table>
<tr><td>v) Method for calculating the number of Company shares, etc. to be acquired by the Directors (as outlined in (3) below)</td><td colspan="2">• The calculation shall be divided into a role-fixed portion and a performance -based portion
• Indices for calculating the number of shares in the performance-based portion: The Company’s TSR (Total Shareholder Return) including dividends and the Company’s own ESG indices based on its ESG policy (currently, the “NYK Group ESG Story” announced in February 2021). (The Company’s TSR will be measured using the degree of achievement compared to the Tokyo Stock Exchange Stock Price Index [TOPIX] growth rate and competitors’ TSR during the applicable period.)
• A performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index</td></tr>
<tr><td rowspan="2">vi) Timing of the delivery, etc. of Company shares, etc. to the Directors (as outlined in (4) below)</td><td>Role-fixed portion</td><td>After the conclusion of each fiscal year but with a three-year transfer restriction after delivery</td></tr>
<tr><td>Performance -based portion</td><td>After the conclusion of three fiscal years</td></tr>
</table>

(2) Upper limit to the amount of trust money contributed by the Company

The Performance-Based Stock Remuneration Plan will cover a period of three consecutive fiscal years (at the time of the introduction of the Plan, the three fiscal years beginning on April 1, 2022 [up to March 31, 2025], and in the event that the trust term is extended as outlined below, each three fiscal year-period afterward. Hereinafter, each of these three consecutive fiscal years is referred to as the “Applicable Period.”).

The Company will contribute no more than ¥1.6 billion of trust money as compensation for the Directors each Applicable Period and a trust (hereinafter referred to as the “Trust”) will be established for a trust term of approximately three years, with the Directors as beneficiaries (including if the trust term is extended as outlined below. Same applies hereinafter).

The Trust shall acquire the Company’s shares from the stock market using the trust money in accordance with the instructions of the trust administrator. During the trust term, the Company will award share delivery points (as outlined in (3) below. Hereinafter, they shall be referred to as “points”) to the Directors and Company shares, etc., will be delivered, etc. during the trust term.

At the end of the trust term, the Trust will continue to be used by amending the trust agreement rather than establishing a new trust or by establishing an additional trust. In such a case, the trust term of the Trust shall be extended by a period that is the same as the initial trust term and the applicable period shall become the three fiscal years from the extension of the trust term. The Company shall make an additional contribution of no more than ¥1.6 billion for each trust term extension and it will continue to award points to the Directors during the trust term extension and Company shares, etc., will be delivered, etc. during the trust term extension. However, in cases where such an additional contribution is made, the total amount of the remaining Company’s shares (excluding shares of the Company equivalent to the points issued to the Directors that have not yet been delivered, etc.) and the additional trust money to be contributed, if any, (hereinafter, these remaining the Company’s shares and money shall be referred to as “Remaining Company Shares, etc.”) remaining in the trust assets as of the final day of the trust term before the extension shall be counted within the ¥1.6 billion and the amount of the contribution shall be reduced by the amount of Remaining Company Shares, etc.

(3) Upper limit and method for calculating the number of Company shares, etc. to be acquired by the Directors

For the role-fixed portion, “fixed points” shall be awarded after the conclusion of each fiscal year and a number of Company shares, etc. shall be delivered, etc. depending on the number of fixed points each year following the conclusion of each fiscal year within the applicable period. For the performance-based portion, after the conclusion of each three fiscal year-period, points will be awarded by multiplying “variable points” by a performance-based coefficient and a number of Company shares, etc. shall be delivered, etc. depending on this number of points after the conclusion of the applicable period. One point shall be equal to one share of the Company’s shares. However, in the event of a stock split or reverse stock split of the Company’s shares, the number of the Company’s shares per point will be adjusted in accordance with the stock split ratio or reverse stock split ratio.

The performance-based indices for calculating these points shall be the Company's TSR including dividends and the Company's own ESG indices based on its ESG policy (currently, the "NYK Group ESG Story" announced in February 2021). The Company's TSR will be measured using the degree of achievement compared to the Tokyo Stock Exchange Stock Price Index (TOPIX) growth rate and competitors' TSR during the applicable period. The performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index.

The upper limit to the number of Company shares, etc. to be delivered to the Directors by the Trust shall be one million shares per each three-year Applicable Period. This upper limit to the number of Company shares, etc. has been set based on the upper limit to the amount of trust money outlined in (2) above.

Additionally, the Company's shares to be delivered annually based on fixed points will be subject to a three-year transfer restriction after delivery. All delivered shares shall also be subject to transfer restrictions in accordance with internal rules separately established from the perspective of insider trading regulations.

(4) Timing of the delivery, etc. of Company shares, etc. to eligible Directors

The Directors that are beneficiaries shall receive a monetary payment obtained by selling a certain percentage of the number of the Company's shares calculated using fixed points on the market and the remaining Company's shares after the conclusion of each fiscal year. They shall also receive a monetary payment obtained by selling a certain percentage of the number of the Company's shares calculated by multiplying variable points gained over three fiscal years by a performance-based coefficient on the market and the remaining Company's shares after the conclusion of the Applicable Period.

If a Director retires during the trust term (excluding cases of retirement for personal reasons or dismissal), said Director, after the prescribed procedures, shall receive without delay a monetary payment obtained by selling through the stock market a certain percentage of the number of the Company's shares calculated based on the number of points granted at the time of retirement and the remaining Company's shares. If a Director passes away during the trust term, a successor of said Director, after the prescribed procedures, shall receive without delay a monetary payment obtained by selling through the stock market the number of the Company's shares calculated based on the number of points granted at the time of death. If a Director stops residing in Japan during the trust term, said Director shall receive a monetary payment obtained by selling through the stock market the number of the Company's shares calculated based on the number of points granted at that time.

(5) Voting rights of the Company's shares held in the Trust

Regarding the Company's shares held in the Trust, voting rights will not be exercised during the trust term in order to ensure neutrality toward management.

(6) Malus and clawback

If a Director eligible for the plan commits improper acts or other misconduct during the Applicable Period, the Company may confiscate all points granted under the Performance-Based Stock Remuneration Plan or seek monetary compensation equivalent to the value of the shares, etc. (the role-fixed portion) delivered under the Performance-Based Stock Remuneration Plan retroactively for the past three years.

(7) Other content pertaining to the Performance-Based Stock Remuneration Plan

Within the scope of this proposal, the Company proposes that the determination of other content pertaining to the Performance-Based Stock Remuneration Plan, including the establishment of the Trust, amendments to the trust agreement, and additional contributions to the Trust, be entrusted to the Board of Directors. However, matters such as changes that will have a major effect on the Performance-Based Stock Remuneration Plan shall need reapproving through a resolution of a General Meeting of Shareholders as required by laws and regulations.

(8) Measures regarding persons not eligible for the Performance-Based Stock Remuneration Plan due to non-residency in Japan

Directors or Executive Officers who are not eligible for the Performance-Based Stock Remuneration Plan because they do not reside in Japan shall be paid a cash amount equivalent to (separate to basic compensation and the performance-based monetary compensation related to Proposal No. 5.) the points calculated and granted through the same mechanism (shares shall not be delivered). The timing and method of payment, etc., shall be the same as the payment in the form of shares.

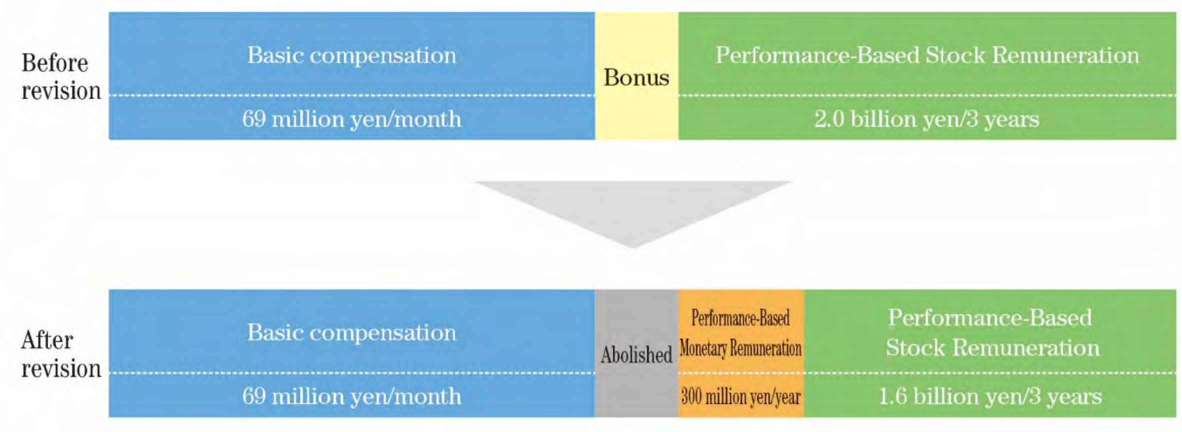
Although the amount of money equivalent to such points will be determined by the share price at the time of actual payment and cannot be fixed at this time, the Company believes that such compensation will not be excessive because such compensation will be paid only to those who are excluded from the Performance-Based Stock Remuneration Plan due to non-residence in Japan, and the calculation method is the same as that of the Performance-Based Stock Remuneration Plan. There is no Director who will be subject to this measure at the conclusion of the General Meeting of Shareholders.

3. Relationship between this proposal and Proposal No. 5

This proposal and Proposal No. 5 contain a mutual condition that the other proposal must be approved. If one proposal is rejected, then the other proposal shall also be counted as rejected.

(Reference)

1. Outline diagram of remuneration plan for the Directors



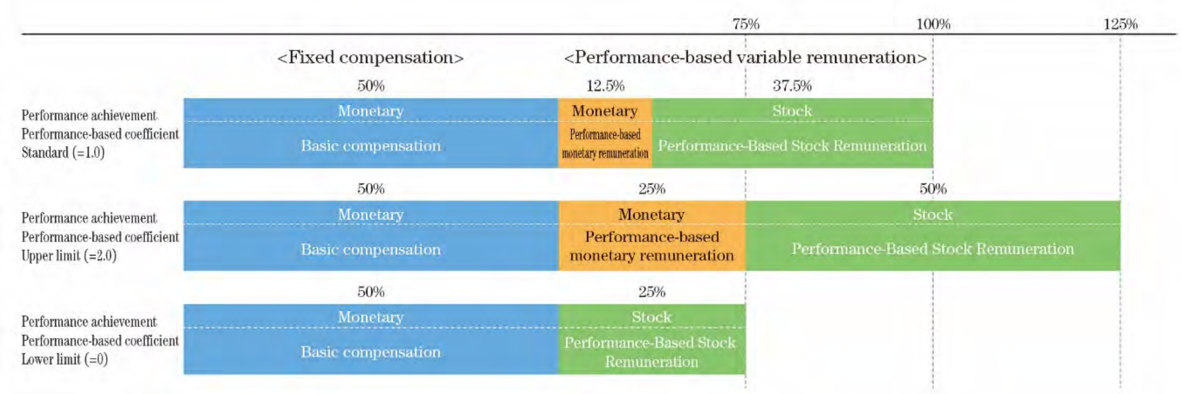
*1 Bonuses are paid within the scope of proposals submitted to and approved at the General Meeting of Shareholders each time when payment is appropriate, taking into consideration management conditions, shareholder returns, and other factors.

*2 The amount of performance-based stock remuneration is the maximum amount of trust money to be contributed by the Company.

*3 The Performance-Based Monetary Compensation Plan and the Performance-Based Stock Remuneration Plan include Executive Officers who meet certain requirements, and the maximum amount shown above is the maximum amount for all the eligible persons under the Plans, including such Executive Officers.

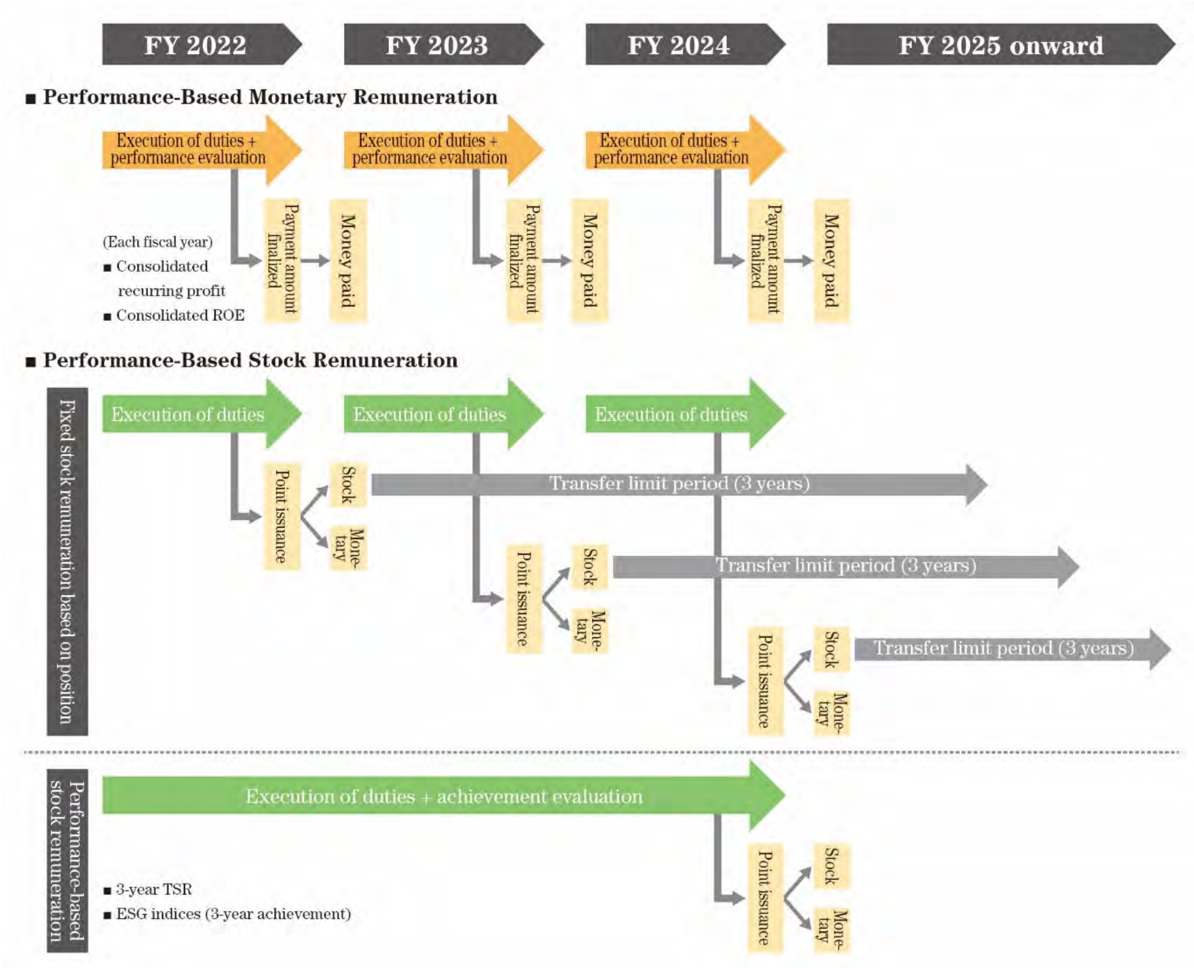
*4 This does not include those who are excluded from the Performance-Based Stock Remuneration Plan due to non-residence in Japan.

2. Image diagram of remuneration structure



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

3. Image diagram of payment of the Performance-Based Monetary Compensation and Delivery, etc. of the Performance-Based Stock Remuneration

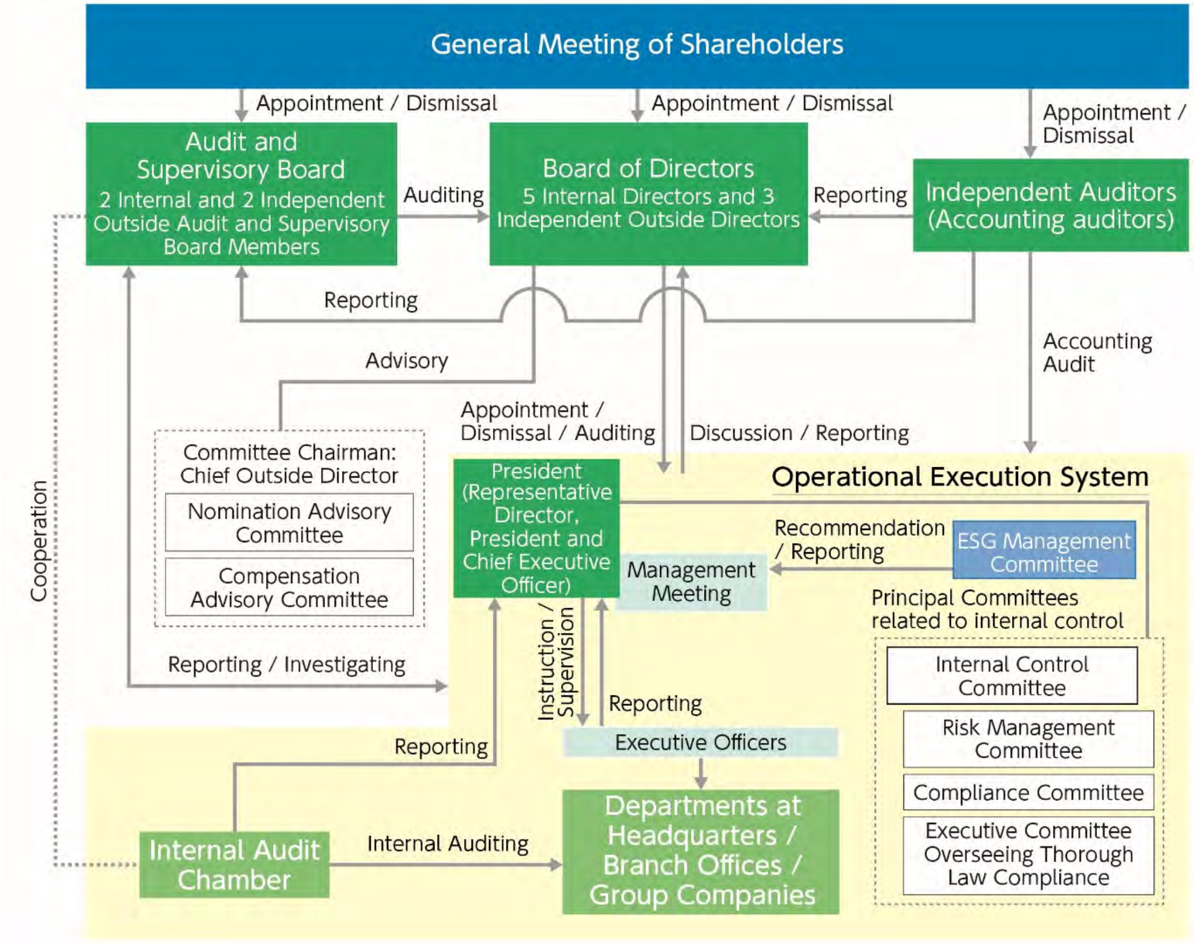


(Reference) Initiatives etc. concerning Corporate Governance

<table>
<tr><td>Organizational format</td><td colspan="3">Company with Audit and Supervisory Board</td></tr>
<tr><td>Number of Directors</td><td>8 as of June 2020
(of whom 3 are independent outside directors)</td><td>8 as of June 2021
(of whom 3 are independent outside directors)</td><td>8 (8 candidates) scheduled to be Directors after this Ordinary Meeting of Shareholders in June 2022
(of whom 3 are independent outside directors)</td></tr>
<tr><td>Number of Audit and Supervisory Board Members</td><td colspan="3">4 (of whom 2 are independent Outside Audit and Supervisory Board Members)</td></tr>
<tr><td>Term of office for Director</td><td colspan="3">1 year</td></tr>
<tr><td>Advisory bodies to the Board of Directors</td><td colspan="3">Nomination Advisory Committee, Compensation Advisory Committee (in principle, Chairman is served by the Chief Outside Director)</td></tr>
<tr><td>Incentives for Directors to improve medium-term corporate value</td><td colspan="3">• By a resolution of the Ordinary General Meeting of Shareholders of June 2016, introduced a performance-based stock compensation plan for directors and corporate officers (present Executive Officer) of the Company
• Based on this resolution of the General Meeting of Shareholders, determined to extend the plan for three years at the meeting of the Board of Directors held in March 2019
• Proposals for the introduction of a performance-based monetary compensation plan and the partial revision of performance-based stock compensation are presented at the Ordinary General Meeting of Shareholders of June 2022</td></tr>
<tr><td>2015</td><td colspan="3">• Preparation and maintenance of Guidelines, etc. related to Corporate Governance (Corporate Governance Guidelines; Our Views on Size, Balance and Diversity of the Board of Directors; Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers; Independence Criteria for Recommendation of Candidates for Outside Directors and Outside Audit and Supervisory Board Members; and Policies and Procedures for Determining Compensation for Directors, Audit and Supervisory Board Members and Corporate Officers)</td></tr>
<tr><td>2016</td><td colspan="3">• Conducted a self-evaluation survey regarding the effectiveness of the meetings of the Board of Directors
• Revised standards for submitting proposals and implemented concrete measures, such as delegation of authority to Committee of Corporate Officers
• 12 directors (decrease of one), of whom three are outside directors (increase of one)
• Introduced a performance-based stock compensation plan for directors and corporate officers of the Company (excluding outside directors and some corporate officers of the Company)
• Establishment of the Nomination Advisory Committee and the Compensation Advisory Committee</td></tr>
<tr><td>2017</td><td colspan="3">• Established position of Chief Outside Director
• 11 directors in total (decrease of one)</td></tr>
<tr><td>2018</td><td colspan="3">• Used an external organization mainly for compiling and analyzing self-evaluation regarding the effectiveness of the meetings of the Board of Directors to ensure fairness
• 9 directors in total (decrease of two)</td></tr>
<tr><td>2019</td><td colspan="3">• Revised Policies and Procedures for the Appointment and Nomination of Directors, Audit and Supervisory Board Members and Corporate Officers following the revision of Corporate Governance Code
• Established the Governance Committee that monitors internal control functions for the purpose of strengthening the Group's governance
• Conducted a Group-wide check on compliance with laws and regulations
• 8 directors in total (decrease of one)</td></tr>
<tr><td>2020</td><td colspan="3">• Changed the person who serves as the Chairman of the Nomination Advisory Committee and the Compensation Advisory Committee to an Outside Director to enhance transparency
• Increased provisions concerning the tenure of Outsider Directors to the Company's Independence Criteria</td></tr>
</table>

	• Reviewed decision-making process and established the Management Meeting aiming more flexible and transparent decision-making
2021	• Started discussions on how officer compensation should be in the future at the Compensation Advisory Committee • Revised the policies for determining officer compensation in line with the enforcement of the revised Companies Act, etc. • Completed two years of monitoring by the Governance Committee • Established the ESG Management Committee for the purpose of steadily implementing ESG management (including developing and strengthening a governance framework that supports and accelerates ESG management) • Revised Guidelines, etc. related to Corporate Governance (Corporate Governance Guidelines; Our Views on Size, Balance and Diversity of the Board of Directors; Rules on the Nomination Advisory Committee; Rules on the Compensation Advisory Committee) following the revision of Corporate Governance Code
2022	• Continued to maintain a ratio of more than 1/3 of independent outside officers (37.5% for Directors, 41.7% for all Directors and Audit and Supervisory Board Members, scheduled for June after this Ordinary Meeting of Shareholders) • Content and system design concerning Director and Executive Officer compensation from FY2022 onward discussed by the Compensation Advisory Committee and recommended to the Board of Directors (resolved at the meeting of the Board of Directors held on March 31) • Planned to change the policies for determining officer compensation in line with the revisions to compensation plans

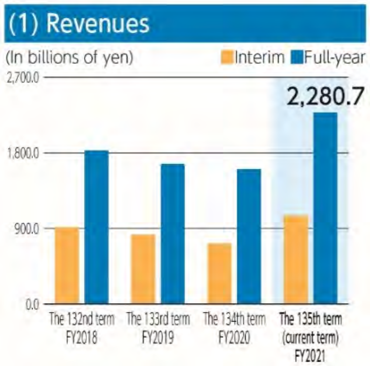
Corporate governance organizational structure of the Company

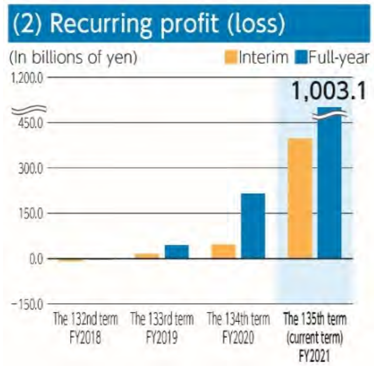


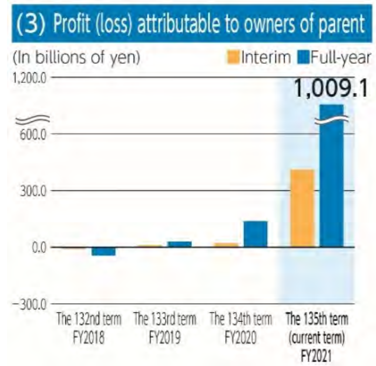
Note: The number of Directors and Audit and Supervisory Board Members is the number expected after 135th General Meeting of Shareholders.

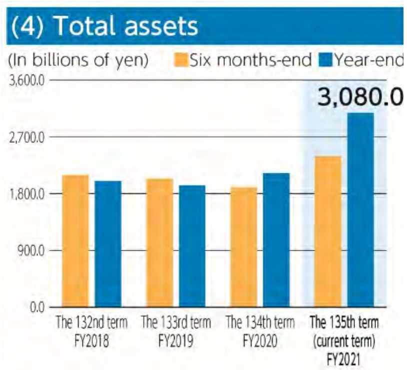
Major financial highlights (Consolidated)

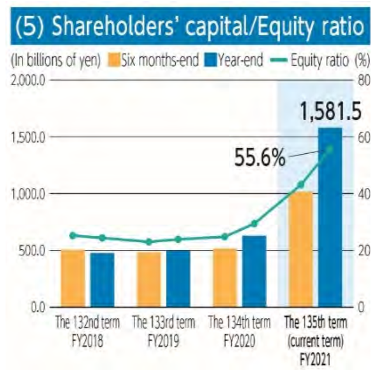
1. Business progress and results

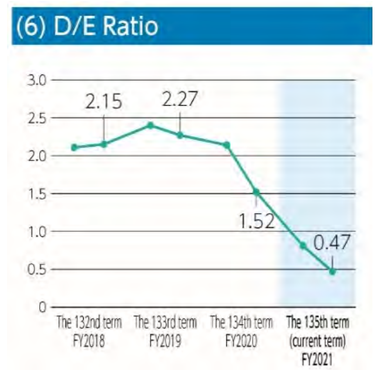


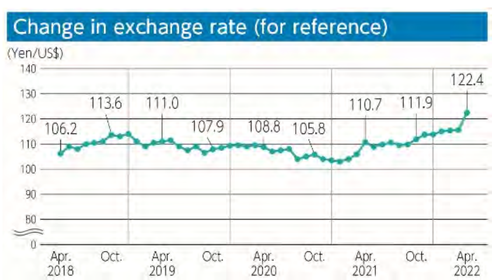


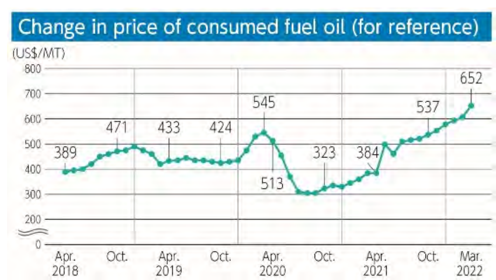






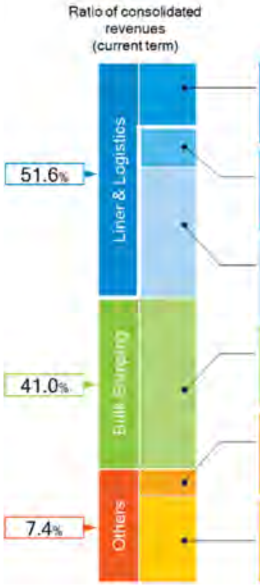






Note: The exchange rate and price of consumed fuel oil are both internal figures from the Company (rounded to the nearest unit).

2. Business segment results



(In 100 millions of yen)

			The 132nd term FY2018	The 133rd term FY2019	The 134th term FY2020	The 135th term (current term) FY2021
Liner Trade	8.0 %	Revenues	2,863	2,022	1,705	**1,905**
		Recuring Profit (loss)	(264)	134	1,408	**7,342**
Air Cargo Transportation	7.9 %	Revenues	567	751	1,224	**1,887**
		Recuring Profit (loss)	(159)	(155)	332	**740**
Logistics	35.7 %	Revenues	5,258	4,763	5,612	**8,474**
		Recuring Profit (loss)	77	47	270	**587**
Bulk Shipping	41.0 %	Revenues	8,413	8,198	6,815	**9,745**
		Recuring Profit (loss)	337	441	186	**1,391**
Real Estate	0.2 %	Revenues	76	73	68	**42**
		Recuring Profit (loss)	27	25	25	**21**
Other	7.2 %	Revenues	1,881	1,656	1,297	**1,704**
		Recuring Profit (loss)	30	17	(22)	**(12)**

3. Assets by business segment

(In 100 millions of yen)

	The 132nd term FY2018	The 133rd term FY2019	The 134th term FY2020	The 135th term (current term) FY2021
Liner & Logistics				
Liner Trade	3,618	2,969	4,286	9,453
Air Cargo Transportation	641	632	655	1,419
Logistics	2,818	2,816	3,487	4,189
Bulk Shipping	12,853	12,698	12,716	14,971
Others				
Real Estate	573	549	524	277
Other Business Services	1,717	1,590	1,736	2,214
Total	22,222	21,255	23,405	32,525
Adjustments	(2,205)	(1,923)	(2,150)	(1,724)
Consolidated	20,017	19,332	21,254	30,800

Notes: 1. The above shows figures before elimination of internal transactions between segments.

2. Content of adjustments includes adjustments for receivables and assets regarding internal transactions between segments, and corporate assets. Corporate assets mainly include surplus operating funds of the Company (cash and deposits).

Business Report (From April 1, 2021 to March 31, 2022)

1. Overview of Operations for NYK Group

(1) Business Progress and Results

1) Business Progress and Results for Current Fiscal Year

The global economy in the current fiscal year headed toward a recovery as measures for restrictions of movement to prevent the spread of COVID-19 were gradually eased in each country. Meanwhile, tight supply and demand conditions, disruption in the supply chain, and a rise in prices of raw materials, energy and other resources were seen in a wide range of goods and materials from consumer goods and semiconductors to raw materials and energy. The Japanese economy lacked vigor due to factors such as intermittent declarations of state of emergency in the first half but showed a recovery trend in the second half, owing to the resumption of economic activities and increases in personal spending. However, there are concerns about the impact that the spread of the Omicron variant and the Russia and Ukraine situation would have on economic activities.

Under these circumstances, NYK achieved a significant increase in profits in the Liner & Logistics Business as in the previous year. The consolidated results in FY2021 were revenues of ¥2,280.7 billion (41.8% increase over the previous fiscal year), operating profit of ¥268.9 billion (275.9% increase), recurring profit of ¥1,003.1 billion (365.9% increase) and profit attributable to owners of parent of ¥1,009.1 billion (624.8% increase), recording higher revenues and profits compared to the previous fiscal year.

2) Overview of the Business Segments

● Liner & Logistics

Liner Trade

In the container shipping division, Ocean Network Express Pte. Ltd. (ONE) recorded higher revenues and recurring profit year on year against a backdrop of strong market conditions supported by robust cargo demand. The lifting volume was higher year on year in the first half but was lower year on year in the second half due to shipping cancellation caused by port congestion reflecting a labor shortage due to the COVID-19 pandemic. Amid ongoing supply chain disruptions, efforts were made to arrange extra sailings and procure containers and initiatives were continued to fulfill our responsibility of maintaining social infrastructure. In addition, customer convenience was enhanced by expanding the e-commerce function in an effort to strengthen competitiveness.

Although the handling volume increased at domestic terminals, at overseas terminals the handling volume fell at North American terminals.

As a result, revenues and profits increased over the previous fiscal year for the liner trade segment as a whole, reflecting factors such as the strong results of ONE, an equity-method company.

Air Cargo Transportation

In the air cargo transportation business, supply and demand tightened as suspensions and reductions of international passenger flights continued due to the COVID-19 pandemic. As in the previous fiscal year, cargo volumes of mainly semiconductor, automobile and e-commerce-related cargo remained strong throughout the year and some ocean cargo was shifted to the air cargo market due to disruptions in marine transportation, resulting in high levels of unit freight rate and load factor

As a result, revenue and profit increased compared to the previous fiscal year.

Logistics

In the air freight forwarding business, supply and demand tightened because of continued reductions and suspensions of international passenger flights due to the impact of COVID-19. Within this situation, handling volumes increased compared to the previous fiscal year as a result of securing transportation space through agile procurement activities and making arrangements for chartered equipment, driving the results of the logistics segment as a whole.

In the ocean freight forwarding business, although it was difficult to secure space due to port congestion and handling volumes only slightly increased compared to the previous fiscal year, sales prices caught up with the soaring procurement prices, resulting in improved profit levels, and overall business performance was strong.

In the logistics business, demand for mainly consumer goods was firm, and handling volumes increased compared to the previous fiscal year.

In the coastal transportation business, cargo volumes recovered especially on the main trades, thus improving the bottom line.

As a result, revenue and profit increased compared to the previous fiscal year for the logistics segment as a whole.

● Bulk Shipping

In the car transportation division, there were concerns for finished-car handling volumes due to the shortage of automobile components caused by the COVID-19 pandemic and the global semiconductor shortage. However, handling volume increased as a result of efforts to increase transportation efficiency by optimizing vessel deployment and sailing schedules. In addition, the second vessel of LNG-fueled pure car and truck carrier was completed, followed by six more vessels scheduled for completion in the future.

In the automobile logistics division, amid the impact of lower automobile production volumes, efforts were made to reduce costs and rationalize unprofitable businesses in countries including China, Russia and India. At the same time, efforts were also made to improve the business portfolio and launch new businesses such as opening a finished vehicle logistics terminal in Turkey and commencing wind power generation operations at the finished vehicle logistics terminal in Belgium.

In the dry bulk division, during the peak season from July through September, shipments of iron ore from Brazil picked up after the wet season ended, while in China, multiple typhoons, heavy rain and the enactment of stricter border measures against COVID-19 led to increased vessel waiting times. Consequently, the Capesize market rose to the highest level in 11 years. After peaking in early October, the market started to decline as vessel waiting times in China dropped, and entered a seasonal correction phase going into January. Although the market remained weak since late February due to the Russia and Ukraine situation, the full-year average for the Capesize market was higher than in the previous fiscal year. In the Panamax segment, coal procurement increased when the price of natural gas exceeded that of coal in June and July. Imports of coal into China increased ahead of peak electricity demand season, and the market peaked in October. Thereafter, the global congestion eased, and the market entered a correction phase. However, the market trended at levels greatly exceeding the previous fiscal year. Efforts were made to stabilize the bottom line by fixing revenue through the use of freight forward agreements for the purpose of limiting the impact of market fluctuations. Also, efforts were continued to stabilize the bottom line by securing long-term contracts and reduce costs through efficient operations.

In the energy transportation division, although OPEC Plus gradually ended the coordinated production cuts from May, the balance of vessel supply and demand did not improve, and the VLCC (Very Large Crude Carrier) and petrochemical tanker markets remained at historic lows. However, regarding petroleum products tankers, the market rose sharply due to the Russia and Ukraine situation since late February. The VLGC (Very Large Gas Carriers) market remained unchanged due to the weak demand season from June and a decrease in long-distance transportation owing to a slowdown in demand because of the persistently high LPG export price from the United States. Although the market soared from September as shipments increased ahead the peak winter demand and congestion occurred at the Panama Canal, it did not reach the strong levels seen in the previous fiscal year. In VLCCs, although the ratio of vessels operated under short-term contracts affected by market volatility is limited, the market was extremely weaker than the previous fiscal year and had a negative impact on earnings. In LNG carriers, the results were steady based on support from the long-term contracts that generate stable earnings. Also, in the offshore business, FPSO (Floating Production, Storage, and Offloading) and drill ships were steady, thus contributing to earnings.

As a result, revenue and profit increased compared to the previous fiscal year for the bulk shipping business as a whole.

● Others

Real Estate

The real estate market was steady, but following the partial transfer of shares of YUSEN REAL ESTATE CORP. (currently Japan Post Properties Co., Ltd.), revenue and profit decreased compared to the previous fiscal year.

Other Business Services

In other business services, sales of fuel oil were strong, and a recovery was seen in marine equipment sales and the technical service business. As a result of these and other factors, operating results were higher than in the previous fiscal year. Asuka II Cruise suspended service from May to early August and from late August to the end of September due to the COVID-19 pandemic. More measures were taken to prevent infection, such as PCR testing on the day of boarding, and service was resumed in early October, however, cruise operations after docking were suspended due to dry docking periods from early January to early March, as well as restrictions on the entry of foreign crew members due to the spread of the Omicron variant, and trouble with electric equipment.

As a result, although revenue increased compared to the previous fiscal year, loss was recorded for the other business services segment.

For details, please refer to the "Business segment results" given on page 40.

3) Safety and Environmental Technology

At the core of the NYK Group's ESG management is the principle of ensuring the safe operation of its vessels and conservation of environment and ensuring the health of its crew members.

The NYK Group remains committed to providing safe and secure marine transportation services that also contribute to conservation of the environment by appropriately and continuously operating its unique safety standard NAV9000, the ship safety management system NiBiKi developed by the NYK Group, and the onshore monitoring system RDC (Remote Diagnostic Center) that aims to detect abnormalities of the fleet, among other systems.

The Company identifies the development of on-site human resources (seafarers) as one of the major pillars tasked with safe operations, and has unique education programs using seafarer education know-how that has been cultivated over many years. We are working to develop and secure a broad range of excellent seafarers, including executive class seafarers who can also handle LNG vessels and VLCCs which require advanced operation technology and next-generation fuel vessels such as LNG-fueled vessels.

The NYK Group conducts leading-edge research every day jointly with group companies such as Japan Marine Science Inc. and external partners, with MTI at the core, in order to contribute to ESG management encompassing customers and suppliers. We conduct a wide range of research, including autonomous operation of vessels and autonomous engine plant operation, modification of vessel design, and next-generation SIMS, by means of actual operation data analysis technology and advanced simulation technology with the aim of reducing greenhouse gas (GHG) and promoting safe operations.

In addition, the NYK Group is engaged in several research and development projects with external partners regarding introduction of new carbon neutral fuels such as ammonia and hydrogen as well as building a supply chain, marine transportation of liquefied carbon dioxide, and marine energy development as initiatives for green business. Also, going forward, the NYK Group will continue to actively promote offshore wind power related businesses which are expected to become widespread.

(2) Financing and Capital Investment Activities

The NYK Group acquired necessary funds for the current fiscal year mainly from its own assets, issuance of corporate bonds, and borrowing from financial institutions. Borrowed funds as of March 31, 2022 (including corporate bonds) totaled ¥808.2 billion, a decrease of ¥142.8 billion from the previous fiscal year.

The NYK Group made capital investment of ¥205.1 billion in total, primarily for the bulk shipping segment. In the liner trade and bulk shipping segments, we made investment of ¥4.2 billion and ¥118.6 billion respectively, primarily for vessels. Other than above, we made investment of ¥74.4 billion mainly for aircraft in the air cargo transportation segment, ¥8.2 billion for transportation equipment, and logistics facilities and equipment in the logistics segment, and ¥0.6 billion in other business services.

(3) Management Perspectives

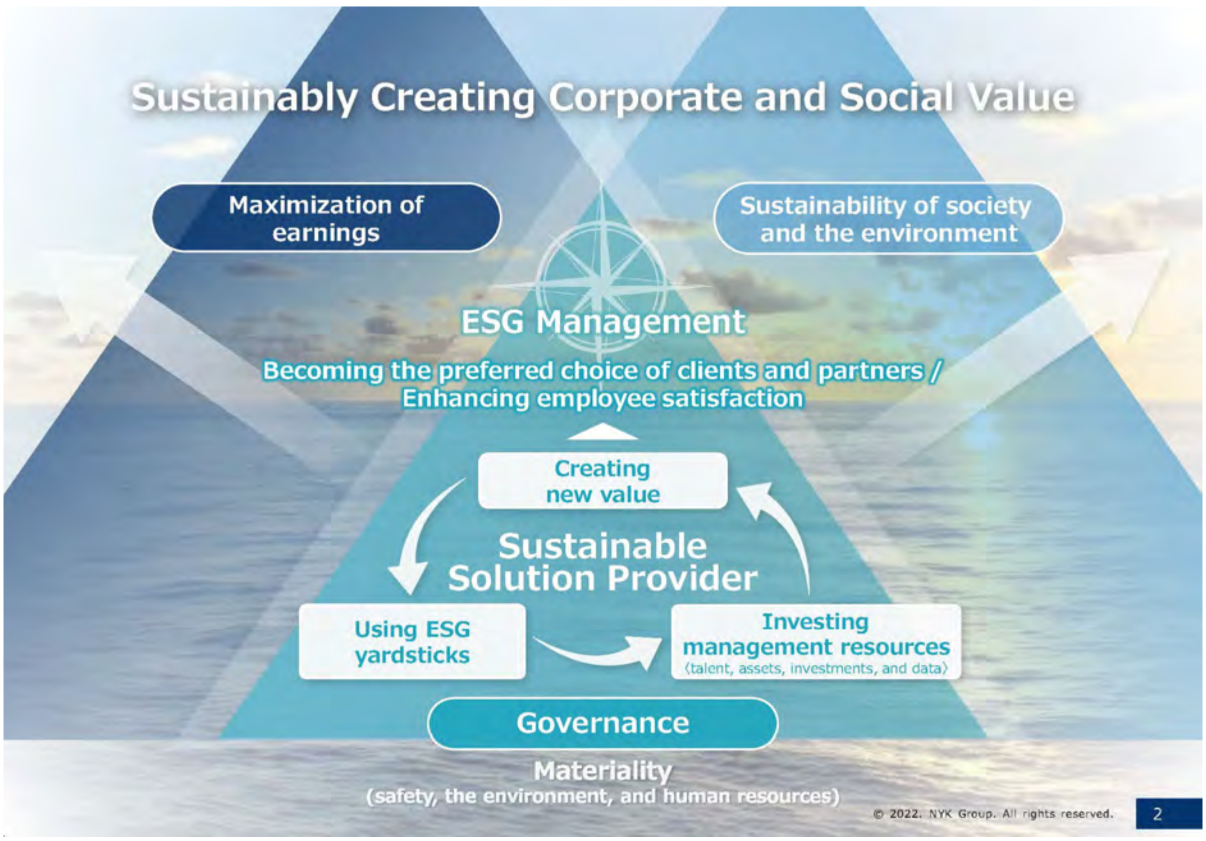
The global economy and the business environment surrounding the NYK Group remains uncertain amid factors such as the COVID-19 pandemic for which it is still unclear when they would settle down, and the Russia and Ukraine situation.

Amid these circumstances, the NYK Group will work on the following management issues as part of its medium- to long-term management policy to continue achieving sustainable growth while also responding to the ever-changing business environment and social conditions.

1) Initiatives for environment, society, and governance (ESG)

<Promotion of ESG management>

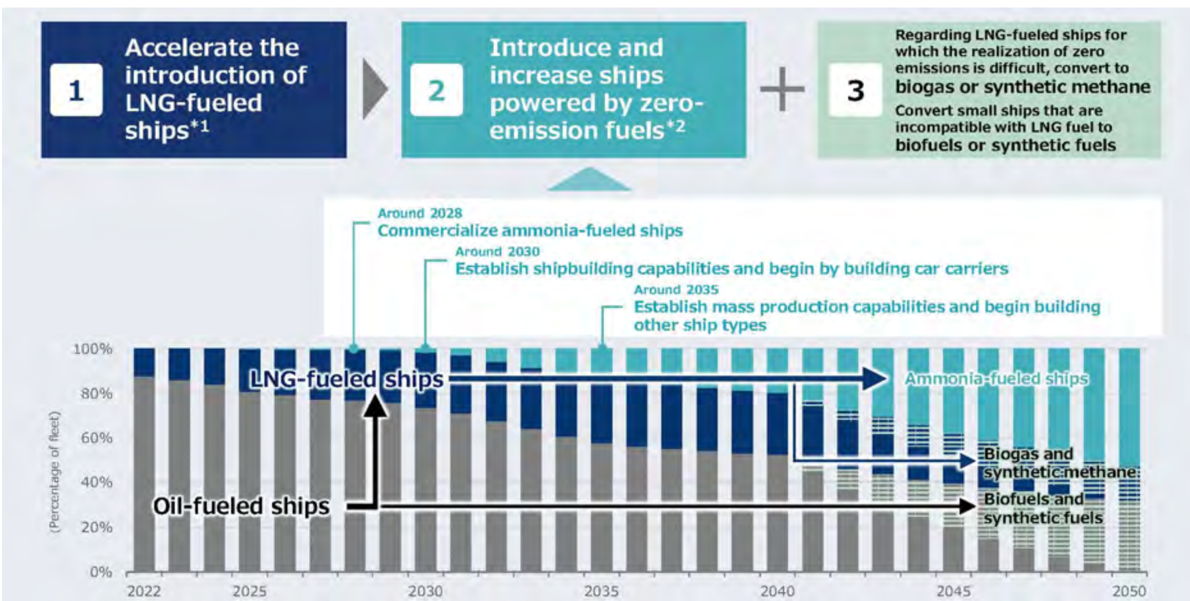
The NYK Group formulated the NYK Group ESG Story that presents specific initiatives that position ESG management as a strategy. Under the recognition that ESG is fundamental to corporate management, the NYK Group deems "safety," "environment," and "human resources" as its top-priority issues while strengthening "governance," the foundation of management, and actively conducting activities that promote ESG management to contribute to solving social issues through business.



<Initiatives to achieve net-zero emissions by 2050>

In September 2021, the Company decided to adopt “Net Zero Emissions by 2050” as its long-term target for reducing greenhouse gas emissions from oceangoing business. The NYK Group’s entire roadmap for GHG reduction, which includes non-oceangoing businesses, is scheduled to be announced in the new medium-term management plan which will commence in FY 2023.

In order to achieve net-zero emissions by 2050, we will promote optimal operation and the switch to LNG fuel as a transition fuel, the implementation of ammonia which has the potential to be a zero-emission fuel, and establishment of rules, together with stakeholders in Japan and overseas.



<Reinforcing human resources and organizations to advance new value creation and frontline capabilities>

We will further advance our efforts to create a system and environment where diverse human resources comprising 35,000 people who are working around the world can play active roles through the promotion of diversity and inclusion.

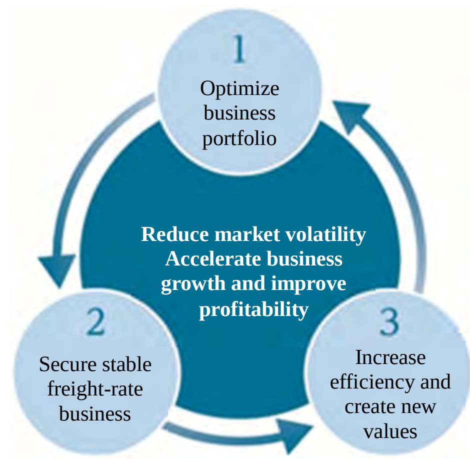
As an example of this initiative, in order to realize a robust, diverse organization and a healthy gender balance, we have set a numerical target of "aiming for women to account for 30% of managers by 2030" and have joined the "30% Club Japan."

2) Implementation of medium-term management plan

<Progress of "Staying Ahead 2022 with Digitalization and Green">

Under the Basic Philosophy of "Bringing value to life.," the NYK Group has been pushing ahead with the five-year medium-term management plan, "Staying Ahead 2022 with Digitalization and Green," from FY2018 to realize the vision of our ideals 10 years from now.

In this medium-term management plan, "Optimize business portfolio," "Secure stable-freight-rate business" and "Increase efficiency and create new values" constitute the basic strategies. The specific initiatives and progress are as described in next page.



	Basic strategies	Major initiatives and progress in FY2021
1	Optimize business portfolio	• Dry bulk carrier division: Implement structural reforms to enhance resilience to market conditions, and conduct thorough market risk exposure control • Liner trade business Substantially improve the bottom line of the integrated container shipping operating company ONE, and continue to stably work on profits
2	Secure stable freight-rate business	• Logistics division, car carrier division and automobile logistics division: Enhance the network and strengthen high-quality and competitive services, and strengthen sales capabilities by fully utilizing the Group's management resources supported by the pillars of people, assets, IT and capital • Energy transportation division (LNG division and offshore business division): Continue investments in carefully selected projects
3	Increase efficiency and create new values	• Decide commercialization of LNG fuel supply in Kyushu and Setouchi, following the Chubu region • Begin joint research and development into practical realization of an ammonia-fueled tugboat and ammonia carriers, utilizing NEDO's(*) Green Innovation Fund • Complete concept design of ammonia ready LNG-fueled vessels • Conduct verification testing that simulates practical operation of unmanned fleet • Establish joint venture with the aim of developing technology for transporting liquefied CO_2 • Receive investment from MUFG Bank, Ltd. for MarCoPay Inc., which operates the financial platform for seafarers "MarCoPay," and agree to aim for business creation through strategic partnerships with TDG, which has been invested in, and Marubeni Corporation * NEDO: New Energy and Industrial Technology Development Organization

<Toward the next medium-term management plan>

In formulating the next medium-term management plan, we discussed the NYK Group's vision with consideration paid to the external environment of 2050 and analysis of the risks and opportunities. As a result of that, we announced a long-term business investment plan and a ship decarbonization roadmap, as well as formulated five strategies for sustainable growth, ABCDE-X. Ambidexterity which engages in further development of existing core businesses and exploration of new growth businesses is positioned as the core strategies, and utilization of DX and EX and corporate transformation are positioned as the supporting strategies.

<Strategic investments, particularly in environment-related fields>

In order to achieve net-zero emissions by 2050, we will make “reinforcement investments” and “growth investments” in promoting strategic investments particularly in environment-related fields. “Reinforcement investments” consist of investments for renewing existing businesses in responses to reduce GHG emissions from vessels through the introduction of LNG-fueled vessels and next-generation fuel vessels and in LNG carriers, and “growth investments” comprise investments in green business and new growth businesses.

3) Thorough Compliance

The NYK Group deems thorough compliance as its top priority and aims to build a global governance system for the Company and Group companies that engage in various operations in Japan and overseas. By implementing the following measures steadily, we will make every effort to ensure that our business is conducted fairly in accordance with laws and regulations.

- Set up Regional Management Offices (RMOs) in each location in the Americas, Europe, East Asia and South Asia
- Assign legal affairs managers and internal auditors under the Regional Governance Officer to share best practices and promptly resolve issues
- Continue activities, including obtaining written pledges for the codes of conduct established by Group companies in Japan and overseas
- Conduct hearings with each division and our group companies, prepare action guidelines related to antitrust laws based on the interviews, and conduct trainings etc. in order to ensure compliance with the antitrust laws
- Develop and strengthen a comprehensive system of legal compliance, including anti-bribery and anti-harassment measures, in addition to responding to the antitrust laws, through the meetings of the Compliance Committee and the Committee for Ensuring Adherence to Laws

(4) Principal Business of the Consolidated (as of March 31, 2022)

Liner & Logistics (liner trade, air cargo transportation and logistics businesses)
Bulk shipping
Others (real estate and other business services)

(5) Principal Business Offices (as of March 31, 2022)

1) NYK

Category	Location
Head Office	Yusen Bldg., 3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo
Branch Offices	Yokohama Branch Office (Yokohama City), Nagoya Branch Office (Nagoya City), Kansai Branch Office (Kobe City) and Kyushu Branch Office (Fukuoka City)
Overseas resident and representative offices	Johannesburg, Dubai, Doha, Jedda and Beijing

2) Principal subsidiaries

Name of company	Location of head office or country
NYK BULK & PROJECTS CARRIERS LTD.	Chiyoda-ku, Tokyo
NIPPON CARGO AIRLINES CO., LTD.	Minato-ku, Tokyo
HACHIUMA STEAMSHIP CO., LTD.	Kobe City, Hyogo
NYK TRADING CORP.	Shinagawa-ku, Tokyo
YUSEN LOGISTICS CO., LTD.	Shinagawa-ku, Tokyo
UNI-X NCT CORPORATION	Chuo-ku, Tokyo
NYK GROUP AMERICAS INC.	U.S.A.
NYK GROUP EUROPE LTD.	U.K.
NYK GROUP SOUTH ASIA PTE. LTD.	Singapore

(6) State of Vessels of the Consolidated (as of March 31, 2022)

Business Segments	Type of vessel	Segment	As of March 31, 2022	
			Number of vessels	1,000 K/T (dwt)
Liner Trade	Container ships (incl. semi-container ships)	Owned	26	1,665
		Chartered	29	3,039
		Total	55	4,704
Bulk Shipping	Dry bulk carriers	Owned	116	10,036
		Chartered	266	28,664
		Total	382	38,700
	Car carriers	Owned	38	727
		Chartered	70	1,299
		Total	108	2,026
	Tankers	Owned	47	7,068
		Chartered	21	3,207
		Total	68	10,275
	Other	Owned	23	418
		Chartered	22	317
		Total	45	735
Total		Owned	250	19,915
		Chartered	408	36,527
		Total	658	56,442

Notes:
1. The number of vessels in possession includes shared vessels; their deadweight tonnages include the weight of other owners' portions.
2. Fractions less than 1,000 dwt have been rounded down.
3. There are no cruise ships owned by the Company due to the transfer of 50% of the shares of NYK CRUISES CO., LTD. in March 2019.

(7) Employees (as of March 31, 2022)

1) Employees of the Consolidated

Segment		Number of employees (persons)	Year-on-year change (persons)
Liner & Logistics	Liner Trade	3,568	81
	Air Cargo Transportation	952	55
	Logistics	25,199	712
Bulk Shipping		3,584	(802)
Others	Real Estate	7	(65)
	Other	1,425	106
Company-wide (common)		430	21
Total		35,165	108

Note: Employees included in "Company-wide (common)" belong to administrative divisions that cannot be classified to a specific segment.

2) Employees of the Unconsolidated

Segment	Number of employees (persons)	Year-on-year change (persons)
Employees on land duty	974	25
[maritime crew on land duty out of above]	[130]	[(1)]
Maritime crew on sea duty	275	7
Total	1,249	32

Note: The number of employees includes 66 of those loaned to the Company from other companies and excludes those loaned to other companies and temporary personnel.

(8) Status of Principal Lenders of NYK (as of March 31, 2022)

Lender	Outstanding Balance (Millions of yen)
MUFG Bank, Ltd.	97,015
DEVELOPMENT BANK OF JAPAN INC.	55,130
THE YAMAGUCHI BANK, LTD.	51,404
MEIJI YASUDA LIFE INSURANCE CO.	50,000
SUMITOMO MITSUI BANKING CO.	33,364
THE NORINCHUKIN BANK	29,696
NIPPON LIFE INSURANCE CO.	23,442
CHIBA BANK, LTD.	13,571
THE SHIGA BANK, LTD.	13,463
The Nanto Bank, Ltd.	12,142

Note: In addition to the above, the Company has a total of ¥9,000 million loans from a syndicate of banks led by MUFG Bank, Ltd., but these loans are not included in the outstanding borrowings from each of the banks.

(9) Status of Major Business Combination (as of March 31, 2022)

1) Changes and results of business combinations

NYK Group operates businesses categorized in six segments which are Liner Trade, Air Cargo Transportation, Logistics, Bulk Shipping, Real Estate and Other Business Services. NYK Group has 488 consolidated subsidiaries and 213 equity-method companies as of March 31, 2022.

NYK sold a portion of shares it owns in its subsidiary YUSEN REAL ESTATE CORP. (currently Japan Post Properties Co., Ltd.) to JAPAN POST HOLDINGS Co., Ltd.

Resolution of Board of Directors: May 27, 2021
Conclusion of contract: May 27, 2021
Effective date: August 2, 2021

For details of the changes and results of other business combinations, please refer to the "Business Progress and Results" (on pages 41-43).

2) Status of principal subsidiaries

Name of company	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
NYK BULK & PROJECTS CARRIERS LTD.	¥2,100 million	100.00	Marine transportation business
NIPPON CARGO AIRLINES CO., LTD.	¥10,000 million	100.00	Air cargo transportation business
HACHIUMA STEAMSHIP CO., LTD.	¥500 million	76.18	Marine transportation business
NYK TRADING CORP.	¥1,246 million	80.99	Sales of petrochemical products, etc.
YUSEN LOGISTICS CO., LTD.	¥4,301 million	100.00	Freight forwarding business, etc.
UNI-X NCT CORPORATION	¥934 million	100.00	Harbor transportation business
NYK GROUP AMERICAS INC.	US$4.000 million	100.00	Controlling subsidiaries engaged in marine transportation and global logistics businesses, etc. in North and South American area
NYK GROUP EUROPE LTD.	£45.271 million	100.00	Controlling subsidiaries engaged in marine transportation and global logistics businesses, etc. in Europe
NYK GROUP SOUTH ASIA PTE. LTD.	US$11.580 million	100.00	Controlling subsidiaries engaged in marine transportation and global logistics businesses, etc. in South Asian area and Oceanian area
ADAGIO MARITIMA S.A. and 267 other vessel owning companies	US$35.523 million (total of 126 companies) ¥7,379 million (total of 142 companies)	100.00 (all companies)	Vessel owning and chartering

Notes: 1. Percentage of voting rights includes indirect holdings.
2. NYK holds 51.00% of the voting rights of MY TERMINALS HOLDINGS, LIMITED, which is a holding company that holds 100% of shares of the common stock of UNI-X NCT CORPORATION.
3. ADAGIO MARITIMA S.A. and 267 other vessel owning companies are consolidated subsidiaries that are fully owned by the NYK Group and are incorporated in Panama, Singapore and Liberia, etc. for the purpose of owning and chartering vessels. Vessels time-chartered from the said companies by the NYK Group constitute an important part of the fleet of vessels operated by the NYK Group.

3) Status of principal affiliates

Name of company	Common Stock	NYK's Share of Voting Rights (%)	Main Operations
NS UNITED KAIUN KAISHA, LTD.	¥10,300 million	18.58	Marine transportation business
KYOEI TANKER CO., LTD.	¥2,850 million	30.02	Marine transportation business
NYK CRUISES CO., LTD.	¥100 million	50.00	Ownership and operation of cruise ship
OCEAN NETWORK EXPRESS PTE. LTD.	US$3,000 million	—	Marine transportation business

Notes: 1. Percentage of voting rights includes indirect holdings.
2. NYK holds 38.00% of the voting rights of Ocean Network Express Holdings, Ltd., which is a holding company that holds 100% of shares of the common stock of OCEAN NETWORK EXPRESS PTE. LTD.

(10) Other significant matters on operations for NYK Group

With regard to the alleged violation of competition laws in connection with maritime car transportation services for cars and trucks committed in or before September 2012, investigations are ongoing in some countries against NYK. In addition, claims for damages have been filed against NYK and its overseas subsidiaries in several countries.

In connection with the collision of ACX Crystal, a containership chartered by NYK, with U.S. Navy Destroyer USS Fitzgerald in June 2017, lawsuits for damages totaling US$308 million have been filed by bereaved family members of the crew members who died in the collision and crew members who claim to have been injured (hereinafter, the "plaintiffs") in the United States. The court of first instance and the court of second instance in the U.S. have ruled to reject the plaintiff's lawsuit, however, following the filing of rehearing petition by the plaintiffs (appellants) thereafter, the court granted the petition on July, 2021, and hearing is ongoing.

The Company has a business relationship with a Russian shipping company, including effective joint ownership and management of LNG vessels. However, in consideration of the sanctions in various countries due to the situation involving Russian and Ukraine, the Company is holding discussions with the related parties to take appropriate measures.

2. Status of Shares (as of March 31, 2022)

(1) Total number of shares authorized to be issued 298,355,000 shares

(2) Number of shares issued 169,548,385 shares

Note: The number of shares issued excludes 506,713 shares of treasury stock.

(3) Number of shareholders 171,369 persons
(increased by 57,252 from the previous year)

(4) Major shareholders (Top 10)

Name	Capital contribution to the Company	
	Number of shares held (in thousands)	Ratio of shareholding (%)
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	27,930	16.47
Custody Bank of Japan, Ltd. (Trust account)	9,707	5.73
STATE STREET BANK WEST CLIENT - TREATY 505234	4,543	2.68
MEIJI YASUDA LIFE INSURANCE CO.	3,102	1.83
MITSUBISHI HEAVY INDUSTRIES, LTD.	3,077	1.82
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	2,315	1.37
JPMorgan Securities Japan Co., Ltd.	2,315	1.37
SMBC Nikko Securities Inc.	1,814	1.07
THE BANK OF NEW YORK MELLON 140044	1,519	0.90
STATE STREET BANK AND TRUST COMPANY 505103	1,417	0.84

(5) Treasury Stock

Treasury shares held as of the end of the preceding term		Common Stock	496,942 (shares)
Shares purchased in the current term			
	Less-than-One-Unit Share Purchased	Common Stock	10,046 (shares)
		Total price of acquisition	76,257,145 (yen)
Shares disposed in the current term			
	Less-than-One-Unit Share Sold	Common Stock	275 (shares)
		Total price of disposition	1,465,800 (yen)
Shares lapsed in the current term			None
Treasury shares held as of the end of the fiscal term		Common Stock	506,713 (shares)

Notes: 1. For the number of shares delivered as compensation for execution of duties to those who were Directors of the Company during this fiscal year, please refer to Note 4. of "Compensation paid to Directors and Audit and Supervisory Board Members" (on page 61).
2. The Company shares held by Board Incentive Plan Trust (612,059 shares) are not included in treasury shares above.

3. Executives of NYK

(1) Directors and Audit and Supervisory Board Members (incumbents from June 19, 2021 to March 31, 2022)

Name	Position, responsibilities and significant concurrent positions	
Tadaaki Naito	Chairman, Director Chairman and Executive Officer	Outside Director of Mitsubishi Logistics Corporation
Hitoshi Nagasawa	President, Representative Director President and Chief Executive Officer	Executive Chief of ESG Management Vice-President of The Japanese Shipowners' Association
Hiroki Harada	Representative Director Senior Managing Executive Officer	Chief Executive of Liner & Logistics Headquarters
Yutaka Higurashi	Director, Managing Executive Officer	Chief Compliance Officer, Chief Executive of General Affairs Headquarters
Hiroshi Kubota	Director, Managing Executive Officer	Chief Financial Officer, Chief Executive of Management Planning Headquarters
Yoshihiro Katayama	Chief Outside Director (part-time, Independent Director)	Professor at Graduate School of Public Management, Waseda University
Hiroko Kuniya	Outside Director (part-time, Independent Director)	Trustee of Tokyo University of the Arts (part-time), Project Professor at Graduate School of Media and Governance, Keio University, Board Member of Renewable Energy Institute
Eiichi Tanabe	Outside Director (part-time, Independent Director)	Outside Director of SMBC Nikko Securities Inc.
Noriko Miyamoto	Audit and Supervisory Board Member (full-time)	Director of Japan Audit & Supervisory Board Members Association
Eiichi Takahashi	Audit and Supervisory Board Member (full-time)	
Hiroshi Nakaso	Outside Audit and Supervisory Board Member (part-time, Independent Auditor)	Chairman of Daiwa Institute of Research Ltd., Project Professor of the Center for Advanced Research in Finance of Graduate School of Economics, The University of Tokyo, Chairman of the Organization of Global Financial City Tokyo, Member of APEC Business Advisory Council, Chairman of the University Funds Investment and Oversight Committee of Japan Science and Technology Agency
Satoko Kuwabara (Family registered name: Satoko Ota)	Outside Audit and Supervisory Board Member (part-time, Independent Auditor)	Partner of Gaien Partners, Outside Director of Bandai Namco Holdings Inc., Outside Auditor of Unicafe Inc., Outside Director of Mitsubishi UFJ Financial Group, Inc.

Notes:
1. Of Directors, Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya and Mr. Eiichi Tanabe are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Of Audit and Supervisory Board Members, Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara are Outside Audit and Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
3. The Company has no particularly notable business relations with the significant concurrent positions such as executive officers or outside officers held by Outside Directors and Outside Audit and Supervisory Board Members.

4. Of Audit and Supervisory Board Members, Mr. Eiichi Takahashi served as a Chief Financial Officer of NYK and has considerable expertise in finance and accounting.
5. Directors and Audit and Supervisory Board Members who retired and those newly appointed during the current fiscal year are as follows:

<Retirement>	
Director (non-executive Director)	Eiichi Takahashi (retired due to expiration of the term of office on June 18, 2021)
Audit and Supervisory Board Member (full-time)	Hiroshi Hiramatsu (retired due to expiration of the term of office on June 18, 2021)
<New appointment>	
Director, Managing Executive Officer	Hiroshi Kubota (appointed on June 18, 2021)
Audit and Supervisory Board Member (full-time)	Eiichi Takahashi (appointed on June 18, 2021)

6. As of April 1, 2022, Executive Officers who also serve as Director are relocated as follows:

<As of March 31, 2022>		**<After relocation>**
Chairman, Director Chairman and Executive Officer	Tadaaki Naito	Chairman, Director
Director, Managing Executive Officer	Yutaka Higurashi	Director, Senior Managing Executive Officer

7. The Company filed Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya, Mr. Eiichi Tanabe, Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara as its Independent Directors/Auditors with Tokyo Stock Exchange, Inc. Listed companies are required to secure the Independent Directors/Auditors who play roles in safeguarding general investors.

(2) Executive Officers (For reference) (as of April 1, 2022)

Position	Name
Representative Director President and Chief Executive Officer	Hitoshi Nagasawa
Representative Director, Senior Managing Executive Officer	Hiroki Harada
Director, Senior Managing Executive Officer	Yutaka Higurashi
Director, Managing Executive Officer	Hiroshi Kubota
Senior Managing Executive Officer	Tomoyuki Koyama
	Akira Kono
	Takaya Soga
Managing Executive Officer	Svein Steimler
	Nobuhiro Kashima
	Toru Kamiyama
	Yutaka Ikeda
Executive Officer	Hideki Suzuki
	Yuko Tsutsui
	Toru Maruyama
	Hiroaki Nishiyama
	Hisaya Higuchi
	Hironobu Watanabe
	Patrick Brennan Jr.
	Kenichiro Sutoh
	Yasunobu Suzuki
	Yuji Nishijima
	Takuji Banno
	Toshi Nakamura
	Keita Sataka
	*Masahiro Takahashi
	*Hiroaki Ohashi
	*Shinichi Yanagisawa
	*Shogo Terajima
	*Mie Sugano

Notes: 1. Executive Officers who retired during the fiscal year are as follows:
Tadaaki Naito, Masashi Suda, Kazumasa Okazaki, Shinji Umehara, and Takeshi Kato
2. The asterisks (*) indicate newly appointed Executive Officers on April 1, 2022.

(3) Compensation for Directors and Audit and Supervisory Board Members for the Current Fiscal Year

1) Matters regarding the policies for determining the contents of compensation for individual Directors

The Company has formulated the “Policy for Determining Compensation for Directors, Audit and Supervisory Board Members and Executive Officers” (hereinafter, the “Determination Policy”) as summarized below.

In order to provide sound medium- to long-term incentive for officers towards sustainable growth and aiming at sharing interests with shareholders, the Company shall set out its compensation system for Directors based on the size and nature of its business, as well as from the perspective of securing talents and sustainability in consideration of the levels of compensation for officers at its industry peers or peers of equivalent size and salary for employees. Compensation for Executive Directors consists of basic compensation, performance-based stock compensation and bonuses. Compensation for Outside Directors consists solely of basic compensation as they provide supervision and advice to the management of the Company from a standpoint independent of business execution. No Directors shall be granted retirement benefits.

i) Basic compensation

Fixed monetary compensation is paid on a monthly basis based on individual positions and responsibilities.

ii) Bonuses

A proposal of bonus payment is proposed at the General Meeting of Shareholders, if justifiable in consideration of business conditions such as single-year corporate performance and shareholder return. Bonuses shall be paid within the fiscal year following the fiscal year evaluated, at an amount based on individual positions and responsibilities, within the aggregate limit of bonuses as determined by the resolution of the Meeting.

iii) Performance-based stock compensation

The Company introduced a performance-based stock compensation plan (Board Incentive Plan) involving a trust with superior transparency and objectivity, closely linked to the level of achievement of medium- to long-term corporate performance targets specified under the medium-term management plan. With a view to pursuing capital efficiency while impartially reflecting corporate performance on evaluation, performance-linked indicators comprise consolidated revenues, consolidated operating profit, consolidated recurring profit, profit attributable to owners of parent, EBITDA and ROE. Different degrees of performance indicator-weighting shall be set for each of three factors, namely, the level of achievement of targets under the medium-term management plan, the level of achievement of initial consolidated financial forecast, and the comparison with the previous fiscal year, thereby measuring the level of achievement, etc. (hereinafter, the “achievement level, etc.”) by using performance-linked indicators. Fixed points based on individual positions of Directors and variable points calculated based on the achievement level, etc. shall be granted every fiscal year, and the number of shares equivalent to the number of accumulated points shall be delivered following the expiry of the three fiscal year period. The number of points to be delivered commensurate with the achievement level, etc. shall be calculated by multiplying performance-linked coefficient, which varies within a range between 0 and 1.5.

The ratio of basic compensation and performance-based stock compensation shall be set to attain a parity when corporate performance targets, etc. are impartially achieved, with a view to providing a sound medium- to long-term incentive for motivating Directors to contribute to enhancing corporate performance and promoting sustainable growth.

The amounts of compensation for Directors shall be proposed by the President within the total amount and content resolved by the General Meeting of Shareholders. Then, through discussions at the Compensation Advisory Committee, an advisory body to the Board of Directors, and exchange of opinions with Outside Directors, they are decided by the Board of Directors. The Compensation Advisory Committee, comprising Chairman, Director, President, Representative Director, and Outside Directors (the Committee is composed of a majority of Outside Directors and chaired by a Chief Outside Director in principle), shall be engaged in discussion on determining the amount of compensation and other important matters related to compensation of Directors, and report or submit the results to the Board of Directors.

Meanwhile, the Determination Policy is deliberated by the Compensation Advisory Committee and decided by the Board of Directors.

2) Matters regarding the policies for determining the amount of compensation for Audit and Supervisory Board Members

Compensation for Audit and Supervisory Board Members shall be paid solely in the form of basic compensation in light of the nature of their function and role of conducting audit of the Company from a standpoint independent of business execution, and the specific individual amounts of compensation shall be decided by discussion among the Audit and Supervisory Board Members including the Outside Audit and Supervisory Board Members, within the total amount and content resolved by the General Meeting of Shareholders.

Meanwhile, the Determination Policy is decided at the Board of Directors.

3) Matters regarding the resolutions of the General Meeting of Shareholders on the compensation for Directors and Audit and Supervisory Board Members

The aggregate amount of basic compensation for Directors was decided not to exceed a total of ¥69 million per month at the 118th Ordinary General Meeting of Shareholders held on June 28, 2005. The Company was served by 17 Directors as at the conclusion of this Ordinary General Meeting of Shareholders. Meanwhile, the aggregate amount of performance-based stock compensation for Directors (excluding Outside Directors) was decided not to exceed a total of ¥2 billion for three fiscal years, at the 129th Ordinary General Meeting of Shareholders held on June 20, 2016, (provided, however, that since the Company's performance-based stock compensation for Directors extends to cover Executive Officers meeting certain requirements apart from Directors, the aforementioned maximum aggregate amount also covers such Executive Officers and all other recipients applicable thereunder), and as part of the resolution, three year extension of the applicable period of the plan was resolved at the Board of Directors meeting held in March 2019. The Company was served by nine Directors (excluding Outside Directors) as at the conclusion of the aforementioned Ordinary General Meeting of Shareholders.

The aggregate amount of compensation for Audit and Supervisory Board Members was decided not to exceed a total of ¥9 million per month, at the 107th Ordinary General Meeting of Shareholders held on June 29, 1994. The Company was served by five Audit and Supervisory Board Members as at the conclusion of this Ordinary General Meeting of Shareholders.

4) Basis of the decision by the Board of Directors that the contents of compensation for individual Directors for the current fiscal year were in line with the Determination Policy

The Board of Directors decided that the contents of compensation for individual Directors for the current fiscal year were in line with the Determination Policy due to the fact that such contents were approved by the resolution of the Board of Directors based on the resolution at the General Meeting of Shareholders, that those resolutions were in conformity to the Determination Policy, and that the resolution of the Board of Directors was adopted based on the thorough discussion at the Compensation Advisory Committee, which comprises a majority of Outside Directors, on all specific contents including the appropriateness of the amounts of compensation for individual Directors, in addition to the design of the plan for the compensation for Directors.

5) Compensation paid to Directors and Audit and Supervisory Board Members

Category of executives	Total amount of compensation	Total amount of compensation by category				Number of eligible executives
		Fixed compensation	Performance-based compensation			
		Basic compensation	Bonus	Stock compensation	Total amount	
Directors [Outside Directors out of above]	¥728 million [¥57 million]	¥307 million [¥57 million]	¥63 million [-]	¥358 million [-]	¥421 million [-]	9 [3]
Audit and Supervisory Board Members [Outside Audit and Supervisory Board Members out of above]	¥105 million [¥27 million]	¥105 million [¥27 million]	-	- [-]	- [-]	5 [2]

Notes:
1. The amount of basic compensation paid to Directors includes the amount paid to one Director who retired during this fiscal year.
2. The amount of basic compensation paid to Audit and Supervisory Board Members includes the amount paid to one Audit and Supervisory Board Member who retired during this fiscal year.
3. Subject to approval at the 135th Ordinary General Meeting of Shareholders, the Company plans to pay bonuses to five Directors (excluding Outside Directors, as of the end of the current fiscal year).
4. The amount of stock compensation for Directors is an amount based on the performance-based stock compensation plan, as summarized in the above 1) Matters regarding the policies for determining the contents of compensation for individual Directors, as well as 3) Matters regarding the resolutions of the General Meeting of Shareholders on the compensation for Directors and Audit and Supervisory Board Members.
   a) The table above shows the total amount of expense recorded for stock compensation related to this fiscal year associated with the provision for stock benefits during this fiscal year (provided, however, that for retired directors during this fiscal year, the amount recorded as expense associated with the payment of stock compensation).
   b) The method for calculating the performance-based stock compensation based on the performance indicators determined in 1), iii) above is designed to achieve variation in the number of individually granted points by the followed procedure: Adjustments are made by 50%, 30% and 20% weightings to the values derived from the indicators involving the degree of achievement with respect to the target threshold of ROE at minimum 8.0% and consolidated recurring profit between ¥70 billion and ¥100 billion set out under the medium-term management plan, the degree of achievement of initial consolidated financial forecast and the comparison with the previous fiscal year, for the purpose of determining performance-linked coefficient in a range between 0 and 1.5, which shall then be multiplied by the 50% of the points granted commensurate with positions. Actual performance against the consolidated performance indicators in the current fiscal year were consolidated revenues of ¥2,280.7 billion, consolidated operating profit of ¥268.9 billion, consolidated recurring profit of ¥1,003.1 billion, profit attributable to owners of parent of ¥1,009.1 billion, EBITDA of ¥370.5 billion and ROE of 86.0%, and the performance-linked coefficient for the current term was 1.5.
   c) In the current fiscal year, 41,208 shares of the Company were delivered to a Director (not an Outside Director) who retired in June 2021.

(4) Outline of the Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance contract, to secure excellent human resources and to prevent hesitation in the execution of duties. The outline of this insurance contract is as follows.

1) Scope of insured persons

Officers (including Executive Officers) of the Company or its domestic subsidiaries, etc., managerial employees or retired officers appointed by the Board of Directors of the foregoing companies, etc.

2) Outline of the insurance contract

- Actual ratio of premiums paid by the insured
  The premiums are paid by the Company. Therefore, the insured (excluding the Company) do not bear the premiums.
- Outline of events insured against
  The insurance covers damages, etc. that will arise when the insured bears compensation for damages and litigation expenses, etc.
- Measures to prevent the appropriateness of duties of officers, etc. from being impaired
  There are certain exemptions under the insurance contract, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. The deductible amount is prescribed under the insurance contract, and damages up to this deductible amount shall not be subject to coverage.

(5) Liability Limitation Agreement with Directors and Audit and Supervisory Board Members

The Company has signed agreements with Mr. Yoshihiro Katayama, Ms. Hiroko Kuniya, Mr. Eiichi Tanabe, Ms. Noriko Miyamoto, Mr. Eiichi Takahashi, Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara, limiting their liability for damages in terms of Article 423, Paragraph 1 of the Companies Act, according to Articles 34 and 44 of the Articles of Incorporation stipulated in accordance with Article 427, Paragraph 1 of the same Law. Based on these agreements, liability for damages is limited to ¥20 million or the minimum amount prescribed by law, whichever is higher, as long as the Director/Audit and Supervisory Board Member performs his/her duty in good faith and without gross negligence on his/her part.

(6) Status of Major Activities of Outside Directors and Outside Audit and Supervisory Board Members

Position and Name	Status of Attendance and Stating of Opinions
Independent Outside Director (Part-time, Chief Outside Director) Yoshihiro Katayama (Appointed on June 20, 2016)	Mr. Yoshihiro Katayama was expected to contribute to the supervision of the execution of duties by the Board of Directors and Directors, etc. and the transparent and objective operation of each advisory committee by making use of his experience and expert knowledge on administrative and public policy, and by making recommendations, etc. on our management policy, structural issues of the Group and organization, and the utilization and development of human resources, etc. through discussions at the Board of Directors and the Nomination Advisory Committee and the Compensation Advisory Committee from the perspectives of all stakeholders and from a broad perspective. He attended all the 18 meeting of Board of Directors held this year (100% attendance rate), and met its expectations by providing advice based on his extensive knowledge, insight and personal connections gained through a wealth of his experience in the bureaucratic, political and academic circles and from a highly independent position, and by serving as chairman at each of the aforementioned advisory committees.
Independent Outside Director (Part-time) Hiroko Kuniya (Appointed on June 21, 2017)	Ms. Hiroko Kuniya was expected to contribute to the supervision of the execution of duties by the Board of Directors and Directors, etc. as well as to ensuring transparency of deliberation and procedures, etc. of the Nomination Advisory Committee and the Compensation Advisory Committee, based on her insight into environmental and social issues from a global perspective, and by making recommendations, etc. on our management policy, initiatives for the environment such as climate change, and promotion of diverse human resources, etc. through discussions at the Board of Directors and the Nomination Advisory Committee and the Compensation Advisory Committee from the perspectives of all stakeholders and from a broad perspective. She attended all the 18 meeting of Board of Directors held this year (100% attendance rate), and met its expectations by making use of her experience and wealth of insight that she had raised a wide range of issues related to politics, economics, international relations, and society over the long term as a caster, and by expressing her opinions from a diverse perspective and from a highly independent standpoint, and by serving as a member of each of the aforementioned advisory committees.
Independent Outside Director (Part-time) Eiichi Tanabe	Mr. Eiichi Tanabe was expected to contribute to the supervision of the execution of duties by the Board of Directors and Directors, etc. as well as to ensuring transparency of deliberation and procedures, etc. of the

(Appointed on June 19, 2019)	Nomination Advisory Committee and the Compensation Advisory Committee, by making use of his experience and knowledge of overall corporate management and making recommendations, etc. on our management policies, adaptation to the changing business environment and creation of new business domains and appropriate decision-making, etc. through discussions at the Board of Directors and the Nomination Advisory Committee and the Compensation Advisory Committee from the perspectives of all stakeholders and from a broad perspective. He attended all the 18 meeting of Board of Directors held this year (100% attendance rate), and met its expectations by expressing his opinions with knowledge of overall corporate management based on his abundant experience mainly in management and supervision of business execution, and from an independent standpoint, and by serving as a member of each of the aforementioned advisory committees.
Independent Outside Audit and Supervisory Board Member (Part-time) Hiroshi Nakaso (Appointed on June 29, 2020)	Attended all the 18 meetings of the Board of Directors and 18 meetings of the Audit and Supervisory Board held during this fiscal year (100% of attendance rate). In order to contribute to appropriate audits on the Company's business execution, made statements when necessary from an objective and independent standpoint by making use of his extensive knowledge in overall finance and economy fields, and expertise specialized in global financial systems, market transactions and global finance gained through a wealth of practical experience in Japan and overseas, having served as Deputy Governor of the Bank of Japan.
Independent Outside Audit and Supervisory Board Member (Part-time) Satoko Kuwabara (Appointed on June 29, 2020)	Attended all the 18 meetings of the Board of Directors and 18 meetings of the Audit and Supervisory Board held during this fiscal year (100% of attendance rate). In order to contribute to appropriate audits on the Company's business execution, made statements when necessary from an objective and independent standpoint by making use of her wealth of practical experience mainly in the fields of corporate legal affairs and financial legal affairs gained through many years of activities as a lawyer and expertise specialized in law, as well as her experience in being involved in corporate management as Outside Director/Audit and Supervisory Board Member of other companies.

Financial Position and Results of Operation and their Changes in the Last Three Fiscal Terms

1) Consolidated Financial Position and Results of Operation

(In millions of yen, unless otherwise stated)

Category	The 132nd term FY2018	The 133rd term FY2019	The 134th term FY2020	The 135th term (current term) FY2021
Revenues	1,829,300	1,668,355	1,608,414	2,280,775
Recurring profit (loss)	(2,052)	44,486	215,336	1,003,154
Profit (loss) attributable to owners of parent	(44,501)	31,129	139,228	1,009,105
Profit (loss) per share	(263.80) (yen)	184.39 (yen)	824.55 (yen)	5,973.76 (yen)
Total Assets	2,001,704	1,933,264	2,125,480	3,080,023
Equity	521,725	498,839	667,411	1,759,073
Equity per share	2,889.26 (yen)	2,740.41 (yen)	3,703.27 (yen)	10,144.29 (yen)

Notes: 1. Profit (loss) per share is calculated on the basis of the average number of shares outstanding in each fiscal year, and equity per share is calculated on the basis of the total number of shares outstanding at each term end. In addition, the total number of issued shares excludes the number of treasury stock.
2. The Company shares held by the Board Incentive Plan Trust are recorded as treasury stock in Consolidated Financial Statements. Accordingly, the Company shares held by the said Trust are included in shares of treasury stock to be excluded from the average number of shares outstanding in each fiscal year and the total number of shares outstanding at each term end.
3. The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. The figures for the reporting period reflect these accounting standards.

2) Unconsolidated Financial Position and Results of Operation

(In millions of yen, unless otherwise stated)

Category	The 132nd term FY2018	The 133rd term FY2019	The 134th term FY2020	The 135th term (current term) FY2021
Revenues	703,078	669,905	561,745	777,239
Recurring profit	7,663	48,935	90,960	434,140
Profit (loss)	(24,501)	22,647	38,252	488,220
Profit (loss) per share	(145.24) (yen)	134.14 (yen)	226.54 (yen)	2,890.16 (yen)
Total Assets	1,365,127	1,308,170	1,333,529	1,592,888
Equity	209,298	214,602	249,490	678,184
Equity per share	1,240.59 (yen)	1,271.09 (yen)	1,477.48 (yen)	4,014.44 (yen)

Notes: 1. Profit (loss) per share is calculated on the basis of the average number of shares outstanding in each fiscal year, and equity per share is calculated on the basis of the total number of shares outstanding at each term end. In addition, the total number of issued shares excludes the number of treasury stock.
2. The Company shares held by the Board Incentive Plan Trust are recorded as treasury stock in Unconsolidated Financial Statements. Accordingly, the Company shares held by the said Trust are included in shares of treasury stock to be excluded from the average number of shares outstanding in each fiscal year and the total number of shares outstanding at each term end.
3. The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. The figures for the reporting period reflect these accounting standards.

Status of Stock Acquisition Rights, etc. (as of March 31, 2022)

Not applicable.

Independent Auditor (Kaikei Kansa Nin)

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation to Independent Auditor for the fiscal year under review

Category	Total amount
Compensation for the fiscal year under review	¥196 million
Total of cash and other financial profits payable by the Company and its subsidiaries to the Independent Auditor	¥324 million

Notes: 1. The Audit and Supervisory Board consented to the amount of compensation for the Independent Auditor pursuant to Article 399, Paragraph 1 and Paragraph 2 of the Companies Act after conducting the necessary verification of the contents of the audit plan submitted by the Independent Auditor, the status of execution of duties by the Independent Auditor, and reasonableness of the basis, etc. for calculating the estimated compensation through interviews and hearings with the Independent Auditor and internal relevant divisions.

2. The audit contract between NYK and the Independent Auditor does not separate the compensation for the audit based on the Companies Act from the compensation for the audit based on the Financial Instruments and Exchange Act. Therefore, the aforementioned amount includes the compensation for the audit, etc. based on the Financial Instruments and Exchange Act.

3. The Company pays the Independent Auditor fees for advice and guidance services on accounting, which are services other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit service).

4. Among our principal subsidiaries, UNI-X NCT CORPORATION, NYK GROUP AMERICAS INC., NYK GROUP EUROPE LTD., and NYK GROUP SOUTH ASIA PTE. LTD. undergo audits of statutory documents by CPAs or audit corporations other than the Independent Auditor of NYK (including persons who have qualifications equivalent to these qualifications in foreign countries) (limited to audit pursuant to the Companies Act or Financial Instruments and Exchange Act (including foreign laws equivalent to these laws)).

(3) Company Policy regarding dismissal or decision not to reappoint the Independent Auditor

If the Audit and Supervisory Board of NYK concludes that the Independent Auditor falls under any of the items of Article 340, paragraph 1 of the Companies Act, it will dismiss the Independent Auditor upon its members' unanimous approval. In such cases, the Audit and Supervisory Board will report the dismissal of the Independent Auditor and the reason thereof to the first Shareholders' Meeting held immediately after such dismissal.

In addition to the above, if it is recognized that the Independent Auditor is no longer able to execute its duties in an appropriate manner or, for any other reason, the replacement of the Independent Auditor is deemed to be appropriate, the Audit and Supervisory Board will determine a resolution to the effect of dismissal of or a decision not to reappoint the Independent Auditor, to be proposed at the Shareholders' Meeting.

Matters on Establishment of Structures to Ensure Proper Execution of Business Operations and the Implementation Status of Such Structures

The following is an outline of the establishment of structures to ensure proper execution of business operations adopted at the meeting of the Board of Directors.

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

- The Company has formulated the Mission Statement, the NYK Group Value, the Business Credo and the Code of Conduct, and strives to enhance appropriate management systems in accordance with them. The Company formulates in-house rules such as the Rules on the Board of Directors, the Rules on the Management Meeting, and the Rules on the Execution of Duties, and discusses important matters at the meetings of the Board of Directors and of the Management Meeting. The Company establishes the Nomination Advisory Committee and the Compensation Advisory Committee, which are advisory bodies. The Company establishes the ESG Management Committee in pursuit of sustainability, combined with enhanced effectiveness of governance framework.
- The Company establishes the Internal Control Committee, discussing internal control issues and formulating policies to address them, as well as striving to ensure the effectiveness of the internal control.
- The Company establishes the Risk Management Committee, the Compliance Committee and the Committee for ensuring adherence to laws, and implements concrete measures related to strict adherence to laws and regulations and promotion of compliance. In addition, the Company formulates rules on the reporting and examination, etc. for crisis responses, and develops a system for implementing prompt remedy and recurrence prevention measures in case of an emergency, striving to ensure the effectiveness of execution of duties related to the internal control and enhancing the supervisory functions of the Board of Directors.

(Summary of Implementation Status)

- The Company held the meetings of the Board of Directors and discussed important matters at the meetings of the Board of Directors. The Management Meeting deliberated matters delegated by the Board of Directors and made decisions on the execution of duties based on the deliberation. The Nomination Advisory Committee and the Compensation Advisory Committee were set up to discuss appointments and compensations of Directors, among others. The ESG Management Committee was set up for initiatives regarding enhancement of governance effectiveness in management and execution of duties from a long-term perspective.
- The Internal Control Committee was held to make decisions on policies regarding internal control, based on monitoring to identify and verify internal control issues and discussions on future initiatives to ensure effectiveness of internal control, as well as to review as necessary the development of the internal control system and its operation status.
- The Risk Management Committee, the Compliance Committee and the Committee for ensuring adherence to laws were held to discuss sharing of related cases and issues, etc. The Company appointed Chief Compliance Officer (CCO) in its effort to comply with laws and regulations and the Articles of Incorporation and strengthen the internal system that respects corporate ethics and social norms. The Company received pledges on compliance with the Code of Conduct from Directors and employees, etc., carried out continuously compliance education and training, and conducted monitoring. In the event of an emergency, the Company ensured implementation of prompt remedy and recurrence prevention measures pursuant to the rules on the reporting and examination, etc. for crisis responses, while reporting important matters to the Board of Directors via the Compliance Committee, based on the reporting standard stipulated in the detailed rules.

(2) Structures to store and manage information relating to the execution of duties of the Directors of the Company

- The Directors and the Board of Directors properly store and manage appropriately recorded documents and other information relating to their execution of duties according to laws and regulations as well as in-house rules.
- The Company continues to handle important documents properly with procedures and authority for inspection in place according to the degree of confidentiality.
- The Company establishes relevant rules for confidential information.

(Summary of Implementation Status)

- Important information on the execution of business operations by the Directors is being stored and managed appropriately, and important contracts are being periodically organized and confirmed.

(3) Rules and other structures to manage the risks of loss of the Company

- The Company establishes the Risk Management Committee, formulates a direction and procedures for risk management, and develops a company-wide risk management system based on the risk management policy and risk management rules. In managing risks, the Company thoroughly evaluates the risks surrounding the Company based on the characteristics of each business.
- The Company establishes the Safety and Environmental Management Committee to discuss safe vessel operations and protection of the environment.
- The Company formulates the master plan and implementation procedures for ensuring business continuity upon events such as a large-scale disaster, etc.

(Summary of Implementation Status)

- Regarding the risks at each Division and Headquarters, the Risk Management Committee evaluated risks and management status of operations in charge from both aspects of strategy and business process, and worked to strengthen internal control including reviewing of the internal rules. Against cyber attacks, construction of management system is underway on a global scale, involving reinforcement of security measures and periodical implementation of training and drills.
- Regarding safe vessel operations and protection of the environment, the Safety and Environmental Management Committee conducted periodic evaluations for thorough risk management of vessels, and strives to further enhance and improve the level of safety and quality. The Company implemented measures to materialize smooth crew change while preventing the spread of COVID-19 infections and measures to reduce greenhouse gas emissions through fuel saving.
- The Company established the office of the disaster control headquarters, the disaster countermeasures committee for earthquakes, etc., and the business continuity liaison committee, and conducted drills as necessary. Each division established basic continuity plans and revised them accordingly.

(4) Structure to ensure the effective execution of duties of Directors of the Company

- The Company ensures adequate time for deliberations by the Board of Directors to increase effectiveness.
- By resolution of the Board of Directors, the Company establishes the Management Meeting and elect Executive Officers to delegate the authority of execution of duties. The Board of Directors supervises their execution of duties.
- By accelerating the approval process through the utilization of the electronic approval request system, the Company establishes a system to execute the duties appropriately and efficiently.

(Summary of Implementation Status)

- A questionnaire on effectiveness of the Board of Directors was conducted, resulting in the revision of the standard for the submission of matters to the meetings of the Board of Directors and examination of deliberation methods.
- In order to enable the Board of Directors to make prompt and efficient decisions, the Management Meeting deliberated necessary matters including matters to be resolved at the Board of Directors.
- The approval process was accelerated through the utilization of the electronic approval request system. Digitization in administration is in progress with a view to enhancing administrative efficiency.

(5) Structures to ensure the proper execution of business by the NYK Group comprising the Company and its subsidiaries (including reporting structure, rules and other structures to manage the risks of loss , structure to ensure the efficient execution of duties, and structures to ensure compliance with laws and regulations, and the Articles of Incorporations)

- The Company formulates the Group-wide Mission Statement and Business Credo, and based on these, the Group companies formulate the Code of Conduct and other standards. In addition, regarding areas such as legal/compliance, company organizational design/operation, and internal audit, basic regulations are formulated in accordance with the NYK Group Standards.
- The Company has established the Internal Control Committee, which makes decisions on policies regarding internal control by deliberating on internal control issues and initiatives to address them. The Internal Control Committee takes specific measures for the development and operation of internal control over the entire Group, such as formulating rules with respect to management, reporting and crisis responses, etc. of Group companies, as well as developing a system to implement prompt remedy and recurrence prevention measures in case of an emergency, and working to enhance the internal audit system. The Committee strives to ensure the effectiveness of execution of duties regarding internal control over the entire Group, and to enhance the supervisory function of the Board of Directors.
- Through the meetings such as the Group Management Committee, the Company aims to improve the group value by establishing and operating group governance and enhancing the effectiveness of the internal control. Regarding certain important matters concerning the management of the Group companies, the Company establishes a framework to receive reports and approve them as necessary.
- The whistleblowing system enables anonymous reporting from the entire Group.

(Summary of Implementation Status)

- Each of the Group companies revised the Code of Conduct and various other corporate rules in a timely manner in accordance with the Mission Statement, the Business Credo, various standards established by the Company, and rules of the Group company management. The Group companies also introduced the pledge procedure on compliance with the Code of Conduct.
- Centered on the Internal Control Committee, the Company obtained advice from outside experts as necessary, and reviewed issues after discussing and confirming the status of the internal control at the entire Group through the Risk Management Committee, the Compliance Committee and the Committee for ensuring adherence to laws, in order to further strengthen the Group internal control as well as disseminate and thoroughly implement operations based on corporate rules. The Company conducted internal audits of the Group companies in Japan and overseas, and made advice and suggestions for improvement while promoting integration and enhancement of internal audit functions within the Group and working to enhance the effectiveness of internal control functions through the expansion of the scope and sophistication of internal audits. The Company conducted risk assessments on relevant laws and regulations in its efforts to strengthen the system for examining important contracts. Furthermore, in the event of an emergency, the Company and Group companies ensured implementation of prompt remedy and recurrence prevention measures pursuant to the rules on the reporting and examination, etc. for crisis responses, while reporting important matters to the Board of Directors via the Compliance Committee, based on the reporting standard stipulated in the detailed rules.
- Through the meetings such as the Group Management Committee, discussions were held on matters such as the development of the Group governance and the enhancement of the Group's capital efficiency. The Company established the Group Management Guidelines, etc., and managed business individually based on certain criteria. The Company promoted the proper group management by dispatching part-time Directors and Audit and Supervisory Board Members to establish legal functions.
- The Company operated the whistleblowing helpdesk appropriately, kept whistleblowers unidentified, and prohibited unfair treatment.

(6) Matters concerning the employees to assist the Audit and Supervisory Board Members in their duties when the Audit and Supervisory Board Members request the assignment thereof

- The Company establishes a system to support the execution of duties by Audit and Supervisory Board Members, including the support of Outside Audit and Supervisory Board Members.

(Summary of Implementation Status)

- The Company established the Audit and Supervisory Board Office with the dedicated staff to provide assistance to the audit by Audit and Supervisory Board Members. Serving as the secretariat of the Audit and Supervisory Board, the Audit and Supervisory Board Office also handles administrative work for regular meetings of the Group Audit and Supervisory Board Members Conference, and other matters required by Audit and Supervisory Board Members and the Audit and Supervisory Board.

(7) Matters to ensure the independence of the employees set forth in the preceding paragraph from the Directors and the effectiveness of directions given to the employees

- The dedicated staff of the Audit and Supervisory Board Office set forth in the preceding paragraph work under the full-time Audit and Supervisory Board Members.

(Summary of Implementation Status)

- As the dedicated staff of the Audit and Supervisory Board Office is to report to the full-time Audit and Supervisory Board Members, the full-time Audit and Supervisory Board Members carry out personnel evaluations of such dedicated staff. Any reassignment involving the staff of the office shall be decided, fully reflecting the opinion of Audit and Supervisory Board Members.
- Any discipline involving the staff of the office shall be decided, by ensuring Audit and Supervisory Board Members to attend and state opinions at the Disciplinary Committee, fully reflecting the opinion of Audit and Supervisory Board Members.

(8) Structures for reporting to Audit and Supervisory Board Members (including the structure to ensure the prohibition of unfair treatment to whistleblowers who made reporting) and other structures to ensure Audit and Supervisory Board Members conduct audits effectively

- Directors and the Board of Directors ensure systems which enable the appropriate execution of duties by the Audit and Supervisory Board Members, and strive to create the environment in which the Audit and Supervisory Board Members can conduct effective audits, in addition to attending the meetings of the Board of Directors. They ensure a framework in which outlines on matters relating to the Group's compliance and whistleblowing are reported to Audit and Supervisory Board Members.
- The Company establishes regulations to keep whistleblowers unidentified and prohibit unfair treatment.

(Summary of Implementation Status)

- The Company secured an information gathering framework for Audit and Supervisory Board Members by providing Audit and Supervisory Board Members with opportunities to attend the Management Meeting, the Meeting of Executive Officers, the Internal Control Committee, the Risk Management Committee, the Compliance Committee, and the Committee for ensuring adherence to laws. The Company secured opportunities for the Audit and Supervisory Board Members to interview and receive reports from Directors, etc. and general managers. The Company ensured a structure for effective audits by making it possible for Audit and Supervisory Board Members to inspect and investigate important documents related to the execution of business operations including the minutes of the meetings of the Board of Directors, of the Management Meeting and of Meeting of Executive Officers and approval documents. The internal audit division exchanged information with the Audit and Supervisory Board Members and the Independent Auditor, and cooperated to improve effectiveness and efficiency of audits by the Audit and Supervisory Board Members through the collaboration of the three parties.
- Regulations have been in place that prohibit unfair treatment because of whistleblowing and ensure that a whistleblower is kept unidentified if he or she asks to.

(9) Procedures for advance payment or reimbursement of expenses arising in conjunction with the execution of duties by Audit and Supervisory Board Members and other policies for processing expenses and obligations arising with respect to the execution of duties

- In conjunction with the execution of duties of Audit and Supervisory Board Members, the right to claim for the payment of expenses to the Company set forth in the Audit and Supervisory Board Members auditing standards is respected by the Company.

(Summary of Implementation Status)

- The Company bears the costs arising in conjunction with the execution of duties by Audit and Supervisory Board Members based on the right to claim for the payment of expenses set forth in the Audit and Supervisory Board Members auditing standards.

(10) Structures to ensure compliance with the Financial Instruments and Exchange Act
- The Company has established an internal control system designed to ensure the properness of financial statements, etc. prepared and disclosed in accordance with Article 24-4-4 of the Financial Instruments and Exchange Act. **(Summary of Implementation Status)** - A JSOX Sub-committee has been established within the Internal Control Committee to verify the reliability of financial statements and to deliberate the drafts of the Internal Control Report. Additionally, effectiveness assessments of the design and implementation of internal control are being conducted through such means as the quarterly Information Disclosure Committees, which are held to deliberate the contents of disclosures, and the Company strove for timely and appropriate disclosure.
(11) Structures to eliminate ties with antisocial forces
- The Company calls for the elimination of antisocial forces in the Business Credo, etc., and clarifies that it resolutely stands up against all antisocial forces and organizations that threaten the order and safety of people's lives. The Company establishes a consultation counter for responding to antisocial forces. **(Summary of Implementation Status)** - The Company is making daily effort to strengthen its coordination with external specialized institutions such as the police. - The Company collected information on antisocial forces, communicated them as appropriate. - The Company prepared a manual and took measures such as obtaining written pledges.

Consolidated Financial Statements

1. Consolidated Balance Sheet (As of March 31, 2022)

(In millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	764,863	Current liabilities	573,282
Cash and deposits	233,019	Notes and operating accounts payable-trade	218,650
Notes and operating accounts receivable-trade and contract assets	359,158	Current portion of bonds	30,000
		Short-term loans payable	130,919
Inventories	57,029	Lease liabilities	23,818
		Income taxes payable	25,097
Deferred and prepaid expenses	24,152	Contract liabilities	39,792
		Provision for bonuses	23,188
		Provision for directors' bonuses	517
Other	94,937	Provision for stock payment	1,270
		Provision for losses related to contracts	134
Allowance for doubtful accounts	(3,433)	Other	79,895
Non-current assets	2,314,899	Non-current liabilities	747,667
Vessels, property, plant and equipment	964,277	Bonds payable	97,000
		Long-term loans payable	447,069
Vessels, net	577,147	Lease liabilities	79,493
Buildings and structures, net	105,494	Deferred tax liabilities	57,446
		Net defined benefit liability	15,907
Aircraft, net	103,683	Provision for directors' retirement benefits	819
Machinery, equipment, and vehicles, net	27,548	Provision for periodic dry docking of vessels	16,347
Equipment, net	5,979	Provision for losses related to contracts	18,074
Land	72,722	Provision for related to business restructuring	407
Construction in progress	65,834	Other	15,102
Other, net	5,867		
Intangible assets	23,602	**Total Liabilities**	**1,320,949**
Leasehold right	5,117	**Equity**	
Software	6,135	Shareholders' capital	1,581,506
Goodwill	8,711	Common stock	144,319
Other	3,637	Capital surplus	44,314
Investments and other assets	1,327,019	Retained earnings	1,396,300
Investment securities	1,146,438	Treasury stock	(3,428)
Long-term loans receivable	27,503	Accumulated other comprehensive income (loss)	132,207
Net defined benefit asset	85,644	Unrealized gain (loss) on available-for-sale securities	32,136
Deferred tax assets	10,571	Deferred gain (loss) on hedges	(15,452)
		Foreign currency translation adjustments	85,785
Other	62,099	Remeasurements of defined benefit plans	29,737
Allowance for doubtful accounts	(5,236)	Non-controlling interests	45,359
Deferred assets	259	**Total Equity**	**1,759,073**
Total Assets	**3,080,023**	**Total Liabilities and Equity**	**3,080,023**

2. Consolidated Statement of Income (From April 1, 2021 to March 31, 2022)

(In millions of yen)

Item	Amount
Revenues	2,280,775
Cost and expenses	1,827,342
Gross profit	453,433
Selling, general and administrative expenses	184,493
Operating profit	268,939
Non-operating income	
Interest income	2,127
Dividend income	6,279
Equity in earnings of unconsolidated subsidiaries and affiliates	742,645
Foreign exchange gains	11,384
Other	4,012
Total non-operating income	766,449
Non-operating expenses	
Interest expenses	12,279
Derivative losses	17,707
Other	2,247
Total non-operating expenses	32,234
Recurring profit	1,003,154
Extraordinary income	
Gain on sales of non-current assets	19,575
Gain on sale of shares of subsidiaries and associates	29,265
Other	2,619
Total extraordinary income	51,460
Extraordinary losses	
Loss on sales of non-current assets	56
Impairment loss	2,810
Loss on cancellation of leased aircrafts	8,048
Other	6,383
Total extraordinary losses	17,298
Profit before income taxes	1,037,315
Income taxes-current	42,459
Income taxes-deferred	(22,961)
Total income taxes	19,498
Profit	1,017,817
Profit attributable to non-controlling interests	8,711
Profit attributable to owners of parent	1,009,105

(For reference)

<u>3. Summary of Consolidated Statement of Cash Flows (From April 1, 2021 to March 31, 2022)</u>

(In millions of yen)

Item	Amount
Net cash provided by (used in) operating activities	507,762
Net cash provided by (used in) investing activities	(148,571)
Net cash provided by (used in) financing activities	(237,535)
Effect of exchange rate change on cash and cash equivalents	1,445
Net increase (decrease) in cash and cash equivalents	123,100
Cash and cash equivalents at beginning of period	103,593
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	8
Decrease in cash and cash equivalents resulting from share exchanges	(7)
Cash and cash equivalents at end of period	226,694

Note: This statement is not covered by the audit reports.

4. Consolidated Statement of Changes in Equity (From April 1, 2021 to March 31, 2022)

(In millions of yen)

Item	Shareholders' capital					Accumulated other comprehensive income					Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' capital	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	**144,319**	**44,214**	**444,801**	**(3,381)**	**629,954**	**22,004**	**(29,187)**	**(11,365)**	**13,927**	**(4,621)**	**42,078**	**667,411**
Cumulative effects of changes in accounting policies			6,467		6,467							6,467
Restated balance	144,319	44,214	451,268	(3,381)	636,422	22,004	(29,187)	(11,365)	13,927	(4,621)	42,078	673,879
Changes of items during the period												
Dividends of surplus			(64,430)		(64,430)							(64,430)
Profit attributable to owners of parent			1,009,105		1,009,105							1,009,105
Purchase of treasury stock				(231)	(231)							(231)
Disposal of treasury stock		0		183	183							183
Change in equity of parent related to transactions with non-controlling shareholders		99			99							99
Change in scope of consolidation			380		380							380
Other			(22)	(0)	(22)							(22)
Net change of items other than shareholders' capital						10,132	13,735	97,150	15,810	136,829	3,281	140,110
Total changes of items during the period	–	99	945,031	(47)	945,083	10,132	13,735	97,150	15,810	136,829	3,281	1,085,194
Balance at the end of current period	**144,319**	**44,314**	**1,396,300**	**(3,428)**	**1,581,506**	**32,136**	**(15,452)**	**85,785**	**29,737**	**132,207**	**45,359**	**1,759,073**

5. Notes to Consolidated Financial Statements

(1) Basis of presenting consolidated financial statements

1) Scope of Consolidation

(i) Number of Consolidated subsidiaries: 488

Name of principal consolidated subsidiaries

Principal consolidated subsidiaries are stated in the Business Report “1. Overview of Operations for NYK Group, (9) Status of Major Business Combination, 2) Status of principal subsidiaries.”

Changes in the current fiscal year are as follows:

WIND ENERGIZER I S.A. and 11 other companies were included within the scope of consolidation as they were newly established.

MONT BLANC SHIPHOLDING PTE. LTD. and 13 other companies were included in the scope of consolidation as their total assets, revenues, profit and retained earnings, etc. increased in importance.

YUSEN REAL ESTATE CORP. (currently JAPAN POST PROPERTIES CO., LTD.) was changed from a consolidated subsidiary to an affiliate accounted for by the equity method due to the partial disposal of shares.

DELPHINE LNG SHIPPING S.A.S. was changed from a consolidated subsidiary to an affiliate accounted for by the equity method as its parent company, DELPHINEMO LNG SHIPPING S.A.S., merged with FRANCE LNG SHIPPING S.A.S.

NYK LINE (BENELUX) LTD. and 33 other companies were excluded from the scope of consolidation as they were liquidated.

DELPHINEMO LNG SHIPPING S.A.S. was excluded from the scope of consolidation as it merged with FRANCE LNG SHIPPING S.A.S. on October 19, 2021.

NYK FIL-JAPAN SHIPPING CORP. and 2 other companies were excluded from the scope of consolidation due to the disposal of shares.

(ii) Name of principal unconsolidated subsidiaries

There is no principal unconsolidated subsidiary to be noted.

(iii) Reason for exclusion from the scope of consolidation

Total assets, total sum of revenues, total equity amount out of profit, and total equity amount of retained earnings, etc. of the unconsolidated subsidiaries are all small compared to total assets, total sum of revenues, total equity amount out of profit, and total equity amount of retained earnings of consolidated companies, and do not have a material effect on the consolidated statutory report as a whole. This is why they are excluded from the scope of consolidation.

2) Application of equity method

(i) Number of affiliates accounted for by the equity method

unconsolidated subsidiaries: 3

affiliates: 210

Name of principal affiliates accounted for by the equity method:

Principal affiliates are stated in the Business Report “1. Overview of Operations for NYK Group, (9) Status of Major Business Combination, 3) Status of principal affiliates.”

Changes during this fiscal year are as follows:

PARTNERSHIP OF DIAMOND LNG SHIPPING 6 PTE. LTD. and 10 other companies were included within the scope of application of the equity method as they were newly established.

OYAK NYK RO-RO LIMAN ISLETMELERI A.S. and 5 other companies were included within the scope of application of the equity method as their total assets, revenues, profit and retained earnings, etc. increased in importance.

YUSEN REAL ESTATE CORP. (currently Japan Post Properties Co., Ltd.) was changed from a consolidated subsidiary to an affiliate accounted for by the equity method due to the partial disposal of shares.

DELPHINE LNG SHIPPING S.A.S. was changed from a consolidated subsidiary to an affiliate accounted for by the equity method as its parent company, DELPHINEMO LNG SHIPPING S.A.S., merged with FRANCE LNG SHIPPING S.A.S.

KNUTSEN BOYELASTER VI KS and 1 other company were excluded from the scope of application of the equity method as they were liquidated.
KNOT SHUTTLE TANKERS 28 LP AS was excluded from the scope of application of the equity method as it merged with KNUTSEN SHUTTLE TANKERS 2 AS on October 25, 2021.
KNOT SHUTTLE TANKERS 36 AS was excluded from the scope of application of the equity method as it merged with K KNUTSEN ATLANTIC CHARTERING AS on October 30, 2021.
KNOT SHUTTLE TANKERS 38 AS was excluded from the scope of application of the equity method as it merged with KNUTSEN CANADIAN CHARTERING AS on November 1, 2021.
KNOT SHUTTLE TANKERS 40 AS was excluded from the scope of application of the equity method as it merged with KNUTSEN NEWFOUNDLAND CHARTERING AS on November 2, 2021.
KNUTSEN SHUTTLE TANKERS 2 AS was excluded from the scope of application of the equity method as it merged with KNOT SHUTTLE TANKERS 35 AS on November 29, 2021.
KNOT SHUTTLE TANKERS 22 AS was excluded from the scope of application of the equity method as it merged with KNUTSEN TANKERS 3 AS on January 15, 2022.
HUNAN GAC BUSINESS NYK LOGISTICS CO., LTD. and 3 other companies were excluded from the scope of application of the equity method due to the disposal of shares.

(ii) Name of principal unconsolidated subsidiaries and affiliates that are not accounted for by the equity method
There is no principal unconsolidated subsidiary or affiliate to be noted.

(iii) Reason for exclusion of the scope of application of the equity method
Profit and total equity amount of retained earnings of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are small compared to profit of the consolidated companies and companies accounted for by the equity method, and do not have a material impact on retained earnings, etc. As a whole, total equity amount out of profit and total equity amount out of retained earnings of the unconsolidated subsidiaries and affiliates do not have a material impact on the consolidated financial statements of the consolidated subsidiaries and affiliates. This is why they are excluded from the scope of application of the equity method.

(iv) Noteworthy matters concerning procedures in the application of the equity method
For 1 affiliate accounted for by the equity method whose closing date of account fell on December 31, pro forma financial statements as of the closing date of the consolidated statements were used. For affiliates other than those mentioned above whose closing dates were different from that of the consolidated statements, financial statements as of the closing date of the respective companies were used.

3) Fiscal year for consolidated subsidiaries

For 41 consolidated subsidiaries whose closing dates of account fell on December 31, financial statements as of the closing date of account of respective companies were used for the purpose of consolidation. Necessary consolidation adjustments have been made to account for significant events, if any, that took place between December 31 and March 31.
For 8 consolidated subsidiaries whose closing dates of account fell on December 31, pro forma financial reports as of the closing date of the consolidated statements were used for the purpose of consolidation.
From the current consolidated fiscal year, consolidated subsidiary KYORITSU ESTATE CO., LTD. changed its closing date to December 31 from March 31.
The name of a major company which closes the books on December 31 is as follows:
NYK LINE (CHINA) CO., LTD.

4) Accounting policies

(i) Standards and methods of valuation of significant assets

Securities

Bonds held to maturity	Amortized cost method (primarily straight-line method)
Available-for-sale securities	
Securities other than shares, etc. without market price	Market value method (Differences in valuation are included directly in equity and costs of securities sold are calculated using the moving-average method)
Shares, etc. without market price	Primarily, stated at cost using the moving-average method
Derivatives	Market value method
Inventories	Valued at cost, determined primarily by the first-in, first-out method. (reducing book value in accordance with declines in profitability)

(ii) Depreciation methods for significant depreciable assets

Vessels, property, plant and equipment (except for lease assets)	Primarily the straight-line method
Intangible assets (except for lease assets)	
Software	Primarily, straight-line method based on useful life in-house (5 years)
Other intangible assets	Primarily the straight-line method
Lease assets	
Lease assets arising from ownership-transfer finance leases	Identical to depreciation method applied to self-owned non-current assets
Lease assets arising from non-ownership-transfer finance leases	Straight-line method that assumes a useful life is equal to the lease period and an estimated residual value is zero

Some overseas consolidated subsidiaries applied IFRS 16 “Leases”. Consequently, as a general rule, each of the lessees’ leases is recorded as either an asset or liability on the consolidated balance sheet, and recognized right-of-use assets are depreciated using the straight-line method.

(iii) Disposition method of significant deferred assets

Bond issuance cost	Amortized equally each month over the period of redemption of the bond

(iv) Standards of accounting for significant allowances and provisions

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.
Provision for bonuses	Provided for bonus payments to employees based on estimated amounts of future payments attributed to the fiscal year.
Provision for director’s bonuses	Provided for bonus payments to directors based on estimated amounts of future payments attributed to the fiscal year.
Provision for directors’ retirement benefits	Provision for directors’ retirement benefits at the end of fiscal term is calculated based on internal rules as for certain consolidated subsidiaries.
Provision for stock payment	Provision for stock payment is calculated based on estimated amount of shares of the Company corresponding to the points granted to eligible Directors and Executive

Officers at the end of the current fiscal year, to prepare for the payment of the Company stocks to Directors and Executive Officers based on the Share Delivery Rules.

Provision for periodic dry docking of vessels

Provision for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.

Provision for losses related to contracts

To provide for future losses arising from the performance of time-charter contracts and lease contracts or early redelivery of vessels, as well as from the purchase of non-current assets, the estimated amount of losses is recorded.

Provision for related to business restructuring

To provide for the losses associated with the restructuring of business, etc., estimated future loss is recognized.

(v) Accounting method for retirement benefits

i. Method of attributing estimated amounts of retirement benefits to periods

In calculating defined benefit obligations, the estimated amount of retirement benefits attributed to a period up to the end of the current fiscal year is primarily determined based on benefit formula.

ii. Amortization of unrecognized actuarial gain (loss) and prior service cost

Prior service cost is amortized by the straight-line method over a certain period (primarily 8 years) which is not more than the average remaining service period of employees. Unrecognized actuarial gain (loss) is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over a certain period (primarily 8 years) which is not more than the average remaining service period of employees.

(vi) Standards of accounting for important income and expenses

Regarding the contracts with customers, when control of the promised goods or service transfers to the customer, the expected monetary compensation received in return to which the Company expects to be entitled is recognized as revenue based on the following Five-Step Approach.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognize revenue when a performance obligation is satisfied by transferring a promised goods or service to a customer at a point in time or over time

(Overall businesses)

The Group operates mainly liner trade business, bulk shipping business, air cargo transportation business, logistics business, real estate business, and other business services.

We determine whether we provide goods or services as principal or as an agent in identifying performance obligations. In the cases the promise we made to a customer, by its nature, consists of a performance obligation to provide specified goods or services by ourselves, we shall, as principal, recognize revenue at the gross amount of consideration. Whereas in the cases the performance obligation involves arranging other parties to provide such goods or services, we shall, as an agent, recognize revenue at the net amount of consideration.

The consideration payable by customers shall normally be paid within one year from the fulfillment of performance obligations. This process does not involve a significant financing component.

The transaction price is measured at the amount of consideration that the Group expects to become entitled to in return for the transfer of the promised goods or services to the customer and may include variable consideration. If variable consideration is included in the consideration agreed in a contract with a customer, it shall be included in the transaction price to the extent that a significant reduction is unlikely to occur to the revenue recognized by the time the uncertainty associated with such variable price is eliminated, when such elimination occurs retroactively.

Transaction price shall be allocated to each performance obligation at an amount that reflects the amount of consideration the Group expects to become entitled to in return for the transfer of the promised goods or services to the customer. In order to allocate the transaction price to each performance obligation in proportion to the stand-alone selling price, we determine at the inception of the contract the stand-alone selling price for each individual goods or services that form the basis of each performance obligation in the contract. Then transaction price shall be allocated in proportion to such stand-alone selling price.

In recognizing revenue, we identify the performance obligations of liner trade business, bulk shipping business, air cargo transportation business, logistics business, and other business services, respectively, based on the contracts with customers. In some cases, revenues are recognized as performance obligations when fulfilled at a certain point in time. While in others, performance obligations are primarily deemed to be fulfilled over a certain period of time, and revenues are recognized progressively over such a period based on the estimated progress during the period. Normally, revenues are recognized at the following points in time when the Group's performance obligations are considered to have been fulfilled. Furthermore, among matters relating to the five steps mentioned above (from Step 1 to Step 5), matters which the Group believes it would be more appropriate to disclose by business segment are stated hereunder.

(1) Revenues from shipping operation (liner trade and bulk shipping businesses)

In shipping operations (liner trade and bulk shipping businesses), we provide customers with transportation services, etc. based on charter contracts and other types of contracts (e.g., consecutive voyage charter contract, contract of affreightment, contract for carriage of individual goods, time charter contract, etc.), in which performance obligations are deemed to be fulfilled over a certain period of time. In respect of transportation services (excluding time charter), revenues are recognized by reasonably estimating progress in the fulfillment of performance obligations based on the number of days of voyage period. Certain bulk shipping businesses provided as transportation services involving normal voyage duration from the place of departure to the place of return (including unloaded voyage as part of the performance of transportation service, but excluding voyage not for performing transportation service or stand-by period), one voyage of a vessel carrying consignments of more than one customer is defined as a single performance obligation, and revenue is recognized over such a period of voyage. In the case of the time charter, since we are entitled to receive the amount of consideration directly corresponding to the customer value for the portion of completed service to date, revenue is recognized at such entitled amount.

The consideration payable by the customer in the time charter is normally received prior to the provision of performance obligations, in return for which performance obligation is fulfilled within one year of such receipt. In other cases than the time charter, payment is normally received within one year of the fulfillment of performance obligation. This process does not involve a significant financing component.

Transaction price depends on variable elements such as the number of voyages, freight rate, demurrage, and dispatch money, etc., which involves variable consideration.

Allocation of variable consideration (transaction price) charged for consecutive voyage charter and contract of affreightment to the relevant performance obligations is achieved by allocating it to the transportation services in each voyage, because the allocation of the entire amount of variable consideration derived from each voyage to the transportation services in each voyage should, in view of the condition of payment of variable consideration being individually related to the transportation services in each voyage, along with all performance obligations and payment conditions in the contract, reflect the amount of price we expect to be entitled to.

On the other hand, since revenue from bareboat charter contract is derived from revenue associated primarily with lease transactions, thus outside the scope of the Accounting Standard for Revenue Recognition, etc. Revenues are hence recognized in accordance with the Accounting Standard for Lease Transactions, etc.

(2) Revenues from the air cargo operation (air cargo transportation business)

In the air cargo transportation business, we provide customers with air cargo transportation services and other services based on the transportation service contract, etc., in which performance obligations are deemed to be fulfilled over a certain period of time. In the case of air cargo transportation service, revenue is recognized by reasonably estimating progress in the fulfillment of performance obligations based on the number of days of transportation period.

(3) Revenues from logistics operation (logistics business)

In the logistics business, we provide customers with services including international cargo transportation services (marine/air) and logistics services (land transportation and warehousing) based on carriage contract, etc., in which performance obligations are deemed to be fulfilled over a certain period of time. In the international cargo transportation services (marine/air), revenue is recognized by reasonably estimating progress in the fulfillment of performance obligations based on the number of days, etc. in the period of transportation by sea or air. In the case of logistics services (land transportation and warehousing), revenue is recognized by reasonably estimating progress in the fulfillment of performance obligations based on the number of days, etc. in the period of transportation or warehousing and other services.

(4) Other revenues (real estate business and other business services)

In other business services, we provide customers with services including mainly marine fueling service and fuel sale, in which performance obligations are deemed to be fulfilled at the time of delivery, when customers obtain control over the fueling service and sale of marine fuel, etc., hence revenue is recognized at this point in time.

The real estate business primarily comprises property leasing business where revenues derive mainly from property leasing transactions, which is outside the scope of the Accounting Standard for Revenue Recognition, etc. Thus revenues are recognized in accordance with the Accounting Standard for Lease Transactions, etc.

(vii) Significant hedge accounting

For the derivative financial instruments used to offset the risks of assets, liabilities, and scheduled transactions due to fluctuations in interest rates, foreign currency exchange rates and cash flow, the Company applies hedge accounting. In addition, hedge accounting is also applied to derivative financial instruments used to mitigate the risks of price fluctuations in fuel procurement, etc. For hedge accounting, the Company adopts the Deferred Hedge Method. *Furiate-shori* (designated hedge accounting treatment) is applied to forward foreign exchange contracts, etc. that meet the required conditions of such treatment, while *Tokurei-shori* (special accounting treatment) is applied to interest rate swaps, etc., that meet the required conditions of such treatment.

Interest rate swaps, etc., are used to hedge the loans payable and bonds payable against possible changes in interest rates, while currency swap, forward exchange contracts and foreign currency denominated assets/liabilities are used to hedge monetary assets and liabilities, investments in overseas subsidiaries and other foreign currency denominated transactions including scheduled transactions against possible changes in exchange rates. Swap transactions are used to hedge fuel oil against possible fluctuations in price. The Company evaluates effectiveness of hedging transactions by comparing accumulated changes in market price and cash flows of hedging transactions with those of the hedged transactions at the end of each financial quarter. However, interest rate swaps, etc., that are subject to special accounting treatment are excluded from the evaluation.

Of the above hedges, all of those falling under the scope of application of “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (the Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 40 issued on September 29, 2020) were subjected to special treatment stipulated in such Practical Solution. Details of hedges subjected to special treatment are as follows.

Method for hedge accounting:	Deferred hedge method, special accounting treatment
Hedging instruments:	Interest rate swap, currency swap
Hedged items:	Accounts payable, loans payable
Types of hedge transactions:	To cancel out exchange fluctuations; to secure stable cash flows

(viii) Method of amortization of goodwill and period of amortization

Goodwill is amortized equally each year over 5 to 20 years.

(ix) Other significant matters in the preparation of the consolidated financial statements

i. Accounting for interest expenses

Interest expenses are generally charged to income as incurred. However, interest expenses incurred in the construction of certain assets are capitalized and included in the costs of assets when a construction period is substantially long; the amount of interest incurred in such a period is significantly material; and certain conditions apply.

ii. Adoption of consolidated taxation system

The Company and some of its consolidated subsidiaries adopted the consolidated taxation system.

iii. Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its consolidated subsidiaries shall, from the next fiscal year, make a transition from the consolidated taxation system to the group tax sharing system. However, with regard to items that were shifted to the Japanese group tax sharing system, which was established by the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 8 of 2020), and those for which the non-consolidated taxation system was reviewed in line with the shift to the Japanese group tax sharing system, the Company and some of its consolidated subsidiaries do not apply the provisions of Item 44 of “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28 issued on February 16, 2018) in accordance with the treatment provided for under Item 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39 issued on March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are instead accounted for by following the provisions of the tax law before amendment.

From the beginning of the next fiscal year, the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42 issued on August 12, 2021), which prescribes the accounting treatment and disclosure of income taxes, local income tax and deferred tax accounting under the group tax sharing system, is scheduled to be adopted.

(2) Notes on changes in accounting policies

(Adoption of the Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standard”) has been adopted from the start of the current consolidated fiscal year, and when control of the promised goods or service transfers to the customer, the expected monetary compensation received in return is recognized as revenue. Following the aforementioned adoption, from the start of the current consolidated fiscal year, the method for accounting for revenue of the shipping operation changed from the hitherto applied voyage completion method that recognizes revenue of the shipping operation at the completion of the voyage (except for business involving container ships, revenue from which is accounted for on the intermodal transportation percentage of completion basis), to the method whereby revenue is recognized by reasonably estimating progress in the fulfillment of performance obligations, based mainly on the number of days of voyage.

In accordance with the transitional arrangements set forth in the proviso of Article 84 of the Revenue Recognition Accounting Standard, retained earnings at the start of the current consolidated fiscal year has been adjusted to reflect the cumulative impact assuming the accounting standard is retroactively adopted prior to the start of the current consolidated fiscal year, and the new accounting policy has been applied from the relevant starting balances at the beginning of the accounting period.

As a result, compared to the previous accounting policy, concerning the starting balances at the beginning of the current consolidated fiscal year, mainly notes, operating accounts receivable-trade and contract assets increased by 43,222 million yen, notes and operating accounts payable-trade increased by 5,991 million yen, contract liabilities increased by 24,640 million yen, retained earnings increased by 6,467 million yen, deferred and prepaid expenses decreased by 35,147 million yen and other under current liabilities decreased by 30,521 million yen.

Also, during the current consolidated fiscal year, revenue increased by 15,778 million yen, cost and expenses increased by 8,914 million yen, operating profit increased by 6,863 million yen and recurring profit and profit before income taxes each increased by 8,559 million yen. During the current

consolidated fiscal year, notes, operating accounts receivable-trade and contract assets increased by 58,992 million yen, notes and operating accounts payable-trade increased by 4,567 million yen, contract liabilities increased by 37,074 million yen, deferred and prepaid expenses decreased by 55,387 million yen and other under current liabilities decreased by 53,478 million yen.
As a result of adopting the Revenue Recognition Accounting Standard, etc., notes and operating accounts receivable-trade presented in current assets in the consolidated balance sheet for the previous fiscal year is included in notes, operating accounts receivable-trade and contract assets for the current fiscal year

(Adoption of the Accounting Standard for Fair Value Measurement)
The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter "Fair Value Accounting Standard") has been applied from the start of the current consolidated fiscal year, and in accordance with the transitional arrangements set forth in Article 19 of the Fair Value Accounting Standard and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), the new accounting policy set forth in the Fair Value Accounting Standard has been permanently adopted.
As a result of this change, from the current consolidated fiscal year, the method used to determine the fair value of available-for-sale securities other than shares, etc. without market price has been revised from the average market value during the one month prior to the final day of the accounting period to the market value on the final day of the accounting period. Meanwhile, we started to present notes on the matters concerning the breakdown of the fair value of financial instruments based on the appropriate classification in the "Notes to financial instruments."
These changes have minimal impact on the consolidated financial statements for the current fiscal year.

(3) Notes on revenue recognition

1) Information regarding the disaggregation of revenue from contracts with customers

The Group operates mainly liner trade business, bulk shipping business, air cargo transportation business, logistics business, real estate business, and other business services. Information regarding the types of main goods or services in each business is provided in the description of these businesses and thus is omitted. "Revenues" stated in the consolidated statement of income for the current fiscal year represent primarily "revenues derived from the contracts with customers." Revenues recognized from other sources are derived mainly from leasing transactions and are disclosed as part of revenues due to their financial insignificance.
Revenues from each business in the current fiscal year are as follows.

Current fiscal year (From April 1, 2021 to March 31, 2022) (In millions of yen)

	Liner & Logistics			Bulk Shipping	Others		Adjustments (Note)	Total
	Liner Trade	Air Cargo Transportation	Logistics		Real Estate	Other Business Services		
Revenues	190,552	188,731	847,492	974,556	4,207	170,405	(95,169)	2,280,775

(Note) Internal revenues or transfers between segments are eliminated.

2) Useful information in understanding revenue from contracts with customers

Notes are omitted as the identical information is stated in "(1) Basis of presenting consolidated financial statements, 4) Accounting policies, (vi) Standards of accounting for important income and expenses."

3) Information that serves as the basis for understanding the amount of revenues in the current fiscal year and from the next fiscal year onward

(i) Balances at the beginning and end of the current fiscal year of receivables, contract assets, and contract liabilities from the contracts with customers
Balances at the beginning and end of the current fiscal year of receivables, contract assets and contract liabilities from the contracts with customers in the current fiscal year are as follows.

(In millions of yen)

	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year
Receivables from the contracts with customers (*)	268,509	335,673
Contract assets	10,150	23,485
Contract liabilities	26,024	39,792

(*) Receivables from the contracts with customers include the amount related to leasing transactions. Such amount is disclosed as part of receivables from the contracts with customers due to its financial insignificance.

Of the Group's rights to receive payment of consideration in return for the transfer of goods or services to a customer in the normal business activities, those subject to conditions other than the passage of time are presented as contract assets. Contract assets normally increase when the customer pays consideration or when the Group transfers goods or services to the customer before the due date, while they decrease when the Group's rights to consideration become unconditional. Of the Group's obligation to transfer goods or services to a customer in its normal business activities, those for which the payment of consideration has been received from the customer or for which payment of consideration has become due are presented as contract liabilities. In liner trade business and bulk shipping business other than time charter business, freight (excluding demurrage and dispatch money, etc.) becomes determined as a legal claim primarily at the point in time when a consignment is loaded onto the ship at the loading port. Contract assets, on the other hand, arise in certain bulk shipping businesses, including unloaded voyages during the period of transportation service (excluding time charter business), which is transferred to claims derived from a contract with the customer primarily at the point in time when a consignment is loaded onto the ship at the loading port.

Contract liabilities normally increase when the Group receives payment of consideration from a customer before the transfer of goods or services to the customer, while they decrease when the Group fulfills performance obligations. The main cause of a decrease in contract liabilities is the fulfillment of performance obligations, while the main cause of an increase in contract liabilities is an increase in advances received.

The portion of the revenues recognized in the current fiscal year, which was included in the balance of contract liabilities at the beginning of the fiscal year under review, was 25,988 million yen. The amount of revenues recognized in the current fiscal year due to fulfilling performance obligations in the past period is financially insignificant.

(ii) Transaction price allocated to remaining performance obligations

The total amount of transaction price allocated to remaining performance obligations at the end of the current fiscal year is financially insignificant unless related to the transactions omitted from the reference in the notes for the practical expedient. The total amount of consideration received in connection with the contracts with customers does not contain any financially significant portion, which is not included in the transaction price.

Concerning the transaction price allocated to the following remaining performance obligations, notes are omitted for the practical expedient.

With respect to consecutive voyage charter and contract of affreightment in shipping operation (liner trade business and bulk shipping business), we are focusing on gaining a long-term contract with customers to level out the impact of the changes in the market environment. Meanwhile, revenues derived from consecutive voyage charter and contract of affreightment are classified as variable considerations due to the variable elements involved in the transaction price, such as the number of voyages and freight rates. Such variable consideration is the type of variable consideration allocated to transportation service provided in each voyage, as required by Article 72 of the Accounting Standard for Revenue Recognition, and thus is deemed to be a variable consideration to be allocated to performance obligations not fully fulfilled, and notes are omitted. This type of variable consideration shall be eliminated as performance obligations are fulfilled progressively, where revenues are recognized over a period not exceeding 26 years.

A time charter contract is a contract involving rights to claim for payment based on the length of time during which service is provided, where revenues are recognized at an amount we are entitled to claim pursuant to Article 19 of the Implementation Guidance on the Accounting Standard for Revenue Recognition, and notes are omitted.

Notes are also omitted for the contracts initially expected to terminate within one year.

(4) Notes on accounting estimates

Impairment losses of non-current assets

- The amount of non-current assets recorded for the current fiscal year mainly includes 577,147 million yen for vessels and 103,683 million yen for aircrafts.
- Other information that facilitates understanding about the nature of estimates

  Assets or asset groups (hereinafter the “asset group”) that show indications of impairment are subject to measurement of impairment loss, in which the recoverable amount is calculated based on value in use or net selling prices. The value in use is calculated based on discounted present value of future cash flows. Important assumptions in the business plan as the basis of future cash flows mainly include future prospects of market condition for freight rates, charterages, etc. and cargo transport demand. In forecasting conditions in the maritime and air transportation market, the assumption used for forecasting the timing of subsidence of the impact of COVID-19 and the future market condition is that although the timing of subsidence of COVID-19 remains uncertain, the disturbance in the logistics network as a whole is resolving as workers are returning to work due to vaccinations, and demand and supply will gradually reach an appropriate balance. The Company expects the stabilization of demand to have the effects such as decreasing revenues and operating profit of the NYK Group.

  Calculation period for future cash flows is based on the average remaining useful life of vessels and aircrafts within the asset group concerned. The Company uses discount rates derived primarily based on capital cost. Net selling price is determined based on the result of evaluation by an expert used mainly by the management.

  In the event of worsened future prospects for freight rates, charterages, etc. or cargo transport demand, or devaluation of vessels and aircraft, new or additional impairment losses may be recognized.

Recoverability of deferred tax assets

- The amount of deferred tax assets recorded for the current fiscal year was 10,571 million yen.
- Other information that facilitates understanding about the nature of estimates

  We evaluate the recoverability of deferred tax assets by estimating future taxable income concerning deductible temporary differences and tax losses carried forward.

  Important assumptions in the business plan as the basis of estimating future taxable income mainly include future prospects of market condition for freight rates, charterages, etc., and cargo transport demand. In forecasting above, the assumption used for forecasting the timing of subsidence of the impact of COVID-19 and the future market condition is that although the timing of subsidence of COVID-19 remains uncertain, the disturbance in the logistics network as a whole is resolving as workers are returning to work due to vaccinations, and demand and supply will gradually reach an appropriate balance. The Company expects the stabilization of demand to have the effects such as decreasing revenues and operating profit of the NYK Group.

  In the event of worsened future prospects for freight rates, charterages, etc. or cargo transport demand, which are the preconditions for business plan, reversal of deferred tax assets may occur.

(5) Notes to Consolidated Balance Sheet

1) Breakdown of inventories

Merchandise and finished goods	1,492 million yen
Work in process	499 million yen
Raw materials and supplies	55,037 million yen

2) Assets pledged as collateral and obligations relating to collateral

(i) Assets pledged as collateral

Cash and deposits	9,118 million yen
Notes, operating accounts receivable-trade and contract assets	6,352 million yen
Inventories	136 million yen
Deferred and prepaid expenses	258 million yen
Vessels (Note)	88,852 million yen
Buildings and structures	1,976 million yen
Machinery, equipment, and vehicles	7,299 million yen
Equipment	50 million yen
Land	704 million yen
Construction in progress	505 million yen
“Other” of vessels, property, plant and equipment	512 million yen
Software	122 million yen
Investment securities (Note)	114,419 million yen
“Other” of investments and other assets	439 million yen
Total	230,749 million yen

(ii) Obligations relating to collateral

Notes and operating accounts payable-trade	146 million yen
Short-term loans payable	25,603 million yen
Lease liabilities of current liabilities	218 million yen
Long-term loans payable	49,060 million yen
Lease liabilities of non-current liabilities	2,345 million yen
Total	77,374 million yen

Note: Vessels of 78 million yen and investment securities of 113,809 million yen have been pledged as collateral for debts of affiliates, etc.

3) Accumulated depreciation of vessels, property, plant and equipment 998,354 million yen

4) Contingent liability

(i) Guarantee obligations 173,842 million yen

(ii) Certain operating lease agreements that the NYK Group concluded on its respective vessels incorporate a residual value guarantee clause. The maximum amount of potential future payment under the guarantee obligation is 3,525 million yen. These guarantees may be paid if the companies choose to return the leased property rather than exercise an option to buy it. The operating lease agreement will expire by January 2023.

(iii) The NYK Group has been under investigation by authorities overseas, on account of suspected violations of the antitrust laws concerning the shipping of cargo including automobiles handled in or after September 2012. Also, the Group has been sued in class civil lawsuits in several regions for damages and suspension of shipments, etc. without specific amount of damage, for its conspiracy to fix prices of shipping with major automobile shipping companies concerning marine transportation of assembled automobiles, etc. With the exception of the recorded provision for losses related to antitrust law, it is difficult to reasonably predict the results of the investigations by overseas authorities and civil actions for damages at present.

(6) Notes to Consolidated Statement of Income

Impairment loss

The Company and its consolidated subsidiaries have in principle grouped business assets into businesses separated for making separate investment decisions, while properties for rent, assets held for sale and idle assets are grouped on the basis of individual assets.

In this fiscal year, regarding assets held for sale with their estimated sales prices lower than carrying value, and business assets with deteriorated profitability due to poor business performance, the carrying value is reduced to the recoverable amount and reduced amount is recorded as impairment loss (2,810 million yen) in extraordinary loss. The breakdown of impairment loss is as follows.

Location	Use	Type	Impairment loss (millions of yen)
Japan	Business assets	Vessels (Tankers)	1,613
Other	Business assets, etc.	Buildings and structures	1,197
Total	—	—	2,810

Recoverable amount of this asset group is recognized at net selling price or value in use, whichever is higher. Net selling price is based on the valuation reasonably calculated by a third party, while value in use is calculated by discounted future cash flows mainly with 5.27% discount rate.

(7) Notes to Consolidated Statement of Changes in Equity

1) Class and number of issued and outstanding shares at term-end

Common stock 170,055,098 shares

2) Matters concerning dividends

(i) Amount of dividend payment

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Base date	Effective date
Ordinary General Meeting of Shareholders June 18, 2021	Common stock	30,520	180	March 31, 2021	June 21, 2021
Board of Directors' meeting November 4, 2021	Common stock	33,910	200	September 30, 2021	December 1, 2021
Total		64,430			

Notes: 1. The total dividend resolved by the Ordinary General Meeting of Shareholders held on June 18, 2021 includes dividends of 125 million yen on the Company shares owned by the Board Incentive Plan Trust.

2. The total dividend resolved by the Board of Directors' meeting held on November 4, 2021 includes dividends of 118 million yen on the Company shares owned by the Board Incentive Plan Trust.

(ii) Dividend for which base date is in the current consolidated fiscal year but the effective date for the dividends is in the following fiscal year

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Base date	Effective date
Ordinary General Meeting of Shareholders June 22, 2022	Common stock	211,935	1,250	March 31, 2022	June 23, 2022
Total		211,935			

Note: The total dividend resolved by the Ordinary General Meeting of Shareholders held on June 22, 2022 includes dividends of 765 million yen on the Company shares owned by the Board Incentive Plan Trust.

(8) Notes to financial instruments

1) Matters concerning financial instruments

The NYK Group primarily uses short-term deposits for the management of its funds, and raises funds through borrowings from financial institutions including banks or corporate bonds. It aims to mitigate the credit risk of customers associated with notes, operating accounts receivable-trade and contract assets, in accordance with its credit control procedures and other rules. Investment securities are bonds and stocks held to maturity, comprising primarily stocks held for the reasons such as undertaking or capital alliance with business partners, involving exposure to the risks associated with market price fluctuations, of which listed stocks are screened for fair value measurement on a quarterly basis. Proceeds from the loans payable and corporate bonds are used to finance capital investment requirements for the acquisition of vessels, aircraft, transportation-related facilities, etc. and working capital requirements for business activities. The Company enters into interest rate swap agreements and similar instruments to hedge against the risk of interest rate fluctuations. Meanwhile, the NYK Group makes it a principle to implement derivatives transactions within the scope of commercial needs, in accordance with its internal rules and regulations.

2) Matters concerning the Fair value of financial instruments

The book value of financial instruments on the consolidated balance sheet, their fair values and differences between book value and fair values as of March 31, 2022 are described below.

(In millions of yen)

	Book Value	Fair Values	Difference
(i) Short-term investment securities and investment securities (*2)			
Available-for-sale securities	75,922	75,922	–
Stocks of affiliates	22,496	21,154	(1,342)
(ii) Long-term loans receivable	27,503		
Allowance for doubtful accounts (*3)	(222)		
	27,281	27,919	637
(iii) Bonds payable	127,000	129,044	2,044
(iv) Long-term loans payable	447,069	445,467	(1,602)
(v) Lease liabilities	103,311	105,153	1,841
(vi) Derivatives transactions (*4)	(5,377)	(5,377)	–

(*1) Cash and deposits, notes, operating accounts receivable-trade and contract assets, notes and operating accounts payable-trade, and short-term loans payable are omitted, because they comprise short-term instruments whose carrying amount approximates their fair value.

(*2) Stocks without a market price are not included in (i) Short-term investment securities and investment securities. The applicable financial instruments are recognized on the consolidated balance sheet as follows.

(In millions of yen)

Category	Current consolidated fiscal year
Stocks of affiliates	1,017,419
Unlisted shares	29,492
Others	1,107
Total	1,048,019

(*3) Allowance for doubtful accounts separately recognized in long-term loans receivable is excluded.

(*4) The total amount after offsetting receivables and payables is presented for derivative transactions.

3) Fair value information by level within the fair value hierarchy

Fair value of financial instruments is classified into the following three levels, according to the observability and significance of the inputs used for determining the fair value.

Level 1 fair value:	Fair value determined by (unadjusted) market price of the identical assets or liabilities in active markets
Level 2 fair value:	Fair value determined by using directly or indirectly observable inputs other than the inputs used for Level 1 fair value
Level 3 fair value:	Fair value determined by using significant but unobservable inputs

With the use of multiple inputs with significant impacts on fair value determination, such fair value is classified as the lowest priority level in determining the fair value of all levels to which each input belongs.

(Note) Description of the valuation techniques and inputs used in in determining fair value

Short-term investment securities and investment securities

Fair values of short-term investment securities and investment securities are classified as level 1 fair values insofar as their fair values can be determined by using the unadjusted market price in active markets. This category largely consists of listed stocks and government bonds. On the other hand, they are classified as level 2 fair values, even if they are measured by using the publicly quoted market price, insofar as such market is inactive. This category largely consists of local government bonds and corporate bonds.

Derivatives transactions

Derivative transactions comprise currency-related transactions (forward exchange contract, currency swap, etc.), interest rate-related transactions (interest rate swap), and commodity-related transactions (freight (charterage), fuel oil, etc.). They involve evaluation techniques to determine fair value using the observable inputs, including primarily exchange rate, interest rate, and commodity futures price, based on the discounted present value method. They are classified as level 2 fair value.

Long-term loans receivable

The fair value of long-term loans receivable is categorized by a specified period and determined using the discounted cash flow method based on future cash flows and an interest rate obtained by adding the credit spread to LIBOR and TORF yields and other appropriate indicators, for each type of credit risk categorized for credit management purposes, and is classified as Level 2. In addition, the fair value of doubtful receivables is determined based on estimated cash flows discounted to the present value using similar rates or the amount expected to be recovered over collateral and guarantees, and it is classified as Level 2.

Bonds payable

The fair value of the corporate bonds issued by the Company is determined based on the market price, and classified as level 2.

Long-term loans payable and lease liabilities

Fair values of long-term payables and lease liabilities are determined by the discounted present value method, based on the sum of principal and interest(*), and the interest rate reflecting the remaining period of the payables and liabilities as well as credit risk, which are classified as level 2.

(*) As to the long-term loans payable involved in the interest rate swap agreement that meet the requirements for exceptional treatment, the total amount of its principal and interest income at the post-swap rate is applied.

(9) Notes to investment and rental properties

1) Matters concerning investment and rental properties

NYK and some of its consolidated subsidiaries own office buildings and other properties for lease (including land) in the metropolis of Tokyo and other areas.

2) Matters concerning the market value of rental properties

Income and expenses from the relevant investment and rental properties as of March 31, 2022 was 3,321 million yen (major income and expenses associated with these investment and rental properties were recorded as revenues and cost and expenses, respectively) and profit or loss from the sale of the properties was 348 million yen (gain on sales thereof is recorded as extraordinary income, while loss on sales thereof as extraordinary loss).

The recorded amount on the consolidated balance sheet, amount of increase (decrease), and market value of the relevant investment and rental properties on the consolidated accounting date are shown below.

(In millions of yen)

Consolidated balance sheet amount			Market value as of the consolidated accounting date
Balance at the beginning of current fiscal year	Increase (decrease) in current fiscal year	Balance at the end of current fiscal year	
45,211	(29,768)	15,443	70,805

Notes: 1. Consolidated balance sheet amount represents the original acquisition cost less accumulated depreciation and impairment loss.

2. The decreased amount in increase (decrease) in current fiscal year is mainly attributable to change in scope of consolidation (24,750 million yen), change of application (4,321 million yen), depreciation and amortization (659 million yen).

3. The market values as of the closing date of the consolidated statements are based on amounts (including amounts adjusted on the basis of indexes, etc.) calculated principally with reference to the Real Estate Appraisal Standard.

(10) Notes on per-share information

1) Equity per share 10,144.29 yen
2) Profit per share 5,973.76 yen

(11) Other notes

Presentation of monetary amounts

The fraction of amounts less than the indicated unit is rounded down.

(12) Notes on significant subsequent events

Not applicable.

(13) Additional information

The Company has a business relationship with a Russian shipping company, including effective joint ownership and management of LNG vessels. However, in consideration of the sanctions in various countries due to the situation involving Russian and Ukraine, the Company is holding discussions with the related parties to take appropriate measures.

Although the situation involving Russia and Ukraine may have an impact on the Group’s consolidated financial statements in the following fiscal year onward, it is difficult to reasonably estimate the financial impact at this time.

Unconsolidated Financial Statements

1. Unconsolidated Balance Sheet (As of March 31, 2022)

(In millions of yen)

Item	Amount
Assets	
Current assets	398,189
Cash and deposits	118,200
Operating accounts receivable-trade	101,454
Contract assets	9,913
Short-term loans receivable	45,520
Inventories	37,966
Deferred and prepaid expenses	8,937
Lease receivables	15,832
Investments in leases	5,605
Other current assets	55,839
Allowance for doubtful accounts	(1,080)
Non-current assets	1,194,439
Vessels, property, plant and equipment	121,002
Vessels, net	76,908
Buildings, net	13,303
Structures, net	295
Machinery and equipment, net	17
Vehicles, net	53
Equipment and fixtures, net	739
Land	18,764
Construction in progress	10,918
Intangible assets	5,470
Goodwill	2,295
Leasehold right	511
Software	2,626
Other intangible assets	37
Investments and other assets	1,067,966
Investment securities	75,011
Stocks and equity in subsidiaries and affiliates	460,288
Long-term loans receivable	442,528
Prepaid pension cost	39,848
Deferred tax assets	1,950
Lease receivables	78,012
Investments in leases	22,659
Other investments, etc.	29,720
Allowance for doubtful accounts	(82,055)
Deferred assets	259
Bond issuance cost	259
Total Assets	1,592,888

Item	Amount
Liabilities	
Current liabilities	344,833
Operating accounts payable-trade	62,463
Current portion of bonds	30,000
Short-term loans payable	111,519
Lease liabilities	1
Account payable	4,207
Income taxes payable	15,214
Contract liabilities	25,357
Advance received	87
Deposits received	62,901
Provision for bonuses	4,101
Provision for directors' bonuses	63
Provision for stock payment	1,270
Provision for losses related to antitrust law	146
Other current liabilities	27,498
Non-current liabilities	569,870
Bonds payable	97,000
Long-term loans payable	373,142
Lease liabilities	1
Provision for periodic dry docking of vessels	61
Allowance for investment loss associated with vessels owned by subsidiaries or affiliates	75,532
Provision for losses related to contracts	17,366
Provision for loss on guarantees	1,112
Provision for related to business restructuring	407
Asset retirement obligations	1,718
Other non-current liabilities	3,527
Total liabilities	914,703
Equity	
Shareholders' capital	679,900
Common stock	144,319
Capital surplus	31,879
Capital reserve	30,191
Other capital surplus	1,687
Retained earnings	507,124
Earned surplus reserve	5,888
Other retained earnings	501,236
Reserve for advanced depreciation	1,384
Retained earnings carried forward	499,851
Treasury stock	(3,422)
Valuation and translation adjustments	(1,716)
Unrealized gain (loss) on available-for-sale securities	28,024
Deferred gain (loss) on hedges	(29,740)
Total Equity	678,184
Total Liabilities and Equity	1,592,888

2. Unconsolidated Statement of Income (From April 1, 2021 to March 31, 2022)

(In millions of yen)

Item	Amount
Revenue from shipping operation	773,678
Shipping operation expenses	661,200
Shipping operation income	112,478
Revenue from other business	3,560
Other business expenses	1,408
Other business income	2,152
Gross operating income	114,630
General administrative expenses	36,380
Operating profit	78,249
Non-operating income	
Interest and dividend income	307,758
Reversal of allowance for doubtful accounts	60,256
Other non-operating income	10,751
Total non-operating income	378,766
Non-operating expenses	
Interest expenses	6,154
Derivative losses	13,814
Other non-operating expenses	2,906
Total non-operating expenses	22,875
Recurring profit	434,140
Extraordinary income	
Gain on sales of non-current assets	9,046
Gain on sale of shares of subsidiaries and associates	23,815
Gain on liquidation of subsidiaries and affiliates	4,692
Other extraordinary income	1,362
Total extraordinary income	38,916
Extraordinary losses	
Loss on disposal of non-current assets	204
Provision for allowance for doubtful accounts	3,963
Loss on valuation of shares of subsidiaries and associates	5,000
Loss on valuation of investments in capital of subsidiaries and associates	2,564
Impairment loss	1,631
Other extraordinary losses	1,433
Total extraordinary losses	14,796
Profit before income taxes	458,259
Income taxes-current	6,373
Income taxes-deferred	(36,334)
Total income taxes	(29,960)
Profit	488,220

3. Unconsolidated Statement of Changes in Equity (From April 1, 2021 to March 31, 2022)

(In millions of yen)

Item	Shareholders' capital								Valuation and translation adjustments		Total equity
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total share-holders' capital	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on hedges	
					Other retained earnings						
		Capital reserve	Other capital surplus	Earned surplus reserve	Reserve for advanced depreciation	Retained earnings carried forward					
Balance at the beginning of current period	**144,319**	**30,191**	**1,687**	**1,865**	**1,627**	**73,551**	**(3,375)**	**249,868**	**20,033**	**(20,411)**	**249,490**
Cumulative effects of changes in accounting policies						6,289		6,289			6,289
Restated balance	144,319	30,191	1,687	1,865	1,627	79,841	(3,375)	256,158	20,033	(20,411)	255,780
Changes of items during the period											
Dividends of surplus						(64,430)		(64,430)			(64,430)
Provision of earned surplus reserve				4,022		(4,022)		–			–
Reversal of reserve for advanced depreciation					(243)	243		–			–
Profit						488,220		488,220			488,220
Purchase of treasury stock							(231)	(231)			(231)
Disposal of treasury stock			0				183	183			183
Net change of items other than shareholders' capital									7,990	(9,328)	(1,338)
Total changes of items during the period	–	–	0	4,022	(243)	420,010	(47)	423,742	7,990	(9,328)	422,404
Balance at the end of current period	**144,319**	**30,191**	**1,687**	**5,888**	**1,384**	**499,851**	**(3,422)**	**679,900**	**28,024**	**(29,740)**	**678,184**

4. Notes to Unconsolidated Financial Statements

(1) Notes on matters relating to significant accounting policies

1) Standards and methods of valuation of securities

Bonds held to maturity	Amortized cost method (straight-line method)
Stock of subsidiaries and affiliates	Stated at cost using the moving-average method
Available-for-sale securities	
Securities other than shares, etc. without market price	Market value method (Differences in valuation are included directly in equity and costs of securities sold are calculated using the moving-average method)
Shares, etc. without market price	Stated at cost using the moving-average method

2) Standards and method of valuation of derivative transaction

Market value method

3) Standards and methods of valuation of inventories

Stated at cost using the first-in, first-out method (method of reducing book value in accordance with declines in profitability)

4) Depreciation methods of non-current assets

Vessels, property, plant and equipment (except for lease assets)	
Vessels and building	Straight-line method
Others	Declining-balance method However, structures acquired on or after April 1, 2016 are calculated using the straight-line method.
Intangible assets (except for lease assets)	
Goodwill	Amortized equally within 20 years
Software	Straight-line method based on useful life in-house (5 years)
Other intangible assets	Straight-line method
Lease assets	
Lease assets arising from ownership-transfer finance leases	Identical to depreciation method applied to self-owned non-current assets
Lease assets arising from non-ownership-transfer finance leases	Straight-line method that assumes a useful life is equal to the lease period and an estimated residual value is zero

5) Disposition method of deferred assets

Bond issuance cost	Amortized equally each month over the period of redemption of bond

6) Standards of accounting for allowances and reserves

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables
Provision for bonuses	Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year
Provision for director's bonuses	Provided for bonus payments to directors based on estimated amounts of future payments attributed to the fiscal year.
Provision for retirement benefits	Reserve for employees' retirement benefits is calculated based on estimates of defined benefit obligations and pension assets as of the end of the fiscal term (i) Method of attributing estimated amounts of retirement benefits to periods

In calculating defined benefit obligations, the estimated amount of retirement benefits attributed to a period up to the current fiscal year is determined based on benefit formula.

(ii) Amortization of unrecognized actuarial differences and prior service cost

Prior service cost is amortized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a certain period (8 years) which is not more than the average remaining service period of employees.

Provision for stock payment

Provision for stock payment is calculated based on estimated amount of shares of the Company corresponding to the points granted to eligible Directors and Executive Officers at the end of the current fiscal year, to prepare for the payment of the Company stocks to Directors and Executive Officers based on the Share Delivery Rules.

Provision for periodic dry docking of vessels

Provision for periodic dry docking of vessels is calculated based on future estimated amount for periodic dry docking of vessels.

Allowance for investment loss associated with vessels owned by subsidiaries or affiliates

To provide for the loss associated with the significant deterioration in profitability from the vessels procured by vessel owning subsidiaries or affiliates and time-chartered by the Company, estimated future loss is recognized.

Provision for losses related to contracts

To provide for losses arising from the performance of time-charter contracts and lease contracts or early redelivery of vessels, as well as from the purchase of non-current assets, the estimated amount of future losses is recorded.

Provision for related to business restructuring

To provide for the losses associated with the restructuring of business, etc., estimated future loss is recognized.

Provision for loss on guarantees

Provided for possible losses on guarantees, etc. to subsidiaries or affiliates, based on estimated amount of losses, individually taking into account the financial condition etc., of the guaranteed.

Provision for losses related to antitrust law

Provided for possible surcharge and other payments arising from suspected violation of competition laws (including antitrust laws) of various countries, based on estimated amounts of payment.

7) Standards of accounting for income and expenses

(i) Standards of accounting for revenue and expenses of the shipping operation

The Company engages mainly in liner trade and bulk shipping businesses, and we provide customers with transportation services, etc. based on charter contracts and other types of contracts (e.g., consecutive voyage charter contract, contract of affreightment, contract for carriage of individual goods, time charter contract, etc.), in which performance obligations are deemed to be fulfilled over a certain period of time. In respect of transportation services (excluding time charter), revenues are recognized by reasonably estimating progress in the fulfillment of performance obligations based on the number of days of voyage period. Certain bulk shipping businesses provided as transportation services involving normal voyage duration from the place of departure to the place of return (including unloaded voyage as part of the performance of transportation service, but excluding voyage not for performing transportation service or stand-by period), one voyage of a vessel carrying consignments of more than one customer is defined as a single performance obligation, and revenue is recognized over such a period of voyage. In the case of the time charter, since we are entitled to receive the amount of consideration directly corresponding to the customer value for the portion of completed service to date, revenue is recognized at such entitled amount.

(ii) Standard of accounting for revenue associated with finance leases

Based on a method whereby amount equivalent to interest is allocated to each fiscal year, without recording revenues

8) Hedge accounting

For the derivative financial instruments used to offset the risks of assets, liabilities, and scheduled transactions due to fluctuations in interest rates, foreign currency exchange rates and cash flow, the Company applies hedge accounting. In addition, hedge accounting is also applied to derivative financial instruments used to mitigate the risks of price fluctuations in fuel procurement, etc. For hedge accounting, the Company adopts the Deferred Hedge Method. *Furiate-shori* (designated hedge accounting treatment) is applied to forward foreign exchange contracts, etc. that meet the required conditions of such treatment, while *Tokurei-shori* (special accounting treatment) is applied to interest rate swaps, etc., that meet the required conditions of such treatment.

Interest rate swaps, etc., are used to hedge the loans payable and bonds payable against possible changes in interest rates, while currency swap, forward exchange contracts and foreign currency denominated assets/liabilities are used to hedge monetary assets and liabilities, investments in overseas subsidiaries and other foreign currency denominated transactions including scheduled transactions against possible changes in exchange rates. Swap transactions are used to hedge fuel oil against possible fluctuations in price. The Company evaluates effectiveness of hedging transactions by comparing accumulated changes in market price and cash flows of hedging transactions with those of the hedged transactions at the end of each financial quarter. However, interest rate swaps, etc., that are subject to special accounting treatment are excluded from the evaluation.

9) Other basis of presenting unconsolidated financial statements

Accounting method for retirement benefits

Accounting treatments of unrecognized actuarial differences and unrecognized prior service cost in the unconsolidated balance sheet are different from those in the consolidated financial statements.

Adoption of consolidated taxation system

Consolidated taxation system is currently adopted.

Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company shall, from the next fiscal year, make a transition from the consolidated taxation system to the group tax sharing system. However, with regard to items that were shifted to the Japanese group tax sharing system, which was established by the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020), and those for which the non-consolidated taxation system was reviewed in line with the shift to the Japanese group tax sharing system, the Company does not apply the provisions of Item 44 of "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28 issued on February 16, 2018) in accordance with the treatment provided for under Item 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39 issued on March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are instead accounted for by following the provisions of the tax law before amendment.

From the beginning of the next fiscal year, the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42 issued on August 12, 2021), which prescribes the accounting treatment and disclosure of income taxes, local income tax and deferred tax accounting under the group tax sharing system, is scheduled to be adopted.

(2) Notes on changes in accounting policies

(Adoption of the Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard") has been adopted from the start of the current fiscal year, and when control of the promised goods or service transfers to the customer, the expected monetary compensation received in return is recognized as revenue. Following the aforementioned adoption, from the start of the current fiscal year, the method for accounting for revenue of the shipping operation changed from the hitherto applied voyage completion method that recognizes revenue of the shipping operation at the completion of the voyage, to the method whereby revenue is recognized by reasonably estimating progress in the fulfillment of performance obligations, based mainly on the number of days of voyage.

In accordance with the transitional arrangements set forth in the proviso of Article 84 of the Revenue Recognition Accounting Standard, retained earnings at the start of the current fiscal year has been adjusted to reflect the cumulative impact assuming the accounting standard is retroactively adopted prior to the start of the current fiscal year, and the new accounting policy has been applied from the relevant starting balances at the beginning of the accounting period.

As a result, compared to the previous accounting policy, concerning the starting balances at the beginning of the current fiscal year, mainly operating accounts receivable-trade increased by 30,170 million yen, contract assets increased by 7,852 million yen, operating accounts payable-trade increased by 4,875 million yen, contract liabilities increased by 19,898 million yen, retained earnings carried forward increased by 6,289 million yen, deferred and prepaid expenses decreased by 30,240 million yen and advance received decreased by 23,874 million yen.

Also, during the current fiscal year, revenue from shipping operation increased by 18,656 million yen, shipping operation expenses increased by 13,007 million yen, operating profit increased by 5,649 million yen and recurring profit and profit before income taxes each increased by 7,100 million yen. During the current fiscal year, operating accounts receivable-trade increased by 42,206 million yen, contract assets increased by 9,913 million yen, operating accounts payable-trade increased by 5,552 million yen, contract liabilities increased by 25,357 million yen, deferred and prepaid expenses decreased by 42,285 million yen and advances received decreased by 33,865 million yen.

(Adoption of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter “Fair Value Accounting Standard”) has been applied from the start of the current fiscal year, and in accordance with the transitional arrangements set forth in Article 19 of the Fair Value Accounting Standard and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), the new accounting policy set forth in the Fair Value Accounting Standard has been permanently adopted. As a result of this change, from the current fiscal year, the method used to determine the fair value of available-for-sale securities other than shares, etc. without market price has been revised from the average market value during the one month prior to the final day of the accounting period to the market value on the final day of the accounting period.

These changes have minimal impact on the unconsolidated financial statements for the current fiscal year.

(3) Notes on revenue recognition

Notes are omitted as the identical information is stated in “Notes to Consolidated Financial Statements, (3) Notes on revenue recognition” for useful information in understanding revenue from contracts with customers.

(4) Notes on accounting estimates

Allowance for investment loss associated with vessels owned by subsidiaries or affiliates

- The amount recorded for the current fiscal year: 75,532 million yen
- Other information that facilitates understanding about the nature of estimates

  To provide for the loss associated with the significant deterioration in profitability from the vessels procured by vessel owning subsidiaries or affiliates and time-chartered by the Company, estimated future loss is recognized.

  Estimated future loss is calculated with reference to the book value, discounted present value of the expected future cash flows and net selling price of those vessels and other factors.

  Important assumptions in the business plan as the basis of future cash flows mainly include future prospects of market condition for freight rates, charterages, etc. and cargo transport demand. In forecasting these factors, the assumption used for forecasting the timing of subsidence of the impact of COVID-19 and the future market condition is that although the timing of subsidence of COVID-19 remains uncertain, the disturbance in the logistics network as a whole is resolving as workers are returning to work due to vaccinations, and demand and supply will gradually reach an appropriate balance. The Company expects the stabilization of demand to have the effects such as decreasing revenues and operating profit of the NYK Group.

  Calculation period for future cash flows is based on the average remaining useful life of vessels within the asset group concerned. The Company uses discount rates derived primarily based on capital cost. Net selling price is determined based on the result of evaluation by an expert used mainly by the management.

  In the event of worsened future prospects for freight rates, charterages, etc. or cargo transport demand, or devaluation of vessels, new or additional provisions may be recognized.

Recoverability of deferred tax assets

- The amount recorded for the current fiscal year: 1,950 million yen
- Other information that facilitates understanding about the nature of estimates

  Details are as stated in the Notes to Consolidated Financial Statements.

Allowance for doubtful accounts of loans receivable from subsidiaries and affiliates

- The amount recorded for the current fiscal year is 487,431 million yen for the balance of loans receivable from subsidiaries and affiliates, and 78,002 million yen for allowance for doubtful accounts.
- Other information that facilitates understanding about the nature of estimates

  With respect to loans receivable from subsidiaries and affiliates, estimated uncollectible amounts are recorded as allowance for doubtful accounts based on the financial evaluation method, in consideration of individual collectability. In adopting the financial evaluation method, the Company assessed the overall paying capacity of the borrowing subsidiaries and affiliates. Paying capacity of the borrowing subsidiaries and affiliates is determined in consideration of the business condition, the extent of exceeding liabilities, status of business operation, prospects of earnings and funding, and all other quantitative and qualitative factors relevant to the collection of loans. In determining the paying capacity of the borrowing subsidiaries and affiliates, the assumption used for forecasting the timing of subsidence of the impact of COVID-19 and the future market condition is that although the timing of subsidence of COVID-19 remains uncertain, the disturbance in the logistics network as a whole is resolving as workers are returning to work due to vaccinations, and demand and supply will gradually reach an appropriate balance. The Company expects the stabilization of demand to have the effects such as decreasing revenues and operating profit of the NYK Group.

  In accordance with the business condition of subsidiaries and affiliates, the Company may recognize additional provision or reverse provision of allowance for doubtful accounts.

(5) Notes to Unconsolidated Balance Sheet

1) Assets pledged as collateral and obligations relating to collateral

(i) Assets pledged as collateral

Vessels	7,048 million yen
Stocks and equity in subsidiaries and affiliates (Note)	37,216 million yen
Total	44,264 million yen

(ii) Obligations relating to collateral

Short-term loans payable	825 million yen
Long-term loans payable	2,063 million yen
Total	2,889 million yen

Note: Stocks and equity in subsidiaries and affiliates of 37,216 million yen has been pledged as collateral for debts of subsidiaries and affiliates, etc.

2) Accumulated depreciation of vessels, property, plant and equipment 110,425 million yen

3) Contingent liability

(i) Guarantee obligations 422,081 million yen

(ii) The Company has been under investigation by authorities overseas, on account of suspected violations of the antitrust laws concerning the shipping of cargo including automobiles handled in or after September 2012. Also, the Company has been sued in class civil lawsuits in several regions for damages and suspension of shipments, etc. without specific amount of damage, for its conspiracy to fix prices of shipping with major automobile shipping companies concerning marine transportation of assembled automobiles, etc.
With the exception of the recorded provision for losses related to antitrust law, it is difficult to reasonably predict the results of the investigations by overseas authorities and civil actions for damages at present.

4) Claims and liabilities toward subsidiaries and affiliates (except for as presented in item categories)

Short-term monetary claims	128,665 million yen
Long-term monetary claims	543,078 million yen
Short-term monetary liabilities	94,799 million yen
Long-term monetary liabilities	2,009 million yen

(6) Note to Unconsolidated Statement of Income

Transactions with subsidiaries and affiliates

Operating transactions	
Revenues (revenue from shipping operation, revenue from other business)	113,455 million yen
Expenses (shipping operation expenses, other business expenses, general administrative expenses)	200,752 million yen
Transactions other than operating transactions	343,659 million yen

(7) Note to Unconsolidated Statement of Changes in Equity

Class and number of treasury stock at term-end

Common stock 1,118,772 shares

Note: The number of treasury stock at the end of the current fiscal year includes 612,059 shares of the Company owned by the Board Incentive Plan Trust.

(8) Notes on tax effect accounting

Recognition of deferred tax assets are mainly attributable to allowance for doubtful accounts, etc., while recognition of deferred tax liabilities are mainly attributable to unrealized gain (loss) on available-for-sale securities, etc.

(9) Notes concerning transactions with related parties

Subsidiaries and affiliates, etc.

Category	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	NIPPON CARGO AIRLINES CO., LTD.	Holding Directly 100.0%	Capital support	Loan of funds (Note 1)	16,647	Short-term loans receivable (Note 2)	2,100
						Long-term loans receivable (Note 2)	176,482
				Acceptance of interest	906	Other current assets	166
Subsidiary	NYK BULKSHIP (ATLANTIC) N.V.	Holding Directly 100.0%	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	25,494	–	–
				Acceptance of Guarantee fee	0	Other current assets	0
Subsidiary	NYK BULKSHIP (ASIA) PTE. LTD.	Holding Directly 100.0%	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	17,365	–	–
				Acceptance of Guarantee fee	13	Other current assets	6
Subsidiary	NYK BULK & PROJECTS CARRIERS LTD.	Holding Directly 100.0%	Acceptance of funds	Acceptance of funds (Note 4)	19,789	Deposits received	20,439
				Interest payment	3	–	–
Subsidiary	SAGA SHIPHOLDING (NORWAY) AS	Holding Indirectly 100.0%	Capital support Debt guarantee, etc.	Loan of funds (Note 5)	1,703	Short-term loans receivable	5,274
						Long-term loans receivable	28,958
				Acceptance of interest	580	Other current assets	203
				Debt guarantee, etc. (Note 3)	25,251	–	–
Subsidiary	YUSEN TERMINALS LLC	Holding Indirectly 100.0%	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	20,385	–	–
				Acceptance of Guarantee fee	90	Other current assets	90
Subsidiary	NYK ITF (CAYMAN) LTD.	Holding Indirectly 100.0%	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	32,872	–	–

Category	Company	Ratio of holding of voting rights, etc. (or ratio of voting rights held)	Detail of relationship	Contents of transaction	Transaction amount (millions of yen)	Account item	Term-end balance (millions of yen)
Subsidiary	Vessels owning, chartering related companies ENCANTADA MARITIMA S.A. and other 223 companies	Holding Directly 100.0% (224 companies)	Capital support Debt guarantee, etc. Contracts of chartering vessels	Loan of funds (Note 5)	22,492	Short-term loans receivable (Note 2)	24,701
						Long-term loans receivable (Note 2)	163,360
			Transfer of shipbuilding contract	Increase in lease receivables and investments (Note 6)	9,876	Lease receivables (due within one year)	14,849
						Lease receivables (due over one year)	75,036
						Investments in leases (due within one year)	5,605
						Investments in leases (due over one year)	22,659
				Acceptance of interest	2,569	Other current assets	468
				Payment of charterage (Note 7)	101,264	Operating accounts receivable-trade	3,817
						Operating accounts payable-trade	4,051
						Deferred and prepaid expenses	48
				Debt guarantee, etc. (Note 3)	90,442	–	–
				Transfer of shipbuilding contract (Note 8)			
				Sales proceeds	20,678	–	–
				Gain on sales of non-current assets	391	–	–
Affiliate	FRANCE LNG SHIPPING S.A.S.	Holding Directly 50.0%	Capital support	Loan of funds (Note 5)	9,079	Long-term loans receivable (Note 2)	15,985
				Acceptance of interest	744	Other current assets	264
Affiliate	MERO 2 OWNING B.V.	Holding Directly 15.5%	Debt guarantee, etc.	Debt guarantee, etc. (Note 3)	24,500	–	–
				Acceptance of Guarantee fee	36	–	–

Transaction conditions and policies on determination of transaction conditions

Notes:
1. Conditions of loan of funds are determined by taking into consideration the market rate. The Company has been pledged security.
2. A total balance of 74,068 million yen of allowance for doubtful accounts in relation to loans to subsidiaries and affiliates is recorded. Also, a total of 60,282 million yen of reversal of allowance for doubtful accounts is recorded for the current fiscal year.
3. Guarantee fee for debt guarantee, etc. is determined by taking into consideration the form of guarantee.
4. Conditions of acceptance of funds are determined by taking into consideration the market rate. The Company has not pledged security.
5. Conditions of loan of funds are determined by taking into consideration the market rate. The Company has not been pledged security.
6. Lease payments are determined by taking into consideration the amount equivalent to the cost of the assets concerned.
7. Cost equivalent amounts accrued by subsidiaries are paid as charterage.
8. Sales price of non-current assets is determined by taking into consideration the market price.

(10) Note on per-share information

1)	Equity per share	4,014.44 yen
2)	Profit per share	2,890.16 yen

(11) Note on a company subject to consolidated dividend restrictions

The Company is a company subject to consolidated dividend restrictions.

(12) Other notes

Presentation of monetary amounts

The fraction of amounts less than the indicated unit is rounded down.

(13) Note on significant subsequent events

Not applicable.

(14) Additional information

The Company has a business relationship with a Russian shipping company, including effective joint ownership and management of LNG vessels. However, in consideration of the sanctions in various countries due to the situation involving Russian and Ukraine, the Company is holding discussions with the related parties to take appropriate measures.

Although the situation involving Russia and Ukraine may have an impact on the Company's financial statements in the following fiscal year onward, it is difficult to reasonably estimate the financial impact at this time.