

## 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 136th Ordinary General Meeting of Shareholders

The 136th Fiscal Year  
Report

April 1, 2022  
March 31, 2023

Nippon Yusen Kabushiki Kaisha

### <Notes When Reading This Notice of Convocation>

- 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 from those projected figures.
- The “NYK Group” means, in principle, a corporate group that consists of the Company and its subsidiaries.
- Fractions of amounts and the numbers of shares in this report are rounded down.
- ( ) indicates minus.

### <Notice on the Operation of the Ordinary General Meeting of Shareholders>

- **We will be livestreaming the Ordinary General Meeting of Shareholders via the Internet.**
- When deciding whether to attend the General Meeting of Shareholders, please take into consideration your own physical condition on the day of the meeting.
- 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/stock/meeting/>

<Our Response to the Introduction of the System for Electronic Provision of Informational Materials for the General Meeting of Shareholders>

Based on the system for electronic provision introduced with the revised Companies Act and the Company's Articles of Incorporation, shareholders who have requested delivery of paper-based documents will receive documents with only the content that was previously disclosed on the Internet omitted (documents with “交付書面” (Delivery Document) printed on the upper right of the cover), and the other shareholders will receive documents with the said content plus additional content omitted. For details of the omitted content, please refer to the following website:

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

## Greetings from the President

My name is Takaya Soga, and I became President and Representative Director on April 1, 2023.

I would like to thank all of our company's shareholders and investors for your continued support.

Continuing from the previous fiscal year, the effects of COVID-19 and the situation between Russia and Ukraine have had a significant impact not only on global politics and economics, but also on the Group's business operations. Nevertheless, in terms of business performance, we are pleased to report that we were able to achieve record-breaking profits in the trillion yen range for the second consecutive fiscal year. We believe that this is the result of our strong efforts to address the management issues set forth in the previous medium-term management plan "Staying Ahead 2022 with Digitalization and Green."

Amid a rapidly changing world, the Group created a new vision for 2030 based on long-term business environment forecasts, which reads as follows: "We go beyond the scope of a comprehensive global logistics enterprise to co-create value required for the future by advancing our core business and growing new ones." To achieve this vision, we launched a new medium-term management plan ("Sail Green, Drive Transformations 2026 – A Passion for Planetary Wellbeing") in March 2023 as a four-year action plan through fiscal year 2026.

As a business strategy, we will consider opportunities and risks for our business to decide the direction of individual businesses (AX: Ambidexterity and BX: Business Transformation). We will support these through a talent, organization, and group management transformation (CX), a digital transformation (DX), and an energy transformation (EX) with the goal of achieving net-zero emissions. Together, these five transformations form the framework for our medium-term management plan "ABCDE-X."

Our financial strategy is to make business investments of approx. ¥1.2 trillion by fiscal year 2026, and at the same time, implement shareholder returns focused on improving capital efficiency.

Through steady implementation of these measures, we will further evolve our ESG strategy and realize a corporate group with sustainable growth that contributes to society and is an integral part of society.

May 2023

Takaya Soga  
President, Representative Director

To Our Shareholders

Code No. 9101 TSE Prime Market  
May 30, 2023  
(Electronic provision measures to be started on May 23, 2023)  
3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo

Takaya Soga  
President, Representative Director  
**Nippon Yusen Kabushiki Kaisha**

### **Notice of the 136th Ordinary General Meeting of Shareholders**

We are pleased to announce that the 136th Ordinary General Meeting of Shareholders of Nippon Yusen Kabushiki Kaisha will be held as follows.

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. (hereinafter referred to as “electronic provision measures matters”) in electronic format, and this shall be posted on our website at the URL listed below.

#### **The Company’s Website**

<https://www.nyk.com/ir/stock/meeting/> (in Japanese)

In addition to the electronic provision measures matters being posted on our website, they shall also be posted on the following website of the Tokyo Stock Exchange (TSE).

#### **Tokyo Stock Exchange Website (TSE listed company information service)**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the above Tokyo Stock Exchange website, in “銘柄名 (会社名)” (Brand name (Company name)), enter “日本郵船” (NYK), or in “コード” (Code), enter “9101,” and click “検索” (Search). Select “基本情報” (Basic information) and “縦覧書類/PR情報” (Documents for public inspection/PR information) in that order, and click “情報を閲覧する場合はこちら” (Click here to view information) under “縦覧書類” (Documents for public inspection) and “株主総会招集通知/株主総会資料” (Notice of Convocation of General Meeting of Shareholders/Materials for General Meeting of Shareholders) to find the necessary information.)

**Please review the Reference Documents for the General Meeting of Shareholders (pages 11 through 46) 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\*.  
When deciding whether to attend the General Meeting of Shareholders, please take into consideration your own physical condition on the day of the meeting.**

\* 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” (pages 8 and 10), indicate your vote for or against each of the proposals on the Voting Form, and return the form by 5:00 p.m. Japan Time, Tuesday, June 20, 2023.



**[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” (pages 8 and 10), and exercise your voting rights by 5:00 p.m. Japan Time, Tuesday, June 20, 2023.

1. **Date:** 10:00 a.m., Wednesday, June 21, 2023 (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  
\* If all seats in AOI are filled, you may be directed to a secondary meeting room, etc.
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 & Supervisory Board for the 136th Fiscal Year (from April 1, 2022 to March 31, 2023)
  - 2) Unconsolidated Financial Statements for the 136th Fiscal Year (from April 1, 2022 to March 31, 2023)  
**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 seven Directors (not including Directors who are Audit & Supervisory Committee Members)
  - Proposal No. 4:** Election of five Directors who are Audit & Supervisory Committee Members
  - Proposal No. 5:** Election of one Director who is the Substitute Audit & Supervisory Committee Member
  - Proposal No. 6:** Determination of the amount of basic compensation of Directors (not including Directors who are Audit & Supervisory Committee Members)
  - Proposal No. 7:** Determination of the amount of compensation of Directors who are Audit & Supervisory Committee Members
  - Proposal No. 8:** Determination of calculation method of compensation amount based on Performance-Based Monetary Compensation Plan for Directors (not including Directors who are Audit & Supervisory Committee Members), etc.
  - Proposal No. 9:** Determination of calculation method, etc. of compensation amount, etc. based on Performance-Based Stock Remuneration Plan, etc. for Directors (not including Directors who are Audit & Supervisory Committee Members), etc.

\* The following electronic provision measures matters are not stated in the documents delivered to shareholders (including shareholders who have requested delivery of paper-based documents) in accordance with the laws and regulations and Article 17, paragraph 2 of the Company’s Articles of Incorporation.

Accordingly, the documents delivered to shareholders shall be part of the documents to be audited by Audit & Supervisory Board Members or Independent Auditors when creating audit reports.

- (1) The Following Matters Among Matters to Be Indicated in Business Reports
  - (i) Financial Position and Results of Operation and Their Changes in the Last Three Fiscal Terms
  - (ii) Status of Stock Acquisition Rights, etc.
  - (iii) Independent Auditor (Kaikai Kansha Nin)
  - (iv) Matters on Establishment of Structures to Ensure Proper Execution of Business Operations and the Implementation Status of Such Structures
- (2) Consolidated Statement of Changes in Equity
- (3) Notes to Consolidated Financial Statements
- (4) Unconsolidated Statement of Changes in Equity
- (5) Notes to Unconsolidated Financial Statements

**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 electronic provision measures matters:**

If the need arises to revise the electronic provision measures matters, the revised or changed items will be announced along with the original versions on our aforementioned website and the Tokyo Stock Exchange website.

In addition, in the event of any major changes made to the operation of the General Meeting of Shareholders, we will post the changed items on our aforementioned website.

## 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 20, 2023



### 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.mufig.jp/>) designated by the Company.

**Voting deadline:** 5:00 p.m., Tuesday, June 20, 2023



### 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 21, 2023

## <Requests>

- We will be livestreaming the Ordinary General Meeting of Shareholders via the Internet.
- When deciding whether to attend the General Meeting of Shareholders, please take into consideration your own physical condition on the day of the meeting.
- 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/stock/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.mufig.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.
  - (2) Voting by using a PC
    - Please access the website for exercising votes (<https://evote.tr.mufig.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.

### Inquiries concerning the system

Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation  
0120-173-027 (toll free within Japan)  
(Operator and reception hours: 9:00 a.m. to 9:00 p.m.)

### Other inquiries

Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation  
0120-232-711 (toll free within Japan)  
(Operator and reception hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays, and public holidays)

### 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 21, 2023, 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 28, 2023 until Monday, July 31, 2023

### 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:	<a href="https://engagement-portal.tr.mufg.jp/">https://engagement-portal.tr.mufg.jp/</a> (in Japanese only)
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(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.

- Login ID: The first 12 digits of the 15 half-width alphanumeric characters printed on the right side of the Voting Rights Exercise Form.

Example: When the login ID is "3004—1234—5678—901," enter "300412345678."

- Password: The seven-digit Japanese postal code of the registered address of the shareholder as of March 31, 2023 + "2023" (a total of 11 digits)

Example: When your postal code is "123-4567," enter "12345672023."

\* Note that the password is different from the "temporary password" shown on the Voting Rights Exercise Form.

\* Do not include hyphens (-) in the login ID or password.

(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

(1) 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/stock/meeting/>

(2) 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.

(3) 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.

(4) 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).

(5) 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 13, 2023

(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 on the day of the General Meeting of Shareholders.
- iv) We do not guarantee that we will answer every question. We will not be able to respond to you individually, but we will refer to the questions we were unable to answer as valuable opinions for the future.
- v) Please refer to 3. (4) to (5) above for notes about accessing the “Engagement Portal.”

**[Inquiries concerning the website]**

Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-676-808 (toll free within Japan)

Hours:

9:00 a.m. to 5:00 p.m., 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 ¥170 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 markets as well as promotion of decarbonization and investment in fields of growth.

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  
¥170 per share of Company common stock, total amount ¥86,467,284,280
- (3) Date of validity of dividends of surplus  
June 22, 2023

## Reference: References common to Proposal Nos. 2 to 9

The Company proposes to transition to a company with Audit & Supervisory Committee conditional on the approval of Proposal No. 2 “Partial amendments to the Articles of Incorporation.” Each of the proposals in Proposal Nos. 2 to 9 is related to this transition, and this section explains the features of a company with Audit & Supervisory Committee in proposing these proposals and the reasons for transitioning to a company with Audit & Supervisory Committee.

### 1. Features of a company with Audit & Supervisory Committee

In a company with Audit & Supervisory Committee, Audit & Supervisory Committee Members and the Audit & Supervisory Committee are responsible for performing audits instead of the Audit & Supervisory Board Members and the Audit & Supervisory Board. The Audit & Supervisory Committee shall be made up of three or more Directors, and a majority of those shall be Outside Directors.

In addition to the Audit & Supervisory Committee Members having voting rights on the Board of Directors as Directors, the Audit & Supervisory Committee Members elected from the Audit & Supervisory Committee shall have authority to express the opinion of the Audit & Supervisory Committee at the General Meeting of Shareholders regarding the election, dismissal, etc. of Directors not on the Audit & Supervisory Committee Members and their compensation, etc., in order to strengthen the supervisory function.

In addition, in a company with Audit & Supervisory Committee, if stipulated in the Articles of Incorporation, the Board of Directors may delegate all or part of important business execution decisions to Directors by resolution of the Board of Directors to accelerate decision-making.

### 2. Reasons for transitioning to a company with Audit & Supervisory Committee

The Company has made continuous efforts to enhance corporate governance in order to achieve sound and sustainable growth in corporate value. As the business environment continues to change rapidly, the Company aims to speed up decision-making by delegating authority for important business execution to executive directors, and to improve the effectiveness of the Board of Directors by intensively discussing matters that lead to the growth in corporate value, such as medium - to long-term management strategies, allocation of managerial resources, business portfolio, sustainability, and handling significant business risks, at the Board of Directors meeting. In addition, the monitoring function of the Board of Directors will be strengthened by appointing Directors who are Audit & Supervisory Committee Members, having authority such as voting rights at the Board of Directors.

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

### 1. Reasons for the amendments, etc.

- (1) The Company shall transition to a company with Audit & Supervisory Committee to enhance the corporate governance organizational structure. Accordingly, required changes shall be made for establishing new regulations related to the Audit & Supervisory Committee Members and Audit & Supervisory Committee, deleting regulations related to the Audit & Supervisory Board Members and Audit & Supervisory Board, changing the number of Directors, and establishing new regulations related to delegating decisions of important business execution, etc.
- (2) From among matters that can be resolved by the Board of Directors by stipulating in the Articles of Incorporation, year-end dividends shall, in principle, continue to be determined at the General Meeting of Shareholders; however, required changes shall be made such as establishing Article 44 in “Proposed Amendments,” etc. to enable year-end dividends to be paid to shareholders, etc. by resolution of the Board of Directors without requiring a resolution of the General Meeting of Shareholders in the event it is deemed difficult to hold the General Meeting of Shareholders due to a disaster or other unforeseen circumstances, etc.

This proposal shall be effective at the conclusion of this General Meeting of Shareholders.

2. Details of the amendments

The details of the amendments are as follows.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1. to Article 4. (Provisions omitted)</p> <p style="text-align: center;">Chapter II Shares</p> <p>Article 5. (Provisions omitted) (Acquisition of Own Shares) <u>Article 6.</u> <u>The Company may, by a resolution of the Board of Directors, acquire the Company's own shares through market trading etc., pursuant to Article 165, Paragraph 2 of the Companies Act.</u></p> <p>Article <u>7.</u> to Article <u>9.</u> (Provisions omitted) (Rules for Handling Shares) Article <u>10.</u> Unless otherwise stipulated by law or these Articles of Incorporation, the Rules for Handling Shares of the Company which shall be established by the Board of Directors shall set forth entry or recording in the Register of Shareholders and the Ledger of Stock Acquisition Rights of the Company, purchase and sale of shares of less than one unit and any other business with respect to shares and stock acquisition rights and handling and charges for any matters relating to exercise of shareholder's right.</p> <p>(Share Register) Article <u>11.</u> 1. (Provisions omitted) 2. The Share Registrar and the place of business of the Share Registrar shall be designated by the resolution of the Board of Directors and public notice thereof shall be given.</p> <p>3. (Provisions omitted) Article <u>12.</u> (Provisions omitted)</p> <p style="text-align: center;">Chapter III General Meetings of Shareholders</p> <p>Article <u>13.</u> to Article <u>20.</u> (Provisions omitted)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors, etc.</p> <p>Article <u>21.</u> (Provisions omitted) (Number of Directors) Article <u>22.</u> 1. The Directors of the Company shall be no more than <u>twelve</u> in number.</p> <p style="text-align: center;">(Newly established)</p> <p><u>2.</u> (Provisions omitted)</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1. to Article 4. (Unchanged)</p> <p style="text-align: center;">Chapter II Shares</p> <p>Article 5. (Unchanged) (Deleted)</p> <p>Article <u>6.</u> to Article <u>8.</u> (Unchanged) (Rules for Handling Shares) Article <u>9.</u> Unless otherwise stipulated by law or these Articles of Incorporation, the Rules for Handling Shares of the Company which shall be established by the Board of Directors <u>or Directors delegated by the Board of Directors</u> shall set forth entry or recording in the Register of Shareholders and the Ledger of Stock Acquisition Rights of the Company, purchase and sale of shares of less than one unit and any other business with respect to shares and stock acquisition rights and handling and charges for any matters relating to exercise of shareholder's right.</p> <p>(Share Registrar) Article <u>10.</u> 1. (Unchanged) 2. The Share Registrar and the place of business of the Share Registrar shall be designated by the resolution of the Board of Directors <u>or decision by Directors delegated by the Board of Directors,</u> and public notice thereof shall be given.</p> <p>3. (Unchanged) Article <u>11.</u> (Unchanged)</p> <p style="text-align: center;">Chapter III General Meetings of Shareholders</p> <p>Article <u>12.</u> to Article <u>19.</u> (Unchanged)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors, etc.</p> <p>Article <u>20.</u> (Unchanged) (Number of Directors) Article <u>21.</u> 1. The Directors (<u>not including those who are Audit &amp; Supervisory Committee Members</u>) of the Company shall be no more than <u>nine</u> in number. 2. <u>The Directors of the Company who are Audit &amp; Supervisory Committee Members shall be no more than seven in number.</u></p> <p><u>3.</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office of Directors)  <u>Article 23.</u>  1. <u>The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within one year from his/her election to office.</u>  2. <u>The term of office of a Director appointed as a substitute shall be the remaining term of office of his/her predecessor.</u>  3. <u>The term of office of a Director elected on an occasion other than the Ordinary General Meeting of Shareholders shall be the same as the remaining term of office of the other Directors elected at the last Ordinary General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p>(Election of Directors)  <u>Article 24.</u>  1. Directors shall be elected by resolution at the General Meeting of Shareholders.</p>	<p>(Election of Directors)  <u>Article 22.</u>  1. Directors shall be elected by resolution at the General Meeting of Shareholders, <u>distinguishing between those Directors who are Audit &amp; Supervisory Committee Members and those who are not.</u></p>
<p>2. (Provisions omitted)  3. (Provisions omitted)  (Newly established)</p>	<p>2. (Unchanged)  3. (Unchanged)  4. <u>The Company shall be able to elect Directors who are substitute Audit &amp; Supervisory Committee Members at the General Meeting of Shareholders in preparation of a shortage of the number of Directors who are Audit &amp; Supervisory Committee Members as stipulated by laws and regulations.</u></p>
<p>(Newly established)</p>	<p>5. <u>The period during which the resolution for the election of Directors who are substitute Audit &amp; Supervisory Committee Members, as set forth in the preceding paragraph, remains in force shall expire upon start of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within two years from their election.</u></p>
<p>(Newly established)</p>	<p>(Term of Office of Directors)  <u>Article 23.</u>  1. <u>The term of office of Directors (not including those who are Audit &amp; Supervisory Committee Members) shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within one year from their election to office.</u></p>
	<p>2. <u>The term of office of Directors who are Audit &amp; Supervisory Committee Members shall expire upon conclusion of the Ordinary General Meeting of Shareholders with respect to the last business term ending within two years from their election to office.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors, Officiating Directors, etc.) Article 25.</p> <p>1. Representative Directors of the Company shall be elected by the resolution of the Board of Directors.</p> <p>2. (Provisions omitted)</p> <p>3. The Board of Directors may, by resolution, elect one Chairman of the Board of Directors and one Vice Chairman of the Board of Directors.</p> <p>4. (Provisions omitted) (Newly established)</p> <p>Article 26. (Provisions omitted) (Authority of Board of Directors) Article 27. <u>The Board of Directors shall decide the conduct of important affairs of the Company as well as matters provided for in the law and the Articles of Incorporation.</u> Article 28. (Provisions omitted)</p>	<p>3. <u>The term of office of Directors (not including those who are Audit &amp; Supervisory Committee Members) elected on an occasion other than the Ordinary General Meeting of Shareholders shall be the same as the remaining term of office of other incumbent Directors (not including those who are Audit &amp; Supervisory Committee Members) elected at the last Ordinary General Meeting of Shareholders.</u></p> <p>4. <u>The term of office of Directors who are Audit &amp; Supervisory Committee Members appointed as a substitute Director who is an Audit &amp; Supervisory Committee Member and retired before the expiration of their term of office shall be the remaining term of office of the retired Director who is an Audit &amp; Supervisory Committee Member. However, in the event the substitute Director who is an Audit &amp; Supervisory Committee Member elected pursuant to paragraph 4 of the preceding Article assumes office as a Director who is an Audit &amp; Supervisory Committee Member, the term of office shall not exceed the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within two years from their election.</u></p> <p>(Representative Directors, Officiating Directors, etc.) Article 24.</p> <p>1. Representative Directors of the Company shall be elected <u>from among the Directors (not including those who are Audit &amp; Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. (Unchanged)</p> <p>3. The Board of Directors may, by resolution, elect one Chairman of the Board of Directors and one Vice Chairman of the Board of Directors <u>from among the Directors (not including those who are Audit &amp; Supervisory Committee Members).</u></p> <p>4. (Unchanged) <u>(Delegation of Business Execution Decisions to Directors)</u> Article 25. <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company shall be able to delegate all or part of the decisions of important business execution (excluding the matters listed in each item of Paragraph 5 of the same Article) by resolution of the Board of Directors.</u></p> <p>Article 26. (Unchanged) (Deleted)</p> <p>Article 27. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Notice of Meetings of the Board of Directors) Article <u>29</u>. Notice of the convening of a Meeting of the Board of Directors shall be given to each Director <u>and Audit &amp; Supervisory Board Member</u> three days before the time set for such Meeting. <u>This shall not apply in the case that the consent of all Directors and Audit &amp; Supervisory Board Members is obtained.</u></p> <p style="text-align: center;">(Newly established)</p>	<p>(Notice of Meetings of the Board of Directors) Article <u>28</u>. 1. Notice of the convening of a Meeting of the Board of Directors shall be given to each Director three days before the time set for such Meeting. <u>However, this period may be shortened when urgently necessary.</u></p> <p>2. <u>With the unanimous consent of all Directors, a meeting of the Board of Directors may be held without the convocation procedures.</u></p>
<p>Article <u>30</u>. (Provisions omitted) (Omission of the Procedure for Adopting of Resolutions at Meetings of the Board of Directors) Article <u>31</u>. Any agreement in respect of the matters to be resolved by the Board of Directors by all of Directors who can vote therefore by paper ballot or electromagnetic method shall be deemed by the Company to be a resolution duly adopted by the Board of Directors; <u>provided that all Audit &amp; Supervisory Board Members express no objection thereto.</u></p>	<p>Article <u>29</u>. (Unchanged) (Omission of the Procedure for Adopting of Resolutions at Meetings of the Board of Directors) Article <u>30</u>. Any agreement in respect of the matters to be resolved by the Board of Directors by all of Directors who can vote therefore by paper ballot or electromagnetic method shall be deemed by the Company to be a resolution duly adopted by the Board of Directors.</p>
<p>(Minutes of Meetings of the Board of Directors) Article <u>32</u>. The substance of proceedings transpiring at a Meeting of the Board of Directors and the results thereof and any other matters stipulated by law shall be entered or recorded in the Minutes of the Meeting of the Board of Directors, which shall bear the names and seals or electronic signatures of the Directors <u>and Audit &amp; Supervisory Board Members</u> present and the original Minutes shall be kept in the Head Office for ten years.</p>	<p>(Minutes of Meetings of the Board of Directors) Article <u>31</u>. The substance of proceedings transpiring at a Meeting of the Board of Directors and the results thereof and any other matters stipulated by law shall be entered or recorded in the Minutes of the Meeting of the Board of Directors, which shall bear the names and seals or electronic signatures of the Directors present and the original Minutes shall be kept in the Head Office for ten years.</p>
<p>(Compensation etc. to Directors) Article <u>33</u>. The amount of compensation etc. to be granted to Directors by the Company shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>(Compensation etc. to Directors) Article <u>32</u>. The amount of compensation etc. to be granted to Directors by the Company shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between those Directors who are Audit &amp; Supervisory Committee Members and those who are not.</u></p>
<p>Article <u>34</u>. (Provisions omitted) <u>Chapter V</u> <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p>	<p>Article <u>33</u>. (Unchanged) (Deleted)</p>
<p><u>(Establishment of Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board)</u> Article <u>35</u>. <u>The Company shall have Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board.</u></p>	<p>(Deleted)</p>
<p><u>(Number of Audit &amp; Supervisory Board Members)</u> Article <u>36</u>. 1. <u>The Audit &amp; Supervisory Board Members of the Company shall be no more than five in number.</u></p>	<p>(Deleted)</p>



Current Articles of Incorporation	Proposed Amendments
<p><u>2. Should an Audit &amp; Supervisory Board Member or Audit &amp; Supervisory Board Members have retired from office, the election of his/her or their substitute(s) may be disregarded so long as the number of Audit &amp; Supervisory Board Members does not fall below that prescribed by law.</u></p> <p><u>(Term of Office of Audit &amp; Supervisory Board Members)</u> <u>Article 37.</u></p> <p><u>1. The term of office of an Audit &amp; Supervisory Board Member shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within four years from his/her election to office.</u></p> <p><u>2. The term of office of an Audit &amp; Supervisory Board Member appointed as a substitute shall be the remaining term of office of his/her predecessor.</u></p> <p><u>3. The effect of the resolution of election of Substitute Audit &amp; Supervisory Board Members in accordance with Article 329, Paragraph 3 of the Companies Act shall be valid until conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within four years from the said election.</u></p> <p><u>4. In case a Substitute Audit &amp; Supervisory Board Member, who is elected by the resolution prescribed in previous paragraph, assumes the office of an Audit &amp; Supervisory Board Member, his/her term of office as an Audit &amp; Supervisory Board Member shall be the remaining term of office of the retired Audit &amp; Supervisory Board Member, but within the period until conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business term ending within four years from the said election.</u></p> <p><u>(Election of Audit &amp; Supervisory Board Members)</u> <u>Article 38.</u></p> <p><u>1. Audit &amp; Supervisory Board Members shall be elected by resolution at the General Meeting of Shareholders.</u></p> <p><u>2. Resolutions for the election of Audit &amp; Supervisory Board Members shall be adopted by a majority vote of shareholders present who hold not less than one-third of the total number of voting rights of shareholders with voting rights.</u></p> <p><u>(Full-time Audit &amp; Supervisory Board Members)</u> <u>Article 39.</u> <u>The Audit &amp; Supervisory Board shall elect Full-time Audit &amp; Supervisory Board Members from among the Audit &amp; Supervisory Board Members.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Notice of the Meetings of Audit &amp; Supervisory Board Members)</u>  <u>Article 40.</u>  <u>Notice of the convening of a Meeting of the Audit &amp; Supervisory Board shall be given to each Audit &amp; Supervisory Board Member three days before the time set for such Meeting. This shall not apply in the case that the consent of all Audit &amp; Supervisory Board Members has been obtained.</u></p>	(Deleted)
<p><u>(Method of Adopting Resolutions of the Audit &amp; Supervisory Board)</u>  <u>Article 41.</u>  <u>Resolutions of the Meetings of the Audit &amp; Supervisory Board, except where otherwise provided for in the law, shall be adopted by a majority of the Audit &amp; Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Minutes of the Meetings of the Audit &amp; Supervisory Board)</u>  <u>Article 42.</u>  <u>The substance of proceedings transpiring at a Meeting of the Audit &amp; Supervisory Board and the results thereof and any other matters stipulated by law shall be entered or recorded in the Minutes of the Meeting of the Audit &amp; Supervisory Board, which shall bear the names and seals or electronic signatures of the Audit &amp; Supervisory Board Members present and the original Minutes shall be kept in the Head Office for ten years.</u></p>	(Deleted)
<p><u>(Compensation etc. to Audit &amp; Supervisory Board Members)</u>  <u>Article 43.</u>  <u>The amount of compensation etc. to be granted to Audit &amp; Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limitation of Liabilities of Audit &amp; Supervisory Board Members)</u>  <u>Article 44.</u>  <u>The Company may enter into an agreement with each of Audit &amp; Supervisory Board Members to the effect that any liabilities for damages of such Audit &amp; Supervisory Board Members as stipulated in Article 423, Paragraph 1 of the Companies Act shall be limited to the extent permitted by law; provided, however, the limit of the liability thereunder shall be a prescribed amount in advance that is to be twenty million yen or more or an amount set by law, whichever is the greater.</u></p>	(Deleted)
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Chapter V</u>  <u>Audit &amp; Supervisory Committee</u>  <u>(Establishment of the Audit &amp; Supervisory Committee)</u>  <u>Article 34.</u>  <u>The Company shall have an Audit &amp; Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>(Full-time Audit &amp; Supervisory Committee Members)</u> <u>Article 35.</u> <u>The Audit &amp; Supervisory Committee may elect full-time Audit &amp; Supervisory Committee Members from among the Audit &amp; Supervisory Committee Members.</u>
(Newly established)	<u>(Notice of Meetings of the Audit &amp; Supervisory Committee)</u> <u>Article 36.</u> <u>1. Notice of the convening of a Meeting of the Audit &amp; Supervisory Committee shall be given to each Audit &amp; Supervisory Committee Member three days before the time set for such Meeting. However, this period may be shortened when urgently necessary.</u> <u>2. With the unanimous consent of all Audit &amp; Supervisory Committee Members, a meeting of the Audit &amp; Supervisory Committee may be held without the convocation procedures.</u>
(Newly established)	<u>(Resolutions of Meeting of the Audit &amp; Supervisory Committee)</u> <u>Article 37.</u> <u>Resolutions of the Audit &amp; Supervisory Committee shall be adopted by a majority of votes of the Audit &amp; Supervisory Committee Members present at the Meeting, at which a majority of Audit &amp; Supervisory Committee Members who can vote for the resolutions shall be present.</u>
(Newly established)	<u>(Minutes of the Meetings of the Audit &amp; Supervisory Committee)</u> <u>Article 38.</u> <u>The substance of proceedings transpiring at a Meeting of the Audit &amp; Supervisory Committee and the results thereof and any other matters stipulated by law shall be entered or recorded in the Minutes of the Meeting of the Audit &amp; Supervisory Committee, which shall bear the names and seals or electronic signatures of the Audit &amp; Supervisory Committee Members present and the original Minutes shall be kept in the Head Office for ten years.</u>
<p style="text-align: center;">Chapter VI Independent Auditors</p> <p>Article <del>45</del>. to Article <del>47</del>. (Provisions omitted) (Compensation etc. to Independent Auditors) Article <del>48</del>. The amount of compensation etc. to be granted to Independent Auditors shall be determined by the Representative Directors with the consent of the <u>Audit &amp; Supervisory Board</u>.</p>	<p style="text-align: center;">Chapter VI Independent Auditors</p> <p>Article <del>39</del>. to Article <del>41</del>. (Unchanged) (Compensation etc. to Independent Auditors) Article <del>42</del>. The amount of compensation etc. to be granted to Independent Auditors shall be determined by the Representative Directors with the consent of the <u>Audit &amp; Supervisory Committee</u>.</p>
<p style="text-align: center;">Chapter VII Accounts</p> <p>Article <del>49</del>. (Provisions omitted)</p>	<p style="text-align: center;">Chapter VII Accounts</p> <p>Article <del>43</del>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Year-end Dividends)</u>  <u>Article 50.</u>  <u>The Company shall, by resolution at the General Meeting of Shareholders, pay cash dividends out of surplus to the shareholders or the registered pledgees entered or recorded in the last Register of Shareholders as of March 31 of each year (hereinafter referred to as "year- end dividends").</u></p>	<p>(Deleted)</p>
<p><u>(Interim Dividends)</u>  <u>Article 51.</u>  <u>The Company may, by the resolution of the Board of Directors, pay dividends out of surplus stipulated in Article 454, Paragraph 5 of the Companies Act to the shareholders or the registered pledgees entered or recorded in the last Register of Shareholders as of September 30 of each year (hereinafter referred to as "interim dividends").</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Body for Determining Dividends of Surplus, etc.)</u>  <u>Article 44.</u>  <u>By resolution of the Board of Directors, the Company may determine the matters provided in each item of Article 459, Paragraph 1 of the Companies Act including distribution of dividends of surplus, etc. unless otherwise provided by laws and regulations.</u></p>
<p>(Newly established)</p>	<p><u>(Base Date for Dividends of Surplus)</u>  <u>Article 45.</u>  <u>1. The base date for year-end dividends of the Company shall be March 31 of each year.</u>  <u>2. The base date for interim dividends of the Company shall be September 30 of each year.</u></p>
<p><u>(Limitation of Payment of Year-end Dividends and Interim Dividends)</u>  <u>Article 52.</u>  <u>1. In case a full five years have elapsed since the Company commenced the payment of year-end dividends or interim dividends, the Company shall be relieved of the liability for the payment.</u>  <u>2. Shareholders may not demand interest on year-end dividends payable or interim dividends payable.</u></p>	<p><u>(Limitation of Payment of Dividends)</u>  <u>Article 46.</u>  <u>1. If the dividend property is cash and payment thereof is not received after a full five years have elapsed since the Company commenced the payment, the Company shall be relieved of the liability for the payment.</u>  <u>2. Shareholders may not demand interest on dividends payable.</u></p>

**Proposal No. 3: Election of seven Directors (not including Directors who are Audit & Supervisory Committee Members)**

The term of office of all current Directors (eight (8) Directors) will expire upon conclusion of this General Meeting of Shareholders. In addition, the Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect.

The Company therefore recommends and proposes seven (7) candidates for election as Directors (not including Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal). This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

The expertise and experience of Director candidates are listed on page 35.

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 FY2022
1	Re-election Hitoshi Nagasawa	Male (65)	Chairman, Director	12 years	100% (Attended all the 20 meetings)
2	Re-election Takaya Soga	Male (63)	President, Representative Director, President and Chief Executive Officer Group Chief Executive Officer	1 year	100% (Attended all the 16 meetings)
3	Re-election Yutaka Higurashi	Male (60)	Director, Senior Managing Executive Officer Chief Compliance Officer Chief Human Resource Officer Chief Executive of General Affairs Headquarters	3 years	100% (Attended all the 20 meetings)
4	New appointment Akira Kono	Male (61)	Executive Vice-President Executive Officer Chief Financial Officer Chief Executive of Management Planning Headquarters Chief Executive of ESG Strategy Headquarters	–	–
5	Re-election Hiroko Kuniya Independent Outside	Female (66)	Outside Director	6 years	100% (Attended all the 20 meetings)
6	Re-election Eiichi Tanabe Independent Outside	Male (69)	Outside Director	4 years	100% (Attended all the 20 meetings)
7	New appointment Nobukatsu Kanehara Independent Outside	Male (64)	–	–	–



**1 Hitoshi Nagasawa** (January 22, 1958)

Re-election

Number of the Company's shares held 286,088 shares  
Attendance rate of meetings of the Board of Directors held during FY2022 (Attended all the 20 meetings)

**>Career summary, position and responsibilities**

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
April 2023	Chairman, Director (to the present)

**>Significant concurrent positions**

Vice-President of The Japanese Shipowners' Association

**Reasons for nominating the candidate:**

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 and has promoted ESG management since 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.



**2 Takaya Soga** (December 4, 1959)

Re-election

Number of the Company's shares held 48,020 shares  
Attendance rate of meetings of the Board of Directors held during FY2022 (Attended all the 16 meetings)

**>Career summary, position and responsibilities**

April 1984	Joined the Company
August 2010	General Manager of Auto Logistics Group
April 2015	Corporate Officer
April 2018	Managing Corporate Officer
June 2020	Managing Executive Officer
April 2021	Senior Managing Executive Officer
June 2022	Director, Senior Managing Executive Officer
April 2023	President, Representative Director, President and Chief Executive Officer (to the present)

Group Chief Executive Officer

**Reasons for nominating the candidate:**

Since assuming the position of Corporate Officer of the Company in 2015, Mr. Takaya Soga has served as the Chief Executive of Automotive Transportation Headquarters, Chief Executive of Management Planning Headquarters, and Chief Financial Officer. In addition to taking measures to reduce the Company's environmental impact, he works to further stimulate and increase effectiveness of deliberations in the Board of Directors, and from 2023, he serves as the President overseeing the business. With a view to steadily implementing the newly formulated 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.



3

**Yutaka Higurashi** (February 2, 1963)

Re-election

Number of the Company's shares held  
91,251 shares  
Attendance rate of meetings of the Board of Directors held during FY2022  
(Attended all the 20 meetings)

**>Career summary, position and responsibilities**

April 1985	Joined the Company	Chief Compliance Officer Chief Human Resource Officer
April 2014	General Manager of Legal Affairs Group	Chief Executive of General Affairs Headquarters
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)	

**Reasons for nominating the candidate:**

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, Chief Human Resource Officer and Chief Executive of General Affairs Headquarters in the capacity of Director and Senior Managing Executive Officer. With a view to utilizing the diversity of human resources in the Group and reinforcing personnel and organizations to advance new value creation and frontline capabilities, as well as 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.



4

**Akira Kono** (July 28, 1961)

New appointment

Number of the Company's shares held  
56,806 shares

**>Career summary, position and responsibilities**

April 1984	Joined the Company	Chief Financial Officer Chief Executive of Management Planning Headquarters
April 2012	General Manager of LNG Group	Chief Executive of ESG Strategy Headquarters
April 2015	Corporate Officer	
April 2017	Managing Corporate Officer	
April 2020	Senior Managing Corporate Officer	
June 2020	Senior Managing Executive Officer	
April 2023	Executive Vice-President Executive Officer (to the present)	

**Reasons for nominating the candidate:**

Since assuming the position of Corporate Officer of the Company in 2015, Mr. Akira Kono has mainly been in charge of the energy business division, and he currently serves as Executive Vice-President Executive Officer, Chief Executive of Management Planning Headquarters, Chief Executive of ESG Strategy Headquarters and Chief Financial Officer. With a view to realizing increased effectiveness of the meetings of the Board of Directors, executing balanced financial strategy and capital policy including investment to accelerate decarbonization initiatives, enhancing dialogue with shareholders and investors, and further promoting ESG management as a united Group, the Company has newly nominated him as a candidate for Director.





5 **Hiroko Kuniya** (February 3, 1957)

Re-election
Independent
Outside

Number of the Company's shares held  
23,080 shares  
Attendance rate of meetings of the Board of Directors held during FY2022  
(Attended all the 20 meetings)

**>Career summary, position and responsibilities**

- 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)

**>Significant concurrent positions**

- Trustee of Tokyo University of the Arts (part-time)
- Guest Professor at Graduate School of Media and Governance, Keio University
- Board Member of Renewable Energy Institute

**Reasons for nominating the candidate 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 as supply chain decarbonization, social contributions, and building of an organization based on diversity and inclusion, etc. Although she does not have experience as a corporate manager, she is expected to be able to perform her duties appropriately as an Outside Director for the reasons stated above.





6

**Eiichi Tanabe** (September 16, 1953)

Re-election

Independent

Outside

**>Career summary, position and responsibilities**

Number of the Company's shares held 8,090 shares  
Attendance rate of meetings of the Board of Directors held during FY2022 (Attended all the 20 meetings)

April 1978	Joined Mitsubishi Corporation
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	Adviser of Mitsubishi Corporation
June 2019	Outside Director of the Company (to the present)
June 2020	Retired from Adviser of Mitsubishi Corporation

**>Significant concurrent positions**

Outside Director of SMBC Nikko Securities Inc.

**Reasons for nominating the candidate 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, business portfolio construction and capital policy in response to changes in the external business environment, and appropriate governance and risk management, etc.

(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.



7

**Nobukatsu Kanehara** (January 22, 1959)

New appointment

Independent

Outside

Number of the Company's shares held  
0 shares

**>Career summary, position and responsibilities**

- April 1981            Joined Japan's Ministry of Foreign Affairs
- September 2012    Director-General, International Legal Affairs Bureau of Japan's Ministry of Foreign Affairs
- December 2012     Assistant Chief Cabinet Secretary (in charge of foreign policy)
- December 2013     Assistant Chief Cabinet Secretary (in charge of foreign policy) and Deputy Secretary General of National Security Secretariat
- October 2019        Retired from Japan's Ministry of Foreign Affairs
- April 2020            Special Visiting Professor at Doshisha University (to the present), Senior Advisor of The Asia Group (to the present)

**>Significant concurrent positions**

- Special Visiting Professor at Doshisha University
- Senior Advisor of The Asia Group

**Reasons for nominating the candidate and outline of the expected role:**

Since joining the Ministry of Foreign Affairs in 1981, Mr. Nobukatsu Kanehara has held important positions at home and abroad and served as Assistant Chief Cabinet Secretary for Foreign Affairs from 2012. He has a wealth of experience and extensive insight mainly in the fields of International Law and security, such as engaging in the development of security organizations including the creation of the National Security Council, and from a highly independent position, Mr. Kanehara will contribute to advising the Company's management and properly supervising the Company's business execution. Accordingly, the Company nominates him as a candidate for Outside Director. If he is appointed as Outside Director, by capitalizing on his wealth of experience and knowledge in international affairs and crisis 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, development of business based on geopolitical risk, and response to economic security, etc.

Although he does not have experience as a corporate manager, he is expected to be able to perform his duties appropriately as an Outside Director for the reasons stated above.

- (Notes) 1. No transactions or special interests exist between the Company and any of the above candidates for Directors.
2. Ms. Hiroko Kuniya, Mr. Eiichi Tanabe and Mr. Nobukatsu Kanehara are candidates for the Company's Outside Directors as stipulated in Article 2, paragraph (3), item (vii) under the Regulations for Enforcement of the Companies Act, and they meet the Company's "Independence Criteria for Recommendation of Candidates for Outside Directors and Audit & Supervisory Board Members." The Company believes that Ms. Kuniya, Mr. Tanabe and Mr. Kanehara 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 & Supervisory Board Members," please visit the link on page 36). 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 & Supervisory Board Member.
3. 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 and four 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 charges for violating the Financial Instruments and Exchange Act (unlawful stabilization transactions) in March 2022, and the Tokyo District Court issued a judgment imposing a fine and additional penalties on February 13, 2023. 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 giving further opinions regarding the investigation of the facts and 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 the Company's 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. Based on the amended Articles of Incorporation proposed by Proposal No. 2, in the event that the proposed election of Ms. Hiroko Kuniya and Mr. Eiichi Tanabe is approved, the Company plans to continue the liability limitation agreement with both of them, and the Company will enter into the same liability limitation agreement with Mr. Nobukatsu Kanehara.
6. The Company has concluded a directors and officers liability insurance contract that includes each Director as insured, to secure excellent human resources and to prevent hesitation in the execution of duties. Among Director candidates who are being proposed in this proposal, since candidates for re-election are already insured by this insurance contract, they will continue to be insured after their re-election. Mr. Nobukatsu Kanehara is insured by this insurance contract if his election is approved. Mr. Akira Kono is insured by this insurance contract as Executive Officer of the Company and will continue to be the insured by this insurance contract 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. 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.

**Proposal No. 4: Election of five Directors who are Audit & Supervisory Committee Members**

The Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect.

The Company therefore recommends and proposes five (5) candidates for election as Directors who are Audit & Supervisory Committee Members.

This proposal has received the consent of the Audit & Supervisory Board.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

The expertise and experience of Director candidates are listed on page 36.

No.	Name of candidate	Gender (age)	Current Positions and Responsibilities in the Company	Period served as Audit & Supervisory Board Member	Attendance rate of meetings of the Board of Directors held during FY2022	Attendance rate of meetings of the Audit & Supervisory Board held during FY2022
1	<span style="border: 1px solid red; padding: 2px;">New appointment</span> Eiichi Takahashi	Male (64)	Full-time Audit & Supervisory Board Member	2 years	100% (Attended all the 20 meetings)	100% (Attended all the 16 meetings)
2	<span style="border: 1px solid red; padding: 2px;">New appointment</span> Keiko Kosugi	Female (56)	Assistant Manager, Audit & Supervisory Board Office	–	–	–
3	<span style="border: 1px solid red; padding: 2px;">New appointment</span> Hiroshi Nakaso <span style="background-color: #f4a460; padding: 2px;">Independent</span> <span style="background-color: #f4a460; padding: 2px;">Outside</span>	Male (69)	Outside Audit & Supervisory Board Member	3 years	95% (Attended 19 of the 20 meetings)	94% (Attended 15 of the 16 meetings)
4	<span style="border: 1px solid red; padding: 2px;">New appointment</span> Satoko Kuwabara <span style="background-color: #f4a460; padding: 2px;">Independent</span> <span style="background-color: #f4a460; padding: 2px;">Outside</span>	Female (58)	Outside Audit & Supervisory Board Member	3 years	100% (Attended all the 20 meetings)	100% (Attended all the 16 meetings)
5	<span style="border: 1px solid red; padding: 2px;">New appointment</span> Tatsumi Yamada <span style="background-color: #f4a460; padding: 2px;">Independent</span> <span style="background-color: #f4a460; padding: 2px;">Outside</span>	Male (69)	–	–	–	–

(Notes) 1. The attendance rate of meetings of the Board of Directors held during FY2022 are listed in attendance rate of meetings of the Board of Directors as Audit & Supervisory Board Members.

2. The family registered name of Satoko Kuwabara is Satoko Ota.



1

**Eiichi Takahashi** (October 14, 1958)

New appointment

**>Career summary, position and responsibilities**

April 1982	Joined the Company
April 2010	General Manager of Accounting Group
April 2012	Corporate Officer
April 2016	Managing Corporate Officer
June 2016	Director, Managing Corporate Officer
April 2018	Director, Senior Managing Corporate Officer
June 2019	Representative Director, Senior Managing Corporate Officer
June 2020	Representative Director, Senior Managing Executive Officer
April 2021	Director
June 2021	Audit & Supervisory Board Member (full-time) (to the present)

Number of the Company's shares held  
121,790 shares

Attendance rate of meetings of the Board of Directors held during FY2022  
(Attended all the 20 meetings)

Attendance rate of meetings of the Audit & Supervisory Board held during FY2022  
(Attended all the 16 meetings)

**Reasons for nominating the candidate:**

Since assuming the position of Director of the Company in 2016, Mr. Eiichi Takahashi has mainly been in charge of the planning, accounting and financial-related divisions, and he served as a Chief Financial Officer and Chief Executive of Management Planning Headquarters and was responsible for the execution of the Company's operations. Mr. Takahashi assumed the position of Full-time Audit & Supervisory Board Member in 2021, and has appropriately audited the execution of the Company's operations. With a view to contributing to strengthening the monitoring function of the Board of Directors and enhancing the corporate governance system by utilizing his abundant business experience and expertise particularly in general management, finance and accounting, the Company has nominated him as a candidate for a Director who is an Audit & Supervisory Committee Member.



2

**Keiko Kosugi** (February 12, 1967)

New appointment

**>Career summary, position and responsibilities**

April 1989	Joined the Company
April 2015	Deputy General Manager of Corporate Planning Group
April 2018	General Manager of Internal Audit Chamber
April 2023	Assistant Manager of Audit & Supervisory Board Office (to the present)

Number of the Company's shares held  
13,448 shares

**Reasons for nominating the candidate:**

Since joining the Company, Ms. Keiko Kosugi has worked in a wide range of business areas and operations such as the sales division including conventional ship and car carrier businesses as well as corporate divisions focused on planning and the environment. Since assuming the position of General Manager of Internal Audit Chamber in 2018, she has contributed to strengthening corporate governance through discipline clarification of group management and by enhancing internal audit functions, etc. With a view to contributing to strengthening the monitoring function of the Board of Directors and enhancing the corporate governance system by utilizing her abundant business experience and expertise particularly in internal auditing, the Company has nominated her as a candidate for a Director who is an Audit & Supervisory Committee Member.



3 **Hiroshi Nakaso** (October 12, 1953)

New appointment  
Independent  
Outside

➤Career summary, position and responsibilities

- April 1978 Joined the Bank of Japan
- May 2003 Director-General of the Financial Markets Department of the Bank of Japan
- November 2008 Executive Director of the Bank of Japan
- March 2013 Deputy Governor of the Bank of Japan
- March 2018 Retired from Deputy Governor of the Bank of Japan
- July 2018 Chairman of Daiwa Institute of Research Ltd. (to the present)
- June 2020 Outside Audit & Supervisory Board Member (part-time) (to the present)

➤Significant concurrent positions

- Chairman of Daiwa Institute of Research Ltd.
- Eminent Guest Professor at 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

Number of the Company's shares held 1,146 shares  
Attendance rate of meetings of the Board of Directors held during FY2022 95% (Attended 19 of the 20 meetings)  
Attendance rate of meetings of the Audit & Supervisory Board held during FY2022 94% (Attended 15 of the 16 meetings)

**Reasons for nominating the candidate and outline of the expected role:**

Since joining the Bank of Japan in 1978, Mr. Hiroshi Nakaso was appointed to Director-General of the Financial Markets Department, Executive Director and Deputy Governor, and he has extensive knowledge in all areas of finance and economics and abundant experience particularly in crisis management of financial systems and markets. Mr. Nakaso assumed the position of Outside Audit & Supervisory Board Member in 2020 and has appropriately audited the execution of the Company's operations from an independent standpoint. Accordingly, the Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. If he is appointed as Outside Director, he is expected to play a role in contributing to strengthening the monitoring function of the Board of Directors from an objective and independent standpoint and enhancing the corporate governance system by utilizing his expertise in finance and economics based on his abundant practical experience in central banking. Although he does not have experience as a corporate manager, he is expected to be able to perform his duties appropriately as an Outside Director for the reasons stated above.





4

**Satoko Kuwabara** (November 1, 1964)

New appointment

Independent

Outside

**>Career summary, position and responsibilities**

April 1990	Registered as Attorney-at-Law (Daini Tokyo Bar Association)
April 1990	Joined Mori Sogo (currently Mori Hamada & Matsumoto)
January 1998	Partner of Mori Hamada & Matsumoto
March 2020	Retired from Partner of Mori Hamada & Matsumoto
April 2020	Partner of Gaien Partners (to the present)
June 2020	Outside Audit & Supervisory Board Member (part-time) (to the present)

Number of the Company's shares held  
3,270 shares  
Attendance rate of meetings of the Board of Directors held during FY2022  
(Attended all the 20 meetings)  
Attendance rate of meetings of the Audit & Supervisory Board held during FY2022  
(Attended all the 16 meetings)

**>Significant concurrent positions**

Partner of Gaien Partners
Outside Director of Bandai Namco Holdings Inc. (Audit & Supervisory Committee Member)
Outside Auditor of Unicafe Inc.
Outside Director of Mitsubishi UFJ Financial Group, Inc.

**Reasons for nominating the candidate and outline of the expected role:**

Ms. Satoko Kuwabara has a wealth of practical experience mainly in the fields of corporate legal affairs and financial legal affairs gained through activities as a lawyer and expertise specialized in law. Ms. Kuwabara assumed the position of Outside Audit & Supervisory Board Member in 2020 and has appropriately audited the execution of the Company's operations from an independent standpoint. Accordingly, the Company has nominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member. If she is appointed as Outside Director, she is expected to play a role in contributing to strengthening the monitoring function of the Board of Directors from an objective and independent standpoint and enhancing the corporate governance system by utilizing her abundant practical experience and expertise in the legal community. Although she does not have experience as a corporate manager, she is expected to be able to perform her duties appropriately as an Outside Director for the reasons stated above.

(Note) The family registered name of Satoko Kuwabara is Satoko Ota.



5 **Tatsumi Yamada** (June 7, 1953)

New appointment

Independent

Outside

Number of the Company's shares held  
0 shares

**>Career summary, position and responsibilities and significant concurrent positions**

April 1976	Joined Sumitomo Corporation
July 1993	Joined Chuo Audit Corporation
April 2001	Member of the International Accounting Standards Board
September 2011	Joined KPMG AZSA LLC
September 2015	Specially Appointed Professor of the Faculty of Commerce at Chuo University (to the present)
June 2018	Left KPMG AZSA LLC
May 2019	Outside Audit & Supervisory Board Member of Nomura Co., Ltd.
June 2020	Outside Director of Mitsubishi Chemical Holdings Corporation
January 2022	Standard-Setting Boards Nominations Committee Member of the Public Interest Oversight Board (to the present)
April 2022	Outside Director and Chairperson of the Audit Committee of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (to the present)
May 2022	Outside Director of Nomura Co., Ltd. (Audit and Supervisory Committee Member) (to the present)

**>Significant concurrent positions**

Specially Appointed Professor of the Faculty of Commerce at Chuo University  
 Outside Director and Chairperson of the Audit Committee of Mitsubishi Chemical Group Corporation  
 Standard-Setting Boards Nominations Committee Member of the Public Interest Oversight Board  
 Outside Director of Nomura Co., Ltd. (Audit and Supervisory Committee Member)

**Reasons for nominating the candidate and outline of the expected role:**

Mr. Tatsumi Yamada has a wealth of experience and knowledge, having held a number of important positions as a Certified Public Accountant after gaining experience at a general trading company, and he is an expert in international accounting with excellent insight. Accordingly, the Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. If he is appointed as Outside Director, he is expected to play a role in contributing to strengthening the monitoring function of the Board of Directors from an objective and independent standpoint and enhancing the corporate governance system by utilizing his abundant experience and expertise as well as broad insight as a certified public accountant and international accounting expert.

Although he does not have experience as a corporate manager, he is expected to be able to perform his duties appropriately as an Outside Director for the reasons stated above.

- (Notes) 1. No transactions or special interests exist between the Company and any of the above candidates for Directors.
2. Mr. Hiroshi Nakaso, Ms. Satoko Kuwabara and Mr. Tatsumi Yamada are candidates for the Company's Outside Directors as stipulated in Article 2, paragraph (3), item (vii) under the Regulations for Enforcement of the Companies Act, and they meet the Company's "Independence Criteria for Recommendation of Candidates for Outside Directors and Audit & Supervisory Board Members." The Company believes that Mr. Nakaso, Ms. Kuwabara and Mr. Yamada 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 & Supervisory Board Members," please visit the link on page 36). 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 & Supervisory Board Member.
3. Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara, who are candidates for re-election as Outside Director, will have served as Outside Audit & Supervisory Board Member for three years each, at the conclusion of this Ordinary General Meeting of Shareholders.
4. The Company has entered into the liability limitation agreement with each Audit & Supervisory Board Member as stipulated in the Company's 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 Audit & Supervisory Board Members perform his/her duty in good faith and without gross negligence on his/her part. Based on the amended Articles of Incorporation proposed by Proposal No. 2, in the event that the proposed election of Mr. Eiichi Takahashi, Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara is approved, the Company plans to continue the liability limitation agreement with each of them, and the Company will enter into the same liability limitation agreement with Ms. Keiko Kosugi and Mr. Tatsumi Yamada.

5. The Company has concluded a directors and officers liability insurance contract that includes each Audit & Supervisory Board Member as insured, to secure excellent human resources and to prevent hesitation in the execution of duties. Among Director candidates who are being proposed in this proposal, candidates who are currently Audit & Supervisory Board Members are already insured by this insurance contract, and plan to continue to be insured as Directors after their re-election. In addition, Ms. Keiko Kosugi and Mr. Tatsumi Yamada are insured by this insurance contract if their election is approved.

[Outline of the insurance contract]

- (1) Actual ratio of premiums paid by each Director

The premiums are paid by the Company. 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.

**Proposal No. 5: Election of one Director who is the Substitute Audit & Supervisory Committee Member**

The Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect.

Therefore, the Company proposes the election of one Director who is a substitute Audit & Supervisory Committee Member in preparation of a shortage of the number of Directors who are Audit & Supervisory Committee Members as stipulated by laws and regulations.

This proposal has received the consent of the Audit & Supervisory Board.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

Name of candidate	Gender (age)	Current Positions and Responsibilities in the Company	Number of the Company’s shares held
Eiichi Tanabe	Male (69)	Outside Director	8,090 shares
Independent			
Outside			

**Reasons for nominating the candidate and outline of the expected role:**  
 Mr. Eiichi Tanabe has excellent insight in overall corporate management, and since assuming the position of Outside Director in June 2019, he has provided advice on the Company’s management and performed proper supervision of business execution of the Company from an independent standpoint. With a view to contributing to appropriate audits on the Company’s business execution by offering a wide range of perspectives based on extensive knowledge of governance and risk management, the Company has nominated Mr. Tanabe as a candidate for the Outside Director who is the substitute Audit & Supervisory Committee Member. If he is appointed as Outside Director, he is expected to play a role in contributing to strengthening the monitoring function of the Board of Directors from an objective and independent standpoint and enhancing the corporate governance system.

- (Notes) 1. Mr. Eiichi Tanabe is a candidate for Outside Director. If Proposal No. 3 “Election of seven Directors (not including Directors who are Audit & Supervisory Committee Members)” is approved as proposed, Mr. Tanabe shall assume the position of Director other than the Audit & Supervisory Committee Members, but in the event that there is a shortage of the number of Directors who are Audit & Supervisory Committee Members as stipulated by laws and regulations, Mr. Tanabe shall resign as the Director other than the Audit & Supervisory Committee Members and assume the position of Director who is an Audit & Supervisory Committee Member.
2. The election of Mr. Eiichi Tanabe as Director who is a substitute Audit & Supervisory Committee Member may be revoked by resolution of the Board of Directors with the consent of the Audit & Supervisory Committee only prior to assuming office.
3. For the career summary, etc. of Mr. Eiichi Tanabe, please refer to the descriptions on pages 21, 25 and 27. Also, as described on page 27, the same shall be applied to with respect to the reporting concerning the designation as an Independent Director, the liability limitation agreement, and a directors and officers liability insurance contract upon his assuming position of Director who is an Audit & Supervisory Committee Member.

**Reference**

The expertise and experience of the Directors are as follows, where Proposal Nos. 2, 3 and 4 are approved as proposed at the General Meeting of Shareholders.

■ Directors (not including Directors who are Audit & Supervisory Committee Members)

	Position	Name	Expertise and Experience															
			Academia/Education	Business Ethics	Business Head/ Administration	Corporate Governance	Environment/ Safety	Investment	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	Chairman, Director	Hitoshi Nagasawa		•	•	•	•	•				UK	•	•			•	
2	President, Representative Director President and Chief Executive Officer	Takaya Soga		•	•	•	•	•	•			Singapore UK Thailand	•					•
3	Representative Director, Executive Vice-President Executive Officer	Akira Kono		•	•	•	•	•	•			US UK	•					
4	Director, Senior Managing Executive Officer	Yutaka Higurashi		•	•	•						UK		•	•		•	
5	Independent Outside Director	Hiroko Kuniya	•	•		•	•					US		•		•		
6	Independent Outside Director	Eiichi Tanabe		•	•	•		•	•		•	UK		•				
7	Independent Outside Director	Nobukatsu Kanehara	•	•		•					•	•	France Belgium US Korea	•	•			

\* The above positions will once again be determined at the meeting of the Board of Directors after Proposal Nos. 2 and 3 are approved as proposed at the General Meeting of Shareholders.

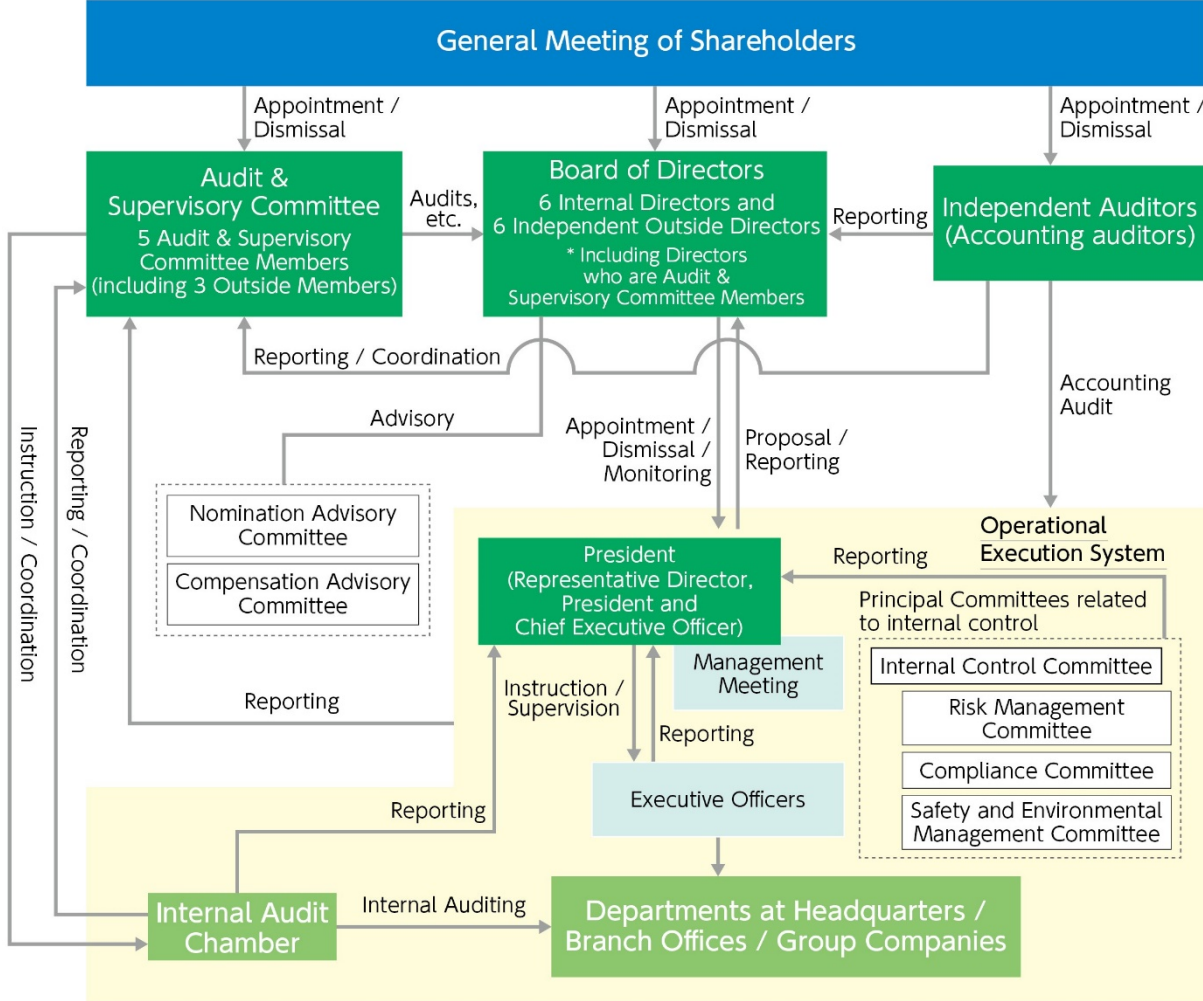
■ Directors who are Audit & Supervisory Committee Members

	Position	Name	Expertise and Experience															
			Academia/Education	Business Ethics	Business Head/ Administration	Corporate Governance	Environment/ Safety	Investment	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
8	Director, Audit & Supervisory Committee Member	Eiichi Takahashi		•	•	•		•	•				US					
9	Director, Audit & Supervisory Committee Member	Keiko Kosugi		•		•	•	•					Singapore UK	•				
10	Independent Outside Director, Audit & Supervisory Committee Member	Hiroshi Nakaso		•	•	•			•				UK Switzerland		•			
11	Independent Outside Director, Audit & Supervisory Committee Member	Satoko Kuwabara		•		•		•					UK		•	•		
12	Independent Outside Director, Audit & Supervisory Committee Member	Tatsumi Yamada	•	•		•			•				UK		•			

\* For the Company guidelines, etc. on election of Directors, please visit the link below. The names of organizations and positions in each guideline are the names used prior to this Ordinary General Meeting of Shareholders.

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

Corporate governance organizational structure of the Company after transition to a company with Audit & Supervisory Committee



(Note) The number of Directors is the number expected after the 136th Ordinary General Meeting of Shareholders.

<Structure of the Board of Directors>  
 The structure of the Board of Directors is as follows, where Proposal Nos. 3 and 4 are approved.

1. Ratio of Outside Directors: 6 of 12 (50%)
2. Diversity of Board of Directors: 3 female Directors out of 12 (25%)

## Reference: References common to Proposal Nos. 6 to 9

The Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect. Proposal Nos. 6 to 9 propose matters related to compensation for Directors in accordance with the transition to a company with Audit & Supervisory Committee.

Compensation for Directors (not including Outside Directors) of the Company consists of basic compensation in the form of fixed compensation, performance-based monetary compensation and performance-based stock remuneration, and compensation for Outside Directors shall be limited to basic compensation. In a company with Audit & Supervisory Committee, compensation for Directors must make a distinction between “Directors (not including Directors who are Audit & Supervisory Committee Members)” and “Directors who are Audit & Supervisory Committee Members,” and the Company proposes determining both the amount of basic compensation for “Directors (not including Directors who are Audit & Supervisory Committee Members)” in Proposal No. 6 and the amount of compensation for “Directors who are Audit & Supervisory Committee Members” in Proposal No. 7. Regarding Proposal Nos. 8 and 9, in accordance with the transition to a company with Audit & Supervisory Committee, the Company once again proposes a Performance-Based Monetary Compensation Plan and Performance-Based Stock Remuneration Plan, etc. for Directors approved at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022, as a system for Directors (not including Directors who are Audit & Supervisory Committee Members), etc.

If Proposal Nos. 6 to 9 are approved, the Board of Directors at the conclusion of this General Meeting of Shareholders shall amend the policy for determining the content of individual compensation, etc. (for the content of the “Policy for Determining Compensation for Directors, Audit & Supervisory Board Members and Executive Officers,” refer to the link listed on page 46) to be consistent with the approved content so as to replace the term “Directors” with “Directors (not including Directors who are Audit & Supervisory Committee Members)” and replace “Audit & Supervisory Board Members” with “Directors who are Audit & Supervisory Committee Members.”

### **Proposal No. 6: Determination of the amount of basic compensation of Directors (not including Directors who are Audit & Supervisory Committee Members)**

The aggregate amount of compensation for Directors was approved not to exceed a total of ¥69 million per month at the 118th Ordinary General Meeting of Shareholders held on June 28, 2005, and in addition, the Performance-Based Monetary Compensation Plan and Performance-Based Stock Remuneration Plan, etc. for Directors was approved at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022.

As of this meeting, the Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect. Therefore, in order to newly set the amount of basic compensation for Directors (not including Directors who are Audit & Supervisory Committee Members) in accordance with the transition to a company with Audit & Supervisory Committee, the Company proposes the basic compensation of Directors (not including Directors who are Audit & Supervisory Committee Members) to not exceed a total of ¥510 million per year (of that, the Outside Directors’ portion shall not exceed a total of ¥150 million per year).

This proposal takes into consideration the economic situation, size of the Company’s business, number of Directors (not including Directors who are Audit & Supervisory Committee Members) and level of other companies’ directors, and the contents of this proposal have been deemed appropriate as it was resolved by the Board of Directors after deliberation with the Compensation Advisory Committee in light of the above “Policy for Determining Compensation for Directors, Audit & Supervisory Board Members and Executive Officers” to be amended. As in the past, this compensation amount shall not include the amount of employee salary for Directors who concurrently serve as employees.

There are currently eight Directors (including three Outside Directors), and there shall be seven Directors (not including Directors who are Audit & Supervisory Committee Members) (of whom three are Outside Directors) when Proposal No. 2 “Partial amendments to the Articles of Incorporation” and Proposal No. 3 “Election of seven Directors (not including Directors who are Audit & Supervisory Committee Members)” are approved as proposed and take effect.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

**Proposal No. 7: Determination of the amount of compensation of Directors who are Audit & Supervisory Committee Members**

The Company shall transition to a company with Audit & Supervisory Committee when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect.

Therefore, the Company proposes the compensation of Directors who are Audit & Supervisory Committee Members to not exceed a total of ¥220 million per year, taking into consideration the duties and responsibilities of Directors who are Audit & Supervisory Committee Members.

This proposal takes into consideration the economic situation, size of the Company's business, number of Directors who are Audit & Supervisory Committee Members and level of other companies' directors, and the contents of this proposal have been deemed appropriate as it was resolved by the Board of Directors after resolution of the Audit & Supervisory Board.

There shall be five Directors who are Audit & Supervisory Committee Members when Proposal No. 2 “Partial amendments to the Articles of Incorporation” and Proposal No. 4 “Election of five Directors who are Audit & Supervisory Committee Members” are approved as proposed and take effect.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

**Proposal No. 8: Determination of calculation method of compensation amount based on Performance-Based Monetary Compensation Plan for Directors (not including Directors who are Audit & Supervisory Committee Members), etc.**

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

At the 135th Ordinary General Meeting of Shareholders held on June 22, 2022, the Determination of compensation amount due to introduction of performance-based monetary compensation plan for Directors, etc. was approved by shareholders, leading to the introduction of the Performance-Based Monetary Compensation Plan for Directors with the total amount of compensation based on this plan set at no more than ¥300 million per year. As of this meeting, in accordance with the Company’s transition to a company with Audit & Supervisory Committee, the Company once again proposes determining the calculation method of the amount of compensation based on the performance-based monetary compensation plan (referred to in 2. as “the Performance-Based Monetary Compensation Plan”) after the transition when Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed and takes effect.

The Company makes this proposal in accordance with the transition to a company with Audit & Supervisory Committee, and the Company considers it to be appropriate as the substantial amount of compensation in this plan and the content thereof are basically the same as that approved at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022.

In the case that Proposal No. 3 “Election of seven Directors (not including Directors who are Audit & Supervisory Committee Members)” is approved as proposed and takes effect, three Directors (the three Outside Directors and the Chairman of the Board of Directors [not serving concurrently as Chairman and Executive Officer] are not eligible) 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 plan (however, “Concurrent Executive Officers” listed in 2. (1) i) below are excluded), meaning that as of the conclusion of this General Meeting of Shareholders, 24 of the above stated Executive Officers shall be eligible for the plan.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 “Partial amendments to the Articles of Incorporation” take effect.

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

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

Separate from basic compensation and performance-based stock remuneration, etc. in Proposal Nos. 6 and 9, 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.

<p>i) Persons eligible for the Performance-Based Monetary Compensation Plan</p>	<ul style="list-style-type: none"> <li>Directors who concurrently serve as Executive Officers (not including Directors who are Audit &amp; Supervisory Committee Members) and Executive Officers (hereinafter referred to in this proposal and Proposal No. 9 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. 9 as “Concurrent Executive Officers”])</li> </ul>
<p>ii) Upper limit to the amount of compensation under the Performance-Based Monetary Compensation Plan</p>	<ul style="list-style-type: none"> <li>¥300 million per fiscal year</li> </ul>
<p>iii) Details of business result achievement conditions</p>	<ul style="list-style-type: none"> <li>Performance-based indices shall be consolidated recurring profit and consolidated ROE</li> <li>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</li> <li>A performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index</li> </ul>



iv) Timing of monetary payments to the Directors	• After the conclusion of each fiscal year
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(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, for matters such as changes that will have a major effect on the Performance-Based Monetary Compensation Plan, the Company will request reapproval through a resolution of a General Meeting of Shareholders as required by laws and regulations.

**Proposal No. 9: Determination of calculation method, etc. of compensation amount, etc. based on Performance-Based Stock Remuneration Plan, etc. for Directors (not including Directors who are Audit & Supervisory Committee Members), etc.**

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

At the 135th Ordinary General Meeting of Shareholders held on June 22, 2022, the proposal Partial revision, etc. of the amount and content of Performance-Based Stock Remuneration, etc., for Directors was approved by shareholders, leading to the continuation of the Performance-Based Stock Remuneration Plan.

As of this meeting, in accordance with the Company's transition to a company with Audit & Supervisory Committee, the content will be partially revised and continued during the period covered by the plan (the current period covers the three fiscal years beginning April 1, 2022 and ending on March 31, 2025) when Proposal No. 2 "Partial amendments to the Articles of Incorporation" is approved as proposed and takes effect (in 2., the revised Performance-Based Stock Remuneration Plan is referred to as the "Performance-Based Stock Remuneration Plan").

The Company makes this proposal in accordance with the transition to a company with Audit & Supervisory Committee and the stock split, etc. implemented last year, and the Company considers it to be appropriate, as the content of the substantial amount of compensation, etc. in this plan is basically the same as that approved at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022.

In the case that Proposal No. 3 "Election of seven Directors (not including Directors who are Audit & Supervisory Committee Members)" is approved as proposed and takes effect, four Directors (the three Outside Directors are not eligible) 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 plan (however, Concurrent Executive Officers are excluded), meaning that as of the conclusion of this General Meeting of Shareholders, 22 of the above stated Executive Officers shall be eligible for the plan.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation by Proposal No. 2 "Partial amendments to the Articles of Incorporation" take effect.

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

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

The Performance-Based Stock Remuneration Plan is compensation separate from basic compensation and the performance-based monetary compensation proposed in Proposal Nos. 6 and 8. 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 referred to as "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	<ul style="list-style-type: none"> <li>Directors who concurrently serve as Executive Officers (excluding Directors who are Audit &amp; Supervisory Committee Members after the transition to a company with Audit &amp; Supervisory Committee by resolution of the 136th Ordinary General Meeting of Shareholders), the Chairman of the Board of Directors not serving concurrently as Chairman and Executive Officer, and Executive Officers, excluding Concurrent Executive Officers, who are resident in Japan</li> </ul>	
ii) Applicable period for the Performance-Based Stock Remuneration Plan (as outlined in (2) below)	<ul style="list-style-type: none"> <li>At the time of the introduction of the plan, three fiscal years from April 1, 2022 (to March 31, 2025 )</li> <li>In the event that the trust term is extended, each three fiscal year-period afterward</li> </ul>	
iii) Upper limit to the amount of trust money contributed by the Company (as outlined in (2) below)	<ul style="list-style-type: none"> <li>A total of ¥1.6 billion over three fiscal years (including trust expenses, etc.)</li> </ul>	
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)	<ul style="list-style-type: none"> <li>The upper limit for the total number of shares shall be three million shares per three-year period (however, this is the number of shares after the stock split on October 1, 2022, and it shall be one million shares prior to the stock split) and its ratio of the number of shares issued (as of March 31, 2022, after excluding treasury stock) shall be approximately 0.6%</li> <li>The Company's shares shall be acquired from the stock market to avoid dilution</li> </ul>	
v) Method for calculating the number of Company shares, etc. to be acquired by the Directors (as outlined in (3) below)	<ul style="list-style-type: none"> <li>The calculation shall be divided into a role-fixed portion and a performance-based portion</li> <li>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. (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.)</li> <li>A performance-based coefficient shall vary between 0 and 2.0 depending on the degree of achievement of each index</li> </ul>	
vi) Timing of the delivery, etc. of Company shares, etc. to the Directors (as outlined in (4) below)	Role-fixed portion	After the conclusion of each fiscal year but with a three-year transfer restriction after delivery
	Performance -based portion	After the conclusion of three fiscal years

(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 (including trust expenses, etc. Same applies hereinafter.) 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 and establishing an additional trust rather than establishing a new 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 money, if any, (hereinafter, these remaining 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 additional 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 three shares of the Company's shares. However, in the event of a stock split or reverse stock split of the Company's shares, the upper limit of the number of shares to be acquired by eligible persons and 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. 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 three million shares per each three-year Applicable Period (however, this is the number of shares after the stock split on October 1, 2022, and it shall be one million shares prior to the stock split; and this may be subject to formal adjustment due to further stock splits, reverse stock splits, etc. as described above). This upper limit to the number of Company's shares has been set based on the upper limit to the amount of trust money, etc. outlined in (2) above, and its ratio of the number of shares issued (as of March 31, 2022, after excluding treasury stock) shall be approximately 0.6%. Also, the Company's shares shall be acquired from the stock market to avoid dilution.

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 deliver, 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) or the Director is no longer eligible for the plan due to a change in position (for variable points, this includes a change in position that is only subject to fixed points; same applies hereinafter), 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 fixed and variable points (the number of variable points up to that time shall be evaluated separately by the Compensation Advisory Committee and determined by the Board of Directors, taking into account the performance-based indices and coefficients for the

above three fiscal years; same applies in the following two paragraphs) granted at the time of retirement or when the Director is no longer eligible for the plan, and shall receive the remaining Company's shares. The same shall apply to any such event occurring before this amendment comes into effect (same applies in the following two paragraphs).

If a Director passes away during the trust term, the bereaved family 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 up to 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 up to 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, etc. 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, for matters such as changes that will have a major effect on the Performance-Based Stock Remuneration Plan, the Company will request reapproval 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 from basic compensation and the performance-based monetary compensation) 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 this General Meeting of Shareholders.

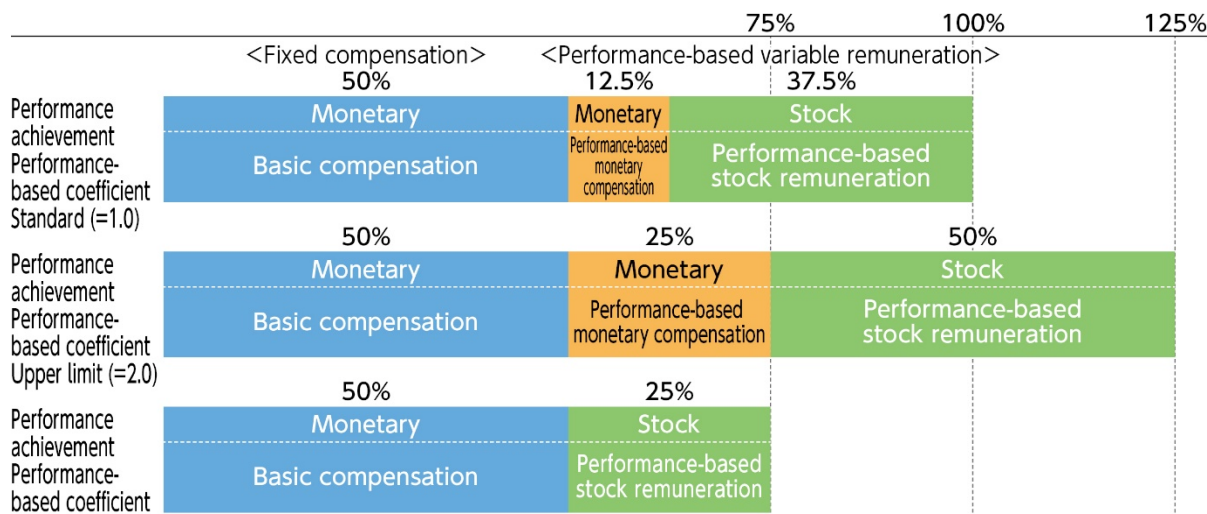
**(Reference)**

1. Outline diagram of remuneration plan for the Directors

As of the conclusion of the 135th Ordinary General Meeting of Shareholders	Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Remuneration
	69 million yen/month	300 million yen/year	1.6 billion yen/3 years
▼			
After revision	Basic compensation	Performance-Based Monetary Compensation	Performance-Based Stock Remuneration
	510 million yen/year	300 million yen/year	1.6 billion yen/3 years

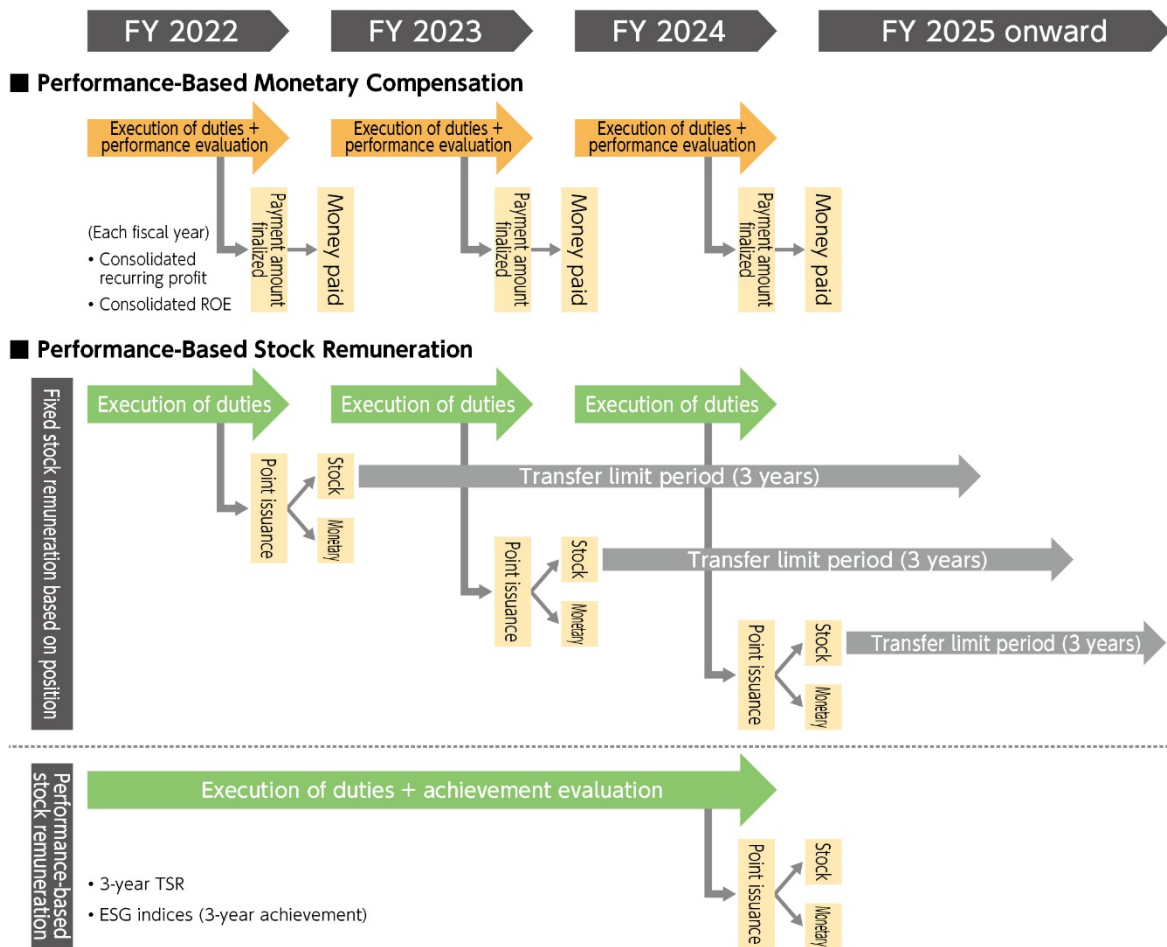
- \*1 Of the revised total amount of basic compensation of up to ¥510 million per year, the total amount for Outside Directors shall not exceed ¥150 million per year.
- \*2 The amount of performance-based stock remuneration is the maximum amount of trust money to be contributed by the Company.
- \*3 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



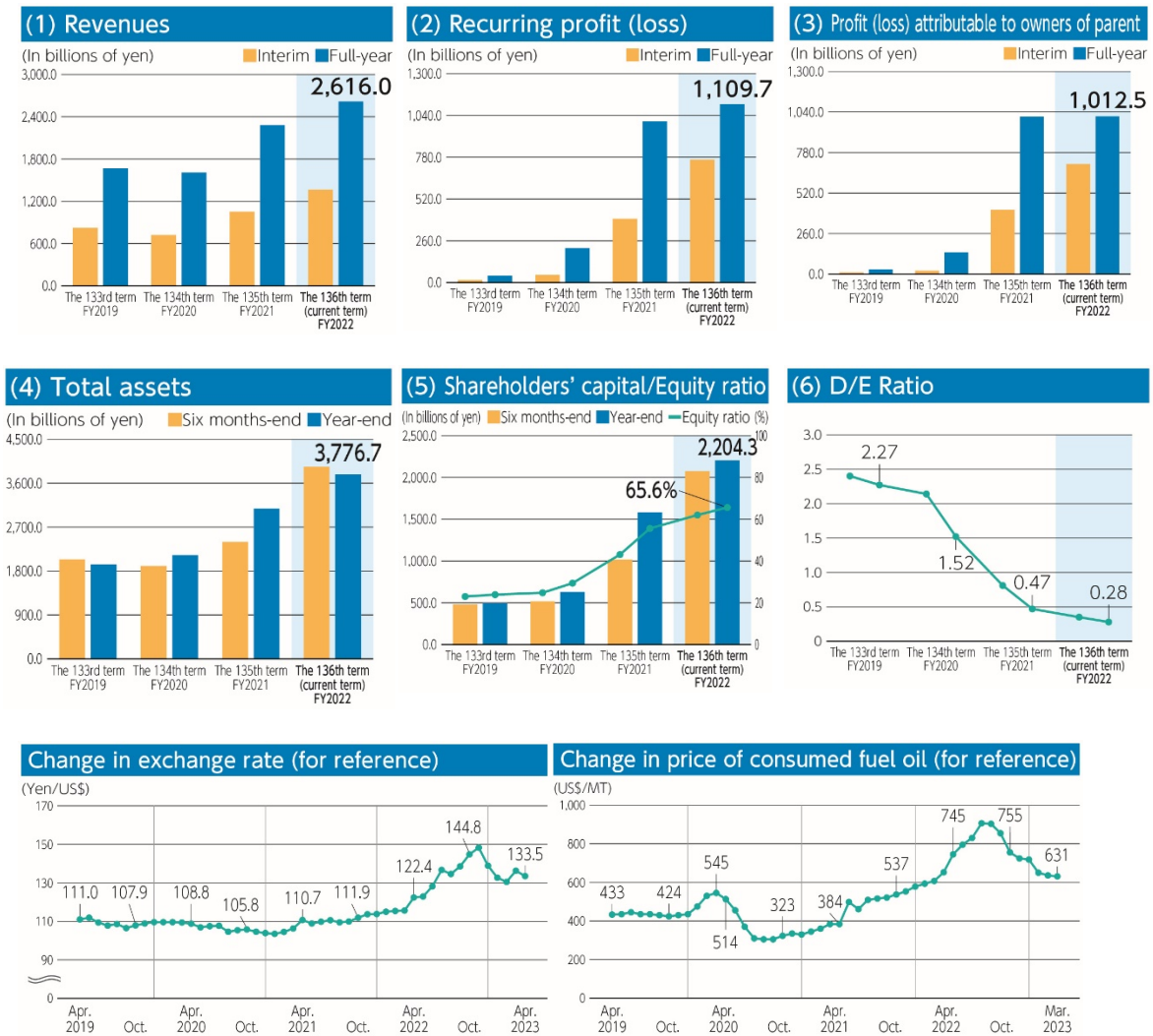
4. Matters regarding the policies for determining the contents of compensation for individual Directors of the Company

For the policies for determining the contents of compensation for individual Directors of the Company (“Policy for Determining Compensation for Directors, Audit & Supervisory Board Members and Executive Officers”), please visit the following website page (<https://www.nyk.com/english/profile/gvn/guideline/>).



# 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)

Ratio of consolidated revenues (current term)							
		The 133rd term FY2019	The 134th term FY2020	The 135th term FY2021	The 136th term (current term) FY2022		
46.4%	Liner & Logistics	Liner Trade	Revenues	2,022	1,705	1,905	2,007
			Recurring Profit (loss)	134	1,408	7,342	7,913
				7.3 %			
	Air Cargo Transportation	Revenues	751	1,224	1,887	2,180	
		Recurring Profit (loss)	(155)	332	740	618	
			7.9 %				
31.2%	Logistics	Revenues	4,763	5,612	8,474	8,624	
		Recurring Profit (loss)	47	270	587	543	
45.0%	Bulk Shipping	Revenues	8,198	6,815	9,745	12,408	
		Recurring Profit (loss)	441	186	1,391	2,121	
Real Estate	Revenues	73	68	42	33		
	Recurring Profit (loss)	25	25	21	13		
		0.1 %					
8.6%	Others	Other	Revenues	1,656	1,297	1,704	2,345
			Recurring Profit (loss)	17	(22)	(12)	(22)
				8.5 %			

## 3. Assets by business segment

(In 100 millions of yen)

	The 133rd term	The 134th term	The 135th term	The 136th term
	FY2019	FY2020	FY2021	(current term) FY2022
<b>Liner &amp; Logistics</b>				
Liner Trade	2,969	4,286	9,453	13,792
Air Cargo Transportation	632	655	1,419	1,351
Logistics	2,816	3,487	4,189	4,739
<b>Bulk Shipping</b>	12,698	12,716	14,971	17,545
<b>Others</b>				
Real Estate	549	524	277	265
Other Business Services	1,590	1,736	2,214	2,473
<b>Total</b>	<b>21,255</b>	<b>23,405</b>	<b>32,525</b>	<b>40,166</b>
Adjustments	(1,923)	(2,150)	(1,724)	(2,398)
<b>Consolidated</b>	<b>19,332</b>	<b>21,254</b>	<b>30,800</b>	<b>37,767</b>

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, 2022 to March 31, 2023)

## 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 saw a normalization of economic activity as the impact of COVID-19 eased. However, global economic growth slowed due to rising international commodity prices as a result of the Russia and Ukraine situation and monetary tightening in various countries to curb inflation. The Japanese economy has also been gradually recovering, but rising raw material prices and higher import prices due to the weak yen have put downward pressure on the economy.

Under these circumstances, NYK achieved an increase in profits in the Liner & Logistics Business and Bulk Shipping Business as in the previous year. The consolidated results in FY2022 were revenues of ¥2,616.0 billion (14.7% increase over the previous fiscal year), operating profit of ¥296.3 billion (10.2% increase), recurring profit of ¥1,109.7 billion (10.6% increase) and profit attributable to owners of parent of ¥1,012.5 billion (0.3% increase), recording higher revenues and profits compared to the previous fiscal year.

#### 2) Overview of the Business Segments

##### ● Liner & Logistics Business

###### Liner Trade Business

In the container shipping division, Ocean Network Express Pte. Ltd. (ONE) got off to a smooth start, supported by robust cargo demand. However, supply and demand softened from around the summer due to a slowdown in transportation demand resulting from a buildup of commodity inventories in North America and a decline in consumption in Europe due to inflation, as well as an increase in vessel supply due to the elimination of port congestion. To respond to market trends, ONE is working on efforts to optimize space to meet demand. In addition, recurring profit exceeded that of the previous fiscal year due to positive foreign exchange effects from the weaker yen. In order to provide high-quality transportation services, ONE continued to make investments, including ordering a state-of-the-art large-sized container ship.

The handling volume at domestic terminals was generally on par with the previous fiscal year, while 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.

###### Air Cargo Transportation Business

In the air cargo transportation business, freight rates were higher than the previous fiscal year, supported by steady transportation demand for semiconductor manufacturing equipment and long-term contracts concluded while the economy was flourishing. Meanwhile, transport weight was lower than the previous fiscal year due to the lockdown in China and the weakening of the shift to the air cargo market as a result of the easing of congestion in ocean transportation. Fuel costs also increased significantly due to persistently high fuel oil unit prices against the backdrop of the Russia and Ukraine situation.

As a result, revenues increased and profits decreased over the previous fiscal year for the air cargo transportation business segment as a whole.

In March 2023, the Company entered into the basic agreement with ANA HOLDINGS INC. (ANAHD) to transfer entire shares of NIPPON CARGO AIRLINES CO., LTD., the Company's consolidated subsidiary, to ANAHD.

###### Logistics Business

In the air freight forwarding business, handling volumes remained sluggish amid the overall market slump. However, a certain level of profit was secured by acquisition of spot projects and review of agile procurement activities.

In the ocean freight forwarding business, although the handling volume decreased compared to the previous fiscal year, high profit levels were secured by expanding sales of long-term contracts and ancillary services, which drove the results of the logistics segment as a whole.

In the contract logistics business, performance remained strong, driven by handling of general consumer goods, for which demand held firm, along with price revisions in line with inflation in labor, utilities, and other costs, focused mainly on Europe and America.

In the coastal transportation business, business performance was favorably affected by soaring feeder freight rates.

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

#### ● Bulk Shipping Business

In the automotive transportation division, the impact of the global semiconductor shortage and COVID-19 on finished-car production gradually eased, and the number of cars transported increased. While port congestion and rough weather at sea affected some vessels, optimal vessel deployment and vessel operations minimized the impact on sailing schedules and enabled a flexible response to customer requests, resulting in improved vessel utilization rates. In addition, the third vessel of LNG-fueled pure car and truck carrier was completed, followed by more vessels scheduled for completion in the future. In the automobile logistics, handling volume increased in each country as the supply-demand balance for new vehicles recovered. Efforts were also made to improve profitability by reorganizing the business portfolio and scaling back or withdrawing from low-profit businesses while expanding electric vehicle-related business areas. New investments were also made, including preparations for the opening of a new vehicle logistics terminal in Egypt.

In the dry bulk business division, the Capesize market saw an unseasonal surge from late April onward, but the market subsequently slumped throughout the first half of the year. In October, the market entered a correction phase but lacked strength, and although it rebounded again toward the end of the year due to a rush in demand for iron ore transportation, the market was significantly lower than in the previous fiscal year. Until May, the Panamax market remained above the levels recorded during the same period of the previous fiscal year, but subsequently declined in line with the poor performance of the Capesize market. Although the market began to recover in September when shipments of grain from the United States began, the poor performance of the Capesize market weighed on the market. The Handymax and Handysize markets slumped in a similar fashion to the Panamax size market, and although the seasonal adjustment phase finally ended in late February and the market entered a correction phase, it was still lower than the levels seen in the previous fiscal year. Although the market for all types of vessels was lower than in the previous fiscal year, efforts were made to limit the impact of market fluctuation risks through the use of freight forward agreements, in addition to timely contracts for transportation secured under strong market conditions, which supported business performance. Also, efforts were made to stabilize the bottom line by securing long-term contracts and reduce costs through efficient operations.

In the energy business division, the VLCC (Very Large Crude Carrier) market, which had been stagnant for a long time, recovered sharply from around July as the release of the United States strategic oil reserve, triggered by the situation in Russia and Ukraine, combined with softening crude oil prices, boosted cargo movements, especially from the United States and the Middle East and to Europe and Asia, tightening vessel supply and demand. After the market peaked in late November, conditions remained generally strong, although the market continued to move rapidly due to concerns about global economic slowdown, production cuts by oil-producing countries, the EU's embargo on Russian crude oil, and the G7's invocation of a price cap system. In the petrochemical tanker market, the balance of vessel supply and demand tightened and the market greatly exceeded the level in the previous fiscal year due to an increase in transport distances as a result of a change in destination from Russia to the United States, the Middle East, India, and other destinations when transporting to Europe due to the situation in Russia and Ukraine. The VLGC (Very Large Gas Carriers) market rose sharply toward the end of the year amid an increase in long-distance transportation from the United States to China, India, and Asia, as well as strong exports out of the Middle East, in addition to congestion at unloading ports and in the Panama Canal. In LNG carriers, the results were steady based on support from the long-term contracts that generate stable earnings. In the first quarter, an extraordinary loss was recorded in relation to LNG transportation involving the Sakhalin 2 project due to the deteriorating business environment caused by the situation in Russia and Ukraine. In the offshore business, FPSO (Floating Production, Storage and Offloading), drill ships and shuttle tankers performed generally as expected.

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

## ● Other Business

### Real Estate Business

Revenue and profit decreased compared to the previous fiscal year following the sale of shares of a subsidiary.

### Other Business Services

In other business services, operating results were higher than in the previous fiscal year, mainly due to strong performance in the bunker fuel oil sales business and the marine equipment supplies sales business. In the cruise business, in mid-June Asuka II resumed services that had been suspended due to trouble with electrical equipment, but cancelled its New Year cruise, Round the World cruise, and Grand Cruise to Oceania due to the occurrence of a COVID-19 infection involving a crew member and the need for additional electrical equipment support.

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 48.

## 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 center 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 knowhow 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 to promote the digital transformation of the NYK Group using digital technology, 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. While continuing to conduct research to reduce greenhouse gas (GHG), which is a social issue, and research on the autonomous operation of vessels that aims to promote safe operations, we have established a Maritime and Ocean Digital Engineering (MODE) cooperation program at the University of Tokyo with several external partners. The program will not only further such research, but also develop a next-generation cooperative simulation platform to realize sustainable maritime logistics, develop technologies for the maritime sector utilizing digital engineering, and train human resources with advanced knowledge of model-based development and model-based systems engineering.

The NYK Group is also engaged in several research and development as well as business development projects with external partners regarding introduction of new carbon neutral fuels including 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) Management Perspectives

### 1) Implementation of medium-term management plan

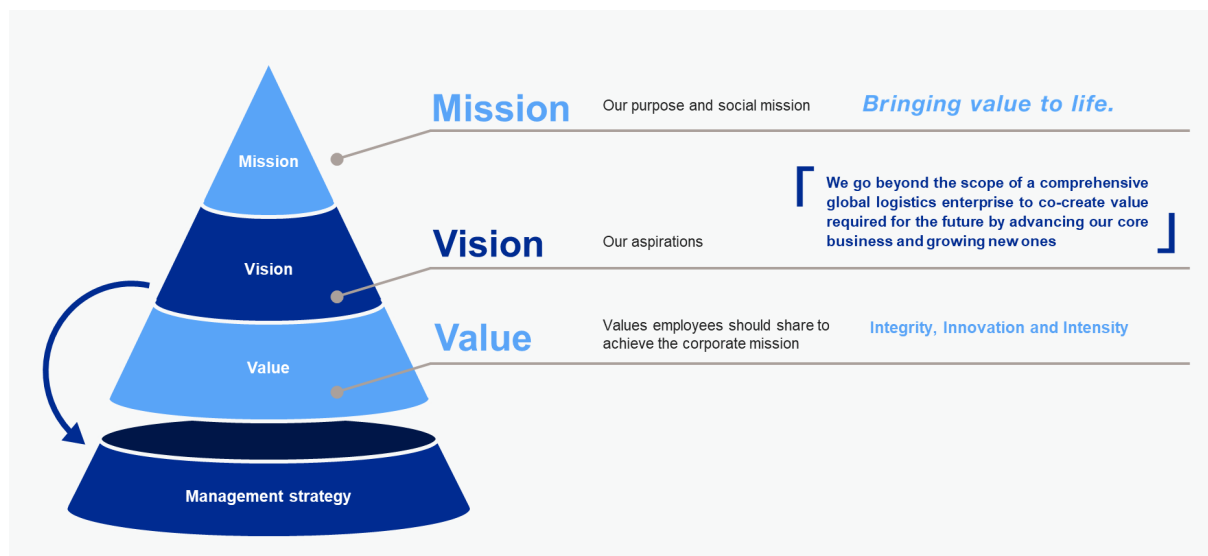
#### <Review of the previous medium-term management plan>

In the previous five-year medium-term management plan “Staying Ahead 2022 with Digitalization and Green,” which started in FY2018, the NYK Group worked on the implementation of three basic strategies to respond to a volatile business environment and a diverse and changing society. Under the “Optimize business portfolio” strategy, integrated container shipping operating company ONE achieved high revenue by increasing efficiency and capturing the impact of scaling, and in the dry bulk business, structural reform was implemented to strengthen resilience against decreasing revenue. Under the “Secure stable-freight-rate business” strategy, revenue from stable-freight-rate businesses increased for the logistics and bulk shipping businesses, and under the “Increase efficiency and create new values” strategy, in addition to embarking on various green businesses for decarbonization, we enhanced efforts to apply the latest digital technology. We also explicitly stated “integration of ESG into the management strategy” and promoted ESG management initiatives throughout the NYK Group, under the recognition that ESG is fundamental to corporate management. As a result of these efforts, we achieved the profits and financial targets set forth in the previous medium-term management plan.

#### <New medium-term management plan “Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing -”>

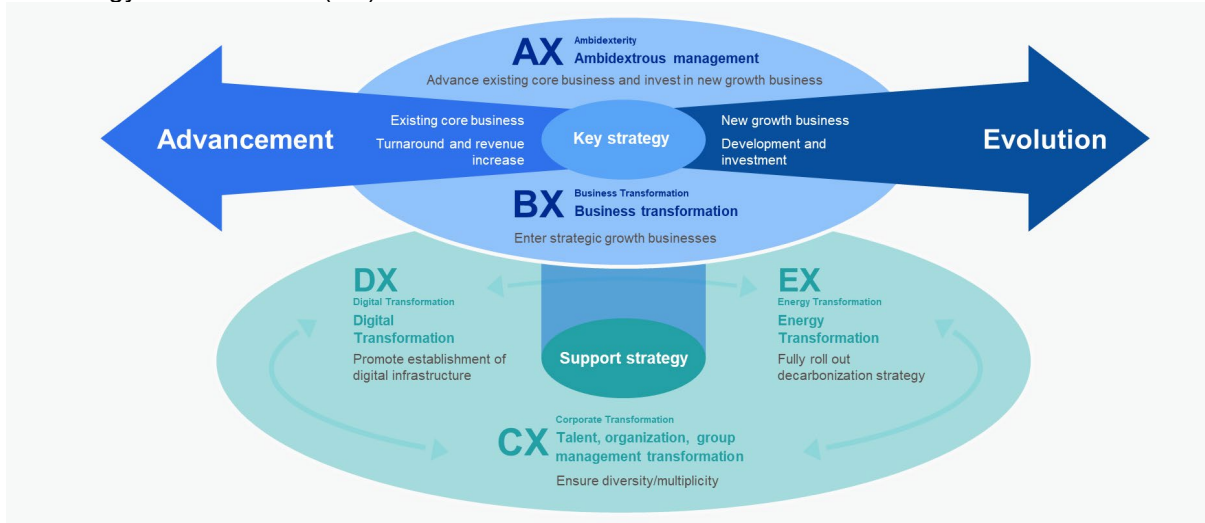
In March 2023, the Company formulated a new four-year medium-term management plan that will be implemented from FY2023. The new plan is titled, “Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing.” This new medium-term management plan is positioned as an action plan for the next four years to FY2026, in order to achieve a new corporate vision for 2030, which reads, “We go beyond the scope of a comprehensive global logistics enterprise to co-create value required for the future by advancing our core business and growing new ones.” Aiming to be a company in demand by society and achieving sustainable growth, we forecast the business environment in 2050 based on an analysis of population, globalization, technology, and environmental megatrends, backcasting from the state envisioned in 2050, and formulating our vision for the medium- to long-term. Our basic policy is the growth strategy with ESG at its core, and we will make every effort to maximize future earnings power and create sustainable corporate and social value by contributing to solving environmental and other social issues.

#### (Positioning of management strategy)



(Overview of management strategy)


The new medium-term management plan is based on a “key strategy” consisting of ambidextrous management (AX) and business transformation (BX), and is designed to both advance existing core businesses and evolve new growth businesses. The key strategy will be supported by three “supporting strategies,” talent, organization, group management transformation (CX), digital transformation (DX), and energy transformation (EX).



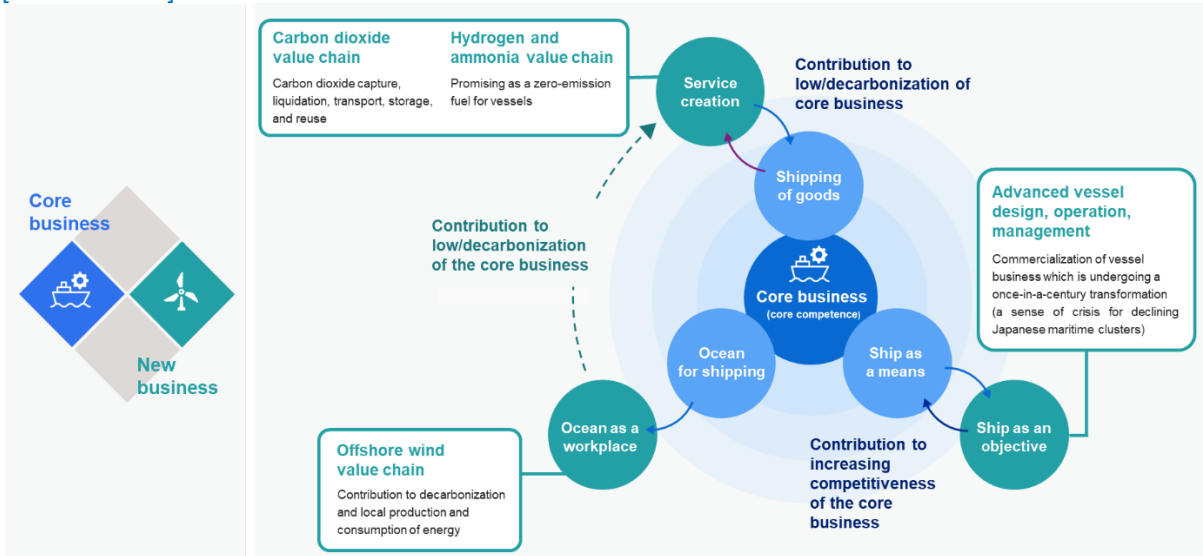
■ Key strategy – advance core businesses and evolve new growth businesses:

In our existing core businesses, we will aim to achieve further growth by tapping into the demand for decarbonization and utilizing M&As. We will also build new organizational capabilities to evolve based on core competence to create new businesses.

[Core business]

	To date	Moving forward	
 <p><b>Core business</b></p>	<p><b>Liner &amp; Logistics business</b></p> <ul style="list-style-type: none"> <li>Container shipping</li> <li>Logistics</li> </ul>	<p><b>Support ONE's further growth</b></p> <ul style="list-style-type: none"> <li>Prioritize growth as ONE and continue to support its growth investments from a shareholder standpoint</li> <li>Aim to maintain our presence in the container shipping industry after expanding the scale</li> <li>Continue dispatching talent</li> </ul> <p><b>Reinforce the business as a growth engine for the logistics business</b></p> <ul style="list-style-type: none"> <li>Promote a bold growth strategy while also actively pursuing M&amp;As</li> <li>Reinforce global head office function and actively hire diverse talent who can contribute to new business development</li> </ul>	
	<p><b>Bulk Shipping business</b></p> <ul style="list-style-type: none"> <li>Automotive business</li> <li>Dry bulk business</li> <li>Energy business</li> </ul>	<p><b>Supported business integration of container shipping (ONE*1)</b></p> <ul style="list-style-type: none"> <li>Provided human resources and remained deeply committed to management as the largest shareholder</li> <li>The three Japanese shipping companies supported the business integration</li> </ul> <p><b>Supported self-sustaining growth of logistics business</b></p> <ul style="list-style-type: none"> <li>Rolled out autonomous sales activities / growth strategy with a focus on existing customers</li> <li>Integration of overseas leader development; gradual evolution of NYK network</li> </ul>	<p><b>Capture decarbonization demand</b></p> <ul style="list-style-type: none"> <li>Promote low/decarbonization of fleet to achieve low carbonization of customer value chain, and increase our advantage</li> <li>Continue investing while balancing fleet portfolio optimization and risk of stranded assets</li> <li>Continue to fulfill responsibility as a transport infrastructure company that responds to low carbonization and societal demands to offer stable supply of existing energy</li> <li>Branch out to new business areas such as customer supply chain-related business</li> </ul>
	<p><b>Cruise business</b></p>	<p><b>Responded to steady transport demand</b></p> <ul style="list-style-type: none"> <li>60 years have passed since the company entered the bulk shipping business in line with high economic growth</li> <li>Restructuring of the dry bulk business is almost complete with an infrastructure for steady profit creation built</li> </ul> <p><b>Created the future of cruise culture in Japan</b></p> <ul style="list-style-type: none"> <li>Expanded the luxury cruise segment and established the company's flagship ASUKA brand</li> </ul>	<p><b>Penetration of ASUKA LUXURY</b></p> <ul style="list-style-type: none"> <li>Add a newly built cruise ship equipped with LNG fuel-compatible engine (service to commence in 2025) and plan to expand to a two-vessel operation</li> <li>Offer services optimized based on customer's personality and offer an unparalleled experience to create a new cruise culture</li> </ul>

[New business]

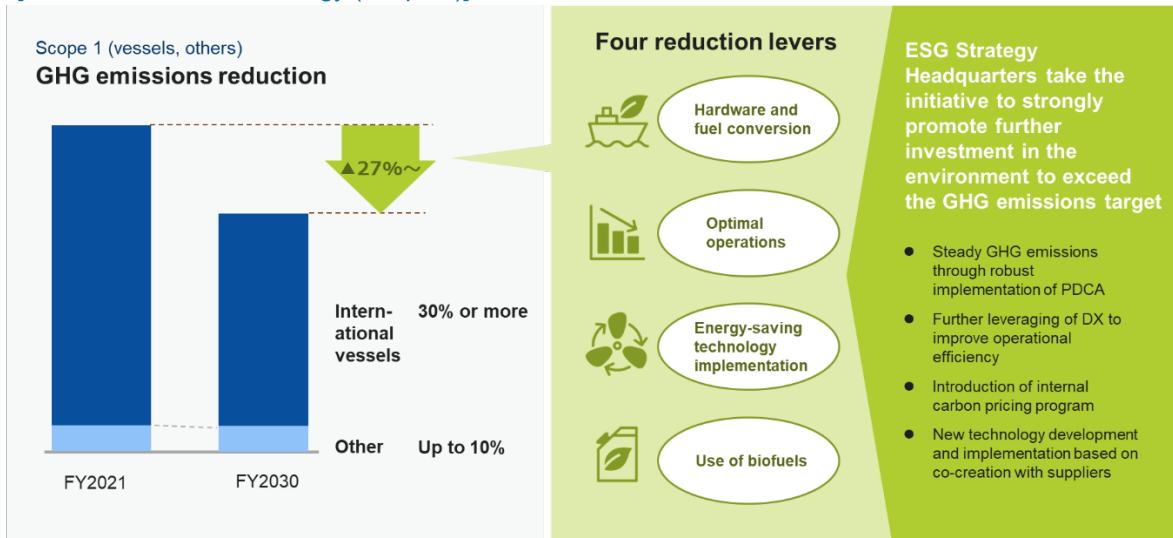


■ Support strategy

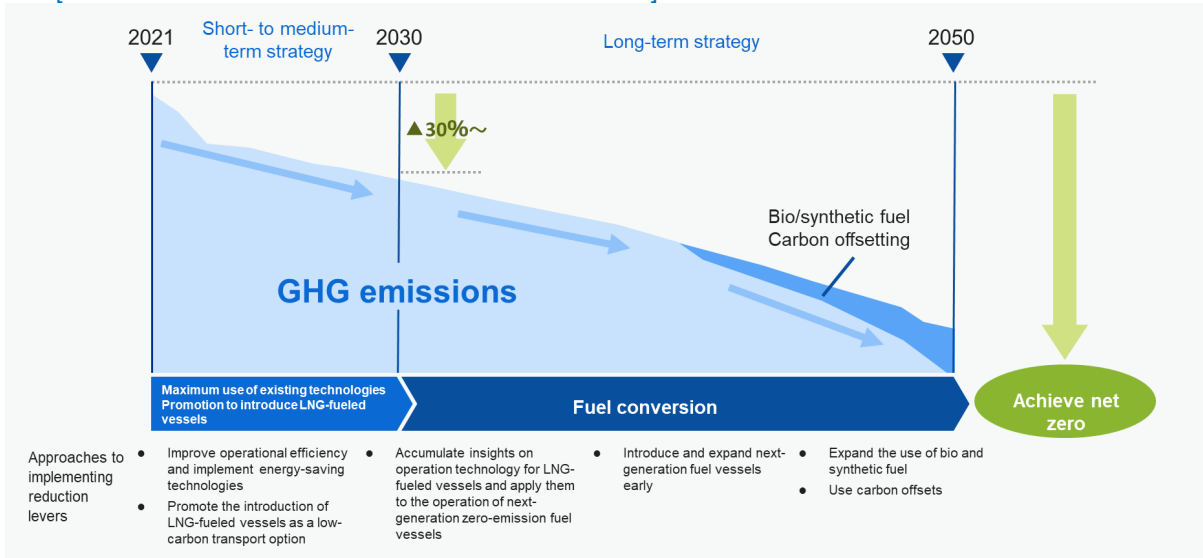
In CX (talent, organization, group management transformation), we will strengthen our HR and corporate functions so that we can leverage capabilities of our 35,000 Group employees, increase Vision sharing and engagement throughout the Group, and prepare a platform to fully commit to potentials of Group companies. We will also strengthen our management structure to ensure that ESG management is supported. As part of this plan, we will transition to a company with an Audit & Supervisory Committee, subject to approval at this Ordinary General Meeting of Shareholders.

In DX (digital transformation), we will promote DX that supports transformation and achieves the vision by promoting the establishment of a digital infrastructure. In EX (energy transformation), we will systematically accelerate efforts to achieve net-zero in 2050. As a FY2030 GHG reduction strategy, the ESG Strategy Headquarters, which we established in April, will play a central role in strengthening the system to reduce GHG emissions through four reduction levers (hardware and fuel conversion/optimal operations/energy-saving technology implementation/use of biofuels), in collaboration with suppliers. In regard to the decarbonization of international vessels, until 2030, in addition to promoting the introduction of new LNG-fueled vessels as part of our fuel conversion program, we will also maximize the use of technologies that contribute to reducing GHG in our operations. From around the mid-2030s, we will accelerate the reduction of GHG emissions by further increasing fuel conversion through the full-scale introduction and expansion of the number of next-generation zero-emission fuel vessels, focusing on new ammonia-fueled vessels.

■ [EX - GHG reduction strategy (Scope 1)]



■ [EX - Decarbonization levers for international vessels]



■ Financial policy

We will invest a total of approx. ¥1.2 trillion in investment targets by 2026 leading to future stable shareholder returns. In addition, we will strive to increase Total Shareholder Returns (TSR) while balancing returns with growth investments in order to offer shareholder returns with capital efficiency improvements in mind. We will use Return On Invested Capital (ROIC) as a KPI for financial target management and set non-financial targets. In the final year of the medium-term management plan, we expect consolidated recurring profit to be ¥270.0 billion.

[Business investment policy]









[Shareholder return policy]

<b>Treasury stock acquisition</b>	<b>Minimum dividends per share</b>
Acquire approx. 200 billion yen worth of treasury stocks to improve capital efficiency in 23-24 (*1)	Increase the minimum dividend to JPY100 in line with strengthening resistance of downward business volatility
<b>Payout ratio</b>	<b>Additional returns</b>
Increase target payout ratio from the current 25% to 30%	Consider investment opportunities and business environment to dynamically offer additional returns (*1)



[Management targets, financial plan outlook]

Financial targets		Non-financial targets	
 <p><b>Over 6.5%</b></p>	<p><b>ROIC</b> (Return on invested capital*1) Strive to improve our enterprise value by fundamentally increasing business profitability</p>	 <p><b>0 accident</b></p>	<p><b>Number of major accidents: sea, land, and air</b> Number of major accidents based on our standard</p>
<p>For this medium-term plan period (FY23~FY26), focus also on current profits and ROE as KPIs</p>			
 <p><b>JPY200 ~300 billion</b></p>	<p><b>Current net profit</b> Target as of FY26</p>	 <p><b>Over 30%</b></p>	<p><b>GHG reduction by vessels</b> FY30 target (vs. FY21)</p>
 <p><b>8-10%</b></p>	<p><b>ROE</b> (Return on Equity*2) Target as of FY26 Focus on efficiency relative to shareholders' equity</p>	 <p><b>30%</b></p>	<p><b>Share of women managers</b> CY30 target (onshore positions for NYK non-consolidated)</p>

(\*1) (Operating income after tax + Extraordinary profit & loss after tax + Equity in earnings of affiliates + Dividend income) ÷ (Invested capital)

(\*2) (Current net profit) ÷ (Equity)

	FY2022 (latest outlook)	FY2026	FY2030
Recurring Profit	JPY1,080 billion	JPY270 billion	JPY340 billion
Others	JPY330 billion	JPY150 billion	JPY160 billion
ONE (our estimate)	JPY750 billion	JPY120 billion	JPY180 billion
Current Profit <small>attributable to owners of parent</small>	JPY1,000 billion	JPY240 billion	JPY310 billion
Shareholders' Equity Ratio	65%	57%	Around 57%
After changing to on-balance sheet	55%	49%	Around 50%
ROIC	32%	6.5%	Over 6.5%
ROE	48%	10.2%	Over 10%

Note: figures for FY2022 were current as of the announcement of the new medium-term management plan in March 2023

## 2) 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

### (3) Financing and Capital Investment Activities

The NYK Group acquired necessary funds for the current fiscal year mainly from its own assets and borrowing from financial institutions. Borrowed funds as of March 31, 2023 totaled ¥694.0 billion, a decrease of ¥114.2 billion from the previous fiscal year.

The NYK Group made capital investment of ¥198.8 billion in total, primarily for the bulk shipping segment. In the liner trade and Bulk Shipping Business, we made investment of ¥5.7 billion and ¥175.4 billion respectively, primarily for vessels. We made investment of ¥4.9 billion mainly for aircraft in the Air cargo Transportation Business, ¥13.1 billion for transportation equipment and logistics facilities / equipment in the Logistics Business, ¥0.7 billion in the Real Estate Business, and ¥1.1 billion in Other Business Services.

### (4) Principal Business of the Consolidated (as of March 31, 2023)

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, 2023)

#### 1) NYK

Category	Location
Head Office	Yusen Bldg., 3-2, Marunouchi 2 Chome, Chiyoda-ku, Tokyo
Branch Offices	Akita Branch Office (Akita City), 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, 2023)**

Business Segments	Type of vessel	Segment	As of March 31, 2023	
			Number of vessels	1,000 K/T (dwt)
Liner Trade	Container ships (incl. semi-container ships)	Owned	26	1,665
		Chartered	28	2,973
		Total	54	4,638
Bulk Shipping	Dry bulk carriers	Owned	117	10,052
		Chartered	256	29,482
		Total	373	39,534
	Car carriers	Owned	42	808
		Chartered	69	1,279
		Total	111	2,087
	Tankers	Owned	52	7,467
		Chartered	19	2,607
		Total	71	10,074
	Other	Owned	21	388
		Chartered	26	378
		Total	47	767
Total		Owned	258	20,382
		Chartered	398	36,719
		Total	656	57,102

- 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, 2023)

### 1) Employees of the Consolidated

Segment		Number of employees (persons)	Year-on-year change (persons)
Liner & Logistics	Liner Trade	3,567	(1)
	Air Cargo Transportation	1,024	72
	Logistics	25,794	595
Bulk Shipping		3,168	(416)
Others	Real Estate	8	1
	Other	1,492	67
Company-wide (common)		449	19
Total		35,502	337

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	1,024	50
[maritime crew on land duty out of above]	[146]	[16]
Maritime crew on sea duty	275	0
Total	1,299	50

Note: The number of employees includes 76 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, 2023)

Lender	Outstanding Balance (Millions of yen)
MUFG Bank, Ltd.	84,260
THE YAMAGUCHI BANK, LTD.	56,082
DEVELOPMENT BANK OF JAPAN INC.	51,983
MEIJI YASUDA LIFE INSURANCE CO.	50,000
NIPPON LIFE INSURANCE CO.	21,813
SUMITOMO MITSUI BANKING CO.	20,000
THE NORINCHUKIN BANK	19,341
CHIBA BANK, LTD.	12,418
THE SHIGA BANK, LTD.	10,682
The Nanto Bank, Ltd.	10,002

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

### 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 493 consolidated subsidiaries and 208 equity-method companies as of March 31, 2023.

2) Status of principal subsidiaries (as of March 31, 2023)

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	100.00	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
263 vessel owning and chartering companies	US\$19.324 million (total of 138 companies) ¥4,599 million (total of 125 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. 263 vessel owning and chartering 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	30.04	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.

The Company has a business relationship with a Russian shipping company, including joint investments in LNG vessel owning companies. 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, 2023)

(1) Total number of shares authorized to be issued 895,065,000 shares

(2) Number of shares issued 508,631,084 shares

Notes: 1. The number of shares issued excludes 1,534,210 shares of treasury stock.  
2. The Company conducted a 3-for-1 common stock split with an effective date of October 1, 2022.

(3) Number of shareholders 354,847 persons  
(increased by 183,478 from the previous fiscal 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)	81,008	15.93
Custody Bank of Japan, Ltd. (Trust account)	24,654	4.85
STATE STREET BANK WEST CLIENT - TREATY 505234	13,525	2.66
MEIJI YASUDA LIFE INSURANCE CO.	8,273	1.63
THE BANK OF NEW YORK MELLON 140044	7,571	1.49
STATE STREET BANK AND TRUST COMPANY 505103	7,205	1.42
MITSUBISHI HEAVY INDUSTRIES, LTD.	6,155	1.21
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	5,210	1.02
SMBC Nikko Securities Inc.	4,420	0.87
STATE STREET BANK AND TRUST COMPANY 505225	4,404	0.87

### (5) Treasury Stock

Treasury shares held as of the end of the preceding term	Common Stock	506,713 (shares)
Shares purchased in the current term		
Less-than-One-Unit Share Purchased	Common Stock	8,338 (shares)
	Total price of acquisition	47,879,669 (yen)
Shares disposed in the current term		
Less-than-One-Unit Share Sold	Common Stock	597 (shares)
	Total price of disposition	2,643,736 (yen)
Shares lapsed in the current term	None	
Treasury shares held as of the end of the fiscal term	Common Stock	1,534,210 (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 3. of "Compensation paid to Directors and Audit & Supervisory Board Members" (on page 71).  
2. The Company's shares held by Board Incentive Plan Trust (450,459 shares) are not included in treasury shares above.  
3. The Company conducted a 3-for-1 common stock split with an effective date of October 1, 2022. Of the 8,338 shares purchased in the current term, 3,291 shares were purchased before the stock split and 5,047 shares were purchased after the stock split. Of the 597 shares disposed in the current term, 126 shares were disposed of before the stock split and 471 shares were disposed of after the stock split.

The number of treasury shares held as of the end of the fiscal term is the number of shares after the stock split.



### 3. Executives of NYK

#### (1) Directors and Audit & Supervisory Board Members (incumbents from June 23, 2022 to March 31, 2023)

Name	Position, responsibilities and significant concurrent positions	
Tadaaki Naito	Chairman, Director	Outside Director of Mitsubishi Logistics Corporation
Hitoshi Nagasawa	President, Representative Director President and Chief Executive Officer	Chairperson of ESG Management Committee Vice-President of The Japanese Shipowners' Association
Hiroki Harada	Representative Director Senior Managing Executive Officer	Chief Executive of Liner & Logistics Headquarters
Takaya Soga	Director, Senior Managing Executive Officer	Chief Financial Officer, Chief Executive of Management Planning Headquarters
Yutaka Higurashi	Director, Senior Managing Executive Officer	Chief Compliance Officer, Chief Executive of General Affairs Headquarters
Yoshihiro Katayama	Chief Outside Director (part-time, Independent Director)	Project professor of Taisho University and Chief of Institute of Regional Development, Taisho University, Director of Society for Digital Heritage
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 & Supervisory Board Member (full- time)	Director of Japan Audit & Supervisory Board Members Association
Eiichi Takahashi	Audit & Supervisory Board Member (full- time)	–
Hiroshi Nakaso	Outside Audit & Supervisory Board Member (part-time, Independent Auditor)	Chairman of Daiwa Institute of Research Ltd., Eminent Guest 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 & Supervisory Board Member (part-time, Independent Auditor)	Partner of Gaien Partners, Outside Director (Audit & Supervisory Committee Member) 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 & Supervisory Board Members, Mr. Hiroshi Nakaso and Ms. Satoko Kuwabara are Outside Audit & 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 & Supervisory Board Members.

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

**<Retirement>**

Director, Managing Executive Officer	Hiroshi Kubota (retired due to expiration of the term of office on June 22, 2022)
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**<New appointment>**

Director, Senior Managing Executive Officer	Takaya Soga (appointed on June 22, 2022)
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6. As of April 1, 2023, Directors are relocated as follows:

**<As of March 31, 2023>**

Chairman, Director	Tadaaki Naito
President, Representative Director President and Chief Executive Officer	Hitoshi Nagasawa
Director, Senior Managing Executive Officer	Takaya Soga
Representative Director, Senior Managing Executive Officer	Hiroki Harada

**<After relocation>**

Director
Chairman, Director
President, Representative Director President and Chief Executive Officer
Representative Director

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, 2023)

Position	Name
President, Representative Director President and Chief Executive Officer	Takaya Soga
Executive Vice-President Executive Officer	Akira Kono
Director, Senior Managing Executive Officer	Yutaka Higurashi
Senior Managing Executive Officer	Nobuhiro Kashima
Managing Executive Officer	Hiroshi Kubota
	Yutaka Ikeda
	Hiroaki Nishiyama
	Hisaya Higuchi
	Hironobu Watanabe
	Takuji Banno
Executive Officer	Yuko Tsutsui
	Patrick Brennan Jr.
	Yasunobu Suzuki
	Kenichiro Sutoh
	Yuji Nishijima
	Toshi Nakamura
	Masahiro Takahashi
	Hiroaki Ohashi
	Shinichi Yanagisawa
	Shogo Terajima
	Mie Sugano
	*Yasuyuki Takahashi
	*Takashi Yamamoto
	*Chiaki Ota
	*Katsuhiko Haruna
	*Tutomu Yokoyama
	*Tomotaka Aso
	*Yasuyuki Inami
*Hiroyuki Homma	
*Takeshi Kondo	

- Notes: 1. Executive Officers who retired during the fiscal year are as follows:  
Hitoshi Nagasawa, Hiroki Harada, Tomoyuki Koyama, Svein Steimler, Toru Kamiyama, Hideki Suzuki,  
Toru Maruyama and Keita Sataka
2. The asterisks (\*) indicate newly appointed Executive Officers on April 1, 2023.

### **(3) Compensation for Directors and Audit & 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 “Policies for Determining Compensation for Directors, Audit & 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 Directors who concurrently serve as Executive Officers consists of basic compensation and performance-based variable compensation. Performance-based variable compensation consists of performance-based monetary compensation as an incentive for achieving performance targets for a single fiscal year and performance-based stock remuneration as an incentive for achieving medium- to long-term performance targets and other targets. Compensation for Directors who do not concurrently serve as Executive Officers, such as 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. However, the Chairman and Director not serving concurrently as Chairman and Executive Officer is paid performance-based stock remuneration based on his/her responsibilities, such as Chairman of the Board of Directors. 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) Performance-based variable compensation

<Performance-based monetary compensation>

Consolidated recurring profit, which measures the profitability of the entire business, and consolidated ROE, which measures return on capital, are used as performance-based indices, and the base values are discussed by the Compensation Advisory Committee, mentioned below, and confirmed by the Board of Directors for each fiscal year. After the conclusion of one fiscal year, the performance-based coefficient is calculated by adding up the figures obtained by dividing the actual value of each indicator by the base value using a ratio set in advance. The variable coefficient varies between 0 and 2.0, and the amount of money obtained by multiplying the monetary compensation unit price based on the Director's position by the performance-based coefficient will be paid after the conclusion of each fiscal year.

<Performance-based stock remuneration, etc.>

The Company has a performance-based stock compensation plan (Board Incentive Plan) involving a trust with superior transparency and objectivity, and awards fixed points based on individual positions of Directors and variable points calculated based on the achievement level, etc. Shares equivalent to fixed points shall be delivered at the end of each fiscal year and shares equivalent to variable points shall be delivered following the expiry of the three fiscal year period, with a three-year transfer restriction of shares equivalent to fixed points. The performance-based indices are the Company's Total Shareholder Return (TSR) which includes dividends from the viewpoint of sharing interests with shareholders, and the Company's own ESG indices which is based on our approach from the viewpoint of ESG management. The numerical value of each indicator is calculated by comparing the TSR with the Tokyo Stock Exchange Stock Price Index (TOPIX) growth rate and competitors' TSR growth rates during the applicable period, and the ESG indicator is calculated by the degree of achievement of the aforementioned ESG indicator, and the degree of achievement is evaluated by the Compensation Advisory Committee after the end of three fiscal years and decided by the Board of Directors. These figures are added together in a ratio set in advance to calculate the performance-linked coefficient, which varies between 0 and 2.0. Shares equivalent to the variable points calculated by multiplying the points based on the position held for three fiscal years by the performance-based coefficient are delivered (however, a portion of the points shall be paid in a monetary amount equivalent to the exchange value of the shares, and the same applies hereinafter).

For Directors who retired during the term (excluding cases of retirement for personal reasons or dismissal), the degrees of their achievement up to the time of their retirement are evaluated by the Compensation Advisory Committee and decided by the Board of Directors, and shares equivalent to the points determined are granted. Directors not residing in Japan shall be paid a cash amount equivalent to the points calculated and granted through the same mechanism.

The ratio of basic compensation and performance-based variable compensation shall be set to approximately 5:5 to 8:2 depending on the position held when corporate performance targets 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 ratio of performance-based monetary compensation and performance-based stock compensation shall be set to attain a ratio of 1:3.

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 the involvement of Outside Directors, including discussions at the Compensation Advisory Committee, an advisory body to the Board of 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 & Supervisory Board Members**

Compensation for Audit & 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 & Supervisory Board Members including the Outside Audit & 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 & 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. The amount of performance-based monetary compensation for Directors (excluding Outside Directors and the Chairman and Director not serving concurrently as Chairman and Executive Officer) was decided not to exceed a total of ¥300 million for one fiscal year, at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022, and the Company was served by four Directors (excluding Outside Directors and the Chairman and Director not serving concurrently as Chairman and Executive Officer) as at the conclusion of the aforementioned 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 ¥1.6 billion for three fiscal years, at the 135th Ordinary General Meeting of Shareholders held on June 22, 2022, and the Company was served by five Directors (excluding Outside Directors) as at the conclusion of the aforementioned Ordinary General Meeting of Shareholders. However, since the Company's performance-based monetary compensation plan and performance-based stock compensation plan 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.

The aggregate amount of compensation for Audit & 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 & 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 & Supervisory Board Members

Category of executives	Total amount of compensation	Total amount of compensation by category				Number of eligible executives
		Basic compensation	Monetary compensation	Stock compensation		
		Fixed	Performance-based	Role-fixed	Performance-based	
Directors [Outside Directors out of above]	¥549 million [¥57 million]	¥344 million [¥57 million]	¥54 million [-]	¥96 million [-]	¥54 million [-]	9 [3]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members out of above]	¥105 million [¥27 million]	¥105 million [¥27 million]	-	- [-]	- [-]	4 [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 monetary compensation for Directors is an amount based on the performance-based monetary compensation plan, as summarized in the aforementioned 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 & Supervisory Board Members.
- a) The performance-based monetary compensation plan was introduced by abolishing bonuses by a resolution of the 135th Ordinary General Meeting of Shareholders held on June 22, 2022. The aforementioned table shows the total amount of expenses recorded as bonus payments made prior to the abolishment of the plan and the amount of expenses recorded as monetary compensation for the new plan during this fiscal year.
- b) The details and reasons for the selection of the performance-based indices for monetary compensation and the method for calculating compensation, etc. is described in (1) ii) above, and the base values for the current fiscal year are the consolidated recurring profit between ¥70 billion and ¥100 billion and the consolidated ROE at minimum 8.0%, set out under the five-year medium-term management plan that started in FY2018. Actual consolidated recurring profit and consolidated ROE for the current fiscal year was ¥1,109.7 billion and 48.3%, respectively, and calculated as a ratio of 50% for each, the performance-linked coefficient for the current term was 2.0.
3. The amount of stock compensation for Directors is an amount based on the performance-based stock compensation plan, etc., 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 & Supervisory Board Members.
- a) The performance-based stock compensation plan was extended for three years until FY2024 after partial revision of its contents by a resolution of the 135th Ordinary General Meeting of Shareholders held on June 22, 2022. The table above shows the total amount of expense recorded for expiring benefits under the plan before the revision and the expense recorded for the provision for stock benefits under the plan after the revision, related to this fiscal year.
- b) The details and reasons for the selection of the performance-based indices for stock-based compensation as well as the method for calculating compensation, etc. are described in (1) ii) above, and the performance-based indices for stock compensation will be determined after the end of the three fiscal years from FY2022 to FY2024, the period covered by the plan, and performance-linked index will be calculated as 80% of compensation for TSR including dividends and 20% of the ESG indicator. In calculating the amount of expenses recorded during the current fiscal year, certain estimates or assumptions were made regarding the achievement rate of TSR including dividends and ESG indices, and the performance-based coefficient was calculated as 0.73.
- c) In the current fiscal year, 191,900 shares (number of shares before stock split) have been delivered to five Directors (none of whom is an Outside Director) as part of their compensation for the execution of duties based on the performance-based stock compensation plan for Directors, etc.

#### **(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 & 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 the Company's 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 & 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 & Supervisory Board Members**

Position and Name	Status of Attendance and Stating of Opinions
<p>Independent Outside Director (Part-time, Chief Outside Director) Yoshihiro Katayama (Appointed on June 20, 2016)</p>	<p>Mr. Yoshihiro Katayama was expected to play a role in contributing 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 20 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.</p>
<p>Independent Outside Director (Part-time) Hiroko Kuniya (Appointed on June 21, 2017)</p>	<p>Ms. Hiroko Kuniya was expected to play a role in contributing 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 each 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 environmental issues such as decarbonization, and promotion of diversity and inclusion, 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 20 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.</p>

Position and Name	Status of Attendance and Stating of Opinions
Independent Outside Director (Part-time) Eiichi Tanabe (Appointed on June 19, 2019)	Mr. Eiichi Tanabe was expected to play a role in contributing 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 each advisory committee, by making use of his experience and knowledge of overall corporate management and making recommendations, etc. on our management policies, response to the changing business environment, development of new business domains and appropriate governance, 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 20 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 & Supervisory Board Member (Part-time) Hiroshi Nakaso (Appointed on June 29, 2020)	Attended 19 of the 20 meetings of the Board of Directors (95% of attendance rate) and 15 of the 16 meetings of the Audit & Supervisory Board (94% of attendance rate) held during this fiscal year. 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 & Supervisory Board Member (Part-time) Satoko Kuwabara (Appointed on June 29, 2020)	Attended all the 20 meetings of the Board of Directors and 16 meetings of the Audit & 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 & Supervisory Board Member of other companies.

## Consolidated Financial Statements

### 1. Consolidated Balance Sheet (As of March 31, 2023) (In millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
Current assets	720,142	Current liabilities	499,034
Cash and deposits	204,817	Notes and operating accounts payable-trade	206,153
Notes, operating accounts receivable-trade and contract assets	337,702	Current portion of bonds payable	10,000
Inventories	57,593	Short-term loans payable	73,581
Deferred and prepaid expenses	30,897	Lease liabilities	26,412
Other	91,693	Income taxes payable	17,914
Allowance for doubtful accounts	(2,562)	Contract liabilities	50,562
Non-current assets	3,056,464	Provision for bonuses	20,736
Vessels, property, plant and equipment	1,143,751	Provision for directors' bonuses	617
Vessels, net	637,257	Provision for stock payment	241
Buildings and structures, net	143,069	Provision for losses related to contracts	146
Aircraft, net	98,573	Other	92,668
Machinery, equipment, and vehicles, net	32,311	Non-current liabilities	752,769
Furniture and fixtures, net	7,536	Bonds payable	87,000
Land	89,882	Long-term loans payable	422,691
Construction in progress	126,324	Lease liabilities	74,406
Other, net	8,795	Deferred tax liabilities	71,676
Intangible assets	41,392	Net defined benefit liability	15,302
Leasehold right	5,365	Provision for directors' retirement benefits	862
Software	8,390	Provision for stock payment	54
Goodwill	13,712	Provision for periodic dry docking of vessels	20,892
Other	13,923	Provision for losses related to contracts	8,883
Investments and other assets	1,871,320	Provision for related to business restructuring	256
Investment securities	1,688,380	Other	50,741
Long-term loans receivable	27,642	<b>Total Liabilities</b>	<b>1,251,803</b>
Net defined benefit asset	88,404	<b>Equity</b>	
Deferred tax assets	9,120	Shareholders' capital	2,204,338
Other	62,947	Common stock	144,319
Allowance for doubtful accounts	(5,174)	Capital surplus	44,897
Deferred assets	190	Retained earnings	2,018,915
<b>Total Assets</b>	<b>3,776,797</b>	Treasury stock	(3,793)
		Accumulated other comprehensive income (loss)	274,302
		Unrealized gain (loss) on available-for-sale securities	32,909
		Deferred gain (loss) on hedges	6,583
		Foreign currency translation adjustments	207,437
		Remeasurements of defined benefit plans	27,371
		Non-controlling interests	46,352
		<b>Total Equity</b>	<b>2,524,993</b>
		<b>Total Liabilities and Equity</b>	<b>3,776,797</b>

**2. Consolidated Statement of Income (From April 1, 2022 to March 31, 2023) (In millions of yen)**

Item	Amount
Revenues	2,616,066
Cost and expenses	2,105,915
Gross profit	510,150
Selling, general and administrative expenses	213,799
Operating profit	296,350
Non-operating income	
Interest income	4,320
Dividend income	12,224
Equity in earnings of unconsolidated subsidiaries and affiliates	811,957
Other	7,638
Total non-operating income	836,141
Non-operating expenses	
Interest expenses	15,388
Foreign exchange losses	3,182
Other	4,132
Total non-operating expenses	22,702
Recurring profit	1,109,790
Extraordinary income	
Gain on sales of non-current assets	7,355
Gain on step acquisitions	1,485
Other	4,512
Total extraordinary income	13,352
Extraordinary losses	
Loss on sales of non-current assets	46
Impairment loss	27,951
Loss on liquidation of subsidiaries and affiliates	4,477
Other	7,225
Total extraordinary losses	39,701
Profit before income taxes	1,083,441
Income taxes-current	45,189
Income taxes-deferred	12,900
Total income taxes	58,089
Profit	1,025,352
Profit attributable to non-controlling interests	12,828
Profit attributable to owners of parent	1,012,523

(For reference)

**3. Summary of Consolidated Statement of Cash Flows** (From April 1, 2022 to March 31, 2023)

(In millions of yen)

Item	Amount
Net cash provided by (used in) operating activities	824,853
Net cash provided by (used in) investing activities	(252,964)
Net cash provided by (used in) financing activities	(581,203)
Effect of exchange rate change on cash and cash equivalents	(22,836)
Net increase (decrease) in cash and cash equivalents	(32,150)
Cash and cash equivalents at beginning of period	226,694
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	898
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	614
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	173
Cash and cash equivalents at end of period	196,231

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

## Unconsolidated Financial Statements

### 1. Unconsolidated Balance Sheet (As of March 31, 2023)

(In millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
Current assets	430,251	Current liabilities	309,332
Cash and deposits	97,332	Operating accounts payable-trade	72,624
Operating accounts receivable-trade	123,587	Current portion of bonds payable	10,000
Contract assets	7,276	Short-term loans payable	67,628
Short-term loans receivable	62,655	Lease liabilities	1
Inventories	38,446	Account payable	5,073
Deferred and prepaid expenses	15,237	Income taxes payable	1,570
Lease receivables	16,531	Contract liabilities	37,344
Investments in leases	6,115	Advance received	124
Other current assets	63,276	Deposits received	90,645
Allowance for doubtful accounts	(206)	Provision for bonuses	4,531
		Provision for stock payment	241
		Provision for losses related to antitrust law	148
Non-current assets	1,295,977	Allowance for investment loss associated with vessels owned by subsidiaries or affiliates	26
		Asset retirement obligations	250
Vessels, property, plant and equipment	109,314	Other current liabilities	19,122
Vessels, net	70,885	Non-current liabilities	532,865
Buildings, net	12,542	Bonds payable	87,000
Structures, net	249	Long-term loans payable	343,749
Machinery and equipment, net	12	Lease liabilities	0
Vehicles, net	73	Provision for stock payment	54
Furniture and fixtures, net	711	Provision for periodic dry docking of vessels	166
Land	19,334	Allowance for investment loss associated with vessels owned by subsidiaries or affiliates	64,284
Construction in progress	5,505	Provision for losses related to contracts	8,322
Intangible assets	5,148	Provision for loss on guarantees	588
Goodwill	1,984	Provision for related to business restructuring	256
Leasehold right	511	Deferred tax liabilities	24,467
Software	2,585	Asset retirement obligations	1,726
Other intangible assets	67	Other non-current liabilities	2,250
Investments and other assets	1,181,514	<b>Total Liabilities</b>	<b>842,198</b>
Investment securities	81,892	<b>Equity</b>	
Stocks and equity in subsidiaries and affiliates	503,378	Shareholders' capital	889,923
Long-term loans receivable	455,675	Common stock	144,319
Prepaid pension cost	45,727	Capital surplus	31,880
Lease receivables	73,933	Capital reserve	30,191
Investments in leases	18,606	Other capital surplus	1,688
Other investments, etc.	32,063	Retained earnings	717,511
Allowance for doubtful accounts	(29,762)	Earned surplus reserve	5,888
		Other retained earnings	711,622
		Reserve for advanced depreciation	1,297
		Retained earnings carried forward	710,325
		Treasury stock	(3,787)
Deferred assets	190	Valuation and translation adjustments	(5,702)
		Unrealized gain (loss) on available-for-sale securities	31,263
Bond issuance cost	190	Deferred gain (loss) on hedges	(36,966)
<b>Total Assets</b>	<b>1,726,420</b>	<b>Total Equity</b>	<b>884,221</b>
		<b>Total Liabilities and Equity</b>	<b>1,726,420</b>

**2. Unconsolidated Statement of Income (From April 1, 2022 to March 31, 2023)**

(In millions of yen)

Item	Amount
Revenue from shipping operation	980,192
Shipping operation expenses	851,524
Shipping operation income	128,668
Revenue from other business	3,361
Other business expenses	1,412
Other business income	1,948
Gross operating income	130,616
General administrative expenses	43,584
Operating profit	87,031
Non-operating income	
Interest and dividend income	510,662
Other non-operating income	51,108
Total non-operating income	561,770
Non-operating expenses	
Interest expenses	11,318
Other non-operating expenses	8,832
Total non-operating expenses	20,150
Recurring profit	628,651
Extraordinary income	
Gain on sales of non-current assets	714
Gain on liquidation of subsidiaries and affiliates	10,829
Gain on sale of shares of subsidiaries and associates	2,077
Other extraordinary income	813
Total extraordinary income	14,435
Extraordinary losses	
Loss on disposal of non-current assets	136
Provision for allowance for doubtful accounts	4,919
Loss on valuation of shares of subsidiaries and associates	9,188
Loss on liquidation of subsidiaries and associates	3,118
Provision for allowance for investment loss associated with vessels owned by subsidiaries or affiliates	26
Other extraordinary losses	1,298
Total extraordinary losses	18,688
Profit before income taxes	624,398
Income taxes-current	1,337
Income taxes-deferred	22,716
Total income taxes	24,053
Profit	600,344

## Auditor's Report

### 1. Independent Auditor's Report on Consolidated Financial Statements

(TRANSLATION)  
INDEPENDENT AUDITOR'S REPORT

May 11, 2023

To the Board of Directors of  
Nippon Yusen Kabushiki Kaisha:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Designated Engagement Partner,  
Yoshiaki Kitamura  
Certified Public Accountant:

Designated Engagement Partner,  
Takuya Sumita  
Certified Public Accountant:

Designated Engagement Partner,  
Katsuhiko Shibata  
Certified Public Accountant:

#### Audit Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Nippon Yusen Kabushiki Kaisha and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2023, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2022 to March 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The other information comprises the business report and its accompanying supplemental schedules. Management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. Such other information is not included in the scope of our audit opinion on the consolidated financial statements, and we express no opinion on such other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information carefully and, in the course of that reading, to consider whether there are any material differences between the other information and the consolidated financial statements or our knowledge obtained during the audit, and to pay attention to whether there are any indications of material errors in the other information other than such material differences.

If, based on the work we have performed, we conclude that there are material errors in the other information, we are required to report those facts.

We have nothing to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial



statements in accordance with accounting principles generally accepted in Japan. This includes the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## 2. Independent Auditor's Report

### (TRANSLATION) INDEPENDENT AUDITOR'S REPORT

May 11, 2023

To the Board of Directors of  
Nippon Yusen Kabushiki Kaisha:

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Designated Engagement Partner,  
Yoshiaki Kitamura  
Certified Public Accountant:

Designated Engagement Partner,  
Takuya Sumita  
Certified Public Accountant:

Designated Engagement Partner,  
Katsuhiko Shibata  
Certified Public Accountant:

#### Audit Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the unconsolidated financial statements of Nippon Yusen Kabushiki Kaisha (the "Company"), namely, the unconsolidated balance sheet as of March 31, 2023, and the unconsolidated statement of income and unconsolidated statement of changes in equity for the 136th fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental schedules (collectively, "unconsolidated financial statements, etc.").

In our opinion, the accompanying unconsolidated financial statements, etc. present fairly, in all material respects, the financial position of the Company as of as of March 31, 2023, and its financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The other information comprises the business report and its accompanying supplemental schedules. Management is responsible for preparing and disclosing other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. Such other information is not included in the scope of our audit opinion on the unconsolidated financial statements, etc., and we express no opinion on such other information.

Our responsibility for the audit of the unconsolidated financial statements, etc. is to read the other information carefully and, in the course of that reading, to consider whether there are any material differences between the other information and the unconsolidated financial statements, etc. or our knowledge obtained during the audit, and to pay attention to whether there are any indications of material errors in the other information other than such material differences.

If, based on the work we have performed, we conclude that there are material errors in the other information, we are required to report those facts.

We have nothing to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Unconsolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the

design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of unconsolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the unconsolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the unconsolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the unconsolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements, etc. In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the unconsolidated financial statements, etc. to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the unconsolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the unconsolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the unconsolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the unconsolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the unconsolidated financial statements, etc., including the notes thereto, and whether the unconsolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### 3. Audit and Supervisory Board's Audit Report

#### (TRANSLATION) Audit Report

The Audit & Supervisory Board has audited the Directors' performance of their duties during the 136th business year from April 1, 2022 to March 31, 2023 based on the audit reports prepared by each Audit & Supervisory Board member and hereby reports as follows.

1. Method and contents of audits by the Audit & Supervisory Board Members and an Audit & Supervisory Board
  - (1) The Audit & Supervisory Board established audit policy and received reports from each Audit & Supervisory Board member on the status of implementation of their audits and the results thereof. In addition, the Audit & Supervisory Board received reports and requested explanations from Directors, Executive Officers, employees, etc., and the Independent Auditor, Deloitte Touche Tohmatsu ("Independent Auditor"), regarding the status of the performance of their duties.
  - (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies in this fiscal year and division of duties, etc., each Audit & Supervisory Board Member endeavored to communicate with Directors, Executive Officers, the Internal Audit Department and other employees, etc., and to maintain the audit environment and collect information broadly, and has conducted audit by the following methods:
    - (i) In addition to attending meetings of the Board of Directors, the Management Meeting, the Meeting of Executive Officers, and other important meetings, the Audit & Supervisory Board Members received reports and requested explanations from Directors, Executive Officers and employees, etc. regarding the status of performance of their duties, examined important approval/decision documents, etc., and inspected the status of the corporate affairs and assets at the head office, etc. With respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary, received from subsidiaries reports on their respective business as necessary, and inspected the status of their corporate affairs and assets.
    - (ii) Each Audit & Supervisory Board Member received regular reports, requested explanations from Directors and employees, and expressed opinions on the contents of the Board of Directors' resolutions regarding the development of a system to ensure that the performance of duties by Directors complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Paragraphs 1 and 3, Article 100 of the Regulations for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a corporate group consisting of a joint stock company and its subsidiaries, as well as the status of development and operation of systems (internal control system) developed based on such resolutions. With respect to internal controls on financial reporting, each Audit & Supervisory Board Member received a report and requested explanations on the assessment of such internal controls and the auditing thereof from Directors, Executive Officers, employees, etc., and the Independent Auditor.
    - (iii) Each Audit & Supervisory Board Member confirmed whether the Independent Auditor maintained its independence and properly conducted its audit, received a report and requested explanations from the Independent Auditor on the status of its performance of duties. In addition, each Audit & Supervisory Board Member received a notification and report, and requested explanations from the Independent Auditor that it had established a "systems for ensuring that the performance of the duties of Financial Auditor(s) is being carried out correctly" (matters listed in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005).

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the accompanying supplemental schedules, the unconsolidated financial statements (unconsolidated balance sheet, unconsolidated statement of income, unconsolidated statement of changes in equity, and notes to unconsolidated financial statements) and the accompanying supplemental schedules thereto, as well as the consolidated financial statements (consolidated balance sheets, consolidated statement of income, consolidated statement of changes in equity, and notes to the consolidated financial statements).

#### 2. Results of Audit

- (1) Results of audit of business report, etc.

- (i) We acknowledge that the business report and accompanying supplemental schedules fairly present the status of the Company in conformity with applicable laws and regulations and the Articles of Incorporation of the Company.
  - (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
  - (iii) We acknowledge that the Board of Directors' resolutions with respect to ensuring the effectiveness of the internal control system are appropriate. We acknowledge that no matters to be mentioned were found with respect to the Directors' performance of their duties concerning the internal control system.
- (2) Results of audit of unconsolidated financial statements and accompanying supplemental schedules  
We acknowledge that the methods and results of the audit performed by the Independent Auditor are appropriate.
- (3) Results of audit of consolidated financial statements  
We acknowledge that the methods and results of the audit performed by the Independent Auditor are appropriate.

With regard to the fair trade issues of the past years described in the business report, we confirm that the Group has been steadily implementing measures to prevent recurrence, has been improving and strengthening its legal compliance system, and is continuing its efforts to ensure that it conducts its business fairly, in accordance with laws and regulations. We will continue to monitor efforts to strengthen the Group governance as a whole. While the outlook for the Russia and Ukraine situation remains uncertain, we will monitor the Group's future response.

May 16, 2023

Audit & Supervisory Board of Nippon Yusen Kabushiki Kaisha  
Noriko Miyamoto, Full-time Audit & Supervisory Board Member  
Eiichi Takahashi, Full-time Audit & Supervisory Board Member  
Hiroshi Nakaso, Outside Audit & Supervisory Board Member  
Satoko Kuwabara, Outside Audit & Supervisory Board Member

## Shareholders' Memo

- (1) **Trade name**  
Nippon Yusen Kabushiki Kaisha
- (2) **Established**  
September 29, 1885 (Date of commencement: October 1, 1885)
- (3) **Paid-in capital**  
JPY 144,319,833,730
- (4) **Business year**  
From April 1 to March 31 of the following year
- (5) **Ordinary General Meeting of Shareholders**  
Held in June
- (6) **Date for determining shareholders entitled to exercise rights at the Ordinary General Meeting of Shareholders**  
March 31
- (7) **Date for determining shareholders to receive year-end dividends**  
March 31
- (8) **Date for determining shareholders to receive interim dividends**  
September 30
- (9) **Number of shares per unit**  
100 shares
- (10) **Base date**  
In addition to the above-stated dates, a base date will be determined following prior public notice when necessary.
- (11) **Method of public notices**  
The Company's public notices are available through electronic distribution.  
Website: <https://www.nyk.com/ir/stock/koukoku/>  
However, in the event that electronic distribution is impossible, due to an accident or other unavoidable circumstances, the Company's public notices will be announced in the *Nihon Keizai Shimbun* published in Tokyo, Japan.
- (12) **Share registrar (account management institution for special accounts)**  
Mitsubishi UFJ Trust and Banking Corporation  
[Contact]  
Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation  
1-1 Nikko-cho, Fuchu-shi, Tokyo  
Mailing address: P.O. Box No. 29, New Tokyo Post Office, 137-8081  
Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation

## Information on the My Number System in relation to Shares

The "My Number (Individual Number)" notified by municipalities is required for tax-related procedures for stocks. For this reason, shareholders must submit their "My Number" to their securities company.

### [Use of "My Number" in Stock-related Business]

We include our shareholders' "My Number" in the payment records we submit to the tax office as required by law.

### Main payment records

- Payment records related to dividends
- Payments records related to share transfer transactions, including requests to purchase shares less than one unit

### [For inquiries regarding the notification of your "My Number"]

Shareholders who have an account at a securities company, etc.:

Please contact your securities company, etc.

Shareholders who do not have an account at a securities company, etc.:

Please contact Mitsubishi UFJ Trust and Banking Corporation.

Tel: 0120-232-711 (toll free within Japan)

## Notices

### (1) Information on stock-related procedures

- 1) The various procedures regarding shares described below are as follows.
    - Request for share account transfers
    - Share inheritance procedures
    - Request for purchase or sale (additional purchase) of share less than one unit
    - Notification of change of address
    - Notification of new family name or name change
    - Notification of designation or changes to account for dividend transfers, etc.
  - (i) **Shareholders who have an account at a securities company, etc.**  
Please contact the account management institution (securities company, etc.) where you have opened your account.
  - (ii) **Shareholders who own shares recorded in a special account**  
Please contact Mitsubishi UFJ Trust and Banking Corporation, the account management institution for special accounts.
- 2) For inquiries regarding payment of unclaimed dividends, all shareholders should contact Mitsubishi UFJ Trust and Banking Corporation, the Share registrar.  
Mitsubishi UFJ Trust and Banking Corporation  
Tel: 0120-232-711 (toll free within Japan)  
(Operator and reception hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays, and public holidays)  
Website <https://www.tr.mufg.jp/daikou/>

### (2) Information on shareholder benefit system

Asuka Cruise shareholder discount coupons are provided to shareholders as of March 31 every year. Shareholder discount coupons are enclosed with the documents sent after the Ordinary General Meeting of Shareholders that is held in June. We are not responsible for any accidents after dispatching coupons.

Number of shares held as of March 31		Number of shareholder discount coupons
100 shares or more	Less than 1,500 shares	3 coupons
1,500 shares or more	Less than 3,000 shares	6 coupons
3,000 shares or more		10 coupons

(Coupons are valid from July 1 to September 30 of the following year)

- 10% discount per person per cruise per coupon (valid for 1 person only).
- Shareholder discount coupons are not limited to use by shareholders, and may be used by anyone.
- Shareholder discount coupons cannot be used in conjunction with other discounts (early-bird discounts, etc.).
- For more information on Asuka Cruises, please visit the following NYK CRUISES CO., LTD. website or call the Cruise Desk.

Website <https://www.asukacruise.co.jp>  
Cruise Desk TEL: 0570-666-154 or 045-640-5301